BEACON POINTE
INSTITUTIONAL INVESTMENT ADVISORS

EL CAMINO REAL HIGHSCHOOL

AS OF SEPTEMBER 15, 2021

Beacon Pointe Advisors
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BEACON POINTE OVERVIEW

FIRM PROFILE

- RIA established in 2002
- Headquarters located in Newport Beach, CA
- $15+ Billion – Assets Under Advisement*
- 225+ Professional Team Members
- 110+ Professional Staff Credentials & Certifications
- Objectivity – A Focus On Clients' Best Interests
- Transparency of Fees

PORTFOLIO PROCESS AND DUE DILIGENCE

- Quantitative and Qualitative Screening
- Combined Quantitative and Qualitative Analysis
- Proprietary Scoring Methodology
- Onsite Visit of Potential Manager Candidates
- Investment Committee Decision for Focus List

INVESTMENT PHILOSOPHY

- Proprietary Research Methodology
- Access to Best-In-Class Asset Managers
- Comprehensive Due Diligence
- High Active Share Managers

ONGOING INVESTMENT MANAGER RESEARCH

- Continual Contact and Review of Investment Managers by Research Team Professionals
- Quarterly Attribution Analyses - Factors That Impact Portfolios
- Quarterly Holdings-Based Analyses

RECENT MARKET COMMENTARIES & VIRTUAL UPDATES

- June 23, 2021 – *Institutional Insights: Fundraising and Nonprofit Donor Development in a Post-COVID Environment*
- May 13, 2021 – *Macro & Markets: An Update from Beacon Pointe CIO*
- April 27, 2021 – *Institutional Insights: The Evolution of Private Credit*
- March 23, 2021 – *Institutional Insights: Cybersecurity Fundamentals*
- February 11, 2021 – *Macro & Markets: An Update from Beacon Pointe CIO*
- November 12, 2020 – *Macro & Markets: A Post-Election Update from Beacon Pointe CIO*
- November 11, 2020 – *Real Assets: Solutions in the Age of Financial Repression White Paper*

**AUA as of 4/30/2021*

BEACON BULLETIN: 3Q 2021

Market Commentary and Events

- June 23, 2021 – *Institutional Insights: Fundraising and Nonprofit Donor Development in a Post-COVID Environment*
- May 13, 2021 – *Macro & Markets: An Update from Beacon Pointe CIO*
- April 27, 2021 – *Institutional Insights: The Evolution of Private Credit*
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- November 11, 2020 – *Real Assets: Solutions in the Age of Financial Repression White Paper*

Other Beacon Pointe Updates

- Beacon Pointe has been ranked by Barron's as one of America's Best RIA Firms*
- CEO, Shannon Eusey, was named to *Worth Magazine*'s List of Groundbreakers 2020: 50 Women Changing the World*
- Beacon Pointe has acquired several RIAs and opened additional office locations in: Dallas, Texas; San Jose, California, New Orleans, Louisiana; Greenville, South Carolina; Durham and Greensboro, North Carolina; and Vero Beach, Florida.
- Beacon Pointe has hired Julien Frazzo as Director of Risk Management and Securities Research. Julien joins Beacon Pointe's Investment Research Department and will play a vital role in the Investment Committee's work in client investment management. Julien is a seasoned investment professional with over two decades of experience including 14 years as a risk taker in alternative asset management, five years in investment banking and two years in private wealth management. Having worked in Paris, Amsterdam, London, Chicago, Monaco and Newport Beach, Julien is a student of many cultures and brings a global understanding of investments to the table.

For Additional Firm Updates Join Our Online Conversations:

- Twitter: @BeaconPointeRIA and @BeaconPointeCIO
- LinkedIn and Facebook: "Beacon Pointe"
- Website: www.BeaconPointe.com

BEACON POINTE

**Third-party awards, rankings, and recognitions are no guarantee of future investment success. These ratings should not be construed as an endorsement of the advisor by any client or prospective client, nor are they representative of any one client's experience because the rating reflects and average of all, or a sample of all, of the experiences of the adviser's clients. Registration of an investment advisor does not imply a certain level of training or skill. Beacon Pointe Advisors did not pay to participate in any award or survey.*

Market Performance Summary

As of June 30. 2021

	Quarter Return	YTD Return	1 Year Return	3 Year Return	5 Year Return	7 Year Return	10 Year Return
Equity							
S&P 500	8.5	15.3	40.8	18.7	17.6	14.1	14.8
Russell 1000 Growth	11.9	13.0	42.5	25.1	23.7	18.6	17.9
Russell 1000	8.4	14.7	42.4	18.5	17.4	13.5	14.2
Russell 1000 Value	5.2	17.0	43.7	12.4	11.9	9.4	11.6
Russell Mid Cap	7.5	16.2	49.8	16.4	15.6	12.0	13.2
Russell 2000 Growth	3.9	9.0	51.4	15.9	18.8	13.1	13.5
Russell 2000	4.3	17.5	62.0	13.5	16.5	11.4	12.3
Russell 2000 Value	4.6	26.7	73.3	10.3	13.6	9.3	10.8
Russell 3000	8.2	15.1	44.2	18.7	17.9	14.0	14.7
MSCI ACWI Ex USA	5.5	9.2	35.7	9.4	11.1	5.3	5.4
MSCI ACWI	7.4	12.3	39.3	14.6	14.6	9.7	9.9
MSCI EAFE	5.2	8.8	32.4	8.3	10.3	5.0	5.9
MSCI EM	5.0	7.4	40.9	11.3	13.0	6.4	4.3
Fixed Income							
US Aggregate Bond	1.8	-1.6	-0.3	5.3	3.0	3.3	3.4
US Govt/Credit Intermediate	1.0	-0.9	0.2	4.7	2.6	2.7	2.8
US Muni 1-10yr	0.7	0.4	2.2	3.7	2.3	2.4	2.6
US Treasury Bill 3m	0.0	0.0	0.1	1.3	1.2	0.9	0.6
US High Yield	2.7	3.6	15.4	7.4	7.5	5.5	6.7
Global High Yield	3.1	2.1	14.6	6.6	6.5	4.6	6.1
Citi WGBI	1.0	-4.8	0.8	3.6	1.7	1.4	1.4
EM Sovereign Debt USD	3.0	-0.6	6.3	6.7	4.9	4.6	5.4
Alternatives							
FTSE NAREIT Composite	11.7	21.3	34.0	11.5	8.1	9.4	10.0
S&P Global Natural Resources	7.3	19.9	49.3	6.1	11.4	3.7	2.3
Bloomberg Commodity	13.3	21.1	45.6	3.9	2.4	-4.1	-4.4

Market Performance 2Q21

U.S. Equities

- U.S. equity markets reached new highs in 2Q21 as the economic recovery and vaccine rollout remained on track. Expectations of an infrastructure bill also supported the rally. The S&P 500 posted an 8.5% return in 2Q21, extending YTD gains to 15.3%.
- Nearly all sectors posted gains in the quarter. Real Estate (+13.1%), Technology (+11.6%) and Energy (+11.1%) were the top performing sectors. Utilities (-0.4%) and Consumer Staples (+3.3%) trailed.
- Large Cap outpaced Mid and Small Cap and Growth rebounded to outperform Value in 2Q21. The long-term return divergence in Growth vs. Value continues.

U.S. Fixed Income

- Core U.S. bonds returned 1.8% in 2Q21 but remain in negative territory for the year (-1.6% YTD). The Federal Reserve remains historically accommodative: The "dot plot" projects zero rate hikes through 2022 and the commitment to purchase $120B in assets monthly remains in place – for now.
- The yield curve flattened with 10-year Treasury yields down 24 bps to 1.45%, while 3-month yields increased 3 bps to 0.05%.
- U.S. Investment Grade Corporate bonds were up 3.5% and High Yield bonds gained a solid 2.7% in 2Q21 as spreads tightened and rates rallied.

Non-U.S. Equities

- Non-U.S. equities posted positive returns in 2Q21, as accelerated vaccine rollouts and declining COVID-19 cases allowed for further reopening.
- Developed Market equities posted a 5.2% gain in the quarter. Denmark (+12.9%) and Switzerland (+11.2%) were the best performers in 2Q21.
- Emerging Market equities saw a 5.0% gain in the quarter despite a May sell-off over concerns of global monetary tightening. Brazil (+23.6%) and Poland (+19.5%) were the best performers in 2Q21.

Non-U.S. Fixed Income

- Global yields rose in 2Q21 on strong recovery efforts and optimistic outlook across regions. Negative rates remain in the Eurozone.
- German 10-year yields rose 9 bps to -0.21%, while Italian 10-year yields rose 15 bps to 0.82%.
- Emerging Markets Sovereign Debt posted a 3.0% return in 2Q21.

As of June 30, 2021 SOURCE: Beacon Pointe, Bloomberg LLC

Past performance is no guarantee of future results.

Economic Performance 2Q21

U.S. Economy

- The U.S. economy grew 6.4% Quarter-over-Quarter in 1Q21, driven largely by demand growth.
- Further reopening of local economies and recovery of hard-hit sectors will depend on continued COVID-19 vaccine rollouts and its effectiveness against new variants.
- President Biden's proposed infrastructure plan faced major headwinds in Congress and only a smaller plan worth $579b reached bi-partisan agreement. A separate spending bill to offset the additional spending is in the talks.
- Manufacturing PMI declined to 60.6 in June, while Services PMI decreased to 60.1. Any value above 50 indicates expansion.

U.S. Inflation

- The reopening efforts and fiscal stimulus are driving inflationary pressures to the highest levels in over a decade.
- Year-over-year U.S. Consumer Inflation (CPI Headline) accelerated to 5.4% in June. Core CPI (less food and energy) was rose to 4.5%.
- The U.S. Personal Consumption Expenditure Core Price Index (PCE Core), the Fed's preferred inflation measure, increased to 3.4%.
- The Fed's average inflation targeting will allow inflation to run above the 2% threshold in the future. How high they will let it run and how long is still undetermined.

Employment

- Initial jobless claims declined further from above 700K in March to below 400K in June. The number of unemployed persons was 9.3 million in May.
- Total Nonfarm Payrolls rose 850K in June, as businesses seek workers to meet the growth in demand. Job openings continued to reach the highest levels in two years.
- The U.S. Unemployment Rate declined from 6.0% in March to 5.9% in June, after reaching 5.8% in May. Wages were up 3.6% Year-over-Year in June.

Financial Conditions/Recession Probabilities

- Record high equity prices, lower equity volatility, tighter spreads and lower rates continue to support loose financial conditions. The impact of the U.S. dollar was broadly neutral.
- Economic recovery and growth in 2H21 remain dependent on government policymaking and the continued effectiveness of vaccines.
- Inflation fears are stoking the possibility of a reduction in monetary policy accommodation.

POINTE OF VIEW

Secular Theme: *"Financial Repression"*

Cyclical Theme: *"Inflation, Rates, Rotation"*

We are in a period of "Financial Repression" [1] – historically low *NOMINAL* interest rates and higher inflation = negative *REAL* rates.

Economic recovery pushes interest rates slightly higher, supporting a rotation out of U.S. Large Cap Growth stocks…

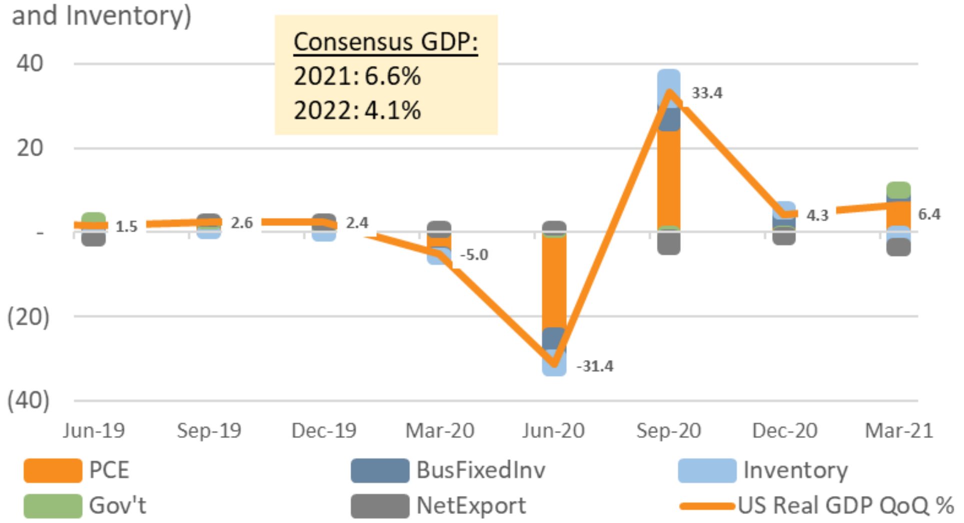
…and into more cyclical stocks (U.S. Large Cap Value, U.S. Small Cap). Real Assets benefit as well.

Inflation is uncomfortably high. If persistent, the Fed may be forced to tighten monetary policy, causing risk markets to reevaluate the positive outlook that has prevailed during the post-COVID recession rally.

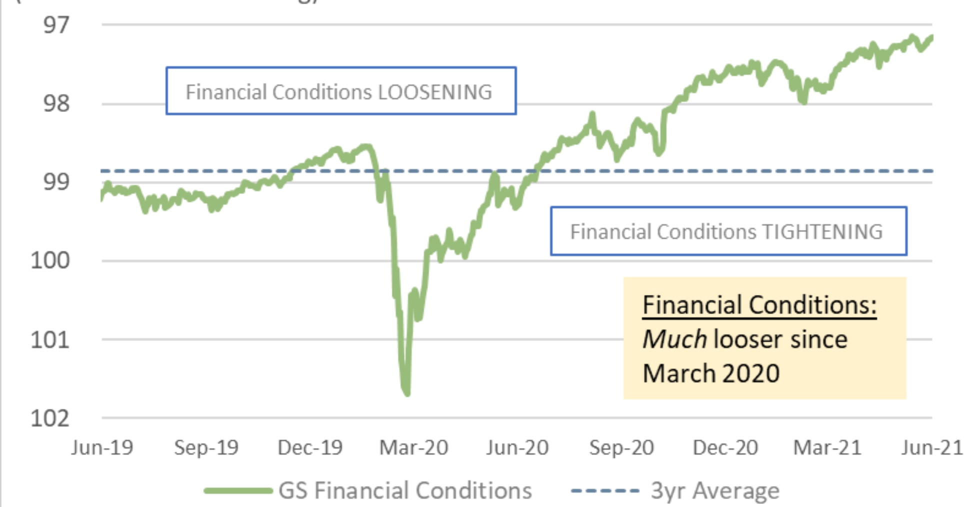
As of July 14, 2021; SOURCE: Beacon Pointe Advisors; [1] For more information on Financial Repression, see "Investing in the Age of Financial Repression", https://beaconpointe.com/investing-in-the-age-of-financial-repression/, July 2020

U.S. Economic Review

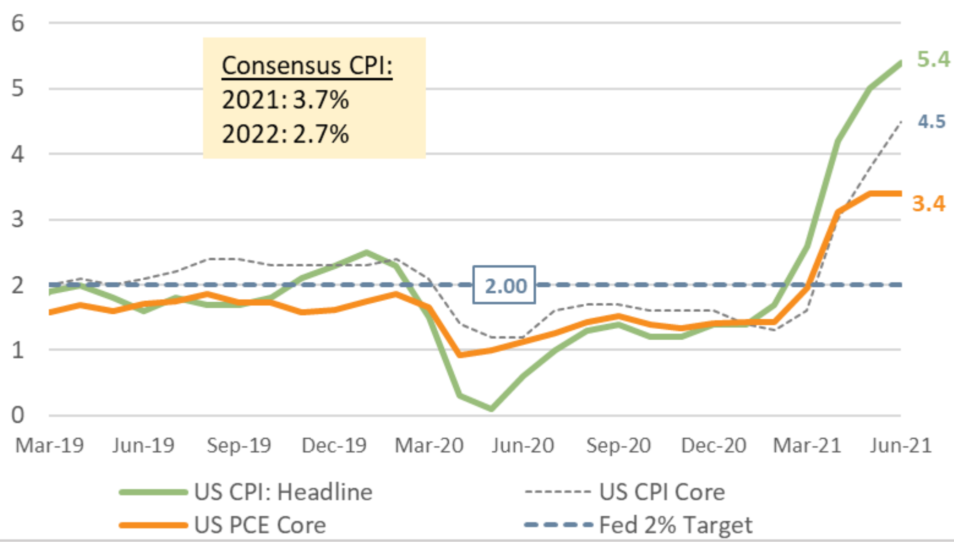
U.S. Real GDP, QoQ Annualized, with Contributions (C+I+G+X and Inventory)



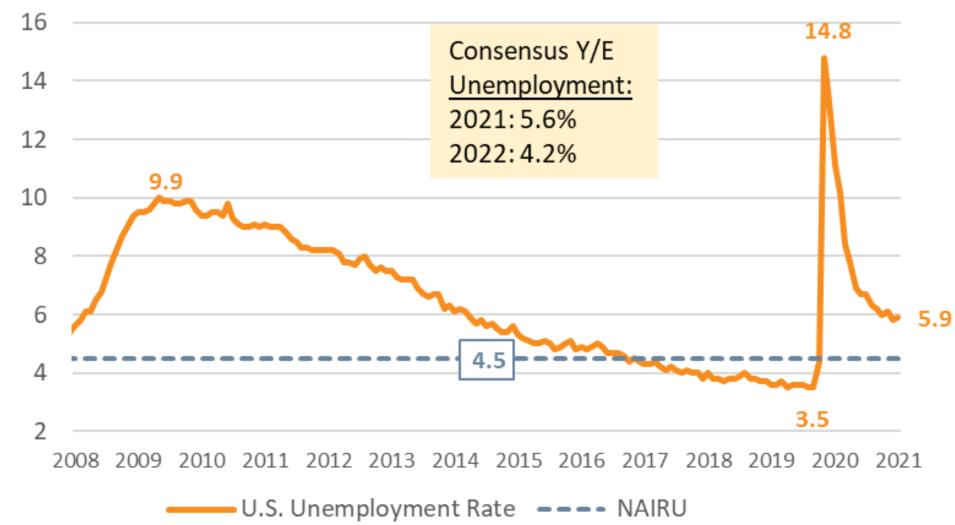
GS Financial Conditions Index, level (inverted - UP is loosening)



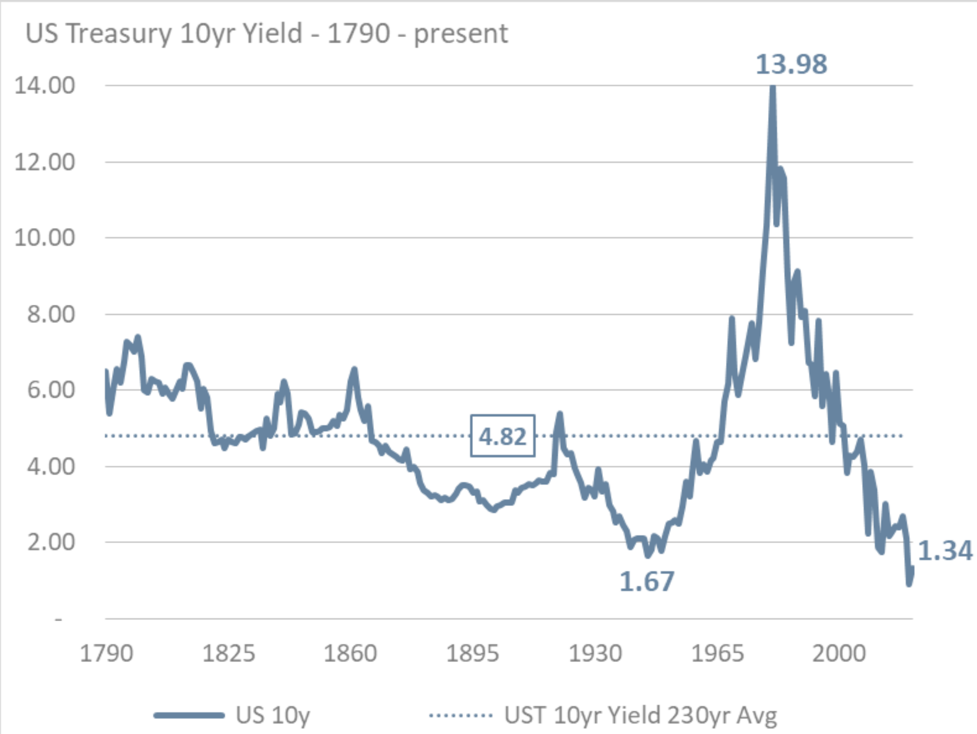
U.S. Inflation

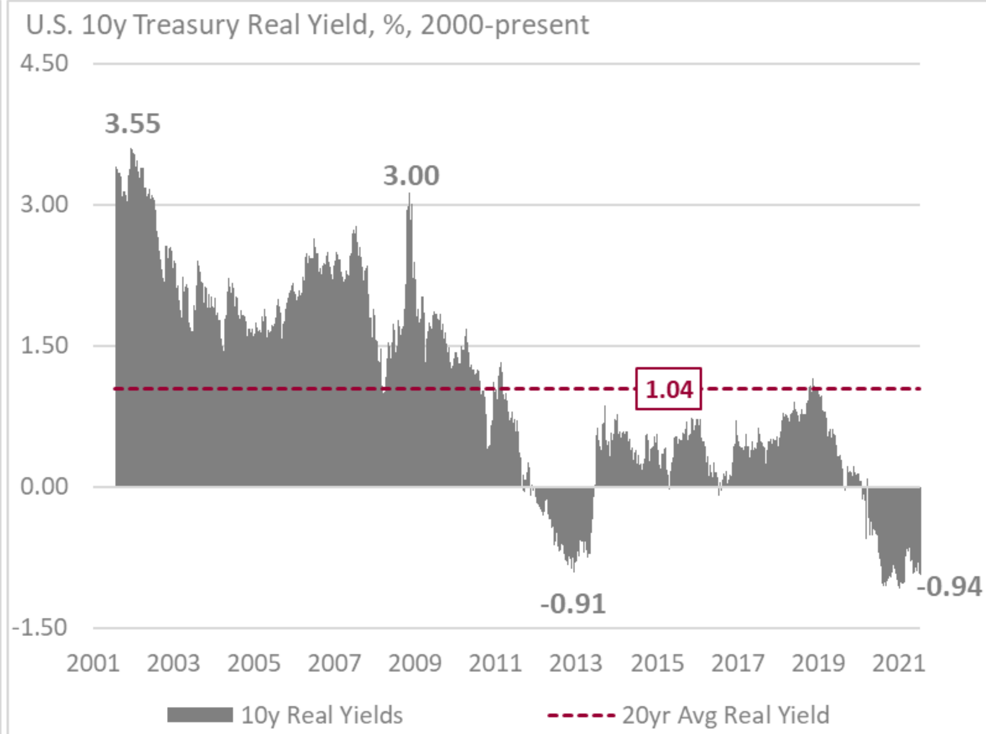


U.S. Unemployment Rate, %



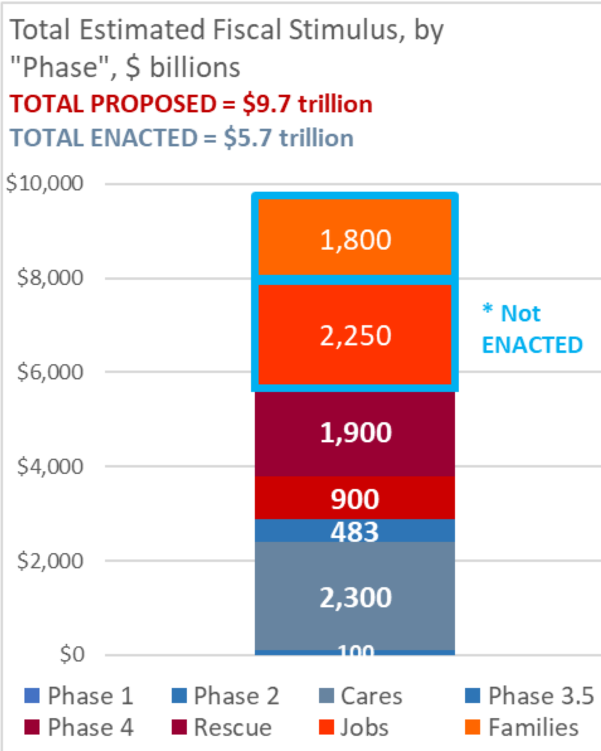
HISTORICALLY LOW INTEREST RATES – NOMINAL AND *REAL*

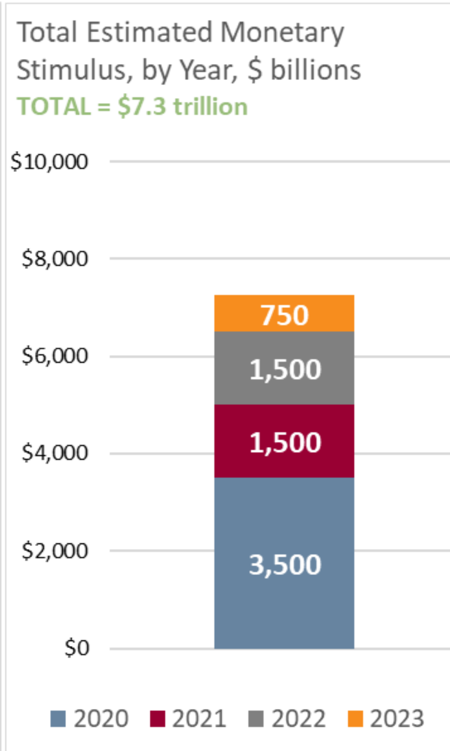


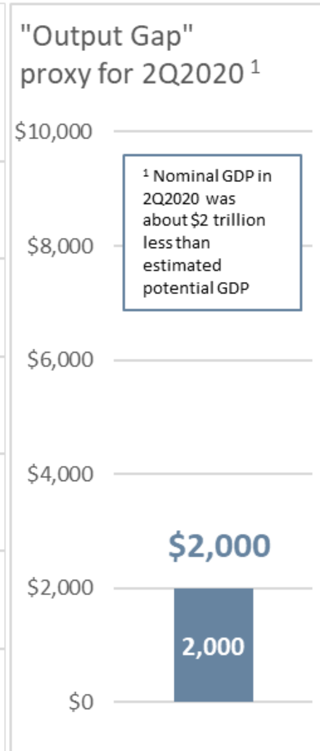


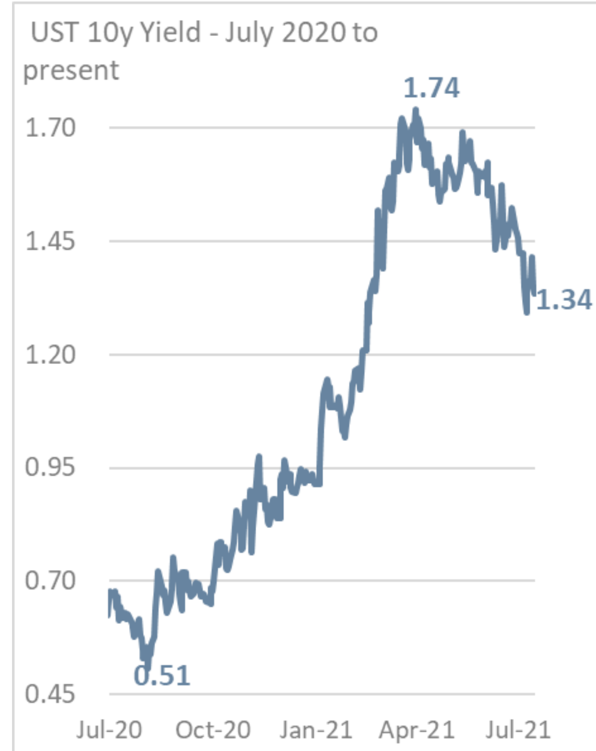
- Interest rates have risen from multi-century lows. The U.S. Treasury 10-year yield bottomed on August 4, 2020, at 0.51%.
- Rates rose quickly in 1Q21 in response to positive vaccine developments and economic reopening. Since then, rates have fallen as the Fed reiterated its unwillingness to allow inflation expectations to become “unanchored” at the June FOMC meeting.
- Interest rates remain at very low levels historically, and with higher inflation expectations the result is negative real yields, the hallmark of a concerted government effort to pursue financial repression.

U.S. Economic Review – Government Pulling Out All the Stops







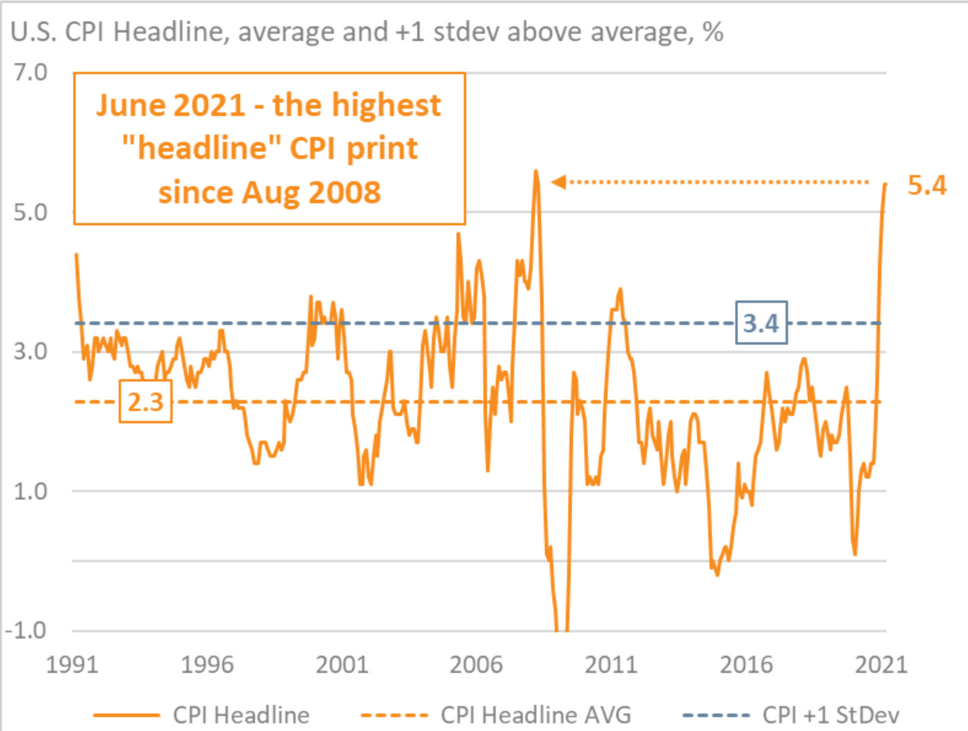


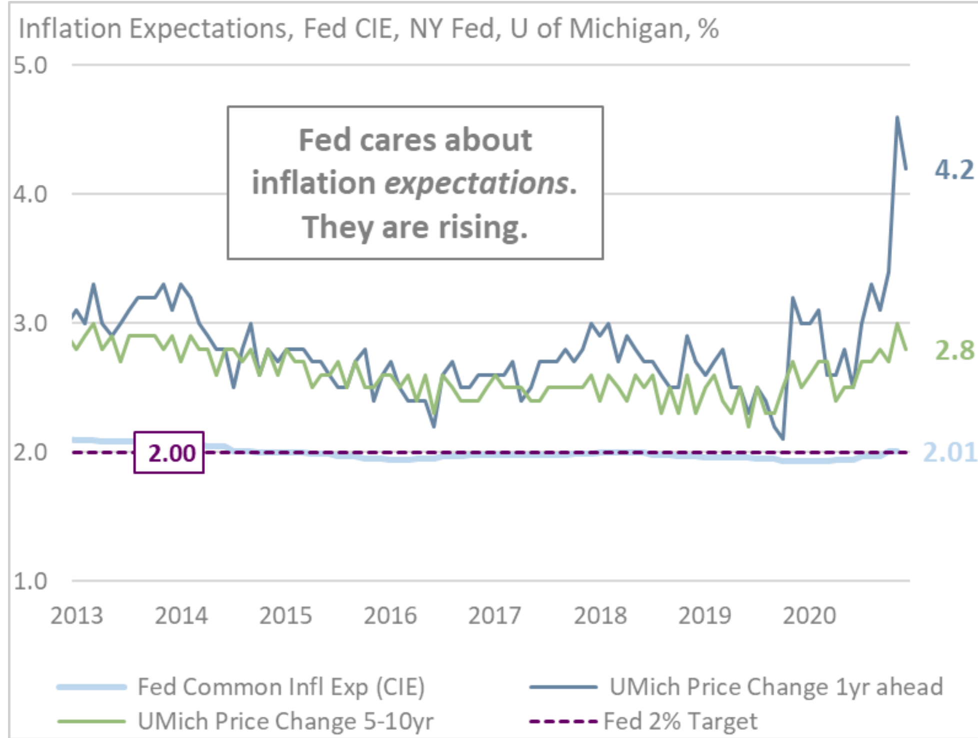
- Massive deficit spending is necessary to counter the economic damage of the COVID recession. The unavoidable consequences are huge budget deficits and a much larger national debt – this will need to be addressed (see "Financial Repression").

- Nominal GDP was about $2 trillion less than potential GDP in 2Q20. Enacted fiscal stimulus of nearly $6 trillion is being deployed to counter this gap. An additional $4 trillion in infrastructure has been proposed but faces opposition in Congress. There are increasing fears of inflation as the output gap quickly closes.

- U.S. Treasury yields have counterintuitively *fallen*, perhaps reflecting the market's view that inflation will be transitory.

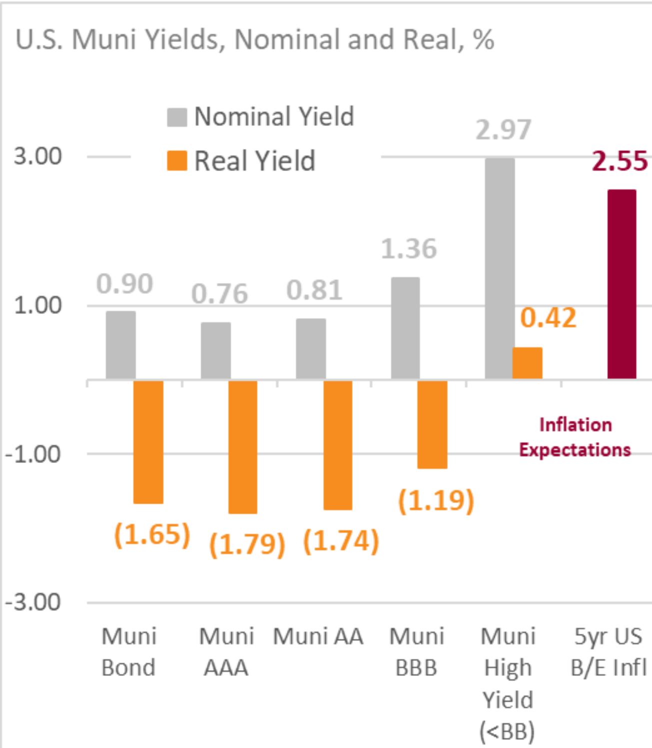
U.S. Inflation: Transitory or Persistent?

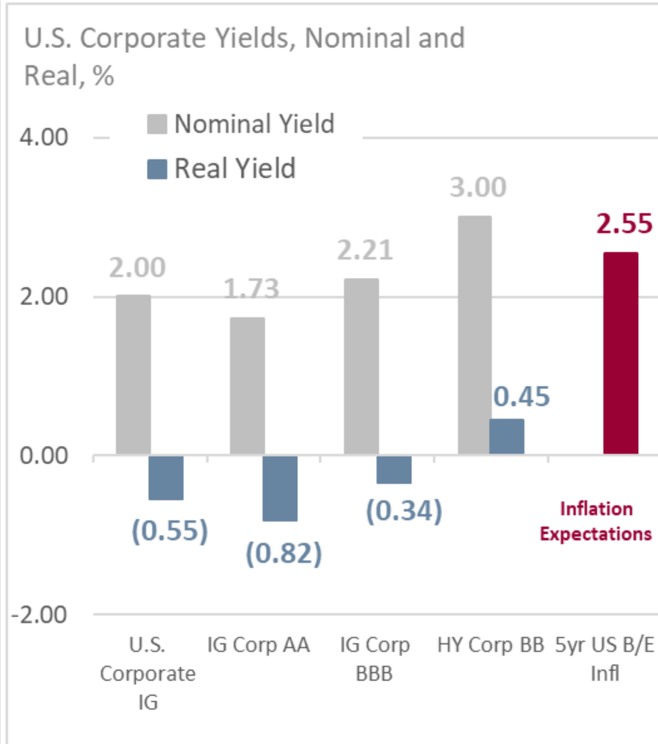


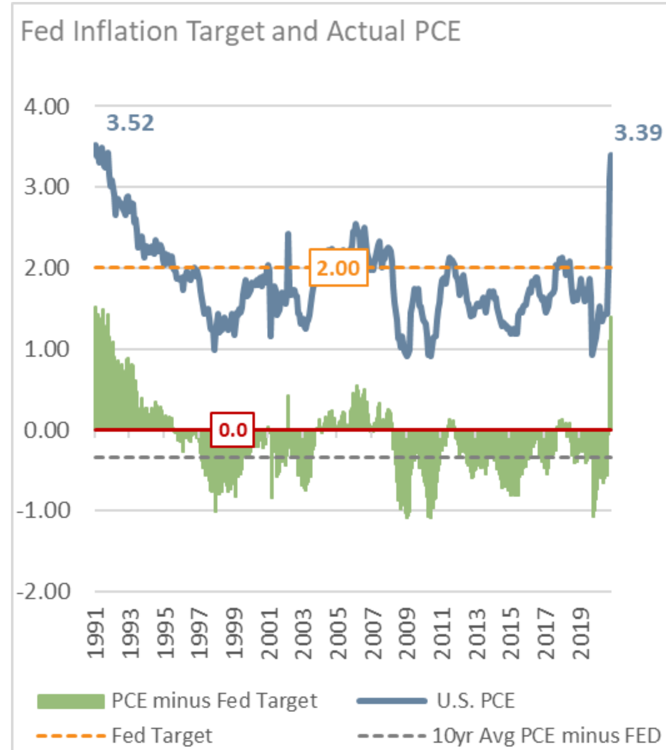


- Inflation is more than one standard deviation higher than the long-term average and has risen to the highest level since 2008.
- Analysis of the components of the Consumer Price Index (CPI) suggest that upward pressure on prices may be the result of economic reopening and supply chain disruptions.
- The Federal Reserve has pronounced the price spike as “transitory.” We are less sanguine and will be carefully watching developments in the more persistent price series: wages and rents.

NEGATIVE *REAL* YIELDS ARE A CHALLENGE







- *Nominal* (observable) yields are historically low due in large part to the Federal Reserve's Quantitative Easing policy. Inflation expectations are rising given economic recovery, massive Fed money printing and U.S. Treasury debt issuance. The result is negative *real* yields.

- *Real* yields on higher-quality municipal and corporate bonds are negative. Only non-investment grade bonds currently offer a positive real yield.

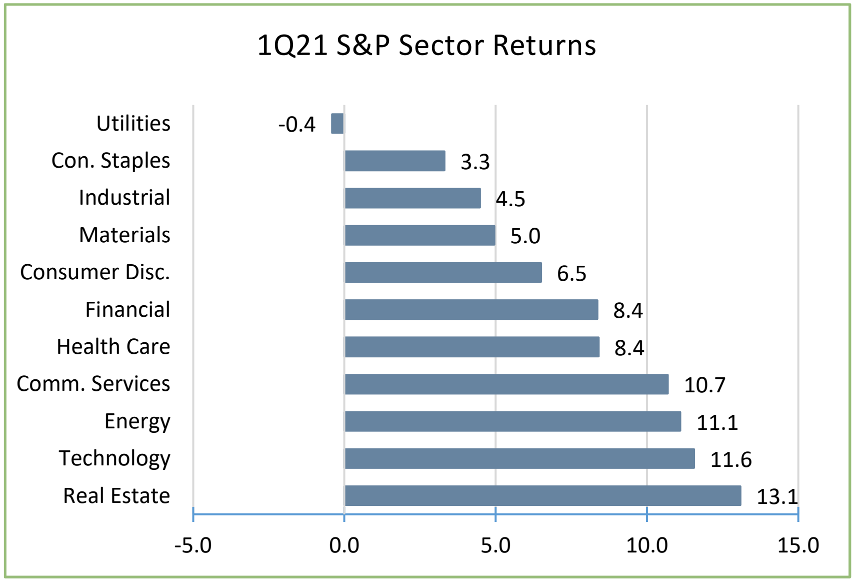
- Getting the inflation forecast right is key to our view on including real assets in client portfolios. It appears a cyclical shift in inflation is likely as the economy recovers and the Fed employs an Average Inflation Targeting approach.

Capital Markets Review

U.S. Equity Sector Review

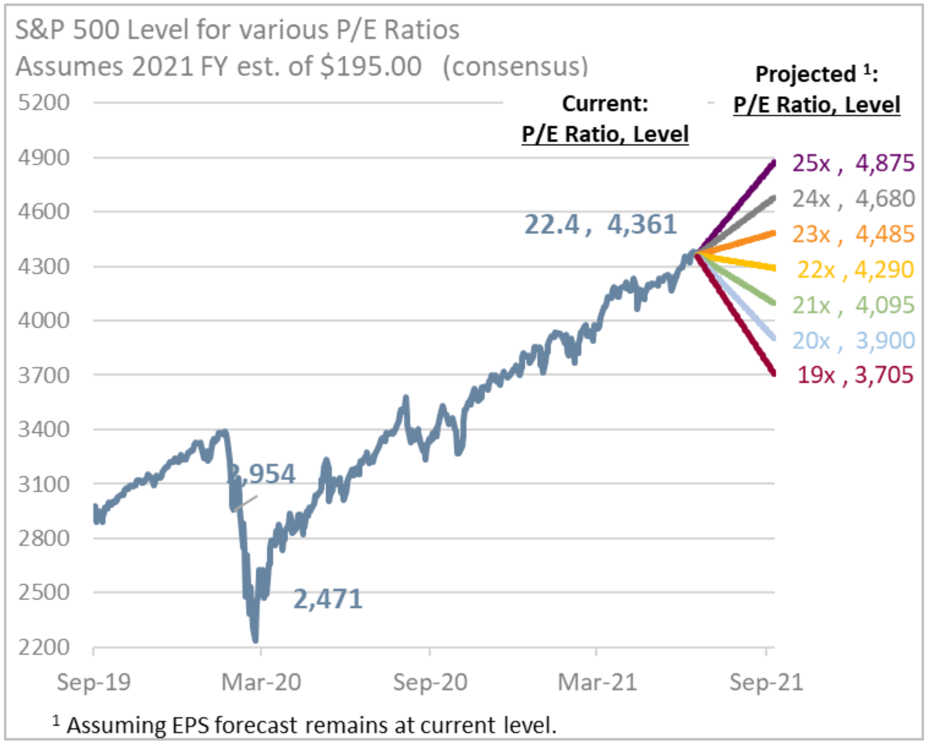
2Q21	Value	Core	Growth
Large	5.2	8.4	11.9
Mid	5.7	7.5	11.1
Small	4.6	4.3	3.9

One Year	Value	Core	Growth
Large	43.7	42.4	42.5
Mid	53.1	49.8	43.8
Small	73.3	62.0	51.4



- Growth significantly outperformed Value in both Large and Mid-Cap in the second quarter. The market returns for the past twelve months have been remarkable across Value, Growth, and Core.
- All sectors of the S&P posted significant double-digit returns over the past year.

U.S. Equity Corporate Earnings – Some Additional Clarity…



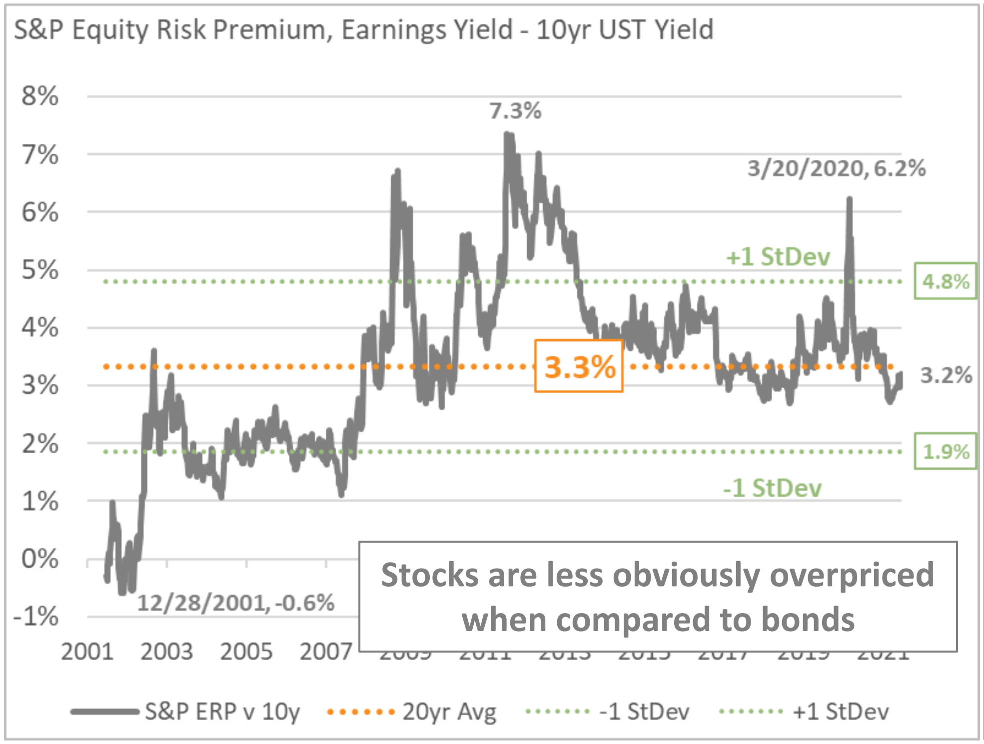
Expected S&P 500 Level and Returns - Sensitivity Analysis

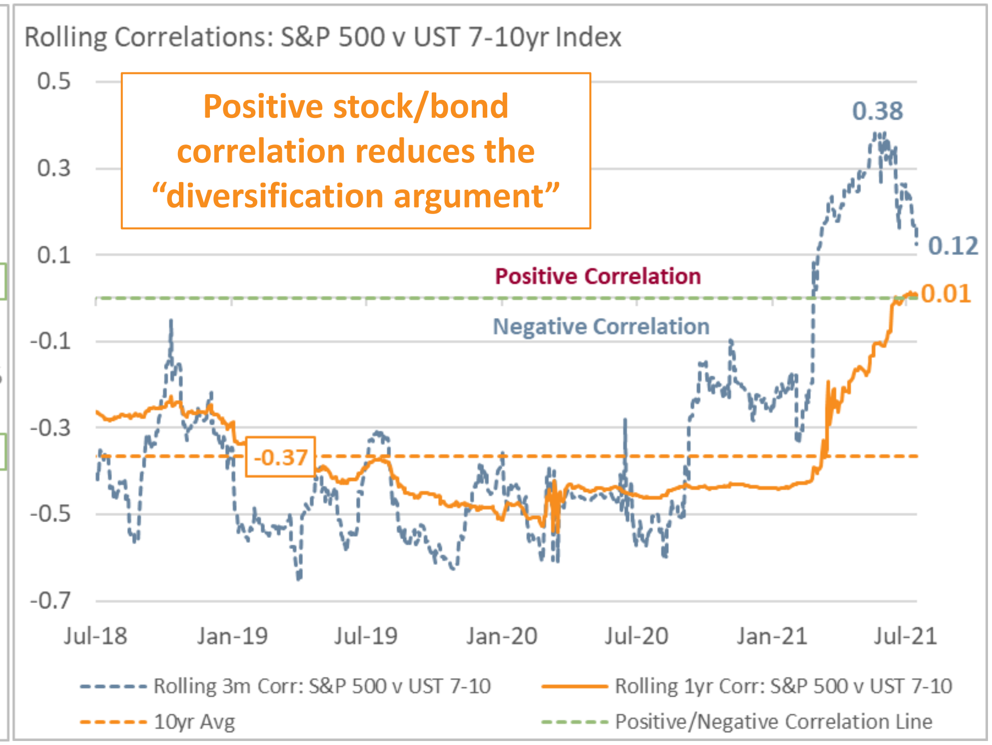
S&P 500 LEVELS			4QFwdEPS	195.00	Index:	4,361	P/E	22.4		
						P/E Ratio				
EPS growth	EPS	18	19	20	21	22	22.4	23	24	25
-10.3%	175	3,150	3,325	3,500	3,675	3,850	3,914	4,025	4,200	4,375
-7.7%	180	3,240	3,420	3,600	3,780	3,960	4,025	4,140	4,320	4,500
-5.1%	185	3,330	3,515	3,700	3,885	4,070	4,137	4,255	4,440	4,625
-2.6%	190	3,420	3,610	3,800	3,990	4,180	4,249	4,370	4,560	4,750
-	195	3,510	3,705	3,900	4,095	4,290	4,361	4,485	4,680	4,875
2.6%	200	3,600	3,800	4,000	4,200	4,400	4,473	4,600	4,800	5,000
5.1%	205	3,690	3,895	4,100	4,305	4,510	4,584	4,715	4,920	5,125
7.7%	210	3,780	3,990	4,200	4,410	4,620	4,696	4,830	5,040	5,250
10.3%	215	3,870	4,085	4,300	4,515	4,730	4,808	4,945	5,160	5,375

S&P 500 RETURNS						P/E Ratio				
EPS growth	EPS	18	19	20	21	22	22.4	23	24	25
-10.3%	175	-28%	-24%	-20%	-16%	-12%	-10%	-8%	-4%	0%
-7.7%	180	-26%	-22%	-17%	-13%	-9%	-8%	-5%	-1%	3%
-5.1%	185	-24%	-19%	-15%	-11%	-7%	-5%	-2%	2%	6%
-2.6%	190	-22%	-17%	-13%	-9%	-4%	-3%	0%	5%	9%
-	195	-20%	-15%	-11%	-6%	-2%	0%	3%	7%	12%
2.6%	200	-17%	-13%	-8%	-4%	1%	3%	5%	10%	15%
5.1%	205	-15%	-11%	-6%	-1%	3%	5%	8%	13%	18%
7.7%	210	-13%	-9%	-4%	1%	6%	8%	11%	16%	20%
10.3%	215	-11%	-6%	-1%	4%	8%	10%	13%	18%	23%

- Forecasts for future S&P 500 earnings are increasingly optimistic with vaccine developments and fiscal stimulus.
- Current 2021 full year consensus earnings per share are about $195.00, which equates to a current P/E ratio of 22.4x (with the S&P at 4,361 on July 15, 2021), a level that is MUCH higher than the 10-year average of about 16x. P/E expansion can be at least partially explained by historically low interest rates.
- Two explanations are possible: 1) the market is “looking through” the current earnings environment and pricing in EPS closer to $225.00 (19.4x P/E), a level we may not reach until 2022 or 2023 OR 2) monetary policy accommodation is encouraging a new, higher plateau in P/E ratios. *Fed policy remains a key factor in equity valuation calculations*.

Equity Risk Premium and Correlations

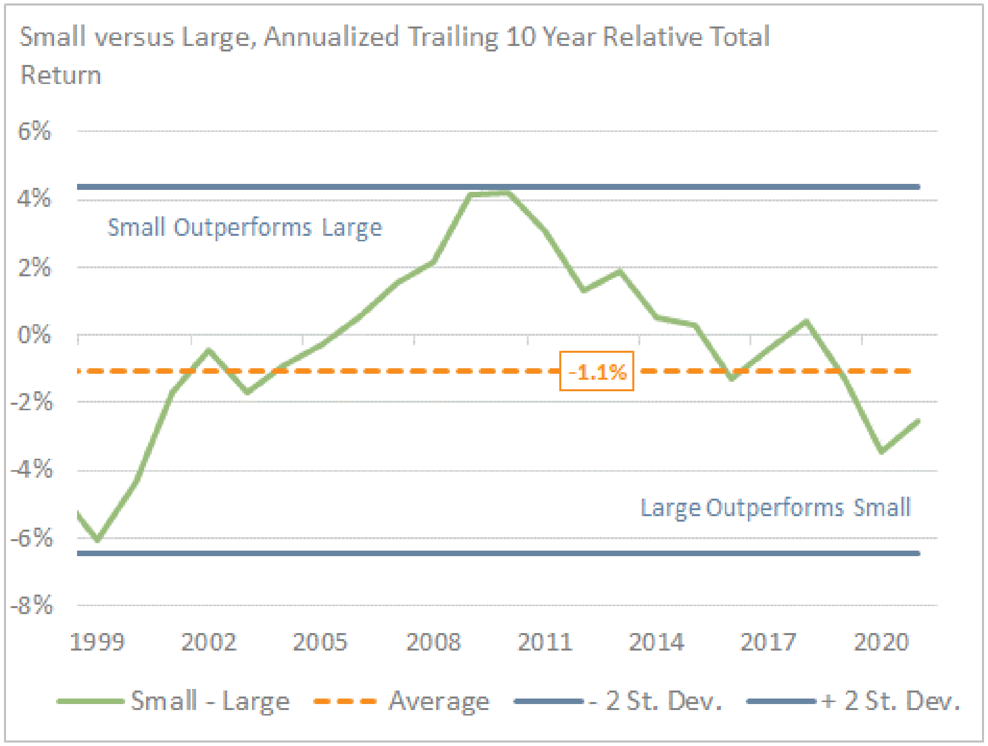


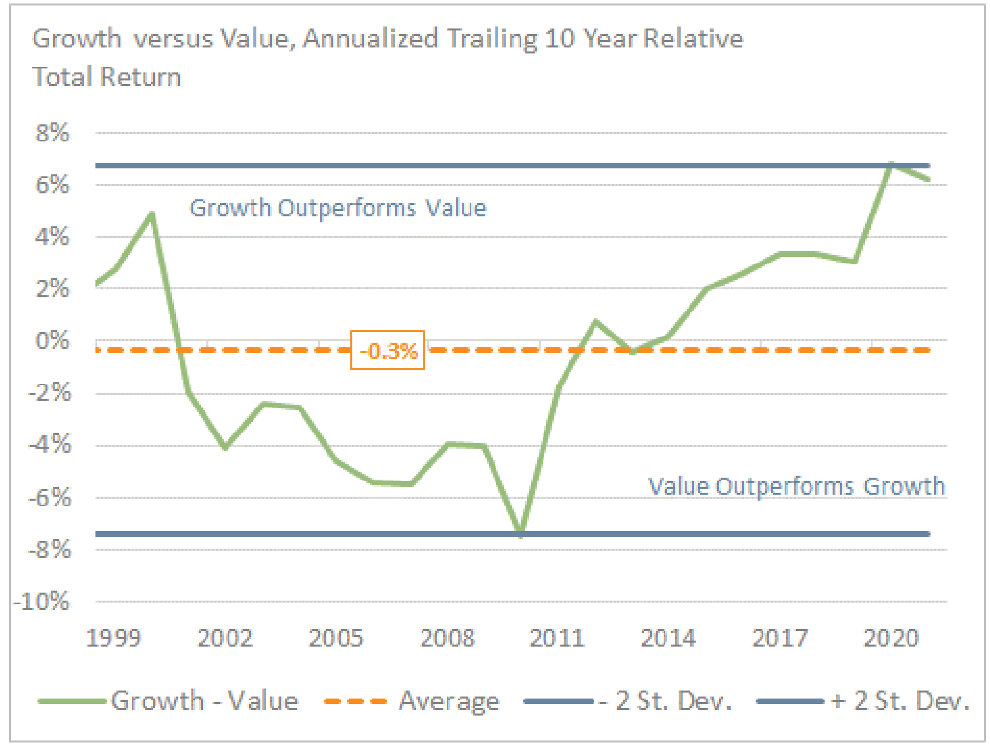


- Equity valuations appear stretched when comparing current P/E ratios to longer term averages. However, when looking at the equity risk premium (the Earnings Yield) versus U.S. Treasury 10-year yields, equities are not obviously overvalued.

- Stock-Bond return correlations are increasing, reducing the ability of bond portfolios to hedge riskier assets. EDIT rolling 1-year basis, more high-frequency data suggests this relationship could turn positive in coming months.

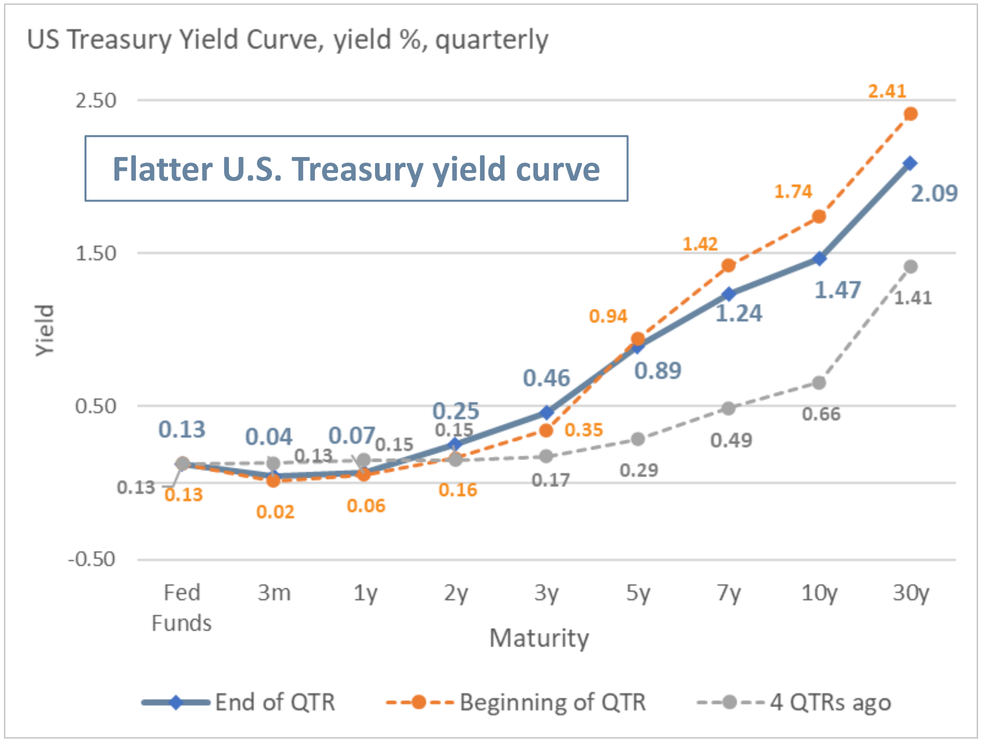
SIZE – SMALL PERFORMS WELL, GROWTH *STILL* OVERVALUED

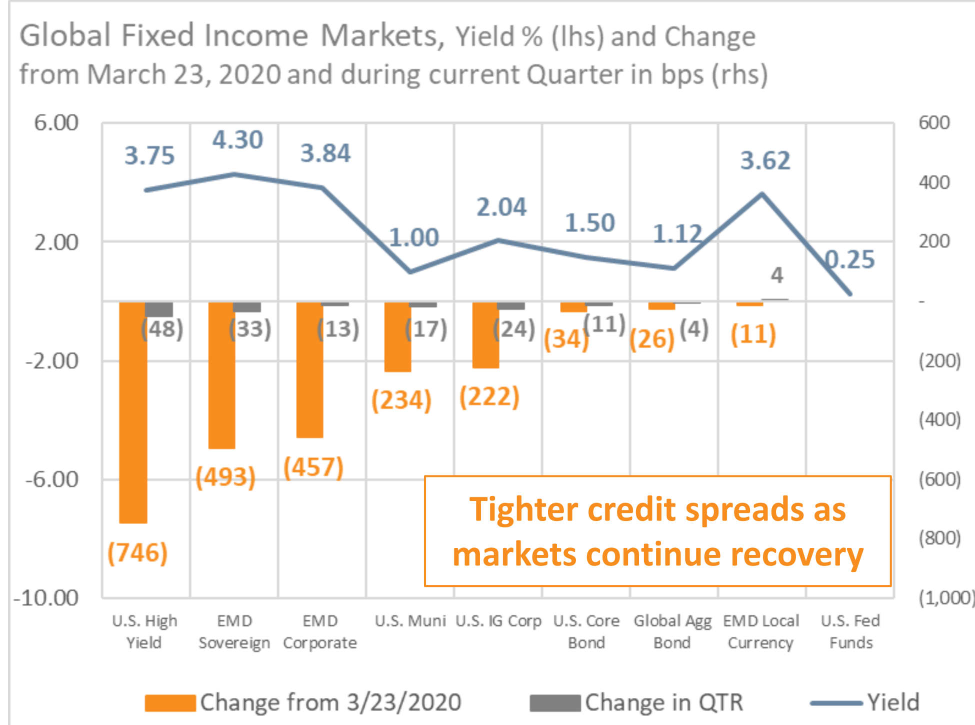




- The Russell 2000 Index has underperformed the Russell 1000 Index on average by 1.1% over the past thirty years of rolling 10-year periods. Small cap equities remain modestly undervalued relative to large cap.
- The valuation story in Growth versus Value appeared to change with the outperformance of Value in 4Q20 and 1Q21. However, Growth outperformed Value significantly in 2Q21. Value remains *much* “cheaper” than Growth based on rolling 10-year relative performance.

FIXED INCOME REVIEW – CURVE FLATTENS, SPREADS TIGHTEN





- Longer-dated U.S. Treasury yields fell during the quarter while shorter maturity yields remained broadly unchanged, causing the Treasury yield curve to flatten since the end of last quarter and reflecting market expectations of "transitory" inflation.

- The Fed Funds rate remains at the Effective Lower Bound and is expected to stay there for the foreseeable future. Yields most closely tied to Fed Funds (U.S. Treasuries from 3 months to 2 years) are also expected to remain low.

- Riskier global bond markets have rallied substantially since March 23, 2020, led by U.S. High Yield bonds. During 2Q21, spreads continued to contract with good economic data.

Macro Themes

Current Investment Themes and Catalysts – July 2021

Secular Theme – "Financial Repression"

- The containment of COVID-19 will dominate the cyclical outlook for the foreseeable future. Uncertainty has declined but continued progress on economic reopening is subject to vaccine distribution and virus variant development.
- Global Monetary Policy remains accommodative, but we are seeing some signs of tightening in developing markets in response to inflationary pressures. We expect global central banks to attempt interest rate normalization in coming quarters should economic developments allow.
- Financial Repression remains the likely operating framework as governments work to reduce the high debt levels accumulated during COVID mitigation efforts. Lower for longer nominal rates and higher inflation lead to low and negative real interest rates to support debt sustainability.

Cyclical Outlook – "Rates and Rotation"

- The economic recovery is a result of unprecedented monetary policy response, massive fiscal stimulus and positive vaccine developments. Progress from here is likely to take longer and be more uneven while the pandemic control efforts ebb and flow.
- The swiftly closing output gap has raised concerns of an overheating economy. Realized inflation has breached the Fed's 2% target as slack in the economy is reduced - inflation expectations have risen dramatically. The persistence of the inflation surge is key to our outlook.
- U.S. interest rates have fallen since the FOMC sounded a hawkish note in June 2021. This decrease in rates has caused a pause in the rotation from Large Cap Growth stocks to Value and Small Cap. An expected rotation to International stocks has not yet materialized.
- The unemployment rate has declined steadily to below 6.0%, savings rates and house prices have risen dramatically. All signs point to a significant boost in consumer spending in coming quarters.
- The Fed is on hold and is expected to ease financial conditions by expanding the balance sheet as necessary to support economic growth. The August 2020 announcement of Average Inflation Targeting is dovish and reinforces our view on inflation.
- There are significant constraints to implementing a progressive policy agenda given razor thin Democratic majorities in Congress. Centrist policies are most likely to be debated and considered for legislation. However, the reconciliation process is available to circumvent the filibuster rule and will be used to pass legislation if needed.
- We expect the market to focus on positive developments based on vaccine distribution and substantial additional fiscal stimulus in the near term, before shifting attention to more economically-challenging features of the policy agenda, specifically personal and corporate tax increases.

Risks – "Inflation Fears"

- The efforts to reflate the economy - both fiscal and monetary stimulus – coupled with economic reopening may cause an unwelcome, persistent rise in inflation and bond yields that is not immediately met by financial repression tactics.
- Current equity market valuation is dependent on elevated multiples and hence continued monetary policy accommodation. If corporate profits do not meet expectations or the Fed sounds a more hawkish note in coming quarters, there may be a re-rating of equity risk.
- Any material reversal of progress on distributing the vaccines or containing the virus will cause economic - and equity market - stress.
- Any additional shocks to the economy or financial markets will be met with risk aversion but also with additional support from the Fed and the federal government. There are ongoing questions about the efficacy and consequences of additional stimulus. These questions will not exert a material impact on markets until and if a credible reserve currency substitute emerges to challenge the U.S. dollar. We view this as a tail risk.

Periodic Table of Returns – June 2021

Legend:

- US Large Blend
- US Large Value
- US Large Growth
- US Small Blend
- US Small Value
- US Small Growth
- International Equity
- Emerging Markets Equity
- US Fixed Income
- Cash
- Commodities
- Real Estate
- Hedge Funds
- 60%MSCI ACWI / 40% BloomBarc Agg

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	5 Year	10 Year
39.42	5.24	78.51	29.09	7.84	28.94	43.30	15.19	5.67	31.74	37.28	1.87	36.39	38.49	26.69	23.66	17.87
16.23	2.06	37.66	26.85	2.64	18.22	38.82	13.69	1.38	21.31	30.21	0.01	31.49	34.63	21.15	18.76	14.84
11.81	-21.37	37.21	24.50	2.11	18.05	34.52	13.45	0.87	17.34	25.03	-1.51	28.48	19.96	17.54	17.65	13.52
11.17	-25.77	34.47	21.52	0.39	17.51	33.48	13.05	0.55	11.96	22.17	-4.02	26.54	18.40	17.05	16.47	12.34
10.25	-28.92	31.78	18.88	0.10	17.32	32.53	5.97	0.05	11.77	21.83	-4.38	25.52	18.31	15.63	13.62	11.61
9.91	-33.79	27.17	16.83	-1.13	16.35	32.39	5.60	-0.27	11.32	15.41	-5.52	22.85	13.49	15.25	13.03	10.85
7.05	-35.65	26.46	16.71	-2.91	16.00	22.78	4.96	-0.81	11.19	14.65	-6.05	22.39	10.34	12.99	11.87	7.75
6.97	-36.85	23.03	15.51	-4.18	15.26	12.32	4.89	-0.98	7.08	13.66	-8.27	22.01	7.82	8.98	10.28	7.52
5.49	-37.00	20.58	15.06	-5.50	14.59	8.96	4.22	-1.38	5.92	13.23	-9.31	19.41	7.51	8.83	10.13	5.89
5.00	-38.44	19.69	10.77	-5.55	11.48	5.87	3.36	-3.83	5.37	7.84	-11.01	18.42	4.63	7.45	6.40	4.28
-0.17	-38.54	18.91	7.75	-5.72	4.79	0.07	0.03	-4.41	2.65	7.77	-11.25	8.72	2.80	6.57	6.09	3.84
-1.57	-43.38	11.47	6.54	-12.14	4.21	-2.02	-2.19	-7.47	1.00	3.54	-12.86	8.39	0.67	4.76	3.03	3.39
-7.27	-47.61	5.93	5.70	-13.32	0.11	-2.60	-4.90	-14.92	0.52	1.70	-13.79	7.69	-3.12	0.02	2.40	0.63
-9.78	-53.33	0.21	0.13	-18.42	-1.06	-9.52	-17.01	-24.66	0.33	0.86	-14.57	2.28	-6.20	-1.60	1.17	-4.44

Data as of June 30, 2021; Source Data: Morningstar, Inc. & Hedge Fund Research, Inc. (HFR). Indices used: S&P 500, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BC Agg, BofA 3 mon T-Bill, Bloomberg Comm Index, S&P Developed Property, HFRI FOF, MSCI ACWI. Past performance is no guarantee of future results.

OPEB ACCOUNT (as of 9/15)

OPEB Account

Asset Class	Fund	Ticker	MV	% of Total Assets	% of Asset class
U.S. Equity	FIDUCIARY MANAGEMENT LARGE CAP	Separate Account	$2,029,566.91	9.12%	**34.43%**
	POLEN FOCUS GROWTH	Separate Account	$2,176,946.57	9.78%	
	VANGUARD MID CAP INDEX FUND ETF	VO	$1,002,235.08	4.50%	
	VANGUARD S P 500 ETF	VOO	$1,994,674.44	8.97%	
	VANGUARD RUSSELL 2000 INDEX FUND ETF	VTWO	$456,777.85	2.05%	
Int. Equity	ARTISAN INTL VALUE FUND INS	APHKX	$1,769,557.56	7.95%	**22.27%**
	AMERICAN FUNDS EUROPACIFIC GROWTH F3	FEUPX	$2,031,807.20	9.13%	
	INVESCO DEVELOPING MARKETS Y	ODVYX	$1,152,752.35	5.18%	
Fixed Income	DODGE COX INCOME	DODIX	$2,911,997.04	13.09%	**29.11%**
	METROPOLITAN WEST TR BOND I	MWTIX	$3,129,388.30	14.07%	
	LORD ABBETT HIGH YIELD I	LAHYX	$435,576.83	1.96%	
Alternatives	SWAN HEDGED EQUITY US LARGE CAP ETF	HEGD	$1,761,336.09	7.92%	**13.86%**
	SPDR SP GLOBAL INFRASTRUCTURE ETF	GII	$335,767.64	1.51%	
	PGIM INVEST GLOBAL REAL ESTATE Z	PURZX	$986,916.78	4.44%	
Cash	FIRST AM US TREAS MM CL Z	FOZXX	$73,424.64	0.33%	**0.33%**
Total Assets (Managed)			**$22,248,725.28**	**100.00%**	**100.00%**

*investment start date: August 24, 2021

GENERAL ACCOUNT (as of 9/15)

General Account Market Value:

Asset Class	Fund	Ticker	MV	% of Total Assets	% of Asset class
U.S. Equity	FIDUCIARY MANAGEMENT LARGE CAP	Separate Account	$472,229.43	6.89%	21.24%
	POLEN FOCUS GROWTH	Separate Account	$498,379.81	7.27%	
	VANGUARD S P 500 ETF	VOO	$485,191.08	7.08%	
Int. Equity	ARTISAN INTL VALUE FUND INS	APHKX	$241,138.12	3.52%	7.12%
	AMERICAN FUNDS EUROPACIFIC GROWTH F3	FEUPX	$247,038.84	3.61%	
Fixed Income	DODGE COX INCOME	DODIX	$1,160,418.12	16.93%	64.57%
	METROPOLITAN WEST TR BOND I	MWTIX	$1,560,962.98	22.78%	
	PIMCO FDS LOW DURATION FUND #36	PTLDX	$1,501,518.45	21.91%	
	LORD ABBETT HIGH YIELD I	LAHYX	$201,814.69	2.95%	
Alternatives	SWAN HEDGED EQUITY US LARGE CAP ETF	HEGD	$203,048.37	2.96%	4.95%
	PGIM INVEST GLOBAL REAL ESTATE Z	PURZX	$136,452.65	1.99%	
Cash	FIRST AM US TREAS MM CL Z	FOZXX	$144,350.60	2.11%	2.11%
Total Assets (Managed)			**$6,852,543.14**	**100.00%**	**100.00%**

Annuites	ATHENE #AA10223585		$382,191.15
	MIDLAND #8500739553		$384,074.86
Total Assets (Including annuites)			**$7,618,809.15**

*investment start date: July 20, 2021

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Definitions: Up/down Capture: The up and down capture is a measure of how well a manager was able to replicate or improve on phases of positive benchmark returns and how badly the manager was affected by phases of negative benchmark returns. **Standard Deviation:** Shows how much variation or dispersion exists from the average (mean), or expected value. The more spread apart the data, the higher the deviation. In Finance, standard deviation is applied to the annual rate of return of an investment to measure the investment's volatility. **Annualized Returns:** The average amount of money earned by an investment each year over a given time period. An annualized total return provides only a snapshot of an investment's performance and does not give investors any indication of its volatility. Annualized total return merely provides a geometric average, rather than an arithmetic average. **Excess Return:** Excess return represents the difference between the returns of two portfolios. In a typical application, excess return provides a measure of the difference between a manager's return and the return of a benchmark for that manager. In the context of a beta benchmark, excess return refers to the difference between a manager or market benchmark and T-bills. A positive excess return implies that the manager outperformed the benchmark. **Information Ratio:** A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns. The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait. **Significance Level:** The significance level of a manager series vs. a benchmark series indicates the level of confidence with which the statement "the manager's annualized excess return over the benchmark is positive" or "the manager's annualized excess return over the benchmark is negative," as the case may be, holds true. This measurement ranges from 50% (chance) to 100%. A manager with consistent under- or over-performance compared to its benchmark over a long period of time would have a high significance level. **Explained Variance:** The variance explained is also referred to as Standard R^2 in StyleADVISOR. This is usually very close to the correlation squared. To understand what variance explained means, think of a manager and a style benchmark. Any variance in the difference between manager and style benchmark (i.e. any variance in the excess return of manager over benchmark) represents a failure of the style benchmark variance to explain the manager variance. Hence, the quotient of variance of excess return over variance of manager represents the unexplained variance. The variance explained is 1 minus the unexplained variance: Variance Explained = 1 – Var(*e*) / *Var(M),* Where: var(*M*) = *variance of manager returns* var(*e*) = *variance of excess return of manager over benchmark.* **Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. Tracking errors are reported as a "standard deviation percentage" difference. This measure reports the difference between the return an investor receives and that of the benchmark he or she was attempting to imitate. **Alpha:** Alpha is a measure of risk (beta)-adjusted return. Alpha measures the difference between a portfolio's actual returns and what it might be expected to deliver based on its level of risk. Theoretically, higher risk should equate to higher return. A positive alpha means the fund has beaten expectations. A negative alpha means that the fund has failed to match performance given its level of risk. If two managers have the same return, but one has a lower beta, that manager would have a higher alpha. **Beta:** Beta represents the systematic risk of a portfolio and measures its sensitivity to a benchmark. A portfolio with a beta of one is considered to be as risky as the benchmark and would therefore provide expected returns equal to those of the market benchmark during both up and down periods. A portfolio with a beta of two would move approximately twice as much as the benchmark. **Cumulative Return:** The aggregate amount that an investment has gained or lost over time, independent of the period of time involved. Presented as a percentage, the cumulative return is the raw mathematical return of the following calculation: (Current Price of Security) – (Original Price of Security) / (Original Price of Security). **Sharpe Ratio:** The Sharpe ratio is calculated as the portfolio's excess return over the risk-free rate divided by the portfolio's standard deviation. **The Barclays 1-10 Year Managed Money (MM) Index:** A subset of the Barclays Municipal Managed Money Index, representing bonds with one to ten years to maturity. The Barclays Municipal Managed Money Index is an unmanaged index that is rules-based, market-value weighted engineered for the tax exempt bond market. All bonds in the National Municipal Bond Index must be rated Aa3/AA- or higher by at least two of the following statistical ratings agencies: Moody's, S&P and Fitch.

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Performance Disclosures & Glossary Terms

Barclays US Aggregate: The index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year. **Barclays US Municipal Bond Index:** a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed tax exempt bond market. The index includes state and local general obligation, revenue, insured, and pre-refunded bonds. The US Municipal Index was incepted in January 1980. **Citigroup - The World Government Bond Index (WGBI):** Measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 25 years of history available. The WGBI provides a broad benchmark for the global sovereign fixed income market. Sub-indices are available in any combination of currency, maturity, or rating. **MSCI ACWI:** Captures large and mid cap representation across 23 Developed Markets (DM) and 23 Emerging Markets (EM) countries*. With 2,476 constituents, the index covers approximately 85% of the global investable equity opportunity set. **The MSCI ACWI ex USA Index:** Captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 23 Emerging Markets (EM) countries*. With 1,839 constituents, the index covers approximately 85% of the global equity opportunity set outside the US. **The MSCI EAFE Index:** A broadly recognized as the pre-eminent benchmark for U.S. investors to measure international equity performance. It comprises the MSCI country indexes capturing large and mid-cap equities across developed markets in Europe, Australasia and the Far East, excluding the U.S. and Canada. Numerous exchange-traded funds are based on the MSCI EAFE Index, and the Chicago Mercantile Exchange, NYSE Liffe US and the Bclear platform of Liffe are licensed to list futures contracts on this index as well. **The MSCI Emerging Markets Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. **The Russell 1000 Index:** Measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market. The Russell 1000 Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected. **The Russell 1000 Growth Index:** Measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. **The Russell 1000 Value Index:** Measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 1000 Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. **The Russell 2000 Value Index:** Measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics. **The Russell 2500™ Index:** Measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set. **The Russell 2500™ Value Index:** Measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology. The Russell 2500 Value Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics. **The Russell 3000 Growth Index:** Includes companies that display signs of above average growth. The index is used to provide a gauge of the performance of growth stocks in the U.S. **The Russell 3000 Index:** Measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected. **The Russell 3000 Value Index:** Measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000 Value Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad value market. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics. **The Russell Midcap Index:** Measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 31% of the total market capitalization of the Russell 1000 companies. The Russell Midcap Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set. **The Russell Midcap Value Index;** Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Value Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap value market. **The S&P 500:** A free-float market capitalization weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested and is not available for direct investment. The composition of the subadvisor's strategy shown may differ significantly from the securities that comprise the index due to the subadvisor's active investment process and smaller number of holdings. The subadvisor's investment program does not, and the subadvisor makes no attempt to, mirror performance of the index in the aggregate, and the volatility of the subadvisor's investment program may be materially different from that of the referenced indices.

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