

Investment Performance Review  
Period Ending September 30, 2020

## Port Houston OPEB Plan

---

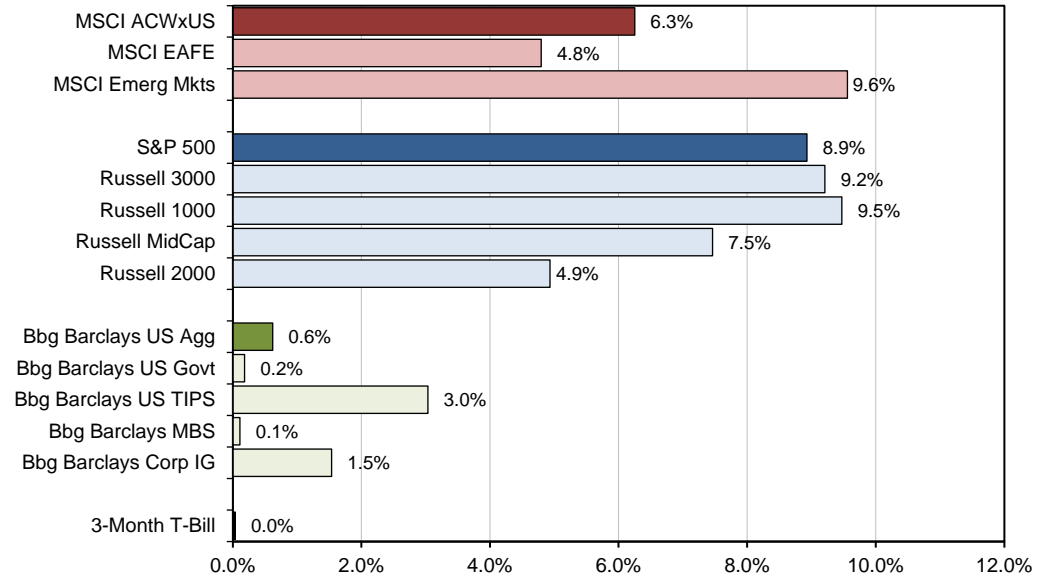


# 3rd Quarter 2020 Market Environment

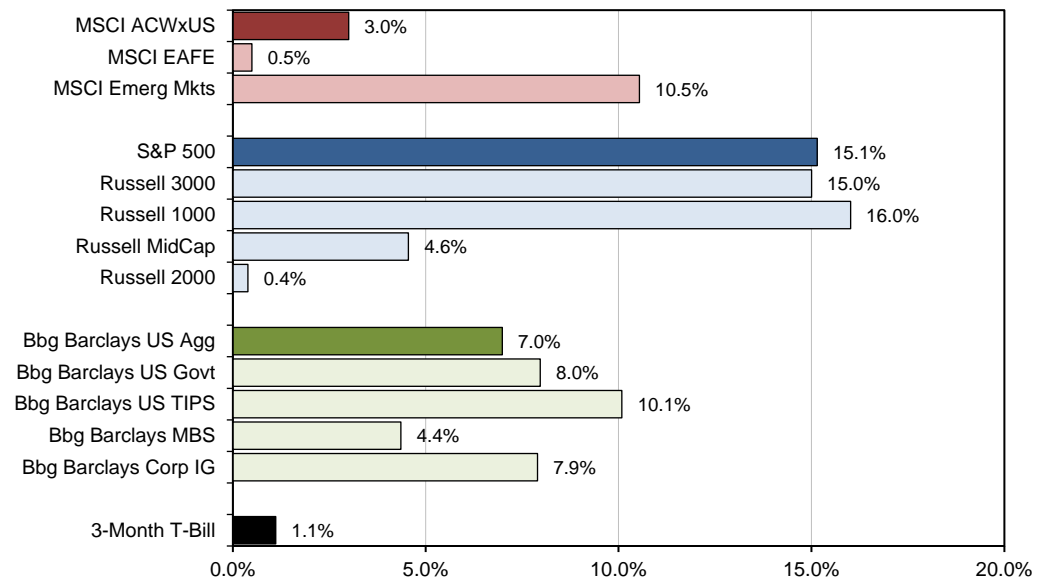


- Broad asset class returns were positive in the 3rd quarter continuing their rebound from the 2nd quarter. In general, US monetary policy remains supportive as the Federal Reserve Bank (Fed) continues to hold interest rates near zero with the goal of providing the markets with liquidity. Importantly, the Fed indicated that interest rates in the US would remain low for an extended period as GDP growth and business activity remains subdued as the COVID-19 pandemic lingers. The Fed also commented that it was comfortable allowing inflation to exceed its 2% target in the near-term with the goal of averaging its target over the long-term. The final reading of US GDP growth in the 2nd quarter showed the economy contracted by -31.4%. While expectations for growth in the 3rd quarter vary widely, the general outlook is for a strong positive reading. Within domestic equity markets, we saw a reversal during the quarter with large cap stocks outperforming small cap stocks with the S&P 500 returning 8.9% compared to 4.9% for the Russell 2000 Index. Over the trailing 1-year period, large cap stocks significantly outperformed both small and mid-cap stocks with the S&P 500 returning 15.1% while small and mid-cap stocks returned 0.4% and 4.6%, respectively.
- Similar to US markets, international markets posted strong returns for the period despite concerns about a potential "second wave" of the pandemic flowing through Europe. While neither the European Central Bank nor the Bank of England changed their policies, global central banks remain accommodative and prepared to provide additional support if required. International investors also benefited from a weakening USD which declined against most major currencies during the period. Emerging market economies continued to outperform relative to developed markets during the period with China showing signs of improvement. For the quarter, the MSCI Emerging Market Index returned 9.6% compared to 4.8% for the MSCI EAFE Index. Following the strong quarter, both developed and emerging market indices turned positive over the 1-year trailing period with the developed market index returning 0.5% and the emerging market index returning 10.5%.
- Fixed income returns were mixed during the 3rd quarter as interest rates remained relatively stable. For the quarter, the BB US Aggregate Index returned 0.6% while the BB Corporate Investment Grade Index returned 1.5%. TIPS were an area of strength during the quarter, benefiting from higher inflation expectations. For the trailing 1-year period, fixed income returns were solid with the BB US Aggregate Index returning 7.0%, while corporate bonds returned 7.9%. TIPS outperformed nominal bonds by posting a respectable 10.1% return over the trailing 1-year period as investors' inflation expectations rose.

### Quarter Performance



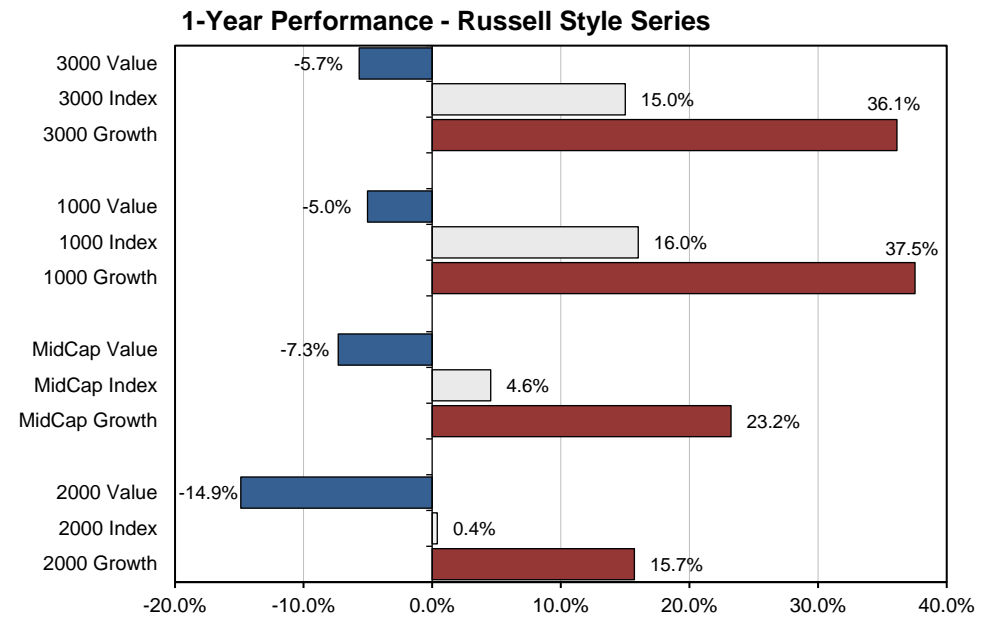
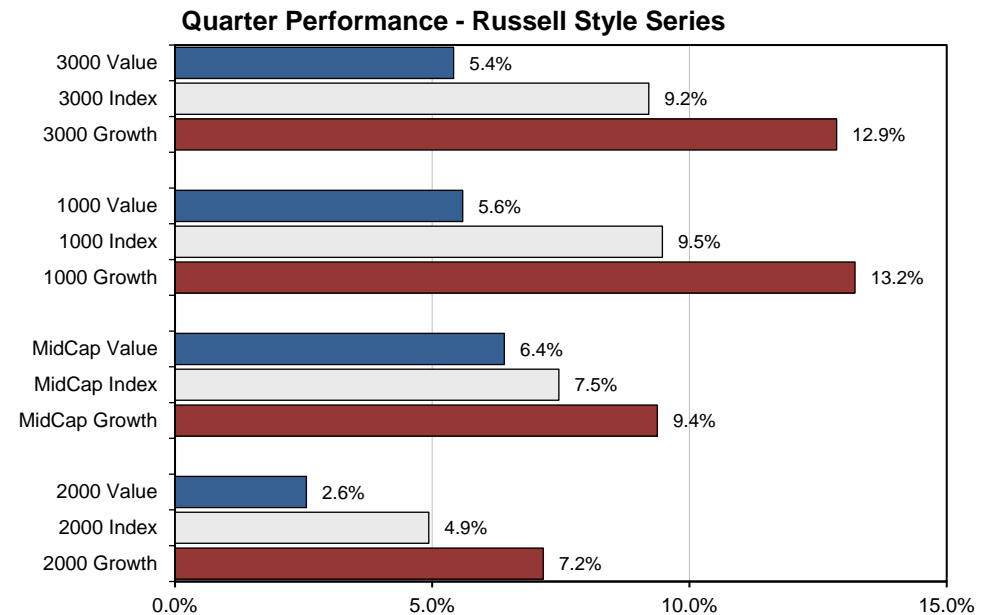
### 1-Year Performance



Source: Investment Metrics



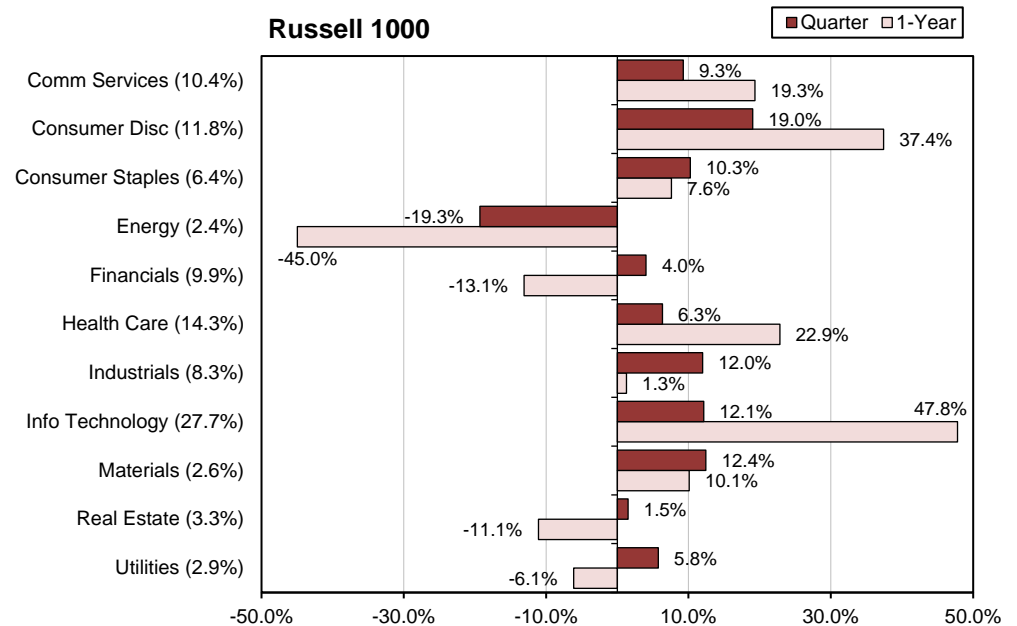
- Continuing their recent trend, US equities posted their second straight quarter of positive returns across the style and market capitalization spectrum. During the quarter, large cap stocks resumed their leadership, outpacing both mid and small-cap stocks as investors gravitated toward large companies for their relatively attractive profitability profile, lower leverage, and diversified business models. The Russell 1000 Index returned 9.5% compared with 7.5% and 4.9% for the Russell MidCap and Russell 2000 indices, respectively. While small cap stocks have historically performed well in periods following a recession, the relative uncertainty surrounding the path of global economic growth and the upcoming US Presidential election pushed investors toward the relative safety of large cap stocks.
- Growth stocks maintained their dominance relative to value-oriented stocks across all market capitalizations for the 3rd quarter. The Russell 1000 Growth Index returned 13.2% and was the best performing index across style and market capitalization for the period. The index benefitted from favorable relative weightings to consumer discretionary, materials and technology-related companies, which powered large cap returns during the period. Small cap value stocks trailed their index peers during the quarter with the Russell 2000 Value Index returning 2.6%. Exposures to financial-related companies and real estate acted as a headwind as those sectors lagged during the period.
- When viewed over the trailing 1-year period, the performance dispersion between large cap and small cap stocks across styles is glaring. While some of the difference in relative performance between market capitalizations can be attributed to the drawdown experienced during the 1st quarter, large cap stocks have benefited from investors favoring companies with healthier financial profiles that can weather a protracted period of weak growth due to the pandemic. Additionally, the sector weights within the respective indices and a tilt towards growth-oriented, higher P/E companies in large caps has acted as a tailwind for growth index performance.
- Results over the trailing 1-year reflect the continued strength of growth compared to value benchmarks with each growth index earning double digit gains while each value index posted negative results for the period. The widest performance gap was in the large cap space with the Russell 1000 Growth Index returning 37.5%, which outpaced the large cap value benchmark by more than 40% for the year. The dispersion between both mid and small cap growth benchmarks was also substantial relative to their value counterparts with each growth index outpacing its respective value benchmark by more than 30% for the year.



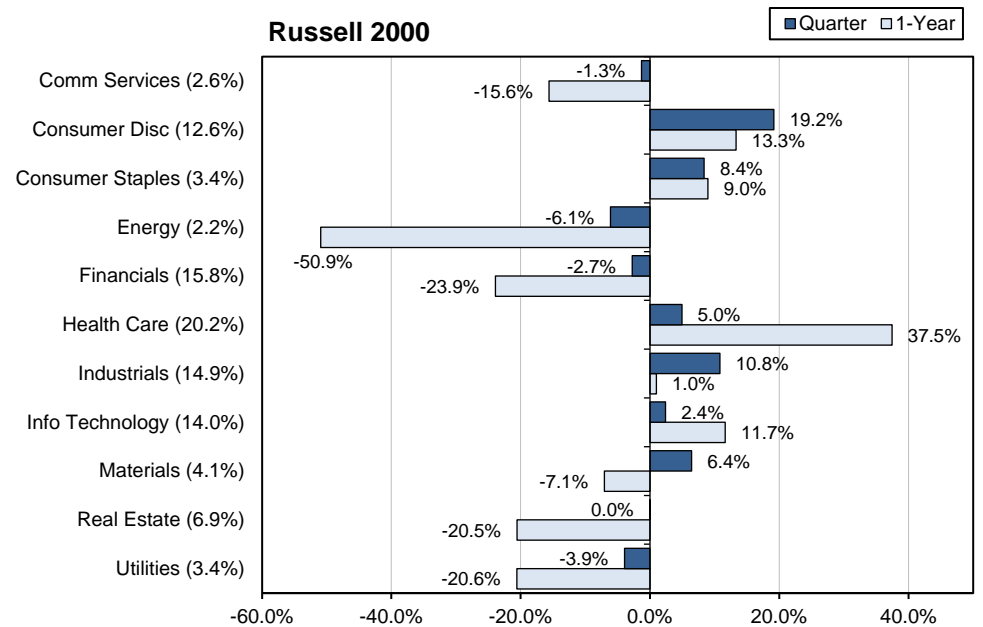
Source: Investment Metrics



- Ten of eleven economic sectors within the large cap Russell 1000 Index were positive for the 3rd quarter with only the energy sector posting a negative return. Five sectors outpaced the return of the broad index during the period. Growth-oriented sectors such as consumer discretionary, materials and technology were some of the best performers for the quarter returning 19.0%, 12.4%, and 12.1%, respectively. The energy sector continues to lag due to reduced consumption and the threat of bankruptcies resulting from stubbornly low oil prices. While the sectors were positive, financials and real estate were laggards relative to the broad index results, posting returns of 4.0% and 1.5% respectively. With the Fed indicating that interest rates will remain lower for longer, both sectors faced headwinds due to their sensitivity to US interest rates.
- Over the trailing 1-year period, technology-related and consumer discretionary stocks were the best performers returning 47.8% and 37.4% respectively. For the full-year, five sectors exceeded the return of the broad benchmark: technology, consumer discretionary, health care, communication services, and materials. In contrast, traditional value sectors such as energy, financials, real estate and utilities posted returns of -45.0%, -13.1%, -11.1%, and -6.1%, respectively, for the trailing 1-year period. This sector performance shows a staggering dispersion of more than 90% from best to worst performing sector in the large cap benchmark.



- Five of eleven small cap sectors posted returns greater than the Russell 2000 Index for the 3rd quarter. Similar to large cap stocks, sectors sensitive to the consumer and improving economic conditions were the primary drivers of return during the quarter. That said, only the consumer discretionary sector outpaced its large cap counterpart during the period, returning 19.2% compared to 19.0%.
- As previously noted, small cap stocks have significantly trailed large caps over the previous 1-year period. Specifically, energy-related companies have faced significant headwinds due primarily to low oil prices while interest rate sensitive sectors such as financials and real estate have failed to produce gains as a result of historically low US interest rates. The lone bright spot has been health care stocks which outperformed their large cap equivalents by more than 14% over the period (37.5% versus 22.9%).



Source: Morningstar Direct  
 As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of September 30, 2020

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.04%	27.2%	108.9%	Information Technology
Microsoft Corp	5.02%	3.6%	53.0%	Information Technology
Amazon.com Inc	4.25%	14.1%	81.4%	Consumer Discretionary
Facebook Inc A	2.00%	15.3%	47.1%	Communication Services
Alphabet Inc A	1.40%	3.4%	20.0%	Communication Services
Alphabet Inc Class C	1.39%	4.0%	20.6%	Communication Services
Berkshire Hathaway Inc Class B	1.32%	19.3%	2.4%	Financials
Johnson & Johnson	1.25%	6.6%	18.2%	Health Care
Procter & Gamble Co	1.08%	17.0%	14.6%	Consumer Staples
Visa Inc Class A	1.08%	3.7%	17.0%	Information Technology

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Penn National Gaming Inc	0.59%	138.0%	290.3%	Consumer Discretionary
Sunrun Inc	0.49%	290.8%	361.4%	Industrials
Caesars Entertainment Inc	0.41%	39.9%	40.6%	Consumer Discretionary
MyoKardia Inc	0.37%	41.1%	161.4%	Health Care
Novavax Inc	0.35%	30.0%	2058.4%	Health Care
iRhythm Technologies Inc	0.35%	105.5%	221.3%	Health Care
LHC Group Inc	0.34%	21.9%	87.2%	Health Care
Mirati Therapeutics Inc	0.33%	45.4%	113.1%	Health Care
Churchill Downs Inc	0.33%	23.0%	33.3%	Consumer Discretionary
Momenta Pharmaceuticals Inc	0.33%	57.7%	304.9%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Immunomedics Inc	0.06%	139.9%	541.3%	Health Care
L Brands Inc	0.02%	112.5%	67.3%	Consumer Discretionary
Tesla Inc	1.01%	98.7%	790.5%	Consumer Discretionary
NovoCure Ltd	0.04%	87.7%	48.8%	Health Care
Pinterest Inc	0.05%	87.2%	56.9%	Communication Services
Livongo Health Inc	0.02%	86.3%	703.0%	Health Care
Carvana Co Class A	0.04%	85.6%	238.0%	Consumer Discretionary
Zoom Video Communications Inc	0.25%	85.4%	516.9%	Information Technology
FedEx Corp	0.19%	79.9%	75.8%	Industrials
Zillow Group Inc A	0.02%	76.7%	243.7%	Communication Services

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Whiting Petroleum Corp	0.00%	1430.1%	115.3%	Energy
Seres Therapeutics Inc	0.08%	494.7%	606.0%	Health Care
Vivint Solar Inc	0.11%	327.8%	547.6%	Industrials
Tupperware Brands Corp	0.05%	324.4%	27.0%	Consumer Discretionary
Eastman Kodak Co	0.01%	295.5%	234.1%	Information Technology
Sunrun Inc	0.49%	290.8%	361.4%	Industrials
Cassava Sciences Inc	0.01%	273.7%	859.2%	Health Care
Owens & Minor Inc	0.08%	229.6%	332.8%	Health Care
Gogo Inc	0.03%	192.4%	53.2%	Communication Services
Pacific Biosciences of California Inc	0.09%	186.1%	91.3%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Occidental Petroleum Corp	0.03%	-45.2%	-75.5%	Energy
Coty Inc Class A	0.00%	-39.6%	-73.8%	Consumer Staples
Biomarin Pharmaceutical Inc	0.04%	-38.3%	12.9%	Health Care
Reata Pharmaceuticals Inc A	0.01%	-37.6%	21.3%	Health Care
Murphy Oil Corp	0.00%	-34.8%	-58.0%	Energy
Agios Pharmaceuticals Inc	0.01%	-34.6%	8.0%	Health Care
Marathon Oil Corp	0.01%	-33.2%	-66.4%	Energy
Kirby Corp	0.01%	-32.5%	-56.0%	Industrials
HollyFrontier Corp	0.01%	-31.6%	-61.8%	Energy
Alteryx Inc Class A	0.02%	-30.9%	5.7%	Information Technology

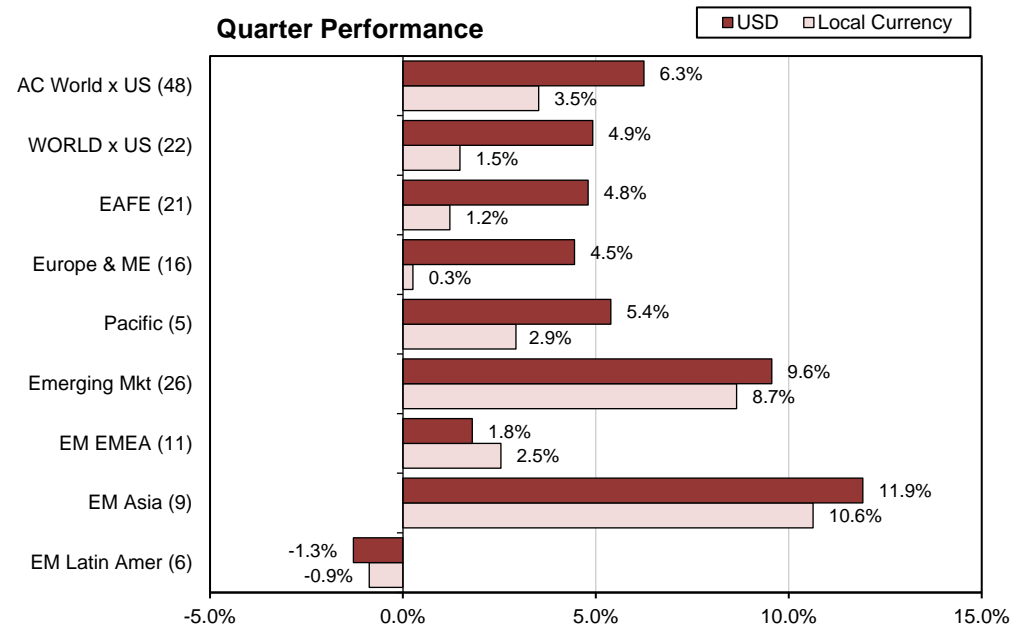
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Satsuma Pharmaceuticals Inc Ord. Shr.	0.00%	-86.5%	-74.1%	Health Care
Akebia Therapeutics Inc	0.02%	-81.5%	-36.0%	Health Care
Corbus Pharmaceuticals Holdings Inc	0.01%	-78.5%	-63.0%	Health Care
Odonate Therapeutics Inc	0.01%	-68.3%	-48.4%	Health Care
Tricida Inc	0.01%	-67.0%	-70.7%	Health Care
Abeona Therapeutics Inc	0.00%	-65.0%	-54.9%	Health Care
Mallinckrodt PLC	0.00%	-63.7%	-59.6%	Health Care
Nemauro Medical Inc	0.00%	-61.6%	-51.4%	Health Care
Express, Inc.	0.00%	-60.4%	-82.3%	Consumer Discretionary
Unity Biotechnology Inc	0.01%	-60.1%	-43.3%	Health Care

Source: Morningstar Direct



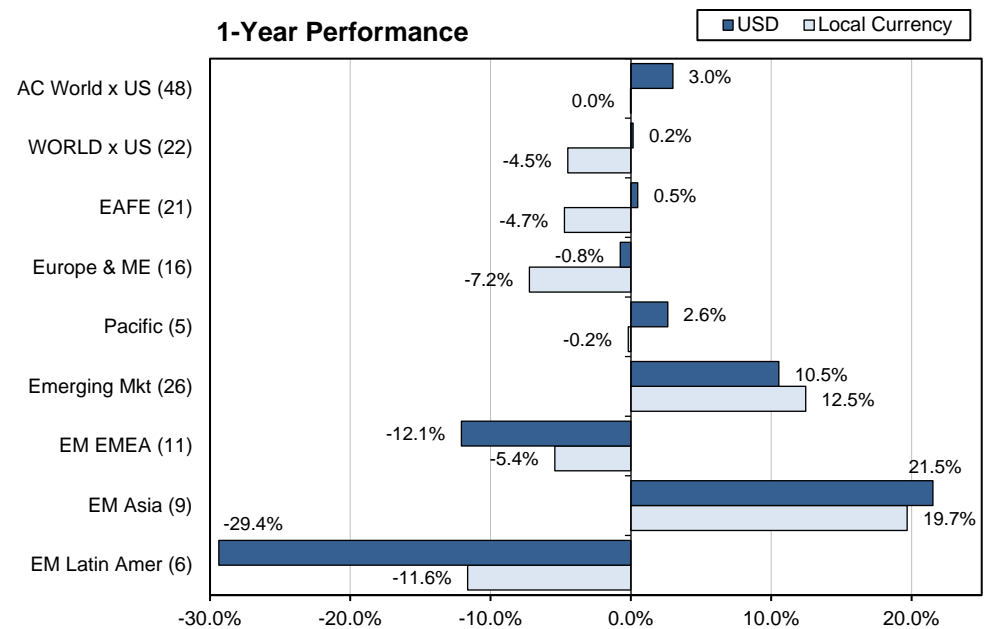
- Nearly all broad international equity indices posted positive returns in both USD and local currency terms for the 3rd quarter. Similar to US markets, international markets continued to benefit from sustained monetary and fiscal stimulus in addition to economic recovery following the onset of the pandemic. Importantly, US investors benefited from the foreign exchange element of investing internationally as the USD declined relative to most developed market currencies during the quarter.
- For the 3rd quarter, emerging markets outperformed developed markets by nearly 5%. The MSCI Emerging Markets Index gained 9.6% in USD and 8.7% in local currency terms for the period. Emerging markets were led higher by China (12.5% for the quarter) which showed signs of accelerating economic growth during the quarter and represents more than 10% of 26 country emerging market benchmark. Developed international markets also delivered solid returns during the period with the MSCI EAFE Index rising by 4.8% in USD and 1.2% in local currency returns.

**Quarter Performance**



- Trailing 1-year returns for international developed markets were mixed both in terms of USD and local currency returns. In contrast, emerging market returns were broadly positive during the period despite both EMEA and Latin America posting negative returns in both USD and local currency terms. For the year, the MSCI EAFE Index returned 0.5% in USD and -4.7% in local currency returns while the MSCI Emerging Markets Index returned 10.5% and 12.5%, respectively.
- During the trailing 1-year period, the USD weakened against most major international developed and emerging market currencies which positively contributed to returns in USD terms. Despite this, emerging markets in Latin America were adversely affected as a result of the decisions by Argentina and Ecuador to restructure their sovereign debt which resulted in local currency weakness and declining asset values.

**1-Year Performance**



Source: MSCI Global Index Monitor (Returns are Net)



**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of September 30, 2020

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.5%	4.1%	1.4%
Consumer Discretionary	11.9%	9.7%	3.4%
Consumer Staples	11.9%	4.5%	0.7%
Energy	2.8%	-13.4%	-42.7%
Financials	15.1%	-1.3%	-16.9%
Health Care	14.4%	2.9%	20.4%
Industrials	15.2%	10.3%	5.3%
Information Technology	8.6%	8.1%	23.7%
Materials	7.6%	10.8%	10.9%
Real Estate	3.1%	2.9%	-15.5%
Utilities	4.0%	3.0%	5.9%
<b>Total</b>	<b>100.0%</b>	<b>4.8%</b>	<b>0.5%</b>

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.5%	3.3%	11.8%
Consumer Discretionary	13.8%	16.5%	18.1%
Consumer Staples	9.7%	4.6%	0.2%
Energy	4.2%	-7.6%	-33.5%
Financials	16.9%	-0.2%	-17.2%
Health Care	10.5%	2.6%	22.2%
Industrials	11.7%	9.9%	4.5%
Information Technology	11.7%	13.4%	34.6%
Materials	7.9%	11.1%	12.0%
Real Estate	2.7%	2.3%	-14.1%
Utilities	3.4%	2.0%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>6.3%</b>	<b>3.0%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	12.7%	2.5%	25.4%
Consumer Discretionary	20.2%	26.8%	48.4%
Consumer Staples	6.1%	4.3%	-2.7%
Energy	5.4%	-0.5%	-19.2%
Financials	17.2%	-0.5%	-19.0%
Health Care	4.3%	1.9%	47.0%
Industrials	4.4%	2.9%	-6.7%
Information Technology	18.5%	20.5%	41.9%
Materials	6.9%	11.6%	8.0%
Real Estate	2.4%	0.9%	-7.8%
Utilities	2.0%	-4.4%	-18.4%
<b>Total</b>	<b>100.0%</b>	<b>9.6%</b>	<b>10.5%</b>

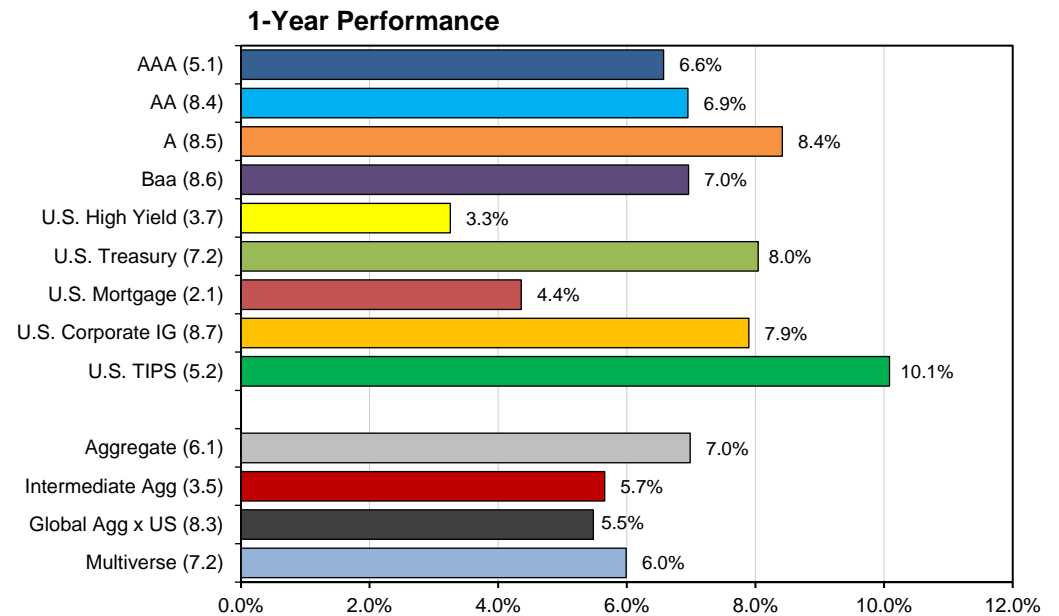
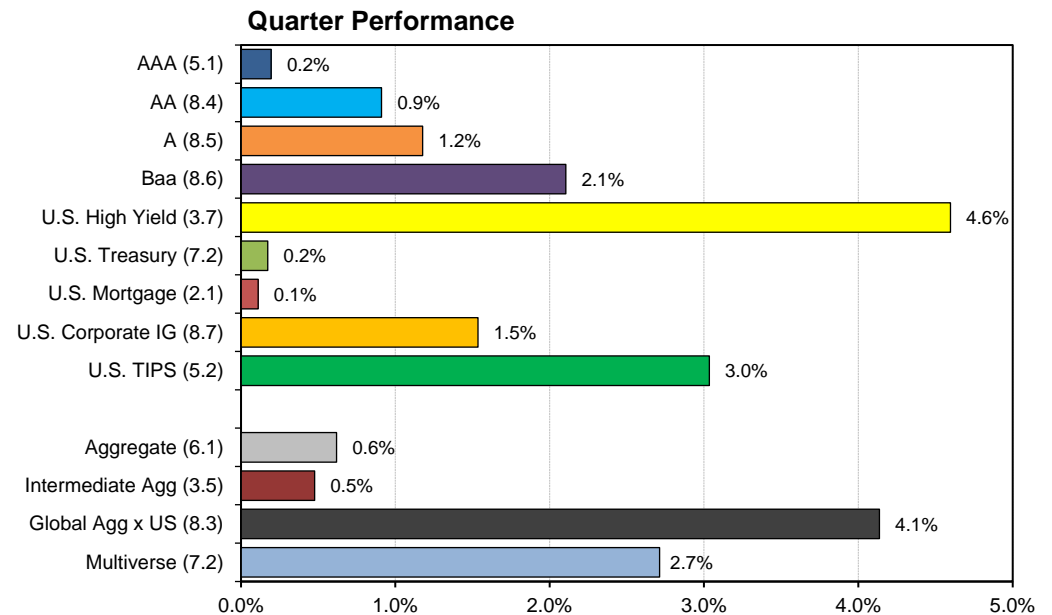
Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	25.8%	16.5%	6.9%	6.9%
United Kingdom	13.3%	8.5%	-0.2%	-15.8%
France	10.7%	6.8%	2.8%	-6.2%
Switzerland	10.4%	6.6%	5.1%	11.0%
Germany	9.6%	6.2%	8.3%	10.0%
Australia	6.6%	4.2%	2.8%	-7.7%
Netherlands	4.4%	2.8%	5.9%	12.6%
Sweden	3.3%	2.1%	14.6%	22.4%
Hong Kong	3.3%	2.1%	1.6%	-1.6%
Denmark	2.5%	1.6%	15.3%	42.5%
Spain	2.3%	1.4%	-3.8%	-21.0%
Italy	2.2%	1.4%	1.3%	-10.1%
Finland	1.1%	0.7%	11.9%	12.7%
Singapore	1.0%	0.7%	-1.0%	-16.4%
Belgium	1.0%	0.6%	2.0%	-23.2%
Ireland	0.7%	0.5%	14.5%	20.7%
Israel	0.6%	0.4%	-2.0%	3.5%
Norway	0.6%	0.4%	8.2%	-13.8%
New Zealand	0.3%	0.2%	-1.0%	24.4%
Portugal	0.2%	0.1%	-3.4%	2.3%
Austria	0.2%	0.1%	-4.8%	-29.1%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>63.8%</b>	<b>4.8%</b>	<b>0.5%</b>
Canada		6.5%	6.2%	-3.0%
<b>Total Developed Countries</b>		<b>70.3%</b>	<b>4.9%</b>	<b>0.2%</b>
China		12.5%	12.5%	33.6%
Taiwan		3.8%	16.5%	35.0%
Korea		3.6%	12.8%	18.6%
India		2.5%	15.0%	0.5%
Brazil		1.4%	-3.3%	-32.5%
South Africa		1.1%	3.7%	-11.1%
Russia		0.9%	-4.7%	-16.0%
Saudi Arabia		0.8%	9.3%	-2.9%
Thailand		0.5%	-14.1%	-30.2%
Malaysia		0.5%	2.6%	-2.9%
Mexico		0.5%	4.6%	-20.5%
Indonesia		0.4%	-6.9%	-25.4%
Qatar		0.2%	7.5%	-2.6%
Philippines		0.2%	-2.7%	-18.7%
Poland		0.2%	-0.9%	-20.9%
United Arab Emirates		0.2%	6.2%	-11.8%
Chile		0.2%	-4.2%	-33.0%
Turkey		0.1%	-15.7%	-30.0%
Peru		0.1%	3.5%	-22.2%
Hungary		0.1%	-8.9%	-22.5%
Colombia		0.1%	-1.3%	-37.6%
Argentina		0.0%	6.7%	7.3%
Greece		0.0%	3.3%	-29.3%
Czech Republic		0.0%	-6.2%	-22.1%
Egypt		0.0%	4.6%	-13.8%
Pakistan		0.0%	12.4%	-2.6%
<b>Total Emerging Countries</b>		<b>29.7%</b>	<b>9.6%</b>	<b>10.5%</b>
<b>Total ACWixUS Countries</b>		<b>100.0%</b>	<b>6.3%</b>	<b>3.0%</b>

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)  
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.





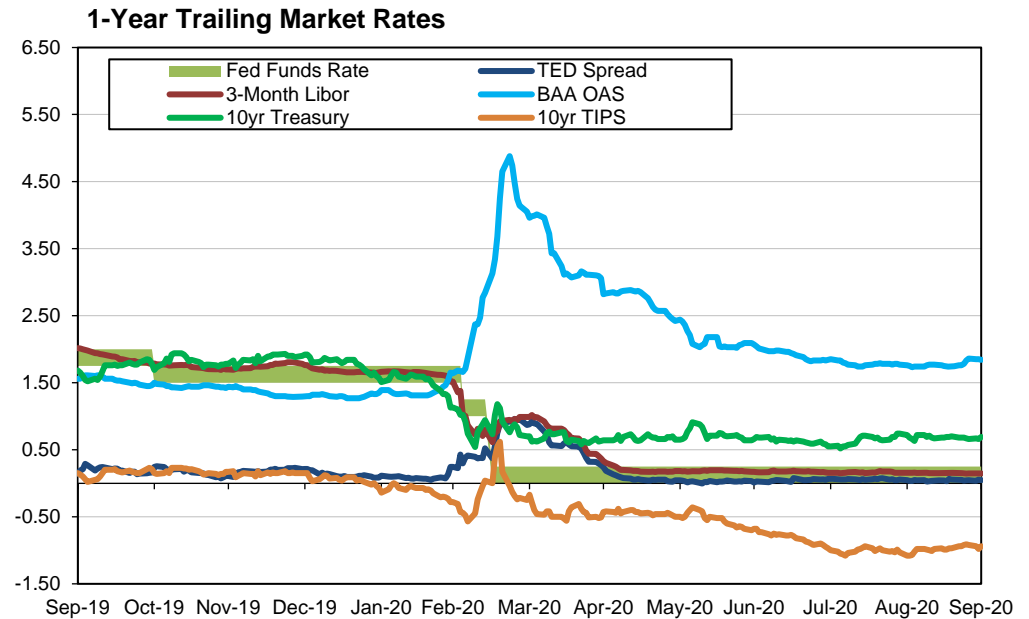
- During the 3rd quarter, each fixed income benchmark posted positive results and returns were led by lower quality high yield bonds, international bonds and TIPS. During the period, US interest rates were roughly unchanged as investors vacillated between concerns related to the pandemic and a positive outlook on future economic growth. Despite declining during the month of September, US high yield bonds delivered strong returns for the quarter with the Bloomberg Barclays (BB) US High Yield Index returning 4.6%. High quality global bonds outperformed US bonds during the period largely due to a declining USD.
- During the quarter, the broad Bloomberg Barclays (BB) US Aggregate Index returned 0.6%. The primary contributor of performance to the index during the period were US Corporate IG bonds which delivered 1.5%. Despite near-record issuance, investors continue to gravitate towards corporate credit for its higher return potential as US interest rates look to remain low for some time. US TIPS also performed well during the quarter with the BB US TIPS Index returning 3.0% as investors remained concerned about the potential for rising US inflation as a result of the fiscal and monetary stimulus provided to combat the pandemic.
- Over the trailing 1-year period, each of the domestic and international fixed income indices delivered positive absolute returns. Longer duration, higher quality investment grade bonds outperformed lower quality, shorter duration high yield bonds as global interest rates fell while investors looked for less volatile assets. US TIPS were the best performing bonds with the BB US TIPS Index returning 10.1% followed by US Treasury bonds which returned 8.0%. High Yield bonds performed worst, returning 3.3% during the period as they continued to recover from the spread-widening drawdown during the 1st quarter.
- For the full year, both domestic and global bonds performed well. The US BB Aggregate Bond Index returned 7.0% compared to 5.5% for the BB Global Aggregate ex-US Index. Despite lower interest rates in both Europe and Japan, global bonds delivered solid returns primarily due to a decline in the USD compared to most major developed currencies.



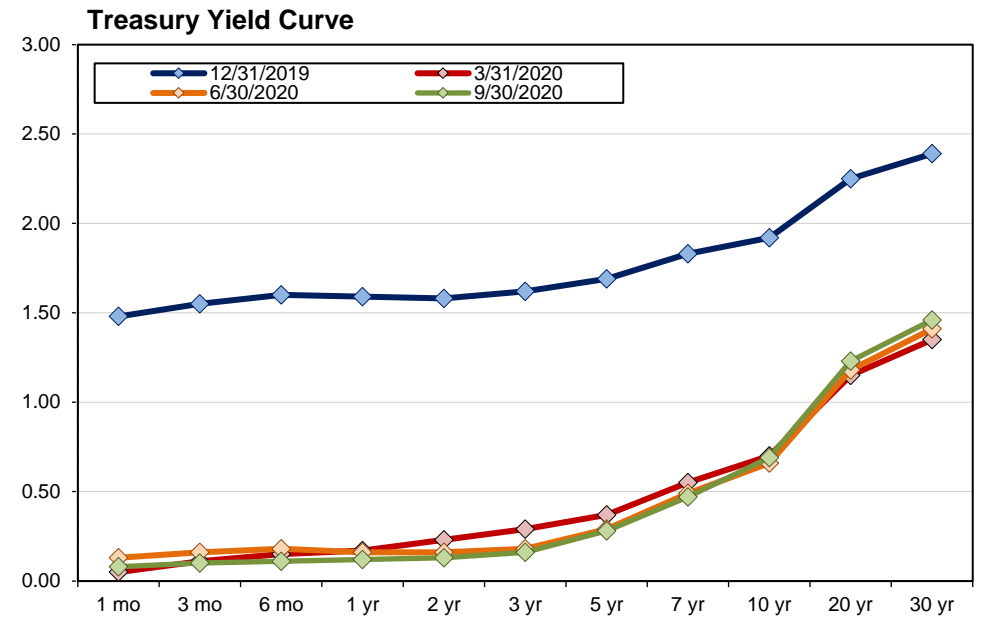
Source: Bloomberg



- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the yield graph to the right. The '1-Year Trailing Market Rates' chart illustrates that over the last year, the 10-year Treasury yield (green line) fell from yields of greater than 1.5%, to a low of roughly 0.5% before ending the quarter at roughly 0.7%. A decline in yields acts as a tailwind for bond performance. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury investment grade issues. This line illustrates the dramatic increase in credit spreads in early 2020 as investors required additional compensation to hold riskier credit assets following the onset of the pandemic. Since that time, spreads have steadily declined as markets have largely normalized following the aggressive actions taken by the Treasury and Fed. During the quarter, the BB US High Yield OAS spread fell by roughly 1.1% but is still wider than pre-pandemic levels. Similar to Treasury yield declines, spread tightening in corporate bonds is equivalent to an interest rate decrease, which causes bond prices to rise. The green band across the graph illustrates the Fed Funds Rate. Following the onset of the pandemic, the Fed began aggressively cutting interest rates during the 1st quarter to between 0.0% to 0.25%, where it has remained since then.



- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. US interest rates were broadly higher at the end of 2019. Following the onset of the pandemic, interest rates fell dramatically as the Fed took unprecedented action to stimulate the economy. While short-term interest rates have remained anchored near 0.0%, intermediate-term interest rates between 2-years and 7-years declined as concerns over future US economic growth increased. Additionally, the Fed has indicated that US interest rates will remain low for the foreseeable future in an effort to provide the market with liquidity. Longer-term US Treasury interest rates moved slightly higher during the most recent quarter as investors balanced the Fed's statements with the need to increase the amount of US Treasury bond issuance to fund both the annual budget deficit and additional stimulus.



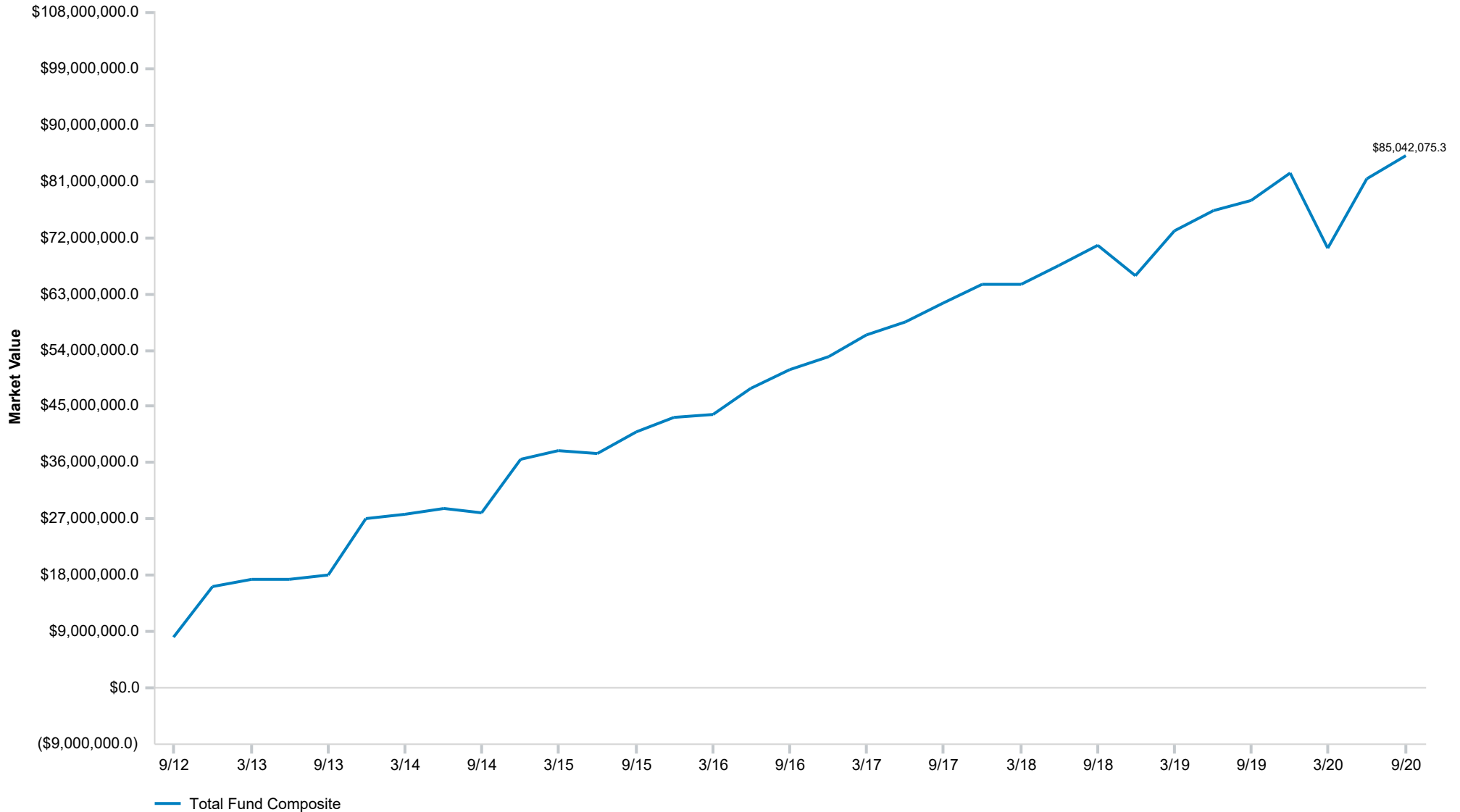
Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



3.2%



**Schedule of Investable Assets**



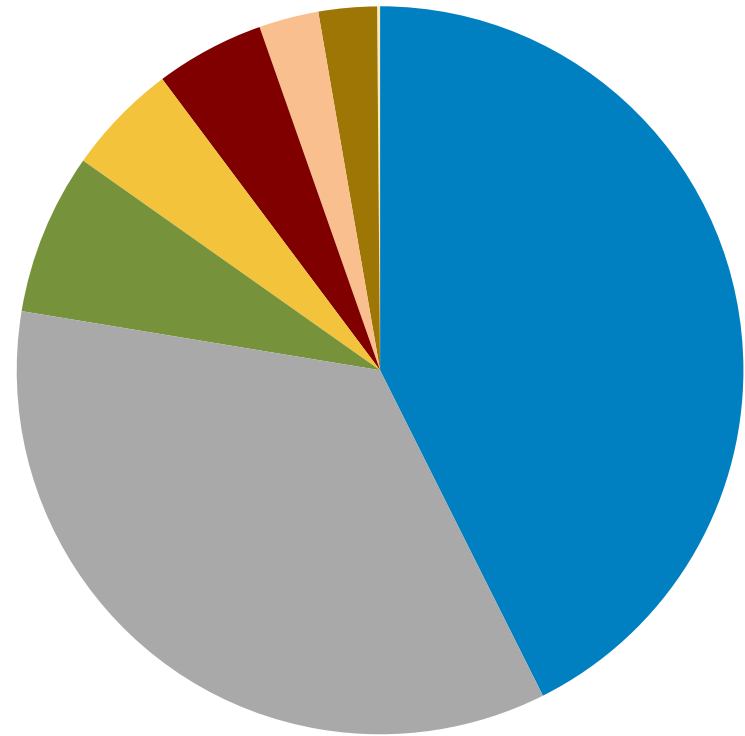
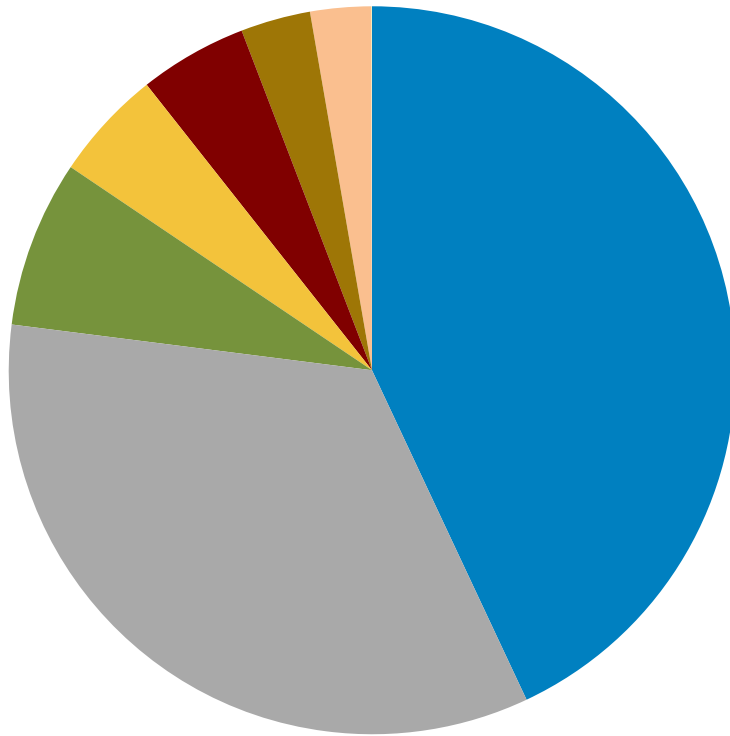
**Schedule of Investable Assets**

Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Gain/Loss \$	Ending Market Value \$	%Return
Oct-2012 To Sep-2020	8,192,495	55,301,568	21,548,012	85,042,075	6.40



June 30, 2020 : \$81,391,715

September 30, 2020 : \$85,042,075

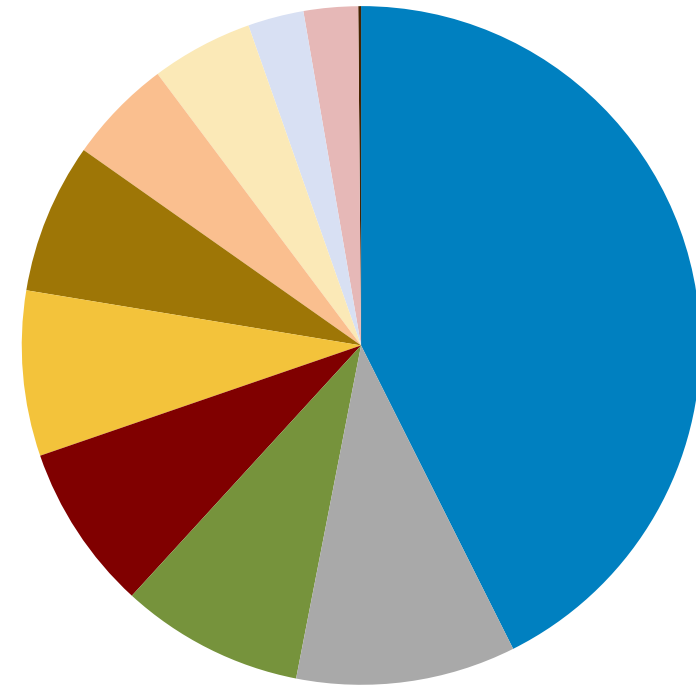
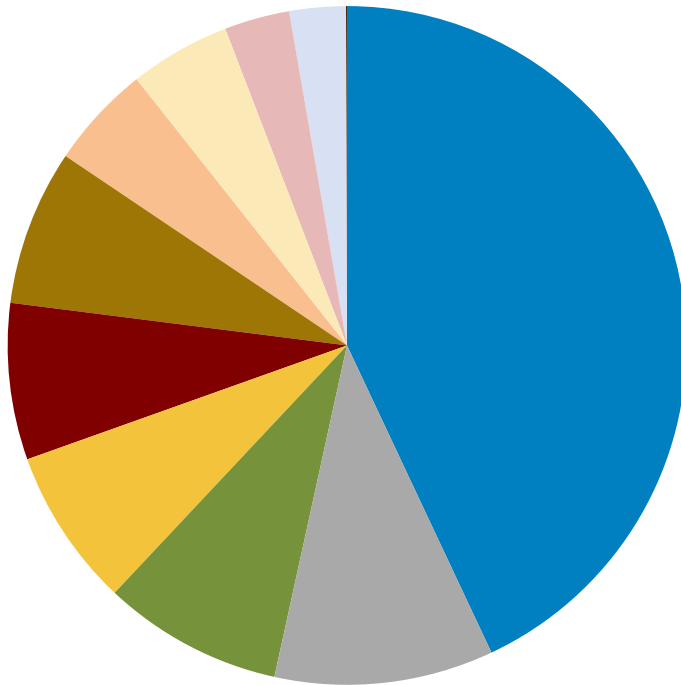


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Core Plus Fixed Income	35,002,749	43.0	Core Plus Fixed Income	36,232,444	42.6
Domestic Equity	27,677,587	34.0	Domestic Equity	29,760,660	35.0
International Equity	6,037,373	7.4	International Equity	6,097,568	7.2
High Yield Fixed Income	4,006,494	4.9	High Yield Fixed Income	4,244,781	5.0
Real Estate	3,910,114	4.8	Real Estate	4,125,436	4.9
MLPs	2,529,101	3.1	GTAA	2,264,633	2.7
GTAA	2,189,004	2.7	MLPs	2,201,811	2.6
Cash	39,291	0.0	Cash	114,743	0.1



June 30, 2020 : \$81,391,715

September 30, 2020 : \$85,042,075



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ MacKay Shields Core Plus	35,002,749	43.0	■ MacKay Shields Core Plus	36,232,444	42.6
■ Barrow Hanley MeWhinney & Strauss	8,490,138	10.4	■ Barrow Hanley MeWhinney & Strauss	8,900,958	10.5
■ Stephens Mid Cap Growth	6,973,302	8.6	■ Stephens Mid Cap Growth	7,428,036	8.7
■ Vanguard Index Fund Institutional (VINIX)	6,144,862	7.5	■ Fiduciary Management	6,739,785	7.9
■ Fiduciary Management	6,069,284	7.5	■ Vanguard Index Fund Institutional (VINIX)	6,691,881	7.9
■ Causeway International (CIVIX)	6,037,373	7.4	■ Causeway International (CIVIX)	6,097,568	7.2
■ Loomis Sayles High Yield (LSHIX)	4,006,494	4.9	■ Loomis Sayles High Yield (LSHIX)	4,244,781	5.0
■ Cohen & Steers (CSRIX)	3,910,114	4.8	■ Cohen & Steers (CSRIX)	4,125,436	4.9
■ Tortoise Capital Advisors MLP	2,529,101	3.1	■ BlackRock Multi-Asset Income (BKMIX)	2,264,633	2.7
■ BlackRock Multi-Asset Income (BKMIX)	2,189,004	2.7	■ Tortoise Capital Advisors MLP	2,201,811	2.6
■ Cash	39,291	0.0	■ Cash	114,743	0.1



**Asset Allocation & Performance**  
**Total Fund Composite (Gross of Fees)**  
As of September 30, 2020

Asset Allocation & Performance	Allocation		Performance(%)						
	Market Value \$	%	QTR	1 YR	3 YR	5 YR	7 YR	Inception	Inception Date
<b>Total Fund Composite (Gross of Fees)</b>	<b>85,042,075</b>	<b>100.0</b>	<b>3.29</b>	<b>3.19</b>	<b>4.24</b>	<b>6.46</b>	<b>5.55</b>	<b>6.40</b>	<b>10/01/2012</b>
Policy Index			1.60	0.87	3.85	5.95	5.30	6.13	
OPEB Actuarial Assumption			1.54	6.45	6.59	6.72	6.80	6.85	
<b>Total Fund Composite (Net of Fees)</b>			<b>3.21</b>	<b>2.82</b>	<b>3.86</b>	<b>6.06</b>	<b>5.08</b>	<b>5.90</b>	
Fiduciary Management	6,739,785	7.9	7.93	1.60	7.15	10.41	9.81	11.08	10/01/2012
Russell 1000 Value Index			5.59	-5.03	2.63	7.66	7.35	9.12	
S&P 500 Index			8.93	15.15	12.28	14.15	12.68	13.49	
Vanguard Index Fund Institutional (VINIX)	6,691,881	7.9	8.92	15.13	12.25	N/A	N/A	12.77	05/01/2017
S&P 500 Index			8.93	15.15	12.28	14.15	12.68	12.80	
Stephens Mid Cap Growth	7,428,036	8.7	6.73	27.61	19.66	18.53	14.06	16.20	01/01/2013
Russell Midcap Growth Index			9.37	23.23	16.23	15.53	13.25	15.21	
Barrow Hanley MeWhinney & Strauss	8,900,958	10.5	5.03	3.72	0.03	8.12	6.82	10.41	10/01/2012
Russell 2000 Value Index			2.56	-14.88	-5.13	4.11	3.27	5.98	
Causeway International (CIVIX)	6,097,568	7.2	1.02	-7.83	-5.25	1.24	0.00	0.00	10/01/2013
MSCI EAFE (Net) Index			4.80	0.49	0.62	5.26	3.01	3.01	
MSCI EAFE Value Index (Net)			1.19	-11.93	-5.86	1.14	-0.33	-0.33	
Cohen & Steers (CSRIX)	4,125,436	4.9	2.94	-10.03	5.65	7.03	8.62	8.23	01/01/2013
FTSE NAREIT All Equity REITs			1.19	-12.15	3.54	6.61	7.70	7.34	
Tortoise Capital Advisors MLP	2,201,811	2.6	-12.76	-40.42	-18.07	-9.96	-8.95	-5.47	10/01/2012
Alerian MLP Index			-16.26	-48.35	-20.75	-11.58	-11.86	-8.68	
BlackRock Multi-Asset Income (BKMIX)	2,264,633	2.7	3.45	N/A	N/A	N/A	N/A	13.18	04/01/2020
50% S&P 500/50% Barclays Agg			4.81	11.70	9.15	9.38	8.51	16.91	
MacKay Shields Core Plus	36,232,444	42.6	1.66	8.28	5.86	5.04	N/A	4.23	07/01/2014
Blmbg. Barc. U.S. Aggregate Index			0.62	6.98	5.24	4.18	3.97	3.84	
Loomis Sayles High Yield (LSHIX)	4,244,781	5.0	5.97	-1.01	1.24	4.98	3.80	4.74	01/01/2013
ICE BofAML High Yield Master II			4.71	2.30	3.83	6.61	5.18	5.17	
Cash	114,743	0.1							

Total Fund Composite (Gross of Fees) includes net performance for mutual funds within the portfolio: Vanguard Index Institutional (VINIX), Causeway International (CIVIX), Cohen & Steers (CSRIX), and Loomis Sayles High Yield (LSHIX). Gross of fees performance would be approximately 0.14% higher on an annual basis if these fees were included.



**Asset Allocation & Performance**  
**Total Fund Composite (Gross of Fees)**  
As of September 30, 2020

Asset Allocation & Performance	Allocation		Performance(%)					
	Market Value \$	%	YTD	2019	2018	2017	2016	2015
<b>Total Fund Composite (Gross of Fees)</b>	<b>85,042,075</b>	<b>100.0</b>	<b>-0.81</b>	<b>17.38</b>	<b>-5.28</b>	<b>10.92</b>	<b>10.54</b>	<b>-2.43</b>
Policy Index			-2.35	17.62	-4.68	9.35	9.47	-2.53
OPEB Actuarial Assumption			4.79	6.50	6.75	6.75	7.00	7.00
Fiduciary Management	6,739,785	7.9	-4.02	24.39	-2.89	18.86	14.92	-1.93
Russell 1000 Value Index			-11.58	26.54	-8.27	13.66	17.34	-3.83
S&P 500 Index			5.57	31.49	-4.38	21.83	11.96	1.38
Vanguard Index Fund Institutional (VINIX)	6,691,881	7.9	5.57	31.46	-4.42	N/A	N/A	N/A
S&P 500 Index			5.57	31.49	-4.38	21.83	11.96	1.38
Stephens Mid Cap Growth	7,428,036	8.7	17.62	32.97	3.31	29.36	7.86	-0.28
Russell Midcap Growth Index			13.92	35.47	-4.75	25.27	7.33	-0.20
Barrow Hanley MeWhinney & Strauss	8,900,958	10.5	-7.90	26.81	-17.80	18.51	27.59	-6.22
Russell 2000 Value Index			-21.54	22.39	-12.86	7.84	31.74	-7.47
Causeway International (CIVIX)	6,097,568	7.2	-17.22	20.10	-18.62	27.18	0.48	-3.12
MSCI EAFE (Net) Index			-7.09	22.01	-13.79	25.03	1.00	-0.81
MSCI EAFE Value Index (Net)			-18.31	16.09	-14.78	21.44	5.02	-5.68
Cohen & Steers (CSRIX)	4,125,436	4.9	-10.37	33.01	-3.99	7.43	5.89	5.23
FTSE NAREIT All Equity REITs			-12.27	28.66	-4.04	8.67	8.63	2.83
Tortoise Capital Advisors MLP	2,201,811	2.6	-39.96	9.21	-15.76	-6.15	21.44	-32.54
Alerian MLP Index			-46.16	6.56	-12.42	-6.52	18.31	-32.59
BlackRock Multi-Asset Income (BKMIX)	2,264,633	2.7	N/A	N/A	N/A	N/A	N/A	N/A
50% S&P 500/50% Barclays Agg			6.83	19.89	-1.90	12.37	7.38	1.21
MackKay Shields Core Plus	36,232,444	42.6	8.02	9.48	-0.32	4.75	3.99	-0.08
Blmbg. Barc. U.S. Aggregate Index			6.79	8.72	0.01	3.54	2.65	0.55
Loomis Sayles High Yield (LSHIX)	4,244,781	5.0	-4.05	10.51	-3.54	8.42	18.92	-10.27
ICE BofAML High Yield Master II			-0.30	14.41	-2.27	7.48	17.49	-4.64
Cash	114,743	0.1						

Total Fund Composite (Gross of Fees) includes net performance for mutual funds within the portfolio: Vanguard Index Institutional (VINIX), Causeway International (CIVIX), Cohen & Steers (CSRIX), and Loomis Sayles High Yield (LSHIX). Gross of fees performance would be approximately 0.14% higher on an annual basis if these fees were included.





Fiduciary's objective is to buy durable business at value prices in order to achieve top in class investment results over a three to five year time horizon. Fiduciary considers themselves long-term investors, not traders. They will typically hold between 20-30 companies in their portfolio with an average turnover of 35%. The research process is geared toward finding six new investment ideas for the portfolio in a given year. All investment ideas are generated by a research team consisting of six individuals, rather than relying on the portfolio manager. As of September 30, 2020, Fiduciary had a market value of \$6,739,785.

Fiduciary Management		Russell 1000 Value Index	
	Weight %		Weight %
Berkshire Hathaway Inc	6.5	Berkshire Hathaway Inc	2.7
Masco Corp	5.2	Johnson & Johnson	2.3
Dollar General Corporation	5.0	JPMorgan Chase & Co	2.0
Quest Diagnostics Inc	4.5	Verizon Communications Inc	1.7
The Unilever Group	4.1	Walt Disney Co (The)	1.5
Booking Holdings Inc	3.8	Intel Corp	1.5
Comcast Corp	3.8	Comcast Corp	1.4
Dollar Tree Inc	3.8	Pfizer Inc	1.4
Unitedhealth Group Inc	3.7	AT&T Inc	1.4
Sony Corp	3.6	Walmart Inc	1.3

## Equity Assets Exposures by Sector

	Fiduciary Management	Russell 1000 Value Index
Cash	4.58	0.00
Communication Services	5.85	9.60
Consumer Discretionary	19.11	7.59
Consumer Staples	9.73	8.37
Energy	1.15	3.99
Financials	20.21	18.12
Health Care	13.80	14.33
Industrials	20.67	13.06
Information Technology	2.19	9.66
Materials	2.70	4.75
Real Estate	0.00	4.57
Utilities	0.00	5.95

## Equity Characteristics

	Fiduciary Management	Russell 1000 Value Index
Wtd. Avg. Mkt. Cap (\$)	126,332,327,555	121,949,919,206
Price/Earnings ratio	21.2	20.0
Price/Book ratio	3.2	2.6
Current Yield	1.6	2.5
Number of Stocks	31	850



**Fund Information**

Fund Name :	Vanguard Institutional Index Fund: Vanguard Institutional Index Fund; Institutional Shares	Portfolio Assets :	\$249,517 Million
Fund Family :	Vanguard Group Inc	Portfolio Manager :	Butler/Louie
Ticker :	VINIX	PM Tenure :	2000--2017
Inception Date :	07/31/1990	Fund Style :	IM S&P 500 Index (MF)
Fund Assets :	\$116,844 Million	Style Benchmark :	S&P 500 Index
Portfolio Turnover :	4%		

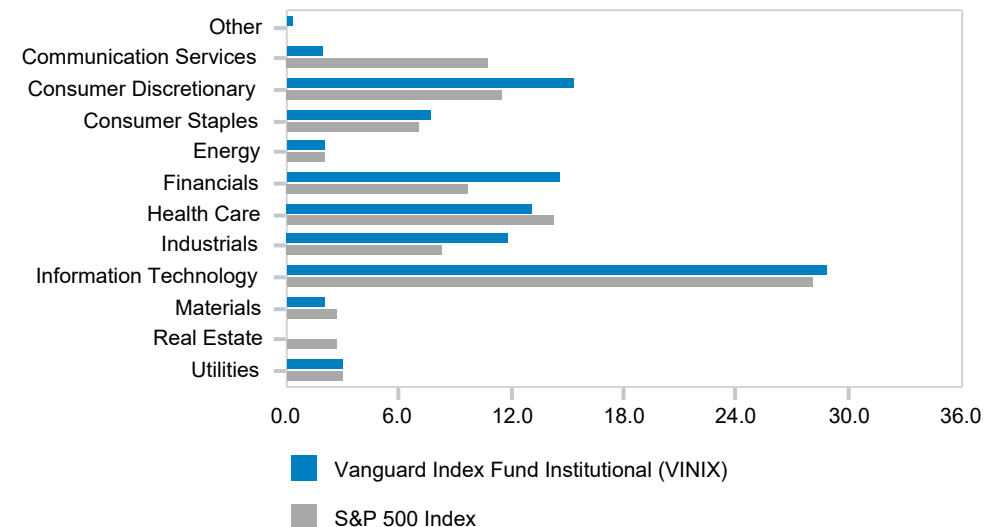
**Portfolio Characteristics As of 09/30/2020**

	Portfolio	Benchmark
Total Securities	510	505
Avg. Market Cap (\$)	443,562,756,914	23,149,993,250
Price/Earnings (P/E)	34.11	26.76
Price/Book (P/B)	10.35	4.52
Dividend Yield	2.27	1.70
Annual EPS	11.83	9.07
5 Yr EPS	15.13	12.88
3 Yr EPS Growth	18.52	N/A
Beta (3 Years, Monthly)	1.00	1.00

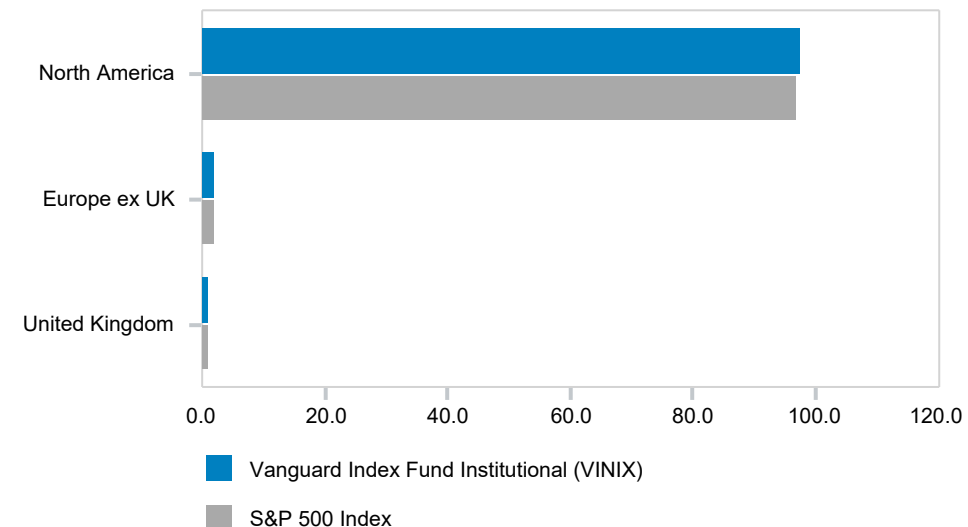
**Top Ten Securities As of 09/30/2020**

Apple Inc ORD	6.7 %
Microsoft Corp ORD	5.8 %
Amazon.com Inc ORD	4.9 %
Facebook Inc ORD	2.3 %
Alphabet Inc ORD 1	1.6 %
Alphabet Inc ORD 2	1.6 %
Berkshire Hathaway Inc ORD	1.5 %
Johnson & Johnson ORD	1.4 %
Procter & Gamble Co ORD	1.3 %
Visa Inc ORD	1.2 %

**Sector Weights As of 09/30/2020**



**Region Weights As of 09/30/2020**



Statistics provided by Lipper. Most recent available data shown.



The Stephens Mid Cap Growth portfolio is a diversified portfolio that seeks long term growth of capital by investing primarily in common stock of U.S. companies with market capitalizations of between \$1.5 billion to \$12.5 billion. They select mid cap growth companies that are established growth companies that have achieved above average growth. The combination of core growth and catalyst growth stocks positions the portfolio for varying market conditions. As of September 30, 2020, Stephens had a market value of \$7,428,036.

Stephens Mid Cap Growth		Russell Midcap Growth Index	
	Weight %		Weight %
Cadence Design Systems Inc	2.3	DocuSign Inc.	1.4
IDEXX Laboratories Inc	2.3	Veeva Systems Inc	1.3
DexCom Inc	2.2	lululemon athletica inc	1.3
MercadoLibre Inc	2.1	Chipotle Mexican Grill Inc	1.2
Spotify Technology S.A	2.0	O'Reilly Automotive Inc	1.2
MarketAxess Holdings Inc	2.0	CoStar Group Inc	1.2
DocuSign Inc.	2.0	IDEXX Laboratories Inc	1.2
Verisk Analytics Inc	1.9	Spotify Technology S.A	1.1
Shopify Inc	1.8	KLA Corp	1.1
Copart Inc	1.8	Splunk Inc	1.1

## Equity Assets Exposures by Sector

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Cash	0.10	0.00
Communication Services	10.01	5.64
Consumer Discretionary	13.34	11.26
Consumer Staples	2.42	4.21
Energy	0.99	0.39
Financials	5.59	3.52
Health Care	22.39	22.98
Industrials	12.74	12.11
Information Technology	32.42	36.27
Materials	0.00	2.18
Real Estate	0.00	1.35
Utilities	0.00	0.09

## Equity Characteristics

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Wtd. Avg. Mkt. Cap (\$)	26,641,023,155	19,991,067,436
Price/Earnings ratio	41.1	36.3
Price/Book ratio	6.5	9.7
Current Yield	0.3	0.5
Number of Stocks	92	341

The strategy is designed to exploit inefficiencies in the small cap sector of the market by carefully employing high value-added proprietary research in a universe of small capitalization, low-expectation stocks. This process is directed toward the discovery of companies in which the value of the underlying business is significantly greater than the market price. The portfolio's goal is to consistently generate superior returns while assuming below average levels of risk. As of September 30, 2020, Barrow, Hanley, MeWhinney & Strauss had a market value of \$8,900,958.

Barrow Hanley MeWhinney & Strauss		Russell 2000 Value Index	
	Weight %		Weight %
WillScot Mobile Mini Holdings Corp	3.8	Darling Ingredients Inc	0.7
Adient Plc	3.8	Penn National Gaming Inc	0.6
MGIC Investment Corp	3.7	Novavax Inc	0.5
Brooks Automation Inc	3.6	Performance Food Group Co	0.5
Greenbrier Cos Inc (The)	3.5	STAG Industrial Inc	0.5
PRA Group Inc	3.4	Essent Group Ltd	0.5
Colfax Corp	3.3	Healthcare Realty Trust Inc	0.5
Texas Capital Bancshares Inc	3.3	Arena Pharmaceuticals Inc	0.4
II VI Inc	3.2	Meritage Homes Corp	0.4
Darling Ingredients Inc	3.1	Physicians Realty Trust	0.4

## Equity Assets Exposures by Sector

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Cash	2.95	0.00
Communication Services	0.00	2.36
Consumer Discretionary	10.29	13.29
Consumer Staples	5.21	3.66
Energy	0.00	3.92
Financials	18.51	26.59
Health Care	3.15	6.89
Industrials	33.35	16.83
Information Technology	22.42	6.00
Materials	4.12	5.62
Real Estate	0.00	9.86
Utilities	0.00	4.99

## Equity Characteristics

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Wtd. Avg. Mkt. Cap (\$)	2,561,765,935	1,909,028,391
Price/Earnings ratio	18.0	13.3
Price/Book ratio	2.1	1.7
Current Yield	1.1	2.2
Number of Stocks	40	1,459

**Fund Information**

Fund Name : Causeway Capital Management Trust: Causeway International Value Fund; Institutional Class Shares  
 Fund Family : Causeway Capital Management LLC  
 Ticker : CIVIX  
 Inception Date : 10/26/2001  
 Fund Assets : \$4,533 Million  
 Portfolio Turnover : 36%

Portfolio Assets : \$4,848 Million  
 Portfolio Manager : Team Managed  
 PM Tenure :  
 Fund Style : IM International Large Cap Core Equity (MF)  
 Style Benchmark : MSCI EAFE (Net) Index

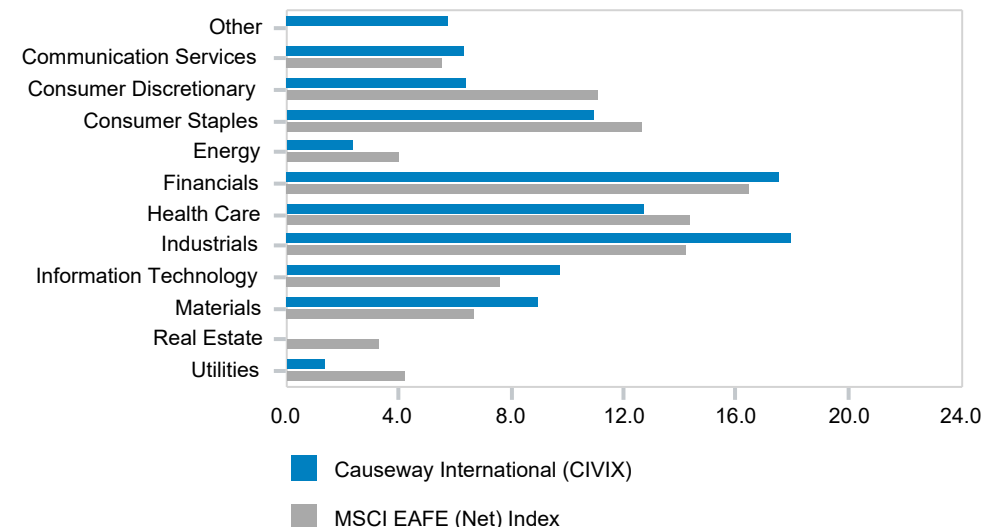
**Portfolio Characteristics As of 03/31/2020**

	Portfolio	Benchmark
Total Securities	73	918
Avg. Market Cap (\$)	61,606,709,210	8,404,244,722
Price/Earnings (P/E)	19.62	13.56
Price/Book (P/B)	1.96	2.54
Dividend Yield	5.32	4.10
Annual EPS	-6.11	146.66
5 Yr EPS	0.25	5.53
3 Yr EPS Growth	6.85	N/A
Beta (5 Years, Monthly)	1.17	1.00

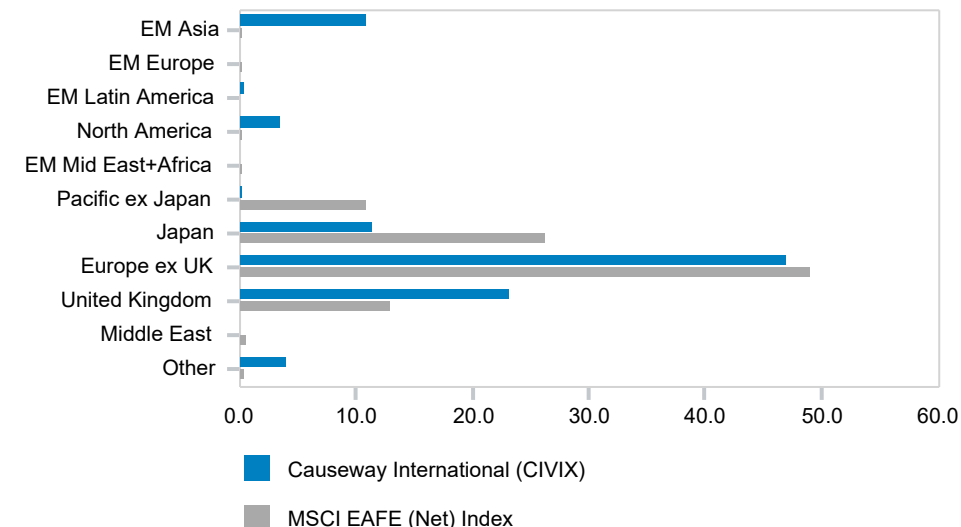
**Top Ten Securities As of 03/31/2020**

Volkswagen AG PFD	3.9 %
BASF SE ORD	3.6 %
Invesco Government & Agency Portfolio;In	3.5 %
Takeda Pharmaceutical Co Ltd ORD	3.4 %
Novartis AG ORD	3.3 %
Fanuc Corp ORD	3.2 %
Abb Ltd ORD	3.2 %
UniCredit SpA ORD	3.1 %
Samsung Electronics Co Ltd ORD	3.0 %
British American Tobacco PLC ORD	2.9 %

**Sector Weights As of 03/31/2020**



**Region Weights As of 03/31/2020**



Statistics provided by Lipper. Most recent available data shown.



**Fund Information**

Fund Name : Cohen & Steers Institutional Realty Shares, Inc  
 Fund Family : Cohen & Steers Capital Management Inc  
 Ticker : CSRIX  
 Inception Date : 02/14/2000  
 Fund Assets : \$3,637 Million  
 Portfolio Turnover : 82%

Portfolio Assets : \$3,637 Million  
 Portfolio Manager : Cheigh/Bohjalian/Yablon  
 PM Tenure : 2007--2012--2013  
 Fund Style : IM Real Estate Sector (MF)  
 Style Benchmark : FTSE NAREIT All Equity REITs

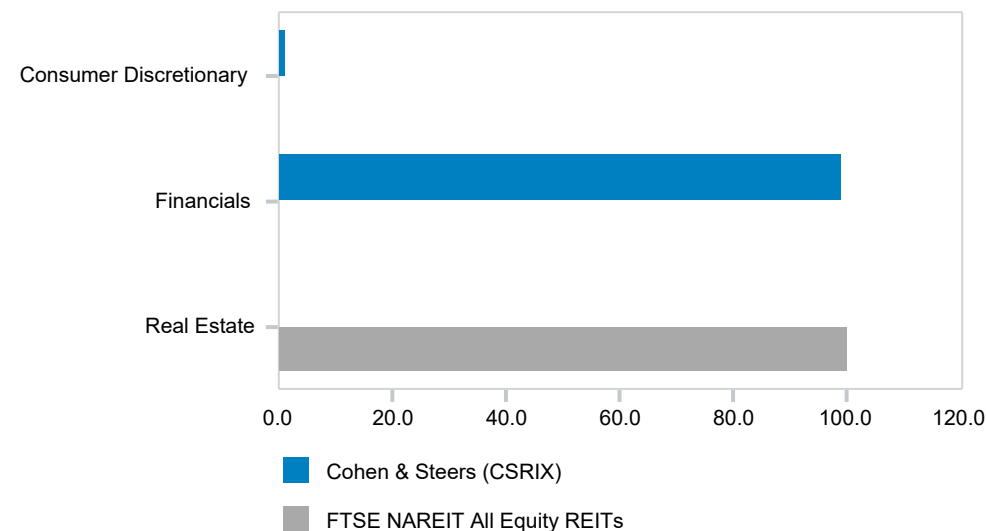
**Portfolio Characteristics As of 03/31/2020**

	Portfolio	Benchmark
Total Securities	44	1
Avg. Market Cap (\$)	30,437,689,907	-
Price/Earnings (P/E)	40.34	N/A
Price/Book (P/B)	5.08	N/A
Dividend Yield	4.68	N/A
Annual EPS	16.16	N/A
5 Yr EPS	17.48	N/A
3 Yr EPS Growth	14.54	N/A
Beta (5 Years, Monthly)	0.97	1.00

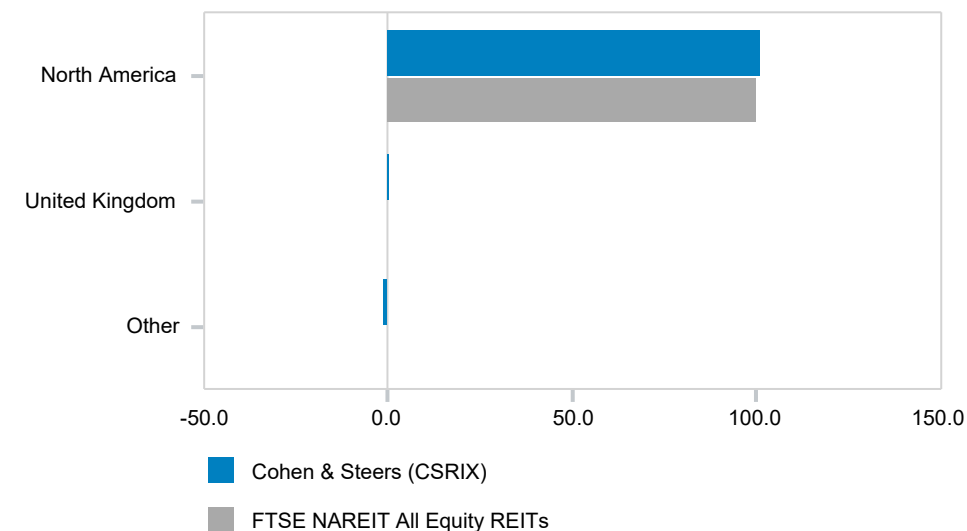
**Top Ten Securities As of 03/31/2020**

American Tower Corp ORD	11.7 %
Equinix Inc ORD	8.5 %
Public Storage ORD	5.8 %
Welltower Inc ORD	5.6 %
UDR Inc ORD	5.5 %
Duke Realty Corp ORD	4.7 %
SBA Communications Corp ORD	4.3 %
Extra Space Storage Inc ORD	3.9 %
Essex Property Trust Inc ORD	3.8 %
Prologis Inc ORD	3.3 %

**Sector Weights As of 03/31/2020**



**Region Weights As of 03/31/2020**



Statistics provided by Lipper. Most recent available data shown.



The Tortoise Capital Advisors, formerly ARI, Master Limited Partnerships (MLPs) strategy is a diversified portfolio consisting primarily of publicly traded partnerships focused in the natural resources and energy infrastructure industries. The objective is to provide high levels of total returns and a growing cash yield. It offers low correlation to the broader equity market over the long-term. As of September 30, 2020, Tortoise Capital Advisors had a market value of \$2,201,811.

Tortoise Capital Advisors MLP		Alerian MLP	
	Weight %		Weight %
Enterprise Products Partners LP	10.2	Enterprise Products Partners LP	15.9
MPLX LP	10.0	Magellan Midstream Partners LP	15.7
Magellan Midstream Partners LP	9.6	MPLX LP	12.5
Plains All American Pipeline LP	7.6	Energy Transfer LP	10.2
Williams Cos Inc. (The)	7.5	Plains All American Pipeline LP	7.2
DCP Midstream LP	6.1	Western Midstream Partners LP	4.4
Energy Transfer LP	5.9	TC PipeLines LP	3.8
NextEra Energy Partners LP	4.8	Cheniere Energy Partners LP	3.8
Cheniere Energy Partners LP	4.2	Phillips 66 Partners LP	3.5
NuStar Energy LP	4.1	Shell Midstream Partners LP	3.2

## Equity Assets Exposures by Sector

	Tortoise Capital Advisors MLP	Alerian MLP
Cash	3.93	0.00
Energy	91.27	100.00
Utilities	4.79	0.00

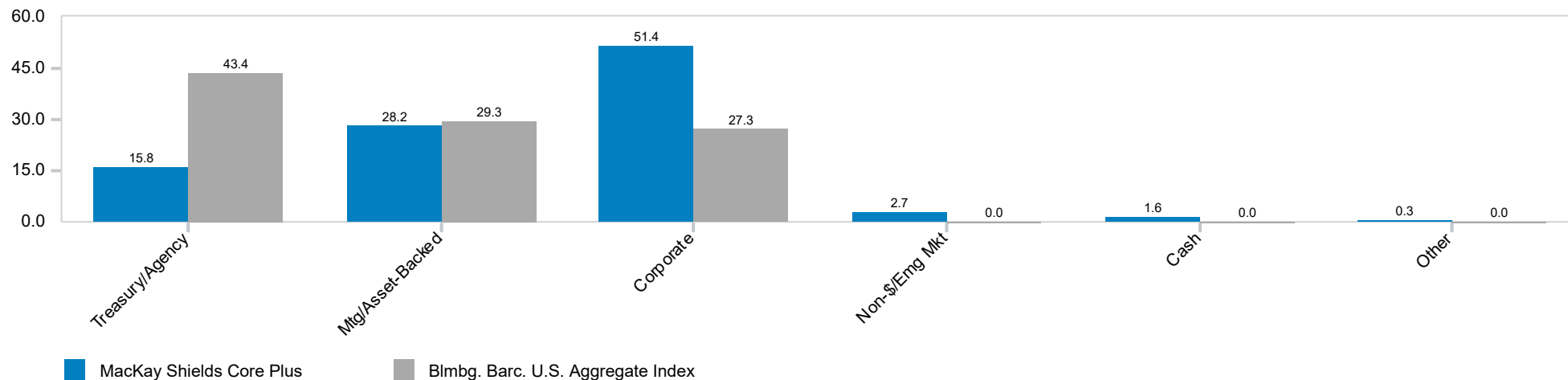
## Equity Characteristics

	Tortoise Capital Advisors MLP	Alerian MLP
Wtd. Avg. Mkt. Cap (\$)	10,756,811,451	11,820,579,522
Price/Earnings ratio	9.5	7.7
Price/Book ratio	1.9	1.9
Current Yield	12.9	14.6
Number of Stocks	20	35

MacKay Shields Core Plus seeks to outperform the benchmark by eliminating or reducing uncompensated risk while opportunistically allocating investments across a range of core and off-benchmark sectors. The fund typically invests in the same sectors represented by the Barclays U.S. Aggregate Bond Index, as well as high yield, emerging market debt, and non-US Dollar exposure. Their philosophy is centered on their pursuit of consistent, superior rates of return with low volatility. Their goal for the product is to provide enhanced returns over a full market cycle with lower-than market risk. As of September 30, 2020,

MacKay Shields had a market value of \$36,232,444.

**Sector Distribution (%)**



**Portfolio Characteristics**

	Portfolio	Benchmark
Avg. Maturity	8.01	8.25
Avg. Quality	A+	AA1/AA2
Coupon Rate (%)	3.31	2.90
Modified Duration	6.14	6.03
Yield To Maturity (%)	1.82	1.19
Holdings Count	235	N/A





**Fund Information**

Fund Name :	Loomis Sayles Funds I: Loomis Sayles Institutional High Income Fund; Institutional Class	Portfolio Assets :	\$517 Million
Fund Family :	Loomis Sayles & Company LP	Portfolio Manager :	Fuss/Eagan/Stokes
Ticker :	LSHIX	PM Tenure :	1996--2007--2007
Inception Date :	06/05/1996	Fund Style :	IM U.S. High Yield Bonds (MF)
Fund Assets :	\$517 Million	Style Benchmark :	FTSE High Yield Market Index
Portfolio Turnover :	23%		

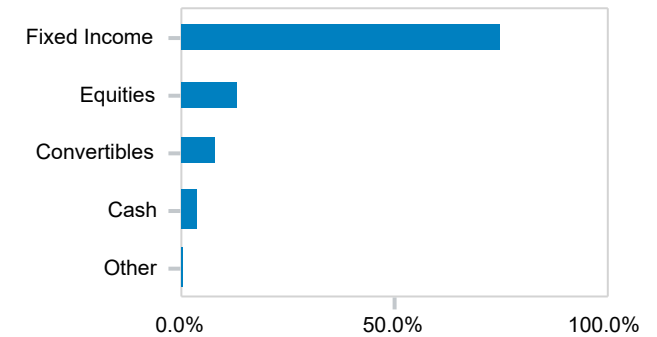
**Fund Characteristics As of 06/30/2020**

Avg. Coupon	4.45 %
Nominal Maturity	N/A
Effective Maturity	6.95 Years
Duration	4.97 Years
SEC 30 Day Yield	5.5
Avg. Credit Quality	BBB

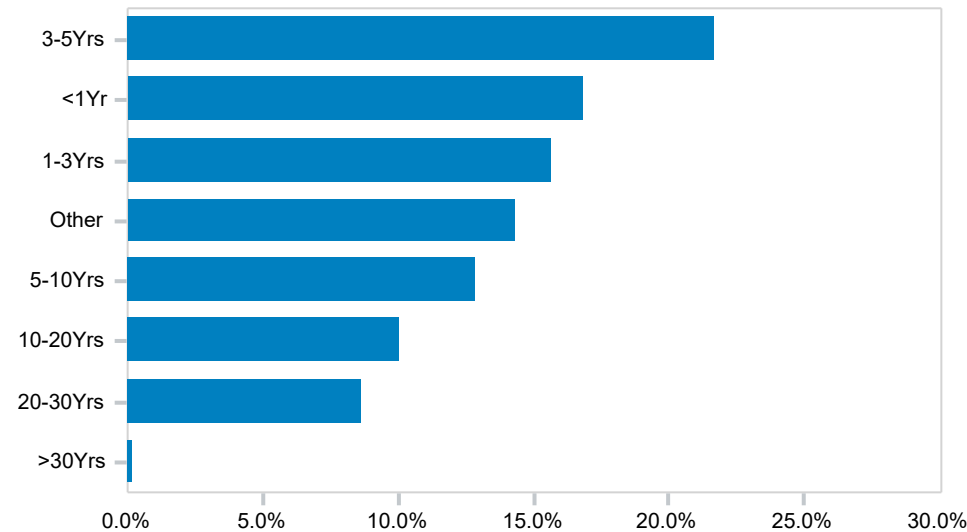
**Top Ten Securities As of 06/30/2020**

Corporate Notes/Bonds	58.4 %
Treasury Notes/Bonds	13.8 %
Common Stock	13.2 %
Convertible Securities	7.9 %
Fgn. Currency Denominated Bonds	3.2 %
Preferred Stock-Non Convertible	0.1 %

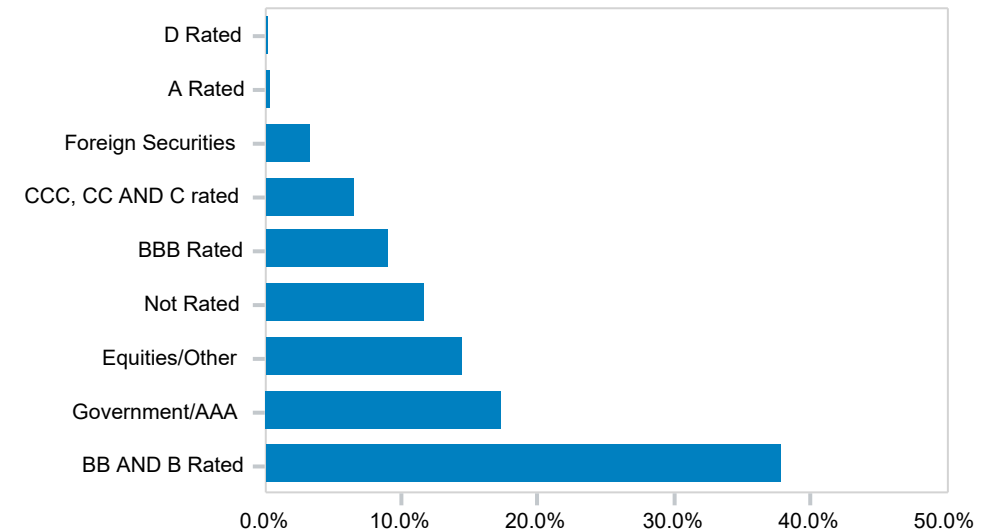
**Asset Allocation As of 06/30/2020**



**Maturity Distribution As of 06/30/2020**



**Sector/Quality Allocation As of 06/30/2020**



Statistics provided by Lipper. Most recent available data shown.



**Port of Houston OPEB  
Manager Status Summary  
As of September 30, 2020**

Manager	Mandate	Status	Notes
Fiduciary Management	Large Cap Value Equity	In Compliance	
Vanguard Index Fund (VINIX)	Large Cap Core Equity	In Compliance	
Stephens Mid Cap Growth	Mid Cap Growth Equity	In Compliance	
Barrow Hanley MeWhinney & Strauss	Small Cap Value Equity	In Compliance	
Causeway International (CIVIX)	International Equity	In Compliance	
Cohen & Steers (CSRIX)	Real Estate and Investment Trust	In Compliance	
Tortoise Capital Advisors MLP	Master Limited Partnership	In Compliance	
BlackRock Multi-Asset (BKMIX)	GTAA	In Compliance	
Mackay Shields Core Plus	Core Plus Fixed Income	In Compliance	
Loomis Sayles High Yield (LSHIX)	High Yield Fixed Income	In Compliance	

**In Compliance-** The portfolio is acting in full compliance with its guidelines and it is performing according to expectations.

**On Alert-** Concerns exist with the portfolio's performance, a change in investment characteristics, management style, ownership structure, staff or other related events.

**On Notice-** A continued and serious problem with any of the issues mentioned above. If the situation is not resolved to the Trustee's satisfaction, a replacement will be replaced and hired.



**Port of Houston Authority**  
**OPEB Fee Analysis**  
As of September 30, 2020

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
<b>Total Fund Composite</b>	<b>0.48</b>	<b>85,042,075</b>	<b>408,637</b>	
Equity Composite	0.57	42,185,475	240,730	
Domestic Equity	0.48	29,760,660	141,446	
Fiduciary Management	0.55	6,739,785	37,069	0.55 % of Assets
Vanguard Index Fund Institutional (VINIX)	0.04	6,691,881	2,677	0.04 % of Assets
Stephens Mid Cap Growth	0.77	7,428,036	57,196	0.77 % of Assets
Barrow Hanley MeWhinney & Strauss	0.50	8,900,958	44,505	0.50 % of Assets
International Equity	0.85	6,097,568	51,829	
Causeway International (CIVIX)	0.85	6,097,568	51,829	0.85 % of Assets
Real Estate	0.75	4,125,436	30,941	
Cohen & Steers (CSRIX)	0.75	4,125,436	30,941	0.75 % of Assets
MLPs	0.75	2,201,811	16,514	
Tortoise Capital Advisors MLP	0.75	2,201,811	16,514	0.75 % of Assets
GTAA Composite	0.54	2,264,633	12,229	
BlackRock Multi-Asset Income (BKMIX)	0.54	2,264,633	12,229	0.54 % of Assets
Fixed Income Composite	0.39	42,856,600	167,907	
Core Plus Fixed Income	0.35	36,232,444	126,814	
MacKay Shields Core Plus	0.35	36,232,444	126,814	0.35 % of Assets
High Yield Fixed Income	0.68	4,244,781	28,865	
Loomis Sayles High Yield (LSHIX)	0.68	4,244,781	28,865	0.68 % of Assets



**Port of Houston OPEB  
Fee Summary  
As of September 30, 2020**

Structure	Mandate	Expense Ratio	Category Average	Difference	Annual Savings
Fiduciary Management	Large Cap Value Equity	0.55%	0.99%	0.44%	\$29,655
Vanguard Index Fund (VINIX)	Large Cap Core Equity	0.04%	0.99%	0.95%	\$63,573
Stephens Mid Cap Growth	Mid Cap Growth Equity	0.77%	1.26%	0.49%	\$36,397
Barrow Hanley MeWhinney & Strauss	Small Cap Value Equity	0.50%	1.27%	0.77%	\$68,537
Causeway International (CIVIX)	International Equity	0.85%	1.21%	0.36%	\$21,951
Cohen & Steers (CSRIX)	Real Estate and Investment Trust	0.75%	1.24%	0.49%	\$20,215
Tortoise Capital Advisors MLP	Master Limited Partnership	0.75%	1.00%	0.25%	\$5,505
BlackRock Multi-Asset (BKMIX)	GTAA	0.54%	0.97%	0.43%	\$9,738
Mackay Shields Core Plus	Core Plus Fixed Income	0.35%	0.84%	0.49%	\$177,539
Loomis Sayles High Yield (LSHIX)	High Yield Fixed Income	0.68%	1.04%	0.36%	\$15,281
<b>Total Management Fees</b>		<b>0.48%</b>	<b>1.01%</b>	<b>0.53%</b>	<b>\$448,391</b>

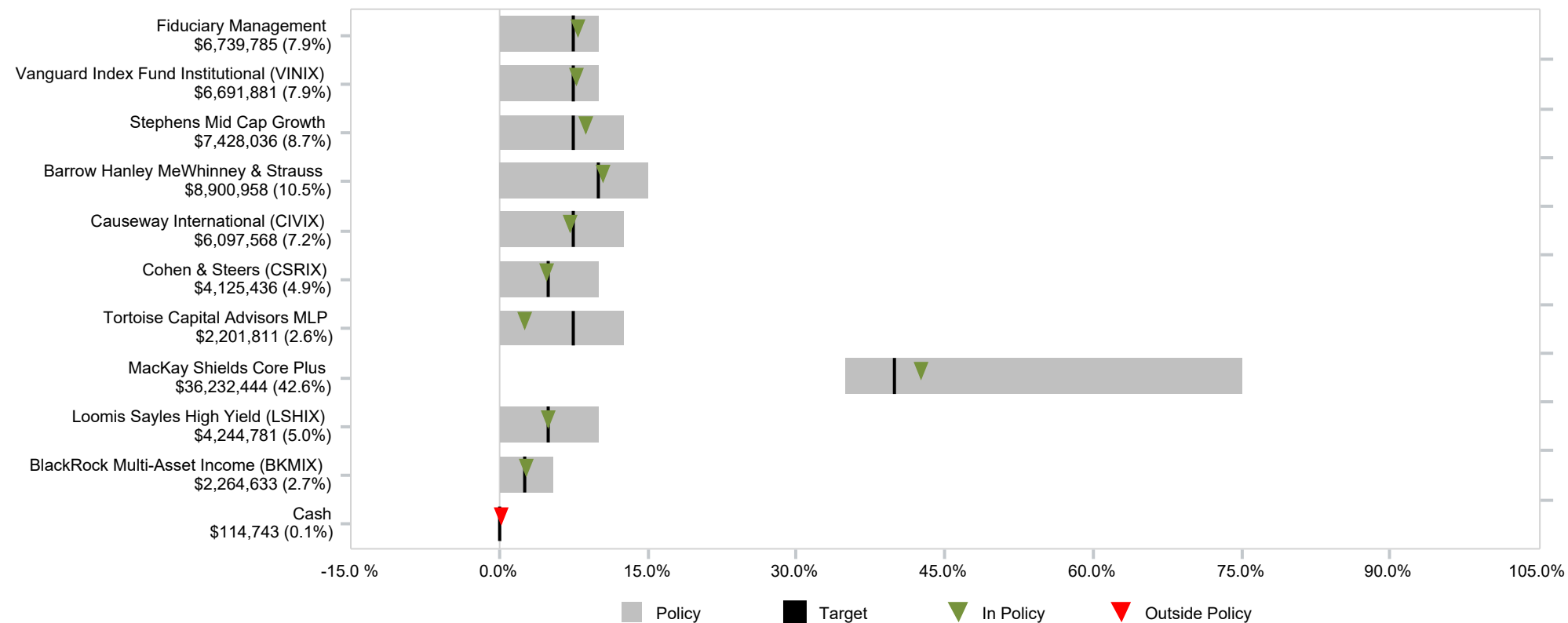
Source: Morningstar and Investment Managers



**Asset Allocation Compliance**

	Asset Allocation \$	Current Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund Composite	85,042,075	100.0	100.0	0.0		
Fiduciary Management	6,739,785	7.9	7.5	0.4	0.0	10.0
Vanguard Index Fund Institutional (VINIX)	6,691,881	7.9	7.5	0.4	0.0	10.0
Stephens Mid Cap Growth	7,428,036	8.7	7.5	1.2	0.0	12.5
Barrow Hanley MeWhinney & Strauss	8,900,958	10.5	10.0	0.5	0.0	15.0
Causeway International (CIVIX)	6,097,568	7.2	7.5	-0.3	0.0	12.5
Cohen & Steers (CSRIX)	4,125,436	4.9	5.0	-0.1	0.0	10.0
Tortoise Capital Advisors MLP	2,201,811	2.6	7.5	-4.9	0.0	12.5
MackKay Shields Core Plus	36,232,444	42.6	40.0	2.6	35.0	75.0
Loomis Sayles High Yield (LSHIX)	4,244,781	5.0	5.0	0.0	0.0	10.0
BlackRock Multi-Asset Income (BKMIX)	2,264,633	2.7	2.5	0.2	0.0	5.5
Cash	114,743	0.1	0.0	0.1	0.0	0.0

**Executive Summary**



**Historical Hybrid Composition**

Allocation Mandate	Weight (%)
<b>Jan-1979</b>	
S&P 500 Index	47.50
Russell Midcap Index	12.50
Bimbg. Barc. U.S. Aggregate Index	40.00
<b>Dec-2012</b>	
S&P 500 Index	15.00
Russell Midcap Index	12.50
Russell 2000 Index	10.00
MSCI EAFE Index	12.50
Bimbg. Barc. U.S. Aggregate Index	35.00
ICE BofAML High Yield Master II	5.00
FTSE NAREIT All Equity REITs	5.00
Alerian MLP Index	5.00
<b>Aug-2015</b>	
S&P 500 Index	15.00
Russell Midcap Index	7.50
Russell 2000 Index	10.00
MSCI EAFE Index	7.50
Bimbg. Barc. U.S. Aggregate Index	40.00
ICE BofAML High Yield Master II	5.00
FTSE NAREIT All Equity REITs	5.00
Alerian MLP Index	10.00



---

<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
<b>Distributed to Paid In (DPI)</b>	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
<b>Public Market Equivalent (PME)</b>	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
<b>R-Squared</b>	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
<b>Standard Deviation</b>	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
<b>Total Value to Paid In (TVPI)</b>	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

Additional information included in this document may contain data provided by from index databases, public economic sources and the managers themselves.

This document may contain data provided by Bloomberg Barclays. Bloomberg Barclays Index data provided by way of Barclays Live.

This document may contain data provided by Standard and Poor's. Nothing contained within any document, advertisement or presentation from S&P Indices constitutes an offer of services in jurisdictions where S&P Indices does not have the necessary licenses. All information provided by S&P Indices is impersonal and is not tailored to the needs of any person, entity or group of persons. Any returns or performance provided within any document is provided for illustrative purposes only and does not demonstrate actual performance. Past performance is not a guarantee of future investment results.

This document may contain data provided by MSCI, Inc. Copyright MSCI, 2017. Unpublished. All Rights Reserved. This information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. This information is provided on an "as is" basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and MSCI, its affiliates and each such other person hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

This document may contain data provided by Russell Investment Group. Russell Investment Group is the source owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a user presentation of the data. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof.

This document may contain data provided by Morningstar. All rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is not guarantee of future results.





**Clients first.**



CHICAGO | CLEVELAND | DALLAS | DETROIT | ORLANDO | PITTSBURGH | RENO

**AndCo Consulting** | (844) 44-ANDCO | *AndCoConsulting.com*