

Investment Performance Review
Period Ending December 31, 2022

Port Houston Pension Plan



On behalf of everyone at AndCo, we want to Thank You for the opportunity to serve you and for the trust you place in us! We take our role as your consultant and trusted advisor seriously and will continue working hard to maintain your confidence.

Looking back at the year, we would like to provide a brief update on where we stand as a firm. 2022 marked the 22nd straight year of revenue growth for the firm and we advise on approximately \$90 billion in client assets as of December 31st. We reinvested 100% of our net profits back into the organization so we can continue to evolve and adapt within a market environment that is constantly changing and challenging. As we have stated in previous updates, we do not believe the “status quo” is an effective strategy and we are convicted in our belief that a firm not focused on moving forward in our industry is moving backward.

To execute on our commitment to evolve and continue to enhance the organization, we made additional personnel and technology investments in 2022. Specifically, we hired a Chief Information Officer (Bharat Kumta) after a national search led by a specialized executive recruiting firm. We believe technology is going to drive successful firms in our industry and we plan to invest heavily within this business function to support digital transformation. We also integrated a new Chief Human Resources Officer (Stacie Runion) through a national search led by an executive recruiter. We believe our firm's most important asset is our people, so we need to ensure we have the right leadership team in HR to focus on that asset. We also hired team members in Finance, Human Resources, Consulting, Research, Solutions & Growth, Technology and Performance & Reporting. These personnel investments focused on further enhancing functional areas, departmental service levels, and narrowing potential gaps. We also continued to invest in our proprietary software system to compile and share information firmwide to better serve our clients more effectively and efficiently. Finally, we engaged several outside consulting firms to help us better assess and invest in areas within our firm we believe will drive value for our clients going forward. Some examples include working with an outside group to evaluate and enhance our Operational Due Diligence efforts with investment managers and a separate group to help us review and analyze our current Discretionary Services offerings and how to make this service stronger for our clients.

As we start 2023, we are 93 team members strong with plans to grow. We are targeting several new positions for the year as we thoughtfully continue to invest in our firm to provide the quality services you expect from AndCo. These talent enhancements cover multiple functions and departments at AndCo including Consulting, Research, Performance & Reporting, Marketing, Technology and Compliance. While adding additional resources to a firm our size is a significant investment, it is one we embrace due to the impact we believe it will have on our ability to continue serving our clients at a high level and will push us closer to our vision of being a transformational organization viewed as the leader in our industry. We thoughtfully grow while helping to ensure that service will not suffer at AndCo at the expense of growth. Rather, we utilize growth to enhance our value proposition and overall service to our valued clients.

At the beginning of each year, we also discuss the AndCo partnership and, when earned, announce new partners.

This year I am thrilled to share three new team members were named partners at AndCo – Jon Breth, Tyler Grumbles and Brooke Wilson. Jon has been with AndCo for 11-years and Tyler has been with AndCo for 15-years. Jon and Tyler are both members of our Consulting Department. Brooke was recently promoted to Executive Director of our Performance & Reporting Department and has been with AndCo 7-years. We could not be happier for Jon, Tyler, and Brooke or more grateful for the contributions they have made to AndCo since joining the firm. Jon, Tyler, and Brooke represent what it means to be an AndCo team member, and we are honored and fortunate to have them as partners at our firm.

While three new members will be added to the partnership in 2023, we will also be losing one valuable team member. Donna Sullivan retired on December 31, 2022. Donna joined AndCo at its inception in September of 2000. Donna has been integral in the success of the firm and for many years was the glue that held everything together. Her contributions and sacrifices are too many to reference in this letter. While we are extraordinarily excited for her and the next chapter of her life, she will be greatly missed as a partner and team member. We will be honoring Donna and her legacy with the Donna Sullivan Believe Award. This award will be given each year to the team member at AndCo that best demonstrates their belief in AndCo's Mission, Vision, and Values. Donna believed in what AndCo stood for before anyone else did, and she carried that belief for 23 years. Thank you, Donna!

With the addition of Jon, Tyler, and Brooke, and Donna's retirement, we now have 15 partners representing various functions and departments at AndCo. Our growing partnership group provides great perspective and insight which continues to strengthen AndCo and reaffirm our belief that 100% employee management is vital to the long-term success of our organization. We have great team members at AndCo and this partnership group will continue to expand as we move forward.

In closing, we know that 2022 was a dramatically different environment for investing as compared to 2021, with record high inflation and double-digit losses in both equity AND fixed income assets - all resulting in challenging client portfolio results. Please know our team works tirelessly to provide the advice and guidance you need regardless of the market environment. Our name, AndCo, reminds us of who we work for every day - “Our Client” & Co. You are first in our service model. As we continue to discuss strategic decisions and reinvestments regarding our firm, please know that our decisions are filtered through the following question: “How does this keep our clients' interests first?” If it doesn't meet this standard, we don't do it - it's that simple.

Thank you again for your valued partnership and the opportunity to serve you.
Happy New Year!



Mike Welker, CFA®
CEO



Organizational Chart



PARTNERSHIP

Mike Welker, CFA®
Brian Green
Brooke Wilson, CIPM®
Bryan Bakardjiev, CFA®
Dan Johnson
Dan Osika, CFA®
Evan Scussel, CFA®, CAIA®
Jacob Peacock, CPFA

Jason Purdy
Jon Breth, CFP®
Kerry Richardville, CFA®
Kim Spurlin, CPA
Steve Gordon
Troy Brown, CFA®
Tyler Grumbles, CFA®, CIPM®, CAIA®

LEADERSHIP & MANAGEMENT

Mike Welker, CFA®
 CEO
Bharat Kumta
 CIO
Bryan Bakardjiev, CFA®
 COO
Evan Scussel, CFA®, CAIA®
 Executive Director of Research
Kim Spurlin, CPA
 CFO
Sara Searle
 CCO
Stacie Runion
 CHRO
Steve Gordon
 Solutions & Growth Director
Troy Brown, CFA®
 Executive Director of Consulting

Brooke Wilson, CIPM®
 Executive Director of Performance Reporting
Dan Johnson
 Consulting Director
Jack Evatt
 Consulting Director
Jacob Peacock, CPFA
 Consulting Director
Jason Purdy
 I.T. Director
Molly Halcom
 Solutions & Growth Director
Philip Schmitt
 Research Director
Rachel Brignoni, MHR
 People & Culture Director

INVESTMENT POLICY COMMITTEE

Bryan Bakardjiev, CFA®
Mike Welker, CFA®

Sara Searle
Troy Brown, CFA®

CONSULTING

Annette Bidart
Brad Hess, CFA®, CPFA
Brendon Vavrica, CFP®
Brian Green
Chris Kuhn, CFA®, CAIA®
Christiaan Brokaw, CFA®
Dave West, CFA®
Doug Anderson, CPFA
Frank Burnette
Gwelda Swilley
Ian Jones

James Ross
Jeff Kuchta, CFA®, CPFA
Jennifer Brozstek
Jennifer Gainfort, CFA®, CPFA
John Mellinger
John Thinnies, CFA®, CAIA®, CPFA
Jon Breth, CFP®
Jorge Friguls, CPFA
Justin Lauver, Esq.
Kerry Richardville, CFA®

Mary Nye
Michael Fleiner
Michael Holycross
Mike Bostler
Oleg Sydyak, CFA®, FSA, EA
Paul Murray, CPFA
Peter Brown
Tim Walters
Tony Kay
Tyler Grumbles, CFA®, CIPM®, CAIA®

PERFORMANCE REPORTING

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Amy Steele
Bob Bulas
David Gough, CPFA
Don Delaney
Donnell Lehr, CPFA

Edward Cha
Grace Niebrzydowski
James Culpepper
James Reno
Jeff Pruniski
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Rotchild Dorson
Yoon Lee-Choi

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Michelle Boff
Robert Marquetti

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Shelley Berthold

I.T. & OPERATIONS
Geoffrey Granger
Jerry Camel
Kenneth Day

COMPLIANCE
Allen Caldwell
Thay Arroyo

MARKETING
Lauren Kaufmann

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John Rodak, CIPM®
Paola Gervasi

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 Private & Hedged Fixed Income
Chester Wyche
 Real Estate & Real Assets
Dan Lomelino, CFA®
 Fixed Income
David Julier
 Real Estate & Real Assets
Elizabeth Wolfe
 Capital Markets & Asset Allocation
Evan Scussel, CFA®, CAIA®
 Private & Public Equity
Joseph Ivaszuk
 Operational Due Diligence
Josue Christiansen, CFA®, CIPM®
 Public Equity
Julie Baker, CFA®, CAIA®
 Private & Hedged Equity
Justin Ellsesser, CFA®, CAIA®
 Private Equity
Kevin Laake, CFA®, CAIA®
 Private Equity
Michael Kosoff
 Hedge Funds
Philip Schmitt
 Fixed Income & Capital Markets
Ryan McCuskey
 Real Estate & Real Assets
Xinxin Liu, CFA®, FRM
 Private Equity and Private Debt
Zac Chichinski, CFA®, CIPM®
 Public Equity



93
EMPLOYEES

37 ADVANCED
DEGREES

23 CFA®

8 CAIA®

11 CPFA 5 CIPM®

Employee counts are as of 1/1/2023 and reflect only full time employees and do not include any who are part time, temporary or independent contractors.



4th Quarter 2022 Market Environment



The Economy

- US GDP growth is expected to remain strong in the 4th quarter. While the final measure of 3rd quarter GDP was revised upward to 3.2%, global GDP growth remains challenged with higher energy prices continuing to act as a headwind, especially in Europe. However, China is beginning the process of reopening its economy which should boost emerging markets.
- The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with a 0.75% increase in November and a 0.50% increase in December. Importantly, the Fed signaled it remains committed to fighting inflation through additional rate hikes if needed.
- The US labor market continued to show its resiliency by adding roughly 680 thousand jobs during the 4th quarter. As a result, the unemployment rate fell to 3.5% in December. Despite these gains, the number of announced layoffs during the quarter increased, which could impact labor markets in the future periods.
- Global markets were broadly positive during the 4th quarter. Despite persistent inflation, tighter central bank monetary policy, slowing GDP growth, and continuing geopolitical risks investors were focused on the potential of central banks slowing the pace of tightening as inflation moderated.

Equity (Domestic and International)

- US equities moved higher during the 4th quarter despite concerns regarding inflation, the potential for higher interest rates, and a slowing global GDP growth. Large cap value was the best performing domestic segment of the equity market relative to other US market capitalizations and styles during the period while large cap growth performed the worst.
- International stocks also experienced strong returns during the 4th quarter. While local currency performance was solid, the primary catalyst for outsized returns was a weakening USD, which fell against most major and emerging market currencies. GDP growth, especially in Europe, remained under pressure as central bank policies remained restrictive and elevated energy prices acted as a headwind. Finally, China began to relax its zero-tolerance policy regarding Covid-19, which positively contributed to both global GDP growth and equity market performance.

Fixed Income

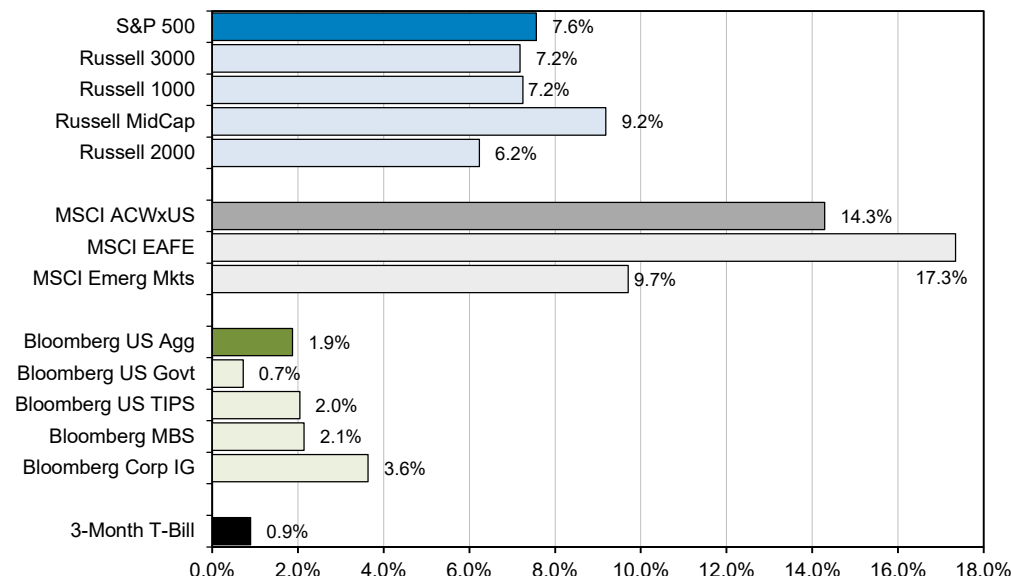
- While inflation declined during the 4th quarter, the Fed continued increasing interest rates with two increases totaling 1.25%. Despite the short-term increases, long-term interest rates remained relatively stable during the period. US interest rates moved slightly higher during the quarter with the US 10-Year Treasury bond rising 0.08% to close the year at a yield of 3.88%.
- Performance across domestic bond market sectors was positive during the quarter, led by US high yield and corporate investment grade bonds. Much like equities, global bonds outperformed their domestic peers mainly due to a weaker USD.
- The combination of higher coupons, a shorter maturity profile relative to high quality government bonds, and narrower credit spreads were the primary drivers of relative return during the period.
- US Treasury bonds lagged their corporate bond peers during the quarter as investors' concerns about rising interest rates and the need for safety subsided.

Market Themes

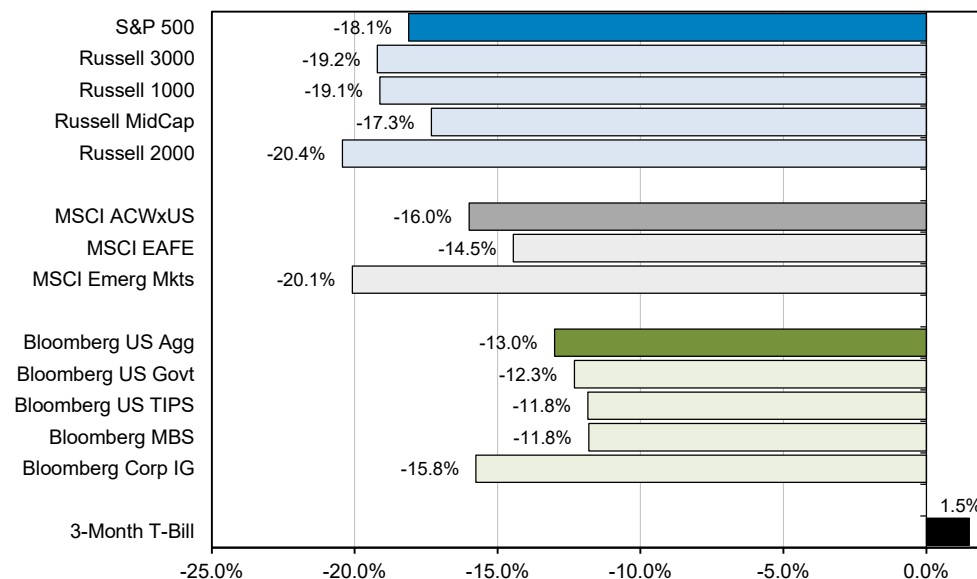
- Central banks remained vigilant in their fight against inflation with the Fed, the Bank of England, and the European Central Bank all raising interest rates during the quarter. Additionally, the Bank of Japan relaxed their targeting of interest rates, allowing the 10-Year Japanese Government Bond to float to 0.50%, above the previous 0.25% level.
- The conflict in Ukraine continues to disrupt global energy markets, in addition to the ongoing humanitarian crisis. Energy costs remain elevated which could further negatively impact economic growth.
- Both US and international equity markets rebounded during the quarter on expectations that inflation would continue to moderate, which could lead central banks to begin the process of slowing the pace of monetary tightening. Value-oriented stocks outperformed growth stocks as investors remained concerned about the pace of future growth.
- Short-term interest rates rose across most developed markets as central banks continued to tighten. Despite concerns about the potential for slowing economic growth, lower quality corporate bonds outperformed higher quality government bonds and USD weakness acted as a tailwind for global bonds during the quarter.

- Equity markets moved higher during the 4th quarter, but it was not sufficient to offset prior quarter pullbacks. Factors that contributed to performance included declining inflation, expectations that the Fed would slow the pace of future interest rate increases, and expectations that China would begin to open its economy. For the period, the S&P 500 large cap benchmark returned 7.6%, compared to 9.2% for mid-cap and 6.2% for small cap benchmarks.
- Like domestic equities, developed markets international and emerging market equities delivered positive results for the 4th quarter. Europe continues to face headwinds from higher-than-expected inflation, elevated energy prices, geopolitical risks related to the conflict in Ukraine, and rising interest rates. Emerging markets were positively impacted by China's decision to loosen restrictions related to the pandemic. Importantly, global equities were positively impacted by a decline in the USD. For the quarter, the MSCI EAFE Index returned 17.3% while the MSCI Emerging Markets Index rose by 9.7%.
- For the quarter, performance of the bond market was broadly positive due to lower inflation and lower interest rate volatility. The Bloomberg (BB) US Aggregate Index returned 1.9%, for the period while investment grade corporate bonds posted a return of 3.6%.
- Performance for developed equity markets was strongly negative over the trailing 1-year period. The bellwether S&P 500 Index dropped -18.1% for the year. The primary drivers of return during the period were concerns related to rising inflation, tighter monetary policy from global central banks, and slowing global economic growth. The weakest relative performance outlier was the Russell 2000 Index which declined by -20.4% for the year.
- Over the trailing 1-year period, international markets declined similarly to domestic markets. The MSCI EAFE Index returned -14.5% while the MSCI Emerging Markets Index fell by -20.1%. Continued concerns related to Ukraine, elevated inflation, and slowing global economic growth negatively impacted markets. However, a weakening USD acted as a tailwind to international performance in the second half of the year.
- Bond market returns were widely negative over the trailing 1-year period due primarily to concerns about persistently high inflation and the expectation of higher future interest rates. US TIPS and mortgage-backed bonds were the least negative sectors with both returning -11.6% for the year. Investment grade corporate bonds suffered the year's largest loss, falling -15.8%.

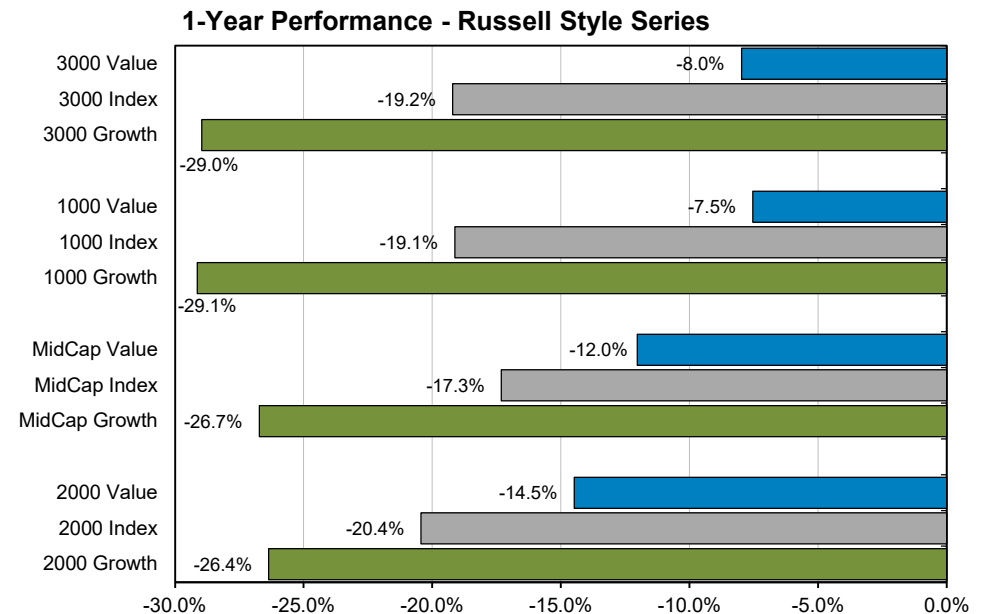
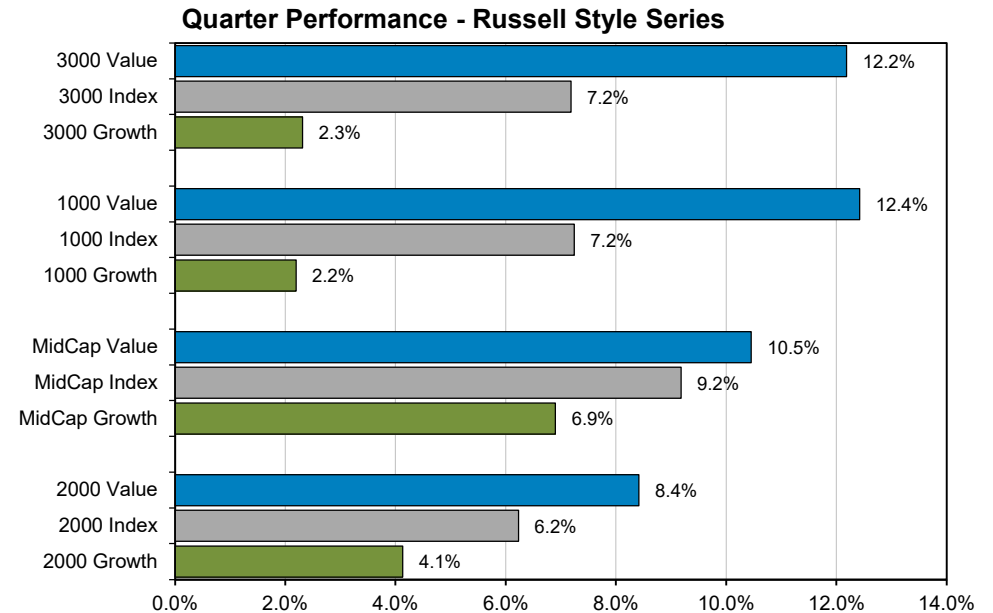
Quarter Performance



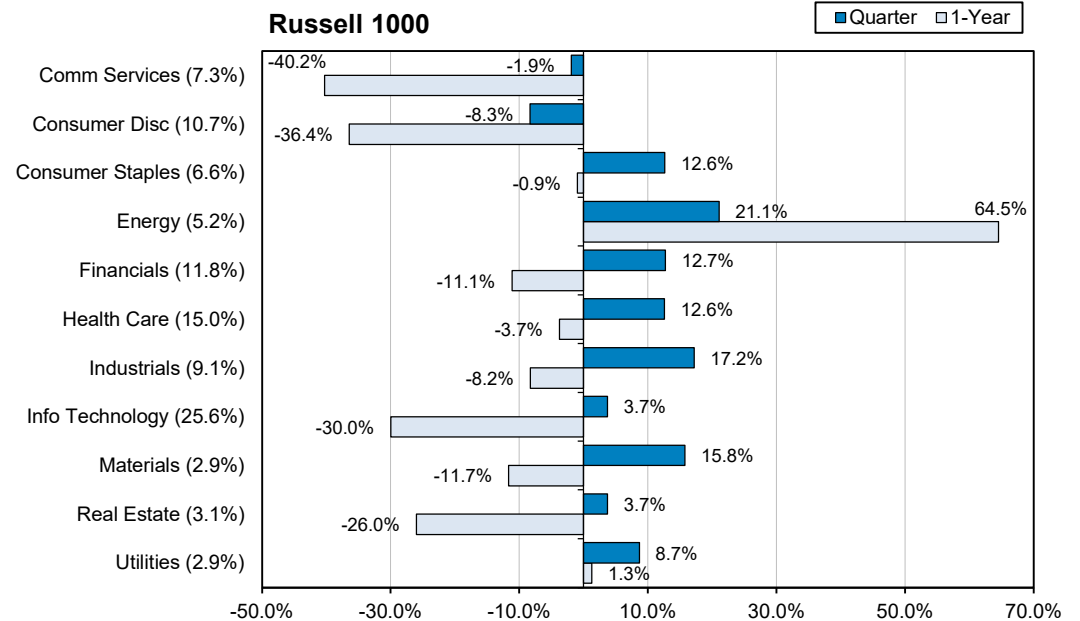
1-Year Performance



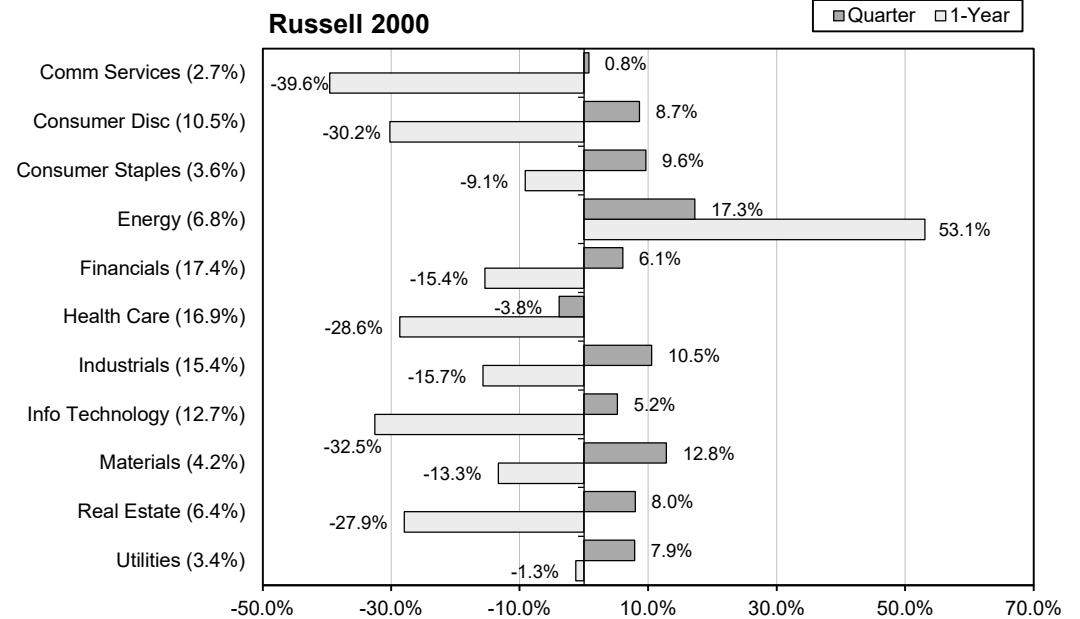
- Despite a pullback in December, equity markets broadly experienced strong absolute returns during the 4th quarter across both the style and market capitalization spectrums. With concerns about the potential for slowing economic conditions, large cap stocks resumed their leadership, followed by mid and small cap stocks. The Russell 1000 Value Index delivered 12.4% for the quarter, followed by while the Russell Mid Cap Value Index and the Russell 2000 Index, which rose by 10.5% and 8.4%, respectively.
- Performance across styles and market capitalizations was disparate during the quarter. Large, mid, and small cap value stocks all outperformed their growth counterparts. For the period, the Russell 1000 Value Index was the best relative performing style index, posting a return of 12.4%. Large and small cap growth stocks were the laggards during the period with the Russell Large Cap Growth Index and Russell 2000 Growth Index returning 2.2% and 4.1%, respectively.
- In contrast to the 4th quarter's positive performance, there was a wide range of negative results across market capitalizations over the trailing 1-year period. The Russell 2000 Index returned a disappointing -20.4% for the year, which underperformed both its large and mid cap index counterparts.
- There was also a wide performance dispersion across the style-based indexes for the year with growth stocks down significantly more than their value counterparts at all capitalization ranges. Within large cap stocks, the Russell 1000 Value Index returned -7.5% compared to much larger -29.1% decline for the Russell Large Cap Growth benchmark. The Russell Mid Cap Value Index returned -12.0% while the Russell 2000 Value Index returned -14.5% for the period. While these value benchmark results represented double-digit losses for the year, the Russell Mid Cap Growth Index fell a much larger -26.7% and the Russell 2000 Growth Index declined by a similar -26.4%.



- Economic sector performance was positive for nine of the eleven large cap economic sectors for the 4th quarter. Seven sectors outpaced the return of the broad index on a relative basis during the period.
- Energy continued its strong 2022 performance with a 4th quarter return of 21.1%. Other sectors that outpaced the headline index's return for the quarter included industrials (17.2%), materials (15.8%), financials (12.7%), healthcare (12.6%), consumer staples (12.6%), and utilities (8.7%). The real estate (3.7%), information technology (3.7%), communication services (-1.9%), and consumer discretionary (-8.3%) sectors all trailed the Russell 1000 Index return for the period.
- For the full year, seven economic sectors exceeded the return of the broad large cap benchmark but only the energy (64.5%) and utilities (1.3%) sectors managed to post positive, albeit vastly different, results. The weakest economic sector performance in the Russell 1000 for the year was communication services which declined by a staggering -40.2%.



- Ten small cap economic sectors posted positive returns during the quarter and seven exceeded the 6.2% return of the broader Russell 2000 Index. The energy (17.3%), materials (12.8%), and industrials (10.5%) sectors each posted double-digit positive results for the quarter. The only small cap economic sector that posted negative performance for the quarter was health care which fell by -3.8%.
- For the trailing 1-year period, six of the eleven economic sectors were down less than the broad small cap benchmark's return of -20.4%. Energy was the best performing and only positive economic sector for the year with a strong return of 53.1%. The utilities (-1.3%) and consumer staples (-9.1%) sectors were only small cap index segments to fall less than double-digit amounts for the year. The worst performing sector for the full year was communication services with a return of -39.6%. In addition, the information technology (-32.5%), consumer discretionary (-30.2%), health care (28.6%), and real estate (-27.9%) sectors all were down significantly for the year.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of December 31, 2022

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	5.5%	-5.8%	-26.4%	Information Technology
Microsoft Corp	5.1%	3.3%	-28.0%	Information Technology
Amazon.com Inc	2.1%	-25.7%	-49.6%	Consumer Discretionary
Berkshire Hathaway Inc Class B	1.6%	15.7%	3.3%	Financials
Alphabet Inc Class A	1.5%	-7.8%	-39.1%	Communication Services
UnitedHealth Group Inc	1.4%	5.3%	7.0%	Health Care
Alphabet Inc Class C	1.3%	-7.7%	-38.7%	Communication Services
Johnson & Johnson	1.3%	8.8%	6.0%	Health Care
Exxon Mobil Corp	1.3%	27.4%	87.4%	Energy
JPMorgan Chase & Co	1.1%	29.5%	-12.6%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Horizon Therapeutics PLC	0.1%	83.9%	5.6%	Health Care
Burlington Stores Inc	0.0%	81.2%	-30.4%	Consumer Discretionary
Halliburton Co	0.1%	60.4%	74.5%	Energy
Universal Health Services Inc Class B	0.0%	60.0%	9.4%	Health Care
PVH Corp	0.0%	57.7%	-33.7%	Consumer Discretionary
Spectrum Brands Holdings Inc	0.0%	57.4%	-38.6%	Consumer Staples
Boeing Co	0.3%	57.3%	-5.4%	Industrials
Under Armour Inc A	0.0%	52.8%	-52.1%	Consumer Discretionary
Exact Sciences Corp	0.0%	52.4%	-36.4%	Health Care
Moderna Inc	0.2%	51.9%	-29.3%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Carvana Co Class A	0.0%	-76.7%	-98.0%	Consumer Discretionary
Opendoor Technologies Inc Class A	0.0%	-62.7%	-92.1%	Real Estate
Tesla Inc	0.9%	-53.6%	-65.0%	Consumer Discretionary
Lucid Group Inc Shs	0.0%	-51.1%	-82.1%	Consumer Discretionary
Guardant Health Inc	0.0%	-49.5%	-72.8%	Health Care
Affirm Holdings Inc - Class A	0.0%	-48.5%	-90.4%	Information Technology
WeWork Inc	0.0%	-46.0%	-83.4%	Real Estate
AppLovin Corp - Class A	0.0%	-46.0%	-88.8%	Information Technology
Ginkgo Bioworks Holdings Inc	0.0%	-45.8%	-79.7%	Materials
Olaplex Holdings Inc	0.0%	-45.5%	-82.1%	Consumer Staples

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Halozyne Therapeutics Inc	0.3%	43.9%	41.5%	Health Care
ShockWave Medical Inc	0.3%	-26.1%	15.3%	Health Care
Inspire Medical Systems Inc	0.3%	42.0%	9.5%	Health Care
EMCOR Group Inc	0.3%	28.4%	16.8%	Industrials
Crocs Inc	0.3%	57.9%	-15.4%	Consumer Discretionary
Matador Resources Co	0.3%	17.2%	55.9%	Energy
Iridium Communications Inc	0.3%	15.8%	24.5%	Communication Services
Murphy Oil Corp	0.3%	22.9%	68.3%	Energy
Agree Realty Corp	0.3%	6.0%	3.5%	Real Estate
Texas Roadhouse Inc	0.3%	4.7%	4.1%	Consumer Discretionary

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Madrigal Pharmaceuticals Inc	0.2%	346.6%	242.5%	Health Care
Immunovant Inc	0.0%	218.1%	108.3%	Health Care
Rayonier Advanced Materials Inc	0.0%	204.8%	68.1%	Materials
Maxar Technologies Inc	0.2%	176.5%	75.5%	Industrials
4D Molecular Therapeutics Inc	0.0%	176.2%	1.2%	Health Care
Icosavax Inc	0.0%	151.3%	-65.3%	Health Care
Imago BioSciences Inc	0.0%	138.9%	51.6%	Health Care
Provention Bio Inc	0.0%	134.9%	88.1%	Health Care
Biohaven Ltd	0.0%	120.3%	N/A	Health Care
Oceaneering International Inc	0.1%	119.7%	54.6%	Energy

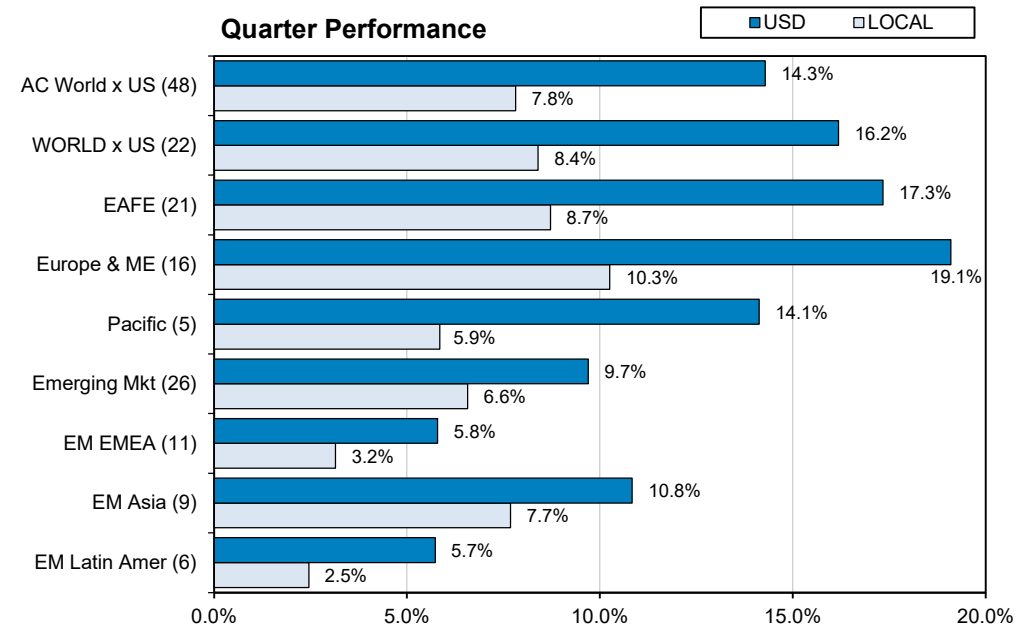
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Tricida Inc	0.0%	-98.5%	-98.4%	Health Care
Relmada Therapeutics Inc	0.0%	-90.6%	-84.5%	Health Care
Avaya Holdings Corp	0.0%	-87.7%	-99.0%	Information Technology
Instil Bio Inc	0.0%	-87.0%	-96.3%	Health Care
Greenidge Generation Holdings Inc.	0.0%	-85.5%	-98.2%	Information Technology
Eiger BioPharmaceuticals Inc	0.0%	-84.3%	-77.3%	Health Care
Cano Health Inc - Class A	0.0%	-84.2%	-84.6%	Health Care
Gossamer Bio Inc	0.0%	-81.9%	-80.8%	Health Care
Rockley Photonics Holdings Ltd	0.0%	-80.3%	-96.8%	Information Technology
Boxed Inc	0.0%	-78.9%	-98.6%	Consumer Discretionary

Source: Morningstar Direct

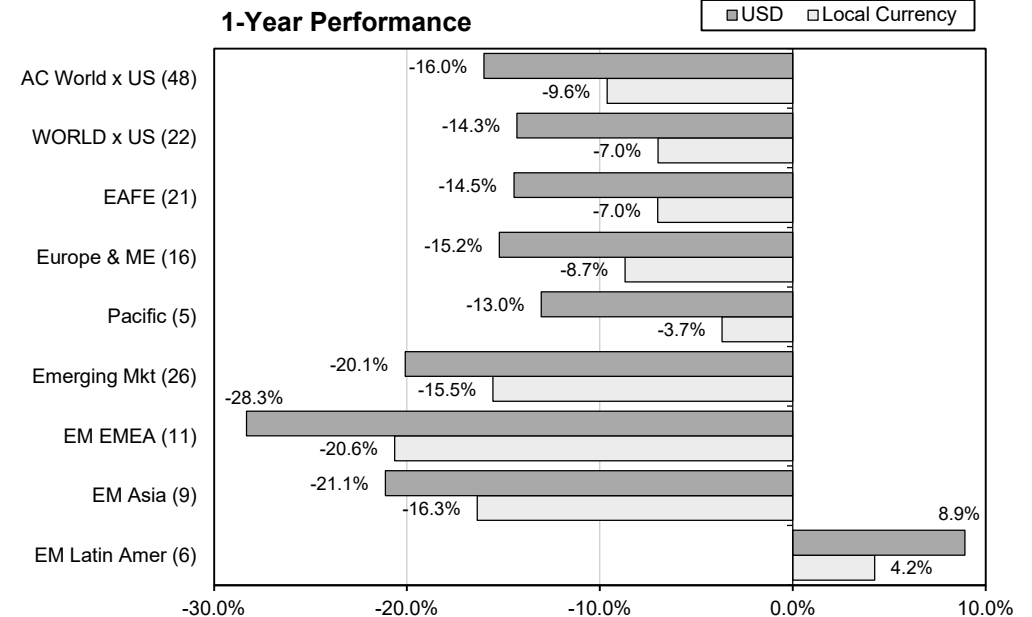


The Market Environment
International and Regional Market Index Performance (Country Count)
As of December 31, 2022

- Each of the developed and emerging market international equity indexes tracked in the chart posted positive returns in both US dollar (USD) and local currency (LC) terms for the 4th quarter. A weaker USD acted as a tailwind for non-US index performance during the quarter. Higher energy prices and the reopening of China also drove performance, especially in emerging markets. The developed market MSCI EAFE Index returned a strong 17.3% in USD and 8.7% in LC terms for the period, and the MSCI Emerging Markets Index rose by 9.7% in USD and 6.6% in LC terms.



- The trailing 1-year results for international developed and emerging markets were negative across most regions and currencies. The MSCI EAFE Index returned -14.5% in USD for the year and -7.0% in LC terms. Similarly, returns across emerging markets were broadly lower except for Latin America which returned 8.9% in USD and 4.2% in LC terms. The MSCI Emerging Markets Index declined by -20.1% in USD and -15.5% in LC terms for the year. Performance in the EMEA regional benchmark significantly detracted from emerging market index performance with the EMEA Index posting returns of -28.3% in USD and -20.6% in LC terms.



Source: MSCI Global Index Monitor (Returns are Net)



The Market Environment
US Dollar International Index Attribution & Country Detail
As of December 31, 2022

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.8%	10.1%	-16.8%
Consumer Discretionary	5.0%	17.8%	-22.4%
Consumer Staples	18.7%	10.6%	-13.0%
Energy	4.5%	19.8%	27.7%
Financials	15.1%	23.9%	-4.6%
Health Care	13.6%	14.2%	-11.0%
Industrials	10.5%	19.0%	-20.6%
Information Technology	7.8%	14.9%	-32.4%
Materials	11.1%	20.7%	-10.3%
Real Estate	3.5%	11.0%	-20.9%
Utilities	2.6%	19.4%	-12.4%
Total	100.0%	17.3%	-14.5%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	8.4%	12.0%	-21.6%
Consumer Discretionary	6.0%	14.7%	-21.7%
Consumer Staples	21.0%	9.8%	-11.9%
Energy	5.9%	13.3%	8.1%
Financials	12.3%	15.6%	-7.3%
Health Care	9.8%	14.1%	-12.9%
Industrials	8.9%	17.3%	-18.4%
Information Technology	10.8%	13.5%	-34.5%
Materials	11.4%	16.6%	-11.2%
Real Estate	3.4%	10.4%	-20.6%
Utilities	2.3%	13.0%	-11.1%
Total	100.0%	14.3%	-16.0%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	8.9%	58.8%	1.8%
Consumer Discretionary	4.9%	46.2%	5.6%
Consumer Staples	22.1%	77.4%	48.9%
Energy	9.9%	92.9%	40.2%
Financials	6.1%	44.6%	24.5%
Health Care	4.1%	53.5%	3.8%
Industrials	6.4%	49.7%	18.8%
Information Technology	18.6%	9.8%	-34.7%
Materials	14.1%	45.6%	10.6%
Real Estate	3.0%	13.8%	-15.4%
Utilities	1.9%	38.8%	26.8%
Total	100.0%	9.7%	-20.1%

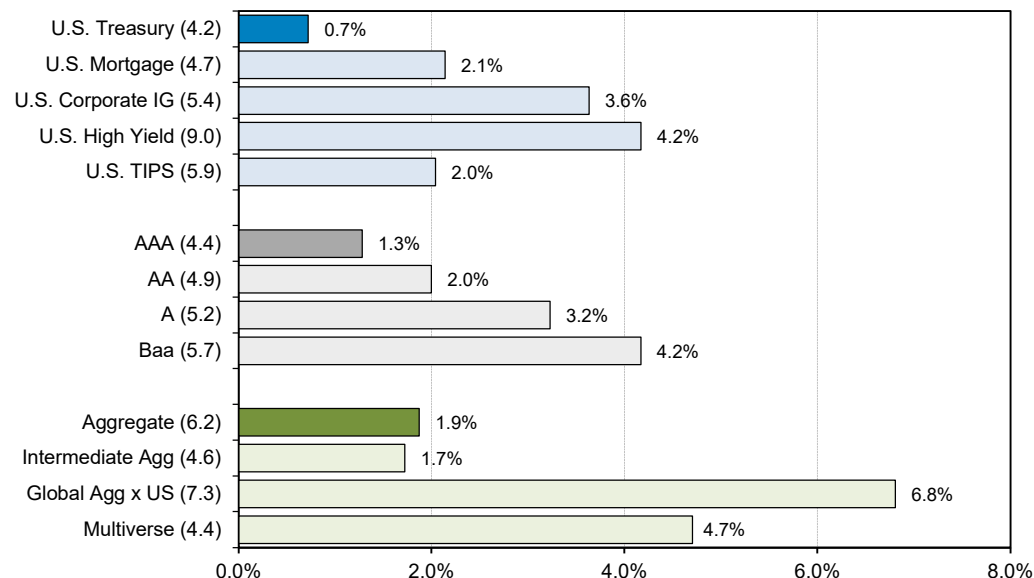
Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	21.9%	14.0%	13.2%	-16.6%
United Kingdom	15.3%	9.8%	17.0%	-4.8%
France	11.8%	7.6%	22.2%	-13.3%
Switzerland	10.1%	6.5%	10.4%	-18.3%
Australia	7.9%	5.1%	15.7%	-5.3%
Germany	8.2%	5.2%	24.6%	-22.3%
Netherlands	4.3%	2.7%	21.0%	-27.7%
Sweden	3.3%	2.1%	18.1%	-28.4%
Hong Kong	3.0%	1.9%	18.2%	-4.7%
Denmark	3.0%	1.9%	31.6%	-4.8%
Spain	2.4%	1.5%	22.9%	-7.3%
Italy	2.3%	1.5%	26.4%	-14.4%
Singapore	1.5%	1.0%	10.5%	-11.0%
Belgium	1.0%	0.7%	22.6%	-12.5%
Finland	1.0%	0.7%	16.3%	-15.3%
Norway	0.8%	0.5%	16.9%	-7.0%
Israel	0.7%	0.5%	0.4%	-26.7%
Ireland	0.7%	0.4%	21.5%	-26.2%
Portugal	0.2%	0.1%	17.2%	0.2%
Austria	0.2%	0.1%	31.1%	-26.4%
New Zealand	0.2%	0.1%	24.5%	-13.6%
Total EAFE Countries	100.0%	63.9%	17.3%	-14.5%
Canada		7.7%	7.4%	-12.9%
Total Developed Countries		71.6%	16.2%	-14.3%
China		9.2%	13.5%	-21.9%
Taiwan		3.9%	9.6%	-29.8%
India		4.1%	2.0%	-8.0%
Korea		3.2%	18.1%	-29.4%
Brazil		1.5%	2.4%	14.2%
Saudi Arabia		1.2%	-7.4%	-5.1%
South Africa		1.0%	18.3%	-3.9%
Mexico		0.6%	12.5%	-2.0%
Thailand		0.6%	16.1%	5.0%
Indonesia		0.5%	-3.6%	3.6%
Malaysia		0.4%	14.0%	-5.8%
United Arab Emirates		0.4%	-1.5%	-6.2%
Qatar		0.3%	-15.3%	-6.9%
Kuwait		0.3%	5.7%	10.1%
Philippines		0.2%	21.1%	-13.9%
Poland		0.2%	47.7%	-27.2%
Chile		0.2%	6.2%	19.4%
Turkey		0.2%	62.9%	90.4%
Peru		0.1%	17.4%	9.4%
Greece		0.1%	29.1%	0.3%
Colombia		0.0%	19.7%	-6.0%
Czech Republic		0.0%	6.5%	-14.4%
Hungary		0.1%	36.3%	-31.1%
Egypt		0.0%	28.5%	-22.6%
Total Emerging Countries		28.4%	9.7%	-20.1%
Total ACWixUS Countries		100.0%	14.3%	-16.0%

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

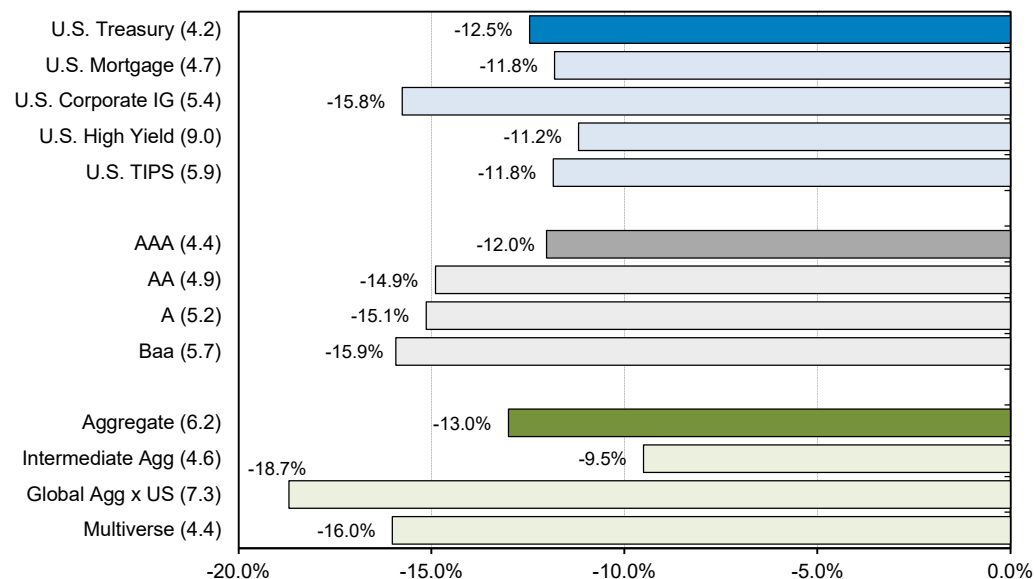


- After an extremely challenging year in fixed income markets, the 4th quarter's positive bond benchmark results were a welcome relief. Despite two rate increases during the quarter, bond performance was aided by lower investor concerns about rising inflation as US CPI declined. This was reflected in both intermediate and long-term interest rates which remained relatively stable during the quarter.
- The return for the BB US Aggregate Bond Index, the bellwether US investment grade benchmark, rose by 1.9% for the period.
- Performance across the investment grade index's segments was also positive during the period with the US Corporate Investment Grade Index returning 3.6% and the US Mortgage Index component posting a return of 2.1%.
- High yield bonds outperformed their investment grade counterparts, surging 4.2% during the quarter. US TIPS, which have delivered strong performance in recent periods, rose by 2.0% as investors' expectations of future inflation declined.
- Outside of domestic markets, the Bloomberg Global Aggregate ex US Index posted a strong return of 6.8% for the quarter. Like domestic bonds, global bond index performance was positively impacted declining inflation, but the benchmark also received a boost from the decline in the USD for the quarter.
- Over the trailing 1-year period, the bellwether BB US Aggregate Bond Index declined by -13.0% and each of the benchmark's components fell by more than -10%. US TIPS, which are excluded from the bellwether index, dropped by -11.8% for the year.
- Lower quality high yield corporate bonds were down less than their investment grade counterparts on a relative basis with the Bloomberg US High Yield Index posting still discouraging return of -11.2% for the period.
- Performance for non-US bonds was also strongly negative for the year with the developed market Bloomberg Global Aggregate ex US Index falling by -18.7%. The combination of rising interest rates overseas, elevated inflation, geopolitical risks, and USD strength earlier in the year hindered non-US index performance.

Quarter Performance

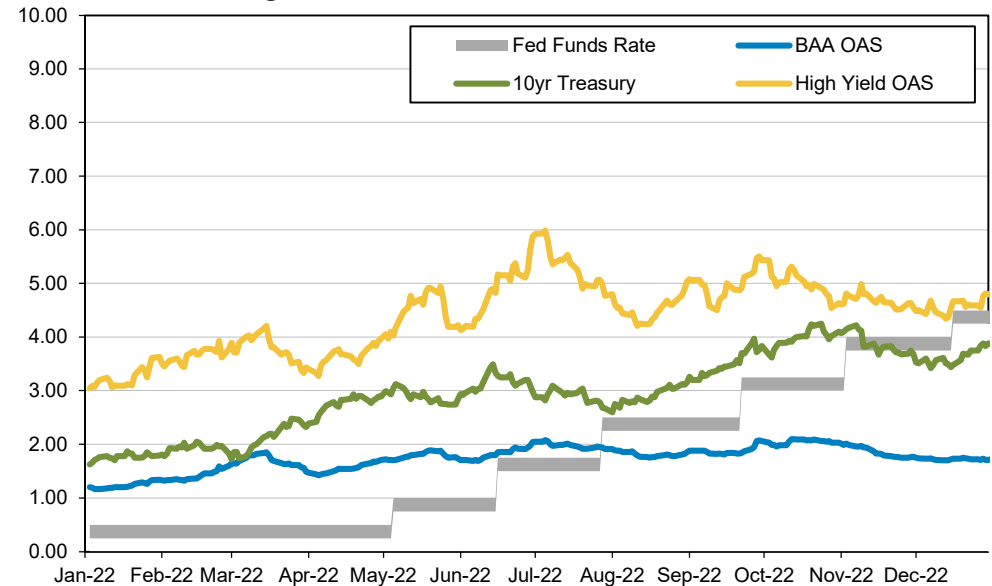


1-Year Performance

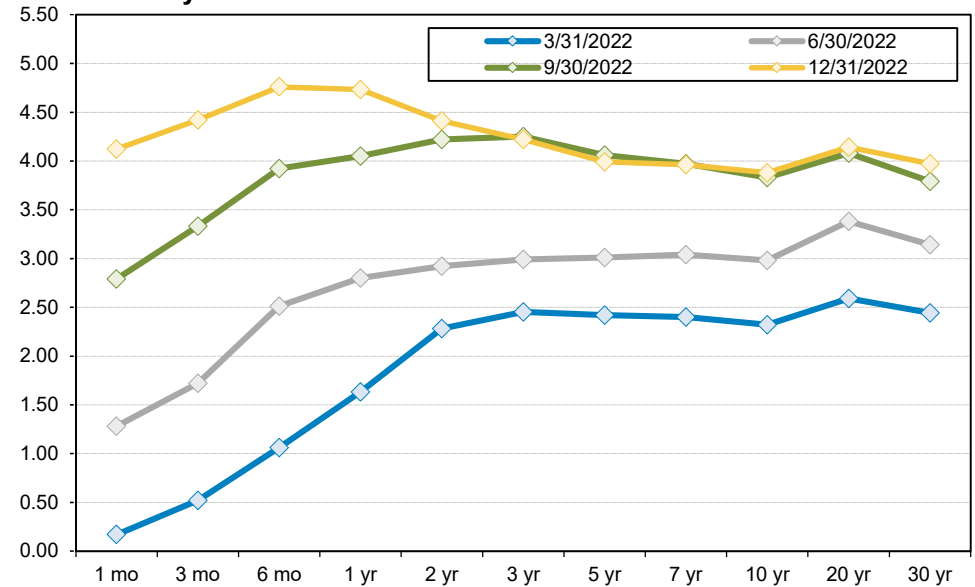


- The gray band across the graph illustrates the range of the current Fed Funds Rate. In the 4th quarter this year, the Fed raised the lower end of its target rate range from 3.00% to 4.25% through a 0.75% increase in November and a 0.50% increase in December. During its December meeting, the Federal Open Market Committee (FOMC) stated it intends to monitor economic growth closely and will continue to raise interest rates to fight inflation if needed. The FOMC also stated that it would continue its policy of removing liquidity from the market by allowing bonds held on its balance sheet to mature without reinvesting those proceeds.
- The yield on the US 10-year Treasury (green line) ended the period slightly higher as concerns over the pace of inflation, combined with the Fed's announced rate increase, drove yields. The closing yield on the 10-Year Treasury was 3.88% at year-end, an increase of 0.08% from its 3rd quarter closing yield. The benchmark's rate peaked in October, reaching a high of roughly 4.25% before declining to end the quarter.
- 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 slightly from 1.17% to 1.72%. High Yield OAS spreads rose from roughly 3.05% at the beginning of the year to 4.81% at year-end. During 2022, high yield spreads reached a level of 5.80% in early July before trading lower the remainder of the year.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term rates continued to rise during the 4th quarter as the FOMC increased interest rates twice to combat elevated inflation. Despite these short-term rate increases, both intermediate and longer-term rates remained largely unchanged during the quarter. The yield curve remained inverted between 2-year and 10-year rates. Said differently, the short-term rate was higher than the long-term rate. Historically, a persistent inversion of these two key rates has been an indication of a future recession withing 6- to 24-months.

1-Year Trailing Market Rates



Treasury Yield Curve



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

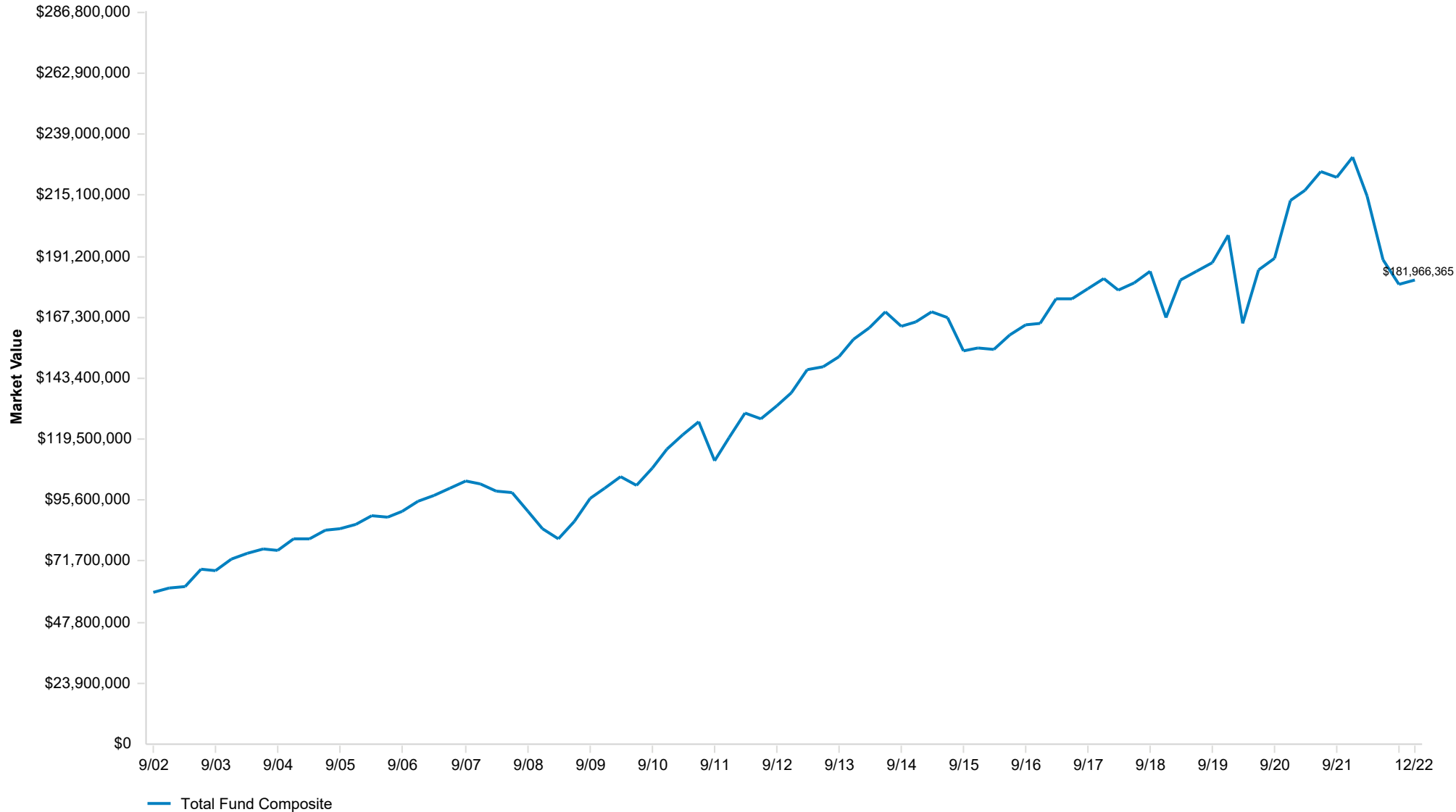


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-14.9%

Schedule of Investable Assets
Total Fund
October 1, 2002 To December 31, 2022

Schedule of Investable Assets



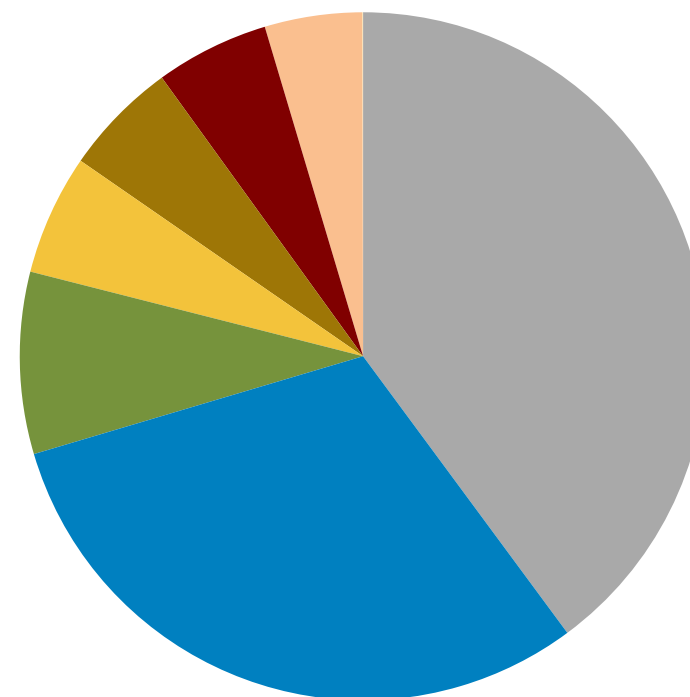
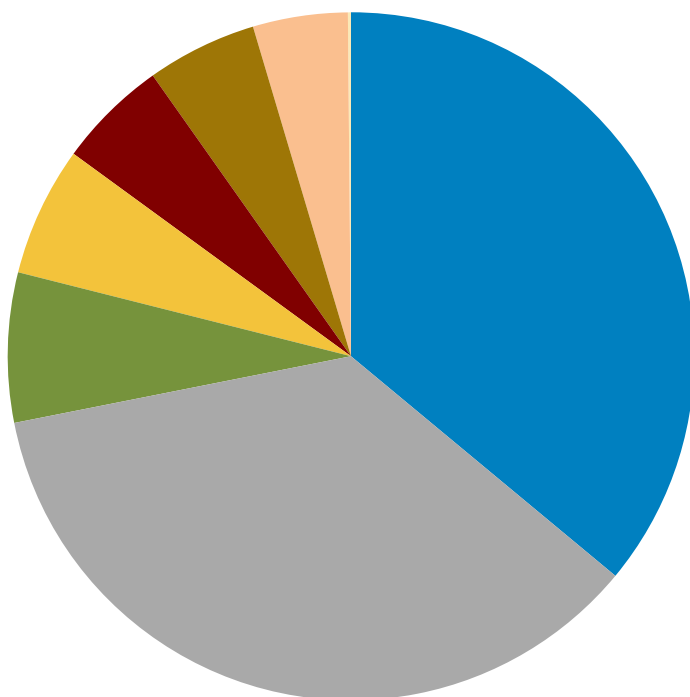
Schedule of Investable Assets

Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Gain/Loss \$	Ending Market Value \$	%Return
Oct-2002 To Dec-2022	59,280,518	-32,852,355	155,538,203	181,966,365	6.55



September 30, 2022 : \$180,185,866

December 31, 2022 : \$181,966,365



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Total Core Plus Fixed Income	64,896,165	36.0	Total Domestic Equity	72,535,441	39.9
Total Domestic Equity	64,645,933	35.9	Total Core Plus Fixed Income	55,589,676	30.5
Total International Equity	12,674,207	7.0	Total International Equity	15,556,234	8.5
Total Bank Loans	10,973,389	6.1	Total Bank Loans	10,300,334	5.7
Total High Yield Fixed Income	9,343,357	5.2	Total GTAA	9,835,402	5.4
Total GTAA	9,341,624	5.2	Total High Yield Fixed Income	9,729,113	5.3
Total Real Estate-REITS	8,046,087	4.5	Total Real Estate-REITS	8,346,138	4.6
Total Cash	265,103	0.1	Total Cash	74,026	0.0



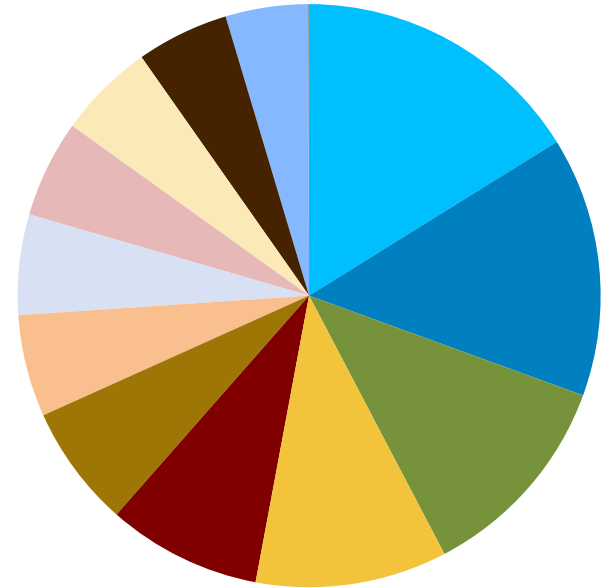
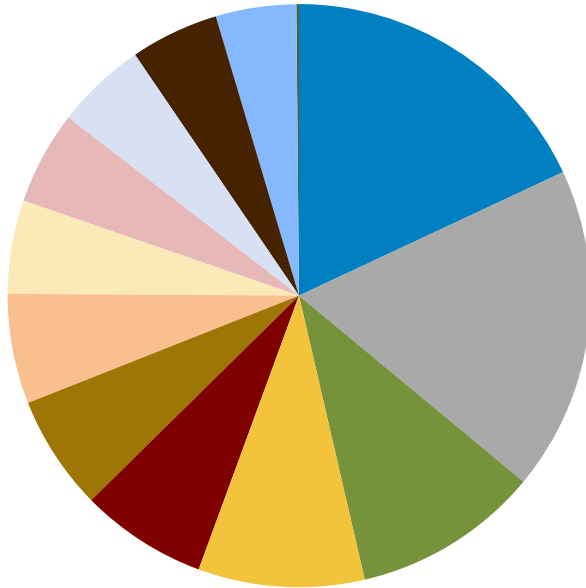
Asset Allocation by Asset Class

Total Fund

As of December 31, 2022

Sep-2022 : \$180,185,866

Dec-2022 : \$181,966,365



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
MacKay Shields Core Plus	32,489,834	18.0	Dodge & Cox Income (DODIX)	29,389,626	16.2
Smith Graham Core Plus	32,406,331	18.0	MacKay Shields Core Plus	26,200,049	14.4
Vanguard Index Fund Institutional (VINIX)	18,671,028	10.4	Vanguard Index Fund Institutional (VINIX)	21,412,745	11.8
Barrow Hanley MeWhinney & Strauss	16,606,940	9.2	Barrow Hanley MeWhinney & Strauss	19,332,719	10.6
Causeway International (CIVIX)	12,674,207	7.0	Causeway International (CIVIX)	15,556,234	8.5
Stephens Mid Cap Growth	11,490,480	6.4	Stephens Mid Cap Growth	12,338,498	6.8
Pacific Funds Floating Rate (PLFRX)	10,973,389	6.1	Pacific Funds Floating Rate (PLFRX)	10,300,334	5.7
Loomis Sayles High Yield (LSHIX)	9,343,357	5.2	Fiduciary Management	10,127,846	5.6
BlackRock Multi-Asset Income (BKMIX)	9,341,624	5.2	BlackRock Multi-Asset Income (BKMIX)	9,835,402	5.4
Fiduciary Management	9,044,922	5.0	Loomis Sayles High Yield (LSHIX)	9,729,113	5.3
Stacey Braun	8,832,564	4.9	Stacey Braun	9,323,634	5.1
Cohen & Steers (CSRIX)	8,046,087	4.5	Cohen & Steers (CSRIX)	8,346,138	4.6
Cash	265,103	0.1	Cash	74,026	0.0
Dodge & Cox Income (DODIX)	-	0.0	Smith Graham Core Plus	-	0.0



Asset Allocation & Performance

Total Fund

As of December 31, 2022

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)	181,966,365	100.0	6.22	-14.85	2.10	3.53	5.55	6.55	10/01/2002
Policy Index			5.61	-15.49	0.95	2.89	4.71	6.46	
Pension Actuarial Assumption			1.54	6.30	6.33	6.45	6.57	7.08	
Total Fund Composite (Net of Fees)	181,966,365	100.0	6.14	-15.06	1.80	3.20	5.19	5.97	10/01/2002
Fiduciary Management	10,127,846	5.6	12.13	-13.07	4.76	6.81	9.70	9.17	01/01/2006
Russell 1000 Value Index			12.42	-7.54	5.96	6.67	9.12	7.37	
S&P 500 Index			7.56	-18.11	7.66	9.42	11.48	9.01	
Vanguard Index Fund Institutional (VINIX)	21,412,745	11.8	7.55	-18.12	7.65	9.41		10.73	05/01/2017
S&P 500 Index			7.56	-18.11	7.66	9.42	11.48	10.75	
Stacey Braun	9,323,634	5.1	5.69	-23.30	6.78	8.84	10.66	9.95	07/01/2008
S&P 500 Index			7.56	-18.11	7.66	9.42	11.48	10.08	
Russell 1000 Growth Index			2.20	-29.14	7.79	10.96	12.95	11.42	
Stephens Mid Cap Growth	12,338,498	6.8	7.59	-27.30	5.40	10.01	12.29	12.32	01/01/2013
Russell Midcap Growth Index			6.90	-26.72	3.85	7.64	9.95	11.41	
Barrow Hanley MeWhinney & Strauss	19,332,719	10.6	16.60	-8.83	11.72	7.82	11.97	11.02	04/01/2005
Russell 2000 Value Index			8.42	-14.48	4.70	4.13	8.23	6.89	
Causeway International (CIVIX)	15,556,234	8.5	22.74	-6.75	2.35	0.96	4.26	2.85	10/01/2013
MSCI EAFE Index			17.40	-14.01	1.34	2.03	5.03	3.85	
MSCI EAFE Value Index (Net)			19.64	-5.58	0.65	0.17	3.66	2.17	
Cohen & Steers (CSRIX)	8,346,138	4.6	3.73	-24.72	1.53	5.97	6.18	8.68	01/01/2012
FTSE NAREIT All Equity REITs			4.14	-24.95	0.20	4.43	5.62	8.19	
BlackRock Multi-Asset Income (BKMIX)	9,835,402	5.4	5.29	-11.53				5.00	04/01/2020
50% S&P 500/50% Barclays Agg			4.83	-15.26	2.80	5.03	6.38	6.50	
MacKay Shields Core Plus	26,200,049	14.4	1.60	-14.07	-1.82	0.68	1.79	1.59	07/01/2014
Blmbg. U.S. Aggregate Index			1.87	-13.01	-2.71	0.02	0.89	1.03	
Dodge & Cox Income (DODIX)	29,389,626	16.2						3.81	11/01/2022
Blmbg. U.S. Aggregate Index			1.87	-13.01	-2.71	0.02	0.89	3.21	
Loomis Sayles High Yield (LSHIX)	9,729,113	5.3	4.13	-11.66	-0.35	1.08	4.49	5.18	01/01/2012
ICE BofA U.S. High Yield Index			3.98	-11.25	-0.25	2.11	4.94	4.95	

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 0.15% higher on an annual basis if these fees were included.



Asset Allocation & Performance

Total Fund

As of December 31, 2022

	Allocation		Performance(%)						
	Market Value \$	%	QTR	1 YR	3 YR	5 YR	7 YR	Inception	Inception Date
Pacific Funds Floating Rate (PLFRX)	10,300,334	5.7	2.67	-0.86				-0.15	10/01/2021
Credit Suisse Leveraged Loan Index			2.33	-1.06	2.34	3.24	4.31	-0.28	
Cash	74,026	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 0.15% higher on an annual basis if these fees were included.



Asset Allocation & Performance

	Allocation		Performance(%)					
	Market Value \$	%	YTD	2021	2020	2019	2018	2017
Total Fund Composite (Gross of Fees)	181,966,365	100.0	-14.85	11.51	12.08	18.22	-5.46	11.35
Policy Index			-15.49	11.63	9.04	17.62	-4.68	9.35
Pension Actuarial Assumption			6.30	6.30	6.40	6.50	6.75	6.75
Total Fund Composite (Net of Fees)	181,966,365	100.0	-15.06	11.21	11.68	17.79	-5.81	10.91
Fiduciary Management	10,127,846	5.6	-13.07	19.07	11.07	24.33	-2.75	19.68
Russell 1000 Value Index			-7.54	25.16	2.80	26.54	-8.27	13.66
S&P 500 Index			-18.11	28.71	18.40	31.49	-4.38	21.83
Vanguard Index Fund Institutional (VINIX)	21,412,745	11.8	-18.12	28.67	18.39	31.48	-4.42	
S&P 500 Index			-18.11	28.71	18.40	31.49	-4.38	21.83
Stacey Braun	9,323,634	5.1	-23.30	27.62	24.39	32.62	-5.41	26.00
S&P 500 Index			-18.11	28.71	18.40	31.49	-4.38	21.83
Russell 1000 Growth Index			-29.14	27.60	38.49	36.39	-1.51	30.21
Stephens Mid Cap Growth	12,338,498	6.8	-27.30	13.10	42.40	33.25	3.29	29.35
Russell Midcap Growth Index			-26.72	12.73	35.59	35.47	-4.75	25.27
Barrow Hanley MeWhinney & Strauss	19,332,719	10.6	-8.83	20.64	26.79	27.54	-18.06	18.60
Russell 2000 Value Index			-14.48	28.27	4.63	22.39	-12.86	7.84
Causeway International (CIVIX)	15,556,234	8.5	-6.75	9.07	5.40	20.21	-18.60	27.18
MSCI EAFE Index			-14.01	11.78	8.28	22.66	-13.36	25.62
MSCI EAFE Value Index (Net)			-5.58	10.89	-2.63	16.09	-14.78	21.44
Cohen & Steers (CSRIX)	8,346,138	4.6	-24.72	42.69	-2.57	33.01	-4.00	7.43
FTSE NAREIT All Equity REITs			-24.95	41.30	-5.12	28.66	-4.04	8.67
BlackRock Multi-Asset Income (BKMIX)	9,835,402	5.4	-11.53	7.20				
50% S&P 500/50% Barclays Agg			-15.26	12.80	13.66	19.89	-1.90	12.37
MacKay Shields Core Plus	26,200,049	14.4	-14.07	-0.12	10.28	9.47	-0.16	4.92
Blmbg. U.S. Aggregate Index			-13.01	-1.55	7.51	8.72	0.01	3.54
Dodge & Cox Income (DODIX)	29,389,626	16.2						
Blmbg. U.S. Aggregate Index			-13.01	-1.55	7.51	8.72	0.01	3.54
Loomis Sayles High Yield (LSHIX)	9,729,113	5.3	-11.66	8.25	3.47	10.53	-3.52	8.40
ICE BofA U.S. High Yield Index			-11.25	5.35	6.17	14.41	-2.27	7.48

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 0.15% higher on an annual basis if these fees were included.



Asset Allocation & Performance

Total Fund

As of December 31, 2022

	Allocation		Performance(%)					
	Market Value \$	%	YTD	2021	2020	2019	2018	2017
Pacific Funds Floating Rate (PLFRX)	10,300,334	5.7	-0.86					
Credit Suisse Leveraged Loan Index			-1.06	5.40	2.78	8.17	1.14	4.25
Cash	74,026	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 0.15% 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 a single portfolio manager. As of December 31, 2022, Fiduciary had a market value of \$10,127,846.

Fiduciary Management		Russell 1000 Value Index	
	Weight %		Weight %
Berkshire Hathaway Inc	5.8	Berkshire Hathaway Inc	3.0
Schwab (Charles) Corp	5.4	Johnson & Johnson	2.5
Dollar General Corporation	4.8	Exxon Mobil Corp	2.5
Booking Holdings Inc	4.4	JPMorgan Chase & Co	2.1
Ferguson PLC	4.3	Chevron Corp	1.9
Unitedhealth Group Inc	4.0	Pfizer Inc	1.6
Alphabet Inc	3.9	Bank of America Corp	1.3
Sony Group Corporation	3.9	Meta Platforms Inc	1.2
CDW Corp	3.7	Procter & Gamble Co (The)	1.1
Unilever PLC	3.7	Walmart Inc	1.1

Equity Assets Exposures by Sector

	Fiduciary Management	Russell 1000 Value Index
Cash	4.64	0.00
Communication Services	6.99	7.31
Consumer Discretionary	21.09	5.99
Consumer Staples	3.70	7.38
Energy	2.07	8.44
Financials	23.38	20.11
Health Care	9.65	17.36
Industrials	15.66	10.53
Information Technology	9.61	8.27
Materials	3.21	4.31
Real Estate	0.00	4.48
Utilities	0.00	5.83

Equity Characteristics

	Fiduciary Management	Russell 1000 Value Index
Wtd. Avg. Mkt. Cap (\$)	163,861,370,317	150,837,985,042
Price/Earnings ratio	18.0	15.1
Price/Book ratio	3.3	2.4
Current Yield	1.6	2.3
Number of Stocks	31	852



Fund Information

Fund Name :	Vanguard Institutional Index Fund: Vanguard Institutional Index Fund; Institutional Shares	Portfolio Assets :	\$243,838 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 :	\$103,278 Million	Style Benchmark :	S&P 500 Index
Portfolio Turnover :	3%		

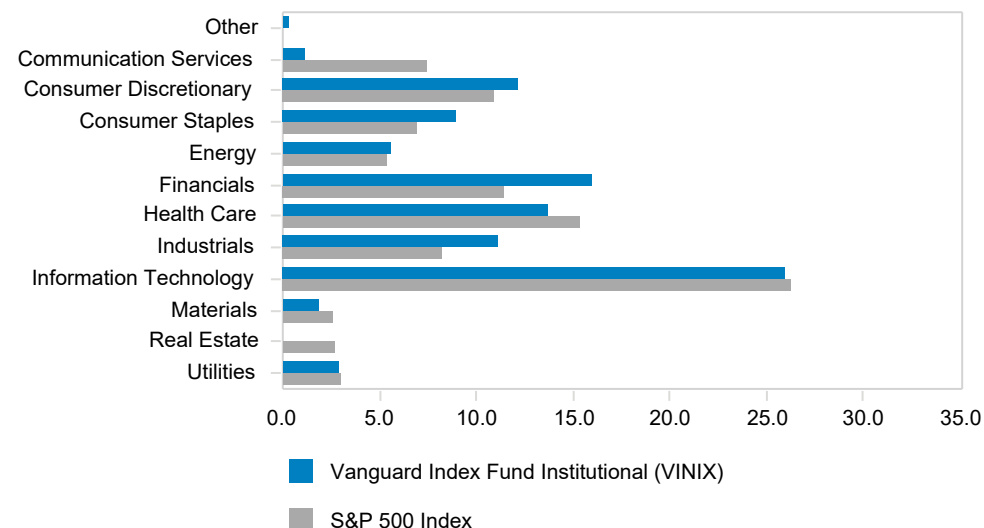
Portfolio Characteristics As of 10/31/2022

	Portfolio	Benchmark
Total Securities	505	503
Avg. Market Cap	449,754,472,445	471,866,342,604
Price/Earnings (P/E)	27.46	19.67
Price/Book (P/B)	8.46	3.89
Dividend Yield	2.03	1.72
Annual EPS	45.28	13.76
5 Yr EPS	18.55	17.08
3 Yr EPS Growth	19.17	N/A
Beta (5 Years, Monthly)	1.00	1.00

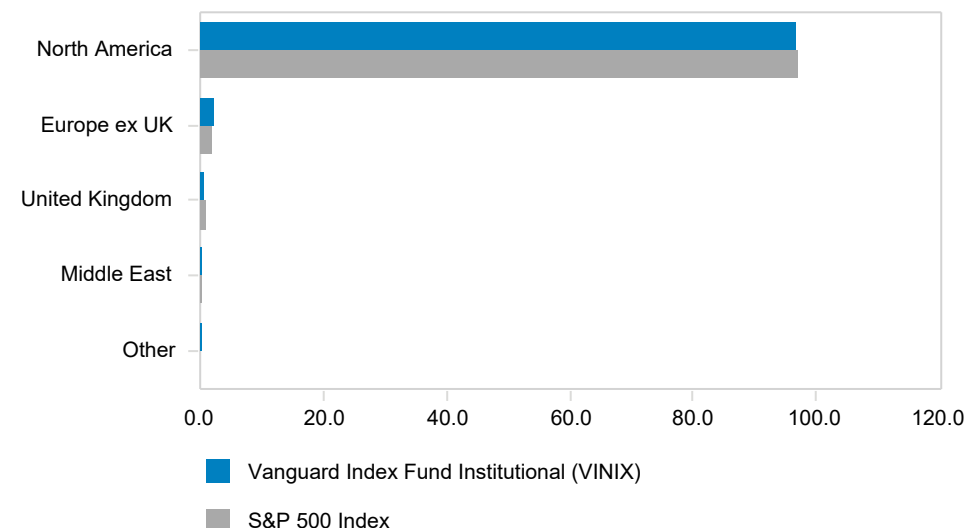
Top Ten Securities As of 10/31/2022

Apple Inc ORD	7.1 %
Microsoft Corp ORD	5.3 %
Amazon.com Inc ORD	2.8 %
Tesla Inc ORD	1.9 %
Alphabet Inc Class A ORD	1.7 %
Berkshire Hathaway Inc ORD	1.6 %
UnitedHealth Group Inc ORD	1.6 %
Alphabet Inc Class C ORD	1.6 %
Exxon Mobil Corp ORD	1.4 %
Johnson & Johnson ORD	1.4 %

Sector Weights As of 10/31/2022



Region Weights As of 10/31/2022



Stacey Braun utilizes a sector neutral, bottom up equity strategy which closely aligns their sector weightings to those of the S&P 500 Index. The firm employs an active flexible investment approach. Cash equivalents are used as a defensive measure in times of declining equity markets. Their equity portfolios consist of a diverse group of stocks selected through fundamental and technical analysis. Securities are chosen through their analysis are compared to their peers before purchase. This process results in an emphasis on growth at a reasonable price. As of December 31, 2022, Stacey Braun had a market value of \$9,323,634.

Stacey Braun		S&P 500 Index	
	Weight %		Weight %
Microsoft Corp	4.7	Apple Inc	6.0
Apple Inc	4.7	Microsoft Corp	5.6
Boeing Co	2.3	Amazon.com Inc	2.3
Berkshire Hathaway Inc	1.9	Berkshire Hathaway Inc	1.7
Celsius Holdings Inc	1.9	Alphabet Inc	1.6
Mastercard Inc	1.8	Unitedhealth Group Inc	1.5
Chevron Corp	1.8	Alphabet Inc	1.5
Eli Lilly and Co	1.7	Johnson & Johnson	1.4
Biomarin Pharmaceutical Inc	1.5	Exxon Mobil Corp	1.4
Extreme Networks Inc	1.5	JPMorgan Chase & Co	1.2

Equity Assets Exposures by Sector

	Stacey Braun	S&P 500 Index
Cash	5.88	0.00
Communication Services	6.82	7.28
Consumer Discretionary	9.37	9.80
Consumer Staples	7.49	7.20
Energy	5.17	5.23
Financials	10.91	11.66
Health Care	15.73	15.82
Industrials	10.60	8.65
Information Technology	21.60	25.74
Materials	1.54	2.73
Real Estate	1.94	2.71
Utilities	2.95	3.18

Equity Characteristics

	Stacey Braun	S&P 500 Index
Wtd. Avg. Mkt. Cap (\$)	332,186,601,271	413,469,363,596
Price/Earnings ratio	19.4	19.2
Price/Book ratio	4.2	3.9
Current Yield	1.3	1.8
Number of Stocks	89	503



Stephens Mid Cap Growth

As of December 31, 2022

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 December 31, 2022, Stephens had a market value of \$12,338,498.

Stephens Mid Cap Growth		Russell Midcap Growth Index	
	Weight %		Weight %
Cadence Design Systems Inc	2.1	Synopsys Inc	1.5
Icon PLC	2.0	Cadence Design Systems Inc	1.3
DexCom Inc	2.0	DexCom Inc	1.3
Microchip Technology Inc	1.9	AutoZone Inc	1.3
Palo Alto Networks Inc	1.9	Agilent Technologies Inc	1.2
Resmed Inc	1.8	Chipotle Mexican Grill Inc	1.2
Wingstop Inc	1.7	Quintiles Transnational	1.2
Ulta Salon Cosmetics	1.7	Paychex Inc.	1.1
VERISK ANALYTICS INC	1.7	Cintas Corp	1.1
Tradeweb Markets Inc	1.7	Lululemon Athletica Inc	1.1

Equity Assets Exposures by Sector

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Cash	3.56	0.00
Communication Services	7.13	3.75
Consumer Discretionary	15.09	15.24
Consumer Staples	3.09	3.03
Energy	4.88	5.04
Financials	5.77	5.86
Health Care	18.16	17.49
Industrials	12.49	15.97
Information Technology	29.83	27.49
Materials	0.00	3.82
Real Estate	0.00	2.04
Utilities	0.00	0.28

Equity Characteristics

	Stephens Mid Cap Growth	Russell Midcap Growth Index
Wtd. Avg. Mkt. Cap (\$)	20,372,787,384	23,603,162,449
Price/Earnings ratio	28.6	23.3
Price/Book ratio	4.7	6.1
Current Yield	0.6	0.8
Number of Stocks	92	401



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 December 31, 2022, Barrow, Hanley, MeWhinney & Strauss had a market value of \$19,332,719.

Barrow Hanley MeWhinney & Strauss		Russell 2000 Value Index	
	Weight %		Weight %
Super Micro Computer Inc	5.0	Agree Realty Corp	0.5
ATI Inc	4.4	STAG Industrial Inc	0.5
Enerpac Tool Group Corp	3.9	SouthState Corporation	0.5
OFG Bancorp	3.8	Light & Wonder Inc	0.5
Texas Capital Bancshares Inc	3.7	Selective Insurance Group Inc	0.5
WillScot Mobile Mini Holdings Corp	3.7	United Bankshares Inc	0.5
Gentherm Inc	3.6	Old National Bancorp	0.5
Darling Ingredients Inc	3.5	RBC Bearings Inc	0.5
Greenbrier Cos Inc (The)	3.4	Helmerich & Payne Inc.	0.4
Air Transport Services Group Inc	3.4	Valley National Bancorp	0.4

Equity Assets Exposures by Sector

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Cash	4.35	0.00
Communication Services	0.00	2.86
Consumer Discretionary	9.54	10.04
Consumer Staples	5.16	2.68
Energy	0.00	6.24
Financials	13.62	28.82
Health Care	1.88	10.45
Industrials	33.74	13.27
Information Technology	18.83	5.54
Materials	12.88	4.11
Real Estate	0.00	10.67
Utilities	0.00	5.31

Equity Characteristics

	Barrow Hanley MeWhinney & Strauss	Russell 2000 Value Index
Wtd. Avg. Mkt. Cap (\$)	2,965,565,755	2,370,346,459
Price/Earnings ratio	16.6	10.1
Price/Book ratio	2.0	1.6
Current Yield	0.9	2.3
Number of Stocks	37	1,383



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 : \$5,506 Million

Portfolio Turnover : 60%

Portfolio Assets : \$5,826 Million

Portfolio Manager : Team Managed

PM Tenure :

Fund Style : IM International Large Cap Value Equity (MF)

Style Benchmark : MSCI EAFE Index

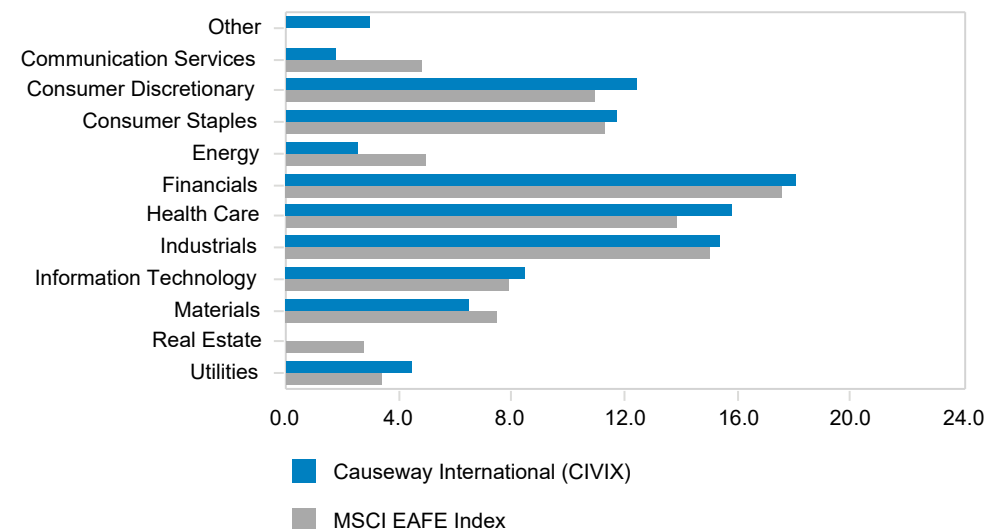
Portfolio Characteristics As of 09/30/2022

	Portfolio	Benchmark
Total Securities	71	799
Avg. Market Cap	68,091,925,733	63,523,926,143
Price/Earnings (P/E)	20.08	11.33
Price/Book (P/B)	3.49	2.40
Dividend Yield	4.47	3.72
Annual EPS	43.01	153.87
5 Yr EPS	8.49	12.18
3 Yr EPS Growth	2.19	N/A
Beta (5 Years, Monthly)	1.25	1.00

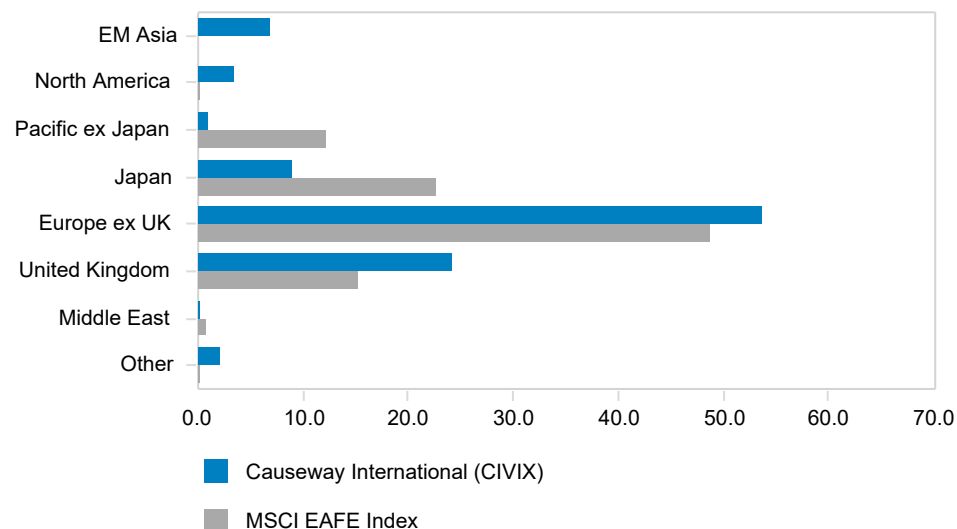
Top Ten Securities As of 09/30/2022

iShares MSCI EAFE ETF	4.9 %
UniCredit SpA ORD	3.9 %
iShares MSCI EAFE Value ETF	3.3 %
Roche Holding AG	2.9 %
Samsung Electronics Co Ltd ORD	2.7 %
Unilever PLC ORD	2.7 %
Novartis AG ORD	2.6 %
Invesco Government & Agency Portfolio;In	2.4 %
Sanofi SA ORD	2.3 %
Relx PLC ORD	2.3 %

Sector Weights As of 09/30/2022



Region Weights As of 09/30/2022



Fund Information

Fund Name : Cohen & Steers Institutional Realty Shares, Inc
Fund Family : Cohen & Steers
Ticker : CSRIX
Inception Date : 02/14/2000
Fund Assets : \$5,855 Million
Portfolio Turnover : 34%

Portfolio Assets : \$5,855 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

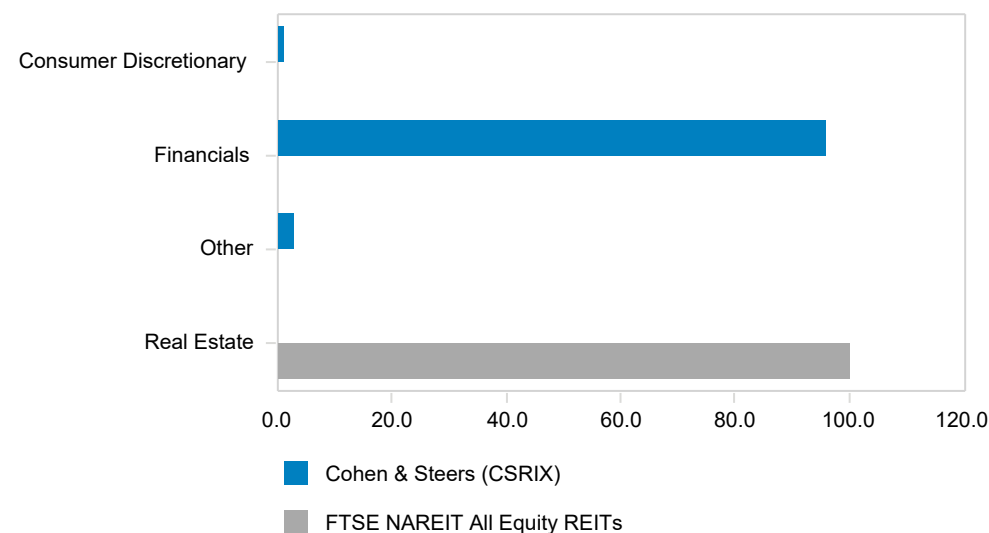
Portfolio Characteristics As of 09/30/2022

	Portfolio	Benchmark
Total Securities	36	148
Avg. Market Cap	34,955,100,711	33,034,788,543
Price/Earnings (P/E)	34.12	26.69
Price/Book (P/B)	4.71	2.47
Dividend Yield	3.54	4.00
Annual EPS	60.82	3.23
5 Yr EPS	8.76	12.12
3 Yr EPS Growth	12.54	N/A
Beta (5 Years, Monthly)	0.98	1.00

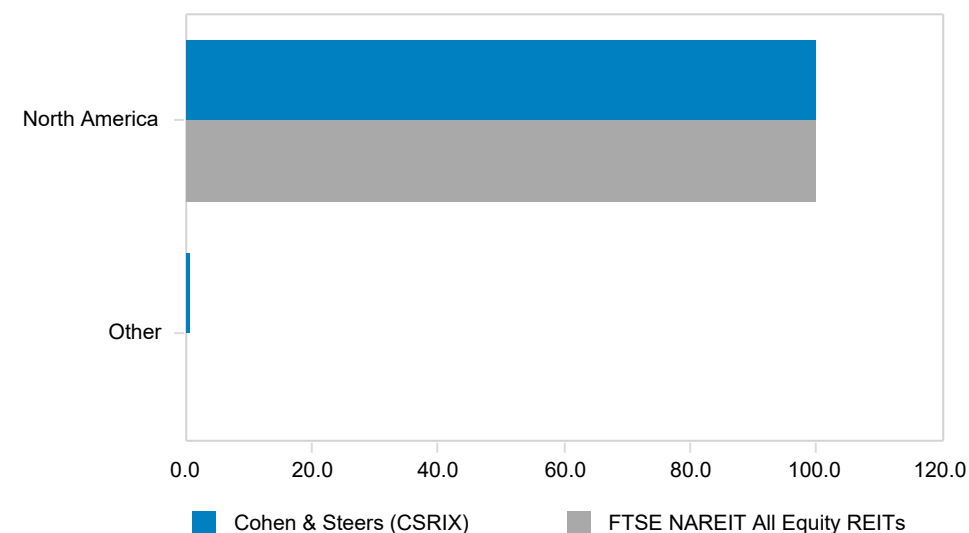
Top Ten Securities As of 09/30/2022

American Tower Corp ORD	10.0 %
Public Storage ORD	7.9 %
Invitation Homes Inc ORD	7.2 %
Welltower Inc ORD	5.7 %
Simon Property Group Inc ORD	5.5 %
Duke Realty Corp ORD	5.4 %
Prologis Inc ORD	5.1 %
Digital Realty Trust Inc ORD	4.9 %
Realty Income Corp ORD	4.4 %
Crown Castle Inc ORD	3.8 %

Sector Weights As of 09/30/2022

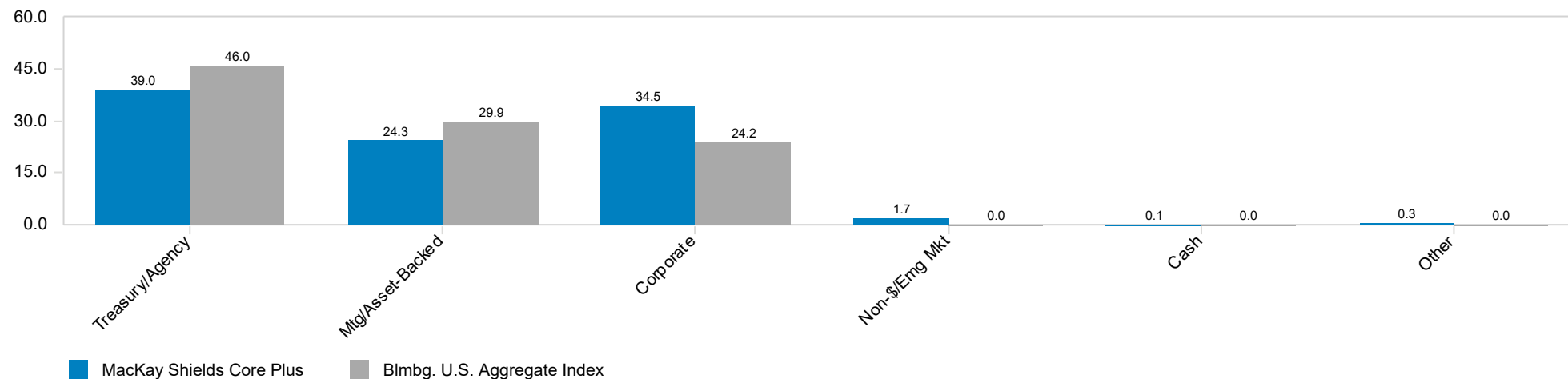


Region Weights As of 09/30/2022



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 December 31, 2022, MacKay Shields had a market value of \$32,489,834.

Sector Distribution (%)



Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	9.14	8.44
Avg. Quality	A+	AA1/AA2
Coupon Rate (%)	3.96	2.69
Modified Duration	6.39	6.12
Yield To Maturity (%)	6.28	4.68
Holdings Count	235	13,184

Fund Information

Fund Name : Dodge & Cox Funds: Dodge & Cox Income; Class I Shares
 Fund Family : Dodge & Cox Funds
 Ticker : DODIX
 Inception Date : 01/03/1989
 Fund Assets : \$52,954 Million
 Portfolio Turnover : 91%

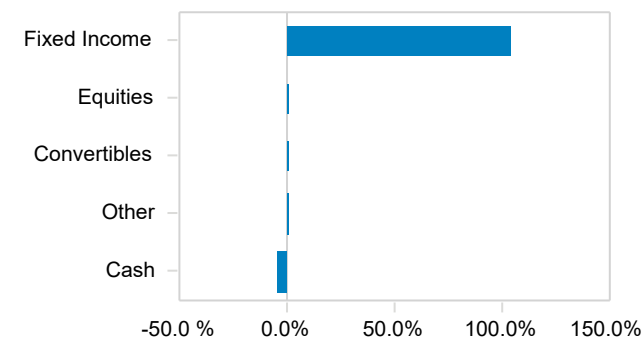
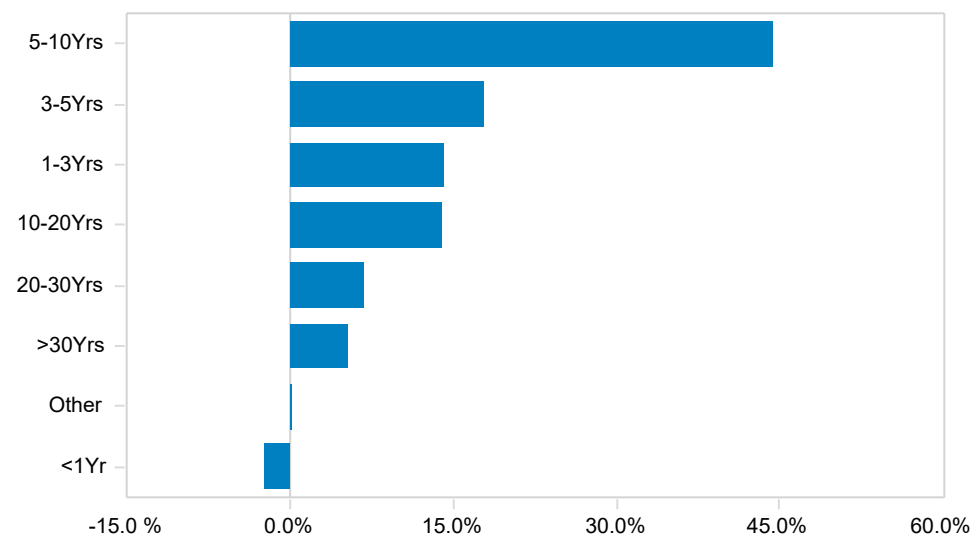
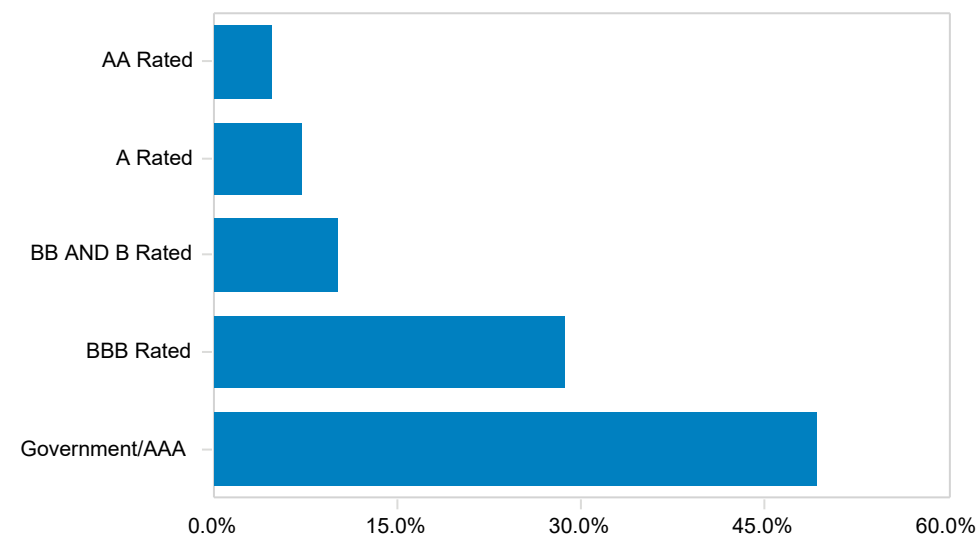
Portfolio Assets : \$56,138 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM U.S. Broad Market Core Fixed Income (MF)
 Style Benchmark : Bloomberg U.S. Aggregate

Fund Characteristics As of 09/30/2022

Avg. Coupon 3.84 %
 Nominal Maturity N/A
 Effective Maturity 10.50 Years
 Duration 5.50 Years
 SEC 30 Day Yield N/A
 Avg. Credit Quality AA

Top Ten Securities As of 09/30/2022

Corporate Notes/Bonds 41.4 %
 GNMA and Other Mtg Backed 40.4 %
 Treasury Notes/Bonds 11.4 %
 Asset Backed Securities 6.4 %
 Government Agency Securities 4.9 %

Asset Allocation As of 09/30/2022**Maturity Distribution As of 09/30/2022****Sector/Quality Allocation As of 09/30/2022**

Fund Information

Fund Name :	Loomis Sayles Funds I: Loomis Sayles Institutional High Income Fund; Institutional Class	Portfolio Assets :	\$324 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 :	\$324 Million	Style Benchmark :	FTSE High Yield Market Index
Portfolio Turnover :	65%		

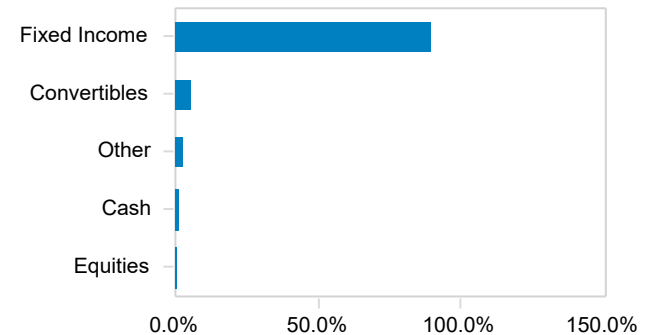
Fund Characteristics As of 09/30/2022

Avg. Coupon	N/A
Nominal Maturity	5.48 Years
Effective Maturity	N/A
Duration	3.77 Years
SEC 30 Day Yield	5.5
Avg. Credit Quality	BB

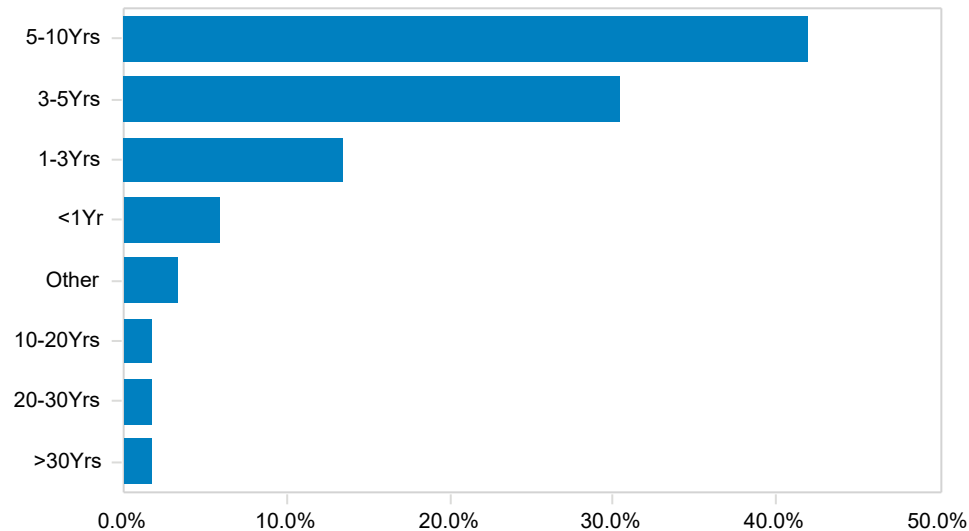
Top Ten Securities As of 09/30/2022

Corporate Notes/Bonds	72.8 %
Fgn. Currency Denominated Bonds	7.4 %
Convertible Securities	5.6 %
Treasury Notes/Bonds	5.1 %
Asset Backed Securities	4.1 %
Preferred Stock-Non Convertible	0.2 %

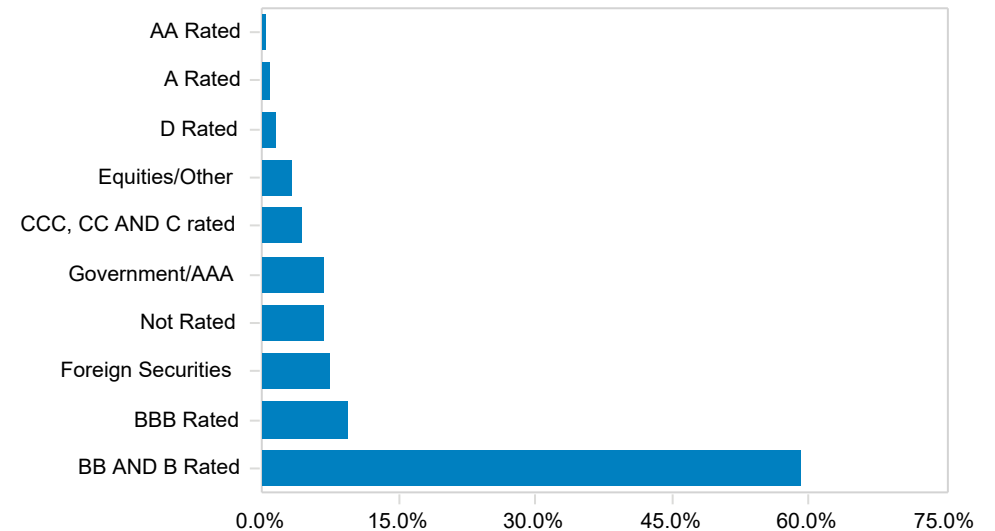
Asset Allocation As of 09/30/2022



Maturity Distribution As of 09/30/2022



Sector/Quality Allocation As of 09/30/2022



Fund Information

Fund Name : Pacific Funds Series Trust: Pacific Funds Floating Rate Income; Class I Shares
Fund Family : Pacific Funds
Ticker : PLFRX
Inception Date : 06/30/2011
Fund Assets : \$1,895 Million
Portfolio Turnover : 90%

Portfolio Assets : \$4,218 Million
Portfolio Manager : Marzouk/Leasure
PM Tenure : 2011--2011
Fund Style : IM U.S. Bank Loans (MF)
Style Benchmark : Morningstar LSTA US Leveraged Loan Index

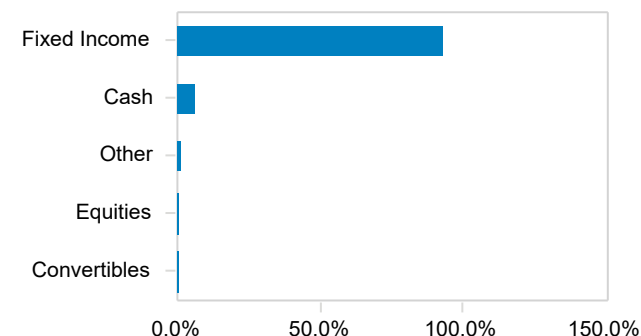
Fund Characteristics As of 09/30/2022

Avg. Coupon : N/A
Nominal Maturity : N/A
Effective Maturity : 4.01 Years
Duration : 0.43 Years
SEC 30 Day Yield : N/A
Avg. Credit Quality : B

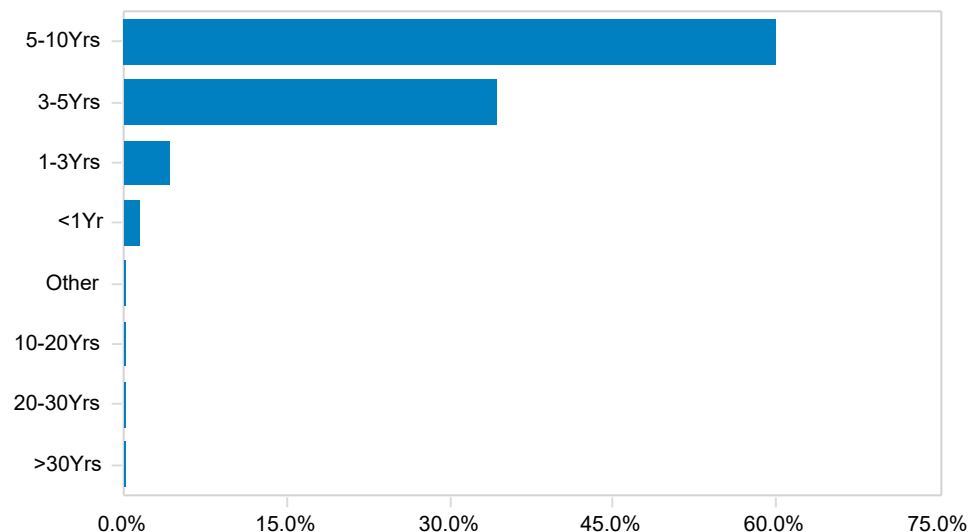
Top Ten Securities As of 09/30/2022

Corporate Notes/Bonds : 92.5 %

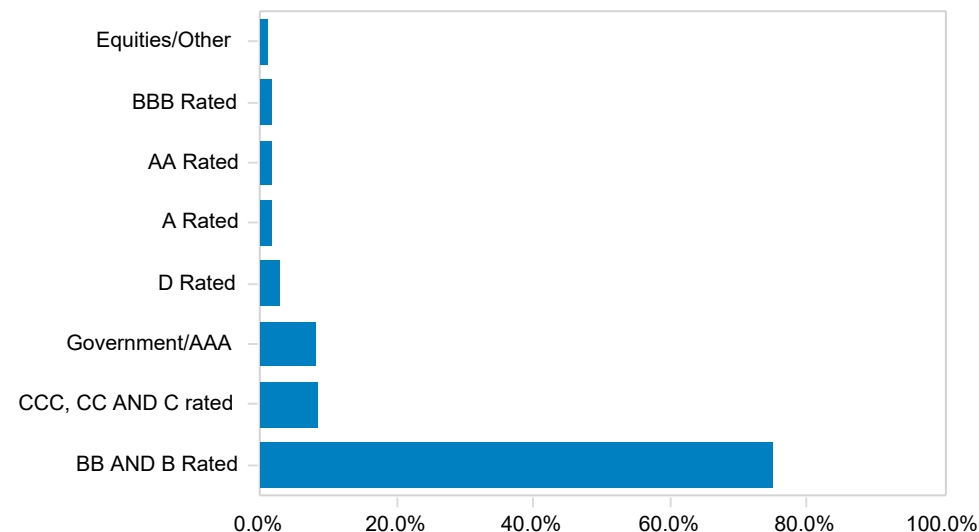
Asset Allocation As of 09/30/2022



Maturity Distribution As of 06/30/2019



Sector/Quality Allocation As of 09/30/2022



**Port of Houston Pension
Manager Status Summary**
As of December 31, 2022

Manager	Mandate	Status	Notes
Fiduciary Management	Large Cap Value Equity	On Alert	2Q2021: Performance and Process Changes
Vanguard Index Institutional (VINIX)	Large Cap Core Equity	In Compliance	
Stacey Braun	Large Cap Growth Equity	On Alert	4Q2021: Organization Changes
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	
Dodge & Cox Income (DODIX)	Core Plus Fixed Income	In Compliance	
Loomis Sayles High Yield (LSHIX)	High Yield Fixed Income	In Compliance	
Pacific Life (PLFRX)	Bank Loans	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
Fee Analysis
As of December 31, 2022

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Total Fund Composite	0.52	181,966,365	954,517	
Total Equity	0.57	96,437,813	545,830	
Total Domestic Equity	0.48	72,535,441	347,895	
Fiduciary Management	0.55	10,127,846	55,703	0.55 % of Assets
Vanguard Index Fund Institutional (VINIX)	0.04	21,412,745	8,565	0.04 % of Assets
Stacey Braun	0.45	9,323,634	41,956	0.45 % of First \$10 M 0.40 % Thereafter
Stephens Mid Cap Growth	0.77	12,338,498	95,006	0.77 % of Assets
Barrow Hanley MeWhinney & Strauss	0.76	19,332,719	146,664	1.00 % of First \$10 M 0.50 % of Next \$190 M 0.40 % of Next \$200 M 0.30 % Thereafter
Total International Equity	0.87	15,556,234	135,339	
Causeway International (CIVIX)	0.87	15,556,234	135,339	0.87 % of Assets
Total Real Estate-REITS	0.75	8,346,138	62,596	
Cohen & Steers (CSRIX)	0.75	8,346,138	62,596	0.75 % of Assets
Total GTAA	0.51	9,835,402	50,161	
BlackRock Multi-Asset Income (BKMIX)	0.51	9,835,402	50,161	0.51 % of Assets
Total Fixed Income	0.47	75,619,123	358,527	
Core Fixed Income	0.38	55,589,676	212,198	
MacKay Shields Core Plus	0.35	26,200,049	91,700	0.35 % of Assets
Dodge & Cox Income (DODIX)	0.41	29,389,626	120,497	0.41 % of Assets
Total High Yield Fixed Income	0.71	9,729,113	69,077	
Loomis Sayles High Yield (LSHIX)	0.71	9,729,113	69,077	0.71 % of Assets
Bank Loans	0.75	10,300,334	77,253	
Pacific Funds Floating Rate (PLFRX)	0.75	10,300,334	77,253	0.75 % of Assets



**Port of Houston Pension
Fee Summary
As of December 31, 2022**

Structure	Mandate	Expense Ratio	Category Average	Difference	Annual Savings
Fiduciary Management	Large Cap Value Equity	0.55%	0.99%	0.44%	\$44,563
Vanguard Index Institutional (VINIX)	Large Cap Core Equity	0.04%	0.99%	0.95%	\$203,421
Stacey Braun	Large Cap Growth Equity	0.44%	0.99%	0.55%	\$51,280
Stephens Mid Cap Growth	Mid Cap Growth Equity	0.77%	1.26%	0.49%	\$60,459
Barrow Hanley MeWhinney & Strauss	Small Cap Value Equity	0.73%	1.27%	0.54%	\$104,397
Causeway International (CIVIX)	International Equity	0.87%	1.21%	0.34%	\$52,891
Cohen & Steers (CSRIX)	Real Estate and Investment Trust	0.75%	1.24%	0.49%	\$40,896
BlackRock Multi-Asset (BKMIX)	GTAA	0.51%	0.97%	0.46%	\$45,243
Mackay Shields Core Plus	Core Plus Fixed Income	0.35%	0.84%	0.49%	\$128,380
Dodge & Cox Income (DODIX)	Core Plus Fixed Income	0.41%	0.84%	0.43%	\$126,375
Loomis Sayles High Yield (LSHIX)	High Yield Fixed Income	0.71%	1.04%	0.33%	\$32,106
Pacific Life (PLFRX)	Bank Loans	0.75%	0.90%	0.15%	\$15,451
Total Management Fees		0.52%	1.02%	0.50%	\$905,461

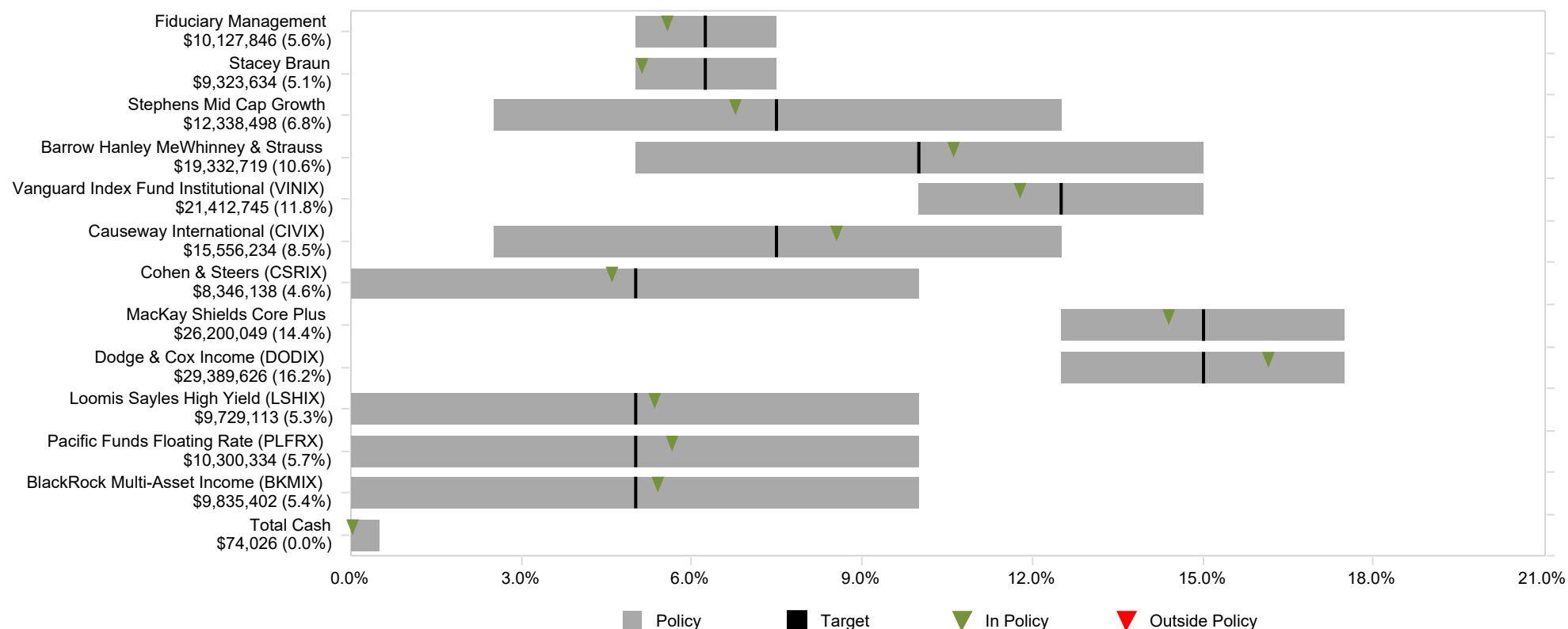
Source: Morningstar and Investment Managers

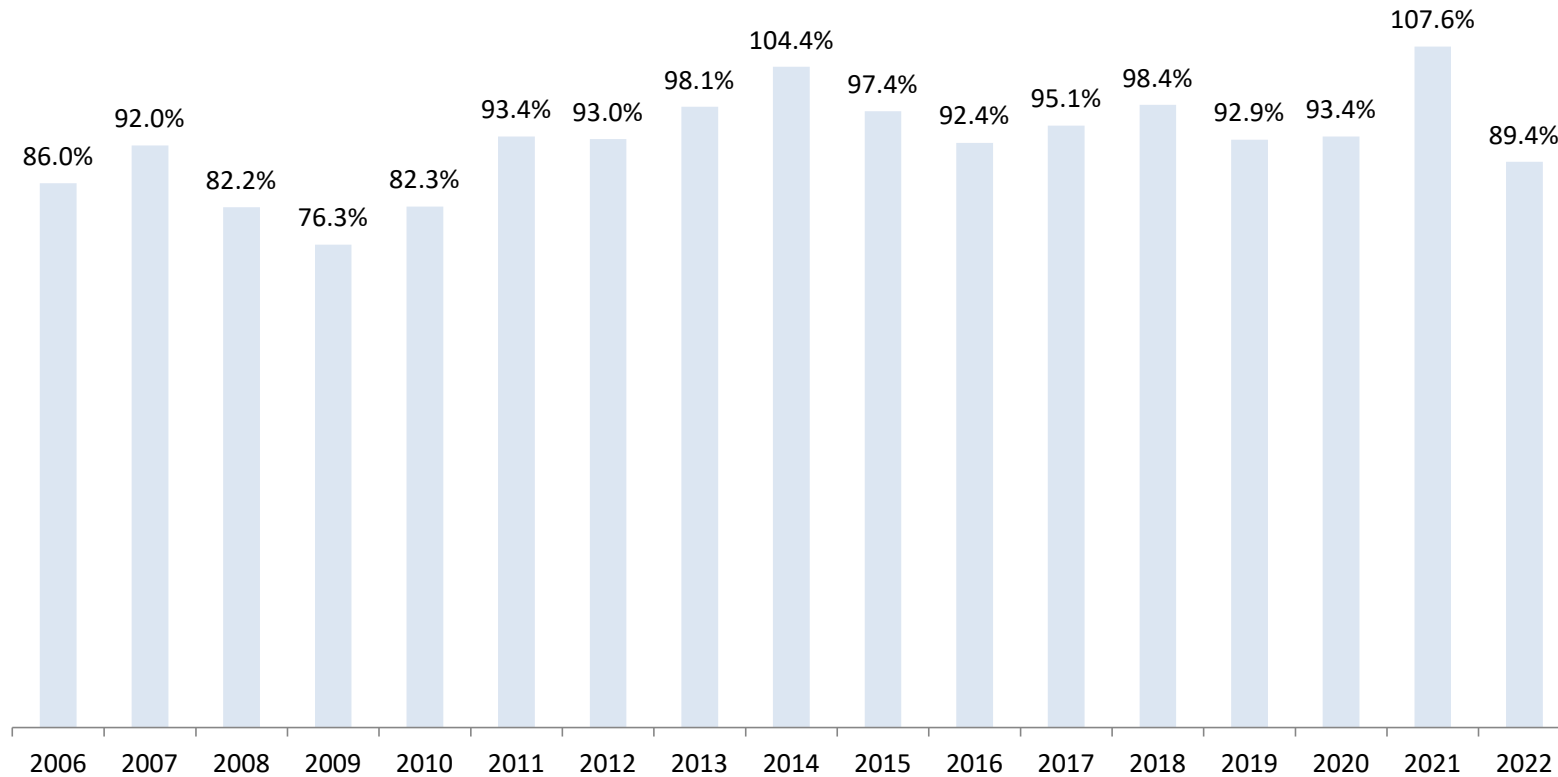


Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund Composite	181,966,365	100.0	100.0	0.0		
Fiduciary Management	10,127,846	5.6	6.3	-0.7	5.0	7.5
Stacey Braun	9,323,634	5.1	6.3	-1.1	5.0	7.5
Stephens Mid Cap Growth	12,338,498	6.8	7.5	-0.7	2.5	12.5
Barrow Hanley MeWhinney & Strauss	19,332,719	10.6	10.0	0.6	5.0	15.0
Vanguard Index Fund Institutional (VINIX)	21,412,745	11.8	12.5	-0.7	10.0	15.0
Causeway International (CIVIX)	15,556,234	8.5	7.5	1.0	2.5	12.5
Cohen & Steers (CSRIX)	8,346,138	4.6	5.0	-0.4	0.0	10.0
Mackay Shields Core Plus	26,200,049	14.4	15.0	-0.6	12.5	17.5
Dodge & Cox Income (DODIX)	29,389,626	16.2	15.0	1.2	12.5	17.5
Loomis Sayles High Yield (LSHIX)	9,729,113	5.3	5.0	0.3	0.0	10.0
Pacific Funds Floating Rate (PLFRX)	10,300,334	5.7	5.0	0.7	0.0	10.0
BlackRock Multi-Asset Income (BKMIX)	9,835,402	5.4	5.0	0.4	0.0	10.0
Total Cash	74,026	0.0	0.0	0.0	0.0	0.5

Executive Summary





Source: Port of Houston Authority Restated Retirement Plan Actuarial Valuation Report as of August 1, 2020. The funded ratio is calculated by dividing the actuarial value of assets by the actuarial accrued liability.

The 2013 funded status was calculated as 100.7%, prior to reduction of the actuarial assumption from 7.25% to 7.00%.

The actuarial assumption was reduced from 7.00% to 6.75% by the Port Commission on December 13, 2016. The effective date of the change is January 1, 2017 for reporting purposes.

The actuarial assumption was reduced from 6.75% to 6.50% on September 24, 2019. The effective date of the change is January 1, 2019 for reporting purposes.

The actuarial assumption was reduced from 6.50% to 6.25% on December 8, 2020. The effective date of the change is August 1, 2020 for reporting purposes.

The actuarial assumption was reduced from 6.25% to 6.00% on September 20, 2022. The effective date of the change is August 1, 2022 for reporting purposes.

Historical Hybrid Composition

Allocation Mandate Weight (%)

Jan-1979

S&P 500 Index	47.50
Russell Midcap Index	12.50
Blmbg. 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. 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

Aug-2015

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

Jan-2021

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

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.

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