SEWERAGE & WATER BOARD OF NEW ORLEANS

PENSION COMMITTEE MEETING
WEDNESDAY, NOVEMBER 10, 2021
10:00 AM

November 2021 Pension Link

+1 504-224-8698,,381652545# United States, New Orleans

Phone Conference ID: 381 652 545#

PUBLIC COMMENT WILL BE ACCEPTED VIA EMAIL TO BOARDRELATIONS@SWBNO.ORG. ALL PUBLIC COMMENTS MUST BE RECEIVED PRIOR TO 10:30 AM ON November 10, 2021. COMMENTS WILL BE READ VERBATIM INTO THE RECORD.

Joseph Peychaud, Chair • Councilmember Jay H. Banks
Ralph Johnson• Alejandra Guzman • Dr. Maurice Sholas
• Kenneth Davis • Mubashir Maqbool
• Latressia Matthews • Harold Heller

FINAL AGENDA

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1) **ROLL CALL**
2) **PRESENTATION ITEMS**
   - 2021 Asset Allocation Study Overview – Marquette Associates, Inc.
   - September 2021 Market Performance Report – Marquette Associates, Inc.
3) **ACTION ITEM:**
   - Resolution (R-115-2021) – Resolution for the acceptance of the 2021 Actuarial Report of Rudd & Wisdom
   - Resolution (R-116-2021) – Resolution for the acceptance of January 1, 2021 Cost of Living Adjustment for Board Pensioners
   - Resolution (R-117-2021) – Resolution to authorize transfer of U.S. Large Cap Growth Investment Funds from iShares S&P 500 Growth ETF account to BlackRock Russell 1000 Index Fund, resulting in approximately $50,000 worth of annual fee savings
   - Resolution (R-134-2021) – Resolution to accept recommended rebalancing of the current Asset Allocation to “Asset Allocation: Portfolio E”
4) **INFORMATION ITEMS**
   - September 2021 SWBNO Supplemental Performance Report - Marquette Associates, Inc.

5) PUBLIC COMMENT

Public comments received until 30 minutes after the presentation of the Agenda will be read into the record.

6) ADJOURNMENT

This teleconference meeting is being held pursuant to and in accordance with the provisions of Section 4 of Proclamation Number JBE 2020-30, extended by Proclamation 204 JBE 2021, pursuant to Section 3 of Act 302 of 2020.

MarquetteAssociates

August 2021

The Sewerage & Water Board of New Orleans

Systems Review

Presented by

Marquette Associates, Inc.

Agenda

- Executive summary
- Proposed asset allocation
- Looking ahead

Executive Summary

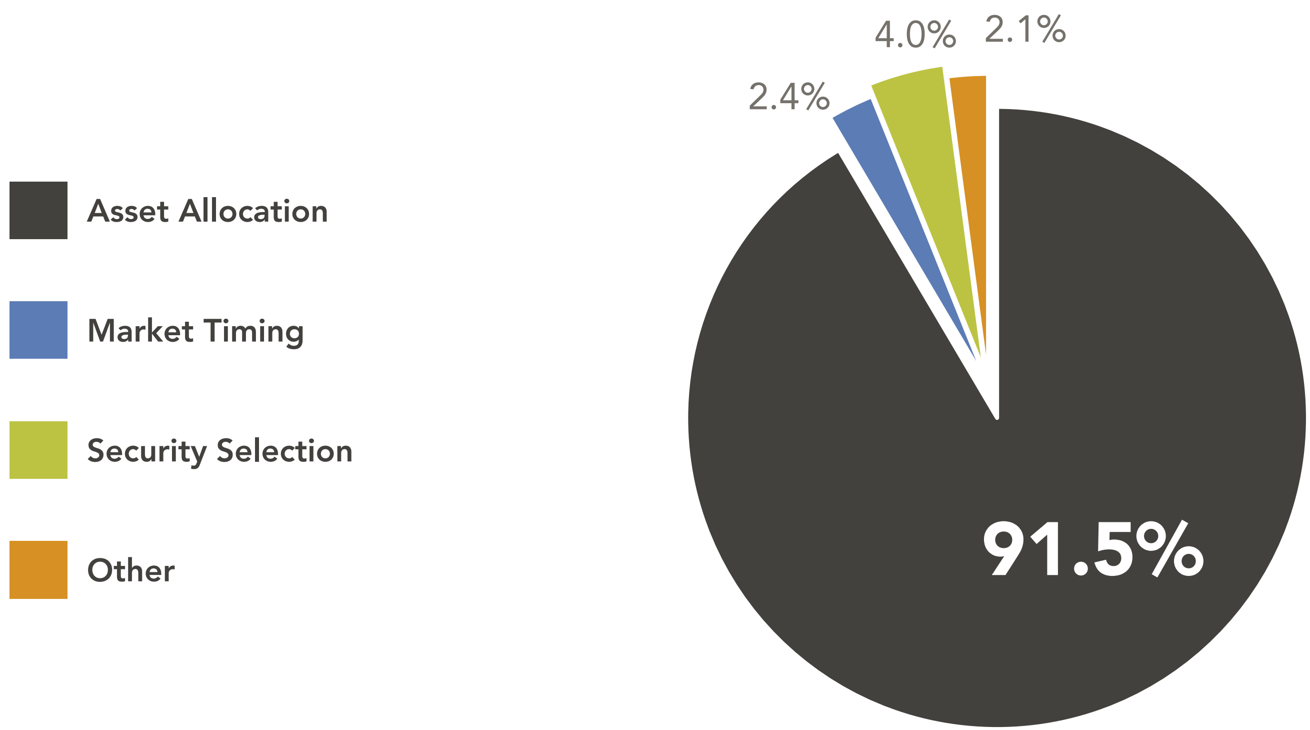
Executive summary of recommendations

Recommendation	Goals
Asset allocation: Portfolio E	▪ Reduce fixed income exposure to enhance expected risk/return trade-offs ▪ Revisit the U.S./Non-U.S. equities allocation split ▪ Reduce equity style biases in favor of a core approach ▪ Evaluate efficacy of hedge funds allocation (cost and performance) ▪ Optimize real estate allocation by adding a core open ended private real estate allocation vs a "proxy' allocation (REITs) ▪ Consider global infrastructure and private equity allocations to reduce public market volatility and enhance diversification

Asset Allocation Study

Asset allocation controls portfolio risk

Portfolio return variability (%)



Source: Gary P. Brinson, L. Randolph Hood, and Gilbert L. Beebower, "Determinants of Portfolio Performance," Financial Analysts Journal, July/August 1986. Gary P. Brinson, Brian D. Singer, and Gilbert L. Beebower, "Determinants of Portfolio Performance II: An Update," Financial Analysts Journal, May/June 1991.

Commodities and equities continue to lead in 2021

2021 YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012	5yr	10yr
Commodities 31.4%	Broad U.S. Equities 20.9%	Large Cap 31.5%	Real Estate 6.7%	Emerging Markets 37.3%	Small Cap 21.3%	Real Estate 13.3%	Large Cap 13.7%	Small Cap 38.8%	Intl Small Cap 20.0%	Broad U.S. Equities 17.9%	Large Cap 14.8%
Small Cap 17.5%	Small Cap 20.0%	Broad U.S. Equities 31.0%	Bank Loans 1.1%	Intl Small Cap 33.0%	High Yield 17.1%	Intl Small Cap 9.6%	Mid Cap 13.2%	Mid Cap 34.8%	Emerging Markets 18.2%	Large Cap 17.6%	Broad U.S. Equities 14.7%
Mid Cap 16.2%	Large Cap 18.4%	Mid Cap 30.5%	Core Bond 0.0%	Broad Intl Equities 27.2%	Mid Cap 13.8%	Large Cap 1.4%	Broad U.S. Equities 12.6%	Broad U.S. Equities 33.6%	Intl Large Cap 17.3%	Small Cap 16.5%	Mid Cap 13.2%
Large Cap 15.3%	Emerging Markets 18.3%	Small Cap 25.5%	High Yield -2.1%	Intl Large Cap 25.0%	Broad U.S. Equities 12.7%	Core Bond 0.5%	Real Estate 11.8%	Large Cap 32.4%	Mid Cap 17.3%	Mid Cap 15.6%	Small Cap 12.3%
Broad U.S. Equities 15.1%	Mid Cap 17.1%	Intl Small Cap 25.0%	Hedge Funds -4.0%	Large Cap 21.8%	Large Cap 12.0%	Broad U.S. Equities 0.5%	Core Bond 6.0%	Intl Small Cap 29.3%	Broad Intl Equities 16.8%	Emerging Markets 13.0%	Real Estate 8.8%
Broad Intl Equities 9.2%	Intl Small Cap 12.3%	Intl Large Cap 22.0%	Large Cap -4.4%	Broad U.S. Equities 21.1%	Commodities 11.4%	Hedge Funds -0.3%	Small Cap 4.9%	Intl Large Cap 22.8%	Broad U.S. Equities 16.4%	Intl Small Cap 12.0%	Intl Small Cap 8.4%
Intl Small Cap 9.0%	Hedge Funds 10.9%	Broad Intl Equities 21.5%	Broad U.S. Equities -5.2%	Mid Cap 18.5%	Emerging Markets 11.2%	Bank Loans -0.4%	Hedge Funds 3.4%	Broad Intl Equities 15.3%	Small Cap 16.4%	Broad Intl Equities 11.1%	High Yield 6.7%
Intl Large Cap 8.8%	Broad Intl Equities 10.7%	Emerging Markets 18.4%	Mid Cap -9.1%	Small Cap 14.6%	Bank Loans 9.9%	Intl Large Cap -0.8%	High Yield 2.5%	Real Estate 11.0%	Large Cap 16.0%	Intl Large Cap 10.3%	Intl Large Cap 5.9%
Emerging Markets 7.4%	Intl Large Cap 7.8%	Commodities 17.6%	Small Cap -11.0%	Hedge Funds 7.8%	Real Estate 8.0%	Mid Cap -2.4%	Bank Loans 2.1%	Hedge Funds 9.0%	High Yield 15.8%	High Yield 7.5%	Broad Intl Equities 5.4%
Hedge Funds 4.5%	Core Bond 7.5%	High Yield 14.3%	Intl Large Cap -13.8%	High Yield 7.5%	Broad Intl Equities 4.5%	Small Cap -4.4%	Emerging Markets -2.2%	High Yield 7.4%	Real Estate 10.5%	Hedge Funds 5.9%	Bank Loans 4.5%
High Yield 3.6%	High Yield 7.1%	Core Bond 8.7%	Commodities -13.8%	Real Estate 7.0%	Core Bond 2.6%	High Yield -4.5%	Broad Intl Equities -3.9%	Bank Loans 6.2%	Bank Loans 9.4%	Real Estate 5.8%	Emerging Markets 4.3%
Bank Loans 3.5%	Bank Loans 2.8%	Hedge Funds 8.4%	Broad Intl Equities -14.2%	Commodities 5.8%	Intl Small Cap 2.2%	Broad Intl Equities -5.7%	Intl Large Cap -4.9%	Commodities -1.2%	Hedge Funds 4.8%	Bank Loans 5.0%	Hedge Funds 3.7%
Real Estate 1.7%	Real Estate 1.6%	Bank Loans 8.2%	Emerging Markets -14.6%	Bank Loans 4.2%	Intl Large Cap 1.0%	Emerging Markets -14.9%	Intl Small Cap -4.9%	Core Bond -2.0%	Core Bond 4.2%	Core Bond 3.0%	Core Bond 3.4%
Core Bond -1.6%	Commodities -23.7%	Real Estate 6.4%	Intl Small Cap -17.9%	Core Bond 3.5%	Hedge Funds 0.5%	Commodities -32.9%	Commodities -33.1%	Emerging Markets -2.6%	Commodities 0.1%	Commodities 1.7%	Commodities -6.5%

Source: Bloomberg; hedge funds as of May 31, 2021, real estate as of March 31, 2021. Please see end of document for benchmark information.

Marquette's approach to asset allocation

Holistic approach contributes to optimal portfolios for each client's unique circumstances

Asset allocation studies encompass:

- Cashflow and liability projections
- Risk budgeting & value at risk
- Rigorous suite of risk analytics
- Stress tests to gauge portfolio sensitivity
- Client-specific return goals and risk tolerances

Asset allocation study assumptions

SWBNO Employees' Pension Trust Fund:

- Market Value: $260 million
- Target Return: 7.0%

Marquette Asset Allocation Software:

- Forward-looking
- Monte Carlo simulation
- 10-year holding period
- Updated quarterly

Forward-looking asset class returns

Asset Class	12/31/18 Avg. 10 Year Annualized Return	3/31/21 Avg.10 Year Annualized Return	3/31/21 Avg.10 Year Annualized Volatility
Broad Fixed Income	3.3%	2.0%	3.2%
US Large-Cap Core	7.3%	7.4%	17.9%
US Large-Cap Value	7.3%	7.3%	21.6%
US Mid-Cap Core	7.7%	7.7%	18.7%
US Small-Cap Core	8.1%	8.2%	18.3%
Developed Large-Cap Core	7.2%	7.4%	22.5%
Non-US Small-Cap	8.2%	7.7%	29.1%
Emerging Market	7.9%	8.4%	34.1%
Hedge Funds	6.0%	5.6%	8.0%
Real Estate – Core	7.2%	5.8%	5.2%
Public REITs	6.5%	6.1%	15.6%
Global Infrastructure	7.5%	7.0%	8.7%
Private Equity	10.8%	11.4%	12.5%

	Returns	Risk
Fixed Income	Low	Low
Global Equities	High	High
Hedge Funds	Moderate	Moderate
Real Estate	Moderate	High
Private Assets	High	Low

Source: Marquette Associates Asset Allocation Study; as of March 31, 2021

Historical Performance

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Fund Composite	10.5%	18.8%	-3.6%	11.6%	6.4%	-1.7%	5.6%	11.0%	11.7%	3.5%	9.4%
Total Fund Composite Benchmark	*11.0%*	*18.9%*	*-3.8%*	*12.8%*	*6.4%*	*-2.8%*	*4.2%*	*11.5%*	*10.5%*	*2.2%*	*12.5%*
Actuarial Rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
InvMetrics Public DB Net Rank	81	60	30	95	78	78	47	85	53	6	90

- Source: Marquette Associates Quarterly Performance Report; Net of Fees

Portfolio scenarios

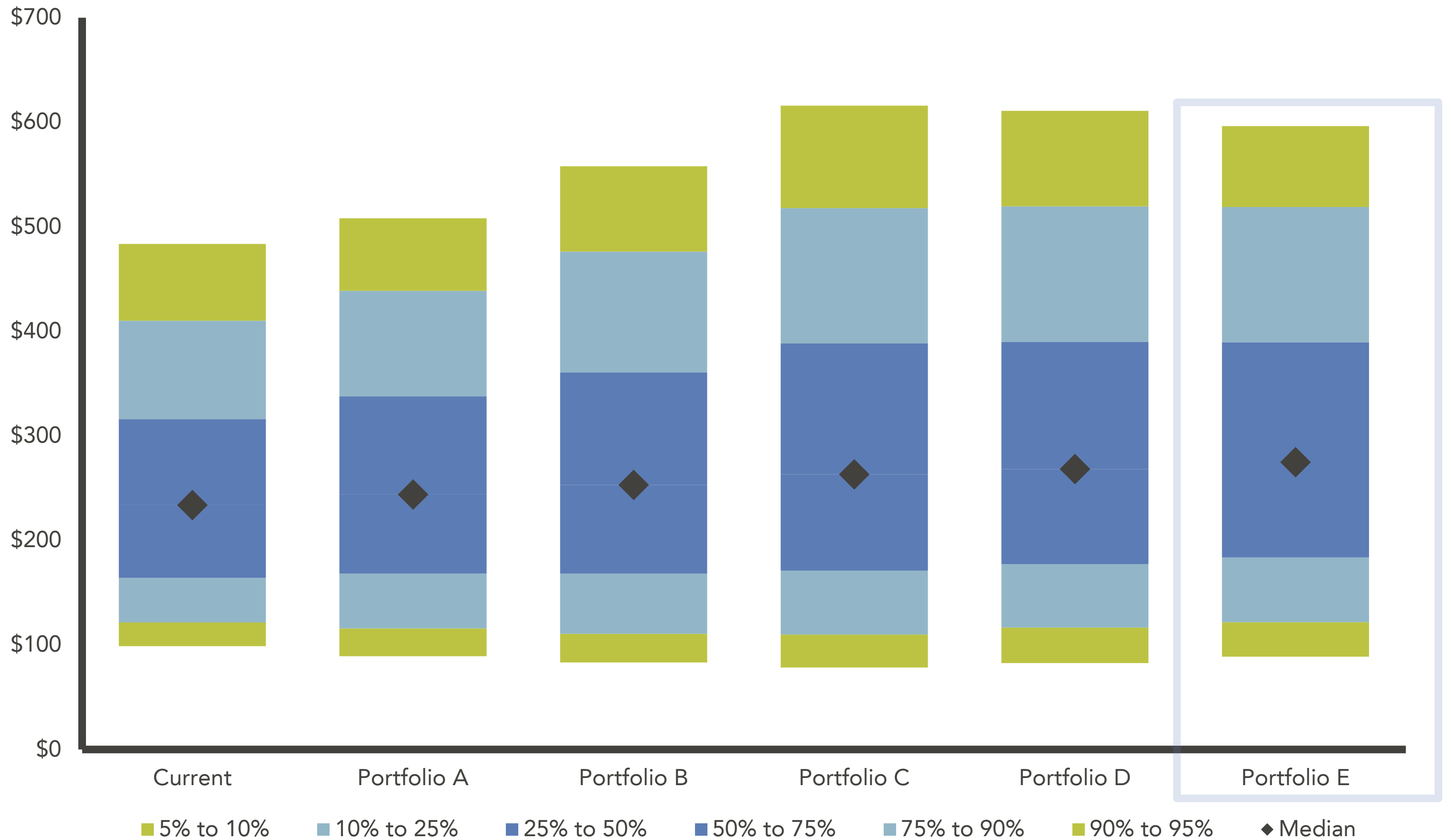
Asset Class	Current	Portfolio A	Portfolio B	Portfolio C	Portfolio D	Portfolio E	
Broad Fixed Income	35.0%	35.0%	30.0%	25.0%	25.0%	25.0%	
91 Day T-Bills	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Fixed Income	36.0%	35.0%	30.0%	25.0%	25.0%	25.0%	▼
Broad U.S. Equity (All Cap Core)	27.0%	27.0%	0.0%	0.0%	0.0%	0.0%	
US Large-Cap Core	0.0%	0.0%	25.0%	25.0%	23.0%	25.0%	
US Mid-Cap Core	0.0%	4.5%	5.0%	7.0%	7.0%	4.0%	
US Small-Cap Core	0.0%	4.5%	5.0%	7.0%	7.0%	5.0%	
Total U.S. Equity	27.0%	36.0%	35.0%	39.0%	37.0%	34.0%	▲
Broad Non-US Equity	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Developed Large-Cap	0.0%	10.0%	16.0%	16.0%	14.0%	15.0%	
Non-US Small-Cap	0.0%	5.0%	5.0%	5.0%	5.0%	3.0%	
Emerging Market	0.0%	5.0%	5.0%	5.0%	5.0%	3.0%	
Total Non-U.S. Equity	20.0%	20.0%	26.0%	26.0%	24.0%	21.0%	▲
Hedge Fund - FOF	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Hedge Funds	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	▼
Real Estate - Core	0.0%	9.0%	9.0%	5.0%	5.0%	3.0%	
Public REITs	9.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total Real Assets	9.0%	9.0%	9.0%	5.0%	5.0%	3.0%	▼
Global Infrastructure	0.0%	0.0%	0.0%	5.0%	5.0%	7.0%	
Private Equity - Fund of Funds	0.0%	0.0%	0.0%	0.0%	4.0%	10.0%	
Total Illiquid Assets	0.0%	0.0%	0.0%	5.0%	9.0%	17.0%	▲

	Current	Portfolio A	Portfolio B	Portfolio C	Portfolio D	Portfolio E
Avg. Annualized 10 Yr. Return	5.91%	6.17%	6.42%	6.73%	6.88%	7.01%
Avg. Annualized 10 Yr. Volatility	9.42%	10.45%	11.44%	12.41%	12.07%	11.61%

Source: Marquette Associates Asset Allocation Study; as of March 31, 2021. Blue highlighting depicts new asset classes.

Portfolio E expands upside potential

Distribution of year 10 market values ($millions)



Source: Marquette Associates Asset Allocation Study; as of March 31, 2021.

Portfolio E

Portfolio E: observations & recommendations

Asset Class	Current	Portfolio E	
Broad Fixed Income	35.0%	25.0%	
91 Day T-Bills	1.0%	0.0%	
Total Fixed Income	36.0%	25.0%	▼
Broad U.S. Equity (All Cap Core)	27.0%	0.0%	
US Large-Cap Core	0.0%	25.0%	
US Mid-Cap Core	0.0%	4.0%	
US Small-Cap Core	0.0%	5.0%	
Total U.S. Equity	27.0%	34.0%	▲
Broad Non-US Equity	20.0%	0.0%	
Developed Large-Cap	0.0%	15.0%	
Non-US Small-Cap	0.0%	3.0%	
Emerging Market	0.0%	3.0%	
Total Non-U.S. Equity	20.0%	21.0%	▲
Hedge Fund - FOF	8.0%	0.0%	
Total Hedge Funds	8.0%	0.0%	▼
Real Estate - Core	0.0%	3.0%	
Public REITs	9.0%	0.0%	
Total Real Assets	9.0%	3.0%	▼
Global Infrastructure	0.0%	7.0%	
Private Equity - Fund of Funds	0.0%	10.0%	
Total Illiquid Assets	0.0%	17.0%	▲

	Current	Portfolio E
Avg. Annualized 10 Yr. Return	5.91%	7.01%
Avg. Annualized 10 Yr. Volatility	9.42%	11.61%

Fixed Income

- Align fixed income exposure with annual cash needs
- Review and consider opportunistic fixed income mandates to take advantage of market dislocations

Equities

- Global equity mix of 60% U.S. and 40% non-U.S. for better expected risk-adjusted returns
- Increase passive allocation in large cap core and add a U.S. small- and mid-cap allocation
- Establish allocation to non-U.S. small-cap
- Establish allocation to emerging markets

Hedge Funds

- Eliminate hedge funds due to structural headwinds that have resulted in disappointing annualized returns and high fees

Real Estate

- Eliminate Public REITs (an equity "proxy" for real estate)
- Add a core open ended private real estate strategy that focuses on yield and a lower correlation to traditional asset classes

Global Infrastructure

- Consider adding private global infrastructure to improve portfolio diversification and enhance returns to have an additional inflation protection component in the portfolio

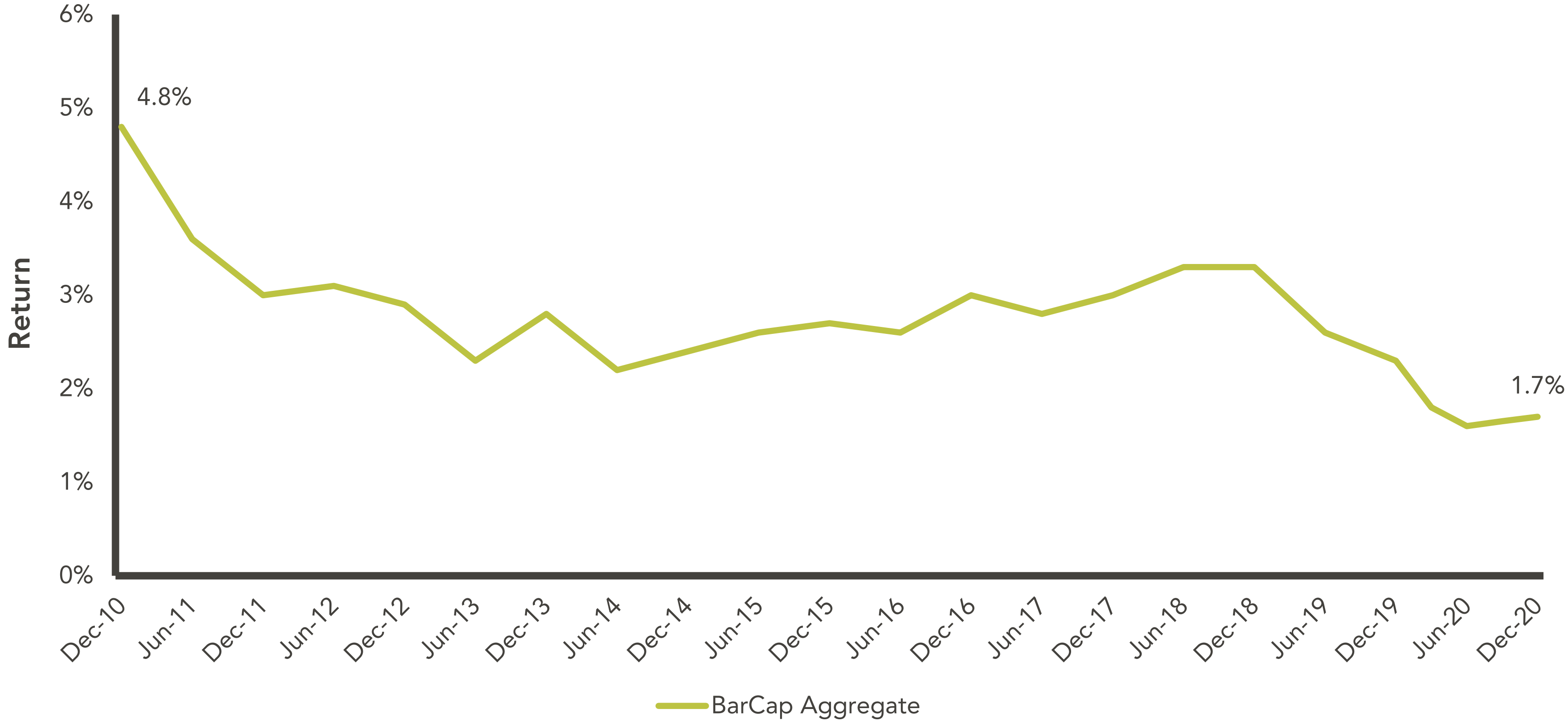
Private Equity

- Consider private equity to high quality small buyout FOFs and lower-middle market direct exposure

Source: Marquette Associates Asset Allocation Study; as of March 31, 2021. Blue highlighting depicts new asset classes.

Bond returns have declined over time

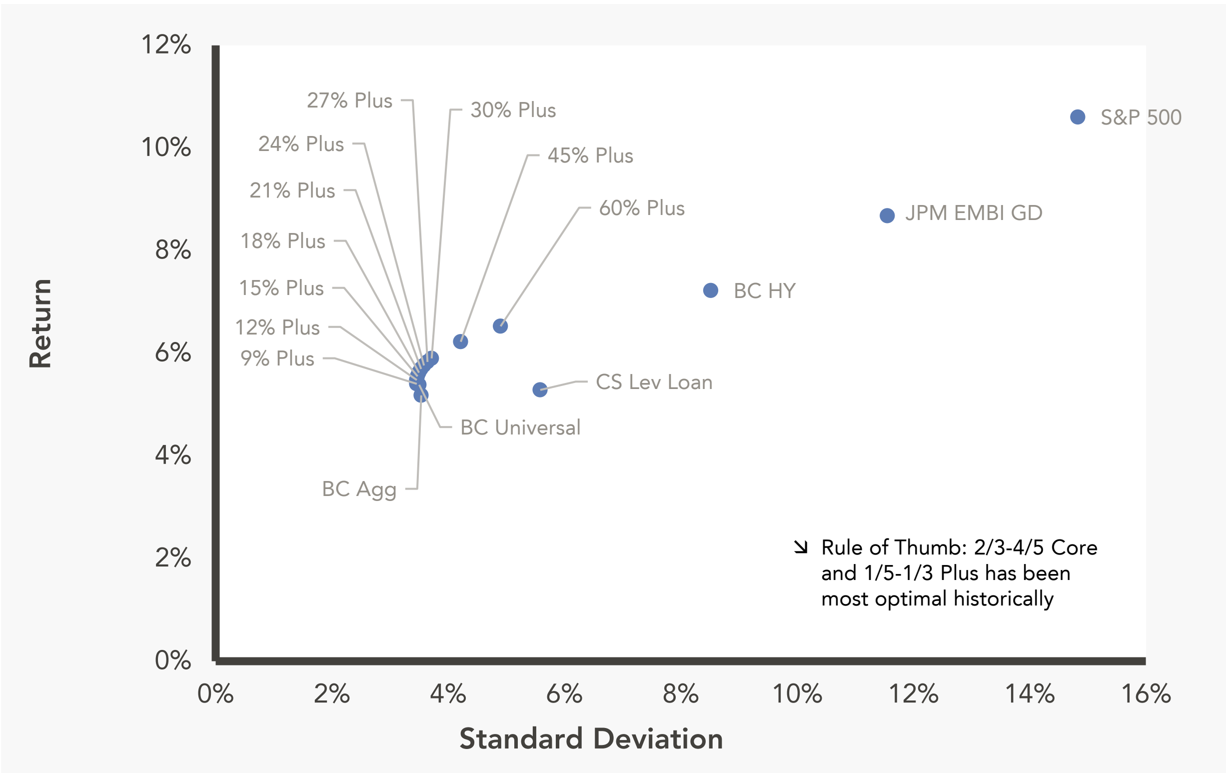
Declining bond returns are a headwind to achieving target rates of return with lower levels of risk



Source: Marquette Associates Asset Allocation Software

Core plus exhibits the optimal fixed income structure

Optimal Historical Portfolio (Core and % Plus Sectors)



	Sharpe Ratio 1/1994-7/2021
9% Plus	0.89
12% Plus	0.92
15% Plus	0.93
18% Plus	0.95
21% Plus	0.96
24% Plus	0.96
27% Plus	0.97
30% Plus	0.97
45% Plus	0.93
60% Plus	0.86
BC Universal	0.88
BC Agg	0.81
CS Lev Loan	0.53
BC HY	0.58
JPM EMBI GD	0.55
S&P 500	0.56

Source: eVestment monthly data January 1994 – July 2021. Note: Plus sectors BL/HY/EMD have equal weight for all portfolios, all portfolios rebalanced annually

Source: CS Leveraged Loan Index, BC HY Index, JPM EMBI GD Index
Note: Overweight/underweight points based on backtests yielding most optimal tactical approach that outperforms static approach and entire history of each respective index with spread levels producing most optimal historical go-forward returns

Opportunities and risks for fixed income

Opportunities

Still a lot of runway for vaccinations

Fully vaccinated level is only 47% for U.S. and 11% for world. More vaccinations until 70% herd immunity is reached may mean more GDP growth and potential further credit spread compression.

Possible additional fixed income total return

The yield curve has not (yet?) inverted. Credit fundamentals such as leverage, coverage, and use of proceeds are still benign. As the economy continues recovering, fixed income asset classes across the board may continue to produce strong returns.

Bank loans may benefit from rising rates

As the economy continues to rebound, rates may rise again, benefiting bank loans' floating rate feature. But bank loan spreads are already tighter than long-term averages, which may limit price appreciation.

Lagged value

EMD, which has lagged behind U.S. fixed income in the recovery due to lagged vaccine access and the delta variant resurgence, may see wider spreads relative to other fixed income plus sectors such as bank loans and high yield.

Risks

Liftoff

With the Fed growing more hawkish by the month, a rate hike as well as QE tapering may occur in 2H21 or 2022. Higher rates may be a headwind for sovereign/corporate/securitized issuers across the board, having borrowed large quantities at low rates over past year. With tight spreads, the potential for a spread-widening event increases.

Inflation persists

Inflation is expected to rise as the economy continues reopening, but there are early signs certain commodity prices are already falling and normalizing. In the short term, inflation will eat into real income rates. Inflation is expected to persist for the short term, but fixed income plus sectors such as bank loans, high yield, and EMD have historically benefited in inflationary environments.

Rising rates headwind for short-term but tailwind for long-term

Higher interest rates may cut into government, corporate and consumer earnings and depreciate existing outstanding bonds, but will provide for greater yield and income return going forward.

Transition from LIBOR to SOFR

The reference rate used for floating-rate instruments continues to undergo a transition, but authorities and market participants are focused on a smooth process to avoid market distortion.

Inefficient & efficient markets

Market efficiency measures the degree to which market prices reflect all available and relevant information, allowing investors to strategically maximize the impact of active and passive management

α β

Inefficient markets

↓ Less liquidity
↓ Less information
↓ Less analyst coverage

More mispricing = more alpha opportunities

Efficient markets

↑ More liquidity
↑ More information
↑ More analyst coverage

Less mispricing = fewer alpha opportunities

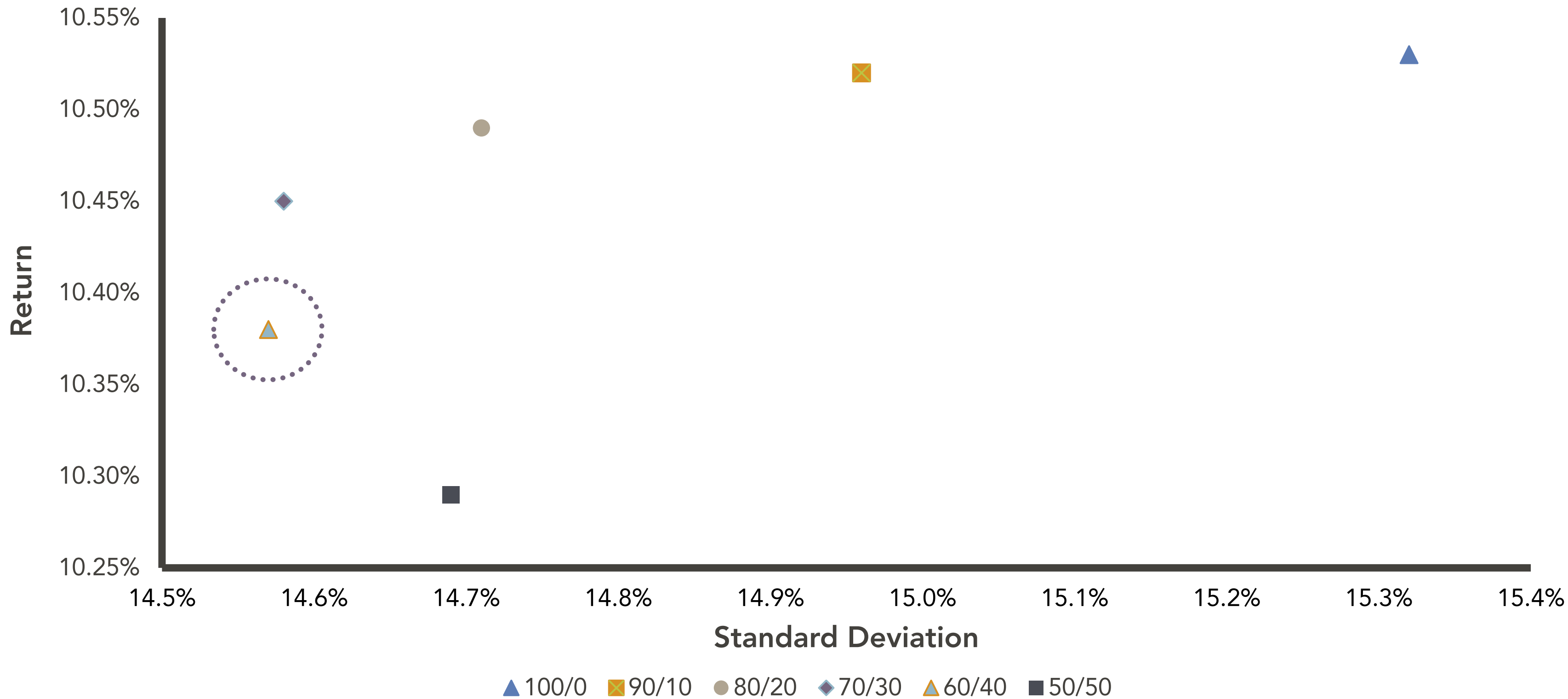
More inefficient markets
- Non-U.S. small-cap
- Emerging markets
- Private equity & private debt
- Real assets
- Credit

In-between markets
- U.S. small-cap
- Non-U.S. large-cap

More efficient markets
- U.S. large-cap
- U.S. mid-cap

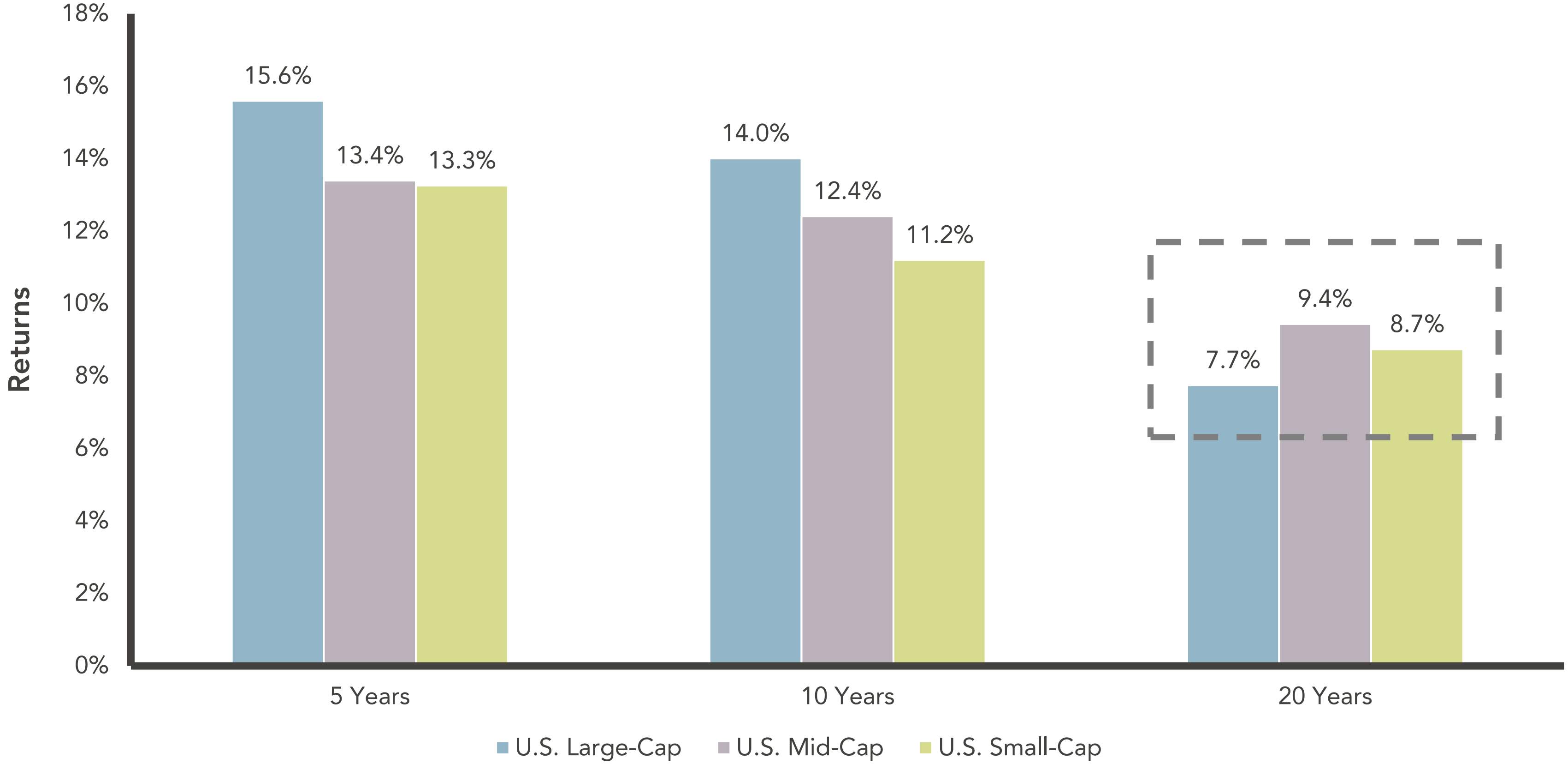
A bias towards U.S. equities has worked over time

A 30% to 40% allocation to non-U.S. has produced the best risk/return profile



Source: Data goes back to 1970, MSCI U.S. was used throughout. MSCI EAFE was used through 1988 and was replaced with MSCI ACWI ex U.S.; data as of December 2020.

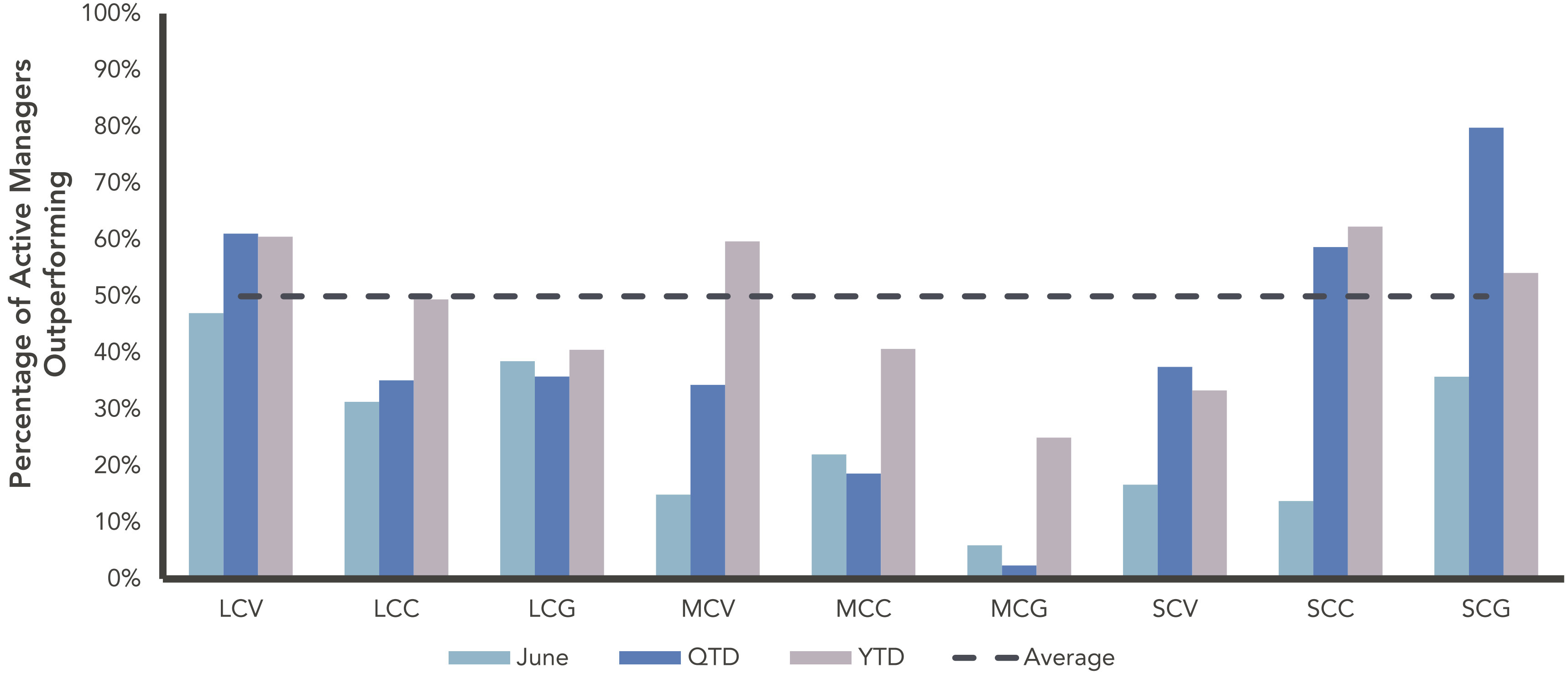
Small- and mid-cap equities outperform in long term



Source: eVestment, annualized returns through December 31, 2020. Past performance is not indicative of future results. Investors may experience a loss.

Growth managers struggle to keep up in June

Strong performance from many growth indices during the month and quarter led to poor relative returns by most active managers, particularly within the mid-cap space



Source: Morningstar Direct as of June 30, 2021

Trailing and calendar year performance

International small-cap has outperformed international large-cap

	YTD	1-Year	3-Year	5-Year	10-Year	20-Year
MSCI EAFE SC	9.0%	41.0%	8.4%	12.0%	8.4%	9.2%
MSCI EAFE	8.8%	32.4%	8.3%	10.3%	5.9%	5.8%

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
MSCI EAFE SC	12.3%	25.0%	-17.9%	33.0%	2.2%	9.6%	-5.0%	29.3%	20.0%	-15.9%	22.0%
MSCI EAFE	7.8%	22.0%	-13.8%	25.0%	1.0%	-0.8%	-4.9%	22.8%	17.3%	-12.1%	7.8%

Source: eVestment as of June 2021. Past performance is not indicative of future results. Investors may experience a loss.

Risks and opportunities in U.S. equities

Opportunities

Value-oriented and small-cap stocks still relatively attractive
Despite high valuations in certain pockets, smaller, more cyclical segments of the market appear attractive relative to their larger and growth-oriented peers, and have historically outperformed in periods of strong economic growth

Equity risk premium remains positive
Given the fall in rates during the second quarter, U.S. stocks appear more attractive relative to fixed income securities now than at the beginning of the period

Q2 earnings season expected to be strong
The estimated earnings growth rate for the S&P 500 is 63.6% for Q2, which would mark the highest year-over-year figure for the index in over a decade, and, if realized, may provide investors with increased confidence going forward

Risks

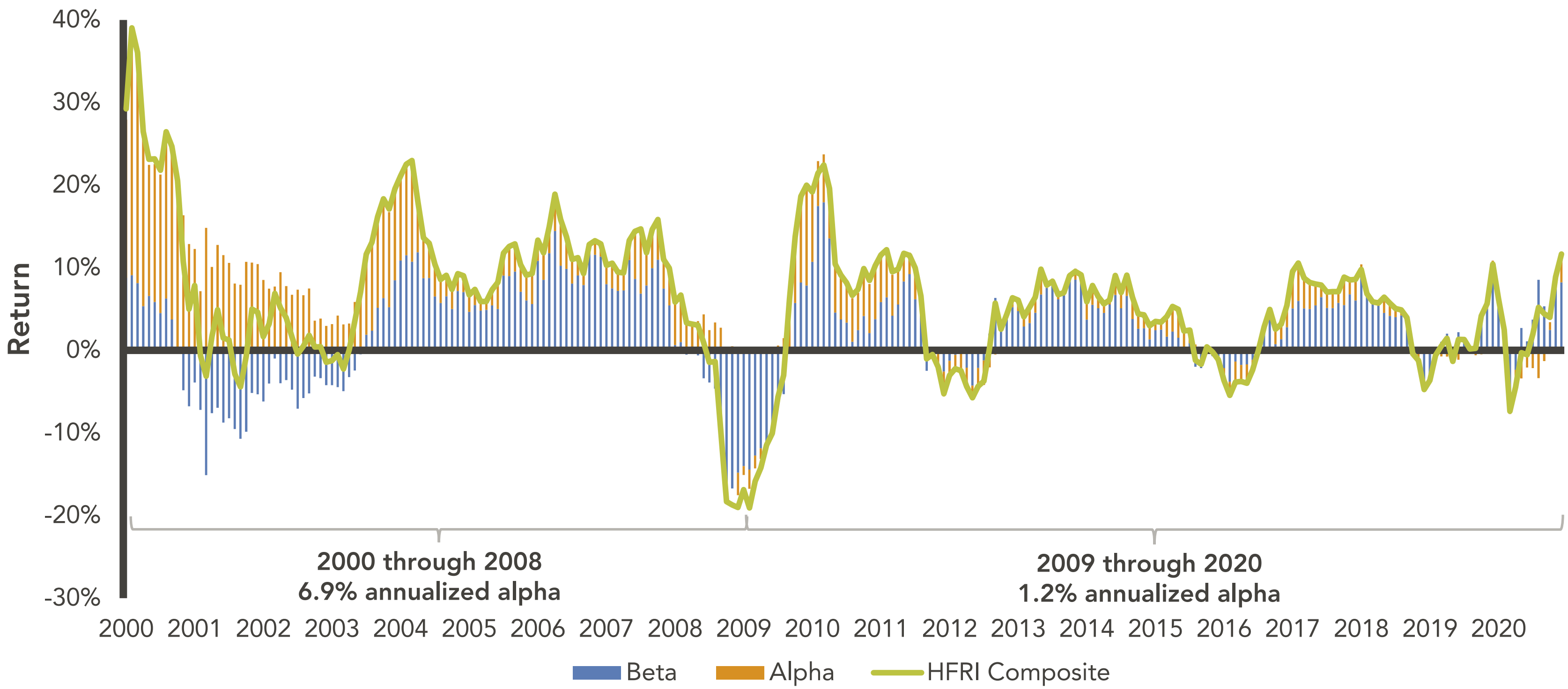
The Fed may overshoot its inflation target
Price levels have largely increased in recent months, and further upticks could hinder the performance of Consumer Discretionary stocks and income-oriented equities like Utilities, as dividends often do not keep up with inflation

Valuations remain elevated
Despite recent multiple compression within the value and core spaces, most U.S. equity valuations remain at historically high levels across the size and style spectrums

Continued supply chain disruption
Transportation shortages, demand imbalances, and other bottlenecks could have negative impacts on companies via rising input costs (e.g., commodities and semiconductors), and ongoing labor market dislocations could inhibit businesses from maintaining necessary employee levels

Beta exposure is a key driver of HF returns

Hedge fund rolling 1-year alpha & beta attribution vs. MSCI ACWI



Source: Bloomberg, HFR, Marquette Associates as of December 31, 2020

Hedge funds have been disappointing

Hedge funds have underperformed U.S. equities on a risk-adjusted basis

TRAILING RETURNS

	1 Year	3 Year	5 Year	10 Year	20 Year
BB Aggregate	7.5%	5.7%	4.4%	3.8%	4.6%
Russell 3000	20.9%	14.5%	15.4%	13.8%	9.0%
MSCI ACWI ex. U.S.	10.7%	4.9%	8.9%	4.9%	6.8%
HFRI Equity Hedge	17.9%	7.6%	8.3%	5.4%	5.8%

ANNUAL SHARPE RATIO

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
BB Aggregate	2.03	1.89	-0.59	1.78	0.64	0.18	2.57	-0.65	2.06	3.30
Russell 3000	**0.74**	**2.14**	-0.46	**5.28**	**1.11**	**0.03**	**1.43**	**3.86**	**1.53**	**0.06**
MSCI ACWI ex. U.S.	0.39	1.52	-1.26	6.80	0.32	-0.38	-0.39	1.33	1.00	-0.69
HFRI Equity Hedge	0.18	0.14	**-0.07**	0.13	0.05	-0.01	0.02	0.14	0.07	-0.08

Source: eVestment; data as of March 31, 2021.

Real estate as a reliable inflation hedge

Recent inflationary fears may increase demand for apartments, which have historically provided the best protection against rising commodity prices, labor shortages, and supply chain disruptions

Correlation to CPI

Sources: NCREIF, MSCI-IPD, Moody's Analytics, Principal Real Estate, CBRE; correlation coefficients are run from Jan 1979 - August 2020. Correlations run using an annual percent change at a quarterly frequency.

Private equity offers long term growth

Private equity has consistently outperformed public equity

	3 Year (%)	5 Year (%)	10 Year (%)	15 Year (%)
Private Equity: Global Buyout & Growth Equity Index	**12.6**	**12.1**	**14.2**	**12.4**
Public Equity: MSCI World Index	6.7	6.9	10.0	6.6

Source: Cambridge Associates Private Equity index as of June 30, 2020.

Looking ahead

- Approval of asset allocation
- Investment manager searches and selection
- Revise and review the investment policy statement
- Implementation

Preliminary Transition Outline

Task	Short-Term (Tentative: 3Q21-4Q21)	Medium-Term (Tentative: 1Q22-2Q22)
Systems Review	✓	
Asset Allocation Study	✓	
Investment Policy Update	✓	
Fixed Income Search		✓
Equity Searches		✓
Real Estate Searches		✓
Infrastructure Searches		✓
Private Equity Search		✓

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September 2021

Executive Summary

U.S. Economy

Commodities and equities still lead through 3Q

2021 YTD	2020	2019	2018	2017	2016	2015	2014	2013	2012	5yr	10yr
Commodities 38.3%	Broad U.S. Equities 20.9%	Large Cap 31.5%	Real Estate 6.7%	Emerging Markets 37.3%	Small Cap 21.3%	Real Estate 13.3%	Large Cap 13.7%	Small Cap 38.8%	Intl Small Cap 20.0%	Large Cap 16.9%	Large Cap 16.6%
Large Cap 15.9%	Small Cap 20.0%	Broad U.S. Equities 31.0%	Bank Loans 1.1%	Intl Small Cap 33.0%	High Yield 17.1%	Intl Small Cap 9.6%	Mid Cap 13.2%	Mid Cap 34.8%	Emerging Markets 18.2%	Broad U.S. Equities 16.9%	Broad U.S. Equities 16.6%
Mid Cap 15.2%	Large Cap 18.4%	Mid Cap 30.5%	Core Bond 0.0%	Broad Intl Equities 27.2%	Mid Cap 13.8%	Large Cap 1.4%	Broad U.S. Equities 12.6%	Broad U.S. Equities 33.6%	Intl Large Cap 17.3%	Mid Cap 14.4%	Mid Cap 15.5%
Broad U.S. Equities 15.0%	Emerging Markets 18.3%	Small Cap 25.5%	High Yield -2.1%	Intl Large Cap 25.0%	Broad U.S. Equities 12.7%	Core Bond 0.5%	Real Estate 11.8%	Large Cap 32.4%	Mid Cap 17.3%	Small Cap 13.5%	Small Cap 14.6%
Small Cap 12.4%	Mid Cap 17.1%	Intl Small Cap 25.0%	Hedge Funds -4.0%	Large Cap 21.8%	Large Cap 12.0%	Broad U.S. Equities 0.5%	Core Bond 6.0%	Intl Small Cap 29.3%	Broad Intl Equities 16.8%	Intl Small Cap 10.4%	Intl Small Cap 10.7%
Intl Small Cap 10.0%	Intl Small Cap 12.3%	Intl Large Cap 22.0%	Large Cap -4.4%	Broad U.S. Equities 21.1%	Commodities 11.4%	Hedge Funds -0.3%	Small Cap 4.9%	Intl Large Cap 22.8%	Broad U.S. Equities 16.4%	Emerging Markets 9.2%	Real Estate 8.8%
Hedge Funds 9.9%	Hedge Funds 10.9%	Broad Intl Equities 21.5%	Broad U.S. Equities -5.2%	Mid Cap 18.5%	Emerging Markets 11.2%	Bank Loans -0.4%	Hedge Funds 3.4%	Broad Intl Equities 15.3%	Small Cap 16.4%	Broad Intl Equities 8.9%	Intl Large Cap 8.1%
Intl Large Cap 8.3%	Broad Intl Equities 10.7%	Emerging Markets 18.4%	Mid Cap -9.1%	Small Cap 14.6%	Bank Loans 9.9%	Intl Large Cap -0.8%	High Yield 2.5%	Real Estate 11.0%	Large Cap 16.0%	Intl Large Cap 8.8%	Broad Intl Equities 7.5%
Broad Intl Equities 5.9%	Intl Large Cap 7.8%	Commodities 17.6%	Small Cap -11.0%	Hedge Funds 7.8%	Real Estate 8.0%	Mid Cap -2.4%	Bank Loans 2.1%	Hedge Funds 9.0%	High Yield 15.8%	Hedge Funds 7.4%	High Yield 7.4%
Real Estate 5.4%	Core Bond 7.5%	High Yield 14.3%	Intl Large Cap -13.8%	High Yield 7.5%	Broad Intl Equities 4.5%	Small Cap -4.4%	Emerging Markets -2.2%	High Yield 7.4%	Real Estate 10.5%	High Yield 6.5%	Emerging Markets 6.1%
Bank Loans 4.17%	High Yield 7.1%	Core Bond 8.7%	Commodities -13.8%	Real Estate 7.0%	Core Bond 2.6%	High Yield -4.5%	Broad Intl Equities -3.9%	Bank Loans 6.2%	Bank Loans 9.4%	Real Estate 6.1%	Hedge Funds 5.4%
High Yield 4.5%	Bank Loans 2.8%	Hedge Funds 8.4%	Broad Intl Equities -14.2%	Commodities 5.8%	Intl Small Cap 2.2%	Broad Intl Equities -5.7%	Intl Large Cap -4.9%	Commodities -1.2%	Hedge Funds 4.8%	Bank Loans 4.6%	Bank Loans 5.0%
Emerging Markets -1.2%	Real Estate 1.6%	Bank Loans 8.2%	Emerging Markets -14.6%	Bank Loans 4.2%	Intl Large Cap 1.0%	Emerging Markets -14.9%	Intl Small Cap -4.9%	Core Bond -2.0%	Core Bond 4.2%	Commodities 3.6%	Core Bond 3.0%
Core Bond -1.6%	Commodities -23.7%	Real Estate 6.4%	Intl Small Cap -17.9%	Core Bond 3.5%	Hedge Funds 0.5%	Commodities -32.9%	Commodities -33.1%	Emerging Markets -2.6%	Commodities 0.1%	Core Bond 2.9%	Commodities -4.8%

Source: Bloomberg as of September 30, 2021; hedge funds as of August 31, 2021, real estate as of June 30, 2021. Please see end of document for benchmark information.

Asset class outlook

		CHANGE	HEADWINDS		NEUTRAL	TAILWINDS	
U.S. Equities	Large-cap		□	□	■	□	□
	Mid-cap		□	□	■	□	□
	Small-cap		□	□	□	■	□
	Value	▼	□	□	■	□	□
	Growth		□	■	□	□	□
Non-U.S. Equities	Developed large-cap		□	□	□	■	□
	Developed small-cap		□	□	□	■	□
	Emerging markets	▼	□	■	□	□	□
Fixed Income	Core bonds		□	□	■	□	□
	Bank loans		□	■	□	□	□
	High yield		□	■	□	□	□
	EMD		□	□	□	■	□
Real Assets	Core real estate		□	■	□	□	□
	Value-add real estate		□	□	□	■	□
	Infrastructure		□	□	□	■	□
Hedge Funds	Equity long/short		□	□	□	■	□
	Credit	▼	□	■	□	□	□
	VRP		□	□	■	□	□
Private Equity	Buyout		□	□	□	■	□
	Venture Capital		□	□	□	■	□
Private Credit	Direct lending		□	□	□	□	■
	Distressed/opportunistic		□	□	■	□	□

TAKEAWAYS

- **U.S.**: Going forward, equity returns may be lower than in years past due to slowing earnings growth, elevated valuations, and increasingly restrictive monetary policy. That said, a positive equity risk premium and well-positioned American consumer will likely serve to keep U.S. equities relatively appealing in the near future. Small-caps, particularly value-oriented names, may continue to benefit from higher rates, reflation, attractive relative valuations, and the normalization of supply chains and labor markets.
- **Non-U.S.**: China will likely face continued pressure as investors recalibrate to the new regulatory environment. Given the size of the country this will likely create a headwind for EM and particularly EM growth. Non-U.S. developed stocks trade at relatively attractive valuations and have shown some improvements in profitability metrics. Monetary policy is likely to stay supportive in developed markets while several emerging economies have begun raising rates. Additionally, vaccination rates are higher in developed markets than emerging markets.
- **Fixed Income**: Core bonds are expected to benefit from higher go-forward rates as rates rise; expected near-term headwind from muted, transitory rise in rates in conjunction with economic recovery from pandemic. Rising rates expected to benefit floating rate feature of bank loans; valuations are elevated. Fundamentals such as leverage, coverage, use of proceeds, and defaults all benign in high yield bonds; valuations remain elevated. EMD spreads still at attractively wide levels; lagged vaccine access means potential for more spread compression vs. U.S. bank loans/high yield.
- **Real Assets**: Property performance bifurcation is expected to drive alpha opportunities within industrial and multifamily, but also exhibit a pandemic induced, recovery drag on office and retail sectors. Infrastructure allocations should continue to benefit from government spending, attractive yields, and favorable risk-return tradeoffs.
- **Hedge Funds**: There is a more limited opportunity set in credit with tight spreads and few new distressed situations. Long/short stock pickers are still well positioned.
- **Private Equity:** Prices have remained at an elevated level but strong investor demand continues to provide attractive opportunities across smaller areas of the market.
- **Private Credit**: Direct Lending remains attractive as market fundamentals continue to be strong with robust M&A activity and conservative individual loan risk metrics. Investors continue to capture yield and structure premiums relative to traditional fixed income. Distressed opportunities are limited and concentrated on the most COVID impacted industries and companies.

For illustration only. These views apply to a 6- to 12-month horizon; arrows in Change column represent change in view since last quarter. This summary of individual asset class views shows relative direction and strength of conviction but is independent of portfolio construction considerations. These views should not be construed as a recommended portfolio or investment advice. Past performance does not imply future returns.

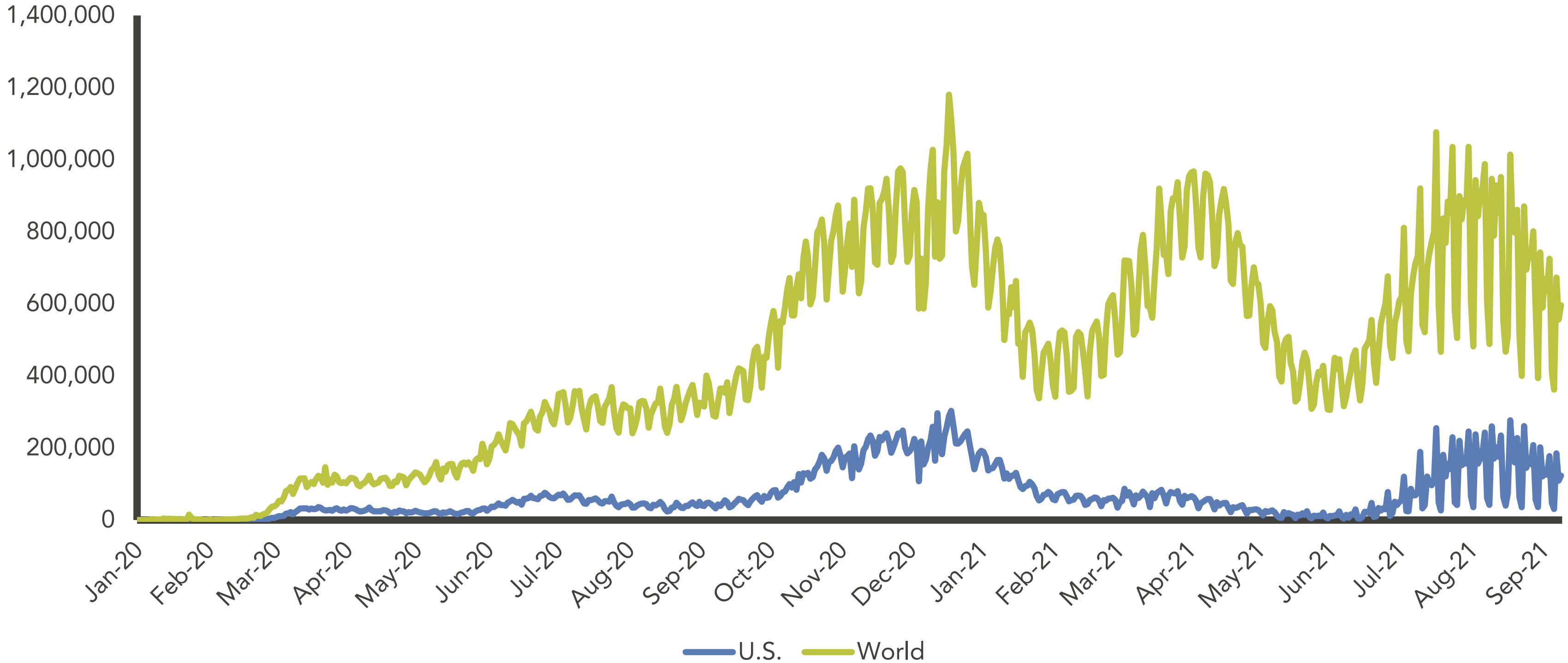
3Q21 Market Themes

- **Delta does its damage**: 2021 GDP projections move lower because of Delta impact, but surge appears to be fading as 4Q begins.
- **Labor shortages continue**: Lower labor force participation rates have left many companies short-staffed and unable to fulfill their growth potential; this dynamic bears watching and will serve as a headwind to full recovery until the pattern reverses.
- **Rising energy costs emerge as primary source of inflation worries**: Price growth for commodities and used cars has abated, but the looming winter coupled with soaring energy prices and ongoing supply chain issues has exacerbated inflation concerns; most experts expect inflation to remain elevated going into 2022.
- **Evergrande debt crisis stirs market volatility**: Evergrande's debt load and potential default ignited market volatility and fears of a global debt crisis, though it appears that the brunt of damage will be concentrated in China; U.S. credit markets appear healthy with tight spreads and very limited defaults.
- **Typical September for equity markets**: Consistent with most years, September was a down month for markets; tech sell-off, U.S. debt ceiling debate, and Evergrande issues drove losses for all indices. For 3Q, indices were mostly negative with the greatest losses in U.S. small-cap and EM.
- **Taper announcement expected in November:** Given the amount of QE and prevalence of low rates, the taper has potential to negatively impact equity markets, both domestically and abroad.
- **Earnings peak**: Data suggests that earnings peaked in 2Q, and the path forward for earnings will have a material impact on equity market returns for the remainder of 2021 and going into 2022.

Delta starts to decline, but damage has been done

Delta surge appears to have peaked, but has reduced global growth expectations for 2021

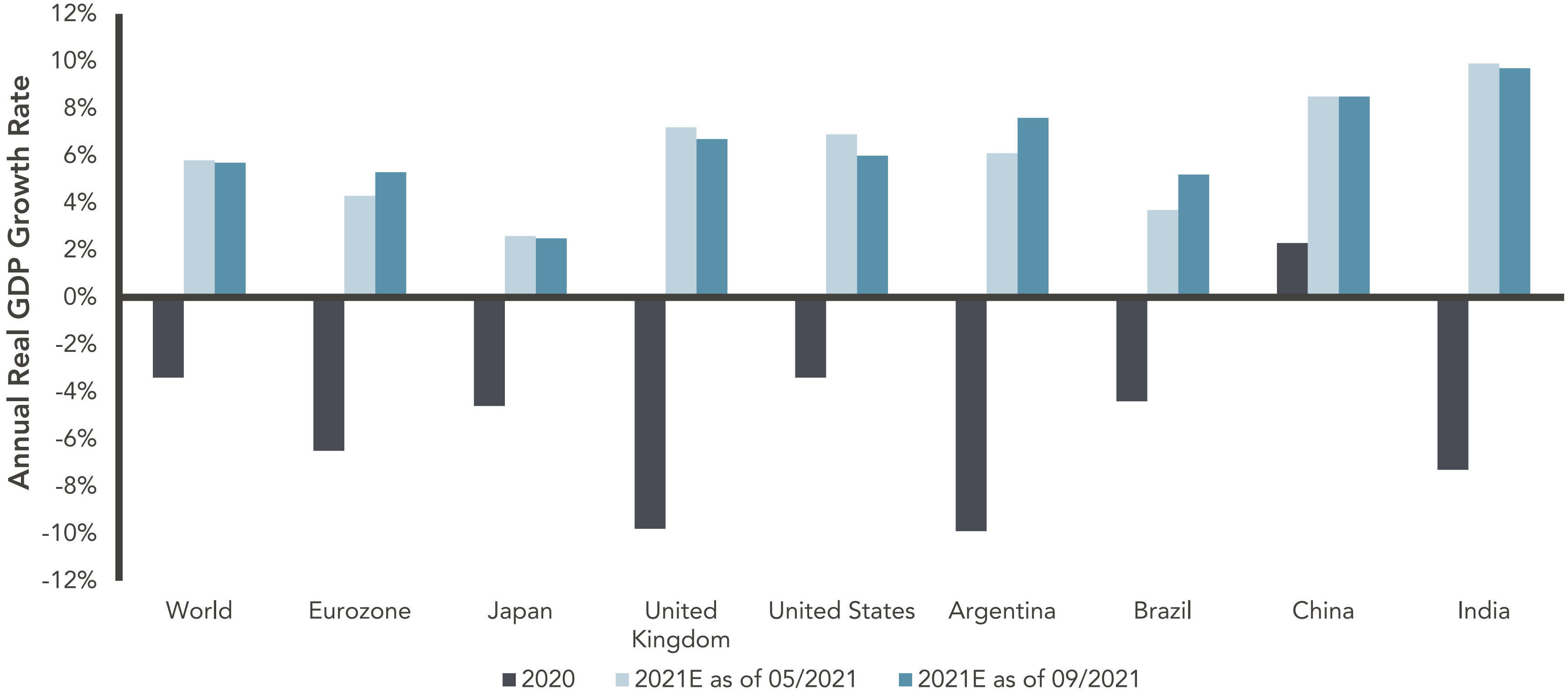
Daily New COVID-19 Cases, U.S. vs. World



Sources: Marquette Research, Oxford University Our World In Data, latest available as of September 29, 2021

Expected world GDP growth ticks back

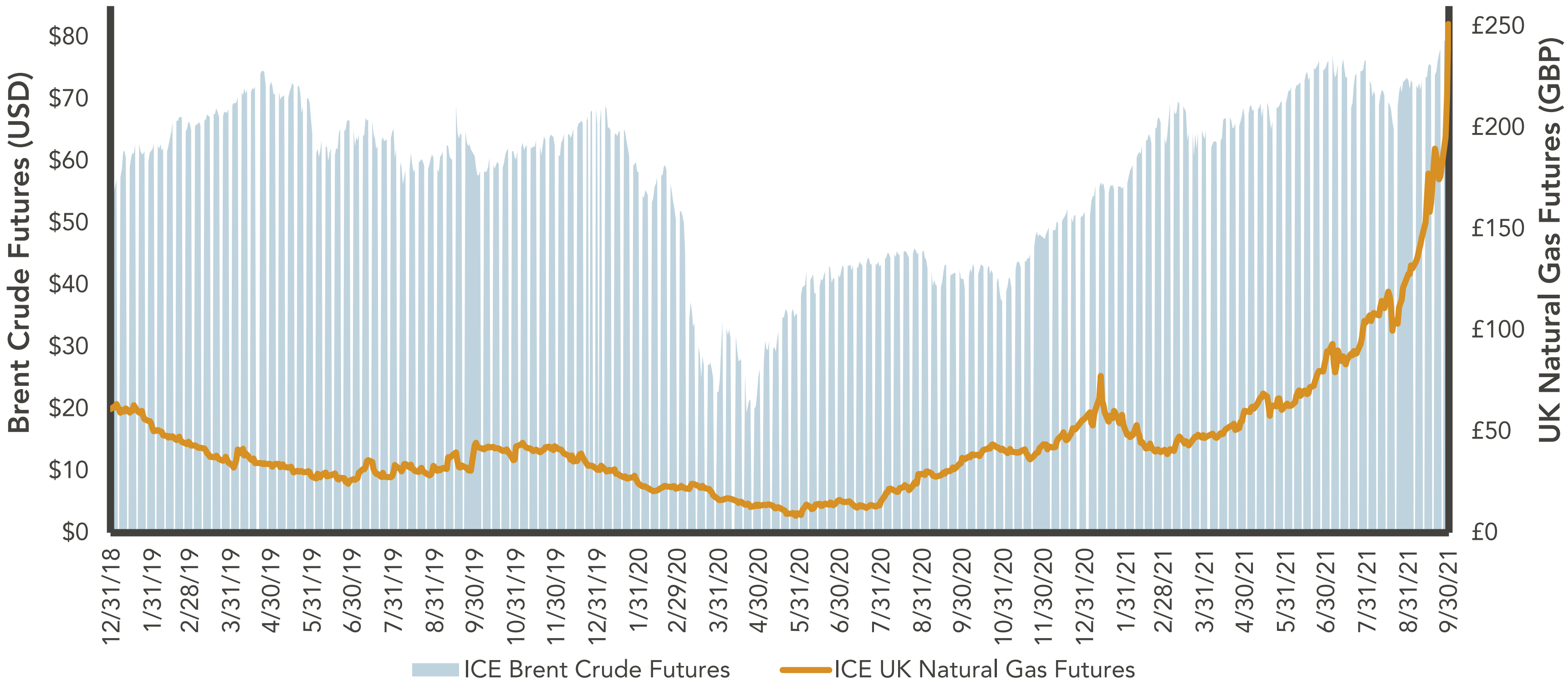
As regions continue to tackle COVID-19 variants with varying vaccination rates and supply chain bottlenecks, global GDP growth expectations dropped to 5.7%



Source: OECD Interim Economic Outlook Forecasts September 2021.

Ballooning prices for energy

As winter approaches, Europe and the UK are experiencing soaring energy costs due to reopening demand and supply challenges; a similar dynamic is emerging in the U.S.

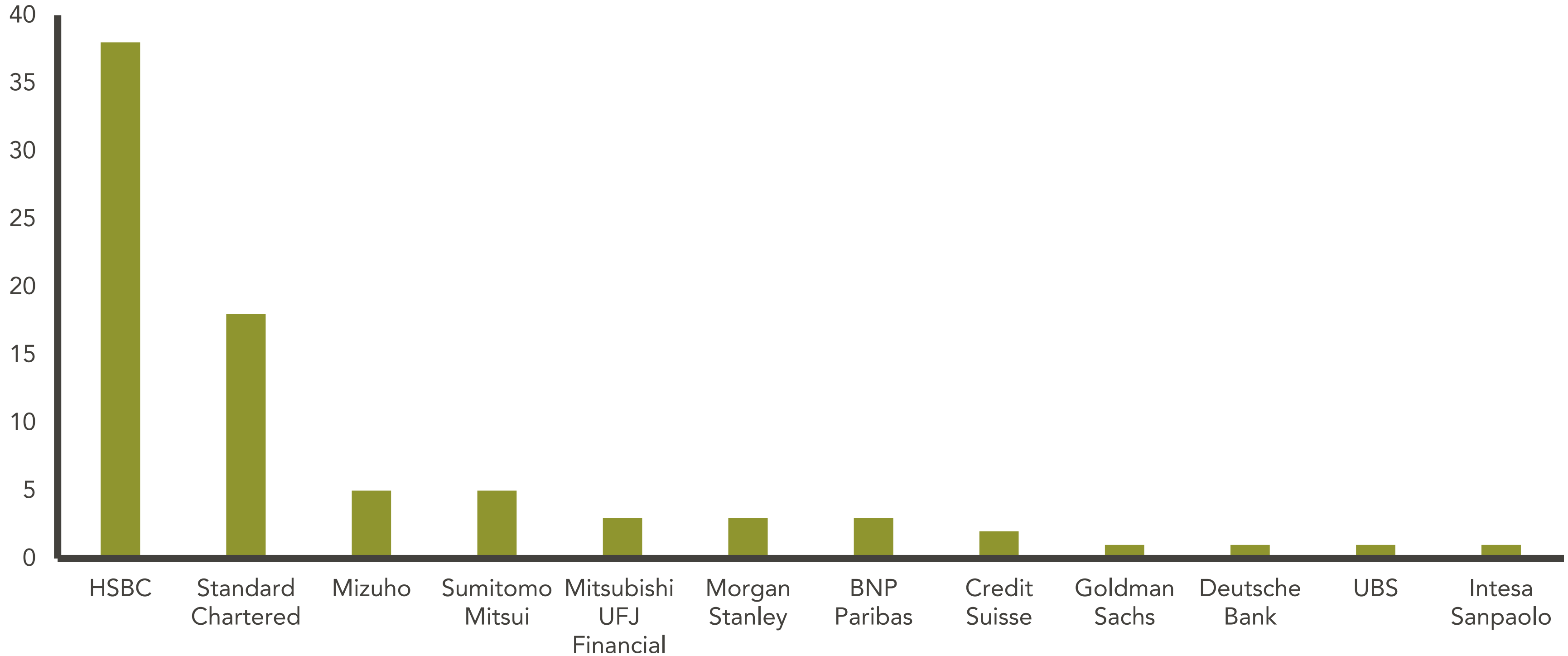


Source: Bloomberg as of September 30, 2021. ICE = Intercontinental Exchange

Evergrande is not the next Lehman Brothers

Most global banks have low exposure to major real estate developers in China with exception of HSBC and Standard Chartered, as most of exposure held by Chinese banks

Number of deals for loans to developers in China



Source: JPMorgan Cazenove

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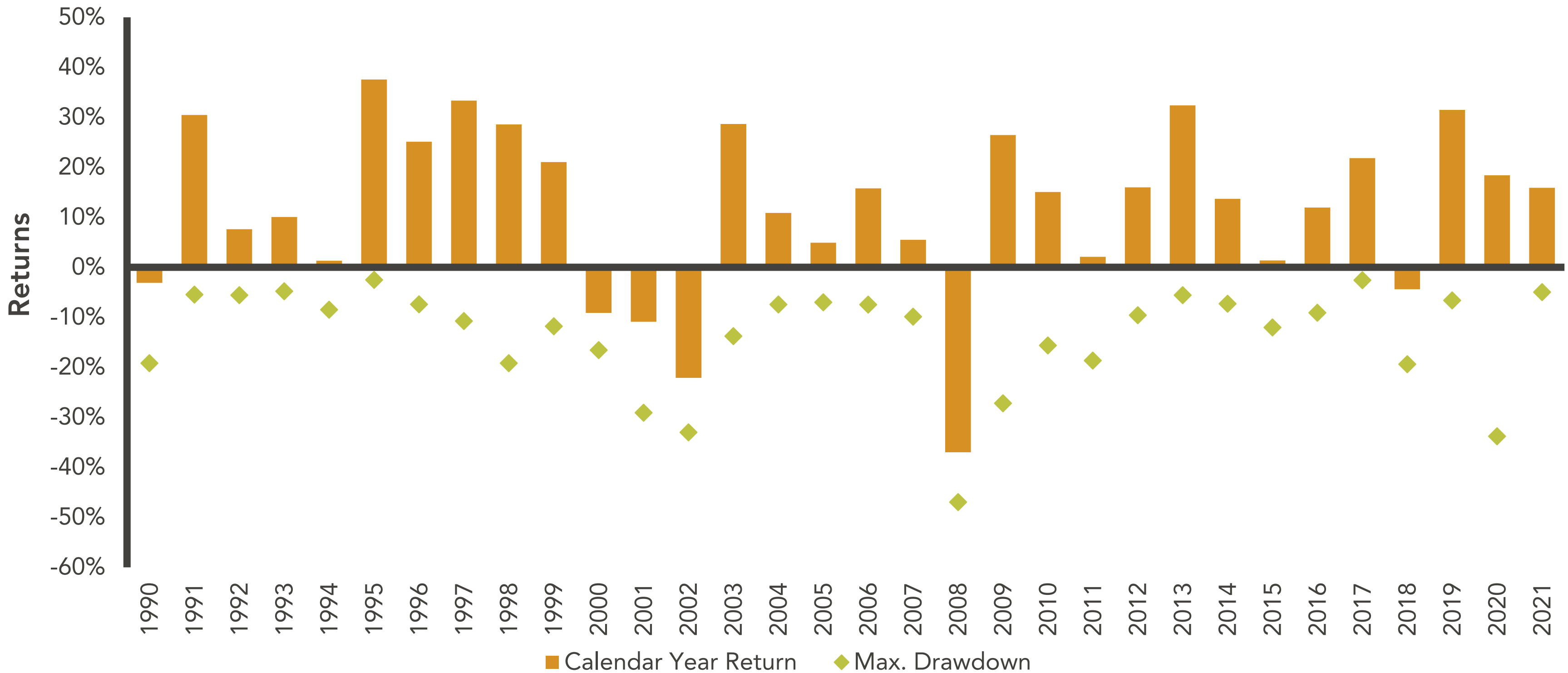
Sept. swoon modest compared to historical pullbacks

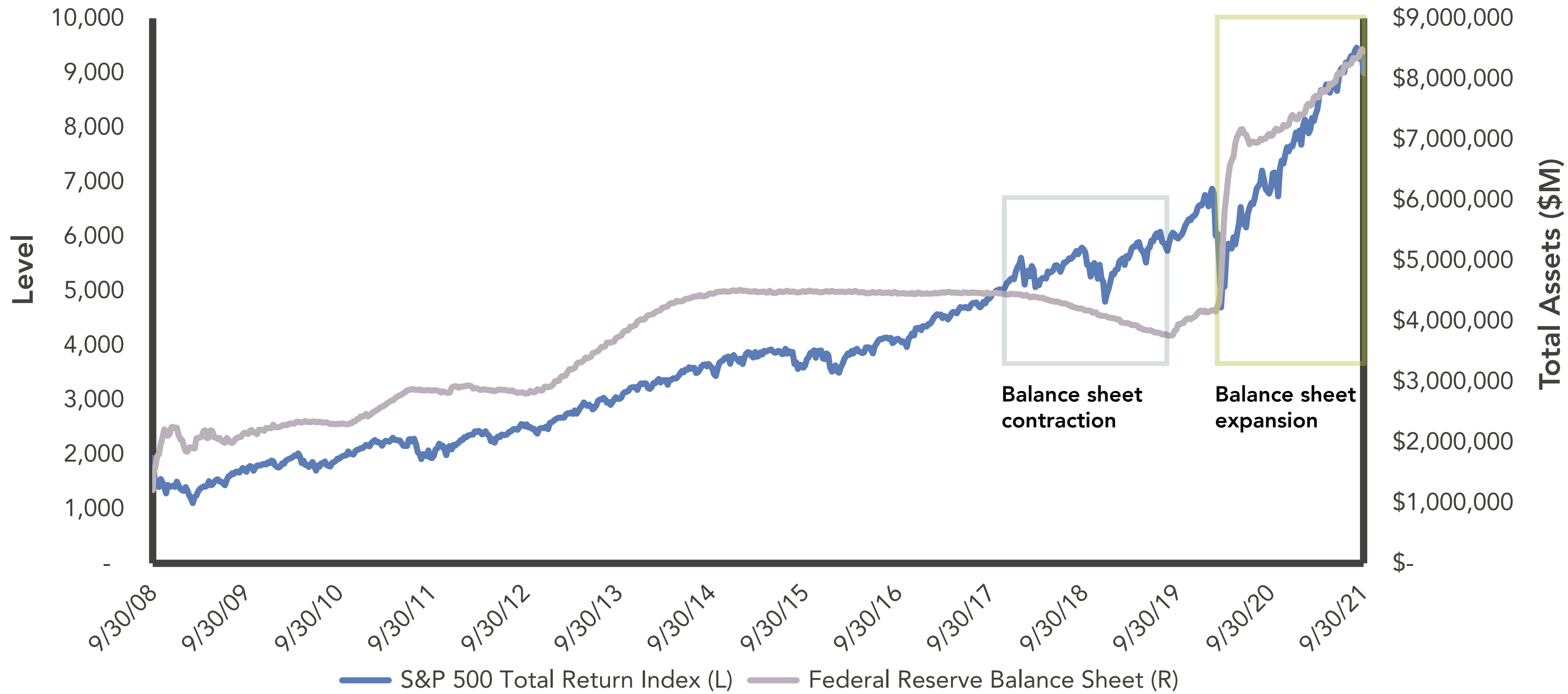
The roughly 5% drop exhibited by the S&P 500 in September is negligible compared to drawdowns in previous periods, and is roughly half of the median annual drawdown for the index in the last 30 years



Source: Bloomberg as of September 30, 2021

U.S. equities, the Fed balance sheet, and tapering

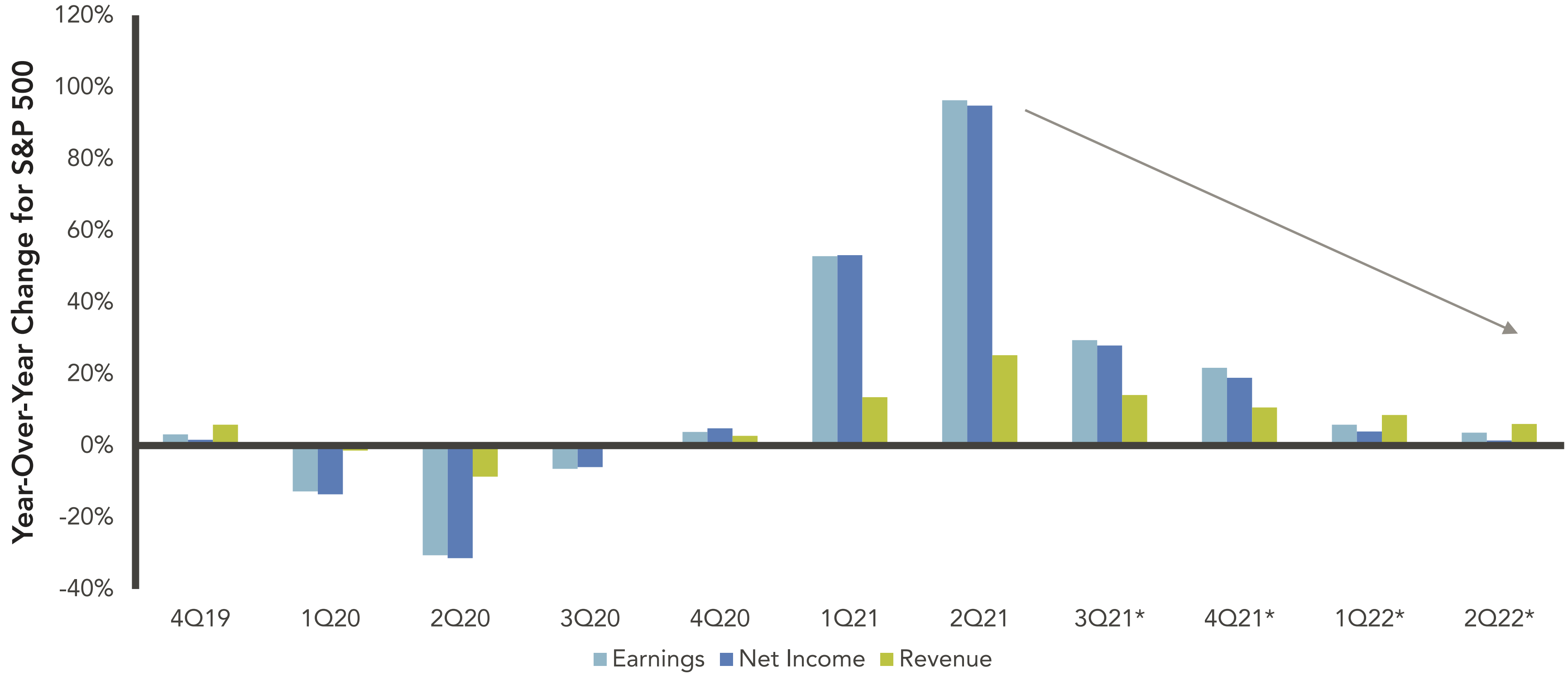
Quantitative easing has helped buoy asset prices and keep the U.S. equity market performing strongly, however future balance sheet tapering could lead to some repricing as investors weigh the costs of more restrictive monetary policy



Source: Bloomberg and Federal Reserve Bank of St. Louis as of September 30, 2021

Forecasts indicate S&P 500 earnings growth has peaked

Going forward, most analysts expect earnings growth for S&P 500 companies to slow amid ongoing economic reopenings, which could impact index performance given the importance of earnings to equity returns



Sources: FactSet and Refinitiv (Institutional Brokers' Estimate System) as of September 30, 2021; *Indicates estimates

U.S. economy overview

- The worst of the delta variant appears to be behind us though some concern still lingers for northern states
- 2021 GDP growth forecast revised downward from 7% to 5.9% as a result of delta variant; 2022 and 2023 forecasts inch higher
- Financial profile of average U.S. consumer continues to strengthen which should bode well for future consumption patterns and GDP growth
- Fed will announce taper program in November, but not raise rates until mid-2022 at the earliest
- Inflation expected to stay elevated for the short-term, even as past drivers such as commodity prices and used car prices pull back; rising energy costs have emerged as the primary inflation concern
- September unemployment drops to 4.8% but could move higher as more workers return to the work force; this will improve participation rate but likely lead to a higher unemployment figure
- Ongoing supply chain bottlenecks could make holiday shopping and gift giving particularly challenging

Fixed Income

Fixed income: Rates rise slightly as COVID cases subside

However, Evergrande contagion fears jitter markets along with tech-driven sell-off due to elevated valuation concerns

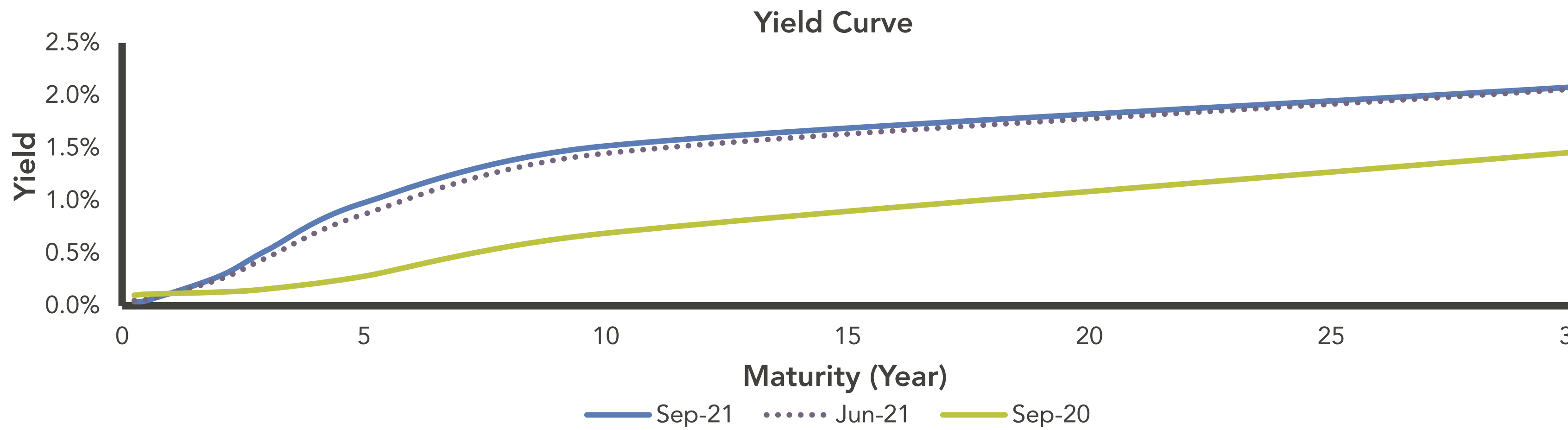
		1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Broad Market Indices	Blm BC Aggregate	-0.87	0.05	-1.55	-0.90	5.36	2.94	3.01
Intermediate Indices	Blm BC Int. Gov./Credit	-0.57	0.02	-0.87	-0.40	4.63	2.60	2.52
Government Only Indices	Blm BC Long Gov.	-2.85	0.46	-7.40	-10.13	9.17	3.34	4.40
	Blm BC Int. Gov.	-0.60	0.00	-1.12	-1.33	3.98	1.99	1.81
	Blm BC 1-3 Year Gov.	-0.10	0.07	-0.02	0.03	2.67	1.65	1.18
	Blm BC U.S. TIPS	-0.71	1.75	3.51	5.19	7.45	4.34	3.12
Credit Indices	Blm BC U.S. Long Credit	-1.97	-0.18	-2.66	2.13	10.20	6.14	6.59
	Blm BC High Yield	-0.01	0.89	4.53	11.28	6.91	6.52	7.42
	CS Leveraged Loan Index	0.65	1.13	4.65	8.46	4.09	4.64	5.04
Securitized Bond Indices	Blm BC MBS	-0.36	0.10	-0.67	-0.43	3.85	2.17	2.41
	Blm BC ABS	-0.15	0.05	0.23	0.59	3.50	2.36	2.13
	Blm BC CMBS	-0.76	-0.03	-0.25	0.99	5.71	3.36	4.16
Non-U.S. Indices	Blm BC Global Aggregate Hedged	-0.94	0.09	-1.43	-0.56	4.64	2.89	3.57
	JPM EMBI Global Diversified	-2.07	-0.70	-1.36	4.36	5.65	3.89	5.80
	JPM GBI-EM Global Diversified	-3.43	-3.10	-6.38	2.63	3.66	2.06	1.05
Municipal Indices	Blm BC Municipal 5 Year	-0.46	0.13	0.30	1.08	3.87	2.41	2.52
	Blm BC HY Municipal	-0.65	0.38	6.53	11.33	7.44	6.00	6.68

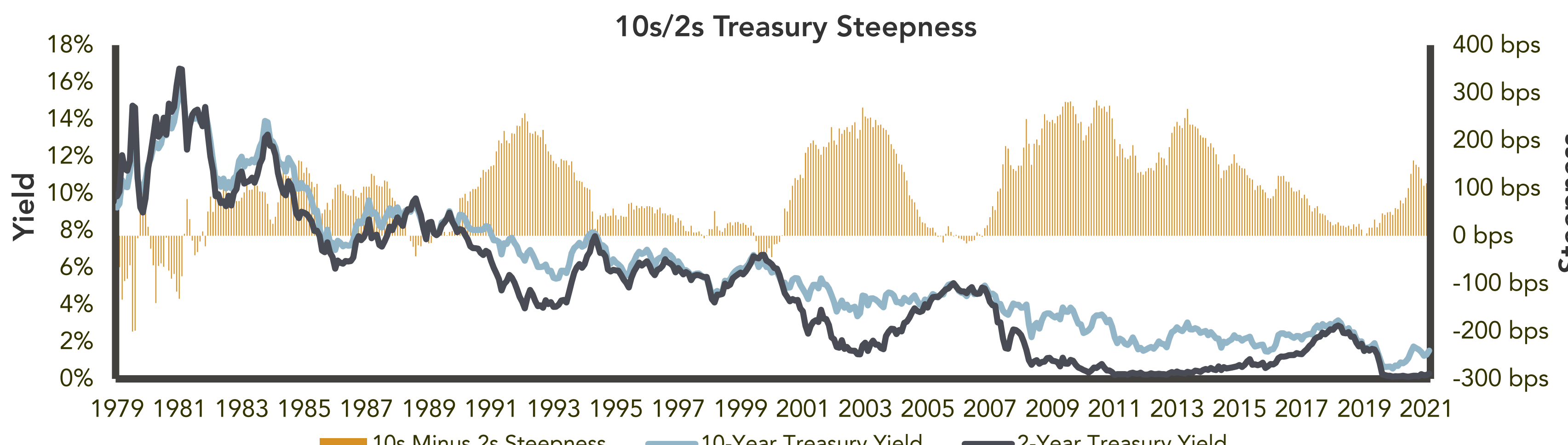
Note: The local currency GBI index is hedged and denominated in U.S. dollars. Sources: Bloomberg Barclays, Credit Suisse, JPMorgan, as of September 30, 2021

Themes for the quarter

- Yields across the curve slightly rise as COVID cases subside
- Spreads tightened for bank loans as inflows generally rose with the expectation of higher interest rates; however, they widened for HY and EMD in tandem with a pullback in equities
- COVID cases turn corner and vaccines continue to make progress:
  - Declining or plateauing delta variant cases in certain regions; lambda and mu variants less contagious than delta variant; lambda and mu subsiding in many regions
  - FDA announced vaccines continue to provide relatively high efficacy without need for boosters at this time; Pfizer announces its vaccine is safe for children ages 5 to 11; FDA might delay authorizing Pfizer vaccine for children from October to November; California will mandate all students 12 and older be vaccinated
  - Fully vaccinated level reaches 70%+ for many countries and 50%+ for U.S.; rest of world still lagging; initial jobless claims reach new pandemic low
- Fed expected to announce taper program in November but unclear on when it will start
- Concern over Chinese real estate, inflated market levels, geopolitics, and natural events elevates volatility:
  - Evergrande's default and possible credit crunch contagion causes pullback in global markets; tech sector sell-off with investors profit-taking as part of overdue correction to overdone rally, factoring in potentially higher interest rates along with supply constraint-driven rise in oil prices stifling cash flow
  - Announced M&A volume surpasses tech boom '00, housing boom ’07, shale boom '15 peaks, may be concerning from impending market correction standpoint
  - Biden’s $3.5 trillion climate and social policy package hits impasse; concern over debt ceiling rises; Taliban takes over Afghanistan; Hurricane Ida makes landfall

Rates rise slightly as COVID cases subside



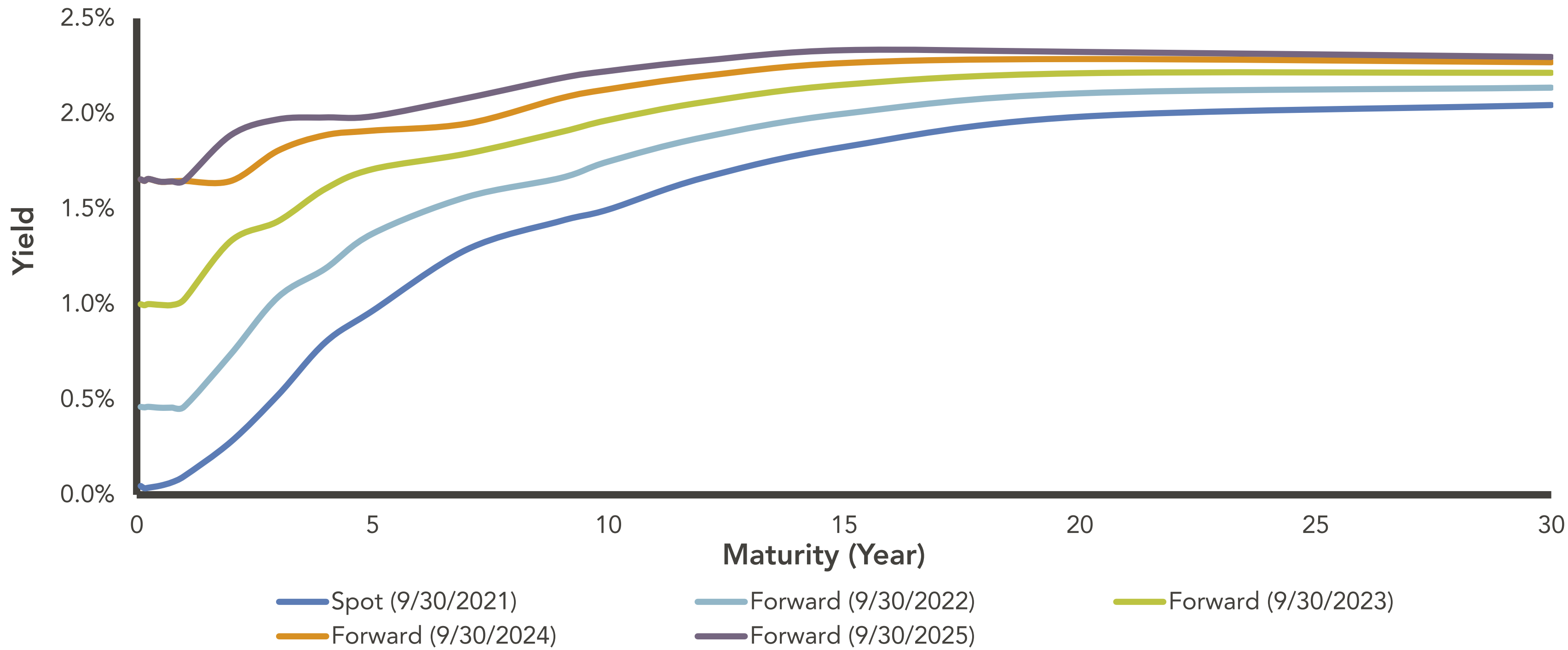


Source: Federal Reserve as of September 30, 2021

Market still expects rates to rise

The 10-yr rose from 0.90% at the end of 2020 to 1.70% in 1Q, then fell to 1.50% in 2Q and stayed there in 3Q, projected to reach 2.20% in four years

Projected Treasury Forward Curves, Next Four Years



Sources: Marquette Research, Bloomberg, U.S. Treasury

Takeaways: Rates rising slightly but remain low

LOOKING BACK

- **Idiosyncratic and systemic risks rising:** Chinese real estate debt potentially a bubble but not widely held outside China and lack of derivatives multiplier effect should prevent LTCM-like contagion. Tech-driven correction and debt ceiling elevates volatility.
- **Interest rates range-bound:** The 10-year fluctuates around 1.50% level, rising recently as delta, lambda, mu and R.1 variant concerns subside, but Evergrande and tech-driven selloff prompt curve steepening as assets head towards cash.
- **Fed beginning to signal taper and liftoff:** The Fed hinted at potentially pulling back on bond purchases and hiking rates in the 2022 to 2023 timeframe but will continue to be data-dependent, awaiting full COVID recovery.

LOOKING AHEAD

- **Volatility:** Volatility is expected to be elevated as Chinese real estate and U.S. debt ceiling uncertainties fully play out in the markets over the coming months.
- **Herd immunity is achievable, but vaccination rates slow:** A handful of countries are at 70%+ fully vaccinated, the U.S. is only at 50%+. Biden's mandate that companies with 100+ employees must require vaccinations expected to help.
- **Interest rates & inflation**: We expect the Fed and other central banks to grow more hawkish by the month as employment figures return to normal levels. Rates are expected to rise over the medium term as the Fed gradually hikes on the short end and gradually unravels its balance sheet on the long end. While inflation readings remain at 5% levels, there are signs that commodity prices are turning the corner and reversion to 2% levels are projected in the next few years.
- **Spreads**: With spreads still near all-time tights, the potential for a spread-widening event grows. This is attenuated by the runway towards herd immunity, which may continue to put downward pressure on spreads.

U.S. Equities

Sept. drop leads to mixed results for U.S. equities in 3Q

All major U.S. equity indices fell in September, leading to negative third quarter returns for mid- and small-cap stocks; large-cap growth companies eked out modest gains while their value-oriented counterparts slightly trailed

	Month (%)	3-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
Broad Market Indices							
Dow Jones	-4.2	-1.5	12.1	24.2	11.0	15.7	14.7
Wilshire 5000	-4.4	0.1	15.6	32.4	16.2	17.0	16.7
Russell 3000	-4.5	-0.1	15.0	31.9	16.0	16.9	16.6
Large-Cap Market Indices							
S&P 500	-4.7	0.6	15.9	30.0	16.0	16.9	16.6
Russell 1000	-4.6	0.2	15.2	31.0	16.4	17.1	16.8
Russell 1000 Value	-3.5	-0.8	16.1	35.0	10.1	10.9	13.5
Russell 1000 Growth	-5.6	1.2	14.3	27.3	22.0	22.8	19.7
Mid-Cap Market Indices							
Russell Mid-Cap	-4.1	-0.9	15.2	38.1	14.2	14.4	15.5
Russell Mid-Cap Value	-3.7	-1.0	18.2	42.4	10.3	10.6	13.9
Russell Mid-Cap Growth	-4.8	-0.8	9.6	30.5	19.1	19.3	17.5
Small-Cap Market Indices							
Russell 2000	-2.9	-4.4	12.4	47.7	10.5	13.5	14.6
Russell 2000 Value	-2.0	-3.0	22.9	63.9	8.6	11.0	13.2
Russell 2000 Growth	-3.8	-5.7	2.8	33.3	11.7	15.3	15.7

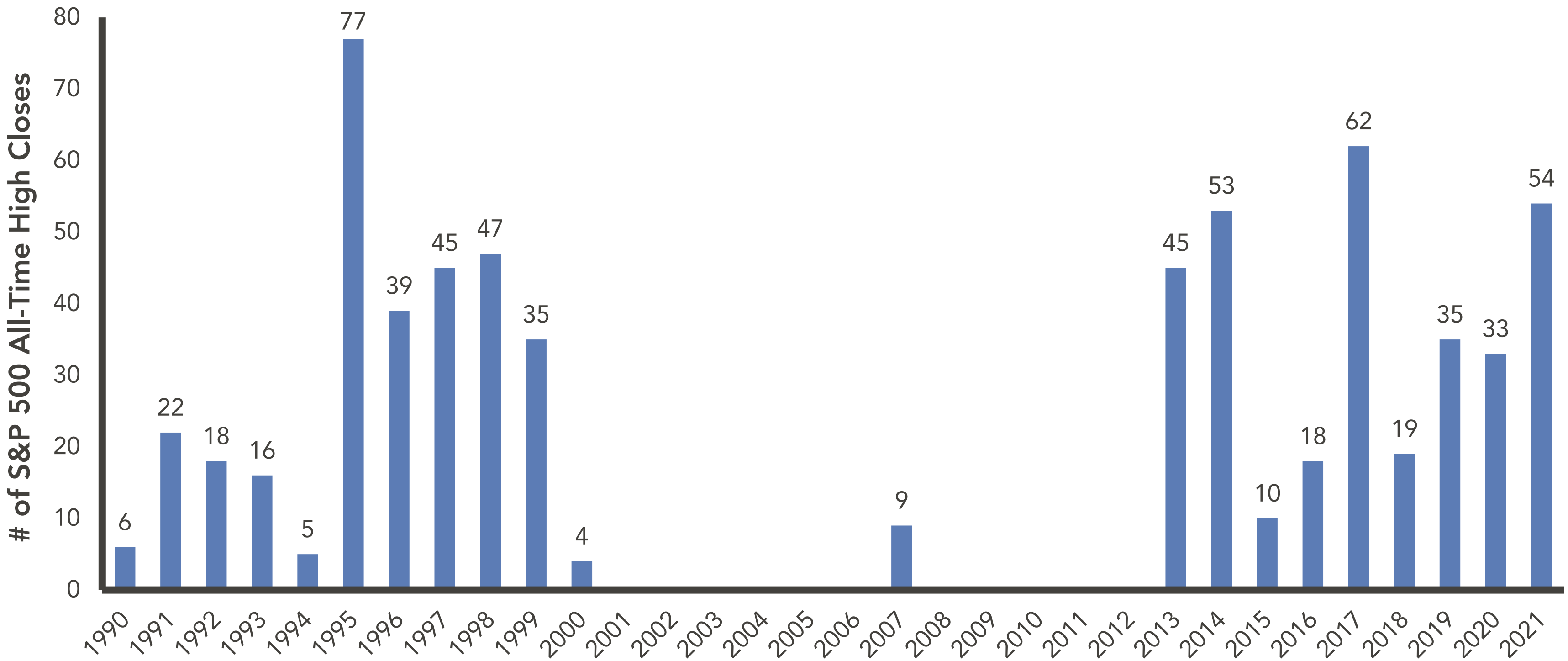
Source: Morningstar Direct as of September 30, 2021

Themes for the quarter

- September saw the 7-month winning streak for the S&P 500 come to an end as U.S. equities turned negative amid slow-moving negotiations on fiscal spending, rising rates, renewed inflation fears, and concerns over an earnings growth peak
  - While the Federal Reserve continues to provide support to the U.S. economy, Chair Jerome Powell stated at a recent meeting that balance sheet tapering “may soon be warranted”
- Large-cap stocks outperformed their smaller peers during the third quarter of 2021, while style leadership largely depended on market cap segment (e.g., value-oriented equities outperformed their growth counterparts within the small-cap space during the quarter while the opposite held true within large-cap)
- Most U.S. equity market valuations remain elevated across the size and style spectrums relative to historical norms, however core and value multiples have continued to experience compression due to strong earnings growth by many companies in those spaces in recent months
- Despite increased volatility levels in recent weeks amid drawdowns within the U.S. equity space, the VIX remains close to its 20-year average

2021 sees numerous market highs despite recent drop

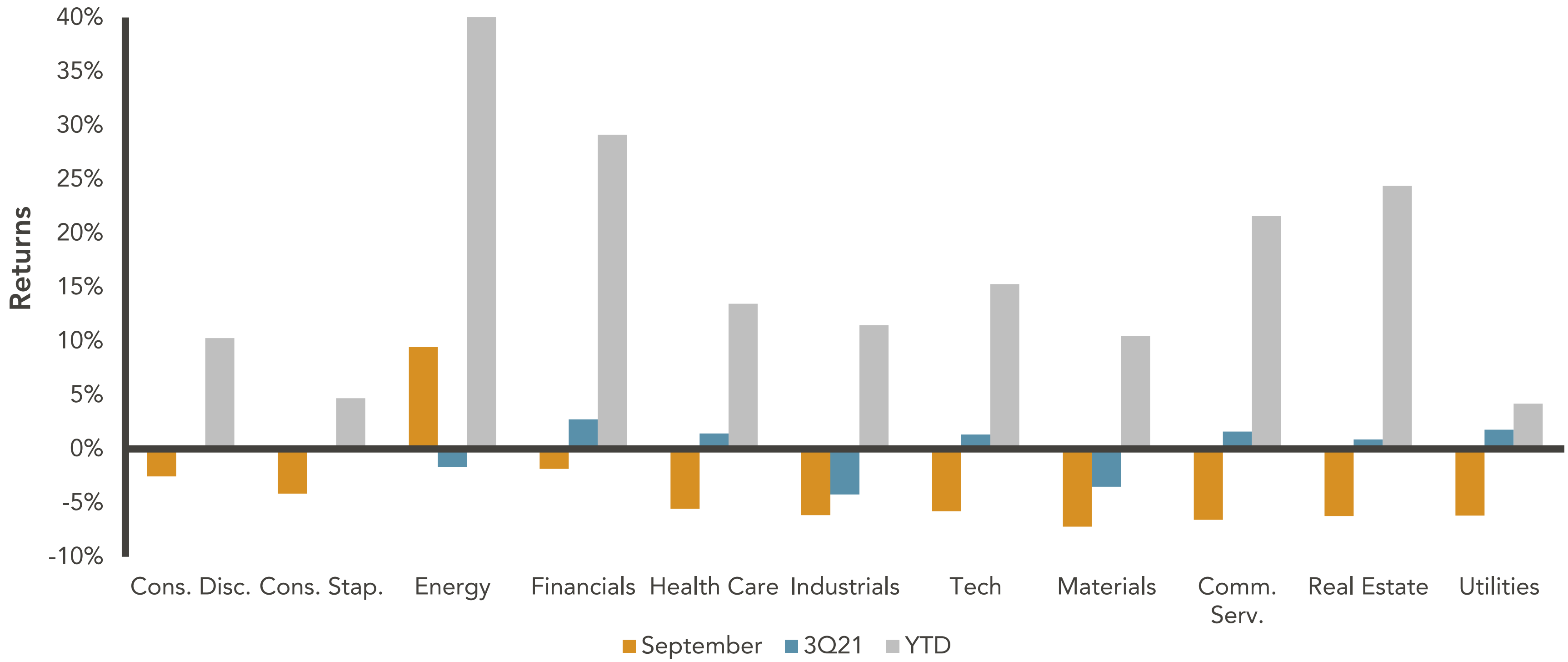
The S&P 500 index logged one more all-time high close during the month of September before turning negative, bringing the number of record closes since the start of 2021 to 54, the third-highest figure since 1990



Source: Bloomberg as of September 30, 2021; Blank years indicate zero all-time high closes for the S&P 500

Energy the only S&P 500 sector to notch positive Sept.

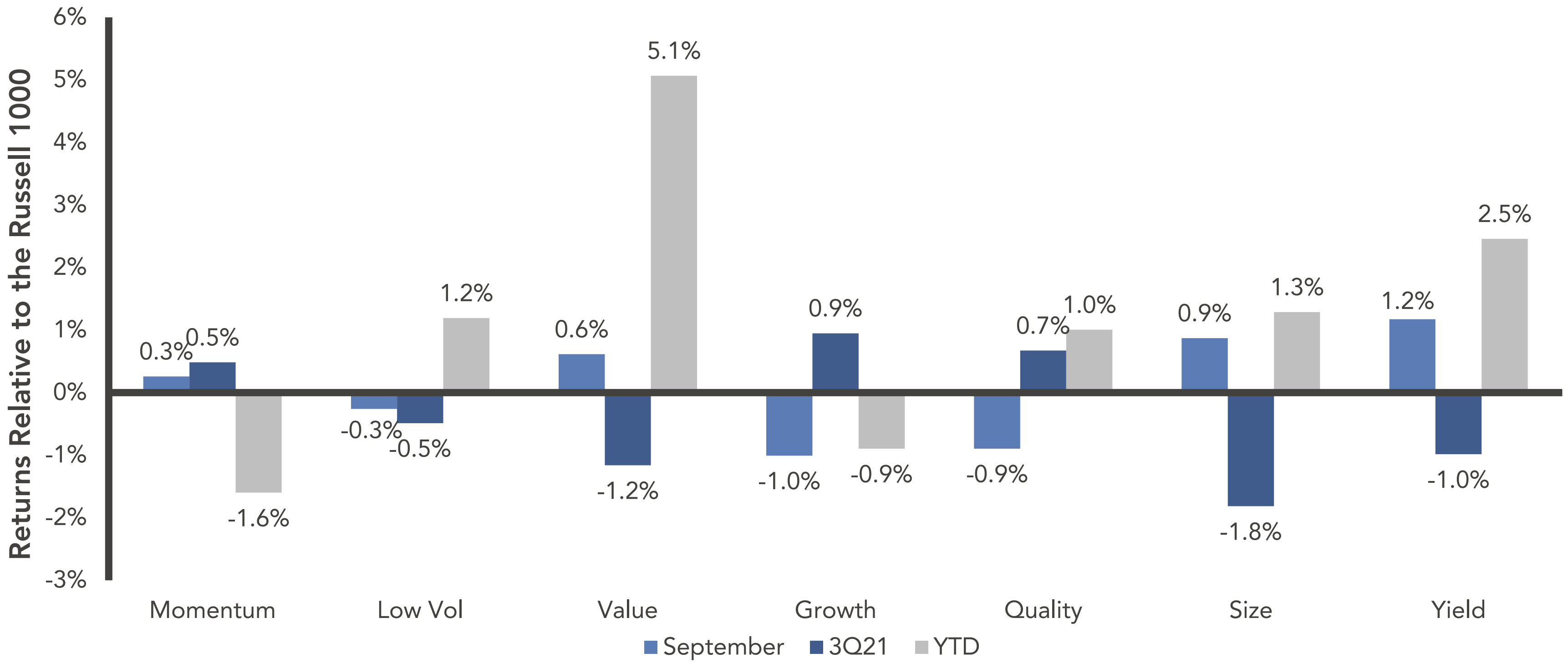
Despite a difficult month of September, all S&P 500 sectors remain positive on a year-to-date basis; the Financials sector led the way during the third quarter, building upon strong performance since the start of 2021



Source: Morningstar Direct as of September 30, 2021

No outsized factor leadership in September or 3Q

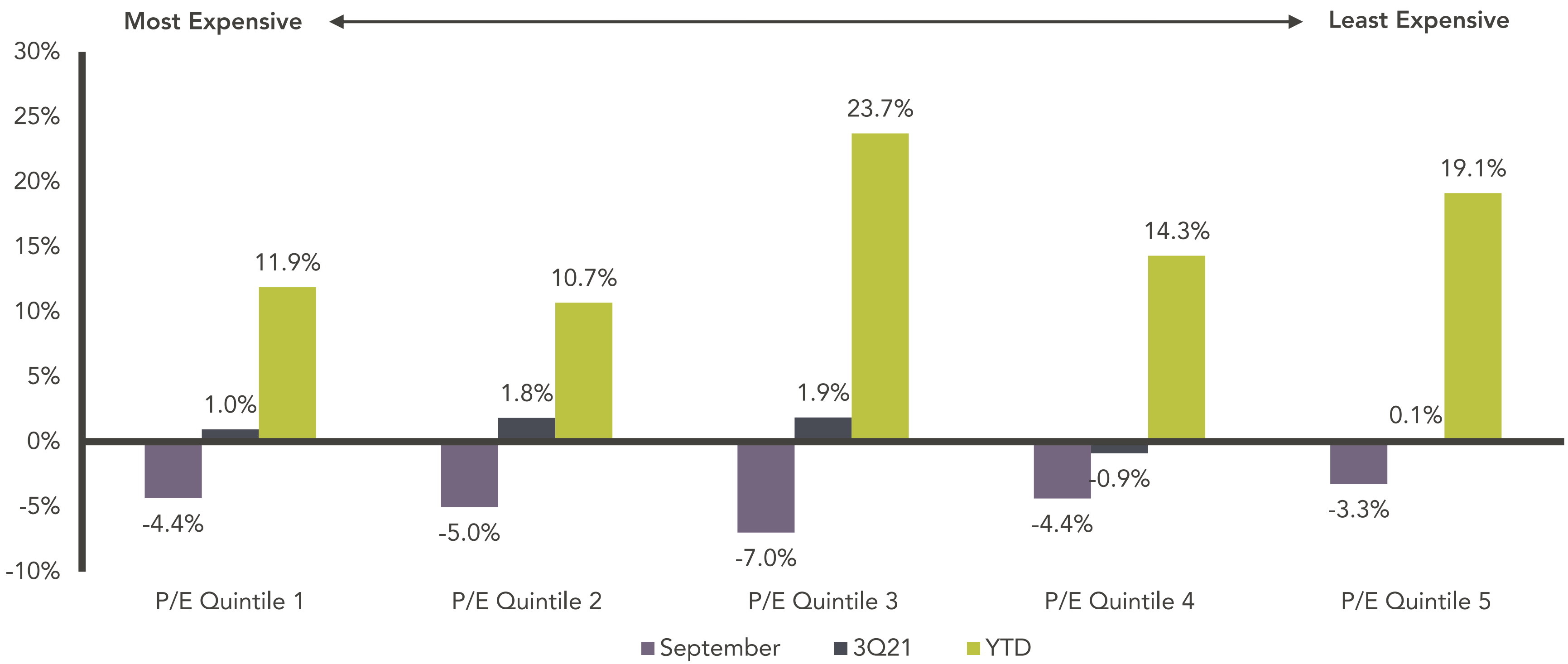
The size factor struggled during the third quarter of 2021, while September saw value-oriented stocks slightly add to their year-to-date leadership



Source: Bloomberg as of September 30, 2021

Pricey stocks notch positive 3Q despite Sept. struggles

Despite continuing to lead on a year-to-date basis, cheaper companies were flat-to-negative during the third quarter due to a difficult month of September for U.S. equities



Source: FactSet as of September 30, 2021; SPY ETF used as a proxy for the S&P 500

Takeaways: Volatility, size, earnings growth

LOOKING BACK

- September was the first month in the last seven during which the S&P 500 index exhibited negative performance, and most U.S. equity indices experienced pullbacks in the period amid concerns over inflation, supply chain bottlenecks, and a potential earnings peak for U.S. companies
- Large-cap stocks outperformed their smaller peers in the third quarter despite largely trailing in September; value-oriented equities continue to lead on a year-to-date basis and outpaced growth stocks within the small-cap space in the third quarter, despite slightly trailing further up the market cap spectrum during the period
- Despite poor performance by U.S. stocks in recent weeks, equity market volatility remained mostly muted during the third quarter and the VIX remains near its long-term average

LOOKING AHEAD

- Though valuations exhibited by several U.S. equity indices remain elevated relative to historical norms, multiples for certain areas of the market (e.g., the small-cap core and value spaces) have compressed in recent time amid strong earnings growth for many U.S. companies
- The potential for sustained inflation and continued supply chain disruptions pose a threat to certain segments of the equity market, particularly capital-intensive companies that rely heavily on inputs as part of their production processes
- There exists widespread belief among analysts that earnings for U.S. companies have peaked, meaning earnings growth will likely slow in future quarters (while remaining positive)
- The equity risk premium remains positive despite a modest increase in the 10-year Treasury yield in recent time, indicating the ongoing attractiveness of U.S. stocks relative to fixed income securities

Non-U.S. Equities

Emerging markets struggle in third quarter

Developed markets outperform EM as China comes under pressure

	Month (%)	3-Month (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
MSCI ACWI	-4.1	-1.1	11.1	27.4	12.6	13.2	11.9
MSCI ACWI ex. U.S.	-3.2	-3.0	5.9	23.9	8.0	8.9	7.5
MSCI EAFE	-2.9	-0.4	8.3	25.7	7.6	8.8	8.1
MSCI EAFE Local	-1.3	1.3	14.2	27.2	7.2	9.0	10.1
MSCI Emerging Markets	-4.0	-8.1	-1.2	18.2	8.6	9.2	6.1
MSCI EM Local	-2.8	-6.7	0.7	16.9	9.5	10.4	8.7
MSCI EAFE Small-Cap	-3.6	0.9	10.0	29.0	9.0	10.4	10.7
MSCI EM Small-Cap	-2.0	-2.2	17.2	43.2	13.1	9.8	7.2
MSCI Frontier	1.2	3.4	18.9	32.2	10.8	9.5	7.1

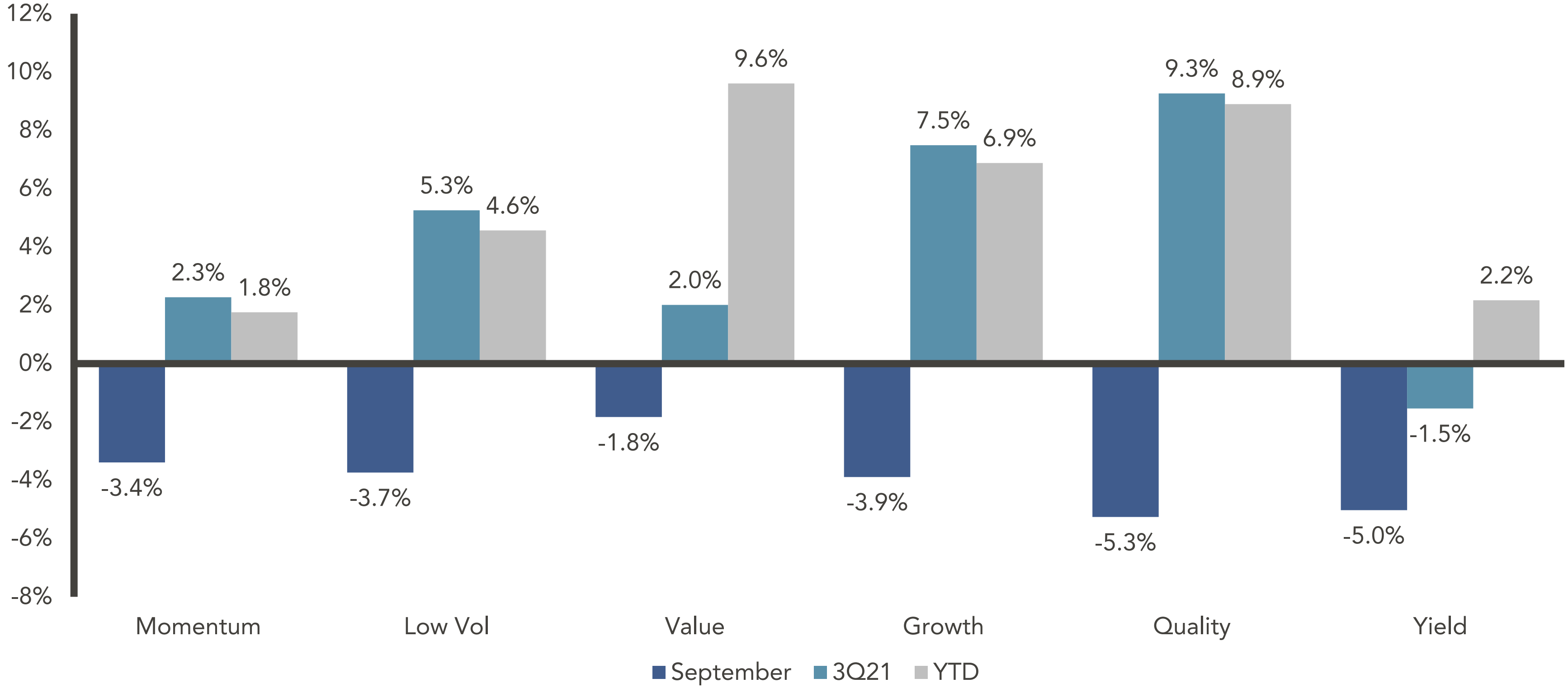
Source: eVestment as of September 30, 2021

Themes for the quarter

- Global economic data loses momentum
- Evergrande debt issues drive volatility and further negative momentum for Chinese equities
- After a strong 2020 China trails in the midst of regulatory concerns and default concerns within the real estate sector
- The growth style under pressure in EM as China growth stocks sell-off
- Non-U.S. developed markets outperform emerging markets with positive earnings surprises and improved sentiment
- Energy is the strongest performing sector across global equities, boosting the value factor

MSCI EAFE factors: Value and quality lead YTD

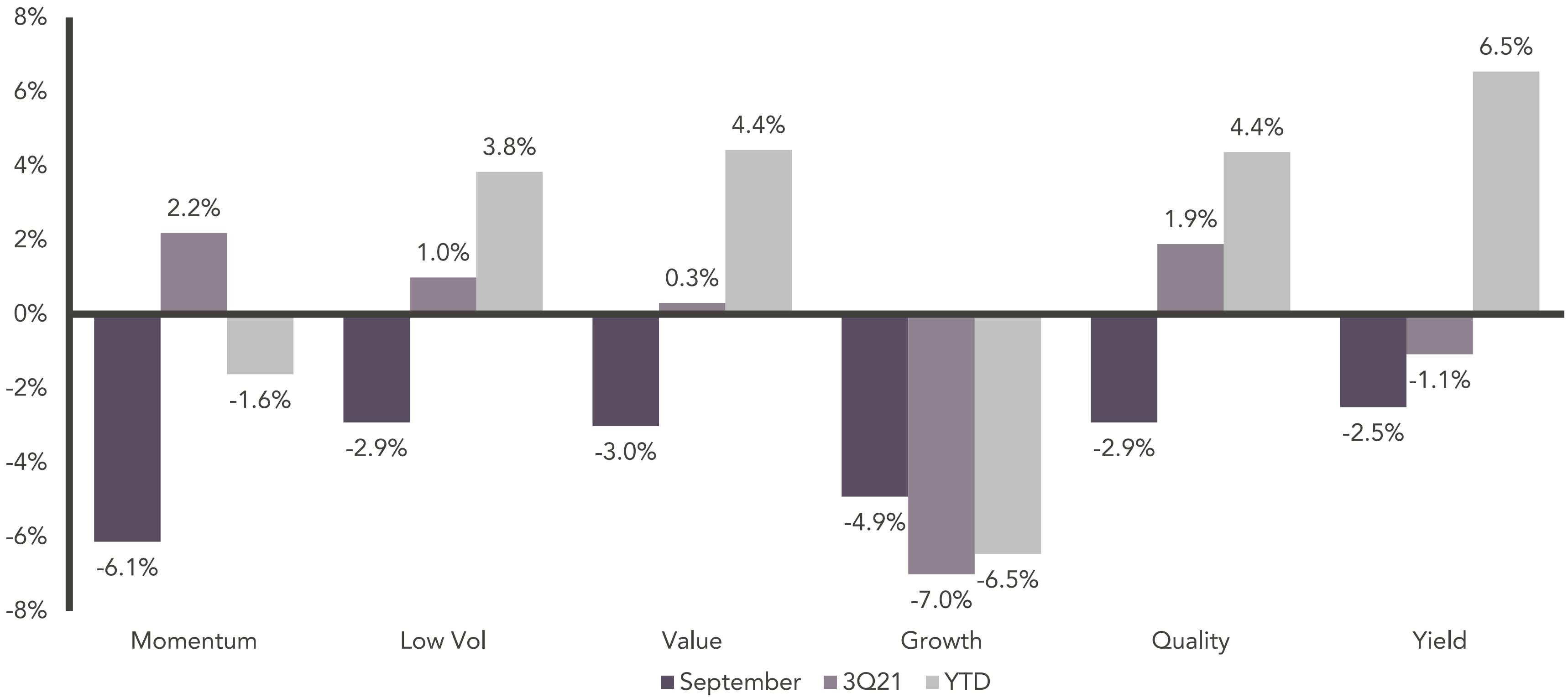
Developed markets saw all factors dip to negative territory in September while value continues to outpace growth YTD



Source: eVestment as of September 30, 2021

MSCI Emerging Markets: Yield drives performance YTD

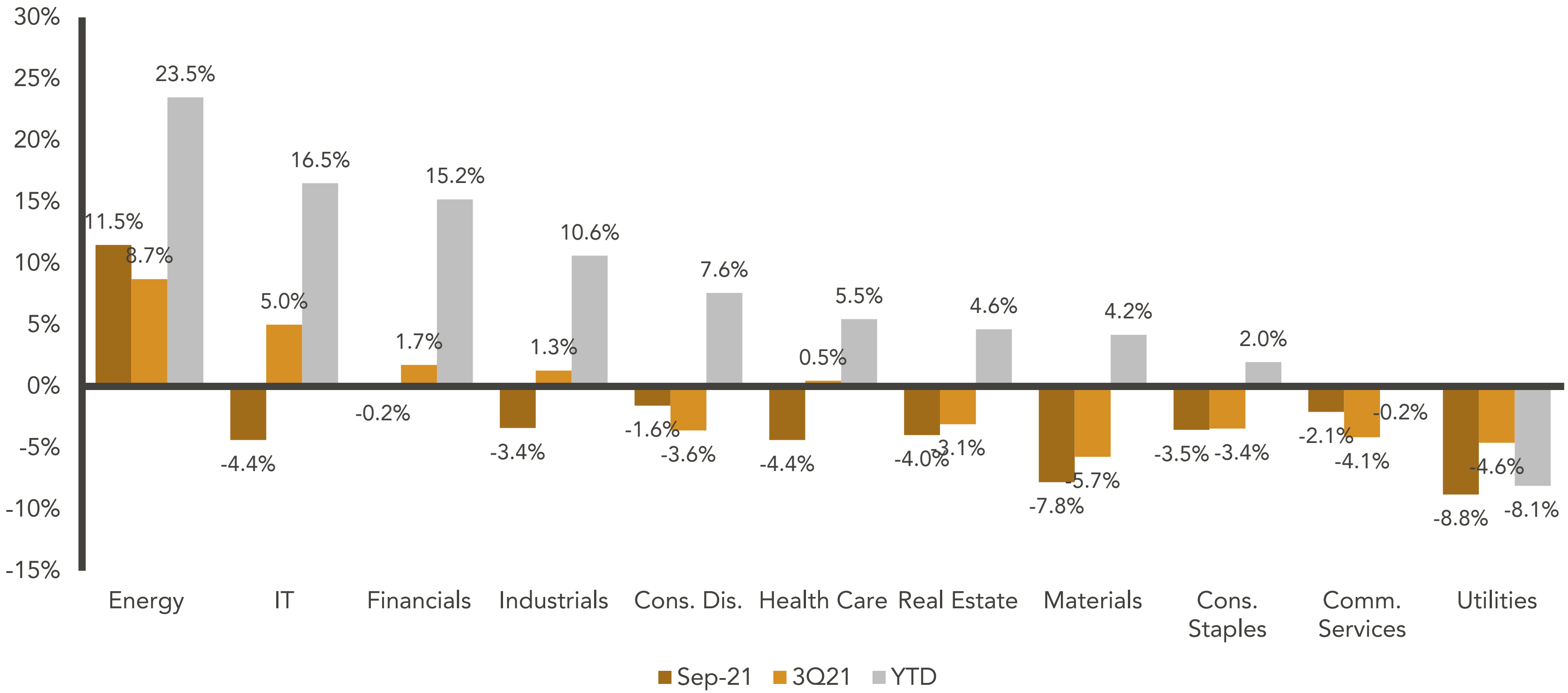
All factors in the EM space struggled in September, yet momentum and growth were hit the hardest in 3Q21



Source: eVestment as of September 30, 2021

MSCI EAFE: Cyclicals continue to lead YTD

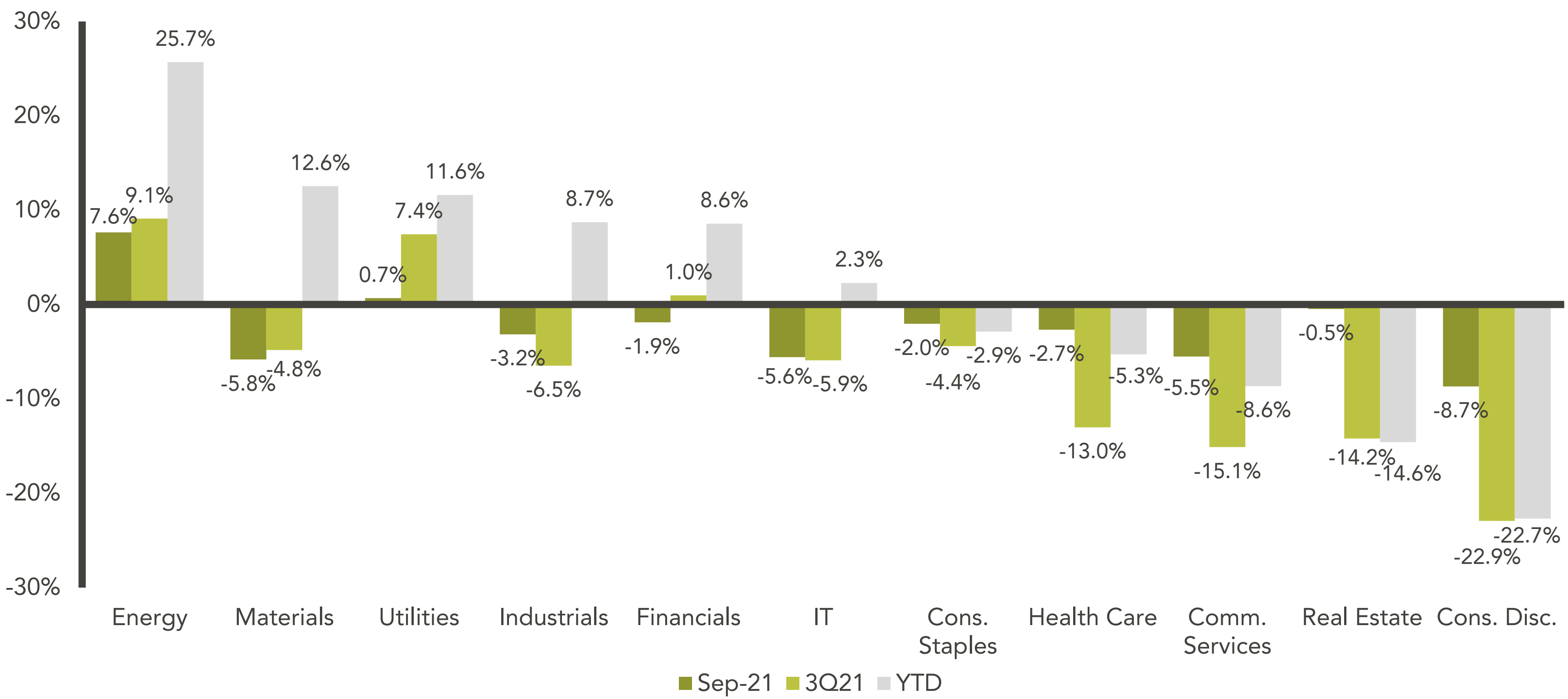
Energy and Tech lead the way as the top performers in 3Q21



Source: Bloomberg as of September 30, 2021

MSCI EM: Energy takes top spot YTD

Energy and Utilities generate the strongest returns in the third quarter, as all other sectors show negative performance



Source: Bloomberg as of September 30, 2021

China continues to struggle in 2021

Russia and India remain the top performing countries through September

Source: Bloomberg as of September 30, 2021

Takeaways: Value, EAFE favorable, China volatility

LOOKING BACK

- Economic data loses momentum and the projected world 2021 GDP ticks down
- China comes under pressure on fear of defaults within the real estate sector
- Developed markets beat emerging markets with positive vaccine momentum and rising profitability metrics
- The value factor outperforms supported by strong results within the energy sector

LOOKING AHEAD

- Valuations are historically high, lowering longer term return expectations but developed markets offer relative attractiveness
- Central banks in developed countries are likely to keep rates low however emerging economies have started hiking
- The value rally likely has further runway as economies continue to re-open and vaccines are rolled out
- Regulatory changes have been fast and furious in China and investors are attempting to digest all the change. We expect continued volatility for the next 6-12 moths before markets recalibrate to the new environment.

Real Estate

Real estate momentum continues…

Major real estate benchmarks illustrate post pandemic snapback across core property sectors and U.S. regions in 2Q21

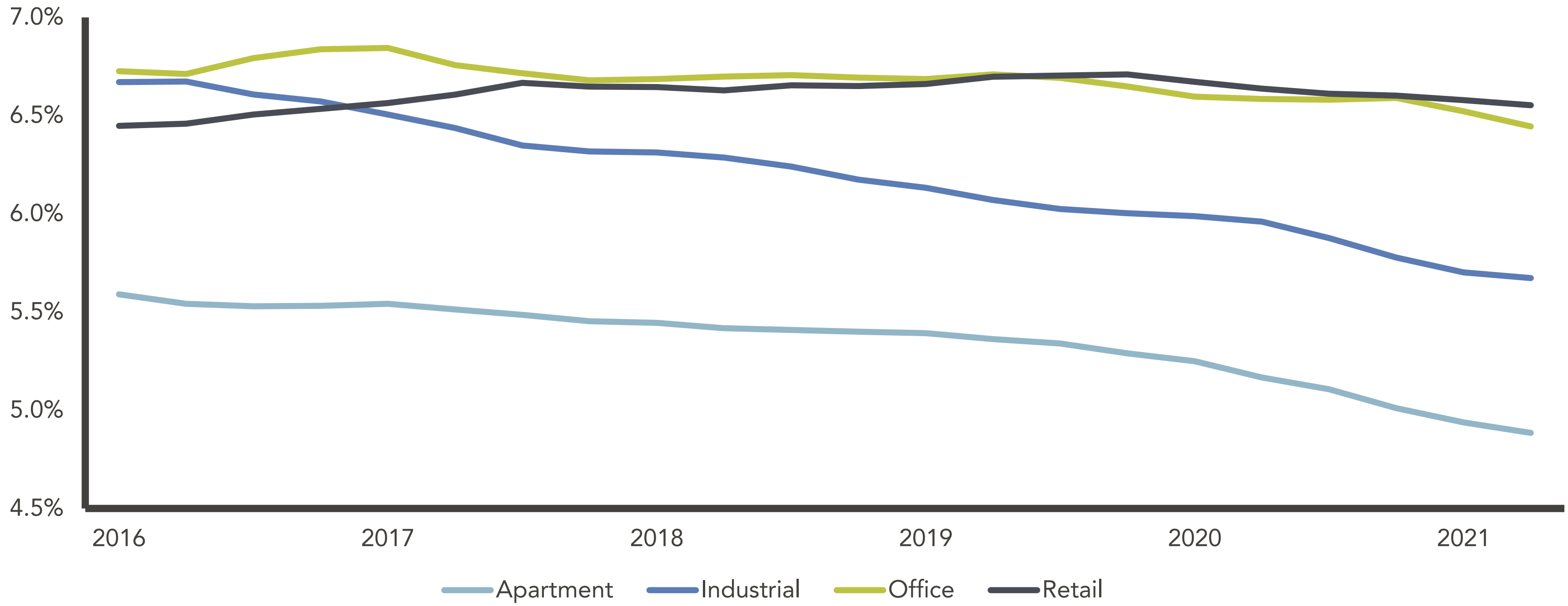
Indices	2Q21 (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
NPI	**3.6**	**5.4**	**7.4**	**5.5**	**6.1**	**8.8**
Income	1.1	2.1	4.2	4.4	4.5	5.0
Appreciation	2.5	3.2	3.1	1.1	1.6	3.7
NFI-ODCE	**3.9**	**6.1**	**8.0**	**5.5**	**6.6**	**9.6**
Income	1.0	2.0	3.9	4.0	4.2	4.6
Appreciation	2.9	4.1	4.0	1.4	2.3	4.8
FTSE NAREIT All Eq. REITs	**12.0**	**21.4**	**32.8**	**11.8**	**8.0**	**10.3**
Property Type						
NPI Apartment	3.6	5.4	7.0	5.2	5.7	8.3
NPI Office	1.4	2.4	3.3	4.7	5.2	7.8
NPI Industrial	8.9	14.0	23.0	15.6	14.6	13.7
NPI Retail	0.9	0.5	-1.3	-1.8	1.2	7.0
NPI Hotel	0.6	1.0	-8.3	-7.3	-2.6	3.2
Geographic Sectors						
NPI East	2.7	4.1	5.8	4.2	4.7	7.2
NPI Midwest	3.0	4.2	5.0	2.4	3.7	7.2
NPI South	3.8	5.6	7.7	5.5	6.1	9.1
NPI West	4.3	6.5	8.9	7.2	7.9	10.4

Source: NCREIF as of June 30, 2021

Cap rates continue to compress

With a surplus of dry powder, investors are competing for deal flow at historically low cap rates across property types, particularly with apartments and industrial

Cap Rate Trends by Major Property Sectors, Q1 2016 – Q2 2021

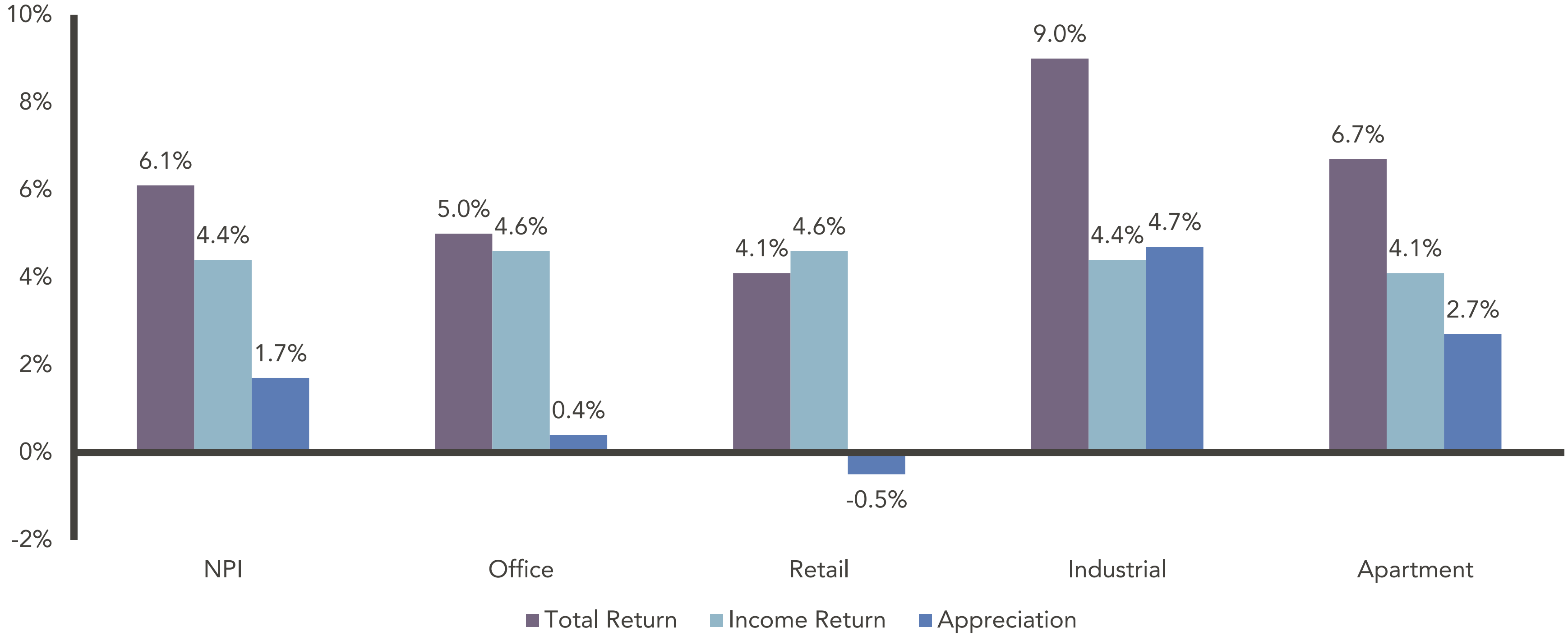


Sources: Real Capital Analytics (RCA), Clarion Partners Investment Research, Q2 2021.
Note: Cap rate trend data are based on RCA hedonic data series (to illustrate trends). RCA transaction cap rates cover Class A, B, and C assets with transaction prices of $2.5 million or higher.

Income expected to drive performance

Net operating income growth, rather than cap rate compression, is expected to be the main source of return attribution across most core property sectors over the next five years

Expected annual returns by property type 2021-2025

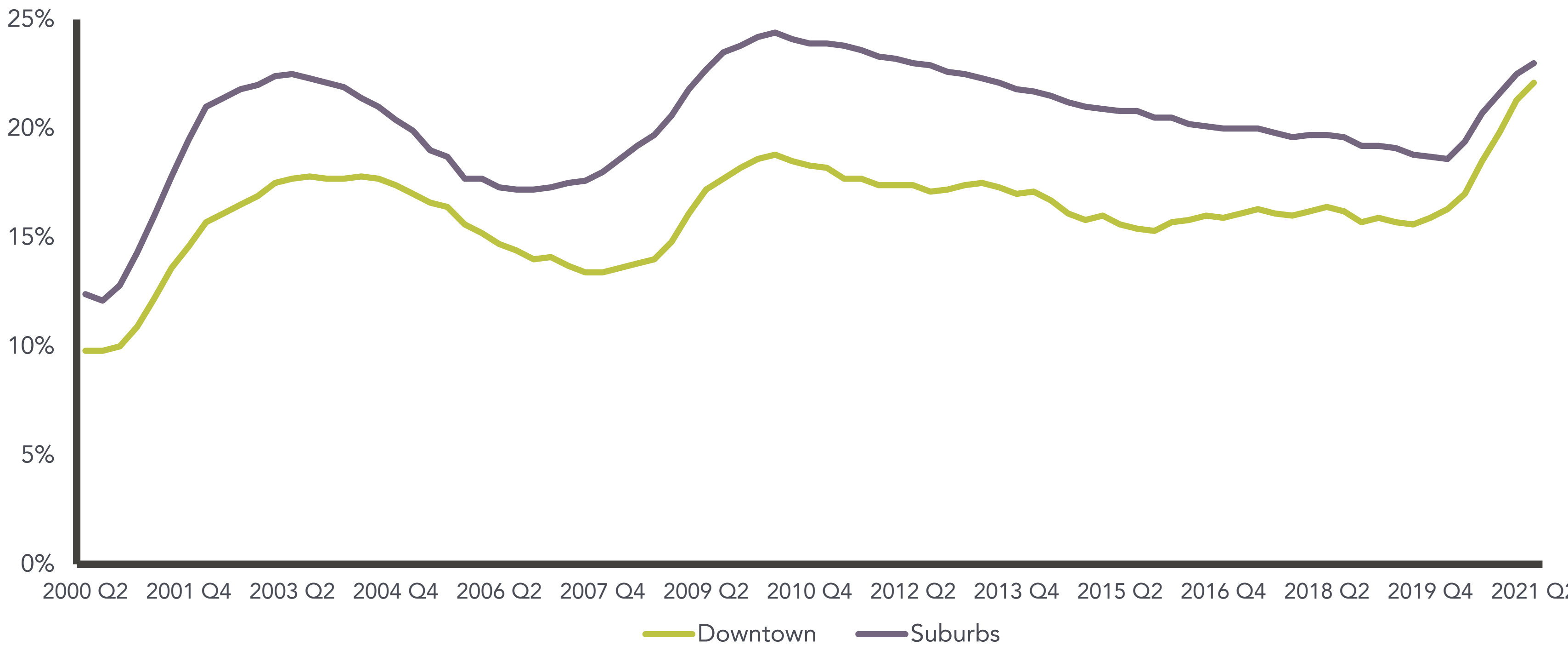


Sources: PREA Consensus Survey 2021 Q2, AEW

Office challenged by work from home dynamics

As new office supply continues to trend higher, downtown vacancy increased by 80 bps to 15.8%, while suburban vacancy expanded by a more modest 30 bps to 16.8%

Overall Office Availability Rate



Source: AEW / CBRE-EA

Takeaways: Transactional markets, inflation fears, delta impact

LOOKING BACK

- As vaccination rollouts and the economic re-opening continue amidst the surge in delta variant cases, the future demand for office and retail remained muddled with uncertainty. Work from home flexibility and continued e-commerce penetration have raised future concerns for each sector.
- Despite persistent low historical levels across property types, cap rates have demonstrated an ability to absorb increases in inflation and interest rates as “dry powder,” rising demand, and reduced supply have kept values consistent in a rising interest rate environment.
- Alternative property sectors have continued to act as sources of excess performance when compared to core ODCE counterparts. Not only did value-add and opportunistic funds see more capital inflows, but core-plus assets became an increasing component of the NFI-ODCE universe.
- Transitory inflation and debt-ceiling concerns could drive demand for real estate, mainly multifamily rentals, whose returns have historically shown the most correlation towards rising costs for raw materials (lumber) and labor inputs.

LOOKING AHEAD

- COVID-19, along with the surge of the delta variant, may continue to delay the return to normalcy in the office and retail sectors. However, the resulting e-commerce penetration and remote working environments should drive demand for warehouses and apartments.
- Transaction volume is expected to improve in the forward-looking months for multifamily, industrial, life sciences, and cold storage. Available capital, ample liquidity, and attractive financing may permeate into “out of favor” sectors and markets as investors potentially gravitate towards higher risk, distressed opportunities in office, retail, and hotels.
- As the Fed remains steadfast in keeping interest rates at their current low levels into next year, retailers will continue to struggle to remain fully staffed and operational to accommodate pent-up consumer demand and increasing foot traffic.
- Despite uncertainty around office occupancy rates, market valuations, and tenant preferences, asking rents are expected to remain steady even with concessions leveling. Traditional, high-rise, CBD located exposures may be replaced with lifestyle, amenitized office buildings located in secondary and tertiary markets.

Private Equity

Private equity outperformance

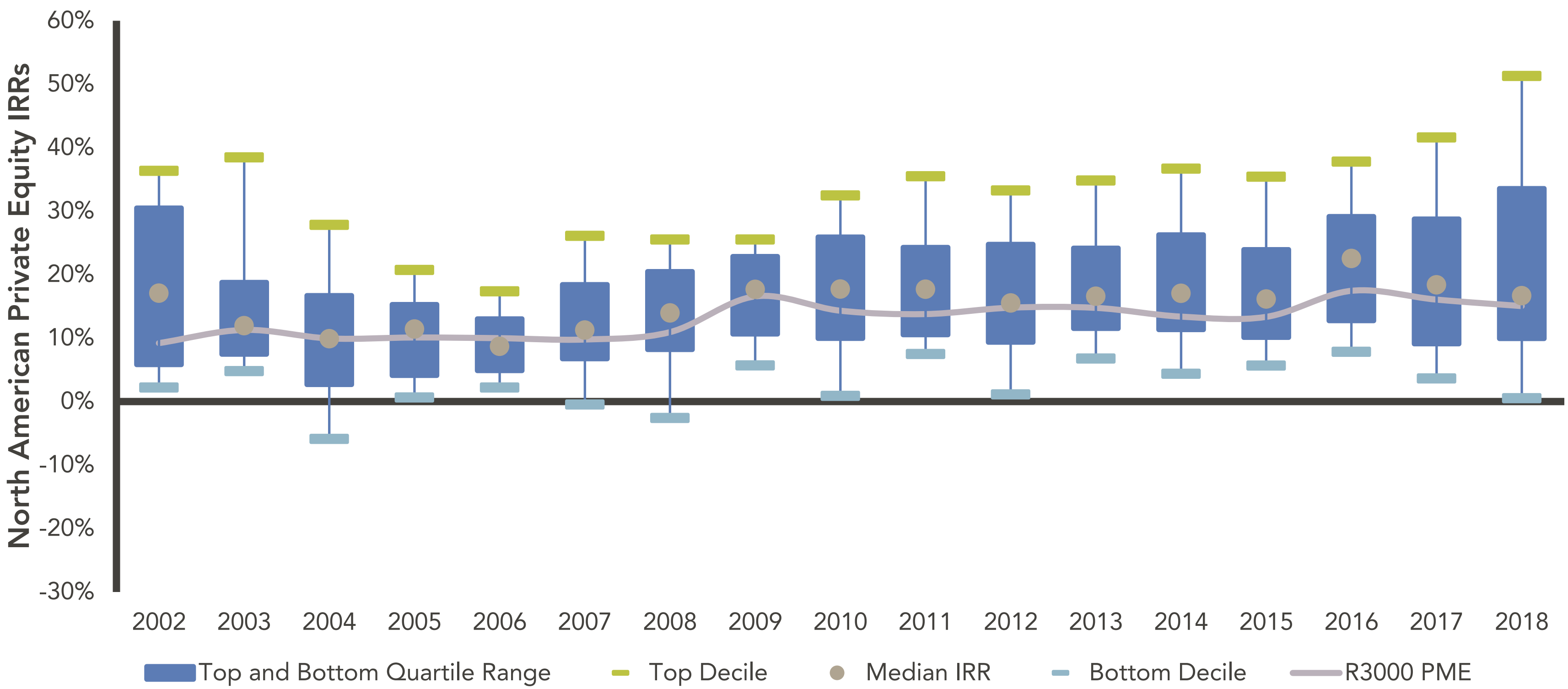
Performance across the private equity market was very strong in 1Q 2021 with the U.S. private market rebounding significantly following the initial pullback from COVID in 1Q 2020

	1Q21 (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)	15 Yr (%)	20 Yr (%)
Global Private Equity	17.6	47.6	19.2	18.7	14.9	13.0	13.3
North America Private Equity	20.1	51.2	20.4	19.5	16.0	13.5	13.4
Europe Private Equity	13.7	44.4	20.0	19.0	13.0	11.6	13.3
Rest of World Private Equity	8.0	31.3	11.2	12.9	11.0	11.8	11.4
Global VC	19.8	52.5	24.9	18.5	15.2	11.8	8.0
North America VC	21.7	56.5	26.3	19.0	15.5	11.8	8.0
Europe VC	-1.7	27.2	13.0	14.0	12.2	10.6	7.6
Rest of World VC	10.6	32.1	17.2	15.1	12.6	11.1	9.5
MSCI All Country World Index	4.7	55.3	12.7	13.8	9.7	7.6	7.6
S&P 500	6.2	56.4	16.8	16.3	13.9	10.0	8.5
Russell 3000	6.4	62.5	17.1	16.6	13.8	10.1	8.9
Russell 2000 Growth	4.9	90.2	17.2	18.6	13.0	10.1	9.7

Source: Pitchbook as of March 31, 2021

U.S. private equity vintage performance

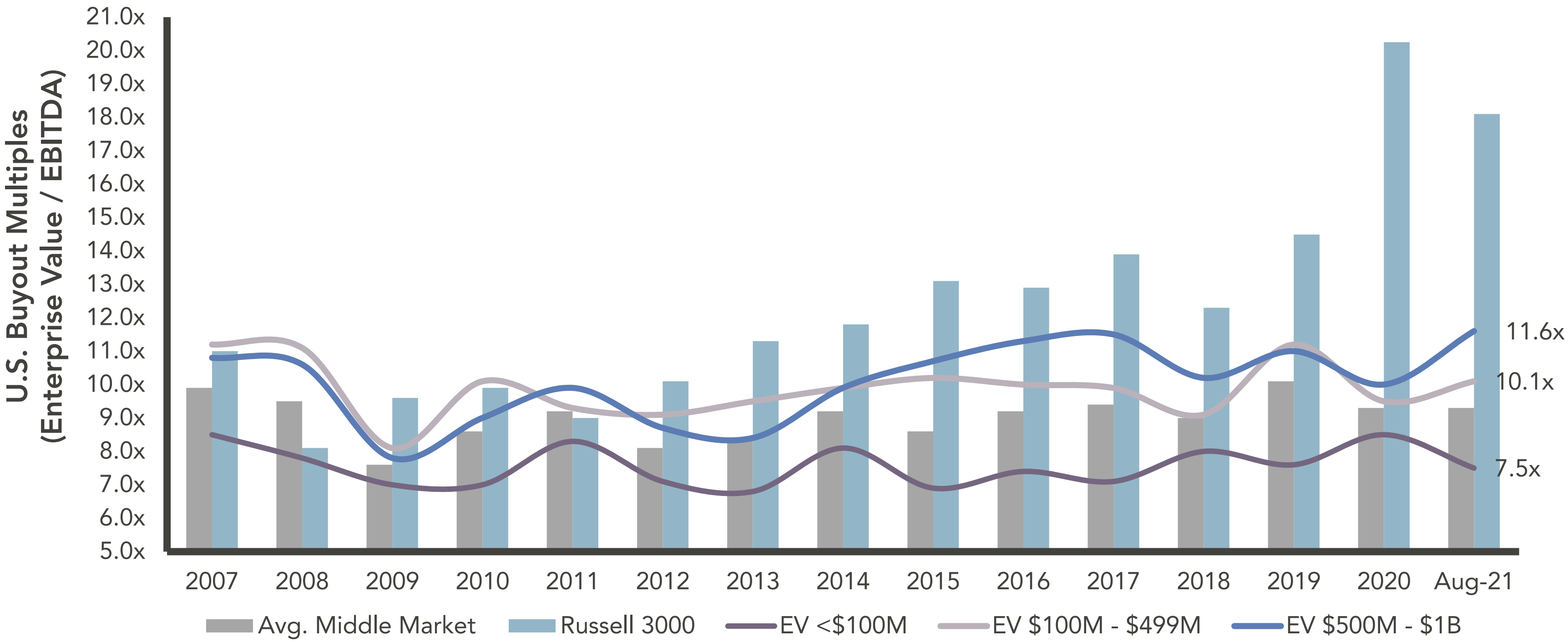
Private equity has provided consistently strong performance over the last 2 decades with significant return potential provided by first quartile and top decile funds



Source: Pitchbook as of March 31, 2021

Large spread between public and private valuations

Valuations have pulled back slightly in both public market and at the smaller end of the private market, with private transactions this year presenting a compelling relative value opportunity occurring at a 49% discount to the Russell 3000



Sources: Bloomberg, Robert W. Baird Global M&A Monthly Report – Sept 2021

Takeaways: Ongoing demand drives opportunities

LOOKING BACK

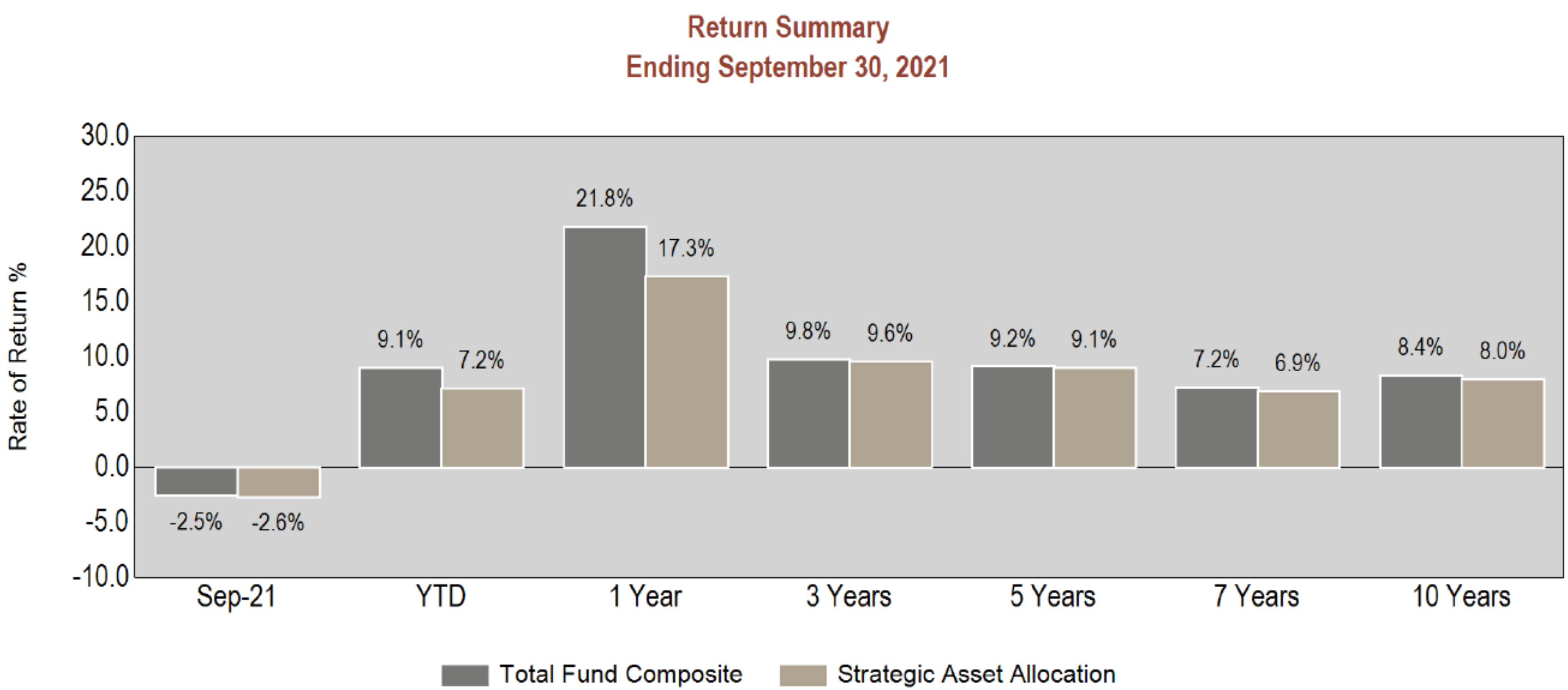
- Private equity experienced a slowdown in 2020 due to increased risk and uncertainty, but through the first half of 2021 fundraising and deployment have returned to pre-COVID levels.
- Elevated public market valuations continue to increase the relative attractiveness of private equity deployment, with the Russell 3000 trading at 18.1x EV/EBITDA as compared to the average middle market transaction occurring at 9.3x EV/EBITDA. The valuation of U.S. middle market private equity transactions has increased to 11.6x EV/EBITDA while valuations at the smaller end of the U.S. buyout market have decreased to 7.5x EV/EBITDA.

LOOKING AHEAD

- The re-acceleration of private equity fundraising and deployment is likely to continue with significant dry powder levels and strong investor demand.
- Competition at the upper-end of the private equity market remains significant as investors continue to drive more capital into larger private market funds. This structural dynamic should continue to benefit the small buyout, lower-middle market, and early-stage venture funds as they benefit from multiple expansion driven by the growing demand for their businesses.
- As the market grows and investors and strategies further bifurcate within the private equity market, we are seeing growth equity separate itself from the venture capital market with a risk/return profile that sits between private equity and venture capital. Investor interest in growth equity is likely to surge given the strong performance being generated by managers focused on more established growth opportunities.

Portfolio Review

Return Summary (September 30, 2021)



- Fixed Income, Equity and Alternative Asset composites added value to the Plan
- Real Estate composite detracted from the benchmark

* Composite performance is compared against its benchmark on a one-month basis ending September 30, 2021

Annualized Performance (Net of Fees)

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
	Ending September 30, 2021									
Total Fund Composite	**-2.5%**	**-0.5%**	**9.1%**	**21.8%**	**9.8%**	**9.2%**	**7.2%**	**8.4%**	**7.1%**	**Jul-02**
Strategic Asset Allocation	*-2.6%*	*-0.4%*	*7.2%*	*17.3%*	*9.6%*	*9.1%*	*6.9%*	*8.0%*	*6.7%*	*Jul-02*
Fixed Income Composite	**-0.8%**	**0.2%**	**-0.1%**	**2.3%**	**6.6%**	**--**	**--**	**--**	**5.3%**	**Jan-18**
Fixed Income Balanced Index	*-0.9%*	*0.1%*	*-1.6%*	*-0.3%*	*5.4%*	*--*	*--*	*--*	*4.3%*	*Jan-18*
Equity Composite	**-3.4%**	**-1.2%**	**13.7%**	**34.0%**	**13.9%**	**16.3%**	**12.7%**	**14.7%**	**9.4%**	**Jun-06**
Equity Balanced Index	*-3.7%*	*-1.4%*	*12.8%*	*33.2%*	*13.9%*	*14.7%*	*12.7%*	*15.7%*	*10.1%*	*Jun-06*
Alternative Asset Composite	**1.1%**	**0.0%**	**4.2%**	**11.3%**	**5.0%**	**4.8%**	**3.1%**	**4.2%**	**3.4%**	**May-07**
HFRI Fund of Funds Composite Index	*0.8%*	*1.4%*	*6.4%*	*15.0%*	*6.7%*	*5.9%*	*4.3%*	*4.5%*	*2.4%*	*May-07*
Real Estate Composite	**-5.7%**	**0.6%**	**22.1%**	**33.4%**	**12.2%**	**7.6%**	**9.5%**	**11.6%**	**10.3%**	**Apr-10**
MSCI US REIT	*-5.6%*	*0.7%*	*22.1%*	*35.8%*	*8.8%*	*5.6%*	*7.6%*	*9.9%*	*8.7%*	*Apr-10*

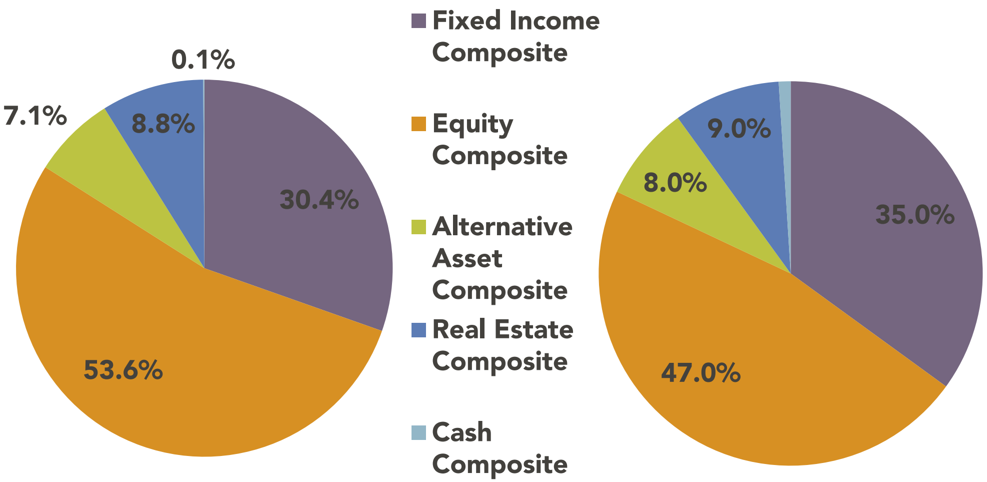
SWBNO Manager Contribution – YTD Performance

Top Performers	Absolute Performance	Benchmark Performance	Strategy
Fidelity (Pyramis Global Advisors)	-0.1%	-1.6%	Fixed Income
Earnest Partners	+9.5%	+5.9%	Equity

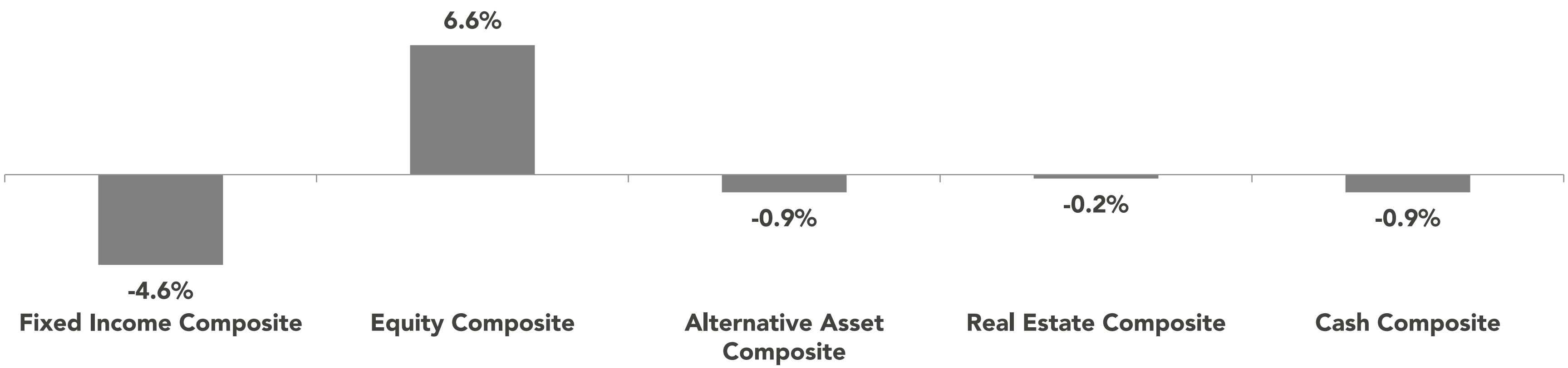
Bottom Performers	Absolute Performance	Benchmark Performance	Strategy
Prisma Capital Partners	+4.2%	+6.4%	Hedge Fund
NewSouth Capital	+17.6%	+20.1%	Equity

* Year-to-date performance as of September 30, 2021

Current Asset Allocation vs. Target Allocation



	Current Allocation	Target Allocation
Fixed Income Composite	$78,970,006	$89,426,973
Equity Composite	$135,666,783	$120,087,650
Alternative Asset Composite	$18,834,478	$20,440,451
Real Estate Composite	$21,697,415	$22,995,507
Cash Composite	$336,955	$2,555,056



*Data ending September 30, 2021

MarquetteAssociates

Purpose:

Empower our clients to meet their investment objectives

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Be a trusted partner to our clients through effective investment programs

Mission
Provide independent and thoughtful investment guidance

Why Marquette?

- ✓ Our people
- ✓ Independent expertise
- ✓ Focused client service
- ✓ Careful research

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R-115-2021

THE 2021 SEWERAGE AND WATER BOARD'S CONTRIBUTION TO THE EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

WHEREAS, the Employees' Retirement System of the Sewerage and Water Board of New Orleans ("Plan") is an actuarially funded qualified government defined benefit pension plan under the Internal Revenue Code; and

WHEREAS, an annual 2021 Actuarial Valuation report of the Plan was presented as of October 7, 2021; and

WHEREAS, the report reflects an actuarial valuation using the Entry Age Normal funding method; and

WHEREAS, the adopted "minimum contribution" for a plan year equals the Normal Cost plus the amount necessary to amortize the Unfunded Actuarial Liability; and

WHEREAS, the Normal Cost for the plan year beginning January 1, 2021 is $5,582,391; and

WHEREAS, the net annual charge required for amortization of the Unfunded Actuarial Liability beginning January 1, 2021 is $7,964,829; and

WHEREAS, the total Plan contribution as of January 1, 2021 is $13,547,220 (Normal Cost - $5,582,391 plus Unfunded Actuarial Liability - $7,964,829), which is 27.717% of the projected Earnable Compensation of $48,877,084; and

WHEREAS, the annual estimated employee plan contribution as of January 1, 2021 is $2,932,625, which is 6% of the projected Earnable Compensation based on Board Resolution R-140-2020; and

WHEREAS, the annual Employer Contribution reflecting the continued utilization of the Entry Age Normal funding method less the Plan determined employee contribution is $10,614,595 for 2021, which has been displayed as a percentage contribution of 21.717% of the projected Earnable Compensation; and

WHEREAS, the Actuarial Valuation report includes the required "amortization" contribution for the Plan to amortize the Unfunded Actuarial Liability of $101,000,406 over the next 29-year amortization period, effective on each valuation date at 7% annual interest; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Sewerage & Water Board of New Orleans hereby approves the employer contribution of the projected Earnable Compensation to be $10,614,595 for the Plan Year beginning January 1, 2021 and will be collected through active payroll based on a percentage of 21.717% for the remainder of Plan Year 2021; and

BE IT FURTHER RESOLVED, the Employees' Retirement System of the Sewerage and Water Board of New Orleans accepts the 2021 Actuarial Valuation Report as submitted by Rudd & Wisdom, the Retirement System's actuary, in the presentation to the Pension Committee on October 7, 2021

I, Ghassan Korban, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a resolution adopted at the Regular
Monthly Meeting of said Board of Trustees duly called and held,
according to law, on November 17, 2021.

GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

R-116-2021

JANUARY 1, 2021 COST OF LIVING ADJUSTMENT FOR BOARD PENSIONERS

WHEREAS, Article VI, Section 6.1(d)(1) of the Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board of New Orleans, provides for a Cost of Living Adjustment to pensioners over age 65 based on the change in inflation for the 12-month period ending in August of the preceding year, with a maximum increase of no more than 2%; and

WHEREAS, the change in inflation Consumer Price Index (CPI) for Urban Wage Earners for the period of August 2019 to August 2020 was 1.393%; and

WHEREAS, the total annual increase to the Pension Fund of the Sewerage and Water Board of New Orleans to implement the January 1, 2021 Cost of Living Adjustment to 829 eligible pensioners is $74,046.48; and

WHEREAS, such funds to provide for a Cost of Living Adjustment to eligible pensioners are to be made available by the Pension Fund of the Sewerage and Water Board of New Orleans; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees, that the Pension Fund of the Sewerage and Water Board of New Orleans implement a 1.393% Cost of Living Adjustment increase on the first ten-thousand dollars ($10,000) of eligible pensioners' original Retirement Allowance (that is, the annual pension benefit paid at the time of retirement), effective January 1, 2021, for eligible pensioners who attained age 65 on or before December 31, 2020. The Cost of Living Adjustment increase for a partial year of retirement after age 65 shall be pro-rated based on the actual number of days retired and over age 65 during the twelve-month period ending December 31, 2020 (that is, the number of days elapsed between attainment of age 65 and December 31, 2020).

I, Ghassan Korban, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a resolution adopted at the Regular
Monthly Meeting of said Board of Trustees duly called and held,
according to law, on November 17, 2021.

GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

R-117-2021

AUTHORIZATION FOR MARQUETTE ASSOCIATES, INC. TO REALLOCATE LARGE CAP EQUITY FUNDS FROM iSHARES S&P 500 GROWTH ETF TO BLACKROCK RUSSELL 1000 INDEX FUND

WHEREAS, the Pension Committee of the Sewerage and Water Board of New Orleans ("Board"), is entrusted with the fiduciary responsibility to properly oversee the investment and management of the pension fund of the Employees' Retirement System of the Sewerage and Water Board of New Orleans ("Board Pension Plan") ; and

WHEREAS, Marquette Associates performed an initial assessment of the Board Pension Plan investments as part of a larger review of the plan's asset and manager allocations at the request of and on behalf of the Board; and

WHEREAS, on October 7, 2021, Marquette Associates, Inc.'s recommendation that the $32.9 million Large Cap Equity Growth assets being held in the iShares S&P 500 Growth ETF fund be reallocated to the BlackRock Russell 1000 Index Fund, was presented to the Pension Committee; and

WHEREAS, the result of the reallocation would maintain the same relative annual returns, while providing $55,900 in annual fee savings for the Board Pension Plan; and

WHEREAS, the Board relies upon the financial investment consulting services of Marquette Associates, Inc. and has confidence in its professional expertise.

NOW THEREFORE, BE IT RESOLVED, the Board authorizes Marquette Associates, Inc, to liquidate and reallocate the Large Cap Equity Growth portfolio holdings of approximately $32.9 million (as of 8/31/21) from the iShares S&P 500 Growth ETF to the BlackRock Russell 1000 Index Fund as soon as feasible.

I, GHASSAN KORBAN, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the
Meeting of said Board of Trustees, duly called and held,
according to law, on November 17, 2021.

GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

R-134-2021

RECOMMENDATION TO ACCEPT PROPOSED NEW ASSET ALLOCATION FOR THE EMPLOYEES' RETIREMENT SYSTEM

WHEREAS, the Pension Committee of the Sewerage and Water Board of New Orleans ("Board"), is entrusted with the fiduciary responsibility to properly oversee the investment and management of the pension fund of the Employees' Retirement System of the Sewerage and Water Board of New Orleans ("Board Pension Plan") ; and

WHEREAS, Marquette Associates, Inc. ("Marquette') performed an assessment of the Board Pension Plan investments allocations in order to determine if the plan's current asset mix was projected to meet the 7% annualized rate of return over the next 10 years, as calculated by the Board Pension Plan's Actuary, in order to meet its future commitments; and

WHEREAS, on October 7, 2021, Marquette presented the Pension Committee the modelled expected returns for the Board Pension Plan's current asset allocation, as well as, five alternative asset allocations (Portfolios A, B, C, D, & E); and

WHEREAS, by showing the risk verses rewards of each potential asset allocation, Marquette's recommendation was that the asset allocation presented in Portfolio E be adopted by the Board of Trustees; and

WHEREAS, the asset allocation would be rebalanced as follows: Fixed Income (from 36% to 25%), U.S. Equity (from 27% to 34%), Non-U.S. Equity (from 20% to 21%), Hedge Funds (from 8% to 0%), Real Estate Assets (from 9% to 3%), Global Infrastructure, (from 0% to 7%), and Private Equity (0% to 10%); and

WHEREAS, the result of the rebalancing would increase the expected annualized 10-year return of the Board Pension Plan from 5.91% to 7.01%; and

WHEREAS, the Board relies upon the financial investment consulting services of Marquette and has confidence in its professional expertise.

NOW THEREFORE, BE IT RESOLVED, the Board authorizes Marquette Associates, Inc, to amend the Investment Policy Statement to reflect the rebalanced asset allocation targets and implement said asset allocation investment strategy detailed in Portfolio E.

I, GHASSAN KORBAN, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the
Meeting of said Board of Trustees, duly called and held,
according to law, on November 17, 2021.

GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

MarquetteAssociates

(Preliminary, Subject to Change)

Employees' Retirement System

The Sewerage & Water Board of New Orleans

Employees' Retirement System

Monthly Performance Report

September 30, 2021

Total Fund Composite

Manager Status

Market Value: $255.5 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
Fidelity (Pyramis Global Advisors)	Core Plus Fixed Income	In Compliance	---
Barrow, Hanley, Mewhinney, & Strauss	Large-Cap Value	In Compliance	---
iShares S&P 500 Growth ETF	Large-Cap Growth	In Compliance	---
NewSouth Capital	Smid-Cap Value	In Compliance	---
Earnest Partners	Non-U.S. Large-Cap Core	In Compliance	---
Prisma Capital Partners LP	Multi-Strat. Hedge FoF	In Compliance	---
Vanguard Real Estate ETF	U.S. REIT	In Compliance	---

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

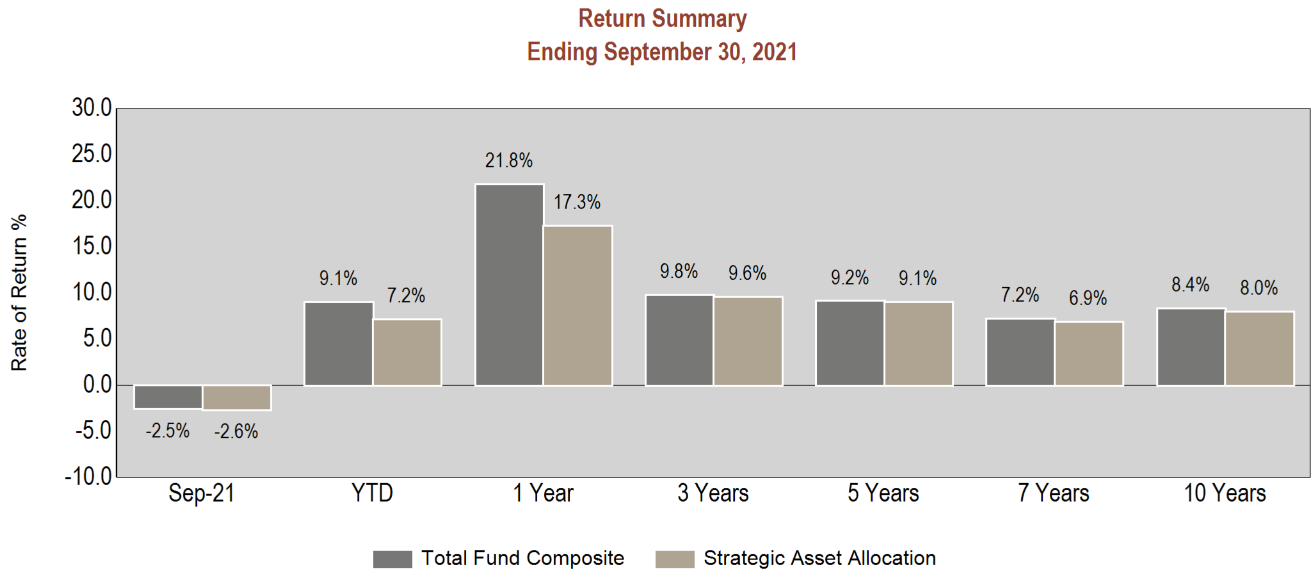
In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite



Return Summary - 1 Year

	Total Return
Total Fund Composite	21.8%
Fixed Income Composite	2.3%
Equity Composite	34.0%
Alternative Asset Composite	11.3%
Real Estate Composite	33.4%

Asset Allocation vs. Target

	Current	Current	Policy	Difference	%
Fixed Income	$78,970,006	30.9%	35.0%	-$10,456,967	-4.1%
U.S. Equity	$78,774,100	30.8%	27.0%	$9,787,577	3.8%
Non-U.S. Equity	$56,892,684	22.3%	20.0%	$5,791,556	2.3%
Hedge Funds	$18,834,478	7.4%	8.0%	-$1,605,973	-0.6%
Real Assets	$21,697,415	8.5%	9.0%	-$1,298,092	-0.5%
Other	$336,955	0.1%	1.0%	-$2,218,101	-0.9%
Total	**$255,505,638**	**100.0%**	**100.0%**		

Summary of Cash Flows

	Last Month	**Last Three Months**	**Year-To-Date**	**One Year**
Beginning Market Value	$261,931,907	$259,606,179	$240,197,824	$220,546,849
Net Cash Flow	$1,373	-$3,075,272	-$7,118,105	-$8,904,486
Net Investment Change	-$6,427,642	-$1,025,269	$22,425,918	$43,863,275
Ending Market Value	$255,505,638	$255,505,638	$255,505,638	$255,505,638

Total Fund Composite

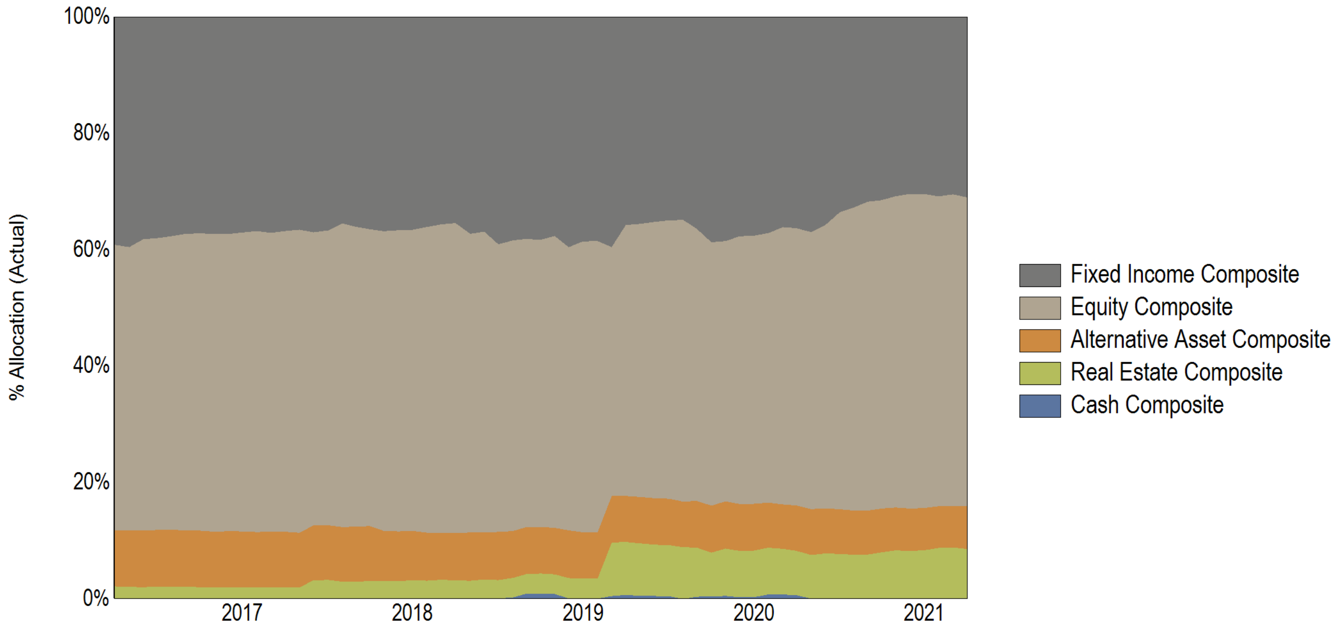
Market Value: $255.5 Million and 100.0% of Fund

Ending September 30, 2021

	Asset Class	Market Value ($)	3 Mo Net Cash Flows ($)	% of Portfolio	Policy %	Policy Difference ($)
Total Fund Composite		**255,505,638**	**-3,075,272**	**100.0**	**100.0**	**0**
Fixed Income Composite		**78,970,006**	**-341**	**30.9**	**35.0**	**-10,456,967**
Fidelity (Pyramis Global Advisors)	Core Plus Fixed Income	78,919,603	0	30.9		
Equity Composite		**135,666,783**	**-3,104,547**	**53.1**	**47.0**	**15,579,133**
Barrow, Hanley, Mewhinney, & Strauss	Large-Cap Value	14,467,176	-3,028,372	5.7		
iShares S&P 500 Growth ETF	Large-Cap Growth	31,001,152	-77,281	12.1		
NewSouth Capital	Smid-Cap Value	33,305,771	1,106	13.0		
Earnest Partners	Non-U.S. Large-Cap Core	56,892,684	0	22.3		
Alternative Asset Composite		**18,834,478**	**31,300**	**7.4**	**8.0**	**-1,605,973**
Prisma Capital Partners LP	Multi-Strat. Hedge FoF	18,815,427	31,300	7.4		
Real Estate Composite		**21,697,415**	**-267,522**	**8.5**	**9.0**	**-1,298,092**
Vanguard Real Estate ETF	U.S. REIT	21,697,415	-267,522	8.5		
Cash Composite		**336,955**	**265,837**	**0.1**	**1.0**	**-2,218,101**
Cash	Cash & Equivalents	336,955	265,837	0.1		

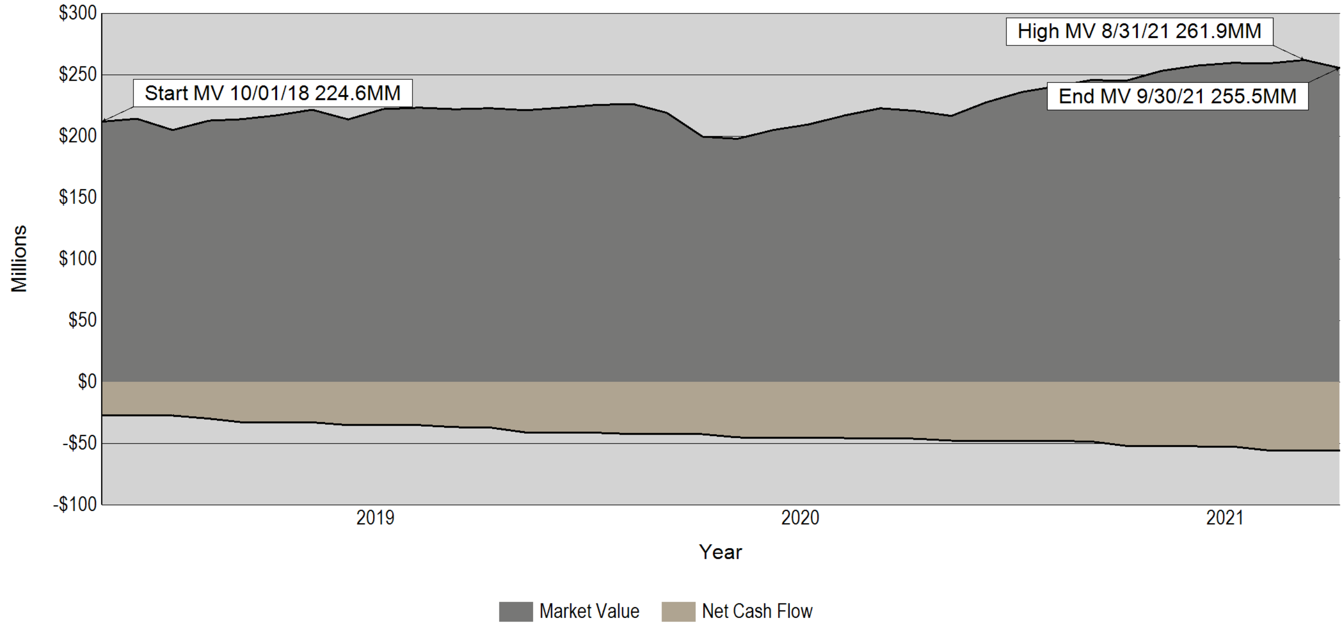
Market Value: $255.5 Million and 100.0% of Fund

Historic Asset Allocation



	Current	Policy	Difference	%
Fixed Income	$78,970,006	$89,426,973	-$10,456,967	-4.1%
U.S. Equity	$78,774,100	$68,986,522	$9,787,577	3.8%
Non-U.S. Equity	$56,892,684	$51,101,128	$5,791,556	2.3%
Hedge Funds	$18,834,478	$20,440,451	-$1,605,973	-0.6%
Real Assets	$21,697,415	$22,995,507	-$1,298,092	-0.5%
Other	$336,955	$2,555,056	-$2,218,101	-0.9%
Total	**$255,505,638**	**$255,505,638**		

Market Value: $255.5 Million and 100.0% of Fund



Summary of Cash Flows

	Last Month	Last Three Months	Year-To-Date	One Year
Beginning Market Value	$261,931,907	$259,606,179	$240,197,824	$220,546,849
Net Cash Flow	$1,373	-$3,075,272	-$7,118,105	-$8,904,486
Net Investment Change	-$6,427,642	-$1,025,269	$22,425,918	$43,863,275
Ending Market Value	$255,505,638	$255,505,638	$255,505,638	$255,505,638

Total Fund Composite

Annualized Performance (Gross of Fees)

Market Value: $255.5 Million and 100.0% of Fund

Ending September 30, 2021

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	**-2.5%**	**-0.4%**	**9.5%**	**22.4%**	**10.2%**	**9.4%**	**7.4%**	**8.5%**	**7.2%**	**Jul-02**
Strategic Asset Allocation	*-2.6%*	*-0.4%*	*7.2%*	*17.3%*	*9.6%*	*9.1%*	*6.9%*	*8.0%*	*6.7%*	*Jul-02*
Fixed Income Composite	**-0.8%**	**0.3%**	**0.1%**	**2.5%**	**6.8%**	**--**	**--**	**--**	**5.5%**	**Jan-18**
Fixed Income Balanced Index	*-0.9%*	*0.1%*	*-1.6%*	*-0.3%*	*5.4%*	*--*	*--*	*--*	*4.3%*	*Jan-18*
Equity Composite	**-3.4%**	**-1.0%**	**14.3%**	**34.6%**	**15.7%**	**15.7%**	**12.3%**	**14.4%**	**9.2%**	**Jun-06**
Equity Balanced Index	*-3.7%*	*-1.4%*	*12.8%*	*33.2%*	*13.9%*	*14.7%*	*12.7%*	*15.7%*	*10.1%*	*Jun-06*
Alternative Asset Composite	**1.1%**	**0.2%**	**4.8%**	**11.9%**	**5.2%**	**4.9%**	**3.3%**	**4.3%**	**3.5%**	**May-07**
HFRI Fund of Funds Composite Index	*0.8%*	*1.4%*	*6.4%*	*15.0%*	*6.7%*	*5.9%*	*4.3%*	*4.5%*	*2.4%*	*May-07*
Real Estate Composite	**-5.7%**	**0.6%**	**22.1%**	**33.4%**	**12.2%**	**7.7%**	**9.5%**	**11.6%**	**10.3%**	**Apr-10**
MSCI US REIT	*-5.6%*	*0.7%*	*22.1%*	*35.8%*	*8.8%*	*5.6%*	*7.6%*	*9.9%*	*8.7%*	*Apr-10*

Please note: Returns through inception for the alternative asset composite were calculated and verified using information from the investment manager rather than the Plan's custodian.

Total Fund Composite

Calendar Performance (Gross of Fees)

Market Value: $255.5 Million and 100.0% of Fund

	Calendar Year										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Fund Composite	**10.9%**	**19.1%**	**-3.3%**	**11.6%**	**6.4%**	**-1.7%**	**5.6%**	**11.0%**	**11.7%**	**3.5%**	**9.4%**
Strategic Asset Allocation	*11.0%*	*18.9%*	*-3.8%*	*12.8%*	*6.4%*	*-2.8%*	*4.2%*	*11.5%*	*10.5%*	*2.2%*	*12.5%*
Fixed Income Composite	**9.7%**	**10.2%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Fixed Income Balanced Index	*7.6%*	*9.3%*	*-0.3%*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Equity Composite	**21.1%**	**29.2%**	**-5.6%**	**19.0%**	**11.0%**	**-0.3%**	**9.0%**	**23.8%**	**16.9%**	**0.0%**	**17.9%**
Equity Balanced Index	*20.0%*	*28.6%*	*-7.6%*	*17.3%*	*16.0%*	*0.5%*	*12.6%*	*33.6%*	*16.4%*	*1.0%*	*16.9%*
Alternative Asset Composite	**8.9%**	**8.0%**	**-4.6%**	**7.0%**	**-1.1%**	**0.0%**	**2.3%**	**11.0%**	**7.5%**	**-3.3%**	**7.4%**
HFRI Fund of Funds Composite Index	*10.9%*	*8.4%*	*-4.0%*	*7.8%*	*0.5%*	*-0.3%*	*3.4%*	*9.0%*	*4.8%*	*-5.7%*	*5.7%*
Real Estate Composite	**-4.4%**	**29.3%**	**-5.8%**	**4.7%**	**8.4%**	**2.6%**	**30.5%**	**2.4%**	**17.7%**	**8.3%**	**--**
MSCI US REIT	*-8.7%*	*24.3%*	*-5.8%*	*3.7%*	*7.1%*	*1.3%*	*28.8%*	*1.3%*	*16.5%*	*7.5%*	*27.0%*

Annualized Performance (Gross of Fees)

Market Value: $255.5 Million and 100.0% of Fund

Ending September 30, 2021

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	**-2.5%**	**-0.4%**	**9.5%**	**22.4%**	**10.2%**	**9.4%**	**7.4%**	**8.5%**	**7.2%**	**Jul-02**
Strategic Asset Allocation	*-2.6%*	*-0.4%*	*7.2%*	*17.3%*	*9.6%*	*9.1%*	*6.9%*	*8.0%*	*6.7%*	*Jul-02*
Fixed Income Composite	**-0.8%**	**0.3%**	**0.1%**	**2.5%**	**6.8%**	**--**	**--**	**--**	**5.5%**	**Jan-18**
Fixed Income Balanced Index	*-0.9%*	*0.1%*	*-1.6%*	*-0.3%*	*5.4%*	*--*	*--*	*--*	*4.3%*	*Jan-18*
Fidelity (Pyramis Global Advisors)	-0.8%	0.3%	0.1%	2.5%	6.8%	4.3%	4.4%	4.4%	5.2%	Apr-07
Bloomberg US Aggregate TR	*-0.9%*	*0.1%*	*-1.6%*	*-0.9%*	*5.4%*	*2.9%*	*3.3%*	*3.0%*	*4.1%*	*Apr-07*
Equity Composite	**-3.4%**	**-1.0%**	**14.3%**	**34.6%**	**15.7%**	**15.7%**	**12.3%**	**14.4%**	**9.2%**	**Jun-06**
Equity Balanced Index	*-3.7%*	*-1.4%*	*12.8%*	*33.2%*	*13.9%*	*14.7%*	*12.7%*	*15.7%*	*10.1%*	*Jun-06*
Barrow, Hanley, Mewhinney, & Strauss	-2.9%	-1.8%	16.8%	39.4%	10.7%	12.6%	10.3%	14.0%	8.4%	Sep-06
Russell 1000 Value	*-3.5%*	*-0.8%*	*16.1%*	*35.0%*	*10.1%*	*10.9%*	*9.3%*	*13.5%*	*7.5%*	*Sep-06*
iShares S&P 500 Growth ETF	-5.8%	1.8%	16.3%	28.8%	20.3%	21.1%	--	--	20.0%	Mar-16
S&P 500 Growth	*-5.8%*	*1.9%*	*16.4%*	*28.9%*	*20.2%*	*21.1%*	*17.4%*	*19.0%*	*20.3%*	*Mar-16*
Russell 1000	*-4.6%*	*0.2%*	*15.2%*	*31.0%*	*16.4%*	*17.1%*	*14.1%*	*16.8%*	*16.8%*	*Mar-16*
NewSouth Capital	-3.8%	-2.7%	18.4%	42.1%	13.9%	13.6%	11.6%	14.7%	13.4%	Aug-11
Russell 2500 Value	*-2.7%*	*-2.1%*	*20.1%*	*54.4%*	*8.9%*	*10.5%*	*9.5%*	*13.4%*	*12.0%*	*Aug-11*
Earnest Partners	-1.8%	-1.2%	10.2%	41.4%	10.5%	11.3%	7.6%	9.1%	8.8%	Jun-10
MSCI ACWI ex USA	*-3.2%*	*-3.0%*	*5.9%*	*23.9%*	*8.0%*	*8.9%*	*5.7%*	*7.5%*	*7.0%*	*Jun-10*
Alternative Asset Composite	**1.1%**	**0.2%**	**4.8%**	**11.9%**	**5.2%**	**4.9%**	**3.3%**	**4.3%**	**3.5%**	**May-07**
HFRI Fund of Funds Composite Index	*0.8%*	*1.4%*	*6.4%*	*15.0%*	*6.7%*	*5.9%*	*4.3%*	*4.5%*	*2.4%*	*May-07*
Prisma Capital Partners LP	1.1%	-0.2%	4.5%	11.5%	5.1%	4.9%	3.2%	4.2%	3.4%	May-07
HFRI Fund of Funds Composite Index	*0.8%*	*1.4%*	*6.4%*	*15.0%*	*6.7%*	*5.9%*	*4.3%*	*4.5%*	*2.4%*	*May-07*
Real Estate Composite	**-5.7%**	**0.6%**	**22.1%**	**33.4%**	**12.2%**	**7.7%**	**9.5%**	**11.6%**	**10.3%**	**Apr-10**
MSCI US REIT	*-5.6%*	*0.7%*	*22.1%*	*35.8%*	*8.8%*	*5.6%*	*7.6%*	*9.9%*	*8.7%*	*Apr-10*
Vanguard Real Estate ETF	-5.7%	0.6%	22.1%	33.4%	12.2%	7.7%	9.5%	11.6%	10.3%	Apr-10
MSCI US REIT	*-5.6%*	*0.7%*	*22.1%*	*35.8%*	*8.8%*	*5.6%*	*7.6%*	*9.9%*	*8.7%*	*Apr-10*

Calendar Performance (Gross of Fees)

Market Value: $255.5 Million and 100.0% of Fund

	Calendar Year										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Fund Composite	**10.9%**	**19.1%**	**-3.3%**	**11.6%**	**6.4%**	**-1.7%**	**5.6%**	**11.0%**	**11.7%**	**3.5%**	**9.4%**
Strategic Asset Allocation	*11.0%*	*18.9%*	*-3.8%*	*12.8%*	*6.4%*	*-2.8%*	*4.2%*	*11.5%*	*10.5%*	*2.2%*	*12.5%*
Fixed Income Composite	**9.7%**	**10.2%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Fixed Income Balanced Index	*7.6%*	*9.3%*	*-0.3%*	--	--	--	--	--	--	--	--
Fidelity (Pyramis Global Advisors)	9.7%	10.2%	-0.3%	4.7%	5.6%	0.1%	6.2%	-0.7%	7.6%	7.8%	10.0%
Bloomberg US Aggregate TR	*7.5%*	*8.7%*	*0.0%*	*3.5%*	*2.6%*	*0.6%*	*6.0%*	*-2.0%*	*4.2%*	*7.8%*	*6.5%*
Equity Composite	**21.1%**	**29.2%**	**-5.6%**	**19.0%**	**11.0%**	**-0.3%**	**9.0%**	**23.8%**	**16.9%**	**0.0%**	**17.9%**
Equity Balanced Index	*20.0%*	*28.6%*	*-7.6%*	*17.3%*	*16.0%*	*0.5%*	*12.6%*	*33.6%*	*16.4%*	*1.0%*	*16.9%*
Barrow, Hanley, Mewhinney, & Strauss	4.2%	26.8%	-4.6%	15.2%	14.2%	-1.3%	12.8%	32.4%	15.2%	2.6%	11.2%
Russell 1000 Value	*2.8%*	*26.5%*	*-8.3%*	*13.7%*	*17.3%*	*-3.8%*	*13.5%*	*32.5%*	*17.5%*	*0.4%*	*15.5%*
iShares S&P 500 Growth ETF	33.8%	31.1%	-0.1%	26.9%	--	--	--	--	--	--	--
S&P 500 Growth	*33.5%*	*31.1%*	*0.0%*	*27.4%*	*6.9%*	*5.5%*	*14.9%*	*32.8%*	*14.6%*	*4.7%*	*15.1%*
Russell 1000	*21.0%*	*31.4%*	*-4.8%*	*21.7%*	*12.1%*	*0.9%*	*13.2%*	*33.1%*	*16.4%*	*1.5%*	*16.1%*
NewSouth Capital	8.9%	29.7%	-0.4%	12.2%	10.2%	-0.5%	12.2%	28.8%	16.8%	--	--
Russell 2500 Value	*4.9%*	*23.6%*	*-12.4%*	*10.4%*	*25.2%*	*-5.5%*	*7.1%*	*33.3%*	*19.2%*	*-3.4%*	*24.8%*
Earnest Partners	13.9%	23.3%	-15.7%	31.6%	5.5%	-5.5%	-1.6%	13.5%	19.5%	-9.7%	--
MSCI ACWI ex USA	*10.7%*	*21.5%*	*-14.2%*	*27.2%*	*4.5%*	*-5.7%*	*-3.9%*	*15.3%*	*16.8%*	*-13.7%*	*11.2%*
Alternative Asset Composite	**8.9%**	**8.0%**	**-4.6%**	**7.0%**	**-1.1%**	**0.0%**	**2.3%**	**11.0%**	**7.5%**	**-3.3%**	**7.4%**
HFRI Fund of Funds Composite Index	*10.9%*	*8.4%*	*-4.0%*	*7.8%*	*0.5%*	*-0.3%*	*3.4%*	*9.0%*	*4.8%*	*-5.7%*	*5.7%*
Prisma Capital Partners LP	8.9%	8.0%	-4.7%	7.0%	-1.1%	0.0%	2.3%	11.0%	7.5%	-3.3%	7.4%
HFRI Fund of Funds Composite Index	*10.9%*	*8.4%*	*-4.0%*	*7.8%*	*0.5%*	*-0.3%*	*3.4%*	*9.0%*	*4.8%*	*-5.7%*	*5.7%*
Real Estate Composite	**-4.4%**	**29.3%**	**-5.8%**	**4.7%**	**8.4%**	**2.6%**	**30.5%**	**2.4%**	**17.7%**	**8.3%**	**--**
MSCI US REIT	*-8.7%*	*24.3%*	*-5.8%*	*3.7%*	*7.1%*	*1.3%*	*28.8%*	*1.3%*	*16.5%*	*7.5%*	*27.0%*
Vanguard Real Estate ETF	-4.4%	29.3%	-5.8%	4.7%	8.4%	2.6%	30.5%	2.4%	17.7%	8.3%	--
MSCI US REIT	*-8.7%*	*24.3%*	*-5.8%*	*3.7%*	*7.1%*	*1.3%*	*28.8%*	*1.3%*	*16.5%*	*7.5%*	*27.0%*

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: $255.5 Million and 100.0% of Fund

Ending September 30, 2021

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	**-2.5%**	**-0.5%**	**9.1%**	**21.8%**	**9.8%**	**9.2%**	**7.2%**	**8.4%**	**7.1%**	**Jul-02**
Strategic Asset Allocation	*-2.6%*	*-0.4%*	*7.2%*	*17.3%*	*9.6%*	*9.1%*	*6.9%*	*8.0%*	*6.7%*	*Jul-02*
Fixed Income Composite	**-0.8%**	**0.2%**	**-0.1%**	**2.3%**	**6.6%**	**--**	**--**	**--**	**5.3%**	**Jan-18**
Fixed Income Balanced Index	*-0.9%*	*0.1%*	*-1.6%*	*-0.3%*	*5.4%*	*--*	*--*	*--*	*4.3%*	*Jan-18*
Equity Composite	**-3.4%**	**-1.2%**	**13.7%**	**34.0%**	**13.9%**	**16.3%**	**12.7%**	**14.7%**	**9.4%**	**Jun-06**
Equity Balanced Index	*-3.7%*	*-1.4%*	*12.8%*	*33.2%*	*13.9%*	*14.7%*	*12.7%*	*15.7%*	*10.1%*	*Jun-06*
Alternative Asset Composite	**1.1%**	**0.0%**	**4.2%**	**11.3%**	**5.0%**	**4.8%**	**3.1%**	**4.2%**	**3.4%**	**May-07**
HFRI Fund of Funds Composite Index	*0.8%*	*1.4%*	*6.4%*	*15.0%*	*6.7%*	*5.9%*	*4.3%*	*4.5%*	*2.4%*	*May-07*
Real Estate Composite	**-5.7%**	**0.6%**	**22.1%**	**33.4%**	**12.2%**	**7.6%**	**9.5%**	**11.6%**	**10.3%**	**Apr-10**
MSCI US REIT	*-5.6%*	*0.7%*	*22.1%*	*35.8%*	*8.8%*	*5.6%*	*7.6%*	*9.9%*	*8.7%*	*Apr-10*

Total Fund Composite

Calendar Performance (Net of Fees)

Market Value: $255.5 Million and 100.0% of Fund

	Calendar Year										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Fund Composite	**10.5%**	**18.8%**	**-3.6%**	**11.6%**	**6.4%**	**-1.7%**	**5.6%**	**11.0%**	**11.7%**	**3.5%**	**9.4%**
Strategic Asset Allocation	*11.0%*	*18.9%*	*-3.8%*	*12.8%*	*6.4%*	*-2.8%*	*4.2%*	*11.5%*	*10.5%*	*2.2%*	*12.5%*
InvMetrics Public DB Net Rank	*81*	*60*	*30*	*95*	*78*	*78*	*47*	*85*	*53*	*6*	*90*
Fixed Income Composite	**9.5%**	**10.0%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Fixed Income Balanced Index	*7.6%*	*9.3%*	*-0.3%*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
InvMetrics Public DB US Fix Inc Net Rank	*15*	*9*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Equity Composite	**21.1%**	**24.3%**	**1.2%**	**19.0%**	**11.0%**	**-0.3%**	**9.0%**	**23.8%**	**16.9%**	**0.0%**	**17.9%**
Equity Balanced Index	*20.0%*	*28.6%*	*-7.6%*	*17.3%*	*16.0%*	*0.5%*	*12.6%*	*33.6%*	*16.4%*	*1.0%*	*16.9%*
InvMetrics Public DB Total Eq Net Rank	*7*	*96*	*1*	*97*	*7*	*16*	*19*	*88*	*44*	*13*	*30*
Alternative Asset Composite	**8.9%**	**8.0%**	**-4.7%**	**7.0%**	**-1.1%**	**0.0%**	**2.3%**	**11.0%**	**7.5%**	**-3.3%**	**7.4%**
HFRI Fund of Funds Composite Index	*10.9%*	*8.4%*	*-4.0%*	*7.8%*	*0.5%*	*-0.3%*	*3.4%*	*9.0%*	*4.8%*	*-5.7%*	*5.7%*
InvMetrics Public DB Hedge Funds Net Rank	*47*	*48*	*81*	*40*	*93*	*45*	*85*	*59*	*46*	*70*	*45*
Real Estate Composite	**-4.4%**	**29.2%**	**-5.8%**	**4.7%**	**8.4%**	**2.6%**	**30.5%**	**2.4%**	**17.7%**	**8.3%**	**--**
MSCI US REIT	*-8.7%*	*24.3%*	*-5.8%*	*3.7%*	*7.1%*	*1.3%*	*28.8%*	*1.3%*	*16.5%*	*7.5%*	*27.0%*
InvMetrics Public DB Real Estate Pub Net Rank	*61*	*1*	*50*	*77*	*11*	*48*	*12*	*99*	*15*	*79*	*--*

Annualized Performance (Net of Fees)

Market Value: $255.5 Million and 100.0% of Fund

Ending September 30, 2021

	1 Mo	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund Composite	**-2.5%**	**-0.5%**	**9.1%**	**21.8%**	**9.8%**	**9.2%**	**7.2%**	**8.4%**	**7.1%**	**Jul-02**
Strategic Asset Allocation	*-2.6%*	*-0.4%*	*7.2%*	*17.3%*	*9.6%*	*9.1%*	*6.9%*	*8.0%*	*6.7%*	*Jul-02*
Fixed Income Composite	**-0.8%**	**0.2%**	**-0.1%**	**2.3%**	**6.6%**	**--**	**--**	**--**	**5.3%**	**Jan-18**
Fixed Income Balanced Index	*-0.9%*	*0.1%*	*-1.6%*	*-0.3%*	*5.4%*	*--*	*--*	*--*	*4.3%*	*Jan-18*
Fidelity (Pyramis Global Advisors)	-0.8%	0.2%	-0.1%	2.3%	6.7%	4.3%	4.4%	4.4%	5.2%	Apr-07
Bloomberg US Aggregate TR	*-0.9%*	*0.1%*	*-1.6%*	*-0.9%*	*5.4%*	*2.9%*	*3.3%*	*3.0%*	*4.1%*	*Apr-07*
Equity Composite	**-3.4%**	**-1.2%**	**13.7%**	**34.0%**	**13.9%**	**16.3%**	**12.7%**	**14.7%**	**9.4%**	**Jun-06**
Equity Balanced Index	*-3.7%*	*-1.4%*	*12.8%*	*33.2%*	*13.9%*	*14.7%*	*12.7%*	*15.7%*	*10.1%*	*Jun-06*
Barrow, Hanley, Mewhinney, & Strauss	-3.0%	-2.0%	16.2%	38.5%	9.9%	11.9%	9.6%	13.3%	7.8%	Sep-06
Russell 1000 Value	*-3.5%*	*-0.8%*	*16.1%*	*35.0%*	*10.1%*	*10.9%*	*9.3%*	*13.5%*	*7.5%*	*Sep-06*
iShares S&P 500 Growth ETF	-5.8%	1.8%	16.3%	28.8%	20.3%	21.1%	--	--	19.9%	Mar-16
S&P 500 Growth	*-5.8%*	*1.9%*	*16.4%*	*28.9%*	*20.2%*	*21.1%*	*17.4%*	*19.0%*	*20.3%*	*Mar-16*
Russell 1000	*-4.6%*	*0.2%*	*15.2%*	*31.0%*	*16.4%*	*17.1%*	*14.1%*	*16.8%*	*16.8%*	*Mar-16*
NewSouth Capital	-3.8%	-2.9%	17.6%	40.8%	12.9%	12.6%	10.6%	13.6%	12.4%	Aug-11
Russell 2500 Value	*-2.7%*	*-2.1%*	*20.1%*	*54.4%*	*8.9%*	*10.5%*	*9.5%*	*13.4%*	*12.0%*	*Aug-11*
Earnest Partners	-1.9%	-1.4%	9.5%	40.2%	9.6%	10.4%	6.7%	8.2%	7.9%	Jun-10
MSCI ACWI ex USA	*-3.2%*	*-3.0%*	*5.9%*	*23.9%*	*8.0%*	*8.9%*	*5.7%*	*7.5%*	*7.0%*	*Jun-10*
Alternative Asset Composite	**1.1%**	**0.0%**	**4.2%**	**11.3%**	**5.0%**	**4.8%**	**3.1%**	**4.2%**	**3.4%**	**May-07**
HFRI Fund of Funds Composite Index	*0.8%*	*1.4%*	*6.4%*	*15.0%*	*6.7%*	*5.9%*	*4.3%*	*4.5%*	*2.4%*	*May-07*
Prisma Capital Partners LP	1.1%	0.0%	4.2%	11.3%	5.0%	4.8%	3.2%	4.2%	3.4%	May-07
HFRI Fund of Funds Composite Index	*0.8%*	*1.4%*	*6.4%*	*15.0%*	*6.7%*	*5.9%*	*4.3%*	*4.5%*	*2.4%*	*May-07*
Real Estate Composite	**-5.7%**	**0.6%**	**22.1%**	**33.4%**	**12.2%**	**7.6%**	**9.5%**	**11.6%**	**10.3%**	**Apr-10**
MSCI US REIT	*-5.6%*	*0.7%*	*22.1%*	*35.8%*	*8.8%*	*5.6%*	*7.6%*	*9.9%*	*8.7%*	*Apr-10*
Vanguard Real Estate ETF	-5.7%	0.6%	22.1%	33.4%	12.2%	7.6%	9.5%	11.6%	10.3%	Apr-10
MSCI US REIT	*-5.6%*	*0.7%*	*22.1%*	*35.8%*	*8.8%*	*5.6%*	*7.6%*	*9.9%*	*8.7%*	*Apr-10*

Market Value: $255.5 Million and 100.0% of Fund

	Calendar Year										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Fund Composite	**10.5%**	**18.8%**	**-3.6%**	**11.6%**	**6.4%**	**-1.7%**	**5.6%**	**11.0%**	**11.7%**	**3.5%**	**9.4%**
Strategic Asset Allocation	*11.0%*	*18.9%*	*-3.8%*	*12.8%*	*6.4%*	*-2.8%*	*4.2%*	*11.5%*	*10.5%*	*2.2%*	*12.5%*
InvMetrics Public DB Net Rank	*81*	*60*	*30*	*95*	*78*	*78*	*47*	*85*	*53*	*6*	*90*
Fixed Income Composite	**9.5%**	**10.0%**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Fixed Income Balanced Index	*7.6%*	*9.3%*	*-0.3%*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
InvMetrics Public DB US Fix Inc Net Rank	*15*	*9*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
Fidelity (Pyramis Global Advisors)	9.7%	10.2%	-0.3%	4.7%	5.6%	0.1%	6.2%	-0.7%	7.6%	7.8%	10.0%
Bloomberg US Aggregate TR	*7.5%*	*8.7%*	*0.0%*	*3.5%*	*2.6%*	*0.5%*	*6.0%*	*-2.0%*	*4.2%*	*7.8%*	*6.5%*
eV US Core Plus Fixed Inc Net Rank	*24*	*34*	*34*	*52*	*28*	*44*	*26*	*45*	*69*	*19*	*33*
Equity Composite	**21.1%**	**24.3%**	**1.2%**	**19.0%**	**11.0%**	**-0.3%**	**9.0%**	**23.8%**	**16.9%**	**0.0%**	**17.9%**
Equity Balanced Index	*20.0%*	*28.6%*	*-7.6%*	*17.3%*	*16.0%*	*0.5%*	*12.6%*	*33.6%*	*16.4%*	*1.0%*	*16.9%*
InvMetrics Public DB Total Eq Net Rank	*7*	*96*	*1*	*97*	*7*	*16*	*19*	*88*	*44*	*13*	*30*
Barrow, Hanley, Mewhinney, & Strauss	3.4%	25.9%	-5.2%	14.5%	13.6%	-1.9%	12.1%	31.6%	14.5%	2.0%	10.5%
Russell 1000 Value	*2.8%*	*26.5%*	*-8.3%*	*13.7%*	*17.3%*	*-3.8%*	*13.5%*	*32.5%*	*17.5%*	*0.4%*	*15.5%*
eV US Large Cap Value Equity Net Rank	*50*	*53*	*21*	*78*	*53*	*37*	*41*	*60*	*57*	*30*	*92*
iShares S&P 500 Growth ETF	33.8%	31.0%	-0.1%	26.9%	--	--	--	--	--	--	--
S&P 500 Growth	*33.5%*	*31.1%*	*0.0%*	*27.4%*	*6.9%*	*5.5%*	*14.9%*	*32.8%*	*14.6%*	*4.7%*	*15.1%*
Russell 1000	*21.0%*	*31.4%*	*-4.8%*	*21.7%*	*12.1%*	*0.9%*	*13.2%*	*33.1%*	*16.4%*	*1.5%*	*16.1%*
Large Growth MStar MF Rank	*54*	*67*	*37*	*64*	*--*	*--*	*--*	*--*	*--*	*--*	*--*
NewSouth Capital	8.0%	28.5%	-1.3%	11.2%	9.2%	-1.4%	11.1%	27.7%	15.8%	--	--
Russell 2500 Value	*4.9%*	*23.6%*	*-12.4%*	*10.4%*	*25.2%*	*-5.5%*	*7.1%*	*33.3%*	*19.2%*	*-3.4%*	*24.8%*
eV US Small-Mid Cap Value Equity Net Rank	*32*	*29*	*1*	*61*	*97*	*24*	*12*	*94*	*41*	*--*	*--*
Earnest Partners	12.9%	22.2%	-16.4%	30.5%	4.6%	-6.3%	-2.5%	12.5%	18.5%	-10.5%	--
MSCI ACWI ex USA	*10.7%*	*21.5%*	*-14.2%*	*27.2%*	*4.5%*	*-5.7%*	*-3.9%*	*15.3%*	*16.8%*	*-13.7%*	*11.2%*
eV ACWI ex-US Large Cap Core Eq Net Rank	*49*	*56*	*61*	*21*	*15*	*86*	*28*	*97*	*39*	*7*	*--*

Calendar Performance (Net of Fees)

Market Value: $255.5 Million and 100.0% of Fund

	Calendar Year										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Alternative Asset Composite	**8.9%**	**8.0%**	**-4.7%**	**7.0%**	**-1.1%**	**0.0%**	**2.3%**	**11.0%**	**7.5%**	**-3.3%**	**7.4%**
HFRI Fund of Funds Composite Index	*10.9%*	*8.4%*	*-4.0%*	*7.8%*	*0.5%*	*-0.3%*	*3.4%*	*9.0%*	*4.8%*	*-5.7%*	*5.7%*
InvMetrics Public DB Hedge Funds Net Rank	*47*	*48*	*81*	*40*	*93*	*45*	*85*	*59*	*46*	*70*	*45*
Prisma Capital Partners LP	8.9%	8.0%	-4.7%	7.0%	-1.1%	0.0%	2.3%	11.0%	7.5%	-3.3%	7.4%
HFRI Fund of Funds Composite Index	*10.9%*	*8.4%*	*-4.0%*	*7.8%*	*0.5%*	*-0.3%*	*3.4%*	*9.0%*	*4.8%*	*-5.7%*	*5.7%*
InvMetrics Public DB Hedge Funds Net Rank	*47*	*48*	*81*	*40*	*93*	*45*	*85*	*59*	*46*	*70*	*45*
Real Estate Composite	**-4.4%**	**29.2%**	**-5.8%**	**4.7%**	**8.4%**	**2.6%**	**30.5%**	**2.4%**	**17.7%**	**8.3%**	**--**
MSCI US REIT	*-8.7%*	*24.3%*	*-5.8%*	*3.7%*	*7.1%*	*1.3%*	*28.8%*	*1.3%*	*16.5%*	*7.5%*	*27.0%*
InvMetrics Public DB Real Estate Pub Net Rank	*61*	*1*	*50*	*77*	*11*	*48*	*12*	*99*	*15*	*79*	*--*
Vanguard Real Estate ETF	-4.4%	29.2%	-5.8%	4.7%	8.4%	2.6%	30.5%	2.4%	17.7%	8.3%	--
MSCI US REIT	*-8.7%*	*24.3%*	*-5.8%*	*3.7%*	*7.1%*	*1.3%*	*28.8%*	*1.3%*	*16.5%*	*7.5%*	*27.0%*
Real Estate MStar MF Rank	*55*	*37*	*48*	*61*	*19*	*67*	*36*	*36*	*38*	*54*	*--*

Total Fund Composite

Fee Schedule

Market Value: $255.5 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee [1]	Industry Median [2]
Core Plus Fixed Income	Fidelity (Pyramis Global Advisors)	0.25% on the first $50,000,000 0.22% on the next $50,000,000 0.20% on the next $100,000,000 0.17% on the balance	0.24% $188,623	0.30%
Large-Cap Value	Barrow, Hanley, Mewhinney, & Strauss	0.75% on the first $10,000,000 0.50% on the next $15,000,000 0.25% on the next $175,000,000 0.20% on the next $600,000,000 0.15% on the next $200,000,000 0.125% on the balance	0.67% $97,336	0.60%
Large-Cap Growth	iShares S&P 500 Growth ETF	0.18% on the balance	0.18% $55,802	0.75%
Smid-Cap Value	NewSouth Capital	0.90% on the first $25,000,000 0.85% on the next $25,000,000	0.89% $295,599	0.88%
Non-U.S. Large-Cap Core	Earnest Partners	0.85% on the balance	0.85% $483,588	0.65%
Multi-Strat. Hedge FoF	Prisma Capital Partners LP	1.0% on the balance	1.00% $188,154	1.00%
U.S. REIT	Vanguard Real Estate ETF	0.12% on the balance	0.12% $26,037	1.19%
Total Investment Management Fees			**0.52%** **$1,335,139**	**0.65%**

[1] Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

[2] Source: 2019 Marquette Associates Investment Management Fee Study.

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