

QUARTER ENDING JUNE 30, 2022
INVESTMENT PERFORMANCE
ANALYSIS

**EASTERN MICHIGAN BOARD OF
REGENTS**



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AUGUST 16, 2022



PROPRIETARY & CONFIDENTIAL

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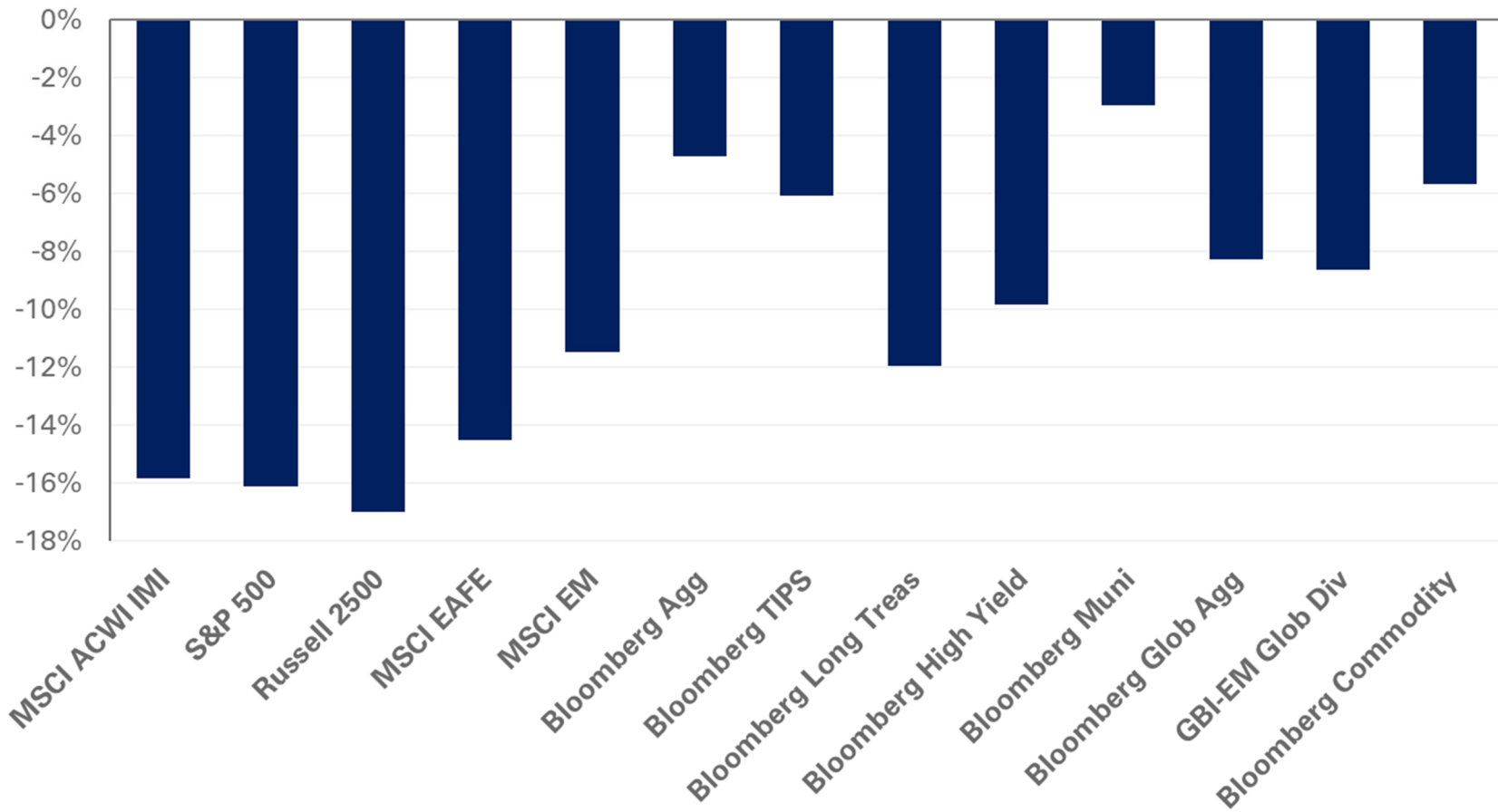
Q2 2022 REVIEW



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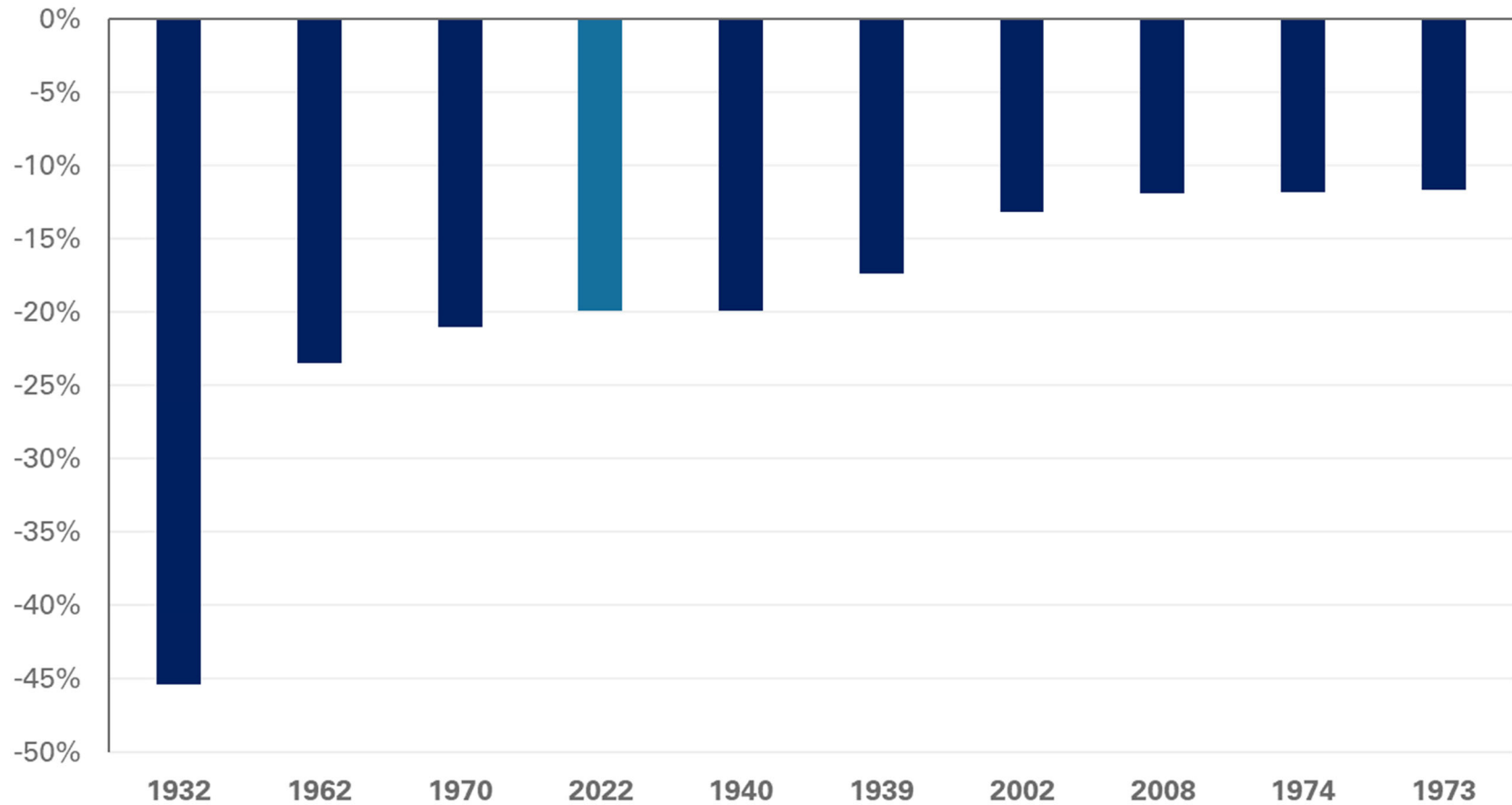
GLOBAL MARKETS BROADLY DECLINED

QUARTERLY TOTAL RETURNS



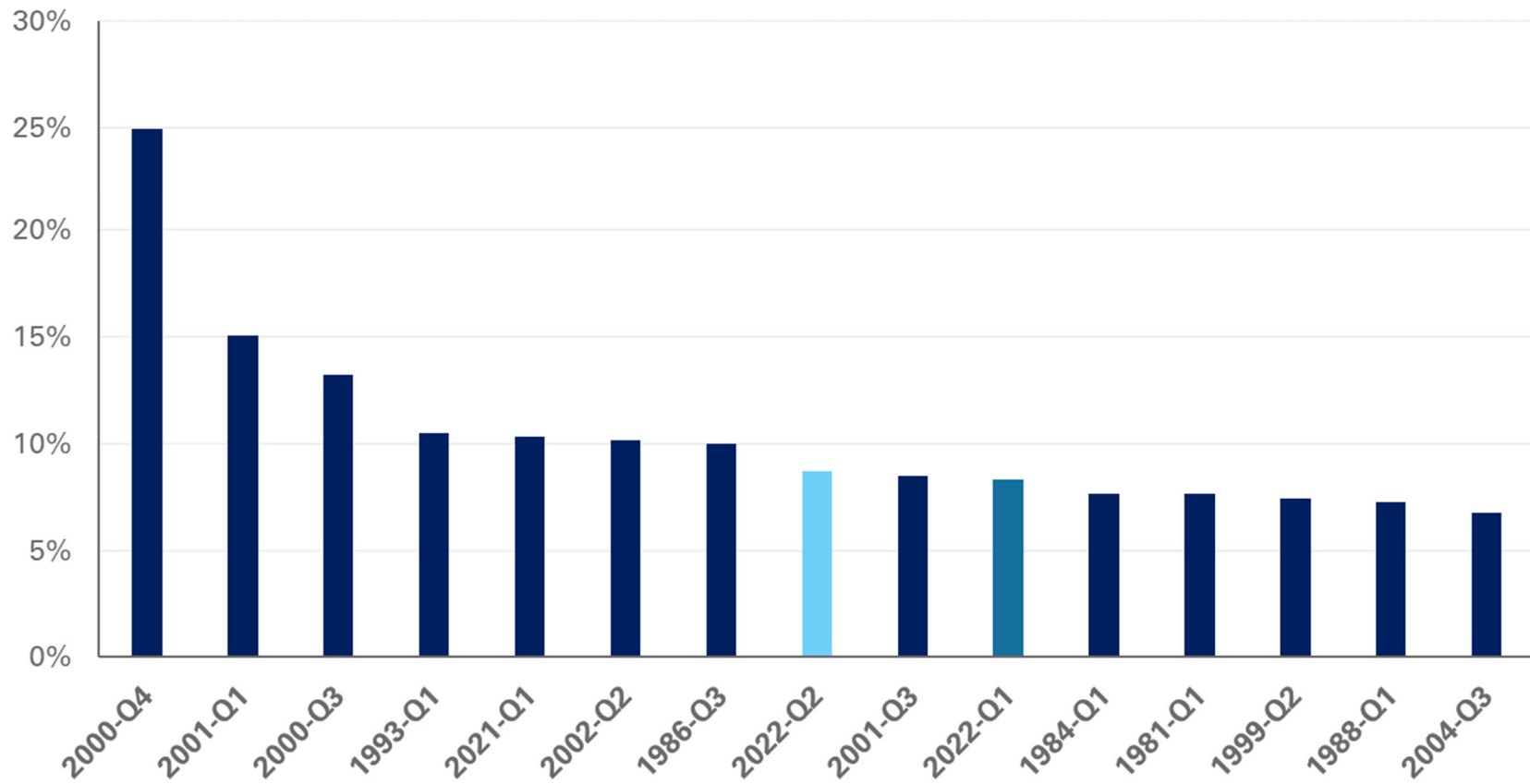
WORST START FOR THE S&P IN OVER 50 YEARS

TOP 10 S&P 500 LOSSES IN FIRST HALF OF THE YEAR



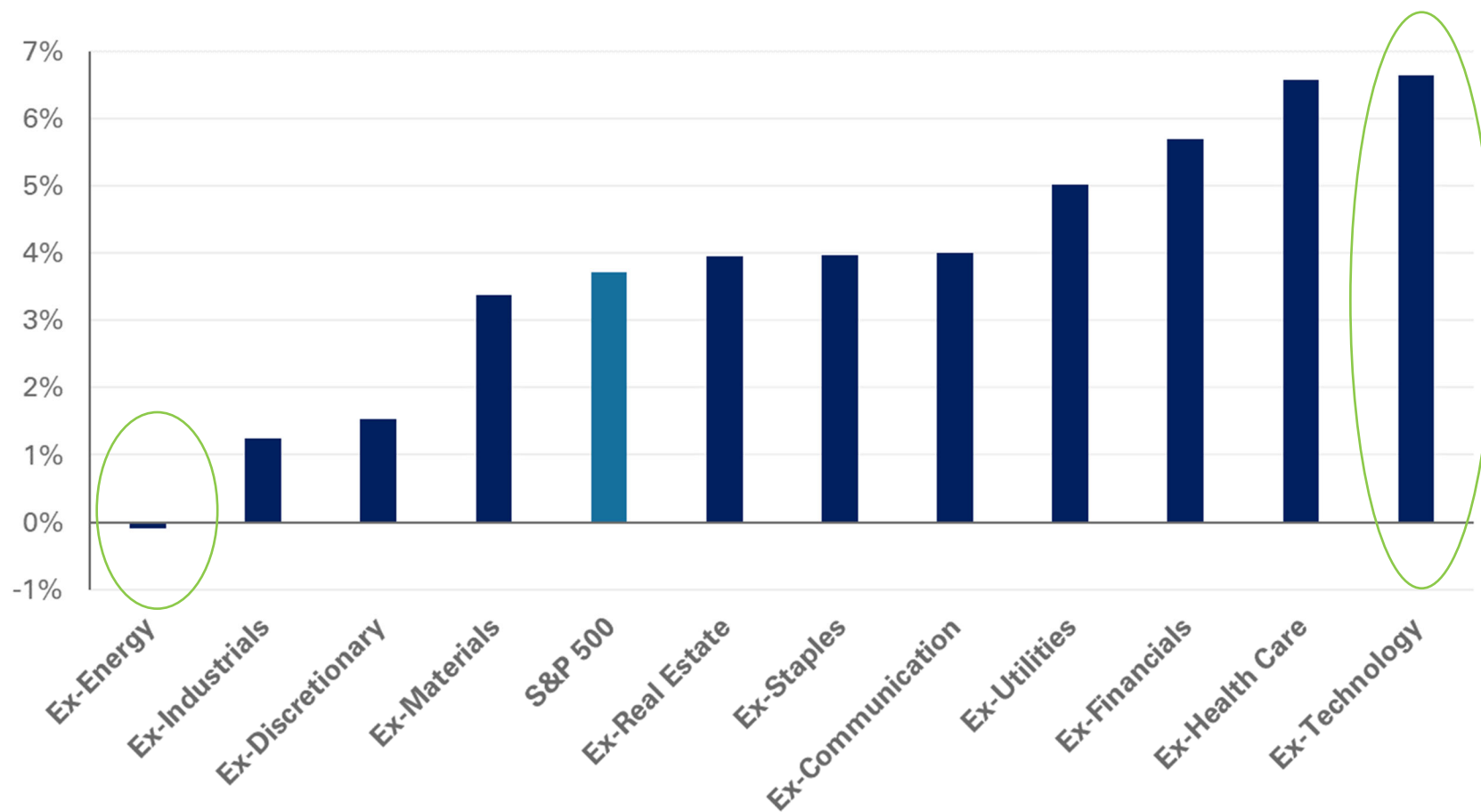
VALUE OUTPERFORMED GROWTH OVER Q2

TOP 15 RUSSELL 1000 VALUE – GROWTH TOTAL RETURN



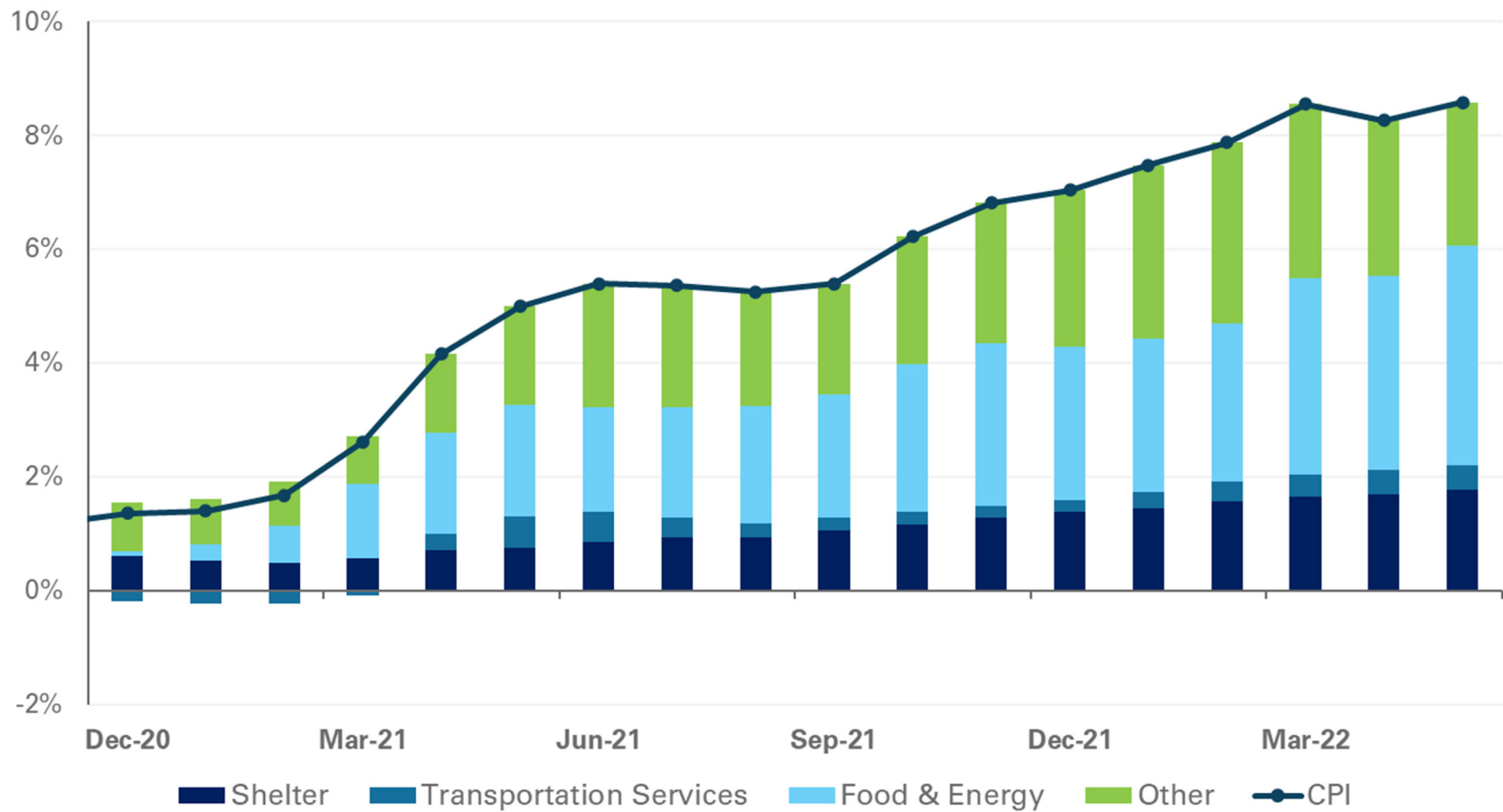
S&P EARNINGS BUOYED BY THE ENERGY SECTOR

QUARTER-OVER-QUARTER EARNINGS GROWTH RATE IN Q2



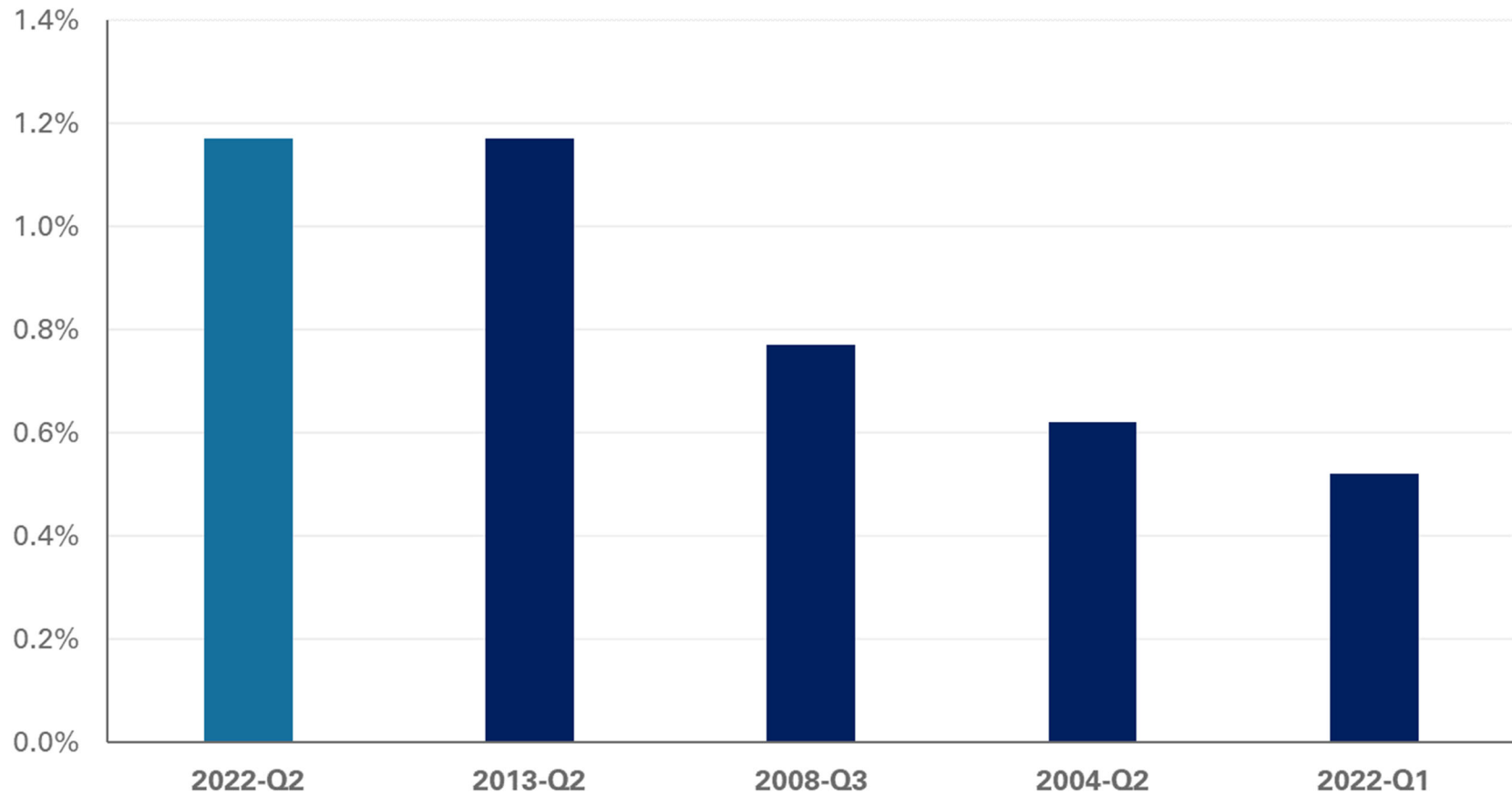
INFLATION CONTINUED TO TREND HIGHER

ANNUAL U.S. CPI-U CHANGES



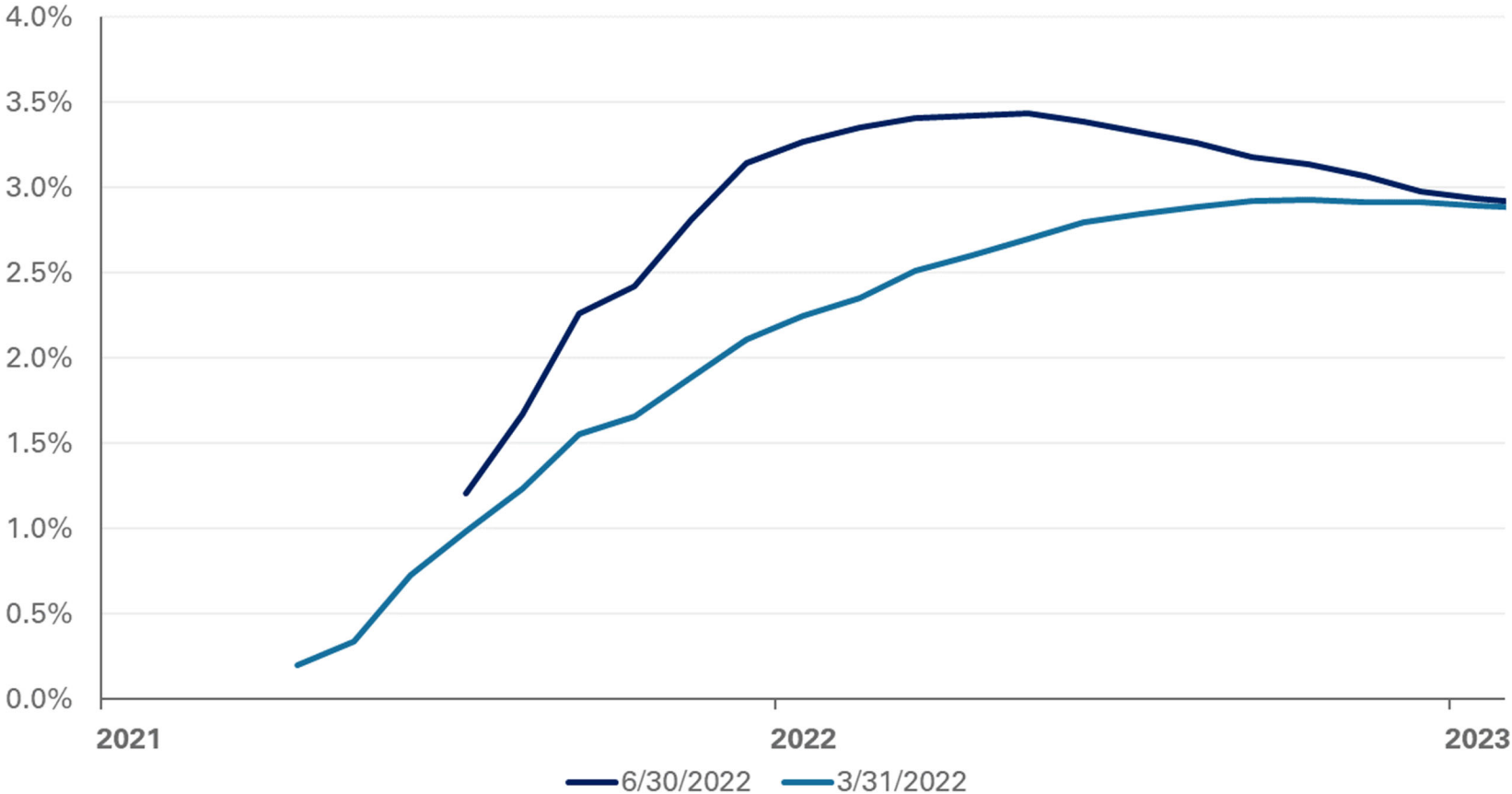
REAL YIELDS SURGED DURING THE QUARTER

TOP 5 QUARTERLY CHANGE IN 10-YEAR TIPS REAL YIELDS



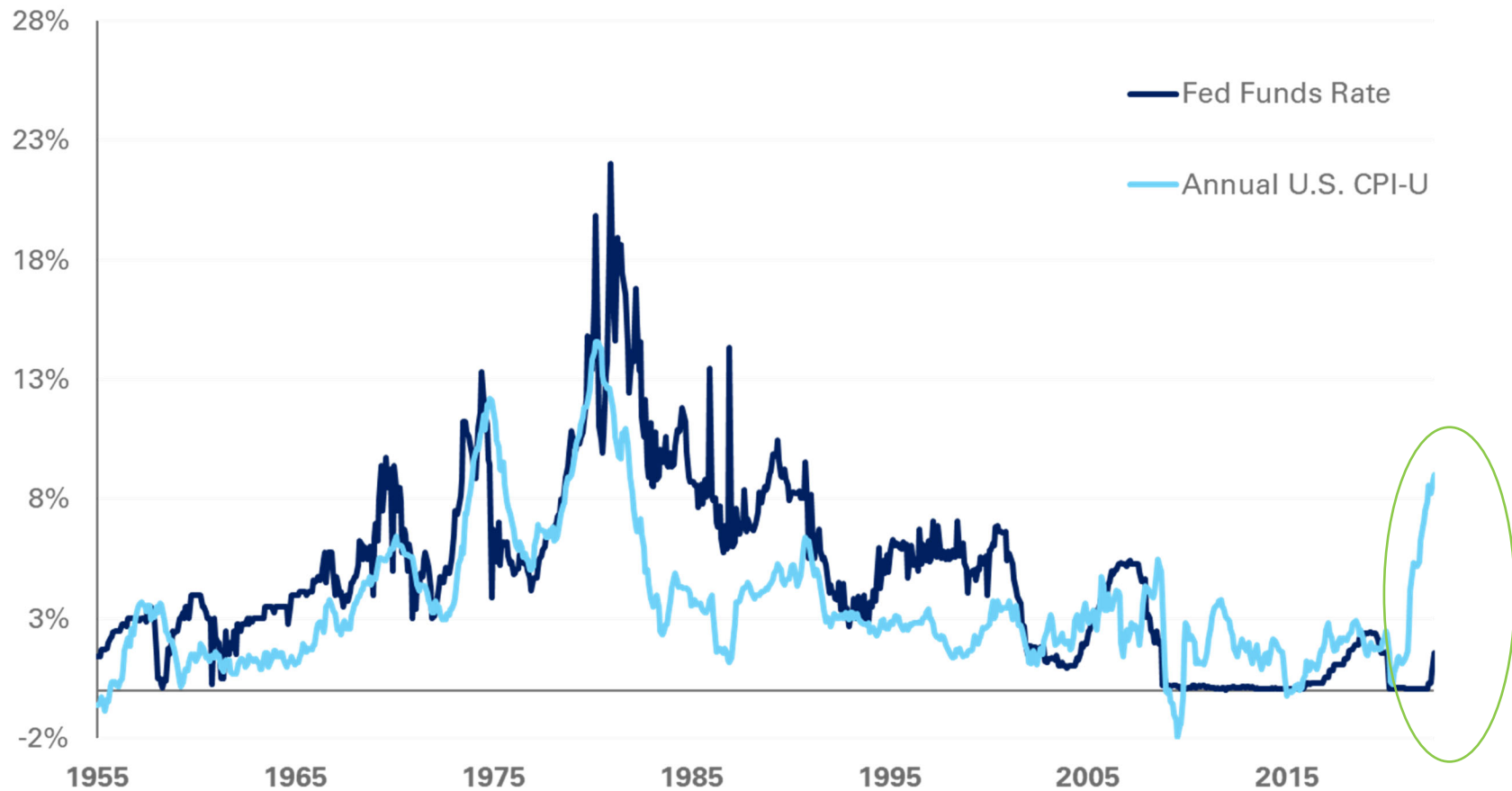
RATE HIKE EXPECTATIONS INCREASED

FEDERAL FUNDS FUTURES



INFLATION AND FED FUNDS NEED TO CONVERGE

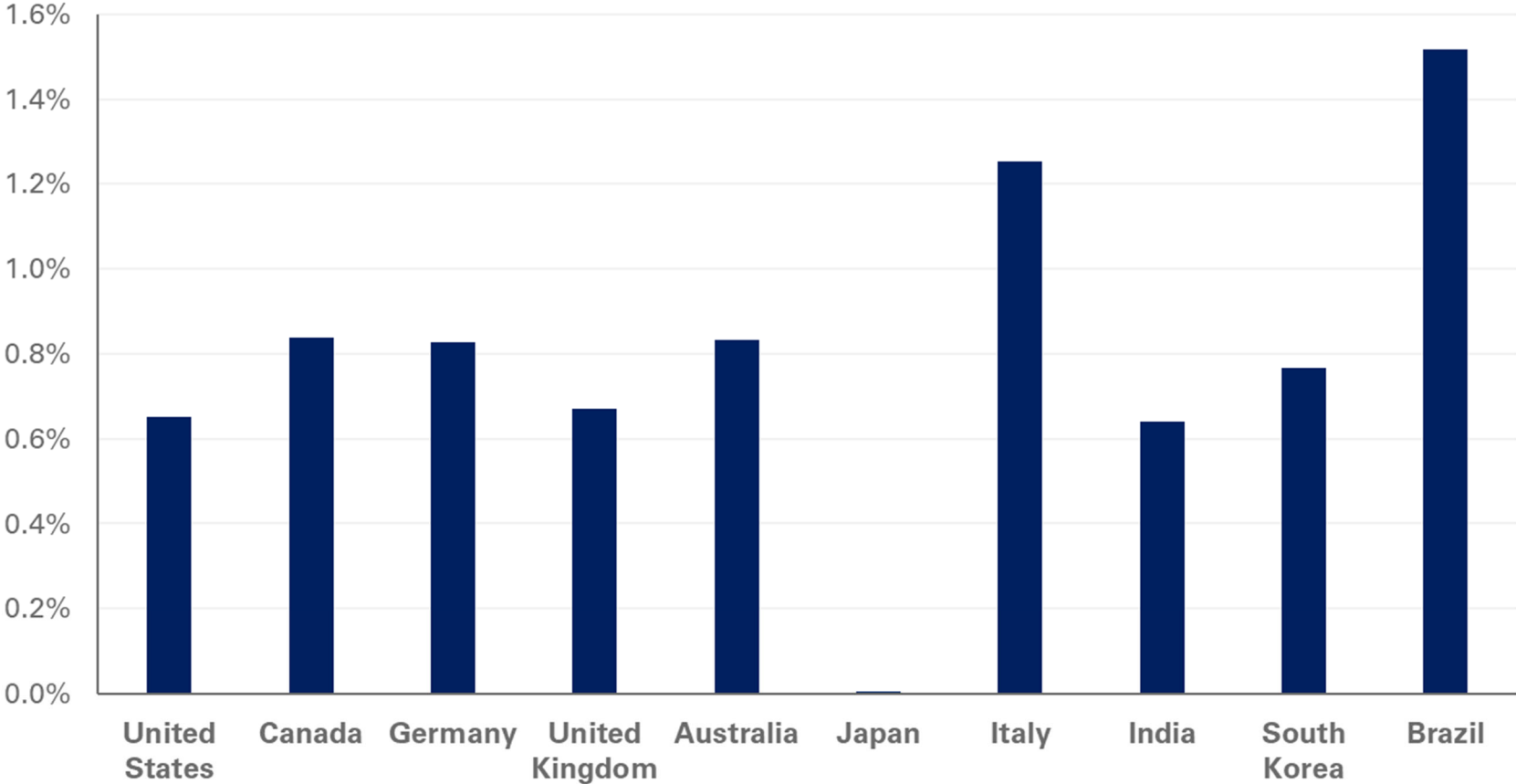
HISTORICAL RELATIONSHIP BETWEEN FED FUNDS AND INFLATION



Sources: U.S. Department of Labor, Federal Reserve, FactSet

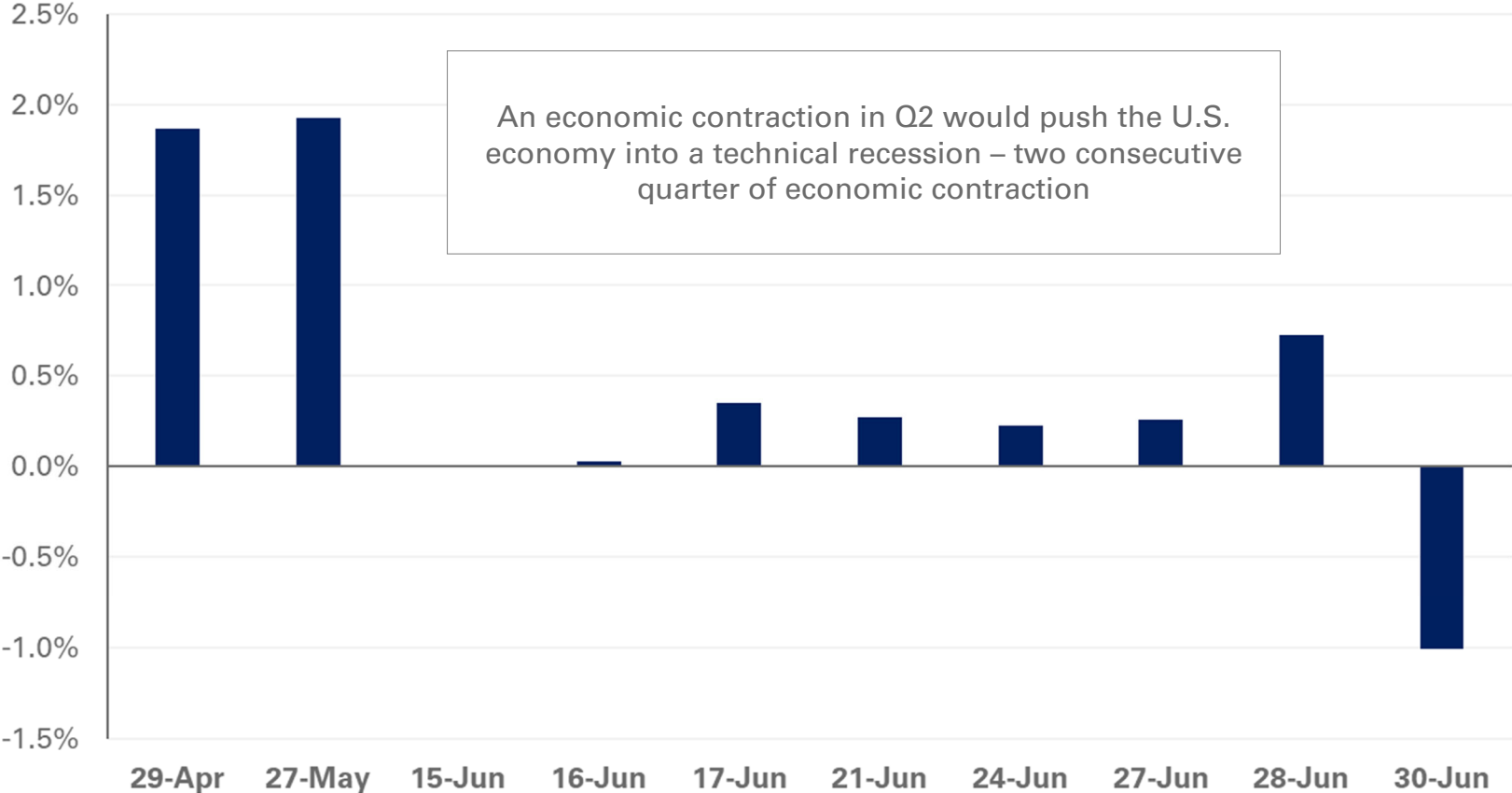
GLOBAL YIELDS SHIFTED HIGHER

QUARTERLY CHANGE IN 10-YEAR GOVERNMENT BOND YIELDS



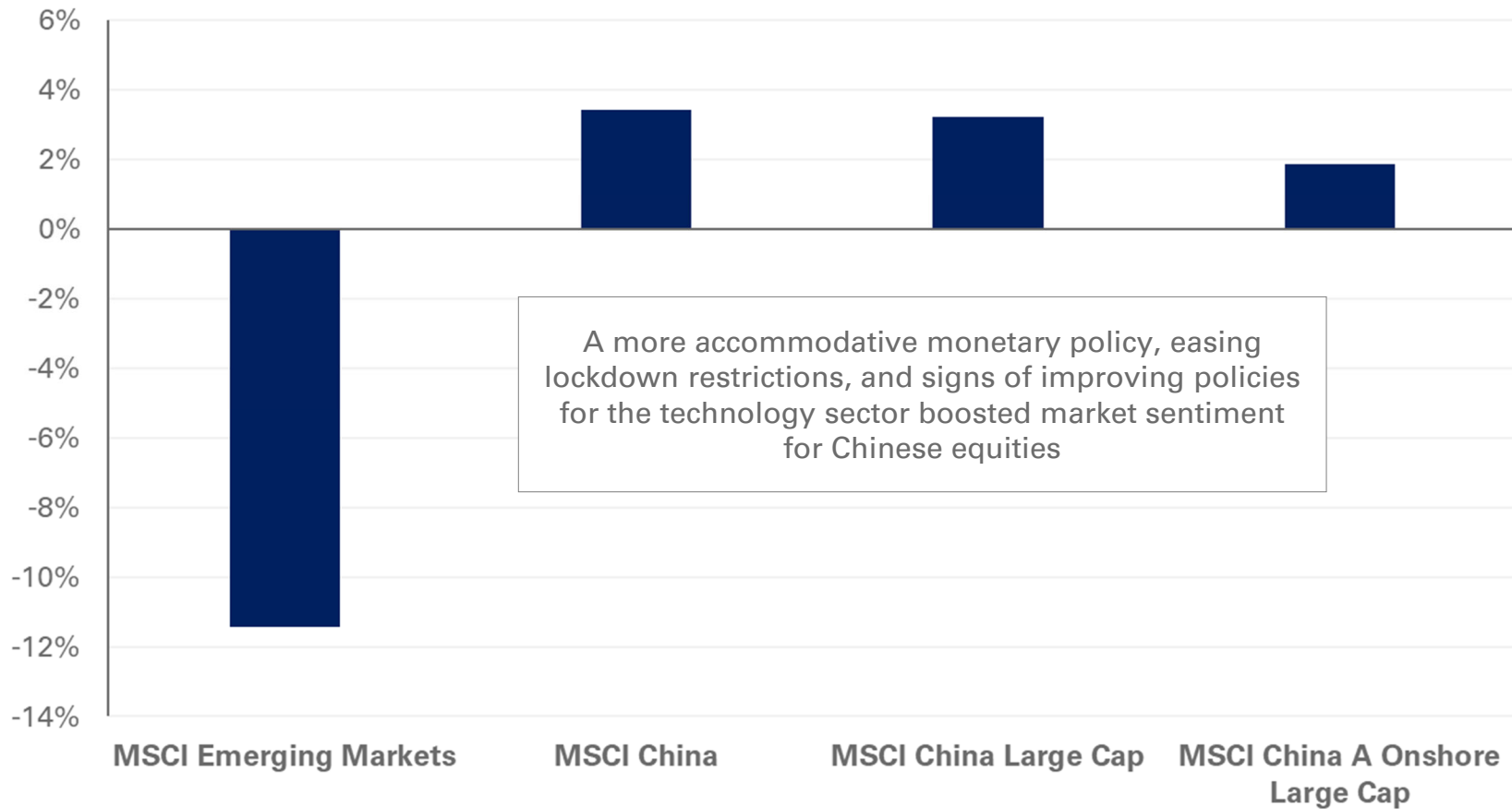
RISING RECESSION RISKS

Q2 ECONOMIC GROWTH FORECAST - ATLANTA FED GDPNOW



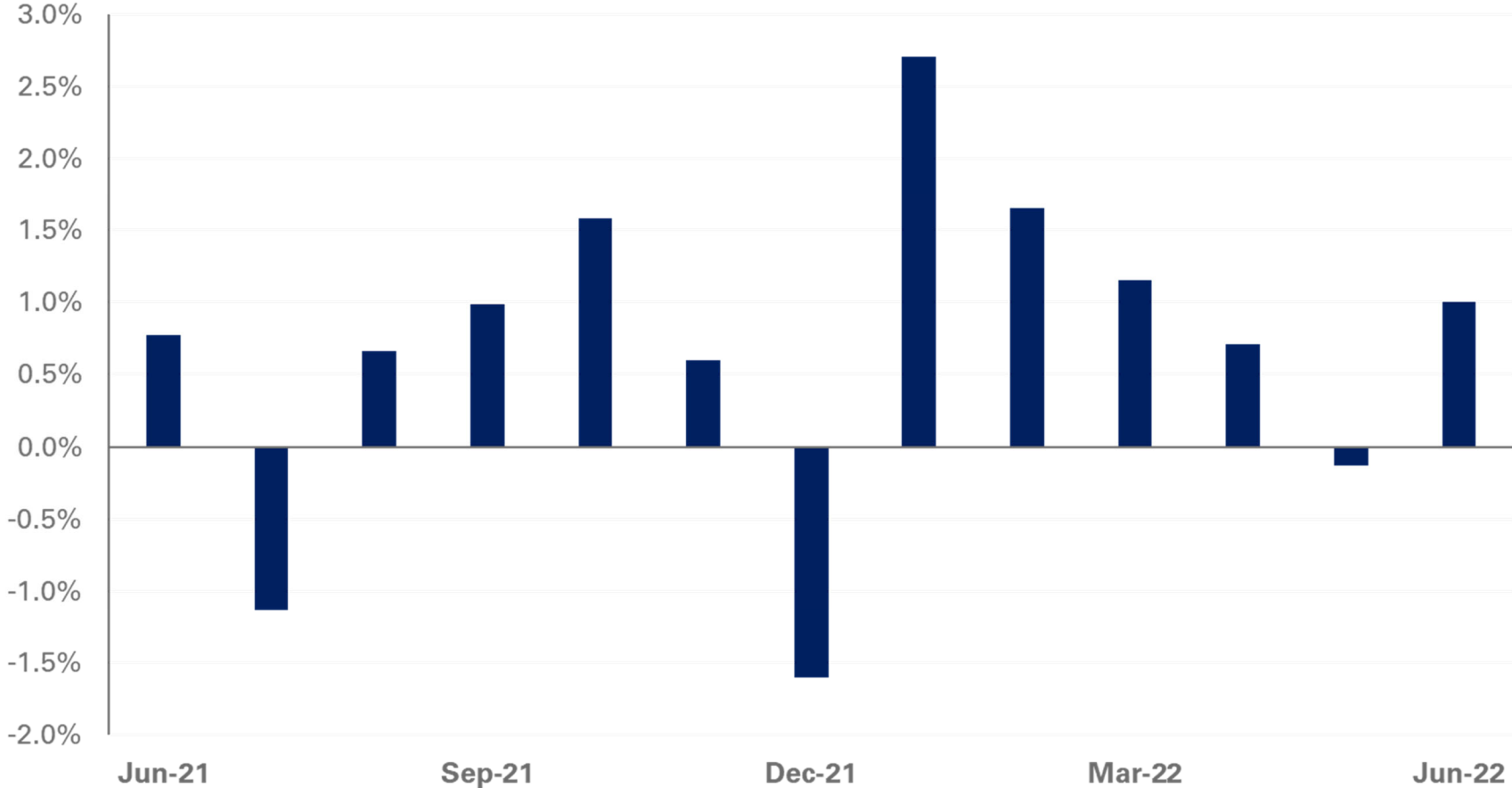
CHINESE EQUITIES OUTPERFORMED IN Q2

QUARTERLY TOTAL RETURN



CONSUMPTION REMAINS POSITIVE

MONTHLY NOMINAL U.S. RETAIL SALES GROWTH



Sources: U.S. Census Bureau, FactSet

ASSESSING THE KEY MARKET THEMES

AS OF 06/30/22

<p>Economic Crossroads</p> <p>Change in Status: -</p>	DORMANT	FADED	NEUTRAL	PREVALENT	DOMINANT
<p>Permanent Interventions</p> <p>Change in Status: -</p>	DORMANT	FADED	NEUTRAL	PREVALENT	DOMINANT
<p>Globalization Backlash</p> <p>Change in Status: <i>Neutral to Prevalent</i></p>	DORMANT	FADED	NEUTRAL	PREVALENT	DOMINANT
<p>China Transitions</p> <p>Change in Status: <i>Prevalent to Neutral</i></p>	DORMANT	FADED	NEUTRAL	PREVALENT	DOMINANT

- Diminishing policy support and elevated inflation levels have caused a transition from Fed policy as the dominant input for capital markets to economic fundamentals
- This transition has impacted risk premia pricing across capital markets and increases the likelihood of shifting to a new investment regime driven by one of three Crossroad paths

- Permanent Interventions enhances investor sentiment, but is cyclically fading as global monetary policy continues to tighten
- The Federal Reserve raised interest rates by 75 basis points in June and the central bank has committed to tighter policy going forward given the economic and inflation backdrop

- The importance of this theme may increase as supply-chain disruptions and inflationary pressures strain the electorate and geopolitical relationships
- The world will likely be faced with an amplified wealth divide given economic and labor market conditions, which has historically driven more volatile political outcomes

- Investor sentiment improved as certain top-down restrictions eased, which has strengthened the business and consumption environment in China
- Sanctions on Russia highlight the global sensitivity to a USD-based system, potentially increasing the likelihood of separate spheres of influence between the U.S. and China



PORTFOLIO POSITIONING VIEWS

We encourage an **underweight risk posture** as our outlook reflects concerns relating to earnings growth and inflation dynamics

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

Despite the challenging environment, **we encourage maintaining adequate portfolio liquidity** with safe-haven fixed income exposure

Look to **build exposure to short-term investment grade credit** as higher yields boost our outlook relative to risk assets



STRATEGIC ASSET ALLOCATION OUTLOOK

We stand at a regime “**Crossroads**” and the path is likely secular stagnation, expanding growth forces, or entrenched inflation

Higher interest rates lift public credit return assumptions and temper the outlook for equities given the expected valuation headwinds

Be mindful of adding public real assets, as inflation-sensitivity and portfolio objectives inform an investor’s strategic real asset allocation

The **development of inflationary trends** will impact the behavioral biases that market participants have been conditioned to expect over the last decade

Q2 2022 PERFORMANCE REVIEW



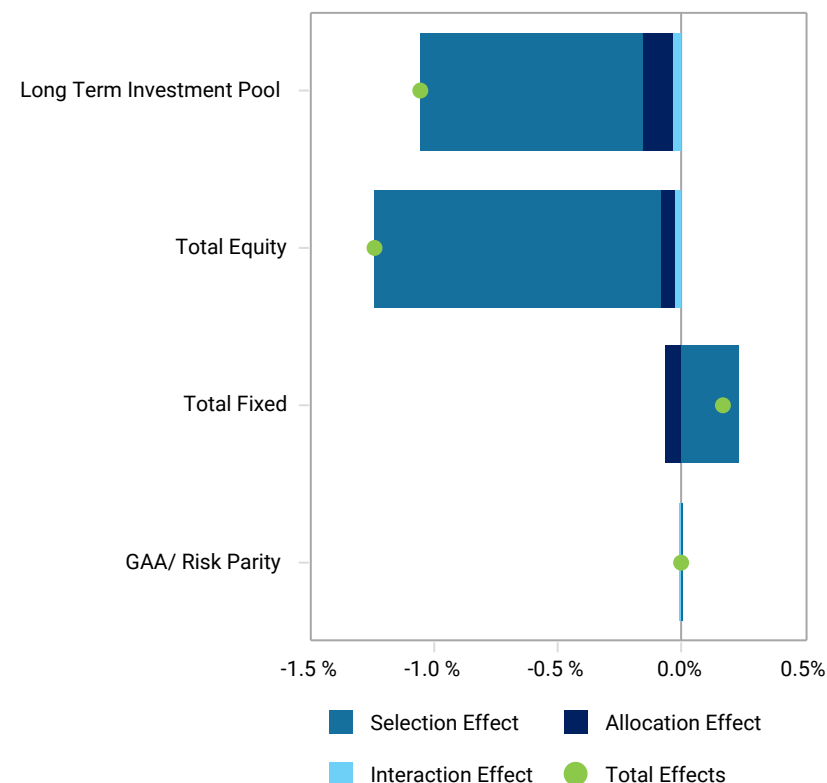
PROPRIETARY & CONFIDENTIAL

TOTAL FUND PERFORMANCE SUMMARY

	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Long Term Investment Pool	8,475,370	-10.6	-15.5	-13.7	1.3	3.0
<i>Long Term Balanced Index</i>		-10.7	-15.5	-12.6	3.1	4.2
<i>Long Term Allocation Index</i>		-10.2	-15.2	-13.5	4.7	5.4

	Asset Allocation vs. Target			
	Current (\$)	Current (%)	Policy (%)	Differences (%)
■ Total Equity	4,390,376	51.8	54.0	-2.2
■ Total Fixed	3,567,335	42.1	40.0	2.1
■ GAA/ Risk Parity	517,659	6.1	6.0	0.1
Long Term Investment Pool	8,475,370	100.0	100.0	0.0

Attribution Effects 1 Year Ending June 30, 2022



Composite Performance

- The Total Composite was down -2.5% through another tough sell-off over the quarter, however - the portfolio finished close to the top of its peers at the end of Q2

- The Long Term Pool was down over the quarter, but kept up with the Long Term Balanced Index due to allocations that protected against the sell-off

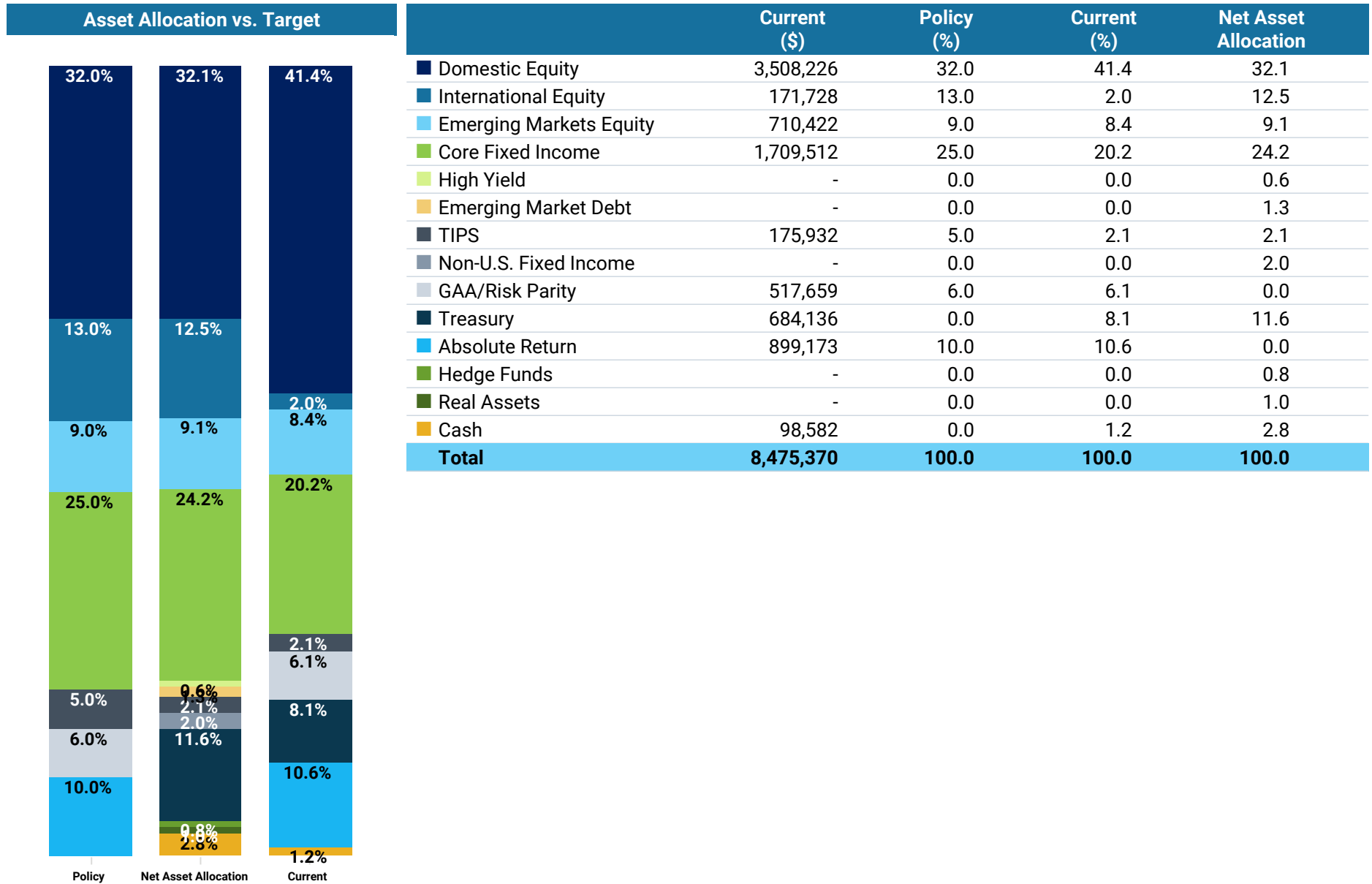
Allocation Index

- Equity managers finished at par relative to global markets, while the Fixed Income portfolio finished ahead of US bond markets

Active Management

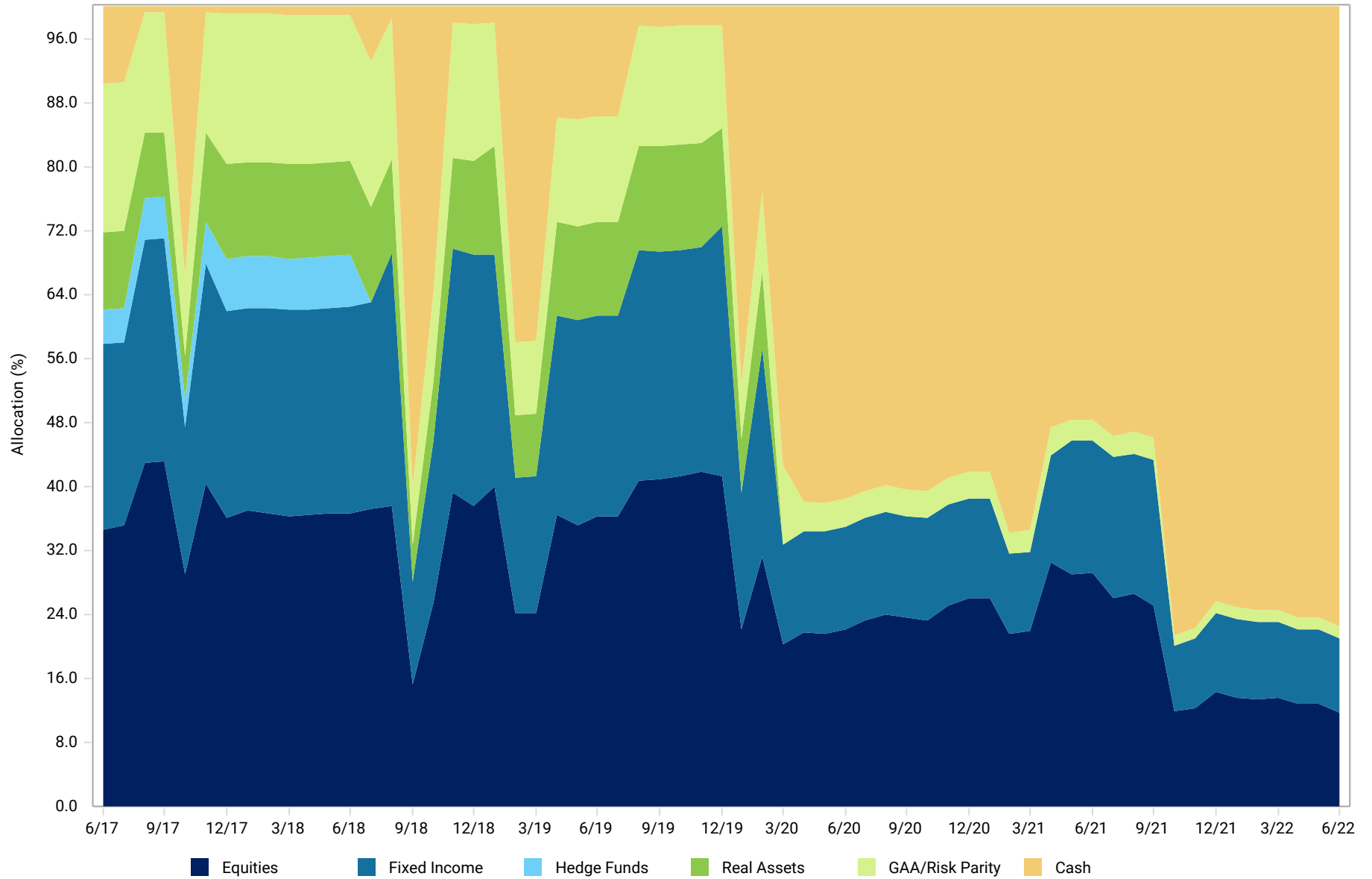
- SEG Baxter, an active manager focusing on EAFE equities, outperformed its corresponding benchmark by 60bps
 - Blackrock Strategic Income Opportunities (SIO), an active Absolute Return fixed income manager, continues to be additive on a relative basis, outperforming the Bloomberg Aggregate Bond index by 2%

ASSET ALLOCATION VS. POLICY



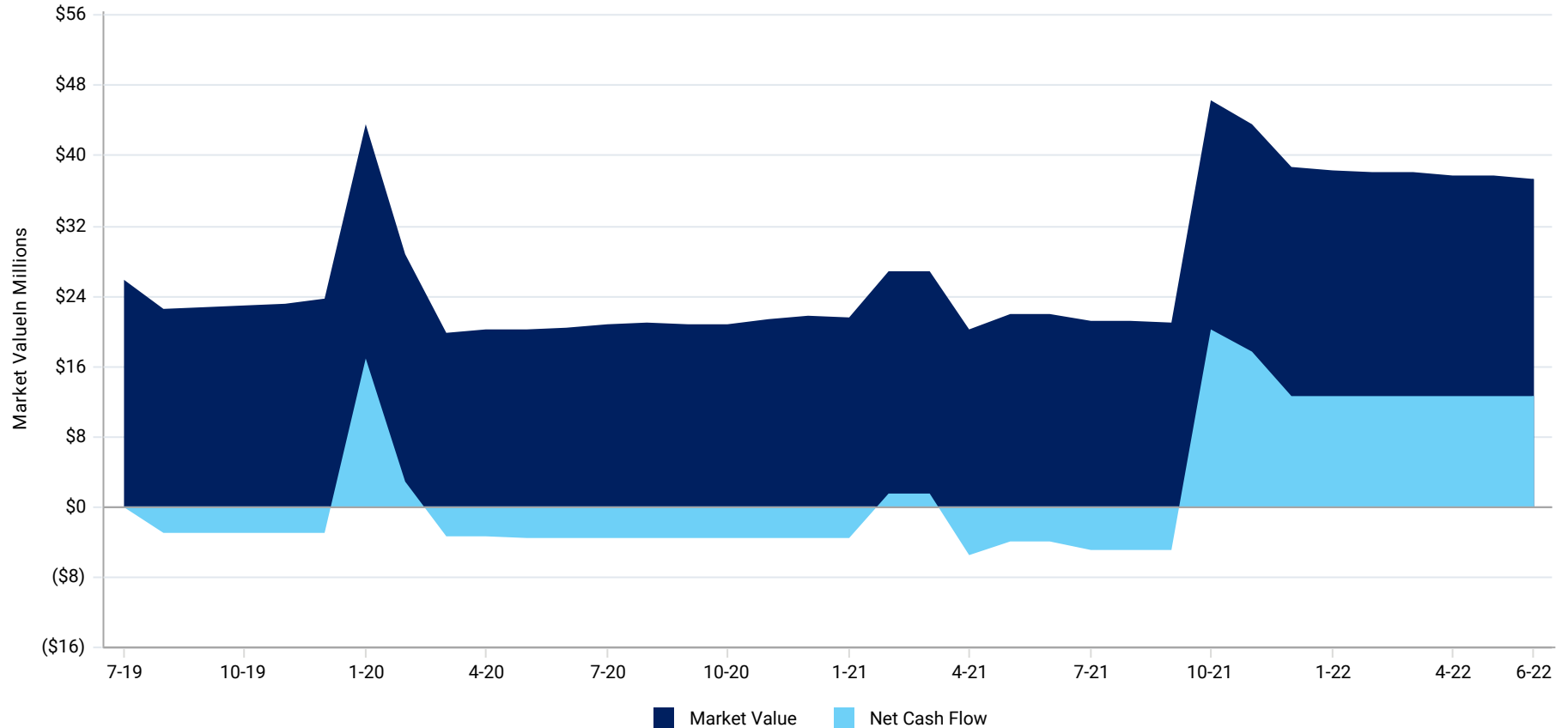
*Difference between Policy and Current Allocation

TOTAL FUND ASSET ALLOCATION HISTORY



ASSET GROWTH SUMMARY

3 Years Ending June 30, 2022



	Last Three Months	Year To Date	1 Year	3 Years
Beginning Market Value	38,226,314	38,778,683	22,049,152	25,713,932
Net Cash Flow	-2,850	-7,319	16,498,782	12,633,109
Net Investment Change	-950,389	-1,498,290	-1,274,859	-1,073,967
Ending Market Value	37,273,075	37,273,075	37,273,075	37,273,075
Net Change	-953,239	-1,505,608	15,223,923	11,559,143



TOTAL FUND SUMMARY



PROPRIETARY & CONFIDENTIAL

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Board of Regents Total Composite	37,273,075	100.0	-2.5	-3.9	-3.3	0.5	2.5	3.2	4.2	Apr-09
<i>Allocation Index</i>			<u>-2.5</u>	<u>-3.8</u>	<u>-3.1</u>	<u>3.0</u>	<u>4.4</u>	-	-	
Short Term Investment Pool	28,797,705	77.3	0.1	0.1	0.2	0.4	0.7	0.4	0.3	Apr-09
<i>90 Day U.S. Treasury Bill</i>			<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.6</u>	<u>1.1</u>	<u>0.6</u>	<u>0.5</u>	
Northern Inst Govt Select MMKT	28,797,705	77.3	0.1	0.1	0.2	0.2	0.4	0.2	0.2	Nov-09
<i>90 Day U.S. Treasury Bill</i>			<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.6</u>	<u>1.1</u>	<u>0.6</u>	<u>0.5</u>	
Bank of Ann Arbor Trust Cash		0.0	0.0	0.0	0.0	0.4	0.7	0.3	0.3	Nov-09
<i>90 Day U.S. Treasury Bill</i>			<u>0.1</u>	<u>0.1</u>	<u>0.2</u>	<u>0.6</u>	<u>1.1</u>	<u>0.6</u>	<u>0.5</u>	
Long Term Investment Pool	8,475,370	22.7	-10.6 (53)	-15.5 (55)	-13.7 (72)	1.3 (92)	3.0 (90)	4.3 (88)	4.6 (93)	Apr-09
<i>Long Term Allocation Index</i>			<u>-10.2 (45)</u>	<u>-15.2 (49)</u>	<u>-13.5 (69)</u>	<u>4.7 (38)</u>	<u>5.4 (41)</u>	-	-	
<i>Long Term Balanced Index</i>			<u>-10.7 (55)</u>	<u>-15.5 (54)</u>	<u>-12.6 (59)</u>	<u>3.1 (73)</u>	<u>4.2 (71)</u>	-	-	
<i>InvMetrics All E&F < \$50M Median</i>			<u>-10.5</u>	<u>-15.3</u>	<u>-12.3</u>	<u>4.2</u>	<u>5.1</u>	<u>6.5</u>	<u>8.2</u>	
Total Equity	4,390,376	11.8	-15.5 (48)	-20.8 (48)	-17.8 (56)	3.8 (69)	5.7 (62)	-	6.5 (47)	Jan-14
<i>MSCI AC World Index (Net)</i>			<u>-15.7 (50)</u>	<u>-20.2 (43)</u>	<u>-15.8 (47)</u>	<u>6.2 (43)</u>	<u>7.0 (44)</u>	<u>8.8 (50)</u>	<u>6.6 (47)</u>	
<i>eV All Global Equity Median</i>			<u>-15.7</u>	<u>-21.1</u>	<u>-16.7</u>	<u>5.6</u>	<u>6.6</u>	<u>8.7</u>	<u>6.3</u>	
Fidelity Large Cap Value - FLCOX	807,986	2.2	-13.3 (85)	-	-	-	-	-	-13.3 (85)	Apr-22
<i>Russell 1000 Value Index</i>			<u>-12.2 (69)</u>	<u>-12.9 (70)</u>	<u>-6.8 (74)</u>	<u>6.9 (78)</u>	<u>7.2 (75)</u>	<u>10.5 (54)</u>	<u>-12.2 (69)</u>	
<i>Large Value Median</i>			<u>-11.2</u>	<u>-11.5</u>	<u>-5.1</u>	<u>8.2</u>	<u>8.0</u>	<u>10.6</u>	<u>-11.2</u>	
SEG Baxter	171,728	0.5	-13.1 (31)	-23.1 (58)	-25.6 (69)	-1.1 (89)	3.2 (40)	-	3.2 (41)	Jul-17
<i>MSCI AC World ex USA (Net)</i>			<u>-13.7 (38)</u>	<u>-18.4 (32)</u>	<u>-19.4 (37)</u>	<u>1.4 (64)</u>	<u>2.5 (57)</u>	<u>4.8 (83)</u>	<u>2.5 (58)</u>	
<i>eV All ACWI ex-US Equity Median</i>			<u>-15.0</u>	<u>-21.7</u>	<u>-21.7</u>	<u>2.0</u>	<u>2.7</u>	<u>6.0</u>	<u>2.7</u>	
MFS Instl International Equity	823,849	2.2	-	-	-	-	-	-	-8.5 (87)	May-22
<i>MSCI EAFE Index</i>			<u>-14.3 (79)</u>	<u>-19.3 (51)</u>	<u>-17.3 (26)</u>	<u>1.5 (52)</u>	<u>2.7 (36)</u>	<u>5.9 (20)</u>	<u>-8.4 (87)</u>	
<i>Foreign Large Blend Median</i>			<u>-13.3</u>	<u>-19.3</u>	<u>-19.0</u>	<u>1.6</u>	<u>2.3</u>	<u>5.2</u>	<u>-7.4</u>	
Acadian Emerging Markets Equity	710,422	1.9	-16.0 (86)	-17.3 (34)	-21.2 (27)	3.6 (24)	2.6 (44)	-	3.0 (38)	Oct-14
<i>MSCI Emerging Markets (Net)</i>			<u>-11.4 (34)</u>	<u>-17.6 (38)</u>	<u>-25.3 (49)</u>	<u>0.6 (61)</u>	<u>2.2 (53)</u>	<u>3.1 (60)</u>	<u>2.3 (56)</u>	
<i>eV Emg Mkts Equity Median</i>			<u>-12.3</u>	<u>-19.2</u>	<u>-25.4</u>	<u>1.2</u>	<u>2.3</u>	<u>3.5</u>	<u>2.5</u>	
Vanguard Total Stock Market VIPERs - VTI	1,876,392	5.0	-16.8 (65)	-21.3 (59)	-14.2 (53)	9.6 (29)	10.5 (27)	-	-	Nov-16
<i>Russell 3000 Index</i>			<u>-16.7 (64)</u>	<u>-21.1 (58)</u>	<u>-13.9 (51)</u>	<u>9.8 (27)</u>	<u>10.6 (26)</u>	<u>12.6 (23)</u>	<u>11.5 (37)</u>	
<i>eV All US Equity Median</i>			<u>-15.4</u>	<u>-20.0</u>	<u>-13.7</u>	<u>7.7</u>	<u>8.5</u>	<u>11.1</u>	<u>10.3</u>	

TOTAL FUND PERFORMANCE DETAIL

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fixed	3,567,335	9.6	-3.9 (11)	-8.6 (19)	-8.6 (21)	-0.8 (41)	0.9 (46)	-	1.9 (48)	Jan-14
<i>Blmbg. U.S. Aggregate Index</i>			<i>-4.7 (14)</i>	<i>-10.3 (28)</i>	<i>-10.3 (29)</i>	<i>-0.9 (45)</i>	<i>0.9 (48)</i>	<i>1.5 (58)</i>	<i>1.8 (49)</i>	
<i>eV All Global Fixed Inc Median</i>			<i>-8.7</i>	<i>-13.7</i>	<i>-14.0</i>	<i>-1.3</i>	<i>0.8</i>	<i>2.1</i>	<i>1.7</i>	
BlackRock Strategic Income Opportunities Fund - BSIX	899,173	2.4	-2.7 (1)	-5.4 (3)	-5.7 (3)	1.9 (3)	2.5 (6)	-	2.4 (15)	Oct-14
<i>Blmbg. U.S. Aggregate Index</i>			<i>-4.7 (12)</i>	<i>-10.3 (23)</i>	<i>-10.3 (19)</i>	<i>-0.9 (81)</i>	<i>0.9 (83)</i>	<i>1.5 (96)</i>	<i>1.5 (85)</i>	
<i>eV US Core Plus Fixed Inc Median</i>			<i>-5.7</i>	<i>-11.3</i>	<i>-11.2</i>	<i>-0.5</i>	<i>1.2</i>	<i>2.3</i>	<i>1.9</i>	
Baird Core Bond - BAGIX	1,709,512	4.6	-5.0 (58)	-11.0 (76)	-11.0 (74)	-0.7 (54)	1.1 (50)	-	1.6 (36)	Dec-14
<i>Blmbg. U.S. Aggregate Index</i>			<i>-4.7 (34)</i>	<i>-10.3 (42)</i>	<i>-10.3 (38)</i>	<i>-0.9 (75)</i>	<i>0.9 (72)</i>	<i>1.5 (77)</i>	<i>1.3 (72)</i>	
<i>eV US Core Fixed Inc Median</i>			<i>-4.9</i>	<i>-10.5</i>	<i>-10.5</i>	<i>-0.7</i>	<i>1.1</i>	<i>1.8</i>	<i>1.5</i>	
Vanguard Intermediate-Term Treasury ETF - VGIT	684,136	1.8	-2.5 (29)	-7.5 (73)	-8.2 (76)	-	-	-	-	Apr-21
<i>Blmbg. U.S. Treasury: Intermediate</i>			<i>-1.7 (2)</i>	<i>-5.8 (7)</i>	<i>-6.4 (5)</i>	<i>-0.3 (63)</i>	<i>0.9 (85)</i>	<i>1.0 (97)</i>	<i>-5.0 (22)</i>	
<i>eV US Interm Duration Fixed Inc Median</i>			<i>-2.7</i>	<i>-7.2</i>	<i>-7.7</i>	<i>-0.2</i>	<i>1.2</i>	<i>1.5</i>	<i>-5.4</i>	
Fidelity Inflation-Protected Bond Index Fund - FIPDX	175,932	0.5	-6.2 (62)	-9.1 (79)	-5.3 (63)	-	-	-	-4.3 (54)	Jun-21
<i>Blmbg. U.S. TIPS</i>			<i>-6.1 (60)</i>	<i>-8.9 (68)</i>	<i>-5.1 (56)</i>	<i>3.0 (49)</i>	<i>3.2 (32)</i>	<i>1.7 (34)</i>	<i>-4.2 (49)</i>	
<i>eV US TIPS / Inflation Fixed Inc Median</i>			<i>-6.0</i>	<i>-8.6</i>	<i>-5.1</i>	<i>3.0</i>	<i>3.1</i>	<i>1.6</i>	<i>-4.2</i>	
US Treasury	98,582	0.3								
GAA/ Risk Parity	517,659	1.4	-10.2 (49)	-12.1 (32)	-9.9 (31)	-5.2 (100)	-2.1 (96)	-	-1.3 (95)	Dec-14
<i>eV Global TAA Median</i>			<i>-10.3</i>	<i>-15.0</i>	<i>-12.3</i>	<i>2.5</i>	<i>3.4</i>	<i>4.8</i>	<i>3.5</i>	
PIMCO All Asset - PAAIX	517,659	1.4	-10.2 (49)	-12.1 (32)	-9.9 (31)	-	-	-	-	Apr-21
<i>PIMCO All Asset Index</i>			<i>-6.8 (16)</i>	<i>-11.9 (30)</i>	<i>-10.0 (33)</i>	<i>1.0 (66)</i>	<i>2.4 (64)</i>	<i>3.0 (81)</i>	<i>-7.5 (60)</i>	
<i>eV Global TAA Median</i>			<i>-10.3</i>	<i>-15.0</i>	<i>-12.3</i>	<i>2.5</i>	<i>3.4</i>	<i>4.8</i>	<i>-6.4</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 June 30, 2022					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flows	Net Investment Change	Ending Market Value
Acadian Emerging Markets Equity	\$845,095	-	-	-	-\$134,673	\$710,422
Baird Core Bond - BAGIX	\$1,799,738	-	-	-	-\$90,226	\$1,709,512
Bank of Ann Arbor Trust Cash	-	-	-	-	-	-
BlackRock Strategic Income Opportunities Fund - BSIX	\$923,859	-	-	-	-\$24,685	\$899,173
Fidelity Inflation-Protected Bond Index Fund - FIPDX	\$187,545	-	-	-	-\$11,613	\$175,932
Fidelity Large Cap Value - FLCOX	-	\$925,000	-	\$925,000	-\$117,014	\$807,986
MFS Intl International Equity	-	\$900,000	-	\$900,000	-\$76,151	\$823,849
Northern Inst Govt Select MMKT	\$28,753,427	\$1,834,703	-\$1,827,850	\$6,852	\$37,425	\$28,797,705
PIMCO All Asset - PAAIX	\$576,386	-	-	-	-\$58,727	\$517,659
SEG Baxter	\$1,158,726	-	-\$900,000	-\$900,000	-\$86,998	\$171,728
US Treasury	\$98,643	-	-	-	-\$61	\$98,582
Vanguard Intermediate-Term Treasury ETF - VGIT	\$703,711	-	-\$2,294	-\$2,294	-\$17,281	\$684,136
Vanguard Total Stock Market VIPERs - VTI	\$3,179,184	-	-\$932,408	-\$932,408	-\$370,384	\$1,876,392
Total	\$38,226,314	\$3,659,703	-\$3,662,553	-\$2,850	-\$950,389	\$37,273,075

INVESTMENT MANAGER - DUE DILIGENCE STATUS

Investment Options	Manager Changes/ Announcement	NEPC Due Diligence Committee Recommendations
Vanguard Intermediate-Term Treasury Index	Key Person: Vanguard - Fixed Income Group CIO Retirement and Replacement April 2022	FYI
Vanguard Total Stock Market Index		



INVESTMENT MANAGER - DUE DILIGENCE STATUS

Investment Options	Manager Changes/ Announcement	NEPC Due Diligence Committee Recommendations
Vanguard Intermediate-Term Treasury Index	<p>Vanguard’s Fixed Income Group has over 190 investment professionals. Sara Devereux succeeded John Hollyer, as global head of Vanguard’s Fixed Income Group in mid-2021. She has direct oversight responsibility for all money market, bond, and stable value portfolios managed by the Fixed Income Group, including investments in U.S. Treasury, corporate, and tax-exempt securities, and passively managed index portfolios.</p> <p style="text-align: center;">Retirement:</p> <ul style="list-style-type: none"> • John Hollyer, principal and global head of Vanguard Fixed Income Group, retired in June 2021, after a 32-year career at Vanguard. <p style="text-align: center;">New head of the Fixed Income Group:</p>	FYI
Vanguard Total Stock Market Index	<ul style="list-style-type: none"> • Sara Devereux, was appointed head of the Fixed Income Group in 2021. She joined Vanguard in October 2019, leaving Goldman Sachs with 20 years’ experience in mortgage-backed securities and structured products trading and sales. Earlier in her career, she worked at HSBC in risk management advisory and interest rate derivatives structuring. She started her career as an Actuary at AXA Equitable Life Insurance. Ms Devereux has over 25 years of experience in the financial services industry and holds a B.S. in Mathematics from the University of North Carolina at Chapel Hill, and an MBA from the Wharton School at the University of Pennsylvania. 	





APPENDIX



PROPRIETARY & CONFIDENTIAL

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.

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