



SINGING RIVER  
HEALTH SYSTEM

## **SRHS Employees' Retirement Plan & Trust**

# Investment Performance Report

Periods ended 03/31/2021



FIDUCIARY VEST

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# Market Commentary



# HALF EMPTY? HALF FULL?

The US Federal Reserve has, since 2008, held itself out to be the bulwark against bad economic times, using its dynamic toolbox of money that would thwart recession, depression, high unemployment, robust price inflation and maybe even chronic chest pains. It all boiled down to creating an avalanche of US dollars and then proving to the world that the new money was real, by using it to purchase mega-gobs of US Treasury and home mortgage-backed bonds. Ten years ago, some Fed governors began to point out that Pandora's new-money syndrome should be limited to temporary status, because... well, the Fed had never tried this before; so, they said, we just might lose our way back to normalcy. Thus, now in its 13<sup>th</sup> year of temporary-ness, *ouche!*

It began on the watch of Fed Chairman Ben Bernanke and was signed onto by his successor Janet Yellen and lately magnified by Jerry Powell. This 'programme' has reached a stage of presumed legitimacy.... The US Dollar's reserve currency status seems to have mesmerized central banks around the globe. The fiat-birth of money is now a generally accepted means to side-step everyday economic perils and also relieve the US Treasury from the transparent embarrassment that it must issue a record amount of additional debt... every year.... in peacetime.

You may have known all of the above. But what you did not know was that the benchmark interest yield on 10-year US Treasury notes would suddenly ratchet up by 62% in the first two months of 2021, after lying fallow in its under-1% pandemic yield.

The Fed's multi-trillion-dollar Treasury-debt purchases were supposed to keep long maturity bond prices high and, hence, interest rates low for many months, or years to come. The likely reason why that scenario is not panning out is that Mr. Market was not fooled by the almost \$2 trillion of money-creation and the looming prospect of an additional \$2 - \$3 trillion (so far). Very simply, the 2021 Fed money-injection will be inflationary, unless many millions of Americans who receive the money just park it in banks and/or investments (which actually happened to a significant portion of the Manna distributed during Stimulus-1 in 2020).

*Nearly all Americans who own homes are seeing a supply/demand imbalance that is driving sale prices through their proverbial roofs.*

If the sudden, massive money injections are mostly invested, rather than spent for consumption, investment market prices will

'inflate', because daily-traded investment assets are a form of commodity. A supply/demand imbalance of equity shares will likely occur and their prices would reflect an inflation-reaction. Hence, the rich (who already owned those investments) simply get richer, as a result of demand driven price-action.

(Nearly all Americans who own homes are seeing a supply/demand imbalance that is driving sale prices through their proverbial roofs. In addition, most of our homes are mortgaged, meaning that those sky-rocketing prices are super-charged by cheap borrowing leverage.

What follows is a part fiction, part real synopsis of an Inflation Play, in four acts.

## A CLASSIC INFLATION PLAY

### ACT I: Too Much Money

*Scene 1:* Money creation..... more money creation.....and still more money creation down at the US Federal Reserve. The US Congress comes to realize that, as long as the nation and the world remain true believers in the Samson-like strength of the US Dollar, there are no actual, or theoretical limits to its debt-financed\* fiscal "stimulus". In addition, more than \$1

trillion of new *annual* budget deficits are financed in that same way.

\*In practical terms, the amount of US Government bonds and mortgages “purchased” by the Fed is unlimited, so long as world banks continue to treat the Dollar as their reserve currency.

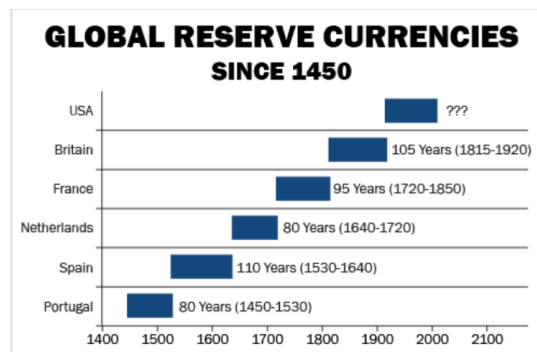
Let’s remind ourselves... again... that one trillion has 12 zeros, (\$1,000,000,000,000) and that, when the Fed Rescue Era began in 2008, total accumulated US Treasury debt was a *mere* \$9 trillion (62% of GDP). Last October 1, the total reached \$27 trillion (126% of 2019’s GDP), before the 2021 Stimulus-2 package was adopted, and before the yet-proposed \$2 trillion of “infrastructure” money is given its legislative birth.

Note: During most of modern history, the US Treasury’s debt level averaged less than 50% of GDP.

Meanwhile, China is busy building linkage of its currency to a valuation stabilizer that will look and act much like cybercurrency; this new element, coupled with China’s continued economic growth rate, will at least threaten the US Dollar’s reserve status.

*Dollar Centennial Anniversary:* Most Americans and their creative financial institutions interpolate the existing order of things into the distant future. Perhaps because of that, reserve currency status is presumed to reach beyond even the longest forecasting models. For 100

years, the US Dollar has roosted atop the rest of the world’s currencies.



*Scene 2:* Borrowing rates have fallen to nearly 0%; even 30-year home mortgages drop to, or below 2%. Despite the requirements of its charter, the Fed grows desperate to spawn a 2-3% society-wide inflation rate that will stave off the debt market’s plunge into negative interest yields, which would lead to the Fed’s loss of control.

Because of the absoluteness of Zero, the Fed’s much-referenced toolbox is now empty of its interest-rate reduction tools. Accordingly, the Fed chairman resorts to unprecedented promises... and re-promises that interest rate hikes are not even being whispered about, yet, within the confines of its mausoleum-like Constitution Avenue headquarters.

The end (?) of a 40-year decline in a key market-determined interest rate:



## ACT II: Too Much Demand

*Scene 1:* Consumption heats up, then overheats.

*Scene 2:* Shortages (commodities, manufacturing & construction components) appear, then mushroom, forcing suspensions of plant operations. [e.g., electronic chips used in autos, lumber for housing, etc.]

*Scene 3.* Widespread corporate hoarding of commodities & manufacturing components develops quickly. Hoarding spreads to retail consumers.

*Scene 4:* Labor shortages pop up in certain cities, then more cities; salaries and hourly wages rise rapidly. Labor unions bargain tough; labor strikes among large industries multiply.

## ... and Too Much Debt

Low and lower interest rates on loans stimulate borrowing by traditional savers and accelerated borrowing by tradi

competition among money lenders produces relaxation of credit requirements. Wall Street shines, via packaging mortgages and consumption-asset loans for sale to yield-seeking investors.

### ACT III: Inflation takes control

*Scene 1:* Dramatic price increases develop across the economy; demand for exports falls, then rises, as the US Dollar shrinks vs other currencies.

*Scene 2:* Fast-rising Treasury bill rates; long & short-term market interest rates “invert”.

Scene backdrop: Commodities tell the truth. ‘Mr Copper’ has long served as the most reliable harbinger of emerging changes in commodity prices.



.... And lumber prices represent 1/3 of a typical home construction cost. The 2021 inventory of new homes is critically low (crisis-low, in some cities), while demand has been unrelenting.



### ACT IV: The Fed scrambles to regain control

*Scene 1:* The Fed apologizes, but bites the bullet, raising interest rates slowly, then more often, 1/4% each time (which proves insufficient to brake the runaway inflation spiral and societal disruption).

*Scene 2:* Economic contraction emerges; debt defaults and bankruptcies rise rapidly and deeply; housing, autos, imports, travel, hospitality/food service are among the early, worst hit sectors. Stock and bond prices struggle to find stability; stock price/earnings multiples shrink to irrational levels. Rapidly rising interest rates cause US Treasury debt service payouts to more than double (and resulting deficits create a bubble).

[For the next Act, see Act I.]

### SO, WHO PAYS?

How many times will we hear the outcries of politicians and fellow travelers, to proclaim that we are borrowing and spending our children and grandchildren into bankruptcy? It's all true.

Three, or four years hence, what benefits will be left from the \$4 trillion Stimulus spending in 2020-21? Perhaps the emerging “infrastructure” spending plan looks unlikely to produce long-lasting benefit. So, maybe a careful definition of the term is really worthwhile.... If it is applied to the 2021 legislative process now underway. Here is our attempt: *Infrastructure is a long-term, publicly funded investment in the vehicles that produce efficiency enhancements within core element(s) of the nation's systems that deliver safety, economic expansion and societal well-being. In order to qualify, its benefits must be clearly measurable, in fundamental terms that represent consensus.*

The Interstate Highway Act of 1956 stands out as the perfect infrastructure model. It not only delivered colossal benefits, it continues to do so, 65 years later (and it can still be measured); moreover, its 90% federal/10% state, dedicated gasoline tax funding model was designed to continuously sustain itself... and it has.

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Unbiased strategic advice

Exceed client expectation

Innovative thought leadership

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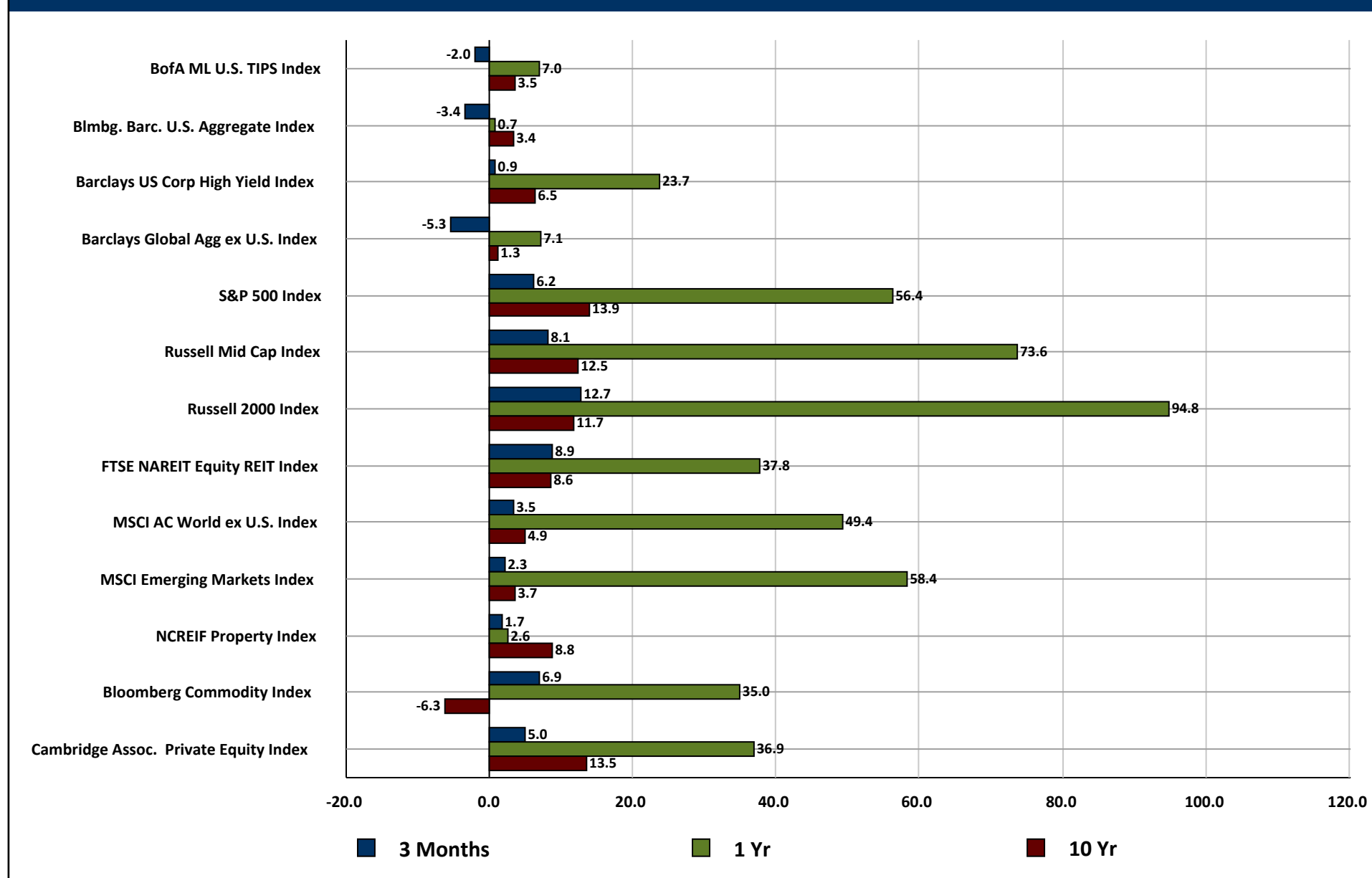
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# World Markets Review - Broad Market Indexes

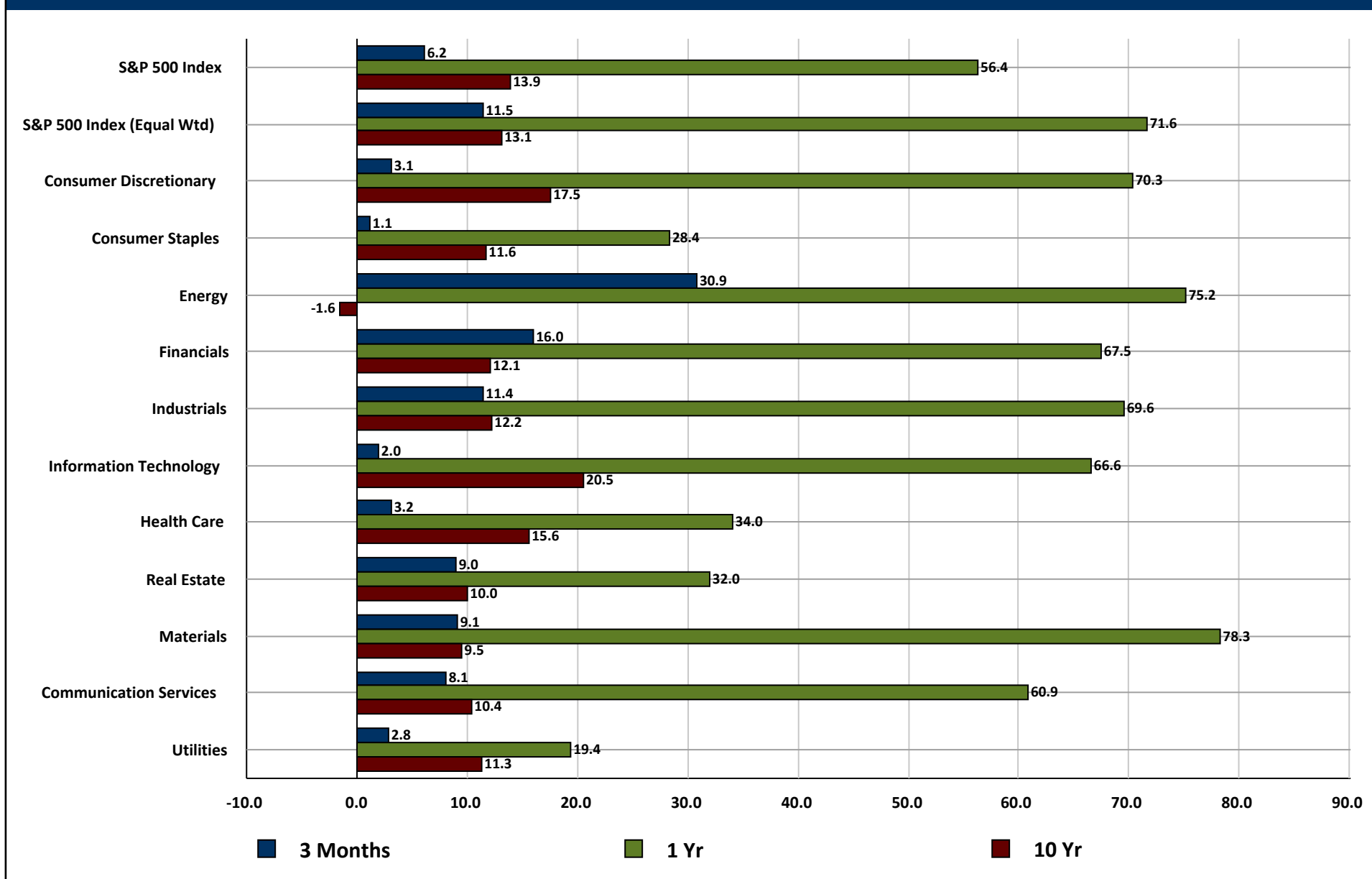


Proxies are used for late-reporting indexes as follows: NCREIF Property Index: NCREIF Property ODCE Index preliminary return.  
Cambridge Assoc. Private Equity Index: 50% Private Equity long term average return (since 1986)/ 50% S&P 500 Index.

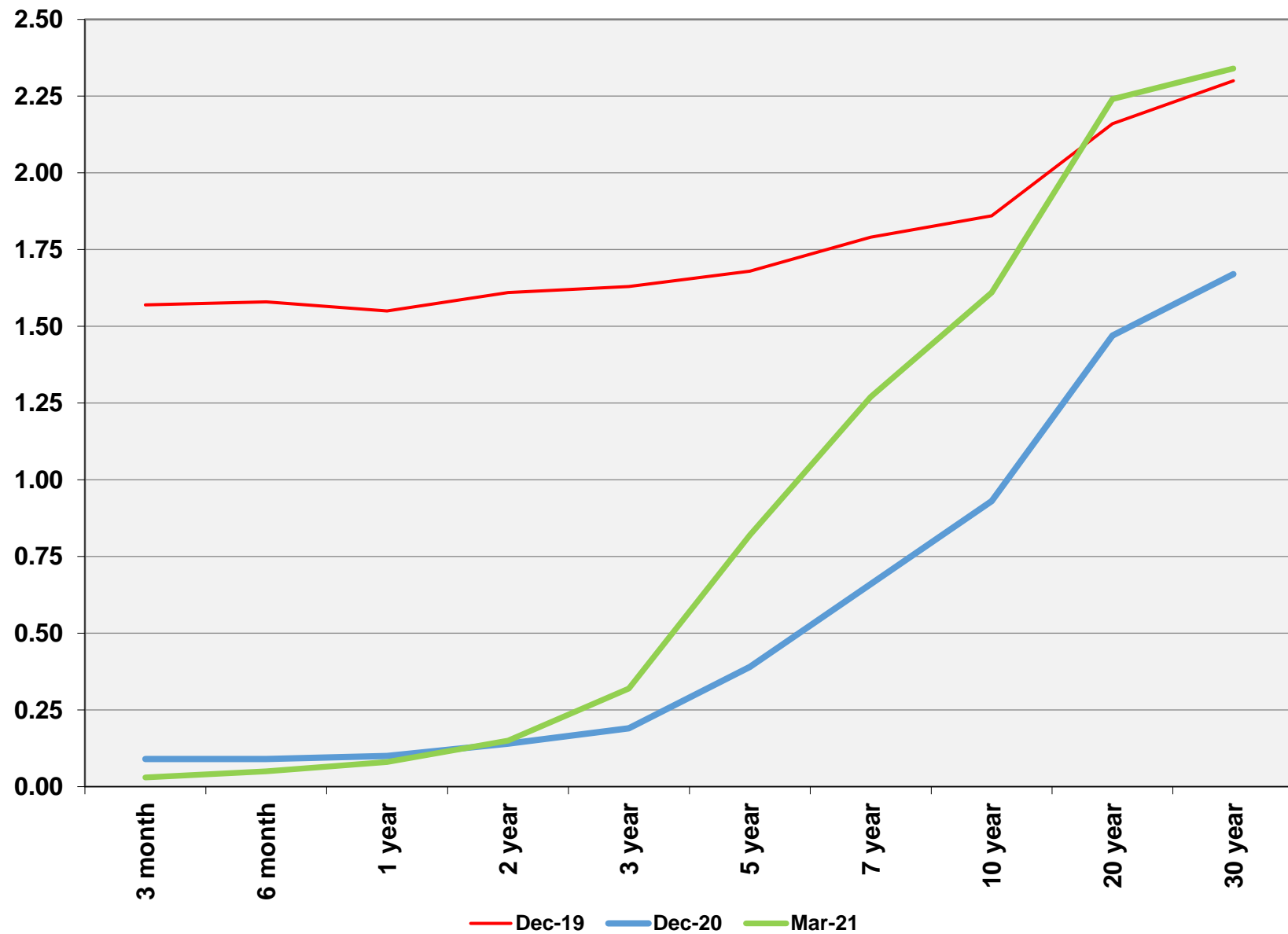
| <b>Historical Capital Markets Returns</b>       |                 |            |               |                |                |                |                 |
|---|-----------------|------------|---------------|----------------|----------------|----------------|-----------------|
|   | <b>3 Months</b> | <b>YTD</b> | <b>1 Year</b> | <b>3 Years</b> | <b>5 Years</b> | <b>7 Years</b> | <b>10 Years</b> |
| <b>Fixed Income</b>                             |                 |            |               |                |                |                |                 |
| Blmbg. Barclays 1-3 Yr US Treasury Index        | (0.1)           | (0.1)      | 0.3           | 2.8            | 1.7            | 1.5            | 1.3             |
| Blmbg. Barclays 1-3 Yr US Gov/Credit Index      | 0.0             | 0.0        | 1.6           | 3.0            | 2.0            | 1.7            | 1.6             |
| Blmbg. Barclays Intermed US Govt/Credit Index   | (1.9)           | (1.9)      | 2.0           | 4.4            | 2.8            | 2.8            | 2.9             |
| Blmbg. Barclays US Corp Investment Grade Index  | (4.6)           | (4.6)      | 8.7           | 6.2            | 4.9            | 4.6            | 5.0             |
| Blmbg. Barclays US Gov't/Credit Index           | (4.3)           | (4.3)      | 0.9           | 5.0            | 3.4            | 3.5            | 3.7             |
| Blmbg. Barclays US Aggregate Index              | (3.4)           | (3.4)      | 0.7           | 4.7            | 3.1            | 3.3            | 3.4             |
| Blmbg. Barclays Long US Treasury Index          | (13.5)          | (13.5)     | (15.8)        | 5.9            | 3.1            | 5.5            | 6.3             |
| ICE BofA ML US TIPS Index                       | (2.0)           | (2.0)      | 7.0           | 5.7            | 3.9            | 3.5            | 3.5             |
| Blmbg. Barclays Municipal Bond Index            | (0.4)           | (0.4)      | 5.5           | 4.9            | 3.5            | 4.0            | 4.5             |
| Blmbg. Barclays US Corp High Yield Index        | 0.9             | 0.9        | 23.7          | 6.8            | 8.1            | 5.4            | 6.5             |
| Blmbg. Barclays Global Agg ex U.S. Index        | (5.3)           | (5.3)      | 7.1           | 1.1            | 2.1            | 0.9            | 1.3             |
| Blmbg. Barclays Emerging Mkts USD Aggregate Idx | (3.5)           | (3.5)      | 13.6          | 4.8            | 5.2            | 4.8            | 5.5             |
| <b>U.S. Equity</b>                              |                 |            |               |                |                |                |                 |
| S&P 500 Index                                   | 6.2             | 6.2        | 56.4          | 16.8           | 16.3           | 13.6           | 13.9            |
| Russell 1000 Value Index                        | 11.3            | 11.3       | 56.1          | 11.0           | 11.7           | 9.4            | 11.0            |
| Russell 1000 Growth Index                       | 0.9             | 0.9        | 62.7          | 22.8           | 21.0           | 17.5           | 16.6            |
| Russell Mid Cap Index                           | 8.1             | 8.1        | 73.6          | 14.7           | 14.7           | 11.7           | 12.5            |
| Russell Mid Cap Value Index                     | 13.1            | 13.1       | 73.8          | 10.7           | 11.6           | 9.3            | 11.1            |
| Russell Mid Cap Growth Index                    | (0.6)           | (0.6)      | 68.6          | 19.4           | 18.4           | 14.4           | 14.1            |
| Russell 2000 Index                              | 12.7            | 12.7       | 94.8          | 14.8           | 16.4           | 11.0           | 11.7            |
| Russell 2000 Value Index                        | 21.2            | 21.2       | 97.1          | 11.6           | 13.6           | 8.9            | 10.1            |
| Russell 2000 Growth Index                       | 4.9             | 4.9        | 90.2          | 17.2           | 18.6           | 12.8           | 13.0            |
| FTSE NAREIT Equity REIT Index                   | 8.9             | 8.9        | 37.8          | 9.5            | 5.3            | 7.7            | 8.6             |
| <b>Non-U.S. Equity</b>                          |                 |            |               |                |                |                |                 |
| MSCI EAFE Index                                 | 3.5             | 3.5        | 44.6          | 6.0            | 8.8            | 4.8            | 5.5             |
| MSCI AC World ex U.S. Index                     | 3.5             | 3.5        | 49.4          | 6.5            | 9.8            | 5.3            | 4.9             |
| MSCI AC Europe Index                            | 4.1             | 4.1        | 45.5          | 6.1            | 8.8            | 4.2            | 5.4             |
| MSCI AC Pacific Index                           | 2.2             | 2.2        | 50.9          | 8.4            | 12.6           | 8.6            | 7.1             |
| MSCI Emerging Markets Index                     | 2.3             | 2.3        | 58.4          | 6.5            | 12.1           | 6.6            | 3.7             |
| MSCI AC World ex USA Small Cap Index            | 5.6             | 5.6        | 70.4          | 7.0            | 10.8           | 7.1            | 6.7             |
| <b>Alternatives</b>                             |                 |            |               |                |                |                |                 |
| Credit Suisse Long/Short Equity Index           | 2.4             | 2.4        | 24.3          | 5.4            | 6.1            | 4.8            | 5.0             |
| Bloomberg Commodity Index                       | 6.9             | 6.9        | 35.0          | (0.2)          | 2.3            | (5.8)          | (6.3)           |
| HFRI Merger Arbitrage Index                     | 4.6             | 4.6        | 23.5          | 6.6            | 5.4            | 4.6            | 4.0             |
| HFRI Macro Index                                | 4.1             | 4.1        | 11.5          | 4.4            | 2.6            | 2.8            | 1.5             |
| NCREIF Property Index                           | 1.7             | 1.7        | 2.6           | 4.9            | 5.8            | 7.6            | 8.8             |
| NCREIF Timberland Index                         | 0.8             | 0.8        | 1.5           | 1.7            | 2.5            | 3.7            | 4.5             |
| Cambridge Assoc. Private Equity Index           | 5.0             | 5.0        | 36.9          | 14.5           | 15.6           | 13.0           | 13.5            |

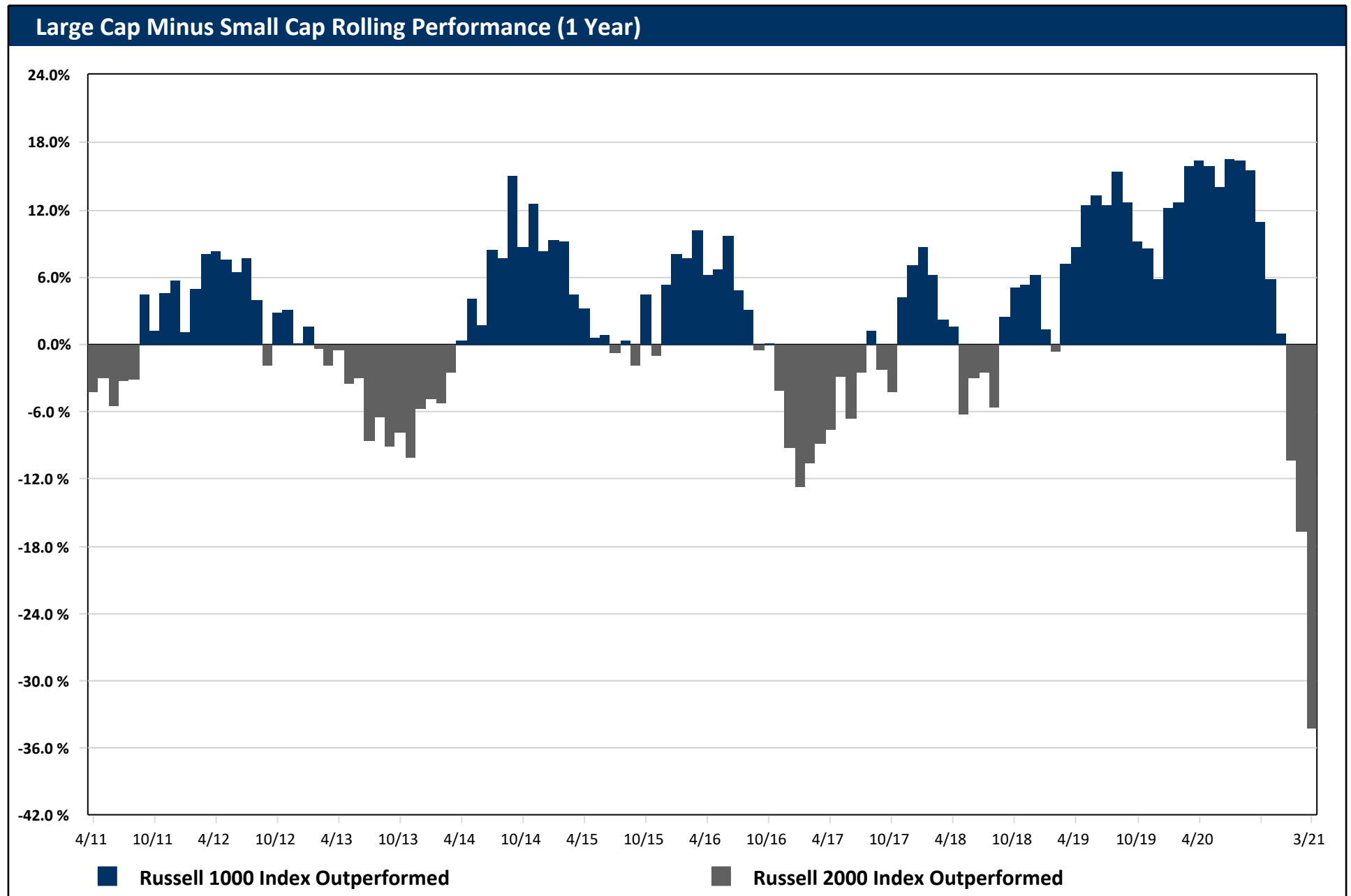
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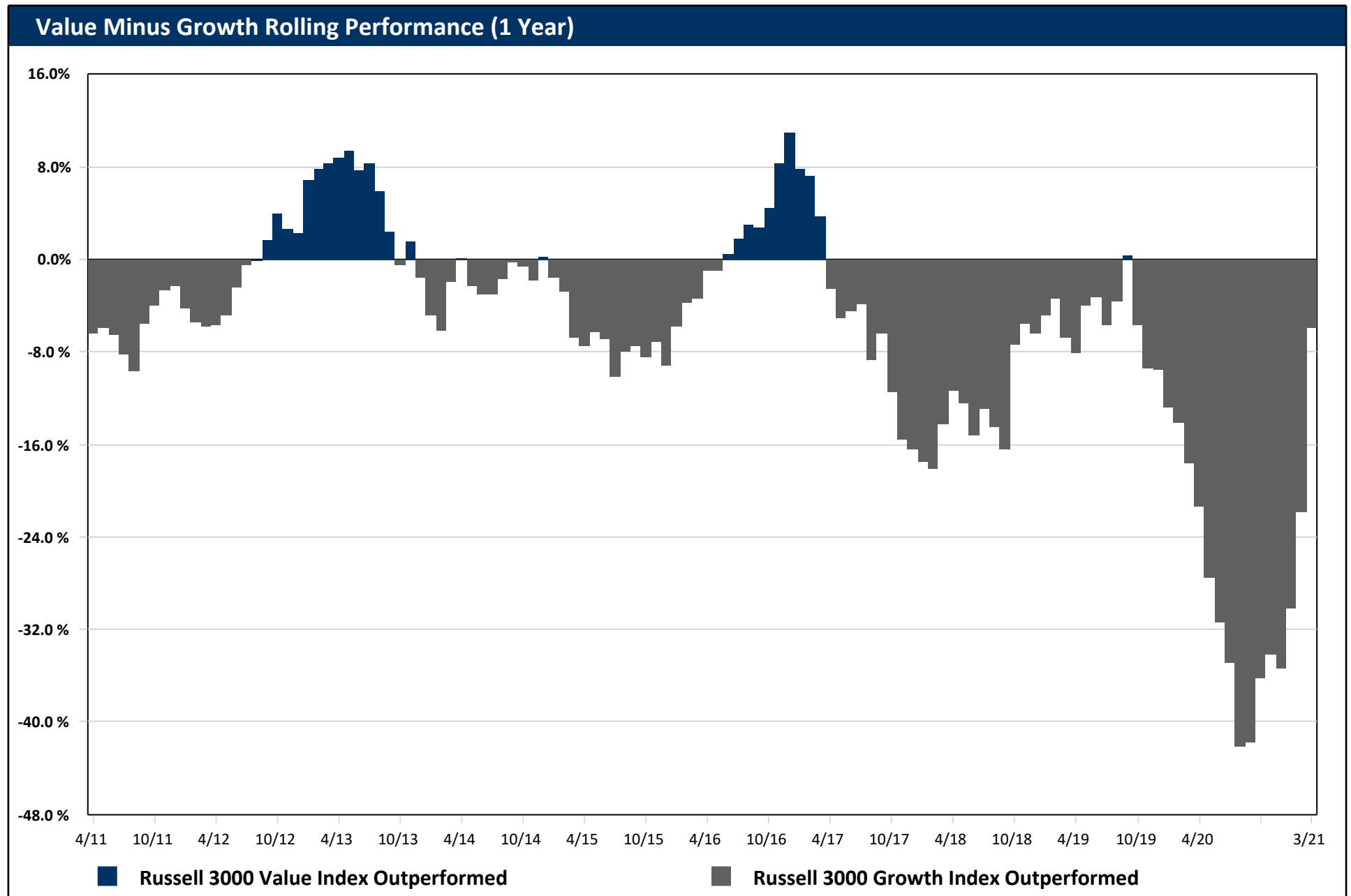
## World Markets Review - S&amp;P 500 Sectors



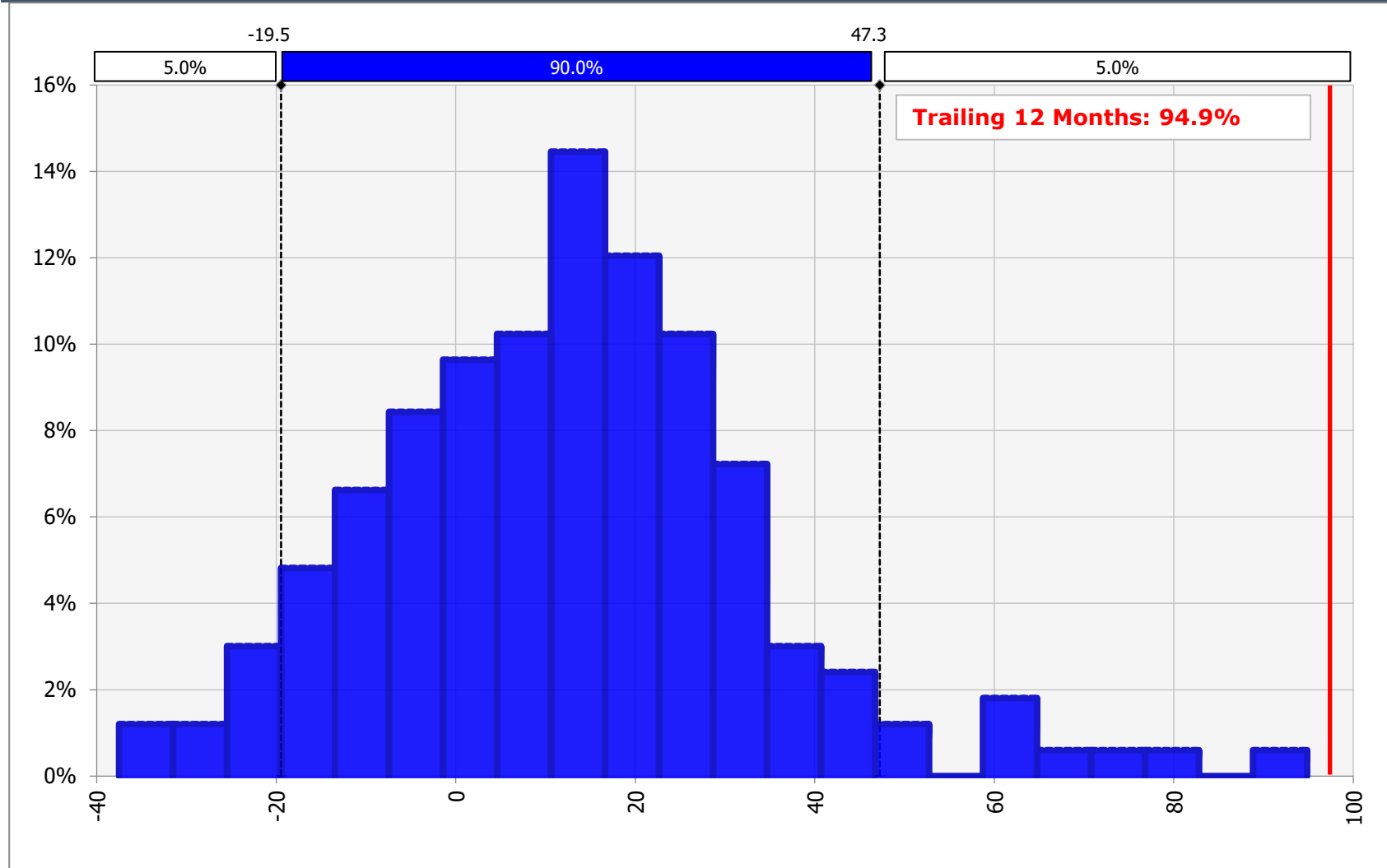
## U.S. Treasury Bond Yields at selected quarter end dates







Russell 2000 Index 12-Month Return Frequency Distribution since 1979



Periodic Table of Returns for Key Indexes (previous 15 periods)

|       | 2007                         | 2008                          | 2009                        | 2010                       | 2011                          | 2012                        | 2013                         | 2014                         | 2015                          | 2016                        | 2017                       | 2018                          | 2019                       | 2020                       | YTD                        |
|-------|------------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|-------------------------------|-----------------------------|----------------------------|-------------------------------|----------------------------|----------------------------|----------------------------|
| Best  | Emerging Markets<br>39.4 %   | Managed Futures<br>14.1 %     | Emerging Markets<br>78.5 %  | REITs<br>27.9 %            | TIPS<br>14.1 %                | Emerging Markets<br>18.2 %  | Small Cap Equity<br>38.8 %   | REITs<br>30.1 %              | L/S Equity<br>3.6 %           | Small Cap Equity<br>21.3 %  | Emerging Markets<br>37.3 % | 90 Day T-Bill<br>1.9 %        | S&P 500<br>31.5 %          | Small Cap Equity<br>20.0 % | Small Cap Equity<br>12.7 % |
|       | Non-US Equity<br>16.7 %      | Core Bonds<br>5.2 %           | High Yield<br>58.2 %        | Small Cap Equity<br>26.9 % | REITs<br>8.3 %                | REITs<br>18.1 %             | Mid Cap Equity<br>34.8 %     | S&P 500<br>13.7 %            | REITs<br>3.2 %                | High Yield<br>17.1 %        | Non-US Equity<br>27.2 %    | Core Bonds<br>0.0 %           | Mid Cap Equity<br>30.5 %   | S&P 500<br>18.4 %          | REITs<br>8.9 %             |
|       | Commodity<br>16.2 %          | Non-US Bonds<br>4.4 %         | Non-US Equity<br>41.4 %     | Mid Cap Equity<br>25.5 %   | Core Bonds<br>7.8 %           | Mid Cap Equity<br>17.3 %    | S&P 500<br>32.4 %            | Mid Cap Equity<br>13.2 %     | S&P 500<br>1.4 %              | Mid Cap Equity<br>13.8 %    | S&P 500<br>21.8 %          | TIPS<br>(1.5 ) %              | REITs<br>26.0 %            | Emerging Markets<br>18.3 % | Mid Cap Equity<br>8.1 %    |
|       | L/S Equity<br>13.7 %         | 90 Day T-Bill<br>2.1 %        | Mid Cap Equity<br>40.5 %    | Emerging Markets<br>18.9 % | High Yield<br>5.0 %           | Non-US Equity<br>16.8 %     | L/S Equity<br>17.7 %         | Managed Futures<br>7.6 %     | Core Bonds<br>0.5 %           | S&P 500<br>12.0 %           | Mid Cap Equity<br>18.5 %   | High Yield<br>(2.1 ) %        | Small Cap Equity<br>25.5 % | Mid Cap Equity<br>17.1 %   | Commodity<br>6.9 %         |
|       | TIPS<br>11.6 %               | TIPS<br>(1.1 ) %              | REITs<br>28.0 %             | Commodity<br>16.8 %        | Non-US Bonds<br>4.4 %         | Small Cap Equity<br>16.3 %  | Non-US Equity<br>15.3 %      | Core Bonds<br>6.0 %          | 90 Day T-Bill<br>0.0 %        | Commodity<br>11.8 %         | Small Cap Equity<br>14.6 % | Non-US Bonds<br>(2.1 ) %      | Non-US Equity<br>21.5 %    | TIPS<br>11.4 %             | S&P 500<br>6.2 %           |
|       | Non-US Bonds<br>11.0 %       | L/S Equity<br>(19.7 ) %       | Small Cap Equity<br>27.2 %  | High Yield<br>15.1 %       | S&P 500<br>2.1 %              | S&P 500<br>16.0 %           | High Yield<br>7.4 %          | L/S Equity<br>5.5 %          | Managed Futures<br>(1.5 ) %   | Emerging Markets<br>11.2 %  | L/S Equity<br>13.4 %       | Managed Futures<br>(3.0 ) %   | Emerging Markets<br>18.4 % | Non-US Equity<br>10.7 %    | Non-US Equity<br>3.5 %     |
|       | Managed Futures<br>7.7 %     | High Yield<br>(26.2 ) %       | S&P 500<br>26.5 %           | S&P 500<br>15.1 %          | 90 Day T-Bill<br>0.1 %        | High Yield<br>15.8 %        | REITs<br>2.5 %               | Small Cap Equity<br>4.9 %    | TIPS<br>(1.7 ) %              | REITs<br>8.5 %              | Non-US Bonds<br>10.5 %     | S&P 500<br>(4.4 ) %           | High Yield<br>14.3 %       | Non-US Bonds<br>10.1 %     | L/S Equity<br>2.4 %        |
|       | Core Bonds<br>7.0 %          | Small Cap Equity<br>(33.8 ) % | L/S Equity<br>19.5 %        | Non-US Equity<br>11.2 %    | Mid Cap Equity<br>(1.5 ) %    | L/S Equity<br>8.2 %         | 90 Day T-Bill<br>0.0 %       | TIPS<br>4.5 %                | Mid Cap Equity<br>(2.4 ) %    | TIPS<br>4.8 %               | High Yield<br>7.5 %        | L/S Equity<br>(4.6 ) %        | L/S Equity<br>12.2 %       | L/S Equity<br>7.8 %        | Managed Futures<br>2.3 %   |
|       | Mid Cap Equity<br>5.6 %      | Commodity<br>(35.6 ) %        | Commodity<br>18.9 %         | L/S Equity<br>9.3 %        | Managed Futures<br>(3.1 ) %   | TIPS<br>7.3 %               | Managed Futures<br>(1.5 ) %  | High Yield<br>2.5 %          | Small Cap Equity<br>(4.4 ) %  | Non-US Equity<br>4.5 %      | REITs<br>5.2 %             | REITs<br>(4.6 ) %             | TIPS<br>8.8 %              | Core Bonds<br>7.5 %        | Emerging Markets<br>2.3 %  |
|       | S&P 500<br>5.5 %             | S&P 500<br>(37.0 ) %          | TIPS<br>10.0 %              | Managed Futures<br>7.0 %   | Small Cap Equity<br>(4.2 ) %  | Core Bonds<br>4.2 %         | Core Bonds<br>(2.0 ) %       | 90 Day T-Bill<br>0.0 %       | High Yield<br>(4.5 ) %        | Core Bonds<br>2.6 %         | Core Bonds<br>3.5 %        | Mid Cap Equity<br>(9.1 ) %    | Core Bonds<br>8.7 %        | High Yield<br>7.1 %        | High Yield<br>0.9 %        |
|       | 90 Day T-Bill<br>4.9 %       | REITs<br>(37.7 ) %            | Non-US Bonds<br>7.5 %       | Core Bonds<br>6.5 %        | L/S Equity<br>(7.3 ) %        | Non-US Bonds<br>4.1 %       | Emerging Markets<br>(2.6 ) % | Emerging Markets<br>(2.2 ) % | Non-US Equity<br>(5.7 ) %     | Non-US Bonds<br>1.5 %       | TIPS<br>3.3 %              | Small Cap Equity<br>(11.0 ) % | Commodity<br>7.7 %         | Managed Futures<br>5.4 %   | 90 Day T-Bill<br>0.0 %     |
|       | High Yield<br>1.9 %          | Mid Cap Equity<br>(41.5 ) %   | Core Bonds<br>5.9 %         | TIPS<br>6.3 %              | Commodity<br>(13.3 ) %        | 90 Day T-Bill<br>0.1 %      | Non-US Bonds<br>(3.1 ) %     | Non-US Bonds<br>(3.1 ) %     | Non-US Bonds<br>(6.0 ) %      | 90 Day T-Bill<br>0.3 %      | Commodity<br>1.7 %         | Commodity<br>(11.2 ) %        | Managed Futures<br>5.2 %   | 90 Day T-Bill<br>0.7 %     | TIPS<br>(2.0 ) %           |
|       | Small Cap Equity<br>(1.6 ) % | Non-US Equity<br>(45.5 ) %    | 90 Day T-Bill<br>0.2 %      | Non-US Bonds<br>4.9 %      | Non-US Equity<br>(13.7 ) %    | Commodity<br>(1.1 ) %       | TIPS<br>(9.4 ) %             | Non-US Equity<br>(3.9 ) %    | Emerging Markets<br>(14.9 ) % | Managed Futures<br>(1.2 ) % | 90 Day T-Bill<br>0.9 %     | Non-US Equity<br>(14.2 ) %    | Non-US Bonds<br>5.1 %      | Commodity<br>(3.1 ) %      | Core Bonds<br>(3.4 ) %     |
| Worst | REITs<br>(15.7 ) %           | Emerging Markets<br>(53.3 ) % | Managed Futures<br>(0.1 ) % | 90 Day T-Bill<br>0.1 %     | Emerging Markets<br>(18.4 ) % | Managed Futures<br>(1.7 ) % | Commodity<br>(9.5 ) %        | Commodity<br>(17.0 ) %       | Commodity<br>(24.7 ) %        | L/S Equity<br>(3.4 ) %      | Managed Futures<br>0.8 %   | Emerging Markets<br>(14.6 ) % | 90 Day T-Bill<br>2.3 %     | REITs<br>(8.0 ) %          | Non-US Bonds<br>(5.3 ) %   |

Notes: 90 Day T-Bill represented by 90 Day U.S. T-Bill Index. TIPS represented by BofA ML U.S. Treasuries Inflation-Linked Index. Core Bonds represented by Bloomberg Barclays Aggregate Index. High Yield represented by Bloomberg Barclays U.S. High Yield Index. Non-US Bonds represented by Bloomberg Barclays Global Aggregate ex U.S. Index. S&P 500 represented by S&P 500 Index. Mid Cap Equity represented by Russell Mid Cap Index. Small Cap Equity represented by Russell 2000 Index. Non-US Equity represented by MSCI World ex U.S. Index. Emerging Markets represented by MSCI Emerging Markets Index. REITs represented by FTSE NAREIT Equity REIT Index. L/S Equity represented by Credit Suisse Long/Short Equity Index. Managed Futures represented by Bloomberg Barclay CTA Index. Commodity represented by Bloomberg Commodity Index.



# Total Plan Analysis



# Observations: SRHS Employees' Retirement Plan & Trust

## Performance and Observations

- The investment program gained **4.6%** (net of investment fees) this quarter, outperforming the policy benchmark return of **3.8%**. With the selloff at the onset of the pandemic in 1Q 2020 rolling out of the trailing 12-month period, the investment program was up **40.6%** (net of investment fees), ahead of the policy benchmark's **35.7%** return.
- The returns over the trailing one, three, five, seven, and ten years are all ahead of the 6% long term objective.
- The majority of outperformance this quarter is attributable to the Debt Securities managers and the International Equity managers. [III Credit](#) and [DFA International Small Cap Value](#) delivered significant outperformance this quarter relative to their respective benchmarks.

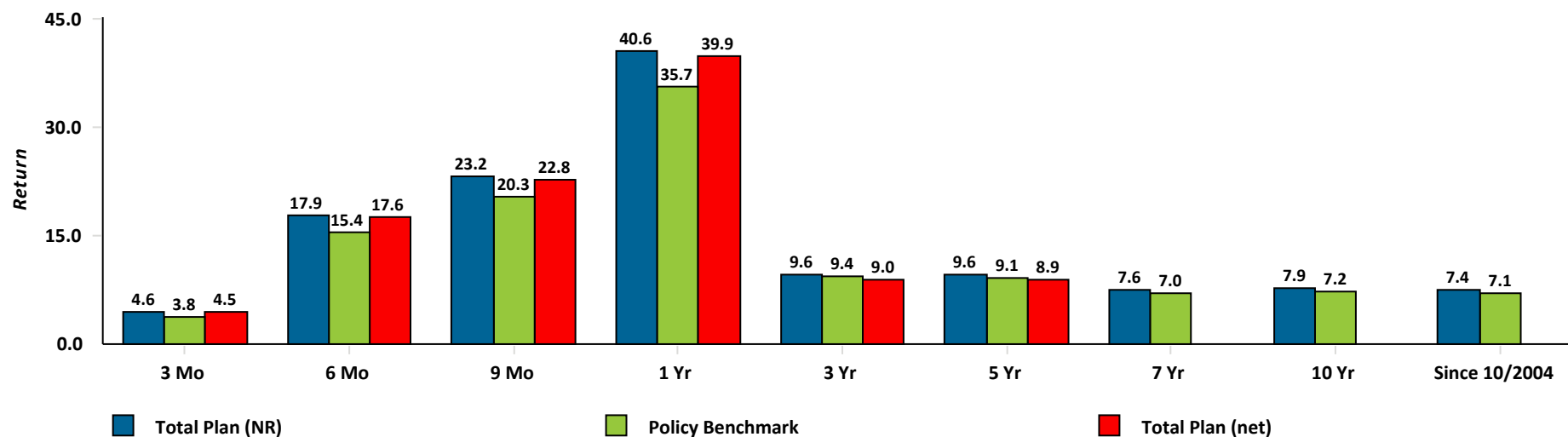
## Probation or Watch List

- [Disciplined Growth Investors](#) gained **10.2%** this quarter, outperforming the **0.6%** loss of the Russell Midcap Growth Index and ranking in the top 4% of its peers. This recent recovery in relative performance lifted the trailing returns to equal or above the Russell Midcap Growth Index for all trailing periods shown in this report.
- The [Gramercy Distressed Opportunities Fund II](#) underperformed the HFN Distressed Index this quarter. Overall returns remain negative since inception. The manager anticipates the majority of the remaining investments will return capital in 2021. They have reduced their fee by one-third.

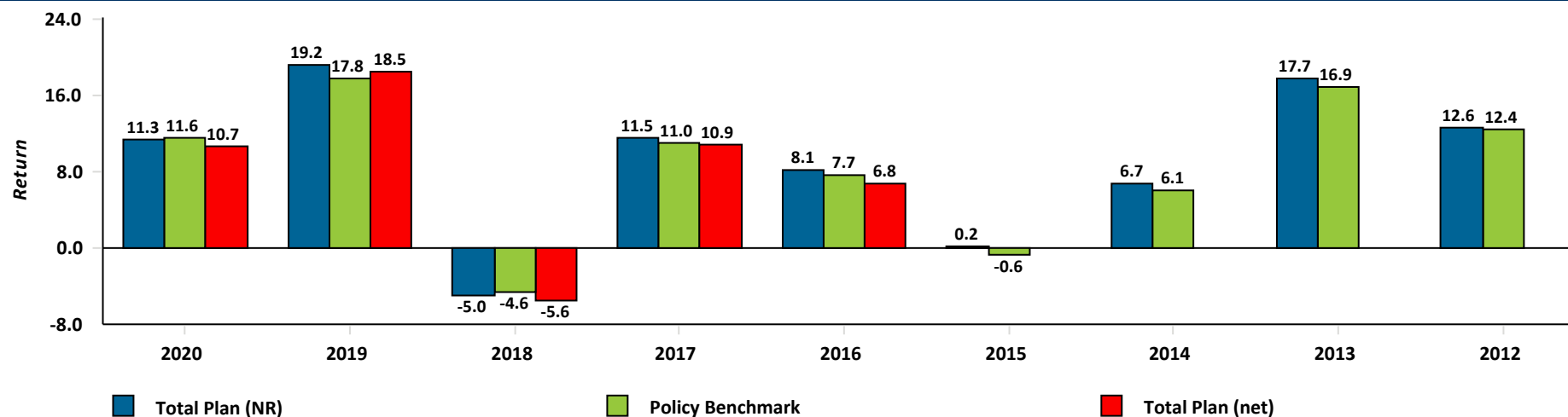
## Recommended Actions

- FiduciaryVest recommends adopting the revised asset allocation as proposed in the draft Investment Policy Statement.
- FiduciaryVest recommends removing [Disciplined Growth Investors](#) from probation as performance markedly improved and the team has navigated through the personnel departure.

## Trailing Returns

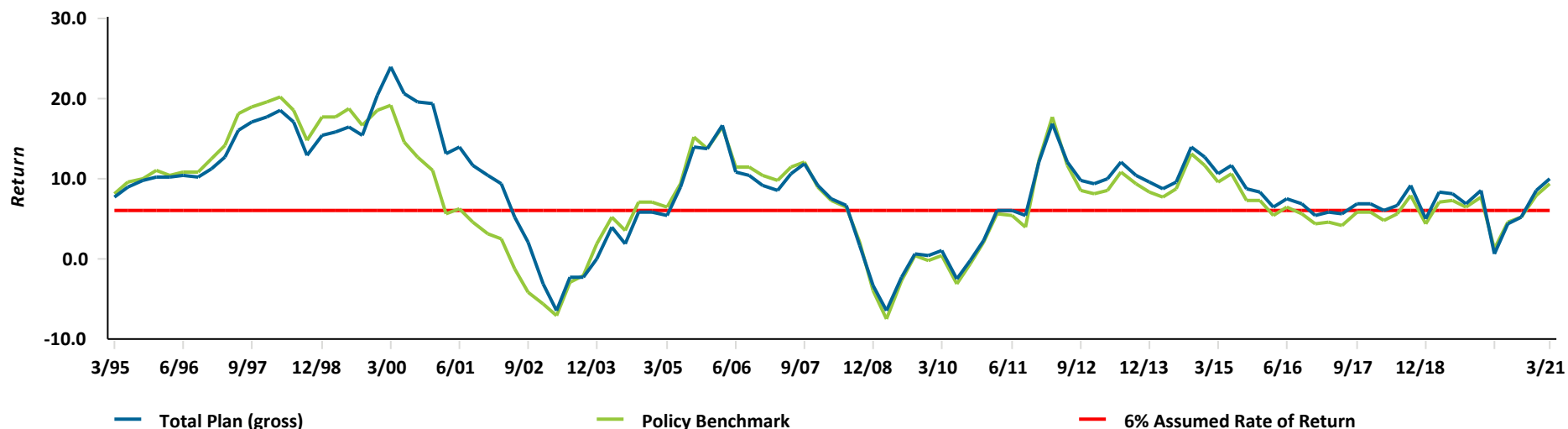


## Calendar Year Returns

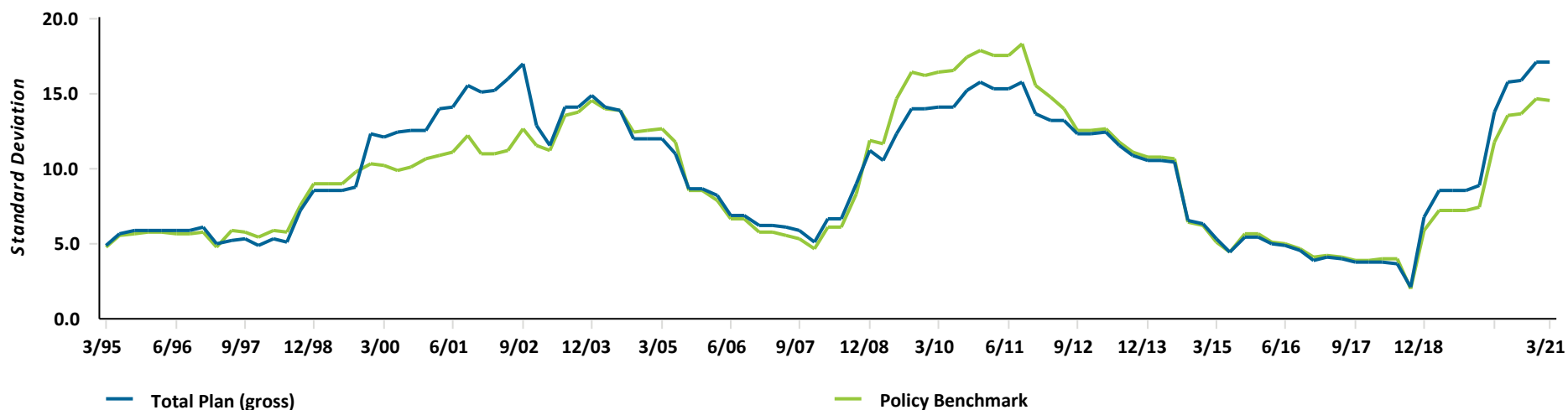


NR=Net of investment management fees return. "Net" returns are net of both investment management fees and plan expenses.

### Rolling Three-Year Return

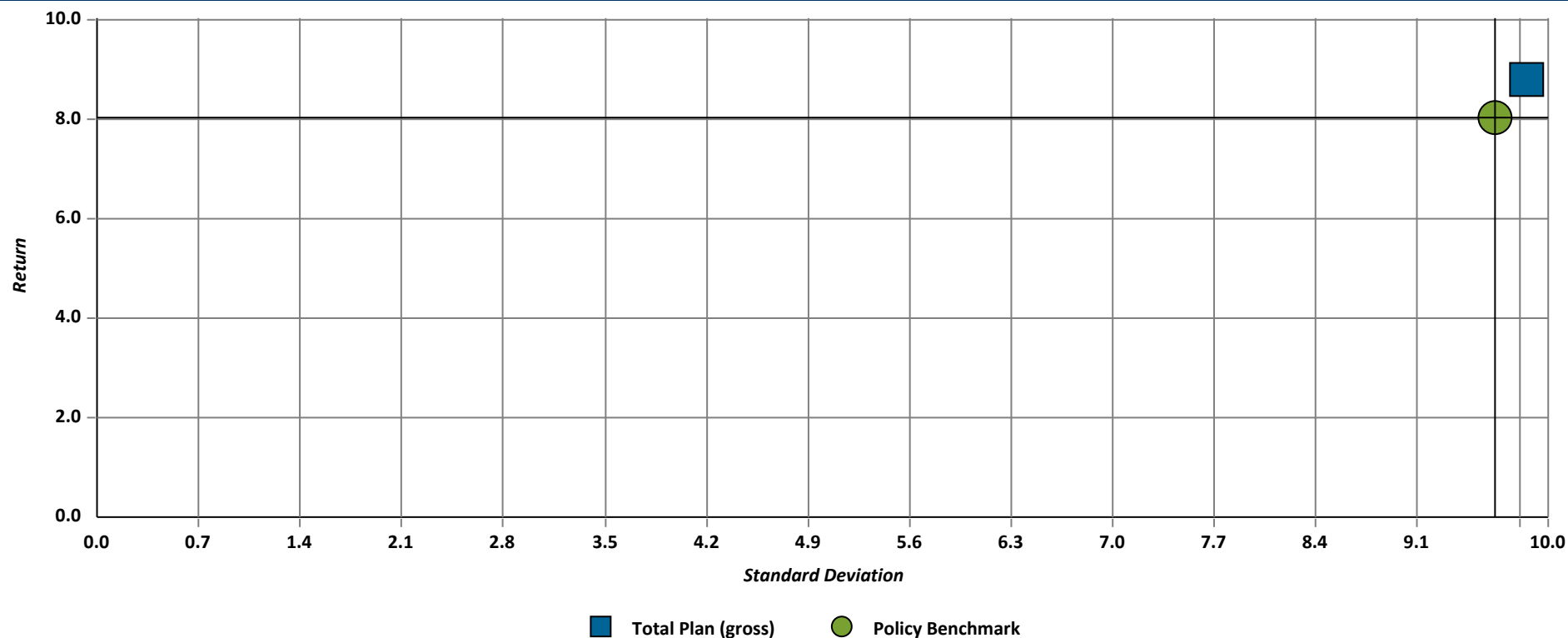


### Rolling Three Year Standard Deviation



NR=Net of investment management fees return. "Net" returns are net of both investment management fees and plan expenses.

## Risk/Return since Inception

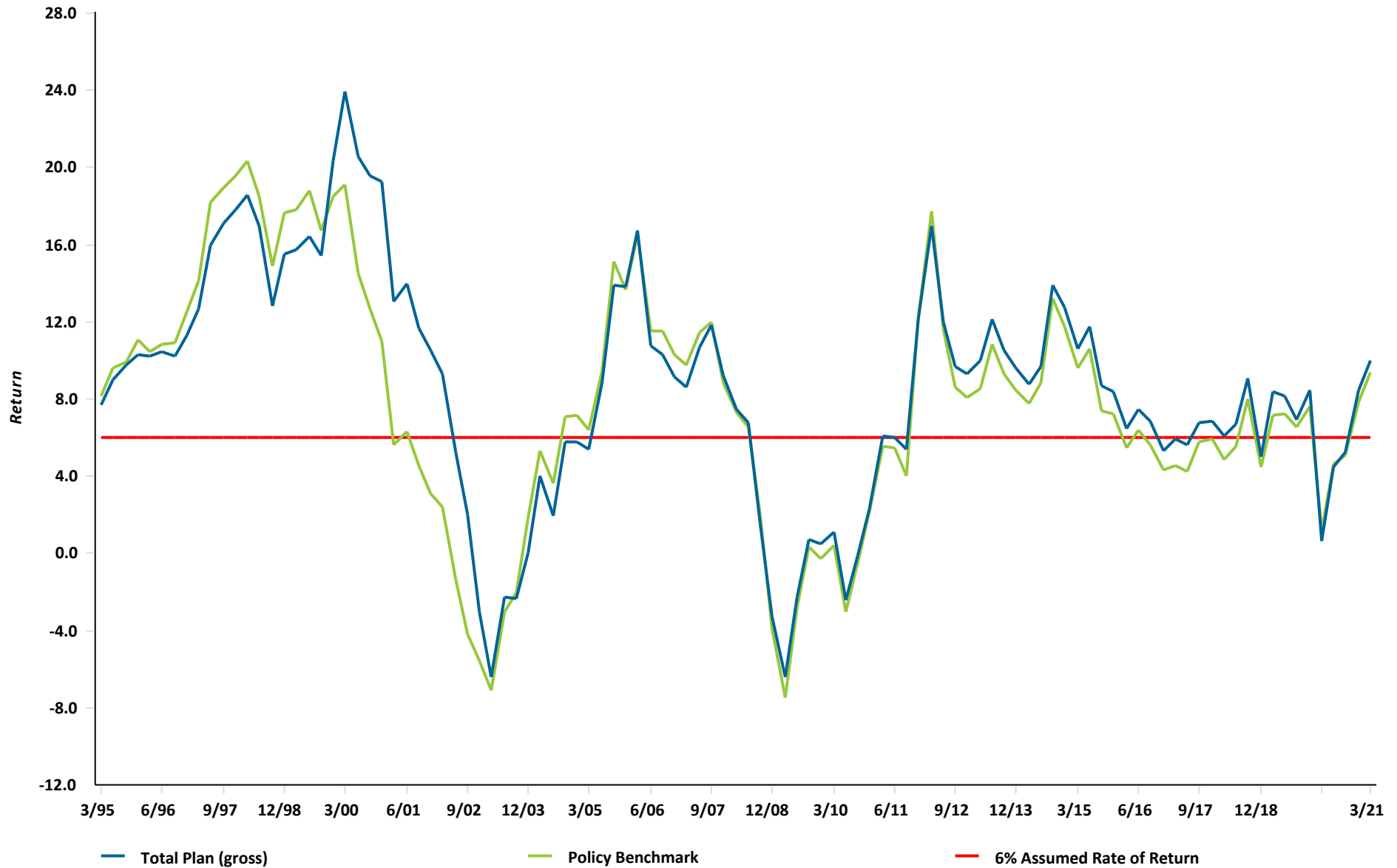


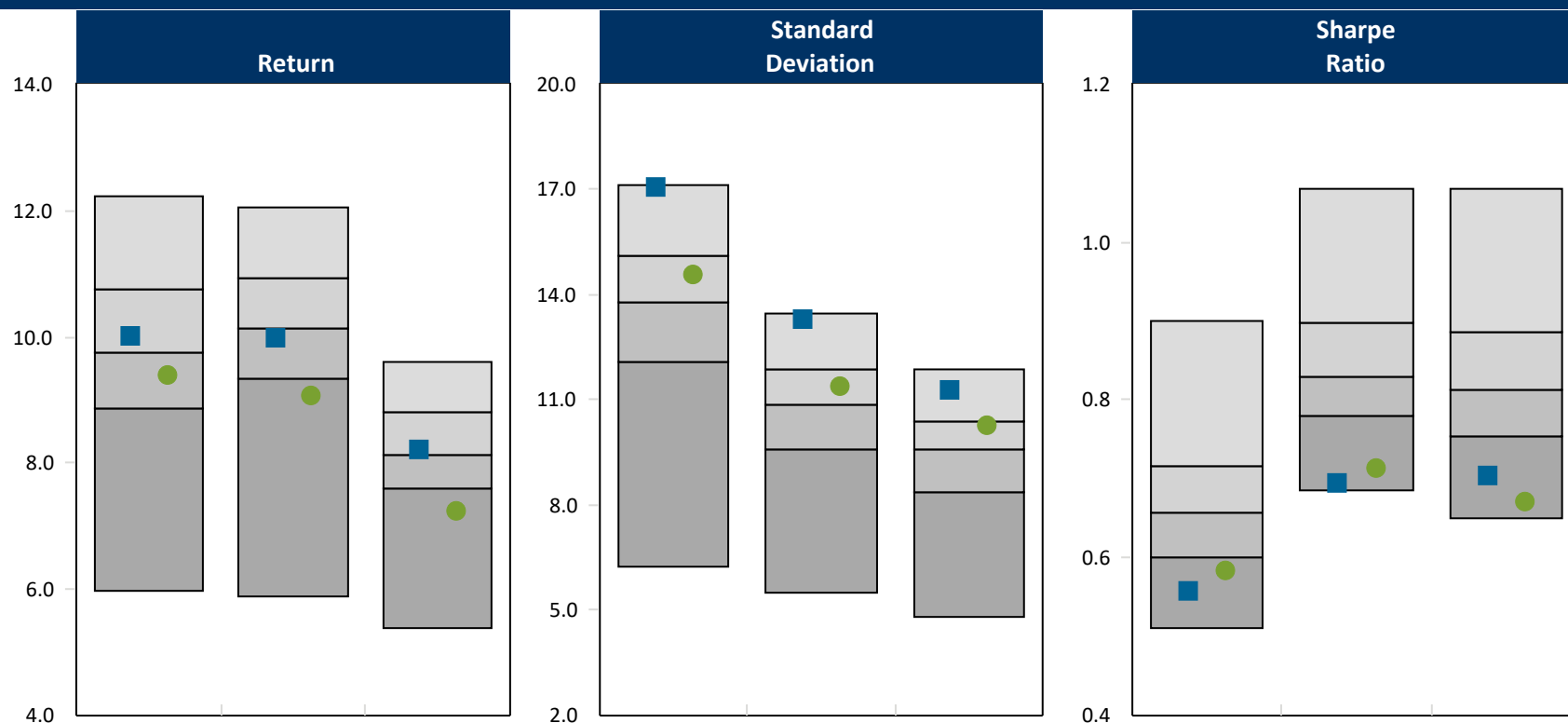
## Performance &amp; Risk Statistics since Inception

|                           | Return | Standard Deviation | Alpha | Beta | Sharpe Ratio | Best Quarter | Worst Quarter | Up Market Capture | Down Market Capture | Inception Date |
|---------------------------|--------|--------------------|-------|------|--------------|--------------|---------------|-------------------|---------------------|----------------|
| Total Plan (gross)        | 8.8    | 9.9                | 1.4   | 0.9  | 0.7          | 19.3         | (21.5)        | 96.7              | 85.5                | 3/1/1992       |
| Policy Benchmark          | 8.0    | 9.6                | 0.0   | 1.0  | 0.6          | 20.4         | (24.8)        | 100.0             | 100.0               | 3/1/1992       |
| 90 Day U.S. Treasury Bill | 2.5    | 0.6                | 2.5   | 0.0  | -            | 1.8          | 0.0           | 9.6               | (8.7)               | 3/1/1992       |

NR=Net of investment management fees return. "Net" returns are net of both investment management fees and plan expenses.

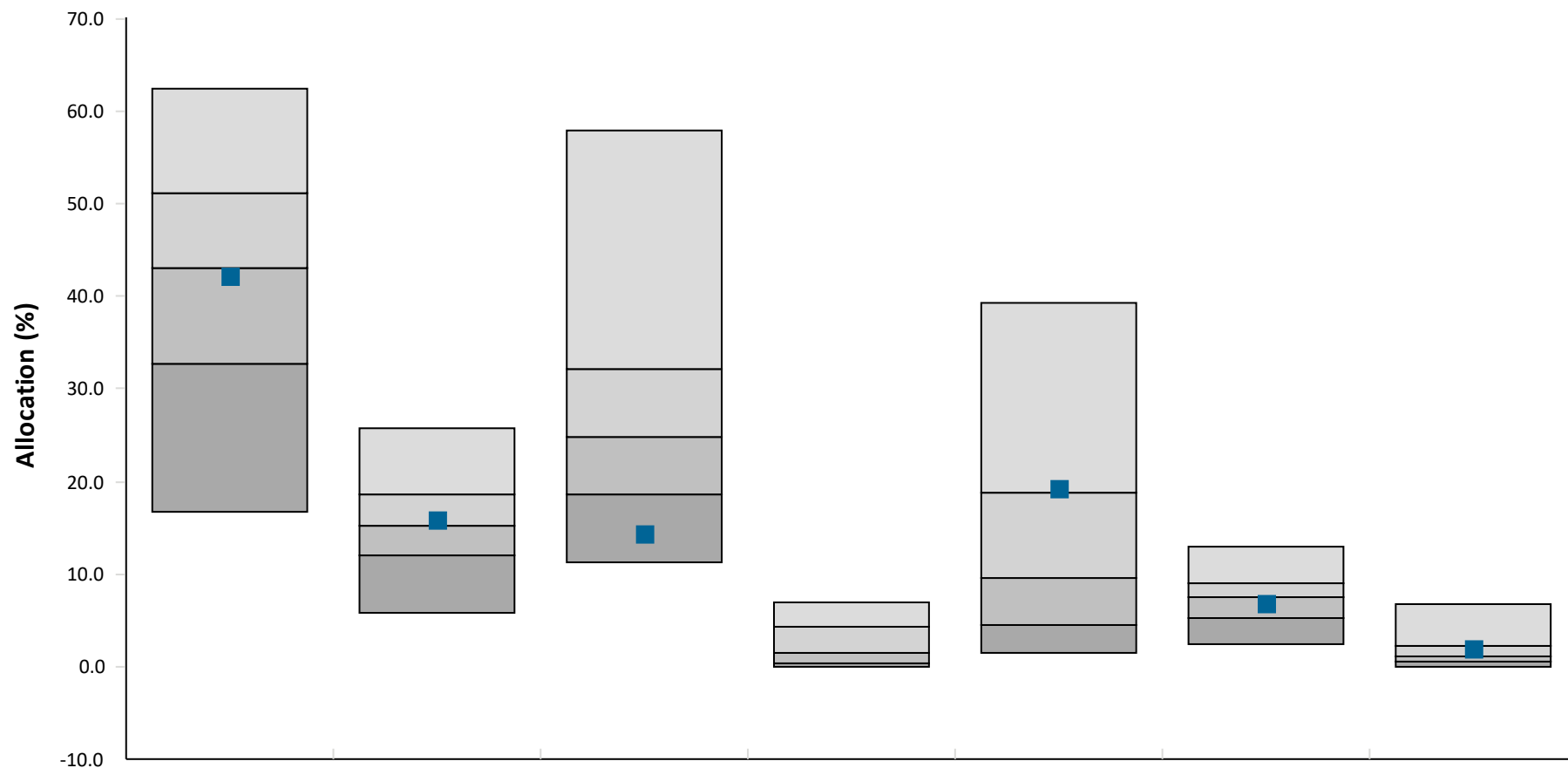
Rolling Three-Year Return



Plan Sponsor Peer Group Analysis  
All Public Plans-Total Fund


|                    | 3 Years   | 5 Years   | 10 Years | 3 Years   | 5 Years   | 10 Years  | 3 Years  | 5 Years  | 10 Years |
|--------------------|-----------|-----------|----------|-----------|-----------|-----------|----------|----------|----------|
| ■ Total Plan       | 10.0 (46) | 10.0 (55) | 8.2 (47) | 17.1 (6)  | 13.3 (6)  | 11.3 (9)  | 0.6 (88) | 0.7 (95) | 0.7 (90) |
| ● Policy Benchmark | 9.4 (60)  | 9.1 (85)  | 7.2 (84) | 14.6 (35) | 11.4 (37) | 10.3 (32) | 0.6 (81) | 0.7 (93) | 0.7 (94) |
| 5th Percentile     | 12.2      | 12.0      | 9.6      | 17.1      | 13.5      | 11.9      | 0.9      | 1.1      | 1.1      |
| 1st Quartile       | 10.8      | 10.9      | 8.8      | 15.1      | 11.9      | 10.4      | 0.7      | 0.9      | 0.9      |
| Median             | 9.7       | 10.1      | 8.1      | 13.8      | 10.9      | 9.6       | 0.7      | 0.8      | 0.8      |
| 3rd Quartile       | 8.9       | 9.3       | 7.6      | 12.1      | 9.6       | 8.4       | 0.6      | 0.8      | 0.8      |
| 95th Percentile    | 6.0       | 5.9       | 5.4      | 6.3       | 5.5       | 4.8       | 0.5      | 0.7      | 0.7      |
| Population         | 450       | 431       | 387      | 450       | 431       | 387       | 450      | 431      | 387      |

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.

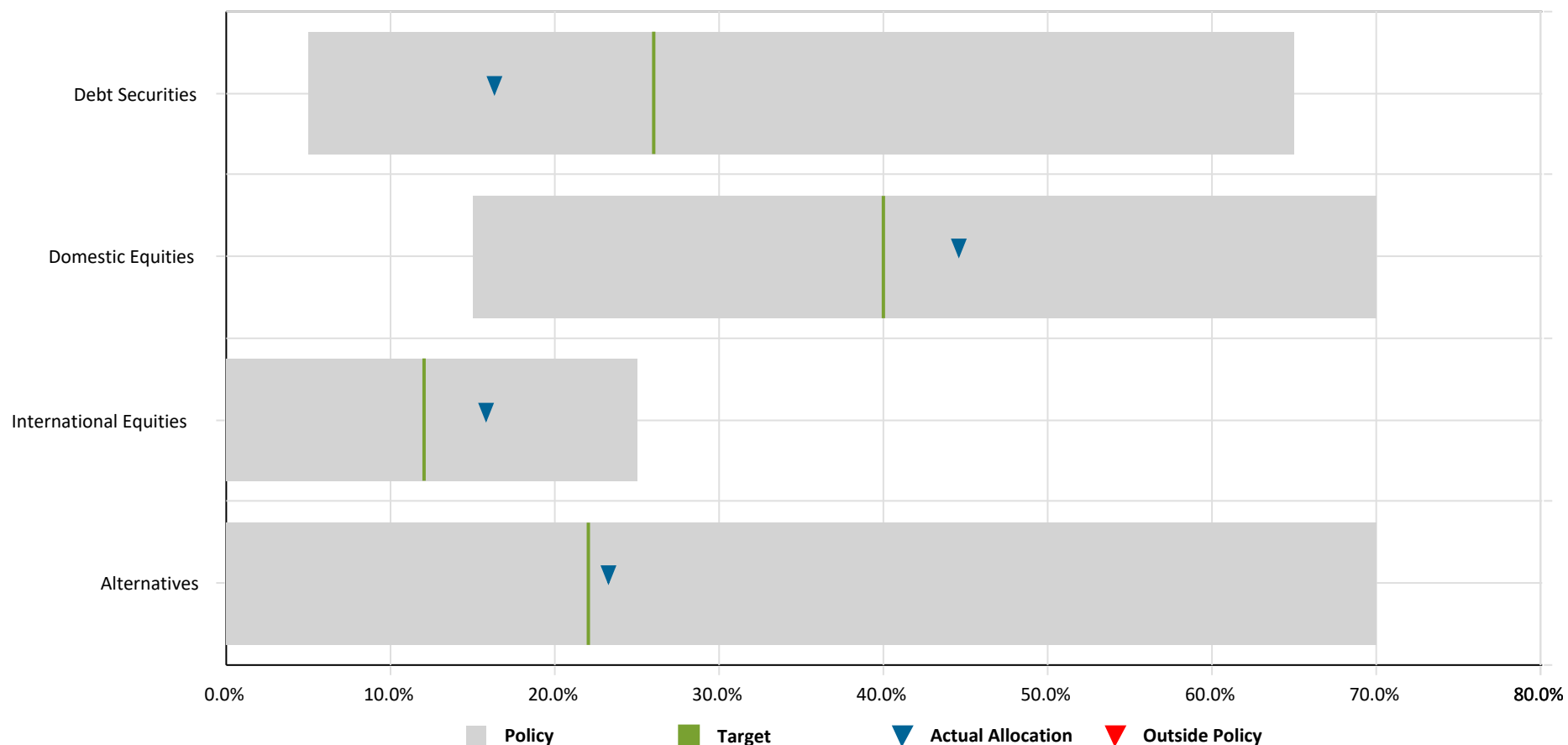
**Plan Sponsor Asset Allocation**  
**All Public Plans-Total Fund**


|                 | US Equity | Global ex-US Equity | US Fixed  | Global ex-US Fixed | Alternatives | Total Real Estate | Cash & Equivalents |
|-----------------|-----------|---------------------|-----------|--------------------|--------------|-------------------|--------------------|
| ■ Total Plan    | 42.1 (53) | 15.9 (43)           | 14.3 (92) | -                  | 19.1 (25)    | 6.7 (59)          | 1.9 (32)           |
| 5th Percentile  | 62.5      | 25.9                | 58.0      | 7.0                | 39.4         | 13.0              | 6.8                |
| 1st Quartile    | 51.3      | 18.7                | 32.1      | 4.3                | 18.8         | 9.0               | 2.2                |
| Median          | 43.1      | 15.3                | 24.9      | 1.5                | 9.5          | 7.5               | 1.1                |
| 3rd Quartile    | 32.8      | 12.1                | 18.6      | 0.3                | 4.5          | 5.3               | 0.5                |
| 95th Percentile | 16.8      | 5.8                 | 11.2      | 0.0                | 1.4          | 2.4               | 0.1                |

Parentheses contain percentile rankings.

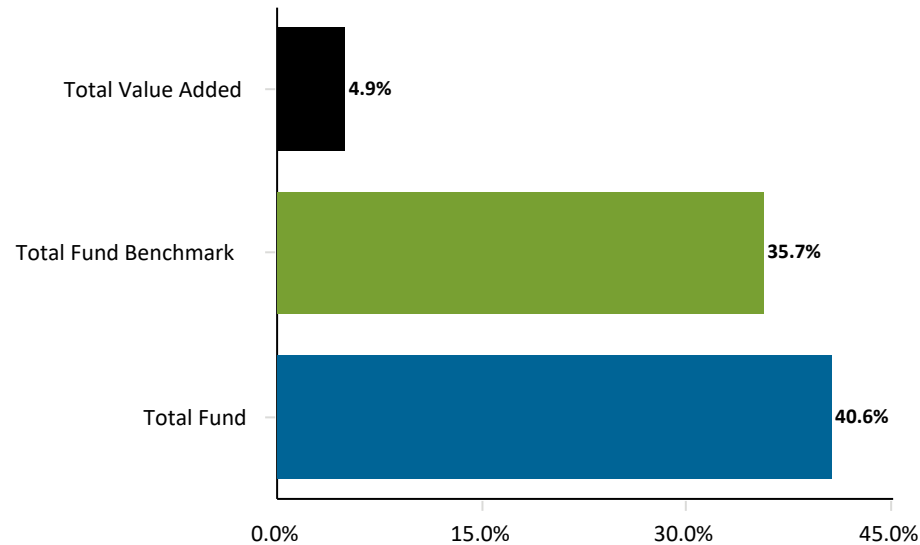


## Asset Allocation Compliance

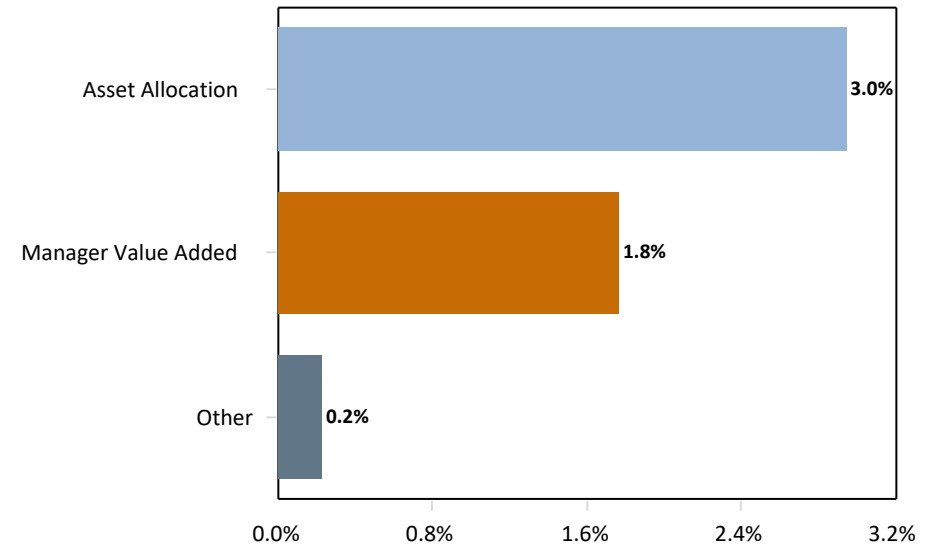


|                        | Market Value (\$)  | Current Allocation | Target Allocation | Variance   |
|------------------------|--------------------|--------------------|-------------------|------------|
| <b>Total Plan</b>      | <b>115,833,443</b> | <b>100.0</b>       | <b>100.0</b>      | <b>0.0</b> |
| Debt Securities        | 18,878,873         | 16.3               | 26.0              | (9.7 )     |
| Domestic Equities      | 51,686,723         | 44.6               | 40.0              | 4.6        |
| International Equities | 18,373,371         | 15.9               | 12.0              | 3.9        |
| Alternatives           | 26,894,476         | 23.2               | 22.0              | 1.2        |

Total Fund Performance: 1 Year



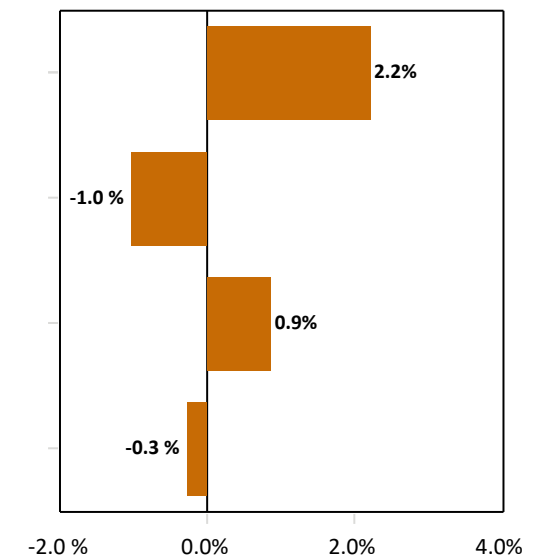
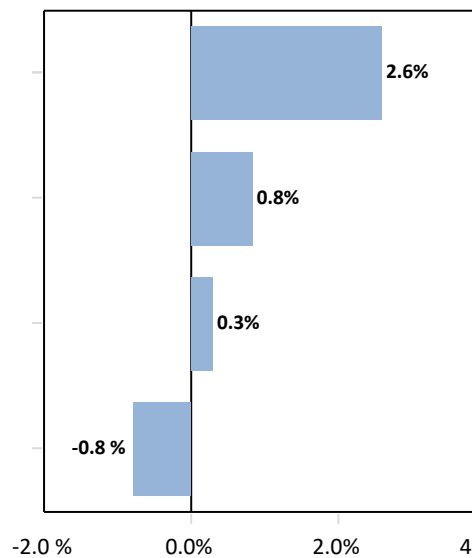
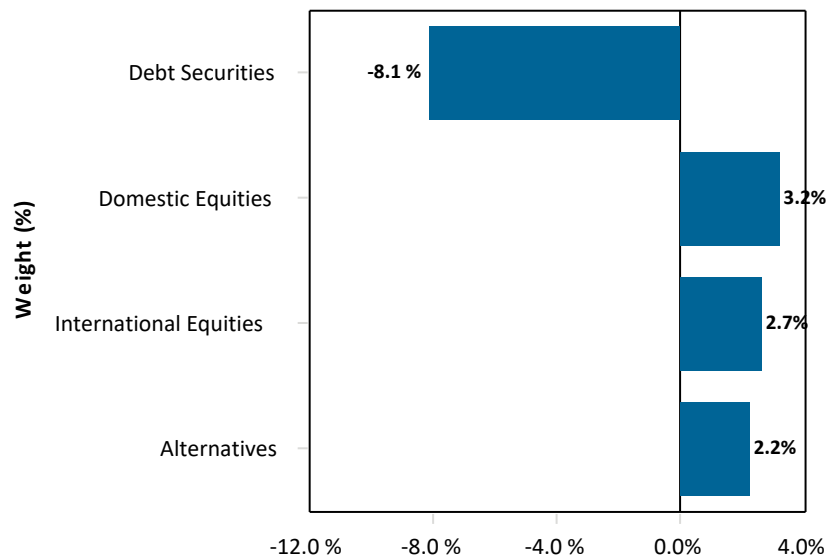
Total Value Added: 4.9%



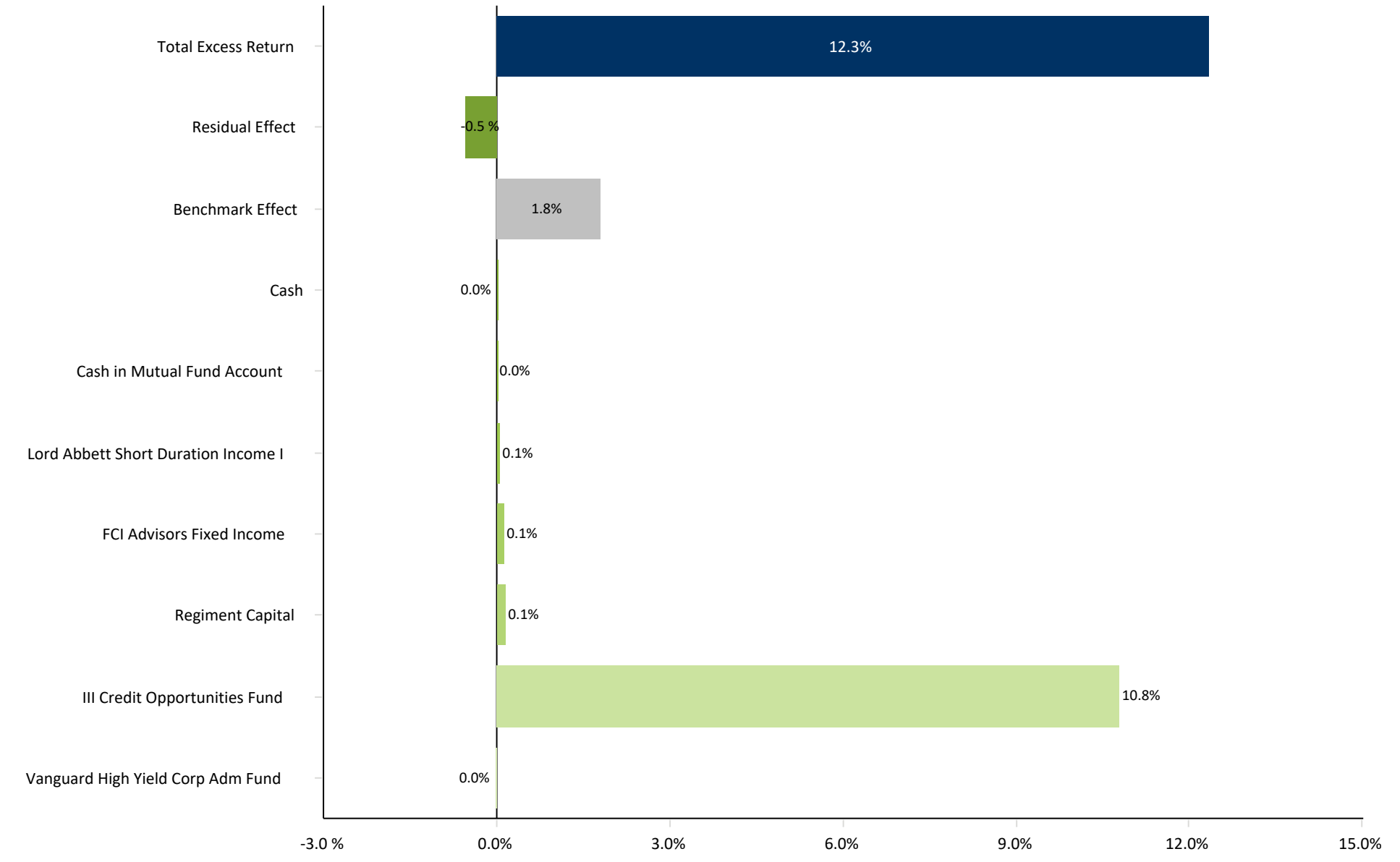
Average Active Weight: 3.0%

Allocation Value Added: 3.0%

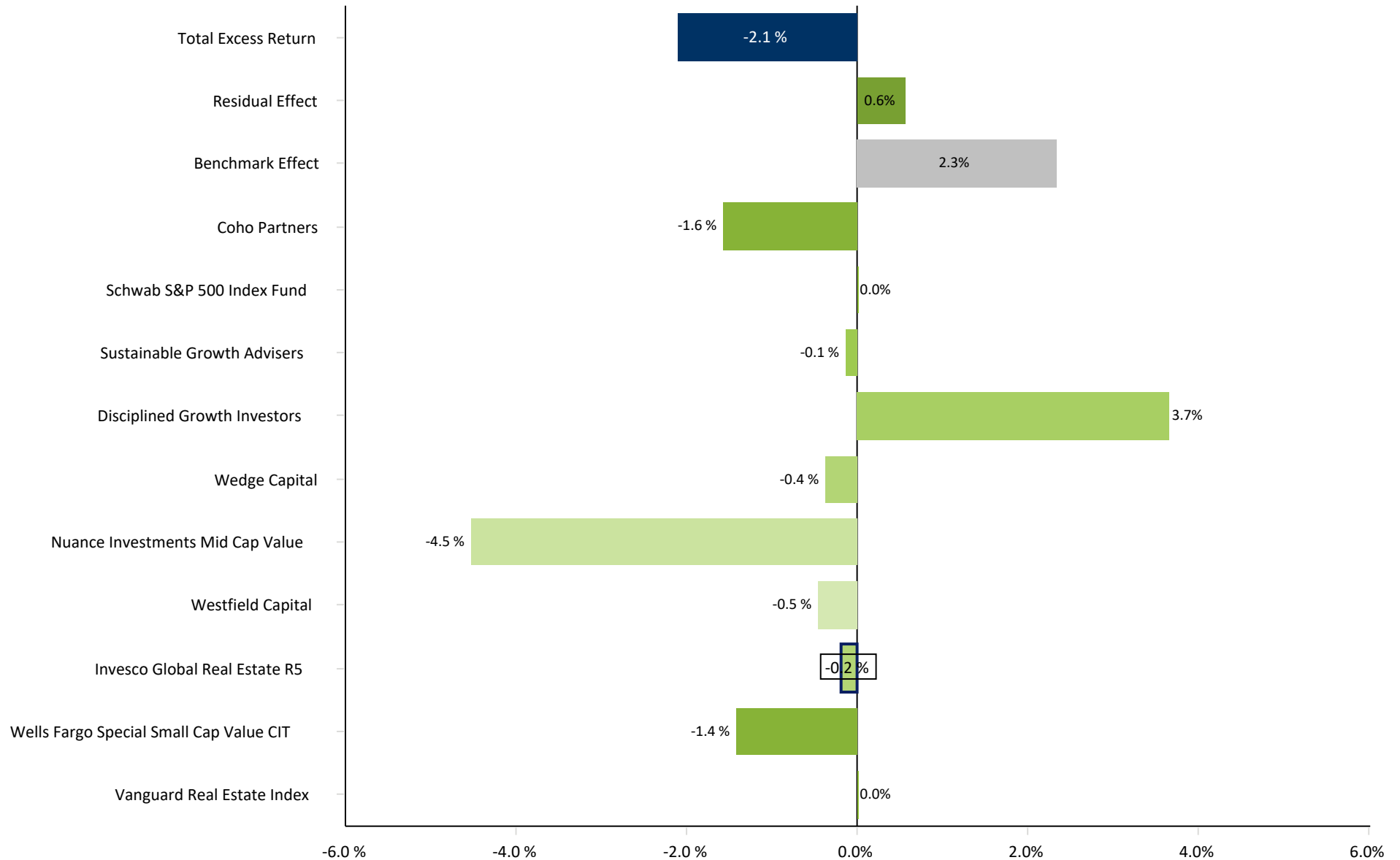
Total Manager Value Added: 1.8%



Debt Securities Attribution: 1 Year



Domestic Equities Attribution: 1 Year



# SRHS Employees' Retirement Plan & Trust

As of 3/31/2021

|                                  | Allocation      |       | Performance(%) |      |      |      |      |       |                | Since Inception in Portfolio |  |
|----------------------------------|-----------------|-------|----------------|------|------|------|------|-------|----------------|------------------------------|--|
|                                  | Market Value \$ | %     | 3 Mo           | 1 Yr | 3 Yr | 5 Yr | 7 Yr | 10 Yr | Since Invested | Inception Date               |  |
| Total Plan                       | 115,833,443     | 100.0 | 4.7            | 41.3 | 10.0 | 10.0 | 8.0  | 8.2   | 8.8            | 3/1/1992                     |  |
| Policy Benchmark                 |                 |       | 3.8            | 35.7 | 9.4  | 9.1  | 7.0  | 7.2   | 8.0            |                              |  |
| Total Plan (NR)                  |                 |       | 4.6            | 40.6 | 9.6  | 9.6  | 7.6  | 7.9   | -              |                              |  |
| Total Plan (net)                 |                 |       | 4.5            | 39.9 | 9.0  | 8.9  | -    | -     | -              |                              |  |
| Cash                             | 2,144,575       | 1.9   |                |      |      |      |      |       |                |                              |  |
| Debt Securities                  | 18,878,873      | 16.3  | (1.1)          | 18.7 | 4.4  | 4.6  | 3.8  | 4.8   | 5.2            | 2/1/1993                     |  |
| Debt Securities Benchmark        |                 |       | (2.5)          | 6.4  | 5.0  | 4.3  | 3.8  | 4.5   | 5.6            |                              |  |
| Domestic Equities                | 51,686,723      | 44.6  | 8.5            | 68.0 | 15.6 | 15.9 | 11.9 | 12.7  | 12.3           | 3/1/1992                     |  |
| Domestic Equities Benchmark      |                 |       | 9.0            | 70.1 | 15.2 | 15.1 | 11.9 | 12.6  | 10.6           |                              |  |
| US Large Cap Equities            | 17,734,874      | 15.3  | 5.1            | 55.1 | 18.9 | 17.4 | 13.5 | 13.9  | 10.3           | 5/1/2005                     |  |
| S&P 500 Index                    |                 |       | 6.2            | 56.4 | 16.8 | 16.3 | 13.6 | 13.9  | 10.3           |                              |  |
| International Equities           | 18,373,371      | 15.9  | 3.7            | 54.9 | 7.0  | 7.9  | 6.1  | 5.5   | 5.5            | 5/1/1997                     |  |
| International Equities Benchmark |                 |       | 3.2            | 48.3 | 6.3  | 9.9  | 5.5  | 5.0   | 5.6            |                              |  |
| Alternatives                     | 26,894,476      | 23.2  | 2.3            | 11.3 | 5.3  | 5.9  | 4.5  | 5.2   | 3.1            | 1/1/2001                     |  |
| Alternatives Benchmark           |                 |       | 2.5            | 12.1 | 4.3  | 5.1  | 3.7  | 4.2   | 3.8            |                              |  |

NR=Net of investment mgmt fees return. GR=gross of fees return. "Net" Total Plan return is net of both investment mgmt fees and plan expenses. Returns for periods longer than 12 months are annualized. Green highlighted cells indicate the manager's performance in that time period is better than its benchmark. Cells highlighted in yellow indicate the manager's performance in that time period is trailing the benchmark. Red highlighted cells indicate manager's performance is in the fourth quartile of its peers.

# SRHS Employees' Retirement Plan & Trust

As of 3/31/2021

|  | Allocation         |              | Performance(%) |             |             |             |            |            |                | Since Inception in Portfolio |
|--|--------------------|--------------|----------------|-------------|-------------|-------------|------------|------------|----------------|------------------------------|
|  | Market Value \$    | %            | 3 Mo           | 1 Yr        | 3 Yr        | 5 Yr        | 7 Yr       | 10 Yr      | Since Invested | Inception Date               |
| <b>Total Plan</b>                                      | <b>115,833,443</b> | <b>100.0</b> | <b>4.7</b>     | <b>41.3</b> | <b>10.0</b> | <b>10.0</b> | <b>8.0</b> | <b>8.2</b> | <b>8.8</b>     | <b>3/1/1992</b>              |
| <i>Policy Benchmark</i>                                |                    |              | 3.8            | 35.7        | 9.4         | 9.1         | 7.0        | 7.2        | 8.0            |                              |
| <i>Total Plan (NR)</i>                                 |                    |              | 4.6            | 40.6        | 9.6         | 9.6         | 7.6        | 7.9        | -              |                              |
| <i>Total Plan (net)</i>                                |                    |              | 4.5            | 39.9        | 9.0         | 8.9         | -          | -          | -              |                              |
| <b>Cash</b>  | <b>2,144,575</b>   | <b>1.9</b>   |                |             |             |             |            |            |                |                              |
| <b>Debt Securities</b>                                 | <b>18,878,873</b>  | <b>16.3</b>  | <b>(1.1)</b>   | <b>18.7</b> | <b>4.4</b>  | <b>4.6</b>  | <b>3.8</b> | <b>4.8</b> | <b>5.2</b>     | <b>2/1/1993</b>              |
| <i>Debt Securities Benchmark</i>                       |                    |              | (2.5)          | 6.4         | 5.0         | 4.3         | 3.8        | 4.5        | 5.6            |                              |
| <b>FCI Advisors Fixed Income (GR)</b>                  | <b>9,709,046</b>   | <b>8.4</b>   | <b>(4.6)</b>   | <b>1.0</b>  | -           | -           | -          | -          | <b>3.4</b>     | <b>10/1/2019</b>             |
| <i>Blmbg. Barc. U.S. Gov't/Credit</i>                  |                    |              | (4.3)          | 0.9         | 5.0         | 3.4         | 3.5        | 3.7        | 2.8            |                              |
| IM U.S. Broad Market Core Fixed Income (SA+CF) Rank    |                    |              | 100            | 86          | -           | -           | -          | -          | 65             |                              |
| <b>Vanguard High Yield Corp Adm Fund</b>               | <b>1,731,089</b>   | <b>1.5</b>   | <b>(0.1)</b>   | <b>17.8</b> | <b>6.3</b>  | <b>6.7</b>  | <b>5.1</b> | <b>6.1</b> | <b>(0.1)</b>   | <b>2/9/2021</b>              |
| <i>Blmbg. Barc. U.S. High Yield Ba/B 2% Issuer Cap</i> |                    |              | 0.3            | 22.0        | 7.3         | 7.6         | 5.5        | 6.5        | 0.2            |                              |
| IM U.S. High Yield Bonds (MF) Rank                     |                    |              | 94             | 85          | 26          | 52          | 13         | 14         | 92             |                              |
| <b>III Credit Opportunities Fund (NR)</b>              | <b>5,130,221</b>   | <b>4.4</b>   | <b>4.6</b>     | <b>58.3</b> | <b>6.4</b>  | <b>8.1</b>  | <b>6.0</b> | <b>7.9</b> | <b>7.4</b>     | <b>12/1/2016</b>             |
| <i>ICE BofAML High Yield Master II</i>                 |                    |              | 0.9            | 23.3        | 6.5         | 7.9         | 5.3        | 6.3        | 6.5            |                              |
| IM U.S. High Yield Bonds (MF) Rank                     |                    |              | 1              | 1           | 25          | 8           | 3          | 1          | 5              |                              |

NR-Net of investment mgmt fees return. GR=Gross of fees return. "Net" Total Plan returns are net of both investment mgmt fees and plan expenses. Returns calculated using Time-Weighted rate of return method. Returns for periods longer than 12 months are annualized. Returns shown prior to inception in portfolio represent composite returns provided by manager. Green highlighted cells indicate the manager's performance in that time period is better than its benchmark. Cells highlighted in yellow indicate the manager's performance in that time period is trailing the benchmark. Red highlighted cells indicate manager's performance is in the fourth quartile of its peers.

# SRHS Employees' Retirement Plan & Trust

As of 3/31/2021

|   | Allocation        |             | Performance(%) |             |             |             |             |             |                |                 |
|---|-------------------|-------------|----------------|-------------|-------------|-------------|-------------|-------------|----------------|-----------------|
|   | Market Value \$   | %           | 3 Mo           | 1 Yr        | 3 Yr        | 5 Yr        | 7 Yr        | 10 Yr       | Since Invested | Inception Date  |
| <b>Domestic Equities</b>                                      | <b>51,686,723</b> | <b>44.6</b> | <b>8.5</b>     | <b>68.0</b> | <b>15.6</b> | <b>15.9</b> | <b>11.9</b> | <b>12.7</b> | <b>12.3</b>    | <b>3/1/1992</b> |
| <i>Domestic Equities Benchmark</i>                            |                   |             | 9.0            | 70.1        | 15.2        | 15.1        | 11.9        | 12.6        | 10.6           |                 |
| <b>Coho Partners (GR)</b>                                     | <b>6,738,130</b>  | <b>5.8</b>  | <b>6.3</b>     | <b>44.7</b> | <b>14.1</b> | <b>13.1</b> | <b>11.7</b> | <b>13.2</b> | <b>13.5</b>    | <b>4/1/2017</b> |
| <i>Russell 1000 Value Index</i>                               |                   |             | 11.3           | 56.1        | 11.0        | 11.7        | 9.4         | 11.0        | 9.9            |                 |
| IM U.S. Large Cap Value Equity (SA+CF) Rank                   |                   |             | 91             | 92          | 29          | 50          | 24          | 18          | 28             |                 |
| <b>Schwab S&amp;P 500 Index Fund (NR)</b>                     | <b>6,409,023</b>  | <b>5.5</b>  | <b>6.2</b>     | <b>56.3</b> | <b>16.8</b> | <b>16.2</b> | <b>13.5</b> | <b>13.8</b> | <b>16.1</b>    | <b>5/1/2017</b> |
| <i>S&amp;P 500 Index</i>                                      |                   |             | 6.2            | 56.4        | 16.8        | 16.3        | 13.6        | 13.9        | 16.1           |                 |
| IM U.S. Large Cap Core Equity (MF) Rank                       |                   |             | 57             | 44          | 29          | 24          | 17          | 17          | 28             |                 |
| <b>Sustainable Growth Advisors (GR)</b>                       | <b>4,587,721</b>  | <b>4.0</b>  | <b>1.8</b>     | <b>61.6</b> | <b>24.9</b> | <b>21.1</b> | <b>17.1</b> | <b>16.5</b> | <b>22.3</b>    | <b>4/1/2017</b> |
| <i>Russell 1000 Growth Index</i>                              |                   |             | 0.9            | 62.7        | 22.8        | 21.0        | 17.5        | 16.6        | 22.4           |                 |
| IM U.S. Large Cap Growth Equity (SA+CF) Rank                  |                   |             | 56             | 42          | 14          | 39          | 39          | 33          | 42             |                 |
| <b>Nuance Investments Mid Cap Value (GR)</b>                  | <b>5,935,760</b>  | <b>5.1</b>  | <b>5.4</b>     | <b>36.7</b> | <b>12.3</b> | <b>13.8</b> | <b>11.3</b> | <b>13.7</b> | <b>26.7</b>    | <b>5/1/2020</b> |
| <i>Russell Midcap Value Index</i>                             |                   |             | 13.1           | 73.8        | 10.7        | 11.6        | 9.3         | 11.1        | 53.3           |                 |
| IM U.S. Mid Cap Value Equity (SA+CF) Rank                     |                   |             | 98             | 100         | 39          | 27          | 14          | 3           | 100            |                 |
| <b>Disciplined Growth Investors (GR) (Probation Aug 2019)</b> | <b>9,287,162</b>  | <b>8.0</b>  | <b>10.2</b>    | <b>90.1</b> | <b>19.4</b> | <b>19.1</b> | <b>15.1</b> | <b>15.2</b> | <b>13.8</b>    | <b>1/1/2004</b> |
| <i>Russell Midcap Growth Index</i>                            |                   |             | (0.6)          | 68.6        | 19.4        | 18.4        | 14.4        | 14.1        | 11.6           |                 |
| IM U.S. Mid Cap Growth Equity (SA+CF) Rank                    |                   |             | 4              | 11          | 59          | 63          | 51          | 41          | 17             |                 |
| <b>Wells Fargo Special Small Cap Value CIT (NR)</b>           | <b>8,214,375</b>  | <b>7.1</b>  | <b>19.4</b>    | <b>81.9</b> | <b>10.6</b> | <b>12.8</b> | <b>9.5</b>  | <b>11.2</b> | <b>62.8</b>    | <b>5/1/2020</b> |
| <i>Russell 2000 Value Index</i>                               |                   |             | 21.2           | 97.1        | 11.6        | 13.6        | 8.9         | 10.1        | 75.4           |                 |
| IM U.S. Small Cap Value Equity (SA+CF+MF) Rank                |                   |             | 61             | 79          | 42          | 35          | 23          | 18          | 76             |                 |
| <b>Westfield Capital (GR)</b>                                 | <b>7,583,456</b>  | <b>6.5</b>  | <b>4.5</b>     | <b>88.8</b> | <b>21.5</b> | <b>22.0</b> | <b>15.0</b> | <b>14.7</b> | <b>14.8</b>    | <b>4/1/1999</b> |
| <i>Russell 2000 Growth Index</i>                              |                   |             | 4.9            | 90.2        | 17.2        | 18.6        | 12.8        | 13.0        | 8.5            |                 |
| IM U.S. Small Cap Growth Equity (SA+CF) Rank                  |                   |             | 60             | 62          | 54          | 50          | 53          | 62          | 16             |                 |

NR-Net of investment mgmt fees return. GR=Gross of fees return. "Net" Total Plan returns are net of both investment mgmt fees and plan expenses. Returns calculated using Time-Weighted rate of return method. Returns for periods longer than 12 months are annualized. Returns shown prior to inception in portfolio represent composite returns provided by manager. Green highlighted cells indicate the manager's performance in that time period is better than its benchmark. Cells highlighted in yellow indicate the manager's performance in that time period is trailing the benchmark. Red highlighted cells indicate manager's performance is in the fourth quartile of its peers.

# SRHS Employees' Retirement Plan & Trust

As of 3/31/2021

|  | Allocation        |             | Performance(%) |             |             |             |            |            |                |                  |
|--|-------------------|-------------|----------------|-------------|-------------|-------------|------------|------------|----------------|------------------|
|  | Market Value \$   | %           | 3 Mo           | 1 Yr        | 3 Yr        | 5 Yr        | 7 Yr       | 10 Yr      | Since Invested | Inception Date   |
| <b>Vanguard Real Estate Index (NR)</b>               | <b>2,931,094</b>  | <b>2.5</b>  | <b>8.7</b>     | <b>36.5</b> | <b>11.0</b> | <b>6.1</b>  | <b>8.2</b> | <b>8.9</b> | <b>15.6</b>    | <b>9/11/2020</b> |
| <i>MSCI U.S. IMI Real Estate 25/50 Index</i>         |                   |             | 8.7            | 36.7        | 10.8        | -           | -          | -          | 15.7           |                  |
| IM Real Estate Sector (MF) Rank                      |                   |             | 28             | 33          | 30          | 39          | 32         | 25         | 36             |                  |
| <b>International Equities</b>                        | <b>18,373,371</b> | <b>15.9</b> | <b>3.7</b>     | <b>54.9</b> | <b>7.0</b>  | <b>7.9</b>  | -          | -          | <b>7.7</b>     | <b>9/1/2015</b>  |
| <i>International Equities Benchmark</i>              |                   |             | 3.2            | 48.3        | 6.3         | 9.9         | 5.5        | 5.0        | 8.5            |                  |
| <b>Fidelity Total International Index (NR)</b>       | <b>10,304,137</b> | <b>8.9</b>  | <b>3.9</b>     | <b>52.2</b> | <b>6.4</b>  | -           | -          | -          | <b>6.4</b>     | <b>4/2/2018</b>  |
| <i>MSCI AC World ex USA IMI (Net)</i>                |                   |             | 3.8            | 51.9        | 6.5         | 9.8         | 5.5        | 5.1        | 6.5            |                  |
| <i>MSCI EAFE (Net) Index</i>                         |                   |             | 3.5            | 44.6        | 6.0         | 8.8         | 4.8        | 5.5        | 6.0            |                  |
| IM International Large Cap Core Equity (MF) Rank     |                   |             | 62             | 57          | 45          | -           | -          | -          | 45             |                  |
| <b>DFA International Small Cap Value (NR)</b>        | <b>2,133,131</b>  | <b>1.8</b>  | <b>8.1</b>     | <b>64.4</b> | <b>1.2</b>  | <b>7.1</b>  | <b>3.8</b> | <b>5.7</b> | <b>9.9</b>     | <b>2/16/2019</b> |
| <i>MSCI EAFE Small Cap Value (Net)</i>               |                   |             | 7.5            | 58.2        | 3.5         | 8.7         | 5.5        | 6.7        | 10.6           |                  |
| <i>MSCI EAFE (Net) Index</i>                         |                   |             | 3.5            | 44.6        | 6.0         | 8.8         | 4.8        | 5.5        | 12.0           |                  |
| IM International Small Cap Value Equity (SA+CF) Rank |                   |             | 42             | 54          | 84          | 74          | 82         | 100        | 65             |                  |
| <b>Fidelity Emerging Markets Index Prem (NR)</b>     | <b>3,222,749</b>  | <b>2.8</b>  | <b>2.8</b>     | <b>59.1</b> | <b>6.2</b>  | <b>12.1</b> | <b>6.9</b> | -          | <b>12.0</b>    | <b>10/1/2018</b> |
| <i>MSCI Emerging Markets (Net) Index</i>             |                   |             | 2.3            | 58.4        | 6.5         | 12.1        | 6.6        | 3.7        | 12.0           |                  |
| IM Emerging Markets Equity (MF) Rank                 |                   |             | 51             | 63          | 51          | 45          | 40         | -          | 61             |                  |
| <b>Invesco Opp Developing Markets (NR)</b>           | <b>2,713,353</b>  | <b>2.3</b>  | <b>0.9</b>     | <b>53.7</b> | <b>8.2</b>  | <b>12.9</b> | <b>6.9</b> | <b>5.5</b> | <b>15.3</b>    | <b>2/19/2019</b> |
| <i>MSCI Emerging Markets (Net) Index</i>             |                   |             | 2.3            | 58.4        | 6.5         | 12.1        | 6.6        | 3.7        | 13.6           |                  |
| IM Emerging Markets Equity (MF) Rank                 |                   |             | 77             | 83          | 32          | 35          | 42         | 25         | 46             |                  |
| <b>Alternatives</b>                                  | <b>26,894,476</b> | <b>23.2</b> | <b>2.3</b>     | <b>11.3</b> | <b>5.3</b>  | <b>5.9</b>  | <b>4.5</b> | <b>5.2</b> | <b>3.1</b>     | <b>1/1/2001</b>  |
| <i>Alternatives Benchmark</i>                        |                   |             | 2.5            | 12.1        | 4.3         | 5.1         | 3.7        | 4.2        | 3.8            |                  |
| <b>Invesco Balanced Risk Allocation (NR)</b>         | <b>7,027,230</b>  | <b>6.1</b>  | <b>1.6</b>     | <b>27.3</b> | <b>7.5</b>  | <b>8.2</b>  | <b>6.3</b> | <b>7.1</b> | <b>7.6</b>     | <b>4/1/2010</b>  |
| <i>Barclay Global Macro Index</i>                    |                   |             | 3.9            | 19.2        | 5.9         | 4.4         | 4.1        | 3.1        | 3.3            |                  |
| <b>Elliott International Ltd (NR)</b>                | <b>6,634,722</b>  | <b>5.7</b>  | <b>3.2</b>     | <b>13.8</b> | <b>7.7</b>  | <b>8.7</b>  | <b>7.5</b> | <b>8.0</b> | <b>8.1</b>     | <b>1/1/2013</b>  |
| <i>Dow Jones Credit Suisse Multi-Strategy Index</i>  |                   |             | 2.1            | 15.3        | 4.0         | 5.1         | 4.7        | 5.4        | 5.6            |                  |

NR-Net of investment mgmt fees return. GR=Gross of fees return. "Net" Total Plan returns are net of both investment mgmt fees and plan expenses. Returns calculated using Time-Weighted rate of return method. Returns for periods longer than 12 months are annualized. Returns shown prior to inception in portfolio represent composite returns provided by manager. Green highlighted cells indicate the manager's performance in that time period is better than its benchmark. Cells highlighted in yellow indicate the manager's performance in that time period is trailing the benchmark. Red highlighted cells indicate manager's performance is in the fourth quartile of its peers.



## Internal Rate of Return

|  | Market Value<br>\$ | % of Total | Since<br>Inception | Inception<br>Date |
|--|--------------------|------------|--------------------|-------------------|
| Regiment Capital   | 131,131            | 0.1        | 7.1                | 5/31/2011         |
| Gramercy Distressed Opportunities Fund II (Probation Aug 2019) | 1,587,958          | 1.4        | (2.3)              | 6/21/2012         |
| Invesco Mortgage Recovery Fund-Loans                           | 162,725            | 0.1        | 10.7               | 10/31/2009        |
| Invesco US Income  | 4,879,902          | 4.2        | 11.1               | 12/6/2013         |
| Eastern Timberland Opportunities II                            | 5,676,820          | 4.9        | 6.1                | 7/3/2014          |
| Eastern Timberland Opportunities III                           | 925,119            | 0.8        | 0.1                | 6/26/2020         |

The investments on this page have active capital flows which require a Dollar-Weighted return calculation, in contrast to the Time-Weighted method used on other investments where cash flows are not a factor. IRR returns are net of investment management fees.

## Mark to Market Accounting Summary: 1 Quarter (in 000s)

|   | Beginning<br>Market Value | Deposits | Withdrawals | Net<br>Transfers | Fees  | Expenses | Income | Asset Value<br>Change | Ending<br>Market Value |
|---|---------------------------|----------|-------------|------------------|-------|----------|--------|-----------------------|------------------------|
| Total Portfolio                           | 113,914                   | 1        | (3,094)     | -                | (155) | (67)     | 162    | 5,072                 | 115,833                |
| Cash                                      | 2,676                     | 1        | (3,094)     | 2,624            | -     | (63)     | -      | -                     | 2,145                  |
| Cash (Mutual Fund Account)                | 35                        | -        | -           | -                | -     | (2)      | -      | -                     | 33                     |
| FCI Advisors Fixed Income                 | 9,308                     | -        | -           | 908              | (56)  | (1)      | 67     | (518)                 | 9,709                  |
| Regiment Capital                          | 131                       | -        | -           | -                | -     | -        | -      | -                     | 131                    |
| Vanguard High Yield Corp Adm Fund         | -                         | -        | -           | 1,750            | -     | -        | 4      | (23)                  | 1,731                  |
| III Credit Opportunities Fund             | 7,401                     | -        | -           | (2,500)          | (35)  | -        | -      | 265                   | 5,130                  |
| Coho Partners                             | 6,349                     | -        | -           | -                | (10)  | -        | 32     | 367                   | 6,738                  |
| Schwab S&P 500 Index Fund                 | 6,037                     | -        | -           | -                | -     | -        | -      | 372                   | 6,409                  |
| Sustainable Growth Advisers               | 4,514                     | -        | -           | -                | (8)   | -        | 7      | 76                    | 4,588                  |
| Nuance Investments Mid Cap Value          | 5,639                     | -        | -           | -                | (9)   | -        | 24     | 282                   | 5,936                  |
| Disciplined Growth Investors              | 8,424                     | -        | -           | -                | -     | -        | -      | 863                   | 9,287                  |
| Wells Fargo Special Small Cap Value CIT   | 6,870                     | -        | -           | -                | -     | -        | -      | 1,345                 | 8,214                  |
| Westfield Capital                         | 10,044                    | -        | -           | (3,000)          | (19)  | (1)      | 10     | 548                   | 7,583                  |
| Vanguard Real Estate Index                | 2,697                     | -        | -           | -                | -     | -        | 17     | 218                   | 2,931                  |
| Fidelity Total International Index        | 9,917                     | -        | -           | -                | -     | -        | -      | 387                   | 10,304                 |
| DFA International Small Cap Value         | 1,973                     | -        | -           | -                | -     | -        | 2      | 159                   | 2,133                  |
| Fidelity Emerging Markets Index Prem      | 3,134                     | -        | -           | -                | -     | -        | -      | 89                    | 3,223                  |
| Invesco Opp Developing Markets            | 2,690                     | -        | -           | -                | -     | -        | -      | 23                    | 2,713                  |
| Gramercy Distressed Opportunities Fund II | 1,552                     | -        | -           | -                | -     | -        | -      | 36                    | 1,588                  |
| Invesco Balanced Risk Allocation          | 6,916                     | -        | -           | -                | (5)   | -        | -      | 116                   | 7,027                  |
| Elliott International Ltd.                | 6,427                     | -        | -           | -                | -     | -        | -      | 208                   | 6,635                  |
| Invesco Mortgage Recovery Fund-Loans      | 163                       | -        | -           | -                | -     | -        | -      | -                     | 163                    |
| Invesco US Income                         | 4,780                     | -        | -           | (50)             | (12)  | -        | -      | 162                   | 4,880                  |
| Eastern Timberland Opportunities II       | 5,585                     | -        | -           | -                | -     | -        | -      | 92                    | 5,677                  |
| Eastern Timberland Opportunities III      | 654                       | -        | -           | 268              | (2)   | -        | -      | 5                     | 925                    |

## Mark to Market Accounting Summary: 4 Quarters (in 000s)

|   | Beginning<br>Market Value | Deposits | Withdrawals | Net<br>Transfers | Fees  | Expenses | Income | Asset Value<br>Change | Ending<br>Market Value |
|---|---------------------------|----------|-------------|------------------|-------|----------|--------|-----------------------|------------------------|
| Total Portfolio                           | 89,206                    | 4,678    | (12,412)    | -                | (530) | (501)    | 1,279  | 34,113                | 115,833                |
| Cash                                      | 1,040                     | 4,660    | (12,412)    | 9,293            | -     | (437)    | 1      | -                     | 2,145                  |
| Cash (Mutual Fund Account)                | 551                       | 3        | -           | (516)            | -     | (6)      | -      | -                     | 33                     |
| Lord Abbett Short Duration Income I       | 1,446                     | -        | -           | (1,490)          | -     | -        | 9      | 35                    | -                      |
| FCI Advisors Fixed Income                 | 8,892                     | -        | -           | 908              | (158) | (3)      | 244    | (175)                 | 9,709                  |
| Regiment Capital                          | 90                        | -        | -           | -                | -     | (1)      | -      | 42                    | 131                    |
| Vanguard High Yield Corp Adm Fund         | -                         | -        | -           | 1,750            | -     | -        | 4      | (23)                  | 1,731                  |
| III Credit Opportunities Fund             | 4,892                     | -        | -           | (2,500)          | (116) | -        | -      | 2,854                 | 5,130                  |
| Coho Partners                             | 5,116                     | -        | -           | (500)            | (35)  | (2)      | 131    | 2,027                 | 6,738                  |
| Schwab S&P 500 Index Fund                 | 4,348                     | -        | -           | (308)            | -     | -        | 107    | 2,262                 | 6,409                  |
| Sustainable Growth Advisers               | 5,663                     | -        | -           | (3,700)          | (38)  | (2)      | 31     | 2,634                 | 4,588                  |
| Wedge Capital                             | 4,250                     | -        | -           | (4,712)          | -     | -        | 11     | 451                   | -                      |
| Nuance Investments Mid Cap Value          | -                         | -        | -           | 4,712            | (28)  | (2)      | 118    | 1,136                 | 5,936                  |
| Disciplined Growth Investors              | 4,886                     | -        | -           | -                | -     | -        | -      | 4,401                 | 9,287                  |
| Wells Fargo Special Small Cap Value CIT   | -                         | -        | -           | 5,000            | -     | -        | -      | 3,214                 | 8,214                  |
| Westfield Capital                         | 9,920                     | 15       | -           | (8,000)          | (80)  | (2)      | 37     | 5,695                 | 7,583                  |
| Invesco Global Real Estate R5             | 2,598                     | -        | -           | (3,014)          | -     | -        | 16     | 399                   | -                      |
| Vanguard Real Estate Index                | -                         | -        | -           | 2,500            | -     | -        | 77     | 354                   | 2,931                  |
| Fidelity Total International Index        | 6,772                     | -        | -           | -                | -     | -        | 158    | 3,374                 | 10,304                 |
| DFA International Small Cap Value         | 1,297                     | -        | -           | -                | -     | -        | 38     | 798                   | 2,133                  |
| Fidelity Emerging Markets Index Prem      | 2,025                     | -        | -           | -                | -     | -        | 46     | 1,151                 | 3,223                  |
| Invesco Opp Developing Markets            | 1,765                     | -        | -           | -                | -     | -        | 9      | 939                   | 2,713                  |
| Gramercy Distressed Opportunities Fund II | 1,706                     | -        | -           | -                | -     | -        | -      | (118)                 | 1,588                  |
| Invesco Balanced Risk Allocation          | 5,520                     | -        | -           | -                | (22)  | -        | -      | 1,529                 | 7,027                  |
| Elliott International Ltd.                | 5,833                     | -        | -           | -                | -     | -        | -      | 802                   | 6,635                  |
| Invesco Mortgage Recovery Fund-Loans      | 170                       | -        | -           | -                | -     | -        | -      | (7)                   | 163                    |
| Invesco US Income                         | 4,825                     | -        | -           | (193)            | (47)  | -        | 240    | 55                    | 4,880                  |
| Eastern Timberland Opportunities II       | 5,601                     | -        | -           | (154)            | -     | -        | -      | 230                   | 5,677                  |
| Eastern Timberland Opportunities III      | -                         | -        | -           | 925              | (5)   | (47)     | -      | 53                    | 925                    |

## Liquidity Schedule

| Investments                               | Market Value<br>\$ | Daily<br>\$       | Monthly<br>\$     | Quarterly<br>\$  | Semi-Annually<br>\$ | Illiquid<br>\$   |
|---|--------------------|-------------------|-------------------|------------------|---------------------|------------------|
| Cash                                      | 2,144,575          | 2,144,575         | -                 | -                | -                   | -                |
| Cash in Mutual Fund Account               | 32,810             | 32,810            | -                 | -                | -                   | -                |
| FCI Advisors Fixed Income                 | 9,709,046          | 9,709,046         | -                 | -                | -                   | -                |
| Regiment Capital                          | 131,131            | -                 | -                 | -                | -                   | 131,131          |
| Vanguard High Yield Corp Adm Fund         | 1,731,089          | 1,731,089         | -                 | -                | -                   | -                |
| III Credit Opportunities Fund             | 5,130,221          | -                 | 5,130,221         | -                | -                   | -                |
| Coho Partners                             | 6,738,130          | 6,738,130         | -                 | -                | -                   | -                |
| Schwab S&P 500 Index Fund                 | 6,409,023          | 6,409,023         | -                 | -                | -                   | -                |
| Sustainable Growth Advisers               | 4,587,721          | 4,587,721         | -                 | -                | -                   | -                |
| Nuance Investments Mid Cap Value          | 5,935,760          | 5,935,760         | -                 | -                | -                   | -                |
| Disciplined Growth Investors              | 9,287,162          | 9,287,162         | -                 | -                | -                   | -                |
| Wells Fargo Special Small Cap Value CIT   | 8,214,375          | -                 | 8,214,375         | -                | -                   | -                |
| Westfield Capital                         | 7,583,456          | 7,583,456         | -                 | -                | -                   | -                |
| Vanguard Real Estate Index                | 2,931,094          | 2,931,094         | -                 | -                | -                   | -                |
| Fidelity Total International Index        | 10,304,137         | 10,304,137        | -                 | -                | -                   | -                |
| DFA International Small Cap Value         | 2,133,131          | 2,133,131         | -                 | -                | -                   | -                |
| Fidelity Emerging Markets Index Prem      | 3,222,749          | 3,222,749         | -                 | -                | -                   | -                |
| Invesco Opp Developing Markets            | 2,713,353          | 2,713,353         | -                 | -                | -                   | -                |
| Gramercy Distressed Opportunities Fund II | 1,587,958          | -                 | -                 | -                | -                   | 1,587,958        |
| Invesco Balanced Risk Allocation          | 7,027,230          | 7,027,230         | -                 | -                | -                   | -                |
| Elliott International Ltd.                | 6,634,722          | -                 | -                 | -                | 6,634,722           | -                |
| Invesco Mortgage Recovery Fund-Loans      | 162,725            | -                 | -                 | -                | -                   | 162,725          |
| Invesco US Income                         | 4,879,902          | -                 | -                 | 4,879,902        | -                   | -                |
| Eastern Timberland Opportunities II       | 5,676,820          | -                 | -                 | -                | -                   | 5,676,820        |
| Eastern Timberland Opportunities III      | 925,119            | -                 | -                 | -                | -                   | 925,119          |
| <b>Total (\$)</b>                         | <b>115,833,443</b> | <b>82,490,469</b> | <b>13,344,597</b> | <b>4,879,902</b> | <b>6,634,722</b>    | <b>8,483,753</b> |
| <b>Total (%)</b>                          | <b>100.0</b>       | <b>71.2</b>       | <b>11.5</b>       | <b>4.2</b>       | <b>5.7</b>          | <b>7.3</b>       |

**SRHS Employees' Retirement Plan & Trust**  
**Liquidity Terms**

**As of 3/31/2021**

**Daily Liquidity** **\$ 82,490,469**

| <b>Manager</b>               | <b>Asset Class</b>   | <b>Vehicle</b>   | <b>% Assets</b> |
|------------------------------|----------------------|------------------|-----------------|
| FCI Advisors                 | Broad Fixed          | Separate Account | 8.4%            |
| Vanguard                     | HY Fixed             | Mutual Fund      | 1.5%            |
| Schwab S&P 500 Fund          | Large Cap Core       | Mutual Fund      | 5.5%            |
| Vanguard                     | Real Estate          | Mutual Fund      | 2.5%            |
| Coho Partners                | Large Cap Value      | Separate Account | 5.8%            |
| Sustainable Growth Advisers  | Large Cap Growth     | Separate Account | 4.0%            |
| Nuance Investments           | Mid Cap Value        | Separate Account | 5.1%            |
| Disciplined Growth Investors | Mid Cap Growth       | Commingled Fund  | 8.0%            |
| Westfield Capital            | Small Cap Growth     | Separate Account | 6.5%            |
| Invesco Oppenheimer          | Developed Markets    | Mutual Fund      | 2.3%            |
| Fidelity Investments         | International Equity | Mutual Fund      | 8.9%            |
| Dimensional Fund Advisors    | Intl Small Cap       | Mutual Fund      | 1.8%            |
| Fidelity Investments         | Emerging Markets     | Mutual Fund      | 2.8%            |
| Invesco Balanced Rick        | Global Macro         | Commingled Fund  | 6.1%            |
| Cash                         | Cash                 | Mutual Fund      | 1.9%            |
|                              |                      |                  | 71.2%           |

|                                  |           |                    |
|----------------------------------|-----------|--------------------|
| <b>Total Portfolio</b>           | <b>\$</b> | <b>115,833,443</b> |
| <b>Total Committed</b>           | <b>\$</b> | <b>21,500,000</b>  |
| <b>Remaining Commitment (\$)</b> | <b>\$</b> | <b>4,354,212</b>   |
| <b>Remaining Commitment (%)</b>  |           | <b>4%</b>          |

**Monthly Liquidity** **\$ 13,344,597**

| <b>Manager</b> | <b>Asset Class</b> | <b>Vehicle</b>      | <b>% Assets</b> |
|----------------|--------------------|---------------------|-----------------|
| III Credit Opp | High Yield Fixed   | Limited Partnership | 4.4%            |
| Wells Fargo    | Small Cap Value    | Commingled Fund     | 7.1%            |
|                |                    |                     | 11.5%           |

**Quarterly Liquidity** **\$ 11,514,624**

| <b>Manager</b>                  | <b>Asset Class</b>   | <b>Vehicle</b>      | <b>% Assets</b> |
|---------------------------------|----------------------|---------------------|-----------------|
| Elliott Management <sup>2</sup> | Multi-Strategy Hedge | Limited Partnership | 5.7%            |
| Invesco <sup>3</sup>            | Real Estate (Income) | Limited Partnership | 4.2%            |
|                                 |                      |                     | 9.9%            |

**Illiquid** **\$ 8,483,753**

| <b>Manager</b>                | <b>Asset Class</b>    | <b>Vehicle</b>      | <b>% Assets</b> | <b>\$ Committed</b> | <b>Remaining Commitment</b> | <b>Investment Term</b> |
|-------------------------------|-----------------------|---------------------|-----------------|---------------------|-----------------------------|------------------------|
| Regiment Capital <sup>1</sup> | Bank Loans            | Limited Partnership | 0.1%            | \$ 7,000,000        | \$ 2,248,268                | 5/13/2017              |
| Gramercy Capital              | Distressed Opportunil | Limited Partnership | 1.4%            | \$ 3,000,000        | \$ -                        | 6/30/2019              |
| Invesco <sup>1</sup>          | Mortgage Recovery     | Limited Partnership | 0.1%            | \$ 4,000,000        | \$ 114,813                  | 6/1/2017               |
| TIR-ETO II                    | Timber                | Limited Partnership | 4.9%            | \$ 5,000,000        | \$ -                        | 4/4/2027               |
| TIR-ETO III                   | Timber                | Limited Partnership | 0.8%            | \$ 2,500,000        | \$ 1,991,131                | 6/1/2030               |
|                               |                       |                     | 7.3%            |                     |                             |                        |

<sup>1</sup> Commitment period has ended. Any further capital called would be for expenses or follow-on investments.

<sup>2</sup> Up to 25% of shares may be redeemed semi-annually.

<sup>3</sup> Quarterly liquidity with 45 days' notice. May be paid in installments based on investor queue and property sales.

## Fee Schedule

|   | Fee Schedule   | Market Value<br>As of<br>03/31/2021<br>\$ | Estimated<br>Annual Fee<br>\$ | Estimated<br>Annual Fee<br>(%) |
|---|--|---|-------------------------------|--------------------------------|
| Cash                                      |  | 2,144,575                                 | -                             | -                              |
| Cash in Mutual Fund Account               |  | 32,810                                    | -                             | -                              |
| FCI Advisors Fixed Income                 | 0.00 % of Assets   | 9,709,046                                 | -                             | 0.00                           |
| Regiment Capital                          | 0.00 % of Assets   | 131,131                                   | -                             | 0.00                           |
| Vanguard High Yield Corp Adm Fund         | 0.13 % of Assets   | 1,731,089                                 | 2,250                         | 0.13                           |
| III Credit Opportunities Fund             | 0.75 % of Assets   | 5,130,221                                 | 38,477                        | 0.75                           |
| Coho Partners                             | 0.60 % of First \$25 M<br>0.50 % of Next \$75 M<br>0.40 % Thereafter | 6,738,130                                 | 40,429                        | 0.60                           |
| Schwab S&P 500 Index Fund                 | 0.03 % of Assets   | 6,409,023                                 | 1,923                         | 0.03                           |
| Sustainable Growth Advisors*              | 0.56 % of Assets   | 4,587,721                                 | 25,691                        | 0.56                           |
| Nuance Investments Mid Cap Value*         | 0.65 % of Assets   | 5,935,760                                 | 38,582                        | 0.65                           |
| Disciplined Growth Investors              | 0.79 % of Assets   | 9,287,162                                 | 73,369                        | 0.79                           |
| Wells Fargo Special Small Cap Value CIT   | 0.75 % of Assets   | 8,214,375                                 | 61,608                        | 0.75                           |
| Westfield Capital                         | 0.75 % of First \$10 M<br>0.50 % Thereafter                          | 7,583,456                                 | 56,876                        | 0.75                           |
| Vanguard Real Estate Index                | 0.12 % of Assets   | 2,931,094                                 | 3,517                         | 0.12                           |
| Fidelity Total International Index        | 0.06 % of Assets   | 10,304,137                                | 6,182                         | 0.06                           |
| DFA International Small Cap Value         | 0.68 % of Assets   | 2,133,131                                 | 14,505                        | 0.68                           |
| Fidelity Emerging Markets Index Prem      | 0.08 % of Assets   | 3,222,749                                 | 2,578                         | 0.08                           |
| Invesco Opp Developing Markets            | 0.87 % of Assets   | 2,713,353                                 | 23,606                        | 0.87                           |
| Gramercy Distressed Opportunities Fund II | 1.00 % of Assets   | 1,587,958                                 | 15,880                        | 1.00                           |
| Invesco Balanced Risk Allocation          | 0.45 % of Assets   | 7,027,230                                 | 31,623                        | 0.45                           |
| Elliott International Ltd.                | 1.50 % of Assets   | 6,634,722                                 | 99,521                        | 1.50                           |
| Invesco Mortgage Recovery Fund-Loans      | 1.50 % of Assets   | 162,725                                   | 2,441                         | 1.50                           |
| Invesco US Income                         | 1.00 % of Assets   | 4,879,902                                 | 48,799                        | 1.00                           |
| Eastern Timberland Opportunities II       | 0.90 % of Assets   | 5,676,820                                 | 51,091                        | 0.90                           |
| Eastern Timberland Opportunities III      | 0.85 % of Assets   | 925,119                                   | 7,864                         | 0.85                           |
| <b>Total Portfolio</b>                    |  | <b>115,833,443</b>                        | <b>646,812</b>                | <b>0.56</b>                    |

Fees on this page are based on investment managers' stated fees. To the extent fees have been negotiated, that will be noted below and reflected on the Fee Analysis page. \*This manager aggregates FiduciaryVest clients' assets to determine fee break points, and applies the same fee across all FiduciaryVest clients.

## SRHS Employees' Retirement Plan & Trust Fee Analysis

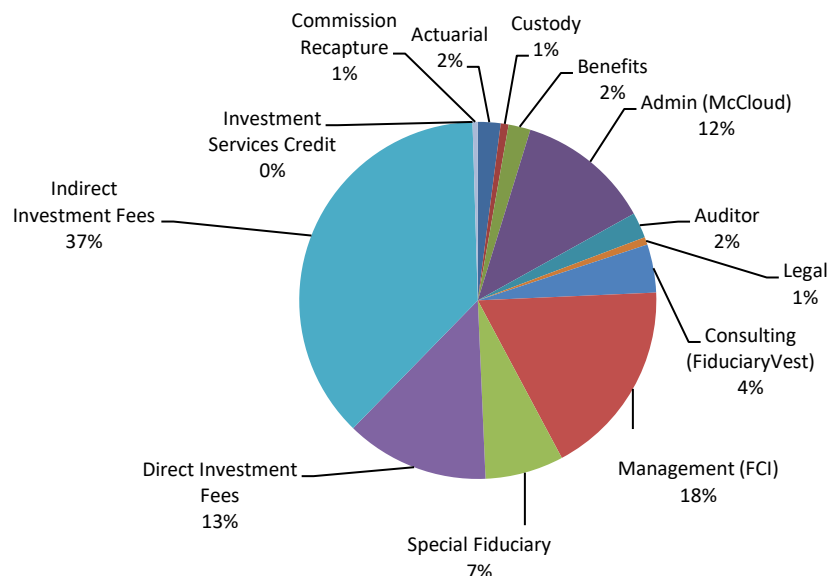
As of 3/31/2021

### Estimated Annual costs

| Estimated Plan Expenses               | Dollars          | % of assets  |
|---------------------------------------|------------------|--------------|
| Actuarial Services (MCC)              | \$26,523         | 0.02%        |
| Custody (Fifth Third)                 | 9,199            | 0.01%        |
| Benefits (Fifth Third)                | 25,724           | 0.02%        |
| Admin*                                | 156,876          | 0.14%        |
| Auditor (BKD)                         | 29,952           | 0.03%        |
| Legal (Mikhail)                       | 8,876            | 0.01%        |
| Investment Consulting (FiduciaryVest) | 56,333           | 0.05%        |
| Investment Management (FCI)           | 230,833          | 0.20%        |
| Special Fiduciary                     | 91,748           | 0.08%        |
| <b>Total estimated plan expenses</b>  | <b>\$636,064</b> | <b>0.55%</b> |

| Estimated Investment Fees              |                    |              |
|--|--------------------|--------------|
| Direct Investment Fees                 | 167,620            | 0.14%        |
| Indirect Investment Fees               | 480,213            | 0.41%        |
| Investment Services Credit             | -                  | 0.00%        |
| Commission Recapture                   | (6,086)            | -0.01%       |
| <b>Total estimated investment fees</b> | <b>\$641,746</b>   | <b>0.55%</b> |
| <b>Total estimated annual costs</b>    | <b>\$1,277,810</b> | <b>1.10%</b> |

Total assets \$115,833,443



#### Notes:

\*Represents payments to: BXS Insurance, Jonah Blum Production, McCloud Consulting/Administrative Services.

-Actuarial Services, Custody, Benefits, Admin, Auditor, Legal and Special Fiduciary expenses represent actual amounts deducted from/contributed to the Plan during the trailing 12 months. Investment Consulting and Investment Management expenses are calculated using the current market value and the contracted fee schedule.

-Direct Investment Fees are comprised of the direct investment management fees paid to separate account managers. Managers' fees are computed from the applicable formula, whether or not they were paid during the year.

-Indirect Investment Fees are comprised of commingled and mutual fund fees. These fees are computed based on total expense ratio which includes investment management, custody, commissions and other costs of the fund. They are not actual negative cash flows but are embedded in the fund performance, and are shown here as an indication of the total investment program cost.

-Costs as a percent of assets includes both estimated plan expenses and estimated investment fees.

**SRHS Employees' Retirement Plan & Trust**  
**Investment Management Fees**

**As of 3/31/2021**

| Manager                                 | Vehicle             | Performance | Fee Schedule   |
|---|---------------------|-------------|--|
| FCI Advisors Fixed Income               | Separate Account    | Gross       | included in advisory fee   |
| Regiment Capital                        | Limited Partnership | Net         | 0.00%  |
| Vanguard High Yield Corporate           | Mutual Fund         | Net         | 0.13%  |
| III Credit Opportunities                | Limited Partnership | Net         | 0.75% management fee<br>Performance fee: 10% Incentive fee accrued monthly, paid annually, subject to High Water Mark      |
| Coho Partners                           | Separate Account    | Gross       | 0.60%  |
| Schwab S&P 500 Index Fund               | Mutual Fund         | Net         | 0.02%  |
| Sustainable Growth Advisers*            | Separate Account    | Gross       | 0.56%  |
| Nuance Investments*                     | Separate Account    | Gross       | 0.65%  |
| Disciplined Growth Investors            | Commingled Fund     | Net         | 0.79%  |
| Wells Fargo Small Cap Value             | Commingled Fund     | Gross       | 0.75%  |
| Westfield Capital                       | Separate Account    | Gross       | 0.75% on first \$10 million<br>0.50% over \$10 million   |
| Vanguard Real Estate Index              | Mutual Fund         | Net         | 0.12%  |
| DFA International Small Cap             | Mutual Fund         | Net         | 0.64%  |
| Fidelity Emerging Markets Index         | Mutual Fund         | Net         | 0.08%  |
| Invesco Oppenheimer Developed Markets   | Mutual Fund         | Net         | 0.83%  |
| Gramercy Distressed Opportunities       | Limited Partnership | Net         | Management Fee: 1.00%<br>Performance Fee: 15%  |
| Invesco Balanced-Risk Allocation        | Commingled Fund     | Net         | 0.45%  |
| Fidelity Total International Index Fund | Mutual Fund         | Net         | 0.06%  |
| Elliott International Ltd               | Limited Partnership | Net         | Management fee: 1.50%<br>Performance fee: 20%<br>Contribution/withdrawal fee: 1.75%  |
| Invesco Mortgage Recovery Fund          | Limited Partnership | Net         | 0.00%  |
| Invesco US Income                       | Limited Partnership | Net         | 1.00%  |
| Timber Investment Resources-ETO II      | Limited Partnership | Net         | Management fee: 0.90%<br>Performance Fee: 20% of realized profits over 8% hurdle (beginning at end of fourth year of fund) |
| Timber Investment Resources-ETO III     | Limited Partnership | Net         | Management fee: 0.85%<br>Performance Fee: 20% of realized profits over 7% hurdle (beginning at end of fourth year of fund) |

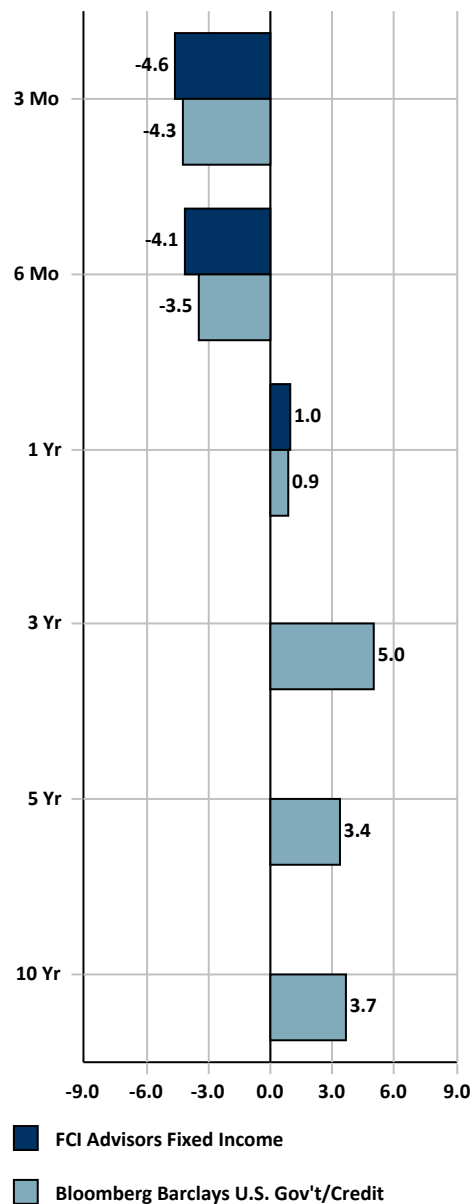
\*This manager aggregates FiduciaryVest clients' assets to determine fee break points, and applies the same fee across all FiduciaryVest clients.



# Investment Manager Analysis



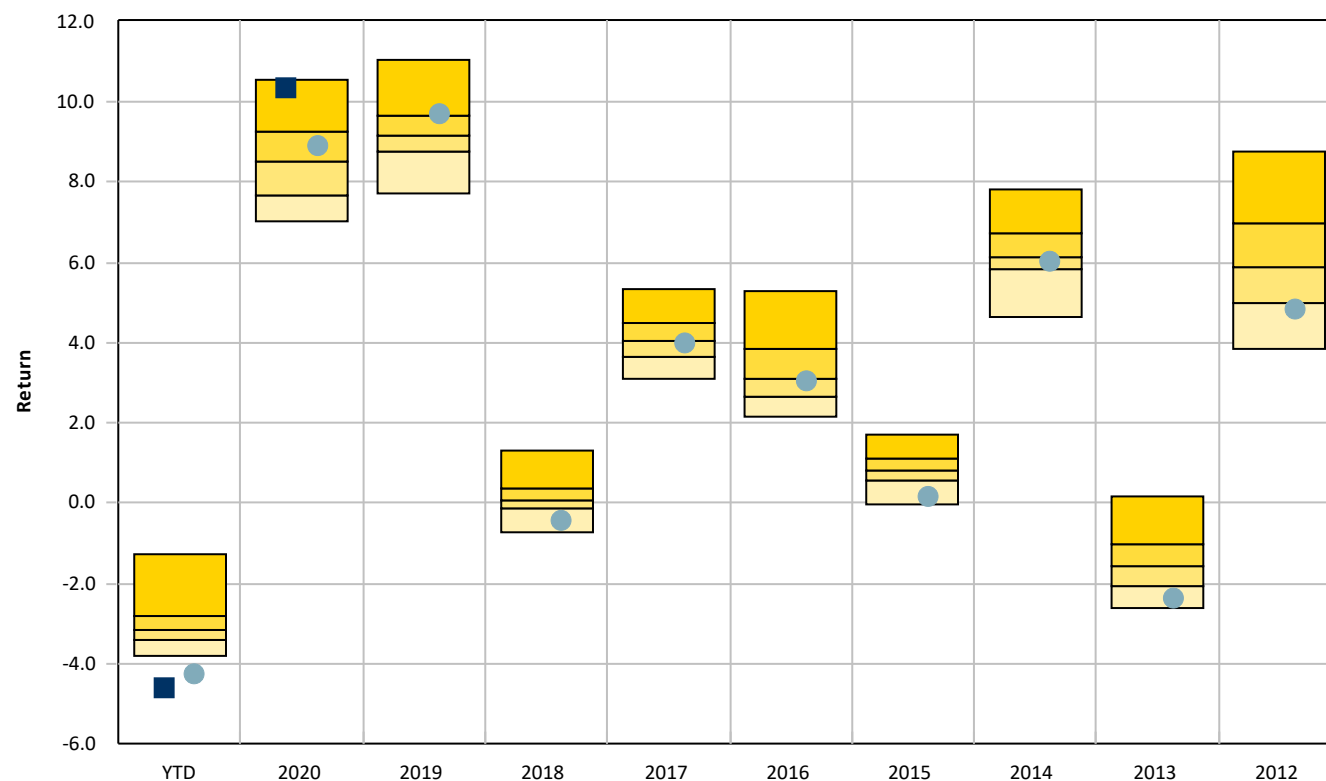
### Trailing Returns



### Investment Strategy

FCI's fixed income investment strategy seeks to deliver superior returns relative to the Bloomberg Barclays Govt/Credit Index over a market cycle, while limiting the risk incurred by maintaining a high credit profile. The philosophy is to employ a time-tested disciplined investment process to construct a high-quality portfolio which is suitable for the given set of market conditions.

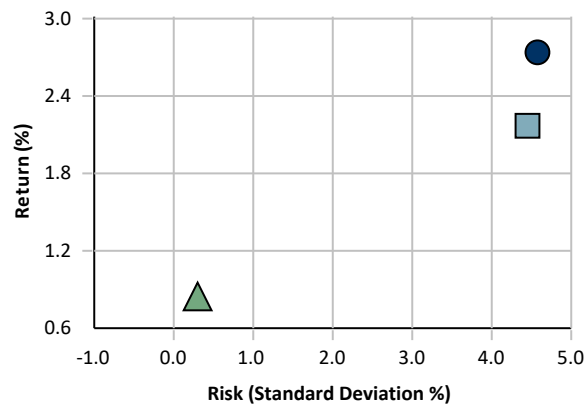
### Performance Relative to Peer Group



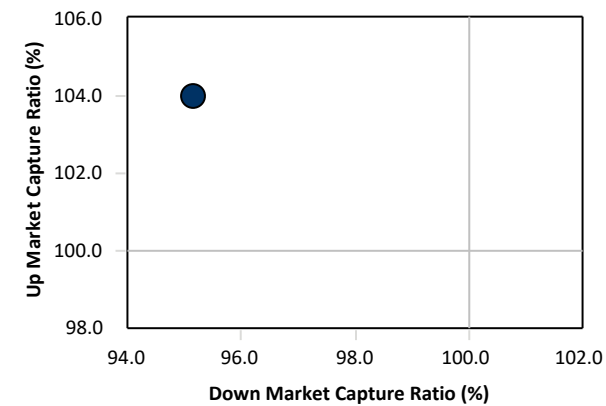
### Calendar Year Returns

|                                      | YTD         | 2020     | 2019 | 2018  | 2017 | 2016 | 2015 | 2014 | 2013  | 2012 |
|--------------------------------------|-------------|----------|------|-------|------|------|------|------|-------|------|
| FCI Advisors Fixed Income            | (4.6) (100) | 10.3 (9) | -    | -     | -    | -    | -    | -    | -     | -    |
| Bloomberg Barclays U.S. Gov't/Credit | (4.3)       | 8.9      | 9.7  | (0.4) | 4.0  | 3.0  | 0.1  | 6.0  | (2.4) | 4.8  |
| Peer Group Median                    | (3.2)       | 8.5      | 9.2  | 0.1   | 4.0  | 3.1  | 0.8  | 6.1  | (1.6) | 5.9  |
| Population                           | 135         | 145      | 152  | 158   | 163  | 170  | 175  | 188  | 198   | 207  |

### Risk/Return



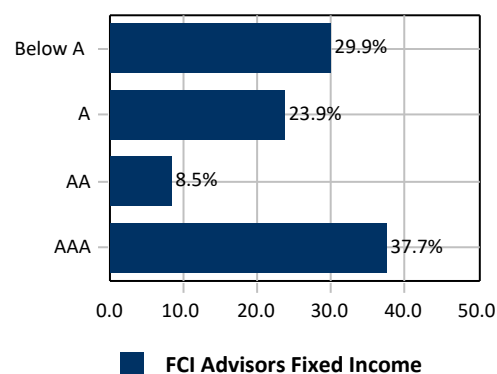
### Up/Down Markets



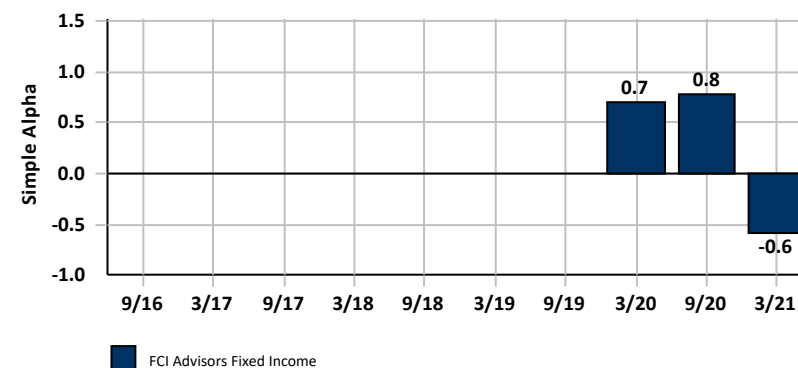
### Top Holdings

|             |     |
|-------------|-----|
| US Treasury | 5.6 |
| US Treasury | 3.7 |
| US Treasury | 3.2 |
| US Treasury | 3.1 |
| US Treasury | 2.9 |
| US Treasury | 2.7 |
| US Treasury | 2.3 |
| Verizon     | 2.1 |
| Starbucks   | 1.7 |
| US Treasury | 1.7 |

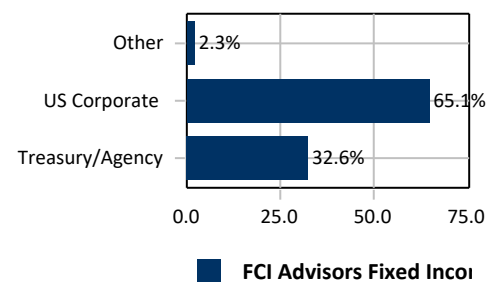
### Quality Allocation



### 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



### Sector Allocation



### Performance Statistics

|                                      | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|--------------------------------------|-------------|---------------|------|------------------|--------------|----------------|
| FCI Advisors Fixed Income            | 57.9        | 2.0           | 1.0  | (4.9)            | 0.4          | 9/1/2019       |
| Bloomberg Barclays U.S. Gov't/Credit | 0.0         | 2.2           | 1.0  | (4.7)            | 0.6          | 1/1/1973       |
| 90 Day U.S. Treasury Bill            | 52.6        | 0.0           | 0.0  | 0.0              | -            | 9/1/2019       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

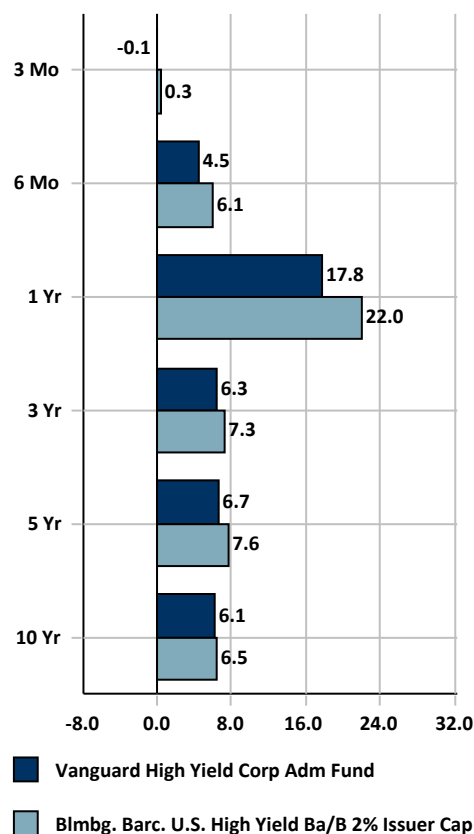
# Vanguard High Yield Corp Adm Fund

As of March 31, 2021

## Fund Snapshot

Ticker : VWEAX  
 Peer Group : IM U.S. High Yield Bonds (MF)  
 Benchmark : Blmbg. Barc. U.S. High Yield Ba/B 2% Issuer Cap  
 Total Assets : \$24,744 Million  
 Fund Inception : 11/12/2001  
 Portfolio Manager : Michael L. Hong  
 Net Expense : 0.13%  
 Turnover : 28%

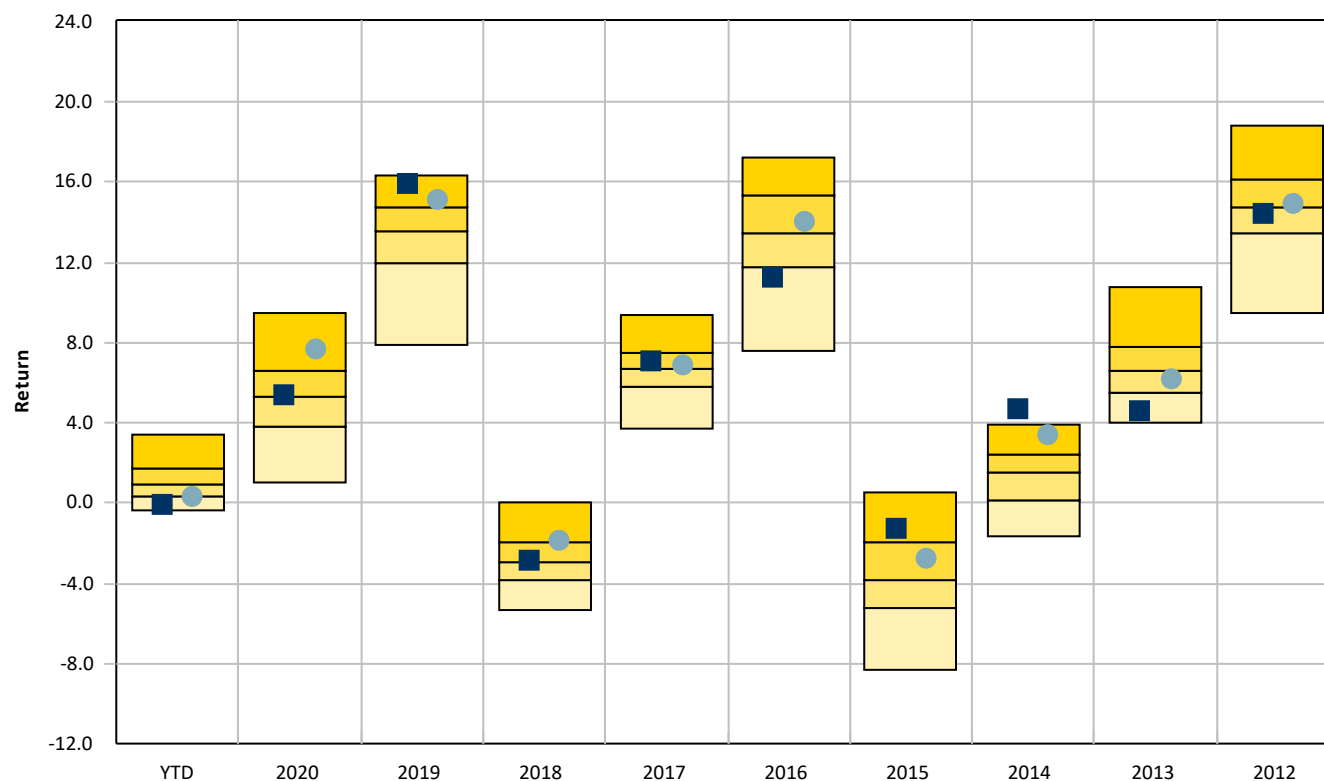
## Trailing Returns



## Investment Strategy

The Fund seeks a high level of current income by investing in a diversified portfolio of high-yielding, higher-risk corporate bonds, with medium and lower range credit quality ratings.

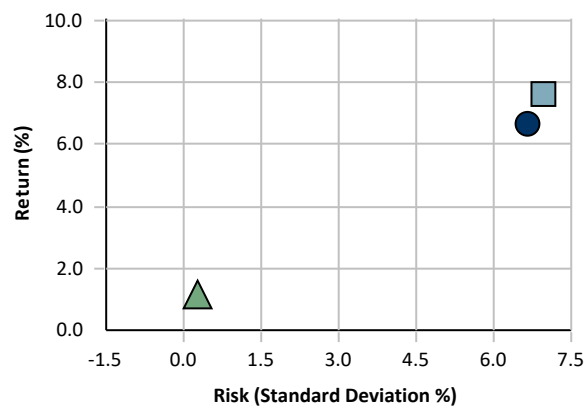
## Performance Relative to Peer Group



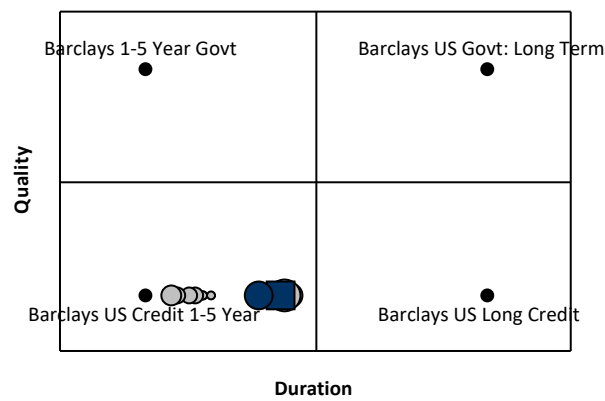
## Calendar Year Returns

|                   | YTD        | 2020     | 2019     | 2018       | 2017     | 2016      | 2015       | 2014    | 2013     | 2012      |
|-------------------|------------|----------|----------|------------|----------|-----------|------------|---------|----------|-----------|
| Fund              | (0.1) (94) | 5.4 (47) | 15.9 (8) | (2.9) (49) | 7.1 (35) | 11.3 (79) | (1.3) (16) | 4.7 (2) | 4.6 (91) | 14.5 (56) |
| Benchmark         | 0.3        | 7.7      | 15.2     | (1.9)      | 6.9      | 14.1      | (2.7)      | 3.5     | 6.2      | 15.0      |
| Peer Group Median | 0.9        | 5.3      | 13.5     | (2.9)      | 6.7      | 13.5      | (3.8)      | 1.5     | 6.6      | 14.7      |
| Population        | 669        | 660      | 683      | 670        | 627      | 595       | 545        | 616     | 575      | 514       |

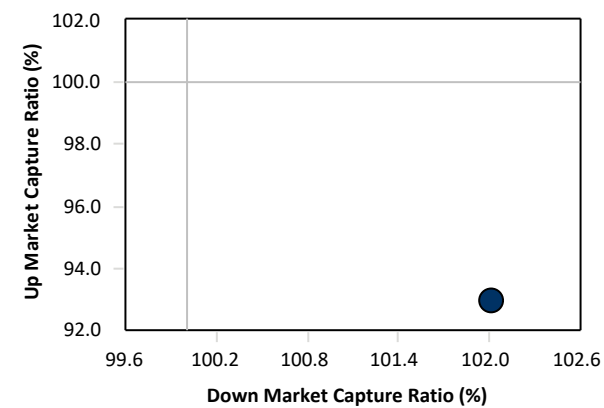
## Risk/Return



## 3 Year Rolling Style Map



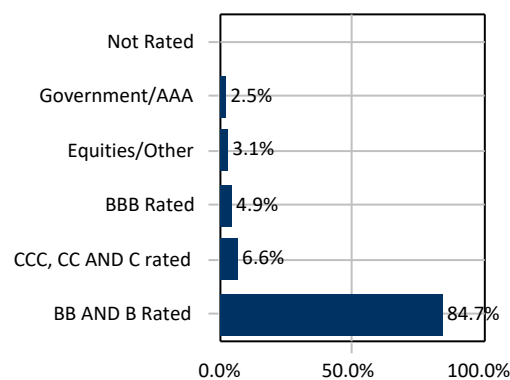
## Up/Down Markets



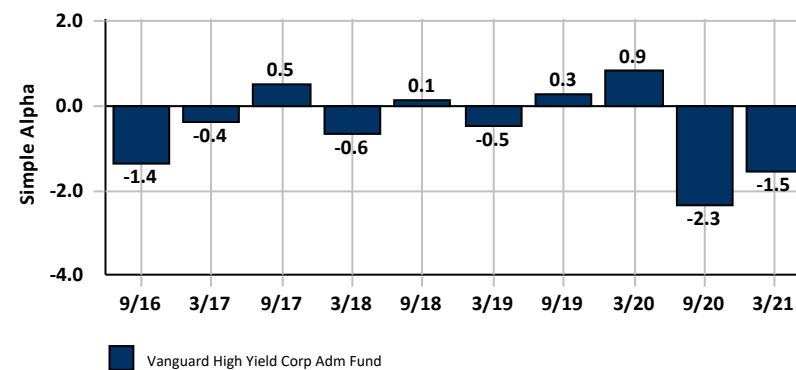
## Top Holdings

|                       |        |
|-----------------------|--------|
| Corporate Notes/Bonds | 94.5 % |
| Treasury Notes/Bonds  | 5.2 %  |

## Quality Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

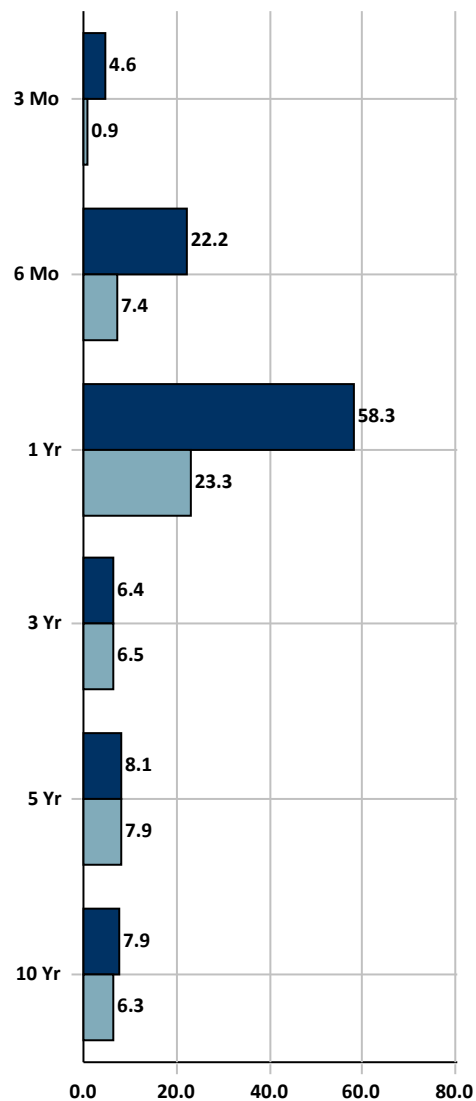
|                     |            |
|---------------------|------------|
| Avg. Coupon         | 4.90 %     |
| Nominal Maturity    | -          |
| Effective Maturity  | 4.00 Years |
| Duration            | 3.40 Years |
| SEC 30 Day Yield    | 6.5        |
| Avg. Credit Quality | BB         |

## Performance Statistics

|   | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|---|-------------|---------------|------|------------------|--------------|----------------|
| Vanguard High Yield Corp Adm Fund               | 43.3        | 5.5           | 0.9  | (10.7)           | 0.8          | 12/1/2001      |
| Blmbg. Barc. U.S. High Yield Ba/B 2% Issuer Cap | 0.0         | 6.4           | 1.0  | (11.5)           | 0.9          | 1/1/1993       |
| 90 Day U.S. Treasury Bill                       | 25.0        | 0.0           | 0.0  | 0.0              | -            | 12/1/2001      |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

## Trailing Returns

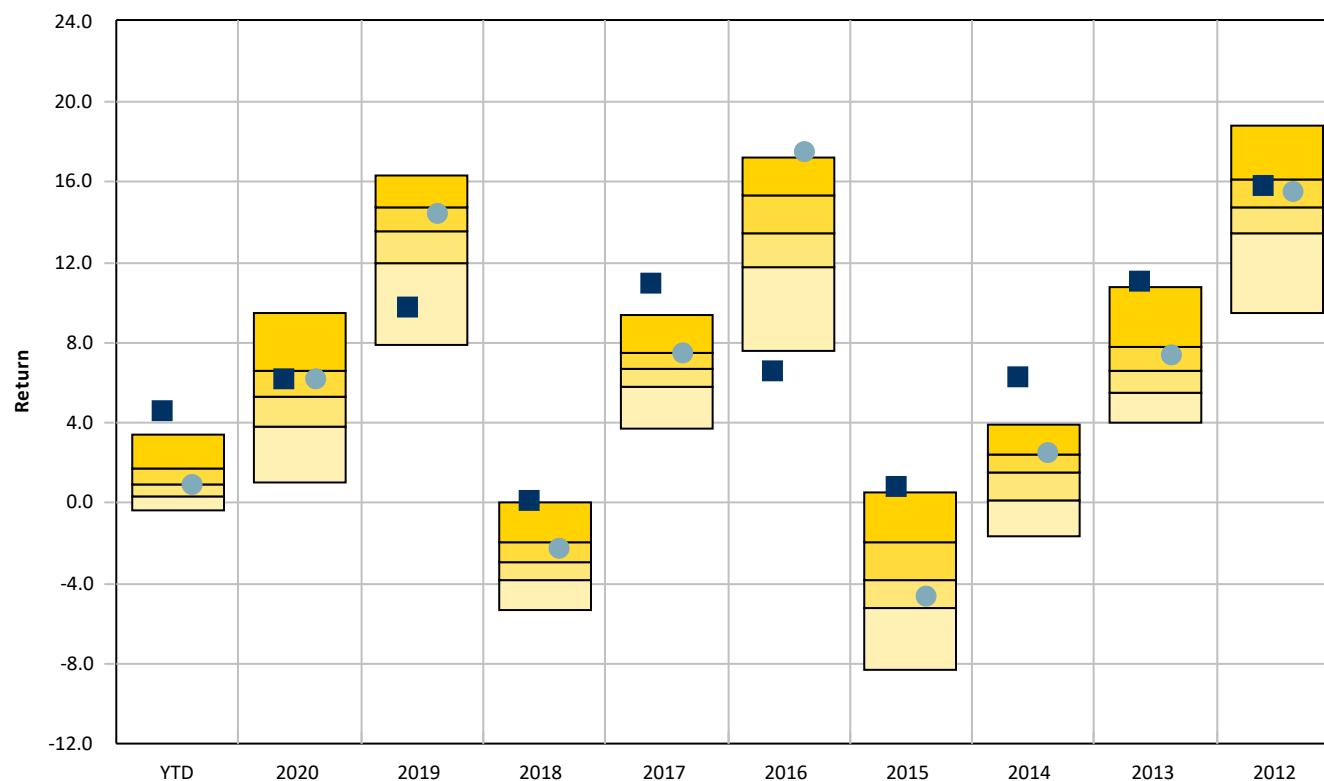


■ III Credit Opportunities Fund  
 ■ BofA Merrill Lynch High Yield Master II Idx

## Investment Strategy

The fund seeks to generate significant returns using long only cash credit products with no repo leverage or derivatives use. Assets in the fund are primarily structured credit instruments.

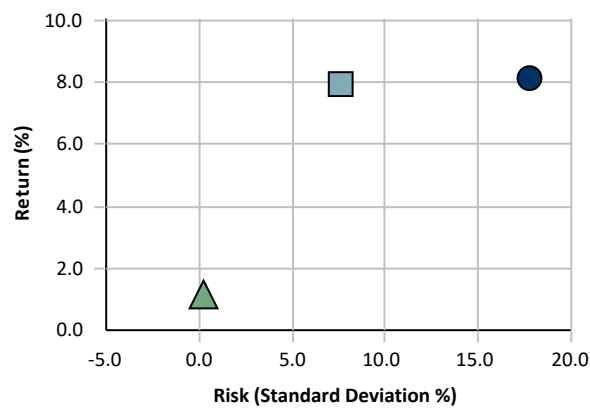
## Performance Relative to Peer Group



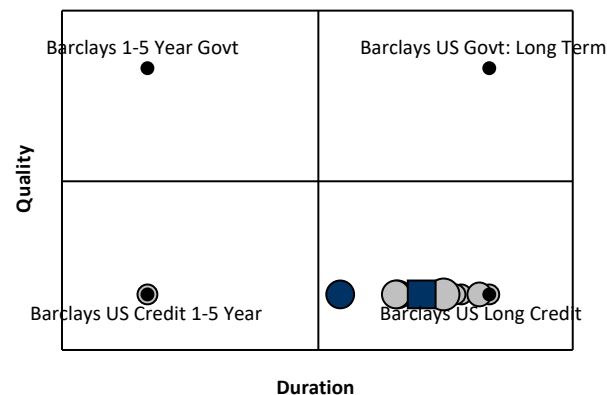
## Calendar Year Returns

|                                 | YTD     | 2020     | 2019     | 2018    | 2017     | 2016     | 2015    | 2014    | 2013     | 2012      |
|---------------------------------|---------|----------|----------|---------|----------|----------|---------|---------|----------|-----------|
| III Credit Opportunities Fund   | 4.6 (1) | 6.2 (30) | 9.8 (87) | 0.1 (5) | 10.9 (2) | 6.6 (97) | 0.9 (4) | 6.3 (1) | 11.1 (5) | 15.8 (29) |
| ICE BofAML High Yield Master II | 0.9     | 6.2      | 14.4     | (2.3)   | 7.5      | 17.5     | (4.6)   | 2.5     | 7.4      | 15.6      |
| Peer Group Median               | 0.9     | 5.3      | 13.5     | (2.9)   | 6.7      | 13.5     | (3.8)   | 1.5     | 6.6      | 14.7      |
| Population                      | 669     | 660      | 683      | 670     | 627      | 595      | 545     | 616     | 575      | 514       |

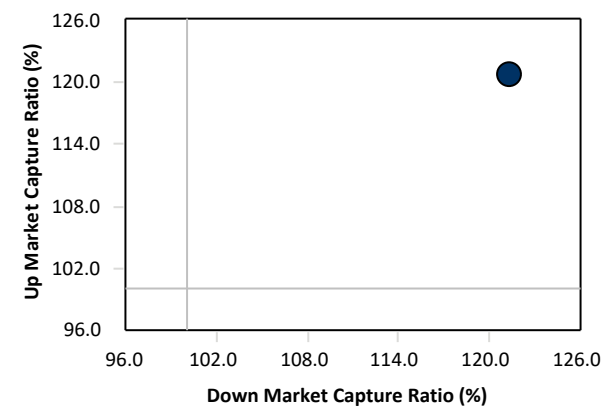
Risk/Return



3 Year Rolling Style Map



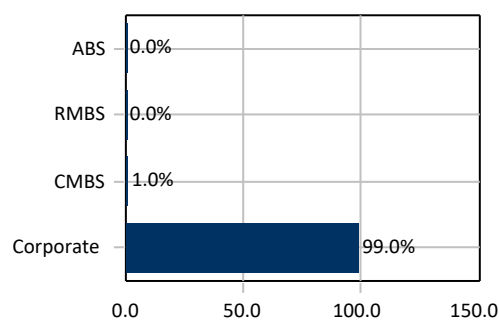
Up/Down Markets



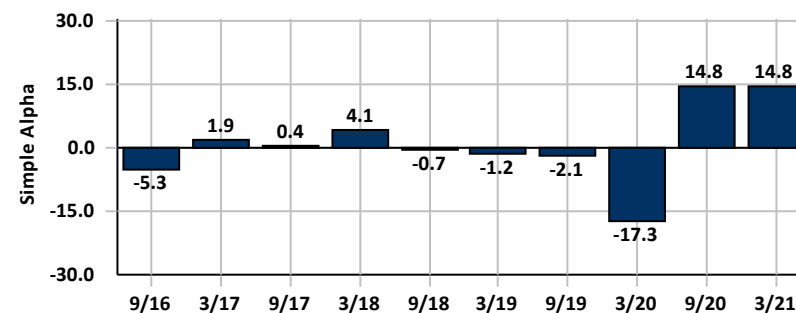
Top Holdings

|          |      |
|----------|------|
| CLOs     | 86.0 |
| Eur CLOs | 14.0 |
| Eur CMBS | 0.0  |
| CRE CDOs | 0.0  |

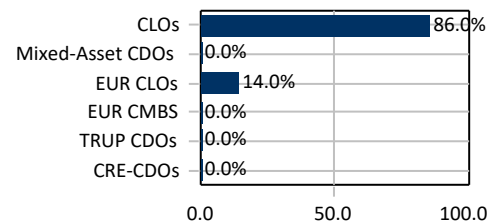
Quality Allocation



6 Month Over/Under Performance vs. Benchmark - Last 5 Years



Sector Allocation

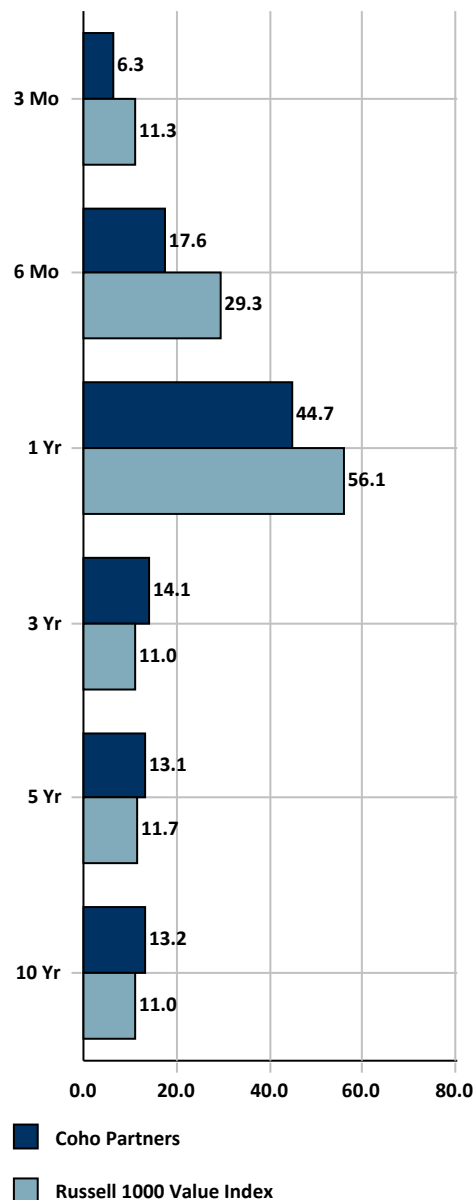


Performance Statistics

|   | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|---|-------------|---------------|------|------------------|--------------|----------------|
| III Credit Opportunities Fund               | 53.3        | 8.4           | 1.7  | (35.6)           | 0.5          | 4/1/2010       |
| BofA Merrill Lynch High Yield Master II Idx | 0.0         | 6.8           | 1.0  | (13.1)           | 0.9          | 4/1/2010       |
| 90 Day U.S. Treasury Bill                   | 25.0        | 0.0           | 0.0  | 0.0              | -            | 4/1/2010       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

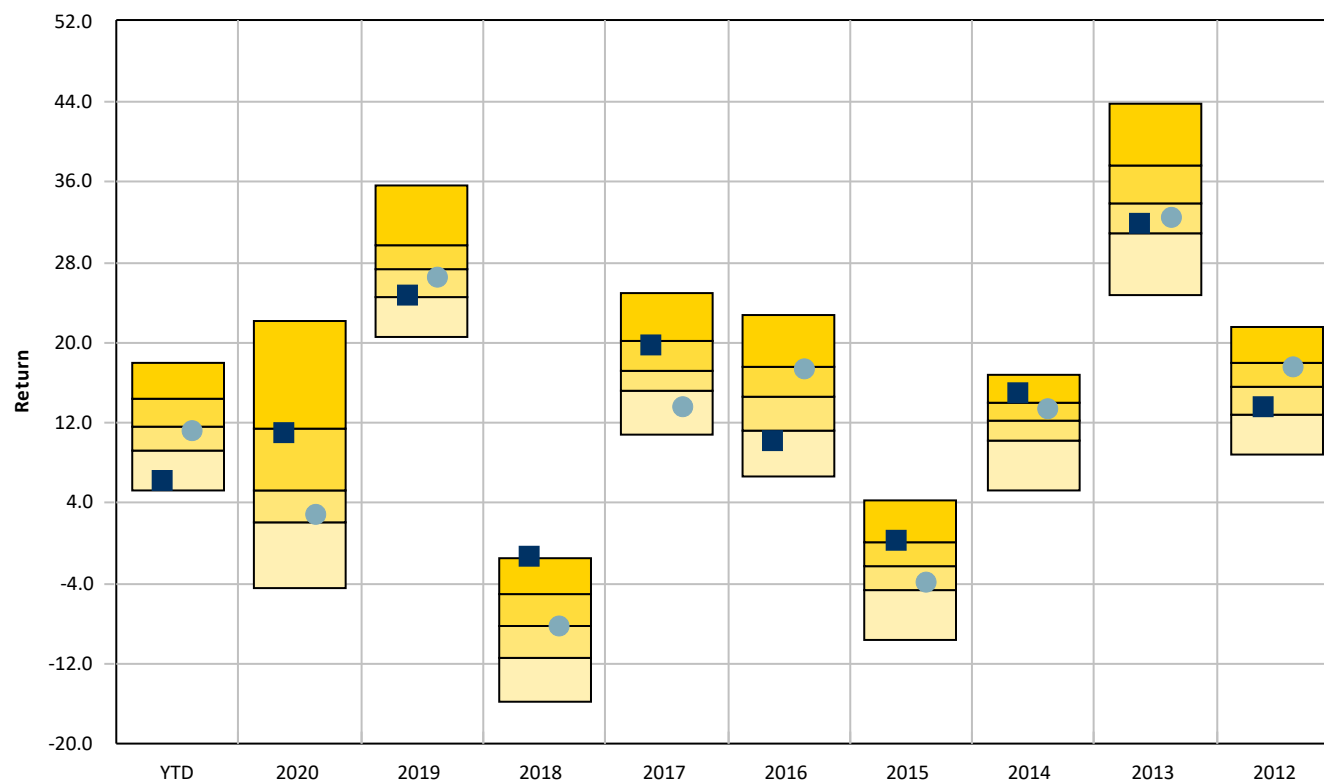
## Trailing Returns



## Investment Strategy

Firm's equity investment philosophy is based on the premise that the most effective way to create and sustain wealth in the equity markets is to achieve an asymmetric pattern of returns over time, where the portfolio demonstrates a down market beta which is considerably less than its up market beta.

## Performance Relative to Peer Group

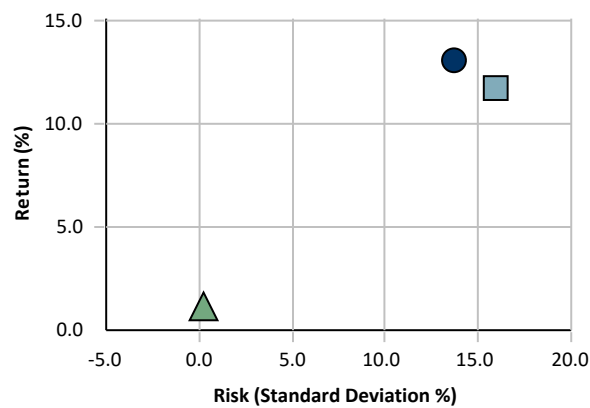


## Calendar Year Returns

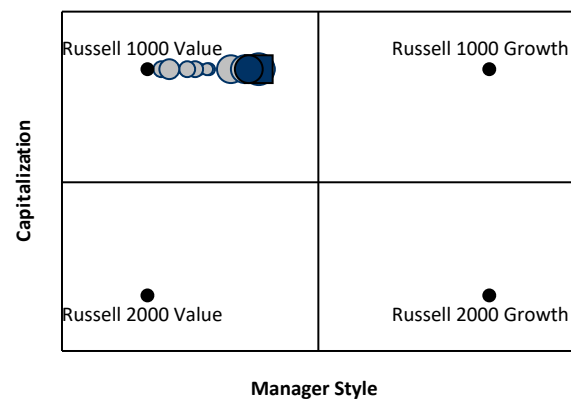
|                          | YTD      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015     | 2014      | 2013      | 2012      |
|--------------------------|----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|
| Coho Partners            | 6.3 (91) | 10.9 (28) | 24.7 (72) | (1.3) (5) | 19.8 (29) | 10.2 (84) | 0.3 (23) | 15.0 (17) | 31.9 (67) | 13.5 (70) |
| Russell 1000 Value Index | 11.3     | 2.8       | 26.5      | (8.3)     | 13.7      | 17.3      | (3.8)    | 13.5      | 32.5      | 17.5      |
| Peer Group Median        | 11.6     | 5.3       | 27.3      | (8.3)     | 17.3      | 14.6      | (2.3)    | 12.1      | 33.9      | 15.6      |
| Population               | 262      | 280       | 312       | 332       | 351       | 380       | 394      | 417       | 416       | 433       |



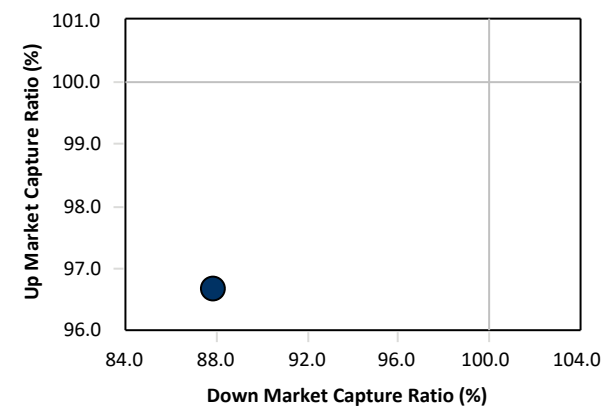
## Risk/Return



## 3 Year Rolling Style Map



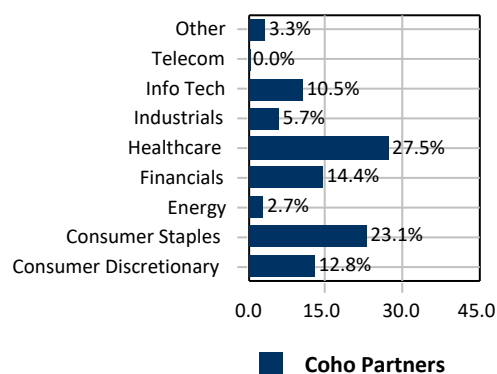
## Up/Down Markets



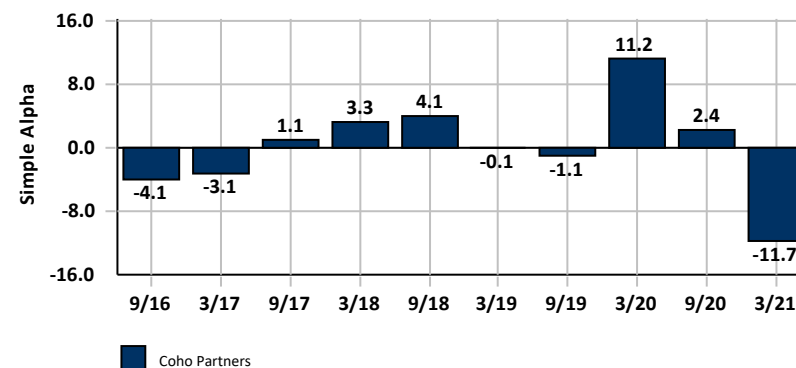
## Top Holdings

|                          |     |
|--------------------------|-----|
| Ross Stores Inc          | 4.9 |
| Lowe's Companies         | 4.7 |
| US Bancorp               | 4.6 |
| Global Payments Inc      | 4.4 |
| UnitedHealth Group Inc   | 4.4 |
| Johnson & Johnson        | 4.3 |
| CVS Health Corp          | 4.0 |
| Amgen Inc                | 3.9 |
| AmerisourceBergen Corp   | 3.7 |
| State Street Corporation | 3.7 |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

|              |          |
|--------------|----------|
| Holdings:    | 29       |
| Med Mkt Cap: | \$80,684 |
| P/E Ratio:   | 19.3     |
| P/B Ratio:   | 3.6      |
| Turnover:    | 21.1%    |

## Performance Statistics

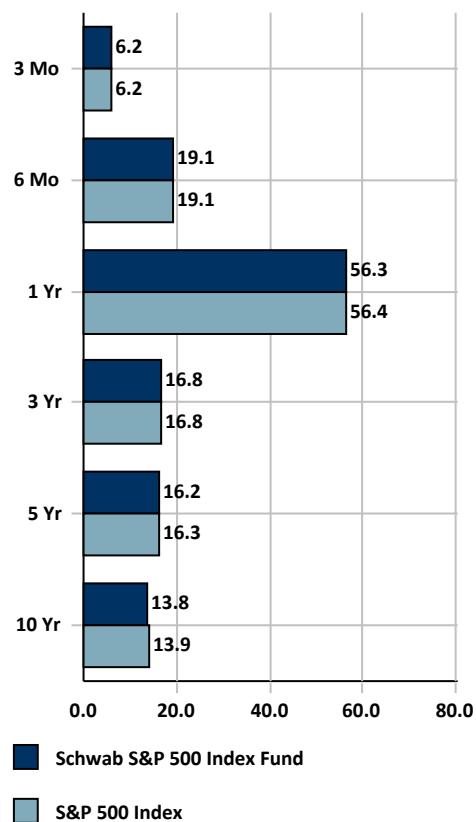
|                           | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|---------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Coho Partners             | 53.3        | 12.1          | 0.8  | (18.5)           | 0.9          | 10/1/2000      |
| Russell 1000 Value Index  | 0.0         | 11.3          | 1.0  | (26.7)           | 0.7          | 10/1/2000      |
| 90 Day U.S. Treasury Bill | 31.7        | 0.0           | 0.0  | 0.0              | -            | 10/1/2000      |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

## Fund Snapshot

Ticker : SWPPX  
 Peer Group : IM U.S. Large Cap Core Equity (MF)  
 Benchmark : S&P 500 Index  
 Total Assets : \$55,789 Million  
 Fund Inception : 5/19/1997  
 Portfolio Manager : Team Managed  
 Net Expense : 0.02%  
 Turnover : 4%

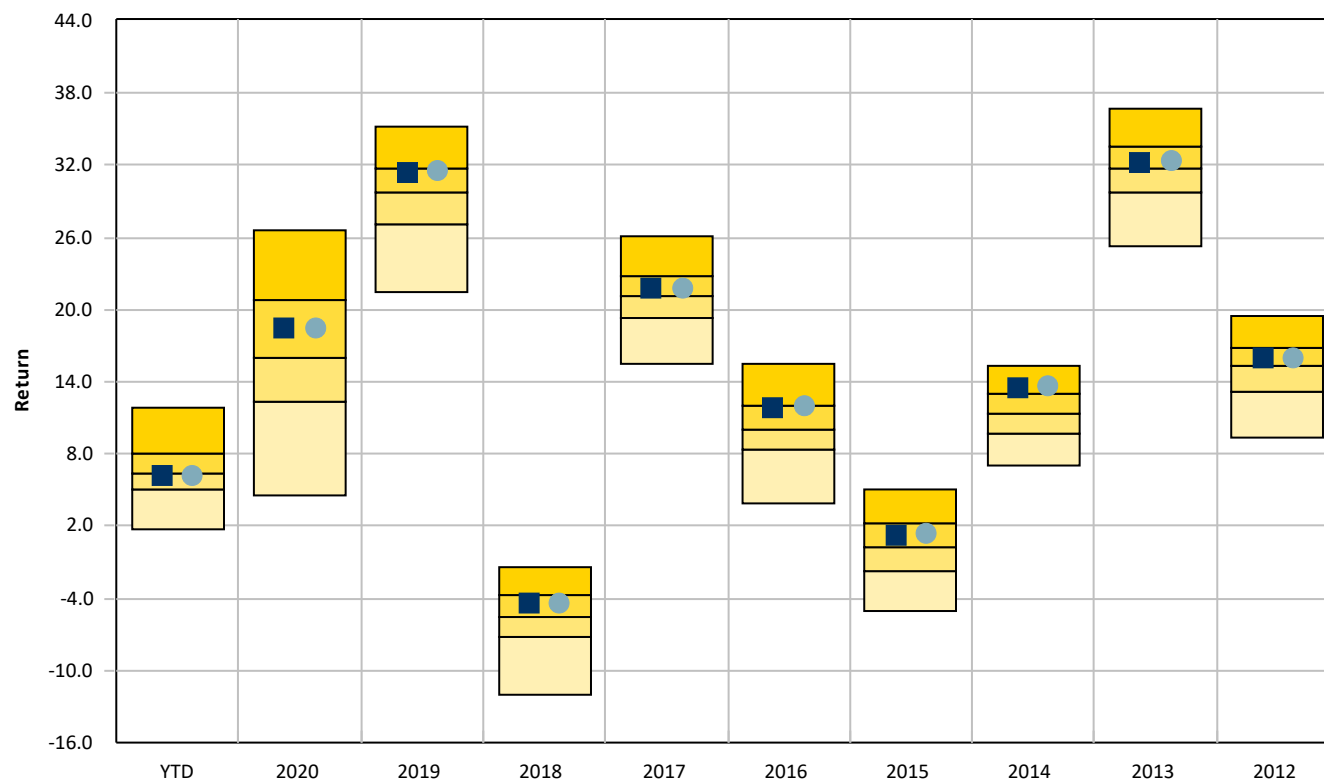
## Trailing Returns



## Investment Strategy

The Fund seeks to track the total return of the S&P 500 Index. The Fund will invest at least 80% of its net assets in these stocks; typically, the actual percentage is considerably higher. The Fund generally will seek to replicate the performance of the index by giving the same weight to a given stock as the index does.

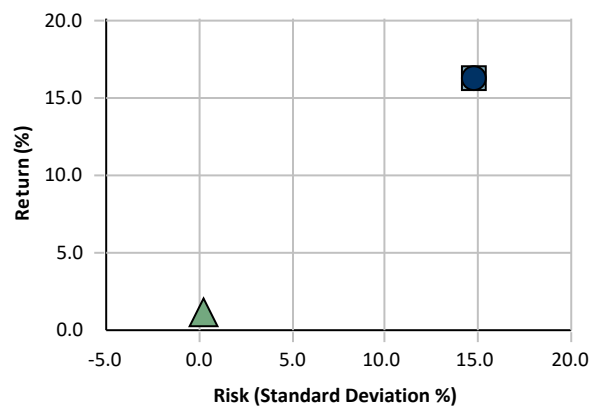
## Performance Relative to Peer Group



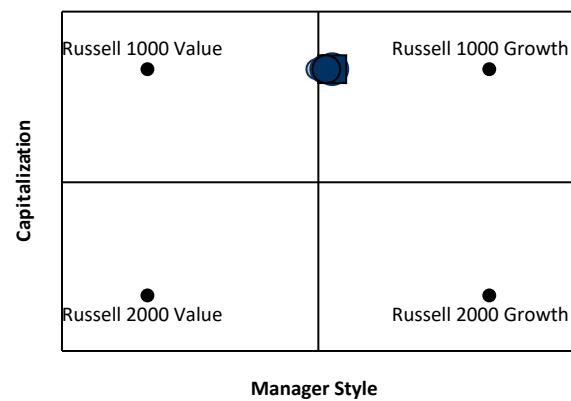
## Calendar Year Returns

|                   | YTD      | 2020      | 2019      | 2018       | 2017      | 2016      | 2015     | 2014      | 2013      | 2012      |
|-------------------|----------|-----------|-----------|------------|-----------|-----------|----------|-----------|-----------|-----------|
| Fund              | 6.2 (57) | 18.4 (40) | 31.4 (30) | (4.4) (31) | 21.8 (39) | 11.8 (28) | 1.3 (34) | 13.6 (17) | 32.3 (41) | 15.9 (40) |
| Benchmark         | 6.2      | 18.4      | 31.5      | (4.4)      | 21.8      | 12.0      | 1.4      | 13.7      | 32.4      | 16.0      |
| Peer Group Median | 6.4      | 16.0      | 29.7      | (5.6)      | 21.2      | 10.1      | 0.3      | 11.4      | 31.8      | 15.3      |
| Population        | 785      | 744       | 734       | 710        | 672       | 634       | 588      | 746       | 749       | 761       |

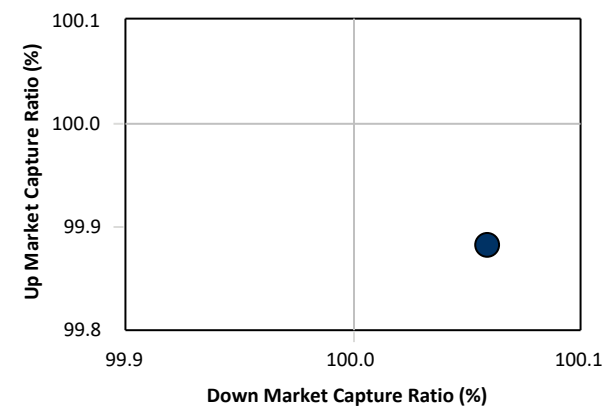
## Risk/Return



## 3 Year Rolling Style Map



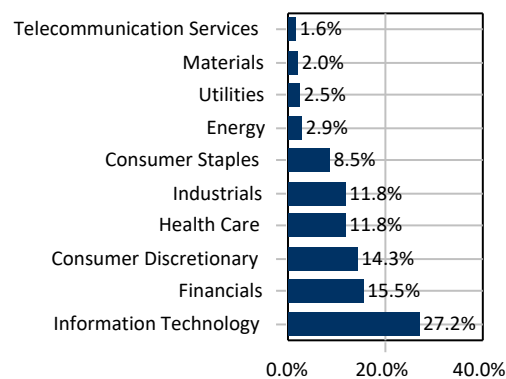
## Up/Down Markets



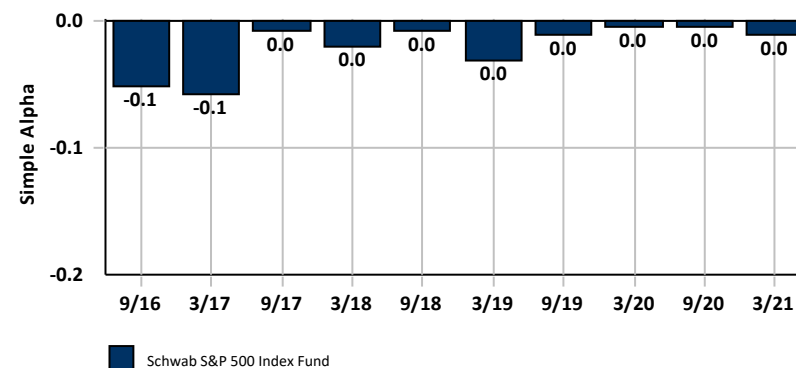
## Top Holdings

|                            |       |
|----------------------------|-------|
| Apple Inc ORD              | 6.0 % |
| Microsoft Corp ORD         | 5.4 % |
| Amazon.com Inc ORD         | 4.1 % |
| Facebook Inc ORD           | 1.9 % |
| Alphabet Inc ORD 1         | 1.9 % |
| Alphabet Inc ORD 2         | 1.8 % |
| Tesla Inc ORD              | 1.6 % |
| Berkshire Hathaway Inc ORD | 1.4 % |
| JPMorgan Chase & Co ORD    | 1.4 % |
| Johnson & Johnson ORD      | 1.3 % |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

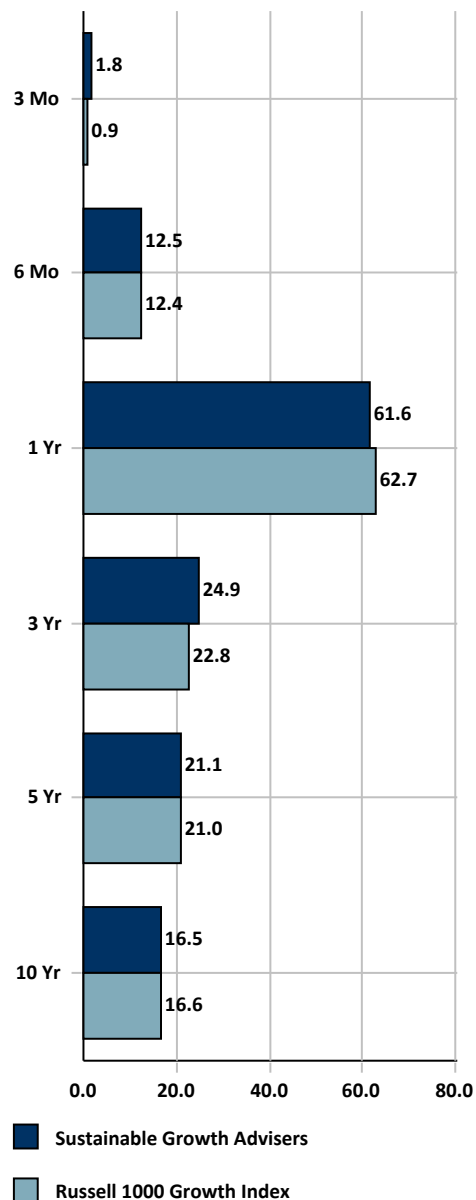
|                  |                   |
|------------------|-------------------|
| Total Securities | 508               |
| Avg. Market Cap  | \$452,040 Million |
| P/E              | 35.8              |
| P/B              | 10.2              |
| Div. Yield       | 2.0%              |
| Annual EPS       | 7.6               |
| 5Yr EPS          | 16.7              |
| 3Yr EPS Growth   | 15.8              |

## Performance Statistics

|                           | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|---------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Schwab S&P 500 Index Fund | 40.0        | 15.1          | 1.0  | (19.6)           | 1.0          | 6/1/1997       |
| S&P 500 Index             | 0.0         | 15.1          | 1.0  | (19.6)           | 1.0          | 6/1/1997       |
| 90 Day U.S. Treasury Bill | 23.3        | 0.0           | 0.0  | 0.0              | -            | 6/1/1997       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

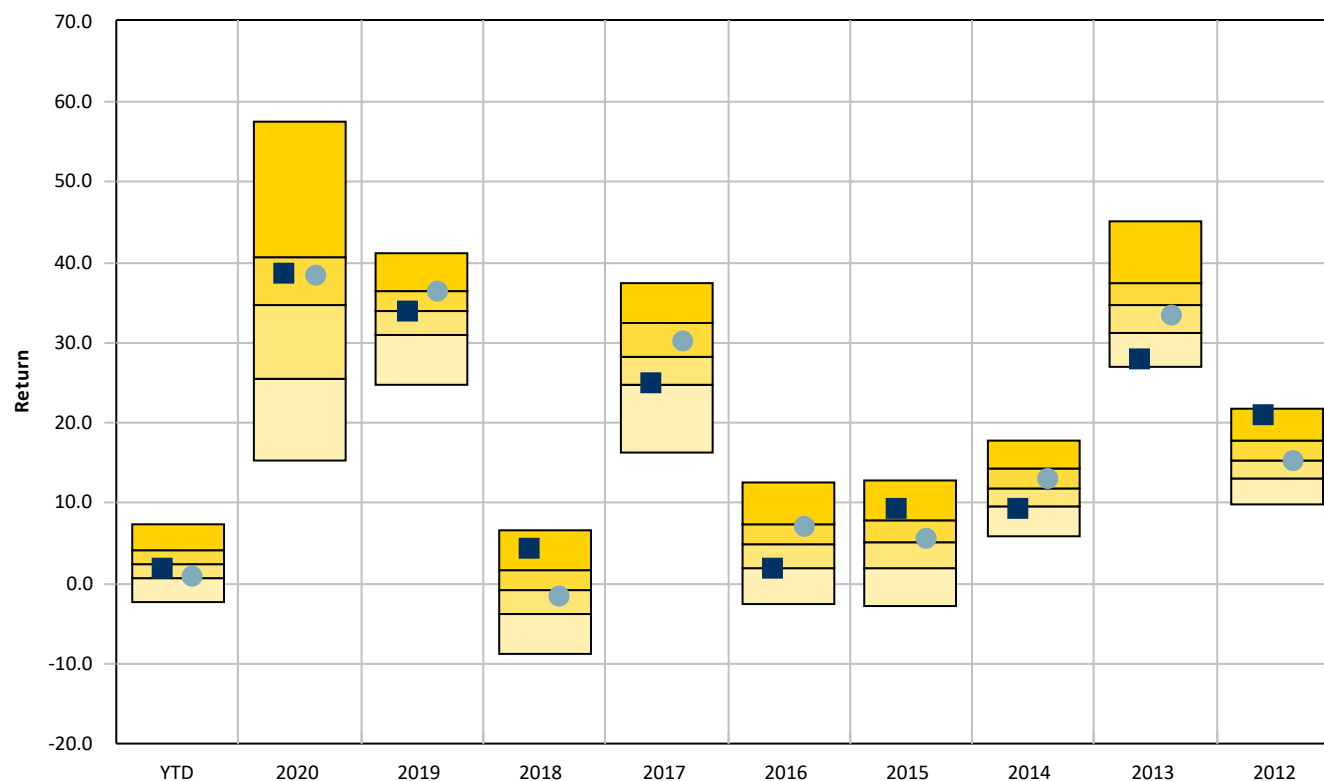
## Trailing Returns



## Investment Strategy

Strategy focuses on producing attractive, consistent earnings growth by owning a select group of businesses that possess long-term secular growth opportunities, predictable revenue and earnings growth, superior pricing power and global reach. Such companies are identified through bottom-up fundamental research process.

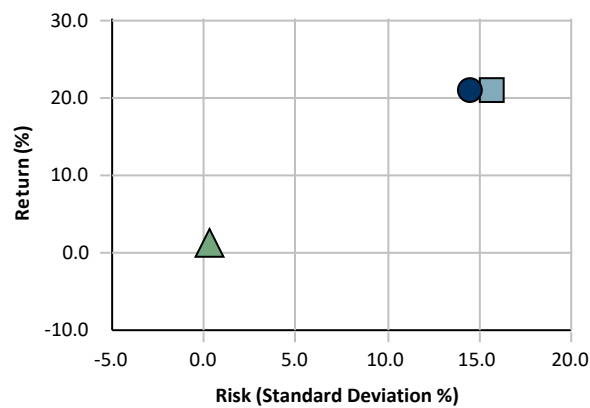
## Performance Relative to Peer Group



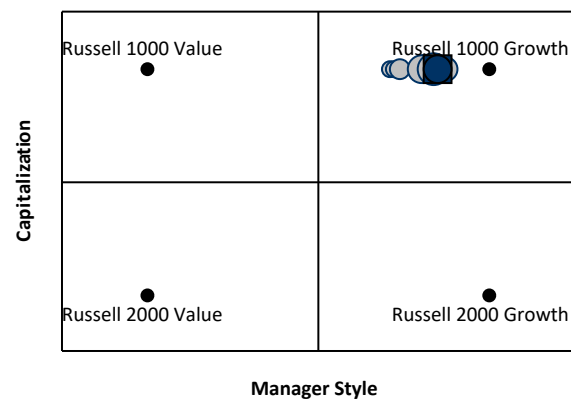
## Calendar Year Returns

|                             | YTD      | 2020      | 2019      | 2018     | 2017      | 2016     | 2015     | 2014     | 2013      | 2012     |
|-----------------------------|----------|-----------|-----------|----------|-----------|----------|----------|----------|-----------|----------|
| Sustainable Growth Advisers | 1.8 (56) | 38.6 (32) | 34.1 (48) | 4.3 (11) | 25.0 (74) | 1.8 (76) | 9.4 (16) | 9.4 (78) | 28.0 (93) | 21.1 (8) |
| Russell 1000 Growth Index   | 0.9      | 38.5      | 36.4      | (1.5)    | 30.2      | 7.1      | 5.7      | 13.1     | 33.5      | 15.3     |
| Peer Group Median           | 2.3      | 34.7      | 33.8      | (0.9)    | 28.2      | 4.7      | 5.1      | 12.0     | 34.6      | 15.2     |
| Population                  | 225      | 238       | 254       | 279      | 290       | 309      | 338      | 349      | 353       | 366      |

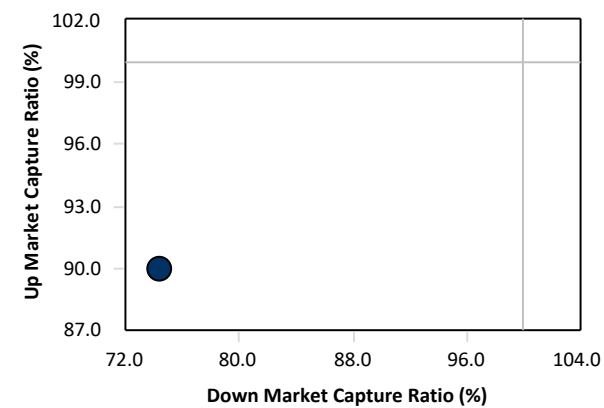
## Risk/Return



## 3 Year Rolling Style Map



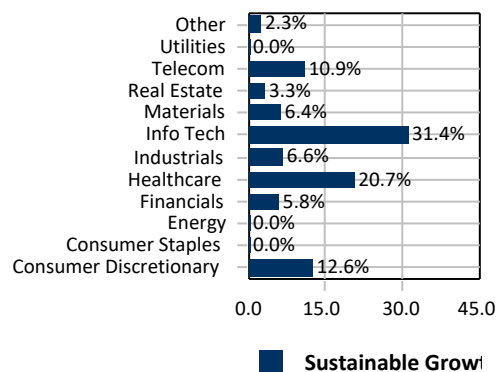
## Up/Down Markets



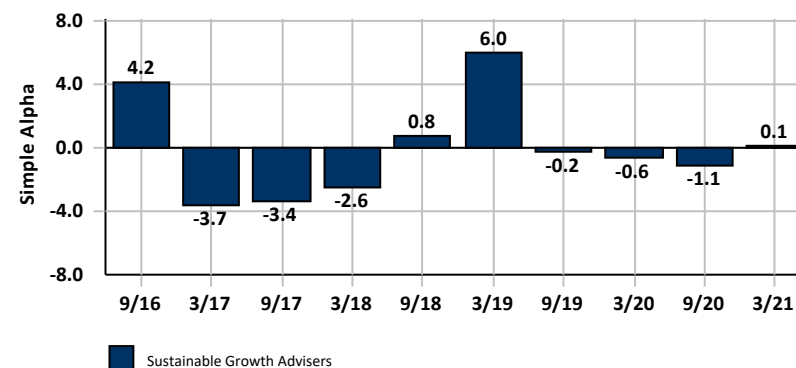
## Top Holdings

|                |     |
|----------------|-----|
| Amazon         | 5.5 |
| UnitedHealth   | 5.2 |
| Microsoft      | 5.0 |
| Visa           | 4.9 |
| Workday        | 4.1 |
| Facebook       | 4.0 |
| Salesforce.com | 3.9 |
| Alphabet       | 3.9 |
| Abbott         | 3.9 |
| Yum! Brands    | 3.9 |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

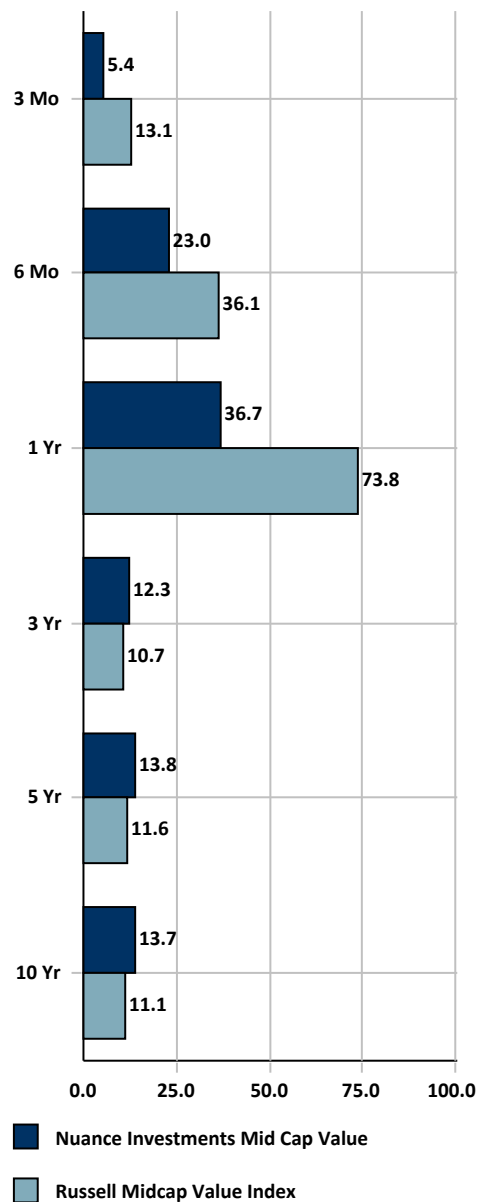
|                 |             |
|-----------------|-------------|
| Holdings:       | 28          |
| Median Mkt Cap: | \$147,284.2 |
| P/E Ratio:      | 41.3        |
| P/B Ratio:      | 7.2         |
| Turnover:       | 7.6         |

## Performance Statistics

|                             | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|-----------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Sustainable Growth Advisers | 48.3        | 19.1          | 0.9  | (14.6)           | 1.3          | 4/1/2000       |
| Russell 1000 Growth Index   | 0.0         | 19.3          | 1.0  | (16.0)           | 1.2          | 4/1/2000       |
| 90 Day U.S. Treasury Bill   | 30.0        | 0.0           | 0.0  | 0.0              | -            | 4/1/2000       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

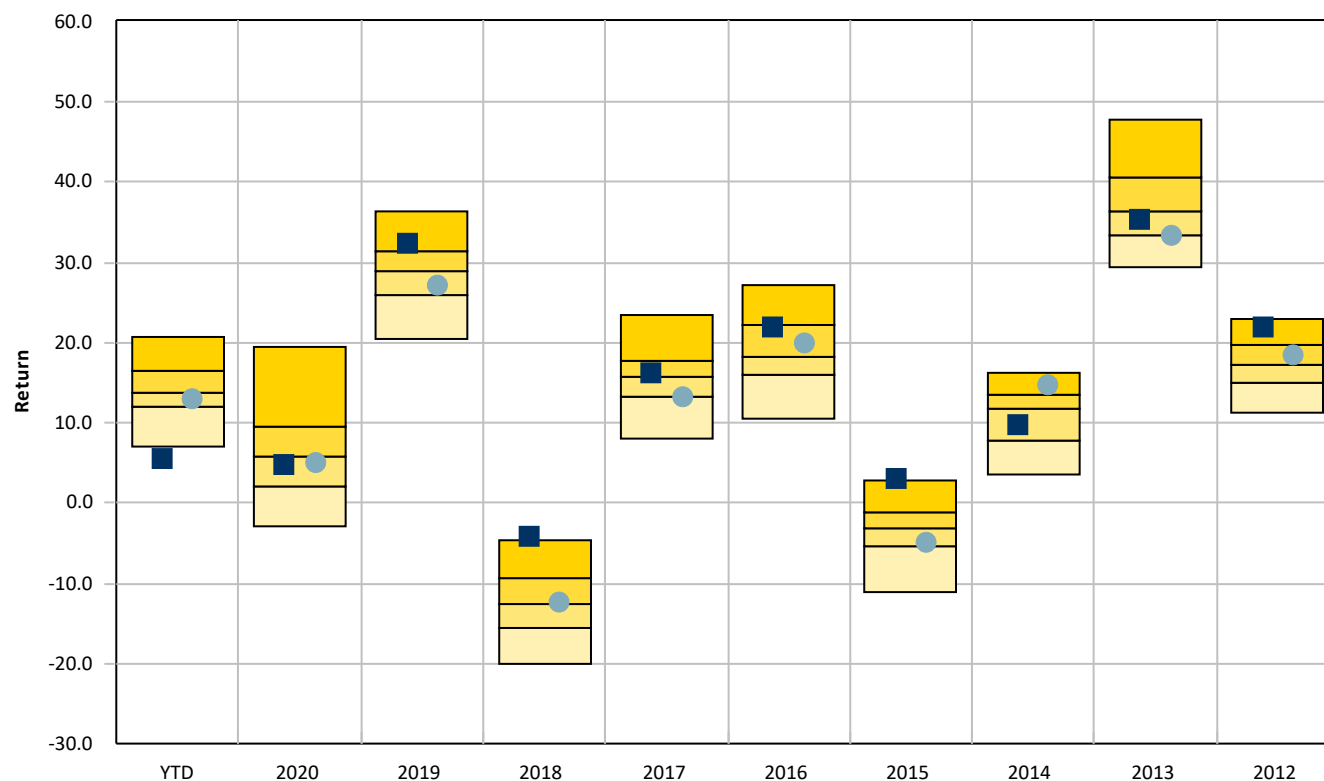
### Trailing Returns



### Investment Strategy

Strategy seeks long-term capital appreciation through investing primarily in equity securities of companies organized in the US that the team believes are high quality, though temporarily out of favor. Securities are selected using a quantitative screening and fundamental research process that identifies leading businesses selling at a discount to fair value and that have the potential to generate above average rates of return over time.

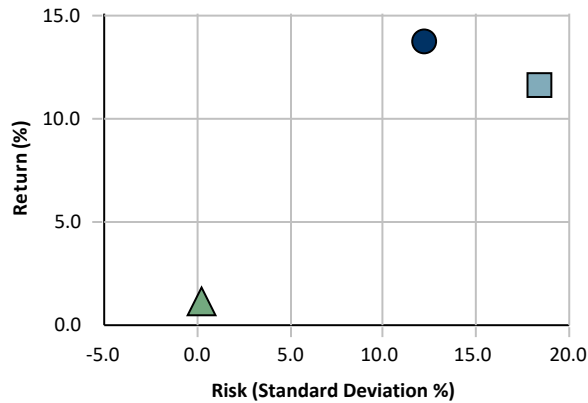
### Performance Relative to Peer Group



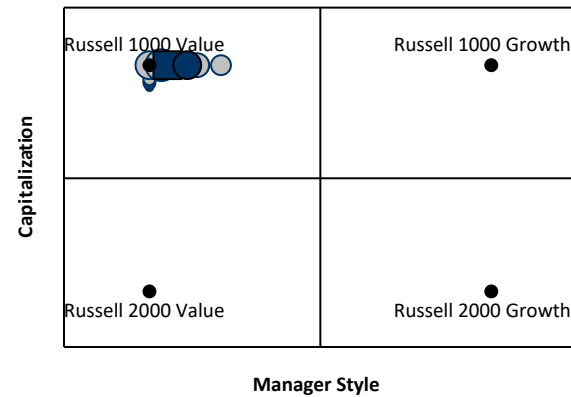
### Calendar Year Returns

|                                  | YTD      | 2020     | 2019      | 2018      | 2017      | 2016      | 2015    | 2014     | 2013      | 2012     |
|----------------------------------|----------|----------|-----------|-----------|-----------|-----------|---------|----------|-----------|----------|
| Nuance Investments Mid Cap Value | 5.4 (98) | 4.9 (53) | 32.5 (15) | (4.2) (4) | 16.2 (41) | 21.9 (32) | 3.0 (3) | 9.8 (65) | 35.5 (58) | 22.0 (9) |
| Russell Midcap Value Index       | 13.1     | 5.0      | 27.1      | (12.3)    | 13.3      | 20.0      | (4.8)   | 14.7     | 33.5      | 18.5     |
| Peer Group Median                | 13.9     | 5.9      | 28.9      | (12.7)    | 15.6      | 18.2      | (3.2)   | 11.8     | 36.5      | 17.1     |
| Population                       | 67       | 73       | 76        | 82        | 84        | 87        | 91      | 90       | 92        | 96       |

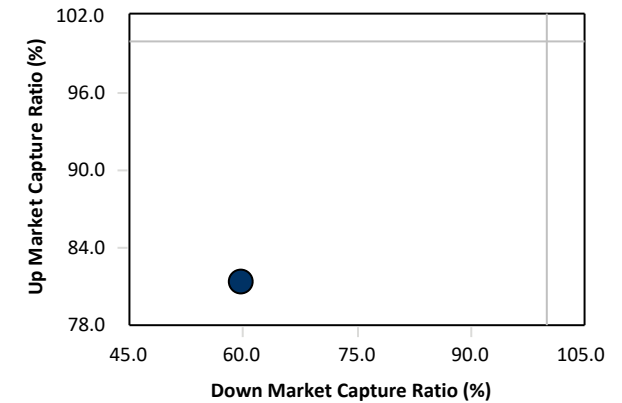
## Risk/Return



## 3 Year Rolling Style Map



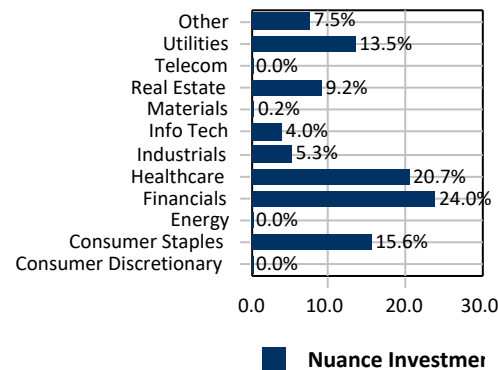
## Up/Down Markets



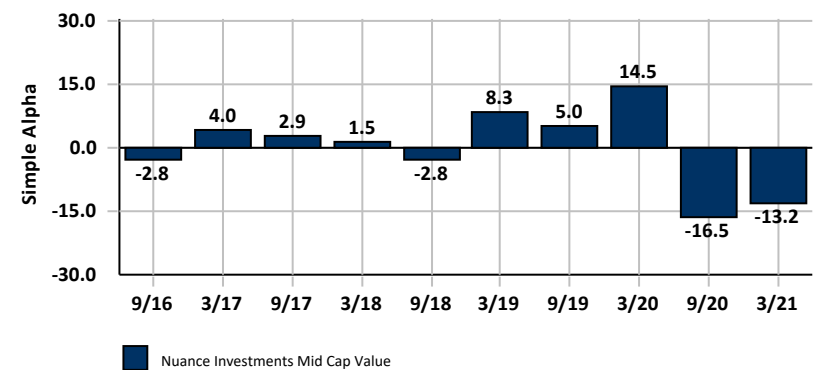
## Top Holdings

|                                   |     |
|-----------------------------------|-----|
| Beiersdorf AG Unsponsored ADR     | 5.7 |
| Equity Commonwealth               | 5.7 |
| Travelers Companies Inc           | 5.0 |
| Northern Trust Corp               | 4.2 |
| Sanderson Farms Inc               | 3.9 |
| Smith & Nephew PLC sp ADR         | 3.8 |
| BDX 6 06/01/23 Pfd                | 3.7 |
| United Utilities Group PLC Sp ADR | 3.4 |
| Everest Re Group Ltd.             | 3.1 |
| Cal-Maine Foods, Inc.             | 3.0 |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

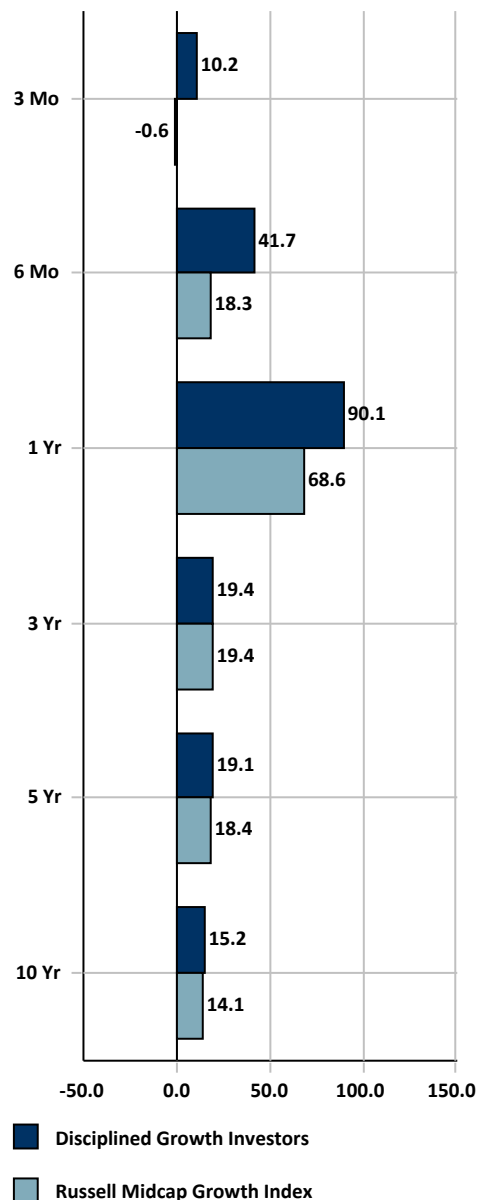
Holdings: 53  
 Median Market Cap: \$10,991  
 P/E Ratio: 17.0  
 P/B Ratio: 2.2  
 Turnover: 81.2%

## Performance Statistics

|                                  | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|----------------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Nuance Investments Mid Cap Value | 48.3        | 12.5          | 0.6  | (19.1)           | 1.0          | 12/1/2008      |
| Russell Midcap Value Index       | 0.0         | 11.6          | 1.0  | (31.7)           | 0.6          | 1/1/1986       |
| 90 Day U.S. Treasury Bill        | 26.7        | 0.0           | 0.0  | 0.0              | -            | 12/1/2008      |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

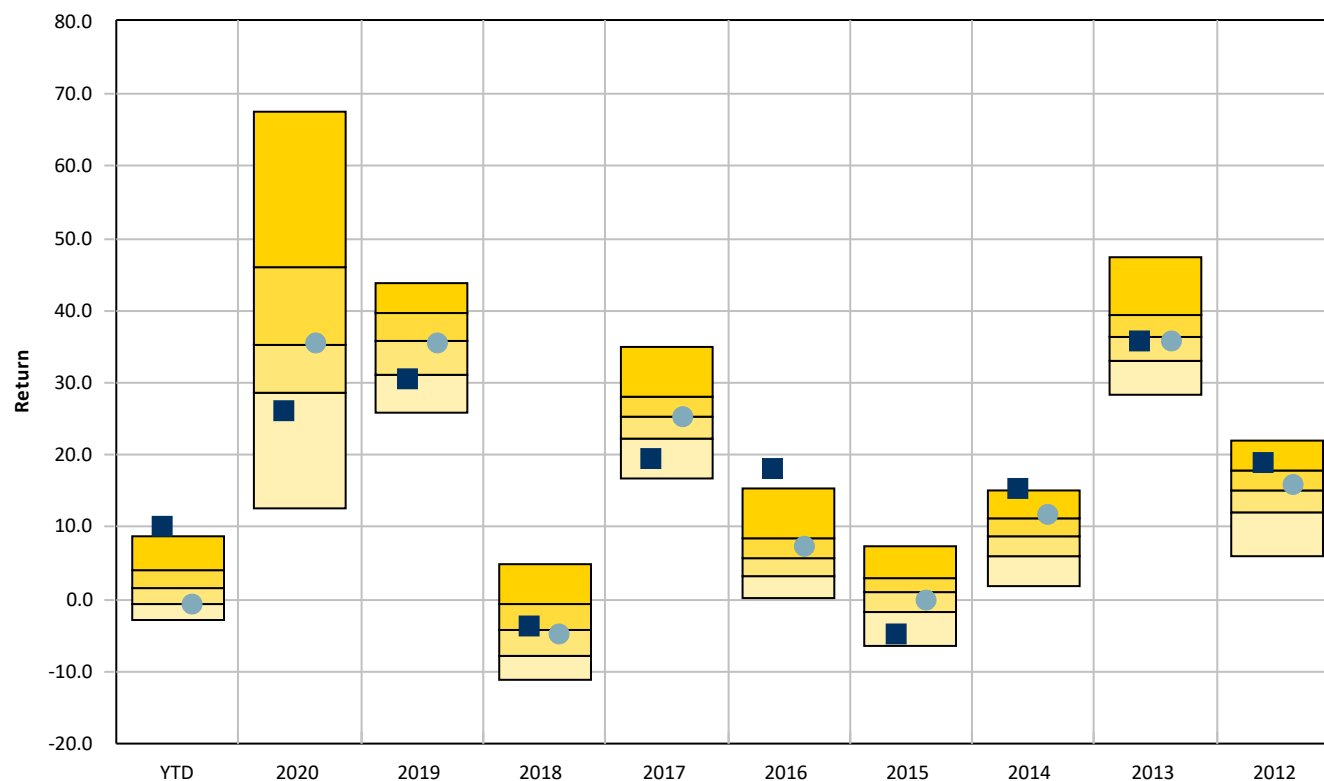
### Trailing Returns



### Investment Strategy

Mid cap US equity separate account. Invests in companies with market capitalizations greater than \$1 billion and less than \$10 billion. This class of stocks may present moderately more risk than larger more established companies. Strategy exploits price volatility to purchase business temporarily "on sale" for reasons DGI believes will have de minimis impact on the long-term value-creating potential of the business.

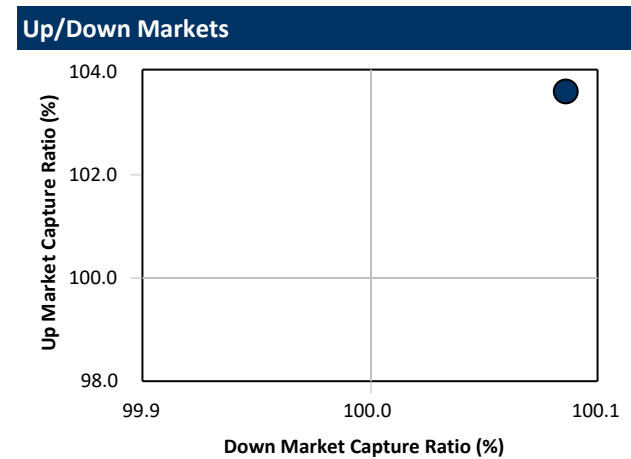
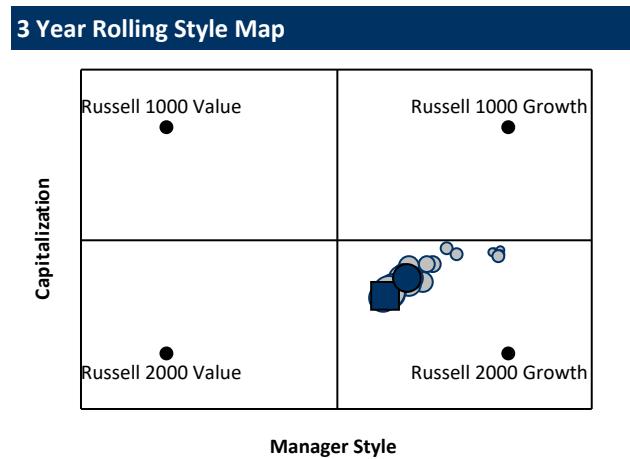
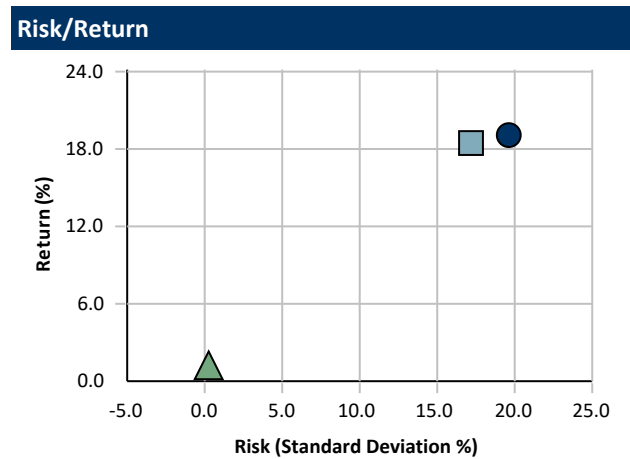
### Performance Relative to Peer Group



### Calendar Year Returns

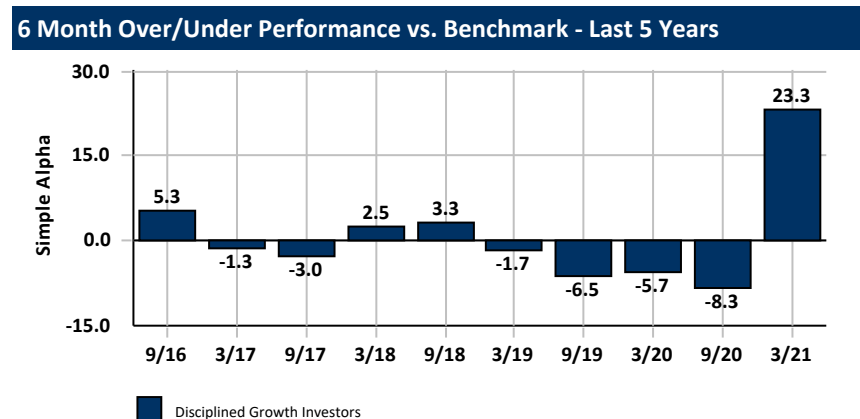
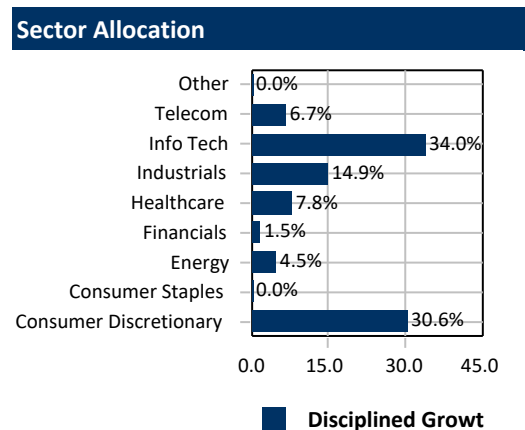
|                              | YTD      | 2020      | 2019      | 2018       | 2017      | 2016     | 2015       | 2014     | 2013      | 2012      |
|------------------------------|----------|-----------|-----------|------------|-----------|----------|------------|----------|-----------|-----------|
| Disciplined Growth Investors | 10.2 (4) | 26.1 (82) | 30.5 (79) | (3.7) (47) | 19.6 (91) | 18.0 (2) | (4.9) (90) | 15.3 (4) | 35.7 (57) | 19.0 (19) |
| Russell Midcap Growth Index  | (0.6)    | 35.6      | 35.5      | (4.8)      | 25.3      | 7.3      | (0.2)      | 11.9     | 35.7      | 15.8      |
| Peer Group Median            | 1.5      | 35.3      | 35.8      | (4.3)      | 25.4      | 5.6      | 1.0        | 8.7      | 36.4      | 15.1      |
| Population                   | 74       | 76        | 79        | 91         | 100       | 106      | 117        | 121      | 130       | 132       |





### Top Holdings

|                            |     |
|----------------------------|-----|
| Sleep Number Corp          | 4.5 |
| Gentex Corp Com            | 4.2 |
| Align Technology Inc       | 4.1 |
| Akamai Technologies Com    | 4.0 |
| Garmin Ltd                 | 3.8 |
| Dolby Laboratories Inc Com | 3.8 |
| Autodesk Inc               | 3.5 |
| Plexus Corp                | 3.2 |
| Stamps Com                 | 3.0 |
| Power Integrations Inc     | 2.9 |



### Portfolio Statistics

|                 |        |
|-----------------|--------|
| Holdings:       | 53     |
| Median Mkt Cap: | \$8.1B |
| P/E Ratio:      | 24.6   |
| Turnover:       | 16.3%  |

### Performance Statistics

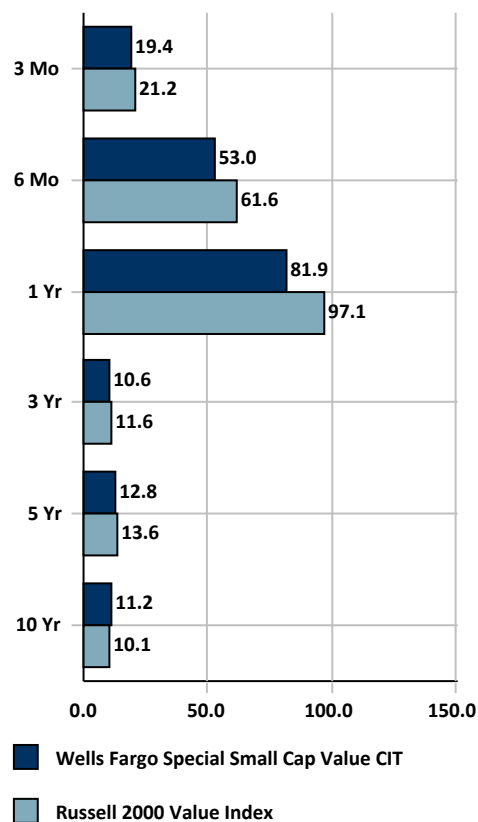
|                              | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|------------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Disciplined Growth Investors | 48.3        | 18.4          | 1.1  | (26.9)           | 0.9          | 1/1/2004       |
| Russell Midcap Growth Index  | 0.0         | 17.3          | 1.0  | (20.8)           | 1.0          | 1/1/2004       |
| 90 Day U.S. Treasury Bill    | 31.7        | 0.0           | 0.0  | 0.0              | -            | 1/1/2004       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

### Fund Snapshot

Ticker : ESPAX  
 Peer Group : IM U.S. Small Cap Value Equity (SA+CF+MF)  
 Benchmark : Russell 2000 Value Index  
 Total Assets : \$799 Million  
 Fund Inception : 5/7/1993  
 Portfolio Manager : Tringas/VanCronkhite/Martin  
 Net Expense : 1.28%  
 Turnover : 39%

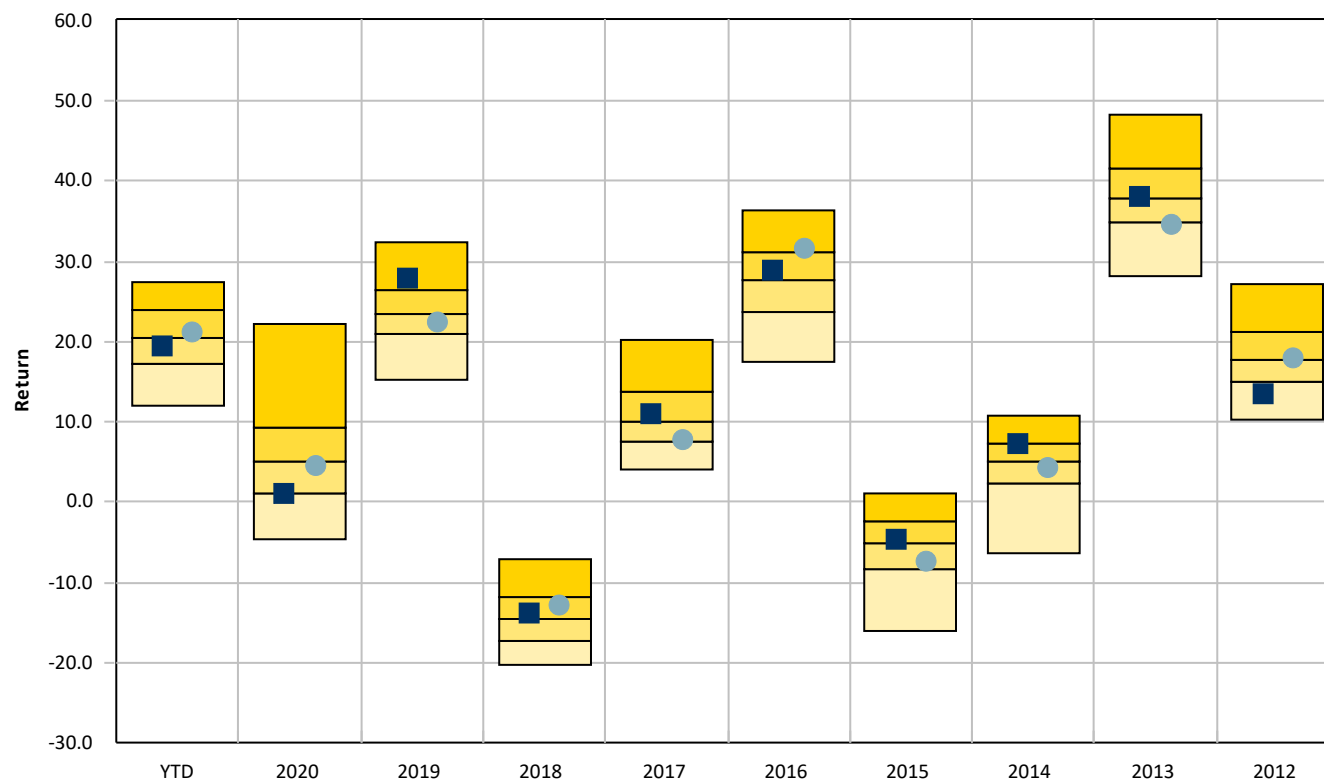
### Trailing Returns



### Investment Strategy

The Fund seeks to produce growth of capital by investing primarily in common stocks of small U.S. companies.

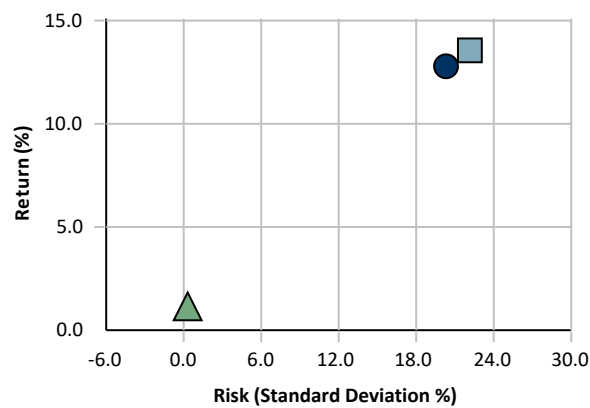
### Performance Relative to Peer Group



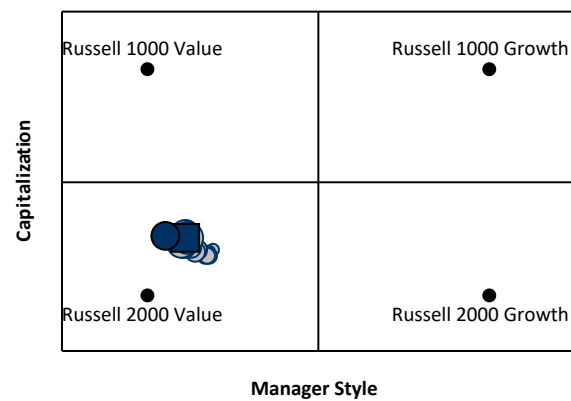
### Calendar Year Returns

|                   | YTD       | 2020     | 2019      | 2018        | 2017      | 2016      | 2015       | 2014     | 2013      | 2012      |
|-------------------|-----------|----------|-----------|-------------|-----------|-----------|------------|----------|-----------|-----------|
| Fund              | 19.4 (61) | 1.2 (70) | 28.0 (12) | (13.7) (34) | 11.1 (37) | 28.9 (32) | (4.5) (35) | 7.4 (14) | 38.1 (41) | 13.4 (78) |
| Benchmark         | 21.2      | 4.6      | 22.4      | (12.9)      | 7.8       | 31.7      | (7.5)      | 4.2      | 34.5      | 18.1      |
| Peer Group Median | 20.3      | 3.9      | 22.2      | (15.6)      | 9.2       | 26.3      | (6.1)      | 3.9      | 36.5      | 16.5      |
| Population        | 405       | 406      | 427       | 450         | 442       | 434       | 422        | 458      | 443       | 436       |

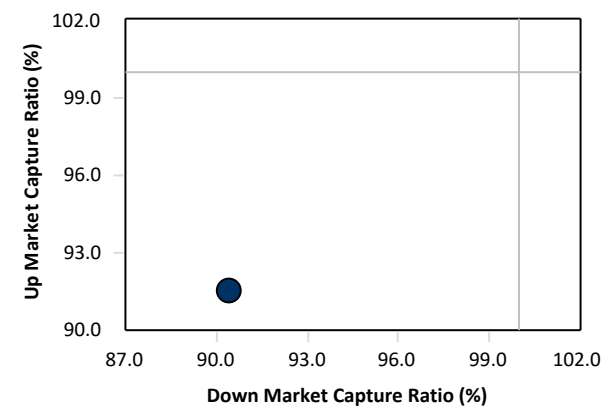
## Risk/Return



## 3 Year Rolling Style Map



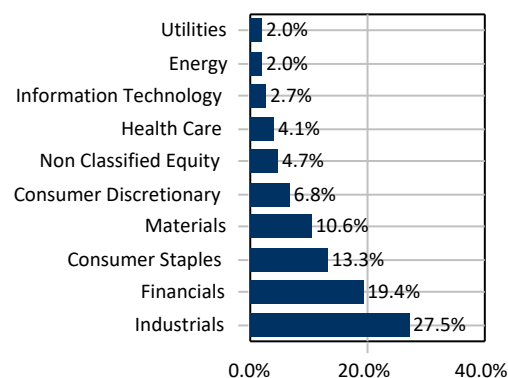
## Up/Down Markets



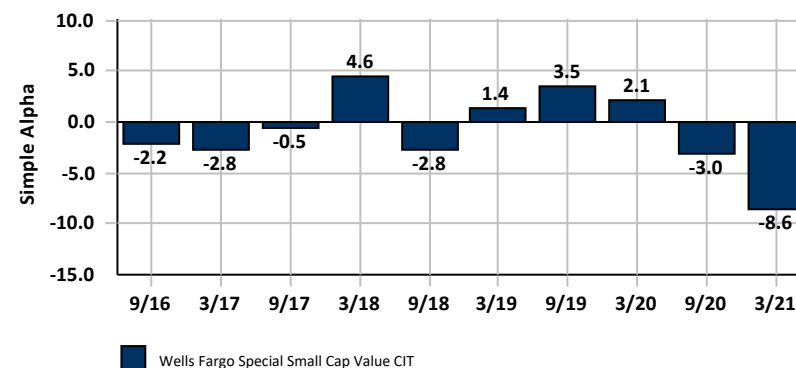
## Top Holdings

|  |       |
|--|-------|
| Wells Fargo Govt Money Market Fund;Sel   | 5.3 % |
| Eagle Materials Inc ORD                  | 3.0 % |
| First Citizens BancShares Inc (Delaware) | 3.0 % |
| Innospec Inc ORD                         | 2.7 % |
| J & J Snack Foods Corp ORD               | 2.7 % |
| Mueller Industries Inc ORD               | 2.3 % |
| UMB Financial Corp ORD                   | 2.2 % |
| Franklin Electric Co Inc ORD             | 2.2 % |
| Avient Corp ORD                          | 2.1 % |
| Helen of Troy Ltd ORD                    | 2.1 % |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

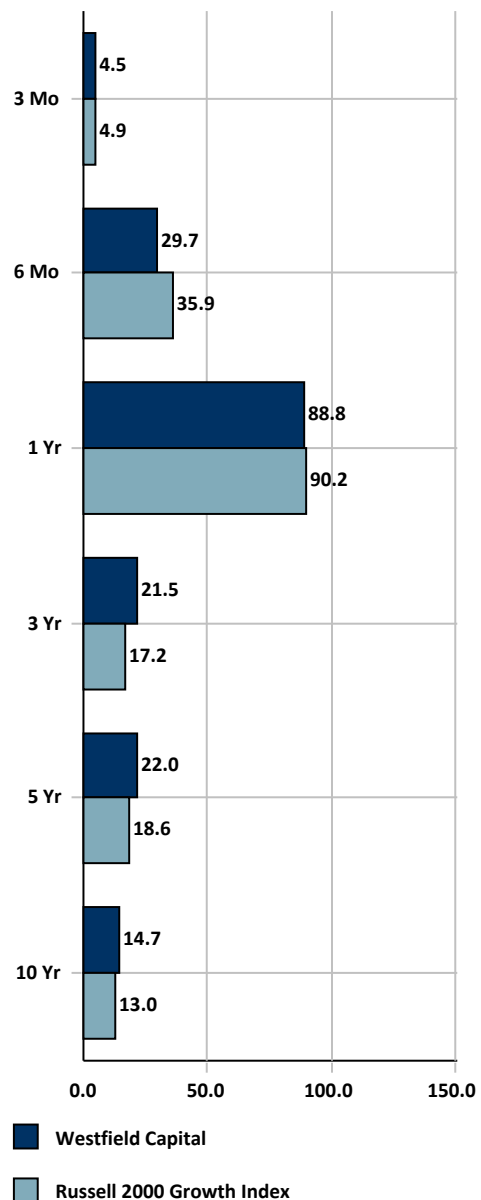
|                  |                 |
|------------------|-----------------|
| Total Securities | 169             |
| Avg. Market Cap  | \$2,778 Million |
| P/E              | 29.2            |
| P/B              | 3.0             |
| Div. Yield       | 2.5%            |
| Annual EPS       | 10.4            |
| 5Yr EPS          | 5.7             |
| 3Yr EPS Growth   | 8.5             |

## Performance Statistics

|   | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|---|-------------|---------------|------|------------------|--------------|----------------|
| Wells Fargo Special Small Cap Value CIT | 50.0        | 13.1          | 0.9  | (33.6)           | 0.6          | 6/1/1993       |
| Russell 2000 Value Index                | 0.0         | 14.1          | 1.0  | (37.5)           | 0.6          | 1/1/1979       |
| 90 Day U.S. Treasury Bill               | 30.0        | 0.0           | 0.0  | 0.0              | -            | 6/1/1993       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

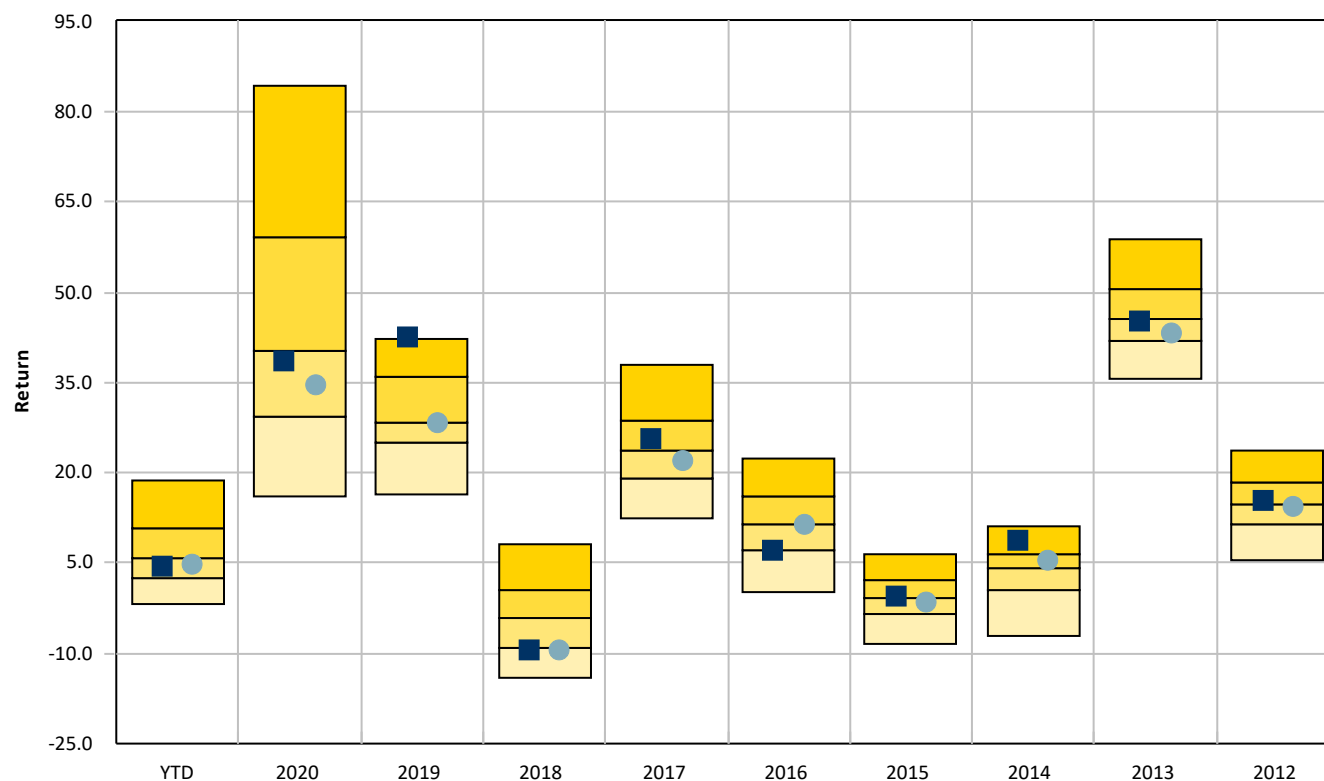
## Trailing Returns



## Investment Strategy

Westfield Capital US small cap growth equity portfolio invests in companies with accelerating or underappreciated earnings growth.

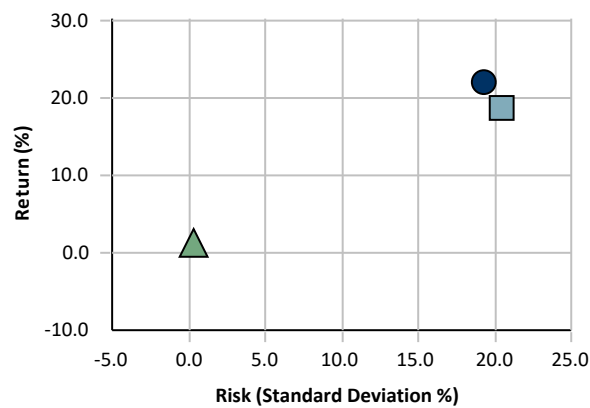
## Performance Relative to Peer Group



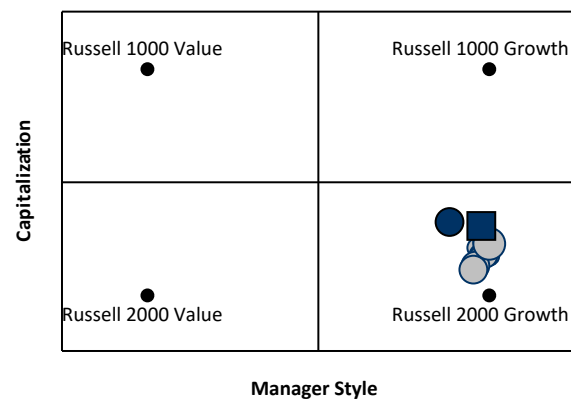
## Calendar Year Returns

|                           | YTD      | 2020      | 2019     | 2018       | 2017      | 2016     | 2015       | 2014     | 2013      | 2012      |
|---------------------------|----------|-----------|----------|------------|-----------|----------|------------|----------|-----------|-----------|
| Westfield Capital         | 4.5 (60) | 38.5 (55) | 42.8 (4) | (9.5) (78) | 25.7 (41) | 7.1 (76) | (0.5) (47) | 8.8 (11) | 45.4 (52) | 15.3 (47) |
| Russell 2000 Growth Index | 4.9      | 34.6      | 28.5     | (9.3)      | 22.2      | 11.3     | (1.4)      | 5.6      | 43.3      | 14.6      |
| Peer Group Median         | 5.9      | 40.5      | 28.5     | (4.3)      | 23.7      | 11.4     | (0.7)      | 4.3      | 45.5      | 14.8      |
| Population                | 152      | 156       | 166      | 181        | 183       | 190      | 207        | 216      | 222       | 230       |

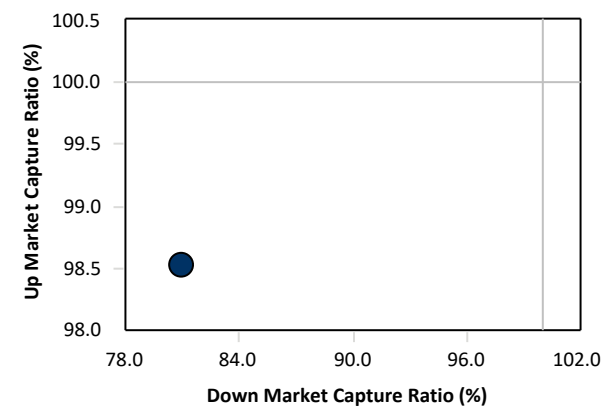
## Risk/Return



## 3 Year Rolling Style Map



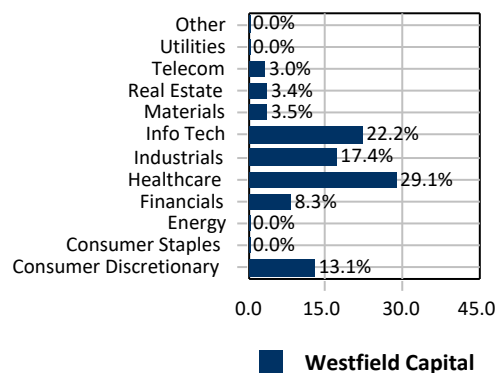
## Up/Down Markets



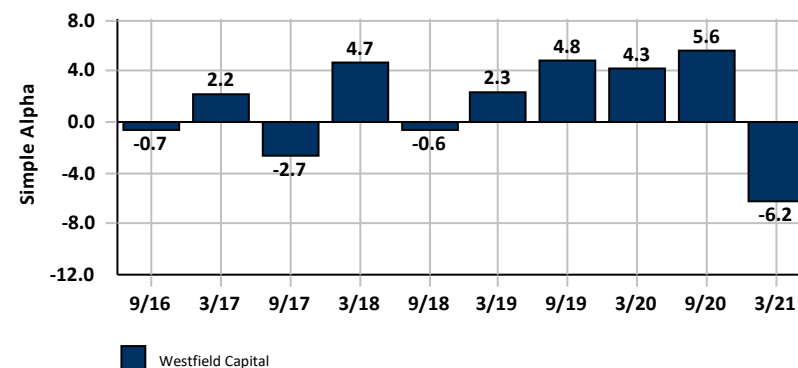
## Top Holdings

|                               |     |
|-------------------------------|-----|
| Advanced Drainage Systems     | 2.9 |
| TopBuild Corp                 | 2.8 |
| First Citizens BancShares Inc | 2.4 |
| ICON Plc                      | 2.3 |
| Accelaron Pharma Inc          | 2.2 |
| Saia Inc                      | 2.2 |
| Blueprint Medicines Corp      | 2.2 |
| Churchill Downs Inc           | 2.2 |
| Hexcel Corp                   | 2.1 |
| Timken Company                | 2.1 |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

Holdings: 69  
 Median Mkt Cap: \$5,635  
 P/E Ratio: 25.4  
 P/B Ratio: 4.64  
 Turnover: 22.9%

## Performance Statistics

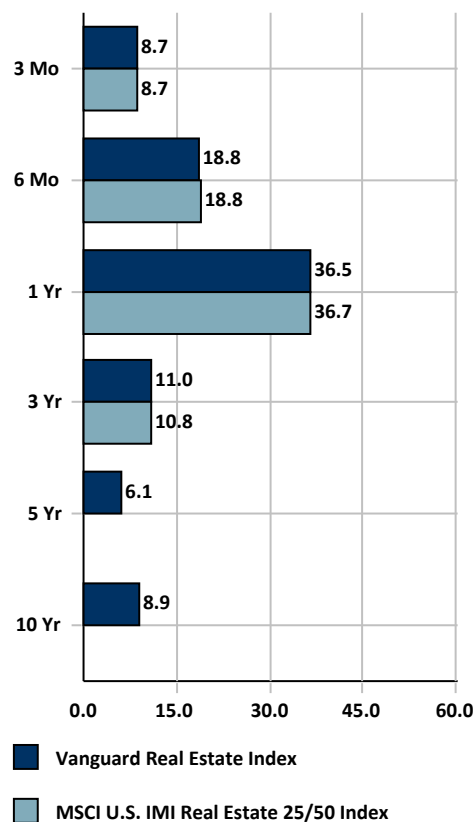
|                           | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|---------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Westfield Capital         | 65.0        | 20.8          | 0.9  | (24.4)           | 1.1          | 4/1/1999       |
| Russell 2000 Growth Index | 0.0         | 18.2          | 1.0  | (27.0)           | 0.9          | 4/1/1999       |
| 90 Day U.S. Treasury Bill | 30.0        | 0.0           | 0.0  | 0.0              | -            | 4/1/1999       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

### Fund Snapshot

Ticker : VGSIX  
 Peer Group : IM Real Estate Sector (MF)  
 Benchmark : MSCI U.S. IMI Real Estate 25/50 Index  
 Total Assets : \$20,347 Million  
 Fund Inception : 11/12/2001  
 Portfolio Manager : O'Reilly/Nejman  
 Net Expense : 0.12%  
 Turnover : 6%

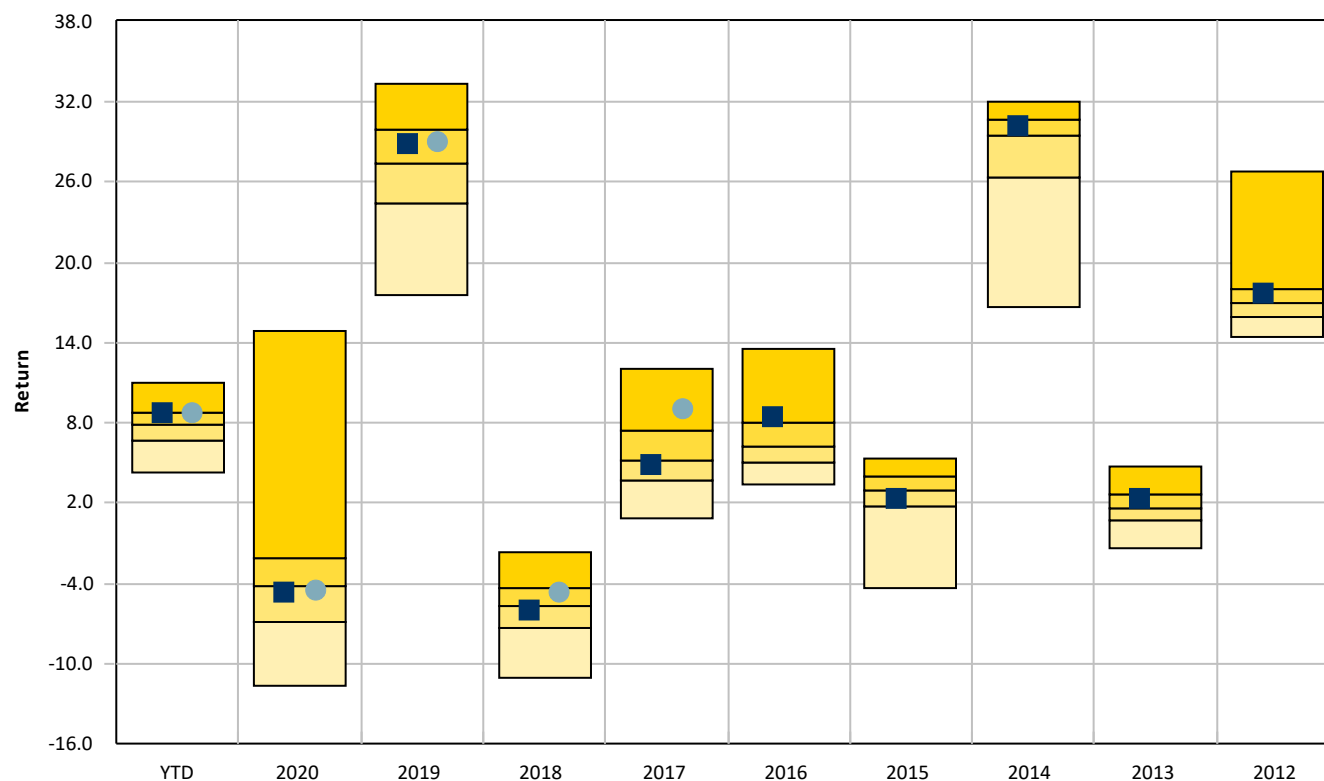
### Trailing Returns



### Investment Strategy

The Fund seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity REITs and other real estate-related investments. The Fund employs indexing to track the performance of the Index.

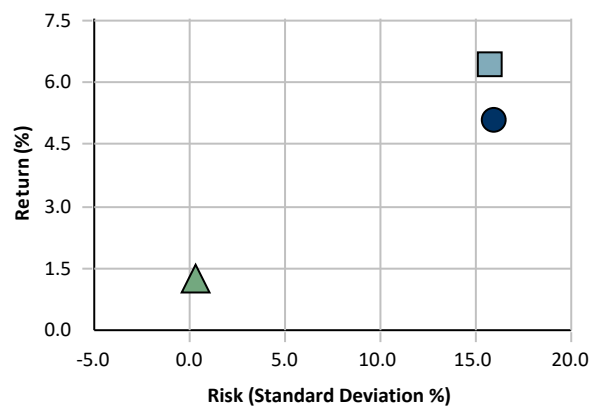
### Performance Relative to Peer Group



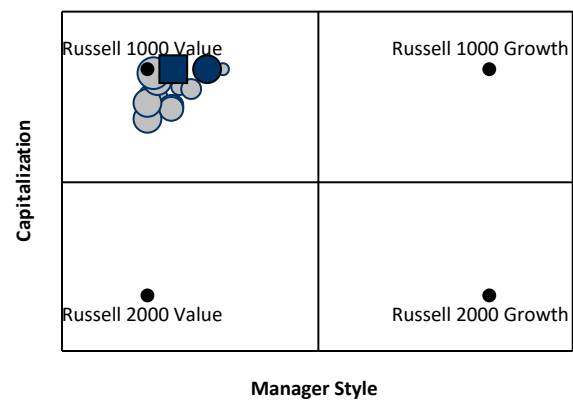
### Calendar Year Returns

|                   | YTD      | 2020       | 2019      | 2018       | 2017     | 2016     | 2015     | 2014      | 2013     | 2012      |
|-------------------|----------|------------|-----------|------------|----------|----------|----------|-----------|----------|-----------|
| Fund              | 8.7 (28) | (4.7) (55) | 28.9 (35) | (5.9) (55) | 4.9 (56) | 8.5 (20) | 2.4 (63) | 30.3 (32) | 2.4 (31) | 17.7 (31) |
| Benchmark         | 8.7      | (4.6)      | 29.0      | (4.6)      | 9.1      | -        | -        | -         | -        | -         |
| Peer Group Median | 7.8      | (4.2)      | 27.4      | (5.7)      | 5.2      | 6.3      | 2.9      | 29.4      | 1.7      | 16.9      |
| Population        | 254      | 246        | 255       | 243        | 243      | 230      | 217      | 248       | 240      | 236       |

## Risk/Return



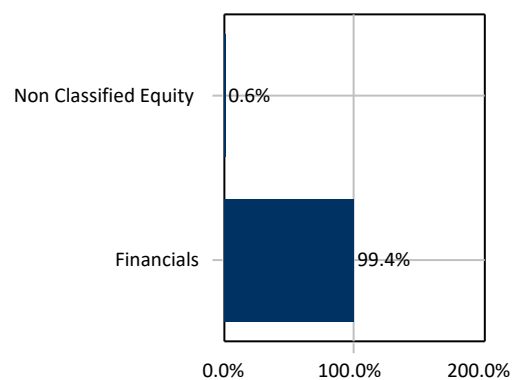
## 3 Year Rolling Style Map



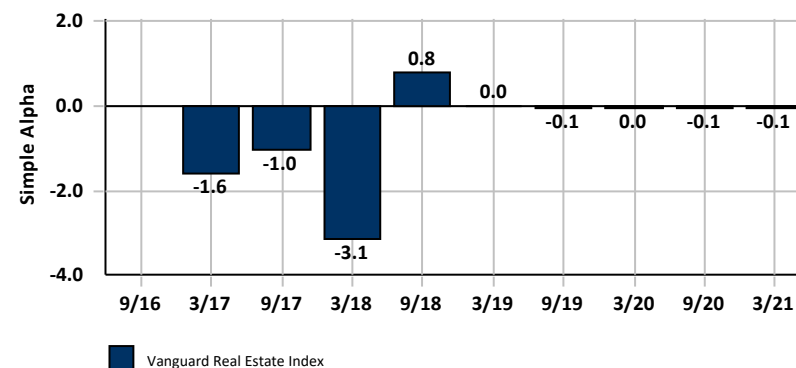
## Top Holdings

|  |        |
|--|--------|
| Vanguard Real Estate II Index Fund;Insti | 12.0 % |
| American Tower Corp ORD                  | 6.7 %  |
| Prologis Inc ORD                         | 5.1 %  |
| Crown Castle International Corp          | 4.7 %  |
| Equinix Inc ORD                          | 4.1 %  |
| Digital Realty Trust Inc ORD             | 2.6 %  |
| Simon Property Group Inc ORD             | 2.6 %  |
| Public Storage ORD                       | 2.6 %  |
| SBA Communications Corp ORD              | 2.0 %  |
| Welltower Inc ORD                        | 2.0 %  |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

|                  |                  |
|------------------|------------------|
| Total Securities | 176              |
| Avg. Market Cap  | \$33,687 Million |
| P/E              | 50.8             |
| P/B              | 6.0              |
| Div. Yield       | 3.7%             |
| Annual EPS       | (2.9)            |
| 5Yr EPS          | 7.2              |
| 3Yr EPS Growth   | 10.2             |

## Performance Statistics

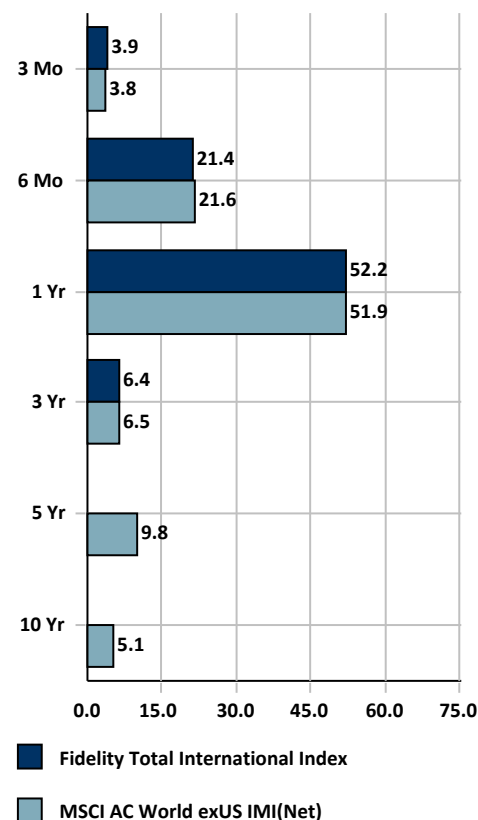
|                                       | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|---------------------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Vanguard Real Estate Index            | -           | 6.1           | -    | (25.0)           | 0.4          | 12/1/2001      |
| MSCI U.S. IMI Real Estate 25/50 Index | 0.0         | 6.3           | 1.0  | (25.0)           | 0.4          | 9/1/2016       |
| 90 Day U.S. Treasury Bill             | -           | 0.0           | -    | 0.0              | -            | 12/1/2001      |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

### Fund Snapshot

Ticker : FTIHX  
 Peer Group : Intl Large Cap Equity  
 Benchmark : MSCI AC World exUS IMI(Net)  
 Total Assets : \$6,729 Million  
 Fund Inception : 6/7/2016  
 Portfolio Manager : Team Managed  
 Net Expense : 0.06%  
 Turnover : 4%

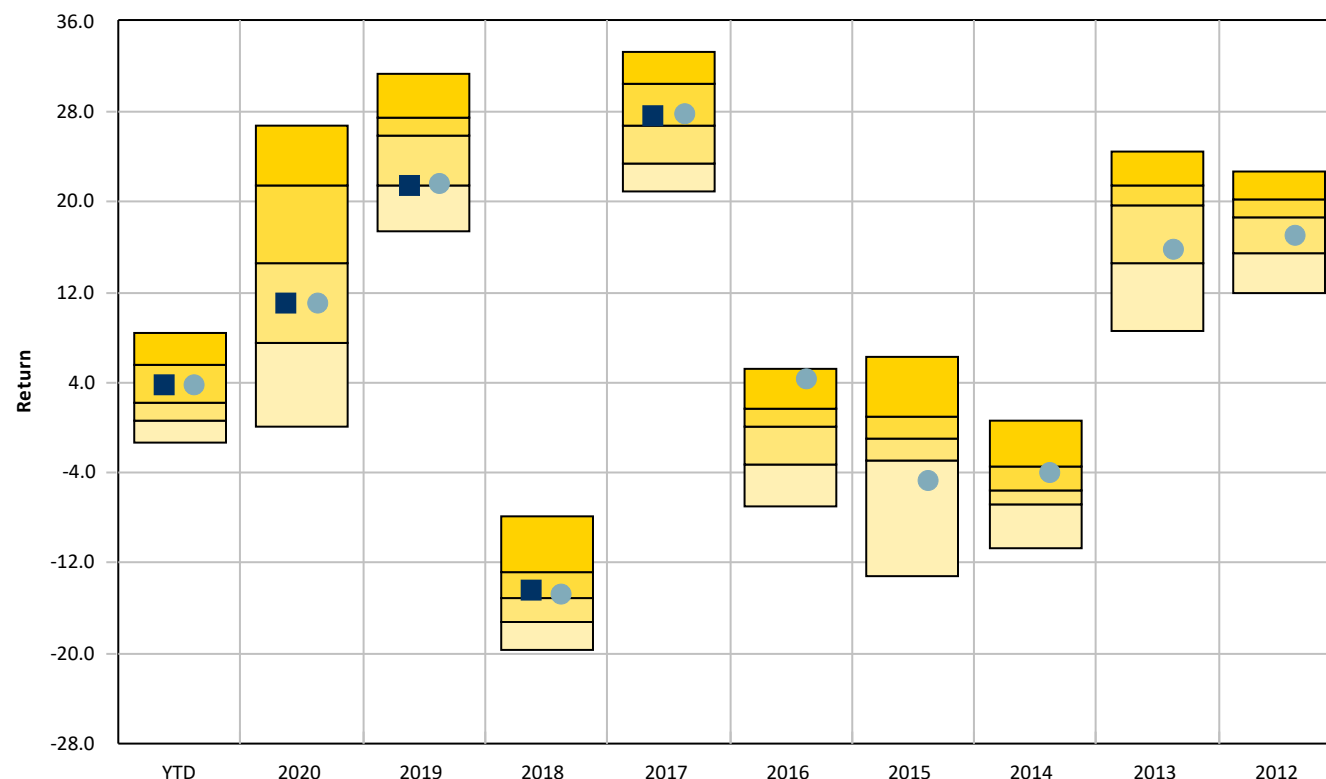
### Trailing Returns



### Investment Strategy

The Fund seeks to provide investment results that correspond to the total return of foreign developed and emerging stock markets. It normally investing at least 80% of assets in securities included in the MSCI ACWI ex USA Investable Market Index and in depository receipts representing securities included in the index.

### Performance Relative to Peer Group

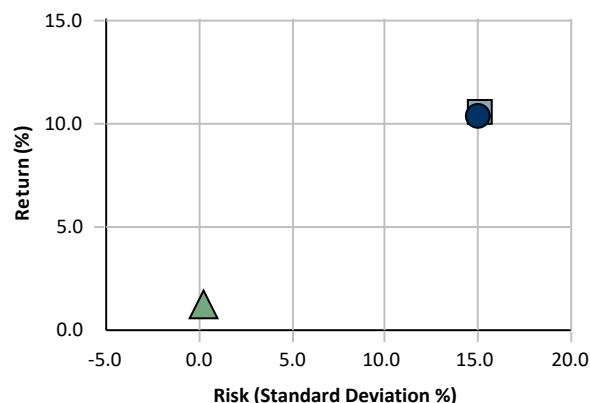


### Calendar Year Returns

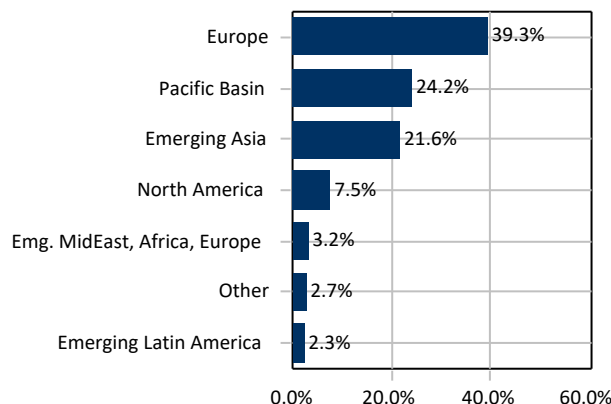
|                   | YTD      | 2020      | 2019      | 2018        | 2017      | 2016 | 2015  | 2014  | 2013 | 2012 |
|-------------------|----------|-----------|-----------|-------------|-----------|------|-------|-------|------|------|
| Fund              | 3.9 (38) | 11.1 (62) | 21.5 (76) | (14.4) (39) | 27.6 (45) | -    | -     | -     | -    | -    |
| Benchmark         | 3.8      | 11.1      | 21.6      | (14.8)      | 27.8      | 4.4  | (4.6) | (3.9) | 15.8 | 17.0 |
| Peer Group Median | 2.3      | 14.7      | 25.9      | (15.2)      | 26.8      | 0.1  | (1.0) | (5.5) | 19.7 | 18.7 |
| Population        | 373      | 345       | 326       | 316         | 294       | 265  | 242   | 283   | 287  | 299  |



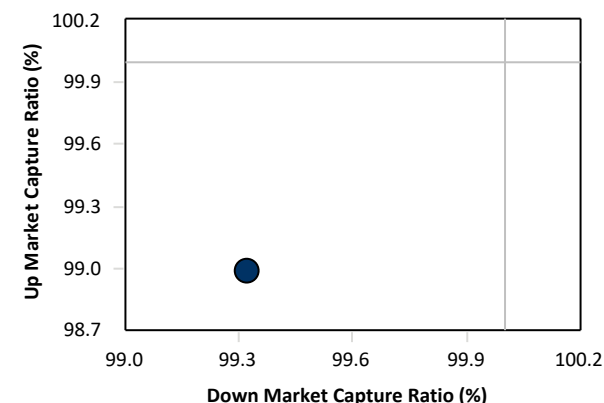
## Risk/Return



## Super Region Weights



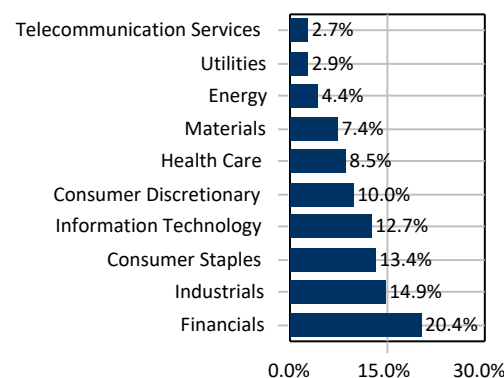
## Up/Down Markets



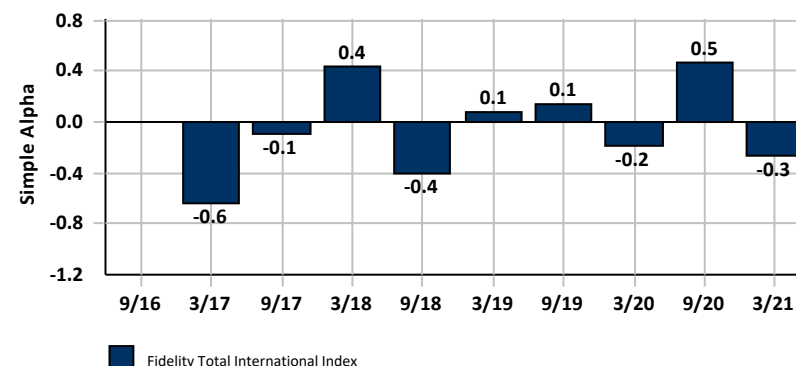
## Top Holdings

|                                    |       |
|------------------------------------|-------|
| Taiwan Semiconductor Manufacturing | 1.8 % |
| Tencent Holdings Ltd ORD           | 1.7 % |
| Alibaba Group Holding Ltd DR       | 1.5 % |
| Samsung Electronics Co Ltd ORD     | 1.1 % |
| Nestle SA ORD                      | 1.0 % |
| ASML Holding NV ORD                | 0.8 % |
| Roche Holding AG                   | 0.8 % |
| Novartis AG ORD                    | 0.6 % |
| LVMH Moet Hennessy Louis Vuitton   | 0.6 % |
| Meituan ORD                        | 0.5 % |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

|                  |                  |
|------------------|------------------|
| Total Securities | 4,755            |
| Avg. Market Cap  | \$94,762 Million |
| P/E              | 29.8             |
| P/B              | 4.6              |
| Div. Yield       | 2.6%             |
| Annual EPS       | 4.2              |
| 5Yr EPS          | 8.2              |
| 3Yr EPS Growth   | 7.6              |

## Performance Statistics

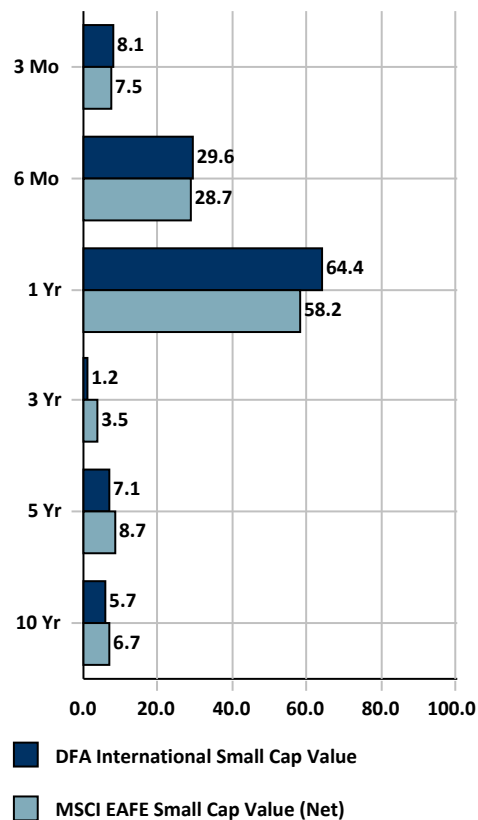
|                                    | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|------------------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Fidelity Total International Index | 49.1        | 9.8           | 1.0  | (25.2)           | 0.7          | 7/1/2016       |
| MSCI AC World exUS IMI(Net)        | 0.0         | 10.0          | 1.0  | (25.4)           | 0.7          | 7/1/2016       |
| 90 Day U.S. Treasury Bill          | 29.8        | 0.0           | 0.0  | 0.0              | -            | 7/1/2016       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

## Fund Snapshot

Ticker : DISVX  
 Peer Group : IM International Small Cap Value Equity (SA+CF)  
 Benchmark : MSCI EAFE Small Cap Value (Net)  
 Total Assets : \$12,111 Million  
 Fund Inception : 12/30/1994  
 Portfolio Manager : Team Managed  
 Net Expense : 0.49%  
 Turnover : 14%

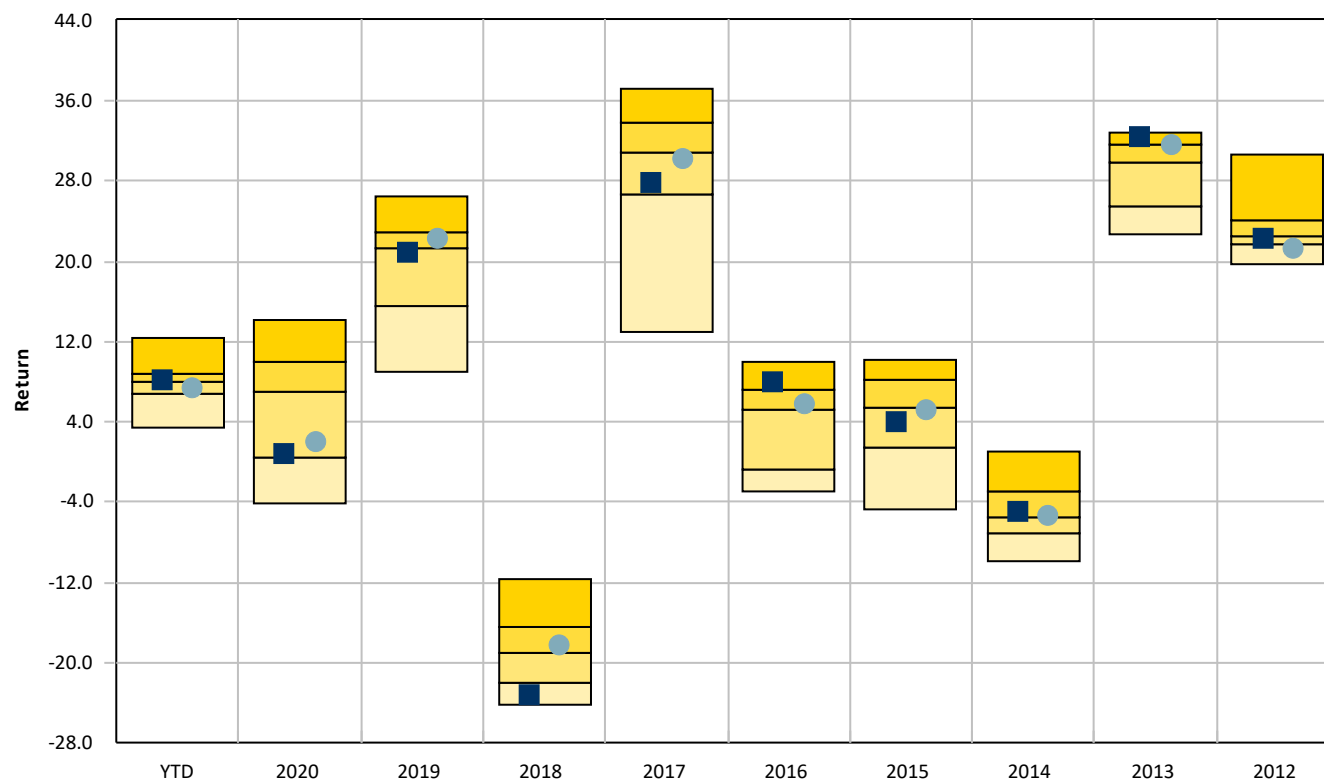
## Trailing Returns



## Investment Strategy

The Fund seeks long-term capital appreciation by investing in the stocks of small non-US companies that have a high book-to-market ratio. Periodic assessments of its book-to-market ratio will be implemented and adjustments of these standards revised as deemed necessary. Invests in value stocks.

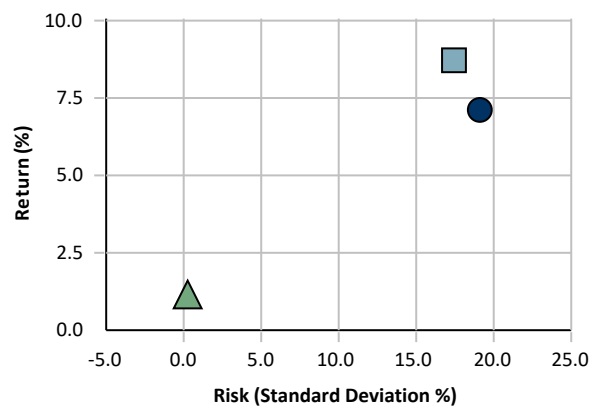
## Performance Relative to Peer Group



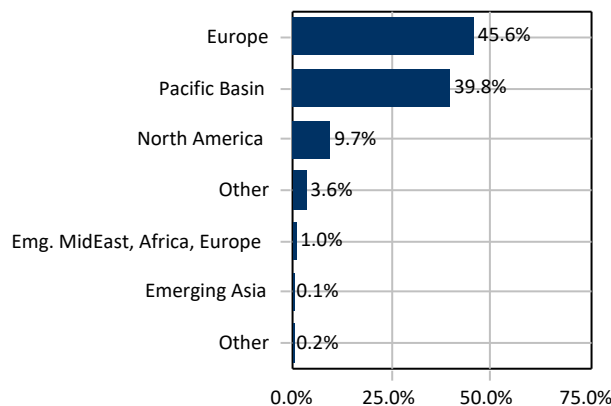
## Calendar Year Returns

|                   | YTD      | 2020     | 2019      | 2018        | 2017      | 2016     | 2015     | 2014       | 2013      | 2012      |
|-------------------|----------|----------|-----------|-------------|-----------|----------|----------|------------|-----------|-----------|
| Fund              | 8.1 (42) | 0.8 (74) | 21.0 (53) | (23.3) (91) | 28.0 (72) | 8.0 (20) | 4.0 (59) | (5.0) (46) | 32.4 (10) | 22.3 (55) |
| Benchmark         | 7.5      | 2.1      | 22.3      | (18.2)      | 30.3      | 5.9      | 5.2      | (5.3)      | 31.6      | 21.3      |
| Peer Group Median | 8.0      | 7.0      | 21.3      | (19.1)      | 30.9      | 5.3      | 5.3      | (5.5)      | 29.9      | 22.6      |
| Population        | 25       | 26       | 26        | 28          | 28        | 26       | 27       | 23         | 20        | 19        |

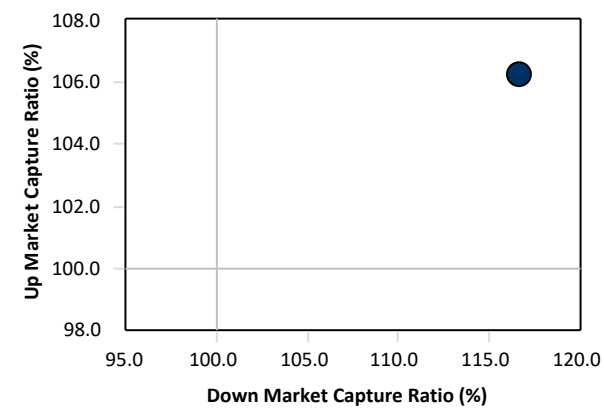
## Risk/Return



## Super Region Weights



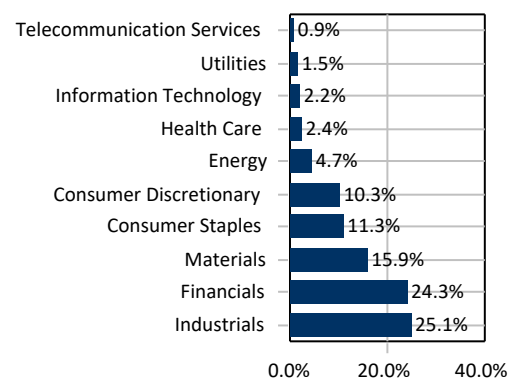
## Up/Down Markets



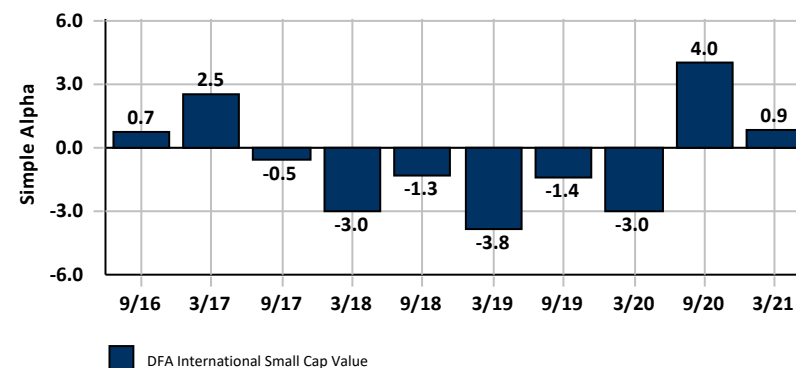
## Top Holdings

|                        |       |
|------------------------|-------|
| ASR Nederland NV ORD   | 0.9 % |
| Travis Perkins PLC ORD | 0.9 % |
| Bellway PLC ORD        | 0.9 % |
| Aurubis AG ORD         | 0.8 % |
| OZ Minerals Ltd ORD    | 0.8 % |
| Lanxess AG ORD         | 0.7 % |
| COMMERZBANK ORD        | 0.7 % |
| SBM Offshore NV ORD    | 0.7 % |
| Signify NV ORD         | 0.6 % |
| Vistry Group PLC ORD   | 0.6 % |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

|                  |                 |
|------------------|-----------------|
| Total Securities | 1,853           |
| Avg. Market Cap  | \$2,179 Million |
| P/E              | 22.0            |
| P/B              | 1.2             |
| Div. Yield       | 2.9%            |
| Annual EPS       | 3.0             |
| 5Yr EPS          | 2.5             |
| 3Yr EPS Growth   | 2.9             |

## Performance Statistics

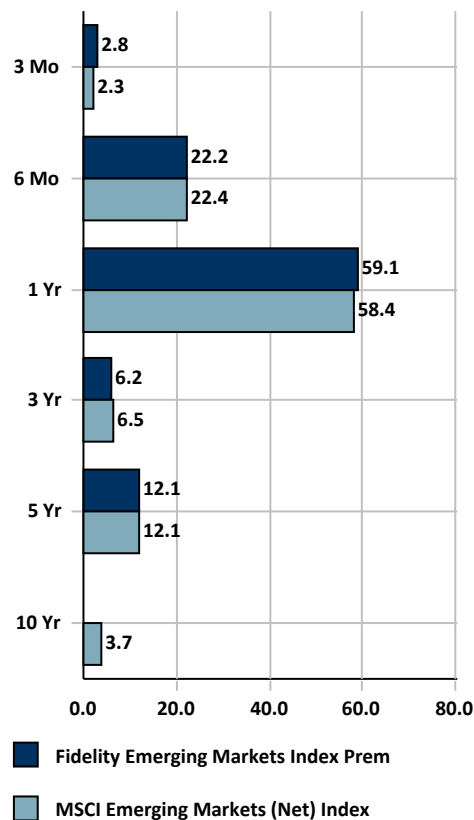
|                                   | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|-----------------------------------|-------------|---------------|------|------------------|--------------|----------------|
| DFA International Small Cap Value | 46.7        | 7.6           | 1.1  | (41.1)           | 0.4          | 1/1/1995       |
| MSCI EAFE Small Cap Value (Net)   | 0.0         | 8.8           | 1.0  | (33.4)           | 0.5          | 1/1/1995       |
| 90 Day U.S. Treasury Bill         | 38.3        | 0.0           | 0.0  | 0.0              | -            | 1/1/1995       |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

### Fund Snapshot

Ticker : FPADX  
 Peer Group : Emerging Mkts Equity  
 Benchmark : MSCI Emerging Markets (Net) Index  
 Total Assets : \$5,188 Million  
 Fund Inception : 9/8/2011  
 Portfolio Manager : Team Managed  
 Net Expense : 0.08%  
 Turnover : 10%

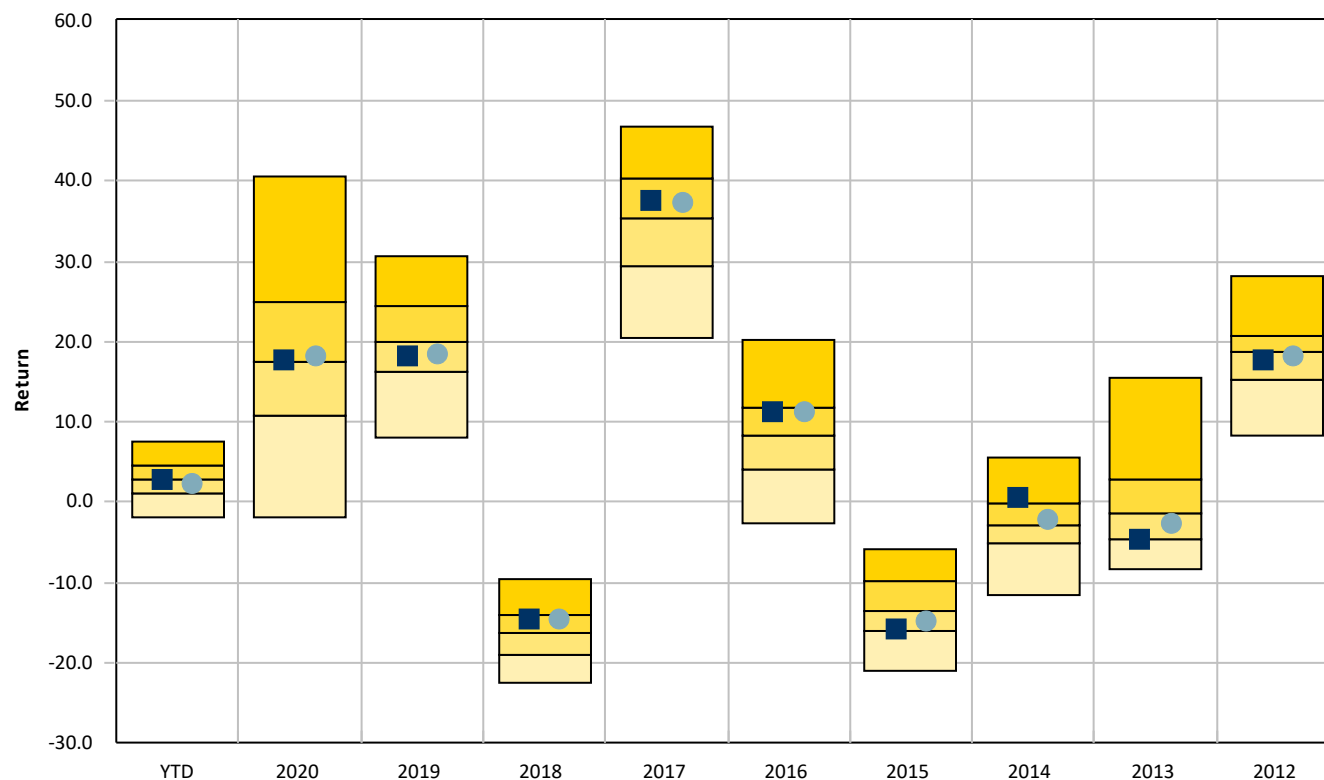
### Trailing Returns



### Investment Strategy

The Fund seeks to provide investment results that correspond to the total return of emerging stock markets. Under normal market conditions, the Fund invests at least 80% of assets in securities included in the MSCI Emerging Markets Index and in depository receipts representing securities included in the index.

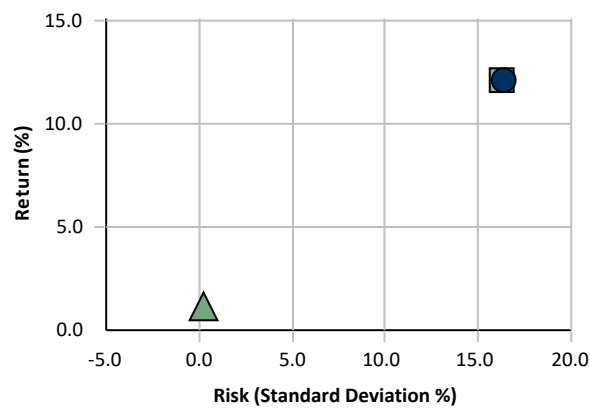
### Performance Relative to Peer Group



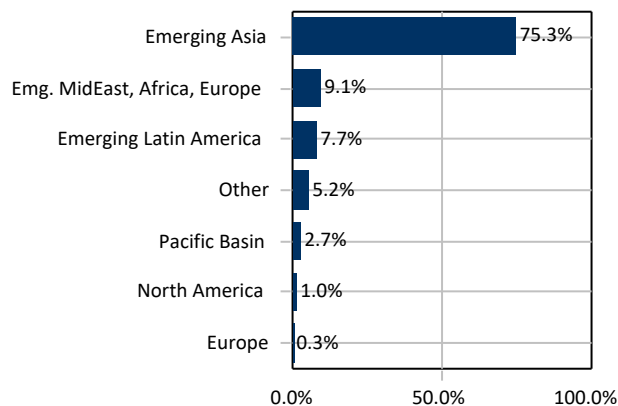
### Calendar Year Returns

|                   | YTD      | 2020      | 2019      | 2018        | 2017      | 2016      | 2015        | 2014     | 2013       | 2012      |
|-------------------|----------|-----------|-----------|-------------|-----------|-----------|-------------|----------|------------|-----------|
| Fund              | 2.8 (51) | 17.8 (48) | 18.3 (64) | (14.6) (32) | 37.6 (39) | 11.3 (29) | (15.8) (71) | 0.6 (19) | (4.7) (75) | 17.6 (60) |
| Benchmark         | 2.3      | 18.3      | 18.4      | (14.6)      | 37.3      | 11.2      | (14.9)      | (2.2)    | (2.6)      | 18.2      |
| Peer Group Median | 2.9      | 17.5      | 20.1      | (16.4)      | 35.4      | 8.4       | (13.7)      | (2.9)    | (1.4)      | 18.8      |
| Population        | 821      | 800       | 843       | 840         | 810       | 746       | 652         | 720      | 619        | 547       |

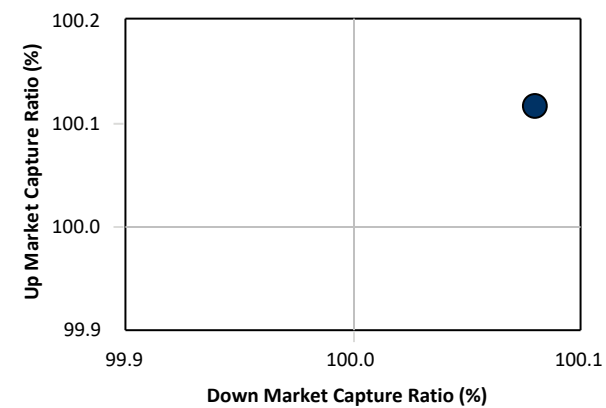
## Risk/Return



## Super Region Weights



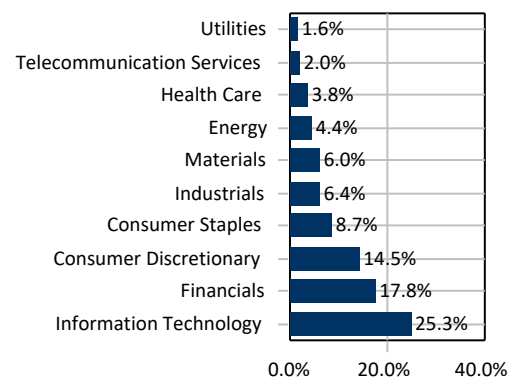
## Up/Down Markets



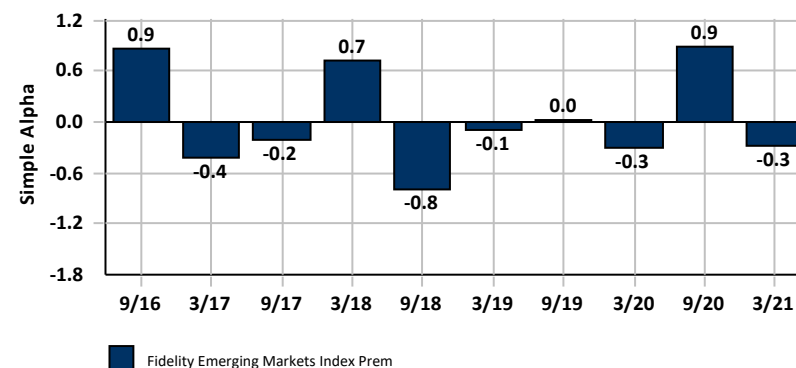
## Top Holdings

|                                    |       |
|------------------------------------|-------|
| Taiwan Semiconductor Manufacturing | 6.0 % |
| Tencent Holdings Ltd ORD           | 5.6 % |
| Alibaba Group Holding Ltd DR       | 5.1 % |
| Samsung Electronics Co Ltd ORD     | 3.9 % |
| Meituan ORD                        | 1.8 % |
| Naspers Ltd ORD                    | 1.2 % |
| JD.Com Inc DR                      | 0.9 % |
| Reliance Industries Ltd ORD        | 0.9 % |
| BAIDU ADS REP 8 CL A ORD           | 0.9 % |
| China Construction Bank Corp ORD   | 0.9 % |

## Sector Allocation



## 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



## Portfolio Statistics

|                  |                   |
|------------------|-------------------|
| Total Securities | 1,444             |
| Avg. Market Cap  | \$194,799 Million |
| P/E              | 30.2              |
| P/B              | 5.8               |
| Div. Yield       | 2.3%              |
| Annual EPS       | 21.1              |
| 5Yr EPS          | 14.1              |
| 3Yr EPS Growth   | 15.4              |

## Performance Statistics

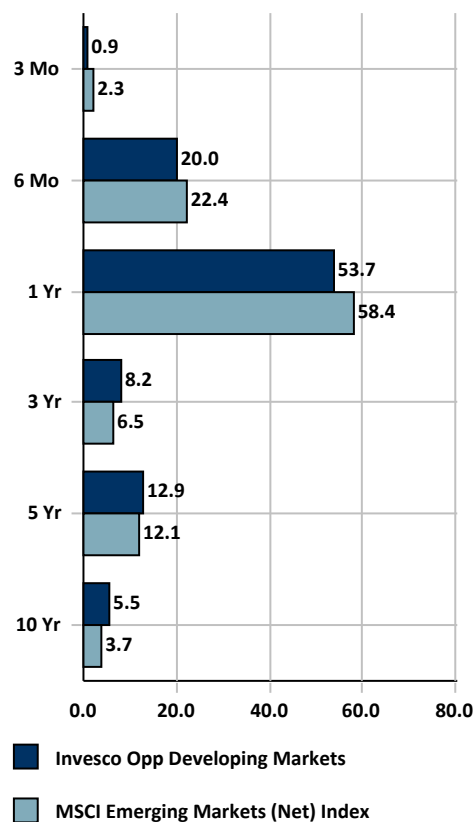
|                                      | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|--------------------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Fidelity Emerging Markets Index Prem | 45.0        | 11.6          | 1.0  | (28.9)           | 0.7          | 10/1/2011      |
| MSCI Emerging Markets (Net) Index    | 0.0         | 11.6          | 1.0  | (28.7)           | 0.7          | 10/1/2011      |
| 90 Day U.S. Treasury Bill            | 35.0        | 0.0           | 0.0  | 0.0              | -            | 10/1/2011      |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

### Fund Snapshot

Ticker : ODVIX  
 Peer Group : Emerging Mkts Equity  
 Benchmark : MSCI Emerging Markets (Net) Index  
 Total Assets : \$21,672 Million  
 Fund Inception : 12/29/2011  
 Portfolio Manager : Justin Leverenz  
 Net Expense : 0.82%  
 Turnover : 30%

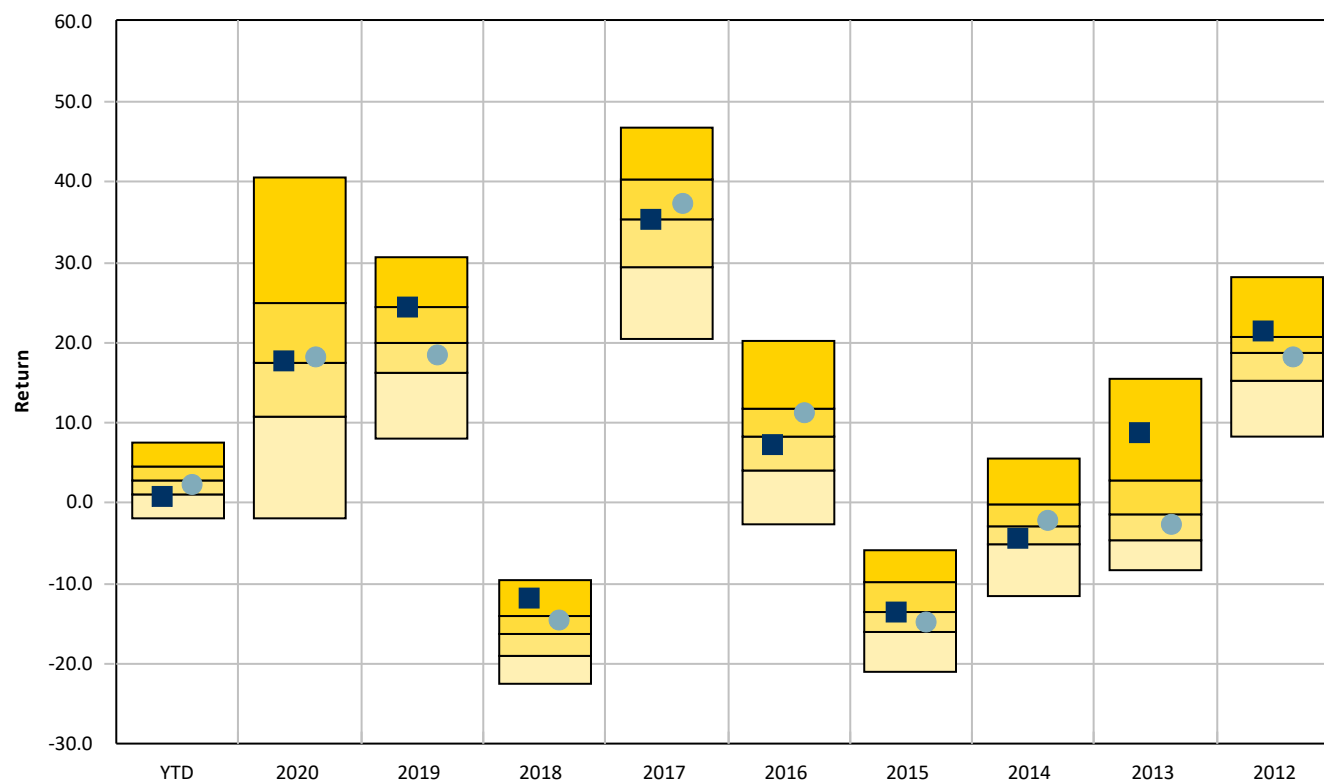
### Trailing Returns



### Investment Strategy

The Fund seeks aggressive capital appreciation by investing in common stocks of issuers in emerging and developing markets throughout the world. The Fund will invest at least 80% of its total net assets in equity securities of companies with high growth potential in at least three developing markets.

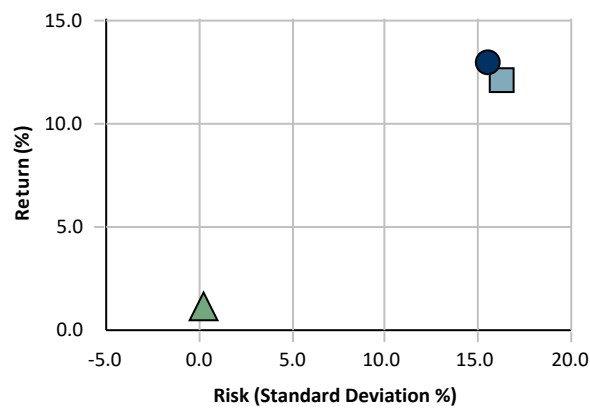
### Performance Relative to Peer Group



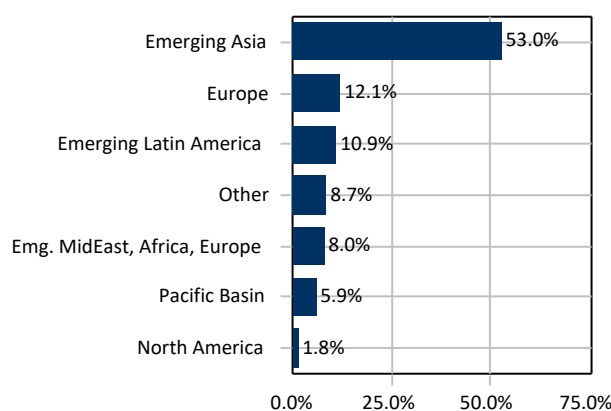
### Calendar Year Returns

|                   | YTD      | 2020      | 2019      | 2018      | 2017      | 2016     | 2015      | 2014     | 2013     | 2012      |
|-------------------|----------|-----------|-----------|-----------|-----------|----------|-----------|----------|----------|-----------|
| Fund              | 0.9 (77) | 17.7 (49) | 24.5 (26) | 11.8 (11) | 35.3 (51) | 7.4 (55) | 13.7 (51) | 4.4 (69) | 8.9 (15) | 21.4 (20) |
| Benchmark         | 2.3      | 18.3      | 18.4      | (14.6)    | 37.3      | 11.2     | (14.9)    | (2.2)    | (2.6)    | 18.2      |
| Peer Group Median | 2.9      | 17.5      | 20.1      | (16.4)    | 35.4      | 8.4      | (13.7)    | (2.9)    | (1.4)    | 18.8      |
| Population        | 821      | 800       | 843       | 840       | 810       | 746      | 652       | 720      | 619      | 547       |

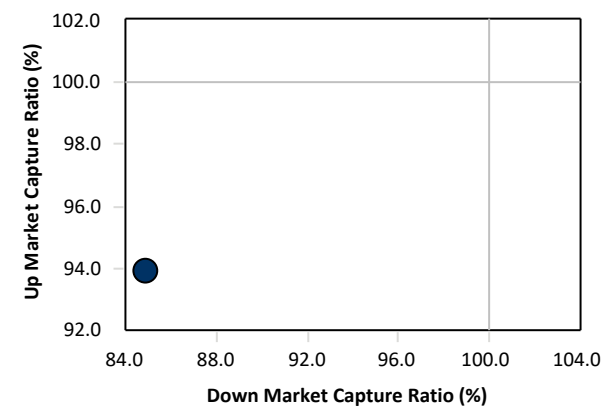
### Risk/Return



### Super Region Weights



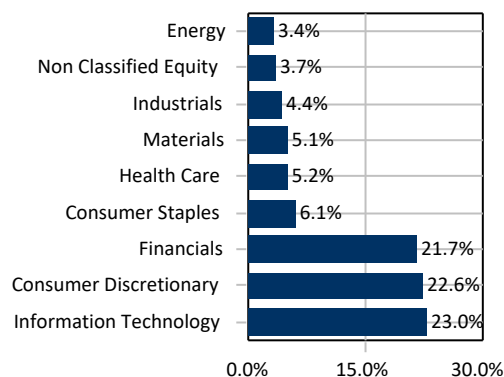
### Up/Down Markets



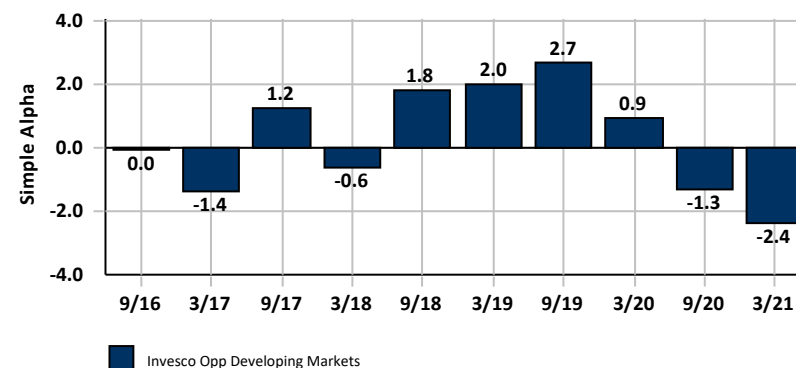
### Top Holdings

|   |       |
|---|-------|
| Taiwan Semiconductor Manufacturing      | 8.2 % |
| Tencent Holdings Ltd ORD                | 6.9 % |
| Housing Development Finance Corporation | 4.9 % |
| Alibaba Group Holding Ltd DR            | 4.5 % |
| AIA Group Ltd ORD                       | 3.9 % |
| Kering SA ORD                           | 3.8 % |
| Huazhu Group Ltd DR                     | 3.7 % |
| Novatek PAO DR                          | 3.4 % |
| Yum China Holdings Inc ORD              | 3.3 % |
| Kotak Mahindra Bank Ltd ORD             | 3.3 % |

### Sector Allocation



### 6 Month Over/Under Performance vs. Benchmark - Last 5 Years



### Portfolio Statistics

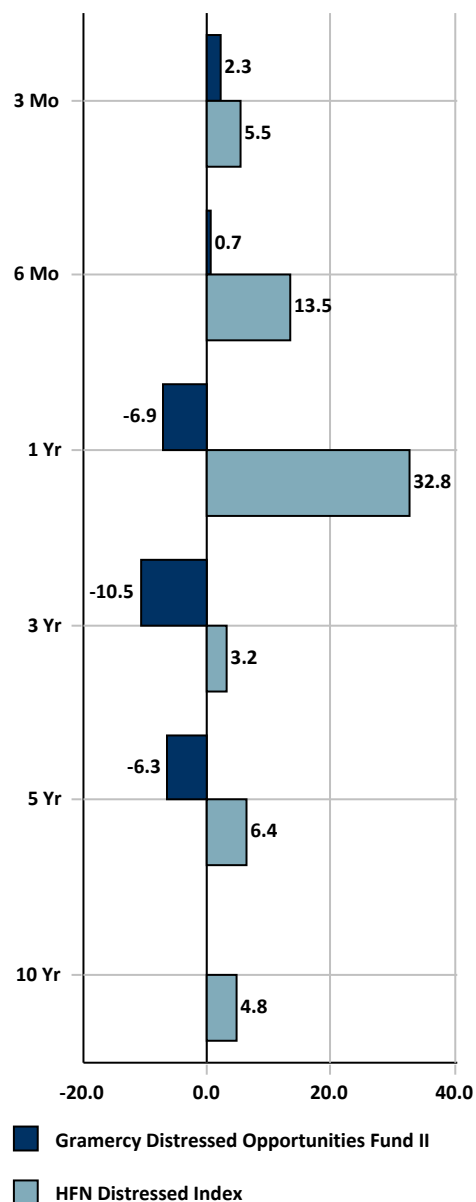
|                  |                   |
|------------------|-------------------|
| Total Securities | 106               |
| Avg. Market Cap  | \$188,398 Million |
| P/E              | 38.1              |
| P/B              | 6.5               |
| Div. Yield       | 1.3%              |
| Annual EPS       | 28.9              |
| 5Yr EPS          | 21.5              |
| 3Yr EPS Growth   | 17.3              |

### Performance Statistics

|                                   | Consistency | Excess Return | Beta | Maximum Drawdown | Sharpe Ratio | Inception Date |
|-----------------------------------|-------------|---------------|------|------------------|--------------|----------------|
| Invesco Opp Developing Markets    | 46.7        | 12.3          | 0.9  | (22.8)           | 0.8          | 10/1/2005      |
| MSCI Emerging Markets (Net) Index | 0.0         | 11.6          | 1.0  | (28.7)           | 0.7          | 1/1/2001       |
| 90 Day U.S. Treasury Bill         | 35.0        | 0.0           | 0.0  | 0.0              | -            | 10/1/2005      |

Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

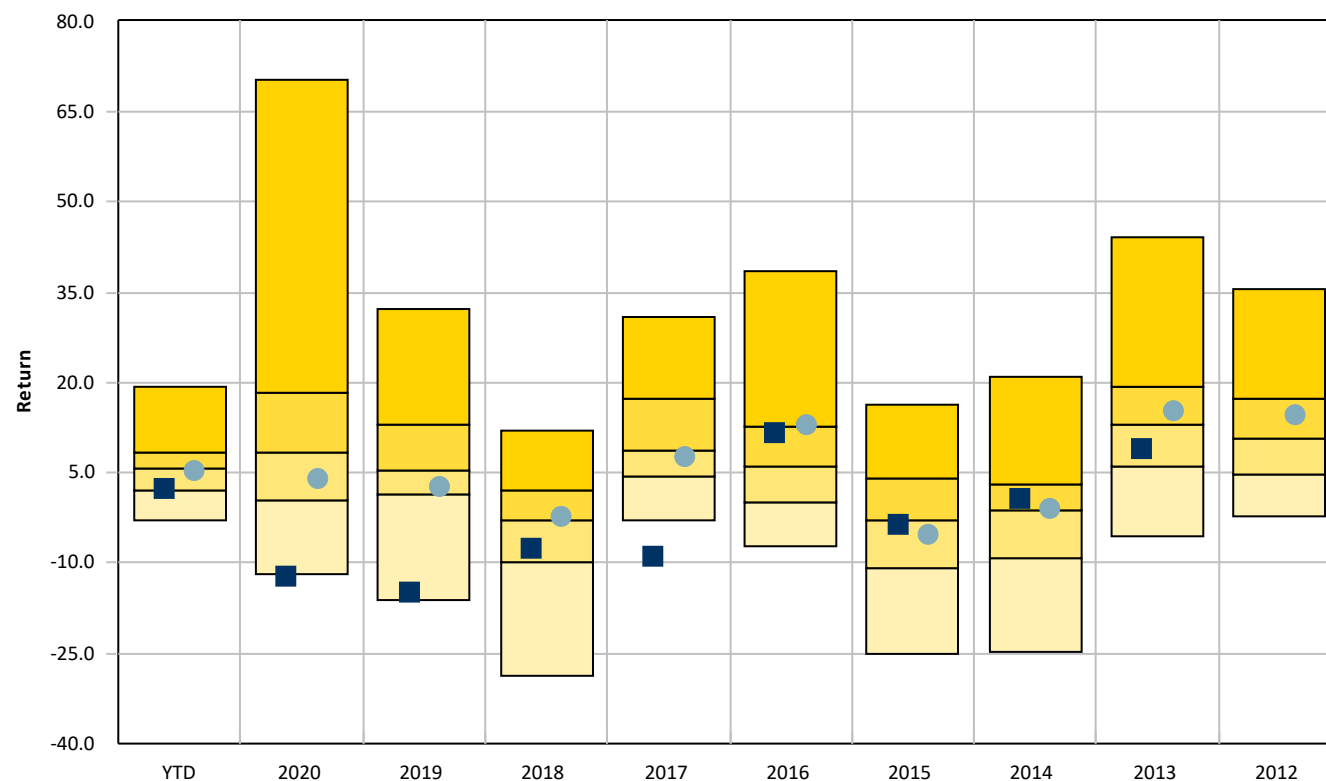
## Trailing Returns



## Investment Strategy

Investment seeks to generate high, uncorrelated returns that are tail-risk aware by investing in distressed and defaulted emerging markets corporate, sovereign and quasi-sovereign securities. Approach is driven by bottom-up, intensive credit analysis combined with a top-down perspective. Hedged with a dynamically managed global basket of credit default swaps (CDS).

## Performance Relative to Peer Group

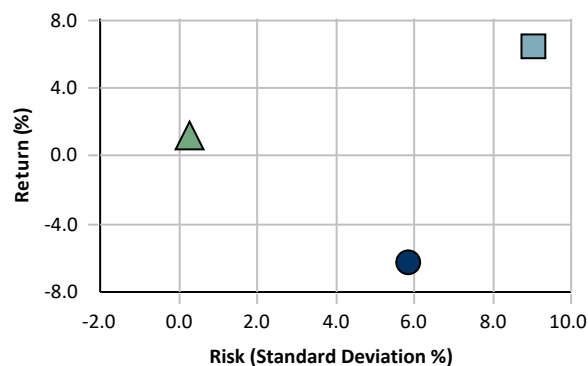


## Calendar Year Returns

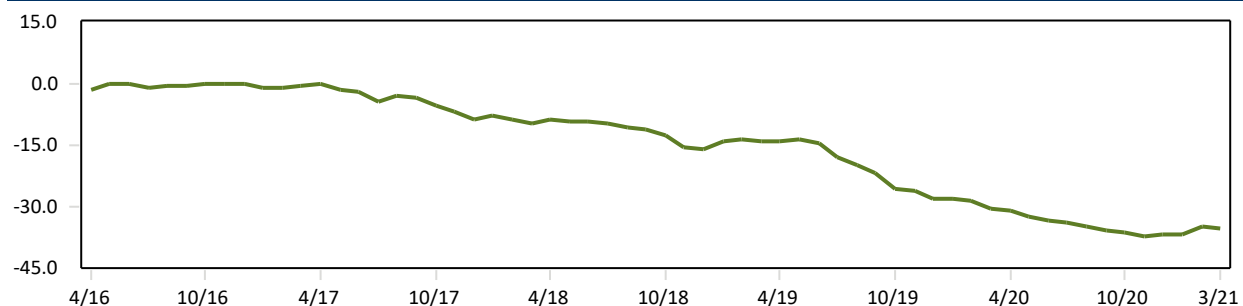
|   | YTD      | 2020      | 2019      | 2018       | 2017       | 2016      | 2015       | 2014     | 2013     | 2012 |
|---|----------|-----------|-----------|------------|------------|-----------|------------|----------|----------|------|
| Gramercy Distressed Opportunities Fund II | 2.3 (73) | 12.1 (96) | 14.8 (95) | (7.5) (66) | (8.9) (98) | 11.6 (30) | (3.7) (56) | 0.8 (40) | 8.9 (68) | -    |
| HFN Distressed Index                      | 5.5      | 3.9       | 2.9       | (2.1)      | 7.7        | 13.0      | (5.2)      | (0.9)    | 15.3     | 14.8 |
| Peer Group Median                         | 5.6      | 8.3       | 5.6       | (3.0)      | 8.7        | 6.2       | (3.0)      | (1.4)    | 12.9     | 10.7 |
| Population                                | 71       | 82        | 99        | 116        | 123        | 160       | 162        | 189      | 191      | 192  |



## Risk/Return

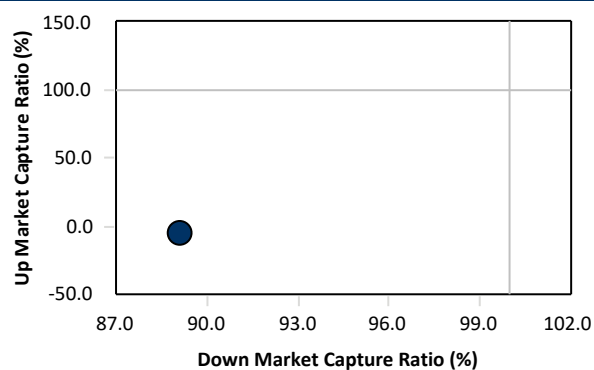


## Drawdown

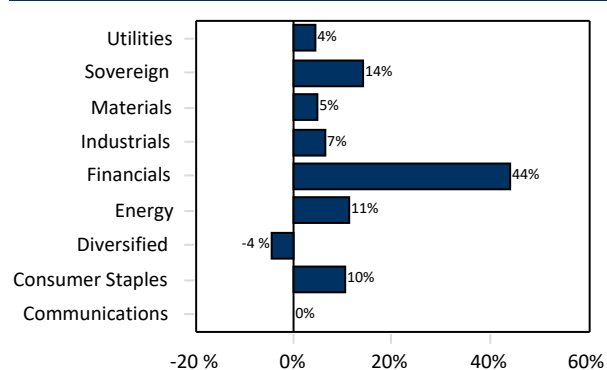


Gramercy Distressed Opportunities Fund II      Max Drawdown (37.2)      Recovery Periods 52+ Months      # of Drawdowns in Period 3

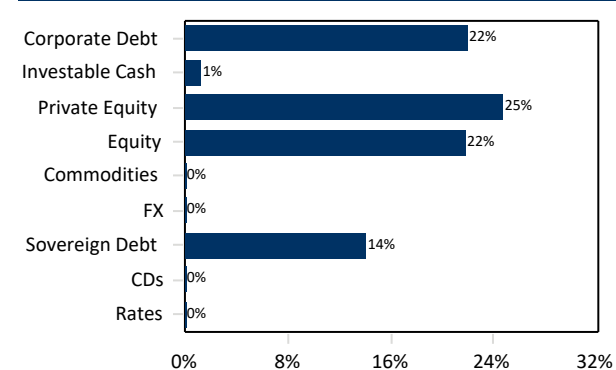
## Up/Down Markets



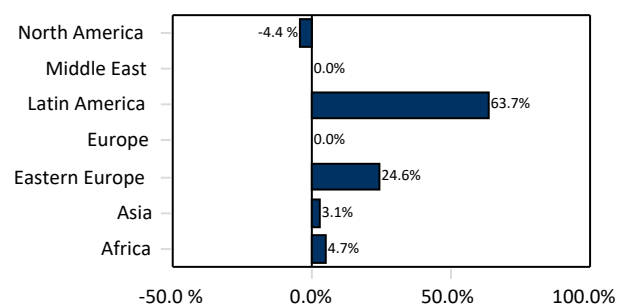
## Strategy Allocation



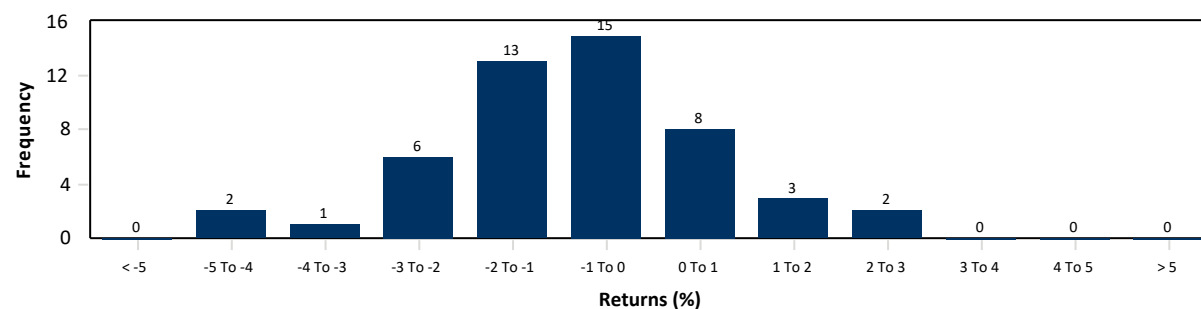
## Asset Breakdown



## Region Allocation

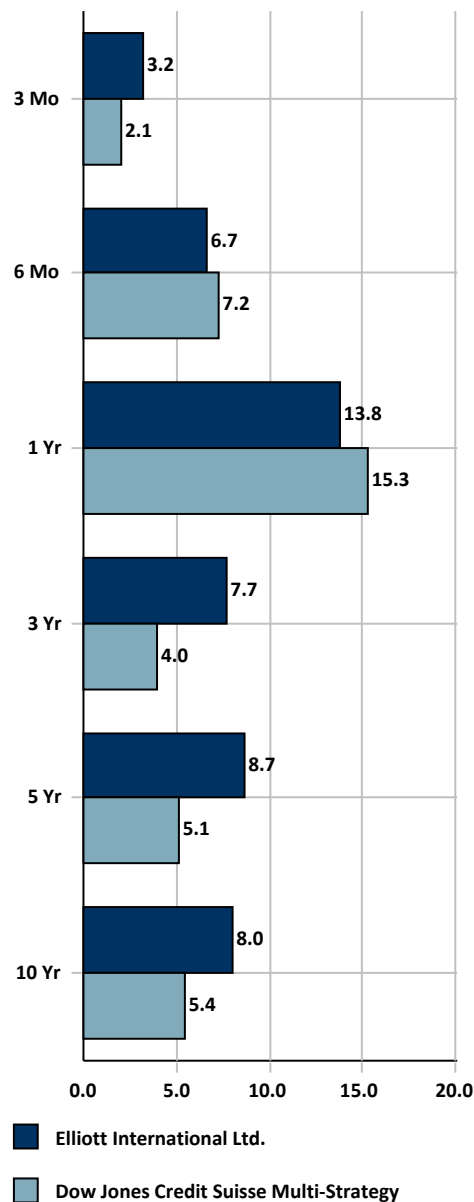


## Distribution of Returns



Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

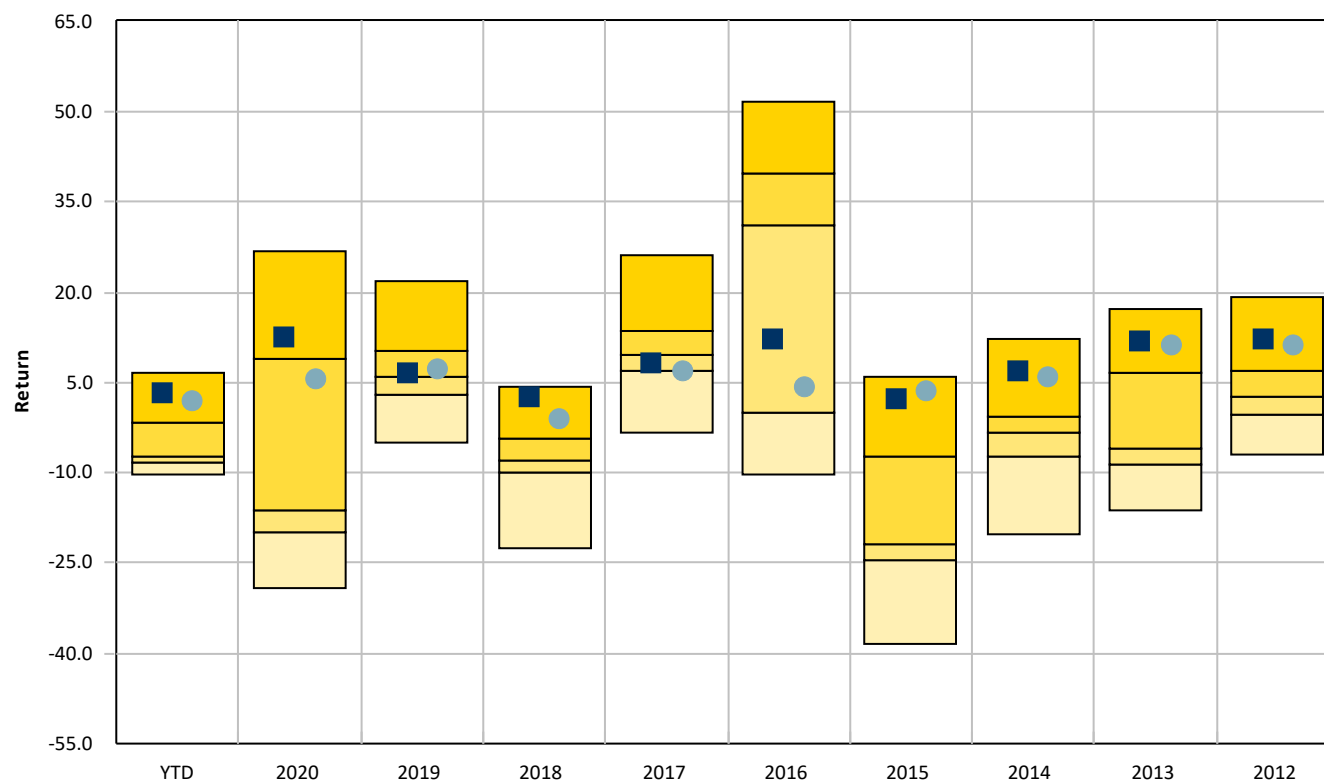
## Trailing Returns



## Investment Strategy

The Funds employ a multi-strategy trading approach that encompasses a broad range of securities including non-distressed debt, distressed securities, hedge/arbitrage positions (including event arbitrage, related securities arbitrage, convertible arbitrage, commodities trading and fixed-income arbitrage), equity-oriented positions, basis trading, portfolio volatility protection positions, and real estate-related securities positions. Peer group is Multi-Strategy Hedge Funds.

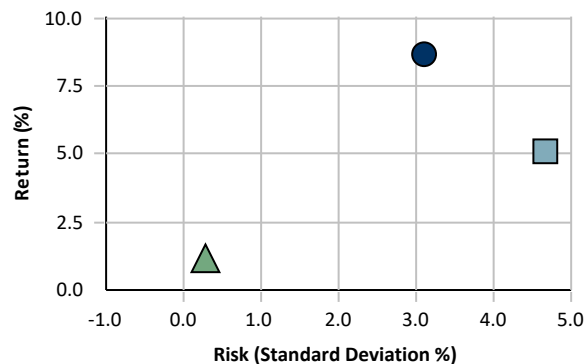
## Performance Relative to Peer Group



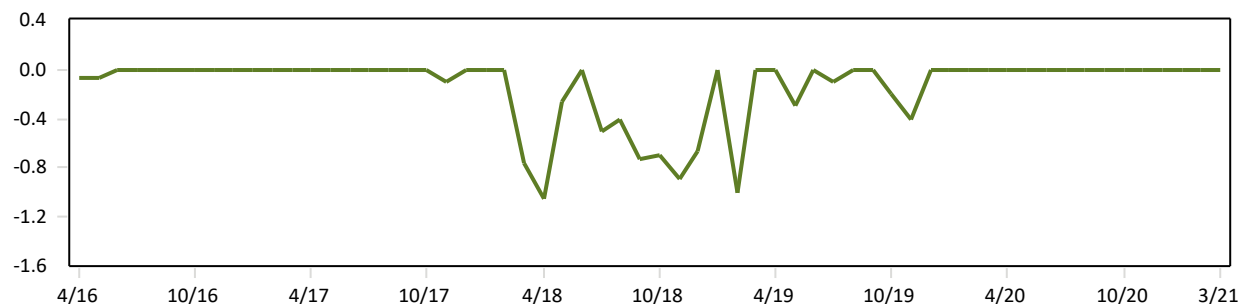
## Calendar Year Returns

|  | YTD     | 2020      | 2019     | 2018    | 2017     | 2016      | 2015    | 2014    | 2013      | 2012      |
|--|---------|-----------|----------|---------|----------|-----------|---------|---------|-----------|-----------|
| Elliott International Ltd.             | 3.2 (9) | 12.7 (19) | 6.5 (49) | 2.6 (8) | 8.4 (65) | 12.5 (59) | 2.4 (9) | 6.9 (9) | 11.9 (14) | 12.4 (12) |
| Dow Jones Credit Suisse Multi-Strategy | 2.1     | 5.6       | 7.2      | (1.0)   | 6.8      | 4.4       | 3.8     | 6.1     | 11.2      | 11.2      |
| Peer Group Median                      | (7.1)   | 16.3      | 6.1      | (8.0)   | 9.7      | 31.2      | 22.0    | (3.4)   | (5.9)     | 2.7       |
| Population                             | 562     | 597       | 661      | 719     | 774      | 893       | 964     | 1,095   | 1,218     | 1,140     |

### Risk/Return

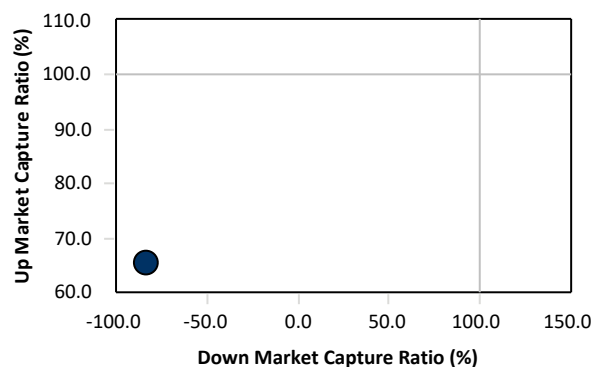


### Drawdown

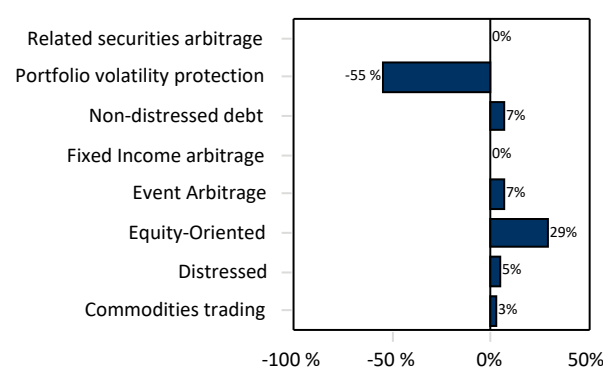


Elliott International Ltd. Max Drawdown (1.1) Recovery Periods 4 Months # of Drawdowns in Period 8

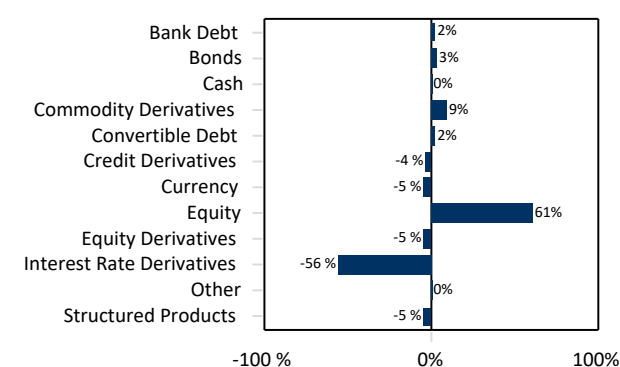
### Up/Down Markets



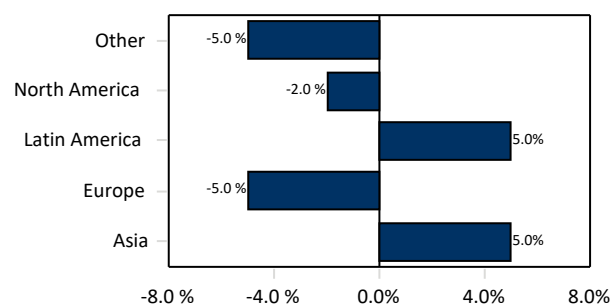
### Strategy Allocation



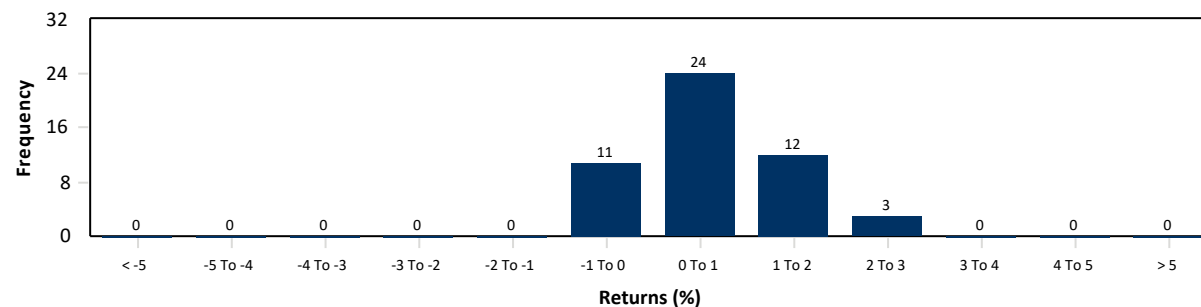
### Asset Breakdown



### Region Allocation



### Distribution of Returns



Unless specifically stated, performance time periods are 5 years. If the fund history is less than 5 years, the time period is since fund inception.

# Appendix

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| Policy Benchmark                         | Weight (%) |
|--|------------|
| <u>Mar-2021</u>                          |            |
| Blmbg. Barc. U.S. Gov't/Credit           | 12.0       |
| Dow Jones Credit Suisse Multi-Strategy   | 6.0        |
| FTSE NAREIT All Equity REITs             | 4.0        |
| MSCI EAFE (Net) Index                    | 9.0        |
| MSCI Emerging Markets Index              | 7.0        |
| Russell 2000 Index                       | 11.0       |
| Russell Midcap Index                     | 13.0       |
| S&P 500 Index                            | 15.0       |
| Barclay Global Macro Index               | 5.0        |
| ICE BofAML High Yield Master II          | 4.0        |
| NCREIF Property Index                    | 4.0        |
| NCREIF Timberland Index                  | 5.0        |
| 90 Day U.S. Treasury Bill                | 2.0        |
| MSCI World ex U.S. Small Cap (Net) Index | 3.0        |

| Debt Securities Benchmark       | Weight (%) |
|---------------------------------|------------|
| <u>Mar-2021</u>                 |            |
| Blmbg. Barc. U.S. Gov't/Credit  | 67.0       |
| ICE BofAML High Yield Master II | 22.0       |
| 90 Day U.S. Treasury Bill       | 11.0       |

| Domestic Equities Benchmark  | Weight (%) |
|------------------------------|------------|
| <u>Mar-2021</u>              |            |
| FTSE NAREIT All Equity REITs | 9.0        |
| Russell 2000 Index           | 26.0       |
| Russell Midcap Index         | 30.0       |
| S&P 500 Index                | 35.0       |

| International Equities Benchmark         | Weight (%) |
|--|------------|
| <u>Mar-2021</u>                          |            |
| MSCI EAFE (Net) Index                    | 47.0       |
| MSCI Emerging Markets Index              | 37.0       |
| MSCI World ex U.S. Small Cap (Net) Index | 16.0       |

| Alternatives Benchmark                 | Weight (%) |
|--|------------|
| <u>Mar-2021</u>                        |            |
| Dow Jones Credit Suisse Multi-Strategy | 30.0       |
| Barclay Global Macro Index             | 25.0       |
| NCREIF Property Index                  | 20.0       |
| NCREIF Timberland Index                | 25.0       |

# Investment Policy of the Singing River Health System Employees' Retirement Plan and Trust

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## **Investment Policy Contents**

- I. Introduction**
- II. Plan Overview**
- III. Roles and Responsibilities**
- IV. Investment Goals**
- V. Asset Allocation Strategy**
- VI. Investment Performance Evaluation and Review**
- VII. Policy Adoption**

### **Appendix**

**Exhibit A: Specific Portfolio Constraints**

**Exhibit B: Asset Allocation and Allowable Ranges around Target**

**Exhibit C: Manager Supplement**

## Introduction

This document refers to the Singing River Health System Employees' Retirement Plan and Trust (the Plan and Trust) and the fund from which benefits are paid to its beneficiaries. The Trust was established in 1983 to provide retirement benefits for employees of the Singing River Hospital System (SRHS). Originally, the plan was an employer-directed defined benefit plan. The SRHS Board of Trustees appointed Plan Trustees to oversee the Plan and Trust. On October 19, 2015, by order of the Chancery Court of Jackson County, Mississippi (the Court), a Special Fiduciary was appointed to take possession of the Trust property and to administer the Trust, including all plan assets and property. The Special Fiduciary is the Plan's sole trustee and is granted all power and authority prescribed by the Trust and consistent with the *Mississippi Uniform Trust Code, Miss Code Ann. § 91-8-101, et seq.*

This document is intended to serve as a reference tool, operating investment guidelines, and a communications link between the Plan and Plan Trustee and:

- The Plan's investment managers,
- The Plan's investment advisor and
- The Plan's other professional advisors

This document records the Special Fiduciary's logical and diligent process of study, examination, evaluation and conclusions about the most suitable combination of investment risk level and rate of return objectives which will satisfy both the Plan's present and future benefits obligations and the Trust's ongoing ability to fund them.

This policy document establishes the specific guidelines for action, and also conveys the philosophical foundations for those guidelines.



## Plan Overview

The Plan is a defined benefit pension plan, which bases its benefits upon an employee's highest average quarterly compensation from SRHS for the 19 consecutive quarters, plus the last quarter of employment during the last 40 consecutive quarters of employment. An employee's number of years of service also determines his or her retirement benefit. The benefit amount may be revised under order of the Court.

### Taxation

The Plan has qualified for exemption pursuant to Section 401(a) of the Internal Revenue Code as a governmental plan. As such, the Plan's investment returns are not subject to current income taxation.

### Funding Resources and Obligations

The Plan's contribution resources previously came from employer contributions made by SRHS and from mandatory employee contributions of 3% of annual compensation, up to the limits established by Federal regulations. Pending the legal outcome, an agreement may be reached where SRHS resumes contributions to the Plan.

### Liquidity Needs

The Special Fiduciary and the professional advisors expect to periodically review and update their understanding of the Plan's forecasts of cash disbursement for Plan benefits and expenses, so that the elements and time horizon(s) of the Plan's investment program can be adjusted, as needed and appropriate for that context.

## Roles and Responsibilities

The Court has delegated certain responsibilities, as outlined in the Plan document, for the Plan described here to the Special Fiduciary, who recommends and implements the investment policy with regard to asset allocation, manager and custodian selection and portfolio supervision. The Special Fiduciary reports to the Court regarding the status of the Trust. The Special Fiduciary shall act as a prudent investor respecting that individual assets of the Trust must not be evaluated in isolation, but in the context of the Trust portfolio as a whole and as part of the overall investment strategy having risk and return objectives reasonably suited to the Plan.

### Special Fiduciary Duties with respect to Plan operations and administration

- Ensure the Trust is operated for the exclusive benefit of participants and their beneficiaries taking into account the interest of both the current and future beneficiaries.
- Ensure expenses paid out of the Trust are appropriate and reasonable.
- Ensure Trust assets as accounted for and periodically audited.
- Ensure Trust reports are maintained and periodically reviewed.
- Ensure Trust operation complies with all state and federal laws, and the Plan and Trust documents.
- Refrain from conflicts of interest and prohibited transactions.

### Special Fiduciary Duties with respect to Plan Investments

- Hire and fire investment advisor and/or investment manager(s).
- Establish and maintain the Investment Policy Statement.
- Diversify the investments of the Trust unless the Special Fiduciary determines that the Trust and the beneficiaries would be better served without diversifying.
- Establish and maintain minimum quality and diversification standards for employing investment managers as listed in **Exhibit A**.
- Select, monitor and replace (as necessary) investment managers, insurance contracts and/or any unmanaged investments.
- Approve contracts with investment managers.
- Review performance of investment funds and investment managers, relative to their benchmarks, and appropriate peers at least annually.

- Monitor all fees being paid on plan investments.
- Refrain from conflicts of interest in selecting investment managers.

## Investment Goals

The overall objective of the investment program is to achieve a rate of return in the Trust that, over the long term, will fund the liabilities and provide for the required benefits in a manner that satisfies the fiduciary requirements of the Plan.

The Special Fiduciary recognizes that financial markets are cyclical and that:

- the beginning points, ending points and magnitude of market cycles cannot be predicted; and
- there is no relationship between market cycles and calendar or other time periods commonly used for performance measurement and evaluation.

The long-range goals (greater than 5 years) of this investment plan are to:

1. Meet the pension benefit obligations to the Employees
2. Exceed the return of a Policy Benchmark comprised of the appropriate market indexes reflecting the Plan's asset allocation (see **Exhibit B**)
3. Perform in line with comparable pension plans on a risk-adjusted basis
4. Match or exceed the assumed discount rate used by the plan's actuary

Total fund, asset class, and individual investment manager performance will be compared to appropriate passive market indices and a universe of peers. The performance benchmarks used may differ from those outlined in **Exhibit B**. Investment performance is reviewed and analyzed over multiple time periods allowing for greater variance from this policy's objectives over periods shorter than three years for each investment fund and over five years for the total fund.

## Asset Allocation Strategy

*Please see **Exhibit B** for Asset Allocation Targets and Allowable Ranges Around Target Allocations.*

Using asset allocation studies based on long-term historical capital market performance, the Special Fiduciary finds the target mixtures of asset classes in **Exhibit B** appropriate to produce the desired performance at acceptable fluctuation levels over time for the portfolio.

The Asset Allocation schedule shown in **Exhibit B** of this Investment Policy provides for allowable ranges within each asset class, or strategy, in order to provide investment managers some flexibility in asset allocation to meet the goals of this Investment Policy.

The Special Fiduciary recognizes that a rigid asset allocation would be both impractical and, to some extent, undesirable under various potential market conditions. Therefore, the allocation of the Trust's total assets may vary from time to time within the ranges listed in **Exhibit B**, without being considered an exception to these operating guidelines.

The Special Fiduciary, with the counsel of the investment advisor, may engage active investment managers, whose goals over time are to outperform respective indices, or passive managers who seek to replicate the return of corresponding indices.

### Investing Strategies and Vehicles

The Trust may invest in the following investment vehicles:

- Separately managed accounts
- Mutual funds
- Exchange-Traded Funds (ETFs)
- Commingled funds
- Collective investment trusts
- Limited Partnerships
- Foreign exempted companies

## **Rebalancing**

Because different asset classes will perform at different rates, the Special Fiduciary will closely watch the asset allocation shifts caused by performance in the Trust. The Special Fiduciary will review the relative market values of the asset segments, and will generally rebalance the asset classes which are farthest short of their target allocations in this Policy. Rebalancing will typically occur as of any quarter-end at which the allocations reach a point where they are out of target ranges.

## **Unallocated Cash**

Investment managers performing under this Policy are not expected to accumulate a significant cash position without prior approval of the Special Fiduciary. If the basic investing style of a particular manager includes a routine, temporary use of instruments having a maturity of less than one year, they must inform the Special Fiduciary and agree to the use of that investing style in advance.

## **Investment Performance Evaluation and Review**

### **Frequency of Measurement**

The Special Fiduciary will measure investment performance quarterly, or more often, as deemed appropriate.

### **Expected Interim Progress Toward Multi-Year Objectives**

The Special Fiduciary will generally follow the time horizons set forth in this policy, when making judgments about performance. However, Investment Managers for the Trust should be advised that the Special Fiduciary intends to track their interim progress toward multi-year goals. If the Special Fiduciary finds (or is professionally advised) that performance is sub-standard, then the Special Fiduciary's reviews of such a manager may disregard the time horizon concept for purposes of considering possible actions.

Investment Managers hired by the Special Fiduciary shall generally be expected to outperform an appropriate market benchmark and perform well against a universe of their peers over multi-year time periods.

### **Corrective Action Guidelines**

Corrective action should be taken as a result of an ongoing investment manager review process. The following are instances where corrective action or termination may be in order:

1. Major organizational changes in a firm, including any changes in portfolio managers, may require a new contract and interview process. Failure on the part of the Investment Manager to notify the Special Fiduciary of such changes is grounds for termination. At all times, communication with the managers should be open and informative. Investment Managers should be willing and able to meet at least annually with the Special Trustee.
2. Violation of terms of contract constitutes grounds for termination.
3. Surges in portfolio trading volume.
4. As part of its overall asset allocation strategy, the Special Fiduciary will choose managers with certain styles and approaches to provide portfolio diversification. Therefore, it is critical that managers adhere to the original intent of the Special Fiduciary at the time they are engaged. Any significant changes in investment approach may be grounds for termination.

5. Performance patterns not logically explainable in terms of the published style, or performance out-of-step with manager's style peer group.
6. The manager's performance will be viewed in light of the management firm's assigned investment style and approach, keeping in mind at all times the Trust's diversification strategy as well as other organizational and relationship issues. Decisions to terminate managers are solely within the discretion of the Special Fiduciary.
7. Investment managers may be replaced at any time as part of the overall restructuring of the Plan.
8. Other events or circumstances that are deemed to be in the best interest of Trust, its participants and beneficiaries, or the Plan.

## VII. Policy Adoption

### **Singing River Health System Employee's Retirement Plan and Trust Special Fiduciary**

Executed the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

Signature: \_\_\_\_\_

Traci M. Christian

Title: Special Fiduciary



## Exhibit A

### Specific Portfolio Constraints

The following standards apply to all investment portfolios that are separately managed. The Special Fiduciary recognizes that any pooled investment vehicle or mutual fund cannot be subjected to these requirements, except to the extent these distinctions can be incorporated by the Special Fiduciary into their process of selecting such vehicles. Nevertheless, the Special Fiduciary will review investing activities in any pooled investment vehicles utilized, versus the investment policy and, if appropriate, the Special Fiduciary may accordingly decide that a particular pooled/mutual fund has ceased to be suitable.

#### Fixed Income

The purpose of domestic and international fixed income investments is to provide liquidity and a highly predictable, dependable source of income. Fixed instruments should reduce the overall volatility of the Trust's assets and provide a deflation hedge.

The following standards are for the separately managed fixed income accounts and are not monitored by the Special Fiduciary. Each manager is expected to confirm receipt of the standards in writing.

**1. Quality Standards** (not applicable to a portfolio which is specifically committed to invest in High Yield Bonds)

- Minimum: Must be rated investment-grade by at least one major rating agency
- Maximum: No manager's portfolio allocation to the lowest investment-grade category (BBB-rated) shall be greater than the bench index allocation plus 3%
- Weighted average (target) quality for each portfolio manager: A-rated or better

#### 2. Duration Standards

- Maximum/Minimum: Portfolio modified duration should not be greater than (+/-) 25% of benchmark index

#### 3. Diversification Standards

- Single security issue: Maximum 5%

- Single Sector Allocation (level 2): Maximum benchmark index allocation (+/-) 20% (except U.S. Government securities)
- Non-Index Sector Allocation (level 2): Maximum allocation to non-index sectors shall be limited to 30% of the manager's portfolio market value

#### **4. Liquidity Standards**

- Original issuance for corporate securities must be at least \$300 million, unless the Special Fiduciary approves the investment in advance.
- Securities that are thinly traded and therefore cannot be considered liquid are not permitted without prior specific permission from the Special Fiduciary.

#### **5. Prohibited Categories for all investment managers, unless authorized by the Special Fiduciary**

- Derivative instruments including, but not limited to options, futures, swaps, structured finance products, etc. in which either the inherent structure of the instrument or the nature of the transaction is leveraged, i.e. creates market exposure in excess of the market value of the underlying assets.
- Issuer affiliated with the investment manager

#### **6. Frequency of Reporting to Special Fiduciary**

- At least quarterly

### **Equities**

#### **1. Diversification Standards**

Diversification for the total investment program is achieved through manager selection. The Special Fiduciary recognizes the value of including concentrated, high-conviction managers within the total equity allocation. Appropriately sizing each manager's allocation creates the desired diversification across the overall program.

Should any single manager's designated allocation be greater than 10% of the total program, they shall adhere to the following standards unless granted written exception

authorized by the Special Fiduciary. Such designated managers will be explicitly notified and will submit written acknowledgement of adherence to these standards.

- Market value of any single holding not to exceed 7.5% of the manager's allocation, without obtaining permission from the Special Fiduciary
- Maximum sector concentration: greater of 2.5x benchmark, or 20% of current portfolio market value

## **2. Liquidity Standards**

- Traded on one or more national and/or international exchanges (NASDAQ, National Market, or quoted in the NASDAQ Bid/Asked section)
- \$100 million minimum market capitalization
- Managers should maintain appropriate procedures to determine their liquidity exposure to an individual security holding on a **firm wide basis**, i.e., awareness and documentation of what percent of normal trading volume is represented by their total holding for the Plan in a particular issue.

## **3. Proxy Voting**

- Unless specifically directed by the Special Fiduciary, the managers have sole responsibility for voting proxies of shares of companies in the portfolio in a manner consistent with the best interests of the Plan.
- Managers are required to vote proxies on every issue that could be reasonably expected to have a significant impact on the value of the investment.
- Managers are required to keep a record of all proxy votes and upon request report to the Plan Trustees at least annually.

## **4. Prohibited Categories for all Equity managers, unless authorized by the Special Fiduciary**

- Issuer related to the investment manager,
- Restricted or letter stock,
- Private placement debt, and
- Derivative instruments that create or add leverage.

## **Alternatives**

These apply only to investment managers that have been authorized by the Special Fiduciary or previous Plan Trustees and use these categories as inherent elements within their investment programs. Examples of investment managers that may qualify for this authorization include hedge funds, real estate managers, commodities managers, and private equity managers.

1. Short sales, or “naked” positions should be limited to only within investments in hedge funds.
2. Margin purchases, which create leverage or market exposure in excess of the market value of underlying assets, and which create asymmetric return patterns that could result in substantial losses, shall be limited to include only purchases made in hedge funds.
3. Real Estate investments shall be limited to pooled investments that are professionally managed to include REITs, timberland or other institutional classes of real estate portfolios.
4. Distressed debt securities that trade at a significant discount to the principal amount of the obligation shall be limited to include only specific investment manager mandates.
5. Private partnership investments shall be limited to include only investments in institutionally managed strategies that may include real estate, distressed debt, private equity, timberland and hedge funds.
6. Fully collateralized securities lending programs are not considered margin purchases and may be utilized, subject to a separate Supplemental Agreement approved by the Plan Trustees.

## Exhibit B

### Asset Allocation and Allowable Ranges around Target

In Force as of: 7/1/2019

The Asset Class benchmarks will be used for the construction of the Policy Benchmark, but individual managers may be measured against a different benchmark.

| Asset Class                         | Policy Benchmark        | Policy Target | Min | Max |
|-------------------------------------|-------------------------|---------------|-----|-----|
| Cash Equivalent                     |                         | 2%            | 0%  | 10% |
| US Intermediate Fixed Income        | Blmb. Barc. Govt/Credit | 17%           | 5%  | 35% |
| Bank Loans / Direct Lending         | S&P/LSTA Leveraged Loan | 1%            | 0%  | 5%  |
| High Yield                          | ICE BAML High Yield     | 6%            | 0%  | 15% |
| <b>Total Debt Securities</b>        |                         | <b>26%</b>    |     |     |
| US Large Cap Equities               | S&P 500                 | 12%           | 5%  | 20% |
| US Mid Cap Equities                 | Russell Midcap          | 12%           | 5%  | 20% |
| US Small Cap Equities               | Russell 2000            | 12%           | 5%  | 20% |
| Real Estate Securities (REITs)      | FTSE NAREIT All REITs   | 4%            | 0%  | 10% |
| International Developed             | MSCI EAFE               | 9%            | 0%  | 15% |
| Emerging Markets Equities           | MSCI Emerging Markets   | 3%            | 0%  | 10% |
| <b>Total Equity Securities</b>      |                         | <b>52%</b>    |     |     |
| Long / Short Equity                 | DJCS Long/Short Equity  | -             | 0%  | 16% |
| Hedge Funds                         | DJCS Multi-Strategy     | 5%            | 0%  | 10% |
| Distressed Securities               | HFN Distressed          | 2%            | 0%  | 6%  |
| Commodities                         | Bloomberg Commodity     | -             | 0%  | 8%  |
| Global Macro                        | Barclay Global Macro    | 6%            | 0%  | 10% |
| Timberland                          | NCREIF Timber           | 5%            | 0%  | 10% |
| Direct Real Estate                  | NCREIF Property         | 4%            | 0%  | 10% |
| <b>Total Alternative Securities</b> |                         | <b>22%</b>    |     |     |

## Historical Asset Allocation

| Asset Class                         | Amended<br>Apr 18 | Amended<br>June 16 | Amended<br>June 14 | Amended<br>Dec 06 | Amended<br>Jan 01 | Amended<br>Jan 99 | Amended<br>Nov 96 | Amended<br>Jan 94 | Original    |
|-------------------------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Cash Equivalent                     | 2%                |                    |                    |                   |                   |                   |                   |                   | 5%          |
| US Intermediate Fixed Income        | 17%               | 24%                | 15%                | 10%               | 30%               | 35%               | 40%               | 50%               | 60%         |
| Bank Loans / Direct Lending         | 1%                | 1%                 | 5%                 |                   |                   |                   |                   |                   |             |
| High Yield                          | 6%                | 5%                 | 5%                 | 10%               |                   |                   |                   |                   |             |
| <b>Total Debt Securities</b>        | <b>26%</b>        | <b>30%</b>         | <b>25%</b>         | <b>20%</b>        | <b>30%</b>        | <b>35%</b>        | <b>40%</b>        | <b>50%</b>        | <b>65%</b>  |
| US Large Cap Equities               | 12%               | 10%                | 10%                | 10%               | 40%               | 40%               | 50%               | 50%               | 35%         |
| US Mid Cap Equities                 | 12%               | 10%                | 10%                | 10%               |                   |                   |                   |                   |             |
| US Small Cap Equities               | 12%               | 10%                | 10%                | 15%               | 15%               | 15%               |                   |                   |             |
| Real Estate Securities (REITs)      | 4%                | 3%                 | 3%                 |                   |                   |                   |                   |                   |             |
| International Developed             | 9%                | 5%                 | 5%                 | 10%               | 10%               | 10%               | 10%               |                   |             |
| Emerging Markets Equities           | 3%                | 2%                 | 2%                 | 5%                |                   |                   |                   |                   |             |
| <b>Total Equity Securities</b>      | <b>52%</b>        | <b>40%</b>         | <b>40%</b>         | <b>50%</b>        | <b>65%</b>        | <b>65%</b>        | <b>60%</b>        | <b>50%</b>        | <b>35%</b>  |
| Long / Short Equity                 |                   | 8%                 | 8%                 | 15%               |                   |                   |                   |                   |             |
| Hedge Funds                         | 5%                | 3%                 | 8%                 |                   |                   |                   |                   |                   |             |
| Distressed Securities               | 2%                | 3%                 | 3%                 |                   |                   |                   |                   |                   |             |
| Commodities                         |                   | 4%                 | 4%                 | 5%                | 5%                |                   |                   |                   |             |
| Global Macro                        | 6%                | 5%                 | 5%                 |                   |                   |                   |                   |                   |             |
| Timberland                          | 5%                | 3%                 | 3%                 |                   |                   |                   |                   |                   |             |
| Direct Real Estate                  | 4%                | 4%                 | 4%                 | 10%               |                   |                   |                   |                   |             |
| <b>Total Alternative Securities</b> | <b>22%</b>        | <b>30%</b>         | <b>35%</b>         | <b>30%</b>        | <b>5%</b>         | <b>0%</b>         | <b>0%</b>         | <b>0%</b>         | <b>0%</b>   |
| <b>Total Portfolio</b>              | <b>100%</b>       | <b>100%</b>        | <b>100%</b>        | <b>100%</b>       | <b>100%</b>       | <b>100%</b>       | <b>100%</b>       | <b>100%</b>       | <b>100%</b> |

## Disclosures

### CLIENT REPORTS VERSUS CUSTODY STATEMENTS

Any client report provided by FiduciaryVest LLC is not intended to replace your brokerage / custody / partnership statement(s), which should be considered your official record for all pertinent account information. It is important to receive and review such statements. Please notify your custodian(s) promptly if you do not receive statements (at least on a quarterly basis). The statistical analysis in your client report was prepared by FiduciaryVest, LLC from data provided by: (a) third-party investment institutions performing under service agreements made directly with FiduciaryVest's clients and/or (b) other custodians who report such data to said client-contracted custodians and/or (c) one or more investment database provider-organizations, under service agreements between FiduciaryVest and those providers. FiduciaryVest does not audit, or independently verify the accuracy of such third party-provided data; in addition to statistics, "data" may include, but is not limited to the reported existence of, valuation of, and accounting for client-owned investment assets. Accordingly, although FiduciaryVest endeavors to deal exclusively with competent, reputable third-party data providers and takes reasonable care to prepare accurate statistical reports to its clients, FiduciaryVest disclaims responsibility for any errors, inaccuracies, or derived damages caused by incomplete or inaccurate data, or other information received from such sources.

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Past performance is not necessarily indicative of future results. The performance information reported herein may be for a variety of products which have different methods of presenting performance data. Generally, mutual fund returns are reported net of operating expenses; separate account manager and total portfolio returns are reported gross of fees. The fee and expense information for a specific holding is contained in the product prospectus or offering materials. The cumulative effect of fees and expenses may substantially reduce the return earned relative to that indicated herein. Please visit the Employee Benefit Security Administration (EBSA) website for an example demonstrating the long-term effect of fees and expenses.

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## Glossary of Important Terms

| Statistics          | Definition   |
|---------------------|--|
| Alpha               | - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.  |
| Best Quarter        | - The best of rolling 3 months(or 1 quarter) cumulative return.  |
| Beta                | - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.   |
| Consistency         | - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.   |
| Down Market Capture | - The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.  |
| Excess Return       | - Arithmetic difference between the managers return and the risk-free return over a specified time period.   |
| Information Ratio   | - Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.  |
| Maximum Drawdown    | - The drawdown is defined as the percent retrenchment from a fund's peak value to the fund's valley value. It is in effect from the time the fund's retrenchment begins until a new fund high is reached. The maximum drawdown encompasses both the period from the fund's peak to the fund's valley (length), and the time from the fund's valley to a new fund high (recovery). It measures the largest percentage drawdown that has occurred in any fund's data record. |
| R-Squared           | - The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.  |
| Return              | - Compounded rate of return for the period.  |
| Sharpe Ratio        | - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.  |
| Simple Alpha        | - The difference between the manager's return and the benchmark's return.  |
| Standard Deviation  | - A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.   |
| Tracking Error      | - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.   |
| Up Market Capture   | - The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.   |
| Worst Quarter       | - The worst of rolling 3 months(or 1 quarter) cumulative return.   |