TOWN OF SOUTH WINDSOR
PENSION COMMITTEE
MINUTES
September 13, 2023

1. Call Meeting to Order

The meeting was called to order at 9:30 a.m.

Members Present:	**Chris Chemerka, Board of Education; Kristian Lindstrom, Chief of Police; Michael Maniscalco, Town Manager; Zoe Peak, Asst. Director of Finance; Patricia Perry, Director of Finance; Elizabeth Pendleton, Mayor**
Members Absent:	**Arthur Adduci, Phil Koboski, Town Council; Board of Education; Karen Lydecker, Town Council, Andrew Paterna, Town Council**
Also Present:	**Anthony Tranghese, Fiducient Advisors**

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1. Approval of Minutes

Kristian Lindstrom moved to approve the minutes of April 26, 2023. Chris Chemerka seconded, and the motion was approved unanimously.

2. Discussion Items

A. Update – Fiducient Advisors

Mr. Tranghese reviewed the Quarter 2 results (See attached South Windsor – Pension & OPEB Plans Quarterly Investment Review –Second Quarter 2023 **(For further detail on this report, please see Exhibit A)** There were no recommendations for changes to the portfolio.

Motion to approve the policy as presented was made by Elizabeth Pendleton and was seconded by Kristian Lindstrom. **MOTION CARRIES**

3. Miscellaneous

4. Schedule the Next Meeting

The next meeting of the Pension Committee will be scheduled for October

TOWN OF SOUTH WINDSOR
PENSION COMMITTEE
MINUTES
September 13, 2023

5. Adjournment

Elizabeth Pendleton motioned to adjourn the meeting at 10:16 am. Chris Chemerka seconded the motion. The motion passed unanimously.

Respectfully submitted,

Katherine Senerth
Executive Assistant

Attachments:
Quarterly Investment Review –Second Quarter 2023, prepared by Fiducient Advisors. **(Exhibit A)**

Attachments may be reviewed upon request in the Town Clerk's Office.

FIDUCIENT Advisors

Helping Clients Prosper

South Windsor - Pension & OPEB Plans

Quarterly Investment Review - Second Quarter 2023

Fiducient Advisors Update

Retirement Plans

Featured Insights

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

Coming Soon

- Pension Pulse Newsletter
- The Public Fiduciary Newsletter

Endowments & Foundations

Featured Insights

- Nonprofit Investment Stewards Podcast

Coming Soon

- Steward Newsletter

The Wealth Office®

Featured Insights

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

SAVE THE DATE!

2023 Investor Conference

September 26-27

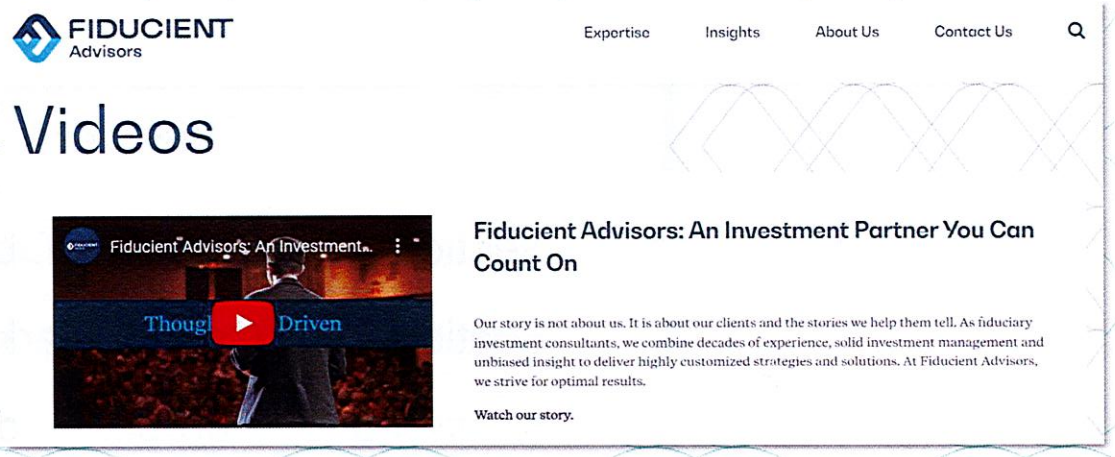
Boston
Westin Copley Center

Reserve your room today:
https://book.passkey.com/event/50425437/owner/251/home

Webcast replays, Fiducient Features and more!

VISIT OUR NEW VIDEO LIBRARY

Scan here to view



Research Insights

- Monthly Market Recaps
- Monthly Market Updates
  - *Relief From the May-hem? - May*
  - *The Fed Effect - April*
- Marketable Alternatives Mid-Year Update
- Webcast: Fiducient Speaker Series with Jared Franz of Capital Group
- Private Markets Annual Update
- 2023 First Quarter Considerations
- The Next Chapter in the Active vs. Passive Debate

2023 New Associates – Welcome!

Claire Ellis
Consulting Analyst

Brooke Robinson
Consulting Analyst

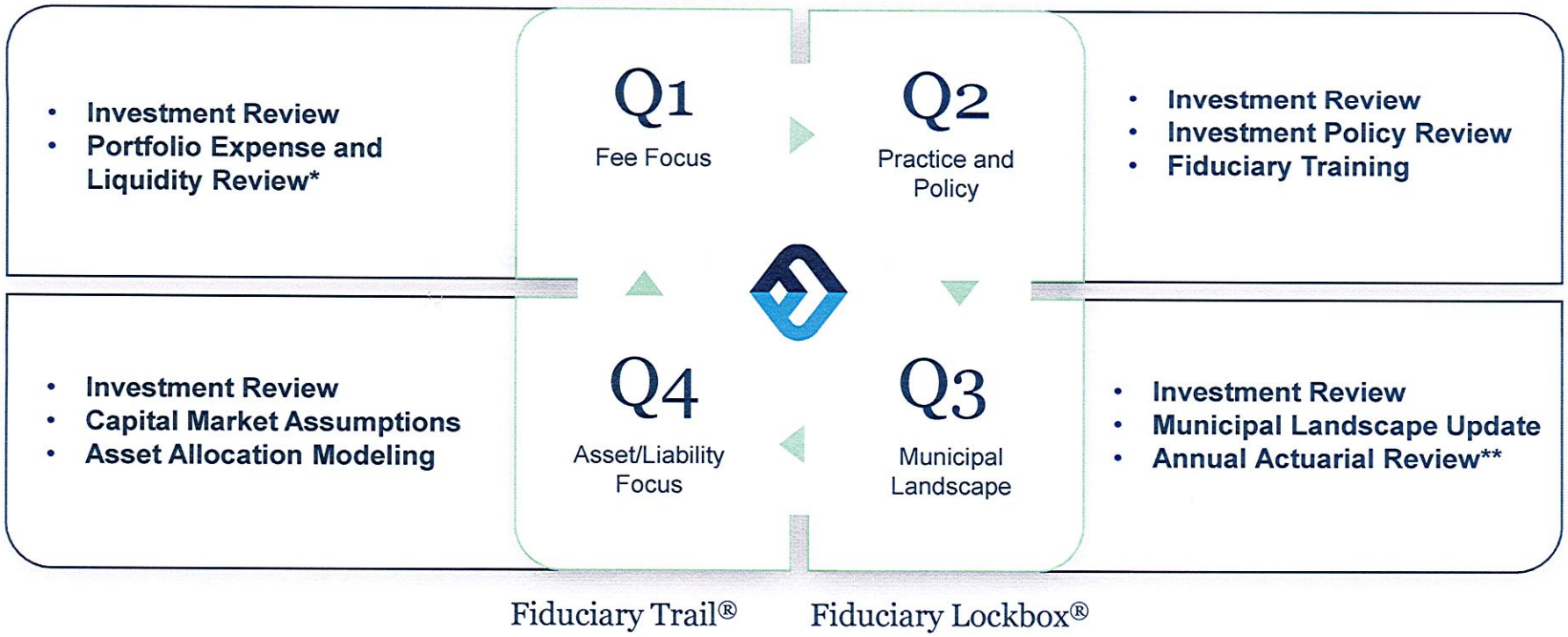
Alejandro Rodriguez
Senior Research Associate

As of June 26, 2023.

Table of Contents

Fiduciary Governance Calendar

Fiduciary Governance Calendar



*Liquidity analysis is provided only for portfolios with marketable alternatives and/or private equity.
**Timing of actuarial review is dependent on client's individual plan and/or fiscal year and actuarial input.

Investment Policy Statement

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

Important elements of an IPS to consider:	
Investment objective(s)	✓
Assignment of responsibilities	✓
Asset allocation framework	✓
Rebalancing guidelines	✓
Selection and monitoring criteria for investment strategies	✓
Termination guidelines for investment strategies	✓
Proxy Voting	✓

In the following pages, you will find the most recent IPS on file for the Town of South Windsor Retirement & OPEB Plans.

The DB Plans IPS and the OPEB Plan IPS are both as of January 2022.

- The IPS was most recently reviewed/approved by the Investment Committee in August 2022.
- We are recommending updates to the asset allocation table of the IPS, as shown in the redlined sections in the following pages. These updates would reflect modest allocation changes that occurred in the first quarter of 2023.

Town of South Windsor Retirement Plans

INVESTMENT POLICY STATEMENT

~~January 2021~~ July 2023

Introduction & Purpose

The Town of South Windsor Retirement Plans (the "Plans") have been established to provide retirement benefits to those individuals eligible to receive them. The management of the Plans shall be overseen by the Pension Committee as described and directed in the Town Charter. This policy statement outlines the goals and investment objectives for the Plans. This document is also intended to provide guidelines for managing the Plans, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Plans;
- Describes an appropriate risk posture for the investment of the Plans' assets;
- Defines the responsibilities of the Pension Committee and other parties responsible for the management of the Plans;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Plans as a whole.

Investment Objective

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

- To achieve the stated actuarial target of the Plans;
- To maintain sufficient liquidity to meet the obligations of the Plans;
- To diversify the assets of the Plans in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that could occur from concentrated positions;
- To achieve investment results over the long-term that compare favorably with those of other municipal pension plans, professionally managed portfolios and appropriate market indexes.

Volatility Objectives

- Diversification will be employed to reduce risk. The Plans' assets will be diversified by employing multiple investment firms engaging in distinct styles of investment.

- The volatility of the total portfolios, in aggregate, should be reasonably close to the volatility of a weighted composite of market indices of the target portfolio.
- The following types of investments/transactions are prohibited: selling short, purchasing securities on margin, unregistered securities, and private placement.

Assignment of Responsibilities

Pension Committee – The Committee is charged with the responsibility of managing the assets of the Plans. To that end, the Committee's responsibilities include: establishing and maintaining the Plans' investment policy, approving the selection of investments, and periodically monitoring the performance of the investments. The Committee shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing.

Investment Consultant – The Committee may engage the services of an investment consultant.
The investment consultant's role is that of a non-discretionary advisor to the Committee. The Investment Consultant will assist in the development and periodic review of an Investment Policy Statement and the Plans' asset allocations, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Plans. Make investment recommendations to the Pension Committee and direct Investment Managers.

Investment Managers – Several investment managers will be appointed to manage a portion of the Plans' assets in a particular manner. Investment managers are given discretion to manage funds entrusted in accordance with the style for which they are employed provided they comply with the restrictions and limitations as may be determined by the Committee.

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

Rebalancing

Given the inherent volatility of the capital markets, strategic adjustments in various asset classes may be required to rebalance asset allocation back to its target allocation.

Investment managers will rebalance portfolios at the direction of the Committee or its authorized representative. Such adjustments should be executed so as to minimize excessive turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

Selection Criteria for Investment Managers

Investment managers retained by the Plans shall be chosen using the following criteria:

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

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

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

Securities Guidelines

The Plans' investments may include separately managed accounts and/or mutual funds/co-mingled funds. The Committee understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the investment policy statement of each of the Plans' separately managed accounts or in the prospectus/ offering memorandum for each mutual fund/co-mingled fund in the portfolio.

With respect to separately managed accounts, any securities and transactions that are not permitted in the Plans without prior written Committee approval will be detailed in the investment policy statement of each separate account manager, which is included as an attachment to this policy.

With respect to mutual/ co-mingled funds, the Committee will consider the following to insure proper diversification and function for each of the funds:

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

Proxy Voting

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies according to their established proxy voting guidelines. A copy of those guidelines, and/or summary of proxy votes shall be provided to the Committee upon request.

Investment Monitoring and Reporting

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

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

Watch list criteria may include the following:

- Behind benchmark performance over a specified period of time;
- Deterioration of risk-adjusted performance;
- Notable style drift /change in investment objective;
- Investment management fees not competitive in marketplace;
- Significant organizational or manager change.

Termination of an Investment Manager or Fund

A manager/fund may be terminated at the discretion of the Pension Committee.

Approval

It is understood that this investment policy is to be reviewed periodically by the Committee to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers.

Appendix A

Asset Allocation

The asset allocation target ranges set forth below represent a long-term view. Short-term market volatility may cause the asset mix to fall outside the targeted range.

Target Asset Allocation Table – ~~January 2021~~ July 2023

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Cash Equivalents	**0.0%**	**0.0%**	**10.0%**	
Fixed Income:	**20.0%**	**27.5%**	**40.0%**	***BC Aggregate Bond Index***
Core Fixed Income	10.0%	~~16.5%~~ 18.0%	25.0%	BC Aggregate Bond Index
Flexible Fixed Income	0.0%	~~7.0%~~ 5.5%	15.0%	BC Aggregate Bond Index
~~Bank Loans~~ High Yield	0.0%	~~1.5%~~ 2.0%	5.0%	~~S&P/LTSA Leverage Loan Index~~ BC US Corp High Yield
Global Fixed Income	0.0%	~~2.5%~~ 2.0%	5.0%	~~Citi World Government Bond Index~~ BC Global Aggregate
Domestic Equities:	**25.0%**	**~~35.5%~~ 36.5%**	**55.0%**	***Russell 3000 Index***
Large Cap Blend	5.0%	~~16.0%~~ 15.0%	25.0%	S&P 500 Index
Large Cap Value	0.0%	6.5%	15.0%	Russell 1000 Value Index
Large Cap Growth	0.0%	4.0%	10.0%	Russell 1000 Growth Index
Small/Mid Cap Blend	0.0%	~~9.0%~~ 11.0%	20.0%	Russell 2000 Index
International Equities	**20.0%**	**~~28.0%~~ 27.0%**	**40.0%**	***MSCI ACWI ex-US Index***
Global REIT	**0.0%**	**~~5.5%~~ 4.5%**	**10.0%**	***~~FTSE EPRA/NAREIT Developed Index~~ S&P Global REIT Index***
Real Assets	**0.0%**	**~~3.5%~~ 4.5%**	**10.0%**	***Diversified Real Asset Blended Index***

Town of South Windsor OPEB

INVESTMENT POLICY STATEMENT

~~***January 2021***~~ July 2023

Introduction & Purpose

The Town of South Windsor OPEB (the "OPEB") has been established to provide other post-employment benefits to those individuals eligible to receive them. The management of the Plans shall be overseen by the Pension Committee as described and directed in the Town Charter. This policy statement outlines the goals and investment objectives for the OPEB. This document is also intended to provide guidelines for managing the OPEB, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the OPEB;
- Describes an appropriate risk posture for the investment of the OPEB's assets;
- Defines the responsibilities of the Pension Committee and other parties responsible for the management of the OPEB;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the OPEB as a whole.

Investment Objective

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

- To achieve the stated actuarial target of the OPEB;
- To maintain sufficient liquidity to meet the obligations of the OPEB;
- To diversify the assets of the OPEB in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that could occur from concentrated positions;
- To achieve investment results over the long-term that compare favorably with those of other OPEBs, professionally managed portfolios and appropriate market indexes.

Volatility Objectives

- Diversification will be employed to reduce risk. The OPEB's assets will be diversified by employing multiple investment firms engaging in distinct styles of investment.

- The volatility of the total portfolios, in aggregate, should be reasonably close to the volatility of a weighted composite of market indices of the target portfolio.
- The following types of investments/transactions are prohibited: selling short, purchasing securities on margin, unregistered securities, and private placement.

Assignment of Responsibilities

Pension Committee – The Committee is charged with the responsibility of managing the assets of the OPEB. To that end, the Committee's responsibilities include: establishing and maintaining the OPEB's investment policy, approving the selection of investments, and periodically monitoring the performance of the investments. The Committee shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing.

Investment Consultant – The Committee may engage the services of an investment consultant. The investment consultant's role is that of a non-discretionary advisor to the Committee. The Investment Consultant will assist in the development and periodic review of an Investment Policy Statement and the OPEB's asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the OPEB, make investment recommendations to the Pension Committee and direct investment managers.

Investment Managers – Several investment managers will be appointed to manage a portion of the OPEB's assets in a particular manner. Investment managers are given discretion to manage funds entrusted in accordance with the style for which they are employed provided they comply with the restrictions and limitations as may be determined by the Committee.

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

Rebalancing

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to rebalance will be reviewed periodically.

Selection Criteria for Investment Managers

Investment managers retained by the OPEB shall be chosen using the following criteria:

- Past performance, fee structure, considered relative to other investments having similar investment objectives with consideration granted to both consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the OPEB;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund;
- An assessment of the likelihood of future investment success, relative to other opportunities.

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

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

Securities Guidelines

The OPEB's investments may include separately managed accounts and/or mutual funds/co-mingled funds. The Committee understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the investment policy statement of each of the OPEB's separately managed accounts or in the prospectus/ offering memorandum for each mutual fund/co-mingled fund in the portfolio.

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1. The mutual fund/co-mingled pool organizations selected should demonstrate: (a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; (d) cost-effectiveness; and (e) responsiveness to evolving investor requirements.
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Real Assets	**0.0%**	**~~3.5%~~ 4.5%**	**10.0%**	***Diversified Real Asset Blended Index***

Governance & Oversight

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

"Five Key Duties"

Duty of Loyalty:
Act exclusively in the interest of plan participants and beneficiaries

Duty of Prudence:
Act in accordance with the "prudent expert rule"

Duty to Diversify Investments:
Diversify the portfolio options to balance risk

Duty to Follow Plan Documents:
Follow the plan provisions and policies governing the plan

Duty to Avoid Prohibited Transactions:
Ensure legal and appropriate transactions and be free from conflict

Committee/Board Best Practices

Structure/Makeup

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

Governance

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

Documentation

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

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

Actuarial Review

South Windsor Town Employees Pension		
	7/1/2022	7/1/2021
Actuarial Value of Assets	39,024,540	36,771,161
Total Accrued Liability	53,026,243	51,292,020
Funded Ratio	73.6%	71.7%
Actuarial Return Assumption	6.25%	6.25%

Source: Milliman, 2022 Valuation Report, as of 7/1/2022

Actuarial Review

South Windsor Board of Education Pension		
	7/1/2022	7/1/2021
Actuarial Value of Assets	17,970,837	17,238,201
Total Accrued Liability	20,812,485	20,354,410
Funded Ratio	86.3%	84.7%
Actuarial Return Assumption	6.25%	6.25%

Source: Milliman, 2022 Valuation Report, as of 7/1/2022

Actuarial Review

South Windsor OPEB Plan		
	7/1/2021	7/1/2019
Actuarial Value of Assets	4,428,805	2,716,235
Total Accrued Liability	13,343,329	11,862,536
Funded Ratio	33.2%	22.9%
Actuarial Return Assumption	6.25%	6.75%

Source: Milliman, 2021 Valuation Report, as of 7/1/2021
OPEB Actuarial Valuations completed bi-annually

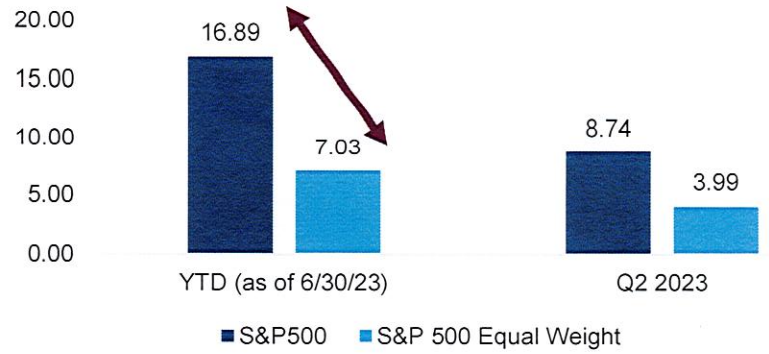
Capital Markets Overview

Market Themes

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

S&P 500 Index Return: The Power of Concentration

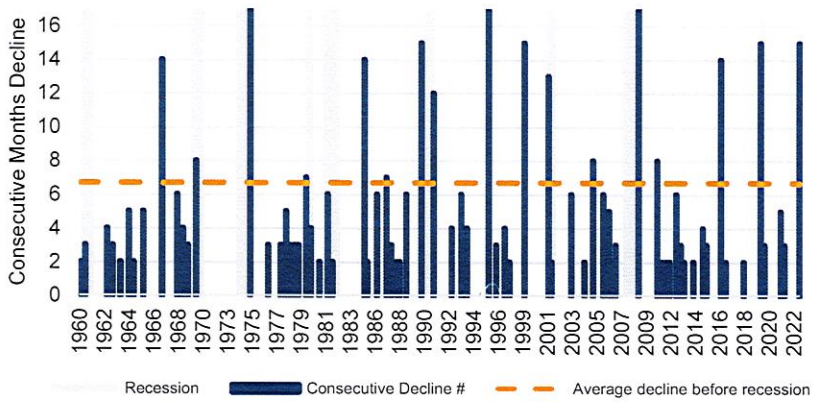
Today, the top five constituents of the S&P 500 make up 22.4% of the index and has driven 56% of returns YTD. This is the highest level of concentration in the past five years and over eight percent higher than the dot com bubble.



Source: Morningstar, Fiducient Advisors analysis June 30, 2023

Leading Indicators Have Contracted

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



Source: Factset, Fiducient Advisors analysis June 30, 2023

Light at the End of the Tunnel

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

	Terminal Fed Funds Rate	Rate of Inflation
May-74	13%	10.1%
May-81	20%	10%
Aug-84	11.75%	4.2%
Feb-84	9.75%	4.7%
Feb-95	6%	2.8%
May-00	6.5%	3.1%
Jun-06	5.25%	4.2%
Dec-18	2.5%	2.2%
May-23	5%*	4.0%

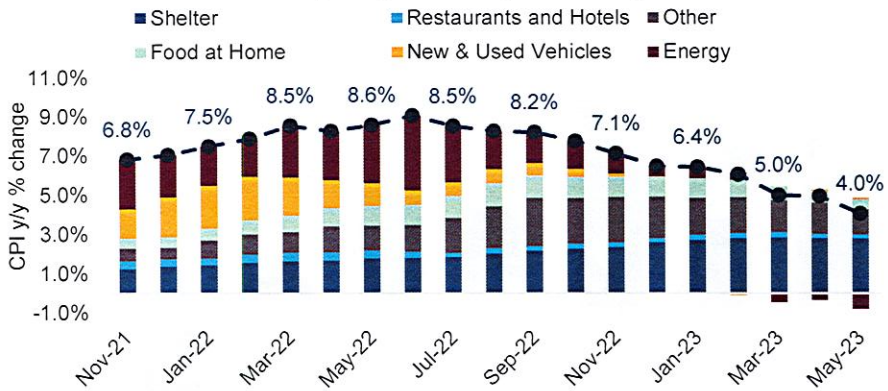
Source: Stategous June 30, 2023
**5% is the Fed Funds Rate of of June 30, 2023. It does not imply 5% will be the terminal rate*

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

Economic Review

U.S Inflation – Contribution by Component

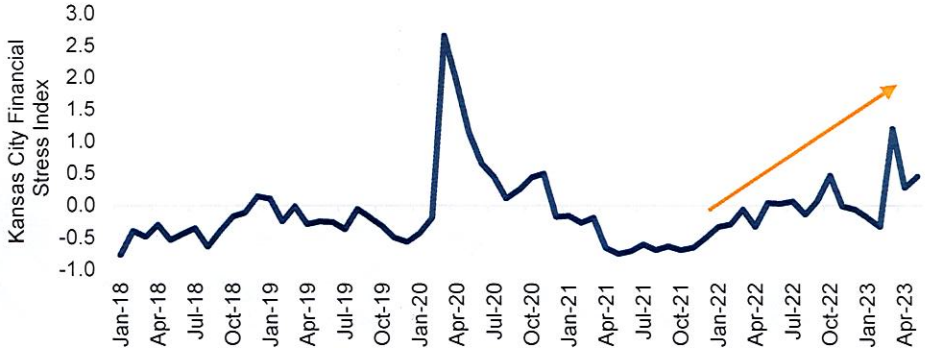
U.S. inflation hit 4%, the first time since 2021. Shelter contributed almost 70% to the May 2023 reading, up from 20% in June 2022. Home prices, a lagged variable in the CPI calculation are beginning to show signs of cooling.



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

Tightening Financial Conditions

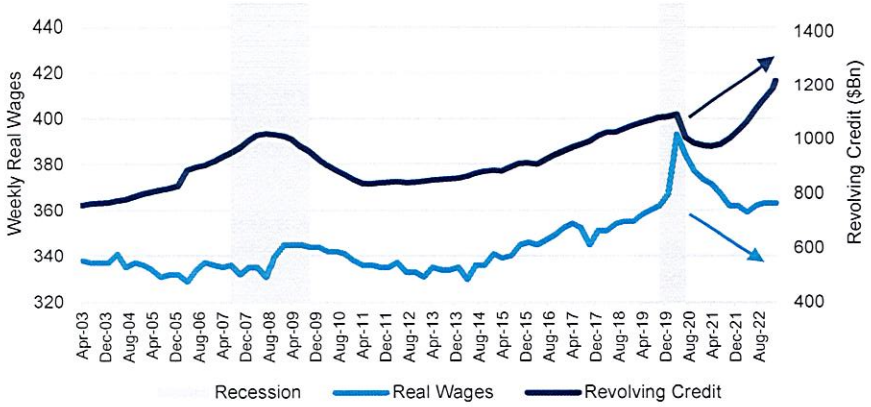
Financial conditions have tightened in the wake of central bank policy actions as well as other stresses in the banking system.



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

Consumer Strength Waning?

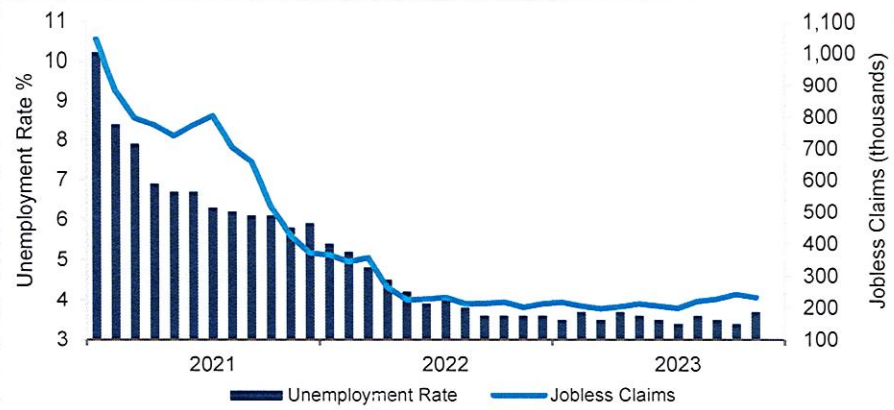
Falling real wages coinciding with rising credit card balances may test the resolve and ability of the consumer to continue to spend.



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

Labor Market Strength

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



Source: Factset June 30, 2023.

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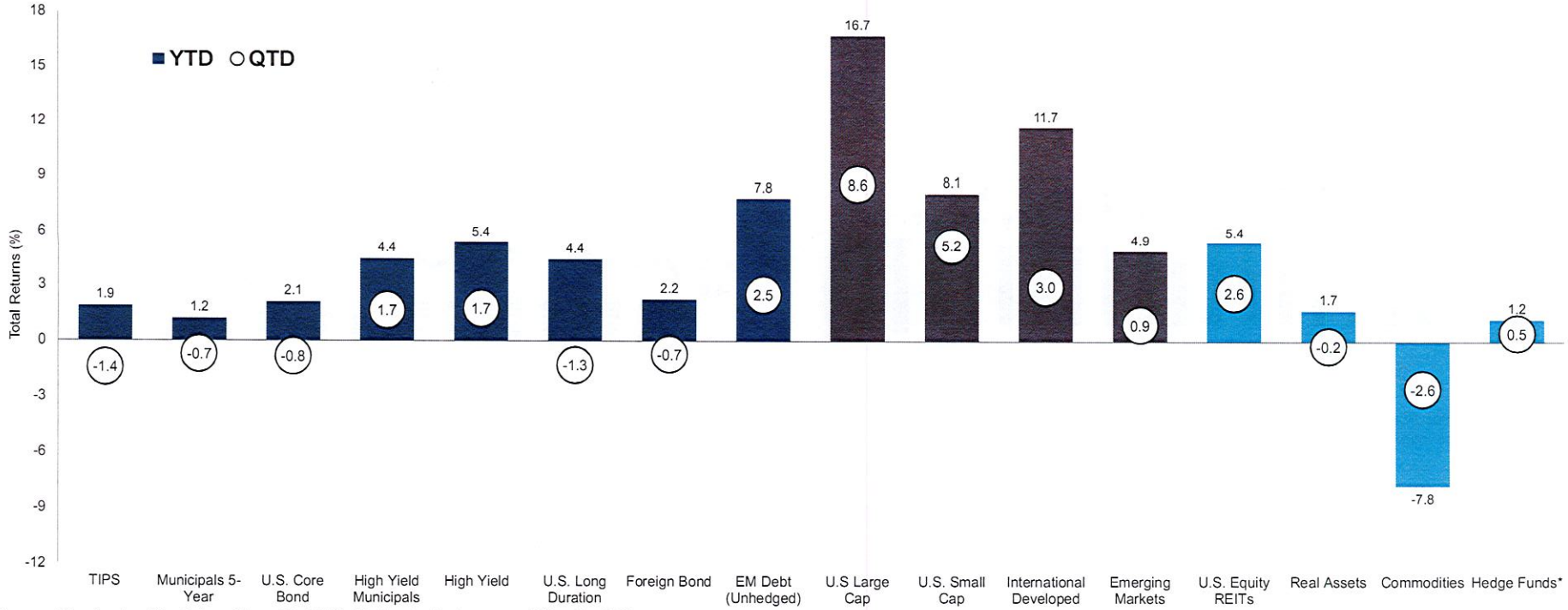
Asset Class Returns



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

Fixed Income (2Q)

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

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

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

Equity (2Q)

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

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

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

Real Asset / Alternatives (2Q)

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

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

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

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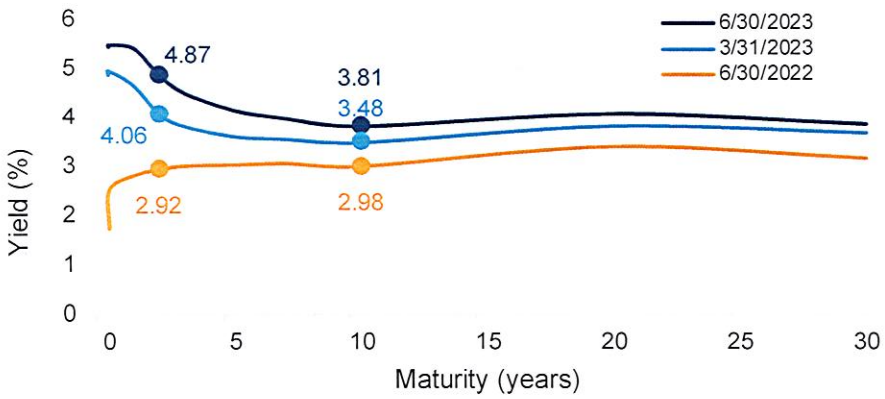
Fixed Income Market Update

U.S. Treasury Yield Curve

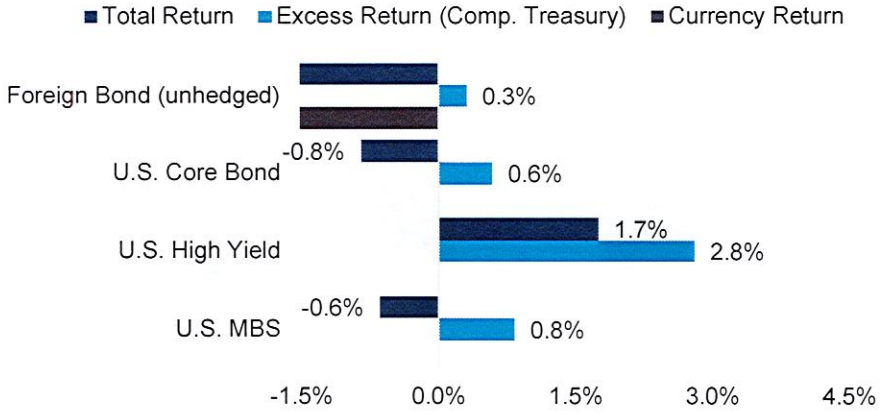
Interest rate volatility continued during the quarter. The Fed raised their target rate by 25 bps in May but paused in June. Despite the pause, hawkish communication from The Fed drove rates higher.



Source: FactSet. As of June 30, 2023.

Index Performance Attribution (2Q 2023)

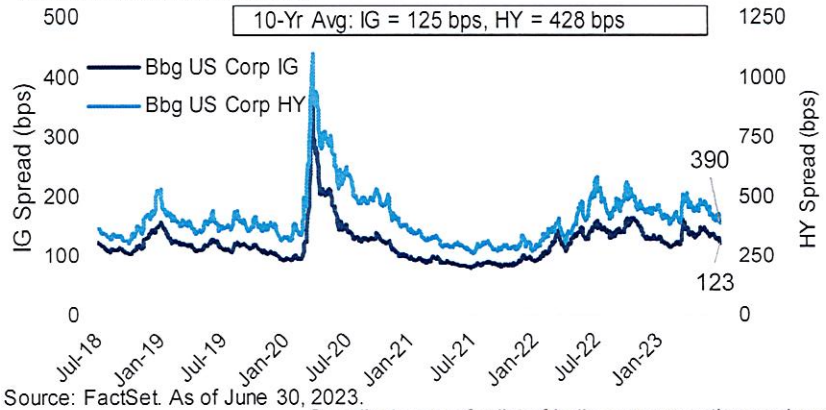
Non-government sectors, relative to similar duration Treasuries were positive in the quarter. Corporate high yield strength led to spread tightening which benefitted returns. Developed market foreign bonds lagged amid higher inflation and further monetary tightening.



Source: FactSet. As of June 30, 2023.

Corporate Market Spreads – Trailing 5 Years

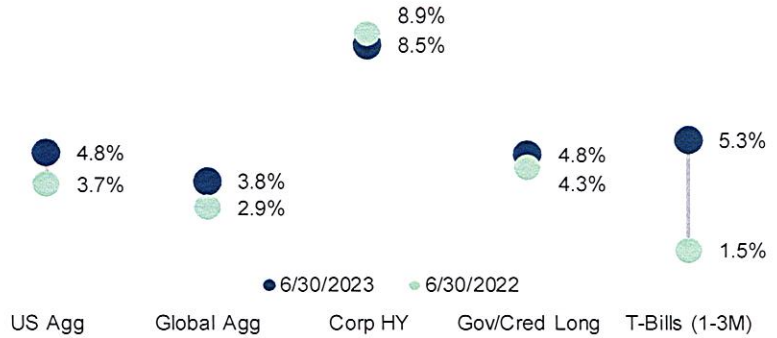
Corporate spreads tightened with both investment grade and high yield below 10-year averages. Strong fundamentals and robust interest coverage ratios were beneficial to sentiment.



Source: FactSet. As of June 30, 2023.

Current Yield-to-Worst vs. 1 Year Ago

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



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

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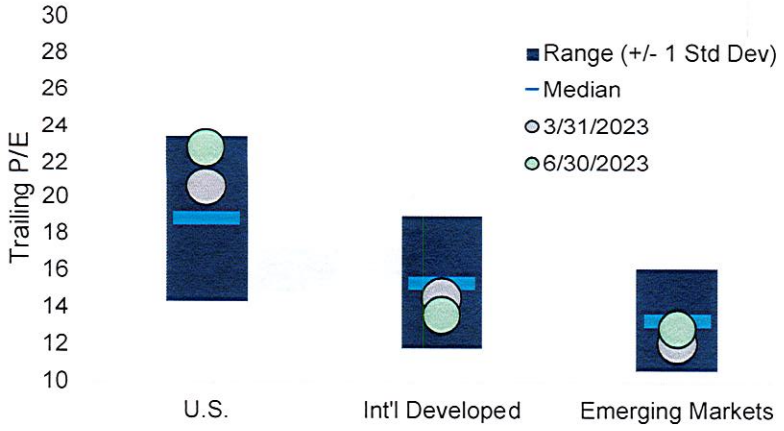
Equity Market Update

Equity Valuations (Trailing PE – Last 15 Years)

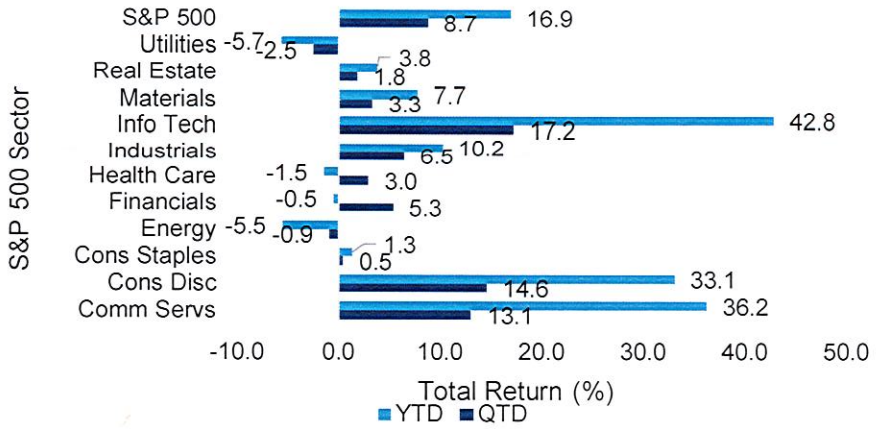
Valuations edged higher as prices rose and earnings fell. The U.S. market ends near peak levels compared to the last 15 years, while international and EM look more attractive on an absolute and relative basis.



Source: FactSet. As of June 30, 2023.

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

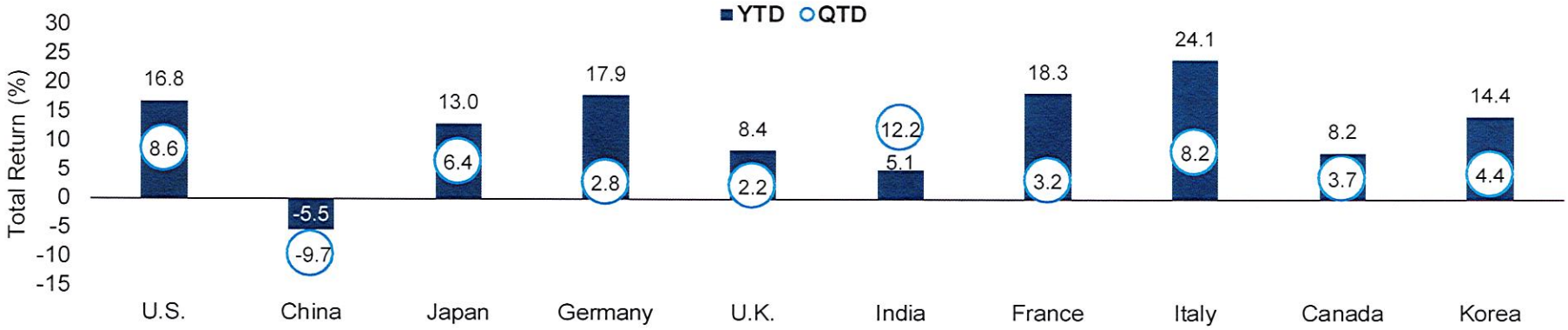
Equities were narrowly driven by mega-cap growth related stocks in the information technology and consumer sectors. Financials saw a strong rebound as banking sector disruption abated.



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

Country Total Returns (%) – Top 10 Largest Economies

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



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

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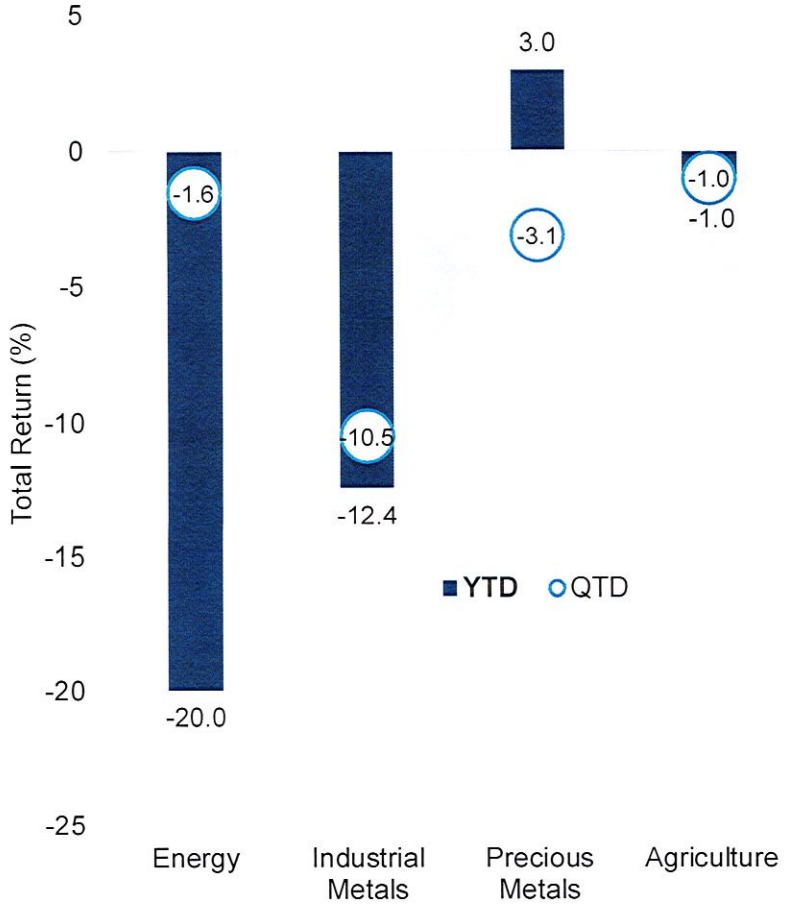
Real Assets Market Update

Commodity Performance

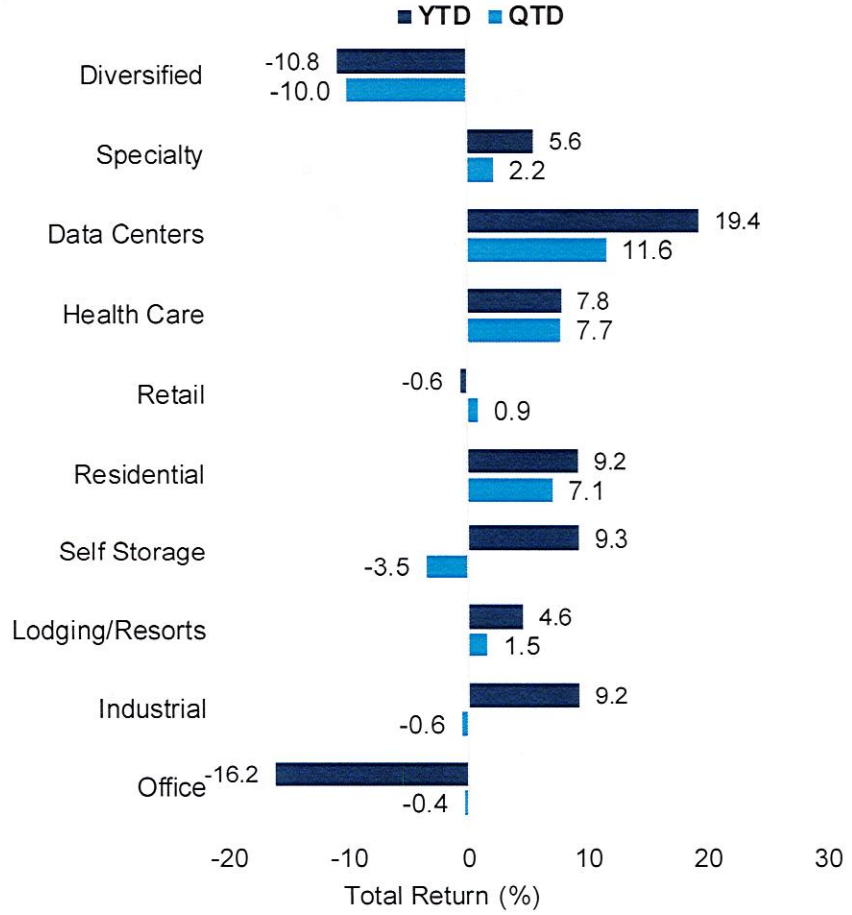
Commodities struggled in the quarter. Industrial metals fell on overall weaker global growth expectations and lower expected demand. Energy and Agriculture held in on robust gasoline prices and booming soybean prices, respectively.



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

REIT Sector Performance

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



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

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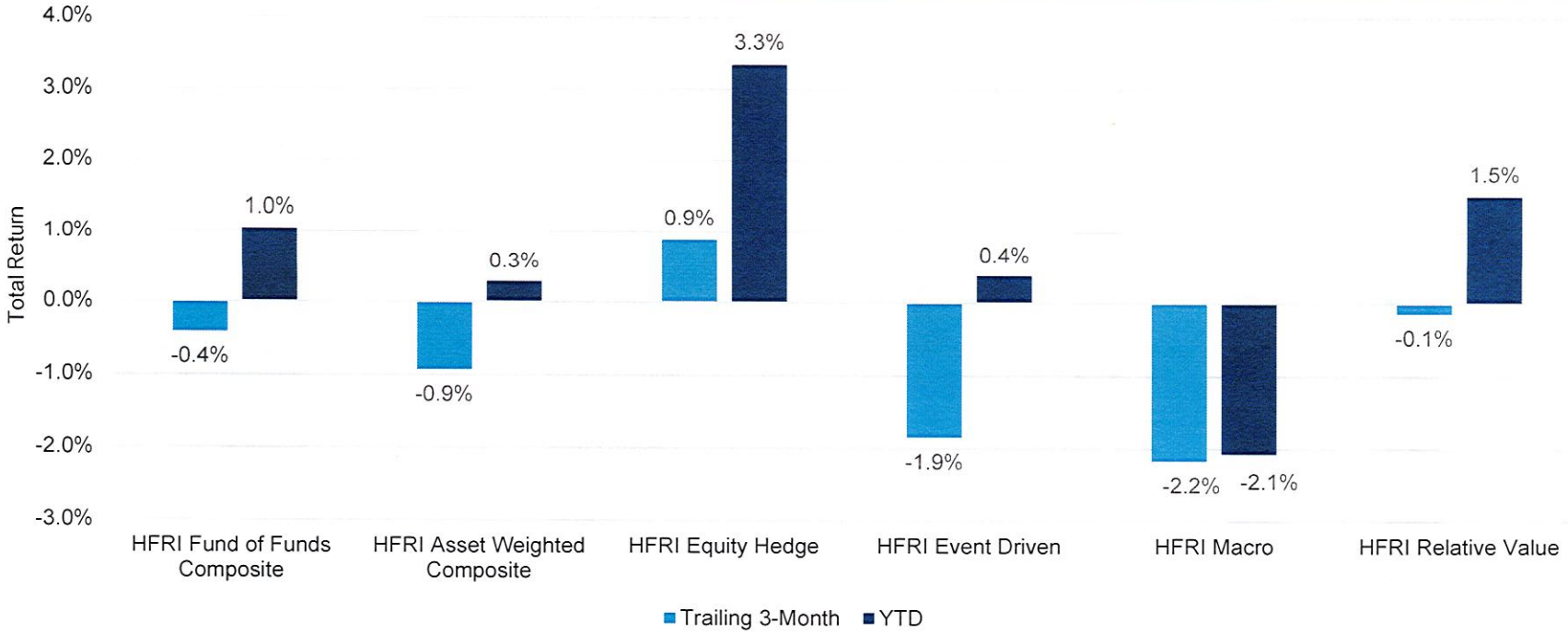
Marketable Alternatives



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

Fund of Funds / Asset Weighted (2Q)

- The HFRI Fund of Funds Composite returned -0.4 percent over the trailing 3-month period, bringing its year-to-date return to 1.0 percent.

- The HFRI Asset Weighted Composite returned -0.9 percent over the trailing 3-month period, bringing its year-to-date return to 0.3 percent.

- Marketable alternatives generally lagged equity and fixed income markets over the trailing 3-month period as, on average, they failed to keep pace in March and April.

Equity Hedge / Event Driven (2Q)

+ Equity Hedge strategies returned 0.9 percent over the period, participating in a strong equity market during the period. Technology and Healthcare focused funds were notable contributors.

- Event Driven strategies returned -1.9 percent over the period, with broad negative performance across strategy types.

- Merger Arbitrage strategies were a notable detractor within Event Driven strategies amidst a challenging backdrop.

Macro / Relative Value (2Q)

- Macro strategies retuned -2.2 percent over the period, driven by a challenging month of March.

- Relative Value strategies detracted slightly, returning -0.1 percent over the period. Yield Alternatives strategies were notable detractors.

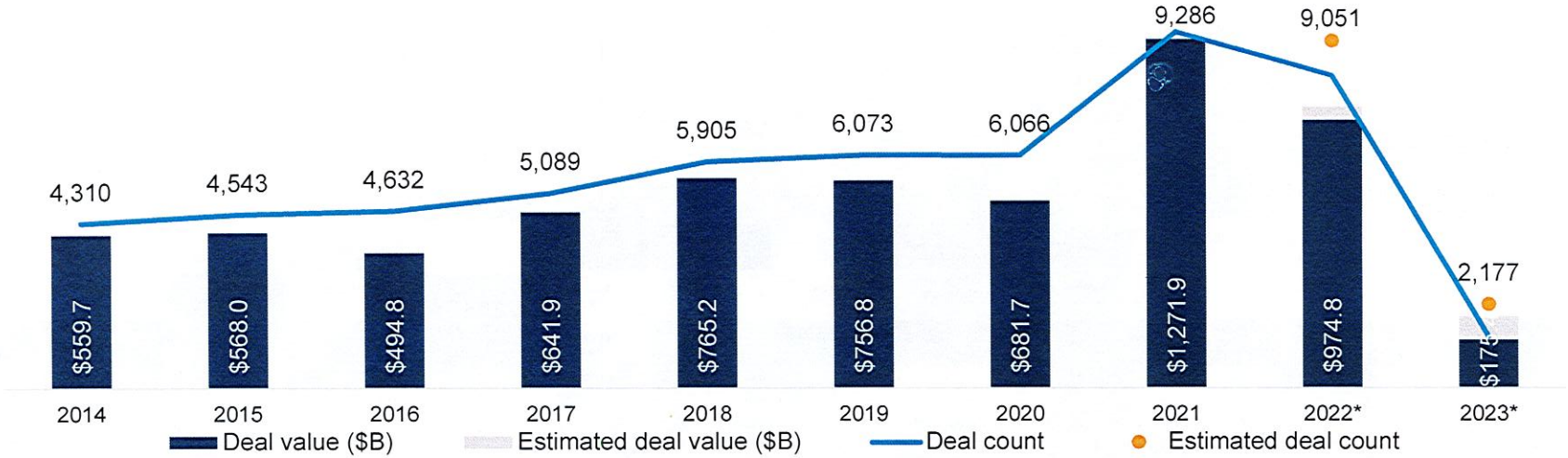
+ Volatility strategies added nearly 1 percent over the period and were a notable bright spot within Relative Value strategies.

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

Private Equity Market Update

U.S. Private Equity Deal Activity

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



Source: Pitchbook. As of March 31, 2023.

Private Equity Performance (As of December 31, 2022)

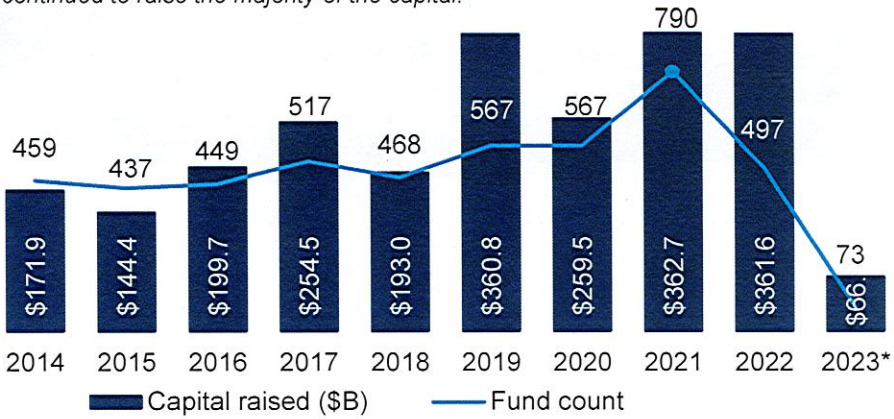
Private equity performance was dispersed during the fourth quarter of 2022 with US Growth and Venture posting negative returns while buyout was modestly positive. For the tough year in 2022, buyout was more resilient while growth and venture were hit harder.

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

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

U.S. Private Equity Fundraising Activity

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



Source: Pitchbook. As of March 31, 2023.

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The Case for Diversification

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

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

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Financial Markets Performance

Financial Markets Performance

Total Return as of June 30, 2023
Periods greater than one year are annualized
All returns are in U.S. dollar terms

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

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

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

Portfolio and Manager Review

Asset Allocation

Town Employees Pension

As of June 30, 2023

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Town Employees Pension	**37,643,458**	**100.0**	**100.0**	**0.0**
Short Term Liquidity	**337,446**	**0.9**	**0.0**	**0.9**
AllSpring Govt Money Market Fund	337,446	0.9	0.0	0.9
Fixed Income	**9,989,415**	**26.5**	**27.5**	**-1.0**
Metropolitan West Total Return Pl	6,508,304	17.3	18.0	-0.7
BlackRock Strategic Income Opportunities Fund K	2,014,591	5.4	5.5	-0.1
Artisan High Income Institutional	738,645	2.0	2.0	0.0
BrandywineGLOBAL Global Opportunities Bond IS	727,875	1.9	2.0	-0.1
Domestic Equity	**14,040,518**	**37.3**	**36.5**	**0.8**
T. Rowe Price Equity Income I	2,383,666	6.3	6.5	-0.2
Vanguard Institutional Index Fund Instl	5,854,662	15.6	15.0	0.6
Harbor Capital Appreciation Ret	1,661,310	4.4	4.0	0.4
Glenmede Small Cap Equity Instl	4,140,880	11.0	11.0	0.0
International Equity	**10,085,008**	**26.8**	**27.0**	**-0.2**
Dodge & Cox International Stock Fund	5,023,993	13.3	13.5	-0.2
Vanguard International Growth Fund Adm	5,061,015	13.4	13.5	-0.1
Real Estate	**1,576,006**	**4.2**	**4.5**	**-0.3**
DFA Global Real Estate Securities I	1,576,006	4.2	4.5	-0.3
Real Assets	**1,615,065**	**4.3**	**4.5**	**-0.2**
Principal Diversified Real Asset R6	1,615,065	4.3	4.5	-0.2

Asset Allocation

Board of Education Account

As of June 30, 2023

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Board of Education Account	**17,285,880**	**100.0**	**100.0**	**0.0**
Short Term Liquidity	**177,432**	**1.0**	**0.0**	**1.0**
AllSpring Govt Money Market Fund	177,432	1.0	0.0	1.0
Fixed Income	**4,546,443**	**26.3**	**27.5**	**-1.2**
Metropolitan West Total Return PI	2,956,833	17.1	18.0	-0.9
BlackRock Strategic Income Opportunities Fund K	918,771	5.3	5.5	-0.2
Artisan High Income Institutional	341,253	2.0	2.0	0.0
BrandywineGLOBAL Global Opportunities Bond IS	329,586	1.9	2.0	-0.1
Domestic Equity	**6,572,447**	**38.0**	**36.5**	**1.5**
T. Rowe Price Equity Income I	1,069,490	6.2	6.5	-0.3
Vanguard Institutional Index Fund Instl	2,795,533	16.2	15.0	1.2
Harbor Capital Appreciation Ret	838,353	4.8	4.0	0.8
Glenmede Small Cap Equity Instl	1,869,071	10.8	11.0	-0.2
International Equity	**4,560,744**	**26.4**	**27.0**	**-0.6**
Dodge & Cox International Stock Fund	2,287,885	13.2	13.5	-0.3
Vanguard International Growth Fund Adm	2,272,858	13.1	13.5	-0.4
Real Estate	**703,618**	**4.1**	**4.5**	**-0.4**
DFA Global Real Estate Securities I	703,618	4.1	4.5	-0.4
Real Assets	**725,197**	**4.2**	**4.5**	**-0.3**
Principal Diversified Real Asset R6	725,197	4.2	4.5	-0.3

Asset Allocation

South Windsor OPEB

As of June 30, 2023

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
South Windsor OPEB	**4,637,772**	**100.0**	**100.0**	**0.0**
Short Term Liquidity	**26,843**	**0.6**	**0.0**	**0.6**
AllSpring Govt Money Market Fund	26,843	0.6	0.0	0.6
Fixed Income	**1,223,008**	**26.4**	**27.5**	**-1.1**
Metropolitan West Total Return Pl	795,025	17.1	18.0	-0.9
BlackRock Strategic Income Opportunities Fund K	248,059	5.3	5.5	-0.2
Artisan High Income Institutional	91,680	2.0	2.0	0.0
BrandywineGLOBAL Global Opportunities IS	88,245	1.9	2.0	-0.1
Domestic Equity	**1,769,395**	**38.2**	**36.5**	**1.7**
T. Rowe Price Equity Income I	287,403	6.2	6.5	-0.3
Vanguard Institutional Index Fund Instl	751,833	16.2	15.0	1.2
Harbor Capital Appreciation Ret	225,953	4.9	4.0	0.9
Glenmede Small Cap Equity Instl	504,205	10.9	11.0	-0.1
International Equity	**1,227,779**	**26.5**	**27.0**	**-0.5**
Dodge & Cox International Stock Fund	616,090	13.3	13.5	-0.2
Vanguard International Growth Adm	611,688	13.2	13.5	-0.3
Real Estate	**191,821**	**4.1**	**4.5**	**-0.4**
DFA Global Real Estate Securities I	191,821	4.1	4.5	-0.4
Real Assets	**198,927**	**4.3**	**4.5**	**-0.2**
Principal Diversified Real Asset R6	198,927	4.3	4.5	-0.2

Town of South Windsor Pension & OPEB Plans

Portfolio Summary
As of June 30, 2023

Total Performance Summary

	QTR	Fiscal YTD	1-Year	3-Year	5-Year	10-Year	Since 5/1/2008**
Town Employees Pension	3.2%	10.0%	10.0%	7.7%	6.0%	6.7%	5.9%
Board of Education Pension	3.3%	10.1%	10.1%	7.7%	6.1%	6.7%	5.8%
*Blended Benchmark **	*3.4%*	*9.9%*	*9.9%*	*6.5%*	*5.8%*	*6.4%*	*5.6%*
	QTR	**Fiscal YTD**	**1-Year**	**3-Year**	**5-Year**	**10-Year**	**Since 9/1/2018**
OPEB Plan	3.3%	9.5%	9.5%	7.5%	N/A	N/A	5.8%
*Blended Benchmark **	*3.4%*	*9.9%*	*9.9%*	*6.5%*	*N/A*	*N/A*	*5.5%*

* Blended benchmark: 27.5% Bloomberg Barclays US Aggregate Index/36.5% Russell 3000 Index/27.0% MSCI AC World ex USA Index/4.5% S&P Global REIT Index/4.5% Diversified Real Asset Blended Index

Manager Status Summary

Mandate	*Manager/Fund*	*Status*	*Note*
Fixed Income	Metropolitan West Total Return PI	Maintain	N/A
Fixed Income	BlackRock Strategic Income Opportunities K	Maintain	N/A
Fixed Income	Artisan High Income Institutional	Maintain	N/A
Fixed Income	BrandywineGLOBAL Global Opportunities IS	Maintain	N/A
Equity - Large Cap	T. Rowe Price Equity Income I	Maintain	N/A
Equity - Large Cap	Vanguard Institutional Index	Maintain	N/A
Equity - Large Cap	Harbor Capital Appreciation R	Maintain	N/A
Equity - Sm/Mid Cap	Glendmede Small Cap Equity I	Maintain	N/A
International Equity	Dodge & Cox International Stock	Maintain	N/A
International Equity	Vanguard International Growth Adm	Maintain	N/A
Real Estate	DFA Global Real Estate Securities I	Maintain	N/A
Real Assets	Principal Diversified Real Asset R6	Maintain	N/A

Manager Performance

Town Employees Pension

As of June 30, 2023

	Allocation		Performance(%)									Manager Status
	Market Value ($)	%	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Town Employees Pension	**37,643,458**	**100.0**	**3.2**	**10.0**	**8.8**	**10.0**	**7.7**	**6.0**	**6.7**	**5.9**	**05/2008**	
South Windsor Blended Benchmark			*3.4*	*9.9*	*9.1*	*9.9*	*6.5*	*5.8*	*6.4*	*5.6*		
Short Term Liquidity	**337,446**	**0.9**	**0.4**	**1.7**	**0.9**	**1.7**	**0.6**	**1.0**	**0.7**	**0.5**	**01/2009**	
90 Day U.S. Treasury Bill			*1.2*	*3.6*	*2.3*	*3.6*	*1.3*	*1.6*	*1.0*	*0.7*		
AllSpring Govt Money Market Fund	**337,446**	**0.9**	**0.4**	**1.7**	**0.9**	**1.7**	**0.6**	**1.0**	**0.7**	**0.6**	**05/2008**	
90 Day U.S. Treasury Bill			*1.2*	*3.6*	*2.3*	*3.6*	*1.3*	*1.6*	*1.0*	*0.7*		
Fixed Income	**9,989,415**	**26.5**	**-0.3**	**0.4**	**2.3**	**0.4**	**-1.6**	**1.4**	**2.0**	**3.4**	**01/2009**	
Blmbg. U.S. Aggregate			*-0.8*	*-0.9*	*2.1*	*-0.9*	*-4.0*	*0.8*	*1.5*	*2.5*		
Metropolitan West Total Return PI	**6,508,304**	**17.3**	**-1.2**	**-1.3**	**2.2**	**-1.3**	**-4.0**	**0.9**	**1.7**	**1.7**	**09/2013**	**Maintain**
Blmbg. U.S. Aggregate			*-0.8*	*-0.9*	*2.1*	*-0.9*	*-4.0*	*0.8*	*1.5*	*1.6*		
IM U.S. Broad Market Core+ Fixed Income (MF) Median			-0.7	-0.2	2.4	-0.2	-3.3	1.0	1.7	1.7		
Metropolitan West Total Return PI Rank			89	79	66	79	81	54	46	51		
BlackRock Strategic Income Opportunities Fund K	**2,014,591**	**5.4**	**0.5**	**1.9**	**2.1**	**1.9**	**1.4**	**2.4**	**2.6**	**2.3**	**11/2014**	**Maintain**
Blmbg. U.S. Aggregate			*-0.8*	*-0.9*	*2.1*	*-0.9*	*-4.0*	*0.8*	*1.5*	*1.1*		
IM Alternative Credit Focus (MF) Median			0.4	3.7	2.9	3.7	1.5	1.4	1.3	1.5		
BlackRock Strategic Income Opportunities Fund K Rank			46	62	66	62	53	31	24	26		
Artisan High Income Institutional	**738,645**	**2.0**	**1.9**	**8.3**	**6.9**	**8.3**	**5.4**	**4.7**	**-**	**1.9**	**02/2023**	**Maintain**
Blmbg. U.S. Corp: High Yield			*1.7*	*9.1*	*5.4*	*9.1*	*3.1*	*3.4*	*4.4*	*1.5*		
IM U.S. High Yield Bonds (MF) Median			1.4	8.2	4.8	8.2	2.8	2.7	3.6	1.1		
Artisan High Income Institutional Rank			16	46	3	46	6	3	-	9		
BrandywineGLOBAL Global Opportunities Bond IS	**727,875**	**1.9**	**-0.3**	**1.1**	**3.4**	**1.1**	**-1.8**	**-0.1**	**1.0**	**1.9**	**07/2011**	**Maintain**
Blmbg. Global Aggregate			*-1.5*	*-1.3*	*1.4*	*-1.3*	*-5.0*	*-1.1*	*0.2*	*0.2*		
IM Global Fixed Income (MF) Median			-0.6	0.5	1.8	0.5	-3.2	-0.2	0.7	0.8		
BrandywineGLOBAL Global Opportunities Bond IS Rank			39	41	15	41	27	47	37	25		

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

Manager Performance

Town Employees Pension — As of June 30, 2023

	Allocation		Performance(%)									Manager Status
	Market Value ($)	%	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Domestic Equity	**14,040,518**	**37.3**	**7.3**	**17.4**	**13.7**	**17.4**	**15.2**	**11.2**	**12.2**	**13.1**	**01/2009**	
Russell 3000 Index			*8.4*	*19.0*	*16.2*	*19.0*	*13.9*	*11.4*	*12.3*	*13.7*		
T. Rowe Price Equity Income I	**2,383,666**	**6.3**	**3.3**	**8.4**	**2.6**	**8.4**	**16.0**	**7.9**	**8.7**	**10.3**	**06/2012**	**Maintain**
Russell 1000 Value Index			*4.1*	*11.5*	*5.1*	*11.5*	*14.3*	*8.1*	*9.2*	*11.0*		
IM U.S. Large Cap Value Equity (MF) Median			4.4	12.2	4.4	12.2	14.3	8.6	9.4	10.9		
T. Rowe Price Equity Income I Rank			76	80	75	80	26	70	72	73		
Vanguard Institutional Index Fund Instl	**5,854,662**	**15.6**	**8.7**	**19.5**	**16.9**	**19.5**	**14.6**	**12.3**	**12.8**	**11.6**	**03/2018**	**Maintain**
S&P 500			*8.7*	*19.6*	*16.9*	*19.6*	*14.6*	*12.3*	*12.9*	*11.7*		
IM U.S. Large Cap Core Equity (MF) Median			8.2	18.4	15.4	18.4	13.4	11.4	11.8	10.7		
Vanguard Institutional Index Fund Instl Rank			34	34	31	34	21	22	16	20		
Harbor Capital Appreciation Ret	**1,661,310**	**4.4**	**15.7**	**32.5**	**36.9**	**32.5**	**8.8**	**12.7**	**15.4**	**12.1**	**05/2008**	**Maintain**
Russell 1000 Growth Index			*12.8*	*27.1*	*29.0*	*27.1*	*13.7*	*15.1*	*15.7*	*12.5*		
IM U.S. Large Cap Growth Equity (MF) Median			12.7	25.0	27.8	25.0	9.9	12.1	13.7	10.7		
Harbor Capital Appreciation Ret Rank			4	6	7	6	66	37	12	10		
Glenmede Small Cap Equity Instl	**4,140,880**	**11.0**	**4.6**	**15.0**	**9.0**	**15.0**	**20.7**	**7.3**	**9.8**	**9.3**	**10/2014**	**Maintain**
Russell 2000 Index			*5.2*	*12.3*	*8.1*	*12.3*	*10.8*	*4.2*	*8.3*	*7.8*		
IM U.S. Small Cap Core Equity (MF) Median			4.0	12.2	7.0	12.2	14.8	5.0	8.2	7.6		
Glenmede Small Cap Equity Instl Rank			39	25	26	25	5	12	8	11		
International Equity	**10,085,008**	**26.8**	**2.6**	**14.8**	**12.1**	**14.8**	**8.7**	**5.4**	**7.1**	**9.0**	**01/2009**	
MSCI AC World ex USA (Net)			*2.4*	*12.7*	*9.5*	*12.7*	*7.2*	*3.5*	*4.7*	*6.6*		
Dodge & Cox International Stock Fund	**5,023,993**	**13.3**	**4.3**	**14.7**	**10.7**	**14.7**	**12.8**	**4.9**	**5.3**	**3.5**	**05/2008**	**Maintain**
MSCI AC World ex USA Value (Net)			*3.0*	*12.2*	*8.3*	*12.2*	*10.4*	*2.7*	*3.7*	*1.6*		
IM International Large Cap Value Equity (MF) Median			3.1	18.0	10.8	18.0	11.2	3.5	4.4	2.2		
Dodge & Cox International Stock Fund Rank			16	76	52	76	15	22	16	26		

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

Manager Performance

Town Employees Pension

As of June 30, 2023

	Allocation		Performance(%)									Manager Status
	Market Value ($)	%	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
Vanguard International Growth Fund Adm	**5,061,015**	**13.4**	**0.9**	**14.8**	**13.5**	**14.8**	**3.5**	**6.6**	**9.1**	**5.8**	**05/2008**	**Maintain**
MSCI AC World ex USA Growth (Net)			*1.9*	*13.3*	*10.7*	*13.3*	*4.0*	*4.1*	*5.6*	*3.0*		
IM International Large Cap Growth Equity (MF) Median			2.4	16.8	12.2	16.8	6.5	4.7	5.7	3.5		
Vanguard International Growth Fund Adm Rank			95	67	27	67	86	25	3	2		
Real Estate	**1,576,006**	**4.2**	**-0.2**	**-4.8**	**0.7**	**-4.8**	**4.3**	**0.5**	**3.0**	**7.0**	**01/2009**	
Real Estate Composite Benchmark			*0.7*	*-3.0*	*2.1*	*-3.0*	*5.3*	*1.0*	*3.4*	*7.4*		
DFA Global Real Estate Securities I	**1,576,006**	**4.2**	**-0.2**	**-4.8**	**0.7**	**-4.8**	**4.3**	**2.5**	**4.9**	**-1.6**	**12/2019**	**Maintain**
S&P Global REIT Index (Net)			*0.7*	*-3.0*	*2.1*	*-3.0*	*5.3*	*1.4*	*3.8*	*-2.3*		
IM Global Real Estate (MF) Median			0.6	-3.8	2.5	-3.8	3.7	1.4	3.5	-2.0		
DFA Global Real Estate Securities I Rank			90	73	94	73	31	25	17	41		
Real Assets	**1,615,065**	**4.3**	**-0.7**	**-0.8**	**0.6**	**-0.8**	**-**	**-**	**-**	**4.4**	**02/2021**	
Diversified Real Asset Blended Index			*-1.2*	*-0.5*	*-0.1*	*-0.5*	*7.9*	*3.6*	*3.2*	*3.9*		
Principal Diversified Real Asset R6	**1,615,065**	**4.3**	**-0.7**	**-0.8**	**0.6**	**-0.8**	**8.8**	**3.9**	**-**	**4.4**	**02/2021**	**Maintain**
Diversified Real Asset Blended Index			*-1.2*	*-0.5*	*-0.1*	*-0.5*	*7.9*	*3.6*	*3.2*	*3.9*		

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

Calendar Year Performance

Town Employees Pension

As of June 30, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town Employees Pension	**-15.1**	**12.2**	**16.7**	**20.1**	**-7.2**	**15.8**	**7.9**	**-2.4**	**4.0**	**15.5**
South Windsor Blended Benchmark	*-16.0*	*12.7*	*13.5*	*20.2*	*-5.8*	*13.6*	*8.3*	*-2.1*	*5.7*	*15.0*
Short Term Liquidity	**1.0**	**0.0**	**0.3**	**2.0**	**1.6**	**0.7**	**0.2**	**0.0**	**0.0**	**0.0**
90 Day U.S. Treasury Bill	*1.5*	*0.0*	*0.7*	*2.3*	*1.9*	*0.9*	*0.3*	*0.0*	*0.0*	*0.0*
AllSpring Govt Money Market Fund	**1.0**	**0.0**	**0.3**	**2.0**	**1.6**	**0.7**	**0.2**	**0.0**	**0.0**	**0.0**
90 Day U.S. Treasury Bill	*1.5*	*0.0*	*0.7*	*2.3*	*1.9*	*0.9*	*0.3*	*0.0*	*0.0*	*0.0*
Fixed Income	**-11.0**	**-0.6**	**8.6**	**8.6**	**-0.5**	**5.3**	**4.5**	**-1.5**	**4.9**	**-0.9**
Blmbg. U.S. Aggregate	*-13.0*	*-1.5*	*7.5*	*8.7*	*0.0*	*3.5*	*2.6*	*0.5*	*6.0*	*-2.0*
Metropolitan West Total Return PI	**-14.7**	**-1.1**	**9.2**	**9.2**	**0.3**	**3.5**	**2.6**	**0.2**	**6.2**	**0.4**
Blmbg. U.S. Aggregate	*-13.0*	*-1.5*	*7.5*	*8.7*	*0.0*	*3.5*	*2.6*	*0.5*	*6.0*	*-2.0*
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-13.7	-0.9	8.6	9.3	-1.0	4.5	4.1	-0.3	5.1	-1.1
Metropolitan West Total Return PI Rank	73	57	36	55	11	79	86	26	25	16
BlackRock Strategic Income Opportunities Fund K	**-5.6**	**1.0**	**7.3**	**7.8**	**-0.5**	**5.0**	**3.6**	**-0.6**	**3.6**	**3.0**
Blmbg. U.S. Aggregate	*-13.0*	*-1.5*	*7.5*	*8.7*	*0.0*	*3.5*	*2.6*	*0.5*	*6.0*	*-2.0*
IM Alternative Credit Focus (MF) Median	-7.6	1.9	3.9	7.3	-1.9	4.5	4.9	-1.6	1.0	-0.1
BlackRock Strategic Income Opportunities Fund K Rank	41	58	17	43	29	43	64	25	21	31
Artisan High Income Institutional	**-9.5**	**6.4**	**10.2**	**14.2**	**-1.4**	**8.9**	**14.5**	**1.2**	**-**	**-**
Blmbg. U.S. Corp: High Yield	*-11.2*	*5.3*	*7.1*	*14.3*	*-2.1*	*7.5*	*17.1*	*-4.5*	*2.5*	*7.4*
IM U.S. High Yield Bonds (MF) Median	-11.0	4.9	5.4	13.8	-3.0	6.6	13.8	-4.0	1.5	6.7
Artisan High Income Institutional Rank	25	19	4	42	11	5	39	2	-	-
BrandywineGLOBAL Global Opportunities Bond IS	**-15.7**	**-5.3**	**12.7**	**9.2**	**-4.9**	**12.8**	**5.0**	**-8.5**	**6.3**	**-3.9**
Blmbg. Global Aggregate	*-16.2*	*-4.7*	*9.2*	*6.8*	*-1.2*	*7.4*	*2.1*	*-3.2*	*0.6*	*-2.6*
IM Global Fixed Income (MF) Median	-14.7	-2.7	8.3	8.1	-1.8	6.8	2.9	-3.8	1.9	-2.5
BrandywineGLOBAL Global Opportunities Bond IS Rank	62	80	5	25	95	3	25	96	14	77
Domestic Equity	**-15.7**	**26.5**	**19.7**	**29.3**	**-6.1**	**23.1**	**10.8**	**1.5**	**8.9**	**33.7**
Russell 3000 Index	*-19.2*	*25.7*	*20.9*	*31.0*	*-5.2*	*21.1*	*12.7*	*0.5*	*12.6*	*33.6*
T. Rowe Price Equity Income I	**-3.1**	**25.8**	**1.4**	**26.7**	**-9.2**	**16.3**	**19.4**	**-6.7**	**7.5**	**29.8**
Russell 1000 Value Index	*-7.5*	*25.2*	*2.8*	*26.5*	*-8.3*	*13.7*	*17.3*	*-3.8*	*13.5*	*32.5*
IM U.S. Large Cap Value Equity (MF) Median	-6.1	26.0	3.8	26.5	-8.6	17.0	13.8	-3.0	10.8	32.1
T. Rowe Price Equity Income I Rank	19	55	79	49	62	63	7	92	93	85

Calendar Year Performance

Town Employees Pension — **As of June 30, 2023**

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Vanguard Institutional Index Fund Instl	**-18.1**	**28.7**	**18.4**	**31.5**	**-4.4**	**21.8**	**11.9**	**1.4**	**13.7**	**32.3**
S&P 500	*-18.1*	*28.7*	*18.4*	*31.5*	*-4.4*	*21.8*	*12.0*	*1.4*	*13.7*	*32.4*
IM U.S. Large Cap Core Equity (MF) Median	-18.7	26.9	18.4	30.6	-5.4	21.4	9.7	0.5	11.5	31.8
Vanguard Institutional Index Fund Instl Rank	46	26	50	37	32	45	20	35	18	38
Harbor Capital Appreciation Ret	**-37.7**	**15.7**	**54.6**	**33.4**	**-1.0**	**36.7**	**-1.0**	**11.0**	**9.9**	**37.7**
Russell 1000 Growth Index	*-29.1*	*27.6*	*38.5*	*36.4*	*-1.5*	*30.2*	*7.1*	*5.7*	*13.1*	*33.5*
IM U.S. Large Cap Growth Equity (MF) Median	-31.3	22.4	35.6	33.3	-1.2	29.3	2.2	5.6	10.5	34.1
Harbor Capital Appreciation Ret Rank	87	88	7	49	48	5	82	5	58	16
Glenmede Small Cap Equity Instl	**-10.5**	**29.1**	**15.9**	**21.3**	**-15.7**	**16.0**	**18.3**	**-2.7**	**3.3**	**48.2**
Russell 2000 Index	*-20.4*	*14.8*	*20.0*	*25.5*	*-11.0*	*14.6*	*21.3*	*-4.4*	*4.9*	*38.8*
IM U.S. Small Cap Core Equity (MF) Median	-15.8	25.1	9.9	23.9	-12.7	12.1	21.7	-4.3	4.7	36.9
Glenmede Small Cap Equity Instl Rank	20	26	23	77	73	14	79	29	67	3
International Equity	**-18.7**	**5.2**	**27.6**	**26.1**	**-17.2**	**34.1**	**5.0**	**-6.0**	**-2.7**	**24.5**
MSCI AC World ex USA (Net)	*-16.0*	*7.8*	*10.7*	*21.5*	*-14.2*	*27.2*	*4.5*	*-5.7*	*-3.9*	*15.3*
Dodge & Cox International Stock Fund	**-6.8**	**11.0**	**2.1**	**22.8**	**-18.0**	**23.9**	**8.3**	**-11.4**	**0.1**	**26.3**
MSCI AC World ex USA Value (Net)	*-8.6*	*10.5*	*-0.8*	*15.7*	*-14.0*	*22.7*	*8.9*	*-10.1*	*-5.1*	*15.0*
IM International Large Cap Value Equity (MF) Median	-10.6	13.2	4.1	19.0	-16.7	22.9	1.3	-1.8	-7.0	21.8
Dodge & Cox International Stock Fund Rank	10	59	75	6	80	34	1	89	9	7
Vanguard International Growth Fund Adm	**-30.8**	**-0.7**	**59.7**	**31.5**	**-12.6**	**43.2**	**1.8**	**-0.5**	**-5.5**	**23.1**
MSCI AC World ex USA Growth (Net)	*-23.1*	*5.1*	*22.2*	*27.3*	*-14.4*	*32.0*	*0.1*	*-1.3*	*-2.6*	*15.5*
IM International Large Cap Growth Equity (MF) Median	-20.2	8.9	20.0	27.5	-14.7	28.6	-1.9	0.2	-4.5	20.0
Vanguard International Growth Fund Adm Rank	93	97	1	14	28	3	13	60	64	17
Real Estate	**-23.8**	**31.0**	**-6.7**	**19.0**	**-8.0**	**9.7**	**3.6**	**-0.9**	**14.1**	**3.2**
Real Estate Composite Benchmark	*-24.4*	*31.4*	*-9.1*	*21.0*	*-5.6*	*10.4*	*4.1*	*-0.8*	*15.0*	*3.7*
DFA Global Real Estate Securities I	**-23.8**	**31.0**	**-6.7**	**26.4**	**-4.2**	**9.2**	**6.6**	**0.7**	**22.7**	**1.8**
S&P Global REIT Index (Net)	*-24.4*	*31.4*	*-9.1*	*23.1*	*-5.9*	*7.4*	*5.8*	*-0.4*	*21.5*	*1.7*
IM Global Real Estate (MF) Median	-25.9	26.9	-4.8	23.6	-5.5	11.5	2.8	-0.3	14.3	3.0
DFA Global Real Estate Securities I Rank	15	13	74	22	14	79	6	29	4	76

Calendar Year Performance

Town Employees Pension

As of June 30, 2023

	Performance(%)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Real Assets	**-6.1**	-	-	-	-	-	-	-	-	-
Diversified Real Asset Blended Index	*-5.1*	*15.9*	*2.1*	*14.9*	*-7.3*	*10.4*	*12.4*	*-11.7*	*0.2*	*-1.2*
Principal Diversified Real Asset R6	**-6.1**	**17.4**	**3.9**	**15.1**	**-7.8**	**10.2**	**5.9**	**-12.4**	-	-
Diversified Real Asset Blended Index	*-5.1*	*15.9*	*2.1*	*14.9*	*-7.3*	*10.4*	*12.4*	*-11.7*	*0.2*	*-1.2*

Manager Status Commentary

As of June 30, 2023

Manager	Recommendation	Comments
Metropolitan West Total Return Pl	Maintain	
BlackRock Strategic Income Opportunities Fund K	Maintain	
Artisan High Income Institutional	Maintain	
BrandywineGLOBAL Global Opportunities Bond IS	Maintain	
T. Rowe Price Equity Income I	Maintain	
Vanguard Institutional Index Fund Instl	Maintain	
Harbor Capital Appreciation Ret	Maintain	
Glenmede Small Cap Equity Instl	Maintain	
Dodge & Cox International Stock Fund	Maintain	
Vanguard International Growth Fund Adm	Maintain	
DFA Global Real Estate Securities I	Maintain	
Principal Diversified Real Asset R6	Maintain	

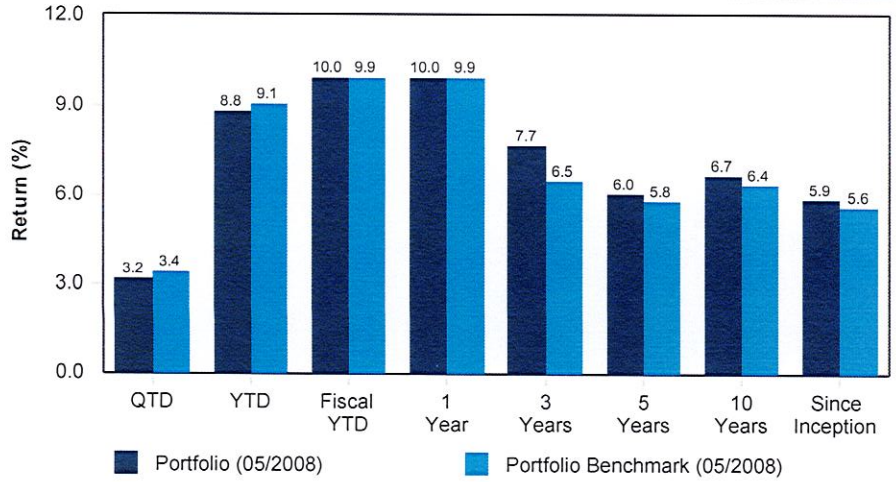
Commentary produced upon change of status.

Portfolio Dashboard

Town Employees Pension

As of June 30, 2023

Historical Performance



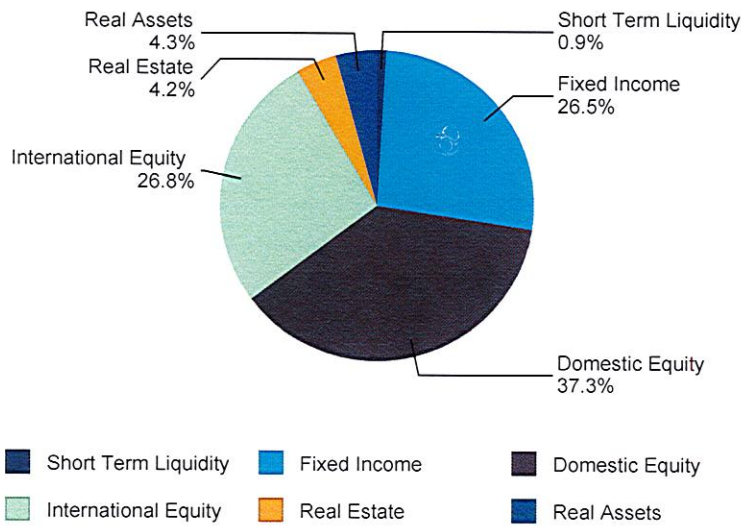
Summary of Cash Flows

	QTD	Fiscal YTD	YTD	1 Year	Since Inception
Beginning Market Value	37,172,072	35,078,224	35,893,556	35,078,224	11,284,955
Net Contributions	-692,835	-895,015	-1,367,666	-895,015	5,256,624
Gain/Loss	1,164,222	3,460,249	3,117,568	3,460,249	21,101,879
Ending Market Value	37,643,458	37,643,458	37,643,458	37,643,458	37,643,458

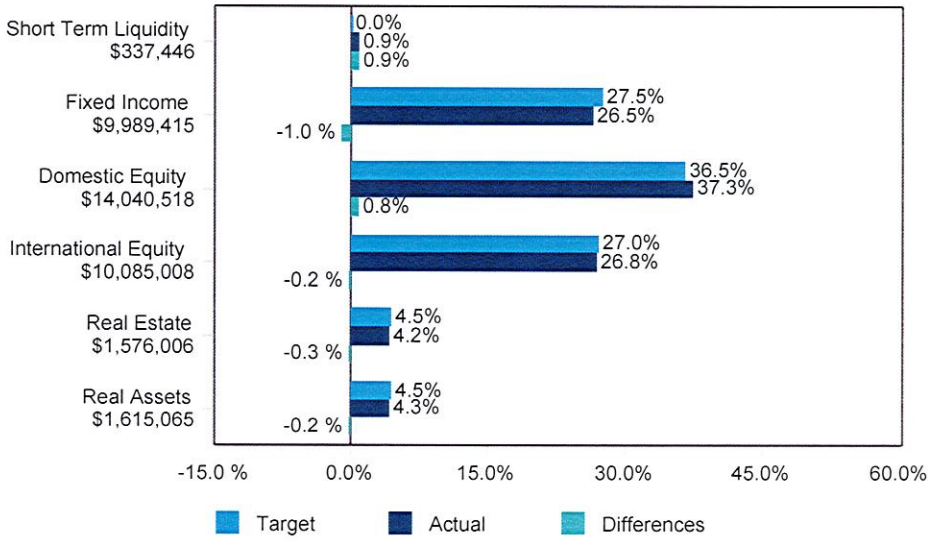
Current Benchmark Composition

From Date	To Date	
02/2023	Present	27.50% Blmbg. U.S. Aggregate, 36.50% Russell 3000 Index, 27.00% MSCI AC World ex USA (Net), 4.50% S&P Global REIT Index (Net), 4.50% Diversified Real Asset Blended Index

Portfolio Allocation



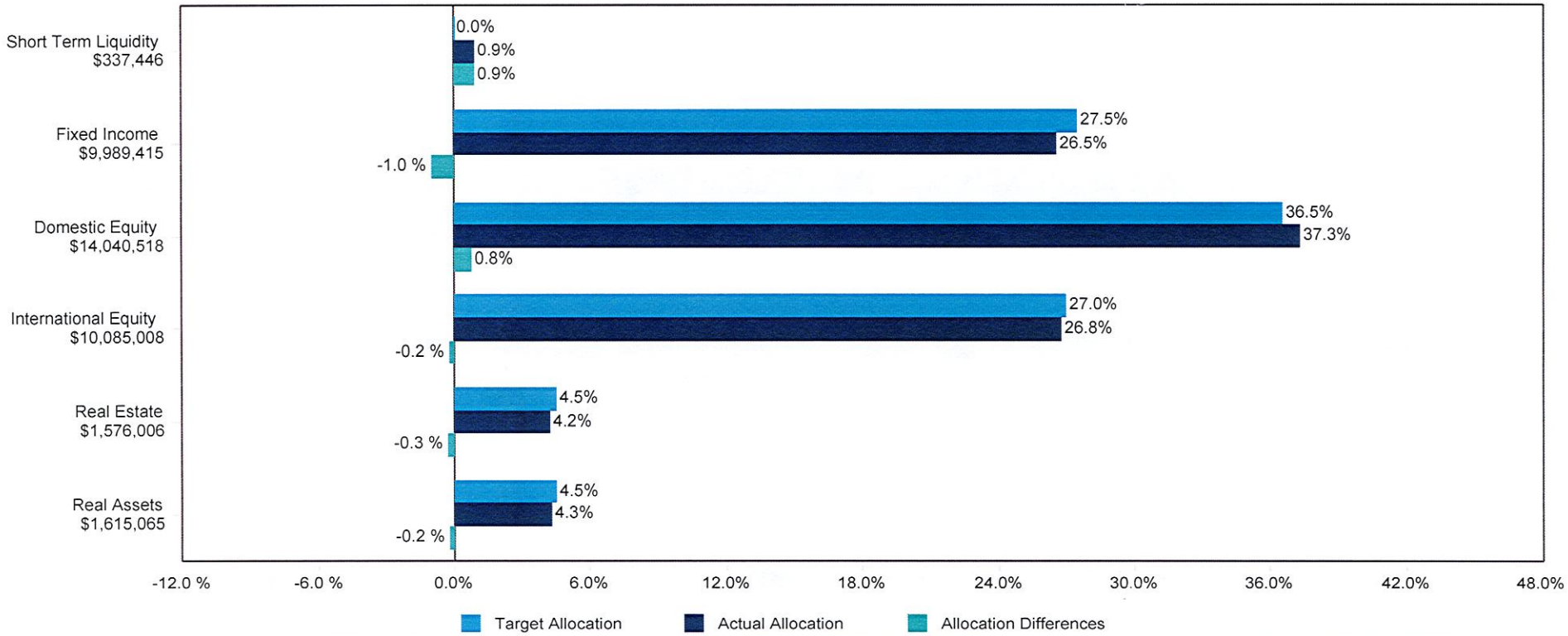
Actual vs. Target Allocations



Asset Allocation

Town Employees Pension — **As of June 30, 2023**

Actual vs. Target



	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Short Term Liquidity	337,446	0.9	0.0	0.9	0.0	10.0
Fixed Income	9,989,415	26.5	27.5	-1.0	20.0	40.0
Domestic Equity	14,040,518	37.3	36.5	0.8	25.0	55.0
International Equity	10,085,008	26.8	27.0	-0.2	20.0	40.0
Real Estate	1,576,006	4.2	4.5	-0.3	0.0	10.0
Real Assets	1,615,065	4.3	4.5	-0.2	0.0	10.0
Town Employees Pension	**37,643,458**	**100.0**	**100.0**	**0.0**	**-**	**-**

Performance Overview

Town Employees Pension

As of June 30, 2023

Trailing Performance Summary

	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Town Employees Pension	**3.2**	**10.0**	**8.8**	**10.0**	**7.7**	**6.0**	**7.3**	**6.7**	**5.9**	**05/2008**
South Windsor Blended Benchmark	*3.4*	*9.9*	*9.1*	*9.9*	*6.5*	*5.8*	*6.5*	*6.4*	*5.6*	*05/2008*

Calendar Year Performance Summary

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town Employees Pension	**-15.1**	**12.2**	**16.7**	**20.1**	**-7.2**	**15.8**	**7.9**	**-2.4**	**4.0**	**15.5**
South Windsor Blended Benchmark	*-16.0*	*12.7*	*13.5*	*20.2*	*-5.8*	*13.6*	*8.3*	*-2.1*	*5.7*	*15.0*

Plan Reconciliation

	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Town Employees Pension									**05/2008**
Beginning Market Value	37,172,072	35,078,224	35,893,556	35,078,224	30,315,894	27,321,551	17,562,448	11,284,955	
Net Contributions	-692,835	-895,015	-1,367,666	-895,015	-349,575	641,209	2,430,020	5,256,624	
Gain/Loss	1,164,222	3,460,249	3,117,568	3,460,249	7,677,139	9,680,698	17,650,990	21,101,879	
Ending Market Value	37,643,458	37,643,458	37,643,458	37,643,458	37,643,458	37,643,458	37,643,458	37,643,458	

Benchmark Composition

	Weight (%)
Feb-2023	
Blmbg. U.S. Aggregate	27.5
Russell 3000 Index	36.5
MSCI AC World ex USA (Net)	27.0
S&P Global REIT Index (Net)	4.5
Diversified Real Asset Blended Index	4.5

Investment Gain/Loss Summary

Town Employees Pension

1 Quarter Ending June 30, 2023

	Market Value as of 04/01/2023	Net Contributions	Gain/Loss	Market Value As of 06/30/2023
Town Employees Pension	**37,172,072**	**-692,835**	**1,164,222**	**37,643,458**
Short Term Liquidity	**277,633**	**57,165**	**2,648**	**337,446**
AllSpring Govt Money Market Fund	277,633	57,165	2,648	337,446
Fixed Income	**10,154,168**	**-135,000**	**-29,753**	**9,989,415**
Metropolitan West Total Return Pl	6,640,581	-80,000	-52,277	6,508,304
BlackRock Strategic Income Opportunities Fund K	2,043,742	-40,000	10,849	2,014,591
BrandywineGLOBAL Global Opportunities Bond IS	730,290	-	-2,416	727,875
Domestic Equity	**13,611,709**	**-525,000**	**953,809**	**14,040,518**
T. Rowe Price Equity Income I	2,308,446	-	75,219	2,383,666
Vanguard Institutional Index Fund Instl	5,730,716	-345,000	468,946	5,854,662
Harbor Capital Appreciation Ret	1,614,910	-180,000	226,400	1,661,310
Glenmede Small Cap Equity Instl	3,957,637	-	183,243	4,140,880
International Equity	**9,923,176**	**-90,000**	**251,833**	**10,085,008**
Dodge & Cox International Stock Fund	4,896,268	-80,000	207,725	5,023,993
Vanguard International Growth Fund Adm	5,026,907	-10,000	44,108	5,061,015
Real Estate	**1,579,229**	**-**	**-3,223**	**1,576,006**
DFA Global Real Estate Securities I	1,579,229	-	-3,223	1,576,006
Real Assets	**1,626,158**	**-**	**-11,092**	**1,615,065**
Principal Diversified Real Asset R6	1,626,158	-	-11,092	1,615,065

Portfolio Statistics

Town Employees Pension

As of June 30, 2023

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Return	3.2	8.8	10.0	7.7	6.0	6.7	5.9	05/2008
Standard Deviation	2.5	3.4	15.9	13.8	14.1	11.1	11.8	
Upside Risk	2.5	3.4	3.7	11.1	10.6	8.6	8.9	
Downside Risk	1.0	1.4	9.9	8.5	9.6	7.3	8.1	
vs. South Windsor Blended Benchmark								
Alpha	-0.2	-0.2	-0.2	0.9	0.0	-0.1	0.1	
Beta	1.1	1.1	1.0	1.0	1.1	1.1	1.0	
Information Ratio	-0.2	-0.1	0.1	0.8	0.2	0.2	0.2	
Tracking Error	0.3	0.5	1.4	1.5	1.8	1.5	1.5	
vs. 90 Day U.S. Treasury Bill								
Sharpe Ratio	0.3	0.3	0.5	0.5	0.4	0.5	0.5	

Calculation based on monthly periodicity.

Estimated Fee Analysis

Town Employees Pension

As of June 30, 2023

	Market Value ($)	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Town Employees Pension	**37,643,458**	**165,090**	**0.44**
Short Term Liquidity	**337,446**	**-**	**-**
AllSpring Govt Money Market Fund	337,446	-	-
Fixed Income	**9,989,415**	**45,241**	**0.45**
Metropolitan West Total Return Pl	6,508,304	23,430	0.36
BlackRock Strategic Income Opportunities Fund K	2,014,591	12,490	0.62
Artisan High Income Institutional	738,645	5,244	0.71
BrandywineGLOBAL Global Opportunities Bond IS	727,875	4,076	0.56
Domestic Equity	**14,040,518**	**55,428**	**0.39**
T. Rowe Price Equity Income I	2,383,666	13,349	0.56
Vanguard Institutional Index Fund Instl	5,854,662	2,049	0.04
Harbor Capital Appreciation Ret	1,661,310	9,802	0.59
Glenmede Small Cap Equity Instl	4,140,880	30,228	0.73
International Equity	**10,085,008**	**48,356**	**0.48**
Dodge & Cox International Stock Fund	5,023,993	31,149	0.62
Vanguard International Growth Fund Adm	5,061,015	17,207	0.34
Real Estate	**1,576,006**	**3,467**	**0.22**
DFA Global Real Estate Securities I	1,576,006	3,467	0.22
Real Assets	**1,615,065**	**12,598**	**0.78**
Principal Diversified Real Asset R6	1,615,065	12,598	0.78

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

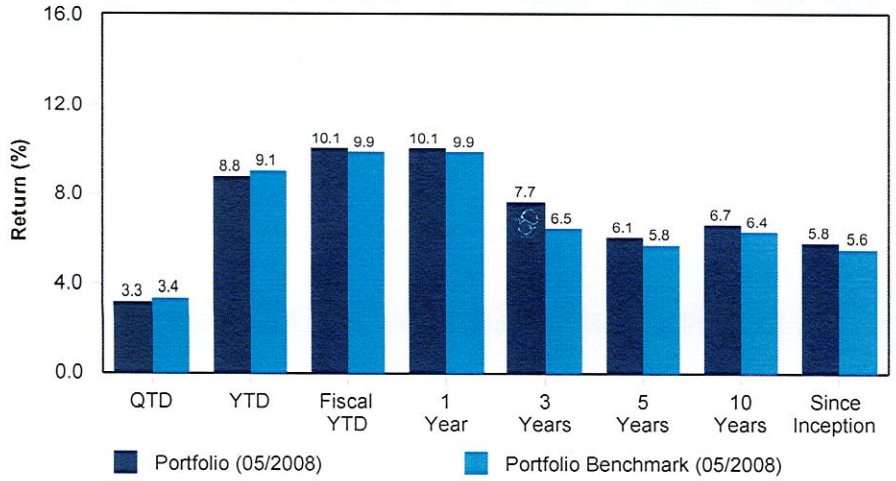
Fee calculations for mutual funds represent fees at the net expense level. Fee calculations for commingled funds and/or alternative investments reflect base management fees and exclude underlying fund expenses captured at the NAV level, any applicable performance-based fees, or incentive fees. Fees for fund of funds are shown at the fund of fund level and do not include fees charged by underlying investment managers/funds.

Portfolio Dashboard

Board of Education Account

As of June 30, 2023

Historical Performance



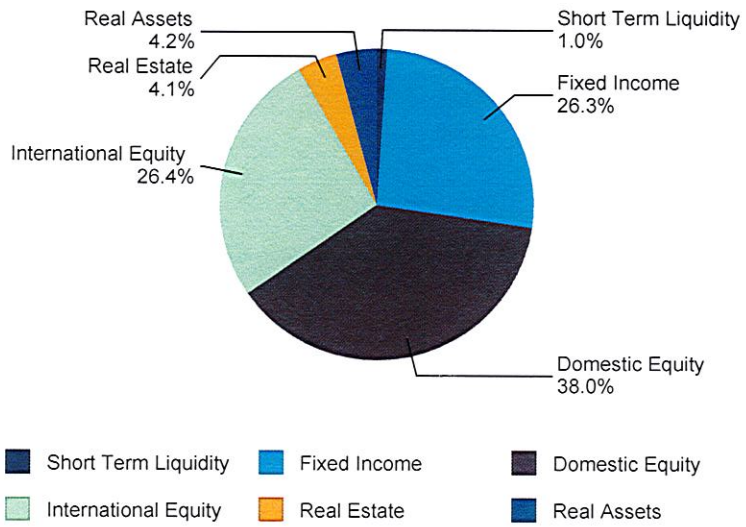
Summary of Cash Flows

	QTD	Fiscal YTD	YTD	1 Year	Since Inception
Beginning Market Value	16,972,938	15,859,325	16,089,617	15,859,325	6,280,589
Net Contributions	-238,134	-150,628	-215,857	-150,628	804,270
Gain/Loss	551,076	1,577,184	1,412,120	1,577,184	10,201,021
Ending Market Value	17,285,880	17,285,880	17,285,880	17,285,880	17,285,880

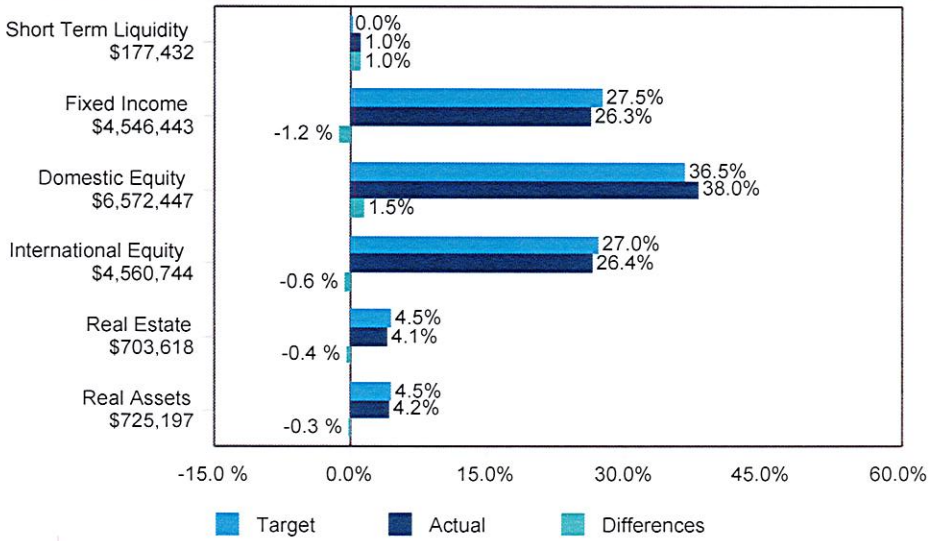
Current Benchmark Composition

From Date	To Date	
02/2023	Present	27.50% Blmbg. U.S. Aggregate, 36.50% Russell 3000 Index, 27.00% MSCI AC World ex USA (Net), 4.50% S&P Global REIT Index (Net), 4.50% Diversified Real Asset Blended Index

Portfolio Allocation



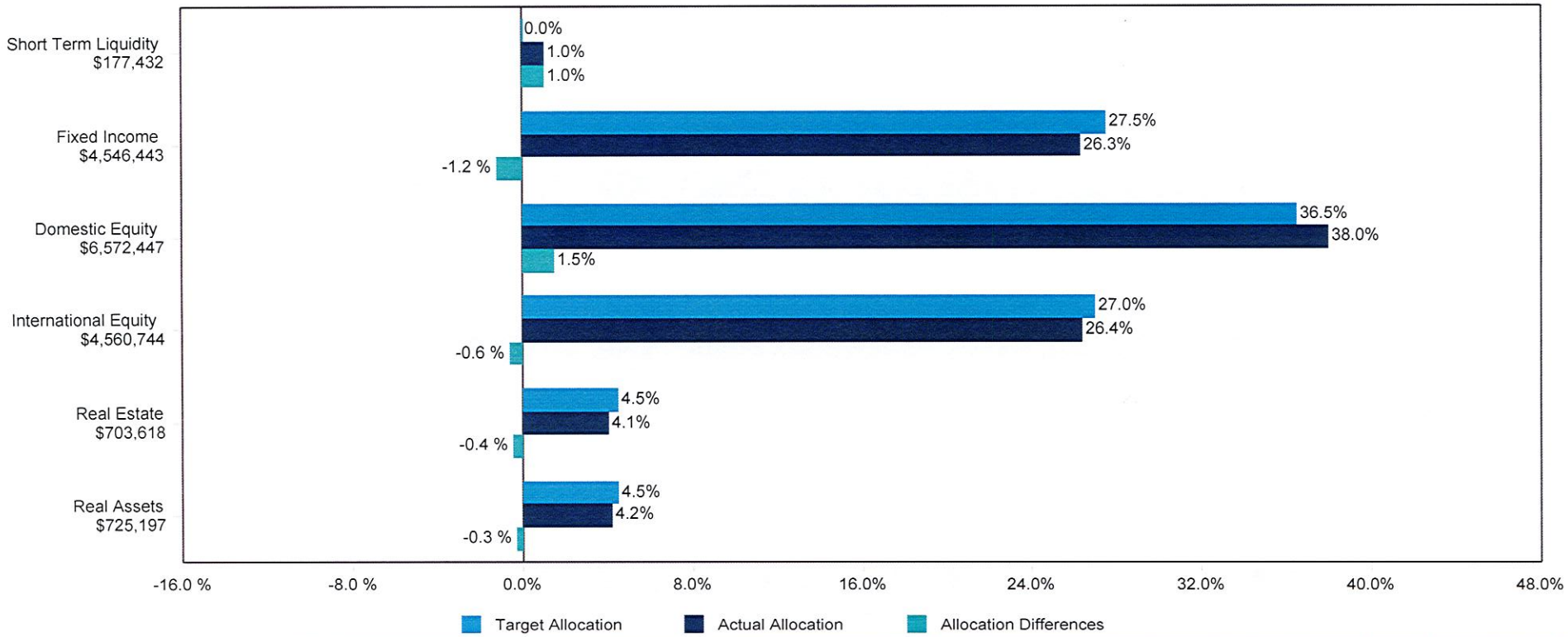
Actual vs. Target Allocations



Asset Allocation

Board of Education Account — **As of June 30, 2023**

Actual vs. Target



	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Short Term Liquidity	177,432	1.0	0.0	1.0	0.0	10.0
Fixed Income	4,546,443	26.3	27.5	-1.2	20.0	40.0
Domestic Equity	6,572,447	38.0	36.5	1.5	25.0	55.0
International Equity	4,560,744	26.4	27.0	-0.6	20.0	40.0
Real Estate	703,618	4.1	4.5	-0.4	0.0	10.0
Real Assets	725,197	4.2	4.5	-0.3	0.0	10.0
Board of Education Account	**17,285,880**	**100.0**	**100.0**	**0.0**	**-**	**-**

Performance Overview

Board of Education Account

As of June 30, 2023

Trailing Performance Summary

	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Board of Education Account	**3.3**	**10.1**	**8.8**	**10.1**	**7.7**	**6.1**	**7.3**	**6.7**	**5.8**	**05/2008**
South Windsor Blended Benchmark	*3.4*	*9.9*	*9.1*	*9.9*	*6.5*	*5.8*	*6.5*	*6.4*	*5.6*	*05/2008*

Calendar Year Performance Summary

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Board of Education Account	**-15.0**	**12.2**	**16.6**	**20.3**	**-7.1**	**15.8**	**8.0**	**-2.5**	**3.9**	**15.5**
South Windsor Blended Benchmark	*-16.0*	*12.7*	*13.5*	*20.2*	*-5.8*	*13.6*	*8.3*	*-2.1*	*5.7*	*15.0*

Plan Reconciliation

	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Board of Education Account									**05/2008**
Beginning Market Value	16,972,938	15,859,325	16,089,617	15,859,325	14,711,405	13,714,571	9,451,137	6,280,589	
Net Contributions	-238,134	-150,628	-215,857	-150,628	-1,015,832	-1,019,256	-793,727	804,270	
Gain/Loss	551,076	1,577,184	1,412,120	1,577,184	3,590,307	4,590,565	8,628,470	10,201,021	
Ending Market Value	17,285,880	17,285,880	17,285,880	17,285,880	17,285,880	17,285,880	17,285,880	17,285,880	

Benchmark Composition

	Weight (%)
Feb-2023	
Blmbg. U.S. Aggregate	27.5
Russell 3000 Index	36.5
MSCI AC World ex USA (Net)	27.0
S&P Global REIT Index (Net)	4.5
Diversified Real Asset Blended Index	4.5

Investment Gain/Loss Summary

Board of Education Account

1 Quarter Ending June 30, 2023

	Market Value as of 04/01/2023	Net Contributions	Gain/Loss	Market Value As of 06/30/2023
Board of Education Account	**16,972,938**	**-238,134**	**551,076**	**17,285,880**
Short Term Liquidity	**413,290**	**-238,134**	**2,276**	**177,432**
AllSpring Govt Money Market Fund	413,290	-238,134	2,276	177,432
Fixed Income	**4,560,553**	**-**	**-14,110**	**4,546,443**
Metropolitan West Total Return Pl	2,981,133	-	-24,300	2,956,833
BlackRock Strategic Income Opportunities Fund K	913,942	-	4,829	918,771
BrandywineGLOBAL Global Opportunities Bond IS	330,680	-	-1,094	329,586
Domestic Equity	**6,117,485**	**-**	**454,962**	**6,572,447**
T. Rowe Price Equity Income I	1,035,741	-	33,749	1,069,490
Vanguard Institutional Index Fund Instl	2,571,024	-	224,509	2,795,533
Harbor Capital Appreciation Ret	724,360	-	113,993	838,353
Glenmede Small Cap Equity Instl	1,786,360	-	82,711	1,869,071
International Equity	**4,446,376**	**-**	**114,367**	**4,560,744**
Dodge & Cox International Stock Fund	2,193,456	-	94,430	2,287,885
Vanguard International Growth Fund Adm	2,252,921	-	19,937	2,272,858
Real Estate	**705,056**	**-**	**-1,439**	**703,618**
DFA Global Real Estate Securities I	705,056	-	-1,439	703,618
Real Assets	**730,177**	**-**	**-4,981**	**725,197**
Principal Diversified Real Asset R6	730,177	-	-4,981	725,197

Portfolio Statistics

Board of Education Account — As of June 30, 2023

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Return	3.3	8.8	10.1	7.7	6.1	6.7	5.8	05/2008
Standard Deviation	2.5	3.4	15.8	13.8	14.2	11.1	11.9	
Upside Risk	2.5	3.4	3.7	11.1	10.6	8.6	8.9	
Downside Risk	1.0	1.4	9.8	8.5	9.6	7.3	8.1	
vs. South Windsor Blended Benchmark								
Alpha	-0.2	-0.2	0.0	1.0	0.0	-0.1	0.1	
Beta	1.1	1.1	1.0	1.0	1.1	1.1	1.0	
Information Ratio	-0.1	-0.1	0.1	0.8	0.2	0.3	0.2	
Tracking Error	0.3	0.4	1.4	1.5	1.8	1.5	1.5	
vs. 90 Day U.S. Treasury Bill								
Sharpe Ratio	0.3	0.3	0.5	0.5	0.4	0.6	0.5	

Calculation based on monthly periodicity.

Estimated Fee Analysis

Board of Education Account

As of June 30, 2023

	Market Value ($)	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Board of Education Account	**17,285,880**	**75,285**	**0.44**
Short Term Liquidity	**177,432**	**-**	**-**
AllSpring Govt Money Market Fund	177,432	-	-
Fixed Income	**4,546,443**	**20,610**	**0.45**
Metropolitan West Total Return PI	2,956,833	10,645	0.36
BlackRock Strategic Income Opportunities Fund K	918,771	5,696	0.62
Artisan High Income Institutional	738,645	5,244	0.71
BrandywineGLOBAL Global Opportunities Bond IS	329,586	1,846	0.56
Domestic Equity	**6,572,447**	**25,558**	**0.39**
T. Rowe Price Equity Income I	1,069,490	5,989	0.56
Vanguard Institutional Index Fund Instl	2,795,533	978	0.04
Harbor Capital Appreciation Ret	838,353	4,946	0.59
Glenmede Small Cap Equity Instl	1,869,071	13,644	0.73
International Equity	**4,560,744**	**21,913**	**0.48**
Dodge & Cox International Stock Fund	2,287,885	14,185	0.62
Vanguard International Growth Fund Adm	2,272,858	7,728	0.34
Real Estate	**703,618**	**1,548**	**0.22**
DFA Global Real Estate Securities I	703,618	1,548	0.22
Real Assets	**725,197**	**5,657**	**0.78**
Principal Diversified Real Asset R6	725,197	5,657	0.78

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

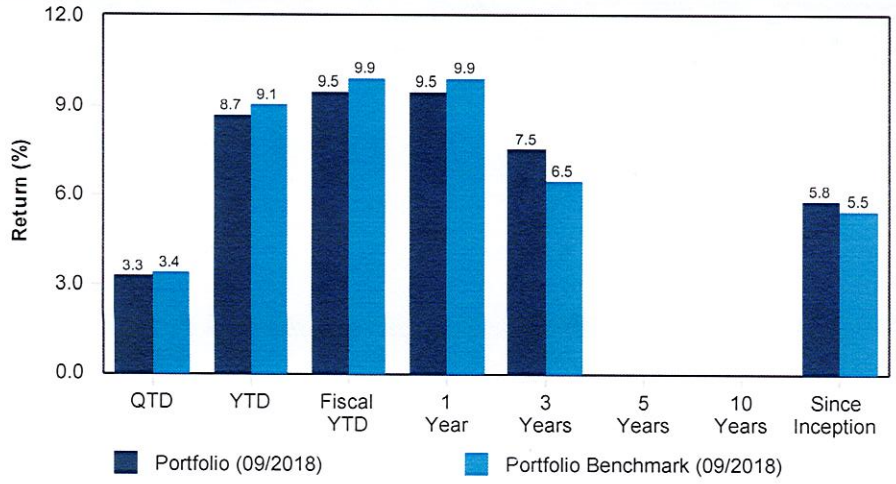
Fee calculations for mutual funds represent fees at the net expense level. Fee calculations for commingled funds and/or alternative investments reflect base management fees and exclude underlying fund expenses captured at the NAV level, any applicable performance-based fees, or incentive fees. Fees for fund of funds are shown at the fund of fund level and do not include fees charged by underlying investment managers/funds.

Portfolio Dashboard

South Windsor OPEB

As of June 30, 2023

Historical Performance



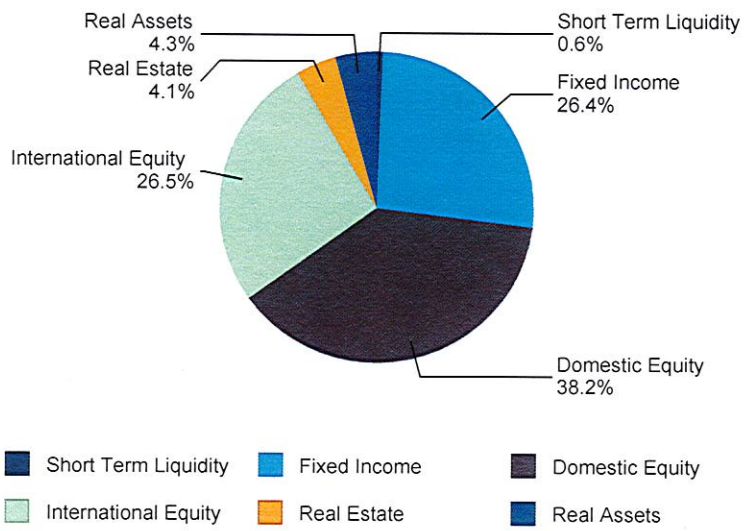
Summary of Cash Flows

	QTD	Fiscal YTD	YTD	1 Year	Since Inception
Beginning Market Value	4,491,361	4,111,988	4,269,536	4,111,988	2,682,652
Net Contributions	-1,065	112,222	-2,079	112,222	983,022
Gain/Loss	147,477	413,562	370,315	413,562	972,098
Ending Market Value	4,637,772	4,637,772	4,637,772	4,637,772	4,637,772

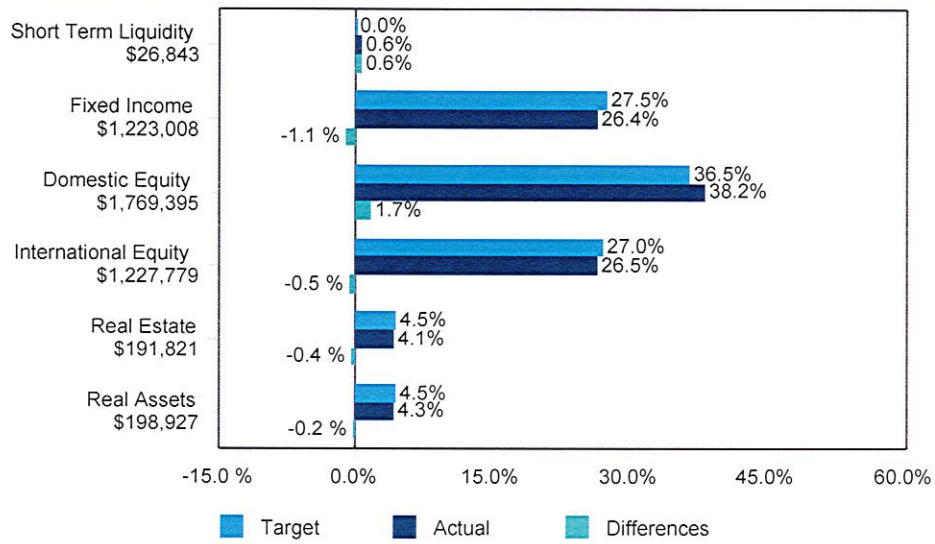
Current Benchmark Composition

From Date	To Date	
02/2023	Present	27.50% Blmbg. U.S. Aggregate, 36.50% Russell 3000 Index, 27.00% MSCI AC World ex USA (Net), 4.50% S&P Global REIT Index (Net), 4.50% Diversified Real Asset Blended Index

Portfolio Allocation



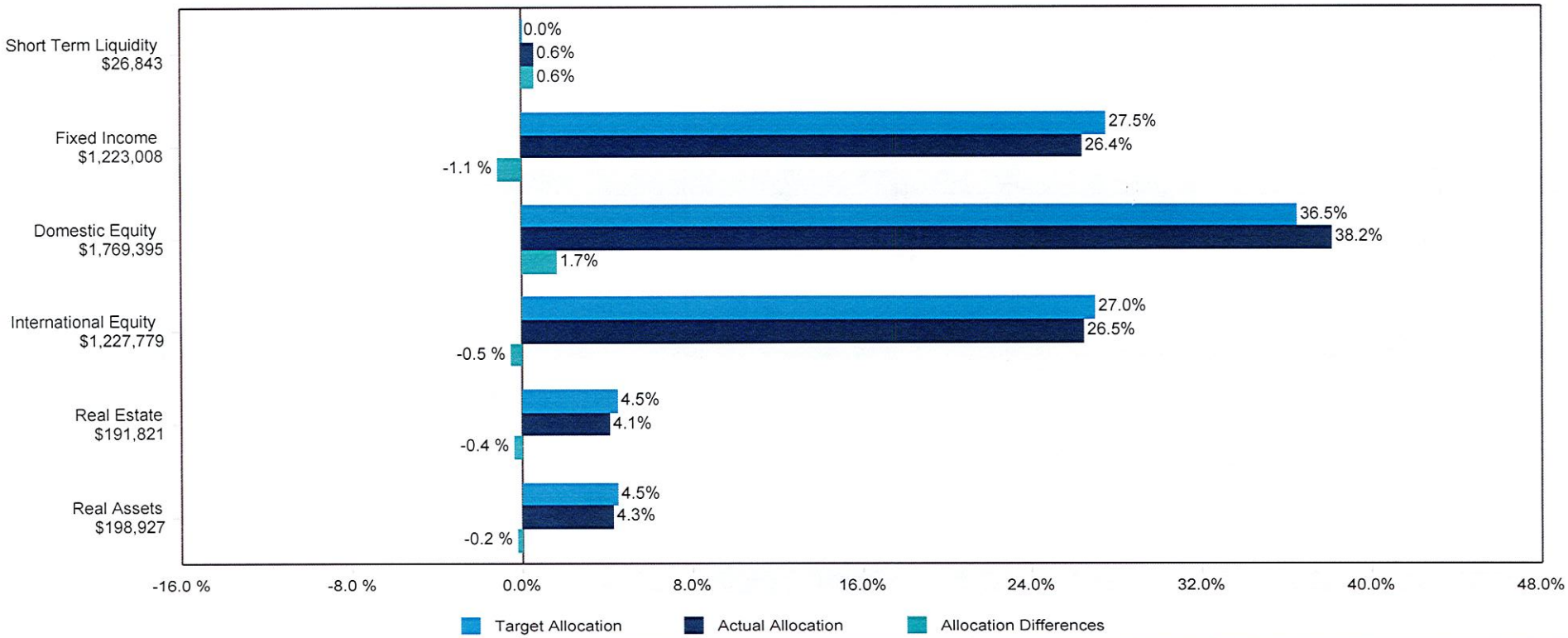
Actual vs. Target Allocations



Asset Allocation

South Windsor OPEB — **As of June 30, 2023**

Actual vs. Target



	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Short Term Liquidity	26,843	0.6	0.0	0.6	0.0	10.0
Fixed Income	1,223,008	26.4	27.5	-1.1	20.0	40.0
Domestic Equity	1,769,395	38.2	36.5	1.7	25.0	55.0
International Equity	1,227,779	26.5	27.0	-0.5	20.0	40.0
Real Estate	191,821	4.1	4.5	-0.4	0.0	10.0
Real Assets	198,927	4.3	4.5	-0.2	0.0	10.0
South Windsor OPEB	**4,637,772**	**100.0**	**100.0**	**0.0**	**-**	**-**

Performance Overview

South Windsor OPEB

As of June 30, 2023

Trailing Performance Summary

	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
South Windsor OPEB	**3.3**	**9.5**	**8.7**	**9.5**	**7.5**	**-**	**-**	**-**	**5.8**	**09/2018**
South Windsor OPEB Blended Benchmark	*3.4*	*9.9*	*9.1*	*9.9*	*6.5*	*-*	*-*	*-*	*5.5*	*09/2018*

Calendar Year Performance Summary

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
South Windsor OPEB	**-15.6**	**12.5**	**16.9**	**20.3**	**-**	**-**	**-**	**-**	**-**	**-**
South Windsor OPEB Blended Benchmark	*-16.0*	*12.7*	*13.5*	*20.2*	*-*	*-*	*-*	*-*	*-*	*-*

Plan Reconciliation

	QTD	Fiscal YTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
South Windsor OPEB									**09/2018**
Beginning Market Value	4,491,361	4,111,988	4,269,536	4,111,988	3,035,209	-	-	2,682,652	
Net Contributions	-1,065	112,222	-2,079	112,222	789,776	-	-	983,022	
Gain/Loss	147,477	413,562	370,315	413,562	812,787	-	-	972,098	
Ending Market Value	4,637,772	4,637,772	4,637,772	4,637,772	4,637,772	-	-	4,637,772	

Benchmark Composition

	Weight (%)
Feb-2023	
Blmbg. U.S. Aggregate	27.5
Russell 3000 Index	36.5
MSCI AC World ex USA (Net)	27.0
S&P Global REIT Index (Net)	4.5
Diversified Real Asset Blended Index	4.5

Investment Gain/Loss Summary

South Windsor OPEB

1 Quarter Ending June 30, 2023

	Market Value as of 04/01/2023	Net Contributions	Gain/Loss	Market Value As of 06/30/2023
South Windsor OPEB	**4,491,361**	**-1,065**	**147,477**	**4,637,772**
Short Term Liquidity	**28,163**	**-1,065**	**-255**	**26,843**
AllSpring Govt Money Market Fund	28,163	-1,065	-255	26,843
Fixed Income	**1,226,796**	**-**	**-3,789**	**1,223,008**
Metropolitan West Total Return Pl	801,558	-	-6,534	795,025
BlackRock Strategic Income Opportunities Fund K	246,755	-	1,304	248,059
BrandywineGLOBAL Global Opportunities IS	88,537	-	-293	88,245
Domestic Equity	**1,646,910**	**-**	**122,485**	**1,769,395**
T. Rowe Price Equity Income I	278,334	-	9,069	287,403
Vanguard Institutional Index Fund Instl	691,453	-	60,380	751,833
Harbor Capital Appreciation Ret	195,230	-	30,724	225,953
Glenmede Small Cap Equity Instl	481,893	-	22,312	504,205
International Equity	**1,196,985**	**-**	**30,794**	**1,227,779**
Dodge & Cox International Stock Fund	590,662	-	25,428	616,090
Vanguard International Growth Adm	606,323	-	5,366	611,688
Real Estate	**192,214**	**-**	**-392**	**191,821**
DFA Global Real Estate Securities I	192,214	-	-392	191,821
Real Assets	**200,293**	**-**	**-1,366**	**198,927**
Principal Diversified Real Asset R6	200,293	-	-1,366	198,927

Portfolio Statistics

South Windsor OPEB

As of June 30, 2023

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Return	3.3	8.7	9.5	7.5	-	-	5.8	09/2018
Standard Deviation	2.5	3.3	16.0	13.9	-	-	14.5	
Upside Risk	2.5	3.4	3.7	11.2	-	-	10.8	
Downside Risk	1.0	1.4	10.1	8.7	-	-	9.9	
vs. South Windsor OPEB Blended Benchmark								
Alpha	-0.2	-0.2	-0.6	0.7	-	-	0.0	
Beta	1.1	1.1	1.0	1.0	-	-	1.1	
Information Ratio	-0.1	-0.1	-0.2	0.7	-	-	0.3	
Tracking Error	0.4	0.4	1.3	1.5	-	-	1.8	
vs. 90 Day U.S. Treasury Bill								
Sharpe Ratio	0.3	0.3	0.4	0.5	-	-	0.4	

Calculation based on monthly periodicity.

Estimated Fee Analysis

South Windsor OPEB

As of June 30, 2023

	Market Value ($)	Estimated Annual Fee ($)	Estimated Annual Fee (%)
South Windsor OPEB	**4,637,772**	**20,305**	**0.44**
Short Term Liquidity	**26,843**	**-**	**-**
AllSpring Govt Money Market Fund	26,843	-	-
Fixed Income	**1,223,008**	**5,545**	**0.45**
Metropolitan West Total Return PI	795,025	2,862	0.36
BlackRock Strategic Income Opportunities Fund K	248,059	1,538	0.62
Artisan High Income Institutional	738,645	5,244	0.71
BrandywineGLOBAL Global Opportunities IS	88,245	494	0.56
Domestic Equity	**1,769,395**	**6,886**	**0.39**
T. Rowe Price Equity Income I	287,403	1,609	0.56
Vanguard Institutional Index Fund Instl	751,833	263	0.04
Harbor Capital Appreciation Ret	225,953	1,333	0.59
Glenmede Small Cap Equity Instl	504,205	3,681	0.73
International Equity	**1,227,779**	**5,900**	**0.48**
Dodge & Cox International Stock Fund	616,090	3,820	0.62
Vanguard International Growth Adm	611,688	2,080	0.34
Real Estate	**191,821**	**422**	**0.22**
DFA Global Real Estate Securities I	191,821	422	0.22
Real Assets	**198,927**	**1,552**	**0.78**
Principal Diversified Real Asset R6	198,927	1,552	0.78

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

Fee calculations for mutual funds represent fees at the net expense level. Fee calculations for commingled funds and/or alternative investments reflect base management fees and exclude underlying fund expenses captured at the NAV level, any applicable performance-based fees, or incentive fees. Fees for fund of funds are shown at the fund of fund level and do not include fees charged by underlying investment managers/funds.

Prepared: 06/30/2023

Statement of Changes in Fund
Fixed Income - Regular Account Fund
Town of South Windsor Connecticut
Town Account
Investment Service Account 1
For the period: April 01, 2023 through June 30, 2023

Fund Balance at Beginning of Period			$	962,497.35
Activity:				
Distributions:				
Participant Distributions	$	(8,363.04)		
Total Activity				(8,363.04)
Service Fees:				
Deduction of Service Fees		(2,961.10)		
Total Service Fees				(2,961.10)
Investment Return:				
Fixed Income Interest		10,661.73		
Total Investment Return				10,661.73
Fund Balance at End of Period			$	961,834.94
Annuity Allocation				422,627.37
Unallocated Fund Balance			$	539,207.57

Note:
1. Fund is shown at Book Value.
2. Fixed income interest amount is based on estimated interest rates.
3. The Withdrawal Value of the Unallocated Fund Balance is $508,387.89. This is the amount which was available for withdrawal in a lump sum on the period end date. This amount is stated before assessment of any outstanding service fees, according to the terms of your contract. The Withdrawal Value was calculated using the current basis for computing Market Value Adjustments for contracts of this type.

Aetna Plan Number: 001407
Aetna Contract Number: 001574

Prepared: 06/30/2023

Statement of Changes in Fund
Fixed Income - Regular Account Fund
Town of South Windsor Connecticut
Board of Education
Investment Service Account 2
For the period: April 01, 2023 through June 30, 2023

Fund Balance at Beginning of Period			$	530,025.11
Activity:				
Distributions:				
Participant Distributions	$	(874.58)		
Total Activity				(874.58)
Service Fees:				
Deduction of Service Fees		(1,322.47)		
Total Service Fees				(1,322.47)
Investment Return:				
Fixed Income Interest		5,899.59		
Total Investment Return				5,899.59
Fund Balance at End of Period			$	533,727.65
Annuity Allocation				44,187.51
Unallocated Fund Balance			$	489,540.14

Note:
1. Fund is shown at Book Value.
2. Fixed income interest amount is based on estimated interest rates.
3. The Withdrawal Value of the Unallocated Fund Balance is $461,559.32. This is the amount which was available for withdrawal in a lump sum on the period end date. This amount is stated before assessment of any outstanding service fees, according to the terms of your contract. The Withdrawal Value was calculated using the current basis for computing Market Value Adjustments for contracts of this type.

Aetna Plan Number: 001407
Aetna Contract Number: 001574

Definitions & Disclosures

Please note: Due to rounding methodologies of various data providers, certain returns in this report might differ slightly when compared to other sources

REGULATORY DISCLOSURES

Offer of ADV Part 2A: Rule 204-3 under the Investment Advisers Act of 1940 requires that we make an annual offer to clients to send them, without charge, a written disclosure statement meeting the requirements of such rule. We will be glad to send a copy of our ADV Part 2A to you upon your written request to compliance@fiducient.com.

INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of $1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **Bloomberg U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **The Dow Jones Industrial Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2500** consists of the 2,500 smallest U.S. companies in the Russell 3000 index.
- **Russell 2500 Growth** measures the performance of the Russell 2500 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2500 Value** measures the performance of those Russell 2500 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World** captures large and mid-cap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across 22 of 23 Developed Markets countries (excluding the US) and 23 Emerging Markets countries. With 4,368 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 507 constituents, the index targets 50% coverage of the free float- adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth invest style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. With 542 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across 23 Emerging Markets countries. With 836 constituents, the index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **Consumer Price Index** is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Fund Specific Broad Real Asset Benchmarks:**
  - **DWS Real Assets:** 30%: Dow Jones Brookfield Infrastructure Index, 30%: FTSE EPRA/NAREIT Developed Index,15%: Bloomberg Commodity Index, 15%: S&P Global Natural Resources Index, 10%: U.S. Treasury Inflation Notes Total Return Index
  - **PIMCO Inflation Response Multi Asset Fund:** 45% Bloomberg U.S. TIPS, 20% Bloomberg Commodity Index, 15% JP Morgan Emerging Local Markets Plus, 10% Dow Jones Select REIT, 10% Bloomberg Gold Subindex Total Return
  - **Principal Diversified Real Assets:** 35% BBgBarc U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index NTR, 20% S&P Global Natural Resources Index NTR, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Index NTR
  - **Wellington Diversified Inflation H:** 50% MSCI ACWI Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Bloomberg Bloomberg US TIPS 1 – 10 Year Index
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of $50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **The Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
- **The Adjusted Alerian MLP Index** is commensurate with 65% of the monthly returns of the Alerian MLP Index to incorporate the effect of deferred tax liabilities incurred by MLP entities.
- **Cambridge Associates U.S. Private Equity Index** is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.
- **Cambridge Associates U.S. Venture Capital Index** is based on data compiled from over 1,600 institutional-quality venture capital funds formed between 1986 and 2015.
- **Vanguard Spliced Bloomberg US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Agg Flt Adj Index:** Bloomberg U.S. Aggregate Bond Index through December 31, 2009; Bloomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Long Gov/Cr Flt Adj Index:** Bloomberg U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. Long Government/Credit Float Adjusted Index thereafter.
- **Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) and 40% Bloomberg U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Blomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.

- **Vanguard Spliced Small Cap Index:** Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.
- **Vanguard Spliced Small Cap Growth Index:** S&P SmallCap 600 Growth Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Growth Index through April 16, 2013; CRSP US Small Cap Growth Index thereafter.
- **Vanguard Spliced Total International Stock Index:** Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI AC USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Developed Markets Index:** MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Emerging Markets Index:** Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard REIT Spliced Index:** MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Additional:

- Equity sector returns are calculated by Russell and MSCI for domestic and international markets, respectively. MSCI sector definitions correspond to the MSCI GICS® classification (Global Industry Classification System); Russell uses its own sector and industry classifications.
- MSCI country returns are calculated by MSCI and are free float-adjusted market capitalization indices that are designed to measure equity market performance in each specific country.
- Currency returns are calculated using Bloomberg's historical spot rate indices and are calculated using the U.S. dollar as the base currency.
- The Index of Leading Economic Indicators, calculated by The Conference Board, is used as a barometer of economic activity over a range of three to six months. The index is used to determine the direction and stability of the economy. The composite index of leading indicators, which is derived from 10 leading indicators, helps to signal turning points in the economy and forecast economic cycles. The leading indicators are the following: average weekly hours, average weekly initial claims, manufacturers' new orders, both consumer and non-defense capital goods, vendor performance, building permits, stock prices, money supply (M2), the interest rate spread and the index of consumer expectations.
- S&P Target Date Indexes are constructed using a survey method of current target date investments with $100 million or more in assets under management. Allocations for each vintage are comprised of exchange-traded- funds that represent respective asset classes used in target date portfolios. The indexes are designed to represent a market consensus glide path.

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.
- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared**: This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta**: This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse that the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.

- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference betweer manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's an return.
- **Information Ratio:** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividin the standard deviation of excess return.
- **Consistency:** Consistency shows the percent of the periods the fund has beaten the index and the percent of the periods the index has beat the fund. A high average for the fund (e.g., over 50) is desirable, indicating the fund has beaten the index frequently.
- **Downside Risk:** Downside risk is a measure similar to standard deviation but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.
- **M-Squared:** M-squared, or the Modigliani risk-adjusted performance measure is used to characterize how well a portfolio's return rewards an investor for the amount of risk taken, relative to that of some benchmark portfolio and to the risk-free rate.

DEFINITION OF KEY PRIVATE EQUITY TERMS

- **PIC (Paid in Capital):** The amount of committed capital that has been transferred from the limited partner to the general partner.
- **TVPI (Total Value to Paid in Capital):** Money returned to limited partners plus the fund's unrealized investments, divided by money paid-in to the partnership. The TVPI should equal RVPI plus DPI.
- **DPI (Distribution to Paid In Capital):** Money returned (distributions) to limited partners divided by money paid in to the partnership. Also called cash-on-cash multiple.
- **RVPI (Residual Value to Paid In Capital):** The value of a fund's unrealized investments divided by money paid-in to the partnership.
- **Internal rate of return (IRR):** This is the most appropriate performance benchmark for private equity investments. It is a time-weighted return expressed as a percentage. IRR uses the present sum of cash drawdowns (money invested), the present value of distributions (money returned from investments) and the current value of unrealized investments and applies a discount.
- **Commitment:** Every investor in a private equity fund commits to investing a specified sum of money in the fund partnership over a specified period of time. The fund records this as the limited partnership's capital commitment. The sum of capital commitments is equal to the size of the fund.
- **Capital Distribution:** These are the returns that an investor in a private equity fund receives. It is the income and capital realized from investments less expenses and liabilities. Once a limited partner has had their cost of investment returned, further distributions are actual profit. The partnership agreement determines the timing of distributions to the limited partner. It will also determine how profits are divided among the limited partners and general partner.
- **Carried Interest:** The share of profits that the fund manager is due once it has returned the cost of investment to investors. Carried interest is normally expressed as a percentage of the total profits of the fund.
- **Co-Investment**: Co-Investments are minority investments made alongside a private equity investor in an LBO, a recapitalization, or an expansion capital transaction. It is a passive, non-controlling investment, as the private equity firm involved will typically exercise control and perform monitoring functions.
- **General Partner (GP):** This can refer to the top-ranking partners at a private equity firm as well as the firm managing the private equity fund.
- **GP Commitments:** It is normal practice for the GP managing a private equity fund to also make a financial commitment to the fund on the same basis as the LPs in the fund, and this is seen as an important factor driving the alignment of GP and LP interests. The historic benchmark for GP commitments has been 1% of the total fund size, but this is by no means universal, and many GPs commit significantly larger amounts. Furthermore, there has been a marked trend towards GPs making larger commitments to their funds over recent years.
- **Leveraged Buy-Out (LBO):** The acquisition of a company using debt and equity finance.
- **Limited Partner (LP):** Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund.
- **Public Market Equivalent (PME):** Performance measure used to evaluate performance relative to the market. It is calculated as the ratio of the discounted value of the LP's inflows divided by the discounted value of outflows, with the discounting performed using realized market returns.
- **Primaries:** An original investment vehicle that invests directly into a company or asset.

VALUATION POLICY

Fiducient Advisors does not engage an independent third-party pricing service to value securities. Our reports are generated using the security prices provided by custodians used by our clients. Our custodial pricing hierarchy is available upon request. If a client holds a security not reported by the first custodian within the hierarchy, the valuation is generated from the next custodian within the hierarchy, and so forth. Each custodian uses pricing services from outside vendors, where the vendors may generate nominally different prices. Therefore, this report can reflect minor valuation differences from those contained in a custodian's report. In rare instances where FA overrides a custodial price, prices are taken from Bloomberg.

REPORTING POLICY

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

Custodian reports are the reports that govern the account. There will be different account values between Fiducient Advisors' reports and the custodian reports based on whether the report utilizes trade date or date to calculate value. Additionally, difference between values contained on reports may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past perfor not indicate future performance and there is a possibility of a loss.

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Unless specified otherwise, all returns are net of individual manager fees, represent total returns and are annualized for periods greater than one year. The deduction of fees produces a compounding effect that reduces the total rate of return over time. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) $1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be $5,228 in the first year, and cumulative effects of $30,342 over five years and $73,826 over ten years. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.

MATERIAL RISKS & LIMITATIONS

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

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

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

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

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

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

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

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

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

OTHER

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

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

CUSTODIAN STATEMENTS

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