

QUARTER ENDING DECEMBER 31, 2022
INVESTMENT PERFORMANCE
ANALYSIS

EASTERN MICHIGAN BOARD OF
REGENTS



Ryan Walter, Senior Consultant
Connor Herod, Consulting Analyst

FEBRUARY 24, 2023



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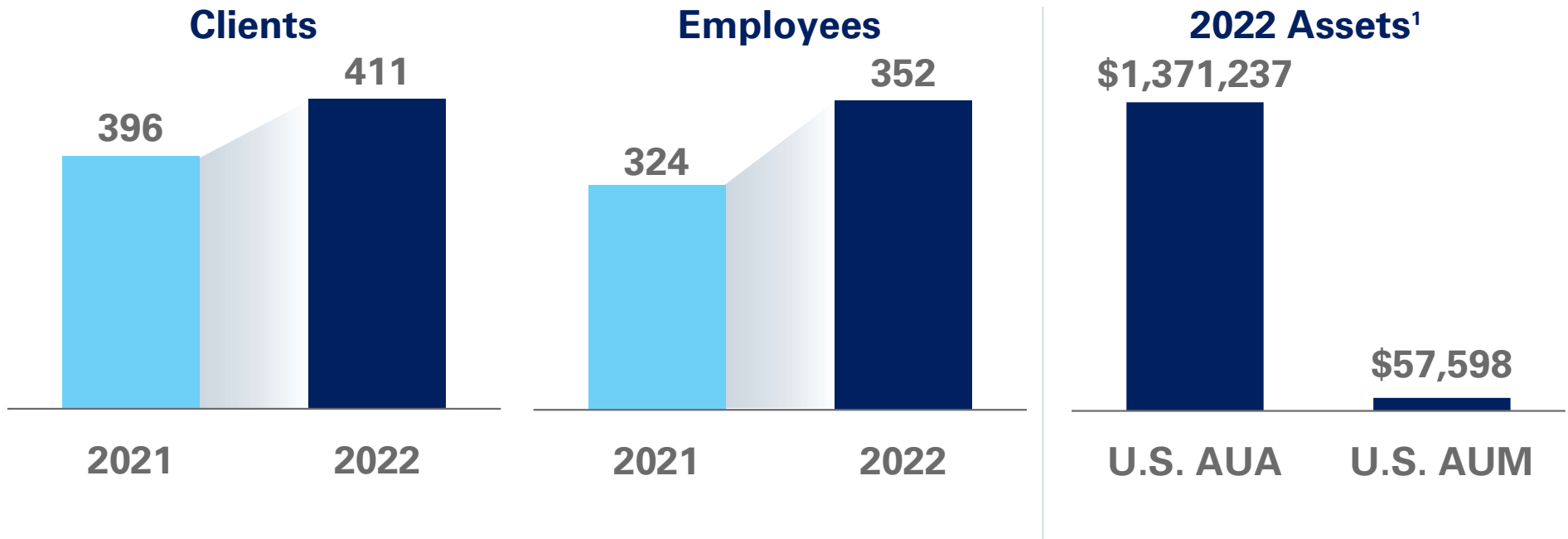


YEAR-END UPDATE

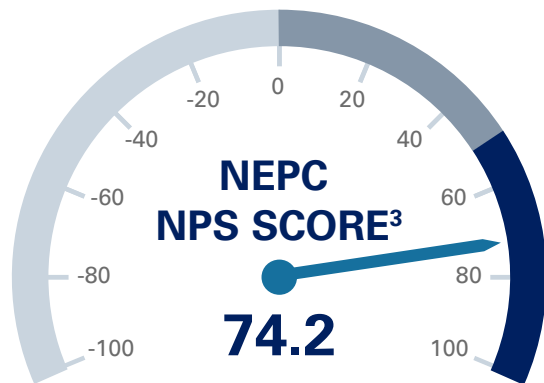


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2022 HIGHLIGHTS



Awards and Recognitions²



NPS scores of 50 and above are considered **excellent**

- [Sarah Samuels wins With Intelligence/The Allocator “Advisor of the Year” award](#)
- [NEPC nominated for “Consultant of the Year” and for “Diversity” at the CIO Awards.](#)

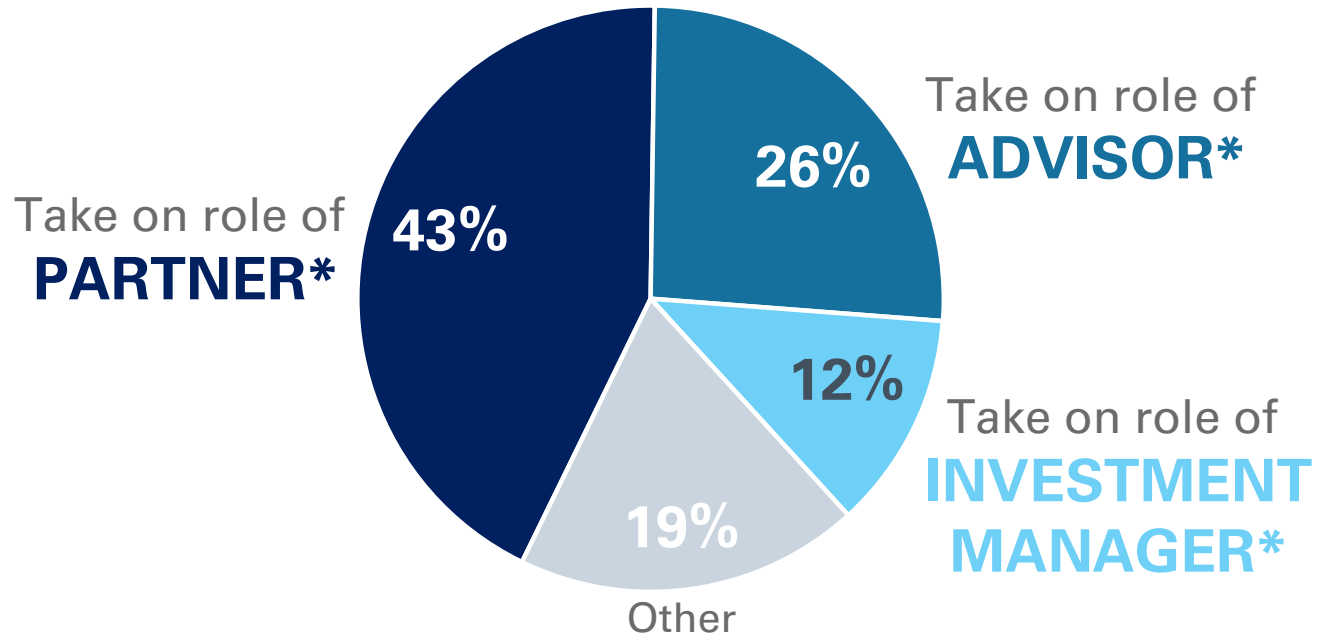
¹As of 10/1/2022. Assets in millions. AUA = Assets Under Advisement (advisory mandates). AUM = Assets Under Management (OCIO/Discretionary mandates) ²These ratings or awards may not be representative of any one client's experience with NEPC. Any rating or award is representative of NEPC's past performance only and is not indicative of NEPC's future performance, nor does it indicate an endorsement of NEPC. NEPC did not pay a fee in connection with these awards. ³In May 2022, NEPC received an NPS score of 74.2% on a range of -100% to 100%. Any score above 0% indicates more promoters than detractors.



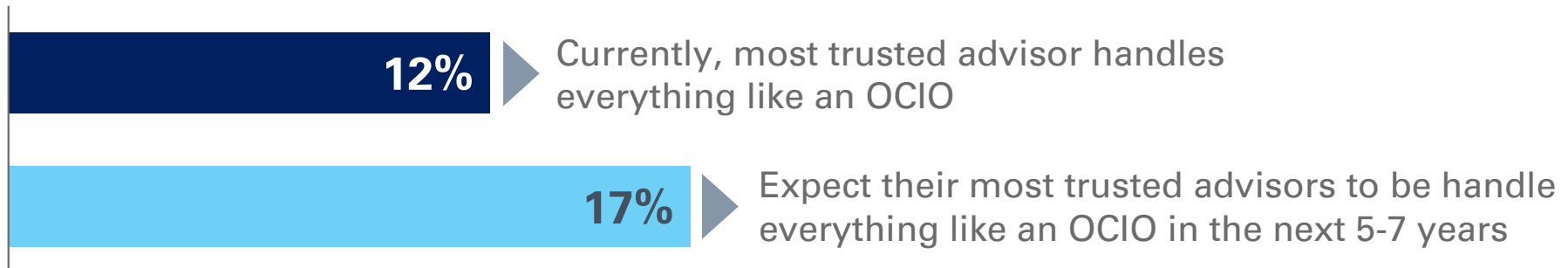
NEPC 2022 GOVERNANCE SURVEY

ASSET OWNERS SEEK TRUST IN RELATIONSHIPS

Asset owners say their most trusted advisor takes an active role with investment decisions for their organizations



Respondents believe they will shift more to OCIO in the future



Source: NEPC 2022 GOVERNANCE SURVEY. *Definitions: Partner = "We will work closely together to develop the investment program"; Advisor = "I will make the decisions, but almost always do what they recommend" and Investment Manager = "I want my Consultant or Manager to handle everything like an OCIO".

NEPC FOUNDATION & ENDOWMENT PRACTICE

DEDICATED PHILANTHROPIC PRACTICE GROUP OF 53 PROFESSIONALS INCLUDING EIGHT PARTNERS

NEPC FOUNDATIONS & ENDOWMENTS

155 Funds | Assets: \$104 billion



ENDOWMENTS

60 Funds | \$83 billion



FOUNDATIONS

95 Funds | \$21 billion



AVERAGE ENDOWMENT

\$1.4 billion



AVERAGE FOUNDATION

\$225 million



As of 10/1/2022



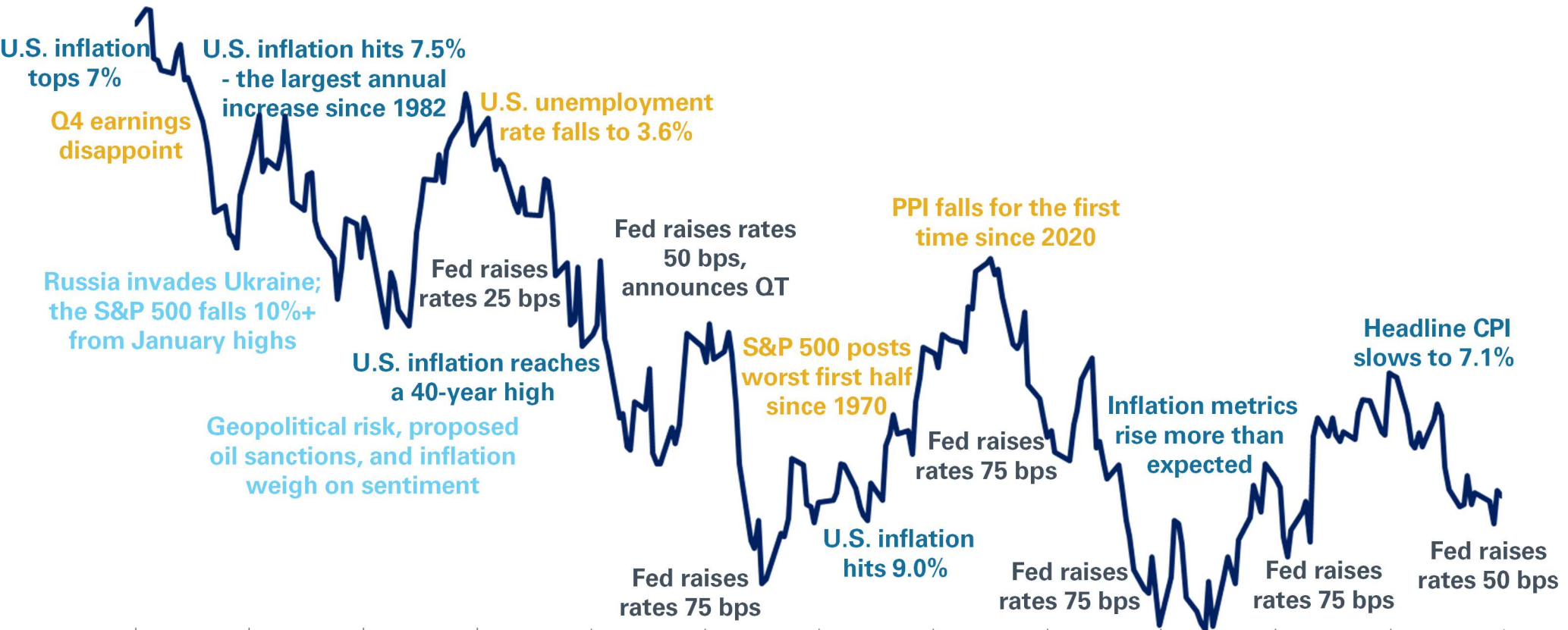
2022 REVIEW



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2022 IN REVIEW

S&P 500 Price



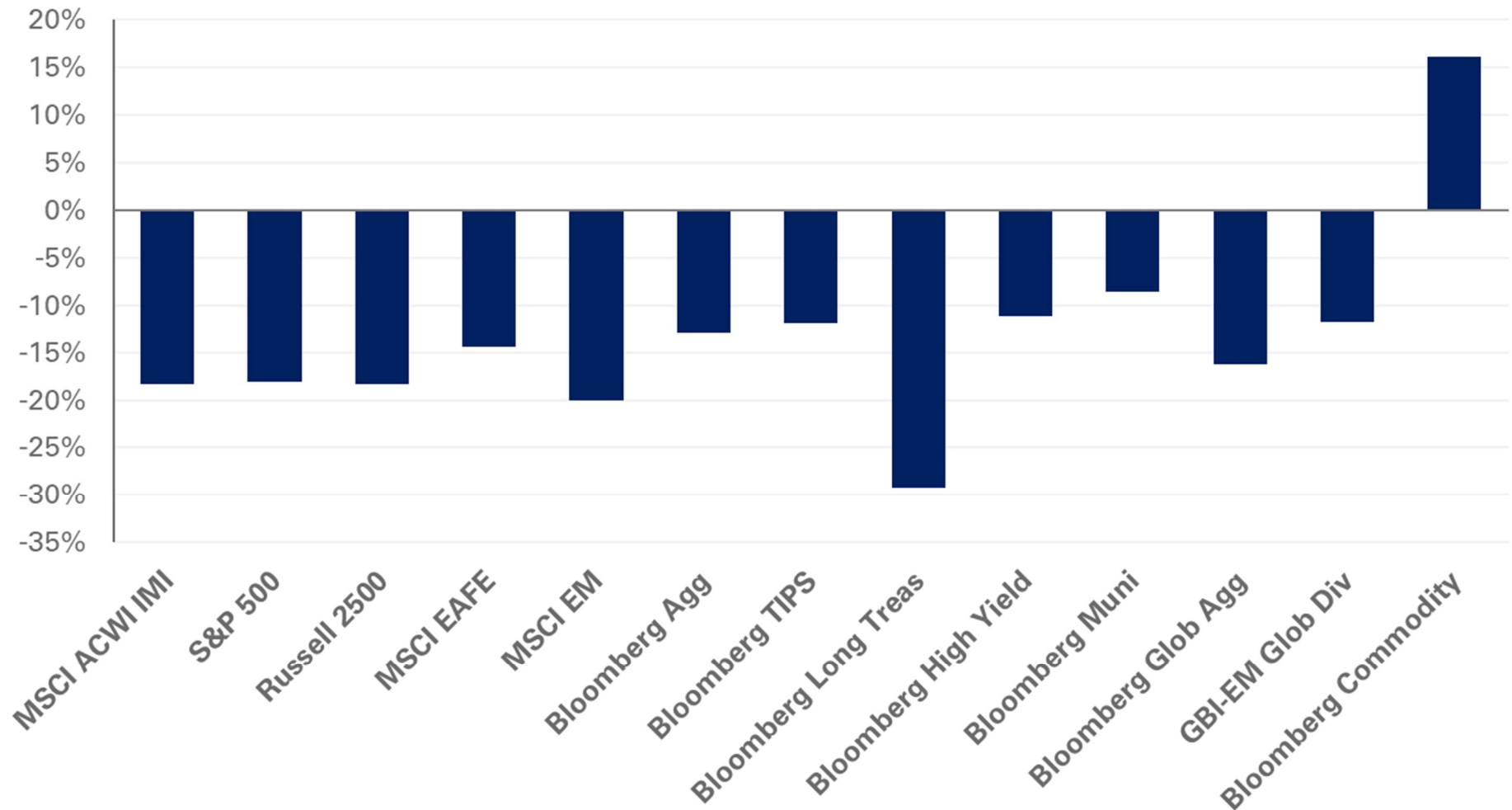
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fed Funds	0.00%-0.25%	0.00%-0.25%	0.25%-0.50%	0.25%-0.50%	0.75%-1.00%	1.50%-1.75%	2.25%-2.50%	2.25%-2.50%	3.00%-3.25%	3.00%-3.25%	3.75%-4.00%	4.25%-4.50%
U.S. CPI-U	7.5%	7.9%	8.6%	8.2%	8.5%	9.0%	8.5%	8.2%	8.2%	7.7%	7.1%	-



Sources: S&P, FactSet

GLOBAL ASSETS BROADLY DECLINED

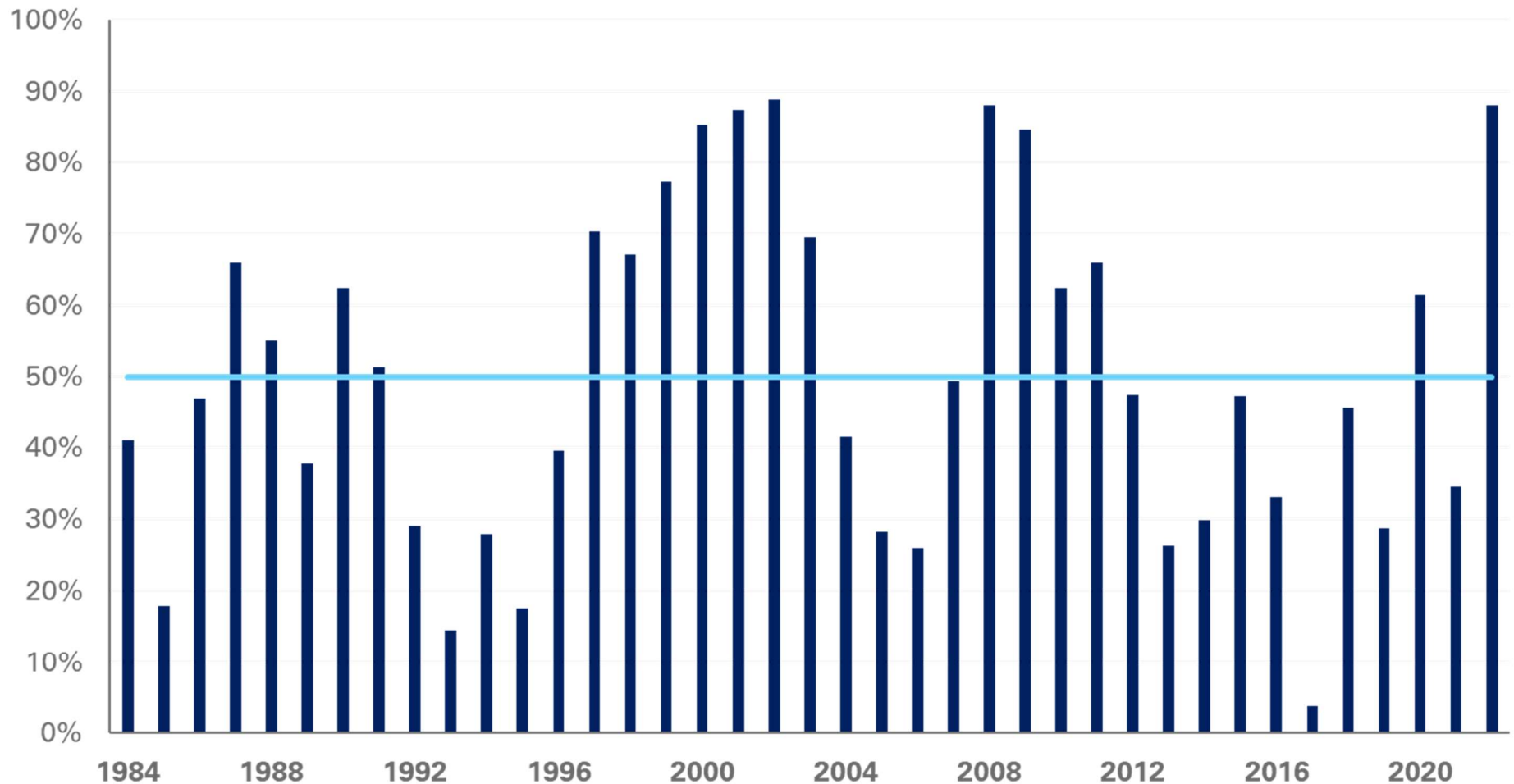
2022 ANNUAL ASSET CLASS RETURNS



Sources: MSCI, S&P, Russell, MSCI, Bloomberg, JPM, FactSet

VOLATILITY METRICS BROADLY INCREASED

S&P 500 INDEX PERCENTAGE OF DAYS WITH INTRADAY RANGE >1%



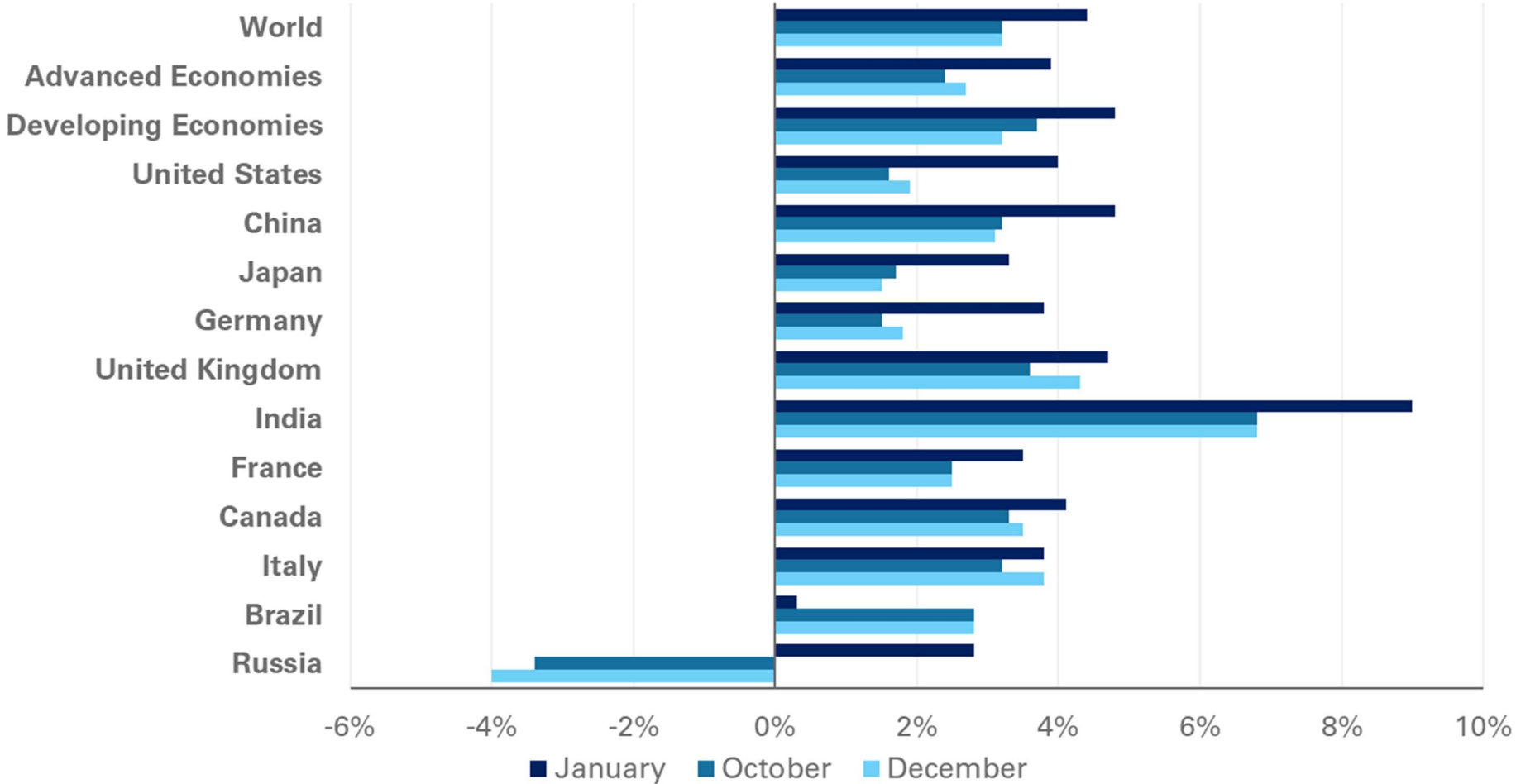
Notes: Light blue line indicates average of 49.9%

Sources: S&P, FactSet, NEPC



GLOBAL GROWTH EXPECTATIONS WEAKENED

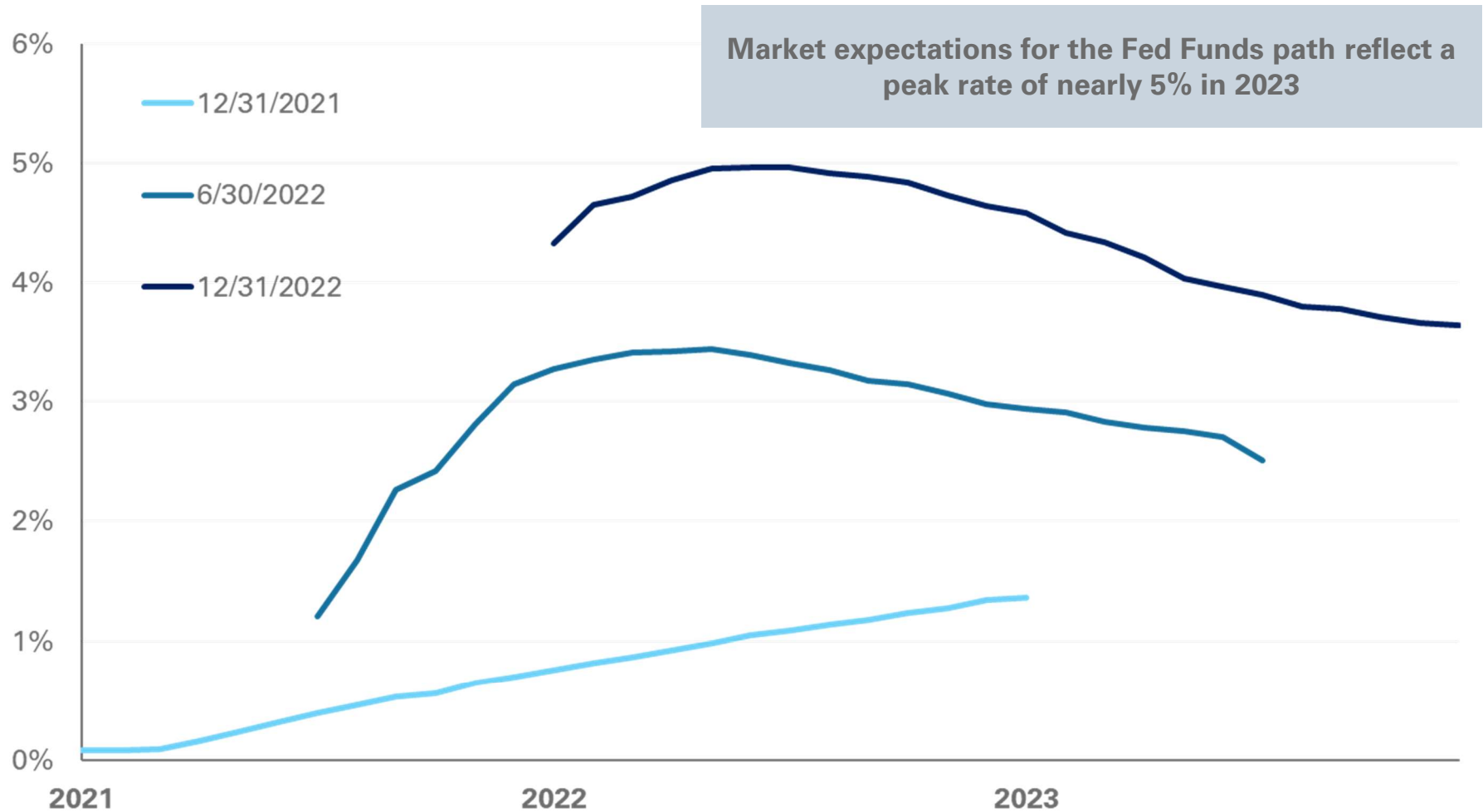
2022 REAL GDP PROJECTIONS



Source: IMF World Economic Outlook (January and October 2022), December estimates reflect FactSet Economics consensus

RATE EXPECTATIONS INCREASED DRAMATICALLY

FED FUNDS EXPECTATIONS



THE DOLLAR APPRECIATED SIGNIFICANTLY IN 2022

THE U.S. DOLLAR INDEX



U.S. Dollar Index represents the value of the U.S. Dollar relative to the currencies of major trade partners. The Euro, Japanese Yen, Pound Sterling, and Canadian Dollar represent the largest weights within the Index.

Source: FactSet



PORTFOLIO POSITIONING VIEWS

Maintain an **underweight equity posture** due to concerns related to the path of corporate earnings and stagflation growth dynamics

Our **conviction remains high** regarding the allocation of value exposure to U.S. large-cap equity and the use of active global equity strategies

Evaluate the scope of strategic currency hedging programs, as the strength of the dollar has provided outsized gains for currency hedges

We recommend holding **high quality short-term credit** in the portfolio and to source the exposure from risk asset positions

Relative to 2022, we expect to see more **equity rebalance opportunities** as markets react to the conflict between inflation and central bank policy

STRATEGIC ASSET ALLOCATION OUTLOOK

We have transitioned to an investment regime characterized by higher interest rates with **central banks focused on managing inflation not investor sentiment**

The **outlook for investment-grade bonds has improved** and is additive relative to existing strategic allocation targets for safe-haven fixed income exposure

Diversification and portfolio balance are critical and shifts in stock-bond correlation dynamics increase the relative benefit of diversifying asset classes

The **emergence of stagflationary trends** challenges the behavioral biases investors have been conditioned to expect over the last decade

Q4 2022 PERFORMANCE REVIEW



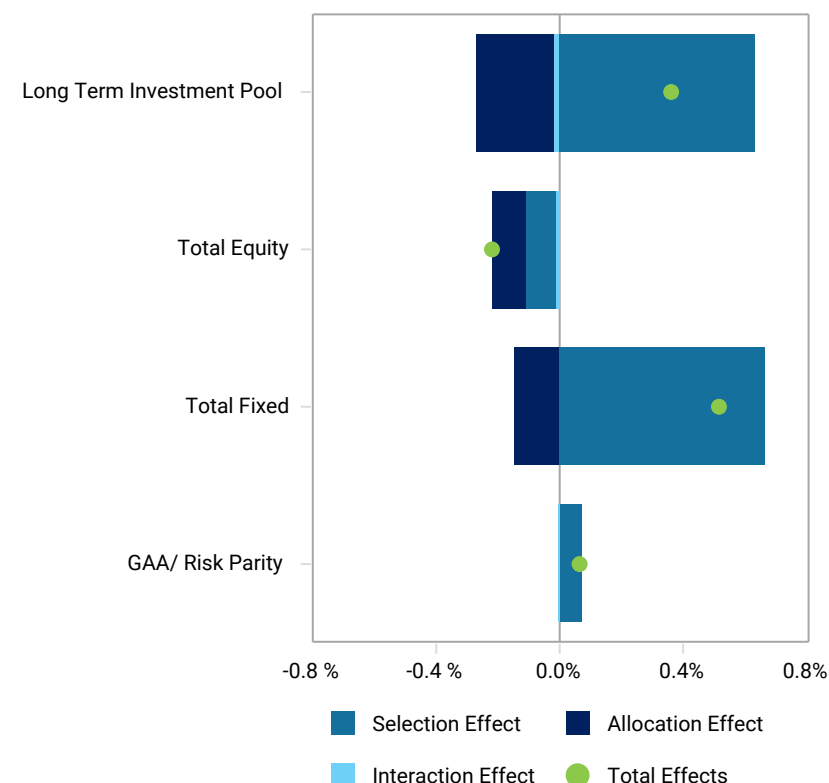
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LONG TERM POOL PERFORMANCE SUMMARY

	Market Value (\$)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Long Term Investment Pool	8,502,549	6.6	-15.0	0.0	1.8
<i>Long Term Balanced Index</i>		6.2	-15.4	1.3	2.9
<i>Long Term Allocation Index</i>		6.4	-14.8	2.9	4.0

Asset Allocation vs. Target				
	Current (\$)	Current (%)	Policy (%)	Differences (%)
■ Total Equity	4,495,352	52.9	54.0	-1.1
■ Total Fixed	3,485,969	41.0	40.0	1.0
■ GAA/ Risk Parity	521,228	6.1	6.0	0.1
Long Term Investment Pool	8,502,549	100.0	100.0	0.0

Attribution Effects 1 Year Ending December 31, 2022



Composite Performance

- The Total Composite was down 3.2% for 2022, but closed on par with the Allocation Index
- The Long Term Investment Pool earned 6.6% for the fourth quarter, finishing ahead of its respective benchmarks

Allocation Index

- Acadian Emerging Markets Equity outperformed the MSCI Emerging Markets benchmark by 90 bps during Q4

Active Management

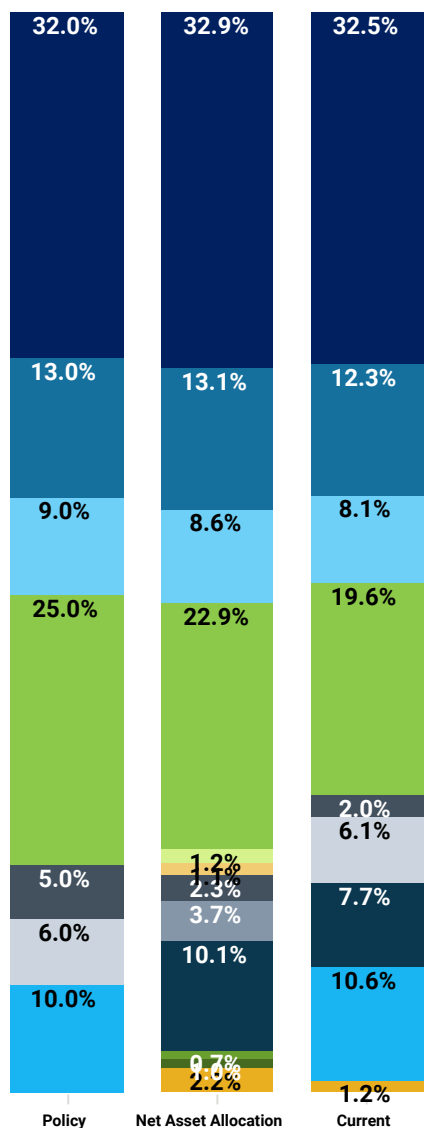
- Blackrock Strategic Income Opportunities (SIO) was additive to the fixed income composite for 2022 and outperformed U.S. Aggregate Bonds by 7.4% for the year

Long Term Balanced Index: (54% - MSCI ACWI)(30% - Bloomberg Aggregate)(5% - Bloomberg US TIPS TR)(5% - Bloomberg US Treasury TR)(6% - PIMCO All Asset Index) as of 3/1/2021.

Long Term Allocation Index: Used to measure the value add from active management. Calculated as the asset weight from the prior month end multiplied by the specified market index.

LONG TERM ASSET ALLOCATION VS. POLICY

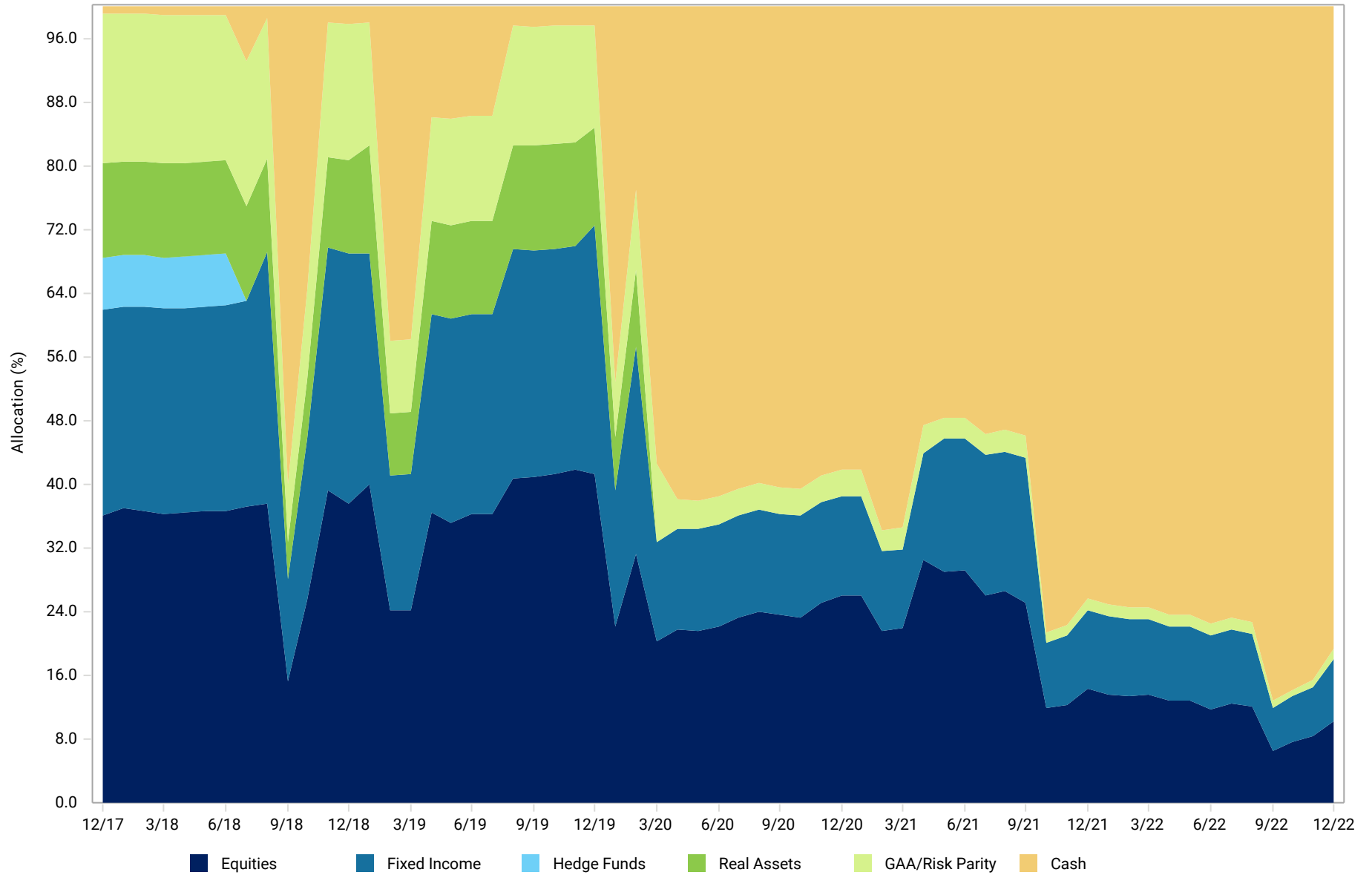
Asset Allocation vs. Target



	Current (\$)	Policy (%)	Current (%)	Net Asset Allocation
Domestic Equity	2,759,549	32.0	32.5	32.9
International Equity	1,048,301	13.0	12.3	13.1
Emerging Markets Equity	687,503	9.0	8.1	8.6
Core Fixed Income	1,664,843	25.0	19.6	22.9
High Yield	-	0.0	0.0	1.2
Emerging Market Debt	-	0.0	0.0	1.1
TIPS	170,135	5.0	2.0	2.3
Non-U.S. Fixed Income	-	0.0	0.0	3.7
GAA/Risk Parity	521,228	6.0	6.1	0.0
Treasury	654,157	0.0	7.7	10.1
Absolute Return	897,321	10.0	10.6	0.0
Hedge Funds	-	0.0	0.0	0.7
Real Assets	-	0.0	0.0	1.0
Cash	99,512	0.0	1.2	2.2
Total	8,502,549	100.0	100.0	100.0

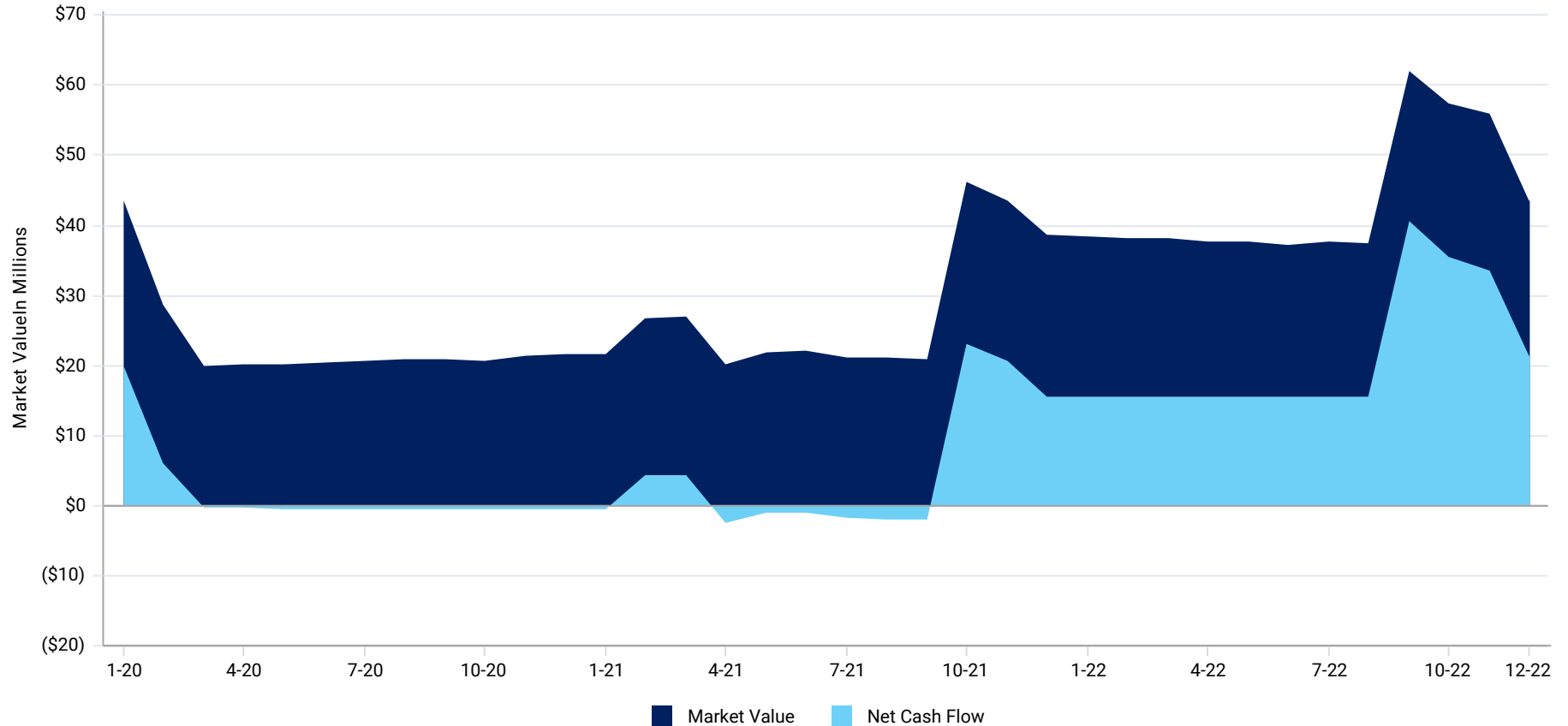
The "Net Asset Allocation" analysis disaggregates the global asset allocation and the absolute return managers in order to get a better sense of the true exposures across the portfolio.

TOTAL FUND ASSET ALLOCATION HISTORY



ASSET GROWTH SUMMARY

3 Years Ending December 31, 2022



	Last Three Months	1 Year	3 Years
Beginning Market Value	61,944,755	38,778,683	23,750,387
Net Cash Flow	-19,191,025	5,796,855	21,438,603
Net Investment Change	882,368	-939,440	-1,552,892
Ending Market Value	43,636,098	43,636,098	43,636,098
Net Change	-18,308,657	4,857,415	19,885,711



TOTAL FUND SUMMARY



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TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)							Inception Date
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
Board of Regents Total Composite	43,636,098	100.0	1.1	-3.2	-0.7	1.5	2.8	4.1	Apr-09	
<i>Allocation Index</i>			<u>1.6</u>	<u>-3.2</u>	<u>1.3</u>	<u>3.2</u>	-	-		
Short Term Investment Pool	35,133,549	80.5	0.8	1.3	0.6	0.9	0.5	0.4	Apr-09	
<i>90 Day U.S. Treasury Bill</i>			<u>0.8</u>	<u>1.5</u>	<u>0.7</u>	<u>1.3</u>	<u>0.8</u>	<u>0.6</u>		
Northern Inst Govt Select MMKT	10,057,012	23.0	0.7	1.3	0.6	0.6	0.3	0.2	Nov-09	
<i>90 Day U.S. Treasury Bill</i>			<u>0.8</u>	<u>1.5</u>	<u>0.7</u>	<u>1.3</u>	<u>0.8</u>	<u>0.6</u>		
Bank of Ann Arbor T-Bills	25,076,536	57.5	0.4	0.4	0.2	0.7	0.4	0.3	Nov-09	
<i>90 Day U.S. Treasury Bill</i>			<u>0.8</u>	<u>1.5</u>	<u>0.7</u>	<u>1.3</u>	<u>0.8</u>	<u>0.6</u>		
Long Term Investment Pool	8,502,549	19.5	6.6 (50)	-15.0 (62)	0.0 (95)	1.8 (92)	3.9 (87)	4.5 (94)	Apr-09	
<i>Long Term Allocation Index</i>			<u>6.4</u> (56)	<u>-14.8</u> (59)	<u>2.9</u> (44)	<u>4.0</u> (51)	-	-		
<i>Long Term Balanced Index</i>			<u>6.2</u> (60)	<u>-15.4</u> (66)	<u>1.3</u> (78)	<u>2.9</u> (79)	-	-		
<i>InvMetrics All E&F < \$50M Median</i>			6.5	-14.3	2.7	4.0	6.0	8.0		
Total Equity	4,495,352	10.3	10.5 (53)	-18.5 (51)	2.0 (76)	4.3 (64)	-	6.5 (50)	Jan-14	
<i>MSCI AC World Index (Net)</i>			<u>9.8</u> (64)	<u>-18.4</u> (50)	<u>4.0</u> (55)	<u>5.2</u> (51)	<u>8.0</u> (54)	<u>6.4</u> (50)		
<i>eV All Global Equity Median</i>			10.8	-18.5	4.3	5.3	8.1	6.4		
Fidelity Large Cap Value - FLCOX	857,591	2.0	12.4 (63)	-	-	-	-	-8.0 (82)	Apr-22	
<i>Russell 1000 Value Index</i>			<u>12.4</u> (62)	<u>-7.5</u> (70)	<u>6.0</u> (79)	<u>6.7</u> (72)	<u>10.3</u> (61)	<u>-6.9</u> (70)		
<i>Large Value Median</i>			13.0	-5.3	7.4	7.4	10.5	-5.2		
SEG Baxter	173,491	0.4	13.7 (65)	-22.4 (67)	-2.4 (87)	2.0 (39)	-	3.1 (53)	Jul-17	
<i>MSCI AC World ex USA (Net)</i>			<u>14.3</u> (56)	<u>-16.0</u> (36)	<u>0.1</u> (64)	<u>0.9</u> (64)	<u>3.8</u> (82)	<u>2.8</u> (62)		
<i>eV All ACWI ex-US Equity Median</i>			14.5	-18.7	0.8	1.4	5.0	3.2		
MFS Instl International Equity	874,810	2.0	16.2 (59)	-	-	-	-	-2.8 (41)	May-22	
<i>MSCI EAFE Index</i>			<u>17.4</u> (33)	<u>-14.0</u> (24)	<u>1.3</u> (32)	<u>2.0</u> (23)	<u>5.2</u> (17)	<u>-2.5</u> (33)		
<i>Foreign Large Blend Median</i>			16.8	-15.7	0.7	1.2	4.4	-3.2		
Acadian Emerging Markets Equity	687,503	1.6	10.6 (43)	-20.0 (51)	0.1 (35)	-0.7 (49)	-	2.4 (46)	Oct-14	
<i>MSCI Emerging Markets (Net)</i>			<u>9.7</u> (61)	<u>-20.1</u> (52)	<u>-2.7</u> (64)	<u>-1.4</u> (62)	<u>1.4</u> (69)	<u>1.8</u> (63)		
<i>eV Emg Mkts Equity Median</i>			10.3	-20.0	-1.6	-0.7	2.0	2.2		
Vanguard Total Stock Market VIPERs - VTI	1,901,958	4.4	7.0 (66)	-19.5 (63)	7.0 (43)	8.7 (32)	-	-	Nov-16	
<i>Russell 3000 Index</i>			<u>7.2</u> (64)	<u>-19.2</u> (61)	<u>7.1</u> (41)	<u>8.8</u> (30)	<u>12.1</u> (26)	<u>11.6</u> (31)		
<i>eV All US Equity Median</i>			8.7	-17.0	6.4	7.4	10.9	10.4		

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fixed	3,485,969	8.0	1.8 (85)	-10.5 (34)	-2.1 (50)	0.1 (56)	-	1.5 (52)	Jan-14	
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.9 (84)</i>	<i>-13.0 (52)</i>	<i>-2.7 (60)</i>	<i>0.0 (58)</i>	<i>1.1 (58)</i>	<i>1.4 (53)</i>		
<i>eV All Global Fixed Inc Median</i>			<i>4.3</i>	<i>-12.8</i>	<i>-2.1</i>	<i>0.4</i>	<i>1.5</i>	<i>1.7</i>		
BlackRock Strategic Income Opportunities Fund - BSIX	897,321	2.1	1.6 (76)	-5.6 (3)	0.9 (3)	2.0 (4)	-	2.2 (10)	Oct-14	
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.9 (57)</i>	<i>-13.0 (36)</i>	<i>-2.7 (86)</i>	<i>0.0 (88)</i>	<i>1.1 (96)</i>	<i>1.0 (88)</i>		
<i>eV US Core Plus Fixed Inc Median</i>			<i>2.0</i>	<i>-13.4</i>	<i>-2.1</i>	<i>0.4</i>	<i>1.6</i>	<i>1.5</i>		
Baird Core Bond - BAGIX	1,664,843	3.8	2.1 (16)	-13.4 (66)	-2.5 (63)	0.2 (50)	-	1.2 (32)	Dec-14	
<i>Blmbg. U.S. Aggregate Index</i>			<i>1.9 (43)</i>	<i>-13.0 (45)</i>	<i>-2.7 (80)</i>	<i>0.0 (75)</i>	<i>1.1 (74)</i>	<i>0.9 (76)</i>		
<i>eV US Core Fixed Inc Median</i>			<i>1.8</i>	<i>-13.1</i>	<i>-2.4</i>	<i>0.2</i>	<i>1.3</i>	<i>1.1</i>		
Vanguard Intermediate-Term Treasury ETF - VGIT	654,157	1.5	1.0 (90)	-10.5 (91)	-	-	-	-	Apr-21	
<i>Blmbg. U.S. Treasury: Intermediate</i>			<i>1.0 (91)</i>	<i>-7.8 (15)</i>	<i>-1.4 (65)</i>	<i>0.5 (79)</i>	<i>0.7 (94)</i>	<i>-4.5 (31)</i>		
<i>eV US Interm Duration Fixed Inc Median</i>			<i>1.6</i>	<i>-8.5</i>	<i>-1.2</i>	<i>0.7</i>	<i>1.2</i>	<i>-4.7</i>		
Fidelity Inflation-Protected Bond Index Fund - FIPDX	170,135	0.4	1.9 (62)	-12.0 (74)	-	-	-	-5.0 (57)	Jun-21	
<i>Blmbg. U.S. TIPS</i>			<i>2.0 (42)</i>	<i>-11.8 (66)</i>	<i>1.2 (53)</i>	<i>2.1 (52)</i>	<i>1.1 (37)</i>	<i>-4.9 (52)</i>		
<i>eV US TIPS / Inflation Fixed Inc Median</i>			<i>2.0</i>	<i>-11.6</i>	<i>1.2</i>	<i>2.1</i>	<i>1.1</i>	<i>-4.9</i>		
US Treasury	99,512	0.2								
GAA/ Risk Parity	521,228	1.2	7.3 (44)	-11.5 (31)	-5.2 (98)	-3.1 (95)	-	-1.2 (95)	Dec-14	
<i>eV Global TAA Median</i>			<i>7.0</i>	<i>-14.2</i>	<i>1.1</i>	<i>2.3</i>	<i>4.3</i>	<i>3.3</i>		
PIMCO All Asset - PAAIX	521,228	1.2	7.3 (44)	-11.5 (31)	-	-	-	-	Apr-21	
<i>PIMCO All Asset Index</i>			<i>3.3 (89)</i>	<i>-12.7 (40)</i>	<i>-0.4 (72)</i>	<i>1.7 (60)</i>	<i>2.5 (80)</i>	<i>-4.8 (55)</i>		
<i>eV Global TAA Median</i>			<i>7.0</i>	<i>-14.2</i>	<i>1.1</i>	<i>2.3</i>	<i>4.3</i>	<i>-4.5</i>		

-Allocation Index: Used to measure the value add from active management. Calculated as the asset weight from the prior month end multiplied by the specified market index.

-Long-Term Balanced Index: (54% - MSCI ACWI)(30% - Bloomberg Aggregate)(5% - Bloomberg US TIPS TR)(5% - Bloomberg US Treasury TR)(6% - PIMCO All Asset Index) as of 3/1/2021.

-PIMCO All Asset Index: (40% - Bloomberg Aggregate)(30% - Bloomberg US TIPS 1-10 Yr)(10% - S&P 500)(10% - Bloomberg High Yield)(10% - JP Morgan EMBI+).

CASH FLOW SUMMARY BY MANAGER

	1 Quarter Ending December 31, 2022					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flows	Net Investment Change	Ending Market Value
Acadian Emerging Markets Equity	\$621,699	-	-\$1,308	-\$1,308	\$67,112	\$687,503
Baird Core Bond - BAGIX	\$1,629,825	-	-	-	\$35,018	\$1,664,843
Bank of Ann Arbor T-Bills	-	\$25,000,000	-	\$25,000,000	\$76,536	\$25,076,536
BlackRock Strategic Income Opportunities Fund - BSIX	\$882,971	-	-	-	\$14,350	\$897,321
Fidelity Inflation-Protected Bond Index Fund - FIPDX	\$166,918	-	-	-	\$3,217	\$170,135
Fidelity Large Cap Value - FLCOX	\$762,908	-	-	-	\$94,683	\$857,591
MFS Intl International Equity	\$752,917	-	-	-	\$121,893	\$874,810
Northern Inst Govt Select MMKT	\$53,952,862	\$3,077,707	-\$47,253,331	-\$44,175,625	\$279,775	\$10,057,012
PIMCO All Asset - PAAIX	\$485,780	-	-	-	\$35,448	\$521,228
SEG Baxter	\$152,545	-	-	-	\$20,946	\$173,491
US Treasury	\$98,707	-	-	-	\$805	\$99,512
Vanguard Intermediate-Term Treasury ETF - VGIT	\$652,256	-	-\$4,836	-\$4,836	\$6,737	\$654,157
Vanguard Total Stock Market VIPERs - VTI	\$1,785,368	-	-\$9,257	-\$9,257	\$125,847	\$1,901,958
Total	\$61,944,755	\$28,077,707	-\$47,268,732	-\$19,191,025	\$882,368	\$43,636,098

INVESTMENT MANAGER - DUE DILIGENCE STATUS

Investment Options	Manager Changes/ Announcement	NEPC Due Diligence Committee Recommendations
BlackRock Strategic Income Opportunities	Loss of Personnel: Bob Miller retiring	FYI

INVESTMENT MANAGER - DUE DILIGENCE STATUS

Investment Options	Manager Changes/ Announcement	NEPC Due Diligence Committee Recommendations
BlackRock Strategic Income Opportunities	<p>BlackRock informed NEPC on 10/27/2022 that Bob Miller, Head of Americas Fundamental Fixed Income within Global Fixed Income, will retire effective March 31, 2023. Bob Miller has been with BlackRock since 2011 as a senior member of the Fundamental Fixed Income business. Russell Brownback has become a named portfolio manager for Strategic Income Opportunities, alongside Rick Rieder and David Rogal. Mr. Miller will remain a named PM until his retirement. Mr. Miller's direct reports will be reassigned to Russ Brownback, Akiva Dickstein, and Rick Rieder. Chi Chen has been added as portfolio manager to Total Return (core plus) strategies and Core Bond strategies.</p> <p>Bob Miller is one of three named portfolio managers on Strategic Income Opportunities. The nature of the process and resources around the portfolio management team leaves the NEPC Research team comfortable that the oversight of the portfolios remains in experienced hands, led by Rick Rieder.</p>	FYI

ASSET ALLOCATION REVIEW



PROPRIETARY & CONFIDENTIAL

CORE ASSET CLASS RETURN ASSUMPTIONS

	Asset Class	12/31/22 10-Year Return	12/31/21 10-Year Return	Delta
	Cash	4.0%	1.5%	+2.5%
	U.S. Inflation	2.5%	2.4%	+0.1%
Equity	U.S. Large-Cap Equity	5.4%	4.3%	+1.1%
	Non-U.S. Developed Equity	5.6%	5.2%	+0.4%
	Emerging Market Equity	9.6%	8.3%	+1.3%
	Global Equity*	6.3%	5.4%	+0.9%
	Private Equity*	9.2%	9.0%	+0.2%
Fixed Income	US Treasury Bond	4.2%	1.5%	+2.7%
	US Municipal Bond	4.4%	1.6%	+2.8%
	US Aggregate Bond*	4.8%	2.0%	+2.8%
	US TIPS	4.4%	1.4%	+3.0%
	US High Yield Corporate Bond	7.1%	3.2%	+3.9%
	Private Debt*	8.8%	6.6%	+2.2%
Real Assets	Commodity Futures	4.2%	0.4%	+3.8%
	REIT	6.2%	4.5%	+1.7%
	Gold	5.1%	3.3%	+1.8%
	Real Estate - Core	4.0%	4.7%	-0.7%
	Private Real Assets - Infrastructure	6.6%	5.3%	+1.3%
Multi-Asset	60% S&P 500 & 40% U.S. Aggregate	5.4%	3.7%	+1.7%
	60% MSCI ACWI & 40% U.S. Agg.	6.0%	4.4%	+1.6%
	Hedge Fund*	6.5%	4.2%	+2.3%

*Calculated as a blend of other asset classes



ASSET ALLOCATION CONSIDERATIONS

Asset Class	Current Targets	Mix 1	Mix 2
Domestic Equity	32%	30%	30%
International Equity	13%	11%	11%
Emerging Markets Equity	9%	8%	8%
Total Equity	54%	49%	49%
GAA/ Risk Parity	6%	6%	6%
Core Fixed Income	19%	19%	16%
TIPS	5%	5%	5%
Treasury	6%	6%	6%
Absolute Return	10%	10%	10%
Short Duration High Yield	0%	5%	5%
Total Fixed Income	40%	45%	42%
Cash	0%	0%	0%
Real Assets	0%	0%	3%
Expected 10 Year Return	6.1%	6.1%	6.1%
Standard Deviation	10.7%	10.0%	10.2%
10 Year Sharpe Ratio	0.19	0.20	0.20



APPENDIX



DUE DILIGENCE MONITOR

NEPC Due Diligence Status Key

No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot be in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with a manager; manager cannot be in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot be in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

NEPC Due Diligence Rating Key

1	A high conviction investment product. Product has a clear and economically-grounded investment thesis, and is managed by an investment team that is sufficiently resourced and incented to execute on the thesis.
2	NEPC has a positive view of the strategy. Strategy has a compelling and sound investment thesis. The manager is sufficiently resourced and incented to execute on the thesis. Strengths outweigh the weaknesses, but the strategy does not meet all requirements for a 1 rating.
3	A satisfactory investment product. The strategy lacks a compelling investment thesis, however there are no significant concerns around the manager's viability.
4	The strategy may have an unclear or ambiguous investment thesis or the manager may lack the ability to execute on the stated thesis. The strategy likely has strengths and weaknesses and the weaknesses may outweigh the strengths.
5	A strategy that lacks an investment thesis or NEPC has no confidence in the manager's ability to execute on the thesis, and/or the investment firm may not be viable. Serious issues have been identified with an investment manager or product. This rating aligns with a Terminate Due Diligence status for client-owned products.
NR	Due diligence has not been sufficiently completed on the product or manager.

DISCLAIMERS

Past performance is no guarantee of future results.

The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Data used to prepare this report was obtained directly from the investment manager(s). While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

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