



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

INVESTMENT COMMITTEE/BOARD MEETING

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE [SEE EXECUTIVE ORDER N-29-20 ATTACHED AT THE END OF THIS AGENDA.]

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

Wednesday, June 10, 2020
 9:30 a.m.

HOW TO PARTICIPATE	COMMITTEE MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Meeting ID: 449-245-031 Password: 091808 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	ELIZABETH ROGERS, CHAIR	ELECTED GENERAL
	TARRELL GAMBLE, VICE CHAIR	APPOINTED
	DALE AMARAL	ELECTED SAFETY
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	JAIME GODFREY	APPOINTED
	LIZ KOPPENHAVER	ELECTED RETIRED
	HENRY LEVY	TREASURER
	GEORGE WOOD	ELECTED GENERAL
	NANCY REILLY	ALTERNATE RETIRED¹
	DARRYL L. WALKER	ALTERNATE SAFETY²

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

¹ Alternate Retired Member (Votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General Members, or the Elected Safety Member and an Elected General Member, are absent.

² Alternate Safety Member (Votes in the absence of (1) the Elected Safety, (2) either of the two Elected General Members, or (3) both the Retired and Alternate Retired Members).

INVESTMENT COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 4 – Wednesday, June 10, 2020

Call to Order: 9:30 a.m.

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for discussion and possible motion by the Committee

1. Interview of the Finalists for ACERA's U.S. Large Cap Value Manager Search and Possible Motion by the Investment Committee to Recommend one Finalist to the Board

9:30 – 11:45

Aristotle Capital Management

Catalina Llinás, Co-CIO

Ranjit Sufi, Head of Institutional Services

Eagle Capital Management, LLC

R. Boykin Curry, Deputy CIO, Senior Research Analyst

Adrian Meli, Deputy CIO, Senior Research Analyst

John Johnson, Managing Director

Wellington Management LLP

Betsy George, Equity Research Analyst

Akin Greville, CFA, Business Development Manager

Matthew C. Hand, CFA, Research Analyst

Michael Reckmeyer, CFA, Equity Portfolio Manager

Margaret Jadallah, Verus Advisory Inc.

Thomas Taylor, ACERA

Betty Tse, ACERA

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

1. Verus firm update - Introduction of Stuart Odell, Managing Director / Senior Consultant

Barry Dennis, Verus Advisory Inc.

Stuart Odell, Verus Advisory Inc.

Betty Tse, ACERA

2. Semiannual Performance Review for the Period Ending March 31, 2020 – Equities and Fixed Income

Barry Dennis, Verus Advisory Inc.

Margaret Jadallah, Verus Advisory Inc.

Clint Kuboyama, ACERA

Thomas Taylor, ACERA

Betty Tse, ACERA

INVESTMENT COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 4 of 4 – Wednesday, June 10, 2020

3. Semiannual Performance Review for the Period Ending March 31, 2020 – Absolute Return

Margaret Jadallah, Verus Advisory Inc.
Clint Kuboyama, ACERA
Betty Tse, ACERA

4. Semiannual Performance Review for the Period Ending December 31, 2019 – Private Credit

Margaret Jadallah, Verus Advisory Inc.
Clint Kuboyama, ACERA
Betty Tse, ACERA

5. Semiannual Performance Review for the Period Ending December 31, 2019 – Private Equity

Faraz Shooshani, Verus Advisory Inc.
Clint Kuboyama, ACERA
John Ta, ACERA
Betty Tse, ACERA

6. Semiannual Performance Review for the Period Ending December 31, 2019 – Real Assets

John Nicolini, Verus Advisory Inc.
Clint Kuboyama, ACERA
Betty Tse, ACERA

7. Semiannual Performance Review for the Period Ending March 31, 2020 – Real Estate

Avery Robinson, Callan LLC
Thomas Taylor, ACERA
Betty Tse, ACERA

8. Brandywine Global has requested ACERA's consent to deemed assignment of its Investment Management Agreement in light of pending transaction between its parent company Legg Mason, Inc. and Franklin Resources, Inc. More information will be provided to the Board at its June 18 meeting, where the matter will be placed on the Board Consent Calendar

Clint Kuboyama, ACERA
Jeff Rieger, ACERA
Betty Tse, ACERA
Susan Weiss, ACERA

Trustee Remarks

Future Discussion Items

Establishment of Next Meeting Date

July 8, 2020 at 9:30 a.m.

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-29-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

WHEREAS time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

WHEREAS social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

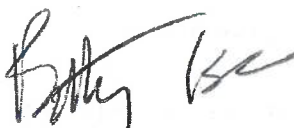
ALEX PADILLA
Secretary of State



475 14TH STREET, SUITE 1000, OAKLAND, CA 94612 800/838-1932 510/628-3000 FAX: 510-268-9574 WWW.ACERA.ORG

To: Members of the Investment Committee

Date: June 10, 2020

From: Betty Tse, Chief Investment Officer 

Subject: Interview of the Finalists for ACERA's U.S. Large Cap Value Manager Search and Possible Motion by the Investment Committee to Recommend one Finalist to the Board

Recommendation:

Staff recommends that the Investment Committee and the Board of Retirement select Eagle Capital (based on highest updated average score) as ACERA's next U.S. Equity Large Cap Value manager.

Background:

In the fall of 2019, the ACERA Board approved Staff and Verus to use a "focus list" approach to search for a U.S. Equity Large Cap Value manager. The focus list included 18 money managers, including the incumbent. In January 2020, the Board approved the top three eligible candidates¹. The candidates are Aristotle Capital Management, Eagle Capital Management, and Wellington Management. On February 21st, March 3rd and 4th, Staff and Verus conducted on-site visits to these three firms (Aristotle in Los Angeles, Eagle in New York City, and Wellington in Radnor, PA), respectively, to further assess the top three candidates' organization (ownership, staffing), investment team (strategy, research capabilities), performance and risk (consistency, sustainability), and proposed fees according to the Board-approved Recommended Evaluation Matrix. Additionally, given the market volatility since March 2020, Staff and Verus have continued discussions with each of the investment managers until May 2020.

Table 1 is a summary of the updated scores of the top three candidates (in alphabetical order):

Table 1

Large Cap Value Strategy	Updated Scores (out of 100)				
	Staff	Verus	Average	Change*	Rank
Aristotle – Value Equity	85.5	85.0	85.25	-0.75	2
Eagle Capital – Eagle Equity	86.75	85.0	85.875	5.475	1
Wellington - Select Equity Income	78.25	82.0	80.125	1.125	3

*Change in scoring from the average scores presented at the January 2020 ICM.

The estimated size of the mandate as of 5/19/2020 is approximately \$125.0 million².

¹ Staff reviewed Emerging Investment Managers (EIM) in the large cap value space in the building of the focus list; however, given the minimum qualifications of this search, such managers were disqualified from the focus-list group.

² Subject to market fluctuations and rebalancing of the U.S. Equity Asset Class, the Large Cap Value sub-asset class is 5% of the total U.S. Equity asset allocation (25%).

Discussion:

Staff and Verus aimed to search for a manager that invests in concentrated, high quality, long-term “value” companies with the flexibility to invest in the full range of the “value” spectrum –including discounted valuations, contrarian, or underappreciated companies; but, not tied to a specific strategy, e.g., a deep-value mandate. Accordingly, each of the three investment managers define “value” a little differently, yet each of the three selected managers support sustainable alpha generating models and investment methodologies (philosophies, processes).

Each of the three finalist manages sufficient institutional assets (AUM) and possesses the tenure (history) and resources to establish specialization in their respective professional functions. All three are 100% employee-owned, albeit two investment firms (Aristotle and Eagle) are owned collectively by smaller control group(s). However, for those same two firms, value investing is their main if not only business; for the third firm (Wellington), value investing makes up a very small portion of their respective firm’s overall business, albeit boutique in nature. All of the firms have a collaborative culture, as senior portfolio managers work together with one or more seasoned Co-PMs and dedicated research analysts. Importantly, all firms have dedicated in-house research teams (analysts), trading desks, and strong compliance, risk-management and operational structures. All firms are well-established institutions, with a defined and sustainable organizational structure, investment process, and separately, have succeeded with business continuity and next generation planning for investment management. In the end, Staff and Verus collectively ranked Eagle Capital first. Please refer to Table 1 on page 1.

Below are summaries for consideration for each finalist. (Please see the Executive Summaries for other considerations and investment manager statistics.)

- **Aristotle Capital Management, LLC–Value Equity Strategy**

Aristotle Capital’s U.S. Value Equity Strategy is focused exclusively on investing in well-managed companies that characteristically exhibit “high quality”, “attractive valuations”, and a “compelling catalyst” which are unappreciated by the markets. It is the latter that defines “value” investing: companies which the market has not factored into its current valuation, and hence they are considered undervalued. Aristotle is 100% employee-owned, however, 70% - 85% of the equity is owned by the five “board of managers”, a term that refers to the founders and senior executives³. The balance is owned by the Executive Committee and key tenured employees (29 total). The investment team consists of the CEO/CIO, one co-CIO, one co-PM, and a 17-member global investment team (including 7 research analysts supporting the strategy). The team is seasoned and well-organized. The U.S. Value Equity strategy is a central focus for Aristotle and accounts for ~70% of the revenues; their global strategy, Global Value, accounts for the balance. The portfolio consists of high conviction (no tweaking⁴), high concentration (35-45 positions) with low turnover. Similar to the current large cap value manager, Aristotle also manages outside funds as a subadvisor. Portfolio construction is built on in-house, bottom-up research, with an overlay of risk management. Aristotle fully invests in each position at ~2.5%

³ Richard Hollander, Howard Gleicher, Gary Lisenbee, Steve Borowski, and Richard Schweitzer

⁴ Tweaking: incremental changes, rebalancing, buying on weakness

allocation and allows the investment to appreciate up to ~6% to 10% of the portfolio before selling. The strategy is somewhat agnostic to the benchmark.

- **Eagle Capital Management-Eagle Equity**

Relative to the other candidates, Eagle Capital is unique in that it manages only one strategy, Eagle Equity, a high conviction, high concentration, long-only strategy. Their single focus strategy and the exclusive bottom-up research helped incrementally improve their score. The fund seeks to invest in undervalued companies with unrecognized growth potential over a long-term horizon. Like a private equity manager, they try to identify companies that are temporary undervalued, but have a future growth option that is underappreciated. Founded by Ravenel and Elizabeth Curry⁵ in 1988, it is an investment management company of 37 seasoned professionals. The fund is collaboratively managed by Ravenel, the firm's CIO, and three Deputy-CIOs. The leadership team has been working together for over 9 years. As a highly concentrated portfolio of 25-35 stocks, no position can account for more than 10% of the portfolio and no sector can be greater than 35% of the portfolio; turnover is very low, i.e., less than 25%. Given the concentration and the attribution of the portfolio, the strategy is to some extent benchmark agnostic. Portfolio construction is based on compelling stock-by-stock investment thesis, a value floor, and long-term upside. All research is done in-house. Eagle Capital is 100% employee owned, however, Ravenel controls in excess of 50% and the three Deputy-CIOs together collectively hold 25% - 30%, with the balance with other key employees.

- **Wellington Management Company, LLP – Select Equity Income**

Wellington Management's Select Equity Income strategy is a concentrated, dividend-focused, well-rounded strategy run by a highly-resourced (large company) and a dedicated and experienced team. This fund's strategy is a diversified investment strategy (every industry sector) with a good track record. Similar to the current large cap value manager, Wellington's Select Equity Income team also manages outside funds as a subadvisor. Wellington's longstanding investment process is to seek solid balance sheets, below-market valuations, and above-market yields with an emphasis on dividend sustainability and growth. The strategy is managed by one PM, one investment director, and supported by 5 dedicated research analysts. Wellington, however, is a large privately owned (100% employee owned) investment management company with 272 total analysts to support its global efforts. Portfolio construction is based on both buy-side and sell-side (street) research and run through various screens.

Fees:

While management fees are important factor in evaluating an investment manager, it is very important to consider performance and risk-adjusted returns net of fees. Please see the table below of fees and net performance.

⁵ Beth Curry passed away in 2015

Fees (Cont.):

Annual Estimated Management Fees (based on \$125,000,000 target allocation)	
Aristotle Capital Management (Tiered: 0.46%)	\$575,000
Eagle Capital Management (Tiered: 0.76%)	\$950,000
Wellington Management Company (Tiered (0.43%))	\$537,500

Performance Net of Fees	<u>1-year</u>	<u>3-year</u>	<u>5-year</u>	<u>7-year</u>	<u>10-year</u>
Aristotle Capital	-9.82%	2.00%	5.78%	8.67%	10.01%
Excess Returns	7.35%	4.18%	3.88%	3.11%	2.34%
Eagle Capital	-11.30%	3.20%	5.33%	8.70%	10.67%
Excess Returns	5.87%	5.38%	3.43%	3.14%	3.00%
Wellington Management	-8.70%	2.93%	5.82%	8.33%	10.19%
Excess Returns	8.47%	5.11%	3.92%	2.77%	2.52%
Russell 1000 Value	-17.17%	-2.18%	1.90%	5.56%	7.67%

Conclusion:

The sub-asset class of U.S. Equity large cap value stocks typically has a low dispersion between the 1st quintile and the 2nd and 3rd quintile. This can be attributed to the wealth of information surrounding these large companies; however, several managers have shown that active management can do well and often beat the underlying index – the Russell 1000 Value, in this case. Accordingly, all three managers have favorable track records by outperforming the Russell 1000 Value over the periods noted in the table above. In recent conversations, all attested to maintaining their discipline and risk management. In conclusion, Staff slightly favors Eagle Capital as an institutional platform solely focused on U.S. Equity Large Cap Value. However, Staff also recognizes that the scores of all three are close and each firm presents unique strengths in servicing ACERA’s members.

Next Steps:

Based on the outcome of the Investment Committee and Board decision, Staff will follow-up with background checks, legal due diligence and contract negotiations. Pending completion thereof, Staff will transition the assets with the current manager to the new U.S. Large-Cap Value Equity manager.

Attachments:

1. Executive Summary – Aristotle Capital Management, LLC (U.S. Large Cap Value)
2. Executive Summary – Eagle Capital Management, LLC (U.S. Large Cap Value)
3. Executive Summary – Wellington Management LLP (Select Equity Income)
4. Verus Advisory, Inc. Memo



EXECUTIVE SUMMARY

Aristotle Value Equity

General Information

Period Ending 3/31/2020

Product Name	Value Equity
Strategy AUM	\$22.5 billion
Total Firm AUM	\$24.7 billion
Number of Institutional Clients	413 (in product) and 441 (firm-wide)

Investment Management

Organization

Aristotle Capital Management, LLC was founded in October 2010, but the investment philosophy and strategy began at Metropolitan West Capital Management, LLC (MetWest) in October 1997, when Howard Gleicher (CEO, CIO), Gary Lisenbee (Co-CEO), Steve Borowski (President) co-founded MetWest together with Richard Hollander (Chairman) and Richard Schweitzer (CFO, COO). In 2006, MetWest Capital was acquired by Evergreen Investments (Wachovia), which became part of Wells Fargo at the end of 2008. In January 2012, Aristotle Capital merged with Los Angeles-based Reed Conner & Birdwell, LLC. Through multiple mergers and acquisitions, Aristotle now is a family of four independent registered investment advisors (RIA), with Aristotle Capital Management offering this U.S. focused, Value Equity strategy, and International and Global Value strategies. These value strategies are based out of Los Angeles, CA with a satellite office in Newport Beach. Aristotle's three other RIAs provide differentiated investment styles and asset classes, including Growth Equity and Fixed Income; these RIAs are based out Boston, MA, and New York, NY.

Ownership

Aristotle is 100% debt free and 100% employee-owned, with 29 employees having equity interest. Aristotle's Board of Managers, who provided the startup capital (Gleicher, Lisenbee, Borowski, Hollander, Schweitzer) own approximately 70-85%; similar to a Board of Directors for a public company, they serve as the strategic arm of the company. The balance is owned by the Executive Committee (Aristotle's day-to-day, operational) and key tenured professionals within the investment team.

Portfolio Manager(s)/Tenure

- Howard Gleicher, CFA (35 years of industry experience, 10 years at Aristotle as co-Founder), CEO, CIO, co-Portfolio Manager (US, International, and Global strategies).
- Gregory Padilla, CFA (14 years of industry experience, 6 years at Aristotle), co-Portfolio Manager (US and Global strategies), Senior Global Research Analyst.

Personnel Turnover

Since inception, Aristotle has not experienced turnover at the Board of Managers since inception.

Investment Strategy

Investment Philosophy

Aristotle believes that the market is inefficient over the short-term at discerning between cheap stocks and undervalued high-quality companies undergoing positive catalytic change. This focus on long-term, “in-play” catalysts differentiates Aristotle from other typical value-investors; such catalysts fall outside the market’s short-term focus and critically prevent potential value-trap losses. Aristotle is intentionally not a deep value investor, i.e., buying stocks at historically low P/E levels.

Investment Objective

The objective is to optimize long-term returns with a focus on mitigating market risk through bottom-up stock selection. Although Aristotle is benchmark aware—the strategy’s benchmarks are the Russell 1000 Value and the S&P 500—Aristotle does not invest in every industry or sector.

Investment Strategy

Based on in-house, bottom-up research, this value-oriented strategy focuses on 1) high-quality companies, 2) trading at a perceived discount to fair value, and 3) undergoing compelling catalysts expected to realize the company’s potential over the next three to five years, which the market also undervalues. Given this relative long time horizon, ESG and sustainability, are critical components in their investment process.

Investment Process

Aristotle’s 17-member investment team uniquely spans across traditionally defined front-office to back-office members: from PMs and analysts to Client PMs. Their investment opportunity set is intentionally curated, consisting of approximately 300-400 high-quality companies in select and/or improving industries. Targeted companies are capturing market share and have pricing power, particularly across various market cycles. Targeted opportunities are companies already experiencing “compelling” catalysts (e.g., productive use of free cash flow, accretive acquisitions/divestitures, and resolution of ancillary problems). These catalysts are controllable by the company and are not levered to external factors. Thus, Aristotle favors management teams that are already executing catalysts.

The most fertile ground in unearthing new investments has and continues to be their current portfolio. This organic idea generation is rooted in Aristotle’s expectation that analysts are not necessarily expected to find new investment ideas—rather, their responsibilities are to study businesses, particularly the value chain of existing holdings. Analysts study their portfolio or “forest” in helping identify new positions or “new trees.” Aristotle’s analysis of businesses from a global lens produces a deep knowledge of companies and their respective competitors, suppliers, and customers. This idea generation flow translates into a repeatable process. Due to this finite opportunity set and focused due diligence process, new investments are typically initiated at a full portfolio weight of 2.5%. This full position weight is not taken lightly and is a reflection of the team’s understanding of the positions contribution to the portfolio across many factors, including systematic risk and interest rate sensitivity. Further, Aristotle does not add on weakness to current positions (unlike many other traditional value managers).

Risk Management

Risk Control

The bulk of the risk is controlled through Aristotle's due diligence and bottom-up stock selection; they do not analyze potential macro scenarios. Aristotle's Risk Committee and Sustainability Committee, under the leadership of the co-CIO, manages more portfolio-level risks. The Risk Committee reviews portfolio guidelines and manages intended/unintended factor risks. The Sustainability Committee engages with companies on sustainability concerns. Additionally, Aristotle's ongoing analysis of the incumbent portfolio's value chain not only aids in idea generation, but also in risk management. High-quality businesses with attractive valuations insulates the portfolio with a margin of safety. The focus on long-term catalysts prevents the portfolio from value traps. Aristotle also rotates their analysts across industries and positions: the fresh set of eyes lends itself to a less biased sale-review process. The sale-review occurs if: 1) the price approaches their fair value estimate; 2) material stock price decline (absolute); 3) 15% underperformance (vs. industry or market). Selling occurs if: 1) catalysts are realized; 2) fundamentals deteriorate; 3) better risk-return alternative.

Performance – Aristotle Value Equity

Period Ending 3/31/2020

Annualized Returns	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>
Strategy Gross Returns	-9.53%	2.35%	6.14%	9.03%	10.41%
Strategy Net Returns	-9.82%	2.00%	5.78%	8.67%	10.01%
Russell 1000 Value	-17.17%	-2.18%	1.90%	5.56%	7.67%
Excess Returns (Net – R1V)	7.35%	4.17%	3.88%	3.11%	2.34%

**The Aristotle Value Equity Composite has an inception date of November 1, 2010; however, the strategy initially began at a predecessor firm in October 1997. A supplemental performance track record is available dating back to January 1, 2001.*

Calendar Year Total Return	<u>2020 YTD</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Strategy Gross Returns	-23.90%	33.50%	-8.25%	22.74%	17.61%	3.58%
Strategy Net Returns	-23.96%	33.07%	-8.58%	22.34%	17.20%	3.23%
Russell 1000 Value	-26.73%	26.54%	-8.27%	13.66%	17.34%	-3.83%
Excess Returns (Net – R1V)	2.77%	6.53%	-0.31%	8.68%	-0.14%	7.06%

Portfolio Characteristics*

*Please refer to the Manager's presentation, specifically page 11

Investment Management Fees

Proposed Fee(s)

Aristotle has offered the following fee schedule: 0.50% management fees on the first \$50 million, 0.45% on the next \$50 million, and 0.40% thereafter. For a \$125.0 million separate account, this equates to a 0.46% management fee, or \$575,000.00 in annual management fees.



EXECUTIVE SUMMARY

Eagle Capital

General Information

Period Ending 3/31/2020

Product Name	Eagle Equity
Strategy AUM	\$24.3 billion
Total Firm AUM	\$24.3 billion
Number of Institutional Clients	974 (in product) and 974 (firm wide)

Investment Management

Organization Eagle Capital Management (Eagle) was formed in August 1988 by Ravenel Curry and Elizabeth Curry. Eagle singularly focuses on only one strategy, Eagle Equity. Eagle is an SEC-registered investment advisor. Since inception, Eagle has had no affiliation with any outside entities. Eagle has an eight-member investment team and a total of 37 employees; Eagle has one office, located in New York, NY.

Ownership Eagle Capital, LLC, is a private and 100% employee-owned company. The majority of ownership (>50%) and control is with Ravenel Curry, the firm's founder and CIO. The three Deputy CIOs own approximately a similar amount totaling 25-30%. Unlike other firms, each investment team member is a partner; as partner, compensation is based on their proportional partnership share of Eagle's long-term performance. In 2011, Eagle formed the Eagle Employee Ownership LLC, a profit-sharing plan for non-partner employees. Overtime, ownership is expected to become more widely distributed among firm employees.

Portfolio Manager(s)/Tenure

- CIO: Ravenel Curry, (51 -yrs. industry experience, 31 -yrs. at Eagle)
- Deputy CIOs:
 - Boykin Curry, Sr. Analyst, (26 -yrs. industry experience, 17 -yrs. at Eagle);
 - Alec Henry, Sr. Analyst, (16 -yrs. industry experience, 9 -yrs. at Eagle);
 - Adrian Meli, Sr. Analyst, (17 -yrs. industry experience, 11 -yrs. at Eagle)

Personnel Turnover Eagle has experienced the following changes in the last five years: 1) one partner passed away in the fourth quarter of 2015 (Elizabeth Curry, co-Founder, Sr. Analyst, 27 years at Eagle); 2) one partner left the firm in 2016 (John Holman, Client Services, 8 years at Eagle); 3) one partner left/retired in 2018 (Mary Kush, Sr. Analyst, 20 years at Eagle); 4) Will Hyland, Managing Director, was named partner in the fourth quarter of 2018.

Investment Strategy

Investment Philosophy

Eagle believes that excess, repeatable returns can be generated through a long-term, concentrated, low turnover portfolio of undervalued companies with unrecognized growth potential. This focus on mispriced growth potential and attractive relative value (i.e., relative to normalized and long-term earnings prospect, rather than strictly buying low P/E stocks with no growth prospects) differentiates Eagle from other value investors. By continuously re-learning what value means in a transitory world, Eagle has embraced value in many forms and thus, Eagle has profitably and nimbly adapted to changing market regimes when traditional value metrics fall out of favor. They are not dogmatic and wed to archaic value metrics, industries, or companies.

Investment Objective

Based on its in-house, bottom-up research, Eagle “aims to outperform any broad market index net of fees over a full market cycle.” Eagle has achieved relative outperformance in down markets, i.e., limited downside participation, by investing in companies with a “value floor” or margin of safety: since inception through March 31, 2020, Eagle has only captured 82% of the Russell 1000 Value’s downside. Eagle has produced relative outperformance in up markets through investing in companies with unrecognized earnings growth, “free call option” to be realized over the long-term: since inception, through March 31, 2020, Eagle has captured 112% of the Russell 1000 Value’s upside.

Investment Strategy

Eagle incorporates two key disciplines in its investment strategy. First, Eagle’s “value floor” investing entails buying companies that are temporarily undervalued relative to their normalized and long-term earnings prospects. These companies also own resilient franchise enterprises with income-producing assets, even during downturns. Secondly, Eagle’s “free-call option” investing requires paying little-to-nothing for the potential secular change; thus, any realization of this option-like payout equates into excess returns or time-arbitrage. Such change can be realized through expanding markets, subscription models, and product extensions.

Buying opportunities arise when the “value floor” and “free-call option” criteria are aligned with near-term price disruption around cyclical and/or secular issues (e.g., quarterly accounting understates economic reality and forced selling dynamics). Thus Eagle’s strategy is to be patient and to find inflection points such as disruptions and changes early on in a company’s evolution.

Investment Process

Eagle’s ability to capitalize on short-term undervaluation and long-term value creation is predicated on patience. Eagle can afford this time arbitrage through the team’s non-consensus analysis and understanding of the true economic picture, earnings power, and cash flow compared to consensus numbers or straightforward accounting. Eagle’s investment team consists of generalists intentionally built through complementary and diverse experience and skills. The team takes a critical and

collaborative approach to research: each position has dual-coverage, with a lead and a supporting analyst. Overall, Eagle monitors 175-250 stocks per year for potential investments (each analyst maintains a watch list of 30-40 ideas). There is a high barrier to entry: the portfolio consists of only their best 25-35 ideas, with 5 new positions to the portfolio per year. Eagle avoids the use of screening in its process; rather, the team sources ideas from a variety of means, including the current portfolio. By studying the network and relationships (e.g., competitors, customers and suppliers) and forecasting the business climate, Eagle can then more fluidly anticipate opportunities/threats, trends/outliers. In analyzing the current portfolio's value chain, Eagle is not only able to rebalance current positions, Eagle is able to continuously optimize the portfolio for new ones as well.

Risk Management

Risk Control

Eagle's risk management is intertwined with their culture that emphasizes sustainability and longevity over annual payouts. This focus on longevity is implemented through their risk management even before an investment is made. This is particularly done through their pre-mortem analysis (versus a typical post-mortem) where Eagle tries to forecast probabilities to both what and why an investment could go wrong. This helps Eagle in deducing a more robust range of potential outcomes. The team uses the Socratic method to ensure that the portfolio is holistically vetted, position by position. Position sizing and sector allocations are all analyzed across different scenarios, including the impact of macro scenarios on the individual stock. Larger positions will characteristically have a larger margin of safety i.e., more cash and less debt.

Performance – Eagle Equity

Period Ending 3/31/2020

Annualized Returns	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>	
Strategy Gross Returns	-10.66%	3.96%	6.12%	9.51%	11.48%	
Strategy Net Returns	-11.30%	3.20%	5.33%	8.70%	10.67%	
Russell 1000 Value	-17.17%	-2.18%	1.90%	5.56%	7.67%	
Excess Returns (Net – R1V)	5.87%	5.38%	3.43%	3.14%	3.00%	
	<u>2020 YTD</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Calendar Year Total Return						
Strategy Gross Returns	-23.67%	32.36%	-4.33%	24.00%	11.01%	2.23%
Strategy Net Returns	-23.81%	31.41%	-5.04%	23.06%	10.15%	1.44%
Russell 1000 Value	-26.73%	26.54%	-8.27%	13.66%	17.34%	-3.83%
Excess Returns (Net – R1V)	2.92%	4.87%	3.23%	9.40%	-7.19%	5.27%

Portfolio Characteristics*

*Please refer to the Manager's presentation, specifically pages 7 and 14

Investment Management Fees

Proposed Fee(s)

Eagle only has one fee schedule for all its clients: 1.00% management fees on the first \$5 million and 0.75% thereafter. For a \$125.0 million separate account, this equates to a 0.76% management fee, or \$950,000 in annual management fees.



EXECUTIVE SUMMARY

Wellington Management

General Information

Period Ending 3/31/2020

Product Name	Select Equity Income
Strategy AUM	\$706 million
Total Firm AUM	\$1.0 trillion
Number of Institutional Clients	10 (in product) and 2,369 (firm-wide)

Investment Management

Organization

Wellington Management Company's (WMC) history dates back to 1928 and is one of the world's largest independent investment firms. Wellington manages in excess of \$ 1.0 Trillion across equities (~\$474 billion), Fixed Income (~\$434 billion), and multi-asset (~\$195 billion). WMC has 2,600+ employees worldwide. The Select Equity Income strategy accounts for approximately 1% of WMC's revenues. WMC is registered as an investment adviser with the Securities and Exchange Commission. WMC's global headquarters is located in Boston, Massachusetts, however, the 7-person Select Income team is primarily located in Radnor, Pennsylvania.

Ownership

The parent company of WMC is Wellington Management Group LLP (WMG). WMG is private and 100% independently owned by 177 partners. New partners are elected annually, and current partners withdraw in either June or December, after pre-notification to the Managing Partners and development of a succession plan. Partnership is bought and sold at book value. Each partner has a sub 5% ownership stake.

Portfolio Manager(s)/Tenure

W. Michael Reckmeyer, III, CFA, Portfolio Manager (35 years of industry experience, 24 years at Wellington).

Personnel Turnover

At the product/strategy level, the following departures have occurred over the past 5 years: 2 Portfolio Managers (35 and 34 years, respectively at Wellington); 2 Analysts (9 and 8 years, respectively at Wellington).

Investment Strategy

Investment Philosophy

Wellington is relatively unique through: 1) their use of a bottom-up, global analyst industry pool; and 2) the absence of a CIO or a singular focus on one particular investment methodology (i.e., value/growth, momentum) or one asset class. Wellington empowers each underlying strategy to formulate and maintain their "most appropriate valuation technique within their area of coverage." Wellington has intentionally made their Analyst career track as compelling and lucrative as their Portfolio

Management track and in some instances, more compelling. Accordingly, Wellington Analysts have the following characteristics: 1) more than 50% of their analysts are Partners or Managing Directors; and 2) 272 analysts have on average 17 years of professional experience and 8 years Wellington experience.

WMC's value investment philosophy has been a consistent process since 1970; in 2000 WMC launched Value Equity Income and in 2009, launched this strategy, Select Equity Income. The core premise of Select Equity Income is that markets misprice: 1) current valuations relative to long-term secular and structural changes; and 2) dividends' long-term total return impact. The Select Equity Income team attempts to capitalize on these inefficiencies with a: 1) non-consensus valuation methodology centered on normalized earnings growth over the long-term; 2) emphasis on high-quality businesses with sustainable above-market dividend yields.

Investment Objective

The objective of Select Equity Income is to build and manage a concentrated portfolio (25-35 companies) that generate returns north of "the value indexes and long-term returns above the S&P 500 Index." This is done by constructing a bottom-up portfolio, relative to the S&P 500, that exhibits the following characteristics: 1) similar or higher growth; 2) higher yield; and 3) lower valuation.

Investment Strategy

The strategy focuses on large cap companies with good management teams, solid balance sheets, and below-market, discounted P/E valuations relative to normalized earnings potential. Returns are further boosted by the team's focus on companies with above-market dividend yields – that are not only sustainable, but also have growth potential.

Investment Process

The Select Equity Income Team includes one Equity Portfolio Manager (who is ultimately responsible for the management of the overall portfolio), three Equity Portfolio Managers/Analysts, four Equity Research Analysts, and one Investment Director. Each of the PMs also help manage similar Value strategies within Wellington. The Investment Director supports the team with top-down, portfolio-level analysis (this Director also assists with Client-facing responsibilities).

The process starts with a targeted 250-350 stock universe which the team identifies as companies that have experienced near-term headwinds and/or structural change (e.g., misunderstood negative event, new or capital-incented management, and consolidating industry structures). Within this universe, the team then prioritizes companies that have sustainable and growing dividend payments. The team's analysts conduct bottom-up fundamental equity research within their assigned sectors and industries. Analysts are expected to 1) generate timely bull/bear/base case recommendations using a proprietary "Fact Sheet" ranking system and 2) disseminate their recommendations throughout Wellington. The team's process is further augmented through Wellington's resources (global industry-focused analysts, ESG analysts, other value-oriented portfolio managers and analysts, credit and technical analysts, macro strategists, and traders). For example, the Select Equity Income team

leverages: 1) credit analysts for a holistic understanding of the company's capital structure; and 2) technical analysts and macro strategists for their top-down, quantitative analysis (to supplement the team's bottom-up perspective). Such a holistic perspective frees the Select Equity Income team to more narrowly focus on targeted industries and companies. Each analysts covers approximately 30 companies. Armed with the all the necessary information, the portfolio manager is ultimately responsible for building and managing the portfolio.

Risk Management
Risk Control

Wellington understands that no single report comprehensively determines current and forward-looking risk. Rather, each report functions as one piece of the mosaic and both qualitative and quantitative analysis of all the data must be intertwined. Real-time, daily, weekly, monthly, and quarterly reports span many factors, including performance, characteristics, attribution, style, risk, and competitive analysis. Risk management is multi-faceted and involves many eyes and ears at many levels not only within the Select Income team, but also across the firm. Within the Select Income team, at the Analyst and Portfolio Manager level, incumbent positions and potential investments are continuously re-ranked based on relative upside/downside potential using their "Fact Sheet." Many other teams and committees across Wellington are involved with risk management and serve as independent checks and balances for the Select Income team. For example, the Global Risk and Analytics group members serves to identify trends and outliers across many asset classes and strategies within the firm.

Performance – Select Equity Income

Period Ending 3/31/2020

Annualized Returns	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>7-Year</u>	<u>10-Year</u>
Strategy Gross Returns	-8.28%	3.41%	6.31%	8.83%	10.69%
Strategy Net Returns*	-8.70%	2.93%	5.82%	8.33%	10.19%
Russell 1000 Value	-17.17%	-2.18%	1.90%	5.56%	7.67%
Excess Returns (Net – R1V)	8.47%	5.11%	3.92%	2.77%	2.52%

*Numbers may not add up due to rounding

Calendar Year Total Return	2020 YTD	2019	2018	2017	2016	2015
Strategy Gross Returns	-21.53%	31.19%	-6.42%	19.94%	16.56%	0.94%
Strategy Net Returns*	-21.63%	30.60%	-6.86%	19.40%	16.03%	0.48%
Russell 1000 Value	-26.73%	26.54%	-8.27%	13.66%	17.34%	-3.83%
Excess Returns (Net – R1V)	5.10%	4.06%	1.41%	5.74%	-1.31%	4.31%

*Simulated net returns reflect the proposed management fee of 0.46%.

Portfolio Characteristics*

*Please refer to the Manager's presentation, specifically pages 19-21

Investment Management Fees

Proposed Fee(s)

Wellington has offered the following discounted fee schedule: 0.50% management fees on the first \$25 million, 0.45% on the next \$25 million, and 0.40% thereafter. For a \$125 million separate account, this equates to 0.43% management fee, or \$537,500 in annual management fees.

Memorandum

To: ACERA Investment Committee
From: Verus
Date: June 10, 2020
RE: U.S. Large Cap Value Equity Search Process and Recommendation

Executive Summary

ACERA issued a questionnaire for a U.S. Large Cap Value Equity manager to a pre-screened, focused list of 18 potential managers in September 2019 after determining that the plan had ongoing, significant concerns about Pzena as its Large Cap Value manager. Verus and ACERA staff reviewed the responses to the questionnaire and recommended a finalist list of three managers at the January 2020 ICM. Pzena was eliminated from the finalist group at that time since they scored much lower than the top three managers as ranked by Verus and staff. The three finalists were Aristotle, Eagle and Wellington. Subsequently, Verus and staff visited the three managers in February and March 2020 and then had follow up calls with them in May. Following this comprehensive due diligence process, while the three finalists were all deemed to be competitive and appropriate candidates for the Large Cap Value mandate, Eagle received the highest relative ranking on a combined basis and is considered to be the best fit for ACERA.

Due diligence process

Verus and Staff discussed potential screens in order to produce a competitive list of large cap value managers that met ACERA's minimum qualifications as approved by the ICM in August 2019. Upon mutual agreement of the criteria, Verus screened the universe for the following criteria to come up with a list of 18 managers that then received a detailed questionnaire.

- Competitive rolling 3-year returns versus the Russell 1000 Value;
- Competitive rolling 3-year return versus the peer median;
- Competitive and consistent 3 and 5-year batting averages versus median;
- Competitive and consistent 3 and 5-year information ratios versus median;
- Competitive and consistent 3 and 5-year Sharpe Ratios versus median;
- ACERAs portfolio would not comprise more than 25% of the Firm's total; and
- Product open to new business in eVestment Alliance database.

After inviting the 18 identified managers, four managers chose not to respond for a variety of reasons. Verus and ACERA Staff independently read and ranked each of the 14 responses based on consistent criteria and percentage weights in the scoring system. Our analysis considered a variety of criteria, including organization/business, team experience and depth, investment strategy, performance, risk and fees.

Following the independent review, Verus and Staff discussed the pros and cons of potential managers and combined each side's scoring to come up with a list of three finalists that both

Verus and ACERA Staff believed would best fit the mandate. Verus and staff independently ranked the same three candidates the highest. The agreed upon ranking criteria resulted in a low relative score for Pzena, at which time the manager was taken out of further stages of the Large Cap Value search.

Between February and March 2020, Margaret Jadallah of Verus and Tom Taylor and Julius Cuaresma of ACERA visited Aristotle Capital, Eagle Capital and Wellington Management to meet with their respective Large Cap Value teams and other senior representatives of their firms onsite. We spent 3 hours at each firm conducting comprehensive due diligence. We had follow up phone calls with each team in May to discuss first quarter performance and changes to the portfolio given the dramatic market events that have occurred since the start of the global pandemic. We then rescored each manager and compared our results. (The following pages describe each firm and its value strategy.)

Our final rankings for the managers are:

	Organization (max 25)	Investment Approach (max 30)	Performance and Risk (max 35)	Fees (max 10)	Total Score
Aristotle-Value Equity					
Verus	22	28	29	6	85
ACERA staff	21.5	29	29	6	85.5
Combined average	21.75	28.5	29	6	85
Eagle-Eagle Equity					
Verus	23	29	30	3	85
ACERA staff	23.75	29	31	3	87
Combined average	23.38	29	30.5	3	86
Wellington-Select Equity Income					
Verus	23	26	27	6	82
ACERA staff	20.25	26	26	6	78
Combined average	21.6	26	26.5	6	80

Correlations for the managers compared to ACERA's Large Cap Growth manager TCW are:

Correlation with TCW (ended 3/2020)	3 yrs.	5 yrs.	7 yrs.	10 yrs.
Aristotle	0.90	0.84	0.84	0.87
Eagle	0.92	0.87	0.86	0.87
Wellington	0.84	0.77	0.77	0.81

Descriptions on the managers and a quantitative comparison follows. Additional style analysis is included in the quantitative data.

Upon completion of our due diligence process, Verus and staff recommend Eagle Capital for ACERA's Large Cap Value mandate.

Manager and Strategy Descriptions

ARISTOTLE CAPITAL MANAGEMENT-VALUE EQUITY (ARISTOTLE)

Based in Los Angeles, Aristotle Capital Management (Aristotle) was formed in October 2010 and is 100% employee-owned. Its history goes back to 1997 when Aristotle's senior professionals co-founded Metropolitan West Capital Management where they employed the same value equity approach. In 2006, MetWest Capital was acquired by Evergreen Investments (Wachovia) which became part of Wells Fargo at the end of 2008. Aristotle Capital merged with Reed, Conner & Birdwell (RCB) in January 2012 which resulted in the addition of international capabilities to the firm. Aristotle Capital is 100% debt free and is owned by 29 employees and its Board of Managers (the firm's senior management committee).

As of 3/31/20, Aristotle Capital managed \$24.7 billion under management with the lion's share in the Value Equity strategy (\$22.5 billion at 3/31/20). Aristotle uses a team approach to managing portfolios. The Value Equity strategy is run by co-portfolio managers Howard Gleicher and Greg Padilla. All investment team members, including portfolio managers, have research coverage responsibility for global economic sectors and industries which are periodically rotated. Client portfolio managers participate in investment meetings and meetings with management teams of companies and are responsible for servicing so that portfolio managers can focus on the portfolio. Catalina Llinas, co-CIO, would serve as client portfolio manager. Her responsibilities include client communications, risk committee oversight and leading the firm's sustainability (ESG) effort. ESG is integrated into Aristotle's research process which is a differentiator. Aristotle has built a team that is multi-generational and diverse by design.

Aristotle's Value Equity philosophy is to invest in high quality businesses trading at discounts to the team's determination of intrinsic value. Businesses are analyzed from a global perspective and a long-term focus. Portfolios are built from the bottom up using fundamental analysis and are focused in nature (35-45 stocks). Quality, valuation and catalysts (which are company specific) are equally important criteria for inclusion. The research team builds detailed financial models on each business under consideration. Companies that are purchased have a gap between the purchase price and their determination of intrinsic value with catalysts closely monitored to avoid "value traps". Up to 20% of the portfolio can be comprised of companies based outside of the U.S. but only in the form of ADRs.

While Aristotle's approach is bottom up, the portfolio construction process operates with broad sector bands. Major sectors are typically 50-200% of index weights. Initial positions are equal-weighted at 2.5%, and holdings are not actively traded. Winners can grow but are trimmed at a 6% market weight. The team does not normally add to positions on weakness.

Aristotle offers an approach that has been successfully implemented for over two decades by the same senior team which has been augmented over time with the next generation of firm professionals. Aristotle's intrinsic value approach emphasizes quality and concentrates the portfolio in its best ideas. The firm's use of global research analysts and its integration of ESG into its analysis are differentiators. Aristotle scored second in the final ranking and was just marginally lower than Eagle, the top ranked manager.

EAGLE CAPITAL MANAGEMENT-EAGLE EQUITY (EAGLE)

Eagle Capital Management (Eagle) is 100% employee-owned. The firm offers one strategy, the Eagle Equity portfolio, which it has been managing since the firm's inception in August 1988. Firm assets stand at \$24.3 billion as of 3/31/20. The firm was formed by Ravenel Boykin Curry III and Elizabeth (Beth) Curry. Beth Curry passed away in 2015. In 1995, the structure of the firm was changed to a LLC. All Eagle partners are full-time professionals at the firm. Ravenel Curry, Managing Director, CIO and founder owns over 25% of the firm, and the estate of Elizabeth Curry, overseen by Ravenel, comprises over 25% of ownership. Key professionals of Eagle have ownership, including the senior investment professionals on the Equity Strategy who are estimated to have between 5% and 10% ownership each. Ownership is expected to become increasingly broadened. In recent years, Eagle has hired a COO, a CFO and three analysts, bringing the investment team up to 10 professionals. While Ravenel Curry has no intention of retiring, formal structures have already been put in place regarding business management and portfolio management governance.

Eagle's investment team has four senior decision-makers, Ravenel Curry, R. Boykin Curry IV (Boykin), Alec Henry, and Adrian Meli. Boykin, Alec and Adrian were named deputy CIOs in January 2018. All have been at the firm for a decade and have, on average, almost 20 years of experience. At the same time, Eagle adopted a CIO Committee decision-making structure overseen by COO Chip Robie. All investment ideas, monitoring, and sizing for stocks are discussed in a group setting weekly with an agenda. At this point, Boykin Curry, Alec Henry and Adrian Meli are responsible for most of the names in the portfolio. While Eagle manages only long only portfolios, an interesting aspect of their investment team is that most joined the firm from the hedge fund industry.

Eagle Capital seeks to buy undervalued companies with unrecognized growth potential. They use a bottom-up, fundamental, research-driven approach to find undervalued companies that they believe will experience long-term secular change. By identifying change early, the team strives to avoid high expectation stocks and invest in those with upside potential. The investment team builds the portfolio with two primary characteristics. The first is that, even in times of stress, the underlying assets based on their analysis should be strong enough to maintain a value floor. The second characteristic is identifying a change that is unrecognized by the market and likely to be valuable 5+ years in the future.

Eagle invests in a concentrated portfolio of 25-35 high conviction ideas that stylistically falls between core and value. The goal is to produce competitive performance in both up and down markets. Given Eagle's concentrated approach, most ongoing analysis is on risks associated with portfolio holdings as there are typically 5-6 new names added to the portfolio over the course of a year. Eagle defines risk as permanent loss of capital.

Eagle's sole product focus and value-oriented approach, combining longer-term growth identification, are unique. Verus views Eagle's research effort as differentiated compared with many value managers. Their fee is the highest of the three; however, net of fee returns have also been the highest over longer time periods. Eagle was determined to be the best fit for ACERA's large cap value mandate.

WELLINGTON MANAGEMENT COMPANY-SELECT EQUITY INCOME (WELLINGTON)

Wellington Management Company (Wellington) was founded in 1928 and is 100% employee-owned. It is a private partnership that has survived multiple generations. Partnership is bought and sold at book value which has allowed the ownership structure to continue over time. Ownership is widely dispersed; new partners are announced annually, and retirements and partnership withdrawals require a notification period. While headquartered in Boston, Wellington's Select Equity investment team is located in a satellite office in Radnor, PA.

Wellington is a large, multi-asset class firm that managed over \$1 trillion as of 3/31/20. Select Equity Income is a concentrated, niche strategy for the firm with \$706 million as of 3/31/20. However, the Radnor team manages other equity income-oriented strategies that are more diversified in nature with total assets of over \$25 billion. Subadvisory assets comprise the majority of the team's assets under management. Wellington has managed value-oriented strategies since 1970 and equity income approaches since 2000.

The Select Equity Income investment team is comprised of seven professionals but has access to Wellington's large analyst team of 272 professionals. During our onsite, it was stressed that research is a career position at the firm (as opposed to a stepping stone to portfolio management). W. Michael Reckmeyer, III is lead portfolio manager for the team. He has 35 years of industry experience and has been with Wellington for 24 years. Reckmeyer is supported by five dedicated research analysts and an investment director who acts as client portfolio manager and monitors portfolio risk.

The premise of the value-oriented Select Equity Income is that 1) markets misprice current price action relative to longer-term secular and structural changes; and 2) markets misprice the long-term total return impact of dividends. Select Equity Income seeks to capitalize on these inefficiencies with a non-consensus valuation methodology centered on normalized earnings growth and an emphasis on quality franchise businesses with sustainable above-market dividend yields. Using a bottom up approach, the strategy focuses on large cap companies with strong management teams, solid balance sheets, and below-market, discounted P/E valuations relative to normalized earnings potential. The team targets a universe of stocks (250-350) which have experienced near-term headwinds and/or structural change but are viewed as quality, large cap companies with sustainable and growing dividends. Analysts conduct bottom up, fundamental research within their sectors and augment their work through access to Wellington's global industry analysts, macro strategists, credit analysts, ESG analysts and other Wellington portfolio managers. The team uses a "Fact Sheet" ranking system that ranks each stock's relative attractiveness and upside/downside potential.

The Select Equity Income portfolio is concentrated with 25-35 stocks. The portfolio is constructed to have a higher yield, lower valuation and similar to higher growth profile to the S&P 500. However, sector weights generally remain within +/- 10% of the Russell 1000 Value Index. Risk is monitored at many levels of the firm, including by the team's investment director.

Wellington was considered a competitive manager in the due diligence process. However, the other candidates ranked higher in the final scoring.



PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



June 2020
Large Cap Value Search
ACERA

Manager overview

Manager comparison

	Aristotle	Eagle	Wellington
FIRM OWNERSHIP	100% employee owned	100% employee owned	100% employee owned
BENCHMARK	Russell 1000 Value	Russell 1000 Value	Russell 1000 Value
FIRM NAME	Aristotle Capital Management, LLC	Eagle Capital Management, LLC	Wellington Management Company LLP
PRODUCT NAME	Value Equity	Eagle Equity	Select Equity Income
FIRM TOTAL AUM (\$MM)	\$24,700	\$24,300	\$1,000,000
STRATEGY AUM (\$MM)	\$22,500	\$24,300	\$706
PREFERRED BENCHMARK	Nov-10	Dec-88	May-09
INVESTMENT APPROACH	Fundamental	Fundamental	Fundamental
SCREENING APPROACH	Bottom-Up	Bottom-Up	Bottom-Up

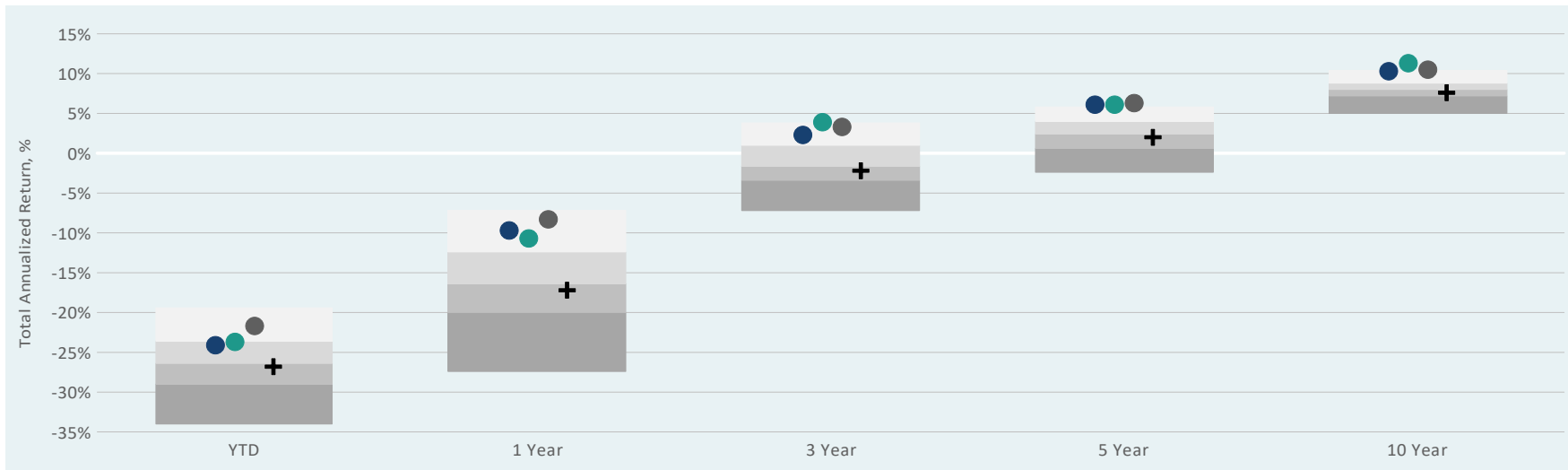
Investment vehicle information

	INVESTMENT VEHICLES	EXPENSE RATIO	FEE SCHEDULE	ESTIMATED FEE (\$125 MILLION MANDATE)
Aristotle	Separate Account	0.50%	First \$50 million, Next \$50 million, thereafter	0.39%
		0.45%		
		0.40%		
Eagle	Separate Account	1.00%	First \$5 million, thereafter	0.76%
		0.75%		
Wellington	Separate Account	0.50%	First \$25 million, Next \$25 million, thereafter	0.43%
		0.45%		
		0.40%		

Performance Analysis

Performance comparison - as of March 2020

● Aristotle ● Eagle ● Wellington + Russell 1000 Value Index



EXCESS ANNUALIZED RETURN TO DATE, %	YTD	1 Year	3 Year	5 Year	10 Year
Aristotle	2.8	7.6	4.5	4.2	2.7
Eagle	3.1	6.5	6.1	4.2	3.8
Wellington	5.2	8.9	5.6	4.4	3.0

Calendar year performance

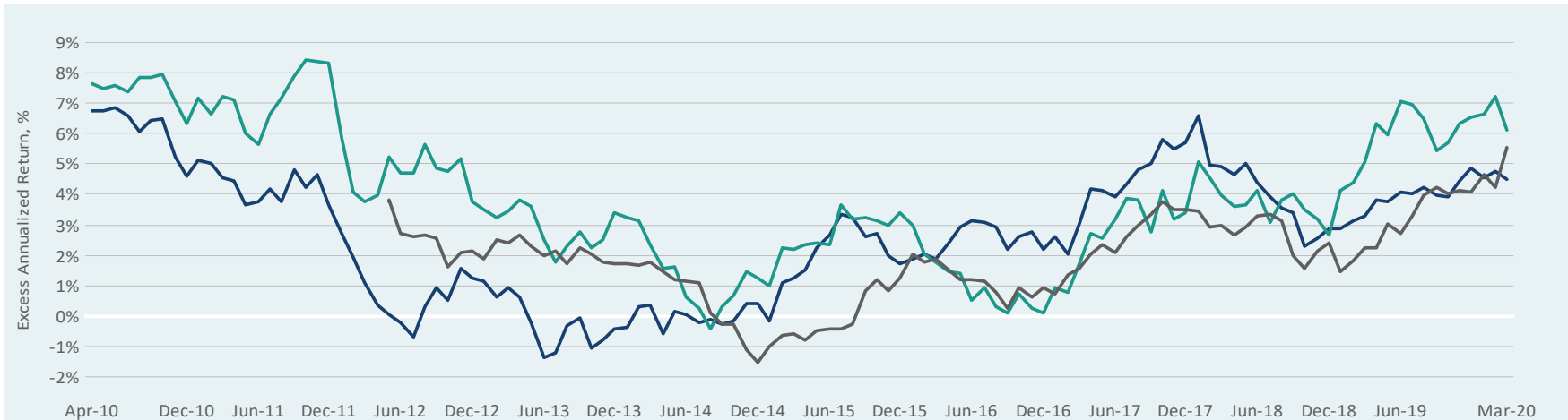
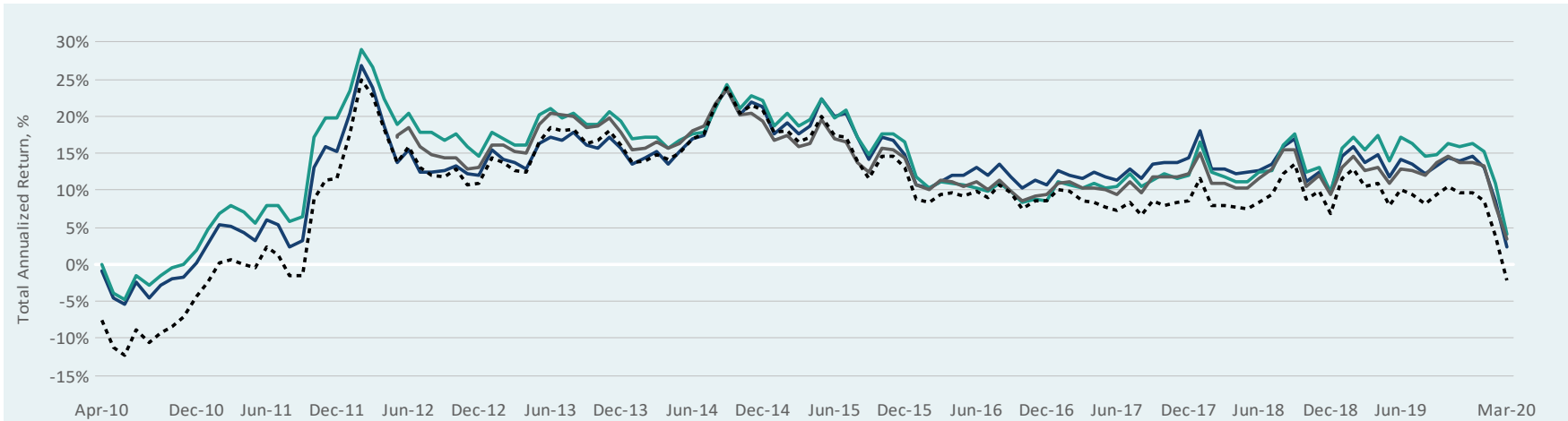
ANNUAL PERFORMANCE + RANKING	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Aristotle	32.5	19.2	-3.2	22.1	30.8	11.6	3.6	17.6	22.7	-8.3	33.5	-23.9
<i>Rank</i>	<i>21</i>	<i>8</i>	<i>79</i>	<i>5</i>	<i>75</i>	<i>55</i>	<i>2</i>	<i>24</i>	<i>7</i>	<i>49</i>	<i>7</i>	<i>27</i>
Eagle	34.8	20.8	5.8	17.9	36.7	13.1	2.2	11.0	24.0	-4.3	32.3	-23.7
<i>Rank</i>	<i>16</i>	<i>4</i>	<i>20</i>	<i>26</i>	<i>26</i>	<i>35</i>	<i>7</i>	<i>82</i>	<i>5</i>	<i>18</i>	<i>11</i>	<i>25</i>
Wellington		17.1	7.4	14.8	32.6	11.6	1.0	16.6	19.9	-6.4	31.2	-21.5
<i>Rank</i>		<i>20</i>	<i>15</i>	<i>57</i>	<i>57</i>	<i>56</i>	<i>12</i>	<i>33</i>	<i>24</i>	<i>31</i>	<i>16</i>	<i>12</i>
Russell 1000 Value Index	19.7	15.5	0.4	17.5	32.5	13.5	-3.8	17.3	13.7	-8.3	26.5	-26.7
<i>Rank</i>	<i>79</i>	<i>39</i>	<i>55</i>	<i>29</i>	<i>58</i>	<i>30</i>	<i>68</i>	<i>26</i>	<i>86</i>	<i>49</i>	<i>52</i>	<i>55</i>

Performance summary - as of March 2020

	Aristotle	Eagle	Wellington	Russell 1000 Value Index
PERFORMANCE ANALYSIS - (5 Years)				
Alpha %	4.1	4.2	4.2	0.0
Beta	1.0	1.0	0.9	1.0
R-squared %	96.0	90.7	95.1	100.0
Sharpe Ratio	0.3	0.3	0.4	0.0
Treynor Ratio	0.1	0.0	0.1	0.0
Tracking Error %	3.0	4.9	3.5	0.0
Annualized Std Dev %	14.7	15.9	13.2	14.8
Information Ratio	1.4	0.9	1.1	---
Max Drawdown %	-23.9	-24.0	-21.5	-26.7
Calmar Ratio	0.3	0.3	0.3	0.1
Excess Ann. Return %	4.2	4.2	4.4	0.0
PERFORMANCE TO DATE				
1 Year	-9.5	-10.7	-8.3	-17.2
3 Year	2.3	4.0	3.4	-2.2
5 Year	6.1	6.1	6.3	1.9
7 Year	9.0	9.5	8.8	5.6
10 Year	10.4	11.5	10.7	7.7
Common Inception (Jun-09)	12.3	13.6	12.8	9.7
CALENDAR YEAR RETURNS				
2019	33.5	32.3	31.2	26.5
2018	-8.3	-4.3	-6.4	-8.3
2017	22.7	24.0	19.9	13.7
2016	17.6	11.0	16.6	17.3
2015	3.6	2.2	1.0	-3.8
2014	11.6	13.1	11.6	13.5
2013	30.8	36.7	32.6	32.5
2012	22.1	17.9	14.8	17.5
2011	-3.2	5.8	7.4	0.4
2010	19.2	20.8	17.1	15.5

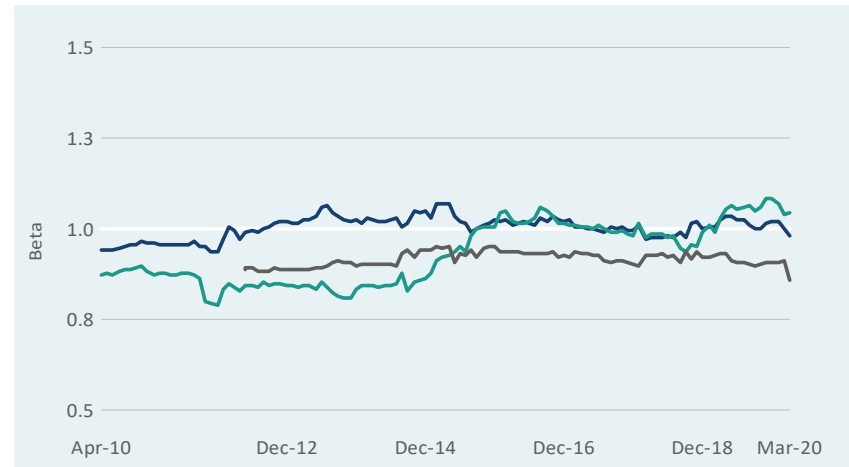
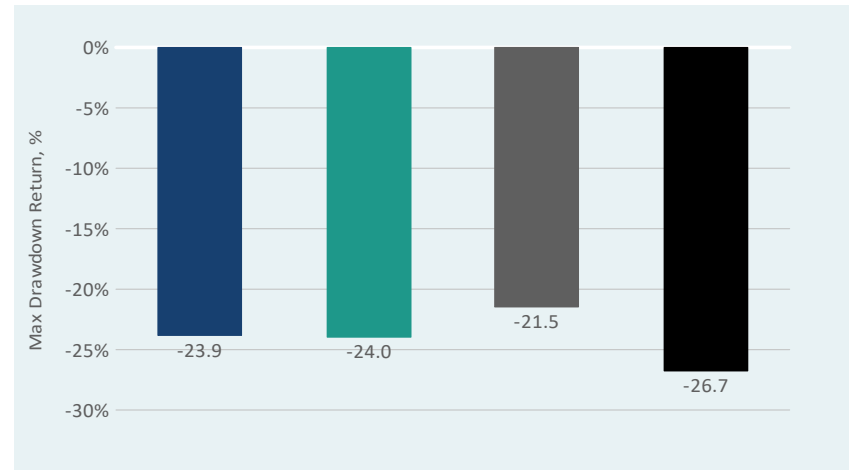
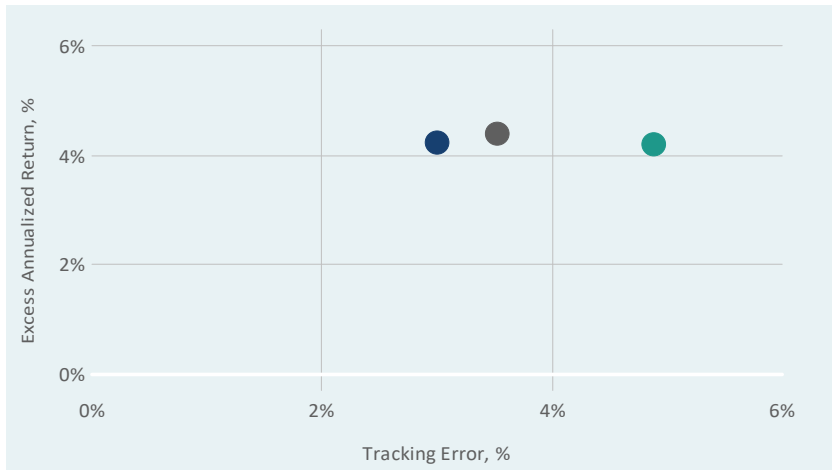
Rolling performance

● Aristotle ● Eagle ● Wellington + Russell 1000 Value Index



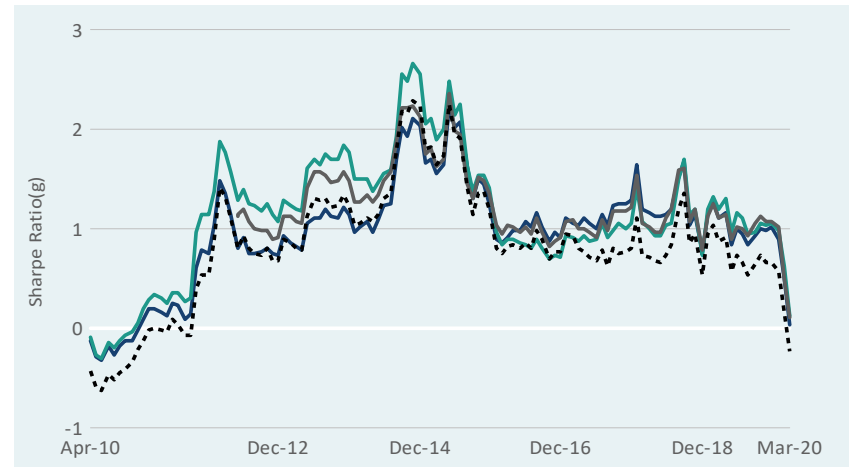
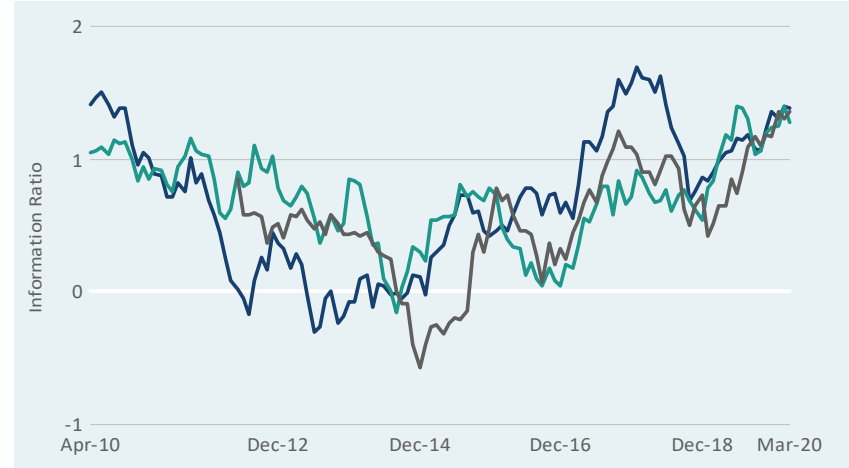
Performance statistics

● Aristotle ● Eagle ● Wellington + Russell 1000 Value Index



Performance statistics

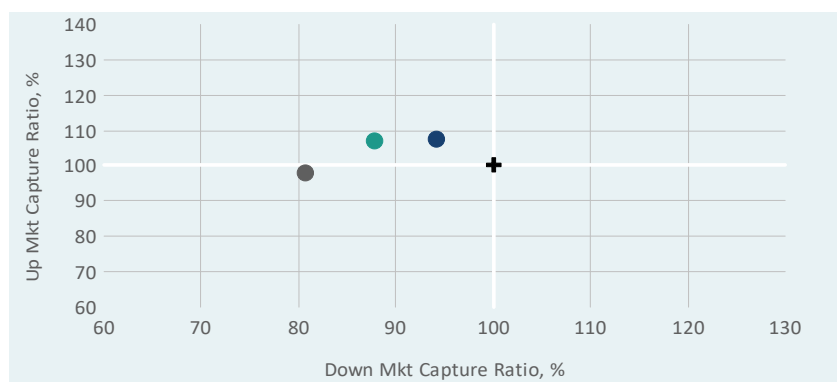
● Aristotle ● Eagle ● Wellington + Russell 1000 Value Index



Style Analysis

Style and portfolio comparison

● Aristotle ● Eagle ● Wellington + Russell 1000 Value Index

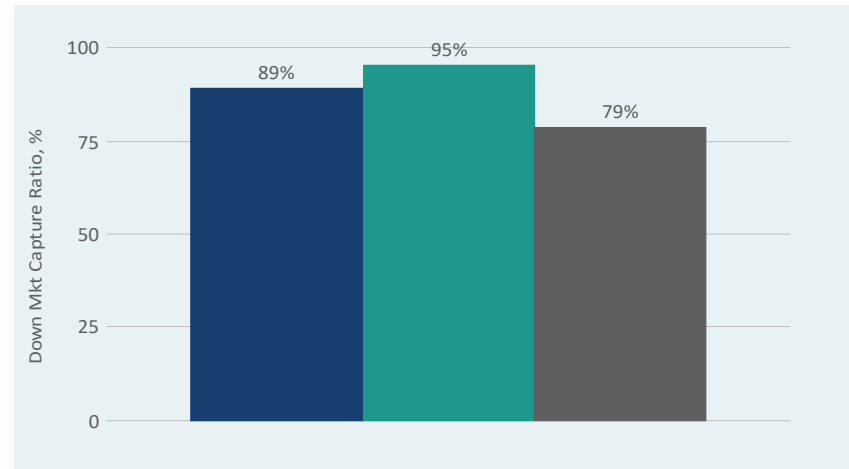
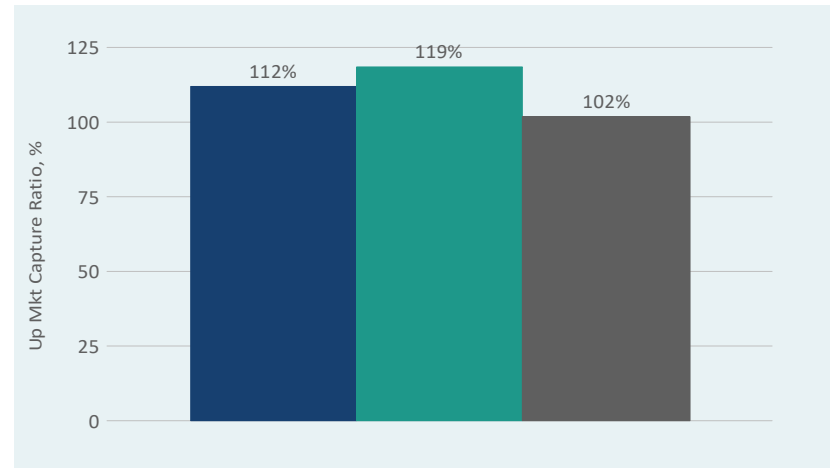
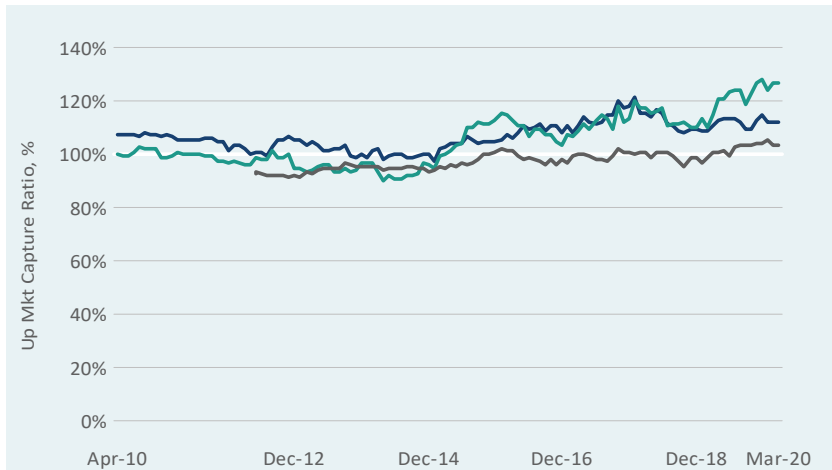


USD, 36-month trailing window; exp. weighted, rescaled

	Aristotle	Eagle	Wellington	Russell 1000 Value
% HOLDINGS IN 10 LARGEST STOCKS	34.3%	61.9%	50.6%	---
ANNUAL TURNOVER	15.4%	18.0%	103.0%	---
CASH	4.2%	2.5%	2.0%	0.6%
CURRENT DIVIDEND YIELD	2.1%	1.6%	3.4%	3.5%
CURRENT P/E	23.4	12.3	12.4	12.3
CURRENT P/B	4.5	2.6	2.1	1.6
PORTFOLIO HOLDINGS	42.0	31.0	25.0	765.0
WGTD. AVG. MKT. CAP	\$ 125,167	\$ 357,000	\$ 106,300	\$ 106,300

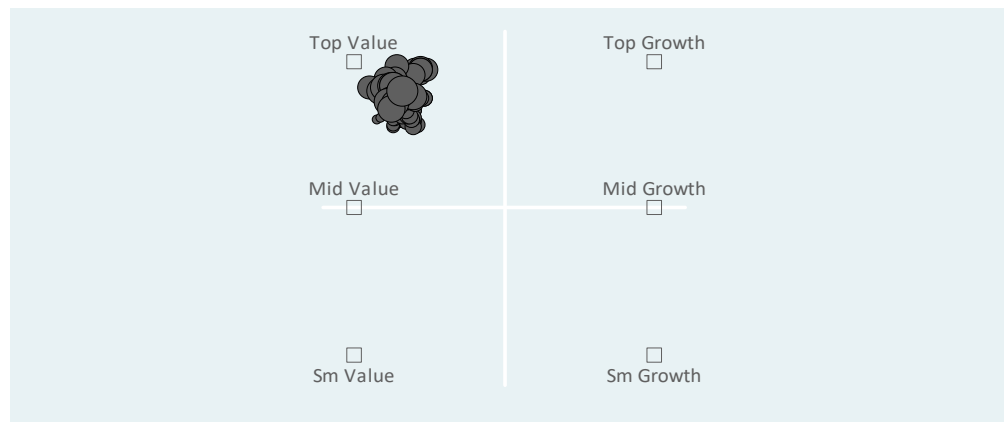
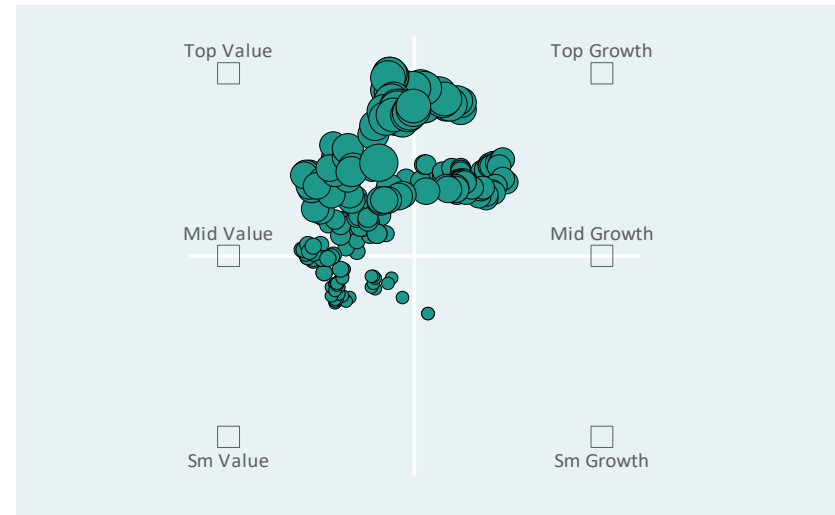
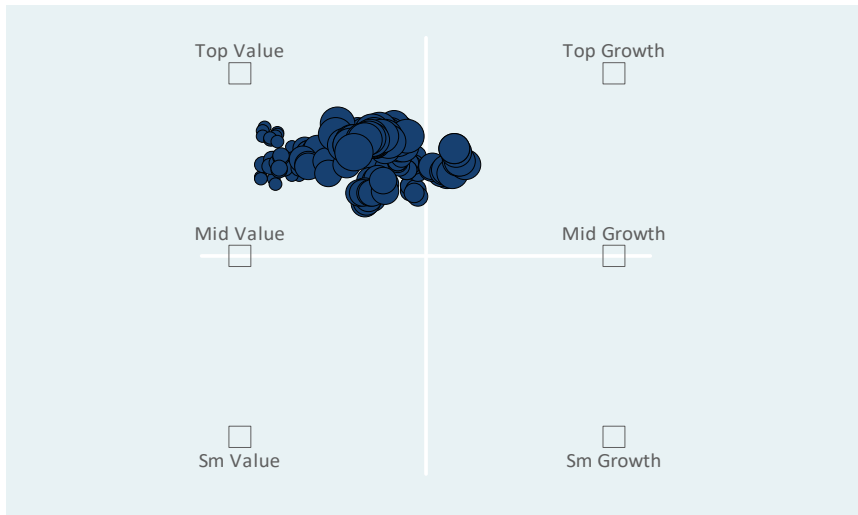
Up & down market analysis

● Aristotle ● Eagle ● Wellington + Russell 1000 Value Index



Style analysis (Russell 6 Style Map)

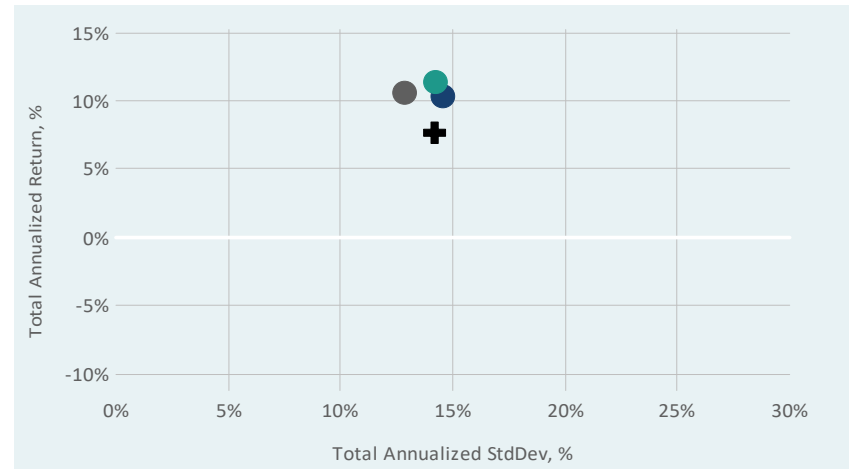
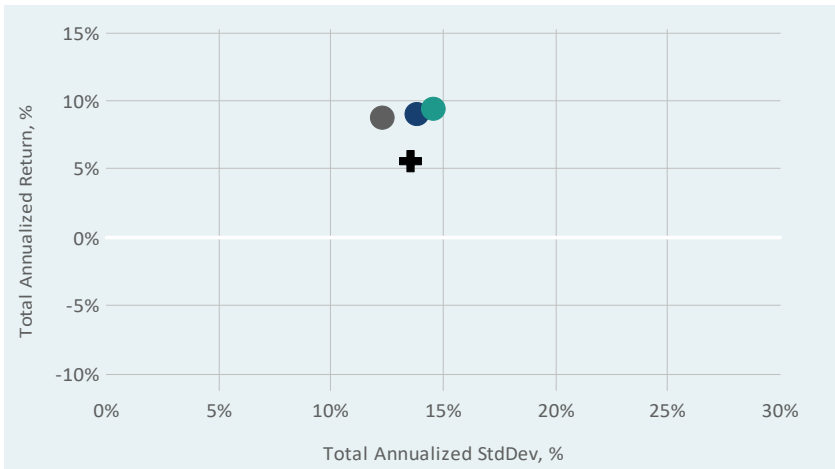
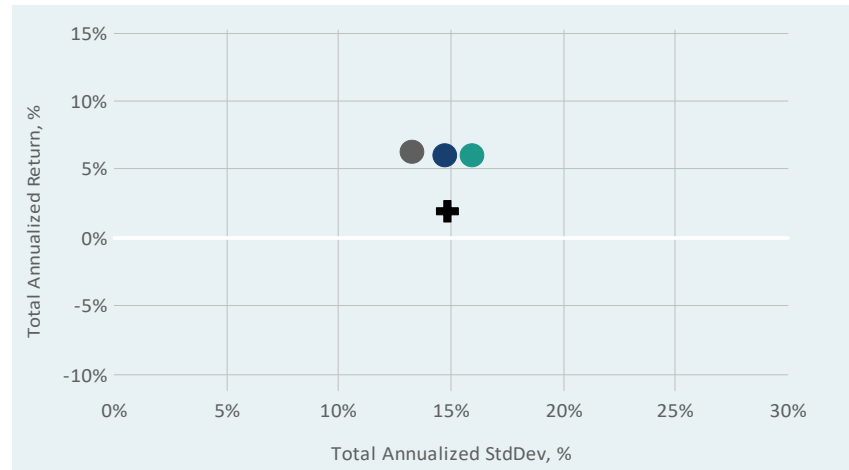
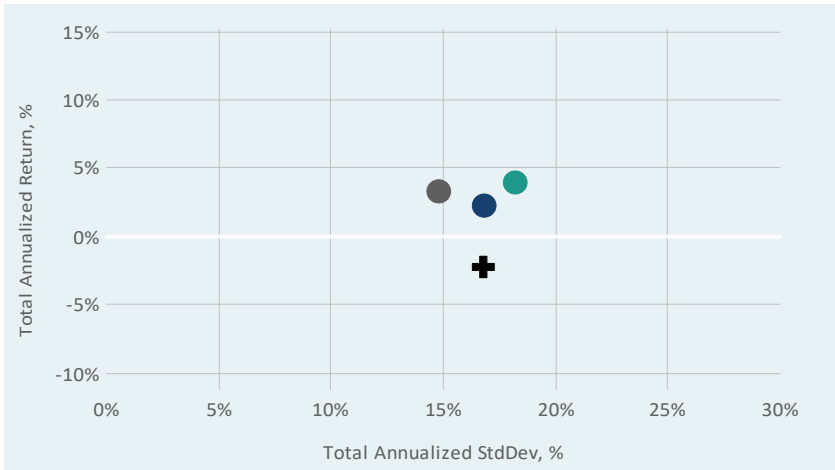
● Aristotle ● Eagle ● Wellington ● Russell 1000 Value + Russell 1000 Value Index



Risk Analysis

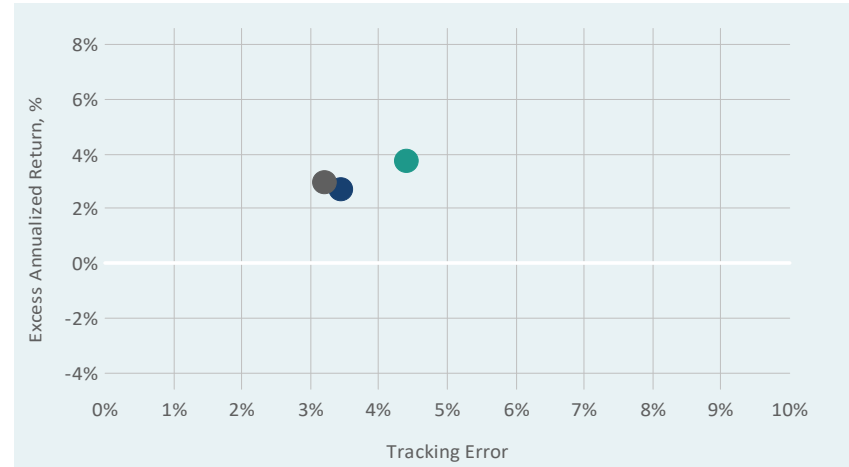
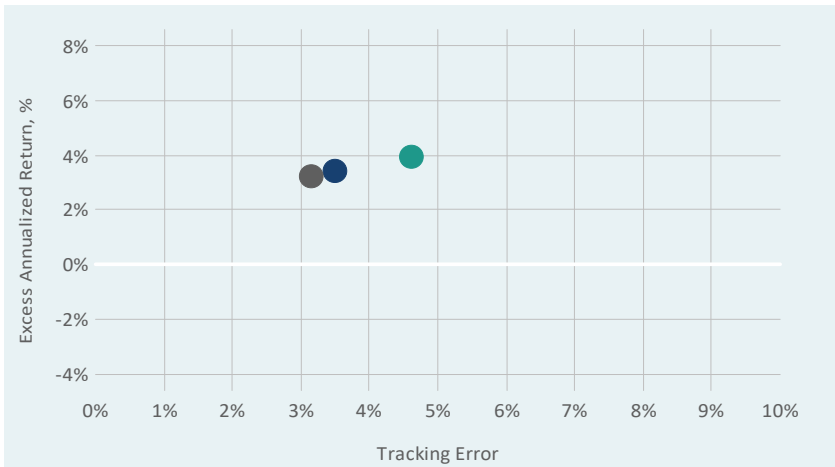
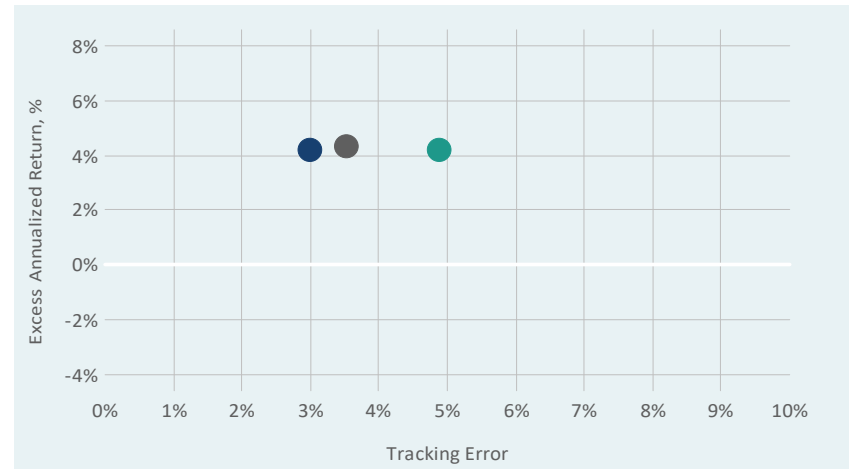
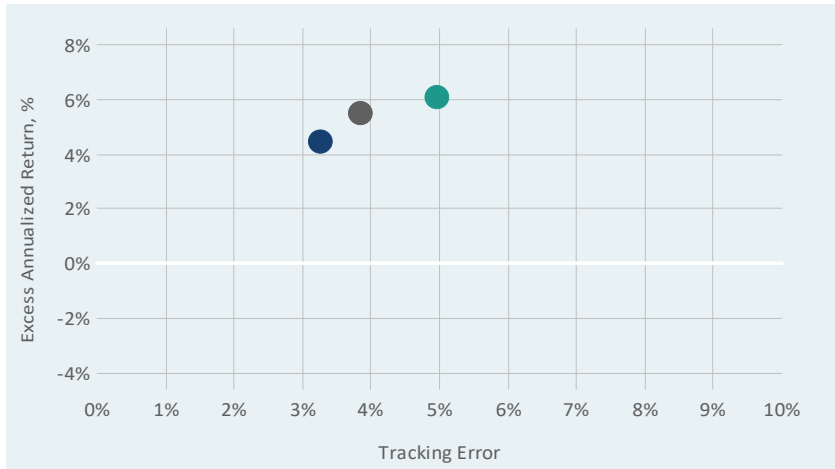
Risk vs. return

● Aristotle ● Eagle ● Wellington + Russell 1000 Value Index



Performance efficiency

● Aristotle ● Eagle ● Wellington + Russell 1000 Value Index



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ARISTOTLE
CAPITAL MANAGEMENT



June 10, 2020

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(310) 478-4005 | www.aristotlecap.com



ACERA CLIENT SERVICE TEAM



Catalina Llinás, CFA

Co-Chief Investment Officer
cllinas@aristotlecap.com

Catalina Llinás is Co-Chief Investment Officer and a principal of Aristotle Capital. She heads the client portfolio management team, oversees the investment strategies, chairs the Investment Risk Committee and leads the firm's sustainability efforts. Catalina has worked with Aristotle Capital's founders since 2005. Prior to joining Aristotle Capital, Catalina was a Portfolio Manager at MetWest Capital, where she managed institutional client portfolios and served as primary liaison between the investment team and clients worldwide.

Catalina earned her MBA from Georgetown University's McDonough School of Business and her undergraduate degree in Economics from Universidad Europea de Madrid. She is a CFA® charterholder. Catalina grew up in Colombia and Spain, and has also lived in Switzerland and France. She is fluent in Spanish, and conversant in French and Italian.



Ranjit S. Sufi

Managing Director
rsufi@aristotlecap.com

Ranjit Sufi is a Managing Director, Institutional Services and a principal at Aristotle Capital. Prior to joining Aristotle Capital, Ranjit was an Executive Vice President with Martin Currie responsible for the North America marketplace. Prior to that, he was a Managing Director at Tradewinds Global Investors' parent company Nuveen Investments, where he performed a similar role for the Nuveen affiliates. Before joining Nuveen, Ranjit served as a Managing Director at Nicholas-Applegate Capital Management, LLC, leading the firm's institutional client service, sales, marketing and consultant relations efforts globally. Previous to that role, he was a Principal and Senior Client Relationship Officer with Barclays Global Investors, U.S. Institutional Group. His earlier experiences include serving as Director of Investment Management with AirTouch Communications and Manager of Corporate Finance and Capital Markets with Pacific Telesis Group.

Ranjit earned his Bachelor of Science degree in Electrical Engineering from California State University, Fresno and his MBA from Pepperdine University.



DISTINGUISHING CHARACTERISTICS OF OUR FIRM

As of April 30, 2020

Firm Profile

- Independent/Broad employee ownership
- \$28.20 billion in AUM
- 17 member global investment team
- Headquartered in Los Angeles
- Aristotle Capital is a PRI Signatory

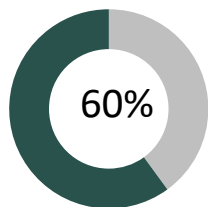


Key Differentiators

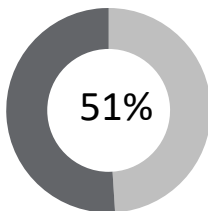
- Private equity approach to public markets
- Process and philosophy applied consistently for 20 years
- Focused, high active share, low turnover portfolios
- Research driven process with long-term time horizon

Aristotle Capital Diversity

Minorities & Women Represent:



Aristotle Capital Employees



Aristotle Capital Managers¹

	U.S.	Non-U.S.	Global
Number of Holdings	35 – 45	30 – 40	45 – 55
Active Share (%) [*]	90	90	91
Annualized Turnover (3 Yrs, %) [*]	13	13	12
Representative Strategy	Value Equity	International Equity	Global Equity [†]
Benchmark(s)	Russell 1000 Value Index S&P 500 Index	MSCI EAFE Index (Net) MSCI ACWI ex USA Index (Net)	MSCI World Index (Net) MSCI ACWI Index (Net)

Sources: SS&C Advent; FactSet

¹Includes all employees with titles of Vice President and above.

^{*}Statistics based on a representative account. Statistics for mutual funds will be different. Data as of March 31, 2020.

[†]Global Equity is comprised of Global Equity and Global Opportunities (ARSOX) strategies.

ARISTOTLE CAPITAL MANAGEMENT, LLC

REPRESENTATIVE CLIENT LIST



As of March 31, 2020

Public

- Boston Retirement System
- City of Fort Lauderdale Police & Firefighters' Retirement System
- Commonwealth of Massachusetts
- FSM Development Bank
- Los Angeles County Fire Fighters Local 1014 Health & Welfare Trust
- Massachusetts Bay Transportation Authority Retirement Fund
- Metropolitan Tulsa Transit Authority Union Employees' Pension Trust
- North Attleboro Retirement Board
- Rongelap Claims Trust Fund
- University of Manitoba
- Utrik Atoll Claims Trust Fund
- Yap State Trust Fund

Corporate/Pension

- American Beacon Advisors
- Andres Family Partnership, Ltd.
- Andres Holding Corporation
- AnMed Health
- City of Pembroke Pines Other Post Employment Benefit Trust Fund
- Diocese of Covington Lexington Lay Employee Pension Plan
- Gallitano & O'Connor, LLP Cash Balance Plan and Trust
- Hospital Sisters Health System
- Industriens Pensionsforsikring
- Lawyers' Mutual Insurance
- Pacific Air Industries Profit Sharing Trust
- Palau National Communications Corp
- Sisters of St. Joseph of Carondelet
- TECO Energy Group Ret. Plan
- T.D. Williamson Company
- TransCanada Pension Plan

Foundation/Endowment

- Adelphi University
- Arthritis National Research Foundation
- College of Micronesia
- Community Foundation of Southern Indiana
- Hanna Boys Center
- Jefferson Regional Medical Foundation
- Mennonite Brethren Foundation
- Pittsburg State University Foundation
- Sirad Foundation
- Susie Tompkins Buell Foundation
- The Gideons International
- The Living Desert
- University of Dallas
- UNLV Foundation
- Von Tobel Foundation, Inc.

Sub-Advisory

- ABN AMRO Advisors
- ALPS Advisors
- Harbor Capital Advisors
- PFM Multi-Manager Series Trust
- St. James's Place

Taft-Hartley

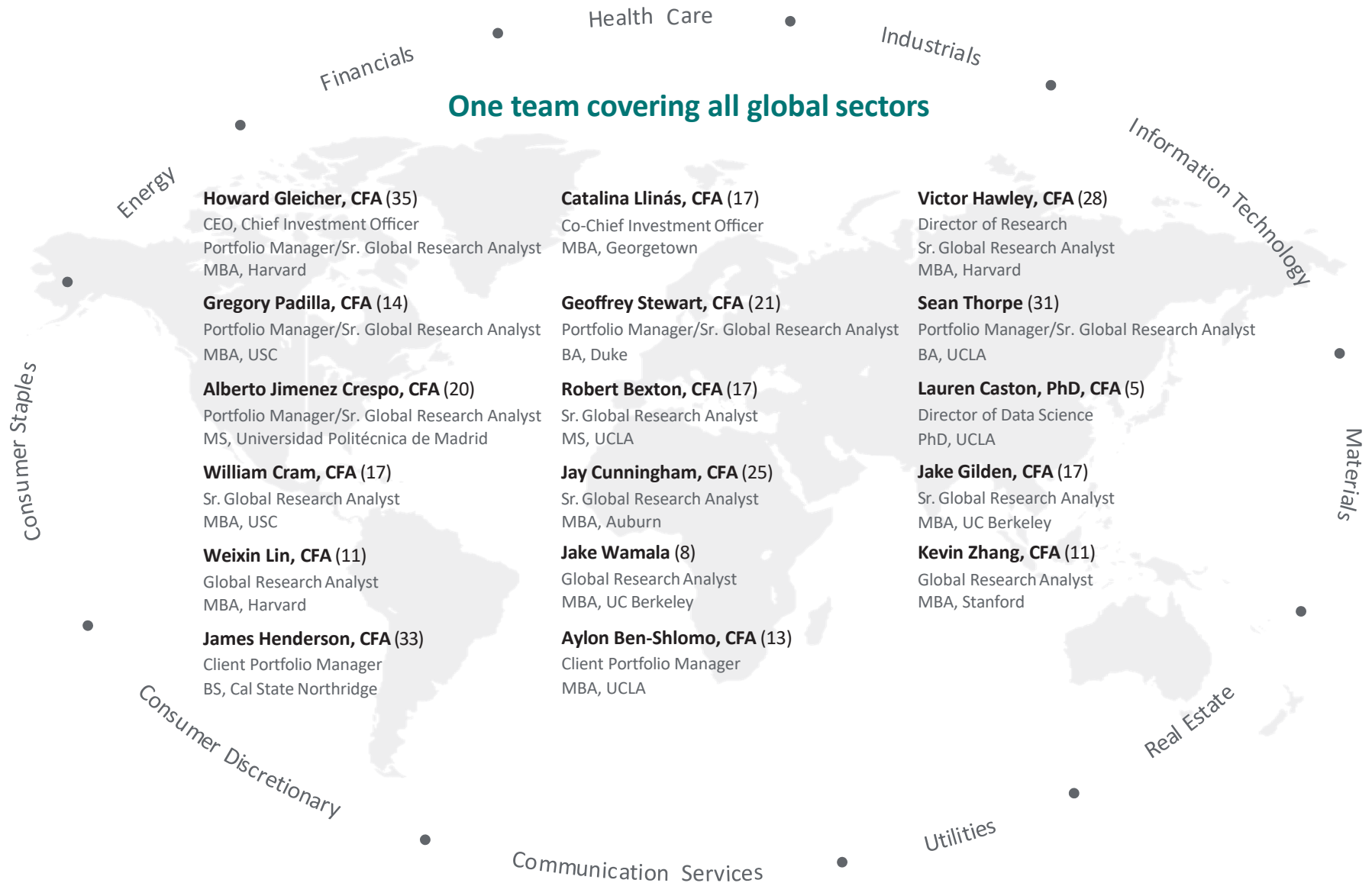
- Eighth District Electrical Pension Fund
- Laborers' Pension Fund
- Midwest Pension Plan
- Roofers Local #20 Pension Fund

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ONE DEDICATED INVESTMENT TEAM

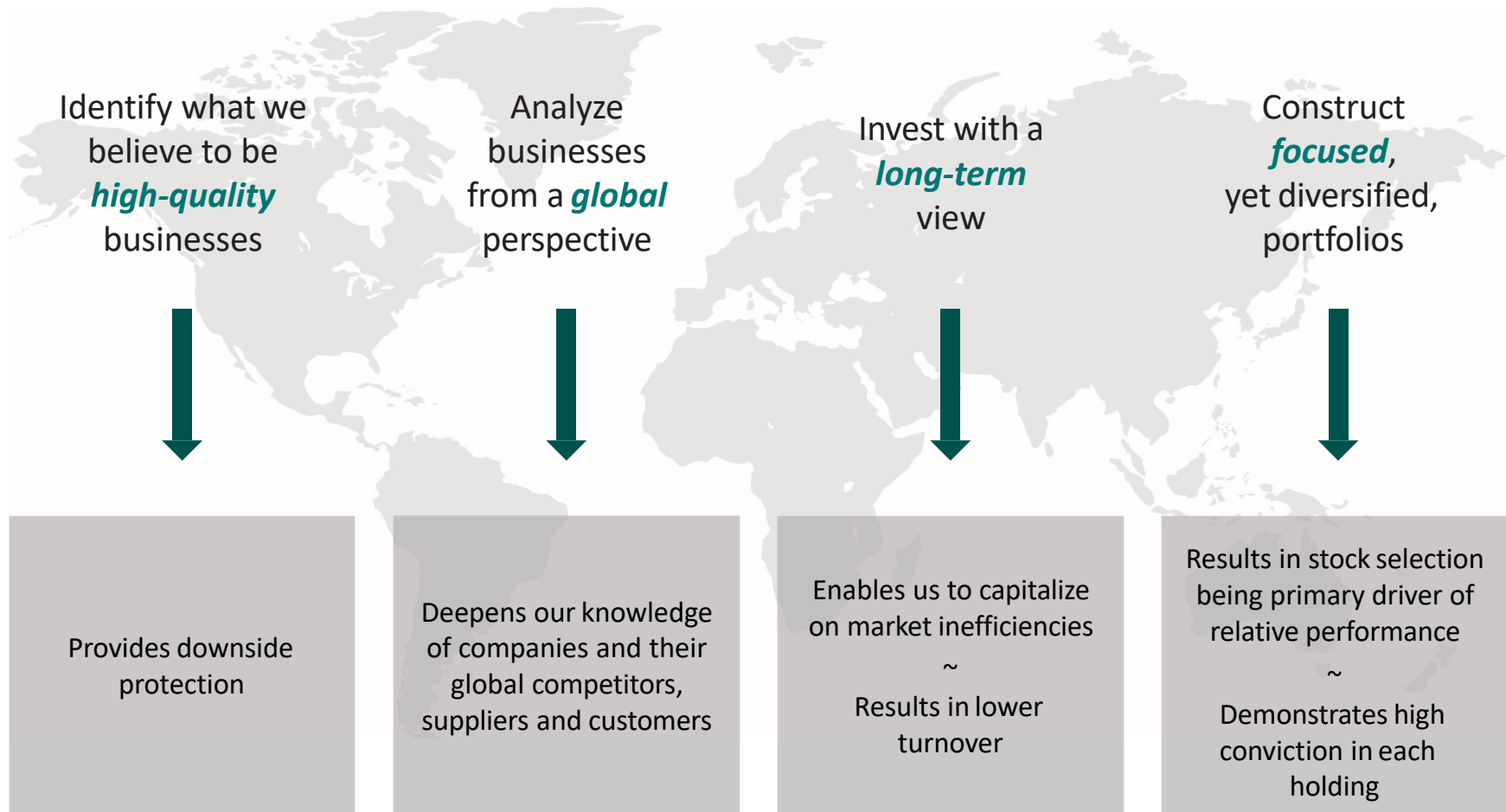
As of March 31, 2020



Number in parenthesis represents the years of industry experience. For a complete list of academic backgrounds please see the biographies slides in the appendix.



ONE PHILOSOPHY APPLIED CONSISTENTLY





ONE PROCESS DESIGNED TO ANALYZE BUSINESSES



High Quality

- Attractive business fundamentals
- Sustainable competitive advantages
- Experienced management team
- Pricing power
- Improving profitability metrics

Attractive Valuation

Use of normalized figures, including:

- Cash Flow Return on Enterprise Value
- Price-to-Earnings Ratio
- Price-to-Sales Ratio
- Price-to-Free Cash Flow Ratio
- Enterprise Value-to-EBITDA Ratio

Compelling Catalysts

- Productive use of strong free cash flow
- Restructuring and/or productivity gains
- Change in management or control
- Accretive acquisitions or divestitures
- Resolution of ancillary problems



UN“LOCKING” VALUE

As of March 31, 2020



ALLEGION
PIONEERING SAFETY™

Allegion

- Leading global provider of mechanical (~80% of sales) and electronic (~20%) security products and solutions
- ~70% of sales are from Commercial and Institutional facilities with the balance from Residential. Roughly 50/50 split of new construction and aftermarket business
- Spun-off from Ingersoll-Rand in 2013



High Quality

- Brands with leading market positions; ~25% in U.S.
- Large installed base leads to recurring revenues
- Code driven and complex specifications
- History and culture of innovation

Attractive Valuation

- We believe current valuation does not reflect our estimates for higher normalized operating margins and free cash flow.

Compelling Catalysts

- Greater adoption of electromechanical locks
- Penetration of sales channels (e.g. commercial retrofit)
- Further innovation supports more complexity & specificity
- Capital allocation improvements

Sources: Company annual reports, Bloomberg

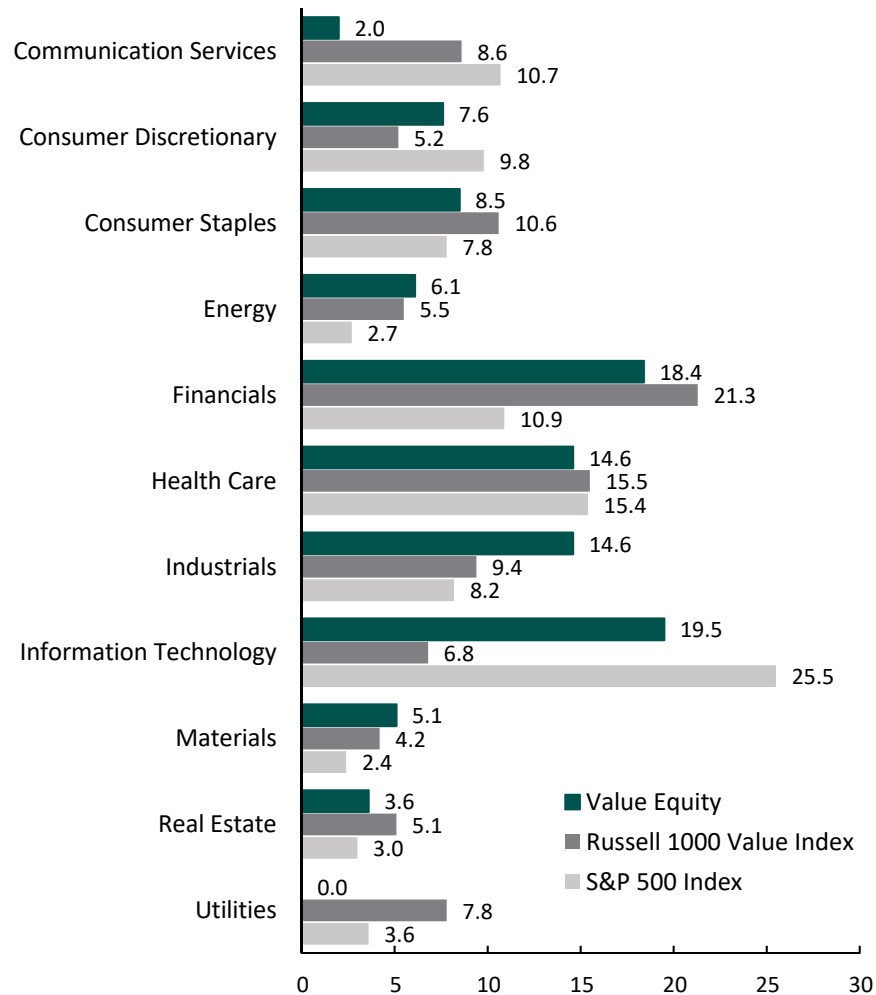
The company identified above is an example of a model holding and is subject to change without notice. The company has been selected to help illustrate the investment process described herein. A complete list of holdings is included in this presentation. This information should not be considered a recommendation to purchase or sell any particular security. Recommendations made in the last 12 months are available upon request. Please see important disclosures at the end of this document.



OUR BOTTOM-UP APPROACH RESULTS IN A DIVERSIFIED PORTFOLIO

As of March 31, 2020

Sector Weights (%)



Guidelines

- Portfolio generally comprised of **35 to 45** investments
- Position size approximately **2.5%** at purchase
- Maximum position size **6%**
- Maintain weights of major sectors typically within **50% to 200%** of their weights in the S&P 500 Index
- Maximum **20%** in companies headquartered outside the U.S. (in the form of ADRs)

Sources: SS&C Advent, Russell Investments, Standard & Poor's
The Aristotle Value Equity sector weights reflect the equity composition of the model portfolio and excludes cash. Sectors are based on Standard & Poor's Global Industry Classification Standards (GICS).



INTEGRATING RISK MANAGEMENT THROUGHOUT OUR PROCESS

Buy Discipline	<ul style="list-style-type: none">• Focus on quality can provide downside protection• Attractive valuation may offer margin of safety• Catalysts seek to avoid value traps
Sell Discipline	<p>Sale Review Occurs if:</p> <ul style="list-style-type: none">• Approaches fair value estimate• Material stock price decline (absolute)• 15% underperformance (vs. industry or market) <p>Sale Occurs if:</p> <ul style="list-style-type: none">• Catalysts realized• Fundamentals deteriorate• Better alternatives found
Portfolio Construction and Monitoring	<ul style="list-style-type: none">• Diversification by position, sector and other factors such as cyclicalities and interest rate sensitivity• Continuous review of existing holdings• Portfolio guidelines monitored through Charles River• Investment Risk Committee provides additional oversight



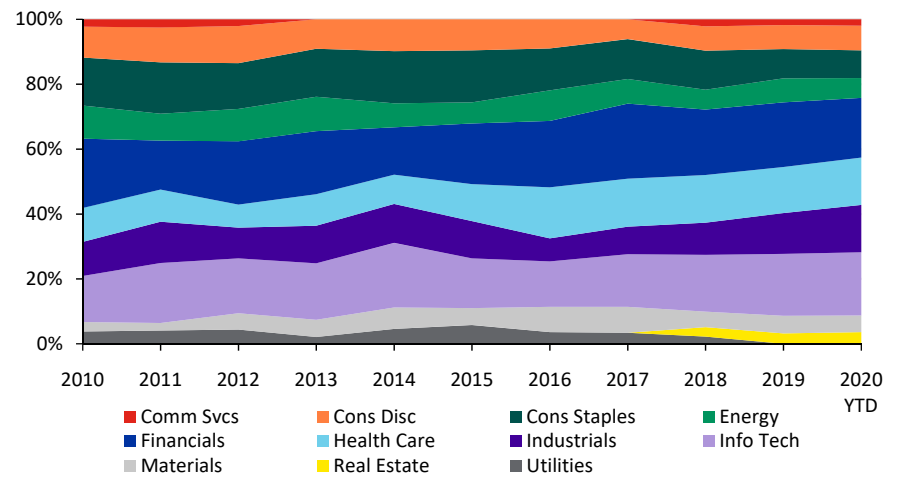
PORTFOLIO CHARACTERISTICS – VALUE EQUITY

As of March 31, 2020

Largest Holdings (%)

Microsoft	4.7
Adobe	4.6
Danaher	3.8
ANSYS	3.6
PayPal Holdings	3.3
Amgen	3.0
Bank of America	3.0
Allegion	2.8
Coca-Cola	2.8
Medtronic	2.7
Total	34.3

Sector Breakdown (%)



Portfolio Risk/Return Statistics

	Value Equity	Russell 1000 Value Index
5 Years		
Upside Market Capture (%)	113	100
Downside Market Capture (%)	91	100
Tracking Error (%)	2.99	--
R-Squared	0.96	1.00
Beta	0.97	1.00
Standard Deviation (%)	14.71	14.83

Characteristics

	Value Equity	Russell 1000 Value Index
Number of Holdings	42	765
Active Share (%)	90.2	--
Annualized Turnover (5 Yrs, %)	14.5	--
Wtd. Avg. Market Cap (\$B)	125.2	105.4
Median Market Cap (\$B)	19.2	6.7
Dividend Yield (%)	2.1	3.5

Sources: SS&C Advent, FactSet, Russell Investments, eVestment

Past performance is not indicative of future results. This is not a recommendation to buy or sell a particular security. The Largest Holdings shown are based on the model portfolio. The Sector Breakdown and Portfolio Characteristics shown are based on a representative account. The Portfolio Risk/Return Statistics figures shown are based on the Aristotle Value Equity Composite. The Sector Breakdown excludes cash. The performance, asset size, guidelines or potential restrictions of the proposed account may differ from the representative account used in the presentation. Therefore, it cannot be assumed that another account would have the same performance or holdings even if following the same strategy. The representative account was chosen since, in our view, it is the account within the strategy which most closely reflects the portfolio management style of the strategy. Recommendations made in the last 12 months are available upon request. Please see important disclosures at the end of this document.



HOLDINGS – VALUE EQUITY

As of March 31, 2020

Holdings	Value Equity (%)	Russell 1000 Value Index (%)	S&P 500 Index (%)
Communication Services	2.0	8.6	10.7
Twitter			
Consumer Discretionary	7.6	5.2	9.8
Home Depot			
Lennar			
Sony			
Consumer Staples	8.5	10.6	7.8
Coca-Cola			
Tyson Foods			
Unilever			
Walgreens Boots Alliance			
Energy	6.1	5.5	2.7
Cabot Oil & Gas			
Halliburton			
Phillips 66			
Pioneer Natural Resources			
Financials	18.4	21.3	10.9
Ameriprise Financial			
Bank of America			
BOK Financial			
Capital One Financial			
Chubb			
Commerce Bancshares			
Cullen/Frost Bankers			
East West Bancorp			
JPMorgan Chase			
Mitsubishi UFJ Financial			

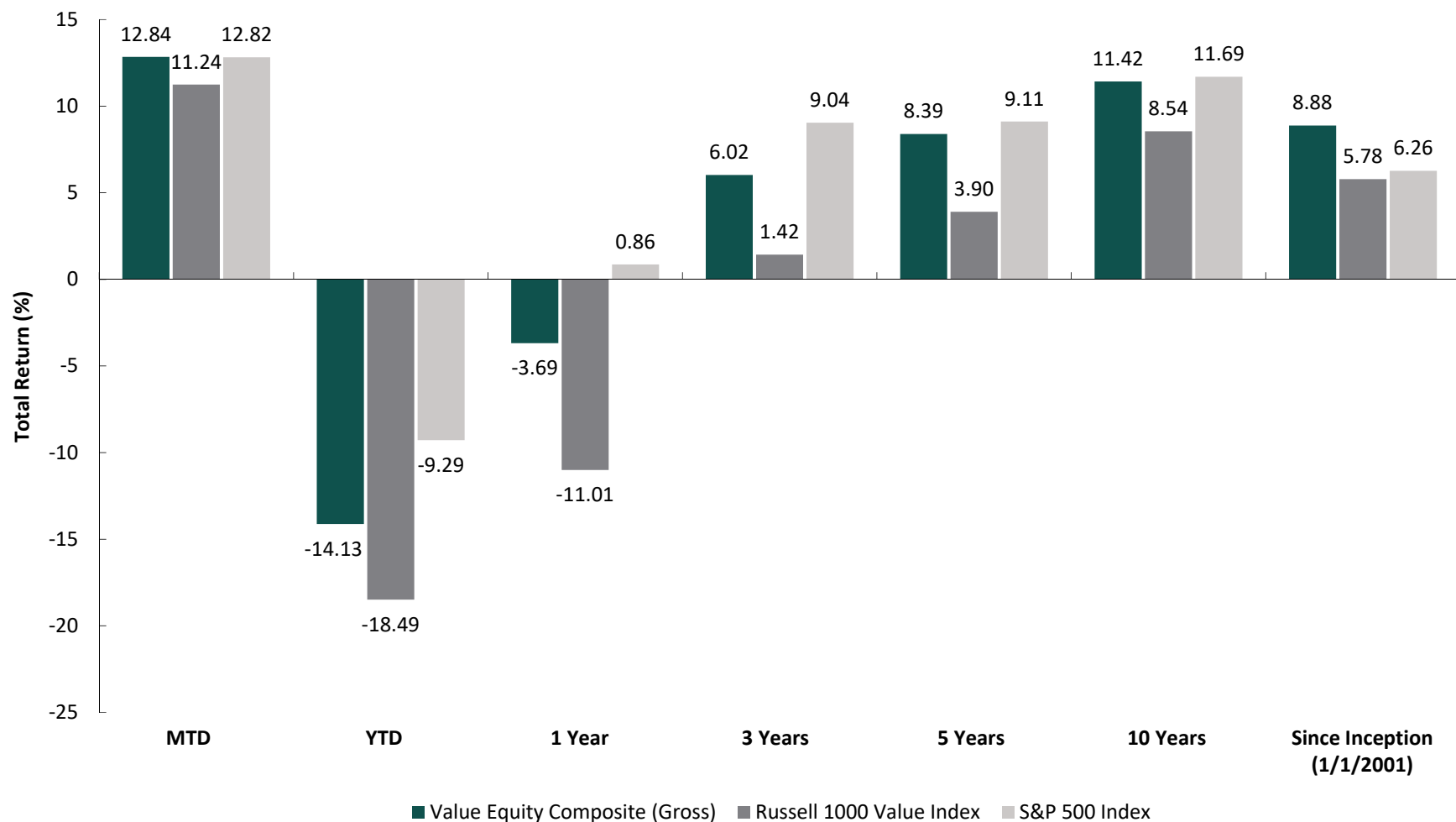
Holdings	Value Equity (%)	Russell 1000 Value Index (%)	S&P 500 Index (%)
Health Care	14.6	15.5	15.4
Alcon			
Amgen			
Danaher			
Medtronic			
Novartis			
Industrials	14.6	9.4	8.2
Allegion			
General Dynamics			
Johnson Controls			
Oshkosh			
Parker Hannifin			
Xylem			
Information Technology	19.5	6.8	25.5
Adobe			
ANSYS			
Microchip Technology			
Microsoft			
PayPal Holdings			
Materials	5.1	4.2	2.4
Corteva			
Martin Marietta Materials			
Real Estate	3.6	5.1	3.0
Equity LifeStyle Properties			
Sun Communities			
Utilities	0.0	7.8	3.6

Sources: SS&C Advent, Russell Investments, Standard & Poor's
 Individual holdings are based on the Aristotle Value Equity model portfolio and may not be included as part of the index weights. The Aristotle Value Equity sector weights reflect the equity composition of the model portfolio and excludes cash. This is not a recommendation to buy or sell a particular security. There is no guarantee that these securities will be held in the portfolio at the time of your receipt of this report. Recommendations made in the last 12 months are available upon request.

PERFORMANCE (GROSS) – VALUE EQUITY (INCLUDING SUPPLEMENTAL RETURNS)



As of April 30, 2020

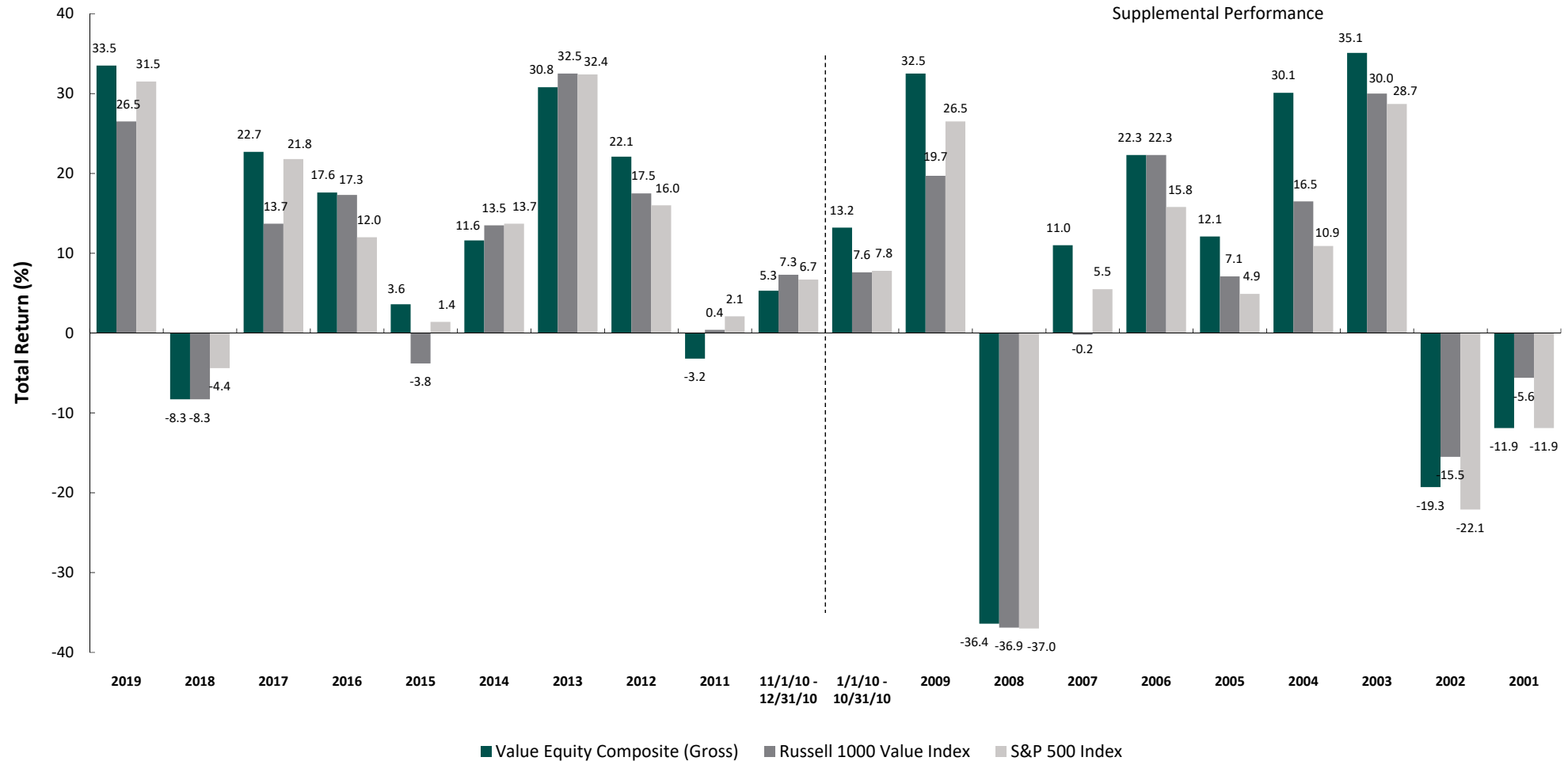


Sources: SS&C Advent, Russell Investments, Standard & Poor's

This information is for one-on-one use only and in response to a specific request. Past performance is not indicative of future results. Performance results for periods greater than one year have been annualized. Performance is preliminary pending final account reconciliation. This material is not financial advice or an offer to purchase or sell any product. The Aristotle Value Equity Composite has an inception date of November 1, 2010; however, the strategy initially began at Mr. Gleicher's predecessor firm in October 1997. A supplemental performance track record from January 1, 2001 through October 31, 2010 is included above. The returns are based on two separate accounts and performance results are based on custodian data. During this time Mr. Gleicher had primary responsibility for managing the two accounts. Mr. Gleicher began managing one account in November 2000 and the other December 2000. Returns are presented gross of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. For example, a 0.50% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5% will produce a net result of 4.4%. Actual performance results will vary from this example. Please see important disclosures at the end of this document.



PERFORMANCE (GROSS) – VALUE EQUITY

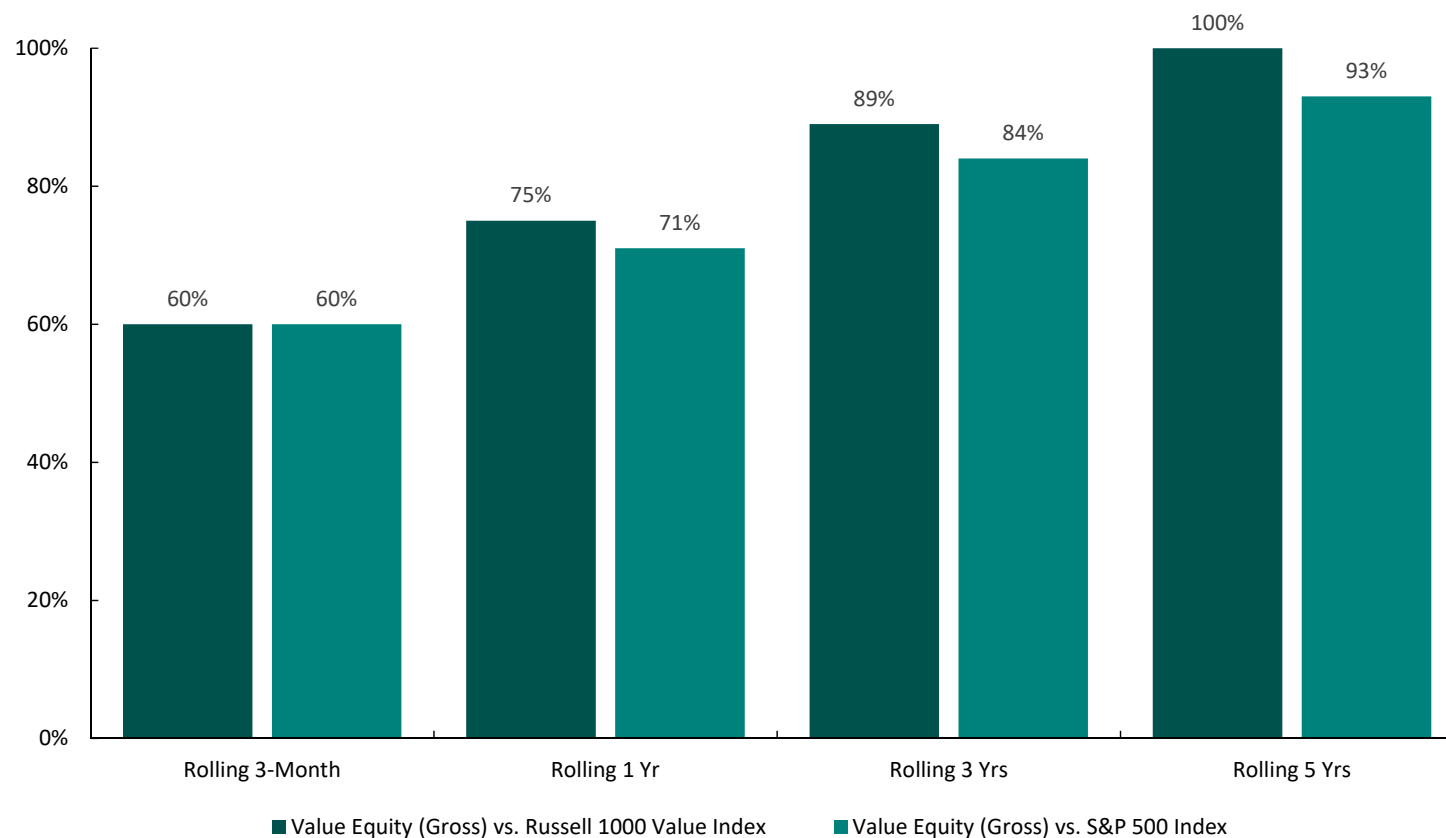


Sources: SS&C Advent, Russell Investments, Standard & Poor's
 Past performance is not indicative of future results. The Aristotle Value Equity Composite has an inception date of November 1, 2010; however, the strategy initially began at Mr. Gleicher's predecessor firm in October 1997. A supplemental performance track record from January 1, 2001 through October 31, 2010 is provided above. The returns are based on two separate accounts and performance results are based on custodian data. During that time, Mr. Gleicher had primary responsibility for managing the two accounts. Mr. Gleicher began managing one account in November 2000 and the other in December 2000. Returns are presented gross of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. For example, a 0.5% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5.0% will produce a net result of 4.4%. Actual performance will vary from this example. Please see important disclosures at the end of this document.

A PROCESS OPTIMIZED FOR LONG-TERM INVESTORS (INCLUDING SUPPLEMENTAL RETURNS)



Batting Average vs. Benchmarks — January 1, 2001 – March 31, 2020



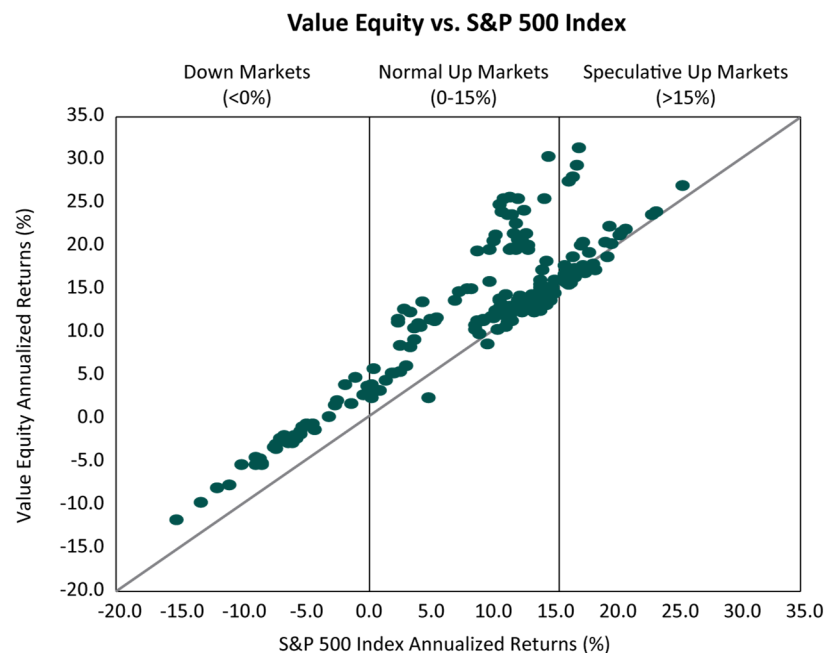
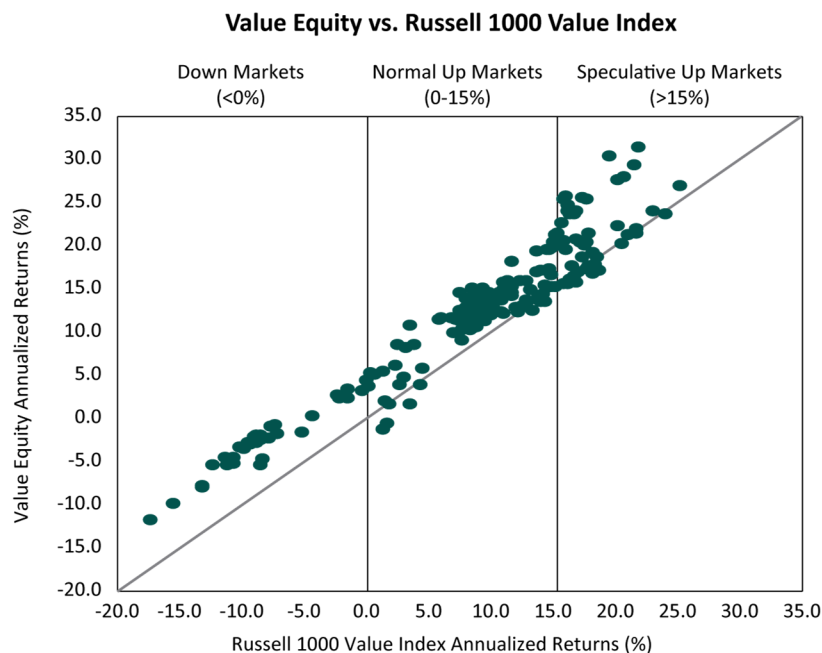
Source: eVestment

Rolling returns graph calculated using monthly data. Overall batting average reflects the percentage of rolling periods in which the Value Equity Composite outperformed the Russell 1000 Value Index and S&P 500 Index. Past performance is not indicative of future results. Performance results for periods greater than one year have been annualized. Performance is preliminary pending final account reconciliation. The Aristotle Value Equity Composite has an inception date of November 1, 2010; however, the strategy initially began at Mr. Gleicher's predecessor firm in October 1997. A supplemental performance track record from January 1, 2001 through October 31, 2010 is included above. The returns are based on two separate accounts and performance results are based on custodian data. During this time Mr. Gleicher had primary responsibility for managing the two accounts. Mr. Gleicher began managing one account in November 2000 and the other December 2000. Returns are presented gross of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. For example, a 0.50% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5% will produce a net result of 4.4%. Actual performance results will vary from this example. Please see important disclosures at the end of this document.

A PROCESS OPTIMIZED FOR LONG-TERM INVESTORS (INCLUDING SUPPLEMENTAL RETURNS)



Rolling Three-Year Returns (Gross) — January 1, 2001 – March 31, 2020



January 2001 – March 2020	Batting Average	%	Average Excess Return (%)	Minimum Excess Return (%)	Maximum Excess Return (%)
Outperformed Russell 1000 Value Index	174/196	89	3.6	-2.6	10.9
Outperformed S&P 500 Index	164/196	84	3.4	-2.8	15.6
Russell 1000 Value 3 Yr Rolling Return <0%	33/33	100	5.5	3.1	6.9
Russell 1000 Value 3 Yr Rolling Return 0-15%	105/113	93	3.2	-2.6	7.2
Russell 1000 Value 3 Yr Rolling Return >15%	36/50	72	3.4	-1.4	10.9

Source: eVestment

This information is for one-on-one use only and is in response to a specific request. This information should not be distributed to any other parties.

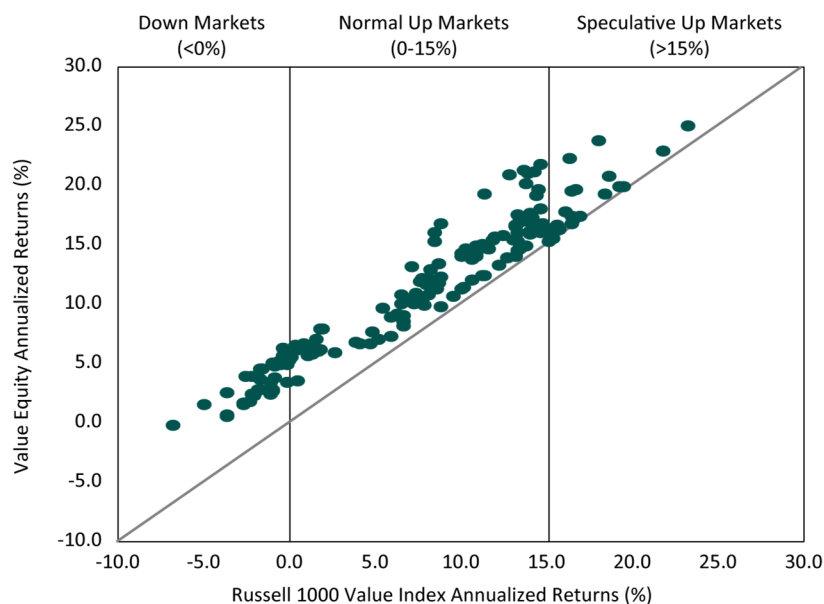
Rolling 3-year returns graph calculated using monthly data. Market environment returns reflect average annualized returns for rolling 3-year periods within each market environment category. Overall batting average reflects the percentage of rolling 3-year periods in which the Value Equity Composite outperformed the Russell 1000 Value Index and S&P 500 Index. The Aristotle Value Equity Composite has an inception date of November 1, 2010; however, the strategy initially began at Howard Gleicher's predecessor firm in October 1997. A supplemental performance track record from January 1, 2001 through October 31, 2010 is provided on this page. The performance results were achieved while Mr. Gleicher managed the strategy at a prior firm. The returns are based on two separate accounts and are calculated using custodian data. During this time, Mr. Gleicher had primary responsibility for managing the two accounts. Mr. Gleicher began managing one account in November 2000 and the other in December 2000. Past performance is not indicative of future results. Performance results for periods greater than one year have been annualized. Performance is preliminary pending final account reconciliation. Returns are presented gross of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. For example, a 0.5% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5.0% will produce a net result of 4.4%. Actual performance results will vary from this example. Please see important disclosures at the end of this document.

A PROCESS OPTIMIZED FOR LONG-TERM INVESTORS (INCLUDING SUPPLEMENTAL RETURNS)

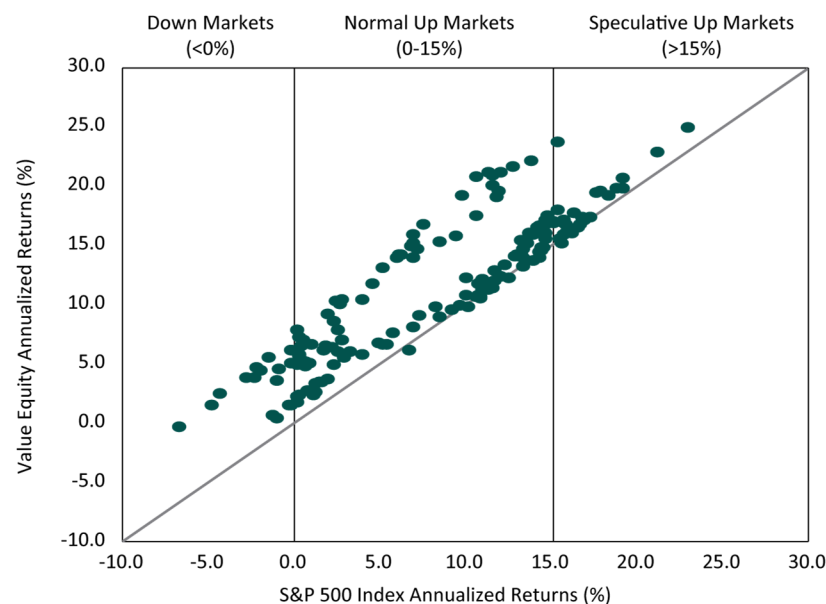


Rolling Five-Year Returns (Gross) — January 1, 2001 – March 31, 2020

Value Equity vs. Russell 1000 Value Index



Value Equity vs. S&P 500 Index



January 2001 – March 2020	Batting Average	%	Average Excess Return (%)	Minimum Excess Return (%)	Maximum Excess Return (%)
Outperformed Russell 1000 Value Index	172/172	100	3.6	0.1	8.0
Outperformed S&P 500 Index	160/172	93	3.2	-0.6	10.2
Russell 1000 Value 5-Yr Rolling Return <0%	35/35	100	5.0	3.3	6.5
Russell 1000 Value 5-Yr Rolling Return 0-15%	115/115	100	3.6	0.7	8.0
Russell 1000 Value 5-Yr Rolling Return >15%	22/22	100	1.5	0.1	5.8

Source: eVestment

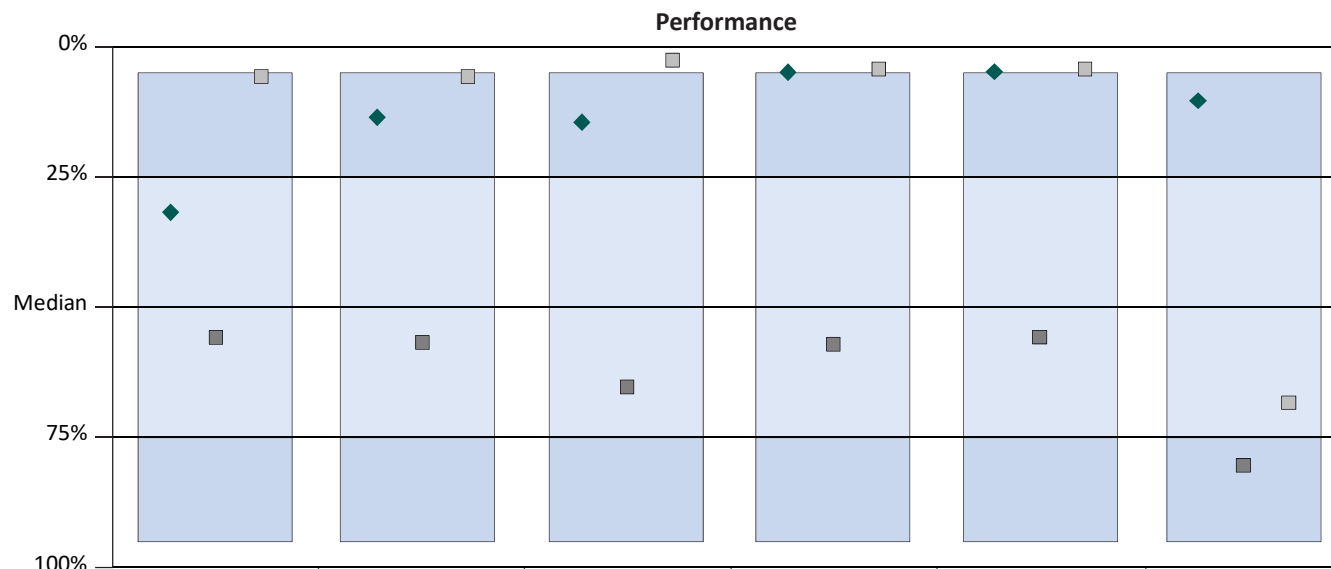
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This Rolling 5-year returns graph calculated using monthly data. Market environment returns reflect average annualized returns for rolling 5-year periods within each market environment category. Overall batting average reflects the percentage of rolling 5-year periods in which the Value Equity Composite outperformed the Russell 1000 Value Index and S&P 500 Index. The Aristotle Value Equity Composite has an inception date of November 1, 2010; however, the strategy initially began at Howard Gleicher's predecessor firm in October 1997. A supplemental performance track record from January 1, 2001 through October 31, 2010 is provided on this page. The performance results were achieved while Mr. Gleicher managed the strategy at a prior firm. The returns are based on two separate accounts and are calculated using custodian data. During this time, Mr. Gleicher had primary responsibility for managing the two accounts. Mr. Gleicher began managing one account in November 2000 and the other in December 2000. Past performance is not indicative of future results. Performance results for periods greater than one year have been annualized. Performance is preliminary pending final account reconciliation. Returns are presented gross of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. For example, a 0.5% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5.0% will produce a net result of 4.4%. Actual performance results will vary from this example. Please see important disclosures at the end of this document.

PEER RANKINGS (GROSS) – VALUE EQUITY (INCLUDING SUPPLEMENTAL RETURNS)



As of March 31, 2020



Universe:
eVestment U.S. Large Cap Value Equity

	YTD	Rk	1 Year	Rk	3 Years	Rk	5 Years	Rk	10 Years	Rk	Since Inception ¹	Rk
5th percentile	-19.39		-6.46		4.41		6.26		10.40		8.82	
25th percentile	-23.45		-12.28		1.19		4.15		8.90		6.89	
Median	-26.05		-16.33		-1.30		2.38		7.96		6.04	
75th percentile	-28.97		-19.90		-3.38		0.71		7.03		5.40	
95th percentile	-33.49		-26.54		-7.24		-2.29		4.94		4.30	
# of Observations	402		402		394		379		326		164	
◆ Aristotle Value Equity Composite (Gross)	-23.90	29	-9.53	12	2.35	13	6.14	5	10.41	5	8.24	8
■ Russell 1000 Value Index	-26.73	57	-17.17	58	-2.17	62	1.90	59	7.67	57	5.23	80
■ S&P 500 Index	-19.60	6	-6.98	6	5.10	3	6.72	4	10.53	4	5.63	67

Source: eVestment

¹The Value Equity supplemental performance track record has an inception date of January 1, 2001.

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The Aristotle Value Equity Composite has an inception date of November 1, 2010; however, the strategy initially began at Mr. Gleicher's predecessor firm in October 1997. A supplemental performance track record from January 1, 2001 through October 31, 2010 is included. The returns are based on two separate accounts and performance results are based on custodian data. During this time Mr. Gleicher had primary responsibility for managing the two accounts. Mr. Gleicher began managing one account in November 2000 and the other December 2000. Returns are presented gross of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. For example, a 0.5% annual fee deducted quarterly (0.125%) from an account with a ten-year annualized growth rate of 5.0% will produce a net result of 4.4%. Actual performance results will vary from this example.

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APPENDIX



ARISTOTLE OVERVIEW

As of April 30, 2020

Profile

- Aristotle is a family of four independent registered investment advisors
- Each advisor has meaningful employee ownership and complete investment autonomy
- \$32.22 billion in combined AUM¹
- Offices in Los Angeles, Newport Beach, Boston and New York
- The teams are supported by an integrated shared services platform (~90 individuals)
- All Aristotle Affiliates are PRI Signatories



Aristotle Capital Management, LLC

U.S., International and Global Equities

- Value Equity
- International Equity
- Global Equity



Aristotle Capital Boston, LLC

U.S. Equities

- Small Cap Equity
- Small/Mid Cap Equity



Aristotle Atlantic Partners, LLC

U.S. Equities

- Large Cap Growth
- Focus Growth
- Core Equity



Aristotle Credit Partners, LLC

U.S. ESG Credit

- High Yield and Short Duration High Yield
- Investment Grade Corporate
- Strategic Credit

¹As of April 30, 2020, Aristotle Capital had \$28.20 billion of assets under management, Aristotle Boston had \$3.00 billion of assets under management, Aristotle Atlantic had \$0.55 billion of assets under management and Aristotle Credit had \$0.45 billion of assets under management.
The Principles for Responsible Investing (PRI), a voluntary framework for institutional investors who commit to integrate environmental, social and governance (ESG) factors into their investment analysis and decision-making practices.



CORPORATE STRUCTURE

As of March 31, 2020

Investment and Research (17)

Howard Gleicher, CFA
CEO, Chief Investment Officer
Portfolio Manager

Catalina Llinás, CFA
Co-Chief Investment Officer

Victor Hawley, CFA
Director of Research
Senior Global Research Analyst

Gregory Padilla, CFA
Portfolio Manager
Senior Global Research Analyst

Geoffrey Stewart, CFA
Portfolio Manager
Senior Global Research Analyst

Sean Thorpe
Portfolio Manager
Senior Global Research Analyst

Alberto Jimenez Crespo, CFA
Portfolio Manager
Senior Global Research Analyst

Robert Bexton, CFA
Senior Global Research Analyst

Lauren Caston, PhD, CFA
Director of Data Science

William Cram, CFA
Senior Global Research Analyst

Jay Cunningham, CFA
Senior Global Research Analyst

Jake Gilden, CFA
Senior Global Research Analyst

Weixin Lin, CFA
Global Research Analyst

Jake Wamala
Global Research Analyst

Kevin Zhang, CFA
Global Research Analyst

James Henderson, CFA
Managing Director
Client Portfolio Manager

Aylon Ben-Shlomo, CFA
Client Portfolio Manager

Shared Services (Approximately 90 employees)

Executive Leadership

Gary Lisenbee
Co-Chief Executive Officer

Richard Schweitzer, CFA
CFO and Chief Operating Officer

Compliance

Michelle Gosom
Chief Compliance Officer

Institutional Services

Steve Borowski
President

Ranjit Sufi
Managing Director

Advisory Distribution

Patrick Schussman, CFA, CIMA, AIF
Managing Director

Business Operations

Robert Womack Jr.
Chief Innovation Officer

Geneviève Plourde, CFA
Director

Marketing Communications

Katrine Nygård
Vice President

Trading

Andrew Shapiro
Director of Trading

Randy Yi
Director of Trading

Risk Management

Nancy Scarlett
Chief Risk Officer

Private Client Group

James Birdwell, Jr.
Managing Director

Donn Conner, CFA
Managing Director

Investment Operations

Dianne Krager-Godel
Manager

Business Solutions

Hazael Meza
Senior Vice President

Finance & Human Resources

Sona Chandwani
Chief Administrative Officer

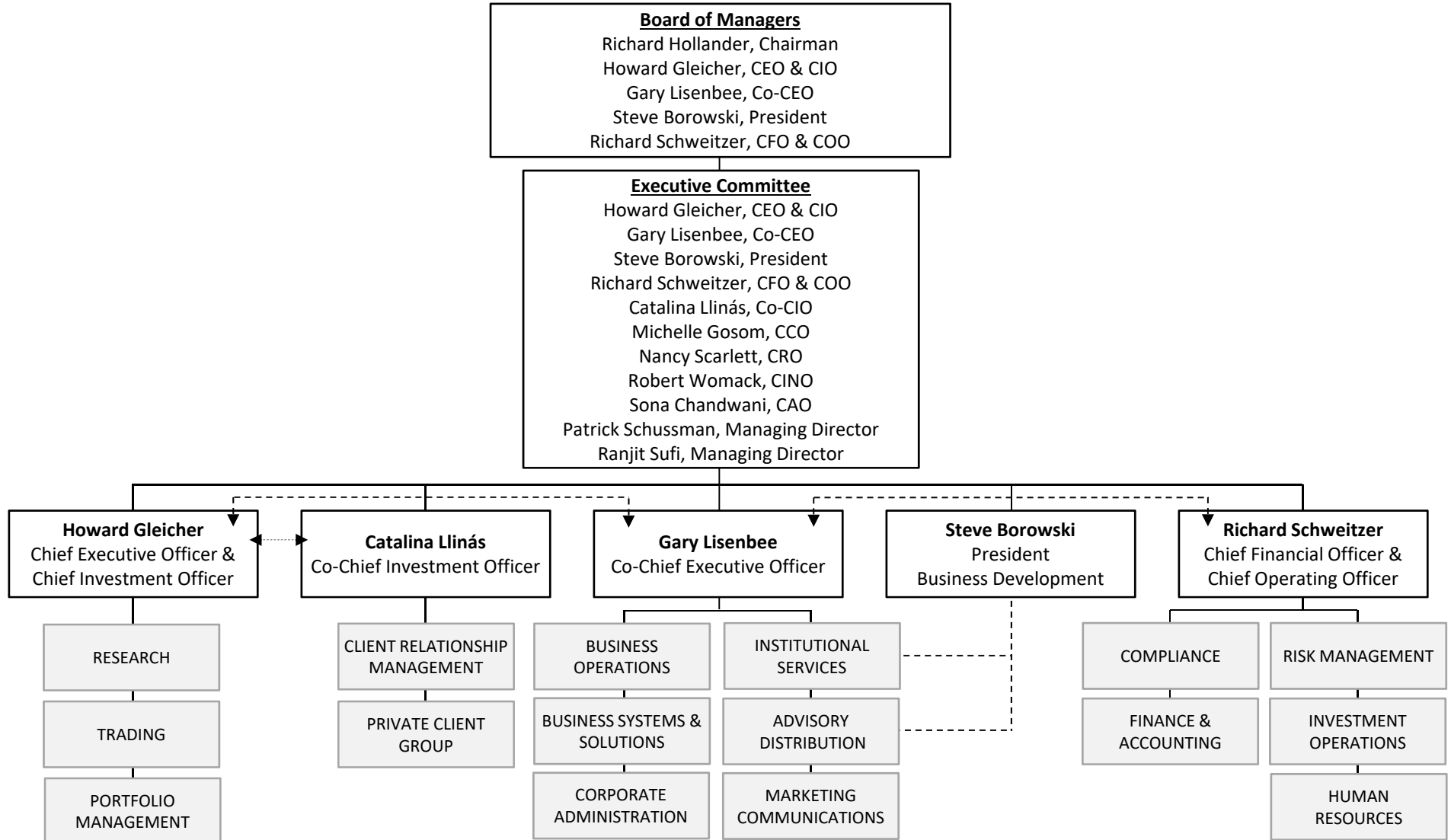
Average experience of investment team: 19 years

Not a complete list of employees; numbers in parentheses denote total number of employees in each department.



ARISTOTLE CAPITAL ORGANIZATIONAL CHART

As of March 31, 2020





BOARD OF MANAGERS

As of March 31, 2020

Name/Title	Industry Experience (Yrs)	Prior Experience	Education
Richard S. Hollander* Chairman of the Board	36	<ul style="list-style-type: none"> MetWest Ventures, LLC — Founder, Chairman and CEO The Signature Group — Founder, Chairman Drexel Burnham Lambert — West Coast Head 	<ul style="list-style-type: none"> Master of Finance, St. John's University BA, Business Administration, Ithaca College
Howard Gleicher, CFA* Chief Executive Officer Chief Investment Officer	35	<ul style="list-style-type: none"> Metropolitan West Capital Management, LLC — Co-Founder, CEO and Chief Investment Officer Palley-Needelman Asset Management, Inc. — Principal, Portfolio Manager and Investment Policy Committee member Pacific Investment Management Company (PIMCO) — Equity Portfolio Manager 	<ul style="list-style-type: none"> MBA, Harvard University MS and BS, Electrical Engineering, Stanford University
Gary W. Lisenbee* Co-Chief Executive Officer	46	<ul style="list-style-type: none"> Metropolitan West Capital Management, LLC — Co-Founder, CEO and Chief Investment Officer Palley-Needelman Asset Management, Inc. — Principal, Portfolio Manager and Investment Policy Committee member Van Deventer & Hoch, Investment Counsel — Senior Vice President, Portfolio Manager and Investment Policy Committee member Phelps Investment Management — Partner and Research Analyst 	<ul style="list-style-type: none"> MA, Economics, California State University, Fullerton BA, Accounting, California State University, Fullerton
Steve Borowski* President	40	<ul style="list-style-type: none"> Metropolitan West Capital Management, LLC — Co-Founder, Managing Partner Palley-Needelman Asset Management, Inc. — Managing Director 	<ul style="list-style-type: none"> MBA, Pepperdine University BA, University of California, Irvine
Richard H. Schweitzer, CFA* Chief Financial Officer Chief Operating Officer	33	<ul style="list-style-type: none"> Metropolitan West Financial/MetWest Ventures — Chief Operating Officer, Chief Financial Officer Metropolitan West Securities, LLC — Chief Operating Officer, Chief Financial Officer Astra Management Company (Pilgrim Group) — Senior Analyst Bank of America — Mortgage and Asset Securities Services Bond Administration Group Head Price Waterhouse — Auditor 	<ul style="list-style-type: none"> MBA, University of Southern California BS, Business Administration in Finance and Accounting, California State University, Northridge

*Denotes Principal



PROFESSIONAL BIOGRAPHIES

As of March 31, 2020

Name/Title	Industry Experience (Yrs)	Prior Experience	Education
Catalina Llinás, CFA* Co-Chief Investment Officer	17	<ul style="list-style-type: none"> Aristotle Capital Management – Managing Director, Client Portfolio Manager Metropolitan West Capital Management, LLC — Senior Vice President, Portfolio Manager Citibank España (Madrid, Spain) — Financial Advisor 	<ul style="list-style-type: none"> MBA, Georgetown University Licenciatura en Economía, Universidad Europea de Madrid
Victor F. Hawley, CFA* Director of Research Senior Global Research Analyst	28	<ul style="list-style-type: none"> Reed, Conner & Birdwell, LLC — Portfolio Manager and Senior Analyst The Boston Company — Vice President International Business Machines — Marketing Unit Manager 	<ul style="list-style-type: none"> MBA, Harvard University BA, Economics, University of Notre Dame
Gregory D. Padilla, CFA* Portfolio Manager Senior Global Research Analyst	14	<ul style="list-style-type: none"> Vinik Asset Management, LP — Portfolio Manager and Equity Analyst Tradewinds Global Investors, LLC — Managing Director, Portfolio Manager and Equity Analyst 	<ul style="list-style-type: none"> MBA, University of Southern California BS, Finance, Arizona State University
Geoffrey S. Stewart, CFA* Portfolio Manager Senior Global Research Analyst	21	<ul style="list-style-type: none"> Reed, Conner & Birdwell, LLC — Portfolio Manager and Analyst Oppenheimer & Company — Equity Analyst 	<ul style="list-style-type: none"> BA, History, Duke University
Sean M. Thorpe* Portfolio Manager Senior Global Research Analyst	31	<ul style="list-style-type: none"> Reed, Conner & Birdwell, LLC — Portfolio Manager and Analyst Shamrock Holdings, LLC — Senior Vice President Mandeville Partners, LLC — Managing Director Salick Health Care, Inc. — Vice President, Strategic Planning Kidder Peabody & Co. — Financial Analyst Drexel Burnham Lambert, Inc. — Financial Analyst 	<ul style="list-style-type: none"> BA, Economics and Finance, University of California, Los Angeles
Alberto Jimenez Crespo, CFA* Portfolio Manager Senior Global Research Analyst	20	<ul style="list-style-type: none"> Vinik Asset Management, LP — Portfolio Manager and Equity Analyst Tradewinds Global Investors, LLC — Managing Director, Portfolio Manager and Equity Analyst Merrill Lynch — Vice President, Equity Analyst Salomon Smith Barney — Equity Analyst 	<ul style="list-style-type: none"> MS, Mineral Economics, Colorado School of Mines MS and BS, Mining Engineering, Universidad Politécnica de Madrid
Robert Bexton, CFA* Senior Global Research Analyst	17	<ul style="list-style-type: none"> Hotchkis and Wiley Capital Management — Research Associate Moirai Capital Management — Equity Analyst MBF Capital Management — Research Assistant 	<ul style="list-style-type: none"> MS, Statistics, University of California, Los Angeles BA, Economics, University of California, Berkeley
William A. Cram, CFA* Senior Global Research Analyst	17	<ul style="list-style-type: none"> Reed, Conner & Birdwell, LLC — Portfolio Manager and Analyst Loop Capital Markets — Lead Research Analyst (Telecom) Accenture — Consultant 	<ul style="list-style-type: none"> MBA, University of Southern California BBA, University of Iowa

*Denotes Principal



PROFESSIONAL BIOGRAPHIES

As of March 31, 2020

Name/Title	Industry Experience (Yrs)	Prior Experience	Education
Jay Cunningham, CFA* Senior Global Research Analyst	25	<ul style="list-style-type: none"> Metropolitan West Capital Management, LLC — Senior Vice President, Senior Analyst Hibernia Southcoast Capital — Senior Analyst AIM Investments — Senior Analyst Retirement Systems of Alabama — Senior Analyst, Portfolio Manager 	<ul style="list-style-type: none"> MBA, Auburn University BA, Communications, University of Alabama
Jake Gilden, CFA* Senior Global Research Analyst	17	<ul style="list-style-type: none"> Wells Fargo Asset Management (MetWest Capital Equity Team) – Associate Portfolio Manager, Senior Research Analyst Cowen and Company – Investment Banking Associate 	<ul style="list-style-type: none"> MBA, University of California, Berkeley BS, University of Colorado Boulder
Lauren Caston, PhD, CFA Director of Data Science	5	<ul style="list-style-type: none"> Praedicat, Inc. — Chief Mathematician and Co-Founder, Director, Emerging Risk Technologies RAND Corporation — Mathematician 	<ul style="list-style-type: none"> PhD, Mathematics, University of California, Los Angeles BA, Mathematics, University of California, Berkeley
Weixin Lin, CFA* Global Research Analyst	11	<ul style="list-style-type: none"> Newbrook Capital — Hedge Fund Analyst H.I.G. Capital — Private Equity Associate Citi Markets & Banking — Investment Banking Analyst 	<ul style="list-style-type: none"> MBA, Harvard University BE, Biomedical Engineering, and BS, Economics, Duke University
Jake Wamala Global Research Analyst	8	<ul style="list-style-type: none"> OVO Fund — Principal, Venture Partner Independent Financial Consultancy — Advising Startups and Investment Funds Morgan Stanley Expansion Capital — Investment Professional, Global Private Equity Morgan Stanley, New York — Analyst 	<ul style="list-style-type: none"> MBA, University of California, Berkeley BS, Mechanical Engineering, Massachusetts Institute of Technology
Kevin K. Zhang, CFA* Global Research Analyst	11	<ul style="list-style-type: none"> Goldman Sachs — Associate, Asian Special Situations Group Passport Capital — Research Analyst Thomas H. Lee Partners — Investment Associate Morgan Stanley — Investment Banking Analyst 	<ul style="list-style-type: none"> MBA, Stanford University BA, Economics and Mathematical Methods in the Social Sciences (MMSS), and minor in Business, Northwestern University
James R. Henderson, CFA* Managing Director Client Portfolio Manager	33	<ul style="list-style-type: none"> Reed, Conner & Birdwell, LLC — Portfolio Manager and Senior Analyst Metropolitan West Capital Management, LLC — Partner, Portfolio Manager Van Deventer & Hoch, Investment Counsel — Partner, Portfolio Manager 	<ul style="list-style-type: none"> BS, Finance and Economics, California State University, Northridge
Aylon Ben-Shlomo, CFA* Client Portfolio Manager	13	<ul style="list-style-type: none"> Gratia Capital — Analyst Pacific Investment Management Company (PIMCO) — Vice President, Portfolio Manager, Equity Research Analyst Ivory Investment Management — Analyst 	<ul style="list-style-type: none"> MBA, University of California, Los Angeles BS, Accounting, University of Maryland

*Denotes Principal



PROFESSIONAL BIOGRAPHIES

As of March 31, 2020

Name/Title	Industry Experience (Yrs)	Prior Experience	Education
Ranjit S. Sufi* Managing Director Institutional Services	33	<ul style="list-style-type: none"> • Martin Currie Investment Management Ltd. — Executive Vice President, Sales and Client Service, North America • Tradewinds Global Investors, LLC — Managing Director • Nicholas-Applegate Capital Management, LLC — Managing Director, Global Sales and Client Service • Barclays Global Investors — Principal • AirTouch Communications/Pacific Telesis Group — Director, Fund Manager 	<ul style="list-style-type: none"> • MBA, Pepperdine University • BS, Electrical Engineering, California State University, Fresno
William J. Averill* Managing Director Institutional Services	24	<ul style="list-style-type: none"> • Loomis Sayles & Company, LP — Vice President, Institutional Services • Intercontinental Real Estate Corporation — Director, Institutional Equity • State Street Global Advisors — Principal, Institutional Sales • Mellon Trust — Trust Specialist, Global Accounting 	<ul style="list-style-type: none"> • MBA, Babson College • BS, Economics, Northeastern University
Keri Hepburn Vice President Institutional Services	32	<ul style="list-style-type: none"> • Invesco — Managing Director • INVESCO Management & Research, Inc. — Marketing Associate • Gardner & Preston Moss, Inc. — Portfolio Assistant/Performance Analyst 	<ul style="list-style-type: none"> • BA, Business Administration, University of Vermont
John J. Manley, CFA Vice President Institutional Services	19	<ul style="list-style-type: none"> • William Blair Investment Management, LLC — Senior Client Relationship Manager • Meketa Investment Group, Inc. — Principal, Investment Consultant • Kobren Insight Management, Inc. — Senior Research Analyst • Brown Brothers Harriman & Co. — Client Account Manager, Investor Services 	<ul style="list-style-type: none"> • BA, Economics and Government, Hamilton College
Kosta Stathopoulos Vice President Institutional Services	22	<ul style="list-style-type: none"> • TIAA — Director, Wealth Management • Brighton Jones — Director of Client Services • Fisher Investments — U.K. Senior Relationship Manager • UBS — Investment Associate • The Northern Trust — Institutional Account Manager 	<ul style="list-style-type: none"> • MBA, DePaul University • BBA, Finance, Loyola University of Chicago

*Denotes Principal



PERFORMANCE DISCLOSURE NOTES

Aristotle Value Equity Composite

November 1, 2010 Through December 31, 2018

Year	Performance Returns				Risk Characteristics				Assets Under Management as of December 31		
	Gross Returns (%)	Net Returns (%)	Russell 1000 Value Index (%)	S&P 500 Index (%)	3-Year Annualized Ex-Post Std Dev.				# of Accounts	Composite Assets (\$000s)	Firm Assets (\$000s)**
					Composite (%)	Russell 1000 Value Index (%)	S&P 500 Index (%)	Internal Dispersion (%)			
2018	-8.25	-8.58	-8.27	-4.38	11.4	11.0	11.0	0.48	480	9,017,214	13,480,505
2017	22.74	22.34	13.66	21.83	10.8	10.4	10.1	0.71	388	9,233,624	13,732,813
2016	17.61	17.20	17.34	11.96	11.7	10.9	10.7	0.58	310	7,209,777	10,664,606
2015	3.58	3.23	-3.83	1.38	11.7	10.8	10.6	0.42	282	5,914,087	9,260,928
2014	11.63	11.26	13.45	13.69	10.4	9.3	9.1	0.43	239	5,859,073	8,847,911
2013	30.82	30.41	32.53	32.39	13.6	12.9	12.1	0.56	188	3,834,804	6,643,169
2012	22.11	21.49	17.51	16.00	n/a	n/a	n/a	0.54	135	970,103	2,551,925
2011	-3.21	-3.61	0.39	2.11	n/a	n/a	n/a	n/a	62	144,794	n/a
2010*	5.30	5.21	7.32	6.70	n/a	n/a	n/a	n/a	≤5	762	n/a

*Returns are for the period from November 1, 2010 through December 31, 2010.

**The track record prior to January 1, 2012 was earned at Aristotle Capital Management prior to the integration with Reed, Conner & Birdwell, LLC; therefore, Firm Assets are applicable only since the integration date

Aristotle Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Aristotle Capital Management, LLC has been independently verified for the period from January 1, 1996 through December 31, 2018.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firmwide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Value Equity Composite has been examined for the period from November 1, 2010 through December 31, 2018. The verification and performance examination reports are available upon request.

- Aristotle Capital Management, LLC is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Effective January 1, 2012, Aristotle Capital Management combined its business with Reed, Conner & Birdwell, LLC, an affiliated firm. Reed, Conner & Birdwell is the surviving legal entity. Following the integration, the firm changed its name to Aristotle Capital Management, LLC. The firm and its predecessor firms have been in business since 1959. Registration does not imply a certain level of skill or training.
- The Value Equity Composite (the "Composite") includes all discretionary accounts managed in this strategy. The objective of the Value Equity strategy is to optimize long-term returns, and the strategy is benchmarked to the Russell 1000 Value Index and the S&P 500 Index with a focus on mitigating market risk. This strategy focuses on high-quality U.S. businesses and ADRs that appear to be trading at a discount to fair value and have a minimum market capitalization of approximately \$2 billion. The Composite was created in November 2010. A list of composite descriptions is available upon request.
- Composite and benchmark returns reflect the reinvestment of income. Gross of fee composite returns are calculated after the deduction of all trading expenses, which may include administrative fees. Net of fee composite returns are calculated after the deduction of all trading expenses which may include administrative fees, and actual investment advisory fees. Performance is expressed in U.S. dollars. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request. Dividends are recorded gross of withholding taxes.
- The internal dispersion of annual returns is measured by the equal-weighted standard deviation of the annual gross returns of those accounts included in the Composite for the entire year. Dispersion for annual periods with five or fewer accounts included in the Composite for the year is not statistically meaningful and is not presented.
- The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values. The S&P 500 Index is the Standard & Poor's Composite Index of 500 stocks and is a widely recognized, unmanaged index of common stock prices. It is not possible to invest directly in these indices. The volatility (beta) of the Composite may be greater or less than its respective benchmarks. Benchmark returns are not covered by the report of the independent verifiers.
- The three-year annualized ex-post standard deviation is not presented for periods prior to 2013 because 36 monthly composite returns are not available.
- Effective December 9, 2013, the institutional fee schedule for Aristotle Capital's investment advisory services for the Value Equity Composite is 0.80% on the first \$25 million, 0.50% on the next \$75 million, 0.45% on the next \$200 million and 0.40% on amounts over \$300 million. Actual investment advisory fees incurred by clients may vary.
- As of December 31, 2014, 2015, 2016 and 2017, non-fee paying accounts comprise of less than 1% of each year end.
- Past performance is not indicative of future results. This material is not financial advice or an offer to sell any product. The portfolio characteristics shown relate to the Aristotle Capital Value Equity Composite. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors, including but not limited to: (1) the size of the account; (2) investment restrictions applicable to the account, if any; and (3) market exigencies at the time of investment. Aristotle Capital Management, LLC reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. ACM-2005-106



Eagle Capital Management

ACERA

June 10, 2020

EAGLE CAPITAL MANAGEMENT 499 PARK AVENUE NEW YORK NY 10022
Confidential report prepared upon client request, not for further distribution

IMPORTANT INFORMATION

This Presentation has been provided in order to provide a high-level overview of Eagle Capital Management, LLC (the "Adviser"), certain of its operational and advisory programs and processes, and certain of its key personnel. This report has been prepared solely for the purpose of providing background information to the person to whom it has been delivered. The information contained herein is strictly confidential and is only for the use of the person to whom it is sent and/or who attends any associated presentation. The information contained herein may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of the Adviser. Notwithstanding anything set forth herein, each recipient of this document (and each of the employees, representatives or other agents of such recipient) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the applicable Separately Managed Account managed by the Advisor (a "SMA") and (ii) any of its transactions, and all materials of any kind (including, without limitation, opinions or other tax analysis) that are provided to each recipient relating to such tax treatment and tax structure. Important disclosures are included throughout this report as well as in the footnotes located on the final page of this report and these should be carefully reviewed.

This Presentation does not constitute an offer to sell or a solicitation to buy any securities—or a recommendation to enter into any transaction, and may not be relied upon in connection with any offer or sale of securities. Any such offer or solicitation may only be made pursuant to the copy of a proposed account agreement provided by the Adviser, which will be provided only to qualified offerees and which should be carefully reviewed prior to investing. Further, the distribution of this report may be restricted in certain jurisdictions. The information herein is for general guidance only, and it is the responsibility of any person or persons in possession of this report to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

This Presentation does not create any obligation on the Adviser or to consider any offer. The Adviser reserves the right, without prior notice and without giving reasons, to vary or terminate the sale process, to reject any or all proposals and/or to negotiate with any prospective purchaser on any terms (and whether individually or simultaneously with any other prospective purchaser) with respect to any transaction.

No representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of the information or opinions contained in this report by any of the Adviser, its members, employees or affiliates and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions, and nothing contained herein shall be relied upon as a promise or representation whether as to past or future performance.

Opinions expressed herein may not be shared by all employees of the Adviser and are subject to change without notice. Certain information contained in this report constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual policies, procedures and processes of the Adviser and the performance of any SMA may differ materially from those reflected or contemplated in such forward-looking statements and no undue reliance should be placed on these forward-looking statements, nor should the inclusion of these statements be regarded as the Adviser's representation that an account will achieve any strategy, objectives or other plans.

A number of indices are referenced herein. Each index is presented because the Adviser feels that it serves as a useful point of comparison with aspects of the Adviser's portfolio management. A SMA's portfolio will not replicate any of these indices and no guarantee is given that performance will match any of the indices.



FIRM BACKGROUND

- **Founded in 1988¹ by Ravenel and Beth Curry**
- **Single strategy – Eagle Equity portfolio; long-only**
- **Low turnover, concentrated portfolio of 25-35 stocks**
- **\$24.3 Billion in Assets Under Management²**
- **Over 80% Institutional**
- **100% Employee-owned**
- **Eight member investment team**
- **Collaborative team of 37 seasoned professionals**

¹In 1995, the organizational structure of the firm was changed to a Limited Liability Company (LLC).

²Assets Under Management are as of March 31, 2020.

EAGLE EQUITY SEPARATELY MANAGED ACCOUNT (SMA) COMPOSITE PERFORMANCE



Eagle Capital Management

Periods Ending 3/31/2020

	Eagle Capital Gross of Fees	Eagle Capital Net of Fees	Russell 1000 Value	S&P 500
March 2020	-17.4%	-17.4%	-17.1%	-12.4%
Year to Date	-23.7%	-23.8%	-26.7%	-19.6%
One Year	-10.7%	-11.3%	-17.2%	-7.0%
<i><u>Annualized Returns:</u></i>				
Three Years	4.0%	3.2%	-2.2%	5.1%
Five Years	6.1%	5.3%	1.9%	6.7%
Seven Years	9.5%	8.7%	5.6%	9.6%
Ten Years	11.5%	10.7%	7.7%	10.5%
Since Inception (12/1988)	13.7%	13.0%	9.1%	9.8%
Cumulative Since Inception	5469.9%	4408.1%	1418.2%	1728.9%

Returns are preliminary.

The S&P 500 Index includes 500 leading companies and captures more than three quarters of the total market capitalization. It is float-adjusted and based on the market cap weightings of the securities that comprise the index.

The Russell 1000 Value Index contains those Russell 1000 companies that have higher book-to-price ratios, and thus a less-than-average growth orientation, than the remaining companies in the Russell 1000 Index that encompass the Russell 1000 Growth Index.

FEES: Fees are 1.00% on the first \$5MM and 0.75% for assets over \$5MM. Account minimum is \$5MM. Separate account structure for all accounts.

For more detailed footnotes, please see last page of this presentation.

EAGLE EQUITY SEPARATELY MANAGED ACCOUNT (SMA) COMPOSITE PERFORMANCE



Eagle Capital Management

Periods Ending 4/30/2020

	Eagle Capital Gross of Fees	Eagle Capital Net of Fees	Russell 1000 Value	S&P 500
April 2020	12.5%	12.3%	11.2%	12.8%
Year to Date	-14.1%	-14.4%	-18.5%	-9.3%
One Year	-5.8%	-6.5%	-11.0%	0.9%
<i><u>Annualized Returns:</u></i>				
Three Years	7.6%	6.8%	1.4%	9.0%
Five Years	8.2%	7.4%	3.9%	9.1%
Seven Years	11.0%	10.2%	7.0%	11.2%
Ten Years	12.5%	11.7%	8.5%	11.7%
Since Inception (12/1988)	14.1%	13.3%	9.4%	10.1%
Cumulative Since Inception	6166.5%	4963.4%	1588.9%	1963.3%

Returns are preliminary.

The S&P 500 Index includes 500 leading companies and captures more than three quarters of the total market capitalization. It is float-adjusted and based on the market cap weightings of the securities that comprise the index.

The Russell 1000 Value Index contains those Russell 1000 companies that have higher book-to-price ratios, and thus a less-than-average growth orientation, than the remaining companies in the Russell 1000 Index that encompass the Russell 1000 Growth Index.

FEES: Fees are 1.00% on the first \$5MM and 0.75% for assets over \$5MM. Account minimum is \$5MM. Separate account structure for all accounts.

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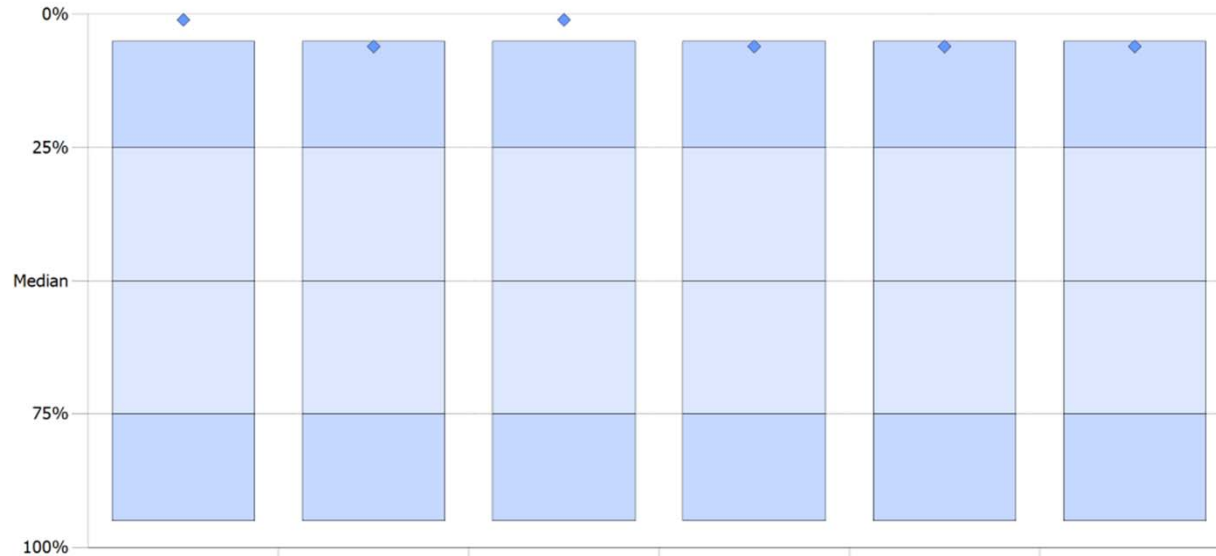
PEER GROUP RANKING OF EAGLE EQUITY SEPARATELY MANAGED ACCOUNT COMPOSITE : SINCE INCEPTION



Eagle Capital Management

◆ Eagle Capital Management, LLC: Eagle Equity

Eagle Capital Management, LLC - Eagle Equity Composite
Net of Fee Returns Since Inception: 31.25 Years 1/1989 - 3/2020



Universe:
Large Cap Value & Core

	Returns ³	Rk	Alpha ¹³	Rk	IR ¹³	Rk	Sharpe ^{2,3}	Rk	Treynor ^{12,3}	Rk	Sortino ^{2,3}	Rk
5th percentile	12.02		3.87		0.30		0.61		11.03		0.96	
25th percentile	9.95		0.87		0.02		0.45		7.52		0.67	
Median	9.24		0.17		-0.09		0.39		6.67		0.58	
75th percentile	8.79		-0.39		-0.15		0.36		6.11		0.52	
95th percentile	7.96		-1.26		-0.31		0.29		5.05		0.43	
# of Observations	34		34		34		34		34		34	
◆ Eagle Capital Management, LLC	12.97	1	3.74	6	0.42	1	0.60	6	10.53	6	0.94	6

Results displayed in US Dollar (USD)

¹S&P 500; ²FTSE 3-Month T-Bill; ³1/1989 - 3/2020

Source: Analysis performed utilizing eVestment Alliance analytics tools. Performance figures are based on net returns that in some cases may be preliminary, unaudited and subject to subsequent adjustments. Net returns include management fees which reduce returns. Figures are calculated using Advent APX software and Eagle Capital analysis. Details available upon request. Past performance does not guarantee future results. See "Footnotes" at end of this presentation for additional important disclosures. "Rk" denotes percentile performance relative to peer managers self-reporting to eVestment Alliance.

The eVestment US Large Cap Value and Core Equity Universes include US equity products that invest primarily in large capitalization stocks. eVestment universes are maintained and reviewed by eVestment based on manager-reported data and eVestment proprietary analysis. While Eagle Capital pays eVestment for certain analytical services, Eagle Capital does not pay to be included in the US Large Cap Equity Universe (this is independently calculated by eVestment). On an ongoing basis, all eVestment Universes are updated & scrubbed approximately 45 days after quarter-end, where several factors are considered, including analysis of sector allocations vs. existing eVestment style universes and statistical performance and risk screening versus appropriate benchmarks and universe medians. For further information, see www.evestment.com

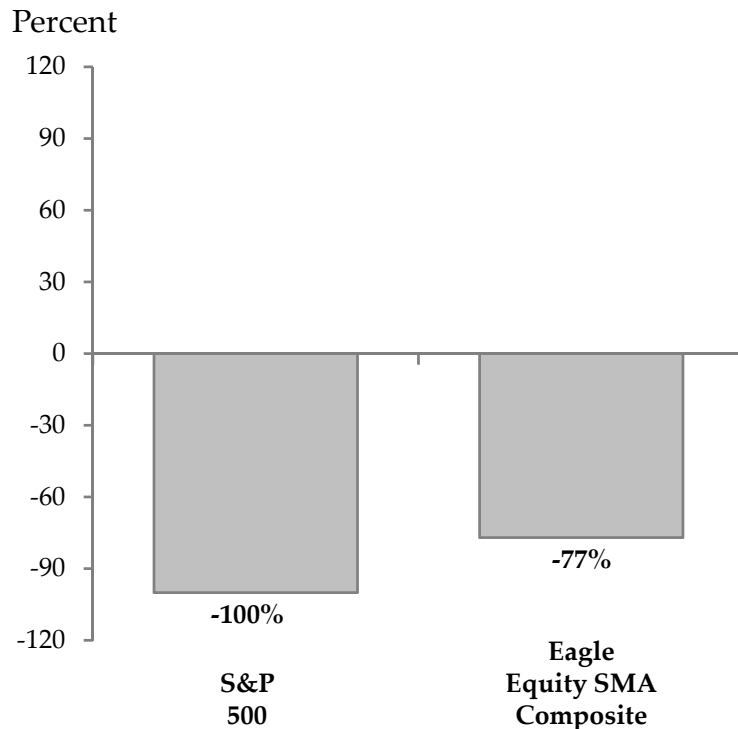


UP/DOWN MARKET CAPTURE

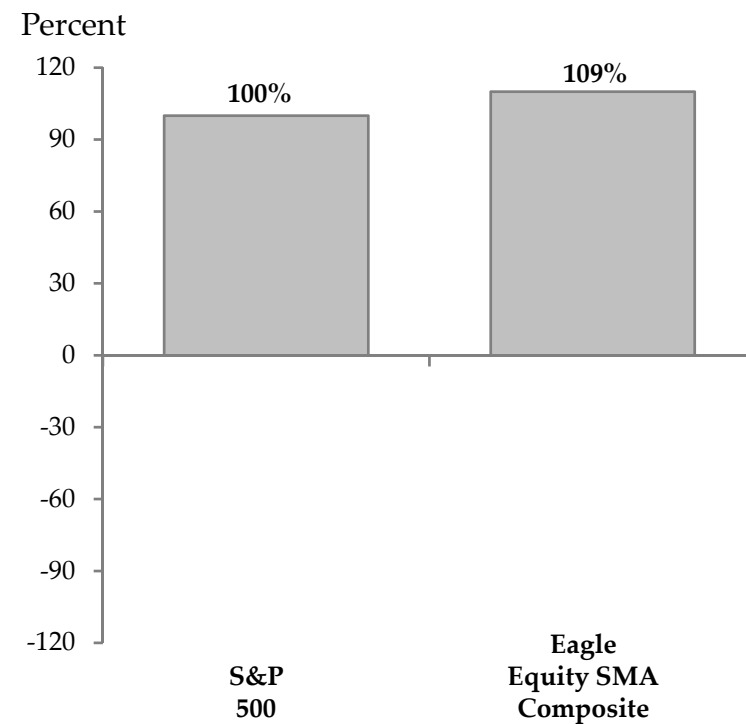
VALUE FLOOR LIMITS DOWNSIDE

EARNINGS GROWTH ADDS TO UPSIDE

*Down-Market Capture Ratio
S&P down quarters, 1989 – Q1 2020*



*Up-Market Capture Ratio
S&P up quarters, 1989 – Q1 2020*



The up/down-market capture ratio is a statistical measure of an investment manager's overall performance in up/down-markets. The ratio is calculated by dividing Eagle Capital's returns by the returns of the S&P 500 during the up-market or down-market, and multiplying that factor by 100. An up-market capture ratio of 110 indicates that the manager outperformed the market by 10% during the specified period. A down-market capture ratio of 80 indicates that the manager's portfolio declined only 80% as much as the S&P 500 during the specified period. The Eagle strategy is not managed to a benchmark; S&P information is provided for illustrative purposes. The S&P 500 Index includes 500 leading companies and captures more than three quarters of the total market capitalization. It is float-adjusted and based on the market cap weightings of the securities that comprise the index. Above data presented using Gross of Fees returns for the Eagle Equity SMA Composite. Using Net of Fees returns, down-market capture ratio is -79%, and up-market capture ratio is 106%.

Source of Data: Advent APX software and Eagle Capital analysis



INVESTMENT MANAGEMENT TEAM

	EXPERIENCE	
	TOTAL	EAGLE
<p>RAVENEL B. CURRY III—CIO Ravenel is a founder and the chief investment officer of Eagle Capital Management, LLC. Formerly a partner at H.C. Wainwright and the portfolio manager of the Duke Endowment, Ravenel began his investment career as a security analyst at Morgan Guaranty Trust Company. He received his Bachelor of Arts degree from Furman University and an M.B.A. from the University of Virginia. Ravenel is a trustee of the Manhattan Institute, the American Enterprise Institute, the New York Hall of Science, the New-York Historical Society, Success Academy, and the Duke Endowment. Ravenel is a former trustee of Furman University and the former chairman of the New Jersey Higher Education Assistance Authority. He is a member of the Council on Foreign Relations.</p>	52	32
<p>R. BOYKIN CURRY IV—DEPUTY CIO Boykin is a deputy CIO and senior research analyst. Formerly a portfolio manager at Kingdon Capital, Boykin began his investment career at Miller Anderson & Sherrerd. At Miller Anderson & Sherrerd/Morgan Stanley Asset Management, he managed an emerging markets fund and co-ran an international equity fund. Prior to business school, he was a strategy consultant at Bain & Company. Boykin graduated from Yale University with a degree in Economics and earned his M.B.A. at Harvard Business School. He is a founding board member of Public Prep, which opens charter schools for children in New York City, and a trustee of the New America Foundation.</p>	27	18
<p>JONATHAN GANDELMAN Jonathan is a senior research analyst. He was formerly a senior analyst at Falcon Edge Capital. Prior to business school, Jonathan worked in private equity at Apax Partners and in mergers & acquisitions at Evercore Partners. Jonathan graduated magna cum laude from the Wharton School at the University of Pennsylvania with a Bachelor of Science degree in Economics and earned his M.B.A. from Harvard Business School.</p>	11	2
<p>ALEC J. HENRY—DEPUTY CIO Alec is a deputy CIO and senior research analyst. He was formerly the Director of Research at Corsair Capital Management. Prior to joining Corsair, Alec worked in corporate strategy at Starwood Hotels and was a strategy consultant at Mercer Management Consulting. Alec received his Bachelor of Science in Commerce with a concentration in Finance from the McIntire School of Commerce at the University of Virginia. He has earned the Chartered Financial Analyst designation.</p>	17	10
<p>STEPHANIE J. LI Stephanie is a research analyst. She formerly worked at Blue Ridge Capital and at Evercore in M&A. Stephanie graduated summa cum laude with a Bachelor of Science degree in Economics from the Wharton School at the University of Pennsylvania.</p>	5	2
<p>ADRIAN V. MELI—DEPUTY CIO Adrian is a deputy CIO and senior research analyst. He formerly worked at Farley Capital. Adrian graduated magna cum laude and Phi Beta Kappa with a Bachelor of Arts degree in Economics and Psychology from Williams College.</p>	18	12
<p>TOWNSEND WELLS Townsend is a senior research analyst. He was formerly a Partner at Palestra Capital Management, a public equity investment firm he was with since its launch. Prior to Palestra, Townsend worked on private debt and equity investments in the Blackstone Group’s credit investment division, GSO Capital, and in investment banking at Credit Suisse. Townsend graduated magna cum laude with a Bachelor of Arts degree from Princeton University.</p>	13	2
<p>RICHARD R. ONG, CFA—PARTNER EMERITUS Richard is currently a partner emeritus and was formerly a senior research analyst. He was a principal at McCowan Associates, the former Investment Management Services division of Goldman, Sachs & Co. Richard was an analyst and served on the investment committee. He worked in biomedical research at the University of California, the San Francisco Medical Center and the New York University Medical Center. Richard received his Bachelor of Arts degree in Chemistry from Princeton University and an M.B.A. from Columbia University. He holds the Chartered Financial Analyst designation.</p>	35	23

All members listed alphabetically after CIO



Investment Philosophy:

- Buy undervalued companies with unrecognized growth potential
Seek stocks that are inexpensive relative to both their core earnings power and their long-term prospects
- Minimize risk – “Risk is Greatest when Agreement is Greatest”
Seek to avoid high expectation stocks where there is a higher risk of a permanent loss of capital

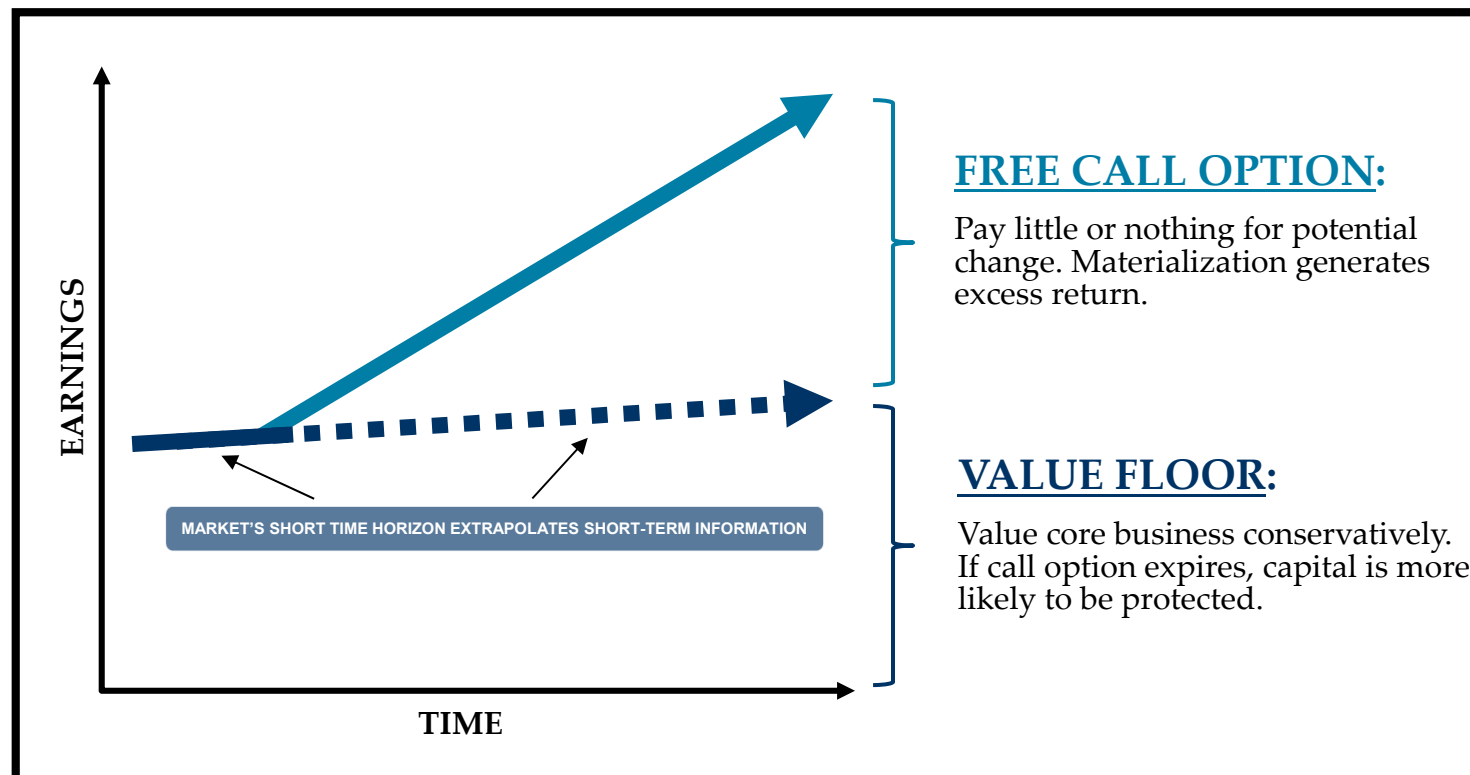
Differentiating Features:

- Long-term investment horizon allows us to find opportunities in which many investors can't or won't invest
- Judgment applied to original research
- Culture of intensity combined with emotional calm – “Rigor plus Patience”
- Strong relationships with company management derived from diligence and long-term perspective
- Team approach to research – different perspectives, insights and expertise factor into portfolio decisions
- Target a focused portfolio of our 25 – 35 best ideas; typically add five new positions per year
- Compensation structure that is aligned with our clients' interests



FIND CHANGE EARLY

Buy Undervalued Companies With Unrecognized Growth Potential



A free call option describes some change that is unrecognized by the market and likely to be valuable in the future. Examples include the introduction of a new product line, a new way of using technology to cut costs, a new management team that will better allocate resources, etc.

A value floor describes the underlying income-producing assets of a company as strong enough to maintain the value of the investment, even at times of stress. In other words, the company is a good value based on what we can be fairly certain of now.



SHORT-TERM STRESS AND LONG-TERM VALUE

SHORT-TERM PRESSURES CAN CREATE BUYING OPPORTUNITIES:

- Accounting understates economic reality
- Headline risk
- Cyclical downturn
- Guilt by association
- Company manages to long-term value rather than quarterly earnings
- Unsustainable pressures
- Sector-wide pressure (input prices up, expensive new regulations, etc.)
- Orphans (spin-offs, value/growth transition, fuzzy asset classification, etc.)



LONG-TERM FACTORS CAN CREATE UNRECOGNIZED VALUE:

- New management
- Expanding geographical markets
- Product extensions
- Different use of technology
- Changing industry dynamic
- Inflection points (cost-benefit tipping point, change in cap ex needs)
- Platforms that can be leveraged
- Secular trends
- Unusually long duration of competitive moats

EAGLE LOOKS FOR SHORT-TERM
UNDERVALUATION
AND
LONG-TERM VALUE CREATION



PORTFOLIO DISCIPLINES / RISK CONTROLS

BUY DISCIPLINE	HOLD DISCIPLINE	SELL DISCIPLINE
<p>Compelling investment thesis</p> <ul style="list-style-type: none">• Superior risk/return profile vs. other opportunities <p>Value floor</p> <ul style="list-style-type: none">• Strong franchise and low valuation limits downsides• Favorable returns even if call options do not materialize <p>Long-term upside</p> <ul style="list-style-type: none">• Secular change• Free call options	<p>Investment thesis still valid</p> <ul style="list-style-type: none">• Business continues to be compelling• Intrinsic value is compounding faster than stock price <p>Ongoing research</p> <ul style="list-style-type: none">• Regular company checks• Discussions with industry experts, competitors, customers and suppliers• Updated valuation models	<p>Investment thesis questioned</p> <ul style="list-style-type: none">• New threats emerge• Fundamentals deteriorate <p>Valuation</p> <ul style="list-style-type: none">• Stock is fully valued• A new idea offers superior risk/return profile
FOCUSED PORTFOLIO		
<p>Maximum Position Size: 10% of portfolio Maximum Sector Weighting: Generally 35% of portfolio Typically 25-35 Stocks Typically < 25% Annual Turnover</p>		

These are general guidelines. There may be temporary periods when one or more of these guidelines are exceeded due to market conditions, client restrictions, portfolio balancing or other issues.



INVESTMENT PROCESS

The Thesis Testing / Refining and the Buy / Sell Decision are the Critical Steps in Our Process

➔			
<p style="text-align: center;">INTERESTING STOCKS / INVESTMENT THESIS 100 – 200 STOCKS / YEAR</p>	<p style="text-align: center;">TEST, REFINE AND FINALIZE INVESTMENT THESIS 25- 50 STOCKS / YEAR</p>	<p style="text-align: center;">BUY, HOLD OR SELL DECISION 5-10 STOCKS / YEAR</p>	<p style="text-align: center;">TRANSACT 5-10 STOCKS / YEAR</p>
<p>SOURCE OF IDEAS: management discussions, industry conferences, articles, discussions with industry experts, disruptive events, following good management, industry reports and magazines</p>	<p>VALUE FLOOR: use multiple valuation methodologies / approaches to ensure investment on its own will generate sufficient return</p> <p>SECULAR CHANGE: test and refine long term free call option / opportunity through financial models, extensive interviews (competitors, suppliers, customers, former employees, independent experts, etc.), data analysis, evaluation of management, impact of macro scenarios on individual stocks, and internal discussion and debate</p> <p>CONTINUOUS REVIEW: ongoing research and analysis of the positions</p>	<p>BUY: based on investment thesis and valuation</p> <p>HOLD: thesis is playing out</p> <p>SELL: thesis has played out; better relative opportunity; execution problems; call option is not materializing; position approaches risk guidelines; price appreciates faster than intrinsic value</p>	<p>PRICE: select entry and exit points</p> <p>SIZE: consider risk / reward; diversification; correlated risk factors</p> <p>EXECUTION: consider timing, broker, platform</p>
<p style="text-align: center;">KEY PARTICIPANTS: Analysts</p>	<p style="text-align: center;">KEY PARTICIPANTS: CIO, Deputy CIOs, Analysts</p>		<p style="text-align: center;">KEY PARTICIPANTS: CIO, Deputy CIOs, Trader</p>
<p style="text-align: center;">5% - 15% OF THE VALUE</p>	<p style="text-align: center;">70% - 90% OF THE VALUE</p>		<p style="text-align: center;">5% - 10% OF THE VALUE</p>



PORTFOLIO CHARACTERISTICS

Separately Managed Account Representative Portfolio as of March 31, 2020

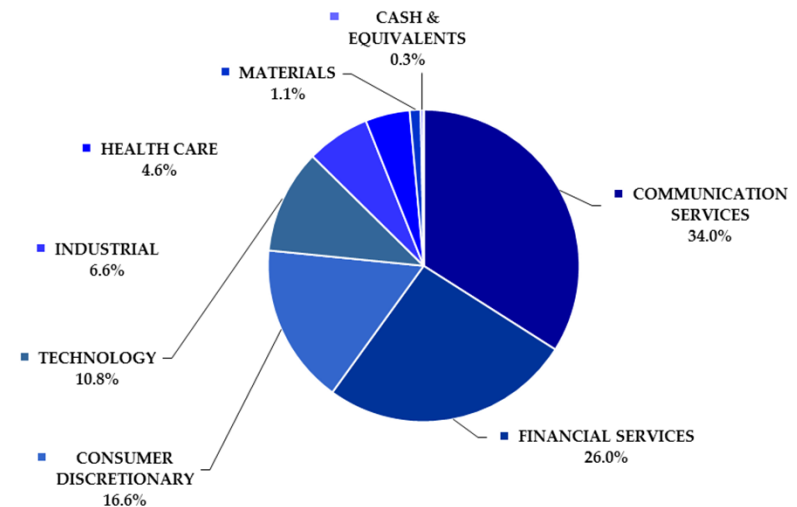
Portfolio Characteristics	Portfolio	S&P 500
Number of Holdings	31	505
Avg Wtd Market Cap (\$B)	357	305
Median Market Cap (\$B)	55	18
Avg Wtd Beta	1.1	1.0
Avg Wtd P/E Trailing	12.3	18.1
Avg Wtd P/E Forward	13.7	16.6
Avg Wtd Price/Book	1.6	2.7
Avg Wtd Price/Cash Flow Trailing	7.2	11.2

*Securities with negative ratios, or, in the case of Berkshire Hathaway, extreme positive outliers, have been excluded so as not to distort the portfolio total. Portfolio P/E Trailing calculation excludes Liberty Global PLC and Liberty TripAdvisor Holdings Inc; P/E Forward calculations exclude GCILiberty Inc, Liberty Global PLC, and Liberty TripAdvisor Holdings Inc; P/B calculation excludes Berkshire Hathaway and Hilton Worldwide Holdings Inc; P/CF calculation excludes Berkshire Hathaway, Citigroup Inc, Netflix Inc.

LARGEST HOLDINGS		
Sector	Security	Pct.
1 Technology	Microsoft Corp	9.4
2 Communication Services	Alphabet Inc	9.2
3 Financial Services	Berkshire Hathaway Inc	7.3
4 Consumer Discretionary	Amazon.Com Inc	7.0
5 Communication Services	Comcast Corp	6.3
6 Communication Services	Charter Communications Inc	4.9
7 Financial Services	Goldman Sachs Group Inc	4.6
8 Financial Services	Citigroup Inc	4.5
9 Communication Services	Facebook Inc	4.4
10 Financial Services	Aon Plc	4.4
Total		61.9

Charter Communications represents combined holdings, as applicable, of Charter Communications Inc, GCILiberty Inc, and Liberty Broadband shares. GCILiberty Inc and Liberty Broadband hold a substantial interest in Charter Communications Inc.

CURRENT SECTOR ALLOCATIONS
(Sectors are the outcome of individual stock selection.)



Please note that the classifications used for attribution purposes are GICS classifications. The holdings identified above do not represent all of the securities purchased, sold, or held during the included period.



SAMPLE INSTITUTIONAL CLIENTS*

Academic Organizations

American Technion Society	Drexel University	Northwestern University	Teachers College, Columbia University
American University of Beirut	Grinnell College	Phillips Academy, Andover	University of Oregon
Boston University	Hendrix College	Simmons College	Villanova University
Carleton College	Kent School	Southern Methodist University	Wesleyan College
College of the Atlantic	The Lawrenceville School	Suffield Academy	Western New England College

Cultural Institutions

Atlanta Historical Society	Chicago History Museum	International Center for Photography	New York Philharmonic
Brooklyn Museum	The Frick Collection	Lincoln Center for Performing Arts	Whitney Museum of American Art

Foundations and Endowments

Burke Rehabilitation Foundation	The Field Foundation	The Charles Hayden Foundation	The Oregon Community Foundation
Chicago Community Foundation	Ford Foundation	The National YMCA	Unidel Foundation, Inc.
The Charles A. Dana Foundation			

Pensions

Cargill, Incorporated	Cobb County	Public Employees' Retirement System	St. Louis District Ironworkers Pension
City of Hartford	National Fuel Gas Company	of Mississippi	Swisher International, Inc.
Citigroup	N.Y. Backstretch Employees	Sheet Metal Workers' Local Union No. 80	

Healthcare

Asante Health System	Bronson Healthcare	Kettering Medical Center	Munson Medical Center
Beaumont Health	Kansas Health Foundation	Eversight	

Religious Organizations

American Baptist Home Mission	Jewish Communal Fund, New York	The Riverside Church, NYC	Society of the Holy Child Jesus
Archdiocese of Miami	Presbytery of Baltimore	The Salvation Army	Union Theological Seminary
Jewish Community Investment Fund			

*Criteria used for inclusion are unrelated in any way to the performance of the underlying accounts. Criteria include that the account be discretionary and institutional. It is not known whether the listed clients approve or disapprove of Eagle Capital Management, LLC or its advisory services.

SEPARATELY MANAGED ACCOUNT REPRESENTATIVE PORTFOLIO COMPOSITION



Eagle Capital Management

As of March 31, 2020

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
MATERIALS									
10,083	LyondellBasell Industries-Cl A	44.78	<u>451,505</u>	49.63	<u>500,419</u>	<u>1.1</u>	4.20	<u>42,349</u>	<u>8.5</u>
			451,505		500,419	1.1		42,349	8.5
INDUSTRIAL									
15,869	AerCap Holdings NV	51.33	814,593	22.79	361,655	0.8	-	-	-
234,409	General Electric Co	9.23	2,163,781	7.94	1,861,207	4.2	0.04	9,376	0.5
4,153	Hexcel Corp	68.49	284,450	37.19	154,450	0.4	0.68	2,824	1.8
7,751	Wabtec Corp	68.29	529,315	48.13	373,056	0.8	0.48	3,720	1.0
2,601	Woodward Inc	106.26	<u>276,377</u>	59.44	<u>154,603</u>	<u>0.4</u>	1.12	<u>2,913</u>	<u>1.9</u>
			4,068,517		2,904,971	6.6		18,834	0.6
CONSUMER DISCRETIONARY									
1,572	Amazon.com Inc	292.22	459,366	1,949.72	3,064,960	7.0	-	-	-
34,700	General Motors Co	34.48	1,196,546	20.78	721,066	1.6	1.52	52,744	7.3
17,497	Hilton Worldwide Holdings Inc	71.35	1,248,380	68.24	1,193,995	2.7	-	-	-
25,287	Marriott International -Cl A	84.77	2,143,678	74.81	1,891,720	4.3	-	-	-
5,864	Mohawk Industries Inc	191.23	<u>1,121,362</u>	76.24	<u>447,071</u>	<u>1.0</u>	-	-	-
			6,169,332		7,318,813	16.6		52,744	0.7
HEALTH CARE									
2,136	Anthem Inc	276.69	591,007	227.04	484,957	1.1	3.80	8,117	1.7
6,203	UnitedHealth Group Inc	5.30	<u>32,871</u>	249.38	<u>1,546,904</u>	<u>3.5</u>	4.32	<u>26,797</u>	<u>1.7</u>
			623,878		2,031,862	4.6		34,914	1.7

This sample client account report is confidential, is provided for informational purposes only, and is not for further distribution. The report provides a sample snapshot of one Eagle Capital client's separate account holdings as of a certain date; it does not necessarily represent the holdings of other existing or future Eagle Capital client accounts. The report reflects the portfolio of a US-based, non-taxable institutional account without restrictions that deviate from Eagle's general guidelines.

SEPARATELY MANAGED ACCOUNT REPRESENTATIVE PORTFOLIO COMPOSITION



Eagle Capital Management

As of March 31, 2020, continued

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
FINANCIAL SERVICES									
11,670	Aon PLC	108.67	1,268,166	165.04	1,926,017	4.4	1.76	20,539	1.1
17,521	Berkshire Hathaway Inc-Cl B	89.82	1,573,738	182.83	3,203,364	7.3	-	-	-
46,700	Citigroup Inc	52.55	2,454,112	42.12	1,967,004	4.5	2.04	95,268	4.8
13,216	Goldman Sachs Group Inc	169.20	2,236,207	154.59	2,043,061	4.6	5.00	66,080	3.2
26,543	Morgan Stanley	33.95	901,211	34.00	902,462	2.0	1.40	37,160	4.1
48,945	Wells Fargo & Co	53.18	<u>2,602,858</u>	28.70	<u>1,404,722</u>	<u>3.2</u>	2.04	<u>99,848</u>	<u>7.1</u>
			11,036,293		11,446,630	26.0		318,895	2.8
TECHNOLOGY									
2,076	Fiserv Inc	69.35	143,970	94.99	197,199	0.4	-	-	-
26,223	Microsoft Corp	25.01	655,950	157.71	4,135,629	9.4	2.04	53,495	1.3
8,710	Oracle Corp	25.46	<u>221,723</u>	48.33	<u>420,954</u>	<u>1.0</u>	0.96	<u>8,362</u>	<u>2.0</u>
			1,021,643		4,753,783	10.8		61,857	1.3
COMMUNICATION SERVICES									
1,008	Alphabet Inc Cl A	263.32	265,431	1,161.95	1,171,246	2.7	-	-	-
2,475	Alphabet Inc Cl C	435.43	1,077,691	1,162.81	2,877,955	6.5	-	-	-
81,156	Comcast Corp-Class A	35.05	2,844,165	34.38	2,790,143	6.3	0.92	74,664	2.7
15,877	Dish Network Corp Cl A	38.53	611,727	19.99	317,381	0.7	-	-	-
11,713	Facebook Inc-A	169.61	1,986,584	166.80	1,953,728	4.4	-	-	-
38,268	GCI Liberty Inc - Class A	44.08	1,686,864	56.97	2,180,128	4.9	-	-	-
57,432	Liberty Global Plc-Series C	10.51	603,509	15.71	902,257	2.0	-	-	-
10,905	Liberty TripAdvisor Hdg-A	8.20	89,454	1.80	19,629	-	-	-	-
3,491	Netflix Inc	287.74	1,004,485	375.50	1,310,871	3.0	-	-	-
14,366	Tripadvisor Inc	34.07	489,408	17.39	249,825	0.6	-	-	-
12,526	Walt Disney Co/The	90.62	<u>1,135,100</u>	96.60	<u>1,210,012</u>	<u>2.7</u>	1.76	<u>22,046</u>	<u>1.8</u>
			11,794,419		14,983,174	34.0		96,709	0.6
	COMMON STOCK Total		35,165,587		43,939,652	99.6		626,301	1.4
	CASH AND EQUIVALENTS		157,683		157,683	0.4		-	-
	TOTAL PORTFOLIO		35,323,270		44,097,335	100.0		626,301	1.4

This sample client account report is confidential, is provided for informational purposes only, and is not for further distribution. The report provides a sample snapshot of one Eagle Capital client's separate account holdings as of a certain date; it does not necessarily represent the holdings of other existing or future Eagle Capital client accounts. The report reflects the portfolio of a US-based, non-taxable institutional account without restrictions that deviate from Eagle's general guidelines.



RISK FACTORS

An investment in a SMA entails substantial risks, including, but not limited to, those listed below. Prospective investors should carefully consider the following summary of risk factors and carefully read any risk factors contained in any proposed account agreement provided by the Adviser and the Adviser's Form ADV in determining whether an investment in a SMA is suitable:

Speculative Investment-High Degree of Risk. A SMA's investment program is speculative and entails substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment objective of a SMA will be achieved. In fact, certain investment practices described herein can, in some circumstances, potentially increase the adverse impact on a SMA's investment portfolio. A SMA's activities could result in substantial losses under certain circumstances.

Concentration of Investments. A SMA's portfolio could at times become significantly concentrated in any one issuer, industry, type of investment, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by a SMA.

No Review or Approval by Regulators. Neither a SMA's offering documents, nor the offering of interests, have been reviewed or approved by any regulators.

Volatility. A SMA's performance may be volatile.

The Management of a SMA Involves a Number of Potential Conflicts of Interest. Various potential and actual conflicts of interest may arise from the overall portfolio management activities of the Adviser and its affiliates. The Adviser will be responsible for certain investment decisions made on behalf of a SMA and other advisory clients. The Adviser or its affiliates may also have economic interests in companies in which an SMA will invest.

THIS GENERAL INVESTMENT FUND RISK DISCLOSURE IS NOT COMPLETE. THE ABOVE SUMMARY IS NOT A COMPLETE LIST OF THE RISKS AND OTHER IMPORTANT DISCLOSURES INVOLVED IN INVESTING IN A SMA AND IS SUBJECT TO THE MORE COMPLETE DISCLOSURES CONTAINED IN THE PROPOSED ACCOUNT AGREEMENT PROVIDED BY THE ADVISER AND THE ADVISER'S FORM ADV, WHICH MUST BE REVIEWED CAREFULLY.

FOOTNOTES-EAGLE EQUITY SEPARATELY MANAGED ACCOUNT (SMA) COMPOSITE



Eagle Capital Management

- Eagle Capital Management, LLC (the "Adviser") is an investment adviser registered with the Securities and Exchange Commission. Eagle Capital Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Prior to 1/1/93, the returns are equal weighted and after 1/1/93 the returns are asset-weighted.
- Eagle Capital Management was founded in August 1988 as a corporation. In March 1995, Eagle Capital Management, LLC was formed. Client accounts were transferred at the time of the change and their performance is included in this composite. The Eagle Equity Composite was created in December 1988. The Eagle Equity Composite is made up of all fee paying tax-free discretionary institutional accounts over \$1 million.
- All fee-paying, discretionary portfolios are included in at least one composite. Composite information is not representative of any individual client account. New portfolios are excluded from composites until deemed fully invested. Portfolios no longer under management are included in historical composites for the periods they were under management; they are excluded for all periods after the last full month they were in place. No leveraged and non-fee paying accounts are included in the Eagle Equity Composite. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request. The minimum asset size for a portfolio to be included in the Eagle Equity Composite is \$1,000,000. If withdrawal or performance causes a portfolio included in the Eagle Equity Composite to diminish to a level deemed difficult to implement the intended investment strategy, the portfolio is removed. When taxes are considered, the performance may vary.
- Do not assume that all transactions will be profitable or that future performance is in any way guaranteed by past results. Performance calculations are on a time-weighted and asset-weighted total return basis and reflect reinvestment of dividends and other earnings. Trade-date accounting valuation is used and income is accrued. Returns from client to client will vary slightly depending on portfolio size, diversification and transaction costs. The equity portion of balanced accounts was included in the Eagle Equity Composite until the first quarter of 1994. In the process of active portfolio management, cash may be held in portfolios pending investment. Product descriptions in this brochure should not be construed to mean that cash is immediately invested.
- The Firm's standard annual asset based management fee schedule is 1% of the account's total assets on the first \$5,000,000 and 0.75% thereafter. Gross performance results do not reflect the deduction of Eagle's investment advisory fee, which will affect a client's total return. The performance presented does not represent the return of any one individual investor. The current presentation may differ from previous presentation of historical data due to differences in assumptions, material market conditions and estimates used to calculate the performance. An individual client account's net return may differ significantly due to differences in fees, brokerage or other commissions, and/or any other expenses paid and the account's date of inception. Additional information related to the fees charged by Eagle can be found in its Form ADV Part 2 or in the respective Investment Management Agreement.
- The currency used to express performance is the U.S. dollar.
- The Eagle Equity strategy is not managed to a benchmark. The benchmarks most commonly chosen by our clients based on our strategy are the S&P 500 and the Russell 1000 Value indices. These are broad market indices containing companies that are representative of our investable universe. Neither the S&P 500 nor the Russell 1000 Value indices are managed by Eagle Capital Management, LLC. The S&P 500 Index consists of 500 stocks and is designed to form a representative sample of the United States stock market. This index is often used as a benchmark for U.S. equity portfolios and includes dividends and distributions, but does not reflect fees, brokerage commissions, or other expenses of investing. The Russell 1000 Value Index is an unmanaged index that measures the performance of those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth rates. It includes the reinvestment of dividends and income, but does not reflect fees, brokerage commissions, or other expenses of investing.

8. Eagle Equity Composite Detail (inception date 12/31/88)

Eagle Capital Management Composite Detail											
Year	Eagle Annual Return		S&P 500	Russell 1000 Value	# of Portfolios	Total Composite Assets (\$ millions)	Composite Dispersion %*	Total Firm Assets (\$ millions)	3-Year Annualized Standard Deviation		
	Gross	Net							Composite	S&P 500	Russell
1999	44.4%	43.6%	21.0%	7.4%	27	237.0	3.3	337.0	19.4	16.5	16.0
2000	33.1%	32.5%	-9.1%	7.0%	26	291.8	3.2	440.6	20.8	17.4	17.3
2001	-3.5%	-3.9%	-11.9%	-5.6%	27	358.4	0.8	598.8	17.8	16.7	14.7
2002	-6.5%	-7.0%	-22.1%	-15.5%	29	336.5	1.2	614.8	18.3	18.5	17.0
2003	33.8%	33.0%	28.7%	30.0%	58	797.4	1.1	1,652.3	16.2	18.1	16.0
2004	19.7%	19.2%	10.9%	16.5%	137	1,723.7	1.9	3,061.0	13.6	14.9	14.8
2005	8.4%	7.6%	4.9%	7.1%	202	3,049.6	1.4	5,461.5	9.5	9.0	9.5
2006	12.6%	11.8%	15.8%	22.2%	232	3,692.6	1.3	6,710.7	7.7	6.8	6.7
2007	10.7%	9.9%	5.5%	-0.2%	251	4,041.1	1.1	7,066.5	7.8	7.7	8.1
2008	-35.1%	-35.6%	-37.0%	-36.8%	250	2,643.2	1.5	4,533.8	16.0	15.1	15.4
2009	34.7%	33.7%	26.5%	19.7%	261	3,743.7	2.1	5,890.8	19.8	19.6	21.1
2010	20.8%	20.0%	15.1%	15.5%	242	3,820.0	1.0	7,382.4	21.5	21.9	23.2
2011	5.8%	5.1%	2.1%	0.4%	283	5,033.1	0.6	10,601.6	17.0	18.7	20.7
2012	17.9%	17.0%	16.0%	17.5%	345	7,875.0	0.5	15,098.7	13.4	15.1	15.5
2013	36.7%	35.7%	32.4%	32.5%	432	10,874.6	0.9	23,871.4	10.8	11.9	12.7
2014	13.1%	12.3%	13.7%	13.5%	433	11,013.6	0.4	27,412.6	8.5	9.0	9.2
2015	2.2%	1.4%	1.4%	-3.8%	426	10,989.8	0.6	26,319.7	11.4	10.5	10.7
2016	11.0%	10.1%	12.0%	17.3%	400	10,917.4	0.5	25,053.7	11.8	10.6	10.8
2017	24.0%	23.1%	21.8%	13.7%	396	11,835.1	0.5	27,924.0	11.0	9.9	10.2
2018	-4.3%	-5.0%	-4.4%	-8.3%	401	11,302.6	0.6	25,395.8	11.7	10.8	10.8

* Dispersion includes only portfolios that were present for the entire period.

Internal composite dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year.

The three-year annualized standard deviation measures the variability of the composite and benchmark monthly returns over the previous 36-month period.

Eagle Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Eagle Capital Management has been independently verified for the periods January 1, 1993 to December 31, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Eagle Equity Composite has been examined for the periods January 1, 1993 to December 31, 2017. The verification and performance examination reports are available upon request.

A more detailed description of the assumptions utilized in any of the simulations, models, and/or analyses contained in this report is available upon request. Eagle does not represent that the information contained herein is accurate or complete, and it should not be relied upon as such; Eagle does not undertake any obligation to update the information contained herein. Recipients should not rely on this material in making any investment decision. This document does not constitute advice or a recommendation or offer to sell or a solicitation of any offer to buy any security.

Select Equity Income

10 June 2020

For institutional use only. Any views expressed herein are those of the author(s), are based on available information, and are subject to change without notice. Individual portfolio management teams may hold different views and may make different investment decisions for different clients. The material and/or its contents are current as of the most recent quarter end. Certain data provided is that of a third party. While data is believed to be reliable, no assurance is being provided as to its accuracy or completeness.

Select Equity Income

Section one Wellington Management overview; pg. 1-3

Section two Select Equity Income review; pg. 4-22

Section three Appendix; pg. 23-27

Our distinctive strengths

A singular focus on investment management

Long-term perspective of a partnership structure

Comprehensive capabilities

Rigorous proprietary research

Open, collaborative culture

A commitment to bringing the right resources to each client



Our mission is simple: We seek to exceed the investment objectives and service expectations of our clients worldwide.

Wellington Management today

Diversified asset base

USD 1,004 billion in client assets under management

39% equity, 44% fixed income, 17% multi-strategy – including ~ USD 26.8 billion in alternatives across all asset classes

Global resources

2,690+ employees

830 investment professionals

14 offices with investment and relationship personnel in key financial centers

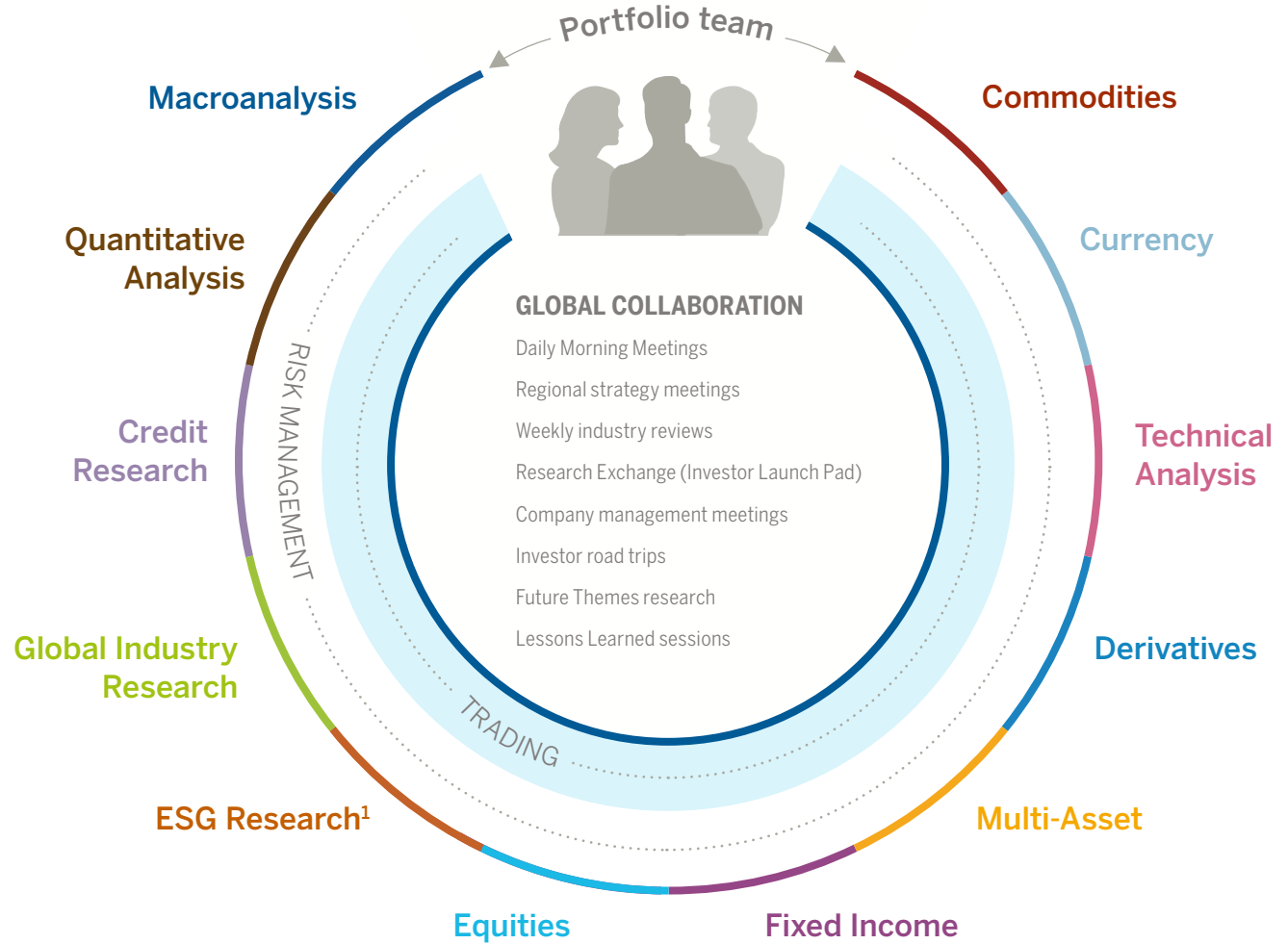
Globally integrated research since 1972



We serve as a trusted adviser and strategic partner to investors worldwide.

Investors draw on our marketplace of ideas to build portfolios

We believe the best investment thinking is forged by the free exchange of ideas among a broadly diverse group of professionals



¹Environmental, social, and corporate governance

Select Equity Income

One team...one investment philosophy...consistent over time



Consistent approach and philosophy throughout

Sustainable over long periods of time

Continuity and depth of team

Opportunistic

Select Equity Income

Key attributes

Experienced team, process, and approach

Consistent investment process and approach since 1970

6 members today with an average of 20 yrs professional experience

Quality large-cap value focus

Seeks large-cap companies with solid balance sheets and below-market valuations

Employ total return approach with valuation discipline

Yield orientation and dividend advantage

Seeks above-market yields, with emphasis on dividend sustainability and growth

Dividends are a significant component of total return

Downside mitigation potential

Emphasis on quality companies with above-market yields and discounted valuations to mitigate downside

Favorable risk/reward characteristics with potential to outperform with lower volatility over time

Select Equity Income

Philosophy

Based on our belief that

Markets often underappreciate the impact of dividends

Markets often overreact to current news and underemphasize longer-term structural changes

We seek to

Exploit these inefficiencies with a contrarian valuation approach focused on longer-term normalized earnings potential

Emphasize higher-quality companies with sustainable above-market yields

Select Equity Income

Investment team and resources



W. Michael Reckmeyer, III, CFA

Equity Portfolio Manager
University of Wisconsin
1984, MBA
35 years of professional experience
24 years at Wellington Management



Adam H. Illfelder, CFA

Equity Portfolio Manager/Analyst
Northwestern University (Kellogg)
2001, MBA
22 years of professional experience
14 years at Wellington Management



Sean M. Kammann

Equity Portfolio Manager/Analyst
University of Pennsylvania (Wharton)
2007, MBA
19 years of professional experience
11 years at Wellington Management



Matthew C. Hand, CFA

Equity Research Analyst
University of Pennsylvania
2004, BA
16 years of professional experience
15 years at Wellington Management



Betsy George

Equity Research Analyst
Harvard Business School
2010, MBA
12 years of professional experience
2 years with Wellington Management



Ravi Gill, CFA

Equity Research Analyst
Baruch College, University City New York
2007, MSc
12 years of professional experience
New to Wellington Management

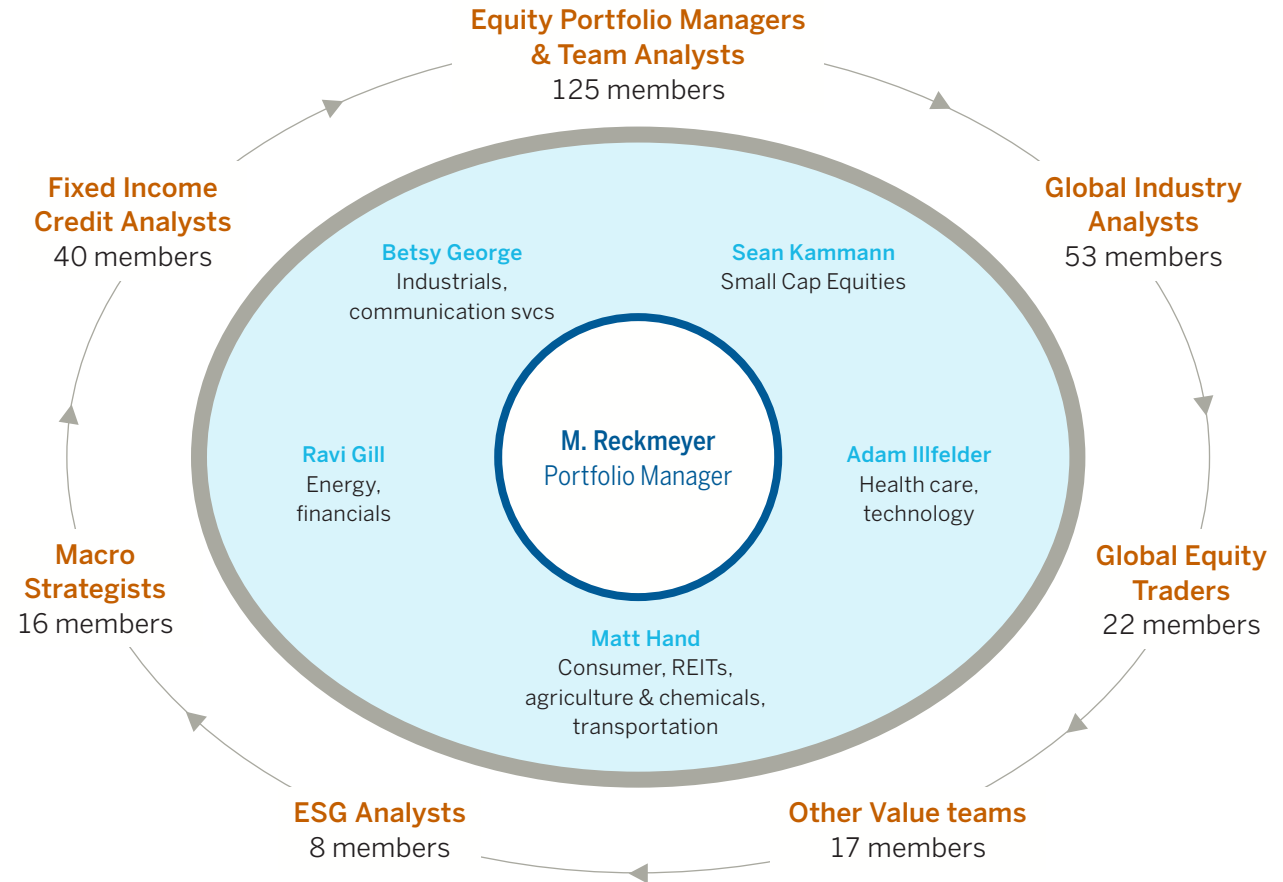


Richard K. Hoffman

Investment Director
Northeastern University
2001, MBA
20 years of professional experience
17 years at Wellington Management

Select Equity Income

Firmwide resources contribute to the team



Select Equity Income

Investment objective and approach

Objective

Seeks to provide returns above the value indexes and long-term returns above the S&P 500 Index

Investment approach

Fundamental, research based decisions – proprietary, contrarian, bottom-up

Purchase what we believe are solid companies temporarily out-of-favor

Dividends: sustainable and growing

Value discipline

Portfolio construction¹

Seeks to create a portfolio with

- Similar or higher growth
- Higher yield
- Lower valuation

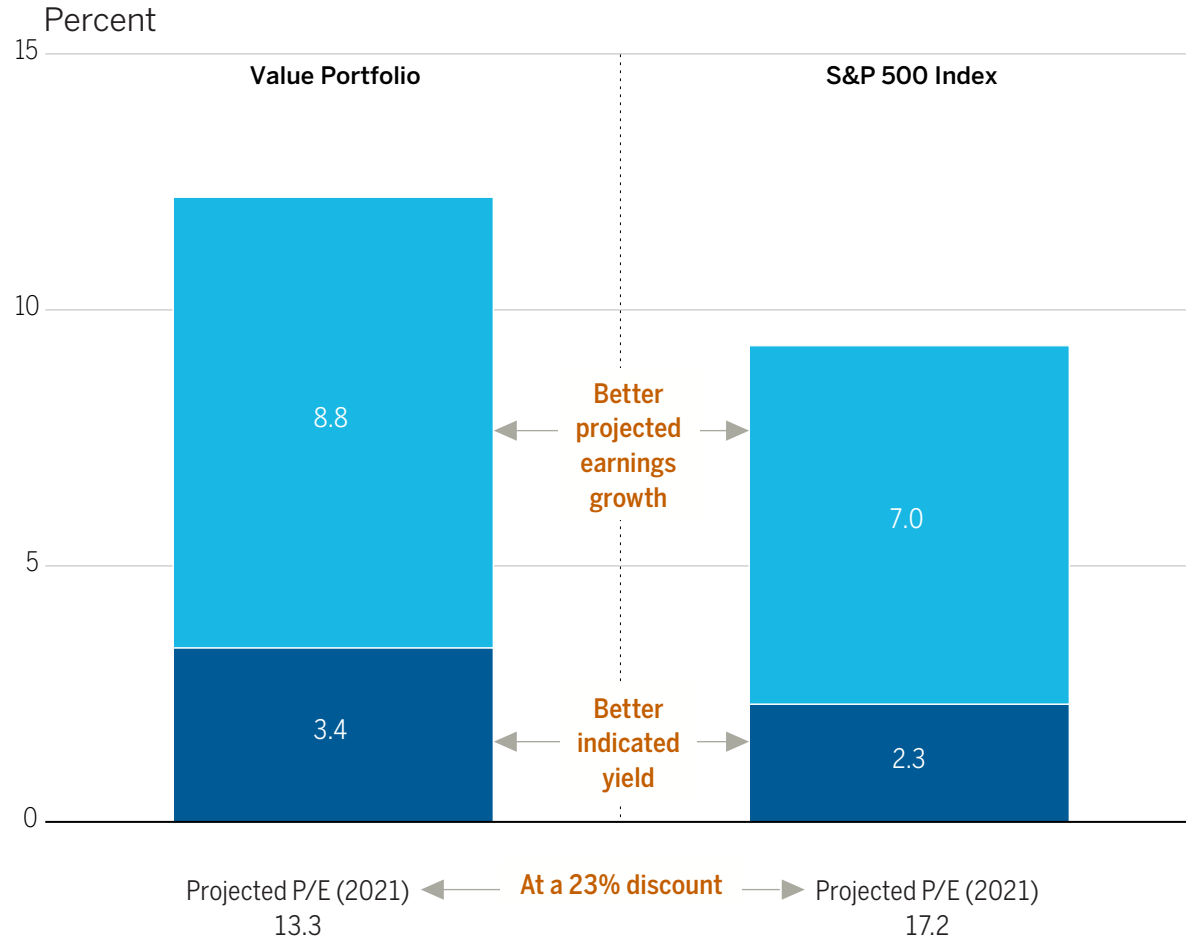
Narrowing of “value gap” can lead to outperformance over time²

Concentrate holdings

¹All market relative comments refer to the S&P 500 as a proxy for the broad market. | ²“Value gap” is a superior return expectation at a discounted valuation

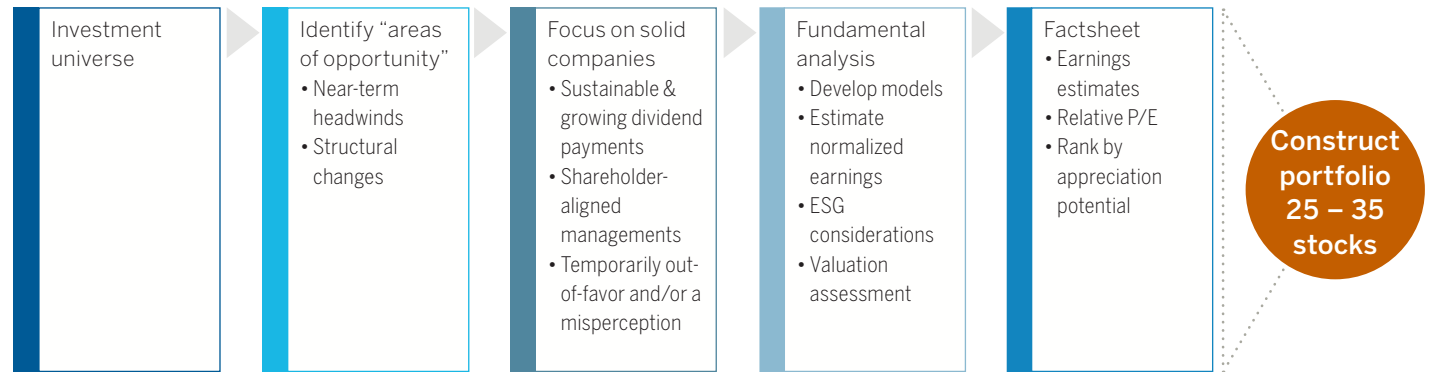
Select Equity Income

Seek better total return potential...at a discount



As of 31 March 2020 | Actual results may vary significantly from projections | Projected P/E and projected EPS growth rate for the Value Portfolio, and projected P/E for the S&P 500 Index, are based on Wellington Management fundamental estimates for the indicated calendar year. Projected EPS growth rate for the S&P 500 Index is based on the average of rolling five year compound annual growth rates for the S&P 500 Index earnings since 1935. The projections shown rely upon assumptions and other expectations of future outcomes and is therefore subject to numerous limitations and biases. This material is not to be construed as representative of actual or future performance. Future occurrences and results will differ, perhaps significantly, from those reflected in the chart. The data shown is of a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. The representative account shown was designated on 1 April 2009, and was selected because it was the least restrictive account at the time of selection. Each client account is individually managed; individual holdings will vary for each account and there is no guarantee that a particular account will have the same characteristics as described. Actual results may vary for each client due to specific client guidelines, holdings, and other factors. In limited circumstances, the designated representative account may have changed over time, for reasons including, but not limited to, account termination, imposition of significant investment restrictions or material asset size fluctuations. Representative account information is supplemental to the GIPS® compliant presentation for the Value Composite which is provided in the attachment.

Select Equity Income Investment approach



The characteristics presented are sought during the portfolio management process. Actual experience may not reflect all of these characteristics, or may be outside of stated ranges.

Select Equity Income

Areas of opportunity

Near term headwinds

Misunderstood
negative event

Temporarily
depressed returns

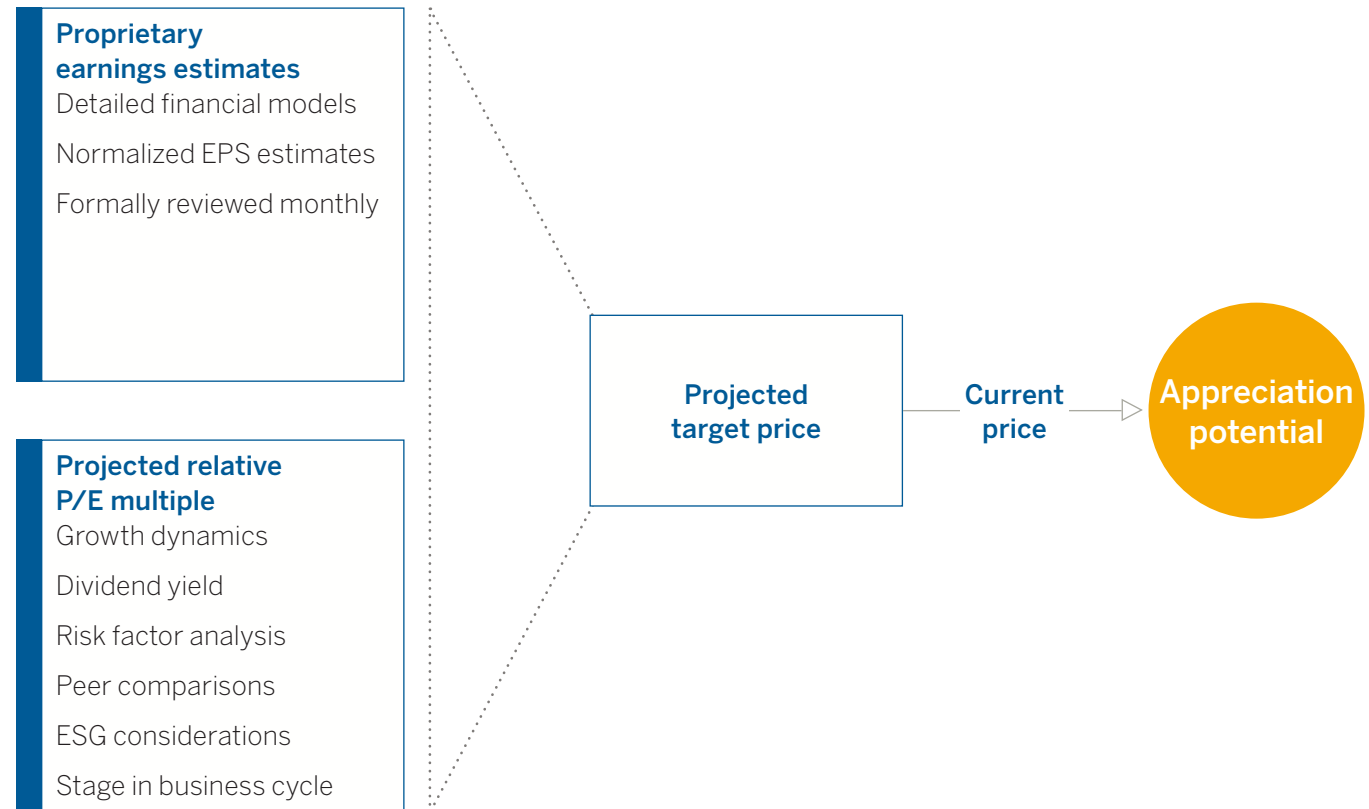
Structural or fundamental changes

Management
change

Consolidating
industry structure

Select Equity Income

Establishing target prices – “Fact sheet” discipline



Select Equity Income Investment example

Idea origin

Food manufacturer

Trading at discount to peers on consensus EPS

Multiple de-rated along with a rotation away from staples

Dividend yield > market

Management meeting highlighted opportunity for better revenue growth

Conclusion

Portfolio team analyst pursues it further, coordinating with PM

Areas of opportunity

Management change

New CEO, new strategy

Increased focus on shareholder returns

Temporarily depressed returns

Revenue growth poised to accelerate

Free cash flow improving due to lower CapEx and lower restructuring costs

Conclusion

Potentially a good candidate for portfolio

Company assessment

Shareholder alignment

Dividend yield > market

Raising dividend

Dividend sustainability

Covered by FCF

Balance sheet metrics set to improve

Conclusion

Solid business & shareholder friendly leadership; conducive to dividend sustainability

Fundamental analysis

Organic sales growth improving

Estimates ahead of consensus

ESG improvements related to sustainability and governance

Fixed Income analyst highlighted improving incentive structure

Conclusion

Discount unwarranted, company one of most attractive US staples

Factsheet

Proprietary earnings estimates

EPS estimate > consensus

Projected relative P/E

Assign a premium multiple based on:

- Growth inflecting higher
- Earnings stability
- Defensive characteristics
- Total return potential > market¹

Appreciation potential

Above-median upside, limited downside expected

Conclusion

Initiated a 1.0% position

¹Total return potential is defined as the sum of expected EPS Growth plus Dividend Yield

Select Equity Income

Portfolio construction

Buy discipline

Purchase stocks with the greatest appreciation potential

Portfolio built one stock at a time from the bottom up

Sell discipline

We generally sell stocks when one of the following occurs

- Target price
- Fundamental outlook has changed – avoiding value traps & dividend cuts
- More attractive investment alternatives

Select Equity Income

Portfolio construction and risk oversight

Portfolio construction

Position size

Max exposure at market: 7%

Number of holdings: 25 – 35

Sector weights

Generally $\pm 10\%$ relative to Russell 1000 Value Index

Non-US companies

Less than 20% of the portfolio

Market cap

Generally greater than US\$2 billion

Valuation

P/E typically 10 – 30% lower than the market

Yield higher than market

Growth

Market-like or higher

Cash

Typically less than 5%

Risk oversight

Portfolio management

Assess dividend sustainability

ESG review

Construct a balanced portfolio

Stress test holdings in a recession environment

Product management

Independent portfolio analysis

Style consistency/factor risks/stress testing

Capacity/business risks

Investments and risk management

Research and insights on risk and market trends

Lead independent Risk Advisory Council

Develop new analytics/tools

Line management and senior management review groups

Philosophy/process/performance/characteristics

Resource assessment

Compliance

Active pre- and post-trade compliance monitoring

The characteristics presented are sought during the portfolio management process. Actual experience may not reflect all of these characteristics, or may be outside of stated ranges.

Select Equity Income

Top ten holdings as of 31 March 2020

Representative account

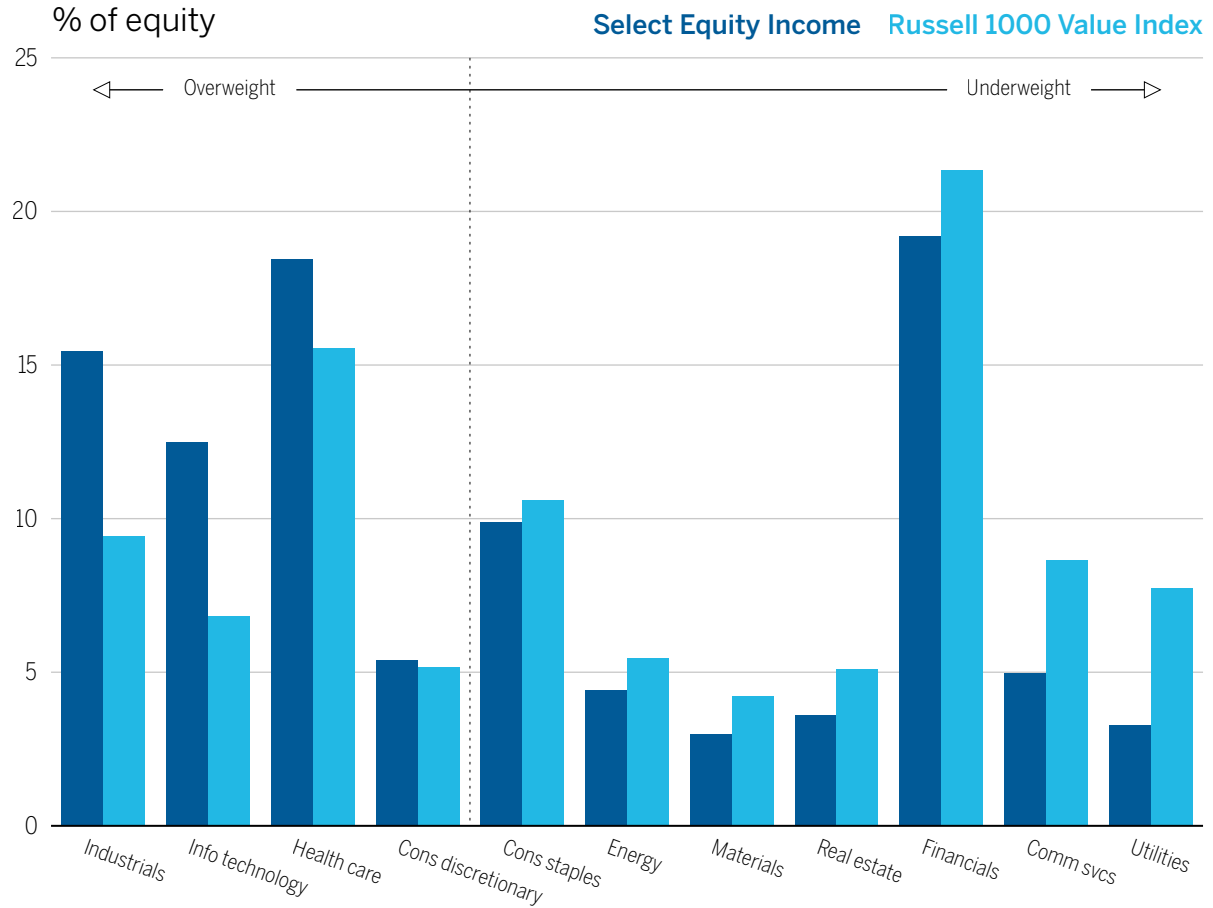
Company	Industry	% of equities	% of Russell 1000 Value Index
Progressive	Insurance	5.9	0.3
Cisco Systems	Tech hardware & equip	5.9	0.0
UnitedHealth Group	Health care equip & svcs	5.5	0.0
Archer-Daniels-Midland	Food, beverage & tobacco	5.0	0.2
Comcast	Media & Entertainment	5.0	0.8
Pfizer	Pharma, biotech & life sci	4.9	1.7
Philip Morris	Food, beverage & tobacco	4.9	1.1
Deere & Co	Capital goods	4.5	0.3
General Dynamics	Capital goods	4.5	0.3
Medtronic	Health care equip & svcs	4.5	1.2
Total of top ten		50.6	5.9

Total number of equity names: 25

The data shown is of a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. The representative account shown was designated on 1 December 2016 and was selected because it was the largest account at the time of selection. Each client account is individually managed; individual holdings will vary for each account and there is no guarantee that a particular account will have the same characteristics as described. Actual results may vary for each client due to specific client guidelines, holdings, and other factors. In limited circumstances, the designated representative account may have changed over time, for reasons including, but not limited to, account termination, imposition of significant investment restrictions, or material asset size fluctuations. Representative account information is supplemental to the GIPS® compliant presentation for the Select Equity Income Composite which is provided in the attachment. | The specific securities identified are not representative of all of the securities purchased, sold, or recommended for clients. It should not be assumed that an investment in the securities identified has been or will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed.

Select Equity Income

Sector weights as of 31 March 2020
Representative account



The data shown is of a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. The representative account shown was designated on 1 December 2016 and was selected because it was the largest account at the time of selection. Each client account is individually managed; individual holdings will vary for each account and there is no guarantee that a particular account will have the same characteristics as described. Actual results may vary for each client due to specific client guidelines, holdings, and other factors. In limited circumstances, the designated representative account may have changed over time, for reasons including, but not limited to, account termination, imposition of significant investment restrictions, or material asset size fluctuations. Representative account information is supplemental to the GIPS® compliant presentation for the Select Equity Income Composite which is provided in the attachment.

Select Equity Income

Representative account characteristics as of 31 March 2020

¹Projected EPS growth rate for the Portfolio and the Indexes are based on Wellington Management estimates. Projected P/E for the portfolio and the S&P 500 Index are based on Wellington Management estimates, and the projected P/E for the Russell 1000 Value is based on consensus estimates. Actual results may vary significantly. Projections incorporate assumptions about the future market environments. For both indexes, the projected EPS growth rate is based on the average of rolling five year compound annual growth rates for the S&P 500 Index earnings since 1935. This reflects the relative growth comparison the team uses. ²Versus the Russell 1000 Value Index | Market cap distribution may not total 100% due to rounding. | Historical performance based risk characteristics are based upon composite data rather than representative account. | The data shown is of a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. The representative account shown was designated on 1 December 2016 and was selected because it was the largest account at the time of selection. In limited circumstances, the designated representative account may have changed over time, for reasons including, but not limited to, account termination, imposition of significant investment restrictions, or material asset size fluctuations. Representative account information is supplemental to the GIPS® compliant presentation for the Select Equity Income Composite which is provided in the attachment. | Portfolio characteristics are based on the underlying holdings of the representative account and are subject to change. This data may be sourced internally or externally depending on the specific approach, availability of internal data, underlying holdings characteristics, and other factors. Projected or forward looking characteristics are based on a number of assumptions and the use of alternative assumptions could yield significantly different results. Additional information on this data is available upon request.

	Select Equity Income	Russell 1000 Value Index	S&P 500 Index
Size			
Asset-weighted market cap	US\$106.3 bil	US\$105.8 bil	US\$283.7 bil
Median market cap	US\$60.2 bil	US\$6.5 bil	US\$18.0 bil
Over US\$10 billion	97%	85%	96%
US\$2 – US\$10 billion	3%	14%	4%
Under US\$2 billion	0%	1%	0%
Valuation			
Projected EPS Growth Rate ¹	8.8%	7.0%	7.0%
Projected P/E ¹	13.3x	10.7x	17.2x
Yield	3.4%	3.5%	2.3%
Risk			
Historical beta (3-yr) ²	0.86		
Historical R ² (3-yr) ²	0.96		
Historical tracking risk (3-yr) ²	3.78%		
Turnover (T-12)	103%		

Select Equity Income Composite

Investment returns (US\$) through 31 March 2020

	Annualized returns (%)			
	1 yr	3 yrs	5 yrs	Since inception ¹
Select Equity Income Composite (gross)	-8.3	3.4	6.3	12.8
Russell 1000 Value Index	-17.2	-2.2	1.9	9.7
S&P 500 Index	-7.0	5.1	6.7	12.3

	YTD	2019	2018	2017	2016
	Select Equity Income Composite (gross)	-21.5	31.2	-6.4	19.9
Russell 1000 Value Index	-26.7	26.5	-8.3	13.7	17.3
S&P 500 Index	-19.6	31.5	-4.4	21.8	12.0

	2015	2014	2013	2012	2011
	Select Equity Income Composite (gross)	0.9	11.6	32.6	14.8
Russell 1000 Value Index	-3.8	13.5	32.5	17.5	0.4
S&P 500 Index	1.4	13.7	32.4	16.0	2.1

¹Composite inception is 31 May 2009. | Performance returns for periods of one year or less are not annualized. | **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND AN INVESTMENT CAN LOSE VALUE.**

Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends and other earnings. If all expenses were reflected, the performance shown would be lower.

Actual fees will vary depending on, among other things, the applicable fee schedule and account size. For example, if US\$100,000 was invested and experienced a 10% annual return compounded monthly for ten years, its ending value, without giving effect to the deduction of advisory fees, would be US\$270,704 with an annualized compounded return of 10.47%. If an advisory fee of 0.95% of average net assets per year were deducted monthly for the ten-year period, the annualized compounded return would be 9.43% and the ending dollar value would be US\$246,355.

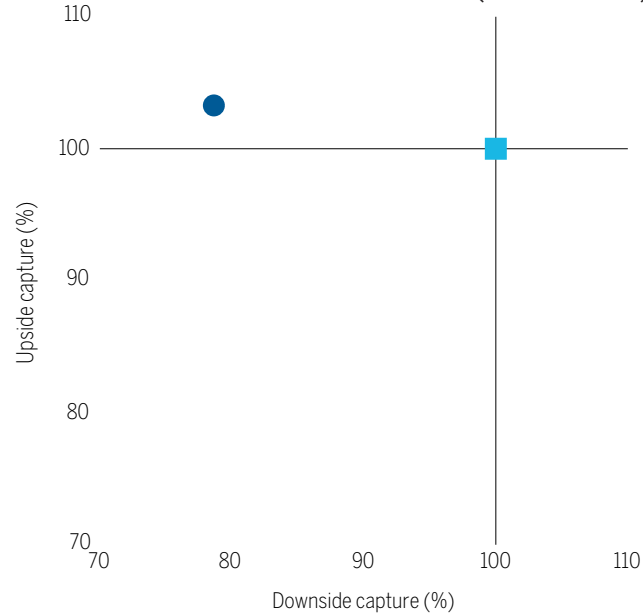
Information regarding the firm's advisory fees is available upon request. Composite returns have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. For use in one-on-one presentations only. This supplemental information complements the GIPS® compliant presentation provided in the attachment.

Select Equity Income Composite

Total gross return statistics

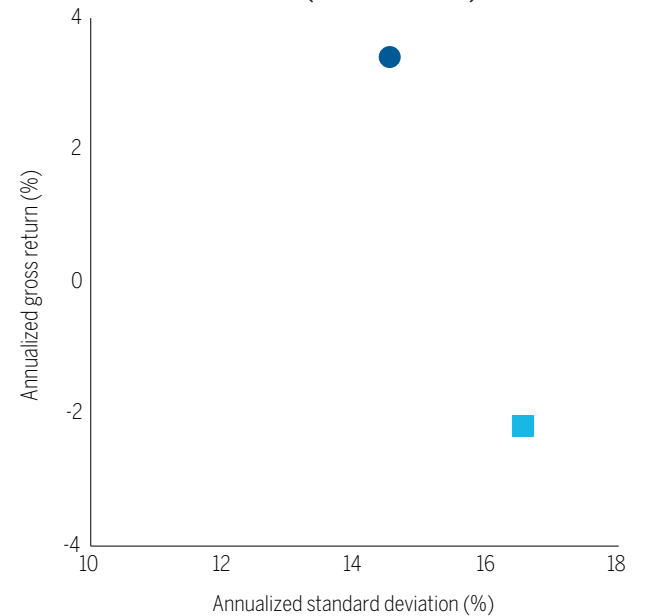
Three years ended 31 March 2020

Upside/downside capture vs
Russell 1000 Value Index (annualized)



● Select Equity Income Composite

Total gross returns
and volatilities (annualized)



■ Russell 1000 Value Index

Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends and other earnings. If all expenses were reflected, the performance shown would be lower. Actual fees will vary depending on, among other things, the applicable fee schedule and account size. For example, if US\$100,000 was invested and experienced a 10% annual return compounded monthly for ten years, its ending value, without giving effect to the deduction of advisory fees, would be US\$270,704 with an annualized compounded return of 10.47%. If an advisory fee of 0.95% of average net assets per year were deducted monthly for the ten-year period, the annualized compounded return would be 9.43% and the ending dollar value would be US\$246,355. Information regarding the firm's advisory fees is available upon request. Composite returns have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.** For use in one-on-one presentations only. This supplemental information complements the GIPS® compliant presentation provided in the attachment. | Source: Lipper

The Wellington Management relationship

Wellington Management feature

ACERA benefit

Time-tested investment team and process

Proven over multiple markets; High conviction large cap value portfolio with a focus on downside protection

Extensive global research resources

High-quality investment idea generation and analysis; US and global insights

Experienced, well-resourced relationship team

Member of SACRS community; thought partner for ACERA

100% employee owned private partnership

Long-term focus; organizational stability

Our diversity and inclusion strategy

Global Diversity Committee

Upstanders

Director, Global Diversity
and Inclusion

13 Diversity Business Networks with
regional chapters and one EMEA
Business Network Council

12 External Diversity Associations

Partnered with more than 100
US-based diverse suppliers

Grants with 193 organizations in
11 geographies since 1992

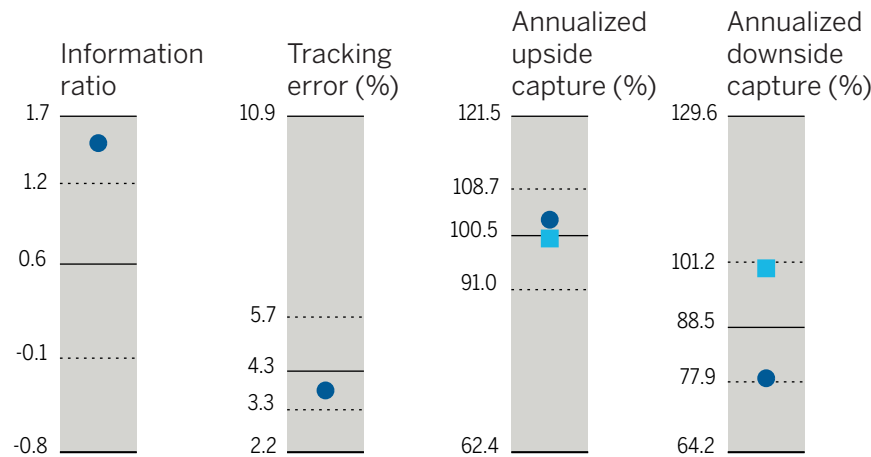
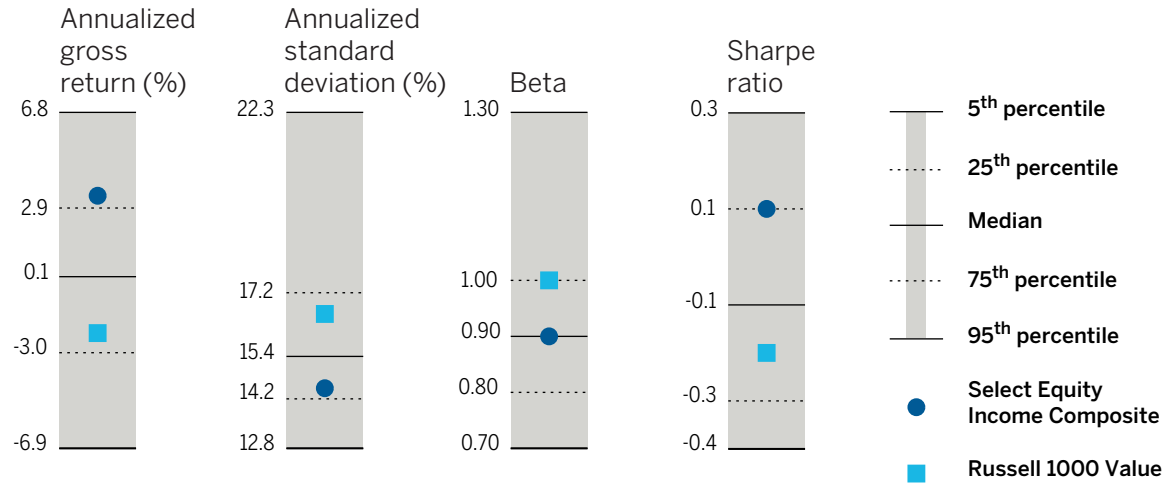


Select Equity Income Composite

Peer comparison

Three years ended 31 March 2020

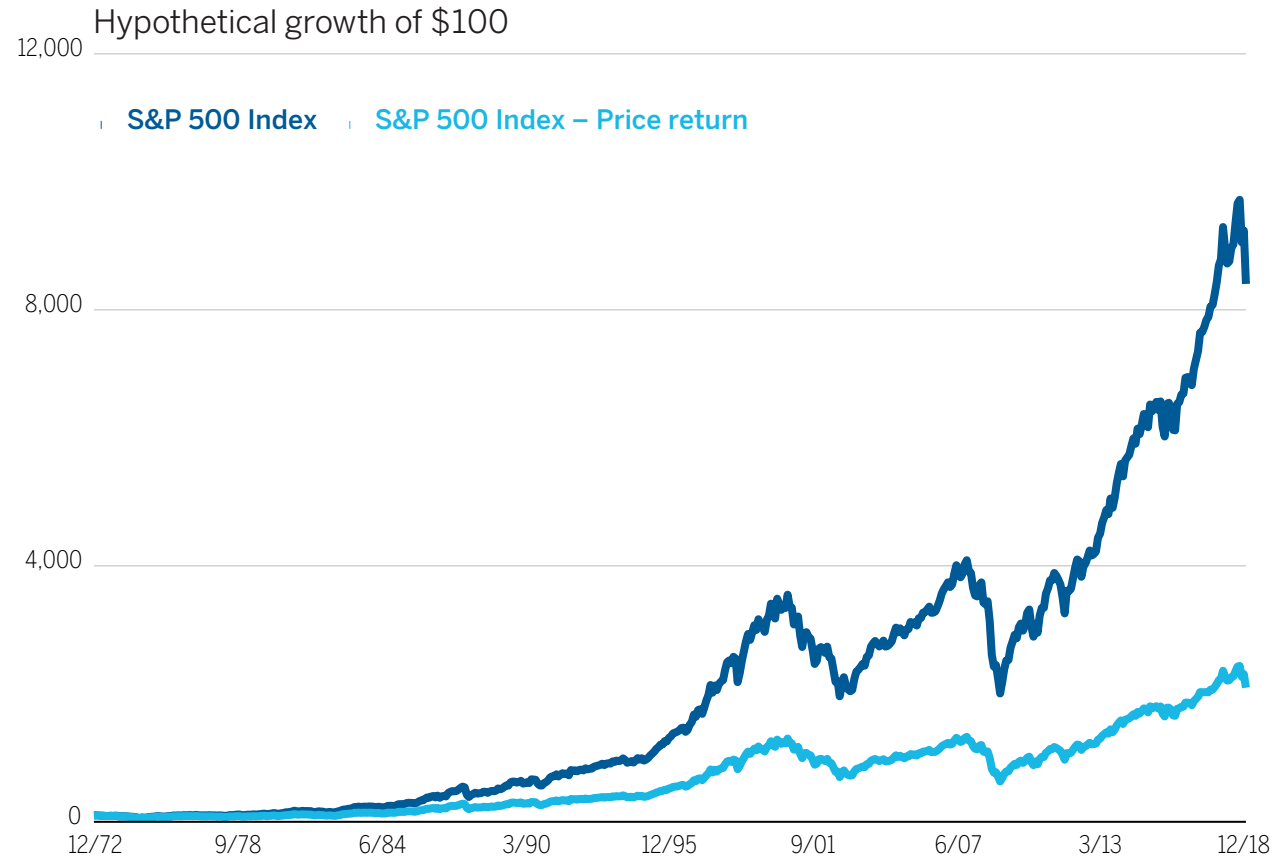
The US Equity Income manager returns are presented for 1, 3, 5, and 10 years ended 31 March 2020. The inception of the Select Equity Income Composite (the "Adviser") was 31 May 2009. The peer group comparison represents percentile, which are based on gross of fee returns and reflect where those returns or given metric fall within the indicated Lipper universe. The US Equity Income universe as defined by Lipper includes funds with the objective of investing in equity markets of the US with a primary focus on attaining a high level of income. This is usually achieved via a fundamental approach that seeks high-quality, under-valued equity. Constituent observations are as of 17 April 2020. The Adviser did not pay a fee to be included in the rankings. Data is that of a third party. While data is believed to be reliable, no assurance is being provided as to its accuracy or completeness. | **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND AN INVESTMENT CAN LOSE VALUE.** Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends and other earnings. If all expenses were reflected, the performance shown would be lower. This supplemental information complements the GIPS® compliant presentation in the attachment. | Source: Lipper



	1 year	3 years	5 years	10 years
Annualized (gross) return percentile rank	17	21	11	4
# of constituents	175	160	136	79

Select Equity Income

The power of dividends and compounding



Source: Wellington Management | For illustrative purposes only | Chart data: December 1972 – December 2018

Why dividends matter

Dividend paying stocks have historically outperformed the broad market

Two highest dividend quintiles historically performed over time

Fourth quintile stocks fared better than fifth quintile stocks reflecting the importance of dividend sustainability at the company level

A tactic focused on the fourth quintile of dividend payers would have beaten the benchmark in every decade since the 1930s, except for the 1990s, and more recently, slightly underperforming in the 2010s

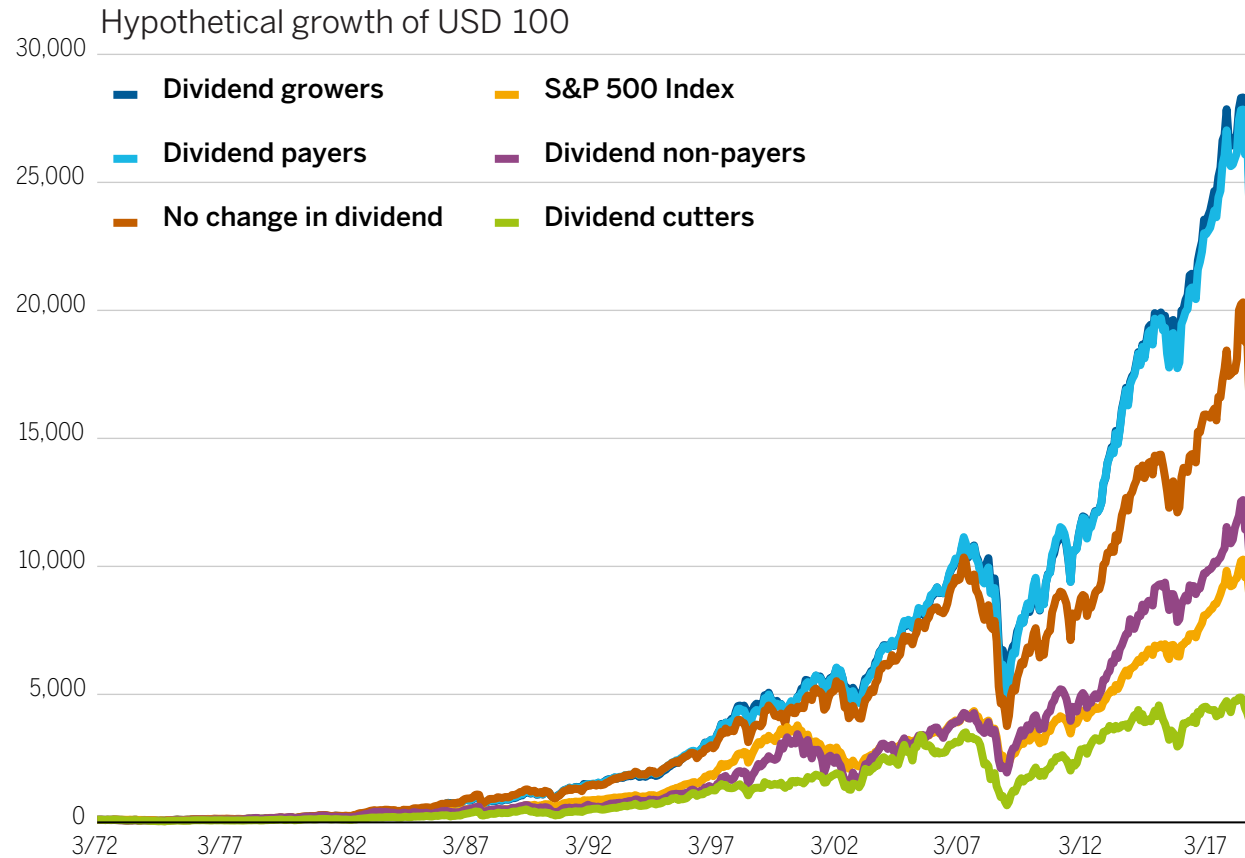
CAGR (%) for US stocks by dividend yield quintile by decade, 1930 – 2019

	Low quintile	Second quintile	Third quintile	Fourth quintile	High quintile	S&P 500	Fourth quintile vs S&P 500
1930s	2.1	-0.4	-2.4	0.4	-1.2	-5.3	5.7
1940s	6.8	8.6	10.3	13.1	13.9	3.0	10.1
1950s	19.8	16.6	18.5	20.3	18.5	15.3	5.0
1960s	9.3	8.0	6.5	8.9	8.8	7.8	1.1
1970s	3.9	7.6	7.0	10.2	9.7	5.9	4.3
1980s	14.6	16.2	17.2	19.6	20.2	17.6	2.0
1990s	18.9	18.1	15.0	15.6	12.4	18.2	-2.6
2000s	-1.8	2.0	4.1	4.9	4.9	-0.9	5.8
2010s	10.8	13.7	14.3	13.3	12.9	13.6	-0.3
LT avg CAGR	9.4	10.0	10.1	11.8	11.1	8.4	3.5

Sources: Wellington Management, S&P

Select Equity Income

Capital allocation matters



©2018 Ned Davis Research, Inc. (NDR). Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo. | Returns based on an equal-weighted arithmetic index, with monthly rebalancing of the S&P 500 Index component stocks | A dividend grower is defined as a company that within the last year has grown its dividend during the previous 12 months. A dividend cutter is defined as a company that has cut its dividend in the last 12 months. A dividend non-payer is defined as a company that has not paid a dividend in the last 12 months. No change in dividend is defined as a company that has not grown or cut its dividend in the last 12 months. A dividend payer is defined as a company that has paid a dividend of anything more than USD 0 in the last 12 months. Also to note, dividend payers are an aggregate of all others except dividend non-payers. | Chart data: 31 March 1972 – 31 December 2018

Select Equity Income

Investment risks

PRINCIPAL RISKS

Common Stock Risk – Common stock are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues as well as the profitability and viability of the individual company. Equity security prices may decline as a result of adverse changes in these factors, and there is no assurance that a portfolio manager will be able to predict these changes. Some equity markets are more volatile than others and may present higher risks of loss. Common stock represents an equity or ownership interest in an issuer.

Concentration Risk – Concentration risk is the risk of amplified losses that may occur from having a large percentage of your investments in a particular security, issuer, industry, or country. The investments may move in the same direction in reaction to the conditions of the industries, sectors, countries and regions of investment, and a single security or issuer could have a significant impact on the portfolio's risk and returns.

Additional performance information

Past results are not necessarily indicative of future results. There can be no assurance nor should it be assumed that future investment performance of any strategy will conform to any performance examples set forth in this material or that the portfolio's underlying investments will be able to avoid losses. The investment results and any portfolio compositions set forth in this material are provided for illustrative purposes only and may not be indicative of the future investment results or future portfolio composition. The composition, size of, and risks associated with an investment in the strategy may differ substantially from the examples set forth in this material. An investment can lose value.

Wellington Management
Composite: Select Equity Income
Schedule of Performance Returns from 01 January 2010 to 31 December 2019

Period	Gross Return (%)	Net Return (%)	Benchmark Return (%)	Number of Portfolios	Internal Dispersion (%)	Composite Mkt. Value (USD Mil)	Total Firm Assets (USD Mil)
2010	17.12	16.31	15.51	< 6	N/M	245	633,922
2011	7.35	6.61	0.39	< 6	N/M	412	651,496
2012	14.80	14.01	17.51	7	N/M	911	757,903
2013	32.57	31.66	32.53	8	0.1	1,288	834,441
2014	11.63	10.86	13.45	7	0.1	1,896	914,109
2015	0.94	0.24	-3.83	6	0.1	1,733	926,949
2016	16.56	15.76	17.34	< 6	N/M	338	979,210
2017	19.94	19.12	13.66	< 6	N/M	302	1,080,307
2018	-6.42	-7.08	-8.27	< 6	N/M	247	1,003,389
2019	31.19	30.30	26.54	10	N/M	954	1,154,735

Benchmark: Russell 1000 Value

N/M: For years where there are less than six portfolios throughout the performance period, Internal Dispersion is not meaningful.

Composite Description: Portfolios included in the Select Equity Income Composite seek long-term total returns in excess of a broad market index, such as the Russell 1000 Value Index, by investing in a select number of large cap dividend paying companies that are financially sound but temporarily out-of-favor. The Select Equity Income approach is considered to have a core value as opposed to a deep value style. The investment strategy utilizes a contrarian approach focused on longer-term fundamentals to create a Portfolio with an above-market projected growth rate and higher dividend yield trading at a discount to the market. Sector weights will generally be within a range of those for the Russell 1000 Value Index.

Composite Creation Date: The composite creation date is June 2009.

Composite Membership: All fully discretionary, fee paying portfolios are eligible for inclusion in the composite.

Fee Schedule: The institutional management fee schedule for this product is:

Market Value	Annual Fee
On the first US\$25 million	0.70%
On the next US\$25 million	0.60
Over US\$50 million	0.50

Benchmark Definition: Russell 1000 Value measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values.

Firm: For purposes of GIPS® compliance, the Firm is defined as all portfolios managed by Wellington Management Company LLP, an independently owned, SEC-registered investment adviser, as well as its affiliates (collectively, Wellington Management). Wellington Management provides investment advisory services to institutions around the world.

GIPS®: Wellington Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Wellington Management has been independently verified for the periods 1 January 1993 to 31 December 2018. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

Performance Calculation: Gross performance results are net of trading expenses. Returns are gross of withholding taxes on dividends, interest and capital gains. Returns, market values, and assets are reported in USD except when otherwise noted. Returns, market values and assets reported in currencies other than USD are calculated by converting the USD monthly return and assets using the appropriate exchange rate (official 4:00 p.m. London closing spot rates). Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Net of fees performance reflects the deduction of the highest tier investment management fee ("model fee") that would be charged based on the fee schedule appropriate to you for this mandate, without the benefit of breakpoints and is calculated by subtracting 1/12th of the model fee from monthly gross composite returns. In certain instances Wellington Management may charge certain clients a fee in excess of the standard model fee, such as to legacy clients or clients receiving additional investment services. Performance net of model fees is intended to provide the most appropriate example of the impact management fees would have for you.

Pool investors will experience costs in excess of investment management fees, such as operating expenses and custodial fees. These indirect costs are not reflected in the model fee, or net of fees performance.

Internal Dispersion: The dispersion measure presented is the asset-weighted standard deviation. The asset-weighted standard deviation measures the dispersion of individual portfolio returns relative to the asset-weighted composite return. Only portfolios that have been included in the composite for the full period are included in the standard deviation calculation. Limitations imposed by client guidelines or by law on a portfolio's ability to invest in certain securities or instruments, such as IPO securities, and/or implementation of the firm's Trade Allocation Policies and Procedures, may cause the portfolio's performance to differ from that of the composite.

External Dispersion: The dispersion measure presented is the three-year annualized ex-post standard deviation. It measures the variability of the composite and the benchmark(s) over the preceding 36-month period. For periods prior to 1 January 2011, the Firm was not required to present the three-year annualized ex-post standard deviation.

Year	3-Year Standard Deviation (%)								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Composite	N/A*	14.07	11.74	8.92	10.35	10.24	9.61	10.36	11.14
Benchmark	N/A*	15.51	12.70	9.20	10.68	10.77	10.20	10.82	11.85

*N/A for performance periods with less than 36 months of data based on composite inception date.



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

475-14th Street, Suite 1000, Oakland, CA 94612 800/838-1932 510/628-3000 fax: 510/268-9574 www.acera.org

TO: Members of the Investment Committee

FROM: Betty Tse, Chief Investment Officer

A handwritten signature in black ink, appearing to read 'Betty Tse', is written over the 'FROM' line.

DATE: June 10, 2020

SUBJECT: Verus firm update - Introduction of Stuart Odell, Managing Director / Senior Consultant

Verus hired Stuart Odell on March 2nd as Managing Director and Senior Consultant.

Mr. Odell oversaw the day to day management and operations of Intel's US and non – US retirement plan investment. He also served as secretary for Intel's investment policy committee and served on Intel's retirement plan administrative committee.

Mr. Odell will be joining ACERA's consulting team as a secondary consultant. He will be participating in future ACERA meetings and working on a subset of ACERA's initiatives.

Attached you will find his biography.

Biographical information



Contact:

T: 206.622.3700

F: 206.622.0548

sodell@verusinvestments.com

Stuart Odell

Managing Director | Senior Consultant

Mr. Odell is primarily responsible for providing strategic investment advice to help ensure clients meet their long-term investment objectives. Mr. Odell works on client relationships including new business development across the firm's corporate, non-profit and public pension sectors and serves as a voting member of the alternatives investment committee.

Mr. Odell joined Verus in 2020 from Intel Corporation where, since 2001, he oversaw the day to day management and operations of Intel's US and non-US retirement plan investments. Mr. Odell also served as secretary and for Intel's investment policy committee and served on Intel's retirement plan administrative committee.

During his tenure at Intel, Mr. Odell and his investment team oversaw a series of increasingly complex institutional portfolios and structures that grew from \$5 billion to over \$22 billion and included the development and implementation of a series of multi asset class defined contribution portfolios which incorporated both traditional and alternative investments and investment structures within a daily operating environment.

Mr. Odell has also served as a trustee for the Federated Employees Retirement System in San Jose and as the chairman of the investment committee and Vice Chair of Finance for Guide Dogs for the Blind, a not for profit in the Bay Area. Mr. Odell lives in San Francisco and currently serves on the investment committee for the endowment of St Ignatius Preparatory.

Mr. Odell received a Bachelor of Science in mechanical engineering (BS) from Union College, an MBA in Finance from the Stern School of Business at New York University and previously worked in investment banking, public finance and as an engineer.



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: MARCH 31, 2020

Investment Performance Review for

Alameda County Employees' Retirement Association - Public

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LOS ANGELES 300-297-1777

SAN FRANCISCO 415-362-3484

PITTSBURGH 412-784-6678

Investment Landscape **TAB I**

Investment Performance
Review **TAB II**

Absolute Return Q1 2020 **TAB III**

Private Equity Q4 19 IC **TAB IV**

Real Asset Q4 19 IC **TAB V**



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

2ND QUARTER 2020
Investment Landscape

Recent Verus research

Visit: <https://www.verusinvestments.com/insights/>

Annual outlooks

ACTIVE MANAGEMENT ENVIRONMENT

Our work on active management addresses some shortfalls of the traditional analysis, which uses the median product to describe the active management universe as a whole. These improvements and insights have allowed us to better understand product behavior and may allow for more informed selection in the future.

Sound thinking

TEN THOUGHTS FOR 2020

A new year begins, and with it comes an opportunity to assess whether the correct areas were focused on in the previous year, and to create new suggested topics of interest for the year ahead. In this piece, our CIO, Ian Toner, will try to help investors prioritize shorter-term actions they might take, while addressing longer-term issues to improve their success.

THE JUDGMENTAL WAITER

In this piece our CIO, Ian Toner, lays out how Verus is approaching the challenge of building customized ESG advice and service to each of our clients, and outlines the significant resource commitment Verus is making during 2020 and beyond to provide that tailored support.

COVID-19

MARKET UPDATE 3/17/20

The first few weeks of March have been almost unprecedented in terms of market volatility and behavior. The combination of health concerns and oil market disruption has led to market moves of a type that we rarely see. Underlying this, there is also a real human concern about our families, and the human effect on people we love as the coronavirus spreads. So what are long term investors to do?

MARKET UPDATE 4/9/20

The COVID-19 crisis has had a sudden impact on the capital markets, which has been made worse by the recent disruption in the oil market. Now is a good time for investors to take stock of the possible intermediate and long-term implications of these disruptions, as well as to try to assess the possible short-term factors which might cause further market disruption.

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1st quarter summary

THE ECONOMIC CLIMATE

- Real GDP grew at a 2.3% rate year-over-year in the fourth quarter (2.1% quarterly annualized rate). Companies drew down inventories, which detracted 1% from growth. Investors appear to be bracing for an unprecedented slowdown of the economy during the first half of 2020, due to the coronavirus outbreak. Forecasts of Q2 GDP growth have varied between -15% to -35%. **p. 9**
- The U.S. government quickly crafted and implemented historic stimulus measures to combat the economic impact of the virus. Support of this magnitude has not been seen since the Great Depression of the 1930s. **p. 10**

PORTFOLIO IMPACTS

- U.S. equities experienced an unusually sudden and significant sell-off in March as investors grew fearful of the health and economic impacts of COVID-19. During Q1 the S&P 500 fell -19.6%, international developed equities (MSCI EAFE) fell -22.8% and emerging markets (MSCI EM) fell -23.6%. **p. 25**
- U.S. core inflation increased 2.1% YoY in March. Headline inflation slowed to 1.5%, pushed lower by a sharp decline in energy prices which will likely have persistent effects in future months. Downward pressure could be compounded as households slow spending due to loss of income and a greater propensity to save rather than spend. **p. 11**

THE INVESTMENT CLIMATE

- In mid-March, the Federal Open Market Committee cut interest rates by a full 1.00% to a new range of 0 – 0.25%. This surprise action was taken on a Sunday with the intent to get out ahead of economic impacts of COVID-19. **p. 19**
- Implied volatility spiked in March to a record daily close of 82.7%, surpassing the high of 80.9% reached in November 2008 during the depths of the global financial crisis. **p. 32**
- Central banks are facing an economic slowdown and need for monetary policy support, but very little room to cut interest rates. This is a risk that has been discussed for years. We believe fiscal policies will play a much larger role in addressing the inevitable economic slowdown. **p. 19**

ASSET ALLOCATION ISSUES

- Risk markets experienced one of the most sudden corrections on record, amidst extreme volatility. The S&P 500 showed its largest one-day drop since 1987 (March 16 -11.98%) and its largest one-day gain since 2008 (March 24 +9.38%). Implied volatility reached global financial crisis levels, and high yield credit spreads temporarily expanded above 11%. Some of these losses were recovered toward the end of March as the market rebounded. **p. 27**
- The U.S. dollar appreciated significantly in the first quarter, rising 7.1% on a trade-weighted basis, resulting in losses for investors with unhedged currency exposure. **p. 36**

An underweight risk stance appears appropriate in today's environment

We remain watchful for investment opportunities

What drove the market in Q1?

“World Health Organization declares the coronavirus outbreak a global pandemic”

GLOBAL CONFIRMED COVID-19 CASES

1/31	2/15	2/29	3/15	3/31	4/15
11,374	69,267	86,351	164,403	857,778	2,077,469

Article Source: CNBC, March 11th, 2020

“Vix Hits Highest Level Since the Financial Crisis as Volatility Soars”

CBOE VIX INDEX

Oct	Nov	Dec	Jan	Feb	Mar
13.22	12.62	13.78	18.84	40.11	53.54

Article Source: Barron's, March 9th, 2020

“Fed announces unlimited QE and sets up several new lending programs”

FEDERAL RESERVE BALANCE SHEET (USD TRILLIONS)

3/4	3/11	3/18	3/25	4/1	4/8
4.3	4.4	4.7	5.3	5.9	6.1

Article Source: MarketWatch, March 23rd, 2020

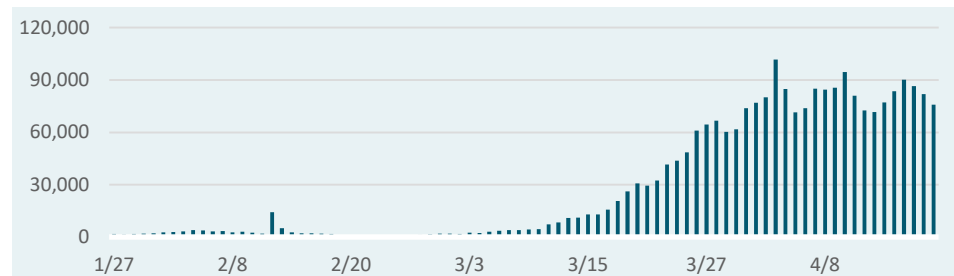
“Coronavirus job losses could total 47 million, unemployment rate may hit 32 percent, Fed estimates”

INITIAL WEEKLY JOBLESS CLAIMS

3/6	3/13	3/20	3/27	4/3	4/10
211,000	282,000	3,307,000	6,867,000	6,615,000	5,245,000

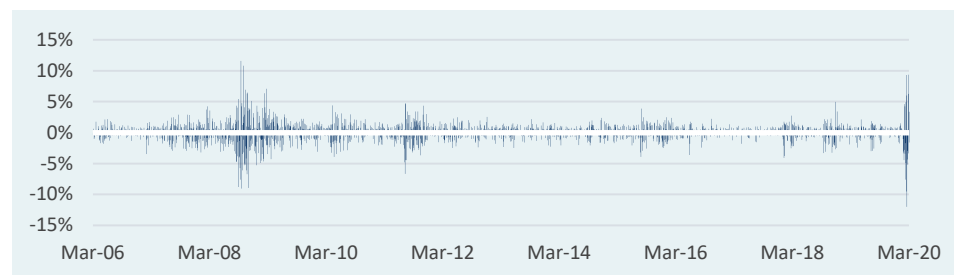
Article Source: NBC News, March 30th, 2020

DAILY NEW COVID-19 CASES (WORLDWIDE)



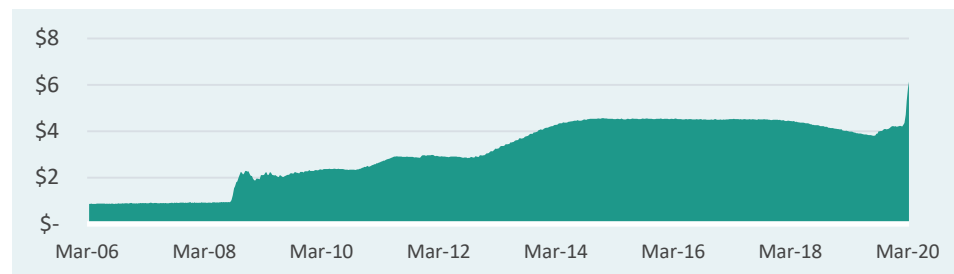
Source: Worldometer, as of 4/19/20

S&P 500 INDEX 1-DAY PERCENTAGE PRICE MOVE



Source: Standard & Poor's, Bloomberg, as of 3/31/20

FEDERAL RESERVE BALANCE SHEET (USD TRILLIONS)



Source: Federal Reserve, as of 4/8/20

Economic environment

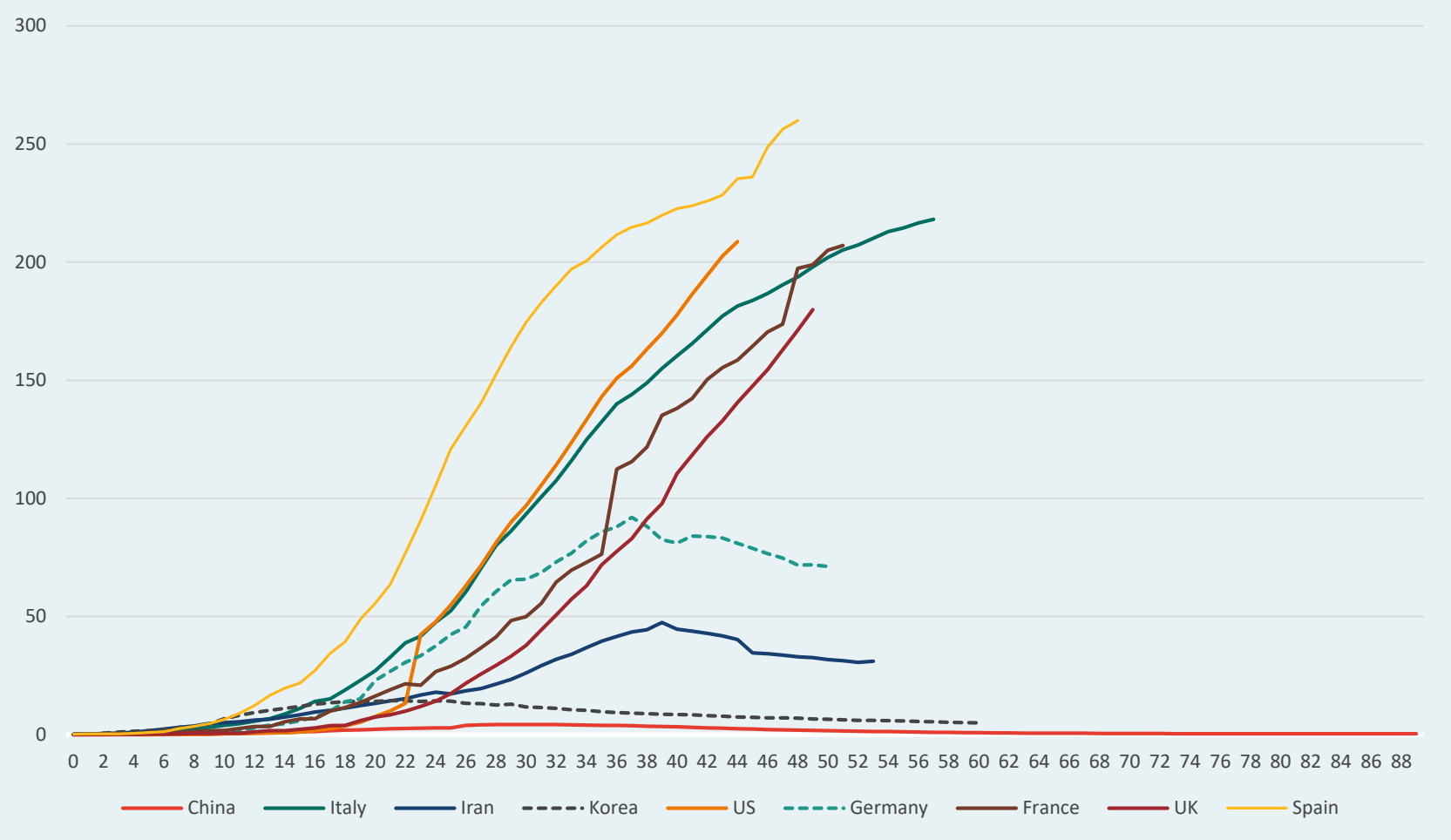
U.S. economics summary

- Real GDP grew at a 2.3% rate year-over-year in the fourth quarter (2.1% quarterly annualized rate). Companies drew down inventories, which detracted -1% from growth. Investors appear to be bracing for an unprecedented slowdown of the economy during the first half of 2020, due to COVID-19. Forecasts of Q2 GDP growth have varied between -15% to -35%.
- The U.S. government quickly crafted and implemented historic stimulus measures to combat the economic impacts of the virus. Support of this magnitude has not been seen since the Great Depression of the 1930s.
- U.S. core inflation rose 2.1% YoY in March. Headline inflation slowed to 1.5%, pushed lower by a sharp decline in energy prices which will likely have persistent effects in the coming months. This downward pressure could be compounded as households slow spending due to loss of income and show a greater propensity to save.
- The U.S. labor market exhibited a sharp weakening in March, as unemployment jumped to 4.4%. Some have estimated the true unemployment rate in April to be above 10%.
- March economic data should not be expected to fully reflect the extent of COVID-19. We are watching daily data releases to gain a better understanding of how conditions are evolving.
- The Bloomberg Consumer Comfort Index exhibited its sharpest two week drop since 1985, from 63.0 to 56.3, dipping from a 20-year high of 67.3 that was achieved in January.
- Existing homes sales increased +7.2% in February YoY, and new homes sales were up +14.3%. The 30-year fixed mortgage interest rate has continued to fall, finishing Q1 at 3.33%.

	Most Recent	12 Months Prior
GDP (YoY)	2.3% <i>12/31/19</i>	2.5% <i>12/31/18</i>
Inflation (CPI YoY, Core)	2.1% <i>3/31/20</i>	2.0% <i>3/31/19</i>
Expected Inflation (5yr-5yr forward)	1.3% <i>3/31/20</i>	2.4% <i>3/31/19</i>
Fed Funds Target Range	0% – 0.25% <i>3/31/20</i>	2.25% – 2.50% <i>3/31/19</i>
10 Year Rate	0.7% <i>3/31/20</i>	2.4% <i>3/31/19</i>
U-3 Unemployment	4.4% <i>3/31/20</i>	3.8% <i>3/31/19</i>
U-6 Unemployment	8.7% <i>3/31/20</i>	7.4% <i>3/31/19</i>

COVID-19 update

ACTIVE CASES PER 100,000 PEOPLE



The COVID-19 crisis has quickly become a global pandemic

Source: Bloomberg, aggregated official country statistics, x-axis indexed to when the country first reached 100 cases, as of 4/17/20

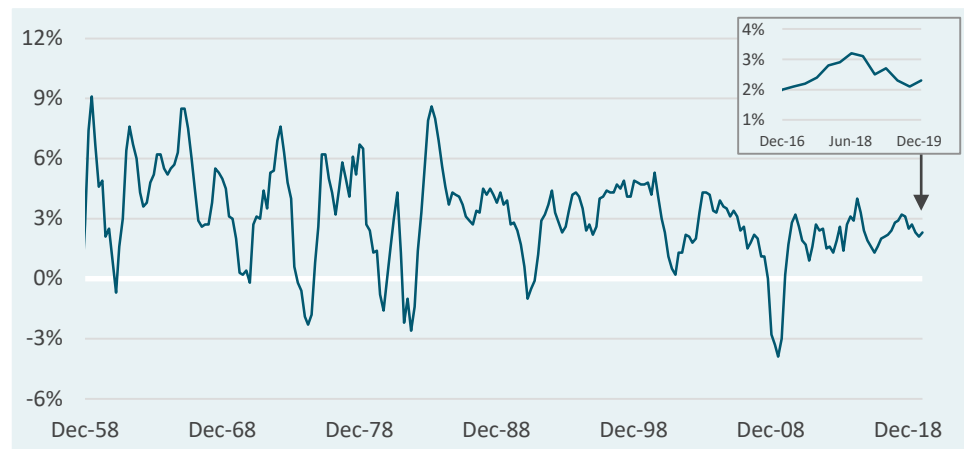
GDP growth

Real GDP grew at a 2.3% rate year-over-year in the fourth quarter (2.1% quarterly annualized rate). Companies drew down inventories, which detracted -1% from growth. Investors are bracing for an unprecedented slowdown of the economy during the first half of 2020 due to the coronavirus. Forecasts of Q2 GDP growth have varied between -15% to -35%.

The United States fiscal and monetary response to COVID-19 is unparalleled. The first response was from the Federal Reserve, swiftly cutting interest rates to zero, though 0% was not far away from levels at the time. The administration then rolled out the Families First

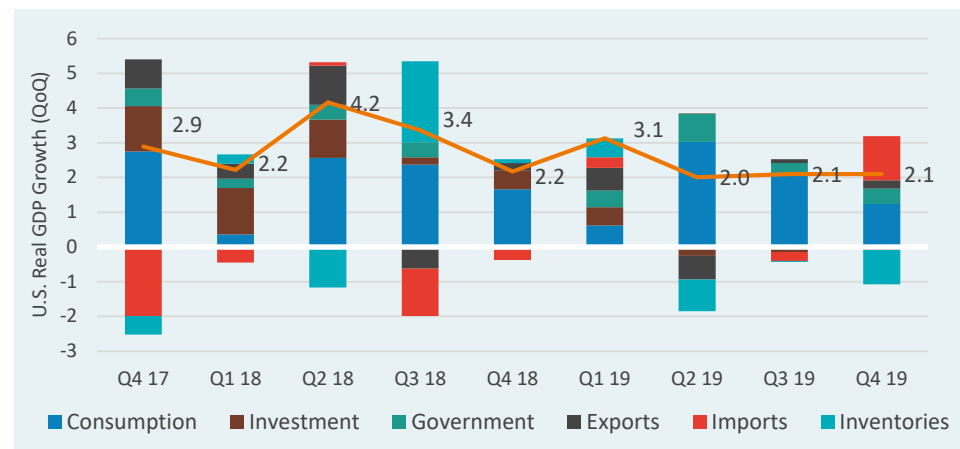
Coronavirus Response Act, which guaranteed sick days to full-time workers, prorated for part-time workers. Next was an expansion of the Family and Medical Leave Act, which provided paid leave for employees of businesses with fewer than 500 staff. For workers requiring more than two weeks of leave, the act covered those employees for up to 14 weeks. The most recent CARES Act was the largest in modern history, at \$2.2 Trillion in size. It included up to \$1,200 payments to every American, a \$600 increase in weekly unemployment benefits, expansion of unemployment to many of those not previously eligible, \$350 Billion in loans to small businesses, \$500 Billion in aid to corporations, and additional funding to individual states and government programs.

U.S. REAL GDP GROWTH (YOY)



Source: Bloomberg, as of 12/31/19

U.S. GDP GROWTH ATTRIBUTION



Source: BEA, annualized quarterly rate, as of 12/31/19

U.S. fiscal response

Families First Coronavirus Response Act:

- 10 sick days to full-time workers, prorated for part-time workers. This legislation applies to most U.S. workers, though some restrictions exist.
- Food support for low-income families increased through programs such as: increased SNAP coverage for jobless and lower-income Americans, emergency food allotments, and guaranteed school lunches.

Family and Medical Leave Act:

- This existing act has been amended to provide paid leave for employees of businesses with fewer than 500 staff in size.
- For workers who still require time off after the first two weeks, this act covers these employees for up to 14 weeks.

\$2.2 Trillion Coronavirus Relief Package

- \$1,200 checks to every American, which begin to be phased out for Americans with more than \$75,000 of income and fully phased out for Americans with more than \$99,000 in income. It was communicated that these non-taxable checks would be issued within weeks.
- Weekly unemployment benefits were increased by \$600 per week for up to 4 months and were made available to many who previously did not qualify, such as freelance workers and furloughed employees.
- \$350 Billion in loans to small businesses.
- Companies with fewer than 500 employees could be eligible for up to \$10 Million in forgivable loans to meet payroll needs.
- \$500 Billion in aid to corporations, \$100 Billion in aid to hospitals, \$150 Billion for state and local governments.
- 60-day delays in home foreclosures. Optional 6-month student loan deferrals.

Inflation

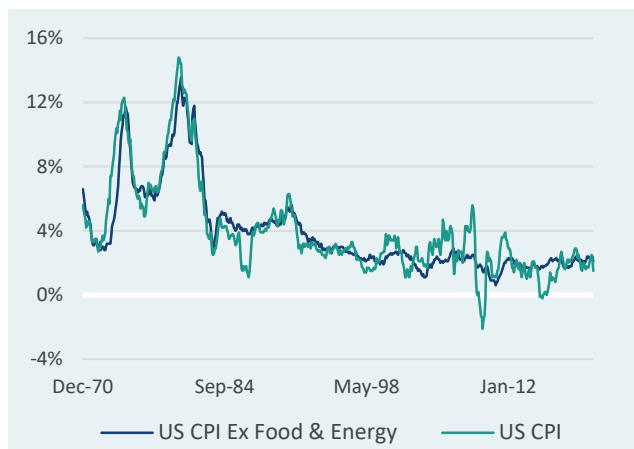
U.S. core inflation increased 2.1% YoY in March. Headline inflation slowed to 1.5%, pushed lower by a sharp decline in energy prices which will likely have continued effects over the coming months. This downward pressure could be compounded as households slow spending due to loss of income and show a greater propensity to save rather than spend.

During the sudden market sell-off in March, the U.S. TIPS inflation breakeven rate fell drastically from 1.7% to a low of 0.5%, ending the month at 0.9%. U.S. TIPS breakevens have historically tended to plummet in times of market turmoil.

We believe these moves may partially reflect the illiquidity of TIPS in volatile environments, rather than falling inflation expectations. This draws into question the usefulness of TIPS breakeven rates as a pure indication of investors' inflation forecasts. Inflation swaps, such as the 5-year Inflation Swap Forward Rate, may offer a cleaner reflection of true inflation expectations.

Consumer inflation surveys indicate that expectations were relatively flat, moving from 2.3% in December to 2.2% in March.

U.S. CPI (YOY)



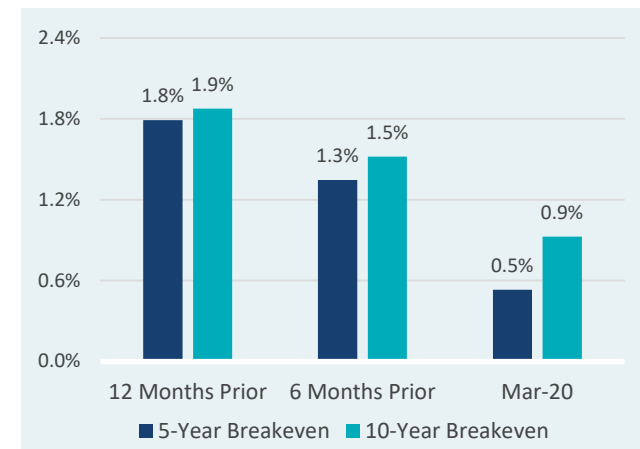
Source: Bloomberg, as of 3/31/20

U.S. INFLATION INDICATORS



Source: FRED, Bloomberg, as of 3/31/20

INFLATION EXPECTATIONS



Source: Bloomberg, as of 3/31/20

Labor market

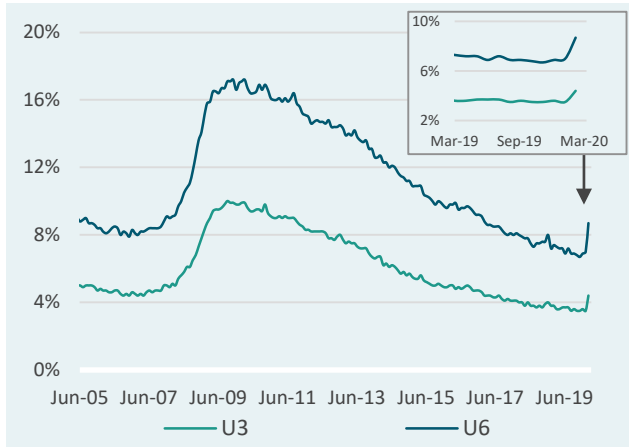
The U.S. labor market exhibited a sharp weakening in March, as unemployment jumped to 4.4%. Some have estimated the true unemployment rate in April to be above 10%.

The total number of Americans applying for unemployment skyrocketed to 6.65 Million at the end of March – a number historically unthinkable. This figure may stay elevated due to shelter-in-place mandates and widespread business closures across the country.

The NFIB Small Business Optimism Index decreased by 8.1 in March to 96.4, which was the largest drop of the series' history. Survey respondents indicated greater uncertainty on the horizon, contracting business conditions, falling sales in the coming six months, and fewer job openings. NFIB stated that "Small business orders are bracing themselves for a significant reduction in consumer spending and future orders." The organization also reported that around half of small businesses indicated that they cannot survive a shutdown of more than two months under current conditions.

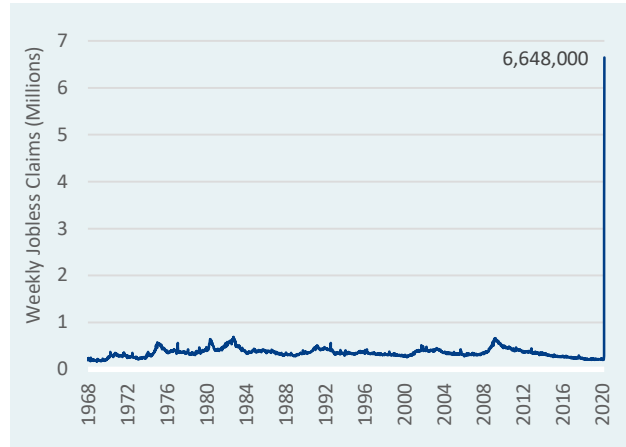
U.S. labor market is experiencing the largest negative shock in modern history

U.S. UNEMPLOYMENT



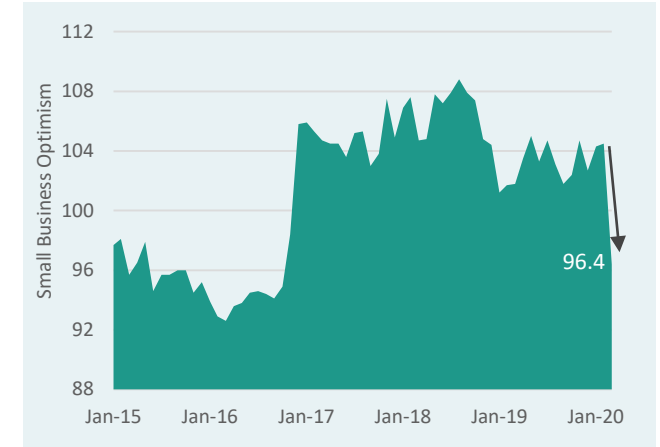
Source: FRED, as of 3/31/20

WEEKLY JOBLESS CLAIMS



Source: FRED, as 3/31/20

SMALL BUSINESS OPTIMISM



Source: NFIB, as of 3/31/20

The consumer

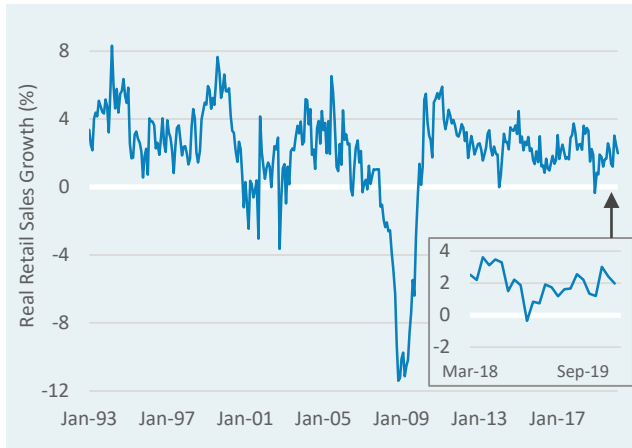
The U.S. consumer has been the greatest support to moderate domestic economic growth of recent years. At the same time, spending and use of credit has been conservative, and household balance sheets have remained robust. The relatively strong position of households at the onset of the crisis may help mitigate some pain of the COVID-19 economic slowdown.

U.S. retail sales declined -8.7% in March from the prior month, the largest ever decline since the series' inception in 1992. Big ticket discretionary purchases are likely to see severe slowdowns due to coronavirus.

Consumers appear to be paring back more elective purchases and allocating more of their income toward staple goods. In March, sales at clothing and home furnishing stores fell -51% and -27% respectively, while food and beverage purchases (+27%) posted a record advance.

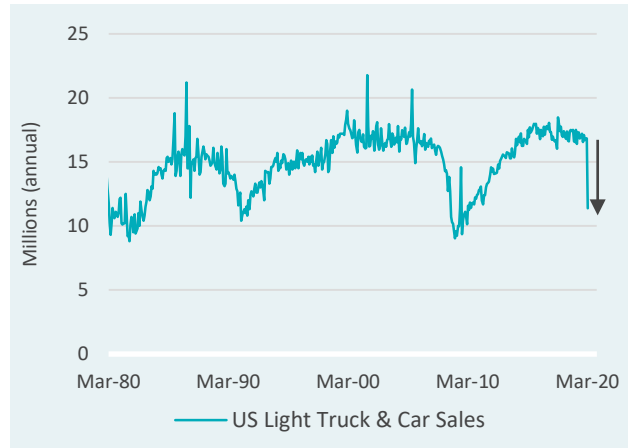
Data from Google suggests that consumers have been travelling far less as of late, and whether that trend continues will be interesting to observe as we move into spring in the United States. Filling station receipts fell around 17% in March, and those revenues are less likely to be "made up" later in the year.

REAL RETAIL SALES GROWTH (YOY)



Source: FRED, as of 2/29/20

U.S. AUTO SALES



Source: Bloomberg, as of 3/31/20

HOUSEHOLD DEBT BURDEN



Source: FRED, as of 12/31/19

Sentiment

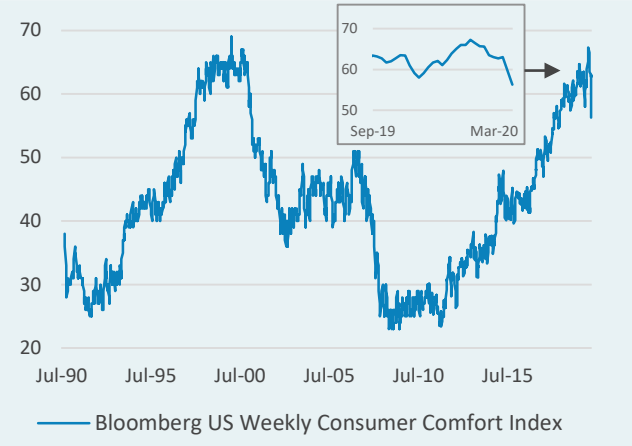
The Bloomberg Consumer Comfort Index exhibited its sharpest two week drop since 1985, falling from 63.0 to 56.3, down from a 20-year high of 67.3 that was achieved in January. Slowing business activity, rising unemployment, and greater uncertainty has led to a broad deterioration in consumer confidence.

Small business owners have been among the hardest hit by the COVID-19 economic disruptions. The NFIB Small Business Optimism Index registered its largest ever single month drop

in March, falling -8.1 points to 96.4. Plummeting expectations for real sales over the next six months drove the decline in the overall index, and it appears Main Street business owners are anticipating and bracing themselves for continued economic disruptions moving forward.

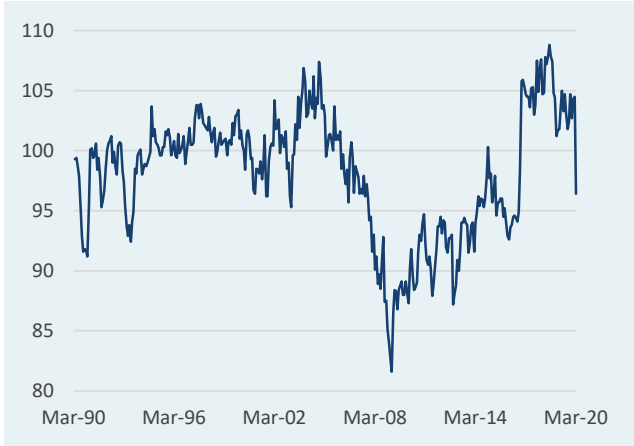
While hiring activity remained relatively healthy in early March, hiring plans showed a significant drop-off in February, a signal of a strong downturn in the coming months.

CONSUMER COMFORT



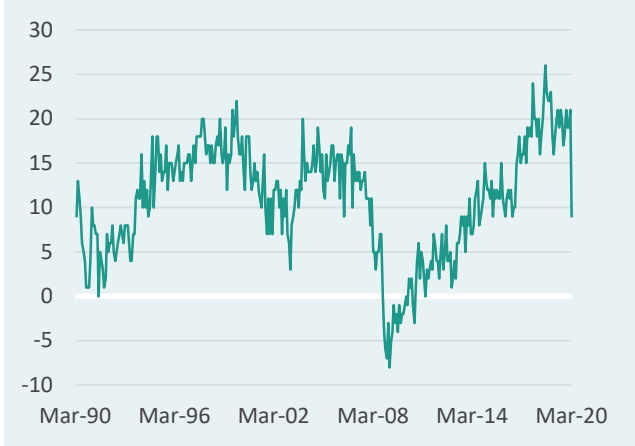
Source: Bloomberg, as of 3/31/20

SMALL BUSINESS OPTIMISM



Source: NFIB, as of 3/31/20

SMALL BUSINESS HIRING PLANS INDEX



Source: NFIB, as of 3/31/20

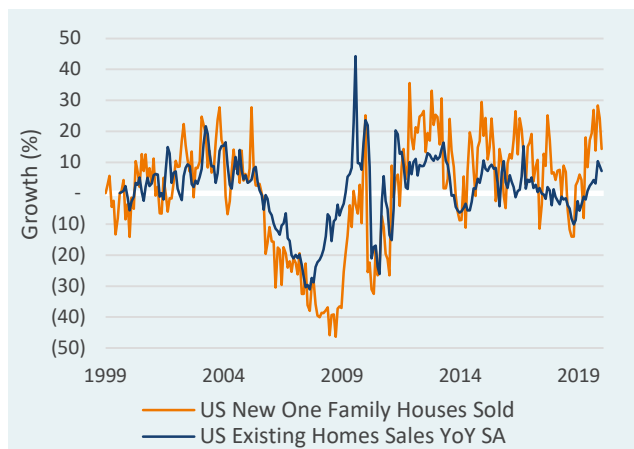
Housing

The housing market exhibited strength to start the year, with February existing homes sales rising 7.2% YoY, and new home sales up 14.3%. The 30-year fixed mortgage interest rate has continued to fall, finishing Q1 at 3.33%. Near record-low interest rates will likely continue to support housing prices and demand, as home affordability improves for Americans.

It is difficult to forecast the effect that COVID-19 will have on the housing market, as there are perhaps two opposing forces at work. The first effect is falling mortgage rates, which should be supportive of home values and purchase activity, assuming U.S. interest rates remain lower as they

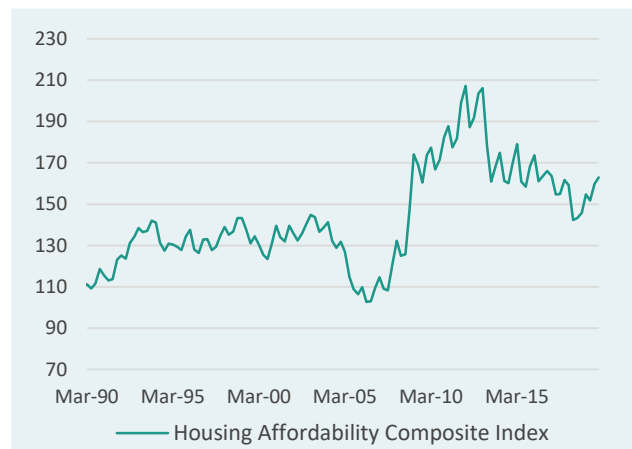
typically do during market strain. The second effect – a slowing U.S. economy – is of course negative on housing values and demand. Millions of job losses have occurred in the first few weeks of the COVID-19 nationwide shutdown, and many Americans will soon struggle to meet mortgage payments. Under the new CARES Act, homeowners with Federally-backed mortgages who have been affected by COVID-19 can request forbearance on mortgage payments for up to 180 days, with an option to extend for an additional 180 days. This intervention will hopefully ease some of the strains and mitigate some downside risk during a time of historically unprecedented spikes in unemployment.

U.S. HOME SALES (YOY)



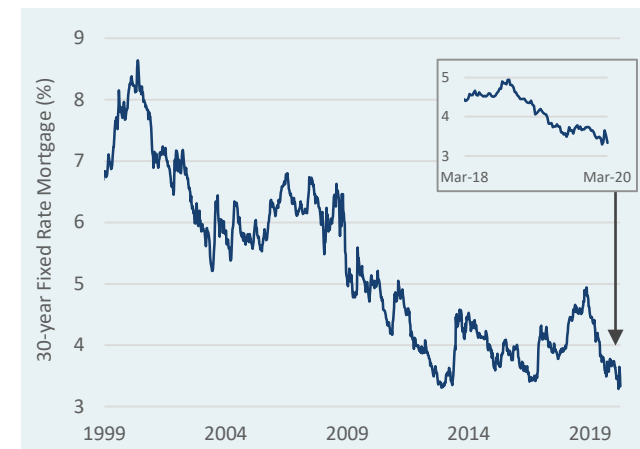
Source: FRED, as of 2/29/20

HOUSING AFFORDABILITY INDEX



Source: Bloomberg, NAHB, as of 12/31/19 (see appendix)

30YR FIXED RATE MORTGAGE



Source: FRED, as of 3/31/20

International economics summary

- Most international developed economies grew at a rate of 0.5% to 2.5% in Q4. The low and stable expansion of recent years has changed suddenly with the onset of COVID-19. Many global economies will enter recession in 2020. On April 14th the IMF revised their 2020 global growth forecast from +3.3% to -3.0%.
- Governments are using monetary and fiscal policies to fill the large hole in spending and lending that the slowdown may cause. These policies vary in their characteristics and aggressiveness.
- Governments with limited ability to implement stimulus policies may face tougher economic fallout. Specifically, European Union member nations that cannot exercise independent actions may see greater difficulties ahead as income gaps cannot be supplemented with fiscal spending.
- The World Trade Organization (WTO) forecast a 13%-32% fall in global trade in 2020 – a larger decrease than witnessed during the global financial crisis. This forecast was paired with the expectation of a 21%-24% rebound in trade throughout 2021.
- While not yet reflected in the most recent economic data, unemployment rates around the world are certain to rise considerably.
- The COVID-19 virus breakout originated in China, and many investors have pointed to China as a testcase for how the virus might play out economically. Although the data released by China suggests the outbreak has been defeated, there is increasing evidence that the severity of virus has been underreported – perhaps severely.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.3% <i>12/31/19</i>	1.5% <i>3/31/20</i>	4.4% <i>3/31/20</i>
Eurozone	1.0% <i>12/31/19</i>	0.7% <i>3/31/20</i>	7.3% <i>2/29/20</i>
Japan	(0.7%) <i>12/31/19</i>	0.4% <i>3/31/20</i>	2.3% <i>2/29/20</i>
BRICS Nations	5.0% <i>12/31/19</i>	4.9% <i>3/31/20</i>	5.0% <i>12/31/19</i>
Brazil	1.7% <i>12/31/19</i>	3.3% <i>3/31/20</i>	11.6% <i>2/29/20</i>
Russia	2.1% <i>12/31/19</i>	2.6% <i>3/31/20</i>	4.6% <i>2/29/20</i>
India	4.7% <i>12/31/19</i>	5.9% <i>3/31/20</i>	8.5% <i>12/31/17</i>
China	6.0% <i>12/31/19</i>	4.3% <i>3/31/20</i>	3.6% <i>12/31/19</i>

International economics

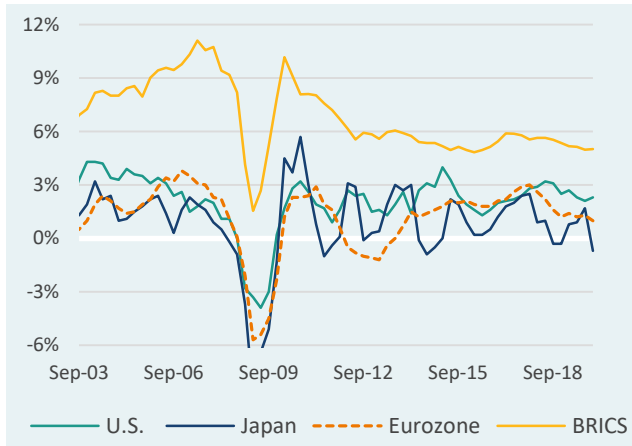
Most international developed economies grew at a rate of 0.5% to 2.5% in Q4. The low and stable expansion of recent years has changed suddenly with the onset of COVID-19. Many global economies will enter recession in 2020. On April 14th the IMF revised their 2020 global growth forecast from +3.3% to -3.0%.

Governments are using monetary and fiscal policies to fill the potentially large hole in spending and lending that the slowdown may cause. These policies vary in their characteristics. For example, the UK government has taken a more aggressive stance, committing to subsidize 80% of the salaries of workers who become unemployed, up to £2,500 per month for a three-month period.

The World Trade Organization (WTO) forecast a 13%-32% fall in global trade in 2020 – a larger decrease than witnessed during the global financial crisis due to broader restrictions on labor and travel that are not involved with a typical recession. This forecast was paired with the expectation of a 21%-24% rebound in trade throughout 2021, though forecasts of the shape and nature of the recovery may be more speculative in nature.

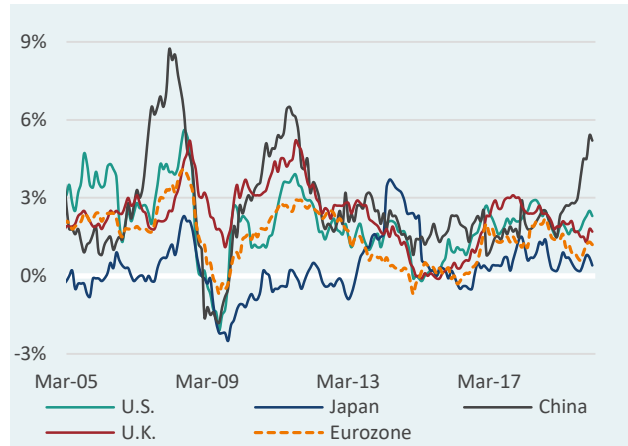
Due to the extremely quick onset of COVID-19 and its economic impacts, many traditional economic metrics do not yet reflect the effects of the virus since these metrics are released with a one-month or greater lag.

REAL GDP GROWTH (YOY)



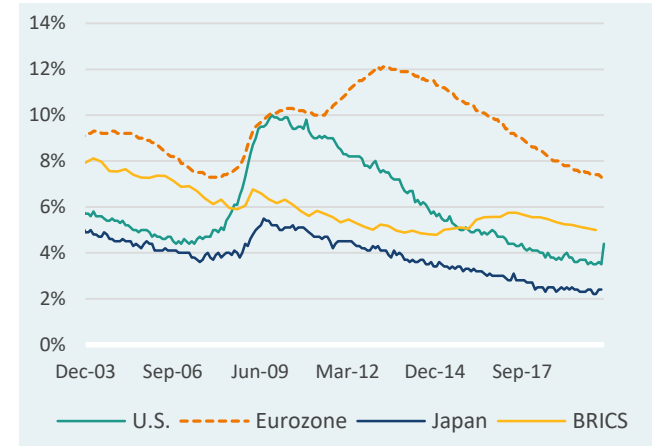
Source: Bloomberg, as of 12/31/19

INFLATION (CPI YOY)



Source: Bloomberg, inflation range of past 5 years, as of 2/29/20

UNEMPLOYMENT RATE



Source: Bloomberg, as of 3/31/20 or most recent release

Fixed income rates & credit

Interest rate environment

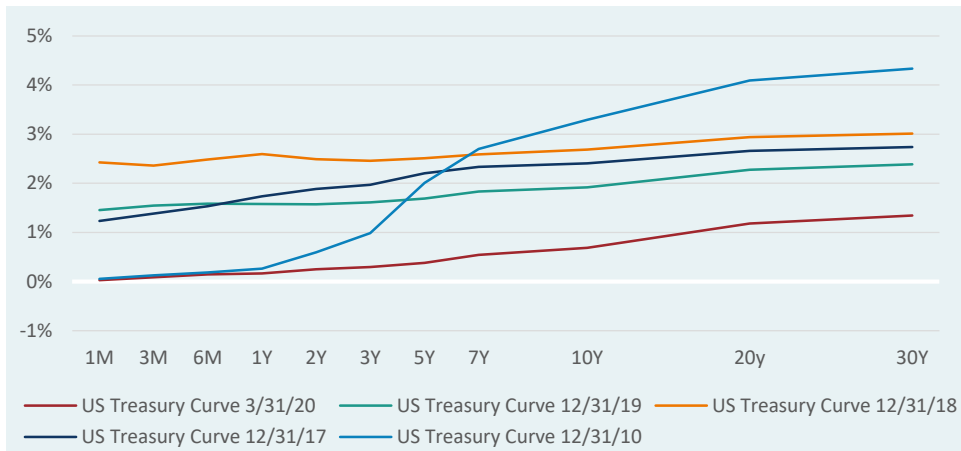
- In mid-March, the Federal Open Market Committee cut interest rates by a full 1.00% to a new range of 0 – 0.25%. This surprise action was taken on a Sunday with the intent to get out ahead of the economic impacts of COVID-19.
- On April 9th, the Federal Reserve announced an additional \$2.3 Trillion program aimed towards providing financing to small businesses and municipalities. The program included \$1M-\$25M sized loans at an interest rate of 2.5%-4.0% with a four-year maturity. This move involved Fed purchases of certain types of low-grade speculative debt, a reversal from comments just weeks earlier that the Federal Reserve would stick to investment-grade debt purchases.
- The European Central Bank (ECB) announced a €750B asset purchase program in March to address effects of the virus. ECB President Christine Lagarde claimed that there are “no limits to our commitment to the euro”. Bond yields of Euro member countries fell on the news.
- Central banks are now facing a unique problem – an immediate economic slowdown and need for monetary policy support, but very little room to cut interest rates to provide that support. This is a risk that has been discussed by investors for years, only now becoming reality. We believe fiscal policies will play a much larger role in addressing the inevitable economic slowdown.
- The Federal Reserve rolled out several liquidity programs which were components of its Global Financial Crisis playbook and are aimed at ensuring the flow of credit to U.S. households and businesses, as well as financial market stability. The New York Fed began offering up to \$500B in overnight liquidity through repurchase agreements and has expanded dollar swap lines to alleviate any possible strains in global U.S. dollar funding markets.

Area	Short Term (3M)	10-Year
United States	0.09%	0.67%
Germany	(0.71%)	(0.47%)
France	(0.50%)	(0.02%)
Spain	(0.23%)	0.67%
Italy	(0.05%)	1.52%
Greece	0.16%	1.63%
U.K.	0.03%	0.36%
Japan	(0.30%)	0.01%
Australia	0.37%	0.76%
China	1.34%	2.58%
Brazil	3.37%	7.77%
Russia	5.47%	6.70%

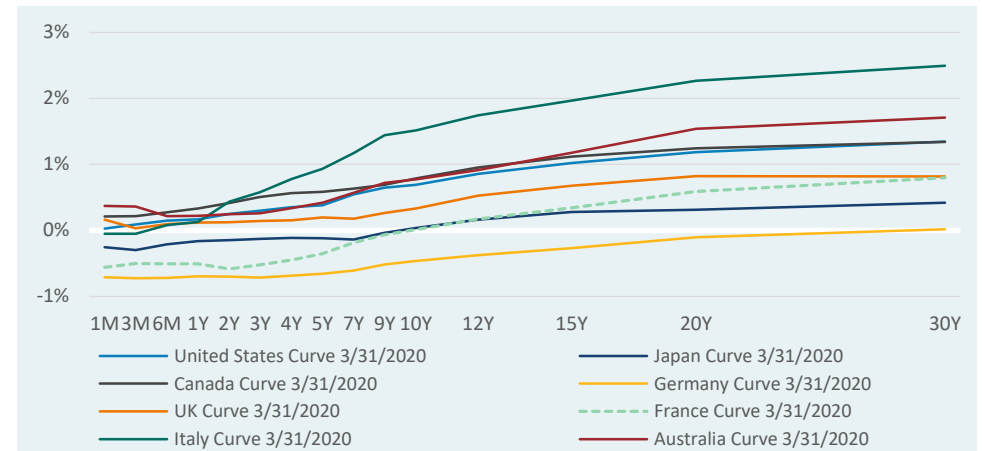
Source: Bloomberg, as of 3/31/20

Yield environment

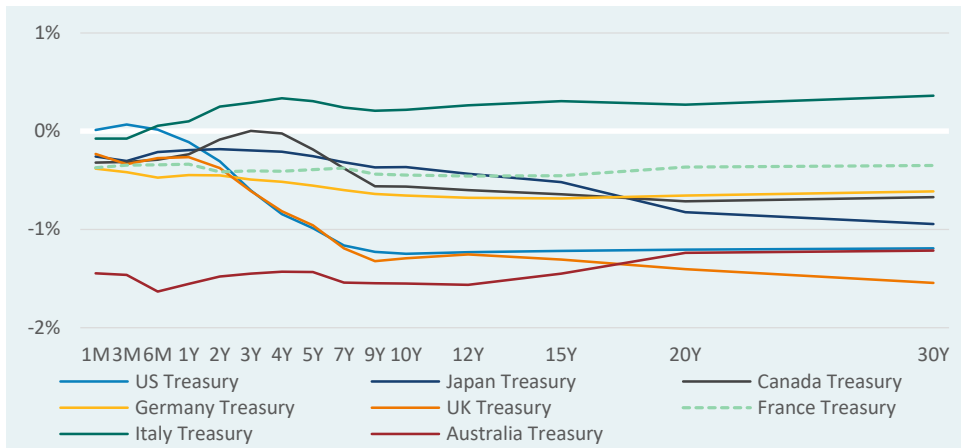
U.S. YIELD CURVE



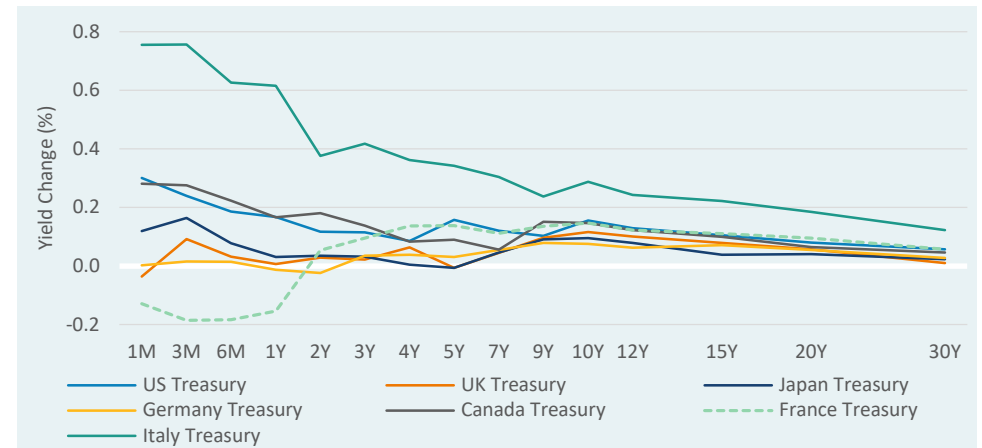
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 3/31/20

Credit environment

After a positive start to the year following the completion of phase one of the US-China trade deal, the impacts of the COVID-19 pandemic struck fear into credit markets, causing a broad-based sell-off and liquidity crisis in early March. This volatility prompted decisive Fed action, including but not limited to announcing unlimited QE and the reopening of several financial crisis-era liquidity facilities, which collectively incited a partial recovery in the last week of the quarter and restored a reasonable level of liquidity to credit markets.

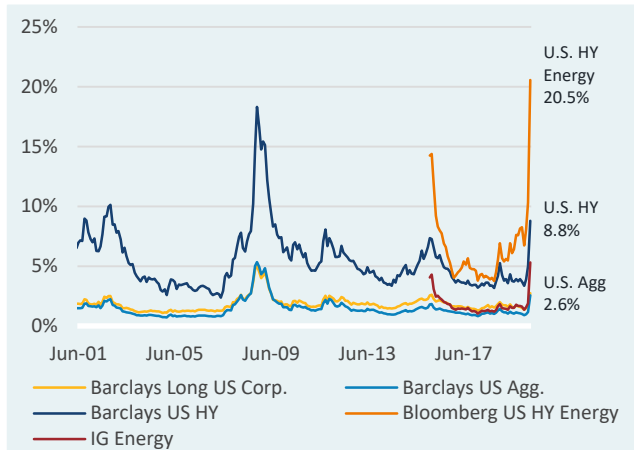
U.S. investment grade credit spreads widened from 93 bps at the end of 2019 to 272 bps at the end of the quarter after reaching highs of 373 bps in March. Similarly, high yield credit spreads spiked from 336 bps to 880 bps over the quarter, after March highs of 1100 bps. High yield ex-

Energy spreads increased from 295 bps to 749 bps over the same period.

The US Aggregate finished the quarter up 3.15%, while investment grade credit fell -3.63% followed by high yield -12.68% and leveraged loans -13.05%. In general, higher quality bonds meaningfully outperformed lower quality.

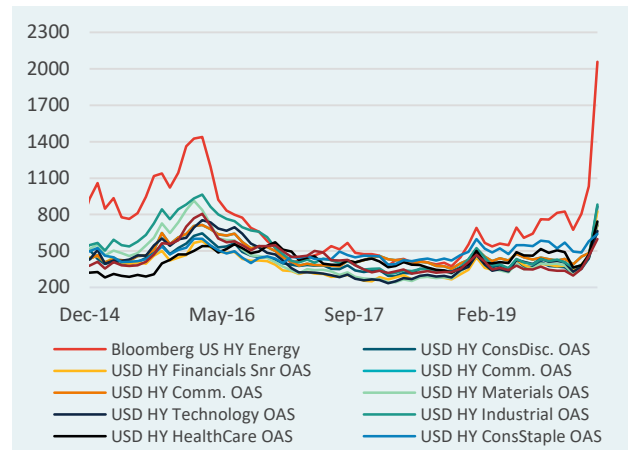
While the energy sector within high yield was the top performer in Q4 2019, the sector was faced with both a supply and demand shock with the Saudi Arabia-Russia production conflict and COVID-19 outbreak, causing it to decline by -38.94% in Q1 2020. The utility and technology sectors held up relatively well, declining -5.1% and -5.3%, respectively.

SPREADS



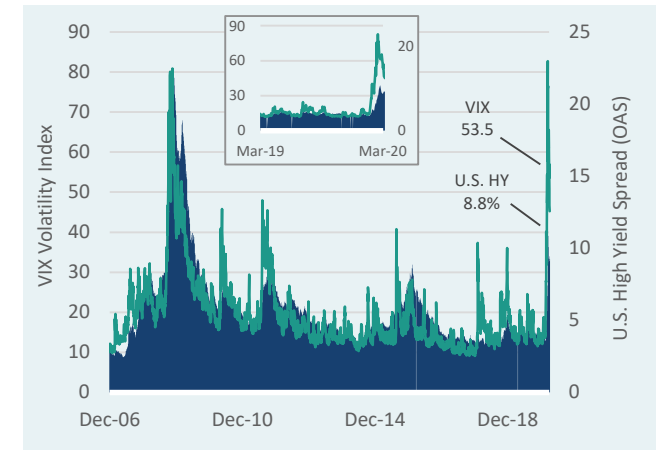
Source: Barclays, Bloomberg, as of 3/31/20

HIGH YIELD SECTOR SPREADS (BPS)



Source: Bloomberg, as of 3/31/20

CREDIT SPREADS MOVING WITH VOLATILITY



Source: CBOE, BofA, as of 3/31/20

Default & issuance

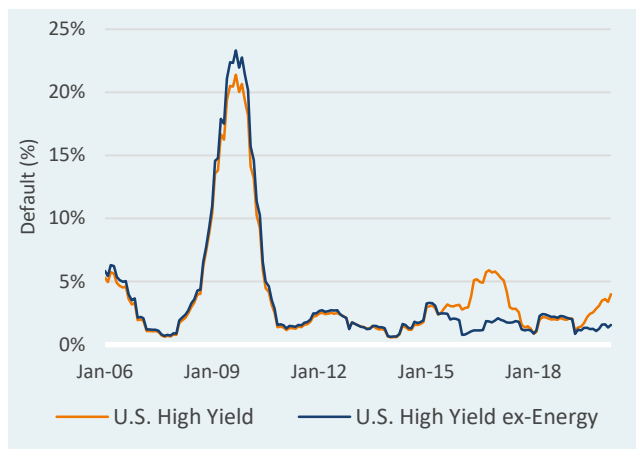
The first quarter saw 13 defaults affecting \$23.5 Billion in bonds and loans. However, one company, Frontier Communications, accounted for \$16.7 Billion of the total. For context, this quarterly amount compares with 43 defaults affecting \$51.5 Billion in bonds and loans for the full year of 2019. While this quarter ranks as the seventh highest in default volume on record, fixed income investors are expecting the worst is yet to come as companies grapple with the COVID-19-induced economic shutdown.

In March, the par-weighted U.S. high-yield default rate rose to a three-year high of 3.4%, up from 2.6% at the end of last year. Loan default rates rose less dramatically, to 1.9% over the trailing 12 months, up from 1.6% at year end.

Energy has driven around 45% of total defaults over the last 12 months, and in Q1 the full year 2020 outlook for the sector worsened dramatically. The trailing 12-month energy default rate in high yield ended the quarter at 9.8% (high yield ex-energy was 2.2%) while the trailing 12-month energy default rate in loans ended at 13.0% (loan ex-energy was 1.8%). In addition to energy, travel and tourism, gaming, leisure, retail, and restaurants appear particularly vulnerable in the current economic environment.

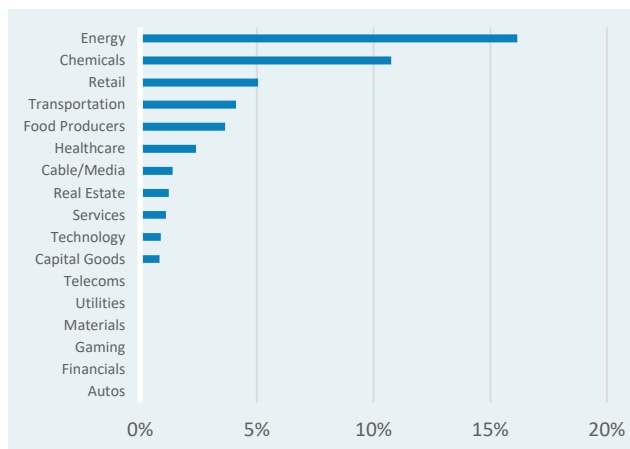
Investment grade bond issuance boomed in Q1 as companies tried to shore up liquidity for the coming recession. This was particularly pronounced in March, which saw a record \$262 Billion in investment grade issuance. Q1 also saw \$73 Billion in high yield volume and loan issuance spike to \$199 Billion.

HY DEFAULT RATE (ROLLING 1-YEAR)



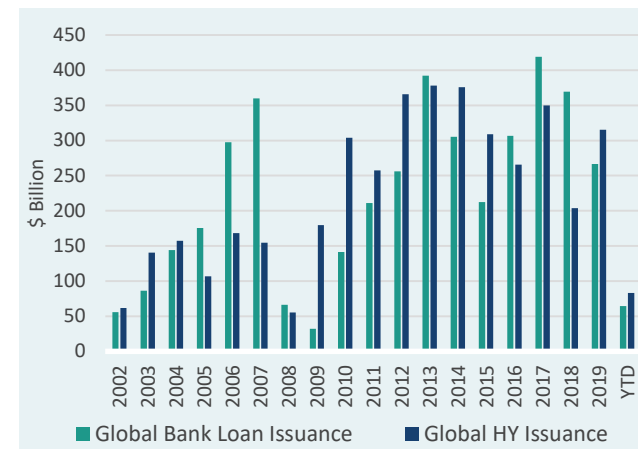
Source: BofA Merrill Lynch, as of 3/31/20

U.S. HY SECTOR DEFAULTS (LAST 12 MONTHS)



Source: BofA Merrill Lynch, as of 3/31/20 – par weighted

GLOBAL ISSUANCE (\$ BILLIONS)



Source: Bloomberg, BofA Merrill Lynch, as of 3/31/20

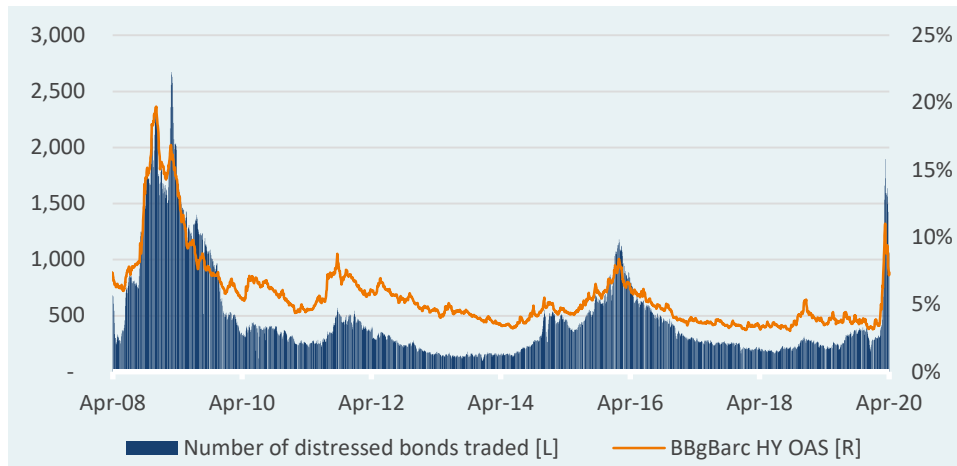
High yield – what happened?

The considerable economic fallout from the COVID-19 pandemic and collapsing oil prices broadly impacted credit markets. Credit spreads topped 1,000 basis points for the first time since the global financial crisis and the number of distressed bonds soared from 218 at the beginning of the year to a peak of 1,896. Higher defaults typically follow slowing growth and credit spread widening. J.P. Morgan’s estimates of credit defaults increased from a 3% rate to an 8% rate for the near-term.

Approximately half of the investment grade bond market now sits within the BBB rated segment, which is the lowest

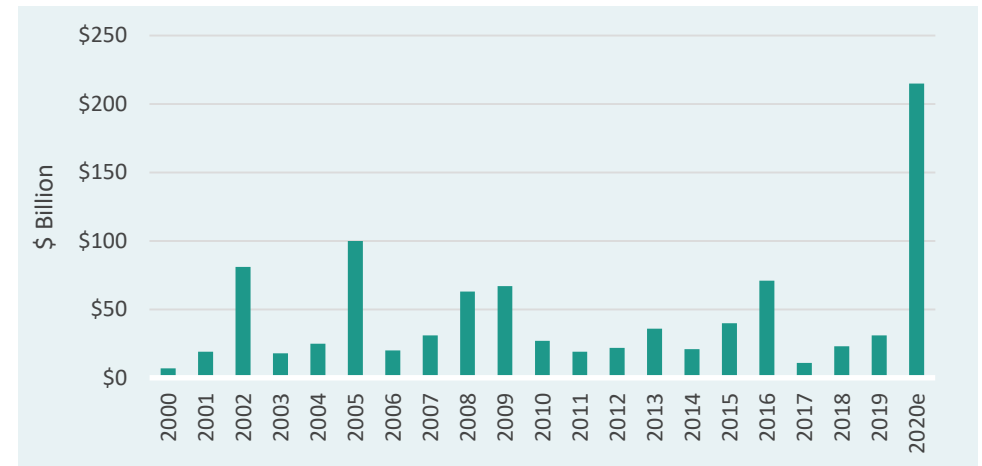
rung on the investment grade scale. Some market participants now expect more than \$200 Billion to fall from the investment grade to the high yield space. Because the BBB sector alone totals more the twice the size of the entire high yield market, downgrades and subsequent forced selling are likely to add pressure to that already stressed market segment throughout the rest of the year. These dislocations have already impacted strategies across the space as investors redeem capital, resulting in suspensions and even closures.

VOLUME AND SPREADS



Source: J.P. Morgan, Bloomberg, as of 4/16/20

FALLEN ANGELS



Equity

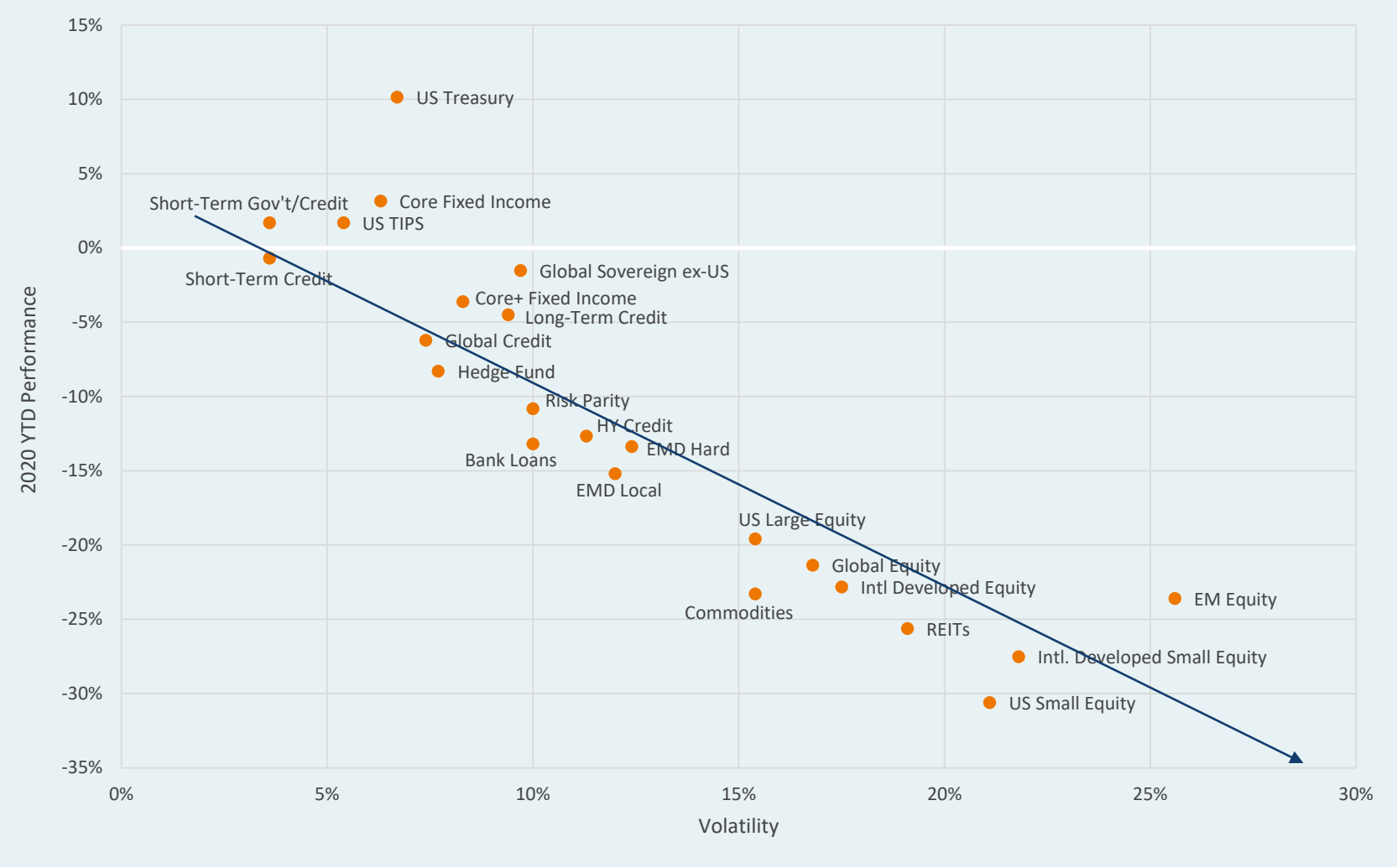
Equity environment

- U.S. equities experienced an unusually sudden and significant sell-off in March as investors grew fearful of the health and economic impacts of COVID-19 spread. During Q1 the S&P 500 fell -19.6%, international developed equities (MSCI EAFE) fell -22.8% and emerging markets (MSCI EM) fell -23.6%.
- The greatest influence on equity performance in 2020 will perhaps be the path of corporate earnings. The degree to which corporate earnings will fall is largely unknown with few reliable estimates.
- Implied volatility spiked in March to a record daily close of 82.7%, surpassing the high of 80.9% in November 2008 during the depths of the global financial crisis.
- In March, a squabble between OPEC+ members led to a historic drop in energy prices. The energy sector faces sharply falling demand and potentially significant oversupply due to oil producers' decision to ramp up production in an oil war. The energy sector experienced a loss of -50.5% in Q1.
- The U.S. dollar appreciated significantly in the first quarter, rising 7.1% on a trade-weighted basis, resulting in large losses for investors with unhedged currency exposure. As is often the case during higher risk market environments, demand for safe-haven currencies positively impacted the dollar.
- Value stocks severely underperformed growth stocks during the first quarter (Russell 1000 Value -26.7%, Russell 1000 Growth -14.1%). Small cap stocks underperformed large cap stocks by a similar magnitude (Russell 2000 -30.6%, Russell 1000 -20.2%). Value and size factors continue to experience an extended period of relative underperformance.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
US Large Cap (S&P 500)	(19.6%)		(7.0%)	
US Small Cap (Russell 2000)	(30.6%)		(24.0%)	
US Large Value (Russell 1000 Value)	(26.7%)		(17.2%)	
US Large Growth (Russell 1000 Growth)	(14.1%)		(0.9%)	
International Large (MSCI EAFE)	(22.8%)	(19.9%)	(14.4%)	(10.3%)
Eurozone (Euro Stoxx 50)	(27.0%)	(24.8%)	(16.6%)	(12.0%)
U.K. (FTSE 100)	(28.8%)	(23.0%)	(22.0%)	(16.4%)
Japan (NIKKEI 225)	(18.6%)	(18.8%)	(6.7%)	(6.8%)
Emerging Markets (MSCI Emerging Markets)	(23.6%)	(18.5%)	(17.7%)	(12.7%)

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 3/31/20

Q1 performance



Riskier assets performed the worst in Q1...

...and this relationship was fairly consistent across most asset classes

Source: Verus, as of 3/31/20 – Volatility is based on our forward looking 10-year Capital Market Assumptions

Domestic equity

U.S. equities experienced an unusually sudden and significant sell-off in March as investors grew fearful of the health and economic impacts of COVID-19 spread. During Q1 the S&P 500 fell -19.6%, international developed equities (MSCI EAFE) fell -22.8% and emerging markets (MSCI EM) fell -23.6%.

At the same time that COVID-19 was spreading throughout the U.S., a squabble between OPEC+ members led to a historic drop in energy prices. The energy sector faces a perfect storm – sharply falling demand due to a global economic slowdown, and potentially significant oversupply due to oil producers’ decision to ramp up production in an oil war. The energy sector experienced a loss of -50.5% in Q1.

The greatest influence on equity performance in 2020 will perhaps be the path of corporate earnings. The degree to which corporate earnings will fall throughout the year is largely unknown with few reliable estimates.

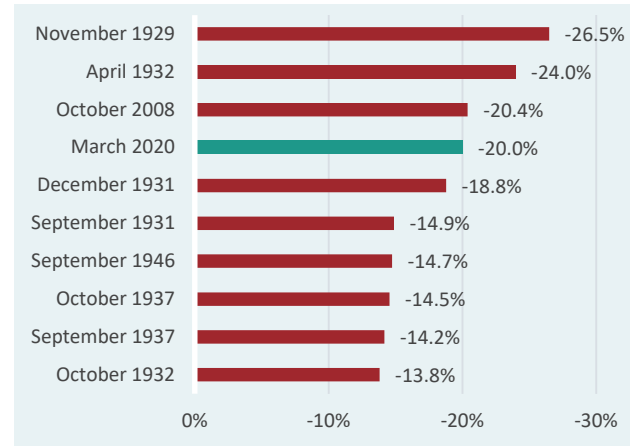
We continue to believe an underweight to international developed equities is appropriate. The economic pain that European Union member countries face may be significant, and membership to the EU inherently limits the ability of these countries to enact certain changes to address weakening economies. The U.S. market may continue to perform relatively well throughout the economic recovery.

S&P 500



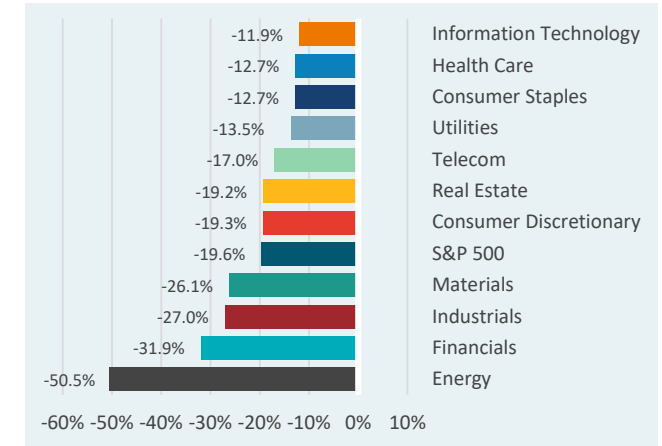
Source: Standard & Poor's, as of 3/31/20

WORST S&P 500 MAX MONTHLY DRAWDOWNS



Source: Standard & Poor's, as of 3/31/20

Q1 SECTOR PERFORMANCE



Source: Standard & Poor's, as of 3/31/20

Domestic equity size & style

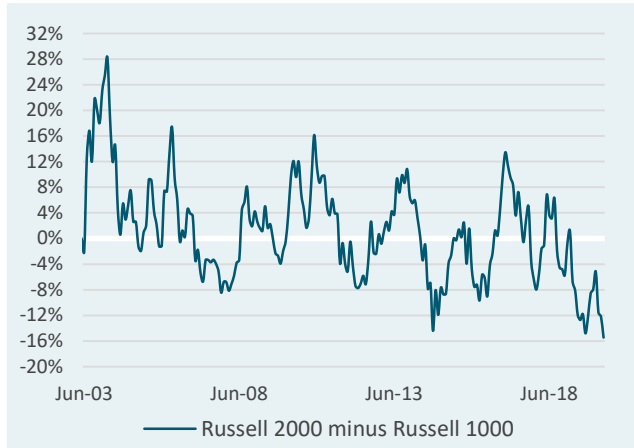
Value stocks severely underperformed growth stocks during the first quarter (Russell 1000 Value -26.7%, Russell 1000 Growth -14.1%). Small cap stocks underperformed large cap stocks by a similar magnitude (Russell 2000 -30.6%, Russell 1000 -20.2%). Value and size factors continue to experience a surprisingly long period of relative underperformance.

Once again, the impact of sector performance on the value premium in Q1 was notable – specifically energy and financial sectors (-50.5% and -31.9%, respectively) which tend to be value-tilted. Energy prices saw a historic drop fueled by OPEC+ infighting and likely the intent of the cartel to push out U.S. energy producers. Financial stocks delivered losses as

falling interest rates hurt profitability. Information Technology (-11.9%), a sector that tends to contain more growth stocks, was the best performer.

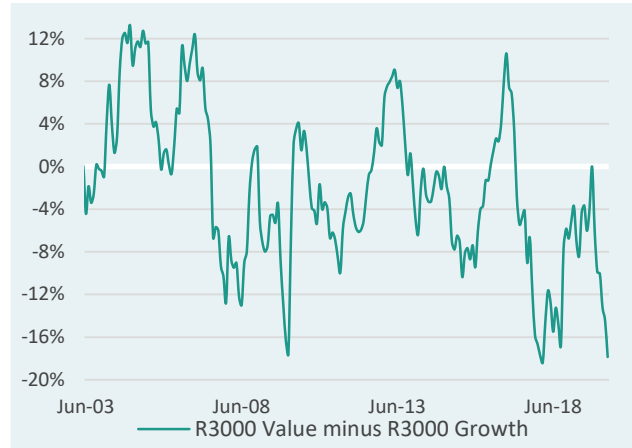
We believe that it is extremely difficult to successfully make short-term bets on style factors. Factor performance can be incredibly noisy and vulnerable to sector randomness. Market events of the past month seem to support this belief. While value in particular continues to be historically cheap, price itself does not translate to short-term outperformance – a catalyst for a turnaround should also be clearly identified and understood. We remain watchful and believe that consistent long-term exposure to these style factors is an ideal implementation approach for most investors, most of the time.

SMALL CAP VS LARGE CAP (YOY)



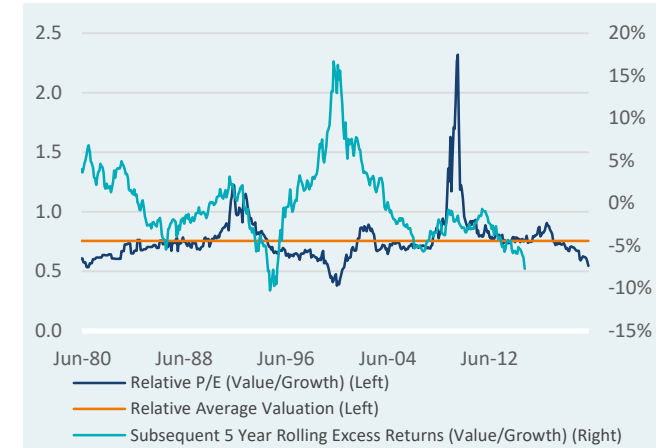
Source: FTSE, as of 3/31/20

VALUE VS GROWTH (YOY)



Source: FTSE, as of 3/31/20

VALUE HISTORICALLY CHEAP



Source: Russell, Bloomberg, as of 3/31/20

International developed equity

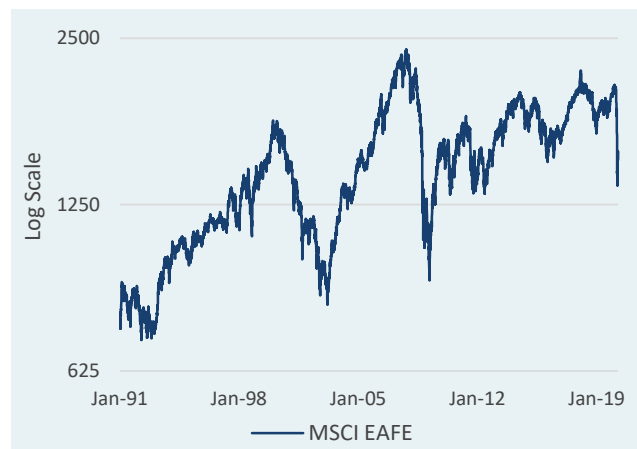
Equity markets around the world sold off broadly in the first quarter, down between -16% to -29%. Japanese equities were among the best performing (MSCI Japan -17%) while the U.K. was one of the worst performing (MSCI U.K. -29%).

As the global transactional currency, demand for U.S. dollars tends to ramp up when markets become stressed and companies abroad require dollars to pay down dollar-denominated liabilities. In the first quarter, the U.S. dollar gained +2.3% against the Euro and +6.4% against the British pound, resulting in losses for U.S. investors in European

equities with unhedged currency exposure. In mid-March, the Federal Reserve expanded its dollar swap liquidity lines and opened a FIMA repo facility which will allow foreign monetary authorities to enter repurchase agreements with the Fed. Both measures worked to help improve U.S. dollar liquidity abroad, and as a result, slow the pace of appreciation of the U.S. dollar relative to international pairs.

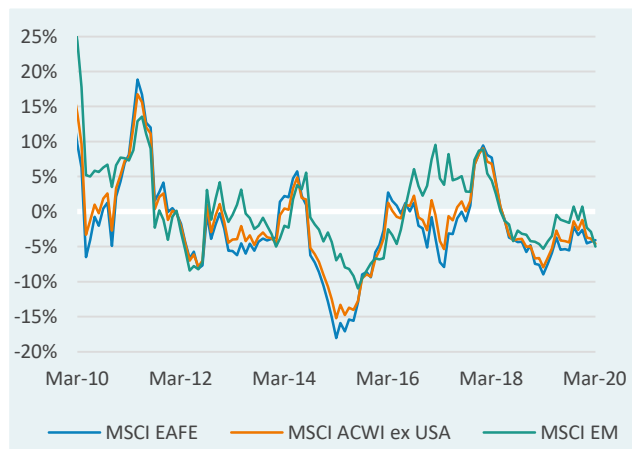
Cross-currency basis, which measure the additional premia investors must pay to swap one currency for another over a term, narrowed in March, signaling that the Fed's efforts to ease dollar funding strains have proved effective thus far.

INTERNATIONAL DEVELOPED EQUITIES



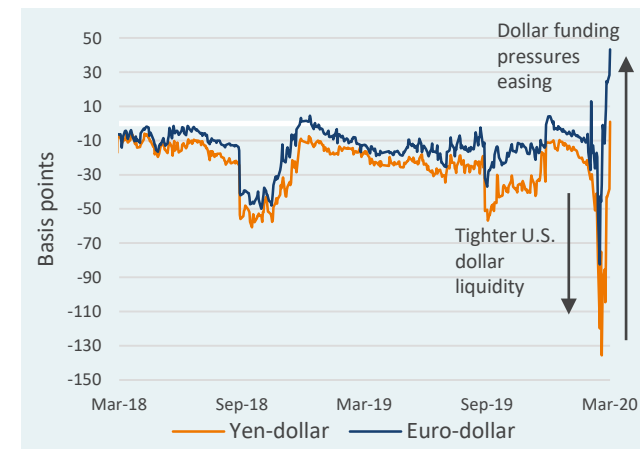
Source: MSCI, as of 3/31/20

EFFECT OF CURRENCY (1-YEAR ROLLING)



Source: MSCI, as of 3/31/20

3M/3M CROSS CURRENCY BASIS SWAPS



Source: Bloomberg, as of 3/31/20

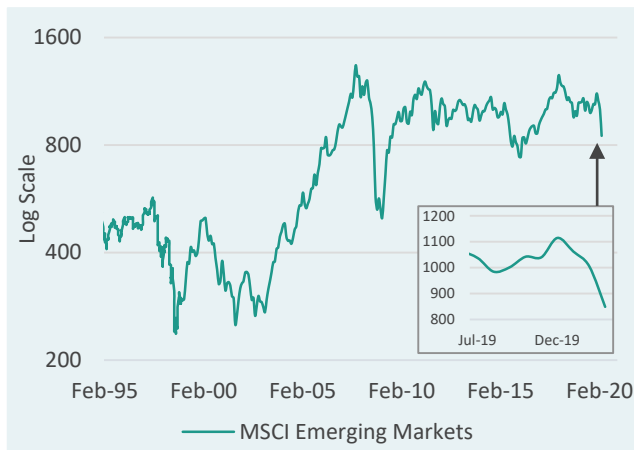
Emerging market equity

Emerging market equities (MSCI EM -23.6%) underperformed both U.S. (S&P 500 -19.6%) and international developed equities (MSCI EAFE -22.8%) over the quarter. Within the complex, Latin American equities (MSCI EM Latin American -45.6%) dramatically underperformed Asian equities (MSCI EM Asia -18.1%), which were propped up by remarkably resilient Chinese equity markets. Currency exposure also played a big role in the outperformance of EM Latin America over EM Asia, as the U.S. dollar strengthened significantly against the Brazilian real, and the Mexican peso, and was little changed against the Chinese renminbi.

Inflation remains low in emerging economies and may face downward pressure in the coming months as energy prices have fallen. Central banks may have more room to maneuver relative to developed economies with regard to monetary policy, as interest rates are closer to average levels.

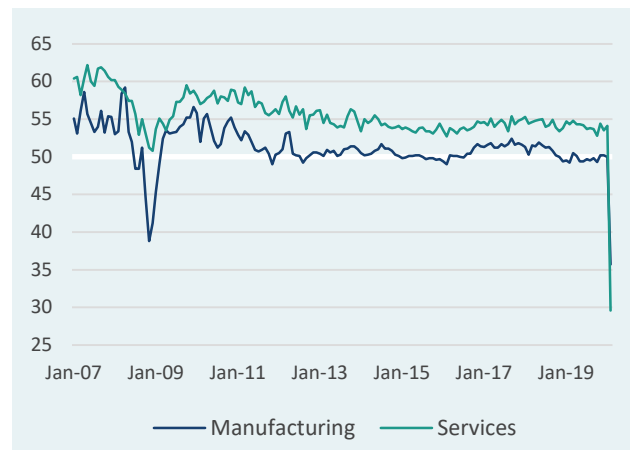
Countries viewed as having poor health infrastructure as well as economic dependence on oil prices fared the worst. Mexico's sovereign debt rating was downgraded by several rating agencies, and Moody's downgraded South Africa's sovereign debt rating below investment-grade.

EMERGING MARKET EQUITY



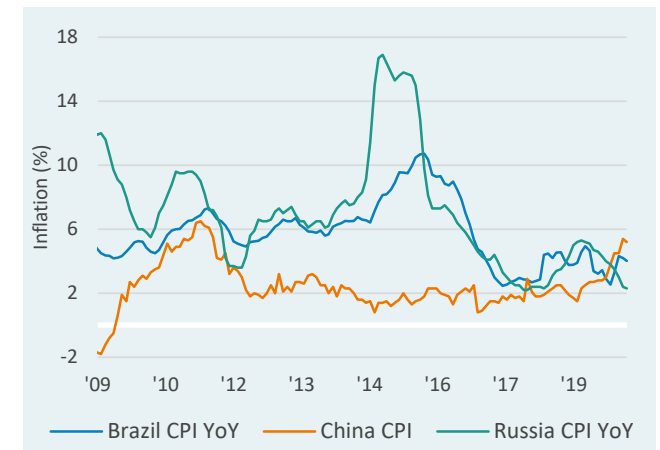
Source: MSCI, as of 3/31/20

CHINA PURCHASING MANAGERS' INDICES



Source: China Federation of Logistics and Purchasing, as of 2/29/20

INFLATION (CPI YOY)



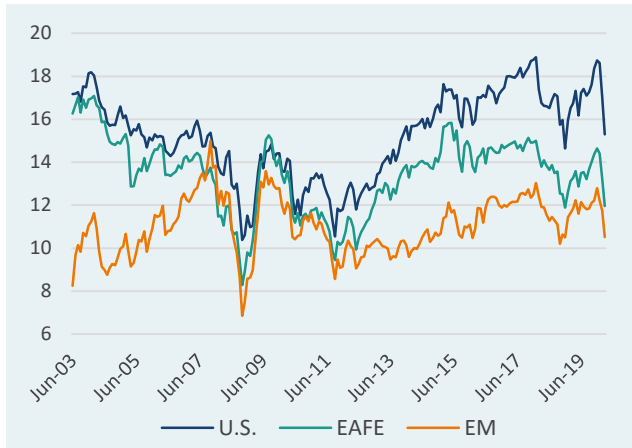
Source: Bloomberg, as of 2/29/20

Equity valuations

Throughout the significant Q1 market sell-off, losses across global markets have been fairly similar. This has resulted in U.S. equities retaining their status as the most expensive market, though we believe this may be justified as governments with limited ability to implement stimulus policies could face tougher economic fallout. Specifically, European Union member nations that cannot exercise independent actions may see greater difficulties ahead as income gaps cannot be supplemented with government spending.

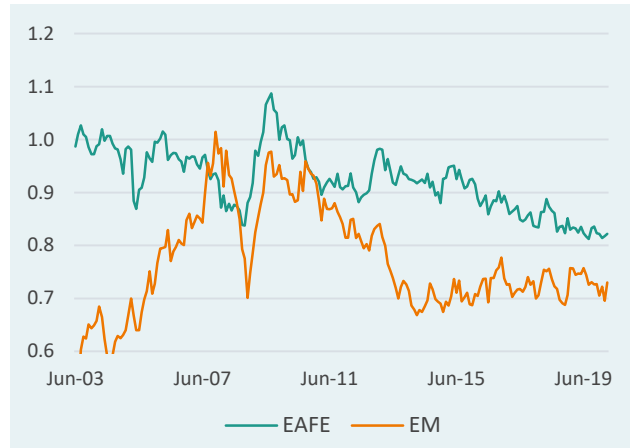
In 2005, Thomas Friedman put forth the notion that “The World is Flat”, and that the 21st century will be characterized by globalization, with historical and geographical divisions becoming less relevant. In Friedman’s world, companies produce their goods where it is cheapest to do so, often in emerging and developing economies with fewer labor protections. Supply chains are built within profit maximization frameworks often with little regard for the risks associated with having a supply chain concentrated in one or a few countries. Looking ahead, it will be interesting to follow whether Friedman’s world becomes slightly bumpier.

FORWARD P/E RATIOS



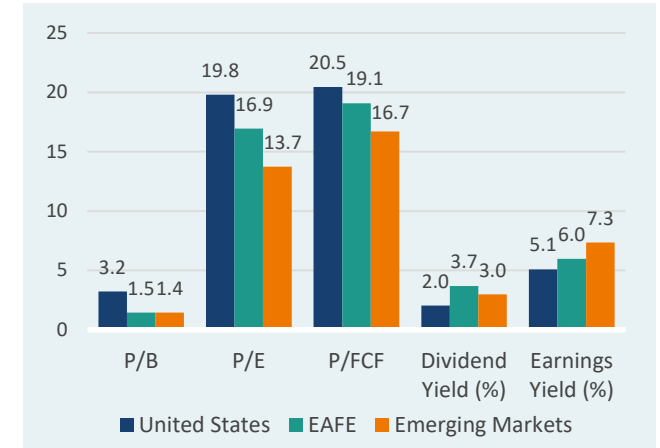
Source: MSCI, 12m forward P/E, as of 3/31/20

FORWARD P/E RATIOS (RELATIVE TO THE U.S.)



Source: MSCI, 12m forward P/E, as of 3/31/20

VALUATION METRICS (3-MONTH AVERAGE)



Source: Bloomberg, MSCI as of 3/31/20 - trailing P/E

Equity volatility

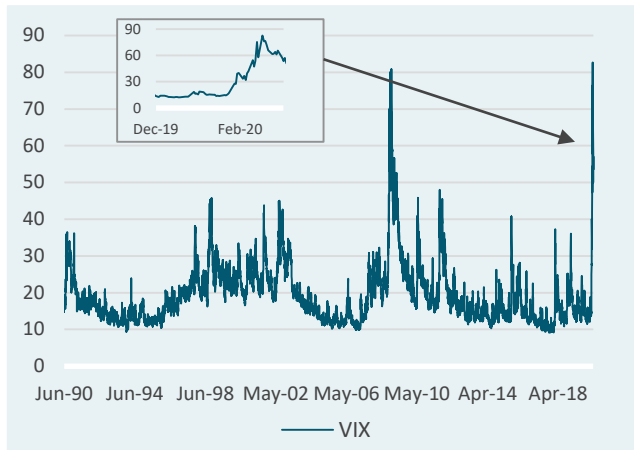
Risk markets experienced one of the most sudden corrections on record, amidst extreme volatility. The S&P 500 showed its largest one-day drop since 1987 (March 16 -11.9%) and its largest one-day gain since 2008 (March 24 +9.4%). The transition from a very low- to a very high-volatility environment likely caught many investors off guard.

Implied volatility (CBOE VIX Index) spiked in March to a record daily close of 82.7, surpassing the high of 80.9 on November 20th, 2008 during the depths of the global financial crisis. Such extreme levels of market volatility can

create difficulties for investors in managing portfolios. Processes such as portfolio rebalancing that are often systematic can become complex and subjective when equities are exhibiting nearly double-digit daily moves.

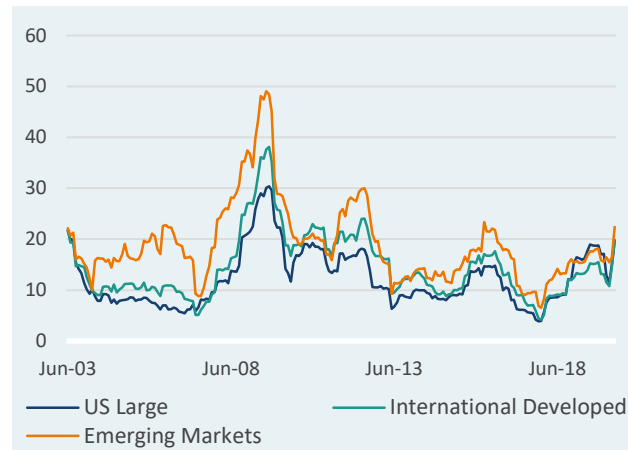
The S&P 500 Price Index closed at 2237 on March 23rd, -33.9% below February 19th peaks. Since then, U.S. equities have staged a remarkable rebound in the foreground of a historically bleak economic background. Debate over whether the rebound is justified has continued as economic uncertainty remains at unprecedented levels.

U.S. IMPLIED VOLATILITY (VIX)



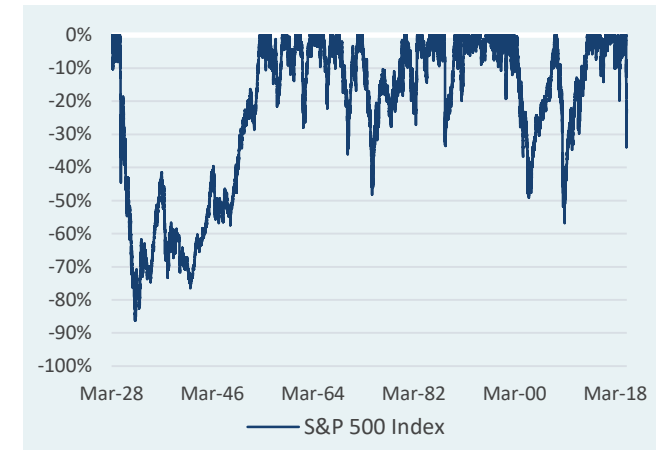
Source: CBOE, as of 3/31/20

ROLLING 1-YEAR REALIZED VOLATILITY



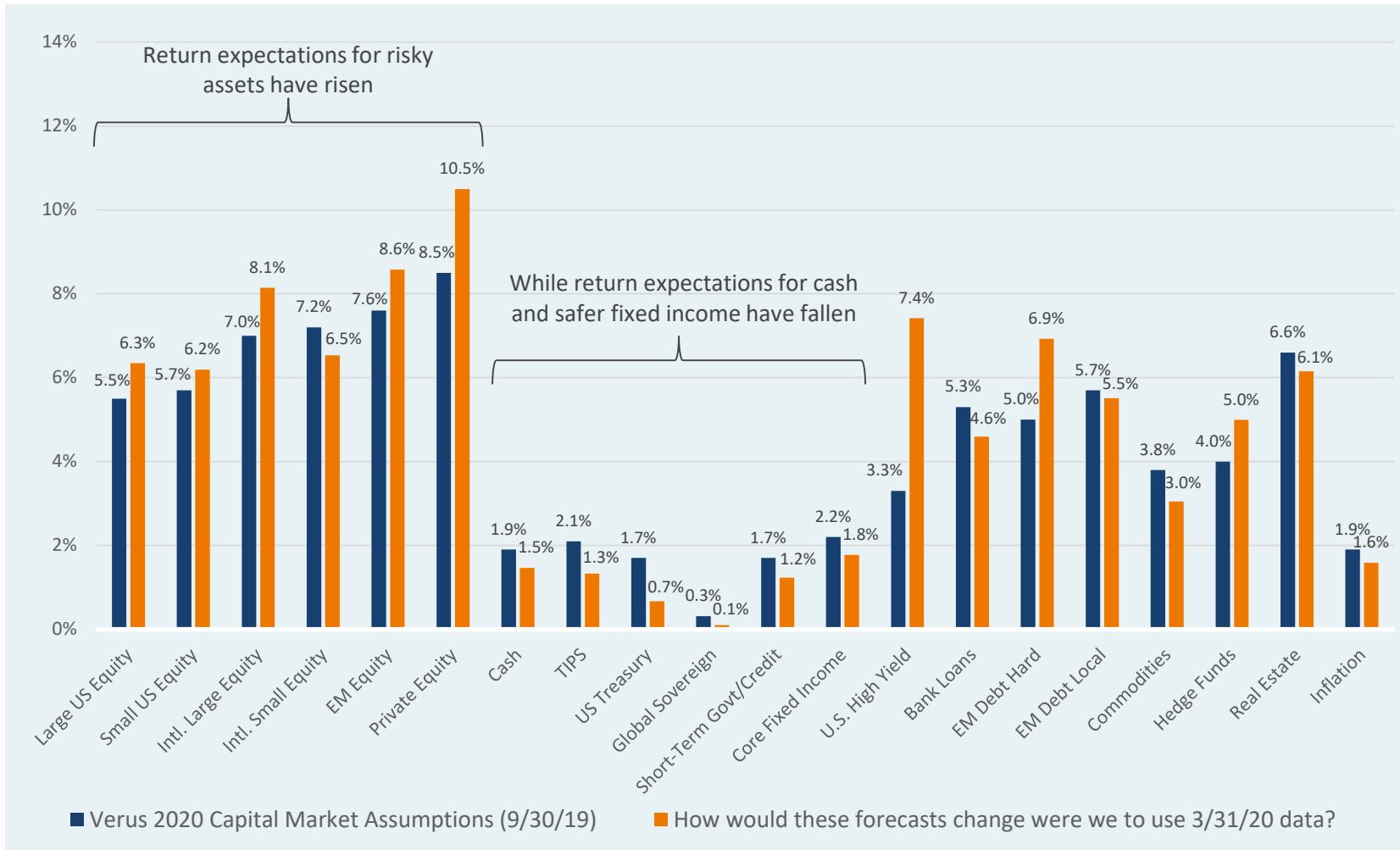
Source: Standard & Poor's, MSCI, Bloomberg, as of 3/31/20

MAX DRAWDOWN FROM PRIOR PEAKS



Source: Standard & Poor's, Bloomberg, as of 3/31/20

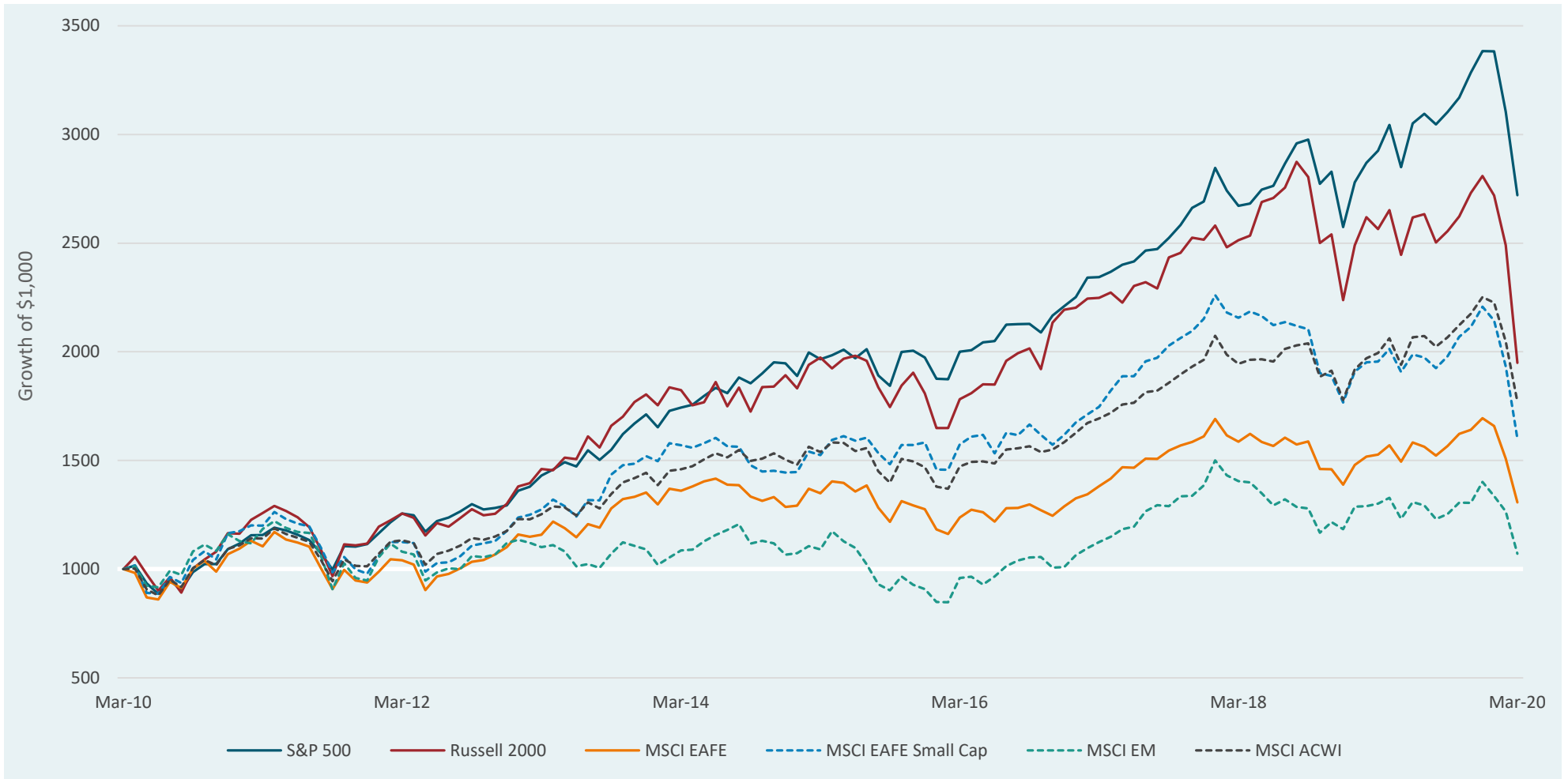
How have return expectations changed?



The overall portfolio's expected return may have risen or fallen during Q1, depending on the asset allocation & risk level

Source: Verus

Long-term equity performance



Source: Morningstar, as of 3/31/20

Other assets

Currency

The U.S. dollar appreciated significantly in the first quarter, rising 7.1% on a trade-weighted basis, resulting in losses for investors with unhedged currency exposure. As is often the case during higher risk market environments, demand for safe-haven currencies contributed to the rising dollar.

Historically speaking, environments where the U.S. dollar was much more expensive than average tended to be followed by an eventual mean-reversion. However, this mean-reversion effect is not a sure bet, and it can take years (or perhaps decades) to occur. As recent years have shown,

leaving currency exposure unhedged tends to result in uncompensated volatility, and occasional (or frequent) large and sharp losses or gains.

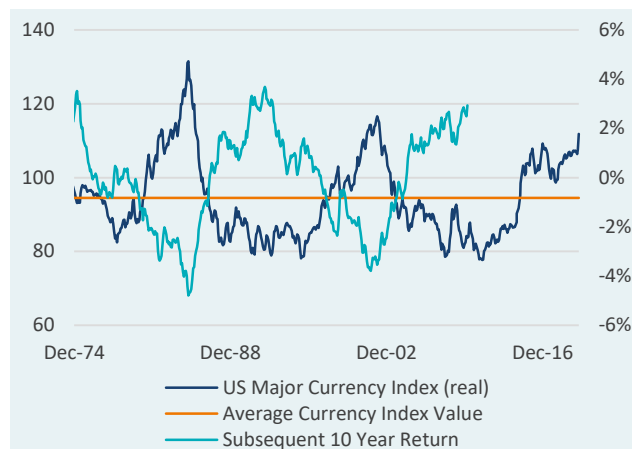
The MSCI Currency Factor Mix Index, constructed as a combination of individual Currency Factor indices (carry, value, momentum) advanced 1.2% in Q1. The momentum factor (+8.7%) posted strong gains as appreciating currencies continued to strengthen while the carry factor (-7.2%) lagged as the exchange rate adjustments implied by local interest rate differentials occurred faster than expected.

BLOOMBERG DOLLAR SPOT INDEX



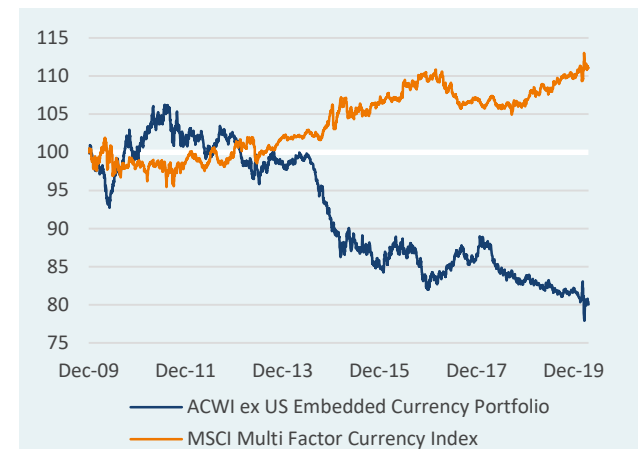
Source: Bloomberg, as of 3/31/20

USD CURRENCY LEVEL & SUBSEQUENT RETURN



Source: Federal Reserve, Verus, as of 3/31/20

EMBEDDED CURRENCY VS CURRENCY BETA



Source: MSCI, Bloomberg, as of 3/31/20

Oil crisis

In mid-March, the price of oil experienced a sudden drop as Russia refused to join the OPEC recommended production cuts. In retribution, Saudi Arabia signaled that they would increase production drastically in April upon expiration of the OPEC pact. These events led to a 30% one-day drop in price, and historically volatile trading.

Russia's actions are likely linked to increased U.S. sanctions on its energy producers, which have negatively impacted the economy. Sanctions have prevented Russia from completing the Nord Stream 2 gas pipeline in the Baltic Sea, a project that \$11 Billion had previously been invested in, which would

carry Russian Gas directly to Germany and would circumvent the Ukraine. Sanctions were also levied against Russia's Rosneft for allegedly supporting the Nicolas Maduro regime in Venezuela. It is estimated that 70% of oil production in Venezuela was going through Rosneft.

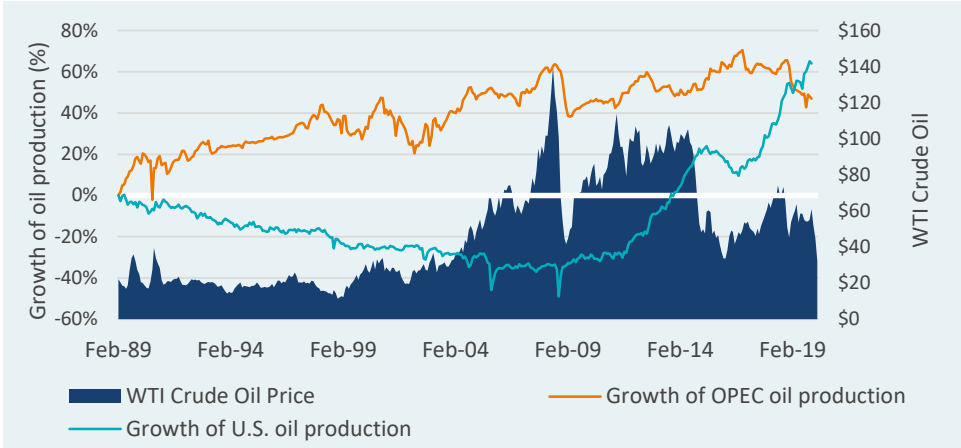
A similar dynamic occurred during the oil crash of 2014 as OPEC let oil plummet, arguably with the intent to put U.S. oil producers out of business. American oil production has been ramped up drastically over the last decade, at a time when OPEC producers were working to minimize their own production in order to balance global supply.

WTI OIL PRICE



Source: FRED, as of 3/31/20

GLOBAL OIL PRODUCER CONFLICT



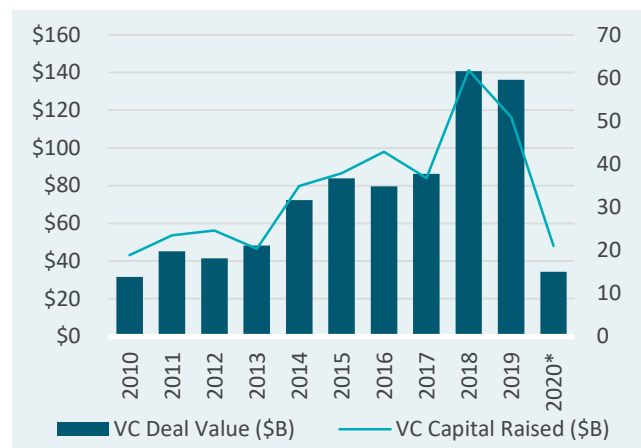
Source: Bloomberg, U.S. Energy Information Administration, as of 3/31/20

Private markets

Deals plateaued in buyouts and venture; multiples are steady; buyout fundraising has slowed

- Before the impending market dislocation, venture capital fundraising was on pace to eclipse 2019, while total deal volume and number of deals had plateaued. \$21 Billion of venture capital was raised in the U.S. in Q1 2020, constituting 40% of capital raised in 2019. Deal value and number of deals in the quarter represented 25% and 19% of 2019's totals, respectively.
- Buyout activity continued to decrease in Q1 2020 from 2019. Through the first quarter, buyouts dollar value and number of transactions amounted to 18% and 19% of 2019 levels, respectively. The size of the average buyout, \$135.6M, has decreased from 2019, \$145.2M. Similarly, fundraising has also slowed. Only 46 buyout funds representing \$45 Billion closed in Q1 2020, down from 249 funds representing \$315 Billion in 2019.
- Pricing multiples on completed buyout deals remained in line with 2019's. Median EV/EBITDA is 12.9x (up slightly from 12.7x in 2019) with debt multiples unchanged at 5.9x. Debt as a percentage of transaction value hovers around 45%.

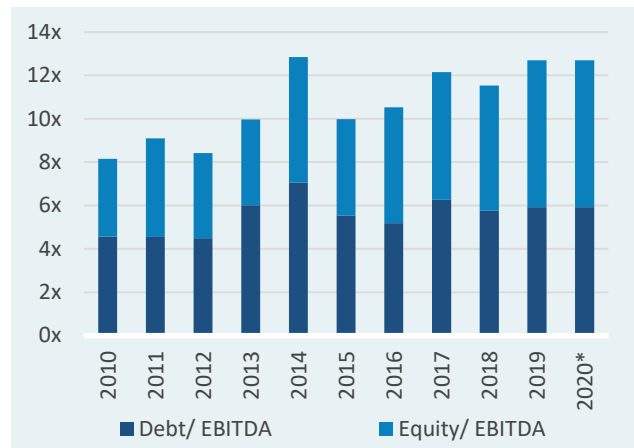
VENTURE DEAL VOLUME & FUNDRAISING



*2020 figures through 3/31/20

Source: PitchBook

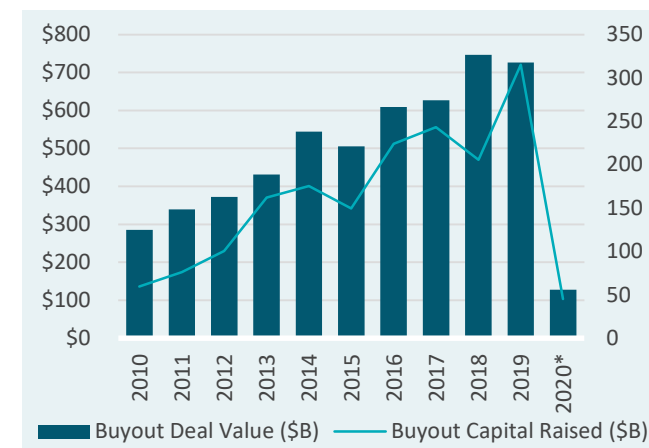
TRANSACTION MULTIPLES



*2020 figures through 3/31/20

Source: PitchBook

BUYOUTS DEAL VOLUME & CAPITAL RAISED

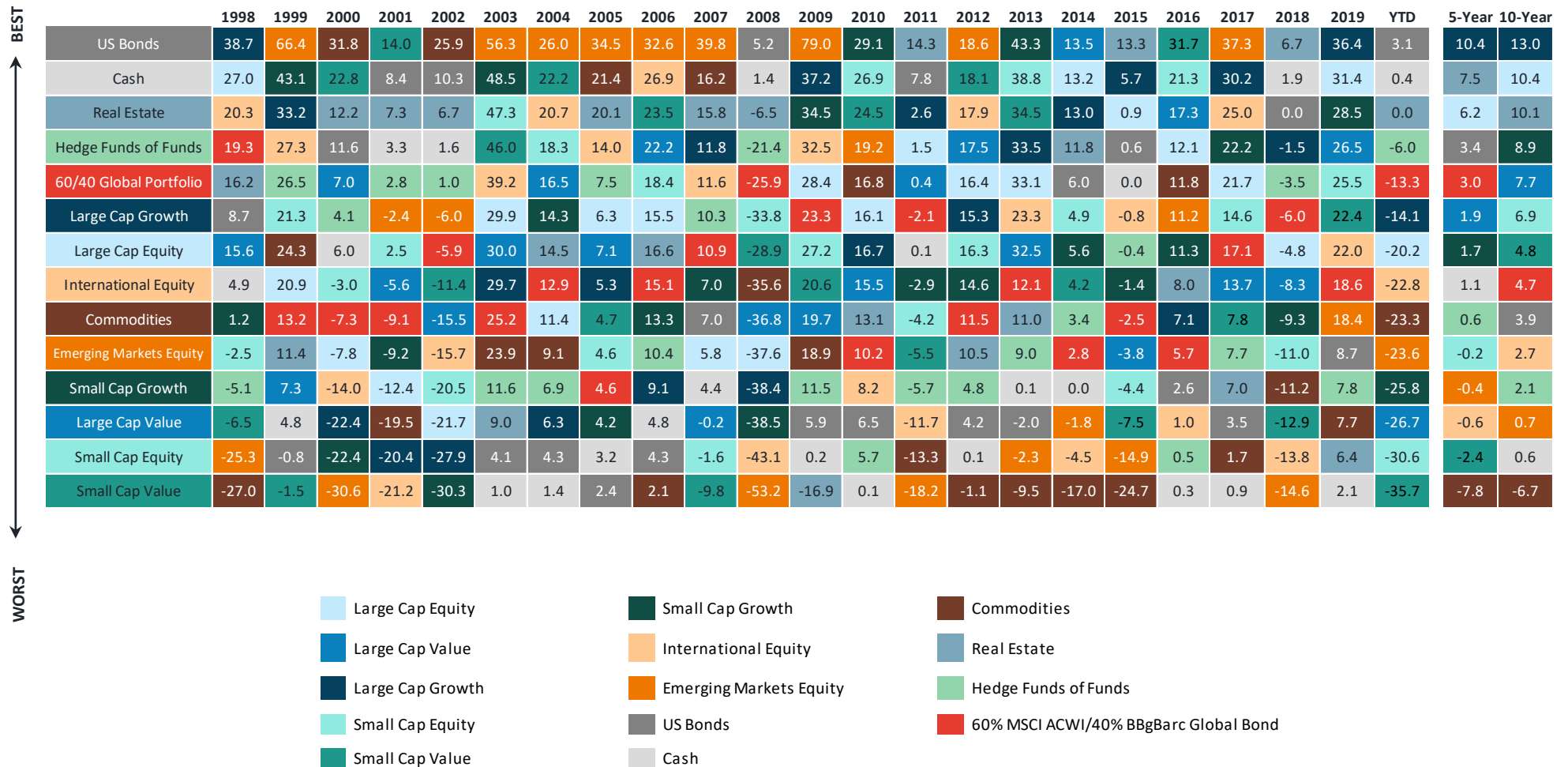


*2020 figures through 3/31/20

Source: PitchBook

Appendix

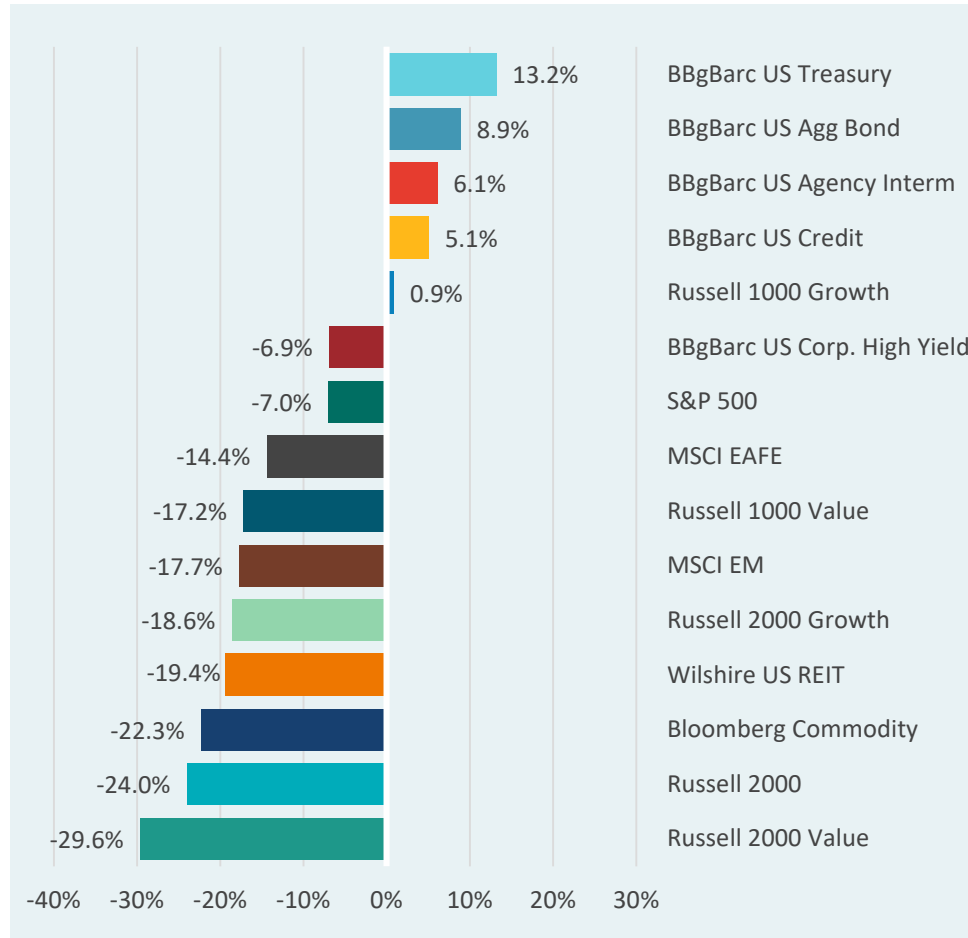
Periodic table of returns



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BBgBarc US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BBgBarc Global Bond. NCREIF Property Index performance data as of 12/31/19.

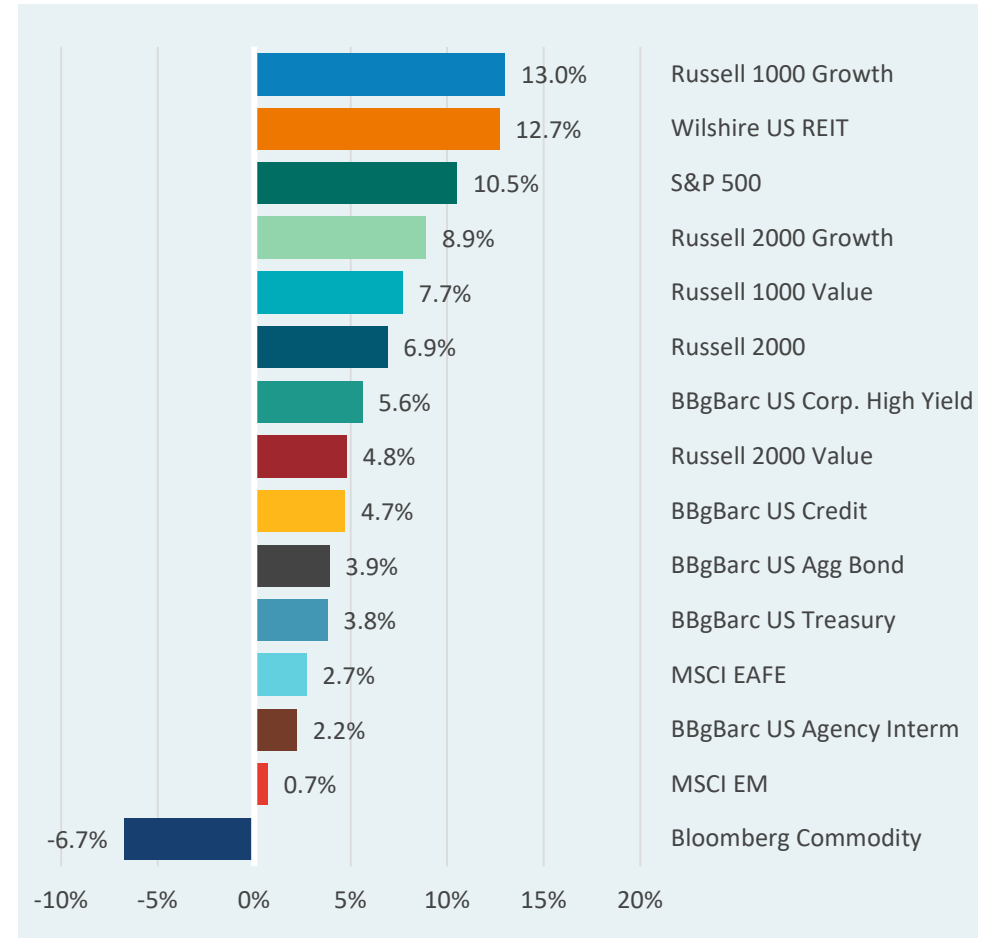
Major asset class returns

ONE YEAR ENDING MARCH



Source: Morningstar, as of 3/31/20

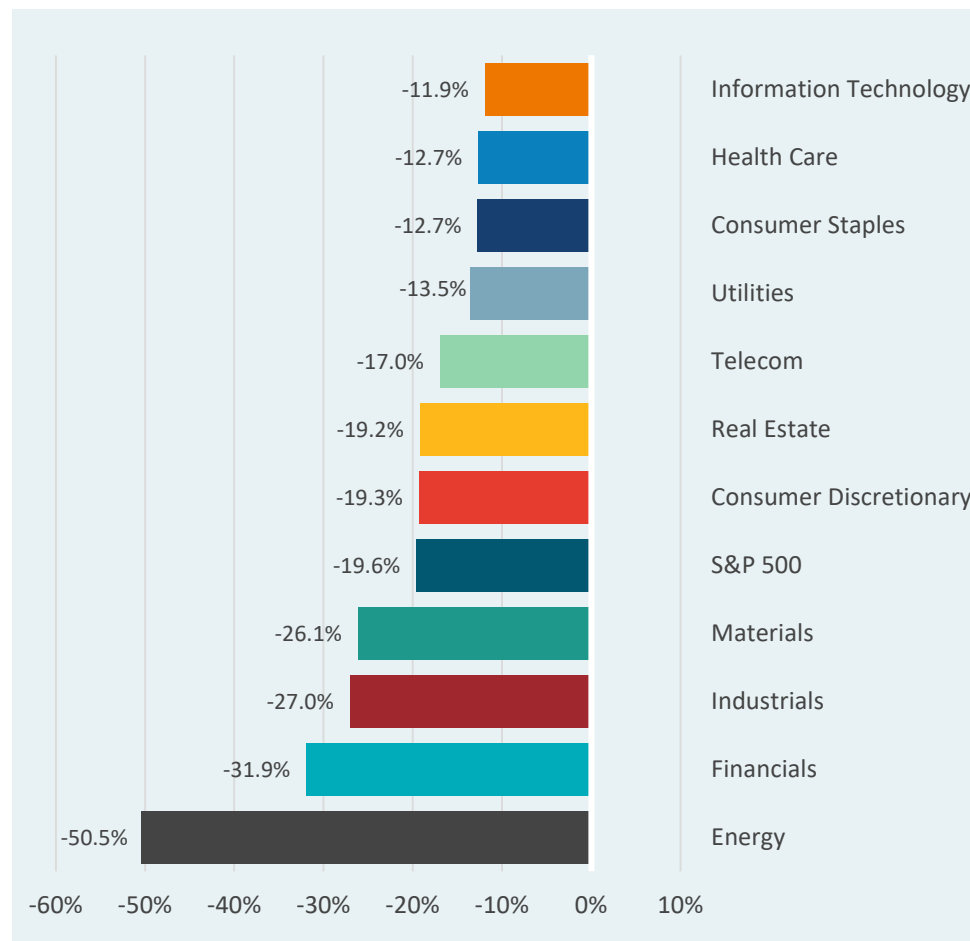
TEN YEARS ENDING MARCH



Source: Morningstar, as of 3/31/20

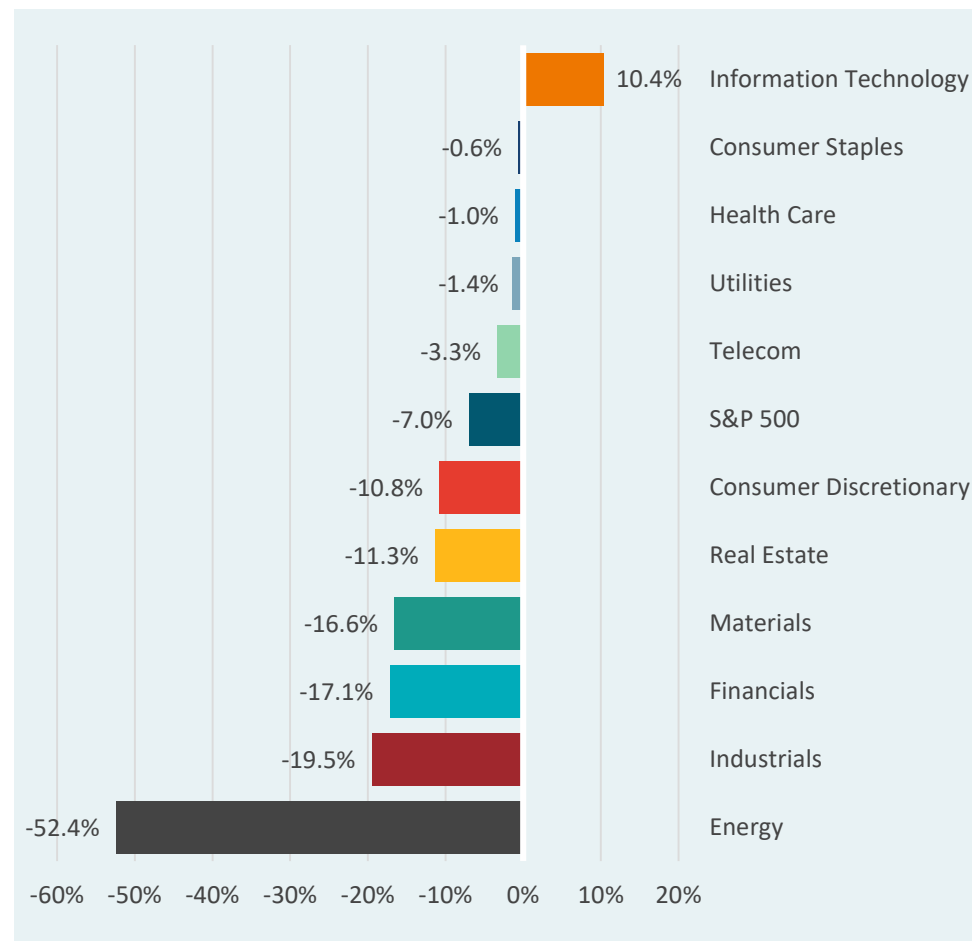
S&P 500 sector returns

Q1 2020



Source: Morningstar, as of 3/31/20

ONE YEAR ENDING MARCH

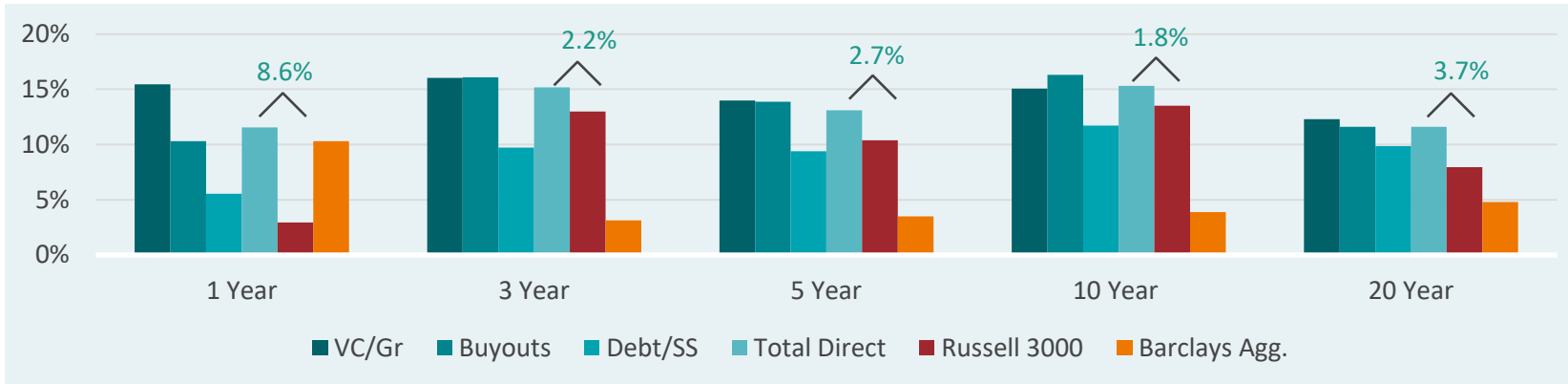


Source: Morningstar, as of 3/31/20

Private equity vs. public performance

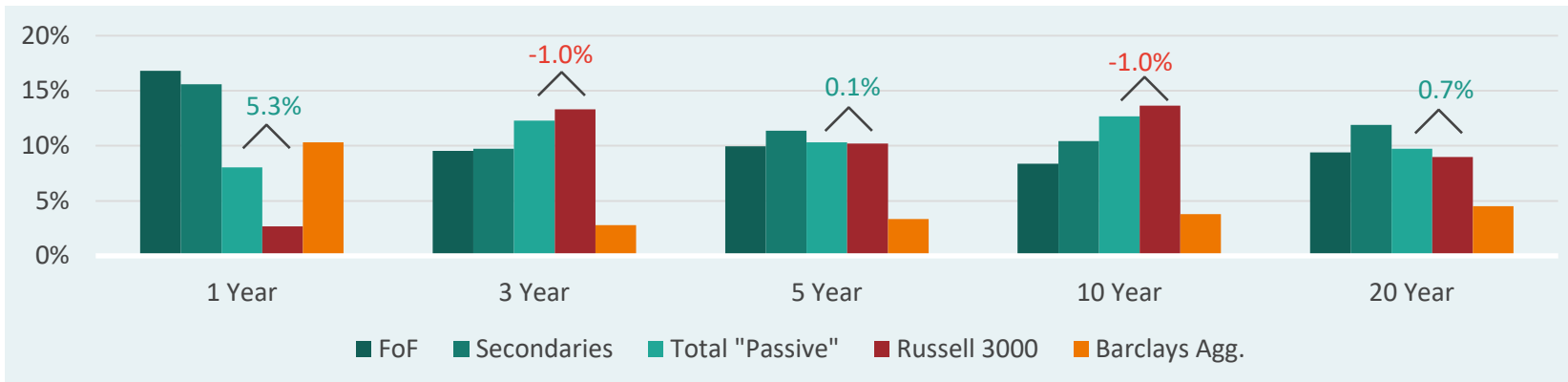
As of 9/30/2019

DIRECT PRIVATE EQUITY FUND INVESTMENTS



Direct P.E Fund Investments outperformed comparable public equities across all time periods

"PASSIVE" STRATEGIES



"Passive" strategies outperformed comparable public equities on a 1-, 5-, and 20-year basis, and underperformed on a 3- and 10-year basis

Sources: Thomson Reuters Cambridge Universe's PME Module: U.S. Private Equity Funds sub asset classes as of September 30, 2019. Public Market Equivalent returns resulted from "Total Passive" and Total Direct's identical cash flows invested into and distributed from respective traditional asset comparable.

Private equity vs. liquid real assets performance

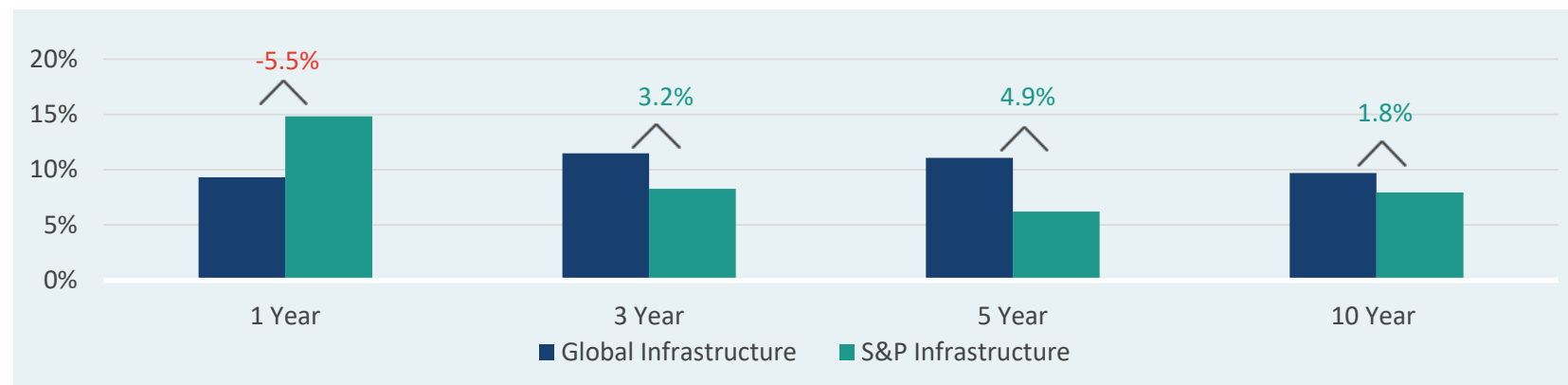
As of 9/30/2019

GLOBAL NATURAL RESOURCES FUNDS



N.R. funds outperformed the MSCI World Natural Resources benchmark across all time periods

GLOBAL INFRASTRUCTURE FUNDS



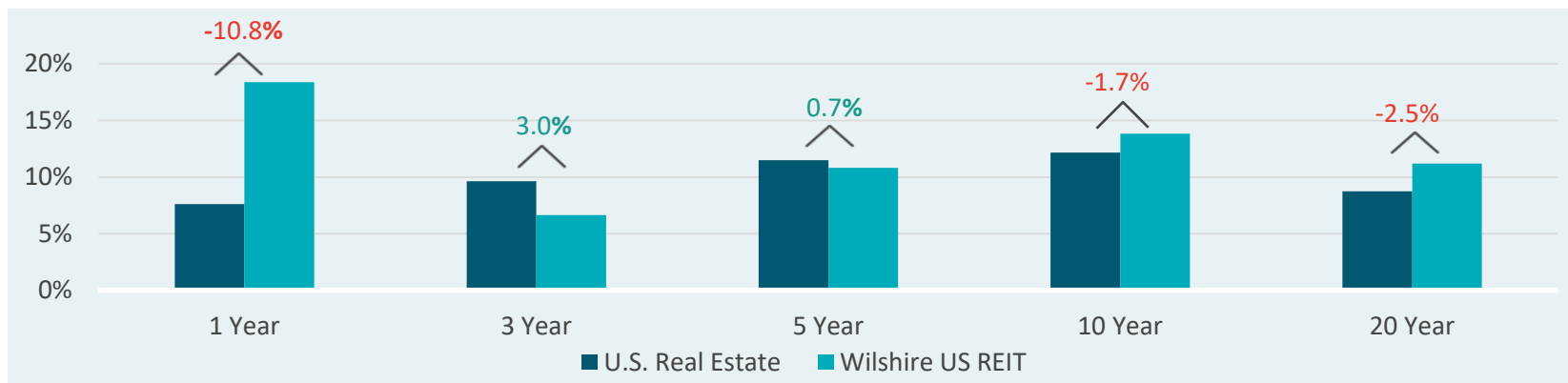
Infra. funds outperformed the S&P Infra. across all periods, except on a 1-year basis

Sources: Thomson Reuters C|A PME: Global Natural Resources (vintage 1999 and later, inception of MSCI World Natural Resources benchmark) and Global Infrastructure (vintage 2002 and later, inception of S&P Infrastructure benchmark) universes as of September 30, 2019. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

Private vs. liquid & core real estate performance

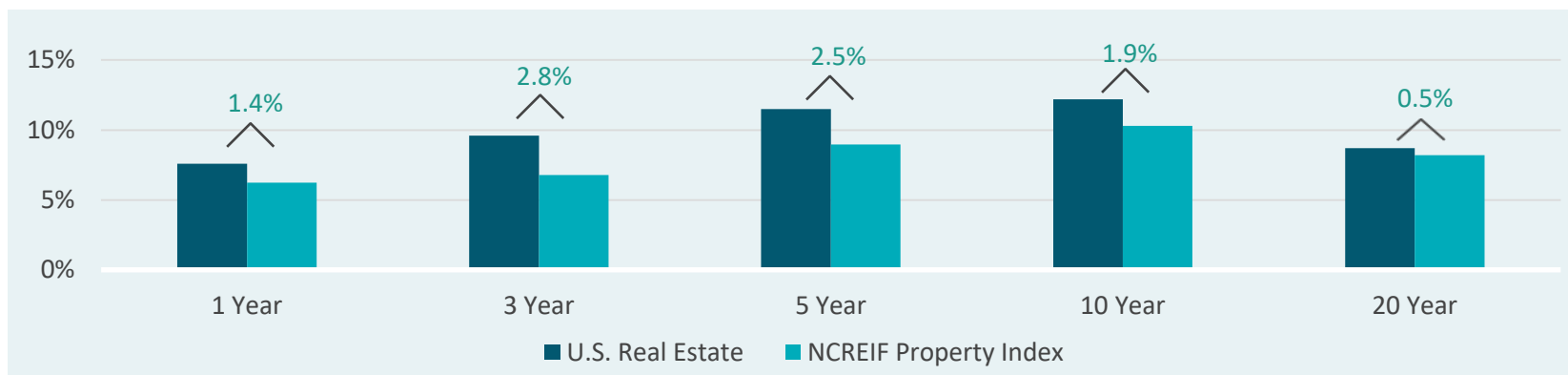
As of 9/30/2019

U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. Private R.E. funds underperformed the Wilshire U.S. REIT Index on a 1-, 10-, and 20-year basis, but not over 3- and 5-years

U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



U.S. Private R.E. Funds outperformed the NCREIF Property Index over all time periods

Sources: Thomson Reuters CJA PME: Global and U.S. Real Estate universes as of September 30, 2019. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real estate universes.

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	(12.4)	(19.6)	(19.6)	(7.0)	5.1	6.7	10.5
S&P 500 Equal Weighted	(18.0)	(26.7)	(26.7)	(17.6)	(0.4)	2.8	9.2
DJ Industrial Average	(13.6)	(22.7)	(22.7)	(13.4)	4.4	6.9	10.0
Russell Top 200	(11.0)	(17.7)	(17.7)	(4.1)	6.7	7.9	11.0
Russell 1000	(13.2)	(20.2)	(20.2)	(8.0)	4.6	6.2	10.4
Russell 2000	(21.7)	(30.6)	(30.6)	(24.0)	(4.6)	(0.2)	6.9
Russell 3000	(13.8)	(20.9)	(20.9)	(9.1)	4.0	5.8	10.1
Russell Mid Cap	(19.5)	(27.1)	(27.1)	(18.3)	(0.8)	1.8	8.8
Style Index							
Russell 1000 Growth	(9.8)	(14.1)	(14.1)	0.9	11.3	10.4	13.0
Russell 1000 Value	(17.1)	(26.7)	(26.7)	(17.2)	(2.2)	1.9	7.7
Russell 2000 Growth	(19.1)	(25.8)	(25.8)	(18.6)	0.1	1.7	8.9
Russell 2000 Value	(24.7)	(35.7)	(35.7)	(29.6)	(9.5)	(2.4)	4.8

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	(13.5)	(21.4)	(21.4)	(11.3)	1.5	2.8	5.9
MSCI ACWI ex US	(14.5)	(23.4)	(23.4)	(15.6)	(2.0)	(0.6)	2.1
MSCI EAFE	(13.3)	(22.8)	(22.8)	(14.4)	(1.8)	(0.6)	2.7
MSCI EM	(15.4)	(23.6)	(23.6)	(17.7)	(1.6)	(0.4)	0.7
MSCI EAFE Small Cap	(17.2)	(27.5)	(27.5)	(18.1)	(2.9)	1.0	4.8
Style Index							
MSCI EAFE Growth	(9.2)	(17.5)	(17.5)	(5.8)	3.0	2.5	4.7
MSCI EAFE Value	(17.7)	(28.2)	(28.2)	(22.8)	(6.7)	(3.8)	0.6
Regional Index							
MSCI UK	(16.0)	(28.8)	(28.8)	(23.0)	(4.9)	(3.3)	1.6
MSCI Japan	(7.1)	(16.8)	(16.8)	(6.7)	1.0	1.8	3.8
MSCI Euro	(17.2)	(27.0)	(27.0)	(18.3)	(4.4)	(2.3)	1.1
MSCI EM Asia	(11.7)	(18.1)	(18.1)	(12.1)	1.3	1.4	3.5
MSCI EM Latin American	(34.5)	(45.6)	(45.6)	(40.8)	(13.0)	(5.9)	(6.7)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
BBgBarc US TIPS	(1.8)	1.7	1.7	6.8	3.5	2.7	3.5
BBgBarc US Treasury Bills	0.3	0.6	0.6	2.4	1.8	1.2	0.7
BBgBarc US Agg Bond	(0.6)	3.1	3.1	8.9	4.8	3.4	3.9
Duration							
BBgBarc US Treasury 1-3 Yr	1.3	2.8	2.8	5.4	2.7	1.8	1.4
BBgBarc US Treasury Long	6.1	20.9	20.9	32.6	13.4	7.3	9.0
BBgBarc US Treasury	2.9	8.2	8.2	13.2	5.8	3.6	3.8
Issuer							
BBgBarc US MBS	1.1	2.8	2.8	7.0	4.0	2.9	3.3
BBgBarc US Corp. High Yield	(11.5)	(12.7)	(12.7)	(6.9)	0.8	2.8	5.6
BBgBarc US Agency Interm	0.9	2.9	2.9	6.1	3.2	2.3	2.2
BBgBarc US Credit	(6.6)	(3.1)	(3.1)	5.1	4.2	3.3	4.7

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(12.8)	(23.3)	(23.3)	(22.3)	(8.6)	(7.8)	(6.7)
Wilshire US REIT	(20.0)	(25.6)	(25.6)	(19.4)	(2.5)	5.7	12.7
CS Leveraged Loans	(12.5)	(13.2)	(13.2)	(9.5)	(0.7)	4.6	5.0
Alerian MLP	(48.1)	(58.1)	(58.1)	(61.9)	(29.9)	(21.1)	(4.7)
Regional Index							
JPM EMBI Global Div	(13.8)	(13.4)	(13.4)	(6.8)	0.4	2.8	4.9
JPM GBI-EM Global Div	(11.1)	(15.2)	(15.2)	(6.5)	(0.8)	0.3	0.5
Hedge Funds							
HFRI Composite	(5.9)	(8.3)	(8.3)	(4.0)	0.7	1.3	2.9
HFRI FOF Composite	(4.9)	(6.0)	(6.0)	(2.6)	1.0	0.6	2.1
Currency (Spot)							
Euro	(0.1)	(2.3)	(2.3)	(2.3)	0.9	0.4	(2.1)
Pound	(2.9)	(6.4)	(6.4)	(4.8)	(0.3)	(3.5)	(2.0)
Yen	(0.1)	0.7	0.7	2.5	1.1	2.1	(1.4)

Source: Morningstar, HFR, as of 3/31/20

Definitions

Bloomberg US Weekly Consumer Comfort Index - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. (www.lanqerresearch.com)

University of Michigan Consumer Sentiment Index - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. (www.Bloomberg.com)

NFIB Small Business Outlook - Small Business Economic Trends (SBET) is a monthly assessment of the U.S. small-business economy and its near-term prospects. Its data are collected through mail surveys to random samples of the National Federal of Independent Business (NFIB) membership. The survey contains three broad question types: recent performance, near-term forecasts, and demographics. The topics addressed include: outlook, sales, earnings, employment, employee compensation, investment, inventories, credit conditions, and single most important problem. (<http://www.nfib-sbet.org/about/>)

NAHB Housing Market Index - the housing market index is a weighted average of separate diffusion indices for three key single-family indices: market conditions for the sale of new homes at the present time, market conditions for the sale of new homes in the next six months, and the traffic of prospective buyers of new homes. The first two series are rated on a scale of Good, Fair, and Poor and the last is rated on a scale of High/Very High, Average, and Low/Very Low. A diffusion index is calculated for each series by applying the formula $(\text{Good-Poor} + 100)/2$ to the present and future sales series and $(\text{High/Very High-Low/Very Low} + 100)/2$ to the traffic series. Each resulting index is then seasonally adjusted and weighted to produce the HMI. Based on this calculation, the HMI can range between 0 and 100.

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**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: MARCH 31, 2020

Investment Performance Review for

Alameda County Employees' Retirement Association

1st quarter summary

THE ECONOMIC CLIMATE

- Real GDP grew at a 0.3% rate year-over-year in the first quarter (-4.8% quarterly annualized rate). Personal consumption expenditures shrunk -7.6%, resulting in a -5.3% hit to headline growth. Forecasts of Q2 GDP growth have varied between -15% to -35%.
- The U.S. government quickly crafted and implemented historic stimulus measures to combat the economic impact of the virus. Support of this magnitude has not been seen since the Great Depression of the 1930s.

PORTFOLIO IMPACTS

- U.S. equities experienced an unusually sudden and significant sell-off in March as investors grew fearful of the health and economic impacts of COVID-19. During Q1 the S&P 500 fell -19.6%, international developed equities (MSCI EAFE) fell -22.8% and emerging markets (MSCI EM) fell -23.6%.
- U.S. core inflation increased 2.1% YoY in March. Headline inflation slowed to 1.5%, pushed lower by a sharp decline in energy prices which will likely have persistent effects in future months. Downward pressure could be compounded as households slow spending due to loss of income and a greater propensity to save rather than spend.

THE INVESTMENT CLIMATE

- In mid-March, the Federal Open Market Committee cut interest rates by a full 1.00% to a new range of 0 – 0.25%. This surprise action was taken on a Sunday with the intent to get out ahead of economic impacts of COVID-19.
- Implied volatility spiked in March to a record daily close of 82.7%, surpassing the high of 80.9% reached in November 2008 during the depths of the global financial crisis.
- Central banks are facing an economic slowdown and need for monetary policy support, but very little room to cut interest rates. This is a risk that has been discussed for years. We believe fiscal policies will play a much larger role in addressing the inevitable economic slowdown.

ASSET ALLOCATION ISSUES

- Risk markets experienced one of the most sudden corrections on record, amidst extreme volatility. The S&P 500 showed its largest one-day drop since 1987 (March 16 -11.98%) and its largest one-day gain since 2008 (March 24 +9.38%). Implied volatility reached global financial crisis levels, and high yield credit spreads temporarily expanded above 11%. Some of these losses were recovered toward the end of March as the market rebounded.
- The U.S. dollar appreciated significantly in the first quarter, rising 7.1% on a trade-weighted basis, resulting in losses for investors with unhedged currency exposure.

An underweight risk stance appears appropriate in today's environment

We remain watchful for investment opportunities

The Federal Reserve also cut interest rates 50 basis points on March 3 following the impacts of COVID-19

U.S. economics summary

- Real GDP grew at a 0.3% rate year-over-year in the first quarter (-4.8% quarterly annualized rate). Personal consumption expenditures shrunk -7.6%, resulting in a -5.3% hit to headline growth. Forecasts of Q2 GDP growth have varied between -15% to -35%.
- The U.S. government quickly crafted and implemented historic stimulus measures to combat the economic impacts of the virus. Support of this magnitude has not been seen since the Great Depression of the 1930s.
- U.S. core inflation rose 2.1% YoY in March. Headline inflation slowed to 1.5%, pushed lower by a sharp decline in energy prices which will likely have persistent effects in the coming months. This downward pressure could be compounded as households slow spending due to loss of income and show a greater propensity to save.
- The U.S. labor market exhibited a sharp weakening in March, as unemployment jumped to 4.4%. Some have estimated the true unemployment rate in April to be above 10%.
- March economic data should not be expected to fully reflect the extent of COVID-19. We are watching daily data releases to gain a better understanding of how conditions are evolving.
- The Bloomberg Consumer Comfort Index exhibited its sharpest two week drop since 1985, from 63.0 to 56.3, dipping from a 20-year high of 67.3 that was achieved in January.
- Existing homes sales increased +7.2% in February YoY, and new homes sales were up +14.3%. The 30-year fixed mortgage interest rate has continued to fall, finishing Q1 at 3.33%.

	Most Recent	12 Months Prior
GDP (YoY)	0.3% 3/31/20	2.7% 3/31/19
Inflation (CPI YoY, Core)	2.1% 3/31/20	2.0% 3/31/19
Expected Inflation (5yr-5yr forward)	1.3% 3/31/20	2.4% 3/31/19
Fed Funds Target Range	0% – 0.25% 3/31/20	2.25% – 2.50% 3/31/19
10 Year Rate	0.7% 3/31/20	2.4% 3/31/19
U-3 Unemployment	4.4% 3/31/20	3.8% 3/31/19
U-6 Unemployment	8.7% 3/31/20	7.4% 3/31/19

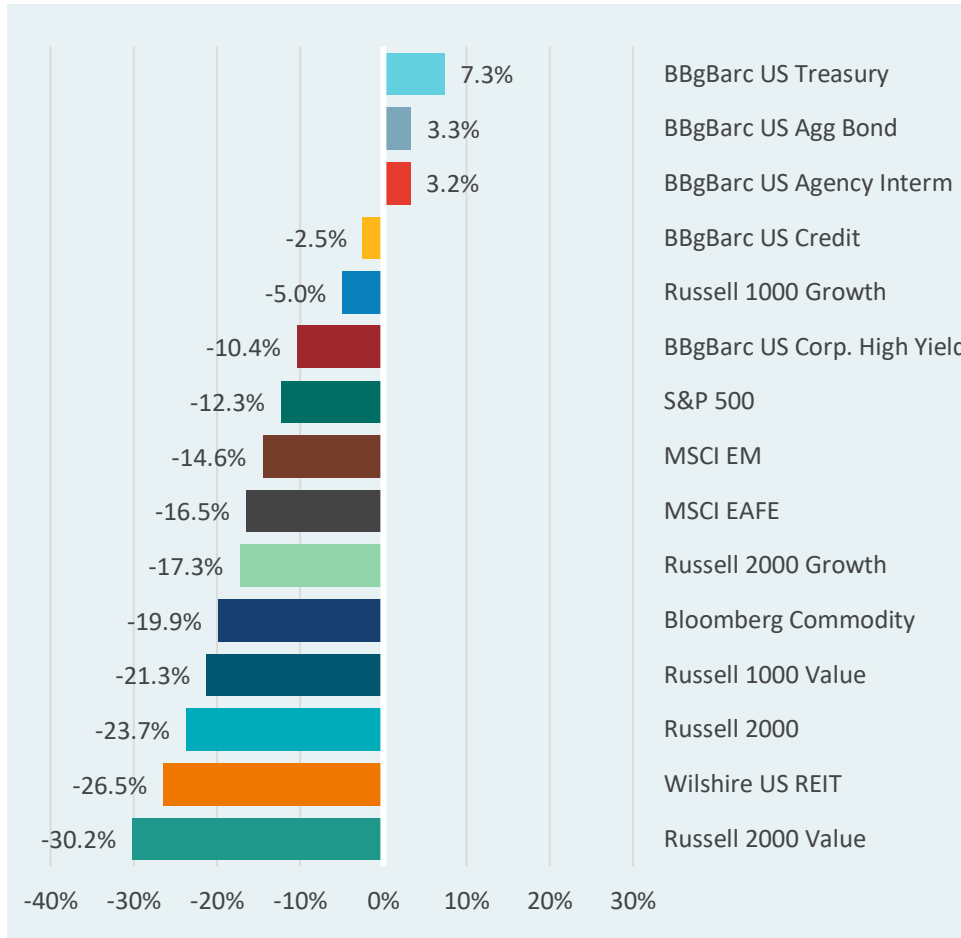
International economics summary

- Most international developed economies grew at a rate of 0.5% to 2.5% in Q4. The low and stable expansion of recent years has changed suddenly with the onset of COVID-19. Many global economies will enter recession in 2020. On April 14th the IMF revised their 2020 global growth forecast from +3.3% to -3.0%.
- Governments are using monetary and fiscal policies to fill the large hole in spending and lending that the slowdown may cause. These policies vary in their characteristics and aggressiveness.
- Governments with limited ability to implement stimulus policies may face tougher economic fallout. Specifically, European Union member nations that cannot exercise independent actions may see greater difficulties ahead as income gaps cannot be supplemented with fiscal spending.
- The World Trade Organization (WTO) forecast a 13%-32% fall in global trade in 2020 – a larger decrease than witnessed during the global financial crisis. This forecast was paired with the expectation of a 21%-24% rebound in trade throughout 2021.
- While not yet reflected in the most recent economic data, unemployment rates around the world are certain to rise considerably.
- The COVID-19 virus breakout originated in China, and many investors have pointed to China as a testcase for how the virus might play out economically. Although the data released by China suggests the outbreak has been defeated, there is increasing evidence that the severity of virus has been underreported – perhaps severely.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	0.3% <i>3/31/20</i>	1.5% <i>3/31/20</i>	4.4% <i>3/31/20</i>
Eurozone	1.0% <i>12/31/19</i>	0.7% <i>3/31/20</i>	7.3% <i>2/29/20</i>
Japan	(0.7%) <i>12/31/19</i>	0.4% <i>3/31/20</i>	2.3% <i>2/29/20</i>
BRICS Nations	5.0% <i>12/31/19</i>	4.9% <i>3/31/20</i>	5.0% <i>12/31/19</i>
Brazil	1.7% <i>12/31/19</i>	3.3% <i>3/31/20</i>	11.6% <i>2/29/20</i>
Russia	2.1% <i>12/31/19</i>	2.6% <i>3/31/20</i>	4.6% <i>2/29/20</i>
India	4.7% <i>12/31/19</i>	5.9% <i>3/31/20</i>	8.5% <i>12/31/17</i>
China	6.0% <i>12/31/19</i>	4.3% <i>3/31/20</i>	3.6% <i>12/31/19</i>

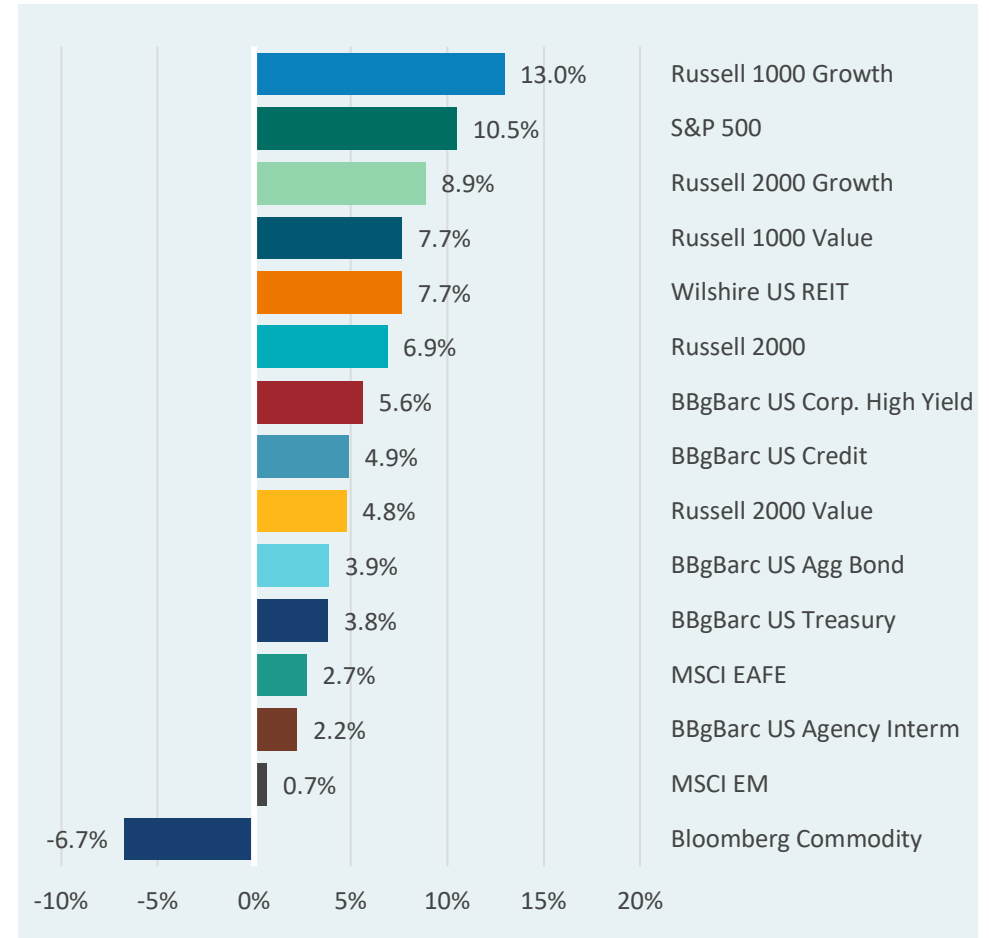
Major asset class returns

SIX MONTHS ENDING MARCH



Source: Morningstar, as of 3/31/20

TEN YEARS ENDING MARCH



Source: Morningstar, as of 3/31/20

- The composite fund returned -15.0% for the first quarter of 2020 and ranked in the 79th percentile among public funds greater than \$1 billion (median of -12.6%). The fund underperformed its policy index return of -13.9% during this [time period](#). Longer term, the five (4.0%), and ten-year (7.1%) returns ranked in the 36th and 23rd percentile of large public plans, respectively.
- First quarter results were enhanced by the following factors:
 1. TCW beat the Russell 1000 Growth (-11.4% vs -14.1%). Positive stock selection within the real estate, information technology and consumer discretionary sectors contributed to the relative outperformance.
 2. Newton Emerging Markets lost -17.88% beating the MSCI EM Index -23.6.
- First quarter results were hindered by the following factors:
 1. Pzena lost -40.2% trailing the Russell 1000 Value which lost -26.7%. Pzena's deep value tilts caused significant underperformance during the quarter.
 2. Brandywine trailed the Bloomberg Barclays Global Aggregate (-11.3% vs -0.3%). The portfolio's exposure to investment grade credit hurt as spreads widened during the quarter.
 3. The Real Asset composite lost -23.0%, which while better than the custom index (-30.1%) contributed to the Plan's negative absolute return.

Total Fund Manager Allocation Analysis (One Quarter)

Period Ending: March 31, 2020

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Absolute Return ¹	\$802,442,579	-\$45,895,552	-\$72,835,082	\$683,711,944
Alta	\$4,213	\$0	\$0	\$4,213
Applied Research Investments	\$18,796,014	\$0	-\$3,262,743	\$15,533,272
AQR	\$448,279,351	\$0	-\$115,169,209	\$333,110,143
Arga Investment Management	\$19,477,565	\$0	-\$6,246,677	\$13,230,889
Baird Advisors	\$670,622,189	-\$95,000,000	\$11,147,645	\$586,769,834
Bivium Cash	\$1	\$0	\$0	\$1
BlackRock MSCI World ex-US Index Fd A	\$467,286,432	\$0	-\$108,430,892	\$358,855,540
BlackRock Russell 1000 Index Fund	\$1,959,342,594	-\$72,082	-\$395,867,621	\$1,563,402,891
Brandywine	\$352,806,510	-\$241,385	-\$39,707,806	\$312,857,319
Capital Group	\$479,629,688	-\$162,918	-\$98,490,690	\$380,976,080
Cash Account	\$49,385,622	\$80,895,911	\$266,159	\$130,547,692
Denali Advisors	\$17,361,129	\$0	-\$4,947,642	\$12,413,487
Dundas Partners	\$18,899,103	\$0	-\$2,849,920	\$16,049,183
Global Alpha Capital Management	\$6,869,471	\$0	-\$1,963,111	\$4,906,359
Huber	\$1,764	\$0	\$0	\$1,764
Kennedy	\$123,226,482	-\$237,299	-\$43,575,998	\$79,413,186
Loomis Sayles	\$365,095,638	-\$55,291,828	-\$14,658,038	\$295,145,772
Mondrian	\$461,905,331	-\$396,798	-\$124,892,681	\$336,615,852
Newton Emerging Mkt	\$237,181,368	\$0	-\$42,407,691	\$194,773,677
Next Century-SCG	-\$199,745	\$205,177	\$1	\$5,434
Owl Rock First Lien Fund	\$32,661,096	\$7,498,677	-\$4,089,362	\$36,070,411
Private Equity	\$585,504,313	\$26,588,591	\$22,146,524	\$634,239,427
Pzena	\$134,295,502	\$0	-\$54,046,126	\$80,249,376
Radin Capital Partners	\$6,481,772	\$0	-\$2,017,086	\$4,464,686
RVX Asset Management	\$4,372,814	\$0	-\$1,253,965	\$3,118,849
Real Assets	\$439,889,065	\$22,996,773	-\$103,299,690	\$359,586,148
Real Estate	\$593,799,561	\$2,798,199	\$4,610,651	\$601,208,408
Sec. Lending	\$0	-\$142,060	\$142,060	\$0
TCW	\$130,705,867	\$0	-\$14,945,808	\$115,760,060
Templeton	\$246,230,429	\$0	-\$76,232,968	\$169,997,461
Transition Account (Macquarie Capital)	\$276,156	\$0	\$0	\$273,448
William Blair Small Cap Growth	\$123,192,003	\$0	-\$30,260,813	\$92,931,190
Total	\$8,795,821,877	-\$56,456,594	-\$1,323,138,581	\$7,416,223,996

¹ Preliminary ending market value

Bivium

Manager Allocation Analysis (One Quarter)

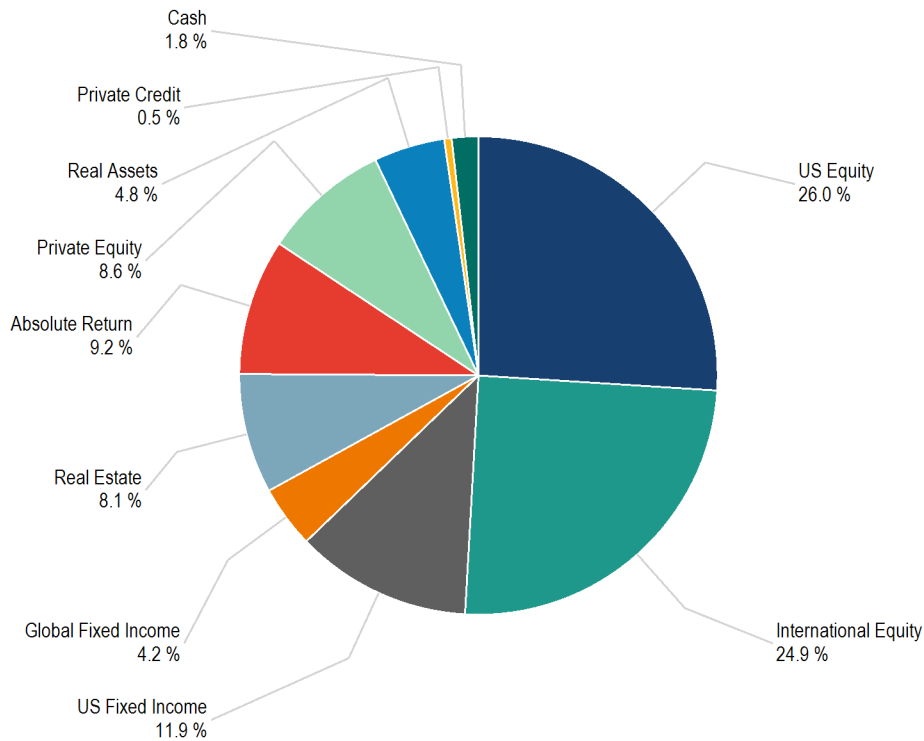
Period Ending: March 31, 2020

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Alta	\$4,213	\$0	\$0	\$4,213
Bivium Cash	\$1	\$0	\$0	\$1
Huber	\$1,764	\$0	\$0	\$1,764
Total	\$5,978	\$0	\$0	\$5,978

	Beginning Market Value	Net Cash Flow	Net Investment Change	Ending Market Value
Applied Research Investments	\$18,796,014	\$0	-\$3,262,743	\$15,533,272
Arga Investment Management	\$19,477,565	\$0	-\$6,246,677	\$13,230,889
Denali Advisors	\$17,361,129	\$0	-\$4,947,642	\$12,413,487
Dundas Partners	\$18,899,103	\$0	-\$2,849,920	\$16,049,183
Global Alpha Capital Management	\$6,869,471	\$0	-\$1,963,111	\$4,906,359
Radin Capital Partners	\$6,481,772	\$0	-\$2,017,086	\$4,464,686
RVX Asset Management	\$4,372,814	\$0	-\$1,253,965	\$3,118,849
Total	\$92,257,868	\$0	-\$22,541,144	\$69,716,724

Total Fund Asset Allocation Analysis

Period Ending: March 31, 2020



	Actual	Actual
US Equity	\$1,931,768,113	26.0%
International Equity	\$1,844,318,924	24.9%
US Fixed Income	\$881,915,606	11.9%
Global Fixed Income	\$312,857,319	4.2%
Real Estate	\$601,208,408	8.1%
Absolute Return	\$683,711,944	9.2%
Private Equity	\$634,239,427	8.6%
Real Assets	\$359,586,148	4.8%
Private Credit	\$36,070,411	0.5%
Cash	\$130,547,692	1.8%
Total	\$7,416,223,994	100.0%

	Actual	Target
US Equity	26.0%	25.0%
International Equity	24.9%	25.0%
US Fixed Income	11.9%	13.0%
Global Fixed Income	4.2%	3.0%
Real Estate	8.1%	8.0%
Absolute Return	9.2%	9.0%
Private Equity	8.6%	8.0%
Real Assets	4.8%	5.0%
Private Credit	0.5%	4.0%
Cash	1.8%	0.0%
Total	100.0%	100.0%

Bivium Portfolio Liquidated U.S. Equities and invested in International Equities

Total Fund Performance Summary

Period Ending: March 31, 2020

	3 Mo (%)	Rank	6 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Total Fund (Gross)	-15.01	79	-9.90	74	-6.72	74	2.98	39	4.02	36	5.74	30	7.08	23	9.06	Sep-85
Total Fund (Net)	-15.03	79	-9.95	74	-6.87	74	2.79	44	3.78	40	5.46	35	6.79	29	8.86	
<i>Policy Index</i>	-13.90	66	-9.21	65	-6.33	69	2.78	44	4.13	32	6.10	19	7.20	20	9.34	Sep-85
<i>Allocation Index</i>	-14.44	74	-9.40	69	-6.34	69	2.72	45	3.96	38	5.83	27	6.91	27	--	Sep-85
<i>InvMetrics Public DB > \$1B Gross Median</i>	-12.56		-8.41		-4.85		2.59		3.42		5.03		6.23		8.35	Sep-85
US Equity (Gross)	-21.80	42	-14.63	33	-10.00	30	4.44	15	5.74	21	8.93	23	10.15	24	10.92	Sep-85
US Equity (Net)	-21.82	42	-14.68	34	-10.14	33	4.23	17	5.47	29	8.63	34	9.84	35	--	
<i>Russell 3000</i>	-20.90	24	-13.70	19	-9.13	18	4.00	21	5.77	19	8.96	20	10.15	24	10.48	Sep-85
<i>InvMetrics All DB US Eq Gross Median</i>	-22.22		-15.62		-11.26		2.77		4.74		8.12		9.40		10.13	Sep-85
BlackRock Russell 1000 Index Fund (Gross)	-20.20	56	-12.99	43	-7.99	50	--	--	--	--	--	--	--	--	0.14	Apr-18
BlackRock Russell 1000 Index Fund (Net)	-20.21	56	-13.00	43	-8.00	50	--	--	--	--	--	--	--	--	0.14	
<i>Russell 1000</i>	-20.22	56	-13.01	43	-8.03	50	4.64	43	6.22	42	9.32	42	10.39	43	0.10	Apr-18
Large Cap Active Equity (Gross)	-26.03	--	-18.34	--	-15.53	--	1.79	--	4.43	--	7.71	--	9.22	--	6.47	Mar-00
Large Cap Active Equity (Net)	-26.03	--	-18.44	--	-16.02	--	1.34	--	4.00	--	7.29	--	8.80	--	6.04	
<i>Russell 1000</i>	-20.22	--	-13.01	--	-8.03	--	4.64	--	6.22	--	9.32	--	10.39	--	4.88	Mar-00
Pzena (Gross)	-40.24	99	-33.81	99	-32.03	99	-9.90	99	-2.23	96	2.81	97	4.73	97	2.12	Jan-06
Pzena (Net)	-40.24	99	-33.89	99	-32.39	99	-10.34	99	-2.68	97	2.35	98	4.28	99	1.69	
<i>Russell 1000 Value</i>	-26.73	58	-21.30	61	-17.17	60	-2.18	65	1.90	63	5.56	65	7.67	63	4.96	Jan-06
TCW (Gross)	-11.43	17	-2.55	21	1.52	29	13.73	20	10.87	25	12.33	49	13.04	31	7.22	Jun-99
TCW (Net)	-11.43	17	-2.66	22	0.90	34	13.27	24	10.48	32	11.96	59	12.68	43	--	
<i>Russell 1000 Growth</i>	-14.10	48	-4.98	40	0.91	34	11.32	42	10.36	34	12.93	35	12.97	34	5.16	Jun-99

1 See Policy Index and Benchmark History.

Total Fund Performance Summary

Period Ending: March 31, 2020

	3 Mo (%)	Rank	6 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Small Cap Equity (Gross)	-35.41	--	-29.32	--	-26.00	--	-2.98	--	-0.16	--	5.09	--	7.45	--	12.01	Jul-85
Small Cap Equity (Net)	-35.55	--	-29.75	--	-26.85	--	-3.90	--	-1.06	--	4.18	--	6.55	--	--	
<i>Russell 2000</i>	-30.61	--	-23.72	--	-23.99	--	-4.64	--	-0.25	--	4.21	--	6.90	--	8.32	Jul-85
Kennedy (Gross)	-35.41	55	-29.32	47	-28.26	48	-9.71	63	-2.63	65	3.37	37	--	--	6.78	Sep-10
Kennedy (Net)	-35.56	57	-29.60	49	-28.98	54	-10.51	73	-3.46	76	2.52	58	--	--	5.92	
<i>Russell 2000 Value</i>	-35.66	58	-30.20	53	-29.64	61	-9.51	60	-2.42	62	1.80	73	4.79	84	5.26	Sep-10
William Blair Small Cap Growth (Gross)	-24.56	22	--	--	--	--	--	--	--	--	--	--	--	--	-19.93	Oct-19
William Blair Small Cap Growth (Net)	-24.56	22	--	--	--	--	--	--	--	--	--	--	--	--	-19.93	
<i>Russell 2000 Growth</i>	-25.77	27	-17.31	20	-18.58	29	0.10	29	1.70	38	6.47	35	8.89	37	-19.59	Oct-19
<i>eV US Small Cap Equity Gross Median</i>	-30.95		-25.26		-24.29		-4.70		0.13		4.73		7.79		-26.77	Oct-19
International Equity (Gross)	-24.18	49	-16.49	43	-16.07	51	-0.75	23	0.86	19	2.55	22	3.61	23	7.25	Dec-90
International Equity (Net)	-24.21	49	-16.58	43	-16.35	55	-1.04	26	0.51	25	2.18	30	3.23	34	--	
<i>MSCI ACWI ex USA IMI Gross</i>	-24.02	47	-16.98	50	-15.89	48	-1.88	39	-0.20	41	1.52	52	2.52	58	5.35	Dec-90
<i>InvMetrics All DB ex-US Eq Gross Median</i>	-24.26		-16.98		-15.99		-2.43		-0.55		1.57		2.67		5.98	Dec-90
Bivium Intl Equity (Gross)	-24.43	64	-15.54	56	-13.50	48	--	--	--	--	--	--	--	--	-6.50	Oct-18
Bivium Intl Equity (Net)	-24.52	65	-15.72	57	-13.77	49	--	--	--	--	--	--	--	--	-6.76	
<i>MSCI ACWI ex USA Gross</i>	-23.26	52	-16.37	62	-15.14	60	-1.48	64	-0.17	69	1.53	73	2.52	87	-6.90	Oct-18
AQR (Gross)	-25.69	87	-18.53	81	-20.30	97	-4.65	96	-1.39	83	1.03	79	2.64	82	-0.10	Oct-07
AQR (Net)	-25.69	87	-18.63	83	-20.60	97	-5.06	98	-1.84	95	0.55	94	2.16	97	-0.57	
<i>MSCI ACWI ex USA Gross</i>	-23.26	48	-16.37	56	-15.14	55	-1.48	46	-0.17	54	1.53	68	2.52	84	-0.37	Oct-07
BlackRock MSCI World ex-US Index Fd A (Gross)	-23.20	44	-17.11	53	--	--	--	--	--	--	--	--	--	--	-12.94	May-19
BlackRock MSCI World ex-US Index Fd A (Net)	-23.20	44	-17.11	53	--	--	--	--	--	--	--	--	--	--	-12.94	
<i>MSCI World ex US Gross</i>	-23.15	43	-17.06	52	-14.42	43	-1.56	47	-0.25	57	1.95	69	2.94	78	-12.85	May-19
<i>eV All EAFE Equity Gross Median</i>	-23.98		-16.98		-15.20		-1.68		0.03		2.76		4.12		-13.26	May-19

¹ See Policy Index and Benchmark History.

Total Fund Performance Summary

Period Ending: March 31, 2020

	3 Mo (%)	Rank	6 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Capital Group (Gross)	-20.54	28	-11.41	23	-9.54	28	4.42	13	4.09	14	4.64	23	4.85	40	7.91	Dec-90
Capital Group (Net)	-20.57	29	-11.44	23	-9.89	29	4.24	14	3.85	16	4.36	27	4.53	47	--	
MSCI ACWI ex USA Gross	-23.26	49	-16.37	54	-15.14	55	-1.48	55	-0.17	62	1.53	68	2.52	82	5.39	Dec-90
MSCI ACWI ex USA Growth Gross	-18.16	14	-10.28	17	-6.94	18	2.91	23	2.48	28	3.63	39	4.28	51	--	Dec-90
Mondrian (Gross)	-27.05	53	-19.07	48	-20.19	57	-4.24	45	-1.67	51	0.79	58	2.31	53	5.15	Nov-03
Mondrian (Net)	-27.12	58	-19.21	55	-20.57	64	-4.62	51	-2.05	55	0.42	75	1.97	62	4.83	
MSCI ACWI ex USA Gross	-23.26	14	-16.37	24	-15.14	18	-1.48	10	-0.17	10	1.53	19	2.52	44	5.27	Nov-03
MSCI ACWI ex USA Value Gross	-28.45	69	-22.52	82	-23.18	80	-5.92	68	-2.92	82	-0.67	91	0.68	93	4.43	Nov-03
Newton Emerging Mkt (Gross)	-17.88	2	-7.63	2	--	--	--	--	--	--	--	--	--	--	-5.22	May-19
Newton Emerging Mkt (Net)	-17.88	2	-7.68	2	--	--	--	--	--	--	--	--	--	--	-5.31	
MSCI Emerging Markets Gross	-23.57	35	-14.45	33	-17.36	41	-1.25	38	0.01	52	-0.04	56	1.04	76	-12.78	May-19
eV Emg Mkts Equity Gross Median	-24.83		-16.31		-18.52		-2.00		0.08		0.25		2.10		-14.50	May-19
Templeton (Gross)	-30.96	91	-24.19	95	-24.21	86	-4.76	71	-1.32	84	1.42	79	--	--	2.16	Apr-11
Templeton (Net)	-31.07	91	-24.42	95	-24.77	91	-5.35	75	-1.96	85	0.74	85	--	--	1.48	
MSCI ACWI ex US Small Cap Gross	-28.94	71	-21.07	75	-20.84	69	-4.52	69	-0.44	71	1.43	78	3.16	99	0.78	Apr-11
Total Fixed Income (Gross)	-2.72	68	-1.02	58	3.17	62	3.51	51	3.17	44	3.37	31	5.26	16	7.17	Sep-86
Total Fixed Income (Net)	-2.76	68	-1.10	60	2.97	64	3.32	59	2.98	52	3.17	38	5.05	19	--	
Fixed Income Blend	0.56	39	0.94	41	6.01	38	4.13	31	3.16	45	2.82	54	3.70	68	6.38	Sep-86
InvMetrics All DB Total Fix Inc Gross Median	-0.96		-0.08		4.32		3.51		3.03		2.84		4.20		6.46	Sep-86
US Fixed Income (Gross)	0.23	55	0.95	52	6.31	41	4.62	29	3.88	25	4.16	21	5.69	16	7.17	Sep-86
US Fixed Income (Net)	0.20	56	0.88	53	6.15	44	4.45	33	3.72	29	3.99	22	5.52	17	--	
BBgBarc US Aggregate TR	3.15	19	3.33	18	8.93	21	4.82	25	3.36	41	3.19	43	3.88	59	6.23	Sep-86
InvMetrics All DB US Fix Inc Gross Median	0.67		0.98		5.87		3.87		3.05		2.96		4.09		6.38	Sep-86
Baird Advisors (Gross)	2.05	45	2.48	38	8.30	36	5.01	25	3.94	9	4.00	4	5.12	6	5.22	Oct-01
Baird Advisors (Net)	2.05	45	2.46	39	8.24	38	4.93	31	3.86	12	3.91	6	5.04	7	5.13	
BBgBarc US Aggregate TR	3.15	20	3.33	18	8.93	20	4.82	39	3.36	66	3.19	77	3.88	88	4.45	Oct-01

1 See Policy Index and Benchmark History.

Total Fund Performance Summary

Period Ending: March 31, 2020

	3 Mo (%)	Rank	6 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Loomis Sayles (Gross)	-3.13	99	-1.90	96	2.62	99	3.88	92	3.75	21	4.45	2	6.64	1	7.89	Dec-00
Loomis Sayles (Net)	-3.20	99	-2.05	97	2.30	99	3.55	96	3.43	60	4.12	3	6.30	1	7.55	
<i>BBgBarc US Credit BAA TR</i>	-7.39	99	-5.82	99	1.92	99	3.42	98	2.90	95	3.30	61	5.02	7	6.01	Dec-00
Global Fixed Income (Gross)	-11.26	67	-6.90	57	-5.88	57	0.08	53	0.91	72	0.97	71	3.93	49	6.52	Nov-01
Global Fixed Income (Net)	-11.32	67	-7.01	58	-6.19	59	-0.19	57	0.63	77	0.69	77	3.61	63	6.21	
<i>FTSE WGBI TR</i>	2.00	9	1.64	9	6.17	10	4.27	9	2.96	21	1.48	59	2.19	88	4.54	Nov-01
<i>InvMetrics All DB Gbl Fix Inc Gross Median</i>	-7.50		-5.89		-5.05		0.90		2.32		1.98		3.82		--	Nov-01
Brandywine (Gross)	-11.26	71	-6.90	66	-5.88	73	0.08	81	0.91	83	0.97	81	3.93	39	6.52	Nov-01
Brandywine (Net)	-11.32	71	-7.01	67	-6.19	75	-0.19	84	0.63	86	0.69	83	3.61	43	6.21	
<i>BBgBarc Global Aggregate TR</i>	-0.33	16	0.16	13	4.20	18	3.55	24	2.64	46	1.60	68	2.47	75	4.47	Nov-01
<i>FTSE WGBI TR</i>	2.00	5	1.64	6	6.17	8	4.27	11	2.96	31	1.48	71	2.19	80	4.54	Nov-01
Absolute Return (Gross)	-9.63	54	-9.84	69	-8.79	72	-2.45	78	-0.99	75	1.45	70	--	--	1.77	Sep-11
Absolute Return (Net)	-9.63	54	-9.84	69	-8.79	72	-2.45	78	-0.99	75	1.45	70	--	--	1.77	
<i>HFRI Fund of Funds Composite Index</i>	-8.79	49	-5.98	49	-5.48	51	-0.04	62	0.00	60	1.60	69	1.75	77	2.21	Sep-11
<i>InvMetrics All DB Hedge Funds Gross Median</i>	-9.01		-6.12		-5.29		0.88		0.81		2.61		3.20		3.84	Sep-11
Private Equity (Gross)	3.78	--	4.20	--	18.18	--	13.50	--	13.90	--	15.09	--	14.16	--	4.35	Nov-08
Private Equity (Net)	3.78	--	4.20	--	18.18	--	13.50	--	13.90	--	15.09	--	14.16	--	4.35	
<i>Thomson Reuters C A Global All PE 1 Qtr Lag</i>	4.38	--	4.29	--	10.54	--	9.83	--	8.47	--	9.28	--	9.86	--	7.75	Nov-08
Real Assets (Gross)	-23.01	--	-18.22	--	-20.54	--	-9.10	--	-6.81	--	-8.60	--	--	--	-7.08	Sep-11
Real Assets (Net)	-23.01	--	-18.23	--	-20.55	--	-9.10	--	-6.81	--	-8.60	--	--	--	-7.09	
<i>Real Asset Blend</i>	-30.07	--	-25.02	--	-25.60	--	-5.43	--	-0.14	--	0.99	--	--	--	1.68	Sep-11

Total Fund Performance Summary

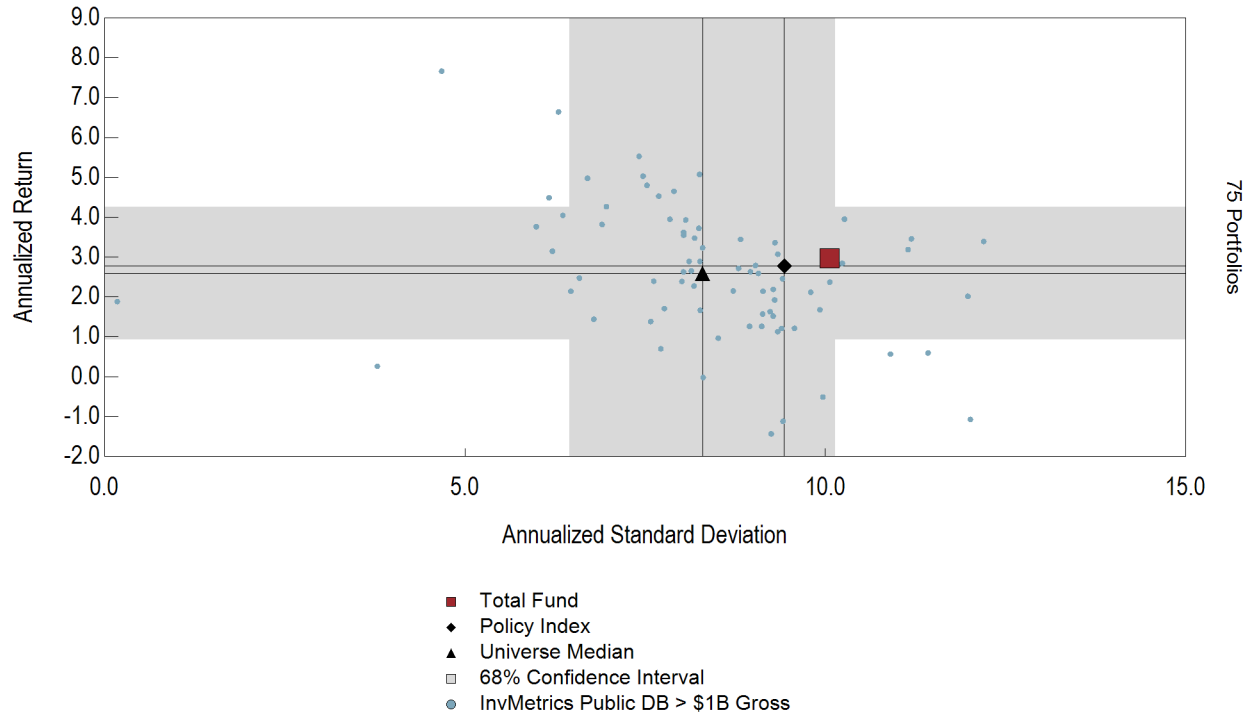
Period Ending: March 31, 2020

	3 Mo (%)	Rank	6 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	7 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Private Credit (Gross)	-12.51	--	--	--	--	--	--	--	--	--	--	--	--	--	-12.64	Oct-19
Private Credit (Net)	-12.51	--	--	--	--	--	--	--	--	--	--	--	--	--	-12.64	
<i>S&P/LSTA Leveraged Loan Index +175</i>	-12.65	--	-10.75	--	-7.56	--	0.96	--	2.91	--	3.57	--	4.88	--	-10.48	Oct-19
Owl Rock First Lien Fund (Gross)	-12.51	65	--	--	--	--	--	--	--	--	--	--	--	--	-12.64	Oct-19
Owl Rock First Lien Fund (Net)	-12.51	65	--	--	--	--	--	--	--	--	--	--	--	--	-12.64	
<i>S&P/LSTA Leveraged Loan Index +175</i>	-12.65	65	-10.75	64	-7.56	59	0.96	49	2.91	36	3.57	35	4.88	39	-10.48	Oct-19
<i>eV Alt All Credit Median</i>	-8.18		-6.79		-5.02		0.83		1.89		2.66		4.18		-7.38	Oct-19
Cash (Gross)	0.36	--	0.75	--	1.57	--	1.60	--	1.08	--	0.78	--	0.59	--	3.13	Sep-85
Cash (Net)	0.36	--	0.75	--	1.57	--	1.60	--	1.08	--	0.78	--	0.59	--	3.13	
<i>91 Day T-Bills</i>	0.37	--	0.77	--	1.85	--	1.72	--	1.13	--	0.81	--	0.59	--	3.23	Sep-85
Real Estate (Gross)	0.75	46	2.27	46	5.58	30	7.54	26	9.41	18	10.59	20	11.57	29	7.07	Mar-86
Real Estate (Net)	0.75	46	2.27	46	5.58	30	7.54	26	9.05	22	10.03	31	10.87	52	6.03	
<i>NCREIF-ODCE</i>	0.97	39	2.49	39	4.88	40	6.81	39	8.45	33	9.90	33	11.45	33	7.25	Mar-86
<i>InvMetrics All DB Real Estate Pub+Priv Gross Median</i>	0.60		2.01		4.50		6.46		8.04		9.50		10.91		--	Mar-86

1 See Policy Index and Benchmark History.

Total Fund
Risk vs. Return (3 Years)

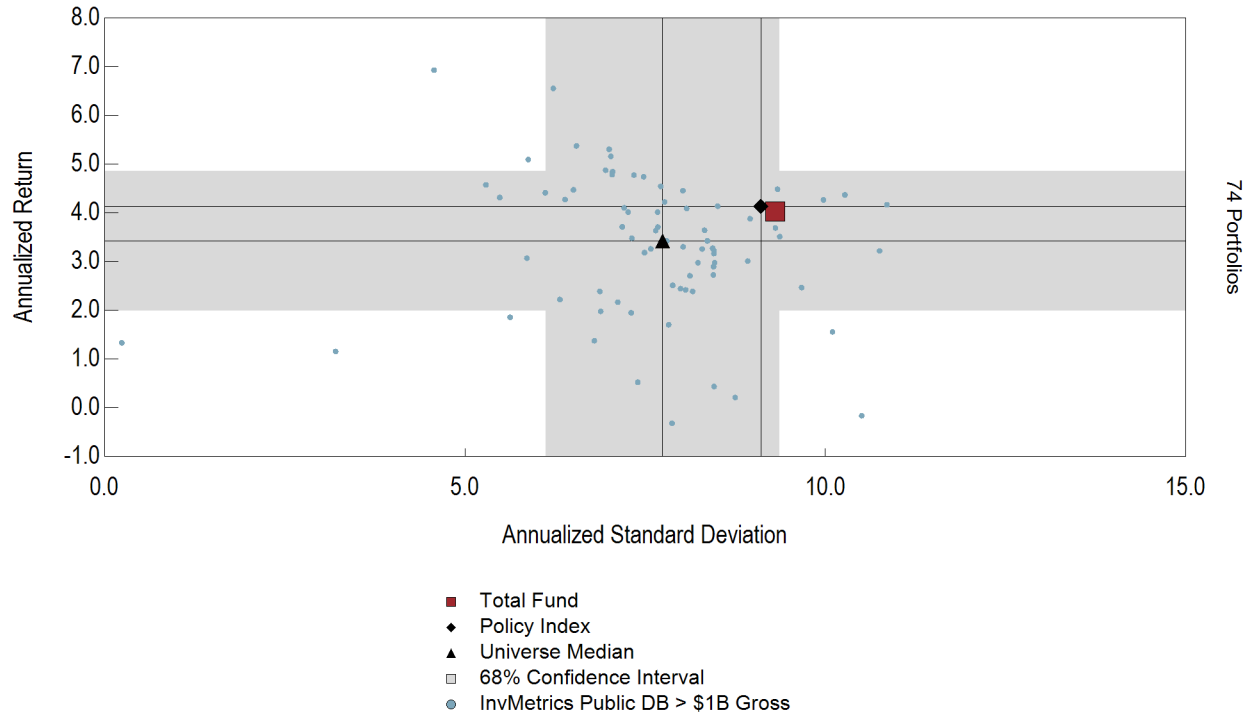
Period Ending: March 31, 2020



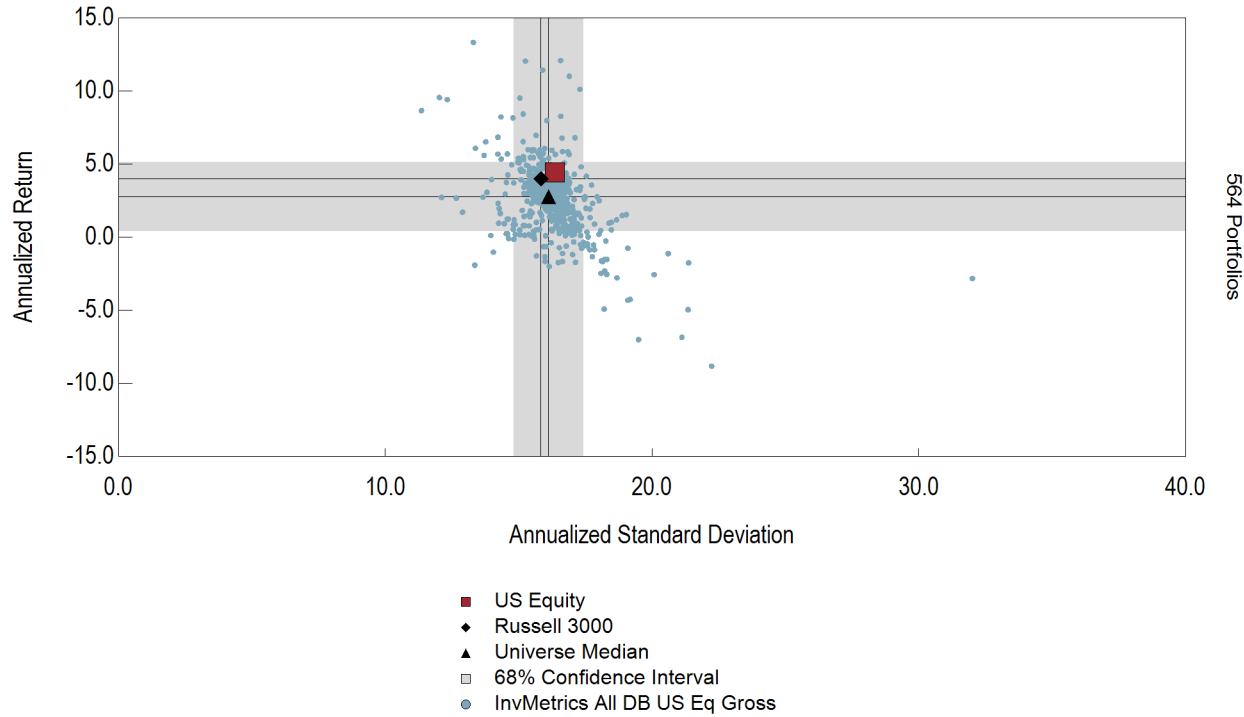
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	2.98%	39	10.06%	88	0.12	43	0.15	49	1.26%	58
Policy Index	2.78%	44	9.43%	82	0.11	49	--	--	0.00%	1
Allocation Index	2.72%	45	9.86%	85	0.10	52	-0.10	59	0.61%	6
InvMetrics Public DB > \$1B Gross Median	2.59%	--	8.30%	--	0.11	--	0.09	--	1.21%	--

Total Fund
Risk vs. Return (5 Years)

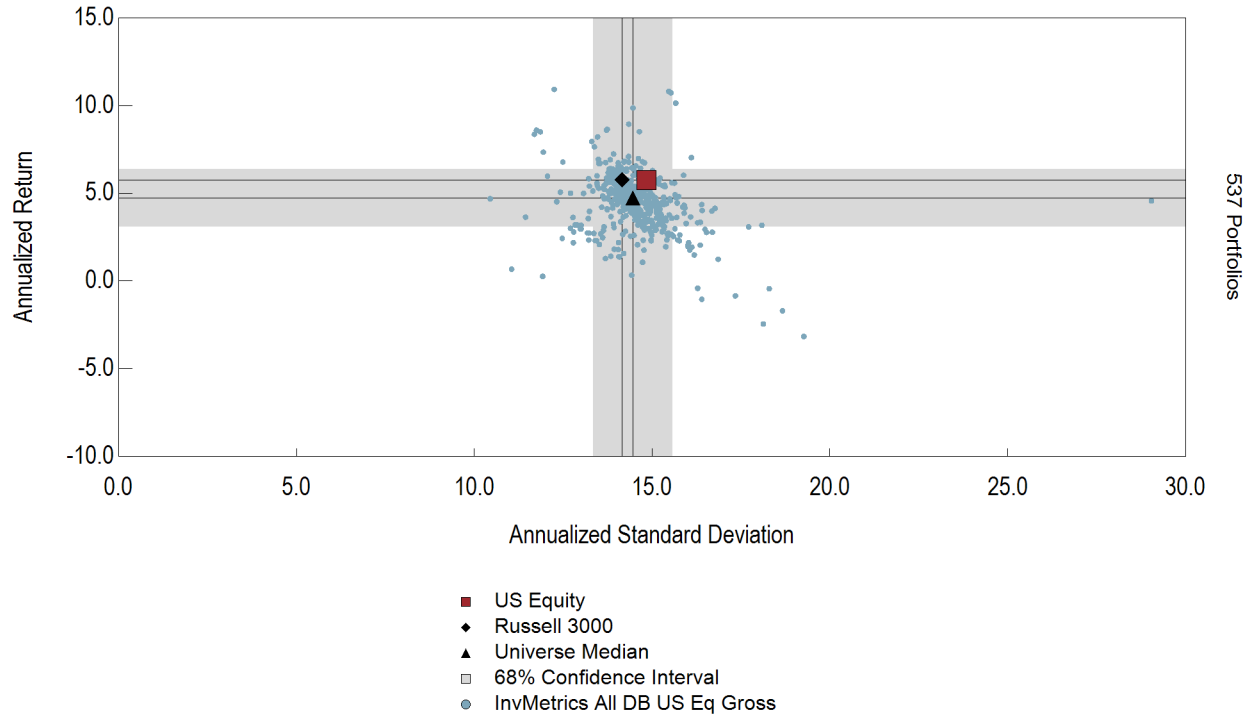
Period Ending: March 31, 2020



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	4.02%	36	9.30%	88	0.31	45	-0.08	63	1.32%	59
Policy Index	4.13%	32	9.11%	87	0.33	40	--	--	0.00%	1
Allocation Index	3.96%	38	9.32%	89	0.30	46	-0.33	79	0.50%	5
InvMetrics Public DB > \$1B Gross Median	3.42%	--	7.74%	--	0.28	--	0.09	--	1.20%	--



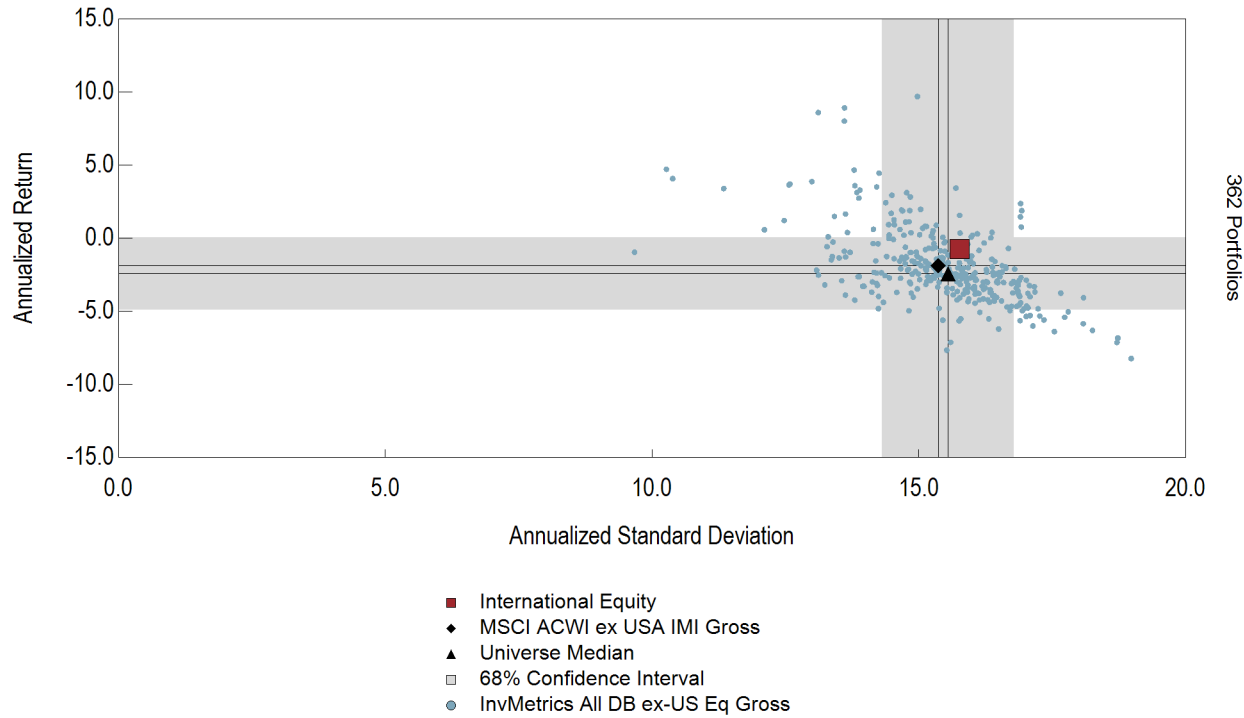
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
US Equity	4.44%	15	16.36%	61	0.17	16	0.33	20	1.33%	28
Russell 3000	4.00%	21	15.83%	37	0.14	23	--	--	0.00%	1
InvMetrics All DB US Eq Gross Median	2.77%	--	16.12%	--	0.07	--	-0.61	--	1.91%	--



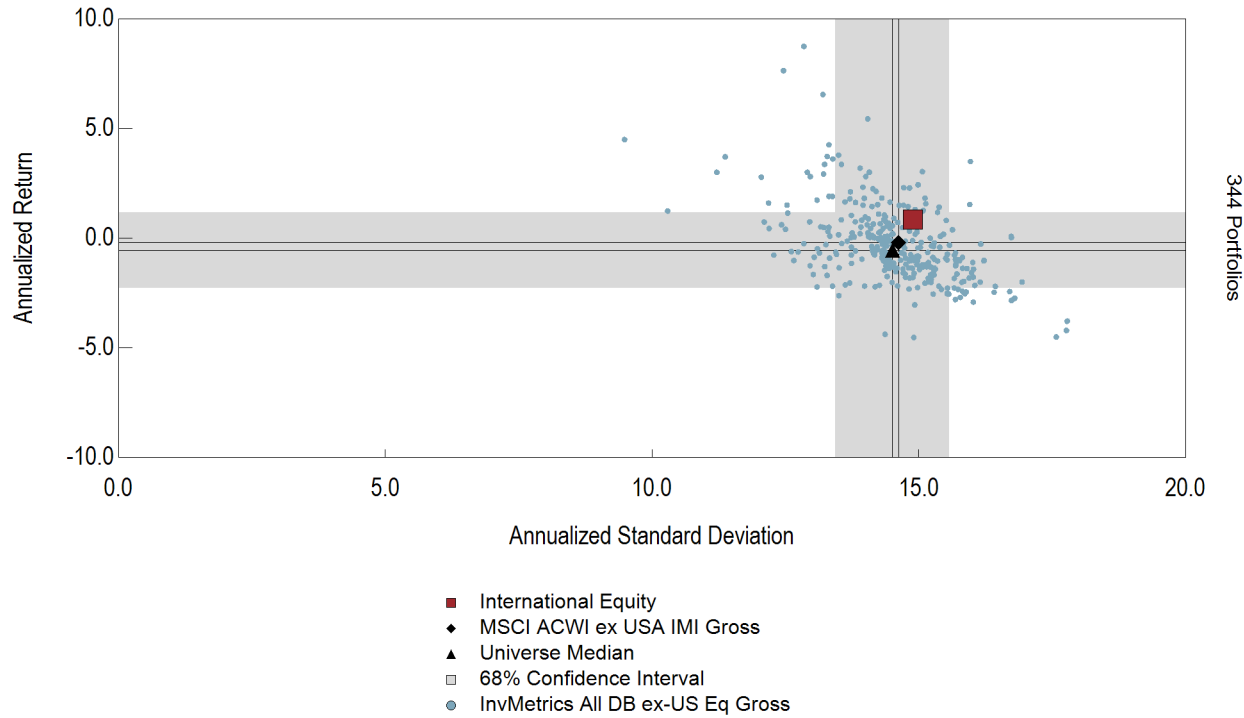
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
US Equity	5.74%	21	14.85%	71	0.31	26	-0.02	25	1.93%	47
Russell 3000	5.77%	19	14.16%	34	0.33	21	--	--	0.00%	1
InvMetrics All DB US Eq Gross Median	4.74%	--	14.46%	--	0.25	--	-0.50	--	1.98%	--

International Equity
Risk vs. Return (3 Years)

Period Ending: March 31, 2020



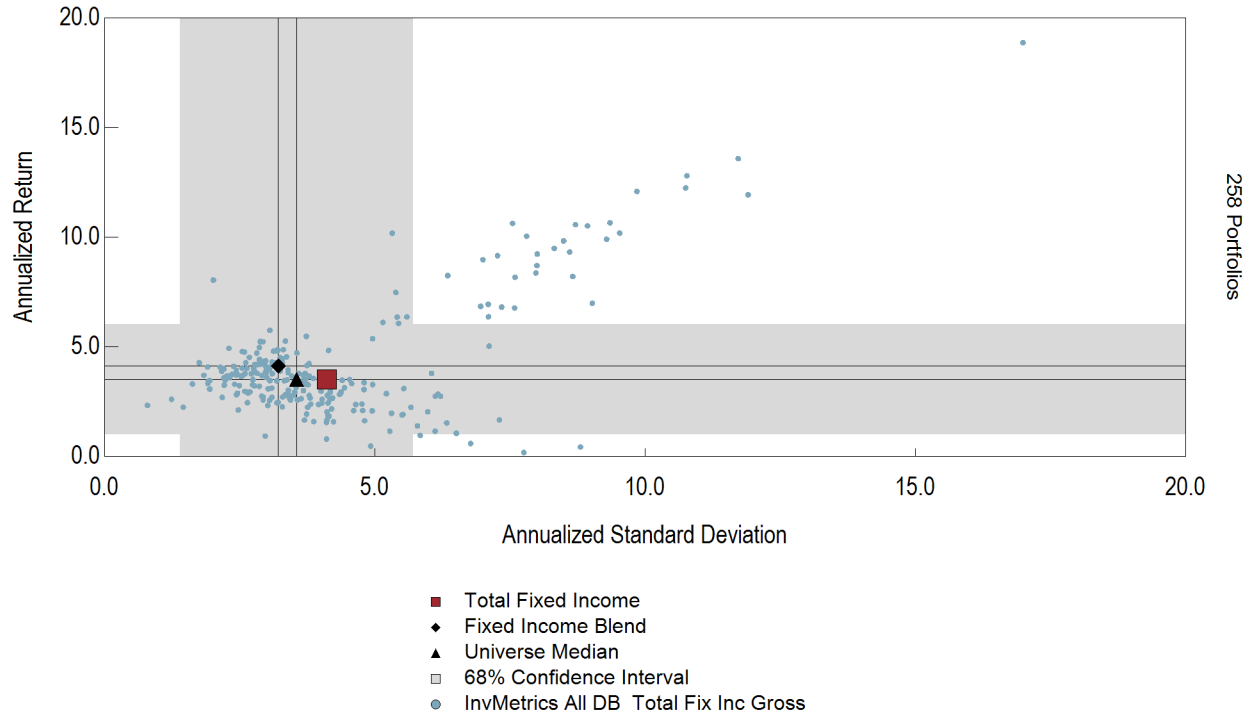
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
International Equity	-0.75%	23	15.77%	60	-0.16	22	0.82	12	1.38%	5
MSCI ACWI ex USA IMI Gross	-1.88%	39	15.37%	45	-0.23	40	--	--	0.00%	1
InvMetrics All DB ex-US Eq Gross Median	-2.43%	--	15.55%	--	-0.27	--	-0.20	--	2.83%	--



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
International Equity	0.86%	19	14.88%	65	-0.02	19	0.75	10	1.40%	4
MSCI ACWI ex USA IMI Gross	-0.20%	41	14.62%	55	-0.09	42	--	--	0.00%	1
InvMetrics All DB ex-US Eq Gross Median	-0.55%	--	14.51%	--	-0.12	--	0.00	--	3.06%	--

Total Fixed Income
Risk vs. Return (3 Years)

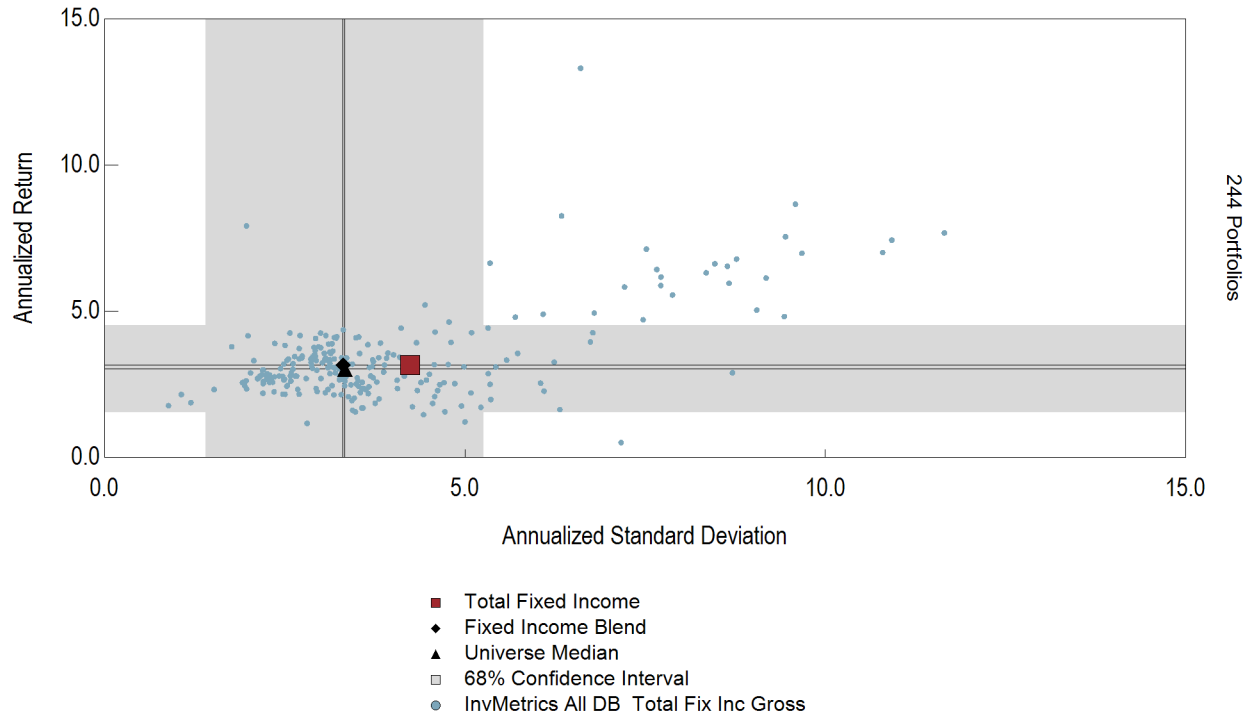
Period Ending: March 31, 2020



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fixed Income	3.51%	51	4.11%	64	0.44	63	-0.29	33	2.16%	50
Fixed Income Blend	4.13%	31	3.22%	41	0.75	40	--	--	0.00%	1
InvMetrics All DB Total Fix Inc Gross Median	3.51%	--	3.55%	--	0.59	--	-0.41	--	2.16%	--

Total Fixed Income
Risk vs. Return (5 Years)

Period Ending: March 31, 2020



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fixed Income	3.17%	44	4.24%	73	0.48	66	0.00	42	2.12%	52
Fixed Income Blend	3.16%	45	3.31%	49	0.61	50	--	--	0.00%	1
InvMetrics All DB Total Fix Inc Gross Median	3.03%	--	3.33%	--	0.61	--	-0.07	--	2.05%	--

Equity environment

- U.S. equities experienced an unusually sudden and significant sell-off in March as investors grew fearful of the health and economic impacts of COVID-19 spread. During Q1 the S&P 500 fell -19.6%, international developed equities (MSCI EAFE) fell -22.8% and emerging markets (MSCI EM) fell -23.6%.
- The greatest influence on equity performance in 2020 will perhaps be the path of corporate earnings. The degree to which corporate earnings will fall is largely unknown with few reliable estimates.
- Implied volatility spiked in March to a record daily close of 82.7%, surpassing the high of 80.9% in November 2008 during the depths of the global financial crisis.
- In March, a squabble between OPEC+ members led to a historic drop in energy prices. The energy sector faces sharply falling demand and potentially significant oversupply due to oil producers' decision to ramp up production in an oil war. The energy sector experienced a loss of -50.5% in Q1.
- The U.S. dollar appreciated significantly in the first quarter, rising 7.1% on a trade-weighted basis, resulting in large losses for investors with unhedged currency exposure. As is often the case during higher risk market environments, demand for safe-haven currencies positively impacted the dollar.
- Value stocks severely underperformed growth stocks during the first quarter (Russell 1000 Value -26.7%, Russell 1000 Growth -14.1%). Small cap stocks underperformed large cap stocks by a similar magnitude (Russell 2000 -30.6%, Russell 1000 -20.2%). Value and size factors continue to experience an extended period of relative underperformance.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
US Large Cap (S&P 500)	(19.6%)		(7.0%)	
US Small Cap (Russell 2000)	(30.6%)		(24.0%)	
US Large Value (Russell 1000 Value)	(26.7%)		(17.2%)	
US Large Growth (Russell 1000 Growth)	(14.1%)		(0.9%)	
International Large (MSCI EAFE)	(22.8%)	(19.9%)	(14.4%)	(10.3%)
Eurozone (Euro Stoxx 50)	(27.0%)	(24.8%)	(16.6%)	(12.0%)
U.K. (FTSE 100)	(28.8%)	(23.0%)	(22.0%)	(16.4%)
Japan (NIKKEI 225)	(18.6%)	(18.8%)	(6.7%)	(6.8%)
Emerging Markets (MSCI Emerging Markets)	(23.6%)	(18.5%)	(17.7%)	(12.7%)

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 3/31/20

Domestic equity

U.S. equities experienced an unusually sudden and significant sell-off in March as investors grew fearful of the health and economic impacts of COVID-19 spread. During Q1 the S&P 500 fell -19.6%, international developed equities (MSCI EAFE) fell -22.8% and emerging markets (MSCI EM) fell -23.6%.

At the same time that COVID-19 was spreading throughout the U.S., a squabble between OPEC+ members led to a historic drop in energy prices. The energy sector faces a perfect storm – sharply falling demand due to a global economic slowdown, and potentially significant oversupply due to oil producers’ decision to ramp up production in an oil war. The energy sector experienced a loss of -50.5% in Q1.

The greatest influence on equity performance in 2020 will perhaps be the path of corporate earnings. The degree to which corporate earnings will fall throughout the year is largely unknown with few reliable estimates.

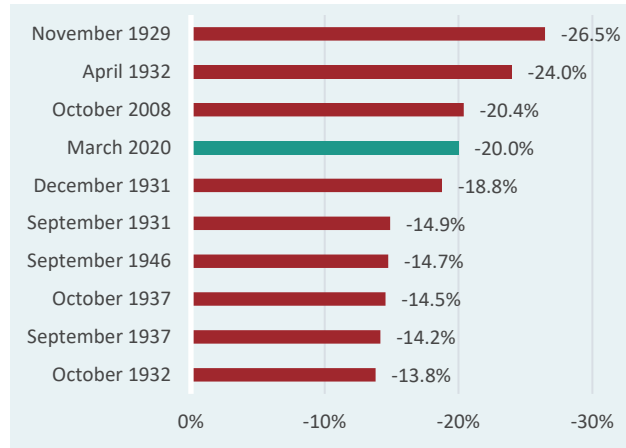
We continue to believe an underweight to international developed equities is appropriate. The economic pain that European Union member countries face may be significant, and membership to the EU inherently limits the ability of these countries to enact certain changes to address weakening economies. The U.S. market may continue to perform relatively well throughout the economic recovery.

S&P 500



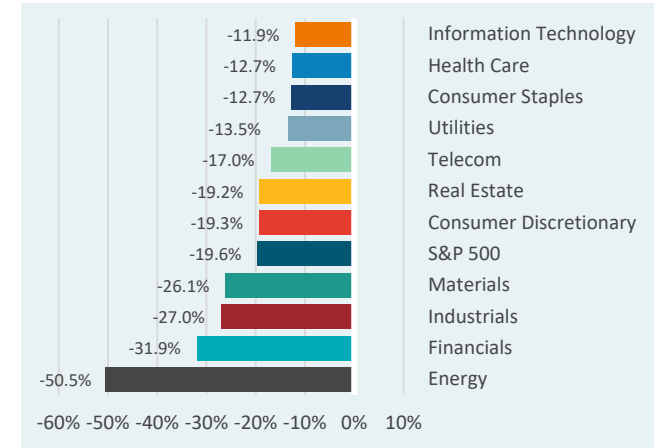
Source: Standard & Poor's, as of 3/31/20

WORST S&P 500 MAX MONTHLY DRAWDOWNS



Source: Standard & Poor's, as of 3/31/20

Q1 SECTOR PERFORMANCE



Source: Standard & Poor's, as of 3/31/20

Domestic equity size & style

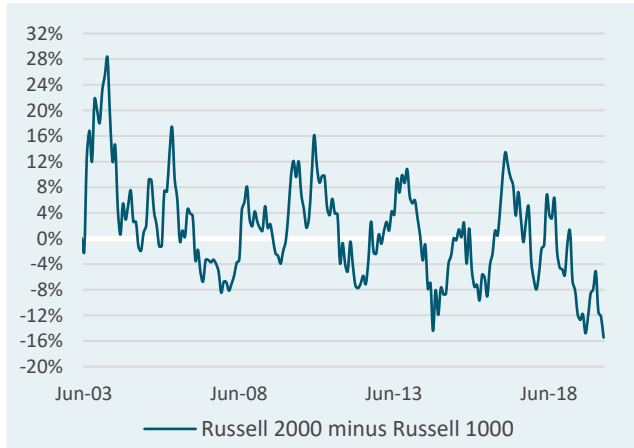
Value stocks severely underperformed growth stocks during the first quarter (Russell 1000 Value -26.7%, Russell 1000 Growth -14.1%). Small cap stocks underperformed large cap stocks by a similar magnitude (Russell 2000 -30.6%, Russell 1000 -20.2%). Value and size factors continue to experience a surprisingly long period of relative underperformance.

Once again, the impact of sector performance on the value premium in Q1 was notable – specifically energy and financial sectors (-50.5% and -31.9%, respectively) which tend to be value-tilted. Energy prices saw a historic drop fueled by OPEC+ infighting and likely the intent of the cartel to push out U.S. energy producers. Financial stocks delivered losses as

falling interest rates hurt profitability. Information Technology (-11.9%), a sector that tends to contain more growth stocks, was the best performer.

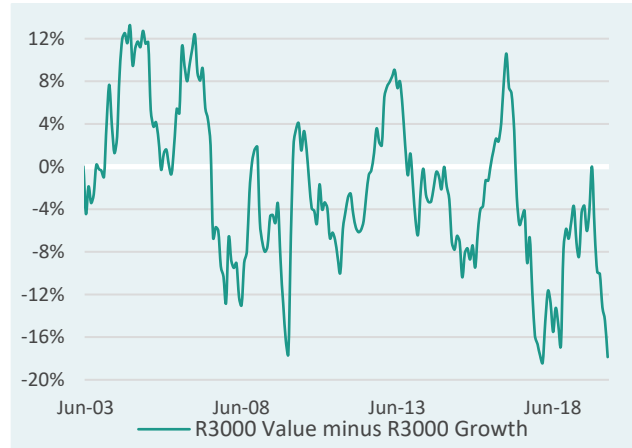
We believe that it is extremely difficult to successfully make short-term bets on style factors. Factor performance can be incredibly noisy and vulnerable to sector randomness. Market events of the past month seem to support this belief. While value in particular continues to be historically cheap, price itself does not translate to short-term outperformance – a catalyst for a turnaround should also be clearly identified and understood. We remain watchful and believe that consistent long-term exposure to these style factors is an ideal implementation approach for most investors, most of the time.

SMALL CAP VS LARGE CAP (YOY)



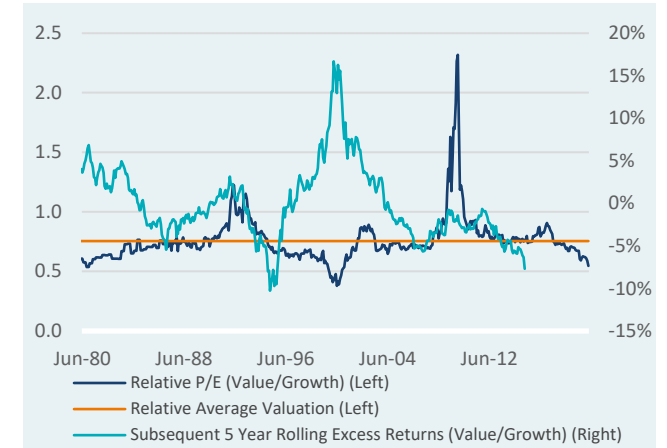
Source: FTSE, as of 3/31/20

VALUE VS GROWTH (YOY)



Source: FTSE, as of 3/31/20

VALUE HISTORICALLY CHEAP

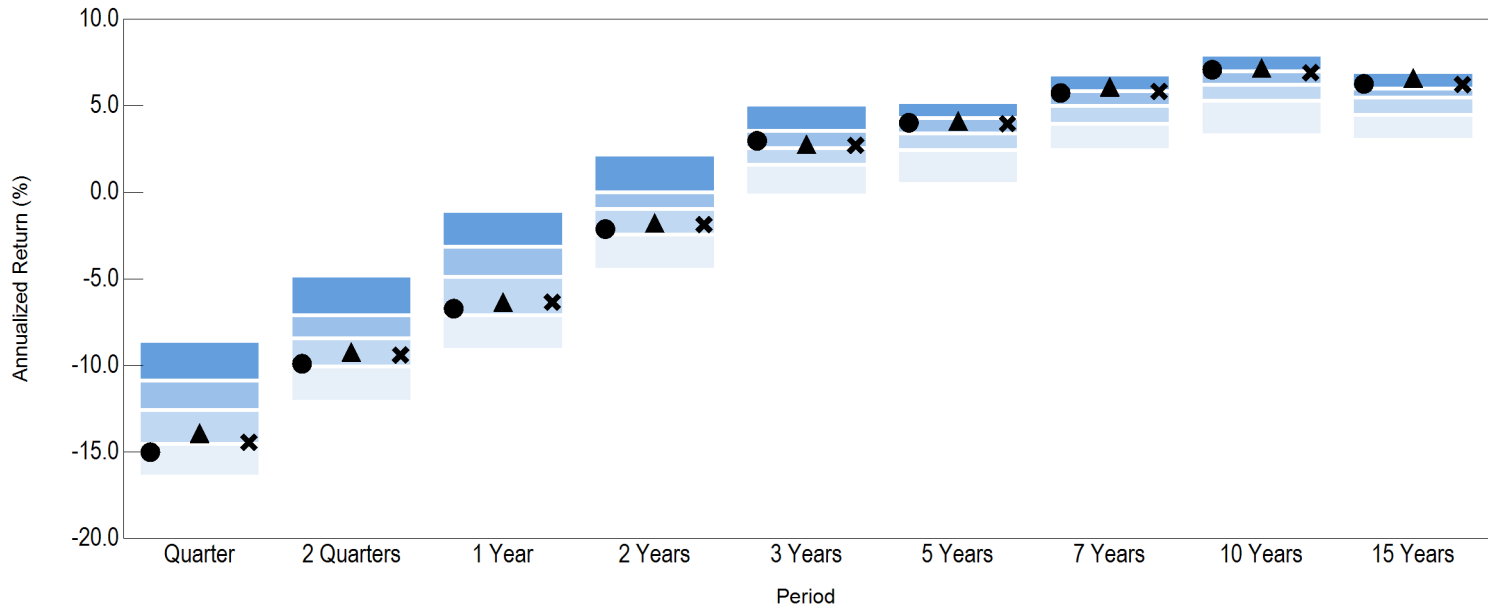


Source: Russell, Bloomberg, as of 3/31/20

Total Fund
Peer Universe Comparison

Period Ending: March 31, 2020

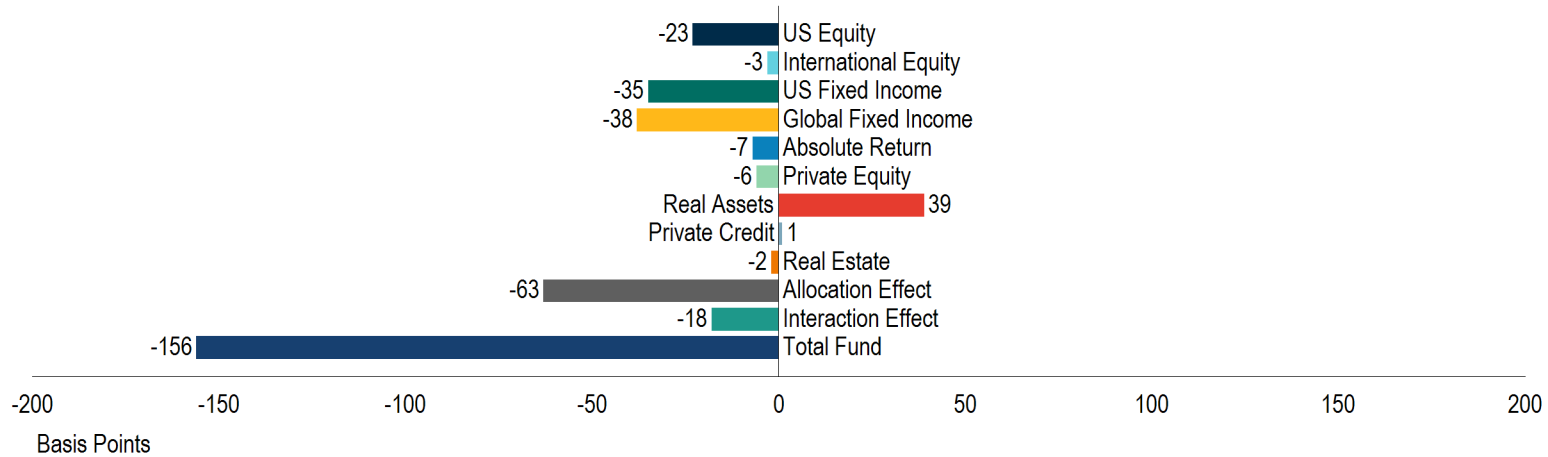
InvMetrics Public DB > \$1B Gross Return Comparison



	Return (Rank)								
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	15 Years
5th Percentile	-8.59	-4.80	-1.07	2.18	5.04	5.21	6.79	7.94	6.94
25th Percentile	-10.87	-7.07	-3.10	0.01	3.59	4.30	5.87	7.00	6.03
Median	-12.56	-8.41	-4.85	-0.94	2.59	3.42	5.03	6.23	5.48
75th Percentile	-14.52	-10.02	-7.07	-2.43	1.60	2.45	4.00	5.31	4.49
95th Percentile	-16.41	-12.06	-9.07	-4.45	-0.17	0.49	2.47	3.31	3.07
# of Portfolios	75	75	75	75	75	74	72	69	64
● Total Fund	-15.01 (79)	-9.90 (74)	-6.72 (74)	-2.12 (72)	2.98 (39)	4.02 (36)	5.74 (30)	7.08 (23)	6.26 (16)
▲ Policy Index	-13.90 (66)	-9.21 (65)	-6.33 (69)	-1.75 (63)	2.78 (44)	4.13 (32)	6.10 (19)	7.20 (20)	6.60 (10)
✕ Allocation Index	-14.44 (74)	-9.40 (69)	-6.34 (69)	-1.86 (66)	2.72 (45)	3.96 (38)	5.83 (27)	6.91 (27)	6.22 (16)

Total Fund
Performance Attribution (One Quarter)

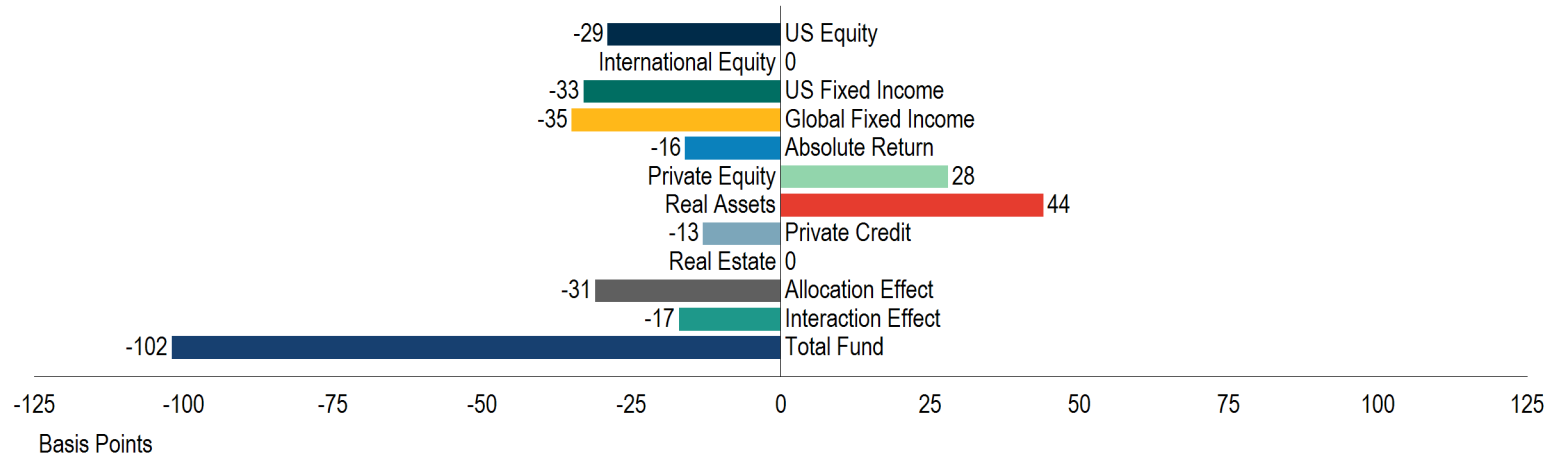
Period Ending: March 31, 2020



	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	-21.80%	-20.90%	-0.90%	-0.23%	-0.21%	-0.02%	-0.47%
International Equity	-24.18%	-24.02%	-0.16%	-0.03%	-0.22%	0.00%	-0.25%
US Fixed Income	0.23%	3.15%	-2.92%	-0.35%	-0.07%	0.00%	-0.42%
Global Fixed Income	-11.26%	2.00%	-13.26%	-0.38%	0.16%	-0.14%	-0.35%
Absolute Return	-9.63%	-8.79%	-0.84%	-0.07%	0.00%	0.00%	-0.08%
Private Equity	3.78%	4.38%	-0.59%	-0.06%	-0.13%	-0.02%	-0.21%
Real Assets	-23.01%	-30.07%	7.06%	0.39%	0.01%	-0.01%	0.40%
Private Credit	-12.51%	-12.65%	0.13%	0.01%	-0.04%	-0.01%	-0.04%
Real Estate	0.75%	0.97%	-0.22%	-0.02%	-0.13%	0.00%	-0.14%
Total	-15.12%	-13.56%	-1.56%	-0.75%	-0.63%	-0.18%	-1.56%

Total Fund
Performance Attribution (6 Months)

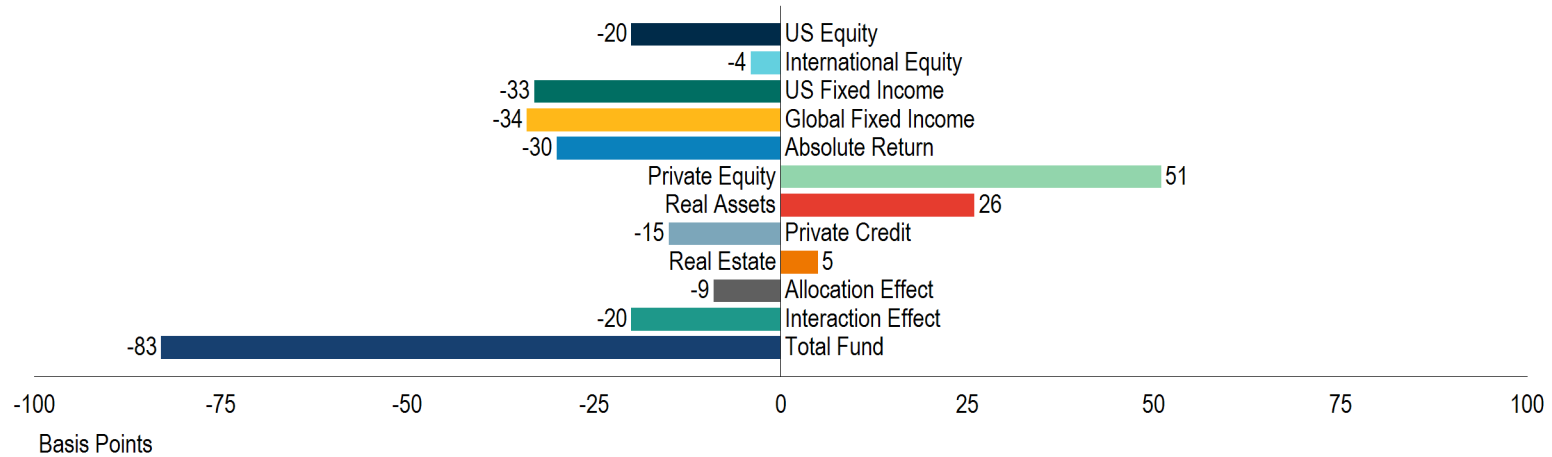
Period Ending: March 31, 2020



	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	-13.88%	-12.70%	-1.18%	-0.29%	-0.07%	-0.03%	-0.39%
International Equity	-18.35%	-18.32%	-0.02%	0.00%	-0.18%	0.01%	-0.16%
US Fixed Income	3.04%	5.68%	-2.64%	-0.33%	-0.06%	0.00%	-0.39%
Global Fixed Income	-9.36%	2.51%	-11.87%	-0.35%	0.12%	-0.13%	-0.36%
Absolute Return	-8.69%	-6.87%	-1.82%	-0.16%	0.00%	0.00%	-0.16%
Private Equity	11.60%	6.85%	4.75%	0.28%	-0.10%	-0.11%	0.08%
Real Assets	-19.27%	-27.34%	8.07%	0.44%	0.04%	-0.03%	0.45%
Private Credit	-12.64%	-9.47%	-3.16%	-0.13%	0.03%	0.12%	0.02%
Real Estate	3.81%	3.84%	-0.02%	0.00%	-0.10%	0.00%	-0.11%
Total	-9.60%	-8.58%	-1.02%	-0.54%	-0.31%	-0.17%	-1.02%

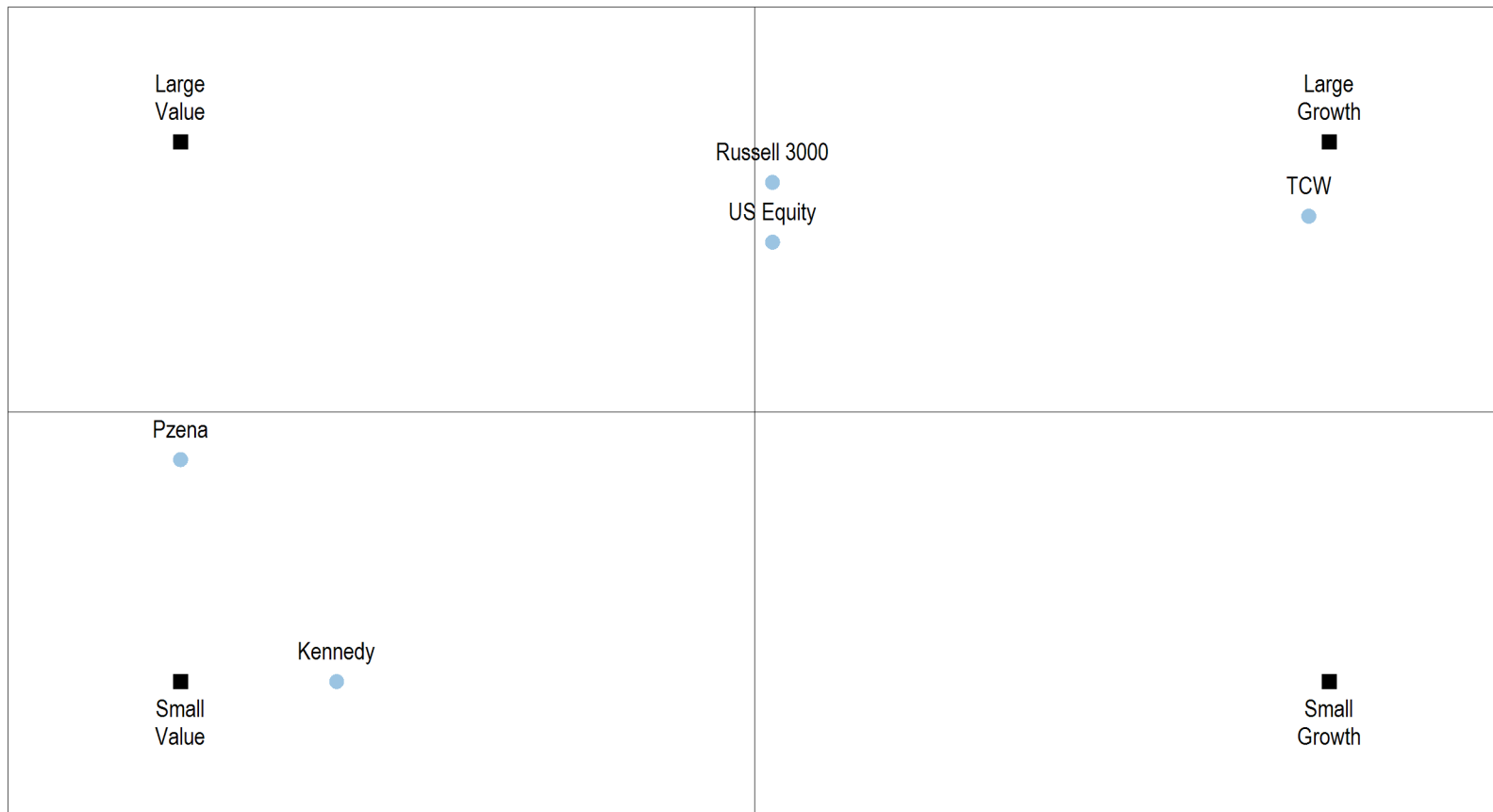
Total Fund
Performance Attribution (One Year)

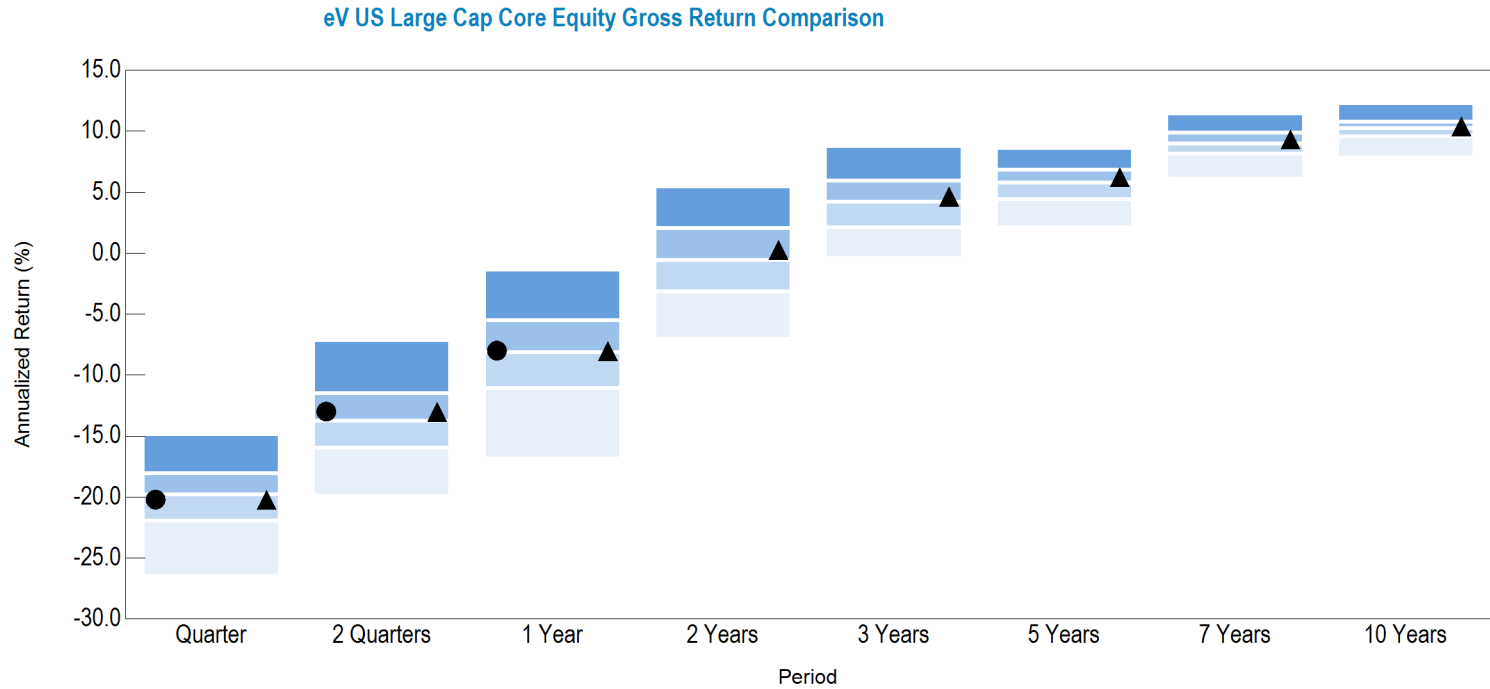
Period Ending: March 31, 2020



	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	-10.00%	-9.13%	-0.87%	-0.20%	0.02%	-0.02%	-0.20%
International Equity	-16.07%	-15.89%	-0.18%	-0.04%	-0.18%	0.01%	-0.21%
US Fixed Income	6.31%	8.93%	-2.63%	-0.33%	-0.08%	0.00%	-0.41%
Global Fixed Income	-5.88%	6.17%	-12.04%	-0.34%	0.14%	-0.14%	-0.34%
Absolute Return	-8.79%	-5.48%	-3.30%	-0.30%	-0.01%	0.00%	-0.31%
Private Equity	18.18%	10.54%	7.63%	0.51%	-0.12%	-0.21%	0.18%
Real Assets	-20.54%	-25.60%	5.06%	0.26%	0.04%	0.02%	0.32%
Private Credit	-12.64%	-7.56%	-5.08%	-0.15%	0.18%	0.14%	0.17%
Real Estate	5.58%	4.88%	0.71%	0.05%	-0.10%	-0.01%	-0.05%
Total	-6.79%	-5.96%	-0.83%	-0.54%	-0.09%	-0.20%	-0.83%

US Effective Style Map





	Return (Rank)															
5th Percentile	-14.88	-7.14	-1.37	5.45	8.76	8.61	11.44	12.27								
25th Percentile	-18.03	-11.42	-5.49	2.09	5.98	6.86	9.91	10.81								
Median	-19.76	-13.69	-8.08	-0.53	4.23	5.84	9.03	10.27								
75th Percentile	-21.91	-15.91	-11.02	-3.08	2.14	4.48	8.21	9.59								
95th Percentile	-26.42	-19.86	-16.81	-6.99	-0.39	2.17	6.13	7.89								
# of Portfolios	324	324	324	321	308	289	266	220								
● BlackRock Russell 1000 Index Fund	-20.20	(56)	-12.99	(43)	-7.99	(50)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ Russell 1000	-20.22	(56)	-13.01	(43)	-8.03	(50)	0.26	(44)	4.64	(43)	6.22	(42)	9.32	(42)	10.39	(43)

Characteristics

	Portfolio	Russell 1000
Number of Holdings	996	997
Weighted Avg. Market Cap. (\$B)	241.0	241.0
Median Market Cap. (\$B)	7.4	7.4
Price To Earnings	17.1	17.1
Price To Book	3.7	3.7
Price To Sales	2.6	2.7
Return on Equity (%)	25.1	25.1
Yield (%)	2.3	2.3
Beta (holdings; domestic)	1.0	1.0

Top Holdings

MICROSOFT	5.1%
APPLE	4.5%
AMAZON.COM	3.5%
FACEBOOK CLASS A	1.7%
BERKSHIRE HATHAWAY 'B'	1.5%
ALPHABET 'C'	1.5%
JOHNSON & JOHNSON	1.5%
ALPHABET A	1.5%
JP MORGAN CHASE & CO.	1.2%
VISA 'A'	1.2%

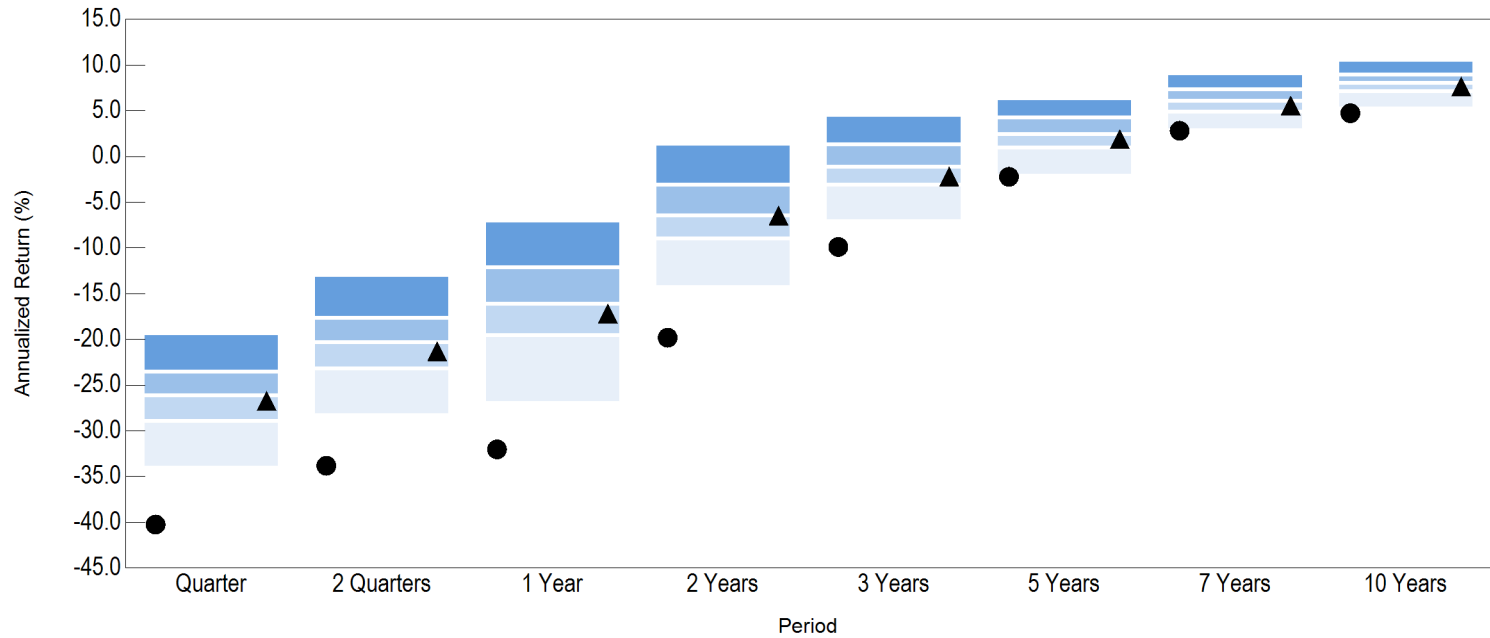
Best Performers

	Return %
SPRINT (S)	65.5%
MODERNA (MRNA)	53.1%
LEGG MASON (LM)	37.2%
TAUBMAN CENTERS (TCO)	36.6%
VIRTU FINANCIAL CL.A (VIRT)	31.9%
ZSCALER (ZS)	30.9%
REGENERON PHARMS. (REGN)	30.0%
CITRIX SYS. (CTXS)	28.0%
NORTONLIFELOCK (NLOK)	27.7%
RINGCENTRAL (RNG)	25.6%

Worst Performers

	Return %
CENTENNIAL RSO.DEV.CL.A (CDEV)	-94.3%
KOSMOS ENERGY (BER) (D:KOS1)	-85.3%
KOSMOS ENERGY (KOS)	-84.0%
APACHE (APA)	-83.5%
TRANSOCEAN (RIG)	-83.1%
APERGY (APY)	-83.0%
TARGA RESOURCES (TRGP)	-82.7%
NORWEGIAN CRUISE LINE HDG. (NCLH)	-81.2%
MFA FINANCIAL (MFA)	-79.7%
CHESAPEAKE ENERGY (CHK)	-79.1%

eV US Large Cap Value Equity Gross Return Comparison



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-19.38	-12.99	-7.01	1.39	4.51	6.33	9.07	10.50
25th Percentile	-23.47	-17.61	-12.06	-3.05	1.35	4.28	7.39	9.02
Median	-26.05	-20.25	-16.08	-6.43	-1.09	2.49	6.14	8.08
75th Percentile	-28.90	-23.12	-19.50	-8.96	-3.05	1.03	4.90	7.15
95th Percentile	-34.01	-28.26	-26.91	-14.23	-7.07	-2.05	2.94	5.31
# of Portfolios	332	332	332	330	327	316	307	272
● Pzena	-40.24 (99)	-33.81 (99)	-32.03 (99)	-19.81 (99)	-9.90 (99)	-2.23 (96)	2.81 (97)	4.73 (97)
▲ Russell 1000 Value	-26.73 (58)	-21.30 (61)	-17.17 (60)	-6.44 (51)	-2.18 (65)	1.90 (63)	5.56 (65)	7.67 (63)

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	39	765
Weighted Avg. Market Cap. (\$B)	39.8	98.9
Median Market Cap. (\$B)	14.7	6.3
Price To Earnings	9.1	12.6
Price To Book	1.9	2.2
Price To Sales	0.7	1.9
Return on Equity (%)	3.2	15.0
Yield (%)	4.1	3.5
Beta (holdings; domestic)	1.5	1.0

Top Holdings

GENERAL ELECTRIC	5.3%
LEAR	3.8%
AMERICAN INTL.GP.	3.7%
MCKESSON	3.7%
CITIGROUP	3.7%
AMGEN	3.5%
NEWELL BRANDS (XSC)	3.5%
CAPITAL ONE FINL.	3.5%
FORD MOTOR	3.4%
HEWLETT PACKARD ENTER.	3.3%

Best Performers

	Return %
MCKESSON (MCK)	-1.9%
CARDINAL HEALTH (CAH)	-4.3%
ORACLE (ORCL)	-8.4%
AMGEN (AMGN)	-15.3%
KKR AND (KKR)	-19.2%
COGNIZANT TECH.SLTN.'A' (CTSH)	-24.8%
MYLAN (MYL)	-25.8%
UBS GROUP (NYS) (UBS)	-26.4%
EDISON INTL. (EIX)	-26.5%
GENERAL ELECTRIC (GE)	-28.8%

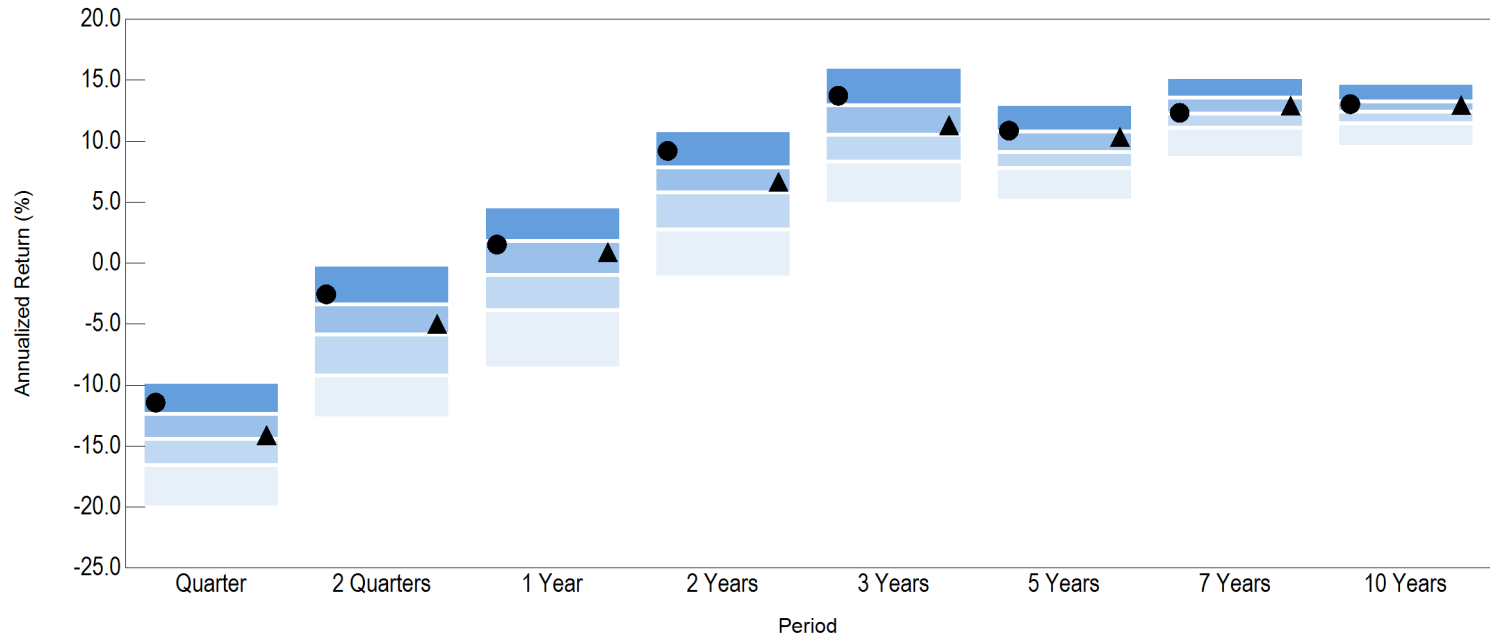
Worst Performers

	Return %
CENOVUS ENERGY (NYS) (CVE)	-79.8%
CARNIVAL (CCL)	-73.8%
HALLIBURTON (HAL)	-71.7%
PVH (PVH)	-64.2%
NATIONAL OILWELL VARCO (NOV)	-60.5%
BAKER HUGHES A (BKR)	-58.7%
GILDAN ACTIVEWEAR SBVTG. 'A' (NYS) (GIL)	-56.4%
AMERICAN INTL.GP. (AIG)	-52.2%
CAPITAL ONE FINL. (COF)	-50.8%
FORD MOTOR (F)	-47.2%

Pzena Performance Attribution vs. Russell 1000 Value

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-3.10%	-1.00%	-1.41%	-0.69%	-63.46%	-51.29%	13.92%	8.22%			
Materials	0.11%	--	0.11%	--	--	-29.09%	0.00%	4.31%			
Industrials	-0.78%	-0.71%	-0.01%	-0.07%	-34.68%	-27.36%	10.60%	9.69%			
Consumer Discretionary	-2.93%	-0.64%	-1.03%	-1.26%	-46.47%	-35.51%	17.35%	5.88%			
Consumer Staples	-1.25%	--	-1.25%	--	--	-12.45%	0.00%	8.88%			
Health Care	-0.66%	0.16%	-0.76%	-0.07%	-11.23%	-12.48%	7.58%	12.95%			
Financials	-3.33%	-1.43%	-1.08%	-0.83%	-40.29%	-34.32%	37.75%	23.90%			
Information Technology	-0.69%	-0.70%	-0.02%	0.02%	-30.24%	-19.08%	6.07%	6.28%			
Communication Services	-0.44%	-0.58%	-0.18%	0.32%	-29.68%	-22.57%	3.65%	8.16%			
Utilities	-0.89%	-0.88%	-0.71%	0.70%	-26.52%	-13.18%	1.34%	6.62%			
Real Estate	0.15%	--	0.15%	--	--	-29.55%	0.00%	5.11%			
Cash	0.47%	0.00%	0.47%	0.00%	0.37%	--	1.73%	0.00%			
Portfolio	-13.35%	=	-5.78%	+	-5.70%	+	-1.86%	-39.90%	-26.55%	100.00%	100.00%

eV US Large Cap Growth Equity Gross Return Comparison



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-9.77	-0.16	4.61	10.86	16.07	13.04	15.22	14.75
25th Percentile	-12.34	-3.33	1.84	7.90	12.98	10.81	13.59	13.30
Median	-14.38	-5.84	-0.93	5.84	10.59	9.16	12.32	12.43
75th Percentile	-16.53	-9.16	-3.83	2.78	8.36	7.83	11.16	11.53
95th Percentile	-19.99	-12.71	-8.58	-1.14	4.91	5.16	8.69	9.55
# of Portfolios	247	247	247	246	240	234	228	209
● TCW	-11.43 (17)	-2.55 (21)	1.52 (29)	9.21 (14)	13.73 (20)	10.87 (25)	12.33 (49)	13.04 (31)
▲ Russell 1000 Growth	-14.10 (48)	-4.98 (40)	0.91 (34)	6.67 (37)	11.32 (42)	10.36 (34)	12.93 (35)	12.97 (34)

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	32	532
Weighted Avg. Market Cap. (\$B)	193.9	355.2
Median Market Cap. (\$B)	54.4	9.8
Price To Earnings	32.0	23.8
Price To Book	7.3	6.7
Price To Sales	6.3	4.0
Return on Equity (%)	33.6	35.4
Yield (%)	0.6	1.3
Beta (holdings; domestic)	1.0	1.0

Top Holdings

AMAZON.COM	7.2%
VISA 'A'	6.7%
ADOBE (NAS)	6.5%
AMERICAN TOWER	5.9%
ALPHABET 'C'	5.8%
SERVICENOW	5.6%
FACEBOOK CLASS A	4.6%
SALESFORCE.COM	4.4%
PAYPAL HOLDINGS	3.6%
EQUINIX REIT	3.5%

Best Performers

	Return %
NVIDIA (NVDA)	12.1%
EQUINIX REIT (EQIX)	7.5%
AMAZON.COM (AMZN)	5.5%
SERVICENOW (NOW)	1.5%
BIOMARIN PHARM. (BMRN)	-0.1%
COSTCO WHOLESALE (COST)	-2.8%
ADOBE (NAS) (ADBE)	-3.5%
AMERICAN TOWER (AMT)	-5.3%
S&P GLOBAL (SPGI)	-10.0%
ZOETIS A (ZTS)	-10.9%

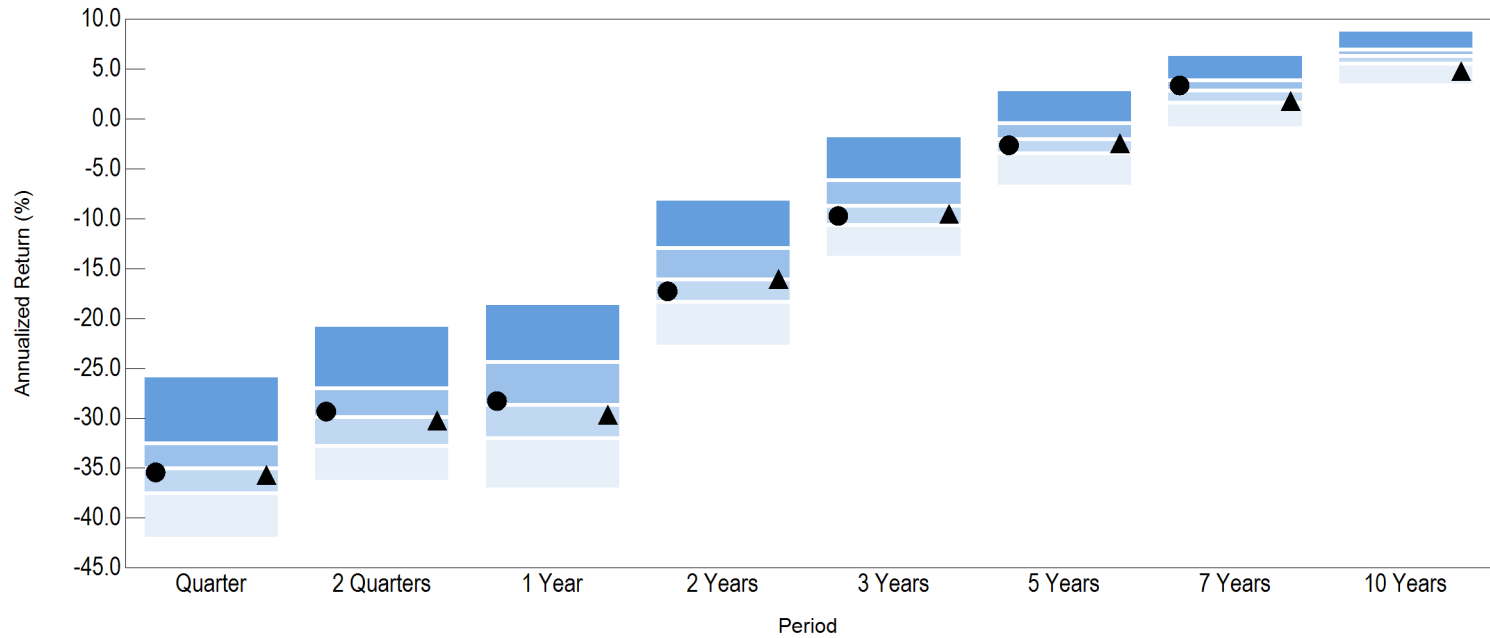
Worst Performers

	Return %
ALIGN TECHNOLOGY (ALGN)	-37.7%
ULTA BEAUTY (ULTA)	-30.6%
CHARLES SCHWAB (SCHW)	-29.0%
BOSTON SCIENTIFIC (BSX)	-27.8%
CHUBB (CB)	-27.7%
TRADE DESK CL.A (TTD)	-25.7%
TRANSUNION (TRU)	-22.6%
IHS MARKIT (INFO)	-20.2%
MASTERCARD (MA)	-19.0%
FACEBOOK CLASS A (FB)	-18.7%

TCW Performance Attribution vs. Russell 1000 Growth

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.10%	--	0.10%	--	--	-52.95%	0.00%	0.26%			
Materials	0.09%	--	0.09%	--	--	-20.59%	0.00%	1.34%			
Industrials	0.64%	0.64%	0.01%	0.00%	-19.07%	-25.94%	9.24%	9.28%			
Consumer Discretionary	0.79%	1.08%	-0.01%	-0.28%	-5.68%	-13.48%	10.22%	13.86%			
Consumer Staples	0.03%	0.13%	-0.06%	-0.03%	-5.24%	-7.95%	3.54%	4.64%			
Health Care	-0.85%	-0.99%	-0.04%	0.18%	-19.22%	-12.44%	11.96%	14.67%			
Financials	-0.37%	-0.08%	-0.20%	-0.09%	-22.63%	-19.94%	6.35%	3.12%			
Information Technology	0.79%	0.89%	-0.05%	-0.05%	-9.09%	-11.36%	36.86%	38.93%			
Communication Services	-0.18%	-0.20%	0.00%	0.02%	-15.66%	-13.92%	10.62%	11.53%			
Utilities	0.00%	--	--	--	--	--	0.00%	0.00%			
Real Estate	0.96%	0.22%	0.21%	0.53%	-0.90%	-10.09%	8.17%	2.37%			
Cash	0.43%	0.00%	0.43%	0.00%	0.37%	--	3.04%	0.00%			
Portfolio	2.43%	=	1.67%	+	0.48%	+	0.28%	-11.34%	-13.77%	100.00%	100.00%

eV US Small Cap Value Equity Gross Return Comparison



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-25.74	-20.67	-18.51	-8.01	-1.64	2.93	6.51	8.94
25th Percentile	-32.50	-26.97	-24.34	-12.88	-6.09	-0.38	3.90	6.98
Median	-34.96	-29.85	-28.58	-16.04	-8.64	-1.99	2.86	6.39
75th Percentile	-37.44	-32.74	-31.95	-18.31	-10.58	-3.39	1.69	5.57
95th Percentile	-42.04	-36.34	-37.07	-22.79	-13.86	-6.73	-0.89	3.41
# of Portfolios	219	219	219	217	213	205	198	184
● Kennedy	-35.41 (55)	-29.32 (47)	-28.26 (48)	-17.27 (64)	-9.71 (63)	-2.63 (65)	3.37 (37)	-- (--)
▲ Russell 2000 Value	-35.66 (58)	-30.20 (53)	-29.64 (61)	-16.05 (51)	-9.51 (60)	-2.42 (62)	1.80 (73)	4.79 (84)

Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	297	1,391
Weighted Avg. Market Cap. (\$B)	1.8	1.6
Median Market Cap. (\$B)	0.8	0.4
Price To Earnings	11.1	10.5
Price To Book	2.0	1.6
Price To Sales	1.4	1.1
Return on Equity (%)	5.6	5.5
Yield (%)	2.2	3.2
Beta (holdings; domestic)	1.3	1.3

Top Holdings

LUMENTUM HOLDINGS	1.4%
BLACK HILLS	1.1%
MERCURY SYSTEMS	1.0%
ALLETE	1.0%
SJW GROUP	1.0%
CASELLA WST.SYS.'A'	1.0%
SPIRE	1.0%
FIRST INDL.REALTY TST.	0.9%
AGREE REALTY	0.9%
COUSINS PROPERTIES INC	0.9%

Best Performers

	Return %
OWENS & MINOR (OMI)	77.1%
ACM RESEARCH CL.A (ACMR)	60.5%
LIMELIGHT NETWORKS (LLNW)	39.7%
ADESTO TECHNOLOGIES (IOTS)	31.6%
LUMINEX (LMNX)	19.3%
FATE THERAPEUTICS (FATE)	13.5%
CERUS (CERS)	10.2%
INPHI (IPHI)	7.0%
GROCERY OUTLET HOLDING (GO)	5.8%
GLU MOBILE (GLUU)	4.0%

Worst Performers

	Return %
CALLON PTL.DEL. (CPE)	-88.7%
NABORS INDUSTRIES (NBR)	-86.1%
NN (NNBR)	-81.3%
PARTY CITY HOLDINGS (PRTY)	-80.4%
INNERWORKINGS (INWK)	-78.8%
MACERICH (MAC)	-78.4%
PROPETRO HOLDING (PUMP)	-77.8%
CALERES (CAL)	-77.6%
PBF ENERGY CL.A (PBF)	-77.2%
G-III APPAREL GROUP (GIII)	-77.0%

Kennedy Performance Attribution vs. Russell 2000 Value

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.10%	-0.06%	-0.03%	0.00%	-62.76%	-61.69%	5.86%	5.73%			
Materials	-0.34%	-0.27%	-0.04%	-0.03%	-46.78%	-41.09%	5.32%	4.66%			
Industrials	0.24%	0.22%	0.00%	0.03%	-34.25%	-36.01%	14.05%	12.57%			
Consumer Discretionary	0.20%	-0.02%	0.22%	0.00%	-48.91%	-48.68%	8.09%	9.75%			
Consumer Staples	-0.33%	-0.35%	0.09%	-0.06%	-31.07%	-18.15%	3.22%	2.73%			
Health Care	0.10%	0.03%	0.06%	0.01%	-24.51%	-25.26%	5.51%	4.90%			
Financials	-0.75%	-1.07%	0.08%	0.24%	-40.42%	-36.92%	23.82%	30.57%			
Information Technology	0.18%	-0.17%	0.41%	-0.06%	-26.30%	-24.57%	13.46%	9.78%			
Communication Services	0.05%	0.06%	0.00%	-0.01%	-34.02%	-36.80%	1.80%	2.22%			
Utilities	-0.13%	-0.09%	-0.04%	0.00%	-15.97%	-14.40%	5.54%	5.75%			
Real Estate	-0.10%	-0.10%	-0.02%	0.01%	-35.31%	-34.44%	9.94%	11.29%			
Cash	1.14%	0.00%	1.14%	0.00%	0.37%	--	3.16%	0.00%			
Unclassified	0.00%	0.00%	0.00%	0.00%	-33.94%	-35.68%	0.23%	0.05%			
Portfolio	0.17%	=	-1.82%	+	1.87%	+	0.12%	-35.53%	-35.70%	100.00%	100.00%

International developed equity

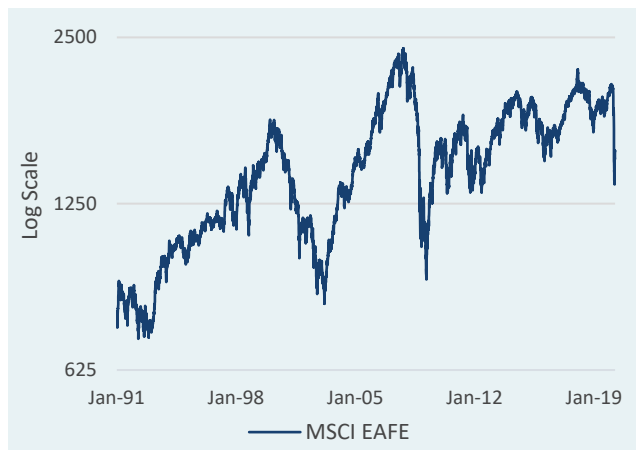
Equity markets around the world sold off broadly in the first quarter, down between -16% to -29%. Japanese equities were among the best performing (MSCI Japan -17%) while the U.K. was one of the worst performing (MSCI U.K. -29%).

As the global transactional currency, demand for U.S. dollars tends to ramp up when markets become stressed and companies abroad require dollars to pay down dollar-denominated liabilities. In the first quarter, the U.S. dollar gained +2.3% against the Euro and +6.4% against the British pound, resulting in losses for U.S. investors in European

equities with unhedged currency exposure. In mid-March, the Federal Reserve expanded its dollar swap liquidity lines and opened a FIMA repo facility which will allow foreign monetary authorities to enter repurchase agreements with the Fed. Both measures worked to help improve U.S. dollar liquidity abroad, and as a result, slow the pace of appreciation of the U.S. dollar relative to international pairs.

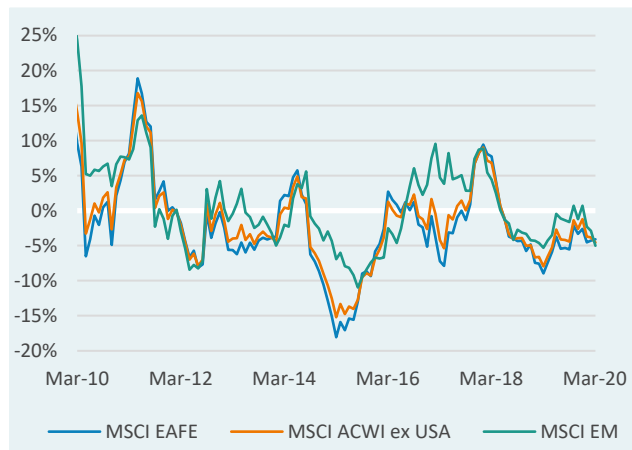
Cross-currency basis, which measure the additional premia investors must pay to swap one currency for another over a term, narrowed in March, signaling that the Fed's efforts to ease dollar funding strains have proved effective thus far.

INTERNATIONAL DEVELOPED EQUITIES



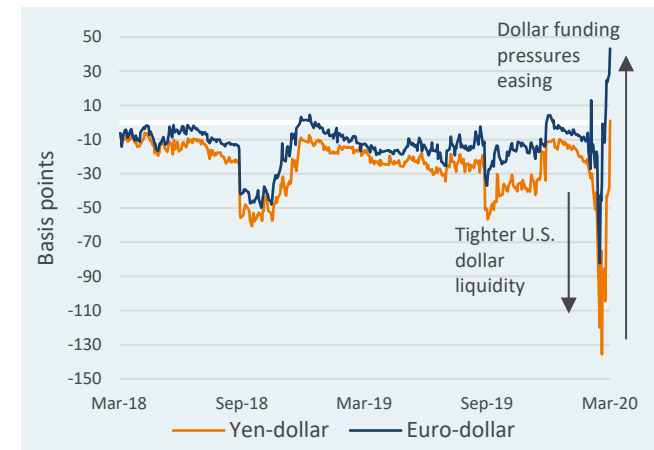
Source: MSCI, as of 3/31/20

EFFECT OF CURRENCY (1-YEAR ROLLING)



Source: MSCI, as of 3/31/20

3M/3M CROSS CURRENCY BASIS SWAPS



Source: Bloomberg, as of 3/31/20

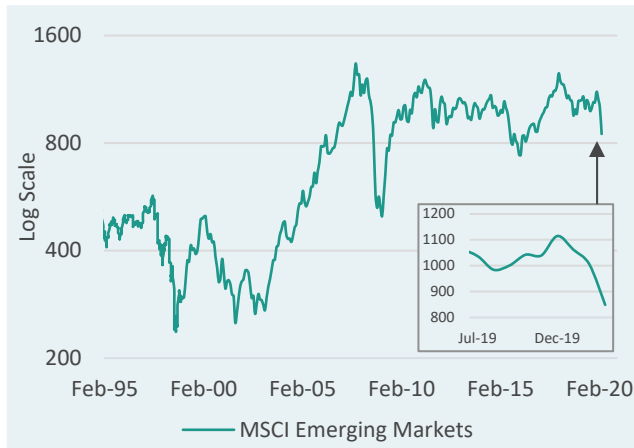
Emerging market equity

Emerging market equities (MSCI EM -23.6%) underperformed both U.S. (S&P 500 -19.6%) and international developed equities (MSCI EAFE -22.8%) over the quarter. Within the complex, Latin American equities (MSCI EM Latin American -45.6%) dramatically underperformed Asian equities (MSCI EM Asia -18.1%), which were propped up by remarkably resilient Chinese equity markets. Currency exposure also played a big role in the outperformance of EM Latin America over EM Asia, as the U.S. dollar strengthened significantly against the Brazilian real, and the Mexican peso, and was little changed against the Chinese renminbi.

Inflation remains low in emerging economies and may face downward pressure in the coming months as energy prices have fallen. Central banks may have more room to maneuver relative to developed economies with regard to monetary policy, as interest rates are closer to average levels.

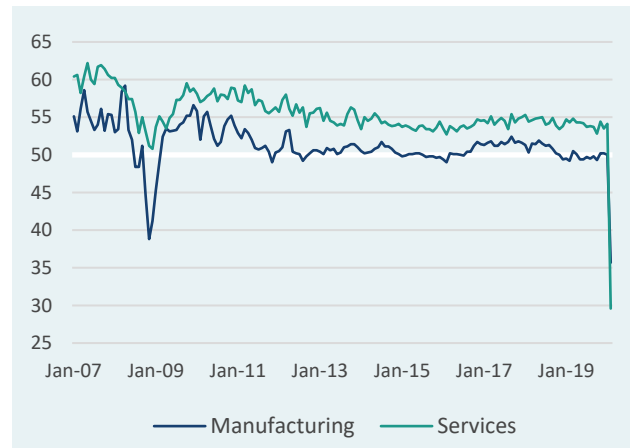
Countries viewed as having poor health infrastructure as well as economic dependence on oil prices fared the worst. Mexico's sovereign debt rating was downgraded by several rating agencies, and Moody's downgraded South Africa's sovereign debt rating below investment-grade.

EMERGING MARKET EQUITY



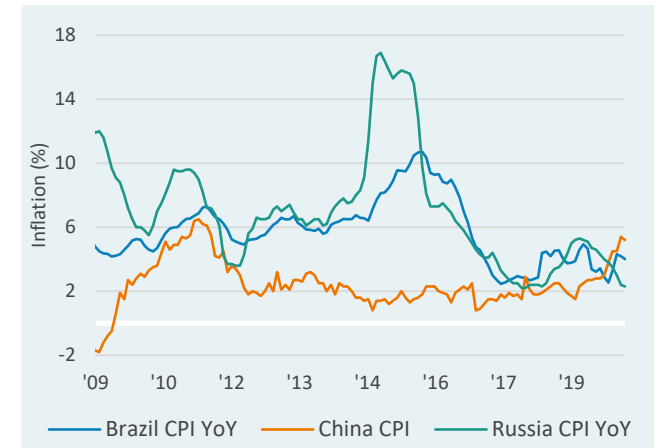
Source: MSCI, as of 3/31/20

CHINA PURCHASING MANAGERS' INDICES



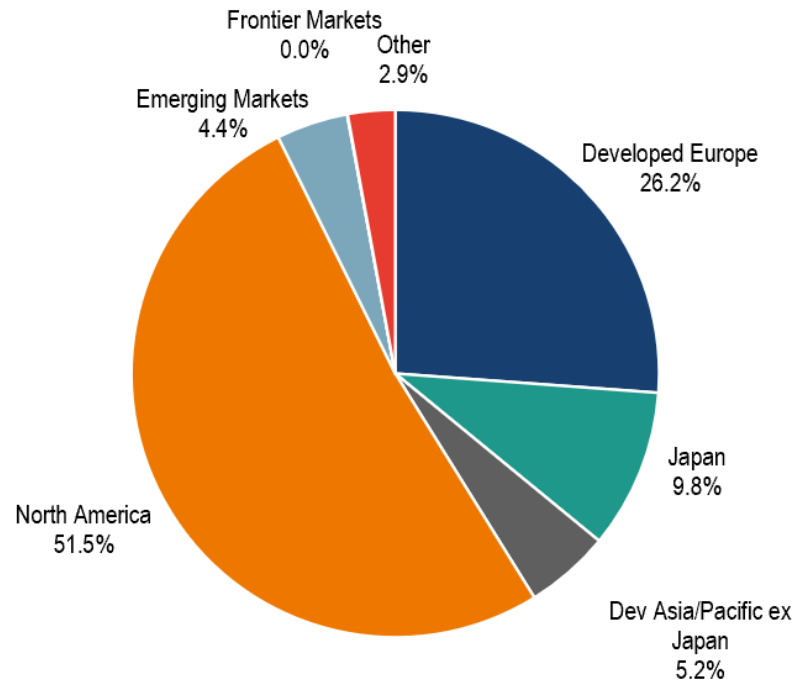
Source: China Federation of Logistics and Purchasing, as of 2/29/20

INFLATION (CPI YOY)

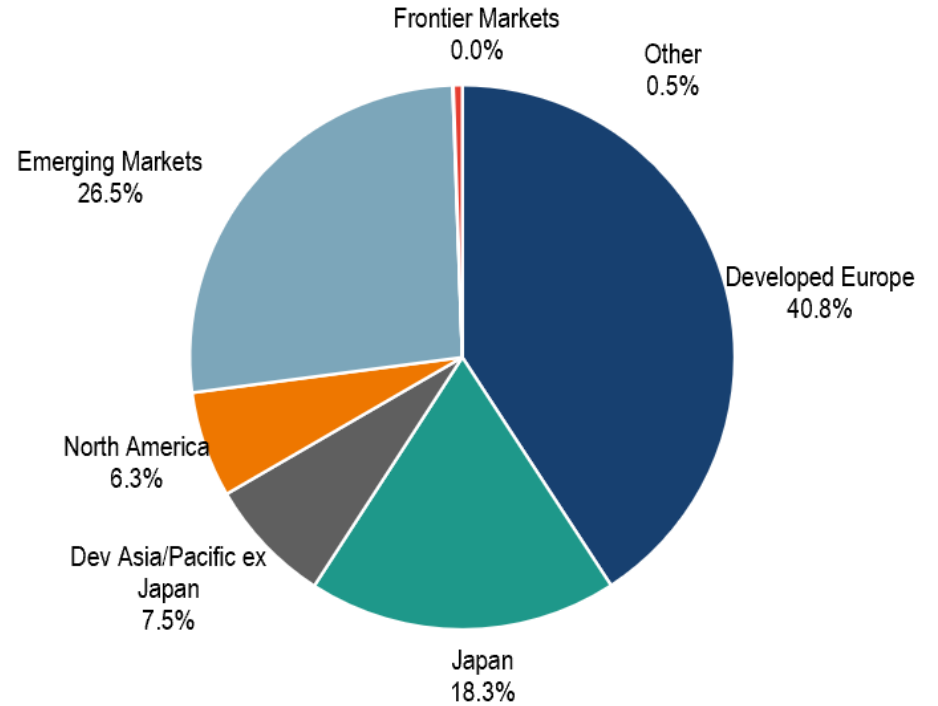


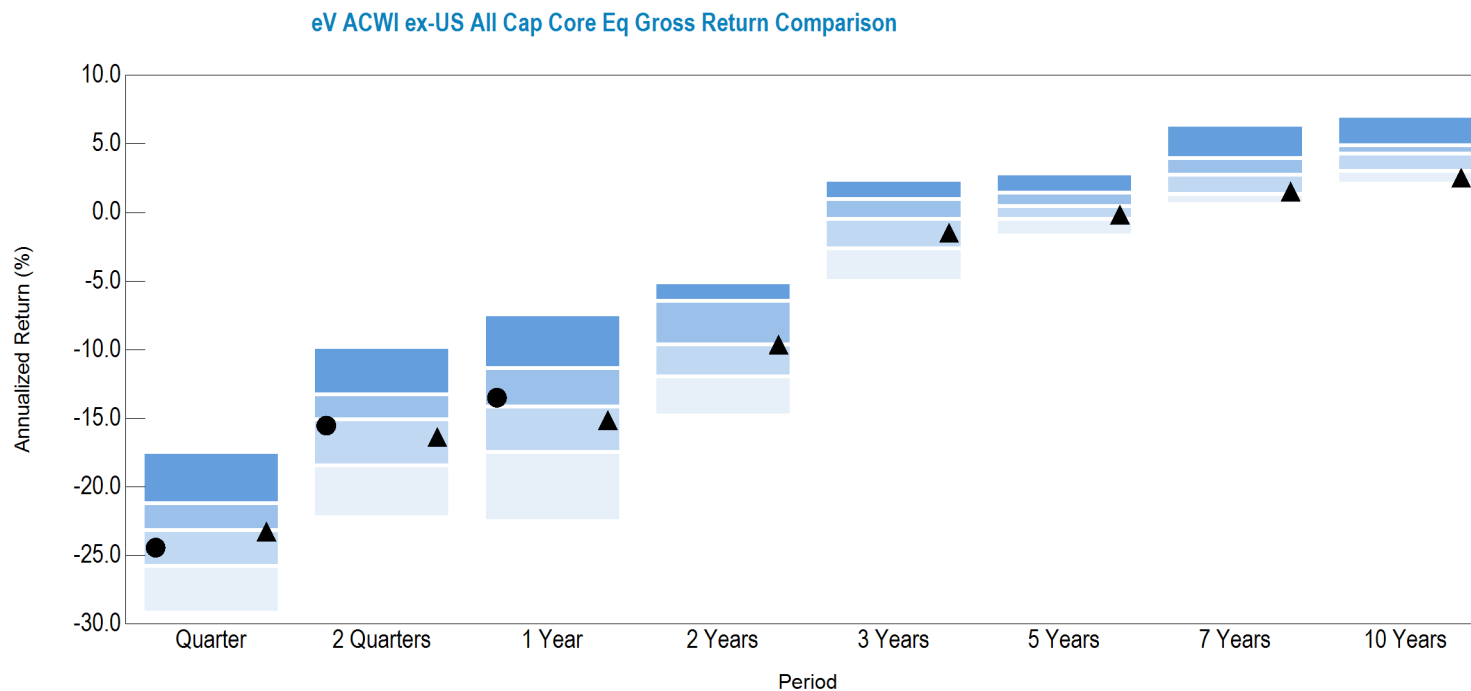
Source: Bloomberg, as of 2/29/20

MSCI ACWI ex US IMI



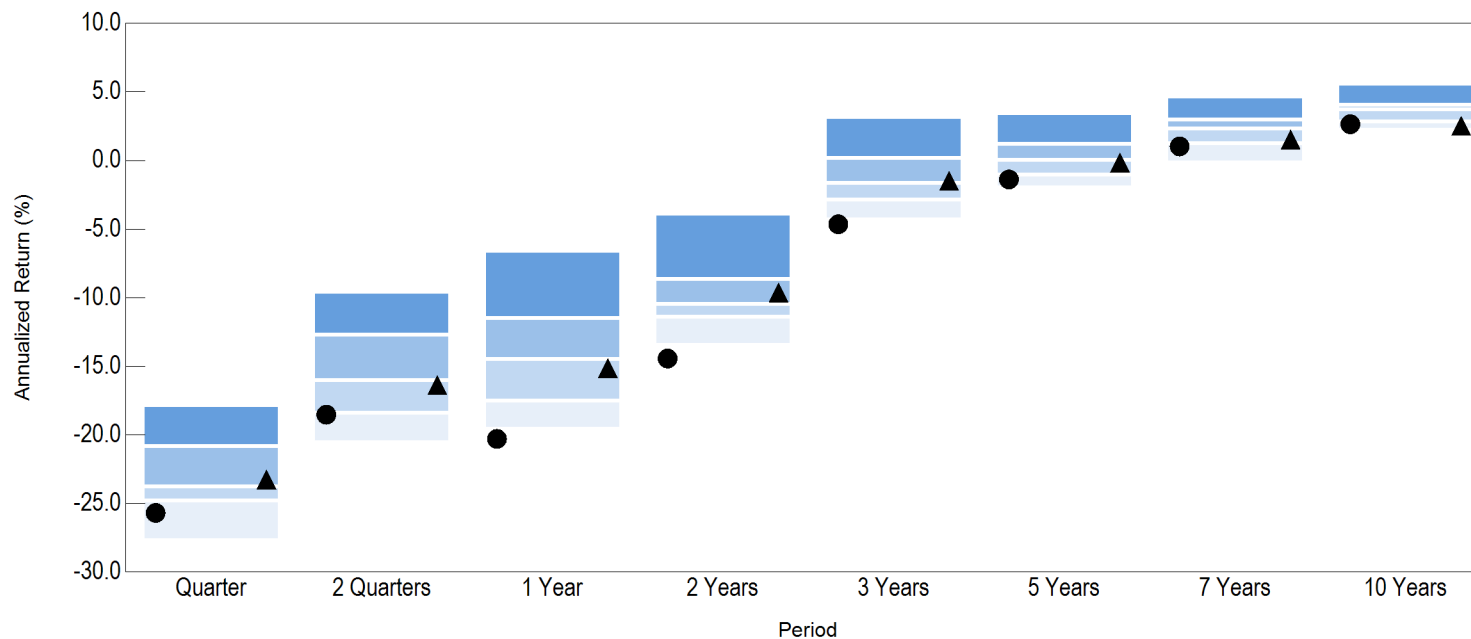
International Equity





	Return (Rank)															
5th Percentile	-17.50		-9.80		-7.46		-5.10		2.37		2.83		6.36		7.02	
25th Percentile	-21.16		-13.25		-11.34		-6.44		1.02		1.45		4.01		4.91	
Median	-23.12		-15.03		-14.14		-9.59		-0.46		0.51		2.80		4.33	
75th Percentile	-25.73		-18.41		-17.42		-11.92		-2.61		-0.43		1.37		3.04	
95th Percentile	-29.17		-22.21		-22.45		-14.79		-4.98		-1.67		0.63		2.12	
# of Portfolios	48		48		48		47		47		43		41		30	
● Bivium Intl Equity	-24.43	(64)	-15.54	(56)	-13.50	(48)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ MSCI ACWI ex USA Gross	-23.26	(52)	-16.37	(62)	-15.14	(60)	-9.62	(51)	-1.48	(64)	-0.17	(69)	1.53	(73)	2.52	(87)

eV ACWI ex-US Large Cap Core Eq Gross Return Comparison



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-17.86	-9.58	-6.58	-3.90	3.15	3.44	4.66	5.56
25th Percentile	-20.79	-12.66	-11.45	-8.63	0.23	1.24	3.00	4.09
Median	-23.74	-15.99	-14.44	-10.42	-1.61	0.09	2.36	3.77
75th Percentile	-24.76	-18.37	-17.48	-11.37	-2.84	-1.01	1.27	2.88
95th Percentile	-27.67	-20.50	-19.55	-13.41	-4.28	-1.95	-0.10	2.24
# of Portfolios	56	56	56	56	56	53	44	37
● AQR	-25.69 (87)	-18.53 (81)	-20.30 (97)	-14.43 (97)	-4.65 (96)	-1.39 (83)	1.03 (79)	2.64 (82)
▲ MSCI ACWI ex USA Gross	-23.26 (48)	-16.37 (56)	-15.14 (55)	-9.62 (41)	-1.48 (46)	-0.17 (54)	1.53 (68)	2.52 (84)

Characteristics

	Portfolio	MSCI ACWI ex USA IMI Gross
Number of Holdings	1,327	6,578
Weighted Avg. Market Cap. (\$B)	49.9	60.8
Median Market Cap. (\$B)	8.7	1.2
Price To Earnings	13.9	12.9
Price To Book	2.5	2.4
Price To Sales	1.3	1.3
Return on Equity (%)	15.0	14.8
Yield (%)	3.2	3.7
Beta (holdings; global)	1.0	0.9

Top Holdings

NESTLE 'N'	3.3%
ROCHE HOLDING	3.2%
NOVO NORDISK 'B'	2.2%
NOVARTIS 'R'	2.1%
BAYER	1.7%
KONINKLIJKE AHOLD DELHAIZE	1.5%
TOKYO ELECTRON	1.5%
CONSTELLATION SOFTWARE	1.4%
ASTELLAS PHARMA	1.4%
NINTENDO	1.4%

Best Performers

	Return %
SARTORIUS STEDIM BIOTECH (F:DIM)	21.1%
YAMAZAKI BAKING (J:BV@N)	16.6%
NTT DOCOMO INC (J:TTMO)	13.8%
UCB (B:UCB)	8.9%
SYSMEX (J:TOAF)	6.5%
OTSUKA (J:OTSK)	6.3%
MEJI HOLDINGS (J:MEJH)	5.7%
FUJIFILM HOLDINGS (J:FP@N)	5.6%
NOVO NORDISK 'B' (DK:NON)	5.0%
SHOPIFY SUBD.VTG.SHS.'A' (C:SHOP)	4.0%

Worst Performers

	Return %
CENOVUS ENERGY (C:CVE)	-80.1%
CARNIVAL (UKIR:CCL)	-74.5%
AIR CANADA VOTING AND VARIABLE VOTING (C:AC)	-70.4%
METHANEX (C:MX)	-68.0%
MICRO FOCUS INTL. (UKIR:MGRO)	-64.8%
VICINITY CENTRES (A:VCXX)	-63.8%
SCENTRE GROUP UNIT (A:SCGX)	-63.4%
H&R RLST.IT.STAPLE UNIT (C:HR.UN)	-60.7%
CENTRICA (UKIR:CNA)	-60.1%
AURORA CANNABIS (C:ACB)	-58.9%

AQR Performance Attribution vs. MSCI ACWI ex USA Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.87%	0.15%	0.52%	0.19%	-31.61%	-37.23%	2.01%	6.53%			
Materials	-0.28%	-0.09%	-0.03%	-0.17%	-30.31%	-27.33%	8.66%	7.38%			
Industrials	-1.02%	-0.59%	-0.15%	-0.28%	-31.12%	-26.25%	15.96%	11.99%			
Consumer Discretionary	-1.13%	-1.32%	0.03%	0.15%	-35.88%	-24.22%	9.99%	11.81%			
Consumer Staples	0.11%	0.20%	-0.27%	0.18%	-10.20%	-14.70%	7.88%	9.41%			
Health Care	0.36%	-0.32%	0.91%	-0.24%	-11.40%	-8.88%	14.39%	8.83%			
Financials	0.20%	-1.00%	0.37%	0.83%	-33.50%	-30.98%	14.75%	21.51%			
Information Technology	0.04%	0.03%	0.14%	-0.13%	-17.95%	-17.69%	12.90%	9.32%			
Communication Services	-0.29%	-0.21%	-0.34%	0.26%	-17.11%	-14.21%	2.76%	6.64%			
Utilities	-0.39%	-0.28%	0.20%	-0.31%	-22.99%	-15.80%	6.04%	3.42%			
Real Estate	0.02%	0.03%	-0.03%	0.02%	-24.73%	-26.48%	4.31%	3.15%			
Cash	0.00%	--	--	--	--	--	0.00%	0.00%			
Unclassified	-0.03%	0.00%	-0.03%	0.00%	-29.75%	--	0.37%	0.00%			
Portfolio	-1.56%	=	-3.38%	+	1.33%	+	0.49%	-24.80%	-23.25%	100.00%	100.00%

AQR Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	-42.88%	0.00%	0.15%	--	0.03%	0.00%	--	0.03%
Belgium	-16.94%	-32.59%	1.17%	0.66%	0.10%	-0.06%	-0.01%	0.08%	0.12%
Czech Republic*	--	-38.51%	0.00%	0.04%	--	0.00%	0.00%	--	0.01%
Denmark	-6.23%	-7.76%	2.47%	1.22%	0.02%	0.18%	-0.03%	0.02%	0.19%
Finland	-26.94%	-18.88%	0.85%	0.63%	-0.05%	0.01%	0.00%	-0.02%	-0.07%
France	-29.37%	-27.03%	8.16%	7.49%	-0.18%	-0.03%	-0.01%	-0.02%	-0.24%
Germany	-27.55%	-27.26%	7.83%	5.72%	-0.02%	-0.11%	-0.03%	-0.01%	-0.17%
Greece*	--	-45.10%	0.00%	0.08%	--	0.02%	0.00%	--	0.02%
Hungary*	--	-39.01%	0.00%	0.08%	--	0.01%	0.01%	--	0.02%
Ireland	--	-27.13%	0.00%	0.39%	--	0.02%	0.00%	--	0.03%
Italy	-31.22%	-29.15%	2.65%	1.56%	-0.03%	-0.08%	-0.02%	-0.02%	-0.15%
Luxembourg	-58.18%	-23.26%	0.15%	0.00%	0.00%	0.00%	0.00%	-0.05%	-0.06%
Netherlands	-16.34%	-20.54%	4.68%	2.64%	0.12%	0.03%	-0.06%	0.10%	0.19%
Norway	--	-33.29%	0.00%	0.41%	--	0.00%	0.05%	--	0.05%
Poland*	--	-36.47%	0.00%	0.25%	--	0.03%	0.02%	--	0.04%
Portugal	--	-13.11%	0.00%	0.11%	--	-0.01%	0.00%	--	-0.01%
Russia*	--	-36.52%	0.00%	1.07%	--	0.02%	0.15%	--	0.18%
Spain	-21.30%	-29.77%	2.64%	1.89%	0.16%	-0.06%	-0.02%	0.07%	0.15%
Sweden	-19.36%	-21.33%	2.69%	1.78%	0.04%	0.03%	-0.04%	0.02%	0.04%
Switzerland	-8.32%	-11.11%	8.73%	6.20%	0.17%	0.23%	0.00%	0.07%	0.47%
United Kingdom	-31.57%	-28.35%	11.47%	10.45%	-0.36%	-0.03%	-0.02%	-0.04%	-0.45%

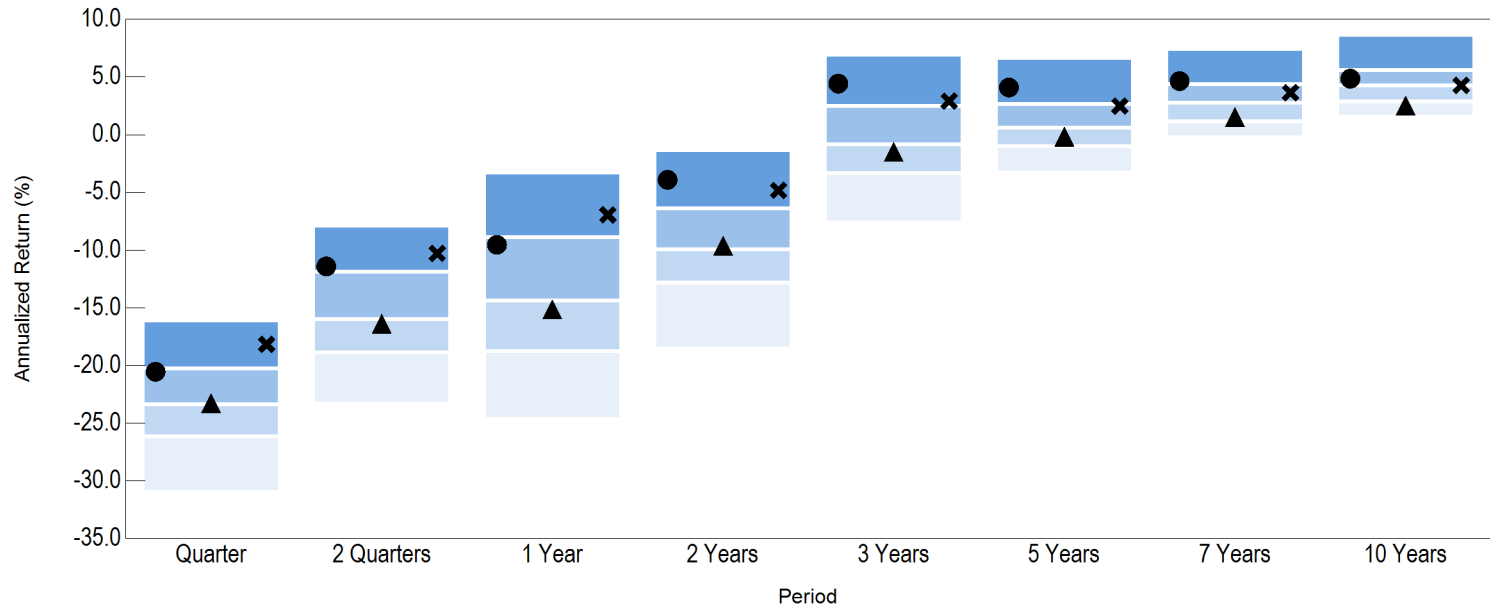
AQR Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	-33.83%	-33.16%	5.17%	4.52%	-0.03%	-0.02%	-0.06%	-0.01%	-0.12%
China*	--	-10.46%	0.00%	9.24%	--	-0.88%	-0.01%	--	-0.90%
Hong Kong	-18.62%	-17.33%	3.47%	2.32%	-0.03%	0.03%	0.01%	-0.02%	-0.01%
India*	--	-31.18%	0.00%	2.40%	--	0.17%	0.10%	--	0.26%
Indonesia*	--	-39.55%	0.00%	0.54%	--	0.05%	0.06%	--	0.10%
Japan	-21.06%	-16.77%	19.20%	16.29%	-0.69%	0.08%	0.01%	-0.12%	-0.73%
Korea*	--	-22.58%	0.00%	3.26%	--	-0.05%	0.13%	--	0.08%
Malaysia*	--	-19.07%	0.00%	0.50%	--	-0.03%	0.02%	--	-0.01%
New Zealand	--	-16.39%	0.00%	0.18%	--	-0.03%	0.02%	--	-0.01%
Pakistan*	--	-39.57%	0.00%	0.01%	--	0.00%	0.00%	--	0.00%
Philippines*	--	-31.98%	0.00%	0.26%	--	0.03%	0.00%	--	0.03%
Singapore	-29.07%	-28.18%	0.91%	0.85%	-0.01%	0.00%	0.00%	0.00%	-0.01%
Taiwan*	--	-19.00%	0.00%	3.25%	--	-0.06%	0.02%	--	-0.04%
Thailand*	--	-34.01%	0.00%	0.72%	--	0.05%	0.05%	--	0.10%
Americas									
Argentina*	--	-39.34%	0.00%	0.05%	--	0.01%	0.00%	--	0.01%
Brazil*	--	-50.00%	0.00%	2.06%	--	0.32%	0.30%	--	0.62%
Canada	-28.24%	-27.33%	7.66%	6.71%	-0.11%	0.00%	-0.01%	-0.02%	-0.14%
Chile*	--	-33.90%	0.00%	0.21%	--	0.01%	0.02%	--	0.03%
Colombia*	--	-49.62%	0.00%	0.10%	--	0.02%	0.01%	--	0.03%
Mexico*	--	-35.46%	0.00%	0.63%	--	0.00%	0.10%	--	0.10%
Peru*	--	-35.75%	0.00%	0.10%	--	0.01%	0.00%	--	0.01%

AQR Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Egypt*	--	-27.11%	0.00%	0.04%	--	0.00%	0.00%	--	0.00%
Israel	--	-17.99%	0.00%	0.37%	--	-0.01%	0.00%	--	-0.01%
Qatar*	--	-17.30%	0.00%	0.26%	--	-0.01%	0.00%	--	-0.01%
Saudi Arabia*	--	-24.04%	0.00%	0.72%	--	0.03%	0.00%	--	0.03%
South Africa*	--	-39.64%	0.00%	1.32%	--	0.04%	0.22%	--	0.26%
Turkey*	--	-30.01%	0.00%	0.14%	--	0.00%	0.01%	--	0.01%
United Arab Emirates*	--	-27.36%	0.00%	0.17%	--	0.01%	0.00%	--	0.01%
Totals									
Americas	-28.24%	-33.10%	7.66%	9.85%	0.20%	0.08%	0.42%	-0.04%	0.66%
Europe	-22.89%	-24.50%	53.48%	42.81%	0.46%	-0.17%	-0.01%	0.11%	0.40%
Asia/Pacific	-23.32%	-19.42%	28.74%	44.33%	-1.84%	-0.39%	0.34%	0.65%	-1.24%
Other	--	-30.04%	0.00%	3.01%	--	0.06%	0.24%	--	0.30%
Cash	0.37%	--	10.12%	0.00%	0.00%	2.08%	0.00%	0.00%	2.08%
Unclassified	--	--	0.00%	0.00%	--	0.00%	0.00%	--	0.00%
Total	-21.07%	-23.26%	100.00%	100.00%	-1.18%	1.67%	0.99%	0.72%	2.19%
Totals									
Developed	-23.48%	-23.06%	89.88%	72.53%	-0.50%	-0.05%	-0.21%	-0.12%	-0.89%
Emerging*	--	-23.79%	0.00%	27.47%	--	-0.20%	1.20%	--	1.00%
Cash	0.37%	--	10.12%	0.00%	0.00%	2.08%	0.00%	0.00%	2.08%

eV All ACWI ex-US Equity Gross Return Comparison



	Quarter		2 Quarters		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
Return (Rank)																
5th Percentile	-16.10		-7.91		-3.29		-1.37		6.91		6.63		7.41		8.63	
25th Percentile	-20.22		-11.82		-8.87		-6.36		2.53		2.71		4.42		5.63	
Median	-23.35		-15.95		-14.35		-9.93		-0.82		0.66		2.81		4.30	
75th Percentile	-26.12		-18.81		-18.74		-12.80		-3.32		-0.94		1.20		2.90	
95th Percentile	-30.93		-23.25		-24.58		-18.48		-7.55		-3.22		-0.20		1.59	
# of Portfolios	290		290		290		287		280		254		220		170	
● Capital Group	-20.54	(28)	-11.41	(23)	-9.54	(28)	-3.91	(13)	4.42	(13)	4.09	(14)	4.64	(23)	4.85	(40)
▲ MSCI ACWI ex USA Gross	-23.26	(49)	-16.37	(54)	-15.14	(55)	-9.62	(48)	-1.48	(55)	-0.17	(62)	1.53	(68)	2.52	(82)
✕ MSCI ACWI ex USA Growth Gross	-18.16	(14)	-10.28	(17)	-6.94	(18)	-4.83	(16)	2.91	(23)	2.48	(28)	3.63	(39)	4.28	(51)

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	186	2,404
Weighted Avg. Market Cap. (\$B)	59.7	69.2
Median Market Cap. (\$B)	20.2	5.9
Price To Earnings	16.5	13.1
Price To Book	3.0	2.5
Price To Sales	2.4	1.3
Return on Equity (%)	15.6	15.5
Yield (%)	2.4	3.8
Beta (holdings; global)	1.0	0.9

Top Holdings

AIA GROUP	2.8%
OCADO GROUP	2.7%
ASTRAZENECA	2.5%
ENEL	2.5%
PING AN INSURANCE (GROUP) OF CHINA 'H'	2.4%
ASML HOLDING	2.3%
LONGFOR GROUP HOLDINGS	2.1%
KEYENCE	1.9%
LONDON STOCK EX.GROUP	1.7%
TAIWAN SEMICON.MNFG.	1.6%

Best Performers

	Return %
SINCH (W:CLX)	29.3%
EVOLUTION GAMING GROUP (W:EVOG)	13.2%
TEAMVIEWER (D:TMV)	11.3%
UNI CHARM (J:UNRM)	10.2%
UBISOFT ENTERTAINMENT CAT A (F:UBI)	6.6%
NOVO NORDISK 'B' (DK:NON)	5.0%
NETEASE ADR 1:25 (NTES)	5.0%
DAIFUKU (J:DFUK)	4.2%
DAIICHI SANKYO (J:D@SA)	4.0%
LONGFOR GROUP HOLDINGS (K:LNGF)	4.0%

Worst Performers

	Return %
TULLOW OIL (UKIR:TLW)	-84.3%
CAPITA (UKIR:CPI)	-81.3%
AA (UKIR:AA.)	-72.6%
AIB GROUP (UKIR:A5G)	-67.8%
PETROLEO BRASILEIRO ADR 1:2 (PBR)	-65.5%
MICRO FOCUS INTL. (UKIR:MCRO)	-64.8%
GERDAU PN SPN.ADR 1:1 (GGB)	-61.0%
AURELIUS SE & CO.KGAA (D:AR4)	-57.0%
AIRBUS (F:AIRS)	-55.5%
BANCO BRADESCO PN (BR:DC4)	-55.3%

Capital Group Performance Attribution vs. MSCI ACWI ex USA Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.75%	-0.27%	0.54%	0.47%	-39.40%	-37.89%	1.72%	6.08%			
Materials	0.03%	-0.69%	0.08%	0.64%	-32.88%	-27.47%	4.05%	7.44%			
Industrials	-1.29%	-1.34%	-0.01%	0.06%	-36.57%	-26.27%	12.34%	12.02%			
Consumer Discretionary	0.45%	0.64%	-0.04%	-0.15%	-20.40%	-24.20%	14.02%	11.90%			
Consumer Staples	-0.42%	-0.46%	-0.15%	0.18%	-18.92%	-14.67%	7.85%	9.46%			
Health Care	-0.45%	-0.32%	-0.03%	-0.09%	-13.74%	-8.85%	8.66%	8.88%			
Financials	0.39%	0.02%	0.15%	0.22%	-30.33%	-31.14%	19.50%	21.61%			
Information Technology	0.43%	0.17%	0.15%	0.10%	-15.07%	-17.74%	12.89%	9.40%			
Communication Services	-0.39%	-0.40%	-0.11%	0.12%	-19.91%	-14.18%	5.41%	6.69%			
Utilities	0.25%	0.19%	0.01%	0.05%	-8.88%	-15.82%	3.55%	3.43%			
Real Estate	0.49%	0.31%	-0.09%	0.27%	-14.44%	-26.26%	5.28%	3.08%			
Cash	0.77%	0.00%	0.77%	0.00%	0.37%	--	3.74%	0.00%			
Unclassified	0.28%	0.00%	0.29%	-0.02%	7.27%	--	1.01%	0.00%			
Portfolio	1.28%	=	-2.13%	+	1.57%	+	1.85%	-21.98%	-23.26%	100.00%	100.00%

Capital Group Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	-42.88%	0.00%	0.15%	--	0.03%	0.00%	--	0.03%
Belgium	-25.85%	-32.59%	0.97%	0.66%	0.05%	-0.03%	-0.01%	0.02%	0.03%
Czech Republic*	--	-38.51%	0.00%	0.04%	--	0.00%	0.00%	--	0.01%
Denmark	-12.30%	-7.76%	3.61%	1.22%	-0.06%	0.34%	-0.04%	-0.11%	0.13%
Finland	--	-18.88%	0.00%	0.63%	--	-0.02%	0.01%	--	-0.01%
France	-31.53%	-27.03%	11.21%	7.49%	-0.35%	-0.19%	-0.05%	-0.17%	-0.76%
Germany	-28.43%	-27.26%	7.05%	5.72%	-0.07%	-0.07%	-0.02%	-0.02%	-0.18%
Greece*	--	-45.10%	0.00%	0.08%	--	0.02%	0.00%	--	0.02%
Hungary*	--	-39.01%	0.00%	0.08%	--	0.01%	0.01%	--	0.02%
Ireland	-52.05%	-27.13%	0.42%	0.39%	-0.09%	0.00%	0.00%	-0.01%	-0.11%
Italy	-10.55%	-29.15%	2.20%	1.56%	0.30%	-0.05%	-0.02%	0.12%	0.35%
Netherlands	-18.28%	-20.54%	3.11%	2.64%	0.07%	0.01%	-0.02%	0.01%	0.07%
Norway	-31.46%	-33.29%	0.89%	0.41%	0.01%	0.00%	-0.07%	0.01%	-0.05%
Poland*	--	-36.47%	0.00%	0.25%	--	0.03%	0.02%	--	0.04%
Portugal	-31.81%	-13.11%	0.13%	0.11%	-0.02%	0.00%	0.00%	-0.01%	-0.02%
Russia*	-42.30%	-36.52%	1.22%	1.07%	-0.21%	0.00%	0.15%	-0.03%	-0.10%
Spain	-4.80%	-29.77%	1.20%	1.89%	0.48%	0.05%	0.00%	-0.18%	0.37%
Sweden	1.54%	-21.33%	1.30%	1.78%	0.43%	-0.02%	0.00%	-0.12%	0.30%
Switzerland	-16.10%	-11.11%	2.68%	6.20%	-0.31%	-0.32%	0.00%	0.18%	-0.45%
United Kingdom	-21.56%	-28.35%	13.01%	10.45%	0.75%	-0.08%	-0.17%	0.18%	0.67%

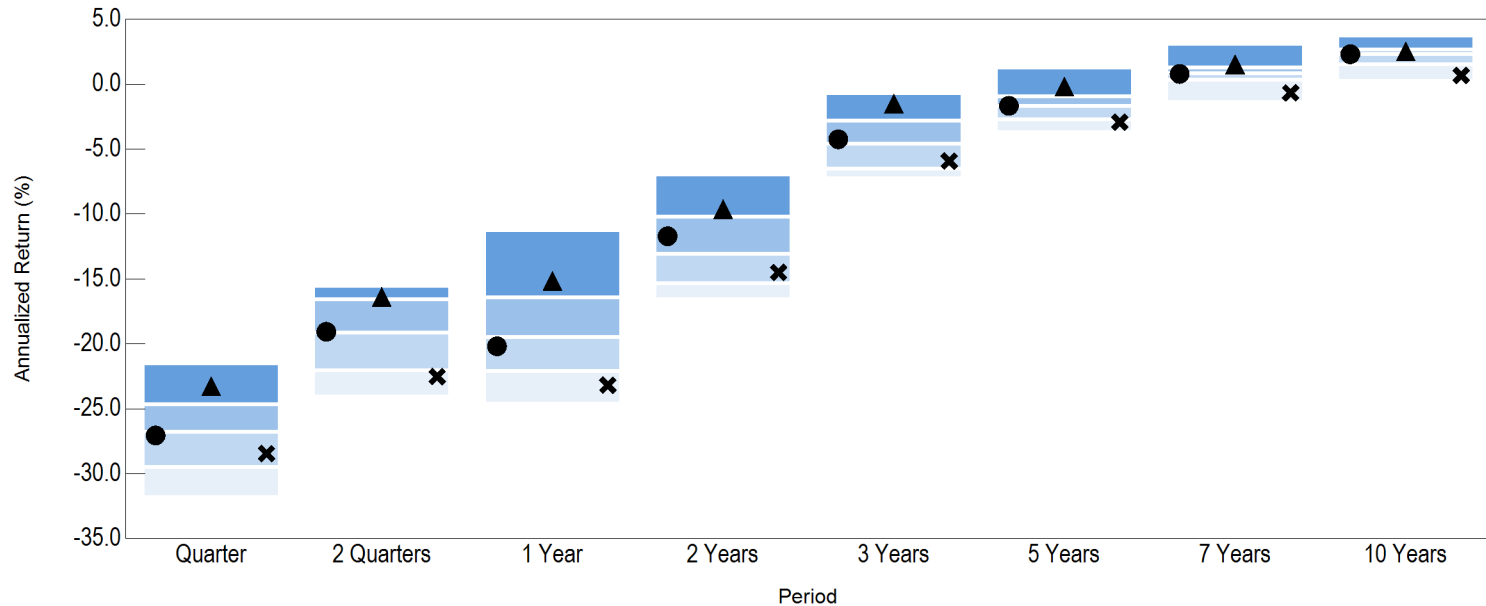
Capital Group Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	-26.22%	-33.16%	0.12%	4.52%	0.36%	0.14%	0.44%	-0.35%	0.58%
China*	-15.60%	-10.46%	5.01%	9.24%	-0.49%	-0.40%	0.00%	0.22%	-0.67%
Hong Kong	-15.61%	-17.33%	8.28%	2.32%	0.05%	0.14%	0.00%	0.12%	0.31%
India*	-41.45%	-31.18%	4.54%	2.40%	-0.34%	-0.15%	0.10%	-0.31%	-0.70%
Indonesia*	-34.54%	-39.55%	2.52%	0.54%	0.03%	-0.17%	-0.23%	0.12%	-0.26%
Japan	-13.49%	-16.77%	11.01%	16.29%	0.53%	-0.15%	-0.03%	-0.17%	0.18%
Korea*	-18.78%	-22.58%	1.49%	3.26%	0.13%	-0.03%	0.07%	-0.07%	0.10%
Malaysia*	--	-19.07%	0.00%	0.50%	--	-0.03%	0.02%	--	-0.01%
New Zealand	-31.83%	-16.39%	0.12%	0.18%	-0.03%	-0.01%	0.01%	0.01%	-0.02%
Pakistan*	--	-39.57%	0.00%	0.01%	--	0.00%	0.00%	--	0.00%
Philippines*	-44.77%	-31.98%	0.14%	0.26%	-0.03%	0.01%	0.00%	0.02%	0.00%
Singapore	-7.61%	-28.18%	0.17%	0.85%	0.14%	0.03%	0.04%	-0.11%	0.09%
Taiwan*	-19.08%	-19.00%	4.01%	3.25%	-0.01%	0.01%	0.00%	0.00%	0.01%
Thailand*	-36.20%	-34.01%	0.16%	0.72%	-0.02%	0.04%	0.04%	0.01%	0.07%
Americas									
Argentina*	--	-39.34%	0.00%	0.05%	--	0.01%	0.00%	--	0.01%
Brazil*	-43.59%	-50.00%	3.83%	2.06%	-0.03%	-0.27%	0.04%	-0.02%	-0.28%
Canada	-19.74%	-27.33%	1.12%	6.71%	0.56%	0.00%	0.39%	-0.47%	0.49%
Chile*	--	-33.90%	0.00%	0.21%	--	0.01%	0.02%	--	0.03%
Colombia*	--	-49.62%	0.00%	0.10%	--	0.02%	0.01%	--	0.03%
Mexico*	-26.76%	-35.46%	0.62%	0.63%	-0.03%	0.00%	0.09%	0.00%	0.06%
Peru*	--	-35.75%	0.00%	0.10%	--	0.01%	0.00%	--	0.01%
United States	-22.30%	-19.77%	2.67%	0.00%	0.00%	0.01%	0.00%	-0.07%	-0.06%

Capital Group Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Egypt*	--	-27.11%	0.00%	0.04%	--	0.00%	0.00%	--	0.00%
Israel	--	-17.99%	0.00%	0.37%	--	-0.01%	0.00%	--	-0.01%
Qatar*	--	-17.30%	0.00%	0.26%	--	-0.01%	0.00%	--	-0.01%
Saudi Arabia*	--	-24.04%	0.00%	0.72%	--	0.03%	0.00%	--	0.03%
South Africa*	-29.20%	-39.64%	0.98%	1.32%	0.18%	0.01%	0.03%	-0.05%	0.17%
Turkey*	-37.65%	-30.01%	0.47%	0.14%	-0.01%	-0.01%	-0.02%	-0.03%	-0.07%
United Arab Emirates*	--	-27.36%	0.00%	0.17%	--	0.01%	0.00%	--	0.01%
Totals									
Americas	-32.19%	-33.10%	8.25%	9.85%	-0.38%	0.06%	0.54%	0.06%	0.28%
Europe	-23.20%	-24.50%	49.00%	42.81%	0.59%	-0.10%	-0.21%	0.09%	0.37%
Asia/Pacific	-20.12%	-19.42%	37.57%	44.33%	-0.71%	-0.17%	0.46%	0.11%	-0.31%
Other	-31.93%	-30.04%	1.45%	3.01%	0.17%	0.03%	0.01%	-0.09%	0.13%
Cash	0.37%	--	3.75%	0.00%	0.00%	0.77%	0.00%	0.00%	0.77%
Unclassified	--	--	0.00%	0.00%	--	0.00%	0.00%	--	0.00%
Total	-22.02%	-23.26%	100.00%	100.00%	-0.33%	0.60%	0.80%	0.17%	1.24%
Totals									
Developed	-20.38%	-23.06%	71.27%	72.53%	1.50%	0.00%	0.46%	-0.03%	1.94%
Emerging*	-30.07%	-23.79%	24.99%	27.47%	-1.97%	-0.02%	0.33%	0.18%	-1.48%
Cash	0.37%	--	3.75%	0.00%	0.00%	0.77%	0.00%	0.00%	0.77%

eV ACWI ex-US Large Cap Value Eq Gross Return Comparison



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-21.50	-15.56	-11.26	-6.98	-0.71	1.24	3.08	3.75
25th Percentile	-24.62	-16.52	-16.38	-10.18	-2.78	-0.92	1.32	2.71
Median	-26.73	-19.08	-19.47	-13.03	-4.55	-1.66	0.85	2.36
75th Percentile	-29.45	-22.01	-22.05	-15.32	-6.46	-2.67	0.40	1.54
95th Percentile	-31.80	-24.03	-24.60	-16.53	-7.22	-3.66	-1.36	0.26
# of Portfolios	22	22	22	22	21	20	16	13
● Mondrian	-27.05 (53)	-19.07 (48)	-20.19 (57)	-11.71 (39)	-4.24 (45)	-1.67 (51)	0.79 (58)	2.31 (53)
▲ MSCI ACWI ex USA Gross	-23.26 (14)	-16.37 (24)	-15.14 (18)	-9.62 (18)	-1.48 (10)	-0.17 (10)	1.53 (19)	2.52 (44)
✕ MSCI ACWI ex USA Value Gross	-28.45 (69)	-22.52 (82)	-23.18 (80)	-14.49 (66)	-5.92 (68)	-2.92 (82)	-0.67 (91)	0.68 (93)

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	60	2,404
Weighted Avg. Market Cap. (\$B)	40.6	69.2
Median Market Cap. (\$B)	25.8	5.9
Price To Earnings	11.5	13.1
Price To Book	1.6	2.5
Price To Sales	0.7	1.3
Return on Equity (%)	8.7	15.5
Yield (%)	5.4	3.8
Beta (holdings; global)	1.0	0.9

Top Holdings

FUJIFILM HOLDINGS	3.9%
SSE	3.7%
SANOFI	3.4%
KYOCERA	3.3%
TAKEDA PHARMACEUTICAL	3.3%
GLAXOSMITHKLINE	3.3%
CK HUTCHISON HOLDINGS	3.2%
HONDA MOTOR	3.2%
TESCO	3.1%
UNITED OVERSEAS BANK	3.1%

Best Performers

	Return %
FUJIFILM HOLDINGS (J:FP@N)	5.6%
FUJITSU (J:FT@N)	-3.4%
NIPPON TELG. & TEL. (J:NTT)	-4.3%
NATIONAL GRID (UKIR:NG.)	-6.2%
KONINKLIJKE AHOLD DELHAIZE (H:AD)	-6.7%
SECOM (J:KP@N)	-6.7%
JARDINE MATHESON HDG. (T:JMST)	-7.6%
MITSUBISHI ELECTRIC (J:UM@N)	-8.6%
NOVARTIS 'R' (S:NOVN)	-9.9%
ENEL (I:ENEL)	-10.5%

Worst Performers

	Return %
WOOD GROUP (JOHN) (UKIR:WG.)	-63.4%
H&R RLST.IT.STAPLE UNIT (C:HR.UN)	-60.7%
G4S (UKIR:GFS)	-60.4%
LLOYDS BANKING GROUP (UKIR:LLOY)	-52.1%
SOCIETE GENERALE (F:SGE)	-51.6%
WPP (UKIR:WPP)	-51.6%
TRAVIS PERKINS (UKIR:TPK)	-48.4%
DAIMLER (D:DAI)	-46.2%
CONTINENTAL (D:CON)	-45.6%
ISUZU MOTORS (J:IM@N)	-43.2%

Mondrian Performance Attribution vs. MSCI ACWI ex USA Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.52%	-0.20%	-0.34%	0.01%	-37.42%	-37.23%	9.18%	6.53%			
Materials	0.28%	-0.54%	0.13%	0.70%	-31.30%	-27.33%	2.21%	7.38%			
Industrials	-1.29%	-1.06%	-0.11%	-0.13%	-33.69%	-26.25%	14.59%	11.99%			
Consumer Discretionary	-1.57%	-1.47%	-0.03%	-0.07%	-35.14%	-24.22%	13.26%	11.81%			
Consumer Staples	-0.29%	-0.23%	-0.34%	0.28%	-16.40%	-14.70%	5.51%	9.41%			
Health Care	-0.40%	-0.62%	0.48%	-0.26%	-15.67%	-8.88%	13.04%	8.83%			
Financials	-0.78%	-1.57%	0.21%	0.59%	-36.94%	-30.98%	18.56%	21.51%			
Information Technology	0.98%	1.06%	-0.08%	-0.01%	-2.86%	-17.69%	6.95%	9.32%			
Communication Services	-0.91%	-0.71%	0.16%	-0.36%	-25.95%	-14.21%	9.11%	6.64%			
Utilities	0.34%	0.13%	0.22%	-0.01%	-12.76%	-15.80%	6.26%	3.42%			
Real Estate	-0.33%	-0.93%	0.07%	0.53%	-60.69%	-26.48%	1.32%	3.15%			
Cash	0.00%	--	--	--	--	--	0.00%	0.00%			
Unclassified	0.00%	--	--	--	--	--	0.00%	0.00%			
Portfolio	-4.49%	=	-6.14%	+	0.38%	+	1.27%	-27.74%	-23.25%	100.00%	100.00%

Mondrian Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	-42.88%	0.00%	0.15%	--	0.03%	0.00%	--	0.03%
Belgium	--	-32.59%	0.00%	0.66%	--	0.07%	0.01%	--	0.08%
Czech Republic*	--	-38.51%	0.00%	0.04%	--	0.00%	0.00%	--	0.01%
Denmark	-42.76%	-7.76%	1.69%	1.22%	-0.44%	0.07%	0.00%	-0.17%	-0.53%
Finland	--	-18.88%	0.00%	0.63%	--	-0.02%	0.01%	--	-0.01%
France	-33.19%	-27.03%	7.84%	7.49%	-0.47%	-0.02%	0.01%	-0.02%	-0.51%
Germany	-36.15%	-27.26%	11.62%	5.72%	-0.52%	-0.32%	-0.08%	-0.54%	-1.45%
Greece*	--	-45.10%	0.00%	0.08%	--	0.02%	0.00%	--	0.02%
Hungary*	--	-39.01%	0.00%	0.08%	--	0.01%	0.01%	--	0.02%
Ireland	--	-27.13%	0.00%	0.39%	--	0.02%	0.00%	--	0.03%
Italy	-23.29%	-29.15%	4.77%	1.56%	0.09%	-0.24%	-0.06%	0.19%	-0.01%
Netherlands	-31.82%	-20.54%	3.66%	2.64%	-0.30%	0.01%	-0.01%	-0.12%	-0.42%
Norway	--	-33.29%	0.00%	0.41%	--	0.00%	0.05%	--	0.05%
Poland*	--	-36.47%	0.00%	0.25%	--	0.03%	0.02%	--	0.04%
Portugal	--	-13.11%	0.00%	0.11%	--	-0.01%	0.00%	--	-0.01%
Russia*	--	-36.52%	0.00%	1.07%	--	0.02%	0.15%	--	0.18%
Spain	-41.88%	-29.77%	2.94%	1.89%	-0.23%	-0.08%	-0.01%	-0.13%	-0.46%
Sweden	-16.20%	-21.33%	2.63%	1.78%	0.10%	0.03%	-0.05%	0.05%	0.13%
Switzerland	-16.67%	-11.11%	6.13%	6.20%	-0.34%	-0.01%	0.00%	0.00%	-0.35%
United Kingdom	-34.25%	-28.35%	22.95%	10.45%	-0.66%	-0.41%	-0.52%	-0.79%	-2.38%

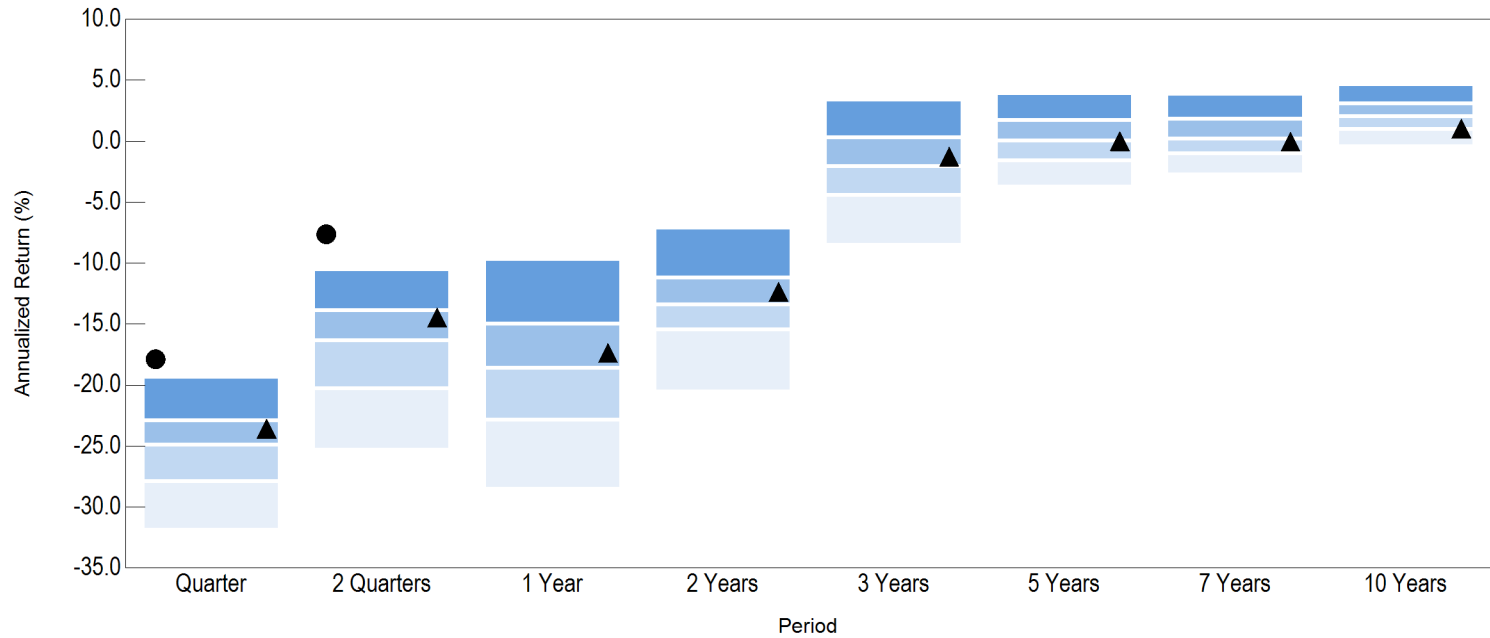
Mondrian Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	-40.62%	-33.16%	1.26%	4.52%	-0.39%	0.10%	0.34%	0.28%	0.33%
China*	--	-10.46%	0.00%	9.24%	--	-0.88%	-0.01%	--	-0.90%
Hong Kong	-29.24%	-17.33%	3.01%	2.32%	-0.28%	0.02%	0.00%	-0.08%	-0.34%
India*	--	-31.18%	0.00%	2.40%	--	0.17%	0.10%	--	0.26%
Indonesia*	--	-39.55%	0.00%	0.54%	--	0.05%	0.06%	--	0.10%
Japan	-14.58%	-16.77%	25.45%	16.29%	0.35%	0.26%	0.05%	0.20%	0.87%
Korea*	--	-22.58%	0.00%	3.26%	--	-0.05%	0.13%	--	0.08%
Malaysia*	--	-19.07%	0.00%	0.50%	--	-0.03%	0.02%	--	-0.01%
New Zealand	--	-16.39%	0.00%	0.18%	--	-0.03%	0.02%	--	-0.01%
Pakistan*	--	-39.57%	0.00%	0.01%	--	0.00%	0.00%	--	0.00%
Philippines*	--	-31.98%	0.00%	0.26%	--	0.03%	0.00%	--	0.03%
Singapore	-29.81%	-28.18%	4.50%	0.85%	-0.01%	-0.14%	-0.15%	-0.06%	-0.37%
Taiwan*	--	-19.00%	0.00%	3.25%	--	-0.06%	0.02%	--	-0.04%
Thailand*	--	-34.01%	0.00%	0.72%	--	0.05%	0.05%	--	0.10%
Americas									
Argentina*	--	-39.34%	0.00%	0.05%	--	0.01%	0.00%	--	0.01%
Brazil*	--	-50.00%	0.00%	2.06%	--	0.32%	0.30%	--	0.62%
Canada	-60.69%	-27.33%	1.32%	6.71%	-2.46%	0.00%	0.43%	1.97%	-0.06%
Chile*	--	-33.90%	0.00%	0.21%	--	0.01%	0.02%	--	0.03%
Colombia*	--	-49.62%	0.00%	0.10%	--	0.02%	0.01%	--	0.03%
Mexico*	--	-35.46%	0.00%	0.63%	--	0.00%	0.10%	--	0.10%
Peru*	--	-35.75%	0.00%	0.10%	--	0.01%	0.00%	--	0.01%

Mondrian Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Egypt*	--	-27.11%	0.00%	0.04%	--	0.00%	0.00%	--	0.00%
Israel	--	-17.99%	0.00%	0.37%	--	-0.01%	0.00%	--	-0.01%
Qatar*	--	-17.30%	0.00%	0.26%	--	-0.01%	0.00%	--	-0.01%
Saudi Arabia*	--	-24.04%	0.00%	0.72%	--	0.03%	0.00%	--	0.03%
South Africa*	--	-39.64%	0.00%	1.32%	--	0.04%	0.22%	--	0.26%
Turkey*	--	-30.01%	0.00%	0.14%	--	0.00%	0.01%	--	0.01%
United Arab Emirates*	--	-27.36%	0.00%	0.17%	--	0.01%	0.00%	--	0.01%
Totals									
Americas	-60.69%	-33.10%	1.32%	9.85%	-3.24%	0.32%	0.85%	2.81%	0.74%
Europe	-31.67%	-24.50%	64.24%	42.81%	-3.16%	-0.33%	-0.46%	-1.58%	-5.54%
Asia/Pacific	-18.83%	-19.42%	34.23%	44.33%	-0.33%	-0.25%	0.63%	0.08%	0.13%
Other	--	-30.04%	0.00%	3.01%	--	0.06%	0.24%	--	0.30%
Cash	0.37%	--	0.21%	0.00%	0.00%	0.04%	0.00%	0.00%	0.04%
Total	-27.59%	-23.26%	100.00%	100.00%	-6.74%	-0.16%	1.26%	1.30%	-4.33%
Totals									
Developed	-27.65%	-23.06%	99.79%	72.53%	-3.90%	-0.08%	0.06%	-1.46%	-5.38%
Emerging*	--	-23.79%	0.00%	27.47%	--	-0.20%	1.20%	--	1.00%
Cash	0.37%	--	0.21%	0.00%	0.00%	0.04%	0.00%	0.00%	0.04%

eV Emg Mkts Equity Gross Return Comparison



	Return (Rank)															
5th Percentile	-19.34	-10.49	-9.67	-7.11	3.40	3.91	3.87	4.65								
25th Percentile	-22.84	-13.82	-14.91	-11.16	0.35	1.77	1.89	3.14								
Median	-24.83	-16.31	-18.52	-13.35	-2.00	0.08	0.25	2.10								
75th Percentile	-27.85	-20.24	-22.78	-15.40	-4.39	-1.51	-0.97	1.05								
95th Percentile	-31.86	-25.26	-28.46	-20.47	-8.46	-3.67	-2.71	-0.38								
# of Portfolios	399	399	395	377	361	319	266	160								
● Newton Emerging Mkt	-17.88	(2)	-7.63	(2)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)	--	(--)
▲ MSCI Emerging Markets Gross	-23.57	(35)	-14.45	(33)	-17.36	(41)	-12.36	(38)	-1.25	(38)	0.01	(52)	-0.04	(56)	1.04	(76)

Characteristics

	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	45	1,397
Weighted Avg. Market Cap. (\$B)	89.7	109.8
Median Market Cap. (\$B)	6.6	4.4
Price To Earnings	24.1	12.2
Price To Book	3.8	2.6
Price To Sales	3.8	1.5
Return on Equity (%)	18.9	17.6
Yield (%)	0.9	3.4
Beta (holdings; global)	1.0	1.0

Top Holdings

ALIBABA GROUP HOLDING ADR 1:8	5.9%
TAIWAN SEMICON.MNFG.	5.6%
SAMSUNG SDI	5.4%
NEW ORIENTAL ED.& TECH. GP.ADS 1:1 ADR	5.2%
AIA GROUP	5.0%
TENCENT HOLDINGS	4.9%
HOUSING DEVELOPMENT FINANCE CORPORATION	4.3%
MEITUAN DIANPING	3.9%
PROSUS ORD	3.5%
GLOBANT	3.2%

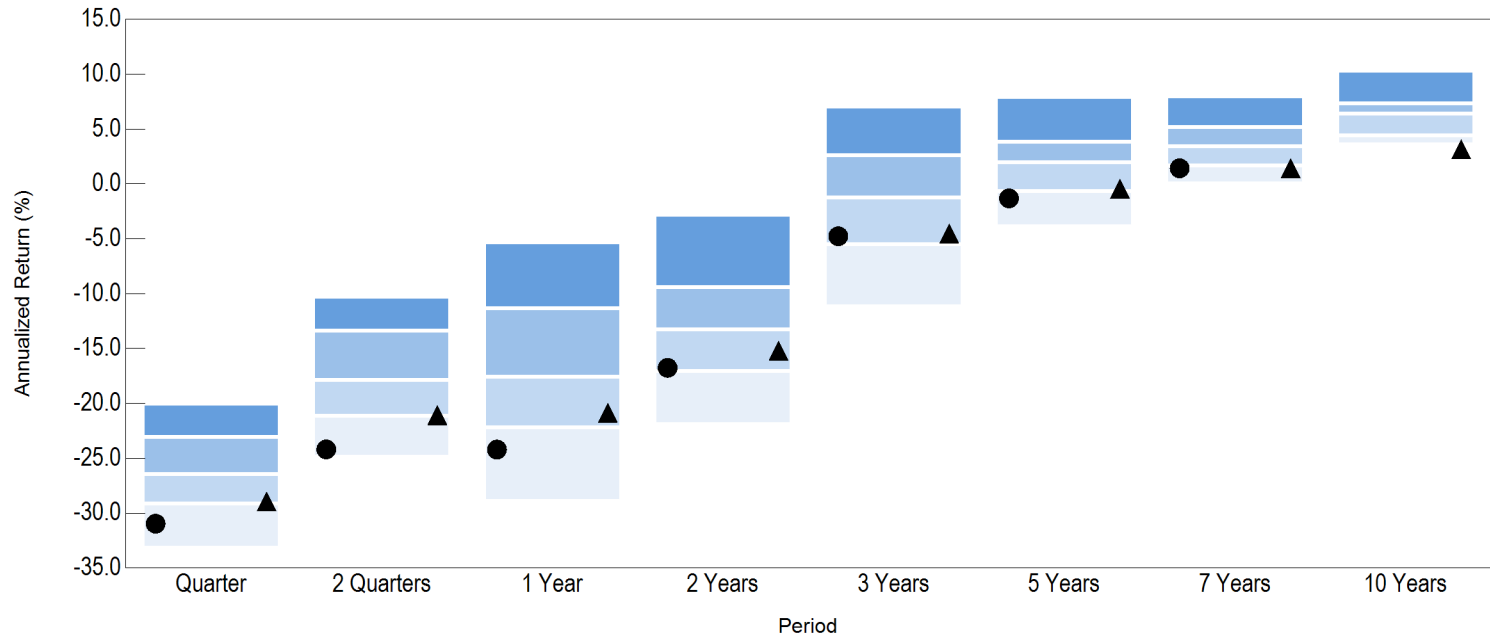
Newton Emerging Mkt Performance Attribution vs. MSCI Emerging Markets Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	1.53%	--	0.93%	--	--	-40.00%	0.00%	7.43%			
Materials	2.75%	4.33%	0.11%	-1.69%	8.62%	-30.54%	3.71%	7.34%			
Industrials	-0.19%	-2.15%	0.26%	1.70%	-15.02%	-28.41%	1.84%	5.31%			
Consumer Discretionary	7.10%	2.84%	0.84%	3.42%	1.42%	-18.10%	35.05%	14.26%			
Consumer Staples	0.32%	0.52%	0.21%	-0.41%	-2.23%	-19.89%	8.69%	6.20%			
Health Care	0.63%	1.37%	-0.18%	-0.57%	12.25%	-8.71%	1.29%	2.68%			
Financials	2.88%	2.20%	0.73%	-0.05%	-3.79%	-31.00%	14.21%	24.53%			
Information Technology	6.97%	4.94%	0.62%	1.42%	4.71%	-18.13%	22.41%	15.64%			
Communication Services	2.12%	1.44%	0.18%	0.51%	2.30%	-9.74%	12.80%	10.95%			
Utilities	0.02%	--	-0.18%	--	--	-26.01%	0.00%	2.64%			
Real Estate	0.94%	--	0.86%	--	--	-26.87%	0.00%	3.02%			
Cash	0.00%	--	--	--	--	--	0.00%	0.00%			
Unclassified	0.00%	--	--	--	--	--	0.00%	0.00%			
Portfolio	25.07%	=	15.48%	+	4.39%	+	5.20%	1.32%	-23.76%	100.00%	100.00%

Newton Emerging Mkt Performance Attribution vs. MSCI Emerging Markets Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Czech Republic*	--	-38.51%	0.00%	0.14%	--	0.02%	0.01%	--	0.03%
Germany	-6.31%	-27.14%	2.47%	0.00%	0.00%	-0.15%	-0.05%	0.53%	0.32%
Greece*	--	-45.10%	0.00%	0.30%	--	0.07%	0.00%	--	0.08%
Hungary*	--	-39.01%	0.00%	0.31%	--	0.04%	0.02%	--	0.06%
Netherlands	-9.52%	-20.65%	3.39%	0.00%	0.00%	0.02%	-0.07%	0.39%	0.34%
Poland*	--	-36.47%	0.00%	0.90%	--	0.10%	0.06%	--	0.15%
Russia*	--	-36.52%	0.00%	3.90%	--	0.12%	0.55%	--	0.67%
United Kingdom	-19.87%	-28.35%	0.84%	0.00%	0.00%	-0.03%	-0.19%	0.22%	0.00%

eV ACWI ex-US Small Cap Equity Gross Return Comparison



	Return (Rank)															
5th Percentile	-20.06		-10.33		-5.34		-2.86		7.01		7.87		7.96		10.29	
25th Percentile	-23.00		-13.36		-11.32		-9.39		2.63		3.86		5.21		7.35	
Median	-26.40		-17.82		-17.54		-13.25		-1.23		2.02		3.48		6.44	
75th Percentile	-29.12		-21.09		-22.13		-17.03		-5.46		-0.59		1.71		4.46	
95th Percentile	-33.13		-24.81		-28.88		-21.87		-11.11		-3.85		0.09		3.64	
# of Portfolios	53		53		53		51		48		42		32		22	
● Templeton	-30.96	(91)	-24.19	(95)	-24.21	(86)	-16.76	(74)	-4.76	(71)	-1.32	(84)	1.42	(79)	--	(--)
▲ MSCI ACWI ex US Small Cap Gross	-28.94	(71)	-21.07	(75)	-20.84	(69)	-15.19	(63)	-4.52	(69)	-0.44	(71)	1.43	(78)	3.16	(99)

Characteristics

	Portfolio	MSCI ACWI ex US Small Cap Gross
Number of Holdings	102	4,174
Weighted Avg. Market Cap. (\$B)	1.9	1.9
Median Market Cap. (\$B)	1.0	0.6
Price To Earnings	12.9	11.9
Price To Book	2.0	2.1
Price To Sales	1.1	1.0
Return on Equity (%)	14.4	11.9
Yield (%)	3.0	3.3
Beta (holdings; global)	1.1	0.9

Top Holdings

TSUMURA	2.4%
FUJI OIL HOLDINGS	2.1%
GERRESHEIMER	2.0%
THULE GROUP	2.0%
TECHTRONIC INDS.	2.0%
HUHTAMAKI	1.9%
MEITEC	1.9%
ANICOM HOLDINGS	1.9%
FLOW TRADERS	1.9%
BUCHER INDUSTRIES	1.9%

Best Performers

	Return %
ZOOPLUS (D:ZO1)	27.6%
FLOW TRADERS (H:FLOW)	23.7%
KOBAYASHI PHARMACEUTICAL (J:KOB)	8.6%
SERIA (J:SERI)	6.9%
TECAN 'R' (S:TECN)	6.9%
HOSOKAWA MICRON (J:HOSO)	3.8%
ANICOM HOLDINGS (J:ANIC)	-2.1%
NIHON PARKERIZING (J:NPPA)	-3.1%
TAIYO HOLDINGS (J:TAIG)	-6.6%
MORITA HOLDINGS (J:MOFP)	-7.2%

Worst Performers

	Return %
SIG (UKIR:SHI)	-82.3%
CARD FACTORY (UKIR:CARD)	-79.2%
ONESPAWORLD HOLDINGS (OSW)	-75.8%
CCC (PO:CCC)	-75.1%
VISTRY GROUP (UKIR:VTY)	-58.8%
COMPUTER MODELLING GP. (C:CMG)	-56.9%
WELSPUN INDIA (IN:WEL)	-56.2%
EN-JAPAN (J:ENJP)	-55.6%
DOMETIC GROUP (W:DOMT)	-55.6%
CHINA ZHENG TONG AUTO SVS. (K:CZTA)	-55.2%

Templeton Performance Attribution vs. MSCI ACWI ex US Small Cap Gross

	Total Effects	Attribution Effects				Returns		Sector Weights					
		Selection Effect	Allocation Effect	Currency Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark				
Energy	0.56%	-0.06%	0.52%	0.06%	0.04%	-56.44%	-53.83%	1.23%	3.33%				
Materials	0.06%	-0.45%	0.00%	0.37%	0.13%	-31.11%	-30.10%	7.00%	9.96%				
Industrials	-0.85%	-0.70%	-0.25%	0.35%	-0.25%	-33.40%	-31.82%	26.77%	19.69%				
Consumer Discretionary	-3.74%	-1.12%	-1.03%	-0.33%	-1.27%	-44.62%	-35.84%	26.51%	12.46%				
Consumer Staples	-0.10%	-0.06%	0.29%	-0.31%	-0.02%	-19.94%	-16.10%	8.19%	5.98%				
Health Care	-0.34%	-0.30%	-0.39%	0.23%	0.11%	-16.05%	-15.06%	4.64%	7.38%				
Financials	0.60%	0.55%	0.03%	0.07%	-0.05%	-26.67%	-32.26%	9.53%	10.56%				
Information Technology	-0.28%	-0.40%	0.06%	0.11%	-0.05%	-25.96%	-23.43%	12.22%	10.89%				
Communication Services	0.10%	0.14%	-0.03%	0.08%	-0.09%	-25.04%	-27.82%	1.63%	4.26%				
Utilities	-0.13%	--	-0.34%	0.20%	--	--	-21.68%	0.00%	3.22%				
Real Estate	0.19%	-1.12%	-0.06%	0.39%	0.97%	-33.93%	-28.40%	1.56%	12.18%				
Cash	0.00%	--	--	--	--	--	--	0.00%	0.00%				
Unclassified	-0.01%	0.00%	0.00%	0.00%	-0.01%	-28.02%	-28.89%	0.73%	0.10%				
Portfolio	-3.95%	=	-3.51%	+	-1.18%	+	1.23%	+	-0.49%	-32.87%	-28.92%	100.00%	100.00%

Templeton Performance Attribution vs. MSCI ACWI ex US Small Cap Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	-31.45%	0.00%	0.67%	--	0.03%	0.01%	--	0.04%
Belgium	-30.62%	-17.91%	3.05%	1.52%	-0.20%	0.15%	-0.02%	-0.20%	-0.27%
Czech Republic*	--	-25.39%	0.00%	0.02%	--	0.00%	0.00%	--	0.00%
Denmark	-24.23%	-19.11%	0.41%	1.26%	-0.07%	-0.07%	0.02%	0.04%	-0.08%
Finland	-32.73%	-28.05%	2.41%	0.86%	-0.04%	-0.01%	-0.02%	-0.07%	-0.15%
France	-41.95%	-35.76%	1.78%	2.56%	-0.16%	0.07%	0.01%	0.05%	-0.03%
Germany	-31.75%	-27.31%	6.70%	4.42%	-0.20%	0.00%	-0.03%	-0.10%	-0.33%
Greece*	--	-35.41%	0.00%	0.17%	--	0.01%	0.00%	--	0.02%
Hungary*	--	-32.80%	0.00%	0.03%	--	0.00%	0.00%	--	0.00%
Ireland	--	-31.01%	0.00%	0.19%	--	0.01%	0.00%	--	0.01%
Italy	-38.22%	-29.49%	3.83%	2.53%	-0.23%	-0.03%	-0.01%	-0.12%	-0.38%
Netherlands	-32.45%	-32.08%	5.35%	1.71%	-0.01%	-0.17%	-0.06%	-0.01%	-0.25%
Norway	--	-41.94%	0.00%	1.61%	--	0.08%	0.18%	--	0.26%
Poland*	-75.15%	-33.05%	0.41%	0.23%	-0.11%	0.00%	0.01%	-0.08%	-0.19%
Portugal	--	-37.03%	0.00%	0.24%	--	0.02%	0.00%	--	0.03%
Russia*	--	-32.20%	0.00%	0.23%	--	-0.02%	0.03%	--	0.01%
Spain	-32.65%	-29.92%	0.96%	1.53%	-0.04%	0.01%	0.01%	0.02%	0.00%
Sweden	-40.76%	-25.77%	5.34%	4.45%	-0.71%	0.04%	0.01%	-0.14%	-0.80%
Switzerland	-18.23%	-18.72%	3.99%	3.66%	0.02%	0.02%	0.00%	0.00%	0.04%
United Kingdom	-43.75%	-36.16%	7.28%	13.17%	-1.07%	0.35%	0.30%	0.48%	0.06%

Templeton Performance Attribution vs. MSCI ACWI ex US Small Cap Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	--	-36.54%	0.00%	5.45%	--	0.07%	0.51%	--	0.59%
China*	-37.89%	-14.40%	0.57%	2.03%	-0.48%	-0.16%	-0.01%	0.34%	-0.30%
Hong Kong	-31.43%	-20.53%	7.32%	1.38%	-0.15%	0.29%	0.02%	-0.64%	-0.49%
India*	-51.31%	-35.00%	0.92%	2.76%	-0.48%	0.10%	0.08%	0.32%	0.02%
Indonesia*	-45.96%	-53.40%	0.68%	0.44%	0.04%	-0.05%	-0.03%	0.02%	-0.02%
Japan	-23.13%	-20.13%	25.26%	22.20%	-0.66%	0.16%	0.01%	-0.09%	-0.58%
Korea*	-41.49%	-23.03%	1.85%	3.25%	-0.63%	-0.10%	0.07%	0.27%	-0.38%
Malaysia*	--	-31.61%	0.00%	0.69%	--	0.01%	0.03%	--	0.04%
New Zealand	--	-35.04%	0.00%	0.63%	--	0.00%	0.06%	--	0.06%
Pakistan*	--	-31.69%	0.00%	0.12%	--	0.00%	0.01%	--	0.01%
Philippines*	--	-39.80%	0.00%	0.20%	--	0.03%	0.00%	--	0.03%
Singapore	--	-28.17%	0.00%	1.20%	--	-0.02%	0.05%	--	0.03%
Taiwan*	-26.30%	-21.96%	6.97%	4.28%	-0.19%	0.12%	-0.02%	-0.12%	-0.20%
Thailand*	--	-40.28%	0.00%	0.84%	--	0.07%	0.05%	--	0.12%
Americas									
Argentina*	--	-50.37%	0.00%	0.18%	--	0.04%	0.00%	--	0.04%
Brazil*	-42.03%	-54.38%	4.37%	2.21%	0.35%	-0.33%	-0.44%	0.35%	-0.08%
Canada	-39.65%	-37.70%	5.04%	6.79%	-0.14%	0.10%	0.12%	0.04%	0.11%
Chile*	--	-37.75%	0.00%	0.21%	--	0.01%	0.02%	--	0.03%
Colombia*	--	-50.47%	0.00%	0.06%	--	0.01%	0.01%	--	0.02%
Mexico*	--	-40.83%	0.00%	0.58%	--	0.00%	0.08%	--	0.09%
United States	-48.76%	-19.77%	5.52%	0.00%	0.00%	0.33%	0.00%	-1.60%	-1.27%

Templeton Performance Attribution vs. MSCI ACWI ex US Small Cap Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Egypt*	--	-34.56%	0.00%	0.09%	--	0.01%	0.00%	--	0.01%
Israel	--	-25.18%	0.00%	1.30%	--	-0.03%	0.02%	--	-0.01%
Qatar*	--	-21.54%	0.00%	0.21%	--	-0.01%	0.00%	--	-0.01%
Saudi Arabia*	--	-18.35%	0.00%	0.52%	--	-0.04%	0.00%	--	-0.04%
South Africa*	--	-51.52%	0.00%	0.93%	--	0.11%	0.13%	--	0.24%
Turkey*	--	-28.05%	0.00%	0.27%	--	-0.01%	0.02%	--	0.01%
United Arab Emirates*	--	-33.65%	0.00%	0.13%	--	0.01%	0.00%	--	0.01%
Totals									
Americas	-43.71%	-41.86%	14.93%	10.03%	-0.30%	-0.39%	-0.22%	-0.15%	-1.06%
Europe	-35.19%	-30.40%	41.51%	41.04%	-2.42%	-0.01%	0.44%	-0.03%	-2.01%
Asia/Pacific	-26.95%	-24.54%	43.56%	45.46%	-1.93%	-0.06%	0.84%	0.08%	-1.07%
Other	--	-31.80%	0.00%	3.46%	--	0.04%	0.17%	--	0.21%
Total	-32.87%	-28.93%	100.00%	100.00%	-4.65%	-0.42%	1.23%	-0.10%	-3.94%
Totals									
Developed	-32.21%	-28.29%	84.23%	79.31%	-4.35%	0.01%	1.19%	-0.27%	-3.42%
Emerging*	-36.43%	-31.39%	15.77%	20.69%	-0.79%	0.04%	0.04%	0.19%	-0.52%

Interest rate environment

- In mid-March, the Federal Open Market Committee cut interest rates by a full 1.00% to a new range of 0 – 0.25%. This surprise action was taken on a Sunday with the intent to get out ahead of the economic impacts of COVID-19.
- On April 9th, the Federal Reserve announced an additional \$2.3 Trillion program aimed towards providing financing to small businesses and municipalities. The program included \$1M-\$25M sized loans at an interest rate of 2.5%-4.0% with a four-year maturity. This move involved Fed purchases of certain types of low-grade speculative debt, a reversal from comments just weeks earlier that the Federal Reserve would stick to investment-grade debt purchases.
- The European Central Bank (ECB) announced a €750B asset purchase program in March to address effects of the virus. ECB President Christine Lagarde claimed that there are “no limits to our commitment to the

euro”. Bond yields of Euro member countries fell on the news.

- Central banks are now facing a unique problem – an immediate economic slowdown and need for monetary policy support, but very little room to cut interest rates to provide that support. This is a risk that has been discussed by investors for years, only now becoming reality. We believe fiscal policies will play a much larger role in addressing the inevitable economic slowdown.
- The Federal Reserve rolled out several liquidity programs which were components of its Global Financial Crisis playbook and are aimed at ensuring the flow of credit to U.S. households and businesses, as well as financial market stability. The New York Fed began offering up to \$500B in overnight liquidity through repurchase agreements and has expanded dollar swap lines to alleviate any possible strains in global U.S. dollar funding markets.

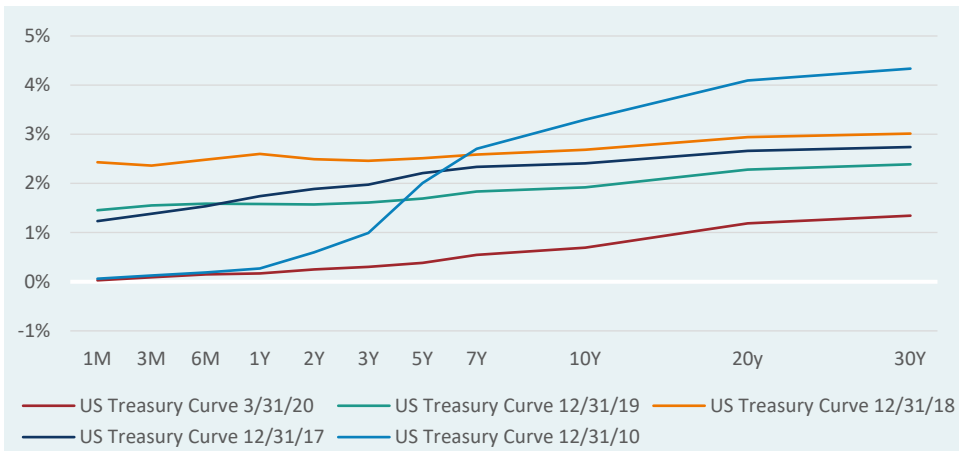
Area	Short Term (3M)	10-Year
United States	0.09%	0.67%
Germany	(0.71%)	(0.47%)
France	(0.50%)	(0.02%)
Spain	(0.23%)	0.67%
Italy	(0.05%)	1.52%
Greece	0.16%	1.63%
U.K.	0.03%	0.36%
Japan	(0.30%)	0.01%
Australia	0.37%	0.76%
China	1.34%	2.58%
Brazil	3.37%	7.77%
Russia	5.47%	6.70%

The Federal Reserve also cut interest rates 50 basis points on March 3 following impacts of COVID-19

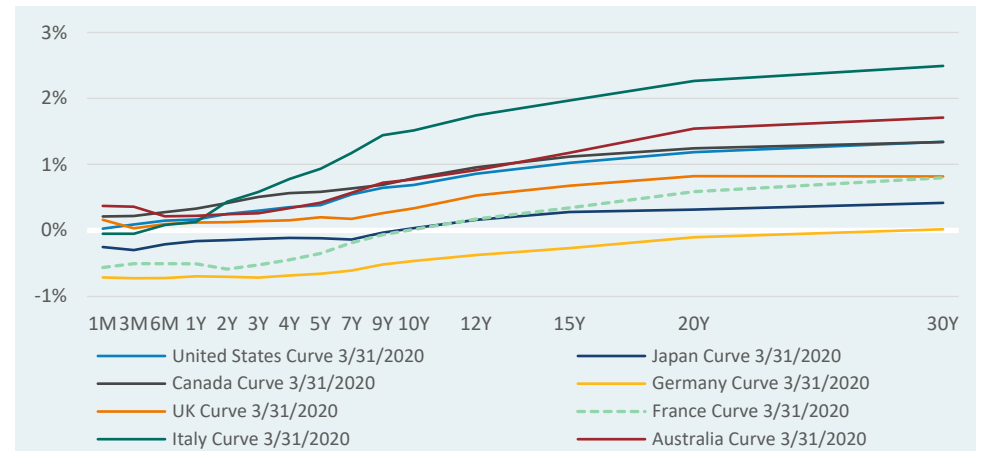
Source: Bloomberg, as of 3/31/20

Yield environment

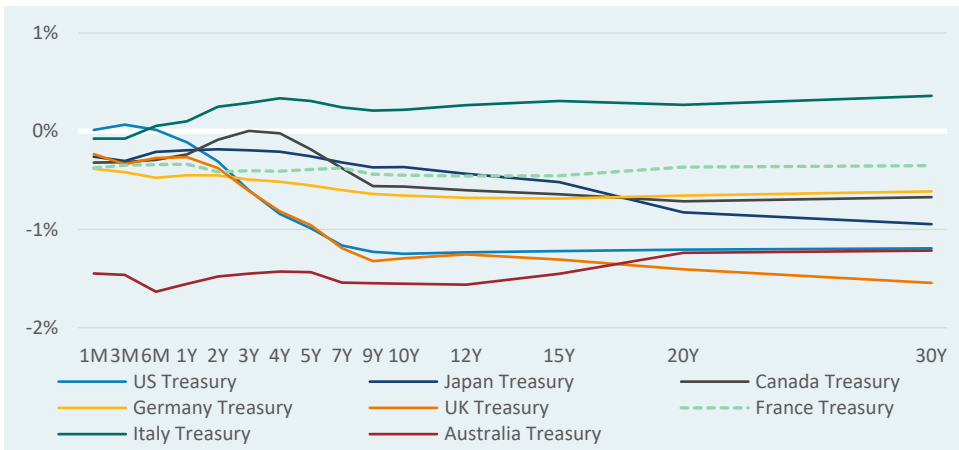
U.S. YIELD CURVE



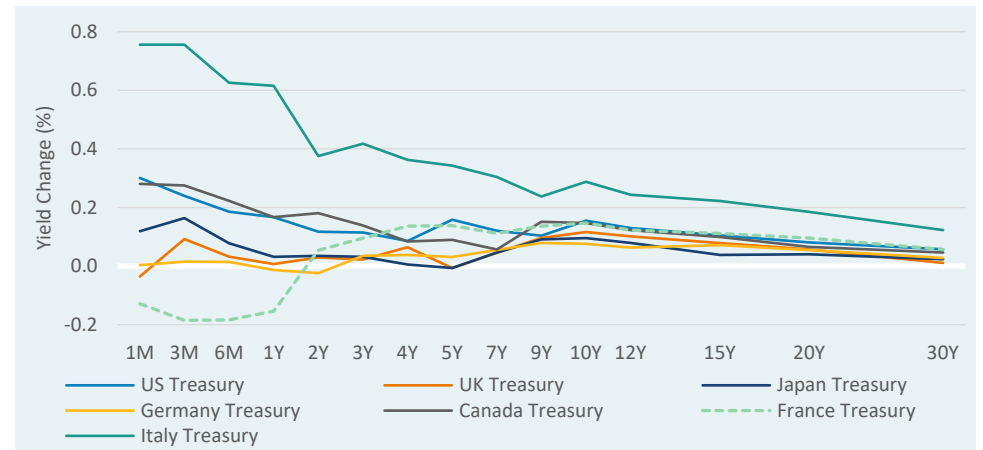
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 3/31/20

Currency

The U.S. dollar appreciated significantly in the first quarter, rising 7.1% on a trade-weighted basis, resulting in losses for investors with unhedged currency exposure. As is often the case during higher risk market environments, demand for safe-haven currencies contributed to the rising dollar.

Historically speaking, environments where the U.S. dollar was much more expensive than average tended to be followed by an eventual mean-reversion. However, this mean-reversion effect is not a sure bet, and it can take years (or perhaps decades) to occur. As recent years have shown,

leaving currency exposure unhedged tends to result in uncompensated volatility, and occasional (or frequent) large and sharp losses or gains.

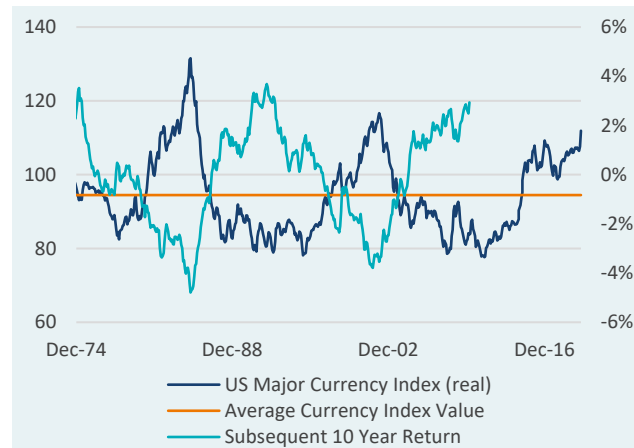
The MSCI Currency Factor Mix Index, constructed as a combination of individual Currency Factor indices (carry, value, momentum) advanced 1.2% in Q1. The momentum factor (+8.7%) posted strong gains as appreciating currencies continued to strengthen while the carry factor (-7.2%) lagged as the exchange rate adjustments implied by local interest rate differentials occurred faster than expected.

BLOOMBERG DOLLAR SPOT INDEX



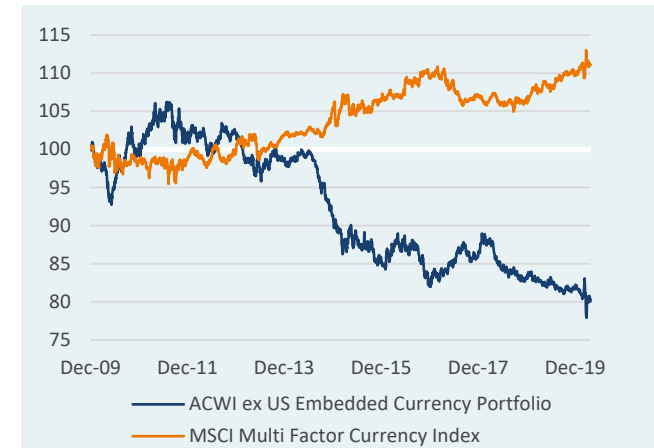
Source: Bloomberg, as of 3/31/20

USD CURRENCY LEVEL & SUBSEQUENT RETURN



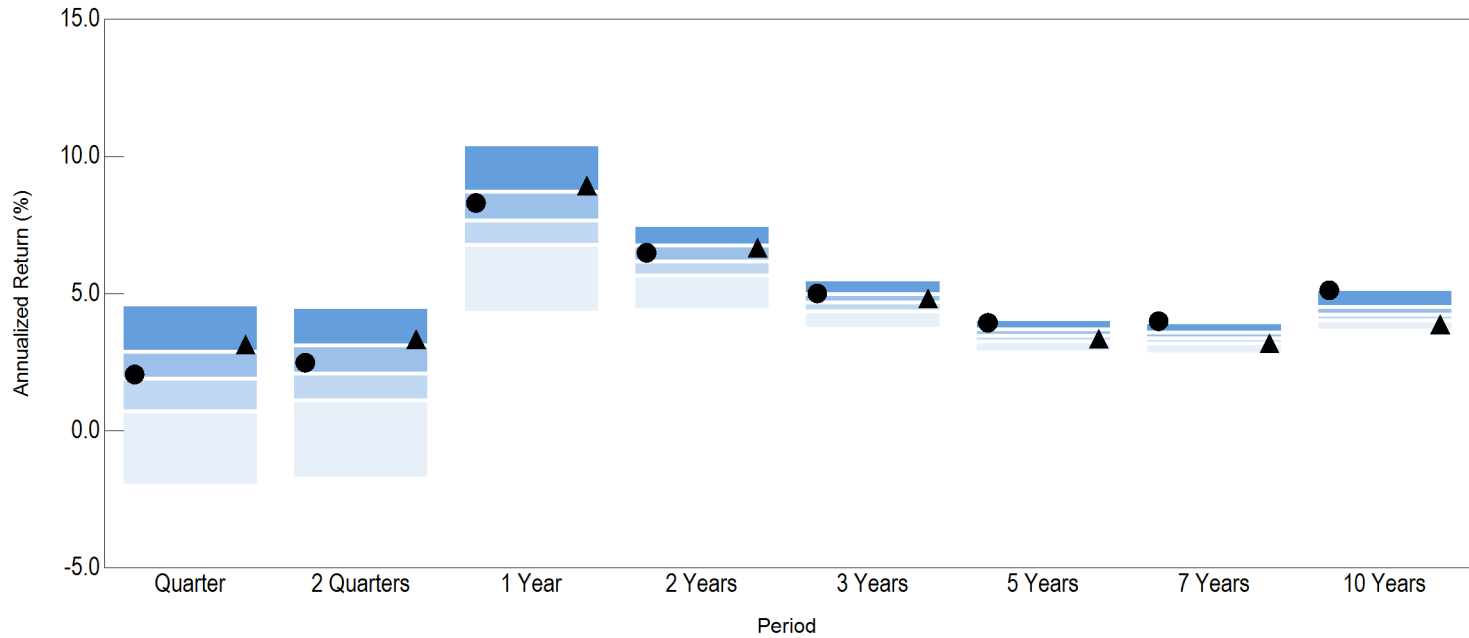
Source: Federal Reserve, Verus, as of 3/31/20

EMBEDDED CURRENCY VS CURRENCY BETA



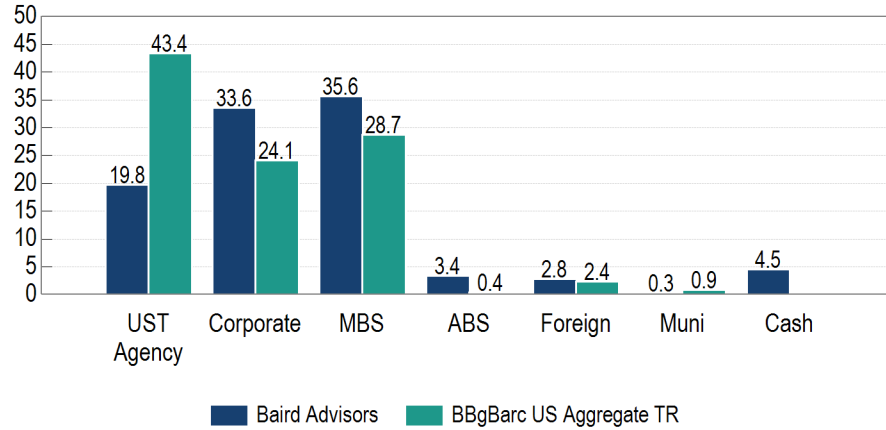
Source: MSCI, Bloomberg, as of 3/31/20

eV US Core Fixed Inc Gross Return Comparison

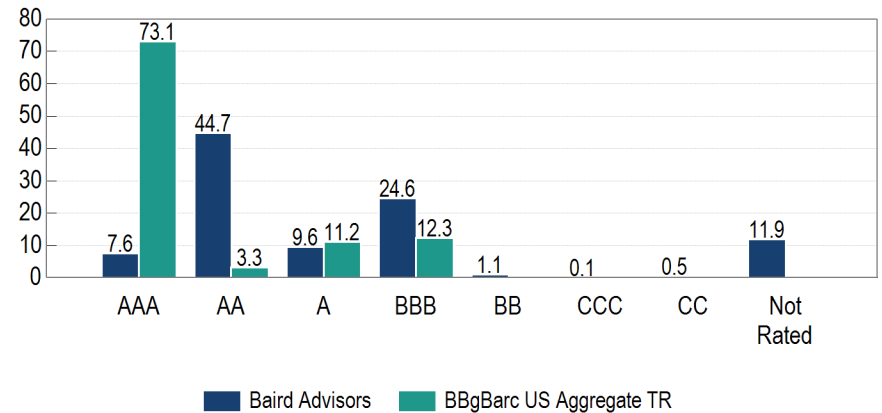


	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	4.61	4.51	10.42	7.49	5.50	4.06	3.94	5.15
25th Percentile	2.89	3.13	8.72	6.77	5.00	3.70	3.59	4.53
Median	1.92	2.10	7.69	6.19	4.69	3.49	3.38	4.24
75th Percentile	0.73	1.12	6.79	5.68	4.36	3.28	3.21	4.04
95th Percentile	-1.98	-1.72	4.32	4.40	3.74	2.88	2.80	3.66
# of Portfolios	225	225	225	222	221	217	215	205
● Baird Advisors	2.05 (45)	2.48 (38)	8.30 (36)	6.49 (37)	5.01 (25)	3.94 (9)	4.00 (4)	5.12 (6)
▲ BBgBarc US Aggregate TR	3.15 (20)	3.33 (18)	8.93 (20)	6.68 (29)	4.82 (39)	3.36 (66)	3.19 (77)	3.88 (88)

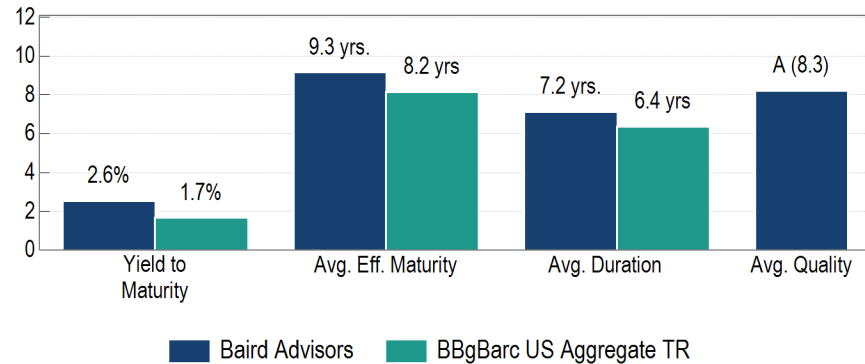
US Sector Allocation
Baird Advisors



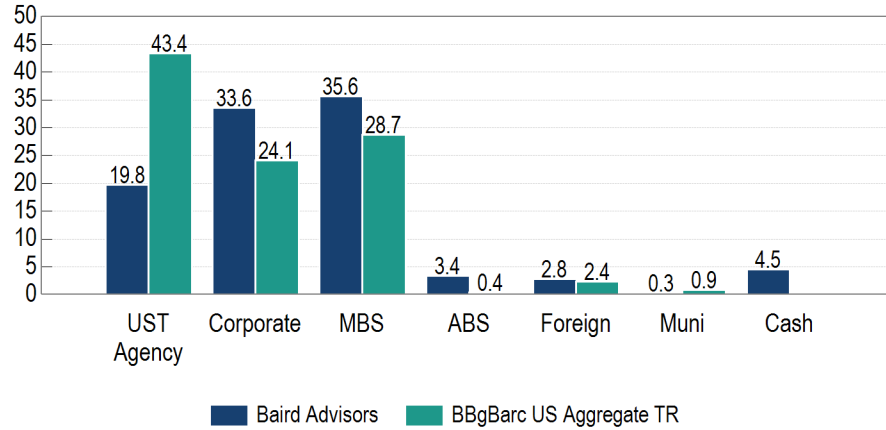
Credit Quality Allocation
Baird Advisors



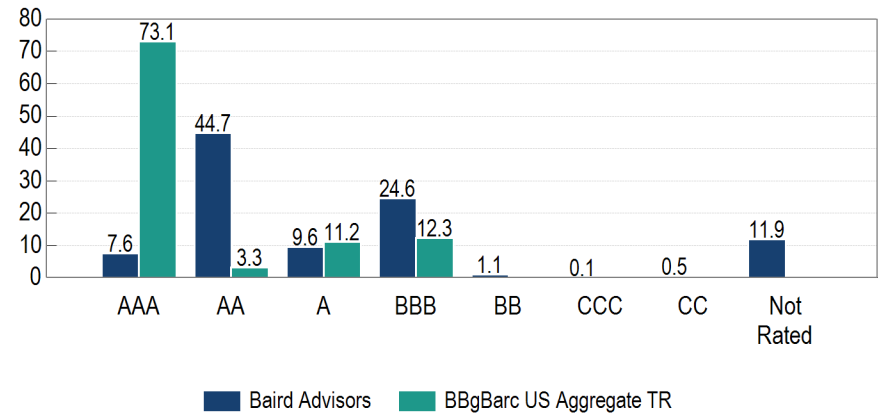
Characteristics
Baird Advisors



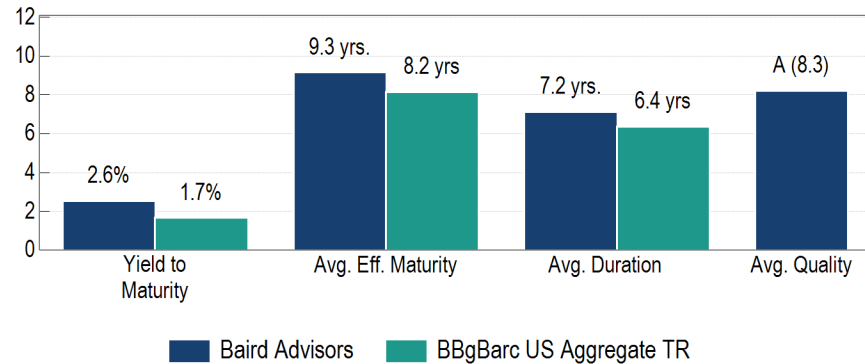
US Sector Allocation
Baird Advisors



Credit Quality Allocation
Baird Advisors



Characteristics
Baird Advisors

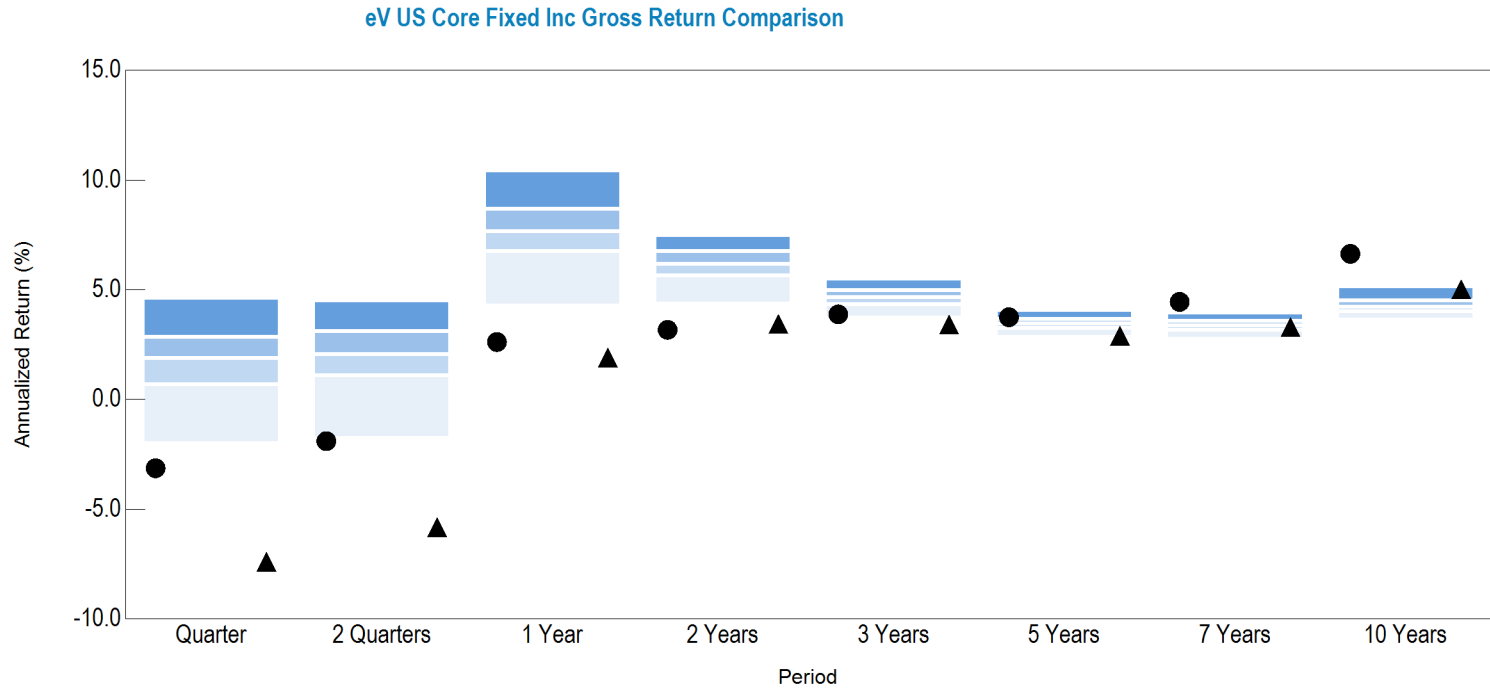


PERFORMANCE BY QUALITY

	<u>NUMBER OF ISSUES</u>	<u>FINAL MARKET VALUE (\$000)</u>	<u>FINAL MARKET VALUE %</u>	<u>QUARTERLY RETURN %</u>	<u>QUARTERLY CONTRIBUTION TO TOTAL RETURN %</u>
Cash & Equiv	1	26,405	4.5	0.37	0.02
Govt & Agency	111	288,104	49.1	7.23	3.55
AAA	23	49,875	8.5	2.10	0.18
AA	5	3,521	0.6	-0.42	0.00
A	35	73,933	12.6	-1.80	-0.23
BAA	58	127,916	21.8	-5.60	-1.22
Below BAA	17	17,016	2.9	-8.10	-0.23
Other	0	-	0.0	0.00	0.00
Total Account	250	\$586,770	100.0	2.06	2.06

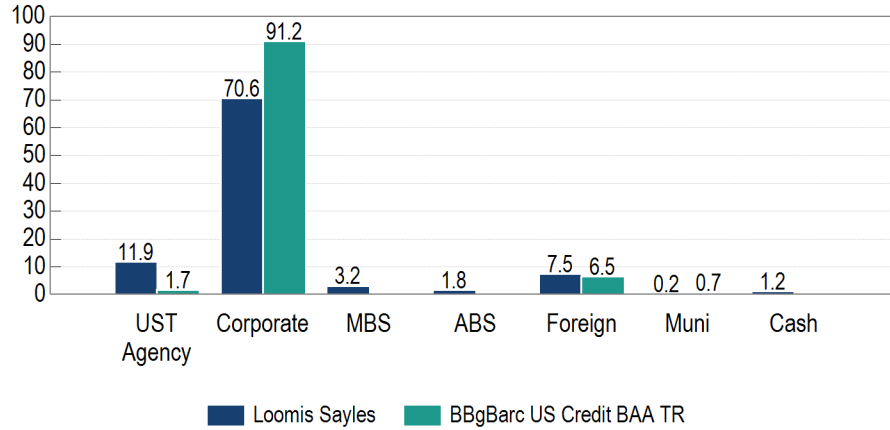
PERFORMANCE BY DURATION

	<u>NUMBER OF ISSUES</u>	<u>FINAL MARKET VALUE (\$000)</u>	<u>FINAL MARKET VALUE %</u>	<u>QUARTERLY RETURN %</u>	<u>QUARTERLY CONTRIBUTION TO TOTAL RETURN %</u>
Under 1 Year	28	55,743	9.5	-1.40	-0.13
1 - 3 Years	88	211,824	36.1	1.56	0.56
3 - 6 Years	72	140,825	24.0	1.25	0.30
Over 6 Years	62	178,378	30.4	30.40	1.33
Total Account	250	\$586,770	100.0	2.06	2.06

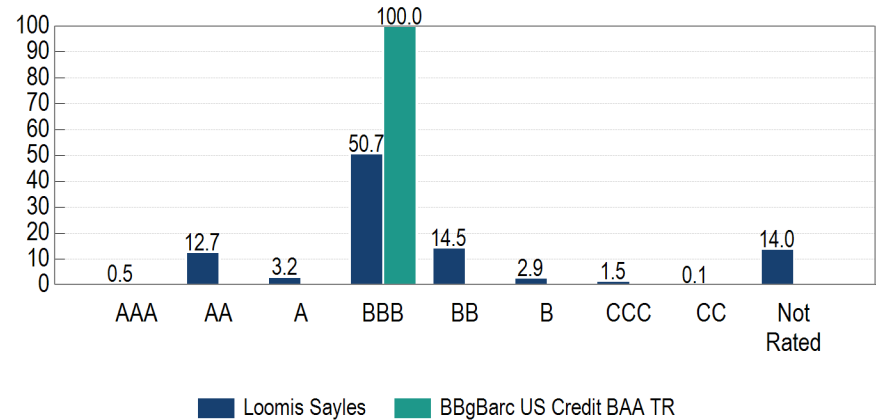


	Quarter		2 Quarters		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	4.61	4.51	10.42	7.49	5.50	4.06	3.94	5.15								
25th Percentile	2.89	3.13	8.72	6.77	5.00	3.70	3.59	4.53								
Median	1.92	2.10	7.69	6.19	4.69	3.49	3.38	4.24								
75th Percentile	0.73	1.12	6.79	5.68	4.36	3.28	3.21	4.04								
95th Percentile	-1.98	-1.72	4.32	4.40	3.74	2.88	2.80	3.66								
# of Portfolios	225	225	225	222	221	217	215	205								
● Loomis Sayles	-3.13 (99)	-1.90 (96)	2.62 (99)	3.18 (99)	3.88 (92)	3.75 (21)	4.45 (2)	6.64 (1)								
▲ BBgBarc US Credit BAA TR	-7.39 (99)	-5.82 (99)	1.92 (99)	3.44 (99)	3.42 (98)	2.90 (95)	3.30 (61)	5.02 (7)								

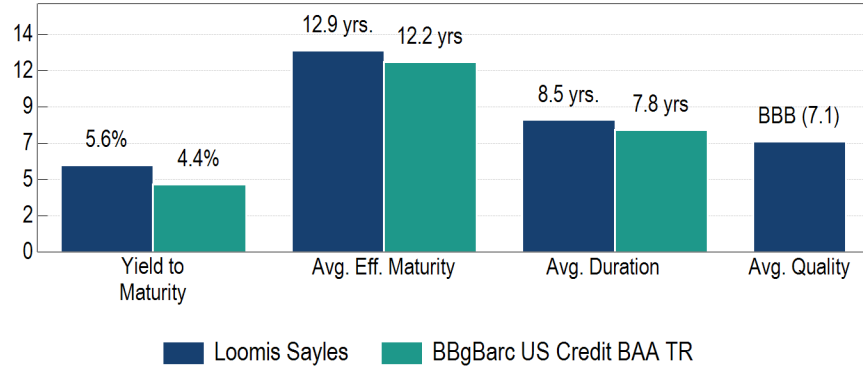
US Sector Allocation
Loomis Sayles



Credit Quality Allocation
Loomis Sayles



Characteristics
Loomis Sayles



Summary

Account Return	-3.20
Benchmark Return	-7.38
Excess Return	4.19
Sector Allocation	0.00
Security Selection	4.03
Trading	0.16
Pricing Differences	-0.01
Compounding	0.00

Details

Scheme	Average Weight Account	Average Weight Benchmark	Return Account	Return Benchmark	Contribution to Return Account	Contribution to Return Benchmark	Sector Allocation Effect	Security Selection Effect	Total Effect	Excess Total Effect
Total	100.00	100.00	-3.36	-7.39	-3.36	-7.39	0.00	4.03	4.03	4.03
Argentine Peso	0.24	0.00	-5.17	-7.39	0.00	0.00	0.00	0.01	0.01	0.01
Brazilian Real	0.16	0.00	-4.67	-7.39	-0.02	0.00	0.00	-0.03	-0.03	-0.03
Malaysian Ringgit	0.32	0.00	-0.88	-7.39	-0.01	0.00	0.00	-0.02	-0.02	-0.02
Norwegian Krone	0.32	0.00	-5.02	-7.39	-0.04	0.00	0.00	-0.05	-0.05	-0.05
US Dollar	98.44	100.00	-3.20	-7.39	-3.26	-7.39	0.00	4.20	4.20	4.20
Australian Dollar	0.13	0.00	-3.02	-7.39	-0.01	0.00	0.00	-0.02	-0.02	-0.02
Canadian Dollar	0.13	0.00	-1.60	-7.39	-0.01	0.00	0.00	-0.02	-0.02	-0.02
Euro	0.06	0.00	-1.84	-7.39	0.00	0.00	0.00	-0.01	-0.01	-0.01
Mexican Peso	0.07	0.00	0.89	-7.39	0.00	0.00	0.00	0.00	0.00	0.00
New Zealand Dollar	0.06	0.00	-3.73	-7.39	-0.01	0.00	0.00	-0.01	-0.01	-0.01
Swedish Krona	0.06	0.00	-1.86	-7.39	0.00	0.00	0.00	-0.01	-0.01	-0.01

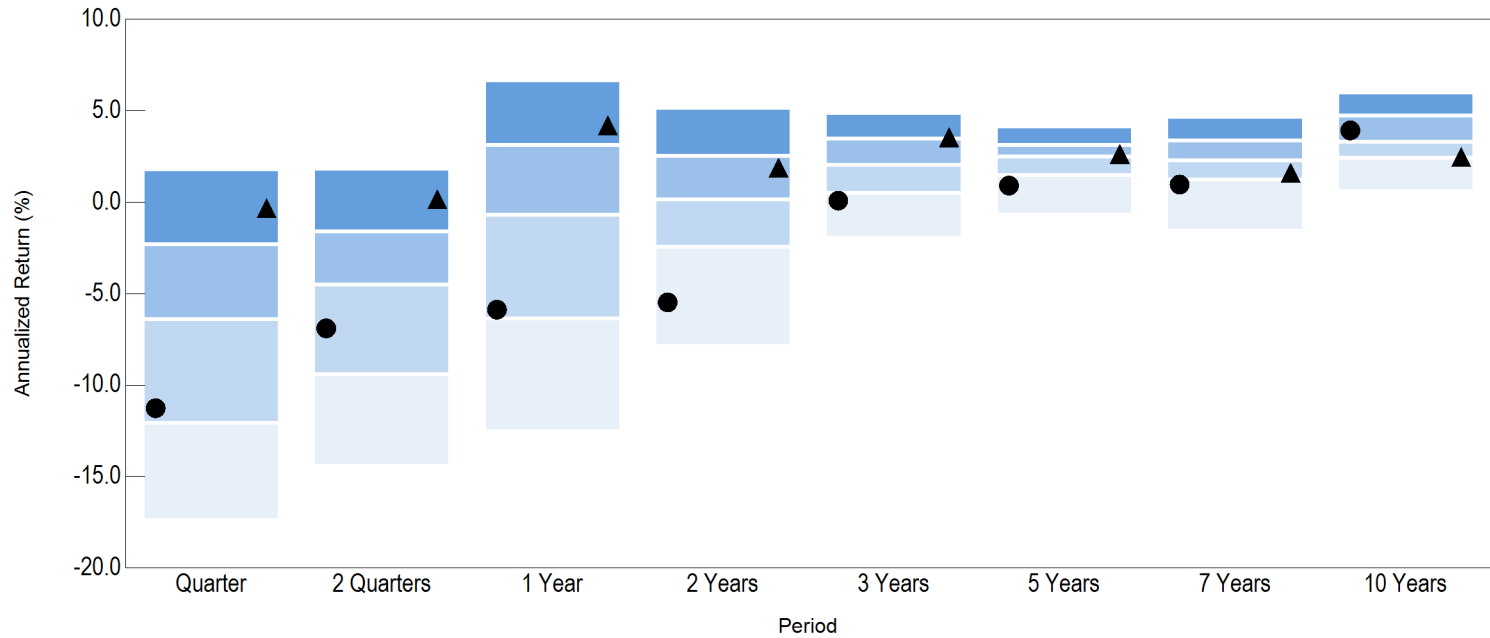
Summary	
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Details

Scheme	Average Weight Account	Average Weight Benchmark	Return Account	Return Benchmark	Contribution to Return Account	Contribution to Return Benchmark	Sector Allocation Effect	Security Selection Effect	Total Effect	Excess Total Effect
Total	100.00	100.00	-3.36	-7.39	-3.36	-7.39	0.87	3.16	4.03	4.03
Less than 1.0	11.63	0.89	-0.57	-3.03	-0.19	-0.03	0.66	0.50	1.16	1.16
1.0 - 2.0	10.32	6.81	-5.40	-3.13	-0.54	-0.23	0.12	-0.25	-0.12	-0.12
2.0 - 3.0	5.55	8.37	-9.17	-4.42	-0.44	-0.38	-0.16	-0.26	-0.41	-0.41
3.0 - 4.0	9.32	7.67	-12.56	-5.48	-1.28	-0.43	0.02	-0.74	-0.72	-0.72
4.0 - 5.0	9.03	8.32	-11.49	-6.56	-0.84	-0.59	-0.04	-0.40	-0.44	-0.44
5.0 - 6.0	6.07	7.20	-12.97	-6.28	-0.69	-0.44	-0.02	-0.38	-0.40	-0.40
6.0 - 7.0	5.37	6.77	-6.00	-7.49	-0.27	-0.51	-0.01	0.09	0.07	0.07
7.0 - 8.0	5.38	6.13	-15.28	-7.89	-0.69	-0.50	-0.01	-0.36	-0.38	-0.38
8.0 - 9.0	5.17	5.45	-4.80	-7.39	-0.21	-0.39	0.02	0.18	0.20	0.20
9.0 - 10.0	9.68	5.35	4.03	-8.59	0.24	-0.49	-0.03	1.26	1.23	1.23
10.0 - 11.0	0.29	1.07	-3.37	-5.64	-0.01	-0.06	-0.01	0.01	0.00	0.00
11.0 - 12.0	0.00	0.90	12.97	-19.30	0.00	-0.16	0.10	0.00	0.10	0.10
12.0 - 13.0	0.00	0.52	0.00	-11.44	0.00	-0.06	0.02	0.00	0.02	0.02
13.0 - 14.0	0.80	0.71	-18.97	-7.02	-0.15	-0.05	0.00	-0.09	-0.09	-0.09
14.0 - 15.0	0.30	1.12	-0.31	-7.61	0.01	-0.09	0.01	0.02	0.02	0.02
15.0 - 16.0	0.30	1.69	-10.19	-7.41	-0.02	-0.12	0.01	-0.03	-0.02	-0.02
16.0 - 17.0	1.29	1.10	-4.16	-11.77	-0.01	-0.15	0.00	0.12	0.12	0.12
17.0 - 18.0	0.48	2.13	-12.84	-8.02	-0.04	-0.16	0.01	-0.03	-0.01	-0.01
18.0 - 19.0	0.55	1.55	-5.38	-10.05	-0.07	-0.14	0.01	0.03	0.04	0.04
19.0 - 20.0	0.67	1.32	-0.73	-11.76	0.01	-0.16	-0.02	0.26	0.23	0.23

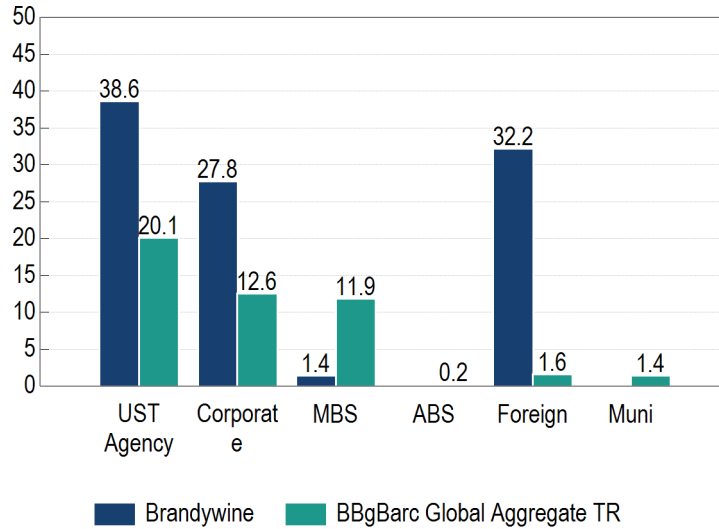
Scheme	Average Weight Account	Average Weight Benchmark	Return Account	Return Benchmark	Contribution to Return Account	Contribution to Return Benchmark	Sector Allocation Effect	Security Selection Effect	Total Effect	Excess Total Effect
20.0 - 21.0	0.99	1.55	-2.46	-13.74	0.06	-0.23	0.08	0.10	0.18	0.18
21.0 - 22.0	0.40	1.31	12.75	-9.38	0.04	-0.10	0.03	0.01	0.04	0.04
22.0 - 23.0	0.79	1.81	-15.87	-8.74	-0.15	-0.15	0.01	-0.08	-0.06	-0.06
23.0 - 24.0	0.31	2.04	-12.54	-10.90	0.00	-0.22	0.08	0.00	0.08	0.08
24.0 - 25.0	0.09	2.67	-7.25	-10.49	0.01	-0.28	0.09	0.01	0.10	0.10
25.0 - 26.0	0.97	3.11	-11.87	-9.84	-0.07	-0.27	0.07	-0.03	0.04	0.04
26.0 - 27.0	0.08	2.37	-2.05	-8.99	0.04	-0.22	0.05	0.03	0.07	0.07
27.0 - 28.0	2.23	2.97	0.56	-10.37	-0.20	-0.30	-0.19	0.58	0.39	0.39
28.0 - 29.0	3.23	3.24	3.31	-6.68	0.44	-0.18	0.04	0.32	0.36	0.36
29.0 - 30.0	8.70	2.15	21.14	-9.76	1.65	-0.20	-0.04	2.29	2.25	2.25
30.0 - 31.0	0.00	0.37	0.00	0.34	0.00	0.00	-0.03	0.00	-0.03	-0.03
31.0 - 32.0	0.00	0.04	0.00	-0.23	0.00	0.00	0.00	0.00	0.00	0.00
32.0 - 33.0	0.00	0.08	0.00	-5.95	0.00	0.00	0.00	0.00	0.00	0.00
34.0 - 35.0	0.00	0.27	0.00	-5.23	0.00	-0.01	-0.01	0.00	-0.01	-0.01
35.0 - 36.0	0.00	0.10	0.00	2.13	0.00	0.00	-0.01	0.00	-0.01	-0.01
36.0 - 37.0	0.00	0.04	0.00	-2.73	0.00	0.00	0.00	0.00	0.00	0.00
37.0 - 38.0	0.00	0.10	0.00	-9.56	0.00	-0.01	0.00	0.00	0.00	0.00
38.0 - 39.0	0.00	0.13	0.00	-7.26	0.00	-0.01	0.00	0.00	0.00	0.00
39.0 - 40.0	0.00	0.19	0.00	-13.73	0.00	-0.04	0.02	0.00	0.02	0.02
43.0 - 44.0	0.00	0.02	0.00	-3.46	0.00	0.00	0.00	0.00	0.00	0.00
44.0 - 45.0	0.00	0.01	0.00	-6.12	0.00	0.00	0.00	0.00	0.00	0.00
45.0 - 46.0	0.00	0.02	0.00	-7.84	0.00	0.00	0.00	0.00	0.00	0.00
46.0 - 47.0	0.00	0.02	0.00	-6.98	0.00	0.00	0.00	0.00	0.00	0.00
47.0 - 48.0	0.00	0.03	0.00	-2.58	0.00	0.00	0.00	0.00	0.00	0.00
48.0 - 49.0	0.00	0.01	0.00	-5.78	0.00	0.00	0.00	0.00	0.00	0.00
49.0 - 50.0	0.00	0.03	0.00	-1.08	0.00	0.00	0.00	0.00	0.00	0.00
59.0 - 60.0	0.00	0.04	0.00	-5.55	0.00	0.00	0.00	0.00	0.00	0.00
90.0 - 91.0	0.00	0.10	0.00	-10.82	0.00	-0.01	0.00	0.00	0.00	0.00
95.0 - 96.0	0.00	0.04	0.00	-5.54	0.00	0.00	0.00	0.00	0.00	0.00
Greater than 98.0	0.00	0.01	0.00	7.32	0.00	0.00	0.00	0.00	0.00	0.00
33.0 - 34.0	0.00	0.01	0.00	-6.02	0.00	0.00	0.00	0.00	0.00	0.00
97.0 - 98.0	0.00	0.02	0.00	-10.25	0.00	0.00	0.00	0.00	0.00	0.00

eV All Global Fixed Inc Gross Return Comparison

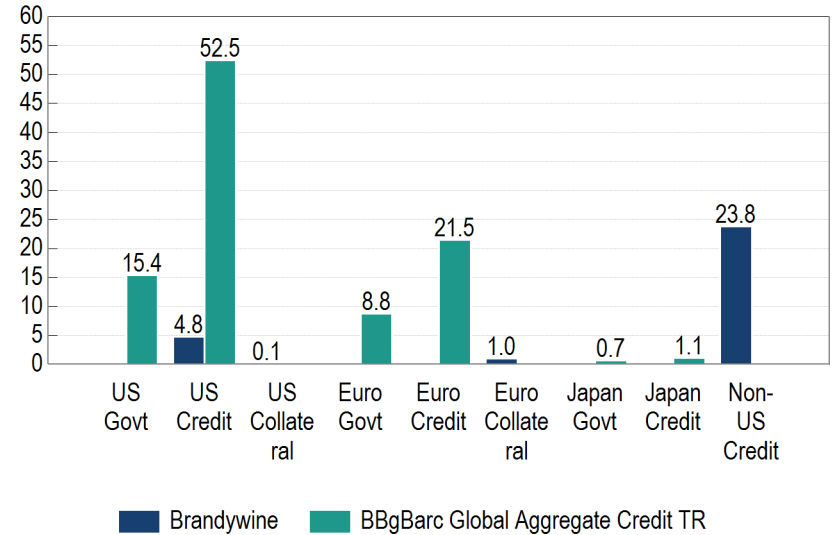


	Quarter		2 Quarters		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	1.79	1.80	6.66	5.16	4.85	4.13	4.65	5.99								
25th Percentile	-2.28	-1.58	3.15	2.54	3.50	3.14	3.38	4.77								
Median	-6.37	-4.49	-0.68	0.19	2.06	2.53	2.30	3.33								
75th Percentile	-12.06	-9.40	-6.35	-2.43	0.52	1.50	1.26	2.45								
95th Percentile	-17.36	-14.41	-12.49	-7.86	-1.92	-0.68	-1.56	0.63								
# of Portfolios	506	506	506	492	475	432	366	260								
● Brandywine	-11.26 (71)	-6.90 (66)	-5.88 (73)	-5.48 (90)	0.08 (81)	0.91 (83)	0.97 (81)	3.93 (39)								
▲ BBgBarc Global Aggregate TR	-0.33 (16)	0.16 (13)	4.20 (18)	1.88 (32)	3.55 (24)	2.64 (46)	1.60 (68)	2.47 (75)								

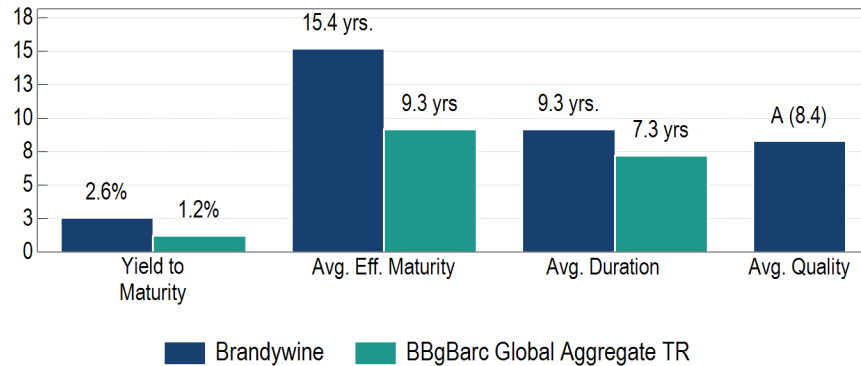
US Sector Allocation



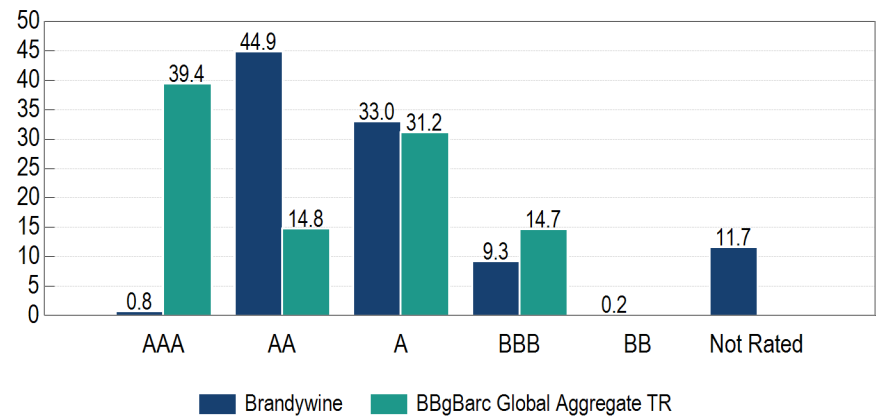
Global Sector Allocation



Characteristics
Brandywine



Credit Quality Allocation
Brandywine



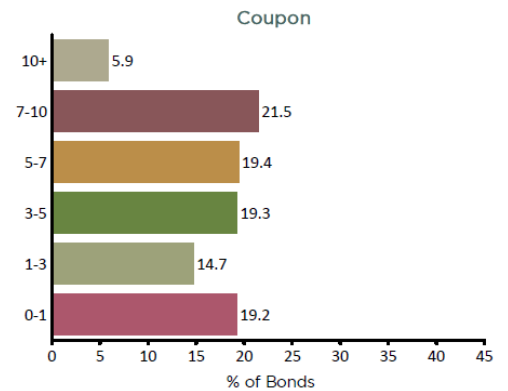
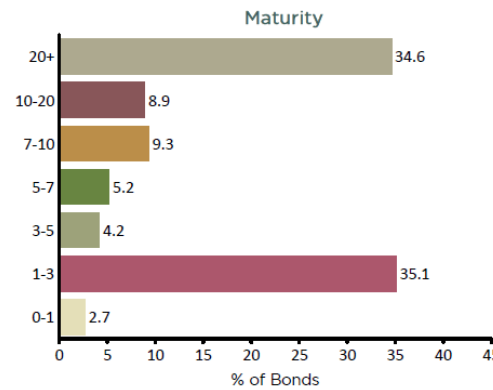
Brandywine

Portfolio Characteristics

Period Ending: March 31, 2020

Portfolio Characteristics

	Portfolio	Primary Benchmark
Yield to Maturity (%)	4.30	0.49
Yield to Worst (%)	4.32	0.49
Modified Duration	7.20	8.47
Effective Duration	7.10	8.60
Average Maturity	13.25	9.34
Average Market Price	104.01	-
Average Coupon (%)	4.64	2.23
Current Yield (%)	4.32	-
# of Issues	211	1,042

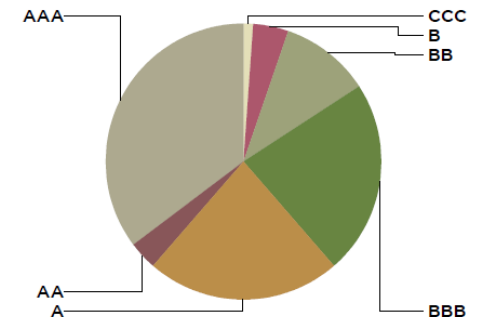


Sector Breakdown

	Market Value (%)	Duration Contribution (in Years)
Government Sovereign	60.98	4.48
Corporate Bond - Investment Grade	20.34	2.22
Corporate Bond - High Yield	7.89	0.27
Government Owned - No Guarantee	2.05	0.17
Government Regional Agencies	2.45	0.03
Mortgage Backed Securities	0.62	0.03
Cash	8.96	-
Derivatives	(3.30)	-
Total:	100.00	7.20

Portfolio Credit Quality (Blended Weighted Average Rating)

Combined Rating	%	Cumulative %
AAA	35.2	35.2
AA	3.4	38.6
A	22.7	61.3
BBB	22.9	84.1
BB	10.8	94.9
B	4.2	99.0
CCC	1.0	100.0
Average Quality: A		



*PRIMARY BENCHMARK is FTSE WGBI (USD)

All Averages are US DOLLAR - weighted by the net market value. Average Market Price includes accrued interest. The "Blended Weighted Average Rating" is determined as follows: in line with the methodology used by Barclays Global indices, the middle rating from the three major NRSROs (S & P, Moody's, and Fitch) will be assigned to each security. In the event that ratings are provided by only two agencies, the lowest rating will be assigned. If only one agency assigns a rating, that rating will be applied. If the security is not rated by one of the three major agencies, U.S. treasuries and certain U.S. agencies are given the U.S. issuer rating. Sovereign treasuries are given the sovereign issuer rating. All other unrated securities are given a rating equivalent to a defaulted bond. The equivalent numerical rating is assigned to each security based on the Security Level scale. A Portfolio Level scale is applied on the weighted average calculation to round for fractional numerical ratings and then converted to an alpha weighted average rating. Cash is included and received the highest rating.

Data included on this page show the aggregate holdings of the Brandywine Emerging Markets Debt Fund ("EMD Fund"), in which the portfolio is invested. Holdings in the EMD Fund are not subject to ACERA's Investment Guidelines. Please note that ACERA owns units of the EMD Fund, not the underlying holdings. Data and characteristics shown are for illustrative purposes only.

Derivatives market value represents the unrealized profit/loss of all derivatives in the portfolio.

Brandywine
Country & Currency Allocation

Period Ending: March 31, 2020

Global Opportunistic Fixed Income

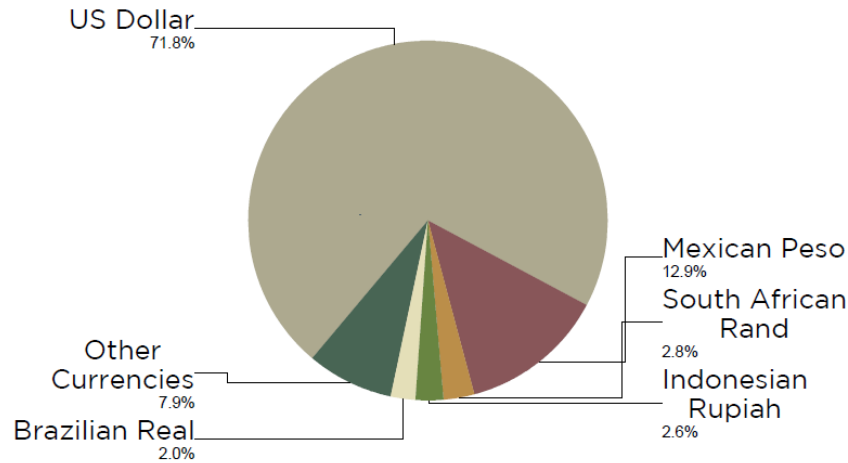
March 31, 2020

Country Allocation	3/31/2020			12/31/2019		Currency Allocation	3/31/2020			12/31/2019	
	Portfolio	Index	Active	Portfolio	Change		Portfolio	Index	Active	Portfolio	Change
United States	54.88	41.20	13.68	46.52	8.36	Euro	0.93	29.63	(28.70)	0.96	(0.03)
*Mexico	12.08	0.59	11.49	14.28	(2.20)	US Dollar	14.70	41.20	(26.50)	2.46	12.24
France	0.07	7.79	(7.72)	-	0.07	Japanese Yen	3.50	18.18	(14.67)	-	3.50
*Brazil	5.18	-	5.18	6.24	(1.06)	*Mexican Peso	10.07	0.59	9.48	10.38	(0.32)
United Kingdom	0.22	5.14	(4.92)	0.25	(0.03)	British Pound Sterling	14.23	5.14	9.09	16.63	(2.40)
Spain	0.55	4.37	(3.82)	0.57	(0.02)	Australian Dollar	9.86	1.46	8.40	10.08	(0.22)
Australia	4.65	1.46	3.20	4.77	(0.11)	South Korean Won	8.04	-	8.04	5.84	2.20
*Colombia	3.19	-	3.19	3.67	(0.47)	*Chilean Peso	6.26	-	6.26	6.67	(0.40)
*Indonesia	3.05	-	3.05	3.29	(0.24)	Norwegian Krone	5.78	0.18	5.60	6.13	(0.35)
*Malaysia	3.16	0.37	2.79	2.95	0.20	New Zealand Dollar	3.91	-	3.91	3.95	(0.04)
Canada	3.76	1.50	2.26	1.69	2.06	*Malaysian Ringgit	3.54	0.37	3.17	3.31	0.23
*South Africa	2.57	0.35	2.22	3.08	(0.52)	*Brazilian Real	3.03	-	3.03	5.38	(2.36)
*Chile	2.12	-	2.12	2.34	(0.22)	*Indonesian Rupiah	2.92	-	2.92	4.44	(1.53)
*Russian Federation	1.55	-	1.55	0.72	0.83	*Colombian Peso	2.70	-	2.70	4.03	(1.33)
*Peru	1.36	-	1.36	0.14	1.22	*Russian Ruble	2.19	-	2.19	3.33	(1.15)
*Poland	1.56	0.46	1.10	1.72	(0.16)	*Polish Zloty	2.44	0.46	1.98	3.13	(0.69)
*Costa Rica	0.65	-	0.65	0.72	(0.07)	Canadian Dollar	-	1.50	(1.50)	-	-
*Argentina	0.62	-	0.62	1.41	(0.79)	*Peruvian Nuevo Sol	1.29	-	1.29	0.15	1.15
*Panama	0.39	-	0.39	-	0.39	*New Turkish Lira	1.22	-	1.22	0.14	1.08
*Zambia	0.37	-	0.37	0.34	0.03	*Czech Koruna	1.17	-	1.17	1.96	(0.79)
Israel	0.35	-	0.35	0.36	(0.01)	*Hungarian Forint	0.86	-	0.86	0.85	0.01
*Egypt	0.27	-	0.27	2.70	(2.43)	*Argentine Peso	0.57	-	0.57	0.52	0.04
*China	0.18	-	0.18	-	0.18	*South African Rand	0.92	0.35	0.56	1.79	(0.88)
*Kuwait	0.15	-	0.15	0.22	(0.07)	Danish Krone	-	0.39	(0.39)	-	-
Macao	0.11	-	0.11	0.10	0.01	*Thai Baht	(0.39)	-	(0.39)	-	(0.39)
*Vietnam	0.09	-	0.09	0.09	-	Singapore Dollar	-	0.34	(0.34)	-	-
*Uruguay	0.07	-	0.07	0.07	-	*Egyptian Pound	0.27	-	0.27	2.70	(2.43)
Luxembourg	0.06	-	0.06	-	0.06	Swedish Krona	-	0.22	(0.22)	5.18	(5.18)
Other Countries	0.03	36.78	(36.76)	0.58	(0.55)	Total:	100.00	100.00	-	100.00	-
Derivative P/L	(3.30)	-	(3.30)	1.16	(4.46)						
Total:	100.00	100.00	-	100.00	-						

Brandywine
Duration Summary

Period Ending: March 31, 2020

Source of Portfolio Duration by Currency Denomination



Modified Duration Contribution by Currency
(In Years)

Currency	3/31/2020				Total	12/31/2019	
	0-3	>3-10	>10-20	>20+		Total	Change
US Dollar	0.05	0.26	0.25	4.61	5.17	3.20	
*Mexican Peso	-	0.08	0.29	0.55	0.93	(0.23)	
*South African Rand	-	-	-	0.20	0.20	(0.08)	
*Indonesian Rupiah	-	0.19	-	-	0.19	(0.02)	
*Brazilian Real	0.05	0.09	-	-	0.14	0.05	
*Colombian Peso	0.00	0.13	-	-	0.14	(0.03)	
*Peruvian Nuevo Sol	-	0.01	0.10	-	0.11	0.10	
*Malaysian Ringgit	0.02	0.07	-	-	0.09	(0.00)	
*Russian Ruble	-	0.03	0.06	-	0.08	0.05	
Australian Dollar	0.08	-	-	-	0.08	(0.01)	
*Chilean Peso	0.03	-	-	-	0.03	(0.01)	
Euro	-	0.00	-	0.02	0.03	(0.00)	
*Argentine Peso	0.01	-	-	-	0.01	(0.00)	
*Polish Zloty	0.00	-	-	-	0.00	(0.02)	
*Egyptian Pound	-	-	-	-	-	(0.01)	
Total	0.24	0.86	0.70	5.39	7.20	2.99	

Modified Duration Contribution by Country
vs. FTSE WGBI (USD)

(In Years)

Country	3/31/2020					Index	12/31/2019	
	0-3	>3-10	>10-20	>20+	Total		Total	Change
Japan	-	-	-	-	-	2.06	(2.06)	-
United States	0.02	0.18	0.21	4.33	4.74	2.84	1.90	3.32
*Mexico	0.00	0.08	0.29	0.74	1.12	0.03	1.09	(0.37)
United Kingdom	-	0.01	-	-	0.01	0.75	(0.75)	(0.00)
France	-	0.00	-	-	0.00	0.69	(0.68)	0.00
Italy	-	-	-	-	-	0.49	(0.49)	-
Spain	-	-	-	0.02	0.02	0.34	(0.32)	(0.01)
*South Africa	-	0.00	-	0.21	0.22	0.02	0.19	(0.07)
*Indonesia	-	0.19	-	-	0.19	-	0.19	(0.02)
*Brazil	0.07	0.11	-	0.00	0.17	-	0.17	0.05
*Colombia	0.00	0.14	-	-	0.14	-	0.14	(0.03)
*Peru	-	0.01	0.10	-	0.11	-	0.11	0.10
Canada	0.00	0.00	-	-	0.01	0.11	(0.10)	(0.00)
*Russian Federation	-	0.04	0.06	-	0.10	-	0.10	0.05
*Panama	-	-	-	0.07	0.07	-	0.07	0.07
*Malaysia	0.02	0.07	-	-	0.09	0.02	0.07	(0.00)
*Chile	0.03	-	-	0.01	0.05	-	0.05	0.00
*Costa Rica	-	-	0.04	-	0.04	-	0.05	(0.01)
Australia	0.08	-	-	-	0.08	0.10	(0.03)	(0.01)
*Poland	0.00	-	-	-	0.00	0.02	(0.01)	(0.02)
Israel	0.00	0.01	-	-	0.01	-	0.01	0.00
*Zambia	0.01	0.00	-	-	0.01	-	0.01	0.00
*Argentina	0.01	0.00	-	-	0.01	-	0.01	(0.04)
Luxembourg	-	0.00	-	-	0.00	-	0.00	0.00
*Vietnam	-	0.00	-	-	0.00	-	0.00	(0.00)
*Kuwait	0.00	-	-	-	0.00	-	0.00	(0.01)
*China	0.00	-	-	-	0.00	-	0.00	0.00
Macao	0.00	-	-	-	0.00	-	0.00	0.00
*Uruguay	0.00	-	-	-	0.00	-	0.00	(0.00)
Other Countries	-	-	-	-	-	1.00	(1.00)	(0.03)
Total	0.24	0.86	0.70	5.39	7.20	8.47	(1.27)	2.99

Manager Compliance Checklist

Period Ending: March 31, 2020

MANAGER	INDEX OUTPERFORMANCE						DATABASE BENCHMARK		MANAGER TO BE PLACED ON WATCH LIST
	AFTER FEE VS. INDEX		BEFORE FEE VS. INDEX		RISK ADJUSTED (SHARPE RATIO)		MEDIAN		
	3 YEAR	5 YEAR	3 YEAR	5 YEAR	3 YEAR	5 YEAR	3 YEAR	5 YEAR	
AQR (MSCI ACWI EX US GROSS)	NO	NO	NO	NO	NO	NO	NO	NO	YES
BAIRD ADVISORS (BBGBARC US AGGREGATE)	YES	YES	YES	YES	NO	YES	YES	YES	NO
BRANDYWINE FIXED INCOME (FTSE WGBI)	NO	NO	NO	NO	NO	NO	NO	NO	YES
CAPITAL GROUP (MSCI ACWI EX US GROSS)	YES	YES	YES	YES	YES	YES	YES	YES	NO
KENNEDY (RUSSELL 2000 VALUE)	NO	NO	NO	NO	NO	NO	NO	NO	YES
LOOMIS SAYLES (BBGBARC US CREDIT BAA)	YES	YES	YES	YES	YES	YES	NO	YES	YES
MONDRIAN (MSCI ACWI EX US GROSS)	NO	NO	NO	NO	NO	NO	YES	NO	YES
PZENA (RUSSELL 1000 VALUE)	NO	NO	NO	NO	NO	NO	NO	NO	YES
TCW (RUSSELL 1000 GROWTH)	YES	YES	YES	YES	YES	NO	YES	YES	YES
TEMPLETON (MSCI ACWI EX US SMALL CAP GROSS)	NO	NO	NO	NO	NO	NO	NO	NO	YES

1 Next Century will be replaced by William Blair

Total Plan Policy Index	As of:															
	6/1/19	10/1/17	7/1/16	1/1/13	10/1/11	4/1/11	1/1/09	7/1/06	4/1/03	6/1/01	10/1/97	1/1/96	10/1/94	1/1/92	1/1/80	
91-day US T-Bill											1%	1%	1%	1%	2%	
BBgBarc Aggregate	11.40%	11.25%	11.25%	11.25%	15%	18%	18%	21%	23%	26%	33%	29%	32%	37%	30%	
BBgBarc High Yield	1.60%	1.50%	1.50%	1.50%	2.0%	2.4%	2%	3%	3%	3%						
Bloomberg Commodity	0.75%	0.75%	0.75%													
FTSE WGBI	3.00%	2.25%	2.25%	2.25%	3%	3.6%	3.6%	4%	4%	5%						
CPI-U +3% (RR)				5.00%	5%											
MSCI ACWI ex US							23%	22%	22%	22%						
MSCI ACWI ex US IMI	25.00%	26.00%	26.00%	27.00%	25%	23%										
MSCI EAFE											10%	10%	10%	10%		
MSCI Emg Mkts Free ex Malaysia											3%					
MSCI World net															10%	
NCREIF						6%	6%	9%	9%	9%						
NCREIF ODCE	8.00%	8.00%	8.00%	6.00%	6%											
Russell 3000	25.00%	28.00%	28.00%	32.00%	34%	37%	37%	41%	39%	35%	42%	49%	47%	40%		
HFRI FoF Composite	9.00%	9.00%														
Thomson Reuters CJA Global All PE	8.00%	9.00%														
Russell 3000 +1% (PE)			18.00%	15.00%	10%											
Russell 3000 +1.5% (PE)						10%	10%									
Russell 3000 +4% (AI)											2%					
S&P 500															55%	
S&P Global Infrastructure	1.75%	1.75%	1.75%													
S&P Global Natural Resources	2.50%	2.50%	2.50%													
S&P/LSTA Leveraged Loan	4.00%															

ACERA

US Equity Benchmark

As of:

	1/1/92	1/1/80
Russell 3000	100%	0%
S&P 500	0%	100%
	100.0%	100.0%

International Equity Benchmark

As of:

	4/1/11	6/1/01	10/1/97	1/1/92	1/1/80
MSCI ACWI ex US		100%			
MSCI ACWI ex US IMI	100%				
MSCI EAFE			77%	100%	
MSCI Emg Mkts Free ex Malaysia			23%		
MSCI World net					100%
	100.0%	100.0%	100.0%	100.0%	100.0%

Fixed Income Benchmark

As of:

	6/1/19	6/1/01	1/1/80
BBgBarc Aggregate	71.25%	75%	100%
BBgBarc High Yield	10.00%	10%	
FTSE WGBI	18.75%	15%	
	100.0%	100.0%	100.0%

Real Estate Benchmark

As of:

	1/1/80
NCREIF ODCE	100%
	100.0%

Real Assets Benchmark

As of:

	7/1/16	10/1/11
CPI-U +3%		100%
Bloomberg Commodity	15%	
S&P Global Infrastructure	35%	
S&P Global Natural Resources	50%	
	100.00%	100.0%

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: $\text{Portfolio Return} - [\text{Risk-free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk-free Rate})]$.

Benchmark R-squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book-to-Market: The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price-to-Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

R-Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$.

Sortino Ratio: Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.



**PERSPECTIVES
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PERIOD ENDING: MARCH 31, 2020

Absolute Return Performance Report

Alameda County Employees' Retirement Association

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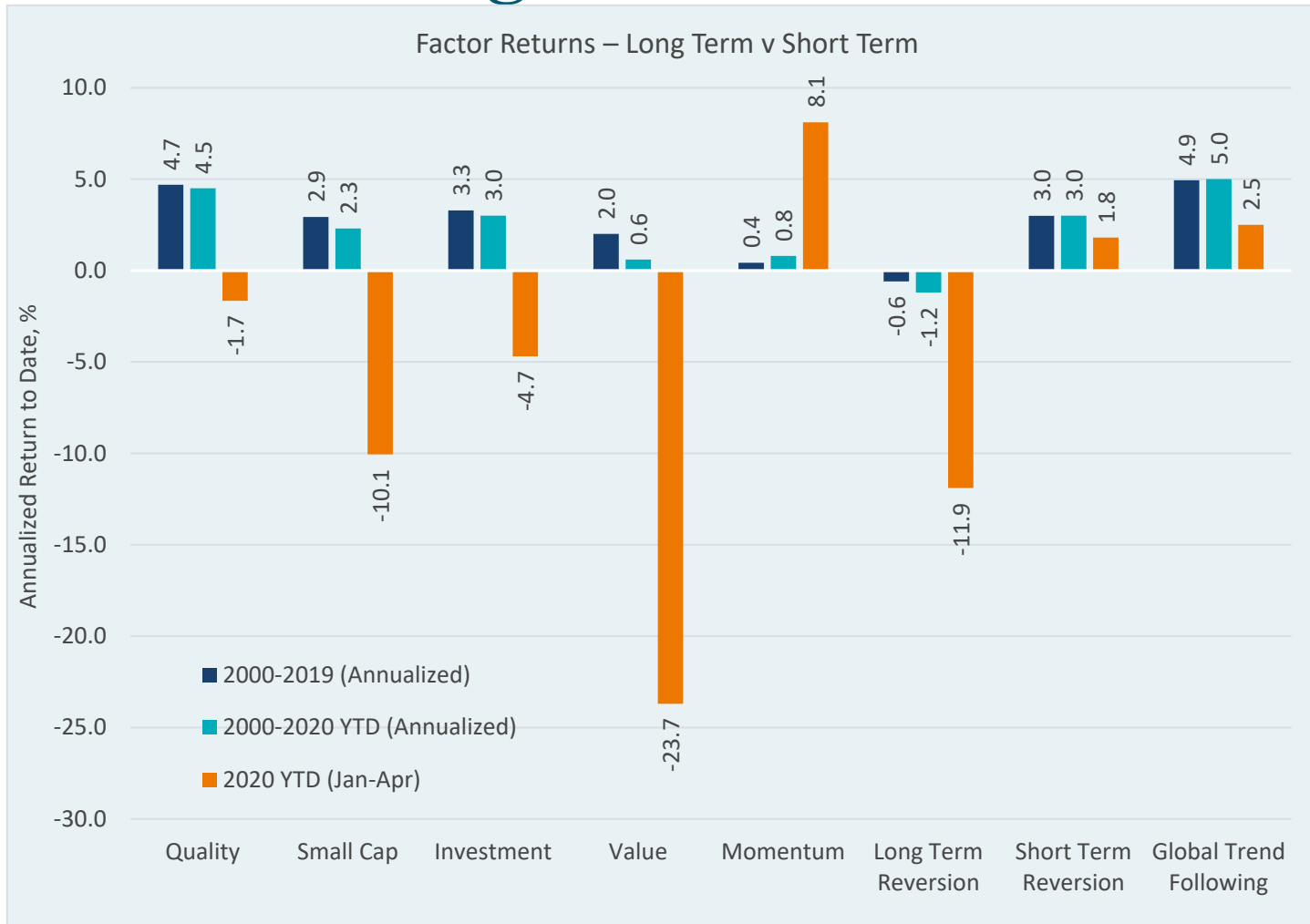
Hedge Fund Environment

Another test for alternatives

Observations after the first few months of 2020:

- **Short volatility funds crushed again** – Short vol exposure was one of the best performing risk premia from 2009-2017, but twice in the last three years (Q1 2018 and now Q1 2020) these funds have suffered outsized losses due to a variety of reasons, including basis risk, forced selling, and ETF liquidations.
- **Yield curve dispersion (or lack thereof)** – With interest rates back to zero or near zero, many alternative strategies could struggle again. Interest rates are a huge part of the global securities markets, and without any movement up or down it becomes harder for traders to generate profits. Any strategies that seek to profit by shorting unattractive companies may experience an environment that is conducive to allowing these companies (that should be punished by lower prices or even insolvency) to put off that punishment for much longer than should be.
- **Man vs. Machine** - Due to the COVID-19 crisis many governments, including the Fed, took emergency action and cut interest rates to extreme levels. While many discretionary managers were able to take advantage by being long rates in anticipation of these moves due to observable non-market, non-economic factors (i.e. COVID-19), systematic and quantitative strategies that use historical market data to position portfolios were largely caught off guard, resulting in poor results. This event highlights a significant difference in potential strategy drawbacks of relying upon backwards-looking data.
- **The next distressed cycle** – Even with the significant fiscal and monetary policy support in place, there is a tremendous amount of stress in the corporate world expected to play out over the next few years.

Despite recent experience, factors additive over the long term



Fama French 5-Factor model factors are mostly positive over the last 20 years, as has been global trend following, also a key component of most premia strategies, across global markets and asset classes.

Quality and Investment factors have been shown to explain the bulk of the traditional Value factor and may be included as part of an appropriate depiction of “Value”.

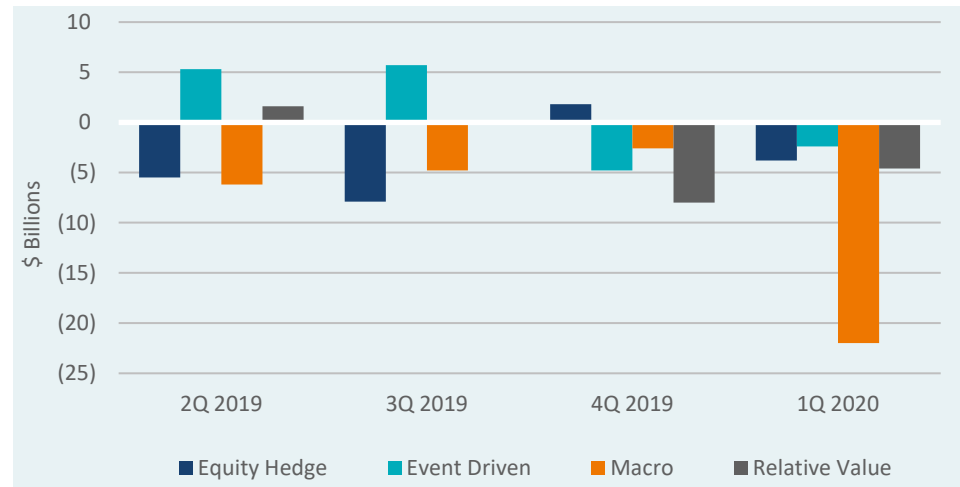
Factor detail: Quality = Fama French Robust Minus Weak, Small Cap = FF Small Minus Big, Investment = FF Conservative Minus Aggressive, Momentum = FF-Carrhart Momentum, LT Reversion = FF Long Term Reversion, ST Reversion = FF Short Term Reversion, Global Trend Following = SocGen Trend Index (representing momentum in equity + non equity assets), Value = FF High Minus Low

Hedge fund trends & flows

Outflows spike

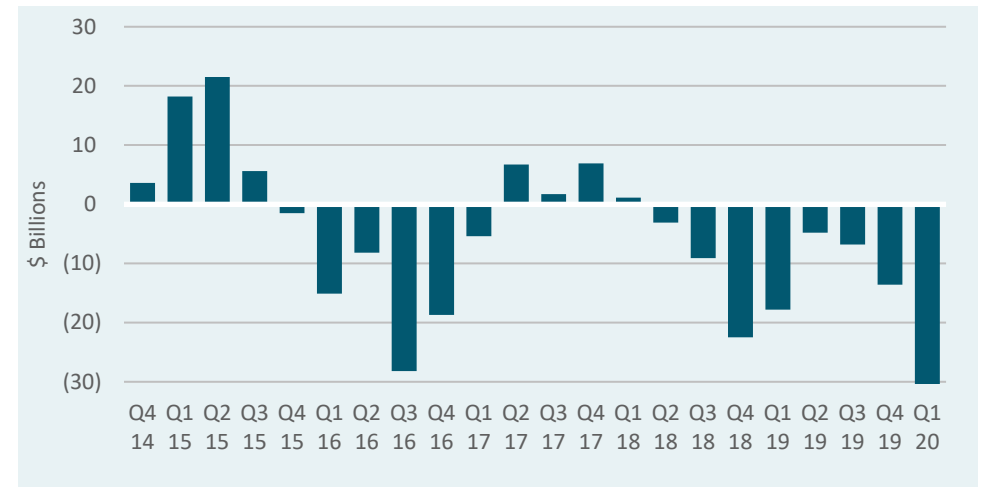
- Investors redeemed a net \$33 billion from hedge funds in the first quarter of 2020, the largest quarterly outflow since the second quarter of 2009. Outflows were concentrated by size, coming from the largest firms (managing >\$5 billion) as well as by strategy type, with \$19 billion coming out of trend following and quantitative macro strategies.
- Inflows were limited to distressed credit funds (\$1.5 billion) and quantitative directional equity strategies (\$3.2 billion).
- In terms of a percentage of total industry assets, the quarterly net outflows in Q1 2020 (~1% of total industry) were much smaller than those experienced during the 2008 financial crisis (~9% of total industry in 4Q 2008).
- There is likely some overlap between the struggling quantitative macro/CTA strategies and the alternative beta/liquid alternative universe, at least in terms of general model types (Trend + Macro). However, while most alternative beta strategies struggled in Q1, HFRI Macro composite was slightly positive (+0.1%) for the quarter.

NET FLOWS TO HFR SUB-STRATEGIES, LAST 4 QUARTERS



Source: HFR

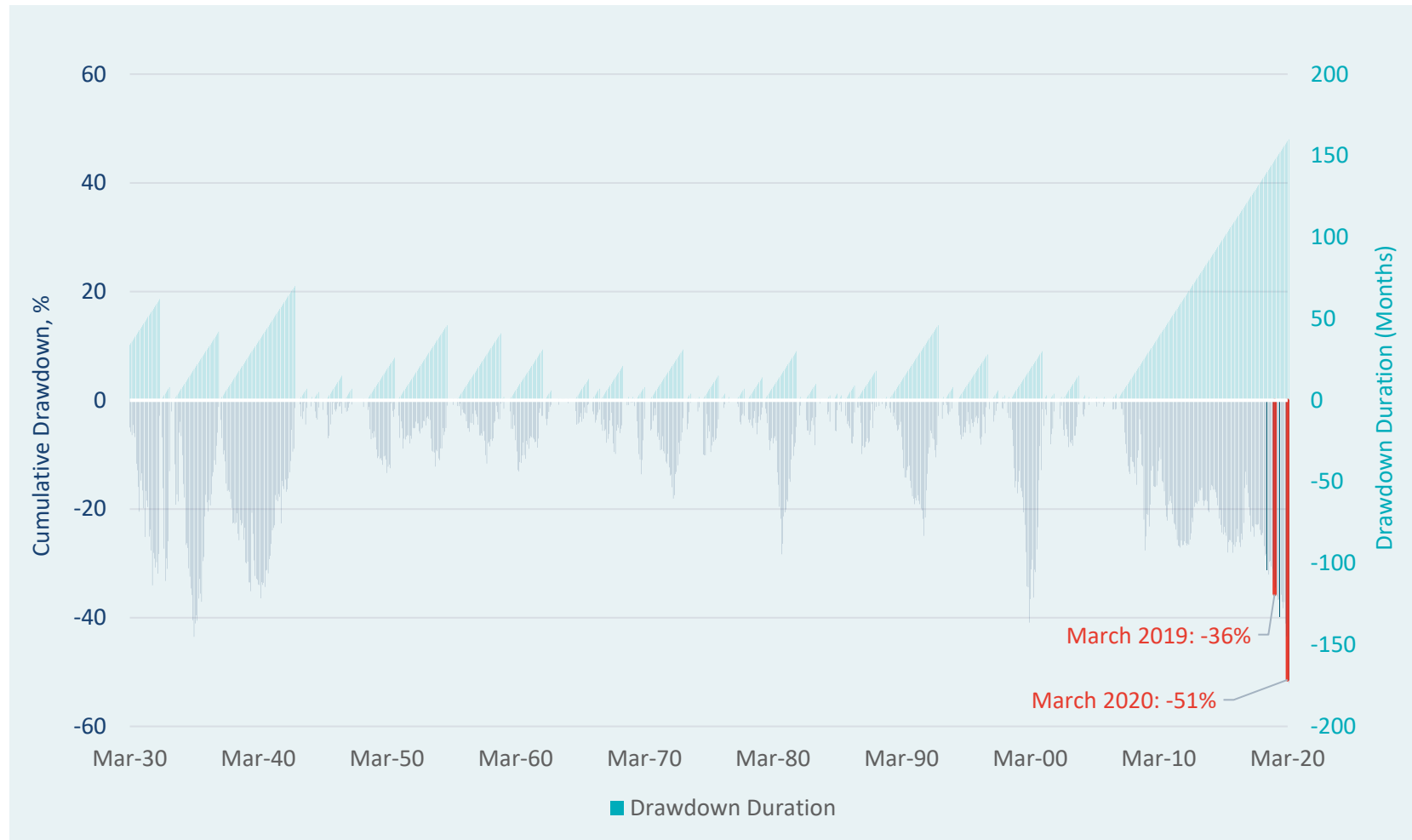
QUARTERLY NET FLOWS TO HEDGE FUNDS



Source: HFR

Long-term perspective on value

HISTORICAL DRAWDOWNS FOR FAMA-FRENCH HML FACTOR 1926 – APRIL 2020



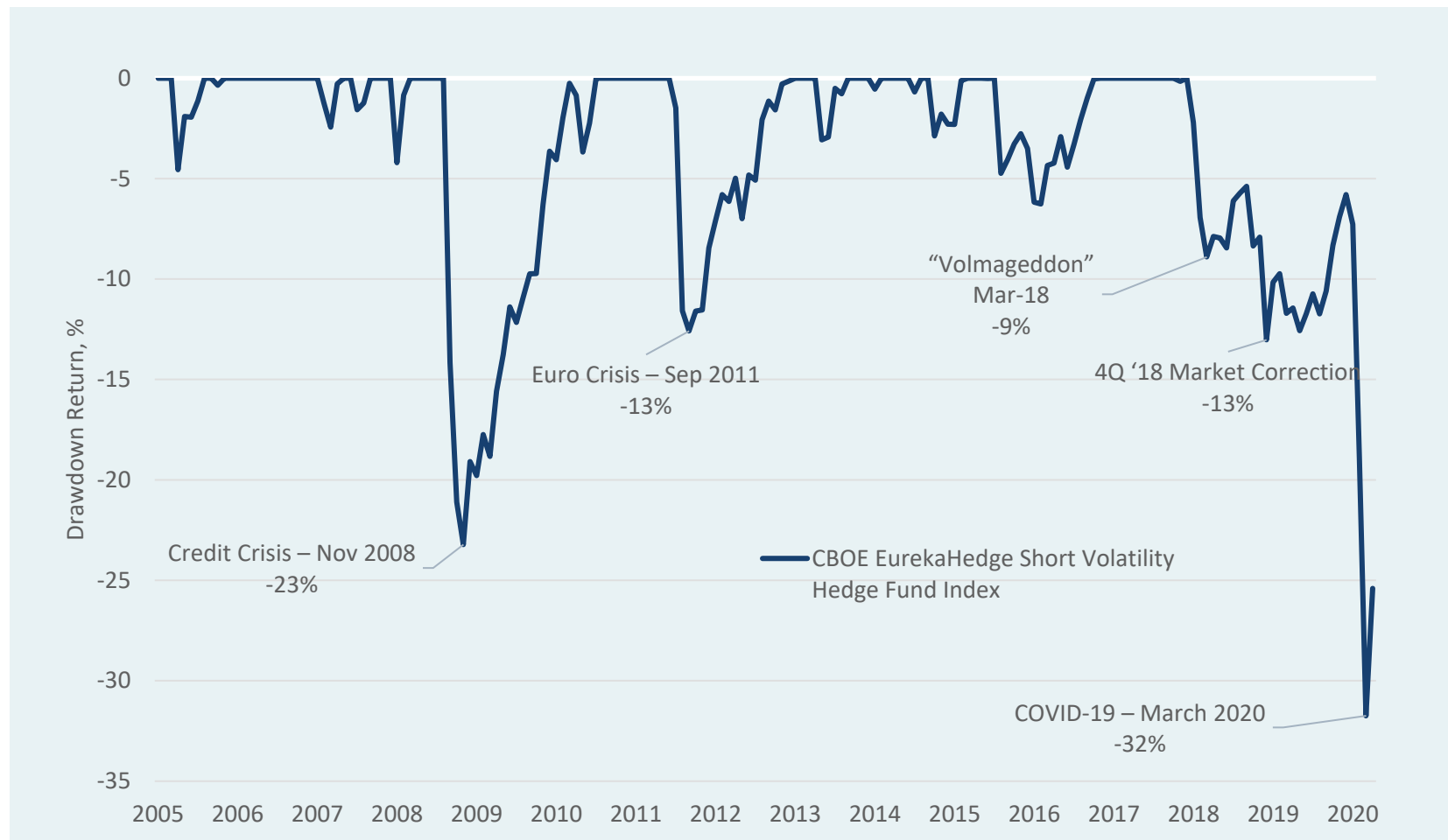
One year ago, the magnitude of the Value drawdown was still less than multiple historical drawdowns.

Now, through March 2020, its magnitude is unmatched going back almost a century.

Source: MPI

Short volatility strategies taking hits

CUMULATIVE DRAWDOWNS, JANUARY 2005 – APRIL 2020



After December 2019, short vol strategies were only 6% under their high watermark, in a drawdown that began in January 2018.

In Q1 2020, these strategies declined almost 28%, far worse than their previous worst quarter ever (down 13% in 3Q 2011)

Source: MPI, S&P DowJones

ACERA Performance

Allocations

Target

Sub-categories	Target Allocations	Min./Max. Ranges
AR Portfolio	9.0%	5% to 10.5%
▪ <i>Alternative Premia Strategies</i>	4.5%	2% to 6%
▪ <i>Fund of Funds</i>	3.6%	2% to 6%
▪ <i>Other Alternatives/Oppportunistic</i>	0.9%	0% to 4.5%

Current (as of 3/31/2020)

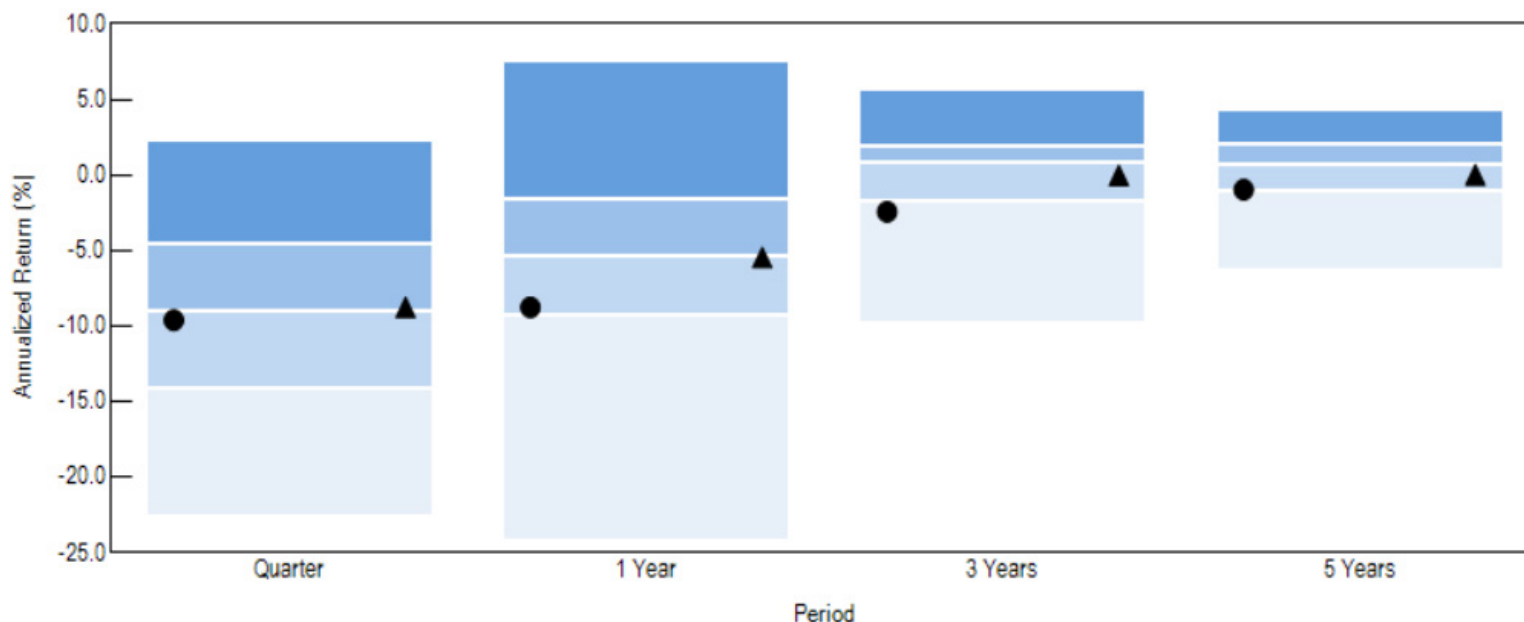
Sub-categories	Current Allocations	Min./Max. Ranges
AR Portfolio	9.2%	5% to 10.5%
▪ <i>Alternative Premia Strategies</i>	2.6%	2% to 6%
▪ <i>Fund of Funds</i>	3.6%	2% to 6%
▪ <i>Other Alternatives/Oppportunistic</i>	3.1%	0% to 4.5%

Performance Summary

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Ending March 31, 2020					Inception (%)	Inception Date
										2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)		
Absolute Return*	683,711,944	100.0	-9.6	-9.6	-9.6	-8.8	-2.4	-1.0	--	1.8	-2.2	3.3	5.4	0.7	1.8	Sep-11

Relative Performance

InvMetrics All DB Hedge Funds Gross Return Comparison
Ending March 31, 2020



	Return (Rank)			
	Quarter	1 Year	3 Years	5 Years
5th Percentile	2.3	7.4	5.7	4.3
25th Percentile	-4.5	-1.6	2.0	2.1
Median	-9.0	-5.3	0.9	0.8
75th Percentile	-14.0	-9.3	-1.6	-1.0
95th Percentile	-22.6	-24.2	-9.8	-6.3
# of Portfolios	210	207	199	185
● Absolute Return	-9.6 (54)	-8.8 (72)	-2.4 (78)	-1.0 (75)
▲ HFRI Fund of Funds Composite Index	-8.8 (49)	-5.5 (51)	0.0 (62)	0.0 (60)

Portfolio Statistics* (as of 3/31/20)

	Benchmark HFRI FoF Composite	Absolute Return Portfolio	MSCI ACWI
Max Drawdown	-9.0	-10.6	-21.26
Sharpe Ratio	0.27	0.17	0.17
Beta	0.29	0.18	1.00
Correlation to MSCI ACWI	0.85	0.38	1.00
Annualized StDev	4.6	4.2	13.4

*Since inception of AR Portfolio (9/2011)

Portfolio performance and risk targets are:

AR portfolio returns to exceed benchmark

Correlation to global equities less than or equal to 0.5

Appendix

Glossary

Beta - A measure of systematic (undiversifiable) or market risk, the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Correlation – A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help optimize the benefits of diversification when constructing an investment portfolio.

Internal Rate of Return (IRR) – the interest rate which is the net present value of all the cash flows (both positive and negative) of an investment.

Maximum Drawdown – the maximum loss from a peak to a trough of a portfolio before a new peak attained. Maximum drawdown measures the downside risk over a specified time period.

Standard Deviation - A measure of volatility, or risk. Measures risk by indicating how far from the average, or mean, return one is likely to fall in any given time period. The rules of statistics dictate that you will fall within 1 standard deviation of the mean 2/3 of the time and within 2 standard deviations 95% of the time. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Glossary

Sharpe Ratio - A measure of that explains the return of an investment compared to its risk. The Sharpe Ratio indicates excess portfolio return for each unit of risk over the risk free rate (usually short-term Treasuries or LIBOR) per unit of volatility. The higher the Sharpe Ratio, the greater its risk-adjusted return.

Time Weighted Return – A measure of the compound rate of growth in a portfolio, which eliminates the distorting effects of growth rates created by inflows and outflows of money.

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PERIOD ENDING: DECEMBER 31, 2019

Private Equity Performance Review

Alameda County Employees' Retirement Association

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PITTSBURGH 412-784-6678

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Market Commentary

DEBT RELATED

- **HY issuance was up and leveraged loan issuance was down.** 2019 US high yield issuance of \$267 billion¹ was up 58.9% compared 2018. At \$808 billion¹, leveraged lending declined for the second consecutive year to the lowest volume in four years. Issuance was down 35% YoY and \$594 billion lower compared to 2017's record year.
- **Spreads tightened across the board except for CCC index.** US HY Credit Index tightened by 167 bps or 31.0%² versus the same period last year. BB and B index tightened by 152 bps and 98 bps, a 36.7%² and 17.3%² decreases versus the same period last year. However, in 2019 CCC index increased by 17.3%² from 2018.
- **Slight increase in LBO debt, with deterioration in interest coverage.** US total leverage (Debt / EBITDA) for 2019 at 5.9x³ up 5.8% from the same time last year. Interest coverage (EBITDA / Cash Interest) of 2019 was 2.7x³, down 1.5% from 2018.

GLOBAL

- **PE dry powder keeps surging globally except for Europe.** For 2019, global total PE dry powder was at \$1.57 trillion⁴, up 6.7% from 2018. US total PE was up by 6.0% to \$857.0 billion⁴; Europe total PE was down by 1.1% to \$2991.9 billion⁴; Asia total PE was up by 13.5% to \$361.4 billion⁴; and the rest of world total PE was up by 20.3% to \$52.8 billion⁴.
- **Investment activity was down.** During 2019, global PE firms invested in \$667.6 billion⁶ worth of deals, down 17.2% from the same time prior year and closed on 21,892 transactions⁶, down 15.2% from 2018.

US BUYOUTS

- **Dry powder was up.** For 2019, US buyout was \$449.6 billion⁴, up by 10.0% from the same time in 2018.
- **More fundraising activity with significantly larger fund sizes.** In 2019, US buyout firms across all buyout strategies raised \$240.3 billion⁵, up by 84.6% from same time prior year.
- **Investment activity was down.** During 2019, US buyout firms invested in \$213.8 billion⁶ worth of deals, down 25.1% from the same time last year and closed on 2,882 transactions⁶, down 17.4% versus the same time in 2018.

Market Commentary

- **LBO price multiples were up.** As of December 31, 2019, US LBO purchase price multiples (Enterprise Value / EBITDA) were at 11.5x⁷, an 8.6% increase from 2018.
- **Exit activity slowed down but large transactions.** During 2019, US buyout firms exited 898 companies¹², representing \$186.2 billion¹² in total transaction value. This represented a 20.3% decrease in the number of exits and a 7.6% decrease in total transaction value compared to the same time last year. However, the average exit size increased 16.0% to \$207.2 million in 2019 from \$178.6 million in 2018.

US VENTURE CAPITAL

- **Dry powder increased.** For 2019, US VC dry powder was at \$123.8 billion⁴, up 10.0% from the last year.
- **Fundraising activity slowed down, but average fund size increased.** US VC firms raised \$49.9 billion⁵ during 2019, a 13.7% increase from the same period last year. 449 funds⁵ closed in 2019, a 12.5% decrease from the same period last year. The average US VC fund size increased to \$111.1 million⁵ by 29.9% versus the same period last year.
- **Investment activities was up.** US VC firms deployed \$129.0 billion⁶ in capital in 2019, an 1.4% increase from 2018. The number of rounds closed at 5,835⁶, a 15.5% decrease from the same time last year. The average investment per deal increased to \$26.8 million⁶, a 18.1% increase from prior year.
- **All stages valuations were up.** Compared to 2018, the average pre-money valuations increased across all stages in 2019: up 14.3% at \$8.0 million⁸ for Seed stage, 17.6% at \$29.4 million⁸ for early stage VC, and 15.8% at \$88.0 million⁸ for late stage VC. Over the past 3 years, the average pre-money valuations of Seed stage, early stage and late stage investments were up 33.3%, 55.3%, and 60.7%, respectively⁹.
- **Exit activity decreased with less transactions.** US VC firms exited 611 companies⁶ in 2019, down by 10.8% from last year, representing \$70.0 billion⁶ in transaction value down by 11.0% from the same period last year.

Market Commentary

EX US

- **Ex US dry powder grew but less than dry powder in the US.** PE dry powder outside the US grew to \$708.2 billion⁴ for 2019, a 7.5% increase versus last year. However, dry powder outside the US was still 17.4% less than dry powder in the US (\$857.0 billion⁴).
 - **Europe buyout and VC dry powders were up.** For 2019, Europe buyout dry power was \$198.0 billion⁴, up by 1.5% from last year. Same time, VC dry powder in Europe grew to \$31.7 billion⁴, a 17.0% increase from prior year.
 - **In Asia, dry powder of VC and growth equity kept increasing, but buyouts decreased.** At the end of 2019, Asia buyout dry power was \$88.9 billion⁴, down by 3.9% from last year. VC dry powder in Asia increased to \$103.4 billion⁴, up by 10.7% from prior year. Growth equity dry powder grew to \$147.0 billion⁴, a 29.4% increase from 2018.
- **Fundraising outside of US was down.** In 2019, ex-US fundraising was down 8.4% to \$264.7 billion⁵ compared to same time prior year. The decrease was led by Asian funds which raised \$124.2 billion⁵, down 12.0% from same time last year. Fundraising was down in Europe as well, down by 0.9% from \$125.4 billion in 2018 to \$124.3 billion⁵ in 2019. Fundraising in the rest of the world was down 27.7% to \$16.2 billion⁵ compared to 2018.
- **Investments activity was down except Europe VC and Asia buyout with large deal value.** Both Europe buyout and Asia venture capital firms decreased the number of deals and aggregate deal volume in 2019. Europe venture capital and Asia buyout firms decreased the number of deals but increased aggregate deal volume in 2019.
 - **Europe buyout activities decreased, but VC investment increased.** In 2019, Europe buyout firms transacted on \$115.3 billion⁶ in aggregate value, down by 23.0% from 2018. VC investment activity was up from \$26 billion in 2018 to \$34.6 billion⁶ in 2019, an increase of 33.1%.
 - **Asia buyout activity was up, while VC investment activities was down significantly.** During 2019, Asia buyout firms closed on \$51.5 billion⁶ in aggregate value, up by 20.6% from the same time of last year's \$42.7 billion⁶. VC investment activity was down from \$141.8 billion during 2018 to \$86.2 billion⁶, a decrease of 39.2%.
- **Global purchase price multiples increased.** As of December 31, 2019, global median purchase price multiples (Enterprise Value / EBITDA) was 13.3x¹, a 23.1% increase from the same time last year. This was driven by an 8.6% increase in US purchase multiples at 11.5x⁷, a 34.3% increase in the rest of the world at 12.3x¹¹, and a 9.4% decrease in purchase price multiples in Europe at 8.9x¹¹.
- **Leverage multiples in Europe moved down.** European LBO leverage multiples (Debt / EBITDA) have averaged 5.5x¹⁰ during 2019, a decrease of 3.1% from the same time last year and an 10.5% decrease from the peak (6.1x¹¹) in 2007. European LBO Loan volume at \$53.1 billion¹¹ is down 30.5% versus 2018, a decrease of 50.5% versus the peak of \$107.3 billion¹¹ in the first half of 2007.
- **Exit activity weaker in both Europe and Asia.** During 2019, Europe PE firms aggregate exit value amounted to \$110.9 billion⁶, a 9.9% decrease from the same time last year, while Asia PE firms' exits were down 14.0% from to \$112.9⁶ billion in 2018 to \$97.1⁶ billion in 2019.

Market Commentary

Outlook

- **PE allocations likely to increase slightly.** A recent survey of institutional investors conducted on December 31, 2019 indicated that 41%¹² intend to increase their allocation for private equity compared to 31%¹² during the same period last year. 45%¹² intend to maintain their allocation for private equity compared to 57%¹² during the same period last year. 14%¹² intend to commit less capital to private equity compared to 12%¹² during the same period last year.
- **Institutional investors most interested in investing in North America and like small- to mid-market buyouts.** Based on the survey conducted on December 31, 2019, institutional investors view North America as the most attractive location to invest in the current economic climate with 88%¹² choosing it as their preferred developed market investment destination. This compares favorably versus West Europe (43%¹²) and Asia (21%¹²). China (44%¹²) and India (21%¹²) are the top two desired countries in the emerging markets for investors. In the same survey, 65%¹² of institutional investors also cited the venture capital strategy as presenting the best opportunities in the current financial climate. Small to mid-market buyout strategy was mentioned next with 60%¹² of institutional investors believing it presented the best opportunities.

Notes

1. *Leveraged Loan Monthly Thomson Reuters LPC*
2. *Guggenheim High-Yield Bank Loan Outlook*
3. *LCD's Leveraged Buyout Review*
4. *Preqin Dry powder by Geography (Preqin Website) Dry powder includes Buyout, Distressed PE, Growth, Mezzanine, Co-investments, Balanced, and Venture Strategies.*
5. *Preqin Private Equity Historical Fundraising Statistics*
6. *Preqin Pro Buyout and Venture Deals and Exits*
7. *US LBO Review*
8. *PitchBook-NVCA Venture Monitor*
9. *PitchBook's VC Valuations*
10. *LCD European Leveraged Buyout Review*
11. *European Leveraged Lending Review*
 - a. *Ex US Multiples were estimated utilizing a number of sources including Preqin Private Equity-Backed Buyout Deals and Exits Factsheet, LCD's Leveraged Buyout Review, Pitchbook Europe M&A and Leveraged Loan Monthly Thomson Reuters LPC.*
 - b. *Buyout Review, Pitchbook Europe M&A and Leveraged Loan Monthly Thomson Reuters LPC.*
12. *Preqin Investor Update: Alternative Assets*

	Policy Target	Policy Range	Market Value %	Market Value \$(000)	Unfunded Commitment \$(000)	Market Value + Unfunded \$(000)
ACERA Plan Assets - Total				\$8,757,428		
Private Equity:	8.0%	0-13%	6.9%	\$602,046	\$532,660	\$1,134,706
Buyouts	60.0%	30-80%	56.1%	\$337,518	\$329,615	\$667,133
Venture Capital	20.0%	0-40%	28.9%	\$174,176	\$46,146	\$220,322
Debt-Related/Special Situations	20.0%	0-70%	15.0%	\$90,352	\$156,899	\$247,251

Portfolio Summary

- As of December 31, 2019, the Private Equity portfolio had a total market value of \$602.0M, with \$337.5M million in Buyouts, \$174.2M in Venture Capital, and \$90.4M in Debt-Related / Special Situations. Total market value is the current reported value of investments, excluding the remaining amount of unfunded commitments.
- Since its initial allocation to Private Equity in Q4 2008, ACERA has contributed \$842.6M towards its Private Equity commitments, with \$456.9M to Buyouts, \$162.4M to Venture Capital, and \$223.4M in Debt-Related / Special Situations. Unfunded commitments total \$532.7M.
- In the second half of 2019, ACERA reduced the allocation to Private Equity from 9.0% to 8.0%; and approved a 4.0% allocation to Private Credit.

Portfolio Activity

- ACERA made two new commitments to Private Equity in the second half of 2019: \$5.0M to KPS Special Situations Mid-Cap Fund, L.P and \$20.0M to KPS Special Situations Fund V, L.P.

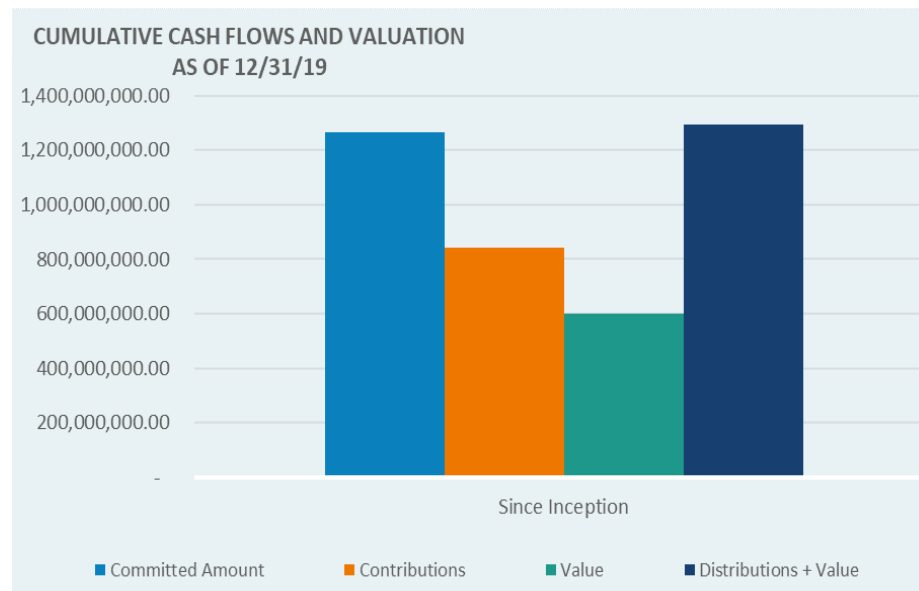
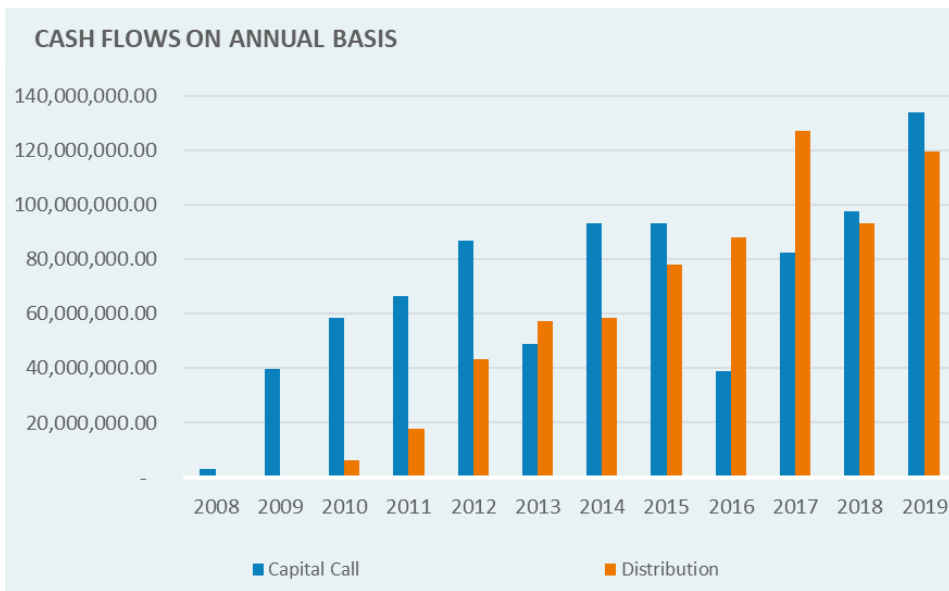
Private Equity Portfolio Performance

Period Ending: December 31, 2019

Performance

- Current Private Equity portfolio is valued at \$602.0. Portfolio investments have a capital-weighted average life of 4.6 years.
 - Since inception, the portfolio has produced +14.65% net IRR, outperforming its Thomson Reuters C|A Global PE benchmark pooled IRR of 13.27% by 138 basis points. Portfolio returns rank above Median on net IRR, Total Value Multiple (TVPI); and Distribution Multiple (DPI).
 - Relative to same Vintage global benchmark peers since inception (2008), the net IRR, TVPI, and DPI of all sub-asset classes rank above Median; except for Venture Capital ranks which above Top-Quartile on TVPI and DPI.
- Together with \$689.7M in realized distributions (0.82x cost), Private Equity's Total Value at \$1,291.8M is approximately \$449.1M above \$842.6M cost (1.53x cost), net of fees. Return drivers include:
 - Venture Capital up \$181.0M/+111.5% versus cost (Third Rock Venture II & III, General Catalyst VI, Great Hill IV, Khosla Ventures IV & Seed B, and NEA 13, 14, and 15 leading), with 104.2% of called capital realized and distributed. Since inception, this portfolio produced 20.14% net IRR versus its peer global benchmark of 16.57% pooled IRR.

- Buyouts up \$203.12M/+44.5% versus cost (Sycamore Partners I, Great Hill V, Warburg XI, Avista Capital Partners II, and ABRY Partners VII leading) with 70.6% of called capital realized and distributed. Since inception, the Buyouts portfolio produced 13.85% net IRR versus its peer global benchmark of 14.81% pooled IRR.
- Debt-Related / Special Situations was up \$65.02M/+29.1% versus cost (Centerbridge Special Credit Partners, ABRY Senior Equity IV & Advanced Securities II, and OHA Strategic Credit IB leading), with 88.7% of called capital realized and distributed. Since inception, this portfolio produced 10.22% net IRR versus its peer global benchmark of 10.54% pooled IRR.
- Within Private Equity, the current allocation of invested capital is 56.1% to Buyouts, 28.9% to Venture Capital and 15% to Debt / Special Situations. Of \$689.7M in cash distributions, 47% were from Buyouts, 29% from Debt-Related/Special Situations, and 25% from Venture Capital.



Private Equity – Portfolio Performance vs. Pooled Benchmark IRR

Period Ending: December 31, 2019

	1-Year	3-Year	5-Year	10-Year	Since Inception ²
Buyout	12.70%	10.84%	11.83%	14.13%	13.85%
<i>Thomson Reuters C/A Global Buyout Benchmark¹</i>	10.57%	17.39%	15.63%	15.62%	14.81%
Venture Capital	16.24%	21.34%	18.46%	20.41%	20.14%
<i>Thomson Reuters C/A Global Venture Capital & Growth Equity Benchmark¹</i>	14.47%	16.95%	16.10%	16.93%	16.57%
Debt-Related / Special Situation	6.61%	0.76%	6.56%	10.11%	10.22%
<i>Thomson Reuters C/A Global Mezzanine & Distressed Benchmark¹</i>	3.53%	8.95%	7.63%	9.96%	10.54%
Total Private Equity	13.02%	12.84%	13.26%	14.83%	14.65%
<i>Thomson Reuters C/A Global All Private Equity Benchmark¹</i>	8.60%	14.58%	12.68%	13.65%	13.27%

Identical cash flows from the portfolio inception through 12/31/19 invested in the Russell 3000 Total Return index would yield a 13.89% (Long Nickels). The result is an over performance of the portfolio of 0.76% relative to the index. Analysis provided by Solovis

¹ Benchmarks: Thomson Reuters C/A as of 9/30/19, vintage 2008 through present.

² ACERA's inception date of November 21, 2008 vs. Thomson Reuters C/A's inception date of January 1, 2008.

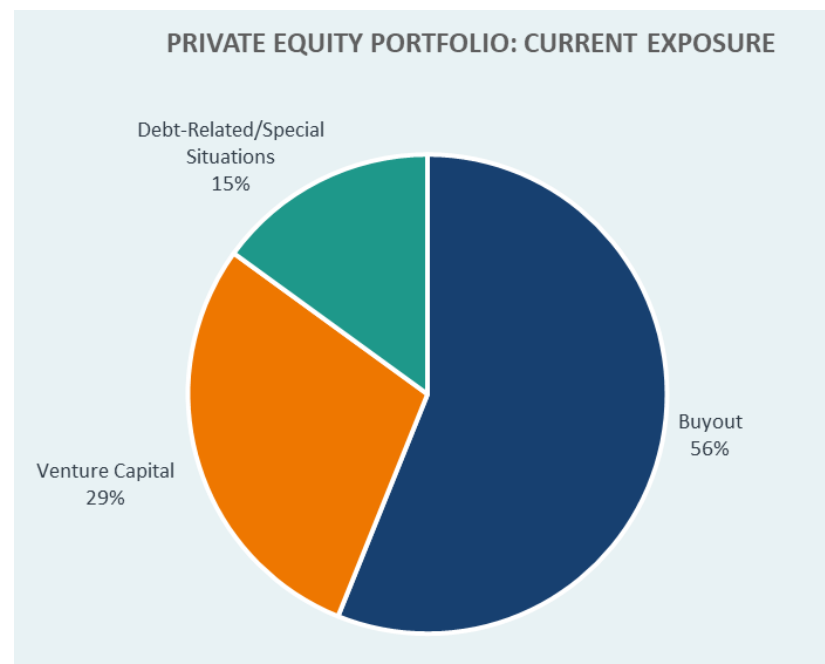
Strategy

Portfolio Diversification

Period Ending: December 31, 2019

Investment Type	Commitment	Current Exposure	Current Exposure as % of Private Equity
Buyout	739,630,298	337,518,014	56.1%
Venture Capital	208,100,000	174,176,203	28.9%
Debt-Related/Special Situations	336,870,930	90,352,082	15.0%
Total Private Equity	1,284,601,228	602,046,299	100.0%

Investment Type	Target Range	Target Exposure	Current Exposure as % of Target	Difference
Buyout	4%-8%	5.4%	4.5%	-0.9%
Venture Capital	0%-3%	1.8%	2.2%	0.4%
Debt-Related/Special Situations	1%-3%	1.8%	1.2%	-0.6%
Total Private Equity	0%-13%	9.0%	7.9%	-1.1%

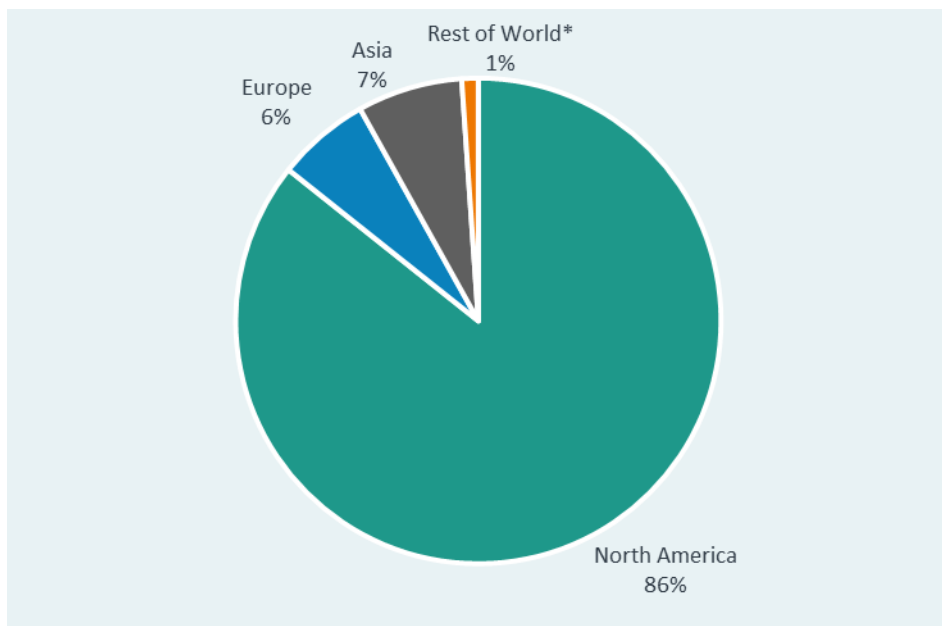


Geography

Private Equity Portfolio Diversification

Period Ending: December 31, 2019

Geography	Current Exposure
North America	500,691,075
Europe	36,201,064
Asia	40,674,076
Rest of World*	6,677,184
Total Private Equity	584,243,399



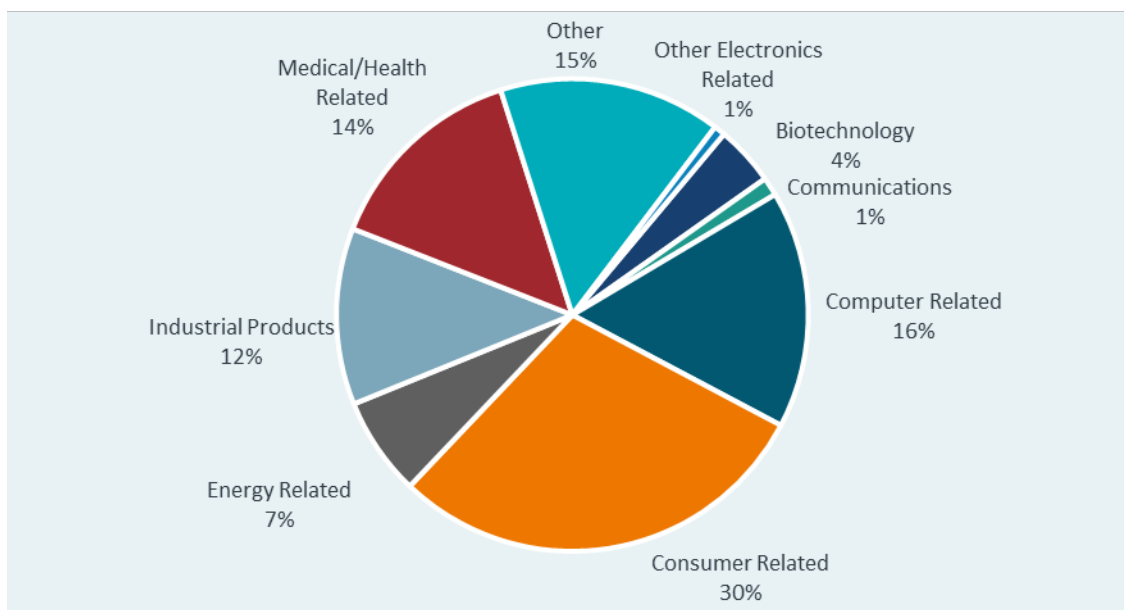
Based on the value of private equity portfolio companies as of December 31, 2019, as provided by the partnerships. Differences between reported value and the private equity portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed geography breakdown.

* Rest of World includes: Brazil, New Zealand, Kenya, Israel, United Arab Emirates, Australia, and Turkey.

Industry Private Equity Portfolio Diversification

Period Ending: December 31, 2019

Industry	Current Exposure
Biotechnology	23,954,131
Communications	7,396,922
Computer Related	95,007,886
Consumer Related	171,525,421
Energy Related	39,483,050
Industrial Products	70,657,375
Medical/Health Related	82,566,311
Other	89,195,713
Other Electronics Related	4,456,590
Total Private Equity	584,243,399

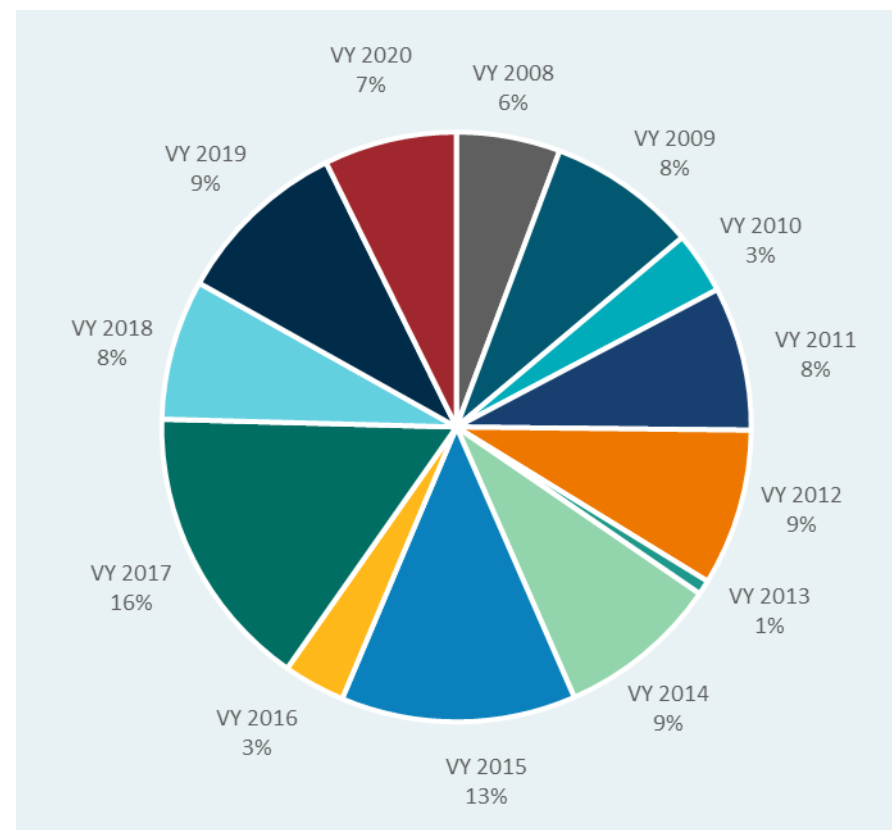


Based on the value of private equity portfolio companies as of December 31, 2019, as provided by the partnerships. Differences between reported value and the private equity portfolio valuation is due to temporary cash funds, fees, other expenses, and holdings with undisclosed industry breakdown.

Vintage Year Private Equity Portfolio Diversification

Period Ending: December 31, 2019

Vintage Year	Commitment as of 12/31/2019	% of Portfolio Commitment	Reported Value as of 12/31/2019
2008	72,710,518	5.7%	6,821,724
2009	103,500,000	8.1%	33,622,639
2010	42,500,000	3.3%	6,997,408
2011	99,280,742	7.7%	62,614,520
2012	108,500,000	8.4%	100,583,399
2013	10,000,000	0.8%	10,948,515
2014	112,080,000	8.7%	93,655,363
2015	163,250,000	12.7%	142,450,551
2016	43,250,000	3.4%	17,380,619
2017	198,004,670	15.4%	93,804,432
2018	98,000,000	7.6%	11,563,633
2019	121,000,000	9.4%	21,603,497
2020	112,525,298	8.8%	0
Total Private Equity	1,284,601,228	100%	602,046,299



- **As of December 31, 2019, the Private Equity Portfolio is below its neutral target allocation of 8.0%, but within its target range. In the second half of 2019, ACERA reduced the allocation to Private Equity from 9.0% to 8.0%.**

Appendix

	Policy Target	Policy Range	Market Value %	Market Value \$(000)	Unfunded Commitment \$(000)	Market Value + Unfunded \$(000)
ACERA Plan Assets - Total				\$8,757,428		
Private Credit:	4.0%	3-5%	0.4%	\$32,661	\$48,000	\$80,661

Portfolio Summary

- As of December 31, 2019, the Private Credit portfolio had a total market value of \$32.7M. Total market value is the current reported value of investments, excluding the remaining amount of unfunded commitments.
- Since its initial allocation to Private Credit in Q1 2019, ACERA has contributed \$33.1M towards its Private Credit commitments. Unfunded commitments total \$48.0M.

Portfolio Activity

- ACERA made a new commitment to Private Credit in 2019: \$80.0M to Owl Rock First Lien, L.P.

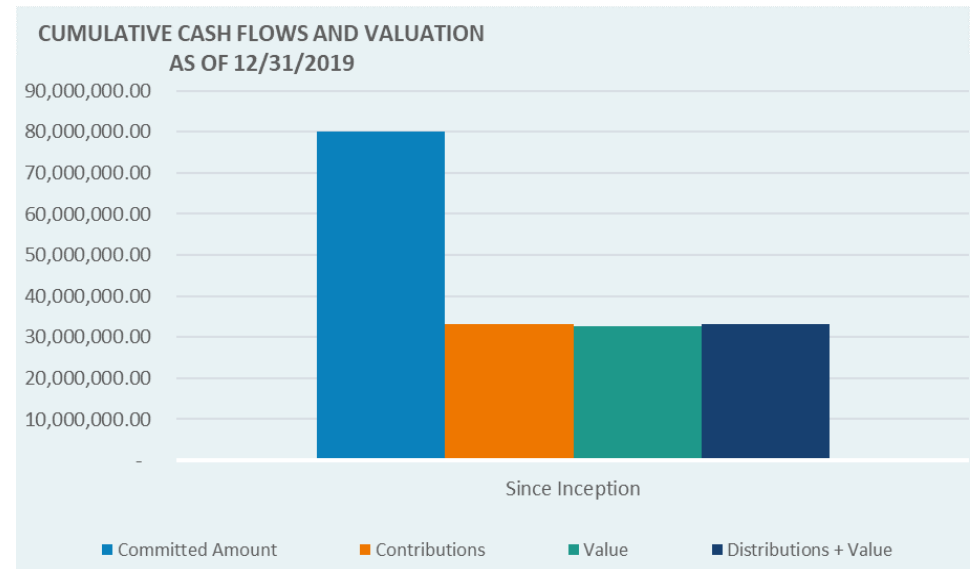
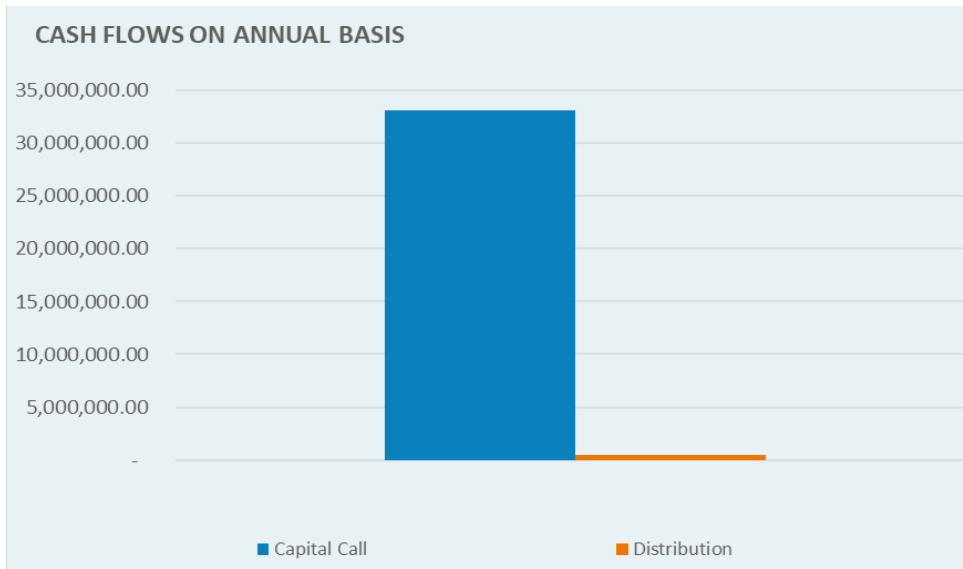
Private Credit Portfolio Performance

Period Ending: December 31, 2019

Performance

- The Private Credit’s performance, as measured by net IRR, is -0.80%, 1,430 bps below the same cash flow invested in the S&P LSTA U.S. Leveraged Loan 100 Index of 13.50%. With a capital-weighted average life of investments at 0.2 years, portfolio IRR and its comparison to the benchmark are not meaningful.
- The portfolio is currently valued at \$31.7M. Together with \$422.5 thousand in realized distributions (0.01x cost), Private Credit’s Total Value at \$33.1M is approximately \$16.0 thousand below \$33.1M cost (1.00x cost), net of fees.

- Capital calls dominated the portfolio’s cash-flow activity as new investments are made to reach the target exposure.





**PERSPECTIVES
THAT DRIVE
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SUCCESS**



PERIOD ENDING: DECEMBER 31, 2019

Real Assets Review

Alameda County Employees' Retirement Association

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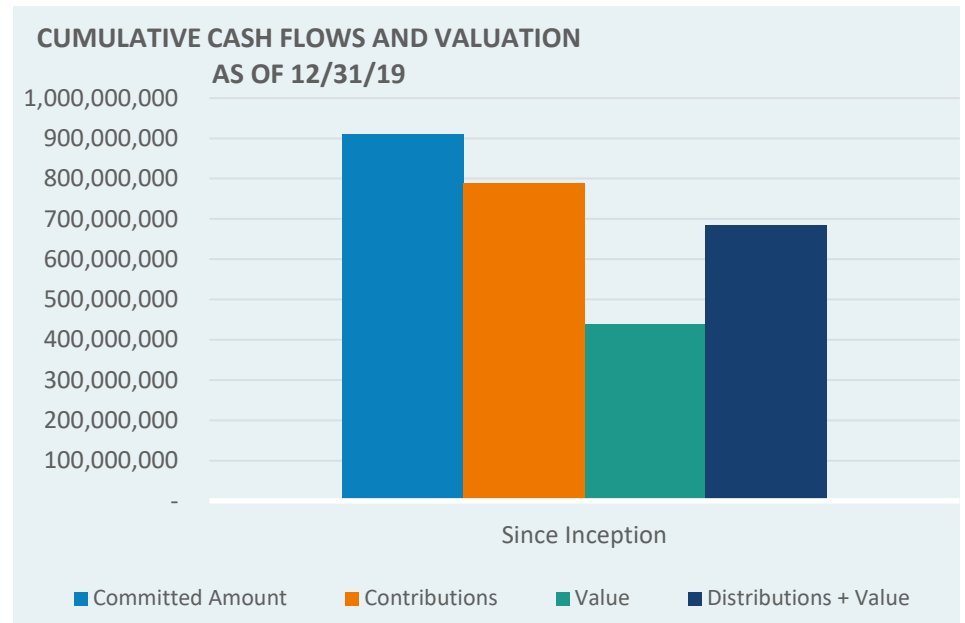
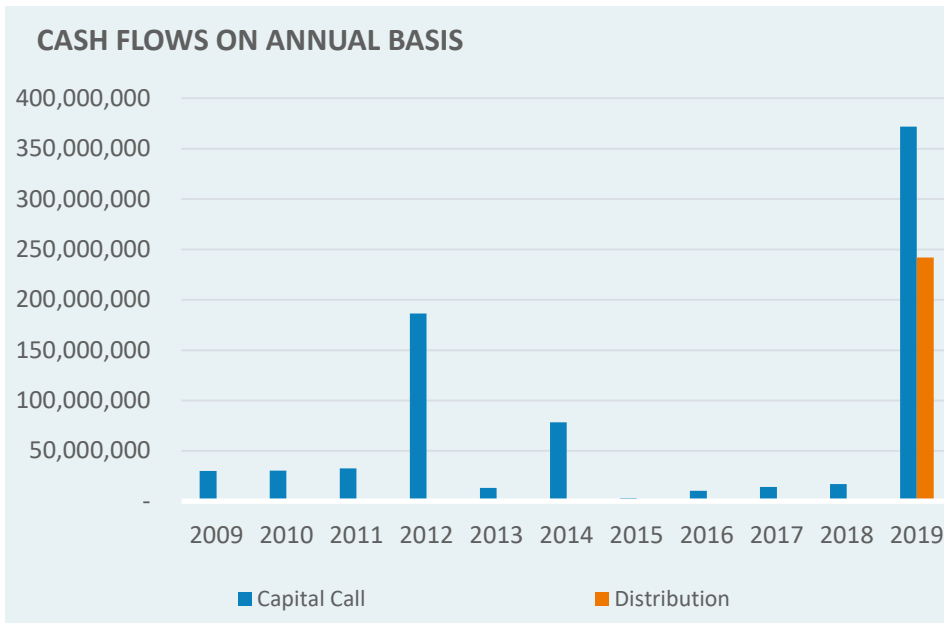
- RA Portfolio Diversification by Strategy
- RA Portfolio Diversification by Geography
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Performance

- ACERA’s Real Asset Pool has produced a -3.94% IRR since inception. The portfolio’s poor performance has been driven primarily by the large weighting in commodity futures (Gresham and AQR) and from earlier investments in energy (Sheridan). More recent investments in CIM Infrastructure, Quantum Energy, and ISQ Global Infrastructure have emerged from their j-curve but are still too early in their fund life to gauge performance.
- The commitment to Taurus Mining Finance II is ACERA’s first mining investment. Taurus’ strategy also helps to mitigate the broader portfolio’s j-curve due to the unique cash flow structure within project finance loans.



Real Assets Performance vs. Pooled Benchmark IRR

Period Ending: December 31, 2019

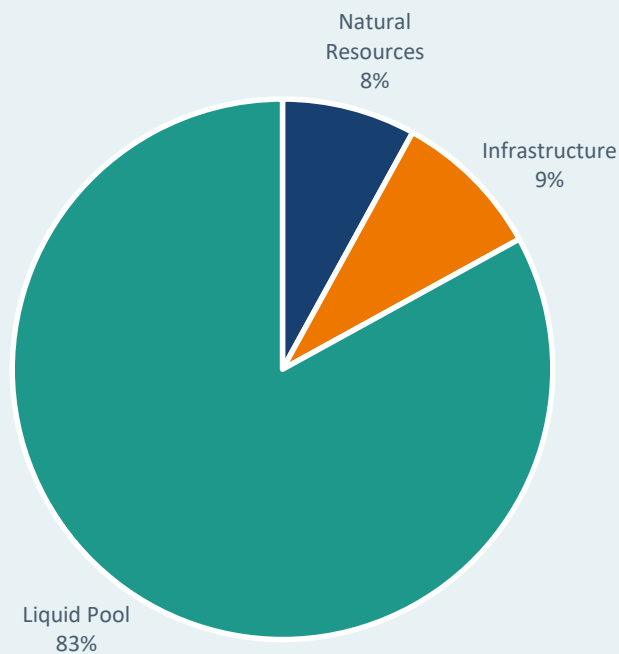
	1-Year	3-Year	5-Year	10-Year	Since Inception
Natural Resources Funds	-9.70%	-18.67%	-10.90%		-14.21%
<i>S&P Global Natural Resources Index¹</i>	16.17%	6.25%	5.13%	2.64%	2.64%
Infrastructure Funds	15.63%	10.52%			9.76%
<i>S&P Global Infrastructure Index¹</i>	18.68%	9.48%	7.07%	7.07%	7.07%
Liquid Pool Funds	8.00%	0.52%	-1.79%	-3.89%	-3.60%
<i>Bloomberg Commodity Index¹</i>	3.14%	-2.00%	-4.43%	-6.57%	-6.30%
Total Real Assets	6.97%	-0.76%	-1.94%	-4.20%	-3.94%
<i>Blended Real Assets Benchmark²</i>	19.22%	7.91%	4.32%	2.96%	5.75%

¹ Benchmarks: Identical cash flows invested in the appropriate benchmarks through the life of the portfolio up through 12/31/2019. Analysis provided by Solovis.

² Blended Real Assets Benchmark calculated on a time-weighted return basis

Investment Type	Commitment	Current Exposure	Current Exposure as % of Portfolio
Natural Resources	104,000,000	34,878,344	8.0%
Infrastructure	115,000,000	40,810,448	9.3%
Liquid Pool	689,235,893	362,495,593	82.7%
Total Portfolio	908,235,893	438,184,385	100.0%

REAL ASSETS PORTFOLIO: CURRENT EXPOSURE

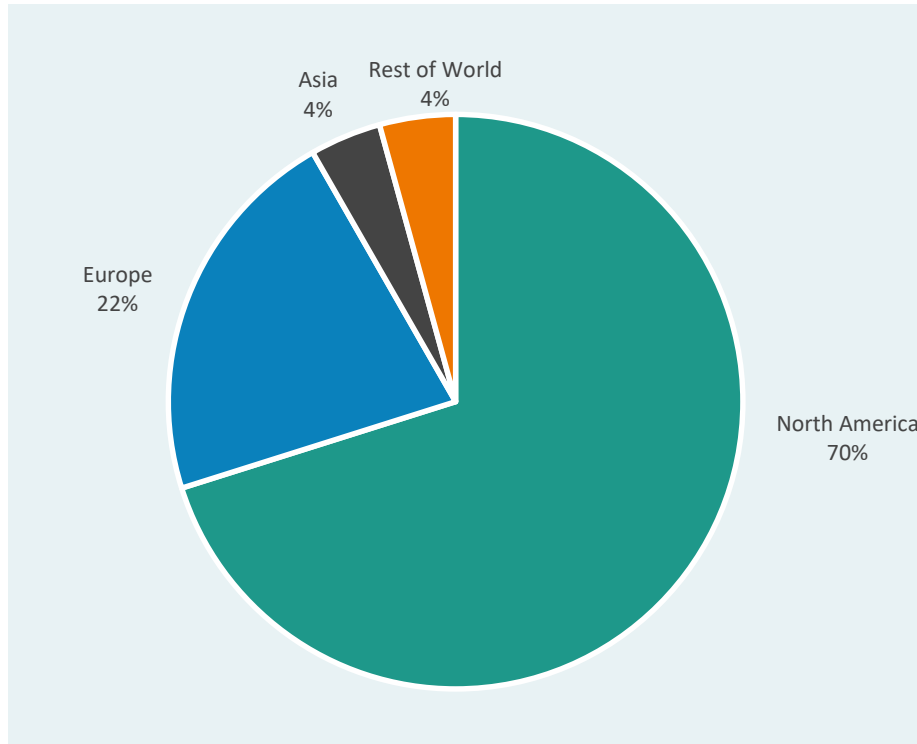


Geography Portfolio Diversification

Period Ending: December 31, 2019

Geography	Reported Fair Value
North America	53,084,296
Europe	16,331,855
Asia	3,040,729
Rest of World	3,231,912
Total Portfolio*	75,688,792

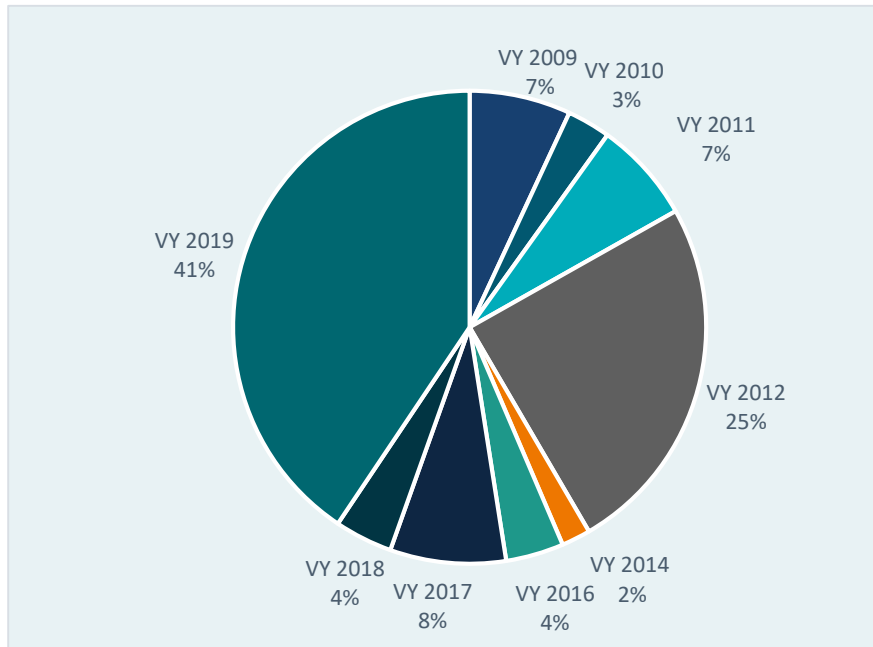
* Excludes Liquid assets.



Vintage Year Portfolio Diversification

Period Ending: December 31, 2019

Vintage Year	Commitment as of 12/31/19	% of Portfolio Commitment	Reported Value as of 12/31/19
2009	62,900,000	6.9%	0
2010	24,000,000	2.6%	0
2011	60,800,000	6.7%	0
2012	223,979,858	24.7%	0
2014	15,000,000	1.7%	12,059,205
2016	35,000,000	3.9%	14,729,784
2017	75,000,000	8.3%	34,229,655
2018	40,000,000	4.4%	7,795,070
2019	371,556,035	40.9%	369,370,671
Total Portfolio	908,235,893	100%	438,184,385



Real Assets Program Update

- With ongoing ESG Policy discussions at ACERA, we are holding off on new commitments until we have direction from the Board around any investment restrictions.
- We have a number of potential re-ups with existing ACERA real asset managers in 2020 so we are prioritizing those opportunities. We also have a Core Infrastructure Fund which we may present to ACERA depending on its fit within the new ESG framework.
- As mentioned previously, we plan to increase the allocation to infrastructure investments at the expense of natural resource strategies as we move away from investments in the oil & gas industry.



June 2020

**Semi-Annual Real Estate
Performance Measurement Report**

Callan

PUBLIC VERSION

Avery Robinson, CAIA
Senior Vice President

Alameda County Employees' Retirement Association Performance Measurement Report Summary

Portfolio Measurement Presentation

This is the Performance Measurement Report presentation for the Alameda County Employees' Retirement Association ("ACERA") Real Estate Portfolio ("Portfolio") half-year ending December 31, 2019 ("Quarter").

Funding Status as of December 31, 2019

	(\$) Millions	(%)
ACERA Plan Assets	8,757,429	100.00%
Real Estate Target ⁽¹⁾	700,594	8.00%
Plan's Real Estate Market Value	593,819	7.04%
Net Unfunded Commitments	68,729	0.67%
RE Market Value & Unfunded Commitments	662,548	7.71%
Remaining Allocation	38,046	0.29%

	Target	Funded	Funded & Committed
Core	70.00%	80.53%	72.17%
Non-Core	30.00%	19.46%	27.82%

Real Estate Market Update – COVID-19

Prior to the COVID-19 pandemic, the overall real estate market was relatively healthy from a fundamental standpoint, albeit there were indications of the market being late in the cycle. Positive indicators included strong occupancy, upward rent growth and steady transaction volumes. However, moderating total returns and the flattening of property value appreciation, particularly in the retail sector, was cause for some cautiousness.

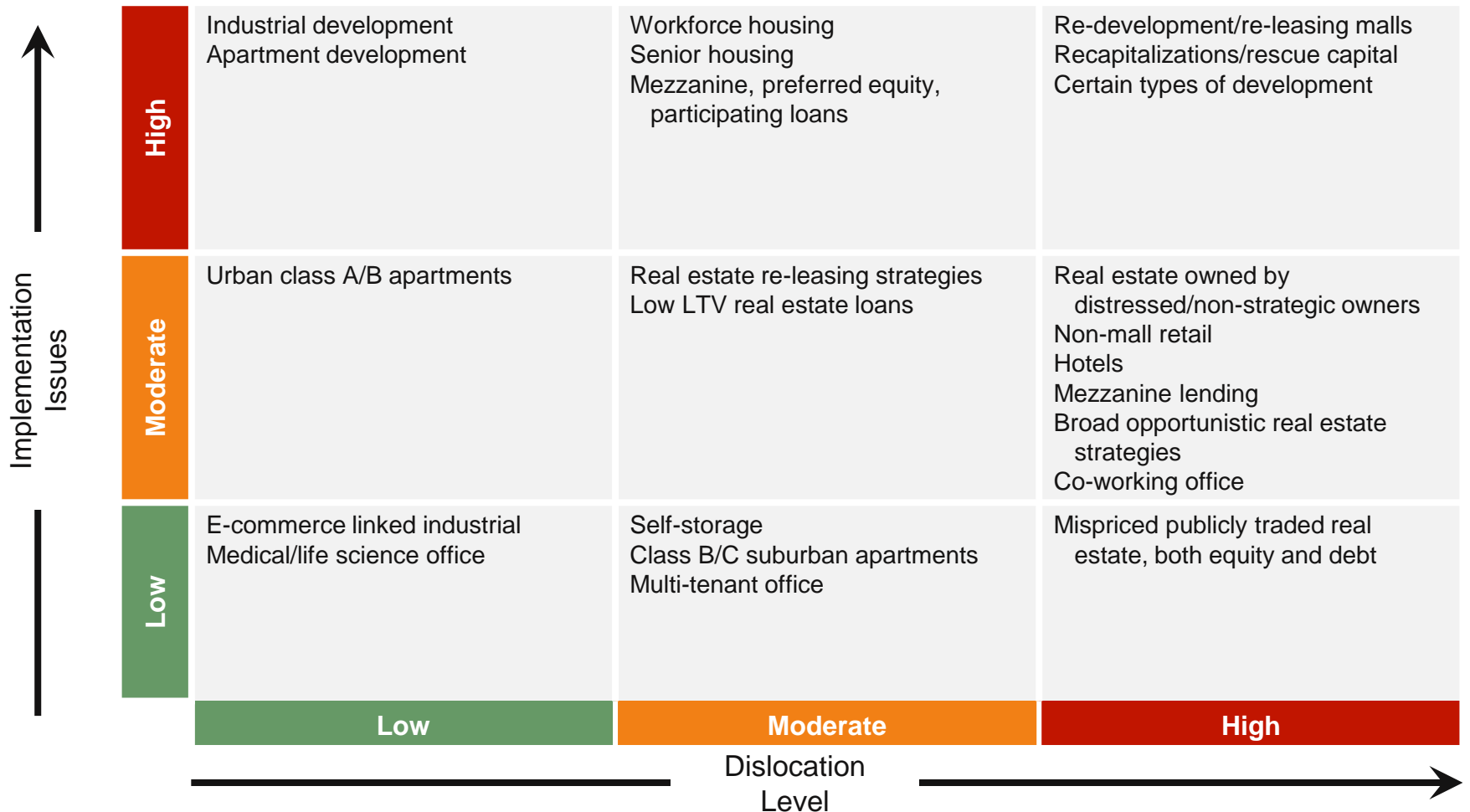
While the impact of the pandemic on real estate will continue to play out over time, it is clear that all property types have and will be negatively impacted by the crisis, to varying degrees. The market consensus suggests that retail properties will be the most negatively impacted out of the four main property types. This will be followed by office and industrial, with apartments remaining the most resilient. This outlook has been supported by April and May rent collection figures, with retail by far the lowest, and apartments the strongest.

Given that U.S. stay-at-home measures began in mid to late March, the impact of COVID-19 on realized returns has been limited, with the private market benchmark still delivering a positive 1.0% return for 1Q. However, it fully anticipated that 2Q returns will be negative.

Although the transactions market has come to a halt, the crisis will eventually bring about some buying opportunities for managers poised to take advantage. This will be dictated by capital availability by newer funds with dry powder and limited existing exposure.

COVID-19 Impact Heat Map

Real Estate Assets



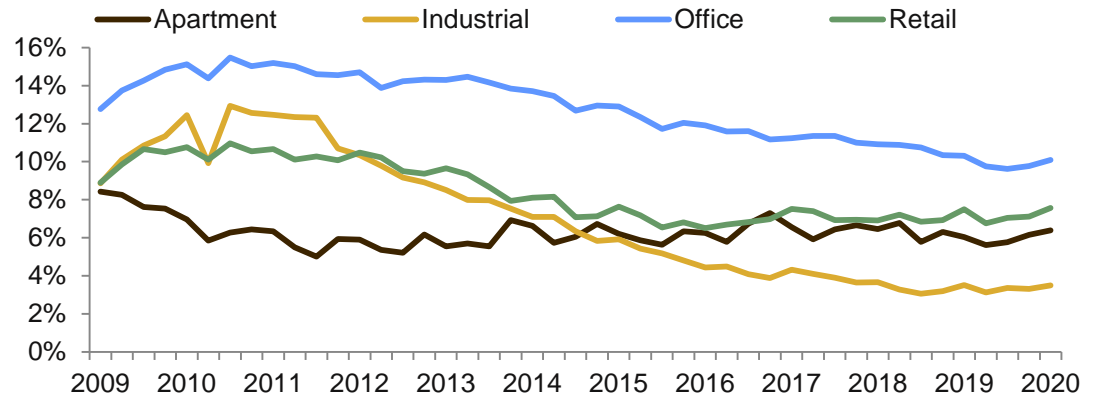
–As the pandemic continues, real estate distress will spread with more severe impact causing a rightward shift on the chart and more opportunities.

U.S. Private Real Estate Market Trends

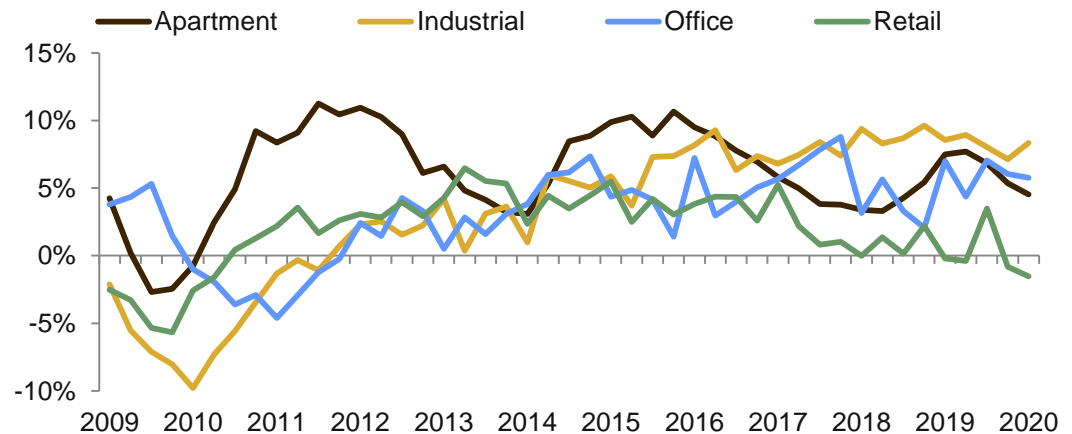
● U.S. real estate fundamentals

- Vacancy rates for all property types are or will be impacted.
- Limited change in net operating income but the second quarter will show declines.
- April/May rent collections show malls severely impacted followed by other types of retail. Class A/B urban apartments are relatively strong, followed by certain types of Industrial and Office.
- Supply was in check prior to the pandemic.
- Construction is limited to finishing up existing projects but has been hampered by shelter in place and material shortages.
- New construction will be basically halted in future quarters except for pre-leased properties.

Vacancy by Property Type



4-Quarter Rolling NOI Growth by Property Type

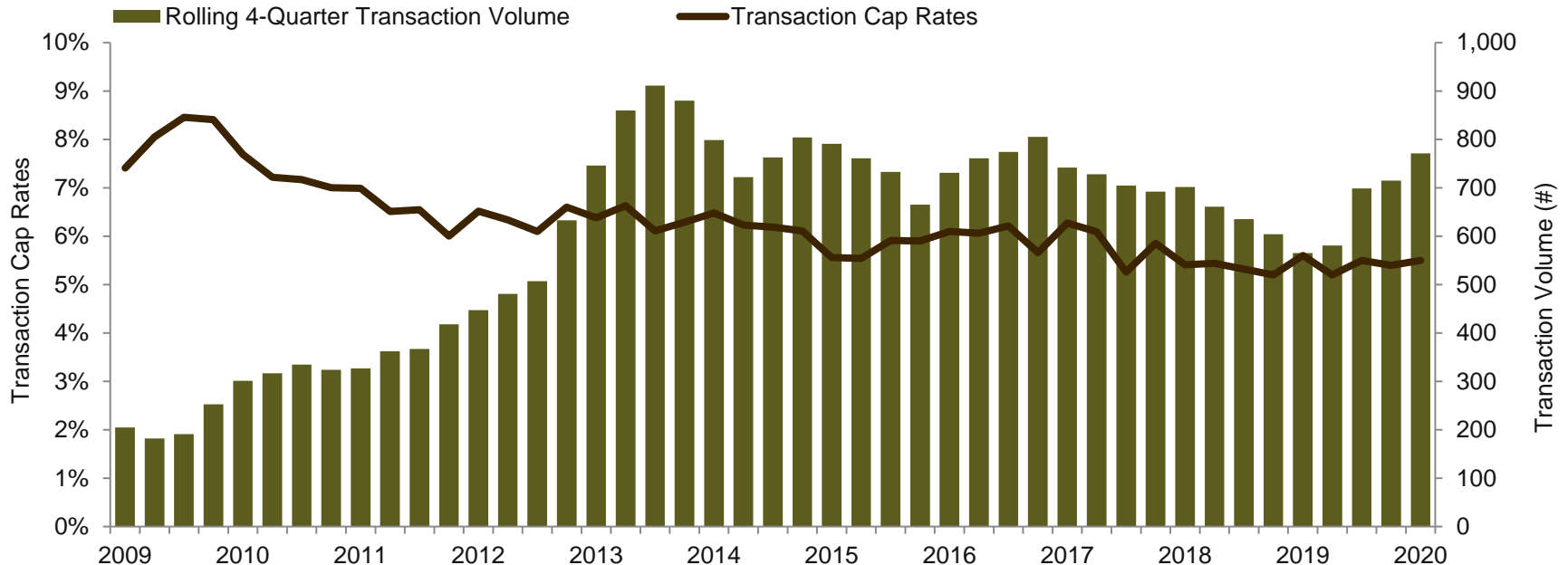


● Source: NCREIF

U.S. Private Real Estate Market Trends

- Pricing and transaction volumes in first quarter did not fully reflect the impact of COVID-19

NCREIF Rolling 4-Quarter Transaction Totals vs. Cap Rates



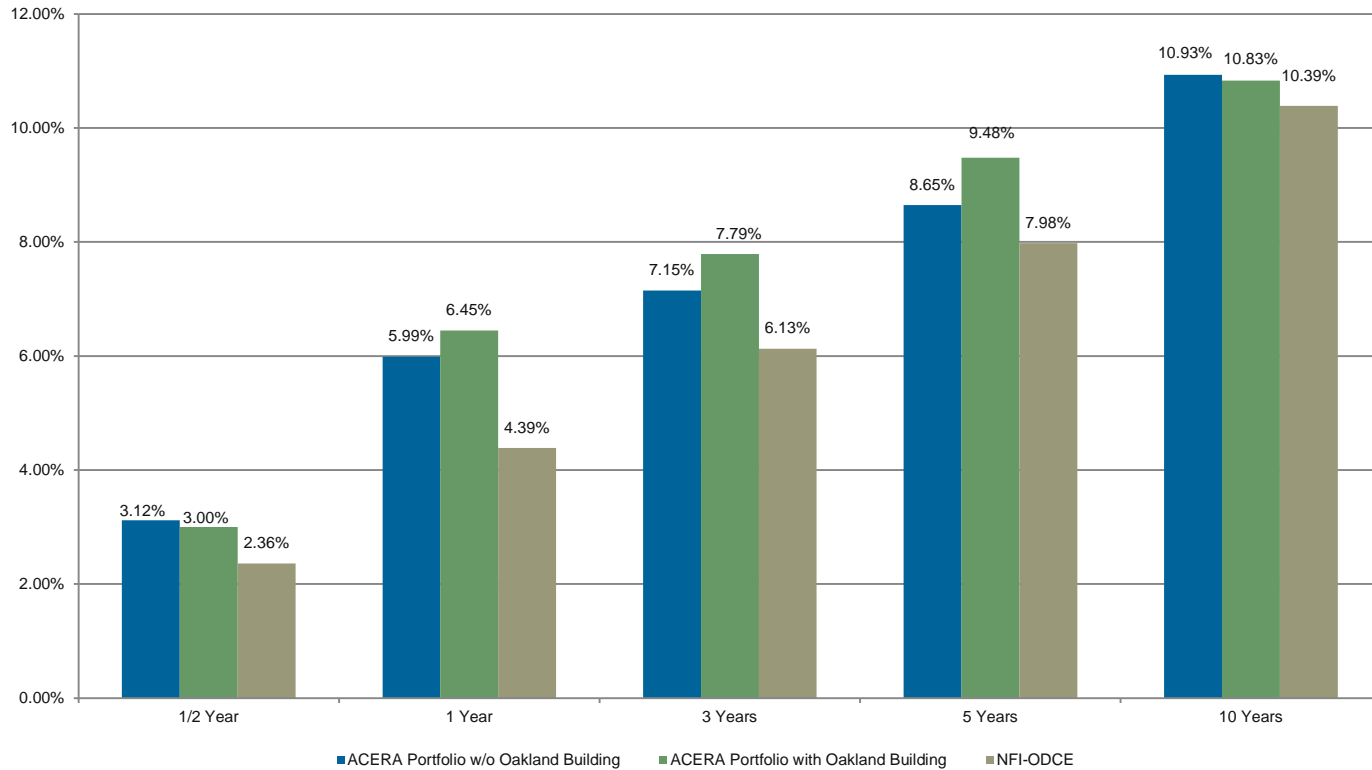
- Transaction volumes were healthy in the early part of the first quarter, but dropped off at quarter-end and ground to a halt thereafter, with transactions being cancelled even where there were material non-refundable deposits.
- Cap rates remained steady during the quarter. The spread between cap rates and 10-year treasuries is relatively high, leading some market participants to speculate that cap rates will not adjust much. Price discovery is happening and there are limited transactions.
- The pandemic may cause a permanent re-pricing of risk across property types. Property types with more reliable cash flows will experience less of a change in cap rates; however, those with less reliable cash flows will see greater adjustments.

● Source: NCREIF

Portfolio Net Returns

For Period Ended December 31, 2019

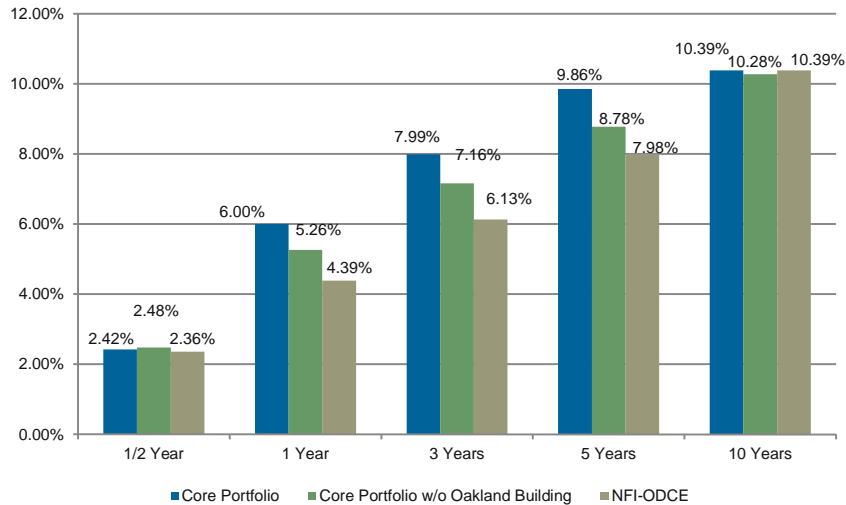
Total Net Real Estate Portfolio Returns



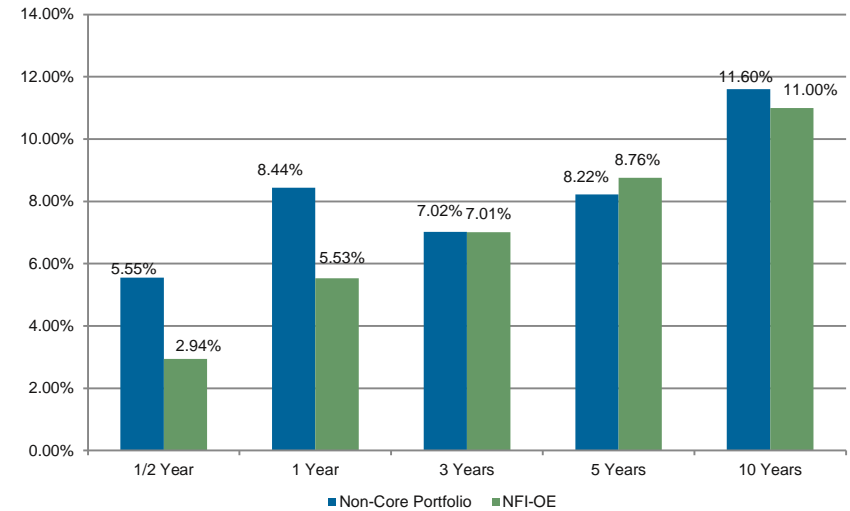
Portfolio Returns by Style

For Period Ended December 31, 2019

Net Core Returns



Net Non-Core Returns



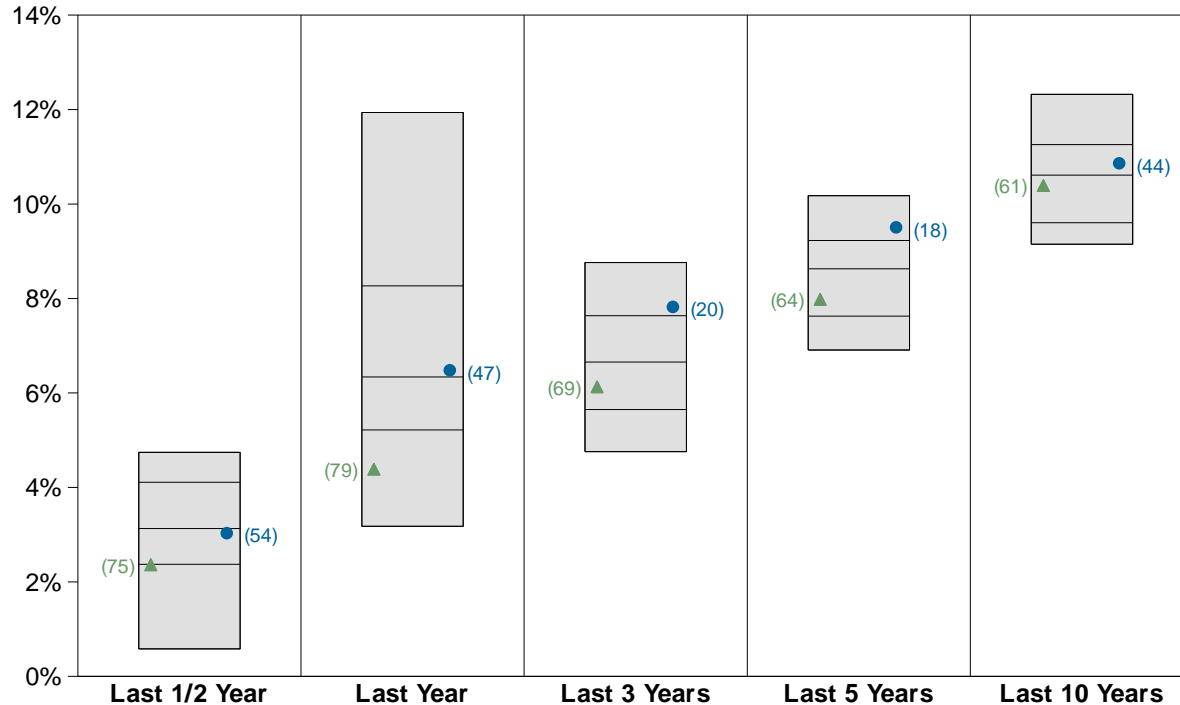
Net Portfolio w/o Oakland Building	1/2 Year	1 Year	3 Years	5 Years	10 Years
Core Portfolio w/o Oakland Building	2.48%	5.26%	7.16%	8.78%	10.28%
Non-Core Portfolio	5.55%	8.44%	7.02%	8.22%	11.60%
Total Portfolio w/o Oakland Building	3.12%	5.99%	7.15%	8.65%	10.93%

Net Total Portfolio	1/2 Year	1 Year	3 Years	5 Years	10 Years
Core Portfolio	2.42%	6.00%	7.99%	9.86%	10.39%
Non-Core Portfolio	5.55%	8.44%	7.02%	8.22%	11.60%
Total Portfolio	3.00%	6.45%	7.79%	9.48%	10.83%

Performance vs. Peer Group

For Period Ended December 31, 2019

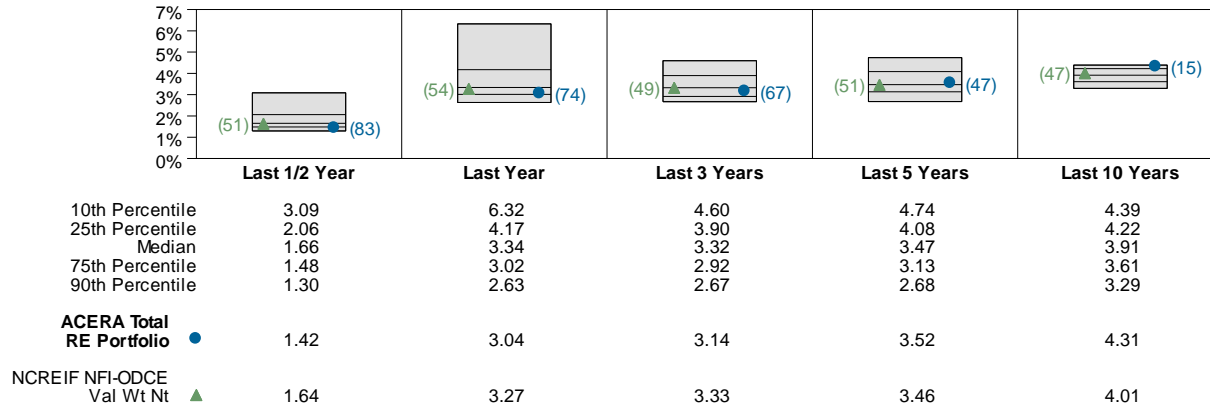
Performance vs Callan Open End Core Cmmingled Real Est



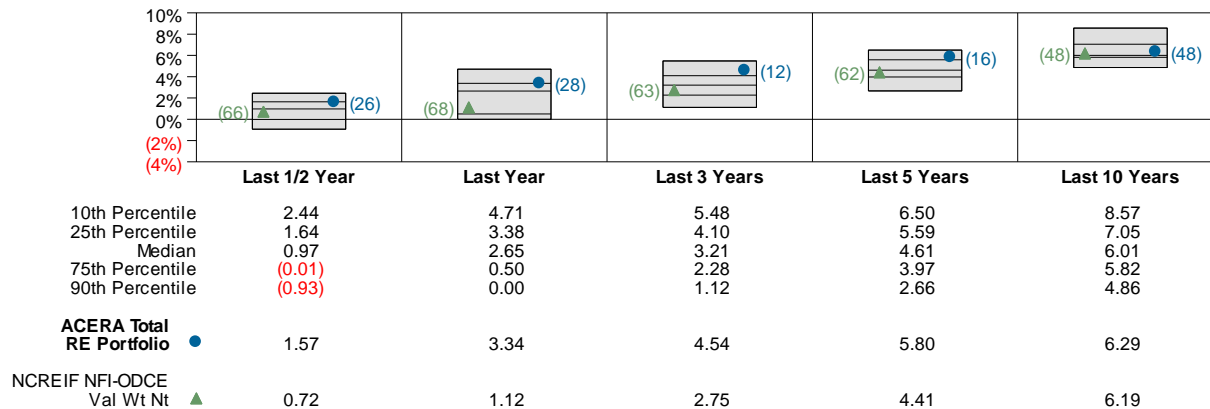
10th Percentile	4.74	11.94	8.76	10.18	12.32
25th Percentile	4.11	8.27	7.64	9.23	11.26
Median	3.13	6.34	6.65	8.63	10.61
75th Percentile	2.37	5.22	5.65	7.63	9.60
90th Percentile	0.58	3.18	4.76	6.91	9.15
ACERA Total RE Portfolio ●	3.00	6.45	7.79	9.48	10.83
NCREIF NFI-ODCE Val Wt Nt ▲	2.36	4.39	6.13	7.98	10.39

Performance vs. Peer Group

Income Rankings vs Callan OE Core Cmngld RE Periods ended December 31, 2019



Appreciation Rankings vs Callan OE Core Cmngld RE Periods ended December 31, 2019

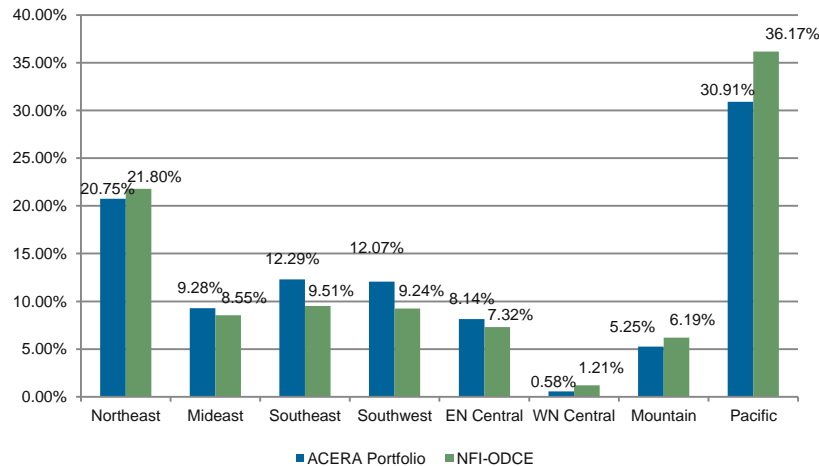


Diversification & Debt

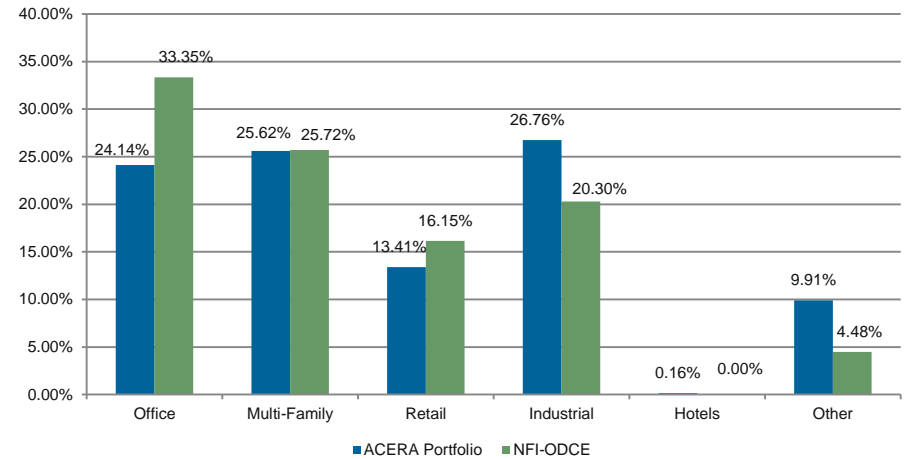
Diversification – Total Portfolio (excluding Oakland Building)

- The ACERA Portfolio is well diversified by both property type and region.

Geographic Diversification



Property Type Diversification



Debt Compliance

- The ACERA Strategic Plan limits leverage to 40.0% at the Portfolio level. As of December 31, 2019, the loan-to-value (“LTV”) ratio of the Portfolio was 26.20%.

Definitions

Performance

Capitalization rate: Commonly known as cap rate, is a rate that helps in evaluating a real estate investment. $\text{Cap rate} = \text{Net operating income} / \text{Current market value (Sale price) of the asset}$.

Net operating income: Commonly known as NOI, is the annual income generated by an income-producing property, taking into account all income collected from operations, and deducting all expenses incurred from operations.

Real Estate Appraisal: The act of estimating the value of a property. A real estate appraisal may take into account the quality of the property, values of surrounding properties, and market conditions in the area.

Income Return (“INC”): Net operating income net of debt service before deduction of capital items (e.g., roof replacement, renovations, etc.)

Appreciation Return (“APP”): Increase or decrease in an investment's value based on internal or third party appraisal, recognition of capital expenditures which did not add value, uncollectible accrued income, or realized gain or loss from sales.

Total Gross Return (“TGRS”): The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.

Total Net Return (“TNET”): Total gross return less Advisor fees reported. All fees are requested (asset management, accrued incentives, paid incentives). No fee data is verified. May not include any fees paid directly by the investor as opposed to those paid from cash flows.

Inception Returns: The total net return for an investment or portfolio over the period of time the client has had funds invested. Total portfolio Inception Returns may include returns from investments no longer held in the current portfolio.

Net IRR: IRR after advisory fees, incentive, and promote. This includes actual cash flows and a reversion representing the LP Net Assets at market value as of the period end reporting date.

Equity Multiple: The ratio of Total Value to Paid-in-Capital (TVPIC). It represents the Total Return of the investment to the original investment not taking into consideration the time invested. Total Value is computed by adding the Residual Value and Distributions. It is calculated net of all investment advisory and incentive fees and promote.

Definitions

Style Groups

The Style Groups consist of returns from commingled funds with similar risk/return investment strategies. Investor portfolios/investments are compared to comparable style groupings.

Core: Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).

Value-Added: Core returning investments that take on moderate additional risk from one or more of the following sources: leasing, re-development, exposure to non-traditional property types, the use of leverage.

Opportunistic: Investments that take on additional risk in order to achieve a higher return. Typical sources of risks are: development, land investing, operating company investing, international exposure, high leverage, distressed properties.

Definitions

Indices

Stylized Index: Weights the various style group participants so as to be comparable to the investor's portfolio holdings for each period.

Open-End Diversified Core Equity Index ("ODCE"): A core index that includes only open-end diversified core strategy funds with at least 95% of their investments in U.S. markets. The ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical and current basis (24 active vehicles). The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.

NCREIF Fund Index Open-End Index ("OE"): NFI-OE is an aggregate of open-end, commingled equity real estate funds with diverse investment strategies. Funds comprising NFI-OE have varied concentrations of sector and region, core and non-core, leverage, and life cycle.

NAREIT Equity Index: This is an index of Equity Real Estate Investment Trust returns reflecting the stock value changes of REIT issues as determined through public market transactions.

Definitions

Cash Flow Statements

Beginning Market Value: Value of real estate, cash, and other holdings from prior period end.

Contributions: Cash funded to the investment for acquisition and capital items (i.e., initial investment cost or significant capital improvements).

Distributions: Actual cash returned from the investment, representing distributions of income from operations.

Withdrawals: Cash returned from the investment, representing returns of capital or net sales proceeds.

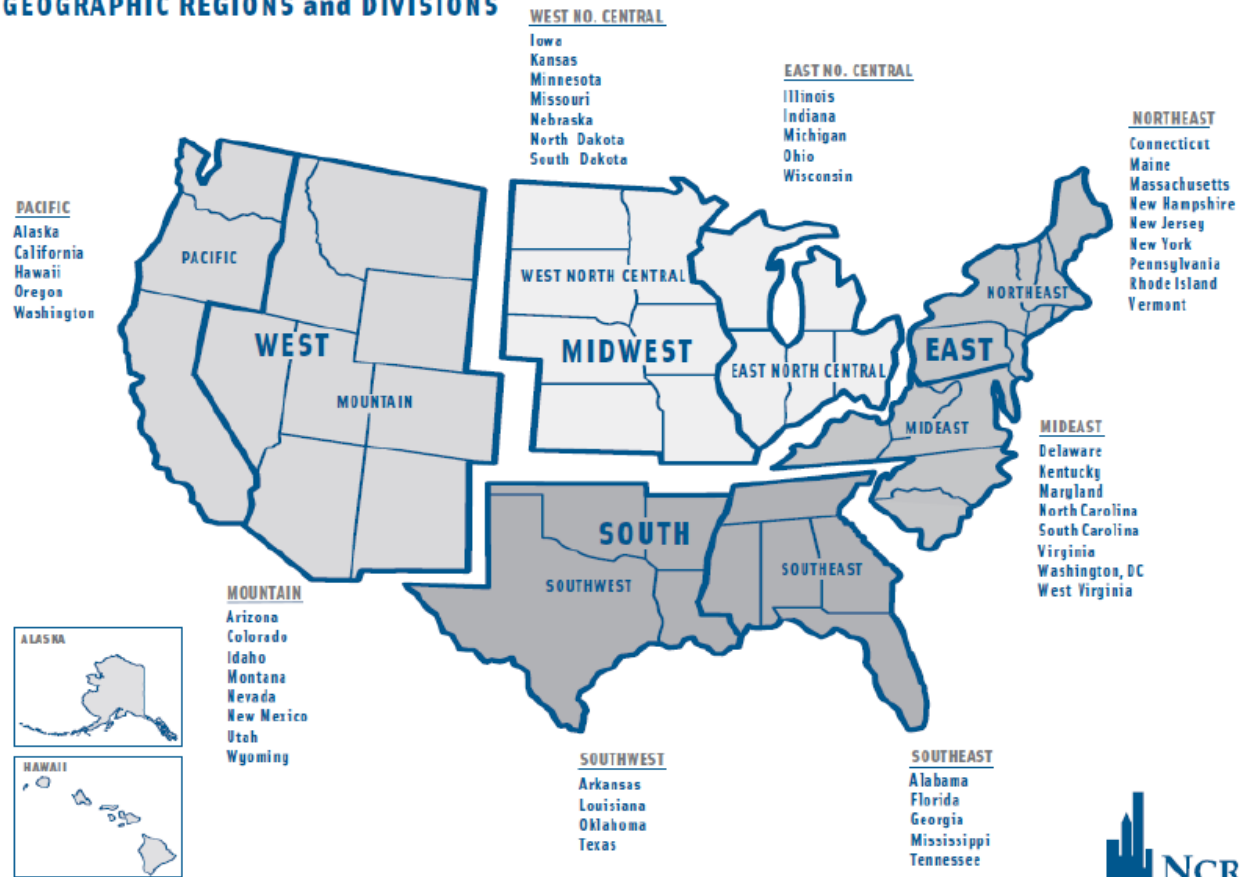
Ending Market Value: The value of an investment as determined by actual sales dollars invested and withdrawn plus the effects of appreciation and reinvestment; market value is equal to the ending cumulative balance of the cash flow statement (NAV).

Unfunded Commitments: Capital allocated to managers which has not yet been called for investment. Amounts are as reported by managers.

Remaining Allocation: The difference between the ending market value + the unfunded commitments and the target allocation. This figure represents dollars available for allocation.

NCREIF Region Map

GEOGRAPHIC REGIONS and DIVISIONS





LEGG MASON
GLOBAL ASSET MANAGEMENT

From: Franklin Resources, Inc.
Investor Relations: Brian Sevilla, (650) 312-4091, brian.sevilla@franklintempleton.com
Corporate Communications:
Matt Walsh, (650) 312-2245, matthew.walsh@franklintempleton.com
Lisa Gallegos, (650) 312-3395, lisa.gallegos@franklintempleton.com
franklinresources.com

Legg Mason. Inc.
Investor Relations:
Alan Magleby, 410-454-5246, afmagleby@leggmason.com
Corporate Communications:
Mary Athridge, 212-805-6035, mkathridge@leggmason.com

FOR IMMEDIATE RELEASE

Franklin Templeton to Acquire Legg Mason, Creating \$1.5 Trillion AUM Global Investment Manager

*Combined Company to Offer Complementary Investment Strategies
through Expanded Global Distribution Platform*

Significant Diversification, Including Increased Alternative and Institutional Assets

*Transaction Structured to Ensure Continued Autonomy of Legg Mason Affiliates
While Enhancing Scale of Combined Organization*

*Franklin Templeton Will Continue to Have Substantial Financial Resources
and Flexibility to Invest in Growth and Innovation*

Franklin Templeton and Legg Mason to Hold Joint Investor Conference Call at 8:30 a.m. ET Today

San Mateo, CA, February 18, 2020 – Franklin Resources, Inc. (the “Company”) [NYSE:BEN], a global investment management organization operating as Franklin Templeton, today announced that it has entered into a definitive agreement to acquire Legg Mason, Inc. [NYSE:LM] for \$50.00 per share of common stock in an all-cash transaction. The Company will also assume approximately \$2 billion of Legg Mason’s outstanding debt. The acquisition of Legg Mason and its multiple investment affiliates, which collectively manage over \$806 billion in assets as of January 31, 2020, will establish Franklin Templeton as one of the world’s largest independent, specialized global investment managers with a combined \$1.5 trillion in assets under management (AUM) across one of the broadest ranges of high-quality investment teams in the industry. The combined footprint of the organization will significantly deepen Franklin Templeton’s presence in key geographies and create an expansive investment platform that is well balanced between institutional and retail client AUM. In addition, the combined platform creates a strong separately managed account business.

“This is a landmark acquisition for our organization that unlocks substantial value and growth opportunities driven by greater scale, diversity and balance across investment strategies, distribution channels and geographies,” said Greg Johnson, executive chairman of the Board of Franklin Resources, Inc. “Our complementary strengths will enhance our strategic positioning and long-term growth potential, while also delivering on our goal of creating a more balanced and diversified organization that is competitively positioned to serve more clients in more places.”

Jenny Johnson, president and CEO of Franklin Templeton, said, “This acquisition will add differentiated capabilities to our existing investment strategies with modest overlap across multiple world-class affiliates, investment teams and distribution channels, bringing notable added leadership and strength in core fixed income, active equities and alternatives. We will also expand our multi-asset solutions, a key growth area for the firm amid increasing client demand for comprehensive, outcome-oriented investment solutions.”

Joseph A. Sullivan, chairman and CEO of Legg Mason, said, “The incredibly strong fit between our two organizations gives me the utmost confidence that this transaction will create meaningful long-term benefits for our clients and provide our shareholders with a compelling valuation for their investment. By preserving the autonomy of each investment organization, the combination of Legg Mason and Franklin Templeton will quickly leverage our collective strengths, while minimizing the risk of disruption. Our clients will benefit from a shared vision, strong client-focused cultures, distinct investment capabilities and a broad distribution footprint in this powerful combination.”

Carol Anthony "John" Davidson, lead independent director of Legg Mason, said, “Today’s announcement marks the beginning of an exciting next chapter for Legg Mason, our investment affiliates and valued clients, who will benefit from a leading global asset manager with the scale to compete and win in today’s markets. I am honored to have had the opportunity to serve as the lead independent director of this dynamic board, and I am truly appreciative of the hard work and dedication of the entire Legg Mason team.”

Nelson Peltz, CEO and Founding Partner of Triun Fund Management, L.P. and a Legg Mason director said, “Given the dynamics of today’s rapidly evolving and increasingly competitive asset management sector, I believe this transaction is compelling. In our view, it offers an attractive valuation for Legg Mason’s shareholders. I believe it will also enable Legg Mason’s investment affiliates to remain at the forefront of an industry where scale is increasingly vital to success and to join Franklin Templeton, an organization that I have deep respect for and confidence in.”

Triun Fund Management, L.P. and funds managed by it, which collectively own approximately 4 million shares or 4.5% of the outstanding stock of Legg Mason, have entered into a voting agreement in support of the transaction.

Jenny Johnson added, “This transaction gives us significant scale, addresses strategic gaps and brings greater balance to our business, while positioning us for accelerated growth in the future. We have incredible respect and admiration for the success Legg Mason and its investment affiliates have achieved and we have structured the transaction to ensure that its affiliates have the right mix of independence and support to continue building on their strong track records. Legg Mason’s investment affiliates will be able to leverage Franklin Templeton’s global infrastructure and ongoing investment in technology and innovation, while clients can take comfort in the combined firm’s financial strength and aligned interests.”

Continued Autonomy for Investment Affiliates

Franklin Templeton has spent significant time with the affiliates and there is strong alignment among all parties in this transaction and shared excitement about the future of the company.

James W. Hirschmann, CEO of Western Asset, a Legg Mason affiliate, said, “Western Asset is excited to be joining the Franklin Templeton family, a firm with a long and storied history of proven financial performance and a leadership team and board with decades of asset management experience who value our investment independence and organizational autonomy. Like us, Franklin Templeton understands the importance of culture, teams and core values to achieving outstanding investment results for clients.”

Terrence J. Murphy, CEO of ClearBridge Investments, a Legg Mason affiliate, said, “As part of Franklin Templeton, we are confident that we will retain the strong culture that has defined our success as a recognized market leader in active equities. Their commitment to investment autonomy, augmented by the scale and reach that the combined organization will provide, will allow us to deliver for our existing clients and expand our ability to deliver our investment capabilities in new channels and regions. We are very pleased to join the team at Franklin Templeton and excited about what we can do together.”

Organizational Structure and Parent Company Integration

With this acquisition, Franklin Templeton will preserve the autonomy of Legg Mason’s affiliates, ensuring that their investment philosophies, processes and brands remain unchanged. As with any acquisition, the pending integration of Legg Mason’s parent company into Franklin Templeton’s, including the global distribution operations at the parent company level, will take time and only commence after careful and deliberate consideration.

Following the closing of the transaction, Jenny Johnson will continue to serve as president and CEO, and Greg Johnson will continue to serve as executive chairman of the Board of Franklin Resources, Inc. There will be no changes to the senior management teams of Legg Mason’s investment affiliates. Global headquarters will remain in San Mateo, CA and the combined firm will operate as Franklin Templeton.

After careful consideration, EnTrust Global, a Legg Mason affiliate that provides alternative investment solutions, and Franklin Templeton, jointly agreed that it was in their best interest that EnTrust repurchase its business, which will be acquired by its management at closing. EnTrust will maintain an ongoing relationship with Franklin Templeton. Jenny Johnson added, “EnTrust is an excellent business and we recognize and appreciate their desire to once again become a private company. We have appreciated their collaboration in our discussions and look forward to our ongoing relationship.”

Transaction Details

The all-cash consideration of \$4.5 billion will be funded from the Company’s existing balance sheet cash. Franklin Templeton will also assume approximately \$2 billion in Legg Mason’s outstanding debt. Upon closing of the transaction, Franklin Templeton expects to maintain a robust balance sheet and considerable financial flexibility with pro forma gross debt of approximately \$2.7 billion with remaining cash and investments of approximately \$5.3 billion. This transaction is designed to preserve the Company’s financial strength and stability with modest leverage, significant liquidity and strong cash flow to provide ongoing flexibility to invest in further growth and innovation.

This transaction is expected to generate upper twenties percentage GAAP EPS accretion in Fiscal 2021 (based on street consensus earnings estimates for each company), excluding one-time charges, non-recurring and acquisition related expenses.

While cost synergies have not been a strategic driver of the transaction, there are opportunities to realize efficiencies through parent company rationalization and global distribution optimization. These are expected to result in approximately \$200 million in annual cost savings, net of significant growth investments Franklin Templeton expects to make in the combined business and in addition to Legg

Mason's previously announced cost savings. The majority of these savings are expected to be realized within a year, following the close of the transaction, with the remaining synergies being realized over the next one to two years.

The transaction has been unanimously approved by the boards of Franklin Resources, Inc. and Legg Mason, Inc. This transaction is subject to customary closing conditions, including receipt of applicable regulatory approvals and approval by Legg Mason's shareholders, and is expected to close no later than the third calendar quarter of 2020.

Broadhaven Capital Partners, LLC and Morgan Stanley & Co LLC served as financial advisors to Franklin Resources, Inc. Ardea Partners LP also provided advice. Willkie Farr & Gallagher LLP acted as external legal counsel. PJT Partners served as the lead financial advisor to Legg Mason. J.P. Morgan Securities LLC also served as financial advisor to Legg Mason. Weil, Gotshal & Manges LLP served as lead counsel to Legg Mason and Skadden, Arps, Slate, Meagher & Flom LLP served as special counsel to Legg Mason. Dechert LLP served as legal counsel to EnTrust Global.

Conference Call Information

Executives from Franklin Templeton and Legg Mason will lead a live teleconference today at 8:30 a.m. Eastern Time. Access to the teleconference will be available by dialing (877) 407-8293 in the U.S. and Canada or (201) 689-8349 internationally, and a supplementary presentation will be available to investors via franklinresources.com. A replay of the teleconference can also be accessed by calling (877) 660-6853 in the U.S. and Canada or (201) 612-7415 internationally, using access code 13699226, after 11:30am ET on February 18, 2020 through March 18, 2020.

About Legg Mason

Guided by a mission of Investing to Improve Lives™, Legg Mason helps investors globally achieve better financial outcomes by expanding choice across investment strategies, vehicles and investor access through independent investment managers with diverse expertise in equity, fixed income, alternative and liquidity investments. Legg Mason's investment affiliates operate with investment independence and have specialized expertise across asset classes and markets around the globe. The firm's affiliates include: Brandywine Global, Clarion Partners, ClearBridge Investments, Martin Currie, QS Investors, Royce Investment Partners, and Western Asset. Legg Mason's assets under management are \$806 billion as of January 31, 2020.

About Franklin Templeton

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization operating, together with its subsidiaries, as Franklin Templeton. Franklin Templeton's goal is to deliver better outcomes by providing global and domestic investment management to retail, institutional and sovereign wealth clients in over 170 countries. Through specialized teams, the Company has expertise across all asset classes, including equity, fixed income, alternatives and custom multi-asset solutions. The Company's more than 600 investment professionals are supported by its integrated, worldwide team of risk management professionals and global trading desk network. With employees in over 30 countries, the California-based company has more than 70 years of investment experience and approximately \$688 billion in assets under management as of January 31, 2020. For more information, please visit investors.franklinresources.com.

Forward-Looking Statements

Statements in this press release that are not historical facts are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. When used in this press release,

words or phrases generally written in the future tense and/or preceded by words such as “will,” “may,” “could,” “expect,” “believe,” “anticipate,” “intend,” “plan,” “seek,” “estimate,” “preliminary” or other similar words are forward-looking statements.

Various forward-looking statements in this press release relate to the acquisition by Franklin Resources, Inc. (“Franklin”) of Legg Mason, Inc. (“Legg Mason”), including regarding expected scale opportunities, operating efficiencies and results, growth, client and stockholder benefits, key assumptions, timing of closing of the transaction, revenue realization, cost and expense synergies, financial benefits or returns, accretion and integration costs.

Forward-looking statements involve a number of known and unknown risks, uncertainties and other important factors, some of which are listed below, that could cause actual results and outcomes to differ materially from any future results or outcomes expressed or implied by such forward-looking statements. Important transaction-related and other risk factors that may cause such differences include: (i) the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; (ii) the transaction closing conditions may not be satisfied in a timely manner or at all, including due to the failure to obtain Legg Mason stockholder approval and regulatory and client approvals; (iii) the announcement and pendency of the merger may disrupt Franklin’s and Legg Mason’s business operations (including the threatened or actual loss of employees, clients or suppliers); (iv) Franklin or Legg Mason could experience financial or other setbacks if the transaction encounters unanticipated problems; (v) anticipated benefits of the transaction, including the realization of revenue, accretion, financial benefits or returns and expense and other synergies, may not be fully realized or may take longer to realize than expected; and (vi) Franklin may be unable to successfully integrate Legg Mason’s businesses with those of Franklin or to integrate the businesses within the anticipated timeframe.

Other important factors that may affect our business or the combined business’ future operating results, include, but are not limited to: (i) volatility and disruption of the capital and credit markets, and adverse changes in the global economy, may significantly affect our results of operations and may put pressure on our financial results; (ii) the amount and mix of assets under management (“AUM”) are subject to significant fluctuations; (iii) the significant risk of asset volatility from changes in the global financial, equity, debt and commodity markets; (iv) harm to our, or Legg Mason’s, reputation may negatively impact revenues and income; (v) Franklin may review and pursue other strategic transactions that could pose risks to our business operations; (vi) strong competition from numerous and sometimes larger companies with competing offerings and products could limit or reduce sales of our products, potentially resulting in a decline in their market share, revenues and income; (vii) the ability to manage and grow our business and the combined business successfully can be impeded by systems and other technological limitations; (viii) dependence on key personnel could negatively affect financial performance; (ix) the businesses are subject to extensive, complex, and frequently changing rules, regulations, policies, and legal interpretations; (x) our contractual obligations may subject us to indemnification costs and liability to third parties; (xi) any significant limitation, failure or security breach of information and cyber security infrastructure, software applications, technology or other systems that are critical to operations could disrupt the businesses and harm operations and reputation; and (xii) regulatory and governmental examinations and/or investigations, litigation and the legal risks associated with the businesses, could adversely impact AUM, increase costs and negatively impact profitability and/or our future financial results. For a detailed discussion of other risk factors, please refer to the risks, uncertainties and factors described in Franklin’s and Legg Mason’s recent filings with the U.S. Securities and Exchange Commission (“SEC”), including, without limitation, each company’s most recent Annual Report on Form 10-K and subsequent periodic and current reports.

Any forward-looking statement made in this press release speaks only as of the date on which it is made. Factors or events that could cause actual results to differ may emerge from time to time, and it is not

possible for us to predict all of them. Franklin and Legg Mason undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Additional Information and Where to Find It

This filing may be deemed solicitation material in respect of the proposed acquisition of Legg Mason by Franklin. In connection with the proposed merger, Legg Mason will file with the SEC and furnish to Legg Mason's stockholders a proxy statement and other relevant documents. This filing does not constitute a solicitation of any vote or approval. Stockholders are urged to read the proxy statement when it becomes available and any other documents to be filed with the SEC in connection with the proposed merger or incorporated by reference in the proxy statement because they will contain important information about the proposed merger.

Investors will be able to obtain free of charge the proxy statement and other documents filed with the SEC at the SEC's website at <http://www.sec.gov>. In addition, the proxy statement and our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Securities Exchange Act of 1934 are or will be available free of charge through our website at www.leggmason.com as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC.

The directors, executive officers and certain other members of management and employees of Legg Mason may be deemed "participants" in the solicitation of proxies from stockholders of Legg Mason in favor of the proposed merger. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the stockholders of Legg Mason in connection with the proposed merger will be set forth in the proxy statement and the other relevant documents to be filed with the SEC. You can find information about Legg Mason's executive officers and directors in the definitive proxy statement on Schedule 14A in connection with Legg Mason's 2019 Annual Meeting of Shareholders, filed with the SEC on June 6, 2019.



Alameda County Employees' Retirement Association First Quarter 2020 Directed Brokerage Report

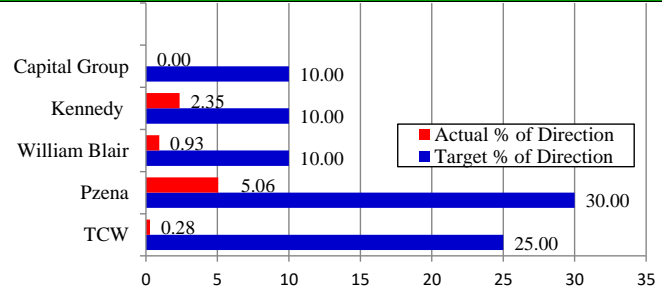
Quarterly Commentary

In 1Q20, the total recaptured dollar amount for ACERA's Directed Brokerage (DB) Program was \$9,586.03. Since inception¹, ACERA has recaptured \$2,056,417.37. For the quarter, Pzena directed the highest percentage (5.06%) of trading volume and Pzena generated the largest recaptured directed commission dollar amount (\$8,969.98). CAPIS received 96.8% of ACERA's directed trades among the network of correspondent brokers. The program continues to operate in compliance with ACERA's DB Policy.

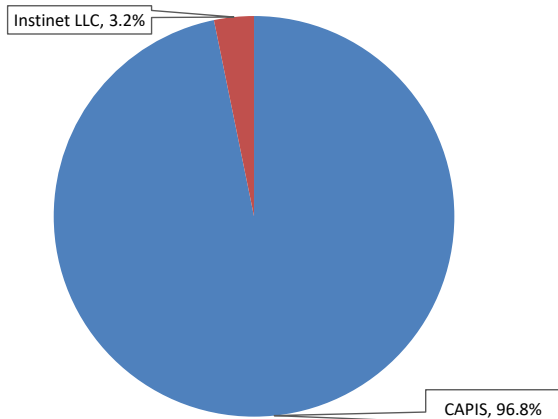
Monthly Recaptured



Directed Commission \$ ²			Directed % ³	
Manager	1Q2020	YTD		
Capital Group	0.00	0.00	Capital Group	0.00
Kennedy	4,324.84	4,324.84	Kennedy	2.35
William Blair	1,649.76	1,649.76	William Blair	0.93
Pzena	8,969.98	8,969.98	Pzena	5.06
TCW	496.00	496.00	TCW	0.28
Total	\$15,440.58	\$15,440.58		



Directed % to Correspondent Brokers⁴



- | | |
|---|---|
| <ul style="list-style-type: none"> Andes Capital Group B. Riley & Co. Barclays (US Algo/DMA) BIDS Trading Bley Investment Group Cabrera Capital Markets CAPIS CAPIS Step Out CF Global Trading Commission Direct, Inc. Cowen Securities (U.S.) Drexel Hamilton HSBC James Capel ICAP (U.S.) Imperial Capital Instinet LLC | <ul style="list-style-type: none"> ITG, Inc. Kota Global Securities LAM Securities Liquidnet Merrill Lynch (U.S.) Mischler Financial Group Northeast Securities O'Neil Securities Penserra Securities, LLC Pershing, LLC Piper Jaffray & Co. Societe Generale State Street Global Markets (Europe) Virtu Securities Weeden & Co LP |
|---|---|

Brokers are selected at the discretion of the Investment Managers, pursuant to Best Execution and ACERA's DB Policy.

1. ACERA's DB Program began in September 2006. AQR Int'l, Mondrian, Bivium do not participate in Commission Recapture; Blackrock, Newton, and Templeton are not SMA.

2. Data provided by CAPIS. Directed Commission \$ - Dollar amount of commissions from directed trades - this amount is split among ACERA (62.08% for 1Q2020), CAPIS, & the Correspondent Brokers.

3. Data provided by Zeno Consulting Group (Zeno). Directed % - Calculated by dividing Manager's directed trading volume by its total trading volume and compared to its assigned target. Target percentages are ranges (e.g. up to 30% for Pzena).

4. Data provided by CAPIS.



**INVESTMENT MANAGER,
CONSULTANT, AND CUSTODIAN FEES**
For Quarter Ending March 31, 2020

**INVESTMENT NET ASSET VALUE AND INVESTMENT MANAGER FEES
FOR THE QUARTER ENDED MAR 31, 2020**

For the Quarter Ended Mar 31, 2020	NAV ² (\$) As of 3/31/20	Q1 - Total Fees (\$)	bps of NAV
Name of Fund			
Domestic Equity¹			
BlackRock R1000 Index Fund	1,563,402,891	39,321	0.25
Kennedy Capital	79,413,186	216,284	27.24
Pzena	80,249,376	153,347	19.11
Trust Co. of the West	115,760,060	143,698	12.41
William Blair Small Cap Growth	92,931,190	228,731	24.61
Total Domestic Equity	1,931,756,703	781,381	4.04
International Equity¹			
AQR International Equity	333,110,143	512,297	15.38
BlackRock MSCI World ex-US	358,855,540	25,581	0.71
Bivium International Equity	69,722,702	171,614	24.61
Capital Group	380,976,080	779,730	20.47
Franklin Templeton Inv.	169,997,461	341,607	20.09
Mondrian	336,615,852	373,477	11.10
Newton Emerging Market Equity Fund	194,773,677	121,734	6.25
Total International Equity	1,844,051,455	2,326,040	12.61
Fixed Income¹			
Baird Advisors	586,769,834	136,245	2.32
Loomis Sayles	295,145,772	229,328	7.77
Brandywine Global FI	312,857,319	215,246	6.88
Total Fixed Income	1,194,772,925	580,819	4.86
Real Estate^{5,6}			
Total Real Estate	607,428,802	1,688,030	27.79
Private Equity^{4,5,6}			
Total Private Equity	552,323,744	1,156,616	20.94
Absolute Return^{5,6}			
Total Absolute Return	685,440,691	4,406,232	64.28
Real Assets^{4,5,6}			
Total Real Assets	358,033,845	1,812,197	50.62
Private Credit^{4,5,6}			
Total Private Credit	36,070,411	127,333	35.30
Cash	130,547,692		
TOTAL⁷	7,340,426,268	12,878,647	17.54

Notes:

- Domestic, International Equity, and Fixed Income managers' fees are based on staff validated manager invoices.
- NAVs may use estimates at the time of this report's production.
- Some accounts contain submanaged funds; the fees shown include all assets in the account.
- Sometimes fees may be estimates. According to the Limited Partnership Agreements, management fees are based on committed amounts and/or assets under management.
- Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26
- Fees may include management, incentive fees, and expenses as applicable. Incentive fees may include unrealized (hypothetical) fees which can fluctuate from quarter to quarter based on changes in valuations.
- Previous quarter's amounts may change as estimates are trueed up to actual amounts. Each true up is made using the most recent information.

**CONSULTANT/CUSTODIAN FEES
FOR THE QUARTER ENDED MAR 31, 2020**

	Q1 - Fees (\$)
Consultant	
Doug McCalla	12,367
Callan Associates	56,250
Verus Advisory, Inc.	171,250
Institutional Shareholders Services	13,575
Zeno Consulting Group	11,250
Sub-total Consultant	264,692
Custodian	
State Street Bank	137,596
TOTAL OF CONSULTANT / CUSTODIAN FEES ¹	402,288

Notes:

1. Previous quarter's amounts may change as estimates are trueed up to actual amounts. Each true up is made using the most recent information.



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

475 14th Street, Suite 1000, Oakland, CA 94612 800/838-1932 510/628-3000 fax: 510/268-9574 www.acera.org

TO: Members of the Investment Committee

FROM: Agnes Ducanes – Administrative Specialist II *Aducanes*

DATE: June 10, 2020

SUBJECT: Quarterly report on ACERA's Investment Products and Services
Introductions (IPSI) Program

In the first quarter of 2020, Staff received 28 investment products and services inquiries from prospective providers. We met with 5 managers who presented through the IPSI process. Since we had staff turnovers, the IPSI meetings has been scheduled according to staff's availabilities.

The purpose of IPSI is to provide prospective vendors an opportunity to gain a better understanding of ACERA's investment objectives and for Staff to learn about the vendors' investment products/services through face-to-face meetings, teleconferences, or video conferences. Staff has designated the morning of the third Wednesday of every month as ACERA's IPSI day. Each introductory session is approximately 45 minutes.

Below please find a chart depicting the types of IPSI sessions that were held in the first quarter of 2020.

ASSET CLASS	Q1 '20	Q2 '20	Q3 '20	Q4'20	TOTAL
U.S. Equities	1	0	0	0	1
Int'l Equities	0	0	0	0	0
Fixed Income	0	0	0	0	0
Real Estate	1	0	0	0	1
Private Equities	0	0	0	0	0
Absolute Return	0	0	0	0	0
Real Assets	1	0	0	0	1
Private Credit	2	0	0	0	2
Other Services	0	0	0	0	0
TOTAL:	5	0	0	0	5



TO: Members of the Investment Committee

FROM: Thomas Taylor, Investment Officer *-Thomas Taylor*

DATE: June 10, 2020

SUBJECT: Summary of Rebalancing and Cash Activities Completed in 1Q2020

Recommendation:

Not Applicable – This is an information item.

Background/Discussion:

1. Action was required to rebalance the Total Fund in the quarter ending March 31, 2020. In accordance with ACERA's General Investment Guidelines, Policies and Procedures, Section V: Asset Allocation and Rebalancing, Schedule IA: Asset Allocation Targets, and Schedule IC: Asset Allocation Portfolio Rebalancing, there was rebalancing signals received during the month of March as global equity markets precipitously dropped due to COVID-19 and the Shelter-in-Place orders. Staff, with the concurrence of the rebalancing consultant and the general investment consultant, withdrew \$95.0M from Baird Advisors and \$55.0M from Loomis Sayles, both in the Fixed Income asset class. Given the uncertainty of the economic times and ACERA's inferred possibility to cover employer payroll contributions timely, Staff deposited funds in HI1A and maintained a higher than normal balance¹.
2. Regarding significant cash-flows for 1Q2020, Staff implemented the following changes to manage cash, make the supplemental timely month-end retiree benefits and administrative payroll, and to meet the capital calls and provide operating funds:
 - a. Month-end payroll²: Staff withdrew a net \$47.0 million from the Total Fund to supplement for month-end payroll for the three-months ending March 31, 2020. Staff wired out \$16.0M in January, \$16.5M in February, and \$16.5M in March to ACERA'S Wells Fargo Bank account. Fiscal Services wired-in \$2.0M from Wells Fargo Bank back to State Street Bank (#HI1A) in January. The reason for noting the incoming wires is because not all employer contributions are received before the month-end and administrative payroll for that month.
 - b. Capital Calls, Distributions, and Other Cash Flows: In general, wire-payments of \$107.1M in aggregate were made to meet capital calls for ACERA's privately placed investments. ACERA received cash and in-kind distributions from ACERA's investments totaled \$25.1M. This dollar amount does not include other incidental income³.
3. Reporting of rebalancing activities will continue to be submitted to the Investment Committee on a quarterly basis.

¹ The normal balance in HI1A is approximately \$10M. As of 3/31/2020, HI1A was \$130.5M

² To meet capital calls, new investments, and month-end payroll, ACERA had sufficient funds available. At the beginning of the quarter CFM At the end of the quarter Staff also raised \$150m from the two fixed income managers mentioned above.

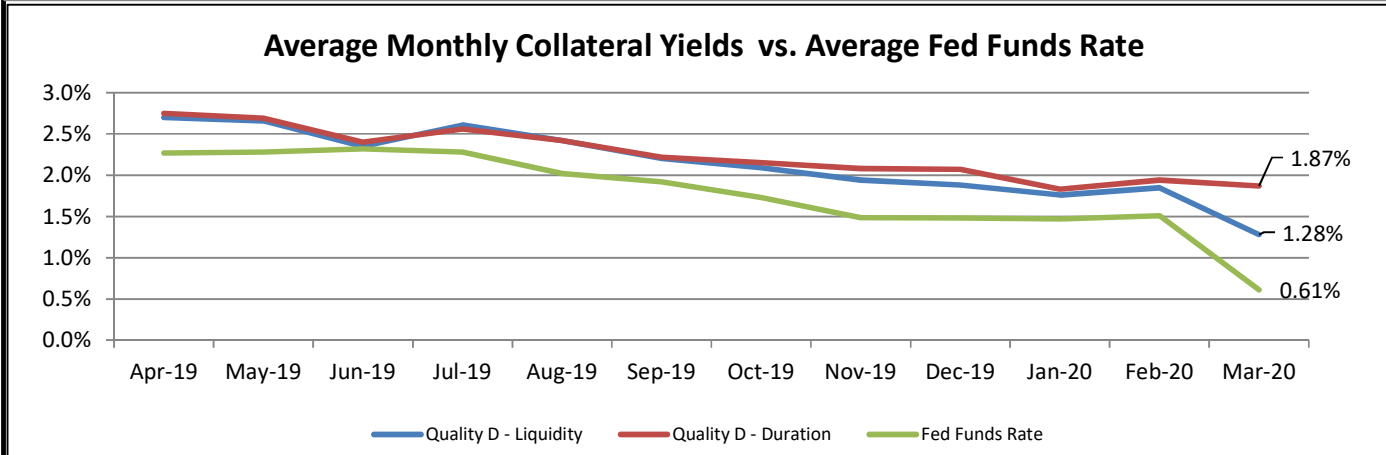
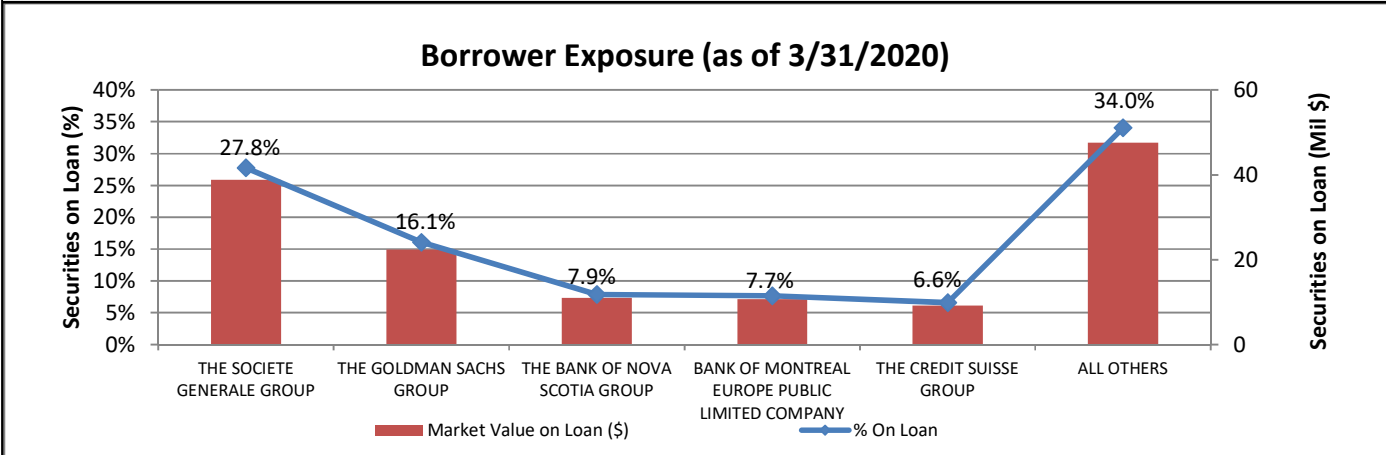
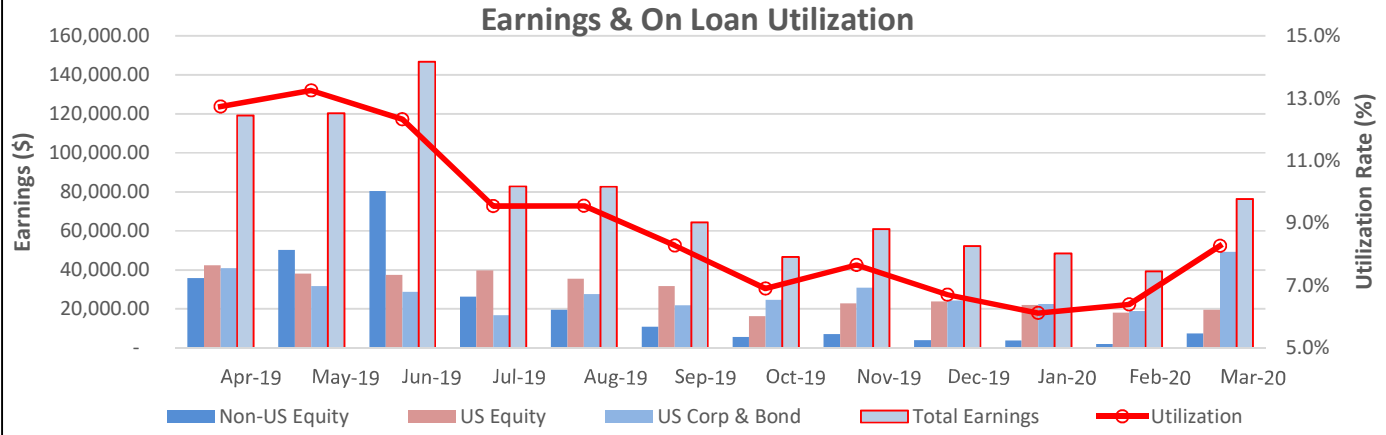
³ Securities Litigation Income (\$1.2K), Securities Lending Income (\$142.1K), and Commission Recapture Income (\$8.8K) totaled \$152.1K. Incremental income does not include dividend and interest income from traditional managed accounts, which are reinvested by the managers.

Alameda County Employees' Retirement Association

1st Quarter 2020 Securities Lending Report

Quarterly Summary

In 1Q2020, ACERA's earnings from Securities Lending activities were \$164,071.14. US Government generated the highest earnings of \$60,985.55. As of March 31, 2020, the average market value of securities on loan was \$159,428,166.00. Bank of Nova Scotia Group was the largest borrower of ACERA's securities with 13.6% as of the last day of the quarter.



Notes:

- (1) Quality D Liquidity and Quality D Duration Funds are managed by an affiliate of State Street Bank (SSB); these funds are common pools in which many securities lending clients of SSB invest their cash collateral generated from their security lending activities. ACERA invests the cash collateral received from its security lending activities into Quality D Liquidity and Quality D Duration Funds. As of 3/31/2020, ACERA's combined NAV per unit of the Quality D Liquidity (99.2531) and Quality D Duration Funds (0.7469) was \$0.9980. As of 3/31/2020, Quality D Liquidity had 121,788,671.25 units and Quality D Duration had 916,443.60 units.
- (2) Data represents past performance and is not necessarily indicative of future results.
- (3) Data Source: my.statestreet.com and Securities Finance Business Intelligence

Securities Lending Report Provided by Staff

ICM 6/10/2020



Investment Committee Workplan for 2020

June 10, 2020

Action Items

Information Items

Date	Action Items	Information Items
January 8	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend that the Board Authorize Staff to Negotiate an Extension of the Custody Contract with State Street Bank and Trust Company 2. Discussion of and Possible Motion to Recommend to the Board to approve short list of candidates for ACERA’s Large Cap Value Manager Search 	<ol style="list-style-type: none"> 1. Education Session: Cash Overlay 2. Proposed Investment Committee Workplan for 2020
February 13 (schedule change due to 2 nd Wednesday falls on Lincoln Day – County Holiday)	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt ACERA’s ESG Belief Statement 	<ol style="list-style-type: none"> 1. Review of 2020 Capital Market Assumptions 2. Investment Committee Workplan 2020
March 18 (ICM Cancelled)		
April 8 (ICM Cancelled)		
May 20 (ICM Cancelled)		

Notes:

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2. Meeting date is assumed to be the second Wednesday of each month.
3. Educational sessions may be added to the Agenda from time-to-time e.g., Portable Alpha, Market and Currency Overlay, Equity Overlay, and Emerging Managers in Private Equity investments. Recommendations and reports on ACERA’s Real Estate, Private Equity, Absolute Return, and Real Assets investments will be added to the Agenda from time-to-time.



Investment Committee Workplan for 2020

June 10, 2020

Action Items

Information Items

Action Items	Information Items
<p>June 10</p> <ol style="list-style-type: none"> Interview of the Finalists for ACERA’s U.S. Large Cap Value Manager Search and Possible Motion by the Investment Committee to Recommend one Finalist to the Board 	<ol style="list-style-type: none"> Verus firm update - Introduction of Stuart Odell, Managing Director / Senior Consultant Semiannual Performance Review for the Period Ending March 31, 2020 – Equities and Fixed Income Semiannual Performance Review for the Period Ending December 31, 2019 – Private Equities Semiannual Performance Review for the Period Ending March 31, 2020 – Absolute Return Semiannual Performance Review for the Period Ending December 31, 2019– Private Credit Semiannual Performance Review for the Period Ending December 31, 2019 – Real Assets Semiannual Performance Review for the Period Ending March 31, 2020 – Real Estate <i>Quarterly report of ACERA’s investment manager, consultant, and custodian fees for the first quarter of 2020</i> <i>Quarterly report on ACERA’s rebalancing activities for the first quarter of 2020</i> <i>Quarterly report on ACERA’s securities lending activities for the first quarter of 2020</i> <i>Quarterly report on ACERA’s Directed Brokerage (DB) Program for the first quarter of 2020</i> <i>Quarterly report on Investment Products and Services Introduction (IPSI) for the first quarter of 2020</i> <i>Updated Investment Committee Workplan 2020</i>

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Investment Committee Workplan for 2020

June 10, 2020

	Action Items	Information Items
July 8	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Assets (Placeholder) 2. Discussion and Possible Motion to Recommend to the Board to Adopt an Investment in Private Credit Portfolio (Placeholder) 	<ol style="list-style-type: none"> 1. Review of Cash Overlay Implementation (tentative) 2. Education Session: Risk Reporting (tentative) 3. Review draft of the ESG Policy (tentative)
	<p style="text-align: center;">Adjournment into Closed Session</p> <ol style="list-style-type: none"> 4. Consider the Purchase or Sale of Particular, Specific Pension Fund Investment (CA Gov. Code §§ 54956.81 and 6254.26) 	
August 12	<ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend to the Board to Adopt an Investment in Real Estate Portfolio (Placeholder) 2. Discussion of and Possible Motion to Recommend to the Board to Adopt ESG Policy (tentative) 	<ol style="list-style-type: none"> 1. Review of AQR International Equities (Traditional) 2. Review ACERA’s International Equities Manager Structure – tentative 3. Review of Real Estate Fund UBS Trumbull – (tentative) 4. Review of Real Estate Fund JP Morgan SPF – (tentative)
September 9	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Assets Portfolio (Placeholder) 2. Discussion and Possible Motion to Recommend to the Board to Adopt an Investment in Private Credit Portfolio (Placeholder) 3. Discussion and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Estate Portfolio 	<ol style="list-style-type: none"> 1. Closed Session: Gov’t Code section 549561.81 (tentative) 2. Review of the Real Assets and Investment Plan (tentative) 3. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the second quarter of 2020</i>

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Investment Committee Workplan for 2020

June 10, 2020

Action Items

Information Items

	Action Items	Information Items
		<ol style="list-style-type: none"> 4. <i>Quarterly report on ACERA's rebalancing activities for the second quarter of 2020</i> 5. <i>Quarterly report on ACERA's securities lending activities for the second quarter of 2020</i> 6. <i>Quarterly report on ACERA's Directed Brokerage (DB) Program for the second quarter of 2020</i> 7. <i>Quarterly report on Investment Products and Services Introduction (IPSI) for the second quarter of 2020</i> 8. <i>Updated Investment Committee Workplan for 2020</i>
October 14	<ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend to the Board to Adopt an Investment in Private Equities Portfolio (Placeholder) 	<ol style="list-style-type: none"> 1. Review of Real Estate Manager Heitman HART
November 4 (meeting moved to first Wednesday due to SACRS Conference)	<ol style="list-style-type: none"> 1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA's Real Estate (Placeholder) 	

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Investment Committee Workplan for 2020

June 10, 2020

Action Items

Information Items

Action Items	Information Items
<p>December 9</p> <ol style="list-style-type: none"> 1. Discussion and Possible Motion to Recommend to the Board to Adopt an Investment in Absolute Return Portfolio (Placeholder) 	<ol style="list-style-type: none"> 1. Semiannual Performance Review for the Period Ending September 30, 2020 – Equities and Fixed Income 2. Semiannual Performance Review for the Period Ending June 30, 2020 – Private Equity 3. Semiannual Performance Review for the Period Ending September 30, 2020 – Absolute Return 4. Semiannual Performance Review for the Period Ending June 30, 2020 – Private Credit 5. Semiannual Performance Review for the Period Ending June 30, 2020 – Real Assets 6. Semiannual Performance Review for the Period Ending September 30, 2020 – Real Estate 7. CA Gov. Code § 7514.7 Information Report 8. <i>Quarterly report of ACERA’s investment manager, consultant, and custodian bank fees for the third quarter of 2020</i> 9. <i>Quarterly report on ACERA’s rebalancing activities for the third quarter 2020</i> 10. <i>Quarterly report on ACERA’s securities lending activities for the third quarter of 2020</i> 11. <i>Quarterly report on ACERA’s Directed Brokerage (DB) Program for the third quarter of 2020</i> 12. <i>Quarterly report on Investment Products and Services Introductions (IPSI) for the third quarter of 2020</i> 13. <i>Updated Investment Committee Workplan 2020</i>

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Investment Committee Workplan for 2020

June 10, 2020

Action Items

Information Items

Future Items:	Action Items	Information Items
	<ol style="list-style-type: none">1. Discussion of and Possible Motion to Recommend to the Board to Adopt the 2020 – 2022 Investment Plan for ACERA’s Absolute Return Asset Class (tentative)2. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Estate (Placeholder)3. Discussion and Possible Motion to Recommend to the Board to Adopt an Investment in Private Equities Portfolio (Placeholder)4. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Assets Portfolio (Placeholder)5. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Absolute Return (Placeholder)6. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in ACERA’s Real Estate (Placeholder)	<ol style="list-style-type: none">1. Education Session: Investment Due Diligence2. Education Session: Portable Alpha (tentative)

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