

**FINANCIAL ADMINISTRATION  
MEMORANDUM**

**To:** Joyce P. Mascena, Town Clerk

**From:** Julie Twilley, Director of Finance & Administrative Services

**Date:** April 17, 2020

**Re:** Board of Finance  
Pension Sub-Committee Special Meeting - Agenda

This is to advise you there will be a special meeting of the Pension Sub-Committee on Wednesday, April 22, 2020, at 3:00 p.m. In person attendance is not available. Options are:

- **Via Virtual Meeting link:**

<https://zoom.us/j/91659080687?pwd=bzVkSWlwcVVZY09sbEM2akRHQnVRUT09>

- **Via Telephone:**

*Dial* (for higher quality, dial a number based on your current location):

US: +1 646 558 8656 or +1 312 626 6799 or +1 301 715 8592 or +1 346 248 7799 or +1 669 900 9128

*Webinar ID:* 916 5908 0687

*Password:* 661760

The purpose of this meeting is to discuss topics pertaining to the Pension plans including, but not limited to the current pension portfolios, current investment practices, asset allocations, manager attribution, plan performance and market analysis. A representative from FIA will attend the meeting and time will be provided to discuss board member questions.

cc: Richard Johnson



**Glastonbury Retirement Income Plan**  
*Board of Finance Sub-Committee*  
*Meeting Materials*  
*April 22, 2020*

# Disclosure

**Important Disclosure Information:** Please remember that different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Fiduciary Investment Advisors), or any non-investment related content, made reference to directly or indirectly above, will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained above serves as the receipt of, or as a substitute for, personalized investment advice from Fiduciary Investment Advisors. Fiduciary Investment Advisors is neither a law firm nor a certified public accounting firm and no portion of the content should be construed as legal or accounting advice. Please remember to contact Fiduciary Investment Advisors, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. A copy of Fiduciary Investment Advisors' current written disclosure statement discussing our advisory services and fees is available for review upon request.

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# Overview

# Overview

- FIA was retained by the town in 2011 as a non-discretionary investment advisor to the town retirement plans.
- FIA's core responsibilities are:
  - Investment policy statement development and review
  - Asset allocation analysis
  - Portfolio construction
  - Investment manager analysis and selection
  - Plan and manager performance analysis
  - Fiduciary governance oversight & guidance
- We carry out these responsibilities in a dynamic, "real-time" manner. As examples, we regularly review portfolio balances versus stated target weights and are in frequent contact with the managers deployed on behalf of the plans.

# Investment Policy Statement Review

# Investment Policy Statement Review

- The current IPS was originally adopted by the BOF in November 2010, but most recently updated and ratified in September 2019.
- The **investment objective** stated in the IPS is as follows:

*The Plan's assets shall be invested in accordance with sound investment practices that emphasize the fundamentals of long-term investing. In establishing the investment objectives of the Plan, the Board has taken into account the financial needs and circumstances of the Plan, the time horizon available for investment, the nature of the Plan's cash flows and liabilities, and other factors that affect the collective risk tolerance of the Board. Consistent with this effort, the Board has determined that the investment of these assets shall be guided by the following underlying investment objectives:*

- *Achieve a long term return that meets or exceeds the actuarial target of the plan;*
- *Maintain sufficient liquidity to meet the obligations of the Plan;*
- *Diversify the assets of the Plan in order to reduce risk;*
- *Achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and appropriate market indexes;*
- *Prudently manage the inherent investment risks related to the achievement of investment objectives.*



# Investment Policy Statement Review (cont.)

- The **target asset allocation tables** in the IPS is as follows:

*The asset allocation target ranges are set forth below. These ranges represent a long-term view to provide an optimal mix of investments to achieve the desired returns necessary to meet current and future liabilities, while at the same time mitigating fluctuations in the overall value of the investment portfolio.*

Retirement Income Plan Target Asset Allocation Table

Asset Class	Min Weight	Max Weight
Money Market	0.0%	7.5%
Fixed Income	25.0%	40.0%
Domestic Equities	25.0%	45.0%
International Equities	10.0%	30.0%
Real Estate	0.0%	7.5%
Other	0.0%	7.5%

Hybrid Plan Target Asset Allocation Table (New Hires)

Asset Class	Min Weight	Max Weight
Money Market	0.0%	5.0%
Fixed Income	50.0%	70.0%
Domestic Equities	20.0%	40.0%
International Equities	15.0%	35.0%
Real Estate	0.0%	7.5%
Other	0.0%	7.5%

- The **rebalancing** language in the IPS is as follows:

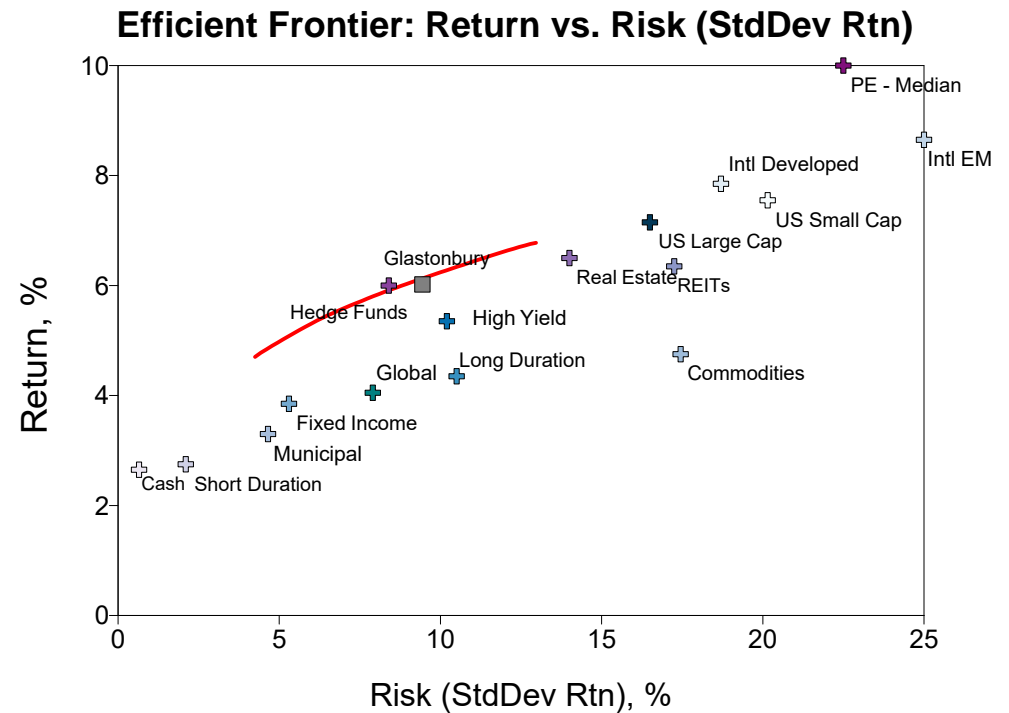
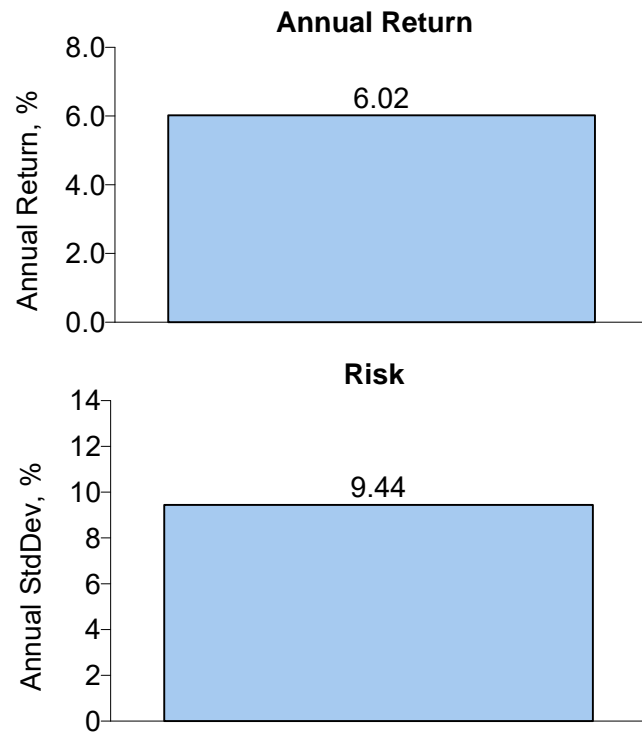
*To ensure that the Plan adheres to its asset allocation strategy, the Board may, at its discretion, institute rebalancing, as necessary. Adjustments made by the Board should be made with consideration to recommendations of the investment consultant, turnover, transaction costs, and realized losses over the long-term. The necessity to rebalance will be reviewed periodically.*

*Any rebalancing within an asset class that changes the allocation for that class greater than seven percentage points requires review and approval by the Board. The Board may request a review and report of the committee, as applicable, prior to approval.*

# Asset Allocation Review

# Asset Allocation Analysis - Glastonbury Retirement Income Plan

## Portfolio Risk & Return - Long Term (20 Year)



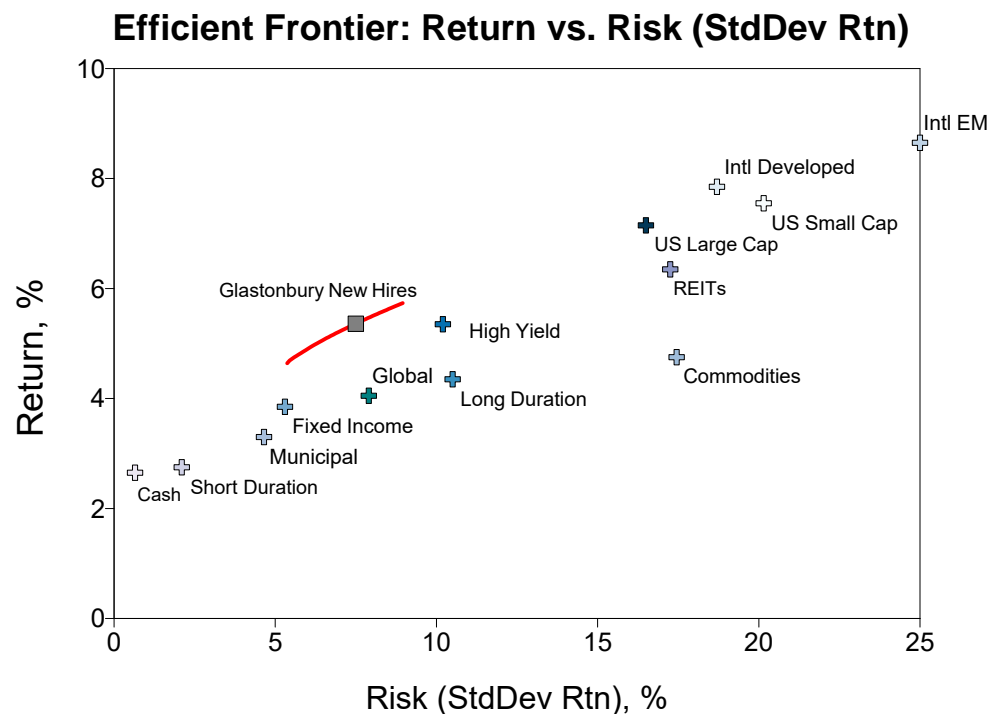
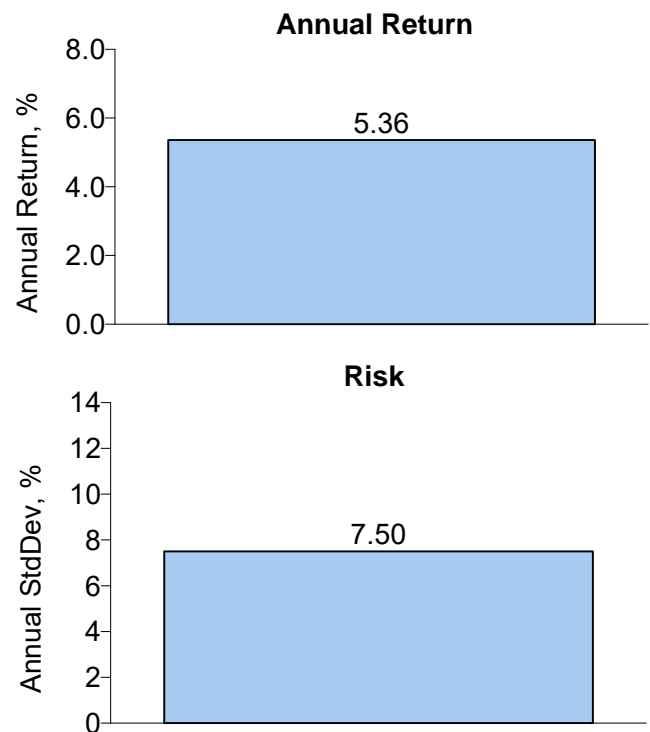
## Portfolio Return Distributions

Annual Return, %

	Glastonbury			
	1Y	3Y	5Y	10Y
5th Percentile	-8.0	-2.7	-0.8	1.0
25th Percentile	-0.3	2.0	2.8	3.6
50th Percentile	5.6	5.5	5.6	5.6
75th Percentile	12.0	9.3	8.4	7.6
95th Percentile	23.1	15.1	12.7	10.6

# Asset Allocation Analysis - New Hires Plan

## Portfolio Risk & Return - Long Term (20 Year)



## Portfolio Return Distributions

Annual Return, %

	Glastonbury New Hires			
	1Y	3Y	5Y	10Y
5th Percentile	-6.1	-1.6	-0.1	1.4
25th Percentile	0.1	2.2	2.8	3.5
50th Percentile	4.9	5.0	5.1	5.1
75th Percentile	10.1	8.0	7.3	6.7
95th Percentile	18.5	12.5	10.7	9.0

# Portfolio Review – as of March 31, 2020

## Asset Allocation - Glastonbury Retirement Income Plan

As of March 31, 2020

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>Total Plan</b>	<b>142,626,861</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Short Term Liquidity</b>	<b>1,127,241</b>	<b>0.8</b>	<b>0.5</b>	<b>0.3</b>
Wells Fargo Government Money Market	1,127,241	0.8	0.5	0.3
<b>Fixed Income</b>	<b>45,078,001</b>	<b>31.6</b>	<b>33.5</b>	<b>-1.9</b>
Metropolitan West Total Return Bond Pl	17,621,714	12.4	13.0	-0.6
BlackRock Total Return Fund K	17,494,163	12.3	13.0	-0.7
Templeton Global Bond R6	9,962,124	7.0	7.5	-0.5
<b>Domestic Equity</b>	<b>59,730,680</b>	<b>41.9</b>	<b>40.0</b>	<b>1.9</b>
Vanguard Institutional Index Fund Instl	32,334,989	22.7	22.0	0.7
Touchstone Growth Opportunities Instl	13,548,099	9.5	9.0	0.5
DFA US Vector Equity I	13,847,592	9.7	9.0	0.7
<b>International Equity</b>	<b>21,220,563</b>	<b>14.9</b>	<b>16.0</b>	<b>-1.1</b>
Vanguard International Growth Adm	7,965,637	5.6	5.5	0.1
Causeway International Value Instl	7,098,171	5.0	5.5	-0.5
Templeton Instl Foreign Smaller Companies Fund Adv	2,379,298	1.7	2.0	-0.3
Cape Ann Global Developing Markets	3,777,457	2.6	3.0	-0.4
<b>Real Estate</b>	<b>9,316,586</b>	<b>6.5</b>	<b>6.0</b>	<b>0.5</b>
Barings Core Property Fund LP	9,316,586	6.5	6.0	0.5
<b>Inflation Protection</b>	<b>6,153,790</b>	<b>4.3</b>	<b>4.0</b>	<b>0.3</b>
Vanguard Short-Term Inflation Protection Adm	3,121,422	2.2	2.0	0.2
Parametric Commodity Strategy Instl	1,254,183	0.9	1.0	-0.1
iShares Gold Trust	1,778,185	1.2	1.0	0.2

**Our objective is to build fully diversified, cost aware investment programs with well-credentialed and experienced institutional managers.**

**Weighted Average Investment Management Fee = 0.45%**

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.  
Asset Allocation weightings may not add up to 100% due to rounding.

## Asset Allocation - Glastonbury New Hires Plan

As of March 31, 2020

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>Total Plan</b>	<b>790,194</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Short Term Liquidity</b>	<b>12,335</b>	<b>1.6</b>	<b>0.0</b>	<b>1.6</b>
Wells Fargo Government Money Market	12,335	1.6	0.0	1.6
<b>Fixed Income</b>	<b>458,604</b>	<b>58.0</b>	<b>60.0</b>	<b>-2.0</b>
Vanguard Total Bond Market Index Adm	458,604	58.0	60.0	-2.0
<b>Domestic Equity</b>	<b>157,278</b>	<b>19.9</b>	<b>20.0</b>	<b>-0.1</b>
Vanguard Total Stock Market Index Adm	157,278	19.9	20.0	-0.1
<b>International Equity</b>	<b>161,978</b>	<b>20.5</b>	<b>20.0</b>	<b>0.5</b>
Vanguard Total International Stock Index Adm	161,978	20.5	20.0	0.5

**Our objective is to build fully diversified, cost aware investment programs with well-credentialed and experienced institutional managers.**

**Weighted Average Investment Management Fee = 0.45%**

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance. Asset Allocation weightings may not add up to 100% due to rounding.

# Manager Research/Selection

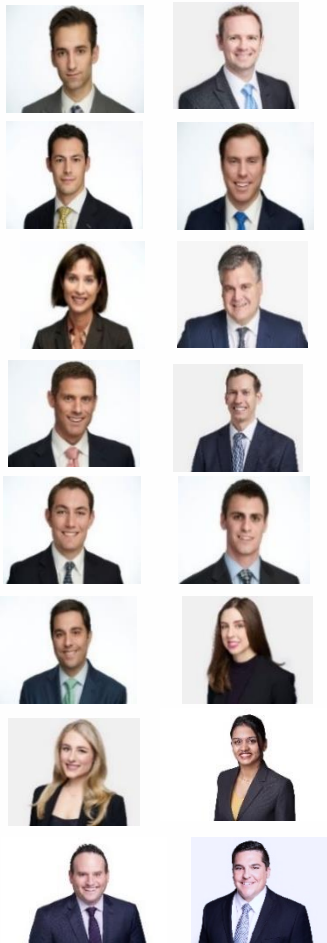


# Future DSA Research Team & Structure

Nearly 350 years cumulative industry experience

32 advanced degrees and charters

Average individual experience ~12 years



# What we Look for in a Manager

## Personnel

*The firm's professionals need to be skilled, experienced, properly credentialed and knowledgeable.*

## Quality of Research

*The firm's research team must have the capacity and resources to evaluate and track the full universe of investment opportunities defined by its investment philosophy. The staff must possess extensive knowledge of the companies and particular securities being researched.*

## Performance

*The manager must successfully demonstrate an ability to identify investment opportunities (their "edge"). The manager should demonstrate competitive long term performance as compared to a relevant benchmark and peer group.*

## Risk Controls

*Strong consideration is given to risk-adjusted performance. The manager must implement appropriate risk controls, commensurate with their philosophy and process.*

## Organization

*The firm must be financially and structurally sound and have the financial, operational and personnel resources to carry out its strategy. There should be no legal or regulatory proceedings surrounding the firm. The firm must have an appropriate compensation structure and demonstrate a passion for investing.*

## Philosophy

*The manager must have a clearly defined and disciplined investment philosophy that is based on sound investment theory, which is followed consistently and with conviction.*

## Investment Process

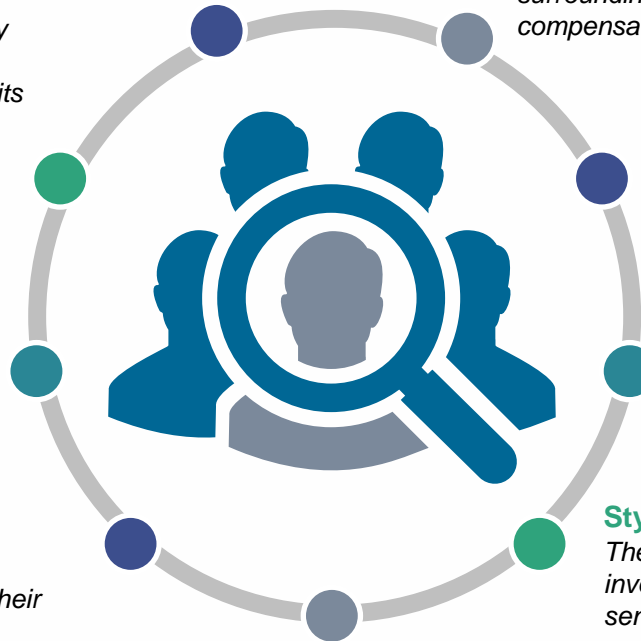
*The methods and procedures a manager uses to apply his philosophy constitutes the investment process. It is important that the manager's techniques for selecting and selling securities be sound, consistent and research intensive.*

## Style Consistency

*The manager is expected to adhere to his particular investment style, despite prevailing market sentiment.*

## Operations

*A system of operational policies, procedures, and risk controls must be in place. The firm should have contingency plans to control organizational risks, such as a physical disaster recovery plan.*



# Performance Summary/Attribution

## Total Plan Performance Summary - Glastonbury Retirement Income Plan

As of March 31, 2020

### Account Reconciliation

	QTR	Since Inception	Inception Date
<b>Total Plan</b>			<b>01/01/2003</b>
Beginning Market Value	166,630,184	75,547,799	
Net Contributions	-2,246,467	4,220,789	
Total Gain/Loss	-21,756,857	62,858,273	
Ending Market Value	142,626,861	142,626,861	

\*\* Data displayed in Since Inception column is as of as start date of 1/1/2010. Historical market value and flow information prior to 1/1/2010 was not available from prior consultant.

The stated inception date of 1/1/2003 is the plan's performance inception date.

### Blended Benchmark Composition

Allocation Mandate	Weight (%)
90 Day U.S. Treasury Bill	0.50
Blmbg. Barc. U.S. Aggregate Index	26.00
FTSE World Government Bond Index	7.50
Russell 3000 Index	40.00
MSCI AC World ex USA (Net)	16.00
NCREIF Fund Index - ODCE (net)	6.00
Glastonbury Short Term Inflation Protection Benchmark	4.00

### Trailing Performance Summary

	QTR	Jul-2019 To Mar-2020	1 Year	3 Years	5 Years	7 Years	10 Years	Aug 2011 to Mar 2020	Since Inception	Inception Date
<b>Total Plan</b>	<b>-13.2</b>	<b>-7.7</b>	<b>-5.1</b>	<b>2.2</b>	<b>2.9</b>	<b>4.3</b>	<b>5.8</b>	<b>5.1</b>	<b>5.8</b>	<b>01/01/2003</b>
<i>Blended Benchmark</i>	<i>-11.8</i>	<i>-6.4</i>	<i>-3.4</i>	<i>3.1</i>	<i>3.5</i>	<i>4.7</i>	<i>5.7</i>	<i>5.0</i>	<i>6.3</i>	
Difference	-1.4	-1.3	-1.7	-0.9	-0.6	-0.4	0.1	0.1	-0.5	

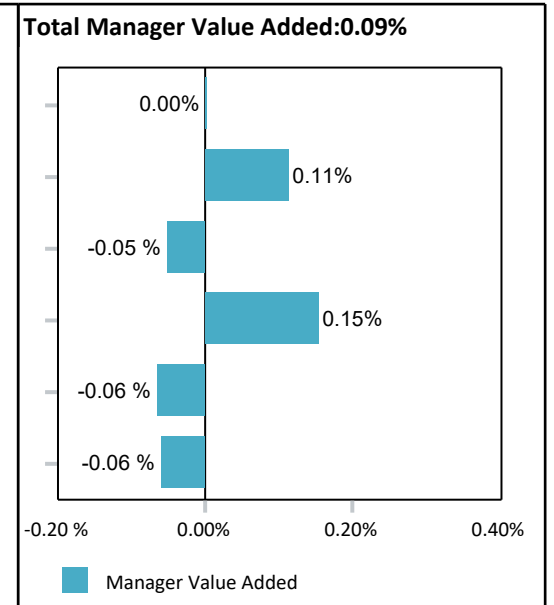
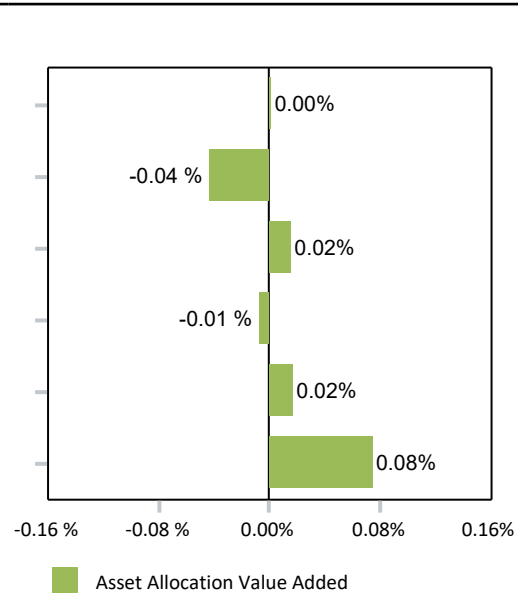
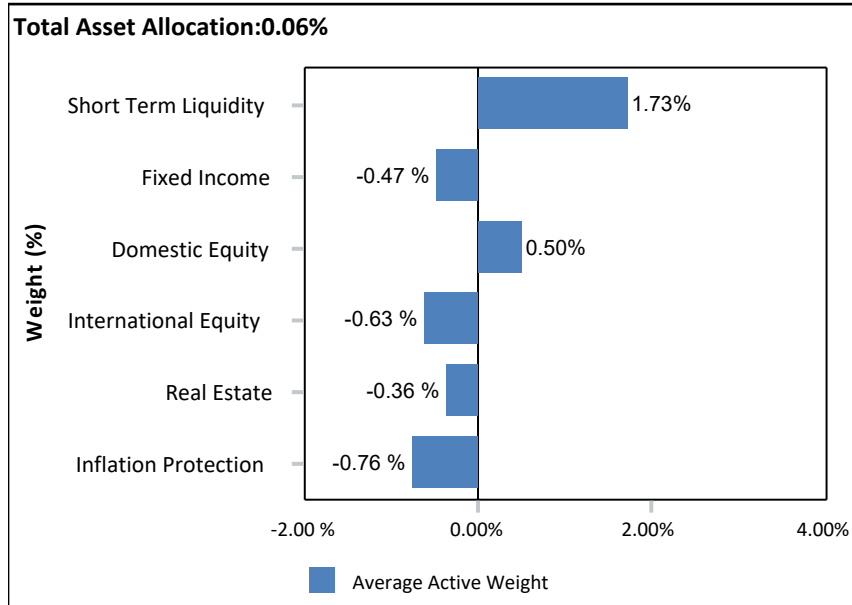
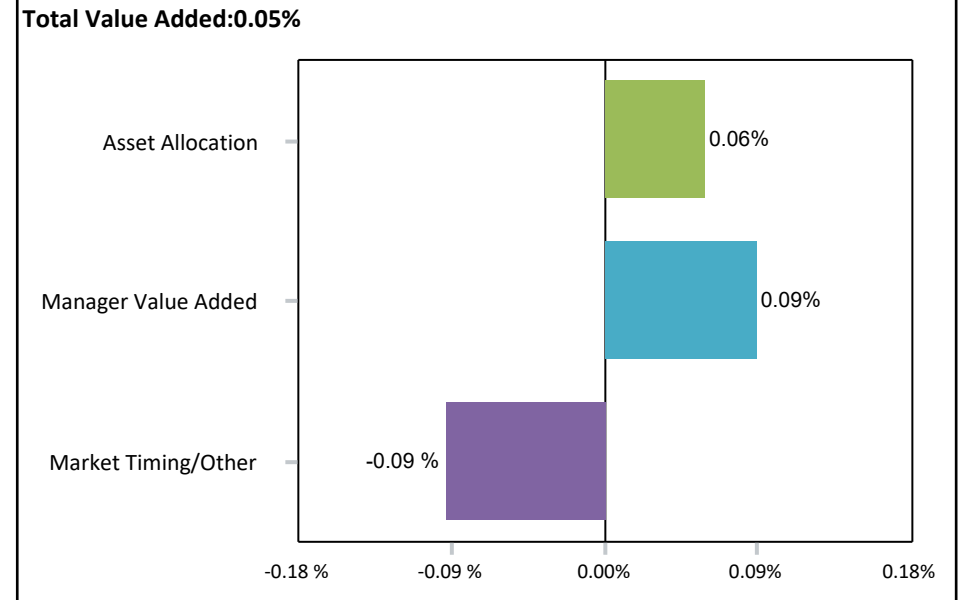
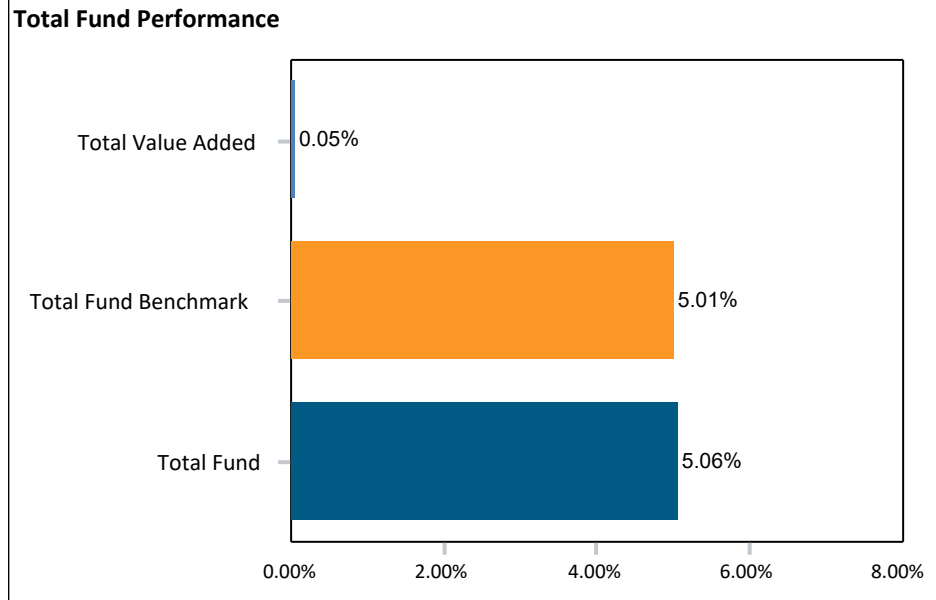
### Calendar Year Performance Summary

	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total Plan</b>	<b>18.8</b>	<b>-6.1</b>	<b>15.9</b>	<b>7.1</b>	<b>-1.8</b>	<b>3.7</b>	<b>15.1</b>	<b>15.4</b>
<i>Blended Benchmark</i>	<i>18.8</i>	<i>-5.3</i>	<i>14.9</i>	<i>7.4</i>	<i>-1.5</i>	<i>4.5</i>	<i>13.8</i>	<i>11.0</i>
Difference	0.0	-0.8	1.0	-0.3	-0.3	-0.8	1.3	4.4

# Total Portfolio Attribution - Glastonbury Retirement Income Plan

## Total Plan vs. Pension Attribution Benchmark

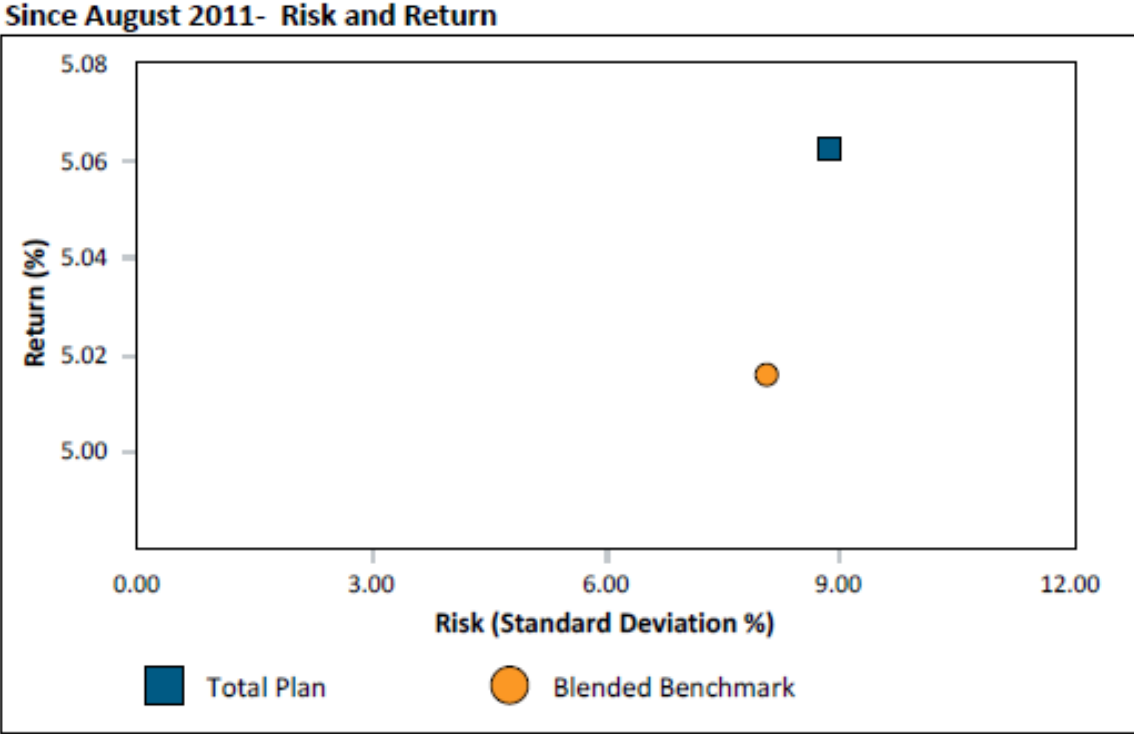
August 1, 2011 To March 31, 2020



Returns are net of fees unless otherwise noted.

# Risk vs. Return – Glastonbury Retirement Income Plan

As of March 31, 2020



## Total Plan Performance Summary - Glastonbury New Hires Plan

As of March 31, 2020

### Account Reconciliation

	QTR	Since Inception	Inception Date
<b>Total Plan</b>			<b>12/01/2015</b>
Beginning Market Value	787,891	14,874	
Net Contributions	46,942	747,536	
Total Gain/Loss	-44,638	27,784	
Ending Market Value	790,194	790,194	

### New Hires Blended Benchmark Composition

Allocation Mandate	Weight (%)
Blmbg. Barc. U.S. Aggregate Index	60.00
CRSP US Total Market Spliced Index	20.00
FTSE Global All Cap ex US Spliced Index	20.00

### Trailing Performance Summary

	QTR	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Plan</b>	<b>-5.4</b>	<b>2.2</b>	<b>3.3</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.6</b>	<b>12/01/2015</b>
<i>New Hires Blended Benchmark</i>	-7.6	0.3	3.5	N/A	N/A	N/A	4.2	
Difference	2.2	1.9	-0.2	N/A	N/A	N/A	-0.6	

### Calendar Year Performance Summary

	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total Plan</b>	<b>15.0</b>	<b>-3.4</b>	<b>7.6</b>	<b>4.1</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>New Hires Blended Benchmark</i>	15.7	-3.8	11.4	5.2	N/A	N/A	N/A	N/A
Difference	-0.7	0.4	-3.8	-1.1	N/A	N/A	N/A	N/A

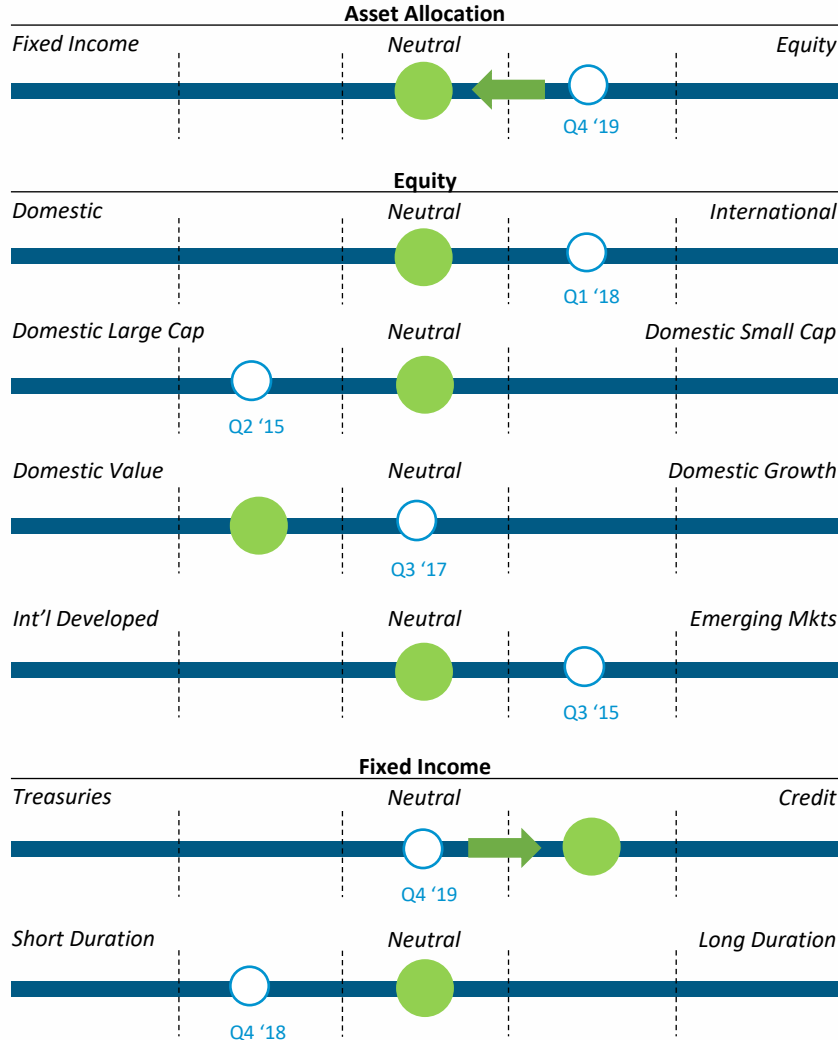


# Investing Viewpoints/ Portfolio Ideas



# Investing Viewpoints

- Current Stance
- Previous Stance (date indicates when we last changed our stance)



## Rationale

Despite the sharp re-rating of equities, rising economic uncertainty and the expectation for persistent levels of elevated market volatility, with an acknowledgment of the volatility-dampening profile of fixed income, informs our neutral stance between equity and fixed income.

The valuation advantage of non-U.S. stocks is tempered by the disparity of regional economic data and the perceived ability for certain countries to more effectively counter the effects of the pandemic. Ambiguity reigns as to what region(s) will best recover from the economic downturn.

Small cap equities hold a modest valuation advantage compared to their larger cap peers, and the pronounced recent underperformance versus large cap stocks provides a potential opportunity for mean reversion. However, the toolbox for larger companies to weather an economic slowdown compared to smaller companies is more ample. As such, we remain neutral on the capitalization front.

Value stocks continue to look more attractive than growth stocks across multiple valuation metrics. Combined with a wide performance gap between the two asset classes over recent years, the potential for a reversion to the mean remains elevated. Of note, value outpaced growth in the twelve months following the market lows in both 2002 and 2009.

The economic impact from the coronavirus varies by region. While data from China is showing some indication of turning for the better, other areas of emerging markets remain in an unsettled state, as does much of the developed world. With no discernible valuation advantages between the two, we maintain a neutral view.

Corporate credit spreads have widened to levels not seen since the global financial crisis in 2008-2009. A modest tilt into credit seems appropriate, given the attractive valuation levels, and affords the opportunity to potentially capture a favorable return profile as the situation stabilizes and the economy begins to recover.

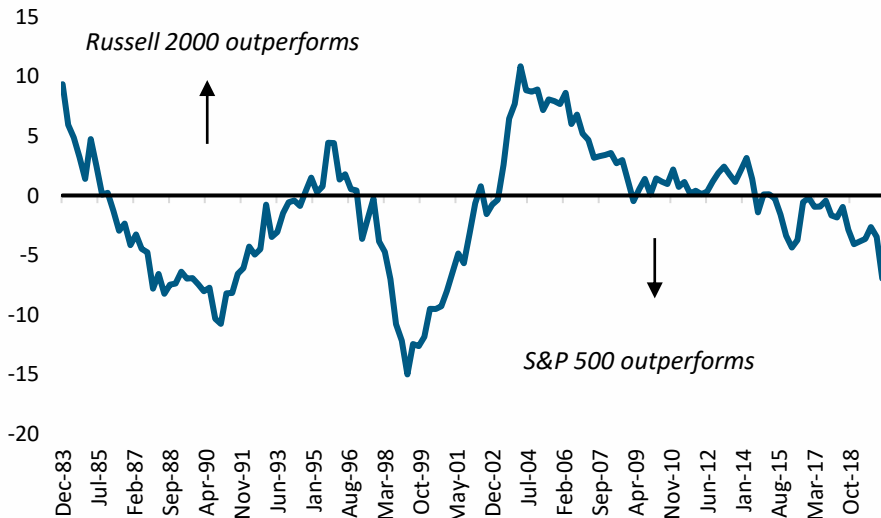
Interest rates continue to hover at low levels around the world as central bank activity, the deteriorating global economic backdrop, and a reduced near-term outlook for inflation have driven rates down. Despite low base rates, we acknowledge that duration can serve as an effective hedge alongside "risk" postures.

*These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next 18 months. These opinions are subject to modification as conditions in the markets or forecasting periods change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.*

# Portfolio Ideas/Market Perspective

- Heightened and active portfolio monitoring, and thoughtful rebalancing as necessary.
- Current areas of dislocation:
  - Domestic value equity
  - Domestic small cap equity
  - High yield fixed income

**Rolling 5-Year Relative Performance - Russell 2000 vs. S&P 500 (%)**



Performance data from MPI Stylus. Data from 1/1/1979-3/31/2020.

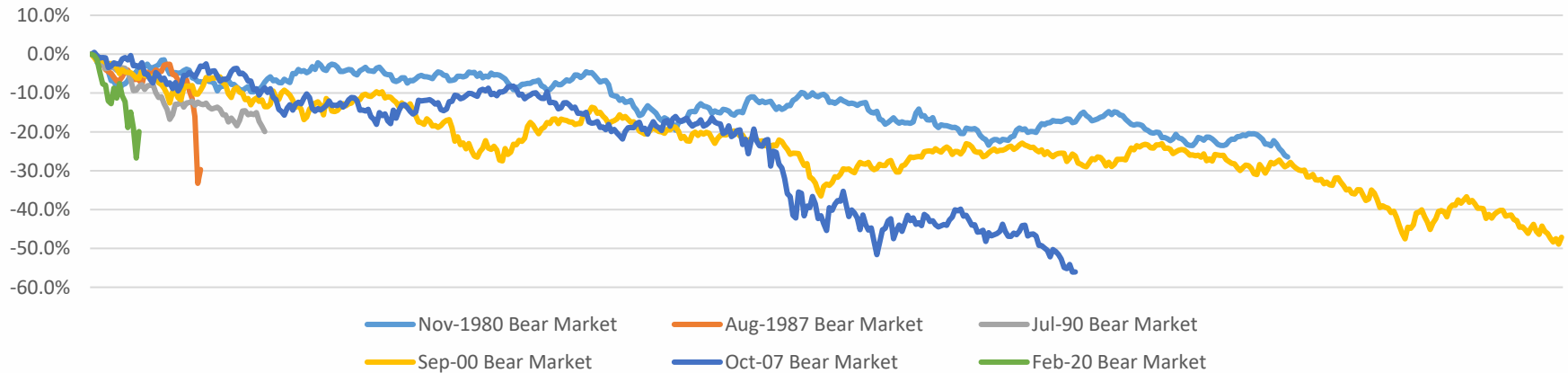
**High Yield Spreads and Subsequent Returns**



Eaton Vance, ICE BofA US High Yield Index as of March 24, 2020.

# Bear Markets & The Virtue of Patience

*Peak-to-Trough Declines*



Starting Market Peak	# Months to Reach Bear Market	Start of Bear Market	# Months from Peak to Bear Market Low	Bear Market Low	Peak-to-Trough Decline	# Months From Bear Market Low to Regain Prior High	First Close Above Prior High	6 Months After Bear Market Low	12 Months After Bear Market Low
Nov-80	10.0	Sep-81	20.4	Aug-82	-28%	2.8	Nov-82	44%	57%
Aug-87	1.8	Oct-87	1.8	Oct-87	-36%	21.2	Jul-89	19%	28%
Jul-90	2.9	Oct-90	2.9	Oct-90	-20%	4.6	Mar-91	28%	30%
Sep-00	5.7	Feb-01	25.3	Oct-02	-50%	55.6	May-07	13%	35%
Oct-07	5.2	Mar-08	16.8	Mar-09	-58%	49.1	Apr-13	52%	71%
Feb-20	0.7	Mar-20	0.7	???	-27%	???	???	???	???

The twelve-month period following a bear market has historically exhibited strong equity performance.

Source: DiMeo Schneider & Associates, Yahoo Finance

# Appendix

**RETIREMENT INCOME PLAN  
INVESTMENT POLICY STATEMENT  
SEPTEMBER 2019**

**I. INTRODUCTION AND PURPOSE**

The Town of Glastonbury Retirement Income Plan (the “Plan”) provides retirement benefits to those individuals eligible to receive them. The Investment Policy Statement (IPS) outlines the goals and investment objectives for the Plan. This IPS provides guidelines for managing the Plan, and outlines specific investment policies that will govern how those goals are to be achieved. The IPS:

- Describes the investment objectives of the Plan;
- Defines the responsibilities of the Board of Finance (“the Board”) and other parties responsible for the management of the Plan;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Plan as a whole.

**II. INVESTMENT OBJECTIVE**

The Plan’s assets shall be invested in accordance with sound investment practices that emphasize the fundamentals of long-term investing. In establishing the investment objectives of the Plan, the Board has taken into account the financial needs and circumstances of the Plan, the time horizon available for investment, the nature of the Plan’s cash flows and liabilities, and other factors that affect the collective risk tolerance of the Board. Consistent with this effort, the Board has determined that the investment of these assets shall be guided by the following underlying investment objectives:

- Achieve a long term return that meets or exceeds the actuarial target of the plan;
- Maintain sufficient liquidity to meet the obligations of the Plan;
- Diversify the assets of the Plan in order to reduce risk;
- Achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and appropriate market indexes;
- Prudently manage the inherent investment risks related to the achievement of investment objectives.

**III. ASSIGNMENT OF RESPONSIBILITIES**

**Board of Finance** – The Board of Finance is responsible for overseeing the assets of the Plan. To that end, the Board will:

- Establish and maintain the Plan’s investment policy, objectives and portfolio guidelines that will direct the investment of the Plan’s assets;
- Determine the Plan’s risk parameters and return evaluation;
- Provide specific interpretation of the investment policy;
- Select the investment vehicles; and,
- Monitor periodically the performance of the investments.

The Board shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Board recognizes that some risk must be assumed to achieve the Plan’s long-term investment objectives.

The Board will meet periodically to carry out these responsibilities. The Board may designate a Pension Committee made up of two (2) members of the Board of Finance, the Town Manager and the Director of Finance to review plan performance, investment manager selection and any other items relevant to the performance and management of the Plan's assets and report back to the Board of Finance with recommendations, as necessary. The Board may engage the services of an investment consultant to aid in the management of the Plan's assets.

**Investment Consultant** –The investment consultant's role is that of a non-discretionary advisor to the Committee. The investment consultant will:

- Assist in the development and periodic review of the IPS and the Plan's asset allocation;
- Conduct investment manager and investment fund searches when necessary and make appropriate recommendations to the Board on manager selection;
- Monitor continually the performance of the managers/funds;
- Report plan performance to the Board at least quarterly;
- Meet with the Board semi-annually, or more often as deemed necessary; and,
- Communicate to the Board and/or members of the committee, as appropriate on other matters of relevance to the oversight of the Plan.

While the Town is not subject to ERISA, the investment consultant shall acknowledge in writing fiduciary responsibilities in keeping with generally accepted best practices for ERISA retirement plan oversight.

**Custodian(s)** – The Board will appoint a custodian, responsible for the safekeeping and custody of assets. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan (for example, to accommodate distribution needs).

**IV. ASSET ALLOCATION**

The asset allocation target ranges are set forth below. These ranges represent a long-term view to provide an optimal mix of investments to achieve the desired returns necessary to meet current and future liabilities, while at the same time mitigating fluctuations in the overall value of the investment portfolio.

Part A – for Defined Benefit Plan Assets excluding Part B Assets noted below:

Part A assets long-term target allocation is 60% equity, 35% fixed income, and 5% real estate. Market volatility may periodically cause the asset mix to fall outside the targeted range.

**Target Asset Allocation Table**

Asset Class	Min Weight	Max Weight
Money Market	0.0%	7.5%
Fixed Income	25.0%	40.0%
Domestic Equities	25.0%	45.0%
International Equities	10.0%	30.0%
Real Estate	0.0%	7.5%
Other	0.0%	7.5%

Part B – for Defined Benefit Plan Assets effective December 2, 2014 per Amendments 12 and 13 to the Town of Glastonbury Retirement Income Plan:

Part B assets will initially adhere to a target allocation of 60% fixed income and 40% equity, which may be modified over time as circumstances warrant.

**Hybrid Plan Target Asset Allocation Table**

Asset Class	Min Weight	Max Weight
Money Market	0.0%	5.0%
Fixed Income	50.0%	70.0%
Domestic Equities	20.0%	40.0%
International Equities	15.0%	35.0%
Real Estate	0.0%	7.5%
Other	0.0%	7.5%

The Board may consider and approve other investment strategies, including alternative investments, after recommendation by the investment consultant to the Board, and as appropriate, review and recommendation by the -committee.

**V. REBALANCING**

To ensure that the Plan adheres to its asset allocation strategy, the Board may, at its discretion, institute rebalancing, as necessary. Adjustments made by the Board should be made with consideration to recommendations of the investment consultant, turnover, transaction costs, and realized losses over the long-term. The necessity to rebalance will be reviewed periodically.

Any rebalancing within an asset class that changes the allocation for that class greater than seven percentage points requires review and approval by the Board. The Board may request a review and report of the committee, as applicable, prior to approval.

**VI. SELECTION CRITERIA FOR INVESTMENT MANAGERS/FUNDS**

Investment managers/funds retained by the Plan shall be chosen by the Board, upon recommendation of the investment consultant, using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indexes and other investments having similar investment objectives with consideration granted to consistency of performance and the level of risk taken to achieve results;
- Investment style and discipline of the investment manager;
- The manager’s investment style or approach and how well it complements other assets in the Plan;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.

The Plan may utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plan’s assets.

**VII. TERMINATION OF AN INVESTMENT MANAGER OR FUND**

An investment manager/fund may be terminated by the Board if one or more of the following has occurred:

The Board has lost confidence in the investment manager's/funds ability to:

- Achieve performance and risk objectives;
  - Comply with investment guidelines;
  - Comply with reporting requirements;
  - Maintain a stable organization and retain key investment professionals;
- Or for any other reason determined by the Board to be in the best interests of the Plan.

There are no hard and fast rules for investment manager/fund termination. However, if the investment manager/fund has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the investment manager/fund, within a reasonable time, may be grounds for termination.

Certain circumstances may require immediate termination of an investment manager. Upon recommendation of the investment consultant that such action is appropriate, the Pension Committee, as appointed in Section III of this policy, may authorize termination. All members of the Board of Finance will be advised of the consultant's recommendation and of the time and date the Pension Committee will meet to act upon the recommendation. Confirmation of such action will be scheduled for the next Board of Finance meeting.

## **VIII. SECURITIES GUIDELINES**

The Plan's investments may include separately managed accounts and/or mutual funds/commingled funds and exchange traded funds. The Board understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the investment manager's policy statement of each of the Plan's separately managed accounts or in the prospectus/offering memorandum for each mutual fund/commingled fund/exchange traded funds in the portfolio.

With respect to mutual/commingled funds, the Board may consider and regularly evaluate the following to insure proper diversification and function for each of the funds:

- The mutual fund/commingled pool organizations selected should demonstrate: (a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
- The mutual fund/commingled pool selected will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
- Each mutual fund/commingled pool will maintain proper asset allocation diversity and provide material information on a timely basis.

## **IX. PROXY VOTING**

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Plan. A copy of each investment manager's guidelines, and/or summary of proxy votes shall be provided to the Board upon request.



## X. INVESTMENT MONITORING AND REPORTING

The Board will periodically review performance of the investments in the Plan. Performance monitoring is one of the mechanisms used to evaluate the selected investments, confirm that the criteria originally set for each investment is satisfied and that each investment continues to be appropriate for the Plan. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision and the following indices may be used to monitor performance:

Asset Class	Benchmark Index
Money Market	Citigroup Three-Month Treasury Bill Index
Fixed Income	Barclays Aggregate Index & Citigroup World Government Bond Index
Domestic Equities	Russell 3000 Index
International Equities	MSCI ACWI ex-US Index
Real Estate	NCREIF
Other	CPI +5%

Additional indices may be added/used, as applicable to a specific type of investment or asset class. In addition, a set of “watch list criteria” may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Board on potential areas of concern.

Watch list criteria may include the following:

- Performance relative to benchmark performance over various time frames;
- Deterioration of risk-adjusted performance;
- Notable style drift/change in investment objective;
- Relative investment management fees;
- Significant organizational or manager change.

## XI. APPROVAL

It is understood that this IPS is to be reviewed periodically by the Board to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers.

Originally Adopted by Glastonbury Board of Finance on November 17, 2010.  
Last Revised and Adopted by Glastonbury Board of Finance on September 18, 2019.

# Manager Performance Overview - Glastonbury Retirement Income Plan

As of March 31, 2020

	QTR	Jul-2019 To Mar-2020	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Mar-2020	Inception Date
<b>Total Plan</b>	<b>-13.2</b>	<b>-7.7</b>	<b>-5.1</b>	<b>2.2</b>	<b>2.9</b>	<b>4.3</b>	<b>5.8</b>	<b>5.8</b>	<b>5.1</b>	<b>01/01/2003</b>
<i>Blended Benchmark</i>	-11.8	-6.4	-3.4	3.1	3.5	4.7	5.7	6.3	5.0	
<b>Wells Fargo Government Money Market</b>	<b>0.3</b>	<b>1.2</b>	<b>1.8</b>	<b>1.5</b>	<b>1.0</b>	<b>0.7</b>	<b>N/A</b>	<b>0.6</b>	<b>0.6</b>	<b>08/01/2011</b>
<i>90 Day U.S. Treasury Bill</i>	0.6	1.6	2.3	1.8	1.2	0.8	0.6	0.7	0.7	
<b>Fixed Income</b>	<b>-0.3</b>	<b>1.3</b>	<b>4.2</b>	<b>3.0</b>	<b>2.6</b>	<b>2.5</b>	<b>3.9</b>	<b>4.0</b>	<b>3.3</b>	<b>01/01/2010</b>
<i>Fixed Income Benchmark</i>	2.9	5.0	8.3	4.7	3.3	2.8	3.8	3.8	2.9	
<b>Metropolitan West Total Return Bond PI</b>	<b>2.3 (15)</b>	<b>4.8 (12)</b>	<b>8.3 (9)</b>	<b>4.7 (9)</b>	<b>3.3 (13)</b>	<b>3.3 (15)</b>	<b>N/A</b>	<b>4.3 (5)</b>	<b>4.3 (5)</b>	<b>08/01/2011</b>
<i>Blmbg. Barc. U.S. Aggregate Index</i>	3.1	5.7	8.9	4.8	3.4	3.2	3.9	3.4	3.4	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-0.9	1.5	4.7	3.4	2.7	2.7	3.9	3.3	3.3	
<b>BlackRock Total Return Fund K</b>	<b>-0.5 (46)</b>	<b>2.2 (42)</b>	<b>5.7 (36)</b>	<b>3.8 (34)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.1 (35)</b>	<b>N/A</b>	<b>06/01/2015</b>
<i>Libor (3 month)</i>	0.5	1.7	2.4	2.0	1.5	1.1	0.9	1.5	1.0	
<i>Blmbg. Barc. U.S. Aggregate Index</i>	3.1	5.7	8.9	4.8	3.4	3.2	3.9	3.6	3.4	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	-0.9	1.5	4.7	3.4	2.7	2.7	3.9	2.9	3.3	
<b>Templeton Global Bond R6</b>	<b>-4.4 (61)</b>	<b>-6.1 (87)</b>	<b>-5.3 (96)</b>	<b>-1.2 (98)</b>	<b>0.6 (92)</b>	<b>0.9 (69)</b>	<b>N/A</b>	<b>1.7 (46)</b>	<b>1.7 (46)</b>	<b>08/01/2011</b>
<i>FTSE World Government Bond Index</i>	2.0	2.5	6.2	4.3	3.0	1.5	2.2	1.1	1.1	
IM Global Fixed Income (MF) Median	-3.2	-2.0	1.0	2.3	1.8	1.3	2.5	1.6	1.6	
<b>Domestic Equity</b>	<b>-20.4</b>	<b>-11.6</b>	<b>-7.9</b>	<b>4.2</b>	<b>5.4</b>	<b>8.8</b>	<b>10.3</b>	<b>10.7</b>	<b>9.8</b>	<b>01/01/2010</b>
<i>Domestic Equity Benchmark</i>	-20.9	-12.7	-9.1	4.0	5.8	9.0	10.2	10.6	10.0	
<b>Vanguard Institutional Index Fund Instl</b>	<b>-19.6 (23)</b>	<b>-10.8 (16)</b>	<b>-7.0 (15)</b>	<b>5.1 (10)</b>	<b>6.7 (8)</b>	<b>9.6 (6)</b>	<b>N/A</b>	<b>10.6 (5)</b>	<b>10.6 (5)</b>	<b>08/01/2011</b>
<i>S&amp;P 500 Index</i>	-19.6	-10.8	-7.0	5.1	6.7	9.6	10.5	10.6	10.6	
IM S&P 500 Index (MF) Median	-19.6	-11.0	-7.3	4.8	6.3	9.2	10.0	10.1	10.1	
<b>Touchstone Growth Opportunities Instl</b>	<b>-15.8 (47)</b>	<b>-4.1 (10)</b>	<b>1.0 (8)</b>	<b>10.3 (25)</b>	<b>7.0 (47)</b>	<b>10.8 (39)</b>	<b>N/A</b>	<b>11.1 (35)</b>	<b>11.1 (35)</b>	<b>08/01/2011</b>
<i>Russell 3000 Growth Index</i>	-14.9	-4.7	-0.4	10.5	9.7	12.5	12.7	12.5	12.5	
IM U.S. Multi-Cap Growth Equity (MF) Median	-16.0	-9.4	-5.4	7.5	6.8	10.0	10.8	10.5	10.5	
<b>DFA US Vector Equity I</b>	<b>-32.0 (76)</b>	<b>-26.1 (73)</b>	<b>-23.8 (74)</b>	<b>-5.9 (70)</b>	<b>-0.9 (63)</b>	<b>3.8 (58)</b>	<b>N/A</b>	<b>5.8 (48)</b>	<b>5.8 (48)</b>	<b>08/01/2011</b>
<i>Russell 3000 Value Index</i>	-27.3	-20.9	-18.0	-2.7	1.6	5.3	7.5	7.4	7.4	
IM U.S. Multi-Cap Value Equity (MF) Median	-28.1	-22.3	-20.6	-4.2	0.0	4.0	6.0	5.7	5.7	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

## Manager Performance Overview - Glastonbury Retirement Income Plan

As of March 31, 2020

	QTR	Jul-2019 To Mar-2020	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Mar-2020	Inception Date
<b>International Equity</b>	<b>-25.5</b>	<b>-18.7</b>	<b>-17.5</b>	<b>-2.3</b>	<b>-0.5</b>	<b>1.1</b>	<b>2.4</b>	<b>2.3</b>	<b>1.6</b>	<b>01/01/2010</b>
<i>MSCI AC World ex USA (Net)</i>	-23.4	-18.0	-15.6	-2.0	-0.6	1.1	2.1	2.2	1.0	
<b>Vanguard International Growth Adm</b>	<b>-15.5 (9)</b>	<b>-6.4 (2)</b>	<b>-3.3 (8)</b>	<b>7.3 (3)</b>	<b>5.9 (2)</b>	<b>6.8 (2)</b>	<b>N/A</b>	<b>5.9 (3)</b>	<b>5.9 (3)</b>	<b>08/01/2011</b>
<i>MSCI AC World ex USA Growth (Net)</i>	-18.2	-11.2	-7.3	2.5	2.1	3.2	3.9	2.8	2.8	
IM International Large Cap Growth Equity (MF) Median	-20.6	-14.5	-10.3	0.1	0.1	2.2	3.1	2.2	2.2	
<b>Causeway International Value Instl</b>	<b>-32.0 (94)</b>	<b>-26.0 (72)</b>	<b>-26.0 (73)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-16.9 (75)</b>	<b>N/A</b>	<b>04/01/2018</b>
<i>MSCI EAFE Value Index (Net)</i>	-28.2	-23.9	-22.8	-6.6	-3.8	-0.6	0.6	-14.8	0.0	
IM International Large Cap Value Equity (MF) Median	-28.2	-23.5	-20.9	-6.5	-4.1	-1.3	0.2	-15.0	-0.8	
<b>Templeton Instl Foreign Smaller Companies Fund Adv</b>	<b>-31.9 (77)</b>	<b>-26.9 (87)</b>	<b>-25.8 (78)</b>	<b>-6.0 (49)</b>	<b>-2.5 (60)</b>	<b>0.3 (52)</b>	<b>N/A</b>	<b>1.1 (53)</b>	<b>1.1 (53)</b>	<b>08/01/2011</b>
<i>MSCI AC World ex USA Small Cap (Net)</i>	-29.0	-22.1	-21.2	-4.9	-0.8	1.1	2.8	1.0	1.0	
IM International SMID Cap Core Equity (MF) Median	-29.0	-23.2	-21.5	-6.1	-1.2	0.4	2.8	1.2	1.2	
<b>Cape Ann Global Developing Markets</b>	<b>-30.7 (88)</b>	<b>-25.3 (84)</b>	<b>-24.8 (87)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-14.5 (81)</b>	<b>N/A</b>	<b>12/01/2018</b>
<i>MSCI Emerging Markets (Net) Index</i>	-23.6	-18.2	-17.7	-1.6	-0.4	-0.4	0.7	-9.1	-1.0	
IM Emerging Markets Equity (MF) Median	-24.8	-19.2	-18.3	-3.0	-1.1	-0.9	0.4	-9.6	-1.4	
<b>Real Estate</b>	<b>0.0</b>	<b>2.5</b>	<b>4.1</b>	<b>5.8</b>	<b>7.5</b>	<b>8.1</b>	<b>8.9</b>	<b>8.6</b>	<b>7.1</b>	<b>01/01/2010</b>
<i>NCREIF Fund Index - ODCE (net)</i>	0.0	2.4	3.2	5.6	7.3	8.8	10.3	10.1	9.3	
<b>Barings Core Property Fund LP</b>	<b>0.0</b>	<b>2.5</b>	<b>4.1</b>	<b>5.8</b>	<b>7.5</b>	<b>8.1</b>	<b>N/A</b>	<b>8.1</b>	<b>N/A</b>	<b>07/01/2012</b>
<i>NCREIF Fund Index - ODCE (net)</i>	0.0	2.4	3.2	5.6	7.3	8.8	10.3	8.9	9.3	
<b>Inflation Protection</b>	<b>-4.7</b>	<b>-2.7</b>	<b>-2.9</b>	<b>-3.0</b>	<b>-2.7</b>	<b>-4.3</b>	<b>N/A</b>	<b>-2.4</b>	<b>N/A</b>	<b>10/01/2011</b>
<i>Short Term Inflation Protection Benchmark</i>	-5.2	-1.9	-2.1	-0.7	-1.2	-2.6	-0.5	-1.2	-2.8	
<b>Vanguard Short-Term Inflation Protection Adm</b>	<b>-0.7 (58)</b>	<b>0.7 (61)</b>	<b>2.3 (68)</b>	<b>1.6 (69)</b>	<b>1.5 (62)</b>	<b>N/A</b>	<b>N/A</b>	<b>1.0 (75)</b>	<b>N/A</b>	<b>10/01/2013</b>
<i>Bloomberg Barclays US TIPS 0-5 Year Index</i>	-0.7	0.8	2.4	1.6	1.6	0.7	1.5	1.1	0.8	
IM U.S. TIPS (MF) Median	-0.1	1.7	4.3	2.2	1.7	0.6	2.5	1.5	1.3	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

## Manager Performance Overview - Glastonbury Retirement Income Plan

As of March 31, 2020

	QTR	Jul-2019 To Mar-2020	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Aug-2011 To Mar-2020	Inception Date
<b>Parametric Commodity Strategy Instl</b>	<b>-21.7 (13)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-17.8 (13)</b>	<b>N/A</b>	<b>12/01/2019</b>
<i>Bloomberg Commodity Index Total Return</i>	-23.3	-21.4	-22.3	-8.6	-7.8	-10.0	-6.7	-19.4	-10.0	
IM Commodities General (MF) Median	-25.4	-23.9	-25.3	-9.4	-8.1	-10.4	-7.3	-21.5	-10.2	
<b>iShares Gold Trust (IAU)</b>	<b>5.6 (20)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>12.5 (20)</b>	<b>N/A</b>	<b>08/01/2019</b>
<i>LBMA Gold Price PM</i>	5.6	14.2	24.2	8.9	6.3	0.1	3.7	12.7	-0.1	
IM Commodities Precious Metals (MF) Median	-0.8	7.8	15.7	4.0	2.9	-2.9	0.9	6.0	-4.1	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class historical performance due to share class exchanges. ETF returns by convention can be different from the product return.

Barings Core Property is valued as of previous quarter-end.

## Manager Performance Overview - Glastonbury New Hires Plan

As of March 31, 2020

	QTR	Jul-2019 To Mar-2020	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Plan</b>	<b>-5.4</b>	<b>-0.8</b>	<b>2.2</b>	<b>3.3</b>	<b>N/A</b>	<b>3.6</b>	<b>12/01/2015</b>
<i>New Hires Blended Benchmark</i>	-7.6	-2.9	0.3	3.5	N/A	4.2	
<i>New Hires Secondary Benchmark</i>	-5.4	-1.5	1.3	3.3	N/A	3.7	
<b>Wells Fargo Government Money Market</b>	<b>0.3</b>	<b>1.3</b>	<b>1.8</b>	<b>1.6</b>	<b>N/A</b>	<b>1.2</b>	<b>12/01/2015</b>
<i>90 Day U.S. Treasury Bill</i>	0.6	1.6	2.3	1.8	N/A	1.4	
<b>Fixed Income</b>	<b>3.3</b>	<b>5.7</b>	<b>9.0</b>	<b>4.8</b>	<b>N/A</b>	<b>4.0</b>	<b>12/01/2015</b>
<i>Blmbg. Barc. U.S. Aggregate Index</i>	3.1	5.7	8.9	4.8	N/A	4.1	
<b>Vanguard Total Bond Market Index Adm</b>	<b>3.3 (14)</b>	<b>5.7 (10)</b>	<b>9.0 (9)</b>	<b>4.8 (8)</b>	<b>N/A</b>	<b>4.0 (12)</b>	<b>12/01/2015</b>
<i>Blmbg. Barc. U.S. Aggregate Index</i>	3.1	5.7	8.9	4.8	N/A	4.1	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.6	2.9	6.2	3.8	N/A	3.4	
<b>Domestic Equity</b>	<b>-20.9</b>	<b>-12.8</b>	<b>-9.2</b>	<b>4.0</b>	<b>N/A</b>	<b>6.5</b>	<b>12/01/2015</b>
<i>CRSP US Total Market Spliced Index</i>	-20.9	-12.8	-9.2	4.0	N/A	6.5	
<b>Vanguard Total Stock Market Index Adm</b>	<b>-20.9 (39)</b>	<b>-12.8 (33)</b>	<b>-9.2 (32)</b>	<b>4.0 (22)</b>	<b>N/A</b>	<b>6.5 (17)</b>	<b>12/01/2015</b>
<i>CRSP US Total Market Spliced Index</i>	-20.9	-12.8	-9.2	4.0	N/A	6.5	
IM U.S. Multi-Cap Core Equity (MF) Median	-21.7	-15.0	-11.7	1.8	N/A	4.1	
<b>International Equity</b>	<b>-24.3</b>	<b>-18.8</b>	<b>-16.6</b>	<b>-2.5</b>	<b>N/A</b>	<b>0.7</b>	<b>12/01/2015</b>
<i>FTSE Global All Cap ex US Spliced Index</i>	-24.0	-18.3	-16.0	-2.3	N/A	0.9	
<b>Vanguard Total International Stock Index Adm</b>	<b>-24.3 (48)</b>	<b>-18.8 (43)</b>	<b>-16.6 (48)</b>	<b>-2.5 (31)</b>	<b>N/A</b>	<b>0.7 (2)</b>	<b>12/01/2015</b>
<i>FTSE Global All Cap ex US Spliced Index</i>	-24.0	-18.3	-16.0	-2.3	N/A	0.9	
IM International Large Cap Core Equity (MF) Median	-24.5	-19.5	-17.2	-3.6	N/A	-2.1	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class's historical performance due to share class exchanges.

The Secondary Benchmark consists of 20% 90 Day US Treasury Bill, 50% Bloomberg Barclays US Aggregate, 15% Russell 3000 Index, and 15% MSCI AC World ex USA (Net).

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

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