

# Austin Fire Fighters Relief and Retirement Fund

November 23, 2020

Meeting Material

## Agenda

1. Executive Summary
2. 3Q20 Investment Report
3. 3Q20 Asset Transfers
4. Annual Private Equity Pacing History Review
5. Domestic Equity Review
6. Follow-ups from SB 322 Report
7. Educational Piece: Investing in a Low Interest Rate Environment
8. Memos Since Last Meeting
9. Roadmap
10. Appendix
  - Disclaimer, Glossary, and Notes

## **Executive Summary**

3Q 20 Executive Summary

Category	Results	Notes
Total Fund Performance	Positive	+5.5% ( \$55 mm investment gain)
Performance vs. Benchmarks	Underperformed	+5.5% vs. 6.5% (static) and 7.0% (dynamic)
Performance vs. Peers <sup>1</sup>	Outperformed	+5.5% vs. +5.0% median (22nd percentile)
Asset Allocation Attribution Effects	Positive	Overweight PE was additive, underweight US equity was detractive
Active Public Managers vs. Benchmarks	Outperformed	8 of 13 active managers beat respective benchmarks (after fees)
Active Public Managers vs. Peer Groups	Underperformed	8 of 12 <sup>2</sup> active managers beat peer group median (after fees)
Compliance with Targets	In Compliance	All exposure within policy ranges

<sup>1</sup> InvMetrics Public DB >\$1 bb net.

<sup>2</sup> Excludes Aberdeen EMD. No appropriate peer group for Aberdeen blended currency emerging market debt. Peer groups only exist for local currency or USD strategies.

### Peer Rankings

- Historically the Fund typically underperforms peers in strong equity rallies (because of the lower exposure to public equities).
- Historically the Fund's ranking has returned to above medium/top quartile in normal or negative quarters.
- While 3Q20 was a strong public equity market quarter, the Fund's peer ranking improved significantly (a deviation from historic trends). We believe the improvement in peer ranking this quarter was due to private equity (absolute) performance and international equity (relative) performance.

#### 3Q20 -- (S&P 500 was +8.9%)

As of 9/30/20	3Q 20	1 YR	3 YR	5 YR	10 YR
Peer Ranking <sup>1</sup>	22	44	34	25	41

#### 2Q20 -- (S&P 500 was +20.5%)

As of 6/30/20	2Q 20	1 YR	3 YR	5 YR	10 YR
Peer Ranking	99	62	54	38	54

#### 1Q20 -- (S&P 500 was -19.6%)

As of 3/31/20	1Q 20	1 YR	3 YR	5 YR	10 YR
Peer Ranking	5	8	8	8	25

<sup>1</sup> Rankings are based on the InvMetrics Public DB \$250 mm - \$1 bb net peer group. The 4Q19 data and 3Q20 data is based on the InvMetrics Public DB > \$1 billion net peer group as the plan was +\$1 bb at the time.

#### Peer Rankings (continued)

4Q19 -- (S&P 500 was +9.1%)

As of 12/31/19	4Q 19	1 YR	3 YR	5 YR	10 YR
Peer Ranking <sup>1</sup>	71	73	19	19	45

3Q19 -- (S&P 500 was +1.7%)

As of 9/30/19	3Q 19	1 YR	3 YR	5 YR	10 YR
Peer Ranking	7	13	24	21	46

2Q19 -- (S&P 500 was +4.3%)

As of 6/30/19	2Q 19	1 YR	3 YR	5 YR	10 YR
Peer Ranking	84	51	30	25	62

1Q19 -- (S&P 500 was +13.6%)

As of 3/31/19	1Q 19	1 YR	3 YR	5 YR	10 YR
Peer Ranking	98	79	19	21	65

<sup>1</sup> Rankings are based on the InvMetrics Public DB \$250 mm - \$1 bb net peer group. The 4Q19 data and 3Q20 data is based on the InvMetrics Public DB > \$1 billion net peer group as the plan was +\$1 bb at the time.

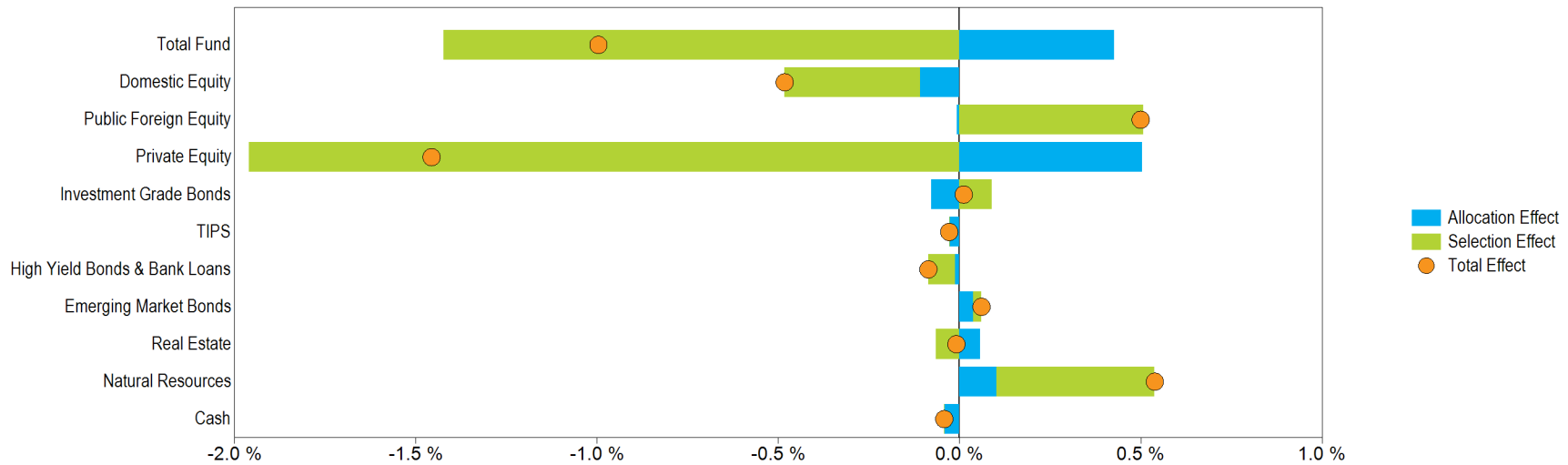
## **3Q20 Investment Report**

# **Attribution Summary as of September 30, 2020**



Summary | As of September 30, 2020

### Attribution Effects



### Attribution Summary

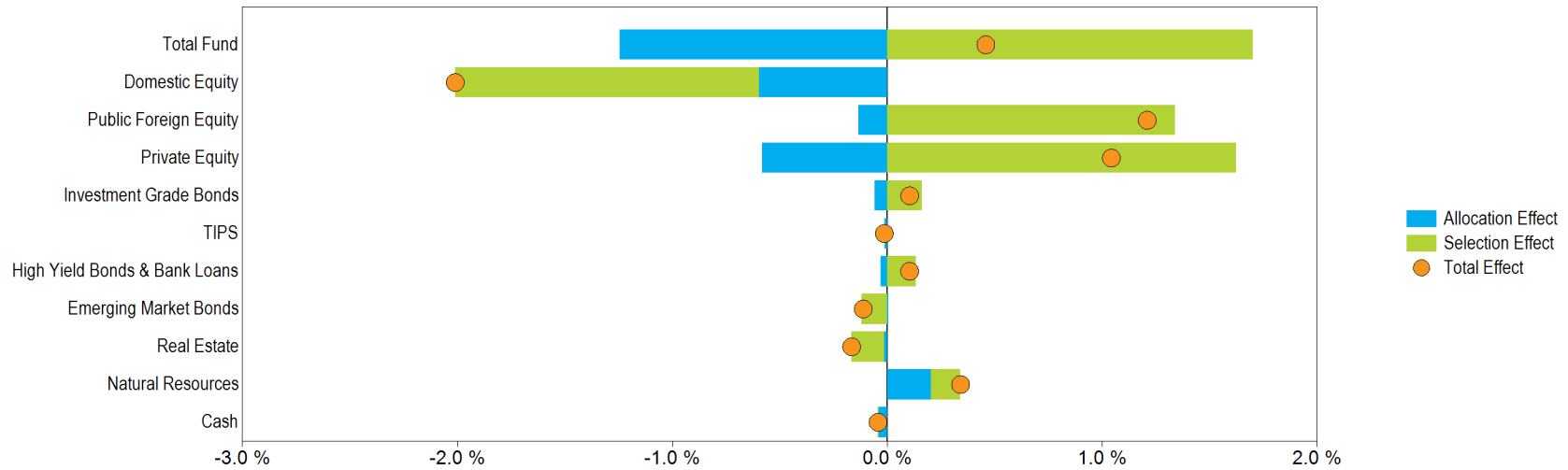
3 Months Ending September 30, 2020

	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Domestic Equity	20.0%	7.0%	9.2%	-2.2%	-0.4%	-0.1%	-0.5%
Public Foreign Equity	22.0%	8.6%	6.3%	2.4%	0.5%	0.0%	0.5%
Private Equity	15.0%	8.9%	19.8%	-10.9%	-2.0%	0.5%	-1.5%
Investment Grade Bonds	13.0%	1.2%	0.6%	0.6%	0.1%	-0.1%	0.0%
TIPS	5.0%	3.0%	3.0%	-0.1%	0.0%	0.0%	0.0%
High Yield Bonds & Bank Loans	5.0%	2.9%	4.2%	-1.4%	-0.1%	0.0%	-0.1%
Emerging Market Bonds	7.0%	2.4%	2.0%	0.4%	0.0%	0.0%	0.1%
Real Estate	10.0%	0.0%	0.7%	-0.7%	-0.1%	0.1%	0.0%
Natural Resources	3.0%	10.6%	-7.6%	18.1%	0.4%	0.1%	0.5%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>5.5%</b>	<b>6.5%</b>	<b>-1.0%</b>	<b>-1.4%</b>	<b>0.4%</b>	<b>-1.0%</b>

The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

Summary | As of September 30, 2020

### Performance Attribution



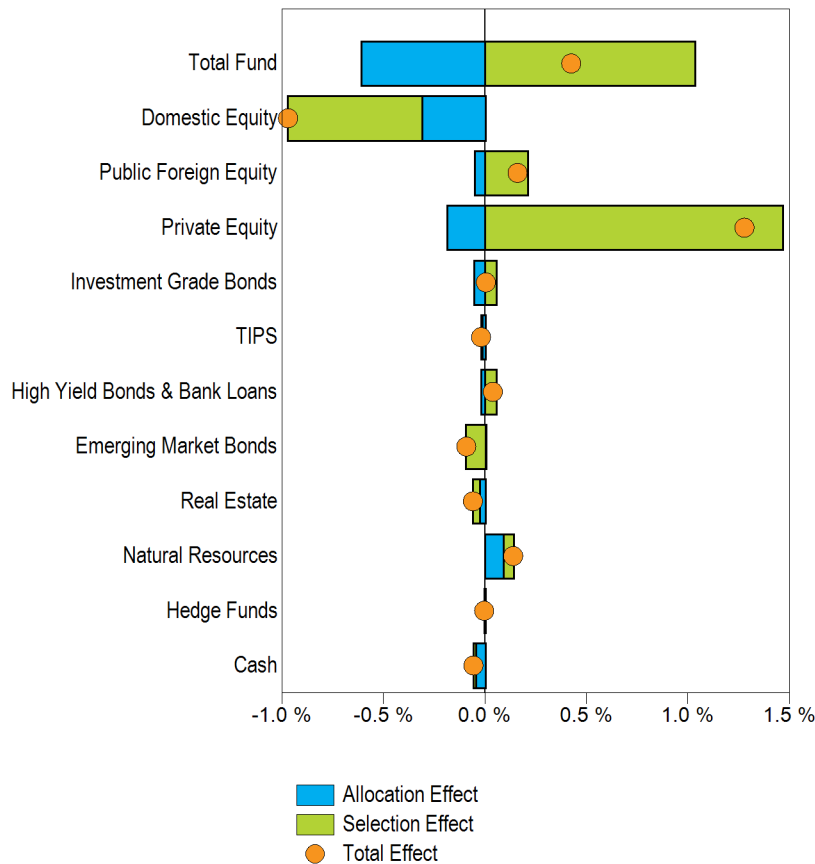
### Attribution Summary

1 Year Ending September 30, 2020

	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Domestic Equity	20.0%	5.4%	15.0%	-9.6%	-1.4%	-0.6%	-2.0%
Public Foreign Equity	22.0%	9.2%	3.0%	6.2%	1.3%	-0.1%	1.2%
Private Equity	15.0%	12.3%	4.2%	8.2%	1.6%	-0.6%	1.0%
Investment Grade Bonds	13.0%	8.1%	7.0%	1.1%	0.2%	-0.1%	0.1%
TIPS	5.0%	10.0%	10.1%	-0.1%	0.0%	0.0%	0.0%
High Yield Bonds & Bank Loans	5.0%	4.5%	2.0%	2.5%	0.1%	0.0%	0.1%
Emerging Market Bonds	7.0%	-0.5%	1.7%	-2.2%	-0.1%	0.0%	-0.1%
Real Estate	10.0%	0.4%	2.0%	-1.6%	-0.2%	0.0%	-0.2%
Natural Resources	3.0%	-13.3%	-26.8%	13.5%	0.1%	0.2%	0.3%
Cash	0.0%	0.0%	0.8%	-0.8%	0.0%	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>6.7%</b>	<b>6.3%</b>	<b>0.5%</b>	<b>1.7%</b>	<b>-1.2%</b>	<b>0.5%</b>

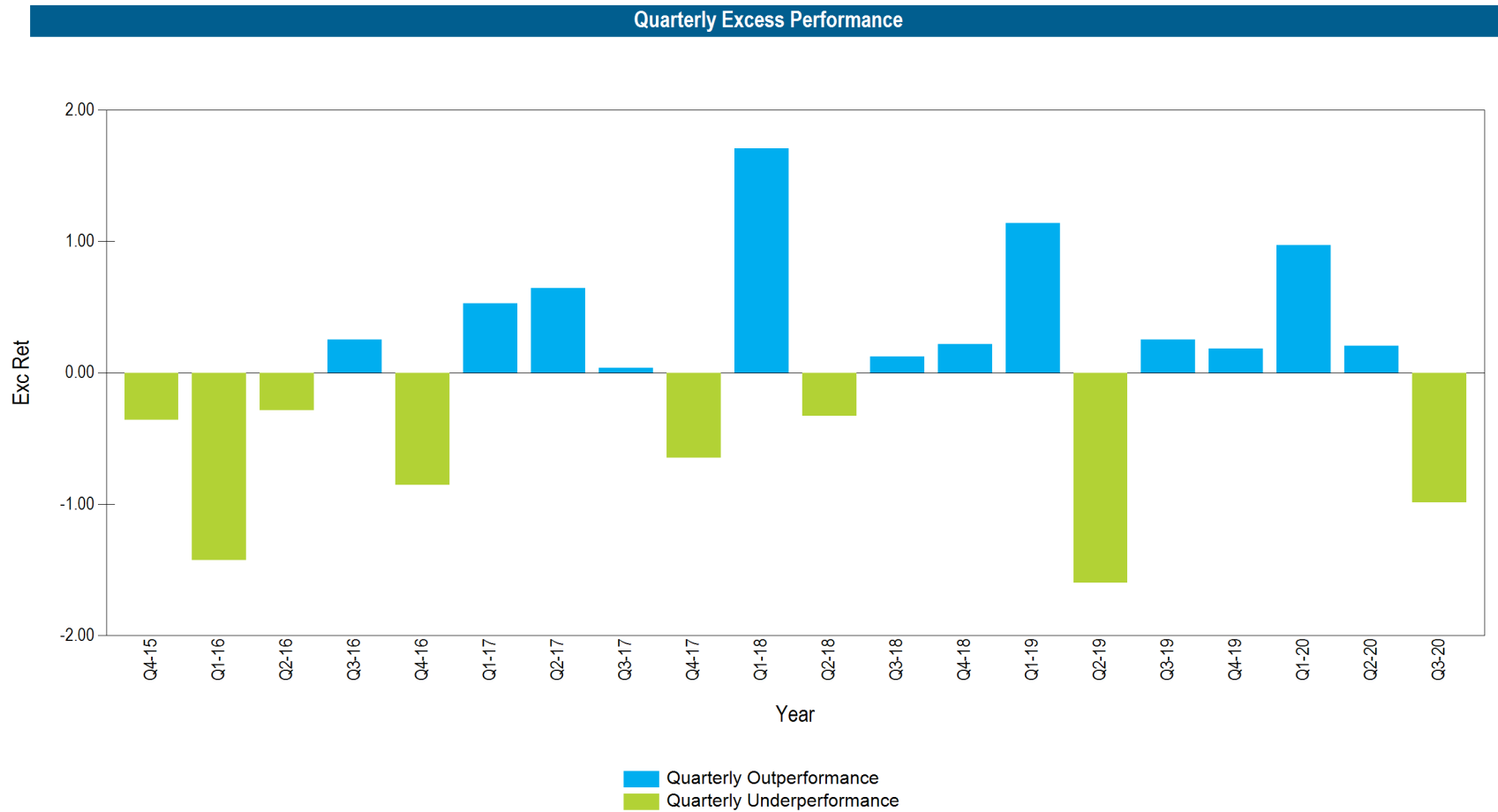
The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.

### Attribution Effects 3 Years Ending September 30, 2020



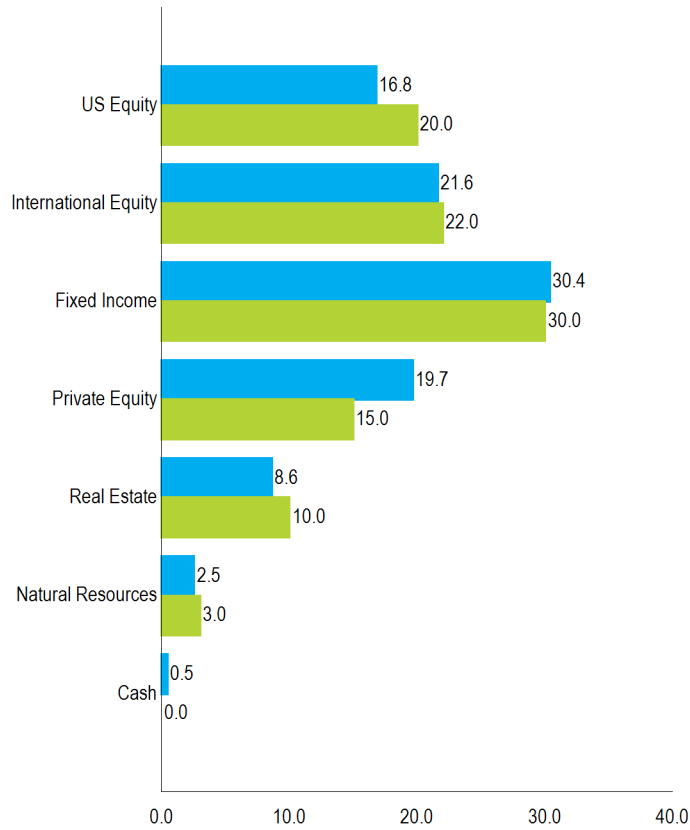
Attribution Summary 3 Years Ending September 30, 2020						
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
Domestic Equity	7.5%	11.6%	-4.2%	-0.7%	-0.3%	-1.0%
Public Foreign Equity	1.8%	1.2%	0.7%	0.2%	0.0%	0.2%
Private Equity	14.8%	6.7%	8.1%	1.5%	-0.2%	1.3%
Investment Grade Bonds	5.6%	5.2%	0.4%	0.1%	-0.1%	0.0%
TIPS	5.7%	5.8%	-0.1%	0.0%	0.0%	0.0%
High Yield Bonds & Bank Loans	4.9%	3.8%	1.0%	0.1%	0.0%	0.0%
Emerging Market Bonds	1.5%	3.1%	-1.7%	-0.1%	0.0%	-0.1%
Real Estate	4.8%	5.1%	-0.3%	0.0%	0.0%	-0.1%
Natural Resources	-5.9%	-12.5%	6.6%	0.0%	0.1%	0.1%
Hedge Funds	--	0.9%	--	0.0%	0.0%	0.0%
Cash	0.0%	1.6%	-1.6%	0.0%	0.0%	-0.1%
<b>Total</b>	<b>6.1%</b>	<b>5.7%</b>	<b>0.4%</b>	<b>1.0%</b>	<b>-0.6%</b>	<b>0.4%</b>

The performance calculation methodology in attribution tables is different from the standard time weighted returns (geometric linkage of monthly returns) found throughout the rest of the report. In attribution tables, the average weight of each asset class (over the specified time period) is multiplied by the time period performance of that asset class and summed. Values may not sum due to rounding.



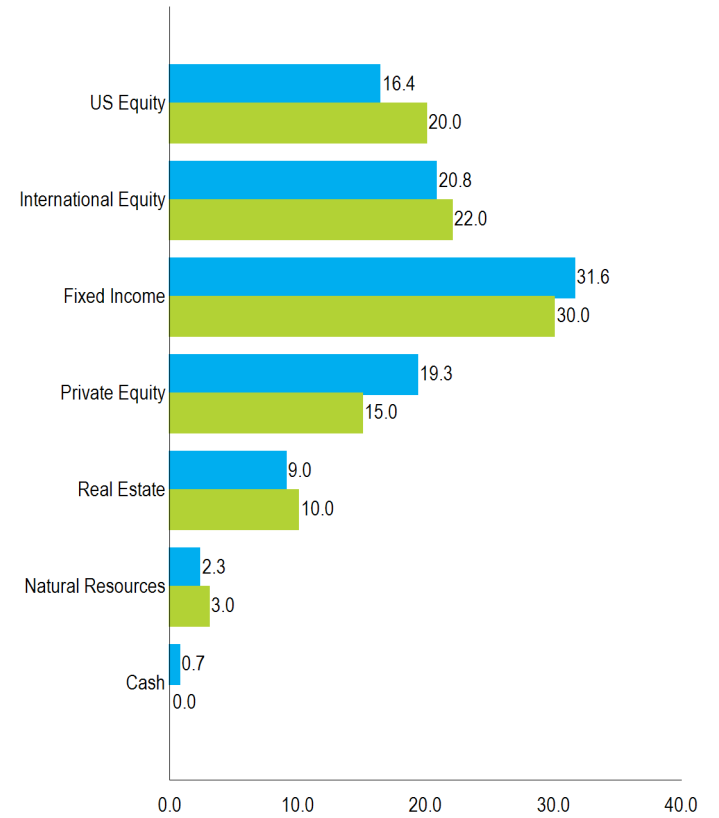
## Fund Summary

Actual vs Target Allocation (%)  
As of September 30, 2020







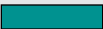


Actual Policy

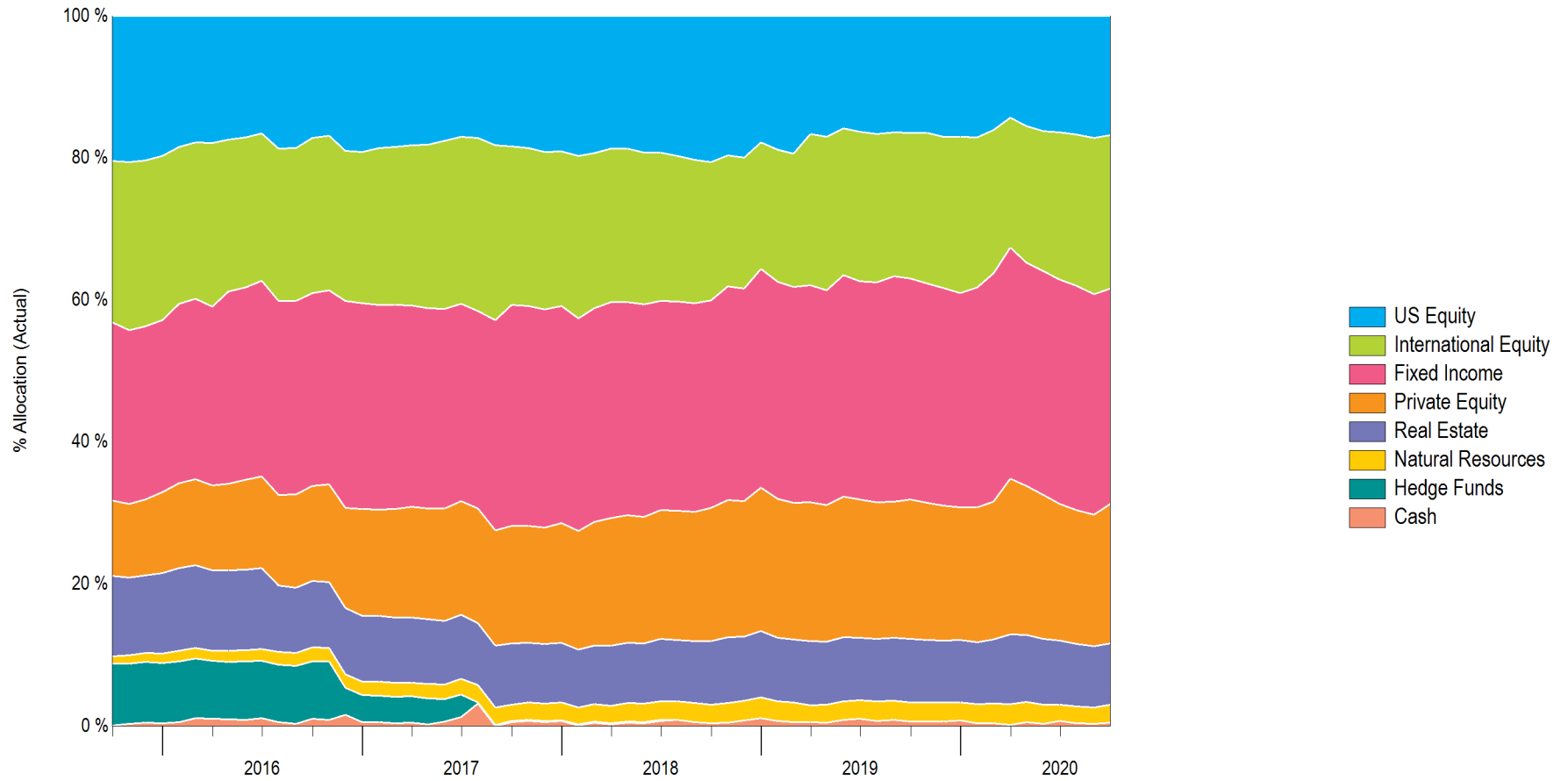
Actual vs Target Allocation (%)  
As of June 30, 2020



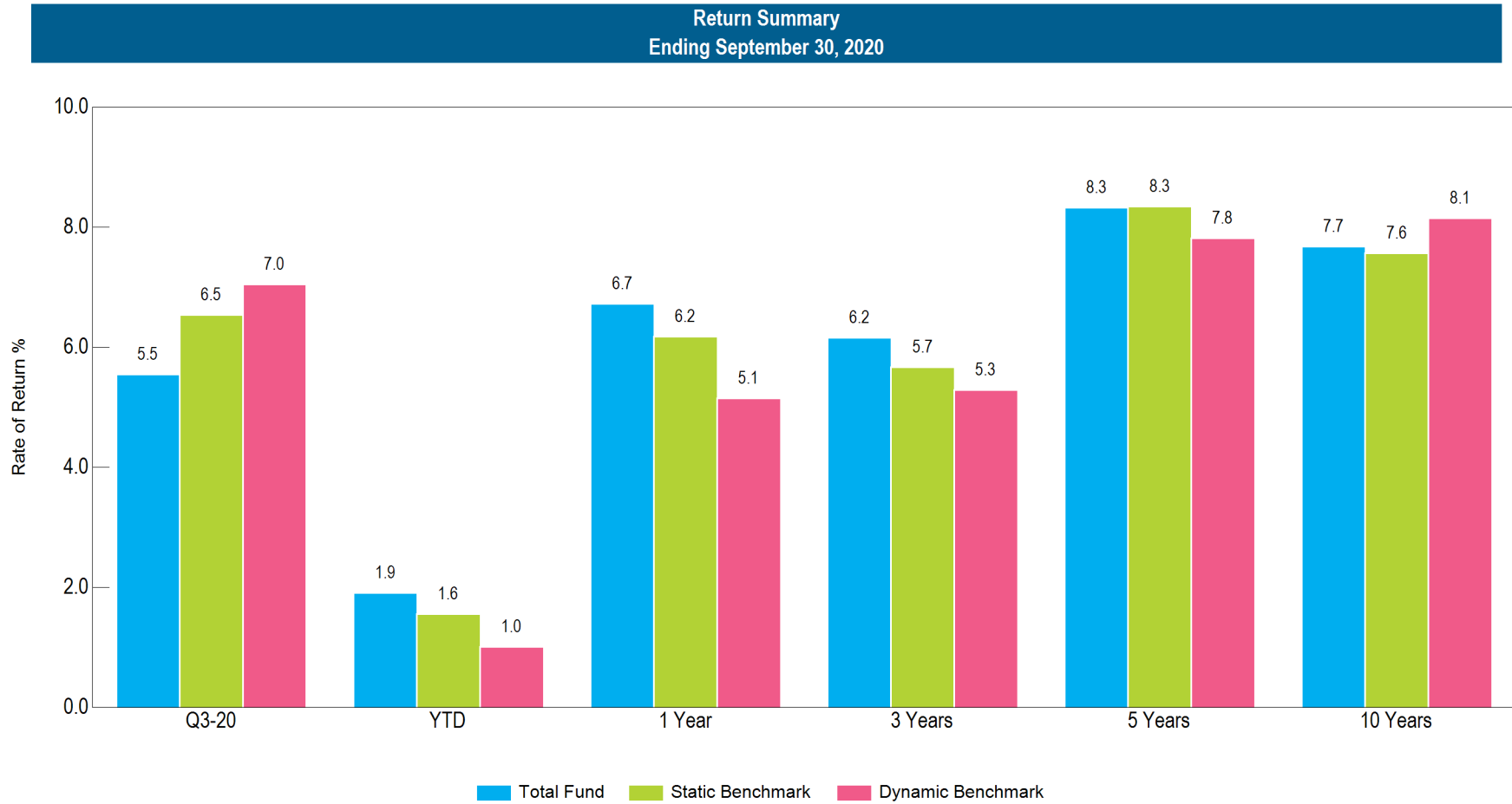
Actual Policy

Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?	
 US Equity	\$171,400,245	17%	20%	13% - 27%	Yes	
 International Equity	\$220,665,703	22%	22%	15% - 29%	Yes	
 Fixed Income	\$310,103,532	30%	30%	20% - 40%	Yes	
 Private Equity	\$200,797,264	20%	15%	5% - 25%	Yes	
 Real Estate	\$88,018,349	9%	10%	0% - 20%	Yes	
 Natural Resources	\$25,845,035	3%	3%	0% - 5%	Yes	
 Cash	\$4,673,445	0%	0%	0% - 5%	Yes	
<b>Total</b>	<b>\$1,021,503,573</b>	<b>100%</b>	<b>100%</b>			

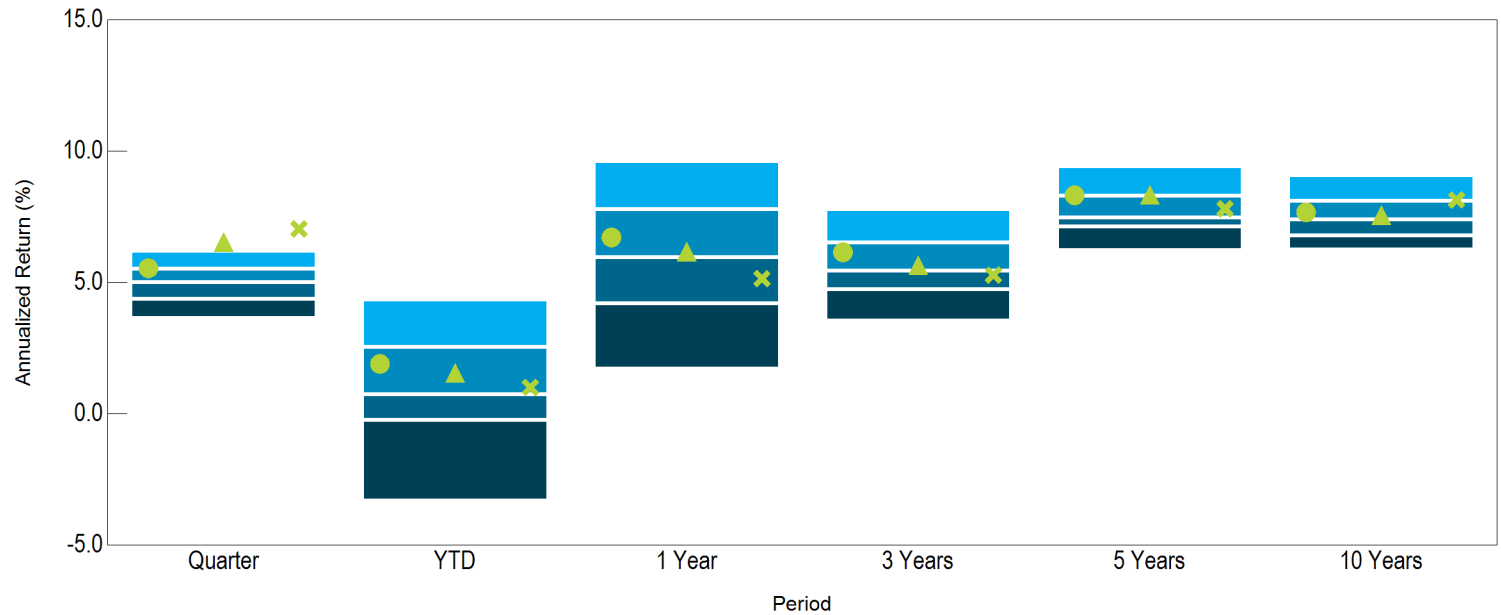
Asset Allocation History  
5 Years Ending September 30, 2020





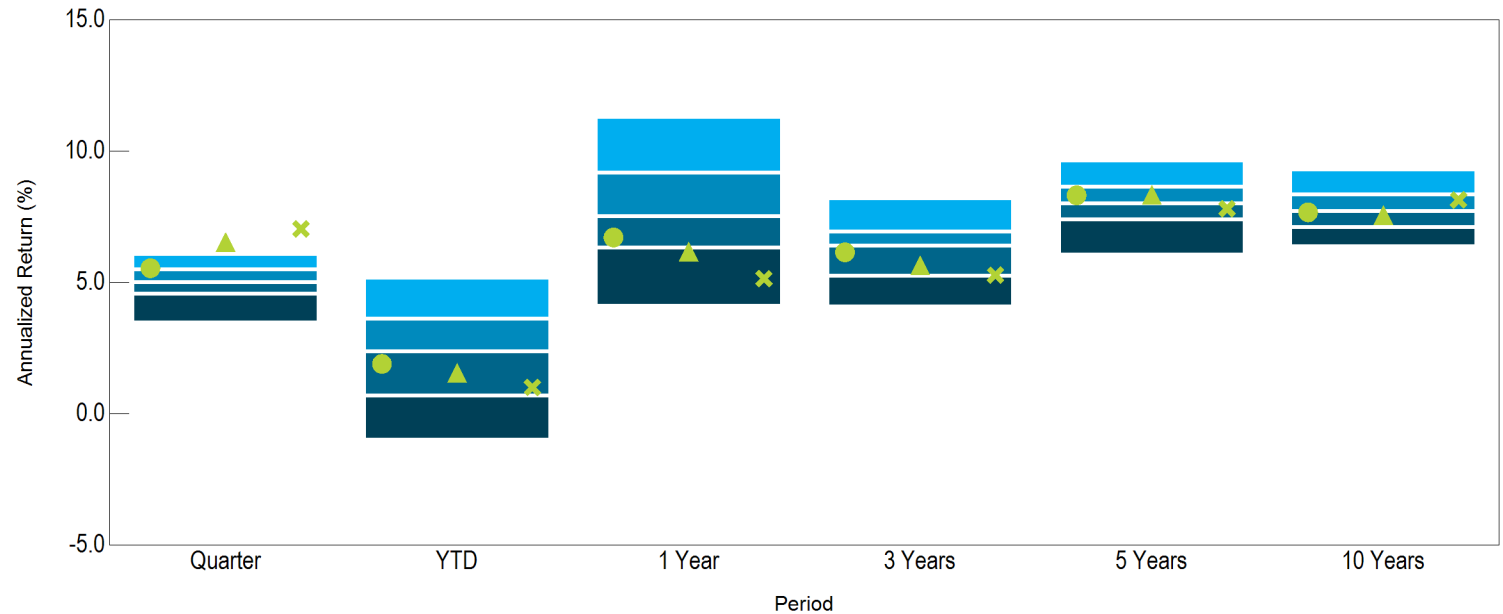


#### InvMetrics Public DB > \$1B Net Accounts



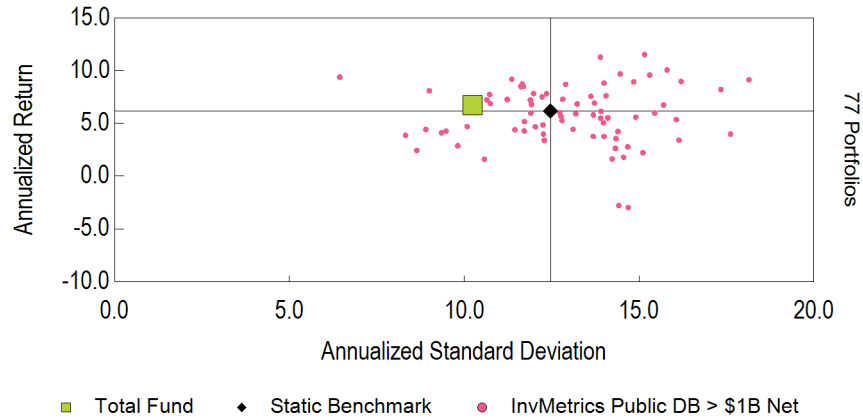
	Return (Rank)					
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
5th Percentile	6.2	4.4	9.6	7.8	9.4	9.1
25th Percentile	5.5	2.6	7.8	6.5	8.3	8.1
Median	5.0	0.8	6.0	5.5	7.5	7.4
75th Percentile	4.4	-0.2	4.2	4.8	7.2	6.8
95th Percentile	3.7	-3.3	1.7	3.6	6.2	6.3
# of Portfolios	77	77	77	77	75	69
● Total Fund	5.5 (22)	1.9 (35)	6.7 (44)	6.2 (34)	8.3 (25)	7.7 (41)
▲ Static Benchmark	6.5 (2)	1.6 (41)	6.2 (46)	5.7 (47)	8.3 (25)	7.6 (46)
✕ Dynamic Benchmark	7.0 (1)	1.0 (45)	5.1 (63)	5.3 (60)	7.8 (44)	8.1 (25)

#### InvMetrics Public DB \$250mm-\$1B Net Accounts

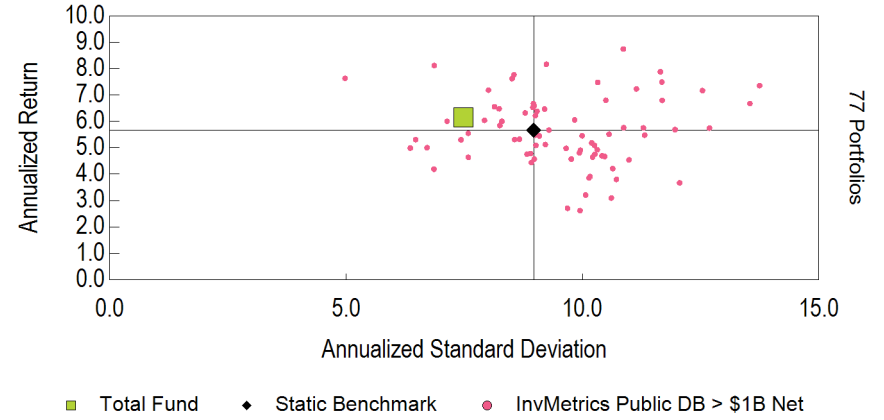


	Quarter		YTD		1 Year		3 Years		5 Years		10 Years	
	Return	(Rank)	Return	(Rank)	Return	(Rank)	Return	(Rank)	Return	(Rank)	Return	(Rank)
5th Percentile	6.1		5.2		11.3		8.2		9.6		9.3	
25th Percentile	5.5		3.6		9.2		7.0		8.7		8.4	
Median	5.0		2.4		7.5		6.4		8.0		7.7	
75th Percentile	4.6		0.7		6.4		5.3		7.4		7.1	
95th Percentile	3.5		-1.0		4.1		4.1		6.1		6.4	
# of Portfolios	75		75		75		72		68		55	
● Total Fund	5.5	(25)	1.9	(63)	6.7	(70)	6.2	(56)	8.3	(40)	7.7	(52)
▲ Static Benchmark	6.5	(4)	1.6	(67)	6.2	(77)	5.7	(69)	8.3	(40)	7.6	(55)
✕ Dynamic Benchmark	7.0	(2)	1.0	(72)	5.1	(87)	5.3	(75)	7.8	(56)	8.1	(32)

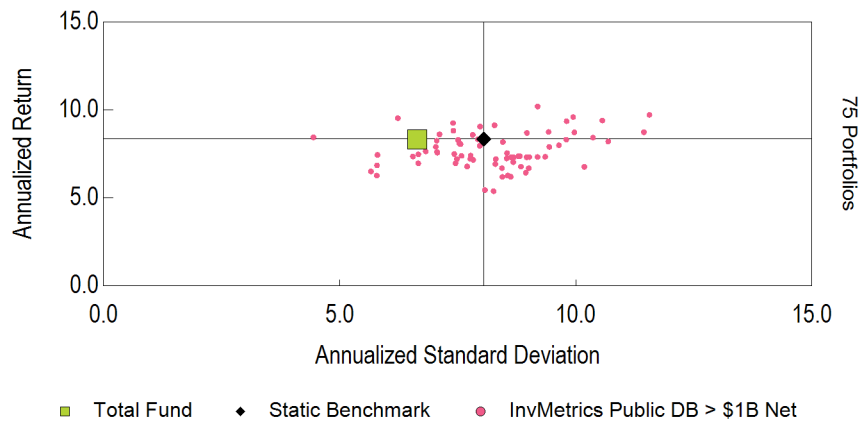
Annualized Return vs. Annualized Standard Deviation  
1 Year Ending September 30, 2020



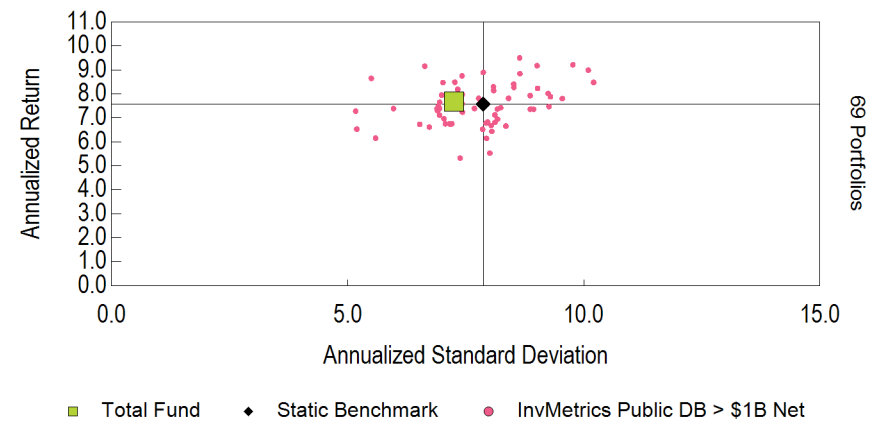
Annualized Return vs. Annualized Standard Deviation  
3 Years Ending September 30, 2020



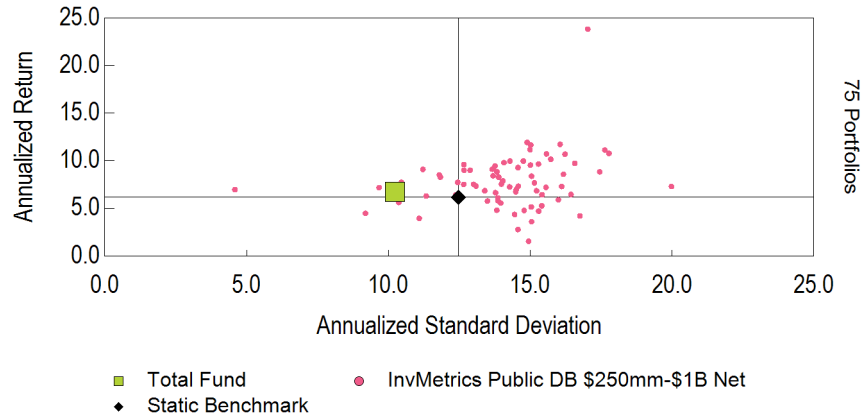
Annualized Return vs. Annualized Standard Deviation  
5 Years Ending September 30, 2020



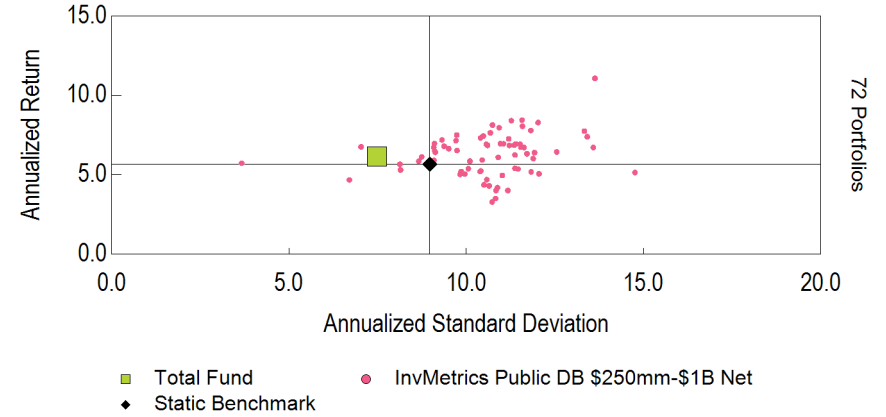
Annualized Return vs. Annualized Standard Deviation  
10 Years Ending September 30, 2020



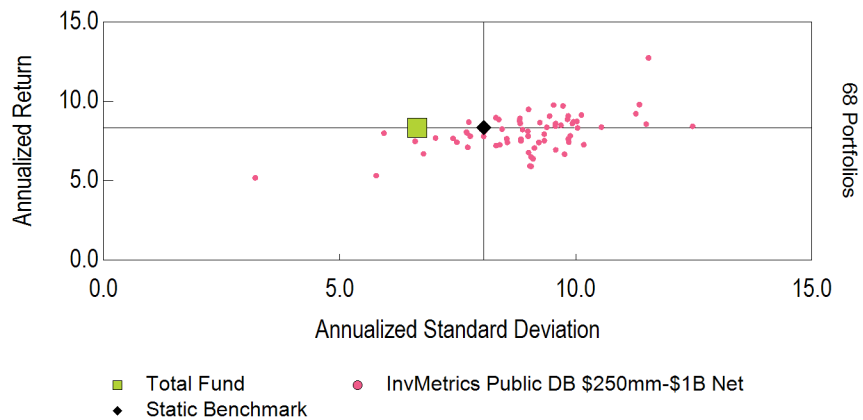
Annualized Return vs. Annualized Standard Deviation  
1 Year Ending September 30, 2020



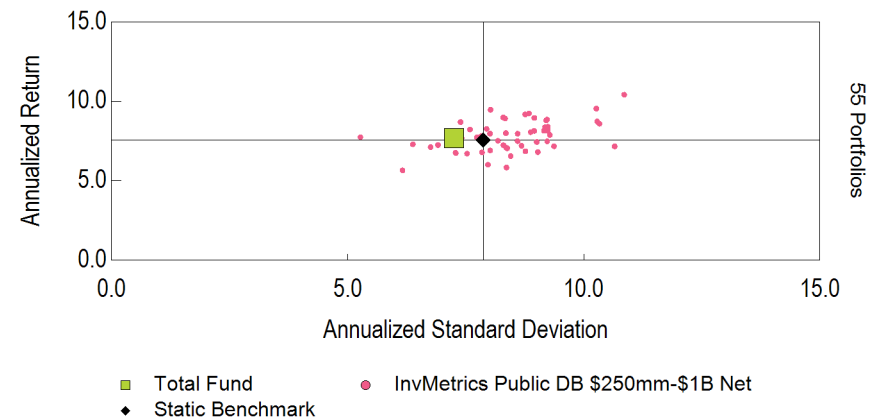
Annualized Return vs. Annualized Standard Deviation  
3 Years Ending September 30, 2020



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending September 30, 2020



Annualized Return vs. Annualized Standard Deviation  
10 Years Ending September 30, 2020



Asset Class Performance Summary (Net of Fees)										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Total Fund</b>	<b>1,021,503,573</b>	<b>100.0</b>	<b>5.5</b>	<b>1.9</b>	<b>6.7</b>	<b>6.2</b>	<b>8.3</b>	<b>7.7</b>	<b>6.9</b>	<b>Mar-97</b>
<i>Static Benchmark</i>			6.5	1.6	6.2	5.7	8.3	7.6	--	Mar-97
<i>Dynamic Benchmark</i>			7.0	1.0	5.1	5.3	7.8	8.1	--	Mar-97
<b>Domestic Equity</b>	<b>171,400,245</b>	<b>16.8</b>	<b>7.0</b>	<b>-2.5</b>	<b>5.4</b>	<b>7.5</b>	<b>10.5</b>	<b>11.4</b>	<b>7.9</b>	<b>Mar-97</b>
<i>Russell 3000</i>			9.2	5.4	15.0	11.6	13.7	13.5	8.7	Mar-97
<b>International Equity</b>	<b>220,665,703</b>	<b>21.6</b>	<b>8.6</b>	<b>-2.1</b>	<b>9.2</b>	<b>1.8</b>	<b>8.1</b>	<b>5.1</b>	<b>5.8</b>	<b>Mar-97</b>
<i>Spliced International Equity Benchmark</i>			6.3	-5.4	3.0	1.2	6.2	4.0	5.1	Mar-97
<b>Private Equity</b>	<b>200,797,264</b>	<b>19.7</b>	<b>8.9</b>	<b>8.6</b>	<b>12.3</b>	<b>14.8</b>	<b>14.4</b>	<b>14.7</b>	<b>15.3</b>	<b>May-10</b>
<i>Private Equity Benchmark</i>			19.8	3.7	4.2	6.7	12.0	14.3	14.5	May-10
<b>Fixed Income</b>	<b>310,103,532</b>	<b>30.4</b>	<b>2.0</b>	<b>5.0</b>	<b>6.1</b>	<b>4.7</b>	<b>5.0</b>	<b>3.6</b>	<b>5.1</b>	<b>Mar-97</b>
<i>BBgBarc US Aggregate TR</i>			0.6	6.8	7.0	5.2	4.2	3.6	5.3	Mar-97
<b>Real Estate</b>	<b>88,018,349</b>	<b>8.6</b>	<b>0.0</b>	<b>-1.4</b>	<b>0.4</b>	<b>4.8</b>	<b>6.1</b>	<b>9.4</b>	<b>2.9</b>	<b>Dec-07</b>
<i>NCREIF Property Index</i>			0.7	0.5	2.0	5.1	6.3	9.4	5.8	Dec-07
<b>Natural Resources</b>	<b>25,845,035</b>	<b>2.5</b>	<b>10.6</b>	<b>-10.0</b>	<b>-13.3</b>	<b>-5.9</b>	<b>-0.1</b>	<b>--</b>	<b>0.0</b>	<b>Feb-13</b>
<i>S&amp;P North American Natural Resources TR</i>			-7.6	-31.9	-26.8	-12.5	-3.8	-2.6	-5.8	Feb-13
<b>Cash</b>	<b>4,673,445</b>	<b>0.5</b>								

Spliced international equity benchmark is MSCI ACWI-ex U.S. for all periods except 1/1/1997-1/1/1999. MSCI ACWI-ex U.S. is not available during this time period so the MSCI EAFE Index was used.

Private Equity Benchmark consists of the S&P 500 Index +3% prior to 3/31/2018, and the MSCI ACWI Index + 2% (Quarter Lagged) thereafter.

Trailing Net Performance											
	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Total Fund</b>	<b>1,021,503,573</b>	<b>100.0</b>	<b>--</b>	<b>5.5</b>	<b>1.9</b>	<b>6.7</b>	<b>6.2</b>	<b>8.3</b>	<b>7.7</b>	<b>6.9</b>	<b>Mar-97</b>
<i>Static Benchmark</i>				6.5	1.6	6.2	5.7	8.3	7.6	--	Mar-97
<i>Dynamic Benchmark</i>				7.0	1.0	5.1	5.3	7.8	8.1	--	Mar-97
<i>InvMetrics Public DB &gt; \$1B Net Median</i>				5.0	0.8	6.0	5.5	7.5	7.4	6.8	Mar-97
<i>InvMetrics Public DB &gt; \$1B Net Rank</i>				22	35	44	34	25	41	49	Mar-97
<b>Domestic Equity</b>	<b>171,400,245</b>	<b>16.8</b>	<b>16.8</b>	<b>7.0</b>	<b>-2.5</b>	<b>5.4</b>	<b>7.5</b>	<b>10.5</b>	<b>11.4</b>	<b>7.9</b>	<b>Mar-97</b>
<i>Russell 3000</i>				9.2	5.4	15.0	11.6	13.7	13.5	8.7	Mar-97
<i>eV All US Equity Net Median</i>				6.8	-2.9	4.7	6.5	9.8	11.2	9.4	Mar-97
<i>eV All US Equity Net Rank</i>				49	50	50	47	47	49	84	Mar-97
Westwood Capital Large Cap Value	44,807,598	4.4	26.1	4.8	-9.0	-3.7	5.5	9.0	10.4	8.0	Oct-01
<i>Russell 1000 Value</i>				5.6	-11.6	-5.0	2.6	7.7	9.9	7.1	Oct-01
<i>eV US Large Cap Value Equity Net Median</i>				5.2	-10.5	-3.7	3.1	7.7	9.8	7.4	Oct-01
<i>eV US Large Cap Value Equity Net Rank</i>				56	41	51	28	31	34	26	Oct-01
Westfield Small/Mid Cap Growth	54,031,842	5.3	31.5	9.5	10.2	26.0	14.7	14.3	14.2	13.1	Nov-02
<i>Russell 2500 Growth</i>				9.4	11.6	23.4	13.4	14.2	14.1	12.2	Nov-02
<i>eV US Small-Mid Cap Growth Equity Net Median</i>				8.6	12.8	24.1	17.0	15.3	14.0	11.9	Nov-02
<i>eV US Small-Mid Cap Growth Equity Net Rank</i>				38	66	46	57	57	46	29	Nov-02

### Fund Summary | As of September 30, 2020

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Vaughan Nelson Small Cap Value	39,831,580	3.9	23.2	4.6	-14.3	-11.0	-1.6	--	--	3.7	Jan-16
<i>Russell 2000 Value</i>				2.6	-21.5	-14.9	-5.1	4.1	7.1	3.7	Jan-16
<i>eV US Small Cap Value Equity Net Median</i>				2.4	-19.8	-13.7	-4.4	3.6	7.4	3.2	Jan-16
<i>eV US Small Cap Value Equity Net Rank</i>				26	26	35	25	--	--	41	Jan-16
SSgA S&P 500	32,729,226	3.2	19.1	8.9	5.5	15.1	12.2	14.1	13.7	8.9	Feb-04
<i>S&amp;P 500</i>				8.9	5.6	15.1	12.3	14.1	13.7	9.0	Feb-04
<i>eV US Large Cap Equity Net Median</i>				7.8	1.5	9.6	9.4	11.5	12.2	8.8	Feb-04
<i>eV US Large Cap Equity Net Rank</i>				40	39	37	36	30	31	49	Feb-04
<b>International Equity</b>	<b>220,665,703</b>	<b>21.6</b>	<b>21.6</b>	<b>8.6</b>	<b>-2.1</b>	<b>9.2</b>	<b>1.8</b>	<b>8.1</b>	<b>5.1</b>	<b>5.8</b>	<b>Mar-97</b>
<i>Spliced International Equity Benchmark</i>				6.3	-5.4	3.0	1.2	6.2	4.0	5.1	Mar-97
Baillie Gifford International Growth Fund	52,894,954	5.2	24.0	14.7	34.9	53.8	16.4	19.5	11.4	14.1	May-09
<i>MSCI ACWI ex USA</i>				6.3	-5.4	3.0	1.2	6.2	4.0	6.9	May-09
<i>MSCI EAFE</i>				4.8	-7.1	0.5	0.6	5.3	4.6	7.0	May-09
<i>eV ACWI ex-US All Cap Core Eq Net Median</i>				8.8	-1.4	8.8	3.5	8.0	5.6	8.5	May-09
<i>eV ACWI ex-US All Cap Core Eq Net Rank</i>				1	1	1	1	1	1	1	May-09
Sanderson International Value	40,904,285	4.0	18.5	3.4	-16.0	-7.8	-4.4	2.0	--	2.7	Feb-13
<i>MSCI EAFE Value</i>				1.2	-18.3	-11.9	-5.9	1.1	2.1	0.9	Feb-13
<i>MSCI EAFE</i>				4.8	-7.1	0.5	0.6	5.3	4.6	4.1	Feb-13
<i>eV EAFE All Cap Value Net Median</i>				2.9	-13.4	-6.2	-3.9	2.0	4.4	2.7	Feb-13
<i>eV EAFE All Cap Value Net Rank</i>				40	66	73	68	50	--	52	Feb-13



	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Highclere International Small Cap	43,243,798	4.2	19.6	9.9	-6.3	5.7	-0.3	7.4	7.5	7.7	Dec-09
<i>MSCI EAFE Small Cap</i>				10.3	-4.2	6.8	1.4	7.4	7.3	7.7	Dec-09
<i>S&amp;P EPAC Under USD2 Billion NR USD</i>				11.6	-3.5	7.8	-0.5	5.6	5.7	6.1	Dec-09
<i>eV EAFE Small Cap Equity Net Median</i>				9.6	-6.0	5.4	-0.1	6.8	8.7	9.0	Dec-09
<i>eV EAFE Small Cap Equity Net Rank</i>				44	52	50	54	41	58	56	Dec-09
SSgA MSCI EAFE Fund	25,547,929	2.5	11.6	4.8	-6.8	0.9	0.9	5.6	--	4.4	Feb-13
<i>MSCI EAFE</i>				4.8	-7.1	0.5	0.6	5.3	4.6	4.1	Feb-13
<i>eV EAFE Core Equity Net Median</i>				7.0	-5.4	3.9	1.1	5.8	5.9	5.2	Feb-13
<i>eV EAFE Core Equity Net Rank</i>				82	63	69	53	53	--	70	Feb-13
DFA Emerging Markets Value	26,514,558	2.6	12.0	4.7	-15.1	-6.8	-4.0	5.4	-0.8	0.8	Dec-09
<i>MSCI Emerging Markets Value NR USD</i>				4.7	-14.2	-5.7	-2.9	4.4	-0.4	0.9	Dec-09
<i>MSCI Emerging Markets</i>				9.6	-1.2	10.5	2.4	9.0	2.5	3.6	Dec-09
<i>eV Emg Mkts All Cap Value Equity Net Median</i>				6.2	-9.1	1.8	-1.5	7.1	1.0	2.5	Dec-09
<i>eV Emg Mkts All Cap Value Equity Net Rank</i>				64	68	74	73	79	99	99	Dec-09
TT Emerging Markets Equity	31,560,179	3.1	14.3	11.0	-3.3	9.9	--	--	--	3.4	Apr-19
<i>MSCI Emerging Markets</i>				9.6	-1.2	10.5	2.4	9.0	2.5	4.3	Apr-19
<i>eV Emg Mkts Equity Net Median</i>				9.7	-1.4	10.3	1.9	8.4	2.7	5.2	Apr-19
<i>eV Emg Mkts Equity Net Rank</i>				30	64	52	--	--	--	60	Apr-19
<b>Private Equity</b>	<b>200,797,264</b>	<b>19.7</b>	<b>19.7</b>	<b>8.9</b>	<b>8.6</b>	<b>12.3</b>	<b>14.8</b>	<b>14.4</b>	<b>14.7</b>	<b>15.3</b>	<b>May-10</b>
<i>Private Equity Benchmark</i>				19.8	3.7	4.2	6.7	12.0	14.3	14.5	May-10

### Fund Summary | As of September 30, 2020

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
LGT Crown Global Opportunities VI	28,797,221	2.8	14.3								
Constitution Capital Partners	16,285,467	1.6	8.1								
Greenspring Global Partners VI	15,155,641	1.5	7.5								
Aberdeen Flag Private Equity VI	14,375,573	1.4	7.2								
Cross Creek Capital Partners II - B	14,084,664	1.4	7.0								
Partners Group Emerging Markets 2015	10,518,353	1.0	5.2								
Cross Creek Capital Partners III	10,389,610	1.0	5.2								
LGT Crown Asia II	10,383,413	1.0	5.2								
57 Stars Global Opportunity 3	10,211,279	1.0	5.1								
HarbourVest Co-Investment Fund IV	9,146,316	0.9	4.6								
Aberdeen Flag Private Equity V	9,061,622	0.9	4.5								
Greenspring Global Partners V	8,716,380	0.9	4.3								
HarbourVest 2013 Direct	6,502,847	0.6	3.2								
Dover Street X, L.P.	5,773,305	0.6	2.9								
Blue Bay Direct Lending	5,559,457	0.5	2.8								
Private Advisors Co-Investment Fund III	5,461,798	0.5	2.7								
LGT Crown Europe Small Buyouts III	5,137,653	0.5	2.6								

### Fund Summary | As of September 30, 2020

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Deutsche Bank SOF III	5,092,504	0.5	2.5								
SVB Strategic Investors Fund IX, L.P.	4,343,483	0.4	2.2								
LGT Crown Global Secondaries III	3,477,375	0.3	1.7								
Private Equity Investors V	1,391,002	0.1	0.7								
Partners Group U.S. Distressed Private Equity 2009	712,815	0.1	0.4								
LGT Crown Global Secondaries II	219,486	0.0	0.1								
<b>Fixed Income</b>	<b>310,103,532</b>	<b>30.4</b>	<b>30.4</b>	<b>2.0</b>	<b>5.0</b>	<b>6.1</b>	<b>4.7</b>	<b>5.0</b>	<b>3.6</b>	<b>5.1</b>	<b>Mar-97</b>
<i>BBgBarc US Aggregate TR</i>				<i>0.6</i>	<i>6.8</i>	<i>7.0</i>	<i>5.2</i>	<i>4.2</i>	<i>3.6</i>	<i>5.3</i>	<i>Mar-97</i>
SSgA Bond Fund	76,320,643	7.5	24.6	0.6	6.8	7.0	5.2	4.1	3.6	4.3	Jan-04
<i>BBgBarc US Aggregate TR</i>				<i>0.6</i>	<i>6.8</i>	<i>7.0</i>	<i>5.2</i>	<i>4.2</i>	<i>3.6</i>	<i>4.4</i>	<i>Jan-04</i>
<i>eV US Core Fixed Inc Net Median</i>				<i>1.1</i>	<i>7.2</i>	<i>7.2</i>	<i>5.4</i>	<i>4.4</i>	<i>3.9</i>	<i>4.6</i>	<i>Jan-04</i>
<i>eV US Core Fixed Inc Net Rank</i>				<i>88</i>	<i>62</i>	<i>62</i>	<i>63</i>	<i>76</i>	<i>78</i>	<i>77</i>	<i>Jan-04</i>
Loomis Sayles Core Plus Fixed Income	59,833,145	5.9	19.3	1.9	8.9	9.5	6.1	5.9	--	5.1	Jul-15
<i>BBgBarc US Aggregate TR</i>				<i>0.6</i>	<i>6.8</i>	<i>7.0</i>	<i>5.2</i>	<i>4.2</i>	<i>3.6</i>	<i>4.2</i>	<i>Jul-15</i>
<i>eV US Core Plus Fixed Inc Net Median</i>				<i>1.7</i>	<i>6.7</i>	<i>7.1</i>	<i>5.4</i>	<i>4.8</i>	<i>4.5</i>	<i>4.6</i>	<i>Jul-15</i>
<i>eV US Core Plus Fixed Inc Net Rank</i>				<i>29</i>	<i>9</i>	<i>7</i>	<i>10</i>	<i>5</i>	<i>--</i>	<i>18</i>	<i>Jul-15</i>
Aberdeen Emerging Markets Bond Fund	61,428,884	6.0	19.8	2.4	-2.9	-0.5	1.5	6.1	--	3.8	Dec-14
<i>JP Morgan EMBI Global Diversified</i>				<i>2.3</i>	<i>-0.5</i>	<i>1.3</i>	<i>3.5</i>	<i>6.1</i>	<i>5.4</i>	<i>4.8</i>	<i>Dec-14</i>
<i>50% JPM EMBI GD, 25% JPM GBI EM GD, 25% CMBI Broad</i>				<i>2.0</i>	<i>-1.0</i>	<i>1.7</i>	<i>3.1</i>	<i>6.0</i>	<i>4.4</i>	<i>4.2</i>	<i>Dec-14</i>

### Fund Summary | As of September 30, 2020

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
SSGA TIPS	57,605,387	5.6	18.6	3.0	9.2	10.0	5.7	4.6	--	3.1	Aug-14
<i>BBgBarc US TIPS TR</i>				3.0	9.2	10.1	5.8	4.6	3.6	3.2	Aug-14
<i>eV US TIPS / Inflation Fixed Inc Net Median</i>				3.3	8.9	9.9	5.8	4.6	3.4	3.1	Aug-14
<i>eV US TIPS / Inflation Fixed Inc Net Rank</i>				66	41	36	55	57	--	50	Aug-14
Pyramis Tactical Bond Fund	36,295,436	3.6	11.7	2.8	4.8	6.4	5.9	6.2	--	5.3	Aug-13
<i>BBgBarc US Aggregate TR</i>				0.6	6.8	7.0	5.2	4.2	3.6	3.9	Aug-13
<i>eV US Core Plus Fixed Inc Net Median</i>				1.7	6.7	7.1	5.4	4.8	4.5	4.4	Aug-13
<i>eV US Core Plus Fixed Inc Net Rank</i>				4	95	71	16	2	--	3	Aug-13
Pacific Asset Management Bank Loans	18,620,038	1.8	6.0	3.1	-0.3	--	--	--	--	0.6	Dec-19
<i>Credit Suisse Leveraged Loans</i>				4.1	-0.8	0.8	3.2	4.0	4.4	0.8	Dec-19
<i>Bank Loan MStar MF Median</i>				3.6	-1.9	-0.3	2.3	3.4	3.8	-0.4	Dec-19
<i>Bank Loan MStar MF Rank</i>				85	15	--	--	--	--	24	Dec-19
<b>Real Estate</b>	<b>88,018,349</b>	<b>8.6</b>	<b>8.6</b>	<b>0.0</b>	<b>-1.4</b>	<b>0.4</b>	<b>4.8</b>	<b>6.1</b>	<b>9.4</b>	<b>2.9</b>	<b>Dec-07</b>
<i>NCREIF Property Index</i>				0.7	0.5	2.0	5.1	6.3	9.4	5.8	Dec-07
Clarion Partners Lion Properties Fund	66,275,682	6.5	75.3	0.4	-0.4	1.3	5.6	7.1	10.6	5.7	Apr-05
<i>NCREIF ODCE Equal Weighted (Net)</i>				0.4	-0.4	0.9	4.6	6.1	9.4	6.1	Apr-05
Portfolio Advisors Real Estate Fund V	9,335,300	0.9	10.6								
Partners Group Global RE 2011	1,820,479	0.2	2.1								

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Metropolitan Real Estate Distressed II	1,180,634	0.1	1.3								
Partners Group Distressed RE 2009	1,155,045	0.1	1.3								
Partners Group Real Estate Secondary 2017	8,251,208	0.8	9.4								
<b>Natural Resources</b>	<b>25,845,035</b>	<b>2.5</b>	<b>2.5</b>	<b>10.6</b>	<b>-10.0</b>	<b>-13.3</b>	<b>-5.9</b>	<b>-0.1</b>	<b>--</b>	<b>0.0</b>	<b>Feb-13</b>
<i>S&amp;P North American Natural Resources TR</i>				<i>-7.6</i>	<i>-31.9</i>	<i>-26.8</i>	<i>-12.5</i>	<i>-3.8</i>	<i>-2.6</i>	<i>-5.8</i>	<i>Feb-13</i>
Aether Real Assets III	10,877,034	1.1	42.1								
Aether Real Assets II	3,759,229	0.4	14.5								
Aether Real Assets IV	8,137,487	0.8	31.5								
Aether Real Assets V	3,071,285	0.3	11.9								
<b>Cash</b>	<b>4,673,445</b>	<b>0.5</b>	<b>0.5</b>								
Cash	4,673,445	0.5	100.0								

Calendar Year Performance										
	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
<b>Total Fund</b>	<b>15.7</b>	<b>-2.0</b>	<b>17.0</b>	<b>7.1</b>	<b>1.3</b>	<b>4.8</b>	<b>16.1</b>	<b>13.3</b>	<b>-2.6</b>	<b>13.8</b>
<i>Static Benchmark</i>	15.8	-3.6	16.4	9.6	-0.1	5.7	15.1	12.6	-1.0	12.2
<i>Dynamic Benchmark</i>	14.6	-3.1	16.1	8.4	0.4	5.4	21.2	14.2	-2.1	14.9
<b>Domestic Equity</b>	<b>29.4</b>	<b>-7.9</b>	<b>21.8</b>	<b>9.9</b>	<b>0.2</b>	<b>10.0</b>	<b>31.3</b>	<b>16.9</b>	<b>-0.5</b>	<b>18.2</b>
<i>Russell 3000</i>	31.0	-5.2	21.1	12.7	0.5	12.6	33.6	16.4	1.0	16.9
Westwood Capital Large Cap Value	27.3	-5.7	20.4	10.9	-0.1	11.9	29.6	16.0	-0.7	13.2
<i>Russell 1000 Value</i>	26.5	-8.3	13.7	17.3	-3.8	13.5	32.5	17.5	0.4	15.5
Westfield Small/Mid Cap Growth	35.2	-7.6	31.0	3.4	-4.1	7.8	37.2	19.5	-0.1	30.4
<i>Russell 2500 Growth</i>	32.7	-7.5	24.5	9.7	-0.2	7.1	40.6	16.1	-1.6	28.9
Vaughan Nelson Small Cap Value	25.0	-14.1	6.8	20.7	--	--	--	--	--	--
<i>Russell 2000 Value</i>	22.4	-12.9	7.8	31.7	-7.5	4.2	34.5	18.0	-5.5	24.5
SSgA S&P 500	31.5	-4.4	21.8	12.0	1.4	13.7	32.3	15.9	2.2	15.0
<i>S&amp;P 500</i>	31.5	-4.4	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1
<b>International Equity</b>	<b>22.4</b>	<b>-15.9</b>	<b>34.0</b>	<b>5.0</b>	<b>-4.4</b>	<b>-4.4</b>	<b>19.7</b>	<b>18.1</b>	<b>-16.2</b>	<b>14.2</b>
<i>Spliced International Equity Benchmark</i>	21.5	-14.2	27.2	4.5	-5.7	-3.9	15.3	16.8	-13.7	11.2
Baillie Gifford International Growth Fund	37.3	-17.3	45.5	1.4	-2.9	-6.4	29.9	17.6	-11.6	16.6
<i>MSCI ACWI ex USA</i>	21.5	-14.2	27.2	4.5	-5.7	-3.9	15.3	16.8	-13.7	11.2
<i>MSCI EAFE</i>	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8	17.3	-12.1	7.8

### Fund Summary | As of September 30, 2020

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
Sanderson International Value	20.5	-18.2	26.1	2.5	-5.5	-2.3	--	--	--	--
<i>MSCI EAFE Value</i>	16.1	-14.8	21.4	5.0	-5.7	-5.4	23.0	17.7	-12.2	3.2
<i>MSCI EAFE</i>	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8	17.3	-12.1	7.8
Highclere International Small Cap	23.5	-18.8	30.9	10.3	6.5	-4.4	24.6	20.2	-9.5	19.5
<i>MSCI EAFE Small Cap</i>	25.0	-17.9	33.0	2.2	9.6	-4.9	29.3	20.0	-15.9	22.0
<i>S&amp;P EPAC Under USD2 Billion NR USD</i>	18.0	-19.6	30.8	3.5	9.0	-4.3	23.6	16.8	-16.2	19.8
SSgA MSCI EAFE Fund	22.4	-13.5	25.3	1.3	-0.6	-4.7	--	--	--	--
<i>MSCI EAFE</i>	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8	17.3	-12.1	7.8
DFA Emerging Markets Value	9.6	-11.9	33.8	19.8	-18.8	-4.4	-4.4	18.7	-26.1	21.6
<i>MSCI Emerging Markets Value NR USD</i>	12.0	-10.7	28.1	14.9	-18.6	-4.1	-5.1	15.9	-17.9	19.8
<i>MSCI Emerging Markets</i>	18.4	-14.6	37.3	11.2	-14.9	-2.2	-2.6	18.2	-18.4	18.9
TT Emerging Markets Equity	--	--	--	--	--	--	--	--	--	--
<i>MSCI Emerging Markets</i>	18.4	-14.6	37.3	11.2	-14.9	-2.2	-2.6	18.2	-18.4	18.9
<b>Private Equity</b>	<b>16.1</b>	<b>15.8</b>	<b>17.7</b>	<b>9.4</b>	<b>12.7</b>	<b>23.3</b>	<b>7.7</b>	<b>6.2</b>	<b>21.7</b>	--
<i>Private Equity Benchmark</i>	3.4	5.4	25.4	15.3	4.4	17.1	36.3	19.4	5.2	--
LGT Crown Global Opportunities VI										
Constitution Capital Partners										
Greenspring Global Partners VI										
Aberdeen Flag Private Equity VI										
Cross Creek Capital Partners II - B										

## Fund Summary | As of September 30, 2020

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
Partners Group Emerging Markets 2015										
Cross Creek Capital Partners III										
LGT Crown Asia II										
57 Stars Global Opportunity 3										
HarbourVest Co-Investment Fund IV										
Aberdeen Flag Private Equity V										
Greenspring Global Partners V										
HarbourVest 2013 Direct										
Dover Street X, L.P.										
Blue Bay Direct Lending										
Private Advisors Co-Investment Fund III										
LGT Crown Europe Small Buyouts III										
Deutsche Bank SOF III										
SVB Strategic Investors Fund IX, L.P.										
LGT Crown Global Secondaries III										
Private Equity Investors V										
Partners Group U.S. Distressed Private Equity 2009										
LGT Crown Global Secondaries II										



### Fund Summary | As of September 30, 2020

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
<b>Fixed Income</b>	<b>10.5</b>	<b>-2.0</b>	<b>5.6</b>	<b>6.9</b>	<b>-2.1</b>	<b>3.1</b>	<b>-2.4</b>	<b>8.3</b>	<b>5.1</b>	<b>6.6</b>
<i>BBgBarc US Aggregate TR</i>	8.7	0.0	3.5	2.6	0.5	6.0	-2.0	4.2	7.8	6.5
SSgA Bond Fund	8.7	0.0	3.5	2.6	0.5	5.9	-2.2	4.2	7.5	6.4
<i>BBgBarc US Aggregate TR</i>	8.7	0.0	3.5	2.6	0.5	6.0	-2.0	4.2	7.8	6.5
Loomis Sayles Core Plus Fixed Income	9.4	-0.4	5.4	6.9	--	--	--	--	--	--
<i>BBgBarc US Aggregate TR</i>	8.7	0.0	3.5	2.6	0.5	6.0	-2.0	4.2	7.8	6.5
Aberdeen Emerging Markets Bond Fund	15.1	-7.5	13.0	13.3	-2.7	--	--	--	--	--
<i>JP Morgan EMBI Global Diversified</i>	15.0	-4.3	10.3	10.2	1.2	7.4	-5.3	17.4	7.3	12.2
<i>50% JPM EMBI GD, 25% JPM GBI EM GD, 25% CMBI Broad</i>	14.2	-3.9	10.9	10.4	-1.3	3.1	-5.2	16.8	4.0	13.1
SSGA TIPS	8.3	-1.3	3.0	4.6	-1.5	--	--	--	--	--
<i>BBgBarc US TIPS TR</i>	8.4	-1.3	3.0	4.7	-1.4	3.6	-8.6	7.0	13.6	6.3
Pyramis Tactical Bond Fund	13.2	-0.9	5.9	10.4	-1.8	5.3	--	--	--	--
<i>BBgBarc US Aggregate TR</i>	8.7	0.0	3.5	2.6	0.5	6.0	-2.0	4.2	7.8	6.5
Pacific Asset Management Bank Loans	--	--	--	--	--	--	--	--	--	--
<i>Credit Suisse Leveraged Loans</i>	8.2	1.1	4.2	9.9	-0.4	2.1	6.2	9.4	1.8	10.0

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
<b>Real Estate</b>	<b>5.6</b>	<b>8.6</b>	<b>7.5</b>	<b>7.8</b>	<b>13.1</b>	<b>10.5</b>	<b>10.5</b>	<b>9.4</b>	<b>17.0</b>	<b>16.5</b>
<i>NCREIF Property Index</i>	6.4	6.7	7.0	8.0	13.3	11.8	11.0	10.5	14.3	13.1
Clarion Partners Lion Properties Fund	6.3	9.2	8.0	9.3	15.7	12.3	11.8	9.9	17.7	18.0
<i>NCREIF ODCE Equal Weighted (Net)</i>	5.2	7.3	6.9	8.3	14.2	11.4	12.4	9.9	15.0	15.1
Portfolio Advisors Real Estate Fund V										
Partners Group Global RE 2011										
Metropolitan Real Estate Distressed II										
Partners Group Distressed RE 2009										
Partners Group Real Estate Secondary 2017										
<b>Natural Resources</b>	<b>-13.4</b>	<b>2.1</b>	<b>15.7</b>	<b>8.6</b>	<b>-6.3</b>	<b>6.7</b>	--	--	--	--
<i>S&amp;P North American Natural Resources TR</i>	17.6	-21.1	1.2	30.9	-24.3	-9.8	16.5	2.2	-7.4	23.9
Aether Real Assets III										
Aether Real Assets II										
Aether Real Assets IV										
Aether Real Assets V										
<b>Cash</b>										
Cash										

Statistics Summary

5 Years Ending September 30, 2020

	Anlzd Return	Anlzd Standard Deviation	Information Ratio	Sharpe Ratio	Tracking Error
Total Fund	8.3%	6.6%	0.0	1.1	2.6%
Static Benchmark	8.3%	8.1%	--	0.9	0.0%
Domestic Equity	10.5%	16.3%	-1.1	0.6	2.9%
Russell 3000	13.7%	15.5%	--	0.8	0.0%
Westwood Capital Large Cap Value	9.0%	14.0%	0.4	0.6	3.3%
Russell 1000 Value	7.7%	15.5%	--	0.4	0.0%
Westfield Small/Mid Cap Growth	14.3%	20.4%	0.0	0.6	4.7%
Russell 2500 Growth	14.2%	19.3%	--	0.7	0.0%
SSgA S&P 500	14.1%	14.9%	-0.1	0.9	0.0%
S&P 500	14.1%	14.9%	--	0.9	0.0%
International Equity	8.1%	16.0%	0.7	0.4	2.8%
Spliced International Equity Benchmark	6.2%	14.5%	--	0.4	0.0%
Baillie Gifford International Growth Fund	19.5%	18.9%	1.4	1.0	9.1%
MSCI ACWI ex USA	6.2%	14.5%	--	0.4	0.0%
Sanderson International Value	2.0%	15.7%	0.3	0.1	3.3%
MSCI EAFE Value	1.1%	15.7%	--	0.0	0.0%
Highclere International Small Cap	7.4%	15.5%	0.0	0.4	3.4%
MSCI EAFE Small Cap	7.4%	16.4%	--	0.4	0.0%

	Anlzd Return	Anlzd Standard Deviation	Information Ratio	Sharpe Ratio	Tracking Error
SSgA MSCI EAFE Fund	5.6%	14.0%	2.4	0.3	0.1%
MSCI EAFE	5.3%	14.0%	--	0.3	0.0%
DFA Emerging Markets Value	5.4%	19.1%	0.3	0.2	3.4%
MSCI Emerging Markets Value NR USD	4.4%	17.8%	--	0.2	0.0%
Private Equity	14.4%	6.2%	0.2	2.1	14.6%
Private Equity Benchmark	12.0%	14.3%	--	0.8	0.0%
Fixed Income	5.0%	4.3%	0.3	0.9	3.2%
BBgBarc US Aggregate TR	4.2%	3.2%	--	1.0	0.0%
SSgA Bond Fund	4.1%	3.2%	-0.6	0.9	0.1%
BBgBarc US Aggregate TR	4.2%	3.2%	--	1.0	0.0%
Loomis Sayles Core Plus Fixed Income	5.9%	3.8%	0.8	1.3	2.1%
BBgBarc US Aggregate TR	4.2%	3.2%	--	1.0	0.0%
Aberdeen Emerging Markets Bond Fund	6.1%	10.4%	0.0	0.5	2.3%
JP Morgan EMBI Global Diversified	6.1%	9.0%	--	0.6	0.0%
SSGA TIPS	4.6%	3.6%	-1.1	1.0	0.1%
BBgBarc US TIPS TR	4.6%	3.6%	--	1.0	0.0%
Pyramis Tactical Bond Fund	6.2%	5.4%	0.4	0.9	4.6%
BBgBarc US Aggregate TR	4.2%	3.2%	--	1.0	0.0%
Real Estate	6.1%	3.4%	-0.1	1.5	2.0%
NCREIF Property Index	6.3%	2.9%	--	1.8	0.0%
Clarion Partners Lion Properties Fund	7.1%	3.8%	0.7	1.6	1.6%

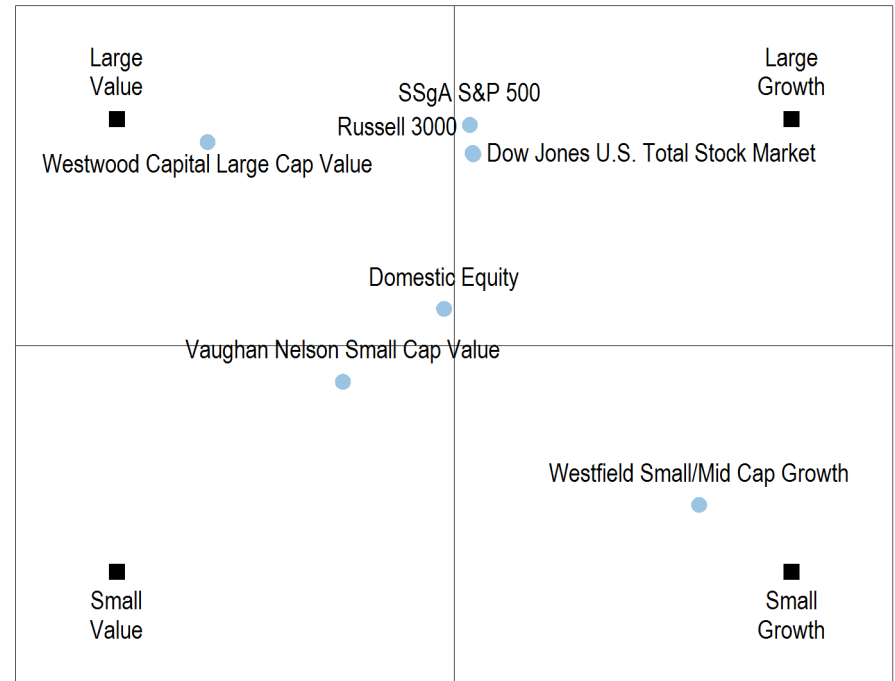
## Fund Detail

## Domestic Equity

#### Asset Allocation on September 30, 2020

	Actual	Actual
Westwood Capital Large Cap Value	\$44,807,598	26.1%
Westfield Small/Mid Cap Growth	\$54,031,842	31.5%
Vaughan Nelson Small Cap Value	\$39,831,580	23.2%
SSgA S&P 500	\$32,729,226	19.1%
<b>Total</b>	<b>\$171,400,245</b>	<b>100.0%</b>

#### Domestic Equity Style Map 3 Years Ending September 30, 2020



Domestic Equity Characteristics			
	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Market Value</b>			
Market Value (\$M)	171.4	--	160.0
Number Of Holdings	610	3034	619
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	143.6	376.0	126.7
Median Market Cap (\$B)	18.7	1.5	18.2
P/E Ratio	23.2	24.0	21.3
Yield	1.2	1.6	1.5
EPS Growth - 5 Yrs.	20.0	19.9	13.4
Price to Book	3.5	4.3	3.2

#### Sector Allocation (%) vs Russell 3000



#### Top 10 Holdings

APPLE INC	1.8%
MICROSOFT CORP	1.7%
LPL FINANCIAL HOLDINGS INC	1.3%
JOHNSON & JOHNSON	1.1%
ABBOTT LABORATORIES	1.0%
CACI INTERNATIONAL INC	1.0%
ASSURANT INC.	1.0%
JPMORGAN CHASE & CO	1.0%
AMAZON.COM INC	0.9%
HOME DEPOT INC. (THE)	0.9%
<b>Total</b>	<b>11.8%</b>

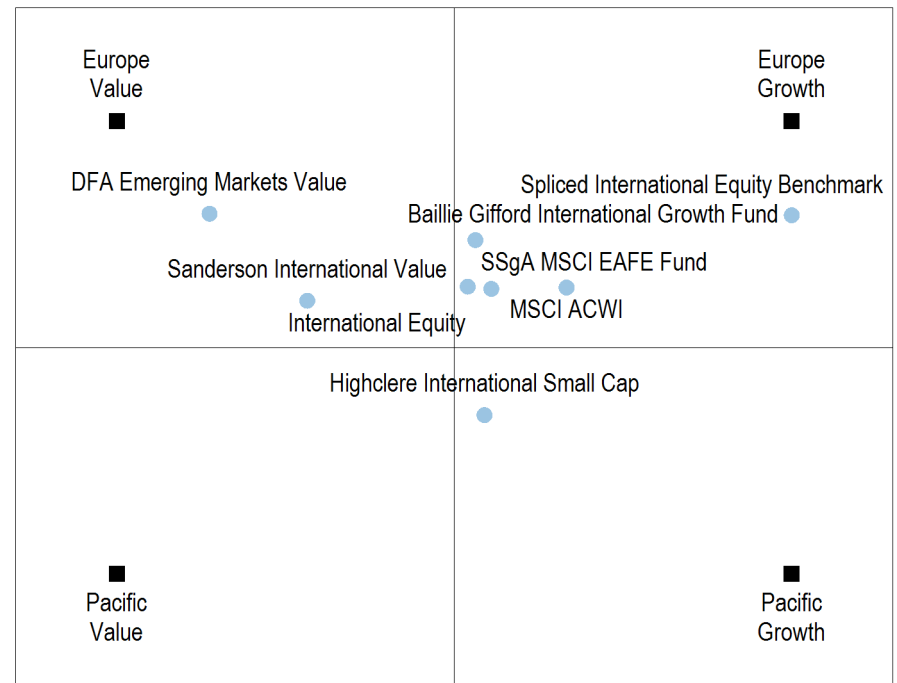


# International Equity

#### Asset Allocation on September 30, 2020

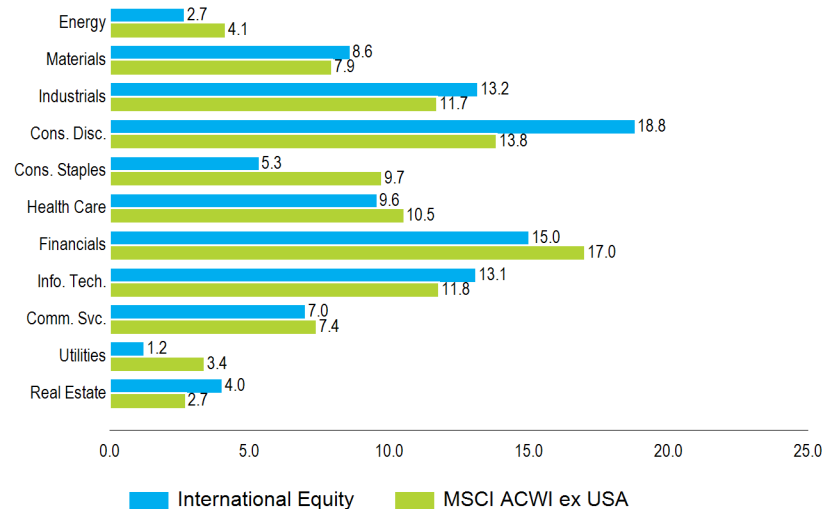
	Actual	Actual
Baillie Gifford International Growth Fund	\$52,894,954	24.0%
Sanderson International Value	\$40,904,285	18.5%
Highclere International Small Cap	\$43,243,798	19.6%
SSgA MSCI EAFE Fund	\$25,547,929	11.6%
DFA Emerging Markets Value	\$26,514,558	12.0%
TT Emerging Markets Equity	\$31,560,179	14.3%
<b>Total</b>	<b>\$220,665,703</b>	<b>100.0%</b>

#### International Equity Style Map 3 Years Ending September 30, 2020



Total International Equity Characteristics			
	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Market Value</b>			
Market Value (\$M)	220.7	--	203.1
Number Of Holdings	3959	2375	3924
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	71.5	97.2	62.0
Median Market Cap (\$B)	1.5	7.4	1.3
P/E Ratio	15.7	16.5	15.5
Yield	2.2	2.6	2.4
EPS Growth - 5 Yrs.	5.9	4.9	9.4
Price to Book	2.9	2.9	2.8

#### Sector Allocation (%) vs MSCI ACWI ex USA



#### Top 10 Holdings

TENCENT HOLDINGS LTD	2.1%
ASML HOLDING NV	1.8%
BABA-SW ORD	1.5%
M3 INC	1.5%
SAMSUNG ELECTRONICS CO LTD	1.5%
ALIBABA GROUP HOLDING LTD	1.5%
PING AN INSURANCE GROUP	1.4%
KERING	1.1%
MEITUAN DIANPING USD0.00001 A B CLASS ISIN KYG596691041	1.1%
MERCADOLIBRE INC	1.1%
<b>Total</b>	<b>14.6%</b>

#### Total International Equity Region Allocation

vs MSCI ACWI ex USA

Region	% of Total	% of Bench	% Diff
North America ex U.S.	0.0%	6.5%	-6.5%
United States	4.9%	0.0%	4.9%
Europe Ex U.K.	29.0%	31.4%	-2.4%
United Kingdom	10.1%	8.5%	1.6%
Pacific Basin Ex Japan	11.9%	7.2%	4.7%
Japan	19.0%	16.5%	2.5%
Emerging Markets	24.1%	29.5%	-5.4%
Other	0.9%	0.4%	0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

## Fixed Income

#### Asset Allocation on September 30, 2020

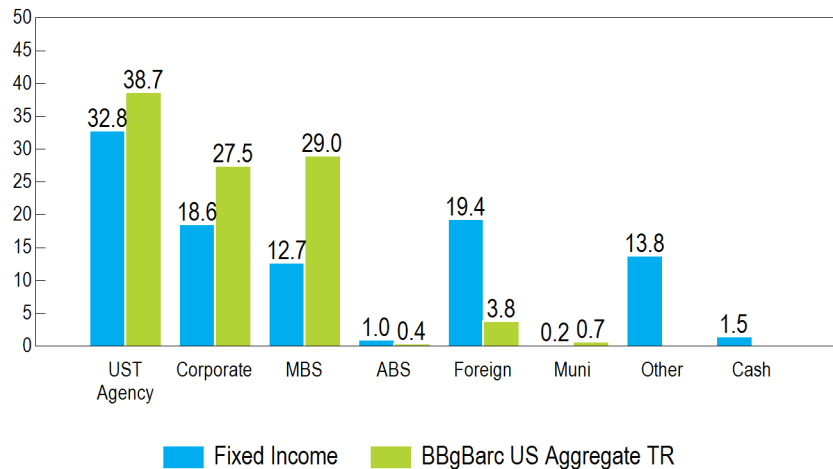
	Actual	Actual
SSgA Bond Fund	\$76,320,643	24.6%
Loomis Sayles Core Plus Fixed Income	\$59,833,145	19.3%
Aberdeen Emerging Markets Bond Fund	\$61,428,884	19.8%
SSGA TIPS	\$57,605,387	18.6%
Pyramis Tactical Bond Fund	\$36,295,436	11.7%
Pacific Asset Management Bank Loans	\$18,620,038	6.0%
<b>Total</b>	<b>\$310,103,532</b>	<b>100.0%</b>

#### Total Fixed Income Characteristics

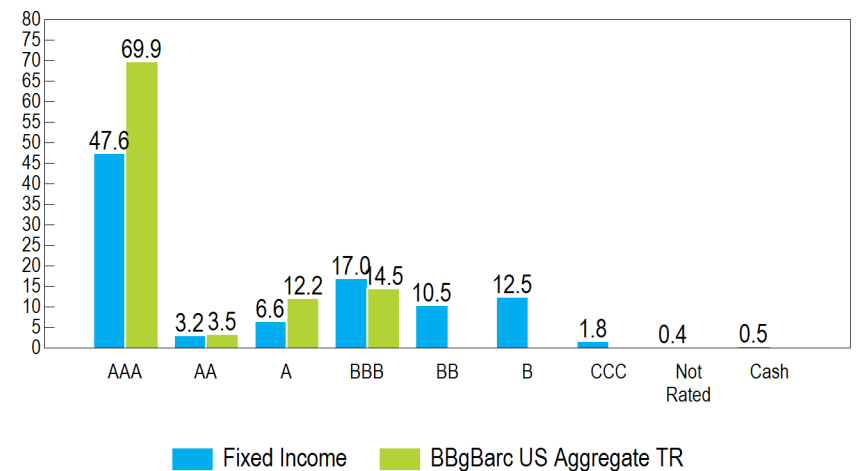
##### vs. BBgBarc US Aggregate TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
Fixed Income Characteristics			
Yield to Maturity	2.8	1.2	3.1
Average Duration	5.9	6.5	5.7
Average Quality	A	AA	A
Weighted Average Maturity	9.3	13.6	9.2

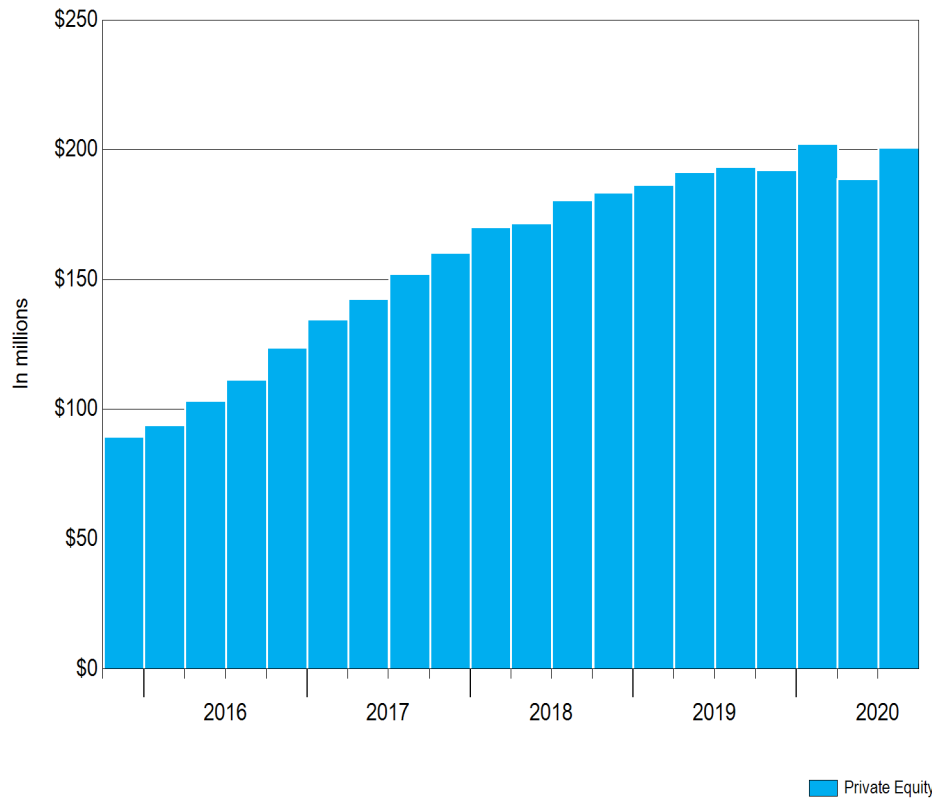
#### Sector Allocation



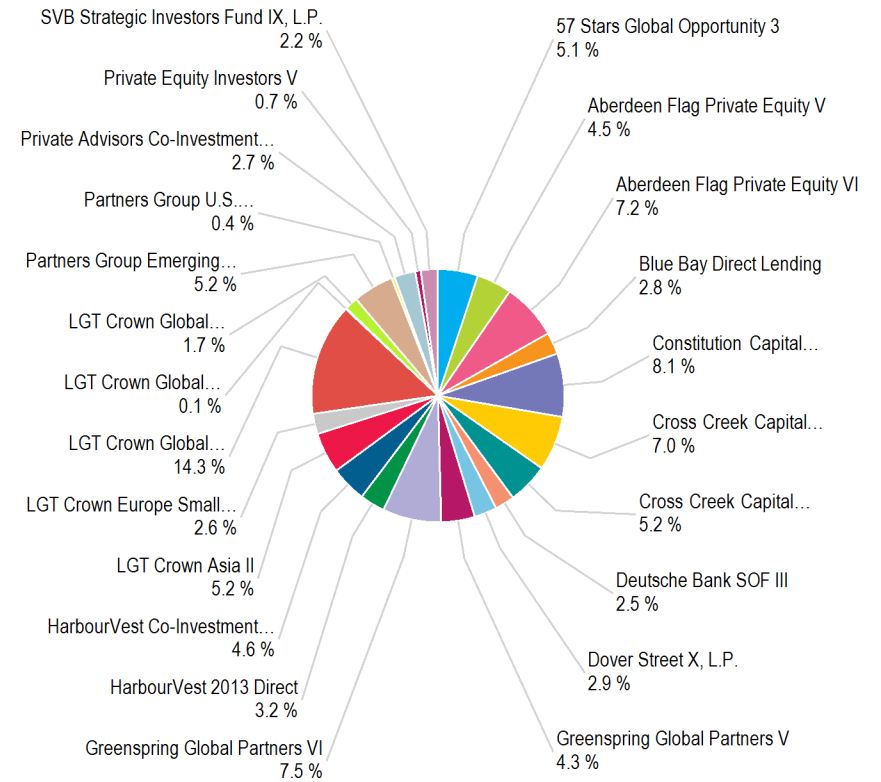
#### Credit Quality Allocation



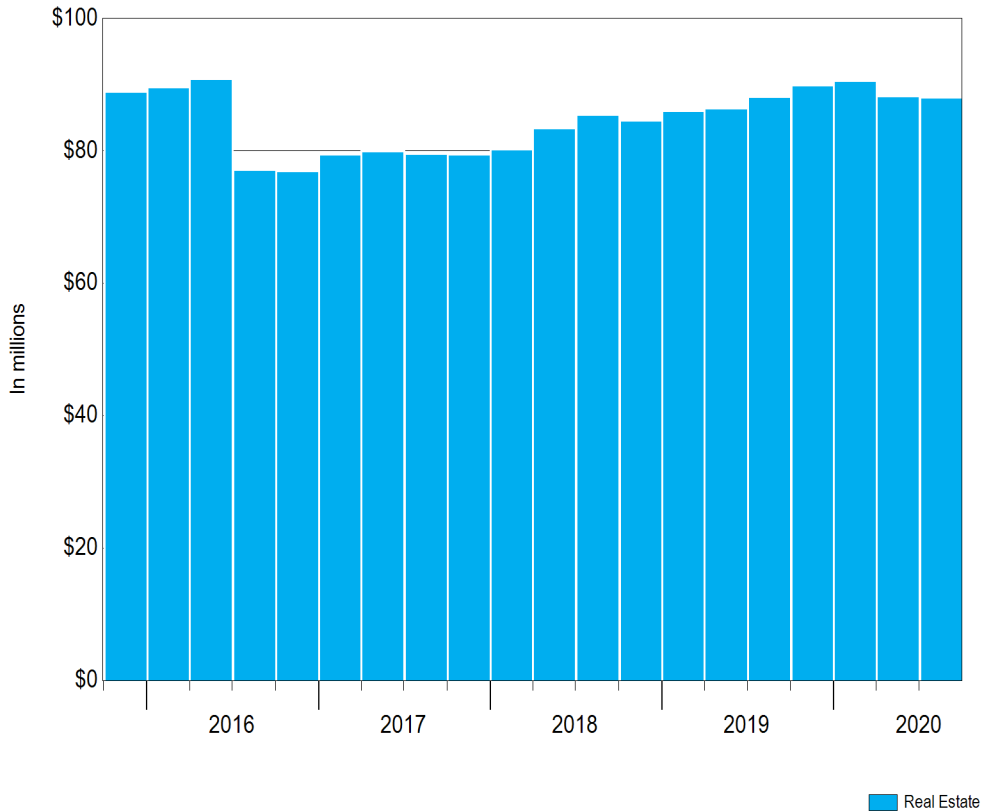
Market Value History



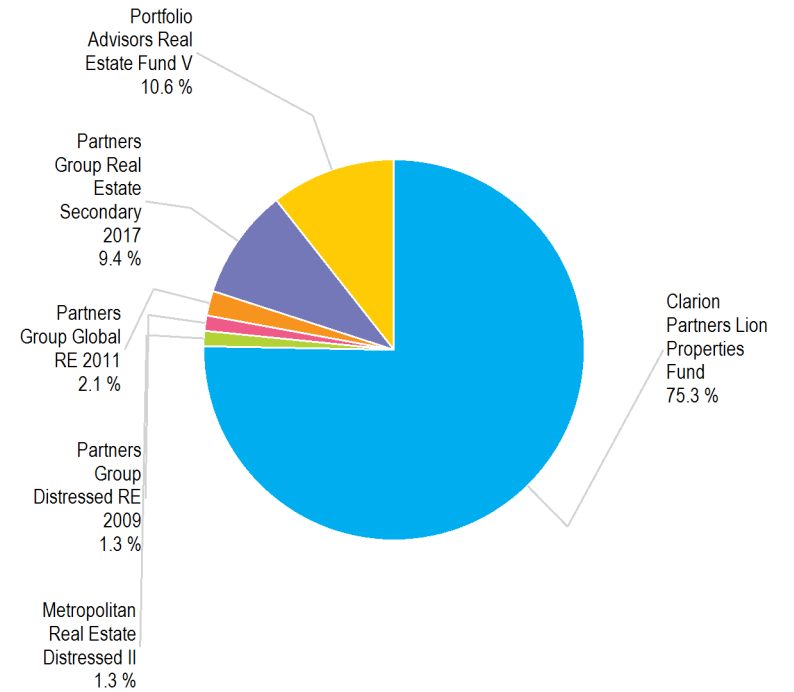
Current Allocation



Market Value History

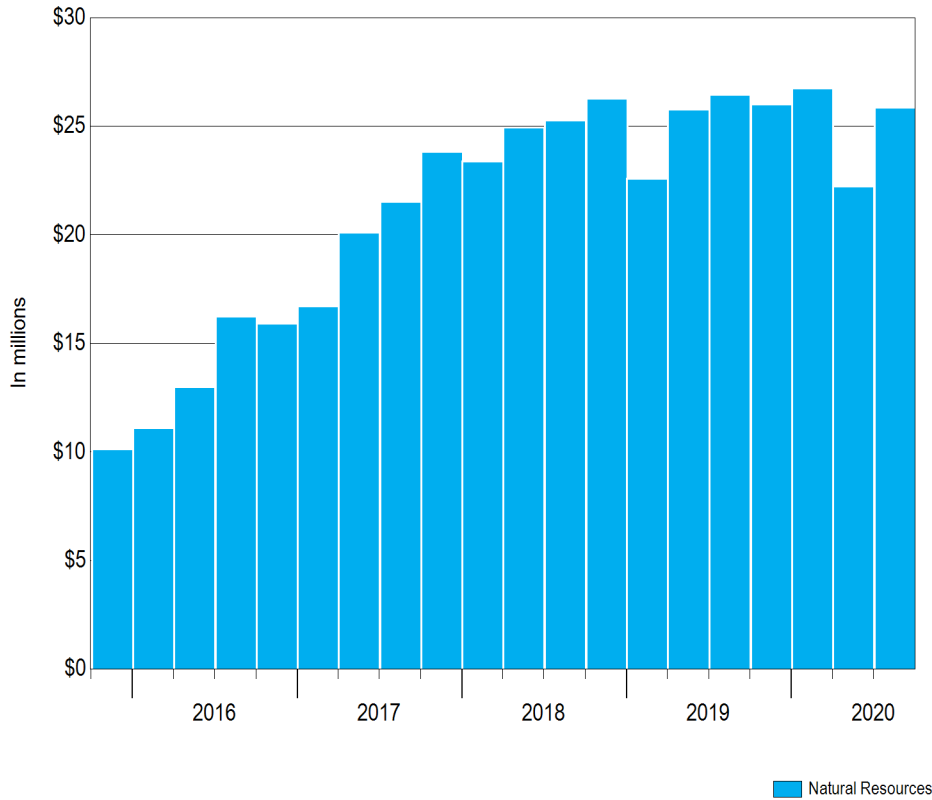


Current Allocation

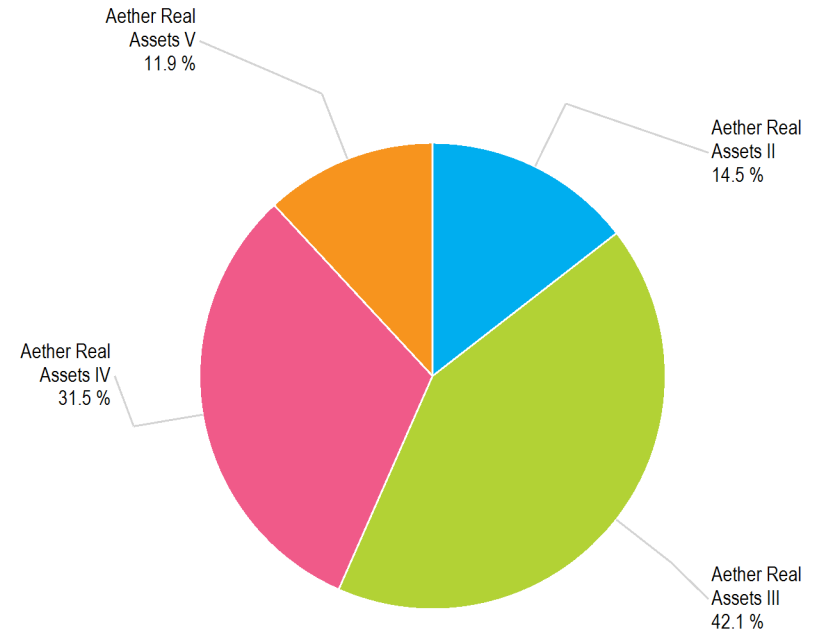




Market Value History



Current Allocation



## **Private Equity Assets**

Partnership	Focus	Type	Vintage Year
Partners Group Distressed Private Equity 2009	Special Situations	Fund of Funds	2009
LGT Crown Global Secondaries II	Secondary Market	Fund of Funds	2009
Private Equity Investors V	Secondary Market	Fund of Funds	2009
Cross Creek Capital Partners II - B	Venture	Fund of Funds	2010
LGT Crown Asia II	Buyout	Fund of Funds	2011
Greenspring Global Partners V	Venture	Fund of Funds	2011
57 Stars Global Opportunity 3	Diversified	Fund of Funds	2011
LGT Crown Europe Small Buyouts III	Buyout	Fund of Funds	2012
LGT Crown Global Secondaries III	Secondary Market	Fund of Funds	2012
Private Advisors Co-Investment Fund III	Co-investments	Fund of Funds	2013
HarbourVest 2013 Direct	Co-investments	Fund of Funds	2013
Cross Creek Capital Partners III	Venture	Fund of Funds	2013
Flag Private Equity V	Buyout	Fund of Funds	2012
Greenspring Global Partners VI	Venture	Fund of Funds	2013
Constitution Capital Partners Ironsides III	Buyout	Fund of Funds	2014
Deutsche Bank Secondary Opportunities Fund III	Secondary Market	Fund of Funds	2014
Flag Private Equity VI	Buyout	Fund of Funds	2015
Blue Bay Direct Lending Fund II	Private Debt	Direct Fund	2015
Partners Group Emerging Markets 2015	Special Situations	Fund of Funds	2015
LGT Crown Global Opportunities VI	Diversified	Fund of Funds	2016
HarbourVest Co-Investment Fund IV	Co-investments	Fund of Funds	2017
SVB Strategic Investors Fund IX	Venture	Fund of Funds	2018
Dover Street X	Secondary Market	Fund of Funds	2020

### Private Equity Assets

Partnership	Committed (\$mm)	Called (\$mm)	Distributed (\$mm)	Fair Value (\$mm)	nIRR (%)	Vintage Year	TVPI Multiple
Partners Group Distressed Private Equity 2009	7.0	6.2	8.2	0.7	10.5	2009	1.4
LGT Crown Global Secondaries II <sup>2</sup>	3.0	2.5	4.1	0.2	17.8	2009	1.7
Private Equity Investors V	3.0	3.0	1.4	1.4	-1.2	2009	0.9
Cross Creek Capital Partners II – B	12.5	11.7	9.7	14.1	14.8	2010	2.0
LGT Crown Asia II <sup>2</sup>	10.0	9.2	5.4	10.4	11.3	2011	1.7
Greenspring Global Partners V	7.5	6.8	10.5	8.7	22.4	2011	2.8
57 Stars Global Opportunity 3	10.0	10.0	1.7	10.2	4.2	2011	1.2
LGT Crown Europe Small Buyouts III <sup>2</sup>	8.6	7.8	6.3	5.1	12.5	2012	1.5
LGT Crown Global Secondaries III <sup>2</sup>	10.0	7.2	6.9	3.5	11.7	2012	1.4
Private Advisors Co-Investment Fund III	10.0	10.4	9.7	5.5	11.4	2013	1.5
HarbourVest 2013 Direct	10.0	9.7	12.1	6.5	18.5	2013	1.9
Cross Creek Capital Partners III	7.5	6.6	2.0	10.4	18.0	2013	1.9
Aberdeen Flag Private Equity V	10.0	10.0	7.2	9.1	15.6	2012	1.6
Greenspring Global Partners VI	7.5	6.6	2.2	15.2	25.4	2013	2.6
Constitution Capital Partners Ironsides III	15.0	15.7	8.5	16.3	20.5 <sup>3</sup>   18.0 <sup>4</sup>	2014	1.6
Deutsche Bank Secondary Opportunities Fund III	10.0	8.8	5.2	5.1	13.2	2014	1.2
Aberdeen Flag Private Equity VI	15.0	14.0	5.4	14.4	15.3 <sup>5</sup>	2015	1.4
Blue Bay Direct Lending Fund II	20.0	18.7	16.7	5.6	7.0	2015	1.2
Partners Group Emerging Markets 2015	10.0	8.8	0.8	10.5	8.3	2015	1.3
LGT Crown Global Opportunities VI <sup>2</sup>	40.0	26.9	4.0	28.8	8.5	2016	1.2
HarbourVest Co-Investment Fund IV	10.0	8.1	1.7	9.1	12.3	2017	1.3
SVB Strategic Investors Fund IX	10.0	4.2	0.0	4.3	NM	2018	1.0
Dover Street X	40.0	4.0	0.0	5.8	NM	2020	1.5
<b>Total</b>	<b>286.6</b>	<b>216.9</b>	<b>129.7</b>	<b>200.9</b>			<b>1.5x</b>

<sup>1</sup> All performance figures are reported directly from managers, net of fees, as of 6/30/20, unless otherwise noted.

<sup>2</sup> Performance and market value as of 9/30/2020.

<sup>3</sup> Constitution Capital Ironsides Partnership Fund III.

<sup>4</sup> Constitution Capital Ironsides Co-Investment Fund III.

<sup>5</sup> As of 3/31/2020.

## **Real Estate Assets**

Partnership	Focus	Type	Vintage Year	TVPI Multiple
Partners Group U.S. Distressed 2009	U.S. Distressed	Fund of Funds	2009	1.4
Metropolitan Real Estate Distressed II	Real Estate Debt	Fund of Funds	2009	1.3
Partners Group Global RE 2011	Global	Fund of Funds	2011	1.4
Portfolio Advisors Global Real Estate V	Global	Fund of Funds	2015	1.3
Partners Group RE Secondary 2017	Global	Fund of Funds	2017	1.1
				<b>1.3x</b>

Partnership	Committed (mm)	Called (mm)	Distributed (mm)	Fair Value (mm)	nIRR <sup>1</sup> (%)
Partners Group U.S. Distressed 2009	\$12.0	\$11.2	\$13.9	\$1.2	7.2
Metropolitan Real Estate Distressed II	\$12.0	\$11.3	\$13.6	\$1.2	8.4
Partners Group Global RE 2011	\$6.7	\$6.0	\$6.4	\$1.8	7.2
Portfolio Advisors Global Real Estate V	\$15.0	\$12.6	\$6.7	\$9.3	9.8
Partners Group RE Secondary 2017	\$15.0	\$7.3	\$0.0	\$8.3	10.4
<b>Total</b>	<b>\$60.7</b>	<b>\$48.4</b>	<b>\$40.6</b>	<b>\$21.8</b>	

<sup>1</sup> Performance figures are reported directly from manager, net of fees, as of 6/30/2020.

## **Natural Resources Assets**

### Natural Resources Assets

Partnership	Vintage Year	Committed (mm)	Called (mm)	Distributed (mm)	Fair Value (mm)	Net IRR <sup>1</sup> %	TVPI Multiple
Aether Real Assets II	2012	\$7.5	\$7.6	\$2.8	\$3.8	-3.5	0.9
Aether Real Assets III	2013	\$15.0	\$14.6	\$2.4	\$10.9	-2.9	0.9
Aether Real Assets IV	2016	\$10.0	\$8.2	\$0.7	\$8.1	3.5	1.1
Aether Real Assets V	2018	\$10.0	\$3.0	\$0.4	\$3.1	N/A	1.2
<b>Total</b>		<b>\$42.5</b>	<b>\$33.4</b>	<b>\$6.3</b>	<b>\$25.9</b>		<b>1.0x</b>

<sup>1</sup> Performance figures are reported directly from manager, net of fees, as of 6/30/2020.



# Portfolio Reviews

### Westwood Capital Large Cap Value | As of September 30, 2020

#### Account Information

Account Name	<b>Westwood Capital Large Cap Value</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>10/01/01</b>
Account Type	<b>US Equity</b>
Benchmark	<b>Russell 1000 Value</b>
Universe	<b>eV US Large Cap Value Equity Net</b>

#### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Westwood Capital Large Cap Value	4.8	-9.0	-3.7	5.5	9.0	10.4	8.0	Oct-01
<i>Russell 1000 Value</i>	5.6	-11.6	-5.0	2.6	7.7	9.9	7.1	Oct-01
<i>eV US Large Cap Value Equity Net Median</i>	5.2	-10.5	-3.7	3.1	7.7	9.8	7.4	Oct-01
<i>eV US Large Cap Value Equity Net Rank</i>	56	41	51	28	31	34	26	Oct-01

#### Top 10 Holdings

ABBOTT LABORATORIES	3.4%
LIBERTY BROADBAND CORP	3.2%
JPMORGAN CHASE & CO	3.1%
JOHNSON & JOHNSON	3.1%
CVS HEALTH CORP	2.8%
HOME DEPOT INC. (THE)	2.7%
TEXAS INSTRUMENTS INC	2.6%
BECTON DICKINSON AND CO	2.6%
COLGATE-PALMOLIVE CO	2.6%
UNION PACIFIC CORP	2.6%
<b>Total</b>	<b>28.6%</b>

#### Westwood Capital Large Cap Value Characteristics

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Market Value</b>			
Market Value (\$M)	44.8	--	42.7
Number Of Holdings	46	850	47
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	210.7	115.4	196.4
Median Market Cap (\$B)	70.9	9.1	68.9
P/E Ratio	23.4	18.7	19.9
Yield	1.9	2.5	2.5
EPS Growth - 5 Yrs.	14.0	5.4	7.7
Price to Book	3.2	2.6	2.7
<b>Sector Distribution</b>			
Energy	2.2	3.6	5.0
Materials	0.0	4.8	0.0
Industrials	14.2	13.1	12.9
Consumer Discretionary	5.0	7.6	4.7
Consumer Staples	11.0	8.4	8.3
Health Care	16.8	14.4	15.7
Financials	14.4	18.2	18.7
Information Technology	14.9	9.7	15.9
Communication Services	11.6	9.6	9.4
Utilities	6.0	6.0	5.6
Real Estate	4.1	4.6	3.8

#### Account Information

Account Name	<b>Westfield Small/Mid Cap Growth</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>11/01/02</b>
Account Type	<b>US Equity</b>
Benchmark	<b>Russell 2500 Growth</b>
Universe	<b>eV US Small-Mid Cap Growth Equity Net</b>

#### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Westfield Small/Mid Cap Growth	9.5	10.2	26.0	14.7	14.3	14.2	13.1	Nov-02
<i>Russell 2500 Growth</i>	9.4	11.6	23.4	13.4	14.2	14.1	12.2	Nov-02
<i>eV US Small-Mid Cap Growth Equity Net Median</i>	8.6	12.8	24.1	17.0	15.3	14.0	11.9	Nov-02
<i>eV US Small-Mid Cap Growth Equity Net Rank</i>	38	66	46	57	57	46	29	Nov-02

#### Top 10 Holdings

TREX CO INC	2.7%
INSULET CORP	2.6%
TOPBUILD CORP	2.5%
CHARLES RIVER LABORATORIES INTERNATIONAL INC	2.4%
HUBSPOT INC	2.4%
BIO-RAD LABORATORIES INC	2.4%
ETSY INC	2.4%
BLACK KNIGHT INC	2.3%
ADVANCED DRAINAGE SYSTEMS INC	2.2%
QUEST DIAGNOSTICS INC	2.2%
<b>Total</b>	<b>24.2%</b>

#### Westfield Small/Mid Cap Growth Characteristics

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Market Value</b>			
Market Value (\$M)	54.0	--	49.3
Number Of Holdings	69	1291	68
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	9.7	6.0	10.7
Median Market Cap (\$B)	7.9	1.2	8.6
P/E Ratio	31.3	30.3	29.4
Yield	0.5	0.5	0.6
EPS Growth - 5 Yrs.	21.0	21.2	21.8
Price to Book	5.2	6.1	5.0
<b>Sector Distribution</b>			
Energy	0.0	0.1	0.0
Materials	1.4	3.1	1.5
Industrials	17.0	11.8	17.7
Consumer Discretionary	14.4	12.0	10.4
Consumer Staples	0.0	3.0	0.0
Health Care	27.0	30.6	28.1
Financials	7.4	4.1	6.7
Information Technology	25.9	29.0	28.7
Communication Services	2.0	2.5	2.8
Utilities	0.0	1.0	0.0
Real Estate	4.1	2.7	3.1

#### Account Information

Account Name	<b>Vaughan Nelson Small Cap Value</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>1/01/16</b>
Account Type	<b>US Equity</b>
Benchmark	<b>Russell 2000 Value</b>
Universe	<b>eV US Small Cap Value Equity Net</b>

#### Portfolio Performance Summary

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	S.I.	S.I.
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	Date
Vaughan Nelson Small Cap Value	4.6	-14.3	-11.0	-1.6	--	--	3.7	Jan-16
<i>Russell 2000 Value</i>	2.6	-21.5	-14.9	-5.1	4.1	7.1	3.7	Jan-16
<i>eV US Small Cap Value Equity Net Median</i>	2.4	-19.8	-13.7	-4.4	3.6	7.4	3.2	Jan-16
<i>eV US Small Cap Value Equity Net Rank</i>	26	26	35	25	--	--	41	Jan-16

#### Top 10 Holdings

LPL FINANCIAL HOLDINGS INC	4.0%
CMC MATERIALS INC	3.7%
INSIGHT ENTERPRISES INC	3.5%
BUILDERS FIRSTSOURCE INC	3.5%
OLD REPUBLIC INTERNATIONAL CORP	3.1%
FIRST AMERICAN FINANCIAL CORP	2.7%
PRA HEALTH SCIENCES INC	2.7%
AXALTA COATING SYSTEMS LTD	2.5%
ELEMENT SOLUTIONS INC	2.5%
CACI INTERNATIONAL INC	2.4%
<b>Total</b>	<b>30.6%</b>

#### Vaughan Nelson Small Cap Value Characteristics

	Portfolio	Index	Portfolio
	Q3-20	Q3-20	Q2-20
<b>Market Value</b>			
Market Value (\$M)	39.8	--	38.0
Number Of Holdings	55	1459	63
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	3.5	1.9	3.3
Median Market Cap (\$B)	3.0	0.5	2.7
P/E Ratio	17.6	13.9	17.0
Yield	1.1	2.2	1.4
EPS Growth - 5 Yrs.	28.3	3.7	13.8
Price to Book	2.3	1.8	2.3
<b>Sector Distribution</b>			
Energy	1.2	3.9	1.4
Materials	6.6	5.4	3.0
Industrials	31.1	16.9	30.2
Consumer Discretionary	3.9	13.3	1.6
Consumer Staples	1.8	3.7	0.9
Health Care	8.0	6.9	8.6
Financials	16.2	26.7	19.6
Information Technology	22.2	6.0	21.6
Communication Services	4.2	2.4	3.6
Utilities	0.0	5.0	4.0
Real Estate	4.7	9.9	5.6

#### Account Information

Account Name	<b>SSgA S&amp;P 500</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Passive</b>
Inception Date	<b>2/01/04</b>
Account Type	<b>US Equity</b>
Benchmark	<b>S&amp;P 500</b>
Universe	<b>eV US Large Cap Equity Net</b>

#### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
SSgA S&P 500	8.9	5.5	15.1	12.2	14.1	13.7	8.9	Feb-04
S&P 500	8.9	5.6	15.1	12.3	14.1	13.7	9.0	Feb-04
eV US Large Cap Equity Net Median	7.8	1.5	9.6	9.4	11.5	12.2	8.8	Feb-04
eV US Large Cap Equity Net Rank	40	39	37	36	30	31	49	Feb-04

#### Top 10 Holdings

APPLE INC	6.7%
MICROSOFT CORP	5.7%
AMAZON.COM INC	4.8%
FACEBOOK INC	2.3%
ALPHABET INC	1.6%
ALPHABET INC	1.5%
BERKSHIRE HATHAWAY INC	1.5%
JOHNSON & JOHNSON	1.4%
PROCTER & GAMBLE CO (THE)	1.2%
VISA INC	1.2%
<b>Total</b>	<b>27.9%</b>

#### SSgA S&P 500 Characteristics

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Market Value</b>			
Market Value (\$M)	32.7	--	30.0
Number Of Holdings	505	505	506
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	442.8	443.2	365.9
Median Market Cap (\$B)	22.8	22.8	21.3
P/E Ratio	23.8	23.8	22.8
Yield	1.7	1.7	1.8
EPS Growth - 5 Yrs.	20.7	20.6	13.4
Price to Book	4.4	4.4	4.1
<b>Sector Distribution</b>			
Energy	2.1	1.8	2.8
Materials	2.6	2.6	2.5
Industrials	8.3	8.3	8.0
Consumer Discretionary	11.6	11.6	10.8
Consumer Staples	7.0	7.0	7.0
Health Care	14.2	14.3	14.6
Financials	9.7	9.7	10.1
Information Technology	28.1	28.2	27.5
Communication Services	10.8	10.8	10.8
Utilities	3.0	3.0	3.0
Real Estate	2.6	2.6	2.8

### Baillie Gifford International Growth Fund | As of September 30, 2020

#### Account Information

Account Name	<b>Baillie Gifford International Growth Fund</b>
Account Structure	<b>Mutual Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/01/09</b>
Account Type	<b>Non-US Stock Developed</b>
Benchmark	<b>MSCI ACWI ex USA</b>
Universe	<b>eV ACWI ex-US All Cap Core Eq Net</b>

#### Portfolio Performance Summary

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	S.I.	S.I.
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	Date
Baillie Gifford International Growth Fund	14.7	34.9	53.8	16.4	19.5	11.4	14.1	May-09
MSCI ACWI ex USA	6.3	-5.4	3.0	1.2	6.2	4.0	6.9	May-09
MSCI EAFE	4.8	-7.1	0.5	0.6	5.3	4.6	7.0	May-09
eV ACWI ex-US All Cap Core Eq Net Median	8.8	-1.4	8.8	3.5	8.0	5.6	8.5	May-09
eV ACWI ex-US All Cap Core Eq Net Rank	1	1	1	1	1	1	1	May-09

#### Top 10 Holdings

ASML HOLDING NV	6.9%
M3 INC	6.2%
TENCENT HOLDINGS LTD	6.0%
BABA-SW ORD	5.6%
MEITUAN DIANPING USD0.00001 A B CLASS ISIN KYG596691041	4.5%
KERING	4.4%
MERCADOLIBRE INC	4.3%
FERRARI NV	4.2%
ZALANDO SE	3.6%
SPOTIFY TECHNOLOGY S.A	3.2%
<b>Total</b>	<b>49.0%</b>

#### Baillie Gifford EAFE Fund Characteristics

	Portfolio	Index	Portfolio
	Q3-20	Q3-20	Q2-20
<b>Market Value</b>			
Market Value (\$M)	52.9	--	46.1
Number Of Holdings	52	902	54
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	100.0	64.8	117.9
Median Market Cap (\$B)	23.4	10.2	17.9
P/E Ratio	37.1	19.3	39.3
Yield	0.6	2.7	0.6
EPS Growth - 5 Yrs.	13.2	3.6	19.4
Price to Book	8.2	2.9	7.0
<b>Sector Distribution</b>			
Energy	0.0	2.8	0.0
Materials	3.8	7.6	3.9
Industrials	6.2	15.2	5.7
Consumer Discretionary	40.8	11.9	40.4
Consumer Staples	2.7	11.9	2.6
Health Care	13.0	14.4	11.6
Financials	7.8	15.1	7.4
Information Technology	14.2	8.6	13.7
Communication Services	11.5	5.5	14.6
Utilities	0.0	4.0	0.0
Real Estate	0.0	3.1	0.0

#### Account Information

Account Name	<b>Sanderson International Value</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>2/01/13</b>
Account Type	<b>Non-US Stock Developed</b>
Benchmark	<b>MSCI EAFE Value</b>
Universe	<b>eV EAFE All Cap Value Net</b>

#### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Sanderson International Value	3.4	-16.0	-7.8	-4.4	2.0	--	2.7	Feb-13
MSCI EAFE Value	1.2	-18.3	-11.9	-5.9	1.1	2.1	0.9	Feb-13
MSCI EAFE	4.8	-7.1	0.5	0.6	5.3	4.6	4.1	Feb-13
eV EAFE All Cap Value Net Median	2.9	-13.4	-6.2	-3.9	2.0	4.4	2.7	Feb-13
eV EAFE All Cap Value Net Rank	40	66	73	68	50	--	52	Feb-13

#### Top 10 Holdings

PING AN INSURANCE GROUP	5.3%
DEUTSCHE POST AG	3.1%
CRH PLC	3.1%
NESTLE SA, CHAM UND VEVEY	2.7%
HOYA CORP	2.6%
SANOFI	2.5%
SAMSUNG ELECTRONICS CO LTD	2.4%
UBS GROUP AG	2.3%
BRAMBLES LTD	2.3%
NOVARTIS AG	2.2%
<b>Total</b>	<b>28.6%</b>

#### Sanderson International Value Characteristics

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Market Value</b>			
Market Value (\$M)	40.9	--	39.5
Number Of Holdings	76	902	80
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	56.8	64.8	42.9
Median Market Cap (\$B)	10.6	10.2	17.3
P/E Ratio	15.0	19.3	13.9
Yield	3.2	2.7	3.4
EPS Growth - 5 Yrs.	-0.8	3.6	2.6
Price to Book	2.2	2.9	2.1
<b>Sector Distribution</b>			
Energy	1.5	2.8	1.9
Materials	12.1	7.6	11.0
Industrials	18.7	15.2	17.3
Consumer Discretionary	7.4	11.9	5.7
Consumer Staples	6.8	11.9	6.7
Health Care	12.6	14.4	12.7
Financials	29.2	15.1	29.7
Information Technology	7.1	8.6	6.4
Communication Services	4.2	5.5	3.3
Utilities	0.4	4.0	0.3
Real Estate	0.0	3.1	0.0

#### Account Information

Account Name	<b>Highclere International Small Cap</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>12/01/09</b>
Account Type	<b>Non-US Stock Developed</b>
Benchmark	<b>MSCI EAFE Small Cap</b>
Universe	<b>eV EAFE Small Cap Equity Net</b>

#### Portfolio Performance Summary

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	S.I.	S.I.
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	Date
Highclere International Small Cap	9.9	-6.3	5.7	-0.3	7.4	7.5	7.7	Dec-09
MSCI EAFE Small Cap	10.3	-4.2	6.8	1.4	7.4	7.3	7.7	Dec-09
S&P EPAC Under USD2 Billion NR USD	11.6	-3.5	7.8	-0.5	5.6	5.7	6.1	Dec-09
eV EAFE Small Cap Equity Net Median	9.6	-6.0	5.4	-0.1	6.8	8.7	9.0	Dec-09
eV EAFE Small Cap Equity Net Rank	44	52	50	54	41	58	56	Dec-09

#### Top 10 Holdings

QT GROUP OYJ	1.0%
EIKEN CHEMICAL	1.0%
NIPPON GAS	1.0%
ULVAC INC	0.9%
KINX INC	0.9%
SHIZUOKA GAS CO LTD	0.9%
SAKATA INX CORP	0.9%
GRAINGER PLC	0.9%
RELIA	0.9%
KNOW IT	0.9%
<b>Total</b>	<b>9.4%</b>

#### Highclere International Small Cap Characteristics

	Portfolio	Index	Portfolio
	Q3-20	Q3-20	Q2-20
<b>Market Value</b>			
Market Value (\$M)	43.2	--	39.3
Number Of Holdings	193	2313	194
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	1.3	2.7	1.2
Median Market Cap (\$B)	0.9	1.1	0.8
P/E Ratio	16.8	17.8	15.1
Yield	2.2	2.3	2.4
EPS Growth - 5 Yrs.	5.5	5.3	8.8
Price to Book	2.1	2.3	2.1
<b>Sector Distribution</b>			
Energy	1.6	1.5	1.5
Materials	6.4	8.1	6.4
Industrials	23.9	22.0	23.3
Consumer Discretionary	10.7	13.0	11.1
Consumer Staples	7.7	6.8	6.3
Health Care	9.4	7.7	8.7
Financials	7.0	9.9	7.7
Information Technology	17.0	11.0	18.3
Communication Services	4.5	4.8	5.1
Utilities	1.9	2.7	1.7
Real Estate	9.9	12.2	9.5



#### Account Information

Account Name	<b>SSgA MSCI EAFE Fund</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Passive</b>
Inception Date	<b>2/01/13</b>
Account Type	<b>Non-US Stock Developed</b>
Benchmark	<b>MSCI EAFE</b>
Universe	<b>eV EAFE Core Equity Net</b>

#### Portfolio Performance Summary

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	S.I.	S.I.
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	Date
SSgA MSCI EAFE Fund	4.8	-6.8	0.9	0.9	5.6	--	4.4	Feb-13
MSCI EAFE	4.8	-7.1	0.5	0.6	5.3	4.6	4.1	Feb-13
eV EAFE Core Equity Net Median	7.0	-5.4	3.9	1.1	5.8	5.9	5.2	Feb-13
eV EAFE Core Equity Net Rank	82	63	69	53	53	--	70	Feb-13

#### Top 10 Holdings

NESTLE SA, CHAM UND VEVEY	2.5%
ROCHE HOLDING AG	1.7%
NOVARTIS AG	1.4%
ASML HOLDING NV	1.2%
SAP SE	1.1%
ASTRAZENECA PLC	1.0%
TOYOTA MOTOR CORP	1.0%
LVMH MOET HENNESSY LOUIS VUITTON SE	0.9%
AIA GROUP LTD	0.9%
NOVO NORDISK 'B'	0.9%
<b>Total</b>	<b>12.7%</b>

#### SSgA MSCI EAFE Fund Characteristics

	Portfolio	Index	Portfolio
	Q3-20	Q3-20	Q2-20
<b>Market Value</b>			
Market Value (\$M)	25.5	--	24.4
Number Of Holdings	909	902	907
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	64.5	64.8	60.5
Median Market Cap (\$B)	10.2	10.2	9.4
P/E Ratio	19.3	19.3	17.1
Yield	2.7	2.7	2.9
EPS Growth - 5 Yrs.	3.8	3.6	6.1
Price to Book	3.0	2.9	2.7
<b>Sector Distribution</b>			
Energy	2.8	2.8	3.4
Materials	7.6	7.6	7.3
Industrials	15.2	15.2	14.5
Consumer Discretionary	11.8	11.9	11.3
Consumer Staples	11.9	11.9	12.0
Health Care	14.2	14.4	14.4
Financials	15.1	15.1	16.1
Information Technology	8.6	8.6	8.4
Communication Services	5.5	5.5	5.4
Utilities	4.0	4.0	4.0
Real Estate	3.1	3.1	3.2

#### Account Information

Account Name	<b>DFA Emerging Markets Value</b>
Account Structure	<b>Mutual Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>12/01/09</b>
Account Type	<b>Non-US Stock Emerging</b>
Benchmark	<b>MSCI Emerging Markets Value NR USD</b>
Universe	<b>eV Emg Mkts All Cap Value Equity Net</b>

#### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
DFA Emerging Markets Value	4.7	-15.1	-6.8	-4.0	5.4	-0.8	0.8	Dec-09
MSCI Emerging Markets Value NR USD	4.7	-14.2	-5.7	-2.9	4.4	-0.4	0.9	Dec-09
MSCI Emerging Markets	9.6	-1.2	10.5	2.4	9.0	2.5	3.6	Dec-09
eV Emg Mkts All Cap Value Equity Net Median	6.2	-9.1	1.8	-1.5	7.1	1.0	2.5	Dec-09
eV Emg Mkts All Cap Value Equity Net Rank	64	68	74	73	79	99	99	Dec-09

#### Top 10 Holdings

RELIANCE INDUSTRIES LTD	4.3%
CHINA CONSTRUCTION BANK CORP	3.0%
CHINA MOBILE LTD	2.4%
VALE SA	1.7%
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD	1.6%
HON HAI PRECISION INDUSTRY CO LTD	1.2%
BANK OF CHINA LTD	1.0%
CNOOC LTD	1.0%
CHINA RESOURCES LAND LTD	1.0%
BAIDU INC	0.8%
<b>Total</b>	<b>17.9%</b>

#### DFA Emerging Markets Value Characteristics

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Market Value</b>			
Market Value (\$M)	26.5	--	25.3
Number Of Holdings	2788	1011	2755
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	30.5	46.8	29.6
Median Market Cap (\$B)	0.7	5.1	0.5
P/E Ratio	9.2	11.1	9.0
Yield	4.0	3.7	4.3
EPS Growth - 5 Yrs.	4.7	3.9	4.6
Price to Book	1.6	1.9	1.6
<b>Sector Distribution</b>			
Energy	12.8	9.4	13.8
Materials	14.3	9.1	14.2
Industrials	9.1	5.8	9.0
Consumer Discretionary	8.1	8.1	6.7
Consumer Staples	2.4	5.1	2.3
Health Care	2.3	2.8	2.2
Financials	25.8	28.8	27.8
Information Technology	10.3	15.4	9.0
Communication Services	6.1	8.0	6.3
Utilities	1.5	3.4	1.6
Real Estate	7.2	4.1	6.3

#### Account Information

Account Name	<b>TT Emerging Markets Equity</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>4/01/19</b>
Account Type	<b>Non-US Stock Emerging</b>
Benchmark	<b>MSCI Emerging Markets</b>
Universe	<b>eV Emg Mkts Equity Net</b>

#### Portfolio Performance Summary

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	S.I.	S.I. Date
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	
TT Emerging Markets Equity	11.0	-3.3	9.9	--	--	--	3.4	Apr-19
MSCI Emerging Markets	9.6	-1.2	10.5	2.4	9.0	2.5	4.3	Apr-19
eV Emg Mkts Equity Net Median	9.7	-1.4	10.3	1.9	8.4	2.7	5.2	Apr-19
eV Emg Mkts Equity Net Rank	30	64	52	--	--	--	60	Apr-19

#### Top 10 Holdings

ALIBABA GROUP HOLDING LTD	10.3%
SAMSUNG ELECTRONICS CO LTD	7.4%
NASPERS LTD	5.9%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	5.4%
TENCENT HOLDINGS LTD	4.5%
ICICI BANK	4.0%
SUNAC CHINA HOLDINGS LTD	2.7%
VALE SA	2.6%
LG CORP	2.1%
POLYMETAL INTERNATIONAL PLC	1.9%
<b>Total</b>	<b>46.9%</b>

#### TT Emerging Markets Equity Characteristics

	Portfolio	Index	Portfolio
	Q3-20	Q3-20	Q2-20
<b>Market Value</b>			
Market Value (\$M)	31.6	--	28.4
Number Of Holdings	67	1387	62
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	200.6	178.5	117.1
Median Market Cap (\$B)	10.3	5.6	9.0
P/E Ratio	11.6	12.6	16.9
Yield	1.7	2.3	2.2
EPS Growth - 5 Yrs.	8.4	8.1	16.1
Price to Book	3.3	3.1	3.1
<b>Sector Distribution</b>			
Energy	1.3	5.3	3.9
Materials	11.2	7.1	7.6
Industrials	4.7	4.3	4.8
Consumer Discretionary	22.4	20.3	24.6
Consumer Staples	1.8	6.0	2.7
Health Care	2.2	4.3	1.5
Financials	10.4	17.4	15.7
Information Technology	19.6	18.6	15.8
Communication Services	8.4	12.5	9.3
Utilities	1.0	2.0	3.1
Real Estate	5.9	2.4	7.0

#### Account Information

Account Name	<b>SSgA Bond Fund</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Passive</b>
Inception Date	<b>1/01/04</b>
Account Type	<b>US Fixed Income Investment Grade</b>
Benchmark	<b>BBgBarc US Aggregate TR</b>
Universe	<b>eV US Core Fixed Inc Net</b>

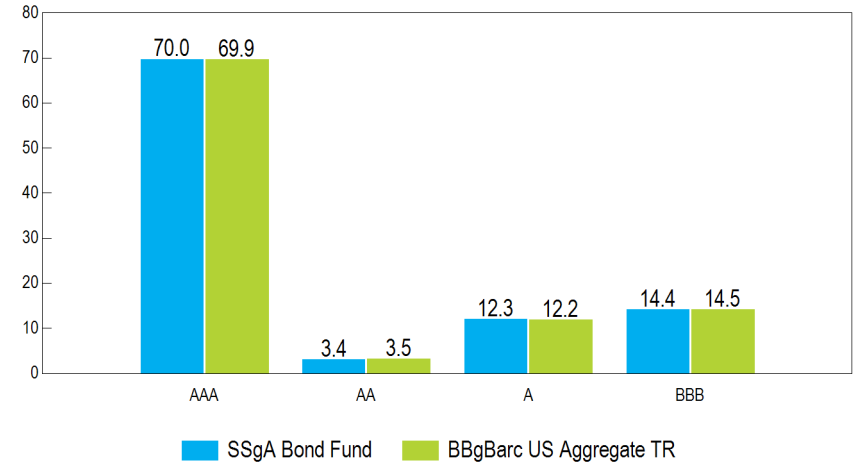
#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
SSgA Bond Fund	0.6	7.0	5.2	4.1	3.6	4.3	Jan-04
BBgBarc US Aggregate TR	0.6	7.0	5.2	4.2	3.6	4.4	Jan-04
eV US Core Fixed Inc Net Median	1.1	7.2	5.4	4.4	3.9	4.6	Jan-04
eV US Core Fixed Inc Net Rank	88	62	63	76	78	77	Jan-04

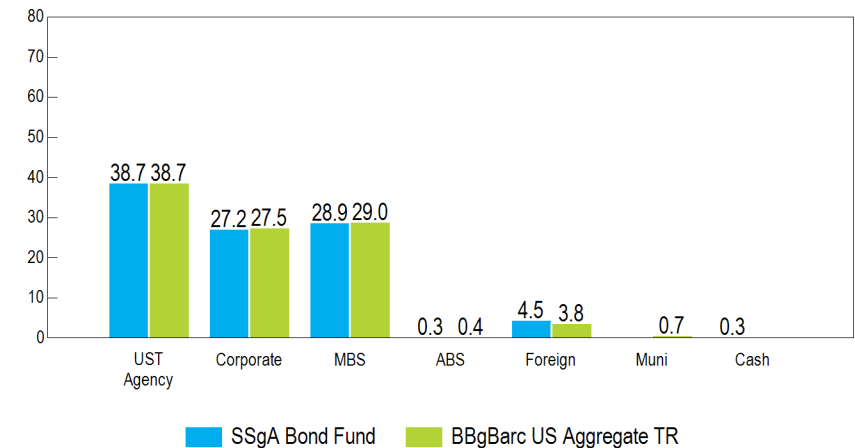
#### SSgA Bond Fund Characteristics vs. BBgBarc US Aggregate TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
Fixed Income Characteristics			
Yield to Maturity	1.2	1.2	1.3
Average Duration	6.1	6.5	6.1
Average Quality	AA	AA	AA
Weighted Average Maturity	8.1	13.6	8.0

#### Credit Quality Allocation



#### Sector Allocation



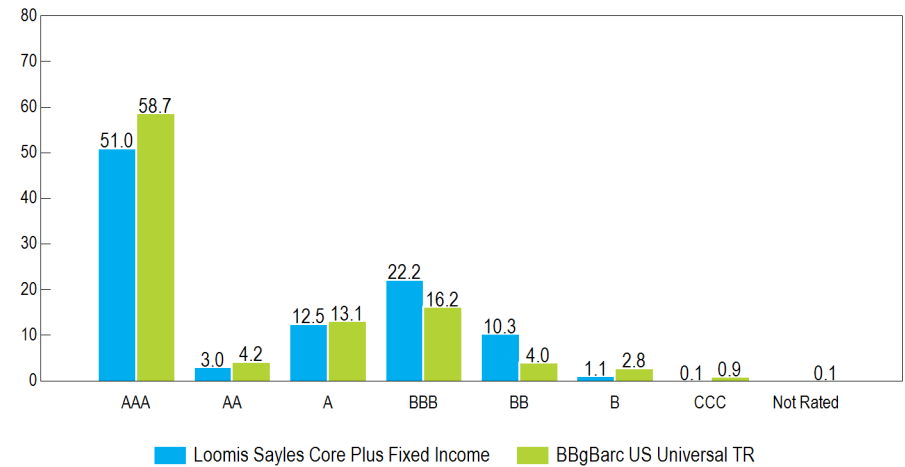
#### Account Information

Account Name	<b>Loomis Sayles Core Plus Fixed Income</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>7/01/15</b>
Account Type	<b>US Fixed Income Investment Grade</b>
Benchmark	<b>BBgBarc US Aggregate TR</b>
Universe	<b>eV US Core Plus Fixed Inc Net</b>

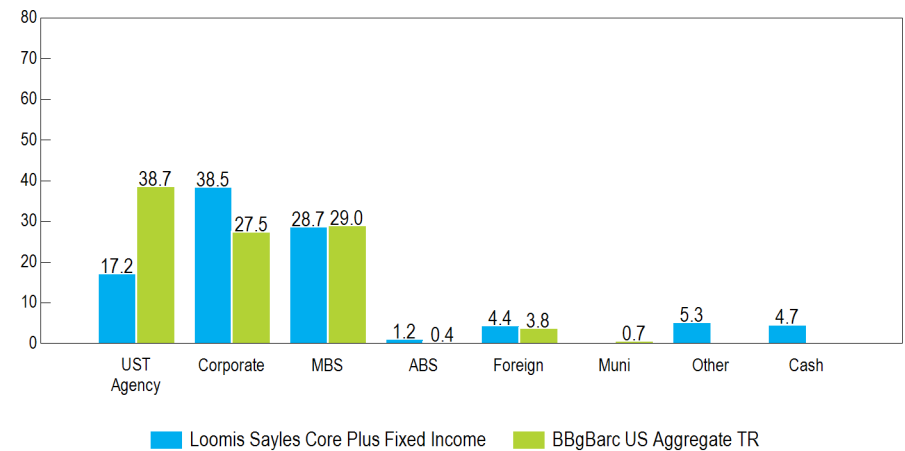
#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Loomis Sayles Core Plus Fixed Income	1.9	9.5	6.1	5.9	--	5.1	Jul-15
BBgBarc US Aggregate TR	0.6	7.0	5.2	4.2	3.6	4.2	Jul-15
eV US Core Plus Fixed Inc Net Median	1.7	7.1	5.4	4.8	4.5	4.6	Jul-15
eV US Core Plus Fixed Inc Net Rank	29	7	10	5	--	18	Jul-15

#### Credit Quality Allocation



#### Sector Allocation



#### Loomis Sayles Core Plus Fixed Income Characteristics vs. BBgBarc US Aggregate TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	2.0	1.2	2.1
Average Duration	6.5	6.5	6.7
Average Quality	BBB	AA	BBB
Weighted Average Maturity	9.3	13.6	9.6

### Aberdeen Emerging Markets Bond Fund | As of September 30, 2020

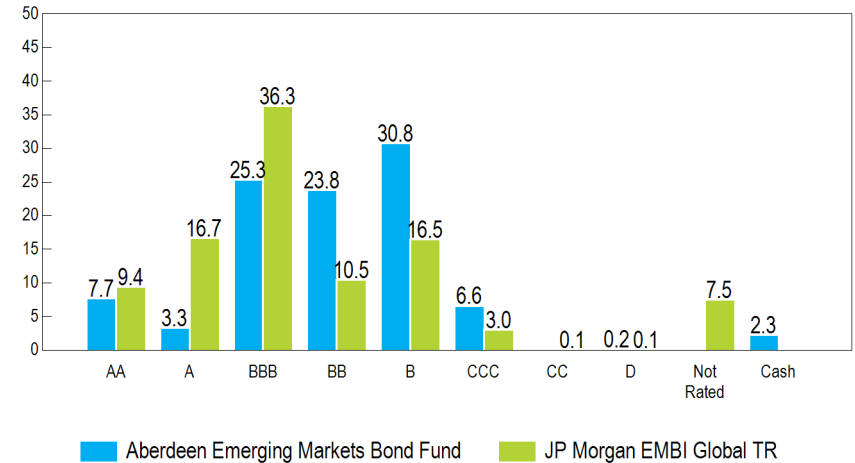
#### Account Information

Account Name	<b>Aberdeen Emerging Markets Bond Fund</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>12/01/14</b>
Account Type	<b>International Emerging Market Debt</b>
Benchmark	<b>JP Morgan EMBI Global Diversified</b>
Universe	

#### Portfolio Performance Summary

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Aberdeen Emerging Markets Bond Fund	2.4	-0.5	1.5	6.1	--	3.8	Dec-14
<i>JP Morgan EMBI Global Diversified</i>	2.3	1.3	3.5	6.1	5.4	4.8	Dec-14
<i>50% JPM EMBI GD, 25% JPM GBI EM GD, 25% CMBI Broad</i>	2.0	1.7	3.1	6.0	4.4	4.2	Dec-14

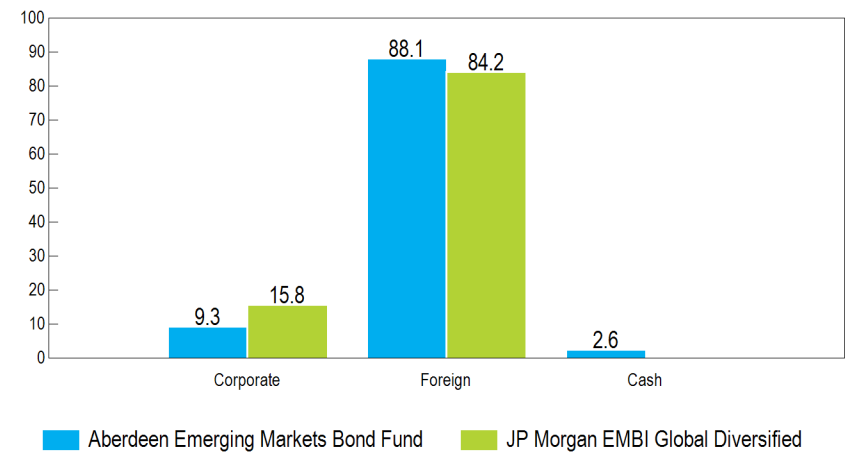
#### Credit Quality Allocation



#### Aberdeen Emerging Markets Bond Fund Characteristics vs. JP Morgan EMBI Global TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	5.9	4.2	6.9
Average Duration	7.1	8.2	6.9
Average Quality	BB	BBB	BB
Weighted Average Maturity	11.4	12.8	11.4

#### Sector Allocation



#### Account Information

Account Name	<b>SSGA TIPS</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Passive</b>
Inception Date	<b>8/01/14</b>
Account Type	<b>US Inflation Protected Fixed</b>
Benchmark	<b>BBgBarc US TIPS TR</b>
Universe	<b>eV US TIPS / Inflation Fixed Inc Net</b>

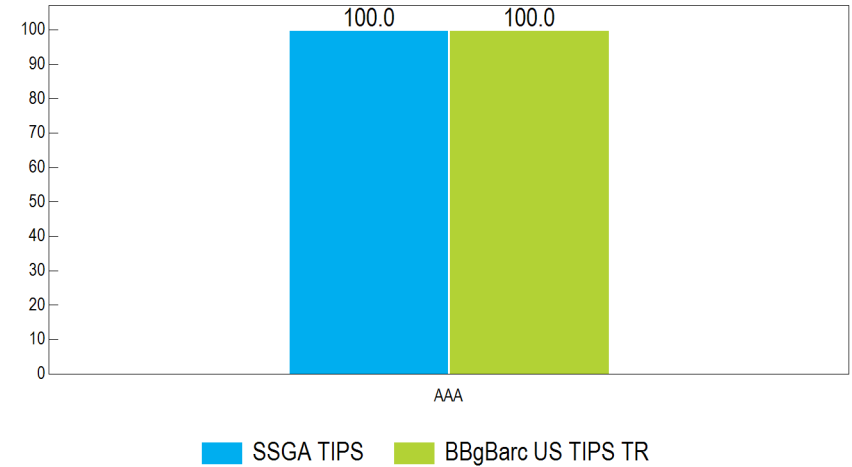
#### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
SSGA TIPS	3.0	9.2	10.0	5.7	4.6	--	3.1	Aug-14
BBgBarc US TIPS TR	3.0	9.2	10.1	5.8	4.6	3.6	3.2	Aug-14
eV US TIPS / Inflation Fixed Inc Net Median	3.3	8.9	9.9	5.8	4.6	3.4	3.1	Aug-14
eV US TIPS / Inflation Fixed Inc Net Rank	66	41	36	55	57	--	50	Aug-14

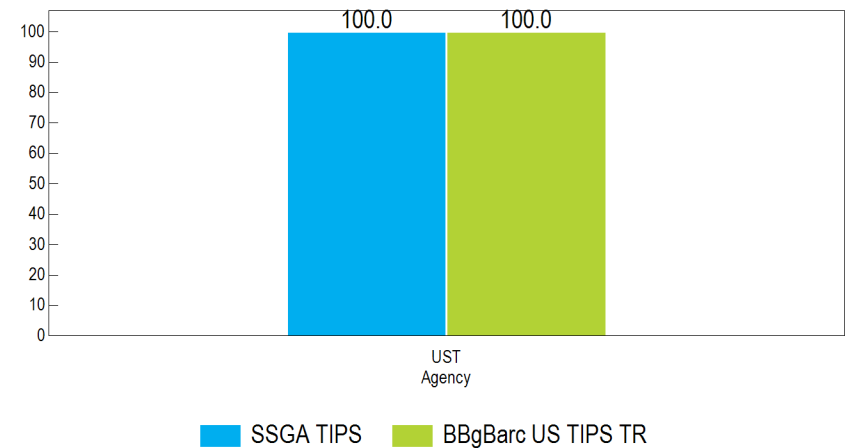
#### SSGA TIPS Characteristics vs. BBgBarc US TIPS TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	0.7	0.5	0.7
Average Duration	5.2	7.9	4.4
Average Quality	AAA	AAA	AAA
Weighted Average Maturity	8.4	8.4	8.2

#### Credit Quality Allocation



#### Sector Allocation



#### Account Information

Account Name	<b>Pyramis Tactical Bond Fund</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>8/01/13</b>
Account Type	<b>US Fixed Income High Yield</b>
Benchmark	<b>BBgBarc US Aggregate TR</b>
Universe	<b>eV US Core Plus Fixed Inc Net</b>

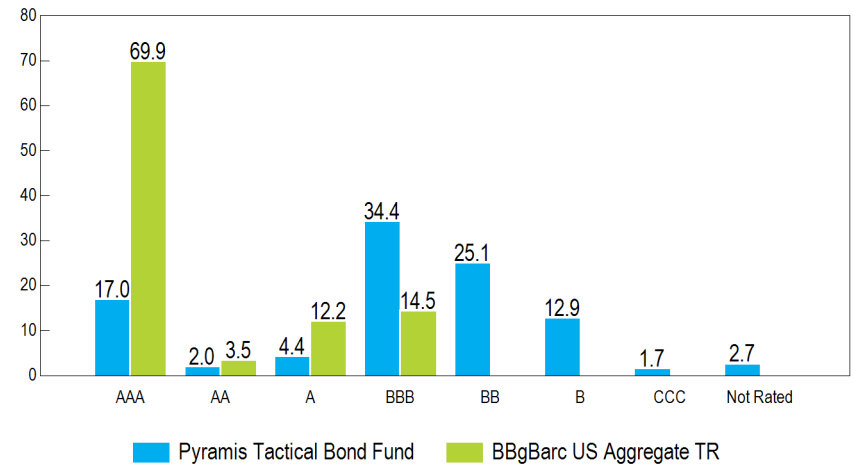
#### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Pyramis Tactical Bond Fund	2.8	4.8	6.4	5.9	6.2	--	5.3	Aug-13
BBgBarc US Aggregate TR	0.6	6.8	7.0	5.2	4.2	3.6	3.9	Aug-13
eV US Core Plus Fixed Inc Net Median	1.7	6.7	7.1	5.4	4.8	4.5	4.4	Aug-13
eV US Core Plus Fixed Inc Net Rank	4	95	71	16	2	--	3	Aug-13

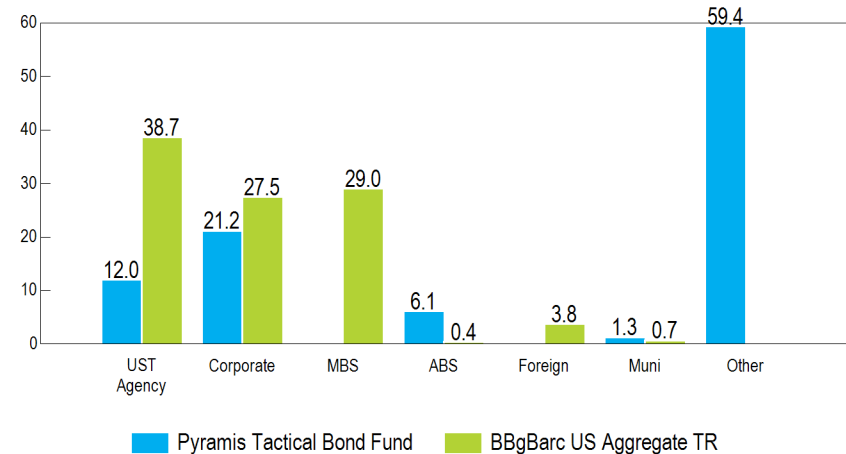
#### Pyramis Tactical Bond Fund Characteristics vs. BBgBarc US Aggregate TR

	Portfolio Q3-20	Index Q3-20	Portfolio Q2-20
<b>Fixed Income Characteristics</b>			
Yield to Maturity	4.3	1.2	4.8
Average Duration	6.7	6.5	6.1
Average Quality	BBB	AA	BBB
Weighted Average Maturity	12.2	13.6	11.4

#### Credit Quality Allocation



#### Sector Allocation





### Pacific Asset Management Bank Loans | As of September 30, 2020

#### Account Information

Account Name	<b>Pacific Asset Management Bank Loans</b>
Account Structure	<b>Mutual Fund</b>
Investment Style	<b>Passive</b>
Inception Date	<b>12/01/19</b>
Account Type	<b>US Fixed Income</b>
Benchmark	<b>Credit Suisse Leveraged Loans</b>
Universe	<b>Bank Loan MStar MF</b>

#### Portfolio Performance Summary

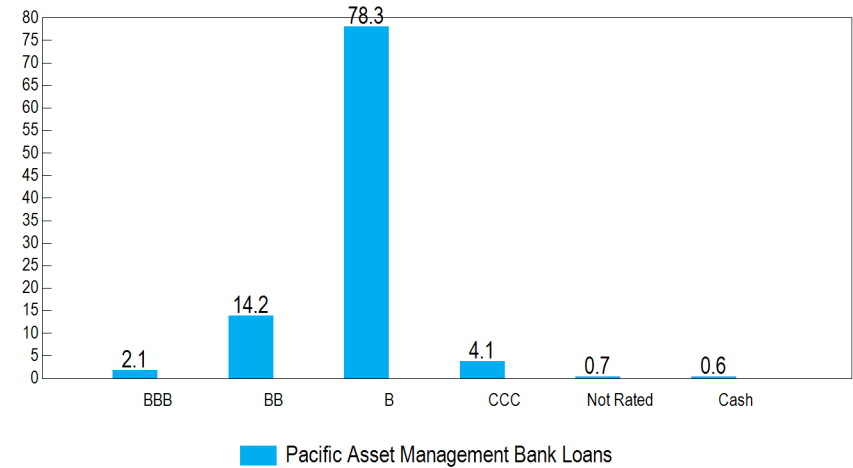
	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Pacific Asset Management Bank Loans	3.1	-0.3	--	--	--	--	0.6	Dec-19
<i>Credit Suisse Leveraged Loans</i>	4.1	-0.8	0.8	3.2	4.0	4.4	0.8	Dec-19
<i>Bank Loan MStar MF Median</i>	3.6	-1.9	-0.3	2.3	3.4	3.8	-0.4	Dec-19
<i>Bank Loan MStar MF Rank</i>	85	15	--	--	--	--	24	Dec-19

#### Pacific Asset Management Bank Loans Characteristics

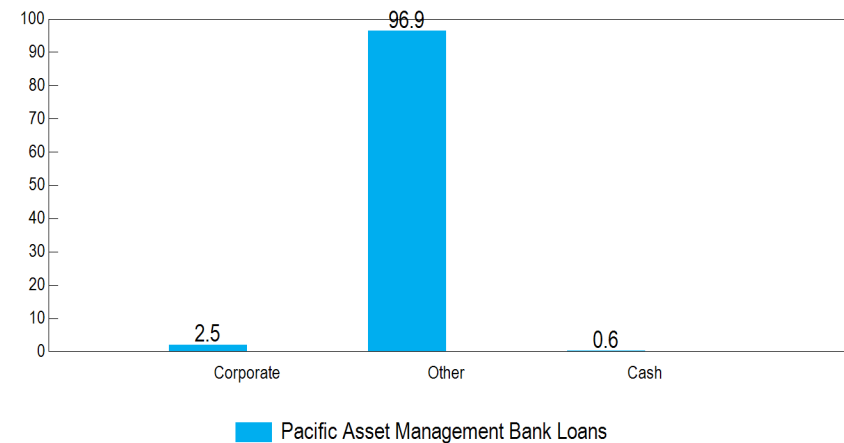
	Portfolio Q3-20	Portfolio Q2-20
<i>Fixed Income Characteristics</i>		
Yield to Maturity	4.8	5.4
Average Duration	0.3	0.3
Average Quality	B	B
Weighted Average Maturity	4.6	4.5

Characteristics not available for the Credit Suisse Leveraged Loan Index.

#### Credit Quality Allocation



#### Sector Allocation

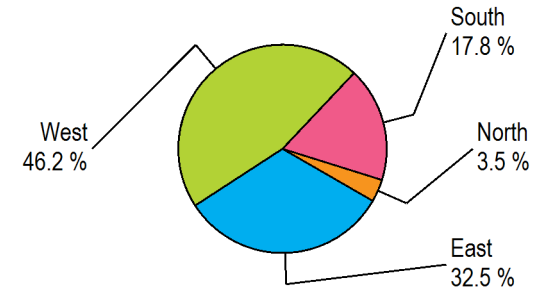


### Clarion Partners Lion Properties Fund | As of September 30, 2020

#### Account Information

Account Name	<b>Clarion Partners Lion Properties Fund</b>
Account Structure	<b>Commingled Fund</b>
Investment Style	<b>Active</b>
Inception Date	<b>4/01/05</b>
Account Type	<b>Real Estate</b>
Benchmark	<b>NCREIF ODCE Equal Weighted (Net)</b>
Universe	

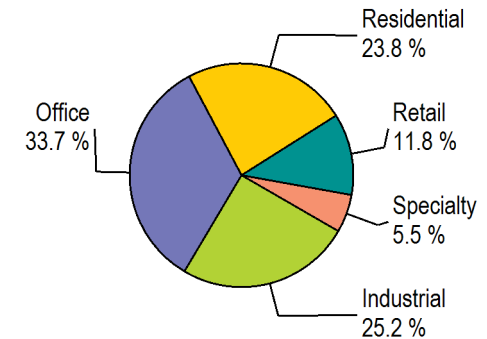
#### Geographic Diversification Allocation as of September 30, 2020



#### Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
Clarion Partners Lion Properties Fund	0.4	-0.4	1.3	5.6	7.1	10.6	5.7	Apr-05
<i>NCREIF ODCE Equal Weighted (Net)</i>	<i>0.4</i>	<i>-0.4</i>	<i>0.9</i>	<i>4.6</i>	<i>6.1</i>	<i>9.4</i>	<i>6.1</i>	<i>Apr-05</i>

#### Property Type Allocation Allocation as of September 30, 2020



Investment Expense Analysis				
As Of September 30, 2020				
Name	Market Value	% of Portfolio	Estimated Fee	Estimated Fee Value
Westwood Capital Large Cap Value	\$44,807,598	6.4%	0.50%	\$224,038
Westfield Small/Mid Cap Growth	\$54,031,842	7.7%	0.35%	\$189,111
Vaughan Nelson Small Cap Value	\$39,831,580	5.7%	0.94%	\$376,068
SSgA S&P 500	\$32,729,226	4.7%	0.02%	\$4,909
Baillie Gifford International Growth Fund	\$52,894,954	7.5%	0.61%	\$322,659
Sanderson International Value	\$40,904,285	5.8%	0.83%	\$338,378
Highclere International Small Cap	\$43,243,798	6.2%	1.19%	\$513,182
SSgA MSCI EAFE Fund	\$25,547,929	3.6%	0.06%	\$15,329
DFA Emerging Markets Value	\$26,514,558	3.8%	0.57%	\$151,133
TT Emerging Markets Equity	\$31,560,179	4.5%	0.80%	\$252,481
SSgA Bond Fund	\$76,320,643	10.9%	0.03%	\$22,896
Loomis Sayles Core Plus Fixed Income	\$59,833,145	8.5%	0.28%	\$169,583
Aberdeen Emerging Markets Bond Fund	\$61,428,884	8.7%	0.45%	\$276,430
SSGA TIPS	\$57,605,387	8.2%	0.03%	\$17,282
Pyramis Tactical Bond Fund	\$36,295,436	5.2%	0.34%	\$123,404
Pacific Asset Management Bank Loans	\$18,620,038	2.7%	0.41%	\$76,342
<b>Total</b>	<b>\$702,169,480</b>	<b>100.0%</b>	<b>0.44%</b>	<b>\$3,073,227</b>

<sup>1</sup> Estimated fee values are calculated by multiplying effective bps fee schedules by current manager market value levels. Calculations were not reconciled to actual fee invoices and will not match exactly. The table is for illustrative purposes only. Table only includes public markets managers. Westfield Small/Mid Cap Growth has a performance based fee. The fee shown is the three year average of the actual fee paid (base fee plus performance based fee).

## **3Q20 Asset Transfers Review**

Completed Asset Transfers in 3Q20

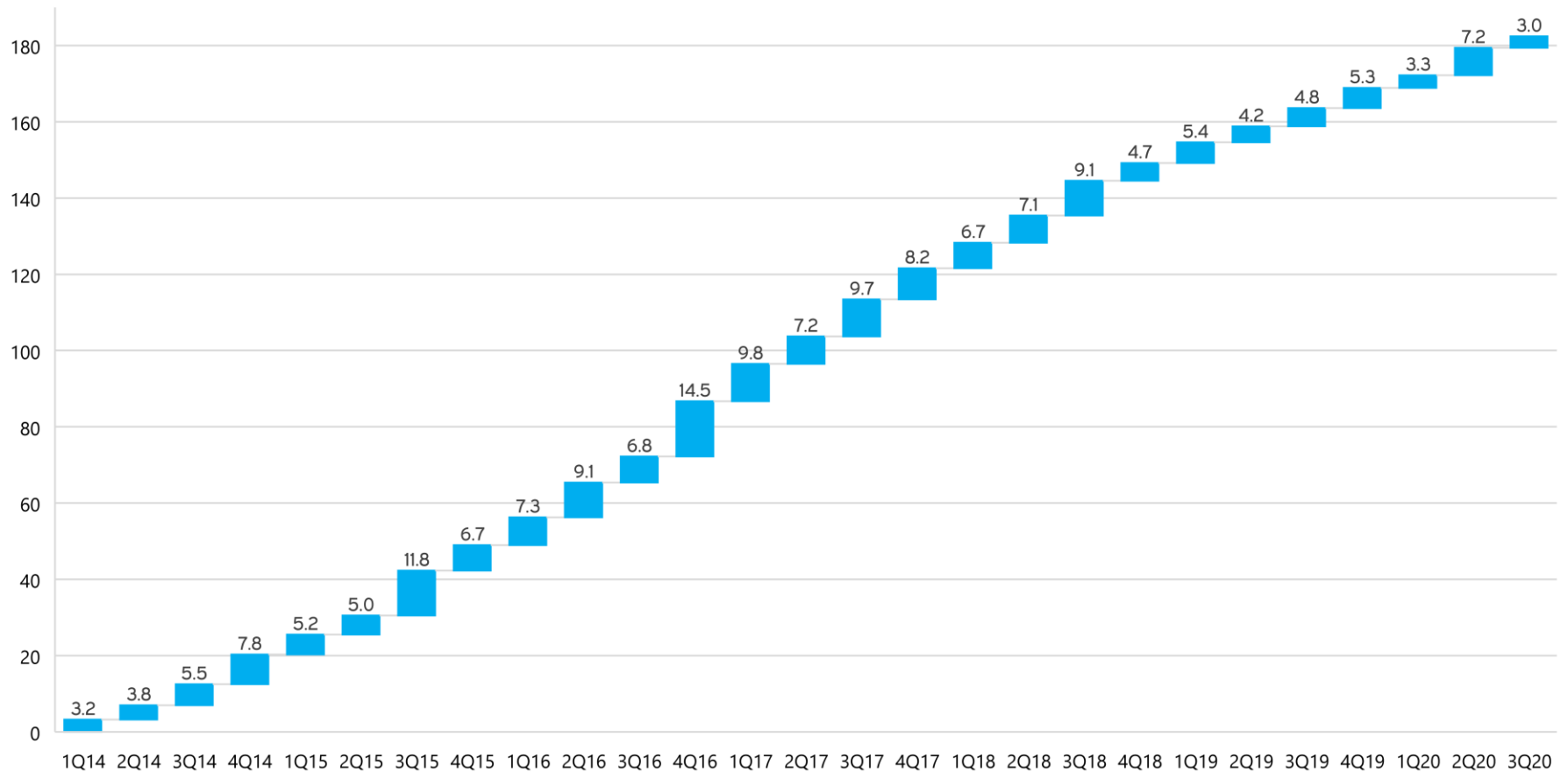
Target Portfolio	Action	Source	Amount	Target Portfolio
Cash	Raise cash for operational needs	Loomis Core Plus Bonds	\$5 mm	September 2020

## Private Equity Pacing History

## Background

- We conducted a review on the historical pace of capital calls, distributions, etc.
- The following slides provide some insightful charts
- The private equity program has hit the “self-funding” phase as recent capital calls have been offset by distributions received.

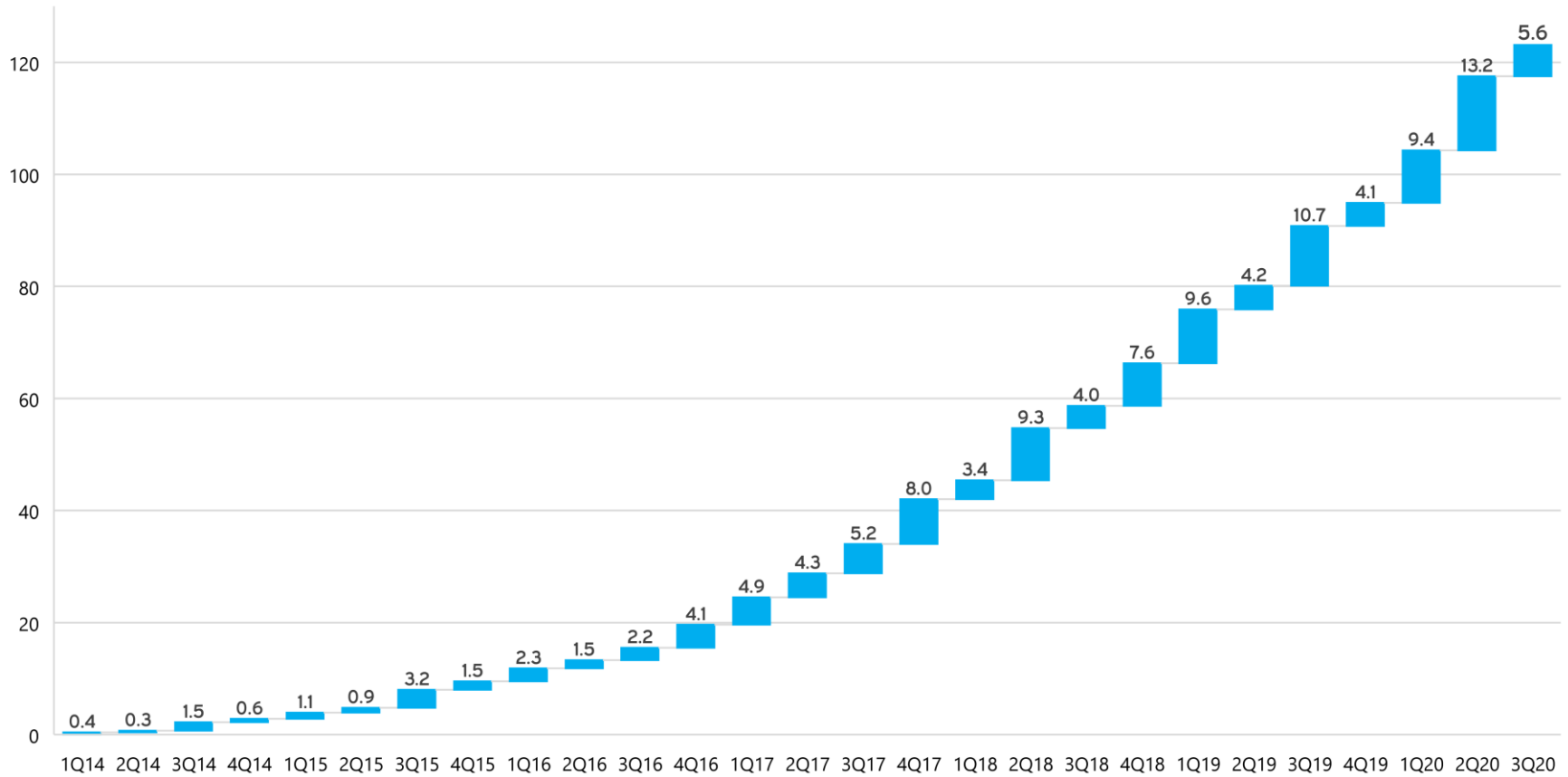
#### Capital Calls History



- Capital calls per-quarter have been rather steady over the life of the private equity program.

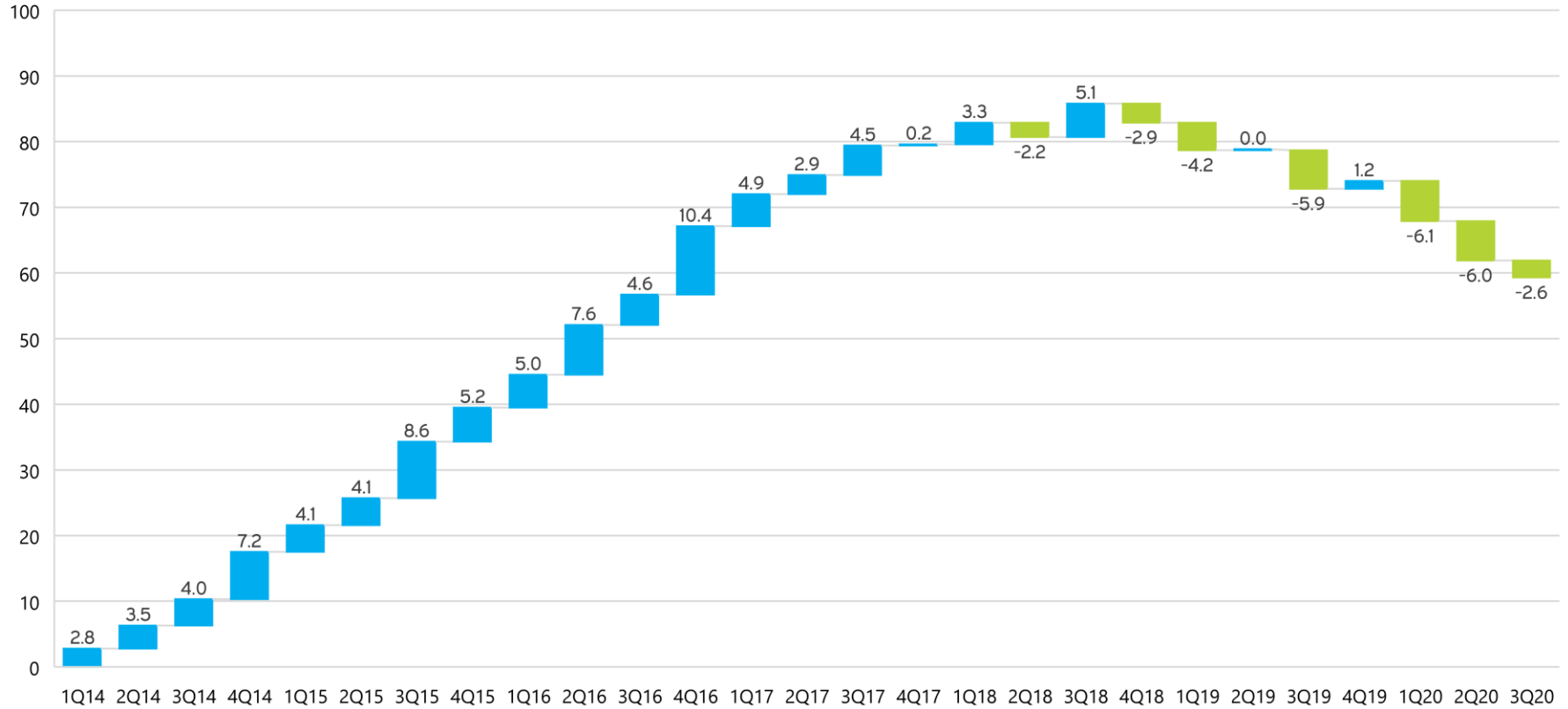


#### Distributions History



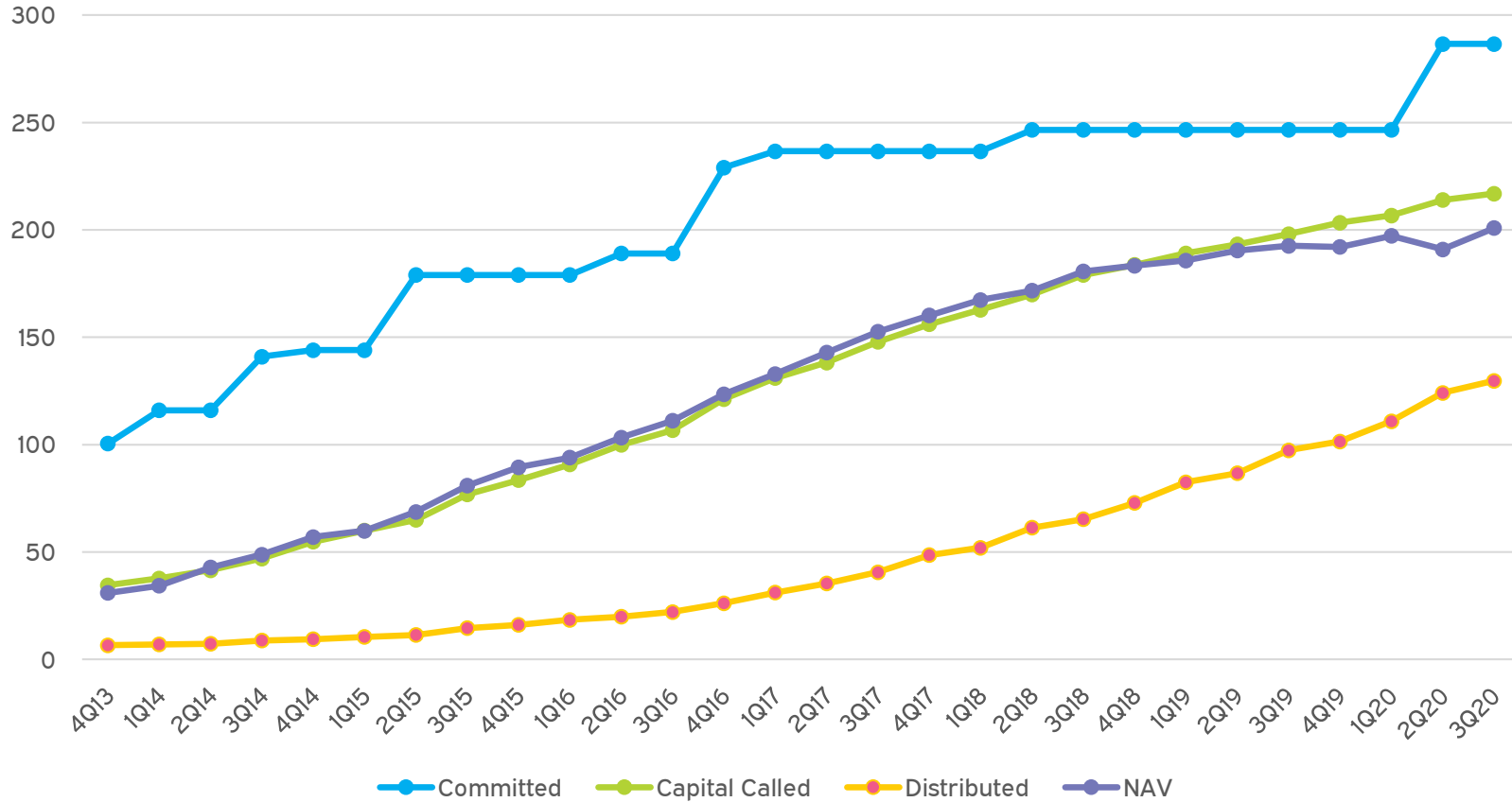
- The pace of distributions has accelerated over the past few years.

#### Net Cash Flows Per-Quarter



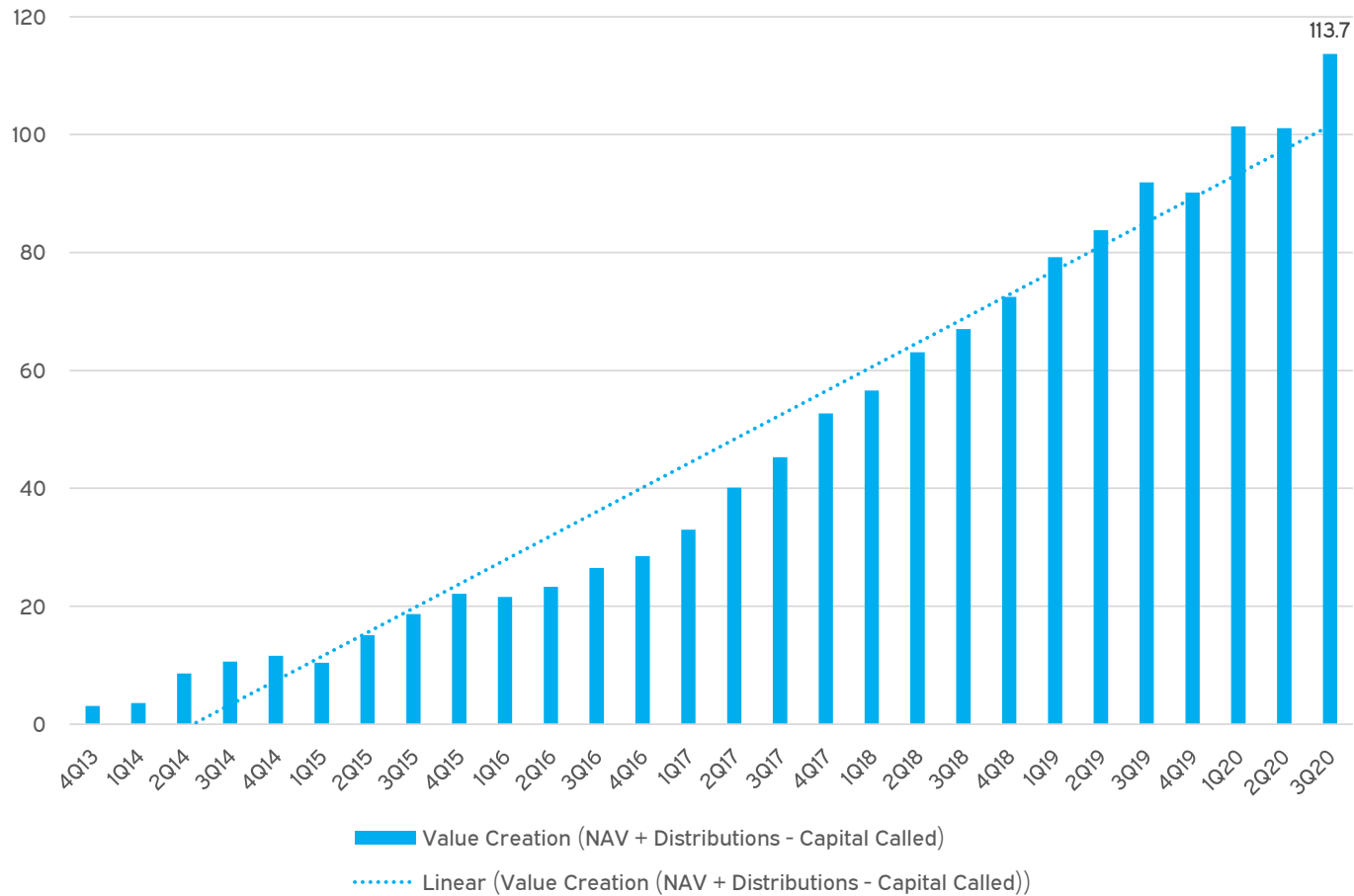
- As the private equity program has matured, more cash is coming back in distributions (negative number) than being called to fund newer commitments.

Private Equity Total History (Cumulative)



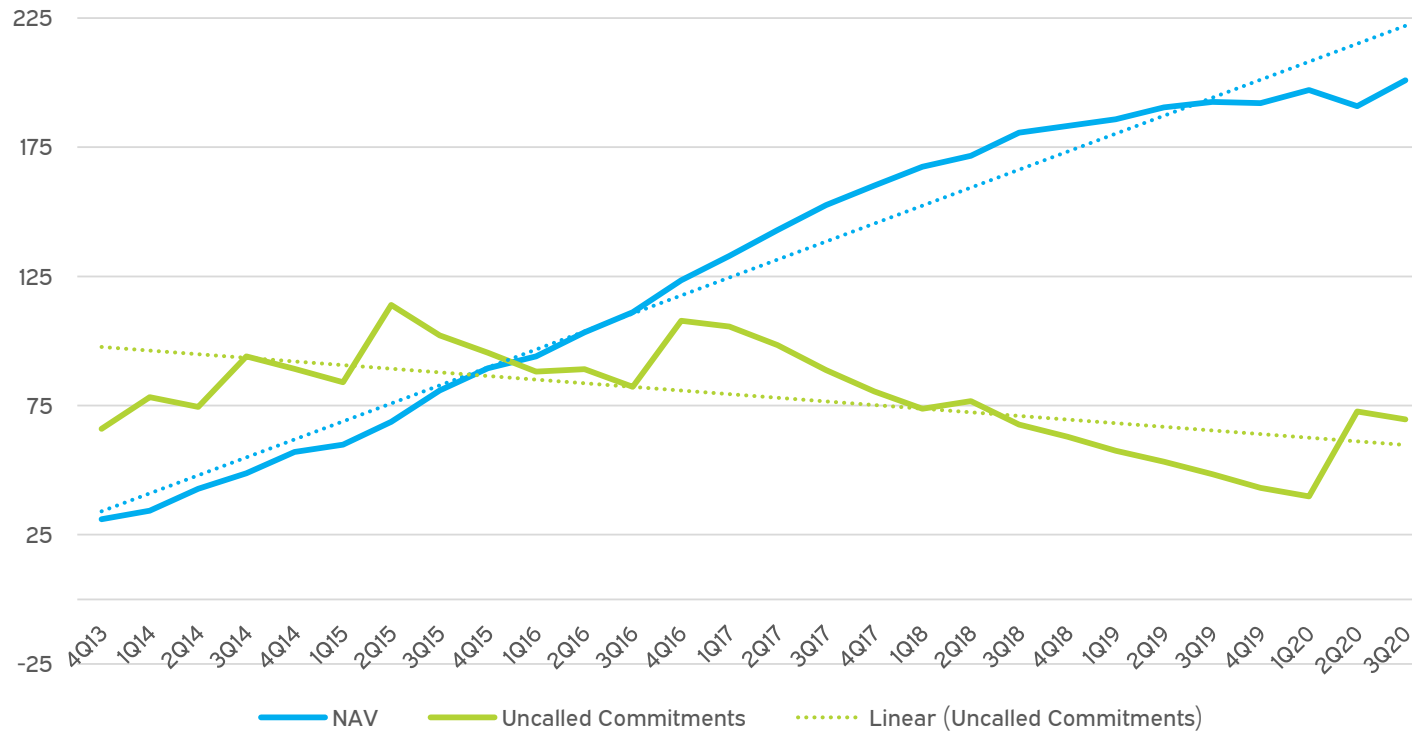
- The 2020 \$40 mm commitment to HarbourVest Dover Street X can be seen in the top blue line.

**Cumulative Value Creation**



- Value creation has been consistent. There has been an acceleration in the past six quarters relative to historical trend.

#### Uncalled Commitments vs. Private Equity NAV



- The uncalled commitment level (green line) has averaged around \$70-\$75 million over the past five years. It is currently above trend line for the first time in many years (as a result of the recent \$40 mm commitment).
- The NAV has grown steadily over the years but has leveled off (as distributions have increased).

**Historical Commitment Plan**

15% Target to Private Equity Fund of Funds		
Year	Type	Amount
Year 1 +/-	Global Primary Fund of Funds (1)	\$40-50 mm
Year 2 +/-	Specialized Fund of Funds (1 to 2)	\$20 mm
Year 3 +/-	Global Secondary Fund of Funds (1)	\$40-50 mm
Years 4-6	Same cycle repeats	

**Actual Implementation**

Year	Type	Fund	Amount
2016	Global Primary Fund of Funds	LGT Crown Global Opportunities Fund VI	\$40 mm
2017	Specialized Fund of Funds	HarbourVest Co-investment Fund IV	\$10 mm
2018	Specialized Fund of Funds	SVB Strategic Investors Fund IX	\$10 mm
2020	Global Secondary Fund of Funds	HarbourVest Dover Street X	\$40 mm

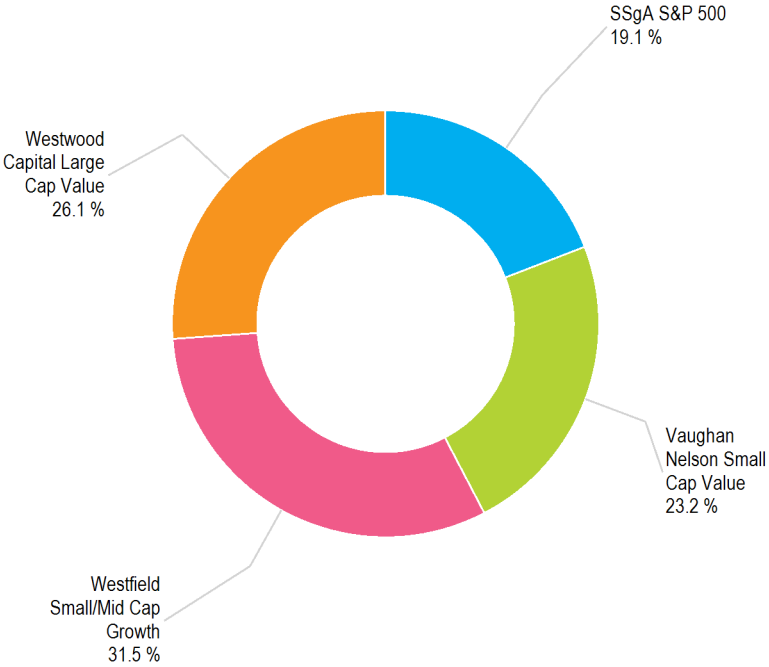
#### Next Steps

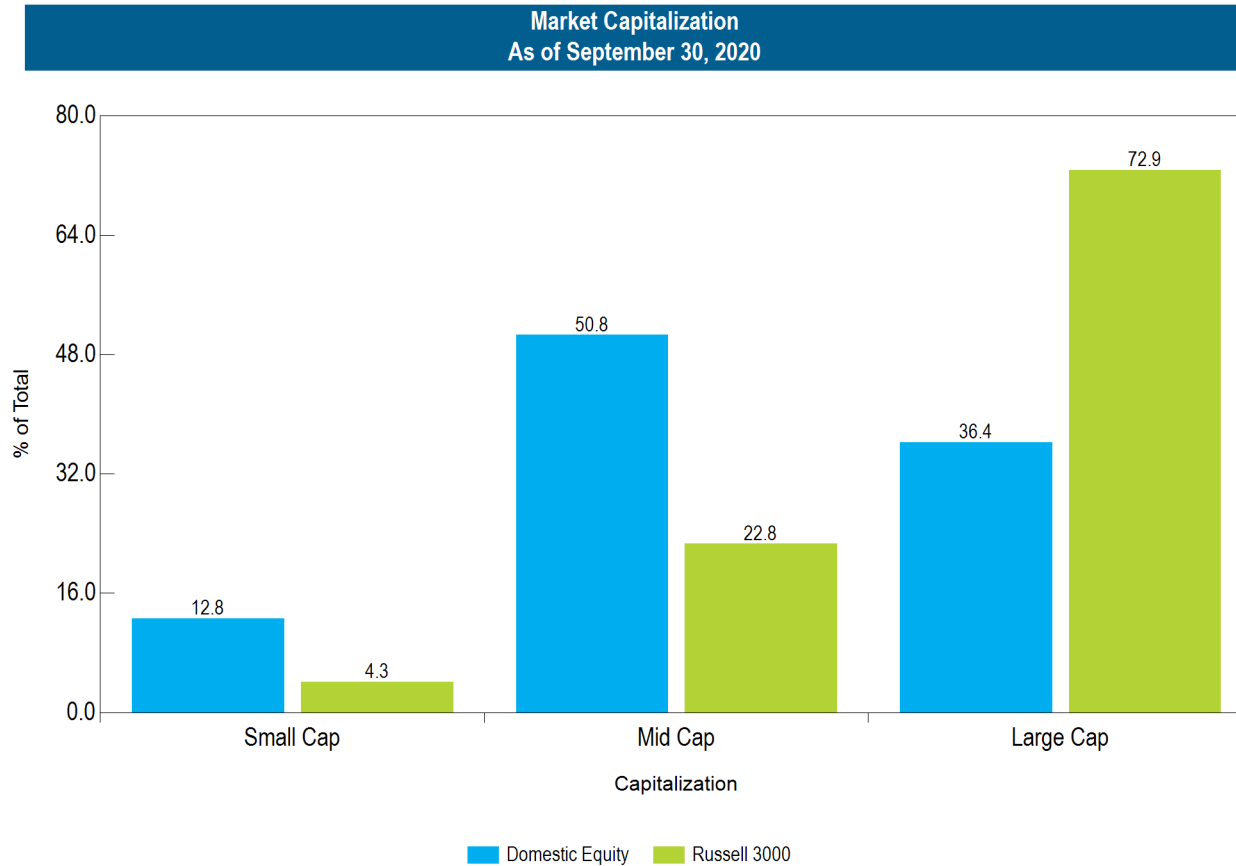
- No additional commitments are needed immediately.
- We are now at the stage of the pacing program where the “cycle repeats.”
- We will continue to monitor Austin Fire’s private equity exposure and the universe of General Partners raising new funds.

## **Domestic Equity Review**

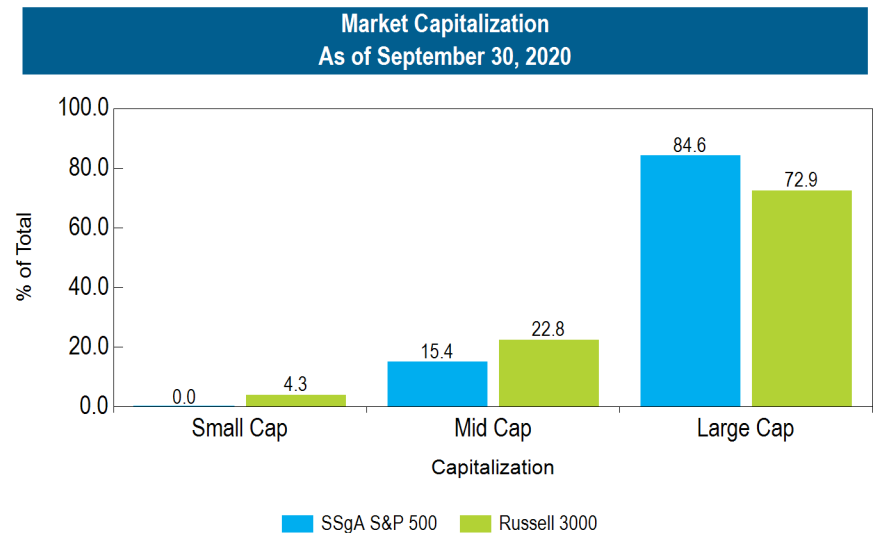
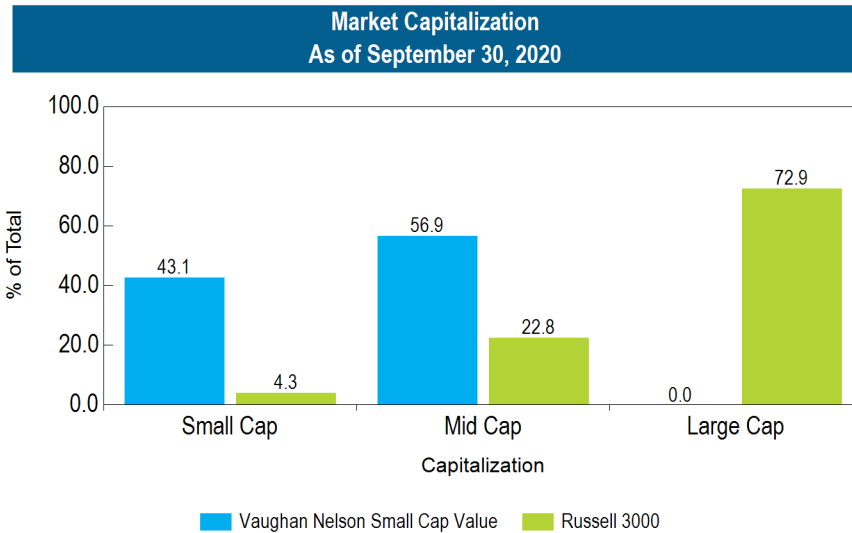
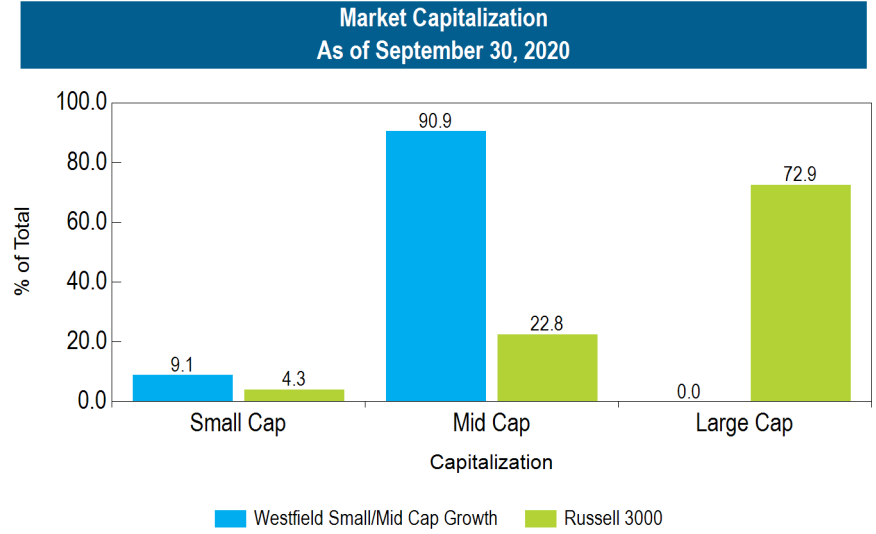
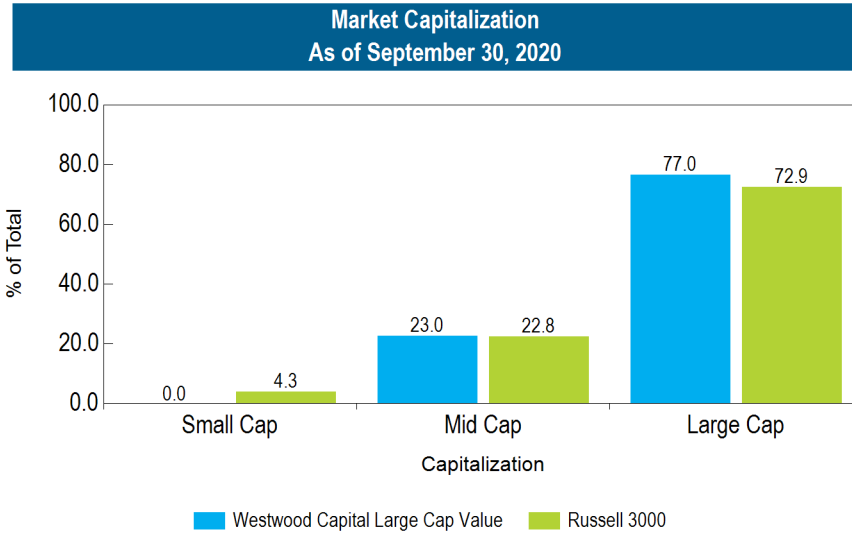


**Current Allocation**



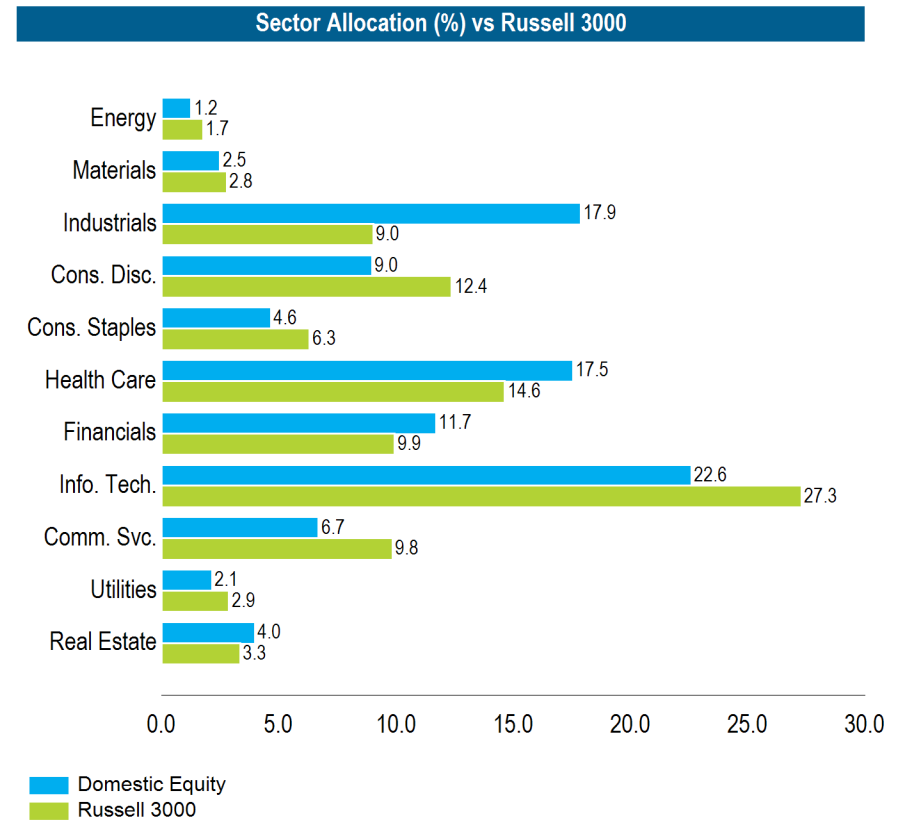


- The domestic equity allocation has an overweight to small cap stocks, overweight to mid cap stocks, and underweight to large cap stocks, relative to the Russell 3000 index.



Domestic Equity Characteristics			
	Portfolio	Index	Portfolio
	Q3-20	Q3-20	Q2-20
<b>Market Value</b>			
Market Value (\$M)	171.4	--	160.0
Number Of Holdings	610	3034	619
<b>Characteristics</b>			
Weighted Avg. Market Cap. (\$B)	143.6	376.0	126.7
Median Market Cap (\$B)	18.7	1.5	18.2
P/E Ratio	23.2	24.0	21.3
Yield	1.2	1.6	1.5
EPS Growth - 5 Yrs.	20.0	19.9	13.4
Price to Book	3.5	4.3	3.2

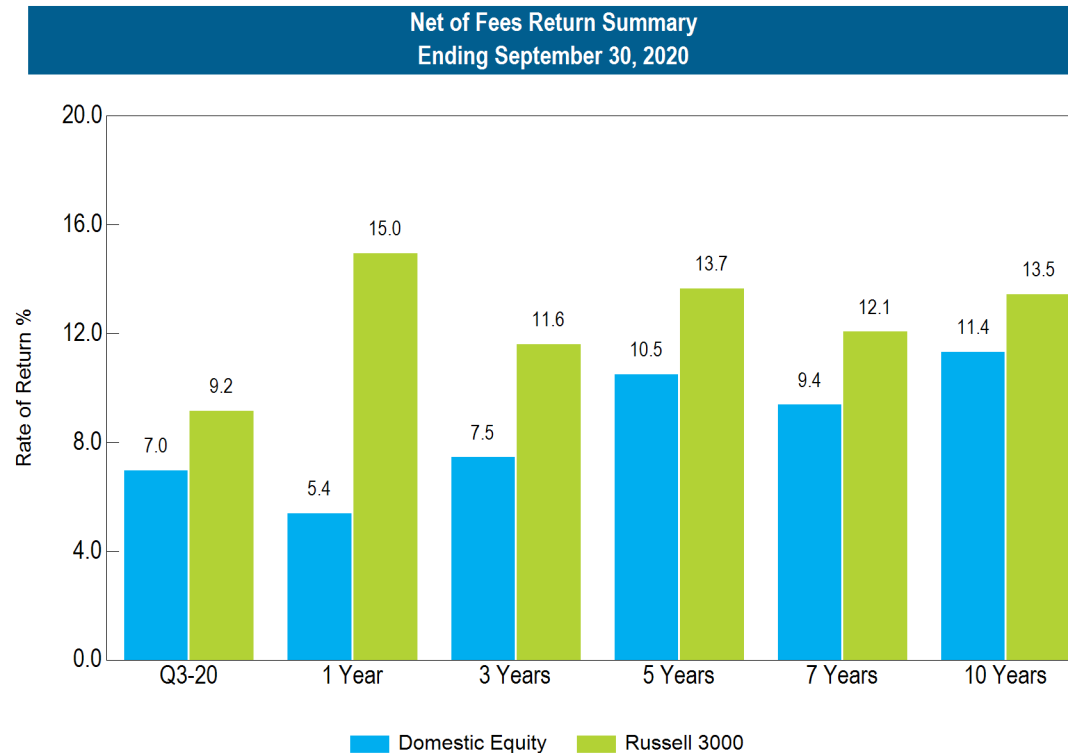
- The domestic equity allocation has a value bias as evidenced by the under weight to information technology sector, overweight to industrials sector, and lower P/E ratio.



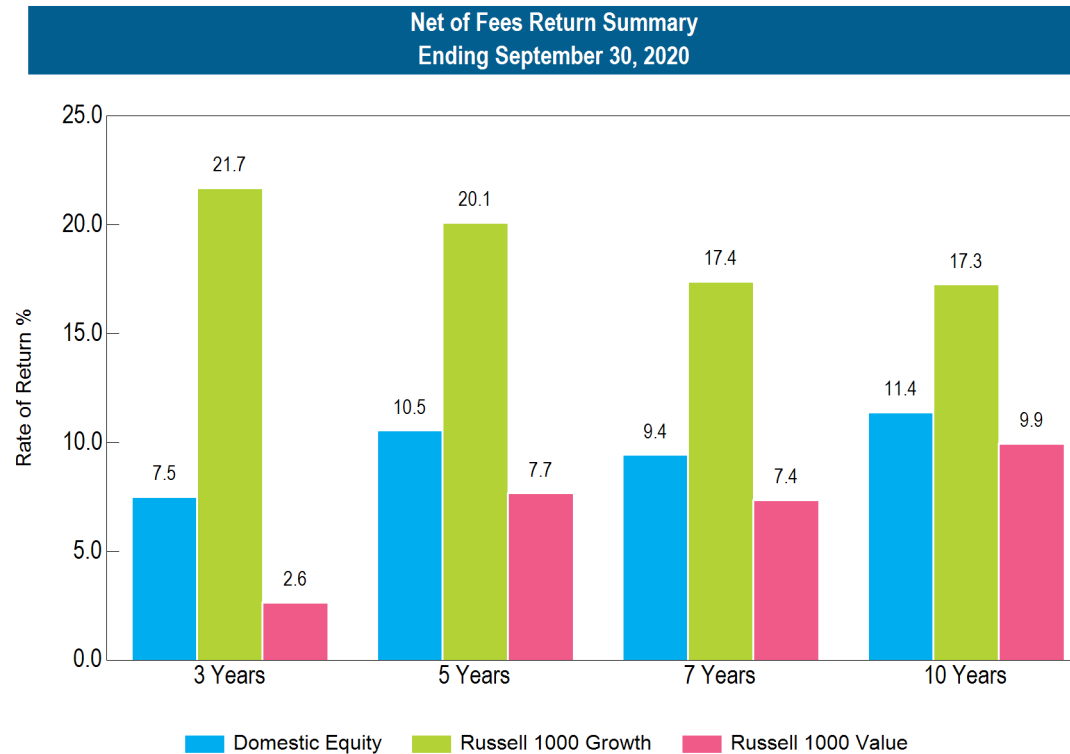
#### Largest Holdings

Company Name	GICS Sector	Portfolio Weight	Index Weight	Excess Weight	Portfolio Return	Index Return	Relative Return	Contribution Portfolio Absolute Rtn	Contribution Index Absolute Rtn	Total Contribution Relative Rtn
APPLE INC	Information Technology	1.8	5.6	-3.9	27.2	27.2	18.0	0.5	1.5	-0.7
MICROSOFT CORP	Information Technology	1.7	4.7	-3.0	3.6	3.6	-5.6	0.1	0.2	0.2
LPL FINANCIAL HOLDINGS INC	Financials	1.3	0.0	1.3	-1.9	-1.9	-11.1	0.0	0.0	-0.1
JOHNSON & JOHNSON	Health Care	1.1	1.2	-0.1	6.6	6.6	-2.6	0.1	0.1	0.0
ABBOTT LABORATORIES	Health Care	1.0	0.6	0.5	19.5	19.5	10.3	0.2	0.1	0.0
CACI INTERNATIONAL INC	Information Technology	1.0	0.0	1.0	-1.7	-1.7	-10.9	0.0	0.0	-0.1
ASSURANT INC.	Financials	1.0	0.0	1.0	18.0	18.0	8.8	0.2	0.0	0.1
JPMORGAN CHASE & CO	Financials	1.0	0.9	0.1	3.3	3.3	-5.9	0.0	0.0	0.0
AMAZON.COM INC	Consumer Discretionary	0.9	4.0	-3.1	14.1	14.1	4.9	0.1	0.6	-0.2
HOME DEPOT INC. (THE)	Consumer Discretionary	0.9	0.9	0.0	11.4	11.4	2.2	0.1	0.1	0.0
Total		11.8	18.0	-6.2				1.2	2.6	-0.8

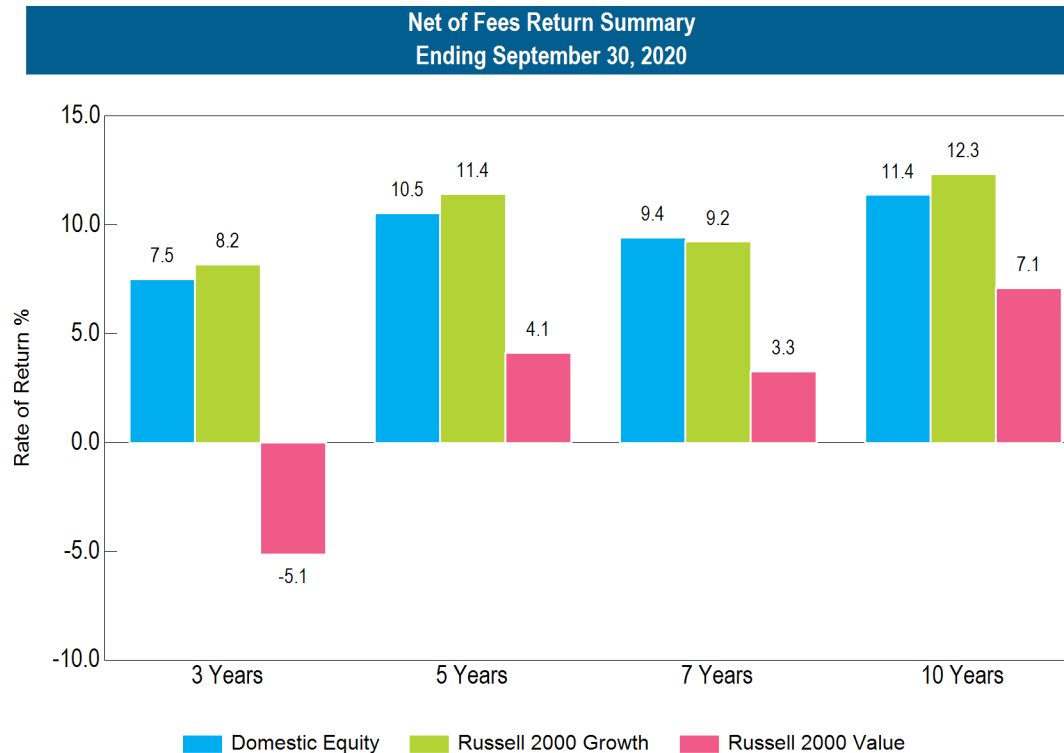
- The domestic equity allocation has relative underweights to some of the significant positions that have been driving performance in the Russell 3000 Index (e.g. Apple, Microsoft, Amazon, Facebook).



- While there is some end-point bias in the numbers due to recent market environment, the domestic equity allocation is trailing the Russell 3000 Index over all time periods.
- Unfortunately this is common occurrence we see across many public pension plans.



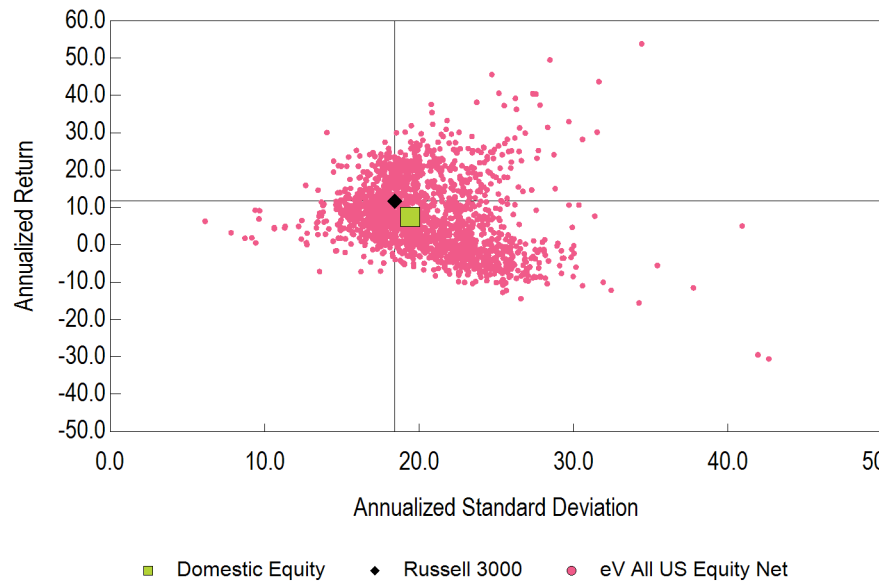
- There has been significant diversion over the past ten years between growth stocks and value stocks.
- The Russell 1000 Growth Index has outperformed the Russell 1000 Value Index by over 7% annualized over the trailing ten years.
- The degree of dispersion has been magnified in the past year (during the COVID-19 environment) as many technology companies (growth stocks) have benefited while traditional values stocks have struggled.



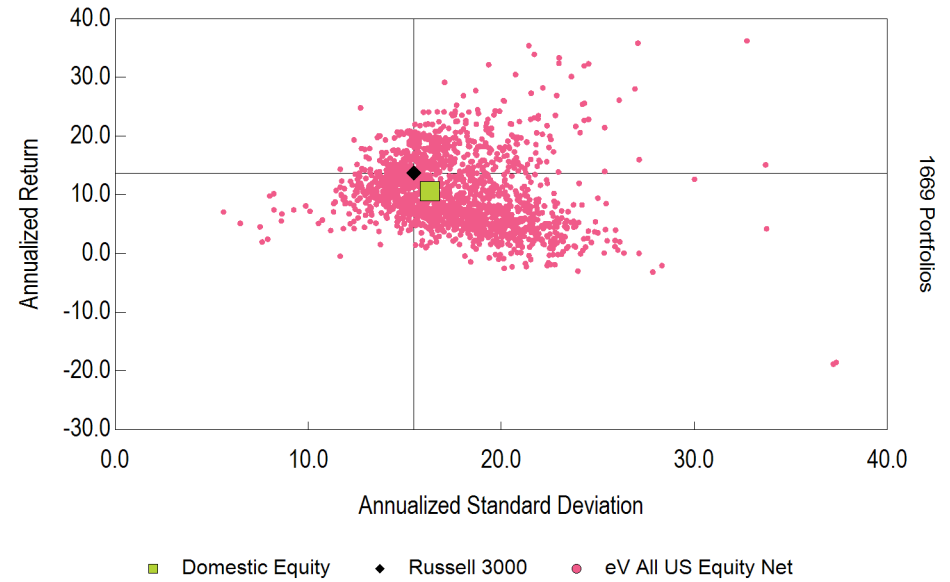
- A similar trend exists in small cap stocks (with growth stocks outperforming value).
- In addition, large caps have outperformed small caps stocks (please compare the height of the Y- axis on this page to the prior page).



Annualized Return vs. Annualized Standard Deviation  
3 Years Ending September 30, 2020



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending September 30, 2020

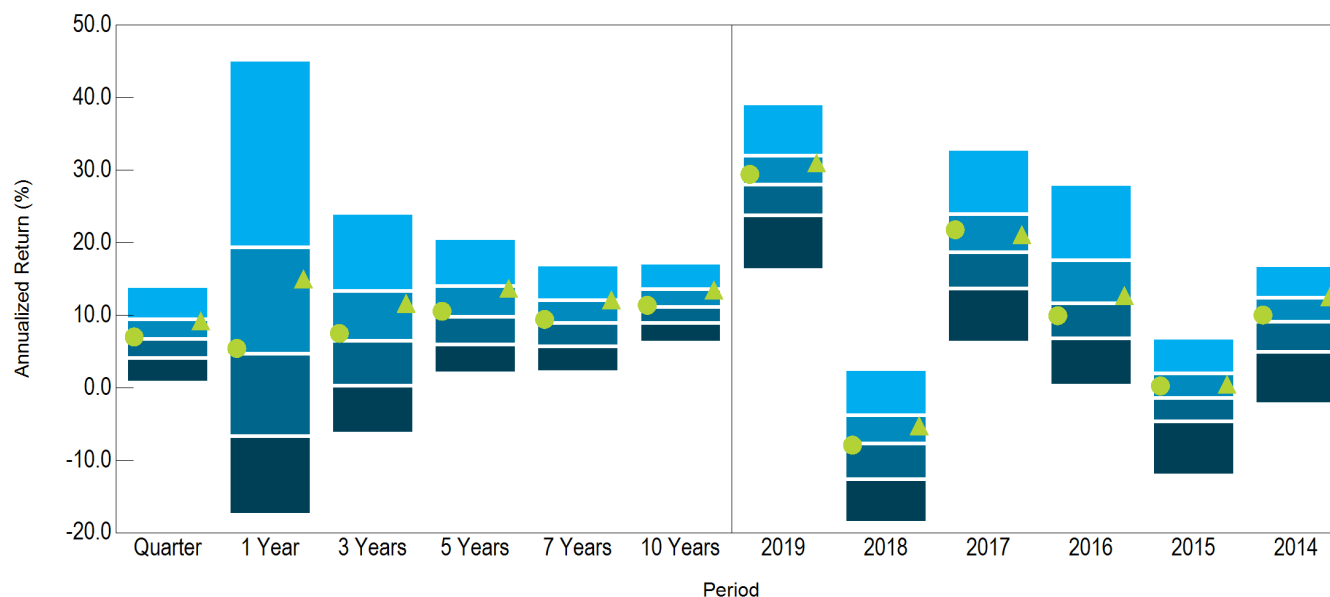


- The domestic equity allocation has performed about average on a risk/adjusted basis relative to a large universe of individual US equity products.



• The domestic equity allocation has had a lower standard deviation and lower down market capture than the median of the universe of US equity products.

#### eV All US Equity Net Return Comparison Ending September 30, 2020



	Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	2019	2018	2017	2016	2015	2014
<b>Return (Rank)</b>												
5th Percentile	14.0	45.2	24.1	20.6	17.0	17.2	39.1	2.5	32.9	28.1	6.8	16.9
25th Percentile	9.5	19.4	13.4	14.1	12.1	13.7	32.0	-3.7	24.0	17.6	2.0	12.4
Median	6.8	4.7	6.5	9.8	8.9	11.2	28.0	-7.7	18.7	11.7	-1.3	9.1
75th Percentile	4.1	-6.6	0.3	6.0	5.8	8.9	23.8	-12.	13.8	6.9	-4.6	5.0
95th Percentile	0.8	-17.	-6.3	2.0	2.2	6.3	16.3	-18.	6.3	0.3	-12.	-2.2
# of Portfolios	1,87	1,86	1,79	1,66	1,55	1,33	1,84	1,81	1,79	1,72	1,53	1,50
● Domestic Equity	7.0 (49)	5.4 (50)	7.5 (47)	10.5 (47)	9.4 (47)	11.4 (49)	29.4 (41)	-7.9 (52)	21.8 (35)	9.9 (59)	0.2 (39)	10.0 (45)
▲ Russell 3000	9.2 (29)	15.0 (32)	11.6 (32)	13.7 (28)	12.1 (26)	13.5 (28)	31.0 (32)	-5.2 (36)	21.1 (38)	12.7 (45)	0.5 (37)	12.6 (25)

- Peer rankings for domestic equity have fluctuated around the 50th percentile historically. The Russell 3000 has fluctuated around the 33rd percentile historically.

Investment Expense Analysis						
As Of September 30, 2020						
Name	Market Value	% of Portfolio	Estimated Fee	Estimated Fee Value	Fee Schedule	
SSgA S&P 500	\$32,729,226	19.1%	0.02%	\$4,909	0.02% of First 50.0 Mil, 0.01% Thereafter	
Vaughan Nelson Small Cap Value	\$39,831,580	23.2%	0.94%	\$376,068	1.00% of First 25.0 Mil, 0.85% of Next 25.0 Mil, 0.75% Thereafter	
Westfield Small/Mid Cap Growth	\$54,031,842	31.5%	0.35%	\$189,111	Base fee of 0.20% of assets plus a performance fee: 24% of excess returns over the rolling three year index return and base fee. Maximum annual performance fee capped at 1.1%	
Westwood Capital Large Cap Value	\$44,807,598	26.1%	0.50%	\$224,038	0.50% of First 50.0 Mil, 0.40% of Next 50.0 Mil, 0.35% Thereafter	
<b>Total</b>	<b>\$171,400,245</b>	<b>100.0%</b>	<b>0.46%</b>	<b>\$794,127</b>		

- The overall effective fee on the domestic equity allocation is 0.46%.
- Westfield Small/Mid Cap Growth has a performance based fee. The fee shown is the three year average of the actual fee paid (base fee plus performance based fee).

Performance Summary (Net of Fees)										
	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	S.I. (%)	S.I. Date
<b>Domestic Equity</b>	<b>171,400,245</b>	<b>100.0</b>	<b>7.0</b>	<b>-2.5</b>	<b>5.4</b>	<b>7.5</b>	<b>10.5</b>	<b>11.4</b>	<b>7.9</b>	<b>Mar-97</b>
<i>Russell 3000</i>			<i>9.2</i>	<i>5.4</i>	<i>15.0</i>	<i>11.6</i>	<i>13.7</i>	<i>13.5</i>	<i>8.7</i>	<i>Mar-97</i>
Westwood Capital Large Cap Value	44,807,598	26.1	4.8	-9.0	-3.7	5.5	9.0	10.4	8.0	Oct-01
<i>Russell 1000 Value</i>			<i>5.6</i>	<i>-11.6</i>	<i>-5.0</i>	<i>2.6</i>	<i>7.7</i>	<i>9.9</i>	<i>7.1</i>	<i>Oct-01</i>
Westfield Small/Mid Cap Growth	54,031,842	31.5	9.5	10.2	26.0	14.7	14.3	14.2	13.1	Nov-02
<i>Russell 2500 Growth</i>			<i>9.4</i>	<i>11.6</i>	<i>23.4</i>	<i>13.4</i>	<i>14.2</i>	<i>14.1</i>	<i>12.2</i>	<i>Nov-02</i>
Vaughan Nelson Small Cap Value	39,831,580	23.2	4.6	-14.3	-11.0	-1.6	--	--	3.7	Jan-16
<i>Russell 2000 Value</i>			<i>2.6</i>	<i>-21.5</i>	<i>-14.9</i>	<i>-5.1</i>	<i>4.1</i>	<i>7.1</i>	<i>3.7</i>	<i>Jan-16</i>
SSgA S&P 500	32,729,226	19.1	8.9	5.5	15.1	12.2	14.1	13.7	8.9	Feb-04
<i>S&amp;P 500</i>			<i>8.9</i>	<i>5.6</i>	<i>15.1</i>	<i>12.3</i>	<i>14.1</i>	<i>13.7</i>	<i>9.0</i>	<i>Feb-04</i>

- Relative to individual benchmarks, the managers have done quite well.
- The overall performance has struggled against the Russell 3000 Index due to the previously mentioned headwinds (small cap and value bias).
- We would expect those headwinds to reverse at some point.

Domestic Equity Thoughts and Next Steps

Topic	Observation	Next Steps	Timing
Manager Performance	Relative to strategy benchmarks the managers are doing well overall.	None	N/A
Small Cap Bias	Relative to the asset class benchmark (Russell 3000 Index) the domestic equity program has a small cap bias. This has hurt relative returns recently	Gradually seek to move allocation closer in line with R3000 market cap weights	Next 12 months potentially
Value Bias	Relative to the asset class benchmark (Russell 3000 Index) the domestic equity program has a value bias. This has hurt relative returns recently. (This is partially offset with a growth bias in international equity)	Gradually seek to move allocation closer balanced approach (core, value, growth)	Start now
Passive Exposure	Relative to most of our other clients, Austin Fire's domestic equity allocation is more active.	Gradually seek to increase passive exposure in efficient areas of domestic equity (large cap)	Start now

### Recommendation

- We recommend the Trustees move half of the Westwood Large Cap Value exposure into the SP500 Index.
- This will accomplish the following:
  - It will reduce the value bias
  - It will increase the large cap exposure
    - (as Westwood Large Cap Value had mid-cap and large-cap exposure while the SP500 Index is predominantly large cap)
  - It will increase passive exposure
  - It will reduce fees
- We also note (as previously detailed in a memo) that Westwood has had some personnel change recently:
  - One Portfolio Manager (Casey Flanagan) left the firm in August 2020.
  - Another more senior Portfolio Manager (Scott Lawson) is retiring in March 2021.

## **Follow-ups from SB 322 Report**



**Summary of Original Recommendations and Current Status**

Subsection (a) 1 : Recommendation	Current Status
<ul style="list-style-type: none"> <li>The role of Staff could be more clearly outlined in the IPS or Operating Procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Will be incorporated as part of the spring 2021 annual Operating Procedures review</li> </ul>
Subsection (a) 2: Recommendations	Current Status
<ul style="list-style-type: none"> <li>We recommend the Board continues to remain patient with its approach to asset allocation</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing. The Trustees should keep this in mind during the 2021 asset allocation review</li> </ul>
<ul style="list-style-type: none"> <li>We recommend the Board and Staff closely monitor contribution levels and expected net out flows</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing. The Trustees should keep this in mind when reviewing annual actuarial reports</li> </ul>
<ul style="list-style-type: none"> <li>We recommend Austin Fire consider adjusting actuarial valuation assumptions as necessary based on the outcomes and advice of the actuary upon conclusion of the experience study expected in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>In May 2020, the Board reviewed the results of the actuary’s experience study and accepted all recommendations. Key changes included: reducing the actuarial assumed rate of return from 7.7% to 7.5%, reducing inflation assumption from 2.75% to 2.5%, and reducing payroll growth assumption from 3.5% to 2.0%.</li> </ul>
<ul style="list-style-type: none"> <li>We recommend the Board continues to use future return projections (and the advice of the actuary and consultant) when evaluating and setting its actuarial return target.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing. The Trustees should keep this in mind during the 2021 asset allocation review</li> </ul>

**Summary of Original Recommendations and Current Status**

Subsection (a) 3: Recommendations	Current Status
<ul style="list-style-type: none"> <li>We recommend Austin Fire maintains its passive exposure in efficient market classes</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing. There is potential for increased exposure in domestic equity</li> </ul>
<ul style="list-style-type: none"> <li>We recommend that Staff, the Board, and the Consultant all remain diligent in monitoring fees.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing. Meketa conducts a formal fee review every year and continually monitors fees informally throughout the year</li> </ul>
<ul style="list-style-type: none"> <li>We recommend Austin Fire staff document its internal process for fee reconciliation and payment in a formal procedure document or memo.</li> </ul>	<ul style="list-style-type: none"> <li>Language detailing the process will be added to the Operating Procedures during the spring 2021 annual Operating Procedures review.</li> </ul>
<ul style="list-style-type: none"> <li>The Trustees may want to explore more direct investments in private markets to reduce overall costs relative to fund of funds. Doing so would result in additional advisory costs which would likely (but not guaranteed) be less than FOF fees.</li> </ul>	<ul style="list-style-type: none"> <li>Topic of discussion for a later date</li> </ul>

### Summary of Original Recommendations and Current Status

Subsection (a) 4 : Recommendation	Current Status
<ul style="list-style-type: none"><li>• None</li></ul>	<ul style="list-style-type: none"><li>• N/A</li></ul>
Subsection (a) 5 : Recommendation	Current Status
<ul style="list-style-type: none"><li>• We recommend Austin Fire formally documents the rationale for all hiring and firing decisions.</li></ul>	<ul style="list-style-type: none"><li>• Language addressing the topic will be added to the Operating Procedures during the spring 2021 annual Operating Procedures review.</li></ul>

# Investing in a Low Rate Environment

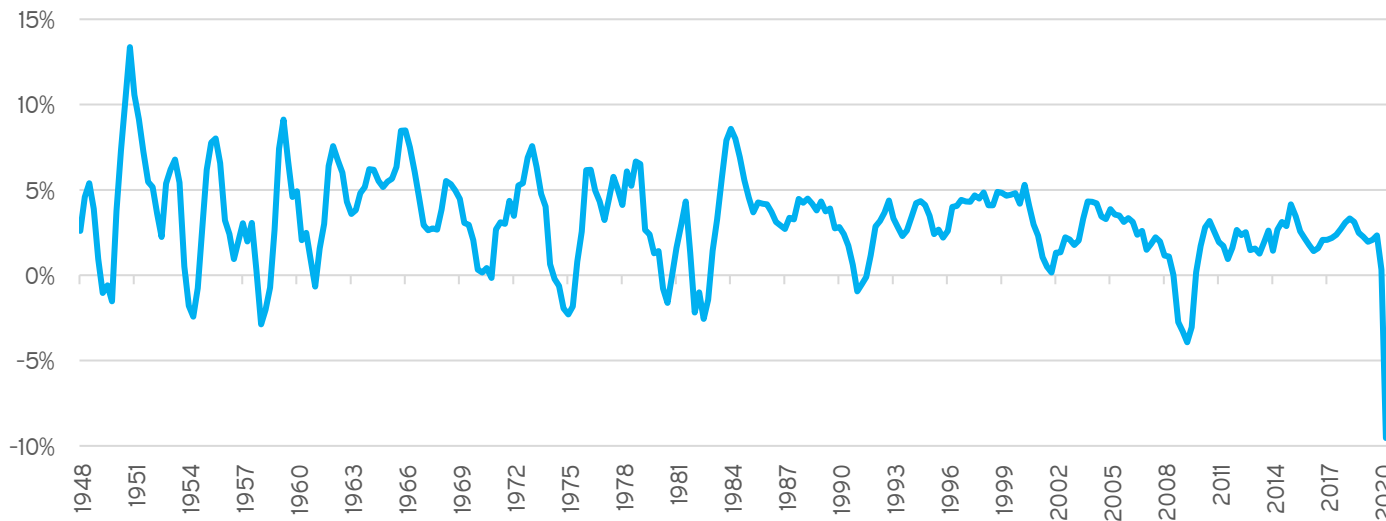
## Introduction

- The coronavirus pandemic has had a greater impact on peoples' daily lives, the economy, and markets, than any event since World War II.
- What the total effect will be, both in the near term and long term, may not be known for quite some time.
- What is clear is that the world has changed from ten years ago, and what has worked for the past decade is not necessarily going to prove as effective going forward.

**What the Pandemic has Wrought**

- The coronavirus pandemic has caused unprecedented harm to the global economy.

**US Real GDP, Percent Change from Year Ago<sup>1</sup>**



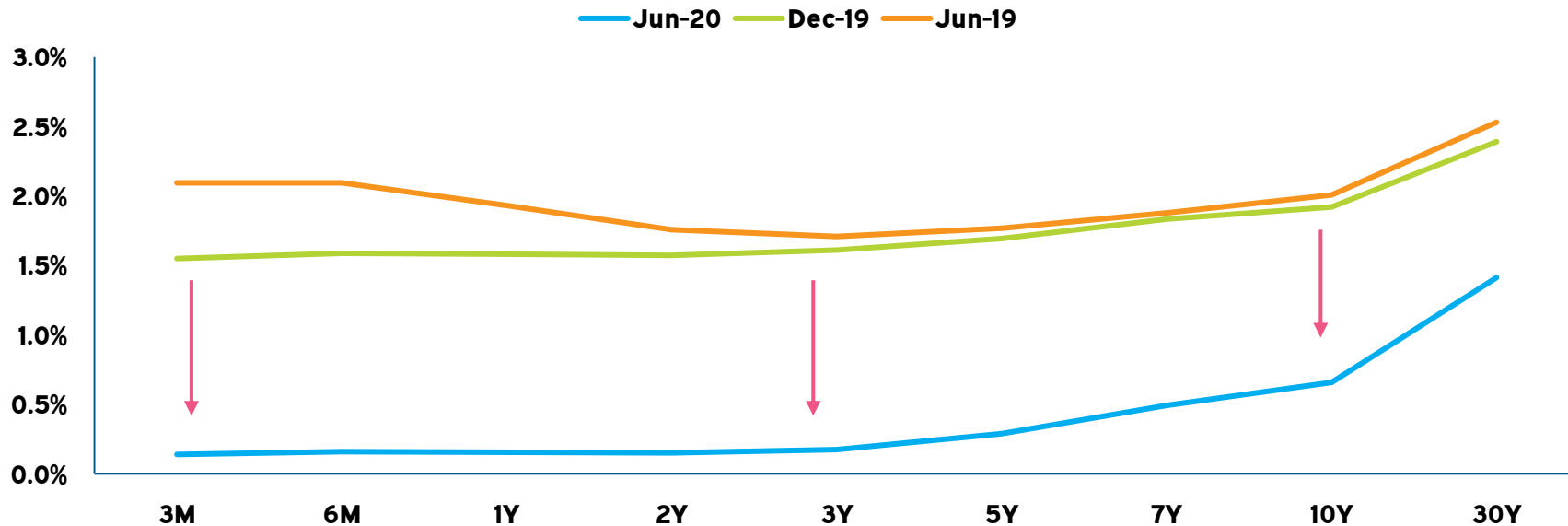
- The economic impact of the pandemic, and the reaction to it by policy makers and markets, is causing greater and more wide-spread upheaval than most investors have experienced.
- The depth of the downturn implies that the recovery could be very gradual, especially for the hardest hit sectors of the economy.

<sup>1</sup> Source: FRED. Q2 2020 data represents first estimate of Real GDP.

#### A Low Interest Rate Environment

- Cuts in monetary policy rates lowered yields in shorter maturities, while flight-to-quality flows, low inflation, and lower growth expectations, particularly given indications that economic growth could slow by record amounts, have driven the changes in longer-dated maturities.
- The Federal Reserve's unlimited quantitative easing purchase program has provided further downward pressure on interest rates.

#### US Yield Curve Declines<sup>1</sup>

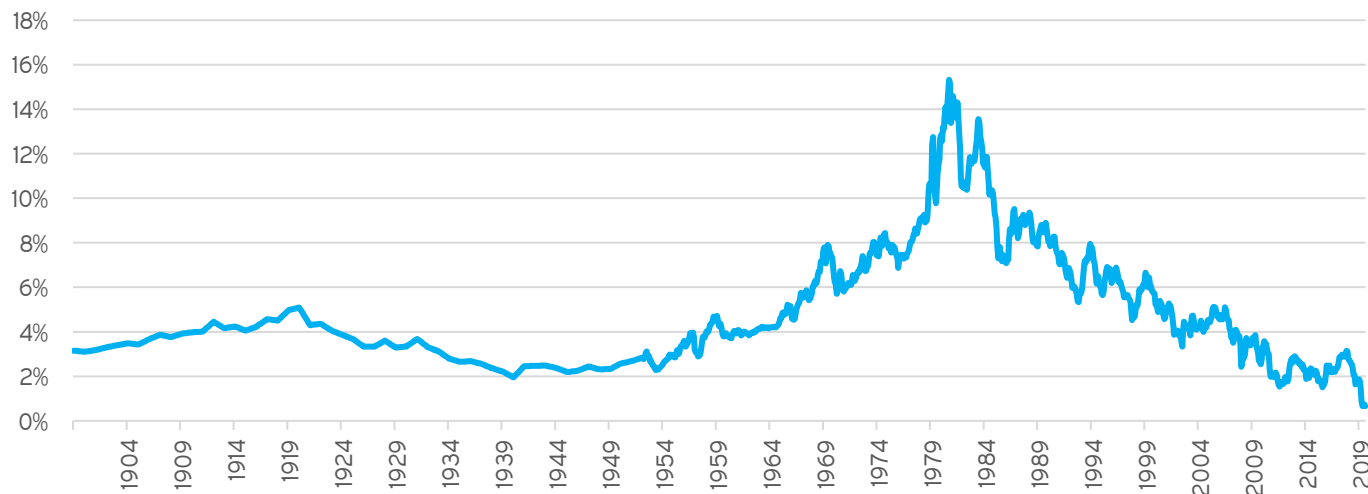


<sup>1</sup> Source: Bloomberg. Data is as of June 30, 2020.

#### How Low, and for How Long?

- US interest rates have essentially reached all-time lows.
- It is quite possible they are going to stay low.
  - If the Fed thinks this crisis will require low rates across the curve, they could intervene for an extended period.
  - The Fed actively managed the Treasury Yield Curve in the 1940s (during WWII)<sup>1</sup>

#### US Treasury 10-Year Rates<sup>2</sup>



<sup>1</sup> Source: Kenneth D. Garbade, "How the Fed Managed the Treasury Yield Curve in the 1940s," Federal Reserve Bank of New York Liberty Street Economics, April 6, 2020, <https://libertystreeteconomics.newyorkfed.org/2020/03/how-the-fed-managed-the-treasury-yield-curve-in-the-1940s.html>

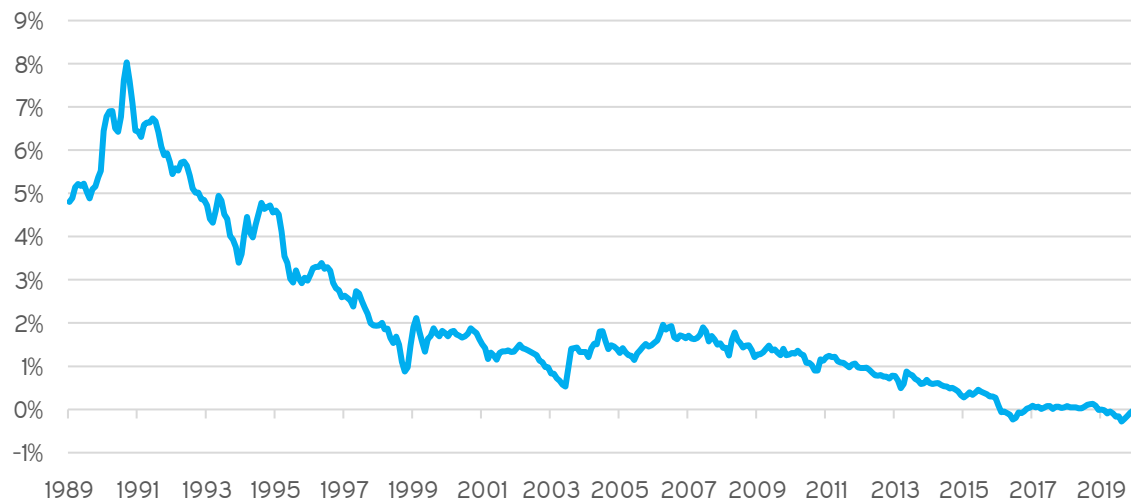
<sup>2</sup> Source: FRED, Multpl.com. Data is as of July 2020.



#### How Low, and for How Long (continued)

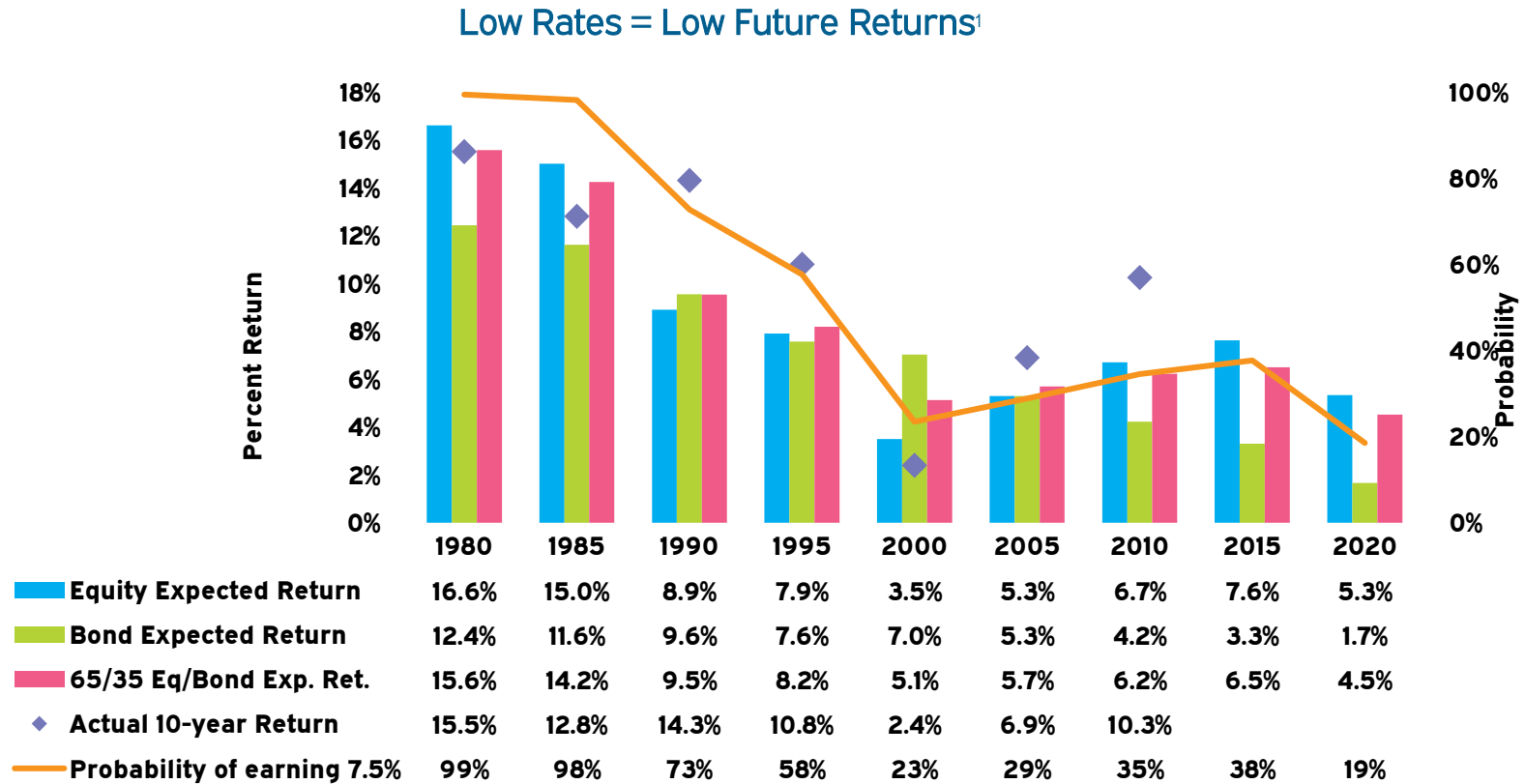
- There is global precedent for rates staying low for a long time.
- It may even be possible that rates move lower.
  - US rates could theoretically push past what many once considered a zero bound.
  - Foreign rates have gone negative in recent years, and not just in Japan!<sup>1</sup>

#### Japanese 10-Year Rates



- The most likely reason for the Fed to reverse course on rates would be to fight inflation.
- Even still, there is some (unknown) tolerance for inflation that the Fed will probably be willing to accept.

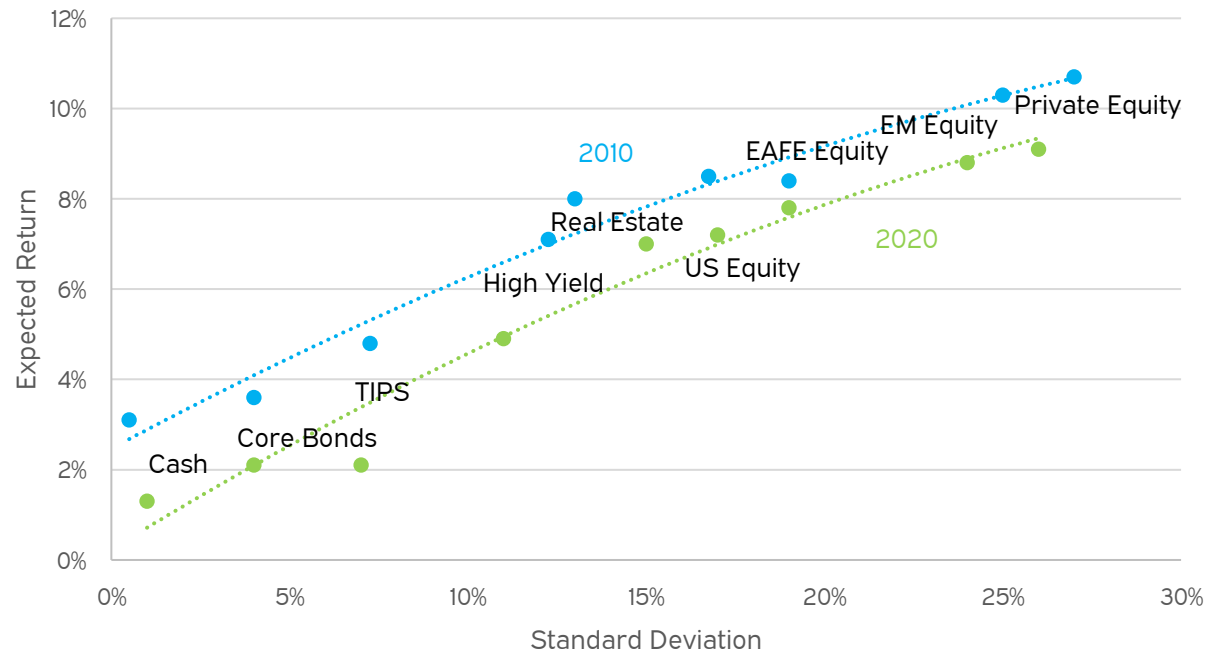
<sup>1</sup> Germany, Japan, Denmark, Sweden, Switzerland, Spain, France, Ireland, Portugal, and Austria have all experienced negative rates at some point since 2016.



- A simple stock/bond mix has produced diminishing expected returns over the past 40 years.
- With rates having declined even further, it will be more difficult than ever for institutional investors to achieve their target returns.

<sup>1</sup> Expected return assumptions for 1) Bonds equals the yield of the ten-year Treasury plus 100 basis points, and 2) Equities equals the dividend yield plus the earnings yield of the S&P 500 index (using the inflation-adjusted trailing 10-year earnings). Probability calculation is for the subsequent ten years. Reflects yields and valuations as of June 30, 2020.

#### Less Return for the Same Risk<sup>1</sup>



- A positive relationship exists between long-term return expectations and the level of risk accepted.
  - However, this relationship is not static.
- Achieving the returns you have in the past will require taking on greater levels of risk than you have historically.

<sup>1</sup> Expected return and standard deviation are based upon Meketa Investment Group's January 2010 and July 2020 Capital Markets Expectations

### What Can Institutional Investors Do?

- First, determine how much risk you are willing to take:
  - If you can live with lower returns, there is no need to take on more risk
  - If not, decide how much additional risk and what level of modifications are acceptable
- Broadly speaking, many investors are considering some or many of the following options:
  - Take a barbell approach to asset allocation
  - Continue to accept risk
  - Use low rates to your advantage
  - Be opportunistic...and patient
  - Pivot in real estate
  - Reconsider natural resources
  - Move forward selectively in infrastructure

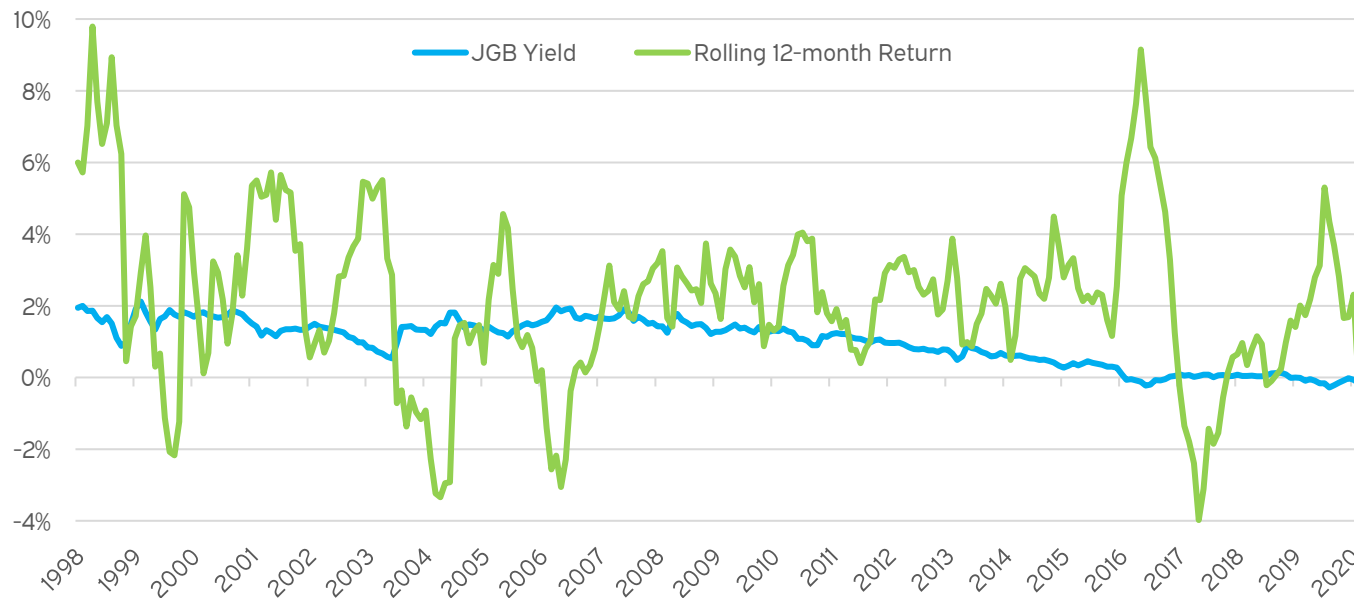
### The Barbell Approach: Mixing Low and High Risk Assets

- Target returns for institutional investors have been declining, but not nearly as quickly as interest rates.
- Low interest rates flow through to many asset classes, thus lowering their expected return.
- The lower expected return across asset classes argues for a “barbell approach” to portfolio structuring.
  - This means owning higher-risk assets such as equities along with hedges such as long Treasuries and other Risk Mitigating Strategies (RMS).
- It effectively “crowds out” assets with expected returns in the middle that tend to be correlated with higher risk assets.
  - It will be harder for high yield, bank loans, and EM debt to find a home.
- A barbell approach takes on risk more efficiently.
  - It provides better downside protection than a typical portfolio that theoretically has the same level of risk in it.

#### Should We Fear Bonds When Rates Are Low?

- If the Fed wants to keep rates steady, they can, implying limited downside to bonds.
- A good case study is Japan, who instituted a Zero Interest Rate Policy (ZIRP) in 1999.
- Since the inception of ZIRP in Japan, government bonds have produced steady, if modest, returns.
  - The average annual return was 1.9%, and the worst 12-month decline was a -4% drawdown.

#### Japanese Government Bond Yields and Returns<sup>1</sup>

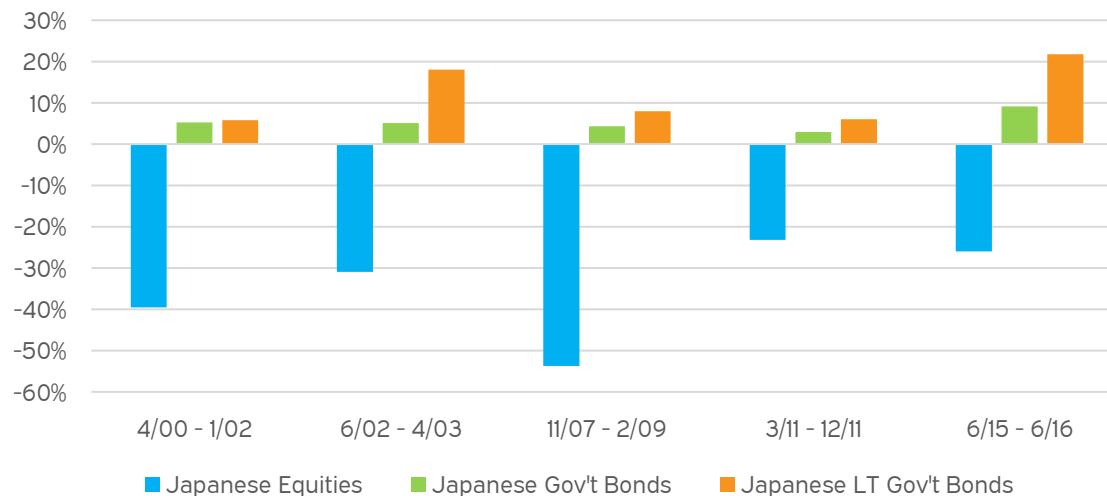


<sup>1</sup> Data Source for JGB returns is the ICE BofA Japan Government Index and its components. 10-year rates fell and stayed below 2% in 1998, hence we used this as the inception point for our analysis.

#### But Can Bonds Still Provide A Hedge?

- There is an unknown level below which rates cannot fall, perhaps -1.0%.
  - This places a limit on how good of a hedge bonds, especially long bonds, can provide.
- During the worst drawdowns in Japan, government bonds consistently served as a hedge.
  - Long-term government bonds served as a better hedge, despite the low starting yield.

#### Worst Drawdowns during ZIRP (Cumulative Return)<sup>1</sup>



- The 2015-16 drawdown is particularly informative, as the 10-year rate at the start of the period was just 0.46%, and it declined to -0.23%.

<sup>1</sup> Data Source for JGB returns is the ICE BofA Japan Government Index and its components; for equities, the source is MSCI Japan (local currency).

### Risk Mitigating Strategies

- Risk Mitigating Strategies, or "RMS," is an asset allocation program designed to provide robust, impactful diversification benefits and defensive characteristics relative to growth-like asset classes.
- RMS programs are designed to have:
  - Low correlation with traditional portfolios
  - Low to negative correlations to equities during volatile markets or equity drawdowns
- RMS programs generally incorporate at least several of the following strategies:
  - Long Term US Treasuries
  - Trend Following
  - Global Macro
  - Long Volatility
- By diversifying across several of these strategies, it reduces the reliance upon any single component.
  - Each strategy will react differently, depending on the type and magnitude of the drawdown, thus supporting a portfolio approach to building an RMS program



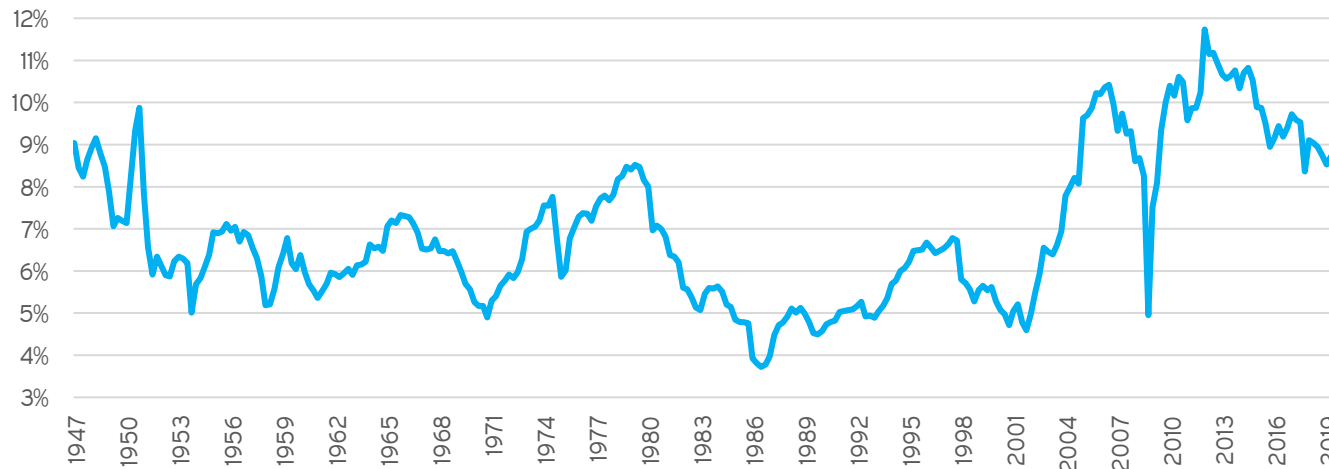
### Continue To Accept Risk

- Given lower interest rates, achieving your target return will require continuing to invest in risky assets.
  - Risky assets are less attractive in absolute terms, but perhaps more attractive in relative terms.
- Continue to take advantage of illiquidity via private markets.
  - Private equity, infrastructure and real estate all offer higher relative returns while offering some diversification benefits.
- Ramping up in private markets cannot happen overnight, especially given the amount of capital overhang and current pause in transactions.
  - That means public equities will have to be the mainstay of portfolios.
- But be cognizant of the risks of equities.
  - While we continue to expect equities to produce higher returns than lower risk assets, we expect those returns will be lower than they have been over the past decade.

#### Stick with Equities, but Be Aware of the Risks

- Despite the downturn in 1Q20, US equity valuations are well above long-term averages.
- US equities had numerous tailwinds over the prior ten years, many of which are not likely to repeat.
  - Declining interest rates reduced borrowing costs.
  - Net buybacks boosted earnings per share.
  - Tax cuts provided a one-time increase to cash and after-tax earnings.
  - Economic pressures muted labor costs and expanded profit margins.

#### US Corporate Profits as a % of GDP<sup>1</sup>



<sup>1</sup> Source: FRED. Represents Corporate Profits After Tax (without IVA and CCAAdj) as a percentage of Nominal GDP.

### How to turn low rates to your advantage: Leverage

- If the Fed is going to manage the yield curve such that they keep rates low for a prolonged period, this warrants consideration of leverage.
- Leverage works so long as the return on the purchased assets exceeds the cost of borrowing (i.e., the interest rate) to buy those assets.
  - Borrowing costs are as low as they have ever been, making this a particularly low hurdle.
- Leverage magnifies gains and can make a portfolio more efficient (i.e., produce a better risk-return profile).
  - While leverage amplifies gains, it will do the same for losses.
- Leverage of 10% (or more) at the total portfolio level is increasingly common.
- Leverage can be achieved in multiple ways:
  - Investment staff can implement leverage.
  - Portable “alpha” strategies can act as a turnkey solution.

### Be Opportunistic... and Patient

- The market has rewarded those investors who were willing and able to think opportunistically during past periods of market stress.
  - We don't yet know what the best opportunities are going to be this time around (e.g., TALF, distressed credit).
- An opportunistic approach requires patience (i.e., waiting for the "fat pitch") and a contrarian nature (i.e., having the courage to stand against the dominant view)
  - Major opportunities occur infrequently and are very hard to time
  - Such opportunities are often contrarian in nature
  - Valuations drive long-term returns, but bubbles can last for many years
- Most investors are probably best served by a systematic approach
- Target ranges should be pre-defined and adhered to
- Rely predominantly on strategic asset allocation
- But allow for opportunistic movements when:
  - Valuations are at extreme levels, and
  - You have a high level of confidence in your decision

### Pivot in Real Estate

- This crisis has accelerated several secular trends that were already underway.
  - The decline of brick and mortar retail had already begun.
  - It may also launch the shift toward more working from home (i.e., less need for office space).
  - And less travel (i.e., lower demand for hospitality and leisure destinations).
  - Outcomes for student housing and senior housing will vary (for different reasons).
- Core real estate has significant exposure to the above property types and cannot get out of them any time soon.
  - As core managers generally intend to stay highly diversified, any changes will be gradual.
  - Pricing in core real estate does not meaningfully reflect the impact of the pandemic yet.
- Non-core strategies tend to be more focused on particular geographies or property types.
  - This allows us to be more selective and create strategic overweights and underweights.
  - Non-core strategies also have greater flexibility to acquire assets at attractive (i.e., distressed) prices.
- Hence, we suggest tilting toward non-core strategies that can be more nimble and can benefit from these secular changes.

**Reconsider Natural Resources**

- For investors who are not concerned about hyperinflation, the case for natural resources is less appealing.
  - Equities serve as a reliable hedge against long-term inflation...but not stagflation.
- The environmental impact from extracted resources (i.e., hydrocarbons and mining) has made these sectors less attractive to a large group of investors.
  - At current energy prices, many companies in these sectors are facing challenges.
- Public natural resource equities, particularly in the energy sector, have lagged for many years now.

**Trailing Period Returns, Annualized, as of June 30, 2020**

	3-year	5-year	10-year
S&P Global Natural Resources	-0.1%	0.9%	1.5%
S&P 500	10.7%	10.7%	14.0%
MSCI ACWI ex-US	1.1%	2.3%	5.0%

- Some of those companies will evolve, perhaps becoming the clean energy producers of the future.
  - But many will not, and waiting to learn who wins means risking further price declines.
- The long-term outlook for natural resources has changed, and hence it makes sense to trim, pivot, or divest.

### Move Forward Selectively in Infrastructure

- Infrastructure could be one of the “winners” coming out of this.
- That said, there will be winners and losers within infrastructure from a sector standpoint.
- Transportation infrastructure has been hit hard and may not recover quickly.
- Midstream energy (e.g., pipelines) may be like the fiber cable of 20 years ago – overbuilt for the demand we are actually going to see in the near future.
  - Many existing contracts are take-or-pay, which makes counter-party risk a real issue.
- Renewables are going to become a more attractive investment option.
  - This shift may accelerate due to technological improvements and policy decisions.
- Communications infrastructure may be one of the other winners, as demand for wireless capacity grows.
- Continue to allocate to infrastructure, with a bias toward funds that should benefit from these secular shifts.

### Summary

- Rates are incredibly low. This does not bode well for future returns.
- It will be more difficult than in the past for investors to achieve return targets.
  - While doing so will prove challenging, it is not impossible.
- Through a combination of options, investors can improve the odds of success.
  - Take a barbell approach to asset allocation.
  - Continue to accept risk, both in public and private markets.
  - Take advantage of low rates.
  - Be opportunistic, and patient.
  - Pivot in real estate and infrastructure.
  - Reconsider natural resources.
- Uncertainty is high.
  - Not knowing where the market is heading supports the case for a diversified portfolio.



## **Memos Since Last Meeting**

## MEMORANDUM

**TO:** Trustees, Austin Fire Fighters Relief and Retirement Fund  
**FROM:** Leandro A. Festino, Aaron C. Lally, Meketa Investment Group  
**DATE:** September 10, 2020  
**RE:** Westwood LCV PM Departure

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### OVERVIEW

Westwood Holdings recently announced the departures of two of the four co-portfolio managers on the Large Cap Value Strategy. Casey Flanagan, who has only been a co-PM since March 2019, departed Westwood at the end of August 2020. Scott Lawson, who has been a co-PM on the strategy since 2003, will retire from the firm in March 2021.

Austin Fire Fighters has been invested in the Westwood Large Cap Value product for 19 years. Current exposure is \$44.4 million, as of July 31, 2020. The product has generated a net return of 8.0% vs 7.0% for the Russell 1000 Value index, annualized, since inception.

### SCOTT LAWSON DEPARTURE

Scott Lawson, who is the longest tenured co-PM on the portfolio, will retire from the firm in March 2021. Mr. Lawson's wife unfortunately has advanced stage Parkinson's disease, so he and his wife are moving to Oregon upon his departure from the firm to enjoy their time together. Mr. and Mrs. Lawson plan to check off "bucket list" items, including European travel, once Mr. Lawson leaves the firm.

Mr. Lawson's eventual departure will certainly mark a loss for the team given that he has worked at the firm for 17 years and has 30 years of investment experience. He is the longest tenured co-PM on the team, having served in the role since 2003.

Three individuals on the team will absorb Mr. Lawson's analytical coverage, which spans the industrials, materials, and technology sectors. Grant Taber, who has been with Westwood for 12 years and has over 20 years of investment experience, including coverage of industrials companies, will pick up some of Mr. Lawson's industrials names. Tripp Rodgers, who has over 25 years of experience, will take over some of Mr. Lawson's materials and industrials coverage. William Sheehan, who joined Westwood in 2018 from Citadel where he covered the technology sector, will assume coverage of Mr. Lawson's tech names. Mr. Sheehan was appointed a Large Cap Value co-PM in 2019 and has almost 12 years of investment experience.

### CASEY FLANAGAN DEPARTURE

Casey Flanagan left the firm at the end of August 2020. The terms of his departure also seem amicable. Amidst the COVID quarantine, Mr. Flanagan along with his wife and young baby moved back to Atlanta where they are both from to be around their families during the quarantine. According to Mr. Lockridge,

Mr. Flanagan had toyed with the idea of relocating from Dallas back home to Atlanta with his family for some time. The COVID era accelerated this process. Additionally, being around family with a young child certainly has its advantages vis-à-vis child care. Mr. Flanagan plans on joining an Atlanta-based wealth management firm, where he will pick stocks for individual portfolios and manage wealth management relationships. Incidentally, Martin Flanagan, the CEO of Invesco, is Mr. Flanagan's father. Therefore, Mr. Flanagan has both the financial flexibility to make this move and the connections among Atlanta's wealthy community to set him up for potential success in a wealth management role.

Mr. Flanagan informed Mr. Lockridge of his decision by flying back to Dallas and visiting Mr. Lockridge at his home where they spoke in detail about this decision. Again, like Mr. Lawson, Mr. Flanagan's departure also seems amicable and unrelated to any bad blood or toxic culture at Westwood. Mr. Flanagan covered insurance, which Todd Williams, Director of Research, will take over. Mr. Williams covered insurance prior to Mr. Flanagan's joining the firm.

### OLD STRUCTURE VS. NEW STRUCTURE

The portfolio management team for the strategy will shift from four co-PMs (Messrs. Lockridge, Lawson, Flanagan, and Sheehan) to three co-PMs (Messrs. Lockridge and Sheehan and Ms. Lauren Hill). As shown in the below table the average investment experience of these two portfolio management teams are 17 years (old team) and 16 years (new team). However, with the departure of Mr. Lawson, the average number years with direct portfolio management experience will drop.

#### OLD STRUCTURE

Name	Years Investment Experience	Years at Westwood	LCV PM Experience
Matthew Lockridge	18	10	8
Scott Lawson	30	17	17
Casey Flanagan	8	8	1.5
William Sheehan	12	2	1
<b>Average</b>	<b>17</b>	<b>9</b>	<b>7</b>

#### NEW STRUCTURE

Name	Years Investment Experience	Years at Westwood	LCV PM Experience
Matthew Lockridge	18	10	8
William Sheehan	12	2	1
Lauren Hill	17	6	0
<b>Average</b>	<b>16</b>	<b>6</b>	<b>3</b>

Ms. Hill, the new co-PM, has been at Westwood since 2015 and covers the industrials and consumer discretionary sectors, including the retail industry. Prior to Westwood, she spent 11 years working in equity research in New York. She served as a generalist with Northern Border Investments and

Cantillon Capital and as a financials and utilities analyst with J.P. Morgan Asset Management supporting the Large Cap team. Prior to that, she worked as an associate at Sanford Bernstein. She earned her MBA with honors from Columbia Business School where she participated in the Value Investing Program. She was born and raised in Dallas. Ms. Hill does not have portfolio management experience, but Mr. Lockridge was attracted to the breadth of her sector experience, including financials.

### DECISION MAKING PROCESS

Westwood follows a consensus-driven, team-based portfolio management approach. Every member of the PM team casts a vote on investment decisions, and each member's vote has equal sway regardless of tenure. Under the former structure with four co-PMs, Mr. Lockridge, who is considered the Lead PM (more in title than any indication of an outsized influence), would on occasion cast a tie-breaking vote. In reality, this rarely happened given that the four PMs aimed for consensus. On the occasions it did, Mr. Lockridge noted that his tie-breaking vote was based on the potential performance profile of a name compared to the rest of the portfolio (e.g. did a name increase the portfolio's downside risk more than he would like), more than on fundamental disagreements on a company's merit. The new structure will include three co-PMs, so Mr. Lockridge will not have the occasional tie-breaking role, and decisions will be majority-rules (two of three). In practice, however, Mr. Lockridge plans on continuing the consensus-driven approach, aiming to get all three co-PMs on board for investment decisions.

### OPINION AND NEXT STEPS

We note that both of these departures appear related to exogenous factors rather than any negative light on Westwood as a firm. Mr. Lockridge noted that compensation has never arisen as an issue in exit interviews or employee surveys the firm conducts.

We are planning on conducting a domestic equity structure review for Austin Fire Fighters as it has been a number of years since the last deep-dive review. Large cap domestic equity management is a challenging space for active managers to consistently add excess returns net of fees. In the coming months/quarters we will conduct a holistic top down review of Austin Fire Fighter's domestic equity program, which will include evaluating the merits of the Westwood Large Cap Value product and the role it serves for the Fund.

Please feel free to give us a call with any questions.

LAF/ ACL/nd

## MEMORANDUM

**TO:** Trustees, Austin Fire Fighters Relief and Retirement Fund  
**FROM:** Leandro A. Festino, Aaron C. Lally, Meketa Investment Group  
**DATE:** September 24, 2020  
**RE:** TT Update Call

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### BACKGROUND

In September 2019 we reported that TT International ("TT") was being acquired by Sumitomo Mitsui Financial Group ("SMFG"), a large publicly traded Japanese financial services company. The transaction was completed earlier this year.

### DUE DILIGENCE CALL

Meketa conducted a conference call with TT in September 2020 to get an update on the strategy and find out if the acquisition has had any impact on the day-to-day operations at TT. As noted previously, the acquisition did not result in a name change or change in investment team or decision making process.

### CONFIRMATION

Both representatives on the call, Greg Cassano (Client Services) and Niall Paul (lead Portfolio Manager), stated that the deal has been "as advertised." Under the terms of the sale/purchase agreement, TT was to be left to run their business autonomously. Such has been the case so far, they say. The TT people noted they would be keen to rectify any potential attempts by SMFG to micromanage or dictate changes to TT.

### STRATEGY REVIEW

Through June 30th, the TT Emerging Markets Equity strategy underperformed its benchmark over the year to date and trailing one year period. This is nearly all the result of a tough March 2020, when the strategy underperformed the MSCI EM by -4.7%. Over longer trailing periods the strategy remains ahead of its benchmark.

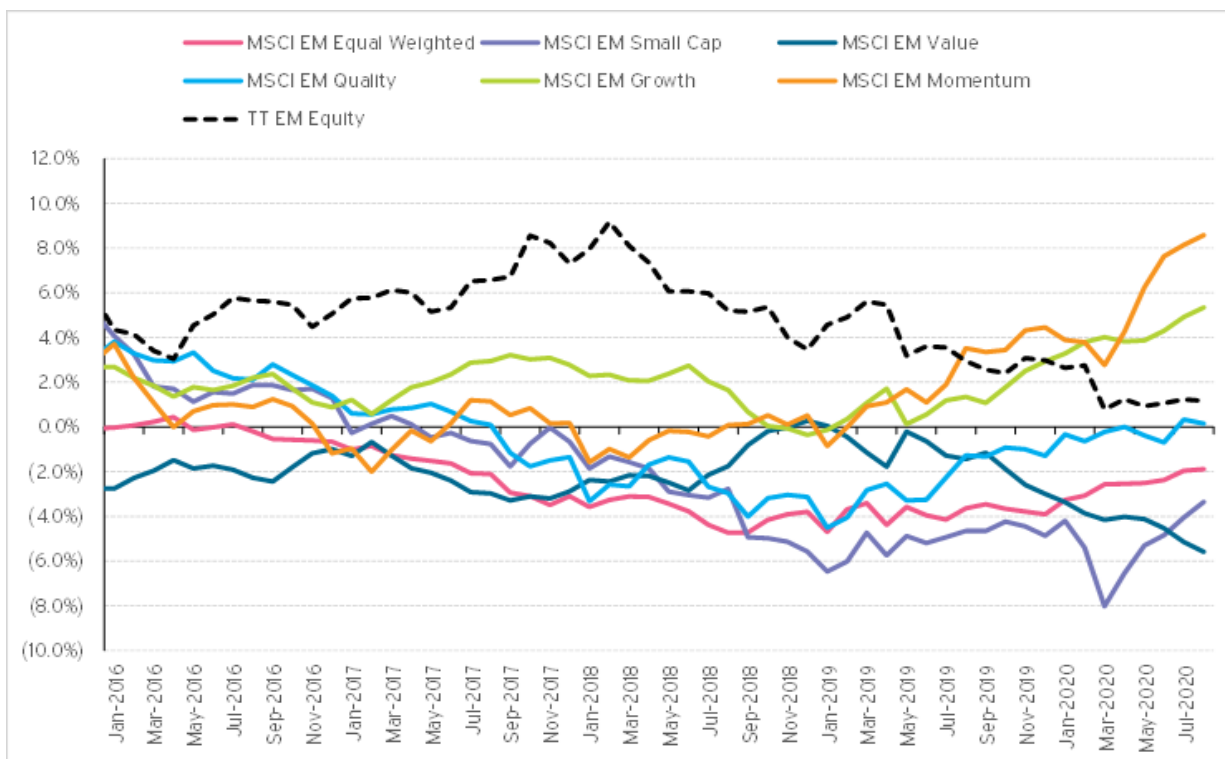
Strong performance in July and August, where the composite returned 11.1% and 2.7% versus 9.0% and 2.4% for the Index, respectively, has improved the year-to-date and trailing one-year performance picture (-0.6% versus 0.4%, and 15.4% versus 14.5%, gross of fees.)

### PEER AND INDEX FACTOR REVIEW

Broadly speaking, the recent three-year period has been a difficult one for active emerging market equity managers; on average, the median EM active manager has outperformed the benchmark by just 37bps, gross of fees, resulting in relative underperformance net of fees vs. the index.

As the chart below shows (3 year excess returns versus the MSCI EM Index), the best factors to be exposed to the last three years have been growth and momentum. Managers without this exposure have struggled. The TT strategy is the dotted black line. Strategies with small cap tilts and value exposure have struggled the most. The TT strategy is all-cap (with a small- and mid-cap bias relative to the index) with a portfolio beta that is slightly above the market beta of 1.0.

**ROLLING THREE-YEAR EXCESS RETURNS VS. MSCI EM INDEX  
(AS OF AUGUST 31, 2020)**



**POSITIONING AND MACRO THOUGHTS**

At high level, TT thinks the massive global fiscal and uncapped monetary responses to COVID are likely to offset the long-term damage from the virus and offer support for risk assets, generally. The pronounced downdraft from global lockdowns and decelerating activity levels naturally lends itself to a reacceleration in economic activity, PMIs, and economic surprise indicators, due to base effects. This fuels a shorter-term cyclical rebound which continues to play out. By extension, they favor a cyclical upturn in inflation expectations into 2021, which should allow market breadth and leadership to expand beyond Tech and select Health Care names. Should the US Dollar reverse course-- which it has done more recently but a trend reversal is not yet certain-- then EM countries, generally, should see an added boost from better trade data and higher commodity prices. They find themselves owning more cyclical and a bit more value versus pure growth, against this backdrop.

### COUNTRY EXPOSURE

Country positioning has generally been detractive year to date. China has been the best performing country in emerging markets, by far, this year. It is also the largest exposure in the MSCI EM index (approximately 40%). It has been extremely hard for any manager to outperform this year if they have been underweight China. TT has been approximately 4% underweight China.

Overweight	Underweight
India: -5% YTD	China: +20% YTD
South Africa: -21% YTD	Taiwan: +12% YTD
Brazil: -36% YTD	Saudi Arabia: -8% YTD
South Korea: +2% YTD	Thailand: -22% YTD
Vietnam: -8% YTD	Malaysia: -4% YTD

TT has held the view that India-- which they believe is a secular winner going forward-- was on the precipice of cyclical business cycle recovery before the recovery was derailed due to COVID. They found value in Indian private sector banks. However banks, in general, have been broadly beaten down this year, as rates have come down and yield curves have flattened.

India has been under criticism of late, having been perceived to be somewhat loth to stimulate fiscally, implying some believe India's response to be too modest. They believe the worst is behind with the Indian economy continuing to open up and view their positioning in India as favorable looking forward.

Elsewhere, they view North Asia (and China in particular), as first to recover from being first to be inflicted by the virus-- but they think returns have been pulled forward too far, and reinfection risks remain and top of geopolitical risks through the remainder of 2020. While they own select core positions in China (e.g. Baba and TCNT through a combination of TCNT and Naspers) and have exposure to the Chinese property sector (which they think shouldn't be as impacted by COVID at this stage at trade at single digit P/E's with high single digit dividend yields), they prefer staying underweight to China, broadly, for now.

They continue to favor Brazil, where they remain cautiously optimistic at the prospect for the Bolsonaro administration to successfully usher in economic reform.

**KEY ISSUES LISTED LAST MEMO**

Risk	Update
Key person risk with Niall Paul	The risk remains. So far he seems pleased with the relationship with SMFG.
Does the EM product stay soft closed post acquisition?	So far, yes, it is still soft closed
Does the emerging market team stay together after their contractual three year term?	To be determined in 2.5 years
Does the team stay fully motivated after the deal closes?	So far it appears so
Does the investment philosophy and process remain unchanged?	No changes

**OVERVIEW OF STRATEGY CHARACTERISTICS:**

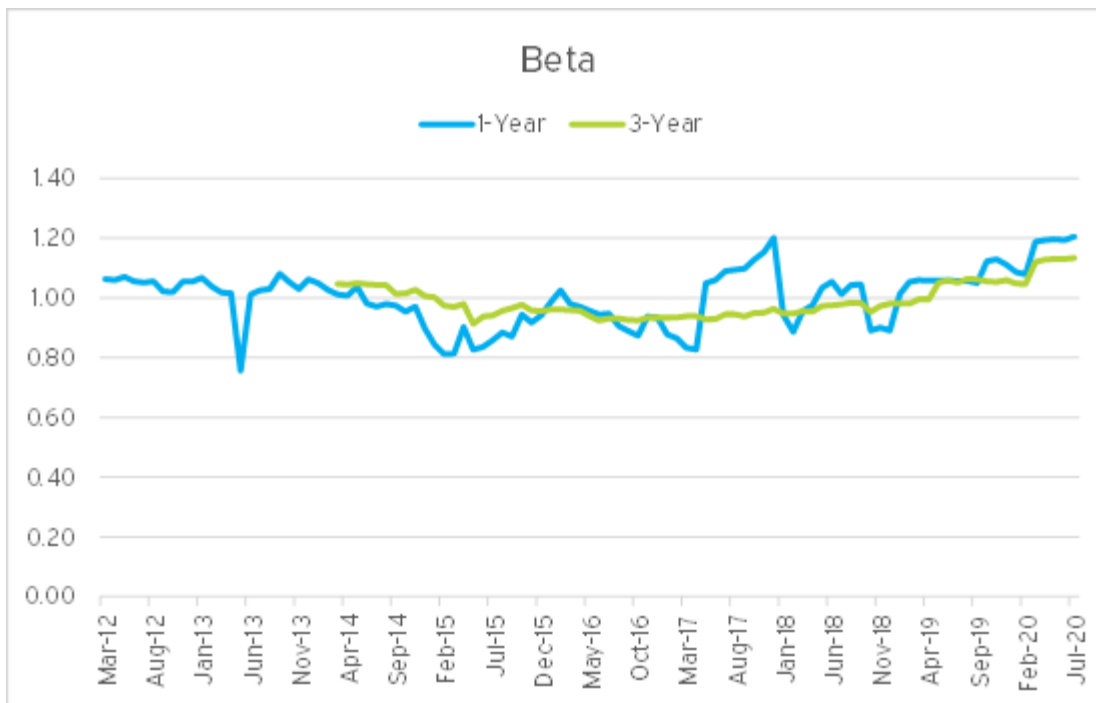
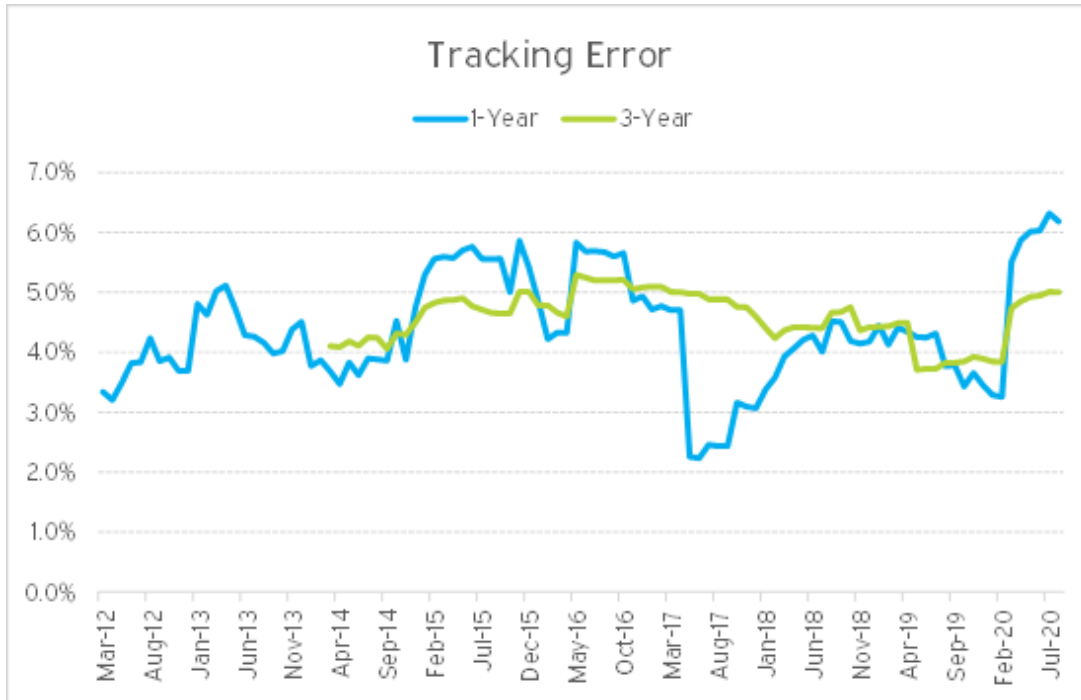
- Concentrated portfolio of 50-65 stocks, with a small/mid-cap bias.
- The TT Emerging Markets Equity product has roughly \$5.4 billion in AUM
- While they call themselves "GARP" (Growth at a Reasonable Price), the portfolio's size bias, willingness to be early in cyclical recoveries, and market-like or, at times, higher beta, mean this portfolio is unlikely to behave like a traditional growth, quality/growth, quality/growth/momentum manager.
- During periods of heightened market volatility, we would expect TT performance to struggle given its higher than market beta and historical upside/downside capture pattern.
- Conversely, TT is likely to benefit during periods of low/declining average stocks and factor correlations, as well as during periods with strong EM beta performance.

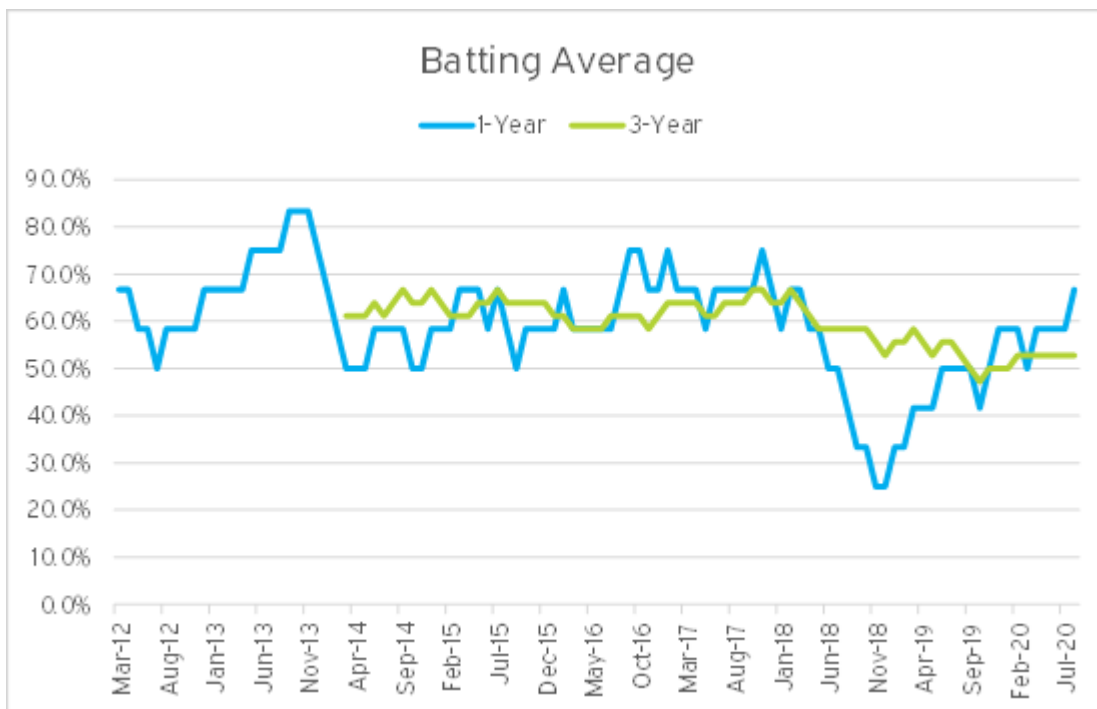
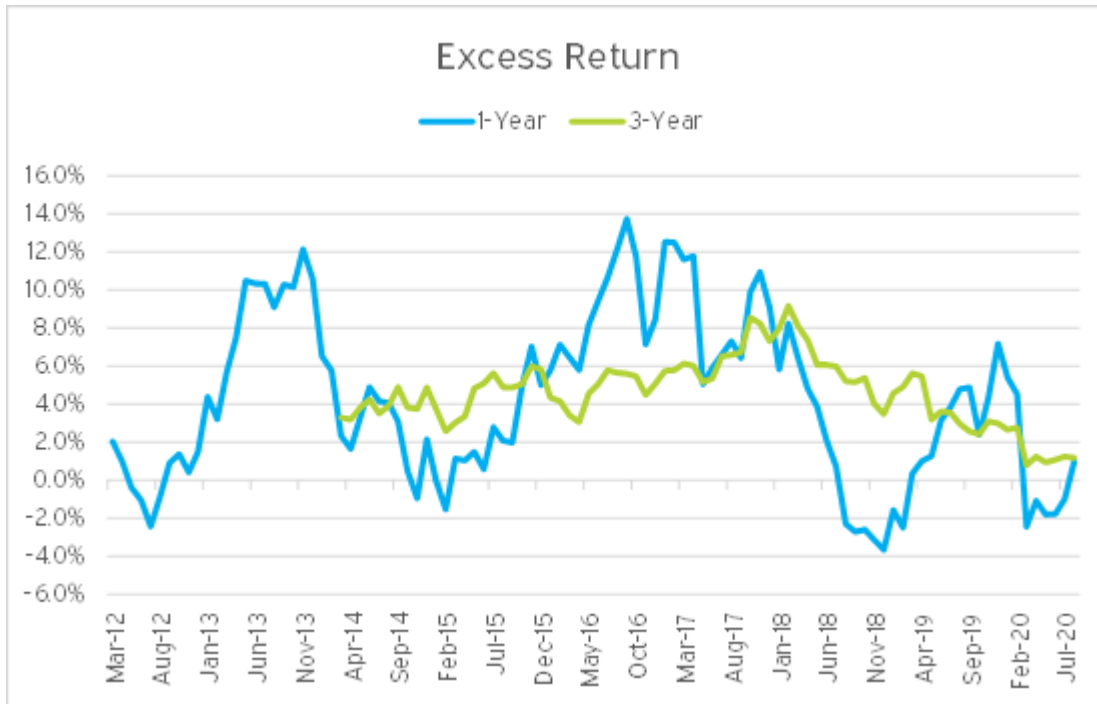
**OPINION**

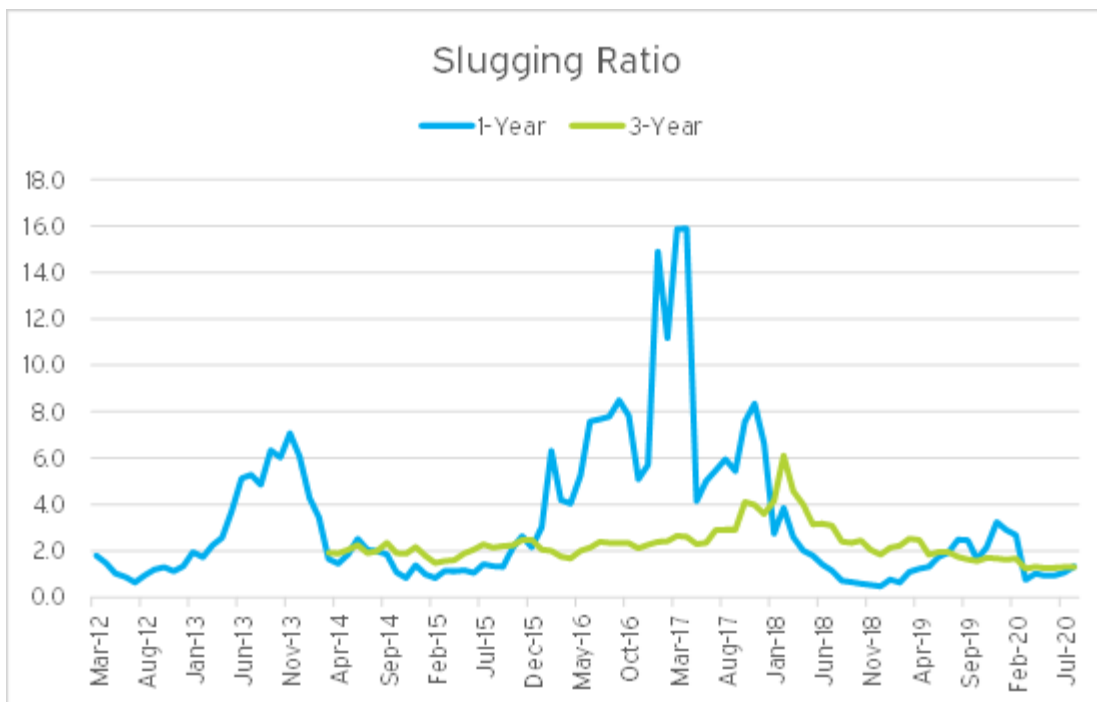
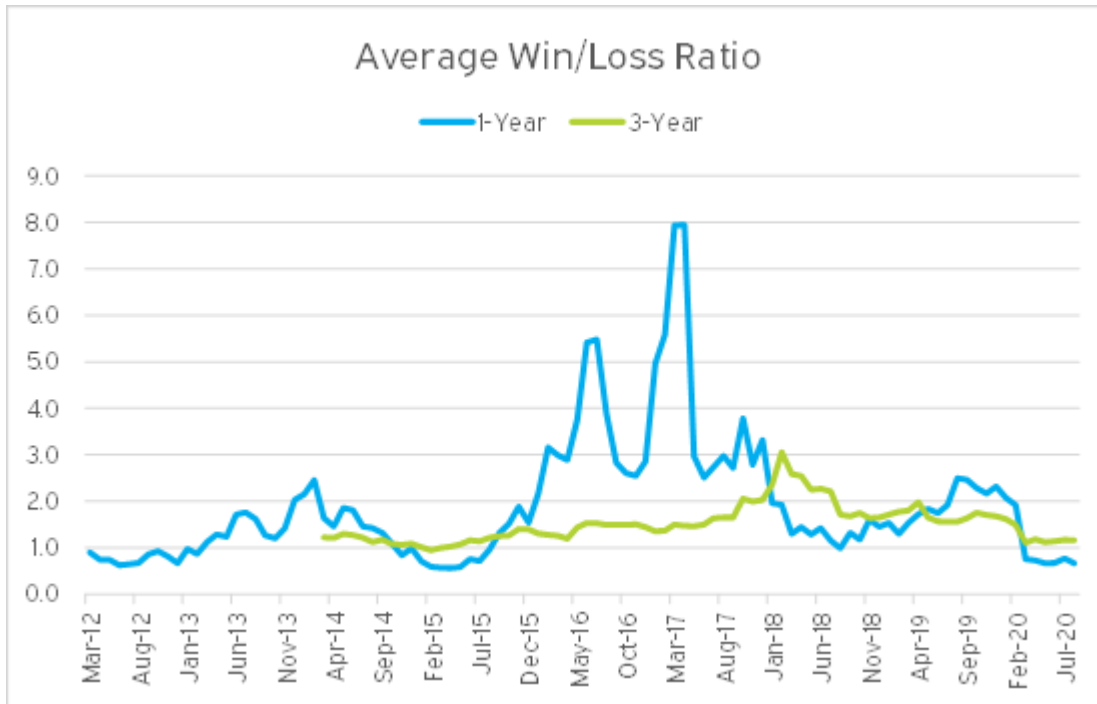
We continue to like the TT Emerging Markets Equity team and believe that common clients invested in the Emerging Markets Equity strategy, which remains soft-closed, should retain this manager.



APPENDIX: CHARTS







# Roadmap

**AUSTIN FIRE FIGHTERS RELIEF AND RETIREMENT FUND**  
**PRELIMINARY ROAD MAP<sup>1</sup>**

**November 2020 Investment Committee Meeting**

1. 3Q20 performance review
2. 3Q20 Asset Transfers
3. Annual private equity pacing history review
4. Domestic equity review
5. Follow-ups from SB 322
6. Educational Piece: Investing in a Low Interest Rate Environment
7. Memos from the quarter

**February 2021 Investment Committee Meeting**

1. 4Q20 performance review
2. Fiscal 2020 review
3. 4Q20 Asset Transfers
4. Annual Asset Study Review
5. Annual Investment Policy Statement Review
6. Memos from the quarter

**Future/Ongoing**

1. Invite HarbourVest to attend a meeting when in person meetings resume

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<sup>1</sup> Dates and actions subject to change based on client needs and capital market conditions

# Appendix

## **Disclaimer, Glossary, and Notes**

WE HAVE PREPARED THIS REPORT FOR THE SOLE BENEFIT OF AUSTIN FIRE FIGHTERS RELIEF AND RETIREMENT FUND.

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD-LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.



**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$ .

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: *Investment Terminology*, International Foundation of Employee Benefit Plans, 1999.  
*The Handbook of Fixed Income Securities*, Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.