



**RVK**

# Quarterly Investment Performance Analysis

Vermont State Employees' Retirement System

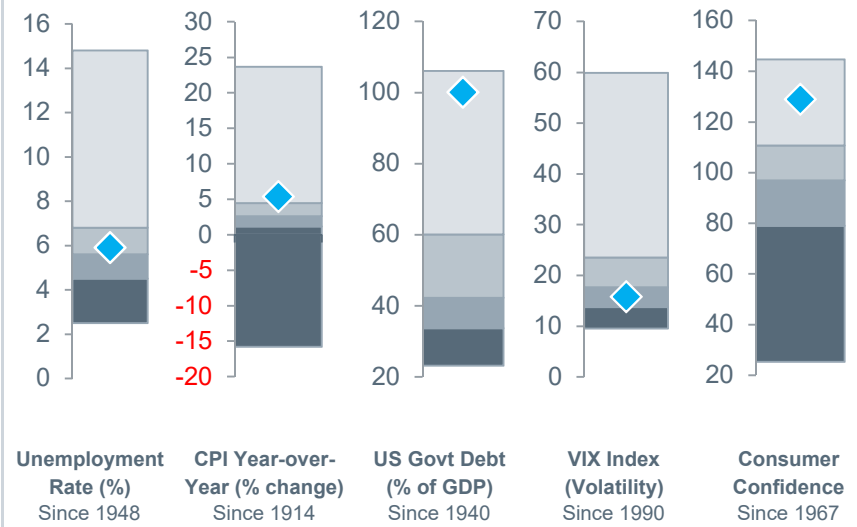
Period Ended: June 30, 2021



**Second Quarter Economic Environment**

Optimism stemming from reopening efforts, lifted mask mandates, and a proposed bipartisan infrastructure spending bill in the US was balanced with concerns regarding emerging variants of the coronavirus and increasing inflation. Global equity markets provided strong gains in Q2 led by the US equity market. Joining equity markets in positive territory were commodities and REITs. Aggregate fixed income markets generally trailed, although issues with longer dated maturities or that are inflation-linked fared better. Key inflation indicators experienced significant year-over-year increases in Q2, but many forecasters view these elevated levels as transitory. Currently, Fed officials are projecting two rate increases by the end of 2023 but remain sensitive to repeating the taper tantrum experienced in 2013. Inflation is also rising outside of the US which notably led both the Bank of Canada and Bank of England to announce the tapering of their bond purchasing programs. Progress in the US labor market recovery was mixed in Q2. The jobs reports in April and May failed to meet expectations, but the gains in the June report outpaced most forecasts. The unemployment rate remains above target levels, although the Congressional Budget Office projected that the rate would decline to 3.6% by the end of 2022. Overall, the economic recovery continues to advance, with the International Monetary Fund forecasting global GDP growth of 6.0% and 4.4% in 2021 and 2022, respectively.

**Key Economic Indicators**



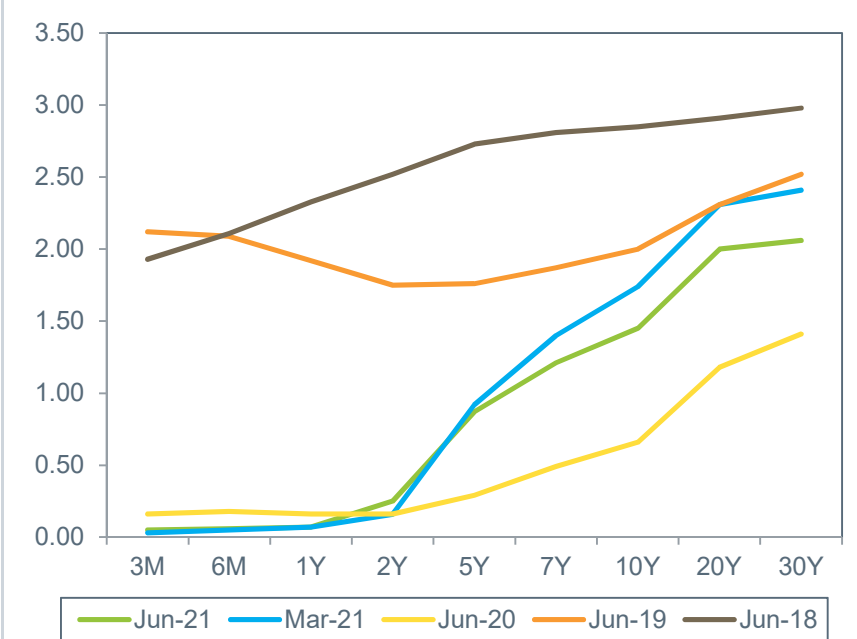
**Economic Indicators**

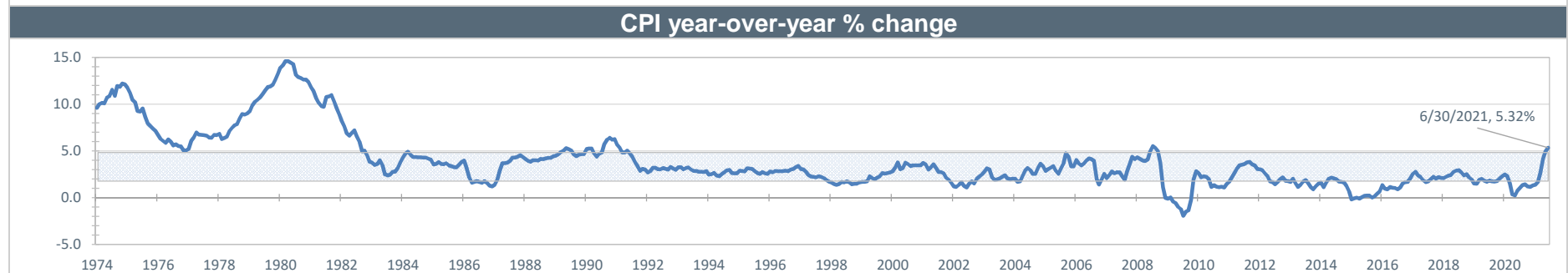
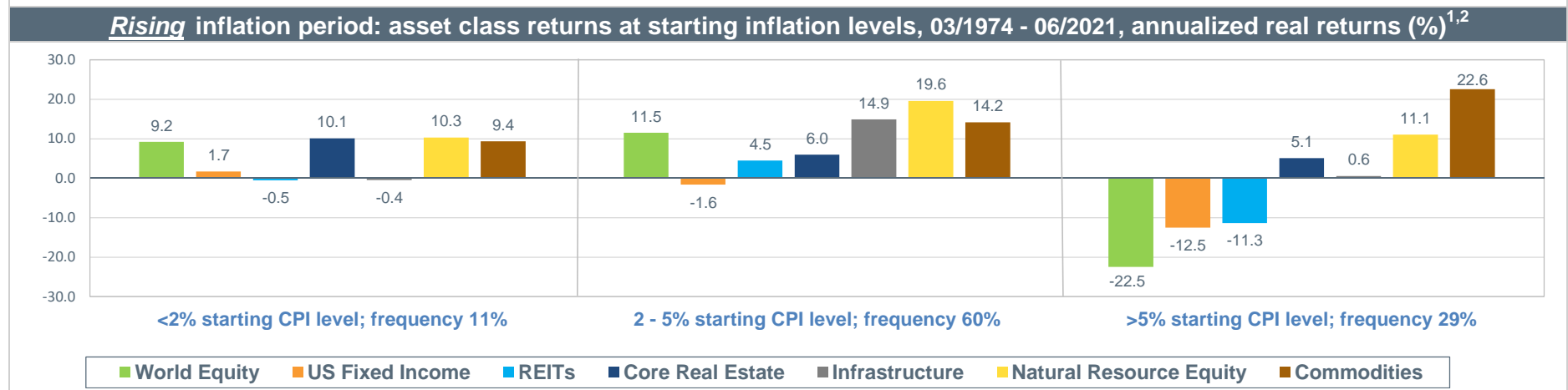
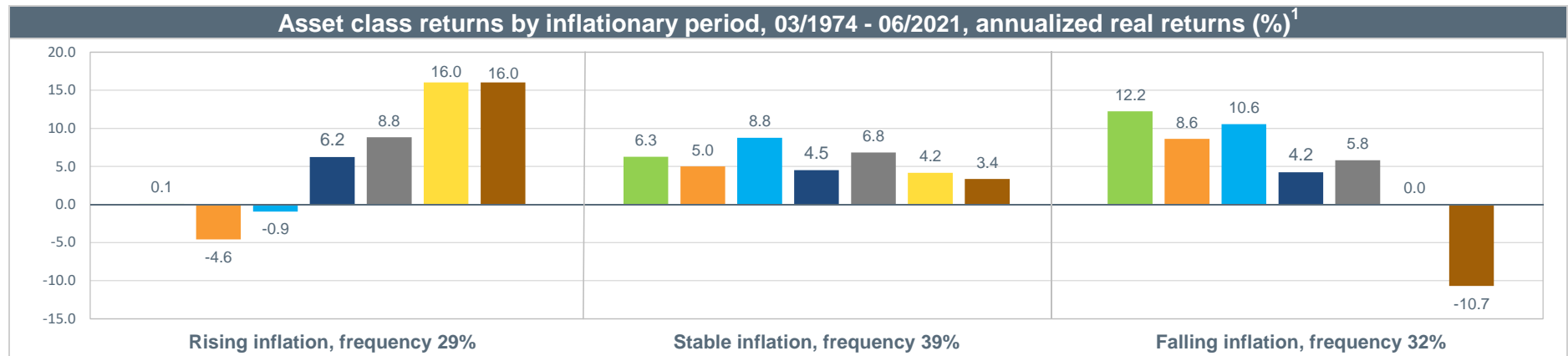
	Jun-21	Mar-21	Jun-20	Jun-18	20 Yr
Federal Funds Rate (%)	0.08 ▲	0.06	0.08	1.91	1.37
Breakeven Infl. - 5 Yr (%)	2.50 ▼	2.60	1.17	2.08	1.83
Breakeven Infl. - 10 Yr (%)	2.34 ▼	2.37	1.34	2.13	2.02
CPI YoY (Headline) (%)	5.4 ▲	2.6	0.6	2.9	2.1
Unemployment Rate (%)	5.9 ▼	6.0	11.1	4.0	6.1
Real GDP YoY (%)	12.2 ▲	0.5	-9.1	3.3	1.8
PMI - Manufacturing	60.6 ▼	64.7	52.2	59.7	53.1
USD Total Wtd Idx	112.85 ▼	114.13	120.78	113.26	103.17
WTI Crude Oil per Barrel (\$)	73.5 ▲	59.2	39.3	74.2	63.2
Gold Spot per Oz (\$)	1,770 ▲	1,708	1,781	1,253	1,048

**Market Performance (%)**

	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	8.55	15.25	40.79	17.65	14.84
Russell 2000	4.29	17.54	62.03	16.47	12.34
MSCI EAFE (Net)	5.17	8.83	32.35	10.28	5.89
MSCI EAFE SC (Net)	4.34	9.04	40.98	12.03	8.38
MSCI Emg Mkts (Net)	5.05	7.45	40.90	13.03	4.29
Bloomberg US Agg Bond	1.83	-1.61	-0.34	3.03	3.39
ICE BofAML 3 Mo US T-Bill	0.00	0.02	0.09	1.17	0.63
NCREIF ODCE (Gross)	3.93	6.12	8.02	6.57	9.60
FTSE NAREIT Eq REIT (TR)	12.02	21.96	38.02	6.31	9.41
HFRI FOF Comp	2.87	4.95	18.29	6.12	3.85
Bloomberg Cmnty (TR)	13.30	21.15	45.61	2.40	-4.44

**Treasury Yield Curve (%)**





<sup>1</sup> Real returns are based on US CPI and are calculated using quarterly periodicity. A rising inflation period is defined as any quarter when Y/Y US CPI rose by 0.3% or more; a falling inflation period when Y/Y CPI fell by -0.3% or more in a quarter; the remaining periods are classified as stable inflation. Starting date for Core Real Estate is March 1978. <sup>2</sup> Starting CPI level is based on Y/Y US CPI in a given quarter; rising inflation period is defined in Footnote 1.

Data: World Equity: MSCI World Index (net). US Fixed Income: BB US Gov Bond Index through 12/31/1975, and BB US Agg Index thereafter. REIT: FTSE NAREIT Equity REITs Index through 12/31/1995, and MSCI World/Real Estate GR USD Index thereafter. Infrastructure: 50/50 Blend of Datastream World Pipelines and Datastream World Gas, Water & Multi-Utilities through 12/31/2001, and S&P Global Infrastructure thereafter. Natural Resource Equity: 50/50 Datastream World Oil & Gas and Datastream World Basic Materials through 11/30/2002, and S&P Global Natural Resources thereafter. Commodity: S&P GSCI through 12/31/1991, and BB Commodity Index thereafter.

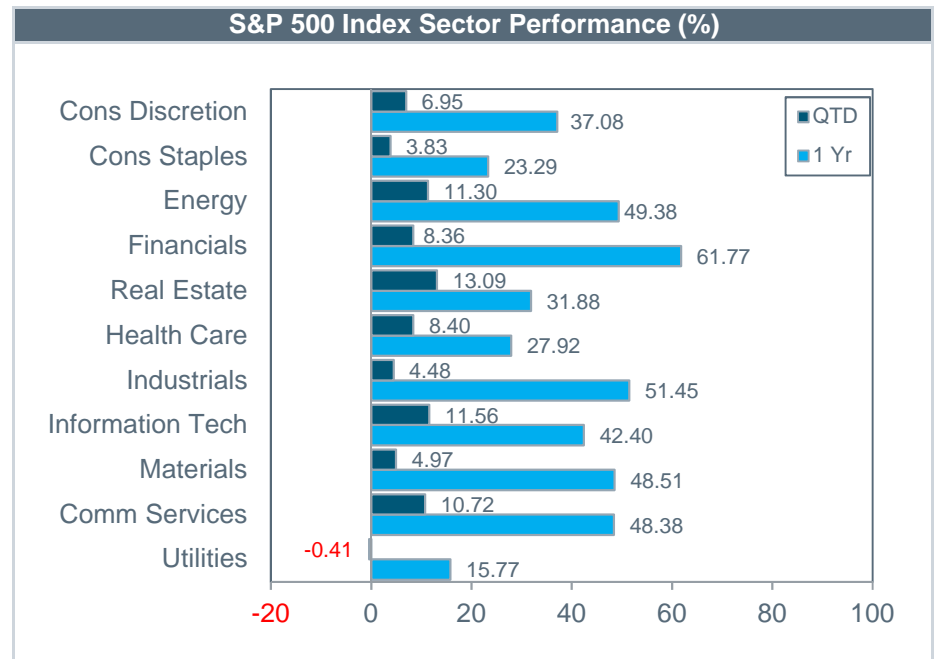
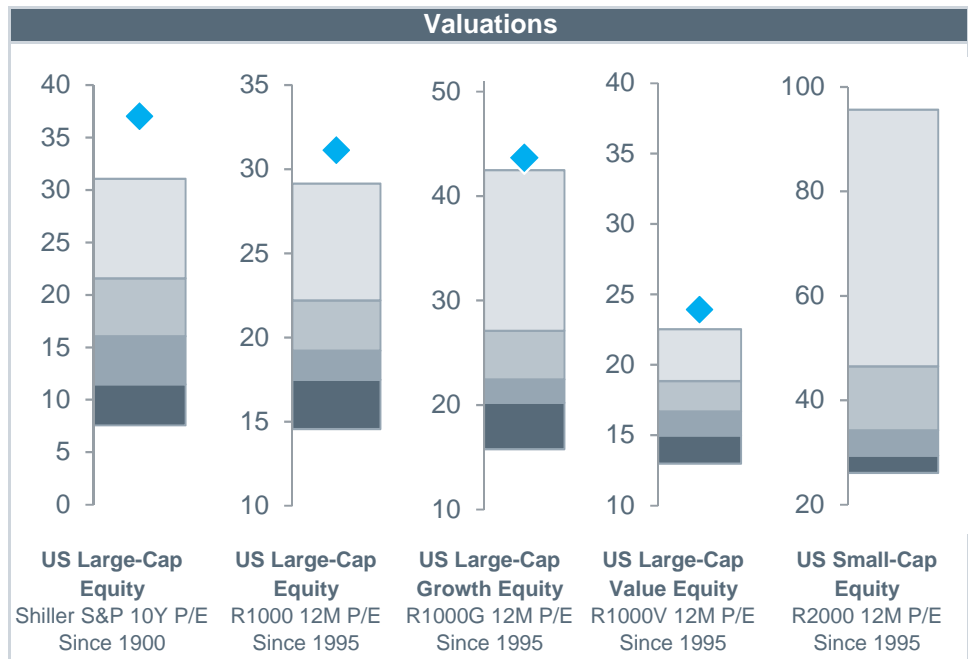
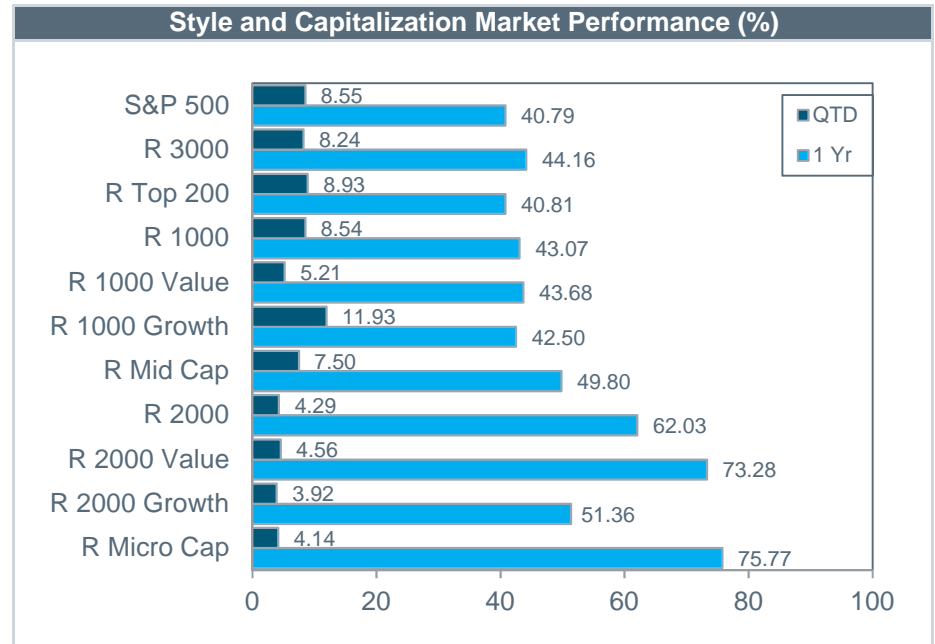


### Second Quarter Review

**Broad Market**  
 US equity markets built on the solid start to 2021, with strong performance in Q2 driven by continued monetary and fiscal stimulus, along with increasing vaccination rates leading to economic reopening efforts across the country. The S&P 500 Index finished Q2 up 8.5%. The forward P/E ratio of the S&P 500 Index continues to be above historical levels; however, it has seen a slight decrease relative to Q1.

**Market Cap**  
 Large-cap stocks significantly outperformed their smaller-cap counterparts. The Russell 2000 Index returned 4.29% compared to 8.55% for the S&P 500.

**Style and Sector**  
 Large- and mid-cap growth stocks outperformed value in Q2, however, value stocks continued to lead growth stocks in the small-cap space. The Russell 1000 Growth Index returned 11.9% versus 5.2% for the Russell 1000 Value Index.



Valuation data courtesy of Bloomberg Professional Service and Robert J. Shiller, Irrational Exuberance, Second Edition. P/E metrics shown represent the 5th through 95th percentiles to minimize the effect of outliers. Current R2000 P/E is unavailable due to negative earnings per share as of 6/30/2021.



**Second Quarter Review**

**Developed Markets**

Developed international markets delivered positive returns in Q2, as growth outperformed value in a reversal of the value rally experienced in Q1, while small-cap stocks slightly trailed their large counterparts. Active management did well this quarter, with a majority of developed international equity managers beating their benchmarks in the large- and small-cap universes.

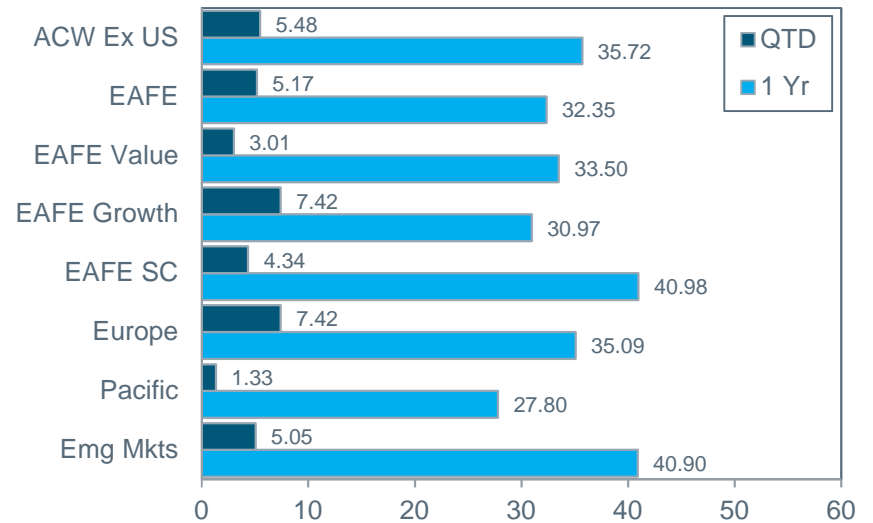
**Emerging Markets**

Emerging markets lagged developed markets in Q2 but still continued a trend of positive performance. Contrary to the reversal seen in developed markets, emerging market value stocks continued to outperform growth while small-cap stocks also continued their outperformance over large. Active manager results in emerging markets were mixed, with just under half outpacing their benchmarks for the quarter.

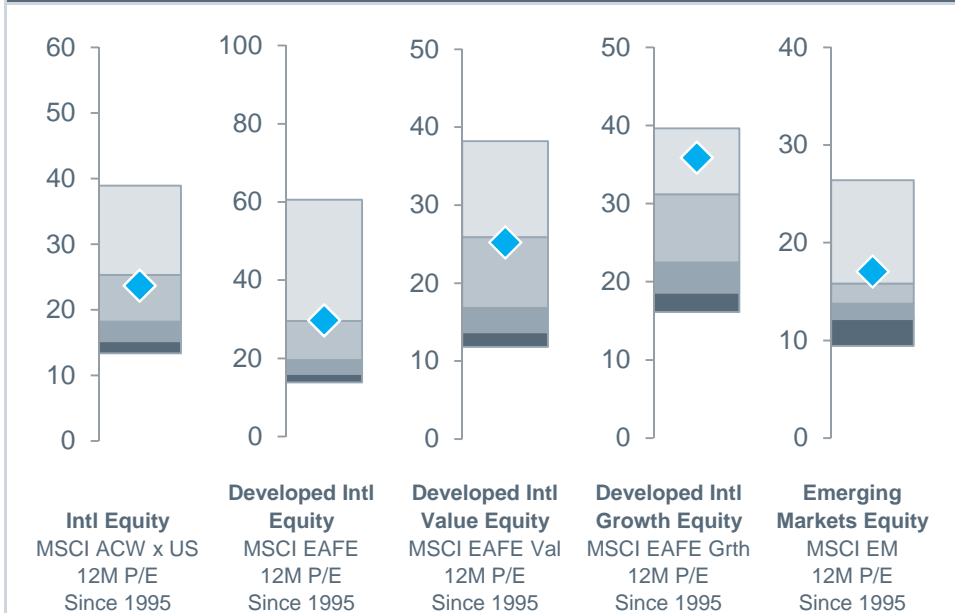
**Market Cap & Style**

In international markets, growth stocks outperformed value, while large-cap stocks outperformed small-cap. In emerging markets, value stocks outperformed growth, while small-cap stocks outperformed large-cap.

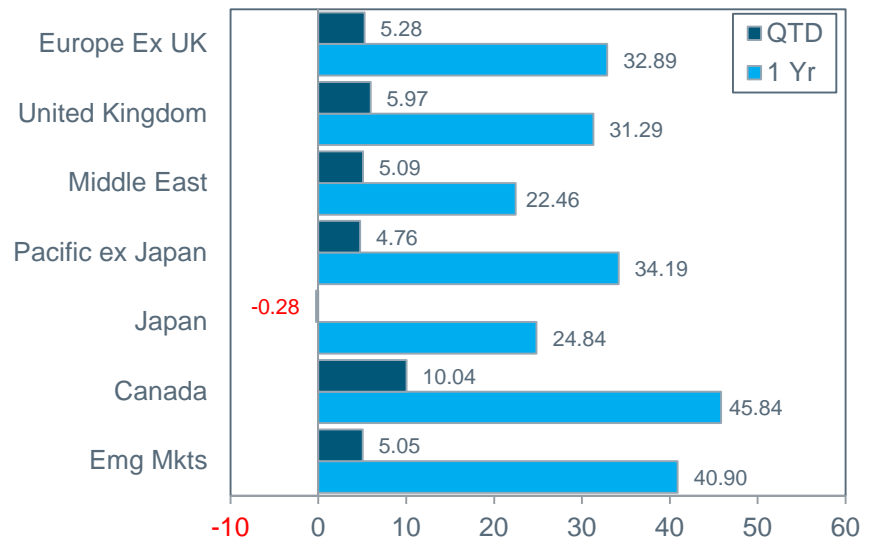
**MSCI Style and Capitalization Market Performance (%)**



**Valuations**



**MSCI Region Performance (%)**



Valuation data courtesy of Bloomberg Professional Service.

P/E metrics shown represent the 5th through 95th percentiles to minimize the effect of outliers.

All returns are shown net of foreign taxes on dividends.



**Second Quarter Review**

**Broad Market**

The Bloomberg US Aggregate Index returned 1.8% in Q2, partially retracing losses from Q1, while overall remaining down -1.6% YTD. Treasury yields fell back despite an easing of pandemic related restrictions which supported economic growth and rising inflationary pressures.

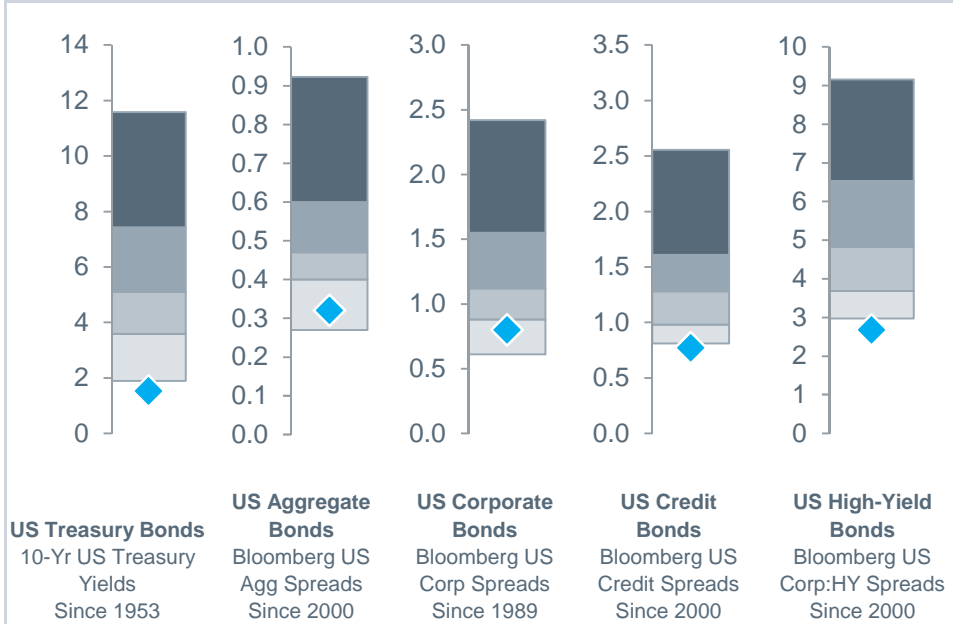
**Credit Market**

Lower quality investment grade debt rated BBB outperformed both the investment grade and high yield credit markets, a departure from the trend in past quarters of lowest quality credit outperforming higher grade debt. In Q2, the Bloomberg US Credit Index returned 3.3%, with the Bloomberg BBB Credit Index returning 3.7%.

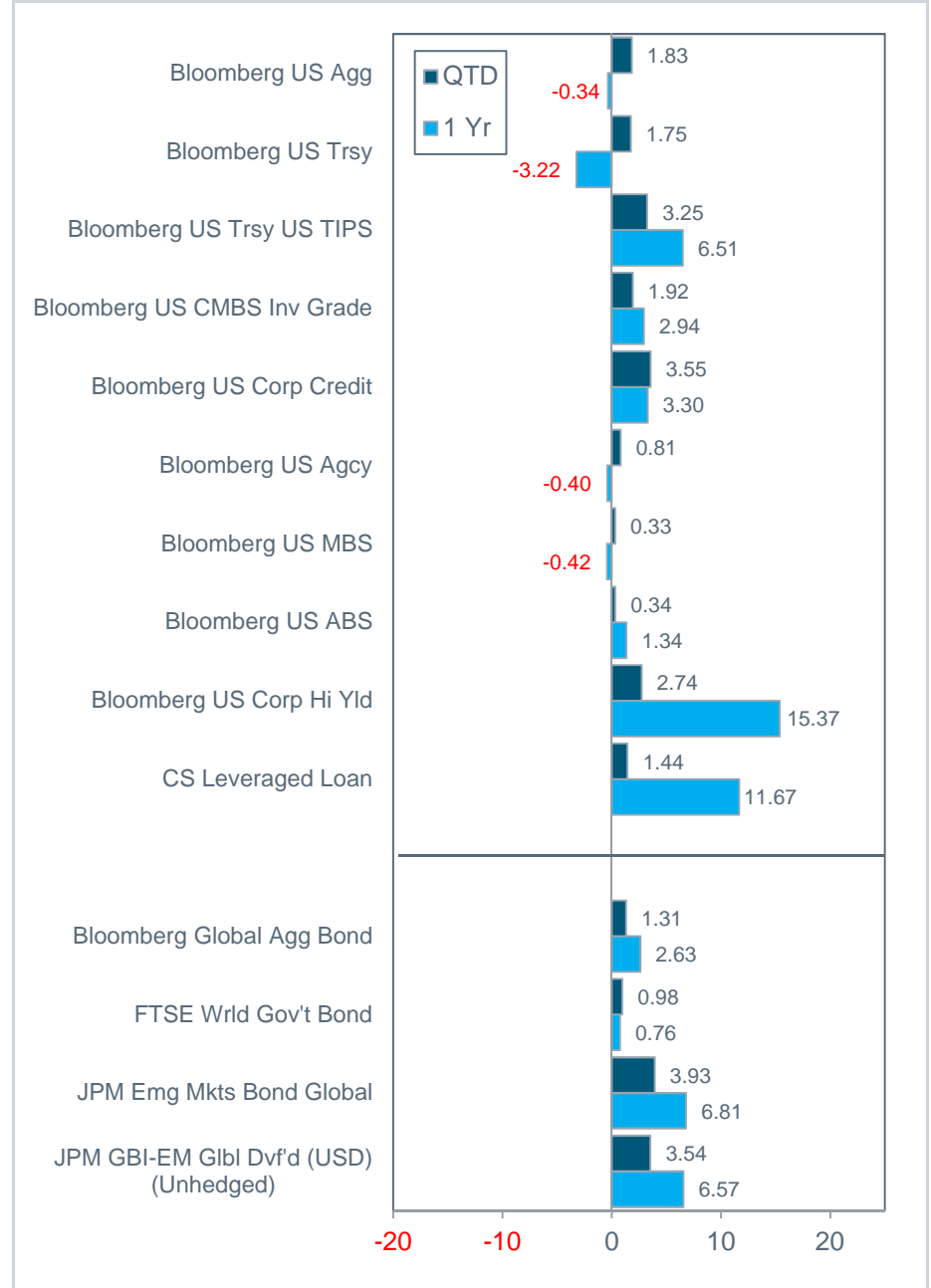
**Emerging Market Debt**

Emerging market debt saw improved performance compared to Q1 on the heels of falling US Treasury yields and rising commodity prices, contributing to broadly positive emerging market debt performance.

**Valuations**



**Fixed Income Performance (%)**



Valuation data courtesy of Bloomberg Professional Service. Valuations shown represent the 5th through 95th percentiles to minimize the effect of outliers.



**Second Quarter Review - Absolute Return**

**General Market - Hedge Funds**

Diversified hedge funds posted another strong quarter, returning 4.0% and bringing YTD returns to 10.0% according to the HFRI Fund Weighted Composite Index. Heightened levels of activity across convertible bond issuance, IPOs, SPACs, and M&A provided fertile ground for event-driven funds, and equity beta tailwinds continued to add to returns in the hedged equity space. Event-driven strategies have outperformed relative value YTD, and directional strategies have outperformed low net exposure and market neutral approaches.

**General Market - Global Tactical Asset Allocation (GTAA)**

Global Tactical Asset Allocation strategies that RVK follows closely largely generated positive absolute returns in Q2, ranging from the low- to midsingle digits. Long-biased strategies produced mixed results versus a less diversified blended benchmark of 60% US equity and 40% US fixed income, which returned 5.8% in Q2. Generally, strategies that have maintained a value bias, especially within emerging markets, outperformed relative to peers.

**Second Quarter Review - Real Assets**

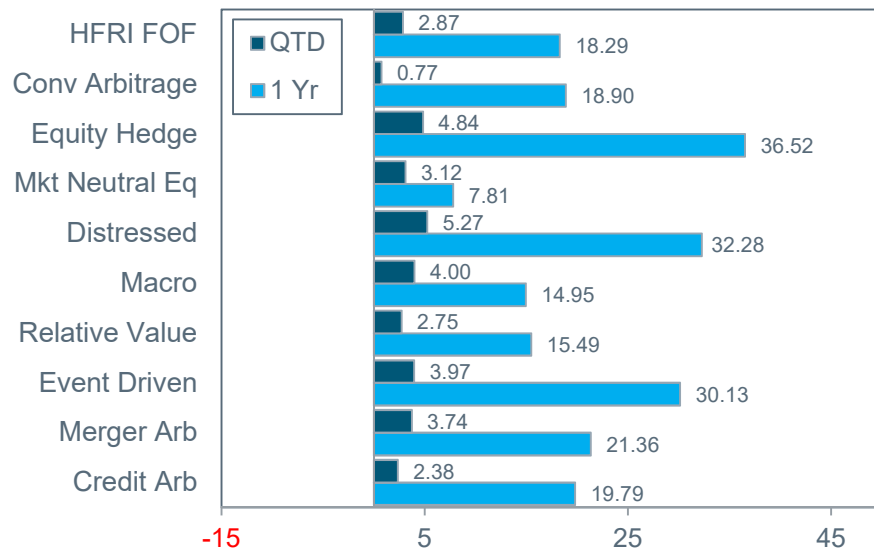
**General Market - Diversified Inflation Strategies (DIS)**

Diversified Inflation Strategies that RVK follows closely primarily generated strong positive absolute performance, ranging from the midsingle digits to low double-digits. In Q2, commodities, listed infrastructure, natural resource equities, REITs, and TIPS all posted positive absolute returns. Commodities led the way, with the Bloomberg Commodity Index posting a 13.3% return, largely driven by energy, with metals and agriculture also posting strong returns.

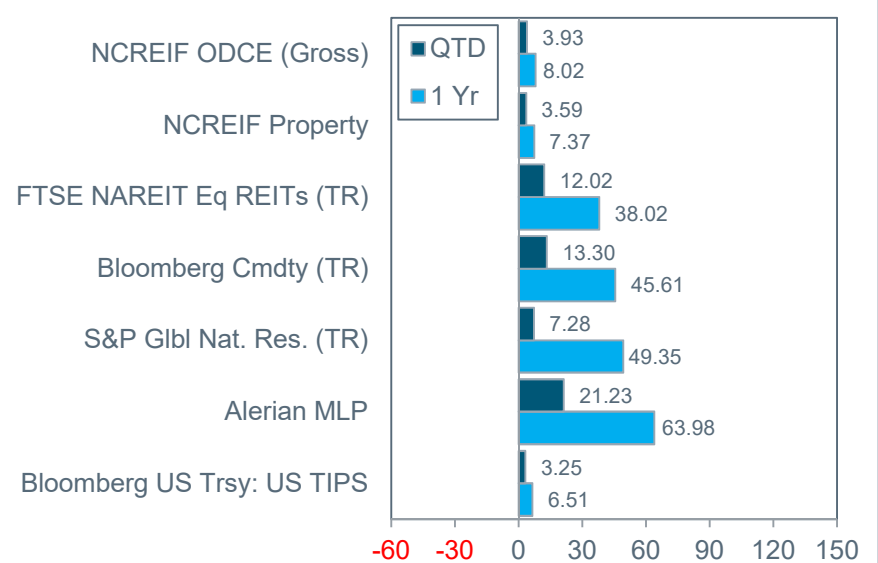
**General Market - Real Estate**

Core private real estate generated a positive 3.9% return in Q2, as reported by the NFI-ODCE Index, with the total return comprising of 1.0% income and 2.9% price appreciation. While the income trends in line with historical levels, price appreciation rebounded meaningfully by 1.8% from the level recorded in Q1. Publicly traded real estate investments outperformed their private market counterparts by a meaningful margin.

**HFRI Hedge Fund Performance (%)**



**Real Asset Performance (%)**



Annual Asset Class Performance

As of June 30, 2021

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
Best	39.38	8.44	78.51	27.94	22.49	20.00	38.82	30.14	15.02	21.31	37.28	8.35	31.49	19.96	21.96
	16.23	5.24	58.21	26.85	15.99	18.23	32.39	19.31	9.59	17.13	33.01	1.87	26.00	18.40	21.15
	15.97	2.06	46.78	22.04	13.56	18.06	29.30	13.69	3.20	11.96	25.03	0.01	25.53	18.31	17.54
	11.63	-2.35	31.78	18.88	8.29	17.32	22.78	12.50	1.38	11.77	21.83	-1.26	24.96	16.12	15.25
	11.17	-10.01	28.01	16.83	7.84	16.35	13.94	5.97	0.55	11.19	14.65	-2.08	22.01	13.07	9.04
	10.25	-21.37	27.17	16.36	4.98	16.00	8.96	4.89	0.05	9.29	14.02	-3.38	19.59	12.34	8.83
	6.97	-26.16	26.89	15.12	2.11	15.81	8.19	4.06	-0.27	8.77	10.71	-4.02	18.44	10.99	8.36
	6.60	-29.87	26.46	15.06	1.81	12.66	7.44	3.64	-0.81	8.52	7.77	-4.38	17.08	10.88	7.45
	5.94	-33.79	18.91	14.41	0.10	10.94	2.47	3.37	-1.44	6.67	7.62	-4.62	14.32	7.82	6.12
	5.49	-35.65	11.47	10.16	-4.13	8.78	0.07	2.45	-2.29	4.68	7.50	-4.68	8.72	7.51	4.95
	5.00	-37.00	11.41	7.75	-5.72	6.98	-2.02	0.04	-3.30	2.65	5.23	-11.01	8.43	7.11	3.62
	1.87	-37.74	5.93	6.54	-12.14	4.79	-2.60	-2.19	-4.41	2.18	3.54	-11.25	8.39	1.19	1.73
	1.45	-43.38	1.92	6.31	-13.32	4.21	-8.61	-4.90	-4.47	1.00	3.01	-13.79	7.69	0.67	0.02
	-1.57	-47.01	0.21	5.70	-15.94	0.11	-8.83	-4.95	-14.92	0.51	1.70	-14.58	5.34	-3.12	-1.61
Worst	-15.70	-53.33	-29.76	0.13	-18.42	-1.06	-9.52	-17.01	-24.66	0.33	0.86	-17.89	2.28	-8.00	-4.64

VSERS	S&P 500 - US Large Cap	R 2000 - US Small Cap	MSCI EAFE (Net) - Int'l Dev.	MSCI EAFE SC (Net) - Int'l SC	MSCI EM (Net) - Int'l Emg Mkts	Bloombrg US Agg Bond - FI	Bloombrg US Corp Hi Yield - FI	Bloombrg US Trsy US TIPS - FI	Bloombrg US Gov Credit Lng - FI	NCREIF ODCE (Gross) - Real Estate	FTSE NAREIT Eq REITs Index (TR)	HFRI FOF Comp Index - ARS	Bloombrg Cmdty (TR) - Commod.	ICE BofAML 3 Mo T-Bill - Cash Equiv
-------	------------------------	-----------------------	------------------------------	-------------------------------	--------------------------------	---------------------------	--------------------------------	-------------------------------	---------------------------------	-----------------------------------	---------------------------------	---------------------------	-------------------------------	-------------------------------------

NCREIF ODCE (Gross) performance is reported quarterly; performance is shown N/A in interim-quarter months.





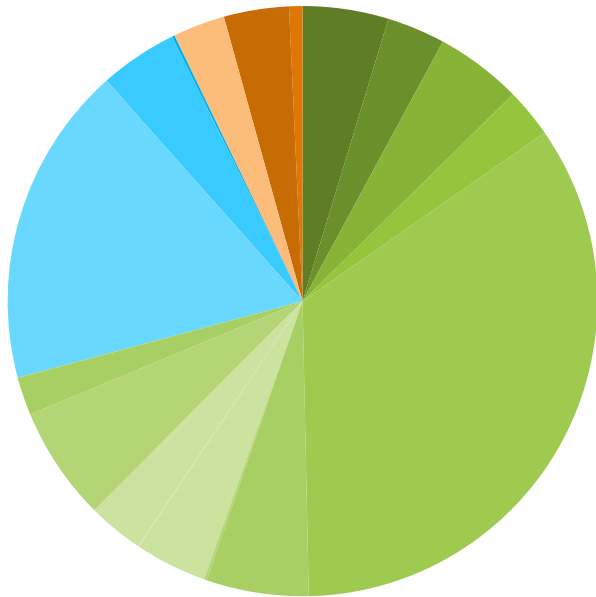
# VSERS



Vermont State Employees' Retirement System  
Asset Allocation By Manager

As of June 30, 2021

June 30, 2021 : \$2,379,377,332

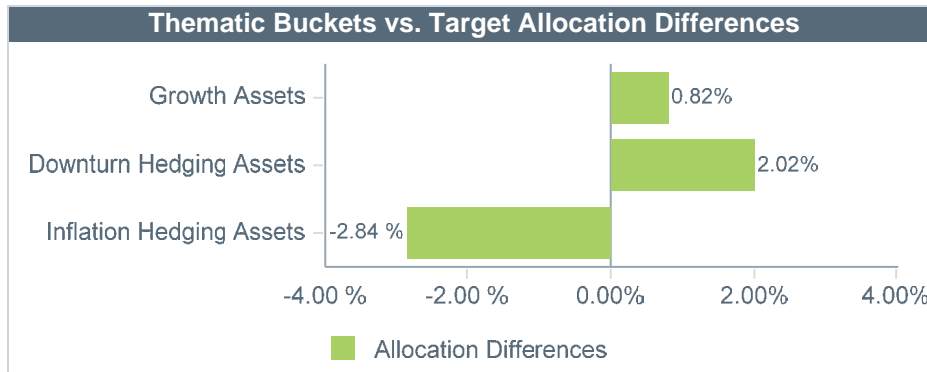


	Market Value (\$)	Allocation (%)
Blackrock S&P 500 (EqI Wtd) (CF)	111,962,371	4.71
Champlain US Mid Cap Core (SA)	75,820,232	3.19
SSgA Russell 2000 Growth (Ex Tobacco) (SA)	5,345	0.00
Acadian International All Cap (SA)	113,109,750	4.75
Mondrian International (SA)	63,866,782	2.68
BlackRock MSCI ACW IMI (CF)	816,766,993	34.33
Artisan Global Opportunities (CF)	133,374,431	5.61
PIMCO Liquidation (SA)	3,628,578	0.15
Wellington Opportunistic EMD (CF)	94,191,417	3.96
PIMCO Unconstrained (SA)	785,181	0.03
Private Debt	72,873,254	3.06
Private Equity	148,974,858	6.26
Non-Core Real Estate	49,342,201	2.07
Pinnacle Natural Resources (CF)	469,130	0.02
BlackRock US Agg (CF)	419,022,291	17.61
PIMCO Core (SA)	101,555,160	4.27
Vermont Cash (SA)	3,347,411	0.14
BlackRock TIPS (CF)	67,998,183	2.86
UBS Trumbull Properties (CF)	84,899,163	3.57
Private Infrastructure/Land	17,384,150	0.73
Real Estate Cash (CF)	451	0.00

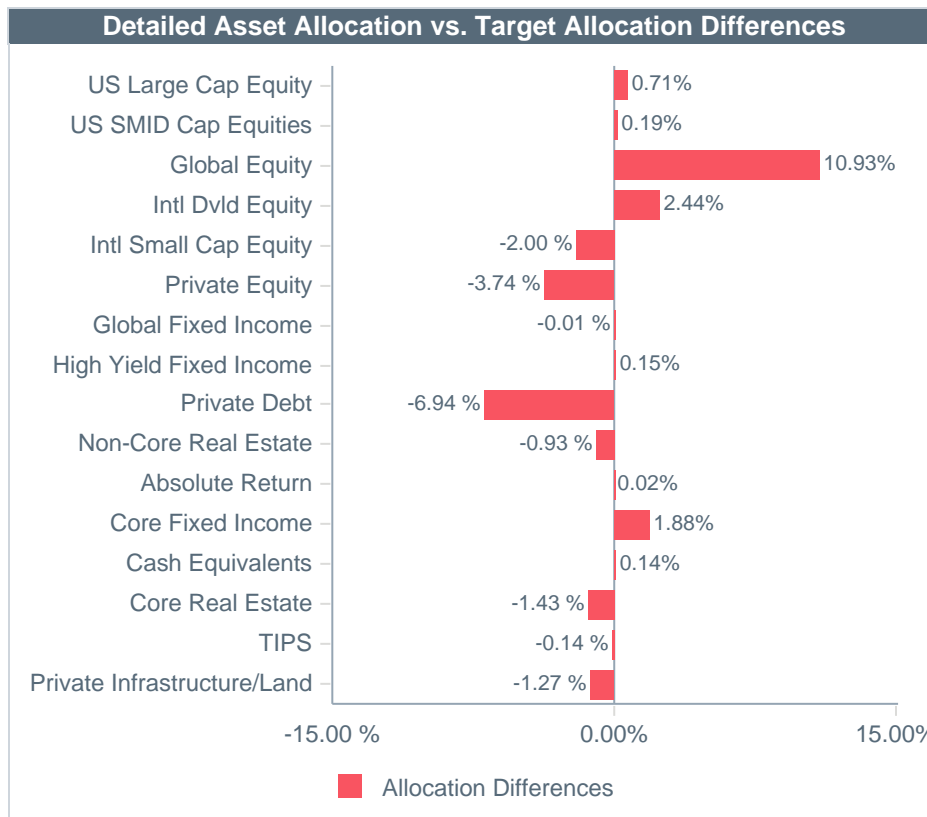
Allocations shown may not sum up to 100% exactly due to rounding. Market values for SSgA Russell 2000 Growth (SA), Pinnacle Natural Resources (CF) and PIMCO Unconstrained (SA) represent residual assets after liquidation. During 06/2021, Blackrock Transition was liquidated.



Thematic Buckets vs. Target Allocation			
	Market Value (\$)	Allocation (%)	Target (%)
Growth Assets	1,685,170,524	70.82	70.00
Downturn Hedging Assets	523,924,862	22.02	20.00
Inflation Hedging Assets	170,281,946	7.16	10.00
<b>Total Fund</b>	<b>2,379,377,332</b>	<b>100.00</b>	<b>100.00</b>



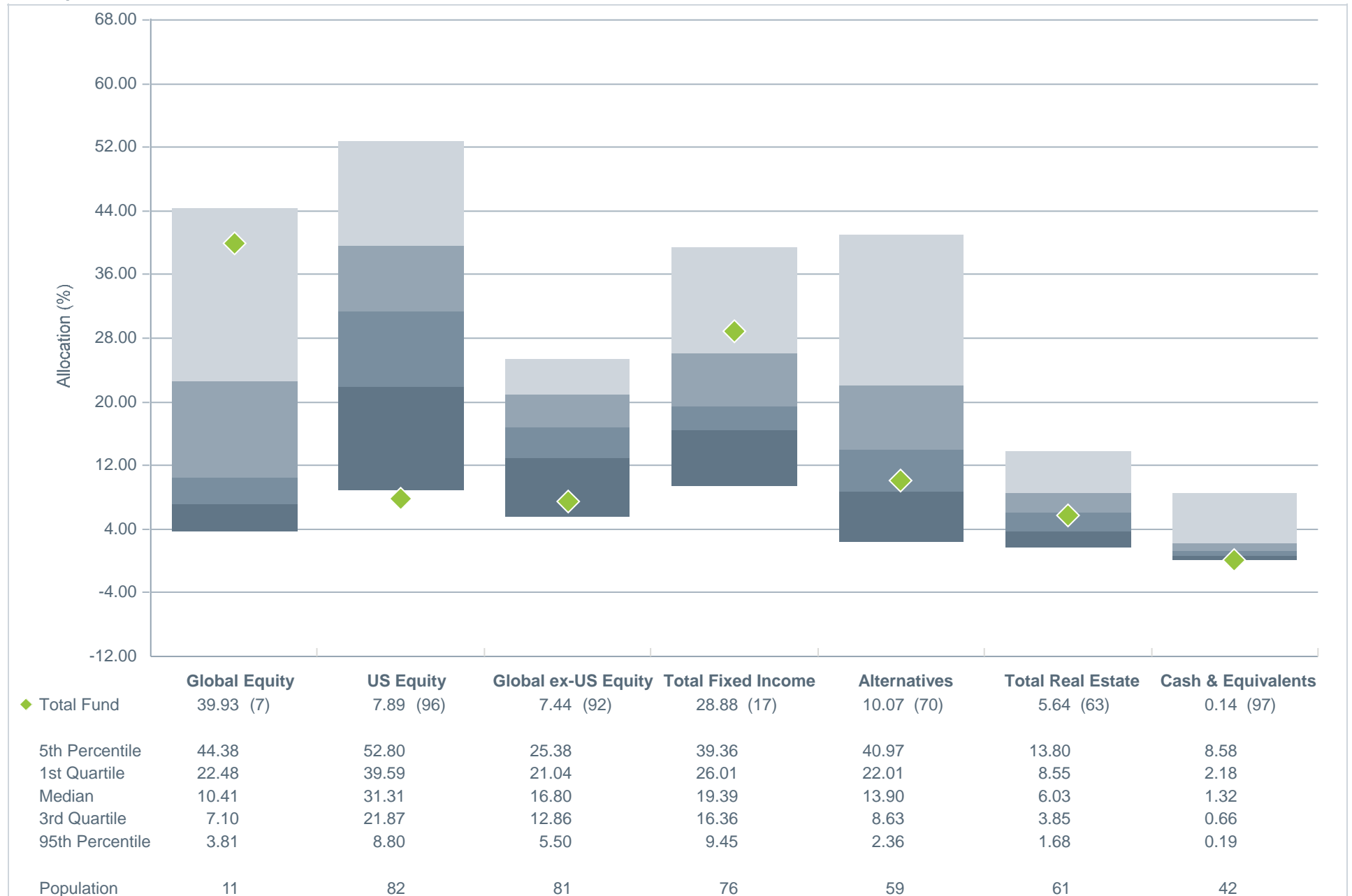
Detailed Asset Allocation vs. Target Allocation			
	Market Value (\$)	Allocation (%)	Target (%)
US Large Cap Equity	111,962,371	4.71	4.00
US SMID Cap Equities	75,825,577	3.19	3.00
Global Equity	950,141,424	39.93	29.00
Intl Dvld Equity	176,976,532	7.44	5.00
Intl Small Cap Equity	-	0.00	2.00
Private Equity	148,974,858	6.26	10.00
Global Fixed Income	94,976,598	3.99	4.00
High Yield Fixed Income	3,628,578	0.15	0.00
Private Debt	72,873,254	3.06	10.00
Non-Core Real Estate	49,342,201	2.07	3.00
Absolute Return	469,130	0.02	0.00
Core Fixed Income	520,577,451	21.88	20.00
Cash Equivalents	3,347,411	0.14	0.00
Core Real Estate	84,899,613	3.57	5.00
TIPS	67,998,183	2.86	3.00
Private Infrastructure/Land	17,384,150	0.73	2.00
<b>Total Fund</b>	<b>2,379,377,332</b>	<b>100.00</b>	<b>100.00</b>



Allocations shown may not sum up to 100% exactly due to rounding.

Vermont State Employees' Retirement System  
 All Public Plans (\$1B to \$10B; Median) (Custom PG)  
 Plan Sponsor TF Asset Allocation

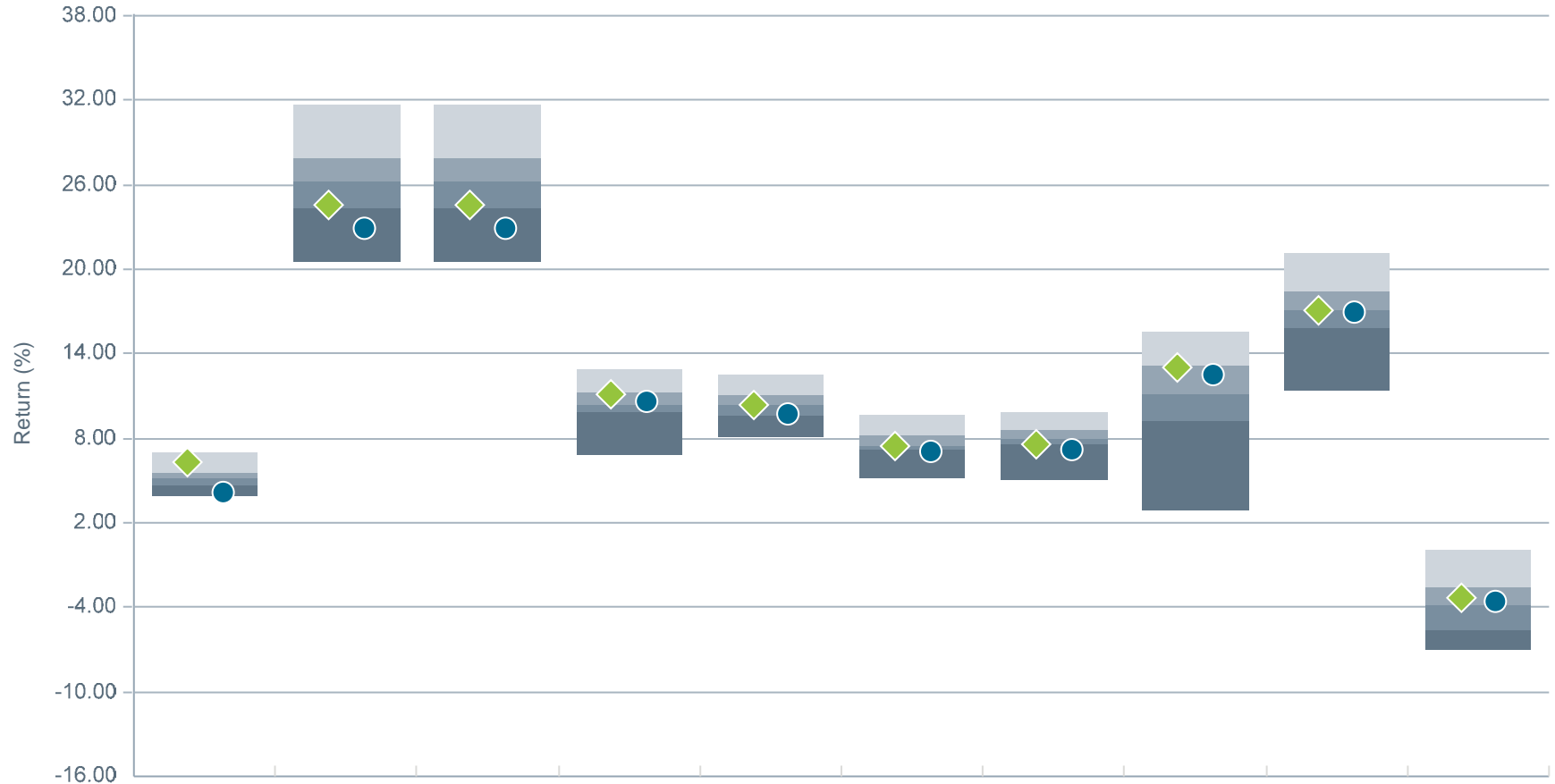
As of June 30, 2021



Parentheses contain percentile ranks. Total Fixed Income includes TIPS.

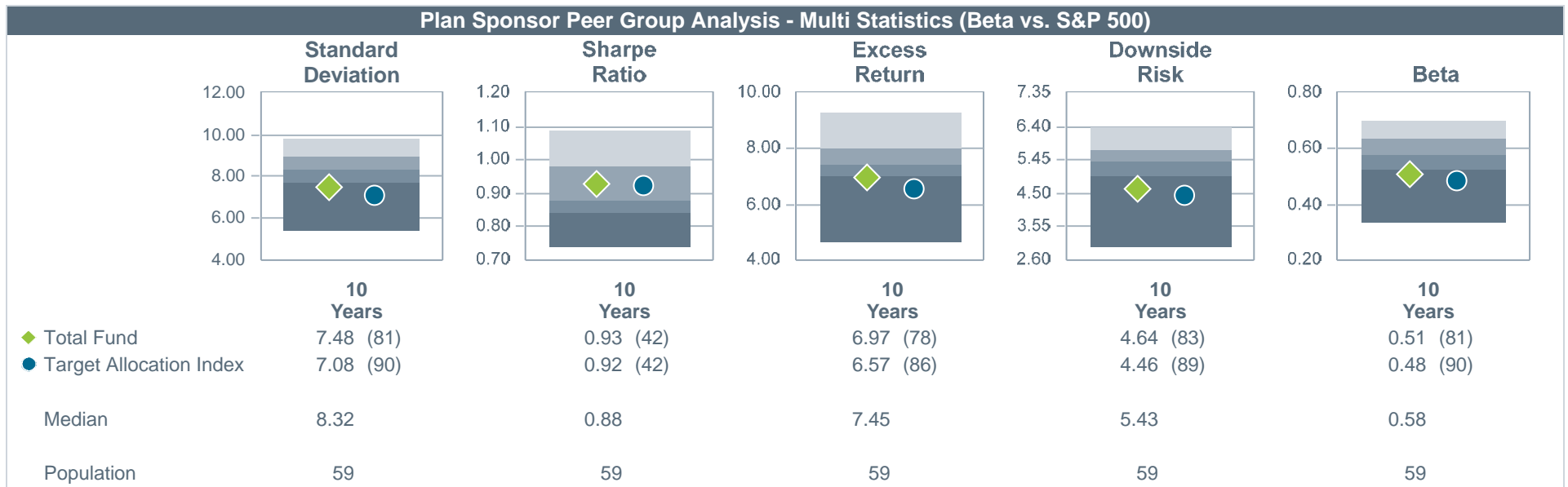
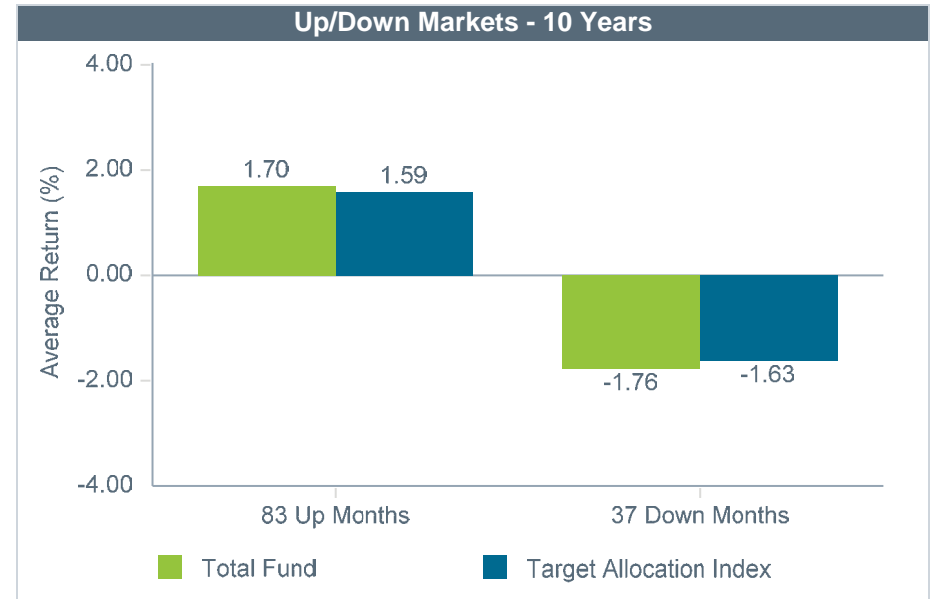
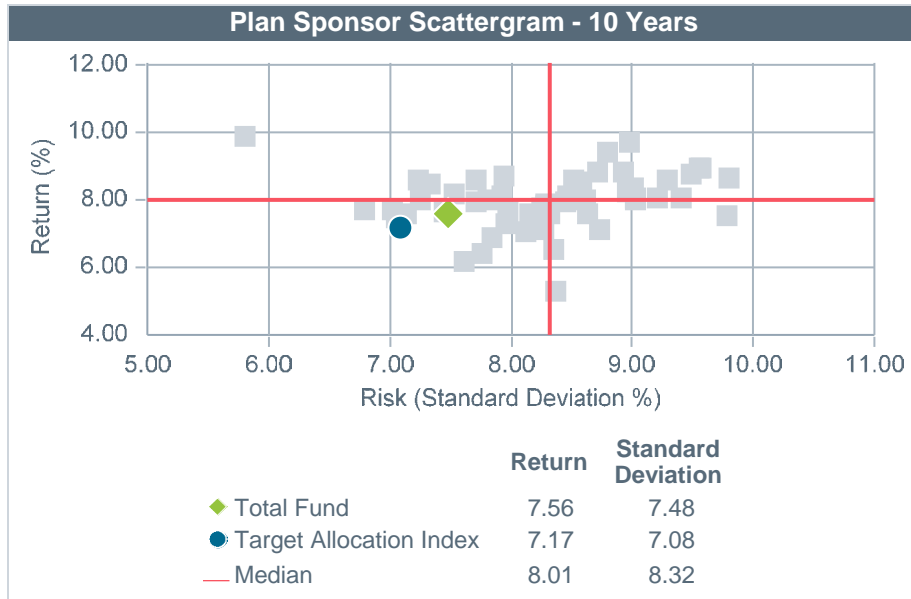
Vermont State Employees' Retirement System  
 All Public Plans (\$1B to \$10B) (Custom PG)  
 Plan Sponsor Peer Group Analysis

As of June 30, 2021



	QTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018
◆ Total Fund	6.35 (8)	24.59 (71)	24.59 (71)	11.10 (28)	10.35 (52)	7.39 (59)	7.56 (77)	13.07 (28)	17.08 (53)	-3.38 (40)
● Target Allocation Index	4.11 (92)	22.95 (87)	22.95 (87)	10.67 (42)	9.78 (72)	7.13 (78)	7.17 (83)	12.51 (33)	16.91 (55)	-3.63 (46)
5th Percentile	6.91	31.72	31.72	12.93	12.57	9.61	9.91	15.51	21.17	0.16
1st Quartile	5.54	27.89	27.89	11.32	11.12	8.20	8.60	13.21	18.50	-2.61
Median	5.20	26.15	26.15	10.40	10.36	7.51	8.01	11.15	17.09	-3.88
3rd Quartile	4.65	24.31	24.31	9.81	9.66	7.16	7.57	9.26	15.77	-5.62
95th Percentile	3.84	20.55	20.55	6.76	8.14	5.14	5.04	2.85	11.38	-6.95
Population	72	71	71	66	65	63	59	88	78	54

Performance shown is net of fees. Parentheses contain percentile ranks.



Performance shown is net of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Vermont State Employees' Retirement System  
Asset Allocation & Performance - Net of Fees

As of June 30, 2021

	Allocation		Performance (%)									
	Market Value (\$)	Actual (%)	QTD	FYTD	1 Year	3 Years	5 Years	10 Years	15 Years	2020	Since Incep.	Inception Date
<b>Total Fund</b>	<b>2,379,377,332</b>	<b>100.00</b>	<b>6.35</b>	<b>24.59</b>	<b>24.59</b>	<b>11.10</b>	<b>10.35</b>	<b>7.56</b>	<b>6.52</b>	<b>13.07</b>	<b>6.74</b>	<b>07/01/2005</b>
Target Allocation Index			4.11	22.95	22.95	10.67	9.78	7.17	6.44	12.51	6.66	
Difference			2.24	1.64	1.64	0.43	0.57	0.39	0.08	0.56	0.08	
Actual Allocation Index			4.75	23.86	23.86	10.22	9.67	7.01	6.30	11.59	6.52	
Difference			1.60	0.73	0.73	0.88	0.68	0.55	0.22	1.48	0.22	
<b>Growth Assets</b>	<b>1,685,170,524</b>	<b>70.82</b>	<b>8.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.45</b>	<b>09/01/2020</b>
MSCI ACW IM Index (USD) (Net)			7.18	40.94	40.94	14.24	14.55	9.90	7.74	16.25	26.33	
Difference			1.05	-	-	-	-	-	-	-	0.12	
<b>Downturn Hedging Assets</b>	<b>523,924,862</b>	<b>22.02</b>	<b>1.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.83</b>	<b>09/01/2020</b>
Bloomberg US Agg Bond Index			1.83	-0.34	-0.34	5.34	3.03	3.39	4.43	7.51	-1.00	
Difference			0.07	-	-	-	-	-	-	-	0.17	
<b>Inflation Hedging Assets</b>	<b>170,281,946</b>	<b>7.16</b>	<b>2.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.79</b>	<b>09/01/2020</b>
Consumer Price Index+2.5%			3.21	8.03	8.03	5.11	4.99	4.42	4.51	3.90	6.70	
Difference			-1.05	-	-	-	-	-	-	-	-5.91	

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Manager inception dates shown represent the first full month of available performance. Fiscal year ends 6/30. Please see addendum for custom benchmark definitions. Private Asset market values and performance are lagged to match custodian reported net asset values. Accordingly, fund reported performance will lag benchmark reported performance.

Vermont State Employees' Retirement System  
Asset Allocation & Performance - Net of Fees

As of June 30, 2021

	Allocation			Performance (%)									
	Market Value (\$)	Actual (%)	Policy (%)	QTD	FYTD	1 Year	3 Years	5 Years	10 Years	15 Years	2020	Since Incep.	Inception Date
<b>Total Fund</b>	<b>2,379,377,332</b>	<b>100.00</b>	<b>100.00</b>	<b>6.35</b>	<b>24.59</b>	<b>24.59</b>	<b>11.10</b>	<b>10.35</b>	<b>7.56</b>	<b>6.52</b>	<b>13.07</b>	<b>6.74</b>	<b>07/01/2005</b>
Target Allocation Index				4.11	22.95	22.95	10.67	9.78	7.17	6.44	12.51	6.66	
Difference				2.24	1.64	1.64	0.43	0.57	0.39	0.08	0.56	0.08	
Actual Allocation Index				4.75	23.86	23.86	10.22	9.67	7.01	6.30	11.59	6.52	
Difference				1.60	0.73	0.73	0.88	0.68	0.55	0.22	1.48	0.22	
All Public Plans (\$1B to \$10B)				5.20	26.15	26.15	10.40	10.36	8.01	6.76	11.15	6.91	
Rank				8	71	71	28	52	77	67	28	64	
<b>Domestic Equity</b>	<b>187,787,948</b>	<b>7.89</b>	<b>7.00</b>	<b>7.23</b>	<b>48.94</b>	<b>48.94</b>	<b>16.58</b>	<b>16.29</b>	<b>13.87</b>	<b>-</b>	<b>18.83</b>	<b>13.94</b>	<b>01/01/2011</b>
Russell 3000 Index				8.24	44.16	44.16	18.73	17.89	14.70	10.78	20.89	14.62	
Difference				-1.01	4.78	4.78	-2.15	-1.60	-0.83	-	-2.06	-0.68	
<b>US Large Cap Equity</b>	<b>111,962,371</b>	<b>4.71</b>	<b>4.00</b>	<b>6.85</b>	<b>50.66</b>	<b>50.66</b>	<b>15.19</b>	<b>15.43</b>	<b>13.67</b>	<b>10.47</b>	<b>13.03</b>	<b>10.43</b>	<b>07/01/2005</b>
S&P 500 Index (Cap Wtd)				8.55	40.79	40.79	18.67	17.65	14.84	10.73	18.40	10.60	
Difference				-1.70	9.87	9.87	-3.48	-2.22	-1.17	-0.26	-5.37	-0.17	
<b>Blackrock S&amp;P 500 (Eq Wtd) (CF)</b>	<b>111,962,371</b>	<b>4.71</b>	<b>-</b>	<b>6.85</b>	<b>50.66</b>	<b>50.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.03</b>	<b>20.80</b>	<b>07/01/2019</b>
S&P 500 Index (Eq Wtd)				6.90	50.71	50.71	16.41	15.68	13.76	10.98	12.83	20.75	
Difference				-0.05	-0.05	-0.05	-	-	-	-	0.20	0.05	
IM U.S. Large Cap Equity (MF) Median				8.22	40.68	40.68	18.02	17.10	13.73	10.14	18.34	22.80	
Rank				68	7	7	-	-	-	-	64	59	
<b>US SMID Cap Equities</b>	<b>75,825,577</b>	<b>3.19</b>	<b>3.00</b>	<b>7.77</b>	<b>46.20</b>	<b>46.20</b>	<b>18.08</b>	<b>17.77</b>	<b>14.20</b>	<b>11.11</b>	<b>27.32</b>	<b>11.09</b>	<b>07/01/2005</b>
Russell 2500 Index				5.44	57.79	57.79	15.24	16.35	12.86	10.25	19.99	10.45	
Difference				2.33	-11.59	-11.59	2.84	1.42	1.34	0.86	7.33	0.64	
<b>Champlain US Mid Cap Core (SA)</b>	<b>75,820,232</b>	<b>3.19</b>	<b>-</b>	<b>7.76</b>	<b>46.20</b>	<b>46.20</b>	<b>18.08</b>	<b>18.67</b>	<b>15.05</b>	<b>-</b>	<b>27.32</b>	<b>16.15</b>	<b>10/01/2009</b>
Custom SMID Cap Equity Index				5.90	59.50	59.50	14.28	16.43	12.75	10.18	19.99	14.24	
Difference				1.86	-13.30	-13.30	3.80	2.24	2.30	-	7.33	1.91	
IM U.S. SMID Cap Equity (MF) Median				4.87	52.55	52.55	14.63	16.05	12.41	10.31	20.27	13.98	
Rank				7	76	76	34	35	19	-	41	26	
<b>Global Equity</b>	<b>950,141,424</b>	<b>39.93</b>	<b>29.00</b>	<b>7.49</b>	<b>40.58</b>	<b>40.58</b>	<b>14.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19.96</b>	<b>9.34</b>	<b>02/01/2018</b>
MSCI ACW IM Index (USD) (Net)				7.18	40.94	40.94	14.24	14.55	9.90	7.74	16.25	10.63	
Difference				0.31	-0.36	-0.36	-0.12	-	-	-	3.71	-1.29	

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Manager inception dates shown represent the first full month of available performance. Fiscal year ends 6/30. Please see addendum for custom benchmark definitions. Private Asset market values and performance are lagged to match custodian reported net asset values. Accordingly, fund reported performance will lag benchmark reported performance. Negative cash performance is due to a valuation decline in the Blackrock Transition account during its liquidation.





Vermont State Employees' Retirement System  
Asset Allocation & Performance - Net of Fees

As of June 30, 2021

	Allocation			Performance (%)									
	Market Value (\$)	Actual (%)	Policy (%)	QTD	FYTD	1 Year	3 Years	5 Years	10 Years	15 Years	2020	Since Incep.	Inception Date
<b>BlackRock MSCI ACW IMI (CF)</b>	<b>816,766,993</b>	<b>34.33</b>	<b>-</b>	<b>7.27</b>	<b>41.53</b>	<b>41.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.77</b>	<b>19.93</b>	<b>07/01/2019</b>
MSCI ACW IM Index (USD) (Net)				7.18	40.94	40.94	14.24	14.55	9.90	7.74	16.25	19.41	
Difference				0.09	0.59	0.59	-	-	-	-	0.52	0.52	
IM Global Equity (MF) Median				6.95	39.41	39.41	13.96	13.31	9.73	7.52	15.21	19.06	
Rank				45	42	42	-	-	-	-	44	46	
<b>Artisan Global Opportunities (CF)</b>	<b>133,374,431</b>	<b>5.61</b>	<b>-</b>	<b>8.93</b>	<b>35.04</b>	<b>35.04</b>	<b>21.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.50</b>	<b>21.47</b>	<b>07/01/2018</b>
MSCI ACW Index (USD) (Net)				7.39	39.26	39.26	14.57	14.61	9.90	7.60	16.25	14.57	
Difference				1.54	-4.22	-4.22	6.90	-	-	-	24.25	6.90	
IM Global Equity (MF) Median				6.95	39.41	39.41	13.96	13.31	9.73	7.52	15.21	13.96	
Rank				20	67	67	12	-	-	-	14	12	
<b>International Equity</b>	<b>176,976,532</b>	<b>7.44</b>	<b>7.00</b>	<b>6.31</b>	<b>39.25</b>	<b>39.25</b>	<b>8.50</b>	<b>10.28</b>	<b>5.84</b>	<b>-</b>	<b>4.62</b>	<b>6.04</b>	<b>01/01/2011</b>
MSCI EAFE Index (USD) (Net)				5.17	32.35	32.35	8.27	10.28	5.89	4.40	7.82	6.09	
Difference				1.14	6.90	6.90	0.23	0.00	-0.05	-	-3.20	-0.05	
<b>Acadian International All Cap (SA)</b>	<b>113,109,750</b>	<b>4.75</b>	<b>-</b>	<b>7.06</b>	<b>42.32</b>	<b>42.32</b>	<b>9.40</b>	<b>13.40</b>	<b>8.41</b>	<b>5.49</b>	<b>12.37</b>	<b>6.75</b>	<b>11/01/2005</b>
MSCI EAFE IM Index (USD) (Net)				5.04	33.57	33.57	8.28	10.53	6.22	4.69	8.47	5.61	
Difference				2.02	8.75	8.75	1.12	2.87	2.19	0.80	3.90	1.14	
IM All EAFE (MF) Median				5.17	32.88	32.88	8.19	9.89	5.69	4.34	8.17	5.26	
Rank				11	7	7	33	8	9	23	33	15	
<b>Mondrian International (SA)</b>	<b>63,866,782</b>	<b>2.68</b>	<b>-</b>	<b>5.00</b>	<b>34.11</b>	<b>34.11</b>	<b>5.84</b>	<b>7.54</b>	<b>5.14</b>	<b>4.27</b>	<b>-4.01</b>	<b>5.40</b>	<b>07/01/2005</b>
MSCI EAFE Index (USD) (Net)				5.17	32.35	32.35	8.27	10.28	5.89	4.40	7.82	5.66	
Difference				-0.17	1.76	1.76	-2.43	-2.74	-0.75	-0.13	-11.83	-0.26	
IM All EAFE (MF) Median				5.17	32.88	32.88	8.19	9.89	5.69	4.34	8.17	5.59	
Rank				58	40	40	77	85	65	53	98	58	
<b>Fixed Income</b>	<b>619,182,627</b>	<b>26.02</b>	<b>24.00</b>	<b>2.22</b>	<b>1.35</b>	<b>1.35</b>	<b>5.25</b>	<b>4.18</b>	<b>4.20</b>	<b>-</b>	<b>8.14</b>	<b>4.41</b>	<b>01/01/2011</b>
Bloomberg US Agg Bond Index				1.83	-0.34	-0.34	5.34	3.03	3.39	4.43	7.51	3.49	
Difference				0.39	1.69	1.69	-0.09	1.15	0.81	-	0.63	0.92	
<b>Core Fixed Income</b>	<b>520,577,451</b>	<b>21.88</b>	<b>20.00</b>	<b>1.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-0.83</b>	<b>09/01/2020</b>
Bloomberg US Agg Bond Index				1.83	-0.34	-0.34	5.34	3.03	3.39	4.43	7.51	-1.00	
Difference				0.08	-	-	-	-	-	-	-	0.17	

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Manager inception dates shown represent the first full month of available performance. Fiscal year ends 6/30. Please see addendum for custom benchmark definitions. Private Asset market values and performance are lagged to match custodian reported net asset values. Accordingly, fund reported performance will lag benchmark reported performance. Negative cash performance is due to a valuation decline in the Blackrock Transition account during its liquidation.



Vermont State Employees' Retirement System  
Asset Allocation & Performance - Net of Fees

As of June 30, 2021

	Allocation			Performance (%)									
	Market Value (\$)	Actual (%)	Policy (%)	QTD	FYTD	1 Year	3 Years	5 Years	10 Years	15 Years	2020	Since Incep.	Inception Date
<b>BlackRock US Agg (CF)</b>	<b>419,022,291</b>	<b>17.61</b>	<b>-</b>	<b>1.84</b>	<b>-0.31</b>	<b>-0.31</b>	-	-	-	-	<b>7.54</b>	<b>4.38</b>	<b>06/01/2019</b>
Bloomberg US Agg Bond Index				1.83	-0.34	-0.34	5.34	3.03	3.39	4.43	7.51	4.56	
Difference				0.01	0.03	0.03	-	-	-	-	0.03	-0.18	
IM U.S. Broad Mkt Core FI (MF)				1.93	1.25	1.25	5.62	3.31	3.51	4.41	8.19	5.10	
Rank				60	88	88	-	-	-	-	71	81	
<b>PIMCO Core (SA)</b>	<b>101,555,160</b>	<b>4.27</b>	<b>-</b>	<b>2.19</b>	<b>-</b>	<b>-</b>	-	-	-	-	<b>-</b>	<b>-0.23</b>	<b>09/01/2020</b>
Bloomberg US Agg Bond Index				1.83	-0.34	-0.34	5.34	3.03	3.39	4.43	7.51	-1.00	
Difference				0.36	-	-	-	-	-	-	-	0.77	
IM U.S. Broad Mkt Core FI (MF)				1.93	1.25	1.25	5.62	3.31	3.51	4.41	8.19	0.11	
Rank				20	-	-	-	-	-	-	-	63	
<b>Emerging Markets Debt</b>	<b>94,191,417</b>	<b>3.96</b>	<b>4.00</b>	<b>3.97</b>	<b>-</b>	<b>-</b>	-	-	-	-	<b>-</b>	<b>2.84</b>	<b>09/01/2020</b>
JPM Emg Mkts Bond Gbl Index (USD)				3.93	6.81	6.81	6.48	4.44	5.34	6.74	5.88	2.70	
Difference				0.04	-	-	-	-	-	-	-	0.14	
<b>Wellington Opportunistic EMD (CF)</b>	<b>94,191,417</b>	<b>3.96</b>	<b>-</b>	<b>3.97</b>	<b>7.37</b>	<b>7.37</b>	<b>6.83</b>	<b>5.44</b>	<b>5.76</b>	<b>-</b>	<b>7.69</b>	<b>6.51</b>	<b>12/01/2009</b>
JPM Emg Mkts Bond Gbl Index (USD)				3.93	6.81	6.81	6.48	4.44	5.34	6.74	5.88	6.11	
Difference				0.04	0.56	0.56	0.35	1.00	0.42	-	1.81	0.40	
IM Emerging Markets Debt (MF) Median				3.71	9.08	9.08	6.15	4.67	4.32	5.83	5.57	5.22	
Rank				34	90	90	27	20	3	-	15	4	
<b>High Yield Fixed Income</b>	<b>3,628,578</b>	<b>0.15</b>	<b>0.00</b>	<b>2.36</b>	<b>20.27</b>	<b>20.27</b>	<b>4.09</b>	<b>5.23</b>	<b>5.42</b>	<b>6.37</b>	<b>3.27</b>	<b>6.31</b>	<b>06/01/2006</b>
Bloomberg US Corp Hi Yld Index				2.74	15.37	15.37	7.45	7.48	6.66	7.53	7.11	7.46	
Difference				-0.38	4.90	4.90	-3.36	-2.25	-1.24	-1.16	-3.84	-1.15	
<b>PIMCO Liquidation (SA)</b>	<b>3,628,578</b>	<b>0.15</b>	<b>-</b>	<b>2.36</b>	<b>20.27</b>	<b>20.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.26</b>	<b>3.93</b>	<b>08/01/2018</b>
Bloomberg US Corp Hi Yld Index				2.74	15.37	15.37	7.45	7.48	6.66	7.53	7.11	7.27	
Difference				-0.38	4.90	4.90	-	-	-	-	-3.85	-3.34	
IM U.S. High Yield Bonds (MF) Median				2.59	14.69	14.69	6.43	6.39	5.54	6.22	5.28	6.23	
Rank				67	9	9	-	-	-	-	81	95	
<b>Private Debt</b>	<b>72,873,254</b>	<b>3.06</b>	<b>10.00</b>	<b>1.44</b>	<b>16.31</b>	<b>16.31</b>	<b>5.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.22</b>	<b>6.28</b>	<b>01/01/2018</b>
CS Lvg'd Loan Index+2% (Spliced)				1.95	12.98	12.98	4.81	5.24	4.51	4.72	3.12	4.74	
Difference				-0.51	3.33	3.33	1.13	-	-	-	-0.90	1.54	

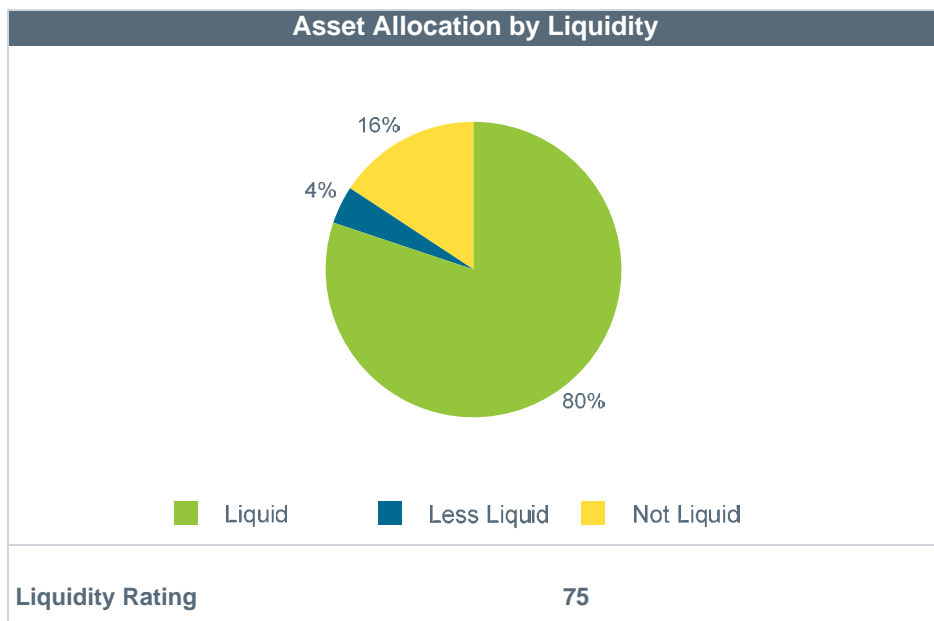
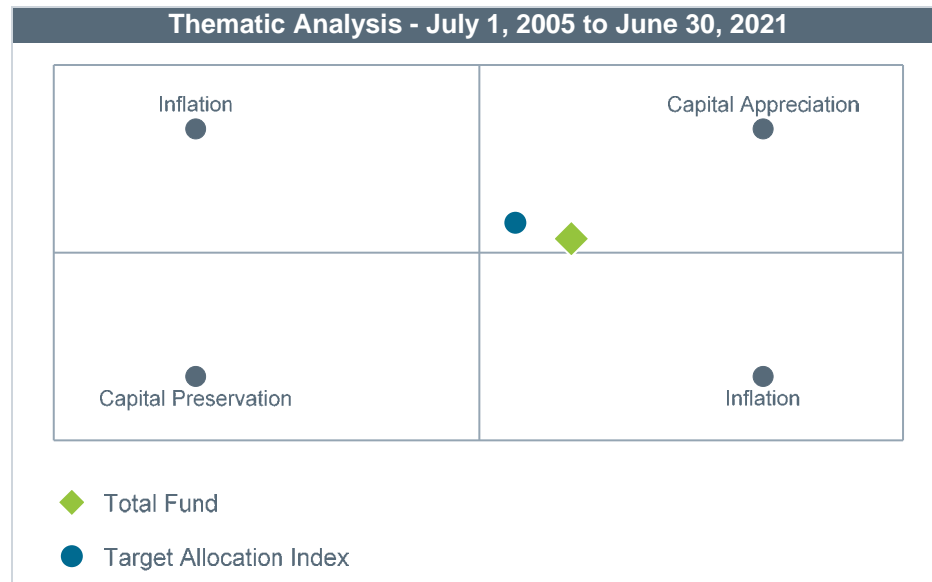
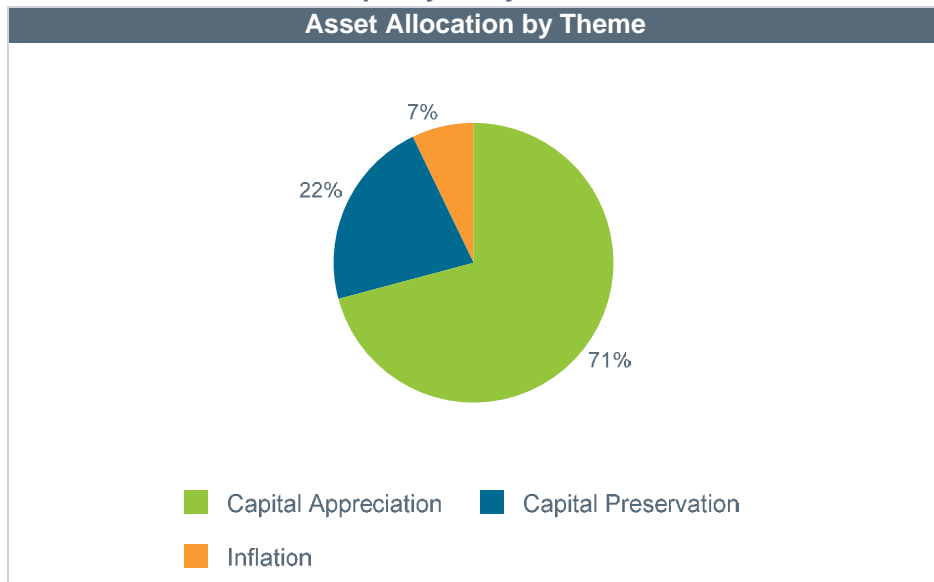
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Manager inception dates shown represent the first full month of available performance. Fiscal year ends 6/30. Please see addendum for custom benchmark definitions. Private Asset market values and performance are lagged to match custodian reported net asset values. Accordingly, fund reported performance will lag benchmark reported performance. Negative cash performance is due to a valuation decline in the Blackrock Transition account during its liquidation.

Vermont State Employees' Retirement System  
Asset Allocation & Performance - Net of Fees

As of June 30, 2021

	Allocation			Performance (%)									
	Market Value (\$)	Actual (%)	Policy (%)	QTD	FYTD	1 Year	3 Years	5 Years	10 Years	15 Years	2020	Since Incep.	Inception Date
<b>Private Equity</b>	<b>148,974,858</b>	<b>6.26</b>	<b>10.00</b>	<b>27.52</b>	<b>59.55</b>	<b>59.55</b>	<b>24.56</b>	<b>22.46</b>	-	-	<b>17.25</b>	<b>19.59</b>	<b>01/01/2013</b>
Cambridge US Prvt Eq Index				0.00	35.55	35.55	15.67	16.57	13.90	12.71	21.32	14.69	
Difference				27.52	24.00	24.00	8.89	5.89	-	-	-4.07	4.90	
<b>Non-Core Real Estate</b>	<b>49,342,201</b>	<b>2.07</b>	<b>3.00</b>	<b>3.51</b>	<b>8.59</b>	<b>8.59</b>	<b>4.66</b>	<b>8.68</b>	-	-	<b>-1.80</b>	<b>9.21</b>	<b>09/01/2014</b>
NCREIF ODCE Index+2% (Spliced)				4.19	8.70	8.70	5.94	6.39	8.92	7.07	1.60	8.11	
Difference				-0.68	-0.11	-0.11	-1.28	2.29	-	-	-3.40	1.10	
<b>Inflation Hedging Assets (Spliced)</b>	<b>170,281,946</b>	<b>7.16</b>	<b>10.00</b>	<b>2.16</b>	<b>-2.39</b>	<b>-2.39</b>	<b>-0.32</b>	<b>2.79</b>	<b>7.67</b>	-	<b>-2.83</b>	<b>8.44</b>	<b>01/01/2011</b>
CPI+2.5% (Spliced)				3.21	6.70	6.70	5.28	6.00	8.72	6.93	0.75	9.03	
Difference				-1.05	-9.09	-9.09	-5.60	-3.21	-1.05	-	-3.58	-0.59	
<b>TIPS</b>	<b>67,998,183</b>	<b>2.86</b>	<b>2.00</b>	<b>3.24</b>	-	-	-	-	-	-	-	<b>2.98</b>	<b>09/01/2020</b>
Bloomberg US Trsy US TIPS Index				3.25	6.51	6.51	6.53	4.17	3.40	4.56	10.99	3.00	
Difference				-0.01	-	-	-	-	-	-	-	-0.02	
<b>BlackRock TIPS (CF)</b>	<b>67,998,183</b>	<b>2.86</b>	<b>-</b>	<b>3.24</b>	<b>6.49</b>	<b>6.49</b>	<b>6.45</b>	<b>4.12</b>	<b>3.33</b>	-	<b>10.96</b>	<b>3.74</b>	<b>12/01/2009</b>
Bloomberg US Trsy US TIPS Index				3.25	6.51	6.51	6.53	4.17	3.40	4.56	10.99	3.78	
Difference				-0.01	-0.02	-0.02	-0.08	-0.05	-0.07	-	-0.03	-0.04	
IM U.S. TIPS (MF) Median				2.71	6.51	6.51	5.76	3.72	2.70	3.87	9.64	3.14	
Rank				20	52	52	21	29	13	-	26	11	
<b>Core Real Estate</b>	<b>84,899,613</b>	<b>3.57</b>	<b>5.00</b>	<b>1.28</b>	<b>-3.51</b>	<b>-3.51</b>	<b>-0.99</b>	<b>1.83</b>	<b>7.23</b>	-	<b>-2.26</b>	<b>8.03</b>	<b>01/01/2011</b>
NCREIF ODCE Index (AWA) (Net)				3.68	7.09	7.09	4.60	5.62	8.60	5.34	0.34	9.00	
Difference				-2.40	-10.60	-10.60	-5.59	-3.79	-1.37	-	-2.60	-0.97	
<b>UBS Trumbull Properties (CF)</b>	<b>84,899,163</b>	<b>3.57</b>	<b>-</b>	<b>1.28</b>	<b>-3.51</b>	<b>-3.51</b>	<b>-0.95</b>	<b>1.66</b>	<b>5.72</b>	<b>4.46</b>	<b>-2.26</b>	<b>5.06</b>	<b>07/01/2005</b>
NCREIF ODCE Index (AWA) (Net)				3.68	7.09	7.09	4.60	5.62	8.60	5.34	0.34	6.09	
Difference				-2.40	-10.60	-10.60	-5.55	-3.96	-2.88	-0.88	-2.60	-1.03	
<b>Private Infrastructure/Land</b>	<b>17,384,150</b>	<b>0.73</b>	<b>3.00</b>	<b>2.17</b>	-	-	-	-	-	-	-	<b>2.80</b>	<b>08/01/2020</b>
NCREIF Farmland Index (TR)				1.47	4.97	4.97	4.82	5.51	10.24	11.12	3.08	4.97	
Difference				0.70	-	-	-	-	-	-	-	-2.17	
<b>Cash Equivalents</b>	<b>3,347,411</b>	<b>0.14</b>	<b>0.00</b>	<b>-0.07</b>	<b>-0.01</b>	<b>-0.01</b>	<b>0.40</b>	<b>0.27</b>	<b>0.15</b>	-	<b>0.37</b>	<b>0.15</b>	<b>01/01/2011</b>
ICE BofAML 3 Mo US T-Bill Index				0.00	0.09	0.09	1.34	1.17	0.63	1.08	0.67	0.61	
Difference				-0.07	-0.10	-0.10	-0.94	-0.90	-0.48	-	-0.30	-0.46	

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. Manager inception dates shown represent the first full month of available performance. Fiscal year ends 6/30. Please see addendum for custom benchmark definitions. Private Asset market values and performance are lagged to match custodian reported net asset values. Accordingly, fund reported performance will lag benchmark reported performance. Negative cash performance is due to a valuation decline in the Blackrock Transition account during its liquidation.



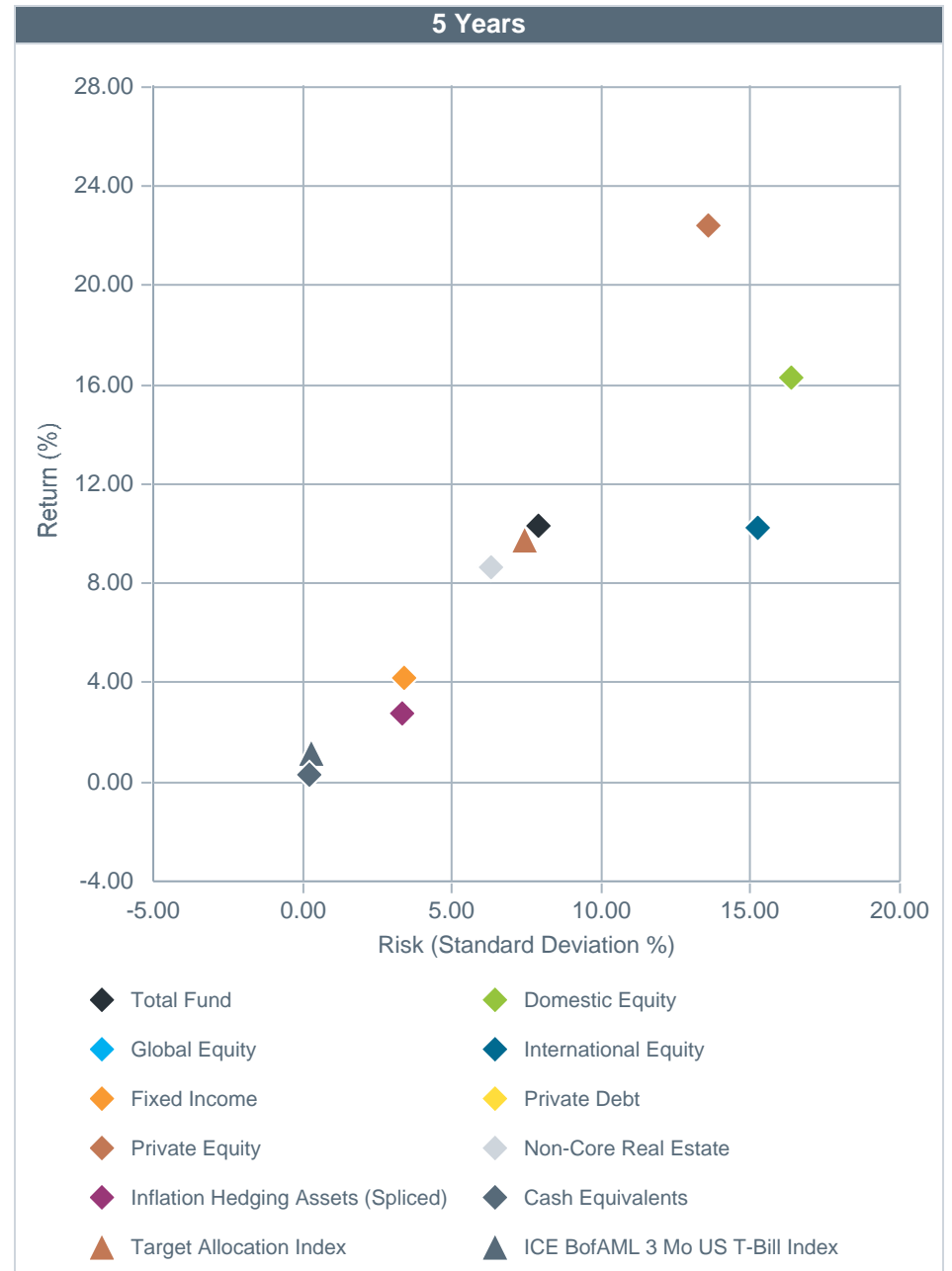
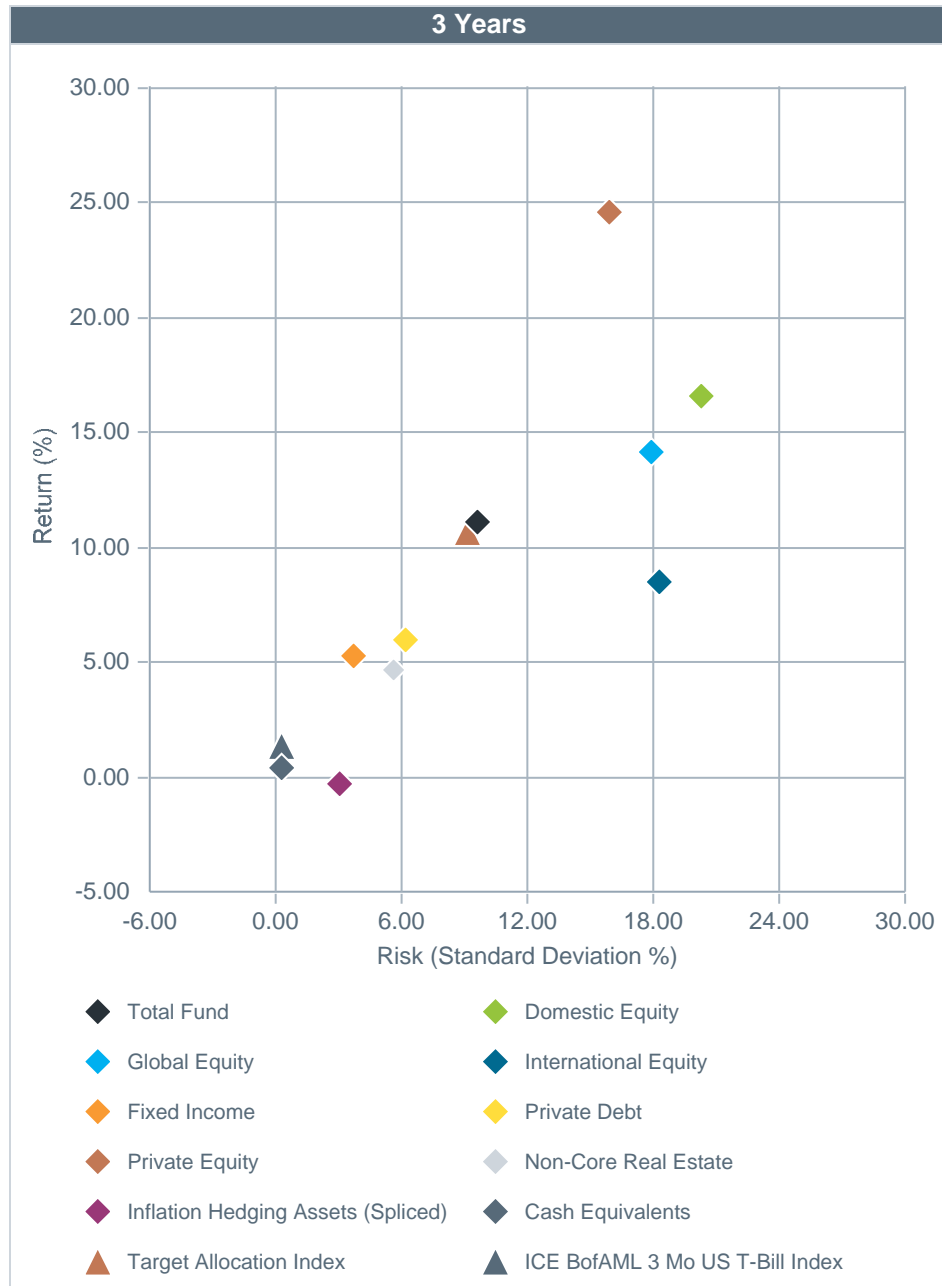
### Correlation Matrix - 10 Years

	A	B	C	D
A	1.00			
B	0.70	1.00		
C	-0.26	-0.39	1.00	
D	0.62	0.79	-0.11	1.00

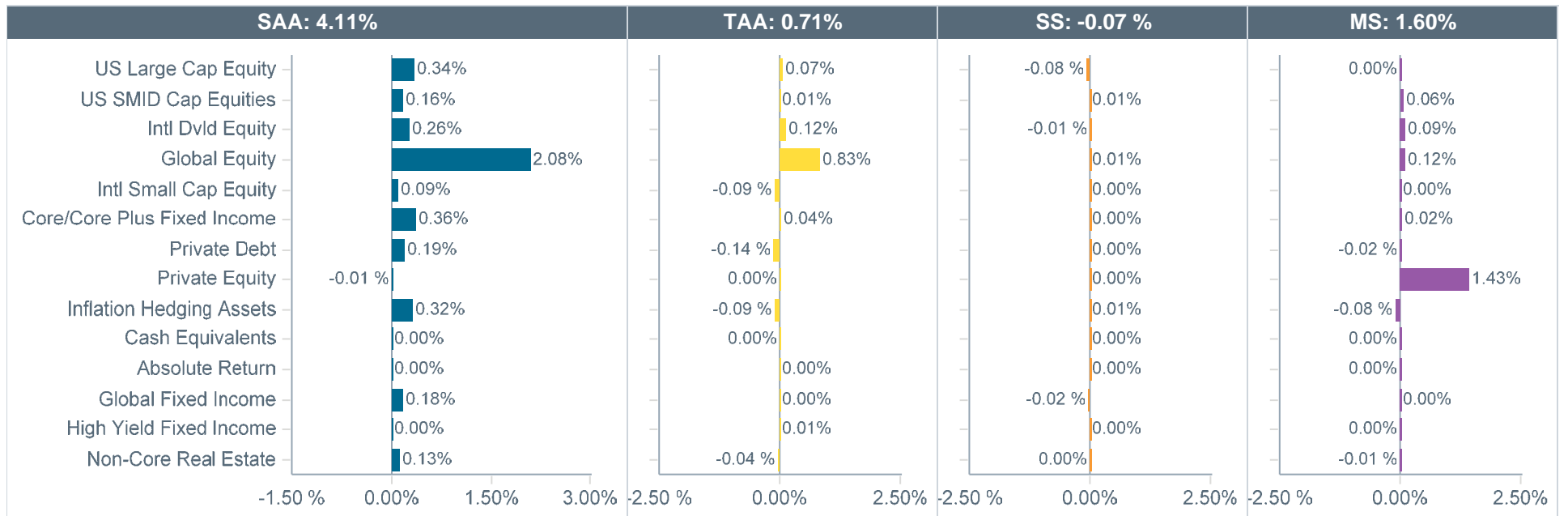
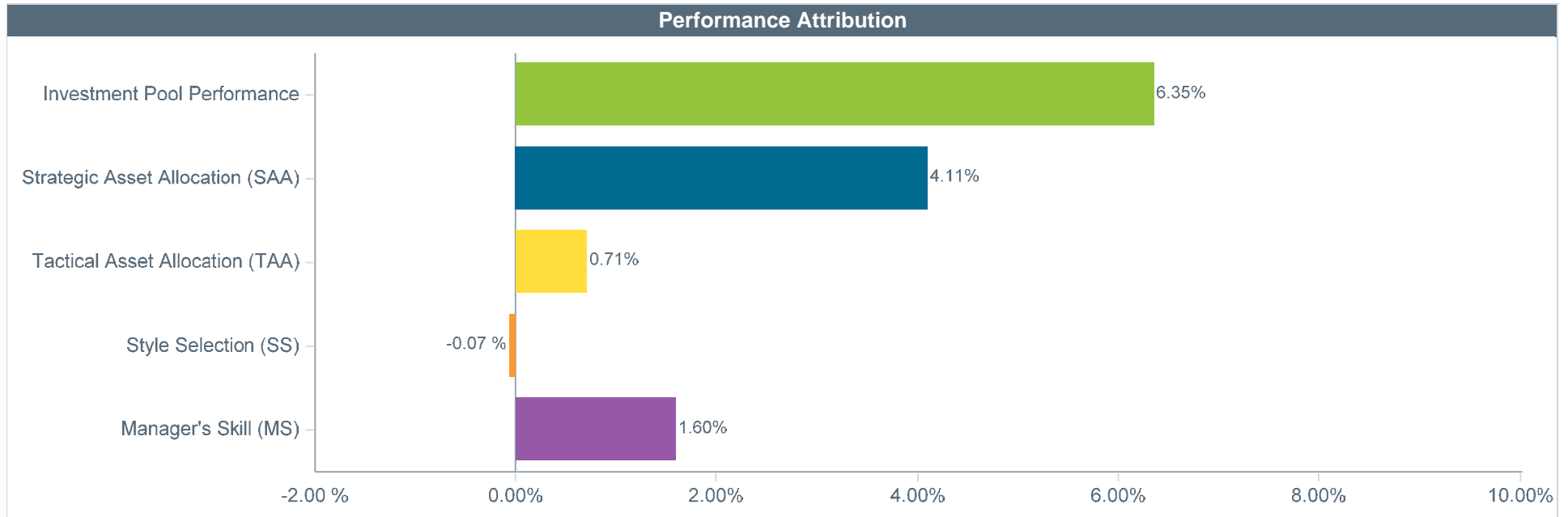
A = HFRI EH: Equity Market Neutral Index (Alpha)  
 B = MSCI ACW Index (USD) (Gross) (Capital Appreciation)  
 C = Bloomberg US Gov't Bond Index (Capital Preservation)  
 D = Real Return Custom Index (Inflation)

Asset Allocation by Theme is based on dedicated manager allocations; as such, thematic allocations are approximations. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating. Please see the Glossary for additional information regarding liquidity, thematic, and custom index descriptions. Allocations may not sum to 100% due to rounding.





Performance shown is net of fees. Calculation is based on monthly periodicity. Funds or composites with less history than the specified time period will not appear in the chart.



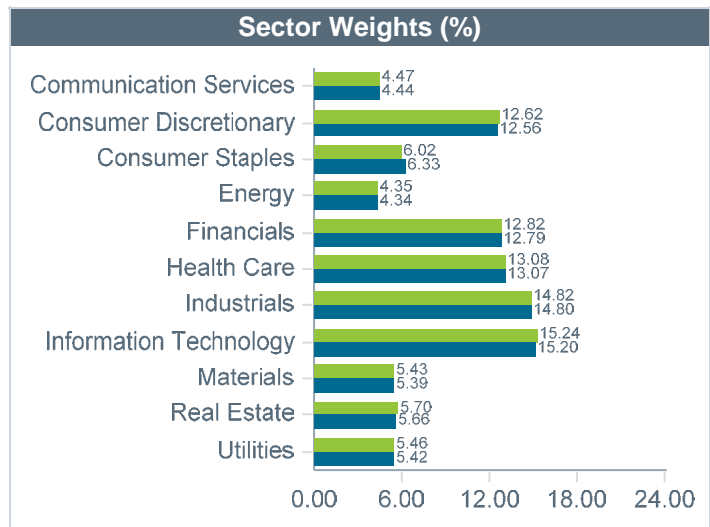
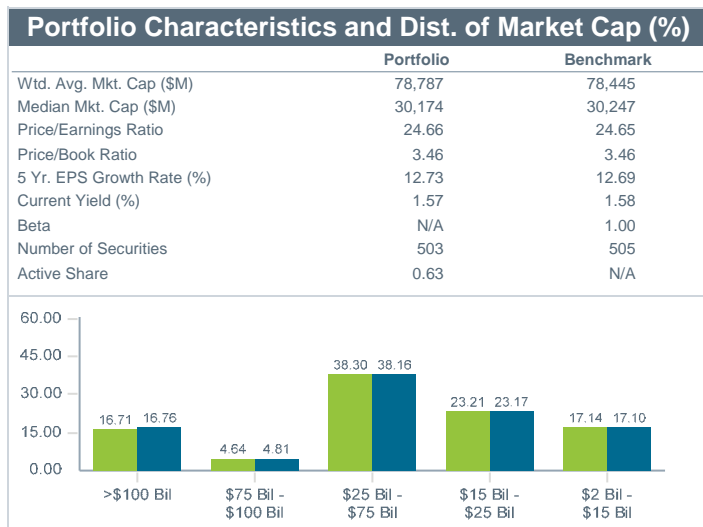
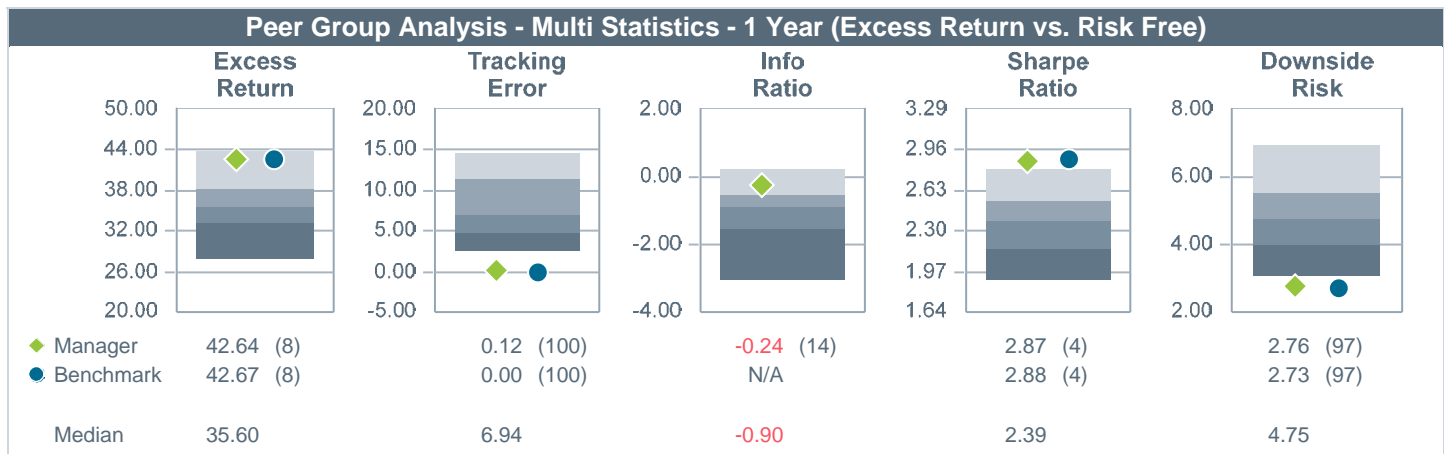
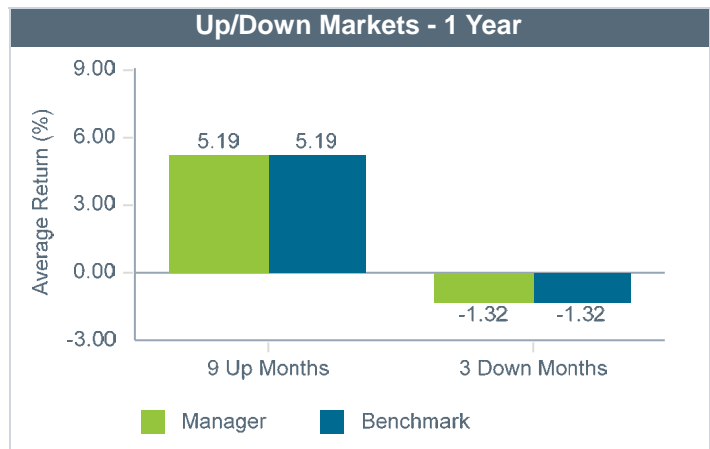
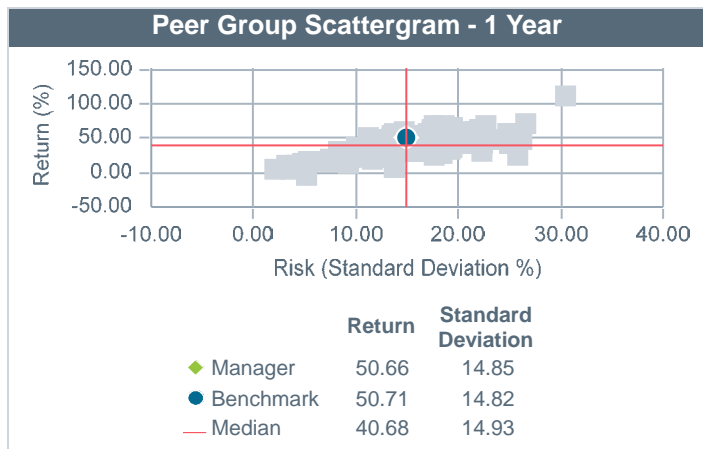
Performance shown is net of fees. Calculation is based on monthly. Private Asset market values, performance and benchmarks are valued quarterly and shown as of most recently available quarter end, adjusted for subsequent cash flows. RVK cautions that the interpretation of time-weighted data on non-marketable investments, such as Private Equity, is imperfect at best and can potentially be misleading. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.



# Investment Manager Profiles



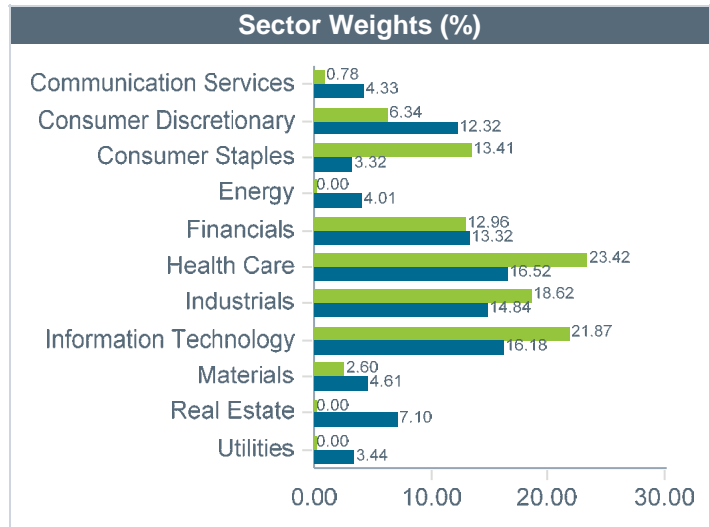
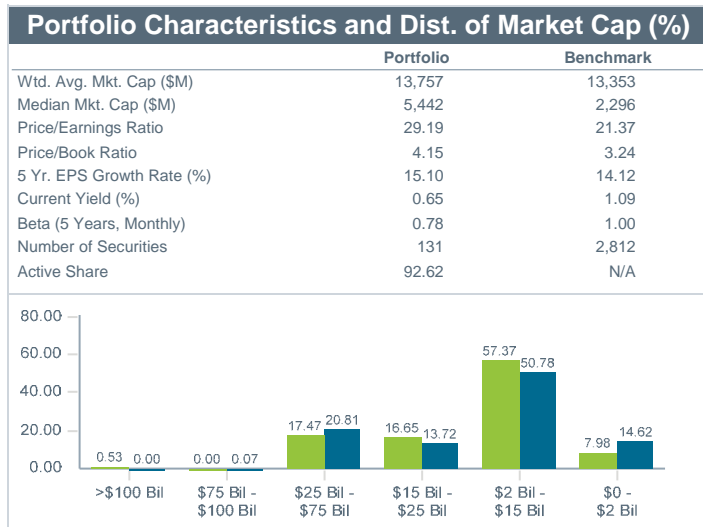
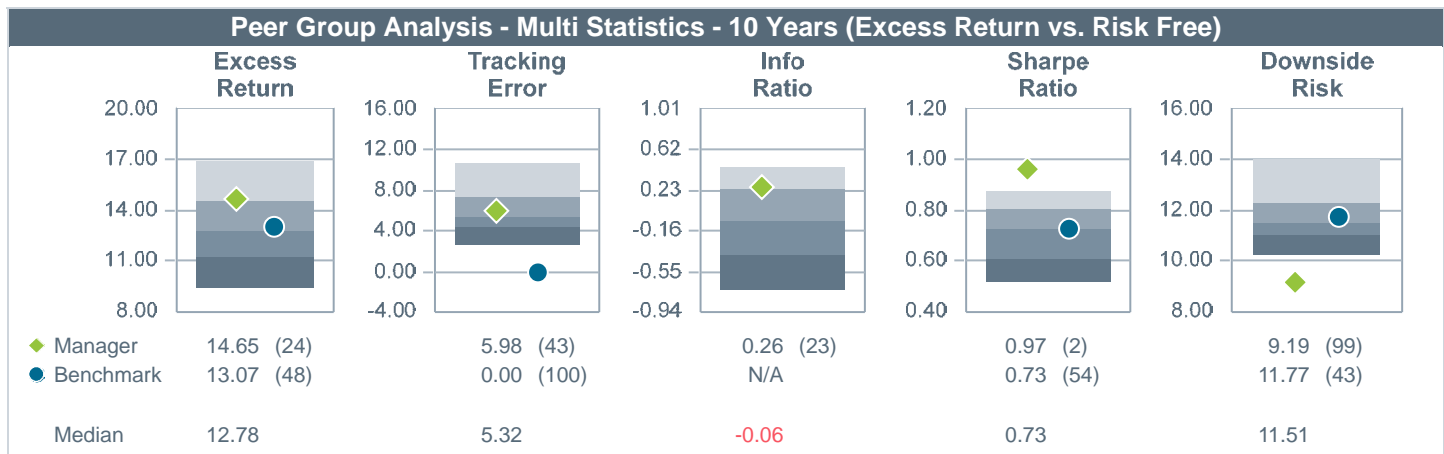
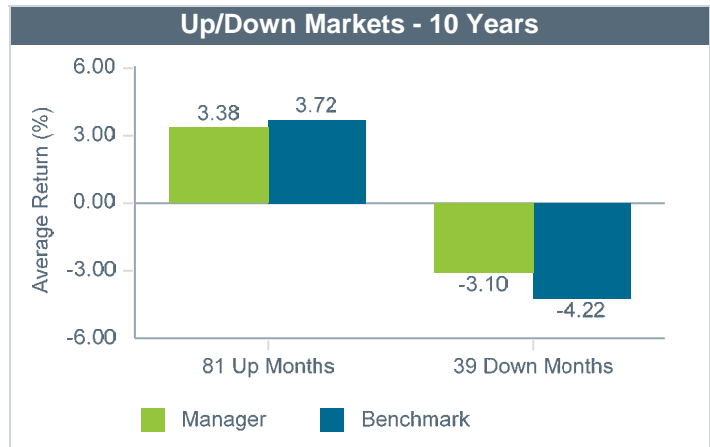
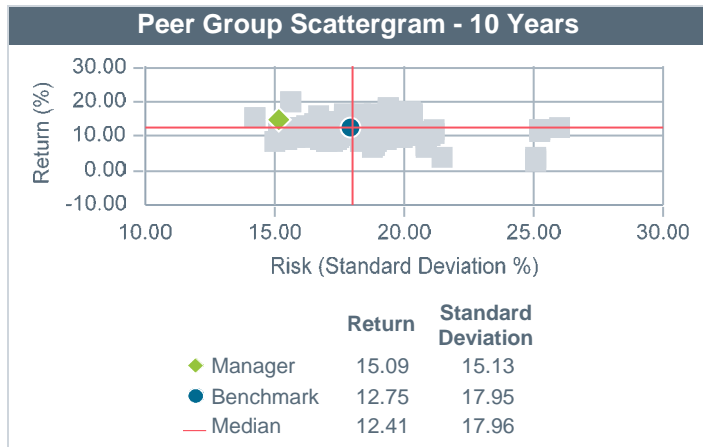
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	6.85	50.66	N/A	N/A	N/A	N/A	13.03	N/A	N/A	N/A	N/A
Benchmark	6.90	50.71	16.41	15.68	12.34	13.76	12.83	29.24	-7.64	18.90	14.80
Difference	-0.05	-0.05	N/A	N/A	N/A	N/A	0.20	N/A	N/A	N/A	N/A
Peer Group Median	8.22	40.68	18.02	17.10	13.19	13.73	18.34	30.00	-5.02	21.89	9.05
Rank	68	7	N/A	N/A	N/A	N/A	64	N/A	N/A	N/A	N/A
Population	1,943	1,872	1,694	1,515	1,343	1,179	1,869	1,848	1,862	1,791	1,706



Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



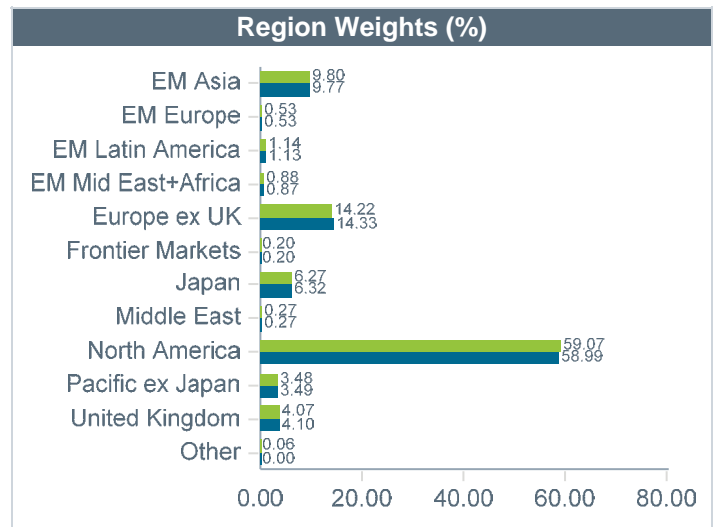
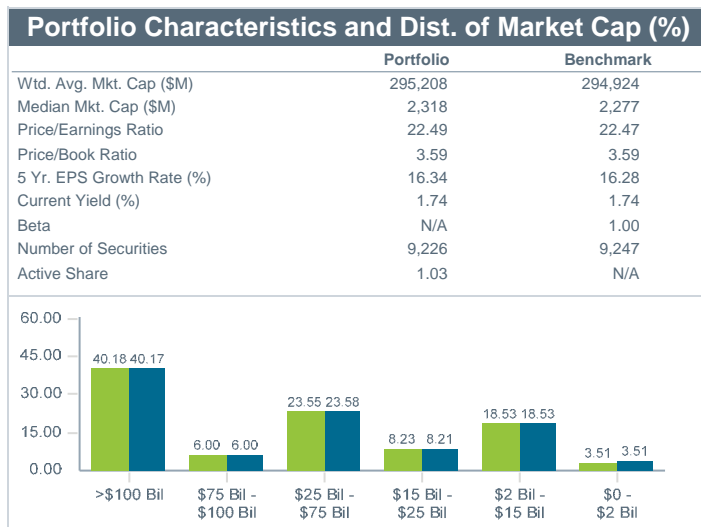
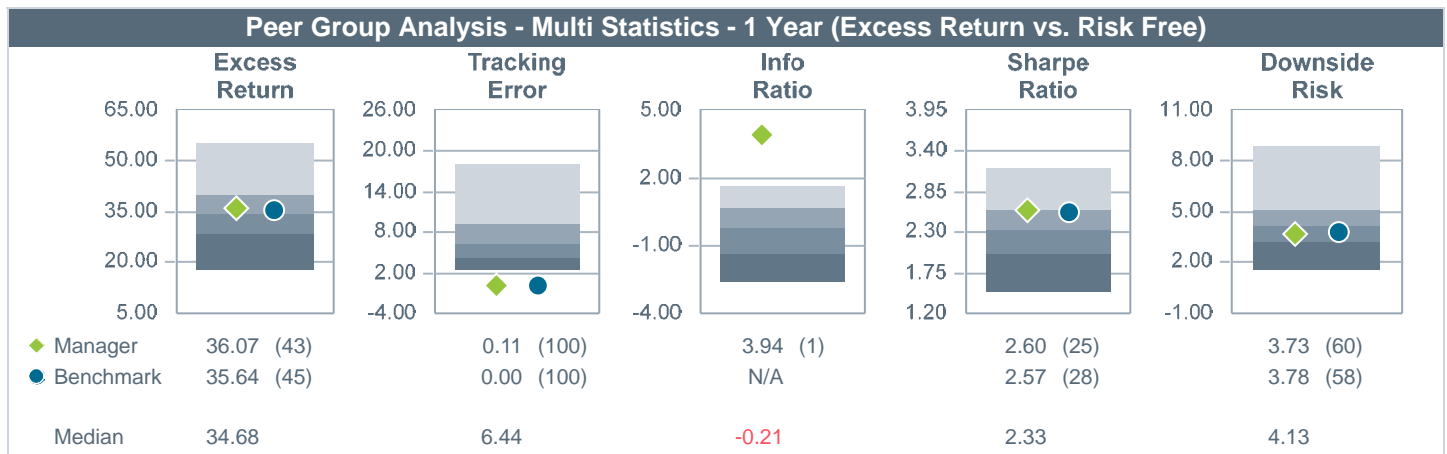
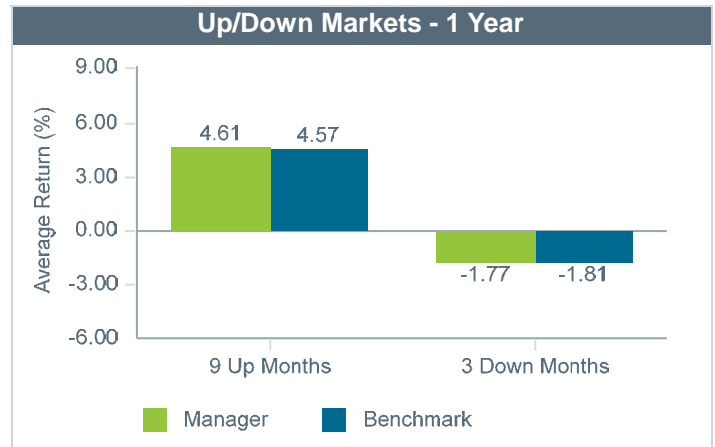
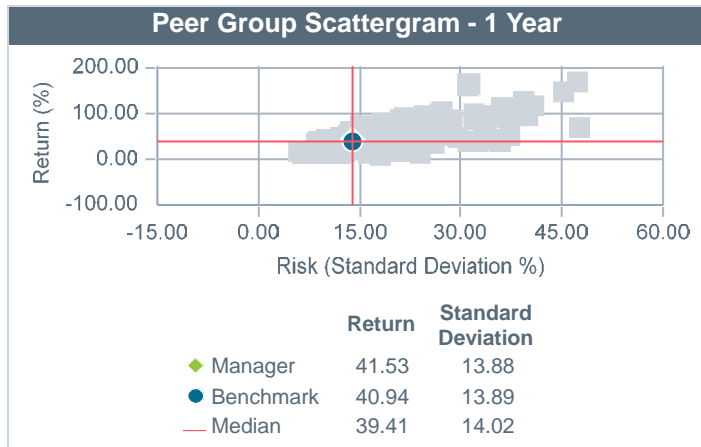
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	7.76	46.20	18.07	18.66	15.10	15.09	27.32	27.29	0.47	17.33	19.16
Benchmark	5.90	59.50	14.28	16.43	11.63	12.75	19.99	26.65	-10.50	14.67	22.77
Difference	1.86	-13.30	3.79	2.23	3.47	2.34	7.33	0.64	10.97	2.66	-3.61
Peer Group Median	4.87	52.55	14.63	16.05	11.66	12.41	20.27	27.56	-10.18	17.90	14.58
Rank	7	76	34	35	25	19	41	53	9	53	25
Population	466	462	431	379	333	282	466	490	489	462	425



Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. The Custom SMID Cap Equity Index currently consists of 50% Russell Midcap Index and 50% Russell 2000 index. From 08/2020 through 12/2020 it consisted of 50% Russell 2500 index and 50% Russell 2000 index. Prior data was provided by the previous consultant.

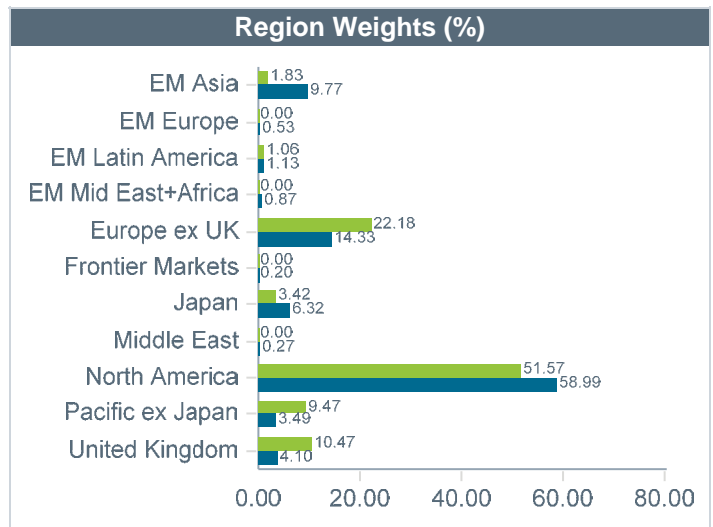
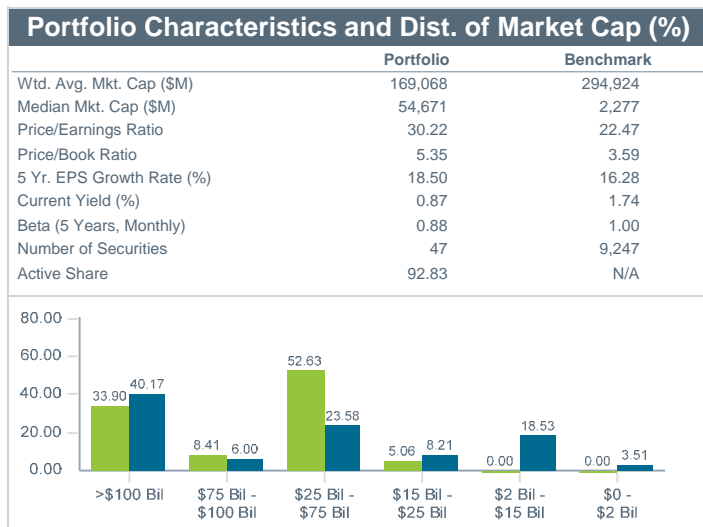
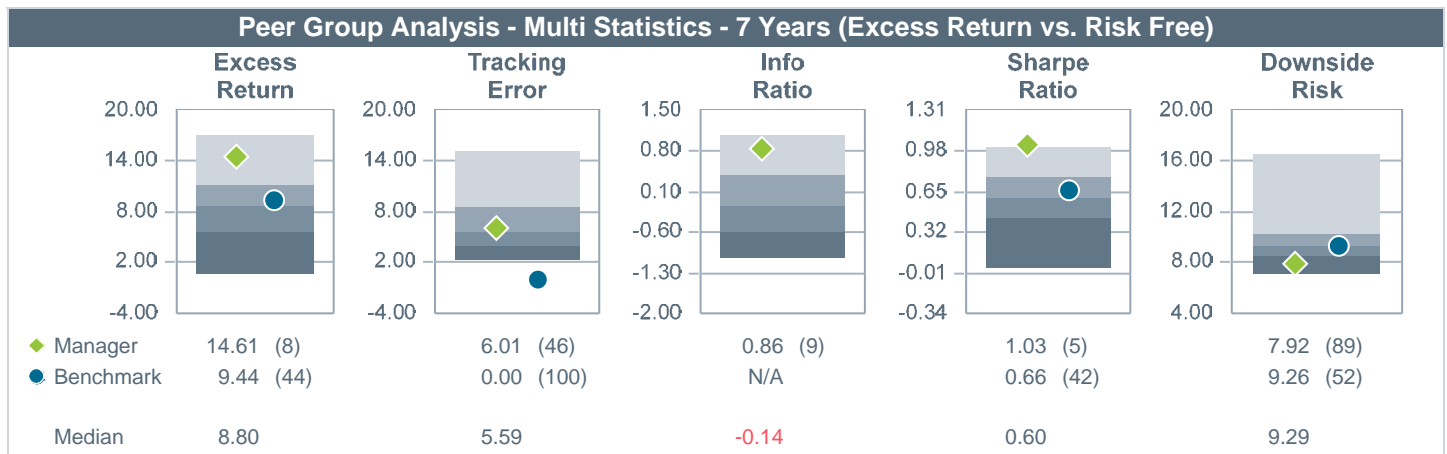
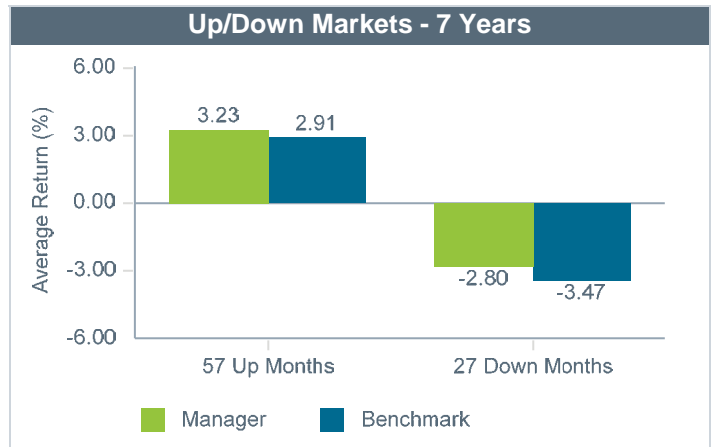
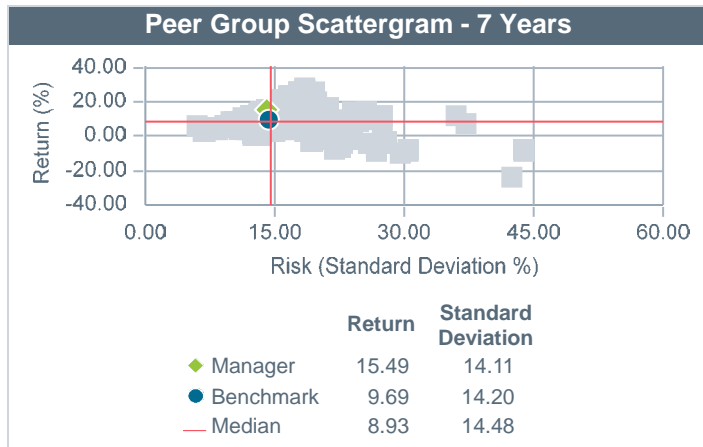


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
<b>Manager</b>	<b>7.27</b>	<b>41.53</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>16.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Benchmark	7.18	40.94	14.24	14.55	9.69	9.90	16.25	26.35	-10.08	23.95	8.36
Difference	0.09	0.59	N/A	N/A	N/A	N/A	0.52	N/A	N/A	N/A	N/A
Peer Group Median	6.95	39.41	13.96	13.31	8.93	9.73	15.21	26.35	-9.73	22.32	6.37
Rank	45	42	N/A	N/A	N/A	N/A	44	N/A	N/A	N/A	N/A
Population	1,435	1,362	1,177	1,002	838	606	1,356	1,396	1,395	1,307	1,190



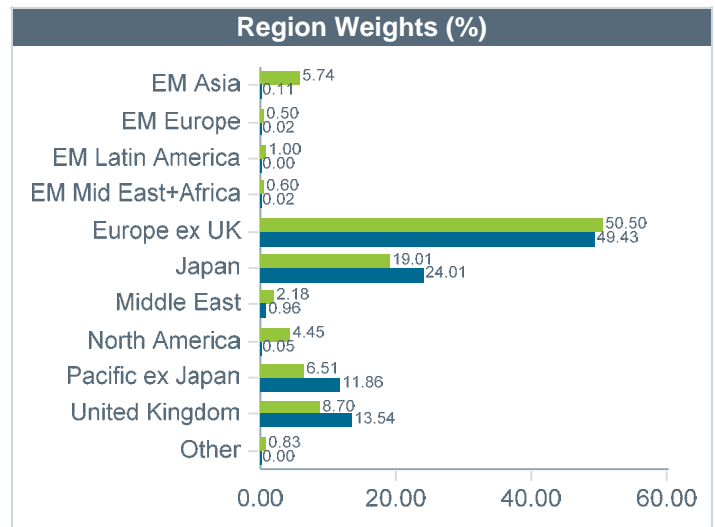
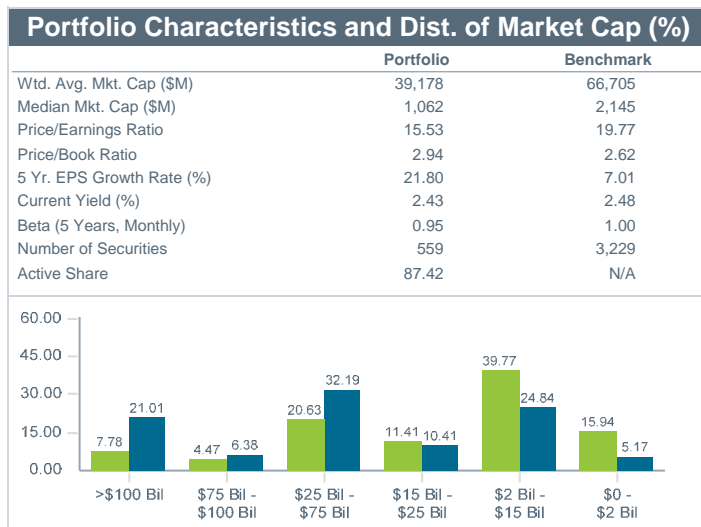
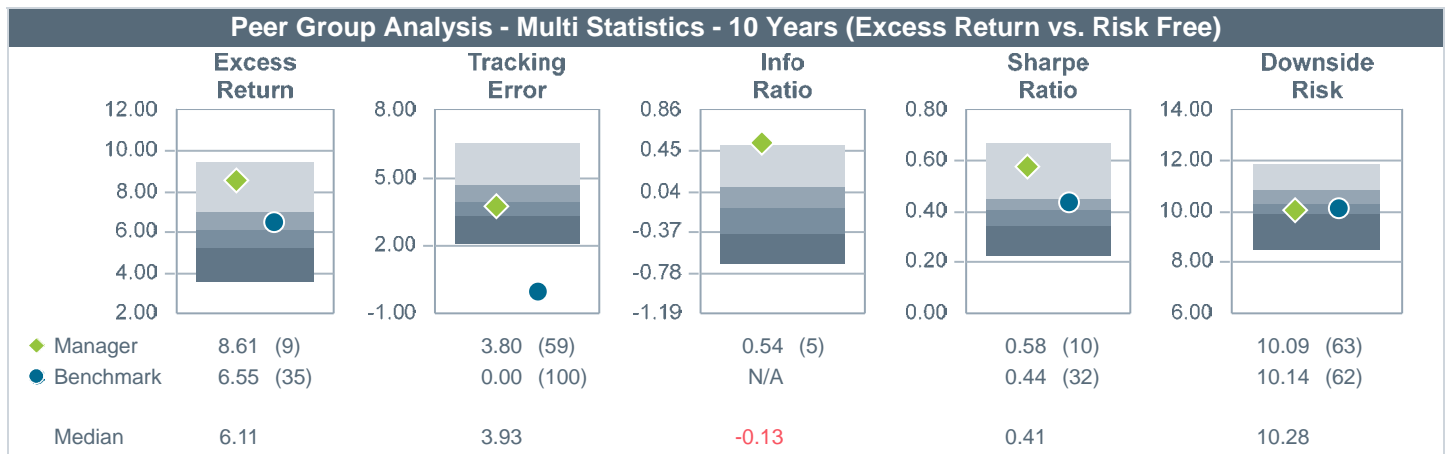
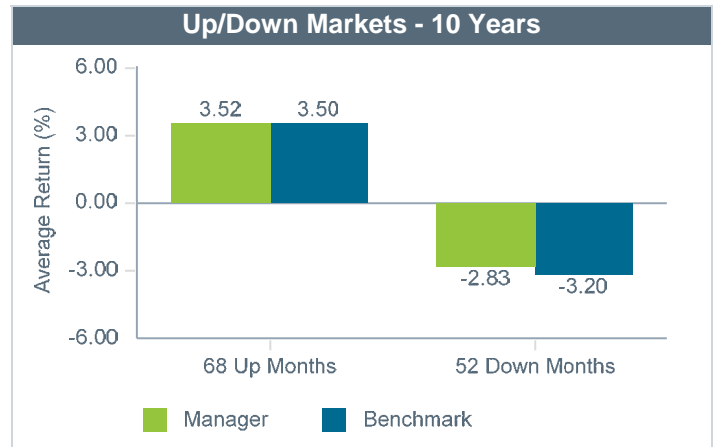
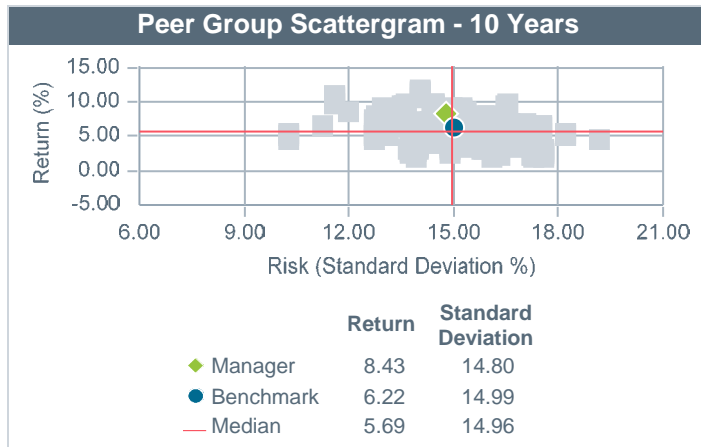
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	8.90	34.89	21.33	20.69	15.49	N/A	40.32	35.89	-8.68	31.69	4.77
Benchmark	7.18	40.94	14.24	14.55	9.69	9.90	16.25	26.35	-10.08	23.95	8.36
Difference	1.72	-6.05	7.09	6.14	5.80	N/A	24.07	9.54	1.40	7.74	-3.59
Peer Group Median	6.95	39.41	13.96	13.31	8.93	9.73	15.21	26.35	-9.73	22.32	6.37
Rank	20	68	13	10	7	N/A	14	6	38	12	64
Population	1,435	1,362	1,177	1,002	838	606	1,356	1,396	1,395	1,307	1,190



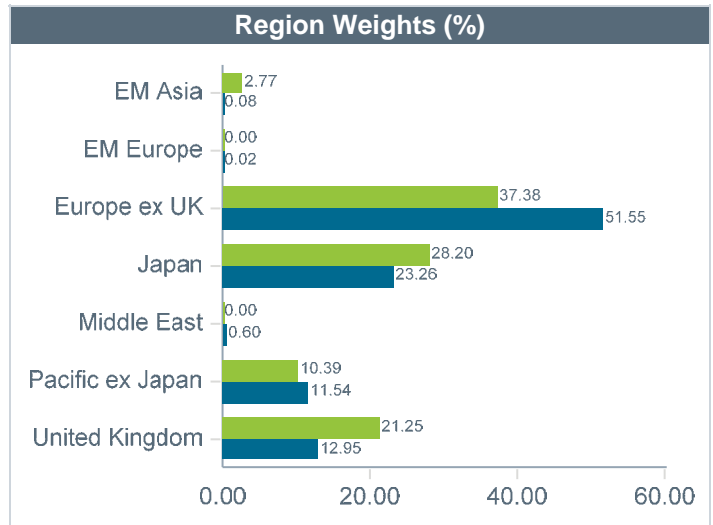
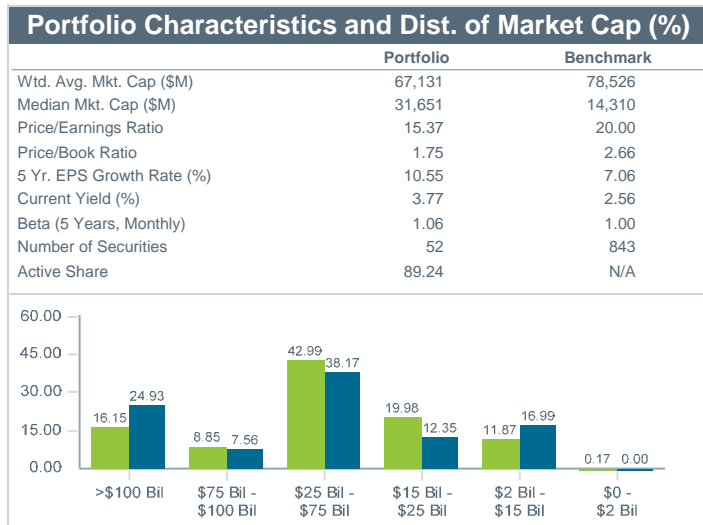
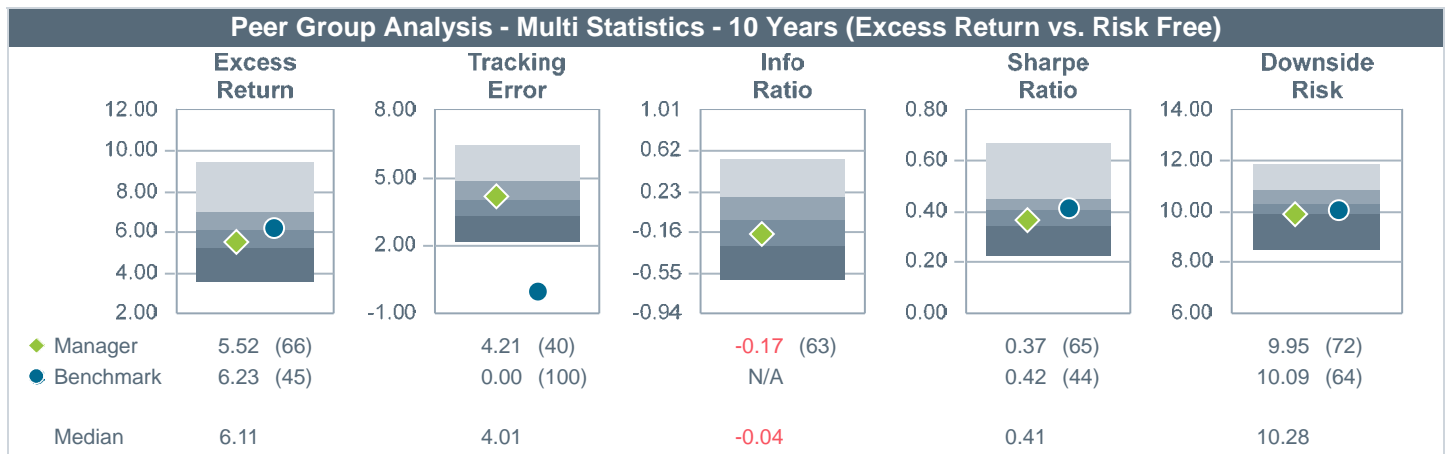
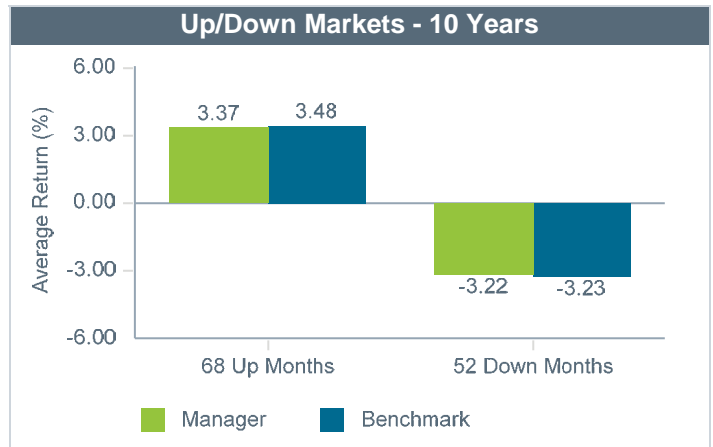
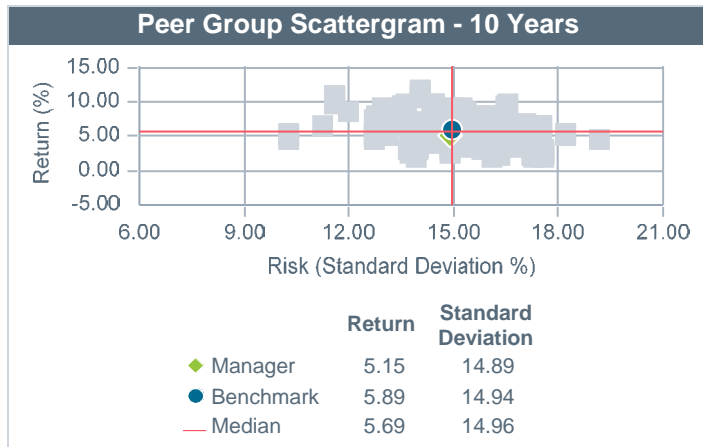
Performance shown is net of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	7.06	42.32	9.40	13.40	8.03	8.43	12.37	18.22	-15.89	36.78	7.45
Benchmark	5.04	33.57	8.28	10.53	5.34	6.22	8.47	22.44	-14.40	26.16	1.15
Difference	2.02	8.75	1.12	2.87	2.69	2.21	3.90	-4.22	-1.49	10.62	6.30
Peer Group Median	5.17	32.88	8.19	9.89	4.88	5.69	8.17	21.59	-15.91	25.26	0.09
Rank	11	7	33	8	10	9	33	78	50	3	4
Population	568	567	567	554	473	402	596	642	671	698	669



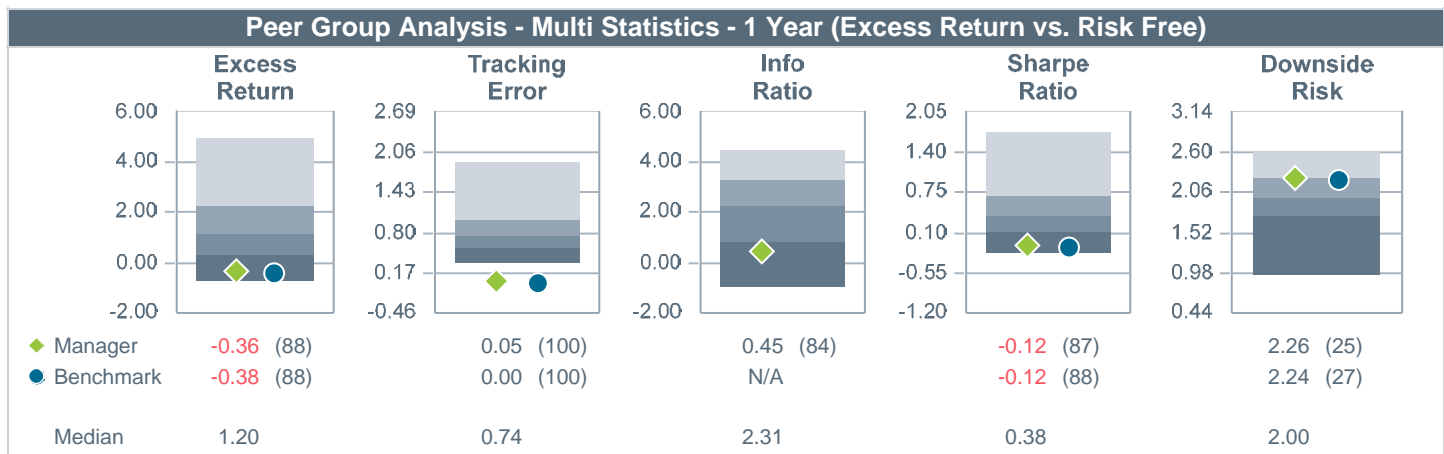
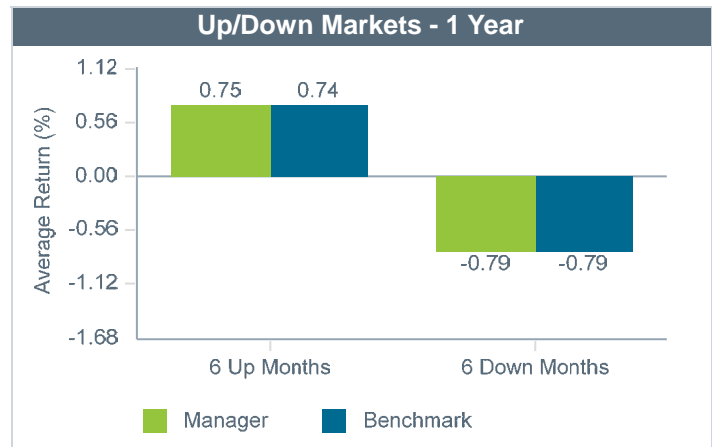
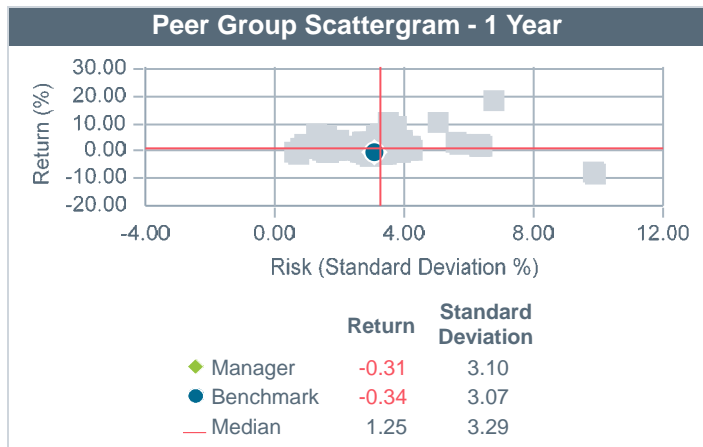
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	5.00	34.11	5.84	7.54	3.35	5.15	-4.01	19.29	-11.66	22.08	4.37
Benchmark	5.17	32.35	8.27	10.28	4.96	5.89	7.82	22.01	-13.79	25.03	1.00
Difference	-0.17	1.76	-2.43	-2.74	-1.61	-0.74	-11.83	-2.72	2.13	-2.95	3.37
Peer Group Median	5.17	32.88	8.19	9.89	4.88	5.69	8.17	21.59	-15.91	25.26	0.09
Rank	58	40	77	85	83	65	98	69	14	85	8
Population	568	567	567	554	473	402	596	642	671	698	669



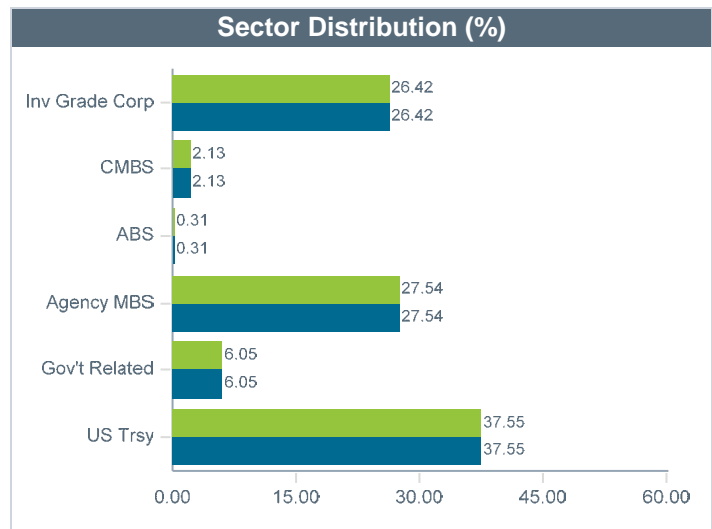
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	1.84	-0.31	N/A	N/A	N/A	N/A	7.54	N/A	N/A	N/A	N/A
Benchmark	1.83	-0.34	5.34	3.03	3.28	3.39	7.51	8.72	0.01	3.54	2.65
Difference	0.01	0.03	N/A	N/A	N/A	N/A	0.03	N/A	N/A	N/A	N/A
Peer Group Median	1.93	1.25	5.62	3.31	3.27	3.51	8.19	8.76	-0.63	3.59	2.86
Rank	60	88	N/A	N/A	N/A	N/A	71	N/A	N/A	N/A	N/A
Population	501	485	461	406	347	303	488	511	506	498	469



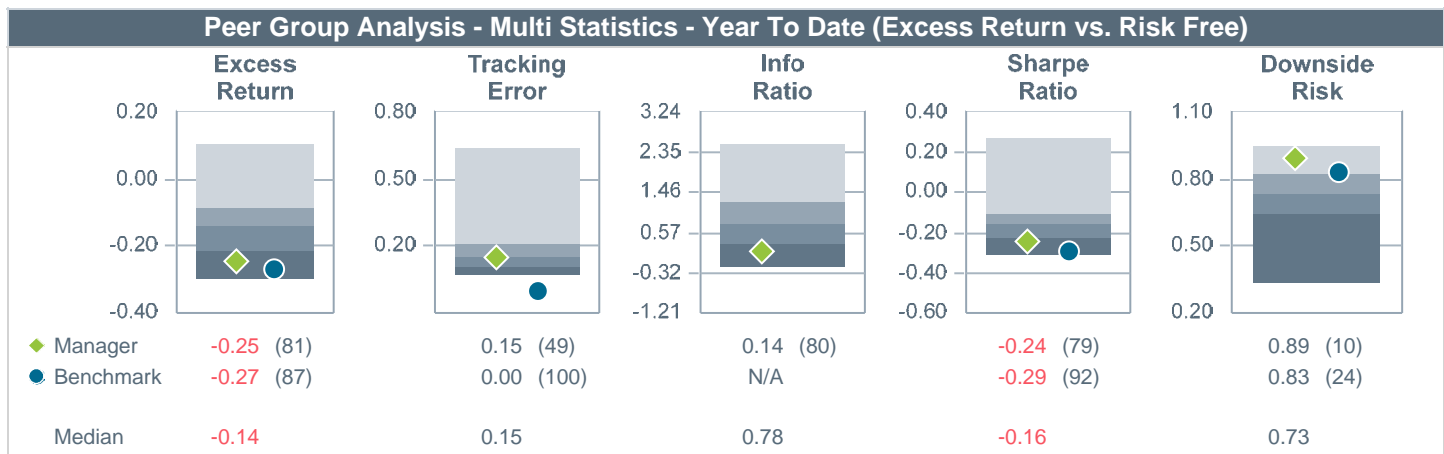
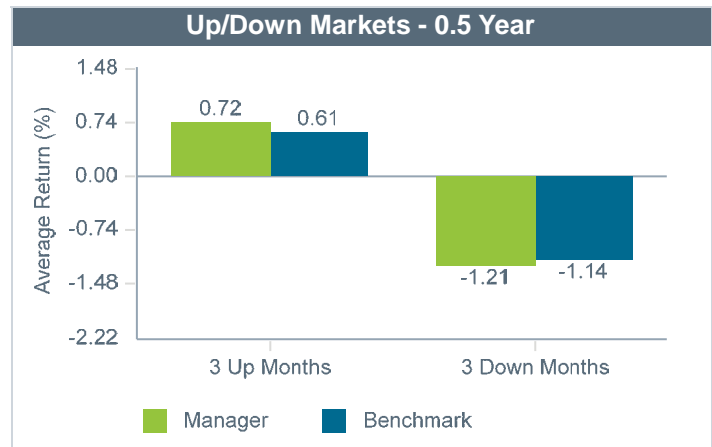
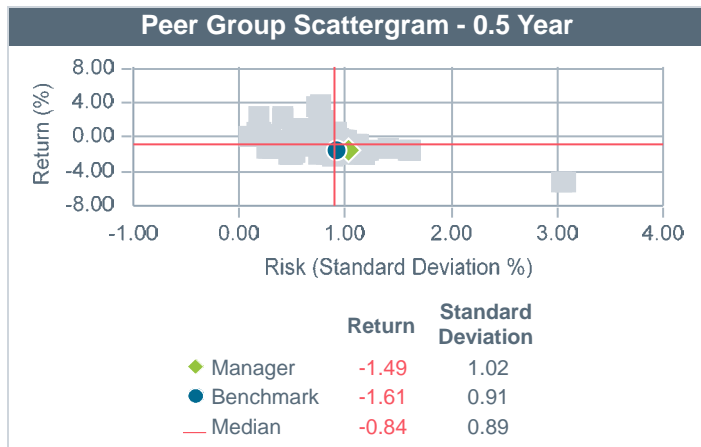
### Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.58	6.58
Spread Duration	6.58	6.58
Avg. Maturity	8.53	8.53
Avg. Quality	Aa1/Aa2	Aa1/Aa2
Yield To Maturity (%)	1.51	1.51
Coupon Rate (%)	2.55	2.55
Current Yield (%)	N/A	N/A
Holdings Count	12,207	12,207



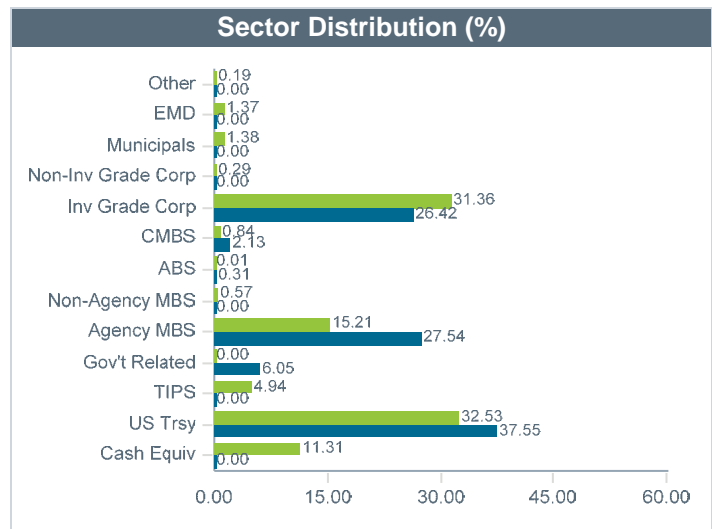
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Portfolio characteristics are proxied using benchmark statistics.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benchmark	1.83	-0.34	5.34	3.03	3.28	3.39	7.51	8.72	0.01	3.54	2.65
Difference	0.36	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peer Group Median	2.23	1.90	6.33	4.03	4.01	4.28	8.99	9.56	0.00	4.37	3.49
Rank	55	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population	501	485	461	406	347	303	488	511	506	498	469



### Portfolio Characteristics

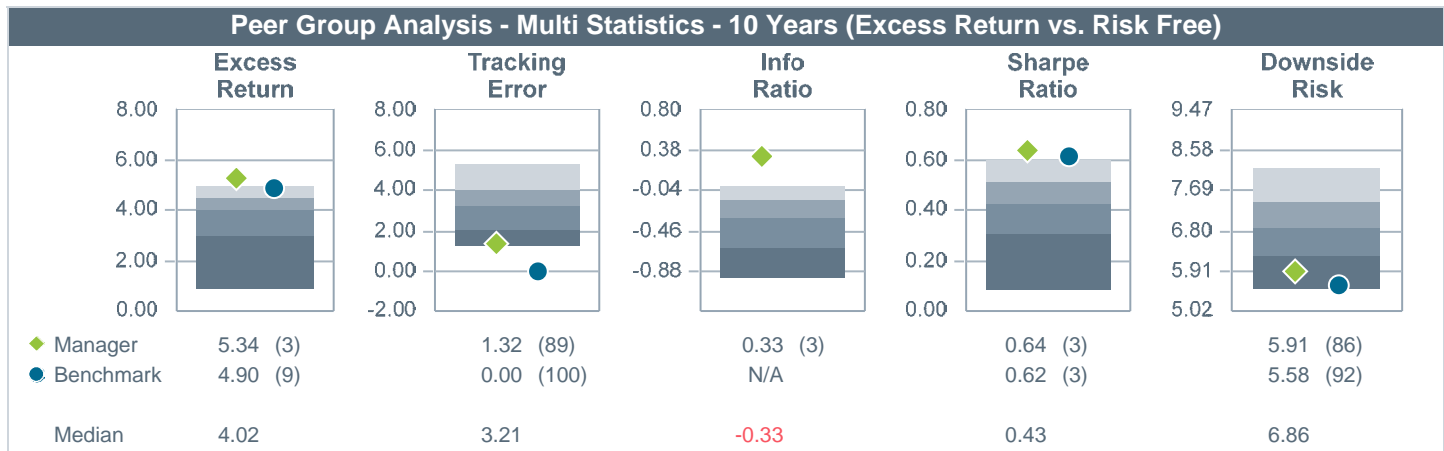
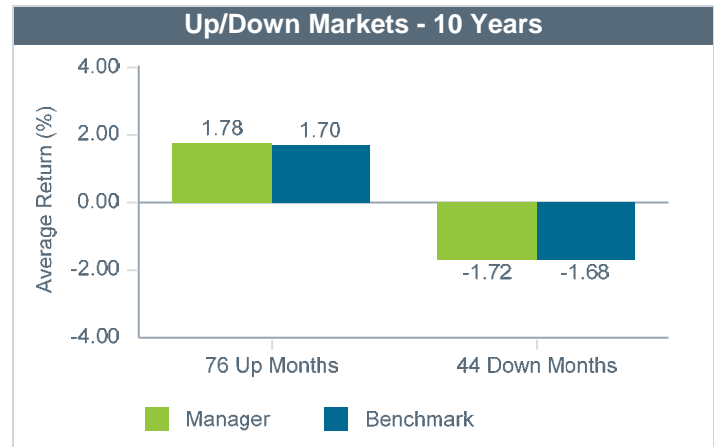
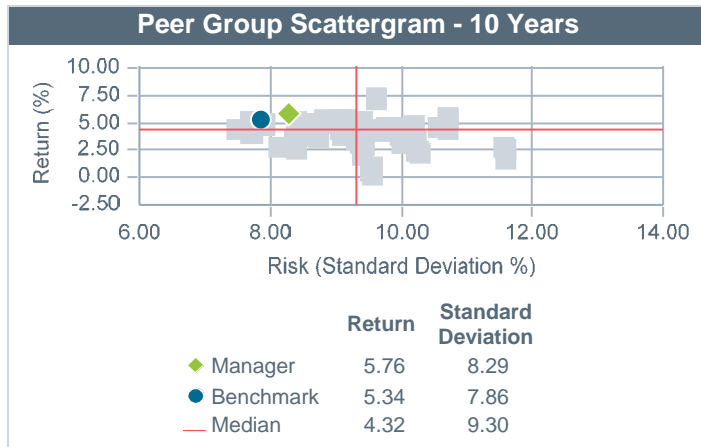
	Portfolio	Benchmark
Effective Duration	5.83	6.58
Spread Duration	4.22	6.58
Avg. Maturity	7.25	8.53
Avg. Quality	Aa2	Aa1/Aa2
Yield To Maturity (%)	1.45	1.51
Coupon Rate (%)	2.07	2.55
Current Yield (%)	1.96	N/A
Holdings Count	259	12,207



Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Allocation to "other" consists of Euro/Yankees.

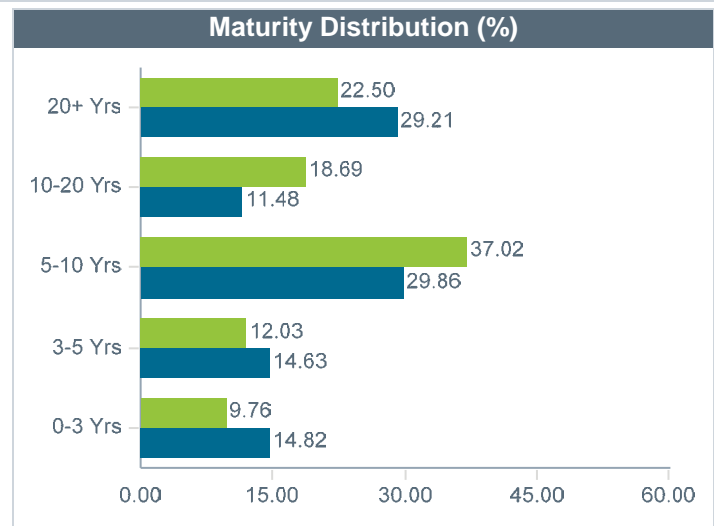


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	3.97	7.37	6.83	5.44	4.78	5.76	7.69	15.84	-5.78	10.56	12.85
Benchmark	3.93	6.81	6.48	4.44	4.37	5.34	5.88	14.42	-4.61	9.32	10.19
Difference	0.04	0.56	0.35	1.00	0.41	0.42	1.81	1.42	-1.17	1.24	2.66
Peer Group Median	3.71	9.08	6.15	4.67	3.65	4.32	5.57	13.58	-5.92	10.49	10.42
Rank	34	90	27	20	12	3	15	9	48	50	28
Population	270	260	243	197	154	77	262	274	275	265	233

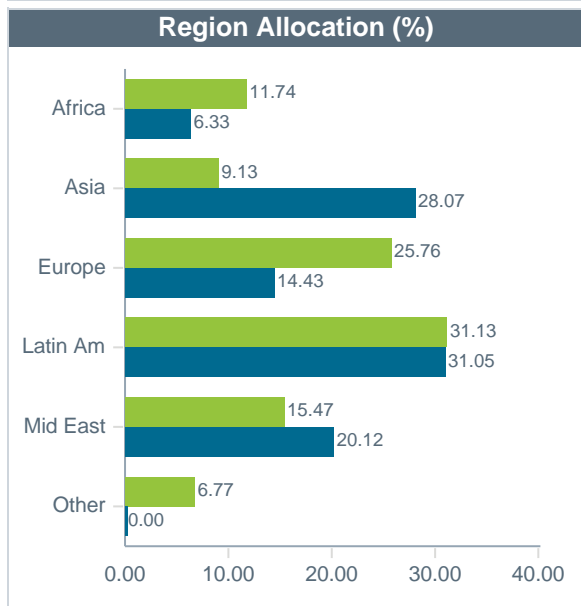
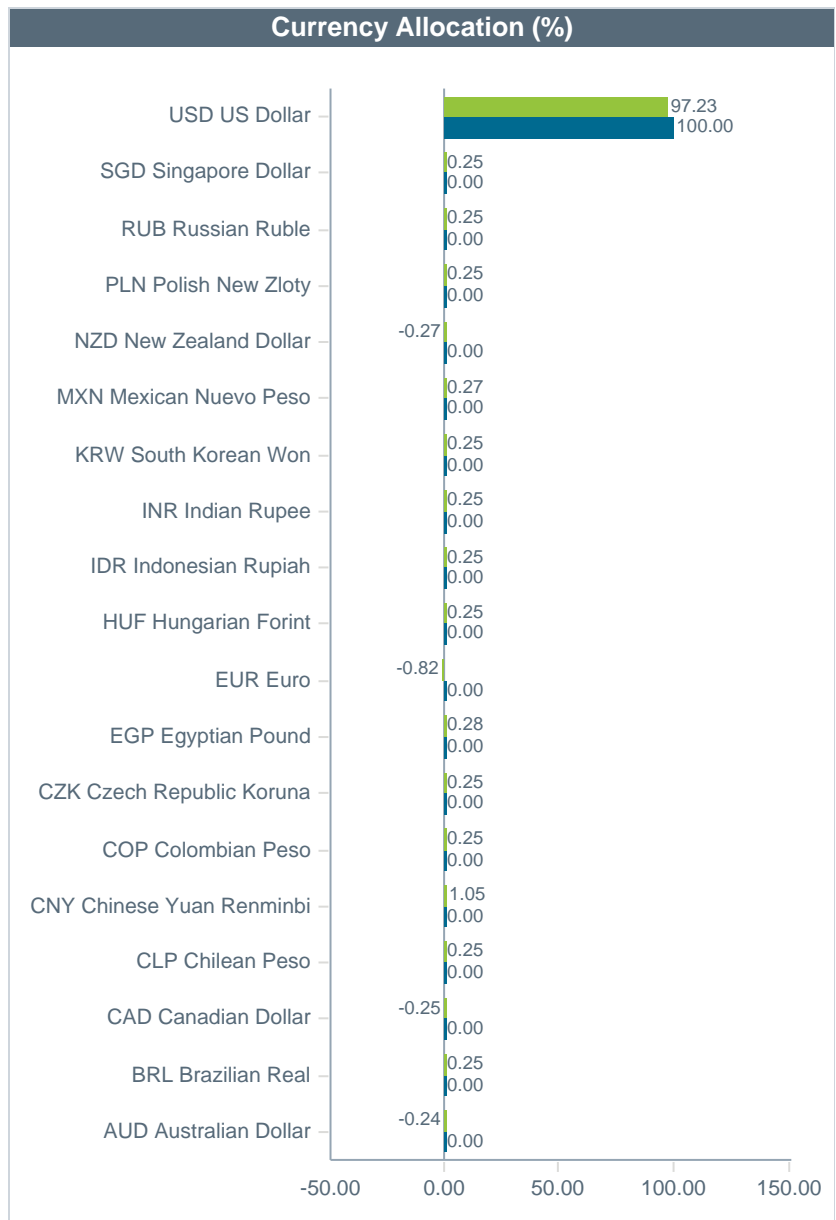
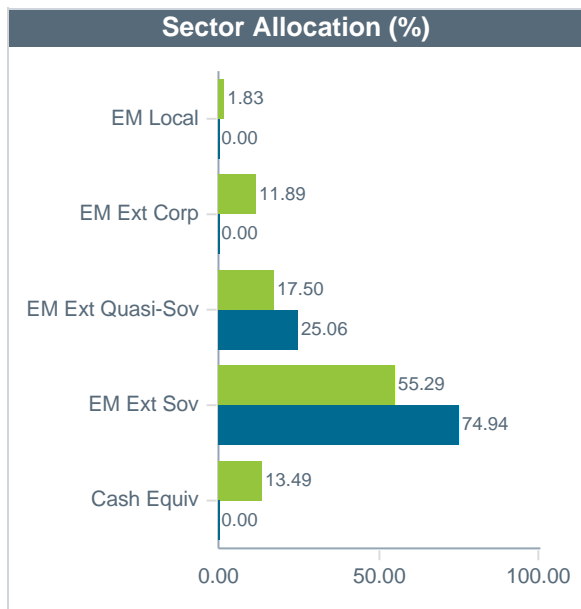
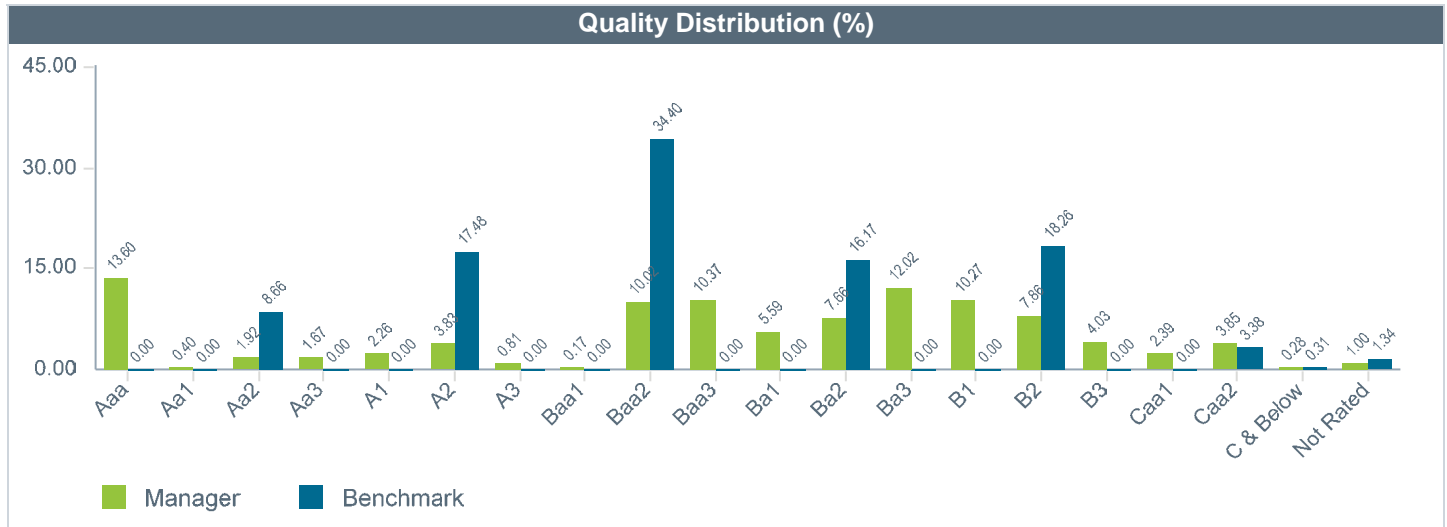


### Portfolio Characteristics (%)

	Portfolio	Benchmark
Effective Duration	7.86	8.10
Spread Duration	7.24	7.87
Avg. Maturity	12.59	13.35
Avg. Quality	Baa3	Baa3
Yield To Maturity (%)	4.57	3.96
Coupon Rate (%)	4.28	4.71
Current Yield (%)	4.70	4.55
Holdings Count	421	933

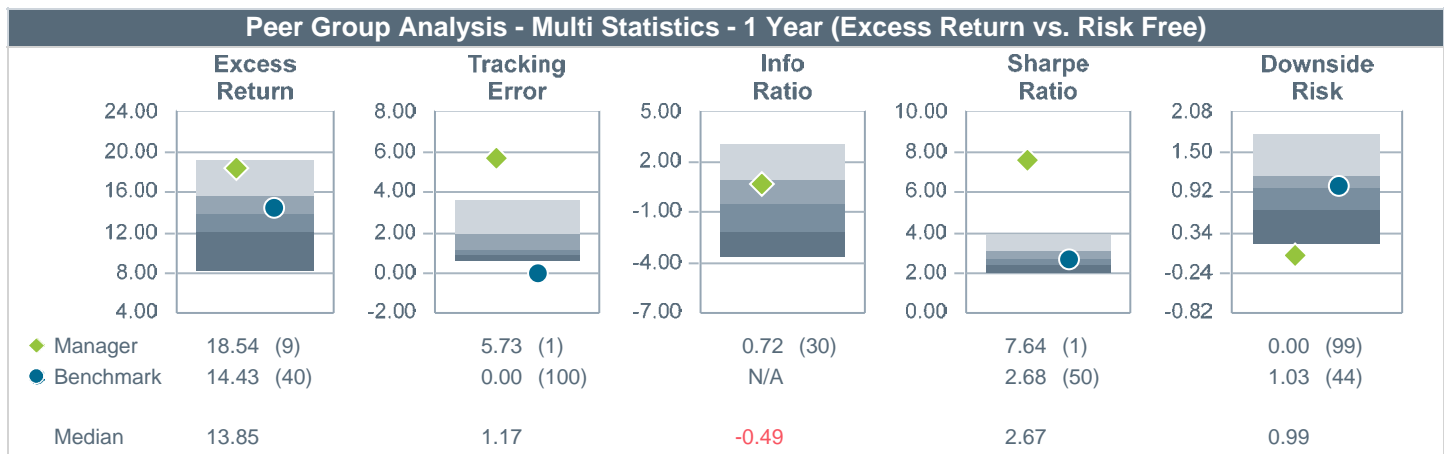
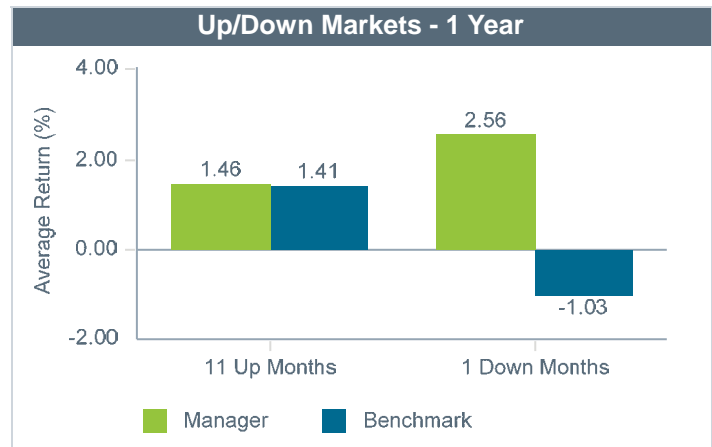
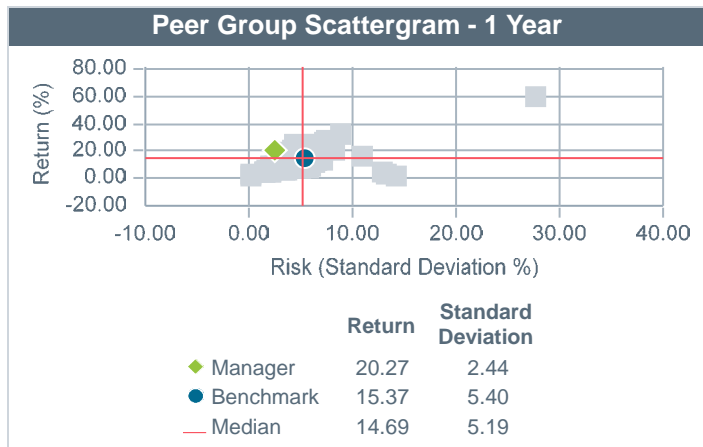






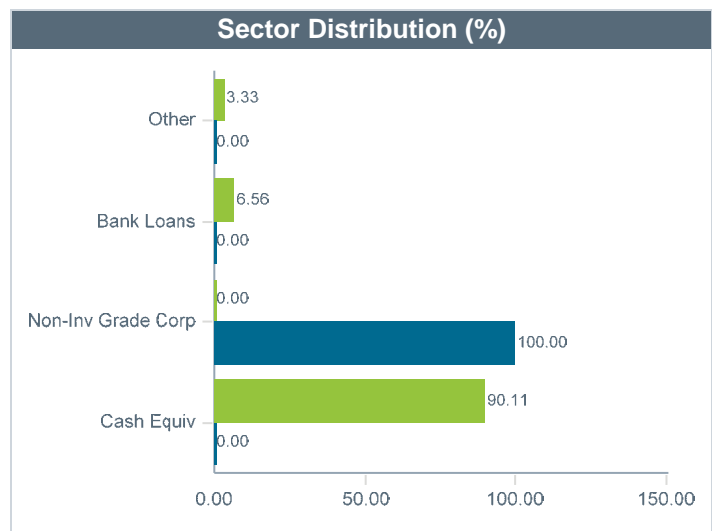
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Region allocation to other consists of cash, cash equivalents, currency forwards, EM CDX and North America.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.36	20.27	N/A	N/A	N/A	N/A	3.26	6.30	N/A	N/A	N/A
Benchmark	2.74	15.37	7.45	7.48	5.47	6.66	7.11	14.32	-2.08	7.50	17.13
Difference	-0.38	4.90	N/A	N/A	N/A	N/A	-3.85	-8.02	N/A	N/A	N/A
Peer Group Median	2.59	14.69	6.43	6.39	4.26	5.54	5.28	13.51	-2.91	6.65	13.52
Rank	67	9	N/A	N/A	N/A	N/A	81	99	N/A	N/A	N/A
Population	666	650	612	533	466	345	659	682	669	626	594



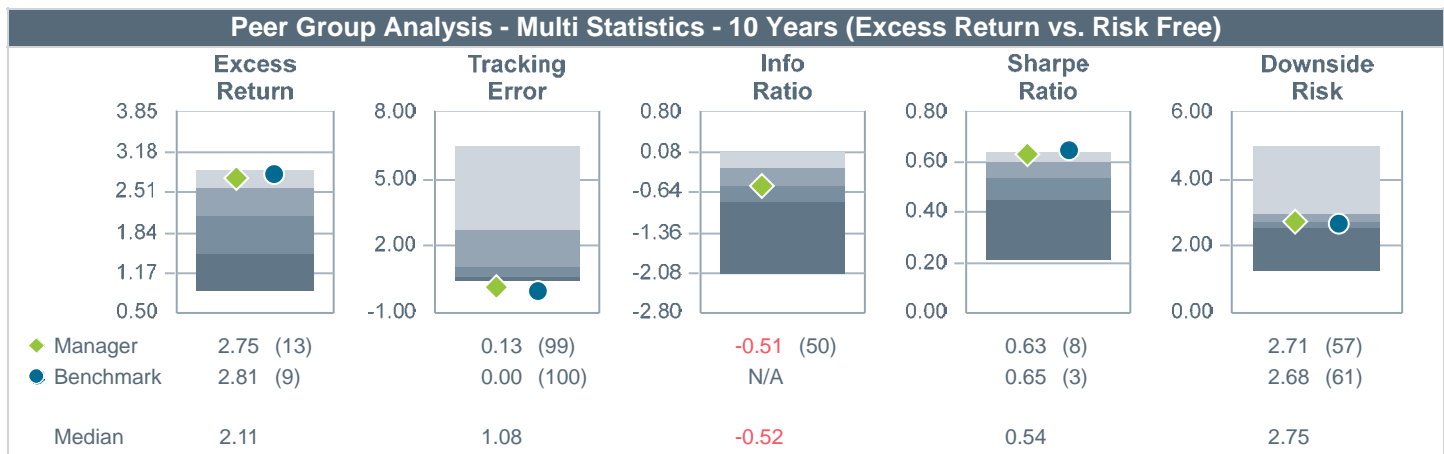
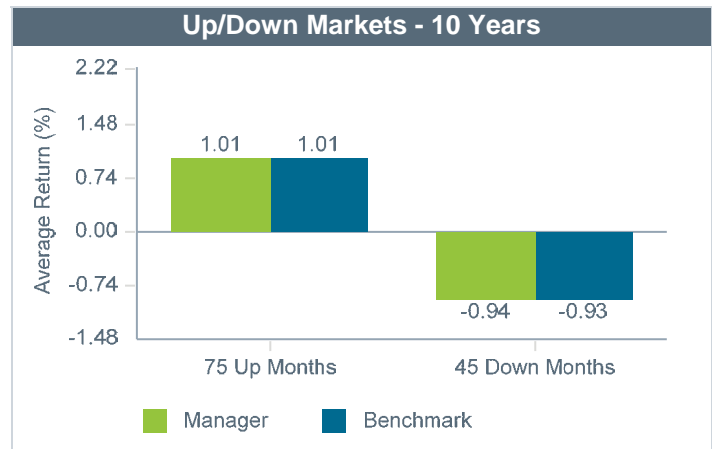
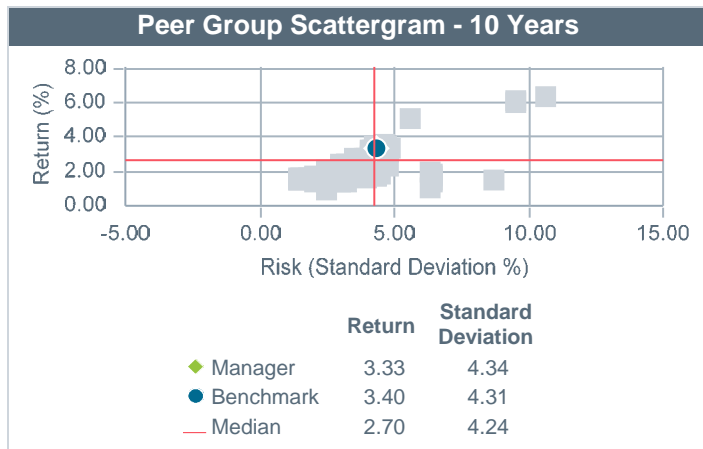
### Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	0.09	3.84
Spread Duration	1.69	3.80
Avg. Maturity	0.63	6.59
Avg. Quality	Aaa	Ba3/B1
Yield To Maturity (%)	0.67	4.60
Coupon Rate (%)	5.78	5.81
Current Yield (%)	5.87	N/A
Holdings Count	27	2,228



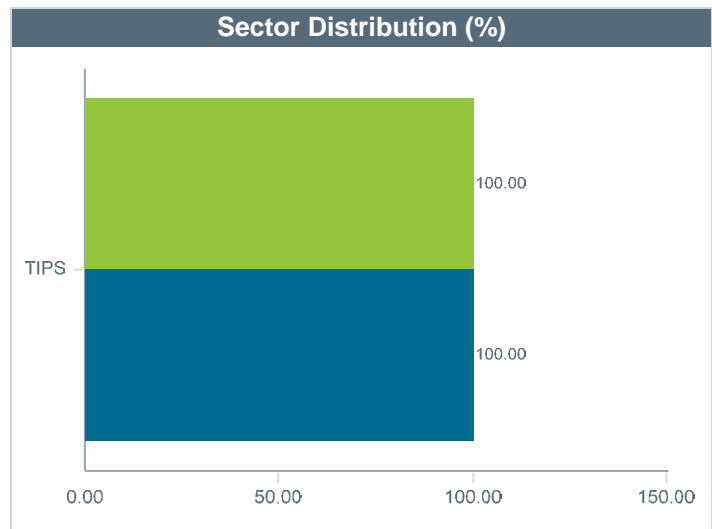
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Allocation to other consists of common stock.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	3.24	6.49	6.45	4.12	3.27	3.33	10.97	8.33	-1.36	2.98	4.67
Benchmark	3.25	6.51	6.53	4.17	3.34	3.40	10.99	8.43	-1.26	3.01	4.68
Difference	-0.01	-0.02	-0.08	-0.05	-0.07	-0.07	-0.02	-0.10	-0.10	-0.03	-0.01
Peer Group Median	2.71	6.51	5.76	3.72	2.59	2.70	9.64	7.53	-1.57	2.62	4.39
Rank	20	52	21	29	15	12	26	25	42	31	38
Population	210	205	200	174	145	117	206	221	227	228	220



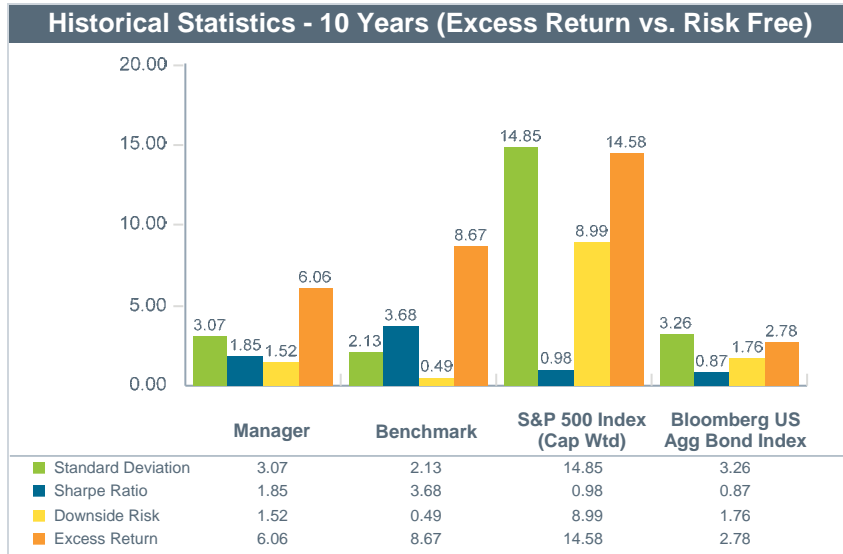
### Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.56	6.56
Spread Duration	6.56	6.56
Avg. Maturity	7.99	7.99
Avg. Quality	Aaa	Aaa
Yield To Maturity (%)	1.07	1.07
Coupon Rate (%)	0.67	0.67
Current Yield (%)	N/A	N/A
Holdings Count	44	44



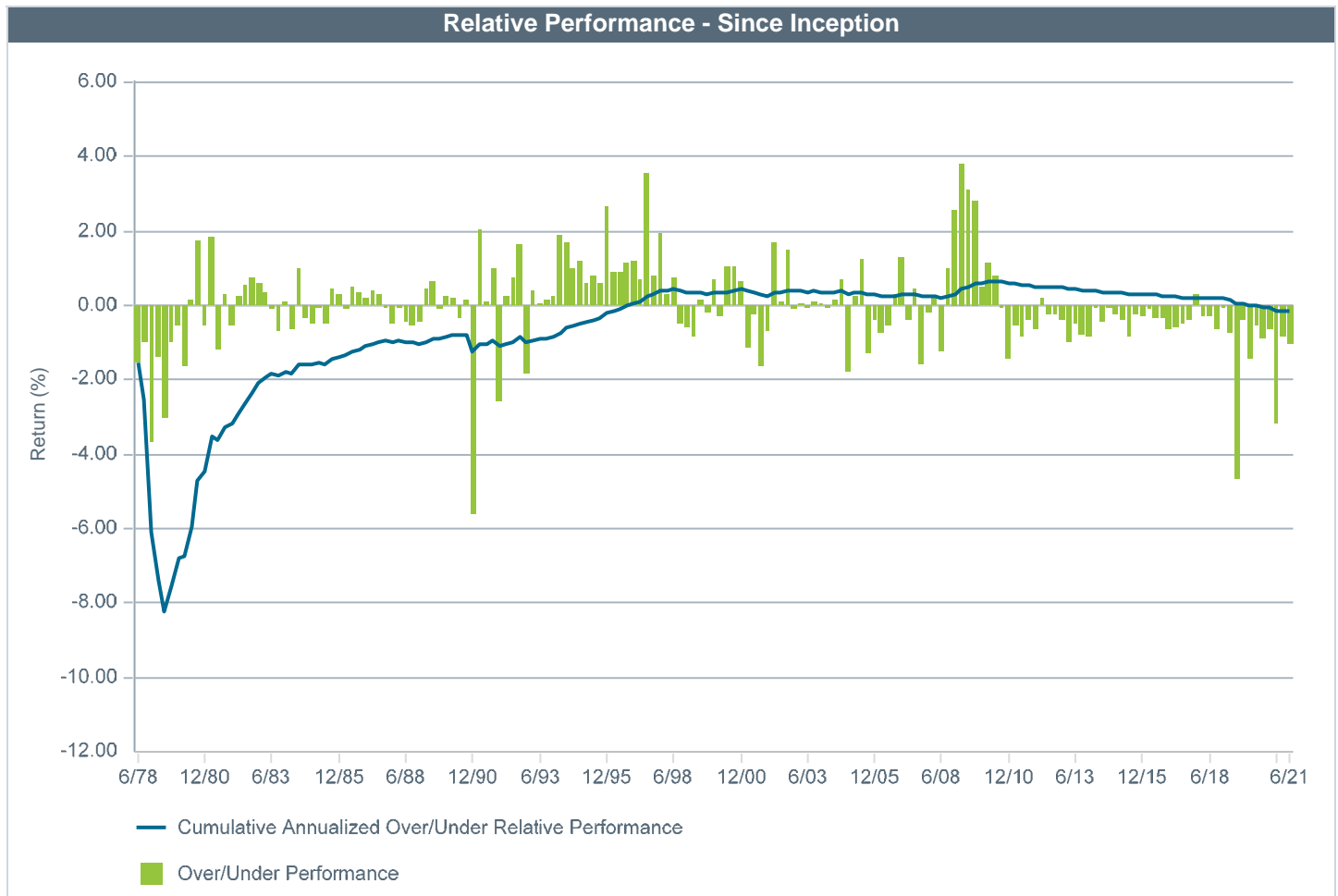
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Portfolio characteristics are proxied using benchmark statistics.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.87	2.01	0.32	2.81	5.27	6.80	-4.04	-2.10	6.99	6.30	7.21
Benchmark	3.93	8.02	5.52	6.57	8.40	9.60	1.19	5.34	8.35	7.62	8.77
Difference	-1.06	-6.01	-5.20	-3.76	-3.13	-2.80	-5.23	-7.44	-1.36	-1.32	-1.56



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.85
S&P 500 Index (Cap Wtd)	-0.28
Russell 2000 Index	-0.32
MSCI EAFE Index (USD) (Net)	-0.31
MSCI Emg Mkts Index (USD) (Net)	-0.36
Bloomberg US Agg Bond Index	-0.23
Bloomberg US Trsy US TIPS Index	-0.32
Wilshire US REIT Index	-0.06
HFRI FOF Comp Index	-0.37
Bloomberg Comdty Index (TR)	-0.27
ICE BofAML 3 Mo US T-Bill Index	-0.45
Cons Price Index (Unadjusted)	-0.03



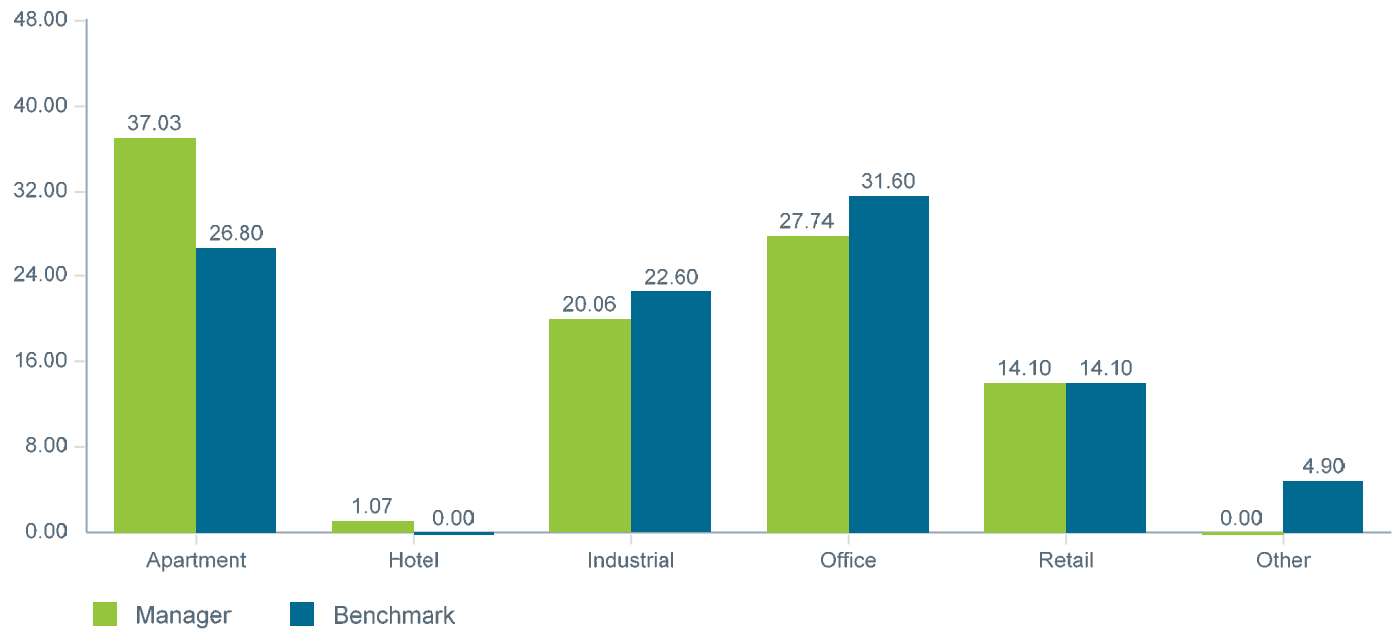
**Investment Strategy**

The Fund pursues a diversified core real estate strategy that seeks to produce attractive risk-adjusted returns by focusing on selective acquisitions, diversification, active portfolio management, and asset management. The Fund invests in well-leased, stabilized assets in major US metropolitan markets and receives the majority of its return from the income component. Diversification for the Fund is consistently pursued on many levels, including geographic region, property type, and economic sector. The Fund has historically maintained a leverage ratio significantly lower than the NCREIF ODCE Index and invests 5-15% of its gross assets in value-added type real estate investment opportunities.

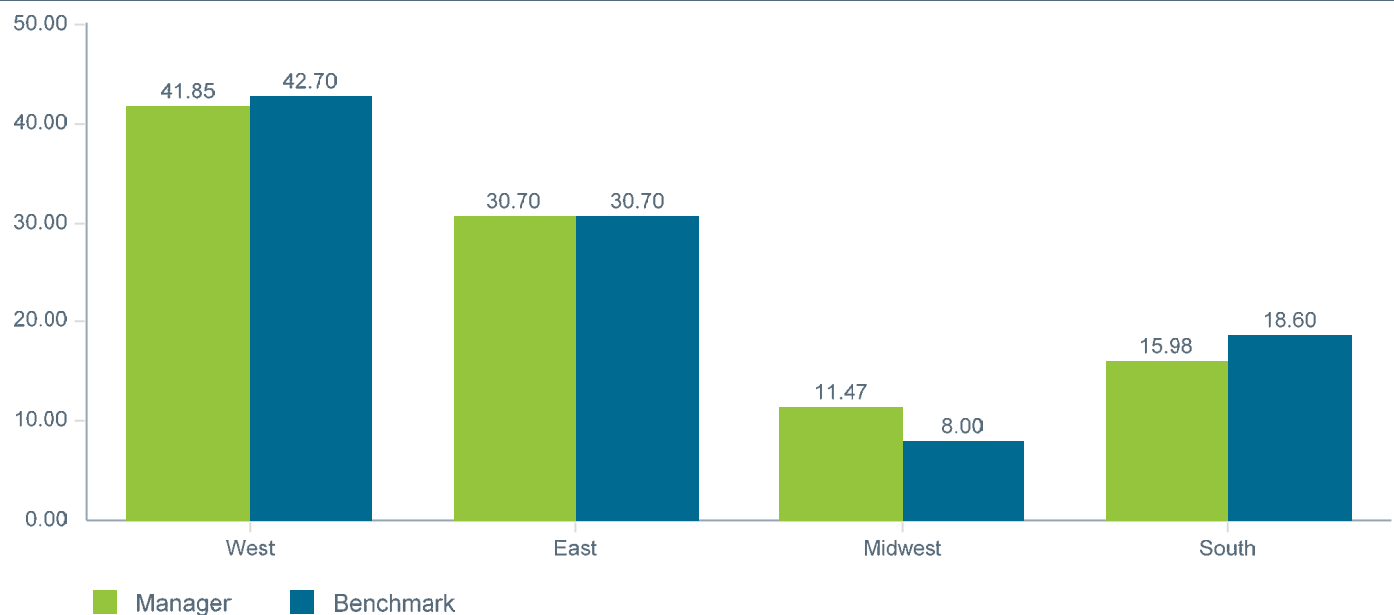
**Investment Profile**

Fund Inception	1978
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	18,020
Fund Leverage %	19.00
Portfolio Occupancy %	91.10
Cash Reserve %	3.40
Number of Investments	178
Number of Limited Partners	446

**Property Type Allocation (%)**



**Geographic Allocation (%)**



Performance shown is gross of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.



# VPIC Total Alternatives Portfolio



General Comments

- Through this reporting period, Vermont Pension Investment Committee has committed a total of \$1,205,000,000 to 27 non-marketable alternative investments.
- The average age of active investments (based upon vintage year and weighted by commitment) was 3.16 years.
- A total of \$581,174,330 has been called or otherwise contributed to date.
- Distributions have totaled \$174,496,616 since plan inception.
- The residual estimated value of interests in these partnerships/investments is \$649,304,854.
- Since inception net performance for the investments are as follows:
  - Annualized since-inception estimated Internal Rate of Return (IRR) of 18.78%.
  - Were an investment into the benchmark index (MSCI ACW IM Index (USD) (Net)) ("Index IRR") made with the identical cash-flow pattern, the resulting return would be equal to 14.21% indicating roughly 456 basis points of annualized out-performance.
  - For every \$1 paid into the portfolio, \$1.42 has been returned as a distribution or is held in residual value (multiple on invested capital = 1.42x).

**Private Credit - Direct Lending**

- Private Credit - Direct Lending funds account for 21.99% of commitments, 23.41% of contributed funds, 17.68% of distributed funds, and 18.89% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 6.42%
  - MSCI ACW IM Index (USD) (Net) IRR of 13.90%
  - A multiple on invested capital of 1.13x.

**Private Credit - Distressed/Special Situations**

- Private Credit - Distressed/Special Situations funds account for 4.15% of commitments, 4.03% of contributed funds, 0.00% of distributed funds, and 3.94% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR - Not Material
  - MSCI ACW IM Index (USD) (Net) IRR - Not Material
  - A multiple on invested capital of 1.09x.

**Private Equity - Buyout**

- Private Equity - Buyout funds account for 21.33% of commitments, 18.06% of contributed funds, 18.11% of distributed funds, and 21.57% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 26.73%
  - MSCI ACW IM Index (USD) (Net) IRR of 16.57%
  - A multiple on invested capital of 1.64x.

**Private Equity - Fund of Funds**

- Private Equity - Fund of Funds funds account for 5.31% of commitments, 4.32% of contributed funds, 3.41% of distributed funds, and 5.30% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 26.36%
  - MSCI ACW IM Index (USD) (Net) IRR of 14.50%
  - A multiple on invested capital of 1.61x.



### Private Equity - Natural Resources

- Private Equity - Natural Resources funds account for 10.79% of commitments, 6.73% of contributed funds, 0.11% of distributed funds, and 6.10% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 4.57%
  - MSCI ACW IM Index (USD) (Net) IRR of 35.59%
  - A multiple on invested capital of 1.02x.

### Private Equity - Non-US Private Equity

- Private Equity - Non-US Private Equity funds account for 1.24% of commitments, 2.12% of contributed funds, 2.19% of distributed funds, and 3.11% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 22.50%
  - MSCI ACW IM Index (USD) (Net) IRR of 12.88%
  - A multiple on invested capital of 1.95x.

### Private Equity - Secondaries

- Private Equity - Secondaries funds account for 13.69% of commitments, 13.34% of contributed funds, 29.93% of distributed funds, and 11.27% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 26.31%
  - MSCI ACW IM Index (USD) (Net) IRR of 12.17%
  - A multiple on invested capital of 1.62x.

### Private Equity - Venture

- Private Equity - Venture funds account for 5.73% of commitments, 7.34% of contributed funds, 10.23% of distributed funds, and 12.37% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 30.61%
  - MSCI ACW IM Index (USD) (Net) IRR of 12.50%
  - A multiple on invested capital of 2.30x.

**Real Estate - Opportunistic**

- Real Estate - Opportunistic funds account for 12.86% of commitments, 18.37% of contributed funds, 17.43% of distributed funds, and 15.43% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 8.35%
  - MSCI ACW IM Index (USD) (Net) IRR of 12.34%
  - A multiple on invested capital of 1.22x.

**Real Estate - Value Added**

- Real Estate - Value Added funds account for 2.90% of commitments, 2.29% of contributed funds, 0.89% of distributed funds, and 2.01% of reported residual value.
- Pooled portfolio since inception performance is as follows:
  - Annualized since-inception IRR of 12.56%
  - MSCI ACW IM Index (USD) (Net) IRR of 39.60%
  - A multiple on invested capital of 1.10x.

Vermont Pension Investment Committee  
Alternative Investment Private Equity Fund Performance Listing

As of March 31, 2021

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
HarbourVest Partners IX - Buyout, LP	2011	Private Equity - Buyout	24,000,000	20,507,188	20,554,246	21,337,975	19.68	1st	9.66	2.04
HarbourVest Partners IX - Credit Opportunities Fund, LP	2011	Private Equity - Fund of Funds	4,000,000	3,210,265	2,593,788	2,394,668	12.83	2nd	10.85	1.55
HarbourVest Partners IX - Venture, LP	2011	Private Equity - Venture	12,000,000	11,437,671	13,268,511	22,579,495	24.93	1st	8.97	3.13
Dover Street VIII, LP (HarbourVest)	2012	Private Equity - Secondaries	25,000,000	23,000,000	29,736,297	9,388,820	20.64	2nd	8.62	1.70
HarbourVest International Private Equity Partners VII Partnership, LP	2014	Private Equity - Non-US Private Equity	15,000,000	12,300,000	3,828,657	20,179,136	22.50	1st	12.88	1.95
HarbourVest International Private Equity Partners VIII Partnership, LP	2014	Private Equity - Fund of Funds	60,000,000	21,900,000	3,363,763	32,021,562	35.36	1st	16.44	1.62
HarbourVest Partners X - Buyout, LP	2015	Private Equity - Buyout	45,500,000	26,165,287	8,681,449	35,566,575	27.53	1st	15.01	1.69
HarbourVest Partners X - Venture, LP	2015	Private Equity - Venture	19,500,000	15,650,422	3,703,130	33,919,169	39.39	1st	13.33	2.40
Dover Street IX, LP (HarbourVest)	2016	Private Equity - Secondaries	40,000,000	32,000,000	19,051,438	35,050,204	30.66	1st	13.37	1.69
Dover Street X, LP (HarbourVest)	2018	Private Equity - Secondaries	100,000,000	22,500,000	3,447,500	28,723,913	82.18	1st	29.31	1.43
HarbourVest Partners XI - Buyout Fund, LP	2018	Private Equity - Buyout	75,000,000	20,250,000	1,933,518	28,605,711	58.96	1st	34.95	1.51
HarbourVest Partners XI - Micro Buyout Fund, LP	2018	Private Equity - Buyout	12,500,000	2,812,500	217,237	4,368,448	84.50	1st	44.77	1.63
HarbourVest Partners Co-Investment Fund V, LP	2019	Private Equity - Buyout	25,000,000	17,500,000	0	28,923,220	73.98	N/A	30.84	1.65
HarbourVest Partners XI - Venture Fund, LP	2019	Private Equity - Venture	37,500,000	15,562,500	881,737	23,828,510	76.61	N/A	33.69	1.59
Nuveen Global Farmland Fund, LP	2019	Private Equity - Natural Resources	100,000,000	33,617,210	198,844	34,531,421	N/M	N/A	N/M	1.03
Pontifax Global Food and Agriculture Technology Fund II, LP	2019	Private Equity - Natural Resources	30,000,000	5,472,802	0	5,102,260	-11.69	N/A	21.61	0.93
Siguler Guff Small Buyout Opportunities Fund IV	2019	Private Equity - Buyout	50,000,000	14,300,000	210,095	17,674,518	39.30	N/A	56.08	1.25

Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the MSCI ACWI IM Index (USD) (Net) assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin.



Vermont Pension Investment Committee  
 Alternative Investment Private Equity Fund Performance Listing

As of March 31, 2021

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
NB Strategic Co-Investment Partners IV LP	2020	Private Equity - Buyout	25,000,000	3,429,241	0	3,603,918	N/M	N/A	N/M	1.05
			<b>700,000,000</b>	<b>301,615,087</b>	<b>111,670,210</b>	<b>387,799,523</b>	<b>27.01</b>		<b>14.57</b>	<b>1.66</b>

Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the MSCI ACW IM Index (USD) (Net) assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin.



Vermont Pension Investment Committee  
Alternative Investment Real Estate Fund Performance Listing

As of March 31, 2021

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
Siguler Guff Distressed Real Estate Opportunities Fund II	2013	Real Estate - Opportunistic	40,000,000	35,272,308	23,348,050	26,030,649	8.39	4th	7.00	1.40
Siguler Guff DREOF II Co-Investment Fund	2016	Real Estate - Opportunistic	15,000,000	12,669,146	6,164,010	9,657,441	6.77	4th	5.09	1.25
Blue Vista Real Estate Partners V	2018	Real Estate - Value Added	35,000,000	13,300,000	1,559,406	13,077,927	12.56	2nd	3.40	1.10
Brookfield Strategic Real Estate Partners III	2019	Real Estate - Opportunistic	100,000,000	58,830,100	908,272	64,486,631	9.43	N/A	2.84	1.11
			<b>190,000,000</b>	<b>120,071,555</b>	<b>31,979,738</b>	<b>113,252,648</b>	<b>8.48</b>		<b>5.70</b>	<b>1.21</b>

Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the NCREIF ODCE Index (AWA)(Net) assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin.



Vermont Pension Investment Committee  
Alternative Investment Private Credit Fund Performance Listing

As of March 31, 2021

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
Benefit Street Partners Senior Secured Opportunities Fund	2016	Private Credit - Direct Lending	70,000,000	70,000,000	17,933,696	64,574,755	6.06	4th	4.49	1.18
(Arcmont) Direct Lending Fund III (USD-L) SLP	2018	Private Credit - Direct Lending	70,000,000	37,079,635	12,912,972	29,266,937	9.84	3rd	3.87	1.14
Benefit Street Partners Senior Secured Opportunities Fund II (Levered US)	2019	Private Credit - Direct Lending	75,000,000	12,741,635	0	11,716,697	-15.75	N/A	10.88	0.92
AG Direct Lending Fund IV, LP	2020	Private Credit - Direct Lending	50,000,000	16,250,000	0	17,100,617	N/M	N/A	N/M	1.05
Kennedy Lewis Capital Partners Master Fund II, LP	2020	Private Credit - Distressed/Special Situations	50,000,000	23,416,418	0	25,593,677	N/M	N/A	N/M	1.09
			<b>315,000,000</b>	<b>159,487,688</b>	<b>30,846,668</b>	<b>148,252,683</b>	<b>6.97</b>		<b>4.90</b>	<b>1.12</b>

Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the CS Lvg'd Loan Index assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Prequin.



Average Commitment-weighted Active Investment Age (in years): 3.39

Vintage Year	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Vintage Year IRR (%)	Index IRR (%)	Vintage Year Multiple	Cumulative Multiple
2011	40,000,000	35,155,124	36,416,545	46,312,138	21.49	9.50	2.35	2.35
2012	25,000,000	23,000,000	29,736,297	9,388,820	20.64	8.62	1.70	2.10
2014	75,000,000	34,200,000	7,192,420	52,200,698	27.19	14.31	1.74	1.96
2015	65,000,000	41,815,709	12,384,579	69,485,744	32.87	14.30	1.96	1.96
2016	40,000,000	32,000,000	19,051,438	35,050,204	30.66	13.37	1.69	1.91
2018	187,500,000	45,562,500	5,598,255	61,698,072	69.02	33.49	1.48	1.82
2019	242,500,000	86,452,512	1,290,676	110,059,929	48.67	37.30	1.29	1.66
2020	25,000,000	3,429,241	0	3,603,918	N/M	N/M	1.05	1.66
<b>TOTAL</b>	<b>700,000,000</b>	<b>301,615,087</b>	<b>111,670,210</b>	<b>387,799,523</b>	<b>27.01</b>	<b>14.57</b>		<b>1.66</b>

Index IRR represents the dollar-weighted returns calculated using the MSCI ACW IM Index (USD) (Net) assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Vintage Year IRR is the annualized since-inception net internal rate for the indicated fund or composite. This report may contain valuations for investments that are preliminary estimates of valuation as of the date of reporting which reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Vintage Year Multiple is the since inception sum of distributions and valuation divided by paid in capital. Cumulative Multiple is the since inception sum of distributions and valuation divided by paid in capital for all investments through the indicated vintage year.



Average Commitment-weighted Active Investment Age (in years): 3.73

Vintage Year	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Vintage Year IRR (%)	Index IRR (%)	Vintage Year Multiple	Cumulative Multiple
2013	40,000,000	35,272,308	23,348,050	26,030,649	8.39	7.00	1.40	1.40
2016	15,000,000	12,669,146	6,164,010	9,657,441	6.77	5.09	1.25	1.36
2018	35,000,000	13,300,000	1,559,406	13,077,927	12.56	3.40	1.10	1.30
2019	100,000,000	58,830,100	908,272	64,486,631	9.43	2.84	1.11	1.21
<b>TOTAL</b>	<b>190,000,000</b>	<b>120,071,555</b>	<b>31,979,738</b>	<b>113,252,648</b>	<b>8.48</b>	<b>5.70</b>		<b>1.21</b>

Index IRR represents the dollar-weighted returns calculated using the NCREIF ODCE Index (AWA)(Net) assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Vintage Year IRR is the annualized since-inception net internal rate for the indicated fund or composite. This report may contain valuations for investments that are preliminary estimates of valuation as of the date of reporting which reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Vintage Year Multiple is the since inception sum of distributions and valuation divided by paid in capital. Cumulative Multiple is the since inception sum of distributions and valuation divided by paid in capital for all investments through the indicated vintage year.



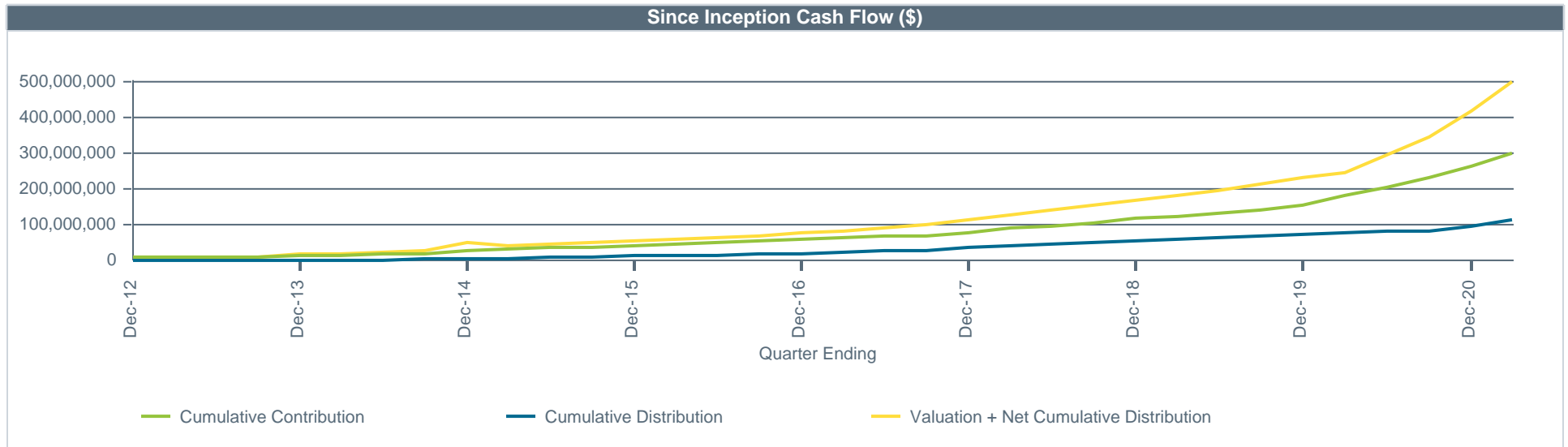
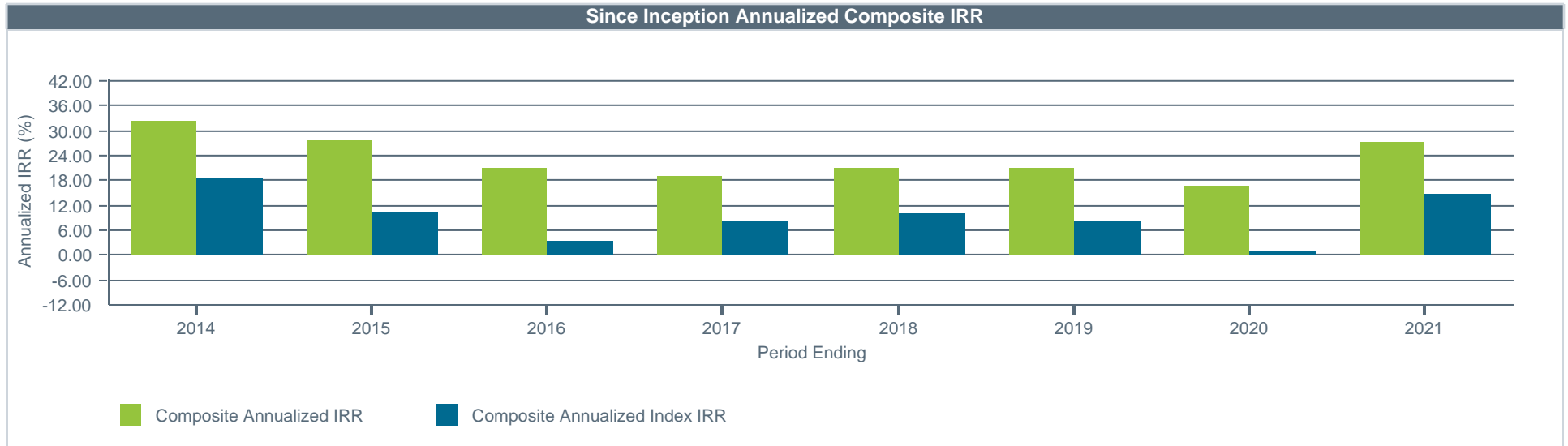


Average Commitment-weighted Active Investment Age (in years): 2.32

Vintage Year	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Vintage Year IRR (%)	Index IRR (%)	Vintage Year Multiple	Cumulative Multiple
2016	70,000,000	70,000,000	17,933,696	64,574,755	6.06	4.49	1.18	1.18
2018	70,000,000	37,079,635	12,912,972	29,266,937	9.84	3.87	1.14	1.16
2019	75,000,000	12,741,635	0	11,716,697	-15.75	10.88	0.92	1.14
2020	100,000,000	39,666,418	0	42,694,294	N/M	N/M	1.08	1.12
<b>TOTAL</b>	<b>315,000,000</b>	<b>159,487,688</b>	<b>30,846,668</b>	<b>148,252,683</b>	<b>6.97</b>	<b>4.90</b>		<b>1.12</b>

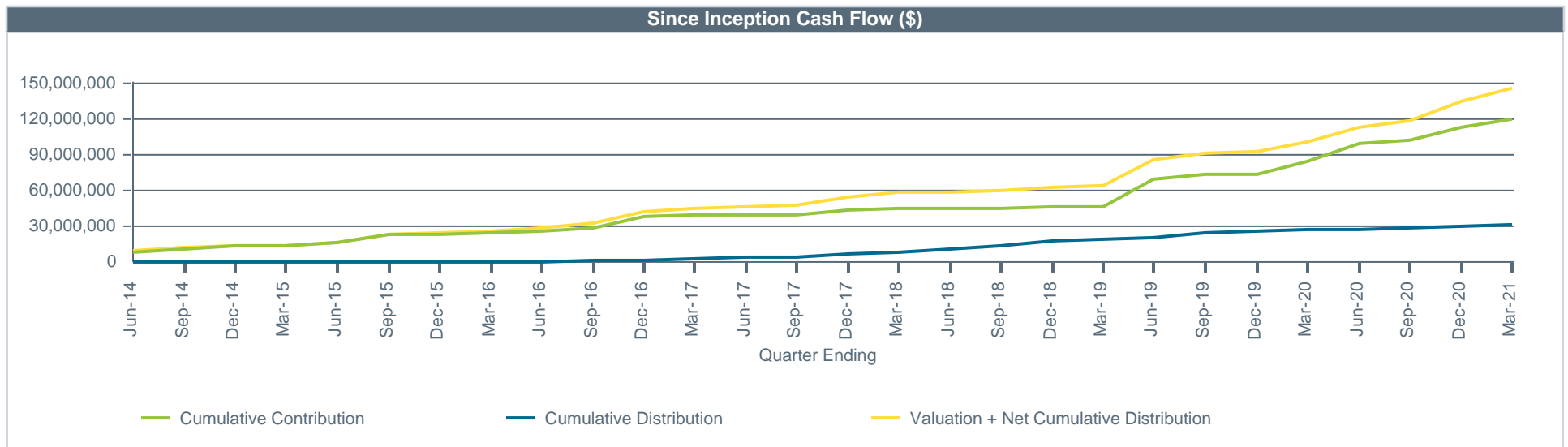
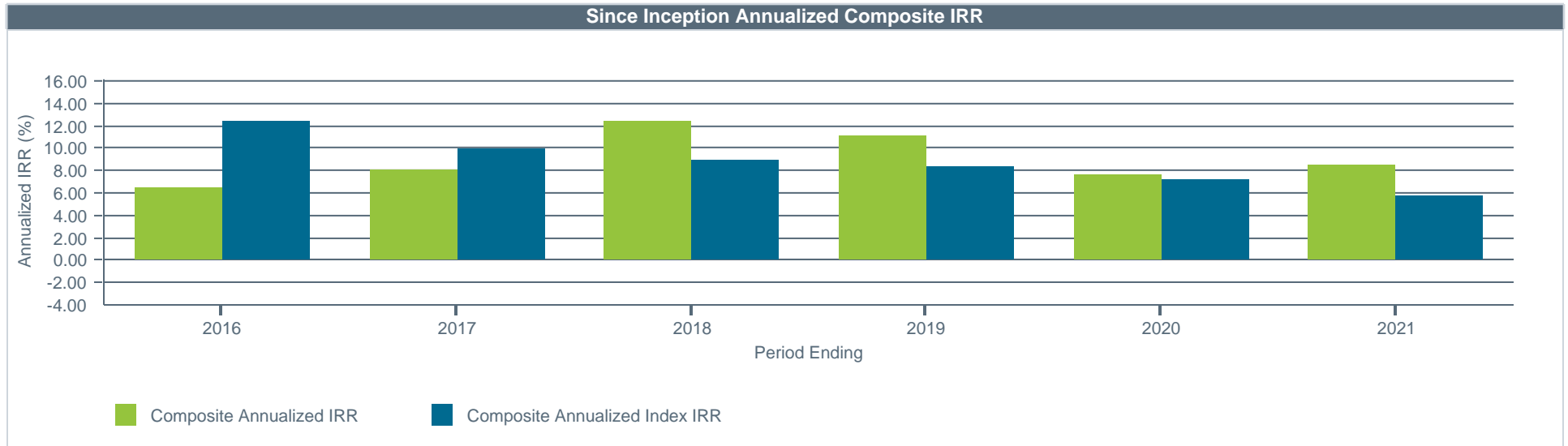
Index IRR represents the dollar-weighted returns calculated using the CS Lvg'd Loan Index assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Vintage Year IRR is the annualized since-inception net internal rate for the indicated fund or composite. This report may contain valuations for investments that are preliminary estimates of valuation as of the date of reporting which reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Vintage Year Multiple is the since inception sum of distributions and valuation divided by paid in capital. Cumulative Multiple is the since inception sum of distributions and valuation divided by paid in capital for all investments through the indicated vintage year.





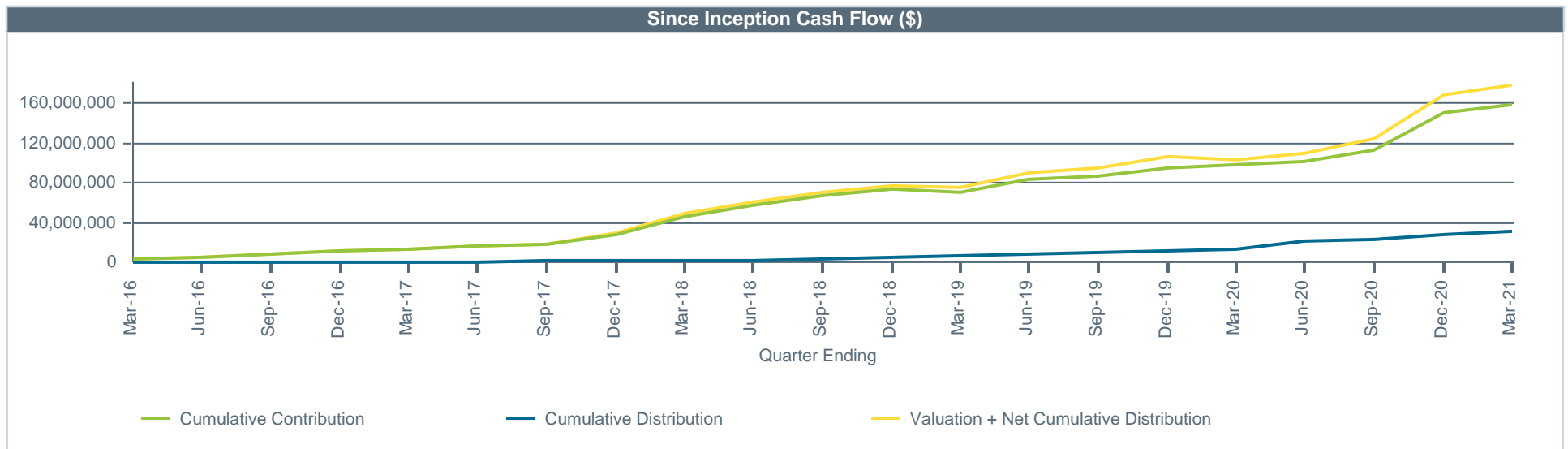
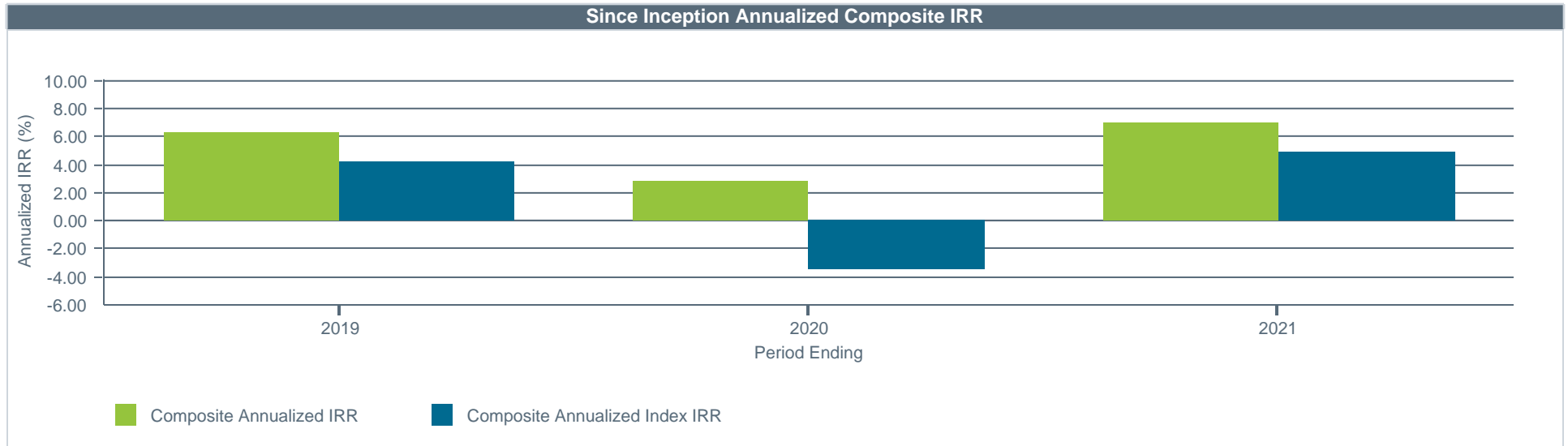
Index IRR represents the dollar-weighted returns calculated using the MSCI ACW IM Index (USD) (Net) assuming an index investment with the same cash flow timing. This report may contain valuations for investments that are preliminary estimates of valuation as of the date of reporting which reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated.





Index IRR represents the dollar-weighted returns calculated using the NCREIF ODCE Index (AWA)(Net) assuming an index investment with the same cash flow timing. This report may contain valuations for investments that are preliminary estimates of valuation as of the date of reporting which reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated.





Index IRR represents the dollar-weighted returns calculated using the CS Lvg'd Loan Index assuming an index investment with the same cash flow timing. This report may contain valuations for investments that are preliminary estimates of valuation as of the date of reporting which reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated.



# Addendum & Glossary



Vermont State Employees' Retirement System  
Fee Schedule

As of June 30, 2021

	Fee Schedule	Market Value As of 06/30/2021 (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Blackrock S&P 500 (EqI Wtd) (CF)	0.020 % of Assets	111,962,371	22,392	0.020
Champlain US Mid Cap Core (SA)	0.850 % of First \$50 M 0.750 % of Next \$50 M 0.650 % Thereafter	75,820,232	618,652	0.816
BlackRock MSCI ACW IMI (CF)	0.025 % of Assets	816,766,993	204,192	0.025
Artisan Global Opportunities (CF)	0.750 % of Assets	133,374,431	1,000,308	0.750
Acadian International All Cap (SA)	0.700 % of First \$25 M 0.600 % of Next \$25 M 0.500 % of Next \$25 M 0.300 % Thereafter	113,109,750	564,329	0.499
Mondrian International Equity (SA)	0.500 % of First \$50 M 0.350 % of Next \$50 M 0.300 % Thereafter	63,866,782	298,534	0.467
Wellington Opportunistic EMD (CF)	0.550 % of Assets	94,191,417	518,053	0.550
PIMCO Liquidation (SA)	0.300 % of Assets	3,628,578	10,886	0.300
BlackRock US Agg (CF)	0.030 % of Assets	419,022,291	125,707	0.030
PIMCO Core (SA)	0.190 % of Assets	101,555,160	192,955	0.190
UBS Trumbull Properties (CF)	0.955 % of First \$10 M 0.825 % of Next \$15 M 0.805 % of Next \$25 M 0.790 % of Next \$50 M 0.670 % of Next \$150 M 0.600 % of Next \$150 M 0.560 % of Next \$200 M 0.520 % Thereafter	84,899,163	696,203	0.820
BlackRock TIPS (CF)	0.025 % of Assets	67,998,183	17,000	0.025
<b>Total Fund</b>		<b>2,379,377,332</b>	<b>4,269,210</b>	<b>0.179</b>

Mutual Fund fees are sourced from Morningstar and/or the investment manager. UBS also has a variable fee ranging from 0.00% to 0.25%. The variable fee has been suspended from 4/01/2018 to 3/31/2022. Total fund fee shown excludes fees on Private Assets.

**Performance Related Comments**

- RVK began monitoring the plan's assets as of 9/2020. Prior data was provided by the previous consultant.
- Performance shown is net of fees.
- Inception dates shown represent the first full month of available performance.
- Fiscal year ends 6/30.
- Private Asset market values and performance are lagged to match custodian reported net asset values. Accordingly, fund reported performance will lag benchmark reported performance.
- Inception dates for allocation buckets are when RVK started calculating performance in 09/2020.
- PIMCO Liquidation (SA) consists of residual assets from Vermont Pension's High Yield allocation.
- During 12/2020, the Real Assets composite consisting of Core Real Estate, Non-Core Real Estate, and Private Infrastructure/Land was replaced by the Inflation Hedging Assets composite consisting of TIPS, Core Real Estate, and Private Infrastructure/Land. A new Non-Core Real Estate composite was created.
- Negative cash performance is due to a valuation decline in the Blackrock Transition account during its liquidation.
- During 06/2021, the inception dates for Blackrock S&P 500, Artisan Global Opportunities and Wellington EMD were adjusted to reflect the first full month of performance.

**Decisions Made by the Committee Over the Last 18 Months**

**Manager Additions**

- Blackrock S&P 500 (EqI Wtd) (CF), BlackRock MSCI ACW IMI (CF), BlackRock US Agg (CF), Nuveen Global Agriculture (CF), Angelo Gordan Direct Lending, Harbourvest Dover X, Harbourvest XI Funds, Siguer Guff SBOF IV, Neuberger Berman, Benefit Street Partners II, Blue Vista Real Estate Partners and Kennedy Lewis Capital II.

**Manager Liquidations**

- SGA International Small Cap (CF), Pinnacle Natural Resources, KDP High Yield, Allianz Structured Alpha, Guggenheim High Yield, PIMCO Unconstrained Bond Fund, Grosvenor Hedge Fund of Funds, Aberdeen International Equities, Hosking Partners Global Equity Fund.

**Policy Changes**

- During 01/2021, the board approved an updated target allocation index and fund level benchmarks. Benchmark changes were reflected starting 01/2021.
- The Wellington Small Cap Value (SA) liquidation was completed during 03/2021.

**Historical Transition Comments**

- SGA International Small Cap (CF) was liquidated during 09/2020. Remaining market value represents residual assets.
- Angelo Gordon Direct Lending IV was funded during 09/2020.
- Wellington Small Cap Value (SA), SSgA Russell 2000 Growth (SA), Pinnacle Natural Resources (CF) and PIMCO Unconstrained (SA) were liquidated prior to 09/2020. Remaining market values represent residual assets.
- The Wellington Small Cap Value (SA) liquidation was completed during 03/2021.
- Ares Pathfinder Fund I was funded during 04/2021.
- During 06/2021, Blackrock Transition was liquidated.

**Benchmark Comments**

- The Target Allocation Index currently consists of 4% S&P 500 Index (Cap Wtd), 3% Russell 2500 Index, 5% MSCI EAFE Index, 29% MSCI ACW IM Index (USD) (Net), 2% MSCI EAFE Small Cap Index, 20% Bloomberg US Aggregate Bond Index, 3% NCREIF ODCE Index (AWA) (Net)+2%, 4% JP Morgan Emerging Mkts Bond Gbl Index, 10% Credit Suisse Leveraged Loan Index + 2%, 10% Cambridge US PE Index and 10% CPI+ 2.5%. From 08/31/2020 through 12/31/2020, the index consisted of 4% S&P 500 Index (Cap Wtd), 3% Russell 2500 Index, 5% MSCI EAFE Index, 29% MSCI ACW IM Index (USD) (Net), 2% MSCI EAFE Small Cap Index, 20% Bloomberg US Aggregate Bond Index, 3% Bloomberg US Treasury US TIPS Index (TR), 4% JP Morgan Emerging Mkts Bond Gbl Index, 10% S&P/LSTA Leveraged Loan Index (TR), 10% Cambridge US PE Index and 10% NCREIF Property Index. Prior data was provided by the previous consultant.
- The Actual Allocation Indices are calculated monthly using beginning of month investment weights applied to each corresponding benchmark return.
- The Custom SMID Cap Equity Index currently consists of 50% Russell Midcap Index and 50% Russell 2000 index. From 08/2020 through 12/2020 it consisted of 50% Russell 2500 index and 50% Russell 2000 index. Prior data was provided by the previous consultant.

- The CPI+2.5% (Spliced) consists of the NCREIF Property Index prior to 08/31/2020 and the Consumer Price Index+2.5% thereafter.
- CS Lvg'd Loan Index+2% (Spliced) consists of the S&P/LSTA Loan Index prior to 12/31/2020 and the Credit Suisse Leveraged Loan Index+2% thereafter.
- NCREIF ODCE Index+2% (Spliced) consists of the NCREIF Property Index prior to 12/31/2020 and the NCREIF ODCE Index (Net)+2% thereafter.



## Glossary

**Active Return** - The difference between the investment manager/composite performance relative to the performance of an appropriate market benchmark.

**Active Share** - Measures the degree to which the holdings of a fund differ from the holdings of the benchmark. Active share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the fund versus the weight of each holding in the benchmark and dividing by two.

**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. It is a measure of the portfolio's historical performance not explained by movements of the market or a portfolio's non-systematic return.

**Alpha Ratio** - A measure of a portfolio's non-systematic return per unit of downside risk. It is measured by dividing the alpha of a portfolio by the downside risk. The non-systematic return is a measure of a portfolio's historical performance not explained by movements of the market.

**Average Quality** - Bond quality ratings are reported using the investment managers' and the index providers' preferred rating agency. *Average Quality for managers unable to provide this statistic is instead provided by Morningstar; if unavailable on Morningstar, it has been estimated using a credit quality distribution provided by the manager.* There are two primary rating agencies in the US. *Moody's* assigns ratings on a system that employs up to four symbols (consisting of letters and numbers), such as, Aaa, Aa2, etc., with Aaa being the highest or safest rating. *Standard & Poor's (S&P)* employs a system that uses + and - along with letters, such as AAA, AA+, etc. The two rating agencies' systems are summarized below:

<u>S&amp;P</u>	<u>Moody's</u>	<u>Explanation</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Explanation</u>
<b>Higher Credit Quality – Investment Grade</b>			<b>Lower Credit Quality – Below Investment Grade</b>		
AAA	Aaa	Prime/Highest credit quality	BB+	Ba1	Speculative/Low credit quality
AA+	Aa1	High credit quality	BB	Ba2	
AA	Aa2		BB-	Ba3	
AA-	Aa3		B+	B1	Highly speculative
A+	A1	Upper-medium credit quality	B	B2	
A	A2		B-	B3	
A-	A3		CCC+	Caa1	Substantial credit/default risk
BBB+	Baa1	Lower-medium credit quality	CCC	Caa2	Extremely speculative
BBB	Baa2		CCC-	Caa3	
BBB-	Baa3		CC	Ca	Vulnerable to default
			C	Ca	
			D	C	In default

**Benchmark Effect** - The difference between the blended return of each respective managers' benchmark within a composite and the composite's benchmark return.

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

**Box Plots** - A graphical representation of the distribution of observations. From top to bottom, the four boxes represent the spread between the maximum value and the minimum value in each quartile. A quartile represents the values that divide the observations into four quarters (i.e., 1<sup>st</sup> quartile, 2<sup>nd</sup> quartile, 3<sup>rd</sup> quartile, and 4<sup>th</sup> quartile). The median observation is where the 2<sup>nd</sup> quartile and 3<sup>rd</sup> quartile meet.

**Buy and Hold Attribution** - At the beginning of the time period under analysis, the manager and benchmark portfolios are broken down into segments (i.e., styles, sectors, countries, and regions) based on the desired type of attribution. The formula assumes zero turn-over to the manager and benchmark portfolios throughout the period and calculates the segment returns ("buy and hold returns") to arrive at performance attribution. Due to portfolio turnover, buy and hold attribution may not accurately represent quarterly performance relative to the benchmark. Country, region, sector, and style allocations are as of the date one quarter prior to the reporting date, and the returns shown are for those segments throughout the quarter reported. Due to disclosure guidelines set by each investment manager, equity characteristics shown are as of the most recent date available. The following is the methodology for segment classification:

**Sector** - Attribution is calculated using the Global Industry Classification Standard (GICS), which is a detailed and comprehensive structure for sector and industry analysis. Stocks are classified by their primary sector as defined by S&P Capital IQ data.

**Country/Region** - Attribution is calculated using the Morgan Stanley Capital International (MSCI) region standards. Stocks are classified by their domicile country/region, as defined by S&P Capital IQ data, and thus may differ from the classification of the investment manager and/or index provider.

**Style** - Stocks are classified into the following style boxes: large/mid/small vs. growth/neutral/value. Stocks are classified along large/mid/small categories at the time of the Russell index rebalancing, using the index market cap boundaries as cutoff points. Stocks are classified along growth/neutral/value categories at the time of the Russell index rebalancing, using the price/book ratio as supplied by S&P Capital IQ. Stocks in the Russell 3000 Index portfolio are sorted by price/book ratio; names with the highest price/book ratio that make up 1/3 of the total market capitalization are assigned to the growth category, and names that make up the subsequent 1/3 of the total market capitalization are assigned to the neutral category, while the balance of the names are assigned to the value category. Stocks are unclassified when there is not enough data to determine a size and style metric.

Portfolio Characteristics and Buy and Hold Attribution reports utilize product-specific data for all mutual funds and commingled funds.

### Capital Markets Review -

**Breakeven Inflation** - Measures the expected inflation rate at each stated maturity by taking the difference between the real yield of the inflation-linked maturity curve and the yield of the closest nominal Treasury maturity.

**Consumer Confidence** - Measures domestic consumer confidence as defined by the degree of optimism on the state of the economy that consumers express through saving and spending.

**Consumer Price Index (CPI)** - Measures the change in the price level of consumer goods and services.

## Glossary

- Federal Funds Rate** - The interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. It is one of the most influential interest rates in the US economy, since it affects monetary and financial conditions, which in turn have a bearing on key aspects of the broad economy including employment, growth and inflation.
- Option-Adjusted Spread** - Measures the flat spread of an index or bond to the Treasury yield curve after removing the effect of any embedded options.
- Purchasing Managers Index (PMI)** - Measures economic activity by surveying purchasing managers on a monthly basis as to whether business conditions have improved, worsened, or stayed the same.
- Real Gross Domestic Product (Real GDP)** - An inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year.
- Unemployment Rate** - The percentage of the total labor force that is unemployed but actively seeking employment.
- US Dollar Total Weighted Index** - Measures the value of the US Dollar relative to a basket of other world currencies. It is calculated as the weighted geometric mean of the dollar's value versus the EUR, GBP, CAD, SEK, CHF, and JPY.
- VIX** - Measures the implied volatility of S&P 500 Index options by looking at the market's expectation of the S&P 500 Index volatility over the next 30 day period. Commonly referred to as the "fear index" or the "fear gauge."
- Cash Flow Effect** - The composite's active return minus the sum of each managers' active return minus the benchmark effect.
- Consistency** - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
- Convexity** - A measure of the shape of the curve that describes the relationship between bond prices and bond yields.
- Correlation** - A statistical measure of the relationship between asset class returns. A value of 1.00 is a perfect correlation; that is, the asset classes always move in the same direction. A value of -1.00 indicates a perfect negative correlation, in which the asset classes always move in opposite directions of each other. A value of 0 indicates there is no relationship between the direction of returns of the two asset classes. Correlation calculations only consider the direction of changes relative to two variables and not the magnitude of those changes.
- Coupon Rate** - The percentage rate of interest paid on a bond or fixed income security; it is typically paid twice per year.
- Current Yield** - The annual income of a security divided by the security's current price.
- Down Market Capture** - Down market by definition is negative benchmark return and down market capture represents the ratio in % terms of the average portfolios return over the benchmark during the down market period. The lower the value of the down market capture the better the product's performance.
- Downside Risk** - A measure similar to standard deviation that focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative returns for the selected periodicity. The higher the factor, the riskier the product.
- Earnings Per Share** - It is backward looking, calculated using the one year current EPS divided by the one year EPS five years ago.
- Effective Duration** - The approximate percentage change in a bond's price for a 100 basis point change in yield.
- Excess Return vs. Market** - Average of the monthly arithmetic difference between the manager's return and the benchmark return over a specified time period, shown on an annualized basis.
- Excess Return vs. Risk Free** - Average of the monthly arithmetic difference between the manager's return and the risk-free return (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise) over a specified time period, shown on an annualized basis.
- Excess Risk** - A measure of the standard deviation of a portfolio's performance relative to the risk-free return.
- Expense Ratios** - Morningstar is the source for mutual fund expense ratios.
- Gain/Loss** - The net increase or decrease in the market value of a portfolio excluding its Net Cash Flow for a given period.
- Indices** - All indices and related information are considered intellectual property and are licensed by each index provider. The indices may not be copied, used, or distributed without the index provider's prior written approval. Index providers make no warranties and bear no liability with respect to the indices, any related data, their quality, accuracy, suitability, and/or completeness.
- Information Ratio** - Measured by dividing the active rate of return by the tracking error. The higher the information ratio, the more value-added contribution by the manager.
- Liability Driven Investing (LDI)** - A method to optimally structure asset investments relative to liabilities. The change in liabilities is estimated by the Ryan Labs Generic PPA Index of appropriate duration for that Plan. This benchmark is based on generic data and is therefore an approximation. RVK is not an actuarial firm, and does not have actuarial expertise.
- Estimated Funded Status** - The estimated ratio of a Plan's assets relative to its future liabilities. This is calculated by dividing the Plan's asset market value by the estimated present value of its liabilities. The higher the estimated funded status, the better the Plan's ability to cover its projected benefit obligations. An estimated funded status of 100% indicates a Plan that is fully funded.
- Estimated PV of Liabilities** - An estimate of a Plan's future liabilities in present value terms. The beginning of the period liability is provided by the Plan's actuary. The period-end present value liability estimate provided in this report is derived by applying the estimated percentage change generated using the Ryan Labs Generic PPA Index with duration similar to that reported on the most recent actuarial valuation report.
- Duration of Liabilities** - The sensitivity of the value of a Plan's liabilities to changes in interest rates, as calculated by the Plan's actuary.
- Duration of Assets** - The dollar-weighted average duration of all the individual Plan assets.
- Estimated Plan Hedge Ratio** - The estimate of how well a Plan's investment portfolio is hedged against changes in interest rates - a primary driver of funded status movements. This is calculated by dividing the dollar-weighted values of both the Plan asset duration by the liability duration and

## Glossary

multiplying by the estimated funded status. An estimated plan hedge ratio of zero indicates that the Plan's liabilities have not been hedged, whereas a value of one indicates fully hedged.

**Modified Duration** - The approximate percentage change in a bond's price for a 100 basis point change in yield, assuming the bonds' expected cash flows do not change.

**Mutual Fund Performance** - Whenever possible, manager performance is extended for any share class that does not have 10 years of history. Using Morningstar's methodology, a single ticker within the same fund family (often the oldest share class) is chosen to append historical performance.

**Net Cash Flow** - The sum, in dollars, of a portfolio's contributions and withdrawals. This includes all management fees and expenses only when performance shown is gross of fees.

### Peer Groups -

**Plan Sponsor Peer Groups** - RVK utilizes the Mellon Analytical Solutions Trust Universe along with the Investment Metrics Plan Sponsor Universe. The combined Mellon Analytical Solutions Trust Universe and Investment Metrics Plan Sponsor Universe is used for comparison of total fund composite results and utilizes actual client performance compiled from consultant and custodian data. The Plan Sponsor Peer Group database includes performance and other quantitative data for over 2,100 plans which include corporate, endowment, foundation, public, and Taft Hartley plans.

**Investment Manager Peer Groups** - RVK utilizes Investment Metrics' Peer Groups for investment manager peer comparison and ranking. The Investment Metrics Peer Group database includes performance and other quantitative data for over 840 investment management firms and 29,000 investments products, across more than 160 standard peer groups. Mutual Fund Peer Groups are net of fees.

**Percentile Rankings** - Percentile rank compares an individual fund's performance with those of other funds within a defined peer group of managers possessing a similar investment style. Percentile rank identifies the percentage of a fund's peer group that has a higher return (or other comparative measurement) than the fund being ranked. Conversely, 100 minus the individual fund's ranking will identify the percentage of funds within the peer group that have a lower return than the fund being ranked.

1 - Highest Statistical Value                      100 - Lowest Statistical Value

*Example: American Funds AMCP;R-4 (RAFEX) is ranked in the 4<sup>th</sup> percentile within the IM US Equity Large-Cap Growth Funds (MF) Peer Group for the Sharpe Ratio. Within the IM US Equity Large-Cap Growth Funds peer group, 4% of the other funds performed better than American Funds AMCP;R-4 (RAFEX), while 96% of the funds performed worse.*

**Performance Methodology** - RVK calculates performance for investment managers and composites using different methodologies.

**Investment Managers** - Performance is calculated for interim periods between all large external cash flows for a given month and geometrically linked to calculate period returns. An external cash flow is defined as cash, securities, or assets that enter or exit a portfolio. RVK defines a "large cash flow" as a net aggregate cash flow of  $\geq 10\%$  of the beginning-period portfolio market value or any cash flow that causes RVK calculated performance to deviate from manager/custodian reported performance in excess of 5 basis points for a given month.

**Composites** - The Modified Dietz methodology is utilized to calculate asset class, sub-asset class, and total fund composite performance. The Modified Dietz method calculates a time-weighted total rate of return that considers the timing of external cash flows; however, it does not utilize interim period performance to mitigate the impact of significant cash in- and outflows to the composite.

RVK calculates performance beginning with the first full month following inception. Since inception performance may vary from manager reported performance due to RVK using the first full month of returns as the inception date. Performance for both managers and composites is annualized for periods greater than one year.

**Portfolio Characteristics** - Due to disclosure guidelines set by each investment manager, portfolio characteristics shown are as of the most recent date available.

**Price to Earnings Ratio** - The ratio valuing a company's current share price relative to its trailing 12-month per-share earnings (EPS).

**Private Equity Quartile Ranks** - Private Equity quartile ranks are generated using vintage year peer group data provided by Thomson Reuters, and are based on each fund's annualized, since inception internal rate of return (IRR). Three Private Equity peer groups are available via Thomson Reuters: Buyout, Venture, and All Private Equity. Ranks are available quarterly, at a one-quarter lag.

**R-Squared** - The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

**Return** - Compounded rate of return for the period.

**% Return** - The time-weighted rate of return of a portfolio for a given period.

**Risk Free Benchmark** - ICE BofAML 3 Mo US T-Bill Index unless specified otherwise.

## Glossary

**RVK Liquidity Rating** - A qualitative method for determining the relative amount of liquidity in a portfolio. The characteristics considered when determining relative liquidity include trading volume, gates for redemption, leverage, nature of transactions, and pricing mechanisms. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating.

<u>Asset Class</u>	<u>RVK Liquidity Rating</u>	<u>Asset Class</u>	<u>RVK Liquidity Rating</u>
<b><u>Liquid Investments</u></b>		<b><u>Less Liquid Investments</u></b>	
T-Bills and Treasuries	100	Fixed Income Plus Sector	50
Cash Equivalents	98	Stable Value (Plan Sponsor Directed)	50
TIPS	95	Hedge Funds of Funds	35
US Large Cap Equity	95		
Diversified Real Return	93		
Stable Value (Participant Directed)	91		
Global Equity	90	<b><u>Not Liquid Investments</u></b>	
Non-US Large Cap Equity	90	Core Real Estate	25
Global Tactical Asset Allocation	88	Core Plus Real Estate	15
MLPs	85	Non-Core Real Estate	5
US Mid Cap Equity	85	Private Equity Funds of Funds	5
US SMid Cap Equity	85		
US Small Cap Equity	85		
REITs	85		
Non-US Small Cap Equity	85		
Emerging Markets Equity	85		
Core Fixed Income	85		
Core Plus Fixed Income	80		

**Sector Allocation** - Negative fixed income sector allocation reflects manager's use of derivatives, short selling, or interest rate swaps.

**Sharpe Ratio** - Represents the excess rate of return over the risk-free return (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise), divided by the standard deviation of the excess return to the risk free asset. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.

**Simple Alpha** - The difference between the manager's return and the benchmark's return.

**Spread Duration** - The approximate percentage change in a bond's price for a 100 basis point change in its spread over a Treasury of the same maturity.

**Standard Deviation** - A statistical measure of the range of a portfolio's performance. The variability of a return around its average return over a specified time period.

**Thematic Classification** - Represents dedicated manager allocations; as such, thematic allocations are approximations. RVK categorizes the following asset classes as Alpha, Capital Appreciation, Capital Preservation, and Inflation:

<u>Alpha</u>	<u>Capital Appreciation</u>	<u>Capital Preservation</u>	<u>Inflation</u>
Absolute Return Strategies	Public Equity	Core Fixed Income	TIPS
Currency Overlay	Private Equity	CMBS Fixed Income	Bank Loans
	Preferred Securities	Asset Backed Fixed Income	Core Real Estate
	High Yield	Domestic Core Plus Fixed Income	Real Return
	Convertible Fixed Income	Mortgage Backed Fixed Income	Inflation Hedges
	TALF Funds	International Developed Fixed Income	REITs
	Distressed Debt	Cash Equivalents	Commodities
	Emerging Market Fixed Income	Stable Value	
	Value Added Real Estate		
	Opportunistic Real Estate		

**Time Period Abbreviations** - **QTD** - Quarter-to-Date. **CYTD** - Calendar Year-to-Date. **FYTD** - Fiscal Year-to-Date. **YOY** - Year Over Year.

**Total Fund Attribution** - The Investment Decision Process (IDP) model provides an approach to evaluating investment performance that applies to all asset classes and investment styles. The IDP model is based on a top-down hierarchy framework of investment decisions, with each decision contributing to the overall profit or loss. The IDP approach starts from the strategic asset allocation and follows the flow of the investments down to the manager's skill.

**Strategic Asset Allocation (SAA)** - The percentage return gained or lost from the long-term strategic asset allocation decision, the most significant determinant of long-term performance. SAA is the product of the target asset allocation multiplied by the corresponding benchmark returns.

**Tactical Asset Allocation (TAA)** - The percentage return gained or lost from not having been precisely allocated at the target asset allocation mix, whether by deviations that are tactical in nature or a by-product of moving towards the target mix. TAA is the product of the actual asset allocation multiplied by the broad asset class benchmarks, less the SAA.

**Style Selection (SS)** - The percentage return gained or lost from intentional style biases within each asset class (e.g. value rather than core or overweight to emerging markets relative to benchmark). SS is the product of the actual manager allocation within each asset class multiplied by their specific benchmark, less TAA.

**Manager's Skill (MS)** - The percentage return gained or lost from manager value added relative to their specific benchmark. MS is the product of the actual manager allocation multiplied by their achieved excess return.

**Total Fund Beta** - Total Fund Beta is calculated using the S&P 500 as the benchmark. It represents a measure of the sensitivity of the total fund to movements in the S&P 500 and is a measure of the Total Fund's non-diversifiable or systematic risk.



## Glossary

**Tracking Error** - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.

**Treynor Ratio** - Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Treynor ratio represents the excess rate of return over the risk-free rate (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise) divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better historical risk-adjusted performance.

**Unit Value** - The dollar value of a portfolio, assuming an initial nominal investment of \$100, growing at the compounded rate of %Return for a given period.

**Up Market Capture** - Up market by definition is positive benchmark return and up market capture represents the ratio in % terms of the average portfolio's return over the benchmark during the up market period. The higher the value of the up market capture the better the product's performance.

**Yield to Maturity** - The rate of return achieved on a bond or other fixed income security assuming the security is bought and held to maturity and that the coupon interest paid over the life of the bond will be reinvested at the same rate of return. The 30-Day SEC Yield is similar to the Yield to Maturity and is reported for mutual funds.

**Yield to Worst** - The bond yield calculated by using the worst possible yield taking into consideration all call, put, and optional sink dates.