MEKETA
INVESTMENT GROUP

Employees' Retirement System of the City of Norfolk

Meeting Materials
September 14, 2022

Fund Evaluation Report

Agenda

Investment Policy Statement Review

Background

→ The most important governing document is the Investment Policy Statement ("IPS"). The current IPS includes all key areas of focus. However, we found certain sections overlapped.

→ In addition, the IPS has to be updated to reflect the new roles and responsibilities of the discretionary advisor relationship.

→ By conducting periodic reviews, we can also make sure it incorporates all best practices for strong governing documents.

→ On the following page, we outline the key sections that we recommend be revised.

Investment Policy Statement Recommended Changes

Section	Proposed Changes
General Investment Principals	• Removed overlap and incorporated key provisions within the rest of the document
Delegation of Responsibilities	• Updated to reflect new discretionary relationship and the changes to the roles as a result
Investment Objectives	• First priority is to achieve actuarial assumed rate of return over a full market cycle, outperforming the policy benchmark should be secondary • Removed the real return target • Moved definitions of the policy benchmark to an appendix • Removed the statement about a review by the Board after a five-year period of underperformance
Investment Constraints	• Added legal requirements (e.g., reference to Virginia code) • Broadened liquidity constraint (currently states only publicly listed securities)
Asset Allocation Policy, Ranges, & Rebalancing	• Updated to reflect new targets (when adopted) and to reflect flexibility warranted in the discretionary relationship • Removed reference to monthly rebalancing
Asset Class Specific Guidelines	• Removed them from the IPS • Each manager will have guidelines that fit their specific strategy that can in some instances be in conflict with the generic guidelines in the IPS

→ Other enhancements include moving some content to the appendix (e.g., definitions), updating language around proxy voting, investment costs, and monitoring/reviewing the service providers.

Investment Policy Statement

Employees' Retirement System of the City of Norfolk

D R A F T

Investment Policy Statement
Revised November 2, 2022

1. Executive Summary

Name of Fund:	Employees' Retirement System of the City of Norfolk
Fund Sponsor:	The City of Norfolk, Virginia
Mission of the Fund:	To provide a retirement benefit for the employees of the City of Norfolk, Virginia

2. Statement of Purpose

The Board of Trustees ("Board") recognize that a stable, well-articulated investment policy is crucial to the long-term success of the Employees' Retirement System of the City of Norfolk ("Fund"). As such, the Board has adopted this Investment Policy Statement ("Policy") in recognition of its fiduciary responsibility to supervise the investment of the Fund's assets. The purpose of this document is to set forth in writing:

i. an appropriate set of objectives and goals to be attained through the investment of the Fund's assets;

ii. the position of the Board with respect to the Fund's risk/return posture, including allocation of assets, and establishment of investment guidelines; and

iii. an overall system of investment policies and practices whereby the continuing financial obligation of the Fund will be satisfied.

All previous Fund investment policies and objectives are superseded by this Policy, and any revisions to this Policy may be made only with written approval from the Board.

3. Statement of Responsibilities

The following parties associated with the Fund shall discharge their respective responsibilities in accordance with all applicable fiduciary standards as follows: (1) in the sole interest of the Fund's contributors and beneficiaries; (2) with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like aims; (3) by diversifying the investments so as to minimize the risk of large losses; and (4) acting in accordance with the guidelines outlined in this Policy, all applicable laws, and the City of Norfolk and State of Virginia statutes.

i. **Board of Trustees**: The Board is responsible for creation of, approval of, and updates to this Policy. Further, the Board is charged with selecting, retaining, and as necessary, replacing the fiduciaries which will manage the assets of the Fund and other experts employed by the Fund. The Board may delegate certain functions to System Staff and the Investment Advisor. Specific responsibilities of the Board include, but are not limited to:

i. Adhering to the requirements of applicable laws of the City of Norfolk and the Commonwealth of Virginia.

ii. Projecting the Fund's financial needs and communicating such needs to the Investment Advisor on a timely basis.

iii. Determining the Fund's risk tolerance, investment horizon, and allowable ranges of asset class exposure; and communicating these to the appropriate fiduciaries.

iv. Establishing reasonable and consistent investment policies, goals, objectives and limitations which will direct the investment of the Fund's assets.

v. Prudently and diligently selecting qualified investment professionals, including the Investment Advisor, Custodian, and Actuary.

vi. Regularly evaluating the performance of the Fund to ensure adherence to the investment policy stated herein and to monitor progress toward investment goals and objectives.

vii. Developing and enacting proper monitoring and control procedures.

ii. **System Staff**: The System Staff has been delegated day-to-day management responsibilities for the Fund and the relationships with other agents and advisors. Further, System Staff is responsible for:

i. Reporting to the Board on all matters requested.

ii. Working with the Investment Advisor to assure compliance with this Policy on an ongoing basis and reporting exceptions to the Board.

iii. In conjunction with the Investment Advisor, advising the Board on issues related to this Policy, including identifying the need for updates.

iv. Providing the Investment Advisor advanced notice of monies needed to fulfill monthly pension obligations and Fund expenses.

v. Monitoring and maintaining the external banking relationship and understanding that the Investment Advisor does not monitor or report on it.

vi. Other responsibilities as deemed necessary by the Board.

iii. **Investment Advisor**: The Investment Advisor is charged with the responsibility of advising the Board on investment policy and strategic asset allocation. The Investment Advisor has been granted full discretion over the selection of investment managers and tactical asset allocation within the guidelines of this Policy by the Board. The investment advisor is responsible for:

   i. Maintaining adequate liquidity to meet pension obligations, working with System Staff to source monies to meet pension obligation and fund expenses.

   ii. Managing the day-to-day custodial banking, securities lending, and directed brokerage relationships.

   iii. Reporting all relevant or requested information to the Board including decisions made about the investments (e.g., changes in investment managers, tactical positioning).

   iv. Working with System Staff to source monies to meet pension obligation and fund expenses.

   v. Providing performance analysis and monitoring services.

iv. **Investment Manager(s)**: The investment manager(s) are delegated the responsibility of investing and managing the Fund's assets in accordance with this Policy, and all applicable law. Each investment manager must either be (1) registered under the Investment Company Act of 1940, (2) registered under the Investment Advisors Act of 1940, (3) a bank, as defined in that Act, (4) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of the Fund's assets, or, (5) such other person or organization authorized by applicable law or regulation to function as an investment manager. Each Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary. Further:

   i. Each Investment Manager shall be granted full discretion to make all investment decisions for its Account, while operating within all policies, restrictions, guidelines, constraints, and philosophies set forth in this Policy and the Account's statement of investment guidelines and restrictions ("Investment Guidelines"), which will become part of this Statement. Specific responsibilities of each Investment Manager include:

   ii. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the Investment Guidelines.

1. Reporting asset valuation and investment performance results on a timely basis.
2. Communicating any major changes to economic outlook, investment strategy, or any other factors which affect implementation of its investment process, or the investment goal progress of the Fund.
3. Reporting any significant change in its investment management organization within 30 days of such occurrence.
4. All reporting and notification required by this Statement shall be made to the Investment Advisor.
5. The Board and Investment Advisor will not reserve any control over investment decisions, with the exception of specific limitations described in this Policy and the account's Investment Guidelines. Each Investment Manager will be held responsible for meeting the goals stated in the Investment Guidelines. Should an Investment Manager believe at any time that changes, additions, or deletions to the Investment Guidelines are in the Account's best interest, the Investment Manager shall promptly recommend them in writing to the Investment advisor.

v. **Custodian**: The custodian has been retained by the Board and is charged with the following responsibilities:

   i. Safekeeping of Fund assets under trust or custodial arrangement;

   ii. Providing System Staff, Investment Advisor, and Investment Managers a regular valuation, transaction listing, and accounting of Fund assets. Such valuation, listing, and accounting shall occur at least on a monthly basis and will be made available to the Board upon request;

   iii. Settle all purchases and sales of securities and other related transactions by the Fund's investment managers held in their custody;

   iv. Sweep all Fund accounts daily into a cash management account to ensure no Fund assets are left uninvested;

   v. Manage all uninvested cash and cash awaiting disbursement to the Fund's investment managers in liquid, safe, interest-bearing instruments;

   vi. Adhere to the following Custodial credit risk requirements

1. Deposits - The Fund maintains all accounts collateralized in accordance with the Virginia Security for Public Disclosures Act, Sec 2.2-4400 et. seq. of the Code of Virginia.
2. Investments - The Fund requires that all securities purchased by or for the Fund be properly and clearly labeled as an asset of the Fund and held in safekeeping by a third-party custodial bank or institution in compliance with Section 2.2-4515 of the Code of Virginia.

vii. Provide all other contracted custodial services not mentioned above necessary for the efficient investment, custody, and administration of the Fund's assets;

vi. **Actuary**: The actuary has been retained by the Board and is charged with the following responsibilities:

i. Prepare an annual evaluation of the Fund's assets and liabilities. Such valuation shall be provided to the Board to determine the financial condition of the Fund and determine the contribution rates necessary to fund the Fund.

ii. Recommend to the Board adoption of certain assumptions, including those concerning contribution rates, death, disability, withdrawal, retirement, and investment returns.

iii. Conduct, on a frequency determined by the Board, a study of the actual assumptions adopted by the Board and the actual Fund experience to determine the appropriateness of such assumptions.

iv. Assist the Investment Advisor in the preparation of all asset liability studies and, specifically, the analysis of the Fund's liabilities and provisions.

v. Provide guidance and perspective regarding special actuarial studies, experience studies, benefit changes, and all things of an actuarial nature as may be required by the Board from time to time.

4. Investment Objectives

The investment strategy of the Fund is designed to ensure the prudent investment of funds in such a manner as to provide real growth of assets over time while protecting the value of the assets from undue volatility or risk of loss.

The Board accepts the risks associated with investing in the capital markets (market risks) but will minimize wherever possible those risks for which the Fund is unlikely to be compensated (non-market or diversifiable risks).

i. Risk Objectives

i. To accept the minimum level of risk required to achieve the Fund's return objective as stated immediately below.

ii. To use extensive diversification to minimize exposure to company and industry-specific risks in the aggregate investment portfolio.

iii. To the extent possible, minimize the annual volatility in the asset base that supports the level of pension obligations and Fund expenses. Short-term volatility will be tolerated in as much as it is consistent with the volatility of the Target Policy.

ii. Return Objective

i. To earn a return on aggregate Fund assets over a full market cycle, net of investment fees, that equals or exceeds:

1. The actuarially assumed rate of return.
2. The returns of the Target Policy Index and Strategy Index.

5. Investment Constraints

i. Legal and Regulatory

It is the intention of the Board to manage the assets of the Fund at all times in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Prudent Investor Rule, and applicable laws of the City of Norfolk and the Commonwealth of Virginia.

ii. Time Horizon

The Fund operates on a perpetual basis. The assets of the Fund will be invested with a long-term time horizon, consistent with the mission of the Fund.

iii. Liquidity

Given the Fund's long-term horizon, liquidity will be of modest concern. The Board will continuously monitor liquidity needs, benefit projections, and the impact of changes in regulations or other circumstances.

iv. Tax Considerations

The Fund is a tax-exempt entity. Therefore, investments and strategies will be evaluated only on the basis of expected risks and potential returns.

6. Diversification

The Board recognizes that an important element of risk control is diversification. Therefore, investments will be allocated across multiple classes of assets, chosen in part for their low correlation of returns. Within each asset type, the Fund's investments will be distributed across many individual holdings, thus expecting to further reduce volatility.

7. Asset Allocation

The Board recognizes that the allocation of monies to various asset classes will be the major determinant of the Fund's return and risk experience over time. Therefore, the Board will allocate investments across asset classes that, based on historical and expected returns and risks, provide the highest likelihood of meeting the Fund's investment objectives.

i. Permissible Asset Classes

Because investment in any particular asset class may or may not be consistent with the objectives of the Fund, the Board has specifically indicated in Appendix A those asset classes that may be utilized when investing the Fund's assets.

ii. Long-Term Target Allocations

Based on the investment objectives and constraints of the Fund, and on the expected behavior of the permissible asset classes, the Board will specify a long-term target allocation for each class of permissible assets. These targets will be expressed as a percentage of the Fund's overall market value, surrounded by a band of permissible variation resulting from market forces.

The long-term target allocations are intended as strategic goals, not short-term imperatives. Thus, it is permissible for the overall Fund's asset allocation to deviate from the long-term target, as would likely occur during manager transitions, asset class restructurings, and other temporary changes within the Fund. Deviations from targets that occur due to capital market changes are discussed below.

The Fund 's target allocations for all permissible asset classes are shown in Appendix B.

iii. Rebalancing

In general, cash flows to and from the Fund will be allocated in such a manner as to move each asset class toward its target allocation.

The Board recognizes that, periodically, market forces may move the Fund's allocations outside the target ranges. The Board also recognizes that failing to rebalance the allocations could unintentionally change the Fund's structure and risk posture. However, the Board understands that constant rebalancing could result in a significant increase in explicit and implicit trading costs to the

Fund. Consequently, the Board has established a process to rebalance the allocations periodically.

On at least an annual basis, if any strategic allocation is outside the specified target range, assets will be shifted to return the strategy to the target range. The specific plan for rebalancing will identify those assets that can be shifted at the lowest possible risk and cost if the rebalancing cannot be accomplished solely by allocating contributions and withdrawals.

iv. Tactical Asset Allocation

The Investment Advisor will have full discretion to tactically deviate from the long-term Target Allocation within the defined asset class ranges.

8. Review of Investment Policy, Asset Allocation, and Performance

The Policy will be reviewed at least annually to ensure that the objectives and constraints remain relevant. However, the Board recognizes the need for a stable long-term policy for the Fund, and major changes to this policy statement will be made only when significant developments occur.

The asset allocation of the Fund will be reviewed on an on-going basis, and at least annually. When necessary, such reviews may result in a rebalancing of asset allocations. In general, the Board intends that the Fund will adhere to its long-term target allocations, and that major changes to these targets will be made only in response to significant developments.

The Board will specifically evaluate the performance of the Fund relative to its objectives and to the returns available from the capital markets during the period under review. In general, the Board will utilize relative, rather than absolute, benchmarks in evaluating performance.

9. Investment Costs

The Board intends to monitor and control investment costs.

10. Voting of Proxies

The Board recognizes that the voting of proxies is important to the overall performance of the Fund. The Board has delegated the responsibility of voting all proxies to the investment managers. The Board expects that managers will execute all proxies in a timely fashion, provide a full accounting of all proxy votes, and upon request, a written explanation of individual voting decisions. The Board intends to review the managers' proxy voting periodically.

11. Policy Changes

The Investment Advisor shall advise the Board of any restrictions within this Policy that may prevent the investment manager(s) from obtaining the objectives and goals set forth herein. Any violation of the investment guidelines or other sections of this Policy discovered by the Investment Advisor in the preparation of its regular performance review shall be reported immediately to Staff and/or the Board and discussed at their next regularly scheduled meeting.

12. Investment Policy Review and Revisions

The Board reserves the right to amend the Policy at any time they deem such amendment to be necessary, or to comply with changes in local and/or federal law as these changes affect the investment of the Fund's assets.

The Policy shall also be reviewed annually to ensure compliance and relevance to the current law, financial and economic trends and to meet cash flow requirements of the Fund.

IN WITNESS HEREOF, the Board has approved the revised Investment Policy Statement by resolution adopted on the xth day of Month 202X.

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Authorized Signer Name, Title

Appendix A

Permissible Asset Classes

Asset Class
Public Domestic Equity
Public Foreign Equity
Emerging Market Equity
Private Equity
Bank Loans
High Yield Bonds
Emerging Market Bonds
Real Estate
Natural Resources
TIPS
Investment Grade Bonds
Hedge Funds
Private Credit
Commodities
MLP's
Infrastructure
Cash

Appendix B

Asset Allocation Targets

	Target	Range	Benchmark
Growth Assets	**X%**	**X% to X%**	
Global Equity			
Private Equity			
Credit	**X%**	**X% to X%**	
Bank Loans			
High Yield Bonds			
Emerging Market Bonds			
Inflation Hedges	**X%**	**X% to X%**	
Real Estate			
Natural Resources			
TIPS			
Risk Mitigation	**X%**	**X% to X%**	
Investment Grade Bonds			
Hedge Funds			
Cash			

Appendix C

Fund Benchmarks

Functional Category	Weight	Composition
Growth Assets	X%	
Credit	X%	
Inflation Hedges	X%	
Risk Mitigation	X%	

Target Policy Benchmark: The Target Policy Benchmark is designed to measure the performance Fund relative to broad market exposures (60/40). The Target Policy Benchmark is comprised of xxx.

Strategy Index: The Strategy is designed to measure the performance of the Investment Advisor manager selection. The Strategy index is calculated using the actual weights of each Functional Category.

Appendix D

Watch List

The Board intends to evaluate each Investment Manager over at least a three-year period, but reserves the right to terminate an Investment Manager for any reason including the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of this Statement, including communication and reporting requirements.
3. Significant changes to the Investment Manager's organization.

Appendix E

Definitions

A. “Fund" shall refer to the Employees' Retirement System of the City of Norfolk.
B. "Return" shall refer to return from dividends, interest, realized gains, and unrealized gains based on market value, net of management fees, and associated expenses.
C. "Board" shall refer to the Board of Trustees of the Employees' Retirement System of the City of Norfolk.
D. "Fund Staff” shall refer to employees retained by the Board to assist with the management of the Fund.
E. "Fiduciary” shall refer to any individual, or group of individuals, employed to manage the investments of all or pan of the Fund assets.
F. "Investment Manager" shall refer to any registered investment advisor employed to manage the investments of all or part of the Fund's assets or any commingled fund in which all or part of the Fund's assets are invested. Managers employed by the Fund shall be qualified professional asset managers (QPAM) under State or Federal law.
G. "Account" shall refer to the assets which the Fund designates for investment pursuant to the investment management agreement between a Manager and the Fund.
H. "Investment Advisor" shall refer to any individual, or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search and retention, and performance monitoring.
I. "Investment Horizon" shall refer to the time period over which the investment goals, as set forth in this Statement, are expected to be met. The investment horizon for the Fund is ten years.
J. "Watch List" shall refer to managers being placed on watch in the case of underperformance, style drift, ownership, or personnel changes. Pervasive problems regarding any of the above may become grounds for termination.

Introduction to Asset Allocation

Background

→ The asset allocation decision will have the largest impact on the performance of the Retirement System of any decision the Investment Committee ("IC") makes.

→ The review process highlights the natural tension between long term goals and short term risks, and should allow the System to make more informed decisions regarding portfolio positioning.

- The objective is not to declare one portfolio the "right" choice or the only prudent choice, but to highlight the risk and return tradeoffs of different policy portfolios.

→ Today we will set the stage for an in-depth asset allocation review in October. We hope to achieve the following with today's discussion:

- Introduce the functional asset allocation framework (e.g., how Meketa group asset classes)
- Share initial observations on the System's current policy targets
- Collect feedback from the IC on their preferences, risk tolerances, and potential asset allocations.

Functional Asset Allocation Framework

→ A functional asset allocation framework does not necessarily change what asset classes you are invested in or how you diversify the System.

- Rather, it organizes investments by primary risk drivers/function and improves transparency into the portfolio's underlying risk posture.

→ Institutional investors of all types and sizes make use of numerous classes, or buckets, when allocating investment assets within portfolios. A functional allocation framework represents a departure from the classic asset class allocation paradigm that has dominated the allocator industry for decades.

→ Meketa believes a functional framework allows for better risk management by our client's boards and our investment team.

Functional Asset Allocation Framework

→ The below table highlights Meketa's functional framework to provide additional context to our approach.

Functional Category	Generally Included Asset Classes	Risk Profile	Summary of Functional Category
Growth Assets	Public Equity (including all sub-categories), Private Equity, Risk Seeking Hedge Funds	High	Category will do best when the economy is doing well. These assets are seeking to capture future cash flows available through potential future earnings of a company.
Credit Assets	High Yield, Bank Loans, Emerging Market Debt, Private Credit	High	Category tends to generate a higher income stream based on obligation to pay by an issuing entity (e.g. corporate, sovereign, quasi-sovereign).
Inflation Hedging Assets	TIPS, Global Linkers, Real Estate (Public and Private), Infrastructure, Natural Resources (public and private), Commodities, MLPs.	Variable depending on the included asset classes	The intention is to provide diversification across both equity orientated assets and fixed income-oriented assets. Generally, these assets should perform best during periods of uncertain or persistent inflation.
Risk Mitigating Assets	Investment Grade Bonds, Long USTs, Long STRIPS, Risk Mitigating Hedge Funds, Cash	Low to Moderate	These assets seek to provide benefits in periods of equity market stress (Risk Mitigating Hedge Funds) alongside income generating assets with defensive tendencies.

Current Policy

→ Based on Meketa's 2022 capital market expectations, the System has an expected return of 6.2%.

Column Heading	Target (%)
Growth Assets	**55**
Public Equity	55
Inflation Hedging Assts	**15**
Real Estate	7.5
MLPs	7.5
Risk Mitigating Assets	**30**
Investment Grade Bonds	30
20-Yr Expected Return	6.2
20-Yr Standard Deviation	11.9

Observations

→ The current expected return falls short of the actuarial assumed rate of return (6.2% vs. 7.0%).

→ The System relies solely on public equity for growth.

→ The System has no exposure to illiquid assets and limited exposure to semi-liquid assets (e.g., core real estate).

→ The IC shared previously a desire to explore ways to reduce risk (e.g., managing volatility and contribution risk).

Considerations

→ Increase the exposure to inflation hedging assets through liquid (e.g., short term TIPS) and less liquid vehicles (e.g., private infrastructure).

- Eliminate the exposure to MLPs as they are volatile (as they are publicly traded) and gives the System exposure mostly to oil and gas midstream companies versus the broader infrastructure and natural resources asset classes.

→ Diversify fixed income and consider dedicated targets to TIPS (as noted above) and credit. Credit could include public (e.g., high yield and bank loans) and private credit.

→ Consider the use of other illiquid asset classes such as private equity to enhance return.

- Please note, private market strategies are significantly more expensive than public market strategies.

→ Diversify traditional defensive asset classes like high quality fixed income to include certain risk mitigating hedge funds (RMS)[1] that are designed to produce positive outcomes in high volatility (e.g., falling equity markets) market environments.

[1] Please visit our website to review a recent webinar on Risk Mitigating Strategies by our research staff.

Hypothetical Portfolio

→ Meketa is not recommending the below portfolio, but rather wanted to illustrate some of the considerations listed on the previous page.

	Current (%)	Hypothetical (%)
Growth Assets	**55**	**55**
Public Equity	55	50
Private Equity	0	5
Credit Assets	**0**	**5**
High Yield Bonds/Bank Loans	0	3
Private Debt	0	2
Inflation Hedging Assets	**15**	**15**
TIPS	0	4
Core Real Estate	7.5	4
Value-Added Real Estate	0	2
MLPs	7.5	0
Infrastructure (Core Private)	0	5
Risk Mitigating Assets	**30**	**25**
Investment Grade Bonds	30	15
Long-term Government Bonds	0	3
Defensive Hedge Funds	0	7
Expected Return (20 years)	*6.2%*	*6.3%*
Standard Deviation	*11.9%*	*11.6%*
Sharpe Ratio	*0.37*	*0.40*
Total Illiquid Asset Class Exposure (excl. core RE & IF)	*0%*	*9%*

Questions for Discussion

→ How does the IC define risk (e.g., volatility of returns, volatility of contribution rates, mission failure)?

→ What are your biggest concerns over the next year? Next five years? Long-term?

→ How comfortable is the IC with illiquid asset classes? Semi-liquid asset classes (e.g., core real estate)?

→ Does the IC have concerns over the increase in costs with the use of more active management or private market strategies?

→ Are the liabilities sensitive to inflation?

→ What type of asset class education would be helpful to prepare for the asset allocation discussion?

Examples of Active Investment Strategies

AllianceBernstein Global Core Equity

Investment Manager: AllianceBernstein L.P.

Strategy: AB Global Core Equity - Developed

Asset Class: Non-US Equity

Meketa Rankings

Current: 4

Meketa ESG Ranking

Current: B

Strategy Characteristics

Market Cap: All Cap

Mgmt. Style: Active

Investment Approach: Fundamental

Strategy Inception: 12/31/2015

Strategy Assets: $15.8 B*

Benchmark: MSCI World-ND

Holdings Range: 50-70

Turnover (LTM)*: 58% annually*

Sector Exposure: Diversified

EM Exposure*: N/A

Vehicle Availability: SA

* as of 6/30/2022
** versus stated benchmark

Synopsis:

- Global Core Developed is an appealing option for clients seeking core, benchmark aware global equity strategies. AllianceBernstein's (AB) approach is likely to provide a more stable, albeit potentially truncated, alpha stream relative to peers that run higher tracking error investment styles.

Investment Merits & Considerations: Key Strengths

- Stable and experienced team – The team's senior investors have worked together for over 15 years at AB, CPH Capital, and BankInvest managing global equities.
- The strategy's edge lies in the combination of fundamental analysis and dynamic risk management.

Investment Merits & Considerations: Concerns and Risks

- Key Person Risk – David Dalgas should be viewed as the key decision maker for Global Core. Should he leave that would necessitate a re-underwriting of the strategy.
- Organization/Ownership – With ownership shared by a French financial conglomerate, a US insurance company, and public shareholders, AB is set up for organizational volatility. In fact, the firm has experienced considerable leadership and ownership changes in recent years.
- Capacity monitoring – We believe their current soft target of $25 billion is reasonable, but if that starts to drift materially, we will have to re-evaluate.

Drivers of Return & Performance Expectations

- While AB seeks to maximize idiosyncratic risk, factor-based risk is not entirely neutralized in the portfolio, which should be expected to maintain tilts to higher quality and low leverage businesses relative to the index. These bets have had a material positive impact on historical performance, and could potentially become headwinds for performance, temporarily.
- Quality bent and thus downside protection is however dampened through relative risk neutralization.

Organization	
3	AllianceBernstein ("AB") is a large investment management firm based in New York. Alliance Capital Management, a growth manager, was founded in 1971. In 2000, Alliance purchased Sanford C. Bernstein & Co., Inc., a value manager, and formed AllianceBernstein. Equitable Life acquired Alliance Capital in 1985 and Equitable Life was subsequently purchased by AXA in 1991. AXA Financial, a large French financial services company, owns approximately 65% of AllianceBernstein and AB employees hold approximately 10% of the equity. The remaining stock is publicly traded. As of June 30, 2022, firm AUM was $645 billion.

Product	
4	AllianceBernstein's Global Core Developed strategy was incepted in December 2015. This strategy was developed out of the Global Core strategy that is managed by the same team and process. Strategy AUM as of June 30, 2022 was $15.8 billion. The team has stated that when they hit $25 billion in total AUM they plan to hard close their products. This portfolio currently has 51 holdings. The team has three overlapping variations of a global equity portfolio- Global Core, Global Core Developed, and a Global Core ex Japan strategy.

Investment Team	
4	The AB Global Core investment team comprises eight investment professionals. While the core team technically joined AB in 2014, making the AB Global Core franchise roughly eight years old, the team shares a much longer history managing global equity portfolios. This group's origin traces back to the early 2000s at BankInvest in Copenhagen. Current AB Global Core co-CIOs, David Dalgas and Klaus Ingemann first joined BankInvest in 2000 with about 10 years of investment experience each. The team is a collegial, collaborative group who shares a single large office in Copenhagen. David Dalgas and Klaus Ingemann are co-CIOs of the team. They sit on the team's Investment Board alongside Rasmus Hansen; this group is responsible for vetting all final investment decisions in portfolios. David Dalgas remains the key decision maker on the team. Each investor in the group, apart from David Dalgas, has sector specialties and is viewed as an expert within their areas of coverage. Mr. Dalgas along with Thomas Christensen, the team's quant lead, are both generalists with no sector coverage.

Investment Philosophy	
5	The AB Global Core team's investment philosophy focuses on 1) long-term and cash flow-focused stock picking results in *stronger results* over time and 2) minimizing unintended factor and style risks produces *more consistent* results over time. The investment team believes that their key objective should be monetizing their company specific insights while controlling for the exogenous shocks that can arise from distinct style biases in portfolios. Therefore, they utilize a robust risk management process to ensure that idiosyncratic alpha is the primary driver of their performance relative to the index over time. The team seeks to invest in companies with strong, stable, and sustainable returns on invested capital. Importantly, they avoid overpaying for those companies by demanding material upside from the current share price to their estimate of intrinsic value.

Investment Process	
4	The investment process begins with a combination of quantitative screening of the global equity investment universe and a subjective evaluation of company characteristics. Everyone on the team is responsible for idea generation, and the group engages in an open dialogue daily to communicate what they are working on and what progress they are making. They have built a comprehensive screening tool that is leveraged heavily in the idea sourcing process. The quantitative screens narrow the opportunity set on liquidity requirements (>$1 billion market cap) and thresholds for company returns (through-cycle cash flow return on investment [HOLT CFROI] over 6%). The team screens for a variety of other quality, growth, risk, and valuation metrics: 1) quality: Morningstar moat, HOLT eCAP2, HOLT CFROI (level and trend) 2) growth: sales and cash flow 3) risk: leverage, fixed charge coverage, CFROI volatility 4) valuation: Price/FCF, EV/EBITDA. Analysts have the latitude to generate ideas through ad hoc screens, company visits, and other more subjective filters. While most are pushed aside after a brief review, the remaining stocks are vetted by a member of the team based on their sector specialty. Analysts are expected to undertake a deep dive on these companies under two broad categories: company and industry analysis, and financial review/valuation. The company/industry analysis and financial review are synthesized into a forecast of CFROI. The team then builds a 10-year DCF model to estimate intrinsic value. They lean on the HOLT database for base rates of returns on capital and fade rates. The team spends most of the time debating valuation upside and downside risks in the context of the overall investment opportunity. They emphasize company-specific research insights, while de-emphasizing variant perceptions relative to market consensus views, although they do assess consensus to identify significant gaps between market views and their own. In each Investment Board review meeting, a Devil's Advocate is assigned to conduct additional background work on each individual name. David Dalgas has the final say in whether a name can be added to the portfolio or it should be tabled/more work is needed before a decision can be made.

ESG Considerations	
B	An assessment of ESG factors (both their own inhouse work and scoring from third party providers) is required as part of the final review where team members present the full written investment thesis to the Investment Board.

Portfolio Construction / Risk Management	
5	Thomas Christensen is the lead for the team's risk management process. His work on risk informs the idea generation and portfolio construction phases of the investment process. For the former, Mr. Christensen constantly updates the team's screening tool. However, the bulk of the team's extensive risk review is focused on portfolio construction. They seek to build a portfolio that maximizes exposure to idiosyncratic, stock-specific risk, while managing and minimizing unintended factor risks as picked up by equity risk models. The team typically initiates positions at relatively small weights. The initial position size is determined by extensive risk management parameters, their level of familiarity with a stock, and their conviction in the name relative to existing portfolio holdings. They generally start with a position size of 1% or less and scale up to a maximum weight of roughly 5%. General risk parameters include: 1) Maximizing stock specific risk 2) Minimizing single factor contribution to risk 3) Ex-ante beta of ~1 4) Sector over/underweight maximum of +/-5% 5) Single stock positions minimum 0.5% and maximum 6.0% or benchmark plus 4%. The team does not maintain a tracking error target. Instead, they seek to keep tracking error relatively low, with a focus on idiosyncratic risk. The resulting portfolio typically holds 50-70 stocks, with turnover averaging 40% per annum. The team targets an equal, 50/50 split between name turnover and turnover driven by position trims/adds and risk-driven rebalancing.

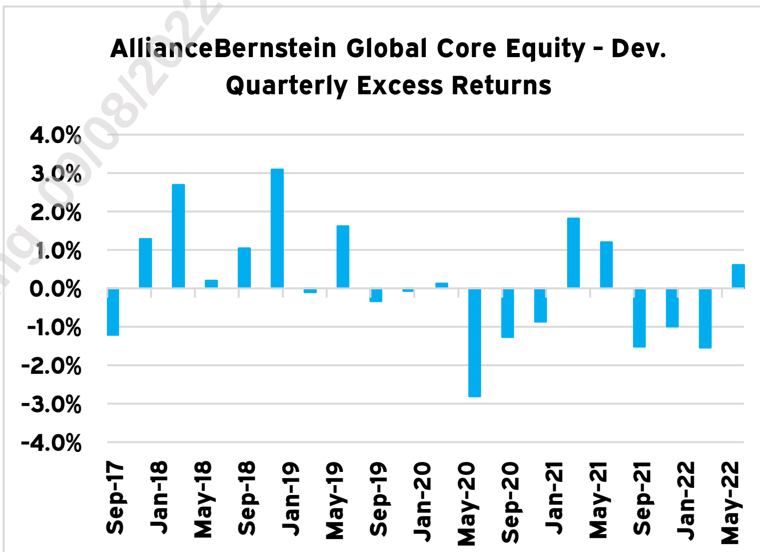
Performance	
4	AllianceBernstein Global Core Developed Equity was incepted in December 2015. Over the last five calendar years, returns have been below the benchmark in one of the years. Underperformance for that year was 498 basis points while outperformance over the remaining four years averaged 317 basis points. While 2nd quarter 2022 has seen outperformance, the strategy struggled for the YTD, 1-year, and 3-year time periods.

Calendar Year Returns (%)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
AB Global Core Developed*	22.06	10.92	28.93	-2.14	27.01	8.36	--	--	--	--
MSCI World-ND	21.82	15.90	27.67	-8.71	22.40	7.51	--	--	--	--
Excess Returns	0.24	-4.98	1.26	6.57	4.61	0.85	--	--	--	--

Trailing Period Returns (%)	QTD	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	SI
AB Global Core Developed*	-15.68	-21.24	-17.37	5.03	8.28	--	--	9.94
MSCI World-ND	-16.19	-20.51	-14.34	7.00	7.67	--	--	8.71
Excess Returns	0.51	-0.74	-3.03	-1.97	0.61	--	--	1.23

AB Global Core Dev.	StDev	Sharpe	Max Ddown
1Y	17.31	-1.01	21.24
3Y	18.38	0.24	21.24
5Y	16.67	0.43	21.24
7Y	--	--	--
10Y	--	--	--
SI	15.35	0.59	21.24

MSCI World-ND	StDev	Sharpe	Max Ddown
1Y	16.55	-0.88	20.51
3Y	18.46	0.35	21.05
5Y	16.49	0.40	21.05
7Y	--	--	--
10Y	--	--	--
SI	15.07	0.52	21.05



Risk, Regression & Efficiency Measures	Alpha	Beta	R2	TE	IR	Treynor	Batt. Avg	Up MCR	Down MCR
1Y	-3.42	1.00	0.91	5.18	-0.59	-17.60	0.42	100.46	107.84
3Y	-1.64	0.97	0.96	3.92	-0.50	4.54	0.47	96.76	103.62
5Y	0.71	0.99	0.95	3.59	0.17	7.28	0.58	103.26	100.54
7Y	--	--	--	--	--	--	--	--	--
10Y	--	--	--	--	--	--	--	--	--
SI	1.26	0.99	0.95	3.53	0.35	9.09	0.56	106.24	100.69

Source: eVestment, Meketa, as of 6/30/2022; Vehicle: SA/composite – gross of fees

Overall Rating	Description
5 – Excellent	Manager has all the qualities that the Public Markets Research Team is looking for. One of our highest conviction names in the sector. This manager should be seriously considered in all applicable searches.
4 – Good	Manager has many of the qualities that the Public Markets Research Team is looking for along with a few identifiable concerns. This manager should be considered in all applicable searches.
3 – Average	Manager is acceptable and may be retained by the client, but better options may be available.
2 – Below Average	Manager has a number of areas of concern to us, and replacement may be advisable.
1 – Weak	Manager should be replaced.

ESG Rating	Description
A	The manager completely incorporates ESG principles into their investment philosophy, due diligence effort, and investment process. The manager supports shareholder initiatives and resolutions promoting ESG principles and is a signatory to the UNPRI initiative. The firm manages client mandates according to ESG principles.
B	The manager incorporates ESG principles on a limited basis into their due diligence effort and investment process, and may exclude certain stocks or industries deemed not socially responsible. They may occasionally support shareholder initiatives and resolutions promoting ESG principles. The firm may manage mandates for clients that incorporate some ESG principles or some socially responsible/mission related guidelines and may be a UNPRI signatory.
C	The manager currently does not incorporate ESG principles into any aspect of their investment process. They may have limited, or no, knowledge of ESG principles. Some managers in this group may express a willingness to manage portfolios according to ESG principles.

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First Eagle Global Value Equity

MEKETA INVESTMENT GROUP

Investment Manager:	First Eagle Investment Management, LLC
Strategy:	First Eagle Global Value Equity
Asset Class:	Non-US Equity

Meketa Rankings

Current: 4

Meketa ESG Ranking

Current: C

Strategy Characteristics

Market Cap: All Cap

Mgmt. Style: Active

Investment Approach: Fundamental

Strategy Inception: 01/01/1979

Strategy Assets: $58.1 B*

Benchmark: MSCI World-ND

Holdings Range: 90-130

Turnover (LTM)*: 9.0 annually*

Sector Exposure: Diversified

EM Exposure*: 7.2%

Vehicle Availability: SA, CF, MF

* as of 6/30/2022
** versus stated benchmark

Synopsis:

- First Eagle is a very strong option in the Global Value space for clients who are willing to forgo some upside potential for significant downside protection. First Eagle has a greater focus on capital preservation than most managers in this space, and a broader tool kit with which to achieve this (cash, gold).

Investment Merits & Considerations: Key Strengths

- Strong Portfolio Management Team: Matt McLennan is a very strong lead portfolio manager, and First Eagle has continued to build an impressive team to support him. Mr. McLennan and his Co-PM, Kimball Brooker, both stand out in their ability to marry bottom-up investment cases with top-down themes.
- Impressive downside protection: The team's defensive investment approach, including the use of cash and gold when appropriate, has resulted in strong capital preservations through downside protection over the strategy's history.

Investment Merits & Considerations: Concerns and Risks

- Use of cash and gold: Client appropriateness is a consideration with First Eagle. They are very unique in their willingness to use cash and gold as a means to preserve client capital.
- AUM growth: Assets under management in Global Value has always been a key concern for us. As of June 2021, the strategy managed $66.3 billion in assets. However, given that Global Value shares liquidity with the international strategy, it is an important consideration. Between the two strategies, the total number of holdings is 125-150. While the strategy is all cap in nature, the market cap profile, number of holdings, and low turnover have not meaningfully changed as a result of AUM growth.

Drivers of Return & Performance Expectations

- First Eagle is completely benchmark-agnostic and is focused solely on long-term absolute returns. Year-to-year deviations versus the broader market can be significant.
- The strategy will tend to protect in market drawdowns and lag in strong beta rallies.
- The strategy will tend to outperform in markets led by value and lag the index in growth or momentum--fueled environments.

Organization	
3	First Eagle is an asset manager based in in New York City. Historically the firm had been 100% owned by the Arnhold family (First Eagle was formerly known as Arnhold & S. Bleichroeder). In 2007 the firm enacted a recapitalization with TA Associates, who took a minority stake (25%), freeing up equity to be distributed to senior employees. TA Associates held this stake until mid-2015, when the firm reached an agreement to sell its stake to Blackstone and Corsair Capital. Blackstone Capital Partners and Corsair Capital, along with select co-investors, entered into an agreement with First Eagle to purchase a controlling stake of the firm's equity through a newly-formed Special Purpose Vehicle (SPV), of which Blackstone and Corsair have shared control. The SPV is designed to be a stand-alone, longer-term investment, with a maximum investment life of up to 15 years. The firm is currently 25% owned by the founding family, 18% employee-owned, and 57% private equity. First Eagle manages approximately $100.3 billion in total firm assets as of June 30, 2022.

Product	
3	The strategy was incepted in January 1979 and had $58.1 billion in assets as of June 30, 2022. The strategy is available as a separate account, commingled fund, or mutual fund. The team will periodically open and close the strategy based on asset levels and valuations. Currently, the strategy is open, and there is no specified level at which it would close.

Investment Team	
5	The team is led by Co-Portfolio Managers Matt McLennan and Kimball Brooker, both of whom exercise similar influence in decision-making. In 2021, Julien Albertini and Manish Gupta, both analysts at First Eagle, were promoted to the Global Value portfolio management team in recognition of their contributions. Their influence will grow over time, eventually matching the influence of Messrs. McLennan and Brooker. The four senior investment team members are supported by a team of 15 analysts. Analysts are essentially generalists but gravitate towards some sector and industry specializations based on their backgrounds.

Investment Philosophy	
5	First Eagle seeks quality businesses with above-average sustainable profitability that are trading at significant discounts to intrinsic value. The team's uniqueness comes from dynamic positioning in either Ben Graham or Warren Buffett-type stocks depending on the opportunities available. Most value managers tend to focus on one or the other - Graham (deep value) or Buffett (franchise value). First Eagle looks at these two types of businesses differently. For example, they will require a greater discount on Graham value stocks given that the quality of the underlying business is typically lower and will often sell as soon as the stock reaches their estimate of full value. On the other hand, they require less of a discount for higher quality Buffett value stocks, but will let them run longer upon reaching fair value as these are "sustainable competitive advantage" companies. First Eagle's flexibility to invest across the capital spectrum is a key differentiating feature of the strategy. The team will hold gold as a hedge on "the global

	financial infrastructure" and will hold material amounts of cash if they don't uncover sufficient investment opportunities that meet their strict value requirements.

Investment Process	
5	Idea generation is very ad-hoc. First Eagle does not use a lot of screens. If they do, they are typically focused on cash flow-based metrics or ratios that take the balance sheet into account (e.g. EV/EBIT). They pay a lot of attention to the multiples paid in private transactions and valuation is always thought of in an absolute sense. The team maintains a heavy focus on downside protection, both at the individual company and portfolio levels. They are extremely conservative on stock valuation and demand a significant margin of safety to invest - typically 30% to an already conservative estimate of intrinsic value. The team emphasizes the importance of asking "what can go wrong" with each potential position and what the impact would be on the stock price. While First Eagle is completely benchmark-agnostic, their portfolio is much more diversified than most other managers that take this approach. First Eagle believes that there is too much hubris in the asset management business and that managers need to spread their bets to guard against mistakes and the unknown.

ESG Considerations	
C	While the firm is starting to make some strides towards greater incorporation of ESG into their process, including the recent hire of a dedicated ESG analyst, there is no distinct ESG element in the investment process at this point.

Portfolio Construction / Risk Management	
5	First Eagle build portfolios of 90-130 stocks, broadly diversified across sectors and countries. Risk is always permanent loss of capital, never tracking error or any other benchmark-relative measure. First Eagle will invest in gold, cash and small amounts of fixed income as another way of controlling risk. The gold position will typically be in the 10% range. This is not in any way a bet on the gold price, but rather serves as insurance against "the financial infrastructure". First Eagle also believes that in order to truly be considered insurance, their gold position needs to be of a sufficient size to have a meaningful impact in a market drawdown like 2008 (i.e. not just a 3% position). Cash will fluctuate from 0-20%, based on the number of attractive opportunities available.

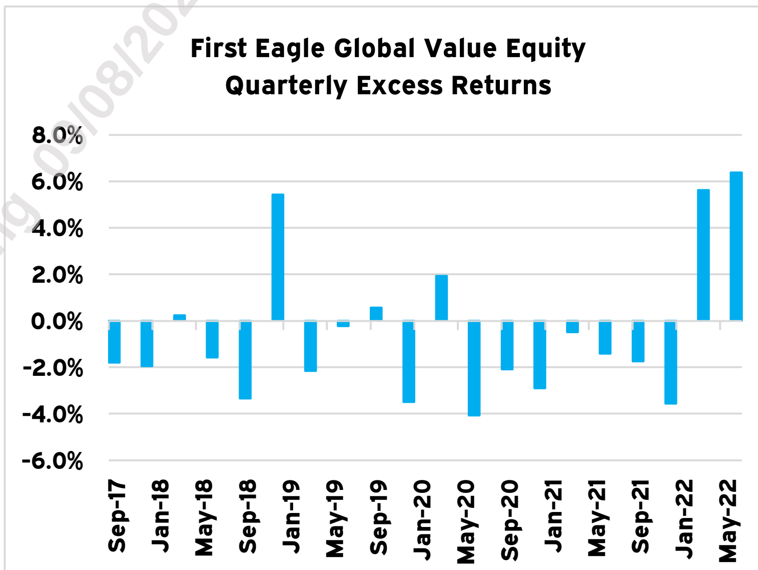
Performance	
3	First Eagle Global Value Equity was incepted in January 1979. Over the last ten calendar years, returns have underperformed the benchmark in seven years. Underperformance for those years averaged 596 basis points while outperformance over the remaining three years averaged 216 basis points. Trailing year returns have underperformed the benchmark over the 3-, 5-, 7-, and 10-year periods. However, recent performance (QTD, YTD, and 1- year) have been strong.

Calendar Year Returns (%)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
First Eagle Global Value*	13.42	9.22	21.39	-7.57	14.67	11.81	0.16	4.13	16.90	13.76
MSCI World-ND	21.82	15.90	27.67	-8.71	22.40	7.51	-0.87	4.94	26.68	15.83
Excess Returns	-8.40	-6.68	-6.28	1.14	-7.73	4.30	1.03	-0.80	-9.78	-2.06

Trailing Period Returns (%)	QTD	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	SI
First Eagle Global Value*	-10.33	-9.85	-7.74	5.81	5.96	6.68	7.77	13.71
MSCI World-ND	-16.19	-20.51	-14.34	7.00	7.67	7.53	9.51	9.38
Excess Returns	5.86	10.66	6.59	-1.18	-1.71	-0.85	-1.75	4.32

First Eagle GV	StDev	Sharpe	Max Ddown
1Y	11.68	-0.68	10.33
3Y	14.51	0.36	19.19
5Y	12.87	0.38	19.19
7Y	11.76	0.49	19.19
10Y	10.39	0.69	19.19
SI	10.60	0.89	32.04

MSCI World-ND	StDev	Sharpe	Max Ddown
1Y	16.55	-0.88	20.51
3Y	18.46	0.35	21.05
5Y	16.49	0.40	21.05
7Y	15.17	0.44	21.05
10Y	13.54	0.66	21.05
SI	14.95	0.34	54.03



Risk, Regression & Efficiency Measures	Alpha	Beta	R2	TE	IR	Treynor	Batt. Avg	Up MCR	Down MCR
1Y	1.67	0.64	0.83	7.65	0.86	-12.36	0.58	67.37	69.19
3Y	0.41	0.74	0.90	6.67	-0.18	7.00	0.39	71.29	78.73
5Y	0.12	0.77	0.91	5.80	-0.29	6.56	0.33	70.01	77.65
7Y	1.02	0.75	0.89	5.71	-0.15	7.98	0.37	69.43	71.58
10Y	0.80	0.73	0.88	5.17	-0.34	9.91	0.38	69.08	70.78
SI	7.56	0.61	0.74	7.96	0.54	15.49	0.52	74.15	45.73

Source: eVestment, Meketa, as of 6/30/2022; Vehicle: SA/composite – gross of fees

Overall Rating	Description
5 – Excellent	Manager has all the qualities that the Public Markets Research Team is looking for. One of our highest conviction names in the sector. This manager should be seriously considered in all applicable searches.
4 – Good	Manager has many of the qualities that the Public Markets Research Team is looking for along with a few identifiable concerns. This manager should be considered in all applicable searches.
3 – Average	Manager is acceptable and may be retained by the client, but better options may be available.
2 – Below Average	Manager has a number of areas of concern to us, and replacement may be advisable.
1 – Weak	Manager should be replaced.

ESG Rating	Description
A	The manager completely incorporates ESG principles into their investment philosophy, due diligence effort, and investment process. The manager supports shareholder initiatives and resolutions promoting ESG principles and is a signatory to the UNPRI initiative. The firm manages client mandates according to ESG principles.
B	The manager incorporates ESG principles on a limited basis into their due diligence effort and investment process, and may exclude certain stocks or industries deemed not socially responsible. They may occasionally support shareholder initiatives and resolutions promoting ESG principles. The firm may manage mandates for clients that incorporate some ESG principles or some socially responsible/mission related guidelines and may be a UNPRI signatory.
C	The manager currently does not incorporate ESG principles into any aspect of their investment process. They may have limited, or no, knowledge of ESG principles. Some managers in this group may express a willingness to manage portfolios according to ESG principles.

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Artisan Global Opportunity

Investment Manager: Artisan Partners Limited Partnership

Strategy: Artisan Global Opportunities

Asset Class: Non-US Equity

Meketa Rankings

Current: 5

Meketa ESG Ranking

Current: C

Strategy Characteristics

Market Cap: All Cap

Mgmt. Style: Active

Investment Approach: Fundamental

Strategy Inception: 2/01/2007

Strategy Assets: $18.2B*

Benchmark: MSCI ACWI-ND

Holdings Range: 30-50

Turnover (LTM)*: 36.6% annually*

Sector Exposure: Diversified

EM Exposure*: 0.9%

Vehicle Availability: SA, CF, MF

* as of 6/30/2022

** versus stated benchmark

Synopsis:

- Artisan Global Opportunities is a strong option in the global equity space. The team applies a unique investment process that allocates capital across each phase of the profit cycle. This capital allocation process – known as garden, crop, and harvest – is a risk management strategy that seeks to insulate the portfolio from large losses.

Investment Merits & Considerations: Key Strengths

- **Strong PM and team** – The strategy is managed by seasoned lead portfolio manager Jim Hamel who is supported by an experienced and fairly stable group of investors.
- **Differentiated process** – The team has built a track record of successfully executing a unique investment process that allocates capital across each phase of the profit cycle (termed garden, crop, and harvest).

Investment Merits & Considerations: Concerns and Risks

- **Capacity monitoring** – the strategy has grown quite large in AUM. However, the team has been disciplined with new flows and AUM growth has been the result of recent market appreciation.
- **Publicly traded company** – the organizational structure is not ideal as a publicly listed company.

Drivers of Return & Performance Expectations

- The strategy is run with very high tracking error. Historical tracking error ranks in or near the top quartile of the peer group over all trailing periods.
- Deviations from the benchmark can be high especially in the short to medium term. Long time horizon is recommended considering the nature of the portfolio.

Organization	
4	Artisan Partners is a large multi-boutique investment management firm based in Milwaukee, WI with offices in San Francisco, New York, Atlanta, London, and Singapore. Artisan was founded in 1994 by Andy and Carlene Ziegler. The Artisan model is to acquire established investment management teams and allow them to operate autonomously as boutiques. The firm had $130.5 billion in AUM as of 6/30/2022. Artisan Partners Limited Partnership and Artisan Partners UK LLP are wholly owned operating subsidiaries of Artisan Partners Holdings LP, an investment management firm controlled by its general partner Artisan Partners Asset Management Inc. [NYSE: APAM], a publicly traded company. The firm is currently 78% publicly owned, 11% employee owned and 11% other ownership.

Product	
4	Artisan Global Opportunities was incepted in February 2007. Artisan managed $130.5 billion in assets across the firm's various investment boutiques as of June 30, 2022. The Growth Team managed $34.0 billion, including $18.2 billion in Global Opportunities ("GO") managed by Jim Hamel, and $1.6 billion in Global Discovery ("GD"), which was incepted in September 2017 and uses the same approach as GO but skews more down cap and is managed by Jason White. GO closed to new separate accounts at just under $14 billion and remains closed, but the commingled fund continues to be open. Compared to GO, GD has more of a midcap bend and has one-third name overlap with GO.

Investment Team	
4	James Hamel is the Lead PM and is supported by four other growth team PMs: Jason White, Craigh Cepukenas, Jay Warner and Matthew Kamm. The five PMs on the Growth Team have investment experience dating back to 1989. The analyst and associate PM team of several members averages over 15 years of experience. In addition, the team is supported by research associates. The title of associate PM is a recognition of a team member who has added significant value to the portfolio and who has mentored younger team members. Once an individual is promoted to associate PM, he/she gets more involved in portfolio management conversations. Each associate PM is paired with a PM to have informal discussions on the portfolios and to give the associate PM an opportunity to play devil's advocate on larger positions in the portfolios. However, associate PMs are not involved in decision-making. Overall, team turnover has been relatively low. Mr. White attributed this team longevity to the transparency of the process, the diversity of thought, alignment with the team's philosophy and approach, and a strong quality of life in Milwaukee.

Investment Philosophy	
4	The basis of Artisan's philosophy and criteria for growth investing is broad. There are three pillars to the strategy: invest in (1) franchise companies, with an (2) accelerating profit cycle, at (3) attractive valuations. The firm uses a unique approach to investing in companies with the above criteria though. They seek to build a portfolio that has exposure to companies in all

	stages of their growth cycle and will adjust the position sizes based on where the companies are in the cycle and the confidence they have in this assessment. To do this, they put stocks into three different categories depending on positioning in the growth cycle: garden, crop, and harvest. The team incorporates big picture thinking into their analysis and believes this approach can help source ideas. They seek to identify catalysts that will lead to pockets of industry growth. Macroeconomic research will not be the main driver in the research process, but Artisan Global Growth team will exclude companies from the portfolio if they believe the company is too exposed to a macro theme that they have a negative view on.

Investment Process	
5	Idea generation is driven by the analysts, but regular team discussions can identify areas of focus. The initial criteria used to identify possible names for further due diligence are dominant market share, defensible brands, and emerging or stable profitability. The team is comfortable being early, so they will look at companies that are not yet profitable. Analysts perform thorough due diligence on attractive companies, completing a review of the competitive landscape, meeting with management and key employees, and building financial models. Analysts use a DCF model to calculate private market value ("PMV"). Scenario analysis is incorporated in the model, but the team believes that there should only really be 3-4 "key deltas," or possible scenarios that will affect the stock. they will buy names that trade between 60-80% of their PMV and will usually start buying once a name goes below 75%. There are around 125 stocks that fit their specific criteria that they have done work on. To add a name to the portfolio, an analyst presents his comprehensive research to the team during one of their daily lunch meetings. The entire team contributes to the discussion and the strategy portfolio managers decide whether to initiate a position, which is usually a garden position.

ESG Considerations	
C	The global growth team has started to dedicate some resources to ESG and designated a senior analyst to work on ESG integration within the team on a part time basis in 2019.

Portfolio Construction / Risk Management	
4	Because Artisan Global Growth team understands they will always be a little too early or late, they attempt to adjust and manage their position sizes accordingly. Positions sizes fall in one of three categories: garden, crop, and harvest. These categories force them to express their opinion on the company's position in their profit cycle, and are defined as follows: Garden - Early profit cycle investments, but too early of a stage in their profit cycle to be confident the investment will be successful. Thus, smaller, but growing position sizes. Garden names have the highest turnover, and the team is willing to wait only about 3-5 quarters for the position's story to materialize. Typically, about 1/3 of Garden positions are sold due to a change in thesis, 1/3 are trimmed due to valuation, and about 1/3 graduate into crop positions.

	Crop - Full positions in companies where profit cycle is being realized. Position sizes increase to a maximum of 10% (at cost) and are the strategy's highest conviction positions. Crop positions generally comprise around 60% of the overall portfolio. Harvest - Declining position sizes where the profit cycle is approaching completion or where the company is approaching full valuation. As the name suggests, these positions are typically used as source of funds to initiate new or add to existing positions. 75% of the portfolio's assets are limited to position sizes of no more than 5% in a single name at cost. The remaining 25% of the portfolio's assets are limited to position sizes of no more than 10% in a single name at cost. The result is a benchmark-agnostic, concentrated portfolio of 30 to 50 stocks. Portfolio turnover has averaged 65% over the last five years and typically will be between 40% and 80%.

Performance

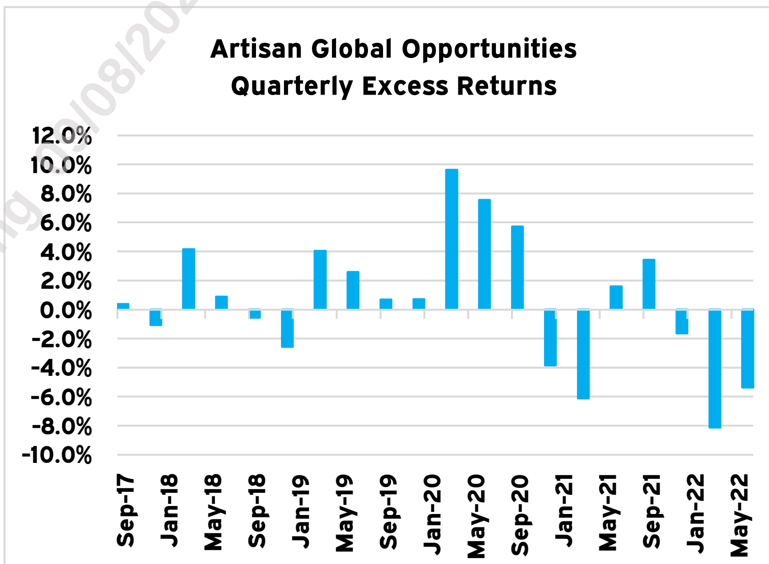
Performance	
5	Artisan Global Opportunities Equity was incepted in February 2007. Over the last ten calendar years, returns have been below the benchmark in three years. Underperformance for these years averaged 204 basis points while outperformance over the remaining seven years averaged 1,079 basis points. Trailing Year returns have outperformed the benchmark over the 3-, 5-, 7-, 10-year and since inception periods. For QTD, YTD, and 1-year time frame, the strategy has underperformed the benchmark.

Calendar Year Returns (%)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Artisan Global Opportunities*	15.17	41.48	37.01	-7.92	32.73	5.53	9.12	3.75	26.15	30.94
MSCI ACWI-ND	18.54	16.25	26.60	-9.42	23.97	7.86	-2.36	4.16	22.80	16.13
Excess Returns	-3.37	25.23	10.42	1.49	8.76	-2.33	11.48	-0.41	3.35	14.81

Trailing Period Returns (%)	QTD	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	SI
Artisan Global Opportunities*	-20.48	-30.95	-25.91	7.51	9.41	10.14	12.39	10.15
MSCI ACWI-ND	-15.66	-20.18	-15.75	6.21	7.00	6.98	8.76	5.24
Excess Returns	-4.82	-10.77	-10.16	1.30	2.41	3.16	3.63	4.91

Artisan GO	StDev	Sharpe	Max Ddown
1Y	20.49	-1.27	32.04
3Y	19.00	0.36	32.04
5Y	17.26	0.48	32.04
7Y	16.31	0.57	32.04
10Y	14.85	0.79	32.04
SI	17.97	0.52	53.45

MSCI ACWI-ND	StDev	Sharpe	Max Ddown
1Y	15.54	-1.03	20.18
3Y	18.02	0.31	21.37
5Y	16.20	0.37	21.37
7Y	14.99	0.41	21.37
10Y	13.40	0.61	21.37
SI	16.49	0.27	54.92



Risk, Regression & Efficiency Measures	Alpha	Beta	R2	TE	IR	Treynor	Batt. Avg	Up MCR	Down MCR
1Y	-7.79	1.23	0.87	8.21	-1.24	-21.22	0.25	99.62	125.79
3Y	1.79	0.95	0.81	8.27	0.16	7.26	0.53	103.93	98.81
5Y	2.63	0.98	0.84	6.88	0.35	8.52	0.57	108.55	98.22
7Y	3.23	0.99	0.83	6.66	0.47	9.35	0.58	113.90	98.91
10Y	3.59	1.00	0.81	6.44	0.56	11.79	0.60	113.12	94.87
SI	4.90	1.01	0.86	6.81	0.72	9.25	0.62	116.17	94.03

Source: eVestment, Meketa, as of 6/30/2022; Vehicle: SA/composite – gross of fees

Overall Rating	Description
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C	The manager currently does not incorporate ESG principles into any aspect of their investment process. They may have limited, or no, knowledge of ESG principles. Some managers in this group may express a willingness to manage portfolios according to ESG principles.

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Pacific Asset Bank Loan Strategy

Investment Manager:	Pacific Asset Management (PAM)
Strategy:	Corporate (Bank) Loan Strategy
Asset Class:	Fixed Income

Meketa Rankings

Current: 4

ESG Rankings

Current: C

Strategy Characteristics

Duration Emphasis: Ultra Short

Mgmt. Style: Active

Investment Approach: Fundamental Bottom-Up

Strategy Inception: 01/01/2007

Strategy Assets: $4,405*

Benchmark: CS Leveraged Loan Index

Target Excess Returns**: 50-100 bps bps gross of fees

Targeted Tracking Error**: N/A bps

No. of Issues: 80-150

Turnover (LTM)*: 80% annually*

YTM*: 4.71%

Modified Duration*: 0.28 Years

Average Credit Quality*: B

Vehicle Availability: SMA, CIT, MF

* as of 12/31/2020
** versus stated benchmark

Synopsis:

- Pacific Asset Bank Loan strategy is a full market strategy that is appropriate for all clients considering investing in this space.

Investment Merits & Considerations: Key Strengths

- **Experience and stable investment team** – The team has worked together since 2007 and turnover has been minimal in last 5 years.
- **Strong organization support** – Extensive operational support from parent company, Pacific Life Insurance.
- **Attractive excess and risk-adjusted returns** – Above median excess return and top quarter Sharpe Ratio over all trailing periods.
- **Competitive Fees** – Potential for discounted fees for those Meketa clients going into the commingled vehicle.

Investment Merits & Considerations: Concerns and Risks

- **Parent Company Ownership** – Pacific Asset Management is a subsidiary and controlled by Pacific Life, a large insurance company.
- **Investment Team Size** –The investment team supporting the Bank Loan strategy also supports investment grade, high yield and structured products strategies, and is relatively smaller than many competitive firms with dedicated resources.

Drivers of Return & Performance Expectations

- The strategy has historically outperformed in periods of negative market environments, however they have lagged during recovery periods.
- Seek t outperform by building a high conviction portfolio, investing in larger loans, and focusing on a select group of loans that have traditionally had lower default rates.

Organization	
4	The firm was founded in 2007 by five members of the Pacific Life's general account team and three external hires. Pacific Life Insurance Company is the majority shareholder at 99%, the remaining 1% is owned by Pacific Life and Annuity. In 2016 Pacific Life instituted a phantom equity participation plan with senior members of PAM. While Pac Life is PAM's largest client, the firm has successfully diversified the business away from their parent. Firm assets have grown from under $1 billion in 2008 to more than $14 billion today. In January 2020 Pacific Asset Management separated from Pacific Life Fund Advisers, LLC and became its own registered investment advisor. The goal was to simplify client interactions. The change in legal entity did not impact ownership, personnel, investment management, or decision making.

Product	
4	The bank loan product seeks to build a diversified portfolio focused on the largest most liquid loans with minimal default expectations. They will opportunistically allocate to high yield bonds and second lien loans to increase portfolio risk and return potential.

Investment Team	
4	The PMs for the bank loan strategy are JP Leasure and Michael Marzouk. They have worked together since PAM inception in 2007. A team of more than ten credit research analysts support the co-PMs., in addition to certain individuals at Pac. Life for bank loan settlement. The team has only lost one PM and had minimal other turnover in the last five years.

Investment Philosophy	
4	PAM believes in managing a relatively focused portfolio of larger and more liquid bank loans so they can actively trade the portfolio. The team looks for companies that have strong fundamental characteristics with a catalyst for outperformance. They are focused on providing attractive income, total return, and liquidity while minimizing volatility.

Investment Process	
4	Comprehensive process that starts by screening out smaller and less liquid issuers from the universe (i.e. < than $100M EBITDA) and issue size of < $300M). Second step is to evaluate securities based on fundamental credit analysis, which involves valuations, capital structure analysis, and meeting with management. The investment decision is based on the economics and relative value considerations. PAM does not always seek a credit improvement story in bank loans because they do not have call protection. Instead they focus on recoveries in downside scenarios. A margin of safety is scrutinized with each investments.

ESG Considerations	
C	At this time the strategy does not formally exclude or include issuers based on any positive or negative screens set by the firm. However, the team doe consider sustainability and resilience of a company's business model in investment decisions. Furthermore all portfolios are compliant with the Norges Bank's exclusion and observation list since 2018. The firm expects to solidify firm-wide ESG principals and incorporate possible firm-wide screens to this strategy in 2021.

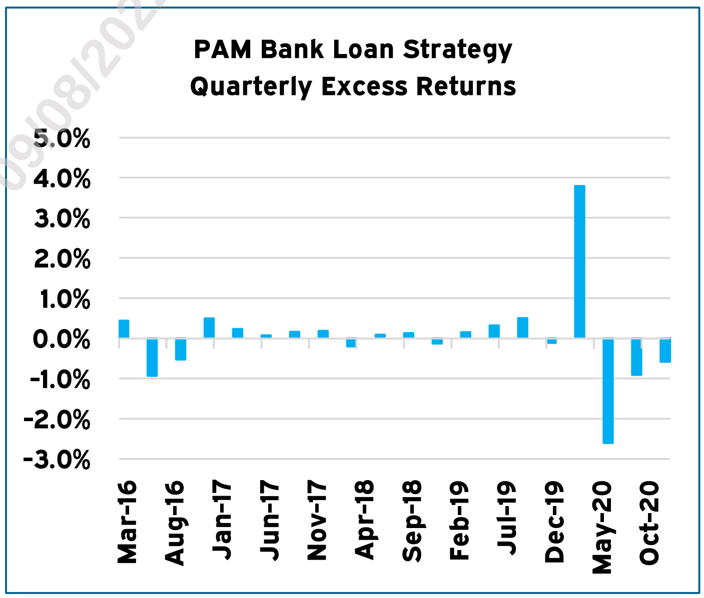
Portfolio Construction / Risk Management	
4	Approximately 60-80% of the portfolio will be allocated to core highest conviction names. The remainder will be in shorter term holdings that can be trading/relative value opportunities. The portfolio managers utilize the second lien loan and out of benchmark high yield allocation to increase portfolio yield and risk. These market segments tend to be more volatile and have lower expected recoveries in the event of default. While the second lien weight in particular has been large at times, PAM has adjusted actively based on the market opportunity. Also despite the exposure to these securities the strategy has had limited downside capture. Note that portfolio construction for the mutual fund will differ slightly than the commingled fund and SMAs due to the daily liquidity requirements of the mutual fund. All potential portfolio positions are presented to the entire team, but PMs make final decisions. The two PMs also have veto power on any portfolio name. Single positions limited to 3%. Historically had an underweight to energy, retail and other consumer names.

Performance	
4	The strategy has outperformed the benchmark all trailing time periods (1, 3, 5, 7, 10, and SI). Risk-adjusted returns has been particularly strong, ranking in the top quartile of the universe for all trailing time periods. Downside protection is evident as indicated by attractive down side market capture data.

Calendar Year Returns (%)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bank Loan Strategy*	3.00	9.11	1.02	4.93	9.33	1.86	1.27	6.43	10.68	3.30
CS Leveraged Loan Index	2.78	8.17	1.14	4.25	9.88	-0.38	2.06	6.15	9.43	1.82
Excess Returns	0.22	0.93	-0.12	0.69	-0.55	2.25	-0.79	0.27	1.25	1.48

Trailing Period Returns (%)	QTD	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	SI
Bank Loan Strategy*	3.04	3.00	3.00	4.32	5.43	4.31	5.04	5.44
CS Leveraged Loan Index	3.64	2.78	2.78	3.99	5.19	3.93	4.47	4.25
Excess Returns	-0.60	0.22	0.22	0.33	0.23	0.38	0.57	1.19

PAM Bank Loan Strategy	StDev	Sharpe	Max Ddown
1Y	10.81	0.22	9.62
3Y	6.59	0.42	9.62
5Y	5.22	0.82	9.62
7Y	4.57	0.76	9.62
10Y	4.45	1.00	9.62
SI	6.73	0.67	22.12



CS Leveraged Loan Index	StDev	Sharpe	Max Ddown
1Y	14.90	0.15	13.65
3Y	8.75	0.28	13.65
5Y	6.93	0.58	13.65
7Y	5.98	0.52	13.65
10Y	5.36	0.72	13.65
SI	7.60	0.44	29.94

Risk, Regression & Efficiency Measures	Alpha	Beta	R^2	TE	IR	Treynor	Batt. Avg	Up MCR	Down MCR
1Y	0.77	0.72	0.98	4.49	0.05	3.37	0.17	73.03	77.69
3Y	1.27	0.74	0.97	2.58	0.13	3.72	0.50	86.13	76.41
5Y	1.51	0.74	0.96	2.08	0.11	5.78	0.48	88.32	71.80
7Y	1.32	0.75	0.95	1.83	0.21	4.66	0.46	89.25	70.51
10Y	1.41	0.80	0.93	1.63	0.35	5.55	0.52	97.11	77.72
SI	1.82	0.84	0.89	2.54	0.47	5.41	0.53	97.34	77.11

Source: eVestment, Meketa, as of 12/31/2020; Vehicle: SA/composite – gross of fees

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