

Investment Performance Review  
Period Ending June 30, 2022

## Port Houston OPEB Plan

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As you may recall from our Client Letter at the beginning of the year, AndCo remains steadfast in our belief and conviction that the best way to service our valued clients is within a model that is independent, singularly focused, customized, and passionately delivered. We continue to reinvest 100% of our net profits back into the organization to enhance our customized service model and provide the appropriate resources for all our team members to serve our valued clients at a high level.

To that end, we are thrilled to share that AndCo is the recipient of a Greenwich Quality Leader Award for mid-sized consulting firms!

Coalition Greenwich is a leading global provider of data, analytics, and insights to the financial services industry, and the Greenwich Exchange provides institutional investors with robust and actionable data to inform their decision-making. Research participants receive regional and global industry insights, as well as peers' perceptions of asset managers and investment consultants.

Outlined below are the award criteria research participants answer that determines Quality Leader Awards each year. To qualify as a research participant you must have at least \$150MM in investable assets.

2021 was the first year we launched an initiative to participate in this research opportunity and the experience helped glean key insights into what is important for our clients and how we can better serve them going forward. We deeply appreciate the client representatives that acted as research participants in the 2021 study.

While our consultants are the tip of the spear when servicing our clients, this award, and our overall client service experience, would not have been possible without the work of our entire AndCo team. We greatly appreciate their ongoing work and efforts that made this award possible.

As we have stated since our rebrand in 2017, our name, AndCo, reminds us of who we work for every day - "Our Client" &Co. You will always be first in our service model and at the forefront of each team member's efforts to serve, earn your trust, and add value.

Thank you again for your valued partnership and the opportunity to serve you. We share this award with you and will continue to work hard to earn your trust as we move forward in these challenging market environments.

## GREENWICH QUALITY LEADER AWARD CRITERIA

Understanding of Client Goals and Objectives	Client Satisfaction with Manager Recommendations	Timeliness in Providing Written Reports
Advice on DC Plan Structure and Design	Communication of Philosophy and Investment Beliefs	Capability of Consultants Assigned to Clients
Credibility with Investment Committee	Advice on Long-Term Asset Allocation and Liability Issues	Usefulness of Personal Meetings
Proactive Advice and Innovative Ideas	Responsiveness and Prompt Follow-Up on Client Requests	Sufficient Professional Resources
	Usefulness of Written Investment Reviews	

*IMPORTANT DISCLOSURE INFORMATION RE GREENWICH QUALITY LEADER AWARD: This communication is intended for informational purposes only and should not be regarded as investment advice or as a recommendation regarding any particular course of action. AndCo Consulting is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Registration as an investment adviser does not constitute an endorsement of the firm by securities regulators nor does it indicate that the adviser has attained a particular level of skill or ability.*

*These ratings are not indicative of AndCo's future performance. These awards or any other rankings and/or recognition by unaffiliated rating services and/or publications should not be construed as a guarantee that a client will experience a certain level of results or satisfaction if they invest with AndCo, nor should it be construed as a current or past endorsement by any of our clients. AndCo did not pay a fee to participate in this award survey. Coalition Greenwich and AndCo are not affiliated entities.*

*METHODOLOGY FOR THIS AWARD: Between July and October 2021, Coalition Greenwich conducted interviews with 811 individuals from 661 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate and union funds, public funds, and endowment and foundation funds, with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends.*



## **2nd Quarter 2022 Market Environment**



## **The Economy**

- Global economic growth continued to slow during the 2nd quarter as global central banks tightened monetary policy in order to fight persistently high inflation. Additionally, rising geopolitical concerns related to Russia's continued action in Ukraine, China's zero-Covid policy, and social unrest in emerging markets all contributed to the slowdown.
- The US Federal Reserve Bank (the Fed) increased interest rates twice during the quarter by a total of 1.25%. June's rate increase of 0.75% was the largest interest rate increase since the early 1990s. The Fed indicated that its primary focus is arresting the increase in inflation which could require additional rate increases.
- The US labor market continues to be a source of strength with the unemployment rate holding steady at 3.6% in June. The pace of job growth remains above the market's expectations with 390,000 and 372,000 new jobs created in May and June, respectively. Despite these gains, the number of available workers entering the workforce remains significantly below the pre-pandemic high.
- The US housing market showed signs of cooling as higher mortgage rates pushed many buyers out of the market. Importantly, housing starts and new building permits continued their downward trend which suggests future new inventory may fall short of demand. Finally, home price appreciation continued to increase as measured by the Cash-Shiller Home Price Index.

## **Equity (Domestic and International)**

- US equities declined broadly during the 2nd quarter as worries regarding inflation, sharply higher interest rates, rising recession risk, and continued geopolitical events weighed on the equity market. Large cap value was the least negative (-12.2%) segment of the domestic equity market relative to other styles and capitalizations for the second consecutive quarter. Mid-cap growth was the worst performing style, falling 21.1% for the period.
- International stocks also struggled during the 2nd quarter as the continuing conflict in Ukraine and persistently high inflation drove markets lower. Western Europe was negatively affected by rising energy prices due to continued restrictions on purchases from Russia. Additionally, both the Euro and Yen currencies fell against the US dollar (USD) because of increasing uneasiness over future economic growth.

## **Fixed Income**

- Concerns about current inflation levels, combined with the Fed's stated commitment to continue raising interest rates, were the primary drivers of return during the 2nd quarter. US interest rates moved significantly higher during the quarter with the US 10-Year Treasury bond rising 63 basis points to close at a yield of 2.98%.
- Performance was broadly negative across all bond market sectors during the quarter with US Treasury bonds holding up the most as market volatility increased.
- Investment grade corporate bonds underperformed higher quality mortgage-backed and US Treasury bonds during the quarter. High yield bonds also lagged their peers as fears over future economic growth and weaker corporate earnings drove credit spreads wider.
- Counterintuitively, TIPS underperformed nominal US Treasury bonds during the quarter as the bond market's future expectation for inflation declined.

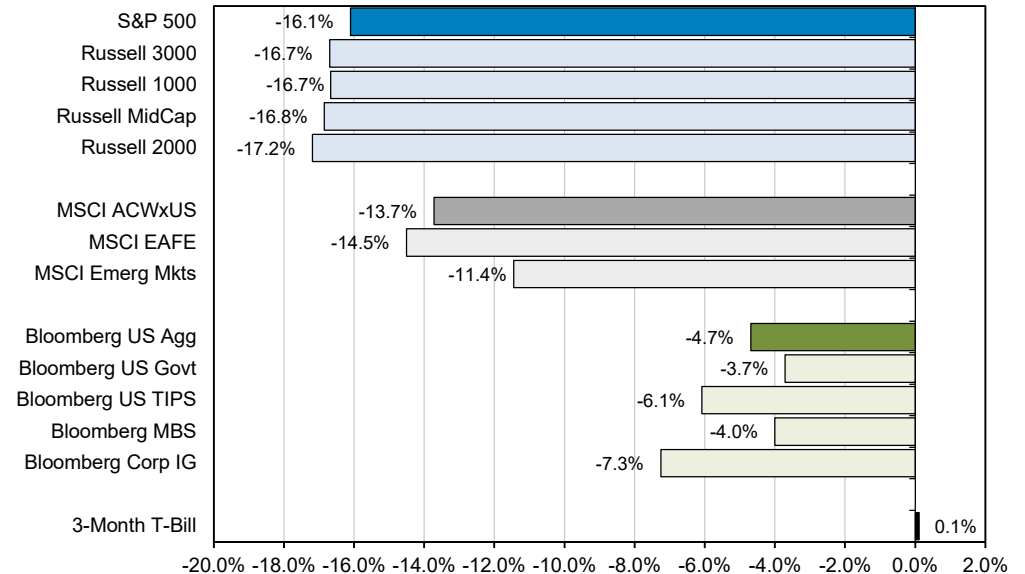
## **Market Themes**

- The pace of global central bank monetary tightening increased during the quarter with the both the Fed and Bank of England raising interest rates. The European Central Bank also hinted it would begin raising rates during the 3rd quarter.
- The crisis in Ukraine continues to negatively impact global economic growth. Specifically, recently imposed restrictions will likely result in higher energy costs in Europe just as economic growth begins to slow.
- US equity markets experienced their second consecutive negative quarter of performance and their worst start to a calendar year since the 1970s. Growth-oriented stocks significantly underperformed value stocks as investors' fears about rising inflation and future economic growth carried through to asset prices. Historically, growth stocks have underperformed value stocks as the economy slows.
- Interest rates continued to rise across the Treasury yield curve during the quarter as investors believe the Fed will continue to raise interest rates to fight inflation. The shape of the yield curve remained relatively flat between two- and ten-year maturities. Historically, the yield curve has been used as a leading indicator to predict the market's expectations of a recession.

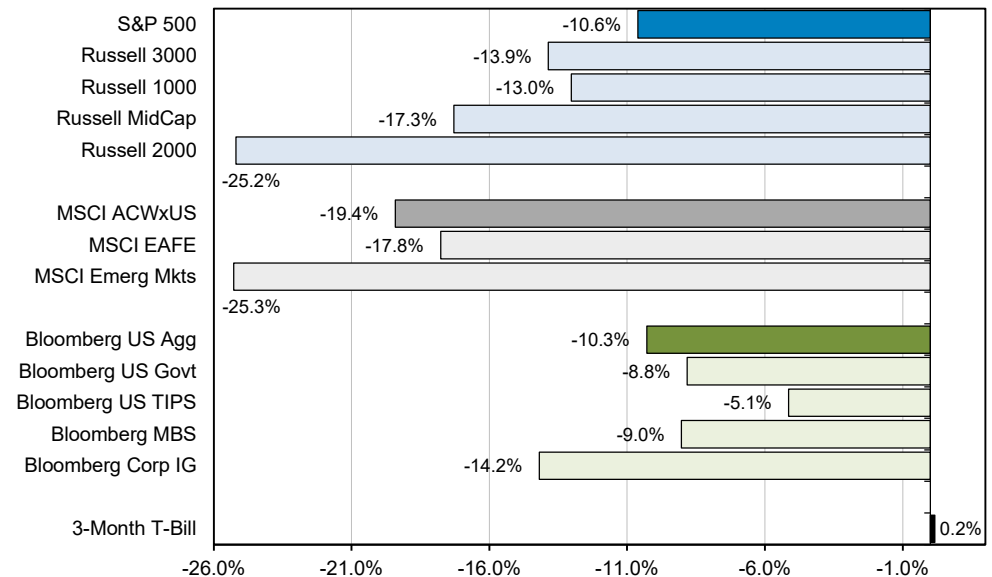


- Broad US equity markets continued their recent trend delivering negative returns during the 2nd quarter of 2022. A variety of factors contributed to performance including persistently high inflation, the potential for future interest rate increases, geopolitical events in Ukraine, and concerns related to slower economic growth. For the period, the S&P 500 large cap benchmark returned -16.1%, compared to -16.8% for mid-cap and -17.2% for small cap indices.
- Developed market international equities also suffered negative results for the 2nd quarter. Europe continues to be negatively impacted by the ongoing crisis in Ukraine. Recently, restrictions related to Russian energy imports were imposed leading to further energy cost increases. For the quarter, the MSCI EAFE Index declined by -14.5%.
- Emerging markets were also under pressure due to the continued conflict in Ukraine and China's "Zero Covid" policy. During the period, the MSCI Emerging Markets Index fell by -11.4%
- Bond market performance was broadly negative for the quarter due to rising inflation and the prospect of additional interest rate increases. The Bloomberg (BB) US Aggregate Index returned -4.7% for the period while Investment Grade Corporate bonds posted a return of -7.3%. US Treasury bonds held up the most for the period, but still declined by -3.7%.
- The quarter's negative performance added to challenged returns of developed equity markets over the trailing 1-year period. The primary drivers of returns during the period were rising inflation, the path of interest rates, and future economic growth. The S&P 500 large cap stock index led relative equity market performance for the year but still returned a disappointing -10.6%. The downside outlier was the Russell 2000 small cap index, which declined by -25.3% for the year.
- Similar to domestic equities, the developed international and emerging markets suffered negative returns over the trailing 1-year period. The developed market MSCI EAFE Index posted a return of -17.8% while the MSCI Emerging Markets Index pulled back by -25.3%. Economic growth slowed throughout the year as monetary stimulus wore off and it became increasingly clear that high inflation levels were not transitory.
- Bond market returns also disappointed over the trailing 1-year period with the BB US Aggregate Index dropping by -10.3%.

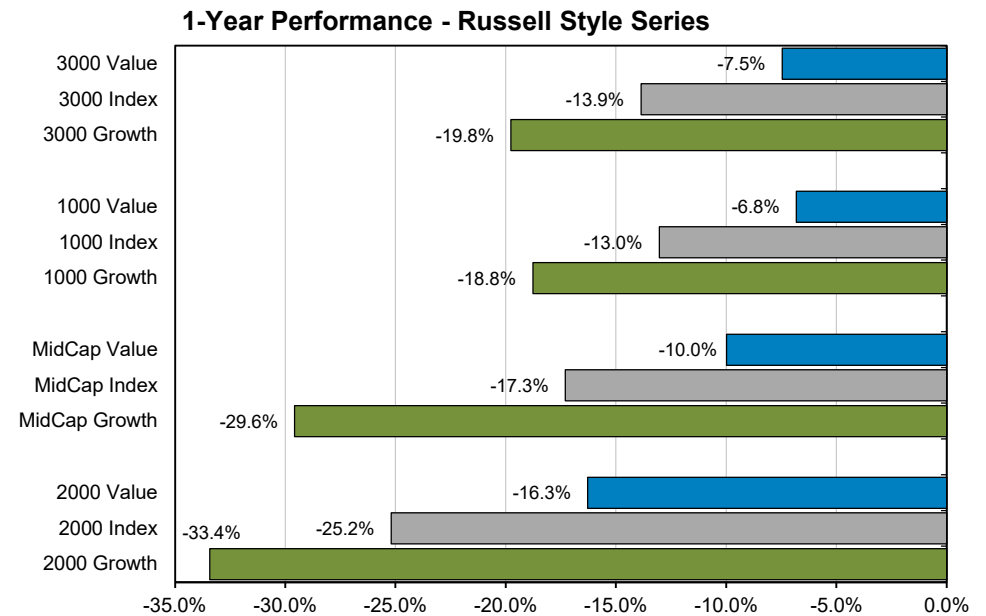
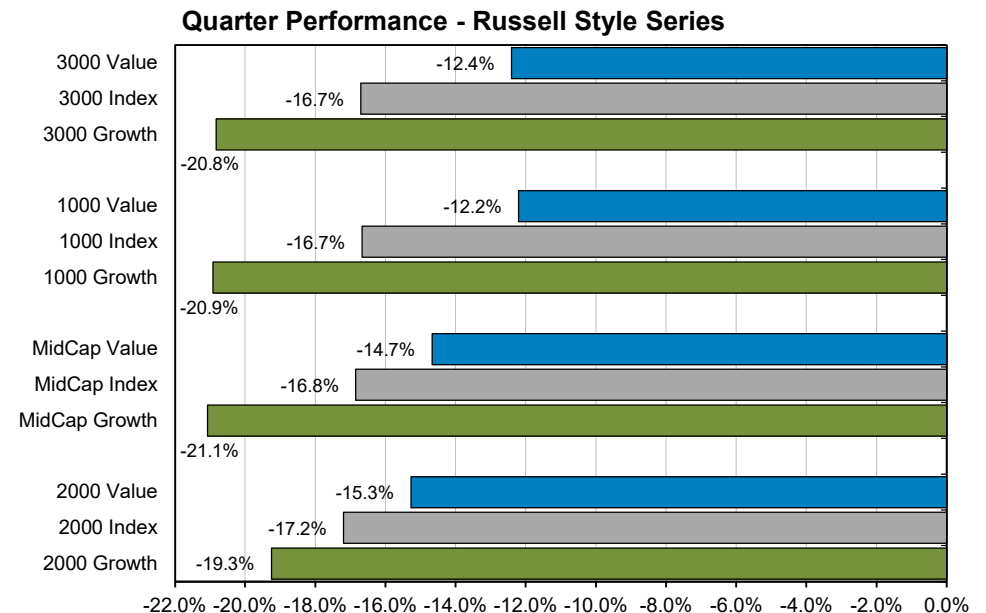
### Quarter Performance



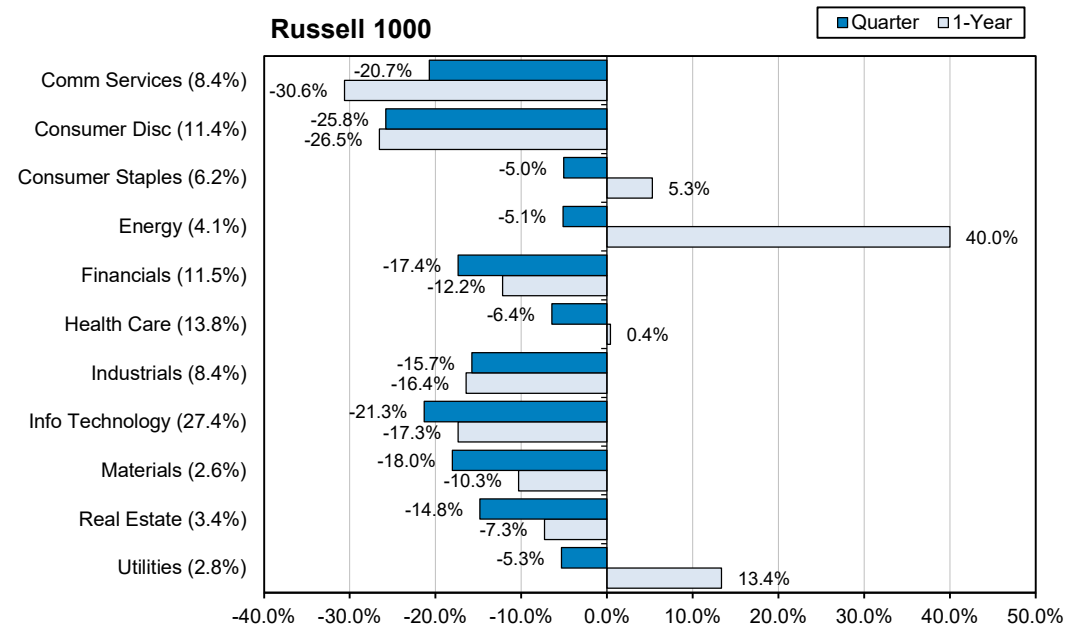
### 1-Year Performance



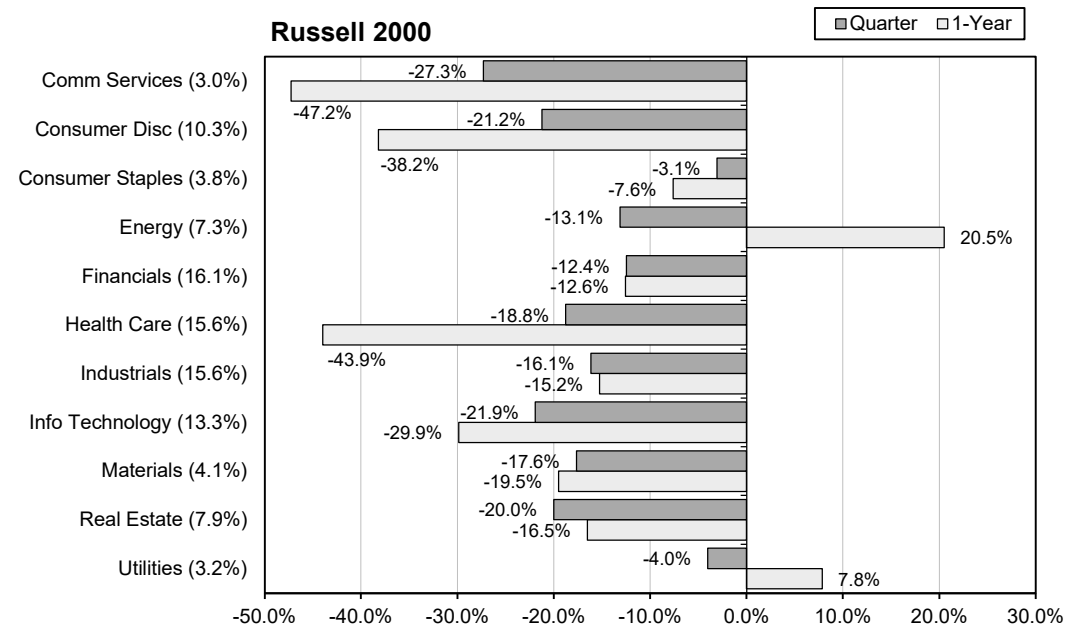
- Volatility increased during the 2nd quarter as each broad US equity benchmark posted negative results across both the style and market capitalization spectrums. Large cap stocks continued their leadership, followed by mid and small cap issues. The Russell 1000 Index declined by -16.7% for the quarter while the Russell Mid Cap Index and the Russell 2000 Index fell by -16.8% and -17.2%, respectively.
- Performance across styles and market capitalizations was disparate during the quarter. Value stocks handily outpaced their growth counterparts across market capitalizations. For the period, the Russell 1000 Value Index was the least negative performing style index, posting a weak return of -12.2%. Mid cap and large cap growth stocks fell even further with the Mid Cap Growth Index declining by -21.1% and the Russell 1000 Growth Index posting a return of -20.9%.
- Performance across all market capitalizations and styles were also negative over the trailing 1-year period. Much like the 2nd quarter, large cap stocks were down less than mid and small cap stocks for the 1-year period. The Russell 1000 Index returned -13.0% for the year but was down significantly less than both its mid and small cap growth index counterparts. The downside outlier during the period was the Russell 2000 Index which fell by -25.2%.
- The return dispersion across market styles was also wide for the trailing 1-year period and value stocks were down less than growth stocks by a two-to-one margin across large, mid and small style-based indexes. The return dispersion was extreme with the Russell 1000 Value Index returning -6.8%, and at the other end of the spectrum, the Russell 2000 Growth Index posting a return of -33.4%.



- Economic sector performance was negative across all eleven large cap economic sectors for the 2nd quarter. Only four sectors were down less than the return of the broader Russell 1000 Index (-16.7%) on a relative basis during the period.
- Defensive sectors including consumer staples (-5.0%) energy (-5.1%), and utilities (-5.3%) were the least negative performing sectors for the quarter. Concerns about a potential economic slowdown drove the performance of consumer staples during the period. Energy prices remained elevated which acted as a tailwind for the sector. Economically sensitive sectors such as consumer discretionary (-25.8%), information technology (-21.3%), and communication services (-20.7%), significantly underperformed the broader index for the quarter.
- For the full year, seven sectors exceeded the return of the broad large cap benchmark: energy (40.0%), utilities (13.4%), consumer staples (5.3%), health care (0.4%), real estate (-7.3%), materials (-10.3%), and financials (-12.2%). The weakest economic sector performance in the Russell 1000 for the year was communication services (-30.6%).



- Small cap sector performance was also broadly negative for the 2nd quarter with all sectors posting negative performance. Five sectors were down less than the return of the broader Russell 2000 Index (-17.2%) on a relative basis. The consumer staples (-3.1%) sector held up the most for the quarter and the communication services (-27.3%) sector the was the weakest.
- For the trailing 1-year period, seven of the eleven small sectors outpaced the broad benchmark's return (-25.2%). However, only two defensive sectors posted positive performance for the year: energy (20.5%) and utilities (7.8%). The weakest sector over the trailing year was communication services (-47.2%).



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, 2022

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	5.92%	-21.6%	0.4%	Information Technology
Microsoft Corp	5.44%	-16.5%	-4.4%	Information Technology
Amazon.com Inc	2.67%	-34.8%	-38.3%	Consumer Discretionary
Alphabet Inc Class A	1.85%	-21.6%	-10.8%	Communication Services
Alphabet Inc Class C	1.70%	-21.7%	-12.7%	Communication Services
Tesla Inc	1.62%	-37.5%	-0.9%	Consumer Discretionary
Berkshire Hathaway Inc Class B	1.39%	-22.6%	-1.8%	Financials
UnitedHealth Group Inc	1.36%	1.1%	30.0%	Health Care
Johnson & Johnson	1.32%	0.8%	10.5%	Health Care
Meta Platforms Inc Class A	1.05%	-27.5%	-53.6%	Communication Services

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Ollie's Bargain Outlet Holdings Inc	0.01%	36.8%	-30.2%	Consumer Discretionary
H&R Block Inc	0.02%	36.6%	56.7%	Consumer Discretionary
United Therapeutics Corp	0.03%	31.3%	31.3%	Health Care
Grocery Outlet Holding Corp	0.01%	30.0%	23.0%	Consumer Staples
Pilgrims Pride Corp	0.00%	24.4%	40.8%	Consumer Staples
Seagen Inc Ordinary Shares	0.07%	22.8%	12.1%	Health Care
Lamb Weston Holdings Inc	0.03%	19.7%	-10.0%	Consumer Staples
Post Holdings Inc	0.01%	18.9%	14.1%	Consumer Staples
Monster Beverage Corp	0.10%	16.0%	1.5%	Consumer Staples
American Campus Communities Inc	0.03%	15.2%	41.8%	Real Estate

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Carvana Co Class A	0.01%	-81.1%	-92.5%	Consumer Discretionary
Coinbase Global Inc Ord Shrs - Class A	0.02%	-75.2%	-81.4%	Financials
Upstart Holdings Inc Ordinary Shares	0.01%	-71.0%	-74.7%	Financials
Lyft Inc Class A	0.01%	-65.4%	-78.0%	Industrials
Peloton Interactive Inc	0.01%	-65.3%	-92.6%	Consumer Discretionary
Cloudflare Inc	0.03%	-63.5%	-58.7%	Information Technology
Unity Software Inc Ordinary Shares	0.02%	-62.9%	-66.5%	Information Technology
Affirm Holdings Inc Ord Shrs - Class A	0.01%	-61.0%	-73.2%	Information Technology
Wayfair Inc Class A	0.01%	-60.7%	-86.2%	Consumer Discretionary
Royal Caribbean Group	0.02%	-58.3%	-59.1%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Biohaven Pharmaceutical Hldg Co Ltd	0.40%	22.9%	50.1%	Health Care
ShockWave Medical Inc	0.30%	-7.8%	0.8%	Health Care
Chart Industries Inc	0.27%	-2.6%	14.4%	Industrials
Halozyme Therapeutics Inc	0.26%	10.3%	-3.1%	Health Care
SailPoint Technologies Holdings Inc	0.26%	22.5%	22.7%	Information Technology
SouthState Corp	0.25%	-4.8%	-3.3%	Financials
Southwest Gas Holdings Inc	0.25%	12.0%	35.9%	Utilities
Stag Industrial Inc	0.24%	-24.5%	-14.5%	Real Estate
Agree Realty Corp	0.24%	9.8%	6.4%	Real Estate
RBC Bearings Inc	0.23%	-4.6%	-7.3%	Industrials

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Redbox Entertainment Inc Class A	0.00%	213.6%	N/A	Communication Services
Turning Point Therapeutics Inc	0.15%	180.3%	-3.6%	Health Care
Veru Inc	0.03%	134.0%	40.0%	Consumer Staples
GTU Technology Holdings Inc Class A	0.01%	93.8%	-12.0%	Information Technology
Day One Biopharmaceuticals Inc	0.02%	80.4%	-21.4%	Health Care
SIGA Technologies Inc	0.02%	73.3%	95.7%	Health Care
Sierra Oncology Inc	0.04%	71.6%	182.4%	Health Care
Scorpio Tankers Inc	0.08%	62.0%	60.1%	Energy
Lulus Fashion Lounge Holdings Inc	0.00%	60.0%	N/A	Consumer Discretionary
Convey Health Solutions Hldg Ord Shrs	0.01%	59.0%	-8.6%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Applied Blockchain Inc	0.00%	-93.3%	-90.1%	Information Technology
TeraWulf Inc	0.00%	-85.7%	N/A	Information Technology
Velo3D Inc	0.00%	-85.2%	N/A	Industrials
Avaya Holdings Corp	0.01%	-82.3%	-91.7%	Information Technology
Bird Global Inc Class A	0.00%	-82.2%	N/A	Industrials
Core Scientific Inc Ord Shares - Class A	0.01%	-81.9%	N/A	Information Technology
Boxed Inc	0.00%	-81.8%	N/A	Consumer Discretionary
Marathon Digital Holdings Inc	0.02%	-80.9%	-83.0%	Information Technology
Riot Blockchain Inc	0.02%	-80.2%	-88.9%	Information Technology
Endo International PLC	0.00%	-79.8%	-90.0%	Health Care

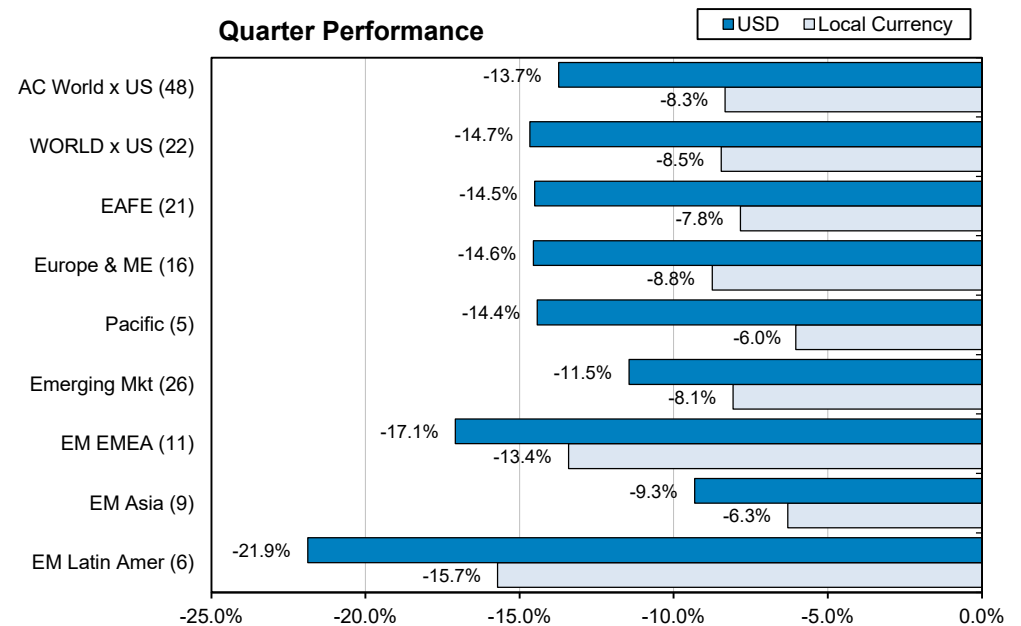
Source: Morningstar Direct





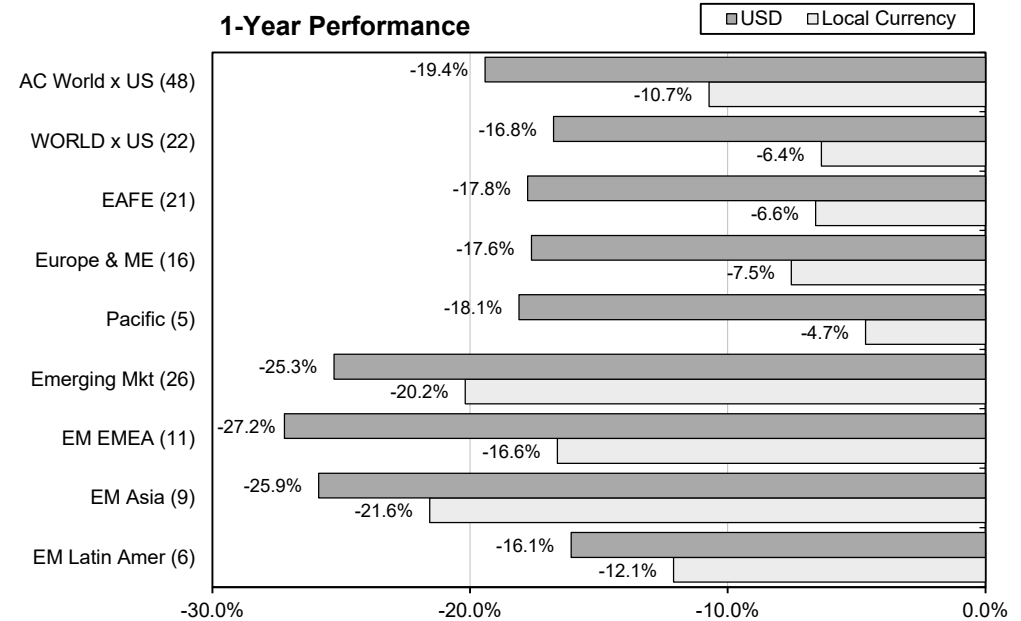
- Performance across all developed and emerging international equity indexes tracked in the chart were negative during the quarter in both US dollar (USD) and local currency (LC) terms. The developed market MSCI EAFE Index returned -14.5% in USD and -7.8% in LC terms. Developed markets were negatively impacted by rising inflation and tighter monetary policy. Emerging markets, especially those that export commodities, held up better.

**Quarter Performance**



- The trailing 1-year results for both international developed and emerging markets were broadly negative across all regions and currencies. The MSCI EAFE Index returned -17.8% in USD for the year and -6.6% in LC terms. Similarly, returns across emerging markets were broadly lower with the MSCI Emerging Markets Index falling by -25.3% in USD and -20.2% in LC terms. Within emerging markets, the EMEA region was the worst performing, declining by -27.2% in USD and -16.6% in LC terms. The region was negatively affected by the conflict in Ukraine.

**1-Year Performance**



Source: MSCI Global Index Monitor (Returns are Net)



**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of June 30, 2022

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.0%	-10.9%	-20.7%
Consumer Discretionary	11.3%	-15.5%	-27.6%
Consumer Staples	10.9%	-8.4%	-14.0%
Energy	4.8%	-4.1%	21.4%
Financials	17.7%	-13.9%	-12.3%
Health Care	13.9%	-9.5%	-9.9%
Industrials	14.9%	-18.5%	-24.4%
Information Technology	7.8%	-23.5%	-30.0%
Materials	7.5%	-21.0%	-18.6%
Real Estate	2.9%	-15.8%	-20.9%
Utilities	3.5%	-11.8%	-12.2%
<b>Total</b>	<b>100.0%</b>	<b>-14.5%</b>	<b>-17.8%</b>

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	6.5%	-10.7%	-26.6%
Consumer Discretionary	11.7%	-8.4%	-31.1%
Consumer Staples	8.9%	-7.6%	-14.0%
Energy	6.0%	-4.7%	8.2%
Financials	20.3%	-14.3%	-10.4%
Health Care	9.8%	-9.6%	-15.8%
Industrials	11.8%	-17.1%	-22.1%
Information Technology	11.0%	-22.6%	-31.6%
Materials	8.0%	-21.4%	-19.1%
Real Estate	2.5%	-13.5%	-22.5%
Utilities	3.4%	-9.5%	-7.5%
<b>Total</b>	<b>100.0%</b>	<b>-13.7%</b>	<b>-19.4%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	10.6%	-10.5%	-32.9%
Consumer Discretionary	14.9%	6.3%	-37.2%
Consumer Staples	6.1%	-4.6%	-17.7%
Energy	5.0%	-5.9%	-21.7%
Financials	21.2%	-14.1%	-8.7%
Health Care	4.0%	-8.8%	-42.3%
Industrials	5.6%	-9.5%	-17.8%
Information Technology	19.2%	-20.8%	-28.9%
Materials	8.4%	-20.6%	-24.2%
Real Estate	2.1%	-6.1%	-27.6%
Utilities	2.9%	-4.4%	3.3%
<b>Total</b>	<b>100.0%</b>	<b>-11.5%</b>	<b>-25.3%</b>

Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	22.3%	13.8%	-14.6%	-19.9%
United Kingdom	15.9%	9.9%	-10.5%	-4.0%
France	11.2%	7.0%	-14.8%	-18.3%
Switzerland	10.5%	6.5%	-14.5%	-12.7%
Australia	7.8%	4.9%	-18.1%	-13.1%
Germany	7.8%	4.8%	-18.1%	-31.2%
Netherlands	4.1%	2.6%	-19.0%	-28.4%
Sweden	3.4%	2.1%	-21.4%	-31.0%
Hong Kong	3.3%	2.1%	-1.1%	-15.2%
Denmark	2.8%	1.7%	-12.0%	-10.5%
Spain	2.5%	1.6%	-8.4%	-16.3%
Italy	2.3%	1.4%	-17.7%	-22.7%
Singapore	1.5%	0.9%	-16.8%	-21.0%
Belgium	1.0%	0.6%	-13.4%	-21.0%
Finland	1.0%	0.6%	-10.9%	-21.7%
Norway	0.8%	0.5%	-14.8%	-1.6%
Israel	0.8%	0.5%	-20.0%	-18.1%
Ireland	0.6%	0.4%	-19.6%	-35.4%
Portugal	0.2%	0.1%	-6.1%	1.4%
Austria	0.2%	0.1%	-17.2%	-23.1%
New Zealand	0.2%	0.1%	-16.9%	-25.8%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>62.2%</b>	<b>-14.5%</b>	<b>-17.8%</b>
Canada		8.1%	-15.8%	-8.0%
<b>Total Developed Countries</b>		<b>71.4%</b>	<b>-4.8%</b>	<b>3.0%</b>
China		10.5%	3.4%	-31.8%
Taiwan		4.3%	-19.8%	-20.4%
India		3.8%	-13.7%	-4.8%
Korea		3.4%	-20.9%	-38.5%
Brazil		1.4%	-24.4%	-23.3%
Saudi Arabia		1.3%	-12.5%	10.3%
South Africa		1.1%	-23.0%	-13.2%
Mexico		0.6%	-15.2%	-0.7%
Thailand		0.6%	-10.6%	-7.5%
Indonesia		0.5%	-9.0%	16.1%
Malaysia		0.4%	-12.8%	-9.3%
United Arab Emirates		0.4%	-19.4%	14.7%
Qatar		0.3%	-10.8%	17.4%
Kuwait		0.2%	-7.7%	22.8%
Philippines		0.2%	-19.5%	-17.8%
Poland		0.2%	-27.1%	-35.1%
Chile		0.2%	-15.9%	-10.1%
Turkey		0.1%	-10.9%	-9.0%
Peru		0.1%	-30.2%	-7.5%
Greece		0.1%	-17.0%	-17.5%
Colombia		0.1%	-28.0%	3.3%
Czech Republic		0.1%	-3.7%	27.4%
Hungary		0.1%	-26.3%	-42.2%
Egypt		0.0%	-20.4%	-24.8%
<b>Total Emerging Countries</b>		<b>29.7%</b>	<b>-11.5%</b>	<b>-25.3%</b>
<b>Total ACWixUS Countries</b>		<b>100.0%</b>	<b>-13.7%</b>	<b>-19.4%</b>

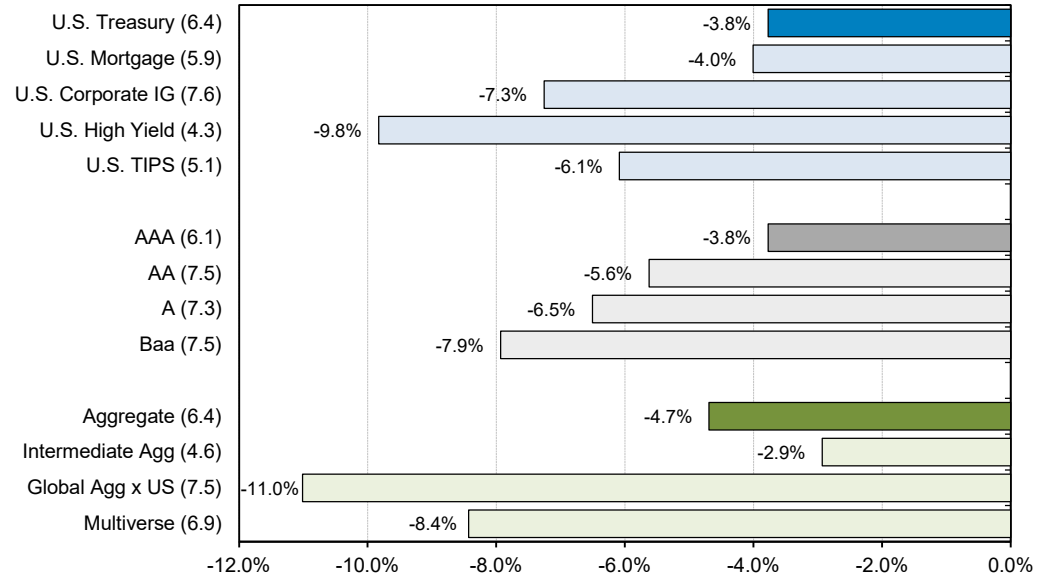
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)  
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency,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



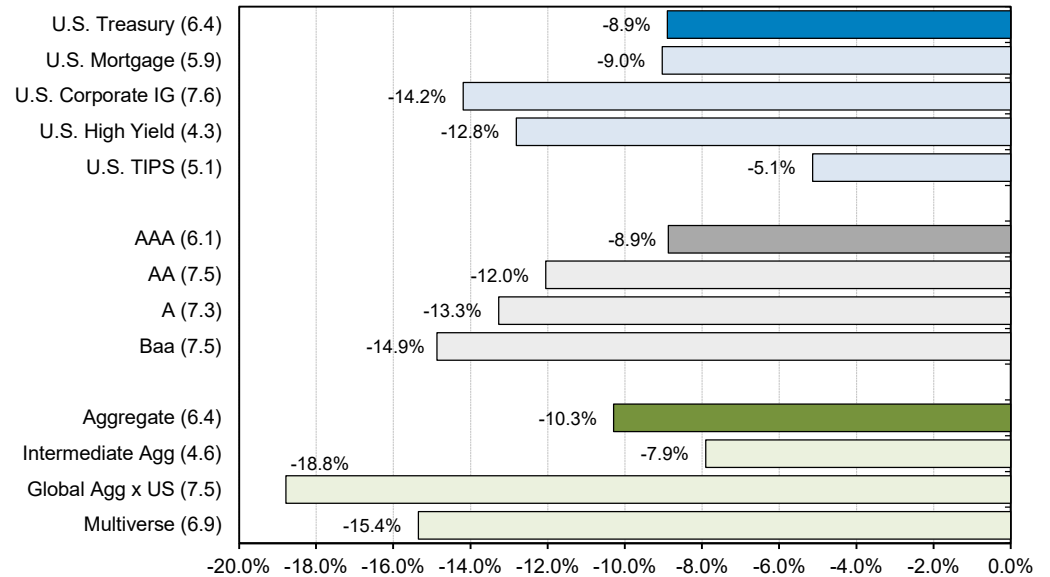
**The Market Environment**  
**Domestic Bond Sector & Broad/Global Bond Market Performance (Duration)**  
 As of June 30, 2022

- Fixed income markets were broadly negative during the 2nd quarter. Investors remained focused on rising inflation and the potential of future Fed rate increases to combat it. As a result, US Treasury bond yields were higher across the maturity curve during the quarter.
- The return for the BB US Aggregate Bond Index, the bellwether investment grade benchmark, was down -4.7% for the period.
- Performance across the investment grade index's segments was also negative during the period with the US Corporate Investment Grade bonds declining -7.3% and the US Mortgage index component posting a return of -4.0%.
- US Treasury bonds were the quarter's least negative segment, returning -3.8% and high yield bonds were the worst performing, declining by -9.8%.
- Outside of domestic markets, the BB Global Aggregate ex US Index fell by -11.0% for the quarter. Like international stocks, global bond index performance was negatively impacted by the strengthening USD, which acted as a drag on USD index returns. Additionally, yields in both German and Japan, two of the largest issuers in the benchmark, moved markedly higher during the period.
- Over the trailing 1-year period, domestic investment grade benchmark performance was negative and led lower by investment grade corporate (-14.2%) and mortgage (-9.0%) bonds. US TIPS (-5.1%) were down less than nominal US Treasury bonds (-8.9%). The bellwether BB US Aggregate Bond Index declined by -10.3% for the year.
- Primarily due to their shorter maturity profile, lower quality high yield corporate bonds fell by less than their investment grade counterparts with the BB US High Yield Index returning -12.8% for the period.
- Non-US bonds have been under significant pressure over the past year with the developed market BB Global Aggregate ex US Index falling by -18.8%. The combination of rising inflation, higher interest rates, a longer maturity profile, and USD strength contributed to weak index performance for the year.

**Quarter Performance**



**1-Year Performance**

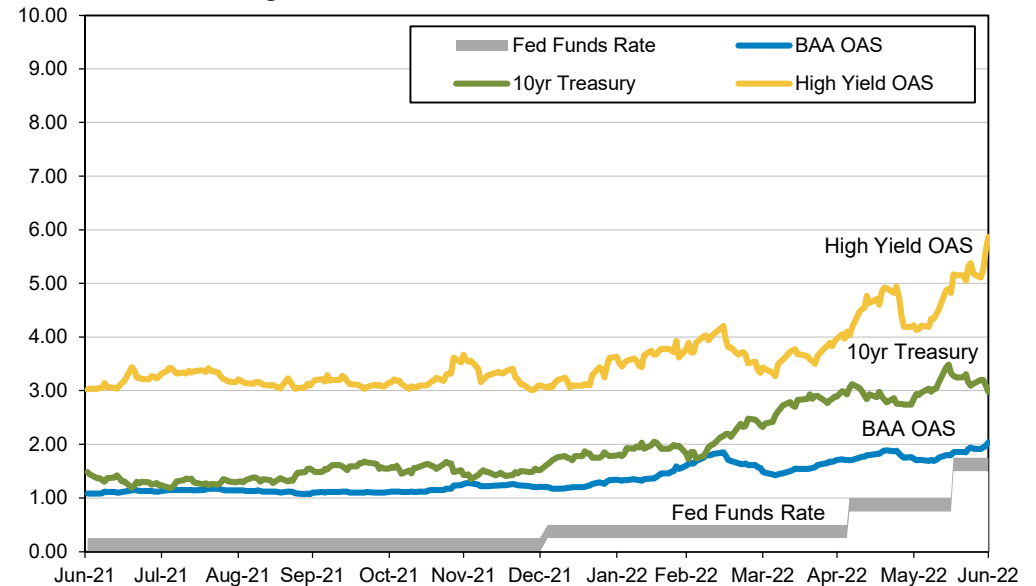


Source: Bloomberg

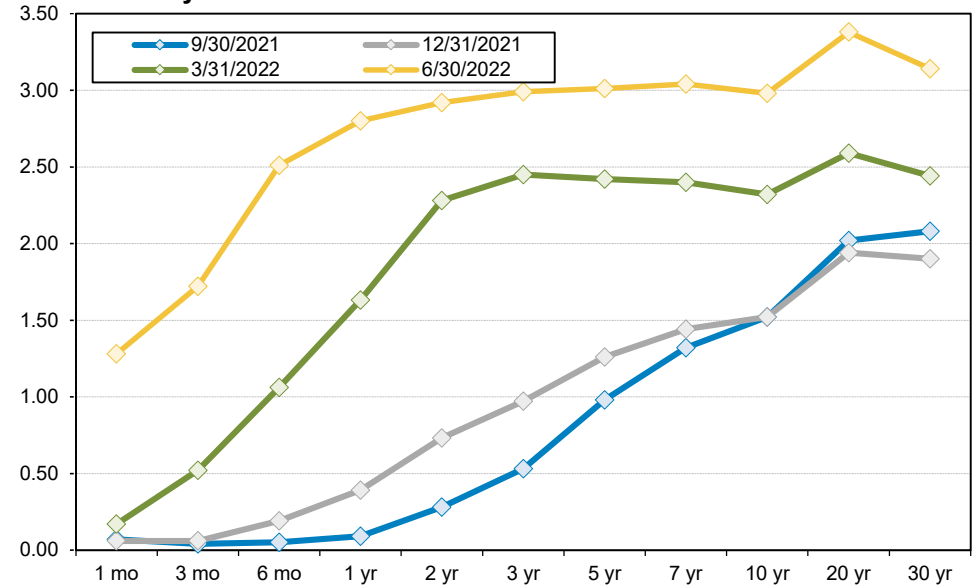


- The gray band across the graph illustrates the range of the current Fed Funds Rate. In the 2nd quarter this year, the Fed raised the upper end of its target rate range from 0.50% to 1.75%. During its recent June meeting, the Federal Open Market Committee (FOMC) stated that it remains committed to fighting higher inflation and will consider future interest rate increases. Importantly, the FOMC stated that it will begin lowering the size of the balance sheet by not reinvesting proceeds from maturing bonds.
- The yield on the US 10-year Treasury (green line) ended the period higher as concerns over the pace of inflation, combined with the Fed's announced rate increase, drove yields higher. After reaching a high of nearly 3.50% during June, interest rates traded fell for the remainder of the quarter. The yield on the US 10-year Treasury was 2.98% on June 30th.
- 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-US Treasury investment grade issues. For the full year, the spread widened to 2.04% from 1.07%. High Yield OAS moved significantly higher over the latter part of the year as spreads rose from 3.04% to 5.87%. High Yield spreads began moving wider during the year on concerns over slowing economic growth which raises the specter of a potential increase in defaults.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. The yield curve shifted significantly higher across all maturities during the 2nd quarter of 2022 following the Fed's decision to raise interest rates by 1.25%. The shape of the yield curve normalized during the quarter as longer-term interest rates moved above short-term rates. As of the end of the quarter, the spread between 2-year and 10-year rates was positive. Historically, market expectations for recession increase when longer-term interest rates trade below their short-term peers.

**1-Year Trailing Market Rates**



**Treasury Yield Curve**



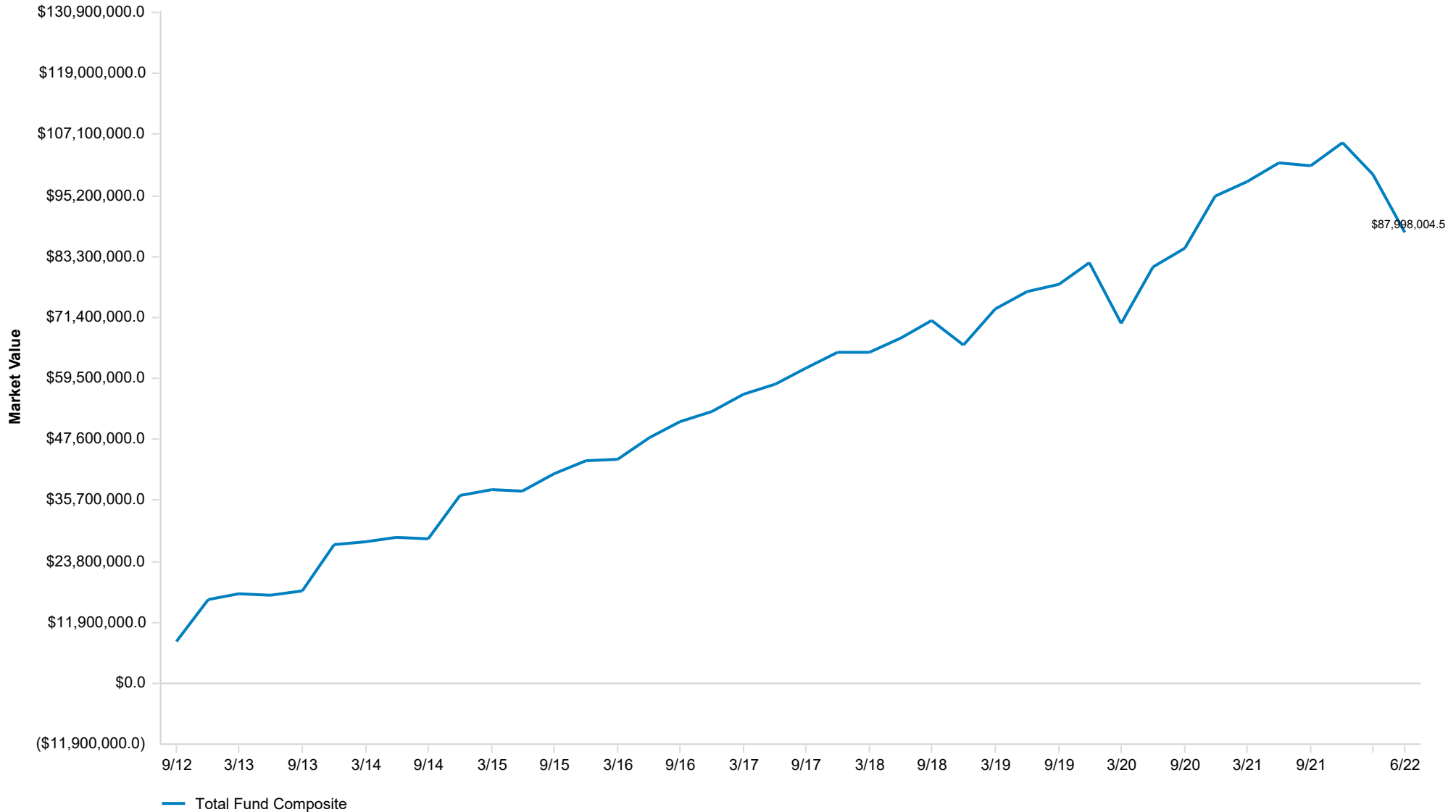
Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



-11.9%

**Schedule of Investable Assets**  
**Total Fund Composite**  
 October 1, 2012 To June 30, 2022

**Schedule of Investable Assets**



**Schedule of Investable Assets**

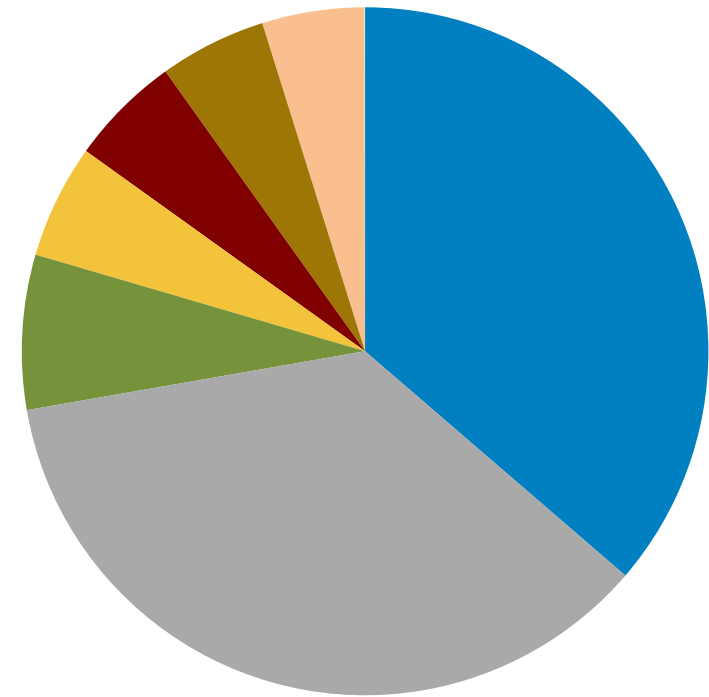
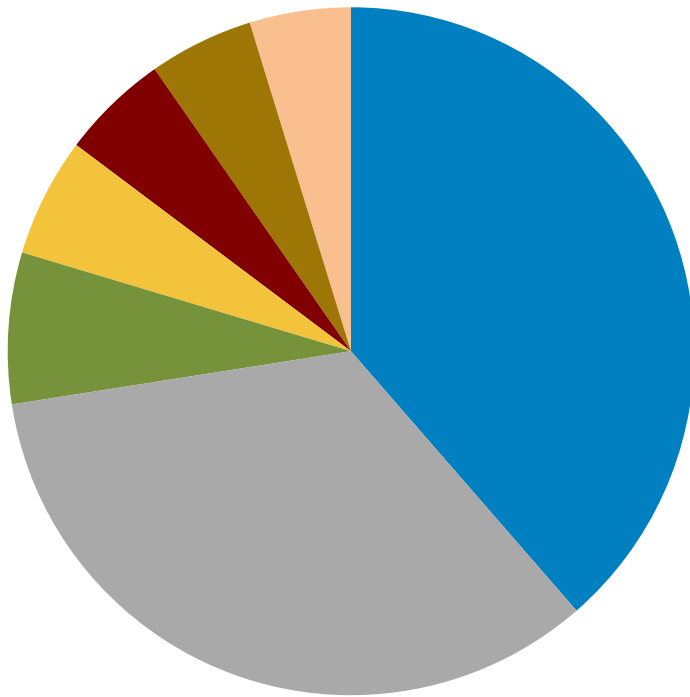
Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Gain/Loss \$	Ending Market Value \$	%Return
Oct-2012 To Jun-2022	8,192,495	52,999,581	26,805,928	87,998,004	5.86



**Asset Allocation By Manager  
Total Fund  
As of June 30, 2022**

March 31, 2022 : \$99,273,186

June 30, 2022 : \$87,998,004



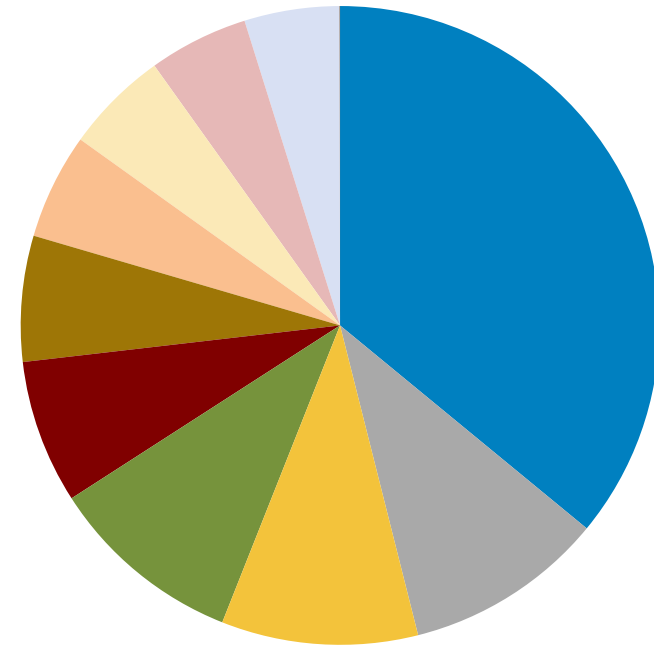
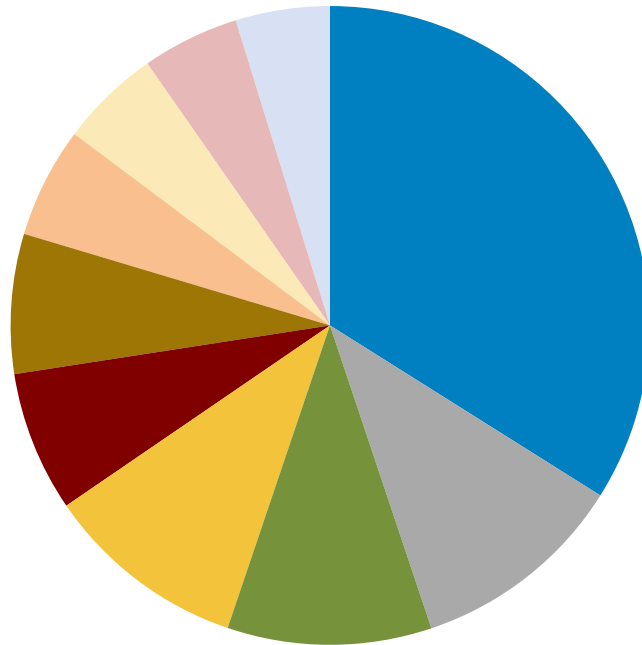
Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ Domestic Equity	38,315,319	38.6	■ Domestic Equity	31,946,006	36.3
■ Core Plus Fixed Income	33,689,077	33.9	■ Core Plus Fixed Income	31,640,729	36.0
■ International Equity	7,051,329	7.1	■ International Equity	6,400,174	7.3
■ Real Estate	5,557,809	5.6	■ Real Estate	4,715,753	5.4
■ Bank Loans	5,037,423	5.1	■ Bank Loans	4,603,865	5.2
■ GTAA	4,884,260	4.9	■ GTAA	4,431,067	5.0
■ High Yield Fixed Income	4,735,428	4.8	■ High Yield Fixed Income	4,229,472	4.8
■ Cash	2,542	0.0	■ Cash	30,938	0.0



**Asset Allocation By Manager  
Total Fund  
As of June 30, 2022**

March 31, 2022 : \$99,273,186

June 30, 2022 : \$87,998,004



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ MacKay Shields Core Plus	33,689,077	33.9	■ MacKay Shields Core Plus	31,640,729	36.0
■ Vanguard Index Fund Institutional (VINIX)	10,842,096	10.9	■ Vanguard Index Fund Institutional (VINIX)	8,898,935	10.1
■ Barrow Hanley MeWhinney & Strauss	10,259,460	10.3	■ Fiduciary Management	8,750,087	9.9
■ Fiduciary Management	10,192,896	10.3	■ Barrow Hanley MeWhinney & Strauss	8,696,951	9.9
■ Causeway International (CIVIX)	7,051,329	7.1	■ Causeway International (CIVIX)	6,400,174	7.3
■ Stephens Mid Cap Growth	7,020,866	7.1	■ Stephens Mid Cap Growth	5,600,033	6.4
■ Cohen & Steers (CSRIX)	5,557,809	5.6	■ Cohen & Steers (CSRIX)	4,715,753	5.4
■ Pacific Funds Floating Rate (PLFRX)	5,037,423	5.1	■ Pacific Funds Floating Rate (PLFRX)	4,603,865	5.2
■ BlackRock Multi-Asset Income (BKMIX)	4,884,260	4.9	■ BlackRock Multi-Asset Income (BKMIX)	4,431,067	5.0
■ Loomis Sayles High Yield (LSHIX)	4,735,428	4.8	■ Loomis Sayles High Yield (LSHIX)	4,229,472	4.8
■ Cash	2,542	0.0	■ Cash	30,938	0.0





**Port Houston OPEB  
Asset Allocation & Performance**

As of June 30, 2022

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>87,998,004</b>	<b>100.0</b>	<b>-10.65</b>	<b>-11.89</b>	<b>3.22</b>	<b>4.34</b>	<b>4.51</b>	<b>5.86</b>
Policy Index			-10.98	-12.66	2.15	3.69	4.10	5.51	
OPEB Actuarial Assumption			1.54	6.30	6.37	6.50	6.62	6.75	
<b>Total Fund Composite (Net of Fees)</b>	<b>87,998,004</b>	<b>100.0</b>	<b>-10.72</b>	<b>-12.12</b>	<b>2.89</b>	<b>3.98</b>	<b>4.13</b>	<b>5.39</b>	<b>10/01/2012</b>
Fiduciary Management	8,750,087	9.9	-12.71	-11.22	5.24	7.71	8.09	10.43	10/01/2012
Russell 1000 Value Index			-12.21	-6.82	6.87	7.17	7.69	10.07	
S&P 500 Index			-16.10	-10.62	10.60	11.31	11.14	12.60	
Vanguard Index Fund Institutional (VINIX)	8,898,935	10.1	-16.11	-10.63	10.58	11.29	N/A	11.34	05/01/2017
S&P 500 Index			-16.10	-10.62	10.60	11.31	11.14	11.36	
Stephens Mid Cap Growth	5,600,033	6.4	-20.06	-26.04	5.69	11.65	10.51	12.54	01/01/2013
Russell Midcap Growth Index			-21.07	-29.57	4.25	8.88	8.35	11.34	
Barrow Hanley MeWhinney & Strauss	8,696,951	9.9	-15.06	-13.19	11.79	8.79	8.93	12.13	10/01/2012
Russell 2000 Value Index			-15.28	-16.28	6.18	4.89	6.40	8.68	
Causeway International (CIVIX)	6,400,174	7.3	-9.23	-14.11	2.47	1.66	1.87	2.05	10/01/2013
MSCI EAFE (Net) Index			-14.51	-17.77	1.07	2.20	2.70	2.84	
MSCI EAFE Value Index (Net)			-12.41	-11.95	0.18	0.52	1.17	1.46	
Cohen & Steers (CSRIX)	4,715,753	5.4	-13.40	-4.20	7.42	8.27	8.91	9.29	01/01/2013
FTSE NAREIT All Equity REITs			-14.66	-5.89	5.34	6.75	8.03	8.33	
BlackRock Multi-Asset Income (BKMIX)	4,431,067	5.0	-9.28	-11.54	N/A	N/A	N/A	5.37	04/01/2020
50% S&P 500/50% Barclays Agg			-10.49	-10.20	5.09	6.33	6.48	8.06	
MacKay Shields Core Plus	31,640,729	36.0	-5.99	-11.09	-0.11	1.50	2.00	1.90	07/01/2014
Blmbg. U.S. Aggregate Index			-4.69	-10.29	-0.94	0.88	1.42	1.47	
Loomis Sayles High Yield (LSHIX)	4,229,472	4.8	-10.68	-13.15	-0.75	0.85	2.41	3.82	01/01/2013
ICE BofA U.S. High Yield Index			-9.99	-12.69	-0.05	1.95	3.39	3.80	
Pacific Funds Floating Rate (PLFRX)	4,603,865	5.2	-4.82	N/A	N/A	N/A	N/A	-4.09	10/01/2021
Credit Suisse Leveraged Loan Index			-4.35	-2.68	2.03	2.97	3.31	-3.77	
Cash	30,938	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.



**Port Houston OPEB**  
**Asset Allocation & Performance**  
As of June 30, 2022

Asset Allocation & Performance	Allocation		Performance(%)					
	Market Value \$	%	YTD	2021	2020	2019	2018	2017
<b>Total Fund Composite (Gross of Fees)</b>	<b>87,998,004</b>	<b>100.0</b>	<b>-15.62</b>	<b>11.28</b>	<b>12.03</b>	<b>17.38</b>	<b>-5.28</b>	<b>10.92</b>
Policy Index			-15.95	11.63	9.04	17.62	-4.68	9.35
OPEB Actuarial Assumption			3.10	6.30	6.40	6.50	6.75	6.75
<b>Total Fund Composite (Net of Fees)</b>	<b>87,998,004</b>	<b>100.0</b>	<b>-15.76</b>	<b>10.97</b>	<b>11.64</b>	<b>16.96</b>	<b>-5.64</b>	<b>10.48</b>
Fiduciary Management	8,750,087	9.9	-17.63	19.11	11.13	24.39	-2.89	18.86
Russell 1000 Value Index			-12.86	25.16	2.80	26.54	-8.27	13.66
S&P 500 Index			-19.96	28.71	18.40	31.49	-4.38	21.83
Vanguard Index Fund Institutional (VINIX)	8,898,935	10.1	-19.96	28.66	18.39	31.46	-4.42	N/A
S&P 500 Index			-19.96	28.71	18.40	31.49	-4.38	21.83
Stephens Mid Cap Growth	5,600,033	6.4	-30.01	13.36	42.17	32.97	3.31	29.36
Russell Midcap Growth Index			-31.00	12.73	35.59	35.47	-4.75	25.27
Barrow Hanley MeWhinney & Strauss	8,696,951	9.9	-18.41	20.12	29.97	26.81	-17.80	18.51
Russell 2000 Value Index			-17.31	28.27	4.63	22.39	-12.86	7.84
Causeway International (CIVIX)	6,400,174	7.3	-14.07	9.17	5.40	20.10	-18.62	27.18
MSCI EAFE (Net) Index			-19.57	11.26	7.82	22.01	-13.79	25.03
MSCI EAFE Value Index (Net)			-12.12	10.89	-2.63	16.09	-14.78	21.44
Cohen & Steers (CSRIX)	4,715,753	5.4	-18.54	42.38	-2.62	33.01	-3.99	7.43
FTSE NAREIT All Equity REITs			-19.17	41.30	-5.12	28.66	-4.04	8.67
BlackRock Multi-Asset Income (BKMIX)	4,431,067	5.0	-12.95	7.19	N/A	N/A	N/A	N/A
50% S&P 500/50% Barclays Agg			-15.15	12.80	13.66	19.89	-1.90	12.37
MacKay Shields Core Plus	31,640,729	36.0	-11.63	-0.18	9.90	9.48	-0.32	4.75
Blmbg. U.S. Aggregate Index			-10.35	-1.55	7.51	8.72	0.01	3.54
Loomis Sayles High Yield (LSHIX)	4,229,472	4.8	-14.54	8.25	3.42	10.51	-3.54	8.42
ICE BofA U.S. High Yield Index			-14.05	5.35	6.17	14.41	-2.27	7.48
Pacific Funds Floating Rate (PLFRX)	4,603,865	5.2	-4.81	N/A	N/A	N/A	N/A	N/A
Credit Suisse Leveraged Loan Index			-4.45	5.40	2.78	8.17	1.14	4.25
Cash	30,938	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, rather than relying on the portfolio manager. As of June 30, 2022, Fiduciary had a market value of \$8,750,087.

Fiduciary Management		Russell 1000 Value Index	
	Weight %		Weight %
Dollar General Corporation	5.9	Berkshire Hathaway Inc	2.8
Berkshire Hathaway Inc	5.4	Johnson & Johnson	2.6
Dollar Tree Inc	4.4	Exxon Mobil Corp	2.0
Schwab (Charles) Corp	4.3	JPMorgan Chase & Co	1.9
Unitedhealth Group Inc	4.1	Pfizer Inc	1.7
Alphabet Inc	4.1	Meta Platforms Inc	1.6
Masco Corporation	3.9	Chevron Corp	1.6
Sony Group Corporation	3.8	Bank of America Corp	1.2
Booking Holdings Inc	3.6	Verizon Communications Inc	1.2
Unilever PLC	3.5	Procter & Gamble Co (The)	1.1

## Equity Assets Exposures by Sector

	Fiduciary Management	Russell 1000 Value Index
Cash	2.03	0.00
Communication Services	11.04	8.76
Consumer Discretionary	21.65	5.75
Consumer Staples	3.53	7.29
Energy	1.45	7.24
Financials	21.92	19.52
Health Care	10.90	17.23
Industrials	15.45	9.90
Information Technology	9.02	9.03
Materials	3.01	4.23
Real Estate	0.00	5.09
Utilities	0.00	5.96

## Equity Characteristics

	Fiduciary Management	Russell 1000 Value Index
Wtd. Avg. Mkt. Cap (\$)	167,959,018,772	143,637,427,625
Price/Earnings ratio	15.8	14.1
Price/Book ratio	2.8	2.4
Current Yield	1.6	2.3
Number of Stocks	34	859



**Fund Information**

Fund Name :	Vanguard Institutional Index Fund: Vanguard Institutional Index Fund; Institutional Shares	Portfolio Assets :	\$261,632 Million
Fund Family :	Vanguard	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 :	\$108,263 Million	Style Benchmark :	S&P 500 Index
Portfolio Turnover :	3%		

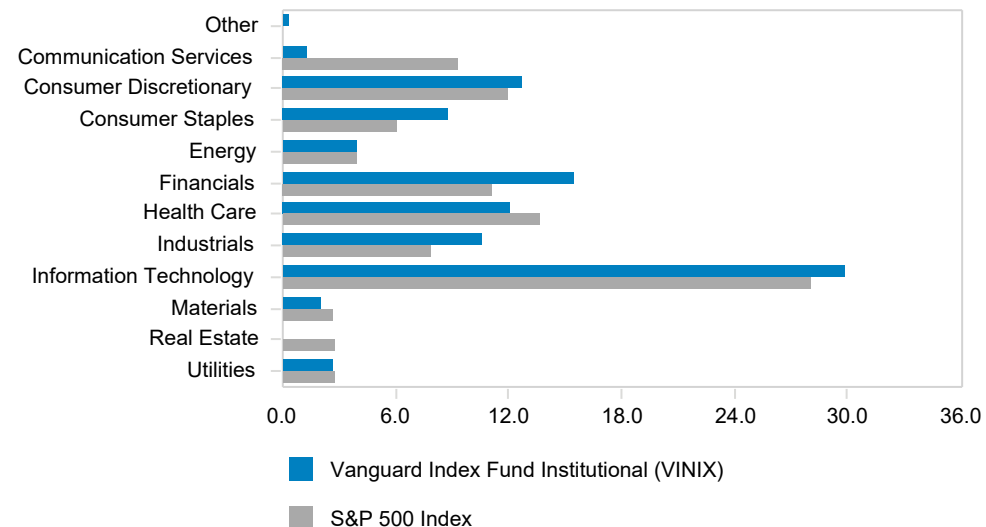
**Portfolio Characteristics As of 03/31/2022**

	Portfolio	Benchmark
Total Securities	506	505
Avg. Market Cap (\$)	602,753,824,315	31,784,514,200
Price/Earnings (P/E)	30.16	22.25
Price/Book (P/B)	9.93	4.51
Dividend Yield	1.71	1.39
Annual EPS	52.69	14.89
5 Yr EPS	19.77	21.17
3 Yr EPS Growth	19.77	N/A
Beta (5 Years, Monthly)	1.00	1.00

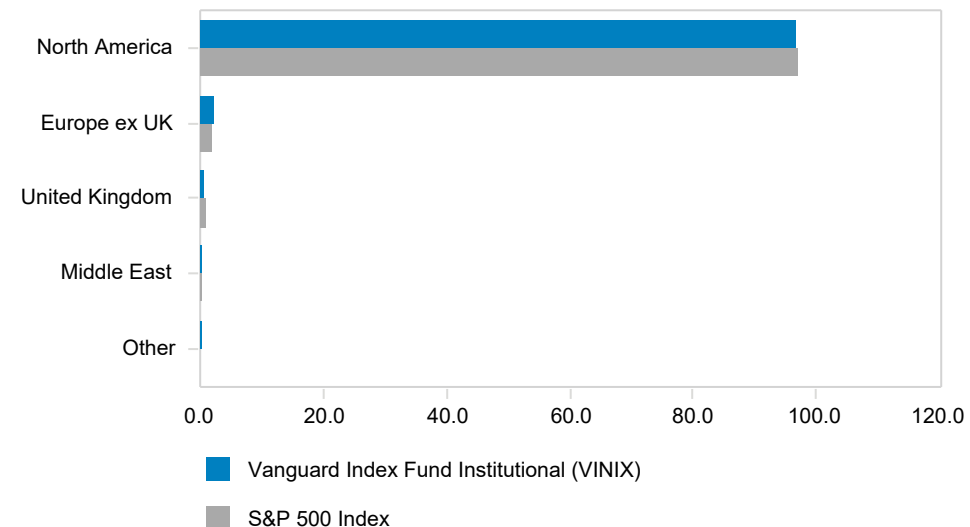
**Top Ten Securities As of 03/31/2022**

Apple Inc ORD	7.1 %
Microsoft Corp ORD	6.0 %
Amazon.com Inc ORD	3.7 %
Tesla Inc ORD	2.4 %
Alphabet Inc Class A ORD	2.2 %
Alphabet Inc Class C ORD	2.0 %
NVIDIA Corp ORD	1.8 %
Berkshire Hathaway Inc ORD	1.7 %
Meta Platforms Inc ORD	1.3 %
UnitedHealth Group Inc ORD	1.3 %

**Sector Weights As of 03/31/2022**



**Region Weights As of 03/31/2022**



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 June 30, 2022, Stephens had a market value of \$5,600,033.

Stephens Mid Cap Growth		Russell Midcap Growth Index	
	Weight %		Weight %
Cadence Design Systems Inc	2.7	Synopsys Inc	1.5
Icon PLC	2.4	Cadence Design Systems Inc	1.3
Palo Alto Networks Inc	2.3	Quintiles Transnational	1.3
Fortinet Inc	2.1	AutoZone Inc	1.2
Copart Inc	1.9	Fortinet Inc	1.2
Resmed Inc	1.9	Paychex Inc.	1.2
Tradeweb Markets Inc	1.8	Chipotle Mexican Grill Inc	1.1
Dollar Tree Inc	1.8	CrowdStrike Holdings Inc	1.1
Take-Two Interactive	1.7	Agilent Technologies Inc	1.0
Electronic Arts Inc	1.7	Cintas Corp	1.0

## Equity Assets Exposures by Sector

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Cash	3.08	0.00
Communication Services	8.26	4.90
Consumer Discretionary	12.32	14.21
Consumer Staples	2.68	3.02
Energy	4.05	4.41
Financials	7.41	5.52
Health Care	19.29	17.19
Industrials	10.96	14.95
Information Technology	31.93	29.59
Materials	0.00	3.89
Real Estate	0.00	2.03
Utilities	0.00	0.27

## Equity Characteristics

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Wtd. Avg. Mkt. Cap (\$)	20,125,495,027	21,398,596,804
Price/Earnings ratio	31.4	23.9
Price/Book ratio	4.9	6.4
Current Yield	0.5	0.8
Number of Stocks	95	409



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, 2022, Barrow, Hanley, MeWhinney & Strauss had a market value of \$8,696,951.

Barrow Hanley MeWhinney & Strauss		Russell 2000 Value Index	
	Weight %		Weight %
Air Transport Services Group Inc	4.1	SouthState Corporation	0.5
Allegheny Technologies Inc	4.0	STAG Industrial Inc	0.5
OFG Bancorp	3.8	Agree Realty Corp	0.5
Darling Ingredients Inc	3.7	Southwest Gas Holdings Inc	0.5
Texas Capital Bancshares Inc	3.6	Selective Insurance Group Inc	0.5
Energpac Tool Group Corp	3.5	Black Hills Corp	0.4
Cabot Corp	3.2	Blackstone Mortgage Trust Inc	0.4
Super Micro Computer Inc	3.1	TEGNA Inc	0.4
Adient plc	3.1	United Bankshares Inc	0.4
Kirby Corp	3.0	LIGHT & WONDER INC	0.4

## Equity Assets Exposures by Sector

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Cash	2.49	0.00
Communication Services	0.00	3.28
Consumer Discretionary	10.74	9.63
Consumer Staples	5.32	2.86
Energy	0.00	4.99
Financials	13.28	28.35
Health Care	2.61	11.00
Industrials	34.49	12.74
Information Technology	18.11	6.06
Materials	12.95	3.88
Real Estate	0.00	11.87
Utilities	0.00	5.34

## Equity Characteristics

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Wtd. Avg. Mkt. Cap (\$)	2,722,017,229	2,214,525,713
Price/Earnings ratio	12.2	9.7
Price/Book ratio	1.9	1.5
Current Yield	0.9	2.2
Number of Stocks	39	1,404



**Fund Information**

Fund Name : Causeway Capital Management Trust: Causeway International Value Fund; Institutional Class Shares  
 Fund Family : Causeway  
 Ticker : CIVIX  
 Inception Date : 10/26/2001  
 Fund Assets : \$5,786 Million  
 Portfolio Turnover : 60%

Portfolio Assets : \$6,127 Million  
 Portfolio Manager : Team Managed  
 PM Tenure :  
 Fund Style : IM International Large Cap Value Equity (MF)  
 Style Benchmark : MSCI EAFE (Net) Index

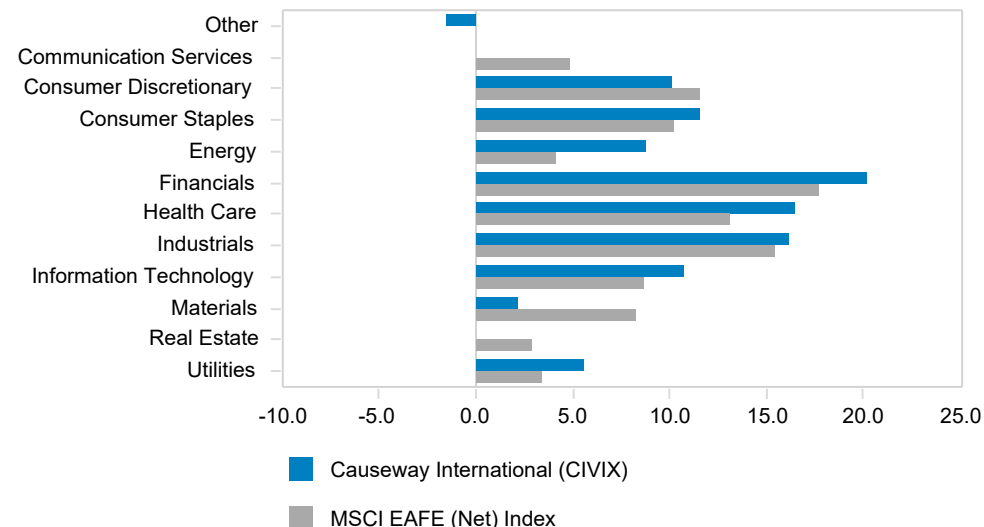
**Portfolio Characteristics As of 03/31/2022**

	Portfolio	Benchmark
Total Securities	64	825
Avg. Market Cap (\$)	82,692,080,271	13,333,447,303
Price/Earnings (P/E)	22.27	14.09
Price/Book (P/B)	3.56	2.51
Dividend Yield	3.11	2.92
Annual EPS	41.88	142.33
5 Yr EPS	9.54	14.56
3 Yr EPS Growth	-1.16	N/A
Beta (5 Years, Monthly)	1.28	1.00

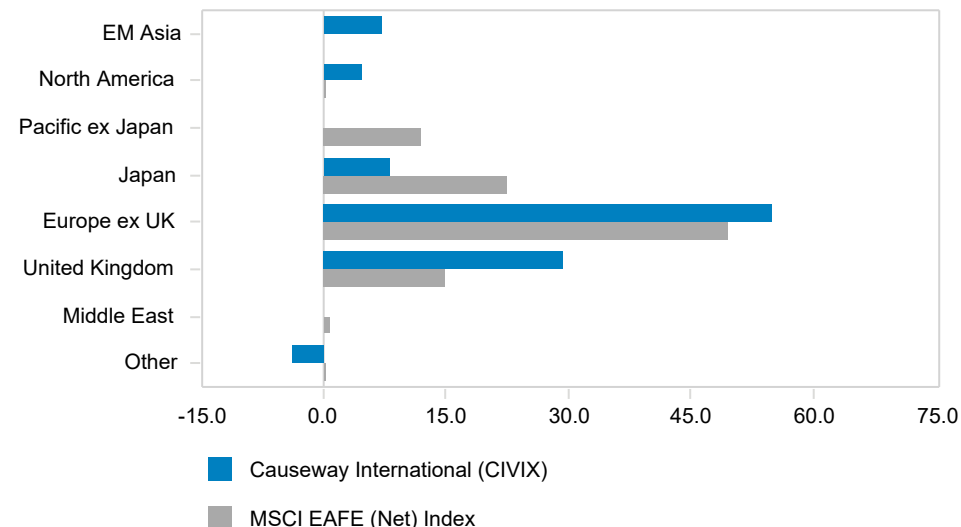
**Top Ten Securities As of 03/31/2022**

Rolls-Royce Holdings PLC ORD	4.0 %
Fanuc Corp ORD	3.4 %
Samsung Electronics Co Ltd ORD	3.4 %
Novartis AG ORD	3.2 %
Amadeus IT Group SA ORD	3.1 %
UniCredit SpA ORD	3.1 %
TotalEnergies SE ORD	3.0 %
Invesco Government & Agency Portfolio;In	3.0 %
Shell PLC ORD	2.9 %
SAP SE ORD	2.9 %

**Sector Weights As of 03/31/2022**



**Region Weights As of 03/31/2022**



**Fund Information**

Fund Name : Cohen & Steers Institutional Realty Shares, Inc  
 Fund Family : Cohen & Steers  
 Ticker : CSRIX  
 Inception Date : 02/14/2000  
 Fund Assets : \$7,263 Million  
 Portfolio Turnover : 34%

Portfolio Assets : \$7,263 Million  
 Portfolio Manager : Cheigh/Yablon/Kirschner  
 PM Tenure : 2007--2013--2020  
 Fund Style : IM Real Estate Sector (MF)  
 Style Benchmark : FTSE NAREIT All Equity REITs

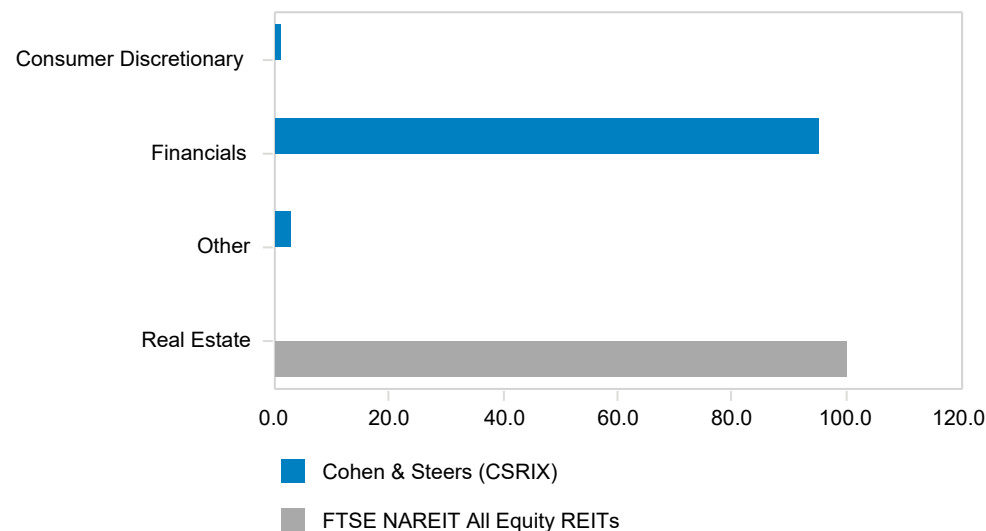
**Portfolio Characteristics As of 03/31/2022**

	Portfolio	Benchmark
Total Securities	35	154
Avg. Market Cap (\$)	44,851,215,162	3,816,576,235
Price/Earnings (P/E)	42.77	37.44
Price/Book (P/B)	7.11	3.05
Dividend Yield	2.55	2.88
Annual EPS	59.30	3.24
5 Yr EPS	8.28	9.86
3 Yr EPS Growth	11.23	N/A
Beta (5 Years, Monthly)	0.97	1.00

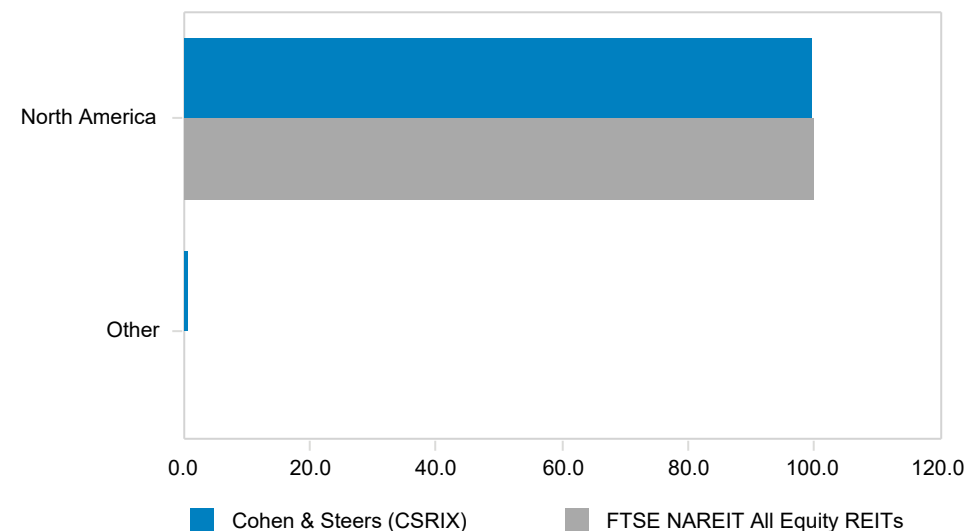
**Top Ten Securities As of 03/31/2022**

American Tower Corp ORD	11.7 %
Public Storage ORD	8.9 %
Welltower Inc ORD	5.7 %
Invitation Homes Inc ORD	5.7 %
Duke Realty Corp ORD	5.3 %
Simon Property Group Inc ORD	5.3 %
Healthpeak Properties Inc ORD	4.3 %
Prologis Inc ORD	4.0 %
Realty Income Corp ORD	3.9 %
Digital Realty Trust Inc ORD	3.9 %

**Sector Weights As of 03/31/2022**



**Region Weights As of 03/31/2022**



Statistics provided by Lipper. Most recent available data shown.

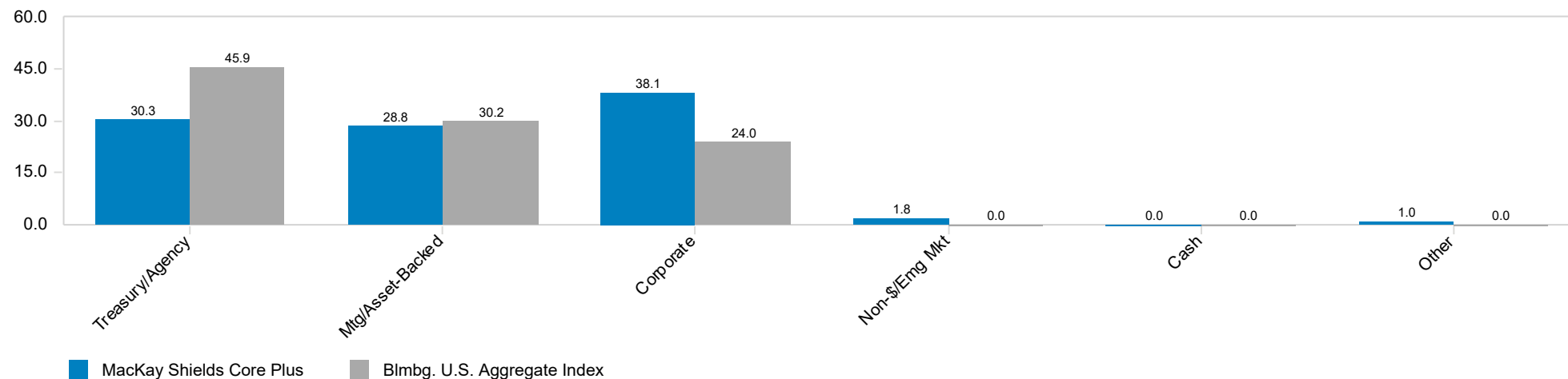




MacKay Shields Core Plus seeks to outperform the benchmark by eliminating or reducing uncompensated risk while opportunistically allocating investments across a range of core and off-benchmark sectors. The fund typically invests in the same sectors represented by the Barclays U.S. Aggregate Bond Index, 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, 2022,

MacKay Shields had a market value of \$31,640,729.

**Sector Distribution (%)**



**Portfolio Characteristics**

	Portfolio	Benchmark
Avg. Maturity	9.67	8.64
Avg. Quality	A+	AA
Coupon Rate (%)	3.39	2.49
Modified Duration	N/A	6.52
Yield To Maturity (%)	5.03	8.86
Holdings Count	235	12,563



**Fund Information**

Fund Name : Loomis Sayles Funds I: Loomis Sayles Institutional High Income Fund; Institutional Class	Portfolio Assets : \$345 Million
Fund Family : Loomis Sayles	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 : \$345 Million	Style Benchmark : FTSE High Yield Market Index
Portfolio Turnover : 105%	

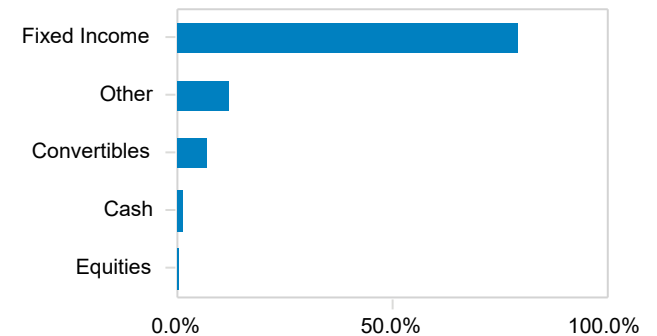
**Fund Characteristics As of 03/31/2022**

Avg. Coupon	N/A
Nominal Maturity	5.35 Years
Effective Maturity	N/A
Duration	3.57 Years
SEC 30 Day Yield	5.5
Avg. Credit Quality	BB

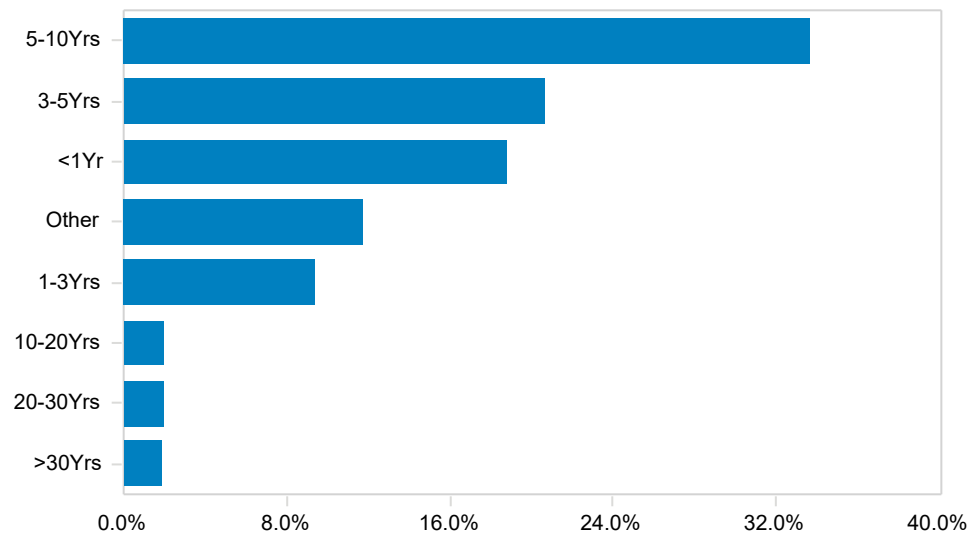
**Top Ten Securities As of 12/31/2021**

Corporate Notes/Bonds	66.3 %
Fgn. Currency Denominated Bonds	8.9 %
Convertible Securities	7.1 %
Asset Backed Securities	4.2 %
Preferred Stock-Non Convertible	0.2 %

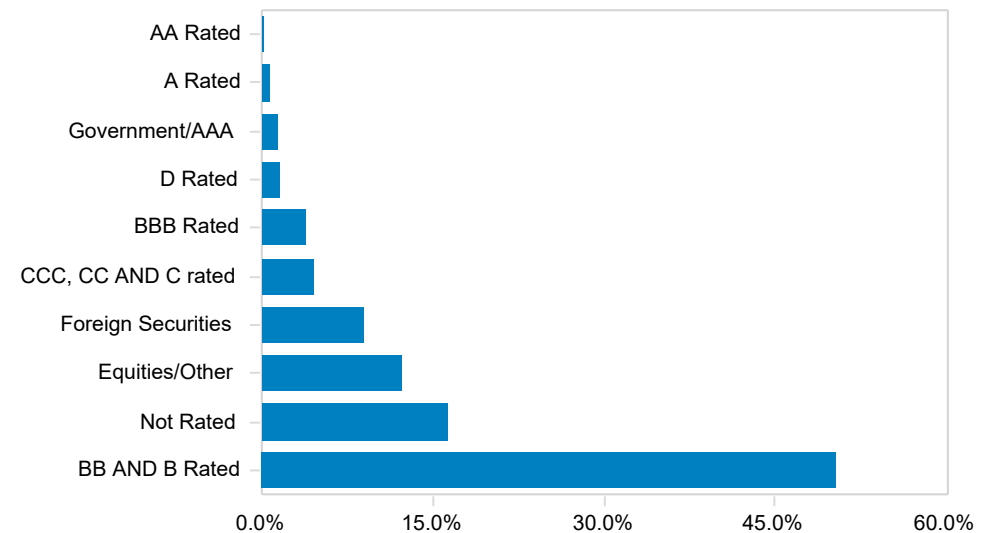
**Asset Allocation As of 12/31/2021**



**Maturity Distribution As of 03/31/2022**



**Sector/Quality Allocation As of 12/31/2021**



Statistics provided by Lipper. Most recent available data shown.



**Fund Information**

Fund Name : Pacific Funds Series Trust: Pacific Funds Floating Rate Income; Class I Shares	Portfolio Assets : \$4,387 Million
Fund Family : Pacific Funds	Portfolio Manager : Marzouk/Leasure
Ticker : PLFRX	PM Tenure : 2011--2011
Inception Date : 06/30/2011	Fund Style : IM U.S. Bank Loans (MF)
Fund Assets : \$1,955 Million	Style Benchmark : S&P/LSTA Leveraged Loan Index
Portfolio Turnover : 116%	

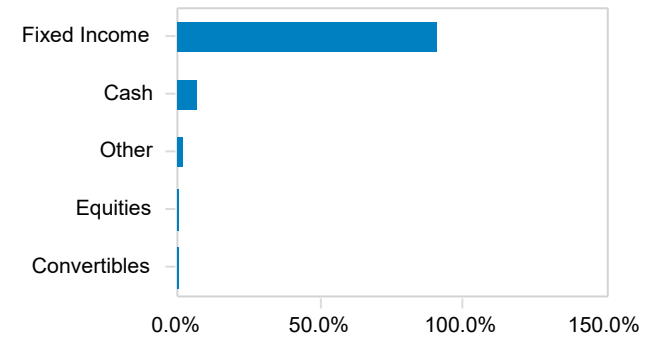
**Fund Characteristics As of 03/31/2022**

Avg. Coupon	N/A
Nominal Maturity	N/A
Effective Maturity	4.32 Years
Duration	0.38 Years
SEC 30 Day Yield	N/A
Avg. Credit Quality	B

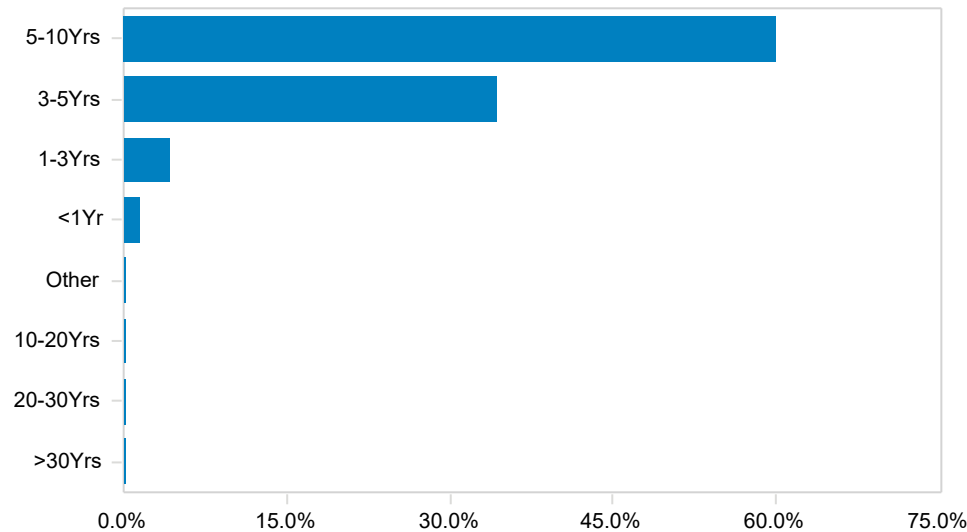
**Top Ten Securities As of 12/31/2021**

Corporate Notes/Bonds 91.0 %

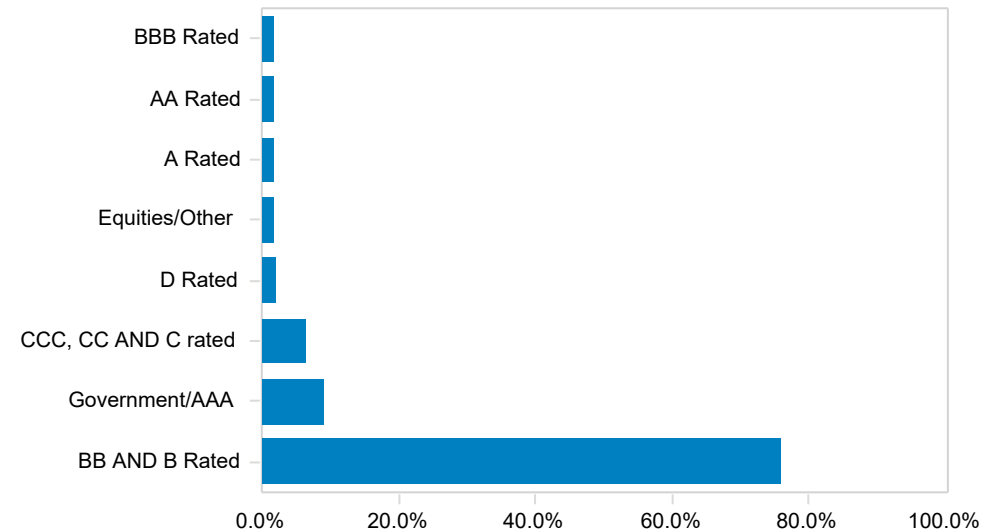
**Asset Allocation As of 12/31/2021**



**Maturity Distribution As of 06/30/2019**



**Sector/Quality Allocation As of 12/31/2021**



Statistics provided by Lipper. Most recent available data shown.



**Port of Houston OPEB  
Manager Status Summary  
As of June 30, 2022**

Manager	Mandate	Status	Notes
Fiduciary Management	Large Cap Value Equity	On Alert	2Q2021: Performance and Process Changes
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, 2022

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
<b>Total Fund Composite</b>	<b>0.48</b>	<b>87,998,004</b>	<b>425,556</b>	
Equity Composite	0.53	43,061,932	228,060	
Domestic Equity	0.43	31,946,006	138,290	
Fiduciary Management	0.55	8,750,087	48,125	0.55 % of Assets
Vanguard Index Fund Institutional (VINIX)	0.04	8,898,935	3,560	0.04 % of Assets
Stephens Mid Cap Growth	0.77	5,600,033	43,120	0.77 % of Assets
Barrow Hanley MeWhinney & Strauss	0.50	8,696,951	43,485	0.50 % of Assets
International Equity	0.85	6,400,174	54,401	
Causeway International (CIVIX)	0.85	6,400,174	54,401	0.85 % of Assets
Real Estate	0.75	4,715,753	35,368	
Cohen & Steers (CSRIX)	0.75	4,715,753	35,368	0.75 % of Assets
GTAA Composite	0.52	4,431,067	23,042	
BlackRock Multi-Asset Income (BKMIX)	0.52	4,431,067	23,042	0.52 % of Assets
Fixed Income Composite	0.44	44,936,072	197,496	
Core Plus Fixed Income	0.35	31,640,729	110,743	
MacKay Shields Core Plus	0.35	31,640,729	110,743	0.35 % of Assets
High Yield Fixed Income	0.69	4,229,472	29,183	
Loomis Sayles High Yield (LSHIX)	0.69	4,229,472	29,183	0.69 % of Assets
Bank Loans	0.75	4,603,865	34,529	
Pacific Funds Floating Rate (PLFRX)	0.75	4,603,865	34,529	0.75 % of Assets



**Port of Houston OPEB  
Fee Summary  
As of June 30, 2022**

Structure	Mandate	Expense Ratio	Category Average	Difference	Annual Savings
Fiduciary Management	Large Cap Value Equity	0.55%	0.99%	0.44%	\$38,500
Vanguard Index Fund (VINIX)	Large Cap Core Equity	0.04%	0.99%	0.95%	\$84,540
Stephens Mid Cap Growth	Mid Cap Growth Equity	0.77%	1.26%	0.49%	\$27,440
Barrow Hanley MeWhinney & Strauss	Small Cap Value Equity	0.50%	1.27%	0.77%	\$66,967
Causeway International (CIVIX)	International Equity	0.85%	1.21%	0.36%	\$23,041
Cohen & Steers (CSRIX)	Real Estate and Investment Trust	0.75%	1.24%	0.49%	\$23,107
BlackRock Multi-Asset (BKMIX)	GTAA	0.52%	0.97%	0.45%	\$19,940
Mackay Shields Core Plus	Core Plus Fixed Income	0.35%	0.84%	0.49%	\$155,040
Loomis Sayles High Yield (LSHIX)	High Yield Fixed Income	0.69%	1.04%	0.35%	\$14,803
Pacific Life (PLFRX)	Bank Loans	0.75%	0.90%	0.15%	
<b>Total Management Fees</b>		<b>0.48%</b>	<b>1.01%</b>	<b>0.53%</b>	<b>\$453,377</b>

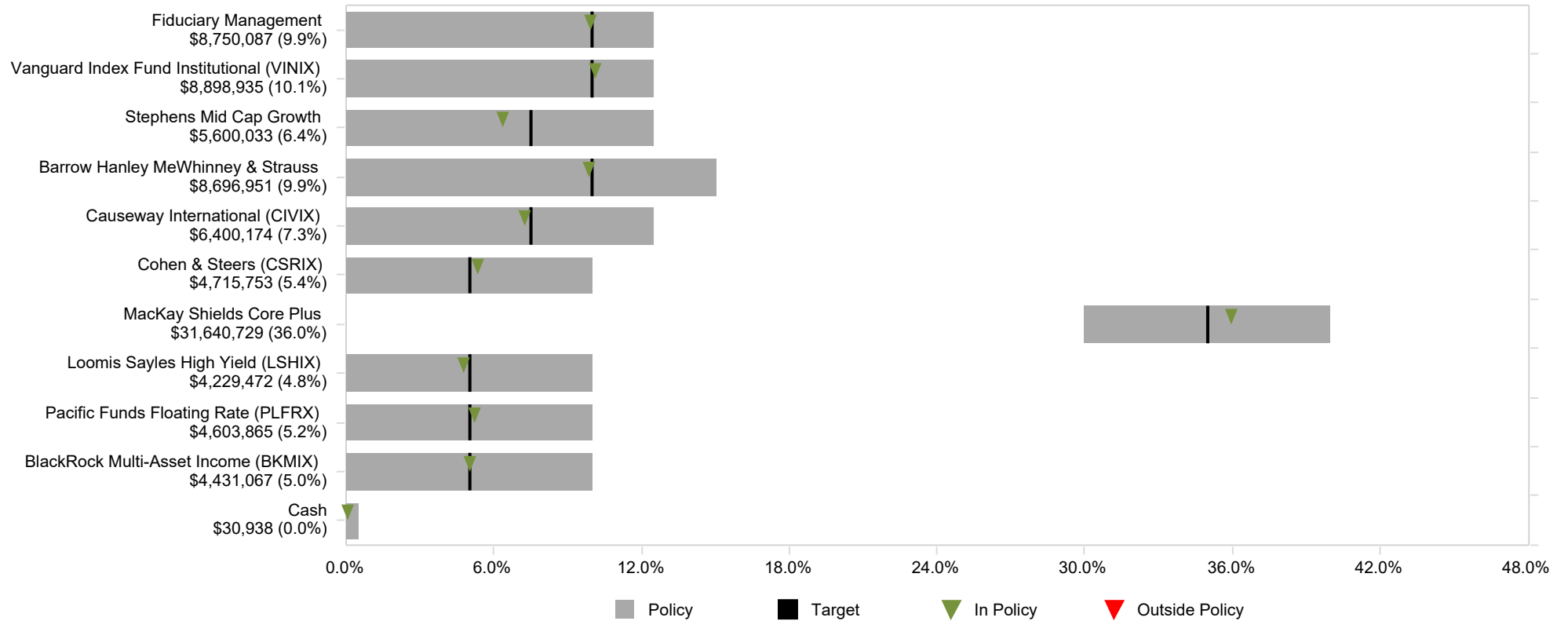
Source: Morningstar and Investment Managers



**Asset Allocation Compliance**

	Asset Allocation \$	Current Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
<b>Total Fund Composite</b>	<b>87,998,004</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		
Fiduciary Management	8,750,087	9.9	10.0	-0.1	0.0	12.5
Vanguard Index Fund Institutional (VINIX)	8,898,935	10.1	10.0	0.1	0.0	12.5
Stephens Mid Cap Growth	5,600,033	6.4	7.5	-1.1	0.0	12.5
Barrow Hanley MeWhinney & Strauss	8,696,951	9.9	10.0	-0.1	0.0	15.0
Causeway International (CIVIX)	6,400,174	7.3	7.5	-0.2	0.0	12.5
Cohen & Steers (CSRIX)	4,715,753	5.4	5.0	0.4	0.0	10.0
MacKay Shields Core Plus	31,640,729	36.0	35.0	1.0	30.0	40.0
Loomis Sayles High Yield (LSHIX)	4,229,472	4.8	5.0	-0.2	0.0	10.0
Pacific Funds Floating Rate (PLFRX)	4,603,865	5.2	5.0	0.2	0.0	10.0
BlackRock Multi-Asset Income (BKMIX)	4,431,067	5.0	5.0	0.0	0.0	10.0
Cash	30,938	0.0	0.0	0.0	0.0	0.5

**Executive Summary**



**Historical Hybrid Composition**

<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Jan-1979</b>	
S&P 500 Index	47.50
Russell Midcap Index	12.50
Blmbg. 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
Blmbg. U.S. Aggregate Index	35.00
ICE BofA U.S. High Yield Index	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
Blmbg. U.S. Aggregate Index	40.00
ICE BofA U.S. High Yield Index	5.00
FTSE NAREIT All Equity REITs	5.00
Alerian MLP Index	10.00
<b>Jan-2021</b>	
S&P 500 Index	22.50
Russell Midcap Index	7.50
Russell 2000 Index	10.00
MSCI EAFE Index	7.50
Blmbg. U.S. Aggregate Index	42.50
ICE BofA U.S. High Yield Index	5.00
FTSE NAREIT All Equity REITs	5.00





<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.



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