



Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Submission

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September 15, 2022

Trish Munroe
Town Clerk
Simsbury, CT 06070

Dear Ms. Munroe:

A **Regular Meeting** of the Board of Finance will be held at **5:45 PM**, on **Tuesday, September 20, 2022**, in the Main Meeting Room of the Simsbury Town Hall, 933 Hopmeadow Street, Simsbury, Connecticut.

The Agenda is as follows:

1. Call to Order
2. Pledge of Allegiance
3. Presentation: Fiducient Advisors (Pages 1-101)
4. Pension Plan Fiduciary Duties Legal Opinion Request (Pages 102-103)
5. Adjourn

Lisa Heavner
Chair

Board of Finance Meeting Schedule:

10/18/22, 11/15/22, 12/13/22, 1/17/23



Town of Simsbury Retirement Plans

Summary - Second Quarter 2022

This report is intended for the exclusive use of clients or prospective clients of Fiducient Advisors. The information contained herein is intended for the recipient, is confidential and may not be disseminated or distributed to any other person without prior approval. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecasts represent future expectations and actual returns; volatilities and correlations will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

Past performance does not indicate future performance and there is possibility of a loss.



Fiducient Advisors Update



Retirement Plans



Endowments & Foundations



The Wealth Office®

Featured Insights

- Plan Sponsor Newsletter
- The Public Fiduciary Newsletter
- Webcast: Why Fiduciary Liability Insurance is Needed More Than Ever
- Webcast: Designing and Maximizing a Cash Balance Plan

Featured Insights

- Guide to Mission-Aligned Investing
- Nonprofit Investment Stewards Podcast
- Blog: An Overview of OCIO Services for Nonprofit and Tax-Exempt Clients

Coming Soon

- Steward Newsletter

Featured Insights

- Webcast: NextGen Success – Planning Today for a Better Tomorrow
- Blog: It's Time for an Annual Wellness Check-up... of Your Finances

Coming Soon

- Advisor Newsletter

Chicago Investor Conference

Save the Date: October 13, 2022

Conference details and registration coming this summer!





Fiducient Advisors Update



Research Insights

- Monthly Market Recaps
- Monthly Market Updates
 - *Mayday?* – May
 - *When Hawks Cry* – April
- Webcast: Mid-Year Capital Markets and Economic Update
- Mid-Year Capital Markets Update
- Webcast: Market Volatility & Outlook
- Changing Dynamics in the Secondaries Market
- 2022 First Quarter Considerations



Recent Speaking Engagements

- P&I ESG Investing Conference
- Portfolio Summits ESG East Summit
- CT Public Pension Forum
- Markets Group 8th Annual Midwest Institutional Forum
- eVestment Institutional Trends Quarterly Webcast
- 2022 ACI Spring Professional Development Conference

2022 New Associates – Welcome!

- Zachary Adkins, Operations Support Specialist
- Andrews Beniana, Senior Accountant
- Miranda Brozik, Consulting Analyst, Financial Institutions
- Richard Cenar, Client Service Associate
- Andrew Doten, Consultant, The Wealth Office®
- Alyssa Holly, Consulting Analyst
- Malak Issa, Compliance Officer
- Antonia Kitchen, Talent Acquisition Specialist
- Robert Klinke, Consulting Analyst
- Samantha Mann, Consulting Analyst
- Matthew Myers, Client Service Associate
- Kevin O’Connell, Senior Consultant
- Marilyn Rowland, Senior Research Analyst
- Evan Walsh, Consulting Analyst

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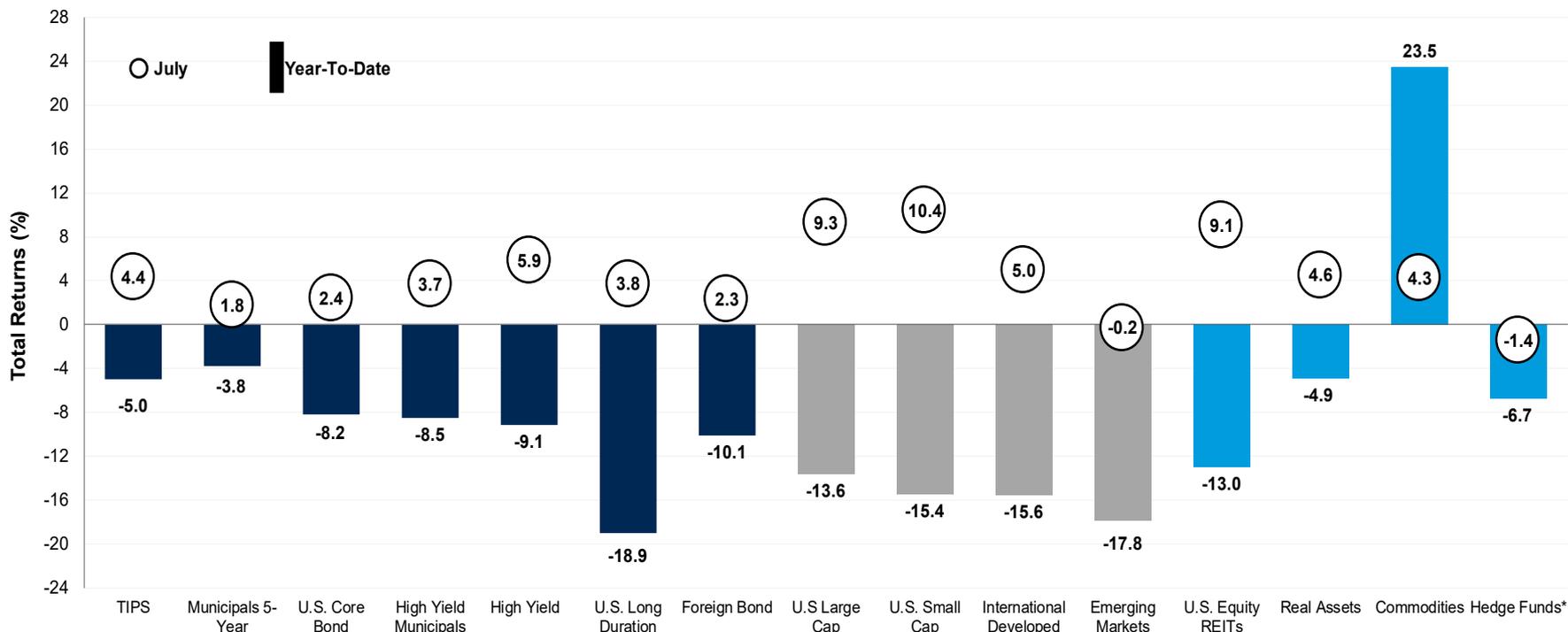
Section 1	DB & OPEB July Portfolio Updates
Section 2	Quarterly Capital Markets Overview
Section 3	DB Plan Reviews
Section 4	Real Asset Considerations
Section 5	OPEB Trust Review
Section 6	DC Plan Reviews



Section 1 DB & OPEB July Portfolio Updates



Asset Class Performance



Sources: FactSet, Morningstar. As of July 31, 2022. *Hedge fund returns are as of June 30, 2022.

Fixed Income (July)

- + Falling long-term rates were a reprieve for fixed income investors, marking only the second positive month for the Bloomberg U.S. Aggregate Bond Index this year.
- + U.S. high yield experienced the best monthly return in the last 10 years, driven in part by a strong technical backdrop and risk-on sentiment.
- The U.S. dollar strengthened, reaching parity with the Euro, a headwind for non-USD assets which trailed domestic markets.

Equity (July)

- + U.S. equities rebounded sharply in July, fueled in part by better-than-expected earnings reports and a shift in market sentiment that the Fed's actions may be taking hold to combat inflation as we move into the next year.
- + Developed international markets gained ground but lagged their domestic counterparts.
- Emerging markets fell modestly in the month, driven by weak results in China as the country's manufacturing sector contracted during the month.

Real Asset / Alternatives (July)

- + REITs moved higher, in line with the broader equity market. Lower interest rates and a strong summer travel season buoyed the sector.
- + Real assets gained ground during July. Inflation remains stubbornly high, and the underlying equity market rally contributed.
- + Commodity markets generally saw price declines in the month yet eked out a modest gain due to a large jump in natural gas prices.

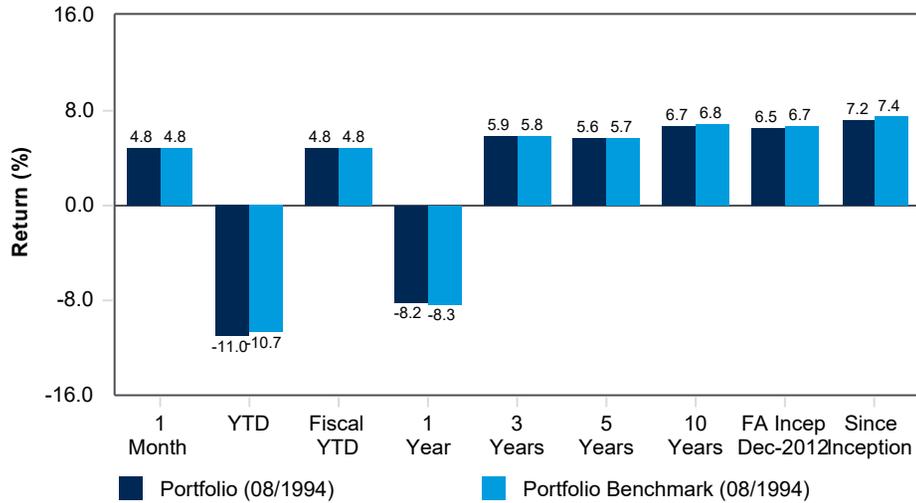


Portfolio Dashboard

Town Plan

As of July 31, 2022

Historical Performance



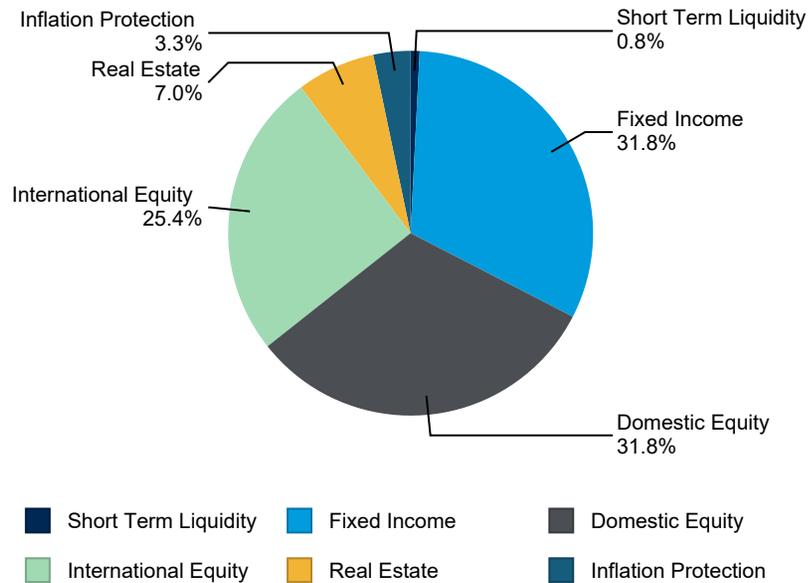
Summary of Cash Flows

	1 Month	YTD	Fiscal YTD	1 Year
Town Plan				
Beginning Market Value	26,299,381	32,009,769	26,299,381	30,427,242
Net Contributions	-167,917	-1,142,521	-167,917	-549,838
Gain/Loss	1,260,346	-3,475,438	1,260,346	-2,485,594
Ending Market Value	27,391,810	27,391,810	27,391,810	27,391,810

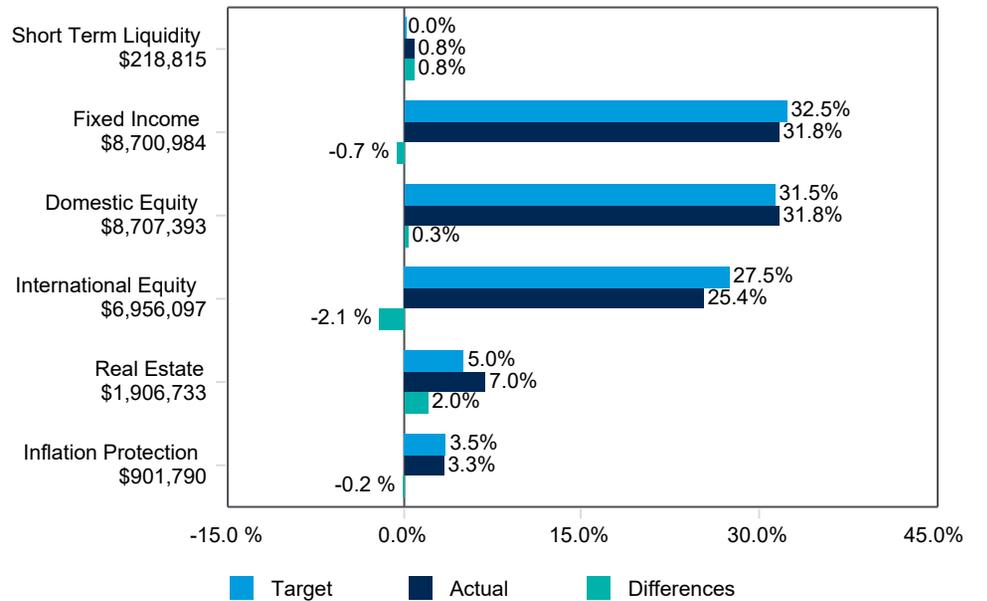
Current Benchmark Composition

From Date	To Date	Composition
06/2021	Present	32.50% Blmbg. U.S. Aggregate, 31.50% Russell 3000 Index, 16.50% MSCI AC World ex USA (Net), 6.00% MSCI EAFE Small Cap (Net), 5.00% MSCI Emerging Markets (Net), 5.00% NCREIF Fund Index - ODCE (net), 3.50% Short Term Inflation Protection Benchmark

Portfolio Allocation



Actual vs. Target Allocations



Investment performance history data prior to 7/1/2011 was sourced from prior consultant.

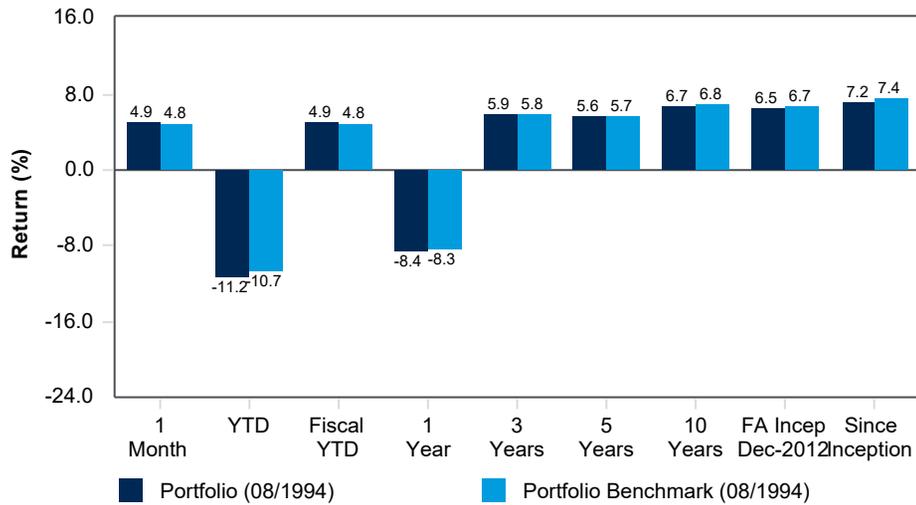


Portfolio Dashboard

Board of Education

As of July 31, 2022

Historical Performance



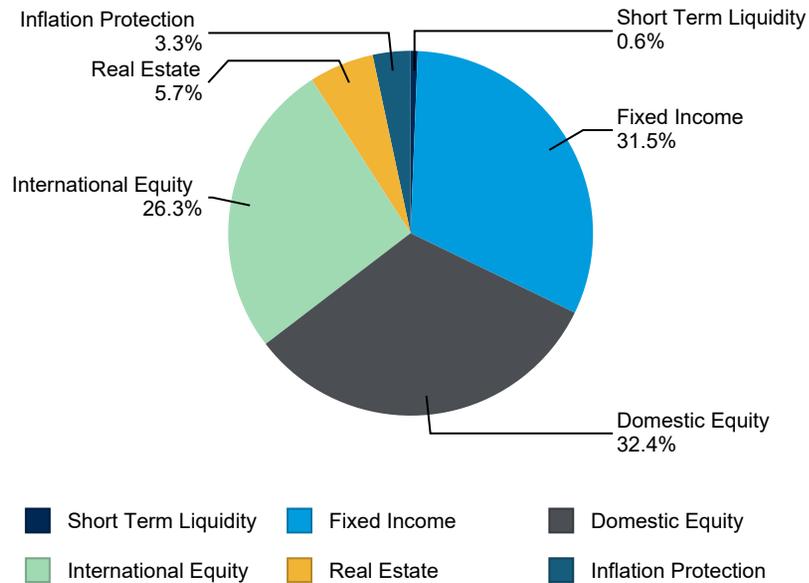
Summary of Cash Flows

	1 Month	YTD	Fiscal YTD	1 Year
Board of Education				
Beginning Market Value	26,490,301	32,217,683	26,490,301	31,868,114
Net Contributions	-139,556	-991,300	-139,556	-1,627,089
Gain/Loss	1,293,589	-3,582,049	1,293,589	-2,596,690
Ending Market Value	27,644,334	27,644,334	27,644,334	27,644,334

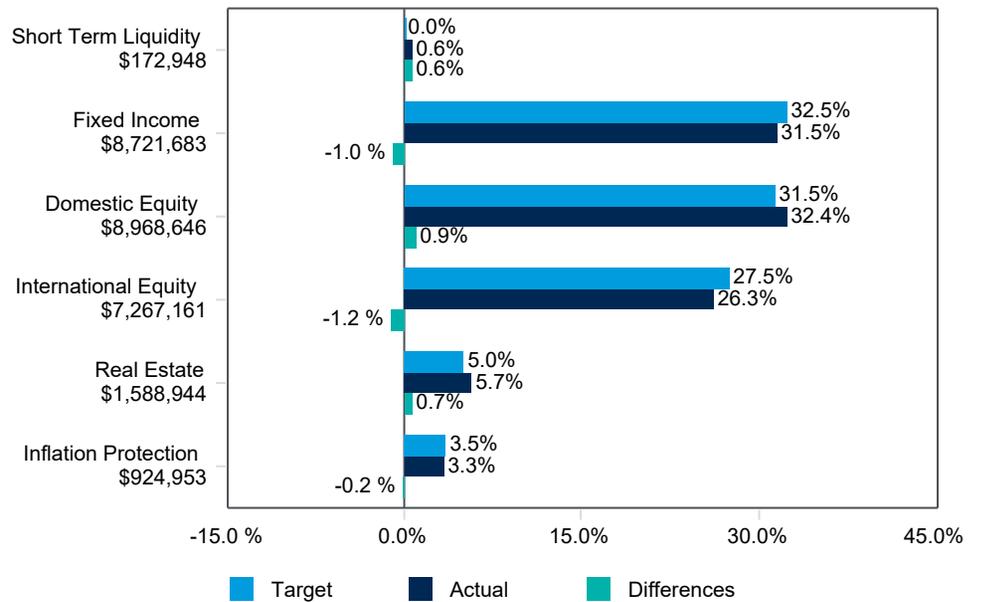
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Portfolio Allocation



Actual vs. Target Allocations



Investment performance history data prior to 7/1/2011 was sourced from prior consultant.

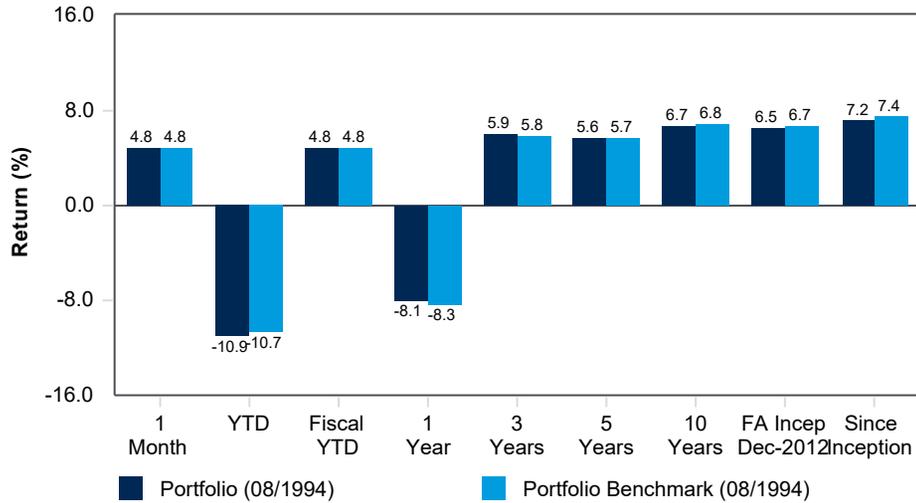


Portfolio Dashboard

Police Plan

As of July 31, 2022

Historical Performance



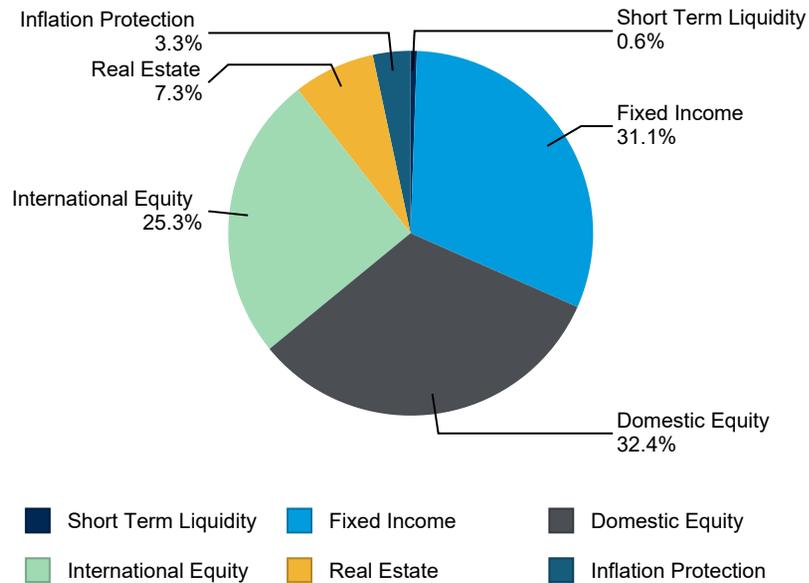
Summary of Cash Flows

	1 Month	YTD	Fiscal YTD	1 Year
Police Plan				
Beginning Market Value	19,576,471	23,545,313	19,576,471	22,341,029
Net Contributions	-78,374	-545,499	-78,374	-86,976
Gain/Loss	942,484	-2,559,233	942,484	-1,813,472
Ending Market Value	20,440,581	20,440,581	20,440,581	20,440,581

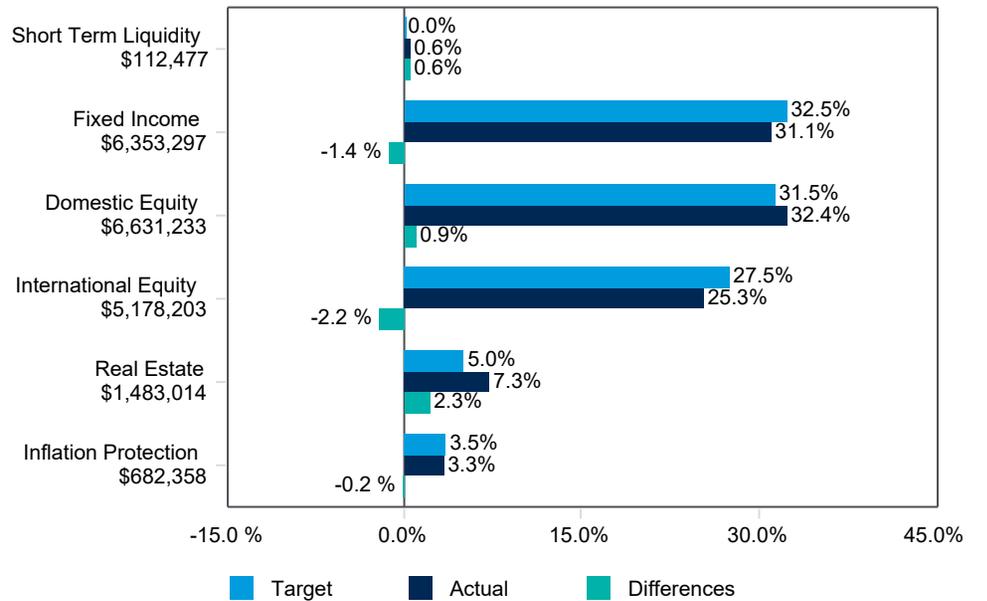
Current Benchmark Composition

From Date	To Date	Composition
06/2021	Present	32.50% Blmbg. U.S. Aggregate, 31.50% Russell 3000 Index, 16.50% MSCI AC World ex USA (Net), 6.00% MSCI EAFE Small Cap (Net), 5.00% MSCI Emerging Markets (Net), 5.00% NCREIF Fund Index - ODCE (net), 3.50% Short Term Inflation Protection Benchmark

Portfolio Allocation



Actual vs. Target Allocations



Investment performance history data prior to 7/1/2011 was sourced from prior consultant.

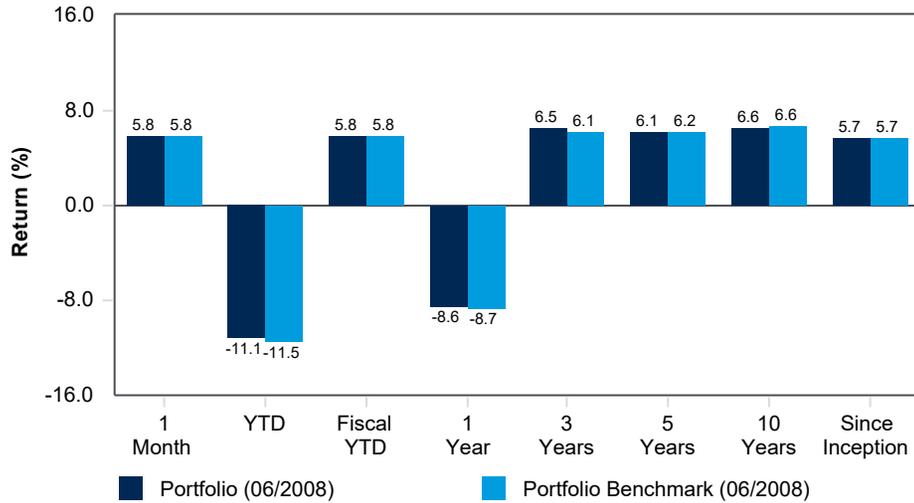


Portfolio Dashboard

Simsbury OPEB

As of July 31, 2022

Historical Performance



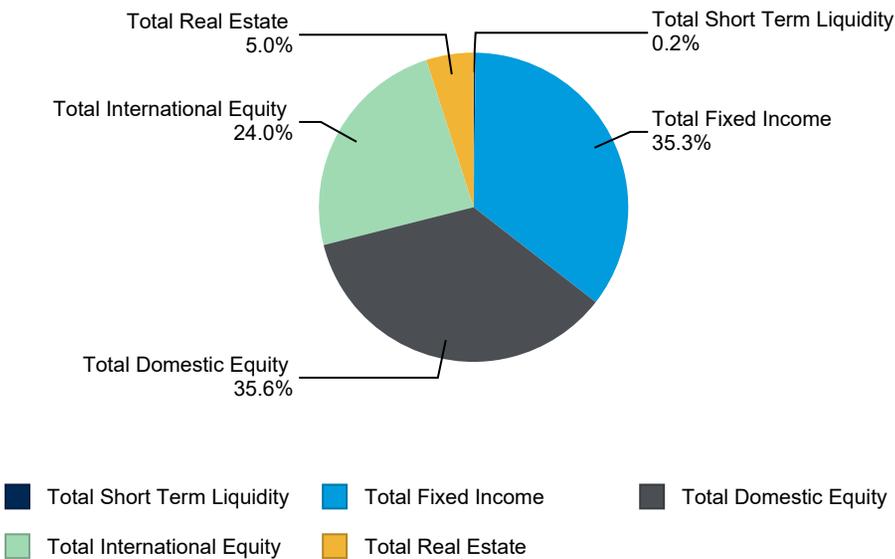
Summary of Cash Flows

	1 Month	YTD	Fiscal YTD	1 Year
Beginning Market Value	19,773,421	23,534,197	19,773,421	22,870,537
Net Contributions	-	-	-	-
Gain/Loss	1,143,623	-2,617,153	1,143,623	-1,953,493
Ending Market Value	20,917,044	20,917,044	20,917,044	20,917,044

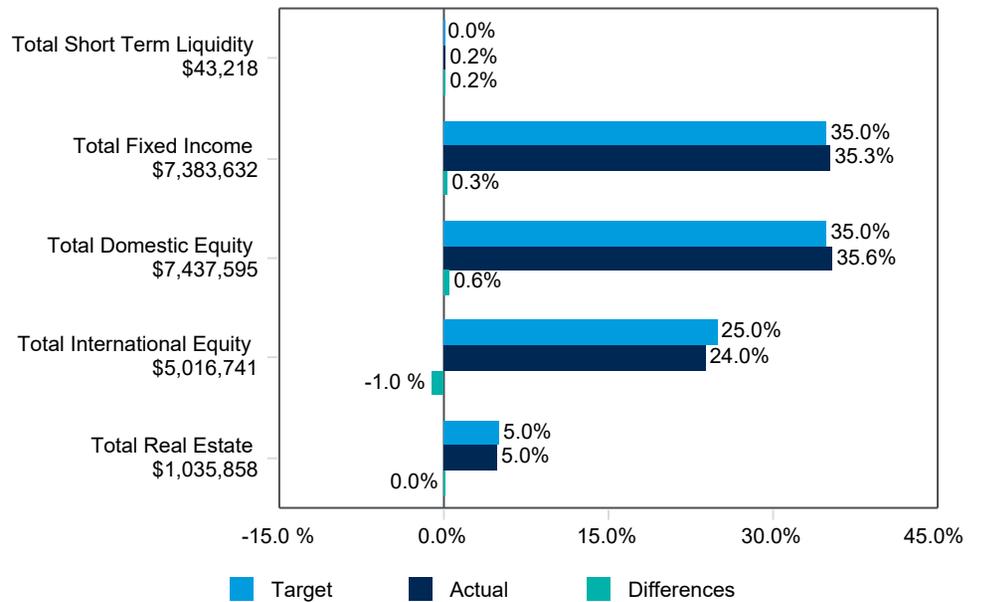
Current Benchmark Composition

From Date	To Date	Composition
04/2017	Present	17.50% Blmbg. U.S. Aggregate, 17.50% Blmbg. U.S. TIPS, 26.00% S&P 500, 6.00% Russell Midcap Index, 3.00% Russell 2000 Index, 19.00% MSCI EAFE (Net), 6.00% MSCI Emerging Markets (Net), 2.50% Cohen Steers Realty Majors Index, 2.50% FTSE EPRA/NAREIT Developed ex U.S. Index

Portfolio Allocation



Actual vs. Target Allocations





Section 2 Quarterly Capital Markets Overview

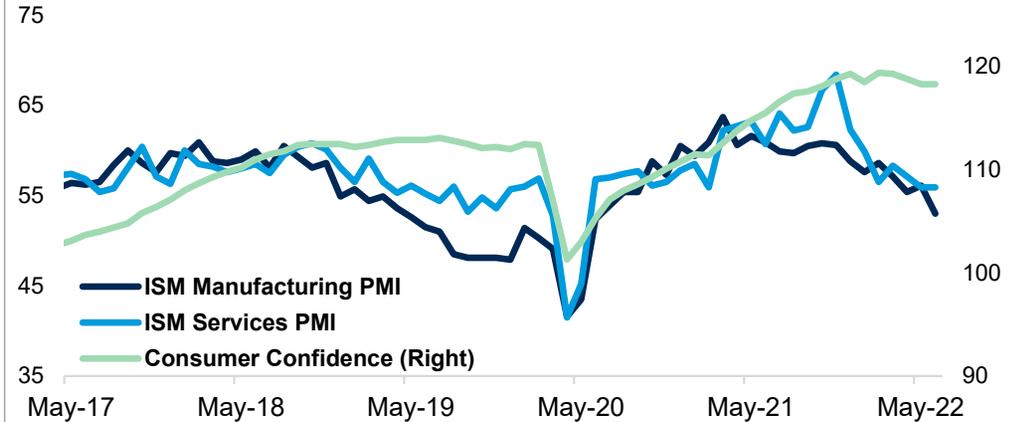


Market Themes

1. Capital markets continued to exhibit high volatility as investors contend with the rising odds of a recession. Returns across asset classes were broadly negative for the quarter.
2. The Fed's more hawkish stance and intensified commitment to combat high inflation comes at the risk of accelerating the onset of an economic slowdown.
3. Recessions and the volatility that typically accompanies them often sets the stage for better forward-looking opportunities in the market with lower entry prices.

Higher Recession Risk

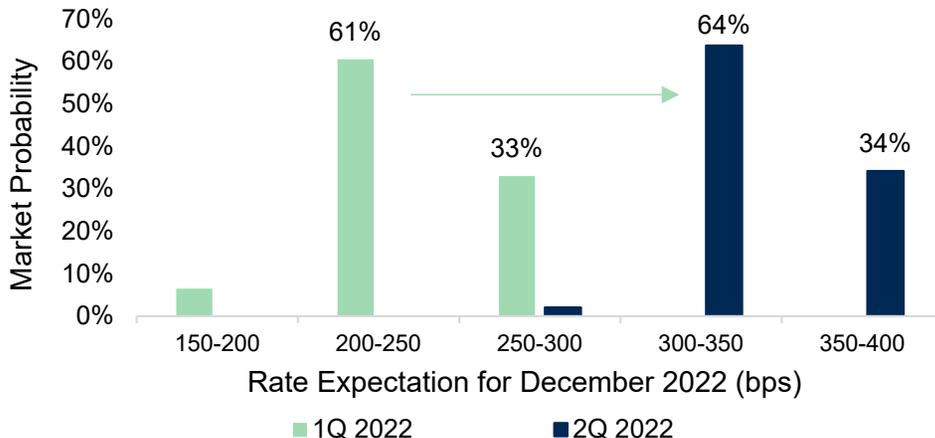
Softening economic data, including data from both producers and consumers, reveals the rising probability of an economic slowdown with the three-pronged challenge of high inflation, supply chain issues and an aggressive Fed.



Source: FactSet, ISM, Conference Board. As of June 30, 2022.

Markets Moving Ahead of the Fed

Markets have moved quickly, reacting to the Fed's increasingly hawkish posture by adjusting their rate expectations for the Fed's final meeting of the year in December 2022. Markets have priced in significantly higher terminal rates for this year than the current level of 1.50 – 1.75%.



Source: CME FedWatch Tool, Fiduciant Advisors. As of June 30, 2022.

Staying Invested is Key

Although the probability of a recession may be rising, trying to predict its start date may prove to be a fool's errand. Equity markets see the most volatility before and during a recession; yet returns following the onset of a recession are typically strong given the forward-looking nature of markets.

S&P 500 Returns around a Recession				
Year	6 months before -			
	- Onset	Onset - End	Onset + 3yr	Onset + 5yr
1973	-1.2%	-33.1%	5.5%	33.1%
1980	7.7%	8.8%	87.0%	117.4%
1981	-1.0%	-1.3%	70.6%	221.9%
1990	3.1%	6.1%	49.6%	110.2%
2001	-17.7%	-11.8%	-3.3%	18.5%
2007	-2.3%	-33.9%	4.6%	46.4%
2020	9.3%	-23.1%	N/A	N/A
Average	-0.3%	-12.6%	35.7%	91.3%

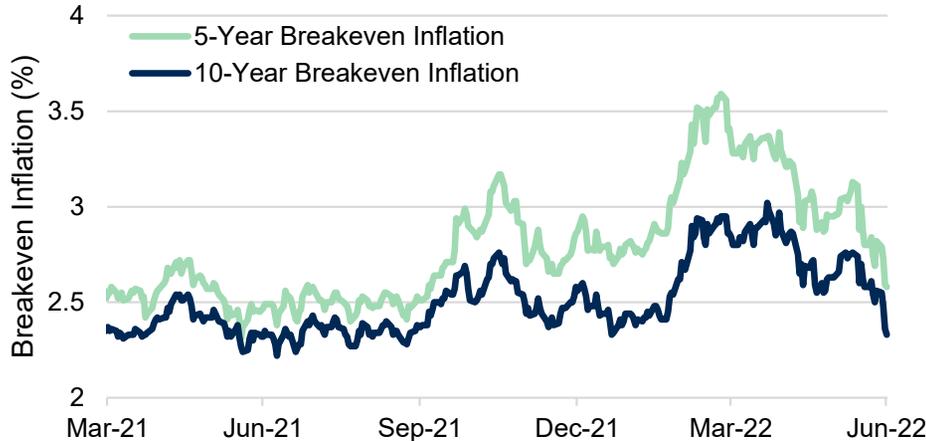
Source: Morningstar Direct, NBER, Fiduciant Advisors. Returns shown are cumulative.



Economic Review

U.S. Breakeven Inflation Levels

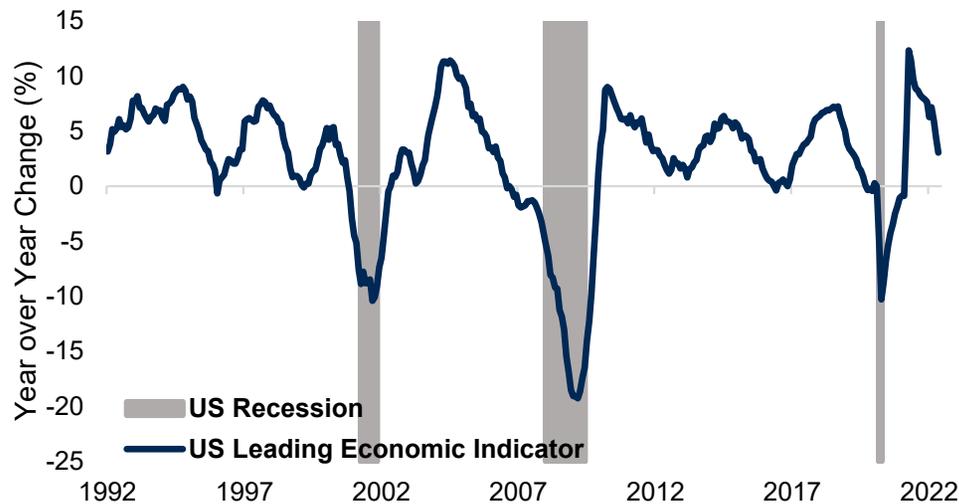
While current inflation levels remain elevated relative to history, expectations for inflation over the medium- and longer-term have come down significantly in recent months.



Source: FactSet. As of June 30, 2022.

Leading Economic Indicators

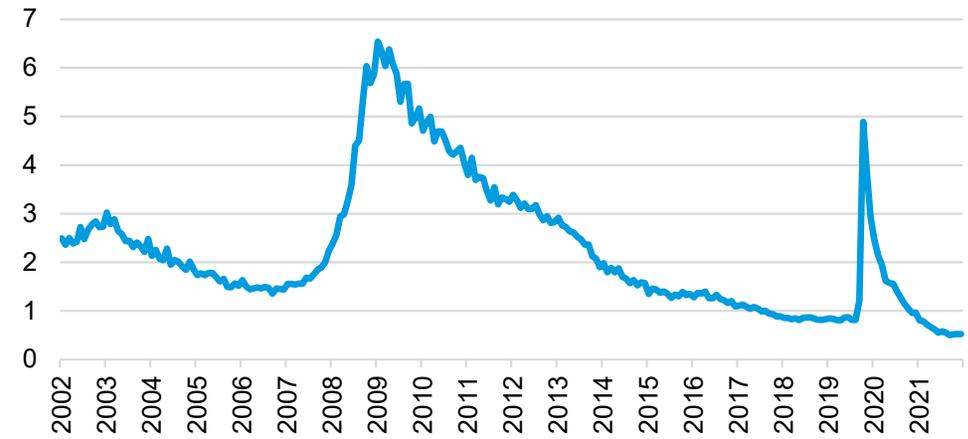
Leading economic indicators have fallen from peak levels but remain in positive territory supporting a positive outlook for economic growth in the near-term.



Source: FactSet, Conference Board. As of May 31, 2022.

U.S. Labor Market – Number of Unemployed per Job Opening

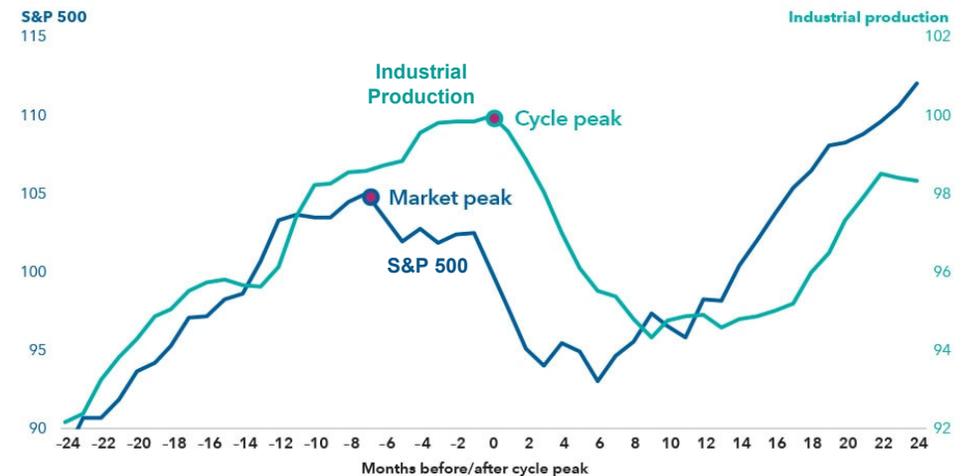
The U.S. labor market remains tight, with less than 1 job seeker for each job opening. This historic tightness in the job market may support wage growth.



Source: FactSet, DOL, BLS. As of June 30, 2022.

Markets and Cycles

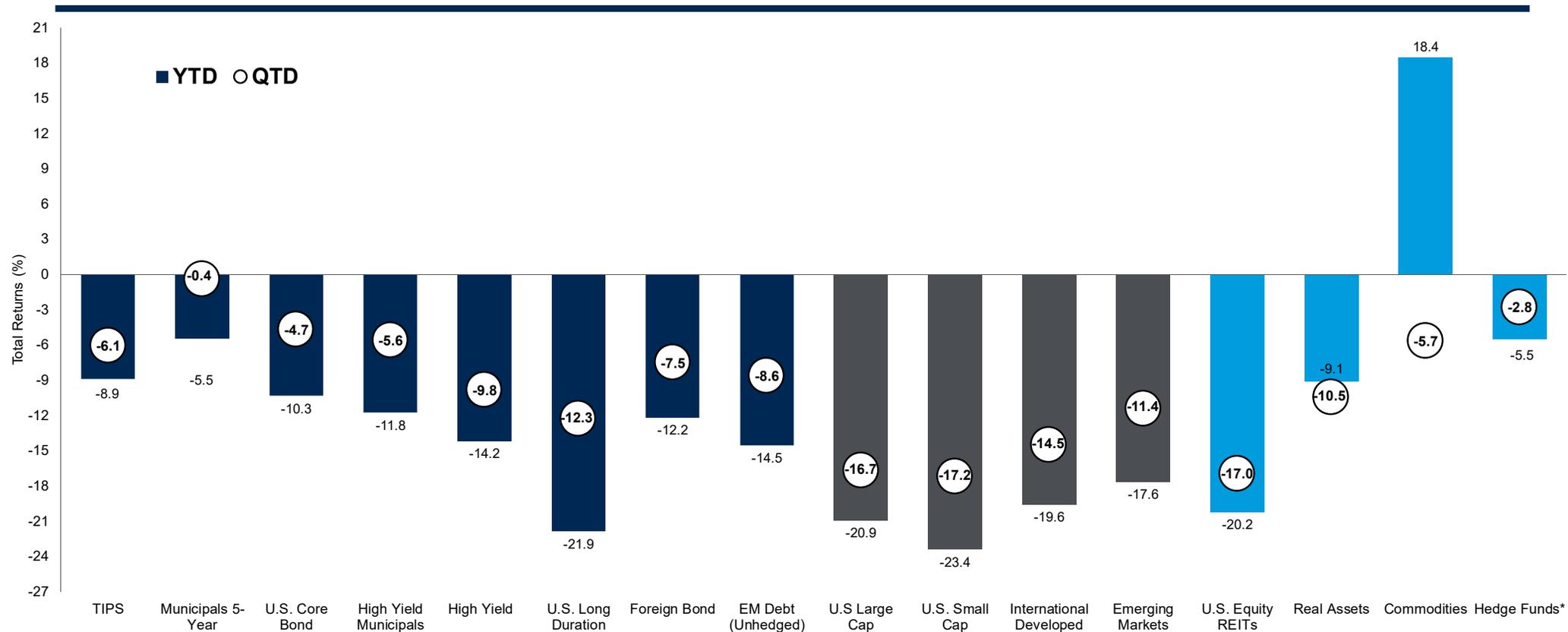
Historically, markets have led the economy as indicated by industrial production, lending credence to their forward-looking nature.



Source: Capital Group. Data from 1950 – 2019.



Asset Class Returns



Source: Morningstar Direct. As of June 30, 2022. *Hedge fund returns as of May 31, 2022.

Fixed Income (2Q)

- The Federal Reserve raised its target rate by 75 basis points in June. Interest rates moved broadly higher in advance of the announcement and pushed bond returns negative.
- Spread sectors generally underperformed for the quarter, with notable weakness in the U.S. high yield market.
- In addition to suffering from a longer duration profile in the face of rising interest rates, a strengthening U.S. dollar was a drag on non-U.S. fixed income returns.

Equity (2Q)

- Equity markets added to their first quarter losses as focus shifted to record-high inflation, the Fed's commitment to fighting it and evidence of a slowing global economy, in addition to the conflict in Ukraine.
- Although the rout was broad-based, discrepancies persisted with growth names losing to value names and major differences between sectors.
- Emerging markets and international developed names beat domestic ones, though were still lower. The former were buoyed by a late-quarter reopening in China.

Real Asset / Alternatives (2Q)

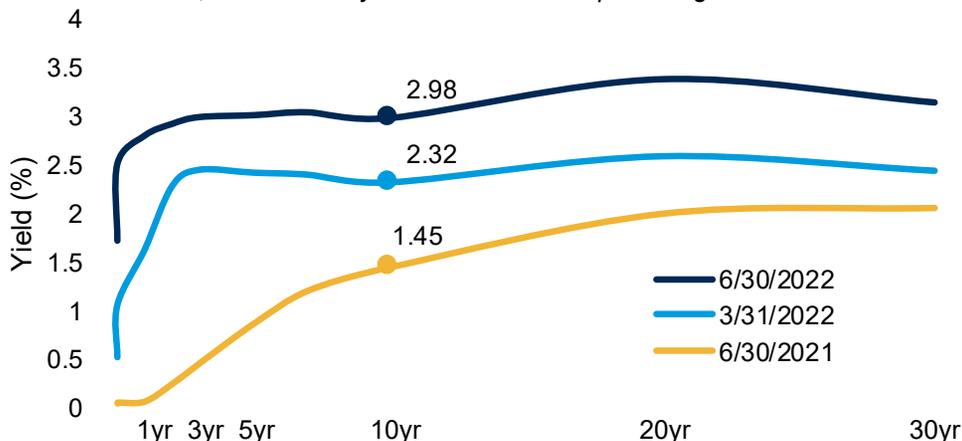
- + Energy markets continued to exhibit strength, though a late quarter June selloff reflects broader concerns of a slowing economy.
- Other commodities, including both industrial and precious metals, as well as REITs, were led lower over slowing growth concerns, political grandstanding and the potential investors are taking profits given 2022 returns.
- + Hedge funds continued to exhibit lower volatility than the market, albeit with some negative returns.



Fixed Income Market Update

U.S. Treasury Yields Curve

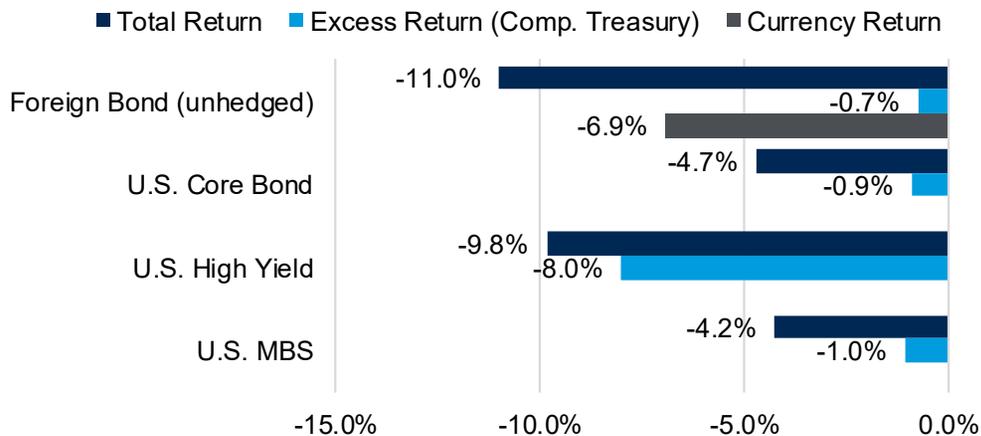
Interest rates jumped in anticipation of the Fed's decision to raise the Fed Funds rate by 75 basis points in June but retreated late in the quarter on increasing concerns of an economic slowdown. The 1-year yield spiked from 1.1% to 2.5%, while the 10-year ended 66 basis points higher.



Source: FactSet. As of June 30, 2022.

Index Performance Attribution (2Q 2022)

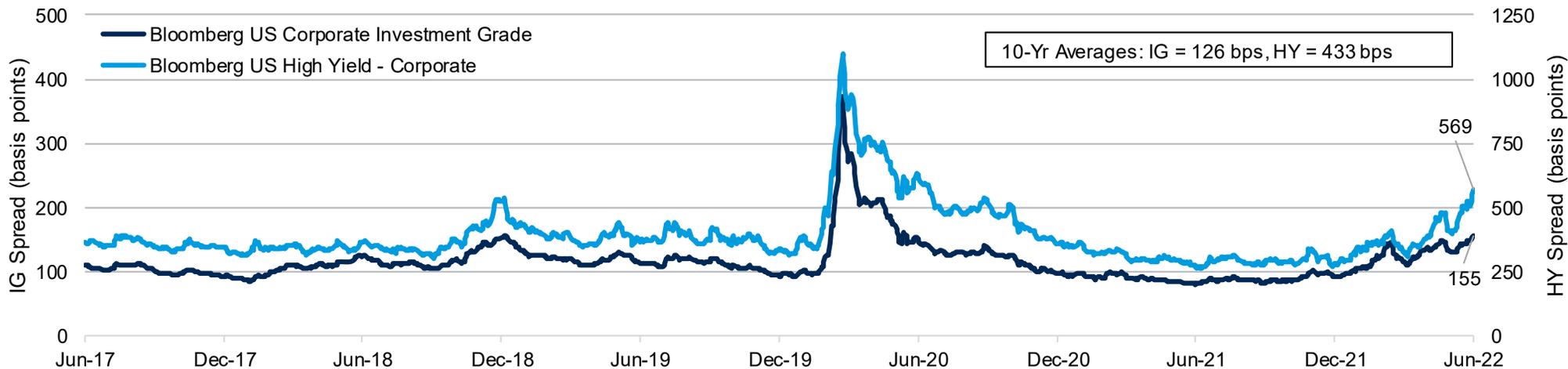
Spread sectors generally lagged Treasuries during the second quarter. Foreign bonds were more susceptible to higher interest rates and a strengthening U.S. dollar, while high yield came under pressure over growing fears of recession.



Source: FactSet. As of June 30, 2022.

Corporate Market Spreads – Trailing 5 Years

Despite a relatively favorable earnings season, growing fears of an economic slowdown have investors shunning riskier areas of the fixed income market. As a result, both investment grade and high yield corporate bond spreads widened and moved back above their respective 10-year averages to levels last seen in summer 2020.



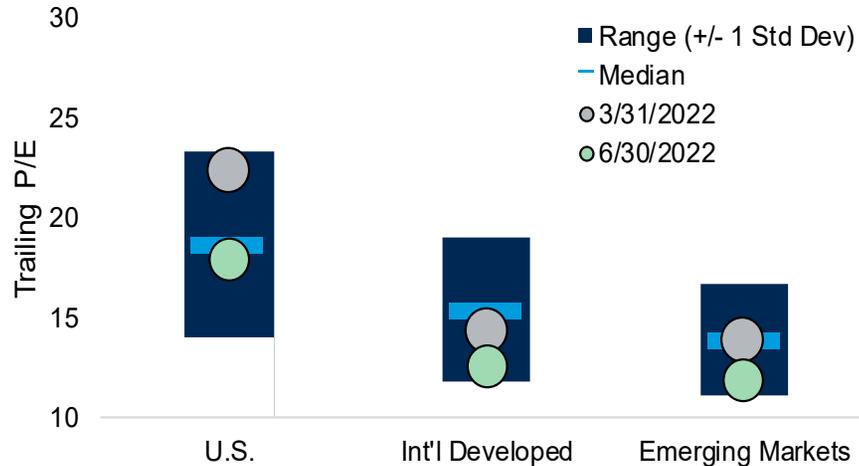
Source: FactSet. As of June 30, 2022.



Equity Market Update

Equity Valuations (Trailing PE – Last 15 Years)

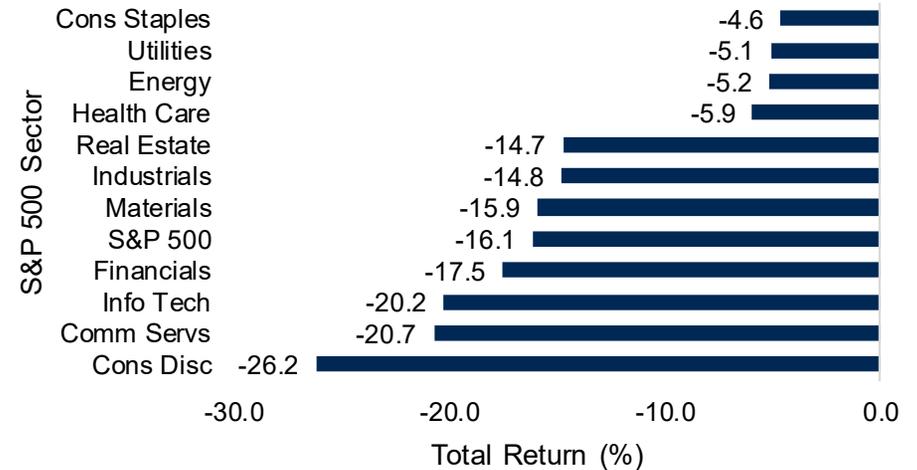
During the quarter, prices fell significantly and pushed multiples below historic averages. Despite growth concerns, analysts' second-half 2022 EPS estimates remained steady.



Source: FactSet. As of June 30, 2022.

U.S. Equities – Return by Sector (2Q 2022)

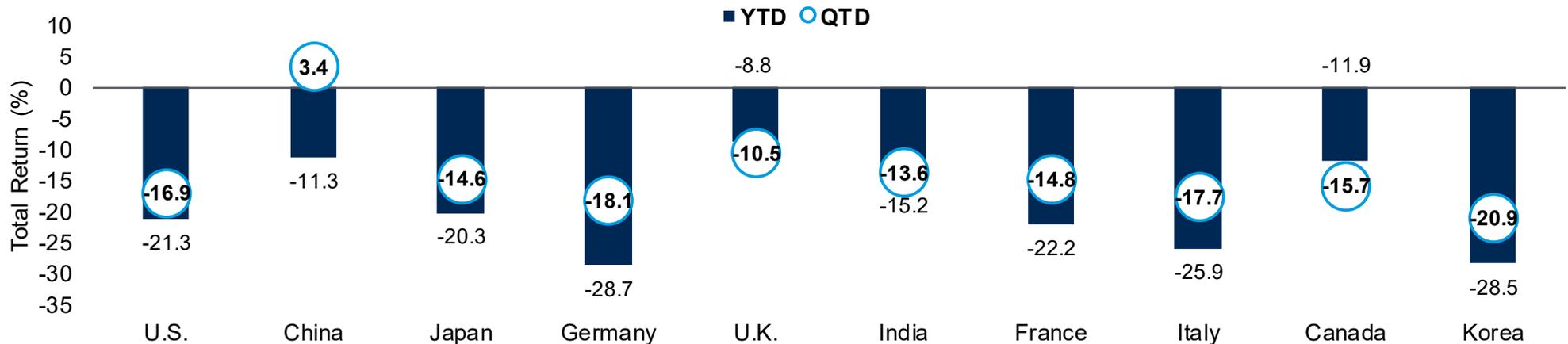
While all sectors were negative for the quarter, defensive names fared better than their cyclical and highly-valued peers as investors adopted a risk-off stance.



Source: Morningstar Direct. As of June 30, 2022.

Country Total Returns (%) – Top 10 Largest Economies

Concerns over slowing growth, high inflation, and aggressive central banks were common themes globally. Equity markets, both developed and emerging, were lower. Germany remains under pressure given its reliance on Russian natural gas and recent measures such as a shift back to coal-based power plants to address concerns. China was a positive outlier: investors had been concerned about the economic impact of severe COVID restrictions; the lifting of restriction was viewed in positive light.



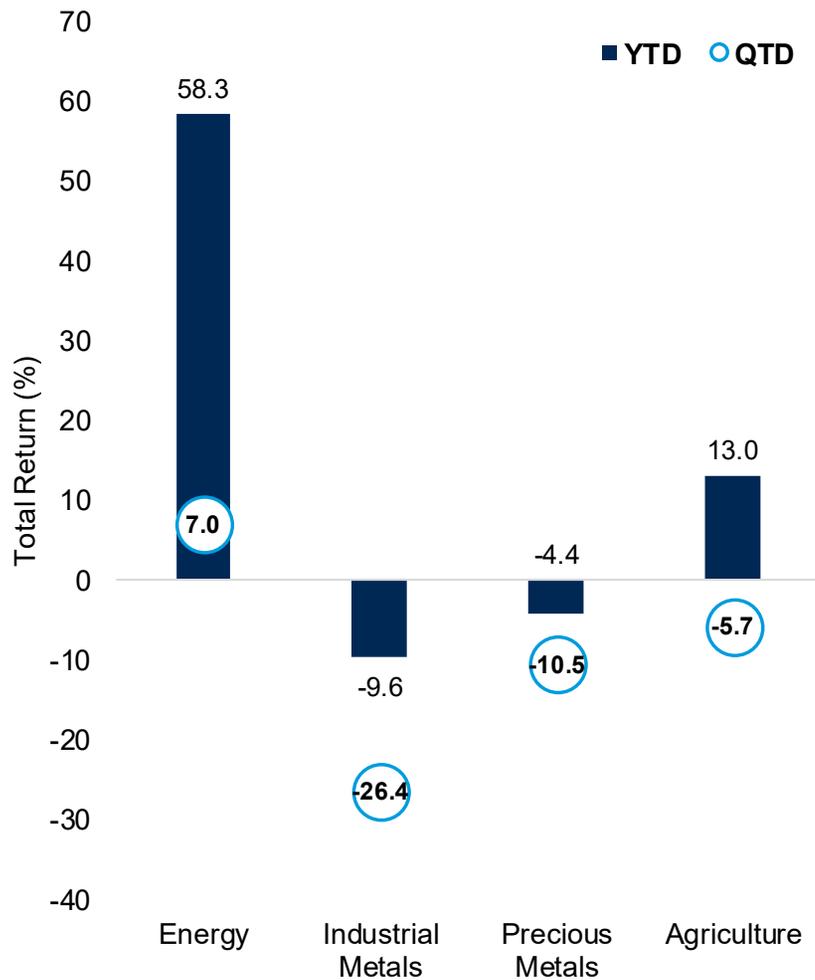
Source: Morningstar Direct. As of June 30, 2022.



Real Assets Market Update

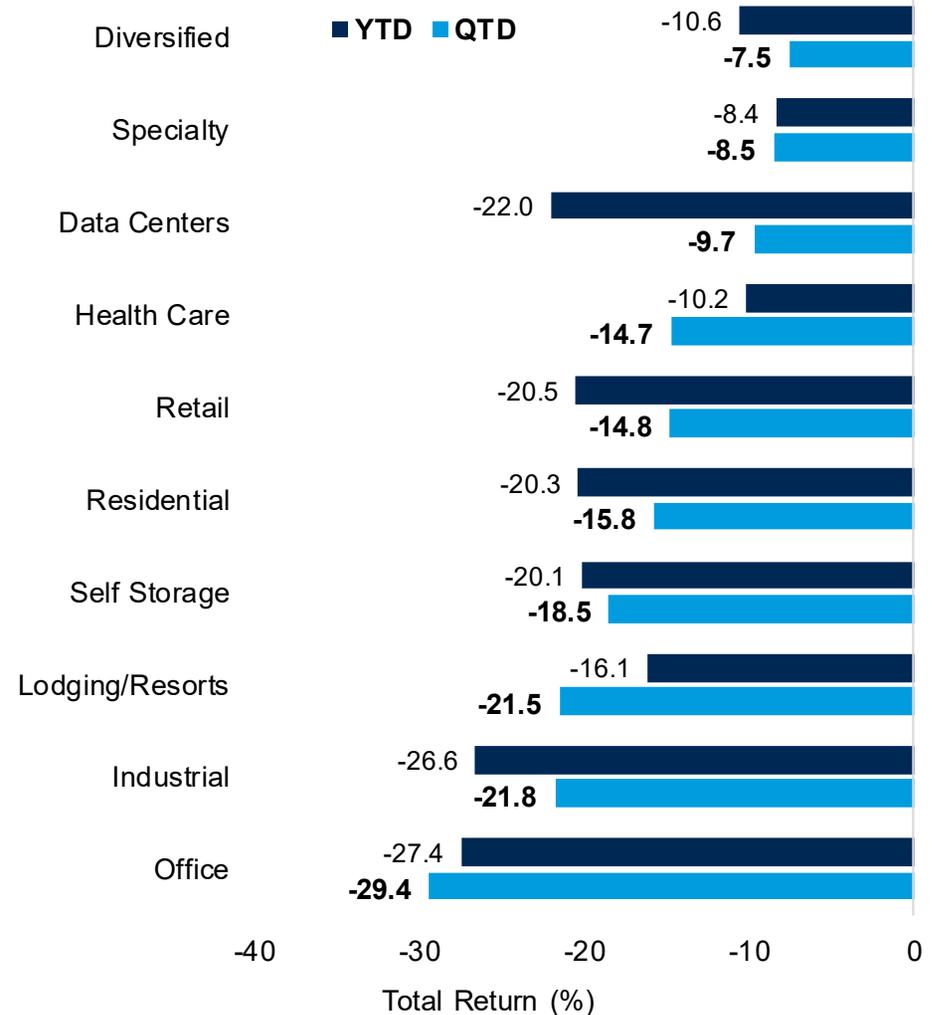
Commodity Performance

Energy commodities soared early in the quarter with strong demand and further sanctions on Russia; however, prices retreated in the second half of the quarter as recession concerns impacted demand and markets priced in potential export bans and taxes on excess profits. Metals and agricultural commodities similarly saw prices fall as countries sought to find suppliers besides Russia and Ukraine.



REIT Sector Performance

Long-duration assets in the industrial and office sectors were hit hard by higher interest rates, while highly-priced sectors such as data centers and specialty segments saw prices come down amid a market-wide repricing.



Source: Morningstar Direct. As of June 30, 2022.

Source: Morningstar Direct. As of June 30, 2022.



The Case for Diversification

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD	10 Years (Ann)
Emerging Markets 18.2	U.S. Small Cap 38.8	U.S. Equity REITs 30.1	U.S. Equity REITs 3.2	U.S. Small Cap 21.3	Emerging Markets 37.3	High Yield Munis 4.8	U.S. Large Cap 31.5	U.S. Small Cap 20.0	U.S. Equity REITs 43.2	Commodities 18.4	U.S. Large Cap 12.8
High Yield Munis 18.1	U.S. Large Cap 32.4	High Yield Munis 13.8	Municipals 5-Year 2.4	High Yield 17.1	International Dev. 25.0	Municipals 5-Year 1.7	U.S. Equity REITs 26.0	U.S. Large Cap 18.4	Commodities 27.1	Hedge Funds -5.5	U.S. Small Cap 9.4
U.S. Equity REITs 18.1	International Dev. 22.8	U.S. Large Cap 13.7	High Yield Munis 1.8	U.S. Large Cap 12.0	U.S. Large Cap 21.8	Foreign Bond 0.5	U.S. Small Cap 25.5	Emerging Markets 18.3	US Large Cap 26.5	Municipals 5-Year -5.5	U.S. Equity REITs 7.4
International Dev. 17.3	Balanced 12.2	Core Bond 6.0	U.S. Large Cap 1.4	Commodities 11.7	EM Debt (unhedged) 15.2	Core Bond 0.0	International Dev. 22.5	TIPS 11.0	US Small Cap 14.8	TIPS -8.9	International Developed 5.4
EM Debt (unhedged) 16.9	Hedge Funds 9.0	Balanced 5.1	Core Bond 0.6	Emerging Markets 11.2	U.S. Small Cap 14.6	TIPS -1.3	Emerging Markets 18.4	Balanced 8.8	International Dev. 11.3	U.S. Core Bond -10.3	Balanced 5.0
U.S. Small Cap 16.3	High Yield 7.4	U.S. Small Cap 4.9	Hedge Funds -0.3	EM Debt (unhedged) 9.9	Balanced 13.6	High Yield -2.1	Balanced 17.5	International Dev. 7.8	Balanced 9.8	High Yield Municipals -11.8	High Yield 4.5
U.S. Large Cap 16.0	U.S. Equity REITs 2.5	TIPS 3.6	International Dev. -0.8	U.S. Equity REITs 8.5	High Yield Munis 9.7	Hedge Funds -4.0	High Yield 14.3	Core Bond 7.5	High Yield Munis 7.8	Foreign Bond -12.2	High Yield Municipals 4.4
High Yield 15.8	Municipals 5-Year 0.8	Hedge Funds 3.4	TIPS -1.4	Balanced 7.6	Hedge Funds 7.8	U.S. Large Cap -4.4	EM Debt (unhedged) 13.5	Hedge Funds 7.1	TIPS 6.0	High Yield -14.2	Hedge Funds 3.8
Balanced 11.5	Foreign Bond -1.0	Municipals 5-Year 3.2	Foreign Bond -2.3	TIPS 4.7	High Yield 7.5	U.S. Equity REITs -4.6	High Yield Munis 10.7	High Yield 7.1	Hedge Funds 5.7	EM Debt (unhedged) -14.5	Emerging Markets 3.1
TIPS 7.0	Core Bond -2.0	Foreign Bond 2.9	Balanced -3.3	Foreign Bond 3.2	Foreign Bond 6.5	Balanced -5.8	Core Bond 8.7	Foreign Bond 7.0	High Yield 5.3	Balanced -14.9	TIPS 1.7
Foreign Bond 5.3	Emerging Markets -2.6	High Yield 2.5	U.S. Small Cap -4.4	High Yield Munis 3.0	U.S. Equity REITs 5.2	EM Debt (unhedged) -6.2	TIPS 8.4	High Yield Munis 4.9	Municipals 5-Year 0.3	Emerging Markets -17.6	Municipals 5-Year 1.6
Hedge Funds 4.8	High Yield Munis -5.5	Emerging Markets -2.2	High Yield -4.5	Core Bond 2.6	Core Bond 3.5	U.S. Small Cap -11.0	Hedge Funds 7.8	Municipals 5-Year 4.3	Core Bond -1.5	International Developed -19.6	U.S. Core Bond 1.5
Core Bond 4.2	TIPS -8.6	International Dev. -4.9	Emerging Markets -14.9	International Dev. 1.0	Municipals 5-Year 3.1	Commodities -11.2	Commodities 7.7	EM Debt (unhedged) 2.7	Emerging Markets -2.5	U.S. Equity REITs -20.2	Foreign Bond 0.8
Municipals 5-Year 3.0	EM Debt (unhedged) -9.0	EM Debt (unhedged) -5.7	EM Debt (unhedged) -14.9	Hedge Funds 0.5	TIPS 3.0	International Dev. -13.8	Foreign Bond 6.3	Commodities -3.1	Foreign Bond -4.2	U.S. Large Cap -20.9	Commodities -0.8
Commodities -1.1	Commodities -9.5	Commodities -17.0	Commodities -24.7	Municipals 5-Year -0.4	Commodities 1.7	Emerging Markets -14.6	Municipals 5-Year 5.4	U.S. Equity REITs -8.0	EM Debt (unhedged) -8.7	U.S. Small Cap -23.4	EM Debt (unhedged) -1.5

Source: FactSet, Morningstar Direct, as of June 30, 2022. Periods greater than one year are annualized. All returns are in U.S. dollar terms. One month lag for Hedge Funds.



Financial Markets Performance

Total Return as of June 30, 2022
Periods greater than one year are annualized
All returns are in U.S. dollar terms

Global Fixed Income Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg 1-3-Month T-Bill	0.1%	0.2%	0.2%	0.6%	1.1%	0.8%	0.6%	0.7%
Bloomberg U.S. TIPS	-6.1%	-8.9%	-5.1%	3.0%	3.2%	2.8%	1.7%	3.9%
Bloomberg Municipal Bond (5 Year)	-0.4%	-5.5%	-5.3%	0.2%	1.2%	1.5%	1.6%	3.0%
Bloomberg High Yield Municipal Bond	-5.6%	-11.8%	-10.4%	1.1%	3.6%	4.4%	4.4%	4.2%
Bloomberg U.S. Aggregate	-4.7%	-10.3%	-10.3%	-0.9%	0.9%	1.4%	1.5%	3.3%
Bloomberg U.S. Corporate High Yield	-9.8%	-14.2%	-12.8%	0.2%	2.1%	3.5%	4.5%	5.8%
Bloomberg Global Aggregate ex-U.S. Hedged	-4.0%	-7.9%	-7.7%	-1.4%	1.3%	2.0%	2.7%	3.4%
Bloomberg Global Aggregate ex-U.S. Unhedged	-11.0%	-16.5%	-18.8%	-5.1%	-1.8%	-0.3%	-1.1%	1.4%
Bloomberg U.S. Long Gov / Credit	-12.3%	-21.9%	-20.1%	-2.3%	1.0%	2.7%	2.6%	5.3%
JPMorgan GBI-EM Global Diversified	-8.6%	-14.5%	-19.3%	-5.8%	-2.3%	-0.5%	-1.5%	1.8%
Global Equity Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	-16.1%	-20.0%	-10.6%	10.6%	11.3%	11.1%	13.0%	8.5%
Dow Jones Industrial Average	-10.8%	-14.4%	-9.1%	7.2%	10.0%	10.8%	11.7%	8.4%
NASDAQ Composite	-22.3%	-29.2%	-23.4%	12.2%	13.5%	13.1%	15.4%	11.2%
Russell 3000	-16.7%	-21.1%	-13.9%	9.8%	10.6%	10.4%	12.6%	8.4%
Russell 1000	-16.7%	-20.9%	-13.0%	10.2%	11.0%	10.8%	12.8%	8.5%
Russell 1000 Growth	-20.9%	-28.1%	-18.8%	12.6%	14.3%	13.5%	14.8%	10.7%
Russell 1000 Value	-12.2%	-12.9%	-6.8%	6.9%	7.2%	7.7%	10.5%	6.1%
Russell Mid Cap	-16.8%	-21.6%	-17.3%	6.6%	8.0%	8.0%	11.3%	7.8%
Russell Mid Cap Growth	-21.1%	-31.0%	-29.6%	4.3%	8.9%	8.3%	11.5%	8.2%
Russell Mid Cap Value	-14.7%	-16.2%	-10.0%	6.7%	6.3%	7.2%	10.6%	6.9%
Russell 2000	-17.2%	-23.4%	-25.2%	4.2%	5.2%	5.9%	9.4%	6.3%
Russell 2000 Growth	-19.3%	-29.5%	-33.4%	1.4%	4.8%	5.0%	9.3%	6.8%
Russell 2000 Value	-15.3%	-17.3%	-16.3%	6.2%	4.9%	6.4%	9.1%	5.6%
MSCI ACWI	-15.7%	-20.2%	-15.8%	6.2%	7.0%	7.0%	8.8%	4.8%
MSCI ACWI ex. U.S.	-13.7%	-18.4%	-19.4%	1.4%	2.5%	2.9%	4.8%	1.6%
MSCI EAFE	-14.5%	-19.6%	-17.8%	1.1%	2.2%	2.7%	5.4%	1.4%
MSCI EAFE Growth	-16.9%	-26.8%	-23.8%	1.3%	3.5%	3.9%	6.3%	2.5%
MSCI EAFE Value	-12.4%	-12.1%	-11.9%	0.2%	0.5%	1.2%	4.2%	0.1%
MSCI EAFE Small Cap	-17.7%	-24.7%	-24.0%	1.1%	1.7%	3.7%	7.2%	2.8%
MSCI Emerging Markets	-11.4%	-17.6%	-25.3%	0.6%	2.2%	2.8%	3.1%	2.0%
Alternatives	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	1.3%	4.6%	8.5%	4.5%	3.6%	3.0%	2.5%	2.3%
FTSE NAREIT Equity REITs	-17.0%	-20.2%	-6.3%	4.0%	5.3%	6.7%	7.4%	5.8%
S&P Real Assets	-10.5%	-9.1%	-4.9%	3.5%	4.5%	4.2%	4.4%	4.4%
FTSE EPRA NAREIT Developed	-17.2%	-20.4%	-12.7%	-0.2%	2.9%	4.0%	5.6%	2.8%
FTSE EPRA NAREIT Developed ex U.S.	-17.5%	-20.1%	-20.6%	-4.4%	0.4%	1.4%	3.9%	0.6%
Bloomberg Commodity Total Return	-5.7%	18.4%	24.3%	14.3%	8.4%	2.8%	-0.8%	-1.8%
HFRI Fund of Funds Composite*	-2.8%	-5.5%	-3.8%	4.9%	3.9%	2.7%	3.8%	1.9%
HFRI Fund Weighted Composite*	-1.9%	-2.9%	-2.3%	8.0%	5.8%	4.6%	5.3%	3.9%
Alerian MLP	-7.4%	10.0%	4.3%	0.1%	-0.3%	-2.1%	0.7%	3.7%

Source: Morningstar, FactSet. As of June 30, 2022. *Consumer Price Index and HFRI indexes as of May 31, 2022.



Section 3 DB Plan Reviews



Fiduciary Governance Calendar



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



Investment Policy Statement

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

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

In the following pages, you will find the most recent IPS on file for the Town of Simsbury Pension Plans.

- The body of the IPS is as of September 2018, and the asset allocation table in Appendix A is as of August 2020.
- The IPS was most recently reviewed/ approved by the Committee/Board in September 2021.
- We are recommending minor updates to the asset allocation table of the IPS, as shown in the redlined sections in the following pages, should the recommended changes to the inflation protection portfolio be adopted.



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY DEFINED BENEFIT PENSION PLANS INVESTMENT POLICY STATEMENT

Adopted by the Retirement Plan Subcommittee in November 2012

Amended on September 12, 2018

Adopted by the Board of Finance on July 30, 2019

I. Introduction & Purpose

The TOWN OF SIMSBURY DEFINED BENEFIT PENSION PLANS (the “Plans”) have been established to provide retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Plans. This document is intended to provide guidelines for managing the Plans, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Plans;
- Defines the responsibilities of the Board of Finance, Retirement Plan Sub-Committee (“Committee”) and other parties responsible for the management of the Plans;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Plans as a whole.

II. Investment Objective

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

- To achieve the stated actuarial target of the Plans;
- To maintain sufficient liquidity to meet the obligations of the Plans;
- To diversify the assets of the Plans in order to reduce risk;
- To achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and of appropriate market indexes.

III. Assignment of Responsibilities

Board of Finance - In accordance with Simsbury’s Town Charter, Section 808, “The Board of Finance shall supervise and maintain the Town pension and other post-employment benefit funds in accordance with rules and regulations contained in agreements between the Town employees and the Town of Simsbury and or the Board of Education regarding pension and

other post-employment benefits. The Board of Finance shall, after consultation with the Board of Education and the Board of Selectmen, ensure the pension funds are prudently invested and shall also supervise and maintain the Retiree Benefit Fund established pursuant to the Town code of ordinances and designate the annual contribution to be made to insure said pension and post-employment funds. The investment and management of the assets of any such fund shall be in compliance with the prudent investor rule as set forth in Conn. Gen. Stat. Sections 45a-541 to 45a-541 | inclusive of the General Statutes.”

The Board of Finance shall:

1. Oversee compliance by the investment manager(s) with the investment policy;
2. Evaluate the performance of the investment manager(s) against specific investment objectives;
3. Approve fee schedules of the investment manager(s) based on contractual agreements;
4. Select the investment custodian(s); and,
5. Approve the continuation of business relationships with investment manager(s), custodian(s), and other vendors, if any.

The Board of Finance may delegate its authority to act on its behalf to certain members or agents (such as the Town Manager, the Director of Finance, or designated Sub-Committees). The Board of Finance shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Board of Finance recognizes that some risk must be assumed to achieve the Plans’ long-term investment objectives. The Board of Finance will receive and review reports from the Town’s investment advisor on a semi-annual basis. The Board of Finance will review recommendations provided by the Retirement Plan Sub-Committee at their next regularly scheduled meeting.

Retirement Plan Sub-Committee – The Retirement Plan Sub-Committee is formed to satisfy the Simsbury Town Charter requirement that the Board of Finance consult with the Board of Selectmen and Board of Education. The Committee is charged with the responsibility of evaluating the assets of the Plans and recommending any changes to the Board of Finance. To that end, the Committee’s responsibilities include: recommending to the Board of Finance the Plans’ investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, and return evaluation and for specific interpretation of said investment policy, as well as selecting the investment vehicles, and periodically monitoring the performance of investments. The Committee will meet periodically. The Committee shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Committee recognizes that some risk must be assumed to achieve the Plans’ long-term investment objectives.

Investment Consultant – The Board of Finance will engage the services of an Investment Consultant. The Investment Consultant’s role is that of a non-discretionary advisor to the Board of Finance and the Committee. The Investment Consultant will assist in the development and periodic review of an Investment Policy Statement and the Plans’ asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Plans.

Custodian – The Custodian is responsible for the safekeeping and custody of assets. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plans, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also

perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plans accounts (for example, to accommodate distribution needs).

IV. Asset Allocation

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

V. Rebalancing

The Board of Finance, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

VI. Selection Criteria for Investment Managers

Investment managers/funds retained by the Plans shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indexes and other investments having similar investment objectives. Consideration shall be given to both consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the Plans;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.

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

The Investment Consultant is additionally tasked with regular oversight of the roster of investment managers deployed on the Plans' behalf. The motivation for this effort is to ensure that the managers continue to administer their portfolios in a manner consistent with the overall approaches and qualifications that appealed to the Board of Finance initially and that anomalies and deviations from these approaches and qualifications are identified and addressed. When deemed necessary, the Investment Consultant will provide other manager candidates for the Board of Finance's consideration.

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

VII. Securities Guidelines

The Plans' investments may include separately managed accounts and/or mutual funds/co-mingled funds, including marketable and non-marketable alternatives and exchange traded funds. The Board of Finance understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Policy Statement of each of the Plans' separately managed accounts or in the prospectus/offering memorandum for each mutual fund/co-mingled fund/exchange traded fund in the portfolio. No securities will be purchased, or carried, on margin.

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

1. The mutual fund/co-mingled pool organizations selected should demonstrate: (a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
2. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
3. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
4. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

VIII. Proxy Voting

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Town of Simsbury. A copy of each firm's guidelines, and/or summary of proxy votes shall be provided to the Board of Finance or Committee upon request.

IX. Investment Monitoring and Reporting

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

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

Watch list criteria may include the following:

- Performance relative to benchmark performance over various time frames;
- Deterioration of risk-adjusted performance;
- Notable style drift / change in investment objective;
- High manager fees relative to peers;
- Significant organizational or manager change.

X. Termination of an Investment Manager or Fund

A manager/fund may be terminated when the Board of Finance has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable time, may be grounds for termination.

Any recommendation to terminate a manager/fund will be treated on an individual basis and will not be made solely based on quantitative data. In addition to those above, other factors may include, but shall not be limited to, professional or Town of Simsbury turnover, or material change to investment processes.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

XI. Approval

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

The Town of Simsbury:

By: _____

Signature: _____

Date: _____

Title: _____

Appendix A
Updated ~~August 2020~~ September 2022

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Domestic Equities	21.5%	31.5%	41.5%	Russell 3000 Index
International Equities	17.5%	27.5%	37.5%	MSCI ACWI ex-U.S. Index; MSCI EAFE Small Cap Index; MSCI Emerging Markets Index.
Fixed Income	22.5%	32.5%	42.5%	Barclays Capital Aggregate Index; Citigroup World Government Bond Index
Real Estate	0.0%	5.0%	7.5% <u>10.0%</u>	NCREIF Index
Inflation Protection	0.0%	3.5%	7.0%	Bloomberg Commodity Index Total Return, Bloomberg Barclays US TIPS 0-5 Yr Index
<u>Real Assets</u>	<u>0.0%</u>	<u>3.5%</u>	<u>7.0%</u>	<u>Diversified Real Assets Index</u>



Governance & Oversight

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

“Five Key Duties”

Duty of Loyalty:

Act exclusively in the interest of plan participants and beneficiaries

Duty of Prudence:

Act in accordance with the “prudent expert rule”

Duty to Diversify Investments:

Diversify the portfolio options to balance risk

Duty to Follow Plan Documents:

Follow the plan provisions and policies governing the plan

Duty to Avoid Prohibited Transactions:

Ensure legal and appropriate transactions and be free from conflict



Committee/Board Best Practices

Structure/Makeup

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

Governance

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

Documentation

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

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

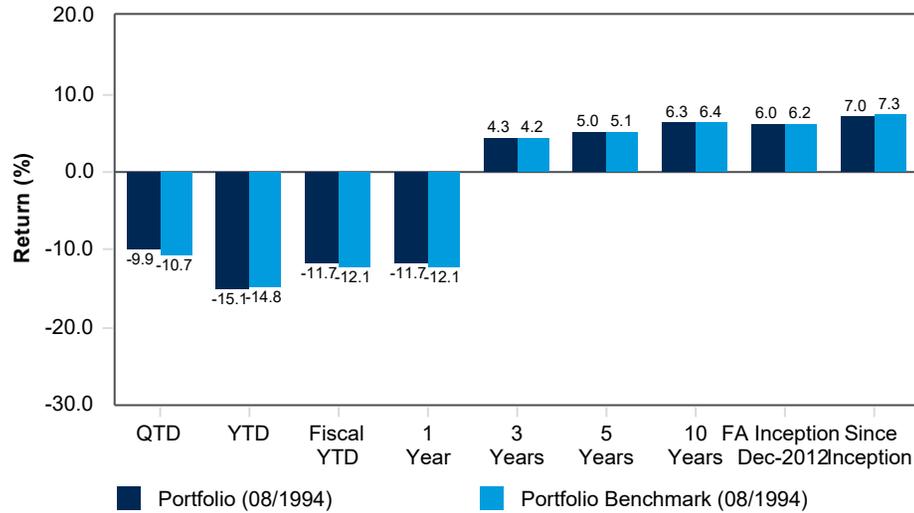


Portfolio Dashboard

Town Plan

As of June 30, 2022

Historical Performance



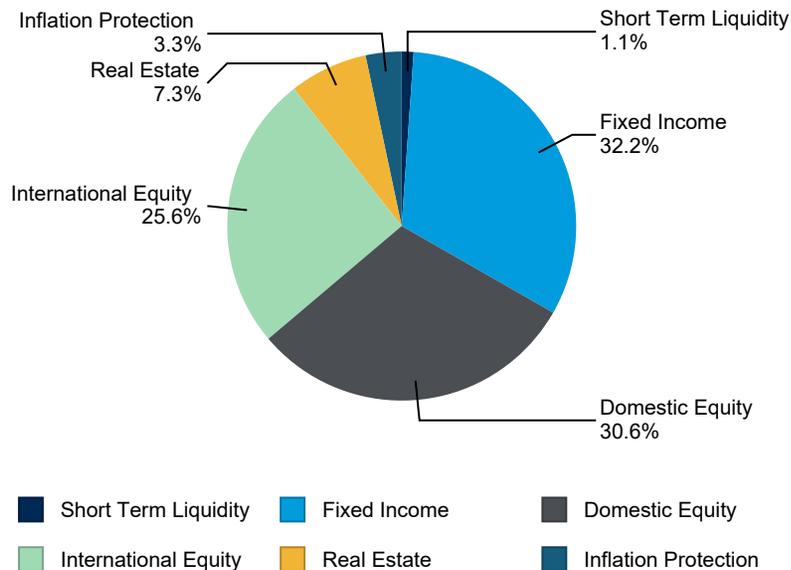
Summary of Cash Flows

	QTD	YTD	1 Year	Since Inception
Town Plan				
Beginning Market Value	29,745,396	32,009,769	30,354,571	4,896,705
Net Contributions	-529,380	-974,604	-554,412	-6,813,637
Gain/Loss	-2,916,635	-4,735,784	-3,500,778	28,216,312
Ending Market Value	26,299,381	26,299,381	26,299,381	26,299,381

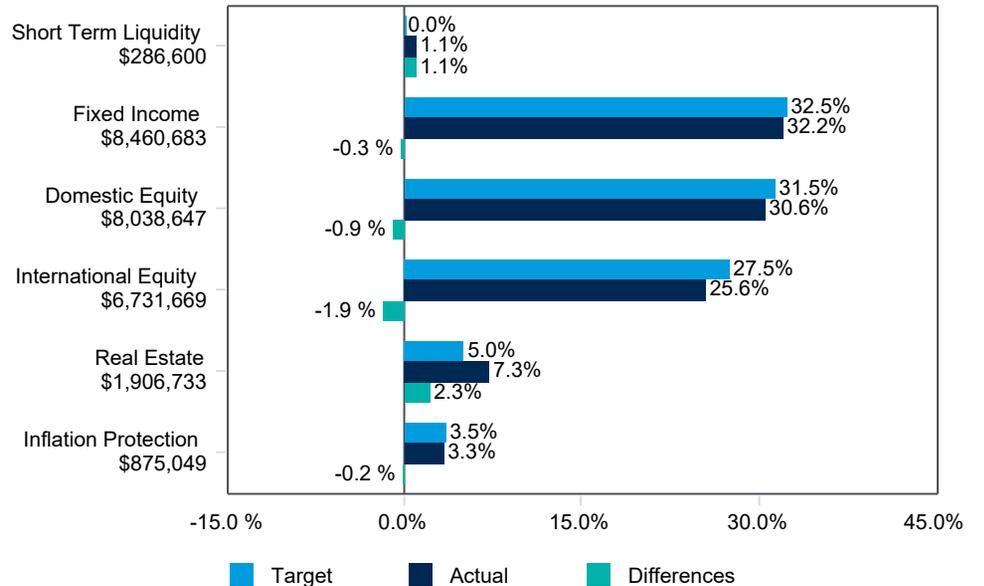
Current Benchmark Composition

From Date	To Date	Composition
06/2021	Present	32.50% Blmbg. U.S. Aggregate, 31.50% Russell 3000 Index, 16.50% MSCI AC World ex USA (Net), 6.00% MSCI EAFE Small Cap (Net), 5.00% MSCI Emerging Markets (Net), 5.00% NCREIF Fund Index - ODCE (net), 3.50% Short Term Inflation Protection Benchmark

Portfolio Allocation



Actual vs. Target Allocations



Investment performance history data prior to 7/1/2011 was sourced from prior consultant.



Asset Allocation

Town Plan

As of June 30, 2022

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Town Plan	26,299,381	100.0	100.0	0.0
Short Term Liquidity	286,600	1.1	0.0	1.1
AllSpring Govt Money Market Fund	286,600	1.1	0.0	1.1
Fixed Income	8,460,683	32.2	32.5	-0.3
Metropolitan West Total Return Bond PI	3,212,831	12.2	12.3	0.0
Western Asset Core Plus Bond IS	3,132,988	11.9	12.3	-0.3
BlackRock Strategic Income Opportunities K	2,114,864	8.0	8.0	0.0
Domestic Equity	8,038,647	30.6	31.5	-0.9
Vanguard Institutional Index I	5,446,641	20.7	21.5	-0.8
Neuberger Berman Genesis R6	2,592,007	9.9	10.0	-0.1
International Equity	6,731,669	25.6	27.5	-1.9
Hartford International Opportunities R6	4,100,061	15.6	16.5	-0.9
Templeton Instl Foreign Small Comp A	1,388,869	5.3	6.0	-0.7
Vanguard Emerging Markets Stock Adm	1,242,739	4.7	5.0	-0.3
Real Estate	1,906,733	7.3	5.0	2.3
Barings Core Property Fund LP	1,906,733	7.3	5.0	2.3
Inflation Protection	875,049	3.3	3.5	-0.2
Vanguard Short-Term Inflation Protection Adm	461,340	1.8	1.8	0.0
Credit Suisse Commodity Return I	413,710	1.6	1.8	-0.2

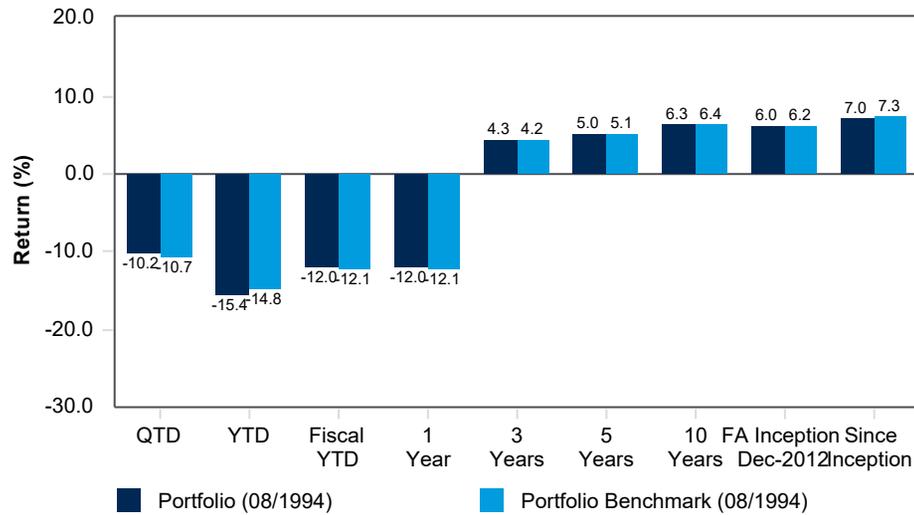


Portfolio Dashboard

Board of Education

As of June 30, 2022

Historical Performance



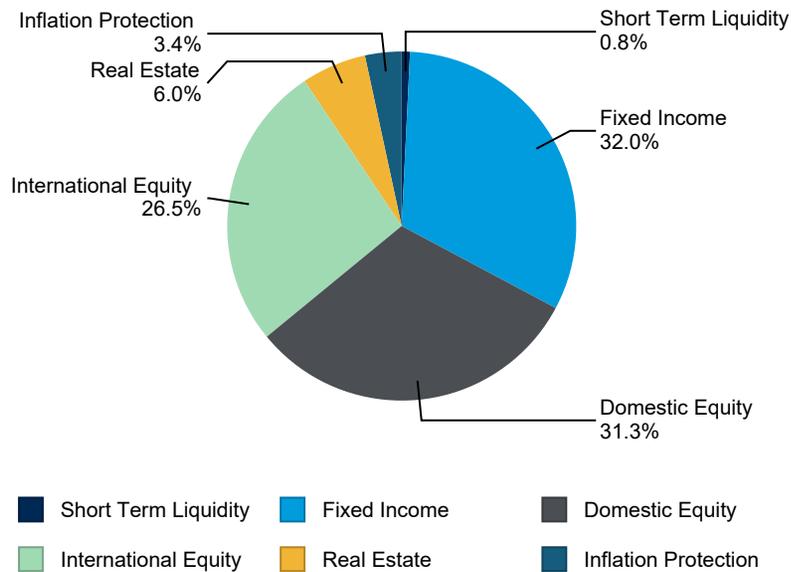
Summary of Cash Flows

	QTD	YTD	1 Year	Since Inception
Board of Education				
Beginning Market Value	29,946,532	32,217,683	30,367,763	3,743,350
Net Contributions	-440,947	-851,744	-235,843	-721,687
Gain/Loss	-3,015,284	-4,875,638	-3,641,619	23,468,638
Ending Market Value	26,490,301	26,490,301	26,490,301	26,490,301

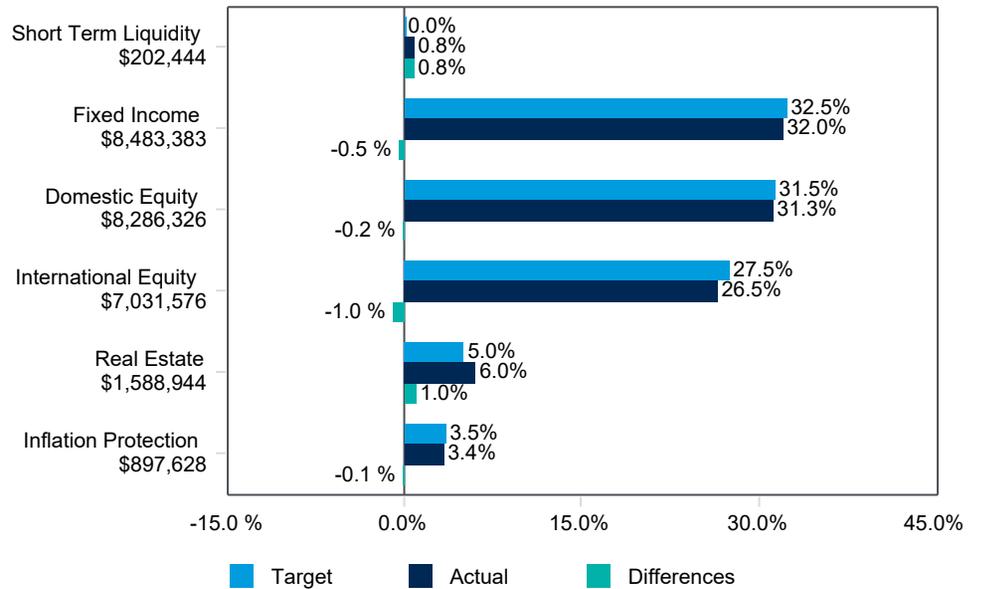
Current Benchmark Composition

From Date	To Date	Composition
06/2021	Present	32.50% Blmbg. U.S. Aggregate, 31.50% Russell 3000 Index, 16.50% MSCI AC World ex USA (Net), 6.00% MSCI EAFE Small Cap (Net), 5.00% MSCI Emerging Markets (Net), 5.00% NCREIF Fund Index - ODCE (net), 3.50% Short Term Inflation Protection Benchmark

Portfolio Allocation



Actual vs. Target Allocations



Investment performance history data prior to 7/1/2011 was sourced from prior consultant.



Asset Allocation

Board of Education

As of June 30, 2022

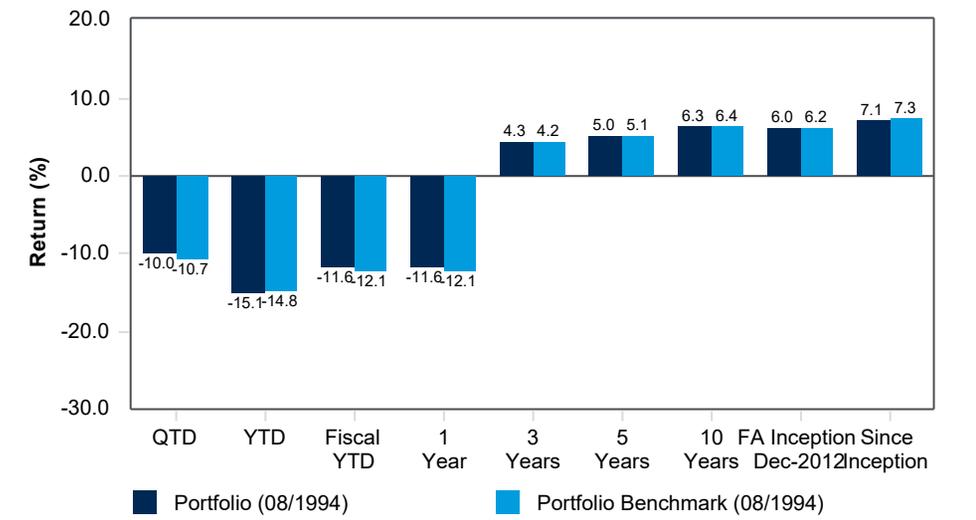
	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Board of Education	26,490,301	100.0	100.0	0.0
Short Term Liquidity	202,444	0.8	0.0	0.8
AllSpring Govt Money Market Fund	202,444	0.8	0.0	0.8
Fixed Income	8,483,383	32.0	32.5	-0.5
Metropolitan West Total Return Bond PI	3,196,852	12.1	12.3	-0.2
Western Asset Core Plus Bond IS	3,033,402	11.5	12.3	-0.8
BlackRock Strategic Income Opportunities K	2,253,129	8.5	8.0	0.5
Domestic Equity	8,286,326	31.3	31.5	-0.2
Vanguard Institutional Index I	5,624,780	21.2	21.5	-0.3
Neuberger Berman Genesis R6	2,661,546	10.0	10.0	0.0
International Equity	7,031,576	26.5	27.5	-1.0
Hartford International Opportunities R6	4,326,051	16.3	16.5	-0.2
Templeton Instl Foreign Small Comp A	1,434,633	5.4	6.0	-0.6
Vanguard Emerging Markets Stock Adm	1,270,892	4.8	5.0	-0.2
Real Estate	1,588,944	6.0	5.0	1.0
Barings Core Property Fund LP	1,588,944	6.0	5.0	1.0
Inflation Protection	897,628	3.4	3.5	-0.1
Vanguard Short-Term Inflation Protection Adm	477,154	1.8	1.8	0.1
Credit Suisse Commodity Return I	420,474	1.6	1.8	-0.2



Portfolio Dashboard

Police Plan As of June 30, 2022

Historical Performance



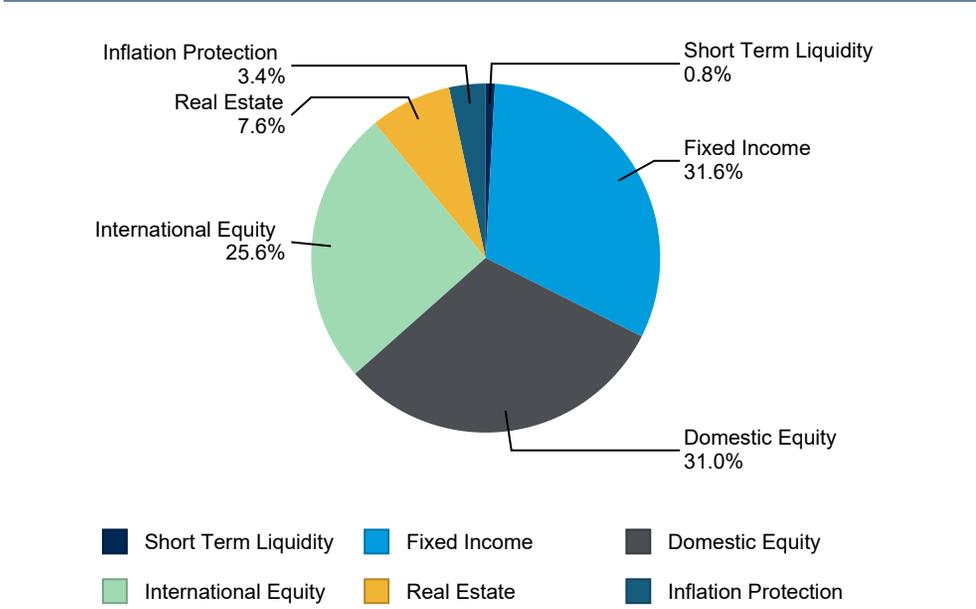
Summary of Cash Flows

	QTD	YTD	1 Year	Since Inception
Police Plan				
Beginning Market Value	22,007,574	23,545,313	22,242,107	3,402,802
Net Contributions	-255,139	-467,124	-89,348	-5,604,163
Gain/Loss	-2,175,963	-3,501,718	-2,576,289	21,777,832
Ending Market Value	19,576,471	19,576,471	19,576,471	19,576,471

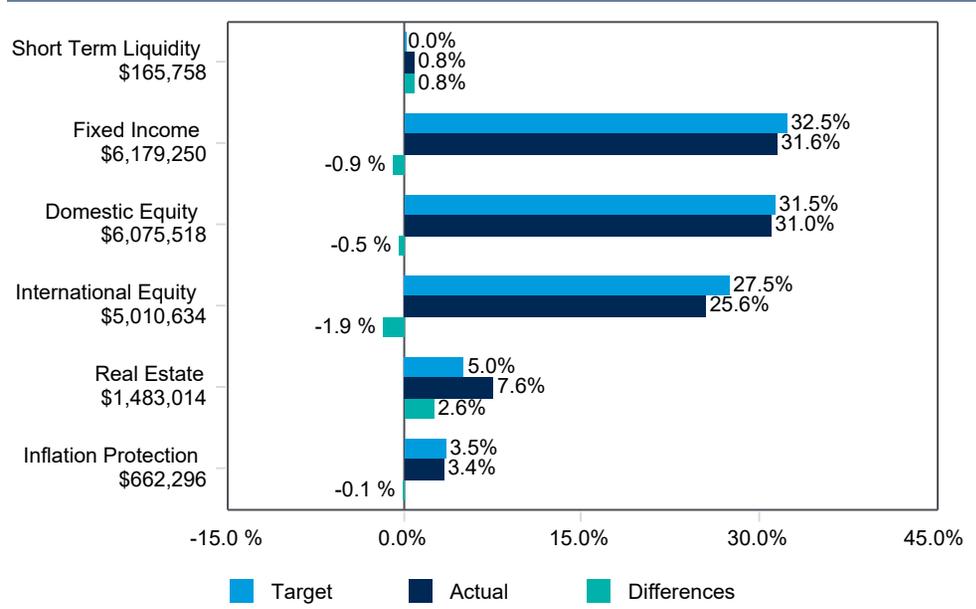
Current Benchmark Composition

From Date	To Date	Composition
06/2021	Present	32.50% Blmbg. U.S. Aggregate, 31.50% Russell 3000 Index, 16.50% MSCI AC World ex USA (Net), 6.00% MSCI EAFE Small Cap (Net), 5.00% MSCI Emerging Markets (Net), 5.00% NCREIF Fund Index - ODCE (net), 3.50% Short Term Inflation Protection Benchmark

Portfolio Allocation



Actual vs. Target Allocations



Investment performance history data prior to 7/1/2011 was sourced from prior consultant.



Asset Allocation

Police Plan As of June 30, 2022

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Police Plan	19,576,471	100.0	100.0	0.0
Short Term Liquidity	165,758	0.8	0.0	0.8
AllSpring Govt Money Market Fund	165,758	0.8	0.0	0.8
Fixed Income	6,179,250	31.6	32.5	-0.9
Metropolitan West Total Return Bond PI	2,331,366	11.9	12.3	-0.3
Western Asset Core Plus Bond IS	2,229,662	11.4	12.3	-0.9
BlackRock Strategic Income Opportunities K	1,618,222	8.3	8.0	0.3
Domestic Equity	6,075,518	31.0	31.5	-0.5
Vanguard Institutional Index I	4,143,930	21.2	21.5	-0.3
Neuberger Berman Genesis R6	1,931,588	9.9	10.0	-0.1
International Equity	5,010,634	25.6	27.5	-1.9
Hartford International Opportunities R6	3,079,575	15.7	16.5	-0.8
Templeton Instl Foreign Small Comp A	1,019,697	5.2	6.0	-0.8
Vanguard Emerging Markets Stock Adm	911,362	4.7	5.0	-0.3
Real Estate	1,483,014	7.6	5.0	2.6
Barings Core Property Fund LP	1,483,014	7.6	5.0	2.6
Inflation Protection	662,296	3.4	3.5	-0.1
Vanguard Short-Term Inflation Protection Adm	355,720	1.8	1.8	0.1
Credit Suisse Commodity Return I	306,576	1.6	1.8	-0.2



Performance Overview

Total Plan

As of June 30, 2022

Trailing Performance Summary

	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	FA Inception Dec-2012	Since Inception	Inception Date
Total Plan	-10.0	-15.2	-11.8	-11.8	4.3	5.0	5.3	6.3	6.0	7.0	08/1994
<i>Simsbury Pension Benchmark</i>	<i>-10.7</i>	<i>-14.8</i>	<i>-12.1</i>	<i>-12.1</i>	<i>4.2</i>	<i>5.1</i>	<i>5.4</i>	<i>6.4</i>	<i>6.2</i>	<i>7.3</i>	<i>08/1994</i>

Calendar Year Performance Summary

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Plan	11.2	13.9	18.9	-6.6	14.7	7.4	-0.1	3.1	14.4	12.6
<i>Simsbury Pension Benchmark</i>	<i>10.6</i>	<i>12.9</i>	<i>18.6</i>	<i>-5.8</i>	<i>15.8</i>	<i>7.5</i>	<i>-0.8</i>	<i>4.9</i>	<i>14.3</i>	<i>11.6</i>

Plan Reconciliation

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Plan								08/1994
Beginning Market Value	81,699,503	87,772,765	82,964,441	66,344,383	60,617,643	42,705,413	12,042,857	
Net Contributions	-1,225,467	-2,293,472	-879,603	-3,023,552	-4,713,259	-5,904,503	-13,139,486	
Gain/Loss	-8,107,883	-13,113,140	-9,718,686	9,045,321	16,461,768	35,565,242	73,462,782	
Ending Market Value	72,366,152	72,366,152	72,366,152	72,366,152	72,366,152	72,366,152	72,366,152	

Benchmark Composition

	Weight (%)
Jun-2021	
Blmbg. U.S. Aggregate	32.5
Russell 3000 Index	31.5
MSCI AC World ex USA (Net)	16.5
MSCI EAFE Small Cap (Net)	6.0
MSCI Emerging Markets (Net)	5.0
NCREIF Fund Index - ODCE (net)	5.0
Short Term Inflation Protection Benchmark	3.5



Manager Performance

Total Plan

As of June 30, 2022

	Performance(%)										Manager Status
	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	FA Inception Dec-2012	Since Inception	Inception Date	
Total Plan	-10.0	-15.2	-11.8	-11.8	4.3	5.0	6.3	6.0	7.0	08/1994	
<i>Simsbury Pension Benchmark</i>	-10.7	-14.8	-12.1	-12.1	4.2	5.1	6.4	6.2	7.3		
Short Term Liquidity	0.1	0.1	0.1	0.1	0.5	0.9	-	0.5	0.5	11/2012	
<i>90 Day U.S. Treasury Bill</i>	0.1	0.1	0.2	0.2	0.6	1.1	0.6	0.6	0.6		
AllSpring Govt Money Market Fund	0.1	0.1	0.1	0.1	0.5	0.9	-	0.5	0.5	11/2012	
<i>90 Day U.S. Treasury Bill</i>	0.1	0.1	0.2	0.2	0.6	1.1	0.6	0.6	0.6		
Fixed Income	-5.7	-11.8	-11.8	-11.8	-1.6	0.5	1.8	1.5	2.2	07/2011	
<i>Fixed Income Benchmark</i>	-4.7	-10.3	-10.3	-10.3	-1.0	0.9	1.3	1.2	1.8		
Metropolitan West Total Return Bond PI	-5.7	-11.6	-11.6	-11.6	-0.7	1.1	2.3	1.8	1.8	12/2012	Maintain
<i>Blmbg. U.S. Aggregate</i>	-4.7	-10.3	-10.3	-10.3	-0.9	0.9	1.5	1.4	1.4		
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-5.9	-11.5	-11.3	-11.3	-0.7	0.9	1.8	1.5	1.5		
Metropolitan West Total Return Bond PI Rank	38	56	58	58	48	35	23	31	31		
Western Asset Core Plus Bond IS	-7.8	-15.9	-16.0	-16.0	-2.1	0.4	2.3	2.0	1.7	11/2014	Maintain
<i>Blmbg. U.S. Aggregate</i>	-4.7	-10.3	-10.3	-10.3	-0.9	0.9	1.5	1.4	1.4		
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-5.9	-11.5	-11.3	-11.3	-0.7	0.9	1.8	1.5	1.4		
Western Asset Core Plus Bond IS Rank	98	98	98	98	95	80	24	22	26		
BlackRock Strategic Income Opportunities K	-2.6	-5.4	-5.6	-5.6	1.7	2.4	2.9	2.6	2.2	07/2014	Maintain
<i>Blmbg. U.S. Aggregate</i>	-4.7	-10.3	-10.3	-10.3	-0.9	0.9	1.5	1.4	1.5		
IM Alternative Credit Focus (MF) Median	-4.4	-7.2	-7.8	-7.8	0.4	0.8	1.7	1.4	1.2		
BlackRock Strategic Income Opportunities K Rank	19	31	25	25	21	21	12	11	19		
Domestic Equity	-15.0	-20.7	-12.0	-12.0	9.6	10.7	12.4	12.4	11.4	07/2011	
<i>Russell 3000 Index</i>	-16.7	-21.1	-13.9	-13.9	9.8	10.6	12.6	12.6	11.8		
Vanguard Institutional Index I	-16.1	-20.0	-10.6	-10.6	10.6	11.3	12.9	13.0	13.0	12/2012	Maintain
<i>S&P 500</i>	-16.1	-20.0	-10.6	-10.6	10.6	11.3	13.0	13.0	13.0		
IM U.S. Large Cap Core Equity (MF) Median	-15.8	-20.4	-12.5	-12.5	9.6	10.5	12.1	12.0	12.0		
Vanguard Institutional Index I Rank	58	43	34	34	26	26	18	16	16		
Neuberger Berman Genesis R6	-12.7	-22.3	-15.1	-15.1	6.9	9.0	10.9	10.8	10.8	12/2012	Maintain
<i>Russell 2000 Index</i>	-17.2	-23.4	-25.2	-25.2	4.2	5.2	9.4	9.4	9.4		
IM U.S. Small Cap Core Equity (MF) Median	-14.6	-19.2	-15.8	-15.8	5.8	5.5	9.3	9.2	9.2		
Neuberger Berman Genesis R6 Rank	24	79	46	46	31	3	10	12	12		

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



Manager Performance

Total Plan

As of June 30, 2022

	Performance(%)										Manager Status
	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	FA Inception Dec-2012	Since Inception	Inception Date	
International Equity	-13.0	-20.6	-21.1	-21.1	2.3	2.4	4.9	4.2	3.0	07/2011	
<i>International Equity Benchmark</i>	-14.2	-19.7	-21.5	-21.5	1.2	2.3	5.2	4.4	3.2		
Hartford International Opportunities R6	-14.0	-20.9	-19.6	-19.6	3.0	2.9	5.8	5.2	3.7	10/2014	Maintain
<i>MSCI AC World ex USA (Net)</i>	-13.7	-18.4	-19.4	-19.4	1.4	2.5	4.8	4.0	2.6		
IM International Large Cap Core Equity (MF) Median	-13.3	-19.3	-17.8	-17.8	1.6	1.9	4.9	3.8	2.3		
Hartford International Opportunities R6 Rank	75	77	65	65	18	18	13	6	1		
Templeton Instl Foreign Small Comp A	-13.0	-24.1	-25.5	-25.5	-0.6	0.5	5.2	4.4	4.4	12/2012	Maintain
<i>MSCI AC World ex USA Small Cap (Net)</i>	-17.5	-22.9	-22.4	-22.4	2.9	2.6	6.2	5.5	5.5		
IM International SMID Cap Core Equity (MF) Median	-15.3	-21.0	-21.7	-21.7	1.3	0.0	5.3	4.4	4.4		
Templeton Instl Foreign Small Comp A Rank	11	71	92	92	60	39	53	49	49		
Vanguard Emerging Markets Stock Adm	-9.2	-14.9	-21.1	-21.1	2.0	3.1	3.2	2.6	2.6	03/2019	Maintain
<i>FTSE Emerging All Cap China Spliced Index</i>	-10.5	-15.4	-21.2	-21.2	2.1	3.2	3.4	2.6	2.7		
IM Emerging Markets Equity (MF) Median	-11.9	-20.5	-28.0	-28.0	0.1	1.6	2.7	2.1	1.0		
Vanguard Emerging Markets Stock Adm Rank	10	10	16	16	23	21	39	37	23		
Real Estate	2.8	9.5	24.1	24.1	10.0	8.7	6.8	6.8	7.2	07/2011	
<i>NCREIF Fund Index - ODCE (net)</i>	4.6	12.0	28.4	28.4	11.7	9.6	10.2	10.3	10.3		
Barings Core Property Fund LP	2.8	9.5	24.1	24.1	10.0	8.7	-	-	9.0	10/2013	Maintain
<i>NCREIF Fund Index - ODCE (net)</i>	4.6	12.0	28.4	28.4	11.7	9.6	10.2	10.3	9.9		
Inflation Protection	-3.1	9.6	14.2	14.2	8.0	4.6	-	-0.4	-0.4	11/2012	
<i>Short Term Inflation Protection Benchmark</i>	-3.3	8.5	12.6	12.6	7.4	5.1	1.1	0.7	0.6		
Vanguard Short-Term Inflation Protection Adm	-1.2	-1.4	1.0	1.0	3.4	2.9	-	1.5	1.9	03/2014	Maintain
<i>Bimbg. U.S. TIPS 0-5 Year</i>	-1.1	-1.4	1.1	1.1	3.5	3.0	1.6	1.6	1.9		
IM U.S. TIPS (MF) Median	-6.1	-8.6	-5.3	-5.3	2.9	2.9	1.4	1.1	1.9		
Vanguard Short-Term Inflation Protection Adm Rank	4	4	7	7	21	43	-	16	59		
Credit Suisse Commodity Return I	-5.7	18.5	25.1	25.1	15.3	8.7	-0.6	-1.2	-0.5	03/2014	Terminate
<i>Bloomberg Commodity Index Total Return</i>	-5.7	18.4	24.3	24.3	14.3	8.4	-0.8	-1.4	-0.9		
IM Commodities General (MF) Median	-5.5	17.5	23.7	23.7	15.2	9.2	-0.4	-0.9	0.2		
Credit Suisse Commodity Return I Rank	56	38	44	44	49	58	62	60	68		

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Section 4 Real Asset Considerations

DEFINITION OF KEY METRICS

- **Alpha**

The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Batting Average**

Batting average is a measure of a manager's consistency. It is calculated as the ratio between the number of periods that a manager outperforms a benchmark and the total number of periods observed. For example, a batting average of 0.60 implies that a manager outperformed its benchmark 6 out of 10 time periods.
- **Beta**

This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse than the market in down markets. It is important to note, however, that a low fund beta does not imply that the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Information Ratio**

The information ratio is a measure of the excess return per volatility of that excess return. This value is determined by taking the annualized excess return over a benchmark and dividing it by the standard deviation of excess return.
- **R-Squared**

This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates that very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by the market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Return**

Time-weighted average annual returns for the time period indicated.
- **Sharpe Ratio**

The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk.
- **Volatility (or Standard Deviation)**

Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning that there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **Tracking Error**

Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between the manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's annual return.

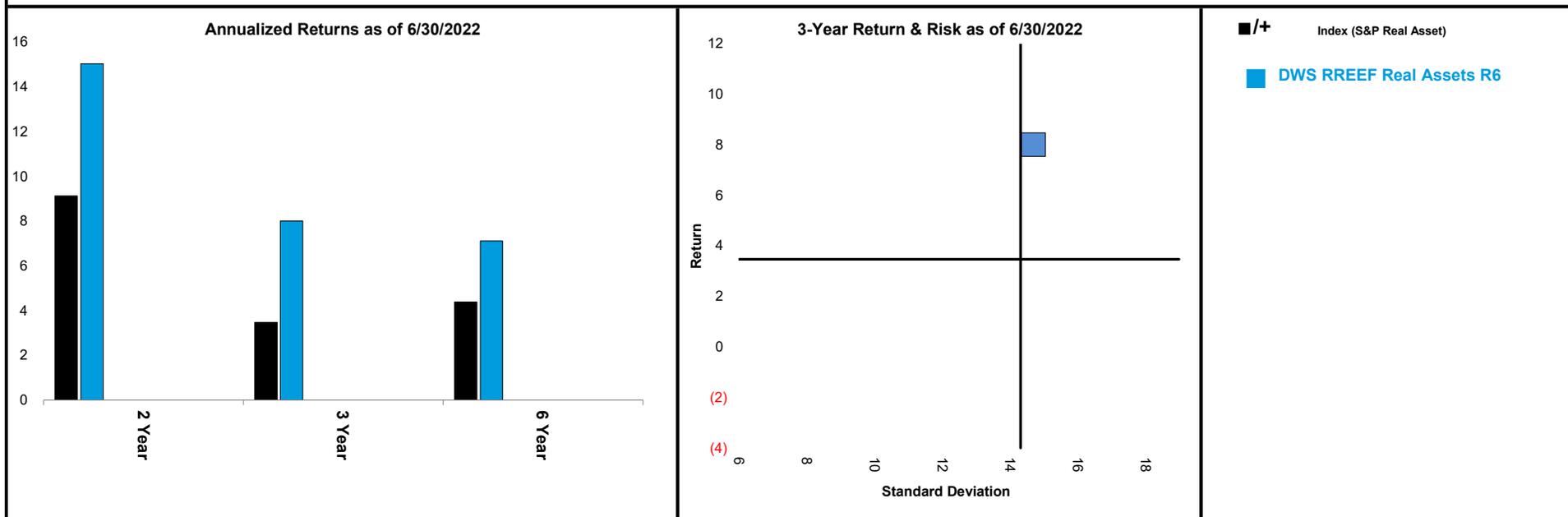
Diversified Real Assets

Fund / Manager	DWS RREEF Real Assets R6
Status	Maintain
Manager (Tenure in Years)	Team (7.5)
Net Assets (\$ Millions)	\$5,901
Firm	<ul style="list-style-type: none"> - DWS was founded in 1956 in Hamburg, Germany and invests across a variety of investment disciplines. - In 2018, the majority of DWS was legally separated from Deutsche Bank Group. Deutsche Bank continues to hold a majority share of the asset management company.
Team	<ul style="list-style-type: none"> - DWS Real Assts utilizes a team based approach with Evan Rudy serving as the lead portfolio manager. - The team is supported by the 30 PMs/analysts across the firm's liquid real assets platform.
Philosophy/Process	<ul style="list-style-type: none"> - The team aims to identify trends within individual sectors to determine how economic fundamentals influence long-term revenue drivers of asset classes and underlying companies. - The process begins with top-down allocations to each of the underlying sectors. - Inflation and economic growth are the basis for the proprietary "Quadrant Model," which uses the rate of change (measured by YoY changes) of both real GDP and CPI to determine which environment we are moving toward in the near future. - Allocations are filled with best ideas within each of the asset and sub-asset classes, leveraging the stock selection and underwriting abilities within each core strategy.
Portfolio Construction	<ul style="list-style-type: none"> - The investment universe consists of approximately 650-700 securities across the real assets market, with roughly 500 securities that are extensively followed. - The portfolio allocates across global real estate (10%-40%; 30% strategic), global infrastructure (10%-40%; 30% strategic), commodities (and resource equities; 10%-40%; 30% strategic), and TIPS (0%-20%, 10% strategic).
Expense Ratio	0.90
Redemption Fee	N.A.

Diversified Real Assets Return, Standard Deviation and Peer Group Comparisons

6/30/2022

Manager or Index	Annual Returns (%) as of 6/30/2022					Calendar Year Returns (%)							Volatility (%) as of 6/30/2022				
	1 Year	2 Year	3 Year	5 Year	6 Year	2022 YTD	2021	2020	2019	2018	2017	2016	1 Year	2 Year	3 Year	5 Year	6 Year
S&P Real Asset	(4.9)	9.1	3.5	4.5	4.4	(9.1)	15.4	1.2	17.2	(5.9)	11.2	10.8	11.3	11.2	14.3	12.0	11.1
DWS RREEF Real Assets R6	(0.3)	15.0	8.0	8.1	7.1	(7.2)	23.7	4.0	21.9	(5.2)	15.1	N/A	15.1	13.8	14.7	12.8	11.9



Differentiators					
Batting Average [^]	Loss Protection (3 Yrs)	High Alpha (3 Yrs)	Low-to-High Beta (3 Yrs)	Low Vol (3 Yrs)	Low-to-High Expense
1) DWS (100%)	1) DWS (102%)	1) DWS (4.6)	1) DWS (0.98)	1) DWS (14.7)	1) DWS (0.90)

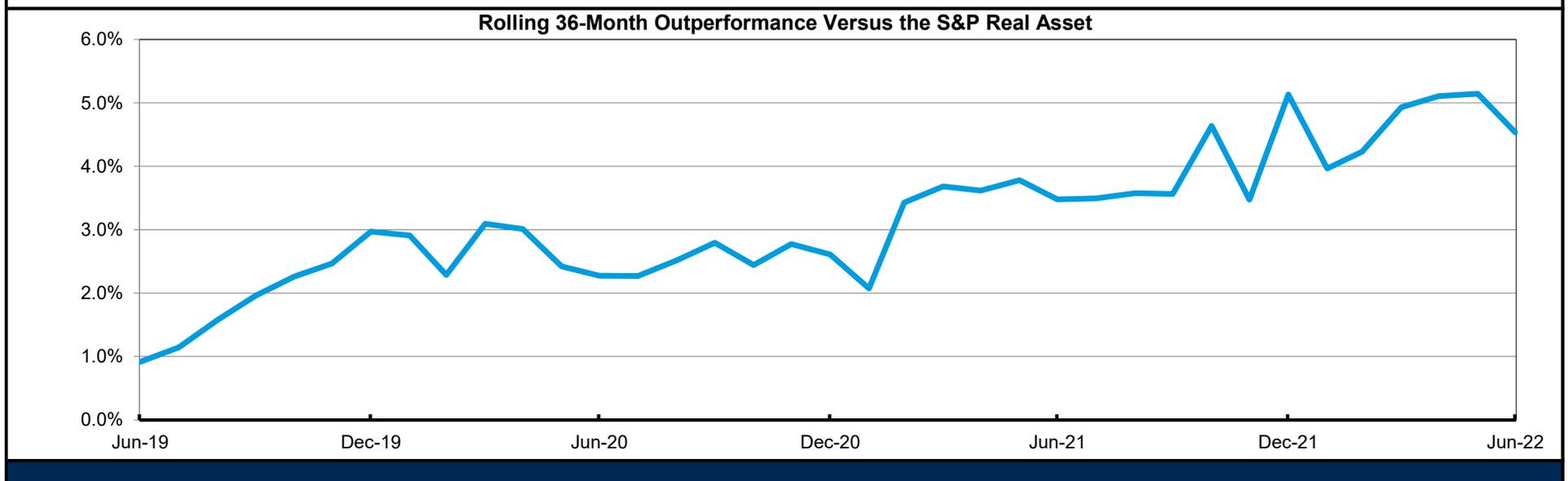
[^]The Batting Average measures the frequency of rolling 3-year period outperformance from the lesser of 6 years or each fund's inception date.

Diversified Real Assets MPT and Other Quantitative Risk and Return Metrics

6/30/2022

Managers vs. S&P Real Asset	Past 6-Year Metrics as of 6/30/2022							Past 3-Year Metrics as of 6/30/2022							Max Drawdowns (6 yrs)		
	Correl / R ²	Beta	Alpha (%)	Sharpe Ratio (%)	Track. Error / Info. Ratio (%)	UP Capture	DOWN Capture	Correl / R ²	Beta	Alpha (%)	Sharpe Ratio (%)	Track. Error / Info. Ratio (%)	UP Capture	DOWN Capture	1/2020 - 3/2020	4/2022 - 6/2022	2/2018 - 12/2018
S&P Real Asset	1 / 1	1	0	0.31	0 / 0	100%	100%	1 / 1	1	0	0.20	0 / 0	100%	100%	-20.5%	-10.5%	-7.0%
DWS RREEF Real Assets R6	0.95 / 0.91	1.03	2.6	0.52	3.6 / 0.76	128%	108%	0.96 / 0.92	0.98	4.6	0.51	4.2 / 1.08	130%	102%	-17.7%	-11.0%	-6.4%

Managers vs. S&P Real Asset	Monthly, 12-month and 36-month batting averages vs. S&P Real Asset for 6 Years (or manager inception date)							Graph Legend
	1 Month Periods	% + Months	12 Month periods	% + 12-Months	36 Month Periods	% + 36 Months	Return Start Date	— DWS RREEF Real Assets R6
	DWS RREEF Real Assets R6	72	54%	63	98%	37	100%	



DWS RREEF Real Assets Fund

Eligible for \$250,000 NAV purchase privilege†

Q2 | 06.30.22

Share Class: A | AAAAX C | AAAPX S | AAASX INST | AAAZX R | AAAQX R6 | AAAVX



Morningstar® Rating³

Morningstar Global Allocation Category

Overall rating (as of 6/30/22)

Class S ★ ★ ★ ★

Overall Morningstar ratings 4 stars; 391 funds. Three year rating 5 stars; 391 funds. Five year rating 5 stars; 348 funds. Ten year rating 3 stars; 248 funds. Morningstar ratings are based on risk-adjusted performance. Source: Morningstar, Inc. **Ratings are historical and do not guarantee future results. Ratings for other share classes may vary.**



REFINITIV LIPPER FUND AWARDS

2022 WINNER UNITED STATES

BEST REAL RETURN FUND OVER 5 AND 10 YEARS

Class R6: 5 years, of 16 funds;
Institutional Class: 10 years, of 13 funds.
Based on risk adjusted return**

Refinitiv Lipper Fund Awards. ©2022 Refinitiv. All rights reserved. Used under license.

Objective

The fund seeks total return in excess of inflation through capital growth and current income.

Strategy

The fund's investment process is based on the team's philosophy that macro-economic environments have historically driven top-down sector performance within the real asset universe while stock selection has been a key driver of returns within the asset classes. As such, the investment process combines top-down strategic and tactical allocations with fundamental bottom-up stock selection to create a holistic portfolio of real assets across real estate, infrastructure, natural resource equities, commodity futures and TIPS.

Portfolio management/industry experience

John W. Vojticek	26 years
Francis X. Greywitt III	22 years
Evan Rudy CFA	16 years

Average annual total returns* (as of 6/30/22)

Share class	YTD	1-year	3-year	5-year	10-year	Since inception	Inception date
Share classes with no sales charge							
S	-7.15%	-0.21%	7.90%	8.05%	5.02%	3.93%	7/30/07
INST	-7.03%	-0.03%	8.09%	8.19%	5.20%	4.04%	7/30/07
R	-7.26%	-0.56%	7.49%	7.62%	4.64%	3.52%	6/1/11
R6	-7.11%	-0.03%	8.09%	8.19%	—	5.39%	11/28/14
Blended benchmark ¹	-6.28%	-0.11%	5.05%	5.46%	4.65%	—	—
MSCI World Index ²	-20.51%	-14.34%	7.00%	7.67%	9.51%	—	—
Unadjusted for sales charge (would be lower if adjusted)							
A	-7.18%	-0.33%	7.76%	7.91%	4.86%	3.76%	7/30/07
C	-7.50%	-1.12%	6.97%	7.09%	4.08%	2.96%	7/30/07
Adjusted for maximum sales charge							
A (max 5.75% load)	-12.52%	-6.06%	5.66%	6.63%	4.24%	3.35%	7/30/07
C (max 1.00% CDSC)	-8.40%	-1.12%	6.97%	7.09%	4.08%	2.96%	7/30/07

Historical total returns (as of 6/30/22)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
S	23.64%	3.88%	21.54%	-5.17%	14.83%	4.20%	-9.66%	3.32%	0.91%	9.52%

Performance is historical and does not guarantee future results. Investment returns and principal fluctuate so your shares may be worth more or less when redeemed. Current performance may differ from the data shown. Please visit www.dws.com for the fund's most recent month-end performance. Performance includes reinvestment of all distributions. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. It is not possible to invest directly in an index. Not all share classes are available to all investors. A minimum investment of \$1 million is required to open an account for Institutional shares.

* Class R performance prior to inception reflects that of Class A. Returns prior to inception reflect original share class performance, adjusted for higher operating expenses and maximum sales charge.

† If you're investing \$250,000 or more, you may be eligible to purchase Class A shares of this fund without a sales charge. However, redemptions within 12 months may be subject to sales charges. See the prospectus for details.

**The Refinitiv Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Refinitiv Lipper Fund Award. For more information, see lipperfundawards.com Although Refinitiv Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Refinitiv Lipper.

Expense ratio (as of latest prospectus)

Class	Net	Gross	Contractual Waiver
A	1.22%	1.29%	07/31/2023
C	1.97%	2.02%	07/31/2023
S	1.07%	1.12%	07/31/2023
INST	0.90%	1.00%	07/31/2023
R	1.47%	1.67%	07/31/2023
R6	0.90%	0.91%	07/31/2023

Without a waiver, returns would have been lower and any rankings/ratings might have been less favorable.

Portfolio and risk statistics⁴ (6/30/22)

Fund inception date	7/30/2007
Number of holdings	180
Total net assets	\$6 billion
Beta ⁵	1.11
Standard deviation ⁵	14.69

Fund information

Class	Symbol	CUSIP
A	AAAAX	25159K879
C	AAAPX	25159K887
S	AAASX	25159K804
INST	AAAZX	25159K705
R	AAAQX	25159K200
R6	AAAVX	25159K713

Fund details (fund data as of 6/30/22)

Fund inception date	7/30/2007
Total net assets	\$6.0 billion

Top equity holdings (6/30/22)

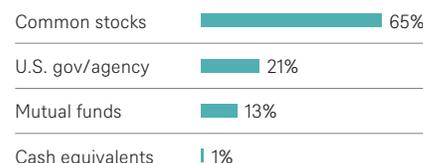
Crown Castle	4.8%
Enbridge	3.2%
American Tower	3.0%
SBA Communications	3.0%
Sempra Energy	3.0%
Williams Companies	2.9%
Cheniere Energy	2.3%
National Grid	2.0%
Canadian National Railway	1.8%
Terna - Rete Elettrica Nazionale	1.7%

Holdings-based data is subject to change.

Sector allocation (6/30/22)



Security type (6/30/22)



¹ Portfolio management believes that the blended index reflects the different components of the fund's typical asset allocations. Blended Index: 30% Dow Jones Brookfield Global Infrastructure Index measures the stock performance of companies that exhibit strong infrastructure characteristics. Index components are required to have more than 70% of cash flows derived from infrastructure lines of business. The index intends to measure all sectors of the infrastructure market (as of 6/30/22; 2.07% for the 1-yr, 4.45% for the 3-yr, 5.64% for the 5-yr, 7.58% for the 10-yr); 30% FTSE EPRA/NAREIT Developed Index represents general trends in global real estate equities (as of 6/30/22; -13.44% for the 1-yr, -1.07% for the 3-yr, 1.95% for the 5-yr, 4.69% for the 10-yr); 15% Bloomberg Commodity Index is composed of a diversified group of commodities and futures contracts on physical commodities (as of 6/30/22; 24.27% for the 1-yr, 14.34% for the 3-yr, 8.39% for the 5-yr, -0.82% for the 10-yr); 15% S&P Global Natural Resources Index includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across 3 primary commodity-related sectors: agribusiness, energy and metals/mining (as of 6/30/22; 2.27% for the 1-yr, 7.83% for the 3-yr, 8.21% for the 5-yr, 4.00% for the 10-yr); 10% Bloomberg U.S. Treasury Inflation Notes Total Return Index includes all publicly-traded U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade and have \$250 million or more of outstanding face value (as of 6/30/22; -5.14% for the 1-yr, 3.04% for the 3-yr, 3.21% for the 5-yr, 1.73% for the 10-yr).

² The MSCI World Index tracks the performance of stocks in select developed markets around the world, including the United States.

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⁴ Beta is a historical measurement of a fund's sensitivity to the movements of the fund's benchmark index. A fund with a beta greater than one is more volatile than the benchmark. A fund with a beta less than one is less volatile. Beta is based on a three-year period relative to the index. Standard deviation is a three-year statistical measure of the volatility of a fund's returns. Generally, the greater the standard deviation, the greater the fund's volatility. ⁵Source: Morningstar, Inc. as of 05/31/2022.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the fund and its investments.

Fund risk: Stocks may decline in value. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. There are special risks associated with an investment in real estate, including REITs. These risks include credit risk, interest rate fluctuations and the impact of varied economic conditions. Companies in the infrastructure, transportation, energy and utility industries may be affected by a variety of factors, including, but not limited to, high interest costs, energy prices, high degrees of leverage, environmental and other government regulations, the level of government spending on infrastructure projects, intense competition and other factors. The fund invests in commodity-linked derivatives which may subject the fund to special risks. Market price movements or regulatory and economic changes will have a significant impact on the fund's performance. Bond investments are subject to interest-rate, credit, liquidity and market risks to varying degrees. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Any fund that focuses in a particular segment of the market or region of the world will generally be more volatile than a fund that invests more broadly. The fund may lend securities to approved institutions. Please read the prospectus for details.

Consider the investment objective, risks, charges and expenses carefully before investing. For a summary prospectus, or prospectus that contains this and other information, download one from www.dws.com or talk to your financial representative. Read the prospectus carefully before investing.

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Section 5 OPEB Trust Review

**Town of Simsbury
OPEB Trust**

INVESTMENT POLICY STATEMENT

May 2017

Introduction & Purpose

The Town of Simsbury OPEB Trust (the “Trust”) has been established to provide post-employment retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Trust. This document is also intended to provide guidelines for managing the Trust, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Trust;
- Describes an appropriate risk posture for the investment of the Trust’s assets;
- Defines the responsibilities of the Board of Finance (the “Board”) and other parties responsible for the management of the Trust;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Trust as a whole.

Investment Objectives

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

- To achieve the stated actuarial target of the Trust;
- To maintain sufficient liquidity to meet the obligations of the Trust;
- To diversify the assets of the Trust in order to reduce risk;
- To achieve investment results over the long-term that compare favorably with those of other municipal investment pools, professionally managed portfolios and appropriate market indexes.

Assignment of Responsibilities

Board of Finance - The Board of Finance is charged with the responsibility of overseeing the assets of the Trust. To that end, the Board’s responsibilities include: establishing and maintaining the Trust’s investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, and return evaluation and for specific interpretation of said investment policy, as well as selecting the investment vehicles, and periodically monitoring the performance of investments. The Board, however, may establish rules or other resolutions governing its investment policy and may delegate to the board members or agents the authority to act. The Board will meet periodically. The Board shall discharge its duties with the care, skill, prudence and diligence

appropriate to the circumstances then prevailing. The Board recognizes that some risk must be assumed to achieve the Trust's long-term investment objectives.

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

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

Asset Allocation

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

Rebalancing

The Board of Finance, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

Selection Criteria for Investment Managers

Investment managers/funds retained by the Trust shall be chosen using the following criteria:

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

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

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

Securities Guidelines

The Trust's investments may include separately managed accounts and/or mutual funds/co-mingled funds, including marketable and non-marketable alternatives and exchange traded funds. The Board understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Policy Statement of each of the Trust's separately managed accounts or in the prospectus/offering memorandum for each mutual fund/co-mingled fund/exchange traded fund in the portfolio. No securities will be purchased, or carried, on margin.

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

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

Proxy Voting

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Town of Simsbury OPEB Trust. A copy of each firm's guidelines, and/or summary of proxy votes shall be provided to the Board of Finance upon request.

Investment Monitoring and Reporting

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

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

Watch list criteria may include the following:

- Performance relative to benchmark performance over various time frames;
- Deterioration of risk-adjusted performance;
- Notable style drift / change in investment objective;
- High manager fees relative to peers;
- Significant organizational or manager change.

Termination of an Investment Manager or Fund

A manager/fund may be terminated when the Board has lost confidence in the manager’s ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable time, may be grounds for termination.

Any recommendation to terminate a manager/fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include professional or client turnover, or material change to investment processes. Considerable judgment must be exercised in the termination decision process.

The process for selecting a replacement for a terminated manager would follow the

criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

Approval

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

Town of Simsbury OPEB Trust

Name: Thomas F. Cooke II

Signature: Thomas F. Cooke II

Date: May 17, 2011

Title: Director of Administrative Svcs

Appendix A

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Indices
Fixed Income	25.0%	35.0%	45.0%	Bloomberg Barclays Aggregate Index, Bloomberg Barclays U.S. TIPS Index
Domestic Equities	25.0%	35.0%	45.0%	S&P 500 Index, Russell Midcap Index, Russell 2000 Index
International Equities	15.0%	25.0%	35.0%	MSCI EAFE Index, MSCI Emerging Markets Index
Real Estate	0.0%	5.0%	10.0%	FTSE EPRA/NAREIT Developed ex U.S. Index, Cohen Steers Realty Majors Index

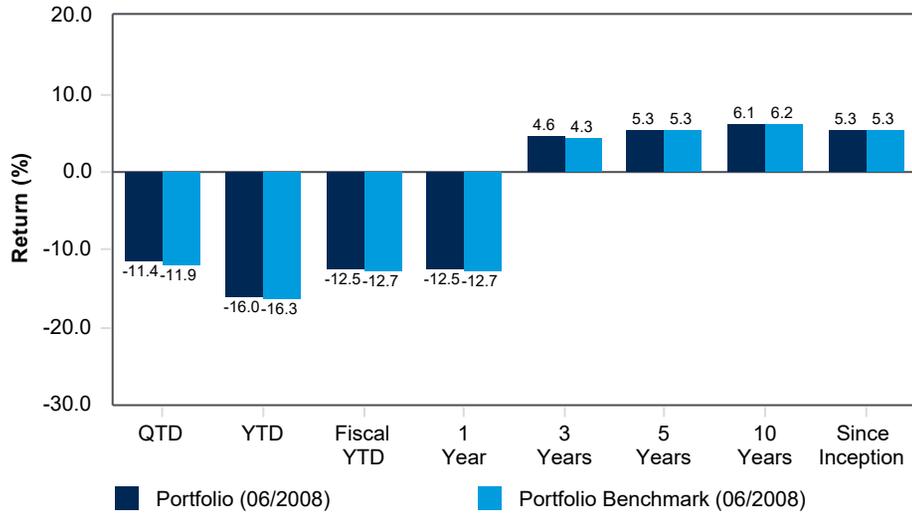


Portfolio Dashboard

Simsbury OPEB

As of June 30, 2022

Historical Performance



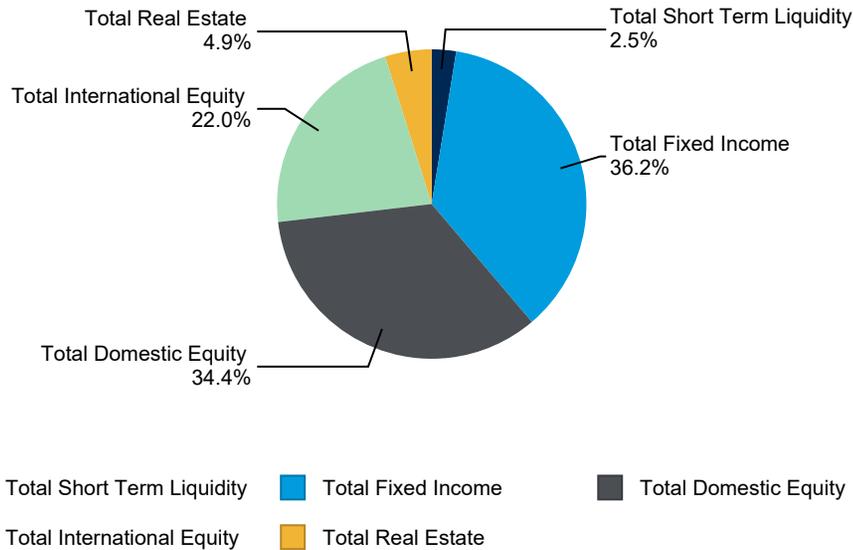
Summary of Cash Flows

	QTD	YTD	Fiscal YTD	1 Year	Since Inception
Beginning Market Value	22,322,930	23,534,197	22,606,283	22,606,283	1,364,267
Net Contributions	-	-	-	-	10,356,217
Gain/Loss	-2,549,509	-3,760,776	-2,832,862	-2,832,862	8,052,936
Ending Market Value	19,773,421	19,773,421	19,773,421	19,773,421	19,773,421

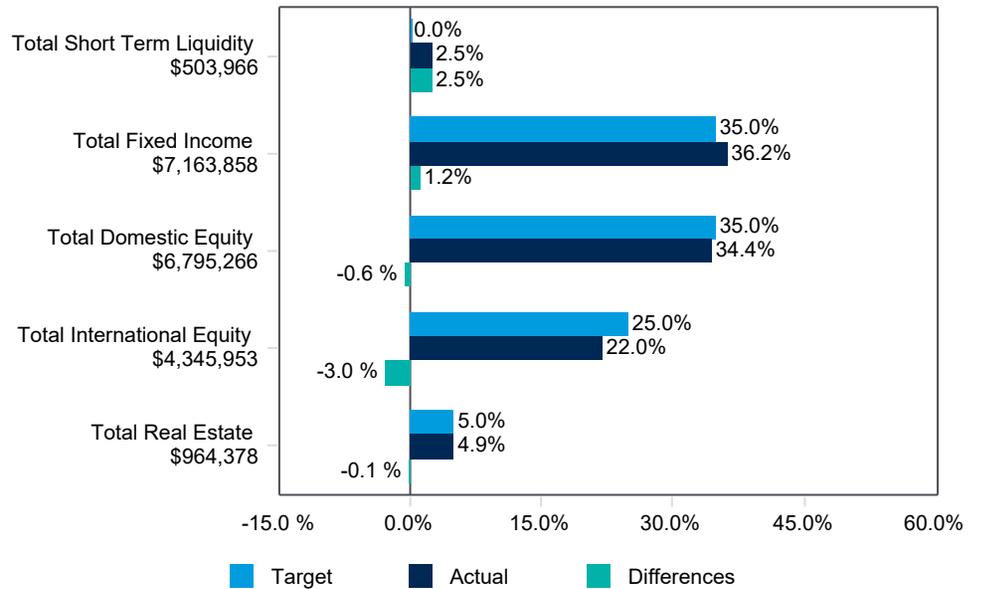
Current Benchmark Composition

From Date	To Date	Composition
04/2017	Present	17.50% Blmbg. U.S. Aggregate, 17.50% Blmbg. U.S. TIPS, 26.00% S&P 500, 6.00% Russell Midcap Index, 3.00% Russell 2000 Index, 19.00% MSCI EAFE (Net), 6.00% MSCI Emerging Markets (Net), 2.50% Cohen Steers Realty Majors Index, 2.50% FTSE EPRA/NAREIT Developed ex U.S. Index

Portfolio Allocation



Actual vs. Target Allocations





Asset Allocation

Simsbury OPEB

As of June 30, 2022

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Simsbury OPEB	19,773,421	100.0	100.0	0.0
Total Short Term Liquidity	503,966	2.5	0.0	2.5
Money Market Fund	503,966	2.5	0.0	2.5
Total Fixed Income	7,163,858	36.2	35.0	1.2
iShares TIPS Bond ETF	3,563,674	18.0	17.5	0.5
iShares Core U.S. Aggregate Bond ETF	3,600,184	18.2	17.5	0.7
Total Domestic Equity	6,795,266	34.4	35.0	-0.6
iShares Core S&P 500 ETF	5,200,421	26.3	26.0	0.3
iShares Russell Midcap Index Fund	1,097,604	5.6	6.0	-0.4
iShares Russell 2000 ETF	497,241	2.5	3.0	-0.5
Total International Equity	4,345,953	22.0	25.0	-3.0
iShares MSCI EAFE ETF	3,366,711	17.0	19.0	-2.0
iShares MSCI Emerging Markets ETF	979,242	5.0	6.0	-1.0
Total Real Estate	964,378	4.9	5.0	-0.1
iShares Cohen & Steers REIT ETF	534,290	2.7	2.5	0.2
iShares International Developed Property ETF	430,088	2.2	2.5	-0.3



Performance Overview

Simsbury OPEB

As of June 30, 2022

Trailing Performance Summary

	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Simsbury OPEB	-11.4	-16.0	-12.5	-12.5	4.6	5.3	5.4	6.1	5.3	06/2008
<i>Blended Benchmark</i>	<i>-11.9</i>	<i>-16.3</i>	<i>-12.7</i>	<i>-12.7</i>	<i>4.3</i>	<i>5.3</i>	<i>5.4</i>	<i>6.2</i>	<i>5.3</i>	<i>06/2008</i>

Calendar Year Performance Summary

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Simsbury OPEB	13.1	13.2	19.5	-6.1	14.9	6.5	-0.7	5.6	9.8	12.0
<i>Blended Benchmark</i>	<i>12.9</i>	<i>12.7</i>	<i>20.2</i>	<i>-5.8</i>	<i>15.0</i>	<i>6.6</i>	<i>-0.7</i>	<i>6.0</i>	<i>9.9</i>	<i>12.4</i>

Plan Reconciliation

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Simsbury OPEB								06/2008
Beginning Market Value	22,322,930	23,534,197	22,606,283	16,682,608	14,049,865	4,910,698	1,364,267	
Net Contributions	-	-	-	628,697	1,336,259	7,555,660	10,356,217	
Gain/Loss	-2,549,509	-3,760,776	-2,832,862	2,462,117	4,387,297	7,307,063	8,052,936	
Ending Market Value	19,773,421	19,773,421	19,773,421	19,773,421	19,773,421	19,773,421	19,773,421	

Benchmark Composition

	Weight (%)
Apr-2017	
Blmbg. U.S. Aggregate	17.5
Blmbg. U.S. TIPS	17.5
S&P 500	26.0
Russell Midcap Index	6.0
Russell 2000 Index	3.0
MSCI EAFE (Net)	19.0
MSCI Emerging Markets (Net)	6.0
Cohen Steers Realty Majors Index	2.5
FTSE EPRA/NAREIT Developed ex U.S. Index	2.5



Section 6 DC Plan Reviews



Fiduciary Governance Calendar



Fiduciary Trail[®]

Fiduciary Lockbox[®]

¹ Plan Sponsors should prudently select *and* monitor participant advice and managed accounts providers.



Investment Menu Review and Trends



Investment Menu Design

Illustrated below is a “Gap” analysis exercise. A Gap analysis is designed to help identify possible areas of opportunity within a plan’s investment menu, while at the same time reducing overlap and potential confusion. Proper diversification among the broader asset classes is important as it provides participants the ability to construct an appropriately allocated portfolio based on their specific risk and return needs. The number of participants invested in each fund are shown below.

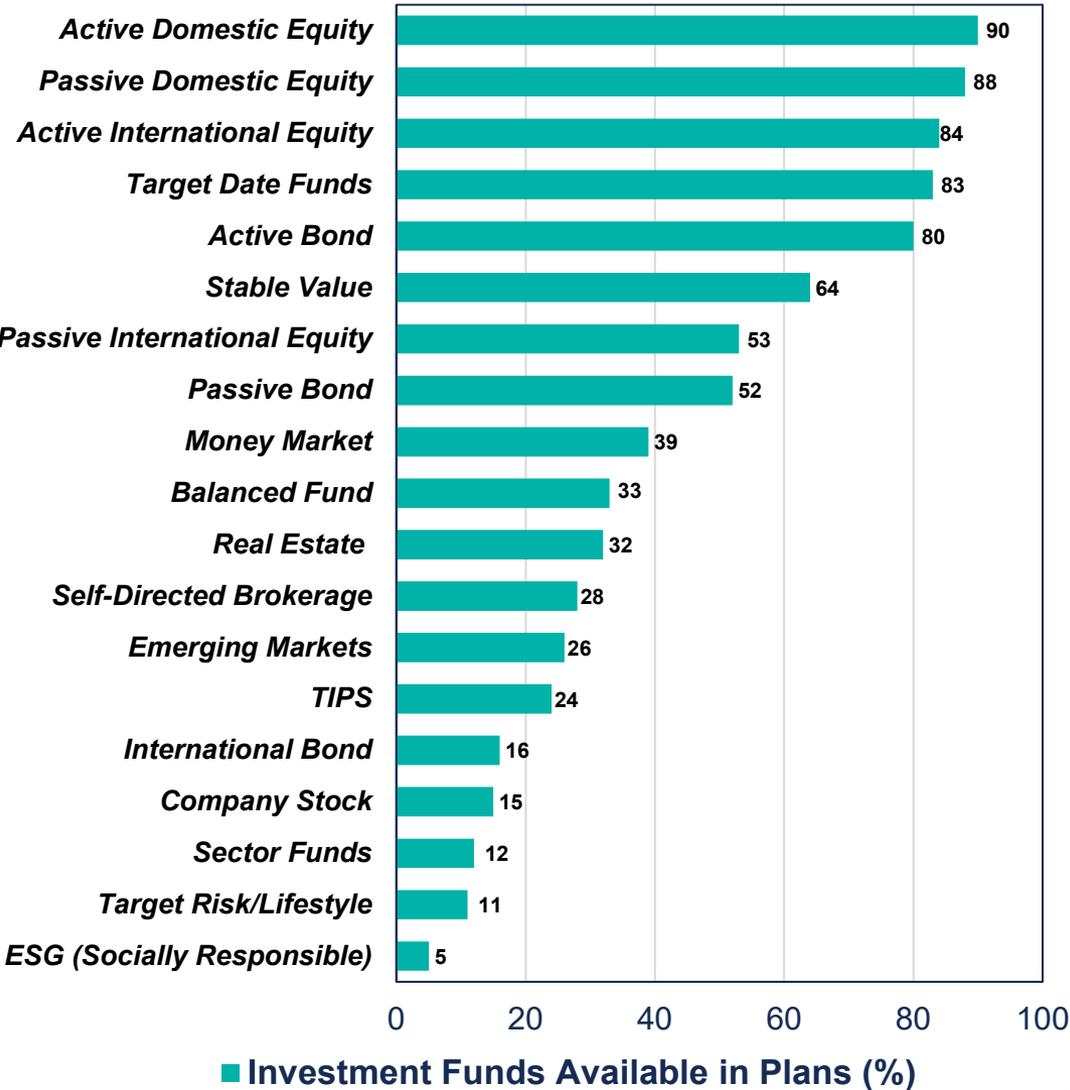
<u>Multi Asset</u>	<u>Capital Preservation</u>	<u>Fixed Income</u>	<u>Domestic Equity</u>			<u>Global / International</u>	<u>Other</u>
			<u>Large Value</u>	<u>Large Blend</u>	<u>Large Growth</u>		
Suite of T. Rowe Price Retirement Funds I* 401(a): 44 BOE: 68 457: 109	VantageTrust PLUS Fund R10 401(a): 1 BOE: 66 457: 51	Fidelity US Bond Index 401(a): 2 BOE: 5 457: 11 Western Asset Core Plus Bond IS 401(a): 1 BOE: 2 457: 22	Fidelity Large Cap Value Index 401(a): 1 BOE: 0 457: 3 MFS Value Fund R6 401(a): 2 BOE: 5 457: 39	Fidelity 500 Index 401(a): 5 BOE: 16 457: 63	Fidelity Large Cap Growth Index 401(a): 2 BOE: 1 457: 5 T. Rowe Price Growth Stock I 401(a): 2 BOE: 14 457: 55	Fidelity Total International Index 401(a): 1 BOE: 0 457: 4 Hartford International Opportunities R6 401(a): 3 BOE: 9 457: 31	
			<u>Small/Mid Value</u>	<u>Small/Mid Blend</u>	<u>Small/Mid Growth</u>		
			Fidelity Mid Cap Value Index 401(a): 0 BOE: 0 457: 1 Vanguard Explorer Value Inv 401(a): 2 BOE: 9 457: 25 Fidelity Small Cap Value Index 401(a): 0 BOE: 0 457: 2	Fidelity Extended Market Index 401(a): 4 BOE: 12 457: 28	Fidelity Mid Cap Growth Index 401(a): 0 BOE: 0 457: 2 Eaton Vance Atlanta Capital SMID-Cap R6 401(a): 2 BOE: 8 457: 32 Fidelity Small Cap Growth Index 401(a): 0 BOE: 0 457: 1		

¹ Source: MissionSquare
Number of participants as of 6/30/22
² Total number of participants with a balance as of 12/31/21:
401(a): 41
BOE: 116
457: 208

*Indicates the current Qualified Default Investment Alternative (QDIA)

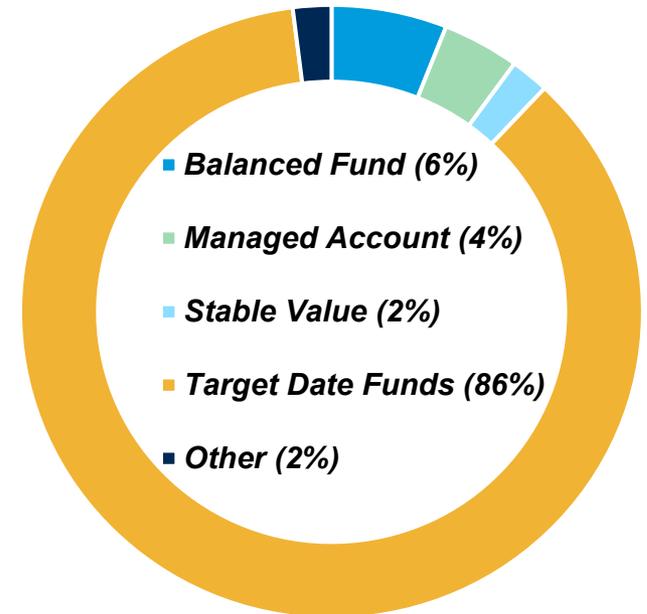


Investment Menu Benchmarking¹



- ▶ 85% of all plans are currently offering a Qualified Default Investment Alternative (QDIA)
- ▶ 10% of all plans are currently offering a Lifetime Income option to participants

Type of QDIA Used by Participants



¹Source: PSCA's 64th Annual Benchmarking Survey of 401(k) Plans. Benchmarking reflects data for all plan sizes as of December 2020.



Industry Trends

Menu Design Considerations

Trends in menu design have migrated toward being more streamlined and simplified. A key duty for a fiduciary committee is to create and monitor investment menus. This can help to promote employee retirement readiness. However, there are several factors plan sponsors may consider when creating and monitoring an investment menu. Below are a few considerations:

- ❑ A tiered menu to simplify the investment selection process for participants;
- ❑ Intentionality with respect to the number and type of asset classes offered;
- ❑ Broadly diversified investment funds;
- ❑ Tools to help participants with asset allocation and savings rates.

Environmental, Social and Governance (ESG) Investing

The Department of Labor proposed a revised rule to clarify fiduciary responsibilities when selecting ESG investment options, which includes categorizing certain types of ESG strategies broadly with proper disclosure requirements and exercising shareholder proxy voting rights in DC plans.¹

Although interest in ESG investing has grown, many participants remain unfamiliar with ESG investing, which has thus far resulted in relatively low utilization when plan sponsors add ESG focused options to plan investment menus.

- ❑ Surveys indicate 23% of all investors do not have any knowledge of ESG investing, and 20% say they have heard of it but are not familiar with ESG strategies.¹
- ❑ 59% of investors who are not currently involved or never knew of ESG investing say they are interested in investing in such options.¹

Retirement Income

Today, more people are relying entirely on defined contribution plans to retire, and the industry is finding that plan participants are at risk of outliving their savings. To address this concern, an increasing number of plan sponsors are considering the addition of products geared towards decumulation. In-Plan Retirement Income solutions vary by structure, with some providing guaranteed returns and others providing greater liquidity and portability for the participant. Some of the structures that exist today include:

- ❑ Target date funds with decumulation offerings
- ❑ Managed payout funds
- ❑ Managed accounts with decumulation features
- ❑ Guaranteed Minimum Withdrawal Benefits (GMWB)
- ❑ Annuities (QLAC, Immediate, etc.)

Cryptocurrency

In the first quarter of 2022, the Department of Labor issued guidance on the investment of retirement plan assets in cryptocurrencies. Below are a few key considerations for plan sponsors:

- ❑ The DOL cautions plan fiduciaries to “exercise extreme care” before allowing participants to invest plan assets in cryptocurrencies. The DOL indicated, “Cryptocurrencies present significant risks and challenges to participants’ retirement accounts, including significant risks of fraud, theft, and loss”.²
- ❑ The DOL expects to investigate plans that allow participants to invest their plan accounts in cryptocurrencies.²
- ❑ Employers who offer self-directed brokerage accounts may consider working with their ERISA counsel to review disclosures in an effort to address any potential fiduciary concerns.

In response to the DOL’s guidance, a lawsuit was issued against them for issuing guidance without following the correct notice and comment procedures under the Administrative Procedure Act (APA).⁶³

¹ PlanSponsor.com as of August 2021

² Department of Labor as of March 2022



QDIA Analysis



DOL Target Date Guidance

The Department of Labor recommends¹ a plan sponsor consider the following, in addition to other criteria, when choosing a target date fund:

- ✓ Establish a process for comparing and selecting target date funds including reviewing participant population information
- ✓ Understand the fund's investments – asset class allocation, individual investments, and how these will change over time
- ✓ Review the fund's fees and investment expenses
- ✓ Inquire about whether a custom or non-proprietary target date fund would be a better fit for your plan
- ✓ Take advantage of available sources of information to evaluate the target date fund and recommendations you receive regarding the target date fund selection
- ✓ Document the process



Target Date Landscape

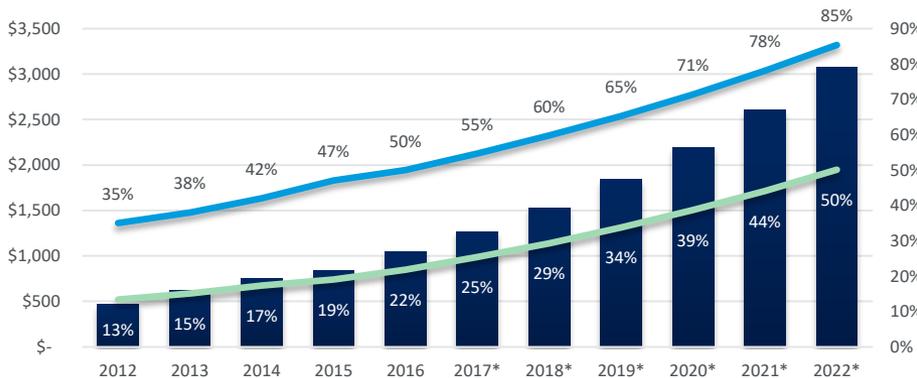
Highly Utilized

Since the Pension Protection Act in 2006 allowed for Target Date Funds to qualify as a QDIA, these products have quickly become the primary investment of participants within defined contribution plans.

It is estimated that Target Date assets could soon account for the majority of assets within the defined contribution industry¹.

Target Date AUM – Percentage of Contributions

TDFs Assets Under Management \$Billions (U.S. only)



¹Cerulli Associates Inc.
* Estimated

- TDF Assets
- TDF Contributions as a % of 401(k) Contributions
- TDF Assets as a % of 401(k) Assets

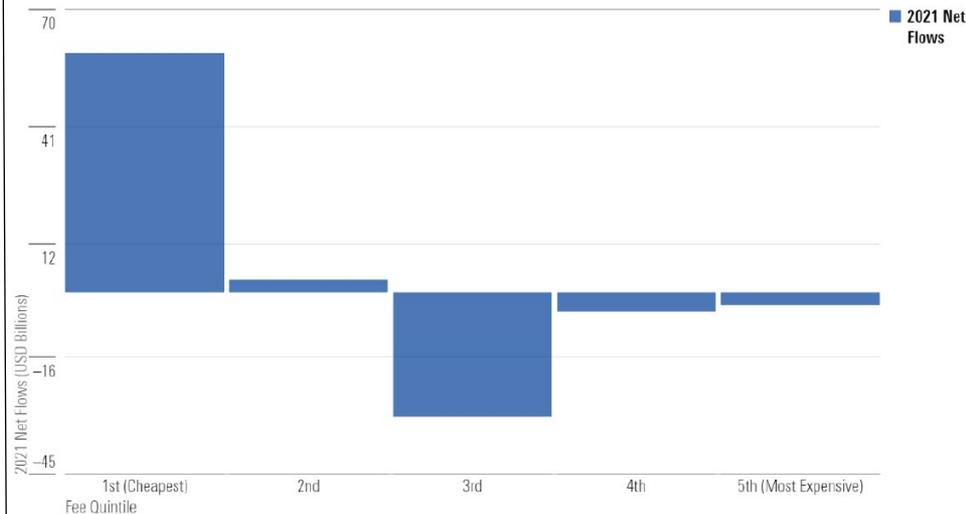
Source: RPAG Target Date, Morningstar 2022 Annual Target Date Strategy Landscape as of March 2022

Prominence of Passive

Cash flows and AUM of Target Date investments has increased dramatically. At the end of 2021, Target Date assets were \$3.27 trillion, an increase of nearly \$500B from 2020 year-end.

Passive options continue to garner the majority of assets, a trend that has persisted in recent years and was evident again in 2021.

Target Date Mutual Fund Net Flows by Fee Quintile



Source: Morningstar Direct and author's calculation. Data as of Dec. 31, 2021



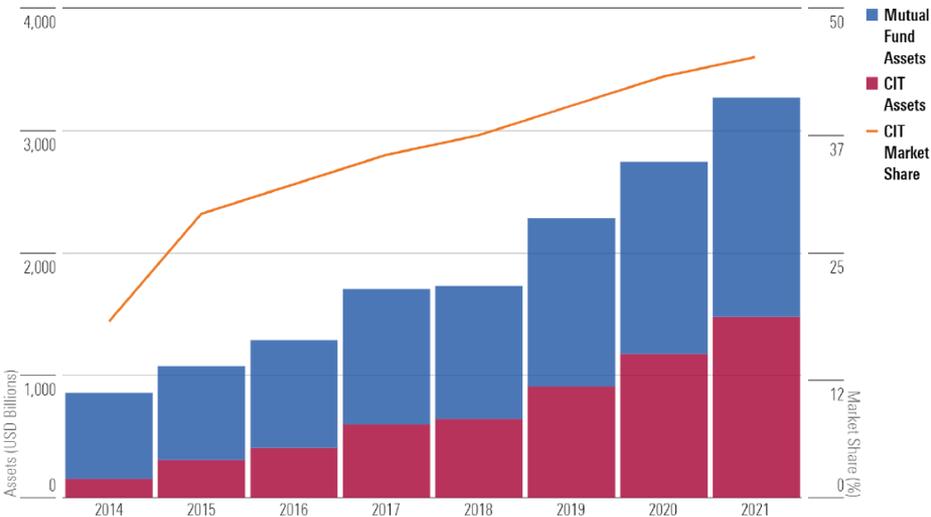
Target Date Industry Trends

CIT Vehicles

Commingled Investment Trust (CIT) vehicles saw the majority of net inflows in 2021 and could soon account for more assets than Mutual Funds within the Target Date space.

The potential for lower investment minimums and lower expenses, combined with improved transparency and participant-level reporting, are largely responsible for the increased interest and utilization of CIT vehicles¹.

Total Target Date Assets by Vehicle

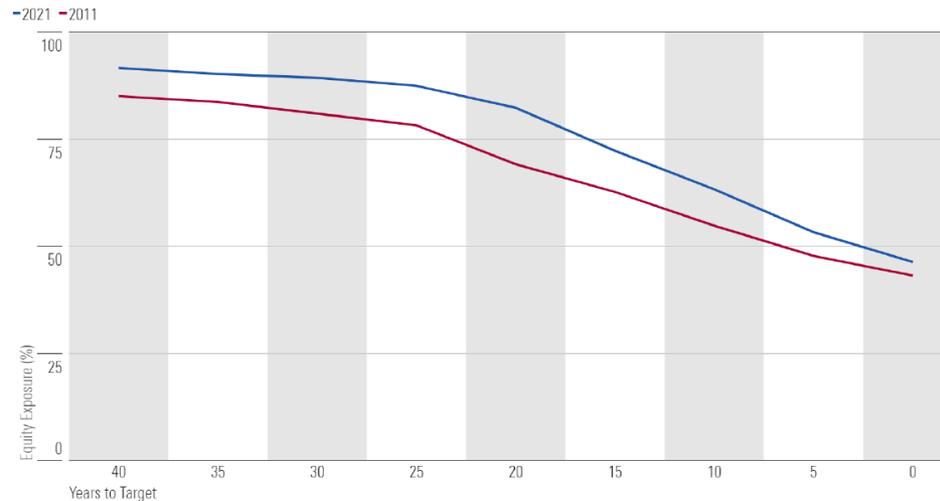


Source: Morningstar Direct, author's calculation, and surveyed data. Data as of Dec. 31, 2021

Increased Equity

An increase to the strategic equity glide path has been a common change made by many TDF managers over the past few years. The rationale is manager dependent, but many site lower long-term capital market expectations, as well as evolving participant trends. Some of the participant trends include remaining in the work force longer, remaining in their work-place retirement plan after retirement, as well as a greater willingness to “stay the course” with fewer transactions, relative to non-TDF investors.

Median Equity Glide Path – 2011 vs. 2021



Source: Morningstar Direct and author's calculation. Data as of Dec. 31, 2021

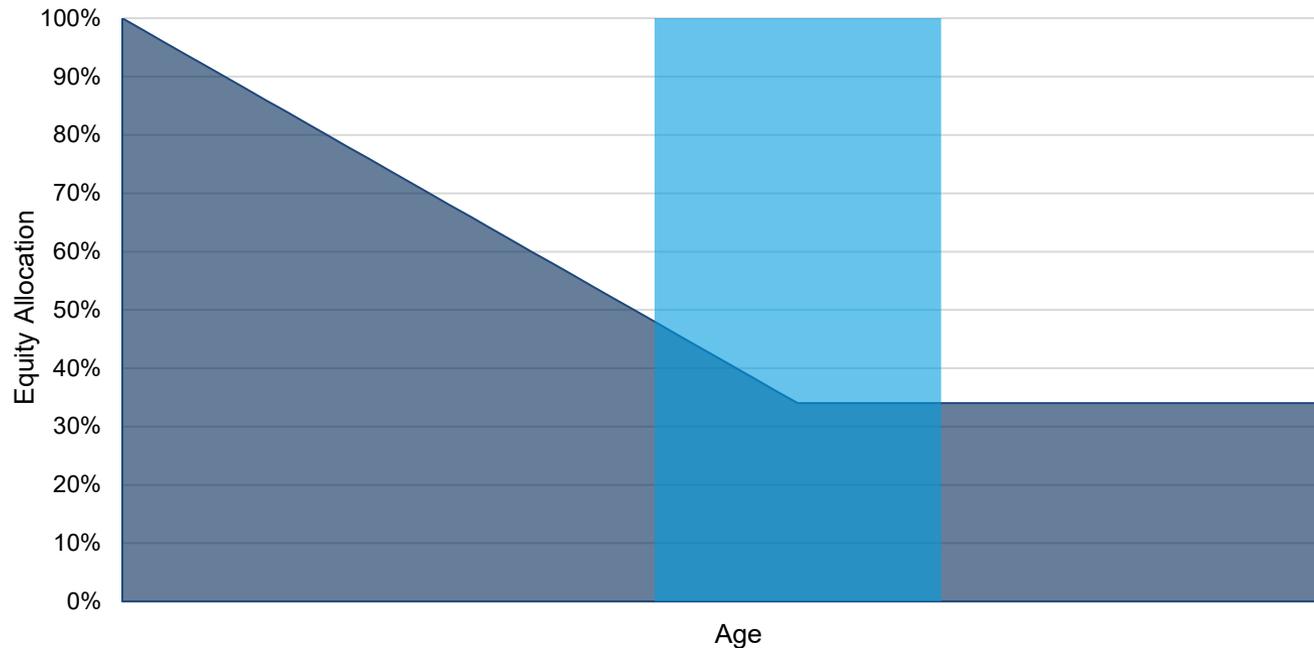
¹Commingled Investment Trusts, are currently unavailable to 403(b) plans.



Target Date Portfolio Overview

Target date portfolios are designed to be a single investment that automatically reallocates for investors based on their expected retirement date.

The glide path describes the manner in which a target date portfolio de-risks over time as the participant ages. Arguably, this is the most important aspect of a target date portfolio. It will be the primary driver of return and risk that the investor experiences over the lifetime of the investment.





Target Date Objectives

The risks a participant faces while saving for retirement fall broadly into two competing categories, *longevity risk* and *market risk*. Target date products that focus on *longevity risk* seek to reduce the risk of an individual running out of money in retirement. Products that focus on *market risk* have a greater concern for the volatility of account balances. No single target date product optimally addresses both of these risks simultaneously.





T. Rowe Price Retirement Funds

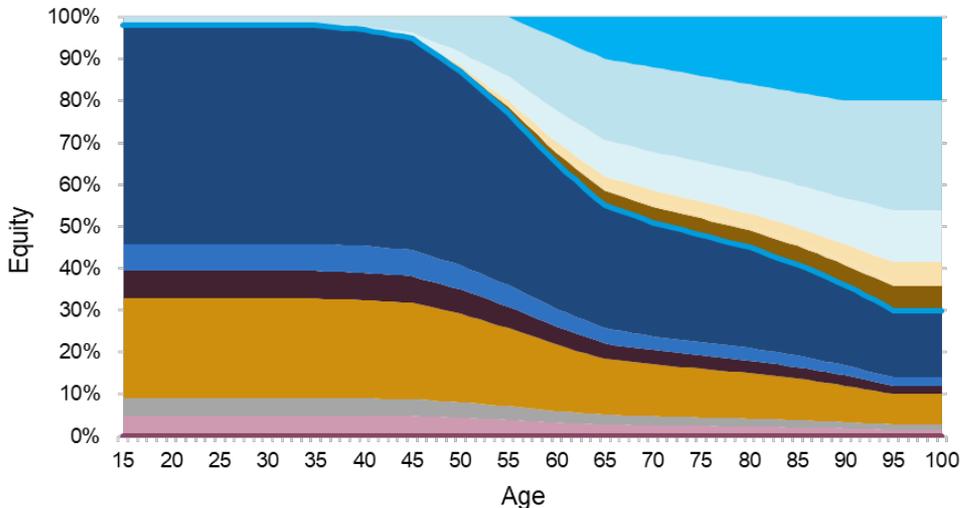
Strategy Overview:

- Launched in 2002, this strategy is run by lead PM Wyatt Lee, but final decisions are made by the T. Rowe Price Asset Allocation Committee.
- Utilizing internal T. Rowe Price strategies, the glide path is allocated primarily with active strategies.
- Portfolios are chosen based on desired asset class exposure, not the portfolio manager's assessment of a strategy's team and abilities.
- Tactical allocations can be made up to +/- 5% from the glide path. The team tends to look for allocation changes that are based on a 12 - 18 month timeframe.
- The strategy can be accessed through both mutual funds and collective trusts.
- The strategy is available in five-year increments (2005 – 2065).

Updates:

- In September 2021, T. Rowe announced the addition of the U.S. Structured Research Equity strategy as a building block for the Retirement Funds.
- In May 2020, T. Rowe Price began to implement a change to the strategic glide path for its Retirement Funds, maintaining higher equity exposures across certain parts of the glide path.
- In June 2017, T. Rowe Price announced the intention to modify their fixed income allocations adding additional asset classes to diversify their current holdings. These modifications were implemented in 2016 and did not result in a change in cost for investors. A prior change occurred in 2011 when international equities increased relative to domestic equities. The total level of equities remained unchanged.

Asset Allocation



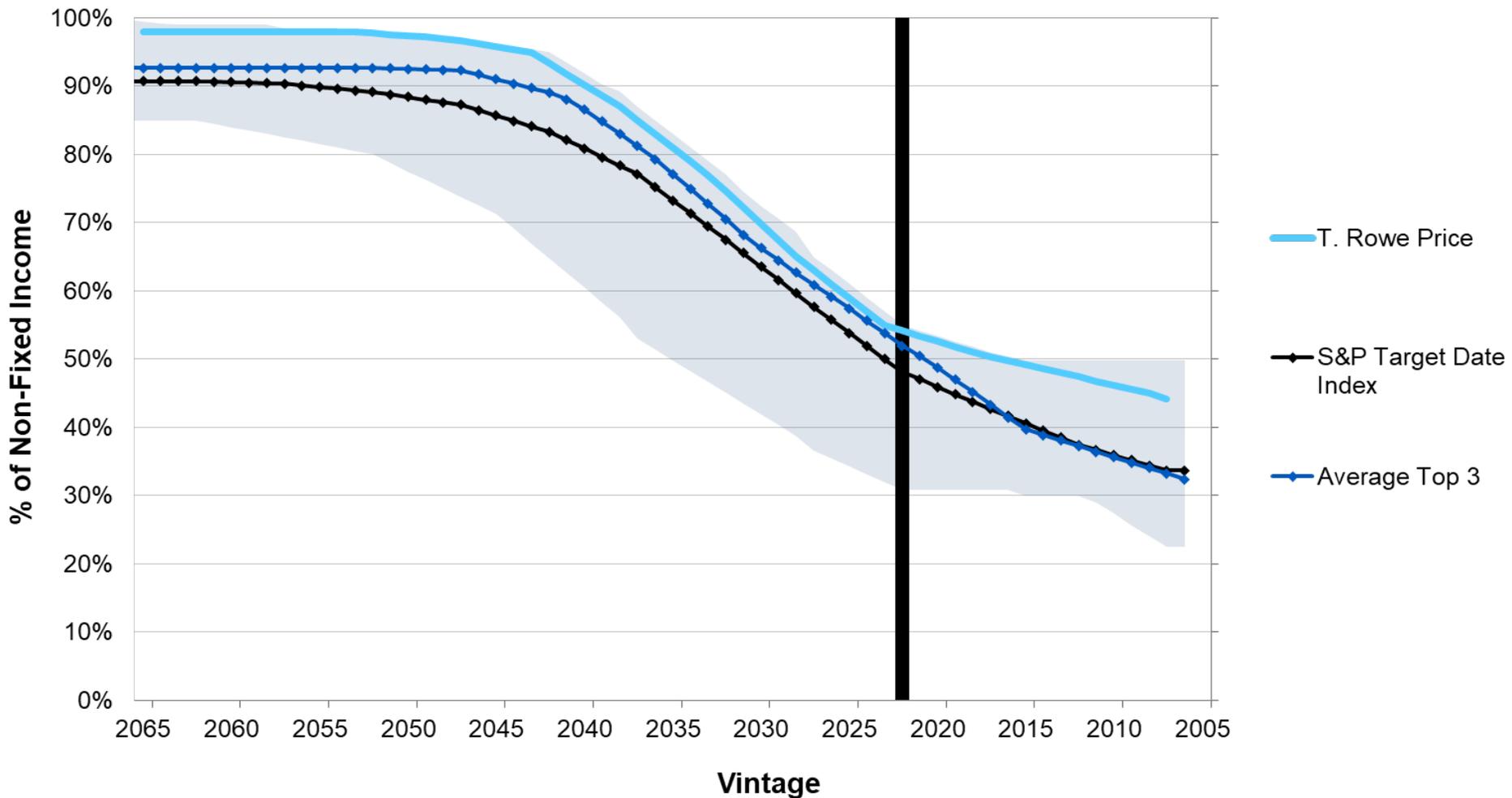
Inflation Risk Asset Classes	Implementation
TIPS	Passive Intermediate
Real Estate	Active Domestic
Commodities	Active

Longevity Risk Asset Classes	Implementation
Large Cap Equities	Active/Passive Value, Core, Growth
Mid Cap Equities	Active Core, Growth
Small Cap Equities	Active Core, Growth
Non-U.S. Equities	Active Value, Core, Growth
Emerging Markets Equities	Active Growth, Value
High Yield Bond	Active Domestic, Floating Rate
Emerging Markets Bond	Active

Market Risk Asset Classes	Implementation
Investment Grade Fixed Income	Active Short, Active/Passive Intermediate
Non-U.S. Fixed Income	Passive Intermediate
Cash	Cash, Govt. Money Market



Glide Path Comparisons

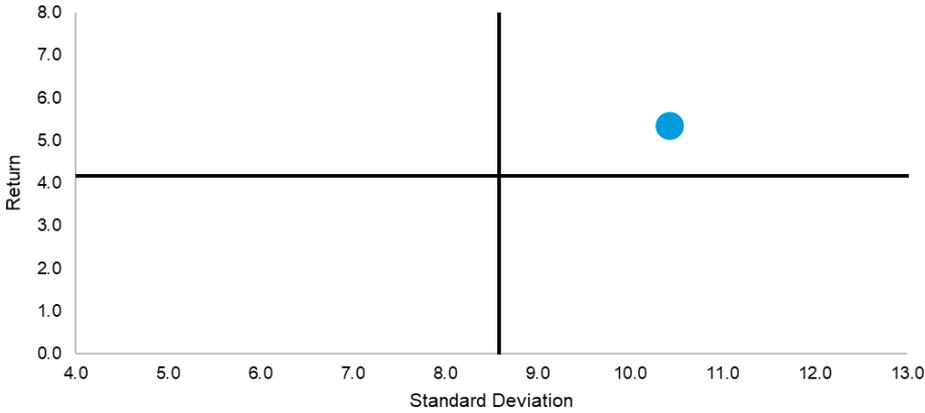


Average Top 3 are the strategic equity glide paths of Vanguard, Fidelity & T. Rowe Price.



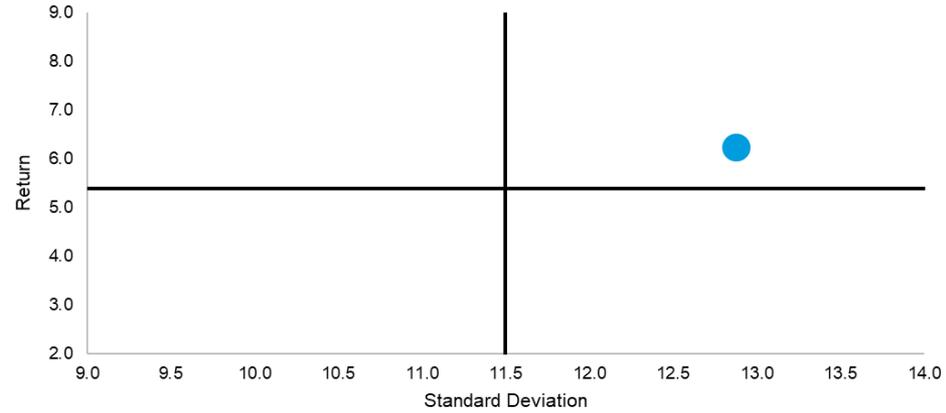
Five Year Risk-Return

2020 Vintage Risk-Return



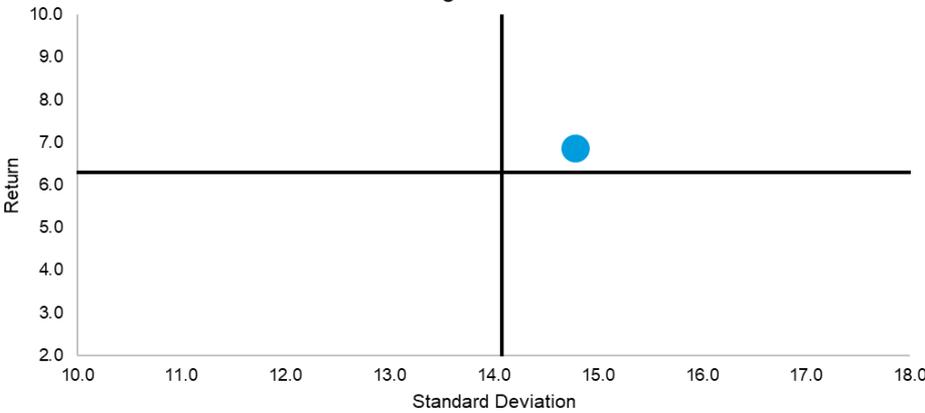
+ Benchmark 1: S&P Target Date 2020 TR USD • T. Rowe Price Retirement | 2020 I

2030 Vintage Risk-Return



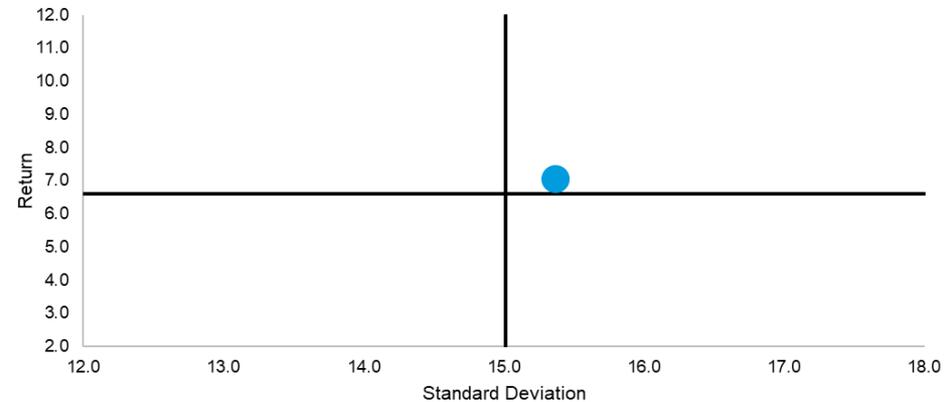
+ Benchmark 1: S&P Target Date 2030 TR USD • T. Rowe Price Retirement | 2030 I

2040 Vintage Risk-Return



+ Benchmark 1: S&P Target Date 2040 TR USD • T. Rowe Price Retirement | 2040 I

2050 Vintage Risk-Return



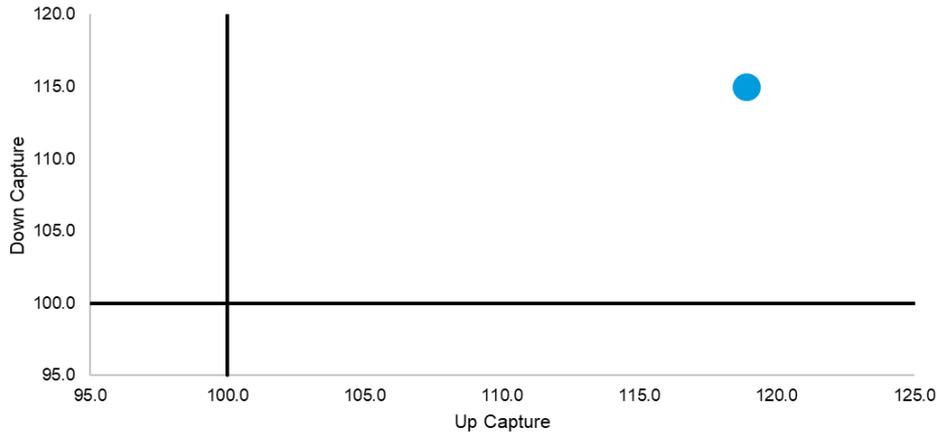
+ Benchmark 1: S&P Target Date 2050 TR USD • T. Rowe Price Retirement | 2050 I

Source: Morningstar Direct, as of June 30, 2022.



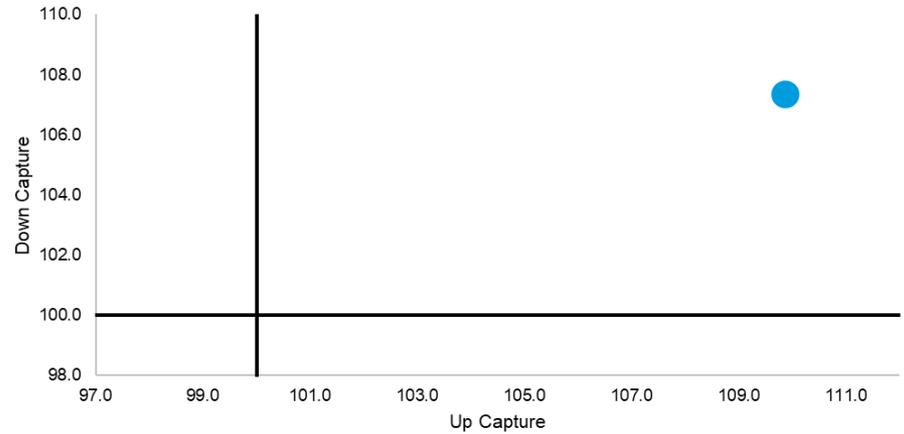
Five Year Market Capture

2020 Vintage Market Capture



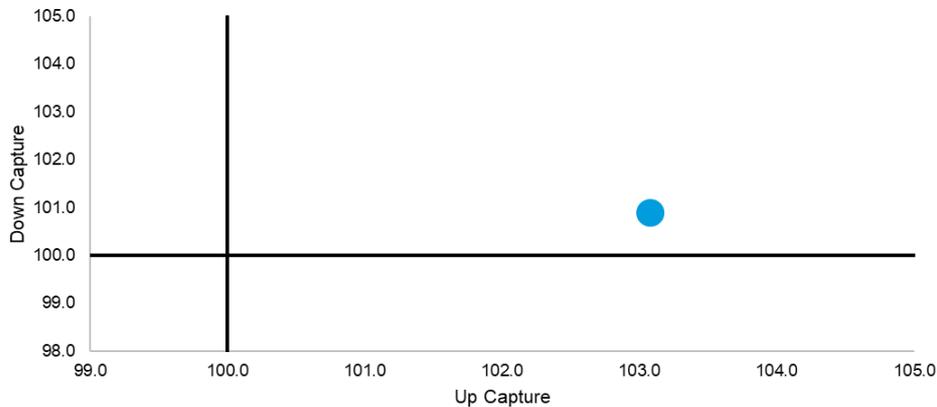
+ Benchmark 1: S&P Target Date 2020 TR USD • T. Rowe Price Retirement | 2020 I

2030 Vintage Market Capture



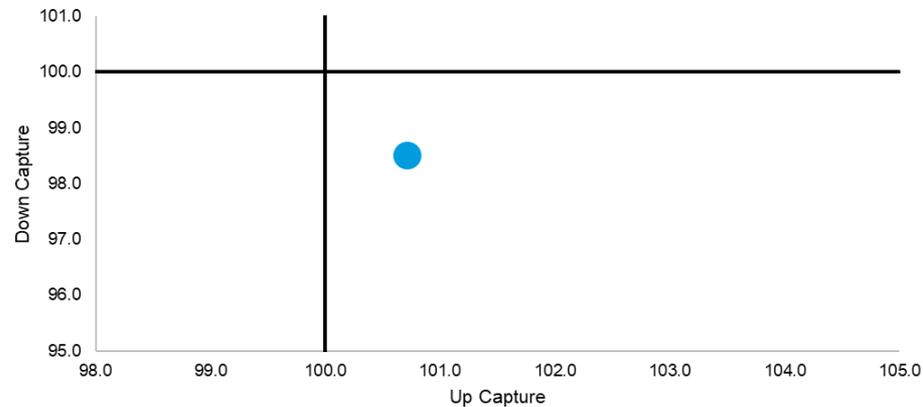
+ Benchmark 1: S&P Target Date 2030 TR USD • T. Rowe Price Retirement | 2030 I

2040 Vintage Market Capture



+ Benchmark 1: S&P Target Date 2040 TR USD • T. Rowe Price Retirement | 2040 I

2050 Vintage Market Capture



+ Benchmark 1: S&P Target Date 2050 TR USD • T. Rowe Price Retirement | 2050 I

Source: Morningstar Direct, as of June 30, 2022.



Stable Value Analysis



What is Stable Value?

Stable Value:

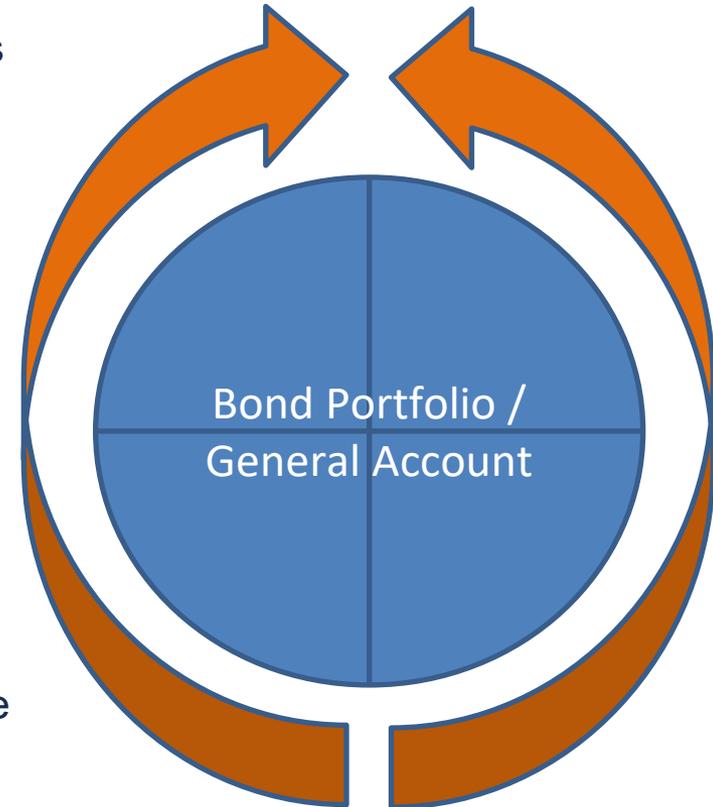
- Unique portfolios that utilize insurance to stabilize assets and smooth returns giving the appearance of cash like returns at a superior rate relative to true cash over time

Underlying Portfolio:

- The portfolios underlying stable value investments are generally made up of high-quality bonds, with a duration typically less than three years or are a highly diversified general account

Insurance:

- Also known as “wrap” contracts, these insurance products are what differentiate stable value from bond portfolios. Due to the insurance agreement, the portfolio can be marked at “book value” not “market value”. These contracts are written mostly by insurance companies on their own or on third party products



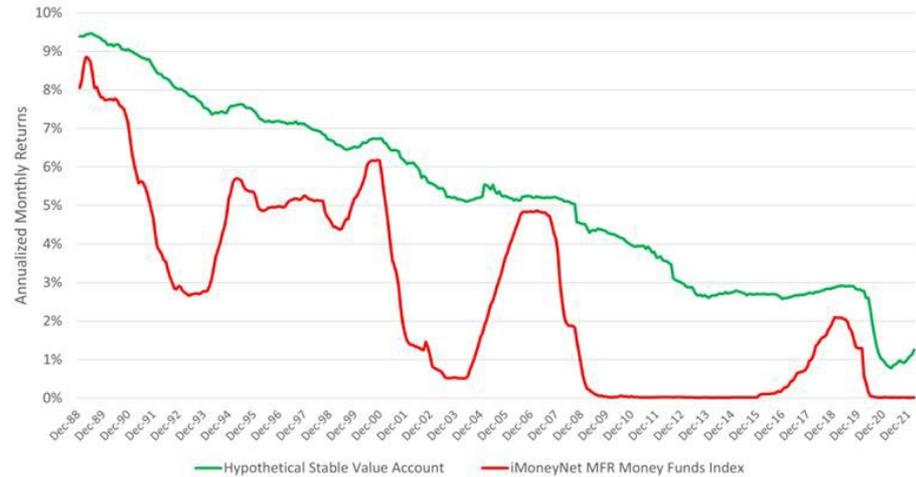


Capital Preservation – Impacts During Rising Rate Environment

Capital preservation offerings react differently to interest rate changes.

- During periods of rising interest rates, the shorter maturities held within a money market fund allow the portfolio to more quickly reflect higher market yields.
- This phenomena is typically temporary as stable value portfolios tend to outpace money market strategies over time, given their exposure to longer duration assets and the typically upward sloping nature of the yield curve.
- Yield curve inversions tend to be uncommon and on average have a duration of 7.25 months*.
- The starting points for both money market and stable value yields and the shape of the yield curve is important when considering the relative impact of rising interest rates.
- Stable value portfolios are designed to shelter participants from the impacts of rising interest rates as the use of wrap providers and book value accounting allows for a more stable return profile when compared to a similar short term bond portfolio.
- Aside from movements in interest rates or credit spreads, portfolio cash flows can also have an impact on market-to-book ratios and overall portfolio health.

Stable Value vs. Money Market Funds
12/31/1988 to 3/31/2022



Source: Stable Value Investment Association “Stable Value” is a simulation of book value returns in a hypothetical fund holding intermediate bonds and stable value wrap contracts, with crediting interest rates reset monthly using the industry accepted crediting rate formula. The bond returns incorporated into the simulation are monthly market value returns from the Barclays Intermediate Government/Credit Bond Index, with gains/losses reflected in future crediting rates by amortizing market-vs.-book values over intermediate bond index durations. This simulation incorporates no ongoing cash flows into or out of the fund. Returns illustrated are gross before any fees. “Money Market” is a simulation of money market returns from the iMoneyNet MFR Money Funds Index. Returns illustrated are gross before any fees.

Stable Value Analyzer

Fact Sheet - MissionSquare PLUS Stable Value

Inception Date: 01/02/1991

Category: Stable Value

Date as of: 03/31/2022

Strategy

MissionSquare Investments seeks to provide stable value participants with capital preservation by limiting the risk of loss of principal and delivering stable returns. Each stable value portfolio seeks to balance the primary goal of capital preservation with the multiple objectives of returns higher than those of money market funds and short-term bank rates over the long run, stability of returns, rate responsiveness, and liquidity for client needs.

Put Option/Plan Termination Details 12 Months

MissionSquare Investments retains full discretion to fund employer withdrawals from the PLUS Fund in an orderly manner over a period of not more than 12 months. This restriction on Employer withdrawals from the PLUS Fund does not apply to participant directed withdrawals from the Fund.

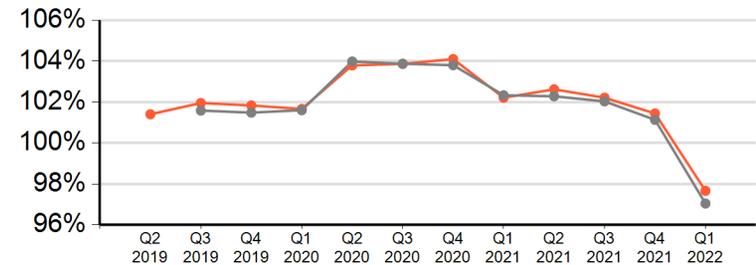
Share Class Options

Share Class	Cusip	Wrap Fee %	Inv Mgmt %	Trustee/ Other	Total Exp Ratio %	Rev Share %	\$Min
R13	92210J135	0.11%	0.15%	0.11%	0.37%	0.00%	\$100,000,000
R1	92208J105	0.11%	0.30%	0.91%	1.32%	0.00%	\$0
R3	92208J204	0.11%	0.30%	0.65%	1.06%	0.00%	\$0
R5	92208J303	0.11%	0.30%	0.36%	0.77%	0.00%	\$0
R7	92208J501	0.11%	0.30%	0.26%	0.67%	0.00%	\$0
R8	92208J501	0.11%	0.30%	0.21%	0.62%	0.00%	\$0
R9	92208J600	0.11%	0.30%	0.16%	0.57%	0.00%	\$0
R10	92208J709	0.11%	0.30%	0.11%	0.52%	0.00%	\$0
R11	92210J150	0.11%	0.25%	0.11%	0.47%	0.00%	\$50,000,000
R12	92210J143	0.11%	0.20%	0.11%	0.42%	0.00%	\$75,000,000

Fund Information Universe Median

AUM (\$mm):	\$11,405.00	\$7,484.00
% in Top 10 Accounts	22.00%	16.66%
Platform Availability	Proprietary	-
Portfolio Manager	Karen Chong-Wulff	-
Manager Tenure	14 years	23 years

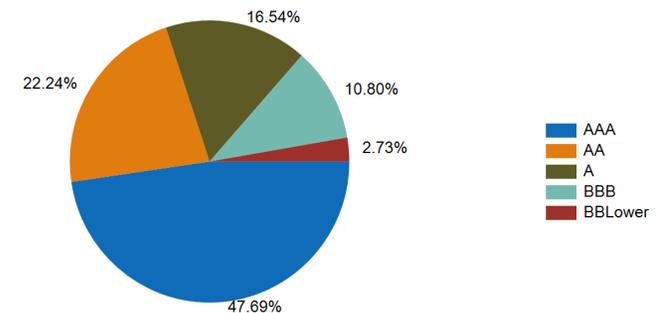
Market-to-Book



Current Market-to-Book: 97.67%

Universe Median: 97.05%

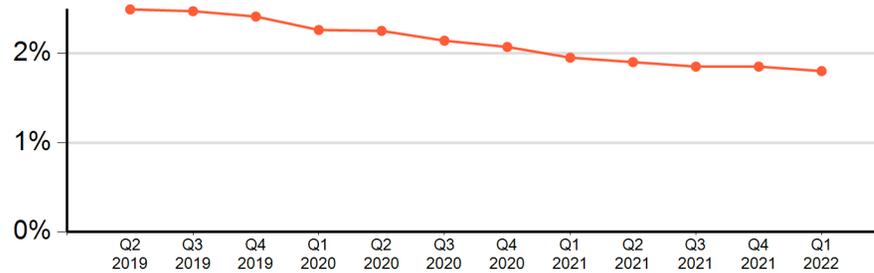
Credit Quality



Stable Value Analyzer

Fact Sheet - MissionSquare PLUS Stable Value

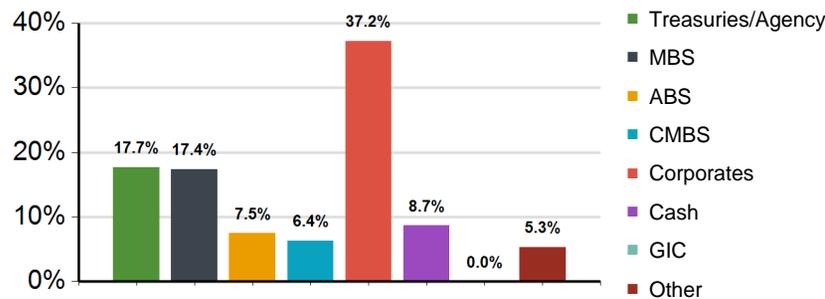
Crediting Rate



Current Crediting Rate: 1.80%

Universe Median: 1.70%

Sector Breakdown



Portfolio Information

		Universe Median
Crediting Rate Reset Period:	Daily	-
Number of Underlying Managers:	13	1
Cash Flows QTR:	\$283,670,675	\$24,400,000
Cash Flows YTD:	\$283,670,675	\$60,460,137
Cash Flows 1Yr:	\$69,738,920	(\$5,753,773)
High Yield Policy:	-	-

Expenses:

		Universe Median
*Lowest Cost Share Class		
Wrap Fee:	0.11%	0.14%
Inv. Mgmt. Fee:	0.15%	0.20%
Trustee Fee/Other:	0.11%	0.05%
Total Expense Ratio:	0.37%	0.38%

Portfolio Statistics

		Universe Median
Avg Duration (years):	2.71	3.05
Avg Maturity (years):	4.52	4.29
Avg Credit Quality (S&P):	AA-	AA-
Current Yield:	2.61%	2.80%

Performance

		Universe Median
*Net Lowest Cost Share Class (\$0 Min)		
Quarter:	0.44%	0.41%
YTD:	0.44%	0.42%
1 Year:	1.85%	1.69%
3 Year:	2.14%	2.03%
5 Year:	2.18%	2.03%
10 Year:	2.18%	1.88%

Wrap Providers

Provider	Weighting	Credit Quality
Massachusetts Mutual Life Ins. Co.	6.73%	AA+
Metropolitan Tower Life Ins Co.	7.91%	AA-
New York Life Ins. Co.	9.32%	AA+
Pacific Life Ins. Co.	13.39%	AA-
Principal Life Ins. Co.	5.83%	A+
Prudential Ins. Co. of America	12.86%	AA-
Transamerica Life Ins. Co.	15.76%	A+
Universe Median		
Total Number of Wrap Providers	8	8.000
Percent Credit Quality		
% Traditional GIC:	-	-
% Synthetic GIC:	-	-

The performance analysis displayed is reflective of past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate over time. Current performance may differ from the performance displayed. Investing includes risk, including potential loss of principal. Investors should carefully consider the investment objectives, risks, charges and expenses of the investment company before investing. Contact your financial advisor or consultant for the most recent performance and strategy information.



Asset Allocation

Simsbury DC

As of June 30, 2022

	Jun-2022		Mar-2022		Dec-2021		Sep-2021	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%
T. Rowe Price Retirement I 2005 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2010 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2015 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2020 I	654,626	4.9	730,659	4.7	770,053	4.7	752,351	4.8
T. Rowe Price Retirement I 2025 I	235,418	1.7	264,304	1.7	278,772	1.7	269,409	1.7
T. Rowe Price Retirement I 2030 I	736,474	5.5	895,736	5.8	955,044	5.8	909,206	5.8
T. Rowe Price Retirement I 2035 I	22,158	0.2	23,545	0.2	5,315	0.0	6,644	0.0
T. Rowe Price Retirement I 2040 I	256,496	1.9	280,025	1.8	301,094	1.8	274,775	1.8
T. Rowe Price Retirement I 2045 I	7,417	0.1	4,445	0.0	1,434	0.0	1,178	0.0
T. Rowe Price Retirement I 2050 I	596,611	4.4	690,448	4.5	721,290	4.4	689,308	4.4
T. Rowe Price Retirement I 2055 I	1,559	0.0	1,139	0.0	820	0.0	623	0.0
T. Rowe Price Retirement I 2060 I	4,803	0.0	3,754	0.0	2,499	0.0	1,057	0.0
Target Date Funds	2,515,562	18.7	2,894,055	18.7	3,036,320	18.5	2,904,550	18.7
VantageTrust PLUS Fund R10	3,288,425	24.4	3,087,938	19.9	3,083,643	18.8	3,156,788	20.3
Stable Value / Money Market Funds	3,288,425	24.4	3,087,938	19.9	3,083,643	18.8	3,156,788	20.3
Fidelity US Bond Index	140,806	1.0	145,479	0.9	153,288	0.9	153,267	1.0
Western Asset Core Plus Bond IS	265,580	2.0	278,719	1.8	303,173	1.9	301,882	1.9
Fixed Income Funds	406,386	3.0	424,199	2.7	456,460	2.8	455,150	2.9
Fidelity Large Cap Value Index	14,017	0.1	45,489	0.3	46,841	0.3	42,386	0.3
MFS Value Fund R6	871,412	6.5	939,418	6.1	965,838	5.9	887,854	5.7
Fidelity 500 Index	3,366,755	25.0	4,034,487	26.0	4,219,452	25.7	3,798,699	24.4
Fidelity Large Cap Growth Index	14,129	0.1	3,355	0.0	56,264	0.3	25,224	0.2
T. Rowe Price Growth Stock I	1,584,127	11.8	2,289,898	14.8	2,693,476	16.4	2,560,809	16.5
Fidelity Mid Cap Value Index	14	0.0	-	0.0	-	0.0	-	0.0
Vanguard Explorer Value Inv	338,628	2.5	516,708	3.3	478,978	2.9	444,220	2.9
Fidelity Extended Market Index	156,327	1.2	224,306	1.4	241,361	1.5	237,069	1.5
Fidelity Mid Cap Growth Index	8,258	0.1	10,445	0.1	11,951	0.1	11,625	0.1
Eaton Vance Atlanta Capital SMID-Cap R6	596,519	4.4	704,274	4.5	735,067	4.5	666,233	4.3
Fidelity Small Cap Value Index	1,226	0.0	1,064	0.0	469	0.0	24,356	0.2
Fidelity Small Cap Growth Index	18,712	0.1	24,387	0.2	27,687	0.2	26,509	0.2
Domestic Equity Funds	6,970,122	51.8	8,793,832	56.7	9,477,384	57.8	8,724,985	56.1
Fidelity Total International Index	32,555	0.2	32,735	0.2	33,818	0.2	33,398	0.2
Hartford International Opportunities R6	246,353	1.8	278,409	1.8	298,759	1.8	284,022	1.8
International Equity Funds	278,908	2.1	311,144	2.0	332,577	2.0	317,420	2.0
Town of Simsbury 457 Plan	13,459,403	100.0	15,511,168	100.0	16,386,385	100.0	15,558,893	100.0



Asset Allocation

Simsbury DC

As of June 30, 2022

	Jun-2022		Mar-2022		Dec-2021		Sep-2021	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%
T. Rowe Price Retirement I 2005 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2010 I	-	0.0	3,002	0.3	3,007	0.3	2,789	0.3
T. Rowe Price Retirement I 2015 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2020 I	9,353	0.9	9,135	0.9	8,202	0.8	7,645	0.8
T. Rowe Price Retirement I 2025 I	18,710	1.8	13,304	1.2	12,251	1.2	10,595	1.1
T. Rowe Price Retirement I 2030 I	50,428	4.7	44,045	4.1	43,754	4.2	39,194	4.2
T. Rowe Price Retirement I 2035 I	35,558	3.3	8,887	0.8	4,731	0.5	2,346	0.3
T. Rowe Price Retirement I 2040 I	79,616	7.5	87,671	8.2	88,608	8.4	73,979	7.9
T. Rowe Price Retirement I 2045 I	20,579	1.9	21,384	2.0	20,229	1.9	803	0.1
T. Rowe Price Retirement I 2050 I	44,765	4.2	43,637	4.1	43,260	4.1	38,338	4.1
T. Rowe Price Retirement I 2055 I	1,254	0.1	522	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2060 I	2,454	0.2	1,702	0.2	877	0.1	105	0.0
Target Date Funds	262,715	24.7	233,289	21.8	224,918	21.4	175,794	18.8
VantageTrust PLUS Fund R10	542,351	51.0	515,535	48.2	487,356	46.5	459,231	49.1
Stable Value / Money Market Funds	542,351	51.0	515,535	48.2	487,356	46.5	459,231	49.1
Fidelity US Bond Index	6,655	0.6	8,834	0.8	8,897	0.8	8,368	0.9
Western Asset Core Plus Bond IS	1,543	0.1	1,564	0.1	1,605	0.2	1,484	0.2
Fixed Income Funds	8,198	0.8	10,398	1.0	10,503	1.0	9,852	1.1
Fidelity Large Cap Value Index	-	0.0	-	0.0	-	0.0	-	0.0
MFS Value Fund R6	9,699	0.9	11,112	1.0	11,258	1.1	10,086	1.1
Fidelity 500 Index	94,875	8.9	117,243	11.0	120,187	11.5	104,048	11.1
Fidelity Large Cap Growth Index	2,833	0.3	2,848	0.3	2,411	0.2	1,480	0.2
T. Rowe Price Growth Stock I	52,805	5.0	68,347	6.4	77,978	7.4	72,188	7.7
Fidelity Mid Cap Value Index	-	0.0	-	0.0	-	0.0	-	0.0
Vanguard Explorer Value Inv	12,328	1.2	13,992	1.3	13,908	1.3	12,504	1.3
Fidelity Extended Market Index	38,685	3.6	46,852	4.4	49,809	4.7	47,582	5.1
Fidelity Mid Cap Growth Index	-	0.0	1,255	0.1	1,062	0.1	-	0.0
Eaton Vance Atlanta Capital SMID-Cap R6	17,956	1.7	21,134	2.0	21,319	2.0	18,558	2.0
Fidelity Small Cap Value Index	-	0.0	-	0.0	-	0.0	-	0.0
Fidelity Small Cap Growth Index	-	0.0	1,236	0.1	1,056	0.1	-	0.0
Domestic Equity Funds	229,179	21.6	284,020	26.6	298,988	28.5	266,445	28.5
Fidelity Total International Index	-	0.0	1,565	0.1	1,359	0.1	-	0.0
Hartford International Opportunities R6	20,025	1.9	24,779	2.3	25,900	2.5	24,037	2.6
International Equity Funds	20,025	1.9	26,345	2.5	27,259	2.6	24,037	2.6
Simsbury BOE ICMA Plan	1,062,469	100.0	1,069,587	100.0	1,049,023	100.0	935,359	100.0



Asset Allocation

Simsbury DC

As of June 30, 2022

	Jun-2022		Mar-2022		Dec-2021		Sep-2021	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%
T. Rowe Price Retirement I 2005 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2010 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2015 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2020 I	24,052	3.5	25,230	3.5	25,160	3.3	23,060	3.4
T. Rowe Price Retirement I 2025 I	-	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2030 I	59,666	8.7	61,370	8.4	73,792	9.6	64,281	9.5
T. Rowe Price Retirement I 2035 I	135	0.0	-	0.0	-	0.0	-	0.0
T. Rowe Price Retirement I 2040 I	184,061	27.0	200,681	27.4	199,440	26.1	172,162	25.5
T. Rowe Price Retirement I 2045 I	45,686	6.7	53,549	7.3	57,448	7.5	54,859	8.1
T. Rowe Price Retirement I 2050 I	258,804	37.9	280,489	38.4	307,246	40.1	277,871	41.2
T. Rowe Price Retirement I 2055 I	5,290	0.8	3,046	0.4	2,679	0.4	2,559	0.4
T. Rowe Price Retirement I 2060 I	20,857	3.1	16,622	2.3	14,090	1.8	7,153	1.1
Target Date Funds	598,551	87.7	640,986	87.7	679,856	88.8	601,944	89.3
VantageTrust PLUS Fund R10	4,321	0.6	7,548	1.0	6,702	0.9	3,760	0.6
Stable Value / Money Market Funds	4,321	0.6	7,548	1.0	6,702	0.9	3,760	0.6
Fidelity US Bond Index	4,641	0.7	5,360	0.7	5,598	0.7	5,214	0.8
Western Asset Core Plus Bond IS	4,862	0.7	1,841	0.3	1,965	0.3	1,820	0.3
Fixed Income Funds	9,503	1.4	7,201	1.0	7,563	1.0	7,034	1.0
Fidelity Large Cap Value Index	5,799	0.8	18,337	2.5	18,795	2.5	15,863	2.4
MFS Value Fund R6	4,335	0.6	197	0.0	205	0.0	1,411	0.2
Fidelity 500 Index	8,514	1.2	7,442	1.0	5,746	0.8	2,341	0.3
Fidelity Large Cap Growth Index	10,172	1.5	5,314	0.7	3,763	0.5	-	0.0
T. Rowe Price Growth Stock I	1,425	0.2	1,708	0.2	1,815	0.2	3,463	0.5
Fidelity Mid Cap Value Index	-	0.0	-	0.0	-	0.0	-	0.0
Vanguard Explorer Value Inv	5,273	0.8	1,879	0.3	1,674	0.2	1,373	0.2
Fidelity Extended Market Index	7,297	1.1	14,261	2.0	12,909	1.7	13,981	2.1
Fidelity Mid Cap Growth Index	-	0.0	-	0.0	-	0.0	-	0.0
Eaton Vance Atlanta Capital SMID-Cap R6	2,420	0.4	1,787	0.2	1,603	0.2	1,266	0.2
Fidelity Small Cap Value Index	-	0.0	-	0.0	-	0.0	-	0.0
Fidelity Small Cap Growth Index	-	0.0	1,329	0.2	1,255	0.2	-	0.0
Domestic Equity Funds	45,236	6.6	52,254	7.1	47,765	6.2	39,698	5.9
Fidelity Total International Index	15,059	2.2	15,632	2.1	16,129	2.1	16,819	2.5
Hartford International Opportunities R6	9,914	1.5	7,471	1.0	7,296	1.0	4,885	0.7
International Equity Funds	24,973	3.7	23,103	3.2	23,426	3.1	21,704	3.2
Simsbury 401(a) ICMA Plan	682,583	100.0	731,091	100.0	765,311	100.0	674,139	100.0



Manager Performance

Simsbury DC

As of June 30, 2022

Rank
 = 1-50 percentile
 = 51-75 percentile
 = 76-100 percentile

	Performance(%)						Fund & Cat Avg Exp Ratio	Manager Status
	QTD	YTD	1 Year	3 Years	5 Years	10 Years		
T. Rowe Price Retirement I 2005 I	-9.2	-13.4	-11.4	3.0	4.1	5.2	0.34	Maintain
<i>T. Rowe Price Retirement 2005 Index</i>	-9.1	-13.3	-10.7	3.2	4.3	5.2	-	
IM Mixed-Asset Target Today (MF) Median	-8.3	-12.9	-11.1	1.6	3.0	3.9	0.59	
T. Rowe Price Retirement I 2005 I Rank	82	64	59	9	10	2	-	
T. Rowe Price Retirement I 2010 I	-9.6	-13.9	-11.7	3.4	4.4	5.8	0.34	Maintain
<i>T. Rowe Price Retirement 2010 Index</i>	-9.5	-13.9	-11.1	3.5	4.6	5.7	-	
IM Mixed-Asset Target 2010 (MF) Median	-7.9	-12.3	-10.7	2.4	3.7	4.8	0.49	
T. Rowe Price Retirement I 2010 I Rank	95	95	87	9	8	4	-	
T. Rowe Price Retirement I 2015 I	-10.0	-14.3	-12.1	3.8	4.8	6.5	0.36	Maintain
<i>T. Rowe Price Retirement 2015 Index</i>	-9.9	-14.4	-11.4	3.9	5.0	6.5	-	
IM Mixed-Asset Target 2015 (MF) Median	-9.0	-13.6	-11.6	2.9	4.1	5.6	0.53	
T. Rowe Price Retirement I 2015 I Rank	88	83	66	9	3	1	-	
T. Rowe Price Retirement I 2020 I	-10.3	-14.7	-12.4	4.3	5.3	7.3	0.37	Maintain
<i>T. Rowe Price Retirement 2020 Index</i>	-10.4	-14.9	-11.8	4.3	5.5	7.2	-	
IM Mixed-Asset Target 2020 (MF) Median	-9.5	-14.4	-12.4	3.0	4.2	5.9	0.58	
T. Rowe Price Retirement I 2020 I Rank	69	62	52	4	1	1	-	
T. Rowe Price Retirement I 2025 I	-11.1	-15.9	-13.3	4.8	5.8	8.0	0.39	Maintain
<i>T. Rowe Price Retirement 2025 Index</i>	-11.4	-16.0	-12.6	5.0	6.2	8.0	-	
IM Mixed-Asset Target 2025 (MF) Median	-10.3	-15.5	-13.1	3.3	4.7	6.4	0.60	
T. Rowe Price Retirement I 2025 I Rank	75	64	59	3	2	2	-	
T. Rowe Price Retirement I 2030 I	-12.3	-17.5	-14.7	5.2	6.2	8.6	0.41	Maintain
<i>T. Rowe Price Retirement 2030 Index</i>	-12.8	-17.4	-13.7	5.5	6.6	8.6	-	
IM Mixed-Asset Target 2030 (MF) Median	-11.4	-16.7	-13.9	4.0	5.2	7.0	0.62	
T. Rowe Price Retirement I 2030 I Rank	87	79	78	4	3	3	-	

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1 (1st percentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.



Manager Performance

Simsbury DC

As of June 30, 2022

	Performance(%)						Fund & Cat Avg Exp Ratio	Manager Status
	QTD	YTD	1 Year	3 Years	5 Years	10 Years		
T. Rowe Price Retirement I 2035 I	-13.5	-18.9	-16.0	5.5	6.5	9.0	0.42	Maintain
<i>T. Rowe Price Retirement 2035 Index</i>	-14.0	-18.6	-14.5	5.9	7.1	9.1	-	
IM Mixed-Asset Target 2035 (MF) Median	-12.6	-18.0	-14.6	4.6	5.7	7.6	0.62	
T. Rowe Price Retirement I 2035 I Rank	83	86	82	13	12	5	-	
T. Rowe Price Retirement I 2040 I	-14.4	-20.0	-17.0	5.8	6.9	9.4	0.43	Maintain
<i>T. Rowe Price Retirement 2040 Index</i>	-14.9	-19.5	-15.0	6.4	7.5	9.4	-	
IM Mixed-Asset Target 2040 (MF) Median	-13.7	-19.1	-15.5	5.1	6.1	8.1	0.64	
T. Rowe Price Retirement I 2040 I Rank	80	80	80	17	14	5	-	
T. Rowe Price Retirement I 2045 I	-14.6	-20.4	-17.3	6.2	7.1	9.5	0.44	Maintain
<i>T. Rowe Price Retirement 2045 Index</i>	-15.4	-19.9	-15.3	6.7	7.7	9.6	-	
IM Mixed-Asset Target 2045 (MF) Median	-14.3	-19.6	-15.8	5.4	6.4	8.3	0.64	
T. Rowe Price Retirement I 2045 I Rank	75	75	81	14	12	3	-	
T. Rowe Price Retirement I 2050 I	-14.9	-20.6	-17.5	6.1	7.0	9.5	0.45	Maintain
<i>T. Rowe Price Retirement 2050 Index</i>	-15.6	-20.0	-15.4	6.7	7.7	9.6	-	
IM Mixed-Asset Target 2050 (MF) Median	-14.6	-20.0	-16.1	5.4	6.4	8.3	0.65	
T. Rowe Price Retirement I 2050 I Rank	70	75	79	14	14	3	-	
T. Rowe Price Retirement I 2055 I	-14.9	-20.6	-17.5	6.1	7.0	9.5	0.46	Maintain
<i>T. Rowe Price Retirement 2055 Index</i>	-15.6	-20.1	-15.4	6.7	7.7	9.6	-	
IM Mixed-Asset Target 2055 (MF) Median	-14.6	-20.0	-16.2	5.5	6.5	8.5	0.65	
T. Rowe Price Retirement I 2055 I Rank	63	74	75	13	15	5	-	
T. Rowe Price Retirement I 2060 I	-14.9	-20.6	-17.5	6.1	7.0	-	0.46	Maintain
<i>T. Rowe Price Retirement 2060 Index</i>	-15.6	-20.1	-15.4	6.7	7.7	-	-	
IM Mixed-Asset Target 2060 (MF) Median	-14.7	-20.1	-16.2	5.5	6.5	-	0.65	
T. Rowe Price Retirement I 2060 I Rank	61	71	72	16	15	-	-	
Target Date Funds	-	-	-	-	-	-	-	

Historical performance of current share class may differ slightly due to share class exchanges and/or blended performance.

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1 (1st percentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.



Manager Performance

Simsbury DC

As of June 30, 2022

Rank
 = 1-50 percentile
 = 51-75 percentile
 = 76-100 percentile

	Performance(%)						Fund & Cat Avg Exp Ratio	Manager Status
	QTD	YTD	1 Year	3 Years	5 Years	10 Years		
VantageTrust PLUS Fund R10	0.5	0.9	1.8	2.1	2.2	-	0.54	Maintain
<i>FTSE 3 Month T-Bill</i>	0.1	0.2	0.2	0.6	1.1	-	-	
Stable Value / Money Market Funds								
	-	-	-	-	-	-		
Fidelity US Bond Index	-4.7	-10.3	-10.3	-0.9	0.9	1.5	0.03	Maintain
<i>Blmbg. U.S. Aggregate</i>	-4.7	-10.3	-10.3	-0.9	0.9	1.5	-	
IM U.S. Broad Market Core Fixed Income (MF) Median	-5.4	-11.0	-11.2	-0.9	0.8	1.6	0.53	
Fidelity US Bond Index Rank	14	19	20	50	43	56	-	
Western Asset Core Plus Bond IS	-7.8	-15.9	-16.0	-2.1	0.4	2.3	0.42	Maintain
<i>Blmbg. U.S. Aggregate</i>	-4.7	-10.3	-10.3	-0.9	0.9	1.5	-	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-5.9	-11.5	-11.3	-0.7	0.9	1.8	0.61	
Western Asset Core Plus Bond IS Rank	98	98	98	95	80	24	-	
Fixed Income Funds								
	-	-	-	-	-	-		
Fidelity Large Cap Value Index	-12.2	-12.9	-6.9	6.8	7.1	-	0.04	Maintain
<i>Russell 1000 Value Index</i>	-12.2	-12.9	-6.8	6.9	7.2	-	-	
IM U.S. Large Cap Value Equity (MF) Median	-11.3	-12.4	-5.2	8.1	8.1	-	0.80	
Fidelity Large Cap Value Index Rank	63	55	66	74	75	-	-	
MFS Value Fund R6	-9.9	-13.1	-5.0	7.6	7.5	11.2	0.45	Maintain
<i>Russell 1000 Value Index</i>	-12.2	-12.9	-6.8	6.9	7.2	10.5	-	
IM U.S. Large Cap Value Equity (MF) Median	-11.3	-12.4	-5.2	8.1	8.1	10.5	0.80	
MFS Value Fund R6 Rank	17	61	48	59	64	26	-	

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1 (1st percentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.



Manager Performance

Simsbury DC

As of June 30, 2022

	Performance(%)						Fund & Cat Avg Exp Ratio	Manager Status
	QTD	YTD	1 Year	3 Years	5 Years	10 Years		
Fidelity 500 Index	-16.1	-20.0	-10.6	10.6	11.3	12.9	0.02	Maintain
<i>S&P 500</i>	-16.1	-20.0	-10.6	10.6	11.3	13.0	-	
IM U.S. Large Cap Core Equity (MF) Median	-15.8	-20.4	-12.5	9.6	10.5	12.1	0.73	
Fidelity 500 Index Rank	58	43	33	26	25	18	-	
Fidelity Large Cap Growth Index	-20.9	-28.1	-18.8	12.5	14.2	-	0.04	Maintain
<i>Russell 1000 Growth Index</i>	-20.9	-28.1	-18.8	12.6	14.3	-	-	
IM U.S. Large Cap Growth Equity (MF) Median	-21.9	-29.9	-24.2	8.6	11.5	-	0.84	
Fidelity Large Cap Growth Index Rank	40	28	21	8	9	-	-	
T. Rowe Price Growth Stock I	-25.4	-36.6	-34.1	4.4	8.7	12.5	0.52	Maintain
<i>Russell 1000 Growth Index</i>	-20.9	-28.1	-18.8	12.6	14.3	14.8	-	
IM U.S. Large Cap Growth Equity (MF) Median	-21.9	-29.9	-24.2	8.6	11.5	12.9	0.84	
T. Rowe Price Growth Stock I Rank	90	94	91	90	91	64	-	
Fidelity Mid Cap Value Index	-14.7	-16.3	-10.1	-	-	-	0.05	Maintain
<i>Russell Midcap Value Index</i>	-14.7	-16.2	-10.0	-	-	-	-	
IM U.S. Mid Cap Value Equity (MF) Median	-13.1	-13.2	-6.9	-	-	-	0.91	
Fidelity Mid Cap Value Index Rank	88	94	89	-	-	-	-	
Vanguard Explorer Value Inv	-15.1	-17.6	-13.4	5.7	5.9	9.9	0.64	Maintain
<i>Russell 2500 Value Index</i>	-15.4	-16.7	-13.2	6.2	5.5	9.5	-	
IM U.S. SMID Cap Value Equity (MF) Median	-12.5	-11.0	-6.6	8.2	7.0	9.8	1.05	
Vanguard Explorer Value Inv Rank	72	78	85	95	70	47	-	
Fidelity Extended Market Index	-20.6	-28.0	-29.9	4.6	6.4	10.3	0.04	Maintain
<i>Dow Jones U.S. Completion Total Stock Market Indx</i>	-20.7	-28.1	-30.0	4.6	6.3	10.1	-	
IM U.S. SMID Cap Core Equity (MF) Median	-15.2	-19.3	-14.4	6.2	5.5	9.5	1.01	
Fidelity Extended Market Index Rank	100	100	100	81	39	32	-	
Fidelity Mid Cap Growth Index	-21.0	-31.0	-29.6	-	-	-	0.05	Maintain
<i>Russell Midcap Growth Index</i>	-21.1	-31.0	-29.6	-	-	-	-	
IM U.S. Mid Cap Growth Equity (MF) Median	-21.0	-31.1	-28.2	-	-	-	0.95	
Fidelity Mid Cap Growth Index Rank	51	49	61	-	-	-	-	

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1 (1st percentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.



Manager Performance

Simsbury DC

As of June 30, 2022

	Performance(%)						Fund & Cat Avg Exp Ratio	Manager Status
	QTD	YTD	1 Year	3 Years	5 Years	10 Years		
Eaton Vance Atlanta Capital SMID-Cap R6	-11.8	-15.9	-10.0	6.8	10.5	13.1	0.81	Maintain
<i>Russell 2500 Growth Index</i>	-19.6	-29.4	-31.8	3.7	7.5	10.9	-	
IM U.S. SMID Cap Growth Equity (MF) Median	-18.6	-28.3	-27.2	3.4	7.3	10.4	0.98	
Eaton Vance Atlanta Capital SMID-Cap R6 Rank	4	3	1	18	10	7	-	
Fidelity Small Cap Value Index	-15.2	-17.3	-16.3	-	-	-	0.05	Maintain
<i>Russell 2000 Value Index</i>	-15.3	-17.3	-16.3	-	-	-	-	
IM U.S. Small Cap Value Equity (MF) Median	-13.9	-15.3	-11.8	-	-	-	1.07	
Fidelity Small Cap Value Index Rank	81	87	87	-	-	-	-	
Fidelity Small Cap Growth Index	-19.1	-29.3	-33.3	-	-	-	0.05	Maintain
<i>Russell 2000 Growth Index</i>	-19.3	-29.5	-33.4	-	-	-	-	
IM U.S. Small Cap Growth Equity (MF) Median	-19.1	-29.5	-29.3	-	-	-	1.10	
Fidelity Small Cap Growth Index Rank	51	48	71	-	-	-	-	
Domestic Equity Funds	-	-	-	-	-	-	-	
Fidelity Total International Index	-13.2	-18.5	-19.4	1.7	2.6	-	0.06	Maintain
<i>MSCI AC World ex USA IMI (Net)</i>	-14.3	-19.1	-19.9	1.6	2.5	-	-	
IM International Large Cap Core Equity (MF) Median	-13.3	-19.3	-17.8	1.6	1.9	-	0.92	
Fidelity Total International Index Rank	46	38	64	47	27	-	-	
Hartford International Opportunities R6	-14.0	-20.9	-19.6	3.0	2.9	-	0.69	Maintain
<i>MSCI AC World ex USA (Net)</i>	-13.7	-18.4	-19.4	1.4	2.5	-	-	
IM International Large Cap Core Equity (MF) Median	-13.3	-19.3	-17.8	1.6	1.9	-	0.92	
Hartford International Opportunities R6 Rank	75	77	65	18	18	-	-	
International Equity Funds	-	-	-	-	-	-	-	

Historical performance of current share class may differ slightly due to share class exchanges and/or blended performance.

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1 (1st percentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.



Definitions & Disclosures

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

REGULATORY DISCLOSURES

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

INDEX DEFINITIONS

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



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



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

Additional:

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

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming 75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.
- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared:** This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta:** This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse than the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.



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

DEFINITION OF KEY PRIVATE EQUITY TERMS

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

VALUATION POLICY

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

REPORTING POLICY

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



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

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

OTHER

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

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

CUSTODIAN STATEMENTS

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

FLASH Memo

Subject: Credit Suisse Portfolio Manager Departure

Previous Status: Maintain

Current Status: Terminate

Effective Date: June 2022

Overview

Credit Suisse announced that, effective immediately, John Calvuroso, Portfolio Manager, will be departing the firm to pursue another opportunity. Mr. Calvuroso had just joined Credit Suisse in October 2021, following heightened team turnover over the last two years. This included the departures of Nelson Louie, Global Head of Commodities; Tim Boss, Fixed Income Portfolio Manager; Phil Mulholland, Commodities Trader (these three members departed in August 2020); and Bryant Li, Portfolio Manager (in April 2021). In addition to his portfolio management responsibilities, Mr. Calvuroso was a specialist within the energy sector. Chris Burton, Head of Global Commodities and Lead Portfolio Manager, will be assuming these responsibilities going forward. The firm plans to hire an additional portfolio manager within the next six months.

Recommendation

Mr. Calvuroso's departure in and of itself is not overly concerning. While he was a portfolio manager on the commodities team, he was almost exclusively working on excess return strategies, so the direct impact to the Commodity Return Strategy, which operates as an enhanced index, is limited. The team had been operating in what will now be its current state from April 2021 until October 2021 and so responsibilities will revert to what they had been. However, there has become a trend of departing team members at the firm, which is of greater concern. For these reasons, we are moving the Strategy to a "Terminate" status and recommend moving into a higher conviction commodity or real asset option.

If you have any questions, please contact your investment consultant.

This report is intended for the exclusive use of clients or prospective clients of Fiducient Advisors. The information contained herein is intended for the recipient, is confidential and may not be disseminated or distributed to any other person without the prior approval of Fiducient Advisors. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecasts represent future expectations and actual returns, volatilities and correlations will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is a possibility of a loss.

www.FiducientAdvisors.com

**Town of Simsbury
Retiree Health Care Trust**

INVESTMENT POLICY STATEMENT

September 2007

Introduction & Purpose

The Town of Simsbury Retiree Health Care Trust (the "Trust") has been established to provide post employment retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Trust. This document is also intended to provide guidelines for managing the Trust, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

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

Investment Objectives

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

- To achieve the stated actuarial target of the Trust;
- To exceed the rate of inflation, as defined by CPI, by approximately 4.0% per annum over a full market cycle (a 5-10 year period);
- To maintain sufficient liquidity to meet the obligations of the Trust;
- To diversify the assets of the Trust in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that could occur from concentrated positions;
- To achieve investment results over the long-term that compare favorably with those of other municipal investment pools, professionally managed portfolios and appropriate market indexes.

Volatility Objectives

- Diversification will be employed to reduce risk. The Trust's assets will be diversified by generally employing multiple investment firms engaging in distinct styles of investment.
- The volatility of the total portfolio, in aggregate, should be reasonably close to the volatility of a weighted composite of market indices of the target portfolio, which currently is comprised of: 22.5% S&P 500 Index, 5.0% Russell Mid Cap Index, 2.5% Russell 2000 Index, 15.0% MSCI EAFE Index, 5.0% MSCI Emerging Market Index, 2.5% Cohen & Steers Realty Major Index, 2.5% S&P World Ex US Property Index, 22.5% Lehman Brothers Aggregate Index, and 22.5% Lehman Brothers US TIPS Index.

Assignment of Responsibilities

Board of Finance - The Board is charged with the responsibility of managing the assets of the Trust. To that end, the Board's responsibilities include: establishing and maintaining the Trust's investment policy, selecting the investments, and periodically monitoring the performance of the investments. The Board shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing.

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

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

Asset Allocation

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

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Domestic Equities:				
Large Cap	17.5%	22.5%	27.5%	S&P 500
Mid Cap	2.5%	5.0%	7.5%	Russell Mid Cap
Small Cap	0.0%	2.5%	5.0%	Russell 2000
Foreign Equity:				
International Eq. (Devel.)	10.0%	15.0%	20.0%	MSCI EAFE
International Eq. (Emerg.)	0.0%	5.0%	10.0%	MSCI Emerging Market
Real Estate:				
REIT (Domestic)	0.0%	2.5%	5.0%	Cohen & Steers Realty Mjr.
REIT (Intl.)	0.0%	2.5%	5.0%	S&P World Ex US Prop.
Fixed Income:				
Broad Market	5.0%	22.5%	30.0%	LB Aggregate
Inflation-Protected	5.0%	22.5%	30.0%	LB US TIPS
Short Term/Cash				
	0.0%	0.0%	10.0%	90 Day US T-Bill

Rebalancing

Given the inherent volatility of the capital markets, strategic adjustments in various asset classes may be required to rebalance asset allocation back to its target allocation. The necessity to rebalance will be reviewed periodically. Investment managers will rebalance portfolios at the direction of the Board. Such adjustments should be executed so as to minimize excessive turnover, transaction costs, and realized losses over the long term.

Selection Criteria for Investment Managers

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

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

- An assessment of the likelihood of future investment success, relative to other opportunities.

The Trust will generally utilize a multi-manager structure of complementary investment styles and asset classes to invest its' assets.

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

Securities Guidelines

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

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

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

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

Proxy Voting

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

Investment Monitoring and Reporting

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

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

Watch list criteria may include the following:

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

Termination of an Investment Manager or Fund

A manager/fund may be terminated when the Board has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable time, may be grounds for termination.

Any recommendation to terminate a manager/fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include professional or client turnover, or material change to investment processes. Considerable judgment must be exercised in the termination decision process.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

Approval

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

The signature below affirms that this statement has been read, understood and accepted by the Board.

Town of Simsbury Retiree Health Care Trust

Name: _____

Signature: _____

Date: _____

Title: _____

Town of Simsbury Pension Plans

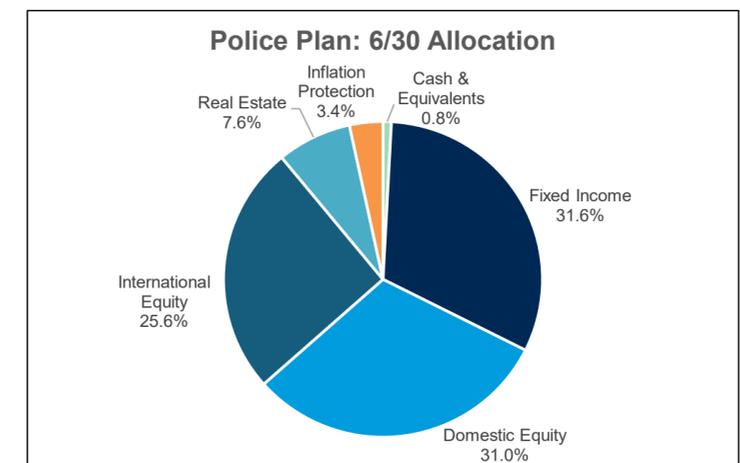
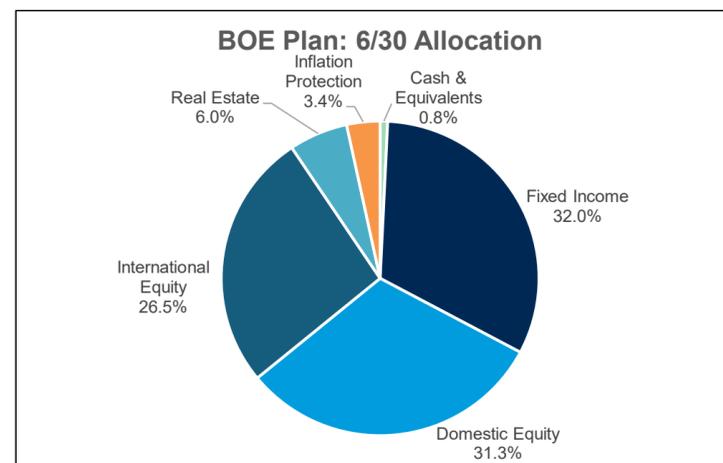
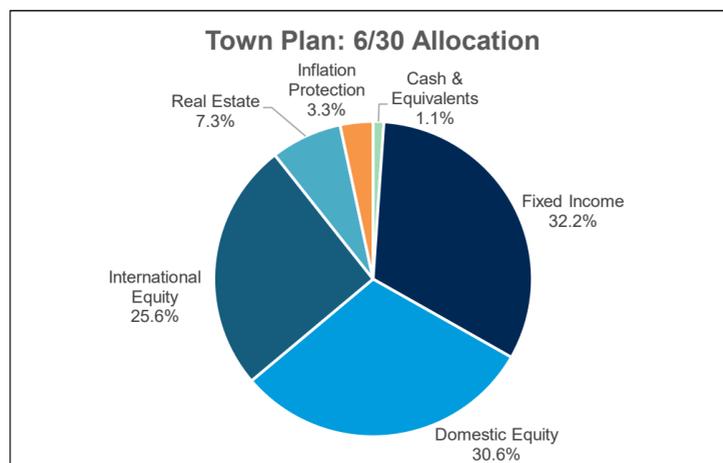
Total Performance Summary & Manager Summary As of June 30, 2022

Trailing Performance Summary								
	QTR	FY 2022	FY 2021	YTD	1-Year	3-Year	5-Year	10-Year
Simsbury Town Plan	-9.9%	-11.7%	24.4%	-15.1%	-11.7%	4.3%	5.0%	6.3%
Blended Benchmark*	-10.7%	-12.1%	24.4%	-14.8%	-12.1%	4.2%	5.1%	6.4%
Simsbury BOE Plan	-10.2%	-12.0%	24.9%	-15.4%	-12.0%	4.3%	5.0%	6.3%
Blended Benchmark*	-10.7%	-12.1%	24.4%	-14.8%	-12.1%	4.2%	5.1%	6.4%
Simsbury Police Plan	-10.0%	-11.6%	24.4%	-15.1%	-11.6%	4.3%	5.0%	6.3%
Blended Benchmark*	-10.7%	-12.1%	24.4%	-14.8%	-12.1%	4.2%	5.1%	6.4%

*Blended Benchmark as of 6/1/2021 is 32.5% Bloomberg Barclays U.S. Aggregate Index; 31.5% Russell 3000 Index; 16.5% MSCI AC World ex USA Index., 6% MSCI EAFE Small Cap Index; 5% MSCI Emerging Markets Index; 5% NCREIF Fund Index - ODCE; 3.5% Short-Term Inflation Protection Benchmark. For a complete history of the benchmark composition, please see Fiduciant Advisors Quarterly Investment Review.

Asset Allocation

Manager	Manager Status	Town Plan Asset Allocation (\$)	Town Plan Asset Allocation (%)	BOE Plan Asset Allocation (\$)	BOE Plan Asset Allocation (%)	Police Plan Asset Allocation (\$)	Police Plan Asset Allocation (%)	Long Term Target Allocation (%)
Total Plan		26,299,381	100.0	26,490,301	100.0	19,576,471	100.0	100.0
Cash & Equivalents		286,600	1.1	202,444	0.8	165,758	0.8	0.0
Allspring Gov't Money Market		286,600	1.1	202,444	0.8	165,758	0.8	0.0
Fixed Income		8,460,683	32.2	8,483,383	32.0	6,179,250	31.6	32.5
Metropolitan West Total Return PI	Maintain	3,212,831	12.2	3,196,852	12.1	2,331,366	11.9	12.25
Western Asset Core Plus Bond IS	Maintain	3,132,988	11.9	3,033,402	11.5	2,229,662	11.4	12.25
BlackRock Strategic Income Opportunities K	Maintain	2,114,864	8.0	2,253,129	8.5	1,618,222	8.3	8.0
Domestic Equity		8,038,647	30.6	8,286,326	31.3	6,075,518	31.0	31.5
Vanguard Instl Index	Maintain	5,446,641	20.7	5,624,780	21.2	4,143,930	21.2	21.5
Neuberger Berman Genesis R6	Maintain	2,592,007	9.9	2,661,546	10.0	1,931,588	9.9	10.0
International Equity		6,731,669	25.6	7,031,576	26.5	5,010,634	25.6	27.5
Hartford International Opportunities R6	Maintain	4,100,061	15.6	4,326,051	16.3	3,079,575	15.7	16.5
Templeton Instl Foreign Small Comp A	Maintain	1,388,869	5.3	1,434,633	5.4	1,019,697	5.2	6.0
Vanguard Emerging Markets Adm	Maintain	1,242,739	4.7	1,270,892	4.8	911,363	4.7	5.0
Real Estate		1,906,733	7.3	1,588,944	6.0	1,483,014	7.6	5.0
Barings Core Property Fund LP	Maintain	1,906,733	7.3	1,588,944	6.0	1,483,014	7.6	5.0
Inflation Protection		875,049	3.3	897,628	3.4	662,296	3.4	3.5
Vanguard Short-Term Infl Protection Adm	Maintain	461,340	1.8	477,154	1.8	355,720	1.8	1.75
Credit Suisse Commodity Return I	Maintain	413,710	1.6	420,474	1.6	306,576	1.6	1.75



Important Disclosure Information: Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciant Advisors, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciant Advisors has relied upon information provided by third party sources. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

Town of Simsbury OPEB Plan

Total Performance Summary & Manager Summary As of June 30, 2022

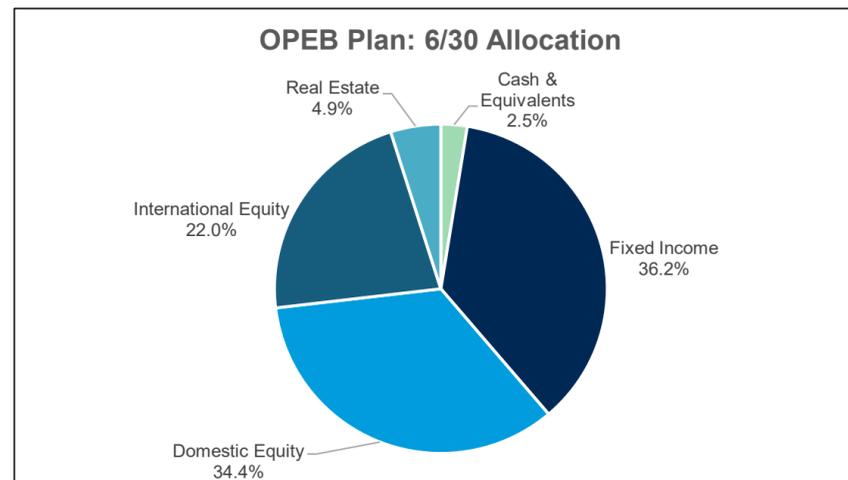
Trailing Performance Summary

	<u>QTR</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Simsbury OPEB Plan	-11.4%	-12.5%	26.0%	-16.0%	-12.5%	4.6%	5.3%	6.1%
Blended Benchmark*	-11.9%	-12.7%	25.8%	-16.3%	-12.7%	4.3%	5.3%	6.2%

*Blended Benchmark as of 4/1/2017 is 17.5% Bloomberg Barclays U.S. Aggregate Index; 17.5% Bloomberg Barclays U.S. TIPS Index; 26% S&P 500 Index; 6% Russell Midcap Index; 3% Russell 2000 Index; 19% MSCI EAFE Index; 6% MSCI Emerging Markets Index; 2.5% Cohen Steers Realty Majors Index; 2.5% FTSE EPRA/NAREIT Developed ex U.S. Index. For a complete history of the benchmark composition, please see Fiducient Advisors Quarterly Investment Review.

Asset Allocation

<u>Manager</u>	<u>Manager Status</u>	<u>Town Plan Asset Allocation (\$)</u>	<u>Town Plan Asset Allocation (%)</u>	<u>Long Term Target Allocation (%)</u>
Total Plan		19,773,421	100.0	100.0
Cash & Equivalents		503,966	2.5	0.0
Raymond James Bank Deposit		503,966	2.5	0.0
Fixed Income		7,163,858	36.2	35.0
iShares TIPS Bond ETF	Maintain	3,563,674	18.0	17.5
iShares Core U.S. Aggregate Bond ETF	Maintain	3,600,184	18.2	17.5
Domestic Equity		6,795,266	34.4	35.0
iShares Core S&P 500 ETF	Maintain	5,200,421	26.3	26.0
iShares Russell Midcap ETF	Maintain	1,097,604	5.6	6.0
iShares Russell 2000 ETF	Maintain	497,241	2.5	3.0
International Equity		4,345,953	22.0	25.0
iShares MSCI EAFE ETF	Maintain	3,366,711	17.0	19.0
iShares MSCI Emerging Markets ETF	Maintain	979,242	5.0	6.0
Real Estate		964,378	4.9	5.0
iShares Cohen & Steers REIT ETF	Maintain	534,290	2.7	2.5
iShares Intl Developed Property ETF	Maintain	430,088	2.2	2.5



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Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Item Submission Form

1. **Title of Submission:** Pension Plan Fiduciary Duties Legal Opinion Request

2. **Date of Board Meeting:** September 20, 2022

3. **Individual or Entity Making the Submission:**
Lisa Heavner, Board of Finance Chair; Derek Peterson, Board of Finance Member

4. **Action Requested of the Board of Finance:**
If the Board of Finance supports the recommended action as outlined in the “Summary of Submission” section, the following motion(s) are in order:

Move, effective September 20, 2022, to request a legal opinion the fiduciary duties owed by the Retirement Subcommittee and the Board of Finance in connection with their management of assets of funds for Simsbury’s Retirement plans and Other Post-Employment Benefits (OPEB), including what categories of information – such as Environment, Social and Corporate Governance (ESG) and Diversity, Equity and Inclusion (DEI) factors – these boards may consider when making investment decisions. Additionally, to request that counsel clarify who would be responsible for adopting and approving a Town ESG or DEI policy on investments and what process should the Town follow in doing so if the town decides to pursue this.

Move, effective September 20, 2022, to request Fiducient conduct a review of current Retirement and OPEB investments for ESG and DEI scores and quality of investment. (Recommend the Board of Finance postpone motion until after Counsel’s review fiduciary duties is complete).

5. **Summary of Submission:**
At the Town of Simsbury Retirement Subcommittee meeting on September 6, 2022, the subcommittee made a motion to recommend to the Board of Finance the adoption of the changes to the Retirement Investment Policy. During discussion of the policy changes, the representative of Fiducient advised that it has the capacity to review a town’s investments for consistency with Environment, Social and Corporate Governance (ESG) and Diversity, Equity and Inclusion (DEI) goals, and that Fiducient has conducted such reviews for several peer municipalities. The Subcommittee recommended that Fiducient conduct such a review of Simsbury’s current investments.

Questions arose as to whether the fiduciary obligations of the Retirement Subcommittee and the Board of Finance permit them to consider ESG and DEI issues in connection with decisions about the management of fund assets. A legal opinion is being requested to clarify

the Boards' fiduciary obligations, generally, and, specifically, the propriety of its consideration of ESG and DEI.

The Board of Finance would like to request a legal opinion on the fiduciary duties of the Retirement and Board of Finance in managing the assets of Simsbury's Retirement and Other Post-Employment Benefits (OPEB) funds, generally and with attention to the question of whether fiduciaries may consider issues such as Environment, Social and Corporate Governance (ESG) and Diversity, Equity and Inclusion (DEI) when determining the suitability of investments.

Recommend the Board of Finance postpone the motion to request Fiducient's review of ESG and DEI considerations until after receipt of Counsel's advice on fiduciary duties of the Retirement Subcommittee and the Board of Finance.

6. Financial Impact:

None

7. Description of Documents Included with Submission:

None