

AGENDA

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GLASTONBURY BOARD OF FINANCE - Wednesday, November 16, 2022

SPECIAL MEETING 3:00 PM

REGULAR MEETING 4:00 PM

Town Hall, 2155 Main Street, Glastonbury, CT – Council Chambers

With an option for Zoom Video Conferencing (details on page 2)

Board Members: Constantine Constantine; Chairman, Jared Soper; Vice Chairman, Susan Karp, Robert Lynn, James McIntosh, and James Zeller

1. Public Comment Session: Comments pertaining to the call.
2. Communication: Minutes of October 19, 2022 Regular Meeting
3. Communication: Pension Report – September 2022
4. Communication: Month End Investments – September 2022
5. Communication: Financial Summary (Revenues & Expenditures) for 4 months - October 2022
6. Communication: Capital Projects – October 2022
7. Communication: Self Insurance Reserve Fund – October 2022
8. Communication: Transfers Approved by Town Manager Since Last Meeting
 - a. Finance Director Laptop (\$2,000)
 - b. Pre-Referendum Printing Costs (\$3,300)
9. **Action:** Transfers over \$5,000 (None)
10. **Action:** Allocation of \$3.4m in ARPA Funds for Land Acquisition
11. Discussion and Possible Action concerning Pension Related Matters
12. Presentation and Discussion Concerning General Fund – Unassigned Fund Balance (to be available at meeting)
13. Board of Finance Committee Reports, comments and remarks (no action to be taken)
14. Adjournment

THIS BOARD OF FINANCE MEETING WILL BE CONDUCTED IN PERSON IN COUNCIL CHAMBERS OF TOWN HALL AT 2155 MAIN STREET, GLASTONBURY, WITH AN OPTION FOR ATTENDANCE THROUGH ZOOM VIDEO CONFERENCING.

Join the Meeting - The public may join the Zoom Video Conference as an Attendee (view and listen function only) as follows:

Join by Zoom Meeting link:

<https://us02web.zoom.us/j/83456913897?pwd=eFR6QmlycFIQRSt3b3dTZ25HaHZMQT09>

Passcode: 661482

Join by Phone:

Dial: +1 646 558 8656 **or** +1 646 931 3860

Webinar ID: 834 5691 3897

Passcode: 661482

Public Comment - May be submitted through a form at the following link no later than 2:00 p.m. one business day BEFORE the meeting is held for your comments to be included in the public comment session of the meeting. Be sure to select *Board of Finance* in question 4 of the form:

www.glastonbury-ct.gov/publiccomment

There is also the opportunity to give Public Comment as part of the virtual meeting if joining through the Zoom Meeting Link.

Watch the Meeting - This meeting will be broadcast in real-time through Public Access Television on Channel 16, or live streamed on the town website. [Click here to view by live streaming.](#)

If you are unable to join/participate in the meeting at the time it is held, the meeting will be available on the [Video On Demand page of the town website](#) within one week of the meeting date.*

**The Video On Demand page is accessible through any web browser EXCLUDING Internet Explorer. Please use Chrome, Edge, Firefox, Safari or any other web browser excluding IE to access meeting video content.*

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, OCTOBER 19, 2022**

The Glastonbury Board of Finance, along with Town Manager, Richard J. Johnson, held a regular meeting at 4:00 p.m. in the Council Chambers of Town Hall at 2155 Main Street with the option for Zoom video conferencing. The video was broadcast in real time and via a live video stream.

Also present was Narae McManus, Controller {via Zoom}.

Roll Call

Members

Mr. Constantine "Gus" Constantine, Chairman
Mr. Jared Soper, Vice Chairman
Mr. James McIntosh
Ms. Susan Karp {excused}
Mr. Robert Lynn
Mr. James Zeller

1. Public Comment Session: Comments pertaining to the call. *None*
2. Communication: Minutes of September 21, 2022 Regular Meeting

On page 2, Mr. McIntosh noted that the word "observations" should read "obligations." The error is listed again in the following line.

Mr. Soper asked to correct the first line on page 2 to instead read "starting this year, there will be a net outflow of over \$10 million from the pension **over the next three years.**"

Minutes were accepted as amended.

3. Communication: Pension Report – August 2022

Mr. Johnson presented the report dated September 30, 2022. Mr. Soper expressed frustration at how the Town's pension is structured. He asked if the Board seeks to perform better than the average or to maintain the way the system currently is. While he understands Mr. Kachmar's perspective, consultants in the past should have been more proactive. He questioned whether the Town's asset allocation is the correct one. Their original objective of 7.75% was not met, so it was lowered to 6.25%. The account must be structured so that the Board is aware of updates, which will enable them to feel comfortable with the consultant. Currently, the Town Manager has been the method of communicating between the two entities. In the future, he suggested that it be the Finance Director or a BOF member who leads a monthly discussion. He asked if the Board would like to use an active manager to outperform the market or simply move back to indexes for lower costs.

Mr. Johnson agreed that the Board should look at this as fiduciaries. He noted that this topic will be discussed at the November 9 meeting with Mr. Kachmar. Mr. Zeller cannot attend that

meeting. It seems to him that requested information takes a long time to arrive from Mr. Kachmar. He is concerned that some of the strategic moves on the asset allocation came from the Board, not the consultant. Mr. Kachmar's firm is good at executing what the Board asks of him, but they do not offer much by way of strategy. Mr. Lynn would like to ensure that the Town's portfolio is of equal risk to the benchmark. If they assume more risk, then they must receive returns greater than the benchmark.

Mr. Johnson observed that the BOF seems unhappy with the investment advice they are receiving for the pension fund. If that is the case, he suggested going to the market. He clarified that Town Staff (i.e., the Town Manager and/or Finance Director) do not give direction to Mr. Kachmar. The BOF does that. Mr. Lynn would like to see what other towns are doing because this is part of the Board's fiduciary responsibility. Mr. Johnson passed out a packet showing the historical results and portfolios of various communities that work with Fiducient Advisors. Mr. Zeller asked how many firms are providing advice to comparable municipalities. Mr. Johnson hopes to provide that answer at the Board's next meeting.

Mr. McIntosh stated that Mr. Kachmar does not seem to feel that it is his job to tell the Board what they should be doing. Rather, he expects the Board to tell him what they would like. His advice has been consistent with achieving the 6.25% return objective that the Board requested. Mr. Lynn is more concerned about picking funds that serve the Town's portfolio. It is the consultant's job to pick the best managers, not the BOF's. On balance, if the Town is receiving benchmark returns while taking on more risk, then there is a problem with the managers they have selected. Mr. McIntosh pointed out that if the Town has an infinite horizon, then they need not care about individual performance. Mr. Soper explained that the Board needs to define what their job is and clarify what they want. Regarding Mr. Lynn's point about the benchmark, asset allocation becomes very important.

Mr. Soper expressed three primary frustrations that he has had with the consultant:

1. Their international allocation has been wrong for the last 11 years. It was originally 24%, which the Board reduced to 16%.
2. They are slow to admit when their mutual fund selections are wrong.
3. Relative to the asset allocation, the Town went into an environment with very low interest rates. He would like to discuss whether the Board is still comfortable with putting 30% of their money into an investment that will only earn 1-2%. While this is not Mr. Kachmar's decision, he should have raised the matter to the Board.

Mr. Johnson stated that when the market was suffering in March 2020, most investors he knew were looking to take advantage of those low rates. It is the difference between a consultant being reactionary versus proactive, which is a fair consideration for the Board to make. Mr. Soper agreed, stating that it could just be that they have not yet properly identified Mr. Kachmar's role.

The Board agreed to continue the conversation on November 9. Mr. Johnson will speak with Mr. Kachmar beforehand.

4. Communication: Fiducient Advisors Report

The Board reviewed the report.

5. Communication: Month End Investments – August 2022

Ms. McManus presented the report dated September 15, 2022. She provided an update on STIF and noted that the Town purchased another \$5 million in treasury bills, which earned 3.25% in September.

6. Communication: Financial Summary (Revenues & Expenditures) for 3 months - September 2022

Mr. Johnson presented the report dated October 12, 2022. Mr. McIntosh noted that licenses and permits are down markedly. He asked if that is a sign that the economy is slowing down. Ms. McManus explained that, early last year, the Town received over \$100,000 from one building permit, so that is driving the large difference between this year and last year.

7. Communication: Capital Projects – September 2022

Mr. Johnson presented the report dated October 12, 2022. All the projects are going forward in various stages. He noted that the library received a separate ARPA grant which is not part of the \$10.2 million. Mr. Zeller asked if anything has gone out to bid for the Naubuc Project. Mr. Johnson will check and report back. Mr. Soper asked if the Town is seeing any inflationary pressures with some of the capital projects. Mr. Johnson replied, a little. There is uncertainty and some volatility, but the big issue has been a marked delay in delivery times. Mr. Soper noted that if inflationary pressures have exacerbated the cost of paving, then the Town could consider using ARPA monies to relieve that pressure.

8. Communication: Self Insurance Reserve Fund – September 2022

Ms. McManus presented the report dated October 4, 2022. The fund is experiencing a \$1.6 million loss, which is related to timing on the BOE side. There have been no large loss claims this year. Mr. McIntosh asked if there will be a discussion on the balances because the size of these reserves seems inappropriate. Mr. Johnson stated yes, there will be a discussion during the budget process.

9. Communication: Transfers Approved by Town Manager Since Last Meeting (None)

10. **Action:** Transfers over \$5,000

- a. Welles Turner Library Administration and FF&E (\$100,000)

Mr. Johnson explained that the project is currently about \$685,000 below budget. This will shuffle money to wrap up the project.

Motion by: Mr. McIntosh

Seconded by: Mr. Soper

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the transfer of \$100,000 from Capital Reserve Projects - Welles Turner Library - Contingency account to the Capital Reserve Projects - Welles Turner Library - Administration and FF&E accounts, as presented without changes.

Result: Motion passed unanimously {5-0-0}.

- b. General Fund-Unassigned Fund Balance to Police (\$60,000) and Fire (\$30,000)

Mr. Johnson explained that there is a \$25,000 federal grant to fund costs for the emergency

services team and other improvements to the police department. All funds are fully offset by grant revenues. However, there is no appropriation in the police department, so this appropriates \$25,000 for the grant funded items to avoid operating in the red. Police overtime for safe street patrol is also not budgeted, so they have added \$35,000 to the overtime account, which will also be fully offset by grant revenue. Mr. McIntosh asked what event management equipment is and how that relates to JAG. Mr. Johnson explained that those are items used for crowd control and equipment to effectively manage a large rally. Mr. McIntosh finds it a stretch for JAG to be concerned about that.

Mr. Zeller clarified that no money would come out of the Unassigned Fund Balance. Mr. Johnson stated that is correct. Mr. Zeller asked if the PFAS will be removed. Mr. Johnson explained that there are small supplies which they intend to remove. The cost is \$35,000 and there is a potential for a grant. If the grant is near term, they will hold off to ensure that the Town is not disqualified. Mr. Zeller asked if the removal is mandated. Mr. Johnson is not sure, but it certainly falls under best practices. Mr. McIntosh remarked that the Fire Department at Martha's Vineyard utilized this material in the past, and it polluted the groundwater to such an extent that they believe it has caused a cancer problem.

Motion by: Mr. McIntosh

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves a \$95,000 reappropriation and transfer from the General Fund - Unassigned Fund Balance to Police - Wages (\$35,000), Police - Training & Dues (\$25,000), and Fire - Vehicle Maintenance (\$35,000), as presented without changes.

Result: Motion passed unanimously {5-0-0}.

11. Communication: Several Items

Mr. Johnson noted that there will be a special meeting on November 9. The Board agreed to meet at 2:00 p.m. Mr. Johnson stated that the Gideon Welles School Boiler/HVAC project was initially projected to be eligible for a \$1.2 million grant. However, that projection was based on very little information. More details have emerged, showing a budgeted forecast of \$500,000. Thus, the Council reduced the \$1.2 million to \$500,000. If the grant is successfully awarded, it would cover 33.57% of the cost. He also reviewed the ARPA excerpt from the Final Budget.

The Board moved to add Item 11A: Sewer Sinking Fund Transfer Correct (\$290,000) to the agenda.

Motion by: Mr. Lynn

Seconded by: Mr. McIntosh

Result: Motion to add Item 11A to the agenda passed unanimously {5-0-0}.

a. Action: Sewer Sinking Fund Transfer Correction (\$290,000).

Mr. Johnson explained that the transfer made by the WPCA for re-roofing at the Wastewater Treatment Plant was listed incorrectly. It should have been \$60,000 to supplement the \$230,000 previously appropriated. The bids are in and the WPCA has been advised. This action will correct that error.

Motion by: Mr. McIntosh

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves the transfer of \$290,000 from the Sewer Sinking Fund - Undesignated Fund Balance to the Sewer Sinking Projects Fund - WPC Roofs, as presented without changes.

Result: Motion passed unanimously {5-0-0}.

12. Board of Finance Committee Reports, comments, and remarks (no action to be taken)

Mr. Constantine stated that PBC has not yet met. Mr. Zeller asked if Mr. Johnson will discuss possible uses of the Unassigned Fund Balance as part of the budget process. Mr. Johnson stated that he plans on speaking about it at the Board's November 16 meeting. He will also make a presentation for the Council to get everyone on the same page. Mr. Johnson noted that Keri Rowley has been appointed the town's new Finance Director, effective November 14. She is the current Director of Finance in Bloomfield. She will attend the Board's next meeting.

13. Adjournment

Motion by: Mr. McIntosh

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of October 19, 2022, at 5:15 p.m.

Result: Motion passed unanimously {5-0-0}.

Respectfully submitted,

Lilly Torosyan
Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

November 2, 2022

TO: Board of Finance & Richard J. Johnson, Town Manager
 FROM: *MD* Melissa Dionne, Budget/Finance Analyst
 RE: Pension Investment Review – **September 2022**

As of September 30, 2022 the pension asset value is \$177,376,719, a net decrease of \$3,034,690 from July 1, 2022. Through the month of September, the fund experienced an unrealized loss of \$11,517,990, which is indicative of the current market and there was a realized loss of \$548. Investment income through September totaled \$933,010.

Beginning Balance July 1, 2022	\$	180,411,409
Revenues:		
Employer Contributions	\$	10,329,019
Employee Contributions	\$	565,935
Total Contributions	\$	10,894,954
Investment Income	\$	933,010
Realized Gains/Losses	\$	(548)
Unrealized Gains/Losses	\$	(11,517,990)
Total Revenues	\$	309,427
Expenditures:		
Benefit Payments	\$	3,296,008
Administrative Fees	\$	11,814
Investment Management Fees	\$	36,295
Total Expenditures	\$	3,344,117
Net Increase/Decrease	\$	(3,034,690)
Ending Balance September 30, 2022	\$	177,376,719

Assuming a 6.25% long-term return on the plan's investments, the July 1, 2021 Unfunded Accrued Liability is \$70.1 million and the corresponding funded ratio is 72.2%. The Town's policy for paying off the unfunded liability is such that there are 12 years remaining in our amortization schedule.


cc: Narae McManus, Controller
 Karen Bonfiglio, Finance Manager, Glastonbury Public Schools

Town of Glastonbury

Administrative Services
Accounting Division

October 14, 2022

To: Board of Finance
Richard J. Johnson, Town Manager

From:  Narae L. McManus, Controller

Subject: Monthly Investment Status

Pooled Investments

The Town's pooled cash investment balances at September 30, 2022 were \$122,886,845. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$58,399,882	2.50	
Citizens Bank	225,247	0.10	
Northern Capital Investment Account	13,884,901	0.15-4.10	Est. current accrued interest \$19,968
Northern Capital Sewer Funds	9,573,027	0.25-3.50	Est. current accrued interest \$12,127
Treasury Bills – LPL Financials	34,996,795	2.41-3.25	Mature Oct. 2022 – Feb. 2023
People's United Investments	21,093	0.10	
Liberty Bank Investments	273,986	0.59	
TD Bank Investments	500,039	1.31	
TD Bank CD	<u>5,011,875</u>	3.02	Matures 2/13/23
Total	<u>\$122,886,845</u>		

General Fund Earnings

- The General Fund portion of pooled investments at September 30 was \$83.6 million.
- As of September 30, the General Fund has realized investment earnings of \$314,803.
- As of September 30, Sewer Sinking funds totaling \$9,480,000 were invested in fully-insured CDs with terms varying from 6 months to six years, with current-year realized investment earnings of \$14,995.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment	
		Earnings July-Sept.	Percent of Budget
2022	\$195,000	30,709	15.75 %
2023	620,000	314,803	50.77

TOWN OF GLASTONBURY
ADMINISTRATIVE SERVICES - Financial Administration

BOF 11/16/22
Item #5

November 10, 2022

TO: Board of Finance and
Richard J. Johnson, Town Manager

FROM: *MD* Melissa Dionne, Budget/Finance Analyst

RE: Financial Summary for the Four Months Ended October 31, 2022 (FY 2022/23)

Note that some variances to budget and prior year are a result of the COVID-19 pandemic.

Expenditure Summary:

Through October 31, 2022, encumbrances total \$75.4m and expenditures total \$60.1m. Combined, this represents 76% of the Town's revised general fund budget of \$178.9m. This compares to \$79.1m and \$58.2m respectively, or 79%, for the same period in the prior year.

The expenditure increase of \$1.8m is allocated \$1.1m BOE, \$130k Town and \$627k Debt/Transfers. The Expenditure increase for both the Town and BOE is largely contributed to having three payrolls in September 2022 and only two in September 2021. This was slightly offset by the annual Pension contribution, which was \$434k lower (\$352k Town / \$93k BOE) than the previous year's annual contribution. The Debt/Transfer increase is due largely to a \$500k transfer to the Capital Projects fund for Gideon Wells HVAC project. The transfer to Capital Reserve Fund is \$400k more in FY23 than FY22.

Below is an Expenditure & Transfer summary report through October 31, 2022.

FINANCIAL COMPARISONS

The below comparison includes Education encumbrance amounts not reflected in the Town's system Reports.

Fiscal Year	Amend/Budget	Expended	Encumbered	Comit %
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2021/2022

Town	\$ 46,761,394	\$ 19,743,657	\$ 14,934,908	74%
Education	113,549,684	30,095,858	59,881,545	79%
Debt/Transfers	13,073,742	8,405,753	4,261,699	97%

2022/2023

Town	\$ 48,112,592	\$ 19,873,657	\$ 15,231,976	73%
Education	116,937,381	31,158,386	56,001,546	75%
Debt/Transfers	13,882,486	9,032,991	4,172,390	95%

Expenditure comparisons of the three major Town Departments are presented below:

	2021/2022	%	2022/2023	%
ADMIN SERVICES	\$ 6,419,889	50%	\$ 6,550,872	50%
PUBLIC SAFETY	16,180,727	47%	16,868,532	45%
PHYSICAL SERVICES	7,448,724	34%	7,598,131	33%

cc: Karen Bonfiglio, Finance Manager; Narae McManus, Controller

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2023 THROUGH OCTOBER 31 2022

FUND 010 - GENERAL FUND

Description	2023 ORIGINAL BUDGET	2023 REVISED BUDGET	FY2023 THRU OCTOBER	2023 ENCUMB	AVAILABLE BALANCE	2023 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	154,692	155,742	85,745	18,073	51,923	66.7%
CUSTOMER SERVICE	67,554	67,554	23,152	1,008	43,394	35.8%
TOWN MANAGER	814,047	834,464	292,000	279,944	262,521	68.5%
HUMAN RESOURCES	732,741	732,741	276,801	212,213	243,727	66.7%
FACILITIES MAINTENANCE	1,967,540	1,975,006	648,818	600,923	725,265	63.3%
TOTAL GENERAL GOVERNMENT	3,736,574	3,765,508	1,326,517	1,112,161	1,326,830	64.8%
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	747,452	747,452	282,245	187,436	277,771	62.8%
BUILDING INSPECTION	593,540	593,540	274,952	234,615	83,973	85.9%
FIRE MARSHAL	375,417	399,339	205,238	155,365	38,736	90.3%
HEALTH	792,325	792,325	345,888	299,687	146,750	81.5%
TOTAL COMMUNITY DEVELOPMENT	2,508,734	2,532,656	1,108,324	877,102	547,230	78.4%
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	789,114	789,114	280,644	220,354	288,116	63.5%
INFORMATION TECHNOLOGY	1,037,345	1,047,138	447,235	276,220	323,683	69.1%
ACCOUNTING	515,607	515,607	221,992	213,088	80,527	84.4%
PROPERTY ASSESSMENT	662,127	662,127	280,372	228,905	152,851	76.9%
REVENUE COLLECTION	495,132	495,132	214,035	178,965	102,132	79.4%
TOWN CLERK	592,610	592,610	243,264	241,600	107,746	81.8%
VOTER REGISTRATION	203,847	203,847	75,687	513	127,647	37.4%
LEGAL SERVICES	300,000	300,000	44,201	22,668	233,131	22.3%
PROBATE SERVICES	24,800	24,800	3,901	12,972	7,927	68.0%
INSURANCE/PENSIONS	1,920,497	1,920,497	1,467,199	209,604	243,694	87.3%
TOTAL ADMINISTRATIVE SERVICES	6,541,079	6,550,872	3,278,528	1,604,890	1,667,455	74.5%
PUBLIC SAFETY						
POLICE	15,058,422	15,302,268	6,912,601	5,065,418	3,324,249	78.3%
VOLUNTEER AMBULANCE	3,175	3,175	539	-	2,636	17.0%
FIRE	1,473,759	1,531,599	590,823	276,097	664,679	56.6%
CIVIL PREPAREDNESS	31,490	31,490	6,672	229	24,589	21.9%
TOTAL PUBLIC SAFETY	16,566,846	16,868,532	7,510,635	5,341,744	4,016,153	76.2%
PHYSICAL SERVICES						
ENGINEERING	1,744,221	1,792,904	778,557	751,644	262,703	85.3%
HIGHWAY	4,597,674	4,598,943	1,346,429	1,455,895	1,796,619	60.9%
FLEET MAINTENANCE	1,203,744	1,206,284	361,900	504,994	339,389	71.9%
TOTAL PHYSICAL SERVICES	7,545,639	7,598,131	2,486,887	2,712,533	2,398,712	68.4%

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2023 THROUGH OCTOBER 31 2022

FUND 010 - GENERAL FUND

Description	2023 ORIGINAL BUDGET	2023 REVISED BUDGET	FY2023 THRU OCTOBER	2023 ENCUMB	AVAILABLE BALANCE	2023 % USED
SANITATION						
REFUSE DISPOSAL	957,950	964,988	284,907	394,193	285,888	70.4%
TOTAL SANITATION	957,950	964,988	284,907	394,193	285,888	70.4%
HUMAN SERVICES						
CONTRIBUTORY GRANTS	36,000	36,000	19,000	-	17,000	52.8%
YOUTH/FAMILY SERVICES	1,799,038	1,800,888	693,873	605,455	501,559	72.1%
SENIOR & COMMUNITY SERVICES	1,526,985	1,555,930	554,125	387,147	614,658	60.5%
TOTAL HUMAN SERVICES	3,362,023	3,392,818	1,266,998	992,602	1,133,217	66.6%
LEISURE/CULTURE						
PARKS/RECREATION	4,351,497	4,531,734	1,802,038	1,524,106	1,205,590	73.4%
WELLES TURNER LIBRARY	1,892,353	1,892,353	790,825	672,646	428,882	77.3%
SOUTH GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0%
EAST GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0%
TOTAL LEISURE/CULTURE	6,258,850	6,439,087	2,607,863	2,196,752	1,634,472	74.6%
OTHER:Debt & Transfers						
DEBT SERVICE	6,902,429	6,902,429	2,301,946	4,172,390	428,093	93.8%
TRANSFERS	6,480,057	6,980,057	6,734,045	-	246,012	96.5%
TOTAL OTHER:Debt & Transfers	13,382,486	13,882,486	9,035,991	4,172,390	674,105	95.1%
EDUCATION						
EDUCATION	116,937,381	119,615,372	31,605,484	750	88,009,139	26.4%
TOTAL EDUCATION	116,937,381	119,615,372	31,605,484	750	88,009,139	26.4%
TOTAL 010 - GENERAL FUND	177,797,562	181,610,450	60,512,132	19,405,116	101,693,202	44.0%

TOWN OF GLASTONBURY

BOF 11/16/22
Item #6

ADMINISTRATIVE SERVICES - Financial Administration

November 8, 2022

TO: Board of Finance
FROM: MD Melissa Dionne, Budget/Finance Analyst
RE: Capital Projects Fund Expenditures Report
For the Period Ended October 31, 2022 (FY 2022/2023)

The funding presented on this statement has been authorized by referendum, the annual Capital Improvement Program and additional appropriations from the Capital Reserve Fund balance as noted below. The Capital Program designation includes funding resources of the Capital Reserve Fund, Sewer Assessments Fund, or Sewer Operating Fund and grants. In some cases, funding resources may also be provided from General Fund fund balance.

Current appropriated funding for all Capital projects as indicated on the October 31, 2022 report is **\$105.9m**, \$5.7m of which is through ARPA funding.

Expenditures for current projects since inception through October 31, 2022 total **\$78.1m**. Encumbrances outstanding total **\$2.8m**. The most significant encumbrances are for GHS Fieldhouse (\$.2m), Road Overlay (\$.2m) and Underground Fuel Storage Tank Replacement (\$.3m).

Capital expenditures through the month of October totaled **\$3.4m** and were for the Welles Turner Library Renovation, Road Overlay, Parking/Access Drive Improvement, Sidewalk Construction and other capital projects.

Attachment

Cc: Richard J. Johnson, Town Manager
Narae McManus, Controller
Karen Bonfiglio, Finance Manager, Board of Education

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH OCTOBER 31 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU OCTOBER	2023 ENCUMB	AVAILABLE BALANCE
FUND 301 - CAPITAL RESERVE PROJECTS					
GenGovt/Public Safety (31006)					
51827 Town Buildings Security	874,000	575,998	1,218	73,508	224,494
51828 Facilities Study	90,000	153	153	-	89,847
51829 Williams Memorial	150,000	-	-	-	150,000
51833 Disaster Prep/Recovery Resourc	1,134,000	886,037	2,171	205,932	42,031
51835 Fire Co Renovations/Code Compl	705,960	489,660	185,604	39,713	176,586
51836 Self Containd Breath Apparatus	520,000	520,788	-	-	(788)
51838 Animal Control Shelter	105,000	6,497	6,497	60,753	37,750
51849 Public Safety Communications	1,650,000	397,516	-	-	1,252,484
51854 Police Building Windows	127,500	88,301	-	-	39,199
51854 Police Building Windows (Pol Bthrm Ren)	110,000	99,249	-	1,065	9,686
51855 Fiber Optic Network-School/Twn	1,192,000	1,128,775	4,356	39,167	24,058
51873 Land Acquisition	1,261,639	1,248,581	38,013	-	13,058
51875 Town Facilities Shop/Storage	1,195,000	1,193,343	5,509	5,417	(3,759)
51888 Property Revaluation	2,111,500	1,820,213	102,989	500	290,787
51892 Document Management System	460,000	390,516	-	42,494	26,990
51912 Tn Hall Improvements	1,718,849	1,716,676	-	-	2,173
51914 Townwide Roof Replacement	855,000	672,858	-	-	182,142
51915 Clean Renewable Energy In	1,562,044	1,437,630	31,310	49,461	74,952
51918 Design Guidelines	125,000	17,820	17,820	81,944	25,236
Total GenGovt/Public Safety	15,947,492	12,690,611	395,639	599,955	2,656,926
PhyServices Sanitation (31007)					
52828 Main Street Reconstruction	2,076,600	-	-	-	2,076,600
52829 Gateway Corp Park Bicyc Pedst	1,013,800	-	-	-	1,013,800
52830 Bridge Replacement/Rehabil	5,150,000	4,669,731	7,212	171,203	309,066
52831 Undergrd Fuel Strg Tank Replac	375,000	-	-	284,623	90,377
52847 Douglas/Sycamore Str Alignment	235,000	28,811	-	1,089	205,100
52848 Main Street Sidewalks Phase 3	1,570,000	665,232	11,778	2,074	902,695
52871 Parking/Access Drive Improvmnt	1,250,000	1,093,649	268,604	-	156,351
52872 Hebron Avenue Resurfacing	1,276,806	1,134,807	-	-	141,999
52879 Sidewalk Construction Townwide ()	-	-	-	-	-
52879 Sidewalk Construction Townwide ()	494,045	396,383	396,383	2,826	94,836
52882 Sidewalk Repair and Maintenanc	850,000	579,634	(1,100)	250,000	20,366
52883 Townwide Drainage Solutions	400,000	213,082	918	-	186,918
52884 Town Center Streetscape Improv	206,186	-	-	-	206,186
52886 Old Maids Lane-Public Water	175,000	-	-	-	175,000
52939 Bell Street Sidewalks	900,000	-	-	-	900,000
52946 Road Overlay ()	1,261,381	1,261,381	-	-	-
52946 Road Overlay ()	2,148,258	1,676,099	1,676,099	136,393	335,765
52949 Gen Bicycle/pedestrian Imprvmt	164,262	-	-	101,000	63,262

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH OCTOBER 31 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU OCTOBER	2023 ENCUMB	AVAILABLE BALANCE
52951 Heavy Equipment	804,021	630,678	-	-	173,343
52958 Glastonbury Blvd Paving	2,200,000	1,987,777	-	-	212,223
52959 Traffic Calming	100,000	-	-	-	100,000
52960 Renovation andSite Restoration	1,613,189	1,576,344	-	-	36,845
52960 Renovation andSite Restoration (Slocumb Dam)	275,000	232,901	-	-	42,099
52963 Hebron Ave/House St Improvemen	1,975,000	1,610,474	-	2,843	361,684
52964 Public Water Service - Uranium	50,000	32,805	-	2,195	15,000
52965 Mill St Bridge Replacement	180,000	-	-	-	180,000
Total PhyServices Sanitation	26,743,547	17,789,788	2,359,894	954,245	7,999,514
Culture/Parks &Recreation (31008)					
53825 Addison Park Renovations	375,000	54,986	1,912	51,916	268,098
53832 Aquatics Facility	125,000	112,896	-	-	12,104
53837 Minnechaug Golf Improvements	662,500	389,921	270	4,000	268,579
53838 Library Exterior Renovations	94,624	-	-	-	94,624
53839 Multi-Use Trail	1,228,000	1,110,804	10,571	1,353	115,843
53841 Splash Pad	550,013	529,280	-	20,702	31
53842 PICKLEBALL COURTS	140,000	17,243	6,443	104,990	17,767
53843 Riverfront Park and Boathouse	119,000	111,827	80,158	34,545	(27,372)
53856 Parks Facility Renov/Expansion	1,038,500	1,037,761	39	-	739
53857 Riverfront Park Extension	803,973	777,023	-	-	26,950
53860 Library Upgrade/Redesign	332,000	247,561	-	-	84,439
53873 Grange Pool	389,572	344,572	-	-	45,000
53874 Tree Management	603,205	481,865	53,268	2,532	118,808
53875 Cider Mill	80,000	39,926	-	-	40,074
53876 Center Green Renovations	100,000	-	-	-	100,000
53878 Town Property Conversion	40,000	-	-	-	40,000
53920 Open Space Access	540,000	360,358	6,007	35,738	143,904
53921 Winter Hill	410,000	155,075	7,700	176,102	78,823
Total Culture/Parks &Recreation	7,631,387	5,771,099	166,368	431,878	1,428,411
Education (31009)					
55836 HVAC/Boilers (CAP RES-GID WEL)	1,414,178	1,400,861	-	13,227	90
55839 Energy Audit--All Schools	260,500	241,491	-	-	19,009
55847 GHS Fieldhouse	2,328,004	2,362,878	-	169,792	(204,666)
55860 GHS Kitchen Upgrades	1,675,000	1,649,688	-	-	25,312
55863 GHS Parking and Access Drives	365,000	365,616	-	-	(616)
55868 Smith Middle School Gym Floor	621,664	621,343	-	-	321
55870 School Roofs	50,000	14,788	-	-	35,212
55871 Multi-School Locker Replacemnt	460,000	213,198	-	18,603	228,200
55872 Gideon Welles Design-Roof Repl	550,000	18,603	-	16,748	514,650
55873 EDU-Feasibility Analysis/Cost	100,000	-	-	-	100,000
55874 Naubuc School Open Space Reno	3,200,000	26,471	26,322	129,598	3,043,931
Total Education	11,024,346	6,914,937	26,322	347,967	3,761,441

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH OCTOBER 31 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU OCTOBER	2023 ENCUMB	AVAILABLE BALANCE
TOTAL 301 - CAPITAL RESERVE PROJECTS	61,346,772	43,166,435	2,948,223	2,334,045	15,846,292
FUND 302 - SEWER SINKING PROJECTS					
PhySer Sewer Sinking (32007)					
52887 Eastbury Pump Statn Generator	75,000	-	-	27,950	47,050
52888 WPC Emergency Power	202,500	154,104	-	-	48,396
52889 WPC Energy Conservation Prog	315,000	92,247	-	12,021	210,731
52893 Cider Mill Pump Station	1,791,000	1,670,692	-	-	120,308
52937 Sewer System Force Main Evalua	150,000	-	-	-	150,000
52938 WPC Roofs	520,000	-	-	-	520,000
52953 Parker Terrace Stn Force Main	75,000	-	-	-	75,000
Total PhySer Sewer Sinking	3,128,500	1,917,043	-	39,971	1,171,485
TOTAL 302 - SEWER SINKING PROJECTS	3,128,500	1,917,043	-	39,971	1,171,485
FUND 303 - LAND ACQUISITION					
Land / Open Space (33157)					
78830 Land 2017	4,000,000	4,000,000	-	-	-
78831 Land 2020	3,000,000	1,753,270	-	-	1,246,730
Total Land / Open Space	7,000,000	5,753,270	-	-	1,246,730
TOTAL 303 - LAND ACQUISITION	7,000,000	5,753,270	-	-	1,246,730
FUND 304 - TOWN AID					
PhySer Conn Grant (33207)					
52942 Town Aid Improved Rds ()	558,773	558,773	-	-	-
52942 Town Aid Improved Rds ()	756,893	176,033	176,033	132,996	447,864
52943 Town Aid Unimproved Rds ()	10,778	10,778	-	-	-
52943 Town Aid Unimproved Rds ()	26,973	-	-	-	26,973
Total PhySer Conn Grant	1,353,417	745,584	176,033	132,996	474,837
TOTAL 304 - TOWN AID	1,353,417	745,584	176,033	132,996	474,837
FUND 314 - RIVERFRONT PARK					
Riverfront Park - Phase I (34560)					
66805 Administrative	147,738	147,737	-	-	1
66810 Engineering	121,418	121,417	-	-	1
66824 Machinery & Equipment	196,373	196,373	-	-	-
66825 Construction	3,784,471	3,784,470	-	-	1
66829 Contingency	-	-	-	-	-
Total Riverfront Park - Phase I	4,250,000	4,249,998	-	-	2
RIVERFRONT PARK - PHASE II (34561)					
66805 Administrative	18,000	17,962	-	-	38
66810 Engineering	863,500	844,120	-	-	19,380

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH OCTOBER 31 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU OCTOBER	2023 ENCUMB	AVAILABLE BALANCE
66825 Construction	14,680,000	14,712,305	-	-	(32,305)
66829 Contingency	48,500	30,833	-	-	17,668
Total RIVERFRONT PARK - PHASE II	15,610,000	15,605,220	-	-	4,780
TOTAL 314 - RIVERFRONT PARK	19,860,000	19,855,218	-	-	4,782
FUND 316 - GATEWAY PROJECT					
Gateway Corporate Park (35357)					
52845 Gateway Corp. Park	888,541	869,410	-	-	19,131
Total Gateway Corporate Park	888,541	869,410	-	-	19,131
TOTAL 316 - GATEWAY PROJECT	888,541	869,410	-	-	19,131
FUND 318 - LIBRARY RENOVATION					
Welles Turner Library Renov (34509)					
66805 Administrative	150,515	141,943	985	2,757	5,815
66810 Engineering	500,000	474,872	-	17,754	7,374
66824 Machinery & Equipment	610,000	582,157	154,796	27,283	560
66825 Construction	5,000,000	4,543,957	107,077	39,340	416,703
66829 Contingency	250,000	-	-	-	250,000
Total Welles Turner Library Renov	6,510,515	5,742,930	262,857	87,134	680,451
TOTAL 318 - LIBRARY RENOVATION	6,510,515	5,742,930	262,857	87,134	680,451
FUND 319 - BULKY WASTE CLOSURE FUND					
BULKY WASTE CLOSURE FUND (34519)					
66829 Contingency	130,000	-	-	-	130,000
Total BULKY WASTE CLOSURE FUND	130,000	-	-	-	130,000
TOTAL 319 - BULKY WASTE CLOSURE FUND	130,000	-	-	-	130,000
FUND 320 - AMERICAN RESCUE PLAN ACT					
AMERICAN RESCUE PLAN ACT FUND (34520)					
42555 Other Expenditures (WTM LIBRARY)	18,444	15,982	-	2,462	-
44730 Machinery & Equipment ()	14,500	-	-	-	14,500
44740 Improvements (Land&Bldg.) ()	34,000	-	-	-	34,000
44740 Improvements (Land&Bldg.) ()	15,000	-	-	11,900	3,100
51829 Williams Memorial	1,250,000	-	-	-	1,250,000
51833 Disaster Prep/Recovery Resourc	200,000	-	-	-	200,000
51835 Fire Co Renovations/Code Compl	475,000	5,818	5,818	664	468,518
51838 Animal Control Shelter	950,000	-	-	57,145	892,855
51839 Fire_ Rescue Pumpers	1,600,000	-	-	-	1,600,000
51915 Clean Renewable Energy In	80,000	-	-	-	80,000
52952 Traffic Signal Upgrades	450,000	-	-	-	450,000
53842 PICKLEBALL COURTS	145,000	-	-	145,000	-

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH OCTOBER 31 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU OCTOBER	2023 ENCUMB	AVAILABLE BALANCE
53843 Riverfront Park and Boathouse	150,000	-	-	9,600	140,400
53873 Grange Pool	100,000	-	-	-	100,000
53877 Riverfront Comm. Ctr Upgrades	80,000	-	-	-	80,000
53879 AGE FRIENDLY COMMUNITY	150,000	-	-	-	150,000
Total AMERICAN RESCUE PLAN ACT FUND	5,711,944	21,800	5,818	226,771	5,463,373
TOTAL 320 - AMERICAN RESCUE PLAN ACT	5,711,944	21,800	5,818	226,771	5,463,373
GRAND TOTAL	105,929,689	78,071,689	3,392,932	2,820,917	25,037,083

TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

TO: Board of Finance
Richard J. Johnson, Town Manager

FROM: Melissa Dionne, Finance/Budget Analyst

DATE: MD November 8, 2022

SUBJECT: Self Insurance Reserve Update October 2022

The attached report summarizes the Self Insurance Reserve fund through October 31, 2022. The total reserve is \$14,875,550 allocated \$4,774,112 and \$10,100,439 between Town and Board of Education, respectively. As of October the fund is experiencing a \$1,192,526 loss for the fiscal year.

As of October 31, we are expecting to receive reimbursement of \$214,343 from CT Prime for FY2022 large loss claims (\$160,882 for BOE and \$53,461 for the Town). This balance due is not reflected in the financial summary.

There are currently no large loss claims for FY2022/2023, which are defined as any claims that exceed \$50,000.

Enc.

cc: Dr. Alan Bookman, Superintendent
Karen Bonfiglio, Business Manager

SELF INSURANCE RESERVE FUND

YTD Balances As of: October 31, 2022

	Town	Education	Total
Contributions			
Employer	\$1,842,814	\$2,515,273	\$4,358,087
Employee	443,704	785,462	1,229,166
Stop Loss Reimbursement	22,746	205,570	228,316
Total Revenues	\$2,309,265	\$3,506,305	\$5,815,569
Expenditures			
Anthem			
ASO Fees	\$40,910	\$153,935	\$194,844
Claims	1,147,843	4,580,531	5,728,373
	\$1,188,752	\$4,734,465	\$5,923,217
Delta Dental			
ASO Fees	\$5,619	-	\$5,619
Claims	62,501	-	62,501
	\$68,120	-	\$68,120
Bank Fees/PCORI Fee	\$1,146	\$4,014	\$5,160
CT Prime	256,637	709,960	\$966,597
OneDigital Consultant Fees	9,000	36,000	45,000
	\$266,784	\$749,974	\$1,016,758
Total Expenditures	\$1,523,656	\$5,484,440	\$7,008,096
Current Year Revenues Less Expenses	\$785,609	(\$1,978,135)	(\$1,192,526)
Reserve July 1, 2022	\$3,989,503	\$12,078,573	\$16,068,076
Reserve at end of month	\$4,775,112	\$10,100,439	\$14,875,550

	Town		BOE		Total
Reserve at end of month	\$ 4,775,112	\$	10,100,439	\$	14,875,550
Recommended Minimum Reserve ^A	\$ 1,195,859	\$	3,682,791	\$	4,878,650
Variance Over/(Under) Reserved	\$ 3,579,253	\$	6,417,648	\$	9,996,900

A. As of November 2022. The next update will be provided in March 2023.

TOWN OF GLASTONBURY
BUDGET TRANSFERS AND AMENDMENTS


FUND	GENERAL FUND
SOURCE OF FUNDS	GENERAL FUND – INTRA DEPARTMENT
ACTION REQUIRED	TOWN MANAGER

REASON FOR TRANSFER

Funds needed to purchase a laptop computer for new Director of Finance and Administrative Services.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Financial Administration – FT Wages	01519-40410	\$2,000

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Financial Administration – Office Equipment/Furniture	01519-44710	\$2,000

Date 10-18-2022 Town Manager 

TOWN OF GLASTONBURY
BUDGET TRANSFERS AND AMENDMENTS

FUND	GENERAL FUND
SOURCE OF FUNDS	GENERAL FUND – INTRA DEPARTMENT
ACTION REQUIRED	TOWN MANAGER

REASON FOR TRANSFER

Printing cost for pre-referendum explanatory text was greater than available budget.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Town Manager – Printing/Reproduction	01113-43650	\$3,300

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Town Council – Printing/Reproduction	01111-43650	\$3,300

Date 11-7-2022

Town Manager 

MEMORANDUM

To: Board of Finance
From: Richard J. Johnson, Town Manager
Date: November 10, 2022
Re: **Land Purchase – ARPA Funding**

The Council is considering a purchase of the \$10.86+/- acre site located at the terminus of Nye Rd. as outlined on the attached page. The subject site provides access to 9+/- acres of Town owned land [Gateway site] which is now land locked. This includes 3.8 +/- acres immediately adjacent to 50/55 Nye Rd. The parcel is under consideration as a site for affordable housing project which will require demolition of the building at 55 Nye Rd. and potential use of the structure at 50 Nye Rd. for Town/Education purposes. Allocation of \$3.4M in ARPA funding is proposed for the purchase.

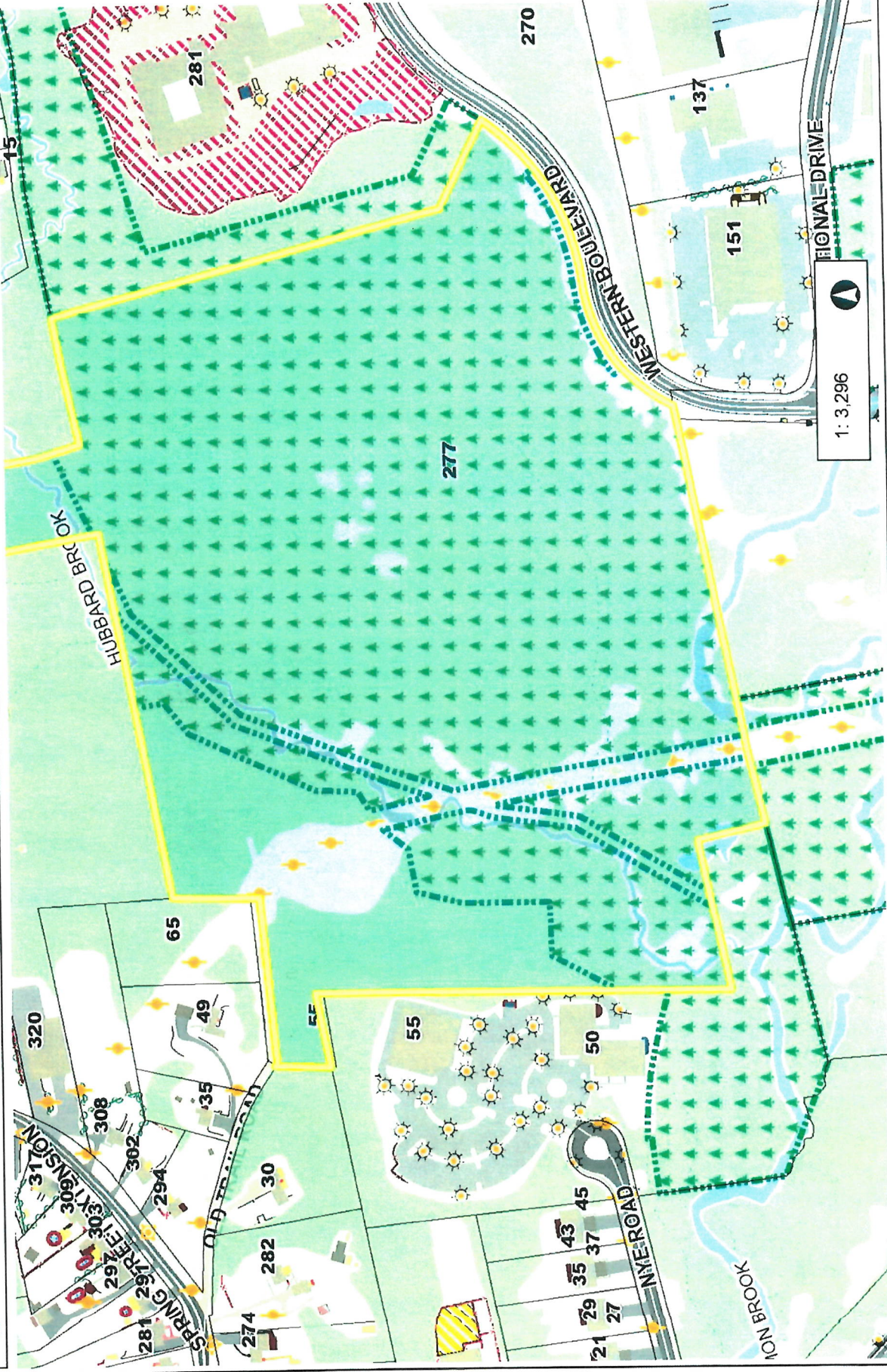
At its meeting of Wednesday, November 9th 2022, the Council referred this matter to the Board of Finance as a supplemental appropriation. The Town attorney has indicated criteria to be considered by the Board includes availability of ARPA monies for the proposal, and whether the proposed use is consistent with guidelines for use of ARPA funding.

Available ARPA monies total \$4.3M+/- and use of these funds for affordable housing is consistent with guidelines issued by the Treasury Department.

This matter is scheduled for action at the Board's meeting of Wednesday, November 16, 2022.

RJJ/kvs

55 Nye Rd



1: 3,296



This map is a user generated static output from an Internet mapping site and is for reference only. Property boundaries and other data layers that appear on this map may or may not be accurate, current, or otherwise reliable. The Town of Glastonbury and the mapping companies assume no legal responsibility for the information contained in this data.

THIS MAP DOES NOT REPRESENT A LEGAL BOUNDARY DETERMINATION.

MEMORANDUM

To: Board of Finance
From: Richard J. Johnson, Town Manager
Date: November 10, 2022
Re: **Pension Related Actions**

At the Special Meeting of the Board of Finance on Wednesday, November 9, 2022, Fiducient outlined several proposed changes to the investment portfolio, which are detailed on the attached pages.

Chris Kachmar will attend the Board of Finance meeting of Wednesday, November 16, 2022, to discuss with action as applicable.

RJJ/kvs



Glastonbury Portfolio Review - Current vs. Proposed Portfolio

Notes

Manager/Fund Name	Vehicle	Liquidity	Expense Ratio*	Current Target Allocation	Proposed Target Allocation
Cash & Equivalents					
All Spring Govt MM	MM Fund	Daily		0.5%	0.5%
Fixed Income					
MetWest Total Return Plan Shares	Mutual Fund	Daily	0.37%	13.75%	12.25%
BlackRock Total Return	Mutual Fund	Daily	0.38%	13.75%	12.25%
BlackRock Strategic Income Opportunities K	Mutual Fund	Daily	0.59%		8.0%
PGIM Global Total Return Fund	Mutual Fund	Daily	0.52%	5.0%	
Total Fixed Income				32.5%	32.5%
Domestic Equity					
Vanguard Inst'l Index	Mutual Fund	Daily	0.035%	28.0%	28.0%
Jackson Square SMID Growth IS	Mutual Fund	Daily	0.870%	6.0%	
William Blair SMID Growth R6	Mutual Fund	Daily	1.03%		6.0%
EARNEST Partners SMID Value CIT	Commingled Fund	Daily	0.65%	6.0%	6.0%
Total Domestic Equity				40.0%	40.0%
International Equity					
Causeway International Value Instl	Mutual Fund	Daily	0.87%	5.5%	5.5%
Vanguard International Growth Fund Adm	Mutual Fund	Daily	0.32%	5.5%	5.5%
Templeton Instl Foreign Smaller Co Adv.	Mutual Fund	Daily	1.04%	2.0%	
GQG Emerging Markets Inst'l	Mutual Fund	Daily	0.98%		2.5%
Cape Ann Global Developing Markets Fund	Commingled Fund	Daily	1.25%	3.0%	2.5%
Total International Equity				16.0%	16.0%
Real Estate					
Barings Core Property	LP	Quarterly	0.98%	6.0%	6.0%
Total Real Estate				6.0%	6.0%
Real Assets					
Vanguard Short Term Inflation Protected Secs Adm	Mutual Fund	Daily	0.06%	2.5%	
Parametric Commodity Strategy Inst'l	Mutual Fund	Daily	0.69%	1.25%	
iShares Gold Trust	ETF	Daily	0.25%	1.25%	
DWS RREEF Real Assets R6	Mutual Fund	Daily	0.90%		5.0%
Total Real Assets				5.0%	5.0%
Portfolio Totals				100.0%	100.0%
Weighted Average Expense Ratio				0.43%	0.51%

* Expense ratio does not include incentive fees. ** Weighted Average Base Fee.

- Within fixed income, the PGIM Global Bond strategy has continued to struggle. Replacing this with an unconstrained bond mandate may better balance the risk profile of the fixed income allocation
- Within domestic equity, Jackson Square SMID growth has underperformed since its inception in the portfolio. A replacement manager with less tracking error and higher quality conviction may serve as a suitable compliment to Earnest Partners
- Within international equity, consider replacing Templeton Small Cos. with a complementary emerging markets growth mandate to Cape Ann
- The current Real Asset exposure is via three distinct mandates. A diversified Real Asset Fund may provide more efficient exposure to diversified real assets

Color Key:

Maintain

Terminate

New/Add



Summary of Portfolio Considerations

Fixed Income

- Eliminate allocation to global bonds by terminating PGIM Global Total Return
- Establish an 8% allocation to dynamic bonds via the BlackRock Strategic Income Fund, resize the two Core Plus strategies (MetWest Total Return and BlackRock) from 13.75% each to 12.25% each

Domestic Equity

- Terminate Jackson Square SMID Growth, replace with William Blair SMID Growth (maintain 6% target)

International Equity

- Eliminate allocation to international small-cap by terminating Templeton Inst'l Foreign Small Cos.
- Add a complimentary emerging markets growth strategy via GQG Emerging Markets to Cape Ann Global Developing Markets, resize the two emerging markets mandates to 2.5% each

Real Assets

- Terminate existing roster of real asset mandates (Vanguard Short-Term Inflation Protection, Parametric Commodity Strategy, and iShares Gold Trust)
- Replace with a single diversified real asset mandate, via DWS RREEF Real Assets Strategy

As of 09/30/2022 | Class K: BSIKX | Institutional: BSIX | Investor A: BASIX | Investor C: BSICX

Flexible, core bond complement

Diversified across markets and strategies

Seeks total return that is consistent with preservation of capital



Morningstar has awarded the Fund a Gold medal (Effective 02/16/2022).† Rated against 311 Nontraditional Bond Funds, as of 09/30/2022 based on risk adjusted total return. Overall Ratings are determined monthly and subject to change. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics.††

ANNUALIZED PERFORMANCE

Without Sales Charge	1 Year	3 Year	5 Year	10 Year
Class K	-7.27	0.78	1.75	2.54
Benchmark	-14.92	-3.11	-0.18	1.17
Morningstar Average	-8.06	-0.51	0.52	1.52

CALENDAR YEAR PERFORMANCE

Without Sales Charge	2017	2018	2019	2020	2021	YTD	3Q2022
Class K	4.97	-0.47	7.82	7.29	1.05	-7.09	-1.78
Benchmark	4.09	-0.25	9.29	7.58	-1.10	-14.90	-4.45
Morningstar Average	4.06	-1.17	6.69	3.44	1.80	-8.08	-2.81

Performance data shown represents past performance which is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. All returns assume reinvestment of all dividend and capital gain distributions. Refer to blackrock.com for current month-end performance. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an unmanaged index. Class K shares have limited availability. The performance information for periods prior to the inception date of the share class shows the performance of the Fund's Institutional Shares. The performance of this share class would be substantially similar to Institutional Shares because this share class and Institutional Shares invest in the same portfolio of securities and performance would only differ to the extent that this share class and Institutional Shares have different expenses. Please see the fund prospectus for more details.

MORNINGSTAR RANKINGS

	1 Year	3 Year	5 Year	10 Year
Morningstar Ranking	127/336	73/311	43/265	N/A
Quartile Rank	2	2	1	1

Rankings based on total return excluding sales charges, independently calculated and not combined to create an overall ranking. For periods not shown, Morningstar does not provide rankings based on synthetic performance.

Key Risks: The fund is actively managed and its characteristics will vary. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. International investing involves special risks including, but not limited to currency fluctuations, illiquidity and volatility. These risks may be heightened for investments in emerging markets. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Principal of mortgage- or asset-backed securities normally may be prepaid at any time, reducing the yield and market value of those securities. Obligations of US gov't. agencies are supported by varying degrees of credit but generally are not backed by the full faith and credit of the US gov't. Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher rated securities. The fund may use derivatives to hedge its investments or to seek to enhance returns. Derivatives entail risks relating to liquidity, leverage and credit that may reduce returns and increase volatility. Short-selling entails special risks. If the fund makes short sales in securities that increase in value, the fund will lose value. Any loss on short positions may or may not be offset by investing short-sale proceeds in other investments.

The Fund's information prior to September 17, 2018 is the information of a predecessor fund. The predecessor fund had the same investment objectives, strategies and policies, portfolio management team and contractual arrangements, including the same contractual fees and expenses, as the Fund as of the date of the reorganization. As a result of the reorganization, the Fund adopted the performance and financial history of the predecessor fund.

KEY FACTS

Size of Fund (Millions)	\$40,024.3M
Fund Launch Date	02/05/2008
Share Class Launch Date	03/28/2016
Morningstar Category	Nontraditional Bond
Number of Issuers	4,670
Benchmark	BBG U.S. Universal Index

ANNUAL EXPENSES

Gross Expense Ratio	0.60%
Net Expense Ratio	0.59%

The Net Expense Ratio excluding Investment Related Expenses is 0.51% Investment Related Expenses include acquired fund fees of 0.02%, and interest expense (cost of borrowing securities to seek to enhance return or reduce risk) of 0.06%, and certain other expenses, if applicable. Expenses stated as of the fund's most recent prospectus. The difference between gross and net expense ratios are due to contractual and/or voluntary waivers, if applicable.

PORTFOLIO MANAGEMENT

Rick Rieder	Russell Brownback
Bob Miller	David Rogal

TOP ISSUERS (%)²

UNITED STATES TREASURY	24.66
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION II	5.77
FEDERAL NATIONAL MORTGAGE ASSOCIATION	4.45
FEDERAL HOME LOAN MORTGAGE CORPORATION	2.13
GOLDMAN SACHS GROUP INC/THE	0.53
Total of Portfolio	37.54

TOP SECTORS (%)²

	Fund
US Treasuries	24.6
Non-US Sovereign	22.6
Cash	15.3
Non-US Credit	7.6
US High Yield Credit	7.3
Non-Agency Mortgages	6.0
CLO Securities	5.7
US Investment Grade Credit	5.4
Net Derivatives	5.3
Agency Residential Mortgages	4.9
Commercial Mortgages	4.7

CREDIT RATINGS BREAKDOWN (%)^{2,3}

	Fund
Cash	15.3
Derivatives	-1.2
AAA Rated	35.4
AA rated	4.5
A Rated	6.2
BBB Rated	9.1
BB Rated	7.7
B Rated	6.0
CCC Rated	0.8
CC Rated	0.6
C Rated	0.2
D Rated	0.2
Not Rated	12.1
Other	3.1

PORTFOLIO CHARACTERISTICS

Effective Duration	2.19 yrs
Weighted Average Life	6.13 yrs
30-Day SEC Yield	3.85%

² % of net assets represents the Fund's exposure based on the economic value of securities and is adjusted for futures, options, swaps, and convertible bonds. Allocations subject to change.

³ The fund itself has not been rated by an independent rating agency. Credit quality ratings on underlying securities of the fund are received from S&P, Moody's and Fitch and converted to the equivalent S&P major rating category. This breakdown is provided by BlackRock and takes the median rating of the three agencies when all three agencies rate a security the lower of the two ratings if only two agencies rate a security and one rating if that is all that is provided. Unrated securities do not necessarily indicate low quality. Below investment-grade is represented by a rating of BB and below. Ratings and portfolio credit quality may change over time.

Effective Duration: Measures the sensitivity of the price of a bond with embedded options to changes in interest rates, taking into account the likelihood of the bond being called, put and/or sunk prior to its final maturity date. BlackRock uses a proprietary duration model which employs certain assumptions and may differ from other fund complexes. Effective Duration is measured at the portfolio level and adjusted for leverage, hedging transactions and non-bond holdings, including derivatives. **Standard Deviation:** Standard Deviation measures the volatility of the funds returns. Higher deviation represents higher volatility. **Sharpe Ratio:** Sharpe Ratio uses a funds standard deviation and its excess return (difference between the funds return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. **30-day SEC Yield:** A standard calculation of yield introduced by the SEC to provide fairer comparison among funds. This yield reflects the interest earned after deducting the fund's expenses during the most recent 30-day period by the average investor in the fund.

Unsubsidized SEC Yield: Represents what a fund's 30-Day SEC Yield would have been had no fee waivers or expense reimbursement been in place over the period. Negative 30-Day SEC Yield results when accrued expenses of the past 30 days exceed the income collected during the past 30 days. **Weighted Average Life:** The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. Once calculated, WAL tells how many years it will take to pay half of the outstanding principal.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about the fund and are available, along with information on other BlackRock funds, by calling 800-882-0052 or from your financial professional. The prospectus should be read carefully before investing. Investing involves risks including possible loss of principal.

†The Morningstar Analyst Rating™ is not a credit or risk rating. It is an evaluation performed by Morningstar's Manager Research Group. The funds are evaluated on five pillars: process, performance, people, parent, and price. This evaluation determines how they believe funds are likely to perform relative to a benchmark over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors. For active funds, an Analyst Rating of Gold, Silver, or Bronze reflects the expectation that the fund will be able to deliver positive alpha net of fees relative to the standard benchmark index assigned to the Morningstar category. The Analyst Ratings are overseen by an Analyst Rating Committee and are monitored and reevaluated at least every 14 months.

For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/962834.pdf>. The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

†† The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure (excluding any applicable sales charges) that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The fund was rated against the following numbers of U.S.-domiciled funds: 311 and 265 over the 3 and 5 year periods, respectively. With respect to these funds and time periods, the fund received a rating of Morningstar Rating of 4 and 4 stars. Other classes may have different performance characteristics.

The Bloomberg Barclays U.S. Universal Index comprises the global bond market.

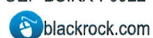
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BLACKROCK®

PORTFOLIO CHARACTERISTICS

Unsubsidized 30-Day SEC Yield

3.84%

RISK STATISTICS (3 YEARS)

	Fund
Standard Deviation	5.60%
Sharpe Ratio	0.06

² % of net assets represents the Fund's exposure based on the economic value of securities and is adjusted for futures, options, swaps, and convertible bonds. Allocations subject to change.

³ The fund itself has not been rated by an independent rating agency. Credit quality ratings on underlying securities of the fund are received from S&P, Moody's and Fitch and converted to the equivalent S&P major rating category. This breakdown is provided by BlackRock and takes the median rating of the three agencies when all three agencies rate a security the lower of the two ratings if only two agencies rate a security and one rating if that is all that is provided. Unrated securities do not necessarily indicate low quality. Below investment-grade is represented by a rating of BB and below. Ratings and portfolio credit quality may change over time.

Effective Duration: Measures the sensitivity of the price of a bond with embedded options to changes in interest rates, taking into account the likelihood of the bond being called, put and/or sunk prior to its final maturity date. BlackRock uses a proprietary duration model which employs certain assumptions and may differ from other fund complexes. **Effective Duration** is measured at the portfolio level and adjusted for leverage, hedging transactions and non-bond holdings, including derivatives. **Standard Deviation:** Standard Deviation measures the volatility of the funds returns. Higher deviation represents higher volatility. **Sharpe Ratio:** Sharpe Ratio uses a funds standard deviation and its excess return (difference between the funds return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. **30-day SEC Yield:** A standard calculation of yield introduced by the SEC to provide fairer comparison among funds. This yield reflects the interest earned after deducting the fund's expenses during the most recent 30-day period by the average investor in the fund. **Unsubsidized SEC Yield:** Represents what a fund's 30-Day SEC Yield would have been had no fee waivers or expense reimbursement been in place over the period. Negative 30-Day SEC Yield results when accrued expenses of the past 30 days exceed the income collected during the past 30 days. **Weighted Average Life:** The average number of years for which each dollar of unpaid principal on a loan or mortgage remains outstanding. Once calculated, WAL tells how many years it will take to pay half of the outstanding principal.

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† The Morningstar Analyst Rating™ is not a credit or risk rating. It is an evaluation performed by Morningstar's Manager Research Group. The funds are evaluated on five pillars: process, performance, people, parent, and price. This evaluation determines how they believe funds are likely to perform relative to a benchmark over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors. For active funds, an Analyst Rating of Gold, Silver, or Bronze reflects the expectation that the fund will be able to deliver positive alpha net of fees relative to the standard benchmark index assigned to the Morningstar category. The Analyst Ratings are overseen by an Analyst Rating Committee and are monitored and reevaluated at least every 14 months.

For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <https://www.morningstar.com/content/dam/marketing/shared/pdfs/Research/962834.pdf>. The Morningstar Analyst Rating (i) should not be used as the sole basis in evaluating a fund, (ii) involves unknown risks and uncertainties which may cause the Manager Research Group's expectations not to occur or to differ significantly from what they expected, and (iii) should not be considered an offer or solicitation to buy or sell the fund.

†† The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure (excluding any applicable sales charges) that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The fund was rated against the following numbers of U.S.-domiciled funds: 311 and 265 over the 3 and 5 year periods, respectively. With respect to these funds and time periods, the fund received a rating of Morningstar Rating of 4 and 4 stars. Other classes may have different performance characteristics.

The Bloomberg Barclays U.S. Universal Index comprises the global bond market.

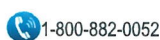
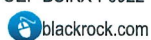
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BLACKROCK®

3Q 2022 Update

William Blair Small-Mid Cap Growth Fund

OBJECTIVE

Capital Appreciation

CHARACTERISTICS

The Fund seeks to invest in small and mid cap quality companies that are expected to have solid growth in earnings.

WHY CONSIDER THIS FUND?

- Seeks to provide strong long-term investment returns with lower levels of risk
- Applies a time-tested, fundamental research approach to assess a company's growth sustainability and critical success factors
- Utilizes William Blair's Research Agenda to ensure portfolio managers and analysts continually focus on the most attractive portfolio candidates
- Managed by experienced, long-tenured portfolio managers

INVESTMENT PERFORMANCE (AS OF 9/30/22)

	QTR	YTD	1 Y	3 Y	5 Y	Since Incep.
Class R6 (SI: 05/02/19)	-1.05%	-29.23%	-28.11%	2.01%	--	2.86%
Russell 2500™ Growth Index ³	-0.12%	-29.54%	-29.39%	4.76%	--	3.72%
Morningstar Mid-Cap Growth Category ⁴	-1.83%	-31.49%	-29.18%	5.10%	--	--

CALENDAR YEAR PERFORMANCE

	2021	2020	2019*
Class R6 (SI: 05/02/19)	8.60	32.44%	8.17%
Russell 2500™ Growth Index ³	5.04	40.47%	8.99%

*Since Inception of Class R6 shares on 5/2/2019 through 12/31/19.

Performance cited represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the data quoted. Returns shown assume reinvestment of dividends and capital gains. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. For the most current month-end performance information, please call +1 800 742 7272, or visit our Web site at www.williamblairfunds.com. Class R6 shares are available only to investors who meet certain eligibility requirements.

EXPENSE RATIOS

	Gross Expense	Net Expense
Class R6	1.03%	--

Expenses shown are as of the most recent prospectus. The Fund's Adviser has contractually agreed to waive fees and/or reimburse expenses to limit fund operating expenses until 4/30/23.

FUND FACTS AND STATISTICS¹

Total Net Assets (\$MM)	\$1,999
Number of Holdings	72
Wgtd Avg Mkt Cap (\$BB)	\$7.4
Unwgted Median Mkt Cap (\$BB)	\$5.7
P/E Ratio (Next 12 Months)	19.0
EPS Growth (Long-Term Projected)	16.6%
Trailing 1-Year Turnover	47.2%
Cash ²	2.7%
Standard Deviation (Since Incep.)	
Fund - Class R6	22.19%
Index ³	23.97%

MORNINGSTAR RATINGS AND RANKINGS*

	Overall	1 Y	3 Y	5 Y	10 Y
Class R6 Rating	★★	--	★★	--	--
Class R6 Percentile Ranking	47	82	--	--	--
# of Funds in Category	582	532	--	--	--

***Morningstar Rating®:** The Morningstar Rating for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended 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 managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. **Morningstar Ranking:** Morningstar Percentile Rankings are based on the Fund's total return (excluding sales charge) relative to all the funds in the same Morningstar category, where 1 is the highest and 100 is the lowest percentile rank. Ratings and rankings are one measure of performance. Some of our Funds have experienced negative performance for the time periods shown. For the most current performance, please visit williamblairfunds.com.

TOP TEN HOLDINGS^{5,6}

Company	Industry	% of Fund
BWX Technologies, Inc.	Aerospace & Defense	2.7
Builders FirstSource, Inc.	Building Products	2.6
Acadia Healthcare Company	Health Care Providers & Services	2.5
Crown Holdings, Inc.	Containers & Packaging	2.3
Denbury Inc	Oil, Gas & Consumable Fuels	2.3
National Vision Holdings, Inc.	Specialty Retail	2.3
Axon Enterprise, Inc.	Aerospace & Defense	2.2
Chemed Corp.	Health Care Providers & Services	2.1
SolarEdge Technologies, Inc.	Equipment	2.1
Wyndham Hotels & Resorts	Hotels, Restaurants & Leisure	2.1
Total Top 10		23.2

SECTOR DIVERSIFICATION^{5,6}

Sector Type	Fund	Index ³
Health Care	24.2%	20.6%
Industrials	21.6%	17.9%
Information Technology	19.8%	22.7%
Consumer Discretionary	11.3%	12.0%
Energy	7.7%	5.5%
Materials	5.7%	4.8%
Financials	4.8%	7.1%
Consumer Staples	2.4%	3.7%
Communication Services	1.5%	1.9%
Real Estate	1.0%	2.5%
Utilities	0.0%	1.3%

PORTFOLIO MANAGEMENT



Dan Crowe, CFA
Started in Industry: 1999
Education: B.S., Univ. of Illinois



Jim Jones, CFA
Started in Industry: 2000
Education: M.B.A., Univ. of North Carolina; B.S., Miami University

MARKET CAP DIVERSIFICATION^{5,6}

Market Cap	Fund	Index ³
> \$10B	25.7%	15.3%
\$5.0B - \$10.0B	36.9%	28.2%
\$3.0B - \$5.0B	24.9%	22.7%
\$1.0B - \$3.0B	12.5%	26.9%
<\$1.0B	0.0%	6.9%

¹Weighted Average Market Capitalization: The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned. **Unweighted Median Market Capitalization:** This calculation represents the median market capitalization of the stocks in the portfolio, regardless of the amount of each stock owned. **P/E (Price/Earnings) Ratio:** A stock with a higher P/E ratio would be considered more expensive relative to another stock with a lower P/E. An investor may pay a higher P/E for a stock for several reasons including, but not limited to, an expectation that the company possesses higher returns on invested capital, less economic sensitivity, higher consistency of earnings and/or higher earnings growth potential. **EPS Growth (Long-Term Projected):** This measure represents the weighted average of forecasted growth in earnings expected to be experienced by stocks within the portfolio over the next 3-5 years. This projected earnings growth should not be considered an indication of future fund performance. **Trailing 1-Year Turnover:** This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio. **Standard Deviation:** A higher standard deviation represents a greater dispersion of returns, and thus, a greater amount of risk. Standard deviation returns shown are annualized and calculated using monthly returns. Funds without a 10-year history are reported against the Fund's inception date. If the Fund's inception date does not fall on the first day of a given month, the annualized standard deviation is calculated based on the first day of the month following the Fund's inception date.

²Cash represents cash and any short-term or overnight investments held by the Fund.

³The Russell 2500 Growth Index measures the performance of those Russell 2,500 companies with above average price-to-book ratios and forecasted growth rates. It is not possible to directly invest in an unmanaged index.

⁴The Morningstar Mid-Cap Growth Category represents the average annual composite performance of all mutual funds listed in the Mid-Cap Growth Category by Morningstar.

⁵Top ten holdings are shown as % of total net assets. Sector and market cap diversification exclude cash equivalents.

⁶Information about the Fund's holdings should not be considered investment advice. There is no guarantee that the Fund will continue to hold any one particular security or stay invested in any one particular sector. Holdings are subject to change at any time.

Risks: The Fund's returns will vary, and you could lose money by investing in the Fund. The Fund invests most of its assets in equity securities of large cap domestic growth companies where the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. Individual securities may not perform as expected or a strategy used by the Adviser may fail to produce its intended result. Different investment styles tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Adviser for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. The Fund invests most of its assets in equity securities of domestic growth companies, including common stocks and other forms of equity investments (e.g., convertible securities). Convertible securities are at risk of being called before intended, which may have an adverse effect on investment objectives. The Fund is not intended to be a complete investment program. The Fund is designed for long-term investors.

Please carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. This and other information is contained in the Fund's prospectus and summary prospectus, which you may obtain by calling +1 800 742 7272. Read the prospectus and summary prospectus carefully before investing. Investing includes the risk of loss.

This content is for informational and educational purposes only and not intended as investment advice or a recommendation to buy or sell any security. Investment advice and recommendations can be provided only after careful consideration of an investor's objectives, guidelines, and restrictions.

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GQG Partners Emerging Markets Equity Fund

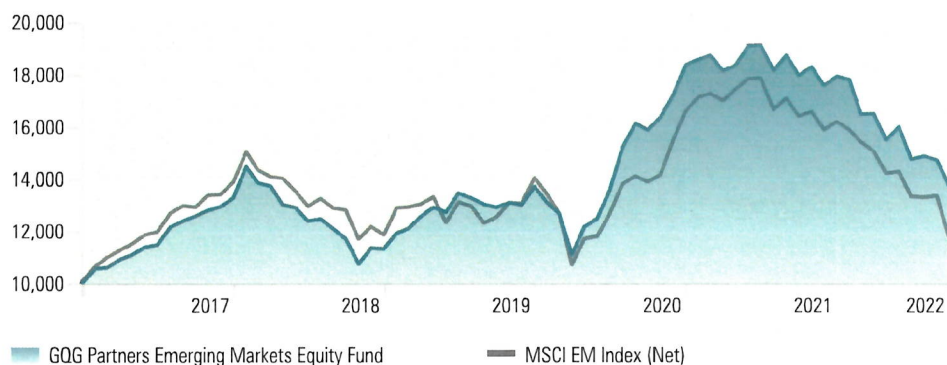
Institutional Class (GQGIX) | 30 September 2022

Investment Objective and Strategy

The GQG Partners Emerging Markets Equity Fund seeks long-term capital appreciation.

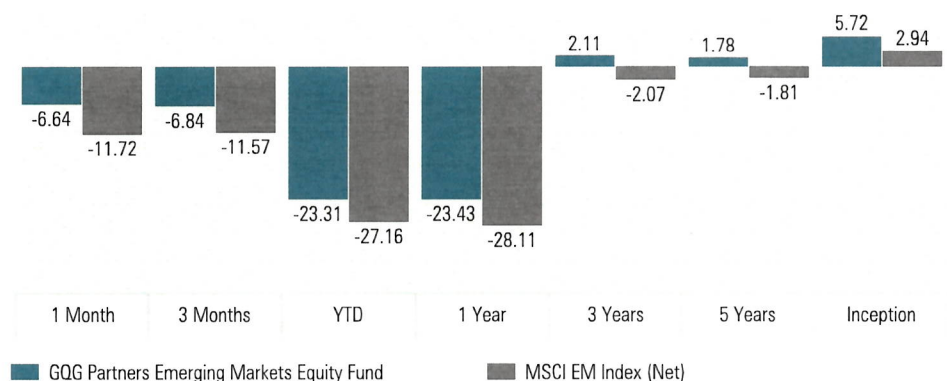
GQG Partners seeks to invest in high-quality, attractively priced companies exhibiting competitive advantages. Our fundamental investment process aims to evaluate each business with a focus on financial strength, sustainability of earnings growth, and quality of management. The resulting portfolio seeks to manage the downside risk of equity investments while providing attractive returns to long-term investors over a full market cycle.

Growth of \$10,000 Since Inception



This chart assumes initial investment of \$10,000 made on 12/28/2016. Fund performance assumes reinvestment of dividends and capital gain distributions and does not reflect sales charges.

Total Return Performance %



The growth chart and performance data quoted above represent past performance and do not guarantee future results. Current performance of the Fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling +1 (866) 362-8333. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns greater than one year are annualized. Performance may reflect agreements to limit the Fund's expenses, which would further reduce performance if not in effect. The Fund's other share classes may have different performance characteristics.

Fund Facts

Fund AUM (mm)	\$ 9,219.07
Ticker	GQGIX
Benchmark	MSCI EM Index (Net)
Share Class	Institutional
Inception Date	12/28/2016
CUSIP	00771X419

Portfolio Characteristics

Characteristic	Fund	Index
# of Holdings	60	1,386
Wtd Avg Mkt Cap (\$bn)	92.45	86.39
Median Mkt Cap (\$bn)	49.57	6.07
Active Share %	79.66	—
Price/Earnings	7.49	9.21

Risk Statistics %

Last 3 Years	Fund	Index
Alpha	3.86	—
Beta	0.88	1.00
Standard Deviation	18.25	19.18
Sharpe Ratio	0.08	-0.14
Upside Capture Ratio	104.73	100.00
Downside Capture Ratio	88.45	100.00
R2	86.03	100.00

Portfolio Managers

Rajiv Jain
Portfolio Manager, Chief Investment Officer

James Anders, CFA
Portfolio Manager

Brian Kersmanc
Portfolio Manager

Sudarshan Murthy, CFA
Portfolio Manager

GQG Partners Emerging Markets Equity Fund

Institutional Class (GQGIX) | 30 September 2022

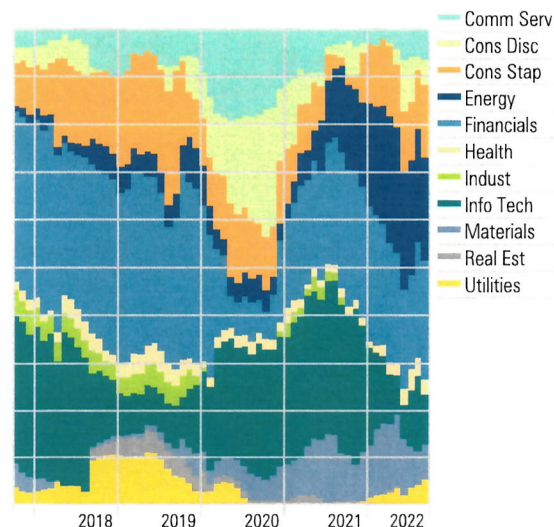
Top 10 Holdings (% total portfolio)

Holding	Fund
Petroleo Brasileiro SA Petrobras	7.4
ITC Ltd	6.0
Taiwan Semiconductor Manufacturing Co Ltd	4.9
Housing Development Finance Corp Ltd	4.6
Vale SA	4.3
Reliance Industries Ltd	4.1
Centrais Eletricas Brasileiras SA	3.7
Wal - Mart de Mexico SAB de CV	3.4
Pinduoduo Inc	3.0
TotalEnergies SE	2.9
	44.2

Sectors (% portfolio equity)

Sector	Fund	Index	Under/Over
Communication Services	6.2	9.7	
Consumer Discretionary	5.4	14.0	
Consumer Staples	15.3	6.6	
Energy	21.5	5.3	
Financials	24.9	22.6	
Healthcare	3.3	3.9	
Industrials	—	5.8	
Information Technology	10.2	18.3	
Materials	8.0	8.7	
Real Estate	—	2.0	
Utilities	5.2	3.2	

Fund Sector Over Time (% portfolio equity)



Portfolio Holdings

Portfolio holdings are subject to change without notice. Cash and cash equivalents represented 1.71% of the total portfolio.

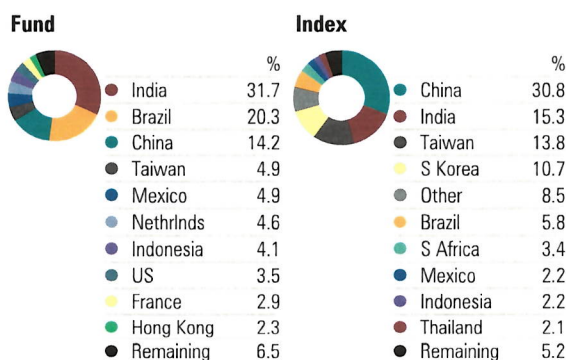
Top ten holdings identified and described do not represent all securities purchased, sold, or recommended for inclusion in the Fund and no assumption should be made that such securities or future recommendations were or will be profitable in the future.

Country allocations reflect the country of risk of the securities in the portfolio as assigned by Morningstar, though GQG's portfolios are constructed based upon GQG's assessment of each issuer's country of risk exposure, which may not be the same as Morningstar's country assignment.

Fund Expense %

Net Expense Ratio	0.98
Gross Expense Ratio	0.98

Top 10 Countries (% portfolio equity)



Morningstar Ratings

Period	# of Stars	# of Funds
Overall	★★★★★	723
3 Year	★★★★★	723
5 Year	★★★★★	642
10 Year	—	371

As of 9/30/2022. Ratings based on risk-adjusted returns for funds in the category US Fund Diversified Emerging Mkts. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

GQG Partners Emerging Markets Equity Fund

Institutional Class (GQGIX) | 30 September 2022

Understanding Investment Risk

Investing involves risks, including loss of principal. There is no guarantee the Fund will achieve its stated objective. International investments may involve the risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or social, economic, or political instability in other nations. Emerging markets involve heightened risks related to the same factors, as well as increased volatility and lower trading volume. The Fund is non-diversified. In addition to the normal risks associated with investing, investments in small- and mid-size companies may be more volatile and less liquid than those of large companies. Investments in commodities are subject to higher volatility than more traditional investments. Trading in China through Stock Connect is subject to a number of restrictions that may affect the Fund's investments and returns, including a daily quota that limits the maximum net purchase under the Stock Connect each day.

Risk statistics utilize monthly returns. **Standard Deviation:** Absolute volatility measured as the dispersion of monthly returns around an average. **Sharpe Ratio:** Return per unit of risk measured as the excess return (over a risk-free rate) divided by standard deviation. **Alpha:** Outperformance measured as risk-adjusted excess returns over the benchmark. **Beta:** Relative volatility measured as systematic risk relative to a benchmark. **Upside Capture Ratio:** Performance in periods where the benchmark was up. **Downside Capture Ratio:** Performance in periods where the benchmark was down. **R-Squared (R2):** Benchmark fit measured as the percentage of return movements explained by the index. **Active Share:** Proportion of portfolio holdings that differ from the benchmark. **Price/Earnings:** Price to earnings per share ex negative earners.

Benchmark returns have been obtained from MSCI Inc., a non-affiliated third party source. Neither MSCI Inc. nor any other party involved in or related to compiling, computing, or creating the MSCI Inc. data make any express warranties or representations with respect to data accuracy and completeness. The **MSCI EM Index (Net)** is a free float-adjusted market cap index consisting of emerging market companies. The index is net of foreign withholding taxes and dividends, is unmanaged, and does not include the effect of fees. It's not possible to invest directly in an index.

GQG Partners is contractually waiving fees until 11/30/2022. In addition, the adviser is able to recoup all or a portion of its fee waivers or expense reimbursements made during the rolling three-year period preceding the date of the recoupment to the extent the Net Expense ratio does not exceed the expense maximum in the current year.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a 3-year history. Exchange-traded funds and open-ended 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 managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales load. The top 10% of products in each product 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. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. ©As of 9/30/2022 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

The GQG Partners Emerging Markets Equity Fund is also available in Investor Class (GQGPX) and Retirement Class (GQGRX). Retirement Class (Class R6) shares are only available to employee benefit plans that are sponsored by one or more employers or employee organizations. Such employee benefit plans must purchase R6 shares through a plan level or omnibus account.

SEI Investments Distribution Co. is the distributor for GQG Partners Funds and is not affiliated with GQG. GQG Partners LLC is an investment adviser registered with the U.S. Securities and Exchange Commission.

You should carefully consider the investment objective, risks, charges, and expenses of the Fund before investing. The Fund's prospectus and summary prospectus contain this and other important information about the Fund, which can be obtained by calling +1 (866) 362-8333 or visiting gqgpartners.com. Please read the prospectus carefully before investing. The Fund's Statement of Additional Information can be obtained by calling +1 (866) 362-8333 or visiting gqgpartners.com.

DWS RREEF Real Assets Fund

Eligible for \$250,000 NAV purchase privilege†

Q3 | 09.30.22

Share Class: A | AAAAX C | AAAPX S | AAASX INST | AAAZX R | AAAQX R6 | AAAVX



Morningstar® Rating³

Morningstar Global Allocation Category

Overall rating (as of 9/30/22)

Class S ★ ★ ★ ★

Overall Morningstar ratings 4 stars; 405 funds. Three year rating 4 stars; 405 funds. Five year rating 5 stars; 354 funds. Ten year rating 3 stars; 252 funds. Morningstar ratings are based on risk-adjusted performance. Source: Morningstar, Inc. **Ratings are historical and do not guarantee future results. Ratings for other share classes may vary.**

Average annual total returns* (as of 9/30/22)

Share class	YTD	1-year	3-year	5-year	10-year	Since inception	Inception date
Share classes with no sales charge							
S	-15.47%	-9.30%	4.07%	5.39%	3.59%	3.22%	7/30/07
INST	-15.28%	-9.04%	4.24%	5.55%	3.76%	3.33%	7/30/07
R	-15.68%	-9.66%	3.63%	4.94%	3.20%	2.81%	6/1/11
R6	-15.34%	-9.12%	4.24%	5.52%	—	3.97%	11/28/14
Blended benchmark ¹	-14.37%	-8.92%	1.57%	2.86%	3.09%	—	—
MSCI World Index ²	-25.42%	-19.63%	4.56%	5.30%	8.11%	—	—
Unadjusted for sales charge (would be lower if adjusted)							
A	-15.51%	-9.34%	3.93%	5.25%	3.44%	3.06%	7/30/07
C	-16.02%	-10.07%	3.10%	4.44%	2.65%	2.25%	7/30/07
Adjusted for maximum sales charge							
A (max 5.75% load)	-20.36%	-14.55%	1.90%	4.01%	2.83%	2.65%	7/30/07
C (max 1.00% CDSC)	-16.83%	-10.07%	3.10%	4.44%	2.65%	2.25%	7/30/07

Historical total returns (as of 9/30/22)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
S	23.64%	3.88%	21.54%	-5.17%	14.83%	4.20%	-9.66%	3.32%	0.91%	9.52%

Performance is historical and does not guarantee future results. Investment returns and principal fluctuate so your shares may be worth more or less when redeemed. Current performance may differ from the data shown. Please visit www.dws.com for the fund's most recent month-end performance. Performance includes reinvestment of all distributions. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. It is not possible to invest directly in an index. Not all share classes are available to all investors. A minimum investment of \$1 million is required to open an account for Institutional shares.

* Class R performance prior to inception reflects that of Class A. Returns prior to inception reflect original share class performance, adjusted for higher operating expenses and maximum sales charge.

† If you're investing \$250,000 or more, you may be eligible to purchase Class A shares of this fund without a sales charge. However, redemptions within 12 months may be subject to sales charges. See the prospectus for details.

**The Refinitiv Lipper Fund Awards, granted annually, highlight funds and fund companies that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. The fund with the highest Lipper Leader for Consistent Return (Effective Return) value in each eligible classification wins the Refinitiv Lipper Fund Award. For more information, see lipperfundawards.com Although Refinitiv Lipper makes reasonable efforts to ensure the accuracy and reliability of the data contained herein, the accuracy is not guaranteed by Refinitiv Lipper.

Expense ratio (as of latest prospectus)

Class	Net	Gross	Contractual Waiver
A	1.22%	1.29%	07/31/2023
C	1.97%	2.02%	07/31/2023
S	1.07%	1.12%	07/31/2023
INST	0.90%	1.00%	07/31/2023
R	1.47%	1.67%	07/31/2023
R6	0.90%	0.91%	07/31/2023

Without a waiver, returns would have been lower and any rankings/ratings might have been less favorable.

Portfolio and risk statistics⁴ (9/30/22)

Fund inception date	7/30/2007
Number of holdings	176
Total net assets	\$5.6 billion
Beta ⁵	1.16
Standard deviation ⁵	16.56



REFINITIV LIPPER FUND AWARDS

2022 WINNER UNITED STATES

BEST REAL RETURN FUND OVER 5 AND 10 YEARS

Class R6: 5 years, of 16 funds;
Institutional Class: 10 years, of 13 funds.
Based on risk adjusted return**

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Objective

The fund seeks total return in excess of inflation through capital growth and current income.

Strategy

The fund's investment process is based on the team's philosophy that macro-economic environments have historically driven top-down sector performance within the real asset universe while stock selection has been a key driver of returns within the asset classes. As such, the investment process combines top-down strategic and tactical allocations with fundamental bottom-up stock selection to create a holistic portfolio of real assets across real estate, infrastructure, natural resource equities, commodity futures and TIPS.

Portfolio management/industry experience

John W. Vojticek	26 years
Francis X. Greywitt III	22 years
Evan Rudy CFA	16 years

Fund information

Class	Symbol	CUSIP
A	AAAAX	25159K879
C	AAAPX	25159K887
S	AAASX	25159K804
INST	AAAZX	25159K705
R	AAAQX	25159K200
R6	AAAVX	25159K713

Fund details (fund data as of 9/30/22)

Fund inception date	7/30/2007
Total net assets	\$5.6 billion

Top equity holdings (9/30/22)

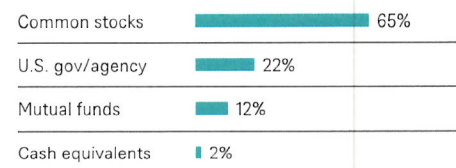
American Tower	4.6%
Sempra Energy	3.5%
Crown Castle	3.2%
SBA Communications	3.2%
Enbridge	3.0%
Williams Companies	2.8%
Equinix	2.4%
National Grid	2.0%
Ameren	1.8%
Atmos Energy	1.8%

Holdings-based data is subject to change.

Sector allocation (9/30/22)



Security type (9/30/22)



¹ Portfolio management believes that the blended index reflects the different components of the fund's typical asset allocations. Blended Index: 30% Dow Jones Brookfield Global Infrastructure Index measures the stock performance of companies that exhibit strong infrastructure characteristics. Index components are required to have more than 70% of cash flows derived from infrastructure lines of business. The index intends to measure all sectors of the infrastructure market (as of 9/30/22; -8.40% for the 1-yr, -0.40% for the 3-yr, 2.52% for the 5-yr, 5.71% for the 10-yr); 30% FTSE EPRA/NAREIT Developed Index represents general trends in global real estate equities (as of 9/30/22; -22.77% for the 1-yr, -6.47% for the 3-yr, -0.85% for the 5-yr, 2.87% for the 10-yr); 15% Bloomberg Commodity Index is composed of a diversified group of commodities and futures contracts on physical commodities (as of 9/30/22; 11.80% for the 1-yr, 13.45% for the 3-yr, 6.96% for the 5-yr, -2.14% for the 10-yr); 15% S&P Global Natural Resources Index includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors diversified and investable equity exposure across 3 primary commodity-related sectors: agribusiness, energy and metals/mining (as of 9/30/22; 0.33% for the 1-yr, 8.38% for the 3-yr, 5.02% for the 5-yr, 2.74% for the 10-yr); 10% Bloomberg U.S. Treasury Inflation Notes Total Return Index includes all publicly-traded U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade and have \$250 million or more of outstanding face value (as of 9/30/22; -11.57% for the 1-yr, 0.79% for the 3-yr, 1.95% for the 5-yr, 0.98% for the 10-yr).

² The MSCI World Index tracks the performance of stocks in select developed markets around the world, including the United States.

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⁴ Beta is a historical measurement of a fund's sensitivity to the movements of the fund's benchmark index. A fund with a beta greater than one is more volatile than the benchmark. A fund with a beta less than one is less volatile. Beta is based on a three-year period relative to the index. Standard deviation is a three-year statistical measure of the volatility of a fund's returns. Generally, the greater the standard deviation, the greater the fund's volatility. ⁵Source: Morningstar, Inc. as of 08/31/2022.

War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led and, in the future, may lead to significant disruptions in U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on the fund and its investments.

Fund risk: Stocks may decline in value. Investing in foreign securities presents certain risks, such as currency fluctuations, political and economic changes, and market risks. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. There are special risks associated with an investment in real estate, including REITs. These risks include credit risk, interest rate fluctuations and the impact of varied economic conditions. Companies in the infrastructure, transportation, energy and utility industries may be affected by a variety of factors, including, but not limited to, high interest costs, energy prices, high degrees of leverage, environmental and other government regulations, the level of government spending on infrastructure projects, intense competition and other factors. The fund invests in commodity-linked derivatives which may subject the fund to special risks. Market price movements or regulatory and economic changes will have a significant impact on the fund's performance. Bond investments are subject to interest-rate, credit, liquidity and market risks to varying degrees. When interest rates rise, bond prices generally fall. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Any fund that focuses in a particular segment of the market or region of the world will generally be more volatile than a fund that invests more broadly. The fund may lend securities to approved institutions. Please read the prospectus for details.

Consider the investment objective, risks, charges and expenses carefully before investing. For a summary prospectus, or prospectus that contains this and other information, download one from www.dws.com or talk to your financial representative. Read the prospectus carefully before investing.

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