

Investment Performance Review
Period Ending June 30, 2021

Port Houston OPEB Plan



2nd Quarter 2021 Market Environment



The Economy

- The US economy continues to recover as widespread vaccine distribution has resulted in the reopening of many state and local economies.
- The recent rise in demand for goods and services has resulted in strong inflationary pressures. The annual rate of inflation increased to 5.0% in May, up from 4.2% in April.
- The US labor market continues to recover as evidenced by the decline in the unemployment rate. Recently, several states have moved to reduce or eliminate additional unemployment benefits to incentivize people to return to work. Overall, wage growth has shown signs of accelerating as employers struggle to fill job openings.
- Despite leaving interest rates unchanged at their most recent meeting, the Fed did change the language of its statement suggesting that interest rates may rise sooner rather than later.

Equity (Domestic and International)

- US equities rose to all-time highs during the second quarter, primarily due to the optimism related to increased control over the pandemic. Reversing performance from recent quarters, growth outpaced value and large companies resumed market leadership relative to smaller peers.
- International equities performed well during the 2nd quarter, albeit at a less frenetic pace than their domestic counterparts. Also similar to the US, growth outperformed value and emerging countries underperformed developed ones.

Fixed Income

- Despite the continued global economic recovery and rising inflation concerns, US interest rates dipped during the quarter as the US 10-Year Treasury bond fell 27 basis points to close at 1.47%.
- Performance across all bond markets sectors was positive during the quarter, led by investment grade corporate bonds. The combination of lower gross issuance levels, in conjunction with a longer maturity profile relative to high yield bonds, were the primary catalysts of performance during the period.
- Within investment grade credit, Lower quality issues outperformed higher quality sectors during the quarter. Consistent with the economic recovery theme, as investors' expectations of future growth improves, those credits should perform well as earnings growth accelerates.

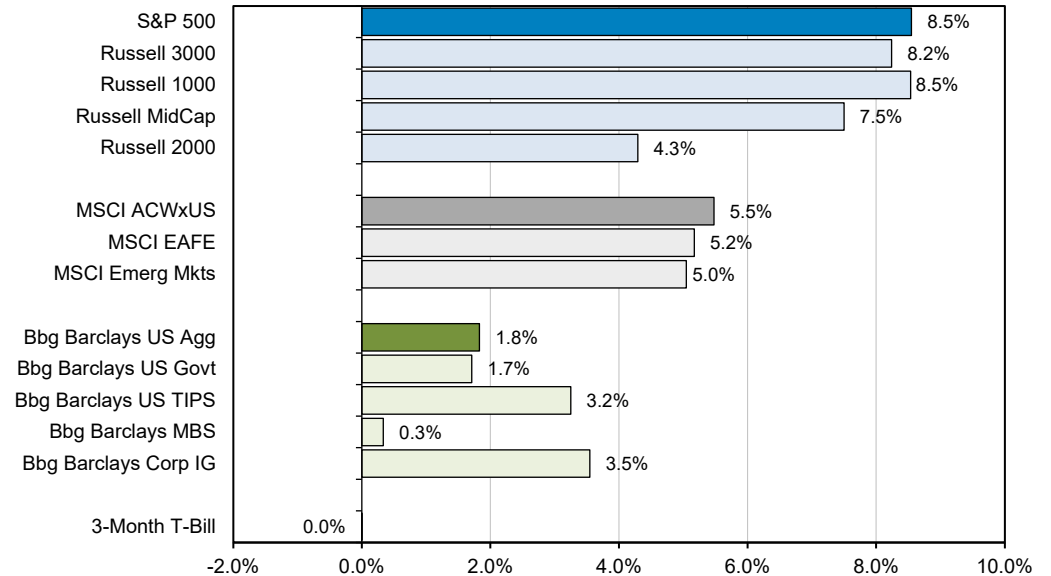
Market Themes

- Global central monetary policy remains largely intact and accommodative. Both the Fed and the European Central Bank remain committed to their repurchase programs. Given these conditions, barring a socioeconomic or geopolitical shock, it is reasonable to expect risk assets to continue experiencing solid returns.
- US interest rates are likely to remain low for the remainder of 2021. As a result, credit should continue to outperform both higher quality Treasury and government bonds.
- Finally, low interest rates have historically been a tailwind for growth equities. Given that the Fed has committed to keeping rates unchanged in the near-term, growth-oriented companies could continue to lead the market.

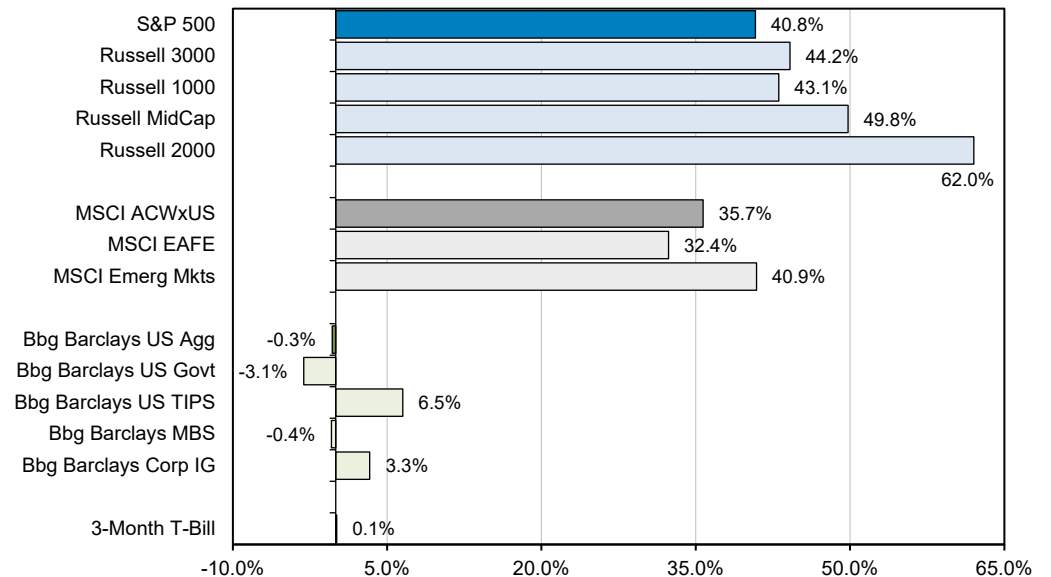


- Broad US equity markets experienced strong returns during the 2nd quarter of 2021. The primary catalyst during the period was the continued reopening of state and local economies resulting from the ongoing distribution of vaccines. Importantly, US interest rates also fell during the period which resulted in large, growth-oriented companies resuming market leadership. For the period, large cap companies returned 8.5%, compared to 7.5% for mid-caps and 4.3% for small company stocks.
- Similar to domestic markets, broad international equity markets also posted positive returns for the 2nd quarter. The re-opening of global economies, particularly Europe, were key drivers of performance. During the period, the MSCI EAFE Index return of 5.2% modestly outperformed the MSCI Emerging Markets Index return of 5.0%
- For the quarter, bond market returns were generally positive as interest rates declined. The Bloomberg Barclays (BB) US Aggregate Index returned 1.8%, trailing both US TIPS and Investment Grade Corporate bonds which returned 3.2% and 3.5% respectively.
- The trailing 1-year chart details the market's dramatic reversal following the onset of the pandemic last year. All broad US equity market indexes have recovered and are trading at near-record levels. Most notably, domestic small cap stocks have led the market higher by returning 62.0% compared to US large caps which returned 43.1% over the trailing 1-year period.
- Over the trailing 1-year period the MSCI EAFE Index return of 32.4% fell short of the MSCI Emerging Markets Index return of 40.9%. Higher growth benefits areas like emerging markets which are more sensitive to changes in economic activity. As a result, as global markets continue to recover, economically sensitive emerging countries may recover at a faster rate.
- Bond market returns over the trailing 1-year period were relatively muted compared to equities. US TIPS led the way as investors remain concerned about the potential for rising inflation. The TIPS Index returned 6.5% for the period while investment grade corporate bonds returned 3.3%. Higher quality, lower coupon bonds generally struggled to perform during the period as US interest rates generally moved higher.

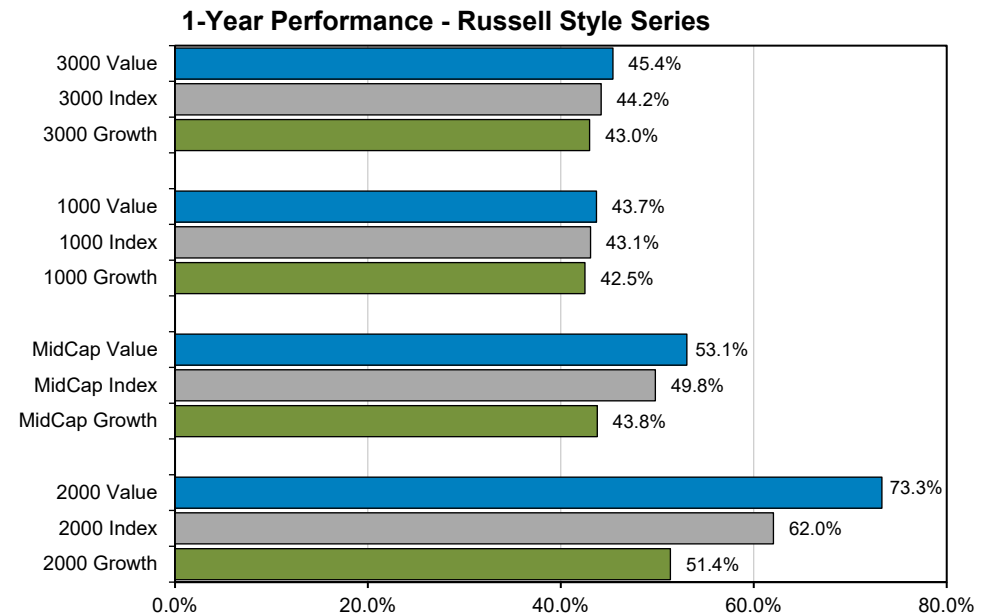
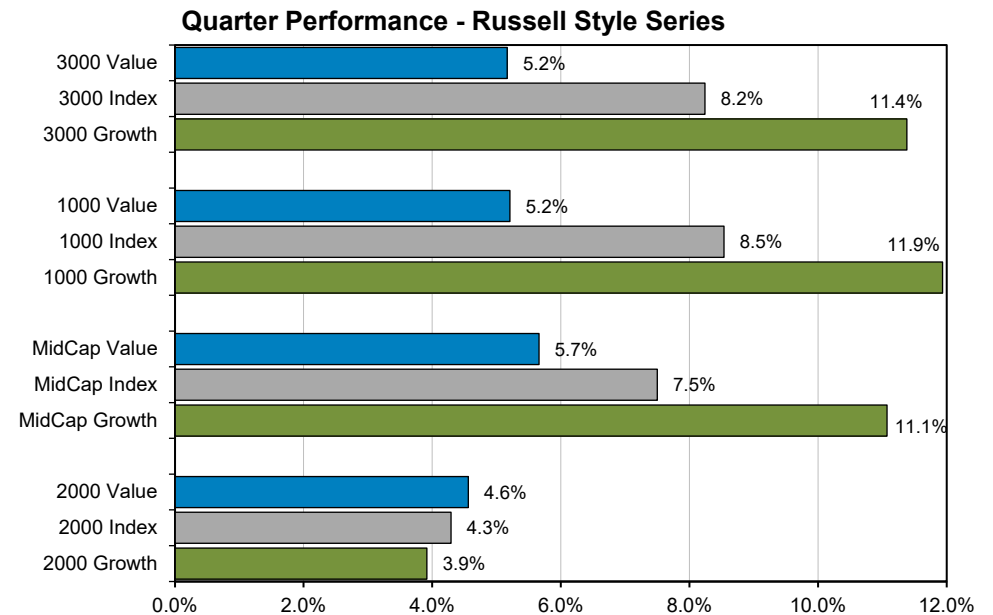
Quarter Performance



1-Year Performance



- The market's strong momentum continued during the quarter as all broad US equity benchmarks posted their 5th straight quarter of positive returns across both the style and market capitalization spectrums. However, we did see a reversal during the period as large cap stocks resumed leadership followed by mid and small caps. The Russell 1000 Index returned a strong 8.5% compared to 7.5% for the Russell Mid Cap Index and 4.3% for the Russell 2000 Index.
- Growth stocks outpaced value stocks for the first time in two quarters. The Russell 1000 Growth Index was the best performing style index for the quarter, posting a return of 11.9%. Mid cap growth stock performance was not far behind, returning 11.1%. However, in small cap stocks, value outpaced growth for the quarter with the Russell 2000 Value Index returning 4.6% compared to 3.9% for the Russell 2000 Growth Index.
- Performance across all market capitalizations and styles was very strong over the trailing 1-year period.
- Despite the recent gains made by growth stocks, value stocks outpaced growth issues across all market capitalizations over the trailing 1-year period. Given the strong economic recovery, it is not surprising that small cap value stocks performed the best with the Russell 2000 Value Index returning 73.3%. While the dispersion between value and growth was widest in small cap stocks, it narrowed significantly moving up the market capitalization spectrum.

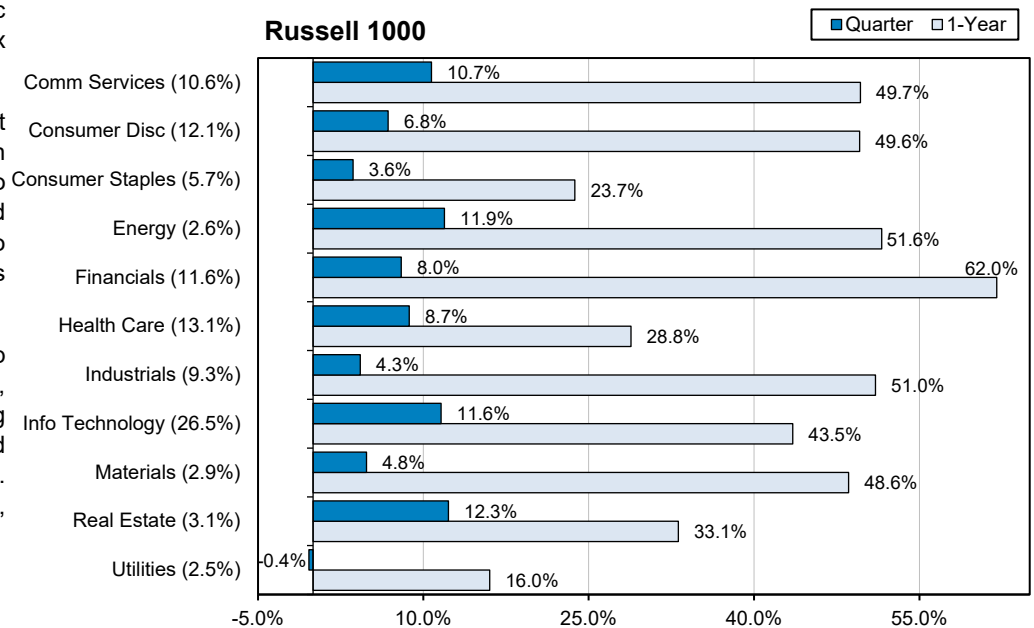


Source: Investment Metrics

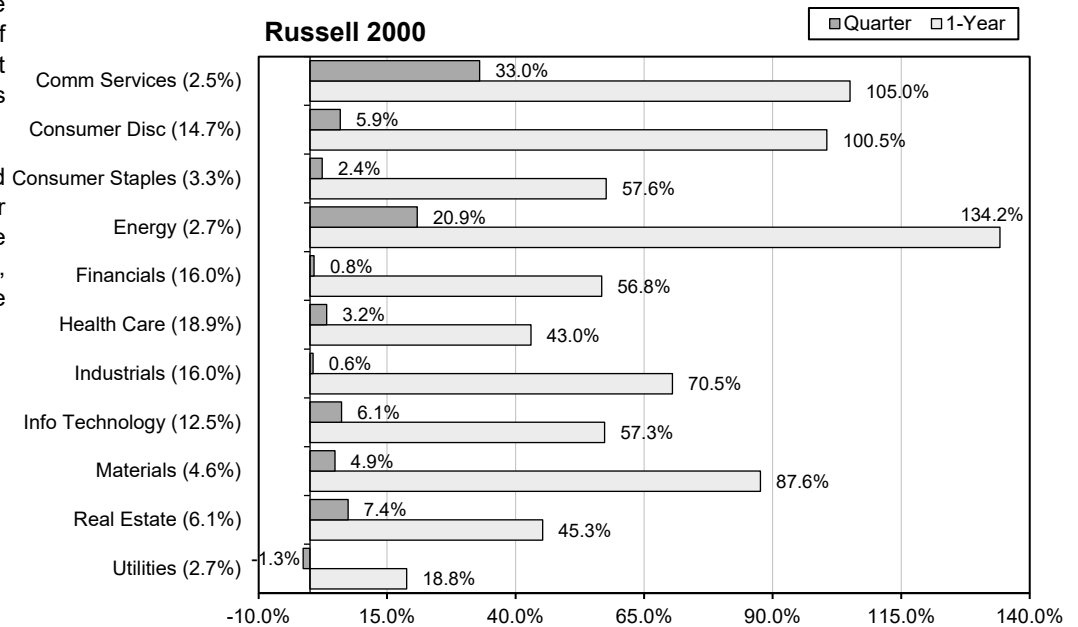


- Sector performance was positive across ten of the eleven large cap economic sectors for the 2nd quarter. Five sectors outpaced the return of the broad index during the period.
- Inflation-sensitive sectors like real estate and energy were the two best performing sectors for the quarter, returning 12.3% and 11.9% respectively. In general, companies in sectors with the ability to pass along rising costs to consumers experienced the strongest returns. The technology sector benefited from falling interest rates during the period, which acted as a tailwind to earnings. While nearly all sectors experienced positive results, the utilities sector (-0.4%) lagged its peers and the broad index results.
- For the full year, seven sectors exceeded the return of the broad large cap benchmark: communication services, consumer discretionary, energy, financials, industrials, information technology, and materials. Over the trailing 1-year period, financials (62.0%), energy (51.6%), industrials (51.0%), and communication services (49.7%) were the best performing economic sectors. The weakest economic sector in the Russell 1000 for the trailing year, utilities, still managed to produce a strong return of 16.0%.
- Similar to large cap stocks, ten of the eleven small cap sectors posted positive performance for the quarter and six of them managed to outpace the return of the broad Russell 2000 Index. Communication services was the best performing sector during the quarter, returning a robust 33.0%. Energy stocks also performed well during the period with a return of 20.9%.
- For the full 1-year period, five of the eleven sectors outperformed the broad benchmark: energy (134.2%), communication services (105.0%), consumer discretionary (100.5%), materials (87.6%), and industrials (70.5%). The combination of rapidly improving economic conditions, rising energy prices, and increased inflationary pressures were the primary catalysts for the exceptional performance.

Russell 1000



Russell 2000



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 June 30, 2021

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	5.22%	12.3%	51.2%	Information Technology
Microsoft Corp	4.96%	15.2%	34.4%	Information Technology
Amazon.com Inc	3.62%	11.2%	24.7%	Consumer Discretionary
Facebook Inc A	2.02%	18.1%	53.1%	Communication Services
Alphabet Inc A	1.78%	18.4%	72.2%	Communication Services
Alphabet Inc Class C	1.73%	21.2%	77.3%	Communication Services
Tesla Inc	1.28%	1.8%	214.7%	Consumer Discretionary
Berkshire Hathaway Inc Class B	1.27%	8.8%	55.7%	Financials
NVIDIA Corp	1.16%	49.9%	110.8%	Information Technology
JPMorgan Chase & Co	1.14%	2.8%	70.7%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Moderna Inc	0.19%	79.4%	266.0%	Health Care
NovoCure Ltd	0.06%	67.8%	274.1%	Health Care
Hayward Holdings Inc	0.00%	54.1%	N/A	Consumer Discretionary
Cloudflare Inc	0.06%	50.6%	194.4%	Information Technology
Virgin Galactic Holdings Inc Shs A	0.02%	50.2%	181.5%	Industrials
NVIDIA Corp	1.16%	49.9%	110.8%	Information Technology
Continental Resources Inc	0.01%	47.5%	117.7%	Energy
Nutanix Inc A	0.02%	43.9%	61.2%	Information Technology
Roku Inc Class A	0.13%	41.0%	294.1%	Communication Services
Targa Resources Corp	0.02%	40.4%	125.5%	Energy

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
QuantumScape Corp Ord Shares A	0.01%	-34.6%	N/A	Consumer Discretionary
Discovery Inc Class A	0.01%	-29.4%	45.4%	Communication Services
Penn National Gaming Inc	0.03%	-27.0%	150.5%	Consumer Discretionary
TripAdvisor Inc	0.01%	-25.1%	112.0%	Communication Services
Sage Therapeutics Inc	0.01%	-24.1%	36.6%	Health Care
Discovery Inc C	0.02%	-21.4%	50.5%	Communication Services
The Scotts Miracle Gro Co A	0.02%	-21.4%	49.0%	Materials
CureVac NV Ordinary Shares	0.01%	-19.7%	N/A	Health Care
Exelixis Inc	0.01%	-19.3%	-23.3%	Health Care
Guardant Health Inc	0.03%	-18.6%	53.1%	Health Care

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
AMC Entmt Holdings Inc Class A	0.76%	455.1%	1221.2%	Communication Services
Intellia Therapeutics Inc	0.34%	101.7%	670.3%	Health Care
Arrowhead Pharmaceuticals Inc	0.28%	24.9%	91.8%	Health Care
Ovintiv Inc	0.27%	32.7%	240.7%	Energy
Lattice Semiconductor Corp	0.25%	24.8%	97.9%	Information Technology
II-VI Inc	0.25%	6.2%	53.7%	Information Technology
Crocs Inc	0.25%	44.8%	216.5%	Consumer Discretionary
Scientific Games Corp Ordinary Shares	0.25%	101.0%	400.9%	Consumer Discretionary
Staar Surgical Co	0.24%	44.7%	147.8%	Health Care
Denali Therapeutics Inc	0.24%	37.4%	224.4%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
AMC Entmt Holdings Inc Class A	0.76%	455.1%	1221.2%	Communication Services
Brooklyn ImmunoTherap Inc Ord Shrs	0.01%	384.1%	N/A	Health Care
Laredo Petroleum Inc	0.04%	208.7%	569.5%	Energy
Atossa Therapeutics Inc	0.02%	199.5%	66.3%	Health Care
Peabody Energy Corp	0.02%	159.2%	175.3%	Energy
Apollo Medical Holdings Inc	0.08%	131.9%	280.7%	Health Care
Asana Inc Ordinary Shares - Class A	0.15%	117.0%	N/A	Information Technology
Agilix Inc Ordinary Shares	0.02%	116.5%	1338.8%	Health Care
HyreCar Inc	0.01%	113.5%	614.0%	Industrials
Prothena Corp PLC	0.06%	104.7%	391.5%	Health Care

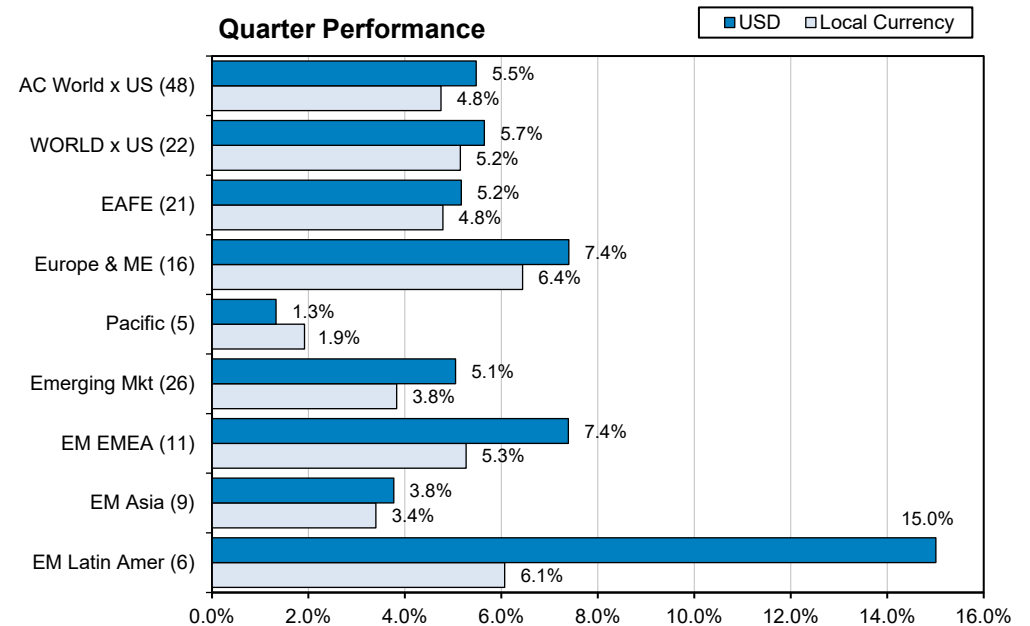
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
ChemoCentryx Inc	0.02%	-73.9%	-76.7%	Health Care
Atea Pharmaceuticals Inc Ord Shares	0.05%	-65.2%	N/A	Health Care
Adverum Biotechnologies Inc	0.01%	-64.5%	-83.2%	Health Care
Vor Biopharma Inc Ordinary Shares	0.01%	-56.7%	N/A	Health Care
Aemetis Inc	0.01%	-54.4%	1282.9%	Energy
Bolt Biotherapeutics Inc Ord Shares	0.01%	-53.0%	N/A	Health Care
Gemini Therapeutics Inc Ord Shares	0.00%	-52.3%	N/A	Health Care
iRhythm Technologies Inc	0.06%	-52.2%	-42.7%	Health Care
Sigilon Therapeutics Inc Ord Shares	0.00%	-52.0%	N/A	Health Care
Aterian Inc	0.01%	-50.4%	166.5%	Consumer Discretionary

Source: Morningstar Direct

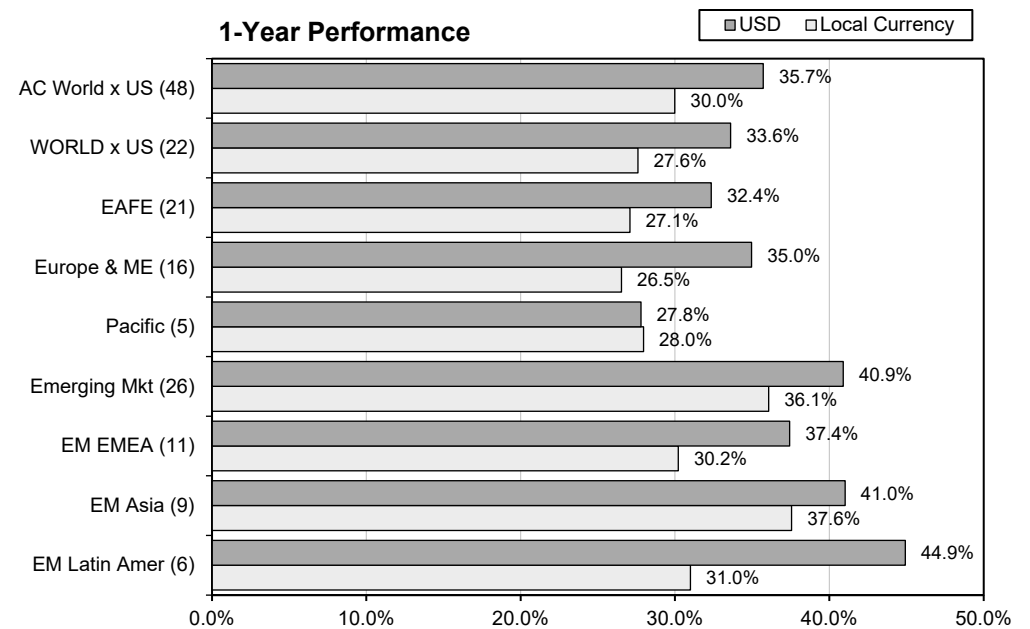


The Market Environment
International and Regional Market Index Performance (Country Count)
 As of June 30, 2021

- All broad international equity indexes tracked in the chart posted positive returns in both US dollar (USD) and local currency terms for the 2nd quarter. For the period, developed markets outperformed emerging markets in both USD and local currency. The MSCI EAFE Index returned 5.2% in USD and 4.8% in local currency terms for the period while the MSCI Emerging Markets Index returned a slightly lower 5.1% in USD and 3.8% in local currency terms.



- The trailing 1-year results for international developed and emerging markets were positive across all regions and currencies. The MSCI EAFE Index returned 32.4% in USD and 27.1% in local currency terms, while the MSCI Emerging Markets Index returned 40.9% in USD and 36.1% in local currency terms. Performance within the emerging markets regions was led by Latin America with the EM Latin America Index returning 44.9% in USD and 31.0% in local terms.



Source: MSCI Global Index Monitor (Returns are Net)



The Market Environment
US Dollar International Index Attribution & Country Detail
As of June 30, 2021

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.9%	0.3%	26.1%
Consumer Discretionary	13.0%	5.5%	49.8%
Consumer Staples	10.5%	8.5%	17.9%
Energy	3.2%	2.7%	29.1%
Financials	17.0%	3.2%	40.2%
Health Care	12.4%	9.3%	12.3%
Industrials	15.5%	3.6%	39.6%
Information Technology	9.1%	8.3%	40.2%
Materials	7.9%	5.1%	47.2%
Real Estate	3.0%	5.3%	27.6%
Utilities	3.4%	-1.1%	12.7%
Total	100.0%	5.2%	32.4%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	6.7%	1.5%	24.9%
Consumer Discretionary	13.8%	4.8%	44.6%
Consumer Staples	8.5%	7.7%	19.1%
Energy	4.5%	8.2%	34.2%
Financials	18.6%	4.3%	40.7%
Health Care	9.3%	9.9%	15.2%
Industrials	11.8%	4.4%	40.3%
Information Technology	12.9%	7.0%	56.6%
Materials	8.3%	6.5%	49.5%
Real Estate	2.6%	2.5%	22.3%
Utilities	3.0%	-0.3%	14.9%
Total	100.0%	5.5%	35.7%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	11.3%	1.9%	23.0%
Consumer Discretionary	17.6%	3.6%	36.8%
Consumer Staples	5.6%	4.5%	23.7%
Energy	5.0%	12.1%	31.8%
Financials	17.8%	4.2%	33.0%
Health Care	5.0%	14.1%	32.3%
Industrials	4.9%	13.2%	45.2%
Information Technology	20.4%	3.8%	75.8%
Materials	8.4%	8.4%	71.4%
Real Estate	2.0%	-6.0%	6.6%
Utilities	1.9%	2.0%	20.3%
Total	100.0%	5.1%	40.9%

Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	23.2%	14.3%	-0.3%	24.8%
United Kingdom	14.4%	8.9%	6.0%	31.3%
France	11.5%	7.1%	9.1%	40.9%
Switzerland	9.8%	6.0%	11.5%	24.3%
Germany	9.4%	5.8%	4.7%	31.8%
Australia	7.2%	4.4%	6.9%	39.6%
Netherlands	4.4%	2.7%	7.3%	49.6%
Sweden	3.8%	2.3%	5.5%	53.9%
Hong Kong	3.3%	2.0%	2.5%	29.0%
Denmark	2.6%	1.6%	13.1%	44.2%
Italy	2.5%	1.5%	3.6%	36.6%
Spain	2.5%	1.5%	5.3%	30.7%
Singapore	1.1%	0.7%	0.5%	28.7%
Finland	1.1%	0.7%	10.8%	34.7%
Belgium	1.0%	0.6%	9.2%	28.5%
Ireland	0.7%	0.4%	2.4%	39.6%
Norway	0.6%	0.4%	4.9%	49.6%
Israel	0.6%	0.4%	5.1%	22.5%
New Zealand	0.2%	0.2%	-5.1%	-5.0%
Austria	0.2%	0.1%	11.5%	70.9%
Portugal	0.2%	0.1%	-0.9%	11.4%
Total EAFE Countries	100.0%	61.7%	5.2%	32.4%
Canada		7.0%	10.0%	45.8%
Total Developed Countries		68.7%	5.7%	33.6%
China		11.7%	2.3%	27.4%
Taiwan		4.4%	7.1%	70.5%
Korea		4.1%	4.8%	66.2%
India		3.1%	6.9%	56.4%
Brazil		1.6%	22.9%	46.6%
South Africa		1.1%	-1.5%	39.9%
Russia		1.1%	14.0%	38.6%
Saudi Arabia		0.9%	10.0%	49.3%
Mexico		0.6%	9.1%	55.9%
Thailand		0.5%	-4.9%	7.0%
Malaysia		0.4%	-2.5%	3.8%
Indonesia		0.4%	-5.1%	7.6%
Poland		0.2%	18.7%	26.7%
United Arab Emirates		0.2%	11.2%	50.4%
Qatar		0.2%	2.2%	15.1%
Philippines		0.2%	7.6%	14.3%
Chile		0.1%	-14.2%	23.4%
Hungary		0.1%	14.8%	46.1%
Turkey		0.1%	-0.5%	-13.0%
Peru		0.1%	-8.8%	9.6%
Colombia		0.1%	-2.9%	18.0%
Argentina		0.0%	5.8%	28.6%
Greece		0.0%	8.2%	32.0%
Czech Republic		0.0%	14.6%	52.1%
Egypt		0.0%	-9.2%	-13.4%
Pakistan		0.0%	-6.7%	13.2%
Total Emerging Countries		31.2%	5.1%	40.9%
Total ACWixUS Countries		100.0%	5.5%	35.7%

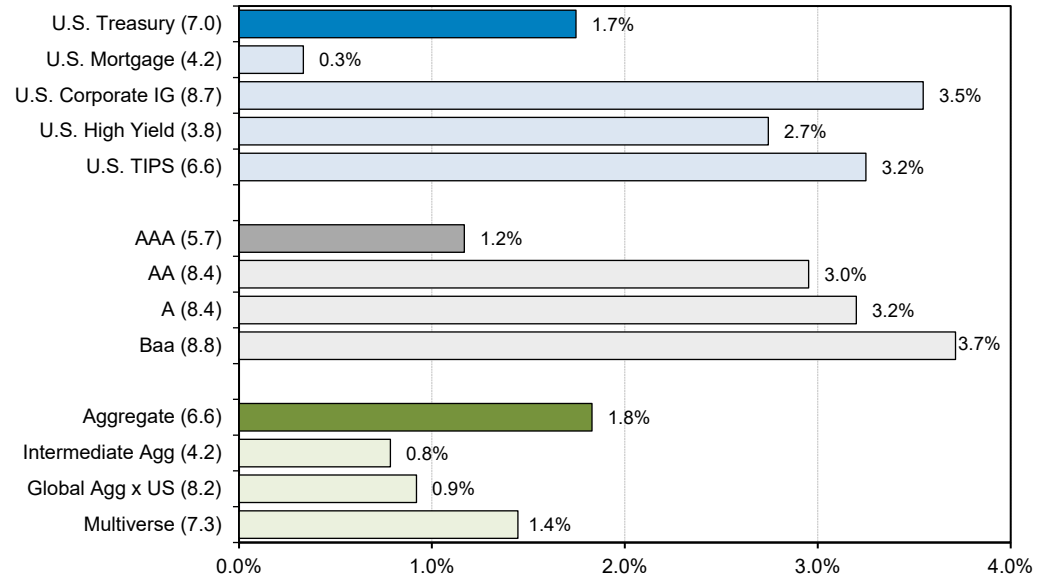
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency,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



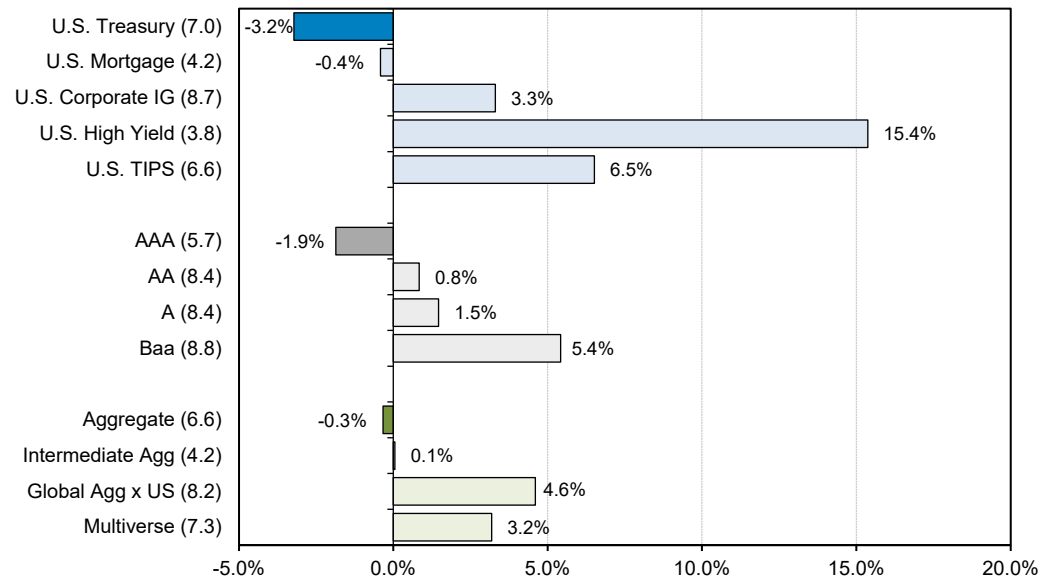
The Market Environment
Domestic Bond Sector & Broad/Global Bond Market Performance (Duration)
 As of June 30, 2021

- Fixed income markets performed well during the 2nd quarter primarily due to falling US interest rates which acted as general tailwind for bond benchmark performance. The Bloomberg Barclays (BB) US Aggregate Bond Index returned a solid 1.8% for the period.
- Digging deeper into the investment grade index's segments, while each component exhibited positive performance, the US Corporate Investment Grade (3.5%) and US TIPS (3.2%) benchmark segments drove results. Although yields on issues of less than 2-years remained stable during the quarter, yields on longer-dated issues declined substantially over concerns of future economic growth.
- Outside of domestic markets, the BB Global Aggregate ex US Index posted a 0.9% return for the quarter. Like international stocks, global bonds were negatively impacted by the strengthening USD.
- Over the trailing 1-year period, domestic bond performance was slightly negative while global bonds posted solid, positive results. The BB Global Aggregate ex US Index return of 4.6% easily outpaced the domestic BB US Aggregate Index's return of -0.3%. A steepening yield curve, combined with a falling USD, were the primary contributors to the relative outperformance of global bonds for the year.
- The dispersion of returns for the year within bond market segments was significant and was led by the US High Yield Index's return of 15.4%. The combination of a lower average duration and a greater sensitivity to equity market movements were the primary performance catalysts. US TIPS also performed well for the year with the index returning 6.5%. Persistent concerns about rising inflation acted like a tailwind for TIPS issues.

Quarter Performance



1-Year Performance

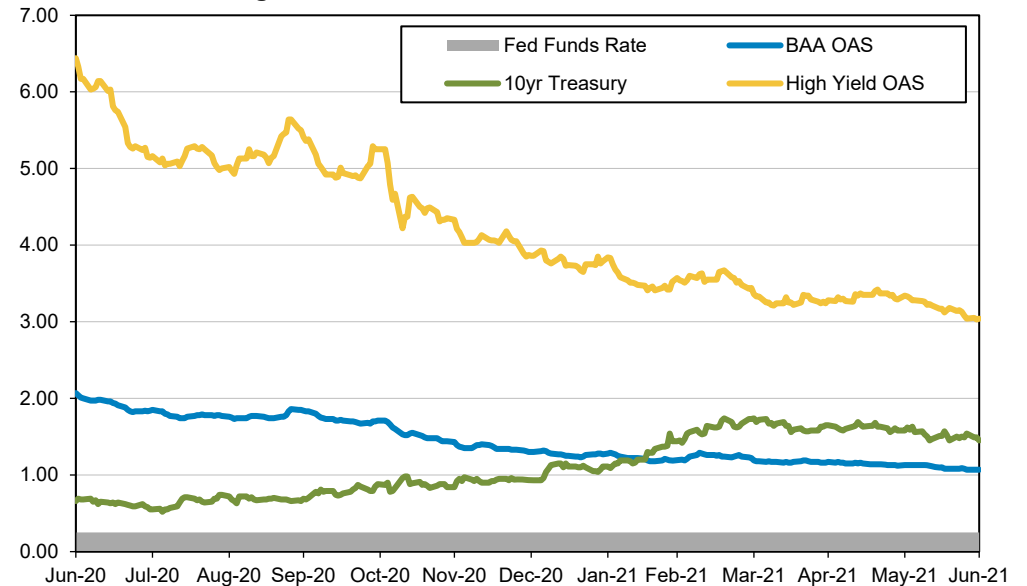


Source: Bloomberg

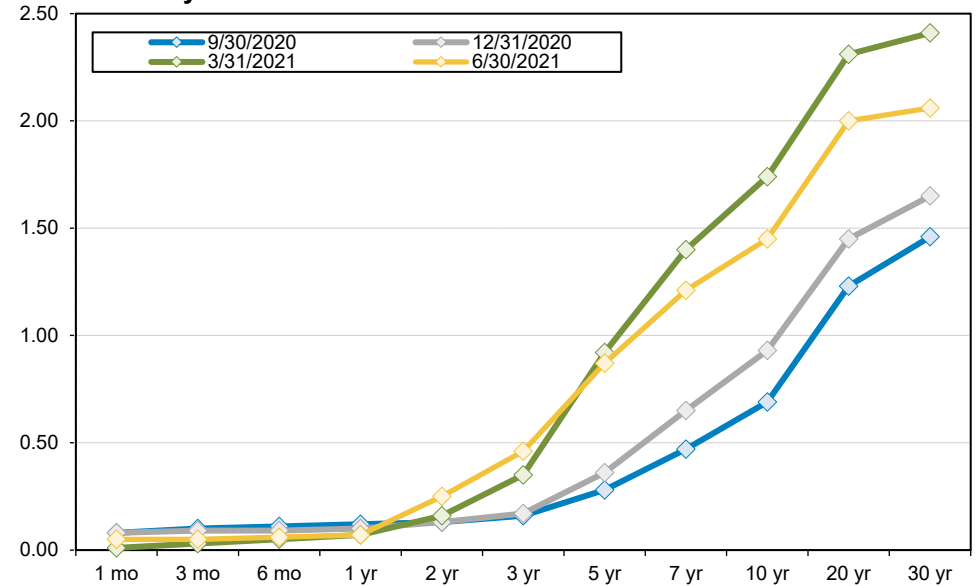


- The gray band across the graph illustrates the range of the Fed Funds Rate. Over the past year, the Fed's target rate range has remained unchanged at 0.00% to 0.25%. During its June meeting, the Federal Open Market Committee (FOMC) reiterated its commitment to keeping interest rates near zero while also maintaining its asset purchase program aimed at supplying the market with ample liquidity.
- The yield on the US 10-year Treasury (green line) began increasing rapidly as the economy slowly began to open earlier this year. After reaching a high of 1.74% during the 1st quarter of 2021, interest rates in the US began to fall as concerns about future economic growth increased.
- 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. The narrowing spread the line illustrates indicates investors remain comfortable owning credit as the probability of corporate defaults remains low. While nearly triple the BAA OAS, the High Yield OAS shows a similar willingness by investors to hold non-Treasury debt.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Beginning in the 3rd quarter of 2020, longer-term interest rates began to move higher as investors' optimism improved. This trend continued through the 1st quarter as economic growth surprised to the upside. Since then, longer-term US interest rates have fallen.

1-Year Trailing Market Rates



Treasury Yield Curve



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



Page Intentionally Left Blank

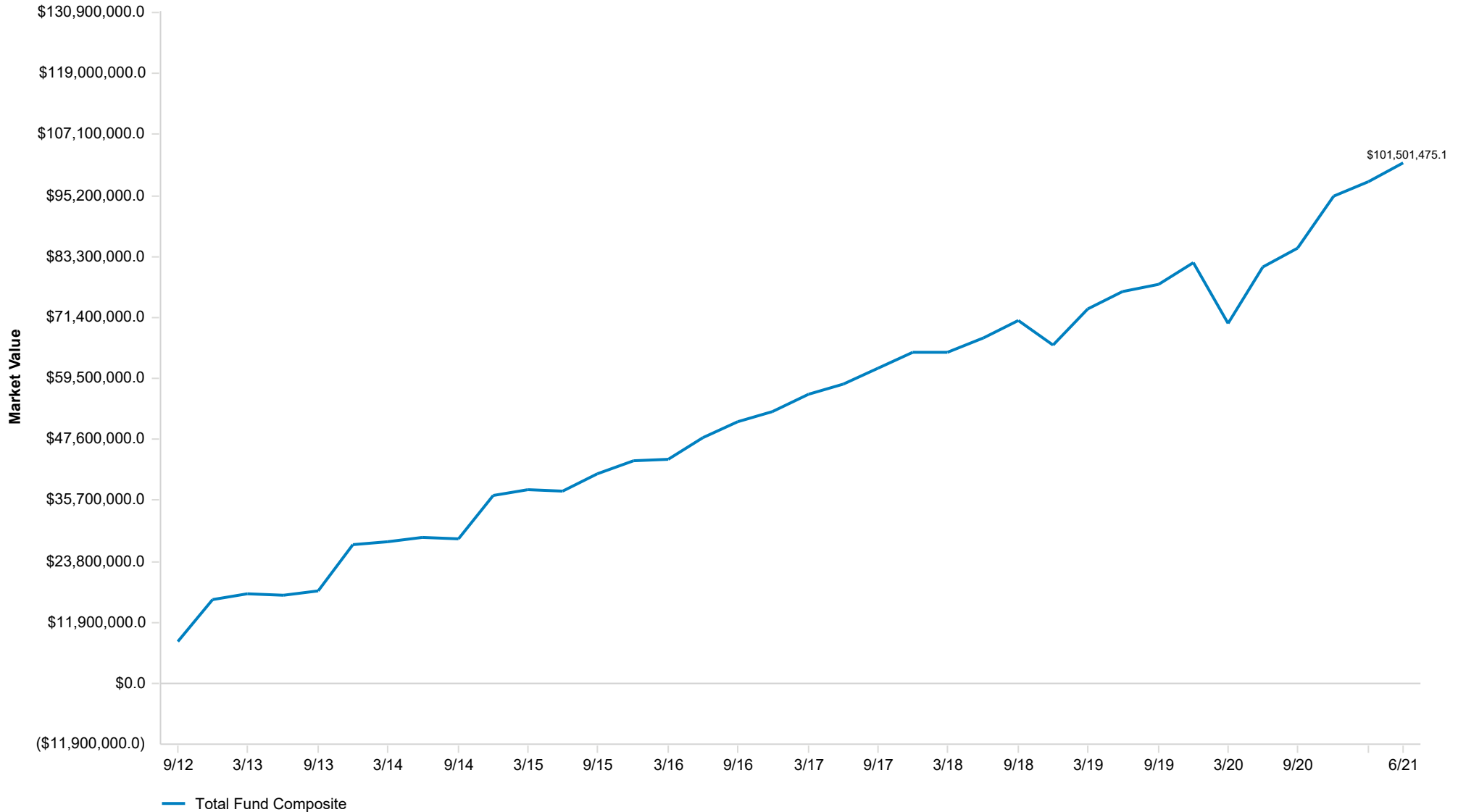


24.4%



Schedule of Investable Assets
Total Fund Composite
 October 1, 2012 To June 30, 2021

Schedule of Investable Assets



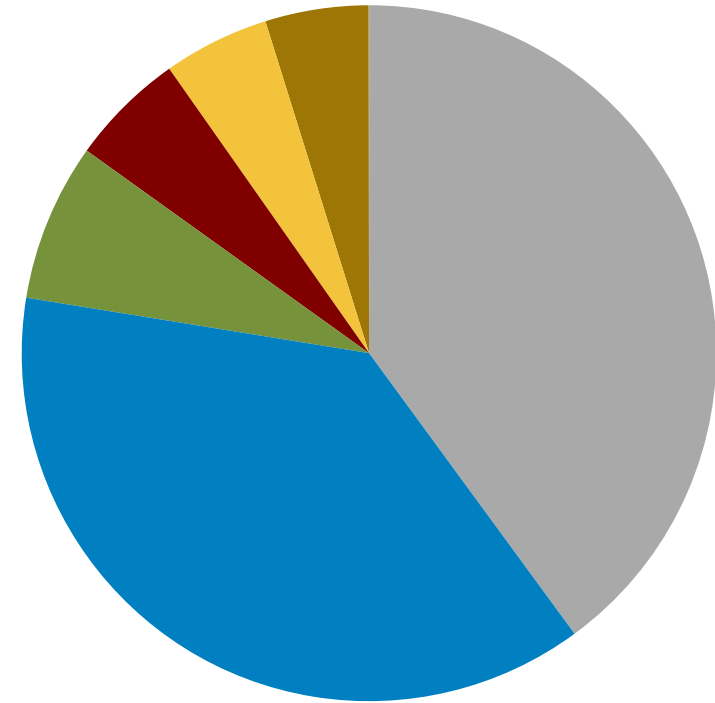
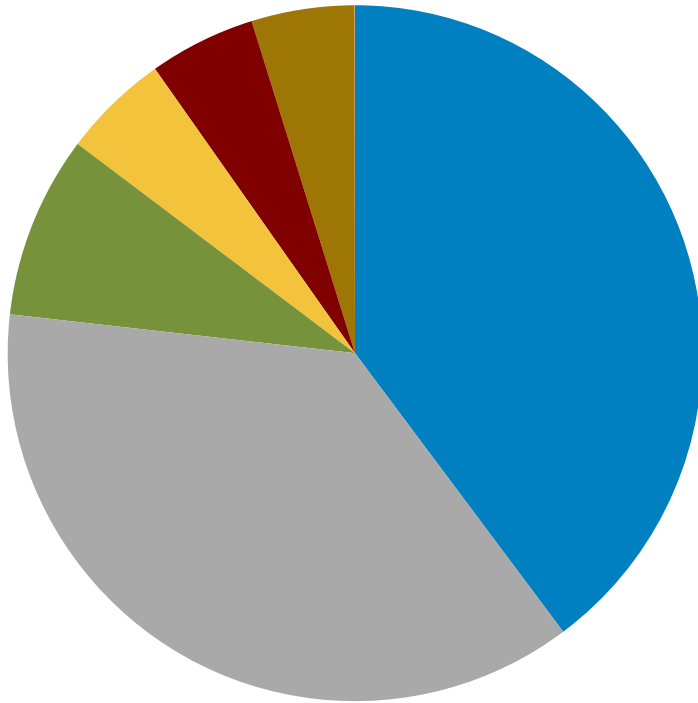
Schedule of Investable Assets

Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Gain/Loss \$	Ending Market Value \$	%Return
Oct-2012 To Jun-2021	8,192,495	54,578,262	38,730,718	101,501,475	8.10



March 31, 2021 : \$97,792,381

June 30, 2021 : \$101,501,475



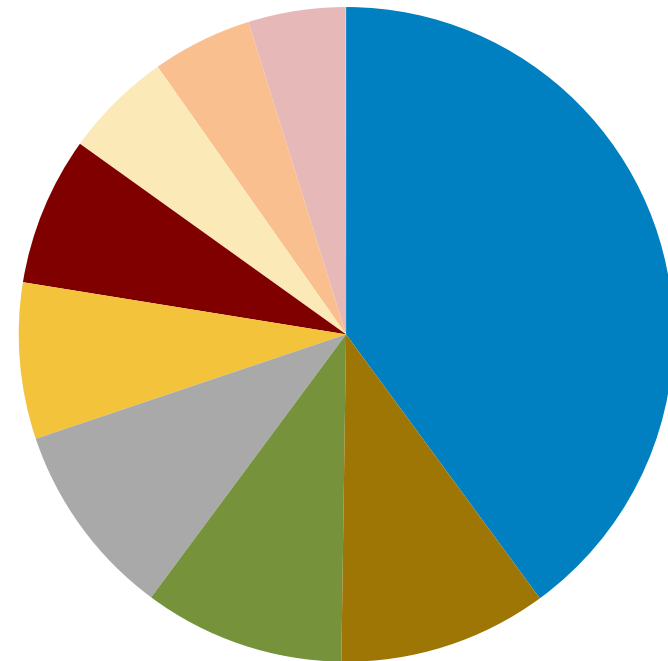
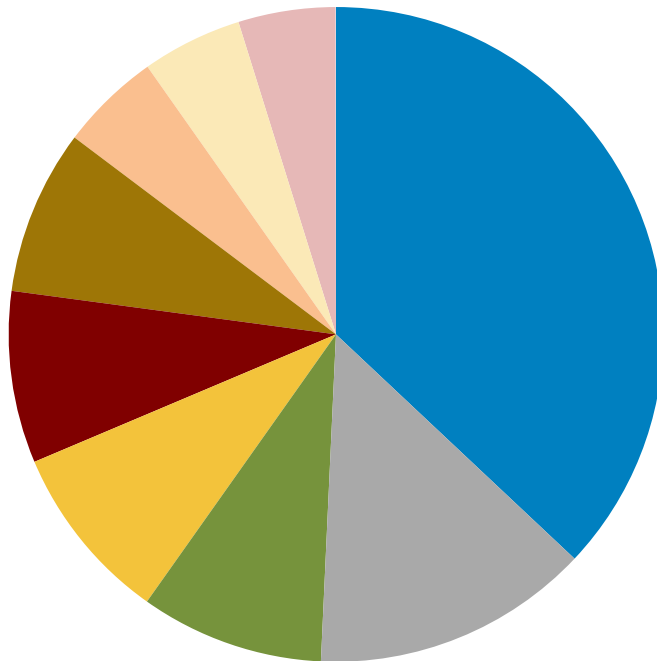
Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ Domestic Equity	38,890,241	39.8	■ Core Plus Fixed Income	40,524,427	39.9
■ Core Plus Fixed Income	36,196,311	37.0	■ Domestic Equity	38,190,567	37.6
■ International Equity	8,303,944	8.5	■ International Equity	7,453,851	7.3
■ GTAA	4,848,192	5.0	■ Real Estate	5,423,791	5.3
■ Real Estate	4,843,494	5.0	■ GTAA	5,009,937	4.9
■ High Yield Fixed Income	4,685,263	4.8	■ High Yield Fixed Income	4,870,591	4.8
■ Cash	24,935	0.0	■ Cash	28,312	0.0



**Asset Allocation By Manager
Total Fund
As of June 30, 2021**

March 31, 2021 : \$97,792,381

June 30, 2021 : \$101,501,475



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ MacKay Shields Core Plus	36,196,311	37.0	■ MacKay Shields Core Plus	40,524,427	39.9
■ Barrow Hanley MeWhinney & Strauss	13,421,217	13.7	■ Vanguard Index Fund Institutional (VINIX)	10,465,686	10.3
■ Fiduciary Management	8,863,850	9.1	■ Fiduciary Management	10,068,174	9.9
■ Stephens Mid Cap Growth	8,639,938	8.8	■ Barrow Hanley MeWhinney & Strauss	9,829,521	9.7
■ Causeway International (CIVIX)	8,303,944	8.5	■ Stephens Mid Cap Growth	7,827,186	7.7
■ Vanguard Index Fund Institutional (VINIX)	7,965,235	8.1	■ Causeway International (CIVIX)	7,453,851	7.3
■ BlackRock Multi-Asset Income (BKMIX)	4,848,192	5.0	■ Cohen & Steers (CSRIX)	5,423,791	5.3
■ Cohen & Steers (CSRIX)	4,843,494	5.0	■ BlackRock Multi-Asset Income (BKMIX)	5,009,937	4.9
■ Loomis Sayles High Yield (LSHIX)	4,685,263	4.8	■ Loomis Sayles High Yield (LSHIX)	4,870,591	4.8
■ Cash	24,935	0.0	■ Cash	28,312	0.0



Asset Allocation & Performance
Total Fund Composite (Gross of Fees)
As of June 30, 2021

Asset Allocation & Performance	Allocation		Performance(%)						
	Market Value \$	%	QTR	1 YR	3 YR	5 YR	7 YR	Inception	Inception Date
Total Fund Composite (Gross of Fees)	101,501,475	100.0	3.78	24.32	9.66	9.14	6.79	8.10	10/01/2012
Policy Index			4.82	21.88	9.27	8.24	6.44	7.81	
OPEB Actuarial Assumption			1.54	6.30	6.48	6.61	6.72	6.81	
Total Fund Composite (Net of Fees)			3.69	23.89	9.27	8.73	6.35	7.60	
Fiduciary Management	10,068,174	9.9	4.13	38.08	13.10	13.85	10.97	13.22	10/01/2012
Russell 1000 Value Index			5.21	43.68	12.42	11.87	9.41	12.18	
S&P 500 Index			8.55	40.79	18.67	17.65	14.10	15.61	
Vanguard Index Fund Institutional (VINIX)	10,465,686	10.3	8.53	40.76	18.65	N/A	N/A	17.37	05/01/2017
S&P 500 Index			8.55	40.79	18.67	17.65	14.10	17.39	
Stephens Mid Cap Growth	7,827,186	7.7	8.32	38.41	22.69	24.00	16.78	18.23	01/01/2013
Russell Midcap Growth Index			11.07	43.77	22.39	20.52	15.39	17.50	
Barrow Hanley MeWhinney & Strauss	9,829,521	9.7	-0.86	67.33	13.91	17.42	12.03	15.46	10/01/2012
Russell 2000 Value Index			4.56	73.28	10.27	13.62	9.26	11.97	
Causeway International (CIVIX)	7,453,851	7.3	2.07	40.47	6.07	8.85	3.59	4.35	10/01/2013
MSCI EAFE (Net) Index			5.17	32.35	8.27	10.28	4.96	5.85	
MSCI EAFE Value Index (Net)			3.01	33.50	3.78	7.81	1.95	3.33	
Cohen & Steers (CSRIX)	5,423,791	5.3	12.00	35.42	14.06	9.30	10.42	11.00	01/01/2013
FTSE NAREIT All Equity REITs			12.03	32.79	11.97	8.10	9.61	10.14	
BlackRock Multi-Asset Income (BKMIX)	5,009,937	4.9	3.34	16.23	N/A	N/A	N/A	21.19	04/01/2020
50% S&P 500/50% Barclays Agg			5.16	18.85	12.31	10.43	8.85	25.31	
MacKay Shields Core Plus	40,524,427	39.9	2.19	2.61	6.62	4.24	3.91	3.91	07/01/2014
Blmbg. Barc. U.S. Aggregate Index			1.83	-0.34	5.34	3.03	3.28	3.28	
Loomis Sayles High Yield (LSHIX)	4,870,591	4.8	3.97	21.66	5.67	6.65	3.90	6.02	01/01/2013
ICE BofAML High Yield Master II			2.77	15.62	7.15	7.30	5.33	5.93	
Cash	28,312	0.0							

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.
Cohen & Steers quarter end dividends settle the following month.



Asset Allocation & Performance
Total Fund Composite (Gross of Fees)
As of June 30, 2021

Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value \$	%	YTD	2020	2019	2018	2017	2016
Total Fund Composite (Gross of Fees)	101,501,475	100.0	6.56	12.03	17.38	-5.28	10.92	10.54
Policy Index			7.43	9.04	17.62	-4.68	9.35	9.47
OPEB Actuarial Assumption			3.10	6.40	6.50	6.75	6.75	7.00
Fiduciary Management	10,068,174	9.9	10.50	11.13	24.39	-2.89	18.86	14.92
Russell 1000 Value Index			17.05	2.80	26.54	-8.27	13.66	17.34
S&P 500 Index			15.25	18.40	31.49	-4.38	21.83	11.96
Vanguard Index Fund Institutional (VINIX)	10,465,686	10.3	15.23	18.39	31.46	-4.42	N/A	N/A
S&P 500 Index			15.25	18.40	31.49	-4.38	21.83	11.96
Stephens Mid Cap Growth	7,827,186	7.7	7.28	42.17	32.97	3.31	29.36	7.86
Russell Midcap Growth Index			10.44	35.59	35.47	-4.75	25.27	7.33
Barrow Hanley MeWhinney & Strauss	9,829,521	9.7	12.90	29.97	26.81	-17.80	18.51	27.59
Russell 2000 Value Index			26.69	4.63	22.39	-12.86	7.84	31.74
Causeway International (CIVIX)	7,453,851	7.3	9.21	5.40	20.10	-18.62	27.18	0.48
MSCI EAFE (Net) Index			8.83	7.82	22.01	-13.79	25.03	1.00
MSCI EAFE Value Index (Net)			10.68	-2.63	16.09	-14.78	21.44	5.02
Cohen & Steers (CSRIX)	5,423,791	5.3	21.08	-2.62	33.01	-3.99	7.43	5.89
FTSE NAREIT All Equity REITs			21.35	-5.12	28.66	-4.04	8.67	8.63
BlackRock Multi-Asset Income (BKMIX)	5,009,937	4.9	5.48	N/A	N/A	N/A	N/A	N/A
50% S&P 500/50% Barclays Agg			6.58	13.66	19.89	-1.90	12.37	7.38
MacKay Shields Core Plus	40,524,427	39.9	-0.79	9.90	9.48	-0.32	4.75	3.99
Blmbg. Barc. U.S. Aggregate Index			-1.61	7.51	8.72	0.01	3.54	2.65
Loomis Sayles High Yield (LSHIX)	4,870,591	4.8	6.51	3.42	10.51	-3.54	8.42	18.92
ICE BofAML High Yield Master II			3.70	6.17	14.41	-2.27	7.48	17.49
Cash	28,312	0.0						

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 June 30, 2021, Fiduciary had a market value of \$10,068,174.

Fiduciary Management		Russell 1000 Value Index	
	Weight %		Weight %
Berkshire Hathaway Inc	6.7	Berkshire Hathaway Inc	2.6
Masco Corp	5.0	JPMorgan Chase & Co	2.3
Comcast Corp	4.6	Johnson & Johnson	2.2
Dollar General Corporation	4.6	Unitedhealth Group Inc	1.7
Schwab (Charles) Corp	4.3	Procter & Gamble Co (The)	1.6
Quest Diagnostics Inc	4.1	Bank of America Corp	1.5
Sony Group Corporation	3.9	Walt Disney Co (The)	1.5
Unitedhealth Group Inc	3.7	Exxon Mobil Corp	1.3
JPMorgan Chase & Co	3.7	Comcast Corp	1.3
Unilever PLC	3.6	Verizon Communications Inc	1.2

Equity Assets Exposures by Sector

	Fiduciary Management	Russell 1000 Value Index
Cash	3.88	0.00
Communication Services	12.87	8.48
Consumer Discretionary	16.34	5.73
Consumer Staples	4.60	7.17
Energy	1.80	5.14
Financials	23.92	20.85
Health Care	16.74	17.31
Industrials	13.99	12.01
Information Technology	2.87	10.23
Materials	2.99	3.79
Real Estate	0.00	4.51
Utilities	0.00	4.79

Equity Characteristics

	Fiduciary Management	Russell 1000 Value Index
Wtd. Avg. Mkt. Cap (\$)	198,512,724,382	152,374,080,086
Price/Earnings ratio	17.0	19.8
Price/Book ratio	3.0	2.7
Current Yield	1.5	1.9
Number of Stocks	33	842



Fund Information

Fund Name :	Vanguard Institutional Index Fund: Vanguard Institutional Index Fund; Institutional Shares	Portfolio Assets :	\$282,631 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 :	\$126,548 Million	Style Benchmark :	S&P 500 Index
Portfolio Turnover :	4%		

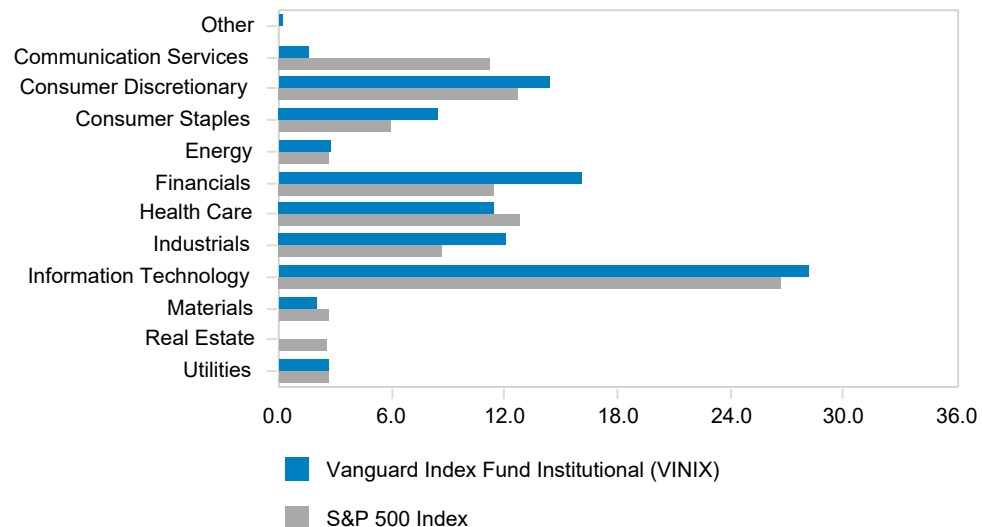
Portfolio Characteristics As of 04/30/2021

	Portfolio	Benchmark
Total Securities	508	505
Avg. Market Cap (\$)	496,447,814,988	30,626,723,600
Price/Earnings (P/E)	35.45	28.09
Price/Book (P/B)	10.38	4.56
Dividend Yield	1.82	1.41
Annual EPS	8.82	8.84
5 Yr EPS	16.78	19.41
3 Yr EPS Growth	15.78	N/A
Beta (3 Years, Monthly)	1.00	1.00

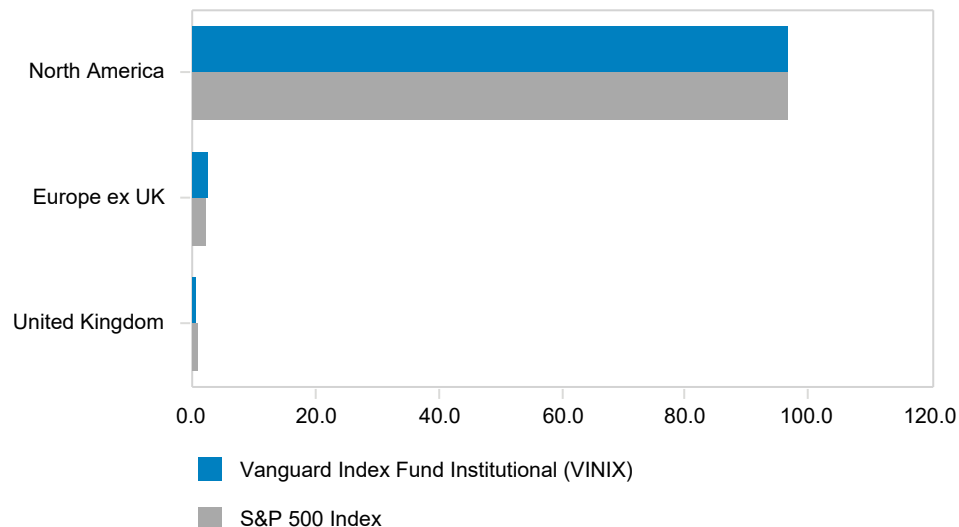
Top Ten Securities As of 04/30/2021

Apple Inc ORD	5.9 %
Microsoft Corp ORD	5.4 %
Amazon.com Inc ORD	4.2 %
Facebook Inc ORD	2.2 %
Alphabet Inc ORD 1	2.0 %
Alphabet Inc ORD 2	2.0 %
Tesla Inc ORD	1.5 %
Berkshire Hathaway Inc ORD	1.5 %
JPMorgan Chase & Co ORD	1.3 %
Johnson & Johnson ORD	1.2 %

Sector Weights As of 04/30/2021



Region Weights As of 04/30/2021



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 June 30, 2021, Stephens had a market value of \$7,827,186.

Stephens Mid Cap Growth		Russell Midcap Growth Index	
	Weight %		Weight %
IDEXX Laboratories Inc	2.2	IDEXX Laboratories Inc	1.3
Cadence Design Systems Inc	2.2	DocuSign Inc.	1.3
SVB Financial Group	1.8	Roku Inc	1.3
Roku Inc	1.8	Chipotle Mexican Grill Inc	1.1
Tradeweb Markets Inc	1.7	Match Group Inc	1.1
Microchip Technology Inc	1.7	Pinterest Inc	1.0
Match Group Inc	1.7	Palantir Technologies Inc	1.0
Copart Inc	1.7	Veeva Systems Inc	1.0
Resmed Inc	1.7	lululemon athletica inc	1.0
DexCom Inc	1.7	DexCom Inc	1.0

Equity Assets Exposures by Sector

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Cash	0.11	0.00
Communication Services	10.77	6.18
Consumer Discretionary	13.47	15.92
Consumer Staples	1.83	2.09
Energy	1.18	1.53
Financials	7.08	4.47
Health Care	21.60	17.49
Industrials	12.63	14.32
Information Technology	31.33	34.04
Materials	0.00	1.99
Real Estate	0.00	1.84
Utilities	0.00	0.14

Equity Characteristics

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Wtd. Avg. Mkt. Cap (\$)	27,957,662,349	26,363,484,992
Price/Earnings ratio	46.0	40.8
Price/Book ratio	7.0	10.8
Current Yield	0.3	0.5
Number of Stocks	104	390



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 June 30, 2021, Barrow, Hanley, MeWhinney & Strauss had a market value of \$9,829,521.

Barrow Hanley MeWhinney & Strauss		Russell 2000 Value Index	
	Weight %		Weight %
Darling Ingredients Inc	3.8	AMC Entertainment Holdings Inc	1.6
Allegheny Technologies Inc	3.6	Ovintiv Inc	0.5
Texas Capital Bancshares Inc	3.4	Tenet Healthcare Corp	0.4
MGIC Investment Corp	3.3	STAG Industrial Inc	0.4
WillScot Mobile Mini Holdings Corp	3.2	EMCOR Group Inc.	0.4
Brooks Automation Inc	3.2	Macy's Inc	0.4
Colfax Corp	3.1	South State Corp	0.4
Infinera Corp	3.1	Valley National Bancorp	0.4
OFG Bancorp	3.0	Chesapeake Energy Corp	0.3
Greenbrier Cos Inc (The)	3.0	CIT Group Inc	0.3

Equity Assets Exposures by Sector

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Cash	2.71	0.00
Communication Services	0.00	4.54
Consumer Discretionary	7.34	8.33
Consumer Staples	6.16	2.78
Energy	0.00	6.59
Financials	15.29	25.28
Health Care	2.48	11.38
Industrials	35.17	15.15
Information Technology	24.66	5.54
Materials	6.19	4.71
Real Estate	0.00	11.10
Utilities	0.00	4.60

Equity Characteristics

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Wtd. Avg. Mkt. Cap (\$)	3,753,683,401	3,067,281,936
Price/Earnings ratio	24.8	14.0
Price/Book ratio	2.2	1.8
Current Yield	0.7	1.6
Number of Stocks	41	1,384



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 : \$5,636 Million
 Portfolio Turnover : 57%

Portfolio Assets : \$6,023 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM International Large Cap Core Equity (MF)
 Style Benchmark : MSCI EAFE (Net) Index

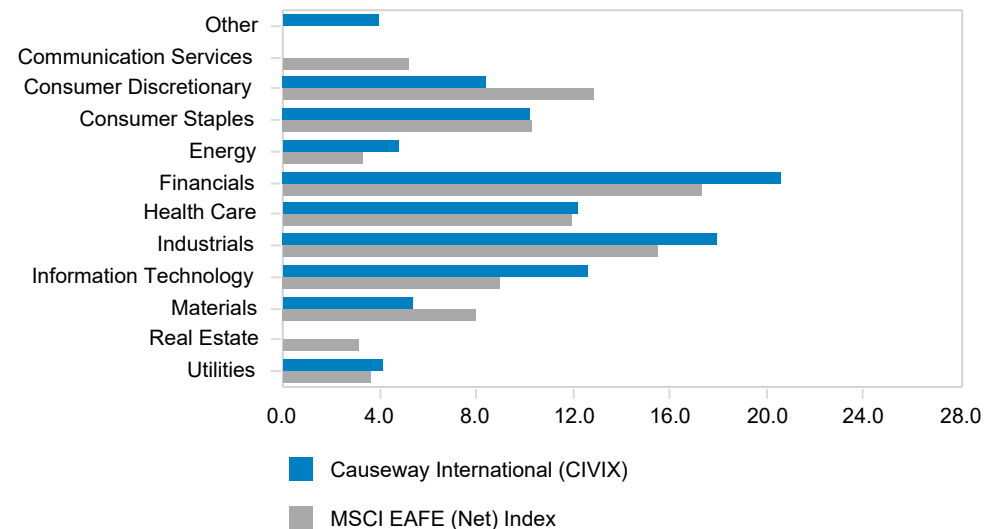
Portfolio Characteristics As of 03/31/2021

	Portfolio	Benchmark
Total Securities	61	876
Avg. Market Cap (\$)	88,262,258,756	12,927,746,848
Price/Earnings (P/E)	26.21	22.71
Price/Book (P/B)	3.30	2.59
Dividend Yield	3.23	2.37
Annual EPS	-14.01	120.29
5 Yr EPS	1.27	3.49
3 Yr EPS Growth	-6.29	N/A
Beta (5 Years, Monthly)	1.35	1.00

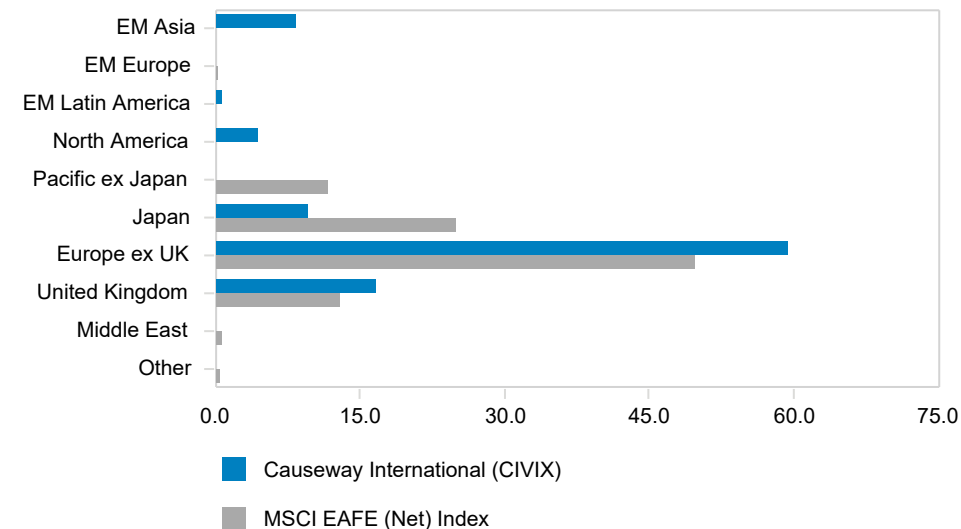
Top Ten Securities As of 03/31/2021

Samsung Electronics Co Ltd ORD	3.7 %
Rolls-Royce Holdings PLC ORD	3.4 %
Novartis AG ORD	3.2 %
UniCredit SpA ORD	3.1 %
SANOFI ORD	3.0 %
BASF SE ORD	2.9 %
Total SE ORD	2.8 %
Siemens AG ORD	2.7 %
Amadeus IT Group SA ORD	2.7 %
Takeda Pharmaceutical Co Ltd ORD	2.7 %

Sector Weights As of 03/31/2021



Region Weights As of 03/31/2021



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 : \$5,426 Million
 Portfolio Turnover : 66%

Portfolio Assets : \$5,426 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM Real Estate Sector (MF)
 Style Benchmark : FTSE NAREIT All Equity REITs

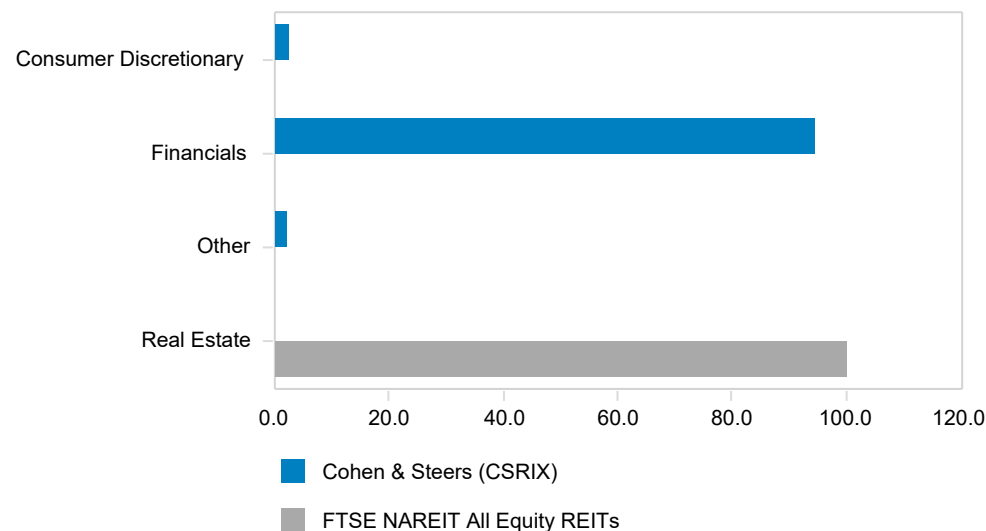
Portfolio Characteristics As of 03/31/2021

	Portfolio	Benchmark
Total Securities	39	1
Avg. Market Cap (\$)	30,610,027,939	-
Price/Earnings (P/E)	49.02	N/A
Price/Book (P/B)	5.68	N/A
Dividend Yield	3.04	N/A
Annual EPS	-9.70	N/A
5 Yr EPS	3.69	N/A
3 Yr EPS Growth	-0.48	N/A
Beta (5 Years, Monthly)	0.97	1.00

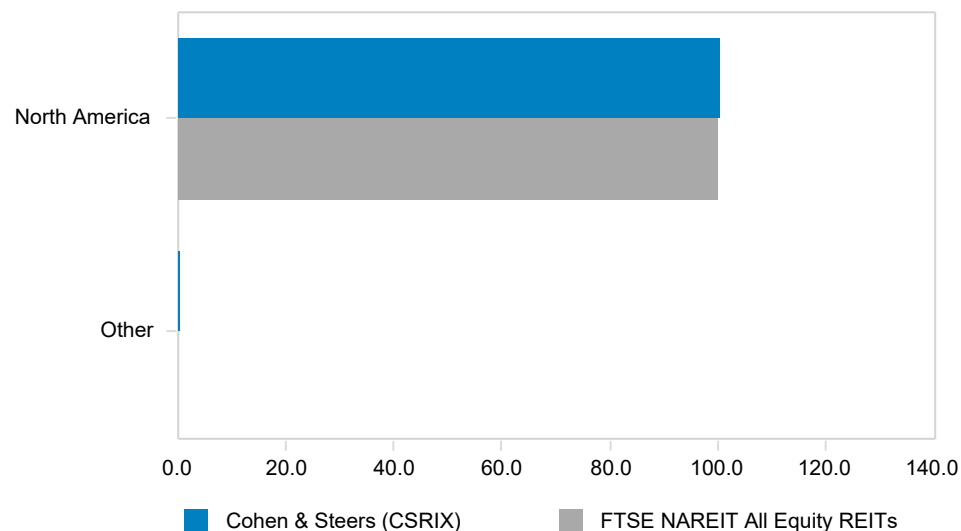
Top Ten Securities As of 03/31/2021

Public Storage ORD	7.1 %
American Tower Corp ORD	6.6 %
Simon Property Group Inc ORD	5.6 %
Healthpeak Properties Inc ORD	5.3 %
Duke Realty Corp ORD	4.9 %
UDR Inc ORD	4.2 %
Weyerhaeuser Co ORD	4.1 %
SBA Communications Corp ORD	4.0 %
Extra Space Storage Inc ORD	3.6 %
Essex Property Trust Inc ORD	3.4 %

Sector Weights As of 03/31/2021



Region Weights As of 03/31/2021



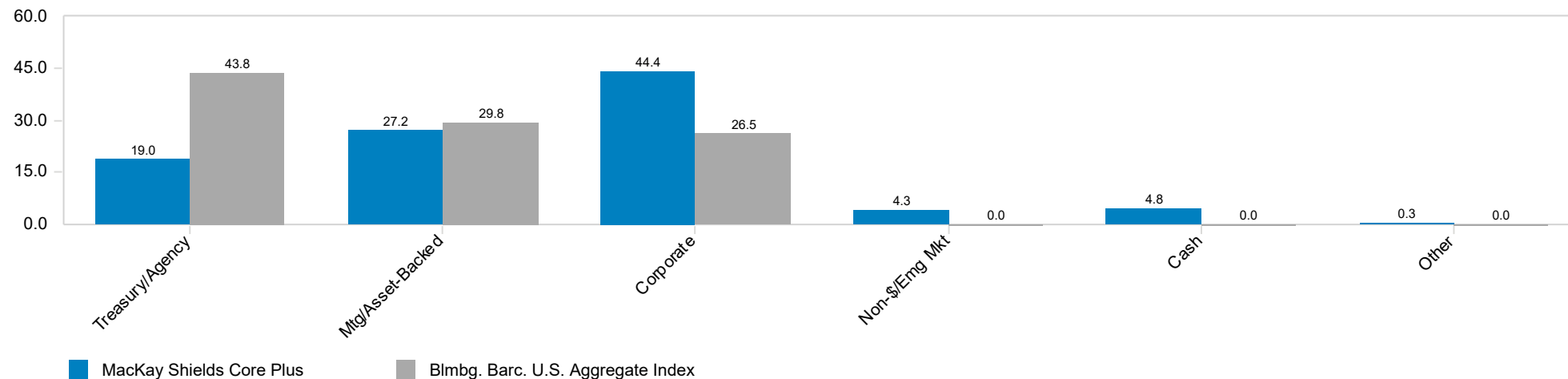
Statistics provided by Lipper. Most recent available data shown.



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 June 30, 2021,

MacKay Shields had a market value of \$40,524,427.

Sector Distribution (%)



Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	8.59	8.17
Avg. Quality	A	AA2
Coupon Rate (%)	3.08	2.68
Modified Duration	N/A	6.50
Yield To Maturity (%)	1.96	1.52
Holdings Count	235	12,200



Fund Information

Fund Name :	Loomis Sayles Funds I: Loomis Sayles Institutional High Income Fund; Institutional Class	Portfolio Assets :	\$388 Million
Fund Family :	Loomis Sayles & Company LP	Portfolio Manager :	Matthew Eagan/Elaine Stokes
Ticker :	LSHIX	PM Tenure :	2007--2007
Inception Date :	06/05/1996	Fund Style :	IM U.S. High Yield Bonds (MF)
Fund Assets :	\$388 Million	Style Benchmark :	FTSE High Yield Market Index
Portfolio Turnover :	25%		

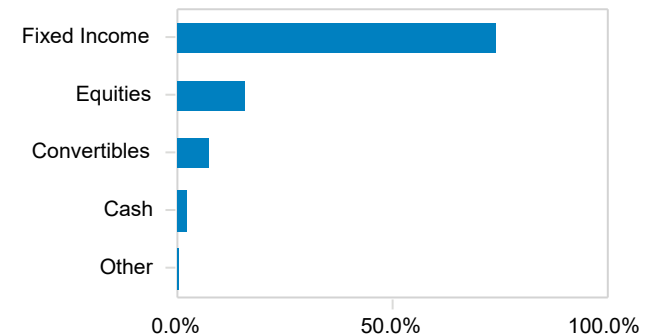
Fund Characteristics As of 03/31/2021

Avg. Coupon	4.73 %
Nominal Maturity	N/A
Effective Maturity	5.07 Years
Duration	3.77 Years
SEC 30 Day Yield	5.5
Avg. Credit Quality	BB

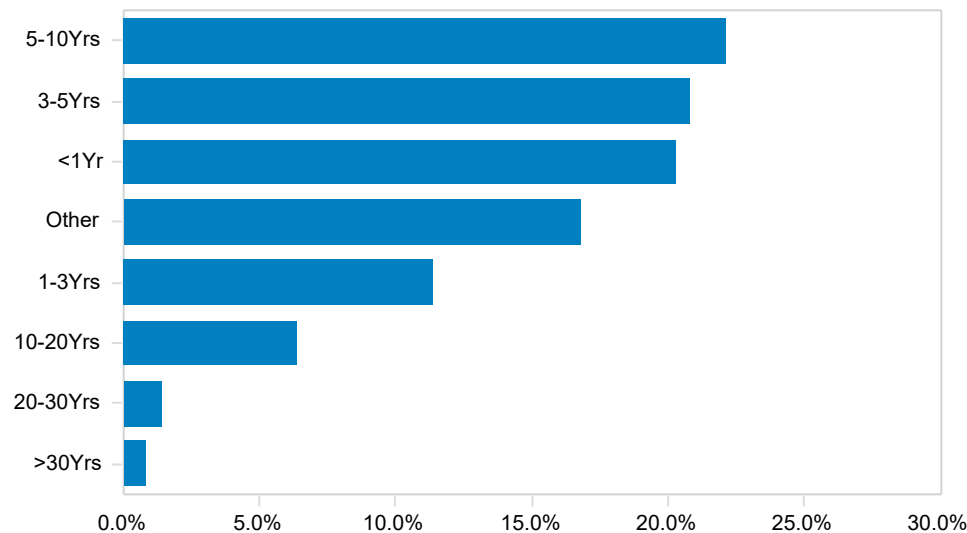
Top Ten Securities As of 03/31/2021

Corporate Notes/Bonds	70.5 %
Common Stock	15.8 %
Convertible Securities	7.3 %
Fgn. Currency Denominated Bonds	2.6 %
Asset Backed Securities	1.3 %
Preferred Stock-Non Convertible	0.2 %

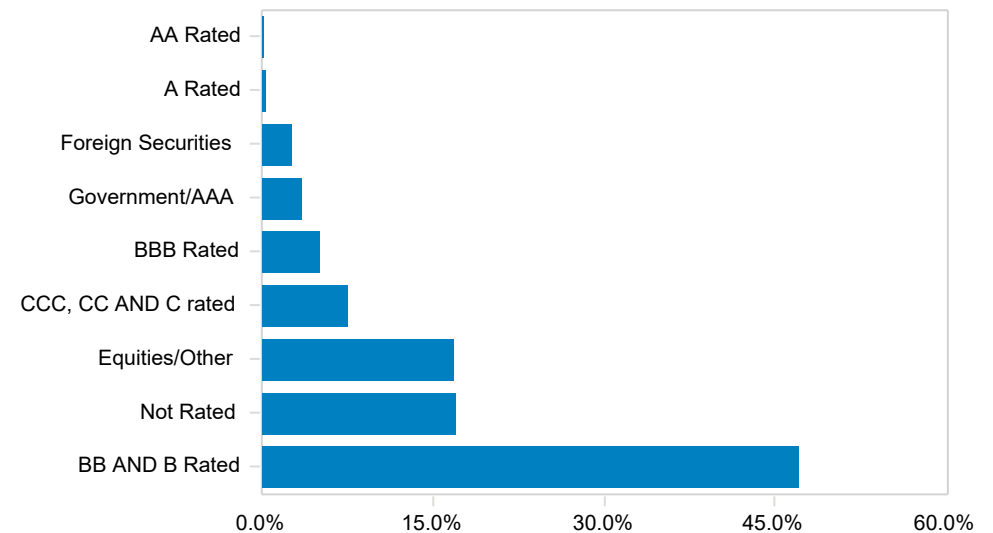
Asset Allocation As of 03/31/2021



Maturity Distribution As of 03/31/2021



Sector/Quality Allocation As of 03/31/2021



Statistics provided by Lipper. Most recent available data shown.



**Port of Houston OPEB
 Manager Status Summary
 As of June 30, 2021**

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	
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 June 30, 2021

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Total Fund Composite	0.47	101,501,475	475,024	
Equity Composite	0.53	51,068,209	273,014	
Domestic Equity	0.44	38,190,567	168,978	
Fiduciary Management	0.55	10,068,174	55,375	0.55 % of Assets
Vanguard Index Fund Institutional (VINIX)	0.04	10,465,686	4,186	0.04 % of Assets
Stephens Mid Cap Growth	0.77	7,827,186	60,269	0.77 % of Assets
Barrow Hanley MeWhinney & Strauss	0.50	9,829,521	49,148	0.50 % of Assets
International Equity	0.85	7,453,851	63,358	
Causeway International (CIVIX)	0.85	7,453,851	63,358	0.85 % of Assets
Real Estate	0.75	5,423,791	40,678	
Cohen & Steers (CSRIX)	0.75	5,423,791	40,678	0.75 % of Assets
GTAA Composite	0.54	5,009,937	27,054	
BlackRock Multi-Asset Income (BKMIX)	0.54	5,009,937	27,054	0.54 % of Assets
Fixed Income Composite	0.40	50,433,266	202,009	
Core Plus Fixed Income	0.35	40,524,427	141,835	
MacKay Shields Core Plus	0.35	40,524,427	141,835	0.35 % of Assets
High Yield Fixed Income	0.68	4,870,591	33,120	
Loomis Sayles High Yield (LSHIX)	0.68	4,870,591	33,120	0.68 % of Assets



Port of Houston OPEB
Fee Summary
As of June 30, 2021

Structure	Mandate	Expense Ratio	Category Average	Difference	Annual Savings
Fiduciary Management	Large Cap Value Equity	0.55%	0.99%	0.44%	\$44,300
Vanguard Index Fund (VINIX)	Large Cap Core Equity	0.04%	0.99%	0.95%	\$99,424
Stephens Mid Cap Growth	Mid Cap Growth Equity	0.77%	1.26%	0.49%	\$38,353
Barrow Hanley MeWhinney & Strauss	Small Cap Value Equity	0.50%	1.27%	0.77%	\$75,687
Causeway International (CIVIX)	International Equity	0.85%	1.21%	0.36%	\$26,834
Cohen & Steers (CSRIX)	Real Estate and Investment Trust	0.75%	1.24%	0.49%	\$26,683
BlackRock Multi-Asset (BKMIX)	GTAA	0.54%	0.97%	0.43%	\$21,543
Mackay Shields Core Plus	Core Plus Fixed Income	0.35%	0.84%	0.49%	\$198,570
Loomis Sayles High Yield (LSHIX)	High Yield Fixed Income	0.68%	1.04%	0.36%	\$17,534
Total Management Fees		0.47%	1.01%	0.54%	\$548,928

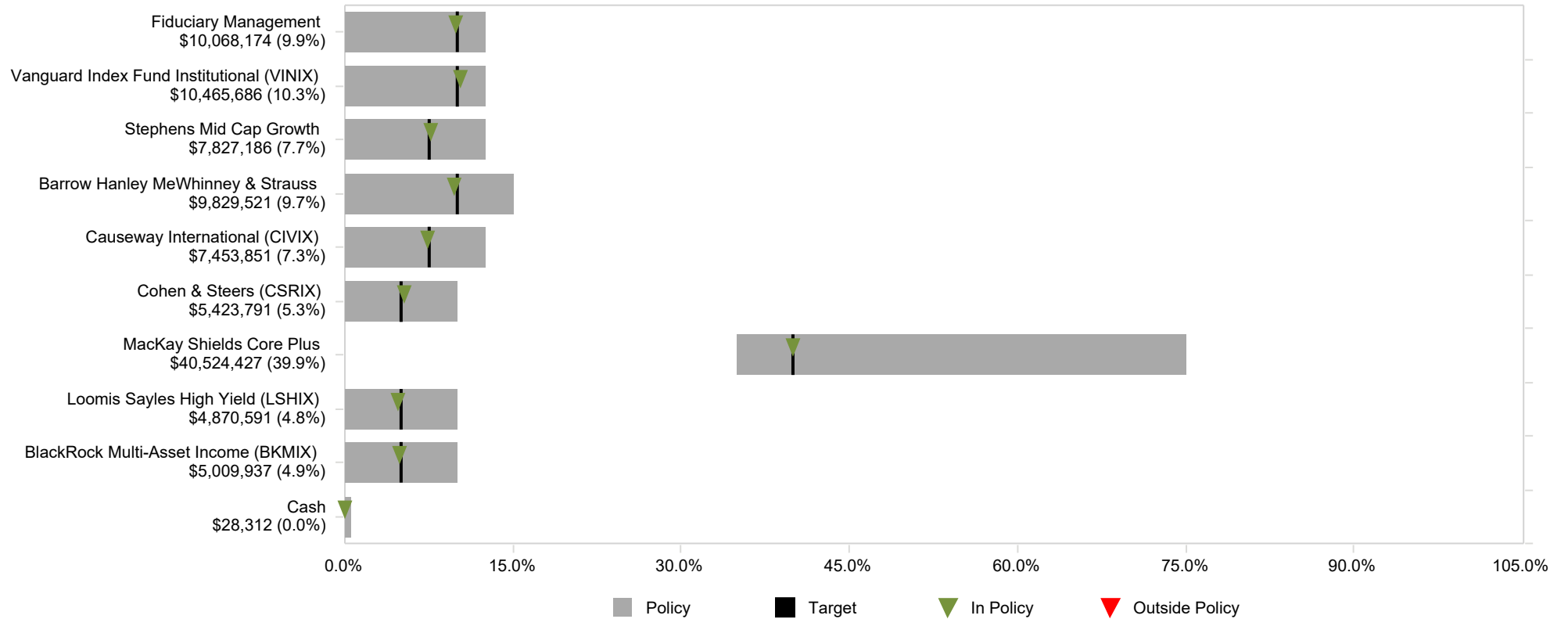
Source: Morningstar and Investment Managers



Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund Composite	101,501,475	100.0	100.0	0.0		
Fiduciary Management	10,068,174	9.9	10.0	-0.1	0.0	12.5
Vanguard Index Fund Institutional (VINIX)	10,465,686	10.3	10.0	0.3	0.0	12.5
Stephens Mid Cap Growth	7,827,186	7.7	7.5	0.2	0.0	12.5
Barrow Hanley MeWhinney & Strauss	9,829,521	9.7	10.0	-0.3	0.0	15.0
Causeway International (CIVIX)	7,453,851	7.3	7.5	-0.2	0.0	12.5
Cohen & Steers (CSRIX)	5,423,791	5.3	5.0	0.3	0.0	10.0
Mackay Shields Core Plus	40,524,427	39.9	40.0	-0.1	35.0	75.0
Loomis Sayles High Yield (LSHIX)	4,870,591	4.8	5.0	-0.2	0.0	10.0
BlackRock Multi-Asset Income (BKMIX)	5,009,937	4.9	5.0	-0.1	0.0	10.0
Cash	28,312	0.0	0.0	0.0	0.0	0.5

Executive Summary



Historical Hybrid Composition	
Allocation Mandate	Weight (%)
Jan-1979	
S&P 500 Index	47.50
Russell Midcap Index	12.50
Blmbg. Barc. U.S. Aggregate Index	40.00
Dec-2012	
S&P 500 Index	15.00
Russell Midcap Index	12.50
Russell 2000 Index	10.00
MSCI EAFE Index	12.50
Blmbg. 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
Aug-2015	
S&P 500 Index	15.00
Russell Midcap Index	7.50
Russell 2000 Index	10.00
MSCI EAFE Index	7.50
Blmbg. 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
Jan-2021	
S&P 500 Index	22.50
Russell Midcap Index	7.50
Russell 2000 Index	10.00
MSCI EAFE Index	7.50
Blmbg. Barc. U.S. Aggregate Index	42.50
ICE BofAML High Yield Master II	5.00
FTSE NAREIT All Equity REITs	5.00



Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- 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.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- 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.
Distributed to Paid In (DPI)	- 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.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- 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.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- 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.
Public Market Equivalent (PME)	- 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.
R-Squared	- 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.
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 an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- 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.
Total Value to Paid In (TVPI)	- 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
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- 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.
Up Market Capture	- 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*