



Town of Avon CT Employee Plans

Quarterly Investment Review - Fourth Quarter 2021

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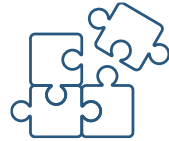
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Fiducient Advisors Update



Retirement Plans



Endowments & Foundations



The Wealth Office®

Featured Insights

- The Public Fiduciary Newsletter – October

Coming Soon

- Plan Sponsor Newsletter – March
- Defined Contribution Webcast – March

Featured Insights

- The Steward Newsletter – December

Coming Soon

- The Steward Newsletter – February
- Guide to Mission Aligned Investing – February

Featured Insights

- The Advisor Newsletter – November
- Nine Moves to Consider Before Year-End: Planning Ahead and Reaping the Benefits

Coming Soon

- Assessing Your Financial Wellness: 2022 Planning Considerations Paper – January
- Assessing Your Financial Wellness: 2022 Planning Considerations Webcast – February

2022 Outlook and Capital Markets Assumptions

- Essential Economic Update Webcast
- Capital Market Assumptions Paper
- 2022 Outlook – Navigating Moderation

Recent Speaking Engagements

- ALTSCHI Virtual Conference 2021
- ASAE Annual Meeting
- CAIA Info Series
- Illinois Institutional Summit
- Markets Group 7th Annual Midwest Institutional Forum
- Nonprofit Symposium GWSCPA
- P&I Conferences: ESG Investing Virtual Series
- PLANSPONSOR 2021 Virtual HSA Review



Fiducient Advisors Update



- Monthly market recaps
- Monthly market updates
 - Markets Unfazed by October Frights – October
 - Markets Pause as a New COVID Variant Emerges and the Fed Strikes a Hawkish Tone – November
- Carve Your Turkey, Not China
- Tax Update: Four Planning Considerations Despite Legislative Limbo
- On-Demand Video: Third Quarter 2021 Capital Markets Update

2021 New Associates – Welcome!

- Kimberly Carlson, Client Service Associate
- Christina Coimbra, Finance Billing Specialist
- Richard Dahling, Senior Consultant
- Freskid Dinaj, Performance Analyst
- Lucas Hannegan, Consulting Analyst
- Austin Herzy, Consulting Analyst
- Julissa Majka, Compliance Manager
- Joseph Melia, Senior Consultant
- Gina Nelson, Finance Associate
- Sierra Powel-Smith, Legal Operations Associate
- Jacob Shore, Finance Billing Specialist
- Shreyas Wardekar, Consulting Analyst
- Ryan Wieczorek, Performance Analyst

Table of Contents



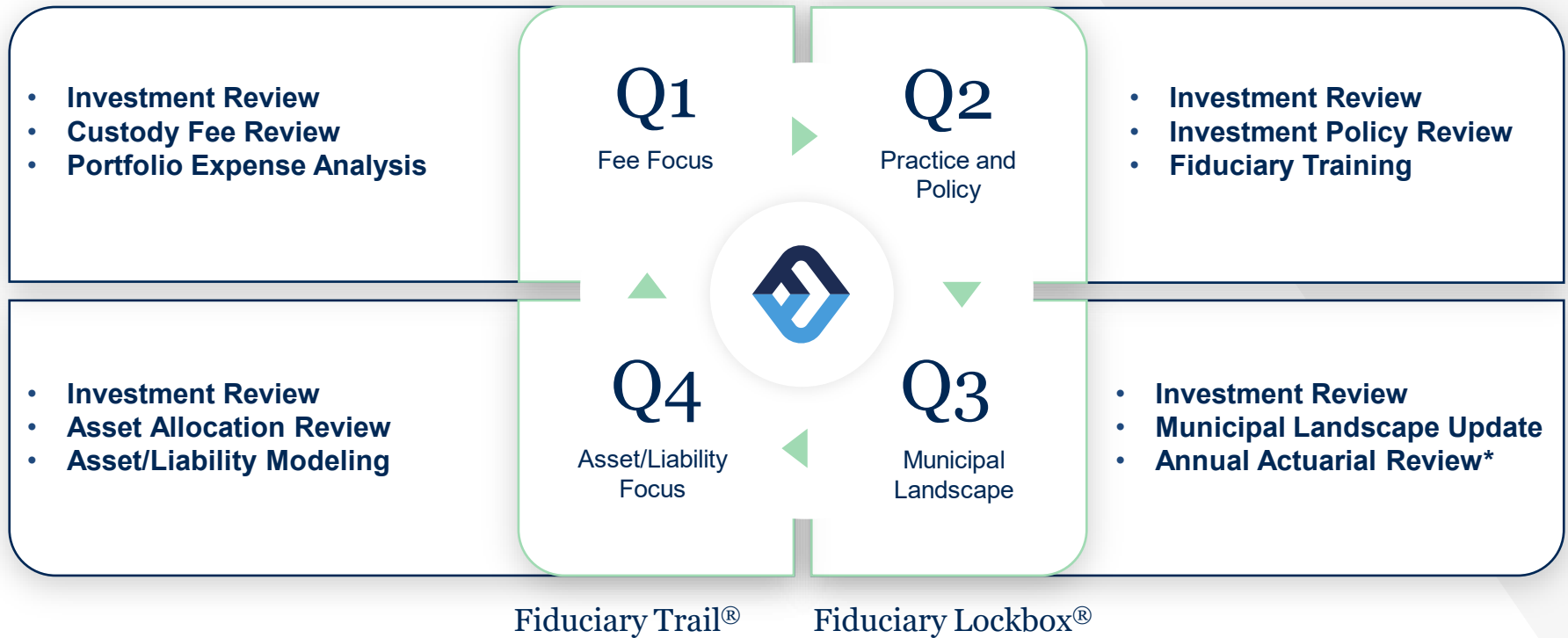
Section 1	Fiduciary Governance Calendar
Section 2	Capital Markets Overview
Section 3	Town & BoE Pension Plans
Section 4	OPEB Trusts & Retiree Medical Plans



Fiduciary Governance Calendar



Fiduciary Governance Calendar



*Timing of actuarial review is dependent on client's individual plan and/or fiscal year and actuarial input.



January 2022 Investment Outlook

Key Observations

- We expect economic recovery to persist in 2022 at a more modest pace as extraordinary pandemic stimulus begins to moderate. Ongoing challenges with a recalibrating global supply chain are expected to continue to lead to persistently higher levels of inflation than we have seen over the last several decades.
- The investing backdrop remains mostly constructive in our view, but investors will likely be served by taking a thoughtful and diversified approach to risk-taking. The global economy is still in transition and pandemic-driven economic uncertainties are ongoing.

Capital Market Factors

- **Economic Growth:** The Conference Board's 2022 global economic growth forecast is 3.9 percent, a level characterized by the Board as "above potential recovery growth." 2023-2026 annualized growth is expected to moderate to 2.5 percent.
- **Monetary Policy:** The Fed's rotation to a tighter policy stance is expected to slow and then end its \$120 billion monthly asset purchase program sometime in 2022 and begin to raise interest rates. At its December 2021 meeting, the Fed indicated an accelerated pace toward the elimination of its bond buying efforts by the middle of next year and a majority of FOMC members now expect at least three interest rate hikes by year-end 2022.
- **Fiscal Policy:** Massive pandemic-relief and infrastructure spending will likely continue to drive short-term deficits, stimulate near-term economic growth and fuel inflationary forces.
- **Inflation:** Current year-over-year inflation is running at a level in excess of 6 percent, which is meaningfully above the Fed's stated target, and is likely to remain high in the immediate future. However, the bond market's expectation is for inflation to gradually moderate back towards 2.5 percent over the next decade.
- **Currency:** The dollar strengthened in 2021 and was supported by a more consistent economic recovery in the U.S. compared to global peers. A more aggressive path to interest rate hikes by the Fed when compared to its peer institutions would support U.S. dollar strength, but volatility is expected as investors continue to digest the implications of Fed tightening in conjunction with actions of other global central banks.

2022-2041 Twenty-Year Outlook



Asset Class	2022 Outlook E(R) - 20 Year	2021 Outlook E(R) - 20 Year	Year Over Year Change
Inflation	2.5%	1.8%	0.7%
Cash*	0.7%	0.7%	0.0%
TIPS	2.1%	1.7%	0.3%
Muni Bond**	2.1%	1.6%	0.5%
Muni High Yield**	5.6%	7.7%	-2.1%
US Bond	2.5%	2.1%	0.3%
Dynamic Bonds***	2.8%	2.8%	-0.1%
Global Bonds	2.2%	1.8%	0.4%
Corp HY Bond	4.5%	4.4%	0.1%
Global Equity	8.1%	7.7%	0.5%
US Equity (AC)	6.8%	6.4%	0.4%
US Equity (LC)	6.6%	6.3%	0.4%
US Equity (MC)	7.0%	6.6%	0.4%
US Equity (SC)	7.0%	6.7%	0.3%
Int'l Dev. Equity	8.6%	7.9%	0.8%
EM Equity	10.5%	9.4%	1.2%
Real Estate	6.3%	6.2%	0.1%
Broad Real Assets****	5.6%	4.8%	0.9%
Marketable Alternatives	6.8%	6.3%	0.5%
Private Equity	9.8%	9.4%	0.4%

*3-month forecast

**Tax equivalent yield based on highest marginal tax rate (37%)

***33% Cash, 33% Corp HY, and 34% Global Bonds

****20% REITs, 20% Global Infrastructure, 20% Commodities, 20% US Bonds, 15% Corp High Yield, 5% TIPS

Investment Themes for 2022-2041

- Nominal return forecasts rose for most asset classes, but rising inflation expectations means most asset classes have declining year-over-year real return expectations.
- Meaningfully negative real returns continues to make cash an expensive opportunity cost for investors.
- Global bond yields generally rose. Despite the increase, most fixed income asset class forward-looking return expectations remain below expected inflation levels.
- Earnings accelerated in 2021 and expanded faster than stock prices. Non-U.S. equities remain more attractive on a valuation basis as U.S. equities have grown to represent 61 percent of the global equity market capitalization compared to 58 percent a year ago.
- With higher inflation expectations, real assets remain an important diversifier. Within real assets, broad real assets return expectations rose meaningfully faster than real estate.
- Alternative asset class return expectations rose modestly.

For additional information on forecast methodologies, please speak with your advisor. Please see Index Proxy Summary slide at the end of this presentation for summary of indexes used to represent each asset class. Past performance does not indicate future performance and there is a possibility of a loss.



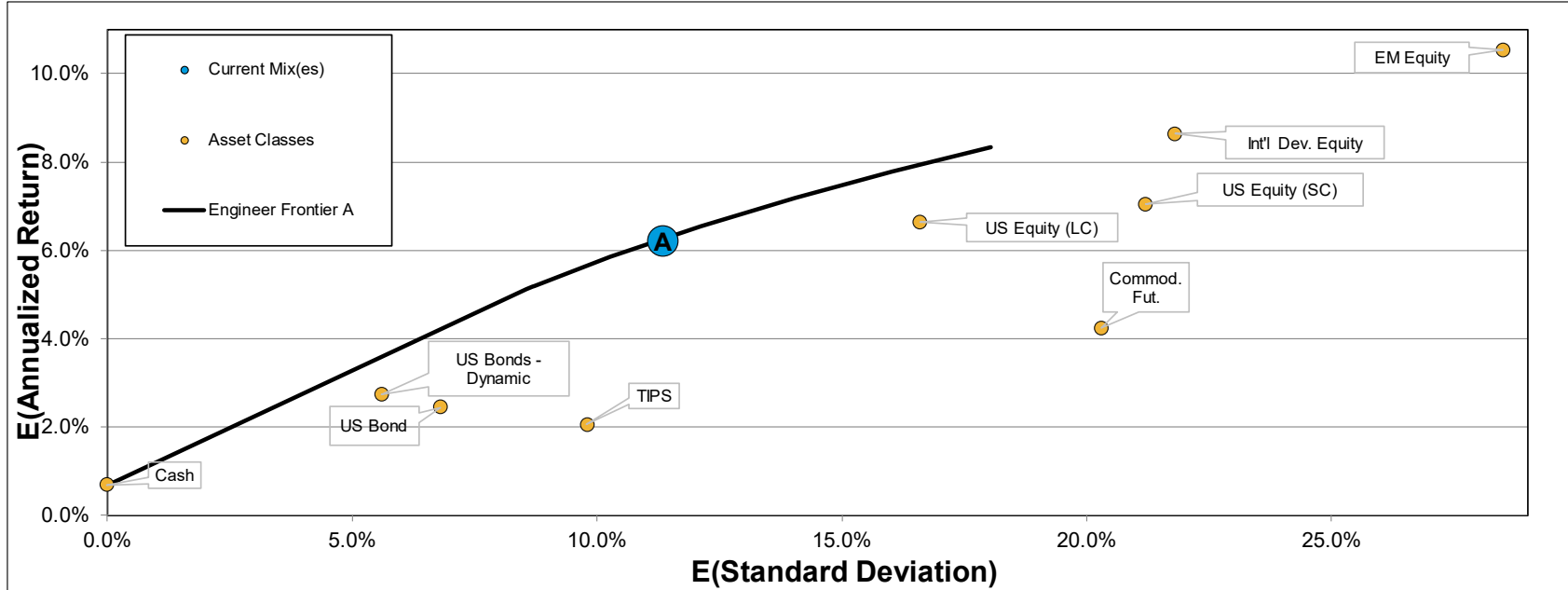
Asset Allocation Analysis

- We believe **Asset Allocation** is the primary determinant of long-term investment results.
- Our proprietary **Frontier Engineer®** system is the cornerstone of asset allocation decisions.
- Our Capital Markets Group develops **Capital Market Assumptions** (CMAs) for each major asset class at least annually.
 - ✓ The Capital Markets Group considers and analyzes a wide variety of factors that we believe will have the greatest impact on future returns and risks for each asset class studied.
 - ✓ Our CMAs are not intended to predict the future return in any single year, but rather to reflect our median expected outcome over the next ten years.
 - ✓ Our forecasting efforts center on **a ten-year horizon**. Any adjustments made to extend the forecast horizon to **twenty years** or beyond are grounded in our expectation that asset classes ultimately mean revert toward longer term historical averages.
 - ✓ Fiducient Advisors' Capital Markets Team develops our CMAs based on a “building block” approach outlined in our white paper “Capital Market Forecasts”. *(Copies are available upon request.)*
- **Correlations** (how asset classes behave in reference to one another) also significantly impact asset allocation analysis.
- **Fat Tails** (non-normal return elements of skewness and kurtosis) also meaningfully impact our asset allocation analysis.
- Given the current market environment, full market cycle (10 year) return assumptions are lower than long term (20 year) assumptions.

Frontier Engineer® Analysis



1/31/2022	Asset Allocation												Forecasts				Past (1/88-1/22)	
	Fixed Income	Equity	Real Assets	Cash	TIPS	US Bond	US Bonds - Dynamic	US Equity (LC)	US Equity (SC)	Int'l Dev. Equity	EM Equity	Commod. Fut.	Annualized Return	Annualized Volatility	Normal 100 Year Flood*	Non-Normal 100 Year Flood**	Annualized Return	Annualized Volatility
Current Mix (A)	39%	59%	2%		1.7%	30.0%	7.5%	29.2%	7.5%	18.0%	4.5%	1.7%	6.20%	11.4%	-20%	-26%	8.5%	9.2%



*The expected one in a hundred worst case calendar year return based on normally distributed capital market assumptions. Greater losses are possible (1% expected likelihood).

**The expected one in a hundred worst case calendar year return based on non-normally distributed capital market assumptions (factoring in skewness & kurtosis). Greater losses are possible (1% expected likelihood).

Historical Returns and Risk Metrics for each Mix represent back-tested calculations developed with the benefit of hindsight. Return calculations use an asset-weighted methodology based on the target asset allocation of each mix and the total return of index proxies used to represent each asset class and are gross of fees. Historical returns are hypothetical and do not represent returns earned by a client. It is not possible to invest in an index. Please see disclosures at the end of this presentation for additional important information, including index proxies used to represent each asset class. Please ask for a copy of Fiducient Advisor's white paper titled 10-Year Capital Market Forecasts. Past performance does not indicate future performance and it is possible to lose money when investing.

Asset Allocation Analysis – Town & BoE Consolidated

Asset Class	IPS Range	IPS Target	Current Allocation
Cash & Equivalents	0.0% - 0.0%	0.0%	0.5%
Fixed Income	25.0% - 50.0%	37.5%	36.6%
Domestic Equity	20.0% - 50.0%	36.7%	38.5%
International Equity	10.0% - 35.0%	22.5%	21.1%
Inflation Protection	0.0% - 7.0%	3.3%	3.2%

The current allocation is within the allowable range as stated within the Investment Policy Statement (IPS). Any portfolio adjustments that are considered will likely remain within the allowable range, but the IPS targets may need to be updated.



Retirement Plan for Employees of Town of Avon		
	<u>7/1/2020</u>	<u>7/1/2019</u>
Actuarial Value of Assets	\$20,112,806	\$19,188,972
Total Accrued Liability	\$43,812,469	\$42,198,229
Funded Ratio	45.9%	45.5%
Actuarial Return Assumption	6.25%	6.50%



Retirement Plan for Board of Education of Town of Avon

	<u>7/1/2020</u>	<u>7/1/2019</u>
Actuarial Value of Assets	\$13,060,610	\$11,853,957
Total Accrued Liability	\$15,650,619	\$13,461,062
Funded Ratio	83.5%	88.1%
Actuarial Return Assumption	6.25%	6.50%



Indices for Past Return & Risk Metrics

Indices used to generate historical risk and return metrics	Most Recent Index	Index Dates			Linked Index 1	Index Dates			Linked Index 2	Index Dates			Linked Index 2	Index Dates		
Cash	FTSE Treasury Bill 3 Mon USD	12/21	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
US Bond	Bloomberg US Agg Bond TR USD	12/21	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
US Bonds - Dynamic	*Custom Blend of Indices	12/21	-	2/90	Bloomberg US Agg Bond TR USD	1/90	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
HY Bond	Bloomberg US Corporate High Yield TR USD	12/21	-	7/83	Bloomberg US Agg Bond TR USD	6/83	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Global Bonds	Bloomberg Global Aggregate TR Hdg USD	12/21	-	2/90	Bloomberg US Agg Bond TR USD	1/90	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
US Equity (LC)	S&P 500 TR USD	12/21	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
US Equity (SC)	Russell 2000 TR USD	12/21	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Int'l Dev. Equity	MSCI EAFE GR USD	12/21	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
EM Equity	MSCI EM GR USD	12/21	-	1/88	MSCI EAFE GR USD	12/87	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Real Estate	Wilshire US RESI TR USD	12/21	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Broad Real Assets	S&P Real Asset TR USD	12/21	-	5/05	*Custom Real Assets Index	4/05	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Marketable Alternatives	HFRI Fund of Funds Composite USD	12/21	-	1/90	HFN Hedge Fund Aggregate Average	12/89	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.
Private Equity	Cambridge PE 67% Buyout vs. 33% Venture	12/21	-	4/86	Russell 2000 TR USD	3/86	-	1/79	N.A.	N.A.	-	N.A.	N.A.	N.A.	-	N.A.

*US Bonds - Dynamic Index - 1/3 Bloomberg Gbl Agg Ex USD TR Hdg USD, 1/3 FTSE Treasury Bill 3 Mon USD & 1/3 Bloomberg US Corporate High Yield TR USD

Disclosures



The historical performance information derived from the Frontier Engineer and used or presented in charts, tables, or graphs represent simulated historical performance, which has been derived by retroactively applying an asset allocation modeling process in its most recently developed form with its most recently derived ten-year (forward-looking) capital market assumptions. Such historical return simulations (or back testing) was performed by simulating the combination of actual index returns for the historical period with a buy and hold strategy effective January 1, 1988 through the most recently available month-end date with simulated rebalancing occurring every month-end (with the reinvestment of dividends and capital gains from each index).

Back tested performance is hypothetical and does not reflect actual trades or actual client performance. As with all models, there are inherent limitations which are derived from the retroactive application developed with the benefit of hindsight, including the risk that certain factors such as material economic and market conditions could have contributed to materially different (either higher or lower) performance results than those depicted, or that certain material factors may have been included or excluded from consideration. As such, actual results during the applicable back tested period would have been different than those depicted.

The asset allocation modeling process currently used was initially developed in 2002, and was not offered as a strategy prior to that time. The output of a forward-looking model (or process) is a representation of allocation percentages among specific asset classes. Clients cannot invest directly in a target allocation, but rather, in underlying securities within designated asset classes. Advisor may change its models from time to time, and regularly updates its model as additional capital market assumption information becomes available or to increase or decrease relative weightings or emphasis on certain factors. Consequently, the Advisor may choose to deviate from a stated model over time as the model itself is revised, which could have a materially positive or negative impact on performance.

During the period represented, numerous modelling changes were made, including the regular changes in (ten-year and/or twenty-year basis) forward-looking expected returns, expected volatilities, expected non-normal return distribution assumptions, as well as tracking-error assumptions and risk budgets. Furthermore, such assumptions can be modified client-by-client depending on certain preferences, priorities, constraints or unique considerations applicable to each client.

Other economic and market factors may have impacted decision-making when using the model to manage client funds, including the list of approved asset classes by a client or client type as well as any client-directed or Advisor implemented constraints.

All investments bear the risk of loss, including the loss of principal. Past performance, actual or hypothetical, is no guarantee of future results.

The returns displayed on the preceding pages are gross of fees. Actual performance would be reduced by investment advisory fees and other expenses that may be incurred in the management of the client's portfolio. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be \$5,228 in the first year, and cumulative effects of \$30,342 over five years and \$73,826 over ten years. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.

Disclosures



INDEX DEFINITIONS

FTSE Treasury Bill 3 Month measures return equivalents of yield averages and are not marked to market. It is an average of the last three three-month Treasury bill month-end rates.

Bloomberg Barclays Capital US Treasury Inflation Protected Securities Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays Muni 5 Year Index is the 5 year (4-6) component of the Municipal Bond index.

Bloomberg Barclays High Yield Municipal Bond Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays U.S. Aggregate Index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

FTSE World Government Bond Index (WGBI) (Unhedged) provides a broad benchmark for the global sovereign fixed income market by measuring the performance of fixed-rate, local currency, investment-grade sovereign debt from over 20 countries,

FTSE World Government Bond Index (WGBI) (Hedged) is designed to represent the FTSE WGBI without the impact of local currency exchange rate fluctuations.

Bloomberg Barclays US Corporate High Yield TR USD covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

JP Morgan Government Bond Index-Emerging Market Index (GBI-EMI) is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.

JPMorgan EMBI Global Diversified is an unmanaged, market-capitalization weighted, total-return index tracking the traded market for U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

MSCI ACWI is designed to represent performance of the full opportunity set of large- and mid-cap stocks across multiple developed and emerging markets, including cross-market tax incentives.

The S&P 500 is a capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Russell 3000 is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.

Russell Mid Cap measures the performance of the 800 smallest companies in the Russell 1000 Index.

Russell 2000 consists of the 2,000 smallest U.S. companies in the Russell 3000 index.

MSCI EAFE is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country

The Wilshire US Real Estate Securities Index (Wilshire US RESI) is comprised of publicly-traded real estate equity securities and designed to offer a market-based index that is more reflective of real estate held by pension funds.

Alerian MLP Index is a float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.

Bloomberg Commodity Index (BCI) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.

Treasury Inflation-Protected Securities (TIPS) are Treasury bonds that are indexed to inflation to protect investors from the negative effects of rising prices. The principal value of TIPS rises as inflation rises.

HFRI Fund of Funds Composite is an equal-weighted index consisting of over 800 constituent hedge funds, including both domestic and offshore funds.

Cambridge Associates U.S. Private Equity Index (67% Buyout vs. 33% Venture) is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.

HFN Hedge Fund Aggregate Average is an equal weighted average of all hedge funds and CTA/managed futures products reporting to the HFN Database. Constituents are aggregated from each of the HFN Strategy Specific Indices.

Goldman Sachs Commodity Index (GSCI) is a broadly diversified, unleveraged, long-only composite index of commodities that measures the performance of the commodity market.



Capital Markets Overview

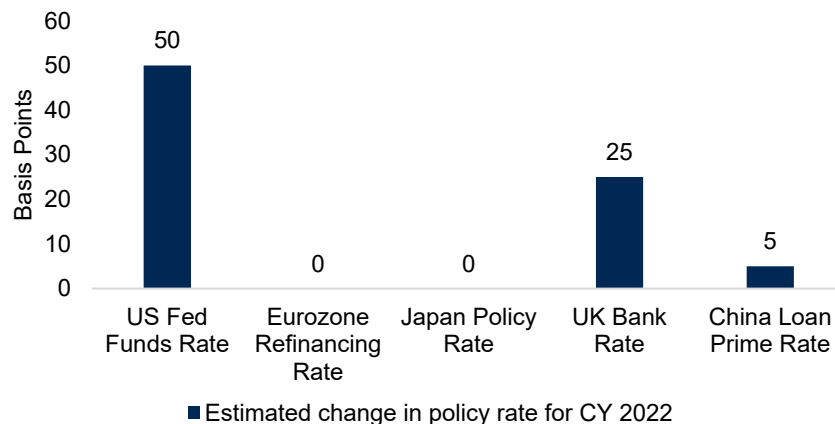


Market Themes

1. Adaptation and flexibility should prove key for investors in 2022, driven by concern for moderating return opportunities and heightened capital market volatility.
2. Investors should remain attuned to a more differentiated array of central bank responses in the New Year as authorities increasingly customize policies to their particular economic circumstances.
3. U.S. large cap equities were among the leaders this quarter as the reopening trade took a back seat and large growth outpaced value. Real estate markets continued their banner year while fixed income was relatively flat, despite increased rate volatility.

Global Policy Rates

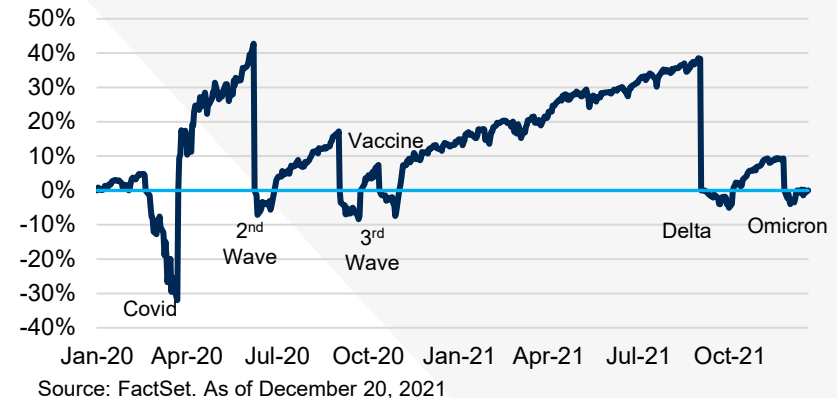
Market expectations are such that central bank coordination is likely to wane in 2022 as policy makers around the world react to their individual markets. This may present both opportunities and risks for investors in the coming quarters.



Source: FactSet. As of January 5, 2022

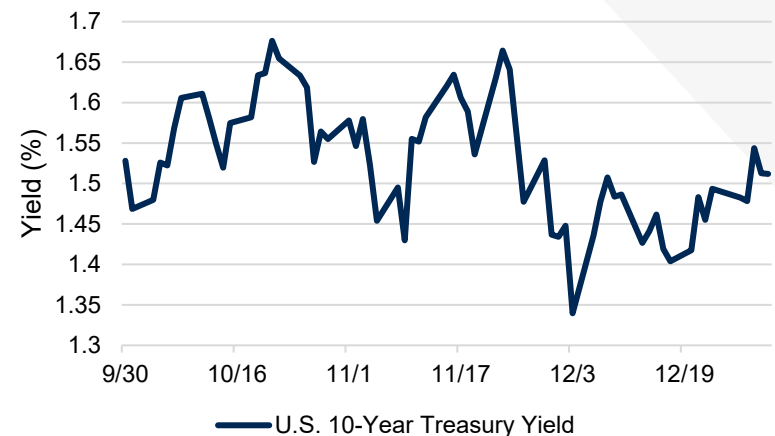
S&P 500 Drawdowns (% Change from Previous High/Low)

The COVID-19 pandemic has driven volatility over the past two years. Recent variants have had a more subdued impact.



Elevated Rate Volatility

The 10-year U.S. Treasury yield experienced elevated volatility in Q4 as investors digested the emergence of the omicron variant, elevated inflation, an increasingly hawkish Fed and prospects for further economic recovery.

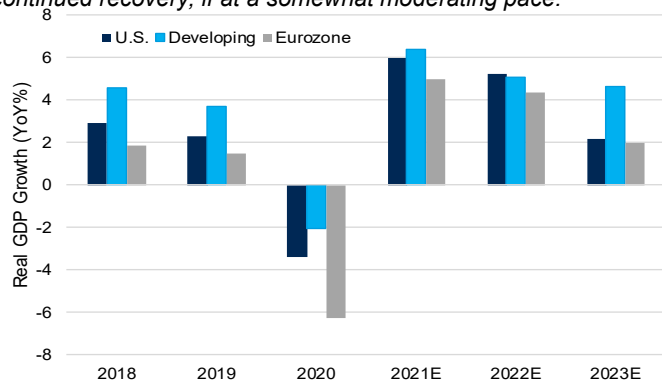


Source: FactSet. As of December 31, 2021.

Economic Review

Real GDP Growth (YoY)

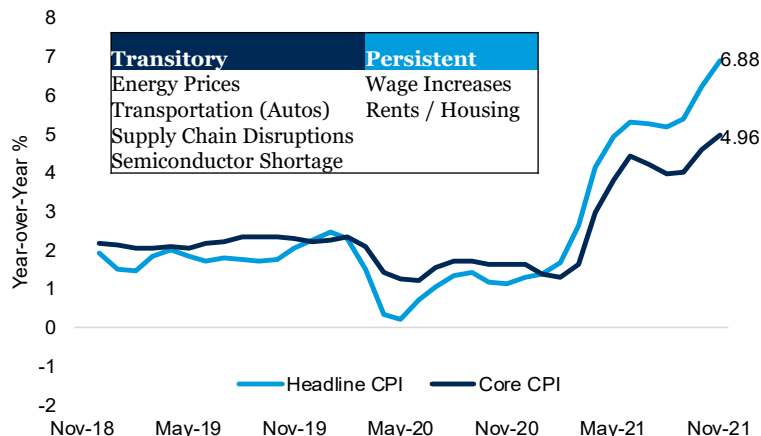
Estimates for positive GDP growth remain strong for 2022. A favorable consumer profile and corporate health provide a solid foundation for continued recovery, if at a somewhat moderating pace.



Source: FactSet, IMF World Economic Outlook. As of December 31, 2021.

U.S. Inflation

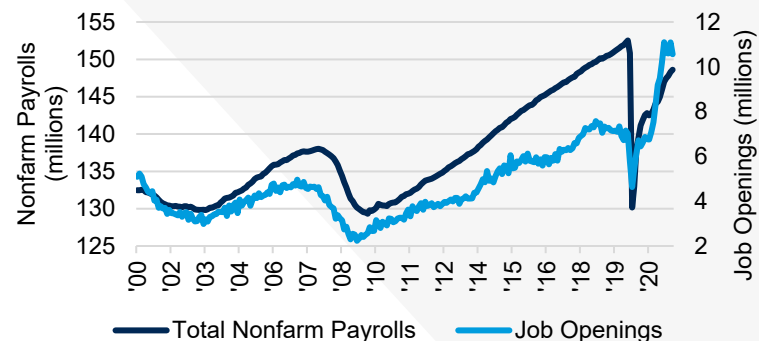
Inflation remains elevated, with energy and transportation seeing the largest increases year-over-year. Inflation may moderate but we don't expect it to revert to benign pre-pandemic levels.



Source: FactSet, Fiducient Advisors. As of November 30, 2021.

U.S. Labor Market

Job openings are at twenty-year highs, yet employment levels (nonfarm payrolls) are still below pre-pandemic levels. This supply/demand imbalance could lead to higher wages and a stronger consumer.



Source: FactSet, U.S. DOL. As of November 30, 2021

Shipping Costs

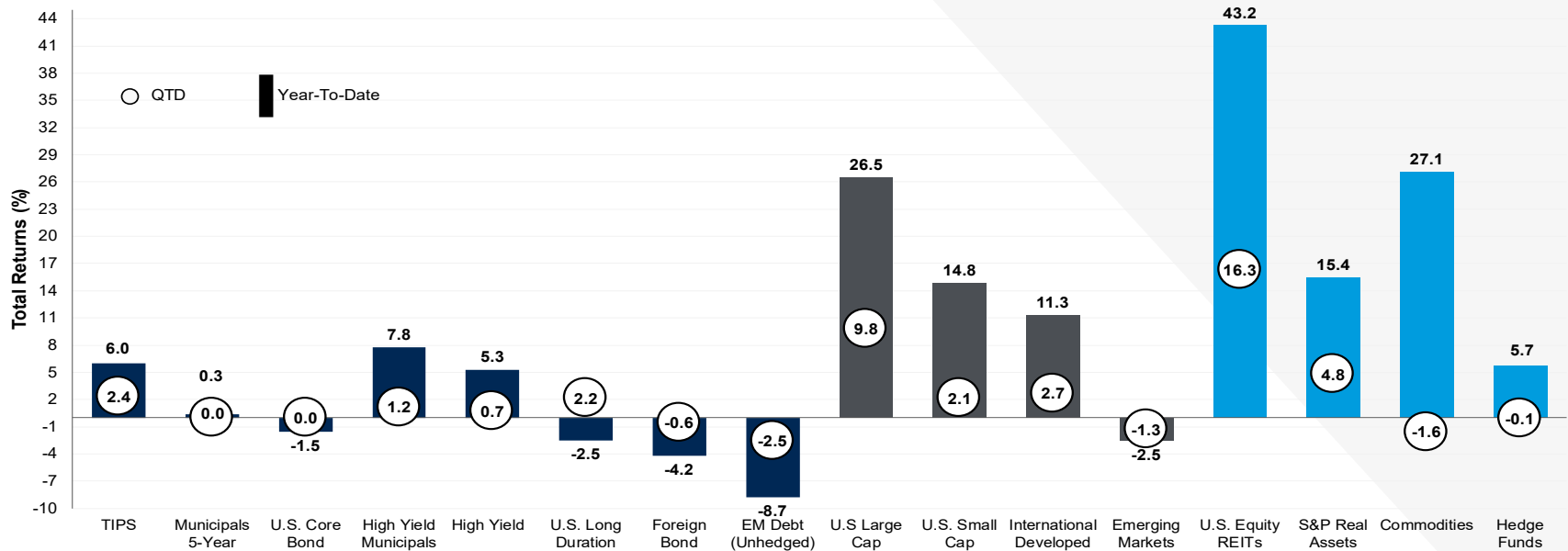
Supply chain issues are easing somewhat. The Baltic Dry Index, a measure of shipping costs of raw materials, has come off recent highs, which could alleviate inflation pressure in the future.



Source: FactSet, Baltic Exchange. As of December 31, 2021



Asset Class Returns



*Hedge fund returns are lagged 1 month. Sources: FactSet, J.P. Morgan, Russell, MSCI, FTSE Russell, Alerian, Morningstar. As of December 31, 2021.

Fixed Income (4Q)

- +/- U.S. bonds were flat on the quarter. A hawkish Federal Reserve incited a flatter yield curve.
- + Credit spreads ultimately ended the quarter tighter as investors continued to demand yield in the low-rate environment.
- Non-USD debt struggled in the period. A rising U.S. dollar coupled with Evergrande's debt default was a headwind for EM debt.

Equity (4Q)

- + Despite a volatile quarter, U.S. and developed international equities ultimately ended the quarter higher following a year-end rally.
- Government regulation and intervention in China continued to weigh on investor enthusiasm, pushing emerging markets into negative territory for the quarter.

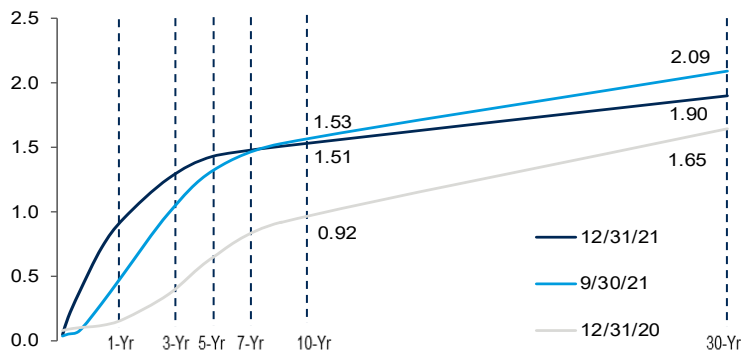
Real Asset / Alternatives (4Q)

- + REITs benefited from strong industrial, self-storage and residential performance, areas that have continued to benefit during the COVID-19 era.
- Perceptions of lower energy demand due to COVID outbreaks led to falling energy prices, which weighed on the commodity market.

Fixed Income Market Update

U.S. Treasury Yields Curve

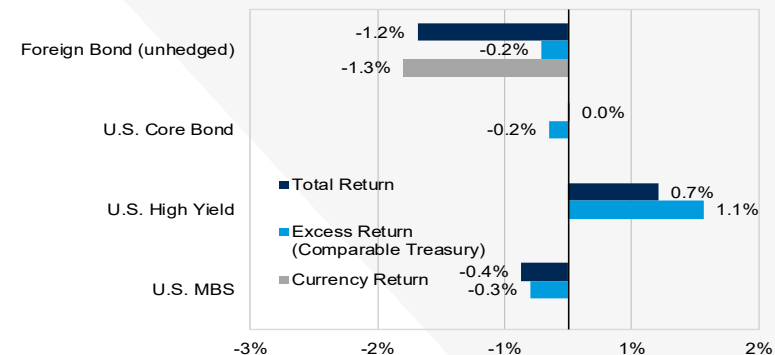
The U.S. curve flattened as the Fed accelerated their tapering program and outlook for rate hikes in 2022 solidified. Concerns about the impact of the omicron variant on the economy put pressure on the long-dated rates.



Source: FactSet

Index Performance Attribution (4Q 2021)

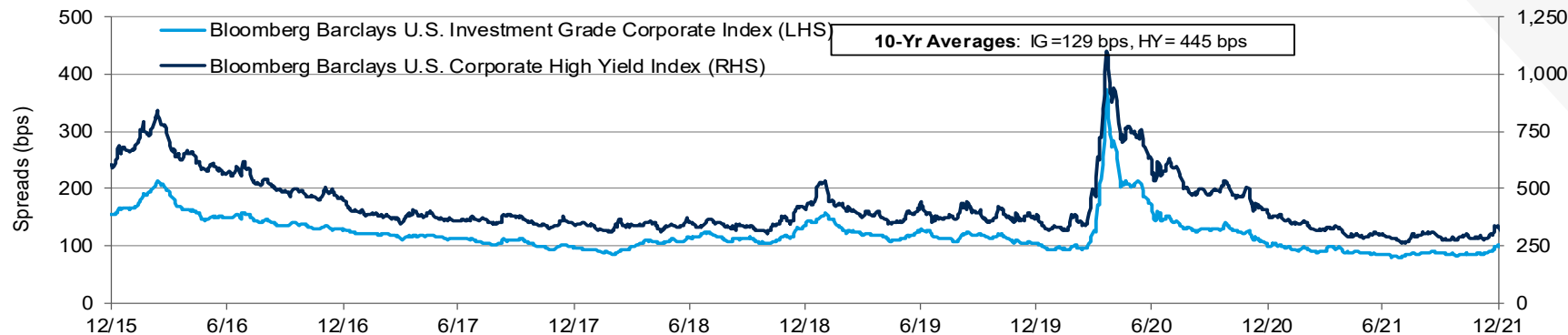
On a duration adjusted basis, high yield outpaced U.S. Treasuries while the mortgage market came under pressure as the Fed began its tapering program. A strengthening U.S. dollar was a major headwind for non-USD debt.



Source: FactSet. As of December 31, 2021

Credit Market Spreads – Trailing 5 Years

Credit spreads ultimately ended the quarter tighter, but the ride through the quarter was bumpy. Investor demand for yield continued to provide a tailwind for credit. Credit spreads sit well within their 10-year averages and, when coupled with heightened rate volatility, we currently favor active management.

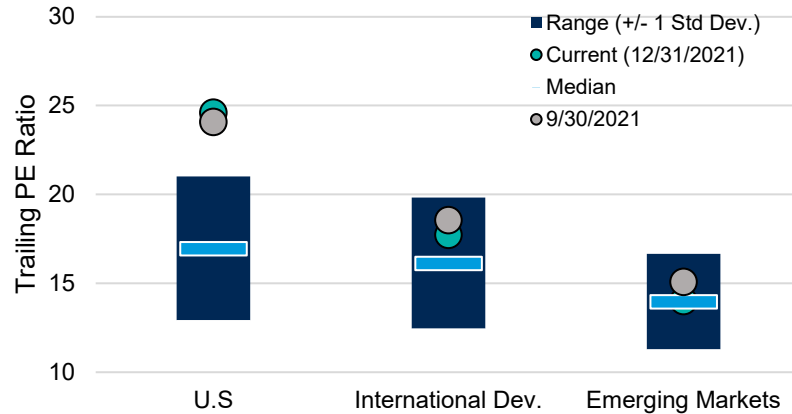


Source: FactSet. As of December 31, 2021

Equity Market Update

Equity Valuations (Trailing 15 Years)

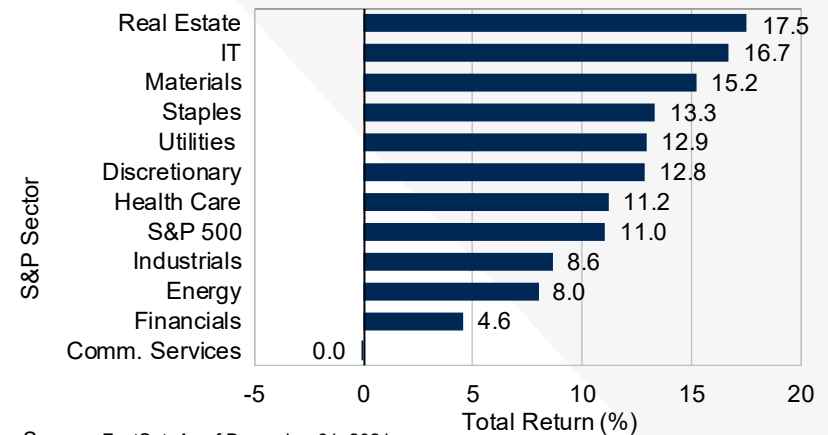
Valuations persist above longer-term averages in the U.S. but are less pronounced elsewhere in the world. Falling equity prices within emerging markets moved valuations lower and in-line with the 15-year median.



Source: FactSet. As of December 31, 2021

U.S. Equities – Return by Sector (4Q 2021)

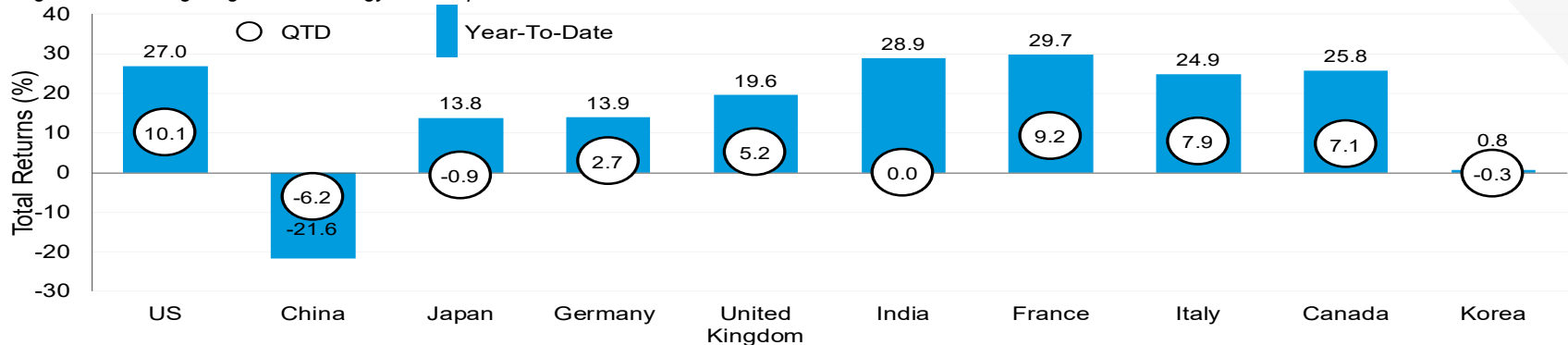
Real Estate and Information Technology led the way as the reopening trade reversed course, while energy and financials lagged the broader equity market.



Source: FactSet. As of December 31, 2021

Country Total Returns (%) – Top 10 Largest Economies

Equities were generally positive within developed regions, with the United States leading the way as COVID precautionary measures domestically were not as intense as those abroad. Chinese equities continued to be a drag on emerging market performance. Lingering concerns about the Chinese government targeting the technology and for-profit education sectors sent returns lower.



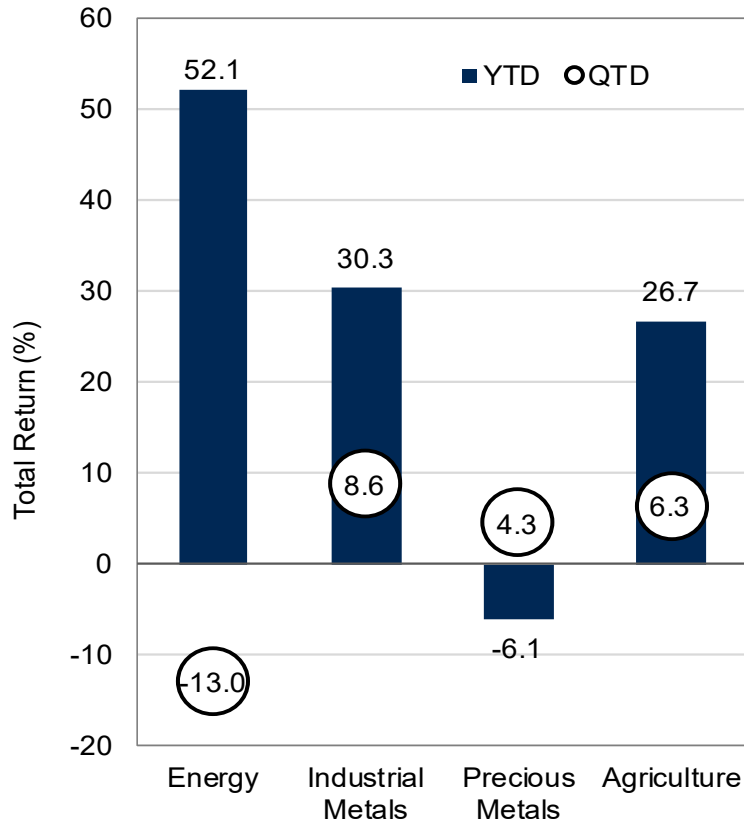
Source: FactSet. As of December 31, 2021.



Real Assets Market Update

Real Assets Performance

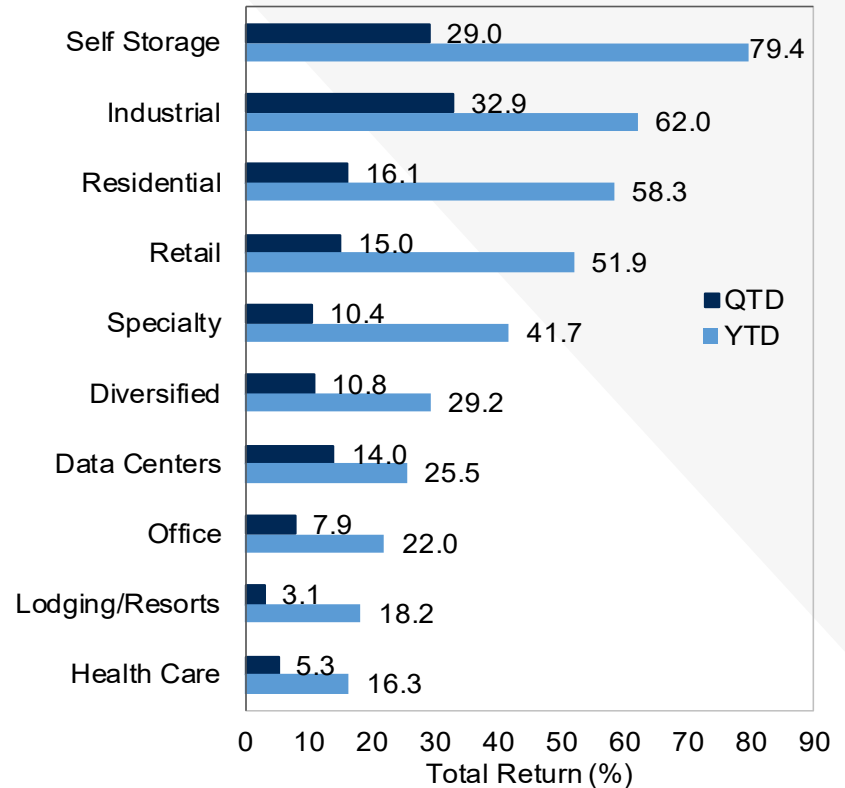
Energy reversed course in the fourth quarter as the breakout of COVID-19 cases weakened demand amid new lockdowns around the globe, while the supply chain backlog pushed industrial metals prices higher.



Source: FactSet. As of December 31, 2021

REIT Sector Performance

The Industrial and Self Storage sectors were the highlights this quarter, driven by the uncertainty generated by the omicron wave. Conversely, Lodging and Office lagged in the quarter. Real Estate, overall, performed well for the 2021 calendar year.



Source: FactSet. As of December 31, 2021

Private Equity

U.S. Private Equity deal activity is expected to shatter records in 2021, following heightened urgency ahead of (now unlikely) tax law changes and slightly reduced activity in 2020.

Fundraising activity has remained heightened with firms coming back to market sooner and raising larger funds as pace of deployment remained high.

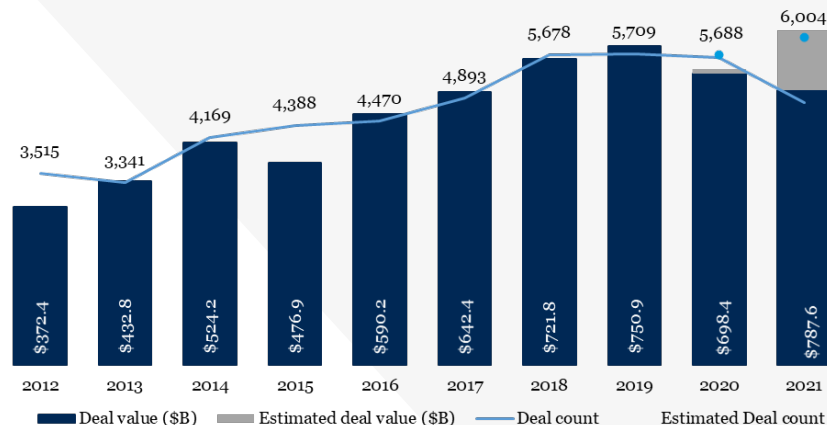
Private equity performance remained strong, with venture capital and growth equity outpacing buyout. All markets outperformed public markets.

Private Equity Performance

Benchmark	1-YR	3-YR	5-YR	10-Y	15-Y
US Private Equity	58.2%	25.1%	22.3%	16.7%	13.9%
US Buyout Index	51.2%	22.1%	20.4%	15.8%	13.2%
US Growth Equity Index	79.2%	34.5%	28.8%	20.0%	16.9%
US Venture Capital Index	88.1%	36.1%	25.8%	18.7%	14.6%
S&P 500 Index	40.8%	18.7%	17.6%	14.8%	10.7%

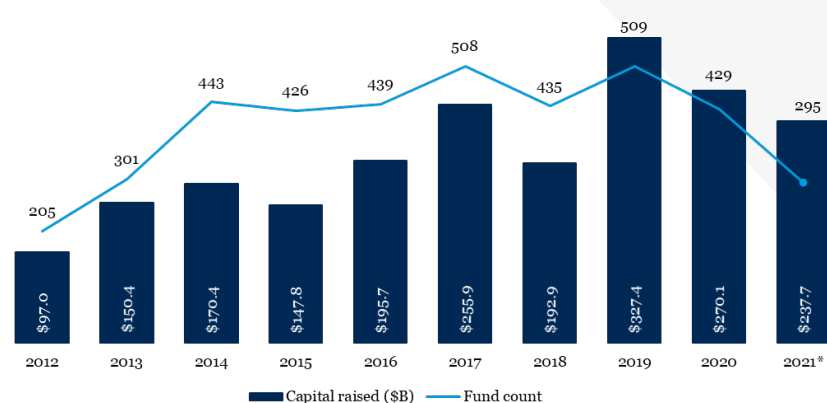
Source: Cambridge Associates. As of June 30, 2021.
Returns presented as horizon pooled return, net of fees.
S&P 500 Total Return Index as of June 30, 2021.

U.S. Private Equity Deal Activity



Source: Pitchbook. As of September 30, 2021.

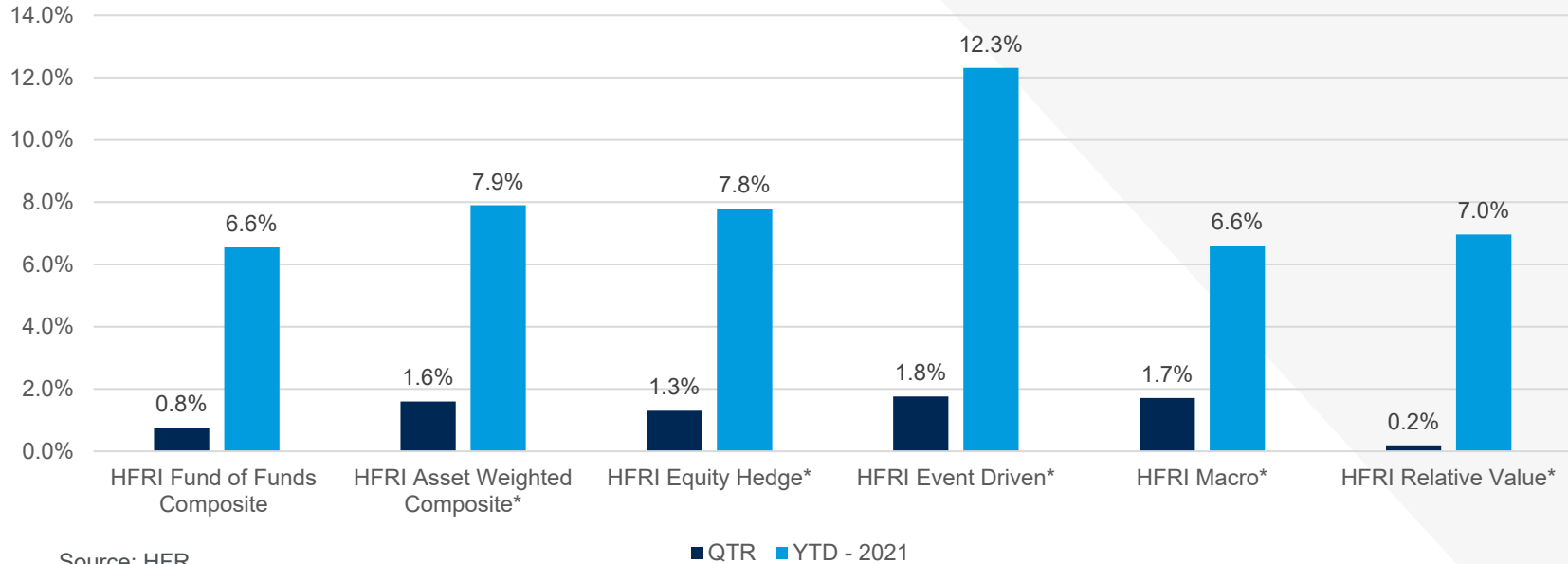
U.S. Buyout Fundraising Activity



Source: Pitchbook. As of September 30, 2021.



Marketable Alternatives



- The HFRI Asset Weighted Composite finished the quarter in positive territory to conclude a year dominated by market uncertainty, high volatility, challenges of increasing interest rates and inflation, and the second year of a global pandemic.
- Equity Hedge strategies were up on the quarter, led by high beta and long-biased strategies that benefitted from a rally in equity markets to close out the year.
- Event Driven strategies outperformed on the quarter and the year, led by Activist and Special Situations sub-strategies in a market that continued to see strong corporate action and M&A activity.
- Macro strategies also advanced for the quarter as commodities rallied and interest rates continued to rise.
- Relative Value strategies gained modestly on the quarter. Fixed income-based, interest rate-sensitive strategies performed well as rates rose while Volatility Relative Value strategies also contributed.



The Case For Diversification

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	10Yr (Ann)
TIPS 13.6	Emerging Markets 18.2	U.S. Small Cap 38.8	U.S. Equity REITs 30.1	U.S. Equity REITs 3.2	U.S. Small Cap 21.3	Emerging Markets 37.3	High Yield Munis 4.8	U.S. Large Cap 31.5	U.S. Small Cap 20.0	U.S. Equity REITs 43.2	US Large Cap 16.5
High Yield Munis 9.3	High Yield Munis 18.1	U.S. Large Cap 32.4	High Yield Munis 13.8	Municipals 5-Year 2.4	High Yield 17.1	International Dev. 25.0	Municipals 5-Year 1.7	U.S. Equity REITs 26.0	U.S. Large Cap 18.4	Commodities 27.1	US Small Cap 13.2
U.S. Equity REITs 8.3	U.S. Equity REITs 18.1	International Dev. 22.8	U.S. Large Cap 13.7	High Yield Munis 1.8	U.S. Large Cap 12.0	U.S. Large Cap 21.8	Foreign Bond 0.5	U.S. Small Cap 25.5	Emerging Markets 18.3	US Large Cap 26.5	U.S. Equity REITs 11.4
Core Bond 7.8	International Dev. 17.3	Balanced 12.2	Core Bond 6.0	U.S. Large Cap 1.4	Commodities 11.7	EM Debt (unhedged) 15.2	Core Bond 0.0	International Dev. 22.5	TIPS 11.0	US Small Cap 14.8	International Dev. 8.0
Municipals 5-Year 6.9	EM Debt (unhedged) 16.9	Hedge Funds 9.0	Balanced 5.1	Core Bond 0.6	Emerging Markets 11.2	U.S. Small Cap 14.6	TIPS -1.3	Emerging Markets 18.4	Balanced 8.8	International Dev. 11.3	Balanced 7.4
High Yield 5.0	U.S. Small Cap 16.3	High Yield 7.4	U.S. Small Cap 4.9	Hedge Funds -0.3	EM Debt (unhedged) 9.9	Balanced 13.6	High Yield -2.1	Balanced 17.5	International Dev. 7.8	Balanced 9.8	High Yield 6.8
Foreign Bond 4.2	U.S. Large Cap 16.0	U.S. Equity REITs 2.5	TIPS 3.6	International Dev. -0.8	U.S. Equity REITs 8.5	High Yield Munis 9.7	Hedge Funds -4.0	High Yield 14.3	Core Bond 7.5	High Yield Munis 7.8	High Yield Municipals 6.7
U.S. Large Cap 2.1	High Yield 15.8	Municipals 5-Year 0.8	Hedge Funds 3.4	TIPS -1.4	Balanced 7.6	Hedge Funds 7.8	U.S. Large Cap -4.4	EM Debt (unhedged) 13.5	Hedge Funds 7.1	TIPS 6.0	Emerging Markets 5.5
Balanced 0.9	Balanced 11.5	Foreign Bond -1.0	Municipals 5-Year 3.2	Foreign Bond -2.3	TIPS 4.7	High Yield 7.5	U.S. Equity REITs -4.6	High Yield Munis 10.7	High Yield 7.1	Hedge Funds 5.7	Hedge Funds 4.4
EM Debt (unhedged) -1.8	TIPS 7.0	Core Bond -2.0	Foreign Bond 2.9	Balanced -3.3	Foreign Bond 3.2	Foreign Bond 6.5	Balanced -5.8	Core Bond 8.7	Foreign Bond 7.0	High Yield 5.3	TIPS 3.1
U.S. Small Cap -4.2	Foreign Bond 5.3	Emerging Markets -2.6	High Yield 2.5	U.S. Small Cap -4.4	High Yield Munis 3.0	U.S. Equity REITs 5.2	EM Debt (unhedged) -6.2	TIPS 8.4	High Yield Munis 4.9	Municipals 5-Year 0.3	Core Bond 2.9
Hedge Funds -5.7	Hedge Funds 4.8	High Yield Munis -5.5	Emerging Markets -2.2	High Yield -4.5	Core Bond 2.6	Core Bond 3.5	U.S. Small Cap -11.0	Hedge Funds 7.8	Municipals 5-Year 4.3	Core Bond -1.5	Municipals 5-Year 2.4
Commodities -13.3	Core Bond 4.2	TIPS -8.6	International Dev. -4.9	Emerging Markets -14.9	International Dev. 1.0	Municipals 5-Year 3.1	Commodities -11.2	Commodities 7.7	EM Debt (unhedged) 2.7	Emerging Markets -2.5	Foreign Bond 2.3
International Dev. -12.1	Municipals 5-Year 3.0	EM Debt (unhedged) -9.0	EM Debt (unhedged) -5.7	EM Debt (unhedged) -14.9	Hedge Funds 0.5	TIPS 3.0	International Dev. -13.8	Foreign Bond 6.3	Commodities -3.1	Foreign Bond -4.2	EM Debt (unhedged) 0.7
Emerging Markets -18.4	Commodities -1.1	Commodities -9.5	Commodities -17.0	Commodities -24.7	Municipals 5-Year -0.4	Commodities 1.7	Emerging Markets -14.6	Municipals 5-Year 5.4	U.S. Equity REITs -8.0	EM Debt (unhedged) -8.7	Commodities -2.9

Source: FactSet & Morningstar as of December 31, 2021. Periods greater than one year are annualized. All returns are in U.S. dollar terms. One month lag for Hedge Funds.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.



Financials Markets Performance

Financial Markets Performance

Total return as of December 31, 2021

Periods greater than one year are annualized

All returns are in U.S. dollar terms

Global Fixed Income Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg 1-3-Month T-Bill	0.0%	0.0%	0.0%	0.9%	1.1%	0.8%	0.6%	0.8%
Bloomberg U.S. TIPS	2.4%	6.0%	6.0%	8.4%	5.3%	4.2%	3.1%	4.7%
Bloomberg Municipal Bond (5 Year)	0.0%	0.3%	0.3%	3.3%	3.0%	2.4%	2.4%	3.5%
Bloomberg High Yield Municipal Bond	1.2%	7.8%	7.8%	7.8%	7.5%	6.0%	6.7%	5.2%
Bloomberg U.S. Aggregate	0.0%	-1.5%	-1.5%	4.8%	3.6%	3.0%	2.9%	4.1%
Bloomberg U.S. Corporate High Yield	0.7%	5.3%	5.3%	8.8%	6.3%	6.1%	6.8%	7.1%
Bloomberg Global Aggregate ex-U.S. Hedged	-1.2%	-1.4%	-1.4%	3.3%	3.1%	3.1%	3.8%	4.0%
Bloomberg Global Aggregate ex-U.S. Unhedged	-1.2%	-7.0%	-7.0%	2.5%	3.1%	1.5%	0.8%	2.6%
Bloomberg U.S. Long Gov / Credit	2.2%	-2.5%	-2.5%	10.6%	7.4%	5.7%	5.7%	7.0%
JPMorgan GBI-EM Global Diversified	-2.5%	-8.7%	-8.7%	2.1%	2.8%	1.0%	0.7%	3.5%
Global Equity Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	11.0%	28.7%	28.7%	26.1%	18.5%	14.9%	16.6%	10.7%
Dow Jones Industrial Average	7.9%	20.9%	20.9%	18.5%	15.5%	13.3%	14.2%	10.1%
NASDAQ Composite	8.4%	22.2%	22.2%	34.3%	25.0%	19.8%	21.0%	14.4%
Russell 3000	9.3%	25.7%	25.7%	25.8%	18.0%	14.5%	16.3%	10.6%
Russell 1000	9.8%	26.5%	26.5%	26.2%	18.4%	14.8%	16.5%	10.7%
Russell 1000 Growth	11.6%	27.6%	27.6%	34.1%	25.3%	19.6%	19.8%	13.7%
Russell 1000 Value	7.8%	25.2%	25.2%	17.6%	11.2%	9.7%	13.0%	7.5%
Russell Mid Cap	6.4%	22.6%	22.6%	23.3%	15.1%	12.2%	14.9%	10.2%
Russell Mid Cap Growth	2.8%	12.7%	12.7%	27.5%	19.8%	14.9%	16.6%	11.7%
Russell Mid Cap Value	8.5%	28.3%	28.3%	19.6%	11.2%	10.0%	13.4%	8.8%
Russell 2000	2.1%	14.8%	14.8%	20.0%	12.0%	10.8%	13.2%	8.7%
Russell 2000 Growth	0.0%	2.8%	2.8%	21.2%	14.5%	11.7%	14.1%	10.0%
Russell 2000 Value	4.4%	28.3%	28.3%	18.0%	9.1%	9.5%	12.0%	7.2%
MSCI ACWI	6.7%	18.5%	18.5%	20.4%	14.4%	10.9%	11.9%	7.1%
MSCI ACWI ex. U.S.	1.8%	7.8%	7.8%	13.2%	9.6%	6.6%	7.3%	3.8%
MSCI EAFE	2.7%	11.3%	11.3%	13.5%	9.5%	6.8%	8.0%	3.6%
MSCI EAFE Growth	4.1%	11.3%	11.3%	19.0%	13.6%	9.7%	10.1%	5.5%
MSCI EAFE Value	1.2%	10.9%	10.9%	7.8%	5.3%	3.6%	5.8%	1.6%
MSCI EAFE Small Cap	0.1%	10.1%	10.1%	15.6%	11.0%	9.5%	10.8%	5.6%
MSCI Emerging Markets	-1.3%	-2.5%	-2.5%	10.9%	9.9%	6.1%	5.5%	4.5%
Alternatives	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	1.7%	6.6%	6.2%	3.3%	2.9%	2.4%	2.1%	2.2%
FTSE NAREIT Equity REITs	16.3%	43.2%	43.2%	18.4%	10.8%	9.3%	11.4%	6.9%
S&P Real Assets	4.8%	15.4%	15.4%	11.0%	7.4%	5.2%	5.9%	5.5%
FTSE EPRA NAREIT Developed	12.5%	36.9%	36.9%	13.1%	7.2%	7.9%	11.0%	5.4%
FTSE EPRA NAREIT Developed ex U.S.	2.1%	8.8%	8.8%	7.4%	7.1%	4.8%	7.8%	2.4%
Bloomberg Commodity Total Return	-1.6%	27.1%	27.1%	9.9%	3.7%	0.1%	-2.9%	-2.6%
HFRI Fund of Funds Composite*	-0.1%	5.7%	9.6%	7.7%	5.8%	4.1%	4.4%	2.8%
HFRI Fund Weighted Composite*	-0.7%	8.9%	13.9%	9.4%	7.0%	5.4%	5.6%	4.6%
Alerian MLP	0.6%	40.2%	40.2%	2.1%	-2.7%	-5.1%	-0.3%	4.3%

*One month lag.

Source: FactSet & Morningstar as of December 31, 2021. Periods greater than 1 year are annualized. All returns are in U.S. dollar terms.



Town & BoE Pension Plans

Asset Allocation - Town of Avon Retirement Plans

As of December 31, 2021

Investment	Town Retirement Plan Market Value (\$)	Board of Education Market Value (\$)	Consolidated Plan Market Value (\$)	Allocation (%)	Target (%)
<u>Short Term Liquidity</u>					
Dreyfus Treasury Prime Cash Mgmt	168,461	56,489	224,950	0.5%	0.0%
<u>Fixed Income</u>					
Vanguard Total Bond Market Index Adm	1,956,272	1,281,327	3,237,599	7.2%	7.5%
MetWest Total Return Bond Fund Plan	3,018,537	1,930,396	4,948,933	11.1%	11.3%
Western Asset Core Plus Bond Fund IS	3,002,816	1,899,622	4,902,438	11.0%	11.3%
BlackRock Strategic Income Opps Fund K	<u>1,987,327</u>	<u>1,305,704</u>	<u>3,293,031</u>	<u>7.4%</u>	<u>7.5%</u>
Total Fixed Income	9,964,951	6,417,049	16,382,000	36.6%	37.5%
<u>Domestic Equity</u>					
Vanguard 500 Index Fund Adm	4,159,139	2,687,340	6,846,479	15.3%	14.2%
Harbor Large Cap Value Ret	2,110,154	1,377,069	3,487,223	7.8%	7.5%
Harbor Capital Appreciation Ret	2,052,073	1,351,685	3,403,758	7.6%	7.5%
Neuberger Berman Genesis R6	<u>2,116,610</u>	<u>1,380,894</u>	<u>3,497,504</u>	<u>7.8%</u>	<u>7.5%</u>
Total Domestic Equity	10,437,976	6,796,988	17,234,964	38.5%	36.7%
<u>International Equity</u>					
American Funds EuroPacific Growth Fund R6	1,912,739	1,207,360	3,120,099	7.0%	7.5%
Vanguard International Value Investor	1,971,071	1,245,538	3,216,609	7.2%	7.5%
Vanguard International Growth Adm	<u>1,928,650</u>	<u>1,158,300</u>	<u>3,086,950</u>	<u>6.9%</u>	<u>7.5%</u>
Total International Equity	5,812,460	3,611,198	9,423,658	21.1%	22.5%
<u>Inflation Protection</u>					
Vanguard Short Term Inflation Protection Adm	440,143	289,896	730,039	1.6%	1.7%
Credit Suisse Commodity Return I	<u>420,383</u>	<u>298,670</u>	<u>719,053</u>	<u>1.6%</u>	<u>1.7%</u>
Total Inflation Protection	860,526	588,566	1,449,092	3.2%	3.3%
Totals	27,244,374	17,470,290	44,714,664	100.0%	100.0%

Balances provided by Webster Bank.

Total Plan Performance Summary

As of December 31, 2021

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Consolidated Plan				04/01/1994
Beginning Market Value	44,455,451	40,663,791	2,429,000	
Net Contributions	-1,042,128	489,631	4,751,387	
Total Gain/Loss	1,312,406	3,572,307	37,545,341	
Ending Market Value	44,725,728	44,725,728	44,725,728	

Blended Benchmark Composition

Allocation Mandate	Weight (%)
Nov-2010	
Blmbg. U.S. Aggregate Index	37.50
Russell 3000 Index	36.66
MSCI AC World ex USA (Net)	22.50
Bloomberg U.S. TIPS Index	1.67
Bloomberg Commodity Index Total Return	1.67

Trailing Performance Summary

	QTR	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Consolidated Plan	3.0	9.0	16.0	11.6	9.1	9.6	7.4	04/01/1994
<i>Blended Benchmark</i>	<i>3.8</i>	<i>10.7</i>	<i>14.6</i>	<i>10.4</i>	<i>8.2</i>	<i>8.8</i>	<i>8.0</i>	
Difference	-0.8	-1.7	1.4	1.2	0.9	0.8	-0.6	

Calendar Year Performance Summary

	2020	2019	2018	2017	2016	2015	2014	2013
Consolidated Plan	19.2	20.1	-5.3	17.4	6.1	-0.1	3.9	15.6
<i>Blended Benchmark</i>	<i>13.7</i>	<i>19.7</i>	<i>-5.2</i>	<i>14.9</i>	<i>7.1</i>	<i>-1.1</i>	<i>5.7</i>	<i>13.8</i>
Difference	5.5	0.4	-0.1	2.5	-1.0	1.0	-1.8	1.8

Manager Performance Overview

As of December 31, 2021

	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Board of Education Retirement Plan	3.0	9.3	16.2	11.9	9.2	9.7	5.9	12/01/1998
Town Retirement Plan	2.9	8.8	15.8	11.5	9.0	9.6	6.3	
<i>Avon Benchmark</i>	<i>3.8</i>	<i>10.7</i>	<i>14.6</i>	<i>10.4</i>	<i>8.2</i>	<i>8.8</i>	<i>6.3</i>	
BOE Fixed Income Composite	-0.1	-1.0	5.5	4.1	3.5	3.6	4.3	08/01/2009
<i>Blmbg. U.S. Aggregate Index</i>	<i>0.0</i>	<i>-1.5</i>	<i>4.8</i>	<i>3.6</i>	<i>3.0</i>	<i>2.9</i>	<i>3.7</i>	
Vanguard Total Bond Market Index Adm (VBTIX)	-0.1 (42)	-1.7 (66)	4.8 (70)	3.6 (59)	3.0 (57)	2.9 (66)	4.2 (55)	12/01/2001
<i>Blmbg. U.S. Aggregate Index</i>	<i>0.0</i>	<i>-1.5</i>	<i>4.8</i>	<i>3.6</i>	<i>3.0</i>	<i>2.9</i>	<i>4.3</i>	
IM U.S. Broad Market Core Fixed Income (MF) Median	-0.1	-1.3	5.2	3.7	3.1	3.1	4.2	
Metropolitan West Total Return Bond PI (MWTIX)	-0.1 (41)	-1.1 (54)	5.6 (52)	4.1 (52)	3.3 (52)	4.1 (22)	4.1 (24)	08/01/2011
<i>Blmbg. U.S. Aggregate Index</i>	<i>0.0</i>	<i>-1.5</i>	<i>4.8</i>	<i>3.6</i>	<i>3.0</i>	<i>2.9</i>	<i>3.1</i>	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-0.2	-1.0	5.7	4.1	3.4	3.6	3.6	
Western Asset Core Plus Bond IS (WAPTX)	0.0 (33)	-1.9 (83)	6.5 (23)	4.9 (13)	4.4 (6)	4.6 (8)	6.1 (2)	09/01/2008
<i>Blmbg. U.S. Aggregate Index</i>	<i>0.0</i>	<i>-1.5</i>	<i>4.8</i>	<i>3.6</i>	<i>3.0</i>	<i>2.9</i>	<i>3.9</i>	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-0.2	-1.0	5.7	4.1	3.4	3.6	4.7	
BlackRock Strategic Income Opportunities Fund K (BSIKX)	-0.2 (63)	1.0 (59)	5.3 (63)	4.1 (59)	N/A	N/A	4.3 (61)	04/01/2016
<i>Blmbg. U.S. Aggregate Index</i>	<i>0.0</i>	<i>-1.5</i>	<i>4.8</i>	<i>3.6</i>	<i>N/A</i>	<i>N/A</i>	<i>3.0</i>	
IM Multi-Sector General Bond (MF) Median	-0.1	1.5	5.9	4.4	N/A	N/A	4.8	
BOE Domestic Equity Composite	8.6	23.1	25.6	18.3	14.7	16.1	15.4	08/01/2009
<i>Russell 3000 Index</i>	<i>9.3</i>	<i>25.7</i>	<i>25.8</i>	<i>18.0</i>	<i>14.5</i>	<i>16.3</i>	<i>15.7</i>	
Vanguard 500 Index Fund Adm (VFIAX)	11.0 (27)	28.7 (24)	26.0 (28)	18.4 (25)	14.9 (14)	16.5 (15)	8.4 (30)	12/01/2000
<i>S&P 500 Index</i>	<i>11.0</i>	<i>28.7</i>	<i>26.1</i>	<i>18.5</i>	<i>14.9</i>	<i>16.6</i>	<i>8.4</i>	
IM U.S. Large Cap Core Equity (MF) Median	10.0	26.7	24.2	17.0	13.4	15.2	7.7	
Harbor Large Cap Value Ret (HNLVX)	7.6 (63)	25.1 (62)	24.0 (2)	16.2 (1)	14.4 (1)	16.2 (1)	10.8 (32)	01/01/1988
<i>Russell 1000 Value Index</i>	<i>7.8</i>	<i>25.2</i>	<i>17.6</i>	<i>11.2</i>	<i>9.7</i>	<i>13.0</i>	<i>10.8</i>	
IM U.S. Large Cap Value Equity (MF) Median	8.2	26.2	17.9	11.6	9.7	12.5	10.6	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of December 31, 2021

	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Harbor Capital Appreciation Ret (HNACX)	5.0 (77)	15.7 (84)	33.6 (13)	26.4 (9)	N/A	N/A	23.6 (9)	04/01/2016
<i>Russell 1000 Growth Index</i>	11.6	27.6	34.1	25.3	N/A	N/A	23.0	
IM U.S. Large Cap Growth Equity (MF) Median	7.7	22.0	30.7	23.4	N/A	N/A	20.9	
Neuberger Berman Genesis R6 (NRGSX)	8.4 (9)	18.5 (82)	24.4 (8)	15.8 (2)	13.9 (3)	N/A	13.6 (3)	04/01/2013
<i>Russell 2000 Index</i>	2.1	14.8	20.0	12.0	10.8	N/A	11.8	
IM U.S. Small Cap Core Equity (MF) Median	5.9	24.5	19.5	11.0	10.1	N/A	11.2	
BOE International Equity Composite	-0.6	3.3	20.0	14.8	10.4	10.7	9.2	08/01/2009
<i>MSCI AC World ex USA (Net)</i>	1.8	7.8	13.2	9.6	6.6	7.3	6.5	
American Funds EuroPacific Growth R6 (RERGX)	-1.1 (99)	2.8 (99)	18.0 (10)	12.9 (9)	9.1 (1)	10.0 (1)	7.8 (1)	11/01/2010
<i>MSCI AC World ex USA (Net)</i>	1.8	7.8	13.2	9.6	6.6	7.3	5.4	
IM International Large Cap Core Equity (MF) Median	2.9	10.3	13.2	8.7	5.2	6.7	5.0	
Vanguard International Value Inv (VTRIX)	1.9 (61)	8.0 (92)	12.3 (24)	9.2 (11)	6.1 (1)	7.6 (1)	6.2 (1)	08/01/2009
<i>MSCI AC World ex USA Value (net)</i>	1.2	10.5	8.2	6.0	3.9	5.3	4.7	
IM International Large Cap Value Equity (MF) Median	2.2	14.3	11.0	6.6	4.4	5.9	4.9	
Vanguard International Growth Adm (VWILX)	-2.8 (98)	-0.8 (96)	27.7 (2)	21.1 (1)	14.9 (2)	14.0 (1)	12.2 (1)	08/01/2009
<i>MSCI AC World ex USA Growth (Net)</i>	2.4	5.1	17.8	13.1	9.0	9.1	8.2	
IM International Large Cap Growth Equity (MF) Median	3.0	8.7	17.7	12.4	8.1	8.9	7.7	
BOE Inflation Protection Composite	0.3	16.2	7.8	3.7	1.7	-0.2	0.2	10/01/2010
<i>Avon Inflation Benchmark</i>	0.5	16.4	9.5	4.7	2.4	0.3	0.9	
Vanguard Short Term Inflation Protection Adm (VTAPX)	1.1 (84)	5.2 (53)	5.0 (94)	3.3 (90)	2.7 (87)	N/A	1.8 (67)	11/01/2012
<i>Blmbg.Barcl. U.S. TIPS 0-5 Year</i>	1.2	5.3	5.1	3.3	2.8	N/A	1.8	
IM U.S. TIPS (MF) Median	1.7	5.3	7.5	4.6	3.5	N/A	1.9	
Credit Suisse Commodity Return Instl (CRSOX)	-0.5 (63)	28.2 (69)	10.7 (58)	4.0 (67)	0.4 (74)	-2.8 (70)	-1.0 (N/A)	01/01/2005
<i>Bloomberg Commodity Index Total Return</i>	-1.6	27.1	9.9	3.7	0.1	-2.9	-1.1	
IM Commodities General (MF) Median	1.0	30.5	11.0	4.5	1.3	-1.8	N/A	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies. Composite performance includes all funds held in the composite since inception.

Returns are net of fees unless otherwise stated. Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Plan Investment Gain/Loss Summary

Quarter Ending December 31, 2021

	Market Value As of 10/01/2021	Net Flows	Return On Investment	Market Value As of 12/31/2021
<u>Consolidated Plan</u>				
Town Retirement Plan	27,355,688	-901,482	796,851	27,251,057
Board of Education Retirement Plan	17,099,763	-140,646	515,554	17,474,672
Avon Consolidated Plan	44,455,451	-1,042,128	1,312,406	44,725,728

Manager Gain/Loss Summary

BOE Plan

Quarter Ending December 31, 2021

	Market Value As of 10/01/2021	Net Flows	Return On Investment	Market Value As of 12/31/2021
<u>Short Term Liquidity</u>				
Cash Portfolio	22,133	34,354	3	56,490
Total Short Term Liquidity	22,133	34,354	3	56,490
<u>Fixed Income</u>				
Vanguard Total Bond Market Index Adm	1,284,510	-	-1,113	1,283,397
Metropolitan West Total Return Bond Pl	1,932,308	-	-1,912	1,930,396
Western Asset Core Plus Bond IS	1,900,208	-	-586	1,899,622
BlackRock Strategic Income Opportunities Fund K	1,310,664	-	-2,648	1,308,016
Total Fixed Income	6,427,689	-	-6,259	6,421,431
<u>Domestic Equity</u>				
Vanguard 500 Index Fund Adm	2,492,894	-75,000	269,446	2,687,340
Harbor Large Cap Value Ret	1,304,043	-25,000	98,026	1,377,069
Harbor Capital Appreciation Ret	1,358,646	-75,000	68,039	1,351,685
Neuberger Berman Genesis R6	1,273,528	-	107,366	1,380,894
Total Domestic Equity	6,429,111	-175,000	542,877	6,796,988
<u>International Equity</u>				
American Funds EuroPacific Growth R6	1,221,123	-	-13,763	1,207,360
Vanguard International Value Inv	1,221,773	-	23,765	1,245,538
Vanguard International Growth Adm	1,191,127	-	-32,828	1,158,300
Total International Equity	3,634,023	-	-22,826	3,611,197
<u>Inflation Protection</u>				
Vanguard Short-Term Inflation Protection Adm	286,679	-	3,217	289,896
Credit Suisse Commodity Return Instl	300,128	-	-1,458	298,670
Total Inflation Protection	586,806	-	1,759	588,565
Board of Education Retirement Plan	17,099,763	-140,646	515,554	17,474,672

Manager Gain/Loss Summary

Town Plan

Quarter Ending December 31, 2021

	Market Value As of 10/01/2021	Net Flows	Return On Investment	Market Value As of 12/31/2021
<u>Short Term Liquidity</u>				
Cash Portfolio	219,933	-51,482	12	168,463
Total Short Term Liquidity	219,933	-51,482	12	168,463
<u>Fixed Income</u>				
Vanguard Total Bond Market Index Adm	2,011,223	-50,000	-1,791	1,959,432
Metropolitan West Total Return Bond Pl	3,121,756	-100,000	-3,219	3,018,537
Western Asset Core Plus Bond IS	3,103,712	-100,000	-896	3,002,816
BlackRock Strategic Income Opportunities Fund K	2,044,920	-50,000	-4,075	1,990,846
Total Fixed Income	10,281,611	-300,000	-9,981	9,971,630
<u>Domestic Equity</u>				
Vanguard 500 Index Fund Adm	3,890,862	-150,000	418,277	4,159,139
Harbor Large Cap Value Ret	2,033,840	-75,000	151,314	2,110,154
Harbor Capital Appreciation Ret	2,025,524	-75,000	101,550	2,052,073
Neuberger Berman Genesis R6	2,049,156	-100,000	167,454	2,116,610
Total Domestic Equity	9,999,382	-400,000	838,594	10,437,976
<u>International Equity</u>				
American Funds EuroPacific Growth R6	2,007,711	-75,000	-19,972	1,912,739
Vanguard International Value Inv	2,006,045	-75,000	40,026	1,971,071
Vanguard International Growth Adm	1,983,311	-	-54,661	1,928,650
Total International Equity	5,997,067	-150,000	-34,606	5,812,461
<u>Inflation Protection</u>				
Vanguard Short-Term Inflation Protection Adm	435,258	-	4,885	440,143
Credit Suisse Commodity Return Instl	422,436	-	-2,053	420,383
Total Inflation Protection	857,694	-	2,832	860,526
Town Retirement Plan	27,355,688	-901,482	796,851	27,251,057

Estimated Fee Analysis

As of December 31, 2021

Manager	Current Target %	Fee Schedule
Vanguard Total Bond Market Index Adm	7.5%	0.05%
Metropolitan West Total Return Bond Pl	11.3%	0.38%
Western Asset Core Plus Bond IS	11.3%	0.42%
BlackRock Strategic Income Opportunities Fund K	7.5%	0.67%
Vanguard 500 Index Fund Adm	14.2%	0.04%
Harbor Large Cap Value Ret	7.5%	0.61%
Harbor Capital Appreciation Ret	7.5%	0.59%
Neuberger Berman Genesis R6	7.5%	0.75%
American Funds EuroPacific Growth R6	7.5%	0.46%
Vanguard International Value Inv	7.5%	0.35%
Vanguard International Growth Adm	7.5%	0.33%
Vanguard Short-Term Inflation Protection Adm	1.7%	0.06%
Credit Suisse Commodity Return Instl	1.7%	0.78%
Weighted Average Investment Management Fee		0.40%

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



OPEB Trusts & Retiree Medical Plans

Total Plan Performance Summary

Retiree Medical Plan

As of December 31, 2021

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Retiree Medical Plan				02/01/2005
Beginning Market Value	1,365,006	1,364,916	1,157,998	
Net Contributions	-1,365,000	-1,365,000	-1,799,551	
Total Gain/Loss	37	128	641,597	
Ending Market Value	43	43	43	

Retiree Medical Plan Benchmark Composition

Allocation Mandate	Weight (%)
Sep-2018	
90 Day U.S. Treasury Bill	100.00

Trailing Performance Summary

	QTR	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Retiree Medical Plan	0.0	0.0	0.4	0.5	0.7	2.4	3.4	02/01/2005
<i>Retiree Medical Plan Benchmark</i>	<i>0.0</i>	<i>0.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.1</i>	<i>2.7</i>	<i>3.6</i>	
Difference	0.0	0.0	-0.6	-0.5	-0.4	-0.3	-0.2	

Calendar Year Performance Summary

	2020	2019	2018	2017	2016	2015	2014	2013
Retiree Medical Plan	0.1	1.2	-0.9	2.2	1.6	1.1	6.1	5.5
<i>Retiree Medical Plan Benchmark</i>	<i>0.7</i>	<i>2.3</i>	<i>-0.2</i>	<i>2.3</i>	<i>1.6</i>	<i>1.1</i>	<i>6.2</i>	<i>5.3</i>
Difference	-0.6	-1.1	-0.7	-0.1	0.0	0.0	-0.1	0.2

*Data displayed in Since Inception column is as of a start date of 10/1/2005. Historical market value and flow information prior to 10/1/2005 was not available from prior consultant. The stated inception date of 2/1/2005 is the plan's performance inception date.

Manager Gain/Loss Summary

Retiree Medical Plan

Quarter Ending December 31, 2021

	Market Value As of 10/01/2021	Net Flows	Return On Investment	Market Value As of 12/31/2021
Money Market Funds	1,365,006	-1,365,000	37	43
Retiree Medical Plan	1,365,006	-1,365,000	37	43

Asset Allocation

OPEB Trust

As of December 31, 2021

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
OPEB Trust	5,104,830	100.0	100.0	0.0
OPEB - Short Term Liquidity	84,794	1.7	0.0	1.7
Money Market Funds	84,794	1.7	0.0	1.7
Fixed Income	1,958,896	38.4	40.0	-1.6
iShares Barclays Aggregate Index	1,457,600	28.6	30.0	-1.4
iShares Barclays TIPS Index	501,296	9.8	10.0	-0.2
Domestic Equity	1,804,037	35.3	35.0	0.3
iShares S&P 500 Index	1,293,597	25.3	25.0	0.3
iShares Russell Midcap Index	310,457	6.1	6.0	0.1
iShares Russell 2000 Index	199,983	3.9	4.0	-0.1
International Equity	1,127,978	22.1	22.5	-0.4
iShares MSCI EAFE Index	884,363	17.3	17.5	-0.2
iShares MSCI Emerging Market Index	243,615	4.8	5.0	-0.2
OPEB - Real Estate	129,125	2.5	2.5	0.0
iShares Cohen & Steers Majors Index	66,570	1.3	1.3	0.1
iShares S&P Developed Ex-US Property Index	62,555	1.2	1.3	0.0

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance.
Asset Allocation weightings may not add up to 100% due to rounding.

Total Plan Performance Summary

OPEB Trust

As of December 31, 2021

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
OPEB Trust				09/01/2009
Beginning Market Value	2,944,377	2,754,066	653,772	
Net Contributions	2,025,000	2,025,001	2,550,131	
Total Gain/Loss	135,452	325,763	1,900,927	
Ending Market Value	5,104,830	5,104,830	5,104,830	

OPEB Trust Benchmark Composition

Allocation Mandate	Weight (%)
Oct-2018	
Bloomberg U.S. TIPS Index	10.00
Blmbg. U.S. Aggregate Index	30.00
Russell 3000 Index	35.00
MSCI EAFE (Net) Index	17.50
MSCI Emerging Markets (Net) Index	5.00
FTSE EPRA/NAREIT Developed Index	2.50

Trailing Performance Summary

	QTR	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
OPEB Trust	4.2	11.4	14.5	10.2	8.1	8.5	8.4	09/01/2009
<i>OPEB Trust Benchmark</i>	<i>4.2</i>	<i>11.2</i>	<i>14.7</i>	<i>10.1</i>	<i>8.0</i>	<i>8.4</i>	<i>8.5</i>	
Difference	0.0	0.2	-0.2	0.1	0.1	0.1	-0.1	

Calendar Year Performance Summary

	2020	2019	2018	2017	2016	2015	2014	2013
OPEB Trust	13.6	18.7	-5.0	14.1	6.7	-1.0	5.7	10.4
<i>OPEB Trust Benchmark</i>	<i>13.5</i>	<i>19.6</i>	<i>-5.5</i>	<i>13.6</i>	<i>6.6</i>	<i>-0.7</i>	<i>5.8</i>	<i>10.1</i>
Difference	0.1	-0.9	0.5	0.5	0.1	-0.3	-0.1	0.3

Manager Gain/Loss Summary

OPEB Trust

Quarter Ending December 31, 2021

	Market Value As of 10/01/2021	Net Flows	Return On Investment	Market Value As of 12/31/2021
<u>Short Term Liquidity</u>				
Money Market Funds	49,356	35,435	3	84,794
<u>Fixed Income</u>				
iShares Barclays Aggregate Index	793,705	664,919	-1,023	1,457,600
iShares Barclays TIPS Index	273,129	220,354	7,813	501,296
Total Fixed Income	1,066,834	885,272	6,790	1,958,896
<u>Domestic Equity</u>				
iShares S&P 500 Index	797,448	400,852	95,298	1,293,597
iShares Russell Midcap Index	188,588	109,111	12,758	310,457
iShares Russell 2000 Index	124,031	74,416	1,535	199,983
Total Domestic Equity	1,110,067	584,379	109,591	1,804,037
<u>International Equity</u>				
iShares MSCI EAFE Index	514,242	354,770	15,351	884,363
iShares MSCI Emerging Market Index	136,479	111,495	-4,359	243,615
Total International Equity	650,721	466,265	10,992	1,127,978
<u>Real Estate</u>				
iShares Cohen & Steers Majors Index	34,803	24,546	7,221	66,570
iShares S&P Developed Ex-US Property Index	32,595	29,103	857	62,555
Total Real Estate	67,398	53,649	8,077	129,125
OPEB Trust	2,944,377	2,025,000	135,452	5,104,830

Asset Allocation

BOE OPEB Trust

As of December 31, 2021

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Avon BOE OPEB Trust	7,848,226	100.0	100.0	0.0
OPEB - Short Term Liquidity	97,285	1.2	0.0	1.2
Money Market Funds	97,285	1.2	0.0	1.2
Fixed Income	3,046,479	38.8	40.0	-1.2
iShares Barclays Aggregate Index	2,281,486	29.1	30.0	-0.9
iShares Barclays TIPS Index	764,993	9.7	10.0	-0.3
Domestic Equity	2,842,216	36.2	35.0	1.2
iShares S&P 500 Index	2,064,890	26.3	25.0	1.3
iShares Russell Midcap Index	473,904	6.0	6.0	0.0
iShares Russell 2000 Index	303,422	3.9	4.0	-0.1
International Equity	1,674,971	21.3	22.5	-1.2
iShares MSCI EAFE Index	1,314,507	16.7	17.5	-0.8
iShares MSCI Emerging Market Index	360,464	4.6	5.0	-0.4
OPEB - Real Estate	187,275	2.4	2.5	-0.1
iShares Cohen & Steers Majors Index	102,404	1.3	1.3	0.1
iShares S&P Developed Ex-US Property Index	84,871	1.1	1.3	-0.2

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance.
Asset Allocation weightings may not add up to 100% due to rounding.

Total Plan Performance Summary

BOE OPEB Trust

As of December 31, 2021

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Avon BOE OPEB Trust				09/01/2011
Beginning Market Value	7,545,796	6,343,113	25,362	
Net Contributions	1,000	779,945	5,822,043	
Total Gain/Loss	301,430	725,168	2,000,821	
Ending Market Value	7,848,226	7,848,226	7,848,226	

OPEB Trust Benchmark Composition

Allocation Mandate	Weight (%)
Oct-2018	
Bloomberg U.S. TIPS Index	10.00
Blmbg. U.S. Aggregate Index	30.00
Russell 3000 Index	35.00
MSCI EAFE (Net) Index	17.50
MSCI Emerging Markets (Net) Index	5.00
FTSE EPRA/NAREIT Developed Index	2.50

Trailing Performance Summary

	QTR	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Avon BOE OPEB Trust	4.0	11.1	14.3	9.9	7.7	8.2	7.8	09/01/2011
<i>OPEB Trust Benchmark</i>	4.2	11.2	14.7	10.1	8.0	8.4	8.2	
Difference	-0.2	-0.1	-0.4	-0.2	-0.3	-0.2	-0.4	

Calendar Year Performance Summary

	2020	2019	2018	2017	2016	2015	2014	2013
Avon BOE OPEB Trust	12.8	19.0	-5.8	13.9	6.0	-1.0	5.6	10.3
<i>OPEB Trust Benchmark</i>	13.5	19.6	-5.5	13.6	6.6	-0.7	5.8	10.1
Difference	-0.7	-0.6	-0.3	0.3	-0.6	-0.3	-0.2	0.2

Manager Gain/Loss Summary

Avon BOE OPEB Trust

Quarter Ending December 31, 2021

	Market Value As of 10/01/2021	Net Flows	Return On Investment	Market Value As of 12/31/2021
<u>Short Term Liquidity</u>				
Money Market Funds	35,807	61,477	1	97,285
<u>Fixed Income</u>				
iShares Barclays Aggregate Index	2,296,485	-12,751	-2,249	2,281,486
iShares Barclays TIPS Index	756,052	-9,036	17,976	764,993
Total Fixed Income	3,052,538	-21,786	15,728	3,046,479
<u>Domestic Equity</u>				
iShares S&P 500 Index	1,865,020	-6,486	206,356	2,064,890
iShares Russell Midcap Index	446,558	-1,466	28,812	473,904
iShares Russell 2000 Index	298,375	-908	5,955	303,422
Total Domestic Equity	2,609,953	-8,860	241,123	2,842,216
<u>International Equity</u>				
iShares MSCI EAFE Index	1,303,313	-22,592	33,785	1,314,507
iShares MSCI Emerging Market Index	371,754	-5,216	-6,074	360,464
Total International Equity	1,675,067	-27,807	27,711	1,674,971
<u>Real Estate</u>				
iShares Cohen & Steers Majors Index	88,055	-763	15,111	102,404
iShares S&P Developed Ex-US Property Index	84,376	-1,261	1,756	84,871
Total Real Estate	172,432	-2,023	16,867	187,275
Avon BOE OPEB Trust	7,545,796	1,000	301,430	7,848,226

Manager Performance Overview

BOE/OPEB Trust

As of December 31, 2021

	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<u>Fixed Income</u>								
iShares Barclays Aggregate Index (AGG)	-0.1 (43)	-1.7 (66)	4.7 (75)	3.5 (65)	2.9 (60)	2.8 (69)	3.8 (59)	10/01/2003
<i>Blmbg. U.S. Aggregate Index</i>	<i>0.0</i>	<i>-1.5</i>	<i>4.8</i>	<i>3.6</i>	<i>3.0</i>	<i>2.9</i>	<i>4.0</i>	
IM U.S. Broad Market Core Fixed Income (MF) Median	-0.1	-1.3	5.2	3.7	3.1	3.1	3.9	
iShares Barclays TIPS Index (TIP)	2.2 (17)	5.5 (38)	8.2 (28)	5.2 (25)	4.1 (23)	2.9 (23)	4.4 (16)	01/01/2004
<i>Bloomberg U.S. TIPS Index</i>	<i>2.4</i>	<i>6.0</i>	<i>8.4</i>	<i>5.3</i>	<i>4.2</i>	<i>3.1</i>	<i>4.6</i>	
IM U.S. TIPS (MF) Median	1.7	5.3	7.5	4.6	3.5	2.5	4.1	
<u>Domestic Equity</u>								
iShares S&P 500 Index (IVV)	11.0 (26)	28.7 (24)	26.0 (28)	18.4 (25)	14.9 (14)	16.5 (16)	7.8 (38)	06/01/2000
<i>S&P 500 Index</i>	<i>11.0</i>	<i>28.7</i>	<i>26.1</i>	<i>18.5</i>	<i>14.9</i>	<i>16.6</i>	<i>7.8</i>	
IM U.S. Large Cap Core Equity (MF) Median	10.0	26.7	24.2	17.0	13.4	15.2	7.2	
iShares Russell Midcap Index (IWR)	6.4 (79)	22.4 (67)	23.1 (19)	14.9 (14)	12.1 (19)	14.7 (11)	10.4 (15)	08/01/2001
<i>Russell Midcap Index</i>	<i>6.4</i>	<i>22.6</i>	<i>23.3</i>	<i>15.1</i>	<i>12.2</i>	<i>14.9</i>	<i>10.6</i>	
IM U.S. Mid Cap Core Equity (MF) Median	8.0	24.9	20.8	12.4	10.2	12.8	9.0	
iShares Russell 2000 Index (IWM)	2.1 (93)	14.6 (92)	19.9 (44)	11.9 (33)	10.7 (35)	13.2 (32)	8.8 (71)	06/01/2000
<i>Russell 2000 Index</i>	<i>2.1</i>	<i>14.8</i>	<i>20.0</i>	<i>12.0</i>	<i>10.8</i>	<i>13.2</i>	<i>8.9</i>	
IM U.S. Small Cap Core Equity (MF) Median	5.9	24.5	19.5	11.0	10.1	12.5	9.9	
<u>International Equity</u>								
iShares MSCI EAFE Index (EFA)	3.1 (39)	11.2 (39)	13.5 (48)	9.5 (32)	6.7 (20)	8.0 (19)	6.0 (57)	09/01/2001
<i>MSCI EAFE (Net) Index</i>	<i>2.7</i>	<i>11.3</i>	<i>13.5</i>	<i>9.5</i>	<i>6.8</i>	<i>8.0</i>	<i>6.0</i>	
IM International Large Cap Core Equity (MF) Median	2.9	10.3	13.2	8.7	5.2	6.7	6.0	
iShares MSCI Emerging Market Index (EEM)	-1.6 (55)	-3.7 (67)	10.0 (76)	9.1 (62)	5.4 (66)	4.8 (67)	10.0 (67)	05/01/2003
<i>MSCI Emerging Markets (Net) Index</i>	<i>-1.3</i>	<i>-2.5</i>	<i>10.9</i>	<i>9.9</i>	<i>6.1</i>	<i>5.5</i>	<i>10.6</i>	
IM Emerging Markets Equity (MF) Median	-1.3	-1.6	11.8	9.6	5.9	5.6	10.3	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

BOE/OPEB Trust

As of December 31, 2021

	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<u>Real Estate</u>								
iShares Cohen & Steers Majors Index (ICF)	17.2 (15)	44.0 (22)	19.6 (54)	11.8 (37)	9.9 (33)	11.4 (32)	10.8 (43)	02/01/2001
<i>Cohen Steers Realty Majors Index</i>	17.2	44.5	20.0	12.2	10.3	11.8	11.1	
IM Real Estate Sector (MF) Median	15.7	41.2	19.7	11.2	9.3	11.0	10.5	
iShares S&P Developed Ex-US Property Index (WPS)	2.3 (52)	8.9 (35)	7.4 (72)	6.6 (65)	4.8 (49)	7.8 (40)	2.4 (47)	08/01/2007
<i>S&P Developed Ex-U.S. Property</i>	1.9	9.5	8.2	7.5	5.5	8.5	3.0	
IM International Real Estate (MF) Median	2.3	7.6	8.2	7.3	4.7	7.5	2.4	

** The above stated performance is sourced from iShares Funds. Actual investment performance achieved for each product may deviate due to differing pricing methodologies employed by the plan custodian and iShares.

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class's historical performance due to share class exchanges.

Definitions & Disclosures

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

REGULATORY DISCLOSURES

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

ASSET CLASS REPRESENTATIONS

All material and information is intended for Fiducient Advisors L.L.C. business only. Any use or public dissemination outside firm business is prohibited. Information is obtained from a variety of sources which are believed though not guaranteed to be accurate. Any forecast represents future expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance. This presentation does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged and investors can not actually invest directly into an index:

TIPS: Bloomberg Barclays Global Inflation-Linked: U.S. TIPS Total Return Index Unhedged

Municipals 5-Year: Bloomberg Barclays Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

Core Bond: Bloomberg Barclays US Agg Total Return Value Unhedged USD

High Yield Municipals: Bloomberg Barclays Muni High Yield Total Return Index Value Unhedged USD

High Yield: Bloomberg Barclays US Corporate High Yield Total Return Index Value Unhedged USD

Foreign Bond: Bloomberg Barclays Global Aggregate ex-USD Total Return Index Value USD (50/50 blend of hedged and unhedged)

EM Debt (unhedged): J.P. Morgan GBI-EM Global Diversified Composite Unhedged USD

U.S. Large Cap: S&P 500 Total Return Index

U.S. Small Cap: Russell 2000 Total Return Index

International Developed: MSCI EAFE Net Total Return USD Index

Emerging Markets: MSCI Emerging Markets Net Total Return USD Index

World: MSCI ACWI Net Total Return USD Index

U.S. Equity REITs: FTSE Nareit Equity REITs Total Return Index USD

S&P Real Assets: S&P Real Assets Total Return Index

Commodities: Bloomberg Commodity Total Return Index

Hedge Funds: Hedge Fund Research HFRI Fund of Funds Composite Index

Balanced: 3% TIPS, 33% Core Bond, 4% High Yield, 2% Foreign Bond, 2% EM Debt (unhedged), 18% U.S. Large Cap, 6% U.S. Small Cap, 16% International, 8% Emerging Markets, 5% U.S. Equity REITs, 3% Commodities

U.S.: MSCI USA Net Total Return USD Index

China: MSCI CHINA Net Total Return USD Index

Japan: MSCI Japan Net Total Return USD Index

Germany: MSCI Germany Net Total Return USD Index

India: MSCI India Net Total Return USD Index

United Kingdom: MSCI UK Net Total Return USD Index

France: MSCI France Net Total Return USD Index

Italy: MSCI Italy Net Total Return USD Index

Brazil: MSCI Brazil Net Total Return USD Index

Canada: MSCI Canada Net Total Return USD Index

INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of \$1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg Barclays Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Barclays Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Barclays Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg Barclays Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg Barclays Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

- **Bloomberg Barclays U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Barclays Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg Barclays U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **The Dow Jones Industrial Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2500** consists of the 2,500 smallest U.S. companies in the Russell 3000 index.
- **Russell 2500 Growth** measures the performance of the Russell 2500 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2500 Value** measures the performance of those Russell 2500 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World** captures large and mid-cap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across 22 of 23 Developed Markets countries (excluding the US) and 23 Emerging Markets countries. With 4,368 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 507 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. With 542 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across 23 Emerging Markets countries. With 836 constituents, the index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **Consumer Price Index** is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Fund Specific Broad Real Asset Benchmarks:**
 - **DWS Real Assets:** 30%: Dow Jones Brookfield Infrastructure Index, 30%: FTSE EPRA/NAREIT Developed Index, 15%: Bloomberg Commodity Index, 15%: S&P Global Natural Resources Index, 10%: Barclays U.S. Treasury Inflation Notes Total Return Index
 - **PIMCO Inflation Response Multi Asset Fund:** 45% Barclays U.S. TIPS, 20% Bloomberg Commodity Index, 15% JP Morgan Emerging Local Markets Plus, 10% Dow Jones Select REIT, 10% Bloomberg Gold Subindex Total Return
 - **Principal Diversified Real Assets:** 35% BBG U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index NTR, 20% S&P Global Natural Resources Index NTR, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Index NTR
 - **Wellington Diversified Inflation H:** 50% MSCI ACWI Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Bloomberg Barclays US TIPS 1 – 10 Year Index
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **The Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
- **The Adjusted Alerian MLP Index** is commensurate with 65% of the monthly returns of the Alerian MLP Index to incorporate the effect of deferred tax liabilities incurred by MLP entities.
- **Cambridge Associates U.S. Private Equity Index** is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.

- **Cambridge Associates U.S. Venture Capital Index** is based on data compiled from over 1,600 institutional-quality venture capital funds formed between 1986 and 2015.
- **Vanguard Spliced Bloomberg Barclays US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US Agg Flt Adj Index:** Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US Long Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. Long Government/Credit Float Adjusted Index thereafter.
- **Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) and 40% Bloomberg Barclays U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg Barclays 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.
- **Vanguard Spliced Small Cap Index:** Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.
- **Vanguard Spliced Small Cap Growth Index:** S&P SmallCap 600 Growth Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Growth Index through April 16, 2013; CRSP US Small Cap Growth Index thereafter.
- **Vanguard Spliced Total International Stock Index:** Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Developed Markets Index:** MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Emerging Markets Index:** Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard REIT Spliced Index:** MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Additional:

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

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming 75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.

- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared:** This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta:** This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse than the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.
- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between the manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's annual return.
- **Information Ratio:** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing it by the standard deviation of excess return.
- **Consistency:** Consistency shows the percent of the periods the fund has beaten the index and the percent of the periods the index has beat the fund. A high average for the fund (e.g., over 50) is desirable, indicating the fund has beaten the index frequently.
- **Downside Risk:** Downside risk is a measure similar to standard deviation but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.
- **M-Squared:** M-squared, or the Modigliani risk-adjusted performance measure is used to characterize how well a portfolio's return rewards an investor for the amount of risk taken, relative to that of some benchmark portfolio and to the risk-free rate.

DEFINITION OF KEY PRIVATE EQUITY TERMS

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

VALUATION POLICY

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

REPORTING POLICY

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

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

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

OTHER

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

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

CUSTODIAN STATEMENTS

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