

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND

Meeting of Tuesday, February 7, 2023

QUARTERLY MEETING NOTICE AND AGENDA

Location: Village of Palm Springs Council Chambers
226 Cypress Lane
Palm Springs, FL 33461
Meeting Contact: (800) 206-0116 (Plan Administrator)

Time: 2:00 P.M.

1. Call Meeting to Order
2. Roll Call
3. Welcome New Trustees Ed Horton and Jane Worth
4. Public Comments
5. Minutes of Meetings Held December 14, 2022
6. Actuary Report - Chad Little
 - a. Actuarial Valuation as of October 1, 2022
7. Investment Monitor Report - Jennifer Gainfort
 - a. Quarterly Performance Report
 - b. International Manager Value Search
 - c. Status of Village Funding Needs for Payments
8. Attorney Report - Bonni Jensen
 - a. Memo Regarding Maintaining Internal Controls to Protect Against Fraud and Abuse Dated December 2022
 - b. Memo Regarding SECURE 2.0 Act Dated January 5, 2023
 - c. Memo Regarding IRS Mileage Rate for 2023 Dated January 2023
9. Administrative Report - Margie Adcock
 - a. Benefit Approvals
 - b. Disbursements
10. New Business
11. Schedule Next Quarterly Meeting: Tuesday, May 2, 2023 at 2:00 P.M.
12. Adjournment

PLEASE NOTE:

Should any interested party seek to appeal any decision made by the Board with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and for such purpose he may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this meeting should contact The Resource Centers, LLC no later than four days prior to the meeting.

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
MINUTES OF MEETING HELD
December 14, 2022

A meeting was called to order at 2:00 P.M. at Village Hall in Palm Springs, Florida. Those persons present were:

TRUSTEES

Patti Waller
Bruce Gosman
Kimberly Glas-Castro

OTHERS

Bonni Jensen, Fund Counsel
Margie Adcock, Administrator
Jennifer Gainfort, Monitor
Chad Little, Actuary (2:03 P.M.)
Janna Hamilton, Garcia Hamilton (2:03 P.M.)
Jane Worth, Participant
Ed Horton, Participant

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board reviewed the minutes of the meeting held August 23, 2022. A motion was made, seconded and carried 3-0 to approve the minutes of the meeting held August 23, 2022 as amended.

INVESTMENT MONITOR REPORT

Jennifer Gainfort appeared before the Board. She reviewed the market environment for the period ending September 30, 2022. She provided information regarding the evolution of the S&P 500, Fed Funds Rate, and 10 year Treasury Yield for the five year period. The key takeaway is despite experiencing one of the worst year to date declines in 2022, the S&P was still up approximately 16% higher than pre-COVID.

Chad Little and Janna Hamilton entered the meeting.

Ms. Gainfort reviewed the bear markets since 2000. The market is coming off one of the longest bull markets in history. She noted that bull markets tend to be much longer than bear markets.

Ms. Gainfort reported on the performance of the Fund for the quarter ending September 30, 2022. She stated that the quarter started off strong. The market thought the Fed would slow down on interest rate increases but they did not, which made the markets quickly sell off. The total market value of the Fund as of September 30, 2022 was \$28,975,658. The asset allocation was 47.7% in domestic equities; 7.3% in international; 23.8% in domestic fixed income; 3.9% in global fixed income; 12.3% in real estate; and 4.9% in cash. Ms. Gainfort stated that everything was closely in line with the target ranges. She stated that there was no need to rebalance from an asset-based standpoint.

Ms. Gainfort reviewed the portfolio as of September 30, 2022. The total portfolio was down 3.99% net of fees for the quarter ending September 30, 2022 while the benchmark

was down 3.98%. For the fiscal year the total portfolio was down 13.98% while the benchmark was down 12.67%. The total equity portfolio was down 5.15% for the quarter while the benchmark was down 5.37%. The total domestic equity portfolio was down 4.48% for the quarter while the benchmark was down 4.46%. The total international portfolio was down 9.33% for the quarter while the benchmark was down 9.80%. The total fixed income portfolio was down 4.13% for the quarter while the benchmark was down 3.84%. The total domestic fixed income portfolio was down 4.39% for the quarter while the benchmark was down 3.84%. The total global fixed income portfolio was down 2.54% for the quarter while the benchmark was down 3.84%. The total real estate portfolio was up .38% while the benchmark was up .79%.

Ms. Gainfort reviewed the performance of the managers. The Anchor All Cap Value portfolio was down 3.54% for the quarter while the Russell 3000 Value was down 5.56%. MFS Growth Fund was down 6.09% while the Russell 1000 Growth was down 3.60%. Ms. Gainfort stated that she still feels comfortable with MFS despite their underperformance. The Vanguard Mid Cap portfolio was down 4.14% for the quarter while the Russell Mid Cap was down 3.44%. The Vanguard Total Stock portfolio was down 4.46% for the quarter while the Russell 3000 was down 4.46%. The Garcia Hamilton Fixed Income portfolio was down 4.39% for the quarter while the benchmark was down 3.84%. The Europacific Growth portfolio was down 9.33% for the quarter while the benchmark was down 9.80%. The Principal portfolio was up .38% for the quarter while the benchmark was up .79%. The PIMCO Diversified Fund was down 2.54% for the quarter while the benchmark was down 3.84%.

Ms. Gainfort discussed Anchor. She stated that they were on their watch list. She reported that her research group had another meeting with Anchor during the quarter and they are now recommending across the board to move away from this manager. She discussed the three reasons they are recommending terminating this manager. First, their performance has not been good despite their recent quarter relative outperformance. Second, they have had concerning turnover in the last couple of years. Third, there has been a shift in philosophy in managing the portfolio. They had a strong downside bias but that is not the case anymore.

Ms. Gainfort presented an updated Large Cap Value Manager Search. She stated that she reviewed this at the last meeting but updated the information. The purpose of the search is to evaluate a potential replacement for Anchor. Ms. Gainfort presented five other large cap value managers: Allspring C&AB Large Cap Value; Brandywine Dynamic Large Cap Value; Dodge & Cox; Newton US Dynamic Large Cap Value; and Vanguard Equity Income Admiral. She stated that ultimately she feels the Vanguard Equity Income Admiral fund would be the best choice. They are lower risk, have a strong investment team, it is a well-known firm, their performance is strong, and it is income oriented. There was a lengthy discussion. It was noted that Anchor has been a manager with the Fund since 2005. Although there has been a long history with Anchor, their performance has been very challenged lately. Ms. Gainfort stated that she was recommending that Vanguard Equity Income Admiral replace Anchor. A motion was made, seconded and carried 3-0 to terminate Anchor and replace them with Vanguard Equity Income Admiral.

Ms. Gainfort discussed the Village funding needs. She stated that the Village has advised that they need \$400,000 for the next six months. A motion was made, seconded and carried 3-0 to raise cash for the Village funding needs as recommended by the Investment Monitor.

ACTUARY REPORT

Chad Little appeared before the Board. He stated that he received all of the information needed to prepare the Actuarial Valuation. He stated that he is not going to recommend lowering the assumed rate of return below 6%. He stated that there will already be an increase in the contribution amount due to the negative returns. He stated that he will keep the assumed rate of return at 6% and it can be revisited for the 2023 Valuation.

INVESTMENT MANAGER REPORT: GARCIA HAMILTON & ASSOCIATES

Janna Hamilton appeared before the Board. Ms. Hamilton provided a brief introduction. She stated that they have been managing the Fund's fixed income portfolio for ten years. They manage a high-quality, intermediate fixed income portfolio. She stated that the markets have been pretty terrible. This has been the worst fixed income market in history. She discussed the performance. The total market value of the portfolio as of September 30, 2022 was \$6,902,647.92. The portfolio was down 4.26% for the quarter while the benchmark was down 3.84%. Ms. Hamilton stated that their longer duration detracted from performance for the quarter. For the fiscal year, the portfolio was down 9.75% while the benchmark was down 11.49%.

Ms. Hamilton stated that things are getting better. Inflation is slowing and the economy is stabilizing. The Fed was slow to act on this and now the Fed is throwing too much at the market, too fast. She stated that there will likely be another interest rate increase this week. She stated that they are positioning the portfolio for a recession, which recession they believe will likely be seen in 2023. Inflation numbers are down. They are still high but lower than expected. She provided an update on the performance of the portfolio. The portfolio was up 4.27% for the quarter to date as of yesterday while the benchmark was up 3.03%. It is nice outperformance relative to the benchmark. Ms. Hamilton discussed the historical fiscal stimulus. The money the government threw in the market was a result of COVID. She reviewed the rate hikes priced into the market on a twelve month forward basis. Inflationary pressures were substantial. Housing prices, gas prices, car and food prices are all starting to moderate. Home affordability has declined significantly. She showed the year over year change in mortgage rates versus home prices. Consumer sentiment is dropping and remains extraordinarily depressed. Small business owners' expectations are near a record low. Low quality underperformed this year. She stated that it was not worth it to own BBB in the portfolio which turned out to be a big positive for performance. Ms. Hamilton stated that they were overweight in mortgage backed securities, those that are 100% backed by the government. They are getting extra yield there. They are very mature holdings and very attractive holdings. She reviewed the fixed income portfolio characteristics. They are starting to see signs of a recession. They do not think the recession will be horrible, but they are positioned for it. They are gaining some ground relative to the benchmark. Rates are starting to come back to more normal levels.

Janna Hamilton departed the meeting.

ATTORNEY REPORT

Ms. Jensen provided an update on the Davis matter. She stated that she sent a letter to the Attorney for Mr. Davis but did not hear back as of yet. She stated that she can file the Order in Court to obtain a Judgment but she did not see any property that Mr. Davis owned. She stated that the Statue provides that the Fund "shall" request the money back

and “may” bring an action in court. There was a lengthy discussion. The Board decided that they will never be able to collect the monies owed and they do not want to move forward. A motion was made, seconded and carried 3-0 to not file a case in court in order to recover funds from Mr. Davis.

Ms. Jensen provided the Board with a Memorandum Regarding Delaware Law Change Permits Companies to Insulate Corporate Officers from Liability for Reckless Conduct dated November 2022. She also provided the Board with a Memorandum Regarding SEC Proxy Voting Disclosure Rules dated November 2022. She stated that both memorandums relate to SEC proxy voting, one making proxy voting more transparent for commingled funds and one allowing Delaware companies by charter change to insulate corporate officers from personal liability for reckless conduct.

Ms. Jensen provided a Memorandum Regarding RMD Final Regulations dated October 2022. She stated that it clarifies the timing of distributing RMDs.

ADMINISTRATIVE REPORT

Ms. Adcock presented the Board with the benefit calculations and election approvals for Vicki Webber and Kaitlyn Morgan, beneficiary of Tina Hanna. A motion was made, seconded and carried 3-0 to approve the benefit calculations and election approvals for Vicki Webber and Kaitlyn Morgan, beneficiary of Tina Hanna.

Ms. Adcock presented two disbursement lists, one for the Accounts Payable as of September 30, 2022 and the other for invoices after the close of the fiscal year. A motion was made, seconded and carried 3-0 to approve and pay all listed disbursements.

Ms. Adcock provided the Board with certification from the Resource Centers that they successfully completed their SSAE 16 SOC 1 Audit as of June 30, 2022.

The Board was provided with the 2023 upcoming conference list.

There was discussion on the status of the Trustee vacancies. It was noted that there are currently two employee vacancies. A Notice of Intent was sent to the active members; however, no one responded by the deadline. Jane Worth and Ed Horton were in attendance and expressed a desire to fill the vacancies. Another Notice of Intent will be sent to the active members so a proper election can be completed.

OTHER BUSINESS

There being no further business, the meeting was adjourned.

Respectfully submitted,

Kimberly Glas-Castro
Secretary



Freiman Little Actuaries, LLC
4105 Savannahs Trail
Merritt Island, FL 32953

Phone: (321) 453-6542
Fax: (321) 453-6998

Village of Palm Springs General Employees' Pension Fund

GASB 67/68 Supplement
As of September 30, 2022



REPORT TO PROVIDE DISCLOSURES UNDER GASB STATEMENT NO. 67 AND 68
FOR THE PLAN AND FISCAL YEARS ENDING
SEPTEMBER 30, 2022

DRAFT



January 31, 2023

Board of Trustees
Village of Palm Springs General Employees' Pension Fund
Village of Palm Springs, Florida

RE: GASB 67/68 Supplement as of September 30, 2022

Dear Board Members:

We are pleased to present the Governmental Accounting Standards Board Statement No. 67 (GASB 67) and No. 68 (GASB 68) Supplement as of September 30, 2022 for the Village of Palm Springs General Employees' Pension Fund (the Plan). Note this report is a supplement to the actuarial valuation report as of October 1, 2022.

In producing our work product, we rely on various models, internal and external, which were used for their intended purposes. Underlying data, assumptions, methodologies, model inputs and resulting outputs have been reviewed. We find all inputs and outputs to be reasonable.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

This report provides information required to be disclosed under GASB 67 and GASB 68 as described in the statement and the implementation guide. The relevant dates are as follows:

GASB 67		GASB 68	
Valuation Date	10/01/2022	Valuation Date	10/01/2022
Measurement Date	09/30/2022	Measurement Date	09/30/2022
Reporting Date	09/30/2022	Reporting Date	09/30/2022

Please let us know if you have any questions or need additional information.

Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 20-6619

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 20-5796

DRAFT

Table of Contents

Statement of Fiduciary Net Position	1
Statement of Changes in Fiduciary Net Position	2
Net Pension Liability	3
Schedule of Changes in Net Pension Liability and Related Ratios	5
Statement of Changes in Net Pension Liability	6
Pension Expense and Deferred Outflows and Inflows of Resources	7
Recognition of Deferred Outflows and Inflows of Resources	8
Schedule of Contributions	9
Schedule of Investment Returns	10
Plan Membership Statistics	11
Plan Description	12
Actuarial Assumptions and Methods	15

DRAFT

DRAFT

Statement of Fiduciary Net Position

As of September 30,	2022	2021
Assets		
Cash	\$162,972	\$210,795
Receivables and prepaid expenses:		
Accrued interest and dividends	<u>45,215</u>	<u>25,401</u>
Total receivables	<u>45,215</u>	<u>25,401</u>
Investments:		
Fixed income	7,277,408	7,486,260
Domestic equities	15,142,805	20,960,636
International equities	495,320	629,370
Treasury bills	0	434,982
Short-term investments	2,443,785	1,715,669
Real estate	3,571,124	2,928,903
Other	<u>0</u>	<u>0</u>
Total investments	<u>28,930,442</u>	<u>34,155,820</u>
Total assets	<u>29,138,629</u>	<u>34,392,016</u>
Liabilities		
Accounts payable	<u>22,403</u>	<u>44,121</u>
Total liabilities	<u>22,403</u>	<u>44,121</u>
Net position restricted for pensions	<u>\$29,116,226</u>	<u>\$34,347,895</u>

Statement of Changes in Fiduciary Net Position

As of September 30,	2022	2021
Additions		
Employer contributions	\$703,494	\$1,057,688
Member contributions	<u>59,980</u>	<u>57,475</u>
Total contributions	<u>763,474</u>	<u>1,115,163</u>
Investment income (loss):		
Interest	177,257	151,975
Dividends	541,920	703,679
Net increase in fair value of investments	(5,399,679)	4,584,471
Less investment expenses:		
Investment expense	<u>(66,310)</u>	<u>(66,656)</u>
Net investment income	<u>(4,746,812)</u>	<u>5,373,469</u>
Total additions	<u>(3,983,338)</u>	<u>6,488,632</u>
Deductions		
Benefit payments	1,188,292	1,094,834
Refunds	0	0
Administrative expenses	<u>62,174</u>	<u>128,202</u>
Total deductions	<u>1,250,466</u>	<u>1,223,036</u>
Net increase (decrease)	(5,233,804)	5,265,596
Net position restricted for pensions		
Beginning of year	<u>34,350,030</u>	<u>29,082,299</u>
End of year	<u>\$29,116,226</u>	<u>\$34,347,895</u>

Note: Asset information is as supplied by the Village. The September 30, 2021 asset value was increased by \$2,135 as of October 1, 2021.

Net Pension Liability

The total pension liability under GASB 67 and 68 is based on the October 1, 2022 actuarial valuation which used the following actuarial assumptions applied to all periods included in the measurement.

Inflation (per investment monitor)	2.5%
Salary increases	4.6% to 8.3%
Investment rate of return	6.0% net of investment expense, including inflation

The following two sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Healthy Active: PubG.H-2010(B) (male set back 1 year)

Healthy Retiree: PubG.H-2010(B) (male set back 1 year)

Juvenile rates were used for ages 15-17.

The active table references the healthy retiree rates, above, at ages 81+.

The healthy retiree table references the active mortality rates, above, before age 51.

Mortality rates are those required by state statute. Mortality is as assumed for the Florida Retirement System (FRS) valuation as of July 1, 2019, 2020 and 2021 for not special risk and not school instructional personnel.

Other assumptions have been carried forward from the prior actuary and adjusted due to the Plan closure. We are not aware of any prior experience studies.

The long-term expected net rate of return on investments was determined using a building-block method. Best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. The long-term expected net rate of return on investments is the best-estimate ranges weighted by the asset allocation plus expected inflation. Best estimates of arithmetic real rates of return for each major asset class as provided by the investment monitor are shown in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Group Contribution
Domestic Equity	50%	7.5%	3.75%
International Equity	10%	8.5%	0.85%
Domestic Bonds	25%	2.5%	0.63%
International Bonds	5%	3.5%	0.18%
Real Estate	10%	4.5%	0.45%
	100%		
		Weighted Real Return	5.86%

Note, however, that long-term expected net rates of return for actuarial valuations should be compared to geometric returns.

The discount rate used to measure the total pension liability was 6.0%. This is the single rate that reflects the long-term expected rate of return on pension plan investments expected to be used to finance the

payment of benefits. A projection of cash flows used to determine the discount rate assumed that plan member contributions are made at the current contribution rate and that Village contributions will be made equal to the difference between the actuarially determined contribution and the member contributions. Based on those assumptions, the pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments is applied to all periods of projected benefit payments to determine the total pension liability. For purposes of this determination we understand pension plan assets are expected to be invested using a strategy to achieve the discount rate.

Note: See "Actuarial Assumptions and Methods" for a full description of the assumptions used in the determination of the total pension liability.

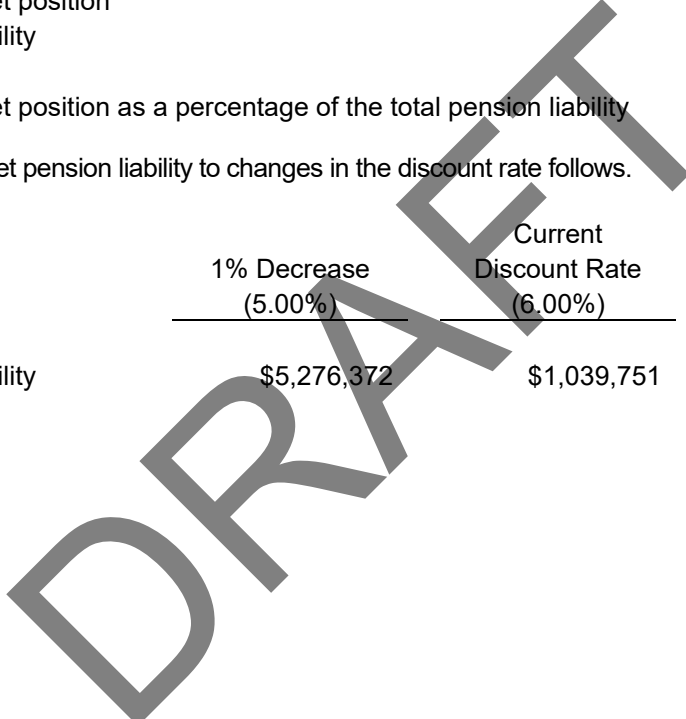
The components of the net pension liability at September 30, 2022 were as follows:

Total pension liability	\$30,155,977
Plan fiduciary net position	<u>(29,116,226)</u>
Net pension liability	<u>\$1,039,751</u>

Plan fiduciary net position as a percentage of the total pension liability	96.55%
--	--------

Sensitivity of the net pension liability to changes in the discount rate follows.

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net pension liability	\$5,276,372	\$1,039,751	\$(2,433,203)



Schedule of Changes in Net Pension Liability and Related Ratios

This schedule will be updated each year until a 10-year history is accumulated.

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$386,688	\$366,284	\$357,165	\$379,392	\$371,772	\$364,562	\$339,321	\$366,097	\$366,898
Interest	1,748,479	1,761,821	1,794,729	1,776,251	1,728,787	1,685,440	1,583,402	1,572,611	1,487,114
Changes of benefit terms	0	0	0	0	0	0	0	0	0
Differences between expected and actual experience	(138,581)	(916,750)	(877,264)	(561,920)	(205,918)	(325,072)	(429,411)	(930,661)	(498,125)
Changes of assumptions	0	896,257	(745,073)	913,998	866,043	777,414	2,358,552	0	1,199,760
Benefit payments	(1,188,292)	(1,094,834)	(1,097,195)	(1,106,461)	(1,004,991)	(950,966)	(870,355)	(791,996)	(697,216)
Contribution refunds	0	0	0	0	0	0	(6,969)	(19,682)	(10,818)
Net change in total pension liability	808,294	1,012,778	(567,638)	1,401,260	1,755,693	1,551,378	2,974,540	196,369	1,847,613
Total pension liability - beginning	<u>29,347,683</u>	<u>28,334,905</u>	<u>28,902,543</u>	<u>27,501,283</u>	<u>25,745,590</u>	<u>24,194,212</u>	<u>21,219,672</u>	<u>21,023,303</u>	<u>19,175,690</u>
Total pension liability - ending (a)	\$30,155,977	\$29,347,683	\$28,334,905	\$28,902,543	\$27,501,283	\$25,745,590	\$24,194,212	\$21,219,672	\$21,023,303
Plan fiduciary net position									
Contributions - employer	\$703,494	\$1,057,688	\$933,633	\$831,216	\$862,047	\$828,922	\$1,088,264	\$1,061,229	\$1,158,775
Contributions - employee	59,980	57,475	55,317	53,804	59,855	64,047	72,094	80,731	86,400
Net investment income	(4,746,812)	5,373,469	2,179,210	798,235	2,281,769	2,663,692	2,127,862	(119,424)	1,475,932
Benefit payments	(1,188,292)	(1,094,834)	(1,097,195)	(1,106,461)	(1,004,991)	(950,966)	(870,355)	(791,996)	(697,216)
Contribution refunds	0	0	0	0	0	0	(6,969)	(19,682)	(10,818)
Administrative expense	(62,174)	(128,202)	(64,400)	(52,804)	(53,447)	(52,906)	(55,480)	(49,898)	(44,762)
Other	0	0	0	0	0	0	0	0	0
Net change in plan fiduciary net position	(5,233,804)	5,265,596	2,006,565	523,990	2,145,233	2,552,789	2,355,416	160,960	1,968,311
Plan fiduciary net position - beginning	<u>34,350,030</u>	<u>29,082,299</u>	<u>27,075,734</u>	<u>26,551,744</u>	<u>24,406,511</u>	<u>21,853,722</u>	<u>19,498,306</u>	<u>19,337,346</u>	<u>17,369,035</u>
Plan fiduciary net position - ending (b)	\$29,116,226	\$34,347,895	\$29,082,299	\$27,075,734	\$26,551,744	\$24,406,511	\$21,853,722	\$19,498,306	\$19,337,346
Net pension liability - ending (a) - (b)	\$1,039,751	\$(5,000,212)	\$(747,394)	\$1,826,809	\$949,539	\$1,339,079	\$2,340,490	\$1,721,366	\$1,685,957
Plan fiduciary net position as a percentage of the total pension liability	96.55 %	117.04 %	102.64 %	93.68 %	96.55 %	94.80 %	90.33 %	91.89 %	91.98 %
Covered employee payroll	\$1,999,311	\$1,915,795	\$1,843,880	\$1,793,426	\$1,995,144	\$2,134,889	\$2,403,161	\$2,691,095	\$2,880,000
Net pension liability as a percentage of covered employee payroll	52.01 %	(261.00)%	(40.53)%	101.86 %	47.59 %	62.72 %	97.39 %	63.97 %	58.54 %
Discount Rate used for Total pension liability - ending (a)	6.00 %	6.00 %	6.25 %	6.25 %	6.50 %	6.75 %	7.00 %	7.50 %	7.50 %

Statement of Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/2021	\$29,347,683	\$34,350,030	\$(5,002,347)
Changes for the year:			
Service cost	386,688		386,688
Interest	1,748,479		1,748,479
Changes of benefit terms	0		0
Differences between expected and actual experience	(138,581)		(138,581)
Changes of assumptions	0		0
Contributions—employer		703,494	(703,494)
Contributions—employee		59,980	(59,980)
Net investment income		(4,746,812)	4,746,812
Benefit payments, including refunds of employee contributions	(1,188,292)	(1,188,292)	0
Administrative expense		(62,174)	62,174
Other changes		0	0
Net changes	808,294	(5,233,804)	6,042,098
Balances at 9/30/2022	\$30,155,977	\$29,116,226	\$1,039,751

Pension Expense and Deferred Outflows and Inflows of Resources

Pension expense for the year ended September 30, 2022 is as shown below.

Description	Amount
Service cost	\$386,688
Interest on the total pension liability	1,748,479
Changes of benefit terms	0
Differences between expected and actual experience	(464,098)
Changes of assumptions	369,047
Employee contributions	(59,980)
Projected earnings on pension plan investments	(2,046,392)
Differences between projected and actual earnings on plan investments	604,285
Pension plan administrative expense	62,174
Other changes in fiduciary net position	0
Total pension expense	\$600,203

There are deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$51,968
Changes of assumptions	0	0
Net difference between projected and actual earnings	3,285,838	0
Total	\$3,285,838	\$51,968

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

2023	\$680,103
2024	548,326
2025	646,801
2026	1,358,640
2027	0

Recognition of Deferred Outflows and Inflows of Resources

Year	Original Amount	Recognition Period	Recognition Year				
			2022	2023	2024	2025	2026
Differences between Expected and Actual Experience							
2021	(916,750)	1.7	(377,485)	0	0	0	0
2022	(138,581)	1.6	(86,613)	(51,968)	0	0	0
Changes in Assumptions							
2021	896,257	1.7	369,047	0	0	0	0
Differences between Projected and Actual Earnings on Pension Plan Investments							
2018	(638,938)	5.0	(127,786)	0	0	0	0
2019	918,715	5.0	183,743	183,743	0	0	0
2020	(492,372)	5.0	(98,474)	(98,474)	(98,476)	0	0
2021	(3,559,196)	5.0	(711,839)	(711,839)	(711,839)	(711,840)	0
2022	6,793,204	5.0	1,358,641	1,358,641	1,358,641	1,358,641	1,358,640

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$429,329	\$928,740	\$887,452	\$809,354	\$801,394	\$777,969	\$948,927	\$963,970	\$1,017,458	\$978,877
Contributions in relation to the actuarially determined contribution	<u>703,494</u>	<u>1,057,688</u>	<u>933,633</u>	<u>831,216</u>	<u>862,047</u>	<u>828,922</u>	<u>1,088,264</u>	<u>1,061,229</u>	<u>1,158,775</u>	<u>1,027,980</u>
Contribution deficiency (excess)	<u>\$(274,165)</u>	<u>\$(128,948)</u>	<u>\$(46,181)</u>	<u>\$(21,862)</u>	<u>\$(60,653)</u>	<u>\$(50,953)</u>	<u>\$(139,337)</u>	<u>\$(97,259)</u>	<u>\$(141,317)</u>	<u>\$(49,103)</u>
Covered-employee payroll	\$1,999,311	\$1,915,795	\$1,843,880	\$1,793,426	\$1,995,144	\$2,134,889	\$2,403,161	\$2,691,095	\$2,880,000	\$3,085,966
Contributions as a percentage of covered-employee payroll	35.19 %	55.21 %	50.63 %	46.35 %	43.21 %	38.83 %	45.28 %	39.43 %	40.24 %	33.31 %

Notes to Schedule

Actuarially determined contributions are calculated based on the valuation as of the beginning of the year prior to the fiscal year in which contributions are due.

As of October 1, 2021 and 2022 the discount rate was 6.0%.

As of October 1, 2020 the discount rate was 6.25% and mortality rates were revised as required by state statute to be those used for FRS as of July 1, 2019.

As of October 1, 2019 the discount rate was 6.25%.

As of October 1, 2018 the discount rate was 6.5%.

As of October 1, 2017 the discount rate was 6.75% and mortality rates were revised as required by state statute to be those used for FRS as of July 1, 2016 and 2017.

As of October 1, 2016 the discount rate was 7.0% and mortality rates were revised as required by state statute to be those used for FRS as of July 1, 2015.

As of October 1, 2014 the discount rate was 7.5% and the RP-2000 Combined Mortality Table was adopted on a fully generational basis using Scale AA.

Methods and assumptions used in the October 1, 2022 valuation of the Plan:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	5 Years
Asset valuation method	5-year smoothed market
Inflation	2.0%
Salary increases	4.6% to 8.3%, including inflation
Investment rate of return	6.0%, net of investment expenses, including inflation
Retirement age	At 5 years assumed to retire at a rate of 10% annually from 52-61. At 62 100% assumed to retire.
Mortality	Mortality as used in the FRS valuation for not special risk members as of July 1, 2019, 2020 and 2021.

Schedule of Investment Returns

This schedule will be updated each year until a 10-year history is accumulated.

Year Ending September 30,	Annual money-weighted rate of return net of investment expense
2022	(14.10%)
2021	18.29%
2020	7.71%
2019	2.86%
2018	9.18%
2017	11.99%
2016	10.53%
2015	(0.87%)
2014	8.25%

DRAFT

Plan Membership Statistics

Valuation as of October 1,	2022	2021
Inactive members or beneficiaries currently receiving benefits	56	54
Inactive members entitled to but not yet receiving benefits	38	40
Active members	<u>28</u>	<u>31</u>
Total	<u>122</u>	<u>125</u>

Note: The Plan is closed to new entrants.

DRAFT

Plan Description

Plan Type: Single-employer Defined Benefit Pension Plan

Legal Authority: The Plan was established and is amended by local ordinance.

Board Composition: The trustees consist of five members who are selected as follows:

- (a) One member is an elected Village Council member,
- (b) One member is the Village Manager or the Village Manager's designee, and
- (c) Two members are active participants elected by a majority of the active participants.
- (d) A fifth member is a resident of Palm Springs selected by a majority vote of the other four members.

Plan Administrator: The Board of Trustees

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended by ordinance.

Effective Date: November 19, 1969.

Recent Ordinances: Ordinance No. 2010-07 adopted April 8, 2010 closed the Plan to future new entrants effective June 30, 2010. Individual members chose whether to remain active participants of this Plan or to alternatively move to the Florida Retirement System.

Ordinance No. 2013-30 adopted September 26, 2013 contained language to allow for investment in foreign governments, real property, up to 5% in investments not listed in the ordinance, and any investments authorized by Florida Statutes 215.47.

Ordinance No. 2017-26 adopted October 12, 2017 amended and restated the Plan. The following changes were made: (1) effective January 1, 2007 members who die or become disabled while on active duty military service are treated as though re-employed with the Village the day before disability or death, and then became disabled from a non-duty disability or died a non-duty death; (2) amounts paid as differential wages to members who are absent while in qualified military service are treated as pensionable earnings beginning with earnings after December 31, 2008 and pursuant to IRC §414(u)(7); (3) a refund of employee contributions without interest is payable to the estate of a vested termination who dies with no designated beneficiary or spouse and that vested terminations who are married at the time of death are assumed to have elected an annuity payable to their spouse if there is no valid beneficiary designation and form of benefit election on file under Option 3 (100% Joint & Survivor with Pop-Up to Life Only) (a) commencing the first of the month coincident or next following the member's death if the member had reached normal retirement age but had not yet commenced benefits, or (b) commencing at what would have been the first of the month after the member's normal retirement age if the vested terminated member dies before reaching normal retirement age; (4) only with the consent of the vested terminated member may the actuarially equivalent present value of the vested benefit more than \$1,000 be paid; (5) non-spouse beneficiaries who are eligible to receive lump sum distributions under the plan are additionally defined as distributees who may have rollovers performed on their behalf; and (6) if a member does not consent to receive a mandatory distribution in excess of \$1,000, the monies

are transferred to an individual retirement plan of the Board's choosing and the member is notified of the transfer.

Ordinance 2020-10 was adopted effective July 9, 2020. Ordinance 2020-27 was adopted effective September 10, 2020. These amendments were identical and modified the composition, roles and hearing procedures of the Board of Trustees.

Plan Year: The 12-month period from October 1st to the next September 30th.

Member: General employees or elected officials, excluding persons whose customary employment is not for more than 20 hours per week or for not more than 5 months in any plan year, become Members immediately upon hire. The Plan is closed to future new entrants effective June 30, 2010.

Credited Service: Employee service computed in years and fractional parts.

Vesting: Members become vested according to the following schedule:

Service	Vested %
<5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10+	100%

Members are 100% vested upon attainment of Normal Retirement Eligibility.

Earnings: Total annual gross compensation reported on Form W-2 plus tax deferred income. Payment upon termination for unused vacation time is limited to 120 hours.

Employee Contributions: 3.0% of Earnings.

Final Average Earnings: The average of the highest five successive Plan Years of Earnings in the last ten Plan Years of employment.

Normal Retirement Date: The first day of the month coincident with or next following attainment of age 62 and 5 years of Credited Service.

Members who terminate employment with a vested percentage greater than 0% prior the Normal Retirement Date are eligible to receive their Accrued Benefit once the age requirements for the Normal Retirement Date are met, provided Employee Contributions remain in the Plan.

Accrued Benefit: The amount of monthly retirement income payable at the Normal Retirement Date is determined according to the following formula:

$$2.50\% \times \text{Final Average Earnings} \times \text{Credited Service up to 25 years}$$

The Accrued Benefit is payable in the form of a life only annuity.

Cost of Living Adjustment: Based on the Consumer Price Index, a Cost of Living Adjustment is granted annually in an amount not more than 3% for Members in payment status.

Early Retirement Date: After attainment of 10 years of Credited Service, a Member may retire up to 10 years earlier than their Normal Retirement Date.

Early Retirement Benefit: The Accrued Benefit is reduced for commencement earlier than the Normal Retirement Date at a rate of 5% annually.

Members who terminate employment with a vested percentage greater than 0% prior to reaching the Early Retirement Date age requirements may elect to receive an Early Retirement Benefit once the age requirements are met, provided Employee Contributions remain in the Plan.

Pre-retirement Death Benefit: The Accrued Benefit adjusted for a 100% joint and survivor pop-up option is payable to the beneficiary of a Member who dies while in active service after earning 10 years of Credited Service.

Optional Forms of Retirement Income: In addition to the life only annuity, also available under the terms of the Plan are the 10-year certain and continuous form of annuity, as well as the 100% and 50% joint and survivor pop-up annuity forms of benefit.

DRAFT

Actuarial Assumptions and Methods

Assumed Rate of Investment Return: 6.0% per year, net of investment expenses

Inflation: 2.0% per year. Note this assumption is not used directly in the actuarial valuation.

Salary Increase – Individual: Rates varying by age as shown in the following schedule, which includes inflation. Accrued Benefits in the final year of the career are loaded 1% for retirement and termination to account for payments due to accumulated leave. No adjustment is made to death benefits to account for unused accumulated sick leave.

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
15	8.336%	25	7.621%	35	6.874%	45	6.179%	55	5.164%
16	8.336%	26	7.516%	36	6.824%	46	6.064%	56	5.067%
17	8.336%	27	7.421%	37	6.780%	47	5.950%	57	4.967%
18	8.336%	28	7.334%	38	6.734%	48	5.841%	58	4.864%
19	8.336%	29	7.255%	39	6.689%	49	5.737%	59	4.762%
20	8.336%	30	7.181%	40	6.635%	50	5.638%	60	4.659%
21	8.164%	31	7.111%	41	6.568%	51	5.541%	61+	4.556%
22	8.006%	32	7.049%	42	6.488%	52	5.447%		
23	7.865%	33	6.986%	43	6.395%	53	5.354%		
24	7.736%	34	6.927%	44	6.292%	54	5.260%		

Mortality: Mortality rates are those required by state statute. Mortality is as assumed for the Florida Retirement System (FRS) valuation as of July 1, 2019 for not special risk and not school instructional personnel, as follows:

The following two sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Healthy Active: PubG.H-2010(B) (male set back 1 year)

Healthy Retiree: PubG.H-2010(B) (male set back 1 year)

Juvenile rates were used for ages 15-17.

The active table references the healthy retiree rates, above, at ages 81+.

The healthy retiree table references the active mortality rates, above, before age 51.

Retirement: Upon attaining 5 years of service, members are assumed to retire at a rate of 10% annually from age 52 through age 61. At age 62, 100% of Members are assumed to retire.

Termination: Select Rates for years 0-4 are 25%, 20%, 14%, 9% and 8%, respectively. Ultimate rates varying by age follow. No termination is assumed for members who have attained Early or Normal Retirement eligibility.

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
15-20	7.00%	27	6.10%	34	4.30%	41	1.90%	48	1.35%
21	6.90%	28	5.90%	35	4.00%	42	1.80%	49	1.30%
22	6.80%	29	5.70%	36	3.60%	43	1.70%	50-61	1.25%
23	6.70%	30	5.50%	37	3.20%	44	1.60%	62 +	0.00%
24	6.60%	31	5.20%	38	2.80%	45	1.50%		
25	6.50%	32	4.90%	39	2.40%	46	1.45%		
26	6.30%	33	4.60%	40	2.00%	47	1.40%		

Designated Beneficiaries: For pre-retirement death benefits, all members are assumed to have a designated beneficiary on file. Females are assumed to be three years younger than males.

Administrative Expense Load: The Normal Cost is increased by plan expenses, other than investment related expenses, from the prior year.

Funding Method: Entry Age Normal (level percent of salary).

A description of the funding method is found in the October 1, 2022 actuarial valuation report on the page entitled "Glossary of Actuarial Terms."

DRAFT



Freiman Little Actuaries, LLC
4105 Savannahs Trail
Merritt Island, FL 32953

Phone: (321) 453-6542
Fax: (321) 453-6998

Village of Palm Springs General Employees' Pension Fund

Actuarial Valuation as of October 1, 2022



REPORT TO DETERMINE MINIMUM FUNDING REQUIREMENTS
FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2024

DRAFT



January 31, 2023

Board of Trustees
Village of Palm Springs General Employees' Pension Fund
Village of Palm Springs, Florida

RE: Actuarial Valuation as of October 1, 2022

Dear Board Members:

We are pleased to present the actuarial valuation as of October 1, 2022 for the Village of Palm Springs General Employees' Pension Fund (the Plan). This report provides a review of the current funded status of the Plan, establishes the minimum funding requirements for the fiscal year ending September 30, 2024, and provides an analysis of experience since the last valuation. In addition to providing the summary and derivation of actuarial findings, this report describes the data, assumptions, and methods used to create these results.

In producing our work product, we rely on various models, internal and external, which were used for their intended purposes. Underlying data, assumptions, methodologies, model inputs and resulting outputs have been reviewed. We find all inputs and outputs to be reasonable.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

Statement by Enrolled Actuary:

"This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation."

We look forward to the presentation of these results to you in person and we are always available to answer any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chad Little'.

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Enrollment Number 20-6619

A handwritten signature in black ink, appearing to read 'Paula C. Freiman'.

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Enrollment Number 20-5796

DRAFT

Table of Contents

Board Summary	1
Summary of Principal Valuation Results	1
Summary of Significant Events	2
Results	8
Financial Information	8
Present Value of Benefits	15
Accrued Liability	16
Normal Cost	17
Unfunded Accrued Liability	18
Minimum Funding Requirements	20
Reconciliations	21
Historical Actuarial Experience	22
Accounting Information	23
Information Required by GASB 67/68	23
Statement of Accumulated Plan Benefits (FASB 35)	24
Other Disclosures Required by the State of Florida	24
Required Disclosure Under F.S. 112.664(1)	25
Required Disclosure Under F.S. 112.664(2)(b)2.	26
Supplementary Information	27
Demographic Data	27
Outline of Plan Provisions	30
Description of Assumptions and Methods	33
Glossary of Actuarial Terms	35

DRAFT

Section

1

Board Summary

This report presents the results of the October 1, 2022 actuarial valuation of the Village of Palm Springs General Employees' Pension Fund (the Plan).

Summary of Principal Valuation Results

A summary of the key valuation findings as of October 1, 2022 are compared with the results of prior valuations below.

Minimum Funding Requirements

Fiscal Year Ending September 30,	2022	2023	2024
Village Minimum Funding Requirement	\$429,329	\$514,342	\$415,951

Funded Status

Valuation Date October 1,	2020	2021	2022
Accrued Liability	\$28,334,905	\$29,347,683	\$30,155,977
Actuarial Value of Assets	\$28,756,492	\$31,444,813	\$32,402,065
Unfunded Accrued Liability	\$(421,587)	\$(2,097,130)	\$(2,246,088)
Funded Percentage	101.49%	107.15%	107.45%

Key Assumptions

Valuation Date October 1,	2020	2021	2022
Assumed Rate of Investment Return	6.25%	6.00%	6.00%
Salary Increase Assumption	4.6% to 8.3%	4.6% to 8.3%	4.6% to 8.3%

Summary of Significant Events

Determination of the funded status of the Plan and minimum funding requirements are based on participant data, asset information, Plan provisions, actuarial methods and assumptions. Any significant events associated with these items are discussed below.

Participant Data

Due to the closure of the Plan to future new entrants effective June 30, 2010, the active membership of the Plan continues to decrease. The number of active members decreased from 31 in the prior year to 28 for the current valuation. The number of inactive members remained level at 94.

A demographic gain was experienced primarily due to retiree death experience offset in part by pay increases more than expected. The last ten years of average individual salary increases are shown in the following table.

Year Ended September 30,	Actual	Expected
2022	8.9 %	5.5 %
2021	3.4 %	5.5 %
2020	5.6 %	5.6 %
2019	5.2 %	5.7 %
2018	4.0 %	5.8 %
2017	3.4 %	5.8 %
2016	6.9 %	5.9 %
2015	4.3 %	5.8 %
2014	4.0 %	5.9 %
2013	5.7 %	5.9 %
10 Year Avg	5.1 %	5.7 %

In general, should a pattern of consistent gains or losses develop, assumptions may require revision. We recommend that the Board of Trustees review termination and retirement assumptions.

Assets

The net return on the market value of assets was (13.92)% and the return on the smoothed actuarial value of assets was 4.63% in comparison to the 6.00% return expected for the year ended September 30, 2022 such that there was an actuarial investment loss. Note that the returns on the market and actuarial value of assets differ because of the smoothing method used to dampen the effects of market fluctuations.

Plan Provisions

There were no changes in Plan provisions since the prior valuation.

Assumptions and Methods

The net assumed rate of investment return is 6.0% for this October 1, 2022 actuarial valuation of the Plan as directed by the Board of Trustees. As the group of active participants approach retirement the Board

of Trustees should continue to review the investment allocations and consider gradually lowering the net assumed rate of investment return as we expect a change to reflect less risk in the asset allocation.

The impact of any changes in assumptions and methods may be found in the reconciliation of the funded status and minimum funding requirements found near the end of Section 2 of this report. See "Reconciliations" in the table of contents.

DRAFT

Assessment and Disclosure of Risk

As described in Actuarial Standard of Practice No. 51 (ASOP 51), this section is meant to address the assessment and disclosure of risk in a pension funding valuation. This is not meant to be a comprehensive summary but should provide information regarding risks related to this plan. Additional historical information provided in this report also contain relevant information regarding asset size, asset mix, pay increases, benefits and contributions. This information can be used to understand the changes over time to identify trends.

Note that ASOP 51 defines risk as “The potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience....” The following provides examples of potential risk.

Investment Risk: As noted previously, investment returns less than the assumed rate of return result in increased annual minimum required contributions payable in a subsequent year.

Interest Rate Risk: Interest rates are used to discount the value of benefits. If the long-term expectation of returns is higher or lower than the assumed net investment return, the assumed net investment return should be adjusted. When the assumed net investment return is increased the estimated liability is decreased. When the assumed net investment return is decreased the estimated liability is increased. The chart below shows what the funded status of the plan is on a market value of assets basis after changing the net assumed return by 1% or 2%.

Year Ending September 30,	Funded Status on Market Value of Assets Basis					Valuation Net Assumed Return Assumption
	2% Decrease	1% Decrease	Valuation Net Assumed Return	1% Increase	2% Increase	
2022	73.49%	84.66%	96.55%	109.12%	122.31%	6.00%
2021	89.49%	102.81%	117.04%	132.10%	147.93%	6.00%
2020	78.44%	90.14%	102.64%	115.86%	129.75%	6.25%
2019	70.88%	81.89%	93.68%	106.19%	119.36%	6.25%
2018	73.14%	84.45%	96.55%	109.38%	122.89%	6.50%
2017	71.81%	82.91%	94.80%	107.43%	120.73%	6.75%
2016	68.52%	79.05%	90.33%	102.29%	114.87%	7.00%
2015	71.08%	81.16%	91.89%	103.21%	115.07%	7.50%

Longevity and Other Demographic Risks: The estimated liability of the Plan is based on assumptions related to mortality, retirement, disability and termination. To the extent that Plan experience is different than these assumptions the gains and losses affect future required contributions and estimated liability.

Contribution Risk: The possibility that the plan sponsor does not make contributions to the plan according to the funding policy.

Intergenerational equity risk: Intergenerational equity is the concept that resources do not belong to a specific generation and they must be preserved for future generations. One way to alleviate this risk is to pay for benefits over the average future service of the group receiving benefits. Members may feel there are inequities when one is paying more than others, receiving less than others, or paying more than others in relation to what they are receiving.

Plan maturity measures may help understand the risks associated with the plan. As the Plan matures, the ratio of the Market Value of Assets to the Covered Payroll increases. As this ratio gets larger, the impact of asset volatility has a larger effect on the volatility of the Minimum Required Contribution as a percentage of pay.

<u>Year Ending September 30,</u>	<u>Market Value of Assets</u>	<u>Covered Valuation Payroll</u>	<u>Asset Volatility Ratio</u>
2022	\$29,116,226	\$1,651,653	17.6
2021	34,347,895	1,706,741	20.1
2020	29,082,299	1,718,430	16.9
2019	27,075,734	1,624,165	16.7
2018	26,551,744	1,801,777	14.7
2017	24,406,511	1,889,561	12.9
2016	21,853,722	1,962,392	11.1
2015	19,498,306	2,084,998	9.4
2014	19,337,346	2,265,141	8.5
2013	17,369,035	2,468,911	7.0
2012	14,889,816	2,690,922	5.5
2011	12,196,718	2,809,429	4.3
2010	12,001,482	2,931,037	4.1
2009	10,342,313	4,418,658	2.3
2008	9,618,909	4,450,603	2.2

Another measure of a pension plan's maturity is the Ratio of Benefit Payments to Contributions. Over the life of a pension plan, it is expected that the majority of the benefits will be paid for by returns rather than contributions. For this to happen, as a plan matures, the plan will eventually pay out more in benefits than it receives in contributions. It is important to understand the magnitude of this difference so that steps can be taken, if necessary, to manage cash flows going forward. The table below provides the Ratio of Benefit Payments to Contributions. Note that there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

<u>Year Ending September 30.</u>	<u>Benefit Payments</u>	<u>Contributions</u>	<u>Ratio of Benefit Payments to Contributions</u>
2022	\$1,188,292	\$763,474	1.56
2021	1,094,834	1,115,163	0.98
2020	1,097,195	988,950	1.11
2019	1,106,461	885,020	1.25
2018	1,004,991	921,902	1.09
2017	950,966	892,969	1.06
2016	877,324	1,160,358	0.76
2015	811,678	1,141,960	0.71
2014	708,034	1,245,175	0.57
2013	557,336	1,120,557	0.50
2012	466,659	1,032,068	0.45
2011	447,529	858,310	0.52
2010	419,029	1,240,389	0.34
2009	358,668	1,139,148	0.31
2008	302,088	1,163,346	0.26
2007	274,636	985,729	0.28
2006	277,914	800,106	0.35
2005	225,841	593,192	0.38
2004	185,390	541,925	0.34
2003	164,452	433,436	0.38
2002	135,179	162,418	0.83
2001	111,123	154,786	0.72
2000	109,067	197,915	0.55
1999	108,115	213,864	0.51
1998	91,332	196,364	0.47
1997	88,849	222,328	0.40

When looking at Net Cash Flows, it is useful to understand the relative size of the cash flows in comparison to the Market Value of Assets. The following table provides the ratio of the Net Cash Flows divided by the Market Value of Assets. As mentioned previously, there are other cash flows to be considered such as interest and dividends earned or expenses paid by a pension plan.

<u>Year Ending September 30,</u>	<u>Contributions</u>	<u>Disbursements</u>	<u>Assets</u>	<u>Net Cash Flow Divided by Assets</u>
2022	\$763,474	\$1,250,466	\$29,116,226	(0.02)
2021	1,115,163	1,223,036	34,347,895	(0.00)
2020	988,950	1,161,595	29,082,299	(0.01)
2019	885,020	1,159,265	27,075,734	(0.01)
2018	921,902	1,058,438	26,551,744	(0.01)
2017	892,969	1,003,872	24,406,511	0.00
2016	1,160,358	932,804	21,853,722	0.01
2015	1,141,960	861,576	19,498,306	0.01
2014	1,245,175	752,796	19,337,346	0.03
2013	1,120,557	599,028	17,369,035	0.03
2012	1,032,068	507,398	14,889,816	0.04
2011	858,310	488,844	12,196,718	0.03
2010	1,240,389	460,688	12,001,482	0.06
2009	1,139,148	392,583	10,342,313	0.07
2008	1,163,346	335,659	9,618,909	0.09
2007	985,729	308,491	9,674,855	0.07
2006	800,106	313,371	7,845,405	0.06
2005	593,192	260,098	6,980,188	0.05
2004	541,925	227,731	5,932,559	0.05
2003	433,436	204,983	5,306,867	0.04
2002	162,418	163,909	4,523,653	0.00
2001	154,786	148,852	4,886,561	0.00
2000	197,915	129,161	5,816,019	0.01
1999	213,864	129,874	5,470,061	0.02
1998	196,364	113,032	5,042,952	0.02
1997	222,328	108,722	4,711,252	0.02

Section 2 Results

In this section, the assets and liabilities of the Plan are shown in detail. Assets and liabilities are then compared to determine the funded status and minimum funding requirements. Finally, analysis is performed to explain movement in results from the prior valuation.

Asset information is based on the fair market value of assets, along with any techniques used to smooth out market fluctuations. Liabilities are determined through a combination of the benefit provisions, participant census data which contains information for the members who will receive those benefits, and the methods and assumptions used with regard to how benefits will be paid to members. A summary of participant data, an outline of the benefit provisions, and a description of the methods and assumptions used in this valuation are described in Section 4.

Financial Information

Over the life of the Plan, the majority of assets are typically generated from investment return. In this section, we describe how the assets of the Plan are invested, show how the actuarial value of assets is derived, and review the investment results since the prior valuation.

Investment Allocation

	September 30, 2021		September 30, 2022	
Equity Securities	\$21,590,006	63%	\$15,638,125	54%
Fixed Income	7,486,260	22%	7,277,408	25%
Real Estate	2,928,903	8%	3,571,124	12%
Cash and Cash Equivalents	2,361,446	7%	2,606,757	9%
Net Receivables/Payables	<u>(18,720)</u>	<u>0%</u>	<u>22,812</u>	<u>0%</u>
Total Assets	\$34,347,895	100%	\$29,116,226	100%

Reconciliation of Market Value of Assets

Year Ending September 30,	2021	2022
1. Value as of beginning of year	\$29,082,299	\$34,350,030
2. Contributions		
a. Employer	\$1,057,688	\$703,494
b. Employee	<u>57,475</u>	<u>59,980</u>
c. Total Contributions	\$1,115,163	\$763,474
3. Investment Income		
a. Realized Gains and Losses	\$(4,901)	\$580,065
b. Unrealized Gains and Losses	4,589,294	(5,980,036)
c. Interest and Dividends	855,654	719,177
d. Other Income	78	292
e. Investment Expenses	<u>(66,656)</u>	<u>(66,310)</u>
f. Net Investment Income	\$5,373,469	\$(4,746,812)
4. Deductions		
a. Benefits Paid, including contribution refunds	\$(1,094,834)	\$(1,188,292)
b. Administrative Expenses	<u>(128,202)</u>	<u>(62,174)</u>
c. Total	\$(1,223,036)	\$(1,250,466)
5. Value as of end of year	\$34,347,895	\$29,116,226

Note: Asset information is as supplied by the Village. The September 30, 2021 asset value was increased by \$2,135 as of October 1, 2021.

Development of Historical Market Gains and Losses for Asset Smoothing

	2022	2021
1. Market Value of Assets - Beginning of Year	\$34,350,030	\$29,082,299
2. Contributions	763,474	1,115,163
3. Benefit Payments and Administrative Expense	(1,250,466)	(1,223,036)
4. Expected Return on Assets	<u>2,046,392</u>	<u>1,814,273</u>
5. Expected Value of Assets at End of Year	\$35,909,430	\$30,788,699
6. Market Value of Assets - End of Year	\$29,116,226	\$34,347,895
7. Gain (Loss) for Plan Year = (6) - (5)	\$(6,793,204)	\$3,559,196
	2020	2019
1. Market Value of Assets - Beginning of Year	\$27,075,734	\$26,551,744
2. Contributions	988,950	885,020
3. Benefit Payments and Administrative Expense	(1,161,595)	(1,159,265)
4. Expected Return on Assets	<u>1,686,838</u>	<u>1,716,950</u>
5. Expected Value of Assets at End of Year	\$28,589,927	\$27,994,449
6. Market Value of Assets - End of Year	\$29,082,299	\$27,075,734
7. Gain (Loss) for Plan Year = (6) - (5)	\$492,372	\$(918,715)

DRAFT

Development of Actuarial Value of Assets

The market value of assets is adjusted to recognize investment earnings greater than (or less than) the assumed investment return over a five-year period. The Actuarial Value of Assets shall not be more than 120% or less than 80% of the market value of assets.

Determination of Actuarial Value of Assets as of October 1, 2022

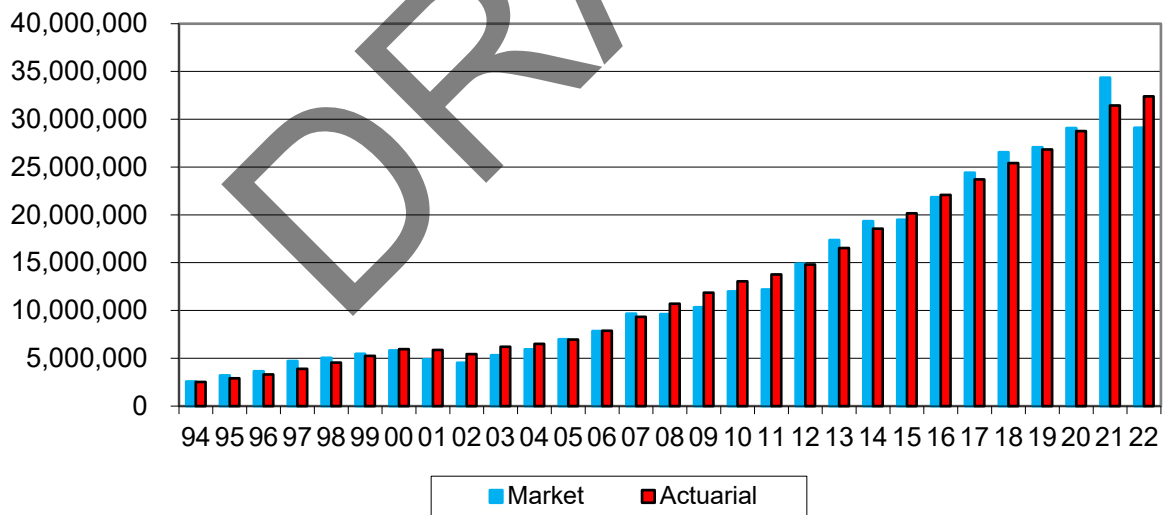
1. Market Value of Assets as of October 1, 2022			\$29,116,226
2. Phase-In Gains (Losses) Over Five Year Period			
	Original Gain (Loss)	Percent Unrecognized	Unrecognized Gain (Loss)
a. Year Ending 9/30/2022	\$(6,793,204)	80%	\$(5,434,563)
b. Year Ending 9/30/2021	3,559,196	60%	2,135,518
c. Year Ending 9/30/2020	492,372	40%	196,949
d. Year Ending 9/30/2019	(918,715)	20%	<u>(183,743)</u>
e. Total			\$(3,285,839)
3. Preliminary Actuarial Value of Assets as of October 1, 2022			\$32,402,065
4. Corridor Around Market Value			
a. Minimum = 80% of Market Value of Assets			\$23,292,981
b. Maximum = 120% of Market Value of Assets			\$34,939,471
c. Corridor Adjustment to Preliminary Actuarial Value			\$0
5. Actuarial Value of Assets as of October 1, 2022 (3. + 4.c.)			\$32,402,065

Determination of Actuarial Asset Gain (Loss) for the Year Ended September 30, 2022

1. Actuarial Value of Assets - Beginning of Year	\$31,444,813
2. Contributions	763,474
3. Benefit Payments and Administrative Expense	(1,250,466)
4. Expected Return on Assets	<u>1,872,079</u>
5. Expected Value of Assets at End of Year	\$32,829,900
6. Actuarial Value of Assets - End of Year	\$32,402,065
7. Gain (Loss) for Plan Year = (6) - (5)	\$(427,835)

Historic Asset Values

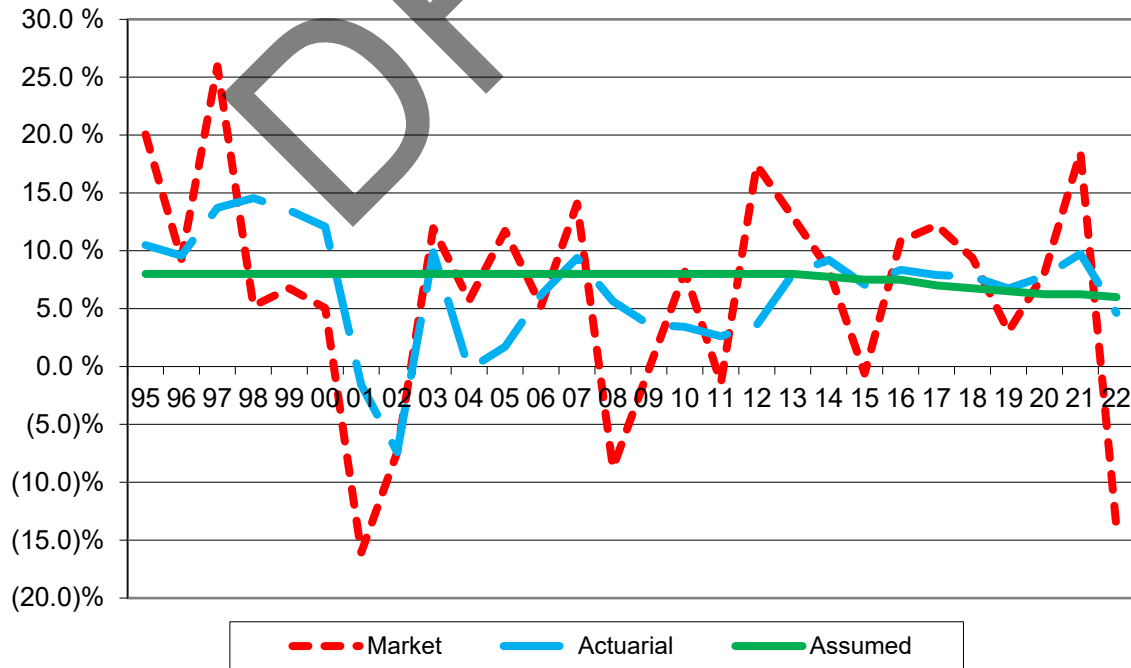
As of October 1,	Market Value	Actuarial Value	As of October 1,	Market Value	Actuarial Value
2022	\$29,116,226	\$32,402,065	2008	\$9,618,909	\$10,707,438
2021	34,347,895	31,444,813	2007	9,674,855	9,330,985
2020	29,082,299	28,756,492	2006	7,845,405	7,882,464
2019	27,075,734	26,840,827	2005	6,980,188	6,949,418
2018	26,551,744	25,411,172	2004	5,932,559	6,502,614
2017	24,406,511	23,712,033	2003	5,306,867	6,203,585
2016	21,853,722	22,082,870	2002	4,523,653	5,428,384
2015	19,498,306	20,163,447	2001	4,886,561	5,863,873
2014	19,337,346	18,562,501	2000	5,816,019	5,953,335
2013	17,369,035	16,524,970	1999	5,470,061	5,246,459
2012	14,889,816	14,798,078	1998	5,042,952	4,543,647
2011	12,196,718	13,770,643	1997	4,711,252	3,888,036
2010	12,001,482	13,055,082	1996	3,638,607	3,312,460
2009	10,342,313	11,855,663	1995	3,205,294	2,898,853



Historic Investment Returns

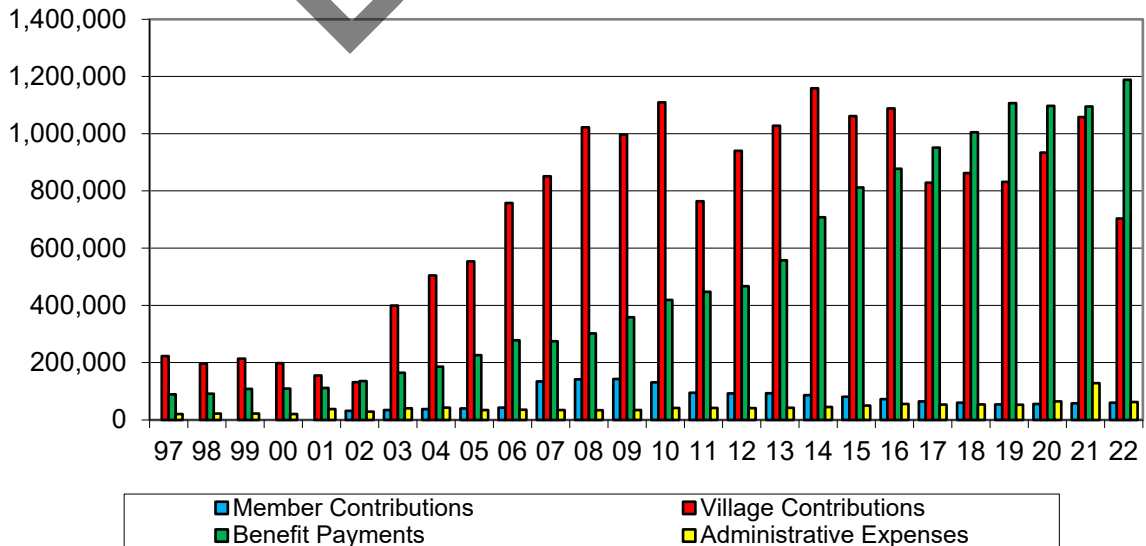
9/30	Market	Actuarial	Assumed	9/30	Market	Actuarial	Assumed
2022	(13.9)%	4.6 %	6.00 %	2008	(8.8)%	5.6 %	8.00 %
2021	18.5 %	9.7 %	6.25 %	2007	14.1 %	9.4 %	8.00 %
2020	8.1 %	7.8 %	6.25 %	2006	5.2 %	6.2 %	8.00 %
2019	3.0 %	6.7 %	6.50 %	2005	11.7 %	1.7 %	8.00 %
2018	9.4 %	7.8 %	6.75 %	2004	5.7 %	(0.2)%	8.00 %
2017	12.2 %	7.9 %	7.00 %	2003	12.0 %	9.9 %	8.00 %
2016	10.8 %	8.3 %	7.50 %	2002	(7.4)%	(7.4)%	8.00 %
2015	(0.6)%	7.1 %	7.50 %	2001	(16.1)%	(1.6)%	8.00 %
2014	8.4 %	9.2 %	7.75 %	2000	5.0 %	12.1 %	8.00 %
2013	12.9 %	8.0 %	8.00 %	1999	6.7 %	13.5 %	8.00 %
2012	17.4 %	3.6 %	8.00 %	1998	5.2 %	14.6 %	8.00 %
2011	(1.4)%	2.6 %	8.00 %	1997	26.0 %	13.7 %	8.00 %
2010	8.2 %	3.4 %	8.00 %	1996	9.3 %	9.6 %	8.00 %
2009	(0.2)%	3.6 %	8.00 %	1995	20.1 %	10.5 %	8.00 %
28 Year Average					6.0 %	6.6 %	7.62 %
10 Year Average					6.5 %	7.7 %	6.95 %

Actual rate of investment return is calculated as $2 I / (A + B - I)$, where A is the asset value at the beginning of the year, B is the asset value at the end of the year, and I represents investment income net of investment expenses.



Historic Contributions and Benefit Payments

Year Ended September 30	Member Contributions	Village Contributions	Benefit Payments	Administrative Expenses
2022	\$59,980	\$703,494	\$1,188,292	\$62,174
2021	57,475	1,057,688	1,094,834	128,202
2020	55,317	933,633	1,097,195	64,400
2019	53,804	831,216	1,106,461	52,804
2018	59,855	862,047	1,004,991	53,447
2017	64,047	828,922	950,966	52,906
2016	72,094	1,088,264	877,324	55,480
2015	80,731	1,061,229	811,678	49,898
2014	86,400	1,158,775	708,034	44,762
2013	92,577	1,027,980	557,336	41,692
2012	92,223	939,845	466,659	40,739
2011	94,530	763,780	447,529	41,315
2010	130,745	1,109,644	419,029	41,659
2009	142,613	996,535	358,668	33,915
2008	141,424	1,021,922	302,088	33,571
2007	134,438	851,291	274,636	33,855
2006	42,629	757,477	277,914	35,457
2005	39,804	553,388	225,841	34,257
2004	37,351	504,574	185,390	42,341
2003	33,977	399,459	164,452	40,531
2002	31,109	131,309	135,179	28,730
2001	0	154,786	111,123	37,729
2000	0	197,915	109,067	20,094
1999	0	213,864	108,115	21,759
1998	0	196,364	91,332	21,700
1997	0	222,328	88,849	19,873



Present Value of Benefits

Valuation as of October 1,	2021	2022
1. Active Members		
a. Retirement Benefits	\$13,666,491	\$13,511,652
b. Deferred Benefits	280,630	269,609
c. Survivor Benefits	<u>241,024</u>	<u>245,508</u>
d. Total	\$14,188,145	\$14,026,769
2. Deferred Vested	\$3,744,924	\$3,309,771
3. Members in Payment Status		
a. Retirement Benefits	\$12,633,211	\$13,493,106
b. Beneficiaries	<u>2,095,995</u>	<u>2,557,006</u>
c. Total	\$14,729,206	\$16,050,112
4. Present Value of Benefits (PVB)	\$32,662,275	\$33,386,652

DRAFT

Accrued Liability

Valuation as of October 1,	2021	2022
1. Active Members		
a. Retirement Benefits	\$10,728,215	\$10,650,399
b. Deferred Benefits	1,793	-2,825
c. Survivor Benefits	<u>143,545</u>	<u>148,520</u>
d. Total	\$10,873,553	\$10,796,094
2. Deferred Vested	\$3,744,924	\$3,309,771
3. Members in Payment Status		
a. Retirement Benefits	\$12,633,211	\$13,493,106
b. Beneficiaries	<u>2,095,995</u>	<u>2,557,006</u>
c. Total	\$14,729,206	\$16,050,112
4. Accrued Liability (AL)	\$29,347,683	\$30,155,977

DRAFT

Normal Cost

Valuation as of October 1,	2021	2022
1. Preliminary Normal Cost		
a. Retirement benefits	\$348,473	\$326,461
b. Deferred benefits	27,668	27,387
c. Survivor benefits	<u>10,547</u>	<u>10,293</u>
d. Total	\$386,688	\$364,141
2. Total Normal Cost (NC)		
a. Preliminary Normal Cost	\$386,688	\$364,141
b. Administrative expense	<u>128,202</u>	<u>62,174</u>
c. Total Normal Cost	\$514,890	\$426,315
d. As a Percentage of Payroll	30.2%	25.8%
3. Actual Employer Normal Cost		
a. Preliminary Normal Cost	\$386,688	
b. Actual Administrative Expense	62,174	
c. Actual Employee Contributions	<u>(59,980)</u>	
d. Employer Normal Cost	\$388,882	
4. Valuation Salary	\$1,706,741	\$1,651,653

Unfunded Accrued Liability

Valuation as of October 1,	2022
Unfunded Accrued Liability	
1. Accrued Liability	\$30,155,977
2. Actuarial Value of Assets	<u>(32,402,065)</u>
3. Unfunded Accrued Liability	\$(2,246,088)
Determination of Expected Unfunded Accrued Liability	
1. Unfunded Accrued Liability as of Prior Year	\$(2,097,130)
2. Employer Normal Cost (Including Administrative Expenses)	388,882
3. Interest for a full year on (1) and (2)	(102,495)
4. Employer Contribution for Prior Year	(703,494)
5. Interest on Contributions	(21,105)
6. Change in Plan, Methods or Assumptions	<u>0</u>
7. Expected Unfunded Accrued Liability	\$(2,535,342)
Calculation of (Gain) or Loss	
1. Actual Unfunded Accrued Liability	\$(2,246,088)
2. Expected Unfunded Accrued Liability	<u>(2,535,342)</u>
3. Total (Gain) or Loss	\$289,254
Reconciliation of Unfunded Accrued Liability	
1. Unfunded Accrued Liability for Prior Year	\$(2,097,130)
2. Total Change in Unfunded Accrued Liability	
a. Expected Change in Unfunded Accrued Liability	\$(438,212)
b. Change in Plan, Methods or Assumptions	0
c. Change Due to (Gain) or Loss	
i. Investment (Gain) Loss	\$427,835
ii. Demographic (Gain) Loss	<u>(138,581)</u>
iii. Total (Gain) or Loss	\$289,254
d. Total Change in Unfunded Accrued Liability	\$(148,958)
3. Unfunded Accrued Liability for Current Year	\$(2,246,088)

Amortization of Unfunded Accrued Liability

The Unfunded Accrued Liability is being amortized as a level dollar amount using the net assumed investment return.

A fresh start was implemented on the amortization of the Unfunded Accrued Liability retroactive effective October 1, 2017 at 6.73813 years such that the October 1, 2017 valuation amortization payment remained unchanged. Effective with the October 1, 2018 actuarial valuation, the Unfunded Accrued Liability was amortized over a 5.73813-year period. Future changes in UAL are to be set up over a 5-year period.

Prior to the October 1, 2021 actuarial valuation, continuing outstanding bases were adjusted pro rata to make the sum of outstanding bases equal to the unfunded accrued liability. This adjustment is to account for differences in contributions. Differences in contributions arise for several reasons including determination of minimum required contributions projected from a valuation prior to the funding year or employer funding more than expected. Effective with the October 1, 2021 actuarial valuation the method has been changed to instead adjust the current year actuarial experience base.

Actions Taken to Reduce Unfunded Accrued Liability

The required contributions calculated each year include a payment for the amortization of the Unfunded Accrued Liability. This payment is designed to reduce the Unfunded Accrued Liability in an orderly fashion over the next 5 years.

Amortization Bases

Type	10/1	Original Balance	Adjusted Outstanding Bases	Years Remain	Amortization Payment
1. Fresh Start	2018	\$2,090,111	\$682,800	1.73813	\$401,261
2. (Gain) Loss	2019	(623,007)	(261,889)	2.00000	(134,758)
3. Assumption Change	2019	913,998	384,211	2.00000	197,701
4. (Gain) Loss	2020	(1,293,417)	(821,637)	3.00000	(289,983)
5. Assumption Change	2020	(745,073)	(473,304)	3.00000	(167,045)
6. (Gain) Loss	2021	(1,919,034)	(2,088,153)	4.00000	(568,512)
7. Assumption Change	2021	896,257	737,264	4.00000	200,725
8. (Gain) Loss	2022	289,254	(405,380)	5.00000	(90,788)
Total			\$(2,246,088)		\$(451,399)

Projected Unfunded Accrued Liability and Amortization Payments

Plan Year Beginning October 1	Unfunded Accrued Liability	Amortization Payment
2022	\$(2,246,088)	\$(451,399)
2023	(1,902,370)	(554,233)
2024	(1,429,026)	(915,604)
2025	(544,227)	(458,578)
2026	(90,788)	(90,788)
2027	0	0

Minimum Funding Requirements

Valuation as of October 1, Funding for Year Ending September 30,	2021 2023	2022 2024
1. Minimum Required Contribution		
a. Total Normal Cost	\$514,890	\$426,315
b. Amortization of UAL	0	0
c. Interest to next fiscal year	30,893	25,579
d. Interest for periodic payment	<u>16,373</u>	<u>13,557</u>
e. Total	\$562,156	\$465,451
2. Minimum Required Contribution by Source		
a. Village Minimum Required Contribution	\$514,342	\$415,951
b. Expected Employee Contributions	<u>47,814</u>	<u>49,500</u>
c. Total	\$562,156	\$465,451
3. Valuation Salary		
a. Expected in Year Following Valuation Date	\$1,706,741	\$1,651,653
b. Expected in Funding Year	1,593,788	1,649,984
4. Assumed Net Investment Return	6.00%	6.00%

DRAFT

Reconciliations

Reconciliation of Change in Village Minimum Required Contribution

As of Prior Valuation		\$514,342
Changes in Required Village Contribution Rate due to:		
Normal Operation of Plan	\$(37,259)	
Investment Experience	104,613	
Demographic Experience	<u>(165,745)</u>	
Total Changes	<u>\$(98,391)</u>	
As of Current Valuation		\$415,951

Note: While the effect of the normal operation of the plan is based on the reduction in normal cost that was expected and the effect of investment experience is based on the amortization of the actuarial investment loss, the demographic experience effect shown above is the net effect of all other items including funding more than the minimum requirement since the amortization of the unfunded accrued liability used in the calculation of the minimum required contribution cannot be less than zero.

Reconciliation of Change in Funded Percentage

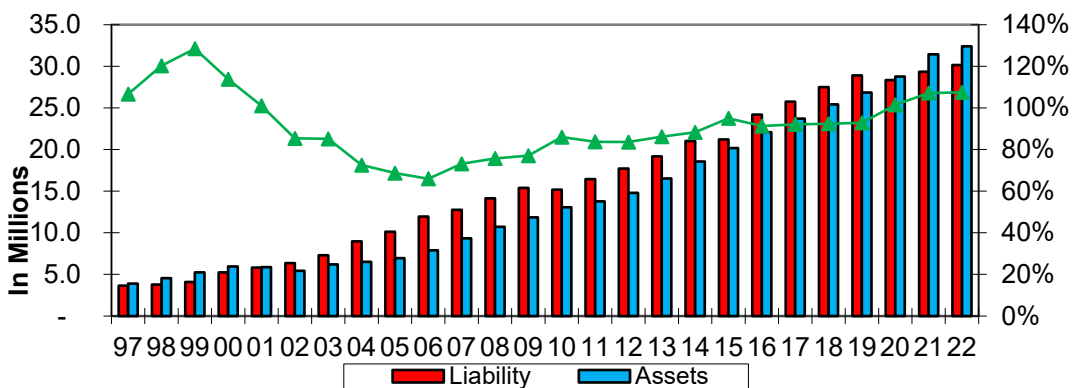
As of Prior Valuation		107.15 %
Changes in Funded Status due to:		
Normal Operation of Plan	1.22 %	
Investment Experience	(1.41)%	
Demographic Experience	<u>0.49 %</u>	
Total Changes	<u>0.30 %</u>	
As of Current Valuation		107.45 %

Historical Actuarial Experience

Historic Gains and Losses

Actuarial Valuation Date	Investment Gain/(Loss)			
	Market Basis	Actuarial Basis	Demographic Gain/(Loss)	Total Gain/(Loss)
	(A)	(B)	(C)	(B) + (C)
10/1/2022	\$(6,793,204)	\$(427,835)	\$138,581	\$(289,254)
10/1/2021	3,559,196	1,002,284	916,750	1,919,034
10/1/2020	492,372	416,153	877,264	1,293,417
10/1/2019	(918,715)	61,087	561,920	623,007
10/1/2018	638,938	239,721	205,918	445,639
10/1/2017	1,137,813	198,147	325,072	523,219
10/1/2016	662,505	171,077	429,411	600,488
10/1/2015	(1,580,239)	(82,140)	930,661	848,521
10/1/2014	110,752	245,387	506,492	751,879
10/1/2013	745,644	656	392,348	393,004
10/1/2012	1,171,704	(619,873)	512,584	(107,289)
10/1/2011	(1,149,127)	(713,091)	(55,854)	(768,945)
10/1/2010	20,895	(559,923)	1,628,110	1,068,187
10/1/2009	(822,536)	(484,798)	171,774	(313,024)
10/1/2008	(1,690,729)	(230,820)	(25,731)	(256,551)
10/1/2007	497,490	113,596	664,743	778,339
10/1/2006	(199,402)	(129,112)	179,217	50,105
10/1/2005	226,606	(419,823)	(152,874)	(572,697)
10/1/2004	(125,619)	(524,020)	(145,699)	(669,719)
10/1/2003	183,731	(569,069)	(12,628)	(581,697)
10/1/2002	(752,282)	(903,048)	89,638	(813,410)
10/1/2001	(1,400,911)	(571,900)	(23,393)	(595,293)
10/1/2000	(163,151)	215,655	14,489	230,144
10/1/1999	(63,677)	251,971	72,707	324,678
10/1/1998	(131,865)	257,903	248,521	506,424
10/1/1997	663,406	192,429	(8,262)	184,167

Historical Funded Percentage



Section
3

Accounting Information

Information Required by GASB 67/68

A supplemental report provides information under the Governmental Accounting Standards Board No. 67/68.

DRAFT

Statement of Accumulated Plan Benefits (FASB 35)

The following table is based on prior accounting standards and is required by the State. The present value of accrued benefits is an estimate of the liability for the Plan of all benefits accrued to date.

Valuation as of October 1,	2021	2022
Statement of Accumulated Plan Benefits		
Present value of accumulated vested plan benefits		
Participants Currently Receiving Payments	\$14,729,206	\$16,050,112
Other Participants	<u>12,153,583</u>	<u>11,524,683</u>
Total	\$26,882,789	\$27,574,795
Present value of accumulated non-vested plan benefits	<u>157,145</u>	<u>114,877</u>
Total present value of accumulated plan benefits	\$27,039,934	\$27,689,672
Statement of Change in Accumulated Plan Benefits		
Accumulated plan benefits as of prior year		\$27,039,934
Increase (decrease) during the year attributable to:		
Plan amendment		\$0
Change in methodology		0
Change in assumptions		0
Benefits paid		(1,188,292)
Interest due to decrease in discount period		1,622,396
Other, including benefits accumulated		<u>215,634</u>
Net increase (decrease)		\$649,738
Accumulated plan benefits as of current year		\$27,689,672

Other Disclosures Required by the State of Florida

Valuation as of October 1,	2021	2022
Other Disclosures Required by the State of Florida		
Present value of active member:		
Future salaries (attained age)	\$15,379,491	\$15,231,596
Future contributions (attained age)	\$461,385	\$456,948

Required Disclosure Under F.S. 112.664(1)

As required under F.S. Section 112.664(1) we have produced the following information:

- (a) Total pension liability calculated based on mortality used in one of the last two Florida Retirement System (FRS) valuations. This actuarial valuation assumes mortality as used in the July 1, 2019, 2020 and 2021 actuarial valuation for NOT special risk members of FRS.
- (b) Total pension liability calculated using an assumed interest rate that is 200 basis points lower than that assumed in the valuation of the Plan.
- (c) Determination of the number of months or years for which the current market value of assets is adequate to sustain the payment of expected retirement benefits.
- (d) Recommended contribution to the Plan using the most recent valuation and the contributions necessary prepared pursuant to (a) and (b) stated as a dollar amount and % of payroll.

	2% Decrease (4.00%)	Actual Valuation Current Discount Rate (6.00%)	2% Increase (8.00%)
Total pension liability	\$39,621,084	\$30,155,977	\$23,806,242
Plan fiduciary net position	<u>(29,116,226)</u>	<u>(29,116,226)</u>	<u>(29,116,226)</u>
Net pension liability	<u>\$10,504,858</u>	<u>\$1,039,751</u>	<u>\$(5,309,984)</u>
Plan fiduciary net position as a percentage of the total pension liability	73.49%	96.55%	122.31%
Years of benefit payments:			
Expected for current members:	99.00	99.00	99.00
Paid for with current assets:	20.20	28.83	99.00
Village Contribution Requirement Plus Expected Employee Contributions			
Dollar Amount	\$2,461,375	\$465,451	\$306,394
Percent of Payroll	149.18%	28.21%	18.57%

Required Disclosure Under F.S. 112.664(2)(b)2.

F.S. Section 112.664(2)(b)2. - For the previous five years, beginning with 2013, a side-by-side comparison of the plan's assumed rate of return compared to the actual rate of return, as well as the percentages of cash, equity, bond and alternative investments in the plan portfolio.

Year Ending September 30,	2022	2021	2020	2019	2018
Assumed rate of return	6.00%	6.25%	6.25%	6.50%	6.75%
Actual rate of return	(13.92%)	18.51%	8.07%	3.02%	9.38%
Percentages of assets in:					
Equity	53.71%	62.86%	60.06%	63.04%	67.79%
Bond	24.99%	21.80%	26.65%	25.02%	20.94%
Cash	8.95%	6.88%	4.38%	2.31%	1.45%
Alternative	12.35%	8.46%	8.91%	9.63%	9.82%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

DRAFT

Section 4 Supplementary Information

Demographic Data

Valuation as of October 1,	2021	2022
<u>Active Participants</u>		
Number	31	28
Average Age	53.6	53.8
Average Credited Service	20.0	20.2
Average Salary	\$65,263	\$70,895
Total Salary	\$2,023,141	\$1,985,073
Valuation Salary	\$1,706,741	\$1,651,653
Accumulated Contributions	\$643,179	\$629,019
<u>Terminated With Rights to Deferred Benefits</u>		
Number	40	38
Average Age	53.6	54.2
Total Annualized Benefit	\$357,256	\$316,997
Average Monthly Benefit	\$744	\$695
<u>Service Retirements</u>		
Number	44	45
Average Age	73.3	72.8
Total Annualized Benefit	\$923,109	\$978,801
Average Monthly Benefit	\$1,748	\$1,813
<u>Beneficiaries</u>		
Number	10	11
Average Age	73.4	69.7
Total Annualized Benefit	\$163,230	\$173,337
Average Monthly Benefit	\$1,360	\$1,313
<u>Total In Payment Status</u>		
Number	54	56
Average Age	73.4	72.2
Total Annualized Benefit	\$1,086,339	\$1,152,138
Average Monthly Benefit	\$1,676	\$1,714

Number of Active Members by Age and Service as of October 1, 2022

Age	Service					Total
	< 15	< 20	< 25	< 30	30+	
< 25						
< 30						
< 35	1					1
< 40	2	1				3
< 45		2				2
< 50		3				3
< 55		4	3	2	1	10
< 60		1			1	2
< 65		1	2			3
< 70		2				2
70+			1	1		2
Total	3	14	6	3	2	28

Average Active Pay by Age and Service as of October 1, 2022

Age	Service					Total
	< 15	< 20	< 25	< 30	30+	
< 25						
< 30						
< 35	79,709					79,709
< 40	72,849	67,250				70,983
< 45		101,850				101,850
< 50		74,960				74,960
< 55		90,748	65,083	81,392	77,786	79,881
< 60		58,273			73,333	65,803
< 65		81,259	34,414			50,029
< 70		84,034				84,034
70+			7,006	8,259		7,633
Total	75,136	83,316	45,180	57,015	75,559	70,895

The pay shown above is that expected to be paid in the year following the valuation date.

There are no members with less than 10 years of service.

Reconciliation of Participants

	Active	Deferred Vested	Retirements	Beneficiaries	Total
October 1, 2021	31	40	44	10	125
Retirement	(2)	(2)	4		0
Death	(1)		(3)	1	(3)
October 1, 2022	28	38	45	11	122

DRAFT

Outline of Plan Provisions

Plan Type: Single-employer Defined Benefit Pension Plan

Legal Authority: The Plan was established and is amended by local ordinance.

Board Composition: The trustees consist of five members who are selected as follows:

- (a) One member is an elected Village Council member,
- (b) One member is the Village Manager or the Village Manager's designee, and
- (c) Two members are active participants elected by a majority of the active participants.
- (d) A fifth member is a resident of Palm Springs selected by a majority vote of the other four members.

Plan Administrator: The Board of Trustees

Funding Requirements: Employer contributions are actuarially determined and subject to State statute. Employee contributions are as described below and may be amended by ordinance.

Effective Date: November 19, 1969.

Recent Ordinances: Ordinance No. 2010-07 adopted April 8, 2010 closed the Plan to future new entrants effective June 30, 2010. Individual members chose whether to remain active participants of this Plan or to alternatively move to the Florida Retirement System.

Ordinance No. 2013-30 adopted September 26, 2013 contained language to allow for investment in foreign governments, real property, up to 5% in investments not listed in the ordinance, and any investments authorized by Florida Statutes 215.47.

Ordinance No. 2017-26 adopted October 12, 2017 amended and restated the Plan. The following changes were made: (1) effective January 1, 2007 members who die or become disabled while on active duty military service are treated as though re-employed with the Village the day before disability or death, and then became disabled from a non-duty disability or died a non-duty death; (2) amounts paid as differential wages to members who are absent while in qualified military service are treated as pensionable earnings beginning with earnings after December 31, 2008 and pursuant to IRC §414(u)(7); (3) a refund of employee contributions without interest is payable to the estate of a vested termination who dies with no designated beneficiary or spouse and that vested terminations who are married at the time of death are assumed to have elected an annuity payable to their spouse if there is no valid beneficiary designation and form of benefit election on file under Option 3 (100% Joint & Survivor with Pop-Up to Life Only) (a) commencing the first of the month coincident or next following the member's death if the member had reached normal retirement age but had not yet commenced benefits, or (b) commencing at what would have been the first of the month after the member's normal retirement age if the vested terminated member dies before reaching normal retirement age; (4) only with the consent of the vested terminated member may the actuarially equivalent present value of the vested benefit more than \$1,000 be paid; (5) non-spouse beneficiaries who are eligible to receive lump sum distributions under the plan are additionally defined as distributees who may have rollovers performed on their behalf; and (6) if a member does not consent to receive a mandatory distribution in excess of \$1,000, the monies

are transferred to an individual retirement plan of the Board's choosing and the member is notified of the transfer.

Ordinance 2020-10 was adopted effective July 9, 2020. Ordinance 2020-27 was adopted effective September 10, 2020. These amendments were identical and modified the composition, roles and hearing procedures of the Board of Trustees.

Plan Year: The 12-month period from October 1st to the next September 30th.

Member: General employees or elected officials, excluding persons whose customary employment is not for more than 20 hours per week or for not more than 5 months in any plan year, become Members immediately upon hire. The Plan is closed to future new entrants effective June 30, 2010.

Credited Service: Employee service computed in years and fractional parts.

Vesting: Members become vested according to the following schedule:

Service	Vested %
<5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10+	100%

Members are 100% vested upon attainment of Normal Retirement Eligibility.

Earnings: Total annual gross compensation reported on Form W-2 plus tax deferred income. Payment upon termination for unused vacation time is limited to 120 hours.

Employee Contributions: 3.0% of Earnings.

Final Average Earnings: The average of the highest five successive Plan Years of Earnings in the last ten Plan Years of employment.

Normal Retirement Date: The first day of the month coincident with or next following attainment of age 62 and 5 years of Credited Service.

Members who terminate employment with a vested percentage greater than 0% prior the Normal Retirement Date are eligible to receive their Accrued Benefit once the age requirements for the Normal Retirement Date are met, provided Employee Contributions remain in the Plan.

Accrued Benefit: The amount of monthly retirement income payable at the Normal Retirement Date is determined according to the following formula:

$$2.50\% \times \text{Final Average Earnings} \times \text{Credited Service up to 25 years}$$

The Accrued Benefit is payable in the form of a life only annuity.

Cost of Living Adjustment: Based on the Consumer Price Index, a Cost of Living Adjustment is granted annually in an amount not more than 3% for Members in payment status.

Early Retirement Date: After attainment of 10 years of Credited Service, a Member may retire up to 10 years earlier than their Normal Retirement Date.

Early Retirement Benefit: The Accrued Benefit is reduced for commencement earlier than the Normal Retirement Date at a rate of 5% annually.

Members who terminate employment with a vested percentage greater than 0% prior to reaching the Early Retirement Date age requirements may elect to receive an Early Retirement Benefit once the age requirements are met, provided Employee Contributions remain in the Plan.

Pre-retirement Death Benefit: The Accrued Benefit adjusted for a 100% joint and survivor pop-up option is payable to the beneficiary of a Member who dies while in active service after earning 10 years of Credited Service.

Optional Forms of Retirement Income: In addition to the life only annuity, also available under the terms of the Plan are the 10-year certain and continuous form of annuity, as well as the 100% and 50% joint and survivor pop-up annuity forms of benefit.

DRAFT

Description of Assumptions and Methods

Assumed Rate of Investment Return: 6.0% per year, net of investment expenses

Inflation: 2.0% per year. Note this assumption is not used directly in the actuarial valuation.

Salary Increase – Individual: Rates varying by age as shown in the following schedule, which includes inflation. Accrued Benefits in the final year of the career are loaded 1% for retirement and termination to account for payments due to accumulated leave. No adjustment is made to death benefits to account for unused accumulated sick leave.

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
15	8.336%	25	7.621%	35	6.874%	45	6.179%	55	5.164%
16	8.336%	26	7.516%	36	6.824%	46	6.064%	56	5.067%
17	8.336%	27	7.421%	37	6.780%	47	5.950%	57	4.967%
18	8.336%	28	7.334%	38	6.734%	48	5.841%	58	4.864%
19	8.336%	29	7.255%	39	6.689%	49	5.737%	59	4.762%
20	8.336%	30	7.181%	40	6.635%	50	5.638%	60	4.659%
21	8.164%	31	7.111%	41	6.568%	51	5.541%	61+	4.556%
22	8.006%	32	7.049%	42	6.488%	52	5.447%		
23	7.865%	33	6.986%	43	6.395%	53	5.354%		
24	7.736%	34	6.927%	44	6.292%	54	5.260%		

Mortality: Mortality rates are those required by state statute. Mortality is as assumed for the Florida Retirement System (FRS) valuation as of July 1, 2019, 2020, and 2021 for not special risk and not school instructional personnel, as follows:

The following two sex distinct tables are used with fully generational mortality improvements using sex distinct Scale MP-2018.

Healthy Active: PubG.H-2010(B) (male set back 1 year)

Healthy Retiree: PubG.H-2010(B) (male set back 1 year)

Juvenile rates were used for ages 15-17.

The active table references the healthy retiree rates, above, at ages 81+.

The healthy retiree table references the active mortality rates, above, before age 51.

Retirement: Upon attaining 5 years of service, members are assumed to retire at a rate of 10% annually from age 52 through age 61. At age 62, 100% of Members are assumed to retire.

Termination: Select Rates for years 0-4 are 25%, 20%, 14%, 9% and 8%, respectively. Ultimate rates varying by age follow. No termination is assumed for members who have attained Early or Normal Retirement eligibility.

Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
15-20	7.00%	27	6.10%	34	4.30%	41	1.90%	48	1.35%
21	6.90%	28	5.90%	35	4.00%	42	1.80%	49	1.30%
22	6.80%	29	5.70%	36	3.60%	43	1.70%	50-61	1.25%
23	6.70%	30	5.50%	37	3.20%	44	1.60%	62 +	0.00%
24	6.60%	31	5.20%	38	2.80%	45	1.50%		
25	6.50%	32	4.90%	39	2.40%	46	1.45%		
26	6.30%	33	4.60%	40	2.00%	47	1.40%		

Designated Beneficiaries: For pre-retirement death benefits, all members are assumed to have a designated beneficiary on file. Females are assumed to be three years younger than males.

Administrative Expense Load: The Normal Cost is increased by plan expenses, other than investment related expenses, from the prior year.

Funding Method: Entry Age Normal (level percent of salary).

A description of the funding method is found on the next page entitled "Glossary of Actuarial Terms."

DRAFT

Glossary of Actuarial Terms

Present Value of Benefits (PVB): The present value, as of the valuation date, of all benefits that will become payable by the Plan for the current group of members in the census.

Normal Cost (NC): The value of the portion of the total benefit for active members which accrues in the year following the valuation date. Under the Entry Age Normal (Level Percent of Salary) funding method, the annual NC for each individual active member is determined as a constant fraction of salary from the member's date of entry into the Plan to the member's assumed date of termination, retirement, disability or death.

Accrued Liability (AL): This is the portion of the PVB attributable to the past at the valuation date. For active members, AL is the annual NC accumulated from date of entry to the valuation date for each member. For retired and terminated members, the PVB and the AL are equal. The AL is the estimated liability owed by the pension fund at the valuation date.

Unfunded Accrued Liability (UAL): Any excess of the Accrued Liability over the fund assets. A negative UAL indicates fund assets are greater than the Accrued Liability, otherwise known as a surplus. Actuarial gains reduce the UAL and actuarial losses increase the UAL.

Actuarial Value of Assets: The value of assets used in the actuarial valuation of the Plan which is compared to the AL to determine the UAL and minimum funding requirements. A method may be used to smooth out short term volatility in the fair market value of assets. In this valuation, the Actuarial Value of Assets has been calculated to smooth out unexpected fluctuations in the fair market value of assets over a 5-year period, less any reserve of State contributions.

DRAFT

Investment Performance Review
Period Ending December 31, 2022

Village of Palm Springs General Employees' Pension Plan



On behalf of everyone at AndCo, we want to Thank You for the opportunity to serve you and for the trust you place in us! We take our role as your consultant and trusted advisor seriously and will continue working hard to maintain your confidence.

Looking back at the year, we would like to provide a brief update on where we stand as a firm. 2022 marked the 22nd straight year of revenue growth for the firm and we advise on approximately \$90 billion in client assets as of December 31st. We reinvested 100% of our net profits back into the organization so we can continue to evolve and adapt within a market environment that is constantly changing and challenging. As we have stated in previous updates, we do not believe the “status quo” is an effective strategy and we are convicted in our belief that a firm not focused on moving forward in our industry is moving backward.

To execute on our commitment to evolve and continue to enhance the organization, we made additional personnel and technology investments in 2022. Specifically, we hired a Chief Information Officer (Bharat Kumta) after a national search led by a specialized executive recruiting firm. We believe technology is going to drive successful firms in our industry and we plan to invest heavily within this business function to support digital transformation. We also integrated a new Chief Human Resources Officer (Stacie Runion) through a national search led by an executive recruiter. We believe our firm's most important asset is our people, so we need to ensure we have the right leadership team in HR to focus on that asset. We also hired team members in Finance, Human Resources, Consulting, Research, Solutions & Growth, Technology and Performance & Reporting. These personnel investments focused on further enhancing functional areas, departmental service levels, and narrowing potential gaps. We also continued to invest in our proprietary software system to compile and share information firmwide to better serve our clients more effectively and efficiently. Finally, we engaged several outside consulting firms to help us better assess and invest in areas within our firm we believe will drive value for our clients going forward. Some examples include working with an outside group to evaluate and enhance our Operational Due Diligence efforts with investment managers and a separate group to help us review and analyze our current Discretionary Services offerings and how to make this service stronger for our clients.

As we start 2023, we are 93 team members strong with plans to grow. We are targeting several new positions for the year as we thoughtfully continue to invest in our firm to provide the quality services you expect from AndCo. These talent enhancements cover multiple functions and departments at AndCo including Consulting, Research, Performance & Reporting, Marketing, Technology and Compliance. While adding additional resources to a firm our size is a significant investment, it is one we embrace due to the impact we believe it will have on our ability to continue serving our clients at a high level and will push us closer to our vision of being a transformational organization viewed as the leader in our industry. We thoughtfully grow while helping to ensure that service will not suffer at AndCo at the expense of growth. Rather, we utilize growth to enhance our value proposition and overall service to our valued clients.

At the beginning of each year, we also discuss the AndCo partnership and, when earned, announce new partners.

This year I am thrilled to share three new team members were named partners at AndCo – Jon Breth, Tyler Grumbles and Brooke Wilson. Jon has been with AndCo for 11-years and Tyler has been with AndCo for 15-years. Jon and Tyler are both members of our Consulting Department. Brooke was recently promoted to Executive Director of our Performance & Reporting Department and has been with AndCo 7-years. We could not be happier for Jon, Tyler, and Brooke or more grateful for the contributions they have made to AndCo since joining the firm. Jon, Tyler, and Brooke represent what it means to be an AndCo team member, and we are honored and fortunate to have them as partners at our firm.

While three new members will be added to the partnership in 2023, we will also be losing one valuable team member. Donna Sullivan retired on December 31, 2022. Donna joined AndCo at its inception in September of 2000. Donna has been integral in the success of the firm and for many years was the glue that held everything together. Her contributions and sacrifices are too many to reference in this letter. While we are extraordinarily excited for her and the next chapter of her life, she will be greatly missed as a partner and team member. We will be honoring Donna and her legacy with the Donna Sullivan Believe Award. This award will be given each year to the team member at AndCo that best demonstrates their belief in AndCo's Mission, Vision, and Values. Donna believed in what AndCo stood for before anyone else did, and she carried that belief for 23 years. Thank you, Donna!

With the addition of Jon, Tyler, and Brooke, and Donna's retirement, we now have 15 partners representing various functions and departments at AndCo. Our growing partnership group provides great perspective and insight which continues to strengthen AndCo and reaffirm our belief that 100% employee management is vital to the long-term success of our organization. We have great team members at AndCo and this partnership group will continue to expand as we move forward.

In closing, we know that 2022 was a dramatically different environment for investing as compared to 2021, with record high inflation and double-digit losses in both equity AND fixed income assets - all resulting in challenging client portfolio results. Please know our team works tirelessly to provide the advice and guidance you need regardless of the market environment. Our name, AndCo, reminds us of who we work for every day - “Our Client” &Co. You are first in our service model. As we continue to discuss strategic decisions and reinvestments regarding our firm, please know that our decisions are filtered through the following question: “How does this keep our clients' interests first?” If it doesn't meet this standard, we don't do it - it's that simple.

Thank you again for your valued partnership and the opportunity to serve you.
Happy New Year!



Mike Welker, CFA®
CEO



Organizational Chart



PARTNERSHIP

Mike Welker, CFA®
Brian Green
Brooke Wilson, CIPM®
Bryan Bakardjiev, CFA®
Dan Johnson
Dan Osika, CFA®
Evan Scussel, CFA®, CAIA®
Jacob Peacock, CPFA

Jason Purdy
Jon Breth, CFP®
Kerry Richardville, CFA®
Kim Spurlin, CPA
Steve Gordon
Troy Brown, CFA®
Tyler Grumbles, CFA®, CIPM®, CAIA®

LEADERSHIP & MANAGEMENT

Mike Welker, CFA®
 CEO
Bharat Kumta
 CIO
Bryan Bakardjiev, CFA®
 COO
Evan Scussel, CFA®, CAIA®
 Executive Director of Research
Kim Spurlin, CPA
 CFO
Sara Searle
 CCO
Stacie Runion
 CHRO
Steve Gordon
 Solutions & Growth Director
Troy Brown, CFA®
 Executive Director of Consulting

Brooke Wilson, CIPM®
 Executive Director of Performance Reporting
Dan Johnson
 Consulting Director
Jack Evatt
 Consulting Director
Jacob Peacock, CPFA
 Consulting Director
Jason Purdy
 I.T. Director
Molly Halcom
 Solutions & Growth Director
Philip Schmitt
 Research Director
Rachel Brignoni, MHR
 People & Culture Director

INVESTMENT POLICY COMMITTEE

Bryan Bakardjiev, CFA®
Mike Welker, CFA®

Sara Searle
Troy Brown, CFA®

CONSULTING

Annette Bidart
Brad Hess, CFA®, CPFA
Brendon Vavrica, CFP®
Brian Green
Chris Kuhn, CFA®, CAIA®
Christiaan Brokaw, CFA®
Dave West, CFA®
Doug Anderson, CPFA
Frank Burnette
Gwelda Swilley
Ian Jones

James Ross
Jeff Kuchta, CFA®, CPFA
Jennifer Brozstek
Jennifer Gainfort, CFA®, CPFA
John Mellinger
John Thinnis, CFA®, CAIA®, CPFA
Jon Breth, CFP®
Jorge Friguls, CPFA
Justin Lauver, Esq.
Kerry Richardville, CFA®

Mary Nye
Michael Fleiner
Michael Holycross
Mike Bostler
Oleg Sydyak, CFA®, FSA, EA
Paul Murray, CPFA
Peter Brown
Tim Walters
Tony Kay
Tyler Grumbles, CFA®, CIPM®, CAIA®

PERFORMANCE REPORTING

Albert Sauerland
Amy Steele
Bob Bulas
David Gough, CPFA
Don Delaney
Donnell Lehrer, CPFA

Edward Cha
Grace Niebrzydowski
James Culpepper
James Reno
Jeff Pruniski
Joe Carter, CPFA

Julio Garcia Rengifo
Kim Hummel
Rotchild Dorson
Yoon Lee-Choi

OPERATIONS

FINANCE
Kahjeelia Pope
Michelle Boff
Robert Marquetti

HUMAN RESOURCES
Kelly Pearce
Shelley Berthold

I.T. & OPERATIONS
Geoffrey Granger
Jerry Camel
Kenneth Day

COMPLIANCE
Allen Caldwell
Thay Arroyo

MARKETING
Lauren Kaufmann

SOLUTIONS & GROWTH
Dan Osika, CFA®
John Rodak, CIPM®
Paola Gervasi

RESEARCH

Andrew Mulhall
 Public Equity & Fixed Income
Ben Baldrige, CFA®, CAIA®
 Private & Hedged Fixed Income
Chester Wyche
 Real Estate & Real Assets
Dan Lomelino, CFA®
 Fixed Income
David Julier
 Real Estate & Real Assets
Elizabeth Wolfe
 Capital Markets & Asset Allocation
Evan Scussel, CFA®, CAIA®
 Private & Public Equity
Joseph Ivaszuk
 Operational Due Diligence
Josue Christiansen, CFA®, CIPM®
 Public Equity
Julie Baker, CFA®, CAIA®
 Private & Hedged Equity
Justin Ellsesser, CFA®, CAIA®
 Private Equity
Kevin Laake, CFA®, CAIA®
 Private Equity
Michael Kosoff
 Hedge Funds
Philip Schmitt
 Fixed Income & Capital Markets
Ryan McCuskey
 Real Estate & Real Assets
Xinxin Liu, CFA®, FRM
 Private Equity and Private Debt
Zac Chichinski, CFA®, CIPM®
 Public Equity



93
EMPLOYEES

37 ADVANCED
DEGREES

23 CFA®

8 CAIA®

11 CPFA 5 CIPM®

Employee counts are as of 1/1/2023 and reflect only full time employees and do not include any who are part time, temporary or independent contractors.



4th Quarter 2022 Market Environment



The Economy

- US GDP growth is expected to remain strong in the 4th quarter. While the final measure of 3rd quarter GDP was revised upward to 3.2%, global GDP growth remains challenged with higher energy prices continuing to act as a headwind, especially in Europe. However, China is beginning the process of reopening its economy which should boost emerging markets.
- The US Federal Reserve Bank (the Fed) continued to increase interest rates during the quarter with a 0.75% increase in November and a 0.50% increase in December. Importantly, the Fed signaled it remains committed to fighting inflation through additional rate hikes if needed.
- The US labor market continued to show its resiliency by adding roughly 60 thousand jobs during 4th quarter. As a result, the unemployment rate fell to 3.5% in December. Despite these gains, the number of announced layoffs during the quarter increased, which could impact labor markets in the future periods.
- Global markets were broadly positive during the 4th quarter. Despite persistent inflation, tighter central bank monetary policy, slowing GDP growth, and continuing geopolitical risks investors were focused on the potential of central banks slowing the pace of tightening as inflation moderated.

Equity (Domestic and International)

- US equities moved higher during the 4th quarter despite concerns regarding inflation, the potential for higher interest rates, and a slowing global GDP growth. Large cap value was the best performing domestic segment of the equity market relative to other US market capitalizations and styles during the period while large cap growth performed the worst.
- International stocks also experienced strong returns during the 4th quarter. While local currency performance was solid, the primary catalyst for outsized returns was a weakening USD, which fell against most major and emerging market currencies. GDP growth, especially in Europe, remained under pressure as central bank policies remained restrictive and elevated energy prices acted as a headwind. Finally, China began to relax its zero-tolerance policy regarding Covid-19, which positively contributed to both global GDP growth and equity market performance.

Fixed Income

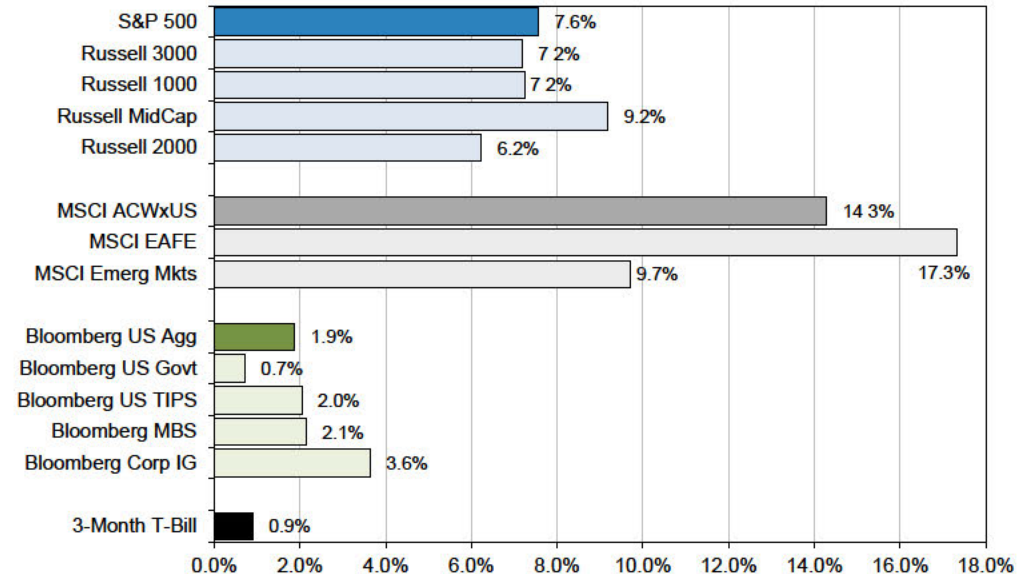
- While inflation declined during the 4th quarter, the Fed continued increasing interest rates with two increases totaling 1.25%. Despite the short-term increases, long-term interest rates remained relatively stable during the period. US interest rates moved slightly higher during the quarter with the US 10-Year Treasury bond rising 0.08% to close the year at a yield of 3.88%.
- Performance across domestic bond market sectors was positive during the quarter, led by US high yield and corporate investment grade bonds. Much like equities, global bonds outperformed their domestic peers mainly due to a weaker USD.
- The combination of higher coupons, a shorter maturity profile relative to high quality government bonds, and narrower credit spreads were the primary drivers of relative return during the period.
- US Treasury bonds lagged their corporate bond peers during the quarter as investors' concerns about rising interest rates and the need for safety subsided.

Market Themes

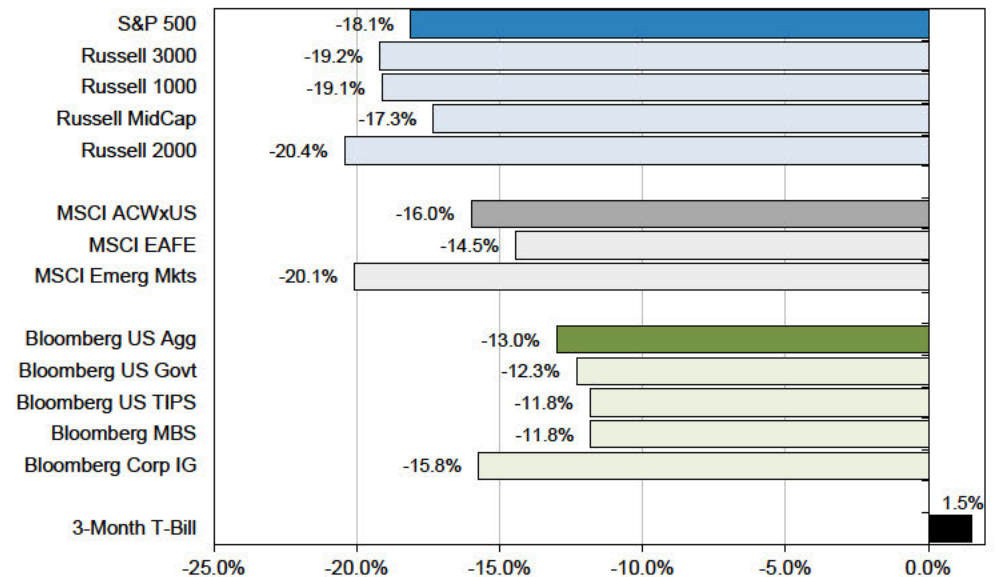
- Central banks remained vigilant in their fight against inflation with the Fed, the Bank of England, and the European Central Bank all raising interest rates during the quarter. Additionally, the Bank of Japan relaxed their targeting of interest rates, allowing the 10-Year Japanese Government Bond to float to 0.50%, above the previous 0.25% level.
- The conflict in Ukraine continues to disrupt global energy markets, in addition to the ongoing humanitarian crisis. Energy costs remain elevated which could further negatively impact economic growth.
- Both US and international equity markets rebounded during the quarter on expectations that inflation would continue to moderate, which could lead central banks to begin the process of slowing the pace of monetary tightening. Value-oriented stocks outperformed growth stocks as investors remained concerned about the pace of future growth.
- Short-term interest rates rose across most developed markets as central banks continued to tighten. Despite concerns about the potential for slowing economic growth, lower quality corporate bonds outperformed higher quality government bonds and USD weakness acted as a tailwind for global bonds during the quarter.

- Equity markets moved higher during the 4th quarter, but it was not sufficient to offset prior quarter pullbacks. Factors that contributed to performance included declining inflation, expectations that the Fed would slow the pace of future interest rate increases, and expectations that China would begin to open its economy. For the period, the S&P 500 large cap benchmark returned 7.6%, compared to 9.2% for mid-cap and 6.2% for small cap benchmarks.
- Like domestic equities, developed markets international and emerging market equities delivered positive results for the 4th quarter. Europe continues to face headwinds from higher-than-expected inflation, elevated energy prices, geopolitical risks related to the conflict in Ukraine, and rising interest rates. Emerging markets were positively impacted by China's decision to loosen restrictions related to the pandemic. Importantly, global equities were positively impacted by a decline in the USD. For the quarter, the MSCI EAFE Index returned 17.3% while the MSCI Emerging Markets Index rose by 9.7%.
- For the quarter, performance of the bond market was broadly positive due to lower inflation and lower interest rate volatility. The Bloomberg (BB) US Aggregate Index returned 1.9%, for the period while investment grade corporate bonds posted a return of 3.6%.
- Performance for developed equity markets was strongly negative over the trailing 1-year period. The bellwether S&P 500 Index dropped -18.1% for the year. The primary drivers of return during the period were concerns related to rising inflation, tighter monetary policy from global central banks, and slowing global economic growth. The weakest relative performance outlier was the Russell 2000 Index which declined by -20.4% for the year.
- Over the trailing 1-year period, international markets declined similarly to domestic markets. The MSCI EAFE Index returned -14.5% while the MSCI Emerging Markets Index fell by -20.1%. Continued concerns related to Ukraine, elevated inflation, and slowing global economic growth negatively impacted markets. However, a weakening USD acted as a tailwind to international performance in the second half of the year.
- Bond market returns were widely negative over the trailing 1-year period due primarily to concerns about persistently high inflation and the expectation of higher future interest rates. US TIPS and mortgage-backed bonds were the least negative sectors with both returning -11.6% for the year. Investment grade corporate bonds suffered the year's largest loss, falling -15.8%.

Quarter Performance



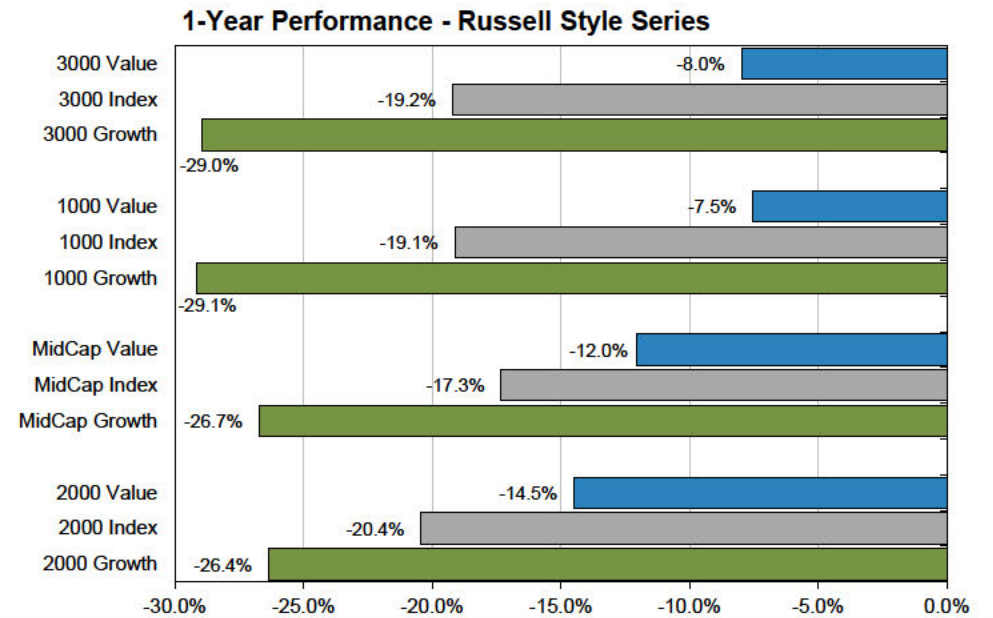
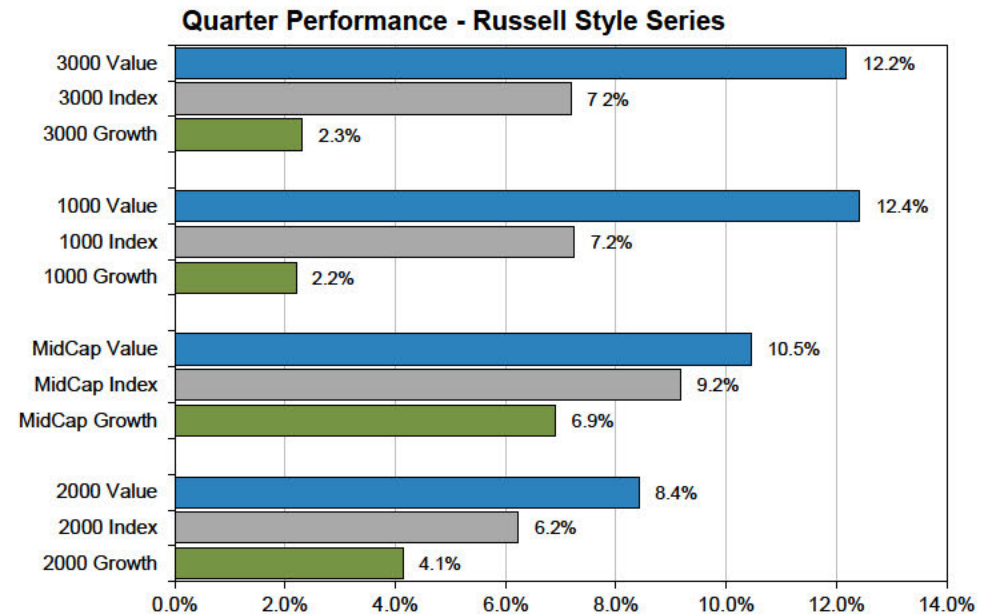
1-Year Performance



Source: Investment Metrics



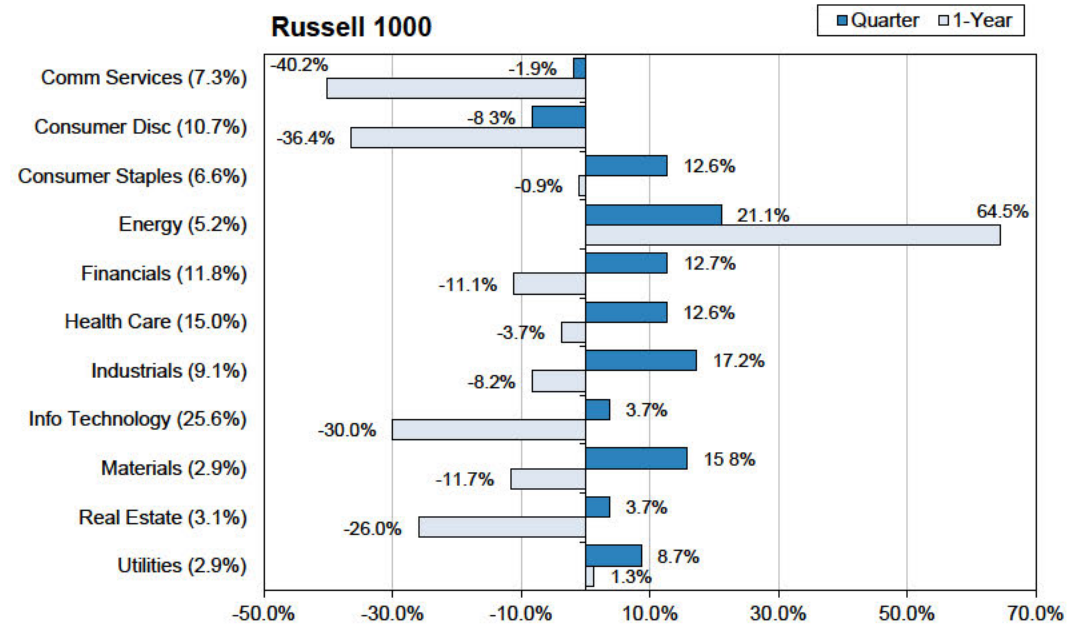
- Despite a pullback in December, equity markets broadly experienced strong absolute returns during the 4th quarter across both the style and market capitalization spectrums. With concerns about the potential for slowing economic conditions, large cap stocks resumed their leadership, followed by mid and small cap stocks. The Russell 1000 Value Index delivered 12.4% for the quarter, followed by while the Russell Mid Cap Value Index and the Russell 2000 Index, which rose by 10.5% and 8.4%, respectively.
- Performance across styles and market capitalizations was disparate during the quarter. Large, mid, and small cap value stocks all outperformed their growth counterparts. For the period, the Russell 1000 Value Index was the best relative performing style index, posting a return of 12.4%. Large and small cap growth stocks were the laggards during the period with the Russell Large Cap Growth Index and Russell 2000 Growth Index returning 2.2% and 4.1%, respectively.
- In contrast to the 4th quarter's positive performance, there was a wide range of negative results across market capitalizations over the trailing 1-year period. The Russell 2000 Index returned a disappointing -20.4% for the year, which underperformed both its large and mid cap index counterparts.
- There was also a wide performance dispersion across the style-based indexes for the year with growth stocks down significantly more than their value counterparts at all capitalization ranges. Within large cap stocks, the Russell 1000 Value Index returned -7.5% compared to much larger -29.1% decline for the Russell Large Cap Growth benchmark. The Russell Mid Cap Value Index returned -12.0% while the Russell 2000 Value Index returned -14.5% for the period. While these value benchmark results represented double-digit losses for the year, the Russell Mid Cap Growth Index fell a much larger -26.7% and the Russell 2000 Growth Index declined by a similar -26.4%.



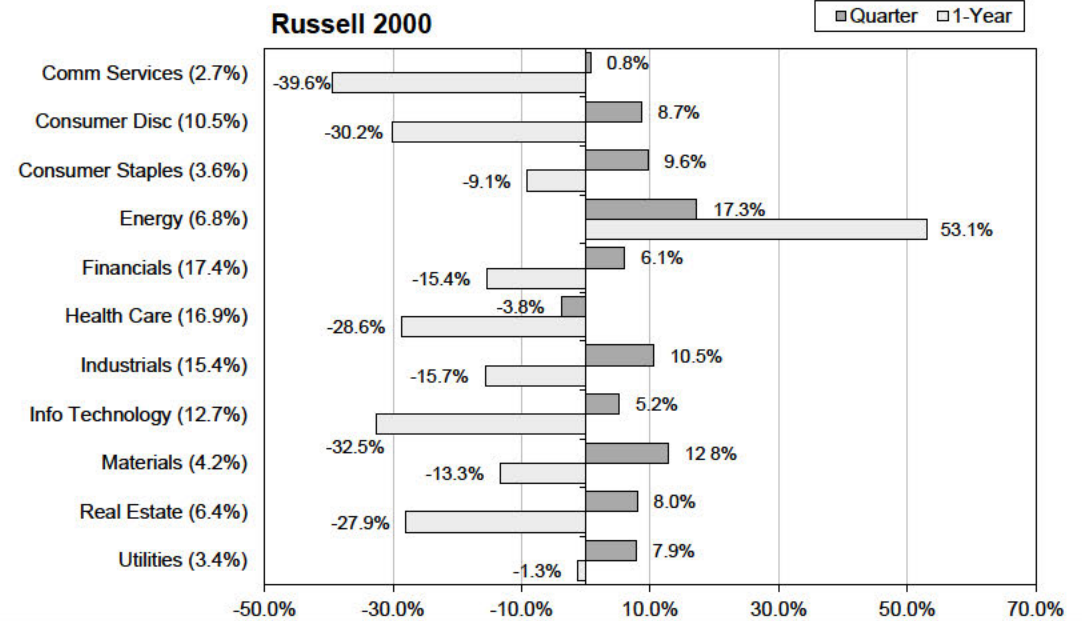
Source: Investment Metrics



- Economic sector performance was positive for nine of the eleven large cap economic sectors for the 4th quarter. Seven sectors outpaced the return of the broad index on a relative basis during the period.
- Energy continued its strong 2022 performance with a 4th quarter return of 21.1%. Other sectors that outpaced the headline index's return for the quarter included industrials (17.2%), materials (15.8%), financials (12.7%), healthcare (12.6%), consumer staples (12.6%), and utilities (8.7%). The real estate (3.7%), information technology (3.7%), communication services (-1.9%), and consumer discretionary (-8.3%) sectors all trailed the Russell 1000 Index return for the period.
- For the full year, seven economic sectors exceeded the return of the broad large cap benchmark but only the energy (64.5%) and utilities (1.3%) sectors managed to post positive, albeit vastly different, results. The weakest economic sector performance in the Russell 1000 for the year was communication services which declined by a staggering -40.2%.



- Ten small cap economic sectors posted positive returns during the quarter and seven exceeded the 6.2% return of the broader Russell 2000 Index. The energy (17.3%), materials (12.8%), and industrials (10.5%) sectors each posted double-digit positive results for the quarter. The only small cap economic sector that posted negative performance for the quarter was health care which fell by -3.8%.
- For the trailing 1-year period, six of the eleven economic sectors were down less than the broad small cap benchmark's return of -20.4%. Energy was the best performing and only positive economic sector for the year with a strong return of 53.1%. The utilities (-1.3%) and consumer staples (-9.1%) sectors were only small cap index segments to fall less than double-digit amounts for the year. The worst performing sector for the full year was communication services with a return of -39.6%. In addition, the information technology (-32.5%), consumer discretionary (-30.2%), health care (28.6%), and real estate (-27.9%) sectors all were down significantly for the year.



Source: Morningstar Direct



Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	5.5%	-5.8%	-26.4%	Information Technology
Microsoft Corp	5.1%	3.3%	-28.0%	Information Technology
Amazon.com Inc	2.1%	-25.7%	-49.6%	Consumer Discretionary
Berkshire Hathaway Inc Class B	1.6%	15.7%	3.3%	Financials
Alphabet Inc Class A	1.5%	-7.8%	-39.1%	Communication Services
UnitedHealth Group Inc	1.4%	5.3%	7.0%	Health Care
Alphabet Inc Class C	1.3%	-7.7%	-38.7%	Communication Services
Johnson & Johnson	1.3%	8.8%	6.0%	Health Care
Exxon Mobil Corp	1.3%	27.4%	87.4%	Energy
JPMorgan Chase & Co	1.1%	29.5%	-12.6%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Horizon Therapeutics PLC	0.1%	83.9%	5.6%	Health Care
Burlington Stores Inc	0.0%	81.2%	-30.4%	Consumer Discretionary
Halliburton Co	0.1%	60.4%	74.5%	Energy
Universal Health Services Inc Class B	0.0%	60.0%	9.4%	Health Care
PVH Corp	0.0%	57.7%	-33.7%	Consumer Discretionary
Spectrum Brands Holdings Inc	0.0%	57.4%	-38.6%	Consumer Staples
Boeing Co	0.3%	57.3%	-5.4%	Industrials
Under Armour Inc A	0.0%	52.8%	-52.1%	Consumer Discretionary
Exact Sciences Corp	0.0%	52.4%	-36.4%	Health Care
Moderna Inc	0.2%	51.9%	-29.3%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Carvana Co Class A	0.0%	-76.7%	-98.0%	Consumer Discretionary
Opendoor Technologies Inc Class A	0.0%	-62.7%	-92.1%	Real Estate
Tesla Inc	0.9%	-53.6%	-65.0%	Consumer Discretionary
Lucid Group Inc Shs	0.0%	-51.1%	-82.1%	Consumer Discretionary
Guardant Health Inc	0.0%	-49.5%	-72.8%	Health Care
Affirm Holdings Inc - Class A	0.0%	-48.5%	-90.4%	Information Technology
WeWork Inc	0.0%	-46.0%	-83.4%	Real Estate
AppLovin Corp - Class A	0.0%	-46.0%	-88.8%	Information Technology
Ginkgo Bioworks Holdings Inc	0.0%	-45.8%	-79.7%	Materials
Olaplex Holdings Inc	0.0%	-45.5%	-82.1%	Consumer Staples

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Halozyme Therapeutics Inc	0.3%	43.9%	41.5%	Health Care
ShockWave Medical Inc	0.3%	-26.1%	15.3%	Health Care
Inspire Medical Systems Inc	0.3%	42.0%	9.5%	Health Care
EMCOR Group Inc	0.3%	28.4%	16.8%	Industrials
Crocs Inc	0.3%	57.9%	-15.4%	Consumer Discretionary
Matador Resources Co	0.3%	17.2%	55.9%	Energy
Iridium Communications Inc	0.3%	15.8%	24.5%	Communication Services
Murphy Oil Corp	0.3%	22.9%	68.3%	Energy
Agree Realty Corp	0.3%	6.0%	3.5%	Real Estate
Texas Roadhouse Inc	0.3%	4.7%	4.1%	Consumer Discretionary

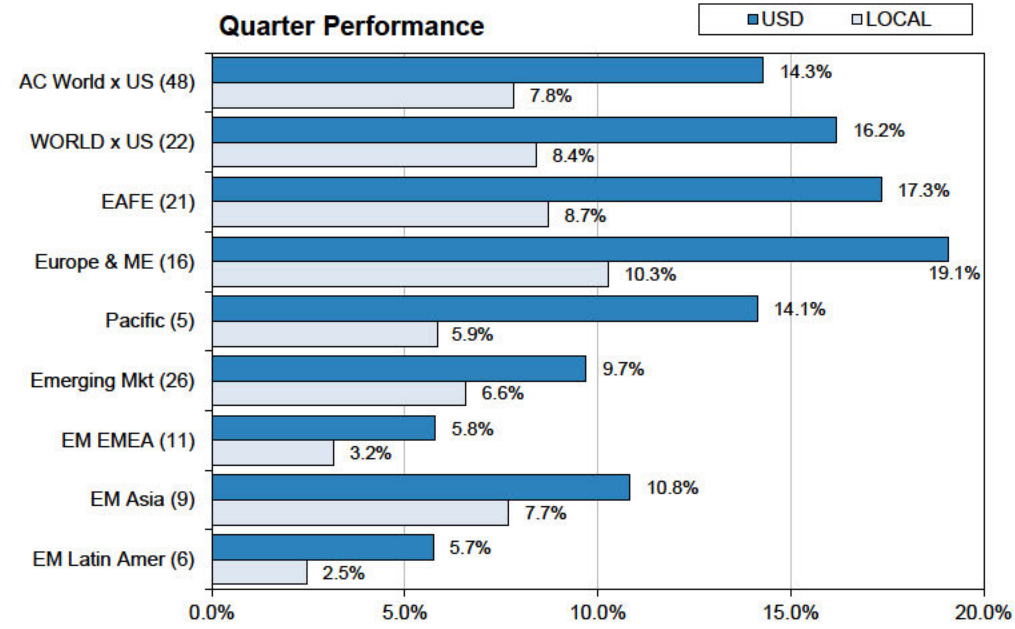
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Madrigal Pharmaceuticals Inc	0.2%	346.6%	242.5%	Health Care
Immunovant Inc	0.0%	218.1%	108.3%	Health Care
Rayonier Advanced Materials Inc	0.0%	204.8%	68.1%	Materials
Maxar Technologies Inc	0.2%	176.5%	75.5%	Industrials
4D Molecular Therapeutics Inc	0.0%	176.2%	1.2%	Health Care
Icosavax Inc	0.0%	151.3%	-65.3%	Health Care
Imago BioSciences Inc	0.0%	138.9%	51.6%	Health Care
Provention Bio Inc	0.0%	134.9%	88.1%	Health Care
Biohaven Ltd	0.0%	120.3%	N/A	Health Care
Oceaneering International Inc	0.1%	119.7%	54.6%	Energy

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Tricida Inc	0.0%	-98.5%	-98.4%	Health Care
Relmada Therapeutics Inc	0.0%	-90.6%	-84.5%	Health Care
Avaya Holdings Corp	0.0%	-87.7%	-99.0%	Information Technology
Ins il Bio Inc	0.0%	-87.0%	-96.3%	Health Care
Greenidge Generation Holdings Inc.	0.0%	-85.5%	-98.2%	Information Technology
Eiger BioPharmaceuticals Inc	0.0%	-84.3%	-77.3%	Health Care
Cano Health Inc - Class A	0.0%	-84.2%	-84.6%	Health Care
Gossamer Bio Inc	0.0%	-81.9%	-80.8%	Health Care
Rockley Photonics Holdings Ltd	0.0%	-80.3%	-96.8%	Information Technology
Boxed Inc	0.0%	-78.9%	-98.6%	Consumer Discretionary

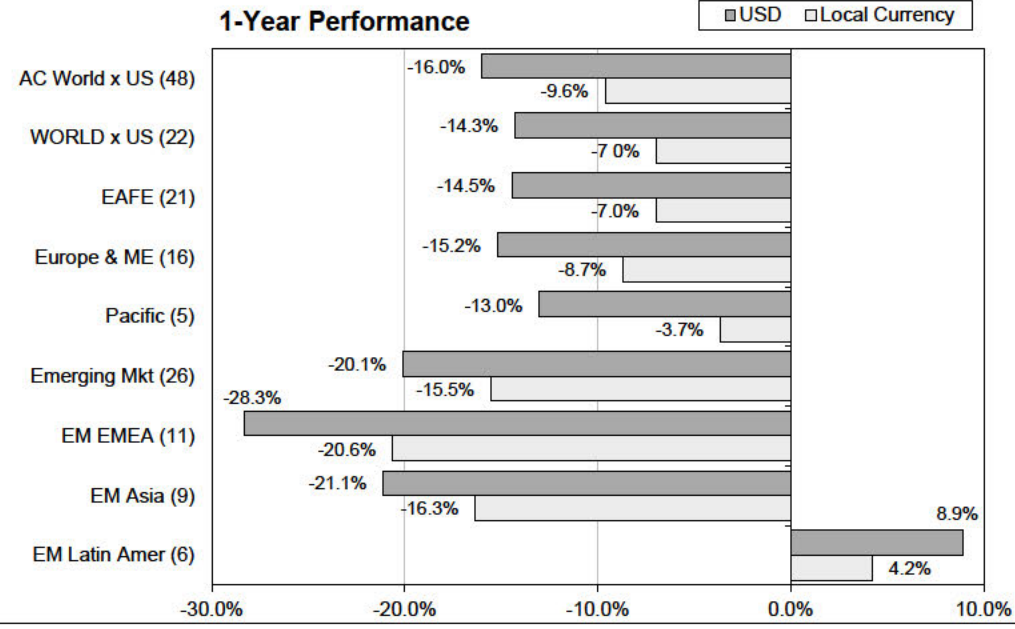
Source: Morningstar Direct



- Each of the developed and emerging market international equity indexes tracked in the chart posted positive returns in both US dollar (USD) and local currency (LC) terms for the 4th quarter. A weaker USD acted as a tailwind for non-US index performance during the quarter. Higher energy prices and the reopening of China also drove performance, especially in emerging markets. The developed market MSCI EAFE Index returned a strong 17.3% in USD and 8.7% in LC terms for the period, and the MSCI Emerging Markets Index rose by 9.7% in USD and 6.6% in LC terms.



- The trailing 1-year results for international developed and emerging markets were negative across most regions and currencies. The MSCI EAFE Index returned -14.5% in USD for the year and -7.0% in LC terms. Similarly, returns across emerging markets were broadly lower except for Latin America which returned 8.9% in USD and 4.2% in LC terms. The MSCI Emerging Markets Index declined by -20.1% in USD and -15.5% in LC terms for the year. Performance in the EMEA regional benchmark significantly detracted from emerging market index performance with the EMEA Index posting returns of -28.3% in USD and -20.6% in LC terms.



Source: MSCI Global Index Monitor (Returns are Net)



MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.8%	10.1%	-16.8%
Consumer Discretionary	5.0%	17.8%	-22.4%
Consumer Staples	18.7%	10.6%	-13.0%
Energy	4.5%	19.8%	27.7%
Financials	15.1%	23.9%	-4.6%
Health Care	13.6%	14.2%	-11.0%
Industrials	10.5%	19.0%	-20.6%
Information Technology	7.8%	14.9%	-32.4%
Materials	11.1%	20.7%	-10.3%
Real Estate	3.5%	11.0%	-20.9%
Utilities	2.6%	19.4%	-12.4%
Total	100.0%	17.3%	-14.5%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	8.4%	12.0%	-21.6%
Consumer Discretionary	6.0%	14.7%	-21.7%
Consumer Staples	21.0%	9.8%	-11.9%
Energy	5.9%	13.3%	8.1%
Financials	12.3%	15.6%	-7.3%
Health Care	9.8%	14.1%	-12.9%
Industrials	8.9%	17.3%	-18.4%
Information Technology	10.8%	13.5%	-34.5%
Materials	11.4%	16.6%	-11.2%
Real Estate	3.4%	10.4%	-20.6%
Utilities	2.3%	13.0%	-11.1%
Total	100.0%	14.3%	-16.0%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	8.9%	58.8%	1.8%
Consumer Discretionary	4.9%	46.2%	5.6%
Consumer Staples	22.1%	77.4%	48.9%
Energy	9.9%	92.9%	40.2%
Financials	6.1%	44.6%	24.5%
Health Care	4.1%	53.5%	3.8%
Industrials	6.4%	49.7%	18.8%
Information Technology	18.6%	9.8%	-34.7%
Materials	14.1%	45.6%	10.6%
Real Estate	3.0%	13.8%	-15.4%
Utilities	1.9%	38.8%	26.8%
Total	100.0%	9.7%	-20.1%

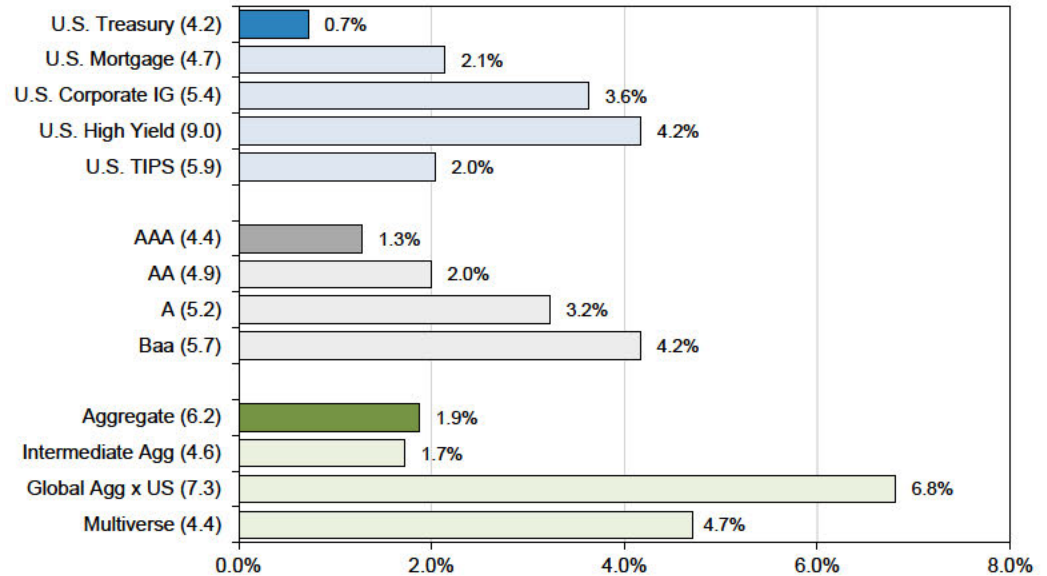
Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	21.9%	14.0%	13.2%	-16.6%
United Kingdom	15.3%	9.8%	17.0%	-4.8%
France	11.8%	7.6%	22.2%	-13.3%
Switzerland	10.1%	6.5%	10.4%	-18.3%
Australia	7.9%	5.1%	15.7%	-5.3%
Germany	8.2%	5.2%	24.6%	-22.3%
Netherlands	4.3%	2.7%	21.0%	-27.7%
Sweden	3.3%	2.1%	18.1%	-28.4%
Hong Kong	3.0%	1.9%	18.2%	-4.7%
Denmark	3.0%	1.9%	31.6%	-4.8%
Spain	2.4%	1.5%	22.9%	-7.3%
Italy	2.3%	1.5%	26.4%	-14.4%
Singapore	1.5%	1.0%	10.5%	-11.0%
Belgium	1.0%	0.7%	22.6%	-12.5%
Finland	1.0%	0.7%	16.3%	-15.3%
Norway	0.8%	0.5%	16.9%	-7.0%
Israel	0.7%	0.5%	0.4%	-26.7%
Ireland	0.7%	0.4%	21.5%	-26.2%
Portugal	0.2%	0.1%	17.2%	0.2%
Austria	0.2%	0.1%	31.1%	-26.4%
New Zealand	0.2%	0.1%	24.5%	-13.6%
Total EAFE Countries	100.0%	63.9%	17.3%	-14.5%
Canada		7.7%	7.4%	-12.9%
Total Developed Countries		71.6%	16.2%	-14.3%
China		9.2%	13.5%	-21.9%
Taiwan		3.9%	9.6%	-29.8%
India		4.1%	2.0%	-8.0%
Korea		3.2%	18.1%	-29.4%
Brazil		1.5%	2.4%	14.2%
Saudi Arabia		1.2%	-7.4%	-5.1%
South Africa		1.0%	18.3%	-3.9%
Mexico		0.6%	12.5%	-2.0%
Thailand		0.6%	16.1%	5.0%
Indonesia		0.5%	-3.6%	3.6%
Malaysia		0.4%	14.0%	-5.8%
United Arab Emirates		0.4%	-1.5%	-6.2%
Qatar		0.3%	-15.3%	-6.9%
Kuwait		0.3%	5.7%	10.1%
Philippines		0.2%	21.1%	-13.9%
Poland		0.2%	47.7%	-27.2%
Chile		0.2%	6.2%	19.4%
Turkey		0.2%	62.9%	90.4%
Peru		0.1%	17.4%	9.4%
Greece		0.1%	29.1%	0.3%
Colombia		0.0%	19.7%	-6.0%
Czech Republic		0.0%	6.5%	-14.4%
Hungary		0.1%	36.3%	-31.1%
Egypt		0.0%	28.5%	-22.6%
Total Emerging Countries		28.4%	9.7%	-20.1%
Total ACWixUS Countries		100.0%	14.3%	-16.0%

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

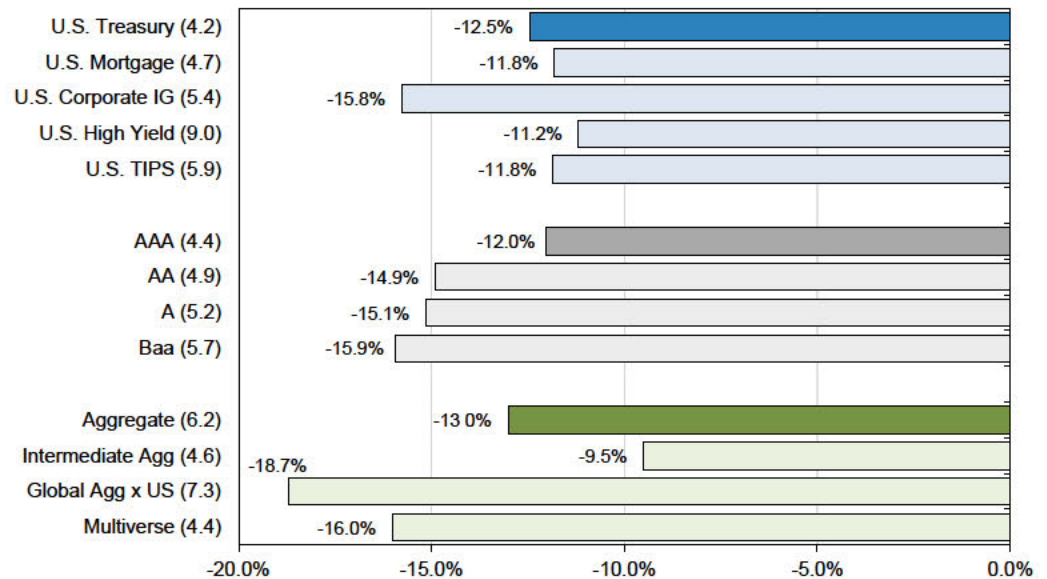


- After an extremely challenging year in fixed income markets, the 4th quarter's positive bond benchmark results were a welcome relief. Despite two rate increases during the quarter, bond performance was aided by lower investor concerns about rising inflation as US CPI declined. This was reflected in both intermediate and long-term interest rates which remained relatively stable during the quarter.
- The return for the BB US Aggregate Bond Index, the bellwether US investment grade benchmark, rose by 1.9% for the period.
- Performance across the investment grade index's segments was also positive during the period with the US Corporate Investment Grade Index returning 3.6% and the US Mortgage Index component posting a return of 2.1%.
- High yield bonds outperformed their investment grade counterparts, surging 4.2% during the quarter. US TIPS, which have delivered strong performance in recent periods, rose by 2.0% as investors' expectations of future inflation declined.
- Outside of domestic markets, the Bloomberg Global Aggregate ex US Index posted a strong return of 6.8% for the quarter. Like domestic bonds, global bond index performance was positively impacted declining inflation, but the benchmark also received a boost from the decline in the USD for the quarter.
- Over the trailing 1-year period, the bellwether BB US Aggregate Bond Index declined by -13.0% and each of the benchmark's components fell by more than -10%. US TIPS, which are excluded from the bellwether index, dropped by -11.8% for the year.
- Lower quality high yield corporate bonds were down less than their investment grade counterparts on a relative basis with the Bloomberg US High Yield Index posting still discouraging return of -11.2% for the period.
- Performance for non-US bonds was also strongly negative for the year with the developed market Bloomberg Global Aggregate ex US Index falling by -18.7%. The combination of rising interest rates overseas, elevated inflation, geopolitical risks, and USD strength earlier in the year hindered non-US index performance.

Quarter Performance



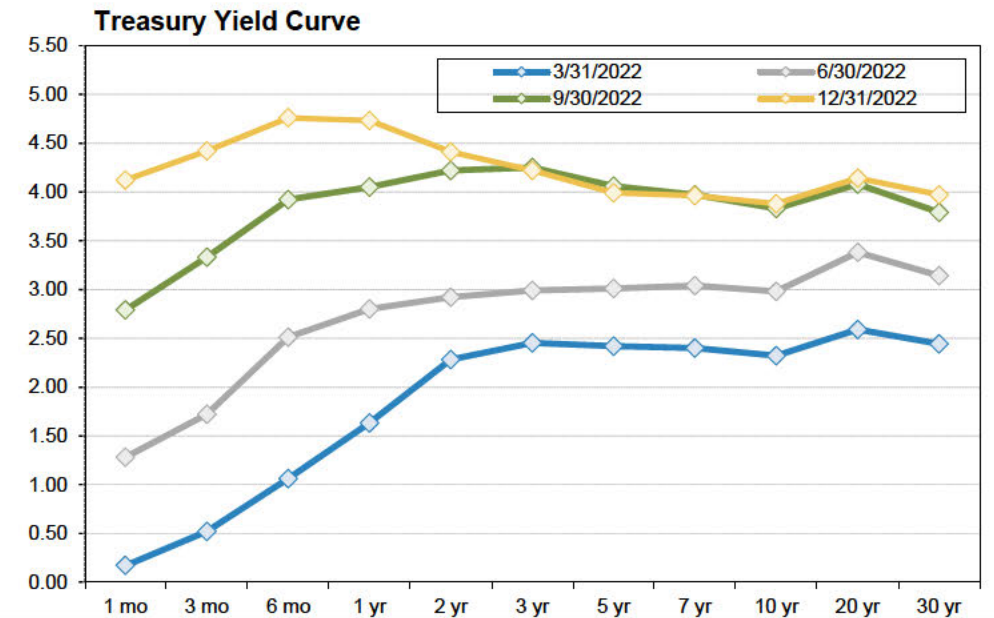
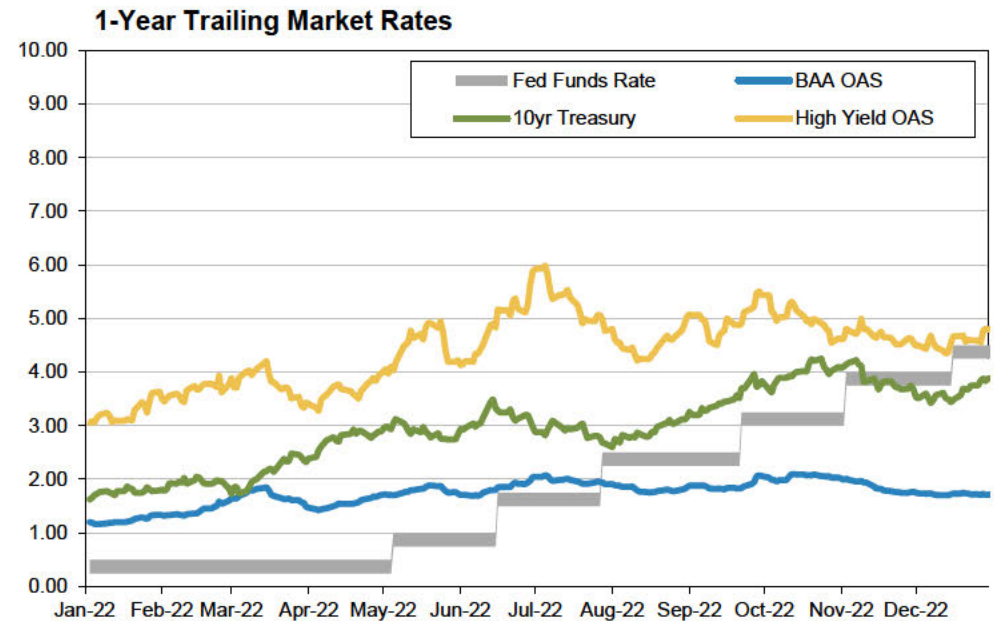
1-Year Performance



Source: Bloomberg



- The gray band across the graph illustrates the range of the current Fed Funds Rate. In the 4th quarter this year, the Fed raised the lower end of its target rate range from 3.00% to 4.25% through a 0.75% increase in November and a 0.50% increase in December. During its December meeting, the Federal Open Market Committee (FOMC) stated it intends to monitor economic growth closely and will continue to raise interest rates to fight inflation if needed. The FOMC also stated that it would continue its policy of removing liquidity from the market by allowing bonds held on its balance sheet to mature without reinvesting those proceeds.
- The yield on the US 10-year Treasury (green line) ended the period slightly higher as concerns over the pace of inflation, combined with the Fed's announced rate increase, drove yields. The closing yield on the 10-Year Treasury was 3.88% at year-end, an increase of 0.08% from its 3rd quarter closing yield. The benchmark's rate peaked in October, reaching a high of roughly 4.25% before declining to end the quarter.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues. For the full year, the spread widened slightly from 1.17% to 1.72%. High Yield OAS spreads rose from roughly 3.05% at the beginning of the year to 4.81% at year-end. During 2022, high yield spreads reached a level of 5.80% in early July before trading lower the remainder of the year.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term rates continued to rise during the 4th quarter as the FOMC increased interest rates twice to combat elevated inflation. Despite these short-term rate increases, both intermediate and longer-term rates remained largely unchanged during the quarter. The yield curve remained inverted between 2-year and 10-year rates. Said differently, the short-term rate was higher than the long-term rate. Historically, a persistent inversion of these two key rates has been an indication of a future recession withing 6- to 24-months.



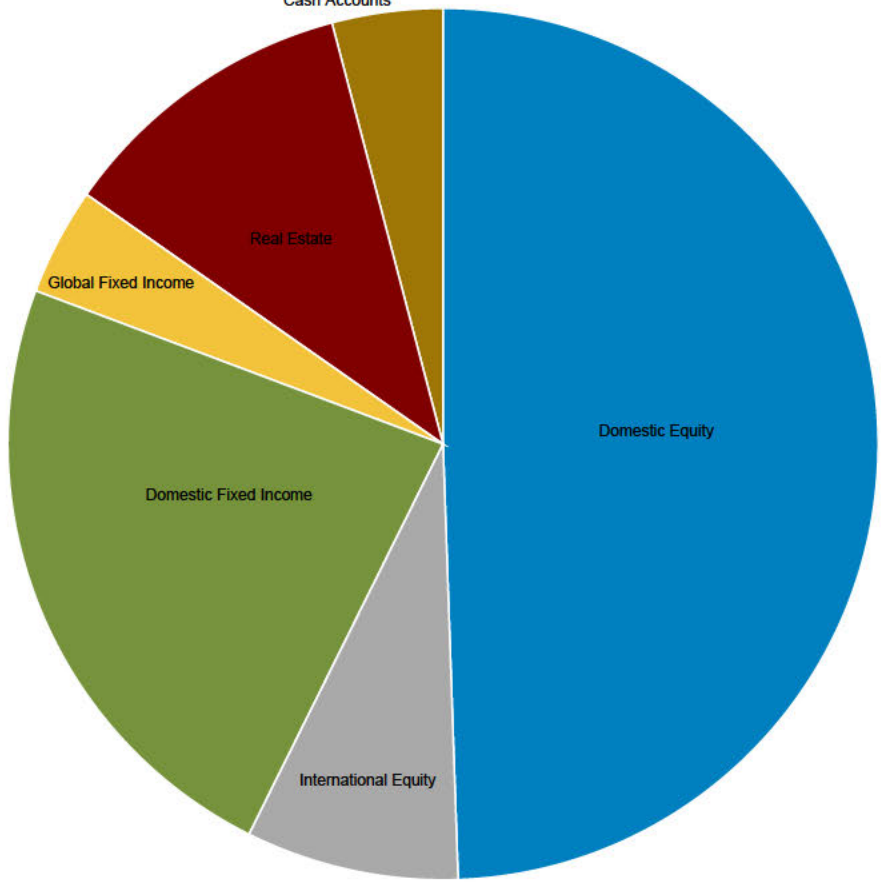
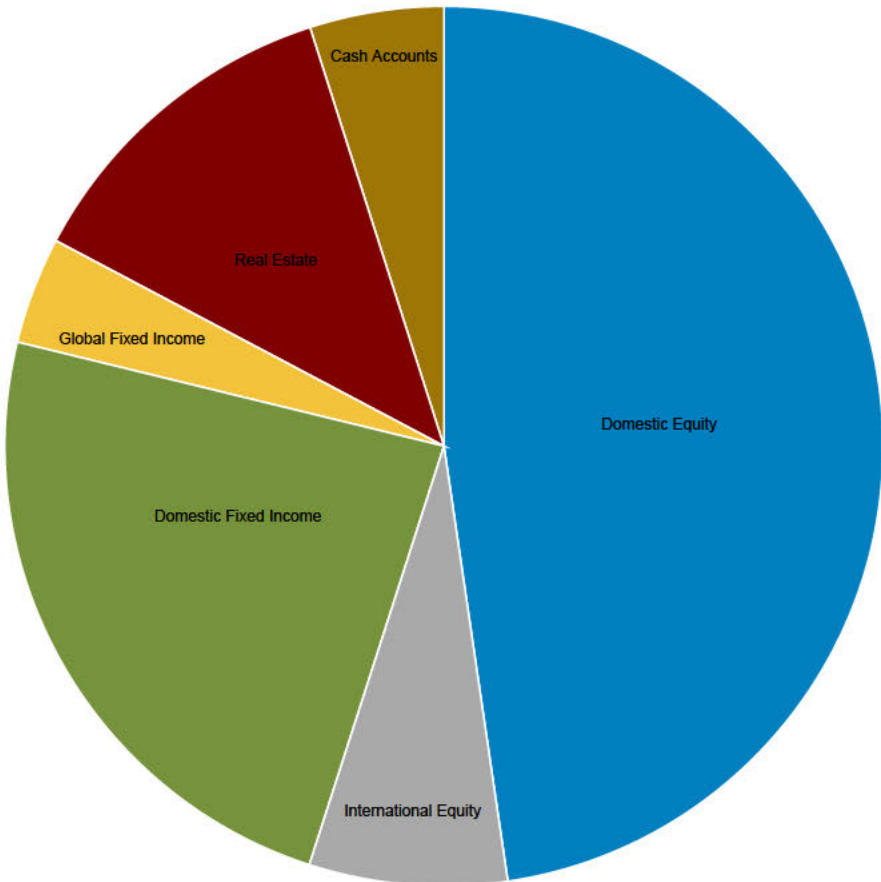
Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



Page Intentionally Left Blank



September 30, 2022 : \$28,975,658 December 31, 2022 : \$29,943,921



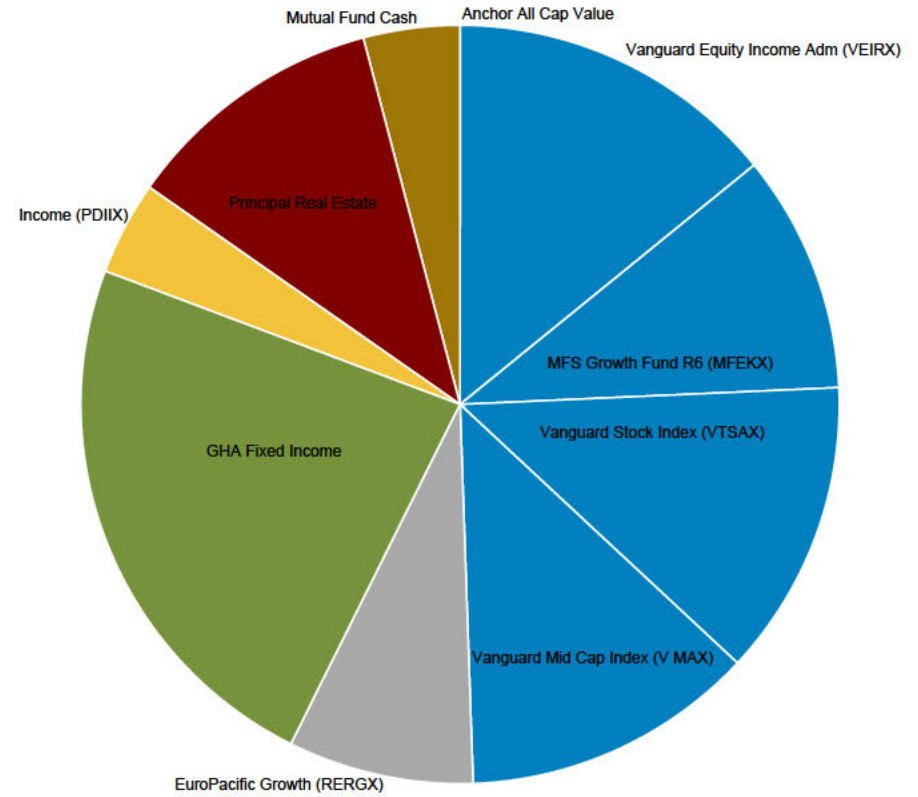
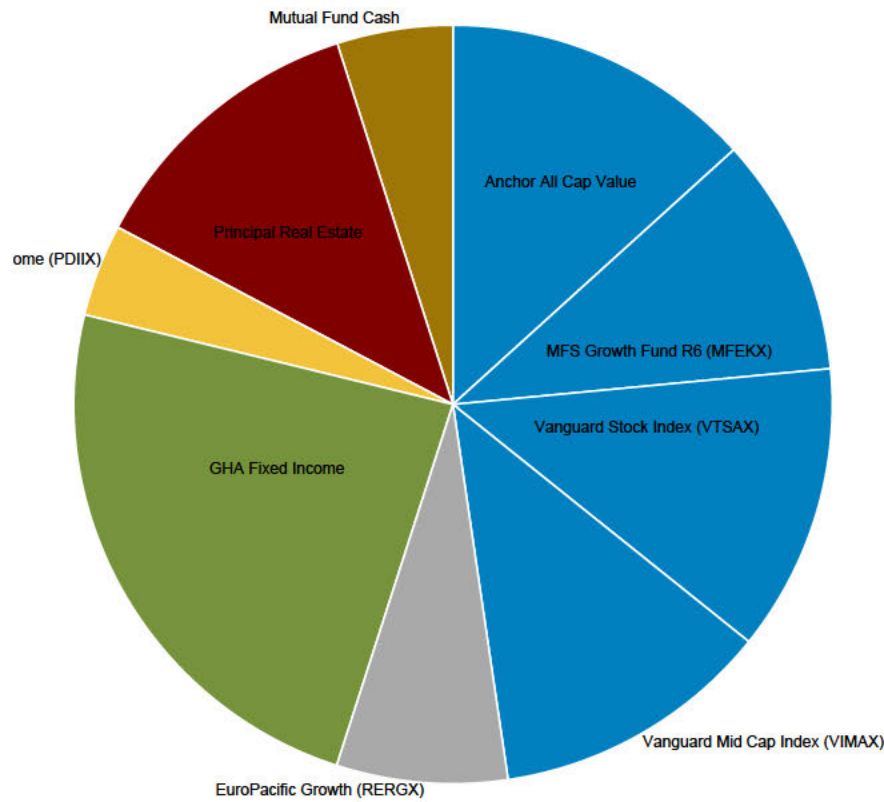
Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ Domestic Equity	13,815,151	47.7	■ Domestic Equity	14,807,734	49.5
■ International Equity	2,110,268	7.3	■ International Equity	2,366,570	7.9
■ Domestic Fixed Income	6,908,314	23.8	■ Domestic Fixed Income	6,997,050	23.4
■ Global Fixed Income	1,139,611	3.9	■ Global Fixed Income	1,194,082	4.0
■ Real Estate	3,571,124	12.3	■ Real Estate	3,347,030	11.2
■ Cash Accounts	1,431,189	4.9	■ Cash Accounts	1,231,454	4.1



Palm Springs General Employees' Pension Plan
Asset Allocation by Manager
As of December 31, 2022

September 30, 2022 : \$28,975,658

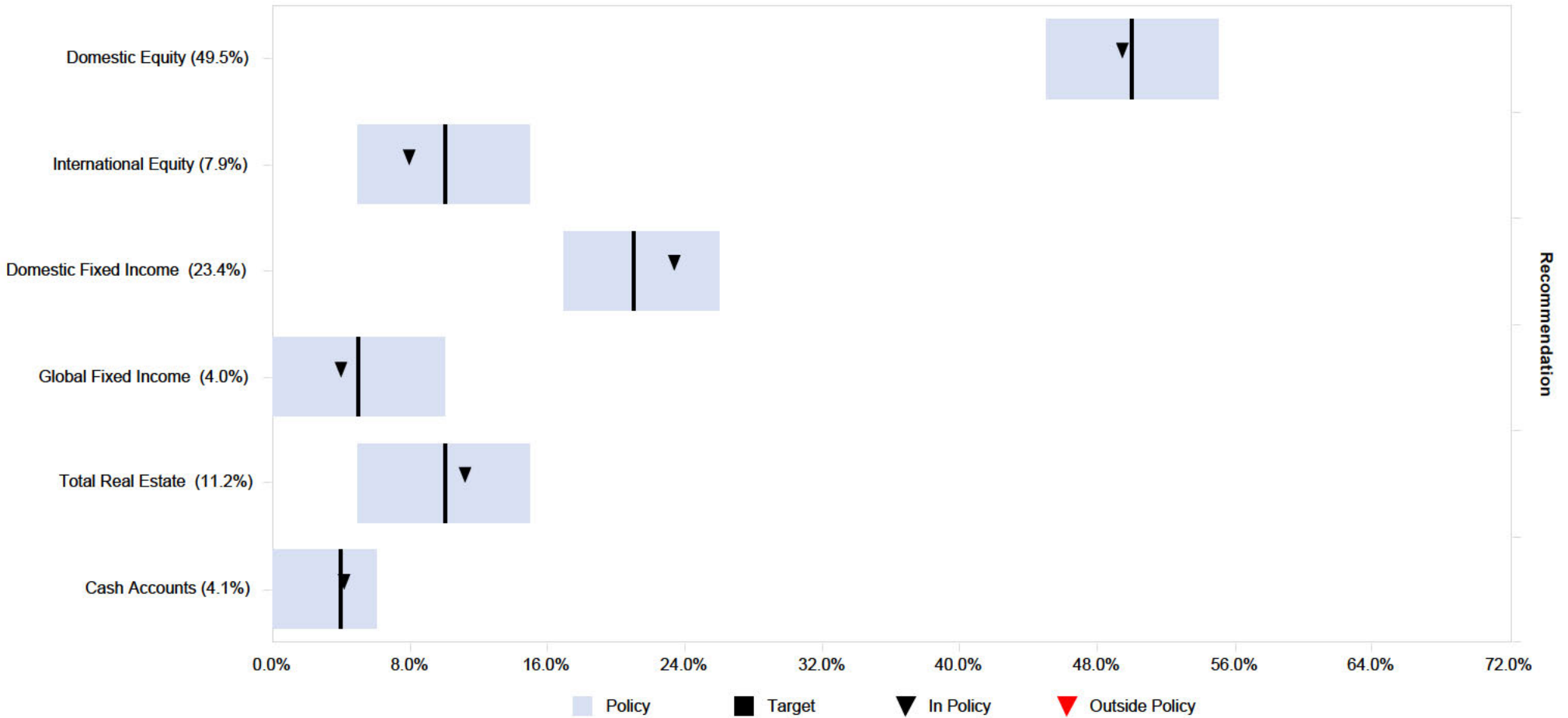
December 31, 2022 : \$29,943,921



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Anchor All Cap Value	3,845,538	13.3	Anchor All Cap Value	2,915	0.0
Vanguard Equity Income Adm (VEIRX)	-	0.0	Vanguard Equity Income Adm (VEIRX)	4,225,918	14.1
MFS Growth Fund R6 (MFEKX)	2,961,495	10.2	MFS Growth Fund R6 (MFEKX)	3,044,044	10.2
Vanguard Stock Index (VTSAX)	3,553,500	12.3	Vanguard Stock Index (VTSAX)	3,789,152	12.7
Vanguard Mid Cap Index (VIMAX)	3,454,618	11.9	Vanguard Mid Cap Index (VIMAX)	3,745,705	12.5
EuroPacific Growth (REGX)	2,110,268	7.3	EuroPacific Growth (REGX)	2,366,570	7.9
GHA Fixed Income	6,908,314	23.8	GHA Fixed Income	6,997,050	23.4
PIMCO Diversified Income (PDIIX)	1,139,611	3.9	PIMCO Diversified Income (PDIIX)	1,194,082	4.0
Principal Real Estate	3,571,124	12.3	Principal Real Estate	3,347,030	11.2
Mutual Fund Cash	1,431,189	4.9	Mutual Fund Cash	1,231,454	4.1
Village	-	0.0	Village	-	0.0



Executive Summary

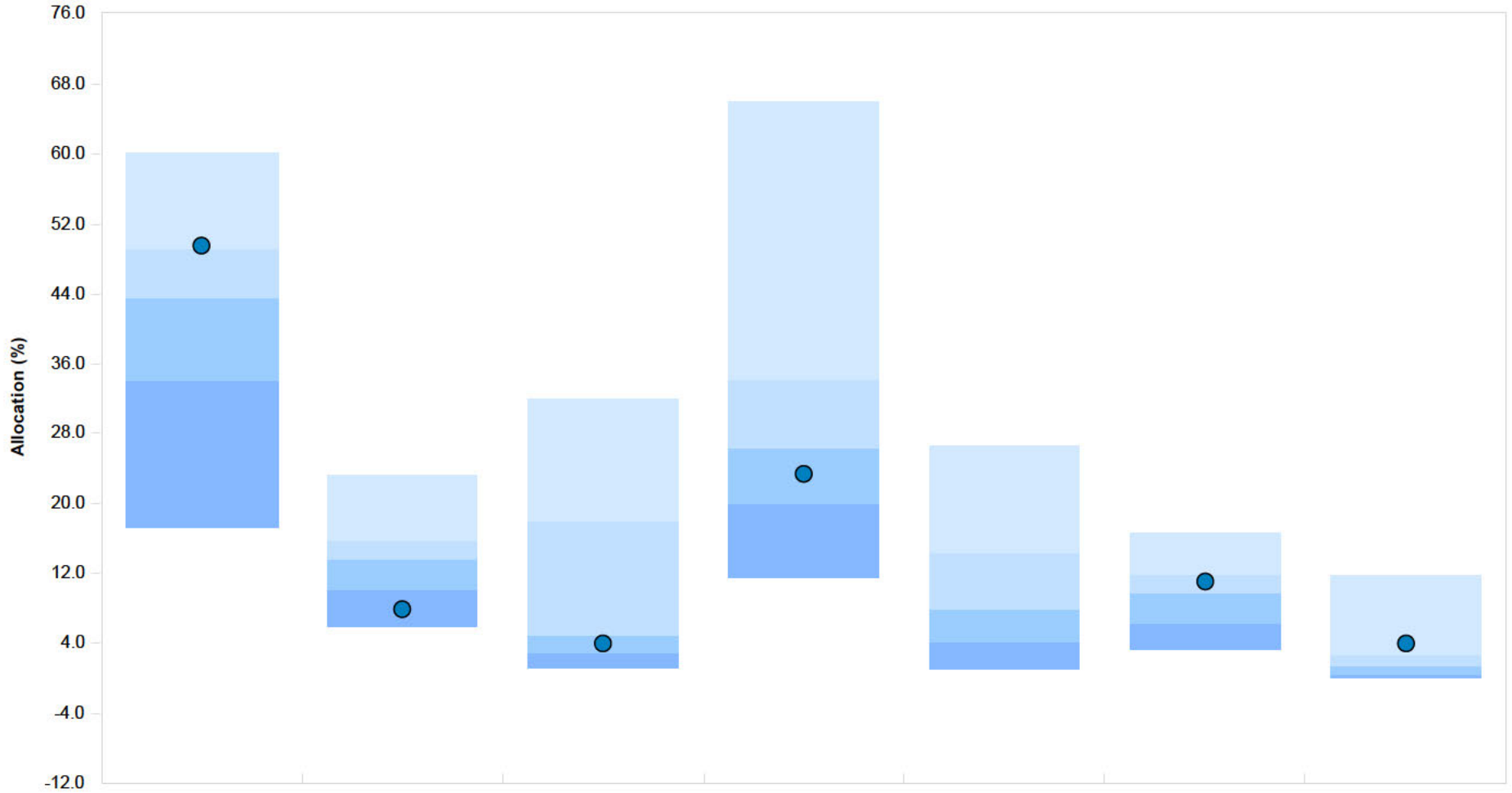


Asset Allocation Compliance

	Minimum Allocation (%)	Maximum Allocation (%)	Current Allocation (%)	Target Allocation (%)
Cash Accounts	0.0	6.0	4.1	4.0
Global Fixed Income	0.0	10.0	4.0	5.0
International Equity	5.0	15.0	7.9	10.0
Total Real Estate	5.0	15.0	11.2	10.0
Domestic Fixed Income	17.0	26.0	23.4	21.0
Domestic Equity	45.0	55.0	49.5	50.0
Total Fund Composite	N/A	N/A	100.0	100.0



Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund



	US Equity	Global ex-US Equity	Global Fixed Income	US Fixed	Alternatives	Total Real Estate	Cash & Equivalents
● Palm Springs General	49.45 (23)	7.90 (90)	3.99 (66)	23.37 (63)	N/A	11.18 (37)	4.11 (15)
5th Percentile	60.14	23.15	31.94	65.98	26.52	16.62	11.85
1st Quartile	49.19	15.80	18.10	34.25	14.48	11.95	2.74
Median	43.61	13.69	5.05	26.36	8.03	9.74	1.40
3rd Quartile	34.09	10.27	2.97	20.01	4.26	6.28	0.57
95th Percentile	17.34	5.82	1.20	11.43	1.02	3.31	0.04
Population	308	294	124	309	133	205	270

Parentheses contain percentile rankings.

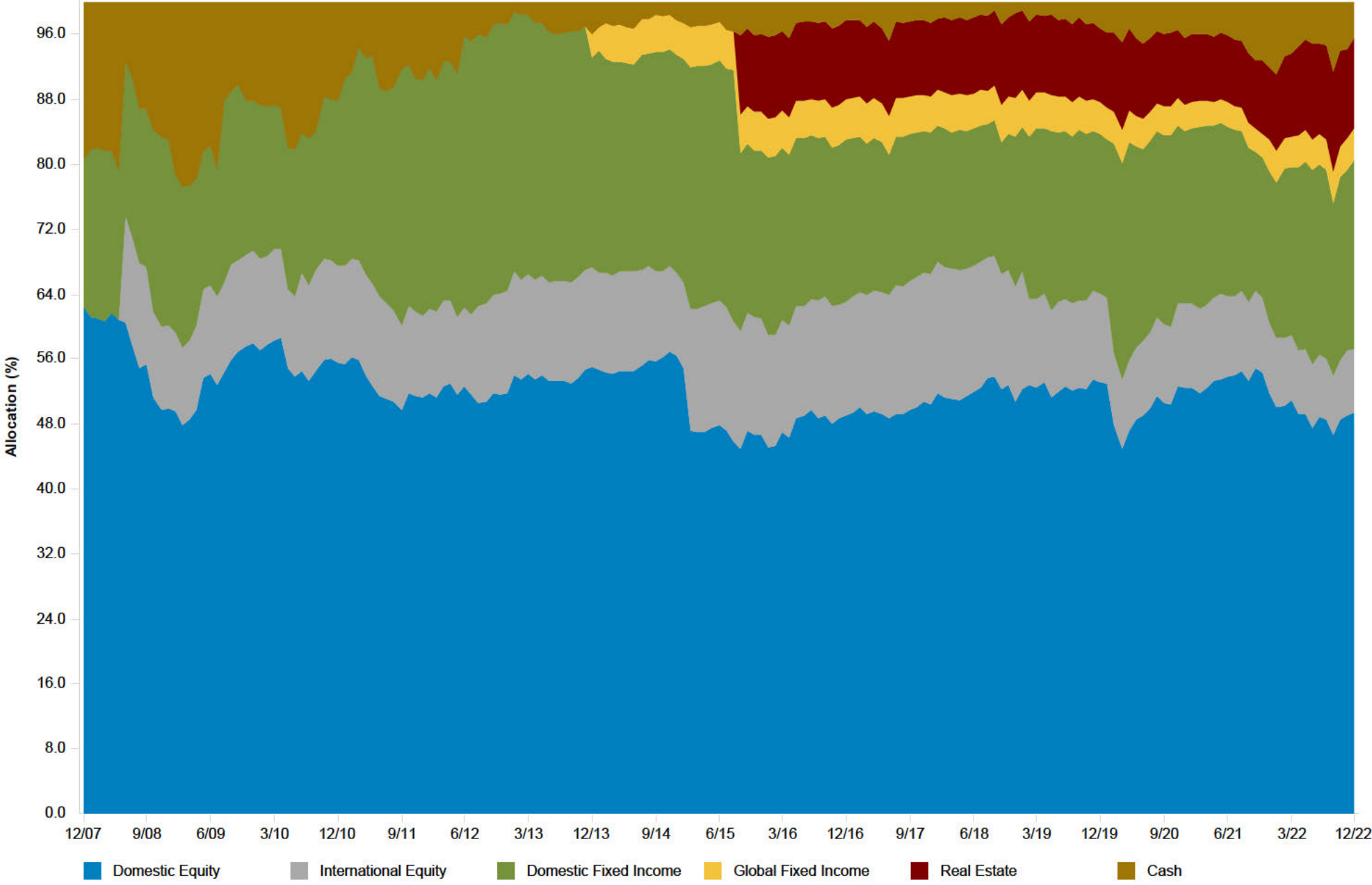


**Palm Springs General Employees' Pension Plan
Asset Allocation History by Portfolio**

As of December 31, 2022

	Dec-2022		Sep-2022		Jun-2022		Mar-2022		Dec-2021	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
Total Equity	17,174,305	57.35	15,925,419	54.96	16,841,568	55.83	20,001,530	59.43	21,664,874	60.67
Domestic Equity	14,807,734	49.45	13,815,151	47.68	14,514,094	48.11	17,259,436	51.28	18,540,499	51.92
Anchor All Cap Value	2,915	0.01	3,845,538	13.27	4,007,014	13.28	4,468,713	13.28	4,615,219	12.92
Vanguard Equity Income Adm (VEIRX)	4,225,918	14.11	-	0.00	-	0.00	-	0.00	-	0.00
Vanguard Mid Cap Index (VIMAX)	3,745,705	12.51	3,454,618	11.92	3,618,558	11.99	4,370,607	12.99	4,680,240	13.11
Vanguard Stock Index (VTSAX)	3,789,152	12.65	3,553,500	12.26	3,735,021	12.38	4,509,538	13.40	4,784,669	13.40
MFS Growth Fund R6 (MFEKX)	3,044,044	10.17	2,961,495	10.22	3,153,501	10.45	3,910,578	11.62	4,460,371	12.49
International Equity	2,366,570	7.90	2,110,268	7.28	2,327,474	7.72	2,742,094	8.15	3,124,375	8.75
EuroPacific Growth (RERGX)	2,366,570	7.90	2,110,268	7.28	2,327,474	7.72	2,742,094	8.15	3,124,375	8.75
Total Fixed Income	8,191,131	27.35	8,047,925	27.77	8,447,009	28.00	8,769,472	26.06	9,181,743	25.71
Domestic Fixed Income	6,997,050	23.37	6,908,314	23.84	7,277,745	24.12	7,483,158	22.23	7,797,058	21.83
GHA Fixed Income	6,997,050	23.37	6,908,314	23.84	7,277,745	24.12	7,483,158	22.23	7,797,058	21.83
Global Fixed Income	1,194,082	3.99	1,139,611	3.93	1,169,264	3.88	1,286,314	3.82	1,384,685	3.88
PIMCO Diversified Income (PDIIX)	1,194,082	3.99	1,139,611	3.93	1,169,264	3.88	1,286,314	3.82	1,384,685	3.88
Total Real Estate	3,347,030	11.18	3,571,124	12.32	3,557,555	11.79	3,454,757	10.27	3,221,100	9.02
Principal Real Estate	3,347,030	11.18	3,571,124	12.32	3,557,555	11.79	3,454,757	10.27	3,221,100	9.02
Mutual Fund Cash	1,231,454	4.11	1,431,189	4.94	1,321,834	4.38	1,429,850	4.25	1,644,079	4.60
Total Fund Composite	29,943,921	100.00	28,975,658	100.00	30,167,967	100.00	33,655,608	100.00	35,711,796	100.00





**Palm Springs General Employees' Pension Plan
Financial Reconciliation**

1 Quarter Ending December 31, 2022

	Market Value 10/01/2022	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Capital Gain/Loss	Market Value 12/31/2022
Total Equity	15,925,419	-125,919	-	-	-	-	125,641	1,249,163	17,174,305
Domestic Equity	13,815,151	-91,026	-	-	-	-	90,748	992,861	14,807,734
Anchor All Cap Value	3,845,538	-4,255,345	-	-	-	-	20,161	392,561	2,915
Vanguard Equity Income Adm (VEIRX)	-	4,234,906	-	-	-	-	-	-8,988	4,225,918
MFS Growth Fund R6 (MFEKX)	2,961,495	-31,740	-	-	-	-	31,740	82,549	3,044,044
Vanguard Mid Cap Index (VIMAX)	3,454,618	-20,504	-	-	-	-	20,504	291,087	3,745,705
Vanguard Stock Index (VTSAX)	3,553,500	-18,343	-	-	-	-	18,343	235,652	3,789,152
International Equity	2,110,268	-34,893	-	-	-	-	34,893	256,302	2,366,570
EuroPacific Growth (RERGX)	2,110,268	-34,893	-	-	-	-	34,893	256,302	2,366,570
Total Fixed Income	8,047,925	-60,646	-	-	-	-	74,394	129,459	8,191,131
Domestic Fixed Income	6,908,314	-60,646	-	-	-	-	53,498	95,885	6,997,050
GHA Fixed Income	6,908,314	-60,646	-	-	-	-	53,498	95,885	6,997,050
Global Fixed Income	1,139,611	-	-	-	-	-	20,896	33,574	1,194,082
PIMCO Diversified Income (PDIIX)	1,139,611	-	-	-	-	-	20,896	33,574	1,194,082
Total Real Estate	3,571,124	-	-	-	-	-	-	-224,094	3,347,030
Principal Real Estate	3,571,124	-	-	-	-	-	-	-224,094	3,347,030
Cash Accounts									
Mutual Fund Cash	1,431,189	186,565	-	-400,000	-	-	13,700	-	1,231,454
Village	-	-	4,852	-	-	-4,852	-	-	-
Total Fund Composite	28,975,658	-	4,852	-400,000	-	-4,852	213,735	1,154,528	29,943,921



**Palm Springs General Employees' Pension Plan
Financial Reconciliation**

October 1, 2022 To December 31, 2022

	Market Value 10/01/2022	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Capital Gain/Loss	Market Value 12/31/2022
Total Equity	15,925,419	-125,919	-	-	-	-	125,641	1,249,163	17,174,305
Domestic Equity	13,815,151	-91,026	-	-	-	-	90,748	992,861	14,807,734
Anchor All Cap Value	3,845,538	-4,255,345	-	-	-	-	20,161	392,561	2,915
Vanguard Equity Income Adm (VEIRX)	-	4,234,906	-	-	-	-	-	-8,988	4,225,918
MFS Growth Fund R6 (MFEKX)	2,961,495	-31,740	-	-	-	-	31,740	82,549	3,044,044
Vanguard Mid Cap Index (VIMAX)	3,454,618	-20,504	-	-	-	-	20,504	291,087	3,745,705
Vanguard Stock Index (VTSAX)	3,553,500	-18,343	-	-	-	-	18,343	235,652	3,789,152
International Equity	2,110,268	-34,893	-	-	-	-	34,893	256,302	2,366,570
EuroPacific Growth (RERGX)	2,110,268	-34,893	-	-	-	-	34,893	256,302	2,366,570
Total Fixed Income	8,047,925	-60,646	-	-	-	-	74,394	129,459	8,191,131
Domestic Fixed Income	6,908,314	-60,646	-	-	-	-	53,498	95,885	6,997,050
GHA Fixed Income	6,908,314	-60,646	-	-	-	-	53,498	95,885	6,997,050
Global Fixed Income	1,139,611	-	-	-	-	-	20,896	33,574	1,194,082
PIMCO Diversified Income (PDIIX)	1,139,611	-	-	-	-	-	20,896	33,574	1,194,082
Total Real Estate	3,571,124	-	-	-	-	-	-	-224,094	3,347,030
Principal Real Estate	3,571,124	-	-	-	-	-	-	-224,094	3,347,030
Cash Accounts									
Mutual Fund Cash	1,431,189	186,565	-	-400,000	-	-	13,700	-	1,231,454
Village	-	-	4,852	-	-	-4,852	-	-	-
Total Fund Composite	28,975,658	-	4,852	-400,000	-	-4,852	213,735	1,154,528	29,943,921



**Palm Springs General Employees' Pension Plan
Trailing Returns**

As of December 31, 2022

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		Inception		Inception Date
Total Fund (Gross)	4.70	(84)	4.70	(84)	-13.69	(57)	3.19	(65)	4.85	(57)	6.76	(52)	6.72	(20)	02/01/2005
Total Fund Policy	5.15	(72)	5.15	(72)	-12.93	(47)	4.39	(33)	5.81	(22)	7.68	(13)	6.50	(39)	
All Public Plans-Total Fund Median	5.92		5.92		-13.15		3.68		5.09		6.78		6.38		
Total Fund (Net)	4.70		4.70		-13.78		3.08		4.73		6.60		6.43		02/01/2005
Total Equity	8.62		8.62		-19.46		4.31		6.18		8.75		9.59		03/01/2010
Total Equity Policy	8.44		8.44		-18.52		5.95		7.31		9.91		10.63		
Domestic Equity	7.83	(56)	7.83	(56)	-18.91	(64)	5.05	(85)	7.21	(78)	9.52	(79)	9.26	(31)	01/01/2005
Total Domestic Equity Policy	7.18	(67)	7.18	(67)	-19.21	(69)	7.07	(59)	8.79	(43)	11.04	(46)	8.83	(43)	
IM U.S. All Cap Core Equity (SA+CF+MF) Median	8.26		8.26		-17.62		7.32		8.50		10.89		8.78		
International Equity	13.78	(86)	13.78	(86)	-22.72	(100)	0.19	(59)	1.74	(30)	5.40	(13)	3.03	(22)	07/01/2008
Total International Equity Policy	14.37	(82)	14.37	(82)	-15.57	(58)	0.53	(55)	1.36	(43)	5.30	(14)	2.97	(23)	
IM International Large Cap Core Equity (MF) Median	17.09		17.09		-15.06		0.82		1.19		4.12		2.35		
Total Fixed Income	2.55		2.55		-8.54		-1.88		0.24		1.13		3.04		01/01/2005
Total Fixed Income Policy	2.04		2.04		-10.29		-2.07		0.22		1.14		2.81		
Total Domestic Fixed Income	2.18	(6)	2.18	(6)	-7.62	(28)	-1.19	(77)	0.76	(80)	1.31	(65)	3.18	(56)	01/01/2005
Total Domestic Fixed Policy	1.72	(32)	1.72	(32)	-9.51	(91)	-1.93	(99)	0.31	(99)	0.82	(99)	2.74	(97)	
IM U.S. Intermediate Duration (SA+CF) Median	1.56		1.56		-8.12		-0.88		0.99		1.42		3.20		
Global Fixed Income	4.78	(33)	4.78	(33)	-13.77	(50)	-6.06	(94)	-2.88	(95)	-0.43	(89)	-0.75	(92)	01/01/2014
Diversified Fixed Income Policy	3.31	(55)	3.31	(55)	-13.75	(50)	-2.69	(32)	-0.20	(36)	2.37	(10)	1.75	(14)	
IM Global Fixed Income (MF) Median	3.81		3.81		-14.66		-3.68		-0.90		0.72		0.36		
Total Real Estate (Net)	-6.28	(90)	-6.28	(90)	3.91	(85)	8.51	(85)	7.86	(92)	8.01	(92)	8.12	(92)	10/01/2015
NCREIF Fund Index-ODCE (EW) (Net)	-5.06	(35)	-5.06	(35)	7.58	(60)	9.73	(75)	8.32	(85)	8.12	(90)	8.30	(91)	
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	-4.89	(31)	-4.89	(31)	8.42	(41)	10.64	(53)	9.23	(60)	9.03	(64)	9.21	(63)	
IM U.S. Open End Private Real Estate (SA+CF) Median	-5.66		-5.66		8.10		10.90		9.46		9.43		9.75		

Returns for periods greater than one year are annualized. Net and Gross returns are the same prior to 5/1/2009. Returns prior to 3/31/2010 for Anchor All Cap Value are the equity returns from the Anchor balanced account.



**Palm Springs General Employees' Pension Plan
Trailing Returns**

As of December 31, 2022

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		Inception		Inception Date
Domestic Equity Strategies															
Vanguard Equity Income Adm (VEIRX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A		01/01/2023
Russell 1000 Value Index	12.42	(59)	12.42	(59)	-7.54	(66)	5.96	(79)	6.67	(73)	9.12	(67)	N/A		
IM U.S. Large Cap Value Equity (MF) Median	12.88		12.88		-6.10		7.19		7.50		9.75		N/A		
MFS Growth Fund R6 (MFEKX)															
MFS Growth Fund R6 (MFEKX)	3.80	(33)	3.80	(33)	-31.08	(46)	3.96	(64)	N/A		N/A		8.50	(34)	03/01/2018
Russell 1000 Growth Index	2.20	(57)	2.20	(57)	-29.14	(27)	7.79	(10)	10.96	(11)	12.95	(7)	10.40	(10)	
IM U.S. Large Cap Growth Equity (MF) Median	2.48		2.48		-31.30		4.76		8.53		10.26		7.69		
Vanguard Mid Cap Index (VIMAX)															
Vanguard Mid Cap Index (VIMAX)	9.02	(65)	9.02	(65)	-18.71	(93)	6.16	(46)	7.31	(24)	N/A		9.54	(20)	06/01/2016
Russell Midcap Index	9.18	(60)	9.18	(60)	-17.32	(88)	5.88	(51)	7.10	(28)	9.61	(22)	9.43	(21)	
IM U.S. Mid Cap Core Equity (MF) Median	9.63		9.63		-13.21		5.90		5.94		8.50		8.26		
Vanguard Stock Index (VTSAX)															
Vanguard Stock Index (VTSAX)	7.14	(64)	7.14	(64)	-19.53	(64)	6.95	(39)	8.71	(27)	N/A		11.14	(25)	06/01/2016
Russell 3000 Index	7.18	(61)	7.18	(61)	-19.21	(59)	7.07	(35)	8.79	(25)	11.04	(17)	11.21	(21)	
IM U.S. Multi-Cap Core Equity (MF) Median	8.06		8.06		-18.37		6.48		7.55		9.56		10.01		
International Equity Strategies															
EuroPacific Growth (REERGX)															
EuroPacific Growth (REERGX)	13.78	(86)	13.78	(86)	-22.72	(100)	-0.15	(68)	1.54	(37)	5.24	(15)	3.87	(10)	03/01/2015
MSCI AC World ex USA	14.37	(82)	14.37	(82)	-15.57	(58)	0.53	(55)	1.36	(43)	5.30	(14)	3.33	(22)	
IM International Large Cap Core Equity (MF) Median	17.09		17.09		-15.06		0.82		1.19		4.12		2.54		
Domestic Fixed Income Strategies															
GHA Fixed Income															
GHA Fixed Income	2.18	(6)	2.18	(6)	-7.62	(28)	-1.19	(77)	0.76	(80)	1.31	(65)	2.05	(17)	07/01/2012
Bloomberg Intermed Aggregate Index	1.72	(32)	1.72	(32)	-9.51	(91)	-1.93	(99)	0.31	(99)	0.82	(99)	1.10	(97)	
IM U.S. Intermediate Duration (SA+CF) Median	1.56		1.56		-8.12		-0.88		0.99		1.42		1.62		
Global Fixed Income Strategies															
PIMCO Diversified Income (PDIIX)															
PIMCO Diversified Income (PDIIX)	4.78	(33)	4.78	(33)	-13.77	(50)	N/A		N/A		N/A		-6.20	(30)	12/01/2020
Bimbg. Global Credit (Hedged)	3.31	(55)	3.31	(55)	-13.75	(50)	-2.61	(31)	0.53	(17)	2.23	(12)	-6.71	(35)	
IM Global Fixed Income (MF) Median	3.81		3.81		-14.66		-3.68		-0.90		0.72		-7.99		
Real Estate Strategies															
Principal Real Estate (Net)															
Principal Real Estate (Net)	-6.28	(90)	-6.28	(90)	3.91	(85)	8.51	(85)	7.86	(92)	8.01	(92)	8.12	(92)	10/01/2015
NCREIF Fund Index-ODCE (EW) (Net)	-5.06	(35)	-5.06	(35)	7.58	(60)	9.73	(75)	8.32	(85)	8.12	(90)	8.30	(91)	
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	-4.89	(31)	-4.89	(31)	8.42	(41)	10.64	(53)	9.23	(60)	9.03	(64)	9.21	(63)	
IM U.S. Open End Private Real Estate (SA+CF) Median	-5.66		-5.66		8.10		10.90		9.46		9.43		9.75		

Returns for periods greater than one year are annualized. Net and Gross returns are the same prior to 5/1/2009.
Returns prior to 3/31/2010 for Anchor All Cap Value are the equity returns from the Anchor balanced account.



Palm Springs General Employees' Pension Plan

Fiscal Year Returns

As of December 31, 2022

	FYTD		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018		FY 2017		FY 2016	
Total Fund (Gross)	4.70	(84)	-13.89	(51)	18.87	(72)	8.30	(38)	3.27	(77)	9.67	(13)	12.55	(40)	11.20	(12)
Total Fund Policy	5.15	(72)	-12.67	(39)	19.61	(64)	9.98	(17)	4.32	(49)	9.61	(13)	13.17	(28)	11.60	(7)
All Public Plans-Total Fund Median	5.92		-13.77		20.73		7.52		4.29		7.52		12.06		9.80	
Total Fund (Net)	4.70		-13.98		18.76		8.16		3.16		9.51		12.33		10.90	
Total Equity	8.62		-21.51		29.37		11.48		2.17		13.21		16.70		15.01	
Total Equity Policy	8.44		-18.84		30.62		12.84		2.11		13.94		19.11		13.79	
Domestic Equity	7.83	(56)	-19.45	(78)	30.27	(62)	10.64	(60)	2.35	(52)	16.86	(50)	15.56	(82)	16.92	(7)
Total Domestic Equity Policy	7.18	(67)	-17.63	(63)	31.88	(47)	15.00	(34)	2.92	(47)	17.58	(44)	18.71	(52)	14.96	(23)
IM U.S. All Cap Core Equity (SA+CF+MF) Median	8.26		-16.67		31.69		12.50		2.51		16.75		18.75		12.14	
International Equity	13.78	(86)	-32.85	(100)	24.76	(46)	16.15	(1)	1.15	(5)	1.47	(46)	20.63	(31)	8.52	(23)
Total International Equity Policy	14.37	(82)	-24.79	(34)	24.45	(48)	3.45	(45)	-0.72	(21)	2.25	(19)	20.15	(33)	9.80	(16)
IM International Large Cap Core Equity (MF) Median	17.09		-25.40		24.28		2.82		-2.78		1.30		18.72		5.11	
Total Fixed Income	2.55		-10.90		-0.50		4.57		6.37		-0.21		3.18		3.68	
Total Fixed Income Policy	2.04		-12.46		0.38		5.55		7.92		-0.96		0.77		5.69	
Total Domestic Fixed Income	2.18	(6)	-9.70	(37)	-0.93	(98)	5.95	(71)	7.04	(82)	0.24	(20)	0.76	(45)	3.91	(49)
Total Domestic Fixed Policy	1.72	(32)	-11.49	(90)	-0.38	(87)	5.66	(79)	8.08	(46)	-0.93	(95)	0.25	(86)	3.57	(71)
IM U.S. Intermediate Duration (SA+CF) Median	1.56		-10.01		0.26		6.43		8.01		-0.36		0.70		3.89	
Global Fixed Income	4.78	(33)	-17.66	(51)	2.60	(24)	-4.58	(100)	2.50	(99)	-1.92	(65)	13.82	(1)	2.68	(95)
Diversified Fixed Income Policy	3.31	(55)	-16.53	(49)	4.10	(8)	4.68	(62)	7.19	(57)	-1.16	(48)	2.83	(30)	14.46	(1)
IM Global Fixed Income (MF) Median	3.81		-17.63		0.89		5.39		7.65		-1.33		1.10		7.40	
Total Real Estate (Net)	-6.28	(90)	21.93	(48)	13.13	(77)	0.07	(74)	5.80	(71)	8.56	(62)	8.64	(32)	9.13	(89)
NCREIF Fund Index-ODCE (EW) (Net)	-5.06	(35)	21.68	(49)	14.83	(55)	0.89	(71)	5.26	(76)	7.89	(73)	6.93	(63)	9.69	(83)
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	-4.89	(31)	22.76	(43)	15.75	(52)	1.74	(44)	6.17	(69)	8.82	(58)	7.81	(51)	10.62	(68)
IM U.S. Open End Private Real Estate (SA+CF) Median	-5.66		21.16		15.91		1.62		6.80		8.98		7.83		11.18	

Returns for periods greater than one year are annualized. Net and Gross returns are the same prior to 5/1/2009. Returns prior to 3/31/2010 for Anchor All Cap Value are the equity returns from the Anchor balanced account.



Palm Springs General Employees' Pension Plan

Fiscal Year Returns

As of December 31, 2022

	FYTD		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018		FY 2017		FY 2016	
Domestic Equity Strategies																
Anchor All Cap Value	N/A		-10.09	(41)	25.90	(93)	-4.15	(64)	4.90	(31)	11.19	(57)	12.51	(86)	20.94	(12)
Russell 3000 Value Index	12.18	(39)	-11.79	(47)	36.64	(62)	-5.67	(70)	3.10	(43)	9.46	(75)	15.53	(65)	16.38	(33)
IM U.S. All Cap Value Equity (SA+CF) Median	11.49		-12.79		39.51		-2.31		1.58		11.91		17.69		14.15	
Vanguard Equity Income Adm (VEIRX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Russell 1000 Value Index	12.42	(59)	-11.36	(67)	35.01	(41)	-5.03	(72)	4.00	(41)	9.45	(70)	15.12	(80)	16.19	(20)
IM U.S. Large Cap Value Equity (MF) Median	12.88		-9.58		33.01		-2.87		3.14		11.93		17.34		13.33	
MFS Growth Fund R6 (MFEKX)	3.80	(33)	-28.22	(55)	23.59	(73)	32.46	(62)	7.56	(10)	N/A		N/A		N/A	
Russell 1000 Growth Index	2.20	(57)	-22.59	(20)	27.32	(30)	37.53	(31)	3.71	(30)	26.30	(36)	21.94	(28)	13.76	(15)
IM U.S. Large Cap Growth Equity (MF) Median	2.48		-27.73		25.85		34.07		2.15		24.80		20.19		10.85	
Primecap Odyssey Growth (POGRX)	N/A		N/A		32.96	(2)	12.87	(100)	-10.70	(100)	N/A		N/A		N/A	
Russell 1000 Growth Index	2.20	(57)	-22.59	(20)	27.32	(30)	37.53	(31)	3.71	(30)	26.30	(36)	21.94	(28)	13.76	(15)
IM U.S. Large Cap Growth Equity (MF) Median	2.48		-27.73		25.85		34.07		2.15		24.80		20.19		10.85	
Vanguard Mid Cap Index (VIMAX)	9.02	(65)	-19.48	(91)	36.09	(67)	7.04	(10)	3.65	(33)	13.42	(24)	15.30	(46)	N/A	
Russell Midcap Index	9.18	(60)	-19.39	(90)	38.11	(47)	4.55	(17)	3.19	(37)	13.98	(19)	15.32	(46)	14.25	(27)
IM U.S. Mid Cap Core Equity (MF) Median	9.63		-14.07		37.86		-2.64		1.86		9.96		15.17		11.88	
Vanguard Stock Index (VTSAX)	7.14	(64)	-18.01	(60)	32.08	(36)	14.94	(26)	2.92	(36)	17.62	(22)	18.64	(43)	N/A	
Russell 3000 Index	7.18	(61)	-17.63	(54)	31.88	(39)	15.00	(24)	2.92	(36)	17.58	(23)	18.71	(41)	14.96	(12)
IM U.S. Multi-Cap Core Equity (MF) Median	8.06		-17.30		30.66		11.15		1.49		15.61		18.24		11.19	
International Equity Strategies																
EuroPacific Growth (RERGX)	13.78	(86)	-32.85	(100)	24.76	(46)	14.98	(1)	1.15	(5)	1.47	(46)	20.63	(31)	8.52	(23)
MSCI AC World ex USA	14.37	(82)	-24.79	(34)	24.45	(48)	3.45	(45)	-0.72	(21)	2.25	(19)	20.15	(33)	9.80	(16)
IM International Large Cap Core Equity (MF) Median	17.09		-25.40		24.28		2.82		-2.78		1.30		18.72		5.11	

Returns for periods greater than one year are annualized. Net and Gross returns are the same prior to 5/1/2009. Returns prior to 3/31/2010 for Anchor All Cap Value are the equity returns from the Anchor balanced account.



Palm Springs General Employees' Pension Plan

Fiscal Year Returns

As of December 31, 2022

	FYTD		FY 2022		FY 2021		FY 2020		FY 2019		FY 2018		FY 2017		FY 2016	
Domestic Fixed Income Strategies																
GHA Fixed Income	2.18	(6)	-9.71	(37)	-0.93	(98)	5.95	(71)	7.04	(82)	0.24	(20)	0.76	(45)	3.91	(49)
Bloomberg Intermed Aggregate Index	1.72	(32)	-11.49	(90)	-0.38	(87)	5.66	(79)	8.08	(46)	-0.93	(95)	0.25	(86)	3.57	(71)
IM U.S. Intermediate Duration (SA+CF) Median	1.56		-10.01		0.26		6.43		8.01		-0.36		0.70		3.89	
Global Fixed Income Strategies																
Templeton Global Total Return (FTTRX)	N/A		N/A		N/A		-4.58	(100)	2.50	(99)	-1.92	(65)	13.82	(1)	2.68	(95)
Diversified Fixed Income Policy	3.31	(55)	-16.53	(49)	4.10	(8)	4.68	(62)	7.19	(57)	-1.16	(48)	2.83	(30)	14.46	(1)
IM Global Fixed Income (MF) Median	3.81		-17.63		0.89		5.39		7.65		-1.33		1.10		7.40	
PIMCO Diversified Income (PDIIIX)	4.78	(33)	-17.66	(51)	N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Global Credit (Hedged)	3.31	(55)	-16.53	(49)	2.72	(22)	5.26	(53)	10.83	(12)	0.39	(16)	3.04	(29)	9.19	(25)
IM Global Fixed Income (MF) Median	3.81		-17.63		0.89		5.39		7.65		-1.33		1.10		7.40	
Real Estate Strategies																
Principal Real Estate (Net)	-6.28	(90)	21.93	(48)	13.13	(77)	0.07	(74)	5.80	(71)	8.56	(62)	8.64	(32)	9.13	(89)
NCREIF Fund Index-ODCE (EW) (Net)	-5.06	(35)	21.68	(49)	14.83	(55)	0.89	(71)	5.26	(76)	7.89	(73)	6.93	(63)	9.69	(83)
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	-4.89	(31)	22.76	(43)	15.75	(52)	1.74	(44)	6.17	(69)	8.82	(58)	7.81	(51)	10.62	(68)
IM U.S. Open End Private Real Estate (SA+CF) Median	-5.66		21.16		15.91		1.62		6.80		8.98		7.83		11.18	

Returns for periods greater than one year are annualized. Net and Gross returns are the same prior to 5/1/2009. Returns prior to 3/31/2010 for Anchor All Cap Value are the equity returns from the Anchor balanced account.

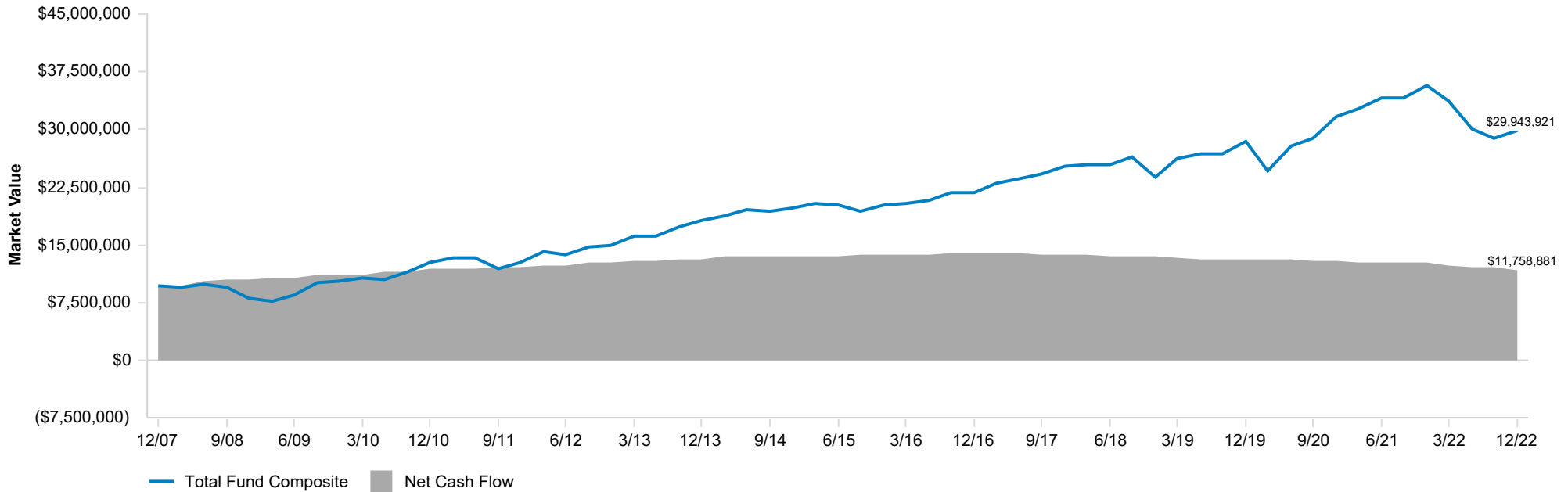


Page Intentionally Left Blank



Palm Springs General Employees' Pension Plan
Long-Term Performance
As of December 31, 2022

Plan Growth



Trailing Returns

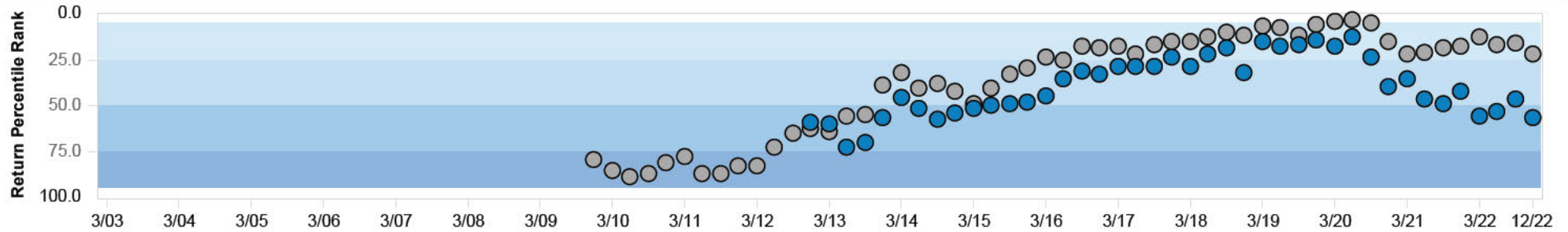
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Total Fund Composite	4.70 (84)	-13.69 (57)	-13.69 (57)	-1.20 (58)	3.19 (65)	4.85 (57)	6.76 (52)	7.29 (40)	5.86 (46)
Total Fund Policy	5.15 (72)	-12.93 (47)	-12.93 (47)	0.14 (32)	4.39 (33)	5.81 (22)	7.68 (13)	7.93 (12)	6.27 (13)
Median	5.92	-13.15	-13.15	-0.75	3.68	5.09	6.78	7.07	5.73

Fiscal Year Returns

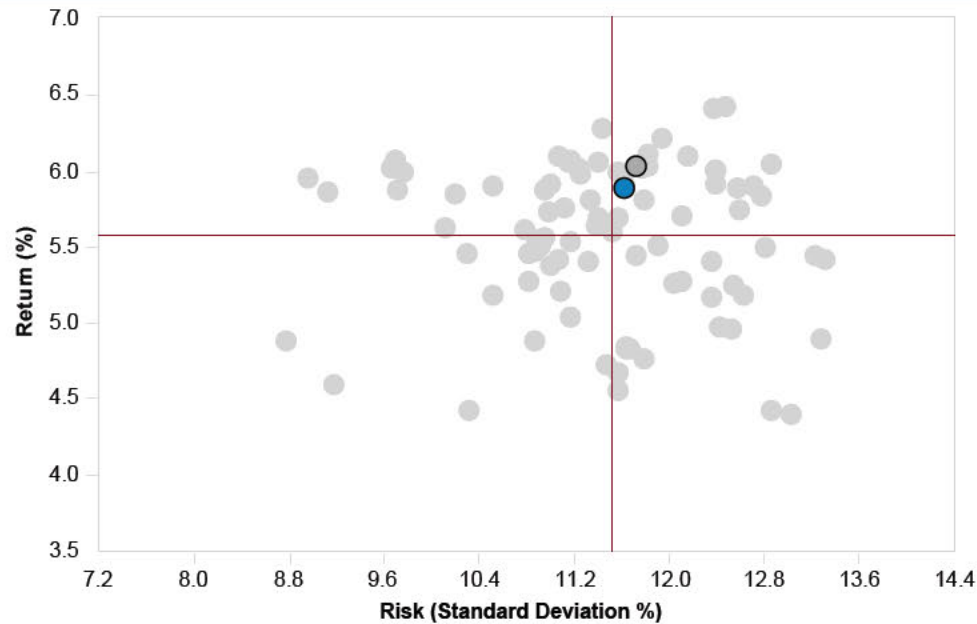
	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
Total Fund Composite	4.70 (84)	18.87 (69)	8.30 (39)	3.27 (78)	9.67 (13)	12.55 (36)	11.20 (8)
Total Fund Policy	5.15 (72)	19.61 (59)	9.98 (19)	4.32 (53)	9.61 (13)	13.17 (22)	11.60 (3)
Median	5.92	20.26	7.49	4.39	7.70	11.99	9.79



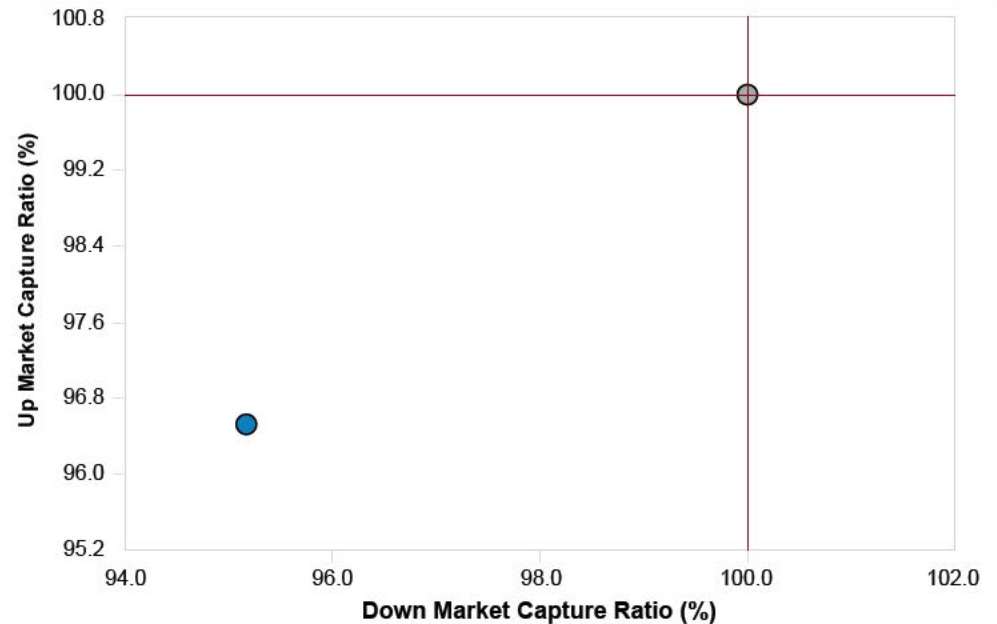
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



● Total Fund Composite ● Total Fund Policy

● Total Fund Composite ● Total Fund Policy

Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Total Fund Composite	44.26	-27.75	-0.02	-0.14	0.49	-0.08	0.06	0.98	1.67
Total Fund Policy	0.00	-31.18	0.00	0.00	0.50	N/A	0.06	1.00	0.00

Peer Group: All Public Plans-Total Fund



Palm Springs General Employees' Pension Plan
Compliance Statistics

As of December 31, 2022

Multi Time Period Statistics

	1 Qtr Return		1 Quarter Ending Sep-2022 Return		1 Quarter Ending Jun-2022 Return		1 Quarter Ending Mar-2022 Return		3 YR Return		5 YR Return		3 YR Down Market Capture		5 YR Down Market Capture	
Total Fund (Gross)	4.70	(84)	-3.95	(36)	-9.73	(48)	-4.92	(70)	3.19	(65)	4.85	(57)	101.86	(60)	101.36	(56)
Total Fund Policy	5.15	(72)	-3.98	(37)	-10.37	(63)	-3.78	(35)	4.39	(33)	5.81	(22)	100.00		100.00	
All Public Plans-Total Fund Median	5.92		-4.29		-9.88		-4.29		3.68		5.09		105.47		103.48	
Total Fund (Net)	4.70		-3.99		-9.78		-4.93		3.08		4.73		102.27		101.80	
Total Fund Policy	5.15		-3.98		-10.37		-3.78		4.39		5.81		100.00		100.00	
Total Equity	8.62		-5.15		-15.52		-7.47		4.31		6.18		104.28		102.15	
Total Equity Policy	8.44		-5.37		-16.17		-5.28		5.95		7.31		100.00		100.00	
Domestic Equity	7.83	(56)	-4.48	(50)	-15.65	(53)	-6.66	(73)	5.05	(85)	7.21	(78)	103.93	(25)	101.81	(27)
Total Domestic Equity Policy	7.18	(67)	-4.46	(50)	-16.70	(77)	-5.28	(43)	7.07	(59)	8.79	(43)	100.00		100.00	
IM U.S. All Cap Core Equity (SA+CF+MF) Median	8.26		-4.48		-15.58		-5.64		7.32		8.50		98.27		98.11	
International Equity	13.78	(86)	-9.33	(27)	-14.65	(83)	-12.24	(100)	0.19	(59)	1.74	(30)	109.83	(11)	106.71	(34)
Total International Equity Policy	14.37	(82)	-9.80	(41)	-13.54	(62)	-5.33	(21)	0.53	(55)	1.36	(43)	100.00		100.00	
IM International Large Cap Core Equity (MF) Median	17.09		-10.18		-13.27		-6.90		0.82		1.19		100.62		101.49	
Total Fixed Income	2.55	(4)	-4.13	(15)	-3.03	(2)	-4.06	(2)	-1.88	(26)	0.24	(75)	86.95	(99)	81.92	(100)
Total Fixed Income Policy	2.04	(24)	-3.84	(6)	-3.75	(6)	-5.01	(10)	-2.07	(39)	0.22	(75)	100.00		100.00	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.79		-4.56		-4.76		-5.81		-2.22		0.43		122.89		122.43	
Total Domestic Fixed Income	2.18	(6)	-4.39	(99)	-1.98	(16)	-3.52	(16)	-1.19	(77)	0.76	(80)	85.53	(65)	82.61	(74)
Total Domestic Fixed Policy	1.72	(32)	-3.84	(93)	-2.93	(81)	-4.69	(88)	-1.93	(99)	0.31	(99)	100.00		100.00	
IM U.S. Intermediate Duration (SA+CF) Median	1.56		-2.95		-2.54		-4.34		-0.88		0.99		88.57		87.73	
Global Fixed Income	4.78	(33)	-2.54	(25)	-9.10	(77)	-7.10	(83)	-6.06	(94)	-2.88	(95)	94.48	(48)	94.49	(36)
Diversified Fixed Income Policy	3.31	(55)	-3.84	(44)	-6.97	(50)	-6.67	(72)	-2.69	(32)	-0.20	(36)	100.00		100.00	
IM Global Fixed Income (MF) Median	3.81		-4.13		-7.00		-5.48		-3.68		-0.90		90.57		76.96	
Total Real Estate (Net)	-6.28	(90)	0.38	(60)	2.98	(79)	7.25	(37)	8.51	(85)	7.86	(92)	119.20	(35)	119.20	(35)
NCREIF Fund Index-ODCE (EW) (Net)	-5.06	(35)	0.77	(42)	4.35	(51)	7.77	(19)	9.73	(75)	8.32	(85)	100.00		100.00	
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	-4.89	(31)	0.96	(39)	4.55	(41)	7.99	(17)	10.64	(53)	9.23	(60)	94.39	(66)	94.39	(66)
IM U.S. Open End Private Real Estate (SA+CF) Median	-5.66		0.60		4.39		6.86		10.90		9.46		106.73		106.73	



Palm Springs General Employees' Pension Plan
Compliance Statistics
As of December 31, 2022

	1 Qtr Return		1 Quarter Ending Sep-2022 Return		1 Quarter Ending Jun-2022 Return		1 Quarter Ending Mar-2022 Return		3 YR Return		5 YR Return		3 YR Down Market Capture		5 YR Down Market Capture	
Domestic Equity Strategies																
Vanguard Equity Income Adm (VEIRX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Russell 1000 Value Index	12.42	(59)	-5.62	(52)	-12.21	(63)	-0.74	(57)	5.96	(79)	6.67	(73)	100.00		100.00	
IM U.S. Large Cap Value Equity (MF) Median	12.88		-5.57		-11.35		-0.58		7.19		7.50		94.42		96.03	
MFS Growth Fund R6 (MFEKX)	3.80	(33)	-6.09	(89)	-19.36	(19)	-12.33	(72)	3.96	(64)	N/A		103.91	(60)	N/A	
Russell 1000 Growth Index	2.20	(57)	-3.60	(26)	-20.92	(40)	-9.04	(18)	7.79	(10)	10.96	(11)	100.00		100.00	
IM U.S. Large Cap Growth Equity (MF) Median	2.48		-4.41		-21.94		-10.62		4.76		8.53		105.94		104.57	
Vanguard Mid Cap Index (VIMAX)	9.02	(65)	-4.14	(43)	-16.96	(93)	-6.32	(83)	6.16	(46)	7.31	(24)	98.49	(34)	98.28	(48)
Russell Midcap Index	9.18	(60)	-3.44	(32)	-16.85	(91)	-5.68	(77)	5.88	(51)	7.10	(28)	100.00		100.00	
IM U.S. Mid Cap Core Equity (MF) Median	9.63		-4.32		-13.63		-4.08		5.90		5.94		93.21		97.32	
Vanguard Stock Index (VTSAX)	7.14	(64)	-4.46	(41)	-16.85	(79)	-5.46	(43)	6.95	(39)	8.71	(27)	100.58	(48)	100.30	(48)
Russell 3000 Index	7.18	(61)	-4.46	(41)	-16.70	(74)	-5.28	(37)	7.07	(35)	8.79	(25)	100.00		100.00	
IM U.S. Multi-Cap Core Equity (MF) Median	8.06		-4.63		-15.83		-5.87		6.48		7.55		100.44		100.12	
International Equity Strategies																
EuroPacific Growth (RERGX)	13.78	(86)	-9.33	(27)	-14.65	(83)	-12.24	(100)	-0.15	(68)	1.54	(37)	111.27	(10)	107.81	(28)
MSCI AC World ex USA	14.37	(82)	-9.80	(41)	-13.54	(62)	-5.33	(21)	0.53	(55)	1.36	(43)	100.00		100.00	
IM International Large Cap Core Equity (MF) Median	17.09		-10.18		-13.27		-6.90		0.82		1.19		100.62		101.49	
Domestic Fixed Income Strategies																
GHA Fixed Income	2.18	(6)	-4.39	(99)	-1.98	(16)	-3.52	(16)	-1.19	(77)	0.76	(80)	85.53	(65)	82.62	(74)
Bloomberg Intermed Aggregate Index	1.72	(32)	-3.84	(93)	-2.93	(81)	-4.69	(88)	-1.93	(99)	0.31	(99)	100.00		100.00	
IM U.S. Intermediate Duration (SA+CF) Median	1.56		-2.95		-2.54		-4.34		-0.88		0.99		88.57		87.73	
Global Fixed Income Strategies																
PIMCO Diversified Income (PDIIX)	4.78	(33)	-2.54	(25)	-9.10	(77)	-7.10	(83)	N/A		N/A		N/A		N/A	
Blmbg. Global Credit (Hedged)	3.31	(55)	-3.84	(44)	-6.97	(50)	-6.67	(72)	-2.61	(31)	0.53	(17)	100.00		100.00	
IM Global Fixed Income (MF) Median	3.81		-4.13		-7.00		-5.48		-3.68		-0.90		104.56		101.07	
Real Estate Strategies																
Principal Real Estate (Net)	-6.28	(90)	0.38	(60)	2.98	(79)	7.25	(37)	8.51	(85)	7.86	(92)	119.20	(35)	119.20	(35)
NCREIF Fund Index-ODCE (EW) (Net)	-5.06	(35)	0.77	(42)	4.35	(51)	7.77	(19)	9.73	(75)	8.32	(85)	100.00		100.00	
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	-4.89	(31)	0.96	(39)	4.55	(41)	7.99	(17)	10.64	(53)	9.23	(60)	94.39	(66)	94.39	(66)
IM U.S. Open End Private Real Estate (SA+CF) Median	-5.66		0.60		4.39		6.86		10.90		9.46		106.73		106.73	



**Palm Springs General Employees' Pension Plan
Fee Analysis**

As of December 31, 2022

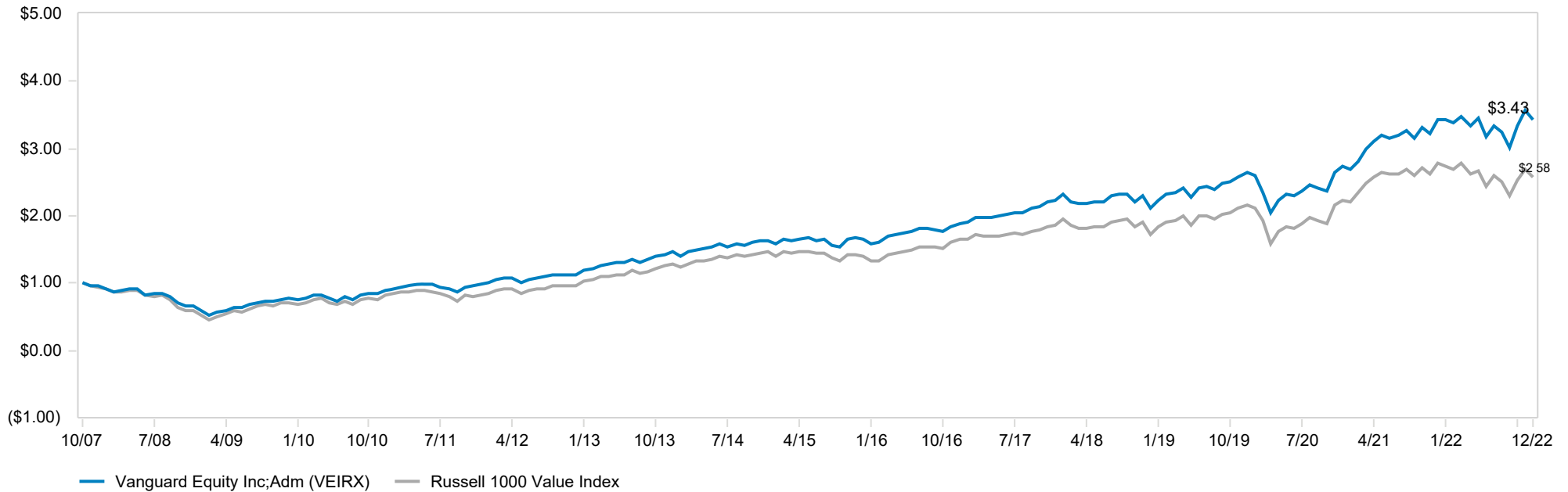
	Estimated Annual Fee (%)	12/31/22 Market Value	12/31/22 Allocation (%)	Estimated Annual Fee (\$)
Domestic Equity				
Vanguard Equity Income Adm (VEIRX)	0.19	4,225,918	14.11	8,029
MFS Growth Fund R6 (MFEKX)	0.57	3,044,044	10.17	17,351
Vanguard Mid Cap Index (VIMAX)	0.05	3,745,705	12.51	1,873
Vanguard Stock Index (VTSAX)	0.04	3,789,152	12.65	1,516
International Equity				
EuroPacific Growth (RERGX)	0.46	2,366,570	7.90	10,886
Domestic Fixed Income				
GHA Fixed Income	0.25	6,997,050	23.37	17,493
Global Fixed Income				
PIMCO Diversified Income (PDIIX)	0.79	1,194,082	3.99	9,433
Real Estate				
Principal Real Estate	1.10	3,347,030	11.18	36,817
Cash Accounts				
Mutual Fund Cash	0.00	1,231,454	4.11	-
Village	0.00	-	0.00	-
Total Fund Composite	0.35	29,943,921	100.00	103,416



Long-Term Manager Composite Data



Growth of a Dollar



Trailing Returns

	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Vanguard Equity Inc;Adm (VEIRX)	13.92 (29)	0.00 (7)	0.00 (7)	12.09 (8)	9.02 (12)	8.91 (18)	11.07 (16)	11.79 (14)	8.86 (5)
Russell 1000 Value Index	12.42 (59)	-7.54 (66)	-7.54 (66)	7.58 (69)	5.96 (79)	6.67 (73)	9.12 (67)	10.29 (58)	6.96 (54)
Median	12.88	-6.10	-6.10	8.40	7.19	7.50	9.75	10.51	7.07

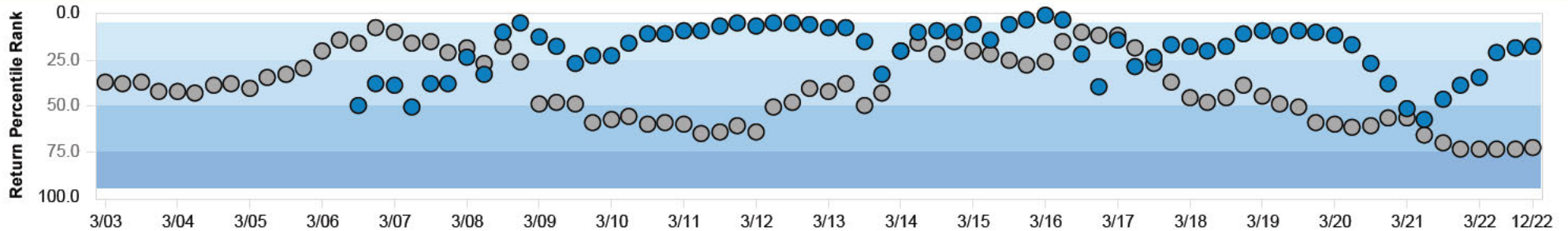
Fiscal Year Returns

	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
Vanguard Equity Inc;Adm (VEIRX)	13.92 (29)	30.77 (68)	-2.77 (49)	6.51 (12)	10.70 (60)	16.75 (60)	17.35 (12)
Russell 1000 Value Index	12.42 (59)	35.01 (41)	-5.03 (72)	4.00 (41)	9.45 (70)	15.12 (80)	16.19 (20)
Median	12.88	33.01	-2.87	3.14	11.93	17.34	13.33

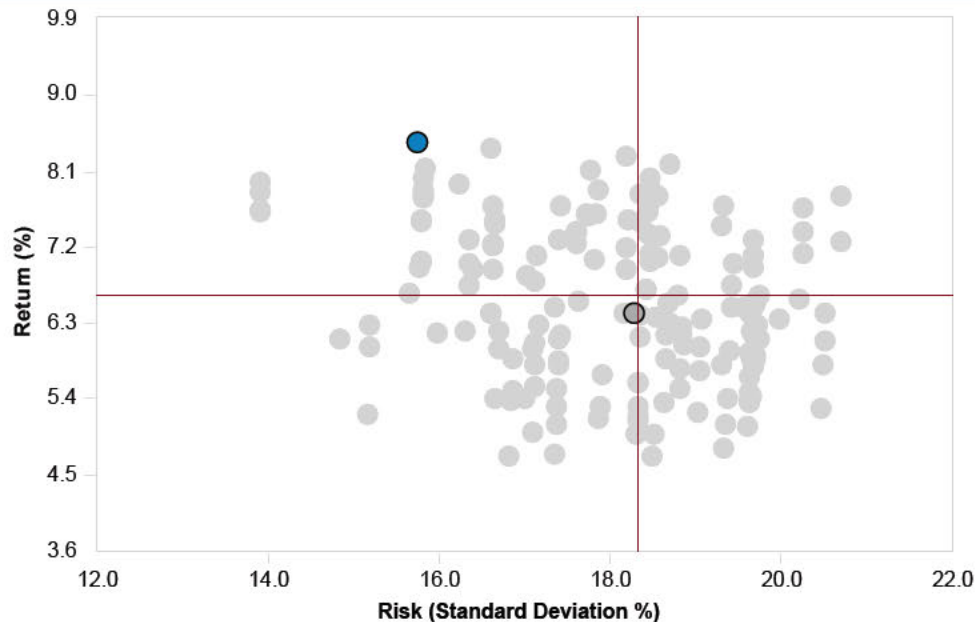
Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Large Cap Value Equity (MF)



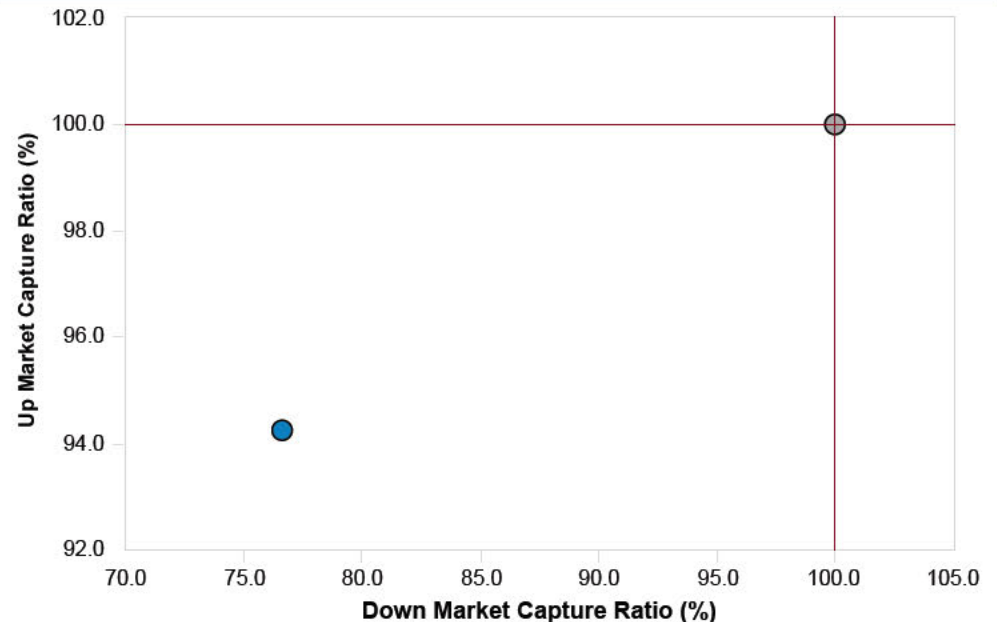
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



● Vanguard Equity Inc;Adm (VEIRX) ● Russell 1000 Value Index

● Vanguard Equity Inc;Adm (VEIRX) ● Russell 1000 Value Index

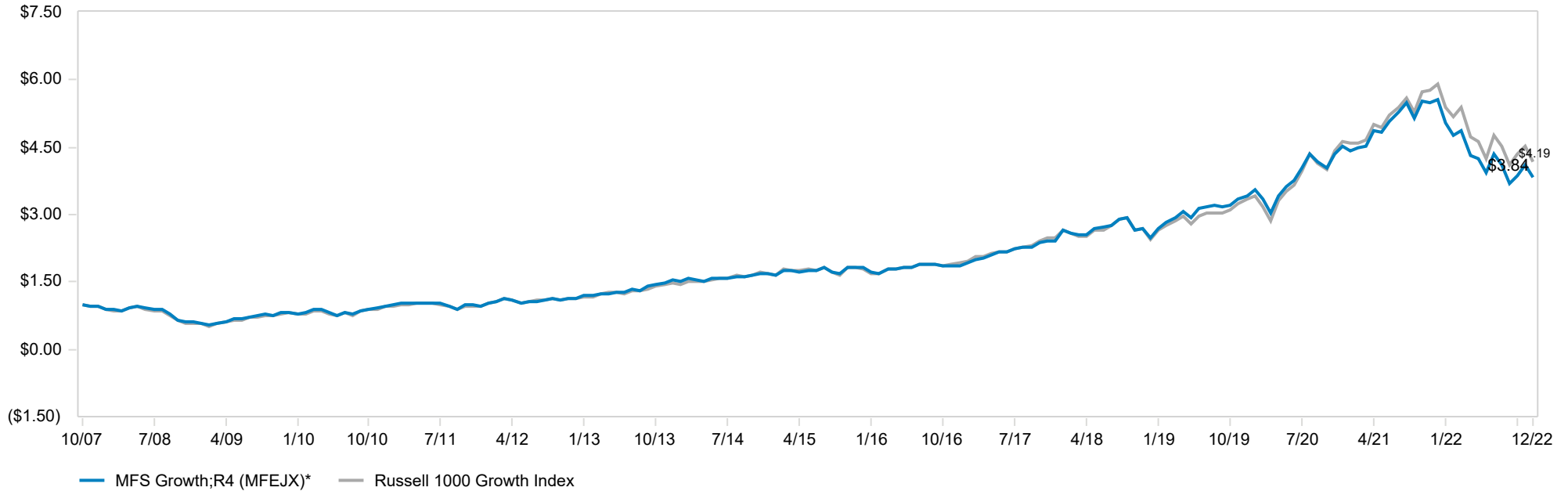
Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Vanguard Equity Inc;Adm (VEIRX)	57.38	-43.88	2.66	1.44	0.55	0.40	0.10	0.85	3.59
Russell 1000 Value Index	0.00	-50.48	0.00	0.00	0.40	N/A	0.07	1.00	0.00

Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Large Cap Value Equity (MF)



Growth of a Dollar



Trailing Returns

	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
MFS Growth;R4 (MFEJX)*	3.77 (34)	-31.15 (47)	-31.15 (47)	-7.74 (43)	3.86 (66)	9.62 (29)	11.35 (25)	12.97 (23)	9.65 (15)
Russell 1000 Growth Index	2.20 (57)	-29.14 (27)	-29.14 (27)	-4.91 (21)	7.79 (10)	10.96 (11)	12.95 (7)	14.10 (7)	10.32 (7)
Median	2.48	-31.30	-31.30	-8.24	4.76	8.53	10.26	12.04	8.55

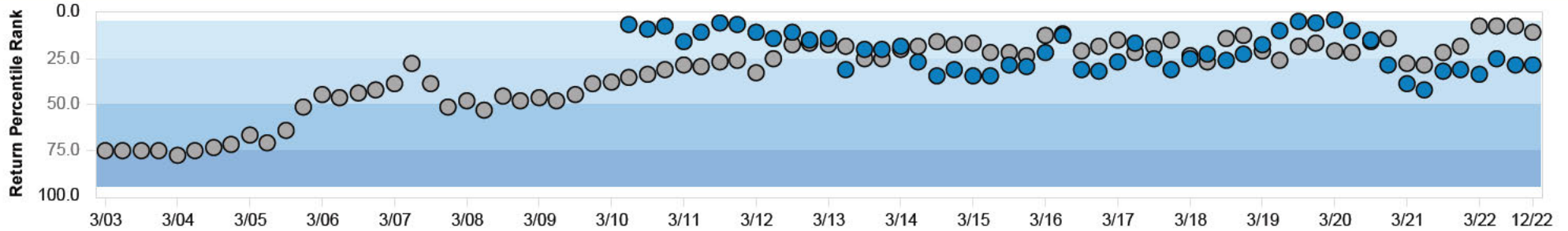
Fiscal Year Returns

	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
MFS Growth;R4 (MFEJX)*	3.77 (34)	23.48 (75)	32.34 (64)	7.45 (11)	28.96 (16)	20.75 (41)	13.12 (19)
Russell 1000 Growth Index	2.20 (57)	27.32 (30)	37.53 (31)	3.71 (30)	26.30 (36)	21.94 (28)	13.76 (15)
Median	2.48	25.85	34.07	2.15	24.80	20.19	10.85

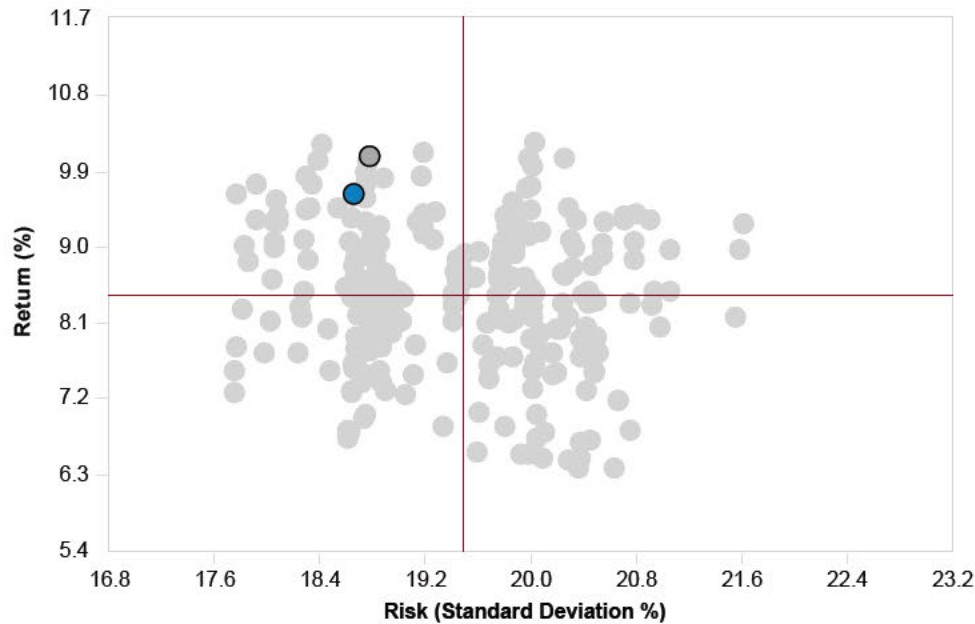
Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Large Cap Growth Equity (MF)



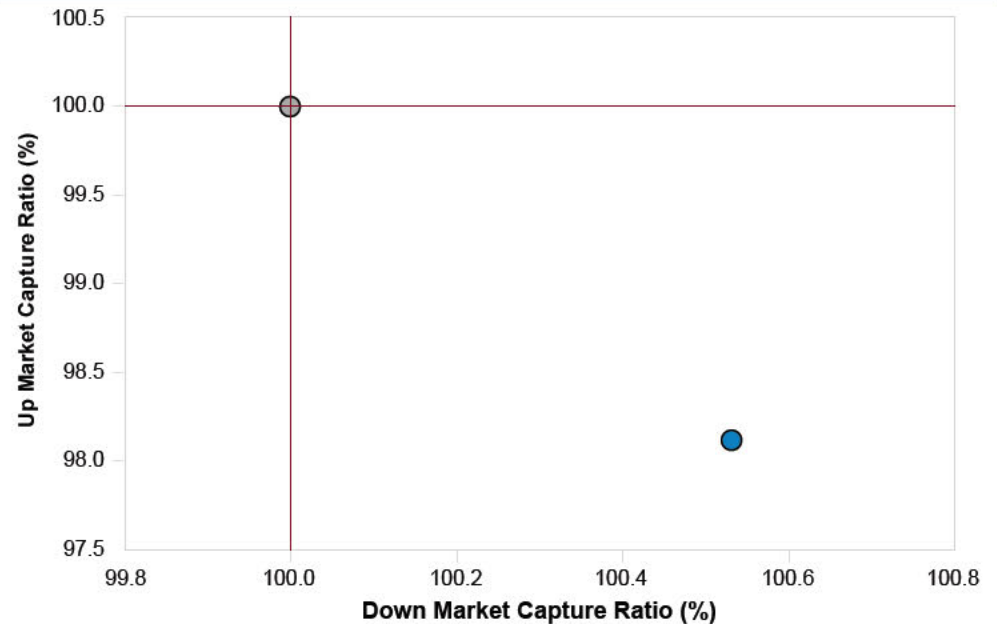
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



● MFS Growth;R4 (MFEJX)* ● Russell 1000 Growth Index

● MFS Growth;R4 (MFEJX)* ● Russell 1000 Growth Index

Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
MFS Growth;R4 (MFEJX)*	52.46	-40.14	-0.16	-0.45	0.55	-0.13	0.11	0.97	3.62
Russell 1000 Growth Index	0.00	-41.43	0.00	0.00	0.57	N/A	0.11	1.00	0.00

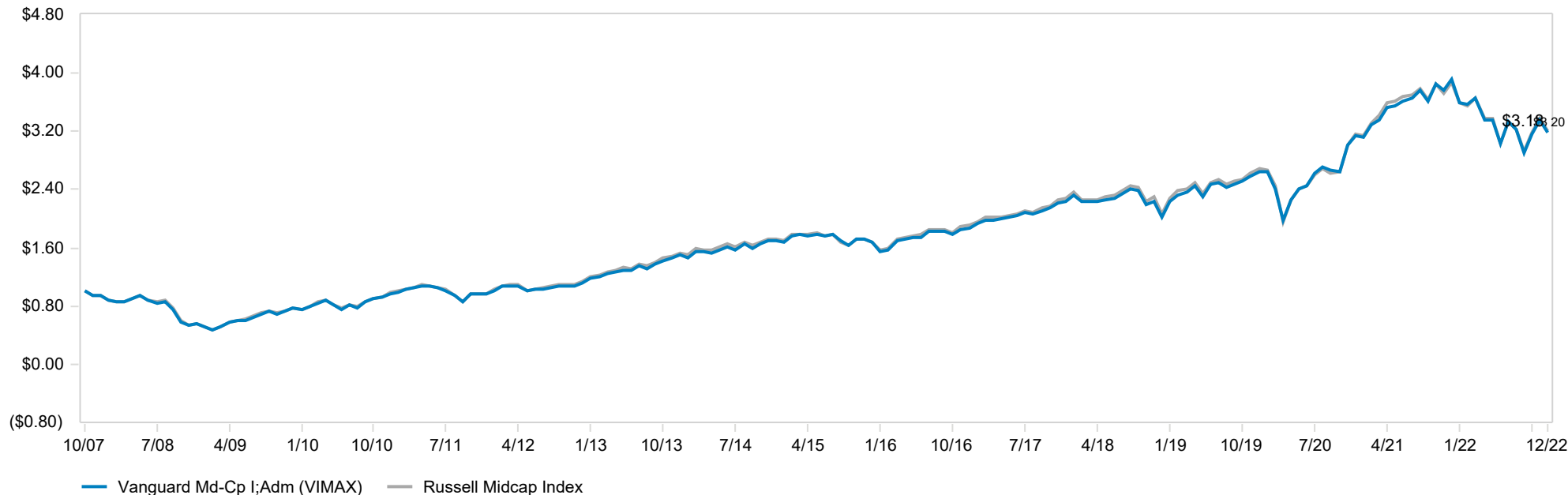
Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Large Cap Growth Equity (MF)



Vanguard Md-Cp I;Adm (VIMAX)
Long-Term Composite Performance

As of December 31, 2022

Growth of a Dollar



Trailing Returns

	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Vanguard Md-Cp I;Adm (VIMAX)	9.02 (65)	-18.71 (93)	-18.71 (93)	0.61 (84)	6.17 (46)	7.32 (24)	9.50 (27)	11.10 (12)	8.38 (19)
Russell Midcap Index	9.18 (60)	-17.32 (88)	-17.32 (88)	0.68 (83)	5.88 (51)	7.10 (28)	9.61 (22)	10.96 (14)	8.44 (15)
Median	9.63	-13.21	-13.21	4.34	5.90	5.94	8.50	9.49	7.27

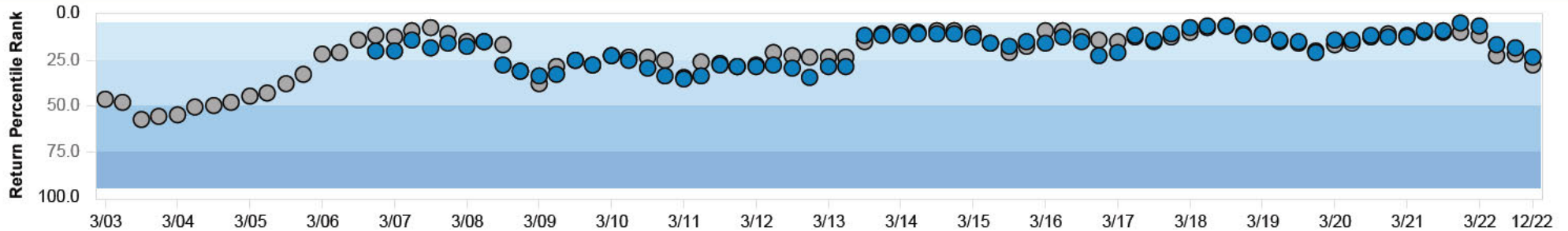
Fiscal Year Returns

	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
Vanguard Md-Cp I;Adm (VIMAX)	9.02 (65)	36.09 (67)	7.08 (10)	3.65 (33)	13.42 (24)	15.30 (46)	12.64 (44)
Russell Midcap Index	9.18 (60)	38.11 (47)	4.55 (17)	3.19 (37)	13.98 (19)	15.32 (46)	14.25 (27)
Median	9.63	37.86	-2.64	1.86	9.96	15.17	11.88

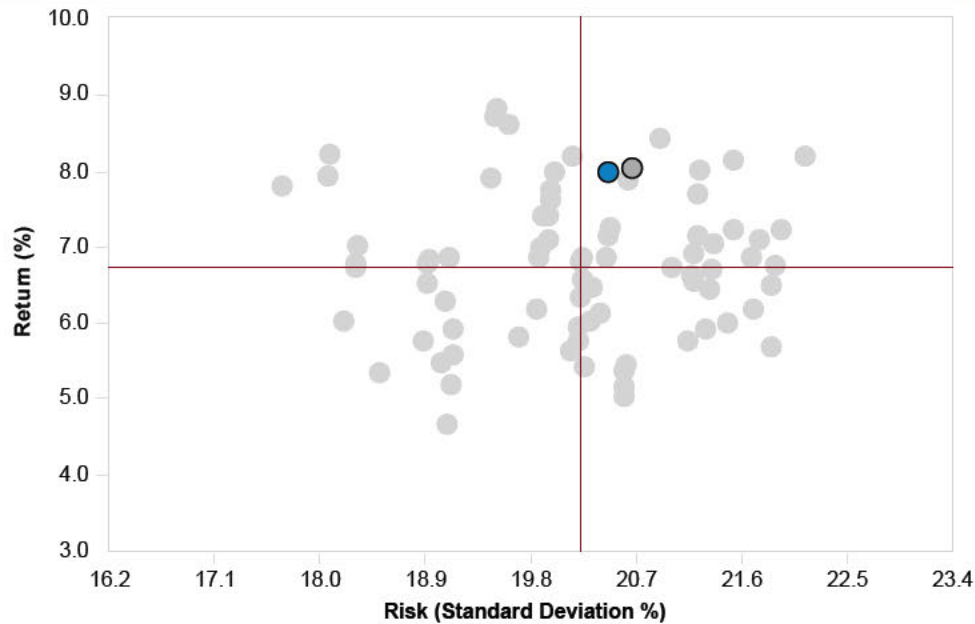
Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Mid Cap Core Equity (MF)



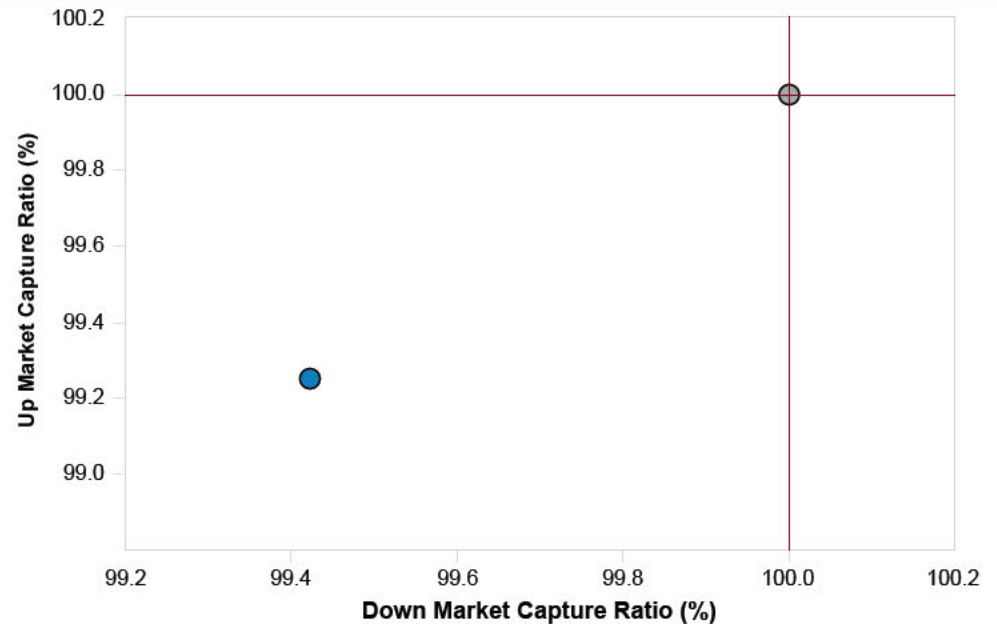
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



● Vanguard Md-Cp I;Adm (VIMAX) ● Russell Midcap Index

● Vanguard Md-Cp I;Adm (VIMAX) ● Russell Midcap Index

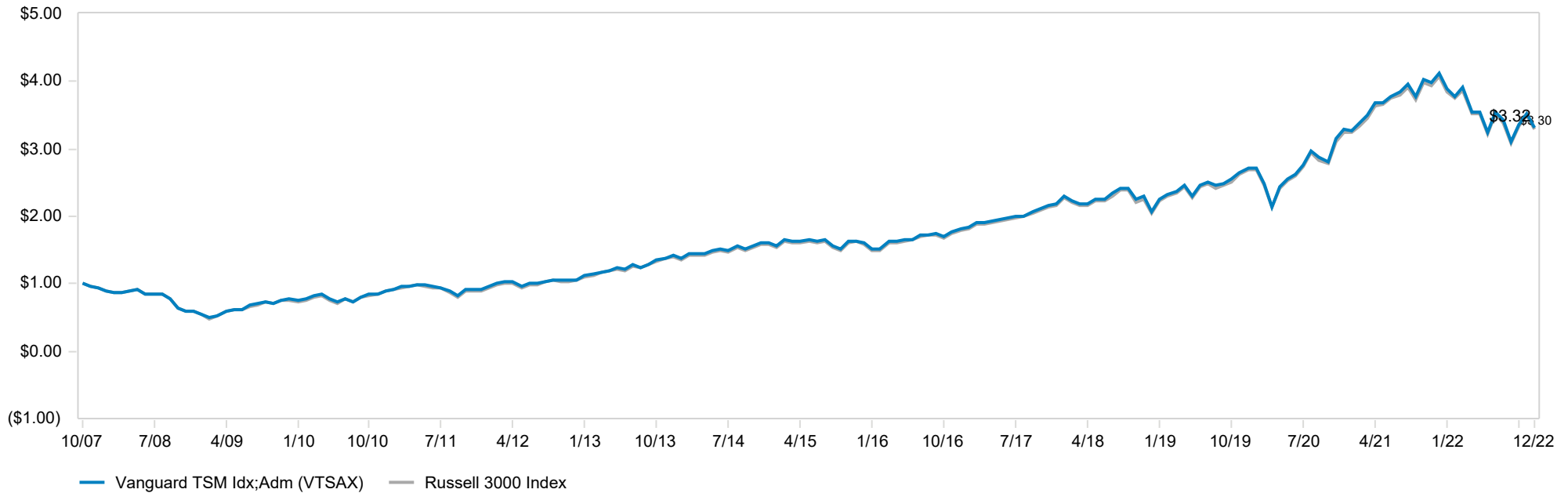
Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Vanguard Md-Cp I;Adm (VIMAX)	47.54	-48.50	0.03	-0.10	0.45	-0.06	0.09	0.99	1.53
Russell Midcap Index	0.00	-48.60	0.00	0.00	0.45	N/A	0.09	1.00	0.00

Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Mid Cap Core Equity (MF)



Growth of a Dollar



Trailing Returns

	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Vanguard TSM Idx;Adm (VTSAX)	7.14 (64)	-19.53 (64)	-19.53 (64)	0.58 (58)	6.97 (39)	8.71 (27)	10.97 (20)	12.08 (19)	8.71 (12)
Russell 3000 Index	7.18 (61)	-19.21 (59)	-19.21 (59)	0.76 (55)	7.07 (35)	8.79 (25)	11.04 (17)	12.13 (16)	8.66 (14)
Median	8.06	-18.37	-18.37	1.15	6.48	7.55	9.56	10.78	7.35

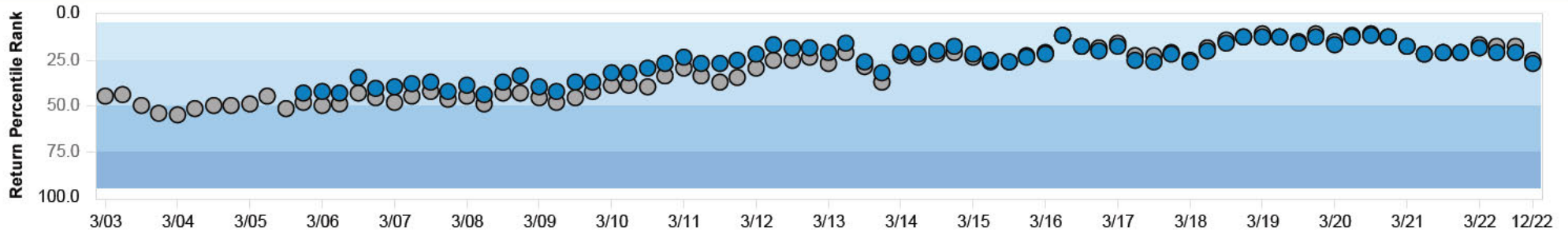
Fiscal Year Returns

	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
Vanguard TSM Idx;Adm (VTSAX)	7.14 (64)	32.08 (36)	14.99 (25)	2.88 (38)	17.62 (22)	18.63 (43)	14.98 (11)
Russell 3000 Index	7.18 (61)	31.88 (39)	15.00 (24)	2.92 (36)	17.58 (23)	18.71 (41)	14.96 (12)
Median	8.06	30.66	11.15	1.49	15.61	18.24	11.19

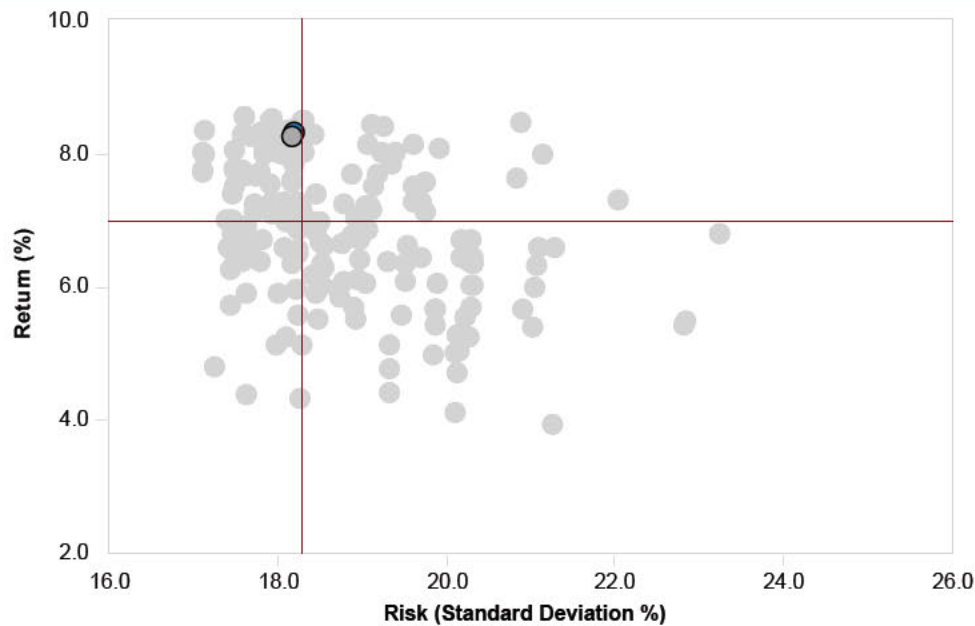
Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Multi-Cap Core Equity (MF)



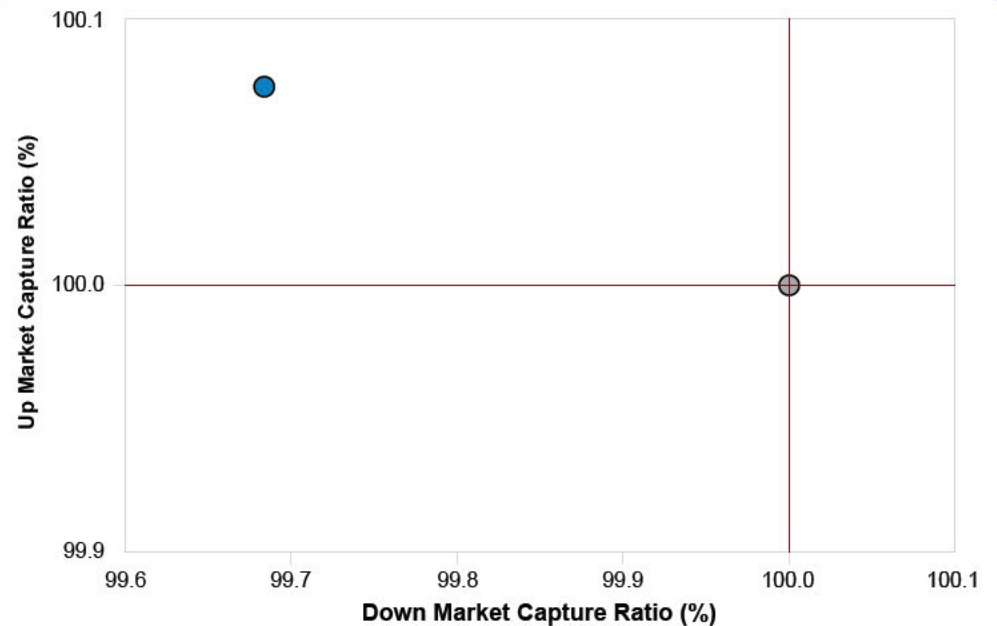
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



● Vanguard TSM Idx;Adm (VTSAX) ● Russell 3000 Index

● Vanguard TSM Idx;Adm (VTSAX) ● Russell 3000 Index

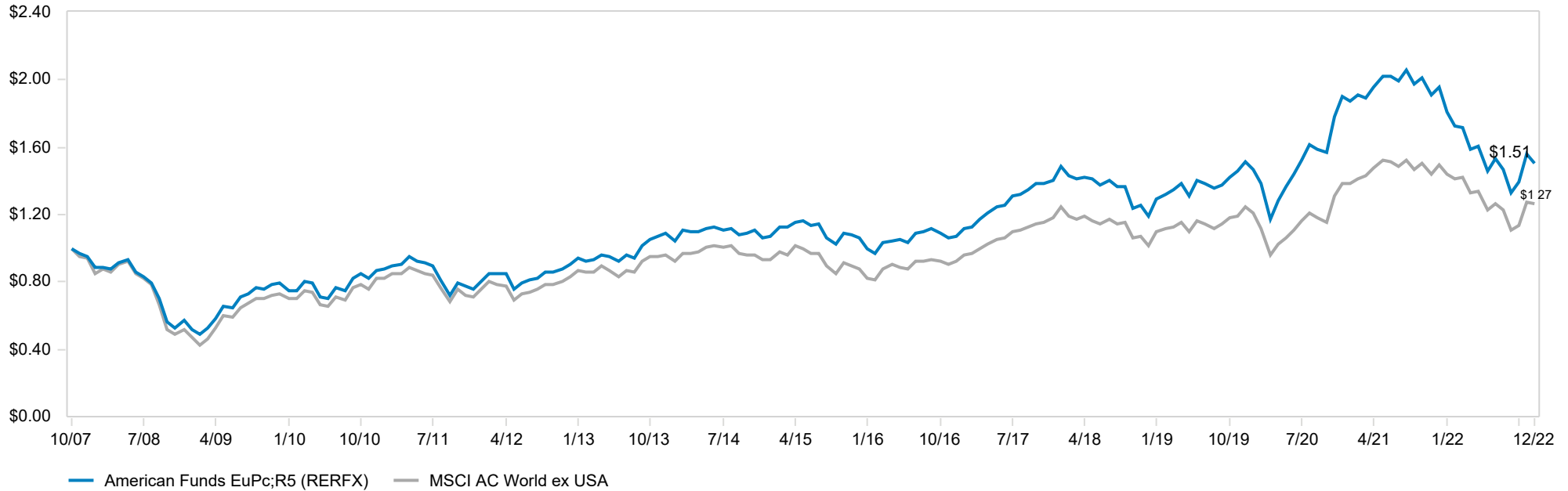
Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Vanguard TSM Idx;Adm (VTSAX)	54.10	-45.58	0.05	0.05	0.49	0.33	0.09	1.00	0.15
Russell 3000 Index	0.00	-45.95	0.00	0.00	0.49	N/A	0.09	1.00	0.00

Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Multi-Cap Core Equity (MF)



Growth of a Dollar



Trailing Returns

	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
American Funds EuPc;R5 (RERFX)	13.81 (86)	-22.76 (100)	-22.76 (100)	-10.89 (100)	-0.20 (69)	1.49 (39)	5.20 (18)	5.26 (3)	3.09 (12)
MSCI AC World ex USA	14.37 (82)	-15.57 (58)	-15.57 (58)	-4.38 (63)	0.53 (55)	1.36 (43)	5.30 (14)	4.28 (32)	1.99 (26)
Median	17.09	-15.06	-15.06	-3.15	0.82	1.19	4.12	3.84	1.33

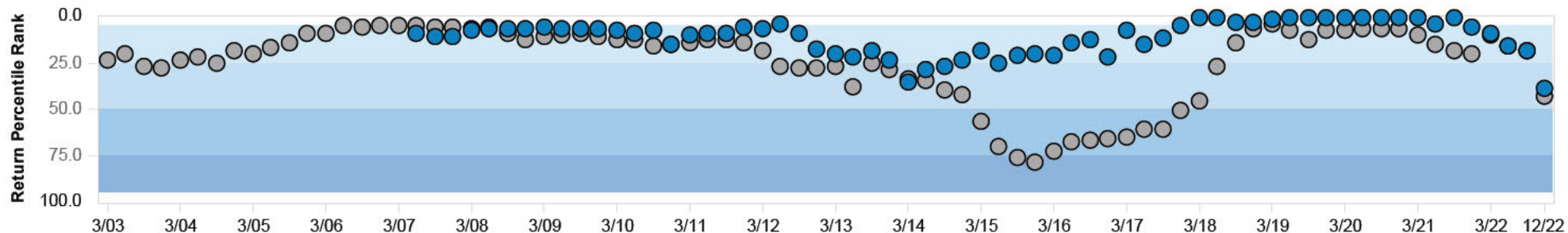
Fiscal Year Returns

	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
American Funds EuPc;R5 (RERFX)	13.81 (86)	24.70 (46)	14.91 (1)	1.10 (5)	1.44 (47)	20.56 (32)	8.47 (24)
MSCI AC World ex USA	14.37 (82)	24.45 (48)	3.45 (45)	-0.72 (21)	2.25 (19)	20.15 (33)	9.80 (16)
Median	17.09	24.28	2.82	-2.78	1.30	18.72	5.11

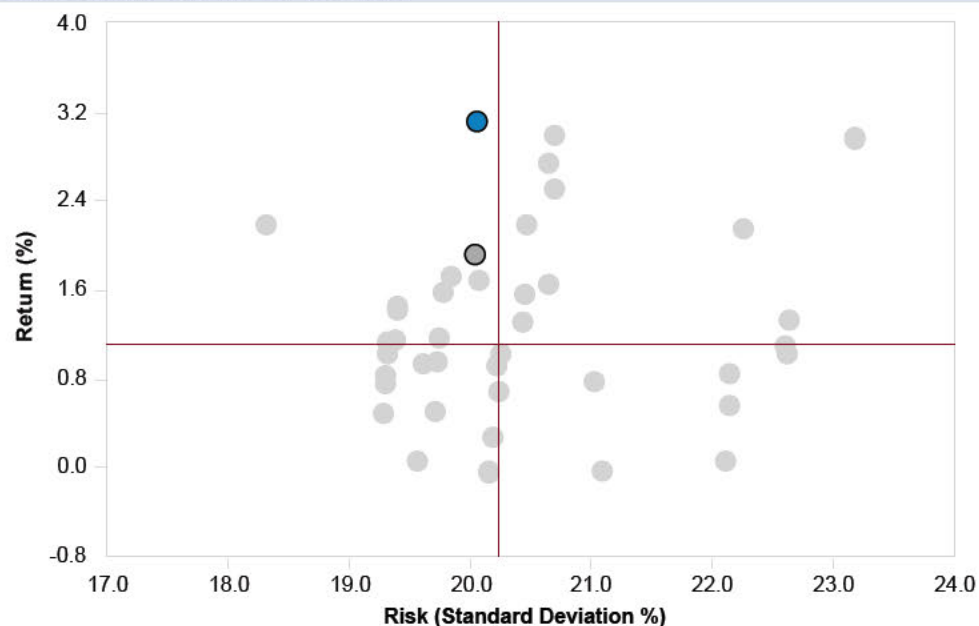
Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM International Large Cap Core Equity (IMF)



5 Year Rolling Percentile Ranking

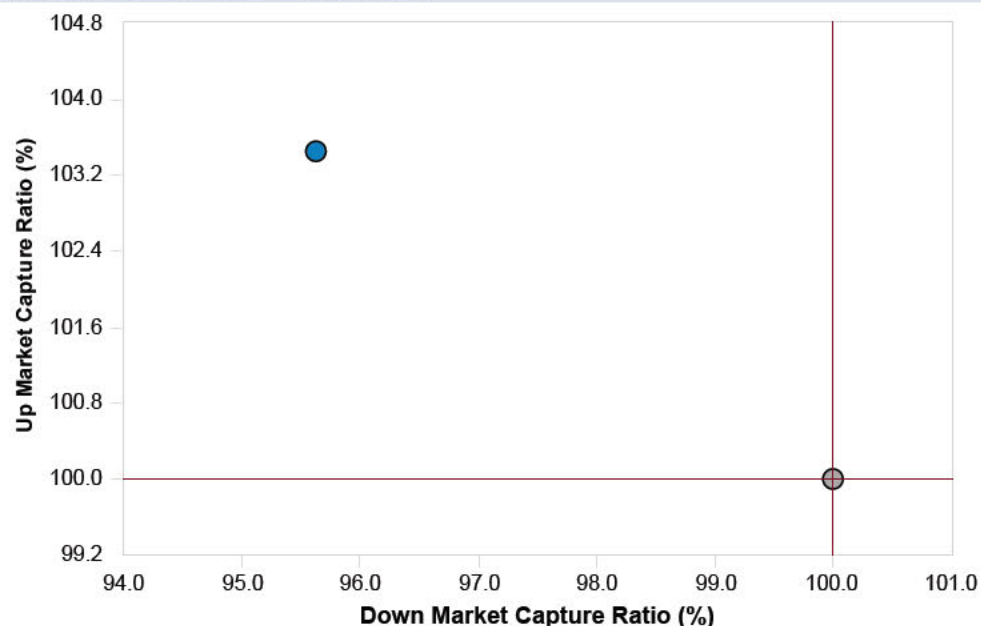


Risk vs Return: October 2007 to Present



● American Funds EuPc;R5 (RERFX) ● MSCI AC World ex USA

Up/Down Markets: October 2007 to Present



● American Funds EuPc;R5 (RERFX) ● MSCI AC World ex USA

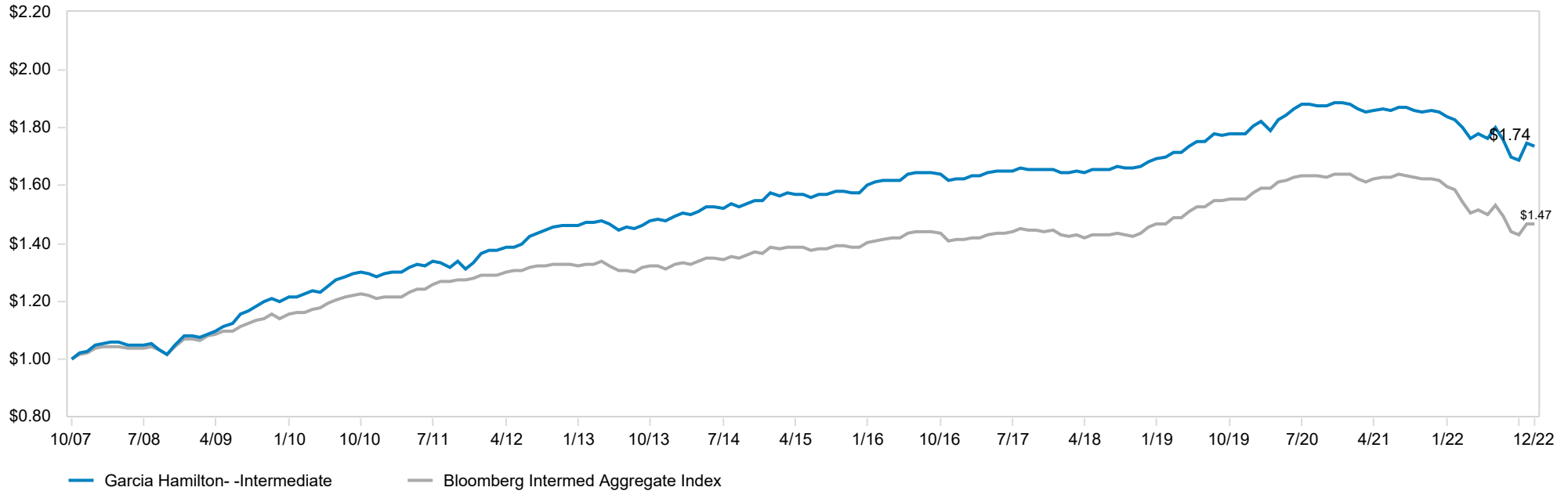
Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
American Funds EuPc;R5 (RERFX)	60.66	-45.07	1.27	1.17	0.22	0.27	0.05	0.98	4.32
MSCI AC World ex USA	0.00	-51.36	0.00	0.00	0.16	N/A	0.03	1.00	0.00

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM International Large Cap Core Equity (MF)



Growth of a Dollar



Trailing Returns

	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Garcia Hamilton- -Intermediate	2.24 (5)	-6.44 (15)	-6.44 (15)	-4.10 (21)	-0.85 (46)	0.93 (62)	1.43 (49)	1.74 (21)	3.57 (7)
Bloomberg Intermed Aggregate Index	1.72 (32)	-9.51 (91)	-9.51 (91)	-5.49 (94)	-1.93 (99)	0.31 (99)	0.82 (99)	1.00 (97)	2.44 (94)
Median	1.56	-8.12	-8.12	-4.61	-0.88	0.99	1.42	1.45	2.93

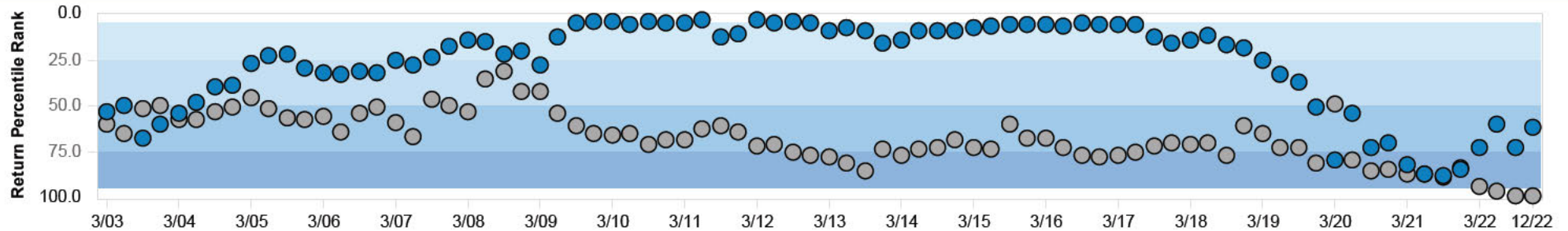
Fiscal Year Returns

	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
Garcia Hamilton- -Intermediate	2.24 (5)	-0.83 (96)	5.71 (78)	7.06 (82)	0.19 (21)	0.57 (63)	4.01 (42)
Bloomberg Intermed Aggregate Index	1.72 (32)	-0.38 (87)	5.66 (79)	8.08 (46)	-0.93 (95)	0.25 (86)	3.57 (71)
Median	1.56	0.26	6.43	8.01	-0.36	0.70	3.89

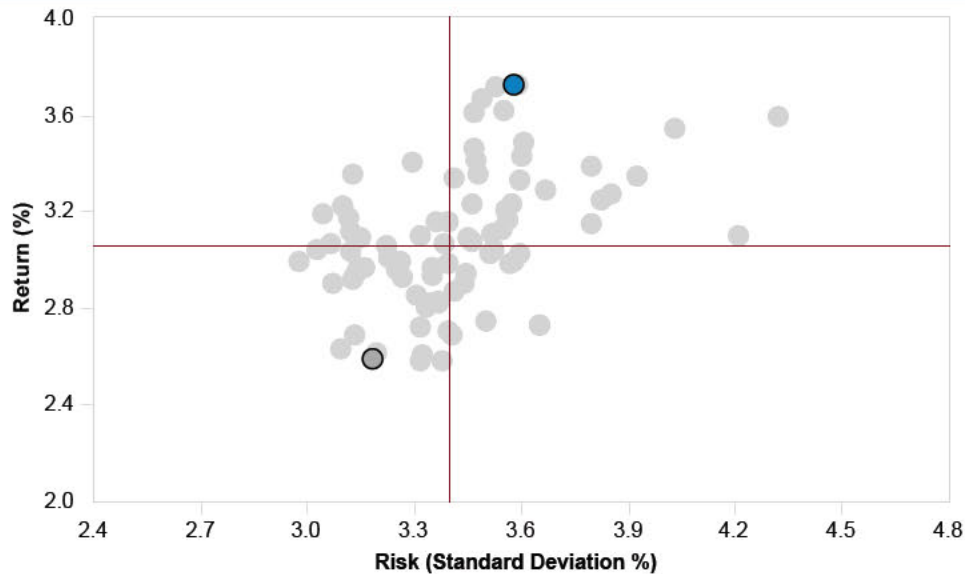
Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Intermediate Duration (SA+CF)



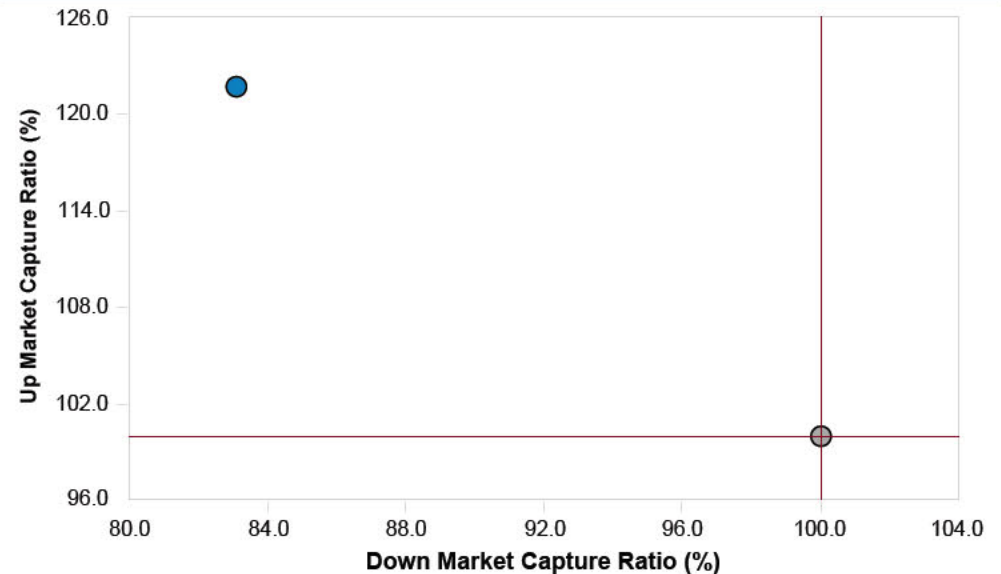
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



- Garcia Hamilton- -Intermediate
- Bloomberg Intermed Aggregate Index

- Garcia Hamilton- -Intermediate
- Bloomberg Intermed Aggregate Index

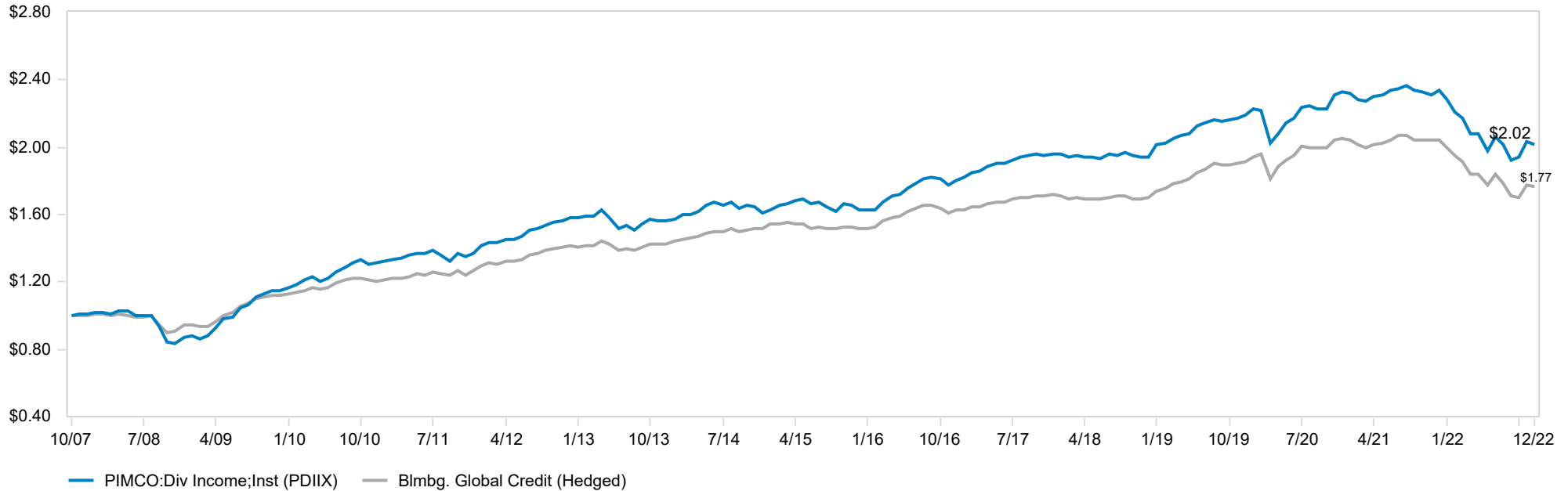
Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Garcia Hamilton- -Intermediate	68.85	-10.05	1.21	1.12	0.84	0.61	0.03	0.97	1.82
Bloomberg Intermed Aggregate Index	0.00	-12.19	0.00	0.00	0.61	N/A	0.02	1.00	0.00

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Intermediate Duration (SA+CF)



Growth of a Dollar



Trailing Returns

	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
PIMCO:Div Income;Inst (PDIIIX)	4.75 (34)	-13.77 (50)	-13.77 (50)	-6.98 (30)	-2.72 (33)	0.55 (17)	3.09 (3)	2.48 (5)	4.73 (1)
Blmbg. Global Credit (Hedged)	3.31 (55)	-13.75 (50)	-13.75 (50)	-7.32 (35)	-2.61 (31)	0.53 (17)	2.23 (12)	2.26 (7)	3.85 (8)
Median	3.81	-14.66	-14.66	-8.56	-3.68	-0.90	0.72	0.01	1.89

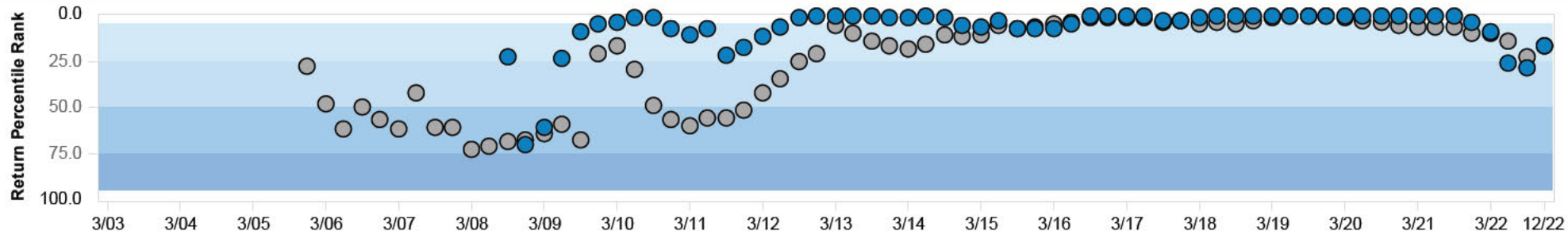
Fiscal Year Returns

	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
PIMCO:Div Income;Inst (PDIIIX)	4.75 (34)	4.82 (6)	3.52 (74)	9.52 (20)	1.08 (9)	6.97 (4)	12.55 (2)
Blmbg. Global Credit (Hedged)	3.31 (55)	2.72 (22)	5.26 (53)	10.83 (12)	0.39 (16)	3.04 (29)	9.19 (25)
Median	3.81	0.89	5.39	7.65	-1.33	1.10	7.40

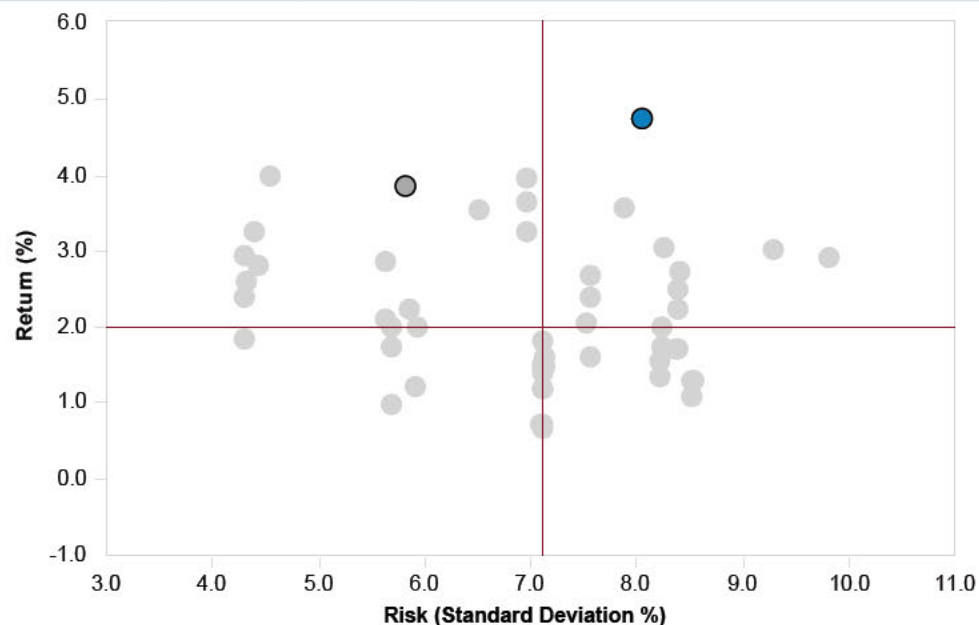
Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM Global Fixed Income (MF)



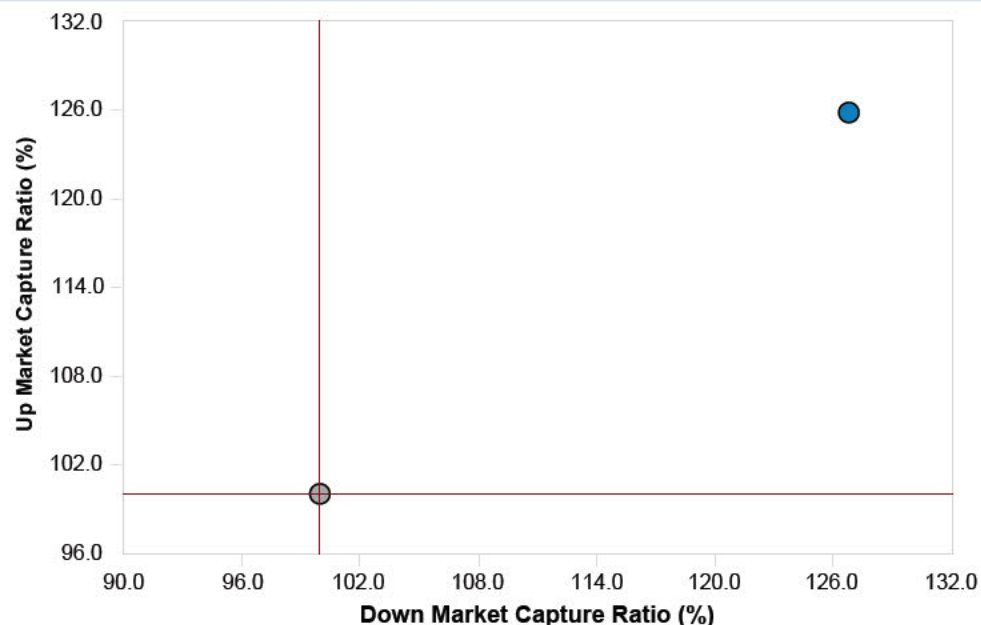
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



● PIMCO:Div Income;Inst (PDIIX) ● Blmbg. Global Credit (Hedged)

● PIMCO:Div Income;Inst (PDIIX) ● Blmbg. Global Credit (Hedged)

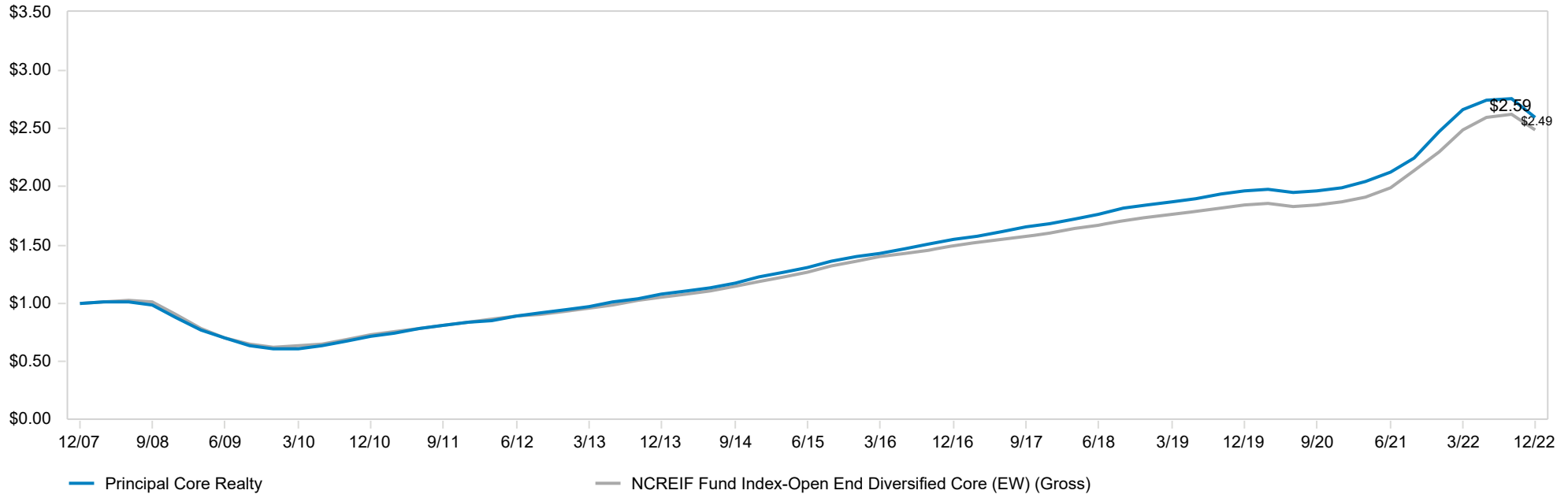
Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
PIMCO:Div Income;Inst (PDIIX)	67.21	-17.68	-0.14	1.01	0.52	0.30	0.03	1.29	3.40
Blmbg. Global Credit (Hedged)	0.00	-16.85	0.00	0.00	0.55	N/A	0.03	1.00	0.00

Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM Global Fixed Income (MF)



Growth of a Dollar



Trailing Returns

	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Principal Core Realty	-6.25 (89)	4.80 (84)	4.80 (84)	13.89 (84)	9.62 (76)	9.00 (72)	9.16 (60)	10.71 (58)	6.55 (51)
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	-4.89 (31)	8.42 (41)	8.42 (41)	15.47 (53)	10.64 (53)	9.23 (60)	9.03 (64)	10.38 (71)	6.28 (60)
Median	-5.66	8.10	8.10	15.72	10.90	9.46	9.43	10.74	6.57

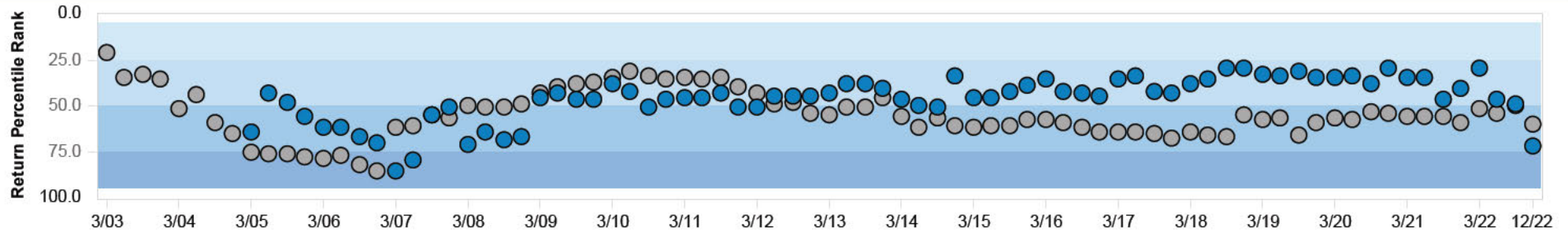
Fiscal Year Returns

	FYTD	FY 2021	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
Principal Core Realty	-6.25 (89)	14.39 (60)	1.18 (68)	6.96 (46)	9.76 (29)	9.85 (20)	10.36 (73)
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	-4.89 (31)	15.75 (52)	1.74 (44)	6.17 (69)	8.82 (58)	7.81 (51)	10.62 (68)
Median	-5.66	15.91	1.62	6.80	8.98	7.83	11.18

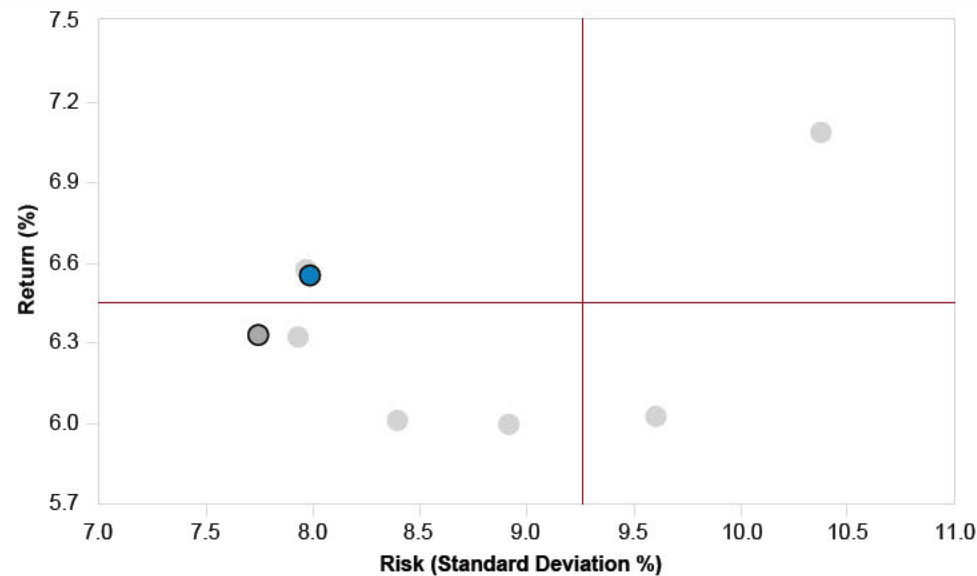
Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Open End Private Real Estate (SA+CF)



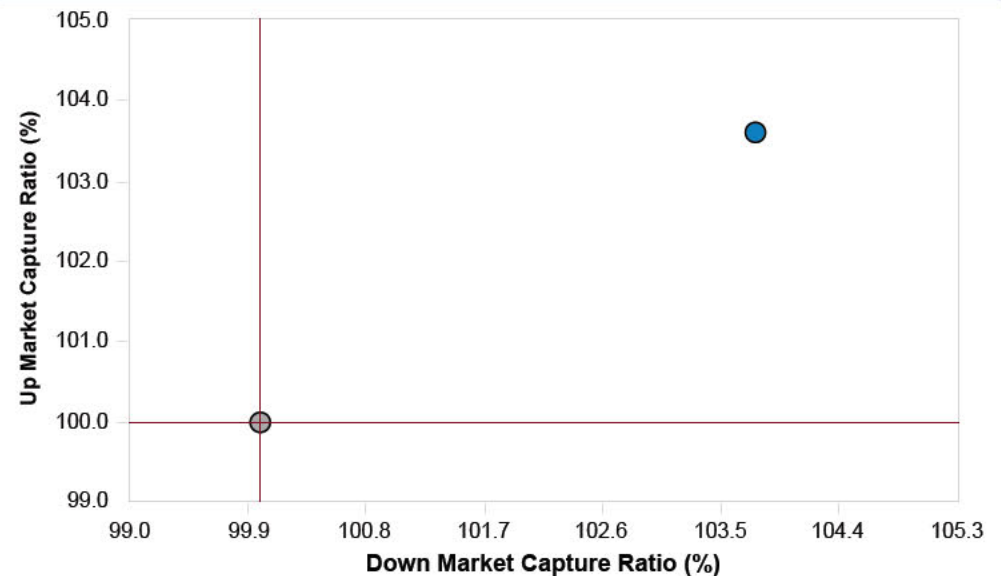
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



- Principal Core Realty
- NCREIF Fund Index-Open End Diversified Core (EW) (Gross)

- Principal Core Realty
- NCREIF Fund Index-Open End Diversified Core (EW) (Gross)

Historical Statistics: October 1, 2007 To December 31, 2022

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Principal Core Realty	50.82	-39.90	0.15	0.23	0.74	0.16	0.06	1.01	1.47
NCREIF Fund Index-Open End Diversified Core (EW) (Gross)	0.00	-39.11	0.00	0.00	0.74	N/A	0.06	1.00	0.00

Long-term composite performance. Actual client results may vary.
 October 2007 represents the beginning of the current market cycle.
 Peer Group: IM U.S. Open End Private Real Estate (SA+CF)



Total Fund Compliance:	Yes	No	N/A
1. The Total Plan return equaled or exceeded the Net 6.00% actuarial earnings assumption over the trailing three year period.		✓	
2. The Total Plan return equaled or exceeded the Net 6.00% actuarial earnings assumption over the trailing five year period.		✓	
3. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period.		✓	
4. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period.		✓	
5. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three year period.		✓	
6. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing five year period.		✓	

Equity Compliance:	Yes	No	N/A
1. Total Domestic Equity return equaled or exceeded the benchmark over the trailing three year period.		✓	
2. Total Domestic Equity return equaled or exceeded the benchmark over the trailing five year period.		✓	
3. Total International Equity return equaled or exceeded the benchmark over the trailing three year period.		✓	
4. Total International Equity return equaled or exceeded the benchmark over the trailing five year period.	✓		
5. Total Equity investments do not exceed 75% of the market value of Plan assets.	✓		
6. Total market value of foreign securities do not exceed 25% of the market value of Plan assets.	✓		

Fixed Income Compliance:	Yes	No	N/A
1. Total Domestic Fixed Income return equaled or exceeded the benchmark over the trailing three year period.	✓		
2. Total Domestic Fixed Income return equaled or exceeded the benchmark over the trailing five year period.	✓		
3. Total Global Fixed Income return equaled or exceeded the benchmark over the trailing three year period.		✓	
4. Total Global Fixed Income return equaled or exceeded the benchmark over the trailing five year period.		✓	
5. 95% of the fixed income investments have a minimum rating of investment grade or higher.	✓		

Manager Compliance:	Vanguard EI (VEIRX)			MFS Gr (MFEKX)			Vanguard (VIMAX)			Vanguard (VTSAX)						
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A				
1. Manager outperformed the index over the trailing three year period.			✓		✓		✓				✓					
2. Manager outperformed the index over the trailing five year period.			✓			✓	✓				✓					
3. Manager has had less than 4 consecutive quarters of underperformance.			✓	✓				✓		✓						
4. Manager ranked within the top 40th percentile over the trailing three year period.			✓		✓			✓		✓						
5. Manager ranked within the top 40th percentile over the trailing five year period.			✓			✓	✓			✓						
6. Manager three year down market capture ratio is less than the index.			✓		✓		✓				✓					
7. Manager five year down market capture ratio is less than the index.			✓			✓	✓				✓					

Manager Compliance:	EuroPacific (RERGX)			Garcia Hamilton			PIMCO (PDIIX)			Principal RE		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three year period.		✓		✓					✓		✓	
2. Manager outperformed the index over the trailing five year period.	✓			✓					✓		✓	
3. Manager has had less than 4 consecutive quarters of underperformance.	✓			✓			✓				✓	
4. Manager ranked within the top 40th percentile over the trailing three year period.		✓			✓				✓		✓	
5. Manager ranked within the top 40th percentile over the trailing five year period.	✓				✓				✓		✓	
6. Manager three year down market capture ratio is less than the index.		✓		✓					✓		✓	
7. Manager five year down market capture ratio is less than the index.		✓		✓					✓		✓	



Total Fund Policy			
Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
Jan-1979		Mar-2021	
Russell 1000 Value Index	55.00	Russell 3000 Index	50.00
Blmbg. U.S. Gov't/Credit	40.00	MSCI AC World ex USA	10.00
FTSE 3 Month T-Bill	5.00	Bloomberg Intermed Aggregate Index	25.00
		Blmbg. Global Credit (Hedged)	5.00
		NCREIF Fund Index-Open End Diversified Core (EW)	10.00
Apr-2008		Mar-2022	
Russell 3000 Index	50.00	Russell 3000 Index	50.00
MSCI EAFE Index	15.00	MSCI AC World ex USA	10.00
Bloomberg Intermed Aggregate Index	25.00	Bloomberg Intermed Aggregate Index	21.00
Blmbg. U.S. TIPS 1-10 Year	5.00	Blmbg. Global Credit (Hedged)	5.00
FTSE 3 Month T-Bill	5.00	NCREIF Fund Index-Open End Diversified Core (EW)	10.00
		FTSE 3 Month T-Bill	4.00
Aug-2011			
Russell 3000 Index	50.00		
MSCI EAFE Index	15.00		
Bloomberg Intermed Aggregate Index	25.00		
Bloomberg U.S. TIPS Index	5.00		
FTSE 3 Month T-Bill	5.00		
Dec-2013			
S&P 500 Index	50.00		
MSCI AC World ex USA	15.00		
Bloomberg Intermed Aggregate Index	25.00		
Diversified Fixed Income Policy	5.00		
FTSE 3 Month T-Bill	5.00		
Sep-2015			
Russell 3000 Index	50.00		
MSCI AC World ex USA	15.00		
Bloomberg Intermed Aggregate Index	20.00		
Diversified Fixed Income Policy	5.00		
NCREIF Fund Index-Open End Diversified Core (EW)	10.00		
Mar-2020			
Russell 3000 Index	50.00		
MSCI AC World ex USA	10.00		
Bloomberg Intermed Aggregate Index	25.00		
Diversified Fixed Income Policy	5.00		
NCREIF Fund Index-Open End Diversified Core (EW)	10.00		



Total Equity Policy

Allocation Mandate	Weight (%)
---------------------------	-------------------

Jan-2005

Russell 1000 Value Index	100.00
--------------------------	--------

Apr-2008

Russell 3000 Index	77.00
MSCI EAFE Index	23.00

Dec-2013

Russell 3000 Index	77.00
MSCI AC World ex USA	23.00

Mar-2020

Russell 3000 Index	83.00
MSCI AC World ex USA	17.00

Total Domestic Equity Policy

Allocation Mandate	Weight (%)
---------------------------	-------------------

Jan-2005

Russell 1000 Value Index	100.00
--------------------------	--------

Apr-2008

Russell 3000 Index	100.00
--------------------	--------

Total International Equity Policy

Allocation Mandate	Weight (%)
---------------------------	-------------------

Apr-2008

MSCI EAFE Index	100.00
-----------------	--------

Dec-2013

MSCI AC World ex USA	100.00
----------------------	--------



Palm Springs General Employees' Pension Plan
Benchmark History
As of December 31, 2022

Total Fixed Income Policy		Total Domestic Fixed Income Policy	
Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
Jan-1973		Jan-1973	
Blmbg. U.S. Gov't/Credit	100.00	Blmbg. U.S. Gov't/Credit	100.00
Apr-2008		Apr-2008	
Bloomberg Intermed Aggregate Index	83.00	Bloomberg Intermed Aggregate Index	83.00
Blmbg. U.S. TIPS 1-10 Year	17.00	Blmbg. U.S. TIPS 1-10 Year	17.00
Aug-2011		Aug-2011	
Bloomberg Intermed Aggregate Index	83.00	Bloomberg Intermed Aggregate Index	83.00
Bloomberg U.S. TIPS Index	17.00	Bloomberg U.S. TIPS Index	17.00
Dec-2013		Dec-2013	
Bloomberg Intermed Aggregate Index	83.00	Bloomberg Intermed Aggregate Index	100.00
Diversified Fixed Income Policy	17.00		
Sep-2015			
Bloomberg Intermed Aggregate Index	80.00		
Diversified Fixed Income Policy	20.00		
Mar-2020			
Bloomberg Intermed Aggregate Index	83.00		
Diversified Fixed Income Policy	17.00		
Mar-2021			
Bloomberg Intermed Aggregate Index	83.00		
Blmbg. Global Credit (Hedged)	17.00		
Mar-2022			
Bloomberg Intermed Aggregate Index	80.00		
Blmbg. Global Credit (Hedged)	20.00		
		Total Diversified Income Policy	
		Allocation Mandate	Weight (%)
		Jan-1994	
		JPM EMBI+	33.33
		FTSE Non-U.S. World Government Bond	33.33
		Blmbg. U.S. Corp High Yield	33.34
		Mar-2021	
		Blmbg. Global Credit (Hedged)	100.00



- Returns prior to 3/31/2010 for Anchor All Cap Value are the equity returns from the Anchor balanced account.
- Village cash flows represent Plan expenses paid from accounts external to the Pension Plan's investment portfolios.
- Neither AndCo, nor any covered associates, have made political contributions to any official associated with the Palm Springs General Employees' Pension Plan in excess of the permitted amount.

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

Additional information included in this document may contain data provided by from index databases, public economic sources and the managers themselves.

This document may contain data provided by Bloomberg Barclays. Bloomberg Barclays Index data provided by way of Barclays Live.

This document may contain data provided by Standard and Poor's. Nothing contained within any document, advertisement or presentation from S&P Indices constitutes an offer of services in jurisdictions where S&P Indices does not have the necessary licenses. All information provided by S&P Indices is impersonal and is not tailored to the needs of any person, entity or group of persons. Any returns or performance provided within any document is provided for illustrative purposes only and does not demonstrate actual performance. Past performance is not a guarantee of future investment results.

This document may contain data provided by MSCI, Inc. Copyright MSCI, 2017. Unpublished. All Rights Reserved. This information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. This information is provided on an "as is" basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and MSCI, its affiliates and each such other person hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

This document may contain data provided by Russell Investment Group. Russell Investment Group is the source owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a user presentation of the data. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof.

This document may contain data provided by Morningstar. All rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted 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, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is not guarantee of future results.



Clients first.



CHICAGO | CLEVELAND | DALLAS | DETROIT | ORLANDO | PITTSBURGH | RENO

AndCo Consulting | (844) 44-ANDCO | *AndCoConsulting.com*

International Value Manager Analysis
Period Ending December 30, 2022

Village of Palm Springs General Employees' Pension Plan



Purpose for this Manager Evaluation Report

The purpose of this search is to evaluate potential value-oriented international equity managers to pair with American Funds Europacific Growth (REGX).

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Causeway Capital Management	Causeway International Value I (CIVIX)	MF	0.87%	\$1,000,000
Dimensional Fund Advisors	DFA International Value I (DFIVX)	MF	0.29%	No Minimum
Dodge & Cox	Dodge & Cox International I (DODFX)	MF	0.62%	\$2,500
Pear Tree Funds Subadvisor: Polaris Capital Management	Pear Tree Polaris Foreign Value R6 (QFVRX)	MF	0.94%	\$100,000

Definition and Characteristics

The international value equity asset class is typically defined as the markets of all developed and developing countries, excluding the US. These countries account for approximately 50% of the global equity exposure by market cap. The category is dedicated to value companies which are typically characterized by lower than average price-to-book and price-to-earnings ratios, and lower forecasted growth rates. The most often used benchmarks for the category are the MSCI All Country World ex U.S.A. Value (MSCI ACWI ex US Value) Index and the MSCI Europe, Australasia, and Far East Value (MSCI EAFE Value) Index. The MSCI ACWI ex US value covers all developed market countries other than the US, as well as the largest emerging market countries. The MSCI EAFE Value Index covers only developed markets in Europe, Asia and Australia. In both indices, the largest country exposures are typically Japan, the United Kingdom, and France. China is also a significant exposure in the MSCI ACWI ex US Value Index. The largest sectors are Financials, Energy, and Consumer Discretionary.

Role within a Portfolio

International value equity provides the portfolio with exposure to international stocks with a style tilt toward those names with attractive valuations. These markets typically have a relatively high correlation to US equity markets over the long-term but can provide diversification benefits over shorter time periods. While expected risk is typically higher, international equity makes up a significant part of global equity's potential investment growth. The value style factor has historically shown to perform well over long periods. Stocks in the value space often demonstrate lower price volatility and higher dividend rates. Active managers in the space typically look for mispricing in a stock's valuation relative to its future business prospects. Within the portfolio, an international large cap value strategy is usually paired with an international large cap growth strategy to provide additional diversification across different economic environments.

Benchmark and Peer Group

This international value equity search report will use the following benchmark and peer group:

Index – MSCI Europe, Australasia, and Far East Value (EAFE Value) (Net): Captures large and mid-cap securities exhibiting overall value style characteristics across developed markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: Book-value-to-price, 12-month forward earnings-to-price, and dividend yield.

Morningstar Category - Foreign Large Value: Foreign large-value portfolios invest mainly in big international stocks that are less expensive or growing more slowly than other large-cap stocks. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow). These portfolios typically will have less than 20% of assets invested in US stocks.

Investment Option Comparison

	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6
Firm Information				
Year Founded	1/1/2001	1/1/1981	1/1/1930	1/1/1995
US Headquarters Location	Los Angeles, CA	Austin, TX	San Francisco, CA	Boston, MA
Number of Major Global Offices	1	13	2	1
Year Began Managing Ext. Funds	1/1/2001	1/1/1981	1/1/1930	1/1/1995
Firm AUM (\$ M)	38,700	583,700	301,500	4,940
Ownership Type	Independent	Limited Partnership	Independent	Independent
Largest Owner (%)	50-75	Not Disclosed	10	90
Largest Owner (Name)	S. Ketterer/H. Hartford	Not Disclosed	Not Disclosed	Bernard Horn
Employee Ownership (%)	100	70	100	100
Qualify as Emerging Manager?	No	No	No	No
Strategy Information				
Inception Date	6/11/2001	7/1/1993	5/1/2001	7/1/1998
Open/Closed	Open	Open	Open	Open
Primary Benchmark	MSCI EAFE	MSCI EAFE Value	MSCI EAFE	MSCI EAFE
Secondary Benchmark	MSCI ACWI ex US	MSCI EAFE	MSCI ACWI ex US	MSCI ACWI ex US
Peer Universe	International Developed	International Developed	International Developed	International Developed
Outperformance Estimate (%)	2-3	1-2	1-3	2-3
Tracking Error Estimate (%)	3-5	2-4	4-6	5-8
Strategy AUM (\$ M)	19,400	16,700	39,000	3,000
Estimated Capacity (\$ M)	50, 000	50, 000	70, 000	15, 000
Strategy AUM as % Firm Assets	50	3	13	66
Investment Approach - Primary	Bottom-up	Bottom-up	Bottom-up	Bottom-up
Investment Approach - Secondary	Fundamental	Quantitative	Fundamental	Fundamental

The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.



	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6
Team Information				
Decision Making Structure	Team	Committee	Committee	Team
Number of Decision Makers	8	14	6	4
Names of Decision Makers	8 Person PM Team	14 Person Committee	6 Person PM Team	4 Person PM Team
Date Began Managing Strategy	2001-2021	1993-2019	2001-2007	1998-2014
Date Began with Firm	2001-2013	1981-2012	1998-2007	1995-2014
Number of Products Managed by Team	6	115	3	1
Number of Investment Analysts	25	76	25	4
Investment Analyst Team Structure	Sector/Industry Specialists	Generalists	Sector/Industry Specialists	Generalists

Portfolio Construction Information

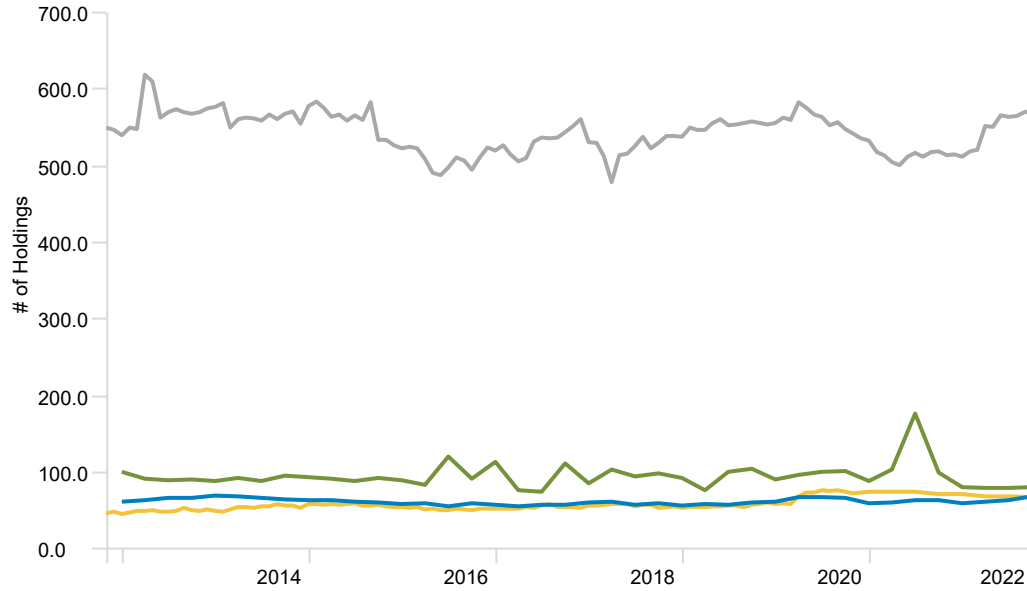
Broad Style Category	Value	Value	Value	Value
Style Bias	Contrarian Value	Deep Value	Relative Value	Relative Value
Country/Region Constraint Type	Absolute	None	None	Absolute
Typical Country Constraints (%)	30	None	None	> 15 Countries
Typical Region Constraints (%)	None	None	None	None
Typical Countries/Regions Overweight	China	Canada	United States, China	Germany
Typical Countries/Regions Underweight	Japan	None	Australia	Japan
Maximum Emerging Market Exposure (%)	15	0	None	25
Sector Constraint Type	Absolute	Combination	None	Absolute
Sector Constraints (%)	25 (industry)	+/- 10 (Sector), 25 (Industry)	None	> 15 Industries
Typical Sector/s Overweight	Industrials	None	Technology	Materials, Consumer Discretionary
Typical Sector/s Underweight	None	REITs, Utilities	Consumer Staples	Consumer Staples, Health Care
Typical Number of Holdings	50-80	500-600	70-100	50-80
Average Full Position Size (%)	2-3	0.2	1-3	2
Maximum Position Size (%)	5	5	5	5
Annual Typical Asset Turnover (%)	30-50	10-20	10-30	5-25
Annual Typical Name Turnover (%)	20-40	10-20	10-30	5-15
Maximum Cash Allocation (%)	10	2	10	None
Currency Hedged?	Yes	No	Yes	No

The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

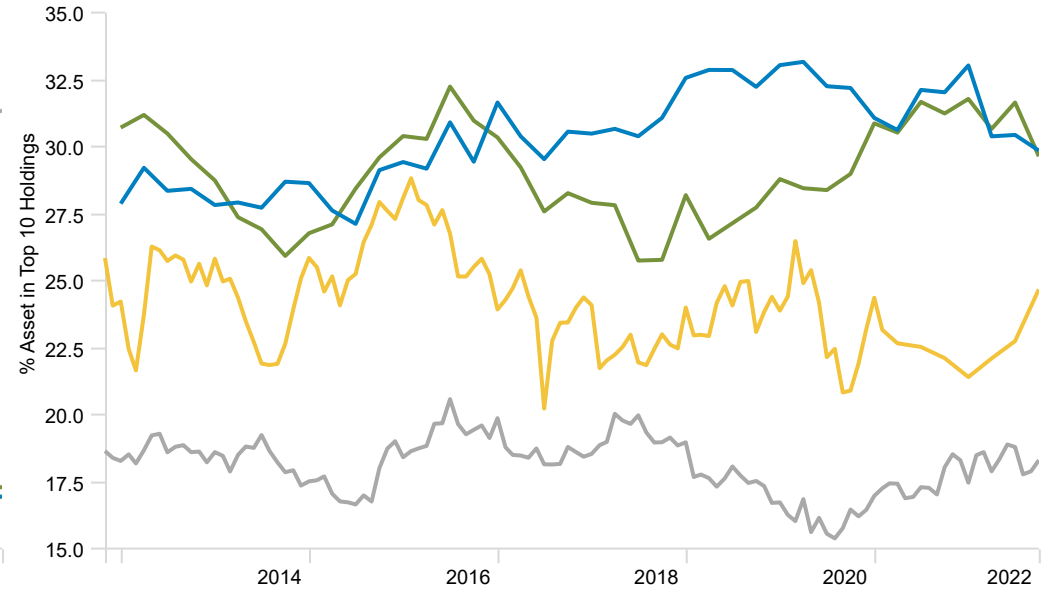


	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6	MSCI EAFE Value NR USD
COMPOSITION					
# of Holdings	69	572	81	68	461
% Asset in Top 10 Holdings	29.86	18.32	29.65	24.69	20.05
Asset Alloc Cash %	2.55	1.24	3.99	0.62	0.00
Asset Alloc Equity %	97.44	98.76	96.01	98.85	99.89
Asset Alloc Bond %	0.00	0.00	0.00	0.00	0.00
Asset Alloc Other %	0.01	0.00	0.00	0.53	0.10
CHARACTERISTICS					
Average Market Cap (mil)	39,956.67	25,193.95	40,389.67	11,639.64	34,400.88
P/E Ratio (TTM)	12.09	6.99	8.70	8.65	8.26
P/B Ratio (TTM)	1.31	0.82	1.04	1.11	0.96
LT Earn Growth	11.81	8.93	17.09	8.57	8.56
Dividend Yield	4.92	6.58	3.94	5.50	6.92
ROE % (TTM)	15.20	13.74	17.96	14.73	14.36
GICS SECTORS %					
Energy %	2.51	14.46	7.57	0.00	9.24
Materials %	6.56	13.99	11.08	20.34	9.55
Industrials %	17.85	10.83	5.92	10.30	10.26
Consumer Discretionary %	8.31	11.08	10.94	19.04	8.14
Consumer Staples %	11.83	4.77	6.04	3.16	8.48
Healthcare %	15.83	5.47	15.75	4.66	9.54
Financials %	17.90	27.92	26.45	20.65	25.56
Information Technology %	9.78	1.39	5.77	8.55	2.72
Communication Services %	2.14	3.50	3.98	10.25	5.95
Utilities %	4.45	0.81	0.14	0.00	5.89
Real Estate %	0.28	2.46	2.18	1.89	4.48
MARKET CAPITALIZATION					
Market Cap Giant %	43.43	34.78	47.92	22.05	44.44
Market Cap Large %	42.86	41.29	37.07	32.38	43.15
Market Cap Mid %	10.21	19.65	10.21	39.22	12.21
Market Cap Small %	0.94	0.29	0.59	4.10	0.01
Market Cap Micro %	0.00	0.00	0.05	1.10	0.00

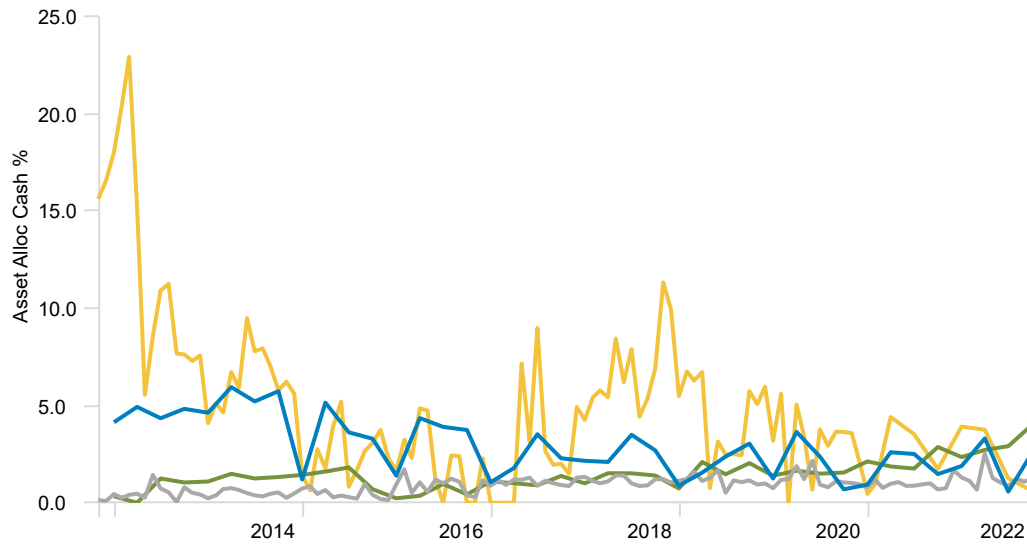
Historical Number of Holdings



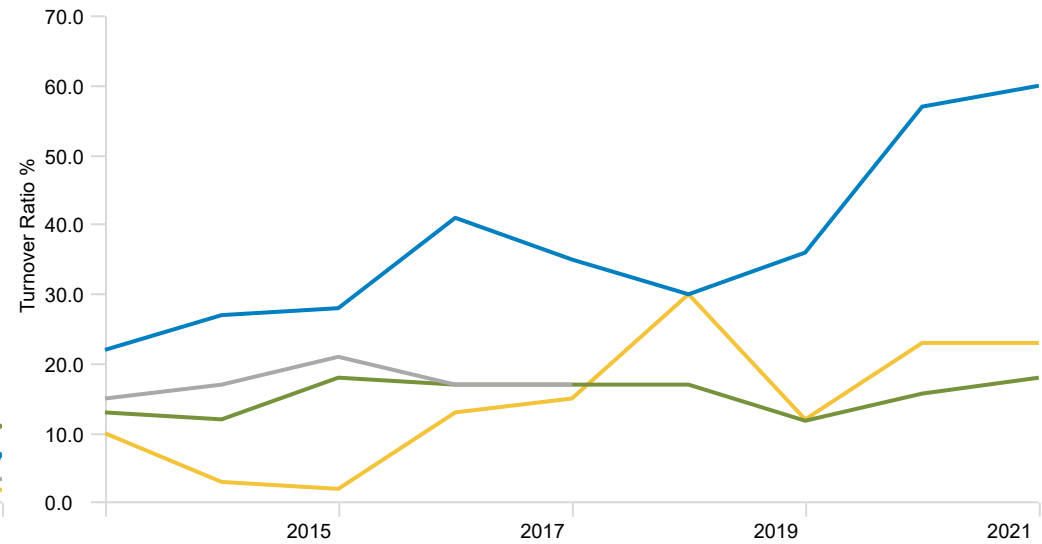
Historical Percentage of Assets in Top 10 Holdings



Historical Cash Allocation



Historical Portfolio Turnover



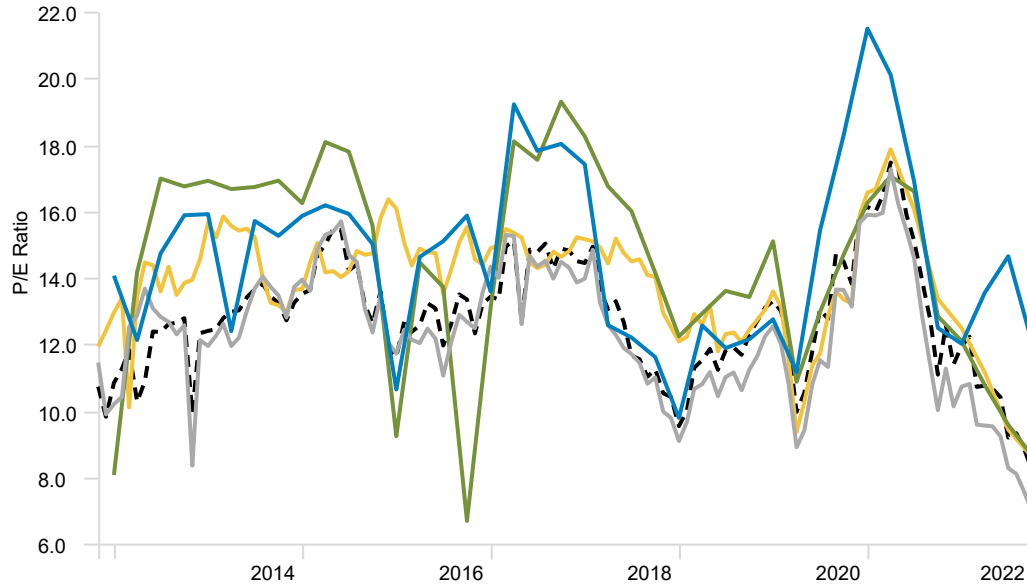
— Causeway International Value Instl
— Pear Tree Polaris Foreign Value R6

— DFA International Value I

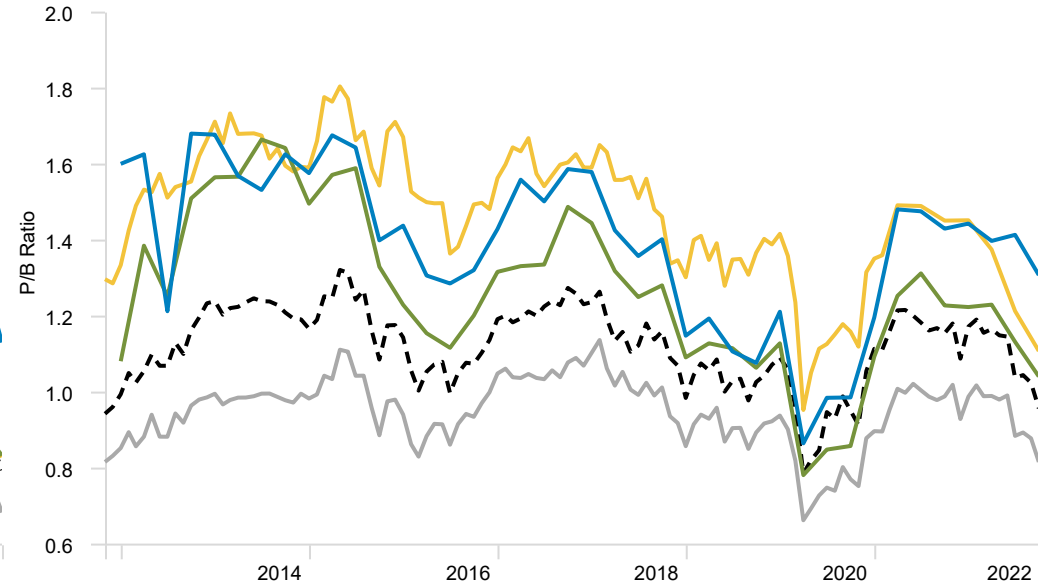
— Dodge & Cox International Stock I



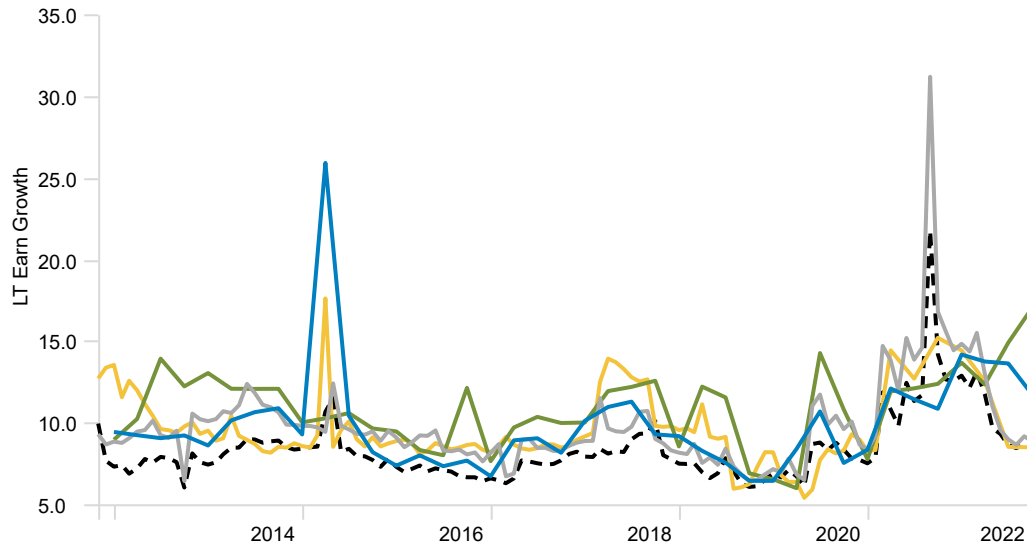
Historical P/E Ratio



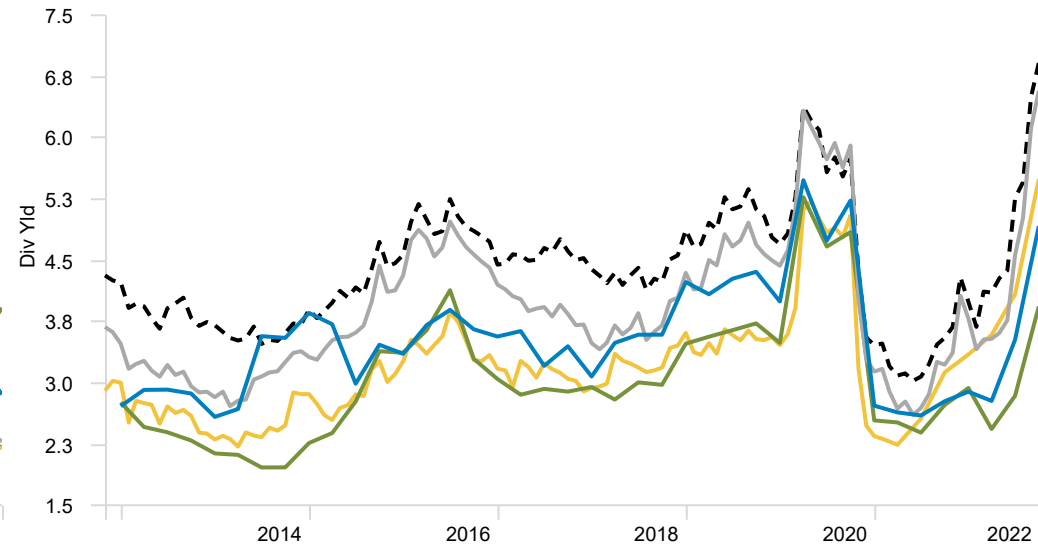
Historical P/B Ratio



Historical Earnings Growth



Historical Dividend Yield



— Causeway International Value Instl
 — Pear Tree Polaris Foreign Value R6

— DFA International Value I
 - - MSCI EAFE Value NR USD

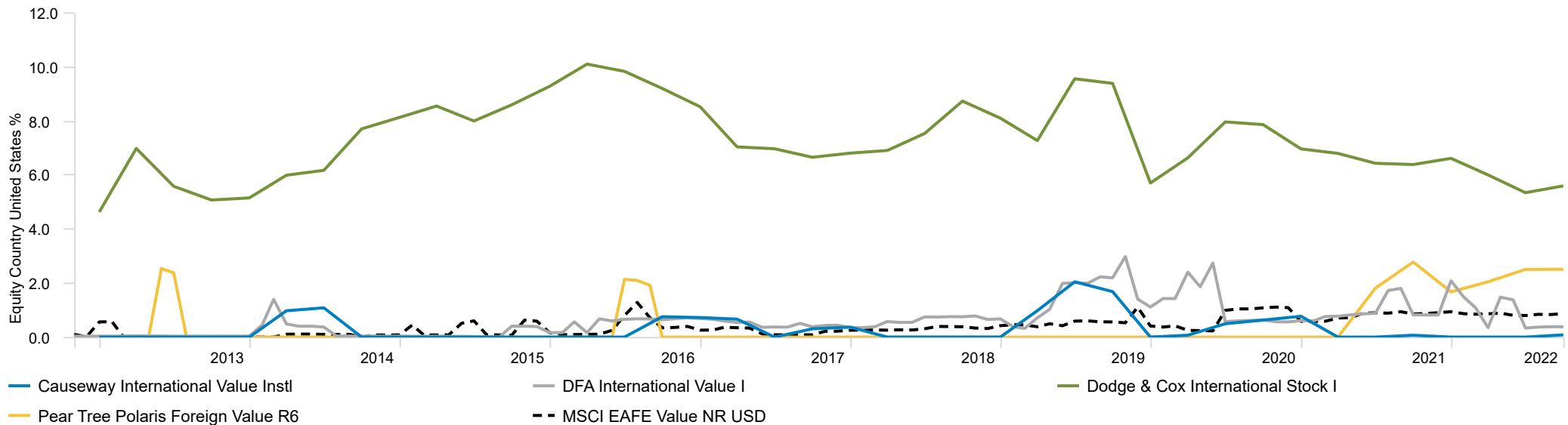
— Dodge & Cox International Stock I



Current Portfolio Region Allocation

	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6	MSCI EAFE Value NR USD
Equity Country United States %	0.08	0.39	5.82	2.54	0.87
Equity Region North America %	2.99	10.71	12.60	12.39	0.87
Equity Region Latin America %	0.52	0.19	5.46	4.67	0.18
Equity Region United Kingdom %	24.72	14.17	15.63	14.21	20.68
Equity Region Europe dev %	54.54	41.99	39.55	37.43	42.00
Equity Region Europe emrg %	0.00	0.00	0.00	0.00	0.00
Equity Region Japan %	9.17	20.53	11.69	15.58	22.96
Equity Region Australasia %	0.68	8.09	0.00	0.00	8.07
Equity Region Asia dev %	6.43	3.40	3.67	13.79	4.29
Equity Region Asia emrg %	0.88	0.34	11.39	1.93	0.20
Equity Region Africa/Middle East %	0.07	0.59	0.00	0.00	0.76
Equity Region Developed %	98.59	99.47	83.14	96.60	99.62
Equity Region Emerging %	1.41	0.53	16.86	3.40	0.38

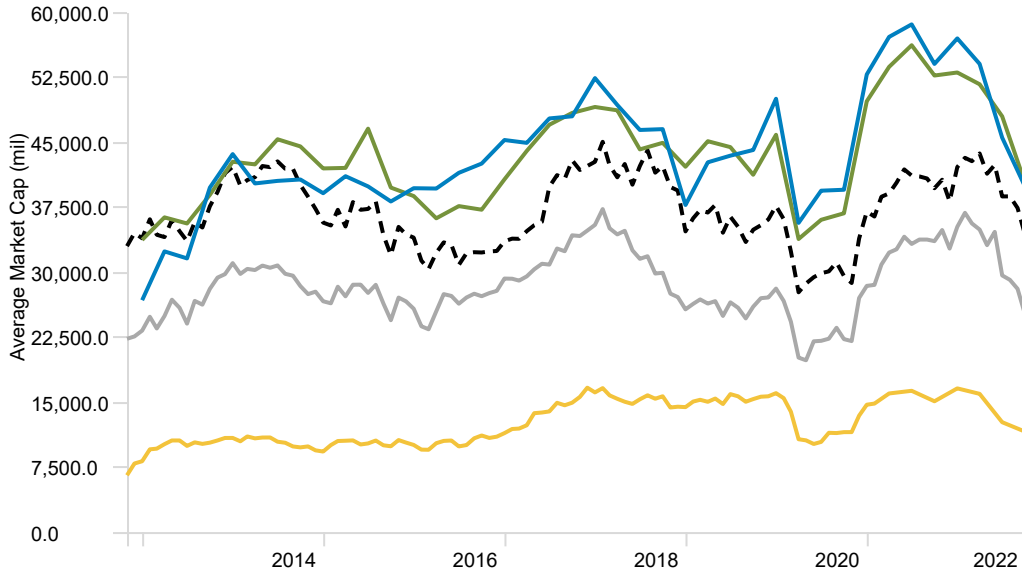
Historical US Portfolio Exposure



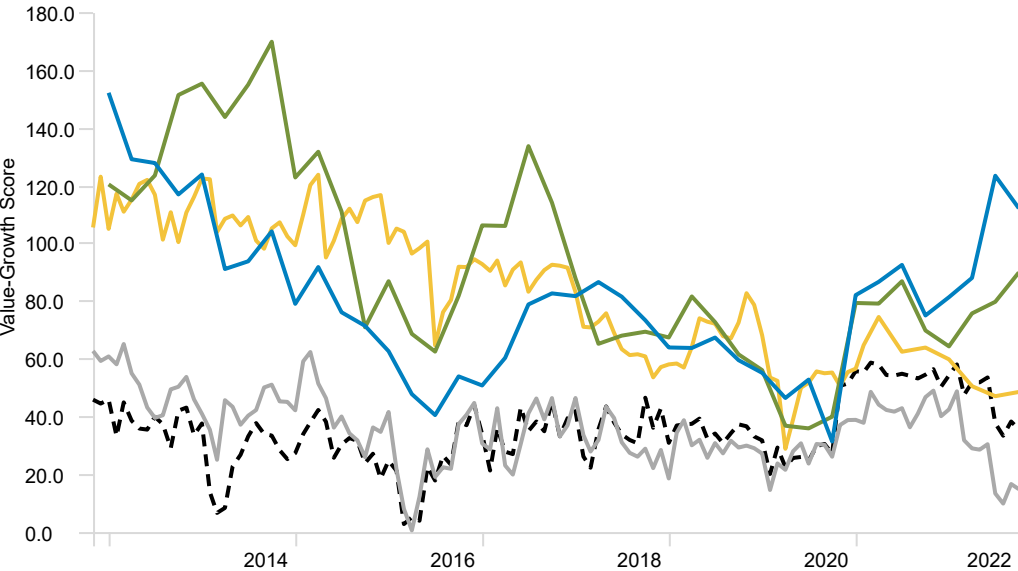
Style Allocation

	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6	MSCI EAFE Value NR USD
Equity Style Large Value %	32.33	56.31	31.34	32.37	52.45
Equity Style Large Core %	36.02	17.48	41.78	19.78	31.08
Equity Style Large Growth %	16.33	2.28	11.86	2.28	3.88
Equity Style Mid Value %	1.64	11.03	3.34	25.34	7.07
Equity Style Mid Core %	6.10	7.54	6.04	13.88	4.32
Equity Style Mid Growth %	2.46	0.98	0.83	0.00	0.71
Equity Style Small Value %	0.00	0.17	0.60	0.82	0.01
Equity Style Small Core %	0.00	0.11	0.00	3.77	0.00
Equity Style Small Growth %	0.94	0.00	0.03	0.61	0.00

Historical Average Market Capitalization



Historical Value - Growth Score

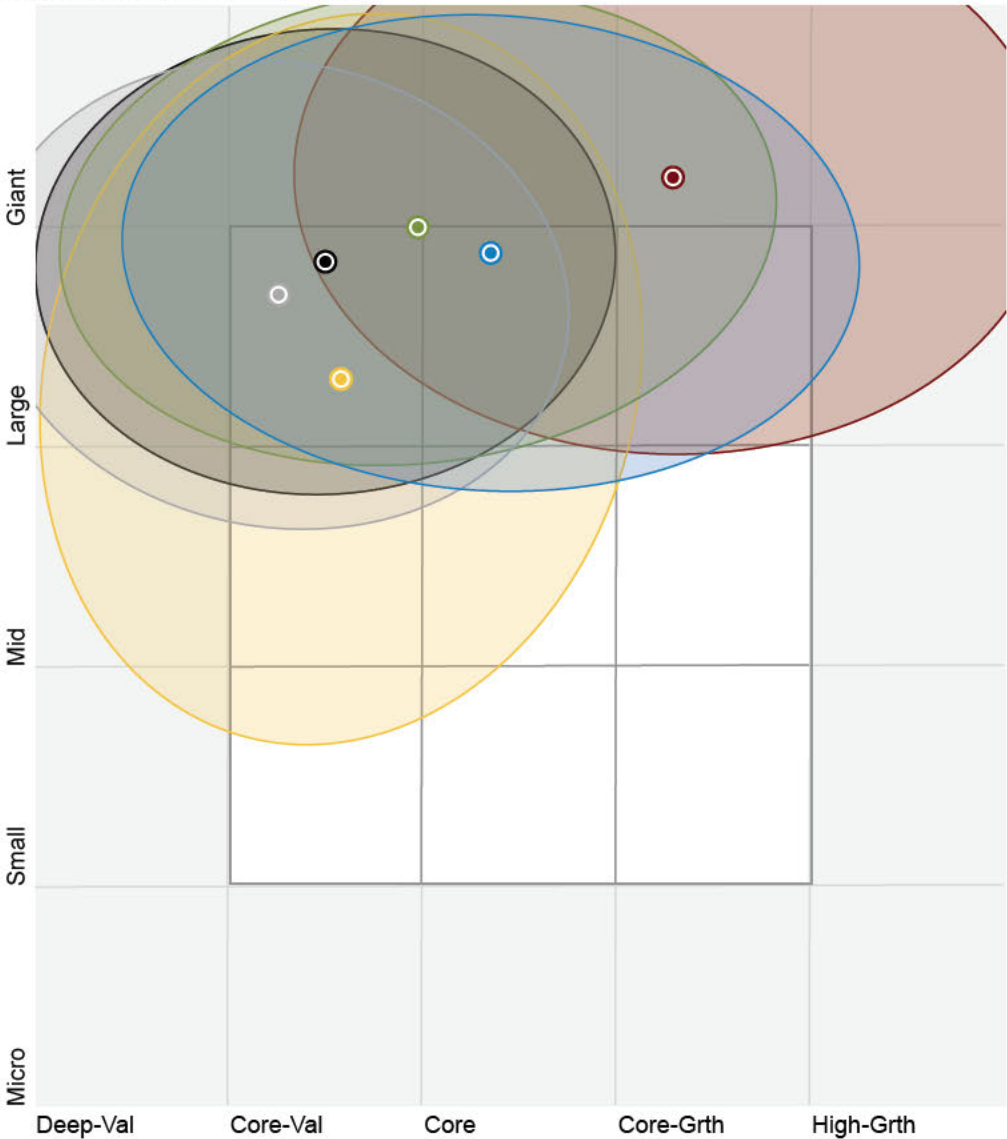


— Causeway International Value Instl — DFA International Value I
— Pear Tree Polaris Foreign Value R6 - - MSCI EAFE Value NR USD

— Dodge & Cox International Stock I

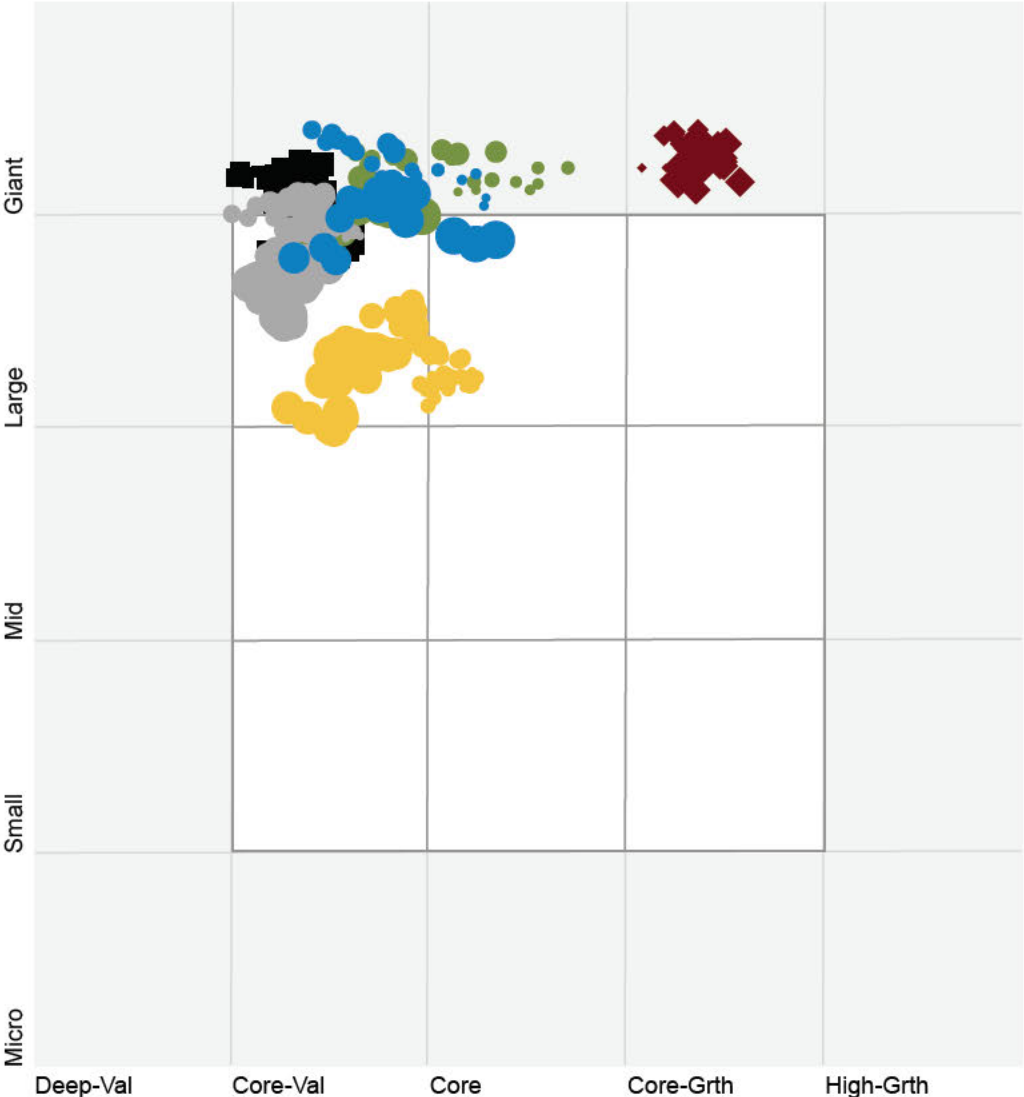


Current Portfolio Holdings-Style Map



Historical Holdings-Based Style Trail

Time Period: 1/31/2013 to 12/31/2022



- Causeway International Value Instl
- Pear Tree Polaris Foreign Value R6

- DFA International Value I
- MSCI EAFE Value NR USD

- Dodge & Cox International Stock I



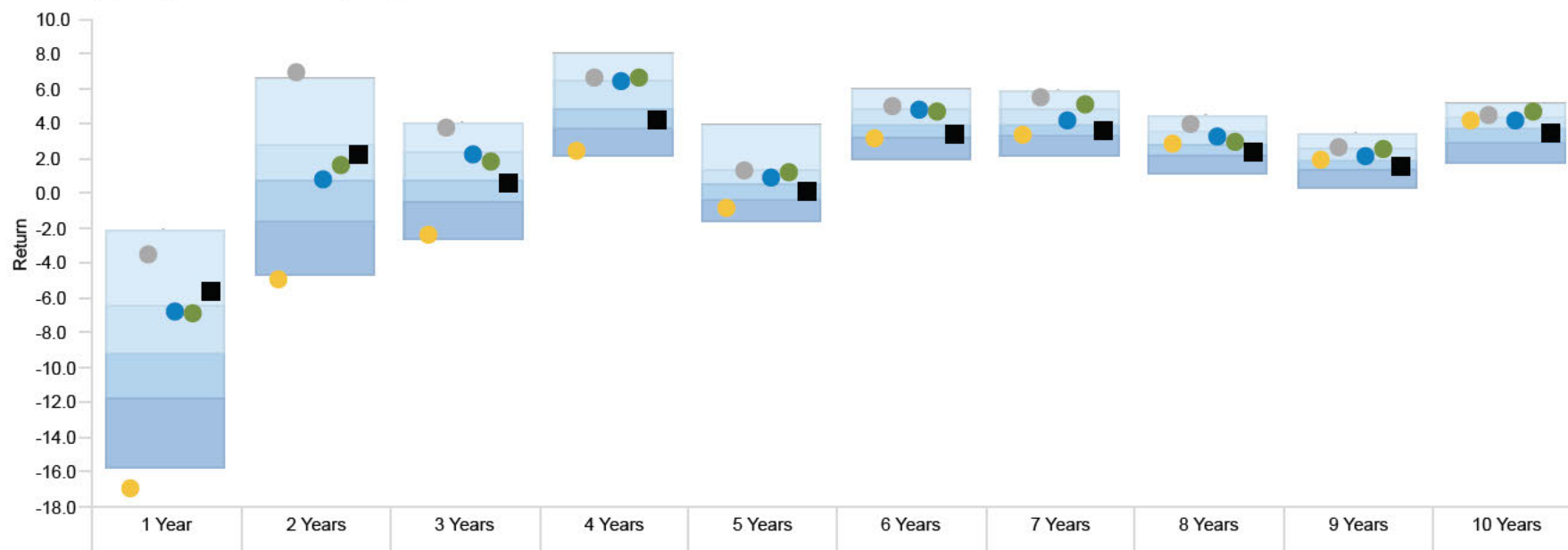
Quantitative Review

Returns are Net of Fees.

Performance data shown prior to fund's inception date represents extended performance of an older share class of the same strategy.



Peer Group (5-95%): Funds - U.S. - Foreign Large Value

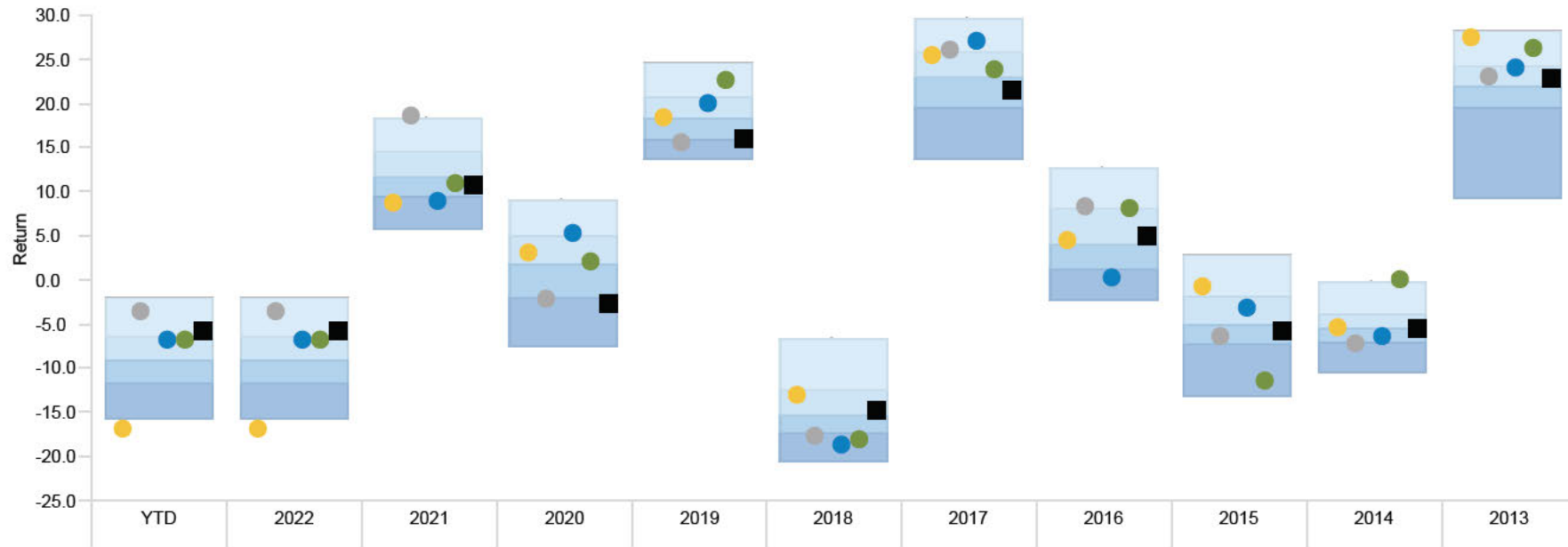


	1 Year	Rank	2 Years	Rank	3 Years	Rank	4 Years	Rank	5 Years	Rank	6 Years	Rank	7 Years	Rank	8 Years	Rank	9 Years	Rank	10 Years	Rank
Causeway International Value Instl	-6.76	29	0.84	50	2.34	27	6.52	26	0.94	39	4.90	25	4.25	43	3.32	32	2.21	34	4.22	30
DFA International Value I	-3.48	10	7.04	5	3.88	8	6.71	21	1.36	26	5.12	18	5.58	10	4.02	10	2.73	19	4.61	16
Dodge & Cox International Stock I	-6.78	29	1.73	39	1.85	35	6.72	20	1.25	30	4.72	31	5.22	20	2.99	45	2.66	22	4.81	11
Pear Tree Polaris Foreign Value R6	-16.84	96	-4.87	97	-2.27	95	2.56	93	-0.75	83	3.23	76	3.42	73	2.90	48	1.96	47	4.27	28
MSCI EAFE Value NR USD	-5.58	21	2.32	31	0.65	52	4.30	64	0.17	64	3.44	66	3.66	66	2.45	63	1.54	66	3.51	63

- Causeway International Value Instl
- DFA International Value I
- Dodge & Cox International Stock I
- Pear Tree Polaris Foreign Value R6
- MSCI EAFE Value NR USD



Peer Group (5-95%): Funds - U.S. - Foreign Large Value



	YTD	Rank	2022	Rank	2021	Rank	2020	Rank	2019	Rank	2018	Rank	2017	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank
Causeway International Value Instl	-6.76	29	-6.76	29	9.07	79	5.40	20	20.10	33	-18.61	89	27.18	14	0.44	84	-2.97	33	-6.22	64	24.17	24
DFA International Value I	-3.48	10	-3.48	10	18.69	4	-2.14	76	15.67	81	-17.49	76	26.09	19	8.41	21	-6.31	63	-6.99	76	23.12	35
Dodge & Cox International Stock I	-6.78	29	-6.78	29	11.03	57	2.10	46	22.78	12	-17.98	83	23.94	40	8.26	21	-11.35	91	0.08	3	26.31	11
Pear Tree Polaris Foreign Value R6	-16.84	96	-16.84	96	8.84	80	3.14	37	18.52	45	-12.93	29	25.65	26	4.54	46	-0.67	22	-5.23	45	27.57	6
MSCI EAFE Value NR USD	-5.58	21	-5.58	21	10.89	59	-2.63	79	16.09	74	-14.78	44	21.44	63	5.02	44	-5.68	58	-5.39	48	22.95	37

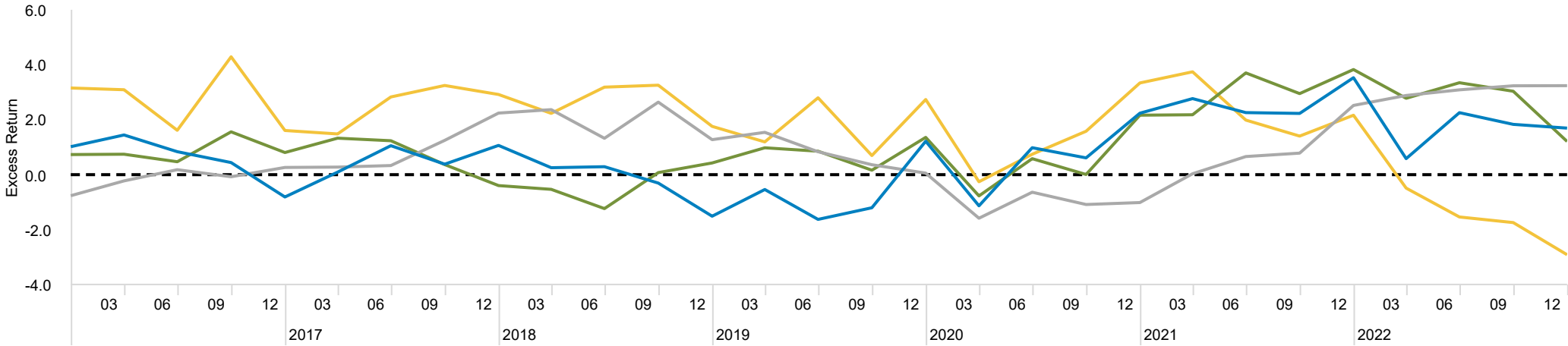
- Causeway International Value Instl
- DFA International Value I
- Dodge & Cox International Stock I
- Pear Tree Polaris Foreign Value R6
- MSCI EAFE Value NR USD



Rolling Excess Returns

Time Period: 1/1/2013 to 12/31/2022

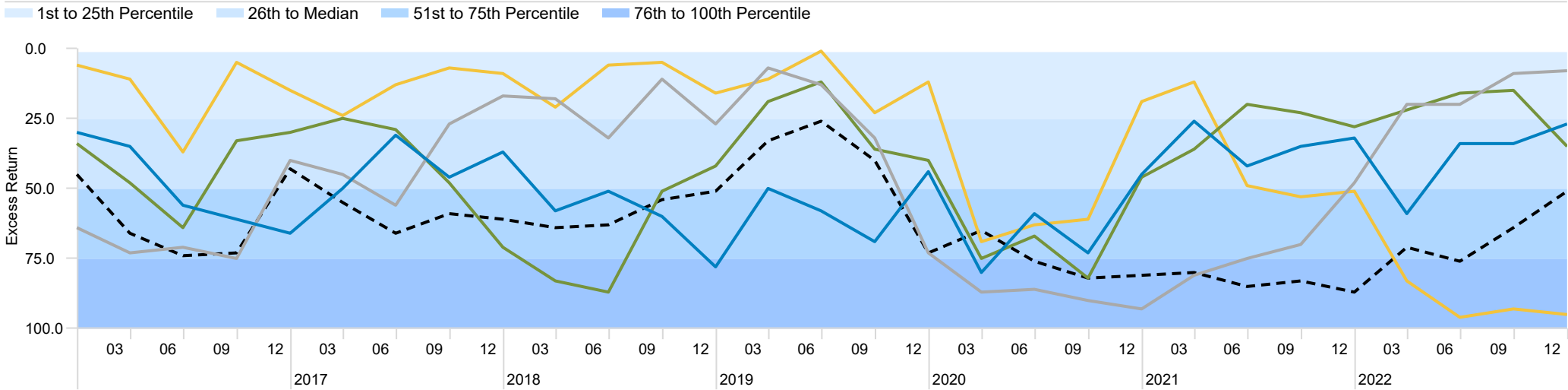
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI EAFE Value NR USD



Rolling Excess Return Rankings

Time Period: 1/1/2013 to 12/31/2022

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI EAFE Value NR USD



— Causeway International Value Instl
— Pear Tree Polaris Foreign Value R6

— DFA International Value I
- - MSCI EAFE Value NR USD

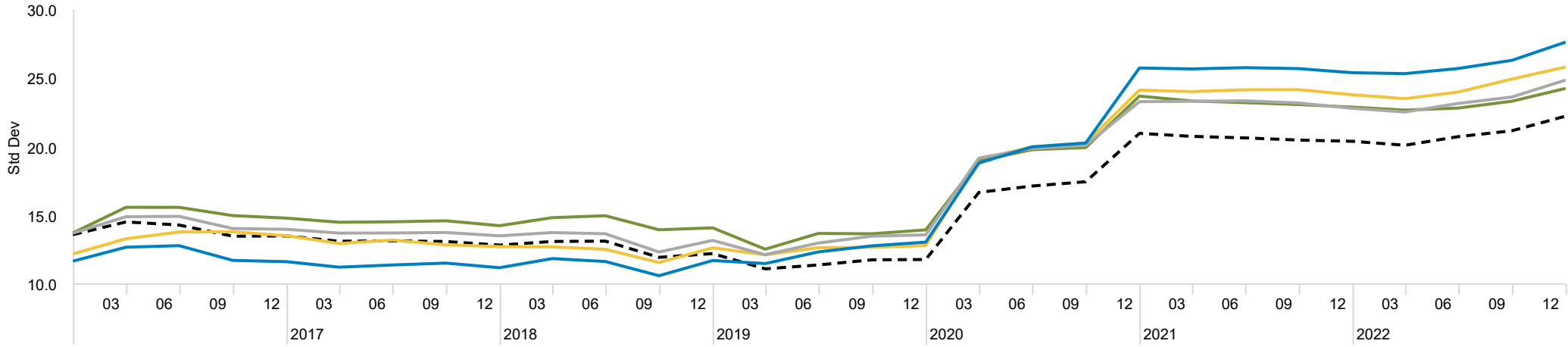
— Dodge & Cox International Stock I



Rolling Standard Deviation

Time Period: 1/1/2013 to 12/31/2022

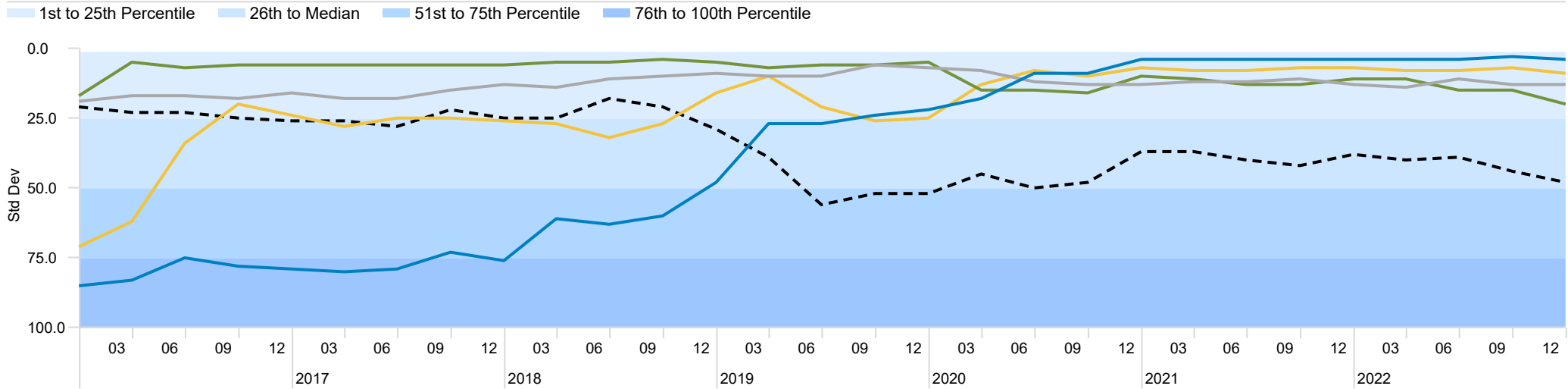
Rolling Window: 3 Years 3 Months shift



Rolling Standard Deviation Rankings

Time Period: 1/1/2013 to 12/31/2022

Rolling Window: 3 Years 3 Months shift



— Causeway International Value Instl
— Pear Tree Polaris Foreign Value R6

— DFA International Value I
- - MSCI EAFE Value NR USD

— Dodge & Cox International Stock I



Correlation Matrix

Time Period: 1/1/2013 to 12/31/2022

	1	2	3	4	5	6
1 Causeway International Value Instl	1.00					
2 DFA International Value I	0.96	1.00				
3 Dodge & Cox International Stock I	0.96	0.97	1.00			
4 Pear Tree Polaris Foreign Value R6	0.95	0.95	0.94	1.00		
5 American Funds Europacific Growth R6	0.89	0.89	0.91	0.92	1.00	
6 MSCI EAFE Value NR USD	0.96	0.98	0.97	0.95	0.89	1.00

Correlation Matrix (Excess Returns vs. MSCI EAFE Value NR USD)

Time Period: 1/1/2013 to 12/31/2022

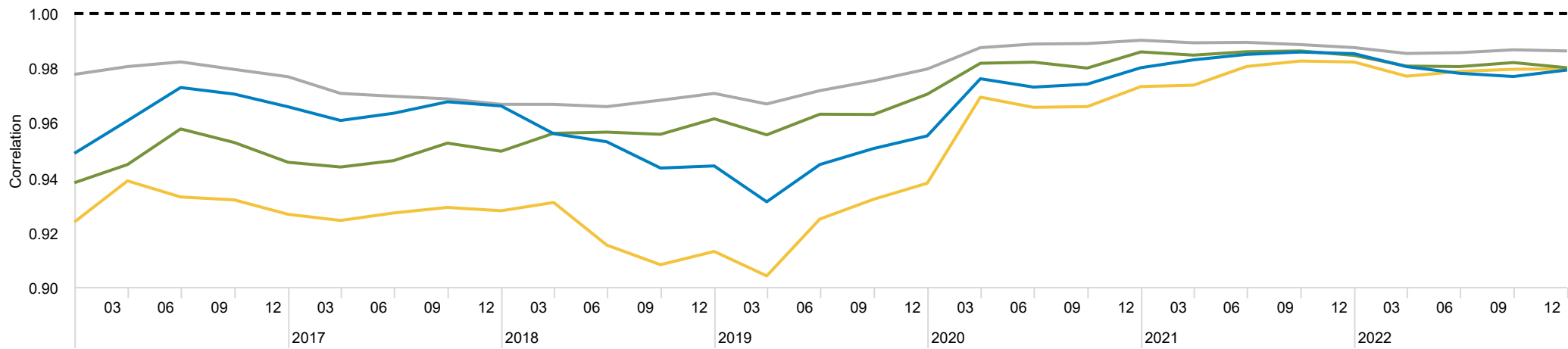
Calculation Benchmark: MSCI EAFE Value NR USD

		1	2	3	4	5	6
1 Causeway International Value Instl	MSCI EAFE Value NR USD	1.00					
2 DFA International Value I	MSCI EAFE Value NR USD	0.44	1.00				
3 Dodge & Cox International Stock I	MSCI EAFE Value NR USD	0.42	0.54	1.00			
4 Pear Tree Polaris Foreign Value R6	MSCI EAFE Value NR USD	0.49	0.29	0.26	1.00		
5 American Funds Europacific Growth R6	MSCI EAFE Value NR USD	0.18	0.03	0.29	0.40	1.00	
6 MSCI EAFE Value NR USD	MSCI EAFE Value NR USD						1.00

Rolling Correlation

Time Period: 1/1/2013 to 12/31/2022

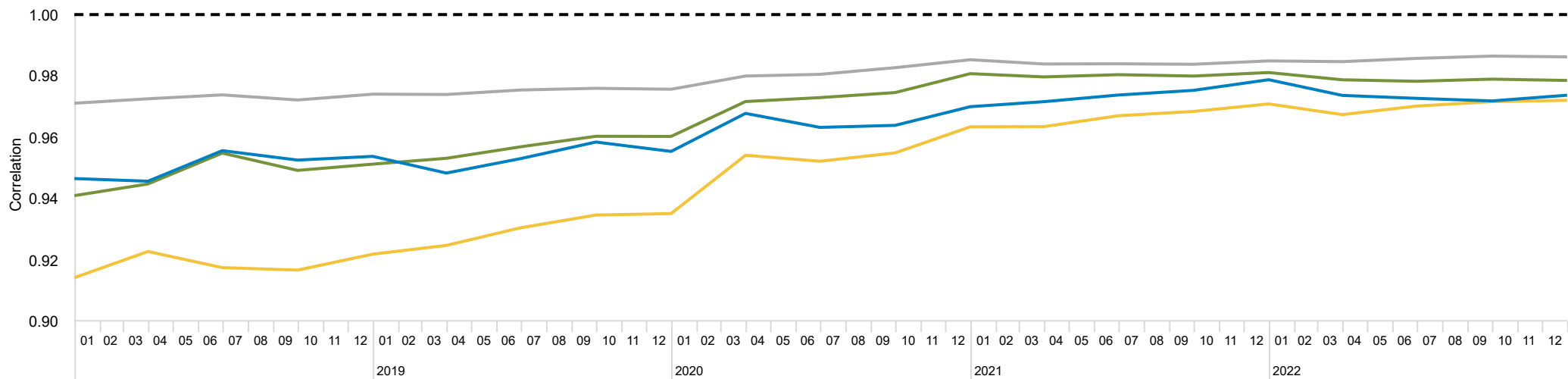
Rolling Window: 3 Years 3 Months shift



Rolling Correlation

Time Period: 1/1/2013 to 12/31/2022

Rolling Window: 5 Years 3 Months shift



— Causeway International Value Instl
— Pear Tree Polaris Foreign Value R6

— DFA International Value I
- - MSCI EAFE Value NR USD

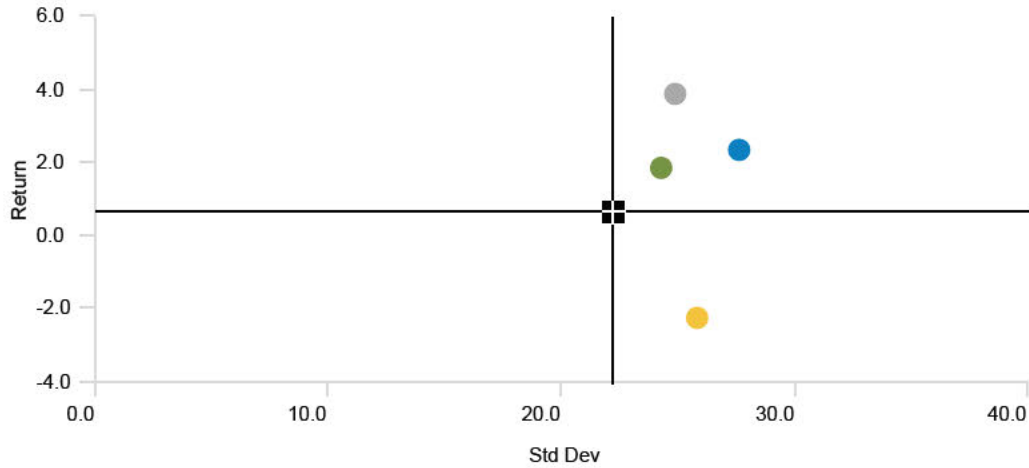
— Dodge & Cox International Stock I



Risk-Reward: 3-Year

Time Period: 1/1/2020 to 12/31/2022

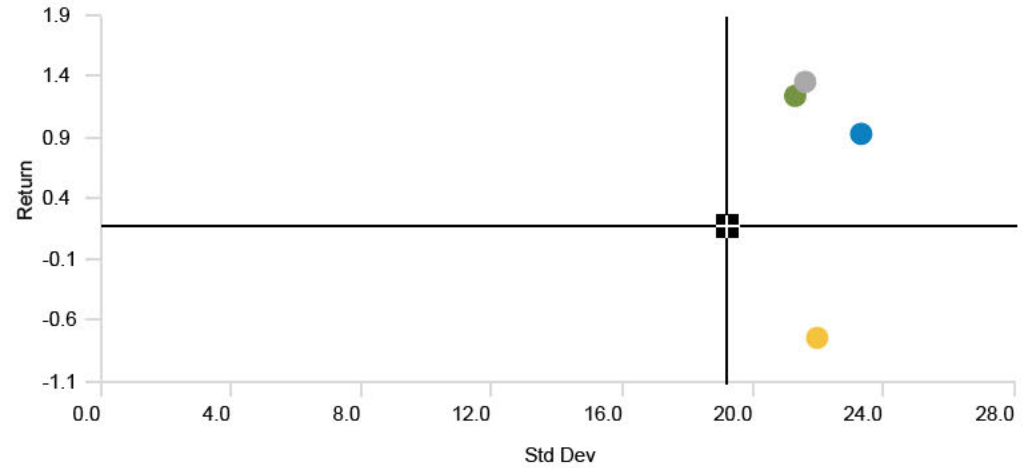
Calculation Benchmark: MSCI EAFE Value NR USD



Risk-Reward: 5-Year

Time Period: 1/1/2018 to 12/31/2022

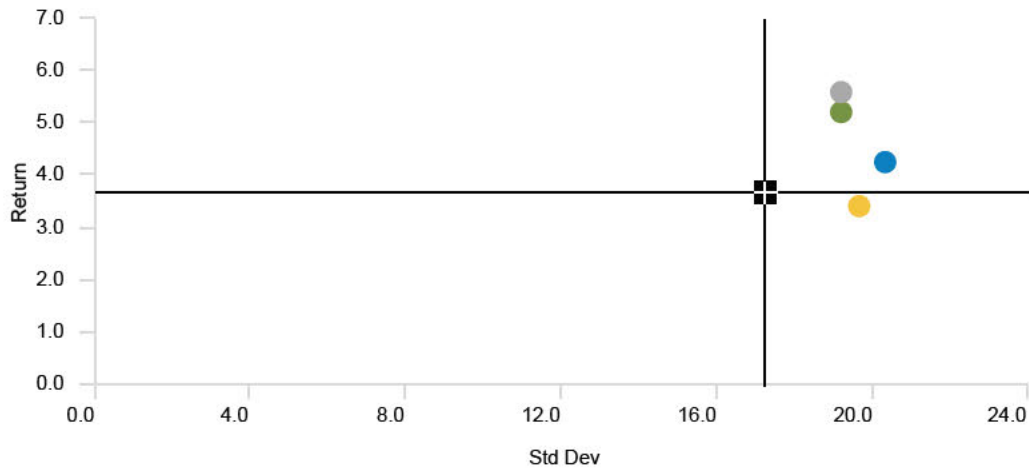
Calculation Benchmark: MSCI EAFE Value NR USD



Risk-Reward: 7-Year

Time Period: 1/1/2016 to 12/31/2022

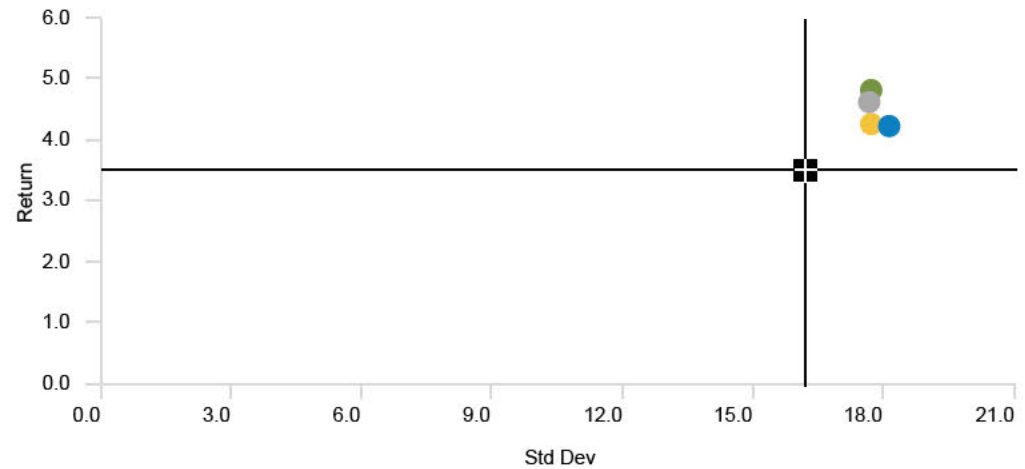
Calculation Benchmark: MSCI EAFE Value NR USD



Risk-Reward: 10-Year

Time Period: 1/1/2013 to 12/31/2022

Calculation Benchmark: MSCI EAFE Value NR USD



● Causeway International Value Instl

● DFA International Value I

● Dodge & Cox International Stock I

● Pear Tree Polaris Foreign Value R6

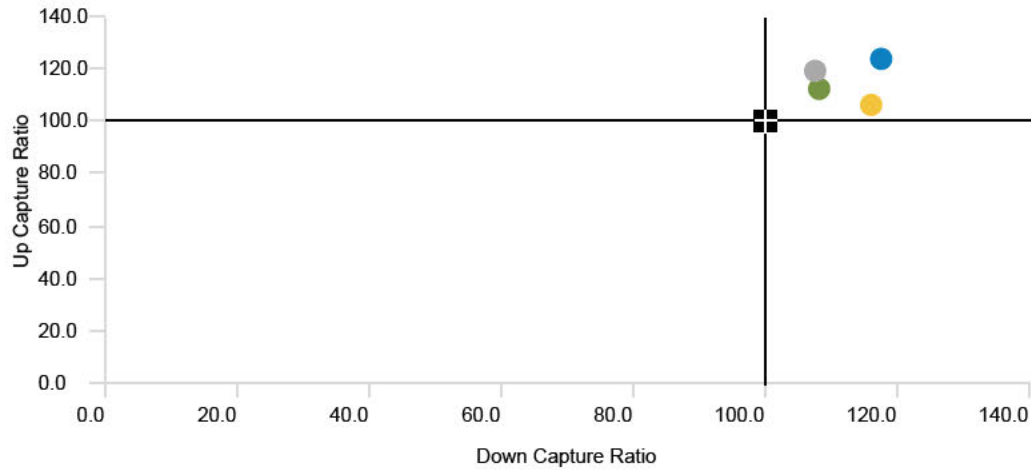
■ MSCI EAFE Value NR USD



Up and Down Market Capture: 3-Year

Time Period: 1/1/2020 to 12/31/2022

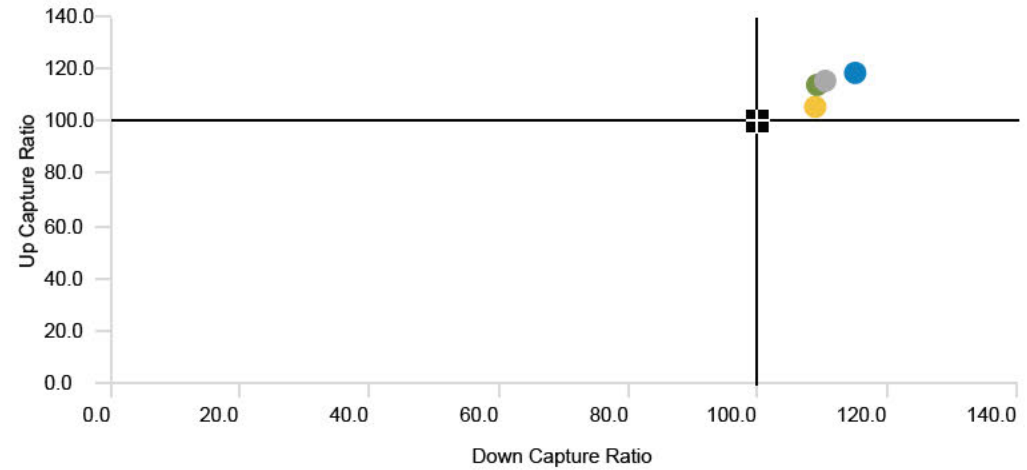
Calculation Benchmark: MSCI EAFE Value NR USD



Up and Down Market Capture: 5-Year

Time Period: 1/1/2018 to 12/31/2022

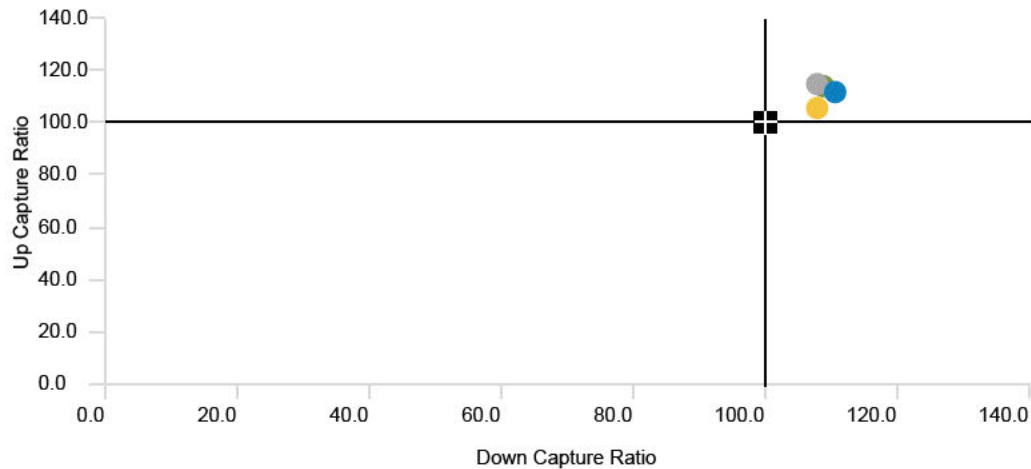
Calculation Benchmark: MSCI EAFE Value NR USD



Up and Down Market Capture: 7-Year

Time Period: 1/1/2016 to 12/31/2022

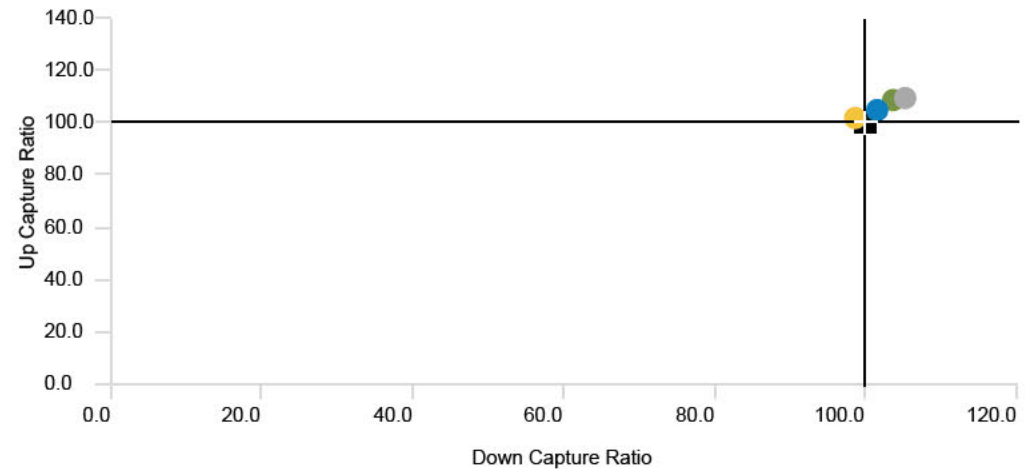
Calculation Benchmark: MSCI EAFE Value NR USD



Up and Down Market Capture: 10-Year

Time Period: 1/1/2013 to 12/31/2022

Calculation Benchmark: MSCI EAFE Value NR USD



● Causeway International Value Instl

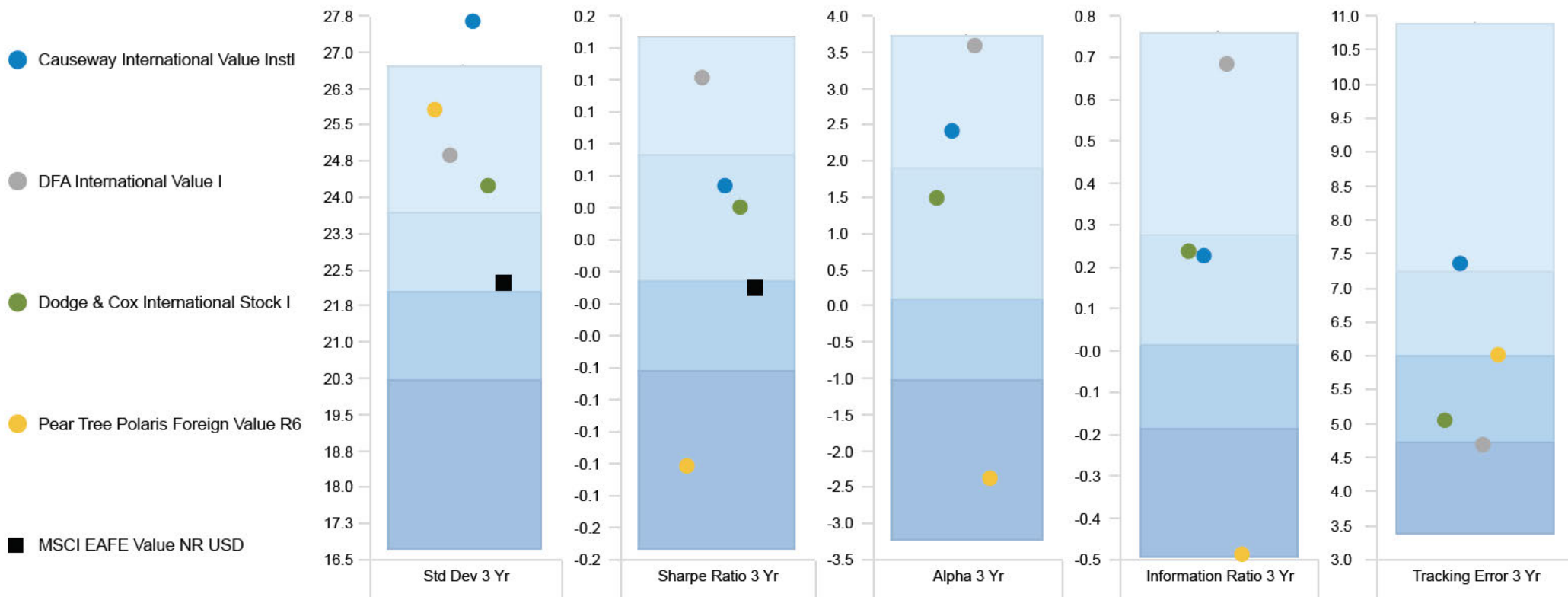
● DFA International Value I

● Dodge & Cox International Stock I

● Pear Tree Polaris Foreign Value R6

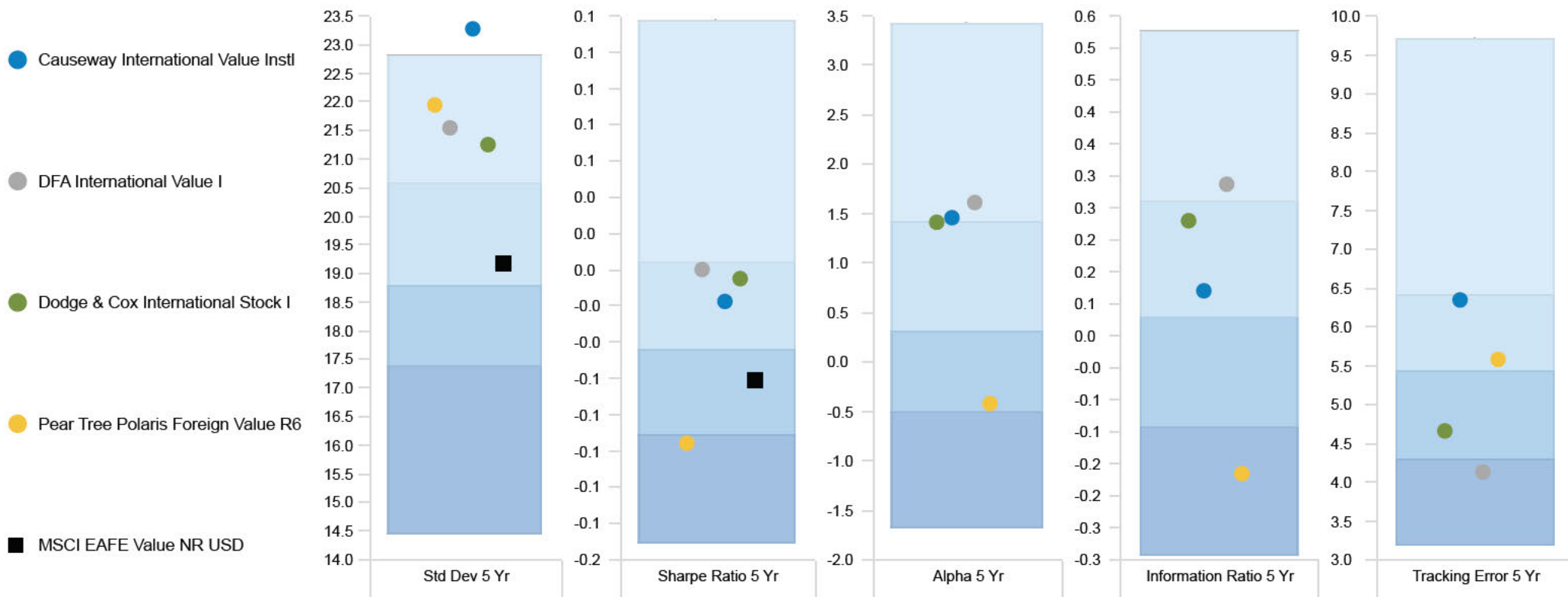
■ MSCI EAFE Value NR USD





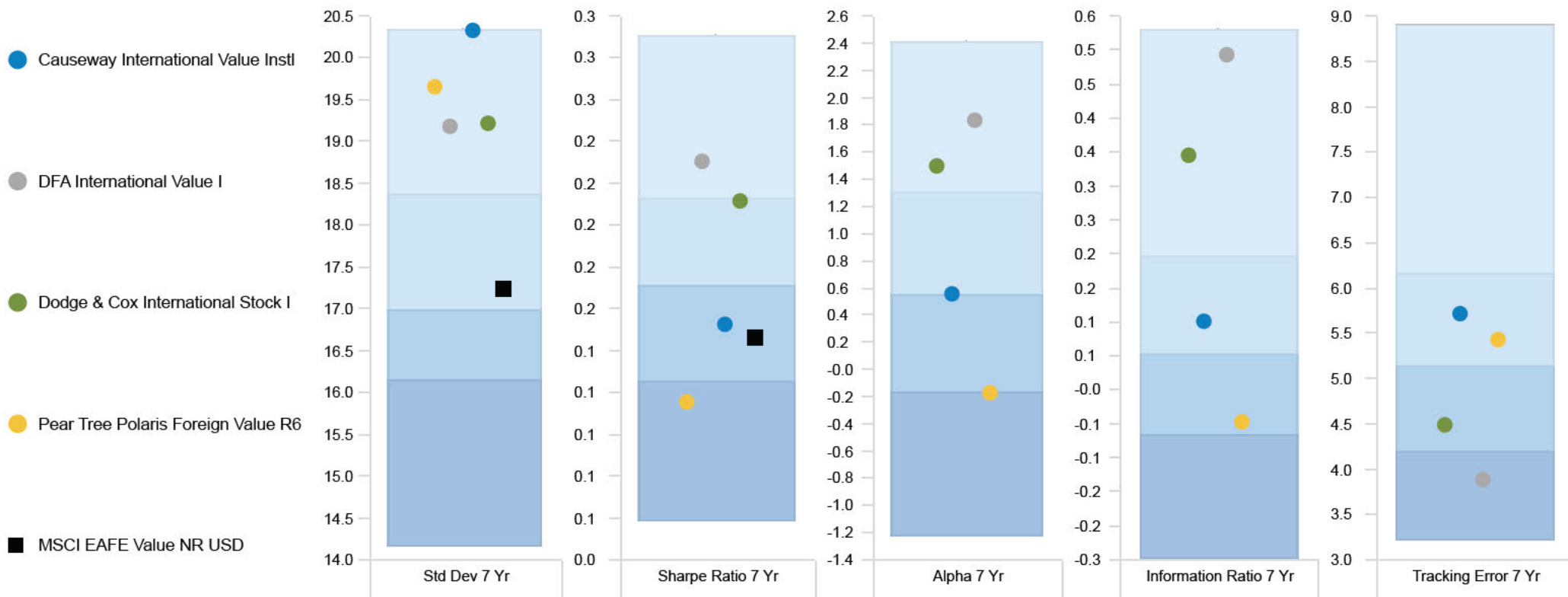
Time Period: 1/1/2020 to 12/31/2022

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Causeway International Value Instl	27.64	4	0.05	31	2.43	19	0.23	31	7.38	22
DFA International Value I	24.88	13	0.12	8	3.60	8	0.69	9	4.70	77
Dodge & Cox International Stock I	24.27	20	0.04	35	1.50	31	0.24	29	5.05	66
Pear Tree Polaris Foreign Value R6	25.83	9	-0.12	91	-2.37	91	-0.48	95	6.02	49
MSCI EAFE Value NR USD	22.25	48	-0.01	53	0.00	52	0.00	100	0.00	100



Time Period: 1/1/2018 to 12/31/2022

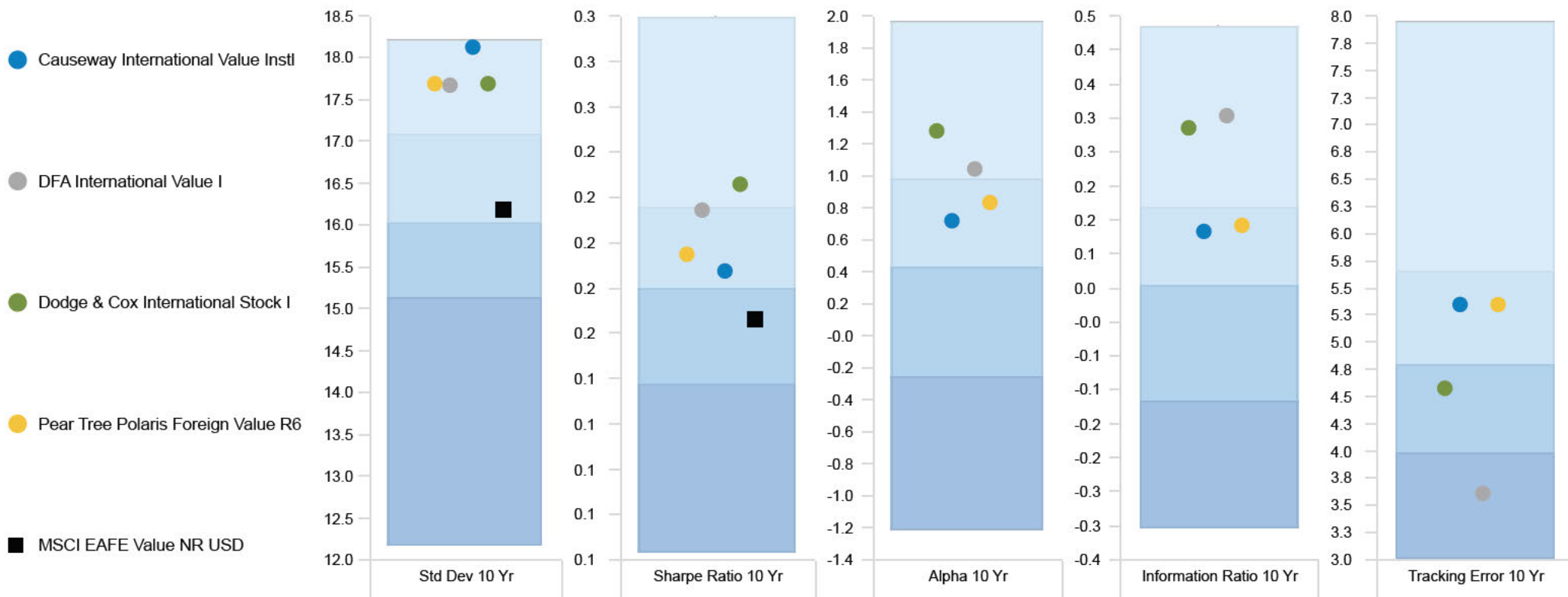
	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Causeway International Value Instl	23.30	5	-0.02	37	1.46	24	0.12	43	6.35	28
DFA International Value I	21.57	12	0.00	26	1.62	21	0.29	23	4.14	79
Dodge & Cox International Stock I	21.26	14	0.00	30	1.43	25	0.23	30	4.67	64
Pear Tree Polaris Foreign Value R6	21.97	8	-0.10	77	-0.41	72	-0.16	84	5.59	41
MSCI EAFE Value NR USD	19.20	46	-0.06	64	0.00	63	0.00	100	0.00	100



Time Period: 1/1/2016 to 12/31/2022

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Causeway International Value Instl	20.34	5	0.15	61	0.56	49	0.10	41	5.72	33
DFA International Value I	19.19	12	0.23	21	1.84	13	0.49	6	3.89	84
Dodge & Cox International Stock I	19.22	10	0.21	26	1.51	21	0.35	17	4.50	68
Pear Tree Polaris Foreign Value R6	19.66	7	0.12	80	-0.17	76	-0.05	71	5.43	41
MSCI EAFE Value NR USD	17.24	46	0.15	65	0.00	69	0.00	100	0.00	100





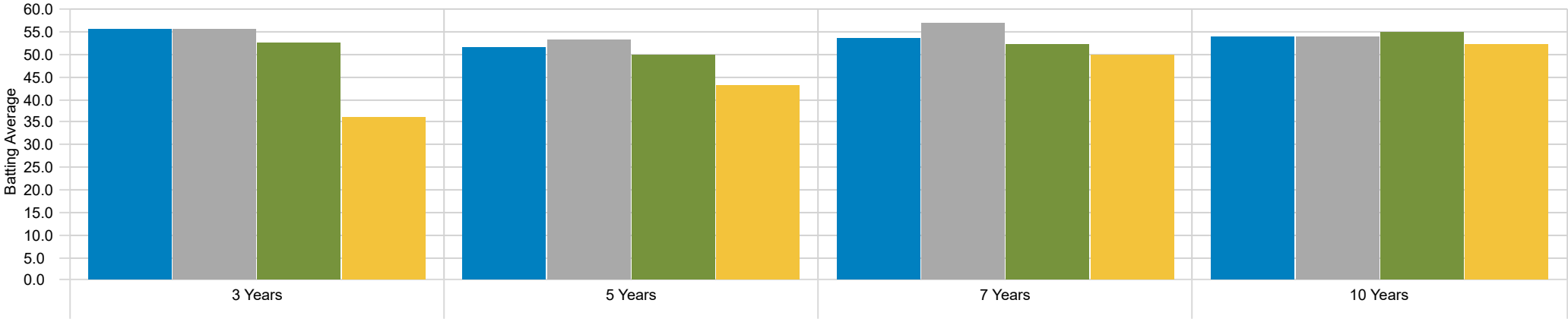
Time Period: 1/1/2013 to 12/31/2022

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Causeway International Value Instl	18.13	7	0.19	44	0.72	36	0.13	30	5.35	33
DFA International Value I	17.68	13	0.21	27	1.05	22	0.30	9	3.62	86
Dodge & Cox International Stock I	17.70	11	0.23	19	1.29	15	0.29	11	4.58	56
Pear Tree Polaris Foreign Value R6	17.70	10	0.20	42	0.84	30	0.14	29	5.36	31
MSCI EAFE Value NR USD	16.18	47	0.17	60	0.00	67			0.00	100



Batting Average

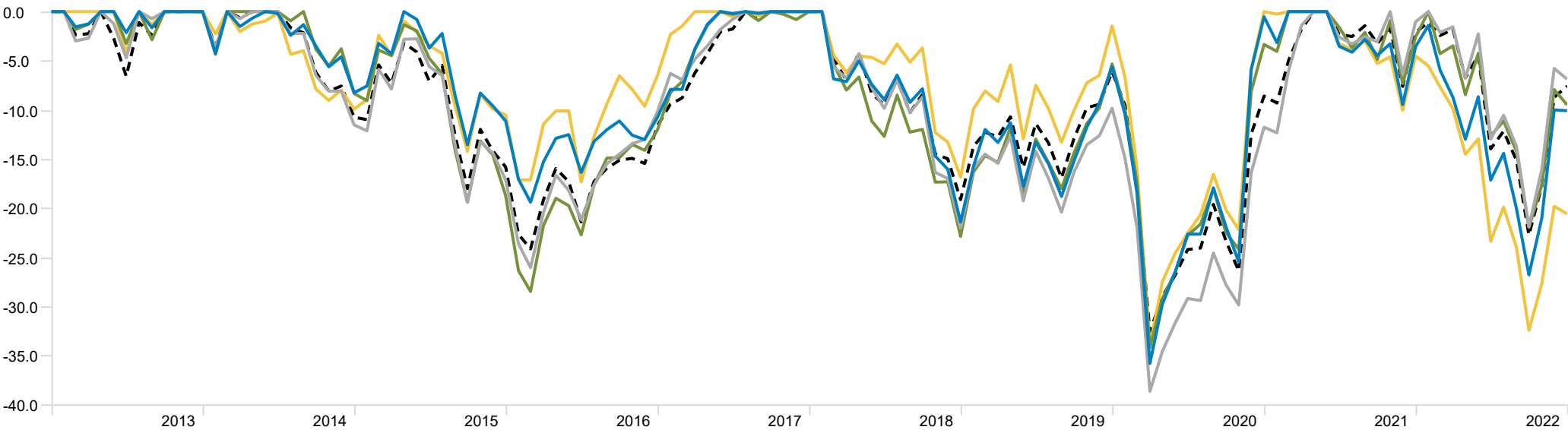
Source Data: Monthly Return Calculation Benchmark: MSCI EAFE Value NR USD



Drawdown

Time Period: 1/1/2013 to 12/31/2022

Source Data: Monthly Return



- Causeway International Value Instl
- DFA International Value I
- Dodge & Cox International Stock I
- Pear Tree Polaris Foreign Value R6
- - MSCI EAFE Value NR USD



MPT Statistics: 3-Year

Time Period: 1/1/2020 to 12/31/2022 Calculation Benchmark: MSCI EAFE Value NR USD

	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6	MSCI EAFE Value NR USD
Return	2.34	3.88	1.85	-2.27	0.65
Excess Return	1.69	3.24	1.21	-2.91	0.00
Std Dev	27.64	24.88	24.27	25.83	22.25
Beta	1.22	1.10	1.07	1.14	1.00
Tracking Error	7.38	4.70	5.05	6.02	0.00
Sharpe Ratio	0.05	0.12	0.04	-0.12	-0.01
Alpha	2.43	3.60	1.50	-2.37	0.00
Information Ratio	0.23	0.69	0.24	-0.48	
Batting Average	55.56	55.56	52.78	36.11	100.00
Up Capture Ratio	124.23	119.25	112.56	105.97	100.00
Down Capture Ratio	117.58	107.58	108.02	116.04	100.00

MPT Statistics: 5-Year

Time Period: 1/1/2018 to 12/31/2022 Calculation Benchmark: MSCI EAFE Value NR USD

	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6	MSCI EAFE Value NR USD
Return	0.94	1.36	1.25	-0.75	0.17
Excess Return	0.77	1.19	1.08	-0.92	0.00
Std Dev	23.30	21.57	21.26	21.97	19.20
Beta	1.18	1.11	1.08	1.11	1.00
Tracking Error	6.35	4.14	4.67	5.59	0.00
Sharpe Ratio	-0.02	0.00	0.00	-0.10	-0.06
Alpha	1.46	1.62	1.43	-0.41	0.00
Information Ratio	0.12	0.29	0.23	-0.16	
Batting Average	51.67	53.33	50.00	43.33	100.00
Up Capture Ratio	118.74	115.54	114.01	105.59	100.00
Down Capture Ratio	115.00	110.33	109.29	108.95	100.00

MPT Statistics: 7-Year

Time Period: 1/1/2016 to 12/31/2022 Calculation Benchmark: MSCI EAFE Value NR USD

	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6	MSCI EAFE Value NR USD
Return	4.25	5.58	5.22	3.42	3.66
Excess Return	0.59	1.92	1.56	-0.24	0.00
Std Dev	20.34	19.19	19.22	19.66	17.24
Beta	1.14	1.09	1.09	1.10	1.00
Tracking Error	5.72	3.89	4.50	5.43	0.00
Sharpe Ratio	0.15	0.23	0.21	0.12	0.15
Alpha	0.56	1.84	1.51	-0.17	0.00
Information Ratio	0.10	0.49	0.35	-0.05	
Batting Average	53.57	57.14	52.38	50.00	100.00
Up Capture Ratio	111.71	114.72	113.94	105.93	100.00
Down Capture Ratio	110.50	107.86	108.62	107.82	100.00

MPT Statistics: 10-Year

Time Period: 1/1/2013 to 12/31/2022 Calculation Benchmark: MSCI EAFE Value NR USD

	Causeway International Value Instl	DFA International Value I	Dodge & Cox International Stock I	Pear Tree Polaris Foreign Value R6	MSCI EAFE Value NR USD
Return	4.22	4.61	4.81	4.27	3.51
Excess Return	0.72	1.10	1.31	0.77	0.00
Std Dev	18.13	17.68	17.70	17.70	16.18
Beta	1.07	1.07	1.06	1.04	1.00
Tracking Error	5.35	3.62	4.58	5.36	0.00
Sharpe Ratio	0.19	0.21	0.23	0.20	0.17
Alpha	0.72	1.05	1.29	0.84	0.00
Information Ratio	0.13	0.30	0.29	0.14	
Batting Average	54.17	54.17	55.00	52.50	100.00
Up Capture Ratio	104.43	109.22	108.69	102.11	100.00
Down Capture Ratio	101.56	105.13	103.55	98.69	100.00

Investment Option Narratives

Firm Overview

Founded in June of 2001 and based in Los Angeles, Causeway Capital Management (CCM) manages over \$35 billion in global, international and emerging market equities for institutional clients. The firm is 100% employee-owned, with about 25% of employees (all investment professionals) sharing in the ownership. The founders of CCM were former Hotchkis & Wiley (H&W) investment professionals. H&W was where they honed the current fundamental value philosophy and process.

Team Overview

The International Value strategy is managed by CCM's fundamental team which consists of eight PMs (Jonathan Eng, Conor Muldoon, Harry Hartford, Alessandro Valentini, Sarah Ketterer, Ellen Lee, Steven Nguyen, Brian Cho) and 25 investment analysts. Associate analysts are on a four-year rotation program with responsibilities for developing stock models and refining the screens. It is expected that after the four years they will go back to business school. The team is divided into six global sector "clusters" for research purposes. Clusters are: 1) Financials/Materials; 2) Technology/Telecom; 3) Energy/Utilities; 4) Industrials; 5) Consumer; and 6) Health Care. The fundamental team also utilizes the firm's quantitative team for custom screens, risk management and factor research. Final portfolio decisions are made by the cluster heads based on team discussions (no voting).

Strategy Overview

The team believes that stocks derive their value from the contribution of yield and the profitable reinvestment of retained earnings over time. They believe their analytical capabilities allow them to identify underpriced securities that they will hold until the market recognizes fair value. The strategy follows a bottom-up, flexible approach to pursuing mispriced opportunities across the value spectrum.

Ideas are sourced via quantitative screens that find stocks with payout yields in excess of their local market average, and which have a prospective earnings yield that exceeds the local 10-year government bond yield by an equity risk premium. The second part of the screen examines price-to-cash-flow within the relevant industry in conjunction with EPS estimate revisions. This screen identifies undervalued companies whose earnings are at a tipping point. The screened list of about 400 stocks is then subject to rigorous fundamental analysis by the research clusters, including company visits, conversations with competitors, suppliers and industry experts. The process culminates in a valuation estimate for the stock on a two-year time horizon. The approximate 150 stocks that the team considers its opportunity list are ranked based on the return per unit of marginal contribution to risk. Rankings are used to focus on the best ideas, size positions accordingly, and for marginal turnover to trim lower-ranked stocks and add to higher-ranked stocks. The final portfolio holds 50 to 80 stocks. Average annual portfolio turnover ranges between 30% and 50%. Maximum weighting per industry equals 25% absolute and per country equals 30%. No individual position size will be more than 5%. The maximum allocation to emerging equities is 15%, although it is usually closer to 5%.

Expectations

The primary drivers of relative performance will be the portfolio's value bias and secondarily individual stock selection. Given the strategy's large cap bias, we would expect relative performance benefits when large caps outperform in general.

The strategy's contrarian nature can lead to significant levels of underperformance, but those periods tend to be few and far between. For example, the portfolio was positioned with a plethora of economically-sensitive holdings during the third quarter of 2011 and subsequently declined in value by over 21%, underperforming the MSCI EAFE Index by 2.3%. The strategy outperformed the index by a similar level in the quarter that followed.

Points to Consider

The team can purchase emerging equity securities up to 15% of the portfolio, however over its history the average invested in emerging equities has been less than 5%. While the team has the ability to hedge currencies, it has rarely occurred historically. The most recent hedge was a partial one on the euro in 2011.

CCM conducted a capacity study for its fundamental strategies in mid 2019 and determined they could comfortably and conservatively manage \$49-51 billion across the developed equity platform (both global and international). While the combined assets for the strategies remain below this previously determined limit, we are already seeing the firm take steps to slow new business for new international accounts (high separate account minimums and inflexible on fees).

Recommendation Summary

We recommend Causeway International Value Equity as an option for most plan types, including defined contribution plans, in search of a developed international strategy with a contrarian value bias. The strategy would work well in a plan where the international equity allocation was divided between value and growth strategies. We believe it is only appropriate to utilize as a standalone option for those clients that understand the strategy's contrarian nature and the volatile relative performance pattern that is likely to occur over a full market cycle. The fundamental team at CCM has a strong, long-term record of delivering considerable alpha to its clients. The PMs have been managing money together with the same philosophy and process for over 15 years and are all equity owners of the firm.

CCM offers the strategy in all vehicles, although the minimum account sizes for separate and commingled vehicles are prohibitive. The expense ratio for the institutional share class of the mutual fund is considered average.

Firm Overview

Dimensional Fund Advisors (DFA) was founded in 1981 by David Booth and Rex Sinquefeld. The firm is headquartered in Austin, TX, but has offices located in the U.S., Canada, Europe, Japan, Singapore, Hong Kong and Australia, employing more than 1,400 employees globally. DFA's co-founders, board members, current and former employees and their respective families directly or indirectly hold a majority of DFA LP's beneficial interests. Other outside individual investors who are not engaged in DFA LP's activities hold the remaining interests. Aided in part by a long-term incentive plan, current officers and employees represent a growing percentage of the equity interest in the firm.

Team Overview

DFA manages assets using a collaborative approach consisting of teams and sub-teams: Investment Policy Committee (IPC), Investment Committee (IC), Equity Portfolio Management (PM), Global Equity Trading and Research. Each committee/team ranges in members from 14 (IC) to 87 (Research). The IPC is co-chaired by Ken French and Co-CEO/CIO Gerard O'Reilly. The remaining members include multiple Nobel Laureates such as Eugene Fama and Robert Merton. The IPC reviews potential enhancements to the quantitative models. The IC supervises day-to-day implementation of portfolios. The PM team makes daily decisions regarding the strategies, mainly focusing on risk management and stock selection. The trading team has discretion as to which securities are traded. Finally, the Research team is engaged in academic research and product development. Head of Portfolio Management and IC chair Jed Fogdall leads the international all and large cap strategies with support from PMs Bhanu Singh, Arun Keswani and Joel Schneider.

Strategy Overview

DFA believes certain factor premia are drivers of higher long-term expected returns: size, value and profitability. The model first screens the larger universe down to what it considers "large cap value" securities within the universe. The smallest 12.5% of the universe by market cap is excluded. The model goes country by country and ranks stocks by price-to-book, with only the cheapest 30% passing to the value step. The last step is to rank the list by profitability and tilt weights to more profitable names.

The final portfolio holds 500-600 securities. Average annual portfolio turnover ranges between 10% and 20%. Country allocations are generally neutral to the value index. Industries are limited to 25% absolute and no individual position size will be more than 5% (in practice, it is unusual for the top holding to approach 4%). The maximum overweight to any sector relative to the market cap neutral index is 10%.

Trading is an important and differentiating aspect of DFA's process. The goal of the team with trading is to efficiently balance expected premiums with the costs of turnover on a daily basis. Trading is spread over time to minimize market impact and traders are encouraged to delay buys and sells depending on the direction of momentum. Flexibility and patience in the trading process result in relative price advantages for DFA relative to many of its peers.

Expectations

The primary drivers of relative performance will be the portfolio's tilt toward value and secondarily the tilt toward smaller market cap securities. While the strategy has underperformed the index in the last four negative-returning calendar years, relative performance will ultimately be determined by how well or poorly the favored factors perform relative to the rest of the market.

The strategy excludes REITs and highly regulated utilities, so any strong performance in those sectors will be a slight headwind even though they both currently make up a small portion of the index.

Points to Consider

REITs are excluded from the firm's investable universe because DFA's research concludes the returns for the sector are primarily driven by factors that drive real estate prices (i.e., interest rate movements) as opposed to factors that drive equity prices (i.e., GDP growth). Highly regulated utility stocks are also excluded from all DFA value portfolios because they lack the historical value premium associated with the value market segment. In addition, Utilities have limited upside due to their regulated nature.

Sector allocations can differ meaningfully from the core index given the primary focus on valuation, however the maximum allocation relative to the market cap neutral index is +10%.

The strategy does not invest in emerging markets given its use of the MSCI World ex US Index as opposed to the MSCI All Country World ex US Index.

The strategy offers one of the lowest fees in the peer group at under 30 basis points.

Recommendation Summary

We recommend DFA International Value Equity as an inexpensive, diversified developed international equity allocation for both defined benefit and defined contribution plans. The simplified quantitative approach provides for a total market solution focused on exploiting long-term market premiums in a cost-effective manner. The portfolio is diversified across countries and securities (over 500 holdings) with historical average tracking error typically between 2% and 4% yet with long-term positive alpha net of fees. The value bias has historically resulted in above-average standard deviation, but has yielded alpha net of fees for patient investors. Given the strategy's lack of emerging markets exposure and its value style, it would work well in a defined benefit plan paired with a growth-biased international strategy that includes an opportunistic allocation to emerging equities and/or with a dedicated diversified emerging markets strategy. We would not recommend it as a sole international equity option for defined contribution clients given the style tilt.

Firm Overview

Established in 1930, Dodge & Cox (D&C) is one of the country's oldest investment management firms. In its early years, the firm managed assets exclusively for individuals and families but began to work with institutional clients in the 1960s.

D&C is an independent investment firm owned by approximately one-third of its active employees. The firm operates out of a single investment office in San Francisco. D&C's independence allows it to make business decisions that it believes to be in clients' long-term best interest. D&C manages around \$365 billion in client assets within three primary broad asset classes: US Equity, International Equity, and Fixed Income.

Team Overview

The six-member International Investment Policy Committee (IIPC) makes all decisions on the International Equity strategy. The IIPC is comprised of senior portfolio managers and analysts and is led by Director of International Equity Ray Mertens, who has been with D&C since 2003. Other members of the IIPC include PM/Analysts Mario DiPrisco (1998), Roger Kuo (1998), Ke ko Horkan (2000), Englebert Bangayan (2002), and Paritosh Somani (2007). The IIPC meets at least once a week in order to evaluate individual securities, approve transactions and weighting recommendations, review portfolio diversification, and oversee implementation of the investment strategy. The team attempts to reach consensus on the merits of a particular recommendation. Each member has the opportunity to provide his or her input equally.

Strategy Overview

Dodge & Cox's philosophy is built on traditional valuation investment principles that have been employed since the founding of the firm. The firm believes if the team conducts intense, bottom-up company research and builds a diversified portfolio of stocks trading at a substantial discount to their long-term profit opportunities, investors will gain a solid premium over a three- to five-year time period.

The process begins with the industry analysts' idea generation, which can come from a variety of sources including, but not limited to: industry conferences, news, industry publications, valuation screens, annual reports and company management itself. Typical screens include price-to-earnings, price-to-sales, and price-to-cash flow ratios. The due diligence process involves creating cash flow, balance sheet and income statement models for each company forecasted out three-to-five years. In order to build these models with the most accurate data, the analyst visits each company and meets with the management teams. In addition, he/she talks with competitors, customers and suppliers to develop a 360-degree assessment of the company. The investment process is collegial/collaborative so analysts and portfolio managers are engaged in communication during the entire due diligence process. Once a company has been completely vetted and the analyst is ready to recommend, a written report and oral presentation are given to the International Investment Policy Committee. The IIPC has final decision-making authority on buys and sells and on final portfolio construction. The Fund typically holds 70-100 stocks, with cash under 10% in most market conditions. Emerging equity exposure has no stated maximum and historically has typically been in the range of 15-25%. Currency hedging is utilized rarely and only for defensive purposes. Average annual portfolio turnover is low, at around 20%.

Expectations

We would expect the Fund to outperform the core benchmark in value-driven markets and recovery-type markets (e.g., 2003 and 2009). In addition, given the Fund tends to have a sizeable weighting to emerging market equities historically, we would expect it to perform well when EM outperforms.

In the past 10 years, the Fund has shown a few specific periods of underperformance where global macroeconomic concerns led to equity market declines (the largest of these, not surprisingly, was 2008). In general, we would expect market environments where fundamentals, including valuation and future growth prospects, do not matter to be challenging for the Fund.

Points to Consider

The fund closed to new investors in early 2015, however reopened in May 2019 given outflows. AUM peaked in 2015 at nearly \$70B, but decreased to under \$50B when the fund reopened.

D&C opportunistically invests in small/mid cap companies, which has been a source of alpha in the past. Given the larger asset base, D&C International must hold a large percentage of the outstanding shares of smaller companies even if they are a small percentage of the Fund. For example, the Fund was one of the largest mutual fund holders of Weatherford International, holding 3.5% of outstanding shares even though it was only a three basis point position. While D&C utilizes a long-term investment horizon and has the patience to ride through short-to-medium term declines, concentration of positions is an issue to be aware of nonetheless.

Diana Strandberg, formerly Senior Vice President and Director of International Equity, retired on December 31, 2022 after 35 years with D&C. The firm uses a team-based approach for decision making and the remaining six members of the International Committee remain in place, all of which are very tenured. The firm has done a good job building succession into the team and we do not believe Strandberg's retirement will have an outsized impact on the strategy.

Recommendation Summary

We recommend D&C International Equity for clients with multiple international developed equity managers given its strong value-style bias and high tracking error. D&C works well when paired with either a core international diversified or concentrated international growth strategy. It is appropriate for clients to utilize the strategy on a standalone basis for an international equity allocation as long as the clients are aware that its performance pattern is likely to be very different from the index.

Clients should be willing and able to rebalance into and out of D&C International during extreme relative performance periods since we expect the long-term performance pattern to differ significantly from the index given its benchmark agnostic make up.

Firm Overview

U.S. Boston Capital Corporation, distributor of the Pear Tree Funds, was established in 1969 as an independent, privately-owned company providing wealth management services to high net worth clients. The fund is subadvised by Polaris Capital Management, a 100% employee-owned investment management firm headquartered in Boston. Polaris was founded in 1995 by Bernard Horn. The firm oversees assets of over \$10 billion across global and international equity strategies. Horn owns a majority of the firm's equity shares, with the remainder split across five other senior members of the firm (Sumanta Biswas, Bio Xiao, Jason Crawshaw, Andry Sutanto, and Kathleen Jacobs).

Team Overview

The team is headed by Founder/President/PM Bernard Horn who started in the investment industry in 1980. On this strategy, he is supported by three Assistant PMs (Crawshaw, Biswas and Xiao) and four analysts (Sutanto, Samuel Horn, Alexis Horn-Snyder, and Kenneth Kim). The Assistant PMs average almost 20 years in the industry, while the analysts average seven years. In addition, part-time analyst Eleanor Marsh serves as additional support for Japan equity research.

Polaris analysts and PMs are generalists and participate in all aspects of the research process and decision-making related to portfolio investments. The team works as a whole and comes to consensus based on collaborative work in regular investment meetings and individual research. By using this process, the team strives to strike a balance between the benefits of both team and individual contribution. Deliberate focus has been given to cross training efforts with the investment team as well as delegation of decision making responsibilities from Mr. Horn to the Assistant PMs.

Strategy Overview

The International Equity team at Polaris believes companies exist to generate cash flow for shareholders and that superior returns can be generated by purchasing the most undervalued streams of free cash flow.

Using proprietary valuation criteria, the team regularly screens a universe of approximately 33,000 companies. This screening process produces a list of companies with the greatest potential for undervalued streams of sustainable cash flow or assets, regardless of the companies' industry or location. The model ranks country and industry "value" sectors, providing a matrix for finding the best values in the world and identifying the most undervalued industries in the most undervalued countries. The team's primary time commitment is intensive fundamental research of each buy candidate. Polaris' portfolio managers and analysts analyze company financials, examine a company's suppliers, customers and competitors, and communicate with company managers. Contact with company managers is important in identifying managers who will help their companies realize their inherent value.

The team purchases stocks when catalysts are visible and likely to impact the stock in the near term. The team uses a discount rate to value each potential investment. The discount rate, the Global Cost of Equity, is Polaris' required rate of return for each stock. It is the sum of three components: long term average return of a global index fund (assumed to be 6% after inflation), 2% active management premium (required alpha), and country risk premium.

The maximum position size in any one holding is 5% of the portfolio's market value. Because the portfolio consists of 50-80 equally weighted holdings, position sizes rarely approach this limit. Sector and country weightings are solely determined from bottom-up stock selection. The strategy seeks the best values regardless of location, so the portfolio can allocate up to 25% in emerging markets or be completely devoid of exposure.

Expectations

We would expect the strategy to generally outperform in markets that reward return to free cash flow as a determination of value after having temporarily disregarded it. The strategy performs best coming out of a major market decline (e.g., 2009) since these markets present the best buying opportunities.

We would expect the strategy to underperform in markets that have no regard for a company's free cash flow; these markets are typically characterized by overvaluation. In addition, markets that exhibit a flight to cash are likely to be tough for Polaris (e.g., 2008).

Points to Consider

Polaris has targeted firm-wide capacity at \$12-15 billion. Assets are currently in this range so they are being choosy with any new separate account business. Horn stated that he believes this is a very conservative level, but he wants to allow continued flexibility for the team to dip down in market cap when there exist attractive opportunities.

Alexis Horn-Snyder is Bernard Horn's daughter and Samuel Horn is his son. Both are analysts on the team. While we tend to frown on nepotism, both bring strong qualifications to the table and neither were handed equity ownership. Prior to joining Polaris, Horn-Snyder was a financial analyst for the Federal Housing Finance Agency and a research associate at Washington Analysis where she published analyses on healthcare and energy companies. Samuel Horn had prior experience as an accountant before joining the team as a back office (including trading and client service) assistant in 2012. In mid-2014 he took educational leave to study at MIT for his MBA. He re-joined the firm post graduation in August 2016.

Cash may temporarily creep up over 5% at times when the team struggles to find attractively valued investments to replace stocks that they are selling.

Recommendation Summary

We recommend Polaris International Equity for plans in which the strategy can be paired with other international equity investments given its stock-level concentration and value-style bias. Polaris works well when paired with either a core international diversified or concentrated international growth strategy. The team opportunistically allocates to emerging equities, with a typical allocation of between 10% and 25%.

The fund is managed by an experienced and capable global investment team via a bottom-up, disciplined, focused process. While Bernard Horn is the leader of the team, we believe he has done an excellent job of instilling the Polaris philosophy/process throughout the entire team. Given the index-agnostic nature of the portfolio, clients should expect high tracking error versus the index from year to year. Clients will be best-served by exhibiting patience with the fund and managing the allocation around extreme relative performance periods. In other words, contributing additional capital to the strategy after period(s) of strong underperformance and vice versa.

Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.

Batting Average – A measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period.

Best Quarter- This is the highest quarterly (3 month) return of the investment since its inception.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Down Period Percent - Number of months below 0 divided by the total number of months.

Downmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance.

Downside Std Dev - This measures only deviations below a specified benchmark.

Excess Return- This is a measure of an investment's return in excess of a benchmark.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the excess rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Longest Down-Streak Return - Return for the longest series of negative monthly returns.

Longest Down-Streak # of Periods - Longest series of negative monthly returns.

Longest Up-Streak Return - Return for the longest series of positive monthly returns.

Longest Up-Streak - Longest series of positive monthly returns.

Kurtosis - Kurtosis indicates the peakedness of a distribution. For normal distribution, Kurtosis is 3.

Max Drawdown - The peak to trough decline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak to the trough.

Max Drawdown # of Periods - This is the number of months that encompasses the max drawdown for an investment.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Skewness - Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution

is symmetric with skewness 0.

Sortino Ratio - The Sortino Ratio is similar to Sharpe Ratio except it uses downside risk (Downside Deviation) in the denominator. It was developed in early 1980's by Frank Sortino. Since upside variability is not necessarily a bad thing, Sortino ratio is sometimes more preferable than Sharpe ratio.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Tracking Error - This is a measure of the standard deviation of a portfolio's excess returns versus its designated market benchmark.

Treynor Ratio - Similar to Sharpe Ratio, Treynor Ratio is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. Unlike Sharpe Ratio, Treynor Ratio utilizes "market" risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio.

Up period Percent - Number of months above 0 divided by the total number of months.

Upmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

Value-Growth Score - Morningstar assigns an Overall Value score and an Overall Growth score to each stock within a fund. Morningstar then calculates a net value-core-growth score for each stock by subtracting the stock's Overall Value score from its Overall Growth score. Once this is done, these raw scores are rescaled to range between -100 to 400 in order to fit within the Morningstar Style Box. Scores below 67 are classified as value, scores above 233 are classified as growth, and scores between 67 and 233 fit within the core boundaries.

Worst Quarter - This is the lowest quarterly (3 month) return of the investment since its inception.

IMPORTANT DISCLOSURE INFORMATION

This material is confidential and not intended for distribution to the public. AndCo Consulting (“AndCo”) compiled this report for the sole use of the client for which it was prepared. AndCo uses the material contained in this evaluation to make observations and recommendations to the client, however the strategies listed may not be suitable for all investors and there is no guarantee that the strategies listed will be successful. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities for investment consulting, or investment management analysis services. Additionally, the analysis provided, while generally comprehensive, is not intended to provide complete information on each of the management organizations or their underlying strategies. Please refer to their respective prospectus for complete terms, including risks and expenses.

Performance data is provided for historical and informational purposes only. Where applicable, results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Returns are typically stated net of fees, which may include: investment advisory fees, taxes and other expenses. There may be instances where certain returns are shown gross of fees (i.e., *before* the aforementioned fees are deducted) and would be noted as such. Generally, there are two instances where returns may be shown as gross figures. In the case of separate accounts, typically returns are demonstrated as gross of fees due to the fact that the fee structure would generally vary widely depending on the client’s size and circumstances. Additionally, there are instances where a strategy vehicle is relatively new and does not have a sufficiently long track record to represent a viable comparison relative to other strategies. Accordingly, the returns for the separate account version of such a strategy could be used as demonstrative of the performance for a similar vehicle; separate account returns are generally shown as gross of fees. It is important to note that any such separate accounts being used as a “proxy” are strictly for illustrative purposes. An investor should not expect the same results from the actual strategy(ies) under consideration. When client-specific performance is shown, AndCo uses time-weighted calculations, which are founded on standards recommended by the CFA Institute. In these cases, the performance-related data shown are based on information that is received from custodians. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement.

RISK FACTORS

THE RISK DISCLOSURES HEREIN DO NOT PURPORT TO COVER ALL RISKS, PLEASE REFER TO THE RESPECTIVE PROSPECTUSES FOR COMPLETE INFORMATION.

As presented in this report, although investing in international equities can be beneficial, it is also important to consider the associated risks. Investing in international equities may not be suitable for all investors. Prospective investors should be aware of the risks in investing in non-U.S. securities. Securities of issuers domiciled outside of the U.S. may lose value because of adverse political, social and economic factors in those countries. Non-U.S. securities carry special risks such as less developed or less efficient trading markets, political instability and differing auditing and legal standards. Additionally, international equities experience emerging market risk. Emerging market countries can generally have economic structures that are less diverse and mature, and political systems that are less stable, than those of developed countries. The primary other risk factors which affect international equities include, but are not limited to: market risk, issuer risk, foreign currency risk and liquidity risk. Depending on the specific strategy, there many additional considerations such as the risks associated with equity investing.

SOURCING

Information is based on sources and data believed to be reliable, but AndCo cannot guarantee the accuracy, adequacy or completeness. The information provided is valid as of the date of distribution or the as-of date indicated and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after such date.

This document may contain data provided by Morningstar. All rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted 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, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is not guarantee of future results.

This document may contain data provided by Bloomberg. Bloomberg Barclays Index Data provided by way of Barclays Live.

This document may contain data provided by Standard and Poor’s. Nothing contained within any document, advertisement or presentation from S&P Indices constitutes an offer of services in jurisdictions where S&P Indices does not have the necessary licenses. All information provided by S&P Indices is impersonal and is not tailored to the needs of any person, entity or group of persons. Any returns or performance provided within any document is provided for illustrative purposes only and does not demonstrate actual performance.

This document may contain data provided by MSCI, Inc. Copyright MSCI, 2012. Unpublished. All Rights Reserved. This information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used to create any financial instruments or products or any indices. This information is provided on an “as is” basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and MSCI, its affiliates and each such other person hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating his information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

This document may contain data provided by Russell Investment Group. Russell Investment Group is the source owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a user presentation of the data. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof.



Clients first.



CHICAGO | CLEVELAND | DALLAS | DETROIT | ORLANDO | PITTSBURGH | RENO

AndCo Consulting | (844) 44-ANDCO | AndCoConsulting.com

MEMORANDUM

To: Board of Trustees
From: Klausner, Kaufman, Jensen & Levinson
Subject: Maintaining Internal Controls to Protect Against Fraud and Abuse
Date: December 2022

Background

In November of 2022, the long-time administrator of a South Florida pension fund was arrested, charged with theft of pension fund assets, and related offenses. The administrator was immediately terminated from his employment. The Board of Trustees for the pension fund made a formal demand for a return of allegedly fraudulent paid benefits. Additionally, the Board recently filed a damages action against the administrator to recover the assets of the fund and continues to investigate the scope of the alleged theft.

Below please find several recommendations for pension Board of Trustees to adopt to help guard against fraud and misuse of pension funds. While there is no guaranteed solution, implementing the below recommendations will add an extra layer of protection in safeguarding the pension plan's assets.

Recommendations

(1) Separate Out Duties to Ensure No One Person has Control Over All Parts of a Financial Transaction

- Separate the functions of initiating a transaction, approving a transaction, and recording a transaction.
- Separate receipt and deposit functions from record keeping functions, such as recording transactions and reconciling accounts.
- Ensure that the same person is not authorized to write and sign a check.
- Ensure that the same person approving payroll is not the same person who sends benefit payments or approves a return of contributions.
- Ensure that individuals take vacation and time off throughout the year.
- If the office is so small that it is difficult to separate duties, require an independent check of the work being done by a designated Trustee.

(2) Perform Periodic Reviews. Include Reviews of the Following:

- Review direct deposit account numbers;
- Examine expense reports, transaction reports, credit card charges, and other bills periodically to determine whether charges are appropriate and related to pension fund business;
- Perform periodic reconciliations of bank accounts;
 - Require the reconciliation be completed by a separate person who does not have bookkeeping responsibilities.

(3) Implement Layers of Security Controls

- Require dual signatures for financial transactions, benefit approvals, contracting, handling assets, and return of contributions.
 - Consider requiring that at least one Trustee should be one of the required dual signatories.
 - If not administratively feasible for a Trustee to sign a document, consider asking the Chair in writing via a form to approve the signatures of two administrators for each transaction.
- Implement a two-factor authentication system for when a member asks to change his or her deposit information or his or her address. Require the Administrator call back the member with the number the Administrator has on file to confirm the change of information.
- Have contact information (including a cell phone number and email address) on file for each member, beneficiary, and retiree.
- Have emergency contact info (including a cell phone number and email address) on file for each retiree and surviving beneficiary.

(4) Prepare Financial Policies and Procedures in Writing and Obtain the Board of Trustees Approval. Include Policies and Procedures for the Following:

- Benefit and return of contribution approvals;
- Expense and travel reimbursements;
- Petty cash;
- Purchasing guidelines;
- Confirming the legitimacy of durable powers of attorney (DPOA) to ensure that the named agent is still performing the required functions;
 - Consider using an affidavit for each time a DPOA is utilized to ensure that the agent's authority has not been suspended and is acting within the scope of his or her authority.
- Confirming changes in survivorship designations, address changes, and direct deposit changes.

(5) Utilize Subscription Based Services to Perform Death Checks

- Subscribe to a service that provides monthly reports on deaths through the Social Security Administration Death Master List.

(6) Use an Independent Auditor to Conduct Annual Audits

- Require the Auditor to perform death checks of retirees and beneficiaries.
- Ask the auditor to ask for a list from the Administrator of all the members who changed their banking info during the course of the year.
 - As part of their sampling, ask auditor to verify changes with members directly.
- Consider conducting standalone audits, separate and apart from the City's/Town's audit.

(7) Perform a Self-Evaluation of Your Internal Controls

- Conduct an annual review of policies, procedures, and training materials that pertain to internal controls.
- Test controls frequently to ensure they are working as designed.



MEMORANDUM

To: Board of Trustees

From: Klausner, Kaufman, Jensen & Levinson

Re: SECURE 2.0 Act

Date: January 5, 2023

On December 29, 2022, as part of the federal government's year-end spending deal, President Biden signed into law the Consolidated Appropriations Act of 2023, which contains tax-related retirement legislation, commonly known as the SECURE 2.0 Act of 2022. The goal of the legislation is improved retirement savings opportunities for workers. This memo will highlight important amendments relevant to public safety officers and governmental plans.

Public Safety Officers

- Under current law, there is an exclusion for gross income (\$3,000) for a distribution from a governmental retirement plan to a public safety officer to pay for his or her health insurance premiums. The exclusion requires that the premiums must be deducted from pension checks and paid by retirement systems directly to insurers for retirees to qualify for a tax exclusion. The SECURE 2.0 Act repeals these direct payment requirements.
- Effective for amounts received in taxable years beginning after December 31, 2026, the SECURE 2.0 Act permits first responders to exclude service-connected disability pension payments from gross income after reaching retirement age.
- Currently, the 10 percent additional tax on early distributions from tax preferred retirement savings plans does not apply to a distribution from a governmental plan to public safety officers who are at least 50 years old. The SECURE 2.0 Act extends this exemption to public safety officers with at least 25 years of service with the employer sponsoring the plan. Therefore, a distribution from a governmental plan that is made to a qualified public safety officer after separation from service after attainment of age 50 or 25 years of service under the plan is exempt from the early withdrawal tax.
- Additionally, SECURE 2.0 expands the definition of a qualified public safety employee to also include any employee of a State or political subdivision who provides services as a corrections officer.

Required Minimum Distributions

- Under current law, participants are generally required to begin taking distributions from their retirement plans at age 72. The SECURE 2.0 Act further increases the required minimum distribution age to 73 starting on January 1, 2023, and increase the age to 75 starting on January 1, 2033.
- Additionally, the SECURE 2.0 Act reduces the penalty for failure to take required minimum distributions from 50 to 25 percent. If the failure is corrected in a timely manner, the penalty is further reduced from 25 to 10 percent.

Defined Benefit Retirement Plans

- SECURE 2.0 Act extends the ability of an employer to use assets from an overfunded pension plan to pay retiree health and life insurance benefits from December 31, 2025 to December 31, 2032.

Please also find attached a section-by-section breakdown of all provisions of the SECURE 2.0 Act.

SECURE 2.0 Act of 2022

As included in Division T of the “Consolidated Appropriations Act, 2023”

Title I – Expanding Coverage and Increasing Retirement Savings

Section 101, Expanding automatic enrollment in retirement plans. One of the main reasons many Americans reach retirement age with little or no savings is that too few workers are offered an opportunity to save for retirement through their employers. However, even for those employees who are offered a retirement plan at work, many do not participate. But automatic enrollment in 401(k) plans – providing for people to participate in the plan unless they take the initiative to opt out – significantly increases participation. Since first defined and approved by the Treasury Department in 1998, automatic enrollment has boosted participation by eligible employees generally, and particularly for Black, Latinx, and lower-wage employees. An early study found that adoption of automatic enrollment increased participation in a 401(k) plan by short-tenure Latinx employees from 19 percent to 75 percent. An Ariel/Aon-Hewitt study found that, in plans using automatic enrollment, “[t]he most dramatic increases in enrollment rates are among younger, lower-paid employees, and the racial gap in participation rates is nearly eliminated among employees subject to auto-enrollment.”

Section 101 requires 401(k) and 403(b) plans to automatically enroll participants in the respective plans upon becoming eligible (and the employees may opt out of coverage). The initial automatic enrollment amount is at least 3 percent but not more than 10 percent. Each year thereafter that amount is increased by 1 percent until it reaches at least 10 percent, but not more than 15 percent. All current 401(k) and 403(b) plans are grandfathered. There is an exception for small businesses with 10 or fewer employees, new businesses (i.e., those that have been in business for less than 3 years), church plans, and governmental plans. Section 101 is effective for plan years beginning after December 31, 2024.

Section 102, Modification of credit for small employer pension plan startup costs. The 3-year small business startup credit is currently 50 percent of administrative costs, up to an annual cap of \$5,000. Section 102 makes changes to the credit by increasing the startup credit from 50 percent to 100 percent for employers with up to 50 employees. Except in the case of defined benefit plans, an additional credit is provided. The amount of the additional credit generally will be a percentage of the amount contributed by the employer on behalf of employees, up to a per-employee cap of \$1,000. This full additional credit is limited to employers with 50 or fewer employees and phased out for employers with between 51 and 100 employees. The applicable percentage is 100 percent in the first and second years, 75 percent in the third year, 50 percent in the fourth year, 25 percent in the fifth year – and no credit for tax years thereafter. Section 102 is effective for taxable years beginning after December 31, 2022.

Section 103, Saver’s Match. Current law provides for a nonrefundable credit for certain individuals who make contributions to individual retirement accounts (“IRAs”), employer retirement plans (such as 401(k) plans), and ABLE accounts. Section 103 repeals and replaces the credit with respect to IRA and retirement plan contributions, changing it from a credit paid in cash as part of a tax refund into a federal matching contribution that must be deposited into a taxpayer’s IRA or retirement plan. The match is 50 percent of IRA or retirement plan contributions up to \$2,000 per individual. The match phases out between \$41,000 and \$71,000 in the case of taxpayers filing a joint return (\$20,500 to \$35,500 for single taxpayers and married filing separate; \$30,750

to \$53,250 for head of household filers). Section 103 is effective for taxable years beginning after December 31, 2026.

Section 104, Promotion of Saver’s Match. Section 104 directs the Treasury Department to increase public awareness of the Saver’s Match to increase use of the match by low and moderate income taxpayers. The promotion will make clear that the Saver’s Match cannot be withdrawn without incurring penalties, including repayment to the Treasury Department in some cases where the Saver’s Match is withdrawn from an individual retirement account before retirement. Taxpayers will have an election to designate a retirement account to receive the repaid Saver’s Match. The Treasury Secretary must report to Congress on the Treasury Department’s anticipated promotion efforts no later than July 1, 2026.

Section 105, Pooled employer plan modification. Section 105 clarifies that a pooled employer plan (“PEP”) may designate a named fiduciary (other than an employer in the plan) to collect contributions to the plan. Such fiduciary would be required to implement written contribution collection procedures that are reasonable, diligent, and systematic. Section 105 is effective for plan years beginning after December 31, 2022.

Section 106, Multiple employer 403(b) plans. Multiple employer plans (“MEPs”) provide an opportunity for small employers to band together to obtain more favorable retirement plan investment results and more efficient and less expensive management services. The Setting Every Community Up for Retirement Enhancement Act of 2019 (“SECURE Act”) made MEPs more attractive by eliminating outdated barriers to the use of MEPs and improving the quality of MEP service providers. Section 106 allows 403(b) plans, which are generally sponsored by charities, educational institutions, and non-profits, to participate in MEPs and PEPs, including relief from the one bad apple rule so that the violations of one employer do not affect the tax treatment of employees of compliant employers. Section 106 is effective for plan years beginning after December 31, 2022.

Section 107, Increase in age for required beginning date for mandatory distributions. Under current law, participants are generally required to begin taking distributions from their retirement plans at age 72. The policy behind this rule is to ensure that individuals spend their retirement savings during their lifetime and not use their retirement plans for estate planning purposes to transfer wealth to beneficiaries. The SECURE Act of 2019 increased the required minimum distribution age to 72. Section 107 further increases the required minimum distribution age further to 73 starting on January 1, 2023 – and increases the age further to 75 starting on January 1, 2033.

Section 108, Indexing IRA catch-up limit. Under current law, the limit on IRA contributions is increased by \$1,000 (not indexed) for individuals who have attained age 50. Section 108 indexes such limit and is effective for taxable years beginning after December 31, 2023.

Section 109, Higher catch-up limit to apply at age 60, 61, 62, and 63. Under current law, employees who have attained age 50 are permitted to make catch-up contributions under a retirement plan in excess of the otherwise applicable limits. The limit on catch-up contributions for 2021 is \$6,500, except in the case of SIMPLE plans for which the limit is \$3,000. Section 109 increases these limits to the greater of \$10,000 or 50 percent more than the regular catch-up amount in 2025 for individuals who have attained ages 60, 61, 62 and 63. The increased amounts are indexed for inflation after 2025. Section 109 is effective for taxable years beginning after December 31, 2024.

Section 110, Treatment of student loan payments as elective deferrals for purposes of matching contributions. Section 110 is intended to assist employees who may not be able to save for retirement because they are overwhelmed with student debt, and thus are missing out on available matching contributions for retirement plans. Section 110 allows such employees to receive those matching contributions by reason of repaying their student loans. Section 110 permits an employer to make matching contributions under a 401(k) plan, 403(b) plan, or SIMPLE IRA with respect to “qualified student loan payments.” A qualified student loan payment is broadly defined as any indebtedness incurred by the employee solely to pay qualified higher education expenses of the employee. Governmental employers are also permitted to make matching contributions in a section 457(b) plan or another plan with respect to such repayments. For purposes of the nondiscrimination test applicable to elective contributions, Section 110 permits a plan to test separately the employees who receive matching contributions on student loan repayments. Section 110 is effective for contributions made for plan years beginning after December 31, 2023.

Section 111, Application of credit for small employer pension plan startup costs to employers which join an existing plan. Section 111 ensures the startup tax credit is available for 3 years for employers joining a MEP, regardless of how long the MEP has been in existence. Under both pre- and post-SECURE Act law, the startup tax credit only applies for the first 3 years that a plan is in existence. For example, if a small business joins a MEP that has already been in existence for 3 years, the startup credit is not available. If, for example, the MEP has been in existence for 1 or 2 years when a small business joins, the small business may be able to claim the credit for 1 or 2 years, respectively. Section 111 fixes this issue so that employers joining a MEP (which includes PEPs) are eligible for the credit for all 3 years. Section 111 is effective retroactively for taxable years beginning after December 31, 2019.

Section 112, Military spouse retirement plan eligibility credit for small employers. Military spouses often do not remain employed long enough to become eligible for their employer’s retirement plan or to vest in employer contributions. Section 112 provides small employers a tax credit with respect to their defined contribution plans if they (1) make military spouses immediately eligible for plan participation within two months of hire, (2) upon plan eligibility, make the military spouse eligible for any matching or nonelective contribution that they would have been eligible for otherwise at 2 years of service, and (3) make the military spouse 100 percent immediately vested in all employer contributions. The tax credit equals the sum of (1) \$200 per military spouse, and (2) 100 percent of all employer contributions (up to \$300) made on behalf of the military spouse, for a maximum tax credit of \$500. This credit applies for 3 years with respect to each military spouse – and does not apply to highly compensated employees. An employer may rely on an employee’s certification that such employee’s spouse is a member of the uniformed services. Section 112 is effective for taxable years beginning after the date of enactment of this Act.

Section 113, Small immediate financial incentives for contributing to a plan. Under current law, employers may provide matching contributions as a long-term incentive for employees to contribute to a 401(k) plan. However, immediate financial incentives (like gift cards in small amounts) are prohibited even though individuals may be especially motivated by them to join their employers’ retirement plans. Section 113 enables employers to offer de minimis financial incentives, not paid for with plan assets, such as low-dollar gift cards, to boost employee participation in workplace retirement plans by exempting de minimis financial incentives from

section 401(k)(4)(A) and from the corresponding rule under section 403(b). Section 113 is effective for plan years beginning after the date of enactment of this Act.

Section 114, Deferral of tax for certain sales of employer stock to employee stock ownership plan sponsored by S corporation. Under section 1042 of the Internal Revenue Code (“Code”), an individual owner of stock in a non-publicly traded C corporation that sponsors an employee stock ownership plan (“ESOP”) may elect to defer the recognition of gain from the sale of such stock to the ESOP if the seller reinvests the sales proceeds into qualified replacement property, such as stock or other securities issued by a U.S. operating corporation. After the sale, the ESOP must own at least 30 percent of the employer corporation’s stock. Section 114 expands the gain deferral provisions of Code section 1042 with a 10 percent limit on the deferral to sales of employer stock to S corporation ESOPs. Section 114 is effective for sales made after December 31, 2027.

Section 115, Withdrawals for certain emergency expenses. Generally, an additional 10 percent tax applies to early distributions from tax-preferred retirement accounts, such as 401(k) plans and IRAs, unless an exception applies. Section 115 provides an exception for certain distributions used for emergency expenses, which are unforeseeable or immediate financial needs relating to personal or family emergency expenses. Only one distribution is permissible per year of up to \$1,000, and a taxpayer has the option to repay the distribution within 3 years. No further emergency distributions are permissible during the 3 year repayment period unless repayment occurs. Section 115 is effective for distributions made after December 31, 2023.

Section 116, Allow additional nonelective contributions to SIMPLE plans. Current law requires employers with SIMPLE plans to make employer contributions to employees of either 2 percent of compensation or 3 percent of employee elective deferral contributions. Section 116 permits an employer to make additional contributions to each employee of the plan in a uniform manner, provided that the contribution may not exceed the lesser of up to 10 percent of compensation or \$5,000 (indexed). Section 116 is effective for taxable years beginning after December 31, 2023.

Section 117, Contribution limit for SIMPLE plans. Under current law, the annual contribution limit for employee elective deferral contributions to a SIMPLE IRA plan is \$14,000 (2022) and the catch-up contribution limit beginning at age 50 is \$3,000. A SIMPLE IRA plan may only be sponsored by a small employer (100 or fewer employees), and the employer is required to either make matching contributions on the first 3 percent of compensation deferred or an employer contribution of 2 percent of compensation (regardless of whether the employee elects to make contributions). Section 117 increases the annual deferral limit and the catch-up contribution at age 50 by 10 percent, as compared to the limit that would otherwise apply in the first year this change is effective, in the case of an employer with no more than 25 employees. An employer with 26 to 100 employees would be permitted to provide higher deferral limits, but only if the employer either provides a 4 percent matching contribution or a 3 percent employer contribution. Section 117 makes similar changes to the contribution limits for SIMPLE 401(k) plans. Section 117 is effective for taxable years beginning after December 31, 2023. The Secretary of Treasury shall report to Congress on data related to SIMPLE IRAs by December 31, 2024, and annually thereafter.

Section 118, Tax treatment of certain nontrade or business SEP contributions. Section 118 permits employers of domestic employees (e.g., nannies) to provide retirement benefits for such employees under a Simplified Employee Pension (“SEP”). Section 118 is effective for taxable years beginning after date of enactment of this Act.

Section 119, Application of section 415 limit for certain employees of rural electric cooperatives. Under current law, section 415 generally limits the amount that may be paid by a pension plan in annual benefits to a participant to the lesser of \$245,000 (2022) or 100 percent of the participant’s average compensation. Section 119 eliminates the compensation-based limit for participants who are non-highly compensated employees and participate in a rural electric cooperative retirement plan. Section 119 is effective for limitation years ending after the date of enactment of this Act.

Section 120, Exemption for certain automatic portability transactions. Under current law, an employer is permitted to distribute a participant’s account balance without participant consent if the balance is under \$5,000 and the balance is immediately distributable (e.g., after a termination of employment). Current law also requires an employer to roll over this distribution into a default IRA if the account balance is at least \$1,000 and the participant does not affirmatively elect otherwise. Section 120 permits a retirement plan service provider to provide employer plans with automatic portability services. Such services involve the automatic transfer of a participant’s default IRA (established in connection with a distribution from a former employer’s plan) into the participant’s new employer’s retirement plan, unless the participant affirmatively elects otherwise. Section 120 is effective for transactions occurring on or after the date which is 12 months after the date of enactment of this Act.

Section 121, Starter 401(k) plans for employers with no retirement plan. Section 121 permits an employer that does not sponsor a retirement plan to offer a starter 401(k) plan (or safe harbor 403(b) plan). A starter 401(k) plan (or safe harbor 403(b) plan) would generally require that all employees be default enrolled in the plan at a 3 to 15 percent of compensation deferral rate. The limit on annual deferrals would be the same as the IRA contribution limit, which for 2022 is \$6,000 with an additional \$1,000 in catch-up contributions beginning at age 50. Section 121 is effective for plan years beginning after December 31, 2023.

Section 122, Assist States in locating owners of applicable savings bonds. To facilitate efforts to locate the owners of matured and unredeemed savings bonds, Section 122 requires the Treasury Secretary to share certain relevant information with a state that relates to an applicable savings bond registered to an owner with a last known or registered address in that state. The state is permitted to use that information to locate the registered owner in accordance with the state’s standards for recovery of abandoned property. Section 122 further requires the Treasury Secretary to develop guidance as may be necessary to carry out the proper disclosure and protection of such information. The Treasury Secretary also is required to submit to the Senate Appropriations and Finance Committees and House Appropriations and Ways and Means Committees an annual report assessing its efforts to provide states with information on unclaimed savings bonds. Section 122 is effective on the date of enactment of this Act.

Section 123, Certain securities treated as publicly traded in case of employee stock ownership plans. Section 123 updates certain ESOP rules related to whether a security is a “publicly traded employer security” and “readily tradeable on an established securities market.” Section 123 allows certain non-exchange traded securities to qualify as “publicly traded employer securities” so long as the security is subject to priced quotations by at least four dealers on a Securities and Exchange Commission-regulated interdealer quotation system, is not a penny stock and is not issued by a shell company, and has a public float of at least 10 percent of outstanding shares. For securities issued by domestic corporations, the issuer must publish annual audited financial statements.

Securities issued by foreign corporations are subject to additional depository and reporting requirements. The updated definitions in Section 123 will allow highly regulated companies with liquid securities that are quoted on non-exchange markets to treat their stock as “public” for ESOP purposes, thus making it easier for these companies to offer ESOPs to their U.S. employees. Section 123 is effective for plan years beginning after December 31, 2027.

Section 124, Modification of age requirement for qualified ABLE programs. Current law allows states to create qualified ABLE programs, which are tax-advantaged savings programs for certain people with disabilities. Distributions from an ABLE account are tax-free if used for qualified disability expenses of the account’s designated beneficiary. Section 124 increases the age by which blindness or disability must occur for an individual to be an eligible individual by reason of such blindness or disability for an ABLE program. Section 124 is effective for taxable years beginning after December 31, 2025.

Section 125, Improving coverage for part-time workers. The SECURE Act requires employers to allow long-term, part-time workers to participate in the employers’ 401(k) plans. The SECURE Act provision provides that – except in the case of collectively bargained plans – employers maintaining a 401(k) plan must have a dual eligibility requirement under which an employee must complete either 1 year of service (with the 1,000-hour rule) or 3 consecutive years of service (where the employee completes at least 500 hours of service). Section 125 reduces the 3 year rule to 2 years, effective for plan years beginning after December 31, 2024. Section 125 also provides that pre-2021 service is disregarded for vesting purposes, just as such service is disregarded for eligibility purposes under current law, effective as if included in the SECURE Act to which the amendment relates. This provision also extends the long-term part-time coverage rules to 403(b) plans that are subject to ERISA.

Section 126, Special rules for certain distributions from long-term qualified tuition programs to Roth IRAs. Section 126 amends the Internal Revenue Code to allow for tax and penalty free rollovers from 529 accounts to Roth IRAs, under certain conditions. Beneficiaries of 529 college savings accounts would be permitted to rollover up to \$35,000 over the course of their lifetime from any 529 account in their name to their Roth IRA. These rollovers are also subject to Roth IRA annual contribution limits, and the 529 account must have been open for more than 15 years.

Families and students have concerns about leftover funds being trapped in 529 accounts unless they take a non-qualified withdrawal and assume a penalty. This has led to hesitating, delaying, or declining to fund 529s to levels needed to pay for the rising costs of education. Section 126 eliminates this concern by providing families and students with the option to avoid the penalty, resulting in families putting more into their 529 account. Families who sacrifice and save in 529 accounts should not be punished with tax and penalty years later if the beneficiary has found an alternative way to pay for their education. They should be able to retain their savings and begin their retirement account on a positive note. Section 126 is effective with respect to distributions after December 31, 2023.

Section 127, Emergency savings accounts linked to individual account plans. Though individuals can save on their own, far too many fail to do so. According to a report by the Federal Reserve, almost half of Americans would struggle to cover an unexpected \$400 expense. Many

are forced to tap into their retirement savings. A recent study found that, in the past year, almost 60 percent of retirement account participants who lack emergency savings tapped into their long-term retirement savings, compared to only 9 percent of those who had at least a month of emergency savings on hand. Separating emergency savings from one's retirement savings account will provide participants a better understanding that one account is for short-term emergency needs and the other is for long-term retirement savings, thus empowering employees to handle unexpected financial shocks without jeopardizing their long-term financial security in retirement through emergency hardship withdrawals.

Section 127 provides employers the option to offer to their non-highly compensated employees pension-linked emergency savings accounts. Employers may automatically opt employees into these accounts at no more than 3 percent of their salary, and the portion of an account attributable to the employee's contribution is capped at \$2,500 (or lower as set by the employer). Once the cap is reached, the additional contributions can be directed to the employee's Roth defined contribution plan (if they have one) or stopped until the balance attributable to contributions falls below the cap. Contributions are made on a Roth-like basis and are treated as elective deferrals for purposes of retirement matching contributions with an annual matching cap set at the maximum account balance – i.e., \$2,500 or lower as set by the plan sponsor. The first four withdrawals from the account each plan year may not be subject to any fees or charges solely on the basis of such withdrawals. At separation from service, employees may take their emergency savings accounts as cash or roll it into their Roth defined contribution plan (if they have one) or IRA.

Section 128, Enhancement of 403(b) plans. Under current law, 403(b) plan investments are generally limited to annuity contracts and publicly traded mutual funds. This limitation cuts off 403(b) plan participants – generally, employees of charities and public schools, colleges, and universities– from access to collective investment trusts, which are often used by 401(a) plans to expand investment options for plan participants at a lower overall cost. Section 128 would permit 403(b) custodial accounts to participate in group trusts with other tax-preferred savings plans and IRAs, and would be effective after date of enactment.

Title II – Preservation of Income

Section 201, Remove required minimum distribution barriers of life annuities. Section 201 eliminates certain barriers to the availability of life annuities in qualified plans and IRAs that arise under current law due to an actuarial test in the required minimum distribution regulations. The test is intended to limit tax deferral by precluding commercial annuities from providing payments that start out small and increase excessively over time. In operation, however, the test commonly prohibits many important guarantees that provide only modest benefit increases under life annuities. For example, guaranteed annual increases of only 1 or 2 percent, return of premium death benefits, and period certain guarantees for participating annuities are commonly prohibited by this test. Without these types of guarantees, many individuals are unwilling to elect a life annuity under a defined contribution plan or IRA. Section 201 is effective for calendar years ending after the date of enactment of this Act.

Section 202, Qualifying longevity annuity contracts. In 2014, the Treasury Department published final regulations on qualifying longevity annuity contracts (“QLACs”). QLACs are generally deferred annuities that begin payment at the end of an individual's life expectancy. Because payments start so late, QLACs are an inexpensive way for retirees to hedge the risk of

outliving their savings in defined contribution plans and IRAs. The minimum distribution rules were an impediment to the growth of QLACs in defined contribution plans and IRAs because those rules generally require payments to commence at age 72, before QLACs begin payments. The 2014 regulations generally exempted QLACs from the minimum distribution rules until payments commence. However, due to a lack of statutory authority to provide a full exemption, the regulations imposed certain limits on the exemption that have prevented QLACs from achieving their intended purpose in providing longevity protection. Section 202 addresses these limitations by repealing the 25 percent limit and allowing up to \$200,000 (indexed) to be used from an account balance to purchase a QLAC. Section 202 also facilitates the sales of QLACs with spousal survival rights – and clarifies that free-look periods are permitted up to 90 days with respect to contracts purchased or received in an exchange on or after July 2, 2014. Section 202 is effective for contracts purchased or received in an exchange on the date of enactment of this Act, and the Treasury Secretary must update the relevant regulations within 18 months of the date of enactment of this Act.

Section 203, Insurance-dedicated exchange-traded funds. Exchange-traded funds (“ETFs”) are pooled investment vehicles that are traded on stock exchanges. They are similar to mutual funds, except the shares can be traded throughout the day on the stock market, rather than having to be held until after the market closes. ETFs are widely available through retirement plans, IRAs, and taxable investment accounts. However, outdated Treasury Department regulations have prevented ETFs from being widely available through individual variable annuities. Simply because the regulations were written before ETFs existed, ETFs cannot satisfy the regulatory requirements to be “insurance-dedicated.” Section 203 directs the Treasury Department to update the regulations to reflect the ETF structure to provide that ownership of an ETF’s shares by certain types of institutions that are necessary to the ETF’s structure would not preclude look-through treatment for the ETF, as long as it otherwise satisfies the current-law requirements for look-through treatment. This essentially would facilitate the creation of a new type of ETF that is “insurance-dedicated.” Section 203 is effective for segregated asset account investments made on or after 7 years after the date of enactment of this Act, and directs the Treasury Secretary to update the relevant regulations by that time.

Section 204, Eliminating a penalty on partial annuitization. If a tax-preferred retirement account also holds an annuity, current law requires that the account be bifurcated between the portion of the account holding the annuity and the rest of the account for purposes of applying the required minimum distribution rules. This treatment may result in higher minimum distributions than would have been required if the account did not hold an annuity. Section 204 permits the account owner to elect to aggregate distributions from both portions of the account for purposes of determining minimum distributions and is effective on the date of enactment of this Act. The Treasury Secretary is to update the relevant regulations accordingly.

Title III – Simplification and Clarification of Retirement Plan Rules

Section 301, Recovery of retirement plan overpayments. Sometimes retirees mistakenly receive more money than they are owed under their retirement plans. These mistakes cause problems when they occur over time, and plan fiduciaries later seek to recover the overpayments from unsuspecting retirees. When an overpayment has lasted for years, plans often compel retirees to repay the amount of the overpayment, plus interest, which can be substantial. Even small overpayment amounts can create a hardship for a retiree living on a fixed income. Section 301

allows retirement plan fiduciaries the latitude to decide not to recoup overpayments that were mistakenly made to retirees. If plan fiduciaries choose to recoup overpayments, limitations and protections apply to safeguard innocent retirees. This protects both the benefits of future retirees and the benefits of current retirees. Rollovers of the overpayments also remain valid. Section 301 is effective on the date of enactment of this Act, and further outlines how plan fiduciaries may proceed with respect to determinations made prior to the date of enactment of this Act to seek or not to seek recovery of overpayments.

Section 302, Reduction in excise tax on certain accumulations in qualified retirement plans. Section 302 reduces the penalty for failure to take required minimum distributions from 50 to 25 percent. Further, if a failure to take a required minimum distribution from an IRA is corrected in a timely manner, as defined under this Act, the excise tax on the failure is further reduced from 25 percent to 10 percent. Section 302 is effective for taxable years beginning after the date of enactment of this Act.

Section 303, Retirement savings lost and found. Every year, thousands of people approach retirement but are unable to find and receive the benefits that they earned often because the company they worked for moved, changed its name, or merged with a different company. Similarly, every year there are employers around the country ready to pay benefits to retirees, but they are unable to find the retirees because the former employees changed their names or addresses. Section 303 creates a national online searchable lost and found database for Americans' retirement plans at the Department of Labor ("DOL"). The database will enable retirement savers, who might have lost track of their pension or 401(k) plan, to search for the contact information of their plan administrator. Section 303 directs the creation of the database no later than 2 years after the date of enactment of this Act.

Section 304, Updating dollar limit for mandatory distributions. Under current law, employers may transfer former employees' retirement accounts from a workplace retirement plan into an IRA if their balances are between \$1,000 and \$5,000. Section 307 increases the limit from \$5,000 to \$7,000, effective for distributions made after December 31, 2023.

Section 305, Expansion of Employee Plans Compliance Resolution System. Because of the ever growing complexity of retirement plan administration, Section 305 expands the Employee Plans Compliance Resolution System ("EPCRS") to (1) allow more types of errors to be corrected internally through self-correction, (2) apply to inadvertent IRA errors, and (3) exempt certain failures to make required minimum distributions from the otherwise applicable excise tax. For example, Section 305 allows for correction of many plan loan errors through self-correction, which are a frequent area of error and can be burdensome to correct a single loan error through the Internal Revenue Service. Section 305 is effective on the date of enactment of this Act. Any guidance or revision of guidance required by Section 305 shall be promulgated no later than 2 years after the date of enactment of this Act. Revenue Procedure 2021-30 (or any successor guidance) shall be updated to take into account the provisions of this section no later than 2 years after the date of enactment of this Act.

Section 306, Eliminate the "first day of the month" requirement for governmental section 457(b) plans. Under current law, participants in a governmental 457(b) plan must request changes in their deferral rate prior to the beginning of the month in which the deferral will be made. This rule does not exist for other defined contribution plans. Section 306 allows such elections to be

made at any time prior to the date that the compensation being deferred is available. Section 306 is effective for taxable years beginning after the date of enactment of this Act.

Section 307, One-time election for qualified charitable distribution to split-interest entity; increase in qualified charitable distribution limitation. Section 307 expands the IRA charitable distribution provision to allow for a one-time, \$50,000 distribution to charities through charitable gift annuities, charitable remainder unitrusts, and charitable remainder annuity trusts, effective for distributions made in taxable years beginning after the date of enactment of this Act. Section 307 also indexes for inflation the annual IRA charitable distribution limit of \$100,000, effective for distributions made in taxable years ending after the date of enactment of this Act.

Section 308, Distribution to firefighters. Under current law, if an employee terminates employment after age 55 and takes a distribution from a retirement plan, the 10 percent early distribution tax does not apply. However, there is a special rule for “qualified public safety employees” in governmental plans, under which age 50 is substituted for age 55 for purposes of this exception from the 10 percent tax. This exemption applies to public sector firefighters, but not private sector firefighters. Section 308 extends the age 50 rule to private sector firefighters, who merit the same treatment for distributions. Section 308 is effective for distributions made after the date of enactment of this Act.

Section 309, Exclusion of certain disability-related first responder treatment payments. Section 309 permits first responders to exclude service-connected disability pension payments from gross income after reaching retirement age. Section 309 is effective for amounts received in taxable years beginning after December 31, 2026.

Section 310, Application of top heavy rules to defined contribution plans covering excludable employees. Under current law, qualified retirement plans must pass the top-heavy test, in addition to other nondiscrimination tests. Plans that are deemed top-heavy are required to provide employees with a minimum of a 3 percent of pay nonelective contribution, which is a significant cost to small businesses. Other nondiscrimination tests that apply to 401(k) plans allow an employer to test otherwise excludable employees (e.g., those who are under age 21 and have less than 1 year of service) separately. This was intended to encourage plan sponsors to permit employees to defer earlier than the minimum age and service conditions permitted under the law because it reduces the situations where plans would fail the nondiscrimination tests if these employees were included when performing the test. However, this separate testing is not allowed for the top-heavy test. Small business retirement plans often do not cover excludable employees because, if the plan is or becomes top heavy, the employer may be required to contribute a top-heavy employer contribution for all employees who are eligible to participate in the plan, straining the budget for these small businesses. Section 310 allows an employer to perform the top-heavy test separately on the non-excludable and excludable employees. This removes the financial incentive to exclude employees from the 401(k) plan and increase retirement plan coverage to more workers. Section 310 is effective for plan years beginning after December 31, 2023.

Section 311, Repayment of qualified birth or adoption distribution limited to 3 years. The SECURE Act included a provision that allows individuals to receive distributions from their retirement plan in the case of birth or adoption without paying the 10 percent additional tax under Code section 72(t) (known as a qualified birth or adoption distribution, or “QBAD”). The distributions can be recontributed to a retirement plan at any time and are treated as rollovers. The

problem with current law is the allowance of recontributions at any time. Code section 6511 prevents a refund from being provided to a taxpayer after the period of limitations for the return has closed, which is generally a 3 year period. Thus, there would not be a mechanism under the Code allowing someone who took a birth/adoption distribution to recontribute the distribution more than 3 years later and amend their return to receive a refund for the taxes that were paid in the year of the withdrawal. Section 311 amends the QBAD provision to restrict the recontribution period to 3 years. Section 311 is effective to distributions made after the date of the enactment of this Act and retroactively to the 3 year period beginning on the day after the date on which such distribution was received.

Section 312, Employer may rely on employee certifying that deemed hardship distribution conditions are met. Section 312 provides that, under certain circumstances, employees are permitted to self-certify that they have had an event that constitutes a hardship for purposes of taking a hardship withdrawal. This is a logical step in light of the success of the coronavirus-related distribution self-certification rules and the current hardship regulations that already permit employees to self-certify that they do not have other funds available to address a hardship. Section 312 is effective for plan years beginning after the date of enactment of this Act.

Section 313, Individual retirement plan statute of limitations for excise tax on excess contributions and certain accumulations. Under current law, the statute of limitations for excise taxes imposed on excess contributions, or required minimum distribution failures start running as of the date that a specific excise tax return (Form 5329) is filed for the violation. Individuals often are not aware of the requirement to file Form 5329, and this can lead to an indefinite period of limitations that can cause hardship for taxpayers due to the accumulation of interest and penalties (see *Paschall v. C.I.R.*, 137 T.C. 8 (2011)). In order to provide finality for taxpayers in the administration of these excise taxes, Section 313 provides that a 3 year period of limitations begins when the taxpayer files an individual tax return (Form 1040) for the year of the violation, except in the case of excess contributions, in which case the period of limitations runs 6 years from the date Form 1040 is filed. There is a further exception from this 6 year rule for taxes that arise out of a bargain sale to the IRA. In general, these changes are intended to ensure that there is a reasonable period of limitations for violations of which taxpayers were not aware and thus did not file an excise tax return, while retaining existing law in fact scenarios that involve a bargain sale. Section 313 is effective on the date of enactment of this Act.

Section 314, Penalty-free withdrawal from retirement plans for individual case of domestic abuse. A domestic abuse survivor may need to access his or her money in their retirement account for various reasons, such as escaping an unsafe situation. Section 314 allows retirement plans to permit participants that self-certify that they experienced domestic abuse to withdraw a small amount of money (the lesser of \$10,000, indexed for inflation, or 50 percent of the participant's account). A distribution made under Section 314 is not subject to the 10 percent tax on early distributions. Additionally, a participant has the opportunity to repay the withdrawn money from the retirement plan over 3 years and will be refunded for income taxes on money that is repaid. Section 318 is effective for distributions made after December 31, 2023.

Section 315, Reform of family attribution rule. Under the Code, certain related businesses must be aggregated when performing the coverage and nondiscrimination tests. The aggregation rules are generally based on the degree of common ownership of the businesses. In determining the level of ownership in a business, the tax laws have certain attribution rules whereby an individual

is deemed to own stock held by other individuals or entities. Section 315 updates two stock attribution rules. The first update addresses inequities where spouses with separate businesses reside in a community property state when compared to spouses who reside in separate property states. The second update modifies the attribution of stock between parents and minor children. Section 315 is effective for plan years beginning after December 31, 2023.

Section 316, Amendments to increase benefit accruals under plan for previous plan year allowed until employer tax return due date. The SECURE Act permits an employer to adopt a new retirement plan by the due date of the employer's tax return for the fiscal year in which the plan is effective. Current law, however, provides that plan amendments to an existing plan must generally be adopted by the last day of the plan year in which the amendment is effective. This precludes an employer from adding plan provisions that may be beneficial to participants. Section 316 amends these provisions to allow discretionary amendments that increase participants' benefits to be adopted by the due date of the employer's tax return. Section 316 is effective for plan years beginning after December 31, 2023.

Section 317, Retroactive first year elective deferrals for sole proprietors. Under the SECURE Act, an employer may establish a new 401(k) plan after the end of the taxable year, but before the employer's tax filing date and treat the plan as having been established on the last day of the taxable year. Such plans may be funded by employer contributions up to the employer's tax filing date. Section 317 allows these plans, when they are sponsored by sole proprietors or single-member LLCs, to receive employee contributions up to the date of the employee's tax return filing date for the initial year. Section 317 is effective for plan years beginning after the date of enactment of this Act.

Section 318, Performance benchmarks for asset allocation funds. The DOL's participant disclosure regulation requires that each designated investment alternative's historical performance be compared to an appropriate broad-based securities market index. However, the rule does not adequately address increasingly popular investments like target date funds that include a mix of asset classes. Section 318 directs the Labor Secretary to update the DOL's regulations so that an investment that uses a mix of asset classes can be benchmarked against a blend of broad-based securities market indices, provided (a) the index blend reasonably matches the fund's asset allocation over time, (b) the index blend is reset at least once a year, and (c) the underlying indices are appropriate for the investment's component asset classes and otherwise meet the rule's conditions for index benchmarks. This change in the disclosure rule allows better comparisons and aids participant decision-making. The DOL is to update its regulations no later than two years after enactment of this Act. Section 318 also requires DOL to report to Congress on the effectiveness of its benchmarking requirements no later than 3 years after the applicability date of the regulations.

Section 319, Review and report to Congress relating to reporting and disclosure requirements. Section 319 directs the Treasury Department, DOL, and Pension Benefit Guaranty Corporation to review reporting and disclosure requirements for pension plans as soon as practicable after enactment of this Act. Section 319 further directs the agencies to make recommendations to Congress to consolidate, simplify, standardize, and improve such requirements no later than 3 years after the date of enactment of this Act.

Section 320, Eliminating unnecessary plan requirements related to unenrolled participants. Under current law, employees eligible to participate in a retirement plan are required to receive a

broad array of notices that are intended to inform them of their various options and rights under the plan. In the case of eligible employees who have not elected to participate in the plan (“unenrolled participants”), these notices – such as notices regarding the different investment options available under the plan – are generally unnecessary, and can even have adverse effects on savings and coverage.

Section 320 no longer requires employers provide certain intermittent ERISA or Code notices to unenrolled participants who have not elected to participate in a workplace retirement plan. However, to further encourage participation of unenrolled participants, the plan is required to send (1) an annual reminder notice of the participant’s eligibility to participate in the plan and any applicable election deadlines, and (2) any otherwise required document requested at any time by the participant. This rule applies only with respect to an unenrolled participant who received the summary plan description, in connection with initial eligibility under the plan, and any other notices related to eligibility under the plan required to be furnished. Section 320 is effective for plan years beginning after December 31, 2022.

Section 321, Review of pension risk transfer interpretive bulletin. Section 321 requires the DOL to review the current interpretive bulletin governing pension risk transfers to determine whether amendments are warranted and to report to Congress its finding, including an assessment of any risk to participant, no later than 1 year after enactment of this Act.

Section 322, Tax treatment of IRA involved in a prohibited transaction. When an individual engages in a prohibited transaction with respect to their IRA, the IRA is disqualified and treated as distributed to the individual, irrespective of the size of the prohibited transaction. Section 322 clarifies that if an individual has multiple IRAs, only the IRA with respect to which the prohibited transaction occurred will be disqualified. Section 322 is effective for taxable years beginning after the date of enactment of this Act.

Section 323, Clarification of substantially equal periodic payment rule. Current law imposes a 10 percent additional tax on early distributions from tax-preferred retirement accounts, but an exception applies to substantially equal periodic payments that are made over the account owner’s life expectancy. Section 323 provides that the exception continues to apply in the case of a rollover of the account, an exchange of an annuity providing the payments, or an annuity that satisfies the required minimum distribution rules. Section 323 is effective for transfers, rollovers, exchanges after December 31, 2023 and effective for annuity distributions on or after the date of enactment of this Act.

Section 324, Treasury guidance on rollovers. Section 324 requires the Treasury Secretary to simplify and standardize the rollover process by issuing sample forms for direct rollovers that may be used by both the incoming and outgoing retirement plan or IRA. Development and release of the sample forms must be completed no later than January 1, 2025.

Section 325, Roth plan distribution rules. Under current law, required minimum distributions are not required to begin prior to the death of the owner of a Roth IRA. However, pre-death distributions are required in the case of the owner of a Roth designated account in an employer retirement plan (e.g., 401(k) plan). Section 325 eliminates the pre-death distribution requirement for Roth accounts in employer plans, effective for taxable years beginning after December 31, 2023. Section 325 does not apply to distributions which are required with respect to years beginning before January 1, 2024, but are permitted to be paid on or after such date.

Section 326, Exception to penalty on early distributions from qualified plans for individuals with a terminal illness. Under current law, an additional 10 percent tax applies to early distributions from tax-preferred retirement accounts. Section 326 provides an exception to the tax in the case of a distribution to a terminally ill individual and would be effective for distributions made after the date of enactment of this Act.

Section 327, Surviving spouse election to be treated as employee. Section 327 allows a surviving spouse to elect to be treated as the deceased employee for purposes of the required minimum distribution rules. Section 327 is effective for calendar years beginning after December 31, 2023.

Section 328, Repeal of direct payment requirement on exclusion from gross income of distributions from governmental plans for health and long-term care insurance. Current law provides an exclusion from gross income (\$3,000) for a distribution from a governmental retirement plan to a public safety officer to pay for their health insurance premiums. The exclusion requires that the plan directly pay the insurance premiums. Section 328 repeals the direct payment requirement and is effective for distributions made after the date of enactment of this Act.

Section 329, Modification of eligible age for exemption from early withdrawal penalty. The 10 percent additional tax on early distributions from tax preferred retirement savings plans does not apply to a distribution from a governmental plan to a public safety officer who is at least age 50. Section 329 extends the exception to public safety officers with at least 25 years of service with the employer sponsoring the plan and is effective for distributions made after the date of enactment of this Act.

Section 330, Exemption from early withdrawal penalty for certain State and local government corrections employees. Section 330 extends the public safety officer exception to the 10 percent early distribution tax to corrections officers who are employees of state and local governments, effective for distributions made after the date of enactment of this Act.

Section 331, Special rules for use of retirement funds in connection with qualified federally declared disasters. Section 331 provides permanent rules relating to the use of retirement funds in the case of a federally declared disaster. The permanent rules allow up to \$22,000 to be distributed from employer retirement plans or IRAs for affected individuals. Such distributions are not subject to the 10 percent additional tax and are taken into account as gross income over 3 years. Distributions can be repaid to a tax preferred retirement account. Additionally, amounts distributed prior to the disaster to purchase a home can be recontributed, and an employer is permitted to provide for a larger amount to be borrowed from a plan by affected individuals and for additional time for repayment of plan loans owed by affected individuals. Section 331 is effective for disasters occurring on or after January 26, 2021.

Section 332, Employers allowed to replace SIMPLE retirement accounts with safe harbor 401(k) plans during a year. Section 332 allows an employer to replace a SIMPLE IRA plan with a SIMPLE 401(k) plan or other 401(k) plan that requires mandatory employer contributions during a plan year, and is effective for plan years beginning after December 31, 2023.

Section 333, Elimination of additional tax on corrective distributions of excess contributions. Current law requires a distribution if too much is contributed to an IRA. The corrective distribution includes the excessive contribution and any earnings allocable to that contribution. Section 333

exempts the excess contribution and earnings allocable to the excess contribution from the 10 percent additional tax on early distributions, and is effective for any determination of, or affecting, liability for taxes, interest, or penalties which is made on or after the date of enactment of this Act, without regard to whether the act (or failure to act) upon which the determination is based occurred before such date of enactment.

Section 334, Long-term care contracts purchased with retirement plan distributions. Section 334 permits retirement plans to distribute up to \$2,500 per year for the payment of premiums for certain specified long term care insurance contracts. Distributions from plans to pay such premiums are exempt from the additional 10 percent tax on early distributions. Only a policy that provides for high quality coverage is eligible for early distribution and waiver of the 10 percent tax. Section 334 is effective 3 years after date of enactment of this Act.

Section 335, Corrections of mortality tables. Section 335 generally requires that for purposes of the minimum funding rules, a pension plan is not required to assume beyond the plan's valuation date future mortality improvements at any age greater than 0.78 percent. The Treasury Secretary shall amend the relevant regulation on the matter within 18 months, though Section 335 shall be deemed to take effect on the date of enactment of this Act.

Section 336, Report to Congress on section 402(f) notices. Section 402(f) notices are given by employer retirement plans in the case of a distribution to a participant that is eligible for rollover to another tax preferred retirement account and describes distribution options and tax consequences. Section 336 requires the Government Accountability Office to issue a report to Congress on the effectiveness of section 402(f) notices within 18 months after the date of enactment of this Act.

Section 337, Modification of required minimum distribution rules for special needs trust. The SECURE Act placed limits on the ability of beneficiaries of defined contribution retirement plans and IRAs to receive lifetime distributions after the account owner's death. Special rules apply in the case of certain beneficiaries, such as those with a disability. Section 337 clarifies that, in the case of a special needs trust established for a beneficiary with a disability, the trust may provide for a charitable organization as the remainder beneficiary. Section 337 is effective for calendar years beginning after the date of enactment of this Act.

Section 338, Requirement to provider paper statements in certain cases. Section 338 amends ERISA to generally provide that, with respect to defined contribution plans, unless a participant elects otherwise, the plan is required to provide a paper benefit statement at least once annually. The other three quarterly statements required under ERISA are not subject to this rule (i.e., they can be provided electronically). For defined benefit plans, unless a participant elects otherwise, the statement that must be provided once every 3 years under ERISA must be a paper statement. The Labor Secretary must update the relevant sections of their regulations and corresponding guidance by December 31, 2024, and the annual paper statement is effective for plan years beginning after December 31, 2025.

Section 339, Recognition of tribal government domestic relations orders. Section 339 adds Tribal courts to the list of courts authorized under federal law to issue qualified domestic relations orders. Section 339 is effective to domestic relations orders received by plan administrators after December 31, 2022, including any such order which is submitted for reconsideration after such date.

Section 340, Defined contribution plan fee disclosure improvements. Section 340 builds on recommendations recently made to the DOL by the Government Accountability Office, and requires the agency to review its fiduciary disclosure requirements in participant-directed individual account plan regulations. A report must be submitted to Congress within 3 years on such findings, including recommendations for legislative changes.

Section 341, Consolidation of defined contribution plan notices. Current law requires certain retirement plan notices to be provided to participants as individual notices. Section 341 directs the Treasury and DOL Secretaries within 2 years to amend regulations to permit a plan to consolidate certain required plan notices.

Section 342, Information needed for financial options risk mitigation act. Section 342 requires pension plan administrators to provide plan participants and retirees with critical information that would allow people considering what is best for their financial futures to compare between benefits offered under the plan and the lump sum, and would explain how the lump sum was calculated, the ramifications of accepting a lump sum, such as the loss of certain federal protections, details about the election period, where to follow up with questions, and other information. The DOL Secretary must issue regulations implementing this provision not earlier 1 year after enactment. Such regulations must be applicable not earlier than the issuance of a final rule and not later than 1 year after issuance of a final rule.

Section 343, Defined benefit annual funding notices. Section 343 aims identify defined benefit pension plan funding issues more clearly on a plan's annual funding notice. Section 343 is effective for plan years beginning after December 31, 2023.

Section 344, Report on pooled employer plans. Section 344 requires the DOL Secretary to conduct a study on the new and growing pooled employer plan industry. A report on the findings of the study must be completed within 5 years, with subsequent reports completed every 5 years thereafter.

Section 345, Annual audits for group of plans. Under current law, generally, a Form 5500 for a defined contribution plan must contain an opinion from an independent qualified public accountant as to whether the plan's financial statements and schedules are fairly presented. However, no such opinion is required with respect to a plan covering fewer than 100 participants. Section 345 clarifies that plans filing under a Group of Plans need only to submit an audit opinion if they have 100 participants or more. In other words, DOL and Treasury would continue to receive full audit information on at least the number of plans as under current law. Section 345 is effective on the date of enactment of this Act.

Section 346, Worker Ownership, Readiness, and Knowledge (WORK) Act. Section 346 boosts employee ownership programs through the DOL, which may make grants to promote employee ownership through existing and new programs. Funds are authorized to be appropriated for the purpose of making grants for fiscal years 2025 to 2029.

Section 347, Report by the Secretary of Labor in the impact of inflation on retirement savings. Section 347 directs the DOL Secretary, in consultation with the Treasury Secretary, to study the impact of inflation on retirement savings and submit a report to Congress within 90 days on the findings of the study.

Section 348, Cash balance. Section 348 clarifies the application of the Code and ERISA’s rules, prohibiting the backloading of benefit accruals, as they relate to hybrid plans that credit variable interest. Specifically, Section 348 clarifies that, for purposes of the applicable Code and ERISA rules, the interest crediting rate that is treated as in effect and as the projected interest crediting rate is a reasonable projection of such variable interest rate, subject to a maximum of 6 percent. This clarification will allow plan sponsors to provide larger pay credits for older longer service workers. Section 346 is effective for plan years beginning after the date of enactment of this Act.

Section 349, Termination of variable rate premium indexing. Section 349 removes the “applicable dollar amount” language in the rules for determining the premium fund target for purposes of unfunded vested benefits and replaces it with a flat \$52 for each \$1,000 of unfunded vested benefits. Section 349 is effective on the date of enactment of this Act.

Section 350, Safe harbor for corrections of employee elective deferral failures. Under current law, employers that adopt a retirement plan with automatic enrollment and automatic escalation features could be subject to significant penalties if even honest mistakes are made. The Internal Revenue Service has issued guidance on the correction of failures relating to default enrollment of employees into retirement plans. This guidance includes a safe harbor, which expires December 31, 2023, that permits correction if notice is given to the affected employee, correct deferrals commence within certain specified time periods, and the employer provides the employee with any matching contributions that would have been made if the failure had not occurred. Employers are concerned about the lapse of the safe harbor at the end of 2023. Section 350 eases these concerns by allowing for a grace period to correct, without penalty, reasonable errors in administering these automatic enrollment and automatic escalation features. Errors must be corrected prior to 9 ½ months after the end of the plan year in which the mistakes were made. Section 350 is effective to errors after December 31, 2023.

Title IV – Technical Amendments

Section 401, Amendments relating to Setting Every Community Up for Retirement Enhancement Act of 2019. Section 401 includes three technical and five clerical amendments to the SECURE Act. These amendments are effective as if included in the section of the SECURE Act to which the amendment relates.

Title V – Administrative Provisions

Section 501, Provisions relating to plan amendments. Section 501 allows plan amendments made pursuant to this Act to be made on or before the last day of the first plan year beginning on or after January 1, 2025 (2027 in the case of governmental plans) as long as the plan operates in accordance with such amendments as of the effective date of a bill requirement or amendment. Section 501 also conforms the plan amendment dates under the SECURE Act, the CARES Act, and the Taxpayer Certainty and Disaster Tax Relief Act of 2020 to these new dates (instead of 2022 and 2025).

Title VI – Revenue Provisions

Section 601, SIMPLE and SEP Roth IRAs. Generally, all plans that allow pre-tax employee contributions are permitted to accept Roth contributions with one exception – SIMPLE IRAs. 401(k), 403(b), and governmental 457(b) plans are allowed to accept Roth employee contributions.

Section 601 allows SIMPLE IRAs to accept Roth contributions too. In addition, aside from grandfathered salaried reduction simplified employee pension plans, under current law, simplified employee pension plans (“SEPs”) can only accept employer money and not on a Roth basis. Section 601 allows employers to offer employees the ability to treat employee and employer SEP contributions as Roth (in whole or in part). The provisions in Section 601 are effective for taxable years beginning after December 31, 2022.

Section 602, Hardship withdrawal rules for 403(b) plans. Under current law, the distribution rules for 401(k) and 403(b) are different in certain ways that are historical anomalies for varied reasons. For example, for 401(k) plans, all amounts are available for a hardship distribution. For 403(b) plans, in some cases, only employee contributions (without earnings) are available for hardship distributions. Section 602 conforms the 403(b) rules to the 401(k) rules, effective for plan years beginning after December 31, 2023.

Section 603, Elective deferrals generally limited to regular contribution limit. Under current law, catch-up contributions to a qualified retirement plan can be made on a pre-tax or Roth basis (if permitted by the plan sponsor). Section 603 provides all catch-up contributions to qualified retirement plans are subject to Roth tax treatment, effective for taxable years beginning after December 31, 2023. An exception is provided for employees with compensation of \$145,000 or less (indexed).

Section 604, Optional treatment of employer matching or nonelective contributions as Roth contributions. Under current law, plan sponsors are not permitted to provide employer matching contributions in their 401(k), 403(b), and governmental 457(b) plans on a Roth basis. Matching contributions must be on a pre-tax basis only. Section 604 allows defined contribution plans to provide participants with the option of receiving matching contributions on a Roth basis, effective on the date of enactment of this Act.

Section 605, Charitable conservation easements. The tax deduction for charitable contributions of conservation easements has long played a crucial role in incentivizing the preservation of critical habitat, open spaces, and historically important areas and structures. However, since 2016 IRS has identified certain syndicated conservation easement transactions involving pass-through entities as “listed transactions” carrying a high potential for abusive tax avoidance. Section 605 disallows a charitable deduction for a qualified conservation contribution if the deduction claimed exceeds two and one half times the sum of each partner’s relevant basis in the contributing partnership, unless the contribution meets a 3 year holding period test, substantially all of the contributing partnership is owned by members of a family, or the contribution relates to the preservation of a certified historic structure. In the case of a contribution for the preservation of a certified historic structure, a new reporting requirement applies. Section 605 also provides taxpayers the opportunity to correct certain defects in an easement deed (excluding easements involved in abusive transactions) and makes certain changes to statute of limitations and penalty provisions. Section 605 is generally effective for contributions made after the date of enactment of this Act.

Section 606, Enhancing retiree health benefits in pension plans. Under current law, an employer may use assets from an overfunded pension plan to pay retiree health and life insurance benefits. These rules sunset at the end of 2025. Section 606 extends the sunset date to the end of

2032 and would permit transfers to pay retiree health and life insurance benefits provided the transfer is no more than 1.75 percent of plan assets and the plan is at least 110 percent funded. Section 606 is effective for transfers made on or after the date of enactment of this Act.

Title VII – Tax Court Retirement Provisions

Section 701, Provisions relating to judges of the Tax Court. Under current law, Tax Court judges are allowed to contribute to the Thrift Savings Plan (“TSP”), but Tax Court judges are prevented from receiving TSP automatic or matching contributions. Other federal judges, in contrast, may receive automatic and matching contributions if they are not covered by a judicial retirement plan. If those judges later elect to receive judicial retirement benefits, their retired pay is offset by an amount designed to recapture those TSP automatic and matching contributions. Section 701 provides parity between other federal judges and Tax Court judges by extending the same TSP matching contributions policy to Tax Court judges. Additionally, Tax Court judges may elect to participate in a plan providing benefits for the judge’s surviving spouse and dependent children. Benefits currently vest only after the judge has performed at least 5 years of service and made contributions for at least 5 years of service. In contrast, other federal judges vest after 18 months of service, and the 18-month period is waived if the judge is assassinated. Section 701 provides parity between other federal judges and Tax Court judges by applying the 18-month vesting period and assassination waiver to Tax Court judges. Lastly, Section 701 provides that compensation earned by retired Tax Court judges (i.e., those who are disabled or meet the recall requirements) for teaching is not treated as outside earned income for purposes of limitations under the Ethics in Government Act of 1978, and makes technical amendments to coordinate Tax Court judicial retirement with the Federal Employees Retirement System (“FERS”) and the retirement and survivors’ annuities plans. Section 701 is effective on the date of enactment of this Act, unless otherwise stated.

Section 702, Provisions relating to special trial judges of the Tax Court. Special trial judges of the Tax Court are the only judicial officers who do not have an option to participate in a judicial retirement program. Section 702 establishes a retirement plan under which a special trial judge may elect to receive retired pay in a manner and under rules similar to the regular judges of the Court. The provision provides parity between special trial judges of the Tax Court and other federal judges. Eligible special trial judges are permitted to elect to receive retired pay 180 days after enactment of this Act, including special trial judges who retire on or after the date of enactment and before the date that is 180 days afterwards.



A PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS
ATTORNEYS AT LAW

MEMORANDUM

TO: Board of Trustees

FROM: Bonni S. Jensen
Fund Legal Counsel

DATE: January 2023

SUBJECT: IRS Mileage Rate for 2023

This is to inform you that the Internal Revenue Service (“IRS”) released its updated Standard Mileage Rate for 2023. The new rate is 65.5 cents per mile for miles driven on or after January 1, 2023. This is up 3 cents from the rate effective at the end of last year.

As you know from previous years, the mileage rate can fluctuate within the same year. We will do our best to keep you and the administrator informed. You can find the current rate at the link below.

<https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2023-business-use-increases-3-cents-per-mile>

If you have any questions, please do not hesitate to contact us.

BSJ/dze
Enclosure
E-Copy: Administrator

7080 NORTHWEST 4TH STREET, PLANTATION, FLORIDA 33317
00227600.WPD; 1

PHONE: (954) 916-1202 • FAX: (954) 916-1232
www.klausnerkaufman.com



**VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES
PENSION FUND
Meeting of February 7, 2023**

Patrick Rothenburg

Years Of Credited Service: 9.8333 Years
Total Monthly Benefits: \$817.85
Effective Date: February 1, 2023
Type Of Benefit: Normal Retirement
Form Of Benefit: 100% Joint and Survivor Annuity with Pop Up
Age At Retirement: 62 Years

Action: _____

APPROVED:

(Chair)

(Secretary)

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
RETIREMENT EFFECTIVE: FEBRUARY 1, 2023

Participant's Name: Patrick Rothenburg

Address:

After a review of your application for a Retirement benefit, it appears that you are eligible for a monthly benefit. The amount of your monthly benefit depends on the form of annuity that you decide to choose. Please check and initial the one form of annuity listed below which you elect to receive. Once completed, return this form to the Administrator at the address below.

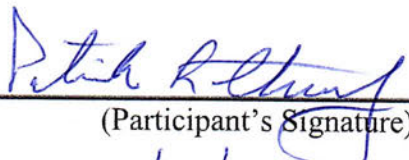
FORMS OF RETIREMENT INCOME

_____ STRAIGHT LIFE ONLY ANNUITY: This option provides a monthly payment of **\$ 946.18** to you as long as you live. At the time of your death all monthly payments will cease.

_____ 10-YEAR CERTAIN AND LIFE ANNUITY: This option provides a monthly payment of **\$ 924.67** to you as long as you live, with 120 monthly payments guaranteed. If you should die before 120 monthly payments have been made, the same amount will continue to be paid to your beneficiary until a total of 120 monthly payments have been made in all.

✓
_____ 100% JOINT AND SURVIVOR ANNUITY: This option provides a monthly payment of **\$ 817.85** to you as long as both you and your beneficiary are living. After your death, your beneficiary will receive a monthly payment of **\$ 817.85** for their life. If your beneficiary dies before you, your benefit will be increased to a monthly payment of **\$946.18**.

_____ 50% JOINT AND SURVIVOR ANNUITY: This option provides a monthly payment of **\$ 877.35** you as long as both you and your beneficiary are living. After your death, your beneficiary will receive a monthly payment of **\$ 438.68** for their life. If your beneficiary dies before you, your benefit will be increased to a monthly payment of **\$946.18**.



(Participant's Signature)

Date: 1/2/23

PLEASE RETURN TO: PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND
C/O RESOURCE CENTERS, LLC
4360 NORTHLAKE BLVD., SUITE 206
Palm Beach Gardens, FL 33410

Village of Palm Springs General Employees' Pension Fund

Personal Information

The following information was used in the calculation of your benefit under the Plan.

Name:	ROTHENBURG, PATRICK	Date of Hire:	11/28/2005
Date of Birth:	██████████	Credited Service Date:	11/28/2005
		Last Day of Work:	10/16/2015
		Credited Service for Eligibility:	9.8333
		Credited Service (Limited to 25):	9.8333
Beneficiary's Name:	ROTHENBURG, KATHY	Normal Retirement Date:	02/01/2023
Beneficiary's Date of Birth:	██████████	Benefit Commencement Date:	02/01/2023

	<u>Plan Year Ended 9/30</u>	<u>Retirement Record Earnings</u>
Earnings are defined for use in calculating your retirement benefit. The compensation shown here is collected and maintained by Plan Year, which is a 12 month period ending each September 30th.	2015	58,925.53
	2014	55,641.64
	2013	50,460.68
	2012	45,800.38
	2011	45,764.20

Village of Palm Springs General Employees' Pension Fund

Retirement Benefit Calculation

Name:	ROTHENBURG, PATRICK	Date of Hire:	11/28/2005
Date of Birth:	[REDACTED]	Credited Service Date:	11/28/2005
		Last Day of Work:	10/16/2015
		Credited Service for Eligibility:	9.8333
		Credited Service (Limited to 25):	9.8333
Beneficiary's Name:	ROTHENBURG, KATHY	Normal Retirement Date:	02/01/2023
Beneficiary's Date of Birth:	[REDACTED]	Benefit Commencement Date:	02/01/2023

Plan Year Ended 9/30	Retirement Record Earnings
2015	58,925.53
2014	55,641.64
2013	50,460.68
2012	45,800.38
2011	45,764.20

Maximum Annual 5-Year Average:..... \$51,318.49

The following formula is used to calculate the Monthly Retirement Benefit payable commencing at the Benefit Commencement Date. This benefit is payable as Life Only form of benefit.

2.50% x Final Average Earnings x Credited Service ÷ 12:..... \$1,051.31

The following formula is used to calculate percentage of your accrued benefit that is vested..

Vested Percentage:..... 90%
Monthly Retirement Benefit x Vested Percentage:..... \$946.18

Age Nearest at Benefit Commencement:
Member:..... 62
Beneficiary:..... 68

	Conversion Factor		Monthly Life Only Benefit		Optional Form to Member
Life Only:	1.000000	x	946.18	=	946.18
10-Year Certain & Life:	0.977269	x	946.18	=	924.67
100% Joint & Survivor With Pop-Up:	0.864373	x	946.18	=	817.85
50% Joint & Survivor With Pop-Up:	0.927253	x	946.18	=	877.35

The Conversion Factor is based on the Plan's definition of Actuarial Equivalence, using mortality tables and an interest rate adopted by the Board.

**VILLAGE OF
PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND**

DISBURSEMENTS

February 7, 2023

• KLAUSNER, KAUFMAN, JENSEN & LEVINSON (Bill for services through December 31, 2022)	\$ 1,688.26
• KLAUSNER, KAUFMAN, JENSEN & LEVINSON (Bill for Davis Forfeiture through December 31, 2022)	\$ 1,050.00
• THE RESOURCE CENTERS, LLC (Bill for January and February 2023)	\$ 1,879.40
• ANDCO CONSULTING, LLC (Bill for Monitoring Fee for the 4th Quarter 2022)	\$ 5,737.07
• COMERICA BANK (Bill for 4th Quarter 2022)	\$ 3,076.22
• GARCIA HAMILTON (Bill for 4th Quarter 2022 Management Fee)	\$ 4,363.77
• ANCHOR CAPITAL ADVISORS, INC. (Bill for 4th Quarter 2022 Management Fee - Final Invoice)	\$ 5,622.16
Total Disbursements for Approval	\$ 23,416.88

(Chair)

(Secretary)

Klausner, Kaufman, Jensen & Levinson

A Partnership of Professional Associations
Attorneys At Law
7080 N.W. 4th Street
Plantation, Florida 33317

Tel. (954) 916-1202
Fax (954) 916-1232

www.klausnerkaufman.com
Tax I.D.: 45-4083636

PALM SPRINGS GENERAL EMPLOYEES PENSION FUND
Attn: REBECCA MORSE AND MARGIE ADCOCK
226 CYPRESS LANE
PALM SPRINGS, FL 33461

December 31, 2022
Bill # 31915

CLIENT: PALM SPRINGS GENERAL :150083
MATTER: PALM SPRINGS GENERAL :150083

Professional Fees

Date	Attorney	Description	Hours	Amount
10/26/22	BSJ	REVIEW FINAL REGULATIONS ON REQUIRED MINIMUM DISTRIBUTIONS	0.10	0.00
10/27/22	BSJ	EMAIL AND ATTACHED DOCUMENTS FROM SANDIE KYSER FROM UNITED MEMBERS INSURANCE	0.20	0.00
11/01/22	BSJ	RESEARCH CORPORATE LAW PROVISIONS AND PREPARE MEMO RECOMMENDING PROXY VOTING POLICY AMENDMENT	0.10	0.00
11/04/22	BSJ	REVIEW AND RESPOND TO EMAILS FROM MARGIE ADCOCK	0.10	0.00
11/21/22	BSJ	TELEPHONE CALL WITH GLEN TORCIVIA REGARDING BOARD OF TRUSTEES	0.40	0.00
12/02/22	BSJ	REVIEW EMAILS REGARDING CASH FLOW AND PARTICIPANT DEATHS; REVIEW RESPONSES FROM MARGIE ADCOCK	0.20	0.00
12/05/22	PARA	EMAIL MARGIE ADCOCK CLIENT MEMOS RE: IRS RMD, DELAWARE LAW CHANGE AND SEC PROXY VOTING DISCLOSURES FOR NEXT MEETING	0.10	0.00
12/06/22	BSJ	REVIEW EMAILS REGARDING DAVID LOWE	0.30	0.00
12/07/22	BSJ	REVIEW EMAILS REGARDING ACTUARY INVOICES	0.30	0.00
12/12/22	BSJ	REVIEW EMAIL FROM SANDIE KYSER WITH ATTACHED POLICY	0.10	0.00

Continued . . .

Professional Fees Continued...

Date	Attorney	Description	Hours	Amount
12/13/22	BSJ	PREPARE FOR MEETING; REVIEW AGENDA AND MEETING BACK UP, INCLUDING MINUTES	0.50	0.00
12/13/22	PARA	PREPARATION OF THE 2022 AUDIT RESPONSE LETTER TO MARCUM, LLP.	0.20	0.00
12/14/22	PARA	PREPARATION OF MEETING MATERIALS FOR UPCOMING MEETING.	1.00	0.00
12/14/22	BSJ	TRAVEL TO AND FROM MEETING; RESEARCH PROPERTY APPRAISERS OFFICE FOR OWNERSHIP BY DAVIS; ATTEND MEETING; DISCUSSION WITH CHAD LITTLE ABOUT MEMBERSHIP	4.00	0.00
12/16/22	BSJ	REVIEW AND REVISE AUDIT LETTER; REVIEW FILES AND MINUTES	1.50	0.00
12/19/22	PARA	CORRESPONDENCE SENT TO MARCUM, LLP WITH THE 2022 AUDIT RESPONSE	0.20	0.00
12/31/22	BSJ	RETAINER	0.00	1,688.26
		Total for Services	<u>9.30</u>	<u>\$1,688.26</u>

CURRENT BILL TOTAL AMOUNT DUE

\$ 1,688.26

Klausner, Kaufman, Jensen & Levinson

A Partnership of Professional Associations
Attorneys At Law
7080 N.W. 4th Street
Plantation, Florida 33317

Tel. (954) 916-1202
Fax (954) 916-1232

www.klausnerkaufman.com
Tax I.D.: 45-4083636

PALM SPRINGS GENERAL EMPLOYEES PENSION FUND
Attn: REBECCA MORSE AND MARGIE ADCOCK
226 CYPRESS LANE
PALM SPRINGS, FL 33461

December 31, 2022
Bill # 31916

CLIENT: PALM SPRINGS GENERAL : 150083
MATTER: DAVIS FORFEITURE : 150083A

Professional Fees

Date	Attorney	Description	Hours	Amount
10/04/22	LG	RESEARCH ENFORCEMENT ORDER FOR ADMINISTRATIVE ACTION	3.50	1,050.00
		Total for Services	<u>3.50</u>	<u>\$1,050.00</u>
		CURRENT BILL TOTAL AMOUNT DUE		<u>\$ 1,050.00</u>
		Past Due Balance		<u>300.00</u>
		AMOUNT DUE		<u><u>\$1,350.00</u></u>



Resource Centers, LLC

4360 Northlake Blvd., Suite 206
Palm Beach Gardens, FL 33410

Invoice

Date	Invoice #
1/1/2023	19835

Bill To
Palm Springs General Employees' Pension Fund

Tax ID
Pension Resource Center 36-4504183 Resource Centers 87-0800468

Description	Qty	Rate	Amount
Palm Springs General Employees' Pension Monthly Administrator Fee for January 2023		939.70	939.70
Total Amount Due			\$939.70

Mail Payments to:
Resource Centers, LLC at Palm Beach Gardens address above.

If you have any questions concerning this invoice, please contact Michael Burr at Resource Centers, LLC
Phone 561.459.2985 or email - michael@resourcecenters.com



Resource Centers, LLC

4360 Northlake Blvd., Suite 206
Palm Beach Gardens, FL 33410

Invoice

Date	Invoice #
2/1/2023	19897

Bill To
Palm Springs General Employees' Pension Fund

Tax ID
Pension Resource Center 36-4504183 Resource Centers 87-0800468

Description	Qty	Rate	Amount
Palm Springs General Employees' Pension Monthly Administrator Fee for February 2023		939.70	939.70
Total Amount Due			\$939.70

Mail Payments to:
Resource Centers, LLC at Palm Beach Gardens address above.

If you have any questions concerning this invoice, please contact Michael Burr at Resource Centers, LLC
Phone 561.459.2985 or email - michael@resourcecenters.com

AndCo Consulting, LLC

531 W Morse Blvd Ste 200
Winter Park, FL 32789
844-442-6326
ar@andcoconsulting.com



INVOICE

BILL TO
Becky Morse
Palm Springs General Employees Pension

INVOICE 43194
DATE 12/30/2022

DESCRIPTION	AMOUNT
Consulting Services and Performance Evaluation, Billed Quarterly (October, 2022)	1,912.36
Consulting Services and Performance Evaluation, Billed Quarterly (November, 2022)	1,912.36
Consulting Services and Performance Evaluation, Billed Quarterly (December, 2022)	1,912.35

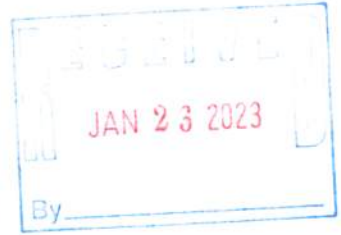
It is our honor and privilege to provide excellence service. If this is not your experience, please contact us immediately.

BALANCE DUE

\$5,737.07



INSTITUTIONAL TRUST



VOPSGEN GHA FIXED

Billing Period: 10/01/2022 - 12/31/2022
Due Date: 02/09/2023
Invoice No: 482593
Account No: 1055064319
Administrator: Felecia Ryans
Phone: (313) 222-9814

VILLAGE OF PALM SPRINGS GENERAL
 EMPLOYEE'S PENSION FUND
 ATTN: MARGARET ADCOCK
 4360 NORTHLAKE BLVD SUITE 206
 PALM BEACH GARDENS, FL 33410

The following is a statement of transactions pertaining to your account(s). For further information, please review the enclosed detail.

Opening Balance	\$844.19
Payment received through 01/10/2023	844.19
Current Period Charges	819.30
Balance Due	\$819.30

Please detach and return this portion of the statement with your check payable as indicated below

Account No.
 1055064319

Invoice No.
 482593

Due Date
 02/09/2023

Total Balance Due
 \$819.30

Comerica Bank
 Attn: Trust Fee Accounting Group
 P.O. Box 67600
 Detroit, MI 48267

INSTITUTIONAL TRUST

Page 2

VOPSGEN GHA FIXED

Billing Period: 10/01/2022 - 12/31/2022
Due Date: 02/09/2023
Invoice No: 482593
Account No: 1055064319

1055064319**Base Fees**

Base Fee	125.00	\$125.00
----------	--------	----------

Market Value Fees

Gross Market Value 6,943,017.42 @ 0.0004 each annually x 1/4	694.30	\$694.30
---	--------	----------

Total Services		\$819.30
-----------------------	--	-----------------

Total Current Period		\$819.30
-----------------------------	--	-----------------

INSTITUTIONAL TRUST

VOPSGEN ANCHOR EQUITY



Billing Period: 10/01/2022 - 12/31/2022
Due Date: 02/17/2023
Invoice No: 483455
Account No: 1055055604
Administrator: Felecia Ryans
Phone: (313) 222-9814

VILLAGE OF PALM SPRINGS
GENERAL EMPLOYEES PENSION FUND
PENSION RESOURCE CENTER, LLC
ATTN: MARGARET ADCOCK
4360 NORTHLAKE BLVD., SUITE 206
PALM BEACH GARDENS, FLORIDA 33410

The following is a statement of transactions pertaining to your account(s). For further information, please review the enclosed detail.

Table with 2 columns: Description and Amount. Rows include Opening Balance (\$531.50), Payment received through 01/10/2023 (531.50), Current Period Charges (411.86), and Balance Due (\$411.86).

Please detach and return this portion of the statement with your check payable as indicated below

Comerica Bank
Attn: Trust Fee Accounting Group
P.O. Box 67600
Detroit, MI 48267

Account No. 1055055604
Invoice No. 483455
Due Date 02/17/2023
Total Balance Due \$411.86

INSTITUTIONAL TRUST

Page 2

VOPSGEN ANCHOR EQUITY

Billing Period: 10/01/2022 - 12/31/2022
Due Date: 02/17/2023
Invoice No: 483455
Account No: 1055055604

1055055604**Base Fees**

Base Fee	125.00	\$125.00
----------	--------	----------

Market Value Fees

Gross Market Value 2,868,607.21 @ 0.0004 each annually x 1/4	286.86	\$286.86
---	--------	----------

Total Services		\$411.86
-----------------------	--	-----------------

Total Current Period		\$411.86
-----------------------------	--	-----------------

INSTITUTIONAL TRUST

VOPSGEN MUTUAL FUNDS

Billing Period: 10/01/2022 - 12/31/2022
Due Date: 02/09/2023
Invoice No: 482418
Account No: 1055047794
Administrator: Felecia Ryans
Phone: (313) 222-9814

VILLAGE OF PALM SPRINGS GENERAL
EMPLOYEES PENSION FUND
PENSION RESOURCE CENTER LLC
ATTN: MARGARET ADCOCK
4360 NORTHLAKE BLVD., SUITE 206
PALM BEACH GARDENS, FLORIDA 33410

The following is a statement of transactions pertaining to your account(s). For further information, please review the enclosed detail.

Opening Balance	\$1,696.59
Payment received through 01/10/2023	1,696.59
Current Period Charges	1,845.06
Balance Due	\$1,845.06

Please detach and return this portion of the statement with your check payable as indicated below

Comerica Bank
Attn: Trust Fee Accounting Group
P.O. Box 67600
Detroit, MI 48267

Account No.
1055047794
Invoice No.
482418
Due Date
02/09/2023
Total Balance Due
\$1,845.06

INSTITUTIONAL TRUST

VOPSGEN MUTUAL FUNDS

Billing Period: 10/01/2022 - 12/31/2022
Due Date: 02/09/2023
Invoice No: 482418
Account No: 1055047794

1055047794

Base Fees

Base Fee	125.00	\$125.00
----------	--------	----------

Market Value Fees

Gross Market Value 17,200,571.48 @ 0.0004 each annually x 1/4	1,720.06	\$1,720.06
--	----------	------------

Total Services		\$1,845.06
-----------------------	--	-------------------

Total Current Period		\$1,845.06
-----------------------------	--	-------------------



GARCIA HAMILTON & ASSOCIATES, L.P.

INVOICE # 36770

5 HOUSTON CENTER
1401 MCKINNEY, SUITE 1600
HOUSTON, TX 77010
TEL: (713) 853-2322
FAX: (713) 853-2308
WWW.GARCIAHAMILTONASSOCIATES.COM

January 4, 2023

VILLAGE OF PALM SPRINGS GENERAL EMPLOYEES' PENSION FUND

(1055064319) psge
Margaret M. Adcock
4360 Northlake Blvd., Suite 206
Palm Beach Gardens, FL 33410

GARCIA HAMILTON & ASSOCIATES
STATEMENT OF MANAGEMENT FEES

For The Period October 1, 2022 through December 31, 2022	
Portfolio Valuation with Accrued Interest as of 12-31-22	\$ 6,982,032.04
6,982,032 @ 0.250% per annum	4,363.77
Quarterly Management Fee	\$ 4,363.77
TOTAL DUE AND PAYABLE	\$ 4,363.77



CAPITAL ADVISORS LLC

Two International Place, Boston, MA 02110

T (617) 338-3800 | F (617) 426-6871

anchorcapital.com

January 19, 2023

Adcock, Margaret M
Pension Resource Center
4360 Northlake Blvd, Suite 206
Palm Beach Gardens, FL 33410

Cust: Comerica
Acct: XXXXXX5604

MANAGEMENT FEE:

**Village of Palm Springs General Employees' Pension Plan -
Equity
3065**

For the Period 10/1/2022 through 12/31/2022

12/21/2022 Portfolio Value: \$ 4,205,191.79

Quarterly Fee Based On:

All Assets

\$ 4,205,192 @ 0.60% per annum \$ 6,307.79

Quarterly Fee: \$ 6,307.79

'3065' prorated for 10 days not managed from 12/22/2022 through 12/31/2022 -\$ 685.63

Net Fee: \$ 5,622.16

Paid by Debit Direct (\$ 0.00)

Please Remit \$ 5,622.16