

QUARTER ENDING MARCH 31, 2022
INVESTMENT PERFORMANCE
ANALYSIS

**EASTERN MICHIGAN BOARD OF
REGENTS**



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MAY 25, 2022



PROPRIETARY & CONFIDENTIAL

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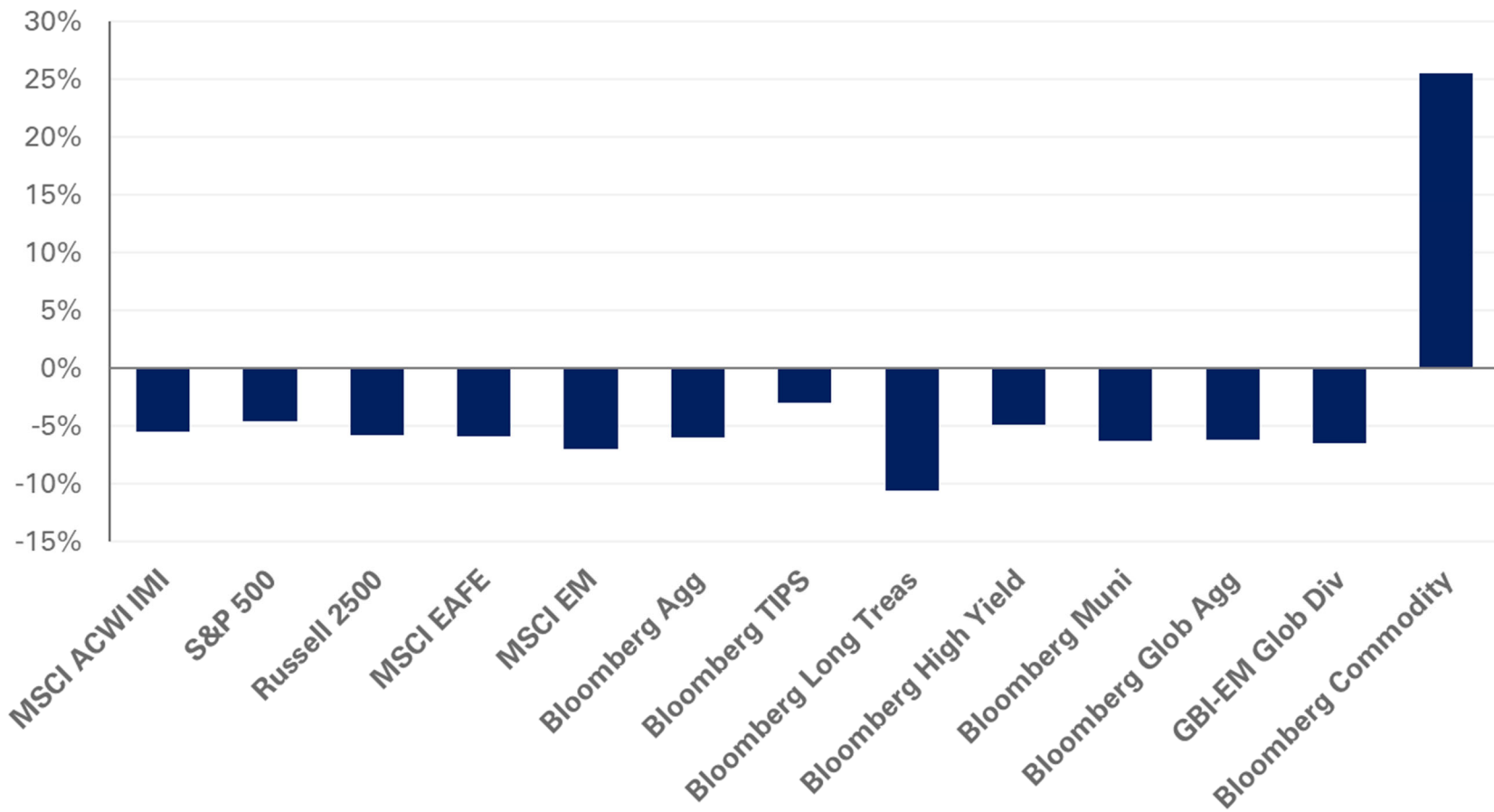
Q1 2022 REVIEW



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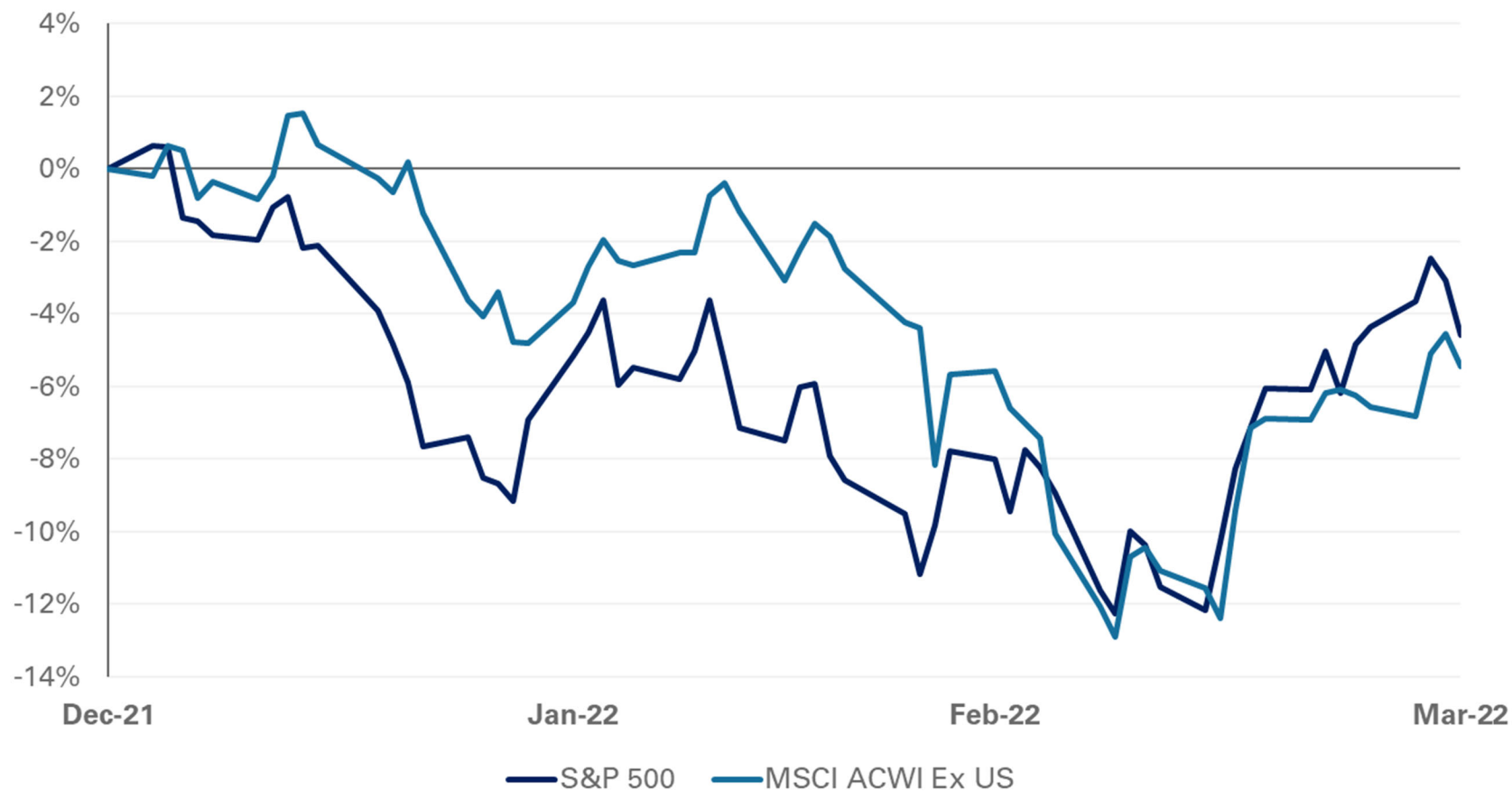
GLOBAL MARKETS BROADLY DECLINED

QUARTERLY TOTAL RETURNS



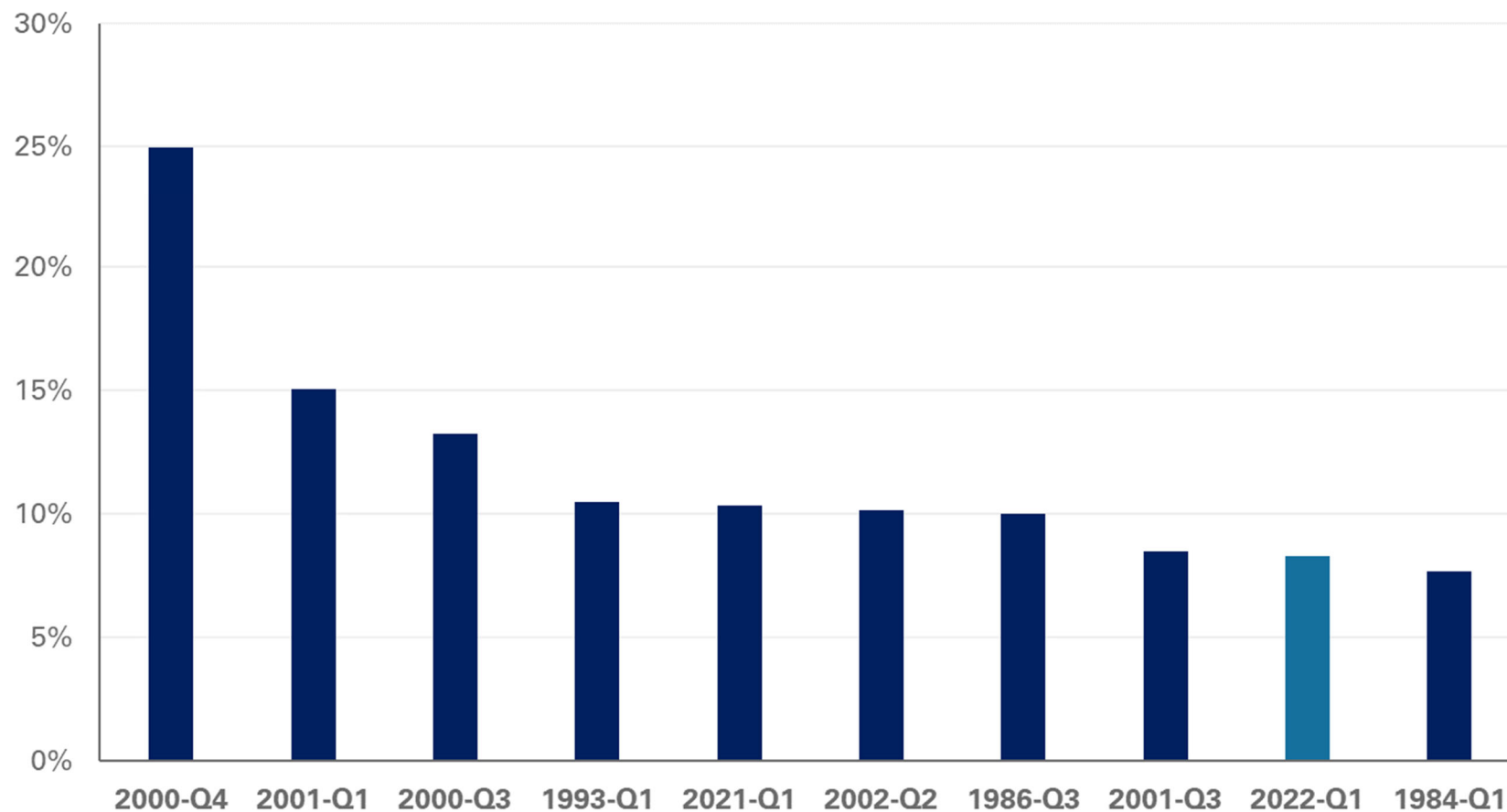
VOLATILE START TO THE YEAR FOR EQUITIES

CUMULATIVE TOTAL RETURNS



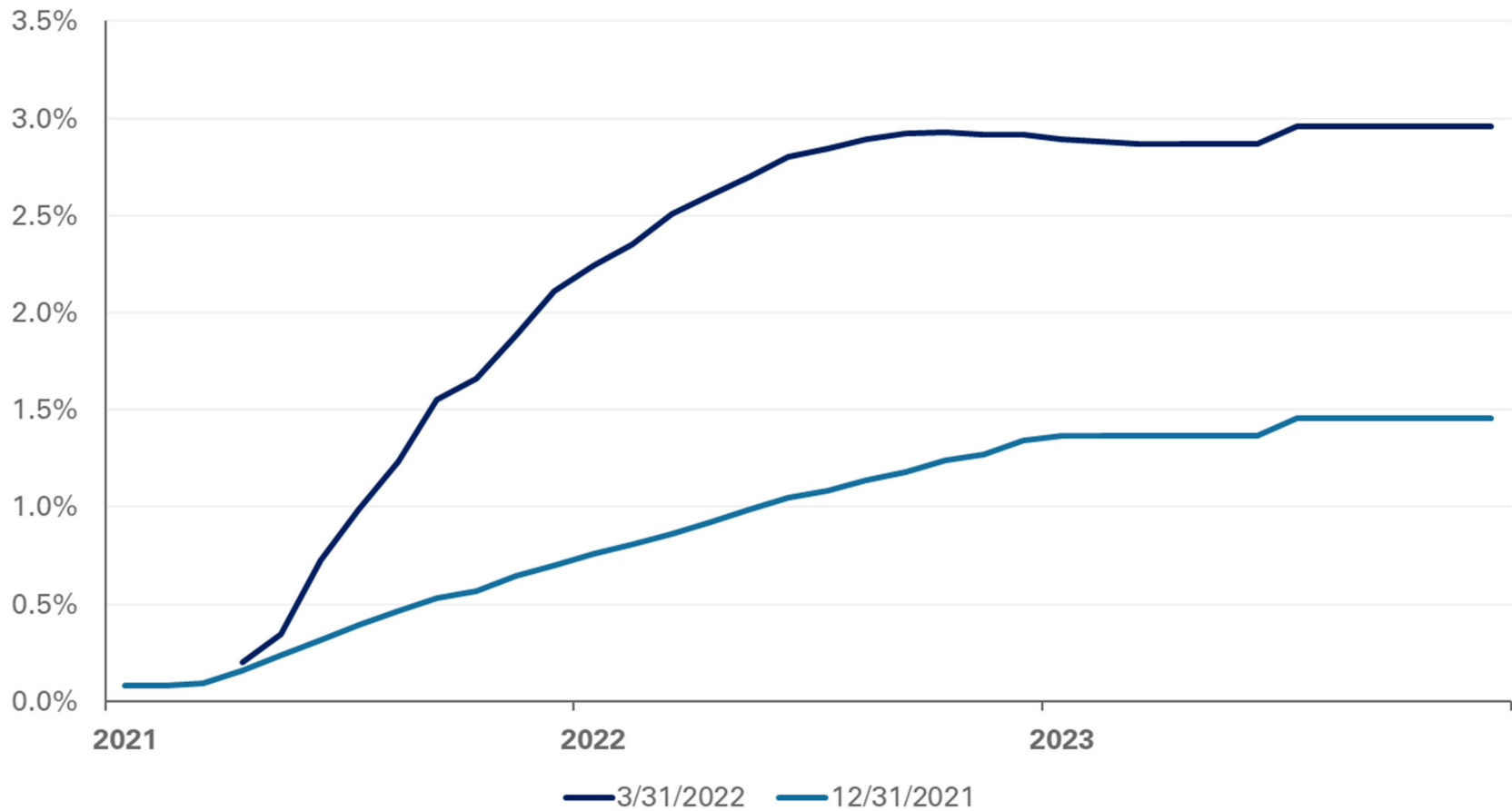
VALUE OUTPERFORMED GROWTH

TOP 10 RUSSELL 1000 VALUE – GROWTH TOTAL RETURN



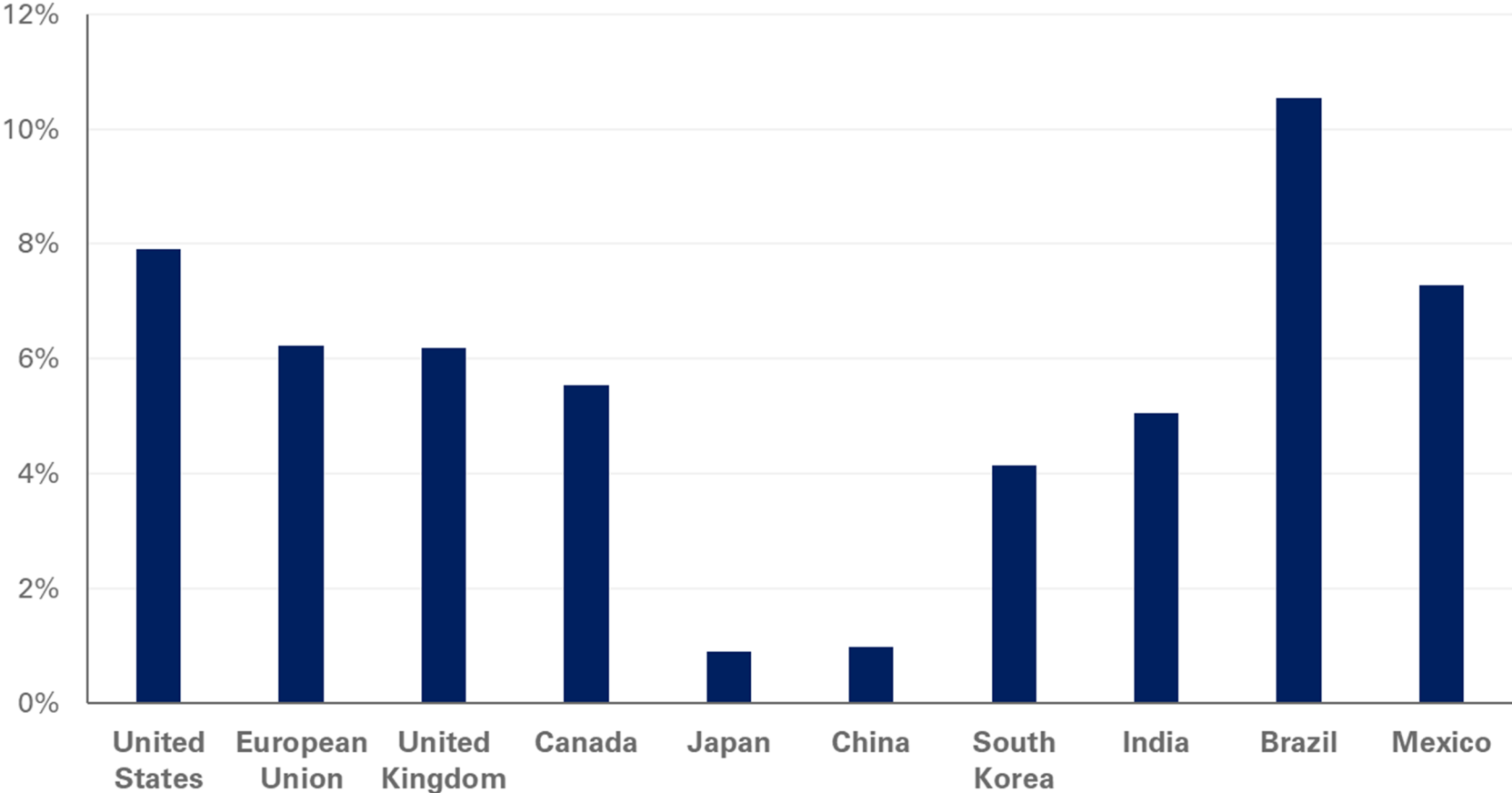
THE MARKET EXPECTS NINE RATE HIKES IN 2022

FED FUNDS FUTURES



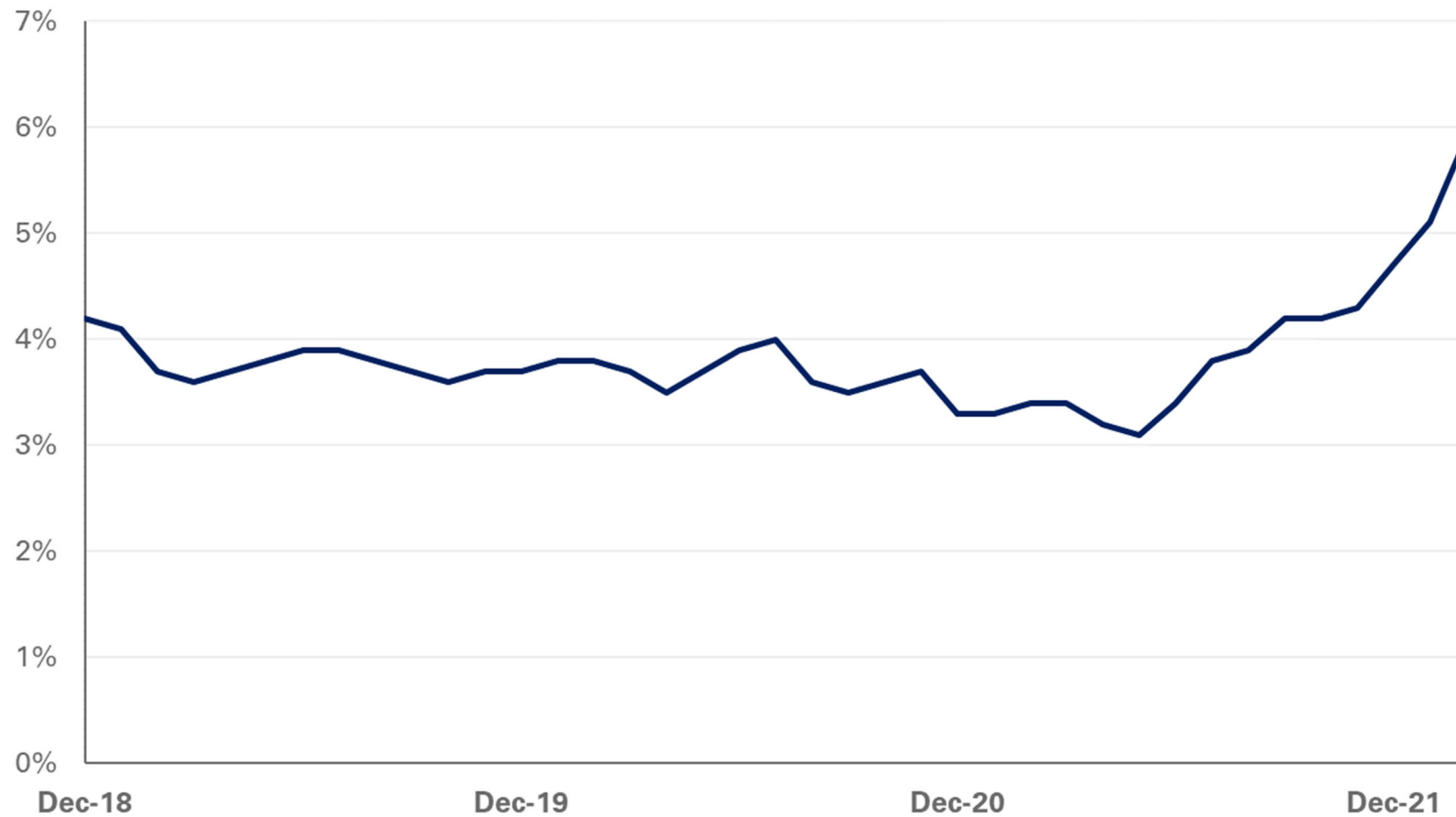
MOST ECONOMIES PLAGUED BY HIGHER INFLATION

ANNUAL CHANGE IN INFLATION



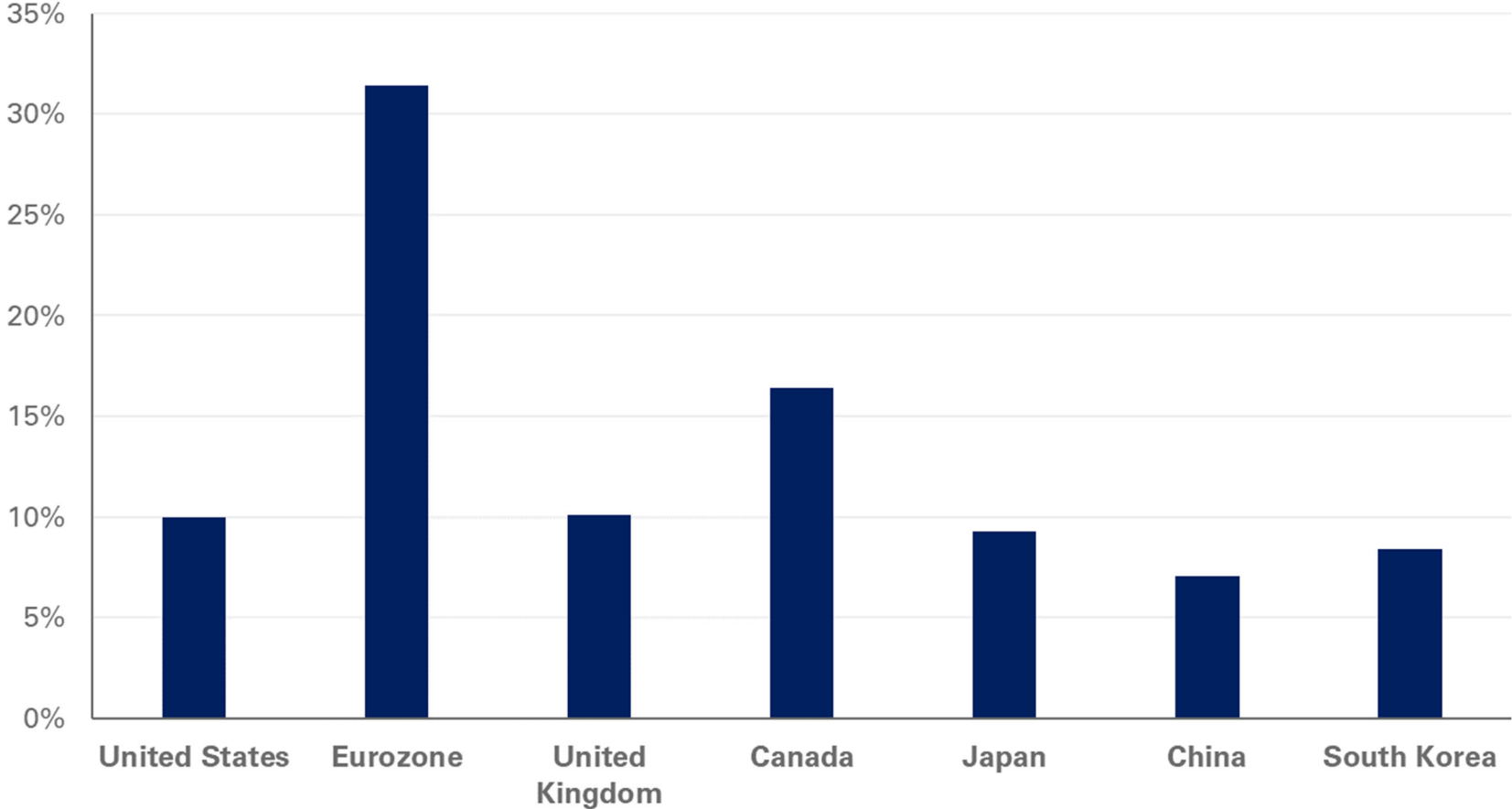
WAGE GROWTH CONTINUES TO ACCELERATE

3-MONTH MOVING AVERAGE OF OVERALL WAGE GROWTH



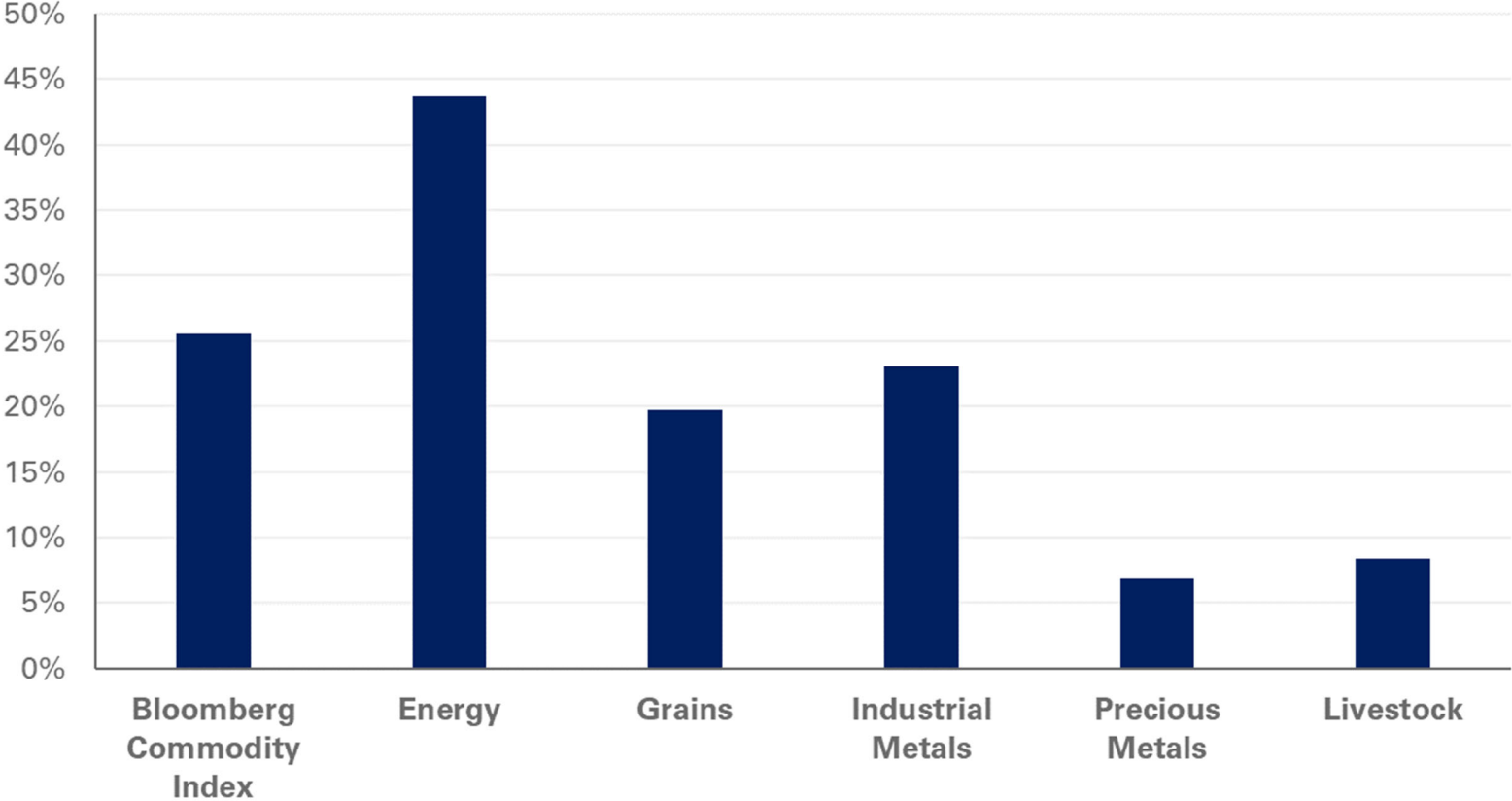
PRODUCER PRICES HAVE BROADLY INCREASED

ANNUAL CHANGE IN PRODUCER PRICE INDEX



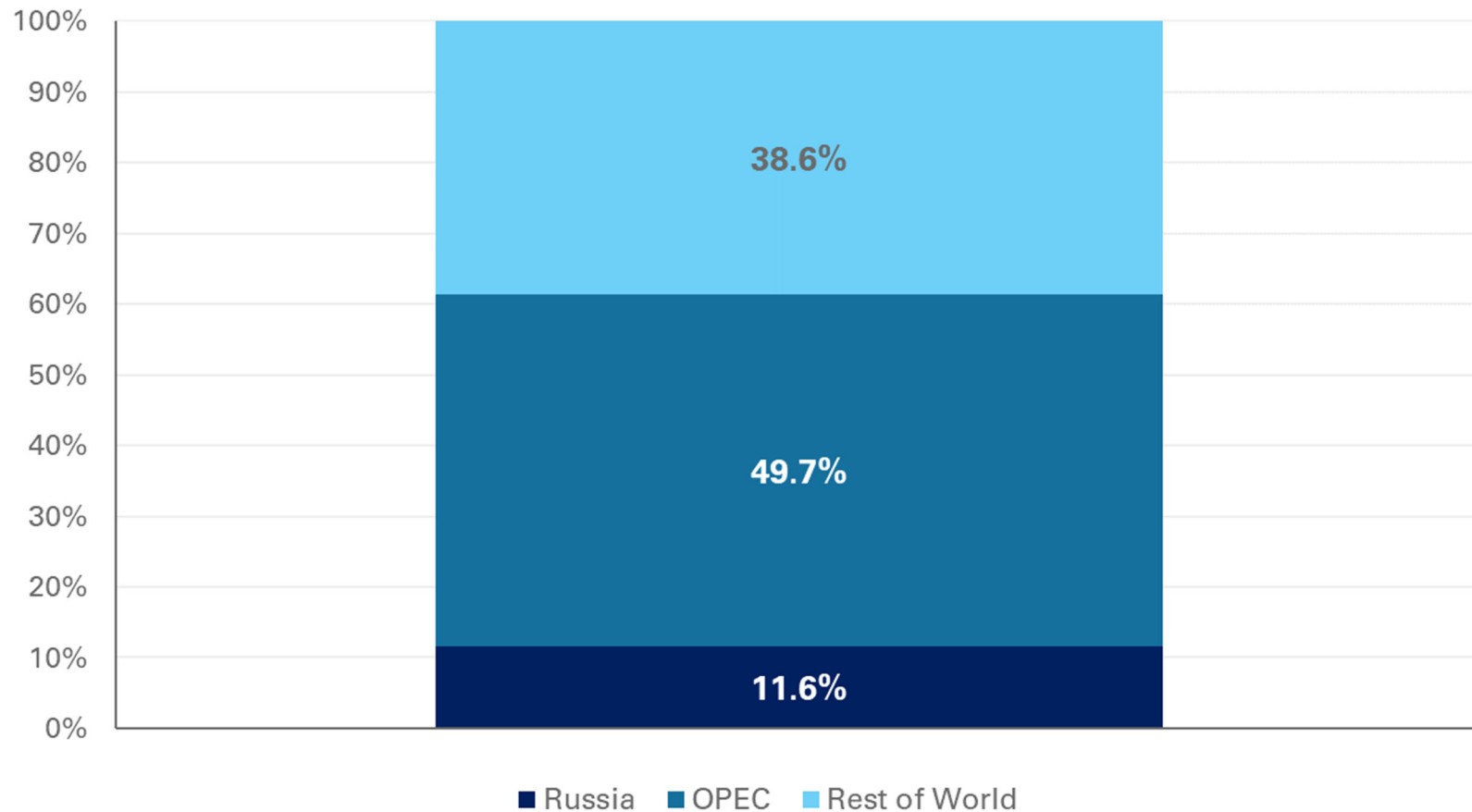
ENERGY DROVE COMMODITIES HIGHER

QUARTERLY SPOT RETURNS



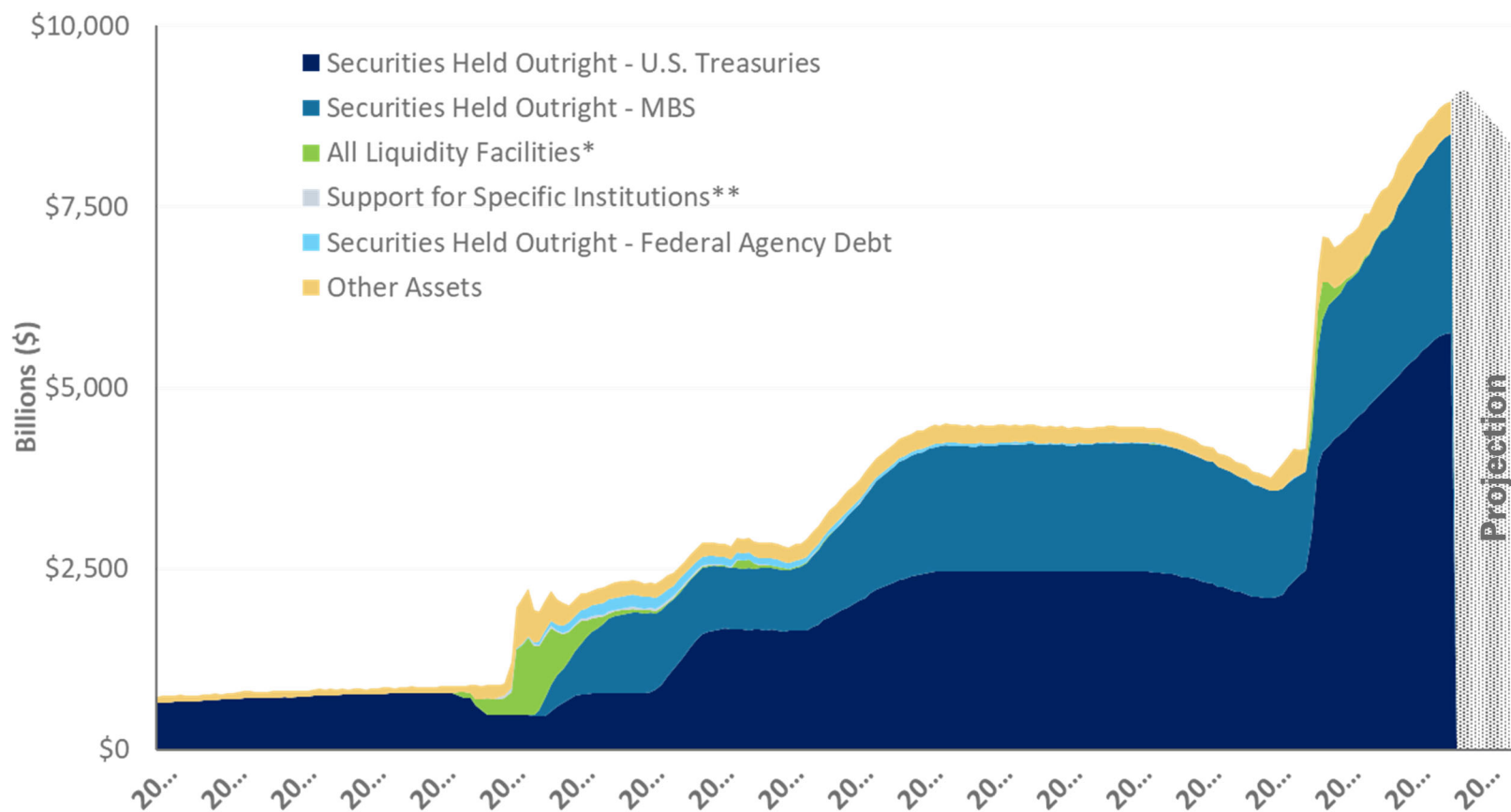
RUSSIA IS A LARGE SUPPLIER OF OIL AND ENERGY

PERCENTAGE OF TOTAL CRUDE OIL EXPORTS



UNPRECEDENTED BALANCE SHEET REDUCTION

FEDERAL RESERVE ASSETS



Notes: *All Liquidity Facilities includes term auction credit, primary credit, secondary credit, seasonal credit, Primary Dealer Credit Facility, Asset-Backed Commercial Paper, Money Market Mutual Fund Liquidity Facility, and central bank liquidity swaps; Projection incorporates a three-month phase in for monthly caps of \$60M and \$35M for Treasuries and MBS, respectively, as identified in the March FOMC Minutes.

Sources: Federal Reserve, FactSet, NEPC



SHIFTING INVESTMENT REGIMES ARE POWERFUL

POTENTIAL POLICY AND ECONOMIC OUTCOMES

		Policy Response	
		Accommodative	Tight
Inflation Outcome	High	<p>Fed lets the economy “run hot”</p> <p>Nominal growth and liquidity flourish</p> <p>Bullish, but potential for asset bubbles</p>	<p>Fed unable to control inflation</p> <p>Rising rates and a stagflation regime</p> <p>All assets reprice, look to gold</p>
	Low	<p>Transitory inflation was real</p> <p>Rates stay low as inflation subsides</p> <p>Bullish for growth and public equity</p>	<p>Fed fights inflation successfully</p> <p>Tighter policy challenges growth</p> <p>Represents a normal economic cycle</p>



PORTFOLIO POSITIONING VIEWS

We encourage a **neutral risk posture** as our outlook reflects greater uncertainty surrounding economic growth and inflation dynamics

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

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

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



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

We continue to support a **strategic overweight to emerging market equities** relative to MSCI ACWI IMI, but expect a volatile path

Building portfolio inflation sensitivity is a strategic exercise and is well-aligned with a private real assets pacing program





Q1 2022 PERFORMANCE REVIEW



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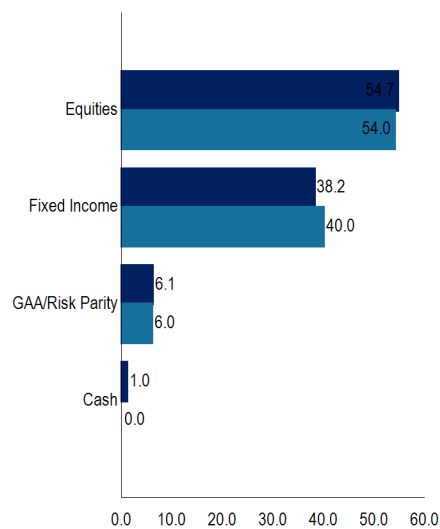
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TOTAL FUND PERFORMANCE SUMMARY

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs
Board of Regents Total Composite	\$38,226,314	-1.4%	-0.8%	1.2%	2.2%	3.3%
<i>Allocation Index</i>		-1.4%	-0.6%	1.5%	4.7%	5.3%

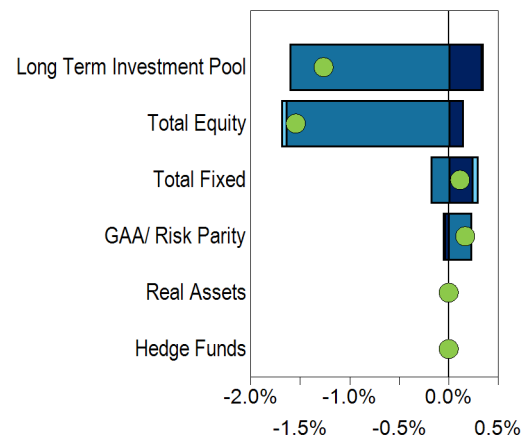
	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs
Long Term Investment Pool	\$9,472,887	-5.5%	-3.4%	1.4%	6.3%	5.8%
<i>Long Term Allocation Index</i>		-5.5%	-3.7%	1.3%	9.7%	8.3%
<i>Long Term Balanced Index</i>		-5.3%	-2.1%	2.7%	8.2%	7.3%

Long Term Investment Pool Actual vs. Target Allocation



Actual Policy

Attribution Effects 1 Year Ending March 31, 2022



Allocation Effect
Selection Effect
Interaction Effects
Total Effect

Year to Date

	Anlzd Ret	Anlzd Std Dev	Sharpe Ratio
Board of Regents Total Composite	-1.42%	1.74%	-0.84
Allocation Index	-1.39%	1.51%	-0.94

Composite Performance

- The Total Composite was down -1.4% through a dramatic sell-off over the quarter, finishing at par relative to its corresponding benchmark
- The Long Term Investment Pool was also down over Q1, however the portfolio kept up with its relative benchmarks due to allocations that provided protection against the downturn

Allocation Index

- Although Equities were challenged over the quarter, the portfolio's Fixed Income and Global Asset Allocation positions were supportive against a turbulent market

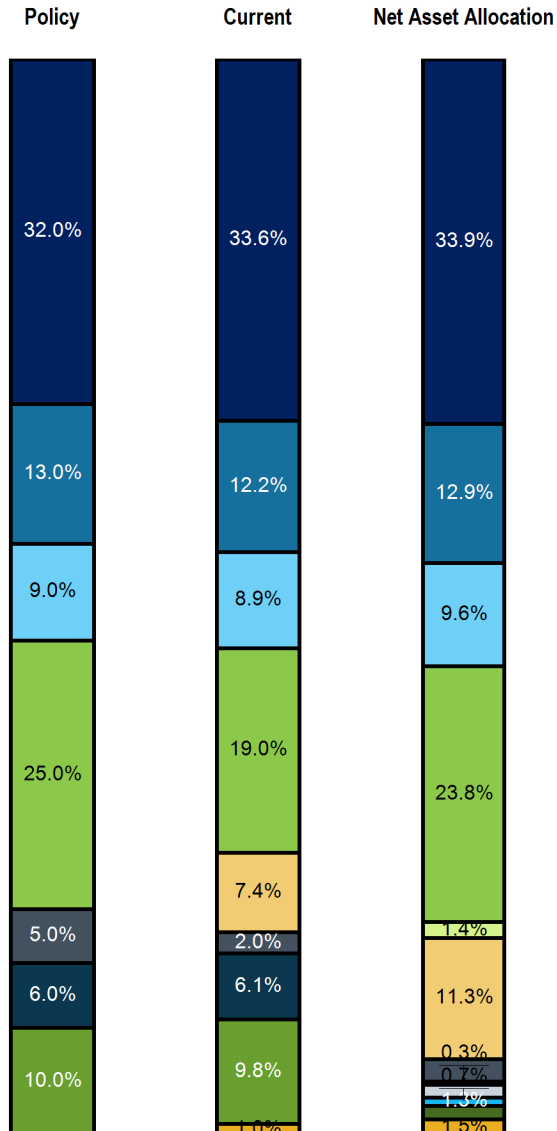
Active Management

- Acadian Emerging Markets Equity, an active manager who focuses on EM value equities, outperformed the broad EM equities index by +5.5% over Q1
- Blackrock Strategic Income Opportunities (SIO), an active multi-dimensional fixed income manager, tactically adjusted its positioning and was able to beat the US bond market by 3% over the quarter



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ASSET ALLOCATION VS. POLICY TARGETS



Asset Allocation vs. Target				
	Current	Policy	Current	Net Asset Allocation
Domestic Equity	\$3,179,184	32.0%	33.6%	33.9%
International Equity	\$1,158,726	13.0%	12.2%	12.9%
Emerging Markets Equity	\$845,095	9.0%	8.9%	9.6%
Core Fixed Income	\$1,799,738	25.0%	19.0%	23.8%
High Yield	--	--	--	1.4%
Treasury	\$703,711	--	7.4%	11.3%
TIPS	\$187,545	5.0%	2.0%	2.1%
Non-US Developed Bonds	--	--	--	0.3%
Emerging Market Debt	--	--	--	1.2%
GAA/Risk Parity	\$576,386	6.0%	6.1%	--
Hedge Funds	--	--	--	0.7%
Absolute Return	\$923,859	10.0%	9.8%	--
Real Assets	--	--	--	1.3%
Cash	\$98,643	--	1.0%	1.5%
Total	\$9,472,887	100.0%	100.0%	100.0%

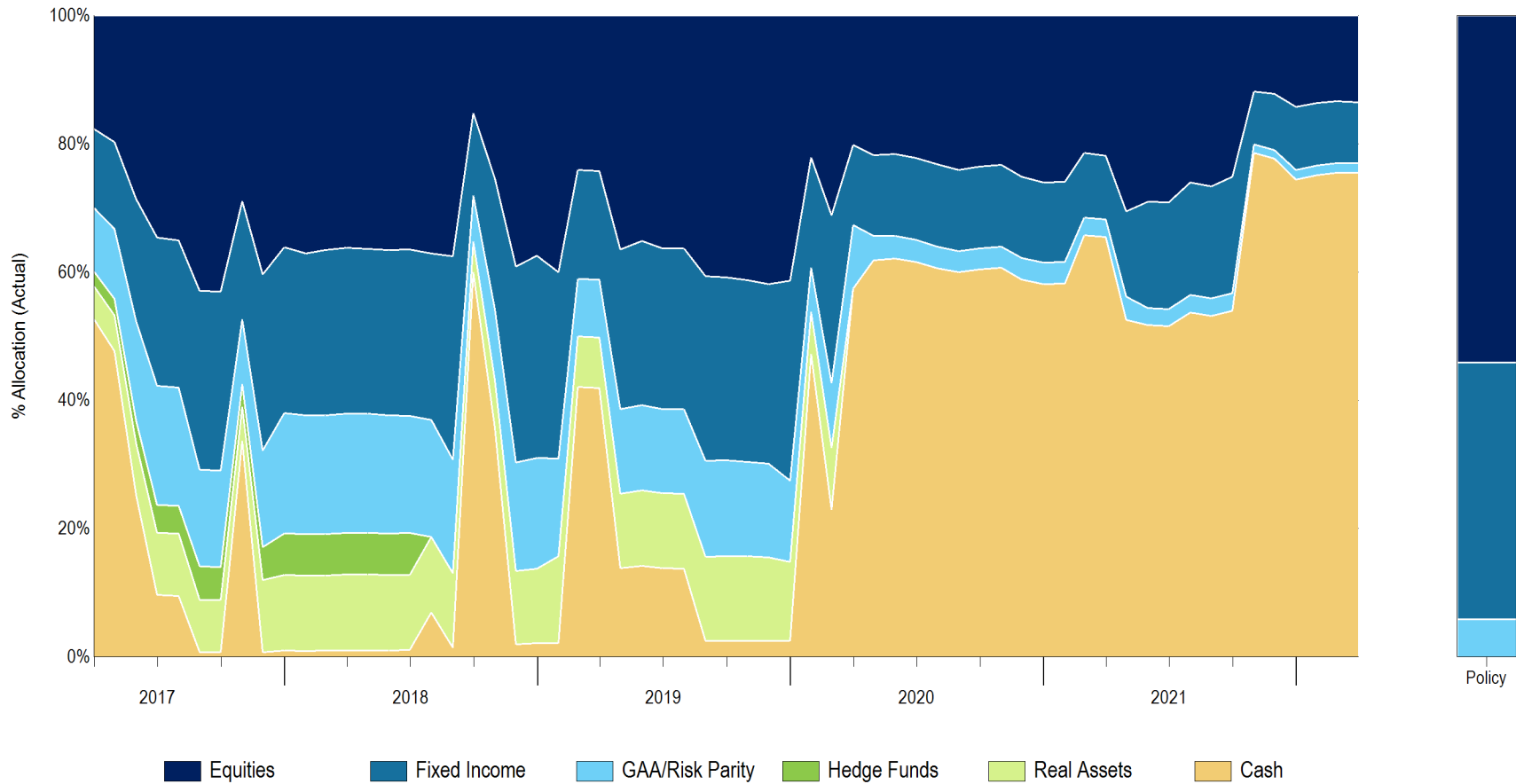
-Asset Allocation vs. Policy Targets analytics are based on the Long Term Investment Pool.



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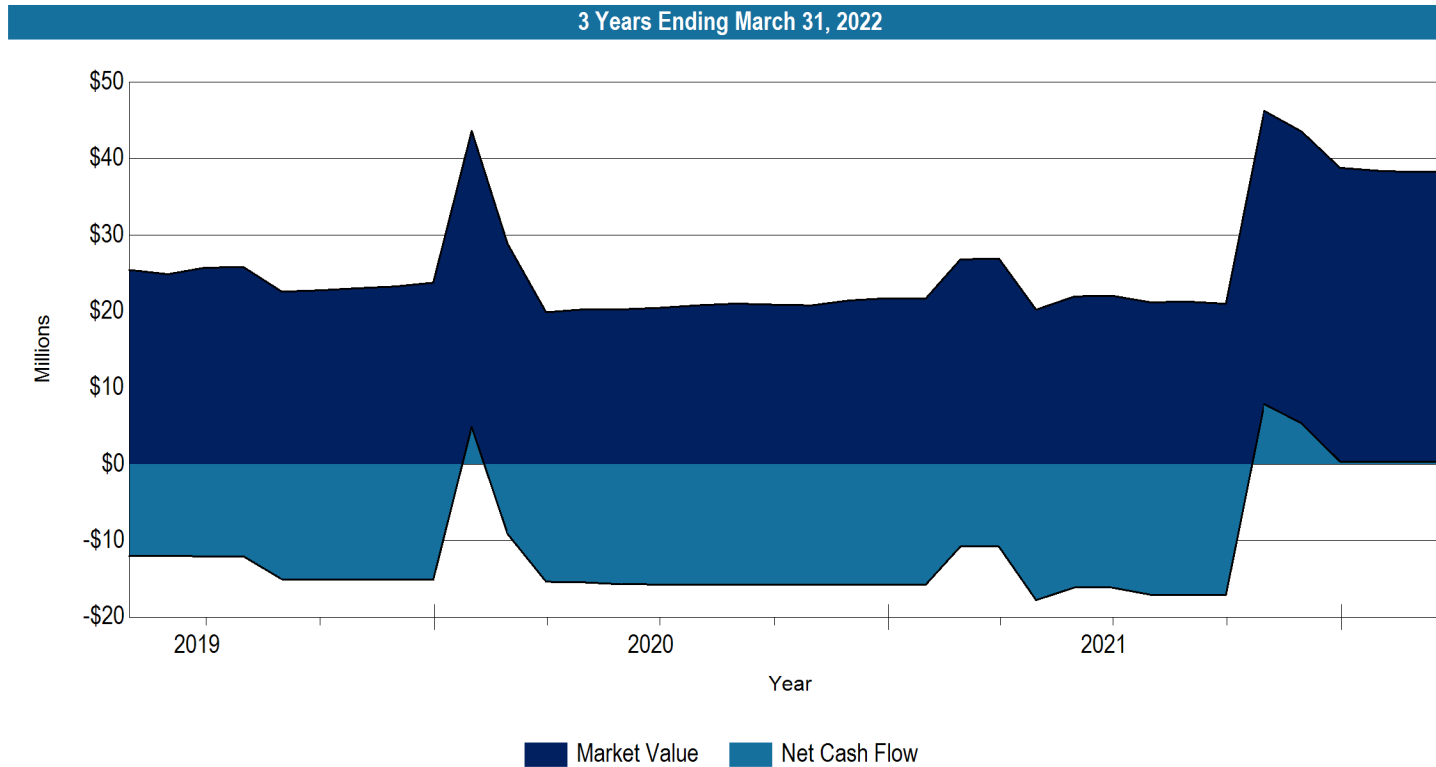
TOTAL FUND ASSET ALLOCATION HISTORY

Asset Allocation History



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TOTAL FUND ASSET GROWTH SUMMARY



	Last Three Months	Fiscal Year-To-Date	One Year	Three Years
Beginning Market Value	\$38,778,683	\$22,049,152	\$26,912,557	\$37,000,286
Contributions	\$11,252	\$25,758,884	\$30,111,431	\$89,983,112
Withdrawals	-\$26,836	-\$9,291,911	-\$19,008,246	-\$89,651,759
Net Cash Flow	-\$15,585	\$16,466,973	\$11,103,185	\$331,353
Net Investment Change	-\$536,784	-\$289,810	\$210,573	\$894,675
Ending Market Value	\$38,226,314	\$38,226,314	\$38,226,314	\$38,226,314



NEW MANAGER HIRES

- **Fidelity Large Cap Value Index Fund (ticker: FLCOX)**

- As part of NEPC's portfolio positioning views, the team recently added passive US Large Cap Value Equities from a carve out of the US Core Equities position (Vanguard Total Stock Market VIPERs, ticker: VTI)
- Created a ~10% position in the Long-Term Investment Pool, trade was effective beginning of April 2022

- **MFS International Equity Fund (ticker: MIEIX)**

- Per the team's recommendation on paring back the growth tilt in the Equity sleeve, we worked with staff on adding MFS International Equity, a high conviction, active international core equities manager
- Created a ~9.5% position in the Long-Term Investment Pool from a trim to current manager, SEG Baxter
 - The trade was effective beginning of May 2022



INVESTMENT MANAGER - DUE DILIGENCE STATUS

Investment Options	Manager Changes/ Announcements	NEPC Due Diligence Committee Recommendations
	No Updates	





TOTAL FUND SUMMARY



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TOTAL FUND PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Board of Regents Total Composite	38,226,314	100.0	-1.4		-0.8		1.2		2.2		3.3		3.5		4.4	Apr-09
<i>Allocation Index</i>			-1.4	5	-0.6	20	1.5	67	4.7	91	5.3	90	--	--	--	Apr-09
Short Term Investment Pool	28,753,427	75.2	0.0		0.0		0.0		0.6		0.6		0.4		0.3	Apr-09
<i>91 Day T-Bills</i>			0.0	--	0.1	--	0.1	--	0.7	--	1.1	--	0.6	--	0.5	Apr-09
Northern Inst Govt Select MMKT	28,753,427	75.2	0.0		0.0		0.0		0.4		0.4		0.2		0.2	Nov-09
<i>91 Day T-Bills</i>			0.0	--	0.1	--	0.1	--	0.7	--	1.1	--	0.6	--	0.5	Nov-09
Bank of Ann Arbor Trust Cash	0	0.0	0.0		0.0		0.0		0.5		0.7		0.3		0.3	Nov-09
<i>91 Day T-Bills</i>			0.0	--	0.1	--	0.1	--	0.7	--	1.1	--	0.6	--	0.5	Nov-09
Long Term Investment Pool	9,472,887	24.8	-5.5		-3.4		1.4		6.3		5.8		5.6		5.6	Apr-09
<i>Long Term Allocation Index</i>			-5.5	50	-3.7	76	1.3	69	9.7	39	8.3	41	--	--	--	Apr-09
<i>Long Term Balanced Index</i>			-5.3	46	-2.1	44	2.7	44	8.2	73	7.3	70	6.2	77	6.0	Apr-09
<i>InvMetrics All E&F < \$50mm Net Median</i>			-5.5		-2.6		2.3		9.3		7.9		7.3		9.3	Apr-09
Total Equity	5,183,005	13.6	-6.2	48	-2.8	61	4.1	61	11.3	68	10.4	61	--	--	8.9	Jan-14
<i>MSCI ACWI</i>			-5.4	42	-0.1	43	7.3	40	13.8	45	11.6	49	10.0	53	9.0	Jan-14
<i>eV All Global Equity Net Median</i>			-6.6		-1.3		5.7		13.1		11.5		10.2		8.9	Jan-14
SEG Baxter	1,158,726	3.0	-11.5	69	-14.3	84	-9.4	89	5.7	88	--	--	--	--	6.5	Jul-17
<i>MSCI ACWI ex USA</i>			-5.4	27	-6.6	39	-1.5	38	7.5	69	6.8	71	5.6	84	5.9	Jul-17
<i>eV All ACWI ex-US Equity Net Median</i>			-8.6		-8.4		-3.0		9.3		7.9		7.2		6.8	Jul-17
Acadian Emerging Markets Equity	845,095	2.2	-1.5	15	-6.1	18	0.1	19	10.0	18	7.5	31	--	--	5.5	Oct-14
<i>MSCI Emerging Markets</i>			-7.0	44	-15.6	52	-11.4	53	4.9	64	6.0	52	3.4	65	4.0	Oct-14
<i>eV Emg Mkts Equity Net Median</i>			-8.0		-15.0		-10.3		5.9		6.1		3.8		4.4	Oct-14
Vanguard Total Stock Market VIPERs - VTI	3,179,184	8.3	-5.4	47	3.2	39	11.6	33	18.1	25	15.4	31	--	--	15.9	Nov-16
<i>Russell 3000</i>			-5.3	46	3.4	38	11.9	31	18.2	25	15.4	30	14.3	22	16.0	Nov-16
<i>eV All US Equity Net Median</i>			-5.9		1.2		7.8		15.2		12.6		12.5		13.1	Nov-16

-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+).



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TOTAL FUND PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Total Fixed	3,713,496	9.7	-5.0	45	-4.9	40	-3.5	42	1.4	74	1.9	79	--	--	2.4	Jan-14
<i>Bloomberg US Aggregate TR</i>			-5.9	64	-5.9	51	-4.2	52	1.7	67	2.1	74	2.2	66	2.5	Jan-14
<i>eV All Global Fixed Inc Net Median</i>			-5.3		-5.8		-4.0		2.4		2.9		3.0		2.9	Jan-14
BlackRock Strategic Income Opportunities Fund - BSIX	923,859	2.4	-2.9	3	-3.1	5	-2.2	9	3.7	10	3.3	17	--	--	2.9	Oct-14
<i>Bloomberg US Aggregate TR</i>			-5.9	52	-5.9	63	-4.2	83	1.7	96	2.1	97	2.2	99	2.2	Oct-14
<i>eV US Core Plus Fixed Inc Net Median</i>			-5.9		-5.7		-3.6		2.5		2.8		3.1		2.8	Oct-14
Baird Core Bond - BAGIX	1,799,738	4.7	-6.3	94	-6.3	85	-4.5	84	2.0	47	2.4	43	--	--	2.4	Dec-14
<i>Bloomberg US Aggregate TR</i>			-5.9	61	-5.9	47	-4.2	65	1.7	81	2.1	79	2.2	79	2.0	Dec-14
<i>eV US Core Fixed Inc Net Median</i>			-5.8		-5.9		-4.0		2.0		2.4		2.5		2.3	Dec-14
Vanguard Intermediate-Term Treasury ETF - VGIT	703,711	1.8	-5.2	89	-5.9	94	--	--	--	--	--	--	--	--	-5.7	Jun-21
<i>Bloomberg US Treasury Int TR</i>			-4.2	22	-4.8	25	-4.2	65	1.0	93	1.3	97	1.3	98	-4.8	Jun-21
<i>eV US Interm Duration Fixed Inc Net Median</i>			-4.5		-5.0		-4.0		1.6		1.9		2.0		-4.9	Jun-21
Fidelity Inflation-Protected Bond Index Fund - FIPDX	187,545	0.5	-3.0	77	1.0	55	--	--	--	--	--	--	--	--	1.7	Jun-21
<i>Bloomberg US TIPS TR</i>			-3.0	76	1.0	53	4.3	31	6.2	57	4.4	51	2.7	45	1.6	Jun-21
<i>eV US TIPS / Inflation Fixed Inc Net Median</i>			-2.6		1.1		4.0		6.3		4.4		2.7		1.6	Jun-21
US Treasury	98,643	0.3														
GAA/ Risk Parity	576,386	1.5	-2.2	31	0.4	26	3.1	47	-1.1	99	0.1	97	--	--	0.1	Dec-14
<i>eV Global TAA Net Median</i>			-4.1		-1.5		2.7		6.5		5.6		5.4		4.7	Dec-14
PIMCO All Asset - PAAIX	576,386	1.5	-2.2	31	0.4	26	--	--	--	--	--	--	--	--	1.1	Jun-21
<i>PIMCO All Asset Index</i>			-5.5	67	-3.4	75	-0.5	78	4.4	74	4.1	74	3.9	72	-2.7	Jun-21
<i>eV Global TAA Net Median</i>			-4.1		-1.5		2.7		6.5		5.6		5.4		-1.4	Jun-21



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TOTAL FUND ASSET GROWTH SUMMARY

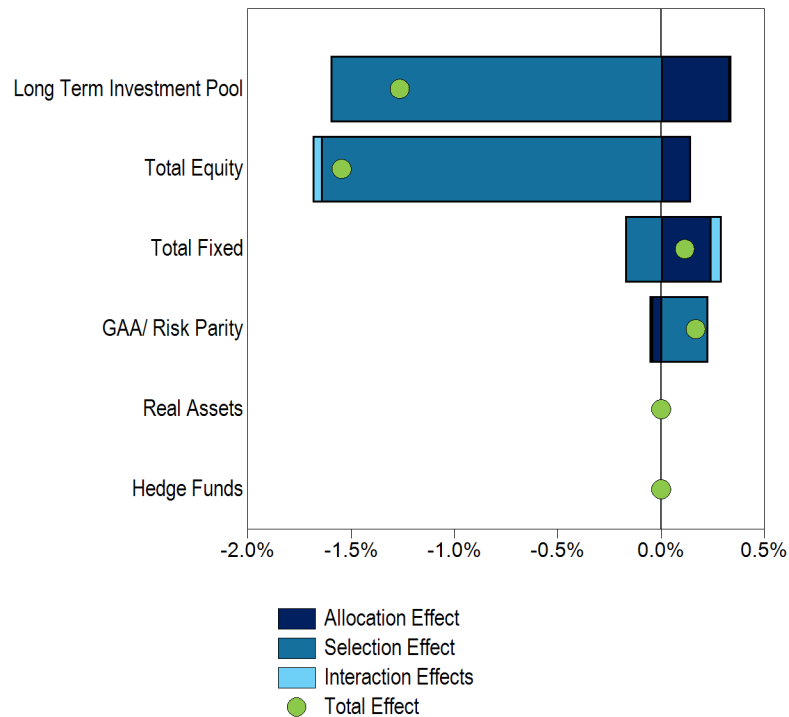
	Quarter Ending March 31, 2022					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Acadian Emerging Markets Equity	\$858,180	\$0	-\$1,593	-\$1,593	-\$11,492	\$845,095
Baird Core Bond - BAGIX	\$1,921,398	\$0	\$0	\$0	-\$121,661	\$1,799,738
Bank of Ann Arbor Trust Cash	\$0	\$0	\$0	\$0	\$0	\$0
BlackRock Strategic Income Opportunities Fund - BSIX	\$951,001	\$0	\$0	\$0	-\$27,143	\$923,859
Fidelity Inflation-Protected Bond Index Fund - FIPDX	\$193,438	\$0	\$0	\$0	-\$5,893	\$187,545
Northern Inst Govt Select MMKT	\$28,741,580	\$11,252	-\$2,876	\$8,376	\$3,471	\$28,753,427
PIMCO All Asset - PAAIX	\$589,114	\$0	\$0	\$0	-\$12,728	\$576,386
SEG Baxter	\$1,309,442	\$0	\$0	\$0	-\$150,716	\$1,158,726
US Treasury	\$99,528	\$0	\$0	\$0	-\$884	\$98,643
Vanguard Intermediate-Term Treasury ETF - VGIT	\$743,533	\$0	-\$1,362	-\$1,362	-\$38,460	\$703,711
Vanguard Total Stock Market VIPERs - VTI	\$3,371,468	\$0	-\$9,889	-\$9,889	-\$182,395	\$3,179,184
Total	\$38,778,683	\$11,252	-\$15,720	-\$4,469	-\$547,900	\$38,226,314



Eastern Michigan University - Board of Regents

LONG TERM INVESTMENT POOL

Attribution Effects 1 Year Ending March 31, 2022



Attribution Summary 1 Year Ending March 31, 2022

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Equity	4.1%	7.3%	-3.2%	-1.6%	0.1%	-0.1%	-1.6%
Total Fixed	-3.5%	-3.1%	-0.4%	-0.2%	0.2%	0.1%	0.1%
GAA/ Risk Parity	3.1%	-0.5%	3.6%	0.2%	0.0%	0.0%	0.2%
Real Assets	--	--	--	--	--	--	--
Hedge Funds	--	--	--	--	--	--	--
Total	1.4%	2.7%	-1.3%	-1.6%	0.3%	0.0%	-1.3%





APPENDIX

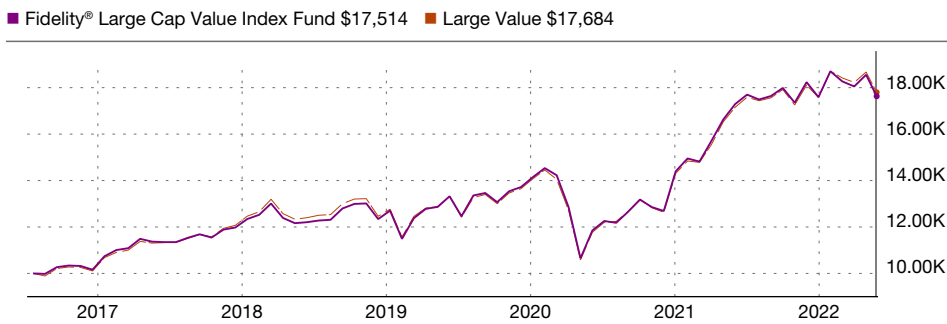


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Fidelity® Large Cap Value Index Fund (FLCOX)

NTF No Transaction Fee ¹

Hypothetical Growth of \$10,000^{2,3} (6/7/2016-4/30/2022)



The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

Morningstar® Snapshot*⁴

(AS OF 4/30/2022)

Morningstar Category: Large Value

Risk of this Category:

Overall Rating:

Returns:

Expenses:

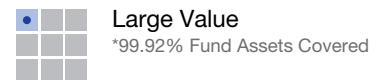
*Data provided by Morningstar

Performance^{2,5,6}

Monthly (AS OF 4/30/2022)	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Large Cap Value Index Fund	-6.36%	1.27%	9.55%	9.07%	--	9.97%
Russell 1000 Value	-6.34%	1.32%	9.58%	9.06%	11.17%	9.97%
Large Value	-5.40%	3.13%	10.25%	9.59%	10.73%	--
Rank in Morningstar Category		72%	63%	65%	--	--
# of Funds in Morningstar Category		1214	1146	1066	773	--
Quarter-End (AS OF 3/31/2022)						
Fidelity® Large Cap Value Index Fund		11.58%	12.98%	10.29%	--	11.21%

Equity StyleMap®*⁷

(AS OF 3/31/2022)



Details

Fund Inception	6/7/2016
NAV on 4/30/2022	\$15.30
Exp Ratio (Gross)	0.035%
6/29/2021	
Exp Ratio (Net)	0.035%
6/29/2021	
Minimum to Invest	\$0.00
Turnover Rate	31%
10/31/2021	
Portfolio Net Assets (\$M)	\$5,298.32
4/30/2022	

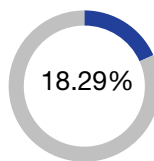
Calendar Year Returns^{2,5}

(AS OF 4/30/2022)

	2018	2019	2020	2021	2022
Fidelity® Large Cap Value Index Fund	-8.26%	26.51%	2.86%	25.11%	-6.36%
Russell 1000 Value	-8.27%	26.54%	2.80%	25.16%	-6.34%
Large Value	-8.53%	25.04%	2.91%	26.22%	-5.40%

Top 10 Holdings⁸

(AS OF 3/31/2022)



BERKSHIRE HATHAWAY INC CL B
JOHNSON & JOHNSON
UNITEDHEALTH GROUP INC
JPMORGAN CHASE & CO
PROCTER & GAMBLE CO
EXXON MOBIL CORP
CHEVRON CORP
BANK OF AMERICA CORPORATION
PFIZER INC
DISNEY (WALT) CO

% of Total Portfolio: 18.29%
853 holdings as of 3/31/2022
838 issuers as of 3/31/2022

Investment Approach

- Fidelity® Large Cap Value Index Fund is a diversified domestic large-cap value equity strategy that seeks to closely track the returns and characteristics of the Russell 1000® Value Index.
- The Russell 1000® Value Index is a market-capitalization-weighted index of value-oriented stocks of the largest U.S. domiciled companies that are included in the Russell 1000® Index. Value-oriented stocks tend to have lower price-to-book ratios and lower forecasted growth values.
- The fund aims to hold each constituent security at approximately the same weight as the index.

Fund Manager(s)

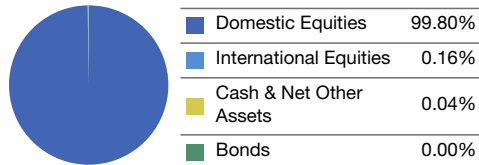
Primary Manager: Geode Capital Management (since 6/7/2016)

Volatility Measures

Beta	1.00
4/30/2022	
R ²	1.00
4/30/2022	

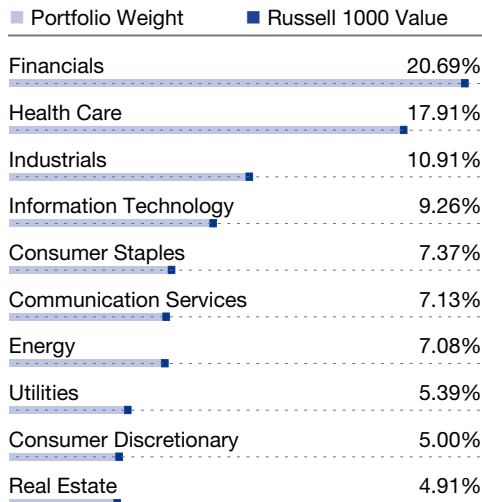
Asset Allocation^{8,9,10,11}

(AS OF 3/31/2022)



Major Market Sectors⁸

(AS OF 3/31/2022)



Regional Diversification⁸

(AS OF 3/31/2022)

United States	99.81%
Emerging Markets	0.09%
Europe	0.05%
Cash & Net Other Assets	0.03%
Canada	0.02%
Other	0.00%

Volatility Measures (continued)

Sharpe Ratio	0.45
4/30/2022	
Standard Deviation	19.47
4/30/2022	

Morningstar Ratings

(AS OF 4/30/2022) Morningstar Category: LARGE VALUE

Overall	★★★★☆	out of 1,146 funds
3 Yrs	★★★★☆	out of 1,146 funds
5 Yrs	★★★★☆	out of 1,066 funds

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

Past performance is no guarantee of future results.

Fund Overview

Objective

Seeks to provide investment results that correspond to the total return of stocks of large capitalization U.S. companies.

Strategy

Normally investing at least 80% of assets in securities included in the Russell 1000 Value Index, which is a market capitalization-weighted index designed to measure the performance of the large-cap value segment of the U.S. equity market. Lending securities to earn income for the fund.

Risk

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Value stocks can perform differently than other types of stocks and can continue to be undervalued by the market for long periods of time. Fund and index performance may vary somewhat due to factors such as transaction costs, sample selection, and timing differences associated with index additions and deletions.

Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund. The Russell 1000 Value Index is an unmanaged market capitalization-weighted index of value-oriented stocks of the largest U.S. domiciled companies that are included in the Russell 1000 Index. Value-oriented stocks tend to have lower price-to-book ratios and lower forecasted growth values.

Glossary Of Terms

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R² which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Exp Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Exp Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

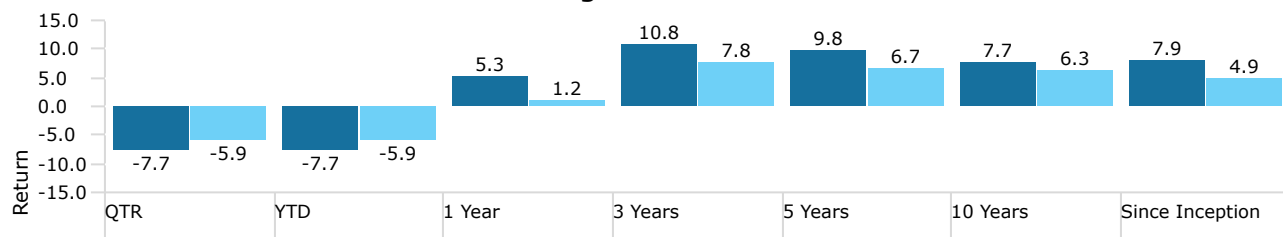
MFS International Equity

Investment Strategy

MFS seeks to invest in companies that are gaining market share and have the potential for above-average, sustainable earnings growth irrespective of economic conditions. Attractive companies will be trading at a discount to their projected value have the potential for multiple expansion. A long-term focus is critical for MFS to capitalize on opportunities created by investors with shorter investment horizons. The portfolio management team combines their strong investment conviction with risk discipline and a multi-year investment horizon to select what they believe to be the best investment opportunities across regions and sectors. Sector, industry, and country weightings are derived from their bottom-up approach to portfolio construction and will typically vary from index weightings.

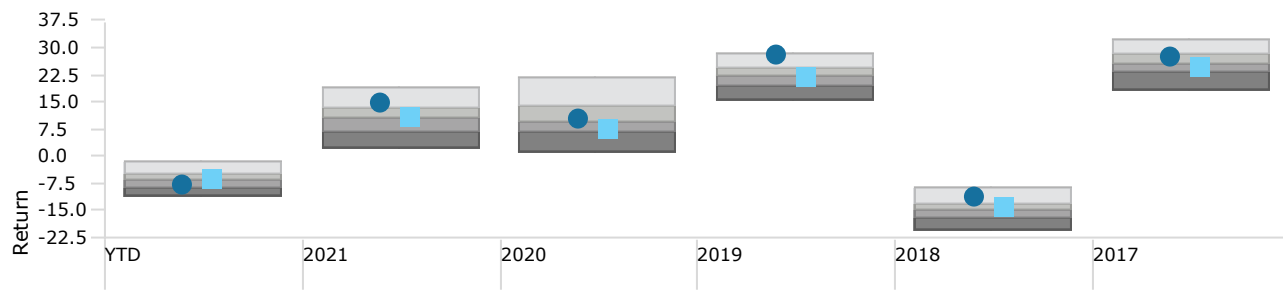
● MFS International Equity ■ MSCI EAFE NR USD ▲ US SA Foreign Large Blend

Trailing Period Returns



Performance Relative to Peer Group

Peer Group (5-95%): Separate Accounts - U.S. - Foreign Large Blend



Quarterly Returns

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
2022	-7.66				-7.66
2021	1.12	6.84	-0.06	6.77	15.28
2020	-20.08	14.78	6.08	13.98	10.93
2019	11.42	6.69	-0.99	9.08	28.39
2018	-1.58	0.15	1.89	-11.29	-10.91
2017	8.08	8.93	4.32	4.06	27.80
2016	-2.50	-1.59	6.20	-1.89	-0.03
2015	5.87	0.86	-9.44	3.04	-0.36

Excess Returns

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
2022	-1.75				-
2021	-2.36	1.67	0.39	4.07	4.02
2020	2.75	-0.10	1.29	-2.06	3.11
2019	1.44	3.01	0.08	0.92	6.38
2018	-0.05	1.39	0.54	1.25	2.88
2017	0.83	2.81	-1.08	-0.17	2.76
2016	0.50	-0.13	-0.24	-1.17	-1.03
2015	0.99	0.24	0.80	-1.67	0.45

Summary Statistics

Time Period: 4/1/2017 to 3/31/2022

	Strategy	Benchmark
Up Capture Ratio	105.62	100.00
Down Capture Ratio	90.70	100.00
Std Dev	14.62	15.03
Information Ratio	0.92	-
Alpha	3.14	0.00
Beta	0.95	1.00
R2	95.62	100.00
Tracking Error	3.16	0.00
Sharpe Ratio	0.64	0.43

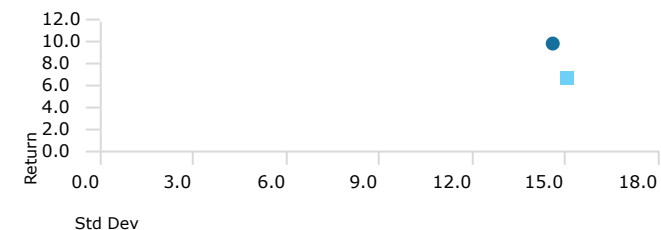
Drawdown Statistics

Time Period: Since Common Inception (4/1/1996) to 3/31/2022

	Strategy	Benchmark
Max Drawdown	-48.45	-56.68
Max Drawdown # of Months	17	16
Max Drawdown Peak Date	10/1/2007	11/1/2007
Max Drawdown Valley Date	2/28/2009	2/28/2009
Recovery # of Months	26	64

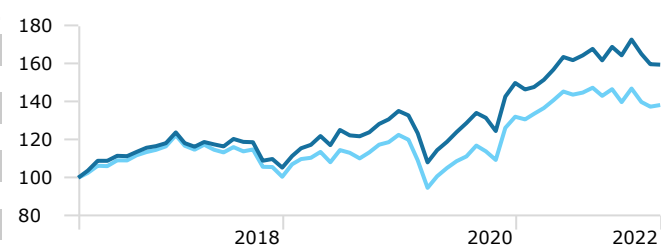
Risk-Reward

Time Period: 4/1/2017 to 3/31/2022



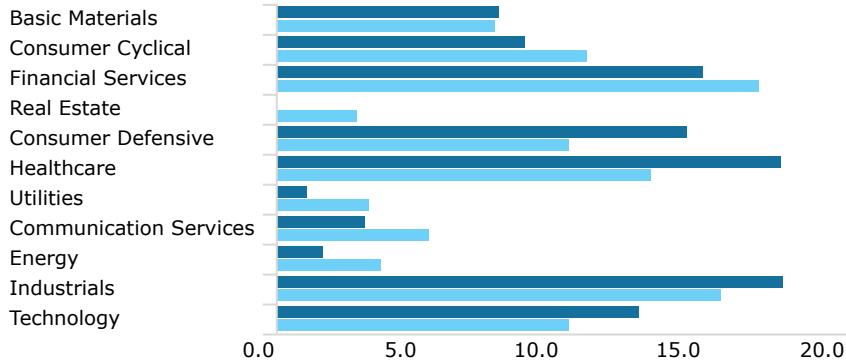
	Strategy	Benchmark
M-Squared (Risk Adjusted-Return)	11.49%	7.63%

Investment Growth

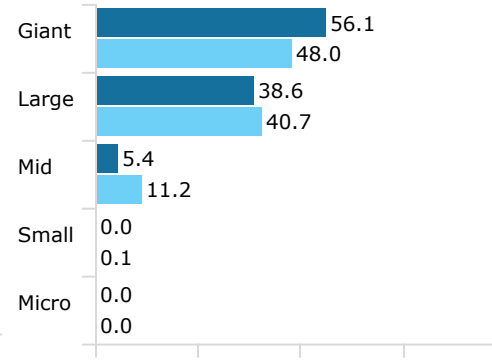


MFS International Equity

Sector Exposure



Market Cap



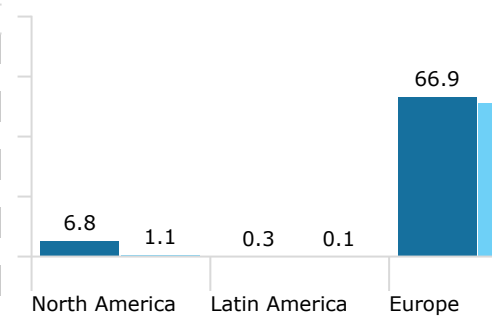
Characteristics

	Strategy	Benchmark
P/E	23.06	14.30
P/B	3.00	1.73
Dividend Yield	1.86%	2.88%
Average Market Cap	71,532	47,323
% Asset in Top 10 Holdings	26.6%	14.4%
# of Holdings	79	825
Turnover Ratio %	15%	—
Strategy Assets	26,256	—
Firm Total Assets	692,574	—
Inception Date	3/1/1996	3/31/1986

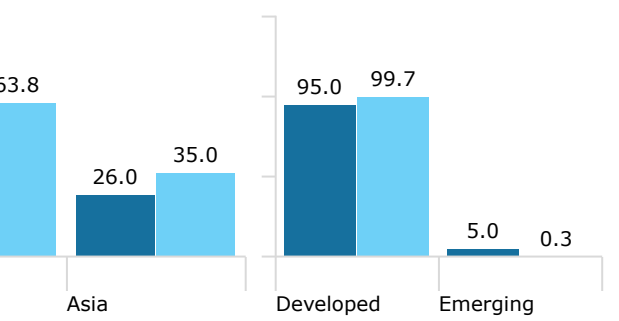
Top Holdings

Company	Weight
Nestle SA	4.0%
Schneider Electric SE	3.5%
Roche Holding AG	3.2%
Air Liquide SA	2.6%
LVMH Moet Hennessy Louis Vuitton SE	2.5%
Capgemini SE	2.4%
Novo Nordisk A/S Class B	2.3%
SAP SE	2.2%
AIA Group Ltd	1.9%
Canadian National Railway Co	1.9%

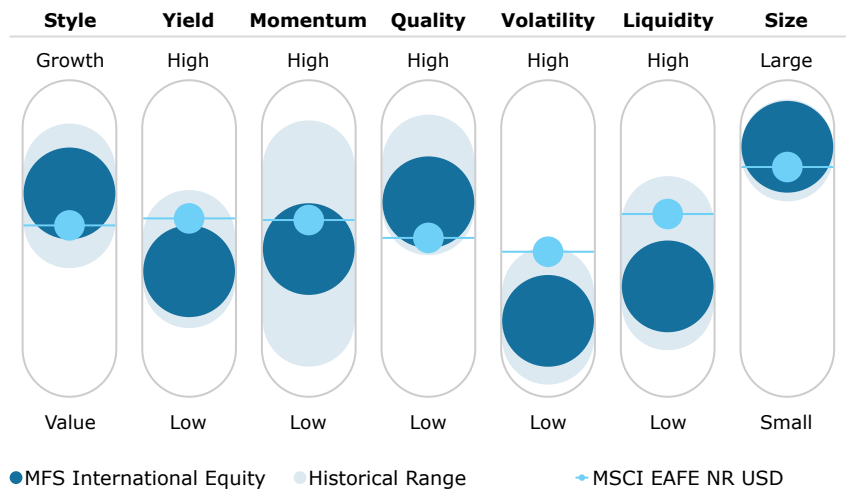
Region Exposure



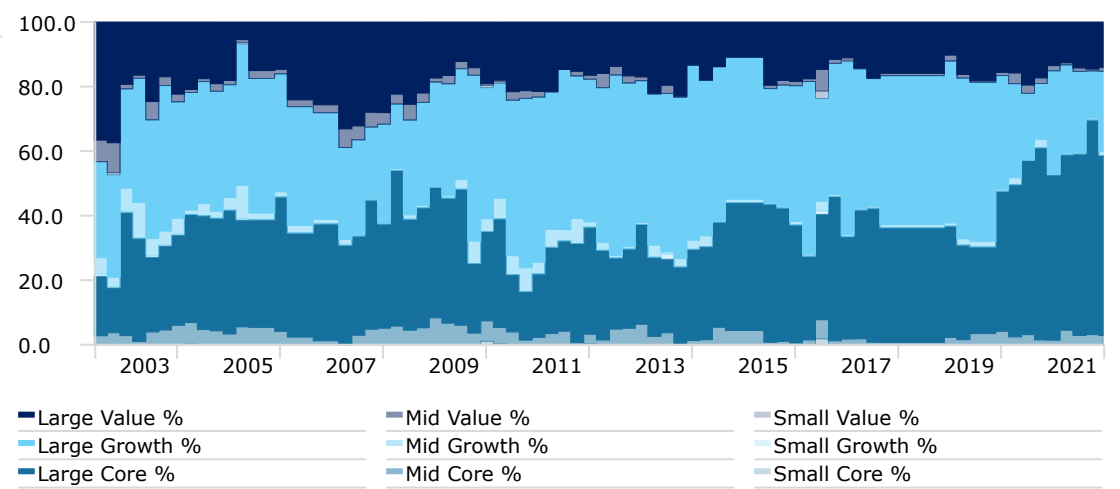
Market Classification



Factor Profile



Equity Style



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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