

El Camino Real Charter High School

AS OF MARCH 31, 2022

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MARKET PERFORMANCE 1Q22

U.S. Equities

- The S&P 500 posted a negative quarter for the first time since 1Q20. Bonds should provide expected ballast with stocks negative, but for only the second quarter in 35 years we had bonds underperform stocks in a risk-off environment (in 1Q18, stocks were negative, and bonds underperformed). *This is extremely rare.*
- The S&P 500 posted a -4.6% return in 1Q22; however, one-year performance remains above 15%.
- Only Energy and Utilities reported positive returns for the quarter (39.1% and 4.8%, respectively). The remaining nine sectors all posted negative returns.
- Large-Cap outpaced Mid-Cap and Small-Cap, and Growth lagged Value for the first time in three quarters. The long-term return divergence in Growth vs. Value continues.

Non-U.S. Equities

- Unhedged Non-U.S. Developed equities posted negative returns (-5.9%) during the quarter but remain positive for one year (1.2%).
- Emerging Market equities posted a -7.0% for the quarter and significantly underperformed for the one year (-11.4%).
- The conflict between Russia and Ukraine may continue to put pressure on global equities as the geopolitical uncertainty surrounding global energy and agriculture supply weighs on risk-taking.

U.S. Fixed Income

- Core U.S. bonds were down (-5.9%) in 1Q22, the worst quarter for the U.S. bond market in 40 years (3Q80). One-year bond market returns remain in rare negative territory (-4.2%).
- Yields at the long end of the curve rose materially; U.S. Treasury 10-year notes ended the quarter up +83bps to 2.34%. At the short end, U.S. Treasury 2-year notes rose even more, ending up 160bps to 2.33% as the market priced in six Fed rate hikes in 2022. The yield curve (2x10 year) flattened by 77 bps and inverted briefly.
- Credit spreads widened substantially; U.S. High Yield was +42bps wider to +325bps, while U.S. Investment Grade widened +24bps to 116bps.
- U.S. Muni bonds were down -4.4% on the quarter and -3.7% for one year ended March 31, 2022. U.S. High Yield was down -4.8% in 1Q22 and is down -0.7% for the one-year period.

Non-U.S. Fixed Income

- Global developed market bonds suffered significant losses during the quarter and ended down -6.2%, the second worst quarterly loss on record. From the index peak in January 2021, global bonds suffered the worst drawdown on record (-11%).
- There remains \$2.7 trillion in negative yielding global sovereign debt, down -8.4 trillion in the quarter and well off the peak of over \$18 billion in 2020.
- Emerging Markets Sovereign Debt posted an abysmal -9.2% return in 1Q22 and -7.5% for the year as spreads widened dramatically during the quarter, then recovering. Yields on EM debt ended the quarter at 5.62%, up +131bps.

ECONOMIC PERFORMANCE 1Q22

U.S. Economy

- The U.S. economy grew at a rate of 6.9% annualized in 4Q21; the full year came in at 5.7%. As policy support wanes, growth is expected to slow considerably from the 2021 pace. Economists expect 1Q22 growth to slow to 1.0% qoq.
- In March, the Federal Reserve raised interest rates 25 basis points to 0.50%, the first increase since 2018. Fed leadership has communicated that they will aggressively increase rates - and decrease the size of their balance sheet - in order to tame inflation.
- The ISM Manufacturing PMI ended at 57.1 in March, down 1.7 points in the quarter, while the ISM Services PMI settled at 58.3, down 4 points during the quarter. Any value above 50 indicates expansion.

Employment

- The labor market remains dislocated with near-record job openings of 11.3M and a “quits rate” that averaged 2.9% in the quarter. The quits rate measures voluntary separations by employees for reasons other than retirement and indicates a strong labor market.
- Non-farm payrolls averaged a 562K per month increase in 1Q22 as the labor market continues to show signs of healing.
- The U.S. Unemployment Rate continued to decline throughout the quarter to 3.6% in March. Average hourly earnings were up 5.6% year-on-year, the most since May 2020.

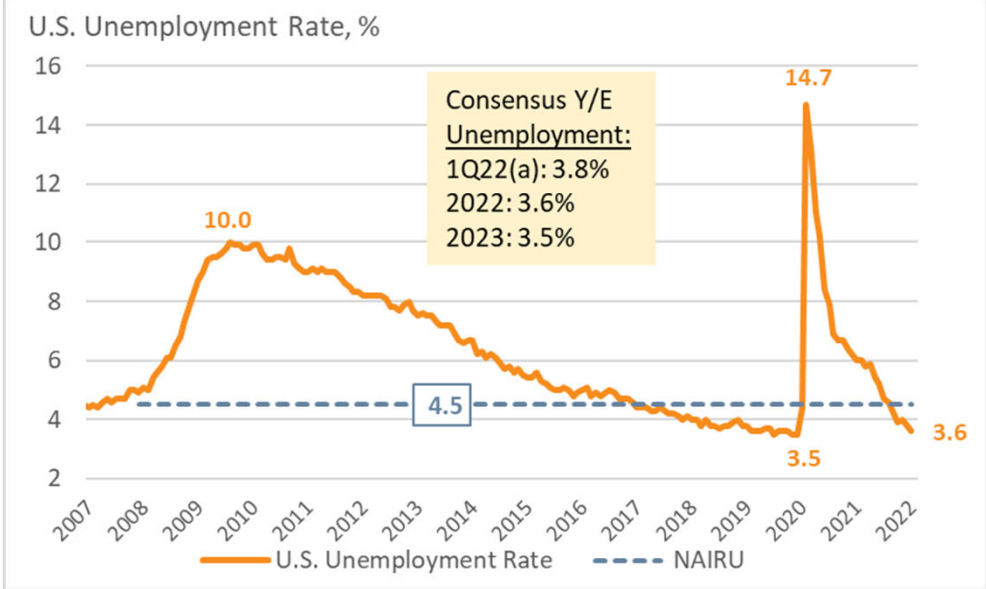
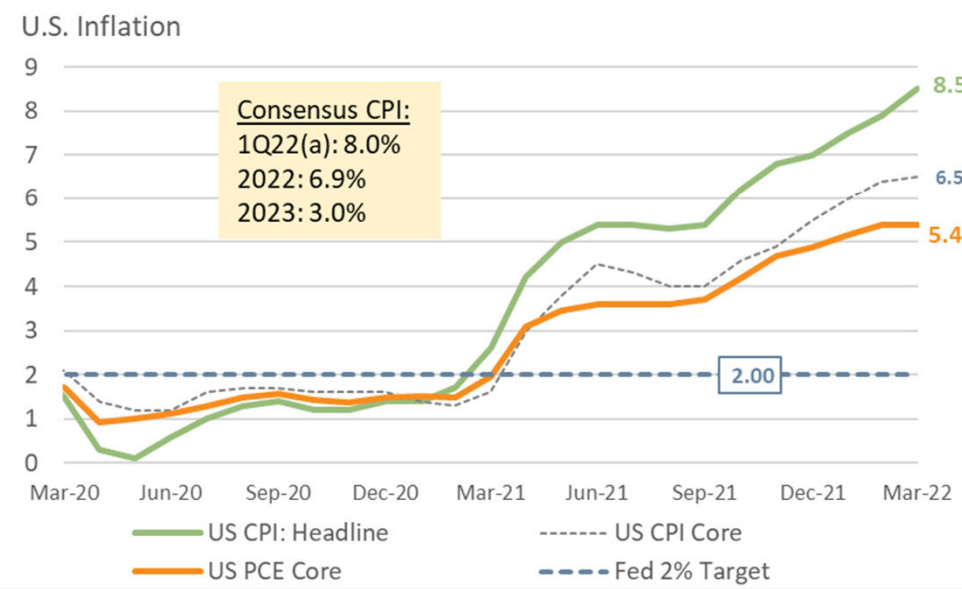
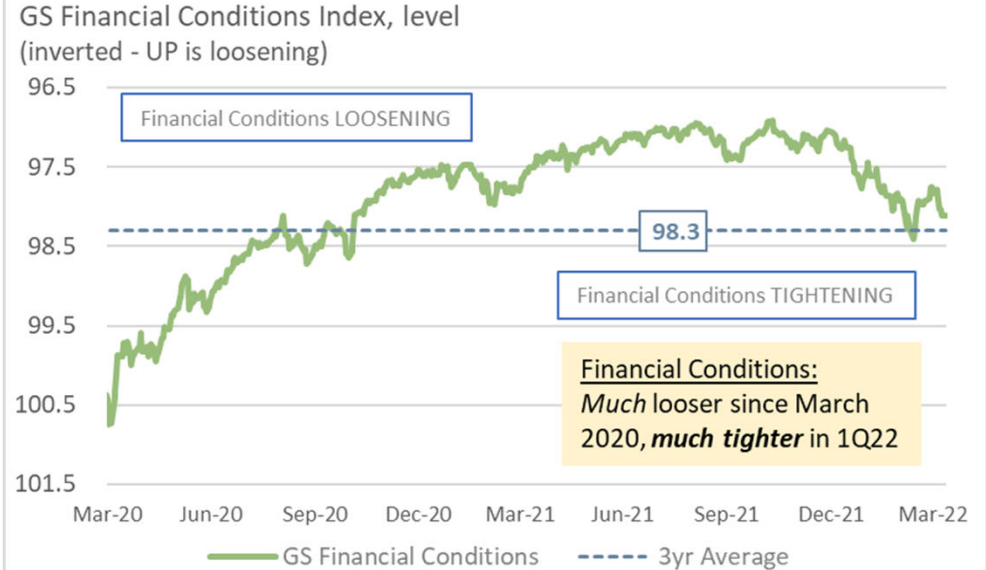
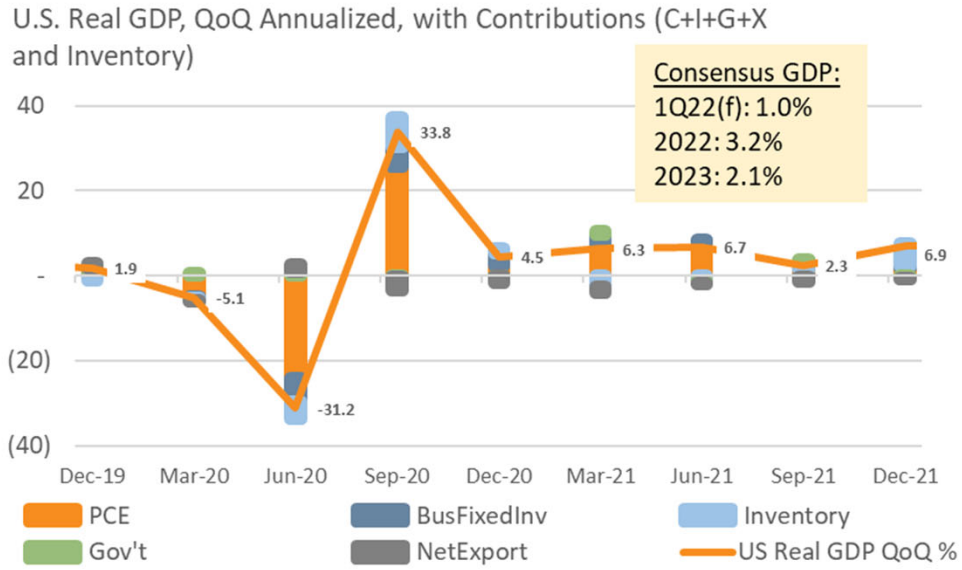
U.S. Inflation

- Inflation has yet to show signs of easing. A tight labor market, continued disruptions of the global supply chain, a fresh outbreak of COVID in China, and a decrease in supply of energy and grain from Russia and Ukraine are all contributors.
- U.S. Consumer Price Index measured 8.0% on average in 1Q22 and ended the quarter at the highest level in 40 years. Core CPI (less food and energy) averaged 6.3% for the quarter.
- The U.S. Personal Consumption Expenditure Core Price Index (PCE Core), the Fed’s preferred inflation measure, was 5.4% at the end of February. The Fed will aggressively tighten policy to maintain inflation expectations within their comfort zone.

Financial Conditions/Recession Probabilities

- As cases decrease, COVID-19 will fade in importance in terms of our cyclical outlook. Uncertainty remains and developments are subject to continued vaccine distribution and virus variant evolution.
- Near term recession probabilities in the U.S. have risen materially during the quarter with the potential for a Fed policy mistake.
- Financial conditions are less accommodative as the Federal Reserve attempts to curb inflation by raising interest rates and increasing borrowing costs for businesses and consumers. Tightening too much or too quickly could push the economy into a recession.
- The war between Ukraine and Russia is another unknown, which has put further stress on global markets.


U.S. ECONOMIC REVIEW



POINTE OF VIEW

Secular Theme: *“Financial Repression”*

Cyclical Theme: *“Late Cycle Dynamics”*



We are in a period of “Financial Repression”¹ – historically low *NOMINAL* interest rates and higher inflation = negative *REAL* rates. Repression policies will take a back seat to inflation fighting – *temporarily*.

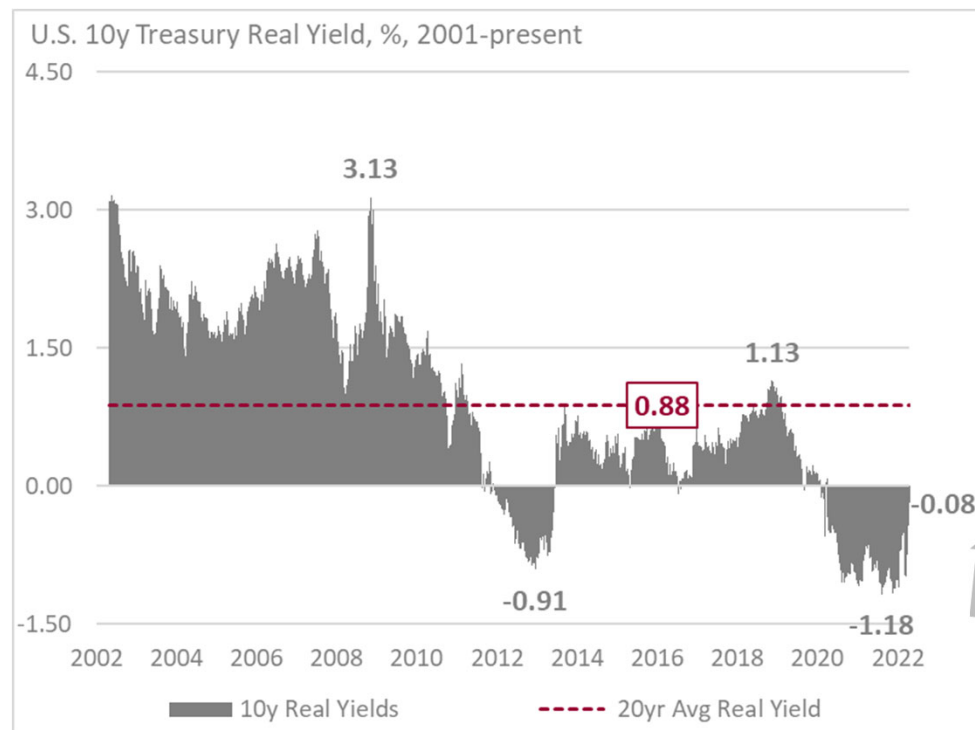
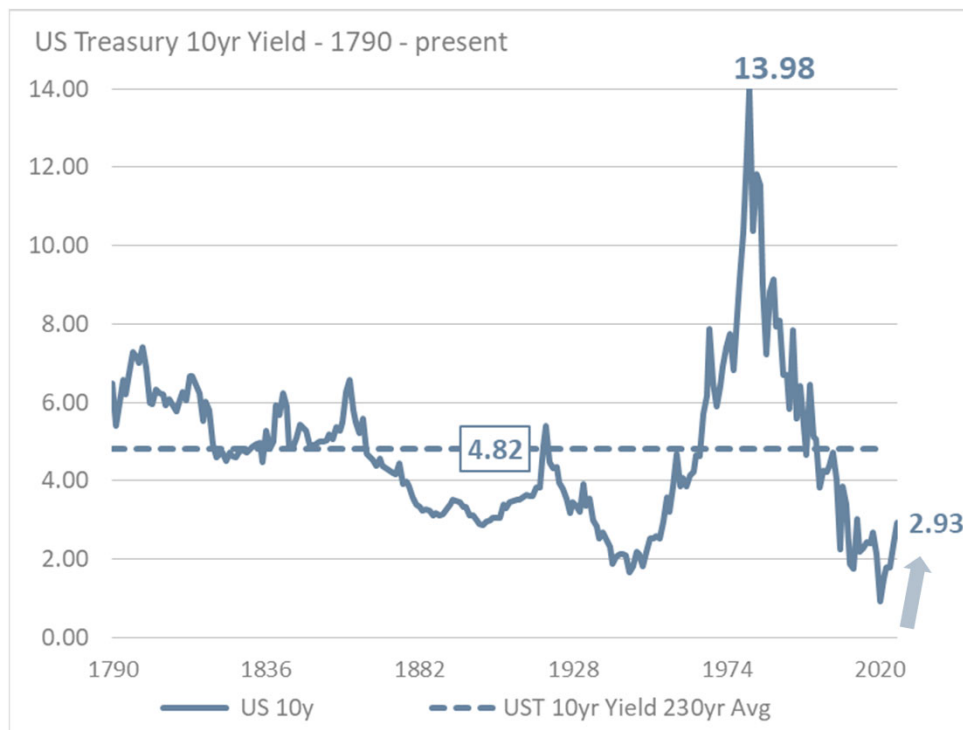
Economic recovery, supply chain disruptions and energy prices push interest rates higher, supporting a rotation out of U.S. Large Cap Growth stocks and into U.S. Large Cap Value.

Inflation is uncomfortably high and inflation expectations are becoming less well-anchored. The Fed will be forced to aggressively tighten monetary policy.

With fiscal and monetary policy in reverse, we expect a slowing economy and increased chance of recession. Risk assets will be challenged accordingly.

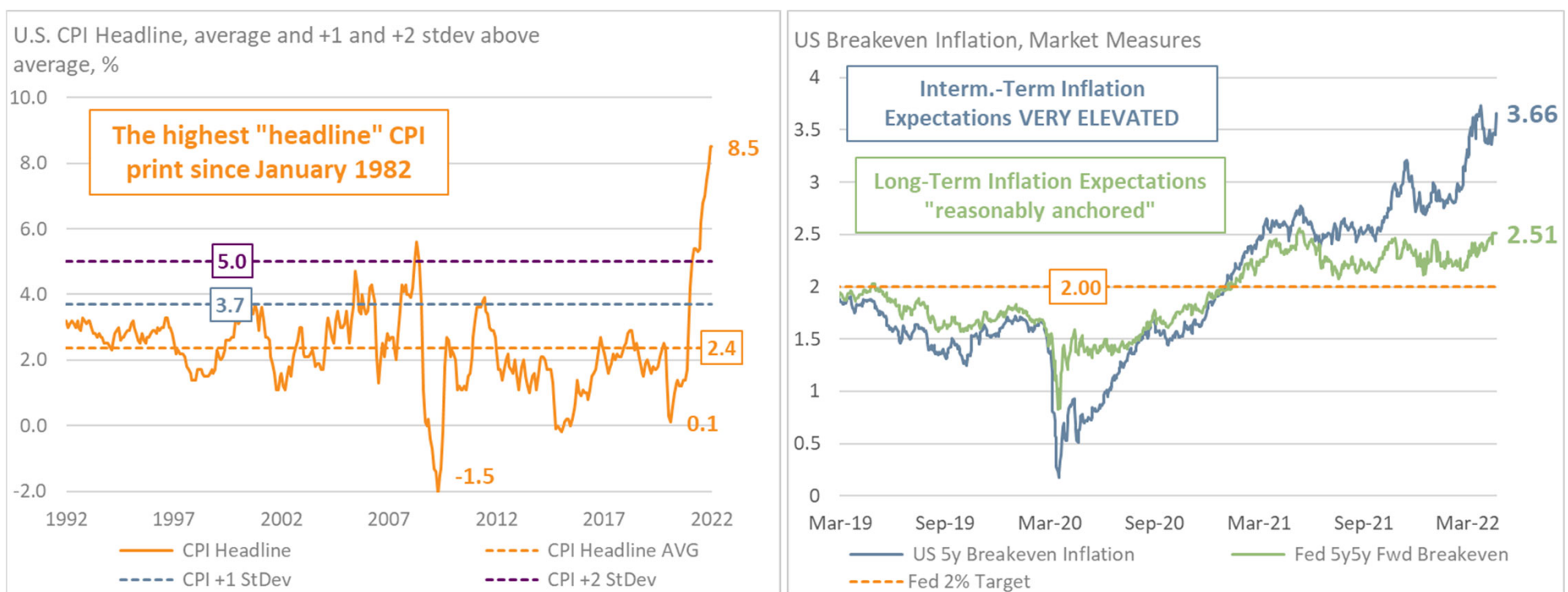
As of April 22, 2022; SOURCE: Beacon Pointe Advisors; ¹ For more information on Financial Repression, see “Investing in the Age of Financial Repression,” <https://beaconpointe.com/investing-in-the-age-of-financial-repression/>, July 2020

HISTORICALLY LOW INTEREST RATES – NOMINAL AND *REAL*



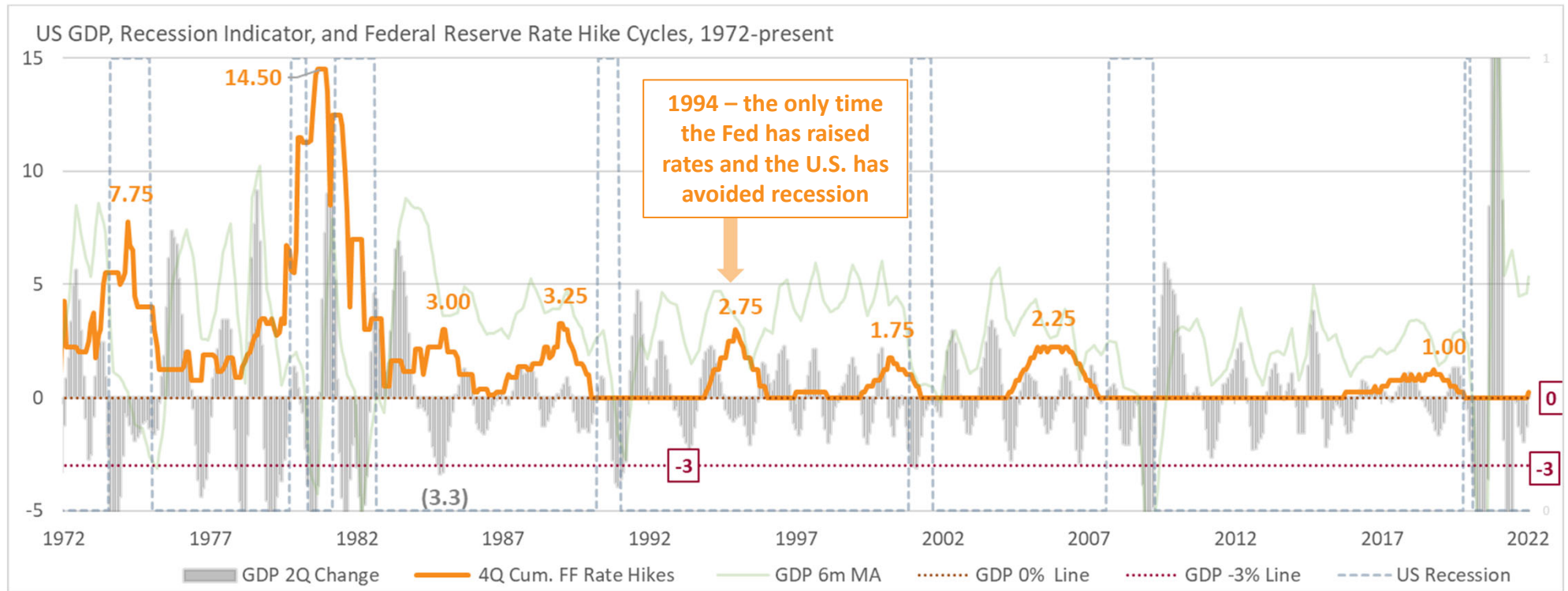
- Interest rates have risen from the multi-century lows reached in August 2020 when the U.S. Treasury 10-year yield bottomed at 0.51%. Rates rose dramatically in the 1Q22 but remain at historically low and formerly *repressed* levels. Repression tactics will be on hold while the Fed fights inflation.
- We expect that nominal interest rates will remain at very low levels historically, and in conjunction with higher realized inflation, the result is negative *real* yields – the hallmark of a concerted government effort to pursue policies of financial repression. Real yields are much *less negative* today than 90 days ago thanks to the move higher in nominal yields – longer-term inflation expectations have remained stable but are in danger of becoming unmoored.

U.S. INFLATION: TRANSITORY OR PERSISTENT?



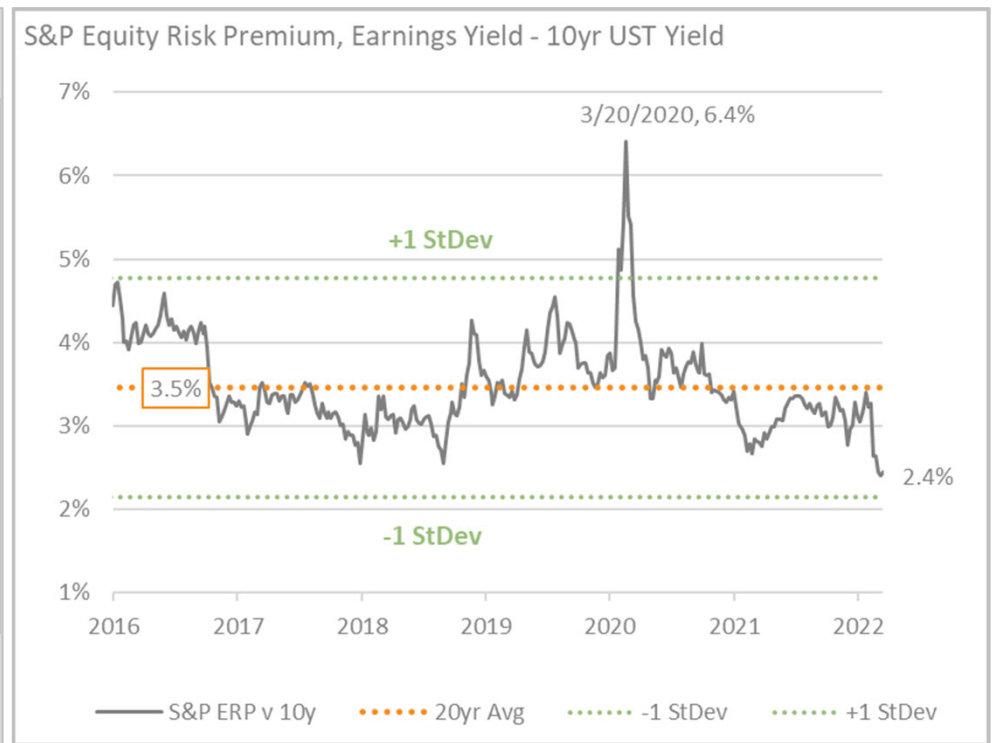
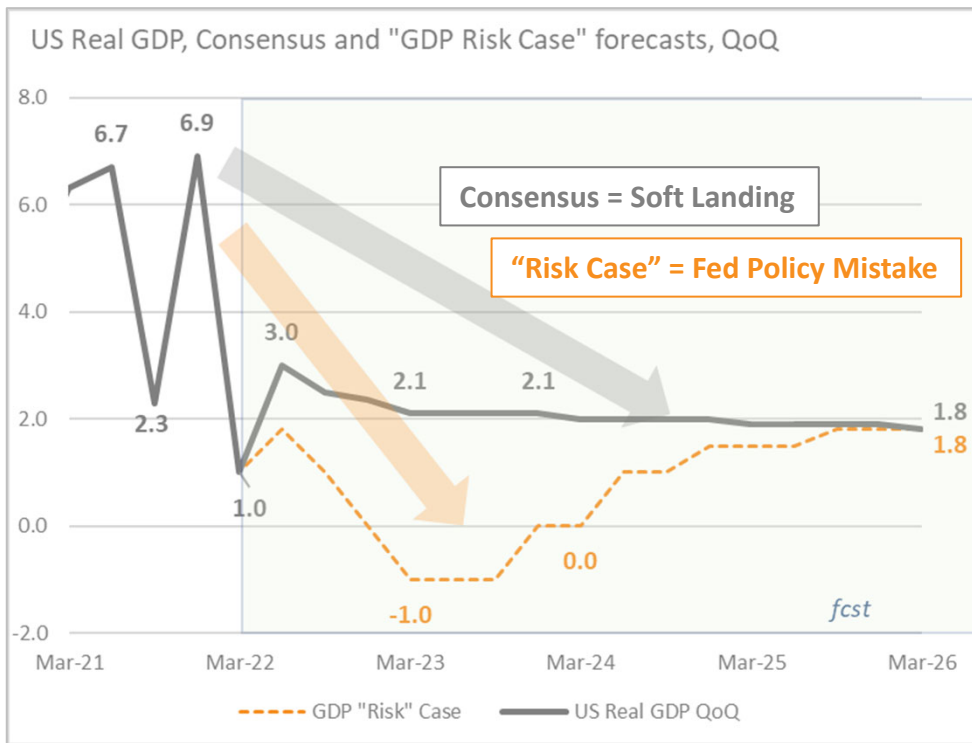
- Inflation is more than two standard deviations higher than the long-term average and has risen to the highest level since 1980 on a tight labor market, supply chain disruptions and rising commodity prices.
- Analysis of the Consumer Price Index (CPI) suggests that inflation is the result of both potentially transitory (supply chain) and more persistent (wages and rents) components. The Fed expects the transitory price pressures to resolve in time – hence, they will focus on the persistent components when deciding how fast and how high to raise interest rates.
- They will raise rates just enough to protect their hard-won inflation fighting credibility and to contain longer term inflation expectations. The risk of a Fed policy mistake that results in an economic slowdown is rising.

FED RATE HIKES HAVE HAD THE INTENDED RESULT - *LOWER GDP GROWTH*



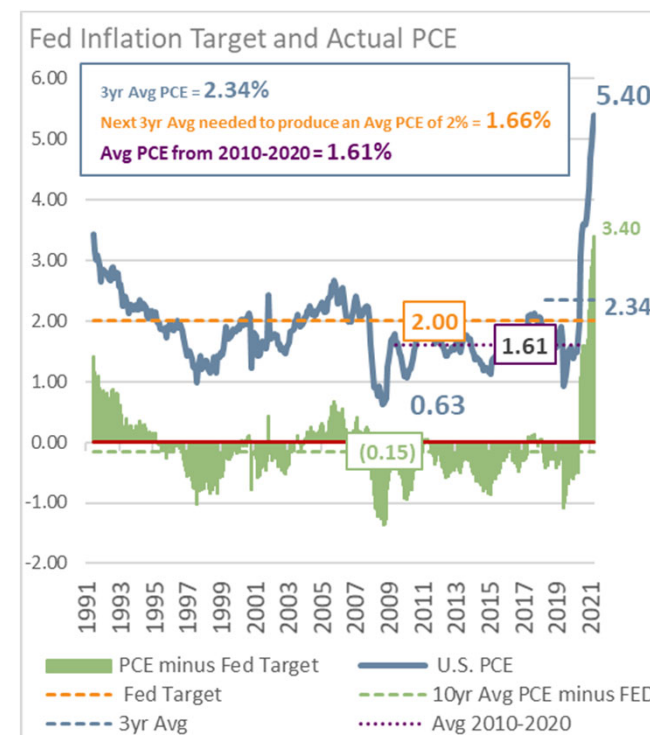
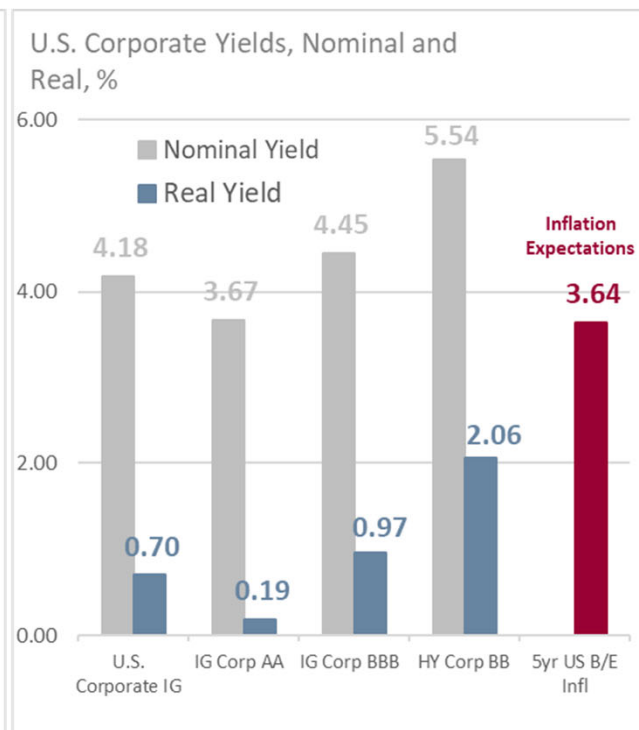
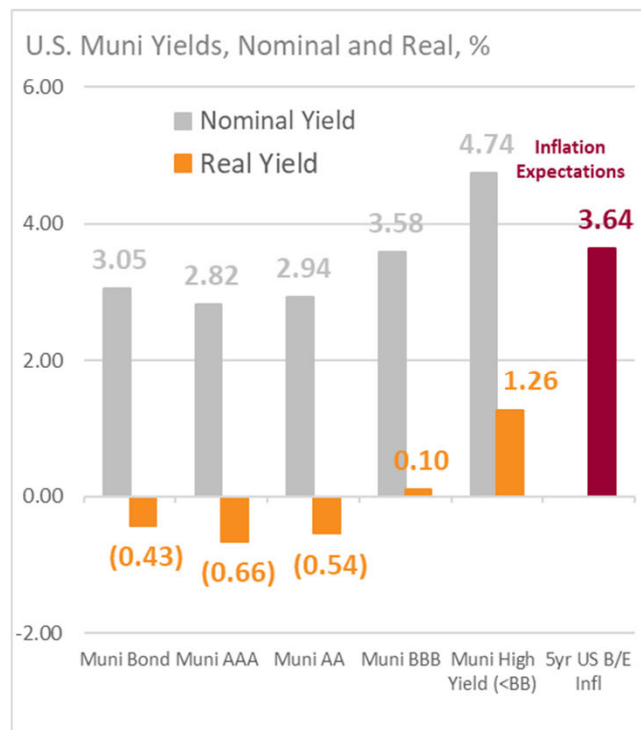
- “Late Cycle Dynamics” include peak economic activity and less accommodative monetary policy – these two features are correlated. The Fed will intentionally tighten financial conditions to slow activity, in order to relieve pressure on prices.
- The chart above shows U.S. GDP changes over two quarters and cumulative Fed rate hikes for the last eight cycles. When the Fed raises rates, GDP generally falls -3.0% or more over the next two quarters. Seven out of eight cycles since 1972 have ended in recession.
- The outlier is 1994 when recession was avoided, and the Fed engineered an elusive “soft landing.”

ECONOMIC SLOWDOWN AHEAD + LOWER COMPENSATION FOR RISK TAKING



- “Late Cycle Dynamics” include peak economic activity, higher inflation, less accommodative monetary and fiscal policy, and less compensation for risk. The Bloomberg economist's outlook for GDP is lower but no recession – a rare “soft-landing.”
- The Fed has awakened to the dangers of higher and more persistent inflation, and monetary policy will tighten accordingly. Fiscal policy will be greatly reduced in 2022 as compared to 2021 due in part to political gridlock.
- A spectacular recovery in asset prices since March 2020, less accommodative monetary policy, and slowing corporate profit growth are likely to challenge risk-taking in coming quarters as compensation for risk-taking has declined.

NEGATIVE *REAL* YIELDS ARE A CHALLENGE



- *Nominal* (observable) yields are historically low due to the Federal Reserve's Quantitative Easing (QE) policy. Realized inflation and inflation expectations have risen beyond the Fed's comfort zone. The result is negative *real* yields (Nominal Yields – Inflation).
- *Real* yields on higher-quality municipal and corporate bonds were deeply negative – now less so. There is positive real yield available in investment grade bonds for the first time since December 2020.
- Inflation has proven more persistent than the Fed would like - supply chain and energy prices have leaked into rents and wages. The new Fed framework - Average Inflation Targeting – will be tested in the current environment.

CAPITAL MARKETS REVIEW



MARKET PERFORMANCE SUMMARY

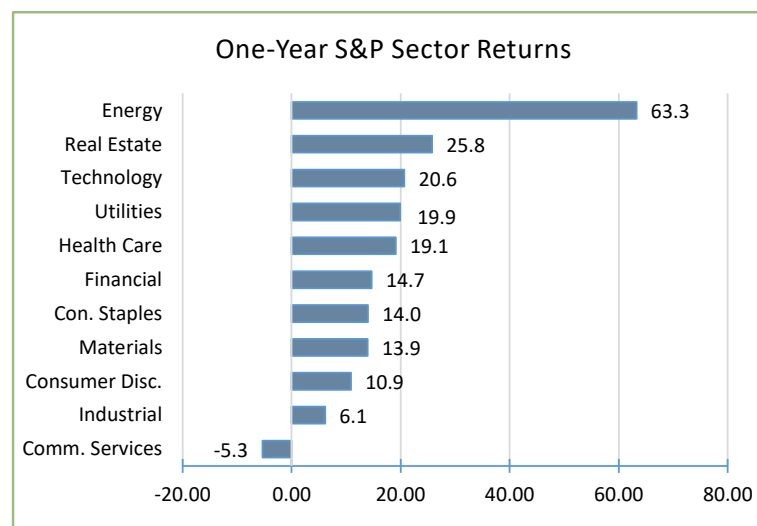
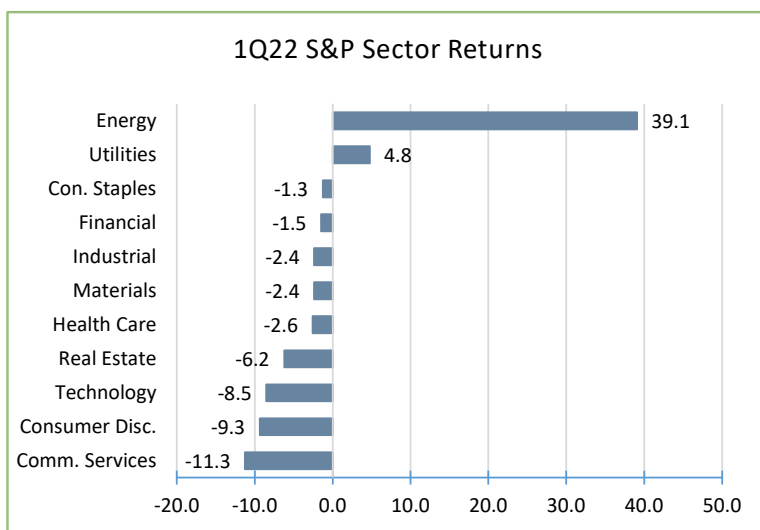
As of March 31, 2022

	Quarter Return	YTD Return	1 Year Return	3 Year Return	5 Year Return	7 Year Return	10 Year Return
Equity							
S&P 500	-4.6	-4.6	15.6	18.9	16.0	14.0	14.6
Russell 1000 Growth	-9.0	-9.0	15.0	23.6	20.9	17.3	17.0
Russell 1000	-5.2	-5.2	12.8	18.1	15.2	13.1	13.9
Russell 1000 Value	-0.7	-0.7	11.7	13.0	10.3	9.7	11.7
Russell Mid Cap	-5.7	-5.7	6.9	14.9	12.6	10.7	12.9
Russell 2000 Growth	-12.6	-12.6	-14.3	9.9	10.3	8.5	11.2
Russell 2000	-7.5	-7.5	-5.8	11.7	9.7	8.9	11.0
Russell 2000 Value	-2.4	-2.4	3.3	12.7	8.6	8.8	10.5
Russell 3000	-5.3	-5.3	11.9	18.2	15.4	13.4	14.3
MSCI ACWI Ex USA	-5.4	-5.4	-1.5	7.5	6.8	5.2	5.6
MSCI ACWI	-5.4	-5.4	7.3	13.8	11.6	9.7	10.0
MSCI EAFE	-5.9	-5.9	1.2	7.8	6.7	5.1	6.3
MSCI EM	-7.0	-7.0	-11.4	4.9	6.0	4.7	3.4
Fixed Income							
US Aggregate Bond	-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2
US Govt/Credit Intermediate	-4.5	-4.5	-4.1	1.5	1.8	1.6	1.8
US Muni 1-10yr	-4.4	-4.4	-3.7	0.9	1.6	1.5	1.8
US Treasury Bill 3m	0.0	0.0	0.1	0.8	1.1	0.9	0.6
US High Yield	-4.8	-4.8	-0.7	4.6	4.7	5.0	5.7
Global High Yield	-5.7	-5.7	-3.8	2.6	3.3	4.3	4.9
Citi WGBI	-6.5	-6.5	-7.7	-0.1	1.3	1.2	0.3
EM Sovereign Debt USD	-9.2	-9.2	-7.5	0.7	1.9	3.1	3.6
Alternatives							
FTSE NAREIT Composite	-5.2	-5.2	22.3	11.1	10.3	8.8	10.2
S&P Global Natural Resources	16.8	16.8	30.8	15.4	12.5	9.7	5.5
Bloomberg Commodity	25.5	25.5	49.3	16.1	9.0	4.3	-0.7

U.S. EQUITY SECTOR REVIEW

1Q22	Value	Core	Growth
Large	-0.7	-5.2	-9.0
Mid	-1.8	-5.7	-12.6
Small	-2.4	-7.5	-12.6

One Year	Value	Core	Growth
Large	11.7	12.8	15.0
Mid	11.5	6.9	-0.9
Small	3.3	-5.8	-14.3



- Large Cap Value, despite returning -0.7% in the first quarter, significantly outperformed Large Cap Growth which returned -9.0%. Value also outperformed Growth in Mid Cap and Small Cap. Over the past twelve months, most segments of the market have posted positive returns. Only Small Cap Core (-5.8%) and Small Cap Growth (-14.3%) posted negative returns over that period.
- Only Energy (39.1%) and Utilities (4.8%) posted positive returns in the first quarter. All sectors other than Communication Services (-5.3%) posted positive returns over the prior twelve-month period.

U.S. EQUITY CORPORATE EARNINGS – SOME ADDITIONAL CLARITY...



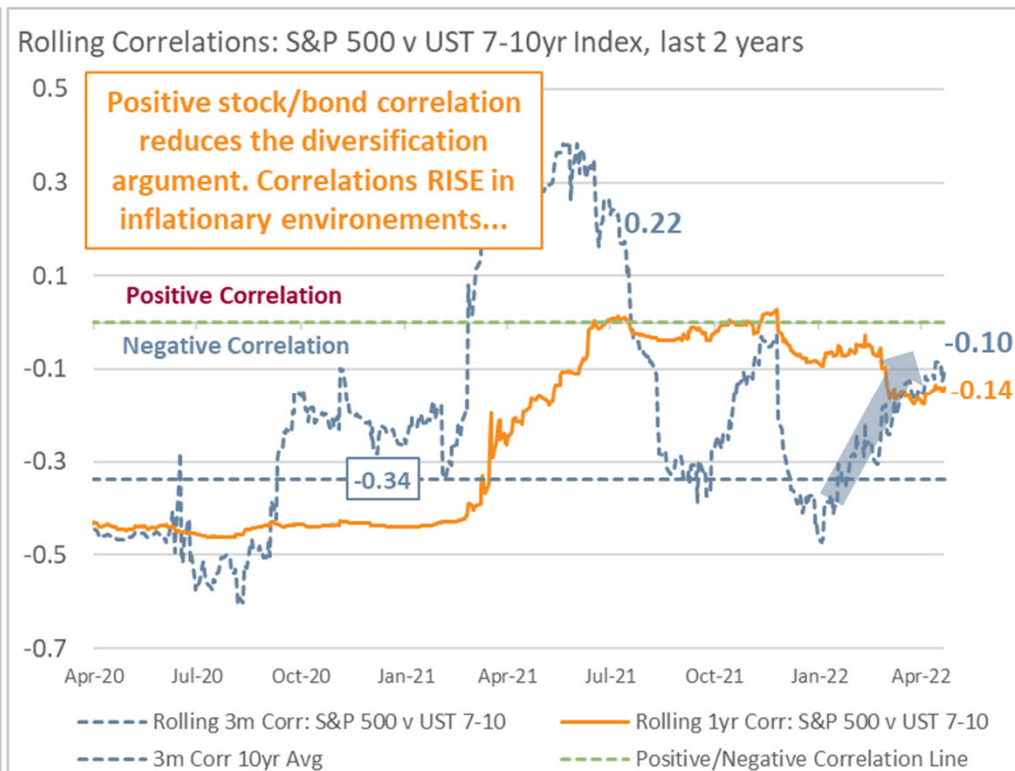
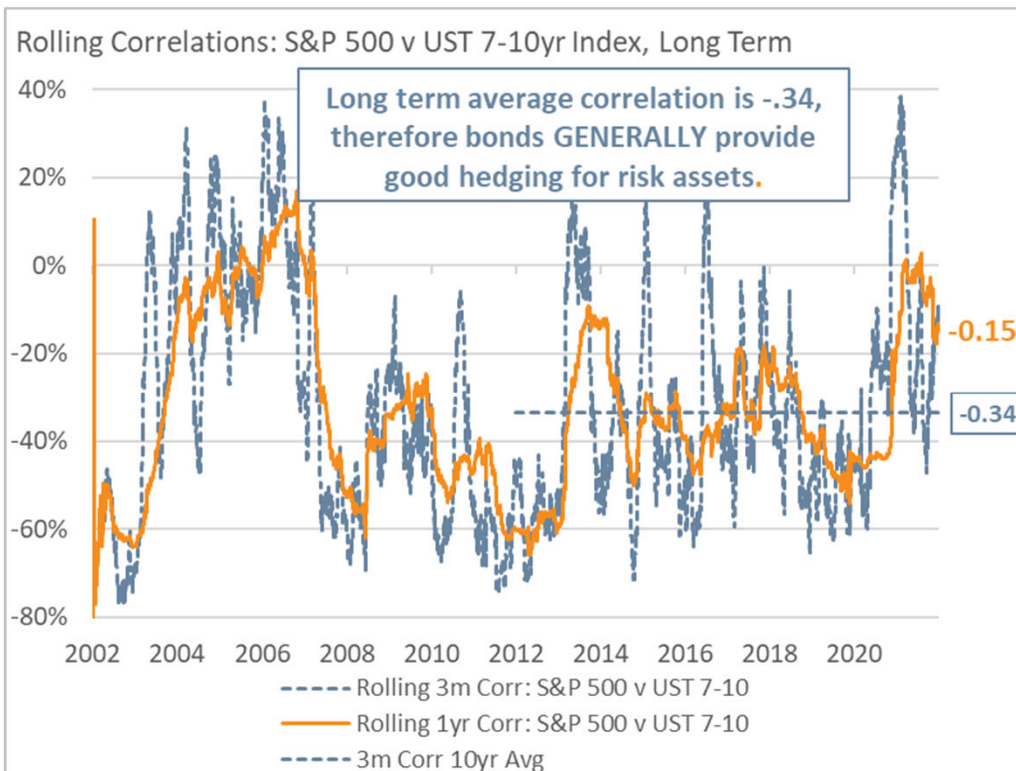
Expected S&P 500 Level and Returns - Sensitivity Analysis

S&P 500 LEVELS		4QFwdEPS	227.00	Index:	4,394	P/E	19.4				
		P/E Ratio									
EPS growth	EPS	15	16	17	18	19	19.4	20	21	22	
-8.8%	207	3,105	3,312	3,519	3,726	3,933	4,007	4,140	4,347	4,554	
-6.6%	212	3,180	3,392	3,604	3,816	4,028	4,103	4,240	4,452	4,664	
-4.4%	217	3,255	3,472	3,689	3,906	4,123	4,200	4,340	4,557	4,774	
-2.2%	222	3,330	3,552	3,774	3,996	4,218	4,297	4,440	4,662	4,884	
-	227.00	3,405	3,632	3,859	4,086	4,313	4,394	4,540	4,767	4,994	
2.2%	232	3,480	3,712	3,944	4,176	4,408	4,490	4,640	4,872	5,104	
4.4%	237	3,555	3,792	4,029	4,266	4,503	4,587	4,740	4,977	5,214	
6.6%	242	3,630	3,872	4,114	4,356	4,598	4,684	4,840	5,082	5,324	
8.8%	247	3,705	3,952	4,199	4,446	4,693	4,781	4,940	5,187	5,434	

S&P 500 RETURNS		P/E Ratio									
EPS growth	EPS	15	16	17	18	19	19.4	20	21	22	
-8.8%	207	-29%	-25%	-20%	-15%	-10%	-9%	-6%	-1%	4%	
-6.6%	212	-28%	-23%	-18%	-13%	-8%	-7%	-3%	1%	6%	
-4.4%	217	-26%	-21%	-16%	-11%	-6%	-4%	-1%	4%	9%	
-2.2%	222	-24%	-19%	-14%	-9%	-4%	-2%	1%	6%	11%	
-	227.00	-23%	-17%	-12%	-7%	-2%	0%	3%	8%	14%	
2.2%	232	-21%	-16%	-10%	-5%	0%	2%	6%	11%	16%	
4.4%	237	-19%	-14%	-8%	-3%	2%	4%	8%	13%	19%	
6.6%	242	-17%	-12%	-6%	-1%	5%	7%	10%	16%	21%	
8.8%	247	-16%	-10%	-4%	1%	7%	9%	12%	18%	24%	

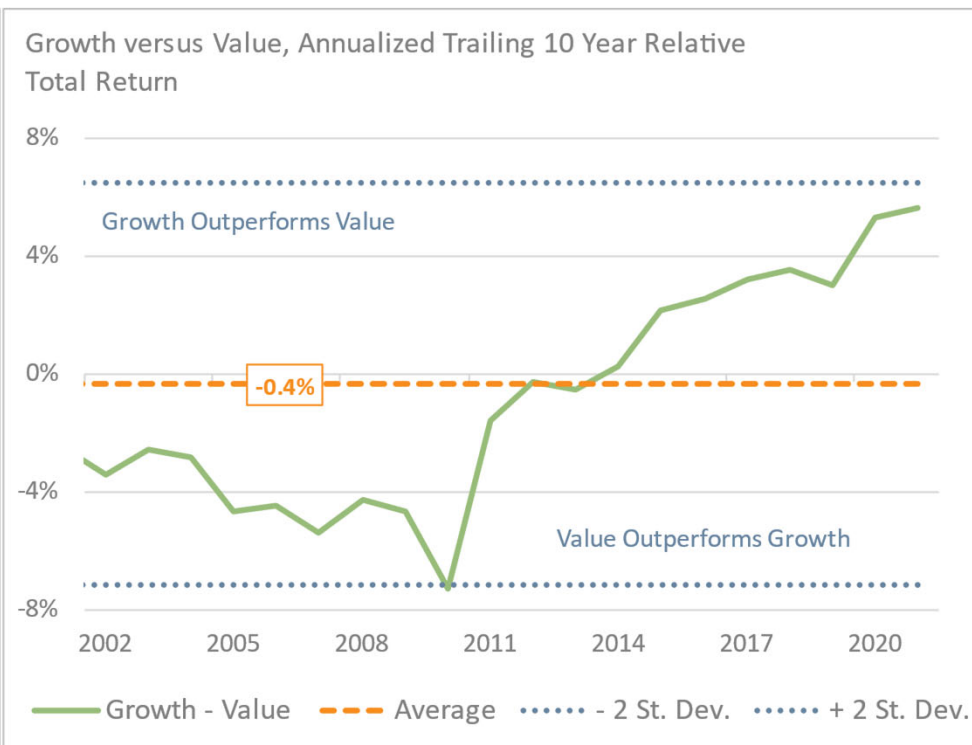
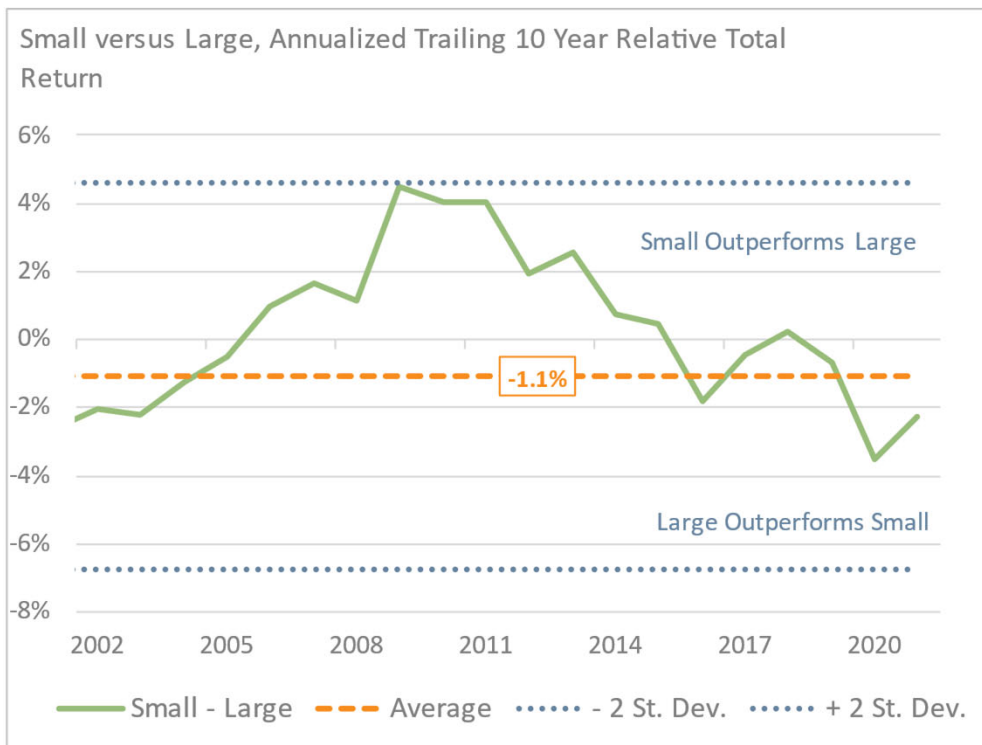
- S&P 500 earnings estimates for 2021 were raised by more than 30% from ~\$160 at the beginning of the year to \$208.
- Current 2022 full-year consensus earnings per share are ~\$227, equating to a P/E ratio of 19.4x (with the S&P at 4,394 on April 21, 2022), a much higher level than the 10-year average of about ~16x.
- Two explanations for PE multiples remaining elevated : 1) the market is discounting strong earnings growth in the coming years (consensus: +8.9% yoy/\$227 for 2022, +10.1%/ \$250 for 2023), and/or 2) monetary policy is encouraging a new, higher plateau in P/E ratios despite multiple rate hikes already price in for 2022/2023.
- The traditional approach of looking at P/E ratios as an absolute value approach fails to compare the relative options available to an investor at any point in time. **Fed policy remains a key factor in equity valuations.**

EQUITY / BOND CORRELATIONS RISING



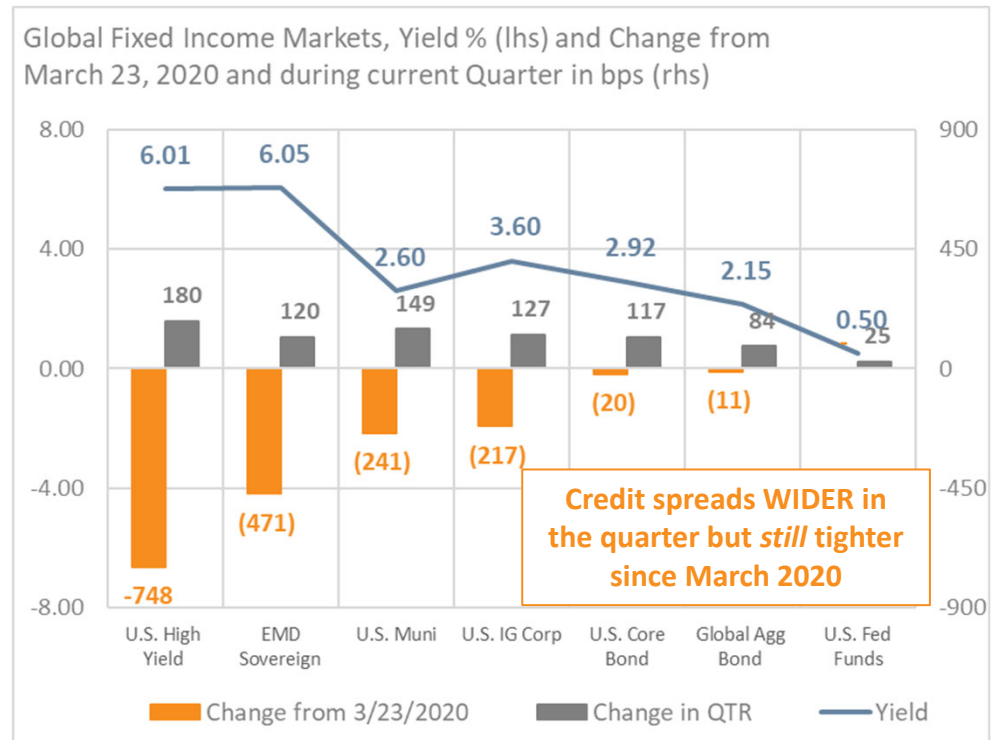
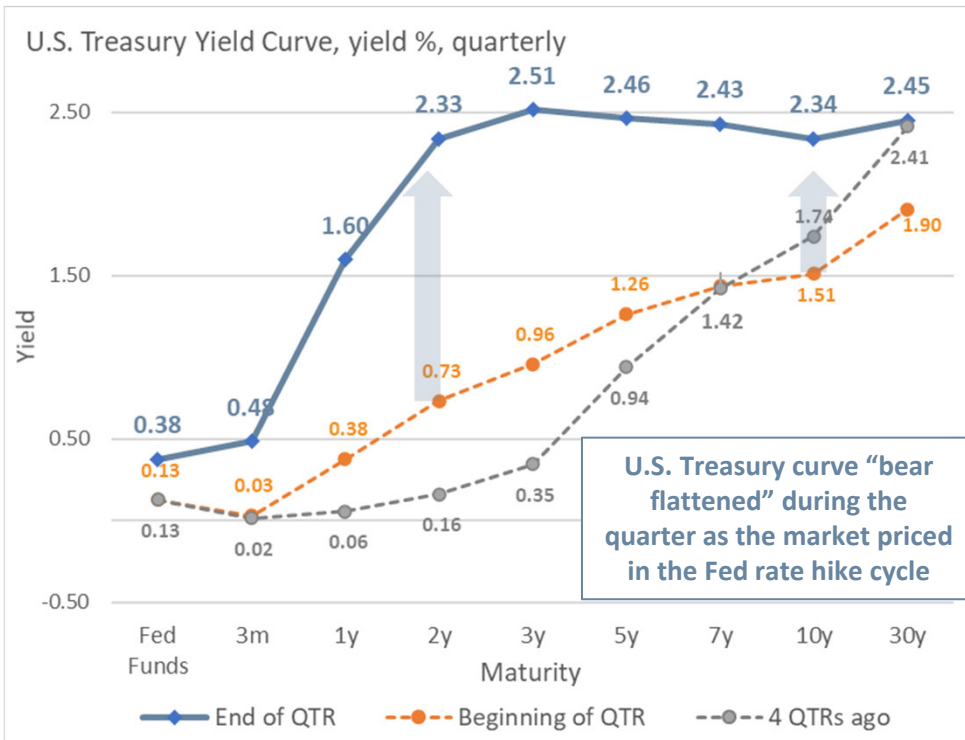
- Stock-Bond return correlations are increasing, reducing the ability of bond portfolios to hedge riskier assets.
- This is a common occurrence in periods of higher inflation.

SIZE – SMALL PERFORMS WELL, GROWTH *STILL* OVERVALUED



- The Russell 1000 Index has outperformed the Russell 2000 Index on average by 1.1% over the past 30 years of rolling 10-year periods. Small-Cap equities remain modestly undervalued relative to Large-Cap.
- Value outperformed Growth significantly in 1Q22. Value, however, remains *much* cheaper than Growth based on rolling 10-year relative performance.

FIXED INCOME REVIEW – CURVE FLATTENS, SPREADS TIGHTEN



- U.S. Treasury bond yields rose across the curve from 1-year out to 10-year maturities in a “bear flattening” as inflation fears grew. The curve inverted briefly at the end of the quarter, a sign of a possible economic slowdown to come.
- The Federal Reserve raised their target interest rate +25bps on March 16. The market – and Beacon Pointe – expect the Fed to raise rates aggressively in coming months in order to preserve their inflation-fighting credibility.
- Riskier global bond markets have rallied substantially from the low prices of two years ago. During 1Q22, the worst bond market in 40 years, yields rose dramatically and reversed some of the appreciation we have seen in the past seven quarters. The result of the sell-off is that some bonds have a *positive* inflation-adjusted yield for the first time since 4Q2020.

MACRO THEMES



CURRENT INVESTMENT THEMES AND CATALYSTS – APRIL 2022

Secular Theme – “Financial Repression”

- **Financial Repression remains the long-term operating framework** as governments work to reduce the high debt levels accumulated during COVID mitigation efforts. However, over our cyclical horizon, we do expect that **repression policies will be put on “pause” in order to fight inflation** and will reappear once inflation expectations are affirmed near Fed comfort levels.
- Global **Monetary Policy has reversed course and central banks are expected to rapidly remove policy accommodation in response to inflationary pressures**. Most central banks will attempt some interest rate normalization should economic and pandemic developments allow.
- The containment of COVID-19 has moved from the front burner with other cyclical issues taking precedence and may be moving to a more endemic state. Should this persist, it would be a very welcome development.

Cyclical Outlook – “Late Cycle Dynamics”

- The economic recovery since 2Q20 is the result of an unprecedented monetary policy response, massive fiscal stimulus and positive virus and vaccine developments; however, the tremendous salutatory impact of **the dual policy pillars is reversing** with expected Federal Reserve rate hikes and substantial fiscal tightening in 2022. “Stagflation Lite” is possible as we progress towards the later stages of the business cycle.
- Dislocated supply chains and increasing demand caused a mismatch in goods markets in 2021. Coupled with loose monetary policy and a tight labor market, this produced a **surge in realized inflation that has materially breached the Fed’s 2% target**. As we expected, price pressures have been more persistent than originally projected by the Fed and they **will be forced to respond by aggressively raising interest rates**.
- U.S. real interest rates have risen sharply with expectations for a less accommodative Fed. This increase in rates has restarted a rotation from Large Cap Growth stocks to Large Cap Value. An expected rotation to International stocks has not materialized.
- The unemployment rate has declined steadily to below 4.0% but is flattened by labor market participation that remains below pre-COVID levels. The willingness of workers to quit (the “quits rate”) is near record level, putting upward pressure on wages. We expect this phenomena to reverse as savings rates decline, the pandemic retreats as a major factor in labor markets, and higher wages lure employees back to work.
- The **significant constraints to implementing a progressive policy agenda** - razor thin Democratic majorities in Congress and declining presidential approval ratings - have stymied the Biden legislative agenda. Midterm elections in November will loom large in the minds of Congressional members up for reelection when considering how to message various legislative priorities.

Risks – “Inflation and Recession Fears”

- The efforts to reflate the economy – especially monetary stimulus – coupled with economic reopening may cause a further unwelcome, **persistent rise in inflation** and bond yields that is not immediately met by Fed tightening, de-anchoring inflation expectations.
- The 2021 performance of the equity market was driven by earnings growth and is now dependent on elevated multiples – and continued low rates. If interest rates rise in a disorderly fashion, markets may price increasing recession probabilities - and a material re-rating of equity risk.
- Any material reversal of progress on containing the virus - a new, more virulent variant for example - will cause economic and equity market stress.
- The “Fed Put” is struck at a much lower level –any additional **shocks to the economy or financial markets will be met with risk aversion. At the same time, the Fed’s ability to provide policy support to the equity market is constrained given extremely elevated inflation**.
- While the policy degrees of freedom are limited, concerns about the long-term ability of the U.S. to respond to shocks 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 distant tail risk.

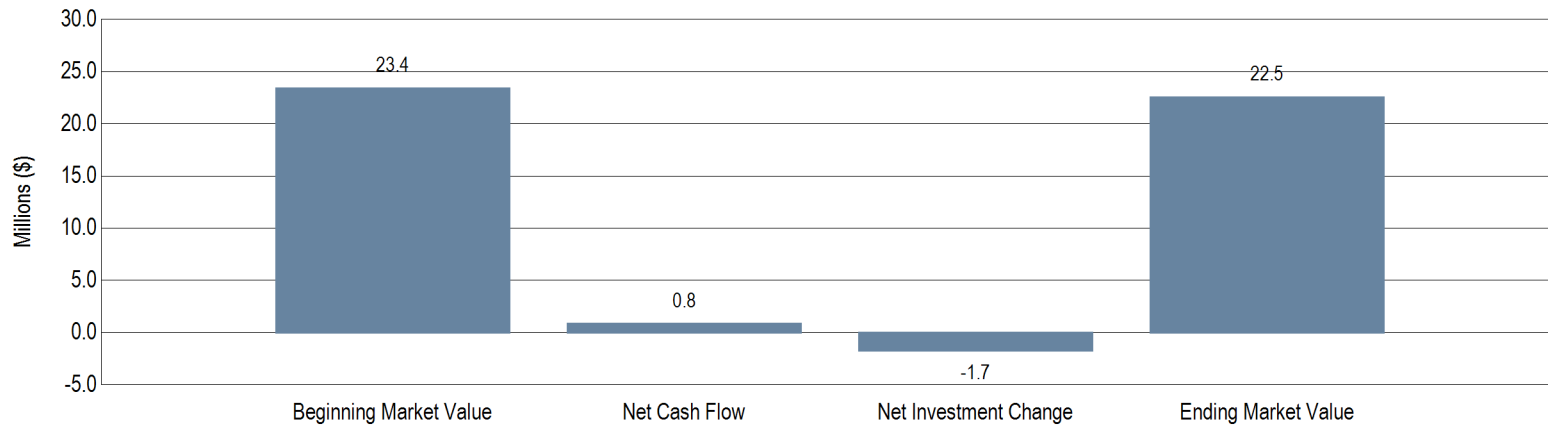
PERIODIC TABLE OF RETURNS – MARCH 2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD	5 Year	10 Year
US Large Blend	28.94	43.30	15.19	5.67	31.74	37.28	1.87	36.39	38.49	28.71	25.55	20.88	17.04
US Large Value	18.22	38.82	13.69	1.38	21.31	30.21	0.01	31.49	34.63	28.27	0.04	15.99	14.64
US Large Growth	18.05	34.52	13.45	0.87	17.34	25.03	-1.51	28.48	19.96	27.60	-0.74	10.33	11.70
US Small Blend	17.51	33.48	13.05	0.55	11.96	22.17	-4.02	26.54	18.40	27.11	-2.40	10.29	11.21
US Small Value	17.32	32.53	5.97	0.05	11.77	21.83	-4.38	25.52	18.31	26.65	-2.70	9.74	11.04
US Small Growth	16.35	32.39	5.60	-0.27	11.32	15.41	-5.52	22.85	13.49	25.16	-3.85	9.00	10.54
International Equity	16.00	22.78	4.96	-0.81	11.19	14.65	-6.05	22.39	10.27	14.82	-4.60	8.57	8.26
Emerging Markets Equity	15.26	12.32	4.89	-0.98	7.08	13.66	-8.27	22.01	7.82	11.26	-5.55	8.05	7.06
US Fixed Income	14.59	8.96	4.22	-1.38	5.92	13.23	-9.31	19.41	7.51	10.20	-5.91	7.72	6.27
Cash	11.48	5.87	3.36	-3.83	5.37	7.84	-11.01	18.42	4.63	6.53	-5.93	6.72	3.93
Commodities	4.79	0.07	0.03	-4.41	2.65	7.77	-11.25	8.72	2.80	2.83	-6.97	5.98	3.36
Real Estate	4.21	-2.02	-2.19	-7.47	1.00	3.54	-12.86	8.39	0.67	0.05	-7.53	4.64	2.24
Hedge Funds	0.11	-2.60	-4.90	-14.92	0.52	1.70	-13.79	7.69	-3.12	(1.54)	-9.04	2.14	0.63
60%MSCI ACWI / 40% BloomBarc Agg	-1.06	-9.52	-17.01	-24.66	0.33	0.86	-14.57	2.28	-6.20	(2.54)	-12.63	1.13	-0.70

Summary Of Cash Flows

	First Quarter	Year-To-Date	One Year	Three Years	Five Years	Inception 9/1/21
Beginning Market Value	\$23,412,518	\$23,412,518	--	--	--	\$22,389,294
Net Cash Flow	\$818,165	\$818,165	\$1,673,106	\$1,673,106	\$1,673,106	\$1,673,106
Net Investment Change	-\$1,711,848	-\$1,711,848	\$20,845,729	\$20,845,729	\$20,845,729	-\$1,543,565
Ending Market Value	\$22,518,835	\$22,518,835	\$22,518,835	\$22,518,835	\$22,518,835	\$22,518,835

Change in Market Value
From January 01, 2022 To March 31, 2022



El Camino Real OPEB

Total Composite

As of March 31, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
Total Composite	22,518,835	100.0	-6.8	-6.8	--	--	--	--	--	--	-6.1	Sep-21
<i>Policy Index</i>			-5.6	-5.6	--	--	--	--	--	--	-4.5	Sep-21
Total Equity	12,516,440	55.6	-8.3	-8.3	--	--	--	--	--	--	-7.6	Sep-21
<i>MSCI ACWI</i>			-5.4	-5.4	7.3	13.8	11.6	9.7	10.0	9.0	-3.2	Sep-21
Total Domestic Equity	8,132,490	36.1	-7.8	-7.8	--	--	--	--	--	--	-4.6	Sep-21
<i>Russell 3000</i>			-5.3	-5.3	11.9	18.2	15.4	13.4	14.3	13.6	-1.1	Sep-21
Total International Equity	4,383,950	19.5	-9.4	-9.4	--	--	--	--	--	--	-12.4	Sep-21
<i>MSCI ACWI ex USA</i>			-5.4	-5.4	-1.5	7.5	6.8	5.2	5.6	4.3	-6.8	Sep-21
Total Fixed	7,077,551	31.4	-5.5	-5.5	--	--	--	--	--	--	-6.3	Sep-21
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	2.7	-6.7	Sep-21
Total Alternatives	2,866,693	12.7	-3.3	-3.3	--	--	--	--	--	--	0.6	Sep-21
<i>Custom Alts Index</i>			-3.3	-3.3	--	--	--	--	--	--	0.1	Sep-21
Total Cash	58,151	0.3	0.0	0.0	--	--	--	--	--	--	0.0	Sep-21
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.0	0.1	0.8	1.1	0.9	0.6	0.6	0.1	Sep-21

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Within IPS Range?
US Equity	\$8,132,490	36.1%	35.0%	20.0% - 50.0%	1.1%	Yes
International Equity	\$4,383,950	19.5%	20.0%	10.0% - 30.0%	-0.5%	Yes
Fixed Income	\$7,077,551	31.4%	30.0%	20.0% - 50.0%	1.4%	Yes
Alternatives	\$2,866,693	12.7%	15.0%	0.0% - 25.0%	-2.3%	Yes
Cash	\$58,151	0.3%	0.0%	0.0% - 10.0%	0.3%	Yes
Total	\$22,518,835	100.0%	100.0%			

El Camino Real OPEB

Total Composite

As of March 31, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
Total Composite	22,518,835	100.0	-6.8	-6.8	--	--	--	--	--	--	-6.1	Sep-21
<i>Policy Index</i>			-5.6	-5.6	--	--	--	--	--	--	-4.5	Sep-21
Total Equity	12,516,440	55.6	-8.3	-8.3	--	--	--	--	--	--	-7.6	Sep-21
<i>MSCI ACWI</i>			-5.4	-5.4	7.3	13.8	11.6	9.7	10.0	9.0	-3.2	Sep-21
Total Domestic Equity	8,132,490	36.1	-7.8	-7.8	--	--	--	--	--	--	-4.6	Sep-21
<i>Russell 3000</i>			-5.3	-5.3	11.9	18.2	15.4	13.4	14.3	13.6	-1.1	Sep-21
Fiduciary Management: Large Cap Instl	2,341,905	10.4	-5.5	-5.5	--	--	--	--	--	--	-0.1	Sep-21
<i>Russell 1000 Value</i>			-0.7	-0.7	11.7	13.0	10.3	9.7	11.7	11.1	3.3	Sep-21
Polen Capital Focus Growth	2,184,233	9.7	-13.5	-13.5	--	--	--	--	--	--	-13.6	Sep-21
<i>Russell 1000 Growth</i>			-9.0	-9.0	15.0	23.6	20.9	17.3	17.0	16.5	-4.1	Sep-21
Vanguard S&P 500 ETF	2,286,341	10.2	-4.6	-4.6	15.5	18.9	16.0	14.0	14.6	14.0	1.1	Sep-21
<i>S&P 500</i>			-4.6	-4.6	15.6	18.9	16.0	14.0	14.6	14.1	1.0	Sep-21
Vanguard Mid-Cap ETF	979,663	4.4	-6.3	-6.3	8.8	15.7	13.0	10.4	12.9	12.0	-3.1	Sep-21
<i>CRSP US Mid Cap TR USD</i>			-6.3	-6.3	8.9	15.7	13.0	10.9	13.0	12.1	-3.0	Sep-21
Vanguard Russell 2000 ETF	340,348	1.5	-7.6	-7.6	-6.0	11.8	9.8	8.9	11.1	10.0	-8.3	Sep-21
<i>CRSP US Small Cap TR USD</i>			-5.7	-5.7	0.7	13.1	11.3	9.8	12.2	11.2	-5.1	Sep-21
Total International Equity	4,383,950	19.5	-9.4	-9.4	--	--	--	--	--	--	-12.4	Sep-21
<i>MSCI ACWI ex USA</i>			-5.4	-5.4	-1.5	7.5	6.8	5.2	5.6	4.3	-6.8	Sep-21
Artisan International Value Instl	1,787,609	7.9	-3.0	-3.0	4.6	11.7	8.6	7.1	9.2	8.4	-1.9	Sep-21
<i>MSCI EAFE</i>			-5.9	-5.9	1.2	7.8	6.7	5.1	6.3	5.1	-6.2	Sep-21
American Europacific F3	1,741,648	7.7	-12.2	-12.2	-9.3	8.4	8.0	6.1	7.1	5.8	-16.8	Sep-21
<i>MSCI ACWI ex USA</i>			-5.4	-5.4	-1.5	7.5	6.8	5.2	5.6	4.3	-6.8	Sep-21
Invesco Developing Mkts	854,693	3.8	-15.7	-15.7	-22.5	0.5	4.1	3.5	3.2	2.4	-21.4	Sep-21
<i>MSCI Emerging Markets</i>			-7.0	-7.0	-11.4	4.9	6.0	4.7	3.4	2.2	-11.8	Sep-21

El Camino Real OPEB

Total Composite

As of March 31, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
Total Fixed	7,077,551	31.4	-5.5	-5.5	--	--	--	--	--	--	-6.3	Sep-21
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	2.7	-6.7	Sep-21
Metropolitan West Total Return	3,151,907	14.0	-6.3	-6.3	-4.6	2.2	2.5	2.1	3.1	3.4	-7.1	Sep-21
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	2.7	-6.7	Sep-21
Dodge & Cox Income	3,039,072	13.5	-5.2	-5.2	-3.6	2.8	3.0	2.8	3.2	3.5	-6.2	Sep-21
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	2.7	-6.7	Sep-21
PIMCO Short Asset Investment	886,573	3.9	-0.6	-0.6	-0.7	0.8	1.3	1.3	--	--	--	Apr-22
Schwab US TIPS ETF	0	0.0	-3.1	-3.1	4.1	6.1	4.4	3.5	2.6	3.4	-3.1	Dec-21
Total Alternatives	2,866,693	12.7	-3.3	-3.3	--	--	--	--	--	--	0.6	Sep-21
<i>Custom Alts Index</i>			-3.3	-3.3	--	--	--	--	--	--	0.1	Sep-21
Swan Hedged Equity US ETF	1,850,683	8.2	-4.1	-4.1	--	--	--	--	--	--	-0.4	Sep-21
<i>60% S&P 500 / 40% Barclays US Aggregate</i>			-5.1	-5.1	7.5	12.1	10.6	9.3	9.8	9.7	-2.0	Sep-21
PGIM Global Real Estate Fund	1,016,010	4.5	-4.5	-4.5	15.7	7.9	8.9	6.0	7.7	7.4	0.0	Sep-21
<i>FTSE EPRA/NAREIT Developed TR USD</i>			-3.8	-3.8	15.3	6.4	7.5	5.8	7.8	7.4	0.1	Sep-21
SPDR S&P Global Infrastructure ETF (closed)	0	0.0	7.1	7.1	15.7	7.2	6.7	5.8	7.1	6.3	10.0	Sep-21
<i>S&P Global Infrastructure</i>			7.5	7.5	16.7	8.0	7.7	6.7	7.8	7.2	10.9	Sep-21
Total Cash	58,151	0.3	0.0	0.0	--	--	--	--	--	--	0.0	Sep-21
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.0	0.1	0.8	1.1	0.9	0.6	0.6	0.1	Sep-21
FIRST AM US TREAS MM CL Z	58,151	0.3	0.0	0.0	--	--	--	--	--	--	0.0	Sep-21
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.0	0.1	0.8	1.1	0.9	0.6	0.6	0.1	Sep-21

Policy Benchmark History

As of March 31, 2022

Total Composite		
9/1/2021	Present	60% MSCI ACWI / 40% Bloomberg US Aggregate TR
Total Equity		

Allocation Benchmark History

As of March 31, 2022

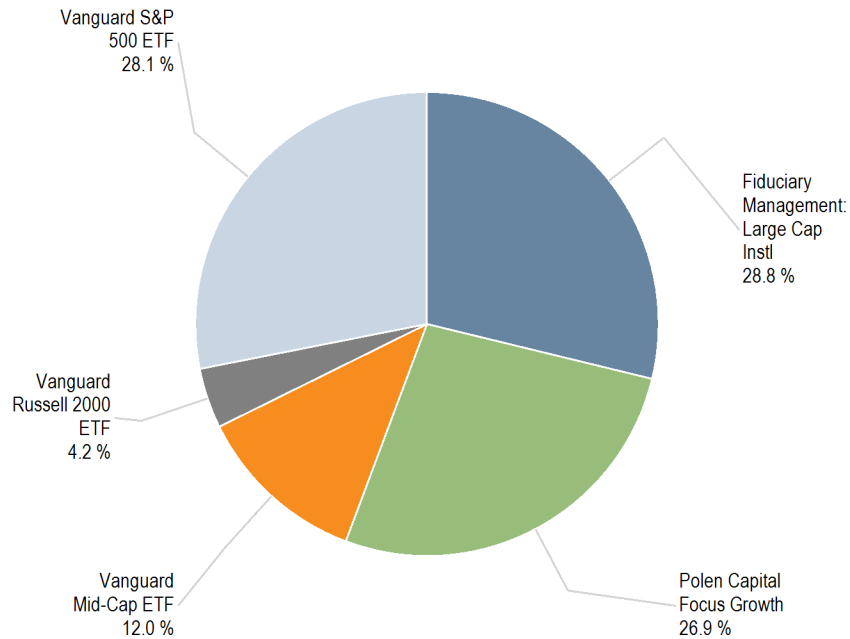
Total Equity		
9/1/2021	Present	MSCI ACWI
Total Domestic Equity		
9/1/2021	Present	Russell 3000
Total International Equity		
9/1/2021	Present	MSCI ACWI ex USA

Custom Alts Benchmark History

As of March 31, 2022

Total Alternatives		
9/1/2021	Present	32% FTSE EPRA/NAREIT Developed TR USD / 57% 60% S&P 500 / 40% Barclays US Aggregate / 11% S&P Global Infrastructure

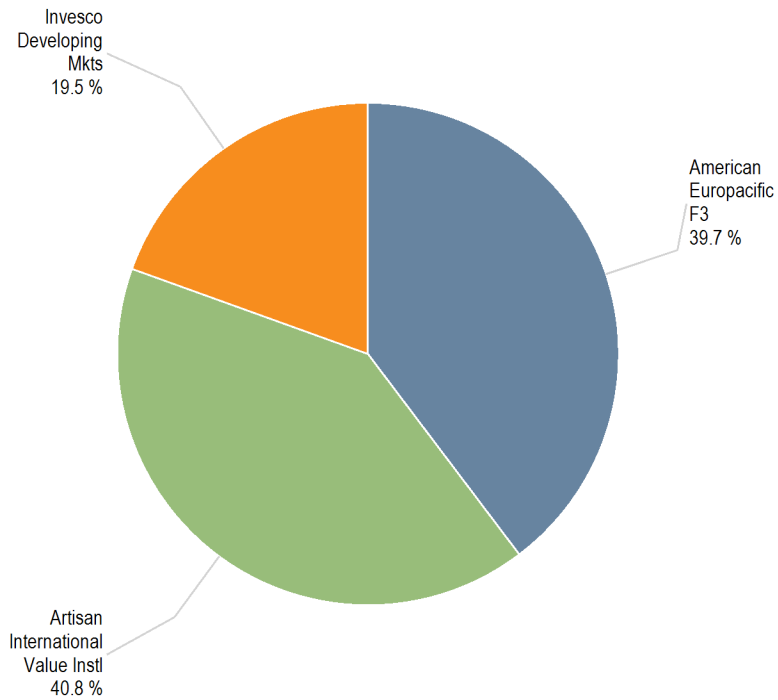
Current Allocation



Asset Allocation on March 31, 2022

	Actual	Actual
Fiduciary Management: Large Cap Instl	\$2,341,905	28.8%
Polen Capital Focus Growth	\$2,184,233	26.9%
Vanguard Mid-Cap ETF	\$979,663	12.0%
Vanguard Russell 2000 ETF	\$340,348	4.2%
Vanguard S&P 500 ETF	\$2,286,341	28.1%
Total	\$8,132,490	100.0%

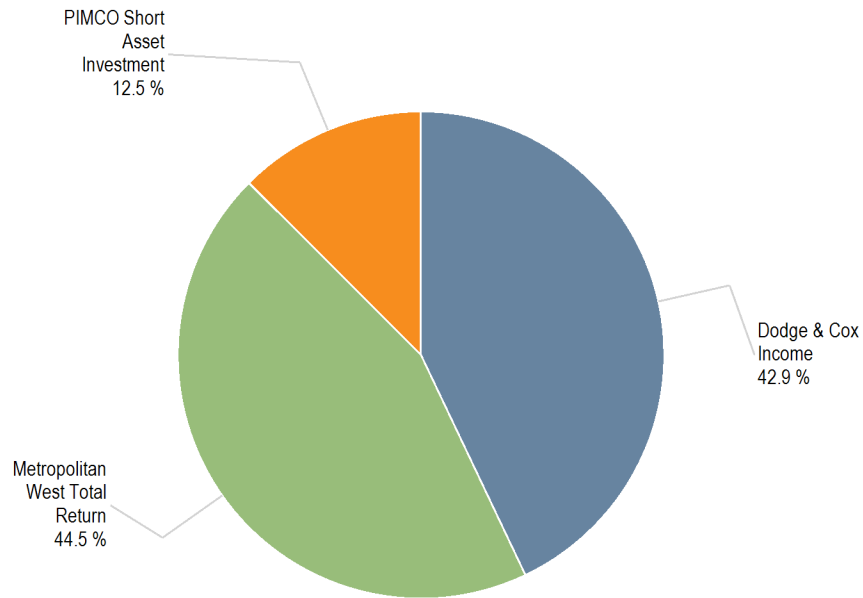
Current Allocation



Asset Allocation on March 31, 2022

	Actual	Actual
American Europacific F3	\$1,741,648	39.7%
Artisan International Value Instl	\$1,787,609	40.8%
Invesco Developing Mkts	\$854,693	19.5%
Total	\$4,383,950	100.0%

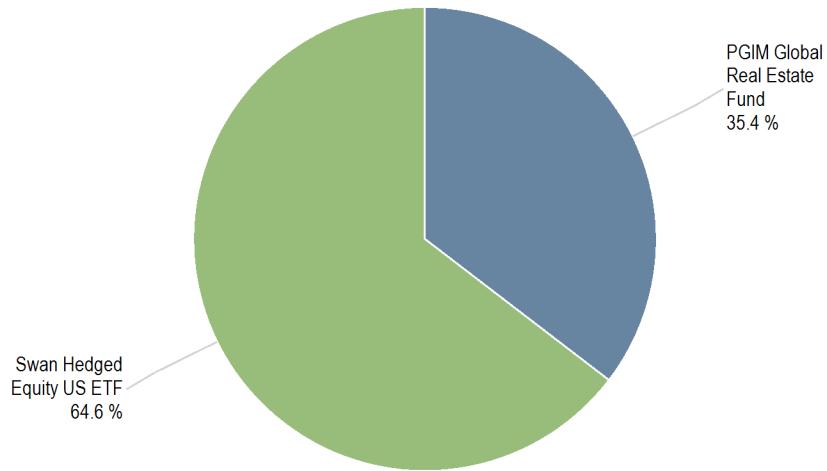
Current Allocation



Asset Allocation on March 31, 2022

	Actual	Actual
Dodge & Cox Income	\$3,039,072	42.9%
Metropolitan West Total Return	\$3,151,907	44.5%
PIMCO Short Asset Investment	\$886,573	12.5%
Total	\$7,077,551	100.0%

Current Allocation



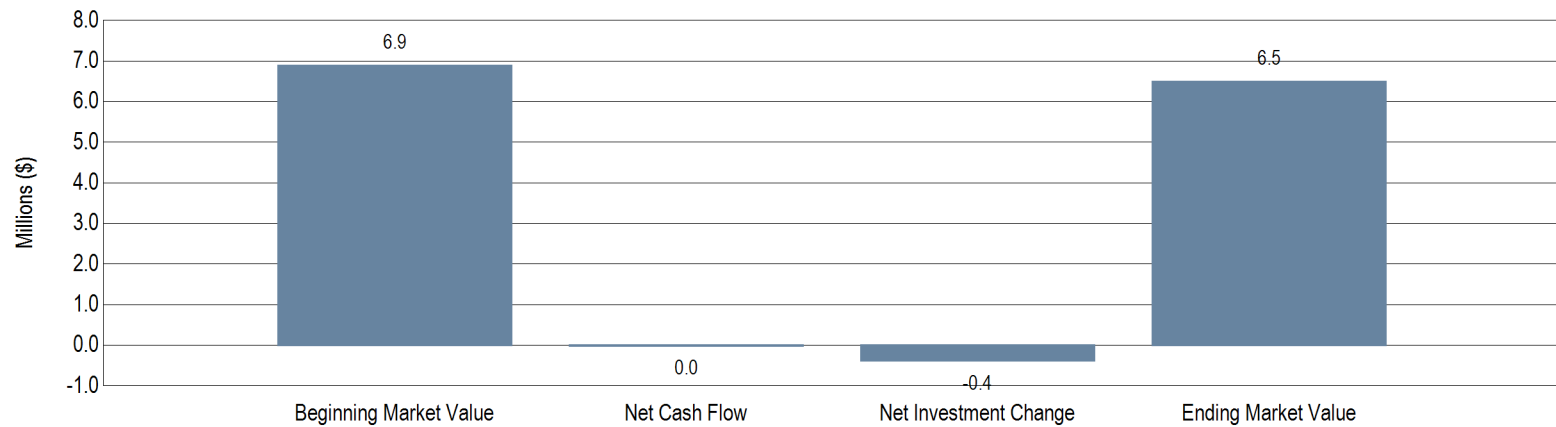
Asset Allocation on March 31, 2022

	Actual	Actual
PGIM Global Real Estate Fund	\$1,016,010	35.4%
Swan Hedged Equity US ETF	\$1,850,683	64.6%
Total	\$2,866,693	100.0%






Summary Of Cash Flows

	First Quarter	Year-To-Date	One Year	Three Years	Five Years	Inception 8/1/21
Beginning Market Value	\$6,881,075	\$6,881,075	--	--	--	\$6,815,498
Net Cash Flow	-\$903	-\$903	-\$12,895	-\$12,895	-\$12,895	-\$12,895
Net Investment Change	-\$384,843	-\$384,843	\$6,508,225	\$6,508,225	\$6,508,225	-\$307,273
Ending Market Value	\$6,495,329	\$6,495,329	\$6,495,329	\$6,495,329	\$6,495,329	\$6,495,329

Change in Market Value
From January 01, 2022 To March 31, 2022



	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
Total Composite	6,495,329	100.0	-5.6	-5.6	--	--	--	--	--	--	-4.5	Aug-21
<i>Policy Index</i>			-5.7	-5.7	--	--	--	--	--	--	-5.0	Aug-21
Total Equity	1,851,355	28.5	-7.8	-7.8	--	--	--	--	--	--	-3.1	Aug-21
<i>MSCI ACWI</i>			-5.4	-5.4	7.3	13.8	11.6	9.7	10.0	9.0	-0.8	Aug-21
Total Domestic Equity	1,407,648	21.7	-7.9	-7.9	--	--	--	--	--	--	-1.8	Aug-21
<i>Russell 3000</i>			-5.3	-5.3	11.9	18.2	15.4	13.4	14.3	13.6	1.7	Aug-21
Total International Equity	443,707	6.8	-7.5	-7.5	--	--	--	--	--	--	-7.1	Aug-21
<i>MSCI ACWI ex USA</i>			-5.4	-5.4	-1.5	7.5	6.8	5.2	5.6	4.3	-5.0	Aug-21
Total Fixed	4,161,872	64.1	-4.9	-4.9	--	--	--	--	--	--	-5.7	Aug-21
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	2.7	-6.9	Aug-21
Total Alternatives	342,256	5.3	-4.3	-4.3	--	--	--	--	--	--	1.7	Aug-21
Total Cash	139,847	2.2	0.0	0.0	--	--	--	--	--	--	0.0	Aug-21
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.0	0.1	0.8	1.1	0.9	0.6	0.6	0.1	Aug-21

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Within IPS Range?
 US Equity	\$1,407,648	21.7%	20.0%	10.0% - 30.0%	1.7%	Yes
 International Equity	\$443,707	6.8%	5.0%	0.0% - 15.0%	1.8%	Yes
 Fixed Income	\$4,161,872	64.1%	70.0%	50.0% - 90.0%	-5.9%	Yes
 Alternatives	\$342,256	5.3%	5.0%	0.0% - 15.0%	0.3%	Yes
 Cash	\$139,847	2.2%	0.0%	0.0% - 20.0%	2.2%	Yes
Total	\$6,495,329	100.0%	100.0%			

El Camino Real GA

Total Composite

As of March 31, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
Total Composite	6,495,329	100.0	-5.6	-5.6	--	--	--	--	--	--	-4.5	Aug-21
<i>Policy Index</i>			-5.7	-5.7	--	--	--	--	--	--	-5.0	Aug-21
Total Equity	1,851,355	28.5	-7.8	-7.8	--	--	--	--	--	--	-3.1	Aug-21
<i>MSCI ACWI</i>			-5.4	-5.4	7.3	13.8	11.6	9.7	10.0	9.0	-0.8	Aug-21
Total Domestic Equity	1,407,648	21.7	-7.9	-7.9	--	--	--	--	--	--	-1.8	Aug-21
<i>Russell 3000</i>			-5.3	-5.3	11.9	18.2	15.4	13.4	14.3	13.6	1.7	Aug-21
Fiduciary Management: Large Cap	480,972	7.4	-5.6	-5.6	--	--	--	--	--	--	1.5	Aug-21
<i>Russell 1000 Value</i>			-0.7	-0.7	11.7	13.0	10.3	9.7	11.7	11.1	5.3	Aug-21
Polen Capital Focus Growth	433,453	6.7	-13.7	-13.7	--	--	--	--	--	--	-10.7	Aug-21
<i>Russell 1000 Growth</i>			-9.0	-9.0	15.0	23.6	20.9	17.3	17.0	16.5	-0.6	Aug-21
Vanguard S&P 500 ETF	493,222	7.6	-4.6	-4.6	15.5	18.9	16.0	14.0	14.6	14.0	4.0	Aug-21
<i>S&P 500</i>			-4.6	-4.6	15.6	18.9	16.0	14.0	14.6	14.1	4.1	Aug-21
Total International Equity	443,707	6.8	-7.5	-7.5	--	--	--	--	--	--	-7.1	Aug-21
<i>MSCI ACWI ex USA</i>			-5.4	-5.4	-1.5	7.5	6.8	5.2	5.6	4.3	-5.0	Aug-21
Artisan International Value Instl	239,637	3.7	-3.0	-3.0	4.6	11.7	8.6	7.1	9.2	8.4	-1.7	Aug-21
<i>MSCI EAFE</i>			-5.9	-5.9	1.2	7.8	6.7	5.1	6.3	5.1	-4.5	Aug-21
American Funds Europacific Growth	204,070	3.1	-12.2	-12.2	-9.3	8.4	8.0	6.1	7.1	5.8	-14.0	Aug-21
<i>MSCI ACWI ex USA</i>			-5.4	-5.4	-1.5	7.5	6.8	5.2	5.6	4.3	-5.0	Aug-21
Total Fixed	4,161,872	64.1	-4.9	-4.9	--	--	--	--	--	--	-5.7	Aug-21
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	2.7	-6.9	Aug-21
Dodge & Cox Income	1,085,066	16.7	-5.2	-5.2	-3.6	2.8	3.0	2.8	3.2	3.5	-6.3	Aug-21
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	2.7	-6.9	Aug-21
Metropolitan West Total Return Bond	1,591,761	24.5	-6.3	-6.3	-4.6	2.2	2.5	2.1	3.1	3.4	-7.3	Aug-21
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	1.9	2.2	2.7	-6.9	Aug-21
PIMCO Low Duration	1,485,045	22.9	-2.9	-2.9	-3.6	0.9	1.2	1.2	1.4	1.5	-3.8	Aug-21
<i>Bloomberg US Govt 1-3 Yr TR</i>			-2.5	-2.5	-3.0	0.8	1.1	0.9	0.9	0.9	-3.2	Aug-21
Total Alternatives	342,256	5.3	-4.3	-4.3	--	--	--	--	--	--	1.7	Aug-21
Swan Hedged Equity US ETF	203,811	3.1	-4.2	-4.2	--	--	--	--	--	--	1.8	Aug-21
<i>60% S&P 500 / 40% Barclays US Aggregate</i>			-5.1	-5.1	7.5	12.1	10.6	9.3	9.8	9.7	-0.3	Aug-21

El Camino Real GA

Total Composite

As of March 31, 2022

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Since 3/31/11 (%)	Inception (%)	Inception Date
PGIM Global Real Estate Fund	138,444	2.1	-4.5	-4.5	15.7	7.9	8.9	6.0	7.7	7.4	1.7	Aug-21
<i>FTSE EPRA/NAREIT Developed TR USD</i>			-3.8	-3.8	15.3	6.4	7.5	5.8	7.8	7.4	1.5	Aug-21
Total Cash	139,847	2.2	0.0	0.0	--	--	--	--	--	--	0.0	Aug-21
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.0	0.1	0.8	1.1	0.9	0.6	0.6	0.1	Aug-21
FIRST AM US TREAS MM CL Z	139,847	2.2	0.0	0.0	--	--	--	--	--	--	0.0	Aug-21
<i>ICE BofA 91 Days T-Bills TR</i>			0.0	0.0	0.1	0.8	1.1	0.9	0.6	0.6	0.1	Aug-21

Policy Benchmark History

As of March 31, 2022

Total Composite		
8/1/2021	Present	30% MSCI ACWI / 70% Bloomberg US Aggregate TR
Total Equity		
8/1/2021	Present	MSCI ACWI

Allocation Benchmark History

As of March 31, 2022

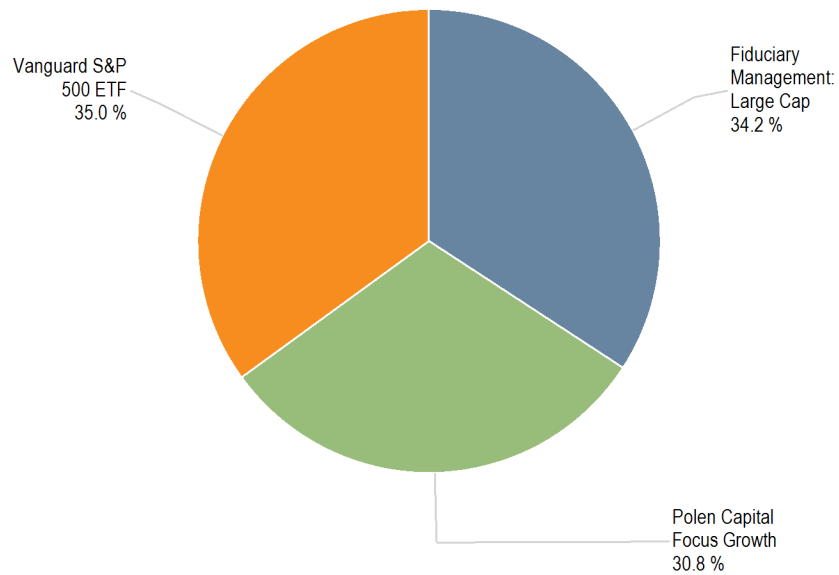
Total International Equity		
8/1/2021	Present	MSCI ACWI ex USA

Custom Alts Benchmark History

As of March 31, 2022

Total Alternatives		
8/1/2021	Present	Custom Alts Index

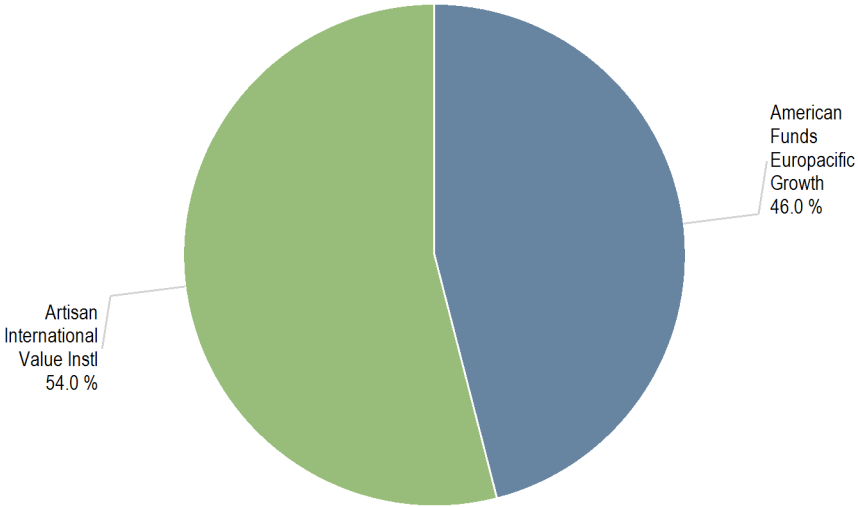
Current Allocation



Asset Allocation on March 31, 2022

	Actual	Actual
Fiduciary Management: Large Cap	\$480,972	34.2%
Polen Capital Focus Growth	\$433,453	30.8%
Vanguard S&P 500 ETF	\$493,222	35.0%
Total	\$1,407,648	100.0%

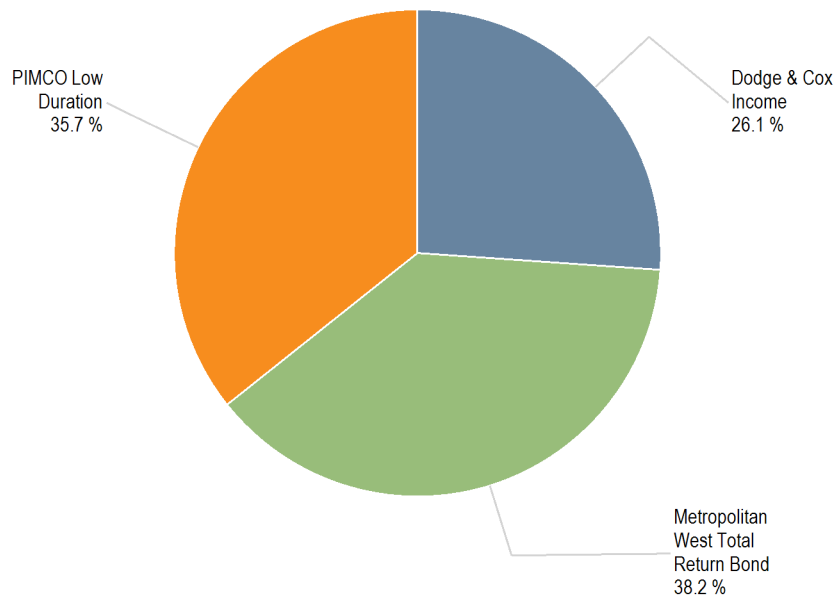
Current Allocation



Asset Allocation on March 31, 2022

	Actual	Actual
American Funds Europacific Growth	\$204,070	46.0%
Artisan International Value Instl	\$239,637	54.0%
Total	\$443,707	100.0%

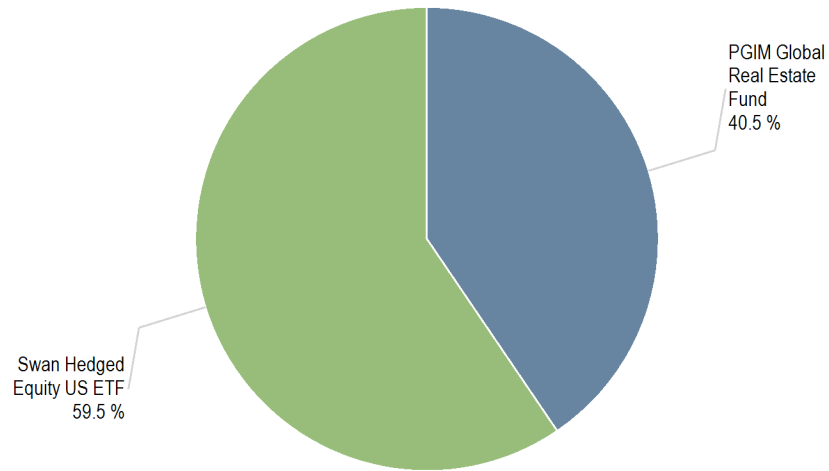
Current Allocation



Asset Allocation on March 31, 2022

	Actual	Actual
Dodge & Cox Income	\$1,085,066	26.1%
Metropolitan West Total Return Bond	\$1,591,761	38.2%
PIMCO Low Duration	\$1,485,045	35.7%
Total	\$4,161,872	100.0%

Current Allocation



Asset Allocation on March 31, 2022

	Actual	Actual
PGIM Global Real Estate Fund	\$138,444	40.5%
Swan Hedged Equity US ETF	\$203,811	59.5%
Total	\$342,256	100.0%

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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 R² 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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Indices: Indices are not available for direct investment and do not reflect the deduction of any fees. Performance for blended benchmarks is calculated based on allocations that are rebalanced back to the stated targets on a quarterly basis and are not adjusted for transaction costs or management fees. Indices are not available for direct investment and do not reflect the deduction of any fees. Performance for blended benchmarks is calculated based on allocations that are rebalanced back to the stated targets on a quarterly basis and are not adjusted for transaction costs or management fees.

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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