

CITY OF BIRMINGHAM, MICHIGAN  
1ST QUARTER, 2023

**QUARTERLY REVIEW**

**CAPTRUST**

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Our mission is to enrich the lives of our clients, colleagues and communities through sound financial advice, integrity, and a commitment to service beyond expectation.



## City of Birmingham Employees Retirement System

1st Quarter, 2023 Quarterly Review

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## RISING PBGC PREMIUMS AND THE COST OF BEING UNDERFUNDED

ERISA established the Pension Benefit Guaranty Corporation (PBGC) to protect participants' retirement benefits in private-sector plans, but rising premiums continue to create pain for plan sponsors that have underfunded pension plans. The exhibits below demonstrate some potential options plan sponsors can pursue with the intent of minimizing PBGC premiums.

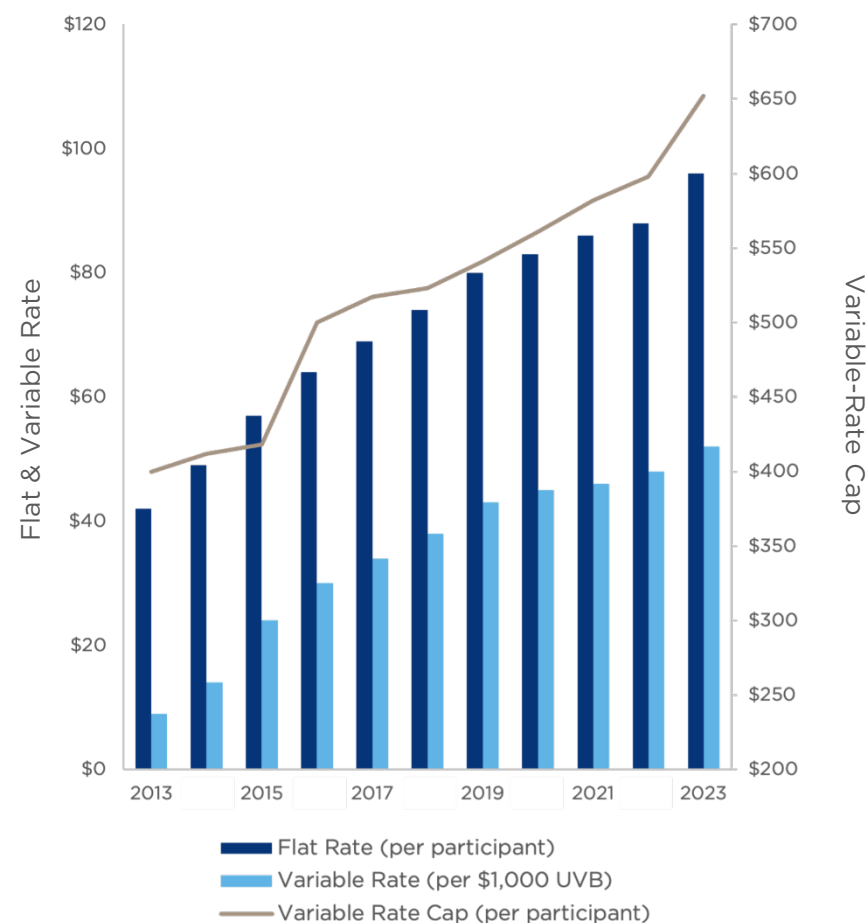
### PBGC OPTIMIZATION STRATEGIES

- **Lump Sums.** Offer terminated-vested or retiree participants a one-time payment for the present value of their future annuity benefits.
- **Buyout Annuity.** Purchase a group annuity contract for retirees to transfer their pension obligations to an insurance company.
- **Variable-Rate Premium Rate Method.** As interest rates rise, discount rate and funded status improves, thereby reducing variable-rate premiums. Meanwhile, using the alternative premium funding target could lower the VRP owed in a declining rate environment. Regardless, once selected, the method must be applied for five years.
- **Contributions:** Contributions to the plan reduce variable-rate premiums. This strategy should be considered as a way to free up capital for more efficient operational needs of the organization.

### PREMIUM TYPES

- **Flat-Rate Premium:** \$96 per participant; more than doubled (129%) since 2013.
- **Variable-Rate Premium:** \$52 per \$1,000 unfunded vested benefits (UVB); increased 478% since 2013.
- **Variable-Rate Cap:** \$652 per participant; increased 63% since 2013.

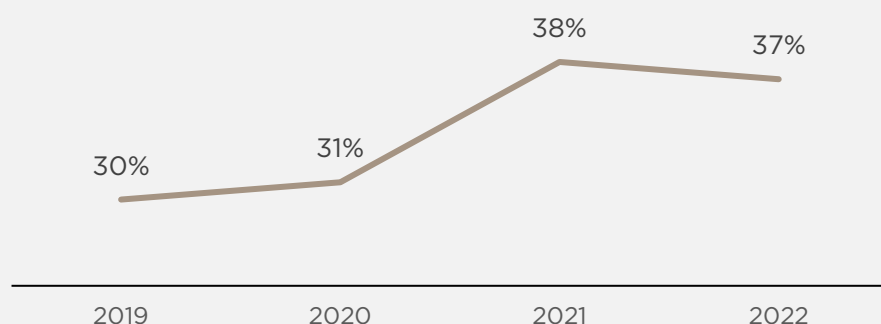
Steady Rise of PBGC Premiums



## IT'S NOT EASY BEING GREEN: ESG TAKEAWAYS FROM OUR 2022 SURVEY

While environmental, social, and governance (ESG) investments have experienced increasing popularity and adoption in recent years, there are new indications that enthusiasm may be plateauing or modestly waning. In CAPTRUST's 2022 Annual Survey on Endowments and Foundations, participants reported a first-ever decline in the use of ESG in their organizations' portfolios.

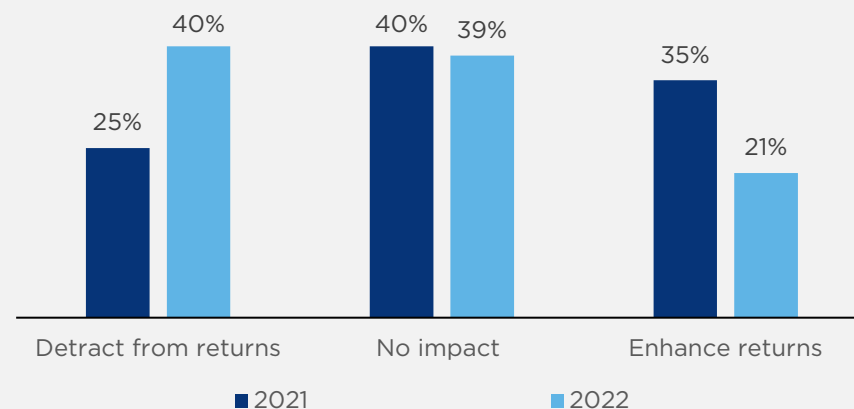
**Percentage of Nonprofits Utilizing ESG, Impact, and Mission-Aligned Strategies**



Survey Respondents: 105

Responses in CAPTRUST's Annual Survey on Endowments and Foundations indicate that the trend towards ESG adoption may be decelerating.

**Expected Performance Impact of ESG Investments**



Survey Respondents: 75

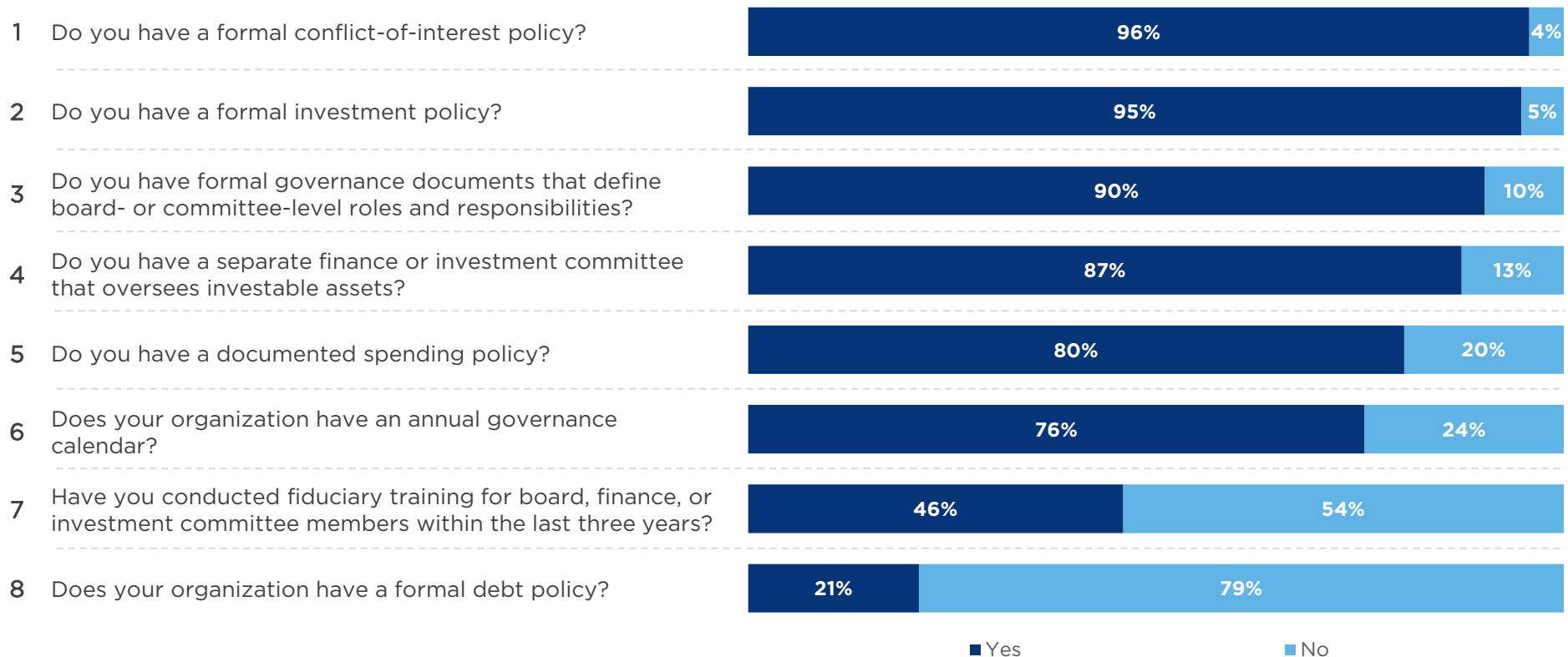
One contributing factor impacting the perception of ESG is expected performance. Note that energy was the only GICS sector with a positive return in the S&P 500 in 2022, which may be influencing this perception.

There are differing views on ESG and SRI investments, from their long-term potential to change the world to the impact they may have on donor engagement. What falls under the umbrella of these categories can vary materially depending on the organization considering them. Consider whether such an investing philosophy is consistent with your organization's mission and objectives.

Source: CAPTRUST 2022 Endowment & Foundation Survey, S&P Global

## GOVERNANCE INSIGHTS: USE OF BEST PRACTICES FROM OUR 2022 SURVEY

There are several governance best practices to consider when operating a nonprofit. In CAPTRUST's annual Endowment and Foundation Survey, participants indicated whether their organizations had these policies in place.



Survey Respondents: 105

There are some common elements that may be worth memorializing as formal policy. Implementing best practices in the governance of nonprofit organizations can help increase transparency and accountability as well as facilitate decision-making processes.

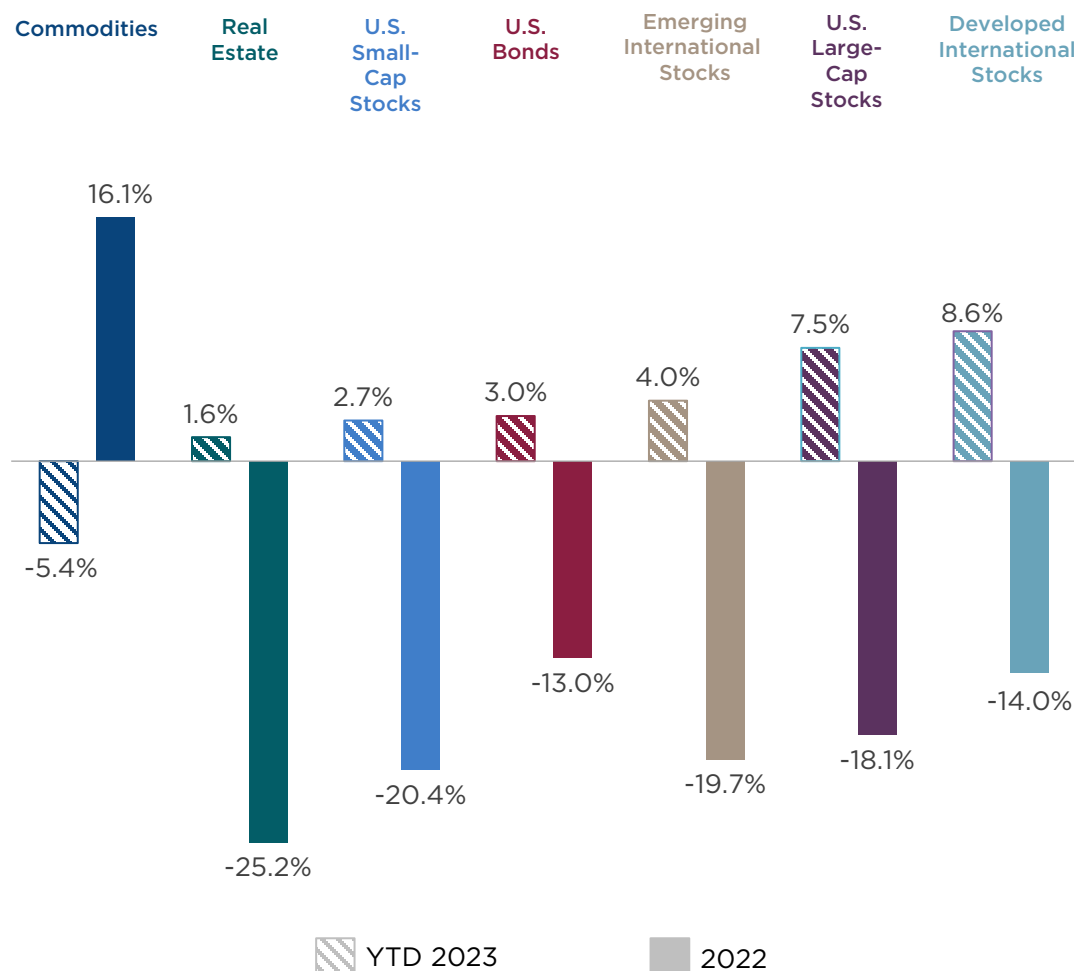
Source: CAPTRUST 2022 Endowment & Foundation Survey



## STRONG RETURNS, SHAKY NERVES

After a strong start to 2023, the first quarter ended on a high note despite a rapid-fire array of troubling news. In early March, two large banks failed, and policymakers stepped in to keep isolated problems from becoming a systemic crisis. Despite the headlines, stock and bond markets were surprisingly calm.

- In the U.S., large-cap stocks floated upward, with their small-cap counterparts trailing behind.
- The financial sector faced understandably stiff headwinds, and investors reacted to banking sector news by rotating back to the comfort of mega-cap technology companies with ample cash flows.
- Skeptical of future Fed actions, bond investors drove prices higher as yields slipped lower.
- Outside the U.S., international developed and emerging markets saw modest but steady gains. The post-pandemic reopening of China, stabilizing energy prices across Europe, and a weakening U.S. dollar contributed.
- Real estate posted a modest gain for the quarter, although many of the same challenges of last year remain as headwinds.
- 2022's standout performer, commodities, was the only major asset class in negative territory for the quarter as oil prices slipped.



Asset class returns are represented by the following indexes: Bloomberg U.S. Aggregate Bond Index (U.S. bonds), S&P 500 Index (U.S. large-cap stocks), Russell 2000® (U.S. small-cap stocks), MSCI EAFE Index (international developed market stocks), MSCI Emerging Market Index (emerging market stocks), Dow Jones U.S. Real Estate Index (real estate), and Bloomberg Commodity Index (commodities).



## DIGGING DEEPER: STOCKS AND BONDS

### Equities

	Q1 2023	YTD 2023	Last 12 Months
U.S. Stocks	7.5%	7.5%	-7.8%
• Q1 Best Sector: Technology	21.8%	21.8%	-4.6%
• Q1 Worst Sector: Financials	-5.6%	-5.6%	-14.3%
International Stocks	8.6%	8.6%	-0.9%
Emerging Markets Stocks	4.0%	4.0%	-10.3%

### Fixed Income

	3.31.23	12.31.22	3.31.22
1-Year U.S. Treasury Yield	4.62%	4.71%	1.61%
10-Year U.S. Treasury Yield	3.47%	3.88%	2.34%
	QTD 2023	YTD 2023	Last 12 Months
10-Year U.S. Treasury Total Return	3.76%	3.76%	-6.79%

### Equities – Relative Performance by Market Capitalization and Style

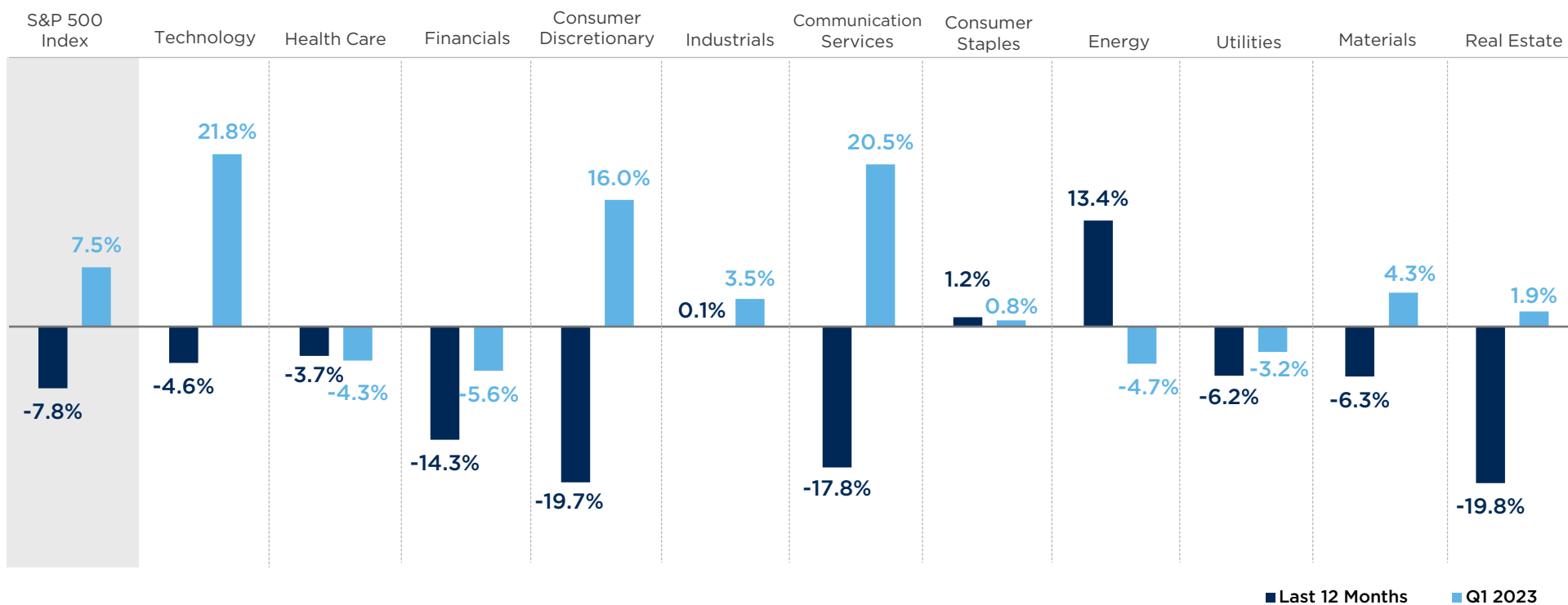
Q1 2023				YTD 2023				Last 12 Months			
	Value	Blend	Growth		Value	Blend	Growth		Value	Blend	Growth
Large	1.0%	7.5%	14.4%	Large	1.0%	7.5%	14.4%	Large	-5.9%	-7.8%	-10.9%
Mid	1.3%	4.1%	9.1%	Mid	1.3%	4.1%	9.1%	Mid	-9.2%	-8.8%	-8.5%
Small	-0.7%	2.7%	6.1%	Small	-0.7%	2.7%	6.1%	Small	-13.0%	-11.6%	-10.6%

Sources: Bloomberg, U.S. Treasury. Asset class returns are represented by the following indexes: S&P 500 Index (U.S. stocks), MSCI EAFE Index (international developed market stocks), and MSCI Emerging Markets Index (emerging market stocks). Relative performance by market capitalization and style is based upon the Russell US Style Indexes except for large-cap blend, which is based upon the S&P 500 Index.

## DIGGING DEEPER: U.S. EQUITY MARKETS

The S&P 500 Index is a market-capitalization-weighted index of U.S. large-cap stocks across a diverse set of industry sectors. The stocks represented in these 11 sectors generated a range of returns for the last 12 months and the most recent quarter.

## Returns by S&P 500 Sector



Sector Weight	26.1%	14.2%	12.9%	10.1%	8.7%	8.1%	7.2%	4.6%	2.9%	2.6%	2.6%
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Source: Bloomberg. All calculations are cumulative total return, not annualized, including dividends for the stated period. Past performance is not indicative of future returns.

## DIGGING DEEPER: FIXED INCOME MARKET

Interest Rates	3 Months	2 Years	5 Years	10 Years	30 Years	Mortgage Rate
December 2022	4.37%	4.43%	4.00%	3.88%	3.97%	6.66%
March 2023	4.75%	4.03%	3.58%	3.47%	3.65%	6.81%
Change	0.37%	-0.40%	-0.43%	-0.41%	-0.31%	0.15%

U.S. Treasury yields moved mostly lower this quarter as turmoil in the banking sector left investors with the expectation of less aggressive future Fed policy. Mortgage rates remain exceptionally high, contributing to a slowing housing market.

Bloomberg U.S. Aggregate Bond Index	Yield to Worst	Duration	Total Return Q1 2023	Spread	Treasury Rate	AA Spread	BBB Spread
December 2022	4.68%	6.17	2.96%	0.51%	4.17%	0.73%	1.59%
March 2023	4.40%	6.33		0.57%	3.83%	0.75%	1.67%
Change	-0.28%	0.16%		0.06%	-0.34%	0.02%	0.08%

Performance for core bonds was positive for the quarter, after declining 13% in 2022. Yields moved lower for core fixed income, while credit spreads increased only slightly.

Bloomberg U.S. Long Credit Index	Yield to Worst	Duration	Total Return Q1 2023	Spread	Treasury Rate	AA Spread	BBB Spread
December 2022	5.59%	12.81	5.42%	1.57%	4.02%	1.06%	1.93%
March 2023	5.28%	13.05		1.59%	3.69%	1.06%	1.93%
Change	-0.31%	0.24		0.01%	-0.32%	0.00%	0.01%

Performance for longer-maturity bonds was boosted this quarter by lower yields and nearly unchanged credit spreads.

Sources: Bloomberg, U.S. Treasury, CAPTRUST Research

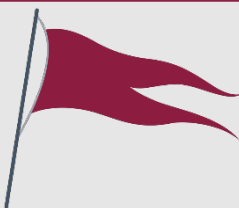
## ECONOMIC OUTLOOK

The economy's forward path has become even more complicated with recent high-profile but isolated bank failures accentuating the impact of rising rates. While the Fed remains committed to taming inflation, it must also consider the lagged impact of prior tightening actions. Stricter regulation and tighter lending conditions could compound the effect of its restrictive monetary policy and further slow the economy.

### HEADWINDS

#### The Fed Conflict

- Although inflation remains elevated, prices have descended. The Fed now faces the task of achieving price stability while avoiding strain on the financial system.



#### Financial System in Turmoil

- Regional and community banks risk losing cash deposits to the perceived safety of larger institutions. Such moves may lead to tighter lending conditions across several economic sectors.

#### Earnings at Risk

- Despite cost-cutting, certain sectors could see squeezed margins. Financial firms may see tighter regulation and lower net interest margins, while a mild winter and cost inflation could create headwinds for energy companies.

#### Debt-Ceiling Deadlock

- To avoid the consequences of a default, Congress needs to raise the debt ceiling by mid-summer.
- This debt-ceiling compromise must be struck between polarized parties with thin margins, raising the odds of political fireworks.

### TAILWINDS

#### Consumer Goods Inflation Easing

- The cost of key consumer goods, like food, gas, and housing, is gradually abating.
- Reduced logistic pressures and the Chinese economic reopening have improved supply-side capacity.
- Warmer weather, conservation, and the use of energy reserves have benefited oil and gas prices.
- A wave of new supply has tempered rent growth.



#### Resilient Labor Market and Consumer Spending

- While wage pressures have eased, job growth remains robust. A stronger labor market provides greater household confidence, supporting consumer spending across goods and services.

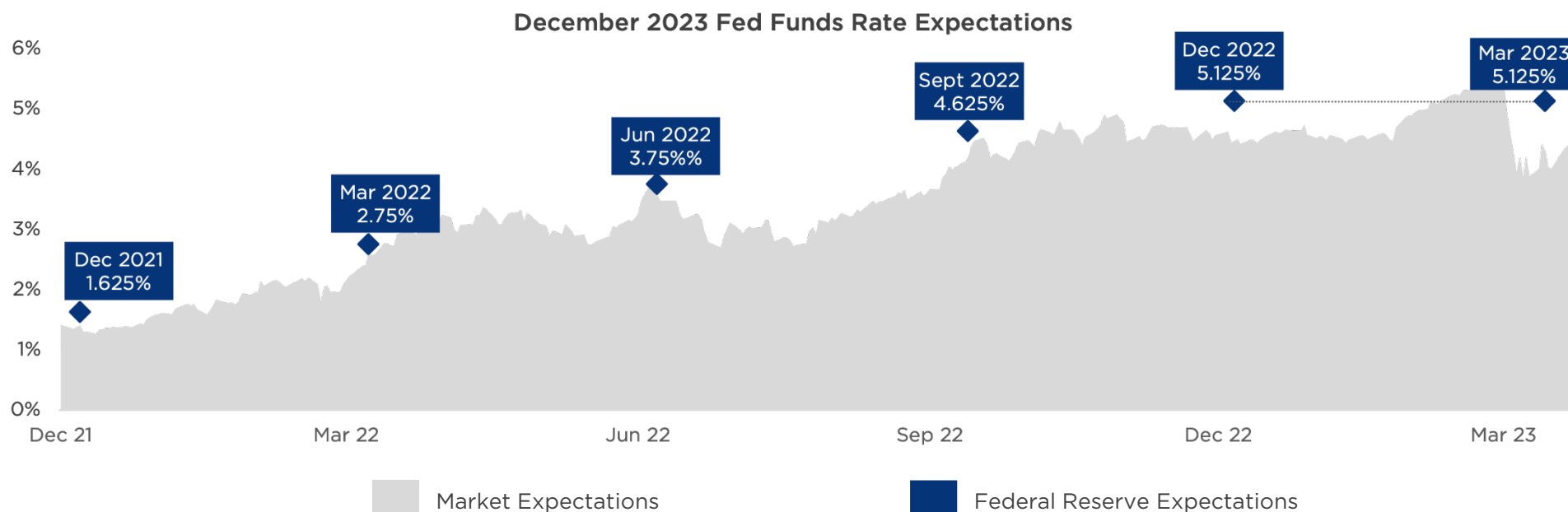
#### Traditional Diversification Benefits

- 2022's highly unusual environment made diversification an ineffective tool.
- Supported by a higher risk-free rate, the new year has shown hints of more normal diversification relationships between asset classes, with stock and bond prices reacting differently to economic data.

The wide range of potential outcomes and an uncertain policy environment limit the ability to create a singular forecast with confidence. Investors should remain vigilant, diversified, and prepared for ongoing volatility.

## A FED IN CONFLICT

Before the banking system stresses that emerged in March, the Fed was prepared to maintain higher-for-longer interest rates in the face of labor market strength and inflation that remains above target. Now, the Fed must balance its goal of lowering inflation while maintaining stability in the financial system. With so much uncertainty surrounding the forward path, expectations are diverging.



### OBSERVATIONS

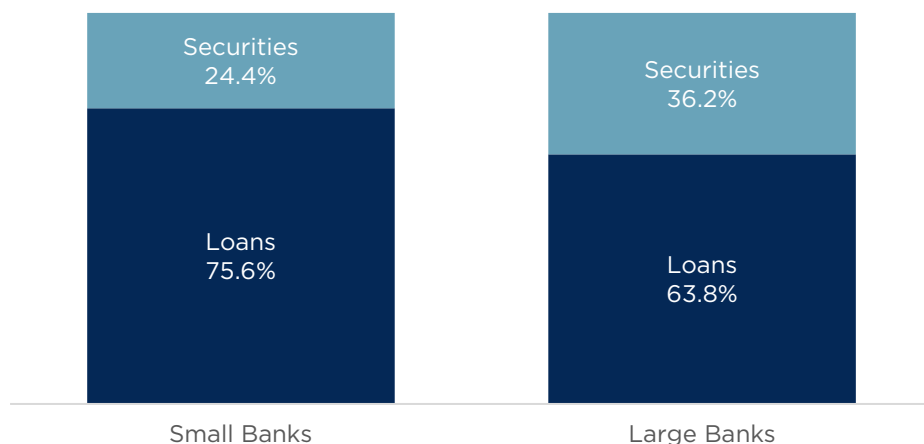
- For much of 2022, both the market's expectations and the Fed's forecasts were aligned about where the fed funds rate would land at the end of 2023. However, the two began to diverge in late 2022, with the Fed maintaining its higher-for-longer stance, while markets envisioned a quicker Fed pivot.
- Both sides remain data-dependent. A stronger-than-expected January jobs report sent market expectations above Fed targets. However, the bank collapses in March sent expectations sharply lower as the market anticipated rate cuts before 2024. How this difference of opinion reconciles will be a critical contributor to market conditions and investor sentiment for the remainder of the year.

Sources: Bloomberg, CAPTRUST Research. Data as of 3.31.2023.

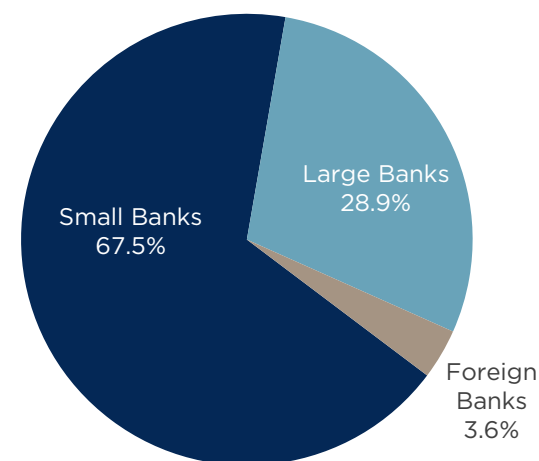
## BANK STRESS IMPACTS MAY PERSIST

After the collapse of Silicon Valley Bank and Signature Bank in early March, regional and community banks have come under pressure. The week after these disruptions, savers withdrew more than \$180 billion from small banks, the largest weekly deposit decline of the last 20 years. Large banks were the primary beneficiaries, as investors flocked to their perceived safety. Continued declines in deposit balances could ultimately leave small and midsize banks vulnerable, leading to tighter lending conditions across several economic sectors.

Percent of Bank Credit



Issuers of Commercial Real Estate Loans



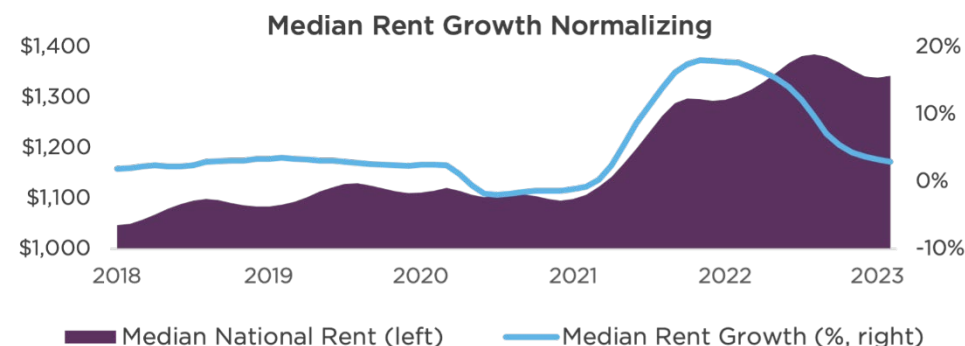
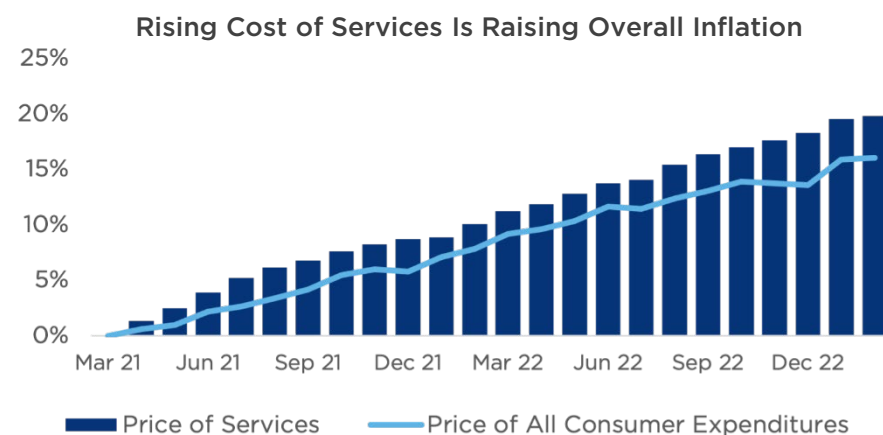
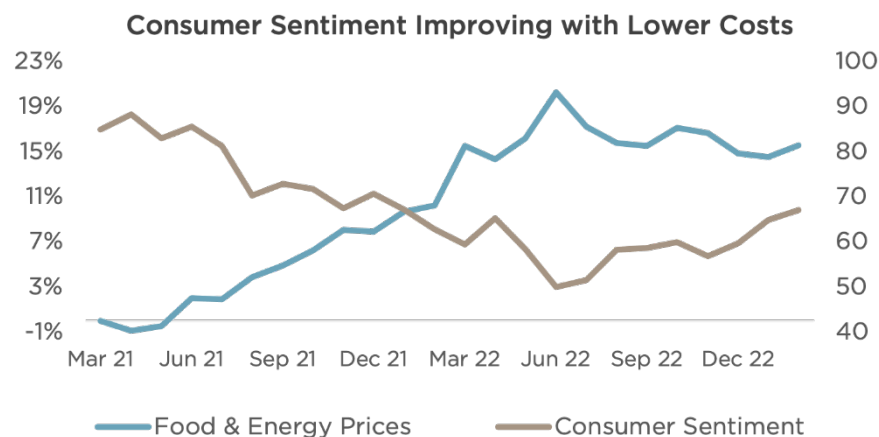
### OBSERVATIONS

- Generally, large banks maintain a higher percentage of their bank credit—or a portion of total assets—in securities and lend approximately 65% of available credit. Conversely, loans make up approximately 75% of smaller banks' available bank credit. Consequently, a deposit shift from small banks to larger ones will likely restrict the amount of credit available across the overall economy.
- Most vulnerable is the commercial real estate market, where small banks provide nearly 70% of all commercial real estate loans. Restrictive credit conditions could create challenges for these markets that are already facing valuation pressure from rising interest rates.

Sources: Board of Governors of the Federal Reserve System, CAPTRUST Research. Large banks are defined as the largest 25 U.S. chartered commercial banks. Small banks are defined all chartered U.S. commercial banks excluding the top 25.

## RELIEF FOR CONSUMERS AS PRICES FALL

Consumer purchasing power has improved as the prices of key items such as groceries and gasoline have receded from their 2022 peaks. The robust labor market has also contributed to a more confident consumer by driving wages higher. However, these same high labor costs are adversely impacting the price of worker-dependent services, like home repair, travel, and entertainment, contributing to higher overall inflation.



### OBSERVATIONS

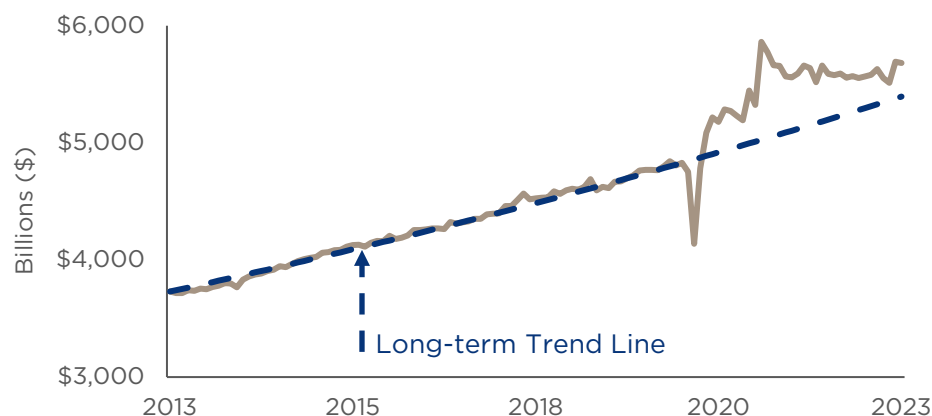
- Consumer sentiment reached an all-time low in June 2022, just as food and energy prices peaked. Sentiment has improved as prices have come down.
- Landlords are holding rents steady in anticipation of competition, as the market is expected to see the largest delivery of new unit supply since 1986. Much of this supply comes from real estate developers seeking to capitalize on pent-up housing demand.
- The cost of services has risen 20% in just two years as workers return to the office and in-person activities. This increase is driving persistently high headline inflation even as the cost of goods has ebbed.

Sources: U.S. Bureau of Economic Analysis, U.S. Department of Housing and Urban Development, University of Michigan Consumer Sentiment Index, CAPTRUST Research. Data as of March 31, 2023.

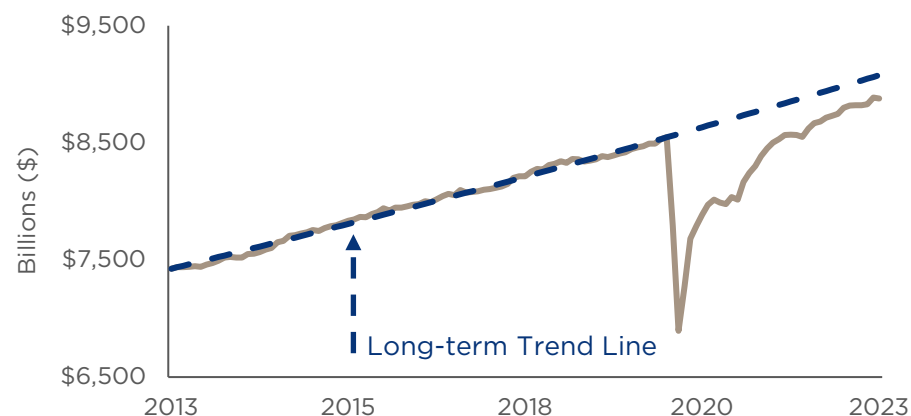
## REGISTERS KEEP RINGING WITH JOBS, SAVINGS

While the strong labor market is proving to be a thorn in the Fed's side, it continues to support economic activity, giving consumers greater confidence to maintain spending. While personal savings rates have recently fallen below long-term averages, this additional spending has been supported by excess savings accumulated during the pandemic. Based on the February 2020 savings level, economists estimate approximately \$1 trillion in excess savings remains in the system.

### U.S. Real Consumer Spending - Goods



### U.S. Real Consumer Spending - Services



#### OBSERVATIONS: GOODS

- Spending on goods continues to run above pre-pandemic levels. At the end of February 2023, spending on goods was approximately \$285 billion above the long-term trend line.
- The easing of inflation across goods sectors has supported real spending.
- As supply chains have reopened, supply-demand imbalances have quickly cleared.

#### OBSERVATIONS: SERVICES

- While spending on services has not fully returned to long-term trends, the recovery across the industry has been robust.
- Continued inflation pressures, especially wage inflation, across the services sector have restricted real spending.
- While higher wages support nominal spending, higher real wages are also driving up the cost of services, limiting the impact of spending.

Sources: Bureau of Economic Analysis-SAAR, Bloomberg, CAPTRUST Research



# ASSET CLASS RETURNS

Period Ending 3.31.23 | Q1 23

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q1 2023
Small-Cap Growth 29.09%	Fixed Income 7.84%	Mid-Cap Value 18.51%	Small-Cap Growth 43.30%	Mid-Cap Value 14.75%	Large-Cap Growth 5.67%	Small-Cap Value 31.74%	Large-Cap Growth 30.21%	Cash 1.87%	Large-Cap Growth 36.39%	Large-Cap Growth 38.49%	Mid-Cap Value 28.34%	Cash 1.46%	Large-Cap Growth 14.37%
Mid-Cap Growth 26.38%	Large-Cap Growth 2.64%	Small-Cap Value 18.05%	Mid-Cap Growth 35.74%	Large-Cap Value 13.45%	Fixed Income 0.55%	Mid-Cap Value 20.00%	International Equities 25.62%	Fixed Income 0.01%	Mid-Cap Growth 35.47%	Mid-Cap Growth 35.59%	Small-Cap Value 28.27%	Large-Cap Value -7.54%	Mid-Cap Growth 9.14%
Mid-Cap Value 24.75%	Large-Cap Value 0.39%	International Equities 17.90%	Small-Cap Value 34.52%	Large-Cap Growth 13.05%	Cash 0.05%	Large-Cap Value 17.34%	Mid-Cap Growth 25.27%	Large-Cap Growth -1.51%	Small-Cap Growth 28.48%	Small-Cap Growth 34.63%	Large-Cap Growth 27.60%	Mid-Cap Value -12.03%	International Equities 8.62%
Small-Cap Value 24.50%	Cash 0.10%	Large-Cap Value 17.51%	Large-Cap Growth 33.48%	Mid-Cap Growth 11.90%	Mid-Cap Growth -0.20%	Small-Cap Growth 11.32%	Small-Cap Growth 22.17%	Mid-Cap Growth -4.75%	Mid-Cap Value 27.06%	International Equities 8.28%	Large-Cap Value 25.16%	Fixed Income -13.01%	Small-Cap Growth 6.07%
Large-Cap Growth 16.71%	Mid-Cap Value -1.38%	Mid-Cap Growth 15.81%	Mid-Cap Value 33.46%	Fixed Income 5.97%	International Equities -0.39%	Mid-Cap Growth 7.33%	Large-Cap Value 13.66%	Large-Cap Value -8.27%	Large-Cap Value 26.54%	Fixed Income 7.51%	Mid-Cap Growth 12.73%	International Equities -14.01%	Fixed Income 2.96%
Large-Cap Value 15.51%	Mid-Cap Growth -1.65%	Large-Cap Growth 15.26%	Large-Cap Value 32.53%	Small-Cap Growth 5.60%	Small-Cap Growth -1.38%	Large-Cap Growth 7.08%	Mid-Cap Value 13.34%	Small-Cap Growth -9.31%	International Equities 22.66%	Mid-Cap Value 4.96%	International Equities 11.78%	Small-Cap Value -14.48%	Mid-Cap Value 1.32%
International Equities 8.21%	Small-Cap Growth -2.91%	Small-Cap Growth 14.59%	International Equities 23.29%	Small-Cap Value 4.22%	Large-Cap Value -3.83%	Fixed Income 2.65%	Small-Cap Value 7.84%	Mid-Cap Value -12.29%	Small-Cap Value 22.39%	Small-Cap Value 4.63%	Small-Cap Growth 2.83%	Small-Cap Growth -26.36%	Cash 1.07%
Fixed Income 5.89%	Small-Cap Value -5.50%	Fixed Income 4.22%	Cash 0.07%	Cash 0.03%	Mid-Cap Value -4.78%	International Equities 1.51%	Fixed Income 3.54%	Small-Cap Value -12.86%	Fixed Income 8.72%	Large-Cap Value 2.80%	Cash 0.05%	Mid-Cap Growth -26.72%	Large-Cap Value 1.01%
Cash 0.13%	International Equities -11.73%	Cash 0.11%	Fixed Income -2.02%	International Equities -4.48%	Small-Cap Value -7.47%	Cash 0.33%	Cash 0.86%	International Equities -13.36%	Cash 2.28%	Cash 0.67%	Fixed Income -1.54%	Large-Cap Growth -29.14%	Small-Cap Value -0.66%

Small-Cap Value Stocks (Russell 2000 Value)	Large-Cap Value Stocks (Russell 1000 Value)	International Equities (MSCI EAFE)
Small-Cap Growth Stocks (Russell 2000 Growth)	Mid-Cap Growth Stocks (Russell Mid-Cap Growth)	Fixed Income (Bloomberg U.S. Aggregate Bond)
Large-Cap Growth Stocks (Russell 1000 Growth)	Mid-Cap Value Stocks (Russell Mid-Cap Value)	Cash (Merrill Lynch 3-Month Treasury Bill)

The information contained in this report is from sources believed to be reliable but is not warranted by CAPTRUST to be accurate or complete.



# INDEX PERFORMANCE

Period Ending 3.31.23 | Q1 23

INDEXES	Q1 2023	YTD	2022	2021	2020	2019	2018	1 YEAR	3 YEARS	5 YEARS	10 YEARS
90-Day U.S. Treasury	1.07%	1.07%	1.46%	0.05%	0.67%	2.28%	1.87%	2.50%	0.89%	1.41%	0.87%
Bloomberg Government 1-3 Year	1.59%	1.59%	-3.81%	-0.60%	3.14%	3.59%	1.58%	0.23%	-0.83%	1.09%	0.81%
Bloomberg Intermediate Govt	2.26%	2.26%	-7.73%	-1.69%	5.73%	5.20%	1.43%	-1.52%	-2.31%	1.06%	0.90%
Bloomberg Muni Bond	2.78%	2.78%	-8.53%	1.52%	5.21%	7.54%	1.28%	0.26%	0.35%	2.03%	2.38%
Bloomberg Intermediate Govt/Credit	2.33%	2.33%	-8.23%	-1.44%	6.43%	6.80%	0.88%	-1.66%	-1.28%	1.40%	1.32%
Bloomberg Intermediate Credit	2.47%	2.47%	-9.10%	-1.03%	7.08%	9.52%	0.01%	-1.88%	0.37%	1.86%	1.95%
Bloomberg Aggregate Bond	2.96%	2.96%	-13.01%	-1.54%	7.51%	8.72%	0.01%	-4.78%	-2.77%	0.90%	1.36%
Bloomberg Corporate IG Bond	3.50%	3.50%	-15.76%	-1.04%	9.89%	14.54%	-2.51%	-5.55%	-0.54%	1.62%	2.32%
Bloomberg High Yield	3.57%	3.57%	-11.19%	5.28%	7.11%	14.32%	-2.08%	-3.34%	5.91%	3.21%	4.10%
Bloomberg Global Aggregate	3.01%	3.01%	-16.25%	-4.71%	9.20%	6.84%	-1.20%	-8.07%	-3.43%	-1.34%	0.07%
Bloomberg U.S. Long Corporate	5.45%	5.45%	-25.62%	-1.13%	13.94%	23.89%	-7.24%	-11.46%	-2.56%	1.14%	2.97%
S&P 500	7.50%	7.50%	-18.11%	28.71%	18.40%	31.49%	-4.38%	-7.73%	18.62%	11.18%	12.23%
Dow Jones Industrial Average	0.93%	0.93%	-6.86%	20.95%	9.72%	25.34%	-3.48%	-1.98%	17.33%	9.01%	11.14%
NASDAQ Composite	16.77%	16.77%	-33.10%	21.39%	43.64%	35.23%	-3.88%	-14.05%	16.66%	11.58%	14.09%
Russell 1000 Value	1.01%	1.01%	-7.54%	25.16%	2.80%	26.54%	-8.27%	-5.91%	17.94%	7.49%	9.12%
Russell 1000	7.46%	7.46%	-19.13%	26.45%	20.96%	31.43%	-4.78%	-8.39%	18.57%	10.86%	12.01%
Russell 1000 Growth	14.37%	14.37%	-29.14%	27.60%	38.49%	36.39%	-1.51%	-10.90%	18.59%	13.65%	14.58%
Russell Mid-Cap Value Index	1.32%	1.32%	-12.03%	28.34%	4.96%	27.06%	-12.29%	-9.22%	20.71%	6.53%	8.79%
Russell Mid-Cap Index	4.06%	4.06%	-17.32%	22.58%	17.10%	30.54%	-9.06%	-8.78%	19.21%	8.05%	10.05%
Russell Mid-Cap Growth Index	9.14%	9.14%	-26.72%	12.73%	35.59%	35.47%	-4.75%	-8.52%	15.21%	9.07%	11.16%
MSCI EAFE	8.62%	8.62%	-14.01%	11.78%	8.28%	22.66%	-13.36%	-0.86%	13.53%	4.03%	5.49%
MSCI ACWI ex U.S.	7.00%	7.00%	-15.57%	8.29%	11.13%	22.13%	-13.78%	-4.56%	12.33%	2.97%	4.65%
Russell 2000 Value	-0.66%	-0.66%	-14.48%	28.27%	4.63%	22.39%	-12.86%	-12.96%	21.03%	4.54%	7.21%
Russell 2000	2.74%	2.74%	-20.44%	14.82%	19.96%	25.52%	-11.01%	-11.61%	17.52%	4.71%	8.03%
Russell 2000 Growth	6.07%	6.07%	-26.36%	2.83%	34.63%	28.48%	-9.31%	-10.60%	13.37%	4.26%	8.49%
MSCI Emerging Markets	4.02%	4.02%	-19.74%	-2.22%	18.69%	18.90%	-14.25%	-10.30%	8.23%	-0.53%	2.37%
Dow Jones U.S. Real Estate Index	1.57%	1.57%	-25.17%	38.99%	-5.29%	28.92%	-4.03%	-18.70%	9.79%	5.64%	5.96%
HFRX Absolute Return Index	-0.20%	-0.20%	0.85%	2.10%	2.72%	4.37%	-0.49%	0.54%	3.87%	1.79%	1.94%
Consumer Price Index (Inflation)	0.94%	0.94%	6.42%	7.10%	1.28%	2.26%	1.92%	4.99%	5.35%	3.87%	2.65%
BLENDED BENCHMARKS	Q1 2023	YTD	2022	2021	2020	2019	2018	1 YEAR	3 YEARS	5 YEARS	10 YEARS
25% S&P 500/5% MSCI EAFE/70% BB Agg	4.37%	4.37%	-14.08%	6.13%	10.87%	14.96%	-1.55%	-5.07%	3.27%	3.87%	4.42%
30% S&P 500/10% MSCI EAFE/60% BB Agg	4.88%	4.88%	-14.35%	8.27%	11.56%	16.79%	-2.44%	-4.98%	5.16%	4.58%	5.20%
35% S&P 500/15% MSCI EAFE/50% BB Agg	5.39%	5.39%	-14.64%	10.44%	12.18%	18.63%	-3.34%	-4.92%	7.05%	5.27%	5.97%
40% S&P 500/20% MSCI EAFE/40% BB Agg	5.90%	5.90%	-14.96%	12.64%	12.75%	20.48%	-4.25%	-4.88%	8.96%	5.94%	6.72%
45% S&P 500/25% MSCI EAFE/30% BB Agg	6.41%	6.41%	-15.28%	14.87%	13.25%	22.33%	-5.17%	-4.86%	10.87%	6.58%	7.46%
60% S&P 500/40% Bloomberg Barclays Agg	5.67%	5.67%	-15.79%	15.86%	14.73%	22.18%	-2.35%	-6.25%	9.91%	7.34%	8.03%

Sources: Morningstar Direct, MPI. The opinions expressed in this report are subject to change without notice. This material has been prepared or is distributed solely for informational purposes and is not a solicitation or an offer to buy any security or to participate in any investment strategy. The performance data quoted represents past performance and does not guarantee future results. Index averages are provided for comparison purposes only. The information and statistics in this report are from sources believed to be reliable but are not guaranteed to be accurate or complete. CAPTRUST is an investment adviser registered under the Investment Advisers Act of 1940.



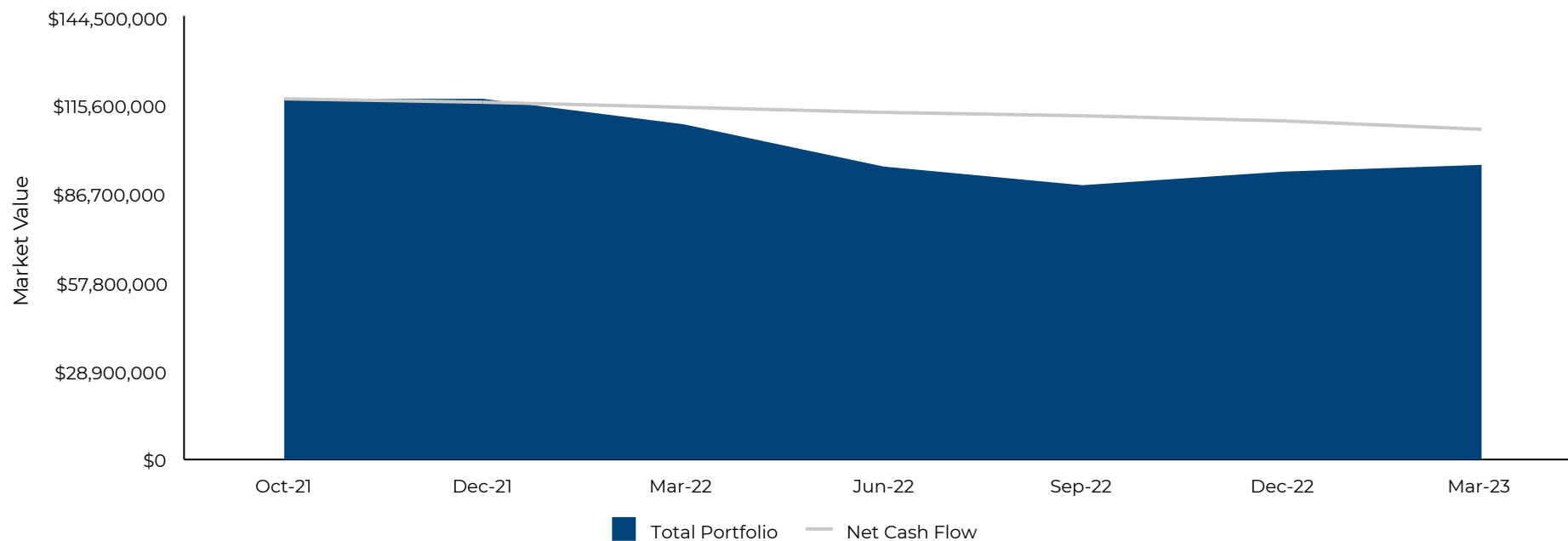


# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 3.31.23 | Q1 23

City of Birmingham Employees Retirement System

## MARKET VALUES & CASH FLOW SUMMARY



	Last Quarter	2022	2021	2020	Since Inception	Inception Date
Total Portfolio						11/01/2021
Beginning Market Value	\$94,200,097	\$117,861,435	-	-	\$117,772,466	
Net Contributions	-\$2,997,851	-\$6,032,997	-	-	-\$9,958,314	
Net Investment Return	\$4,874,257	-\$17,628,341	-	-	-\$11,737,649	
Ending Market Value	\$96,076,504	\$94,200,097	-	-	\$96,076,504	

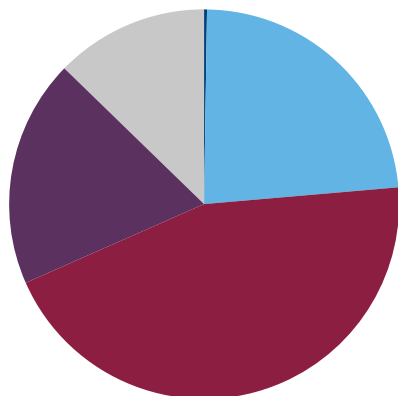
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# ASSET ALLOCATION SUMMARY

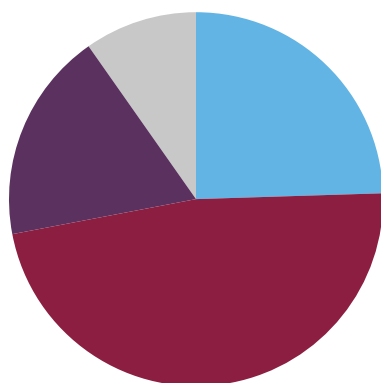
Period Ending 3.31.23 | Q1 23

City of Birmingham Employees Retirement System

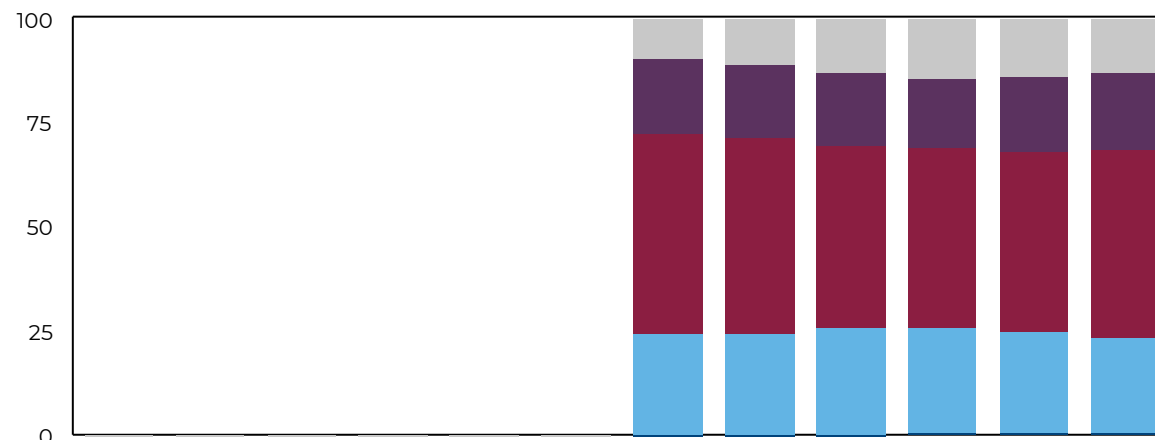
## ACTUAL ALLOCATION



## TARGET ALLOCATION



## HISTORIC ALLOCATION TREND



## QUARTERLY HISTORIC ALLOCATION TREND

	06 20 (%)	09 20 (%)	12 20 (%)	03 21 (%)	06 21 (%)	09 21 (%)	12 21 (%)	03 22 (%)	06 22 (%)	09 22 (%)	12 22 (%)	03 23 (%)
■ Total Cash & Equivalents	-	-	-	-	-	-	0.03	0.15	0.23	0.49	0.53	0.24
■ Total Fixed Income	-	-	-	-	-	-	24.24	24.26	25.77	25.30	24.16	23.38
■ Total U.S. Equities	-	-	-	-	-	-	47.77	46.79	43.61	43.08	43.32	44.75
■ Total International Equities	-	-	-	-	-	-	18.28	17.69	17.34	16.71	18.23	18.90
■ Total Strategic Opportunities	-	-	-	-	-	-	9.68	11.11	13.05	14.43	13.76	12.72

## ASSET REBALANCING ANALYSIS

Asset Class	Asset Allocation (%)	Target Allocation (%)	(+/-) Variance (%)
■ Total Cash & Equivalents	0.24	0.00	0.24
■ Total Fixed Income	23.38	24.50	-1.12
■ Total U.S. Equities	44.75	47.50	-2.75
■ Total International Equities	18.90	18.25	0.65
■ Total Strategic Opportunities	12.72	9.75	2.97

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# ASSET ALLOCATION DETAIL

Period Ending 3.31.23 | Q1 23

## City of Birmingham Employees Retirement System

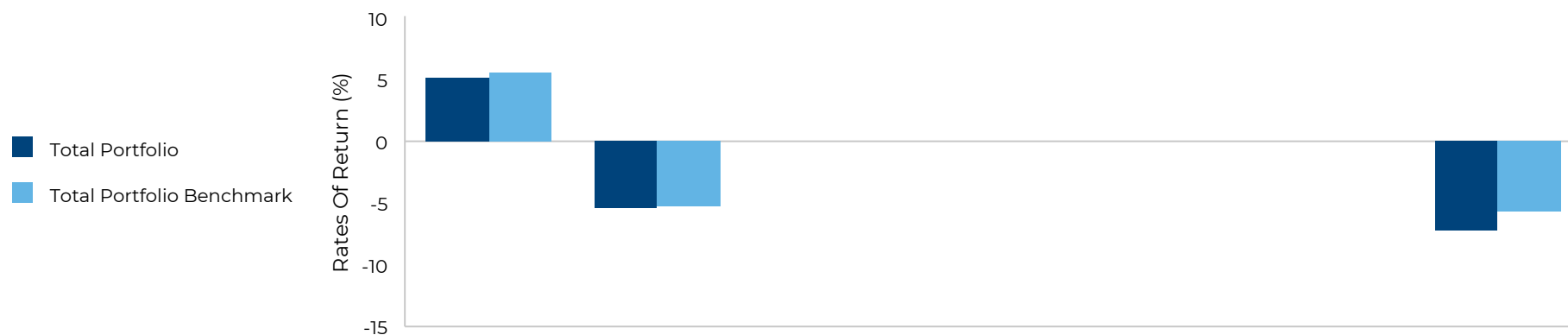
MANAGER NAME	CASH	INVESTED	CASH (%)	TOTAL	TARGET (%)	ACTUAL (%)	VARIANCE (%)
Cash & Equivalents	\$232,316	-	100.00	\$232,316	-	0.24	-
Total Cash & Equivalents	\$232,316	-	100.00	\$232,316	0.00	0.24	0.24
BlackRock Total Return K	-	\$11,305,735	-	\$11,305,735	-	11.77	-
Metropolitan West Total Return Bd I	-	\$11,161,215	-	\$11,161,215	-	11.62	-
Total Fixed Income	-	\$22,466,950	-	\$22,466,950	24.50	23.38	-1.12
Allspring Special Small Cap Value R6	-	\$2,126,158	-	\$2,126,158	-	2.21	-
BlackRock Mid Cap Growth Equity K	-	\$4,684,672	-	\$4,684,672	-	4.88	-
Fidelity 500 Index	-	\$28,492,203	-	\$28,492,203	-	29.66	-
MFS Mid Cap Value R6	-	\$5,738,117	-	\$5,738,117	-	5.97	-
Principal Small Cap Growth Fund R6	-	\$1,957,512	-	\$1,957,512	-	2.04	-
Total U.S. Equities	-	\$42,998,661	-	\$42,998,661	47.50	44.75	-2.75
Amer Funds EuroPac Growth R6	-	\$9,076,857	-	\$9,076,857	-	9.45	-
Hartford International Opps R6	-	\$9,077,850	-	\$9,077,850	-	9.45	-
Total International Equities	-	\$18,154,706	-	\$18,154,706	18.25	18.90	0.65
Partners Group	-	\$5,732,033	-	\$5,732,033	-	5.97	-
Starwood Property Trust Inc. REIT	-	\$3,931,717	-	\$3,931,717	-	4.09	-
WhiteBox Multi-Strategy Fund LP	-	\$2,560,120	-	\$2,560,120	-	2.66	-
Total Strategic Opportunities	-	\$12,223,870	-	\$12,223,870	9.75	12.72	2.97
Total Portfolio	\$232,316	\$95,844,188	0.24	\$96,076,504	100.00	100.00	0.00

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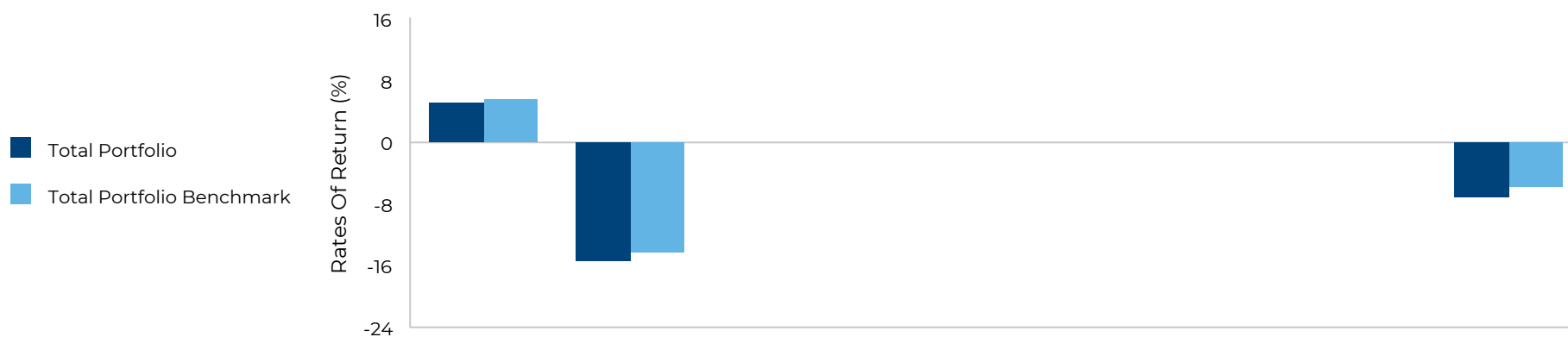
## City of Birmingham Employees Retirement System

### TOTAL PORTFOLIO TRAILING PERFORMANCE



	Last 3 Months	1 Year	3 Years	5 Years	7 Years	10 Years	Inception
Total Portfolio	5.19	-5.45	-	-	-	-	-7.21
Total Portfolio Benchmark	5.55	-5.21	-	-	-	-	-5.70

### TOTAL PORTFOLIO CALENDAR PERFORMANCE



	CYTD	2022	2021	2020	2019	2018	2017	Inception
Total Portfolio	5.19	-15.23	-	-	-	-	-	-7.21
Total Portfolio Benchmark	5.55	-14.29	-	-	-	-	-	-5.70

Performance returns over one-year are annualized. For important details regarding benchmarks, please refer the slides entitled "Total Fund Policy Benchmark Summary" in this presentation.

# INVESTMENT RETURNS | MANAGER RESULTS

Period Ending 3.31.23 | Q1 23

## City of Birmingham Employees Retirement System

	Last Quarter	2022	2021	2020	2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Total Cash &amp; Equivalents</b>	<b>3.35</b>	<b>0.45</b>	-	-	-	<b>3.79</b>	-	-	-	<b>2.68</b>	<b>11/01/2021</b>
ICE BofA 3 Month U.S. T-Bill	1.07	1.46	-	-	-	2.50	-	-	-	1.80	
<b>Cash &amp; Equivalents</b>	<b>4.20</b>	<b>0.45</b>	-	-	-	<b>4.65</b>	-	-	-	<b>3.28</b>	<b>11/01/2021</b>
ICE BofA 3 Month U.S. T-Bill	1.07	1.46	-	-	-	2.50	-	-	-	1.80	
<b>Total Fixed Income</b>	<b>3.55</b>	<b>-14.50</b>	-	-	-	<b>-5.46</b>	-	-	-	<b>-8.25</b>	<b>11/01/2021</b>
Blmbg. U.S. Aggregate Index	2.96	-13.01	-	-	-	-4.78	-	-	-	-7.44	
<b>BlackRock Total Return K</b>	<b>3.91</b>	<b>-14.38</b>	-	-	-	<b>-4.87</b>	-	-	-	<b>-7.94</b>	<b>11/01/2021</b>
Blmbg. U.S. Aggregate Index	2.96	-13.01	-	-	-	-4.78	-	-	-	-7.44	
Intermediate Core-Plus Bond Median	3.15	-13.84	-	-	-	-5.58	-	-	-	-8.06	
<b>Metropolitan West Total Return Bd I</b>	<b>3.19</b>	<b>-14.79</b>	-	-	-	<b>-6.16</b>	-	-	-	<b>-8.69</b>	<b>11/01/2021</b>
Blmbg. U.S. Aggregate Index	2.96	-13.01	-	-	-	-4.78	-	-	-	-7.44	
Intermediate Core-Plus Bond Median	3.15	-13.84	-	-	-	-5.58	-	-	-	-8.06	
<b>Total U.S. Equities</b>	<b>6.70</b>	<b>-19.51</b>	-	-	-	<b>-8.39</b>	-	-	-	<b>-8.65</b>	<b>11/01/2021</b>
S&P 500 Index	7.50	-18.11	-	-	-	-7.73	-	-	-	-6.19	
<b>Allspring Special Small Cap Value R6</b>	<b>3.38</b>	<b>-13.52</b>	-	-	-	<b>-6.85</b>	-	-	-	<b>-5.74</b>	<b>11/01/2021</b>
Russell 2000 Value Index	-0.66	-14.48	-	-	-	-12.96	-	-	-	-10.53	
Small Value Median	1.28	-11.46	-	-	-	-7.13	-	-	-	-5.70	
<b>BlackRock Mid Cap Growth Equity K</b>	<b>11.37</b>	<b>-37.29</b>	-	-	-	<b>-16.23</b>	-	-	-	<b>-22.77</b>	<b>12/01/2021</b>
Russell Midcap Growth Index	9.14	-26.72	-	-	-	-8.52	-	-	-	-15.23	
Mid-Cap Growth Median	7.67	-28.34	-	-	-	-11.27	-	-	-	-16.59	

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# INVESTMENT RETURNS | MANAGER RESULTS

Period Ending 3.31.23 | Q1 23

## City of Birmingham Employees Retirement System

	Last Quarter	2022	2021	2020	2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Fidelity 500 Index</b>	<b>7.50</b>	<b>-18.13</b>	-	-	-	<b>-7.74</b>	-	-	-	<b>-6.10</b>	<b>12/01/2021</b>
S&P 500 Index	7.50	-18.11	-	-	-	-7.73	-	-	-	-6.09	
Large Blend Median	6.45	-18.15	-	-	-	-7.59	-	-	-	-6.40	
<b>MFS Mid Cap Value R6</b>	<b>0.61</b>	<b>-8.64</b>	-	-	-	<b>-5.69</b>	-	-	-	<b>-2.74</b>	<b>11/01/2021</b>
Russell Midcap Value Index	1.32	-12.03	-	-	-	-9.22	-	-	-	-5.82	
Mid-Cap Value Median	1.27	-8.16	-	-	-	-6.36	-	-	-	-2.91	
<b>Principal Small Cap Growth Fund R6</b>	<b>6.51</b>	<b>-28.48</b>	-	-	-	<b>-10.96</b>	-	-	-	<b>-19.96</b>	<b>11/01/2021</b>
Russell 2000 Growth Index	6.07	-26.36	-	-	-	-10.60	-	-	-	-18.63	
Small Growth Median	6.50	-28.23	-	-	-	-11.73	-	-	-	-18.93	
<b>Total International Equities</b>	<b>7.67</b>	<b>-20.09</b>	-	-	-	<b>-4.52</b>	-	-	-	<b>-11.42</b>	<b>11/01/2021</b>
MSCI AC World ex USA index	7.00	-15.57	-	-	-	-4.56	-	-	-	-7.24	
<b>Amer Funds EuroPac Growth R6</b>	<b>9.87</b>	<b>-22.72</b>	-	-	-	<b>-3.26</b>	-	-	-	<b>-12.81</b>	<b>11/01/2021</b>
MSCI AC World ex USA index	7.00	-15.57	-	-	-	-4.56	-	-	-	-7.24	
Foreign Large Blend Median	7.46	-15.26	-	-	-	-2.32	-	-	-	-6.45	
<b>Hartford International Opps R6</b>	<b>5.56</b>	<b>-17.91</b>	-	-	-	<b>-5.77</b>	-	-	-	<b>-10.04</b>	<b>11/01/2021</b>
MSCI EAFE Index	8.62	-14.01	-	-	-	-0.86	-	-	-	-4.53	
Foreign Large Blend Median	7.46	-15.26	-	-	-	-2.32	-	-	-	-6.45	
<b>Total Strategic Opportunities</b>	<b>0.20</b>	<b>11.43</b>	-	-	-	<b>4.72</b>	-	-	-	<b>9.14</b>	<b>11/01/2021</b>
HFRX Absolute Return Index	-0.20	0.85	-	-	-	0.54	-	-	-	0.53	
<b>Partners Group</b>	<b>2.11</b>	-	-	-	-	-	-	-	-	<b>2.11</b>	<b>01/01/2023</b>
80% MSCI World/20% S&P Leveraged Loan	6.96	-	-	-	-	-	-	-	-	6.96	

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# INVESTMENT RETURNS | MANAGER RESULTS

Period Ending 3.31.23 | Q1 23

## City of Birmingham Employees Retirement System

	Last Quarter	2022	2021	2020	2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Starwood Property Trust Inc. REIT</b>	<b>-2.30</b>	<b>10.41</b>	-	-	-	<b>3.15</b>	-	-	-	<b>9.93</b>	<b>11/01/2021</b>
FTSE EPRA/NAREIT United States Index	2.65	-24.82	-	-	-	-19.51	-	-	-	-12.14	
Real Estate Median	2.61	-26.33	-	-	-	-20.10	-	-	-	-13.30	
<b>WhiteBox Multi-Strategy Fund LP</b>	<b>0.02</b>	<b>2.61</b>	-	-	-	<b>-2.72</b>	-	-	-	<b>2.18</b>	<b>11/01/2021</b>
HFRX Absolute Return Index	-0.20	0.85	-	-	-	0.54	-	-	-	0.53	
Multistrategy Median	1.62	-9.08	-	-	-	-1.30	-	-	-	-3.34	
<b>Total Portfolio</b>	<b>5.19</b>	<b>-15.23</b>	-	-	-	<b>-5.45</b>	-	-	-	<b>-7.21</b>	<b>11/01/2021</b>
Total Portfolio Benchmark	5.55	-14.29	-	-	-	-5.21	-	-	-	-5.70	

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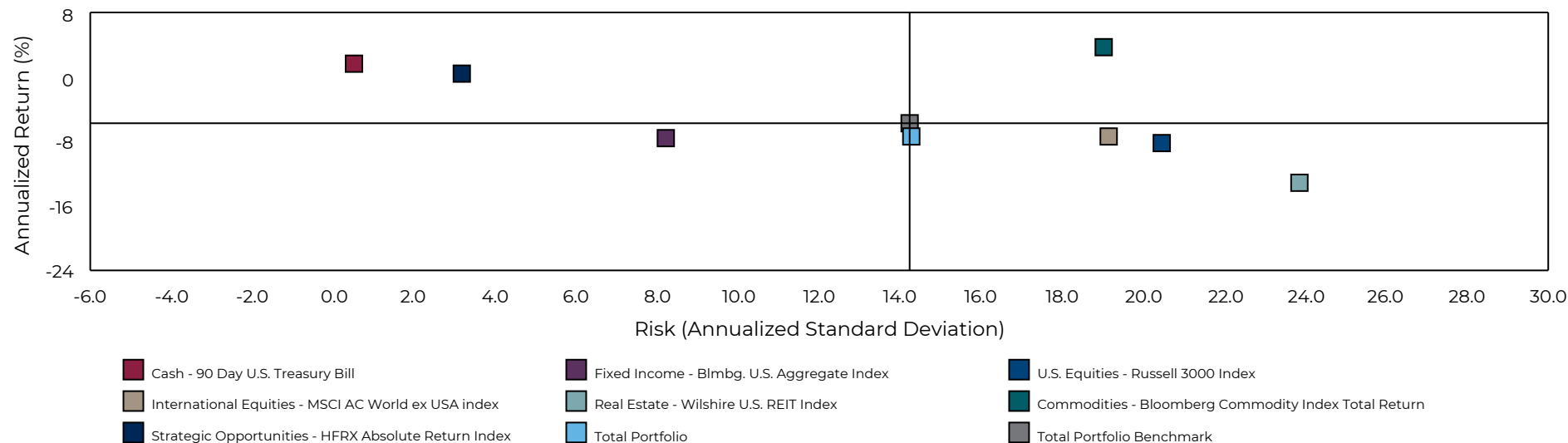


# PORTFOLIO STATISTICAL SUMMARY

Period Ending 3.31.23 | Q1 23

City of Birmingham Employees Retirement System

**Composite Risk VS. Total Return  
(since inception: November 1, 2021)**



## 3 YEAR

No data found.

## INCEPTION

	Total Portfolio	Total Portfolio Benchmark
Positive Months Ratio	47.06	47.06
Negative Months Ratio	52.94	52.94
Best Quarter	8.05	7.90
Worst Quarter	-11.26	-11.45
Standard Deviation	14.26	14.25
Maximum Drawdown	-20.16	-19.69
Max Drawdown Recovery Period	-	-
Alpha	-1.60	0.00
Beta	1.00	1.00
R-Squared	0.99	1.00
Consistency	47.06	0.00
Tracking Error	1.19	0.00
Treynor Ratio	-0.08	-0.07
Information Ratio	-1.34	-
Sharpe Ratio	-0.58	-0.47

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# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 3.31.23 | Q1 23

## City of Birmingham Employees Retirement System

Period Ending	Beginning Value	Net Flows	Investment Gain/Loss	Ending Value	Rate of Return
Oct-2021	-	-	-	\$117,772,466	-
Dec-2021	\$117,772,466	-\$927,466	\$1,016,435	\$117,861,435	0.87
Mar-2022	\$117,861,435	-\$1,673,553	-\$6,700,873	\$109,487,010	-5.69
Jun-2022	\$109,487,010	-\$1,497,013	-\$12,275,205	\$95,714,792	-11.26
Sep-2022	\$95,714,792	-\$1,515,268	-\$4,310,383	\$89,889,140	-4.60
Dec-2022	\$89,889,140	-\$1,347,163	\$5,658,120	\$94,200,097	6.17
Mar-2023	\$94,200,097	-\$2,997,851	\$4,874,257	\$96,076,504	5.19

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# TOTAL FUND POLICY BENCHMARK SUMMARY

Period Ending 3.31.23 | Q1 23

## City of Birmingham Employees Retirement System

FROM DATE	TO DATE	BENCHMARK
Total Portfolio		
11/01/2021	Present	47.50% S&P 500 Index, 18.25% MSCI AC World ex USA index, 24.50% Blmbg. U.S. Aggregate Index, 9.75% HFRX Absolute Return Index
Total Cash & Equivalents		
11/01/2021	Present	ICE BofA 3 Month U.S. T-Bill
Total Fixed Income		
11/01/2021	Present	Blmbg. U.S. Aggregate Index
Total U.S. Equities		
11/01/2021	Present	S&P 500 Index
Total International Equities		
11/01/2021	Present	MSCI AC World ex USA index
Total Strategic Opportunities		
11/01/2021	Present	HFRX Absolute Return Index

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# INVESTMENT REVIEW | INVESTMENT POLICY MONITOR

Period Ending 3.31.23 | Q1 23

City of Birmingham Employees Retirement System

INVESTMENT	QUANTITATIVE								QUALITATIVE		TOTALS	
	Risk-Adjusted Performance		vs. Peers Performance		Style		Confidence		Fund Management	Fund Firm	Overall	Total Score
	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr				
Fixed Income BlackRock Total Return K	●	●	●	●	●	●	●	●	▼	●	●	89
Fixed Income Metropolitan West Total Return Bd I	▼	●	▼	●	●	●	▼	●	●	●	●	80
U.S. Equities BlackRock Mid-Cap Growth Equity K	▼	●	▼	●	●	●	▼	●	●	●	●	80
U.S. Equities MFS Mid Cap Value R6	●	●	●	●	●	●	●	●	●	●	●	97
U.S. Equities Principal SmallCap Growth I R6	▼	●	▼	●	●	●	▼	●	●	●	●	88
U.S. Equities Allspring Special Small Cap Value R6	▼	●	▼	●	●	●	▼	▼	●	●	▼	79
International Equities American Funds Europacific Growth R6	▼	●	▼	●	●	●	▼	●	●	●	●	86
International Equities Hartford International Opportunities R6	●	●	●	●	●	●	●	●	●	●	●	91

## LEGEND


●	IN GOOD STANDING	▼	MARKED FOR REVIEW	●	CONSIDER FOR TERMINATION
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The CAPTRUST Investment Policy Monitor ("Scorecard") is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields for actively managed investment options. Quantitative scoring areas include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; Style Attribution; and Confidence. Qualitative Scoring Areas measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have an Investment Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Some Investments that have less than 3 years of performance history may not be scored.

This material is for institutional investor use only and is not intended to be shared with individual investors.

City of Birmingham Employees Retirement System

PASSIVE INVESTMENTS

INVESTMENT	Overall	Commentary
Fidelity 500 Index		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.

The CAPTRUST Investment Policy Monitor ("Scorecard") is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields. Quantitative scoring areas for target date funds include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; and Glidepath. Qualitative Scoring Areas for target date funds measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. Qualitative Scoring for Target Date funds also includes a score for Portfolio Construction and Underlying Investment vehicles to express CAPTRUST's views on the manager or strategy. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have an Investment Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Some Investments that have less than 3 years of performance history may not be scored. Capital Preservation options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics, depending on the type of capital preservation option being evaluated, and may include quantitative criteria such as: Crediting Rate/Yield, Market to Book Ratio, Average Crediting Quality, Insurer Quality/Diversification, Duration, and Sector Allocations, and/or qualitative criteria such as quality and experience of the Management Team and stewardship of the investment option's parent company. Passively Managed options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics and may include quantitative criteria such as: Tracking Error, Fees, and Performance versus relevant peer group, and/or qualitative criteria such as index replication strategy, securities lending practices, and fair value pricing methodology. Distinct investment options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics. This material is for institutional investor use only and is not intended to be shared with individual investors.





## City of Birmingham Employees Retirement System

FUND MANAGEMENT ITEMS	COMMENTARY
<b>BlackRock MidCap Growth Equity</b>	Portfolio Manager Lawrence Kemp retired from BlackRock. He was the lead portfolio manager of the BlackRock Capital Appreciation strategy. Co-Portfolio Manager Phil Ruvinsky has assumed the lead manager role and continues to be supported by Co-Portfolio Manager Caroline Bottinelli. In addition, Lawrence was a co-portfolio manager of the BlackRock Mid Cap Growth strategy. Phil remains the lead manager on the strategy and continues to be supported by Co-Portfolio Manager William Broadbent. Both Caroline and William were promoted to their respective roles in May 2022 in anticipation of Kemp's eventual retirement.
<b>BlackRock Total Return</b>	Bob Miller, managing director and Head of America's Fundamental Fixed Income Platform, retired effective March 31, 2023. Mr. Miller served as lead portfolio manager on the BlackRock Core Bond fund, the BlackRock Total Return fund and the BlackRock Strategic Income Opportunities fund. In line with succession planning that began in early 2022, David Rogal and Chi Chen were added as named portfolio managers for the Total Return and Core Bond funds. Rick Rieder, CIO of Global Fixed Income, will remain as a named portfolio manager on both strategies. Rick Rieder and Dave Rogal will continue to manage the Strategic Income Opportunities fund with Russell Brownback, managing director.
<b>Hartford International Opportunities</b>	Portfolio Manager Nicholas Choumenkovitch will be retiring as of 6/30/2024. Tara Stillwell will become the sole portfolio manager for the strategy at that time. Tara has been a named portfolio manager on the strategy since 2010. There will be no change in philosophy or investment objectives as a result of this management change.
FUND FIRM ITEMS	COMMENTARY
<b>BlackRock</b>	Daniel Gamba, co-head of Fundamental Equities, has left BlackRock to be president of Northern Trust. Mr. Gamba will be replaced as co-head of Fundamental Equities by Philip Vasan. Becci McKinley-Rowe, the other co-head of Fundamental Equities, will continue in this role. Mr. Vasan will retain his role as deputy head of the Portfolio Management Group.

## City of Birmingham Employees Retirement System

FUND FIRM ITEMS	COMMENTARY
Capital Group	<p>Chairman and Chief Executive Officer Tim Armour will retire effective October 24, 2023 and will be stepping down from the firm's management committee and his leadership roles at that time. At this same time, Mike Gitlin will become president and chief executive officer of Capital Group and chair of the Management Committee.</p> <p>Effective October 24, 2023, Jody Jonsson will become vice chair of Capital Group and will continue as president of Capital Research Management Company (CRMC) and chair of the CRMC Executive Committee.</p> <p>Effective October 24, 2023, Martin Romo will become chairman of Capital Group and chief investment officer, a new role for the firm.</p> <p>Vice Chair and Portfolio Manager Rob Lovelace will step down from the firm's Management Committee effective October 24, 2023. He will stay on at Capital Group and continue his portfolio management responsibilities.</p>
MFS Family of Funds	<p>Christopher Jennings and Simon Gresham have relinquished their roles as co-CIOs of the Multi-Asset Investment Group (MAIG) team. Simon continues to focus on multi-asset research and analysis, while Chris has retired from the firm. Additionally, Kevin Dawn and Robert Almeida, investment team members, joined the MAIG.</p> <p>Pilar Gomez-Bravo and Alexander Mackey joined CIO of Fixed Income Bill Adams as global co-CIOs of Fixed Income. MFS expanded the Fixed Income leadership team as a result of the Fixed Income team's growth across the world.</p>
Principal	<p>Principal Financial Group announced it is integrating its global asset management and international pension businesses under Principal Asset Management. This integration will blend leadership, investment capabilities, and client-facing teams under Kamal Bhatia, global head of Investments. Investment capabilities and leadership will be segmented into private market, public market, and multi-asset investments. Private Markets will be led by Todd Everett, global head of Private Markets. Public Markets will be led by David Blake, global head of Public Markets. Multi-Asset will continue to be led by Todd Jablonski, global head of Multi-Asset Investing. This integration will pose no disruption to current portfolios, philosophy, or client management.</p>

City of Birmingham Employees Retirement System

FUND FIRM ITEMS	COMMENTARY
TCW Group	TCW has appointed Kathryn Koch as CEO and president. She has succeeded David Lippman upon his retirement at the end of 2022. Mr. Lippman exits following nine years as the CEO of TCW and more than 20 years as part of MetWest and TCW investment and executive leadership. Ms. Koch was previously with Goldman Sachs serving as CIO of the Public Equity business and member of the Asset Management Division executive committee.



REVIEW OF RECENT ACTIONS:

CURRENT RECOMMENDATIONS:





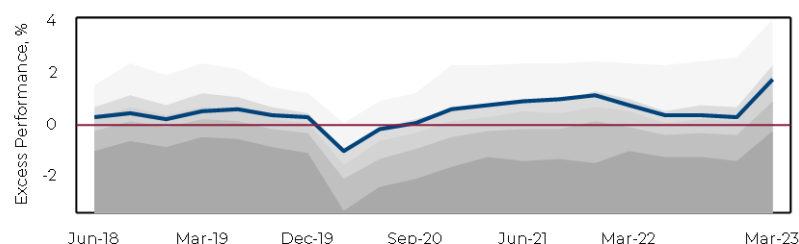
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
BlackRock Total Return K	3.83	-4.68	-0.99	1.31	2.05	-14.14	-0.68	9.08	9.89	-0.82
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	-13.01	-1.55	7.51	8.72	0.01
Intermediate Core-Plus Bond Median	3.15	-5.58	-1.16	0.93	1.51	-13.84	-0.82	8.33	9.24	-0.80
Rank (%)	5	18	44	27	16	61	44	31	28	51
Population	618	613	562	543	474	604	602	599	619	605

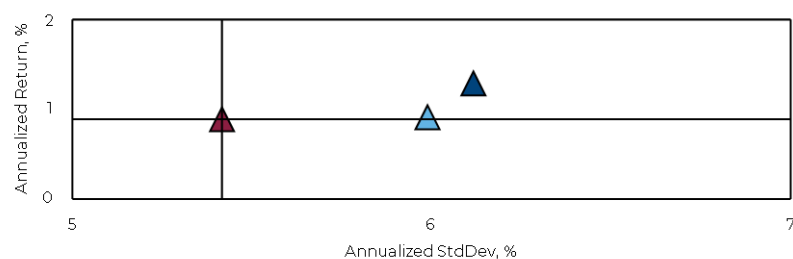
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
BlackRock Total Return K	0.02	0.36	1.08	0.91	113.28	108.57	0.24
Blmbg. U.S. Aggregate Index	-0.07	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core-Plus Bond Median	-0.05	0.05	1.01	0.86	106.17	105.44	0.03

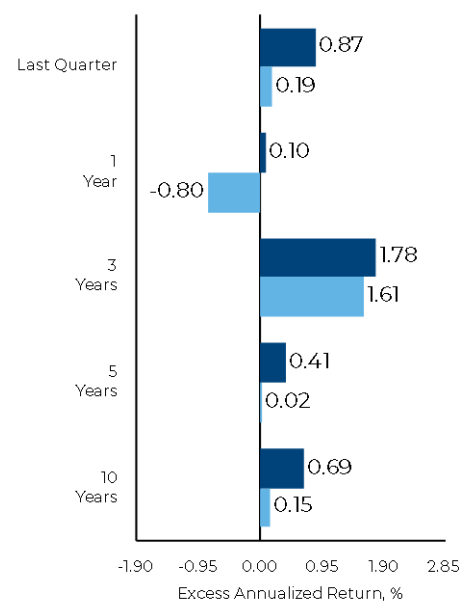
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ BlackRock Total Return K  
 ▲ Blmbg. U.S. Aggregate Index  
 ▲ Intermediate Core-Plus Bond Median



## INVESTMENT PROFILE

Ticker	MPHQ
Portfolio Manager	Chen,C/Rieder,R/Rogal,D
Portfolio Assets	\$6,752 Million
PM Tenure	12 Years 7 Months
Net Expense(%)	0.38 %
Fund Inception	2001
Category Expense Median	0.65
Subadvisor	BlackRock International Limited

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	62.46 %
Number of Holdings	4695
Turnover	289.00 %
Avg. Effective Duration	6.32 Years
SEC Yield	4.25 %

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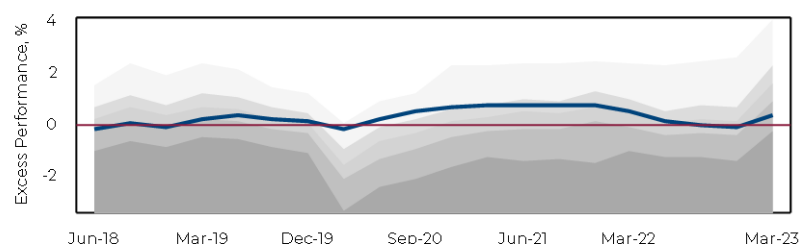
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Metropolitan West Total Return Bd I	3.59	-5.80	-2.36	1.06	1.55	-14.79	-1.12	9.11	9.09	0.16
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	-13.01	-1.55	7.51	8.72	0.01
Intermediate Core-Plus Bond Median	3.15	-5.58	-1.16	0.93	1.51	-13.84	-0.82	8.33	9.24	-0.80
Rank (%)	13	58	86	43	46	77	66	30	55	19
Population	618	613	562	543	474	604	602	599	619	605

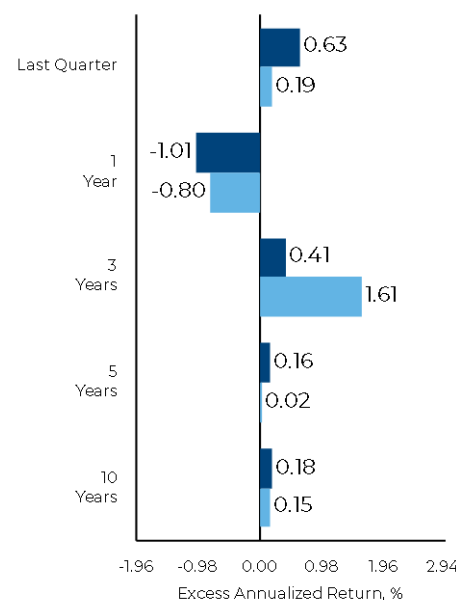
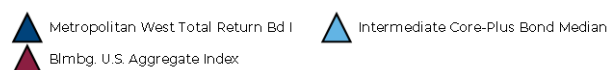
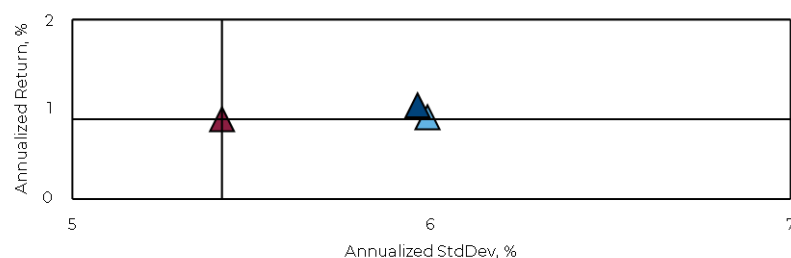
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Metropolitan West Total Return Bd I	-0.03	0.09	1.09	0.99	108.33	106.79	0.22
Blmbg. U.S. Aggregate Index	-0.07	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core-Plus Bond Median	-0.05	0.05	1.01	0.86	106.17	105.44	0.03

## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



## INVESTMENT PROFILE

Ticker	MWTIX
Portfolio Manager	Kane,S/Landmanr L/Whalen,B
Portfolio Assets	\$38,303 Million
PM Tenure	26 Years
Net Expense(%)	0.44 %
Fund Inception	2000
Category Expense Median	0.65
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	30.92 %
Number of Holdings	1988
Turnover	467.00 %
Avg. Effective Duration	6.82 Years
SEC Yield	4.36 %

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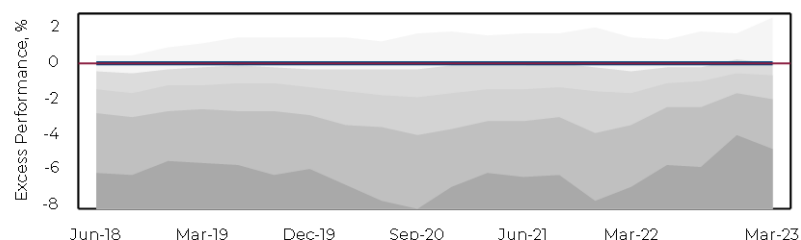
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Fidelity® 500 Index	7.50	-7.74	18.59	11.18	12.23	-18.13	28.69	18.40	31.47	-4.40
S&P 500 Index	7.50	-7.73	18.60	11.19	12.24	-18.11	28.71	18.40	31.49	-4.38
Large Blend Median	6.45	-7.59	17.91	9.96	11.12	-18.15	26.68	17.18	29.77	-5.65
Rank (%)	19	53	26	15	9	50	21	36	22	23
Population	1,195	1,170	1,132	1,093	975	1,175	1,188	1,220	1,264	1,297

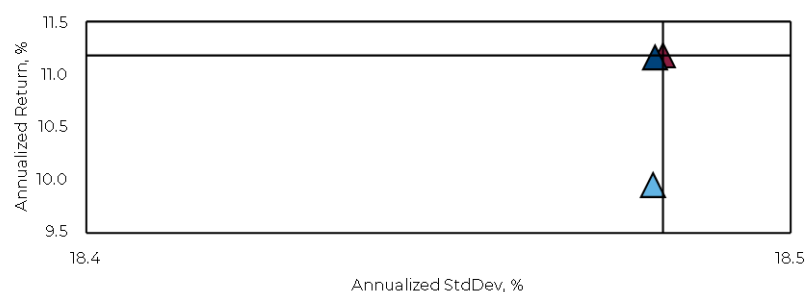
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity® 500 Index	0.59	-0.01	1.00	1.00	99.97	100.01	-0.88
S&P 500 Index	0.59	0.00	1.00	1.00	100.00	100.00	-
Large Blend Median	0.53	-0.90	1.00	0.97	97.00	100.23	-0.47

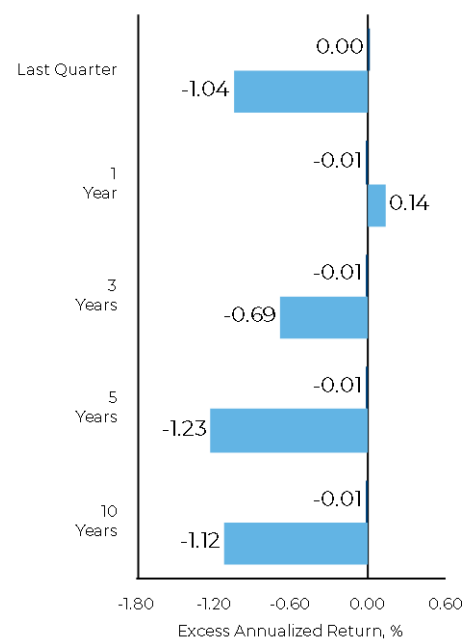
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ Fidelity® 500 Index ▲ Large Blend Median ▲ S&P 500 Index



■ Fidelity® 500 Index ■ Large Blend Median

## INVESTMENT PROFILE

Ticker	FXAIX
Portfolio Manager	Team Managed
Portfolio Assets	\$380,893 Million
PM Tenure	14 Years 2 Months
Net Expense(%)	0.02 %
Fund Inception	2011
Category Expense Median	0.75
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	25.51 %
Number of Holdings	507
Turnover	2.00 %
Avg. Market Cap	\$170,303 Million
Dividend Yield	1.94 %

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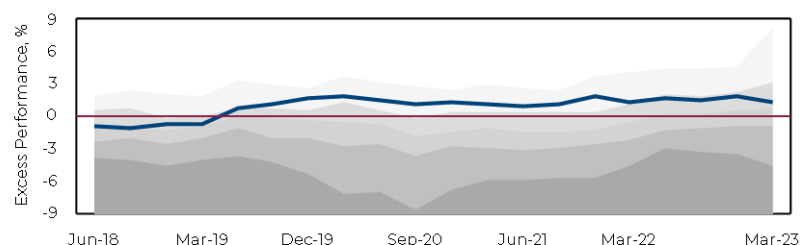
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
MFS Mid Cap Value R6	0.60	-5.70	22.03	8.30	9.66	-8.64	31.00	4.40	31.08	-11.31
Russell Midcap Value Index	1.32	-9.22	20.69	6.54	8.80	-12.03	28.34	4.96	27.06	-12.29
Mid-Cap Value Median	1.27	-6.36	21.61	6.46	8.39	-8.16	28.56	2.77	26.77	-13.59
Rank (%)	70	39	45	17	12	56	28	36	10	22
Population	363	363	360	357	315	371	387	398	418	452

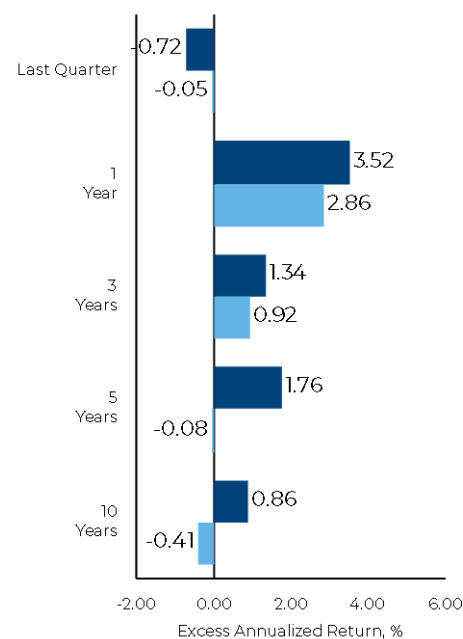
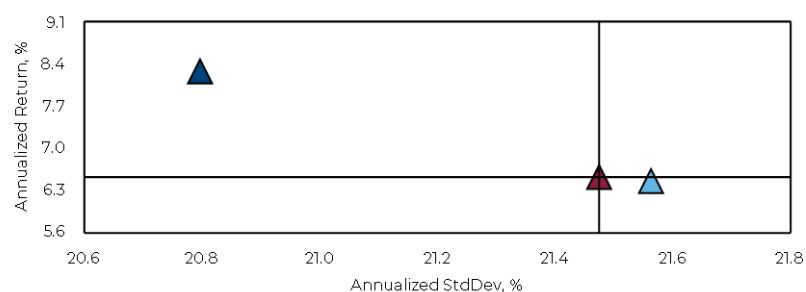
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
MFS Mid Cap Value R6	0.42	1.83	0.96	0.99	100.10	93.89	0.59
Russell Midcap Value Index	0.34	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Value Median	0.34	0.13	0.98	0.97	99.21	97.67	-0.03

## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



## INVESTMENT PROFILE

Ticker	MVCKX
Portfolio Manager	Offen, R/Schmitz, K/Taylor, B
Portfolio Assets	\$8,409 Million
PM Tenure	14 Years 4 Months
Net Expense(%)	0.62 %
Fund Inception	2013
Category Expense Median	0.97
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	12.21 %
Number of Holdings	148
Turnover	17.00 %
Avg. Market Cap	\$15,512 Million
Dividend Yield	3.06 %

▲ MFS Mid Cap Value R6    ▲ Mid-Cap Value Median    ▲ Russell Midcap Value Index    ■ MFS Mid Cap Value R6    ■ Mid-Cap Value Median

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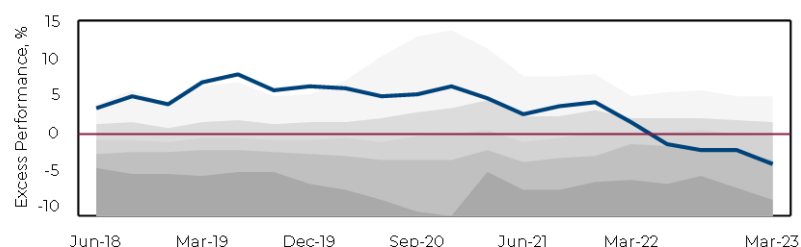
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
BlackRock Mid-Cap Growth Equity K	11.37	-16.23	11.12	9.07	13.15	-37.29	14.60	46.23	36.26	2.91
Russell Midcap Growth Index	9.14	-8.52	15.20	9.07	11.17	-26.72	12.73	35.59	35.47	-4.75
Mid-Cap Growth Median	7.67	-11.27	14.80	8.34	10.36	-28.34	11.92	35.93	33.40	-5.53
Rank (%)	7	83	79	38	5	92	36	28	31	7
Population	550	550	529	515	486	551	566	575	588	599

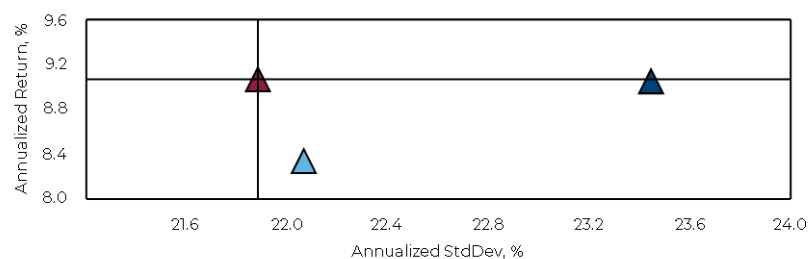
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
BlackRock Mid-Cap Growth Equity K	0.43	0.01	1.03	0.93	109.24	111.98	0.06
Russell Midcap Growth Index	0.44	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Growth Median	0.41	-0.36	0.98	0.94	97.92	100.36	-0.10

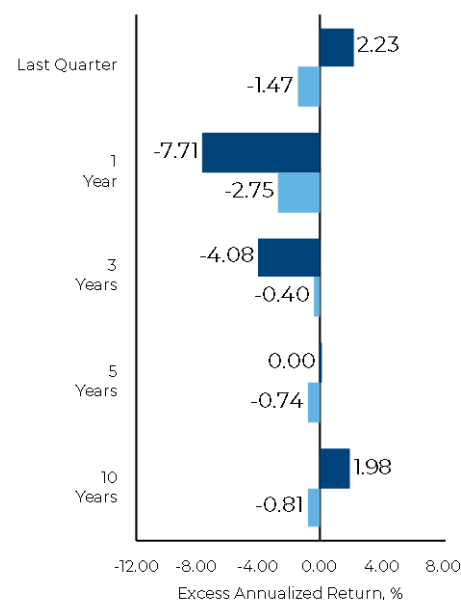
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ BlackRock Mid-Cap Growth Equity K  
▲ Russell Midcap Growth Index  
▲ Mid-Cap Growth Median



■ BlackRock Mid-Cap Growth Equity K  
■ Mid-Cap Growth Median

## INVESTMENT PROFILE

Ticker	BMGKX
Portfolio Manager	Bottinelli,C/Ruvinsky,P
Portfolio Assets	\$4,428 Million
PM Tenure	10 Years
Net Expense(%)	0.70 %
Fund Inception	2016
Category Expense Median	1.04
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	29.88 %
Number of Holdings	71
Turnover	28.00 %
Avg. Market Cap	\$22,679 Million
Dividend Yield	0.64 %

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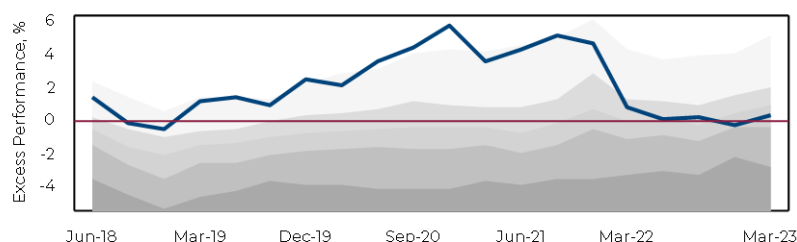
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
American Funds Europacific Growth R6	9.87	-3.26	12.13	3.25	5.99	-22.72	2.84	25.27	27.40	-14.91
MSCI AC World ex USA (Net)	6.87	-5.07	11.80	2.47	4.17	-16.00	7.82	10.65	21.51	-14.20
Foreign Large Blend Median	7.95	-2.19	12.80	2.85	4.67	-15.92	10.07	9.73	22.04	-15.23
Rank (%)	14	66	67	37	8	96	95	3	10	46
Population	682	673	649	620	518	678	711	747	755	751

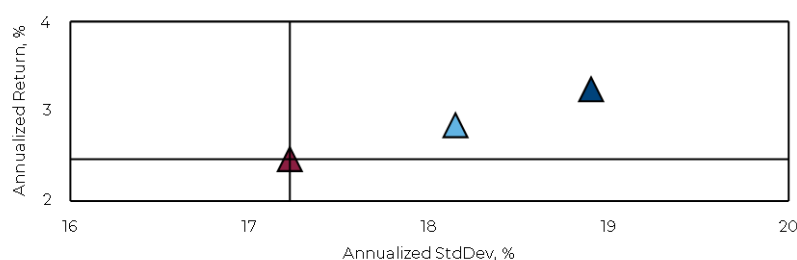
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
American Funds Europacific Growth R6	0.19	0.79	1.07	0.95	111.04	108.11	0.24
MSCI AC World ex USA (Net)	0.15	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.17	0.45	1.03	0.95	104.65	103.61	0.13

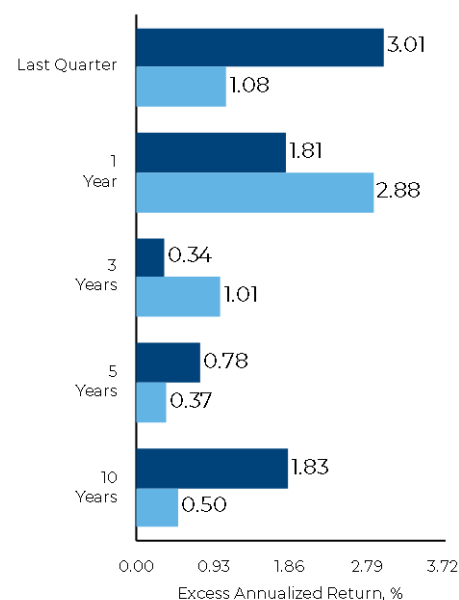
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ American Funds Europacific Growth R6  
 ▲ Foreign Large Blend Median  
 ▲ MSCI AC World ex USA (Net)



■ American Funds Europacific Growth R6  
 ■ Foreign Large Blend Median

## INVESTMENT PROFILE

Ticker	RERGX
Portfolio Manager	Team Managed
Portfolio Assets	\$69,573 Million
PM Tenure	21 Years 9 Months
Net Expense(%)	0.46 %
Fund Inception	2009
Category Expense Median	0.99
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	24.00 %
Number of Holdings	370
Turnover	29.00 %
Avg. Market Cap	\$53,735 Million
Dividend Yield	2.83 %

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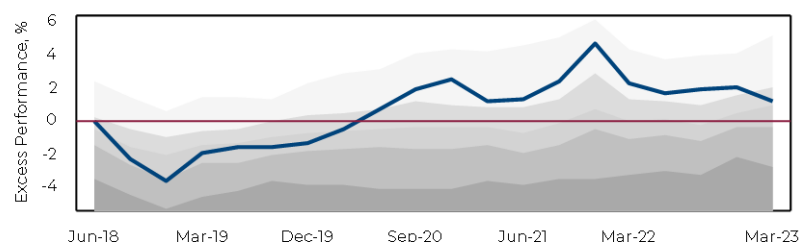
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Hartford International Opportunities R6	5.49	-5.83	13.01	2.92	5.34	-17.91	7.71	20.75	26.15	-18.61
MSCI AC World ex USA (Net)	6.87	-5.07	11.80	2.47	4.17	-16.00	7.82	10.65	21.51	-14.20
Foreign Large Blend Median	7.95	-2.19	12.80	2.85	4.67	-15.92	10.07	9.73	22.04	-15.23
Rank (%)	95	88	45	47	21	72	72	9	20	85
Population	682	673	649	620	518	678	711	747	755	751

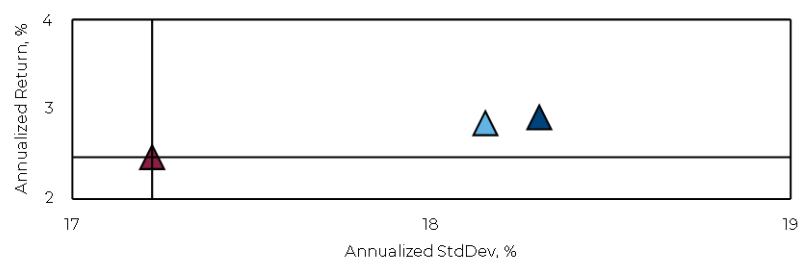
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Hartford International Opportunities R6	0.17	0.48	1.04	0.95	104.71	102.64	0.15
MSCI AC World ex USA (Net)	0.15	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.17	0.45	1.03	0.95	104.65	103.61	0.13

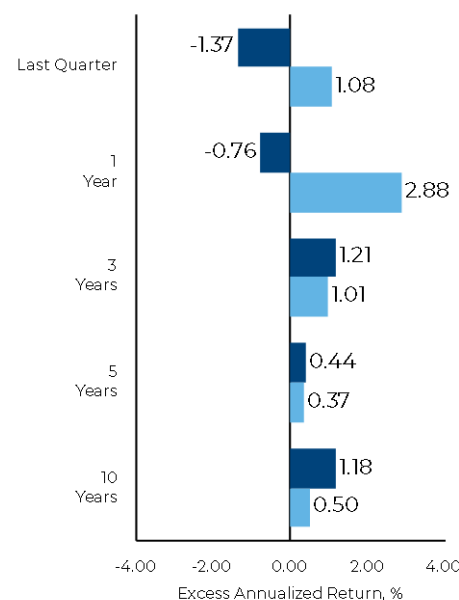
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



Hartford International Opportunities R6  
 Foreign Large Blend Median  
 MSCI AC World ex USA (Net)



Hartford International Opportunities R6  
 Foreign Large Blend Median

## INVESTMENT PROFILE

Ticker	IHOVX
Portfolio Manager	Choumenkovitch, N/Stilwell, T
Portfolio Assets	\$1,092 Million
PM Tenure	16 Years 3 Months
Net Expense(%)	0.70 %
Fund Inception	2014
Category Expense Median	0.90
Subadvisor	Wellington Manageme Company LLP

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	22.63 %
Number of Holdings	107
Turnover	95.00 %
Avg. Market Cap	\$55,752 Million
Dividend Yield	2.58 %

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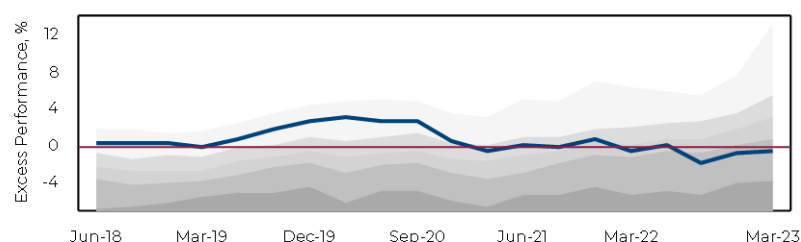
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Allspring Special Small Cap Value R6	3.18	-7.02	20.51	5.56	9.34	-13.52	28.27	1.57	28.61	-13.35
Russell 2000 Value Index	-0.66	-12.96	21.01	4.55	7.22	-14.48	28.27	4.63	22.39	-12.86
Small Value Median	1.28	-7.13	24.09	5.43	7.65	-11.46	31.17	3.39	21.79	-15.42
Rank (%)	19	49	85	48	13	71	64	64	10	29
Population	456	451	434	422	389	449	451	458	489	506

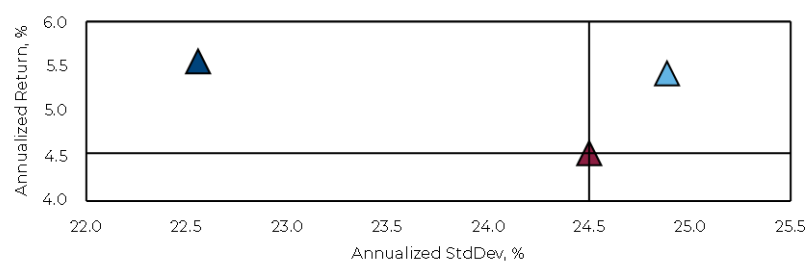
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Allspring Special Small Cap Value R6	0.29	1.21	0.91	0.97	93.39	89.99	0.11
Russell 2000 Value Index	0.25	0.00	1.00	1.00	100.00	100.00	-
Small Value Median	0.29	1.05	0.99	0.96	99.38	97.05	0.18

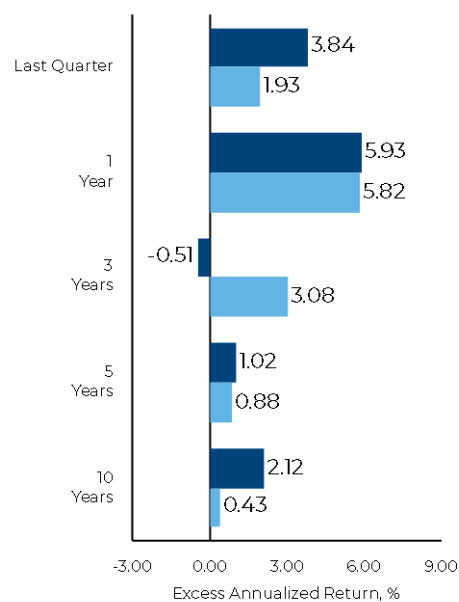
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ Allspring Special Small Cap Value R6 ▲ Small Value Median  
▲ Russell 2000 Value Index



## INVESTMENT PROFILE

Ticker	ESPRX
Portfolio Manager	Martin,B/Tringas, J/VanCronkhite,B
Portfolio Assets	\$1,659 Million
PM Tenure	21 Years 2 Months
Net Expense(%)	0.81 %
Fund Inception	2014
Category Expense Median	1.11
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	28.51 %
Number of Holdings	149
Turnover	28.00 %
Avg. Market Cap	\$2,593 Million
Dividend Yield	2.24 %

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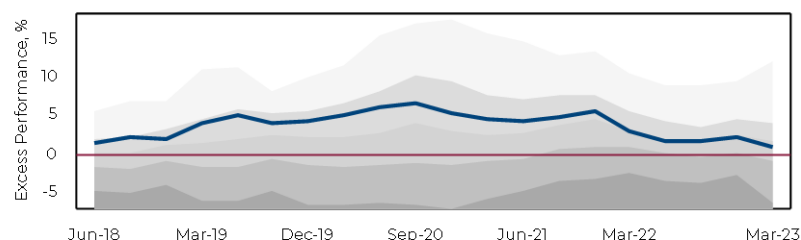
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Principal SmallCap Growth I R6	6.51	-10.96	14.26	7.47	10.35	-28.48	7.28	42.27	33.53	-5.34
Russell 2000 Growth Index	6.07	-10.60	13.36	4.26	8.49	-26.36	2.83	34.63	28.48	-9.31
Small Growth Median	6.50	-11.73	15.15	7.06	9.52	-28.23	9.55	37.84	28.42	-5.12
Rank (%)	50	45	59	44	30	53	61	40	30	53
Population	597	594	583	565	525	597	610	624	641	670

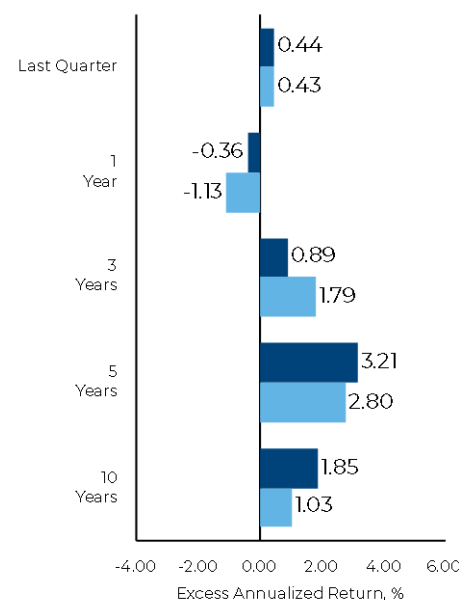
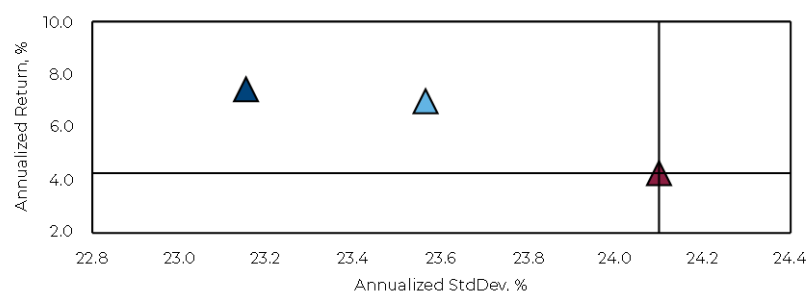
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Principal SmallCap Growth I R6	0.37	3.27	0.94	0.96	100.99	91.34	0.61
Russell 2000 Growth Index	0.24	0.00	1.00	1.00	100.00	100.00	-
Small Growth Median	0.35	2.96	0.95	0.93	100.81	93.32	0.38

## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



## INVESTMENT PROFILE

Ticker	PCSMX
Portfolio Manager	Fennessey, J/Welch, R
Portfolio Assets	\$2,045 Million
PM Tenure	13 Years 9 Months
Net Expense(%)	0.86 %
Fund Inception	2014
Category Expense Median	1.15
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	13.43 %
Number of Holdings	1215
Turnover	50.70 %
Avg. Market Cap	\$3,931 Million
Dividend Yield	0.69 %

▲ Principal SmallCap Growth I R6 ▲ Small Growth Median ▲ Russell 2000 Growth Index

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**ALPHA**

Alpha measures a manager's rate of return in excess of that which can be explained by its systematic risk, or Beta. It is a result of regressing a manager's returns against those of a benchmark index. A positive alpha implies that a manager has added value relative to its benchmark on a risk-adjusted basis.

**BETA**

Beta measures a manager's sensitivity to systematic, or market risk. Beta is a result of the analysis regressing a manager's returns against those of a benchmark Index. A manager with a Beta of 1 should move perfectly with a benchmark. A Beta of less than 1 implies that a manager's returns are less volatile than the market's (i.e., selected benchmarks). A Beta of greater than 1 implies that a manager exhibits greater volatility than the market (i.e., selected benchmark).

**BEST (WORST) QUARTER**

Best (Worst) Quarter is the best (worst) three-month return in the measurement period. The three-month period is not necessarily a calendar quarter.

**CONSISTENCY (BATTING AVERAGE)**

Formerly known as Batting Average, Consistency measures the percentage of time an active manager outperforms the benchmark.

**CAPTURE RATIO**

Up Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was positive. Down Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was negative. An Up Market Capture of greater than 100% and a Down Market Capture of less than 100% is considered desirable.

**INFORMATION RATIO**

The Information Ratio measures a manager's excess return over the passive index divided by the volatility of that excess return or Tracking Error. To obtain a higher Information Ratio, which is preferable, a manager must demonstrate the ability to generate returns above its benchmark while avoiding large performance swings relative to that same benchmark.

**MAXIMUM DRAWDOWN**

The Maximum Drawdown measures the maximum observed percentage loss from a peak to a trough in the measurement period.

**MAX DRAWDOWN RECOVERY PERIOD**

The Maximum Drawdown Recovery period counts the number of months needed to meet or exceed the prior peak starting from the beginning of the Maximum Drawdown period. If the prior peak has not been met or exceeded, this statistic will not populate.

**PERCENTILE RANK**

Percentile Rankings are based on a manager's performance relative to all other available funds in its universe. Percentiles range from 1, being the best, to 100 being the worst. A ranking in the 50th percentile or above demonstrates that the manager has performed better on a relative basis than at least 50% of its peers.

**POSITIVE (NEGATIVE) MONTHS RATIO**

Positive (Negative) Months Ratio is the ratio of months in the measurement period where the returns are positive (negative).

**RISK-ADJUSTED PERFORMANCE**

Risk-adjusted Performance, or RAP, measures the level of return that an investment option would generate given a level of risk equivalent to the benchmark index.

**R-SQUARED**

R-squared measures the portion of a manager's movements that are explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a manager are completely explained by movements in the index. This measurement is identified as the coefficient of determination from a regression equation. A high R-squared value supports the validity of the Alpha and Beta measures, and it can be used as a measure of style consistency.

CONTINUED...





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**SHARPE RATIO**

Sharpe ratio measures a manager's return per unit of risk, or standard deviation. It is the ratio of a manager's excess return above the risk-free rate divided by a manager's standard deviation. A higher Sharpe ratio.

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**STANDARD DEVIATION**

Standard Deviation is a measure of the extent to which observations in a series vary from the arithmetic mean of the series. This measure of volatility or risk allows the estimation of a range of values for a manager's returns. The wider the range, the more uncertainty, and, therefore, the riskier a manager is assumed to be.

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**TRACKING ERROR**

Tracking Error is the standard deviation of the portfolio's residual (i.e. excess) returns. The lower the tracking error, the closer the portfolio returns have been to its risk index. Aggressively managed portfolios would be expected to have higher tracking errors than portfolios with a more conservative investment style..

---

**TREYNOR RATIO**

The Treynor Ratio is a measure of reward per unit of risk. With Treynor, the numerator (i.e. reward) is defined as the excess return of the portfolio versus the risk-free rate. The denominator (i.e. risk) is defined as the portfolio beta. The result is a measure of excess return per unit of portfolio systematic risk. As with Sharpe and Sortino ratios, the Treynor Ratio only has value when it is used as the basis of comparison between portfolios. The higher the Treynor Ratio, the better.

	QUANTITATIVE EVALUATION ITEMS	QUALITATIVE EVALUATION ITEMS
 <b>MARKED FOR REVIEW</b>  <b>The following categories of the Investment Policy Monitor appear “Marked For Review” when:</b>	<b>3/5 Year Risk- adjusted Performance</b>  The investment option’s 3 or 5 Year Annualized Risk Adjusted Performance falls below the 50th percentile of the peer group.  <b>3/5 Year Performance vs. Peers</b>  The investment option’s 3 or 5 Year Annualized Peer Relative Performance falls below the 50th percentile of the peer group.  <b>3/5 Year Style</b>  The investment option’s 3 or 5 Year R-Squared measure falls below the absolute threshold set per asset class.  <b>3/5 Year Confidence</b>  The investment option’s 3 or 5 Year Confidence Rating falls below the 50 <sup>th</sup> percentile of the peer group.	<b>Fund Management</b>  A significant disruption to the investment option’s management team has been discovered.  <b>Fund Family</b>  A significant disruption to the investment option’s parent company has been discovered.
<b>CAPTRUST’s Investment Policy Monitoring Methodology</b>  The Investment Policy Monitoring Methodology document describes the systems and procedures CAPTRUST uses to monitor and evaluate the investment vehicles in your plan/account on a quarterly basis.  Our current Investment Policy Monitoring Methodology document can be accessed through the following link:  <a href="https://captrust.com/investmentmonitoring">captrust.com/investmentmonitoring</a>		

CITY OF BIRMINGHAM, MICHIGAN  
1ST QUARTER, 2023

**QUARTERLY REVIEW**

**CAPTRUST**

3000 Town Center Boulevard, Suite 2650, Southfield, MI, 48075  
99 Monroe Avenue, N.W., Suite 901, Grand Rapids, MI 49503

Our mission is to enrich the lives of our clients, colleagues and communities through sound financial advice, integrity, and a commitment to service beyond expectation.



## City of Birmingham Retiree Health Care Fund

1st Quarter, 2023 Quarterly Review

prepared by:

**Dori Drayton, CPA ,CFP®**

Principal | Financial Advisor

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Vice President | Financial Advisor

**Brett Reardon, CIMA®, CPFA**

Financial Advisor | Relationship Manager

Section 1

### INDUSTRY UPDATES

Section 2

### MARKET COMMENTARY AND REVIEW

Section 3

### EXECUTIVE SUMMARY

Section 4

### DUE DILIGENCE

Section 5

### MANAGER FACT SHEETS

Appendix



## RISING PBGC PREMIUMS AND THE COST OF BEING UNDERFUNDED

ERISA established the Pension Benefit Guaranty Corporation (PBGC) to protect participants' retirement benefits in private-sector plans, but rising premiums continue to create pain for plan sponsors that have underfunded pension plans. The exhibits below demonstrate some potential options plan sponsors can pursue with the intent of minimizing PBGC premiums.

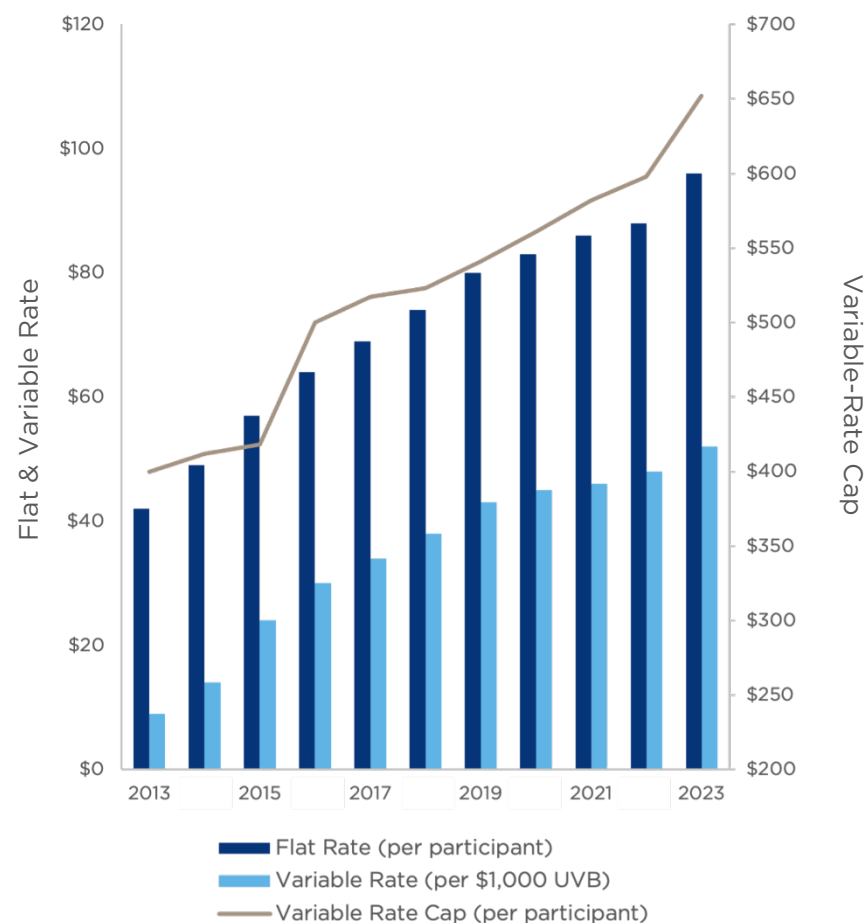
### PBGC OPTIMIZATION STRATEGIES

- **Lump Sums.** Offer terminated-vested or retiree participants a one-time payment for the present value of their future annuity benefits.
- **Buyout Annuity.** Purchase a group annuity contract for retirees to transfer their pension obligations to an insurance company.
- **Variable-Rate Premium Rate Method.** As interest rates rise, discount rate and funded status improves, thereby reducing variable-rate premiums. Meanwhile, using the alternative premium funding target could lower the VRP owed in a declining rate environment. Regardless, once selected, the method must be applied for five years.
- **Contributions:** Contributions to the plan reduce variable-rate premiums. This strategy should be considered as a way to free up capital for more efficient operational needs of the organization.

### PREMIUM TYPES

- **Flat-Rate Premium:** \$96 per participant; more than doubled (129%) since 2013.
- **Variable-Rate Premium:** \$52 per \$1,000 unfunded vested benefits (UVB); increased 478% since 2013.
- **Variable-Rate Cap:** \$652 per participant; increased 63% since 2013.

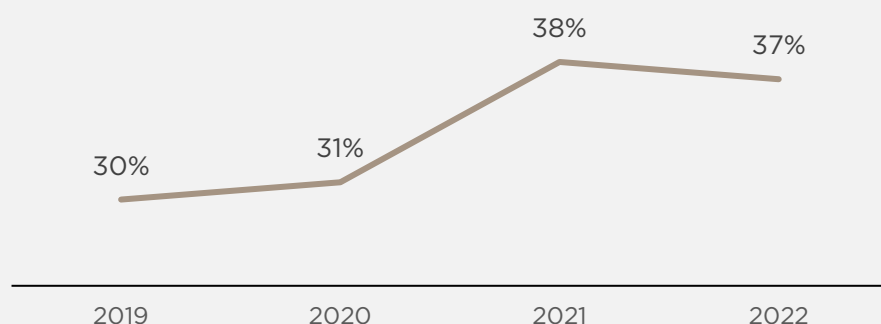
Steady Rise of PBGC Premiums



## IT'S NOT EASY BEING GREEN: ESG TAKEAWAYS FROM OUR 2022 SURVEY

While environmental, social, and governance (ESG) investments have experienced increasing popularity and adoption in recent years, there are new indications that enthusiasm may be plateauing or modestly waning. In CAPTRUST's 2022 Annual Survey on Endowments and Foundations, participants reported a first-ever decline in the use of ESG in their organizations' portfolios.

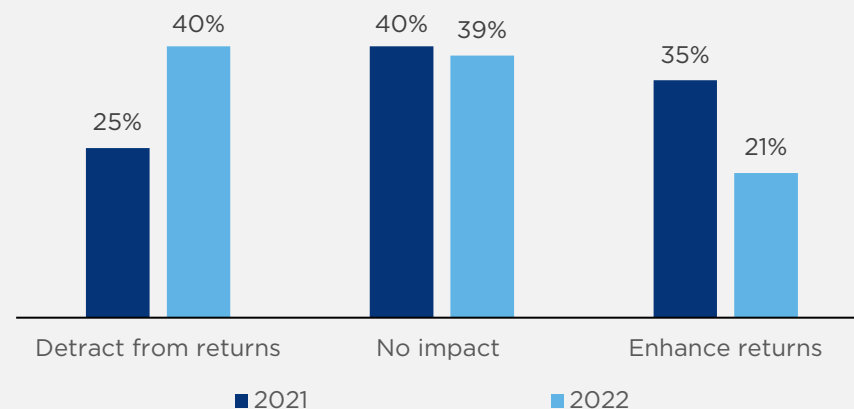
**Percentage of Nonprofits Utilizing ESG, Impact, and Mission-Aligned Strategies**



Survey Respondents: 105

Responses in CAPTRUST's Annual Survey on Endowments and Foundations indicate that the trend towards ESG adoption may be decelerating.

**Expected Performance Impact of ESG Investments**



Survey Respondents: 75

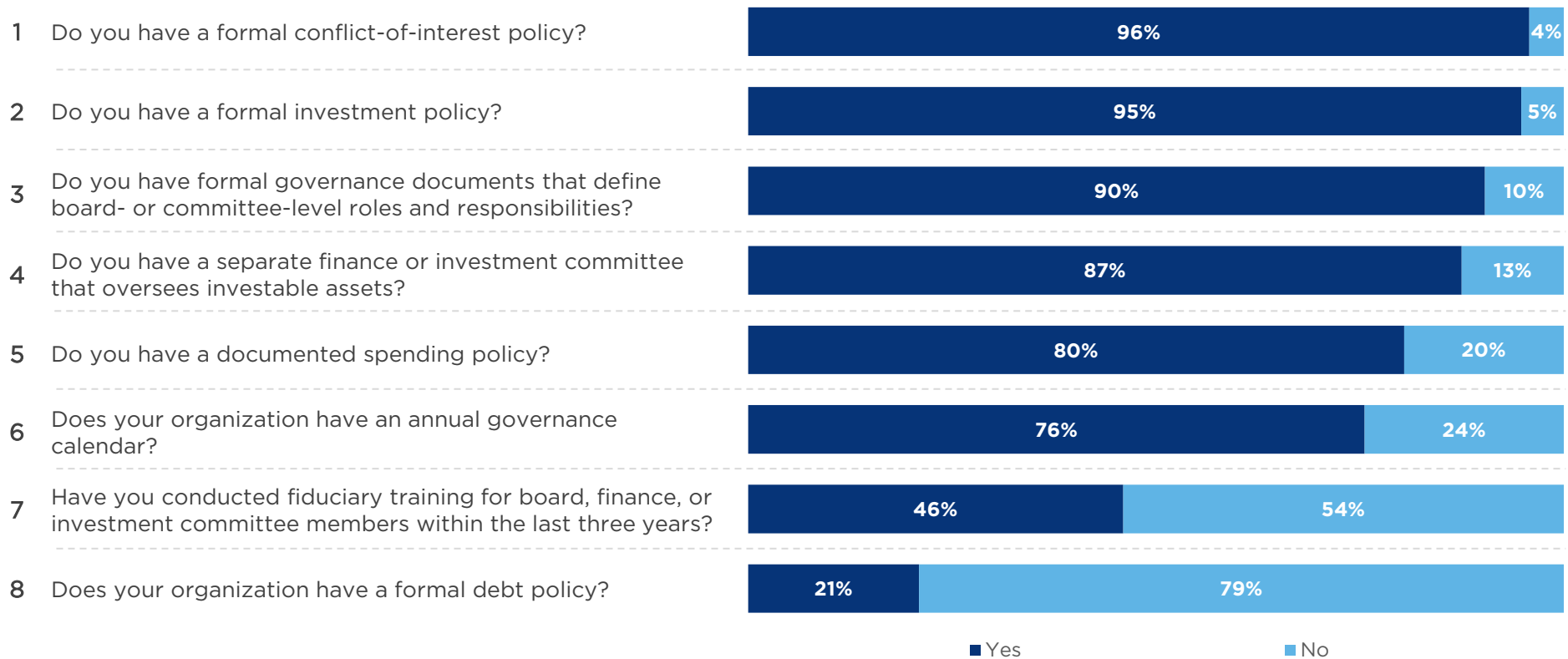
One contributing factor impacting the perception of ESG is expected performance. Note that energy was the only GICS sector with a positive return in the S&P 500 in 2022, which may be influencing this perception.

There are differing views on ESG and SRI investments, from their long-term potential to change the world to the impact they may have on donor engagement. What falls under the umbrella of these categories can vary materially depending on the organization considering them. Consider whether such an investing philosophy is consistent with your organization's mission and objectives.

Source: CAPTRUST 2022 Endowment & Foundation Survey, S&P Global

## GOVERNANCE INSIGHTS: USE OF BEST PRACTICES FROM OUR 2022 SURVEY

There are several governance best practices to consider when operating a nonprofit. In CAPTRUST's annual Endowment and Foundation Survey, participants indicated whether their organizations had these policies in place.



Survey Respondents: 105

There are some common elements that may be worth memorializing as formal policy. Implementing best practices in the governance of nonprofit organizations can help increase transparency and accountability as well as facilitate decision-making processes.

Source: CAPTRUST 2022 Endowment & Foundation Survey

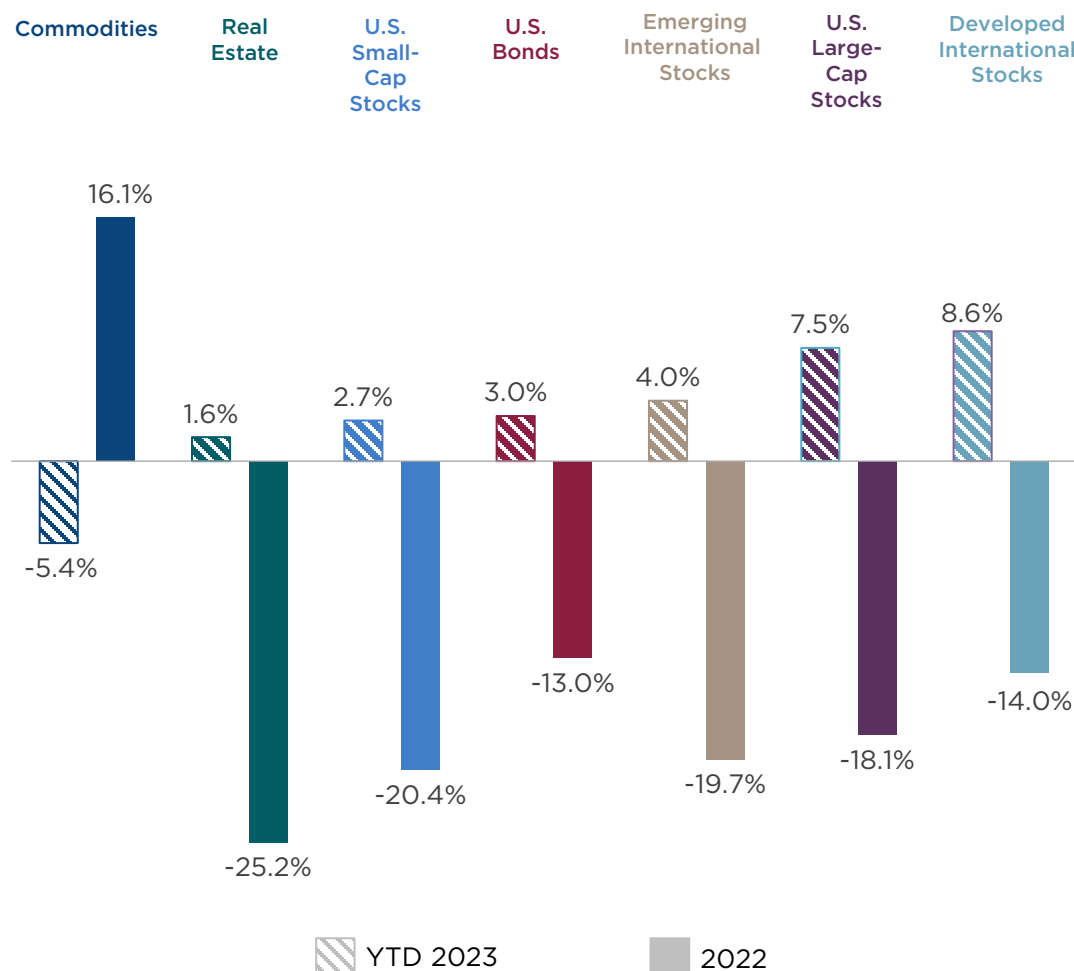




## STRONG RETURNS, SHAKY NERVES

After a strong start to 2023, the first quarter ended on a high note despite a rapid-fire array of troubling news. In early March, two large banks failed, and policymakers stepped in to keep isolated problems from becoming a systemic crisis. Despite the headlines, stock and bond markets were surprisingly calm.

- In the U.S., large-cap stocks floated upward, with their small-cap counterparts trailing behind.
- The financial sector faced understandably stiff headwinds, and investors reacted to banking sector news by rotating back to the comfort of mega-cap technology companies with ample cash flows.
- Skeptical of future Fed actions, bond investors drove prices higher as yields slipped lower.
- Outside the U.S., international developed and emerging markets saw modest but steady gains. The post-pandemic reopening of China, stabilizing energy prices across Europe, and a weakening U.S. dollar contributed.
- Real estate posted a modest gain for the quarter, although many of the same challenges of last year remain as headwinds.
- 2022's standout performer, commodities, was the only major asset class in negative territory for the quarter as oil prices slipped.



Asset class returns are represented by the following indexes: Bloomberg U.S. Aggregate Bond Index (U.S. bonds), S&P 500 Index (U.S. large-cap stocks), Russell 2000® (U.S. small-cap stocks), MSCI EAFE Index (international developed market stocks), MSCI Emerging Market Index (emerging market stocks), Dow Jones U.S. Real Estate Index (real estate), and Bloomberg Commodity Index (commodities).

## DIGGING DEEPER: STOCKS AND BONDS

### Equities

	Q1 2023	YTD 2023	Last 12 Months
U.S. Stocks	7.5%	7.5%	-7.8%
• Q1 Best Sector: Technology	21.8%	21.8%	-4.6%
• Q1 Worst Sector: Financials	-5.6%	-5.6%	-14.3%
International Stocks	8.6%	8.6%	-0.9%
Emerging Markets Stocks	4.0%	4.0%	-10.3%

### Fixed Income

	3.31.23	12.31.22	3.31.22
1-Year U.S. Treasury Yield	4.62%	4.71%	1.61%
10-Year U.S. Treasury Yield	3.47%	3.88%	2.34%
	QTD 2023	YTD 2023	Last 12 Months
10-Year U.S. Treasury Total Return	3.76%	3.76%	-6.79%

### Equities – Relative Performance by Market Capitalization and Style

Q1 2023				YTD 2023				Last 12 Months			
	Value	Blend	Growth		Value	Blend	Growth		Value	Blend	Growth
Large	1.0%	7.5%	14.4%	Large	1.0%	7.5%	14.4%	Large	-5.9%	-7.8%	-10.9%
Mid	1.3%	4.1%	9.1%	Mid	1.3%	4.1%	9.1%	Mid	-9.2%	-8.8%	-8.5%
Small	-0.7%	2.7%	6.1%	Small	-0.7%	2.7%	6.1%	Small	-13.0%	-11.6%	-10.6%

Sources: Bloomberg, U.S. Treasury. Asset class returns are represented by the following indexes: S&P 500 Index (U.S. stocks), MSCI EAFE Index (international developed market stocks), and MSCI Emerging Markets Index (emerging market stocks). Relative performance by market capitalization and style is based upon the Russell US Style Indexes except for large-cap blend, which is based upon the S&P 500 Index.



26.1%	14.2%	12.9%	10.1%	8.7%	8.1%	7.2%	4.6%	2.9%	2.6%	2.6%
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## DIGGING DEEPER: FIXED INCOME MARKET

Interest Rates	3 Months	2 Years	5 Years	10 Years	30 Years	Mortgage Rate
December 2022	4.37%	4.43%	4.00%	3.88%	3.97%	6.66%
March 2023	4.75%	4.03%	3.58%	3.47%	3.65%	6.81%
Change	0.37%	-0.40%	-0.43%	-0.41%	-0.31%	0.15%

U.S. Treasury yields moved mostly lower this quarter as turmoil in the banking sector left investors with the expectation of less aggressive future Fed policy. Mortgage rates remain exceptionally high, contributing to a slowing housing market.

Bloomberg U.S. Aggregate Bond Index	Yield to Worst	Duration	Total Return Q1 2023	Spread	Treasury Rate	AA Spread	BBB Spread
December 2022	4.68%	6.17	2.96%	0.51%	4.17%	0.73%	1.59%
March 2023	4.40%	6.33		0.57%	3.83%	0.75%	1.67%
Change	-0.28%	0.16%		0.06%	-0.34%	0.02%	0.08%

Performance for core bonds was positive for the quarter, after declining 13% in 2022. Yields moved lower for core fixed income, while credit spreads increased only slightly.

Bloomberg U.S. Long Credit Index	Yield to Worst	Duration	Total Return Q1 2023	Spread	Treasury Rate	AA Spread	BBB Spread
December 2022	5.59%	12.81	5.42%	1.57%	4.02%	1.06%	1.93%
March 2023	5.28%	13.05		1.59%	3.69%	1.06%	1.93%
Change	-0.31%	0.24		0.01%	-0.32%	0.00%	0.01%

Performance for longer-maturity bonds was boosted this quarter by lower yields and nearly unchanged credit spreads.

Sources: Bloomberg, U.S. Treasury, CAPTRUST Research

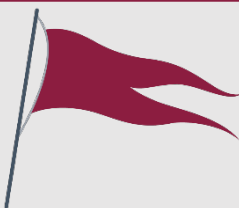
## ECONOMIC OUTLOOK

The economy's forward path has become even more complicated with recent high-profile but isolated bank failures accentuating the impact of rising rates. While the Fed remains committed to taming inflation, it must also consider the lagged impact of prior tightening actions. Stricter regulation and tighter lending conditions could compound the effect of its restrictive monetary policy and further slow the economy.

### HEADWINDS

#### The Fed Conflict

- Although inflation remains elevated, prices have descended. The Fed now faces the task of achieving price stability while avoiding strain on the financial system.



#### Financial System in Turmoil

- Regional and community banks risk losing cash deposits to the perceived safety of larger institutions. Such moves may lead to tighter lending conditions across several economic sectors.

#### Earnings at Risk

- Despite cost-cutting, certain sectors could see squeezed margins. Financial firms may see tighter regulation and lower net interest margins, while a mild winter and cost inflation could create headwinds for energy companies.

#### Debt-Ceiling Deadlock

- To avoid the consequences of a default, Congress needs to raise the debt ceiling by mid-summer.
- This debt-ceiling compromise must be struck between polarized parties with thin margins, raising the odds of political fireworks.

### TAILWINDS

#### Consumer Goods Inflation Easing

- The cost of key consumer goods, like food, gas, and housing, is gradually abating.
- Reduced logistic pressures and the Chinese economic reopening have improved supply-side capacity.
- Warmer weather, conservation, and the use of energy reserves have benefited oil and gas prices.
- A wave of new supply has tempered rent growth.



#### Resilient Labor Market and Consumer Spending

- While wage pressures have eased, job growth remains robust. A stronger labor market provides greater household confidence, supporting consumer spending across goods and services.

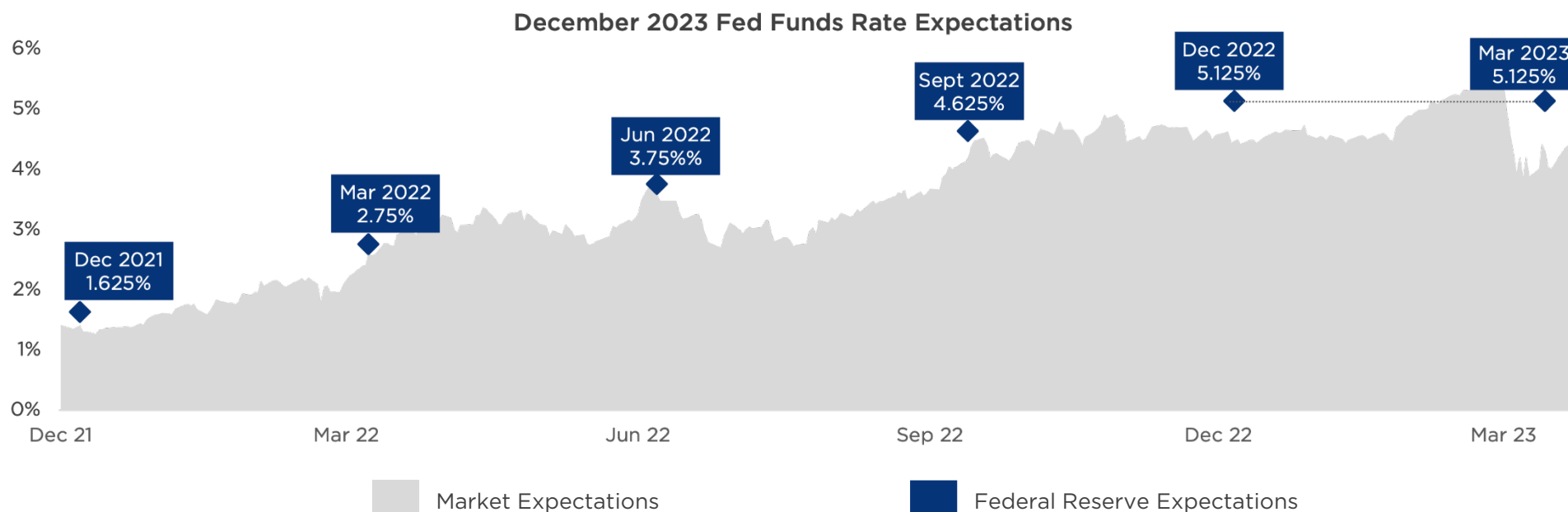
#### Traditional Diversification Benefits

- 2022's highly unusual environment made diversification an ineffective tool.
- Supported by a higher risk-free rate, the new year has shown hints of more normal diversification relationships between asset classes, with stock and bond prices reacting differently to economic data.

The wide range of potential outcomes and an uncertain policy environment limit the ability to create a singular forecast with confidence. Investors should remain vigilant, diversified, and prepared for ongoing volatility.

## A FED IN CONFLICT

Before the banking system stresses that emerged in March, the Fed was prepared to maintain higher-for-longer interest rates in the face of labor market strength and inflation that remains above target. Now, the Fed must balance its goal of lowering inflation while maintaining stability in the financial system. With so much uncertainty surrounding the forward path, expectations are diverging.



### OBSERVATIONS

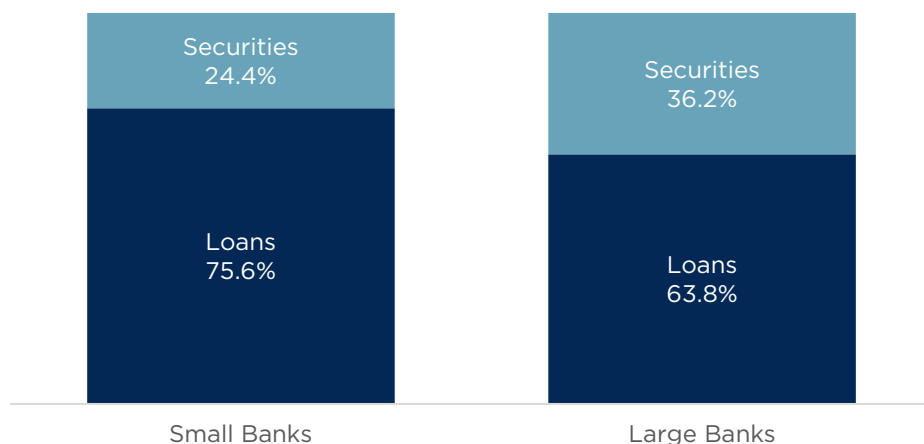
- For much of 2022, both the market's expectations and the Fed's forecasts were aligned about where the fed funds rate would land at the end of 2023. However, the two began to diverge in late 2022, with the Fed maintaining its higher-for-longer stance, while markets envisioned a quicker Fed pivot.
- Both sides remain data-dependent. A stronger-than-expected January jobs report sent market expectations above Fed targets. However, the bank collapses in March sent expectations sharply lower as the market anticipated rate cuts before 2024. How this difference of opinion reconciles will be a critical contributor to market conditions and investor sentiment for the remainder of the year.

Sources: Bloomberg, CAPTRUST Research. Data as of 3.31.2023.

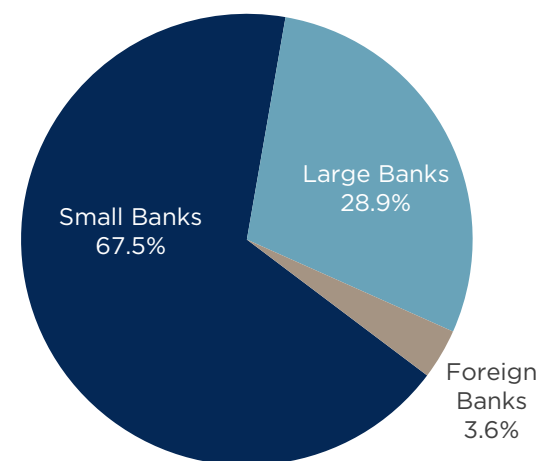
## BANK STRESS IMPACTS MAY PERSIST

After the collapse of Silicon Valley Bank and Signature Bank in early March, regional and community banks have come under pressure. The week after these disruptions, savers withdrew more than \$180 billion from small banks, the largest weekly deposit decline of the last 20 years. Large banks were the primary beneficiaries, as investors flocked to their perceived safety. Continued declines in deposit balances could ultimately leave small and midsize banks vulnerable, leading to tighter lending conditions across several economic sectors.

Percent of Bank Credit



Issuers of Commercial Real Estate Loans



### OBSERVATIONS

- Generally, large banks maintain a higher percentage of their bank credit—or a portion of total assets—in securities and lend approximately 65% of available credit. Conversely, loans make up approximately 75% of smaller banks' available bank credit. Consequently, a deposit shift from small banks to larger ones will likely restrict the amount of credit available across the overall economy.
- Most vulnerable is the commercial real estate market, where small banks provide nearly 70% of all commercial real estate loans. Restrictive credit conditions could create challenges for these markets that are already facing valuation pressure from rising interest rates.

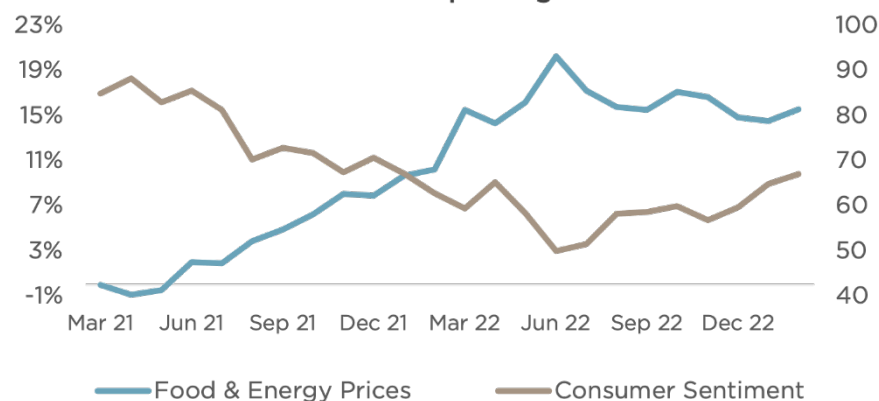
Sources: Board of Governors of the Federal Reserve System, CAPTRUST Research. Large banks are defined as the largest 25 U.S. chartered commercial banks. Small banks are defined all chartered U.S. commercial banks excluding the top 25.



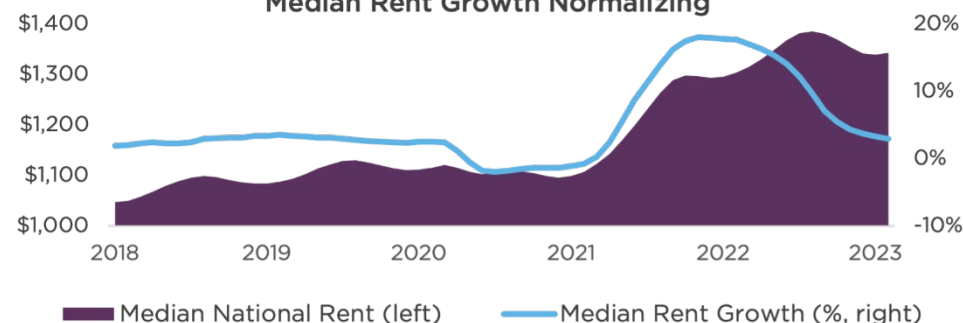
## RELIEF FOR CONSUMERS AS PRICES FALL

Consumer purchasing power has improved as the prices of key items such as groceries and gasoline have receded from their 2022 peaks. The robust labor market has also contributed to a more confident consumer by driving wages higher. However, these same high labor costs are adversely impacting the price of worker-dependent services, like home repair, travel, and entertainment, contributing to higher overall inflation.

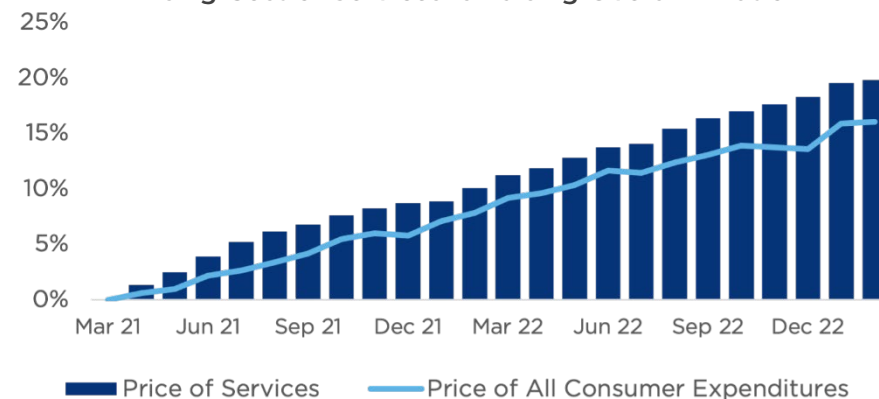
**Consumer Sentiment Improving with Lower Costs**



**Median Rent Growth Normalizing**



**Rising Cost of Services Is Raising Overall Inflation**



### OBSERVATIONS

- Consumer sentiment reached an all-time low in June 2022, just as food and energy prices peaked. Sentiment has improved as prices have come down.
- Landlords are holding rents steady in anticipation of competition, as the market is expected to see the largest delivery of new unit supply since 1986. Much of this supply comes from real estate developers seeking to capitalize on pent-up housing demand.
- The cost of services has risen 20% in just two years as workers return to the office and in-person activities. This increase is driving persistently high headline inflation even as the cost of goods has ebbed.

Sources: U.S. Bureau of Economic Analysis, U.S. Department of Housing and Urban Development, University of Michigan Consumer Sentiment Index, CAPTRUST Research. Data as of March 31, 2023.

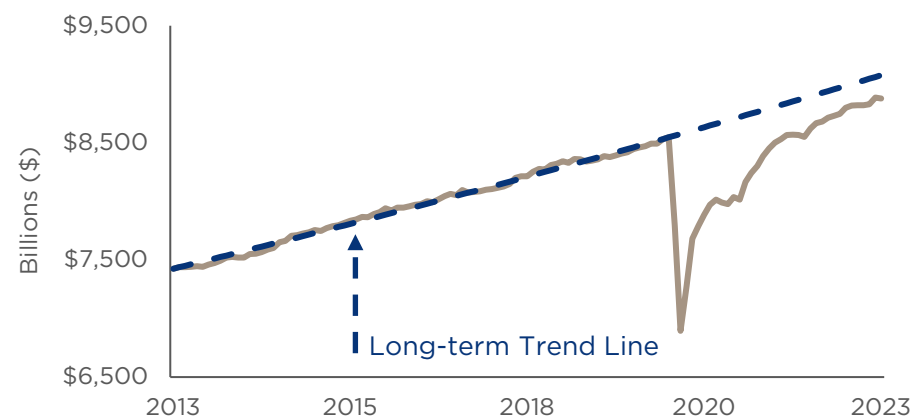
## REGISTERS KEEP RINGING WITH JOBS, SAVINGS

While the strong labor market is proving to be a thorn in the Fed's side, it continues to support economic activity, giving consumers greater confidence to maintain spending. While personal savings rates have recently fallen below long-term averages, this additional spending has been supported by excess savings accumulated during the pandemic. Based on the February 2020 savings level, economists estimate approximately \$1 trillion in excess savings remains in the system.

### U.S. Real Consumer Spending - Goods



### U.S. Real Consumer Spending - Services



#### OBSERVATIONS: GOODS

- Spending on goods continues to run above pre-pandemic levels. At the end of February 2023, spending on goods was approximately \$285 billion above the long-term trend line.
- The easing of inflation across goods sectors has supported real spending.
- As supply chains have reopened, supply-demand imbalances have quickly cleared.

#### OBSERVATIONS: SERVICES

- While spending on services has not fully returned to long-term trends, the recovery across the industry has been robust.
- Continued inflation pressures, especially wage inflation, across the services sector have restricted real spending.
- While higher wages support nominal spending, higher real wages are also driving up the cost of services, limiting the impact of spending.

Sources: Bureau of Economic Analysis-SAAR, Bloomberg, CAPTRUST Research

# ASSET CLASS RETURNS

Period Ending 3.31.23 | Q1 23

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q1 2023
Small-Cap Growth 29.09%	Fixed Income 7.84%	Mid-Cap Value 18.51%	Small-Cap Growth 43.30%	Mid-Cap Value 14.75%	Large-Cap Growth 5.67%	Small-Cap Value 31.74%	Large-Cap Growth 30.21%	Cash 1.87%	Large-Cap Growth 36.39%	Large-Cap Growth 38.49%	Mid-Cap Value 28.34%	Cash 1.46%	Large-Cap Growth 14.37%
Mid-Cap Growth 26.38%	Large-Cap Growth 2.64%	Small-Cap Value 18.05%	Mid-Cap Growth 35.74%	Large-Cap Value 13.45%	Fixed Income 0.55%	Mid-Cap Value 20.00%	International Equities 25.62%	Fixed Income 0.01%	Mid-Cap Growth 35.47%	Mid-Cap Growth 35.59%	Small-Cap Value 28.27%	Large-Cap Value -7.54%	Mid-Cap Growth 9.14%
Mid-Cap Value 24.75%	Large-Cap Value 0.39%	International Equities 17.90%	Small-Cap Value 34.52%	Large-Cap Growth 13.05%	Cash 0.05%	Large-Cap Value 17.34%	Mid-Cap Growth 25.27%	Large-Cap Growth -1.51%	Small-Cap Growth 28.48%	Small-Cap Growth 34.63%	Large-Cap Growth 27.60%	Mid-Cap Value -12.03%	International Equities 8.62%
Small-Cap Value 24.50%	Cash 0.10%	Large-Cap Value 17.51%	Large-Cap Growth 33.48%	Mid-Cap Growth 11.90%	Mid-Cap Growth -0.20%	Small-Cap Growth 11.32%	Small-Cap Growth 22.17%	Mid-Cap Growth -4.75%	Mid-Cap Value 27.06%	International Equities 8.28%	Large-Cap Value 25.16%	Fixed Income -13.01%	Small-Cap Growth 6.07%
Large-Cap Growth 16.71%	Mid-Cap Value -1.38%	Mid-Cap Growth 15.81%	Mid-Cap Value 33.46%	Fixed Income 5.97%	International Equities -0.39%	Mid-Cap Growth 7.33%	Large-Cap Value 13.66%	Large-Cap Value -8.27%	Large-Cap Value 26.54%	Fixed Income 7.51%	Mid-Cap Growth 12.73%	International Equities -14.01%	Fixed Income 2.96%
Large-Cap Value 15.51%	Mid-Cap Growth -1.65%	Large-Cap Growth 15.26%	Large-Cap Value 32.53%	Small-Cap Growth 5.60%	Small-Cap Growth -1.38%	Large-Cap Growth 7.08%	Mid-Cap Value 13.34%	Small-Cap Growth -9.31%	International Equities 22.66%	Mid-Cap Value 4.96%	International Equities 11.78%	Small-Cap Value -14.48%	Mid-Cap Value 1.32%
International Equities 8.21%	Small-Cap Growth -2.91%	Small-Cap Growth 14.59%	International Equities 23.29%	Small-Cap Value 4.22%	Large-Cap Value -3.83%	Fixed Income 2.65%	Small-Cap Value 7.84%	Mid-Cap Value -12.29%	Small-Cap Value 22.39%	Small-Cap Value 4.63%	Small-Cap Growth 2.83%	Small-Cap Growth -26.36%	Cash 1.07%
Fixed Income 5.89%	Small-Cap Value -5.50%	Fixed Income 4.22%	Cash 0.07%	Cash 0.03%	Mid-Cap Value -4.78%	International Equities 1.51%	Fixed Income 3.54%	Small-Cap Value -12.86%	Fixed Income 8.72%	Large-Cap Value 2.80%	Cash 0.05%	Mid-Cap Growth -26.72%	Large-Cap Value 1.01%
Cash 0.13%	International Equities -11.73%	Cash 0.11%	Fixed Income -2.02%	International Equities -4.48%	Small-Cap Value -7.47%	Cash 0.33%	Cash 0.86%	International Equities -13.36%	Cash 2.28%	Cash 0.67%	Fixed Income -1.54%	Large-Cap Growth -29.14%	Small-Cap Value -0.66%

Small-Cap Value Stocks (Russell 2000 Value)	Large-Cap Value Stocks (Russell 1000 Value)	International Equities (MSCI EAFE)
Small-Cap Growth Stocks (Russell 2000 Growth)	Mid-Cap Growth Stocks (Russell Mid-Cap Growth)	Fixed Income (Bloomberg U.S. Aggregate Bond)
Large-Cap Growth Stocks (Russell 1000 Growth)	Mid-Cap Value Stocks (Russell Mid-Cap Value)	Cash (Merrill Lynch 3-Month Treasury Bill)

Source: Markov Processes, Inc., Bloomberg, Mobius

The information contained in this report is from sources believed to be reliable but is not warranted by CAPTRUST to be accurate or complete.



# INDEX PERFORMANCE

Period Ending 3.31.23 | Q1 23

INDEXES	Q1 2023	YTD	2022	2021	2020	2019	2018	1 YEAR	3 YEARS	5 YEARS	10 YEARS
90-Day U.S. Treasury	1.07%	1.07%	1.46%	0.05%	0.67%	2.28%	1.87%	2.50%	0.89%	1.41%	0.87%
Bloomberg Government 1-3 Year	1.59%	1.59%	-3.81%	-0.60%	3.14%	3.59%	1.58%	0.23%	-0.83%	1.09%	0.81%
Bloomberg Intermediate Govt	2.26%	2.26%	-7.73%	-1.69%	5.73%	5.20%	1.43%	-1.52%	-2.31%	1.06%	0.90%
Bloomberg Muni Bond	2.78%	2.78%	-8.53%	1.52%	5.21%	7.54%	1.28%	0.26%	0.35%	2.03%	2.38%
Bloomberg Intermediate Govt/Credit	2.33%	2.33%	-8.23%	-1.44%	6.43%	6.80%	0.88%	-1.66%	-1.28%	1.40%	1.32%
Bloomberg Intermediate Credit	2.47%	2.47%	-9.10%	-1.03%	7.08%	9.52%	0.01%	-1.88%	0.37%	1.86%	1.95%
Bloomberg Aggregate Bond	2.96%	2.96%	-13.01%	-1.54%	7.51%	8.72%	0.01%	-4.78%	-2.77%	0.90%	1.36%
Bloomberg Corporate IG Bond	3.50%	3.50%	-15.76%	-1.04%	9.89%	14.54%	-2.51%	-5.55%	-0.54%	1.62%	2.32%
Bloomberg High Yield	3.57%	3.57%	-11.19%	5.28%	7.11%	14.32%	-2.08%	-3.34%	5.91%	3.21%	4.10%
Bloomberg Global Aggregate	3.01%	3.01%	-16.25%	-4.71%	9.20%	6.84%	-1.20%	-8.07%	-3.43%	-1.34%	0.07%
Bloomberg U.S. Long Corporate	5.45%	5.45%	-25.62%	-1.13%	13.94%	23.89%	-7.24%	-11.46%	-2.56%	1.14%	2.97%
S&P 500	7.50%	7.50%	-18.11%	28.71%	18.40%	31.49%	-4.38%	-7.73%	18.62%	11.18%	12.23%
Dow Jones Industrial Average	0.93%	0.93%	-6.86%	20.95%	9.72%	25.34%	-3.48%	-1.98%	17.33%	9.01%	11.14%
NASDAQ Composite	16.77%	16.77%	-33.10%	21.39%	43.64%	35.23%	-3.88%	-14.05%	16.66%	11.58%	14.09%
Russell 1000 Value	1.01%	1.01%	-7.54%	25.16%	2.80%	26.54%	-8.27%	-5.91%	17.94%	7.49%	9.12%
Russell 1000	7.46%	7.46%	-19.13%	26.45%	20.96%	31.43%	-4.78%	-8.39%	18.57%	10.86%	12.01%
Russell 1000 Growth	14.37%	14.37%	-29.14%	27.60%	38.49%	36.39%	-1.51%	-10.90%	18.59%	13.65%	14.58%
Russell Mid-Cap Value Index	1.32%	1.32%	-12.03%	28.34%	4.96%	27.06%	-12.29%	-9.22%	20.71%	6.53%	8.79%
Russell Mid-Cap Index	4.06%	4.06%	-17.32%	22.58%	17.10%	30.54%	-9.06%	-8.78%	19.21%	8.05%	10.05%
Russell Mid-Cap Growth Index	9.14%	9.14%	-26.72%	12.73%	35.59%	35.47%	-4.75%	-8.52%	15.21%	9.07%	11.16%
MSCI EAFE	8.62%	8.62%	-14.01%	11.78%	8.28%	22.66%	-13.36%	-0.86%	13.53%	4.03%	5.49%
MSCI ACWI ex U.S.	7.00%	7.00%	-15.57%	8.29%	11.13%	22.13%	-13.78%	-4.56%	12.33%	2.97%	4.65%
Russell 2000 Value	-0.66%	-0.66%	-14.48%	28.27%	4.63%	22.39%	-12.86%	-12.96%	21.03%	4.54%	7.21%
Russell 2000	2.74%	2.74%	-20.44%	14.82%	19.96%	25.52%	-11.01%	-11.61%	17.52%	4.71%	8.03%
Russell 2000 Growth	6.07%	6.07%	-26.36%	2.83%	34.63%	28.48%	-9.31%	-10.60%	13.37%	4.26%	8.49%
MSCI Emerging Markets	4.02%	4.02%	-19.74%	-2.22%	18.69%	18.90%	-14.25%	-10.30%	8.23%	-0.53%	2.37%
Dow Jones U.S. Real Estate Index	1.57%	1.57%	-25.17%	38.99%	-5.29%	28.92%	-4.03%	-18.70%	9.79%	5.64%	5.96%
HFRX Absolute Return Index	-0.20%	-0.20%	0.85%	2.10%	2.72%	4.37%	-0.49%	0.54%	3.87%	1.79%	1.94%
Consumer Price Index (Inflation)	0.94%	0.94%	6.42%	7.10%	1.28%	2.26%	1.92%	4.99%	5.35%	3.87%	2.65%
BLENDED BENCHMARKS	Q1 2023	YTD	2022	2021	2020	2019	2018	1 YEAR	3 YEARS	5 YEARS	10 YEARS
25% S&P 500/5% MSCI EAFE/70% BB Agg	4.37%	4.37%	-14.08%	6.13%	10.87%	14.96%	-1.55%	-5.07%	3.27%	3.87%	4.42%
30% S&P 500/10% MSCI EAFE/60% BB Agg	4.88%	4.88%	-14.35%	8.27%	11.56%	16.79%	-2.44%	-4.98%	5.16%	4.58%	5.20%
35% S&P 500/15% MSCI EAFE/50% BB Agg	5.39%	5.39%	-14.64%	10.44%	12.18%	18.63%	-3.34%	-4.92%	7.05%	5.27%	5.97%
40% S&P 500/20% MSCI EAFE/40% BB Agg	5.90%	5.90%	-14.96%	12.64%	12.75%	20.48%	-4.25%	-4.88%	8.96%	5.94%	6.72%
45% S&P 500/25% MSCI EAFE/30% BB Agg	6.41%	6.41%	-15.28%	14.87%	13.25%	22.33%	-5.17%	-4.86%	10.87%	6.58%	7.46%
60% S&P 500/40% Bloomberg Barclays Agg	5.67%	5.67%	-15.79%	15.86%	14.73%	22.18%	-2.35%	-6.25%	9.91%	7.34%	8.03%

Sources: Morningstar Direct, MPI. The opinions expressed in this report are subject to change without notice. This material has been prepared or is distributed solely for informational purposes and is not a solicitation or an offer to buy any security or to participate in any investment strategy. The performance data quoted represents past performance and does not guarantee future results. Index averages are provided for comparison purposes only. The information and statistics in this report are from sources believed to be reliable but are not guaranteed to be accurate or complete. CAPTRUST is an investment adviser registered under the Investment Advisers Act of 1940.



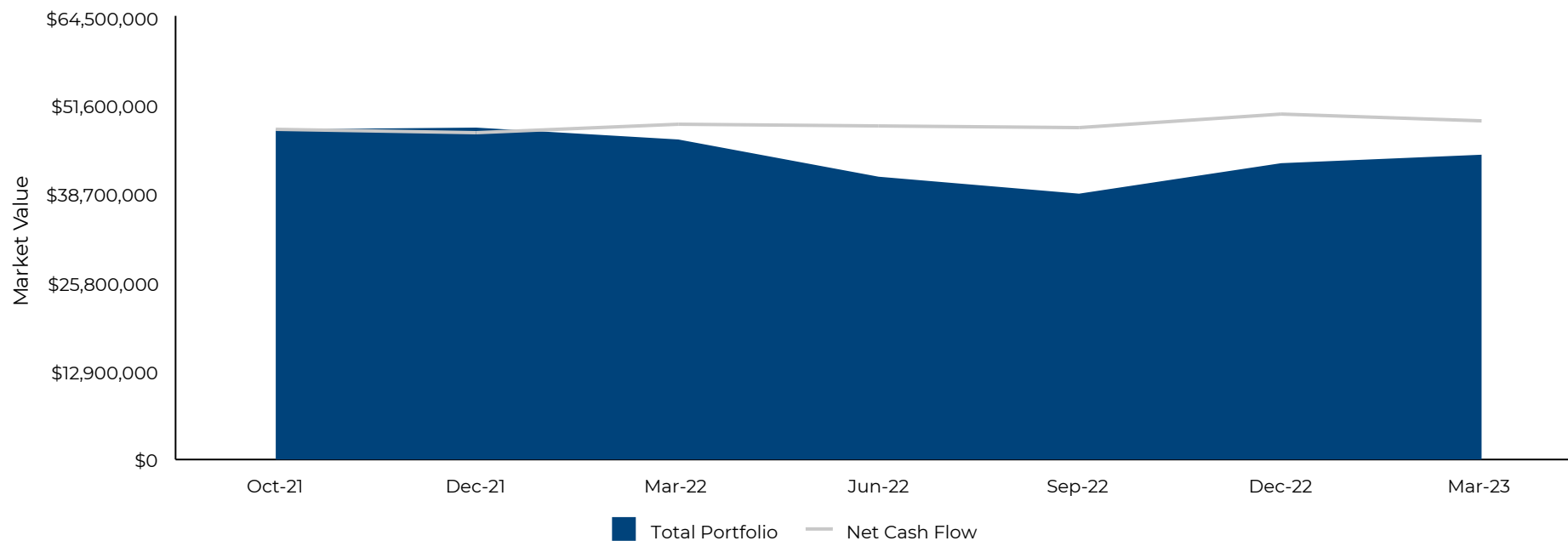


# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 3.31.23 | Q1 23

City of Birmingham Retiree Health Care Fund

## MARKET VALUES & CASH FLOW SUMMARY



	Last Quarter	2022	2021	2020	Since Inception	Inception Date
Total Portfolio						11/01/2021
Beginning Market Value	\$43,315,435	\$48,418,930	-	-	\$48,099,012	
Net Contributions	-\$980,652	\$2,531,200	-	-	\$1,262,960	
Net Investment Return	\$2,203,895	-\$7,634,695	-	-	-\$4,823,294	
Ending Market Value	\$44,538,678	\$43,315,435	-	-	\$44,538,678	

The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. Please refer to the official custodial account statement for verification. For Institutional Use Only.

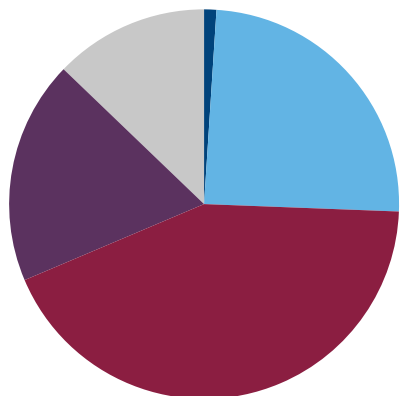


# ASSET ALLOCATION SUMMARY

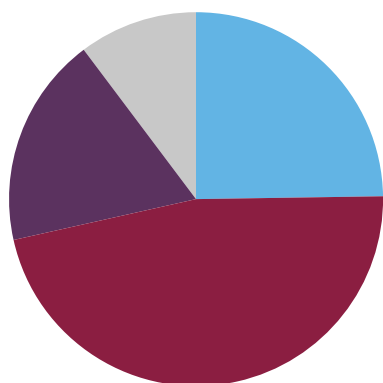
Period Ending 3.31.23 | Q1 23

City of Birmingham Retiree Health Care Fund

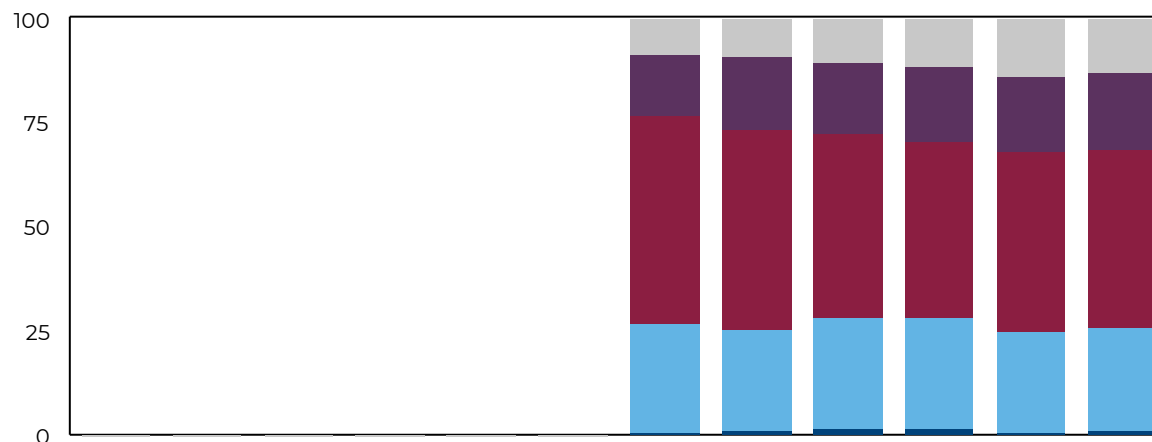
## ACTUAL ALLOCATION



## TARGET ALLOCATION



## HISTORIC ALLOCATION TREND



## QUARTERLY HISTORIC ALLOCATION TREND

	06 20 (%)	09 20 (%)	12 20 (%)	03 21 (%)	06 21 (%)	09 21 (%)	12 21 (%)	03 22 (%)	06 22 (%)	09 22 (%)	12 22 (%)	03 23 (%)
Total Cash & Equivalents	-	-	-	-	-	-	0.71	0.85	1.64	1.56	0.64	1.01
Total Fixed Income	-	-	-	-	-	-	26.08	24.71	26.49	26.73	24.43	24.59
Total U.S. Equities	-	-	-	-	-	-	49.73	47.53	43.90	42.23	42.72	43.02
Total International Equities	-	-	-	-	-	-	15.03	17.75	17.28	17.91	18.38	18.57
Total Strategic Opportunities	-	-	-	-	-	-	8.44	9.16	10.69	11.57	13.82	12.81

## ASSET REBALANCING ANALYSIS

Asset Class	Asset Allocation (%)	Target Allocation (%)	(+/-) Variance (%)
Total Cash & Equivalents	1.01	0.00	1.01
Total Fixed Income	24.59	24.75	-0.16
Total U.S. Equities	43.02	46.75	-3.73
Total International Equities	18.57	18.25	0.32
Total Strategic Opportunities	12.81	10.25	2.56

The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. For Institutional Use Only.

# ASSET ALLOCATION DETAIL

Period Ending 3.31.23 | Q1 23

## City of Birmingham Retiree Health Care Fund

MANAGER NAME	CASH	INVESTED	CASH (%)	TOTAL	TARGET (%)	ACTUAL (%)	VARIANCE (%)
Cash & Equivalents	\$449,225	-	100.00	\$449,225	-	1.01	-
Total Cash & Equivalents	\$449,225	-	100.00	\$449,225	0.00	1.01	1.01
BlackRock Total Return K	-	\$5,522,245	-	\$5,522,245	-	12.40	-
Metropolitan West Total Return Bd I	-	\$5,431,807	-	\$5,431,807	-	12.20	-
Total Fixed Income	-	\$10,954,053	-	\$10,954,053	24.75	24.59	-0.16
Allspring Special Small Cap Value R6	-	\$1,017,535	-	\$1,017,535	-	2.28	-
BlackRock Mid Cap Growth Equity K	-	\$2,054,850	-	\$2,054,850	-	4.61	-
Fidelity 500 Index	-	\$12,843,265	-	\$12,843,265	-	28.84	-
MFS Mid Cap Value R6	-	\$2,416,190	-	\$2,416,190	-	5.42	-
Principal Small Cap Growth Fund R6	-	\$828,178	-	\$828,178	-	1.86	-
Total U.S. Equities	-	\$19,160,017	-	\$19,160,017	46.75	43.02	-3.73
Amer Funds EuroPac Growth R6	-	\$4,215,127	-	\$4,215,127	-	9.46	-
Hartford International Opps R6	-	\$4,053,904	-	\$4,053,904	-	9.10	-
Total International Equities	-	\$8,269,031	-	\$8,269,031	18.25	18.57	0.32
Partners Group	-	\$1,883,149	-	\$1,883,149	-	4.23	-
Starwood Property Trust Inc. REIT	-	\$2,981,928	-	\$2,981,928	-	6.70	-
WhiteBox Multi-Strategy Fund LP	-	\$841,275	-	\$841,275	-	1.89	-
Total Strategic Opportunities	-	\$5,706,353	-	\$5,706,353	10.25	12.81	2.56
Total Portfolio	\$449,225	\$44,089,453	1.01	\$44,538,678	100.00	100.00	0.00

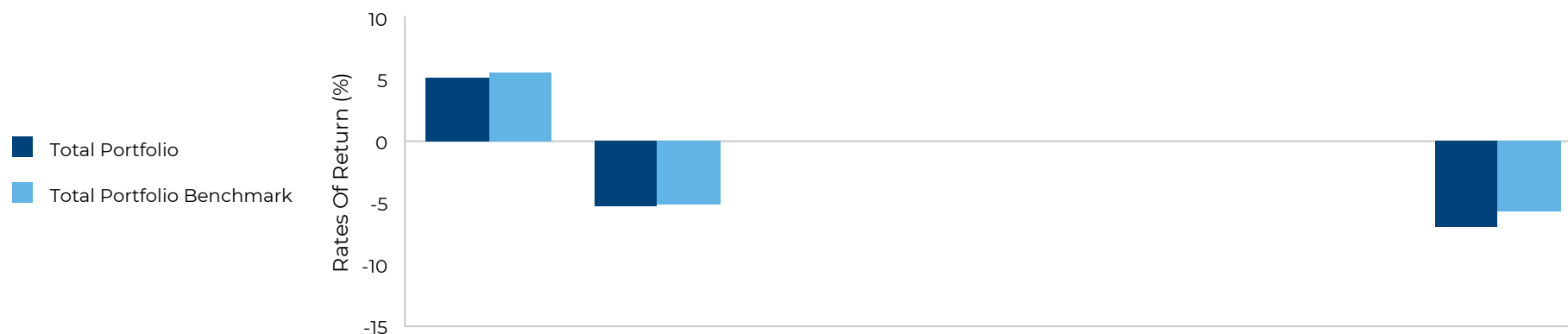
Information and statistics have been provided by the custodian and are not guaranteed to be accurate or complete. This is not a substitute for the official custodial account statement; please refer to the custodial statement for verification.



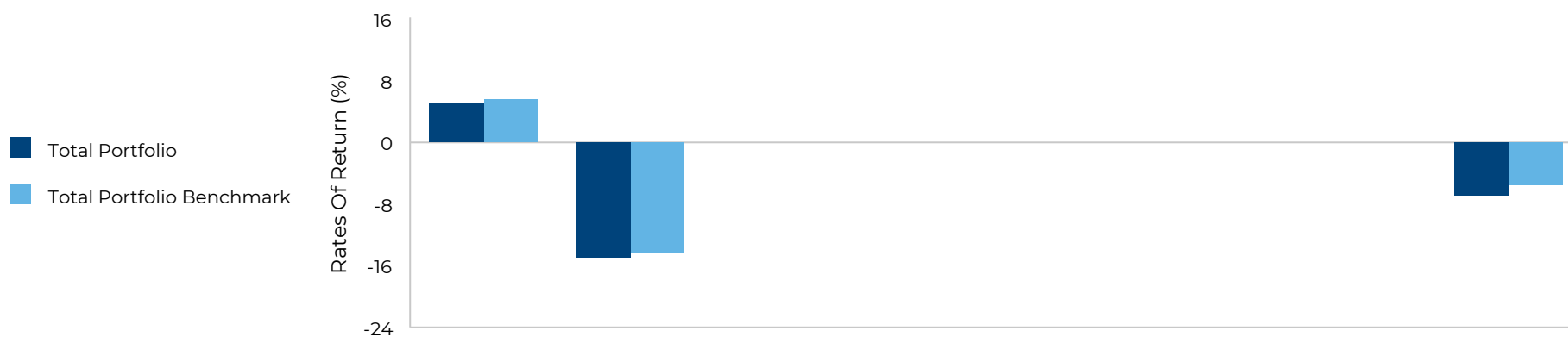


## City of Birmingham Retiree Health Care Fund

### TOTAL PORTFOLIO TRAILING PERFORMANCE



### TOTAL PORTFOLIO CALENDAR PERFORMANCE



	CYTD	2022	2021	2020	2019	2018	2017	Inception
Total Portfolio	5.08	-14.88	-	-	-	-	-	-6.91
Total Portfolio Benchmark	5.50	-14.19	-	-	-	-	-	-5.66

Performance returns over one-year are annualized. For important details regarding benchmarks, please refer the slides entitled "Total Fund Policy Benchmark Summary" in this presentation.

# INVESTMENT RETURNS | MANAGER RESULTS

Period Ending 3.31.23 | Q1 23

## City of Birmingham Retiree Health Care Fund

	Last Quarter	2022	2021	2020	2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Total Cash &amp; Equivalents</b>	<b>2.17</b>	<b>0.96</b>	-	-	-	<b>3.14</b>	-	-	-	<b>2.22</b>	<b>11/01/2021</b>
ICE BofA 3 Month U.S. T-Bill	1.07	1.46	-	-	-	2.50	-	-	-	1.80	
<b>Cash &amp; Equivalents</b>	<b>2.17</b>	<b>0.96</b>	-	-	-	<b>3.14</b>	-	-	-	<b>2.22</b>	<b>11/01/2021</b>
ICE BofA 3 Month U.S. T-Bill	1.07	1.46	-	-	-	2.50	-	-	-	1.80	
<b>Total Fixed Income</b>	<b>3.50</b>	<b>-14.42</b>	-	-	-	<b>-5.29</b>	-	-	-	<b>-8.22</b>	<b>11/01/2021</b>
Blmbg. U.S. Aggregate Index	2.96	-13.01	-	-	-	-4.78	-	-	-	-7.44	
<b>BlackRock Total Return K</b>	<b>3.87</b>	<b>-14.38</b>	-	-	-	<b>-4.91</b>	-	-	-	<b>-8.43</b>	<b>12/01/2021</b>
Blmbg. U.S. Aggregate Index	2.96	-13.01	-	-	-	-4.78	-	-	-	-8.12	
Intermediate Core-Plus Bond Median	3.15	-13.84	-	-	-	-5.58	-	-	-	-8.57	
<b>Metropolitan West Total Return Bd I</b>	<b>3.13</b>	<b>-14.79</b>	-	-	-	<b>-6.21</b>	-	-	-	<b>-9.38</b>	<b>12/01/2021</b>
Blmbg. U.S. Aggregate Index	2.96	-13.01	-	-	-	-4.78	-	-	-	-8.12	
Intermediate Core-Plus Bond Median	3.15	-13.84	-	-	-	-5.58	-	-	-	-8.57	
<b>Total U.S. Equities</b>	<b>6.71</b>	<b>-19.19</b>	-	-	-	<b>-8.10</b>	-	-	-	<b>-8.37</b>	<b>11/01/2021</b>
S&P 500 Index	7.50	-18.11	-	-	-	-7.73	-	-	-	-6.19	
<b>Allspring Special Small Cap Value R6</b>	<b>3.18</b>	<b>-13.52</b>	-	-	-	<b>-7.02</b>	-	-	-	<b>-5.87</b>	<b>11/01/2021</b>
Russell 2000 Value Index	-0.66	-14.48	-	-	-	-12.96	-	-	-	-10.53	
Small Value Median	1.28	-11.46	-	-	-	-7.13	-	-	-	-5.70	
<b>BlackRock Mid Cap Growth Equity K</b>	<b>11.40</b>	<b>-37.29</b>	-	-	-	<b>-16.21</b>	-	-	-	<b>-24.66</b>	<b>11/01/2021</b>
Russell Midcap Growth Index	9.14	-26.72	-	-	-	-8.52	-	-	-	-16.92	
Mid-Cap Growth Median	7.67	-28.34	-	-	-	-11.27	-	-	-	-18.32	

Performance returns over one-year are annualized. Information and statistics have been provided by the custodian and are not guaranteed to be accurate or complete. This is not a substitute for the official custodial account statement; please refer to the custodial statement for verification.



# INVESTMENT RETURNS | MANAGER RESULTS

Period Ending 3.31.23 | Q1 23

## City of Birmingham Retiree Health Care Fund

	Last Quarter	2022	2021	2020	2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Fidelity 500 Index</b>	<b>7.50</b>	<b>-18.13</b>	-	-	-	<b>-7.74</b>	-	-	-	<b>-6.21</b>	<b>11/01/2021</b>
S&P 500 Index	7.50	-18.11	-	-	-	-7.73	-	-	-	-6.19	
Large Blend Median	6.45	-18.15	-	-	-	-7.59	-	-	-	-6.71	
<b>MFS Mid Cap Value R6</b>	<b>0.63</b>	<b>-7.51</b>	-	-	-	<b>-4.52</b>	-	-	-	<b>-1.89</b>	<b>11/01/2021</b>
Russell Midcap Value Index	1.32	-12.03	-	-	-	-9.22	-	-	-	-5.82	
Mid-Cap Value Median	1.27	-8.16	-	-	-	-6.36	-	-	-	-2.91	
<b>Principal Small Cap Growth Fund R6</b>	<b>6.51</b>	<b>-28.48</b>	-	-	-	<b>-10.96</b>	-	-	-	<b>-19.96</b>	<b>11/01/2021</b>
Russell 2000 Growth Index	6.07	-26.36	-	-	-	-10.60	-	-	-	-18.63	
Small Growth Median	6.50	-28.23	-	-	-	-11.73	-	-	-	-18.93	
<b>Total International Equities</b>	<b>7.75</b>	<b>-20.13</b>	-	-	-	<b>-4.50</b>	-	-	-	<b>-11.45</b>	<b>11/01/2021</b>
MSCI AC World ex USA index	7.00	-15.57	-	-	-	-4.56	-	-	-	-7.24	
<b>Amer Funds EuroPac Growth R6</b>	<b>9.93</b>	<b>-22.72</b>	-	-	-	<b>-3.21</b>	-	-	-	<b>-12.78</b>	<b>11/01/2021</b>
MSCI AC World ex USA index	7.00	-15.57	-	-	-	-4.56	-	-	-	-7.24	
Foreign Large Blend Median	7.46	-15.26	-	-	-	-2.32	-	-	-	-6.45	
<b>Hartford International Opps R6</b>	<b>5.58</b>	<b>-17.91</b>	-	-	-	<b>-5.76</b>	-	-	-	<b>-7.89</b>	<b>12/01/2021</b>
MSCI EAFE Index	8.62	-14.01	-	-	-	-0.86	-	-	-	-1.36	
Foreign Large Blend Median	7.46	-15.26	-	-	-	-2.32	-	-	-	-3.56	
<b>Total Strategic Opportunities</b>	<b>-0.51</b>	<b>11.06</b>	-	-	-	<b>4.22</b>	-	-	-	<b>9.34</b>	<b>11/01/2021</b>
HFRX Absolute Return Index	-0.20	0.85	-	-	-	0.54	-	-	-	0.53	
<b>Partners Group</b>	<b>2.11</b>	-	-	-	-	-	-	-	-	<b>2.11</b>	<b>01/01/2023</b>
80% MSCI World/20% S&P Leveraged Loan	6.96	-	-	-	-	-	-	-	-	6.96	

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# INVESTMENT RETURNS | MANAGER RESULTS

Period Ending 3.31.23 | Q1 23

## City of Birmingham Retiree Health Care Fund

	Last Quarter	2022	2021	2020	2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Starwood Property Trust Inc. REIT</b>	<b>-2.30</b>	<b>10.41</b>	-	-	-	<b>3.15</b>	-	-	-	<b>9.93</b>	<b>11/01/2021</b>
FTSE EPRA/NAREIT United States Index	2.65	-24.82	-	-	-	-19.51	-	-	-	-12.14	
Real Estate Median	2.61	-26.33	-	-	-	-20.10	-	-	-	-13.30	
<b>WhiteBox Multi-Strategy Fund LP</b>	<b>0.02</b>	<b>2.67</b>	-	-	-	<b>-2.66</b>	-	-	-	<b>2.22</b>	<b>11/01/2021</b>
HFRX Absolute Return Index	-0.20	0.85	-	-	-	0.54	-	-	-	0.53	
Multistrategy Median	1.62	-9.08	-	-	-	-1.30	-	-	-	-3.34	
<b>Total Portfolio</b>	<b>5.08</b>	<b>-14.88</b>	-	-	-	<b>-5.26</b>	-	-	-	<b>-6.91</b>	<b>11/01/2021</b>
Total Portfolio Benchmark	5.50	-14.19	-	-	-	-5.16	-	-	-	-5.66	

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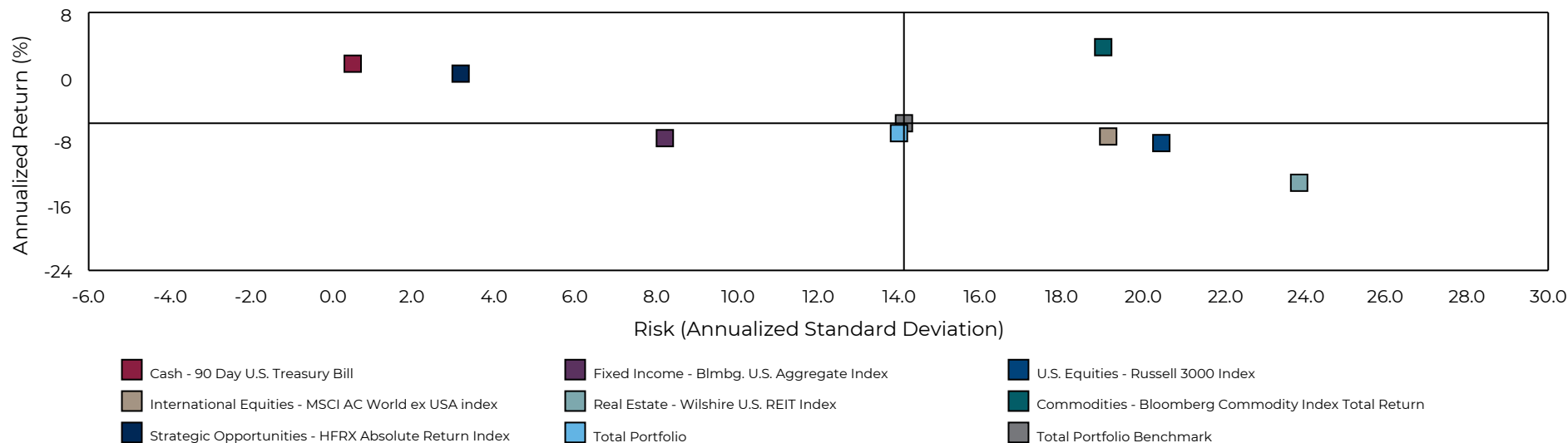


# PORTFOLIO STATISTICAL SUMMARY

Period Ending 3.31.23 | Q1 23

City of Birmingham Retiree Health Care Fund

**Composite Risk VS. Total Return  
(since inception: November 1, 2021)**



## 3 YEAR

No data found.

## INCEPTION

	Total Portfolio	Total Portfolio Benchmark
Positive Months Ratio	47.06	47.06
Negative Months Ratio	52.94	52.94
Best Quarter	7.95	7.87
Worst Quarter	-10.94	-11.35
Standard Deviation	13.98	14.11
Maximum Drawdown	-19.71	-19.55
Max Drawdown Recovery Period	-	-
Alpha	-1.40	0.00
Beta	0.99	1.00
R-Squared	0.99	1.00
Consistency	52.94	0.00
Tracking Error	1.15	0.00
Treynor Ratio	-0.08	-0.07
Information Ratio	-1.16	-
Sharpe Ratio	-0.57	-0.47

For Institutional Use Only.



# MARKET VALUES & CASH FLOW SUMMARY

Period Ending 3.31.23 | Q1 23

## City of Birmingham Retiree Health Care Fund

Period Ending	Beginning Value	Net Flows	Investment Gain/Loss	Ending Value	Rate of Return
Oct-2021	-	-	-	\$48,099,012	-
Dec-2021	\$48,099,012	-\$287,588	\$607,506	\$48,418,930	1.01
Mar-2022	\$48,418,930	\$1,232,259	-\$2,832,770	\$46,818,419	-5.59
Jun-2022	\$46,818,419	-\$351,828	-\$5,278,814	\$41,187,777	-10.94
Sep-2022	\$41,187,777	-\$333,949	-\$1,990,926	\$38,862,903	-4.51
Dec-2022	\$38,862,903	\$1,984,717	\$2,467,814	\$43,315,435	6.02
Mar-2023	\$43,315,435	-\$980,652	\$2,203,895	\$44,538,678	5.08

The summary has been compiled using data from sources believed to be reliable but is not guaranteed to be accurate or complete. Please refer to the official custodial account statement for verification. For Institutional Use Only.



# TOTAL FUND POLICY BENCHMARK SUMMARY

Period Ending 3.31.23 | Q1 23

## City of Birmingham Retiree Health Care Fund

FROM DATE	TO DATE	BENCHMARK
Total Portfolio		
11/01/2021	Present	10.25% HFRX Absolute Return Index, 24.75% Blmbg. U.S. Aggregate Index, 46.75% S&P 500 Index, 18.25% MSCI AC World ex USA index
Total Cash & Equivalents		
11/01/2021	Present	ICE BofA 3 Month U.S. T-Bill
Total Fixed Income		
11/01/2021	Present	Blmbg. U.S. Aggregate Index
Total U.S. Equities		
11/01/2021	Present	S&P 500 Index
Total International Equities		
11/01/2021	Present	MSCI AC World ex USA index
Total Strategic Opportunities		
11/01/2021	Present	HFRX Absolute Return Index

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# INVESTMENT REVIEW | INVESTMENT POLICY MONITOR

Period Ending 3.31.23 | Q1 23

City of Birmingham Retiree Health Care Fund

INVESTMENT	QUANTITATIVE								QUALITATIVE		TOTALS	
	Risk-Adjusted Performance		vs. Peers Performance		Style		Confidence		Fund Management	Fund Firm	Overall	Total Score
	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr				
Fixed Income BlackRock Total Return K	●	●	●	●	●	●	●	●	▼	●	●	89
Fixed Income Metropolitan West Total Return Bd I	▼	●	▼	●	●	●	▼	●	●	●	●	80
U.S. Equities BlackRock Mid-Cap Growth Equity K	▼	●	▼	●	●	●	▼	●	●	●	●	80
U.S. Equities MFS Mid Cap Value R6	●	●	●	●	●	●	●	●	●	●	●	97
U.S. Equities Principal SmallCap Growth I R6	▼	●	▼	●	●	●	▼	●	●	●	●	88
U.S. Equities Allspring Special Small Cap Value R6	▼	●	▼	●	●	●	▼	▼	●	●	▼	79
International Equities American Funds Europacific Growth R6	▼	●	▼	●	●	●	▼	●	●	●	●	86
International Equities Hartford International Opportunities R6	●	●	●	●	●	●	●	●	●	●	●	91

## LEGEND


●	IN GOOD STANDING	▼	MARKED FOR REVIEW	●	CONSIDER FOR TERMINATION
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The CAPTRUST Investment Policy Monitor ("Scorecard") is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields for actively managed investment options. Quantitative scoring areas include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; Style Attribution; and Confidence. Qualitative Scoring Areas measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have an Investment Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Some Investments that have less than 3 years of performance history may not be scored.

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City of Birmingham Retiree Health Care Fund

PASSIVE INVESTMENTS

INVESTMENT	Overall	Commentary
Fidelity 500 Index		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.

The CAPTRUST Investment Policy Monitor ("Scorecard") is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields. Quantitative scoring areas for target date funds include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; and Glidepath. Qualitative Scoring Areas for target date funds measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. Qualitative Scoring for Target Date funds also includes a score for Portfolio Construction and Underlying Investment vehicles to express CAPTRUST's views on the manager or strategy. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have an Investment Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Some Investments that have less than 3 years of performance history may not be scored. Capital Preservation options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics, depending on the type of capital preservation option being evaluated, and may include quantitative criteria such as: Crediting Rate/Yield, Market to Book Ratio, Average Crediting Quality, Insurer Quality/Diversification, Duration, and Sector Allocations, and/or qualitative criteria such as quality and experience of the Management Team and stewardship of the investment option's parent company. Passively Managed options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics and may include quantitative criteria such as: Tracking Error, Fees, and Performance versus relevant peer group, and/or qualitative criteria such as index replication strategy, securities lending practices, and fair value pricing methodology. Distinct investment options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics. This material is for institutional investor use only and is not intended to be shared with individual investors.



## City of Birmingham Retiree Health Care Fund

FUND MANAGEMENT ITEMS	COMMENTARY
<b>BlackRock MidCap Growth Equity</b>	Portfolio Manager Lawrence Kemp retired from BlackRock. He was the lead portfolio manager of the BlackRock Capital Appreciation strategy. Co-Portfolio Manager Phil Ruvinsky has assumed the lead manager role and continues to be supported by Co-Portfolio Manager Caroline Bottinelli. In addition, Lawrence was a co-portfolio manager of the BlackRock Mid Cap Growth strategy. Phil remains the lead manager on the strategy and continues to be supported by Co-Portfolio Manager William Broadbent. Both Caroline and William were promoted to their respective roles in May 2022 in anticipation of Kemp's eventual retirement.
<b>BlackRock Total Return</b>	Bob Miller, managing director and Head of America's Fundamental Fixed Income Platform, retired effective March 31, 2023. Mr. Miller served as lead portfolio manager on the BlackRock Core Bond fund, the BlackRock Total Return fund and the BlackRock Strategic Income Opportunities fund. In line with succession planning that began in early 2022, David Rogal and Chi Chen were added as named portfolio managers for the Total Return and Core Bond funds. Rick Rieder, CIO of Global Fixed Income, will remain as a named portfolio manager on both strategies. Rick Rieder and Dave Rogal will continue to manage the Strategic Income Opportunities fund with Russell Brownback, managing director.
<b>Hartford International Opportunities</b>	Portfolio Manager Nicholas Choumenkovitch will be retiring as of 6/30/2024. Tara Stillwell will become the sole portfolio manager for the strategy at that time. Tara has been a named portfolio manager on the strategy since 2010. There will be no change in philosophy or investment objectives as a result of this management change.
FUND FIRM ITEMS	COMMENTARY
<b>BlackRock</b>	Daniel Gamba, co-head of Fundamental Equities, has left BlackRock to be president of Northern Trust. Mr. Gamba will be replaced as co-head of Fundamental Equities by Philip Vasan. Becci McKinley-Rowe, the other co-head of Fundamental Equities, will continue in this role. Mr. Vasan will retain his role as deputy head of the Portfolio Management Group.

City of Birmingham Retiree Health Care Fund

FUND FIRM ITEMS	COMMENTARY
Capital Group	<p>Chairman and Chief Executive Officer Tim Armour will retire effective October 24, 2023 and will be stepping down from the firm's management committee and his leadership roles at that time. At this same time, Mike Gitlin will become president and chief executive officer of Capital Group and chair of the Management Committee.</p> <p>Effective October 24, 2023, Jody Jonsson will become vice chair of Capital Group and will continue as president of Capital Research Management Company (CRMC) and chair of the CRMC Executive Committee.</p> <p>Effective October 24, 2023, Martin Romo will become chairman of Capital Group and chief investment officer, a new role for the firm.</p> <p>Vice Chair and Portfolio Manager Rob Lovelace will step down from the firm's Management Committee effective October 24, 2023. He will stay on at Capital Group and continue his portfolio management responsibilities.</p>
MFS Family of Funds	<p>Christopher Jennings and Simon Gresham have relinquished their roles as co-CIOs of the Multi-Asset Investment Group (MAIG) team. Simon continues to focus on multi-asset research and analysis, while Chris has retired from the firm. Additionally, Kevin Dawn and Robert Almeida, investment team members, joined the MAIG.</p> <p>Pilar Gomez-Bravo and Alexander Mackey joined CIO of Fixed Income Bill Adams as global co-CIOs of Fixed Income. MFS expanded the Fixed Income leadership team as a result of the Fixed Income team's growth across the world.</p>
Principal	<p>Principal Financial Group announced it is integrating its global asset management and international pension businesses under Principal Asset Management. This integration will blend leadership, investment capabilities, and client-facing teams under Kamal Bhatia, global head of Investments. Investment capabilities and leadership will be segmented into private market, public market, and multi-asset investments. Private Markets will be led by Todd Everett, global head of Private Markets. Public Markets will be led by David Blake, global head of Public Markets. Multi-Asset will continue to be led by Todd Jablonski, global head of Multi-Asset Investing. This integration will pose no disruption to current portfolios, philosophy, or client management.</p>

City of Birmingham Retiree Health Care Fund

FUND FIRM ITEMS	COMMENTARY
TCW Group	TCW has appointed Kathryn Koch as CEO and president. She has succeeded David Lippman upon his retirement at the end of 2022. Mr. Lippman exits following nine years as the CEO of TCW and more than 20 years as part of MetWest and TCW investment and executive leadership. Ms. Koch was previously with Goldman Sachs serving as CIO of the Public Equity business and member of the Asset Management Division executive committee.



City of Birmingham Retiree Health Care Fund

REVIEW OF RECENT ACTIONS:

CURRENT RECOMMENDATIONS:





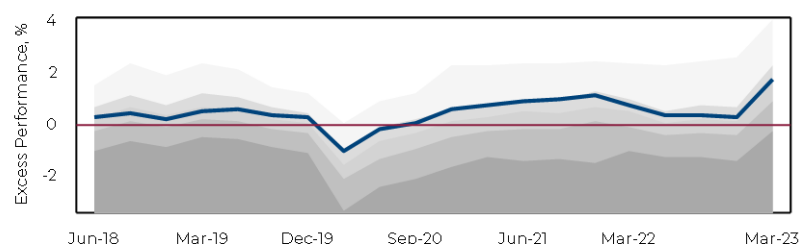
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
BlackRock Total Return K	3.83	-4.68	-0.99	1.31	2.05	-14.14	-0.68	9.08	9.89	-0.82
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	-13.01	-1.55	7.51	8.72	0.01
Intermediate Core-Plus Bond Median	3.15	-5.58	-1.16	0.93	1.51	-13.84	-0.82	8.33	9.24	-0.80
Rank (%)	5	18	44	27	16	61	44	31	28	51
Population	618	613	562	543	474	604	602	599	619	605

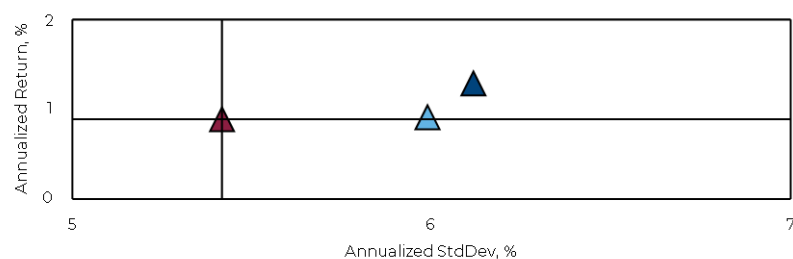
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
BlackRock Total Return K	0.02	0.36	1.08	0.91	113.28	108.57	0.24
Blmbg. U.S. Aggregate Index	-0.07	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core-Plus Bond Median	-0.05	0.05	1.01	0.86	106.17	105.44	0.03

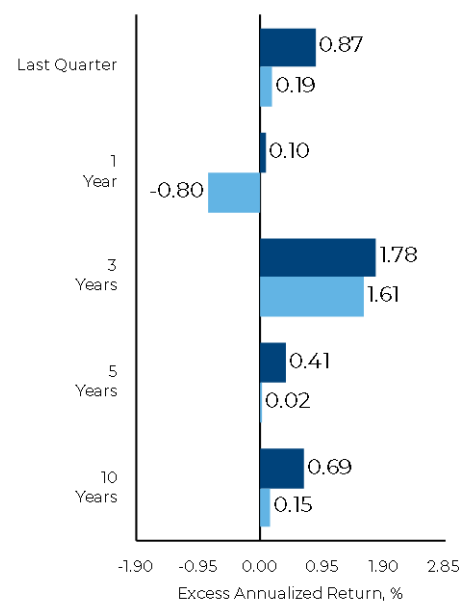
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ BlackRock Total Return K  
▲ Blmbg. U.S. Aggregate Index  
▲ Intermediate Core-Plus Bond Median



## INVESTMENT PROFILE

Ticker	MPHQ
Portfolio Manager	Chen,C/Rieder,R/Rogal,D
Portfolio Assets	\$6,752 Million
PM Tenure	12 Years 7 Months
Net Expense(%)	0.38 %
Fund Inception	2001
Category Expense Median	0.65
Subadvisor	BlackRock International Limited

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	62.46 %
Number of Holdings	4695
Turnover	289.00 %
Avg. Effective Duration	6.32 Years
SEC Yield	4.25 %

For use with CAPTRUST clients only. Performance summarized here represents past performance and does not guarantee future results. Data has been obtained from Morningstar and is not guaranteed to be accurate or complete. Mutual fund investing involves risk. For a prospectus with a complete description of the risks associated with investing in this fund, please call CAPTRUST at (800)216-0645. For a detailed description of the risks associated with investing by asset class, please visit

<https://www.captrust.com/important-disclosures/>



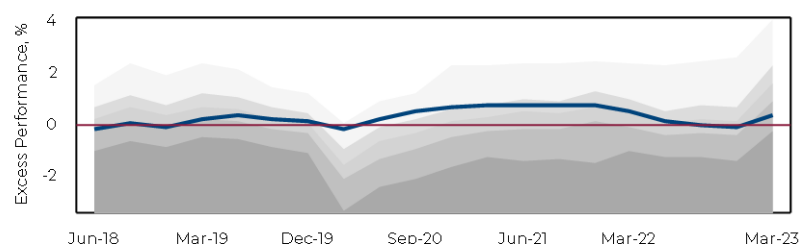
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Metropolitan West Total Return Bd I	3.59	-5.80	-2.36	1.06	1.55	-14.79	-1.12	9.11	9.09	0.16
Blmbg. U.S. Aggregate Index	2.96	-4.78	-2.77	0.90	1.36	-13.01	-1.55	7.51	8.72	0.01
Intermediate Core-Plus Bond Median	3.15	-5.58	-1.16	0.93	1.51	-13.84	-0.82	8.33	9.24	-0.80
Rank (%)	13	58	86	43	46	77	66	30	55	19
Population	618	613	562	543	474	604	602	599	619	605

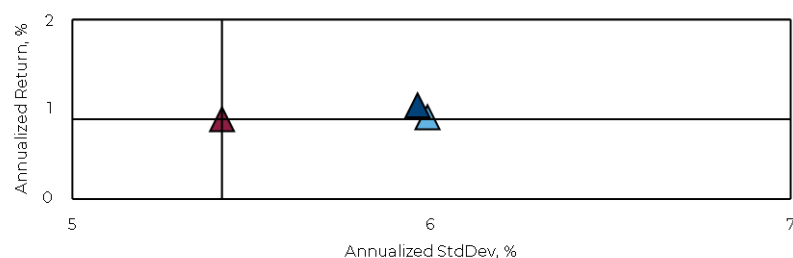
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Metropolitan West Total Return Bd I	-0.03	0.09	1.09	0.99	108.33	106.79	0.22
Blmbg. U.S. Aggregate Index	-0.07	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core-Plus Bond Median	-0.05	0.05	1.01	0.86	106.17	105.44	0.03

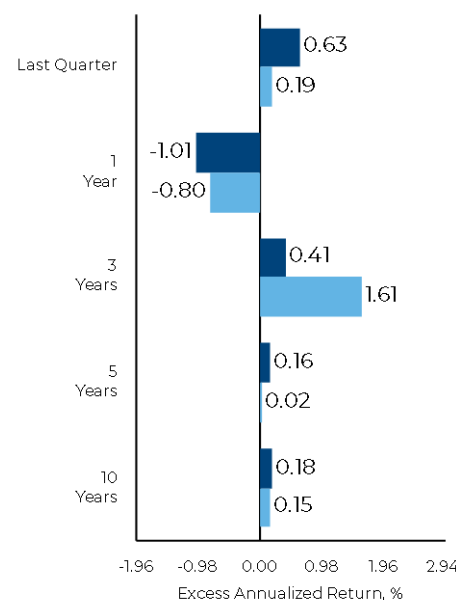
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



Metropolitan West Total Return Bd I
 Intermediate Core-Plus Bond Median
 Blmbg. U.S. Aggregate Index



## INVESTMENT PROFILE

Ticker	MWTIX
Portfolio Manager	Kane,S/Landmanr L/Whalen,B
Portfolio Assets	\$38,303 Million
PM Tenure	26 Years
Net Expense(%)	0.44 %
Fund Inception	2000
Category Expense Median	0.65
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	30.92 %
Number of Holdings	1988
Turnover	467.00 %
Avg. Effective Duration	6.82 Years
SEC Yield	4.36 %

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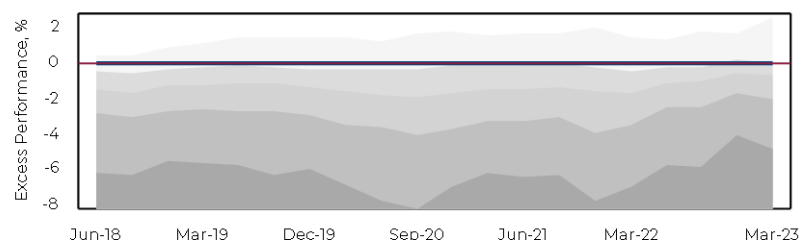
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Fidelity® 500 Index	7.50	-7.74	18.59	11.18	12.23	-18.13	28.69	18.40	31.47	-4.40
S&P 500 Index	7.50	-7.73	18.60	11.19	12.24	-18.11	28.71	18.40	31.49	-4.38
Large Blend Median	6.45	-7.59	17.91	9.96	11.12	-18.15	26.68	17.18	29.77	-5.65
Rank (%)	19	53	26	15	9	50	21	36	22	23
Population	1,195	1,170	1,132	1,093	975	1,175	1,188	1,220	1,264	1,297

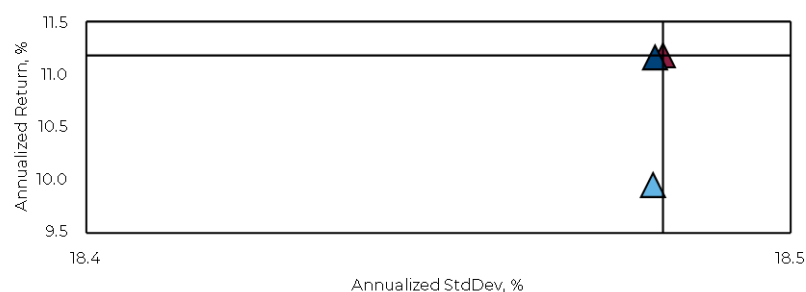
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity® 500 Index	0.59	-0.01	1.00	1.00	99.97	100.01	-0.88
S&P 500 Index	0.59	0.00	1.00	1.00	100.00	100.00	-
Large Blend Median	0.53	-0.90	1.00	0.97	97.00	100.23	-0.47

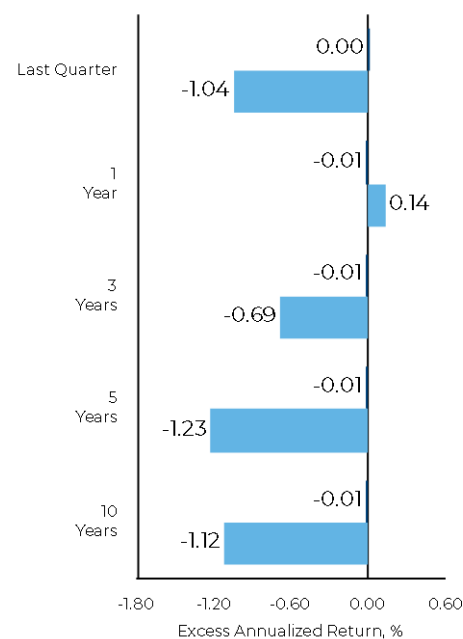
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ Fidelity® 500 Index ▲ Large Blend Median ▲ S&P 500 Index



■ Fidelity® 500 Index ■ Large Blend Median

## INVESTMENT PROFILE

Ticker	FXAIX
Portfolio Manager	Team Managed
Portfolio Assets	\$380,893 Million
PM Tenure	14 Years 2 Months
Net Expense(%)	0.02 %
Fund Inception	2011
Category Expense Median	0.75
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	25.51 %
Number of Holdings	507
Turnover	2.00 %
Avg. Market Cap	\$170,303 Million
Dividend Yield	1.94 %

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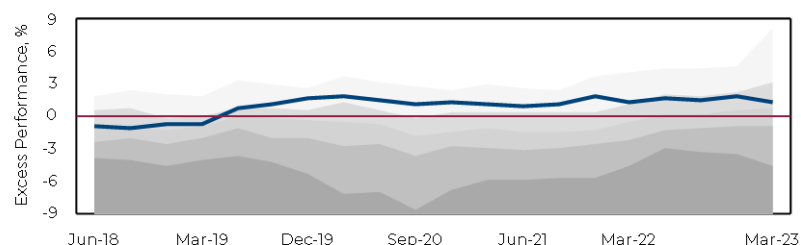
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
MFS Mid Cap Value R6	0.60	-5.70	22.03	8.30	9.66	-8.64	31.00	4.40	31.08	-11.31
Russell Midcap Value Index	1.32	-9.22	20.69	6.54	8.80	-12.03	28.34	4.96	27.06	-12.29
Mid-Cap Value Median	1.27	-6.36	21.61	6.46	8.39	-8.16	28.56	2.77	26.77	-13.59
Rank (%)	70	39	45	17	12	56	28	36	10	22
Population	363	363	360	357	315	371	387	398	418	452

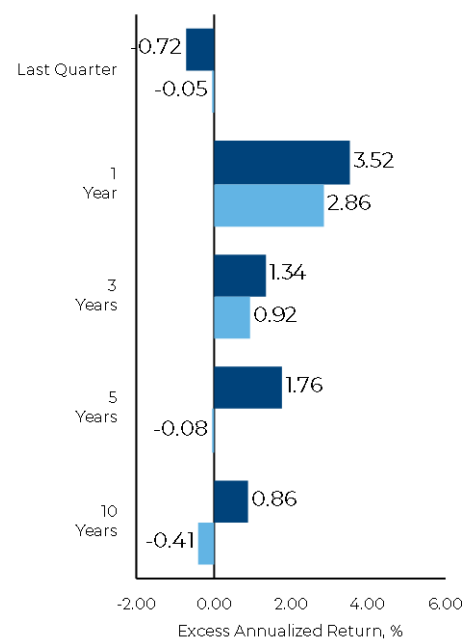
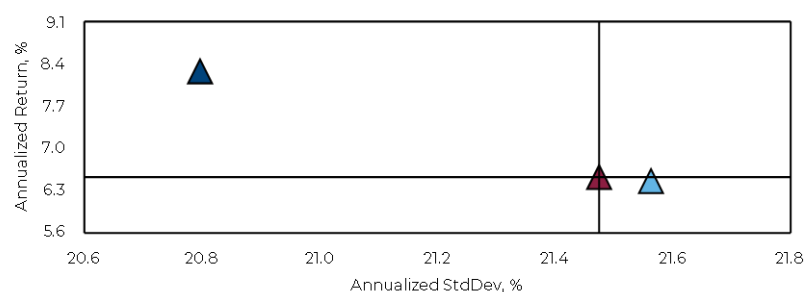
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
MFS Mid Cap Value R6	0.42	1.83	0.96	0.99	100.10	93.89	0.59
Russell Midcap Value Index	0.34	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Value Median	0.34	0.13	0.98	0.97	99.21	97.67	-0.03

## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



## INVESTMENT PROFILE

Ticker	MVCKX
Portfolio Manager	Offen, R/Schmitz, K/Taylor, B
Portfolio Assets	\$8,409 Million
PM Tenure	14 Years 4 Months
Net Expense(%)	0.62 %
Fund Inception	2013
Category Expense Median	0.97
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	12.21 %
Number of Holdings	148
Turnover	17.00 %
Avg. Market Cap	\$15,512 Million
Dividend Yield	3.06 %

▲ MFS Mid Cap Value R6 ▲ Mid-Cap Value Median ▲ Russell Midcap Value Index

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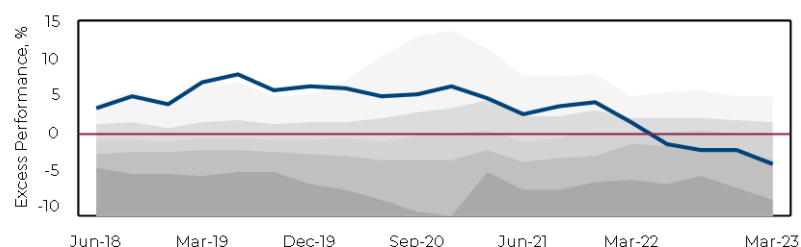
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
BlackRock Mid-Cap Growth Equity K	11.37	-16.23	11.12	9.07	13.15	-37.29	14.60	46.23	36.26	2.91
Russell Midcap Growth Index	9.14	-8.52	15.20	9.07	11.17	-26.72	12.73	35.59	35.47	-4.75
Mid-Cap Growth Median	7.67	-11.27	14.80	8.34	10.36	-28.34	11.92	35.93	33.40	-5.53
Rank (%)	7	83	79	38	5	92	36	28	31	7
Population	550	550	529	515	486	551	566	575	588	599

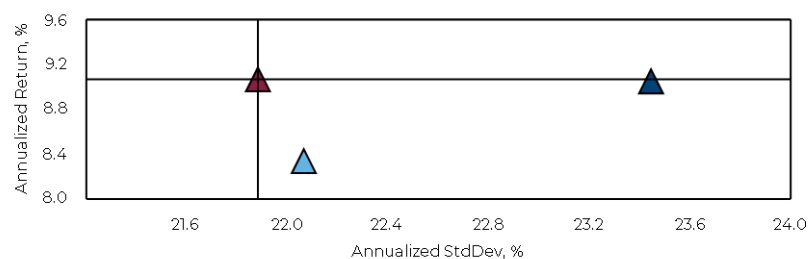
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
BlackRock Mid-Cap Growth Equity K	0.43	0.01	1.03	0.93	109.24	111.98	0.06
Russell Midcap Growth Index	0.44	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Growth Median	0.41	-0.36	0.98	0.94	97.92	100.36	-0.10

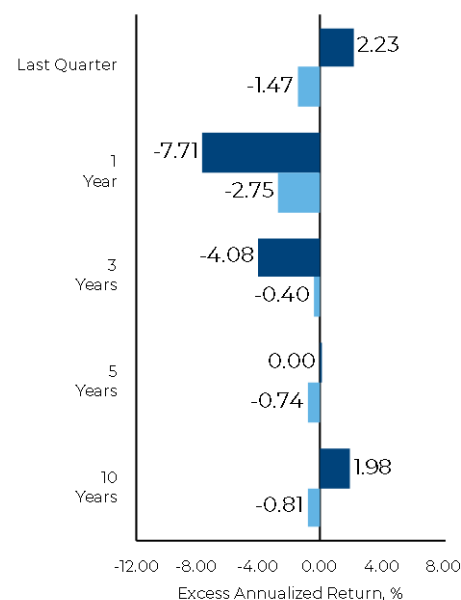
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ BlackRock Mid-Cap Growth Equity K  
▲ Russell Midcap Growth Index  
▲ Mid-Cap Growth Median



■ BlackRock Mid-Cap Growth Equity K  
■ Mid-Cap Growth Median

## INVESTMENT PROFILE

Ticker	BMGKX
Portfolio Manager	Bottinelli,C/Ruvinsky,P
Portfolio Assets	\$4,428 Million
PM Tenure	10 Years
Net Expense(%)	0.70 %
Fund Inception	2016
Category Expense Median	1.04
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	29.88 %
Number of Holdings	71
Turnover	28.00 %
Avg. Market Cap	\$22,679 Million
Dividend Yield	0.64 %

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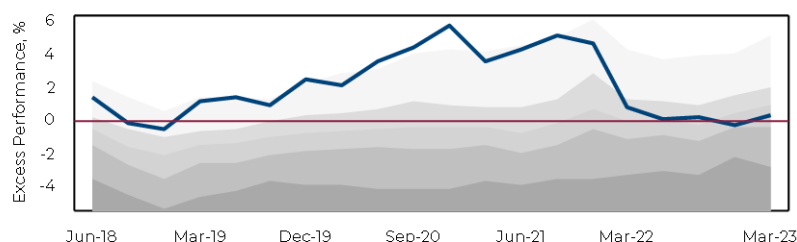
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
American Funds Europacific Growth R6	9.87	-3.26	12.13	3.25	5.99	-22.72	2.84	25.27	27.40	-14.91
MSCI AC World ex USA (Net)	6.87	-5.07	11.80	2.47	4.17	-16.00	7.82	10.65	21.51	-14.20
Foreign Large Blend Median	7.95	-2.19	12.80	2.85	4.67	-15.92	10.07	9.73	22.04	-15.23
Rank (%)	14	66	67	37	8	96	95	3	10	46
Population	682	673	649	620	518	678	711	747	755	751

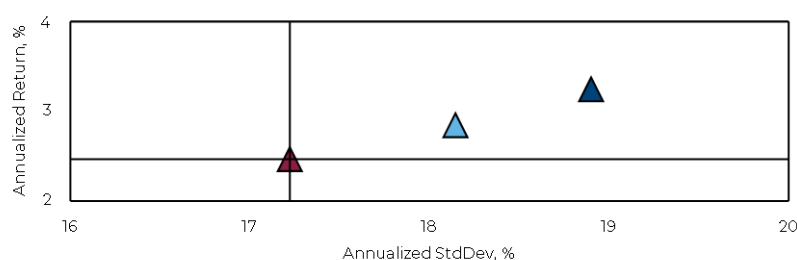
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
American Funds Europacific Growth R6	0.19	0.79	1.07	0.95	111.04	108.11	0.24
MSCI AC World ex USA (Net)	0.15	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.17	0.45	1.03	0.95	104.65	103.61	0.13

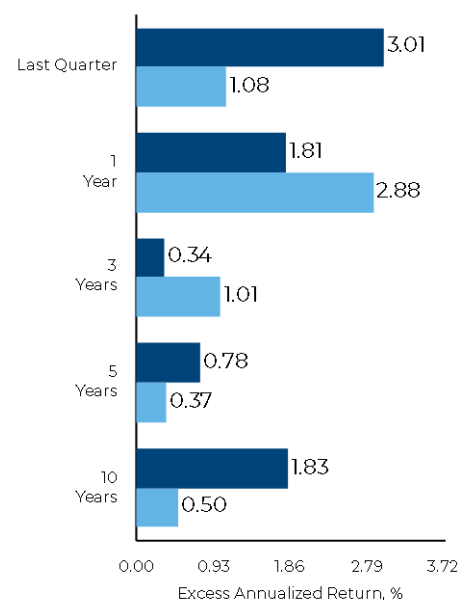
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ American Funds Europacific Growth R6  
 ▲ Foreign Large Blend Median  
 ▲ MSCI AC World ex USA (Net)



■ American Funds Europacific Growth R6  
 ■ Foreign Large Blend Median

## INVESTMENT PROFILE

Ticker	RERGX
Portfolio Manager	Team Managed
Portfolio Assets	\$69,573 Million
PM Tenure	21 Years 9 Months
Net Expense(%)	0.46 %
Fund Inception	2009
Category Expense Median	0.99
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	24.00 %
Number of Holdings	370
Turnover	29.00 %
Avg. Market Cap	\$53,735 Million
Dividend Yield	2.83 %

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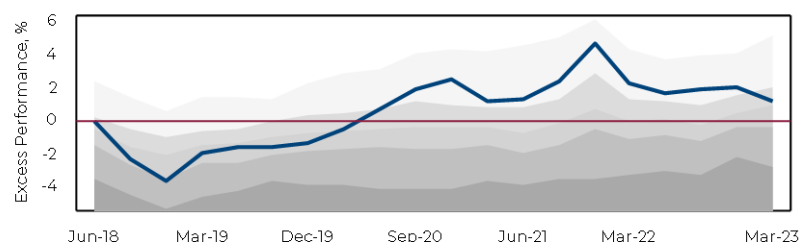
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Hartford International Opportunities R6	5.49	-5.83	13.01	2.92	5.34	-17.91	7.71	20.75	26.15	-18.61
MSCI AC World ex USA (Net)	6.87	-5.07	11.80	2.47	4.17	-16.00	7.82	10.65	21.51	-14.20
Foreign Large Blend Median	7.95	-2.19	12.80	2.85	4.67	-15.92	10.07	9.73	22.04	-15.23
Rank (%)	95	88	45	47	21	72	72	9	20	85
Population	682	673	649	620	518	678	711	747	755	751

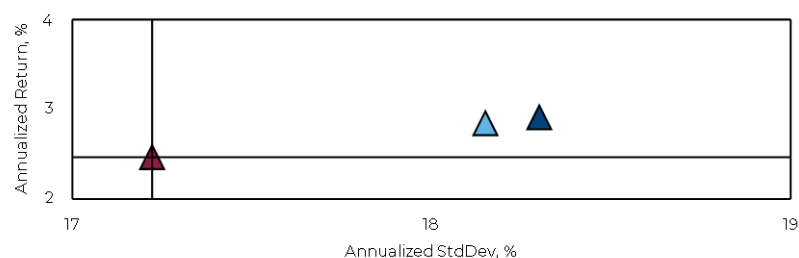
## KEY MEASURES/5 YEAR




	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Hartford International Opportunities R6	0.17	0.48	1.04	0.95	104.71	102.64	0.15
MSCI AC World ex USA (Net)	0.15	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.17	0.45	1.03	0.95	104.65	103.61	0.13

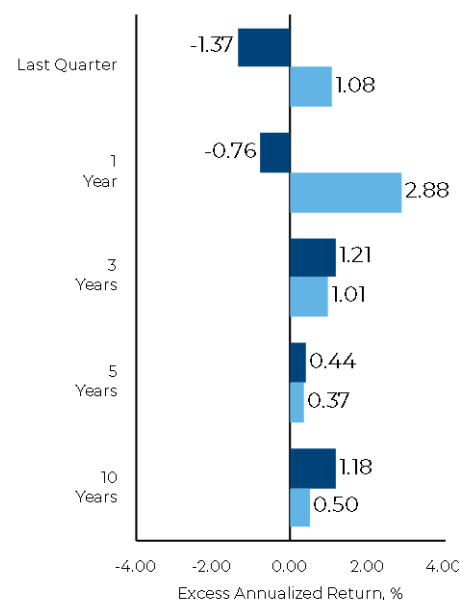
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



 Hartford International Opportunities R6
  Foreign Large Blend Median  
 MSCI AC World ex USA (Net)



## INVESTMENT PROFILE

Ticker	IHOVX
Portfolio Manager	Choumenkovitch, N/Stilwell, T
Portfolio Assets	\$1,092 Million
PM Tenure	16 Years 3 Months
Net Expense(%)	0.70 %
Fund Inception	2014
Category Expense Median	0.90
Subadvisor	Wellington Manageme Company LLP

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	22.63 %
Number of Holdings	107
Turnover	95.00 %
Avg. Market Cap	\$55,752 Million
Dividend Yield	2.58 %

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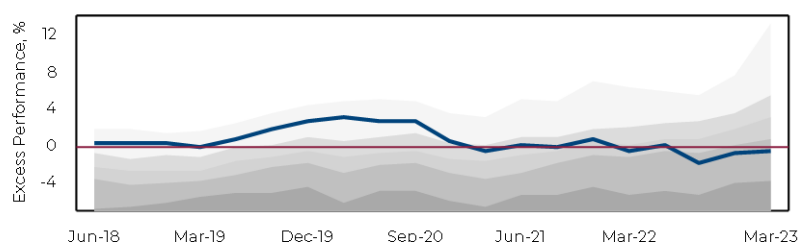
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Allspring Special Small Cap Value R6	3.18	-7.02	20.51	5.56	9.34	-13.52	28.27	1.57	28.61	-13.35
Russell 2000 Value Index	-0.66	-12.96	21.01	4.55	7.22	-14.48	28.27	4.63	22.39	-12.86
Small Value Median	1.28	-7.13	24.09	5.43	7.65	-11.46	31.17	3.39	21.79	-15.42
Rank (%)	19	49	85	48	13	71	64	64	10	29
Population	456	451	434	422	389	449	451	458	489	506

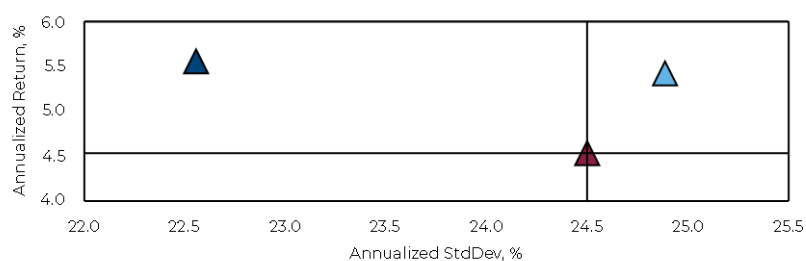
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Allspring Special Small Cap Value R6	0.29	1.21	0.91	0.97	93.39	89.99	0.11
Russell 2000 Value Index	0.25	0.00	1.00	1.00	100.00	100.00	-
Small Value Median	0.29	1.05	0.99	0.96	99.38	97.05	0.18

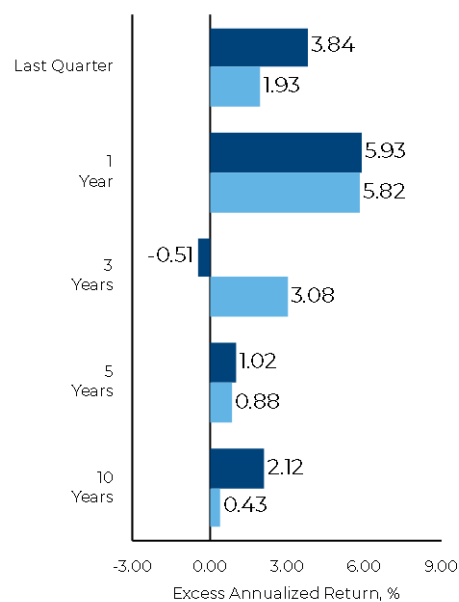
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ Allspring Special Small Cap Value R6 ▲ Small Value Median  
▲ Russell 2000 Value Index



## INVESTMENT PROFILE

Ticker	ESPRX
Portfolio Manager	Martin,B/Tringas, J/VanCronkhite,B
Portfolio Assets	\$1,659 Million
PM Tenure	21 Years 2 Months
Net Expense(%)	0.81 %
Fund Inception	2014
Category Expense Median	1.11
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	28.51 %
Number of Holdings	149
Turnover	28.00 %
Avg. Market Cap	\$2,593 Million
Dividend Yield	2.24 %

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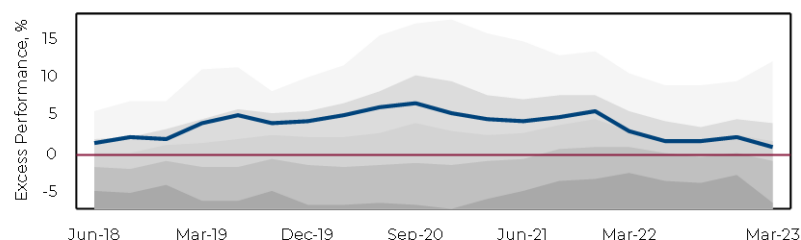
## TRAILING AND CALENDAR RETURNS

	Last Quarter	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Principal SmallCap Growth I R6	6.51	-10.96	14.26	7.47	10.35	-28.48	7.28	42.27	33.53	-5.34
Russell 2000 Growth Index	6.07	-10.60	13.36	4.26	8.49	-26.36	2.83	34.63	28.48	-9.31
Small Growth Median	6.50	-11.73	15.15	7.06	9.52	-28.23	9.55	37.84	28.42	-5.12
Rank (%)	50	45	59	44	30	53	61	40	30	53
Population	597	594	583	565	525	597	610	624	641	670

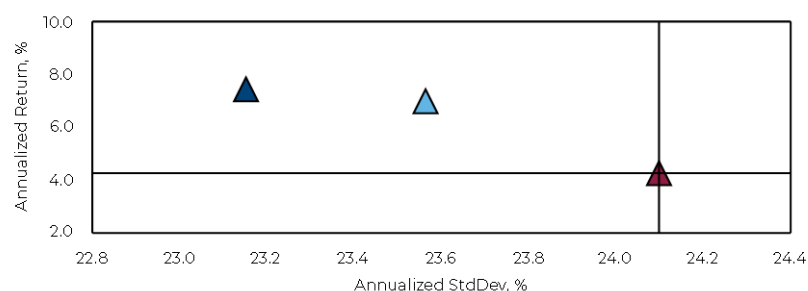
## KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Principal SmallCap Growth I R6	0.37	3.27	0.94	0.96	100.99	91.34	0.61
Russell 2000 Growth Index	0.24	0.00	1.00	1.00	100.00	100.00	-
Small Growth Median	0.35	2.96	0.95	0.93	100.81	93.32	0.38

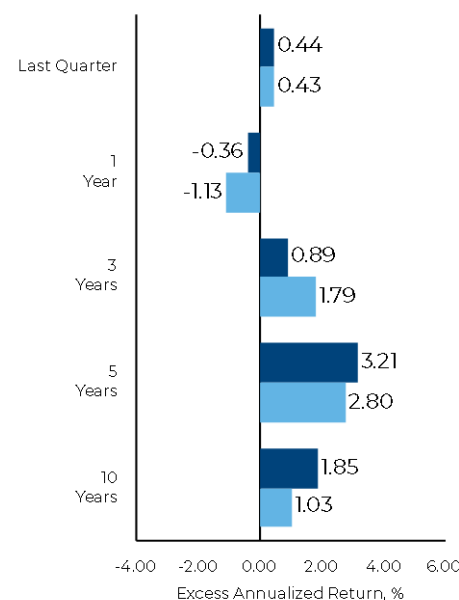
## Rolling 3 Year Annualized Excess Return



## Performance vs Risk 5 Year



▲ Principal SmallCap Growth I R6 ▲ Small Growth Median ▲ Russell 2000 Growth Index



■ Principal SmallCap Growth I R6

■ Small Growth Median

## INVESTMENT PROFILE

Ticker	PCSMX
Portfolio Manager	Fennessey, J/Welch, R
Portfolio Assets	\$2,045 Million
PM Tenure	13 Years 9 Months
Net Expense(%)	0.86 %
Fund Inception	2014
Category Expense Median	1.15
Subadvisor	-

## HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	13.43 %
Number of Holdings	1215
Turnover	50.70 %
Avg. Market Cap	\$3,931 Million
Dividend Yield	0.69 %

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**ALPHA**

Alpha measures a manager's rate of return in excess of that which can be explained by its systematic risk, or Beta. It is a result of regressing a manager's returns against those of a benchmark index. A positive alpha implies that a manager has added value relative to its benchmark on a risk-adjusted basis.

**BETA**

Beta measures a manager's sensitivity to systematic, or market risk. Beta is a result of the analysis regressing a manager's returns against those of a benchmark Index. A manager with a Beta of 1 should move perfectly with a benchmark. A Beta of less than 1 implies that a manager's returns are less volatile than the market's (i.e., selected benchmarks). A Beta of greater than 1 implies that a manager exhibits greater volatility than the market (i.e., selected benchmark).

**BEST (WORST) QUARTER**

Best (Worst) Quarter is the best (worst) three-month return in the measurement period. The three-month period is not necessarily a calendar quarter.

**CONSISTENCY (BATTING AVERAGE)**

Formerly known as Batting Average, Consistency measures the percentage of time an active manager outperforms the benchmark.

**CAPTURE RATIO**

Up Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was positive. Down Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was negative. An Up Market Capture of greater than 100% and a Down Market Capture of less than 100% is considered desirable.

**INFORMATION RATIO**

The Information Ratio measures a manager's excess return over the passive index divided by the volatility of that excess return or Tracking Error. To obtain a higher Information Ratio, which is preferable, a manager must demonstrate the ability to generate returns above its benchmark while avoiding large performance swings relative to that same benchmark.

**MAXIMUM DRAWDOWN**

The Maximum Drawdown measures the maximum observed percentage loss from a peak to a trough in the measurement period.

**MAX DRAWDOWN RECOVERY PERIOD**

The Maximum Drawdown Recovery period counts the number of months needed to meet or exceed the prior peak starting from the beginning of the Maximum Drawdown period. If the prior peak has not been met or exceeded, this statistic will not populate.

**PERCENTILE RANK**

Percentile Rankings are based on a manager's performance relative to all other available funds in its universe. Percentiles range from 1, being the best, to 100 being the worst. A ranking in the 50th percentile or above demonstrates that the manager has performed better on a relative basis than at least 50% of its peers.

**POSITIVE (NEGATIVE) MONTHS RATIO**

Positive (Negative) Months Ratio is the ratio of months in the measurement period where the returns are positive (negative).

**RISK-ADJUSTED PERFORMANCE**

Risk-adjusted Performance, or RAP, measures the level of return that an investment option would generate given a level of risk equivalent to the benchmark index.

**R-SQUARED**

R-squared measures the portion of a manager's movements that are explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a manager are completely explained by movements in the index. This measurement is identified as the coefficient of determination from a regression equation. A high R-squared value supports the validity of the Alpha and Beta measures, and it can be used as a measure of style consistency.

CONTINUED...



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### SHARPE RATIO

Sharpe ratio measures a manager's return per unit of risk, or standard deviation. It is the ratio of a manager's excess return above the risk-free rate divided by a manager's standard deviation. A higher Sharpe ratio.

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### STANDARD DEVIATION

Standard Deviation is a measure of the extent to which observations in a series vary from the arithmetic mean of the series. This measure of volatility or risk allows the estimation of a range of values for a manager's returns. The wider the range, the more uncertainty, and, therefore, the riskier a manager is assumed to be.

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### TRACKING ERROR

Tracking Error is the standard deviation of the portfolio's residual (i.e. excess) returns. The lower the tracking error, the closer the portfolio returns have been to its risk index. Aggressively managed portfolios would be expected to have higher tracking errors than portfolios with a more conservative investment style..

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### TREYNOR RATIO

The Treynor Ratio is a measure of reward per unit of risk. With Treynor, the numerator (i.e. reward) is defined as the excess return of the portfolio versus the risk-free rate. The denominator (i.e. risk) is defined as the portfolio beta. The result is a measure of excess return per unit of portfolio systematic risk. As with Sharpe and Sortino ratios, the Treynor Ratio only has value when it is used as the basis of comparison between portfolios. The higher the Treynor Ratio, the better.

QUANTITATIVE EVALUATION ITEMS		QUALITATIVE EVALUATION ITEMS
 <b>MARKED FOR REVIEW</b>  <b>The following categories of the Investment Policy Monitor appear “Marked For Review” when:</b>  <b>CAPTRUST’s Investment Policy Monitoring Methodology</b>  The Investment Policy Monitoring Methodology document describes the systems and procedures CAPTRUST uses to monitor and evaluate the investment vehicles in your plan/account on a quarterly basis.  Our current Investment Policy Monitoring Methodology document can be accessed through the following link:  <a href="https://captrust.com/investmentmonitoring">captrust.com/investmentmonitoring</a>	<b>3/5 Year Risk- adjusted Performance</b>  The investment option’s 3 or 5 Year Annualized Risk Adjusted Performance falls below the 50th percentile of the peer group.	<b>Fund Management</b>  A significant disruption to the investment option’s management team has been discovered.
	<b>3/5 Year Performance vs. Peers</b>  The investment option’s 3 or 5 Year Annualized Peer Relative Performance falls below the 50th percentile of the peer group.	<b>Fund Family</b>  A significant disruption to the investment option’s parent company has been discovered.
	<b>3/5 Year Style</b>  The investment option’s 3 or 5 Year R-Squared measure falls below the absolute threshold set per asset class.	
	<b>3/5 Year Confidence</b>  The investment option’s 3 or 5 Year Confidence Rating falls below the 50 <sup>th</sup> percentile of the peer group.	