



## **MCC Foundation Board of Directors Quarterly Meeting**

Wednesday, February 8, 2023

Montgomery Community College (Capel Hall)  
1011 Page St.  
Troy, NC, 27371

The regular meeting of the Foundation Board of Directors of Montgomery Community College will be held on Wednesday, February 8, 2023 at noon in a hybrid format. Those attending in person will meet in the College Boardroom those attending virtually will join via zoom. Lunch will be provided at 11:30 a.m. for those attending in person.

Page

**1. Call to Order**

Jean Abbott, Foundation President

**2. Welcome and Announcements**

Jean Abbott

**3. Approval of Agenda (Action)**

Jean Abbott

**4. Awards Presentation**

Jean Abbott

4.1. Fundraiser of the Year Award

Korrie Ervin

4.2. Humanitarian of the Year Award

Win and Elizabeth Dozier



## 5. Minutes (Action)

Jean Abbott

- 5.1 [November 9, 2022 Nominating Committee Minutes](#)  4
- 5.2 [November 9, 2022 Foundation Board Minutes](#)  5 - 8
- 5.3 [January 31, 2023 Executive Board Minutes](#)  9

## 6. Finance Committee Report

Gary McRae, Finance Committee Chairman

- 6.1. [Wells Fargo 2nd Quarter Performance Report](#)  10 - 71
- 6.2. [2023-2024 Scholarship Liability](#)  72

## 7. Executive Committee Report

Jean Abbott

- 7.1. MCC Foundation Board of Directors Bylaws (Action)  
Second Reading
- 7.2. Code of Ethics (Action)  
Second Reading
- 7.3. Record Retention Policy (Action)  
Second Reading
- 7.4. Whistleblower Policy (Action)  
Second Reading
- 7.5. Gift Acceptance Policy (Action)  
Second Reading
- 7.6. Investment and Spending Policy (Action)  
Second Reading

## 8. Treasurer Report

Jeanette McBride, Foundation Treasurer

- 8.1. Financial Statements (Action) 73 - 78

Fund Statement






[Endowed Funds Report](#) 

[STIF Funds Report](#) 

[Foundation Funds FY 22-23 December 2022 \(2\).pdf](#) 

## 9. Foundation Reports

Emily Tucker, Director of Resource Development

9.1	<a href="#">Budget Review</a> 	79
9.2	<a href="#">MLK Day On Challenge Update</a> 	80 - 82
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9.4	Golf Tournament Update	
9.5	Internal Annual Fund Drive Kick Off Update	
9.6	External Annual Fund Drive Kick Off	
9.7	<a href="#">2022 Annual Fund Drive Cumulative Donations</a> 	84
9.8	<a href="#">2023 Calendar of Events</a> 	85

## 10. President's Report

Dr. Chad Bledsoe, MCC President

10.1. BrightDot Presentation

## 11. New Business

## 12. Adjourn (Action)

Jean Abbott

Next Meeting May 10, 2023

**Montgomery Community College  
Foundation Board  
Nominating Committee Minutes  
November 9, 2022**

Present were: Jean Abbott, Dr. Katie Dunlap, Claudia Bulthuis, Rosemary Huntley, Dr. Chad Bledsoe, Korrie Ervin, and Sandra Clyburn.

Mrs. Bulthuis called the meeting to order at 11:02 a.m.

Mrs. Bulthuis made a motion, seconded by Dr. Bledsoe, to approve the agenda for the Nominating Committee. The motion carried.

This meeting was called to discuss notice of resignations, new Board of Director nominations, and nominations for the 2022 Humanitarian of the Year and Fundraiser of the Year awards.

Mrs. Bulthuis announced the resignation for two Board Directors, these Directors included David Britt and Roy Anderson effective immediately.

Dr. Bledsoe made a motion, seconded by Mrs. Abbott, to approve the Angie Sasser as a new member for the Board of Directors. The motion carried.

Nomination for Humanitarian include: Mr. and Mrs. Win Dozier.

Nomination for Fundraiser include: Korrie Ervin.

Following discussion of the nominations, Mrs. Abbott made a motion, seconded by Mrs. Huntley, to approve Mr. and Mrs. Win Dozier, as the 2022 Humanitarian of the Year for their support of the college, the town of Troy and the citizens of Montgomery County. The motion carried.

Mrs. Abbott made a motion, seconded by Dr. Bledsoe, to approve Korrie Ervin as the 2022 Fundraiser of the Year for her efforts of supporting Montgomery Community College and the Foundation. The motion carried.

The committee will reconsider Bill Hudson and for Fundraiser of the Year for 2023.

There being no further business, the meeting adjourned at 11:16 a.m.

**Montgomery Community College  
Foundation Board Meeting  
November 9, 2022**

The regular meeting of the Foundation Board of Directors of Montgomery Community College was held on Wednesday, November 9, 2022 at 12:00 p.m. in the College Boardroom of Capel Hall.

Present were: Jean Abbott, President, Dr. Katie Dunlap, Vice-President; Claudia Bulthuis, Rosemary Huntley, Will Carpenter, Andrea Marshall, Gary McRae, Gordon Knowles, David Odom, Dr. Chad Bledsoe, Korrie Ervin, Jeanette McBride, Mike Collins, William Huneycutt and Sandra Clyburn.

Absent: Earl Leake, Bill Hudson, Mike Collins, Jennifer Thompson, Roy Anderson, David Britt and Reagan Hunsucker.

**Call to order – Jean Abbott, President**

Mrs. Abbott called the meeting to order at 12:01p.m.

**Approval of the Agenda – (Action) – Jean Abbott**

Mr. Knowles made a motion, seconded by Mr. Carpenter, to approve the agenda for the November 9, 2022 Foundation Board meeting. The motion carried.

**Welcome – Jean Abbott**

Mrs. Abbott welcomed all in attendance.

**Foundation Financial Statements – William R. Huneycutt, CPA, PLLC Appendix – A**

The Board received the financial statements for the Foundation funds presented by William Huneycutt, CPA. Mr. Huneycutt reported that the financial statements were in good standing.

**Approval of Minutes – Appendices B and B1 – (Action) – Jean Abbott**

Mr. Knowles made a motion, seconded by Mrs. Bulthuis, to approve the August 10, 2022 Foundation Board Minutes and the August 10, 2022 Nominating Committee minutes. The motion carried.

**Nominating Committee Report – Claudia Bulthuis, Committee Chairman**

**Resignations**

Mrs. Bulthuis announced the resignation of two Board Directors, Mr. David Britt and Roy Anderson effective immediately.

**New Member Recommendation (Action)**

The Nominating Committee voted to nominate Angie Sasser to be a member of the Foundation Board of Directors. Coming from committee, this required no second. The motion carried.

### Recommendation for Humanitarian of the Year Award

The Nominating Committee selected Win and Elizabeth Dozier, as the 2022 Humanitarian of the Year for their support of the college, the town of Troy and the citizens of Montgomery County. The committee recommended, and Mrs. Bulthuis made a motion to approve, the 2022 Humanitarian of the Year recipient as Win and Elizabeth Dozier. Coming from committee, this required no second. The motion carried.

### Recommendation for Fundraiser of the Year Award

The Nominating Committee selected Korrie Ervin, as the 2022 Fundraiser of the Year for her efforts of supporting Montgomery Community College and the Foundation. The committee recommended, and Mrs. Bulthuis made a motion to approve, the 2022 Fundraiser of the Year recipient as Korrie Ervin. Coming from committee, this required no second. The motion carried.

### Finance Committee Report – Gary McRae, Finance Committee Chair

#### Wells Fargo First Quarter Performance Report – Appendix C

Mr. McRae presented Appendix C, the First Quarter Performance Report from Wells Fargo.

#### Treasurer Report – Jeanette McBride, Foundation Treasurer

#### Fund Statements – Appendix D – (Action)

Mrs. McBride presented Appendix D the Foundation Fund Statements from January 2022 through March 31, 2022. The total fund balance for all three accounts totals \$4,610,591.56 reflecting a market change increase of \$15,517.24 for the month. The negative net change in the STIF funds is a reflection of a grant payment and regular expenses. The grant payment was made to the MCC Business office for the \$100,000 Cannon Foundation Project.

There was a new Endowment established in the month of March, donated by Tom and Susan Eggleston.

The State Treasury Fund expenses and activities are in line with current spending needs.

#### High School Student Assistance Report – Appendix E

Mrs. McBride presented Appendix E, the High School Student Assistance Report. Currently, expenditures are where they should be.

Mr. Knowles made a motion, seconded by Mr. McRae, to approve the Foundation fund statements. The motion carried.

### By-Law and Policy Review – Korrie Ervin, Director of Resource Development

#### MCC Foundation Board of Directors By-Law Updates – First Reading Appendix F

Mrs. Ervin presented Appendix F, MCC Foundation Board of Directors By-Law Updates for a first reading.

#### Code of Ethics-First Reading – Appendix G

#### Record Retention Policy – First Reading –Appendix H –

Mrs. Ervin presented Appendix H, Record Retention Policy for a first reading.

#### Whistleblower Policy – First Reading –Appendix I

Mrs. Ervin presented Appendix I, Whistleblower Policy for a first reading.

#### Gift Acceptance Policy – First Reading –Appendix J

Mrs. Ervin presented Appendix J, Gift Acceptance Policy for a first reading.

#### Investment and Spending Policy – First Reading –Appendix K

Mrs. Ervin presented Appendix K, Investment and Spending Policy for a first reading.

#### Foundation Reports – Korrie Ervin, Director of Resource Development

#### 2022-2023 Budget Review – Appendix L

Mrs. Ervin presented Appendix F, the 2022-2023 Budget Review. Currently, expenditures are where they should be. There was an over expenditure for the raffle budget which has been over the budget continuously for the last five years. Going forward, the limit for the raffle budget will be slightly increased.

#### 2021-2022 Occupational Scholarships – Appendix M

Mrs. Ervin presented Appendix M, the 2021-2022 Occupational Scholarships. She reported that \$4,856 has been awarded to 15 students.

#### 2022 Fall Fundraiser Review – Appendix N

Mrs. Ervin presented Appendix N, the 2022 Fall Fundraiser. Mrs. Ervin gave an update. The annual dinner, raffle and silent auction was held on Saturday, October 1, 2022, with over 150 people in attendance. The event raised a little over \$31,000 that included \$19,000 in sponsorships and \$5,000 in funds from the silent auction. Len Fagen and four Gunsmithing students, who purchased a ticket together, won the \$5,000 grand prize from the raffle.

#### 2022 Shooting Clay Tournament – Appendix O

Mrs. Ervin gave a report on the 2022 Shooting Clay Tournament. She reported that the fourth annual Shooting Clay tournament was held on Friday, November 4, 2022 at DeWitt's Outdoor Sports in Ellerbe, NC with 13 participating teams and the event raised over \$4,000.

#### Grants Update– Appendix P

Mrs. Ervin presented Appendix P, the Grants Update. She reported she applied for a new grant. The Gunsmithing Merit Scholarship in the amount of \$8,000.

#### 2022 Calendar – Appendix Q

Mrs. Ervin shared Appendix Q, the 2022 Calendar. She shared the remaining events for the 2022 year.

#### **2023 Event Planning – Appendix R**

Mrs. Ervin shared Appendix R, the 2023 Event Planning schedule. She shared the proposed calendar of events for the 2023 year.

#### **2022 Annual Fund Drive Cumulative Donations – Appendix S**

The 2022 annual fund drive cumulative donation goal was set for \$150,000. Currently, contributions total \$183,422.60.

#### **2023 Annual Fund Drive Goal – (Action)**

The 2023 Annual Fundraising Goal was proposed for \$150,000. Mr. Knowles made a motion, seconded by Dr. Katie Dunlap, to approve the 2023 Annual Fundraising Goal to be set at \$150,000. The motion carried.

#### **President’s Report Dr. Bledsoe**

Dr. Bledsoe gave an update on recent activities. The College is currently going through the accreditation process. Dr. Bledsoe discussed having a conversation with BrightDot, an organization offering their services to help with fundraising.

#### **Board of Trustees Report Mrs. Claudia Bulthuis**

Mrs. Bulthuis, presented Mrs. Jean Abbott with an award from the MCC Board of Trustees in recognition of all the effort put into the recent Fall Fundraiser.

There being no further business, Mr. Knowles made a motion, seconded by Mr. McRae, to adjourn the meeting at 1:04 p.m. The motion carried.

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Jean Abbott, Foundation President



**Montgomery Community College  
Foundation Executive Committee Meeting  
Minutes  
January 31, 2023**

The Foundation Executive Committee meeting was held on Tuesday, January 31, 2023 at 10:15 a.m. in the Boardroom of Montgomery Community College.

Present were: Jean Abbott, Foundation President; Claudia Bulthuis, Gordon Knowles **(R)**, Dr. Chad Bledsoe, Jeanette McBride, Emily Tucker, Korrie Ervin, and Sandra Clyburn.

Absent: Dr. Katie Dunlap

Mrs. Abbott, Chairman, called the meeting to order at 10:20 a.m.

Mrs. Bulthuis made a motion, seconded by Dr. Bledsoe, to approve the agenda for the January 31, 2023 meeting. The motion carried.

Mrs. Abbott welcomed all in attendance.

The committee discussed proposed revisions to the MCC Foundation Board of Directors By-Laws and Policies. Policy reviews included Code of Ethics, Record and Retention, Whistleblower, Gift Acceptance, and Investment and Spending policies.

Proposed revisions will be presented at the next Foundation Board meeting.

There being no further business, the meeting adjourned at 12:35 p.m.



# Wealth & Investment Management

## Montgomery Community College Foundation

February 2023

Kristen Lehrer, CAP®  
Sr. Vice President  
Sr. Philanthropic Specialist  
Wells Fargo Private Bank

Paul Zucchini  
Vice President  
Sr. Philanthropic Specialist  
Wells Fargo Private Bank

Jay Jacob  
Managing Director  
Financial Advisor  
Wells Fargo Advisors

William McPherson  
Senior Investment Manager  
Trust Investment Management  
Wells Fargo Private Bank

### Investment and Insurance Products are:

- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

# Agenda

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- Relationship Summary 04
- Investment Review 07

# Relationship Summary

# Relationship Summary

## **Established**

March 2017– Wells Fargo Bank, N.A. serves as Investment Agent

## **Authorized Representatives-** as of December 2022

- Emily S. Tucker
- Chad A. Bledsoe
- Jeanette McBride

## **Investment Objective**

Investment Policy Statement signed February 2020

- Cash 3%
- Equity 61%
- Fixed Income 30%
- Real Assets 6%

## **Statements**

- Annual, quarterly and monthly statements to Montgomery Community College Foundation
- CEO Monthly statements to Tonya Luck
- CEO Quarterly statements to Emily S. Tucker

## **Distributions**

As directed.

## **Investment Reporting**

Formal investment review as requested (annual minimum preferred)

# Relationship Summary - Fees

## Asset Management For Nonprofit and Tax-Exempt Entities

First \$2,000,000	1.25%
Next \$3,000,000	0.80%
Next \$5,000,000	0.60%
For balances over \$50,000,000	0.25%

- 35% discount applied.
- Current annualized fee equates to 0.68% based on 12/31/2022 market value.

# Investment Review

# Market Overview

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January 2023

**Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value**



# Capital market summary

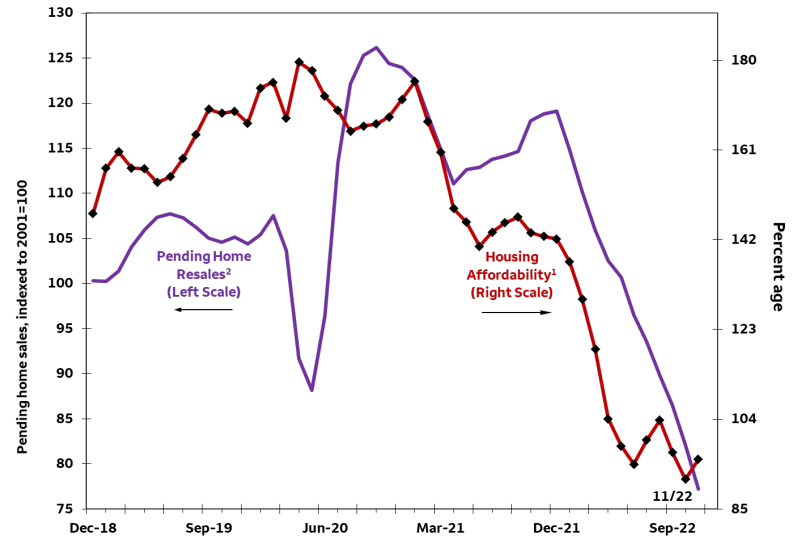
as of 12/31/2022

Equity Market	December	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Dow Jones Industrial Average	-4.09%	16.01%	-6.86%	-6.86%	7.32%	8.38%	12.30%
NASDAQ Composite Index	-8.67%	-0.79%	-32.54%	-32.54%	6.10%	9.67%	14.43%
S&P 500 Index	-5.76%	7.56%	-18.11%	-18.11%	7.66%	9.42%	12.56%
Russell 1000 Index	-5.81%	7.24%	-19.13%	-19.13%	7.35%	9.13%	12.37%
Russell 1000 Growth Index	-7.66%	2.20%	-29.14%	-29.14%	7.79%	10.96%	14.10%
Russell 1000 Value Index	-4.03%	12.42%	-7.54%	-7.54%	5.96%	6.67%	10.29%
Russell MidCap Index	-5.40%	9.18%	-17.32%	-17.32%	5.88%	7.10%	10.96%
Russell MidCap Growth Index	-6.00%	6.90%	-26.72%	-26.72%	3.85%	7.64%	11.41%
Russell MidCap Value Index	-5.08%	10.45%	-12.03%	-12.03%	5.82%	5.72%	10.11%
Russell 2000 Index	-6.49%	6.23%	-20.44%	-20.44%	3.10%	4.13%	9.01%
Russell 2000 Growth Index	-6.42%	4.13%	-26.36%	-26.36%	0.65%	3.51%	9.20%
Russell 2000 Value Index	-6.56%	8.42%	-14.48%	-14.48%	4.70%	4.13%	8.48%
Russell 3000 Index	-5.86%	7.18%	-19.21%	-19.21%	7.07%	8.79%	12.13%
MSCI EAFE Index (U.S Dollar)	0.11%	17.40%	-14.01%	-14.01%	1.34%	2.03%	5.16%
MSCI Emerging Markets Index (U.S. Dollar)	-1.35%	9.79%	-19.74%	-19.74%	-2.34%	-1.03%	1.81%
Fixed Income Market	December	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg U.S. Aggregate Bond Index	-0.45%	1.87%	-13.01%	-13.01%	-2.71%	0.02%	1.06%
Bloomberg U.S. Treasury Bills (1-3 Month) Index	0.35%	0.88%	1.52%	1.52%	0.70%	1.22%	0.73%
Bloomberg U.S. Aggregate 5-7 Year Bond Index	-0.47%	2.07%	-10.78%	-10.78%	-2.01%	0.37%	1.08%
Bloomberg U.S. Intermediate Government/Credit Bond Index	-0.18%	1.54%	-8.23%	-8.23%	-1.26%	0.73%	1.12%
Bloomberg U.S. Government/Credit Bond Index	-0.47%	1.80%	-13.58%	-13.58%	-2.57%	0.21%	1.16%
Bloomberg U.S. Municipal Bond Index	0.29%	4.10%	-8.53%	-8.53%	-0.77%	1.25%	2.13%
Bloomberg U.S. Corporate High Yield Bond Index	-0.62%	4.17%	-11.19%	-11.19%	0.05%	2.31%	4.03%
J.P. Morgan GBI Global ex -U.S. (Unhedged)	0.67%	7.04%	-21.87%	-21.87%	-7.89%	-4.16%	-2.24%
J.P. Morgan EMBI Global (U.S. Dollar)	0.38%	7.44%	-16.45%	-16.45%	-4.49%	-1.00%	1.35%
Real Assets & Hedge Funds	December	QTD	YTD	1 Year	3 Year	5 Year	10 Year
HFRI Fund Weighted Composite Index	-0.40%	2.20%	-4.25%	-4.25%	5.66%	4.41%	4.67%
FTSE/EPRA NAREIT Developed Index	-2.63%	7.11%	-24.41%	-24.41%	-4.06%	0.69%	3.90%
Bloomberg Commodity Index	-2.45%	2.22%	16.09%	16.09%	12.65%	6.44%	-1.28%
Liquid Allocations	December	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Moderate Income	-1.86%	4.30%	-14.05%	-14.05%	0.03%	2.19%	3.36%
Moderate Growth & Income	-2.71%	6.28%	-14.71%	-14.71%	2.56%	4.19%	5.78%
Moderate Growth	-3.55%	8.14%	-16.17%	-16.17%	3.80%	5.17%	7.65%

# U.S. economic overview

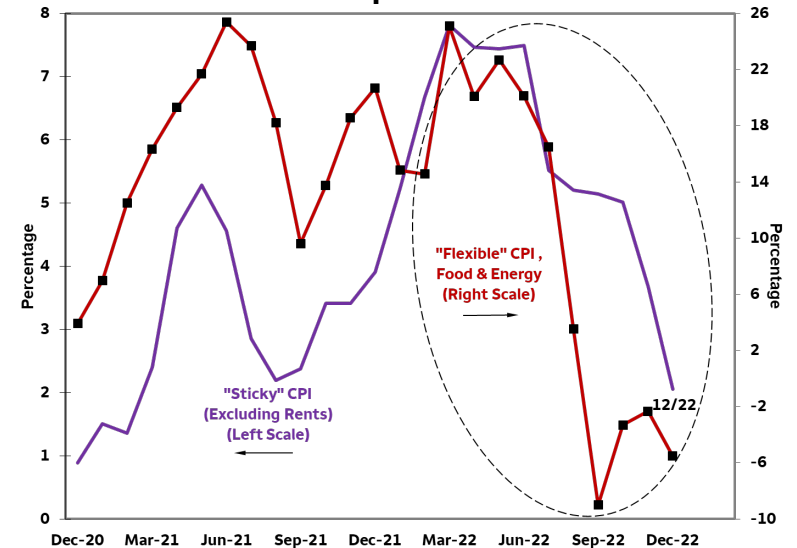
## Inflation slows as economy shows signs of weakness

- Mixed economic data at the end of 2022 netted to modest-to-moderate economic growth during the closing months of the year. High-frequency data signaled modest year-end growth, slowed by the lingering effects of a pandemic still reverberating in this cycle. Both November consumer spending data and December business surveys were supported by pent-up demand for more economically sensitive services. Purchasing power was buoyed by slowing inflation and aggressive hiring to fill pandemic-related shortages. COVID-19 has made its mark in less favorable ways for the economy, too. The manufacturing sector limped into the new year with back-to-back declines in business surveys to their lowest level in over two years as of December 31, 2022. Activity has been saddled by excess inventories — a reversal of the trend seen in early 2022 as consumer demand for goods waned. The housing market — a leading economic indicator — continued to deteriorate as high inflation sparked a sharp uptick in mortgage rates, weighing on home affordability.
- December inflation, as measured by Consumer Price Index (CPI), slowed to a 12-month rate of 6.5% from June’s peak reading of more than 9% and the lowest reading since October 2021. That decline included an annualized inflation rate of less than 2% in the three months to December. Inflation’s recent decline has extended beyond economically sensitive, or flexible, prices, to slower moving “sticky” inflation less sensitive to changes in economic growth. The Atlanta Federal Reserve (Fed) estimates that sticky inflation, excluding rents, slowed to an annual rate of little more than 2% in the October-December period from a peak 7.5% rate in the three months to June, as travel, entertainment and other services-oriented “hot spots” in the economy began to feel the effects of softening demand. The CPI’s measure of rental inflation remained high. However, it is expected to slow noticeably in coming months as the slower moving shelter component of the CPI plays catch up with recent declines in more market-sensitive indicators of rents.



<sup>1</sup>Ratio, median family income to the qualifying income for a mortgage on a median-priced home.  
<sup>2</sup>Three-month moving average data.  
 Source: IHS Markit, Inc.; data as of 01/13/2023.

## More than just a slowing of inflation's economically sensitive components



Source: U.S. Department of Labor; data as of December 31, 2022

# International economic overview

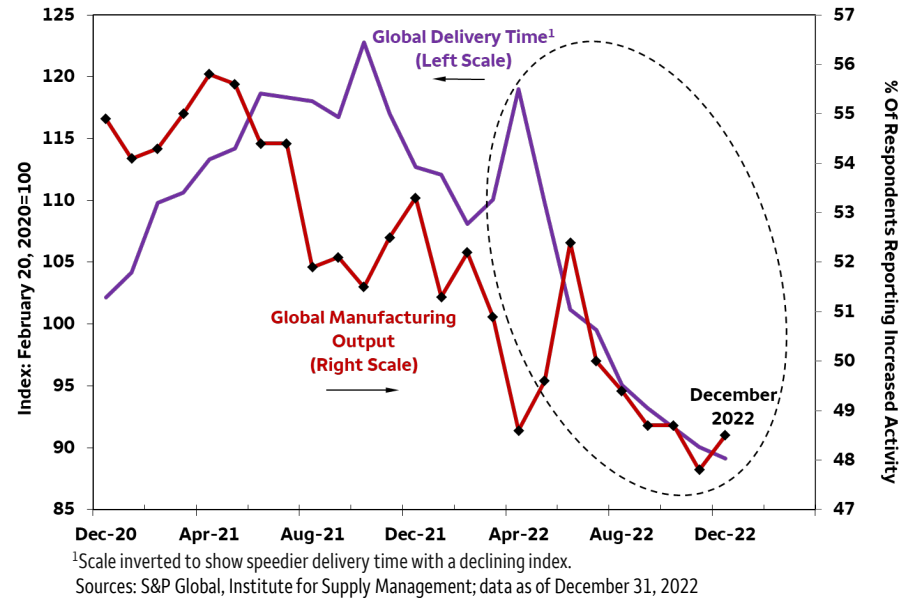
## Europe sliding into recession, Asia may be well positioned

### Europe

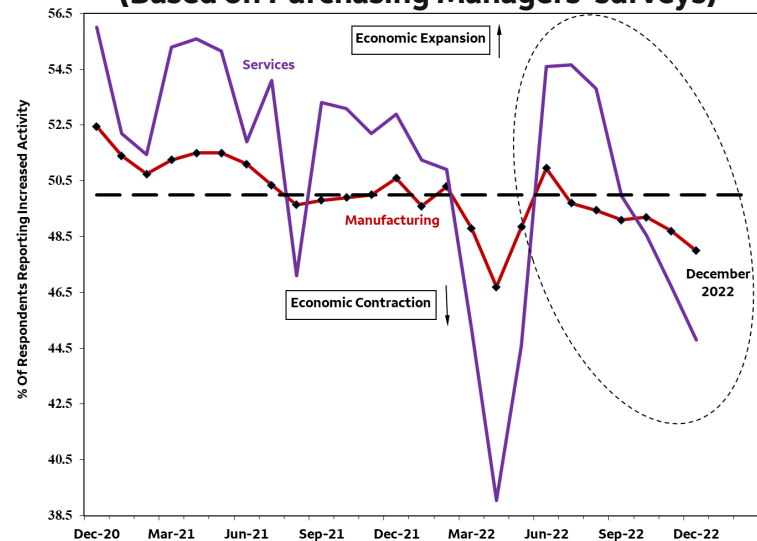
- Although Europe may already be in a recession, the region's economic slowdown may prove to be milder than previously anticipated. A slight improvement in eurozone manufacturing and service-sector activity at the end of the year wasn't enough to reverse the slowdown in activity there. We believe inflation's energy-led decline from a double-digit peak (in percentage terms) may cushion the blow to consumer pocketbooks as it alleviates pressure on spending power. Fiscal stimulus has also offered support by aiming to soften the pain from surging energy costs and other disruptions related to the nearly year-long Russian-Ukraine war. Clouding the outlook for trade-sensitive Europe, however, are the dollar's trajectory this year and the timing and extent of China's economic recovery. An added headwind is the prospect of more aggressive interest rate hikes by the European Central Bank (ECB) in coming months. Policymakers there remain "behind the curve," grappling with higher current inflation compared to the U.S.

### Asia

- In our view, Asia may be in a well positioned region to withstand the looming global recession. We believe relatively low inflation and an approaching U.S. dollar peak may potentially cushion any future economic downturn. Economic fallout from China's abrupt pivot in December to a more relaxed COVID-19 policy is the immediate risk. Our view is that economic disruptions sending business-activity surveys to a February 2020 low should peak sometime after the Lunar New Year holiday in late January 2023, potentially leading to a growth recovery by the second half of 2023. We believe Taiwan and South Korea should benefit from a rebound in China's demand for semiconductors and other manufactured goods exports to China, while China's reopening should lift southeast Asian tourism and commodity exports.



## New open-COVID policy adds to China's economic woes (Based on Purchasing Managers' surveys)



# Stock market review and strategy

## Inflation and Fed weighed on markets

### U.S. equities:

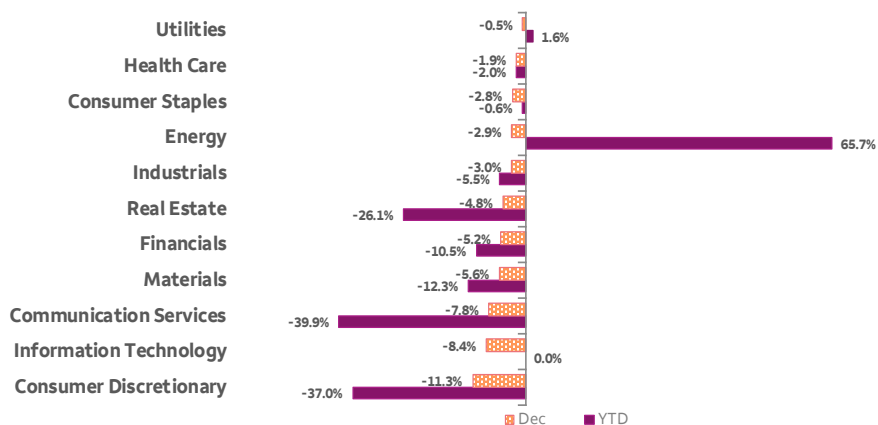
- U.S. equity returns struggled in the month of December, which capped a terrible year. The S&P 500 Index dropped 5.8% for the month which brought its year-to-date (YTD) performance to -18.1%. Tighter Fed policy and the increasing likelihood of a recession weighed on equity prices throughout 2022, including December. The poor monthly performance caused the S&P 500 Index to end the year below the 20-, 50-, 100-, and 200-day moving averages.
- U.S. large-cap equities, mid-cap equities, and small-cap equities performed similarly in December, with monthly returns of -5.8%, -5.4%, and -6.5%, respectively. There were no S&P 500 Index sectors that saw positive returns in December, yet the typically defensive sectors dropped the least.
- Health Care, Utilities, and Industrials were the best-performing sectors across mid- and small-caps. The Russell 2000 Health Care, Utilities, and Industrials sectors posted -4.5%, -5.2%, and -4.8% monthly returns, respectively, while those same sectors in the Russell Midcap Index returned -1.9%, -2.3%, and -4.4% respectively. The worst-performing sector in both the Russell 2000 and Russell Midcap Indexes in December was Telecommunications (-9.3% and -8.2% respectively).

### International equities:

- International equities outperformed their U.S. counterparts with U.S. dollar-denominated developed market (DM) equities posting a 0.1% gain and the U.S. dollar-denominated emerging market (EM) equities posting a -1.4% return in December. The strong performance was boosted by a weaker U.S. dollar.
- In regard to DM performance, the Pacific and Europe regions performed similarly in December, as measured by MSCI Pacific and MSCI Europe, 0.4% and 0.0%, respectively, as both regions outperformed the U.S. In the Pacific, the worst offender was MSCI Australia Index (-2.0%), while MSCI Hong Kong Index (8.1%) outperformed. In Europe, MSCI Netherlands (-2.6%) and MSCI Norway (-1.5%) Indexes were notable underperformers, while the MSCI Denmark Index (7.0%) and MSCI Belgium Index (3.5%) outperformed.
- Within Emerging Markets (EM), China once again propelled the index as an easing of zero-COVID policy spurred gains in the region. The MSCI China Index returned 5.2% in December, although the index is still down over 45% since its February 2021 peak. MSCI Turkey and MSCI Thailand Indexes (8.0% and 3.8%) were the other notable EM outperformers for the month, while the MSCI Qatar Index (-10.8%) and MSCI Mexico Index (-6.7%) underperformed.

### Stock market total returns\*\* Period ending December 31, 2022

Equity indexes	December	QTD	YTD	1 Year	3 Year*	5 Year*
Global Market	-3.9%	9.9%	-18.0%	-18.0%	4.5%	5.8%
Large Cap	-5.8%	7.6%	-18.1%	-18.1%	7.7%	9.4%
Large Cap Growth	-7.7%	2.2%	-29.1%	-29.1%	7.8%	11.0%
Large Cap Value	-4.0%	12.4%	-7.5%	-7.5%	6.0%	6.7%
Mid Cap	-5.4%	9.2%	-17.3%	-17.3%	5.9%	7.1%
Small Cap	-6.5%	6.2%	-20.4%	-20.4%	3.1%	4.1%
Developed ex. U.S. (USD)	0.1%	17.4%	-14.0%	-14.0%	1.3%	2.0%
Developed Small Cap (USD)	1.1%	15.8%	-21.0%	-21.0%	-0.5%	0.3%
Emerging Markets (USD)	-1.4%	9.8%	-19.7%	-19.7%	-2.3%	-1.0%
Frontier Markets (USD)	-1.5%	-0.8%	-26.1%	-26.1%	-3.4%	-2.2%



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of December 31, 2022.

\*Annualized returns \*\*Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see disclosures at the end of the report for index definitions (slide 12).

# Bond market review and strategy

## Central bank policy, U.S. dollar, and economic indicators led to continued volatility

### U.S. market:

- Economic indicators around inflation, unemployment, and economic growth continued to influence U.S. Treasury yield volatility during the month. The U.S. Treasury yield curve remains heavily inverted, as the Fed intends to bring inflation under control.
- Investor appetite for credit exposure dwindled in December. Although negative, U.S. investment-grade (IG) corporate fixed income (-0.44%) managed to outperform high yield (HY) taxable fixed income (-0.62%) during the month. In December, credit spreads for IG and HY were mostly flat, both hovering near long-term averages.
- Municipal bond yields also declined slightly across the curve, being the main contributor to the positive performance for municipals last month (+0.29%). The municipal yield curve also managed to invert mid-month and remained inverted to end the month (10-year minus 1-year).

### Developed markets:

- A hawkish ECB meeting and a surprise move from the Bank of Japan (BOJ) in an effort to ease its yield curve control policy ensured that all markets saw sharp yield increases and large losses in local currency terms in December. Hedged DM bonds fell by 2.9% on the month, but unhedged bonds returned +0.7% due to euro and yen gains against the dollar. UK gilts were December's big loser, hit by rising yields but failing to benefit from any appreciation of the pound.

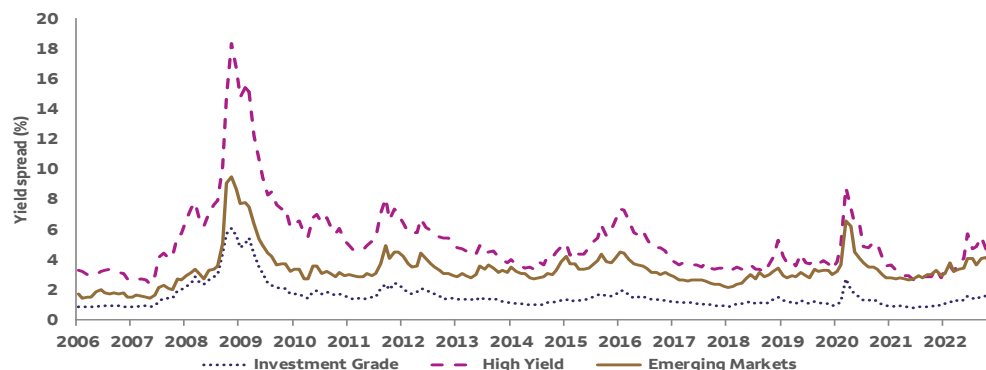
### Emerging markets:

- Hopes of a Chinese re-opening after reversal of the zero-COVID policy helped EM bonds end a poor year on a higher note. Local-currency-denominated bonds, saw monthly returns of +2.6%<sup>1</sup> (to the U.S. dollar-based investor), cutting full-year losses to 8.7%. Dollar-denominated sovereign debt continued to be held back by longer duration and the rise in U.S. Treasury yields, but this was offset by spread narrowing, allowing for positive December returns of +0.4% (although full-year performance ended deeply negative, -16.5%).

1. Measured by J.P. Morgan Government Bond Index-Emerging Markets Global (EMBI)

## Fixed Income market total returns\*\* Period ending December 31, 2022

Fixed Income indexes	December	QTD	YTD	1 Year	3 Year*	5 Year*
Global Multiverse	0.6%	4.7%	-16.0%	-16.0%	-4.4%	-1.6%
U.S. Inv Grade Taxable	-0.5%	1.9%	-13.0%	-13.0%	-2.7%	0.0%
U.S. Treasury Bills	0.4%	0.9%	1.5%	1.5%	0.7%	1.2%
U.S. Short-Term Taxable	0.2%	0.9%	-3.7%	-3.7%	-0.4%	0.9%
U.S. Inter-Term Taxable	-0.5%	2.1%	-10.8%	-10.8%	-2.0%	0.4%
U.S Long-Term Taxable	-1.4%	2.5%	-27.1%	-27.1%	-6.2%	-1.2%
U.S. Treasury	-0.5%	0.7%	-12.5%	-12.5%	-2.6%	-0.1%
U.S. Corporate	-0.4%	3.6%	-15.8%	-15.8%	-2.9%	0.5%
U.S. Municipal	0.3%	4.1%	-8.5%	-8.5%	-0.8%	1.3%
U.S. TIPS	-1.0%	2.0%	-11.8%	-11.8%	1.2%	2.1%
U.S. High Yield	-0.6%	4.2%	-11.2%	-11.2%	0.0%	2.3%
Developed ex.U.S. (unhedged)	0.7%	7.0%	-21.9%	-21.9%	-7.9%	-4.2%
Emerging Market (USD)	0.4%	7.4%	-16.5%	-16.5%	-4.5%	-1.0%



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of December 31, 2022.

\*Annualized return. \*\*Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see disclosures at the end of the report for index definitions (slide 13-14).

# Real Assets review and strategy

## Expectations for weaker demand, tight supply, and dollar affected real assets

### Master limited partnerships (MLPs):

- MLPs slightly outperformed the S&P 500 Index in December, with a -4.7% total return (as measured by the Alerian MLP Index) versus a -5.8% total return for the S&P 500. WTI (West Texas Intermediate) crude oil was slightly down 0.4%, but due to the fee-based business model, we do not believe that the decrease in oil prices significantly impacted MLPs.

### Commodities:

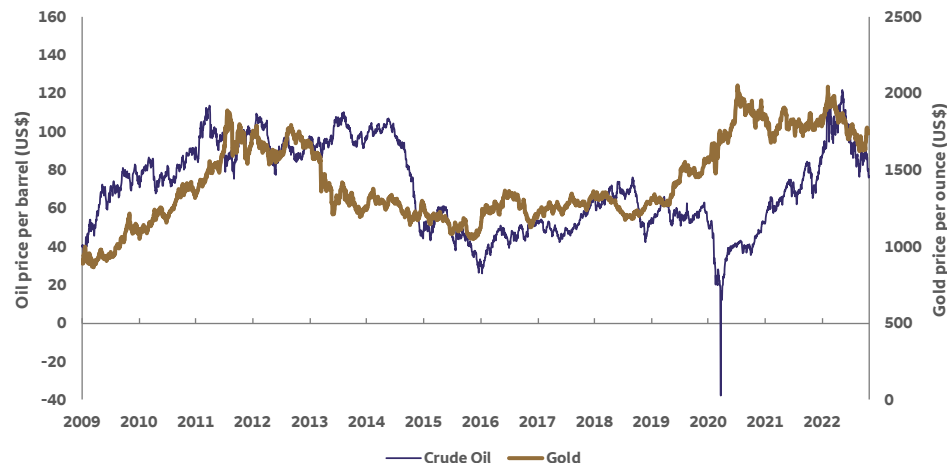
- Energy:** The energy sector experienced a -12.2% total return in December, underperforming the broader Bloomberg Commodity Index. Gasoline was the top performer with a 1.7% return; while WTI crude, Brent crude, and diesel ended the month relatively flat. On the other end, natural gas prices fell 35.4% during the month of December and appear to be the primary driver of poor sector performance. We suspect that Europe's mild winter combined with fears of a recession in 2023 were the most potent headwinds.
- Metals:** Precious metals experienced a 5.7% total return in December, driven by strong performance in silver and gold. Gold prices continued to rebound for the second consecutive month and were up 3.1% in December. Over the coming months, though, we suspect that gains will be limited by a strong U.S. dollar and restrictive Fed policy. Despite this, we still retain some conviction of the long-term fundamentals of gold, such as a positive supply/demand balance, and the commodity bull super-cycle. Base metals also outperformed the Bloomberg Commodity Index, with a 2.24% monthly return. Concerns about global economic growth and weaker demand in the face of a recession have weighed on prices, but tight supply has helped offset some of these effects.

**Agriculture:** Agriculture commodity prices were slightly up 1.63% in December, but there was a wide dispersion in individual performance. Soybean meal was the top performer for the month, up 14.6%, while soybean oil was the worst performer, down -15.2%. Food prices have come down from their highs following the start of the Russia-Ukraine war, but high energy and fertilizer costs combined with supply chain bottlenecks are still a concern in our view.

### Real Assets total returns\*\*

Period ending December 31, 2022

REIT/Commodity indexes	December	QTD	YTD	1 Year	3 Year*	5 Year*
Public Real Estate	-2.6%	7.1%	-24.4%	-24.4%	-4.1%	0.7%
U.S. REITs	-5.0%	4.1%	-24.9%	-24.9%	0.2%	4.4%
International REITs	1.5%	10.5%	-23.8%	-23.8%	-8.2%	-2.3%
S&P Goldman Sachs Commodity (GSCI)	-1.4%	3.4%	26.0%	26.0%	10.5%	6.5%
Bloomberg Commodity	-2.4%	2.2%	16.1%	16.1%	12.7%	6.4%
Commodities (RICI)	-0.8%	4.6%	19.8%	19.8%	16.0%	9.6%
Global Infrastructure	-2.2%	11.0%	-0.2%	-0.2%	1.7%	3.9%
MLPs	-4.7%	10.1%	30.9%	30.9%	9.4%	4.1%



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of December 31, 2022.

REITs=real estate investment trusts.

\*Annualized return. \*\*Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see disclosures at the end of the report for index definitions (slide 14).

# Economic and Market Strategy Update

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January 2023

**Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value**

# Economic outlook

Global economy	2023 year-end forecasts	Latest <sup>4</sup>
Global GDP growth <sup>1</sup>	0.9%	3.7% (period ending Q3 2022)
Global inflation <sup>1</sup>	4.5%	6.0% (Q4 2022)
U.S. GDP growth <sup>1</sup>	-1.3%	3.3% (period ending Q3 2022)
U.S. CPI <sup>2</sup>	2.2%	6.5% (Dec. 2022)
U.S. unemployment rate <sup>3</sup>	5.2%	3.6% (Dec. 2022)

Currency	2023 year-end forecasts	Year-end 2022
Dollars per euro	\$1.01-\$1.09	\$1.07
Yen per dollar	¥130-¥140	¥131

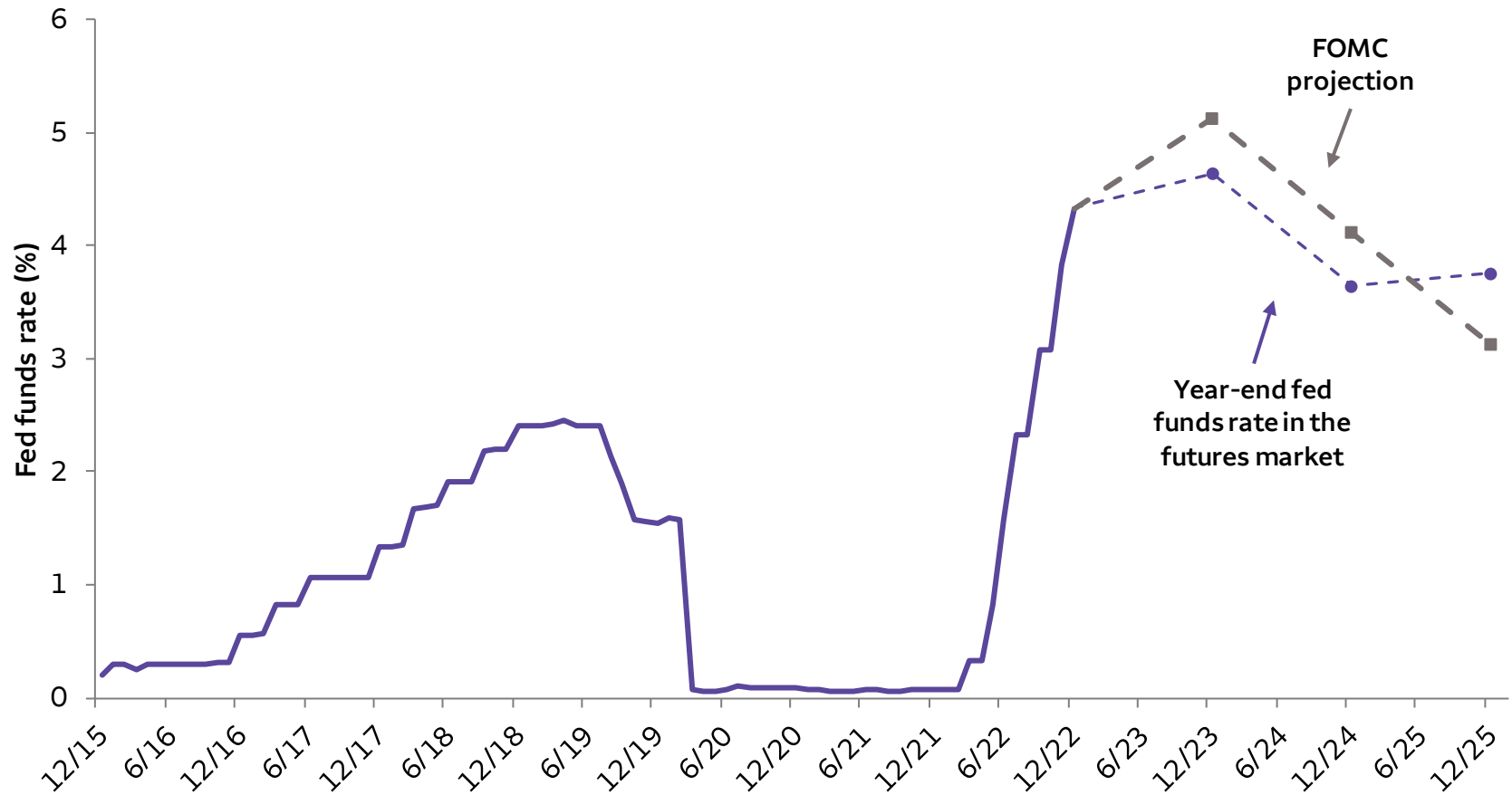


# Market outlook

Equity	2023 year-end forecasts	Year-end 2022
S&P 500 Index	4300-4500	3840
S&P 500 Index EPS	\$205	\$221
Russell Midcap Index	2900-3100	2701
Russell 2000 Index	1800-2000	1761
MSCI EAFE Index	1700-1900	1944
MSCI Emerging Markets Index	800-1000	956
Fixed income	2023 year-end forecasts	Year-end 2022
U.S. federal funds rate	3.50-3.75%	4.25-4.50%
10-year U.S. Treasury	3.50-4.00%	3.87%
30-year U.S. Treasury	3.50-4.00%	3.96%
Commodities	2023 year-end forecasts	Year-end 2022
WTI crude oil	\$100-\$120	\$80
Brent crude oil	\$105-\$125	\$86
Gold (troy ounce)	\$1900-\$2000	\$1,824

# Interest rate expectations

The market's expectations for rate hikes through 2025 are in line with the Federal Reserve (Fed)

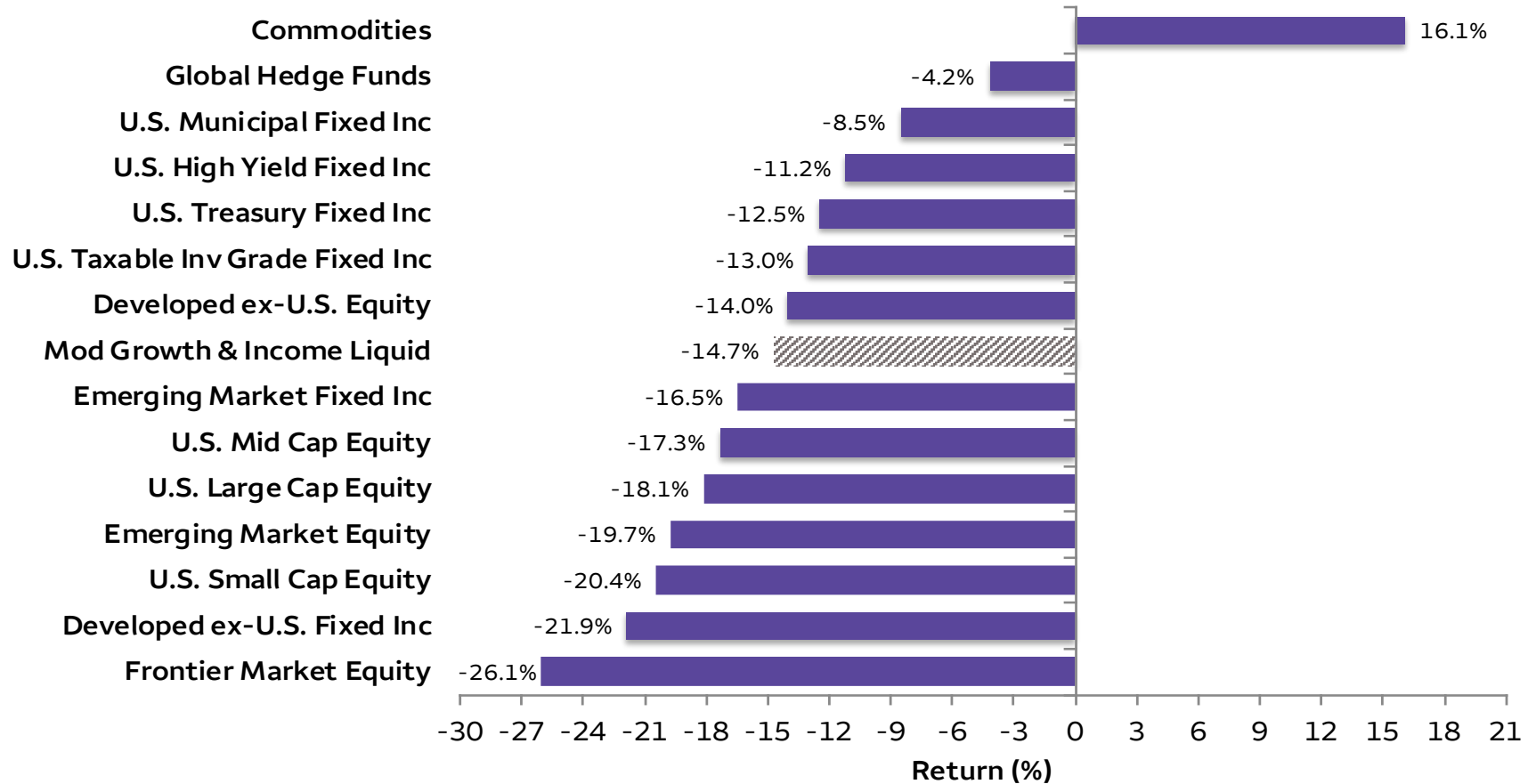


Sources: Bloomberg, Federal Reserve Board, and Wells Fargo Investment Institute. Data as of December 31, 2022. Fed = Federal Reserve. FOMC = Federal Open Market Committee. FOMC projection is the median FOMC projection as of December 14, 2022. Forecasts are not guaranteed and based on certain assumptions and on views of market and economic conditions which are subject to change.

# Asset class performance

Commodities was the top performing asset class for the year and the only positive performer

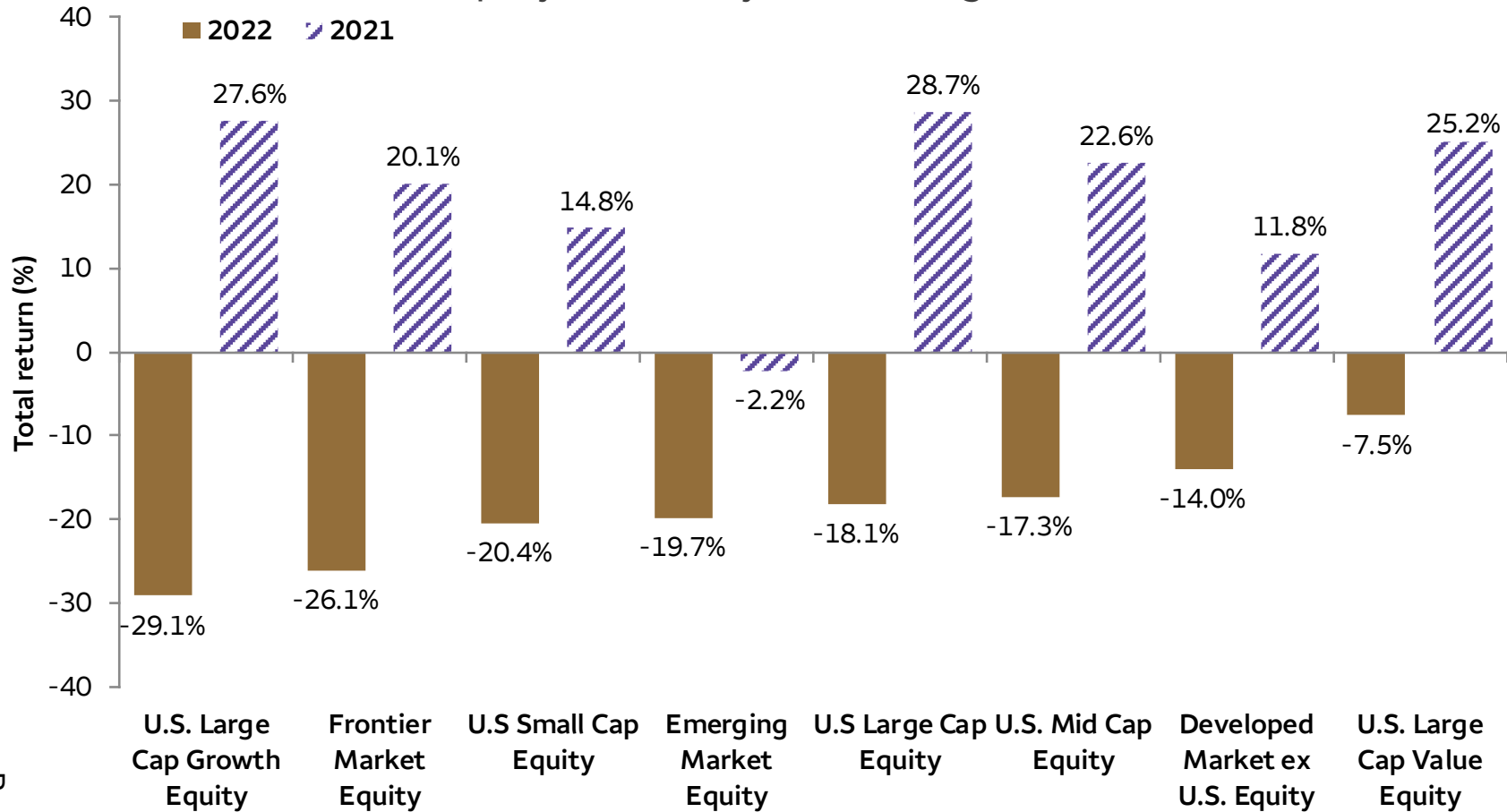
## 2022 asset class total returns



# Equities performance

All equity asset classes were down in 2022

## Equity returns by market segment



# Bear markets: historical perspective

The S&P 500 Index remained in a bear market for most of 2022

## Historical S&P 500 Index bear markets

Bear market start	Bear market length (months)	Overlapping recession?	Bear market leads recession by (months)	Bear market return (%)	Return 6 months after bear end (%)	Return 12 months after bear end (%)	Length to recover from bear bottom (months)
May 29, 1946	36.5	Yes	29.5	-29.6	22.8	42.1	11.9
August 2, 1956	14.7	Yes	12.4	-21.6	9.8	31.0	11.1
December 12, 1961	6.4	No*	–	-28.0	20.5	32.7	14.3
February 9, 1966	7.9	No	–	-22.2	22.1	32.9	6.9
November 29, 1968	17.9	Yes	12.5	-36.1	22.8	43.7	21.4
January 11, 1973	20.7	Yes	10.1	-48.2	30.9	38.0	69.5
November 28, 1980	20.4	Yes	7.6	-27.1	44.1	58.3	2.7
August 25, 1987	3.3	No	–	-33.5	19.0	21.4	19.7
July 16, 1990	2.9	Yes	0.0	-19.9	27.8	29.1	4.1
March 24, 2000	30.5	Yes	11.7	-49.1	11.5	33.7	55.7
October 9, 2007	17.0	Yes	2.2	-56.8	52.7	68.6	48.7
February 19, 2020	1.1	Yes	0.1	-33.9	44.7	74.8	4.9
Current: January 3, 2022	11.9	TBD	TBD	-25.4	TBD	TBD	TBD
<b>Average overall</b>	<b>14.9</b>	<b>–</b>	<b>9.6</b>	<b>-33.8</b>	<b>27.4</b>	<b>42.2</b>	<b>22.6</b>
<b>verage w/o recession</b>	<b>5.9</b>	<b>–</b>	<b>–</b>	<b>-27.9</b>	<b>20.5</b>	<b>29.0</b>	<b>13.6</b>
<b>verage with recession</b>	<b>18.0</b>	<b>–</b>	<b>9.6</b>	<b>-35.8</b>	<b>29.7</b>	<b>46.6</b>	<b>25.5</b>

# The worst and best days in the market

The market's (S&P 500 Index) best and worst days have tended to occur during bear markets

20 worst days for S&P 500 Index  
January 1993 – December 2022

Rank (worst days)	Date	S&P 500 Index daily return
1	3/16/2020	-12.0%
2	3/12/2020	-9.5%
3	10/15/2008	-9.0%
4	12/1/2008	-8.9%
5	9/29/2008	-8.8%
6	10/9/2008	-7.6%
7	3/9/2020	-7.6%
8	10/27/1997	-6.9%
9	8/31/1998	-6.8%
10	11/20/2008	-6.7%
11	8/8/2011	-6.7%
12	11/19/2008	-6.1%
13	10/22/2008	-6.1%
14	6/11/2020	-5.9%
15	4/14/2000	-5.8%
16	10/7/2008	-5.7%
17	1/20/2009	-5.3%
18	11/5/2008	-5.3%
19	11/12/2008	-5.2%
20	3/18/2020	-5.2%

20 best days for S&P 500 Index  
January 2023 – December 2022

Rank (best days)	Date	S&P 500 Index daily return
1	10/13/2008	11.6%
2	10/28/2008	10.8%
3	3/24/2020	9.4%
4	3/13/2020	9.3%
5	3/23/2009	7.1%
6	4/6/2020	7.0%
7	11/13/2008	6.9%
8	11/24/2008	6.5%
9	3/10/2009	6.4%
10	11/21/2008	6.3%
11	3/26/2020	6.2%
12	3/17/2020	6.0%
13	7/24/2002	5.7%
<b>14</b>	<b>11/10/2022</b>	<b>5.5%</b>
15	9/30/2008	5.4%
16	7/29/2002	5.4%
17	12/16/2008	5.1%
18	10/28/1997	5.1%
19	9/8/1998	5.1%
20	1/3/2001	5.0%

## Where Wells Fargo Investment Institute (WFII) differs from consensus

- Our -1.3% U.S. gross domestic product (GDP) growth forecast for 2023 is below Bloomberg consensus of 0.4%.
- Our U.S. inflation forecast for 2023 of 2.2% in December 2023 from December 2022 translates to a 2.4% rate for all of next year, below the Bloomberg consensus forecast of 3.9%.
- Our 2023 developed markets GDP growth forecast of -1.3% is below the Bloomberg consensus of 0.5%, and our 2.6% 2023 emerging markets GDP growth forecast is below the 3.9% consensus estimate.
- Our year-end 2023 S&P 500 Index earnings per share target is \$205, which is well below current consensus of \$225. While our year-end 2023 S&P 500 Index price target is 4400, which is above the 4075 median street estimate.
- Our year-end 2023 target for the 10-year Treasury yield is 3.50-4.00%. The midpoint of this range, 3.75%, is above consensus.
- Our year-end 2023 WTI crude oil target of \$100-\$120 per barrel and gold price target of \$1900-\$2000 per troy ounce are both more positive than the Bloomberg consensus.

# Key points

## In our view:

- We maintain our view for a U.S. recession through mid-2023, with the worst of the recession likeliest to occur early 2023. For 2023, we forecast -1.3% economic growth in the U.S. and 0.9% globally.
- Inflation remains well above the Fed target, which has compelled the Fed to take an aggressive tightening stance.
- The Fed aggressively increased the federal funds rate in 2022, raising it by 25 basis points (0.25%) in March; 50 basis points (0.50%) in May; 75 basis points (0.75%) at each of the meetings in June, July, September, and November; and 50 basis points (0.50%) in December.
- We expect the Fed to continue raising rates in early 2023 before taking a pause once inflation slows meaningfully.
- As the markets face tightening Fed policy, sticky inflation, slowing economic growth, and geopolitical tensions, we recommend focusing on quality in investment portfolios. This includes maintaining a bias toward U.S. equities over international equities.

Within the U.S., we favor higher quality, large- and mid-cap companies with consistent earnings growth and low leverage.



# Disclosures

## Asset class risks

**Alternative Investments, such as hedge funds and private capital funds, are not appropriate for all investors.** They are speculative and involve a high degree of risk that is only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program.

Hedge funds trade in diverse complex strategies that are affected in different ways and at different times by changing market conditions. Strategies may, at times, be out of market favor for considerable periods with adverse consequences for the investor. **Arbitrage strategies** expose a fund to the risk that the anticipated arbitrage opportunities will not develop as anticipated, resulting in potentially reduced returns or losses to the fund. **Relative Value** strategies seek to make profits by arbitrage opportunities between two related securities. These arbitrage opportunities might come in the way of pricing discrepancies between two securities or between securities and derivative instruments. **Event Driven** strategies involve investing in opportunities created by significant transactional events, such as spinoffs, mergers and acquisitions, bankruptcy reorganization, recapitalization and share buybacks. Managers who use such strategies may invest in, and might sell short, the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation. **Equity Hedge** strategies maintain positions both long and short in primarily equity and equity derivative securities. Investing in **Distressed companies** is speculative and subject to greater levels of credit, issuer and liquidity risks and the repayment of default obligations contains significant uncertainties such companies may be engaged in restructurings or bankruptcy proceedings. **Macro** strategies base their investment decisions on the anticipated price movement of stock markets, interest rates, foreign exchange, and physical commodities. These price movements result from many factors including forecasted shifts in world economies. Exchange-traded and over-the-counter derivatives are often used to magnify these price movements. The fixed income securities used in the structured credit relative value strategy may include CMBS, RMBS, ABS CLOs and other debt securities. They are subject to security-specific risks in addition to the risks associated with fluctuations in interest rates, credit/default, liquidity and forced deleveraging. **Long/short credit** strategies invest in the global credit markets which may be volatile. The risks associated with this strategy include investments in debt securities and the use of short selling and derivatives.

Private capital investments are complex, speculative investment vehicles that are not appropriate for all investors. The funds use complex trading strategies, including hedging and leveraging through derivatives and short selling and other aggressive investment practices. It is possible to lose your entire investment investing in these funds. Leverage can significantly increase return potential but create greater risk of loss. Derivatives generally have implied leverage which can magnify volatility and may entail other risks such as market, interest rate, credit, counterparty and management risks. Short selling involves leverage and theoretically unlimited loss potential since the market price of securities sold short may continuously increase.

Equity securities are subject to market risk which means their value may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. Investments in equity securities are generally more volatile than other types of securities. Small and Mid-cap stocks are generally more volatile, subject to greater risks and are less liquid than large company stocks.

Investments in fixed-income securities are subject to interest rate, credit/default, liquidity, inflation and other risks. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond's price. Credit risk is the risk that an issuer will default on payments of interest and/or principal. This risk is heightened in lower rated bonds. If sold prior to maturity, fixed income securities are subject to market risk. All fixed income investments may be worth less than their original cost upon redemption or maturity.

U.S. government securities are backed by the full faith and credit of the federal government as to payment of principal and interest. Unlike U.S. government securities, agency securities carry the implicit guarantee of the U.S. government but are not direct obligations. Payment of principal and interest is solely the obligation of the issuer. If sold prior to maturity, both types of debt securities are subject to market risk.

Although Treasuries are considered free from credit risk they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate.

Municipal bonds offer interest payments exempt from federal taxes, and potentially state and local income taxes. These bonds are subject to interest rate and credit/default risk. Quality varies widely depending on the specific issuer. Municipal securities may also be subject to the alternative minimum tax and legislative and regulatory risk which is the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.

Mortgage- and asset-backed securities are subject to the risks associated with debt securities and to prepayment, extension and call risks. Changes in prepayments may significantly affect yield, average life and expected maturity. Extension risk is the risk that rising interest rates will slow the rate at which mortgages are prepaid. Call risk is the risk that if called prior to maturity, similar yielding investments may not be available for the Fund to purchase. These risks may be heightened for longer maturity and duration securities.

Treasury Inflation-Protected Securities (TIPS) are subject to interest rate risk, especially when real interest rates rise. This may cause the underlying value of the bond to fluctuate more than other fixed income securities.

# Disclosures

## Asset class risks (continued)

Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging and frontier markets.

Exposure to the commodities markets may subject an investment to greater share price volatility than an investment in traditional equity or debt securities. Investments in commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. Investing in precious metals involves special risk considerations such as severe price fluctuations and adverse economic and regulatory developments which could materially and adversely affect an investment.

Investing in physical commodities, such as gold, silver, palladium and other precious metals, exposes a portfolio to material risk considerations such as potentially severe price fluctuations over short periods of time and storage costs that exceed the custodial and/or brokerage costs associated with a portfolio's other holdings.

Investment in securities of Master Limited Partnerships (MLPs) involves certain risks which differ from an investment in the securities of a corporation. MLPs may be sensitive to price changes in oil, natural gas, etc., regulatory risk, and rising interest rates. A change in the current tax law regarding MLPs could result in the MLP being treated as a corporation for federal income tax purposes which would reduce the amount of cash flows distributed by the MLP. Other risks include the volatility associated with the use of leverage; volatility of the commodities markets; market risks; supply and demand; natural and man-made catastrophes; competition; liquidity; market price discount from Net Asset Value and other material risks.

Currency risk is the risk that foreign currencies will decline in value relative to that of the U.S. dollar. Exchange rate movement between the U.S. dollar and foreign currencies may cause the value of a portfolio's investments to decline.

## Sector risks

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility. Risks associated with the **Consumer Discretionary** sector include, among others, apparel price deflation due to low-cost entries, high inventory levels and pressure from e-commerce players; reduction in traditional advertising dollars, increasing household debt levels that could limit consumer appetite for discretionary purchases, declining consumer acceptance of new product introductions, and geopolitical uncertainty that could affect consumer sentiment. **Consumer Staples** industries can be significantly affected by competitive pricing particularly with respect to the growth of low-cost emerging market production, regulation, the performance of the overall economy, interest rates, and consumer confidence. **Communication Services** companies are vulnerable to their products and services becoming outdated because of technological advancement and the innovation of competitors. Companies in the communication services sector may also be affected by rapid technology changes; pricing competition, large equipment upgrades, substantial capital requirements and government regulation and approval of products and services. In addition, companies within the industry may invest heavily in research and development which is not guaranteed to lead to successful implementation of the proposed product. **Energy** sector may be adversely affected by changes in worldwide energy prices, exploration, production spending, government regulation, and changes in exchange rates, depletion of natural resources, and risks that arise from extreme weather conditions. Investing in the **Financial** services companies will subject an investment to adverse economic or regulatory occurrences affecting the sector. Some of the risks associated with investment in the **Health Care** sector include competition on branded products, sales erosion due to cheaper alternatives, research and development risk, government regulations and government approval of products anticipated to enter the market. There is increased risk investing in the **Industrials** sector. The industries within the sector can be significantly affected by general market and economic conditions, competition, technological innovation, legislation and government regulations, among other things, all of which can significantly affect a portfolio's performance. **Materials** industries can be significantly affected by the volatility of commodity prices, the exchange rate between foreign currency and the dollar, export/import concerns, worldwide competition, procurement and manufacturing and cost containment issues. **Real estate** investments have special risks, including possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions. Risks associated with the **Technology** sector include increased competition from domestic and international companies, unexpected changes in demand, regulatory actions, technical problems with key products, and the departure of key members of management. Technology and Internet-related stocks, especially smaller, less-seasoned companies, tend to be more volatile than the overall market. **Utilities** are sensitive to changes in interest rates, and the securities within the sector can be volatile and may underperform in a slow economy.

# Index definitions

**Broad-based indexes are unmanaged and not available for direct investment.**

## Allocation Compositions (Slide 2)

**Moderate Income Liquid** is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 58% Bloomberg U.S. Aggregate Bond Index, 4% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 16% S&P 500 Index, 5% Russell Midcap Index, 4% Russell 2000 Index, 4% MSCI EAFE Index, 2% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

**Moderate Growth & Income Liquid** is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 30% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 24% S&P 500 Index, 10% Russell Midcap Index, 6% Russell 2000 Index, 8% MSCI EAFE Index, 5% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

**Moderate Growth Liquid** is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 8% Bloomberg U.S. Aggregate Bond Index, 3% Bloomberg U.S. Corporate High Yield Bond Index, 3% JPM EMBI Global Index, 31% S&P 500 Index, 14% Russell Midcap Index, 10% Russell 2000 Index, 12% MSCI EAFE Index, 12% MSCI Emerging Markets Index, 5% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

## Equities (Slide 2)

**Dow Jones Industrial Average** is an unweighted index of 30 "blue-chip" industrial U.S. stocks.

**NASDAQ Composite Index** measures the market value of all domestic and foreign common stocks, representing a wide array of more than 5,000 companies.

**S&P 500 Index** is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

**Russell 1000 Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index.

**Russell 1000 Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value Index** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell MidCap Index** measures the performance of the 800 smallest companies in the Russell 1000 Index.

**Russell MidCap Growth Index** measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

**Russell MidCap Value Index** measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

**Russell 2000 Growth Index** measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 2000 Value Index** measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

**MSCI EAFE Index (U.S. Dollar)** is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.

**MSCI Emerging Market Index (U.S. Dollar)** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

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## Fixed income (Slide 2)

**Bloomberg U.S. Aggregate Bond Index** is a broad-based measure of the investment grade, US dollar-denominated, fixed-rate taxable bond market.

**Bloomberg U.S. Treasury Bills (1–3 Month) Index** includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.

**Bloomberg U.S. Aggregate 5–7 Year Bond Index** is composed of the Bloomberg U.S. Government/Credit Index and the Bloomberg U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities with maturities of 5-7 years.

**Bloomberg U.S. Intermediate Government/Credit Bond Index** is the intermediate component of the Bloomberg U.S. Government/Credit Index which is generally representative of government and investment grade corporate debt securities.

**Bloomberg U.S. Government/Credit Bond Index** is a market-weighted index generally representative of intermediate and long-term government and investment grade corporate debt securities having maturities of greater than one year.

## Fixed income (Slide 2)

**Bloomberg U.S. Municipal Bond Index** is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa.

**Bloomberg U.S. Corporate High Yield Bond Index** covers the universe of fixed-rate, noninvestment-grade debt.

**J.P. Morgan GBI (Global Bond Index) Global ex -U.S. (Unhedged)** in USD is a representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

Developed Market Ex-U.S. Fixed Income (Hedged). **J.P. Morgan Non-U.S. Global Government Bond Index (Hedged)** is an unmanaged market index representative of the total return performance, on a hedged basis, of major non-U.S. bond markets. It is calculated in U.S. dollars.

**J.P. Morgan EMBI (Emerging Market Bond Index) Global (U.S. Dollar)** currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

Emerging Market Fixed Income (Local Currency). **J.P. Morgan Government Bond Index-Emerging Markets Global** is a comprehensive global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds.

## Real assets and hedge funds (Slide 2)

**HFRI Fund Weighted Composite Index** is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

**FTSE/EPRA NAREIT Developed Index** is designed to track the performance of listed real-estate companies and REITs in developed countries worldwide.

**Bloomberg Commodity Index** is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

## Economic indexes (Slides 3-4)

**Consumer Price Index (CPI)** produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

**The Institute of Supply Management (ISM) Manufacturing Index**<sup>®</sup> is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries (seasonally adjusted), and Inventories. An Index values over 50 indicate expansion; below 50 indicates contraction. The values for the index can be between 0 and 100.

**The Institute of Supply Management (ISM) Non-Manufacturing Index**<sup>®</sup> is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries. An Index values over 50 indicate expansion; below 50 indicates contraction. The values for the index can be between 0 and 100.

**PMI Surveys**, such as the **Eurozone, China, and Japan Manufacturing PMIs** track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

**Caixin China General Manufacturing Purchasing Managers' Index (PMI)**, sponsored by Caixin and compiled by international information and data analytics provider IHS Markit, is closely watched by investors as one of the first available indicators every month of the strength of the Chinese economy.

## Equities (Slide 5)

**Global Market Equity: MSCI AC World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed and 23 emerging markets.

**Large Cap Equity: S&P 500 Index** is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market. Returns assume reinvestment of dividends and capital gain distributions.

**Large Cap Growth Equity: Russell 1000<sup>®</sup> Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. **Russell 1000<sup>®</sup> Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index. The **Russell 3000<sup>®</sup> Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

**Large Cap Value Equity: Russell 1000<sup>®</sup> Value Index** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

**Mid Cap Equity: Russell Midcap<sup>®</sup> Index** measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 3000<sup>®</sup> Index.

**Small Cap Equity: Russell 2000<sup>®</sup> Index** measures the performance of the 2,000 smallest companies in the Russell 3000<sup>®</sup> Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

**Developed Market ex. U.S. Equity: MSCI EAFE Index** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of 21 developed markets, excluding the US & Canada.

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# Index definitions (continued)

## Fixed Income (Slide 6)

**Real Assets (Slide 7) Short, Intermediate and Long Term Fixed Income: Bloomberg U.S. Aggregate Bond Index** is made up of the Bloomberg U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

**U.S. Treasury Fixed Income: Bloomberg U.S. Treasury Index** includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.

**U.S. Corporate Fixed Income: Bloomberg U.S. Corporate Bond Index** includes publicly issued U.S. corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

**U.S. Municipal Fixed Income: Bloomberg U.S. Municipal Bond Index** represents municipal bonds with a minimum credit rating of at least Baa, an outstanding par value of at least \$3 million, and a remaining maturity of at least one year. The Index excludes taxable municipal bonds, bonds with floating rates, derivatives, and certificates of participation.

**U.S. TIPS Fixed Income: Bloomberg Treasury Inflation Protected Securities (TIPS) Index** includes all publicly issued, investment-grade U.S. TIPS with an outstanding face value of more than \$250 million and that have at least one year to maturity.

**U.S. High Yield Fixed Income: Bloomberg U.S. High Yield Bond Index** is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

**Developed ex. U.S. Fixed Income: JPMorgan GBI Global ex-U.S. (Unhedged)** in USD is an unmanaged index market representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

**Emerging Market Fixed Income: JP Morgan Emerging Markets Bond Index Global (EMBI Global)**, which currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

**Emerging Market Spread: Bloomberg EM USD Aggregate Index** is a flagship hard currency Emerging Markets debt benchmark that includes USD denominated debt from sovereign, quasi-sovereign, and corporate EM issuers. The index is broad-based in its coverage by sector and by country, and reflects the evolution of EM benchmarking from traditional sovereign bond indices to Aggregate-style benchmarks that are more representative of the EM investment choice set. Country eligibility and classification as an Emerging Market is rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications. This index was previously called the Bloomberg US EM Index and history is available back to 1993.

**Hedged DM Fixed Income: JPMorgan Non-U.S. Global Government Bond Index (Hedged)** is a representative of the total return performance, on a hedged basis, of major non-U.S. bond markets. It is calculated in U.S. dollars.

**Public Real Estate: FTSE/EPRA NAREIT Developed Index** is designed to track the performance of listed real estate companies and REITs worldwide.

**U.S. REITs: FTSE NAREIT U.S. All Equity REITs Index** is designed to track the performance of REITs representing equity interests in (as opposed to mortgages) on properties. It represents all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets, other than mortgages secured by real property that also meet minimum size and liquidity criteria.

**International REITs: FTSE EPRA/NAREIT Developed ex U.S. Index** is designed to track the performance of listed real estate companies in developed countries worldwide other than the U.S.

**S&P Goldman Sachs Commodity Index (GSCI)** is a composite index of commodity sector returns representing unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The index includes futures contracts on 24 physical commodities of which Energy represents nearly 70%.

**Bloomberg Commodity Index** is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

**Commodities (RICI): The Rogers International Commodity Index** is a U.S. dollar based index representing the value of a basket of commodities consumed in the global economy. Representing futures contracts on 37 physical commodities, it is designed to track prices of raw materials not just in the U.S. but around the world.

**Global Infrastructure: S&P Global Infrastructure Index** provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.

**MLPs: Alerian MLP Index** is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

## Alternative Assets (Slide 8)

*Unlike most asset class indices, HFR Index returns reflect deduction for fees. Because the HFR indices are calculated based on information that is voluntarily provided actual returns may be lower than those reported. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways.*

# Index definitions (continued)

## Alternative Assets (Slide 8)

**Global Hedge Funds: The HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net-of-all-fees performance in U.S. dollars and have a minimum of \$50 million under management or a 12-month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

**Relative Value: The HFRI Relative Value Index:** maintains positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.

**Arbitrage: HFRI RV: Multi-Strategy Index:** multi-strategies employ an investment thesis predicated on realization of a spread between related yield instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

**Long/Short Credit: HFRI Relative Value Fixed Income—Corporate Index.** Includes strategies predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed-income instrument. Strategies are designed to isolate attractive opportunities between a variety of fixed income instruments, typically realizing an attractive spread between multiple corporate bonds or between a corporate and risk free government bond. They typically involve arbitrage positions with little or no net credit market exposure, but are predicated on specific, anticipated idiosyncratic developments.

**Structured Credit/Asset Backed: HFRI Relative Value Fixed Income-Asset Backed Index** includes strategies predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed-income instrument backed by physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. Strategies are designed to isolate attractive opportunities between a variety of fixed income instruments specifically securitized by collateral commitments, which frequently include loans, pools and portfolios of loans, receivables, real estate, machinery or other tangible financial commitments. Investment thesis may be predicated on an attractive spread given the nature and quality of the collateral, the liquidity characteristics of the underlying instruments and on issuance and trends in collateralized fixed-income instruments, broadly speaking. In many cases, investment managers hedge, limit, or offset interest-rate exposure in the interest of isolating the risk of the position to strictly the disparity between the yield of the instrument and that of the lower-risk instruments.

**Macro: HFRI Macro Index:** Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ RV techniques, Macro strategies are distinct from RV strategies in that the primary investment thesis is predicated on predicted or future movements in the underlying instruments, rather than realization of a valuation discrepancy between securities. In a similar way, while both Macro and equity hedge managers may hold equity securities, the overriding investment thesis is predicated on the impact movements in underlying macroeconomic variables may have on security prices, as opposed to EH, in which the fundamental characteristics on the company are the most significant are integral to investment thesis.

**Systematic Macro: HFRI Macro Systematic Diversified Index:** Diversified strategies employing mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. Strategies are designed to identify opportunities in markets exhibiting trending or momentum characteristics across individual instruments or asset classes. Strategies typically employ quantitative processes which focus on statistically robust or technical patterns in the return series of the asset, and they typically focus on highly liquid instruments and maintain shorter holding periods than either discretionary or mean-reverting strategies. Although some strategies seek to employ counter-trend models, strategies benefit most from an environment characterized by persistent, discernible trending behavior. Typically have no greater than 35 percent of portfolio in either dedicated currency or commodity exposures over a given market cycle.

**Discretionary Macro: HFRI Macro Discretionary Thematic Index:** Strategies primarily rely on the evaluation of market data, relationships and influences, as interpreted by individuals who make decisions on portfolio positions; strategies employ an investment process most heavily influenced by top-down analysis of macroeconomic variables. Investment Managers may trade actively in developed and emerging markets, focusing on both absolute and relative levels on equity markets, interest rates/fixed income markets, currency and commodity markets; they frequently employ spread trades to isolate a differential between instrument identified by the Investment Manager as being inconsistent with expected value. Portfolio positions typically are predicated on the evolution of investment themes the Manager expects to develop over a relevant time frame, which in many cases contain contrarian or volatility-focused components.

**Event Driven: HFRI Event Driven Index:** Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, structurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

# Index definitions (continued)

## Alternative Assets (Slide 8)

**Activist: HFRI Event Driven Activist Index:** Strategies may obtain or attempt to obtain representation on the company's board of directors in an effort to impact the firm's policies or strategic direction and in some cases may advocate activities such as division or asset sales, partial or complete corporate divestiture, dividends or share buybacks, and changes in management. Strategies employ an investment process primarily focused on opportunities in equity and equity-related instruments of companies that are currently or prospectively engaged in a corporate transaction, security issuance/repurchase, asset sales, division spin-off or other catalyst-oriented situation. These involve both announced transactions and situations in which no formal announcement is expected to occur. Activist strategies would expect to have greater than 50 percent of the portfolio in activist positions, as described.

**Distressed Credit: HFRI Event Driven Distressed/Restructuring Index:** Strategies focus on corporate fixed-income instruments, primarily corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceedings or financial-market perception of near-term proceedings. Managers are typically actively involved with the management of these companies; they are frequently involved on creditors' committees in negotiating the exchange of securities for alternative obligations, either swaps of debt, equity or hybrid securities. Managers employ fundamental credit processes focused on valuation and asset coverage of securities of distressed firms; in most cases portfolio exposures are concentrated in instruments that are publicly traded, in some cases actively and in others under reduced liquidity but in general for which a reasonable public market exists. Strategies employ primarily debt (greater than 60 percent) but also may maintain related equity exposure.

**Merger Arbitrage: HFRI Event Driven Merger Arbitrage Index:** Strategies primarily focus on opportunities in equity and equity-related instruments of companies that are currently engaged in a corporate transaction. Merger Arbitrage involves primarily announced transactions, typically with limited or no exposure to situations in which no formal announcement is expected to occur. Opportunities are frequently presented in cross-border, collared, and international transactions that incorporate multiple geographic regulatory institutions, typically with minimal exposure to corporate credits. Strategies typically have over 75 percent of positions in announced transactions over a given market cycle.

**Equity Hedge: HFRI Equity Hedge (Total) Index:** Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50 percent exposure to, and may in some cases be entirely invested in, equities, both long and short.

**Directional Equity: HFRX Equity Hedge Multi-Strategy Index:** Managers maintain positions both long and short in primarily equity and equity-derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage, holding period, concentrations of market capitalizations, and valuation ranges of typical portfolios. Managers typically do not maintain more than 50 percent exposure to any one Equity Hedge sub-strategy.

**Equity Market Neutral: HFRI Equity Hedge Equity Market Neutral Index:** Strategies employ sophisticated quantitative techniques to analyze price data to ascertain information about future price movement and relationships between securities. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Factor-based investment strategies include strategies predicated on the systematic analysis of common relationships between securities. In many cases, portfolios are constructed to be neutral to one or multiple variables, such as broader equity markets in dollar or beta terms, and leverage is frequently employed to enhance the return profile of the positions identified. Statistical Arbitrage/Trading strategies consist of strategies predicated on exploiting pricing anomalies which may occur as a function of expected mean reversion inherent in security prices; high-frequency techniques may be employed; trading strategies may also be based on technical analysis or designed opportunistically to exploit new information that the investment manager believes has not been fully, completely, or accurately discounted into current security prices. Strategies typically maintain characteristic net equity market exposure no greater than 10 percent long or short.

The **Cambridge Associates LLC U.S. Private Equity Index**<sup>®</sup> uses a horizon calculation based on data compiled from more than 1,400 institutional-quality buyout, growth equity, private equity energy, and subordinated capital funds formed between 1986 and 2021. The funds included in the index report their performance voluntarily and therefore the index may reflect a bias towards funds with records of success. Funds report unaudited quarterly data to Cambridge Associates when calculating the index. The index is not transparent and cannot be independently verified because Cambridge Associates does not identify the funds included in the index. Because Cambridge Associates recalculates the index each time a new fund is added, the historical performance of the index is not fixed, can't be replicated and will differ over time from the day presented. The returns shown are net of fees, expenses and carried interest. Index returns do not represent fund performance.



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# Risk disclosures

## Allocation Composition:

**Moderate Growth and Income Liquid:** 2% Bloomberg U.S. Treasury Bill (1–3 Month) Index, 30% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 24% S&P 500 Index, 10% Russell Midcap Index, 6% Russell 2000 Index, 8% MSCI EAFE Index, 5% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index.

## Asset Class Risks:

*Forecasts are not guaranteed and based on certain assumptions and on views of market and economic conditions which are subject to change.*

*Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. All investing involves risk including the possible loss of principal.*

**Stocks** offer long-term growth potential but may fluctuate more and provide less current income than other investments. **Small and mid-sized company stocks** involve greater risks than those customarily associated with larger companies. They often involve higher risks because of smaller and mid-sized companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions. **Bonds** are subject to interest rate, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. **High yield fixed income** securities are considered speculative, involve greater risk of default, and tend to be more volatile than investment grade fixed income securities. **Municipal bonds** offer interest payments exempt from federal taxes, and potentially state and local income taxes. Municipal bonds are subject to credit risk and potentially the Alternative Minimum Tax (AMT). Quality varies widely depending on the specific issuer. Municipal securities are also subject to legislative and regulatory risk which is the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income. **Treasury Inflation-Protected Securities (TIPS)**, are subject to interest rate risk, especially when real interest rates rise. This may cause the underlying value of the bond in the portfolio to fluctuate more than other fixed income securities. U.S. government securities are backed by the full faith and credit of the federal government as to payment of principal and interest if held to maturity and are subject to interest rate risk. **Foreign securities** entail special risks such as currency, political, economic, and market risks. These risks are heightened in emerging and frontier markets. **Commodities** may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. Investments in securities of **Master Limited Partnerships (MLPs)** involve risks that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner and cash flow risks. Other risks include the volatility associated with the use of leverage; volatility of the commodities markets; market risks; supply and demand; natural and man-made catastrophes; competition; liquidity; market price discount from NAV and other material risks. Investments in **infrastructure companies** expose an investment to potentially adverse economic, regulatory, political and other changes affecting such companies. Infrastructure companies may also be subject to various other risks, including, governmental regulations, high interest costs associated with capital construction programs, costs associated with compliance and changes in environmental regulation, economic slowdown and surplus capacity, competition from other providers of services and other factors. **Real estate** investing has special risks, including the possible illiquidity of the underlying property, credit risk, interest rate fluctuations and the impact of varied economic conditions

## Risk disclosures (continued)

**Communication services** companies are vulnerable to their products and services becoming outdated because of technological advancement and the innovation of competitors. Companies in the communication services sector may also be affected by rapid technology changes; pricing competition, large equipment upgrades, substantial capital requirements and government regulation and approval of products and services. In addition, companies within the industry may invest heavily in research and development which is not guaranteed to lead to successful implementation of the proposed product. Risks associated with the **Consumer Discretionary** sector include, among others, apparel price deflation due to low-cost entries, high inventory levels and pressure from e-commerce players; reduction in traditional advertising dollars, increasing household debt levels that could limit consumer appetite for discretionary purchases, declining consumer acceptance of new product introductions, and geopolitical uncertainty that could affect consumer sentiment. **Consumer Staples** industries can be significantly affected by competitive pricing particularly with respect to the growth of low-cost emerging market production, government regulation, the performance of the overall economy, interest rates, and consumer confidence. The **Energy** sector may be adversely affected by changes in worldwide energy prices, exploration, production spending, government regulation, and changes in exchange rates, depletion of natural resources, and risks that arise from extreme weather conditions. Investing in the **Financial** services companies will subject an investment to adverse economic or regulatory occurrences affecting the sector. Some of the risks associated with investment in the **Health Care** sector include competition on branded products, sales erosion due to cheaper alternatives, research and development risk, government regulations and government approval of products anticipated to enter the market. There is increased risk investing in the **Industrials** sector. The industries within the sector can be significantly affected by general market and economic conditions, competition, technological innovation, legislation and government regulations, among other things, all of which can significantly affect a portfolio's performance. **Materials** industries can be significantly affected by the volatility of commodity prices, the exchange rate between foreign currency and the dollar, export/import concerns, worldwide competition, procurement and manufacturing and cost containment issues. **Real estate** investments have special risks, including possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions. Risks associated with the **Technology** sector include increased competition from domestic and international companies, unexpected changes in demand, regulatory actions, technical problems with key products, and the departure of key members of management. Technology and Internet-related stocks, especially smaller, less-seasoned companies, tend to be more volatile than the overall market. **Utilities** are sensitive to changes in interest rates, and the securities within the sector can be volatile and may underperform in a slow economy.

**Alternative investments**, such as hedge funds, private capital funds and private real estate funds, are speculative and entail significant risks that can include losses due to leveraging or other speculative investment practices, lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds. Hedge fund, private capital and private real estate fund investing involves other material risks including capital loss and the loss of the entire amount invested. They are intended for qualified, financially sophisticated investors who can bear the risks associated with these investments.

**Hedge fund strategies**, such as Equity Hedge, Event Driven, Macro and Relative Value, may expose investors to the risks associated with the use of short selling, leverage, derivatives and arbitrage methodologies. Short sales involve leverage and theoretically unlimited loss potential since the market price of securities sold short may continuously increase. The use of leverage in a portfolio varies by strategy. Leverage can significantly increase return potential but create greater risk of loss. Derivatives generally have implied leverage which can magnify volatility and may entail other risks such as market, interest rate, credit, counterparty and management risks. Arbitrage strategies expose a fund to the risk that the anticipated arbitrage opportunities will not develop as anticipated, resulting in potentially reduced returns or losses to the fund.

# Index definitions

## **Fixed Income**

**U.S. Taxable Inv Grade Fixed Inc: Bloomberg U.S. Aggregate Bond Index** is unmanaged and is composed of the Bloomberg U.S. Government/Credit Index and the Bloomberg U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities.

**U.S. Municipal Fixed Inc: Bloomberg U.S. Municipal Index** represents municipal bonds with a minimum credit rating of at least Baa, an outstanding par value of at least \$3 million and a remaining maturity of at least one year. The index excludes taxable municipal bonds, bonds with floating rates, derivatives and certificates of participation.

**U.S. High Yield Fixed Inc: Bloomberg U.S. Corporate High Yield Bond Index** covers the universe of fixed rate, non-investment grade debt.

**U.S. Treasury Fixed Inc: Bloomberg U.S. Treasury Index** is the U.S. Treasury component of the U.S. Government Index. The index consists of public obligations of the U.S. Treasury with a remaining maturity of one year or more.

**Developed ex-U.S. Fixed Inc: JPMorgan Global ex-U.S. Government Bond Index** measures the performance of non-U.S. government bonds.

**Emerging Market Fixed Income: JPMorgan Emerging Markets Bond Index (EMBI Global)** currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

**Bloomberg Emerging Markets Bond Index** is a flagship hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

**Bloomberg U.S. Treasury Bill (1-3 Month) Index** includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible.

**Bloomberg Mortgage Backed Securities (MBS) Index** is an unmanaged index of mortgage pools of the Government National Mortgage Association, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association.

**Bloomberg U.S. Aggregate Bond Index** is a broad-based measure of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

**Bloomberg U.S. Corporate Bond Index** includes publicly issued U.S. corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

**Bloomberg U.S. Municipal High Yield Bond Index** measures the non-investment-grade and nonrated U.S.-dollar-denominated, fixed-rate, tax-exempt bond market within the 50 United States and four other qualifying regions (Washington, D.C.; Puerto Rico; Guam; and the Virgin Islands). The index allows state and local general obligation, revenue, insured, and prerefunded bonds; however, historically, the index has been comprised of mostly revenue bonds. The U.S. Municipal High Yield Bond Index is a stand-alone index with no crossover into other Bloomberg taxable Indexes, such as the U.S. High Yield Index.

**Bloomberg U.S. TIPS Index** consists of Inflation-Protection securities issued by the U.S. Treasury.

## **Equities**

**U.S. Large Cap Equity: S&P 500 Index** is a capitalization-weighted index calculated on a total return basis with dividends reinvested. The index includes 500 widely held U.S. market industrial, utility, transportation and financial companies.

**U.S. Mid Cap Equity: Russell Midcap®** Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap Index represents approximately 27 percent of the total market capitalization of the Russell 1000 companies.

# Index definitions (continued)

**U.S. Small Cap Equity: Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately eight percent of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

**Developed Market ex-U.S. Equity: MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

**Emerging Market Equity: MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

**Frontier Market Equity: MSCI Frontier Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The MSCI Frontier Markets Index consists of 24 frontier market country indexes.

**Russell 1000® Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

**Russell 1000® Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. The **Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

**MSCI All Country World Index (ACWI)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.

**MSCI Australia Index** is designed to measure the performance of the large and mid cap segments of the Australia market. With 70 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Australia.

**MSCI Brazil Index** is designed to measure the performance of the large and mid-cap segments of the Brazilian market. With 75 constituents, the index covers about 85% of the Brazilian equity universe.

**MSCI China Index** captures large and mid-cap representation across China H shares, B shares, Red Chips and P Chips. With 140 constituents, the index covers about 85% of the China equity universe.

**MSCI Germany Index** is designed to measure the performance of the large and mid cap segments of the German market. With 54 constituents, the index covers about 85% of the equity universe in Germany.

**MSCI United Kingdom Index** is designed to measure the performance of the large and mid cap segments of the UK market. With 112 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the UK.

**MSCI U.S. Equity Indexes** are a domestic only series - independent from MSCI's Global Equity Index family – which reflect the investment opportunities in the U.S. equity markets by market capitalization size, by value and growth investment styles and by sectors and industries.

**MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed markets including the United States.

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# Index definitions (continued.)

## **Real Assets**

**Commodities: Bloomberg Commodity Index** is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

**Bloomberg Commodity Agriculture Subindex** is a commodity group subindex of the Bloomberg Commodity Index. It is composed of futures contracts on coffee, corn, cotton, soybeans, soybean oil, soybean meal, sugar and wheat.

**Bloomberg Commodity Energy Subindex** is a commodity group subindex of the Bloomberg Commodity Index. It is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas.

**Bloomberg Commodity Industrial Metals Subindex** is a commodity group subindex of the Bloomberg Commodity Index. It is composed of futures contracts on aluminum, copper, nickel, and zinc.

**Bloomberg Commodity Precious Metals Subindex** is a commodity group subindex of the Bloomberg Commodity Index. It is composed of futures contracts on gold and silver.

**The S&P Global Infrastructure Index** is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation, and utilities.

**Alerian MLP Index** is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

## **Hedge Funds**

**Global Hedge Funds: HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net-of-all-fees performance in U.S. dollars and have a minimum of \$50 million under management or a 12-month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds. The HFRI Fund Weighted Composite Index is a composite of the hedge funds that employ the alternative strategies and who report their performance figure to HFRI. The number of hedge funds reporting may vary between each reporting period.

**HFRI Equity Hedge Index:** Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short. The HFRI Equity Hedge Index is a composite of the hedge funds that employ the alternative strategies and who report their performance figure to HFRI. The number of hedge funds reporting may vary between each reporting period.

**HFRI Event Driven Index:** Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

## Index definitions (continued...)

**HFRI Macro Index:** Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ RV techniques, Macro strategies are distinct from RV strategies in that the primary investment thesis is predicated on predicted or future movements in the underlying instruments, rather than realization of a valuation discrepancy between securities. In a similar way, while both Macro and equity hedge managers may hold equity securities, the overriding investment thesis is predicated on the impact movements in underlying macroeconomic variables may have on security prices, as opposed to EH, in which the fundamental characteristics on the company are the most significant are integral to investment thesis.

**HFRI Relative Value Index** maintains positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.

**Note:** HFRI indexes have limitations (some of which are typical of other widely used indexes). These limitations include survivorship bias (the returns of the indexes may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indexes, and, therefore, the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI indexes are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indexes may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Returns of the underlying hedge funds are net of fees and are denominated in USD.

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# Managed Asset Allocation Summary

As of January 25, 2023

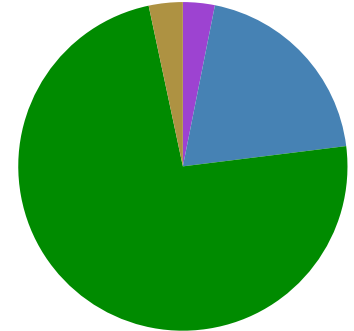
January 26, 2023

Trade Date Basis

MONTGOMERY COMM COLL FDN-  
MAIN

AGG797664

	MARKET VALUE	TOTAL COST	UNREALIZED G/L	EST ANNUAL INCOME	EST ANNUAL YIELD	ALLOCATION
Cash Alternatives	119,594	119,594	0	4,832	4.04	3.1
Fixed Income	761,977	822,165	(60,187)	20,555	2.70	19.9
Equities	2,818,783	2,237,840	580,943	49,163	1.74	73.6
Real Assets	127,670	144,582	(16,912)	16,388	12.84	3.3
<b>Total Portfolio</b>	<b>\$3,828,024</b>	<b>\$3,324,181</b>	<b>\$503,843</b>	<b>\$90,937</b>	<b>2.38%</b>	<b>100.0%</b>



# Managed Asset Allocation Summary

As of January 25, 2023

January 26, 2023

Trade Date Basis

MONTGOMERY COMM COLL FDN-  
MAIN

AGG797664

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Additional information available upon request.

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# Managed Asset Class Summary

As of January 25, 2023

January 26, 2023

Trade Date Basis

MONTGOMERY COMM COLL FDN-  
MAIN

AGG797664

	MARKET VALUE	TOTAL COST	UNREALIZED G/L	EST ANNUAL INCOME	EST ANNUAL YIELD	ALLOCATION
<b>Cash Alternatives</b>	<b>\$119,594</b>	<b>\$119,594</b>	<b>\$0</b>	<b>\$4,832</b>	<b>4.04%</b>	<b>3.1%</b>
Cash Alternatives	119,594	119,594	0	4,832	4.04	3.1
<b>Fixed Income</b>	<b>\$761,977</b>	<b>\$822,165</b>	<b>\$(60,187)</b>	<b>\$20,555</b>	<b>2.70%</b>	<b>19.9%</b>
U.S. Taxable Investment Grade Fixed Income	761,977	822,165	(60,187)	20,555	2.70	19.9
<b>Equities</b>	<b>\$2,818,783</b>	<b>\$2,237,840</b>	<b>\$580,943</b>	<b>\$49,163</b>	<b>1.74%</b>	<b>73.6%</b>
U.S. Large Cap	1,574,084	1,251,594	322,490	27,771	1.76	41.1
U.S. Mid Cap	673,446	525,077	148,369	8,868	1.32	17.6
U.S. Small Cap	281,599	205,064	76,536	4,220	1.50	7.4
Developed Market Ex.-U.S. Equities	289,653	256,105	33,548	8,305	2.87	7.6
<b>Real Assets</b>	<b>\$127,670</b>	<b>\$144,582</b>	<b>\$(16,912)</b>	<b>\$16,388</b>	<b>12.84%</b>	<b>3.3%</b>
Commodities	127,670	144,582	(16,912)	16,388	12.84	3.3
<b>Total Portfolio</b>	<b>\$3,828,024</b>	<b>\$3,324,181</b>	<b>\$503,843</b>	<b>\$90,937</b>	<b>2.38%</b>	<b>100.0%</b>

# Managed Asset Class Summary

As of January 25, 2023

January 26, 2023

Trade Date Basis

MONTGOMERY COMM COLL FDN-  
MAIN

AGG797664

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Additional information available upon request.

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# Managed Holdings Summary

As of January 25, 2023

	UNITS	PRICE	MARKET VALUE	TOTAL COST	UNREALIZED G/L	EST ANNUAL INCOME	EST ANNUAL YIELD	ALLOCATION
<b>Cash Alternatives</b>			<b>\$119,594</b>	<b>\$119,594</b>	<b>\$0</b>	<b>\$4,832</b>	<b>4.04%</b>	<b>3.1%</b>
Cash Alternatives			119,594	119,594	0	4,832	4.04	3.1
Cash Equivalents			119,594	119,594	0	4,832	4.04	3.1
<i>CASH</i>	0	1.00	0	0	0	0		0.0
<i>SECURED MARKET DEPOSIT ACCOUNT</i>	119,594	1.00	119,594	119,594	0	4,832	4.04	3.1
<b>Fixed Income</b>			<b>\$761,977</b>	<b>\$822,165</b>	<b>\$(60,187)</b>	<b>\$20,555</b>	<b>2.70%</b>	<b>19.9%</b>
U.S. Taxable Investment Grade Fixed Income			761,977	822,165	(60,187)	20,555	2.70	19.9
Separately Managed Account			761,977	822,165	(60,187)	20,555	2.70	19.9
<i>FI SPEC TAX INTER WF-FIST</i>			761,977	822,165	(60,187)	20,555	2.70	19.9
<b>Equities</b>			<b>\$2,818,783</b>	<b>\$2,237,840</b>	<b>\$580,943</b>	<b>\$49,163</b>	<b>1.74%</b>	<b>73.6%</b>
U.S. Large Cap			1,574,084	1,251,594	322,490	27,771	1.76	41.1
Funds			123,910	111,227	12,683	4,141	3.34	3.2
<i>ISHARES SELECT DIVIDEND ETF</i>	1,000	123.91	123,910	111,227	12,683	4,141	3.34	3.2
Separately Managed Account			1,450,174	1,140,368	309,807	23,630	1.63	37.9
<i>CONCENTRATED CORE - TCW</i>			465,045	398,135	66,910	3,133	0.67	12.1
<i>LC FUNDMNTL OPTIMIZED-ALSPRNG</i>			985,130	742,233	242,897	20,497	2.08	25.7
U.S. Mid Cap			673,446	525,077	148,369	8,868	1.32	17.6
Funds			284,820	252,071	32,749	6,150	2.16	7.4
<i>VANGUARD MID-CAP VALUE INDEX</i>	2,000	142.41	284,820	252,071	32,749	6,150	2.16	7.4
Separately Managed Account			388,626	273,006	115,620	2,718	0.70	10.2
<i>MID CAP CORE-PRINCIPAL</i>			388,626	273,006	115,620	2,718	0.70	10.2
U.S. Small Cap			281,599	205,064	76,536	4,220	1.50	7.4
Separately Managed Account			281,599	205,064	76,536	4,220	1.50	7.4
<i>SMALL CORE -KAYNE</i>			281,599	205,064	76,536	4,220	1.50	7.4
Developed Market Ex.-U.S. Equities			289,653	256,105	33,548	8,305	2.87	7.6
Separately Managed Account			289,653	256,105	33,548	8,305	2.87	7.6
<i>GLOBAL DIV PAYERS-ALLSPRING</i>			289,653	256,105	33,548	8,305	2.87	7.6
<b>Real Assets</b>			<b>\$127,670</b>	<b>\$144,582</b>	<b>\$(16,912)</b>	<b>\$16,388</b>	<b>12.84%</b>	<b>3.3%</b>
Commodities			127,670	144,582	(16,912)	16,388	12.84	3.3
Funds			127,670	144,582	(16,912)	16,388	12.84	3.3

# Managed Holdings Summary

As of January 25, 2023

	UNITS	PRICE	MARKET VALUE	TOTAL COST	UNREALIZED G/L	EST ANNUAL INCOME	EST ANNUAL YIELD	ALLOCATION
<i>INVESCO OPTIMUM YIELD DIVERSIF ETF</i>	8,500	15.02	127,670	144,582	(16,912)	16,388	12.84	3.3
<b>Total Portfolio</b>			<b>\$3,828,024</b>	<b>\$3,324,181</b>	<b>\$503,843</b>	<b>\$90,937</b>	<b>2.38%</b>	<b>100.0%</b>

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Estimated Annual Income reflects the estimated amount earned on a security if the current position and its related income remained constant for a year. Estimated Annual Yield reflects the current estimated annual income divided by the current value of the security on the as of date of this report. Actual income and yield may vary from estimates. Wells Fargo is not responsible for incorrect or missing estimated annual income and yields. Past performance is not a guarantee of future results.

The information and opinions in this report were prepared by Wells Fargo Private Bank. Information and opinions have been obtained or derived from sources we consider reliable, but we cannot guarantee their accuracy or completeness. Opinions represent Wells Fargo Private Bank's opinion as of the date of this report and are for general information purposes only. Wells Fargo Private Bank does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report.

Asset allocation does not assure or guarantee better performance and cannot eliminate the risk of investment losses. Past performance does not indicate future results. The value or income associated with a security or an investment may fluctuate. There is always the potential for loss as well as gain. Investments discussed in this presentation are not insured by the Federal Deposit Insurance Corporation (FDIC) and may be unsuitable for some investors depending on their specific investment objectives and financial position.

For any assets identified as non-managed or held in "NMG" sub-accounts, the client acknowledges that Wells Fargo has no investment discretion, management or fiduciary authority or responsibility over the non-managed asset(s) and reflects them in the NMG sub-account solely for recordkeeping purposes. Client further acknowledges that Wells Fargo will not warn, advise, monitor, communicate or render an opinion regarding the appropriateness of the non-managed asset in terms of the account's investment objective, portfolio diversification, performance or otherwise and that Wells Fargo is not required to take into account such assets when determining the appropriate allocation for investment of assets under its management.

Wells Fargo & Company and its affiliates do not provide legal advice. Please consult your legal advisors to determine how this information may apply to your own situation. Whether any planned tax result is realized by you depends on the specific facts of your own situation at the time your taxes are prepared.

Additional information available upon request.

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## **AGG797664 MONTGOMERY COMM COLL FDN-MAIN**

**EXECUTIVE SUMMARY WITH EQUITY/FIXED INCOME CHARACTERISTICS AND RISK METRICS**

**Fiscal Year End: 12/31**

**FOR THE PERIOD ENDING: DECEMBER 31, 2022**

**Investment and Insurance Products are:**

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

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**TOTAL PORTFOLIO PERFORMANCE WITH BENCHMARKS (CONSOLIDATED) - REPORT PERIOD: 6/1/17 TO 12/31/22 AGG797664 MONTGOMERY COMM**

**PERFORMANCE SUMMARY**

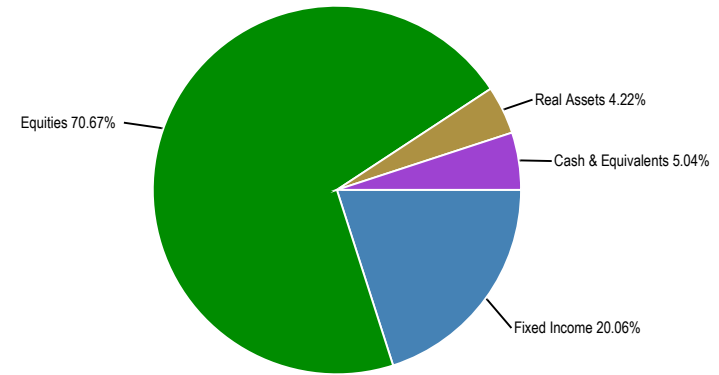
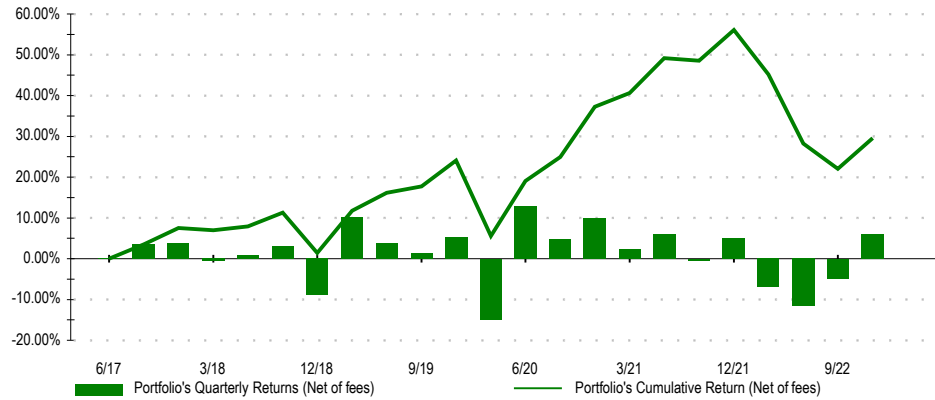
	LAST MONTH	LAST 3 MONTHS	LAST 12 MONTHS	LAST 3 YEARS <sup>1</sup>	LAST 5 YEARS <sup>1</sup>	SINCE INCEPTION <sup>1</sup>
<b>TOTAL PORTFOLIO (Net of fees)</b>	<b>-3.86%</b>	<b>6.16%</b>	<b>-16.97%</b>	<b>1.45%</b>	<b>3.79%</b>	<b>4.75%</b>
<i>Bloomberg Aggregate Bond Index</i>	-0.45%	1.87%	-13.01%	-2.71%	0.02%	0.22%
<i>Bloomberg 1-15 Yr Muni Blend (1-17)</i>	0.47%	3.59%	-5.95%	-0.22%	1.44%	1.42%
<i>Bloomberg High Yield Corporate Index</i>	-0.62%	4.17%	-11.19%	0.05%	2.31%	2.54%
<i>Bloomberg High Yield Municipal Index</i>	-0.16%	3.48%	-13.10%	-0.59%	2.63%	2.92%
<i>JP Morgan GBI x US</i>	0.67%	7.04%	-21.87%	-7.89%	-4.16%	-3.09%
<i>JP Morgan EMBI Global Index</i>	0.38%	7.44%	-16.45%	-4.49%	-1.00%	-0.43%
<i>Bloomberg Multiverse Index</i>	0.55%	4.70%	-16.01%	-4.38%	-1.57%	-0.90%
<i>S&amp;P 500 Index</i>	-5.76%	7.56%	-18.11%	7.66%	9.42%	10.64%
<i>Russell Midcap Index</i>	-5.40%	9.18%	-17.32%	5.88%	7.10%	8.31%
<i>Russell 2000 Index</i>	-6.49%	6.23%	-20.44%	3.10%	4.13%	5.98%
<i>MSCI EAFE Net Index</i>	0.08%	17.34%	-14.45%	0.87%	1.54%	3.07%
<i>MSCI Emerging Mkts Index-Net</i>	-1.41%	9.70%	-20.09%	-2.69%	-1.40%	1.58%
<i>MSCI All Country World Index</i>	-3.90%	9.88%	-17.96%	4.49%	5.75%	7.29%
<i>FTSE EPRA/NAREIT Developed Index (Net)</i>	-2.79%	6.85%	-25.09%	-4.93%	-0.23%	0.85%
<i>Bloomberg Commodity Total Return Index</i>	-2.45%	2.22%	16.09%	12.65%	6.44%	7.06%
<i>HFRI Fund Weighted Composite Index (updated)</i>	-0.40%	2.20%	-4.25%	5.66%	4.41%	4.88%
<i>HFRI Relative Value (Total) Index (updated)</i>	-0.05%	1.25%	-0.90%	3.30%	3.35%	3.46%
<i>HFRI Macro (Total) Index (updated)</i>	0.46%	-1.04%	9.31%	7.46%	4.86%	4.72%
<i>HFRI Event-Driven (Total) Index (updated)</i>	-0.54%	2.92%	-5.04%	5.26%	4.18%	4.46%
<i>HFRI Equity Hedge (Total) Index (updated)</i>	-0.93%	3.99%	-10.37%	5.67%	4.50%	5.44%
<i>Wilshire Liquid Alternative Index</i>	-1.27%	1.78%	-5.63%	0.65%	0.81%	1.24%
<i>Lipper Money Market Index</i>	0.34%	0.88%	1.52%	0.64%	1.10%	1.07%

<sup>1</sup> Annualized Return Consolidated

**PORTFOLIO PERFORMANCE SUMMARY (CONSOLIDATED) - REPORT PERIOD: 6/1/17 TO 12/31/22 AGG797664 MONTGOMERY COMM COLL FDN-MAIN**

**PORTFOLIO RETURNS**

**ALLOCATION (BY CLASS)**



**PORTFOLIO SUMMARY**

	LAST 3 MONTHS	LAST 12 MONTHS	LAST 3 YEARS	LAST 5 YEARS	SINCE INCEPTION
Beginning Value <sup>1</sup>	3,497,808	4,473,926	3,557,566	3,221,404	3,012,709
Net Contributions & Withdrawals <sup>2</sup>	-43,521	-39,326	-52,083	-183,905	-217,984
Investment Gain or Loss <sup>1</sup>	216,704	-763,609	165,509	633,493	876,266
Ending Value <sup>1</sup>	3,670,992	3,670,992	3,670,992	3,670,992	3,670,992

**PERFORMANCE SUMMARY**

	ENDING MARKET VALUE <sup>1</sup>	CURRENT PORTFOLIO ALLOCATION	LAST 3 MONTHS	LAST 12 MONTHS	LAST 3 YEARS <sup>3</sup>	LAST 5 YEARS <sup>3</sup>	SINCE INCEPTION <sup>3</sup>
<b>TOTAL PORTFOLIO (Net of fees)</b>	<b>3,670,992</b>	<b>100.00%</b>	<b>6.16%</b>	<b>-16.97%</b>	<b>1.45%</b>	<b>3.79%</b>	<b>4.75%</b>
<b>FIXED INCOME</b>	<b>736,566</b>	<b>20.06%</b>	<b>1.57%</b>	<b>-10.10%</b>	<b>-1.53%</b>	<b>0.57%</b>	<b>0.57%</b>
<i>Bloomberg Aggregate Bond Index</i>			1.87%	-13.01%	-2.71%	0.02%	0.22%
<i>Bloomberg 1-15 Yr Muni Blend (1-17)</i>			3.59%	-5.95%	-0.22%	1.44%	1.42%
<i>Bloomberg Multiverse Index</i>			4.70%	-16.01%	-4.38%	-1.57%	-0.90%
<i>Bloomberg High Yield Corporate Index</i>			4.17%	-11.19%	0.05%	2.31%	2.54%
<i>Bloomberg High Yield Municipal Index</i>			3.48%	-13.10%	-0.59%	2.63%	2.92%
<i>JP Morgan GBI x US</i>			7.04%	-21.87%	-7.89%	-4.16%	-3.09%
<i>JP Morgan EMBI Global Index</i>			7.44%	-16.45%	-4.49%	-1.00%	-0.43%

<sup>1</sup> Values include Accrued Income.

<sup>2</sup> As accounts are added to/removed from the composite they are displayed as a contribution/withdrawal.

<sup>3</sup> Annualized Return

**PORTFOLIO PERFORMANCE SUMMARY (CONSOLIDATED) - REPORT PERIOD: 6/1/17 TO 12/31/22 AGG797664 MONTGOMERY COMM COLL FDN-MAIN**

**PERFORMANCE SUMMARY**

	<b>ENDING MARKET VALUE<sup>2</sup></b>	<b>CURRENT PORTFOLIO ALLOCATION</b>	<b>LAST 3 MONTHS</b>	<b>LAST 12 MONTHS</b>	<b>LAST 3 YEARS<sup>1</sup></b>	<b>LAST 5 YEARS<sup>1</sup></b>	<b>SINCE INCEPTION<sup>1</sup></b>
<b>EQUITIES</b>	<b>2,594,466</b>	<b>70.67%</b>	<b>9.02%</b>	<b>-20.46%</b>	<b>4.00%</b>	<b>6.70%<sup>3</sup></b>	<b>8.29%<sup>3</sup></b>
<i>S&amp;P 500 Index</i>			7.56%	-18.11%	7.66%	9.42%	10.64%
<i>MSCI EAFE Net Index</i>			17.34%	-14.45%	0.87%	1.54%	3.07%
<i>MSCI All Country World Index</i>			9.88%	-17.96%	4.49%	5.75%	7.29%
<i>MSCI Emerging Mkts Index-Net</i>			9.70%	-20.09%	-2.69%	-1.40%	1.58%
<i>Russell Midcap Index</i>			9.18%	-17.32%	5.88%	7.10%	8.31%
<i>Russell 2000 Index</i>			6.23%	-20.44%	3.10%	4.13%	5.98%
<b>REAL ASSETS</b>	<b>154,782</b>	<b>4.22%</b>	<b>-1.77%</b>	<b>-6.60%</b>	<b>-0.65%<sup>3</sup></b>	<b>4.88%<sup>3</sup></b>	<b>5.91%<sup>3</sup></b>
<i>FTSE EPRA/NAREIT Developed Index</i>			7.11%	-24.41%	-4.06%	0.69%	1.79%
<i>Bloomberg Commodity Total Return Index</i>			2.22%	16.09%	12.65%	6.44%	7.06%
<b>ALTERNATIVE INVESTMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>HFRI Fund Weighted Composite Index (updated)</i>			-	-	-	-	-
<i>Wilshire Liquid Alternative Index</i>			-	-	-	-	-
<b>CASH &amp; EQUIVALENTS</b>	<b>185,177</b>	<b>5.04%</b>	<b>0.98%</b>	<b>1.52%</b>	<b>0.63%</b>	<b>1.04%</b>	<b>1.00%</b>
<i>Lipper Money Market Index</i>			0.88%	1.52%	0.64%	1.10%	1.07%

<sup>1</sup> Annualized Return

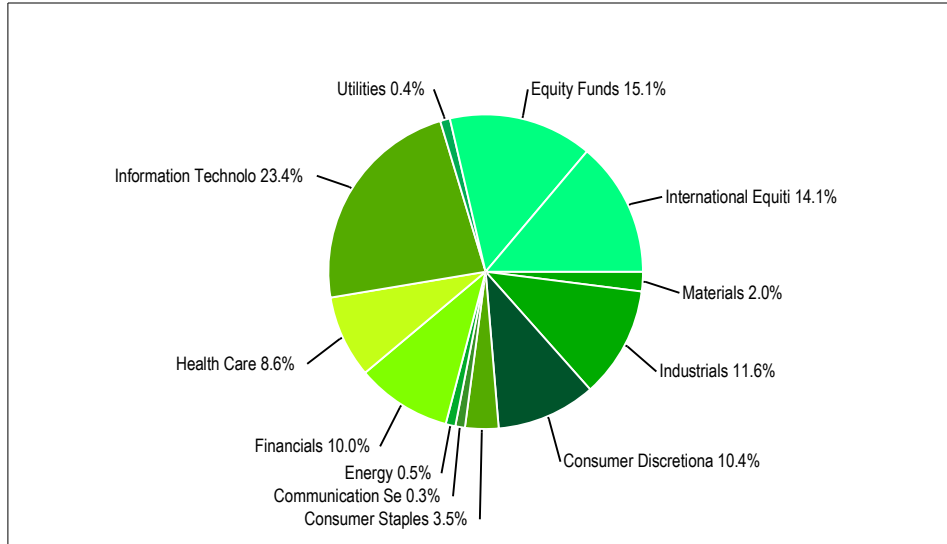
<sup>2</sup> Values include Accrued Income.

<sup>3</sup> Historical classification changes exist.

Consolidated

**EQUITY PORTFOLIO CHARACTERISTICS (CONSOLIDATED) - REPORT PERIOD: 6/1/17 TO 12/31/22 AGG797664 MONTGOMERY COMM COLL FDN-MAIN**

**ALLOCATION**



**TOP 10 HOLDINGS**

Ranking	Security	Market Value <sup>1</sup>	Portfolio Allocation
1	VANGUARD MID-CAP VALUE INDEX	\$270,480	10.43%
2	ISHARES SELECT DIVIDEND ETF	\$120,600	4.65%
3	MICROSOFT CORP	\$91,132	3.51%
4	ALPHABET INC CL C	\$70,718	2.73%
5	APPLE INC	\$65,875	2.54%
6	VISA INC-CLASS A SHRS	\$42,175	1.63%
7	MERCK & CO INC NEW	\$33,727	1.30%
8	TOTALENERGIES SE -SPON ADR	\$32,590	1.26%
9	UNITEDHEALTH GROUP INC	\$31,811	1.23%
10	JPMORGAN CHASE & CO	\$30,173	1.16%
<b>TOP 10 HOLDINGS TOTAL</b>		<b>\$789,280</b>	<b>30.42%</b>

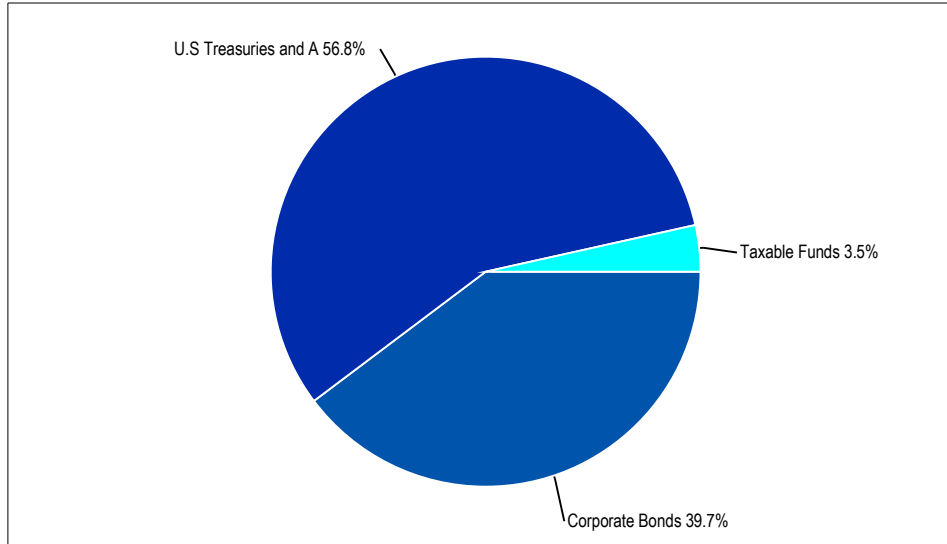
**SINGLE PERIOD (LAST MONTH) EQUITY ATTRIBUTION**

S&P 500 GICS Sectors	SECTOR (Subclass)		BENCHMARK (Model)		DIFFERENCE (Subclass vs. Model)		ATTRIBUTES			
	%Held	Return	%Held	Return	%Held	Return	Selection	Allocation	Interaction	Total
Communication Services	0.44%	-2.97%	7.24%	-7.84%	-6.80%	4.87%	0.35%	0.14%	-0.33%	0.16%
Consumer Discretionary	14.52%	-4.51%	9.79%	-11.26%	4.73%	6.75%	0.66%	-0.26%	0.32%	0.72%
Consumer Staples	5.11%	-7.82%	7.22%	-2.82%	-2.10%	-5.00%	-0.36%	-0.06%	0.11%	-0.32%
Energy	0.68%	-1.39%	5.23%	-2.94%	-4.55%	1.55%	0.08%	-0.13%	-0.07%	-0.12%
Financials	14.09%	-5.36%	11.70%	-5.23%	2.39%	-0.13%	-0.02%	0.01%	0.00%	-0.01%
Health Care	11.74%	-1.51%	15.80%	-1.91%	-4.05%	0.40%	0.06%	-0.16%	-0.02%	-0.11%
Industrials	16.20%	-4.21%	8.67%	-2.97%	7.52%	-1.24%	-0.11%	0.21%	-0.09%	0.01%
Information Technology	33.83%	-7.69%	25.69%	-8.37%	8.14%	0.68%	0.18%	-0.21%	0.06%	0.02%
Materials	2.86%	-5.83%	2.74%	-5.56%	0.12%	-0.27%	-0.01%	0.00%	0.00%	-0.01%
Real Estate	0.00%	0.00%	2.72%	-4.83%	-2.72%	4.83%	0.13%	-0.03%	-0.13%	-0.03%
Utilities	0.54%	0.86%	3.21%	-0.53%	-2.67%	1.39%	0.04%	-0.14%	-0.04%	-0.13%
<b>SECTOR</b>	<b>100.00%</b>	<b>-5.44%</b>	<b>100.00%</b>	<b>-5.76%</b>	<b>-</b>	<b>0.32%</b>	<b>1.02%</b>	<b>-0.62%</b>	<b>-0.20%</b>	<b>0.19%</b>

<sup>1</sup> Values include Accrued Income.  
Consolidated

**FIXED INCOME PORTFOLIO CHARACTERISTICS (CONSOLIDATED) - REPORT PERIOD: 6/1/17 TO 12/31/22 AGG797664 MONTGOMERY COMM COLL FDN**

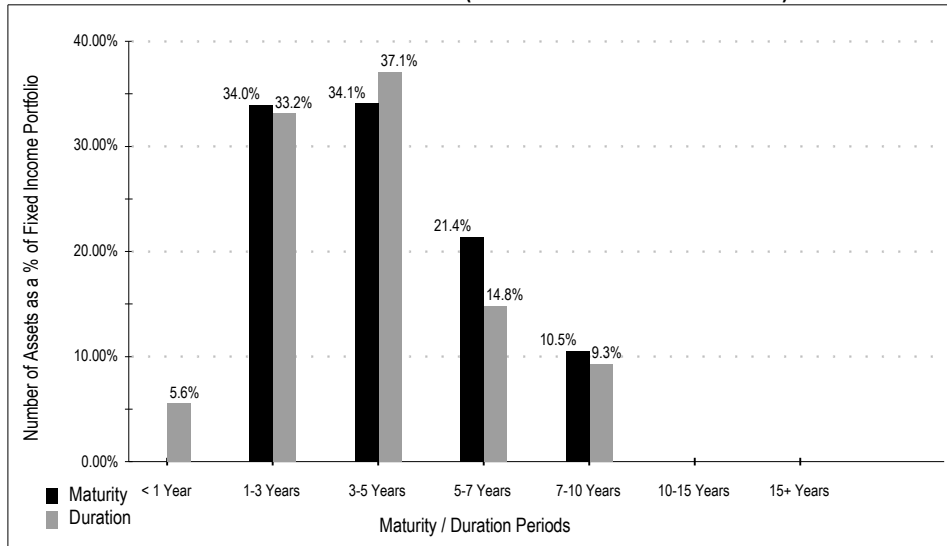
**ALLOCATION**



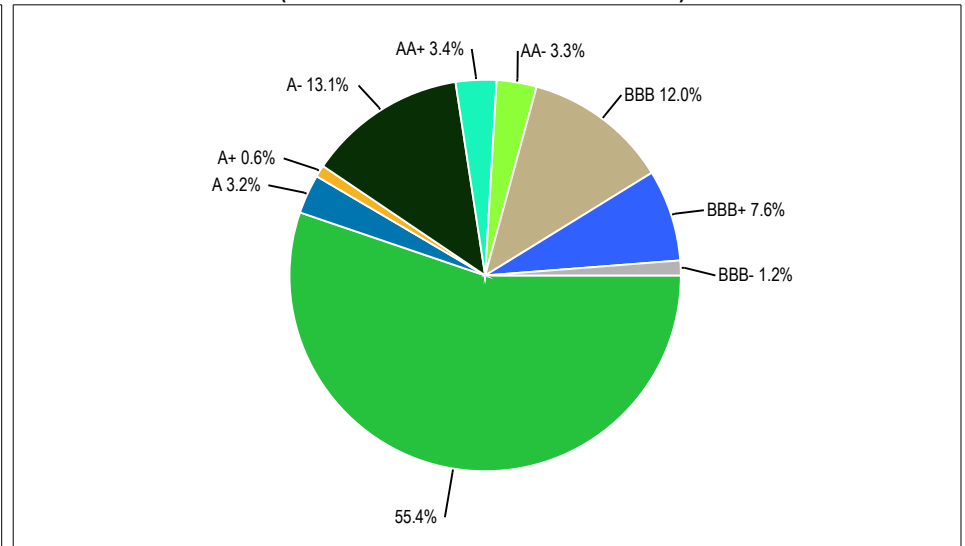
**TOP 10 HOLDINGS**

Security	Market Value <sup>1</sup>	Portfolio Allocation
1 US TREASURY NOTE 2.250% 12/31/23	\$39,467	5.36%
2 US TREASURY NOTE 2.625% 3/31/25	\$33,955	4.61%
3 US TREASURY NOTE 2.625% 1/31/26	\$33,826	4.59%
4 US TREASURY NOTE 3.125% 11/15/28	\$33,525	4.55%
5 US TREASURY NOTE 2.250% 11/15/25	\$33,229	4.51%
6 US TREASURY NOTE 2.125% 5/31/26	\$32,815	4.46%
7 US TREASURY NOTE 2.000% 11/15/26	\$32,451	4.41%
8 US TREASURY NOTE 2.375% 5/15/29	\$31,925	4.33%
9 US TREASURY NOTE 2.500% 5/15/24	\$29,216	3.97%
10 US TREASURY NOTE 2.750% 2/15/28	\$28,520	3.87%
<b>TOP 10 HOLDINGS TOTAL</b>	<b>\$328,928</b>	<b>44.66%</b>

**MATURITY AND DURATION DISTRIBUTION (BY PERCENT OF PORTFOLIO)**



**QUALITY DISTRIBUTION (BY STANDARD AND POOR'S RATING)**



<sup>1</sup> Values include Accrued Income.

**ACCRUED INCOME** - The interest the issuer of a security owes before the issuer actually makes the scheduled payment. Since the holder of the security is entitled to this payment, the total portfolio value should reflect this amount.

**ALLOCATION** - The process of determining what proportions of a portfolio's holdings are to be invested in the various asset classes.

**ALPHA** - Measures nonsystematic return, or the return that cannot be attributed to the market; thus, it can be thought of as how the manager performed if the market has had no gain or loss.

**ANNUAL YIELD** - The current cash income received from investment in an asset class. Bonds provide yield in the form of interest payments and stocks through dividends. Fees are not included in the calculations.

**ANNUALIZED RETURN** - An annualized return is calculated using monthly returns that are geometrically linked to the account for compounding. Annualization does not occur until at least one year of performance data has been obtained.

**ASSET CLASS** - A broad category of assets with similar investment characteristics. Examples include cash, taxable bonds, non-taxable bonds, municipal bonds, US equities, international equities, etc.

**ASSET STYLE** - A broad category of securities with similar investment styles or company market capitalizations, usually distinctive from a market index. Examples include value, blend or core, and growth with respect to investment styles, and large-, mid-, and small-cap with respect to company market capitalizations.

**ASSET SUBCLASS** - A specific category of assets with similar investment characteristics within a broader asset class. Examples include technology, consumer staples, utilities, etc.

**ATTRIBUTION ANALYSIS** - The process of attributing the difference between a portfolio's return and the benchmark return to specific decisions made by the portfolio

manager(s).

**BEGINNING MARKET VALUE** - The value of an investment portfolio at the beginning of the report period. Only marketable securities are presented, so other types of assets, such as real estate, are not included. This may result in a dollar amount different from your accounting statement.

**BENCHMARK** - A composite of assets grouped according to a specific market strategy. By comparing your portfolio's results to that of the benchmark, you can see how your portfolio has performed relative to the market.

**BETA** - Measures the risk level of the manager. Beta measures the systematic risk, or the return that is attributable to market movements. In contrast, alpha measures the nonsystematic return of the portfolio.

**CLASS** - See Asset Class.

**CONTRIBUTIONS/WITHDRAWALS** - The net amount you have put in or taken out of the account, including payment of investment management fees. This amount may not match what is on your accounting statement due to the conversion of accounting data into investment data. Ask your service representative for further information.

**CUMULATIVE RETURN** - Cumulative return uses periodic returns and geometrically links them over time to form a total return achieved during a given time period. Cumulative returns for periods of time longer than 12 months are displayed in annualized form.

**DOWN-SIDE CAPTURE RATIO** - A measure of managers' performance in down markets relative to the market itself. A down market is one in which the market's quarterly return is less than zero.

**DURATION** - Measures the time horizon when a bond's yield will be realized. During that time, losses (gains) from price change will be offset by gains (losses) from reinvestment of coupon interest. See also Macaulay Duration.

**ENDING MARKET VALUE** - The value of your investment portfolio at the end of the report period. Only marketable securities are presented, so other types of assets, such as real estate, are not included. This may result in a dollar amount different from your accounting statement.

**GAIN/LOSS** - What a portfolio has gained or lost during the specified time period. This includes both realized (such as proceeds from a sale) and unrealized (such as accrued interest, dividends, and market price changes) gains or losses.

**INFLATION** - The appreciation in the level of prices for a given basket of goods over time.

**JENSEN'S ALPHA** - Measures the portfolio's annualized return against the portfolio's risk or volatility exposure.

**MACAULAY DURATION** - The average time to receipt of all the scheduled interest and principal payments on a bond. See also Duration.

**MARKET VALUE** - The market price of a holding multiplied by the number of shares. A portfolio's total market value is the summation of the individual holding values, plus cash balances, net of any debt balances.

**MATURITY** - The date the issuer of the bond will pay the holder of the bond the par value.

**P/E RATIO** - Shows the multiple of earnings at which a stock sells determined by dividing current stock price by current earnings per share.

**R-SQUARED** - A statistic that measures the reliability of alpha and beta in explaining the return of a manager as a linear function of the market.

**REPORT PERIOD** - Represents the date range for the data displayed in the performance report. More data may be available for the account, but is not included in the calculations.

**RISK** - The potential that the actual return from investment in an asset class will be different from its assumed return.

Risk is measured statistically using standard deviation.

**RISK-ADJUSTED RETURN** - The return earned minus a fraction of the downside risk. The fraction of the risk subtracted depends on the investor's degree of risk aversion.

**SHARPE RATIO** - Measures excess return per unit of risk. The Sharpe Ratio relates the difference between the portfolio's return and the return of the risk free rate to the standard deviation of the portfolio returns for the same period. See also Treynor Ratio.

**STANDARD DEVIATION** - A gauge of risk that measures the spread of the difference of returns from their average. The more a portfolio's returns vary from its average, the higher the standard deviation. Since it measures total variation of return, standard deviation is a measure of total risk, unlike beta, which measures market risk.

**STYLE** - See Asset Style.

**SUBCLASS** - See Asset Subclass.

**TREYNOR RATIO** - The Treynor Ratio measures excess return per unit of risk. The Treynor Ratio relates the difference between the portfolio's return and the risk-free rate to the portfolio beta for a given time period. See also Sharpe Ratio.

**UP-SIDE CAPTURE RATIO** - Measures a manager's performance in up markets relative to the market itself. An up market is one in which the market's quarterly return is greater than or equal to zero.

**WEIGHTED AVERAGE MARKET CAP** - Represents the average value of the companies in a composite, measured by market price of outstanding stock, weighted by the percentage of the holding in a composite. This measure offers a more accurate view of the size of companies that make up the composite being reported.

**WEIGHTED AVERAGE P/E** - A position-weighted average which describes the relationship between the price of a portfolio's various stocks and their earnings per share.

**WEIGHTED CASH FLOW** - Weighs each cash flow by the duration of time it is held in the portfolio.

**YIELD** - The return to a bondholder who holds a bond until it matures.

**YIELD TO MATURITY** - A measure of the average return earned on a bond if held until maturity. It takes into account the bond's current market price, maturity date and interest payments. Yield to maturity is a measure of a bond's internal rate of return, based on the assumption that all interest payments from the bond are reinvested at an interest rate equal to the bond's yield to maturity.

**Blended Benchmarks:****\* INCOME-CONSERVATIVE \***

4AG INCOME-Conservative-Total benchmark is defined as: Lipper Money Market Index - 2.20%; Bloomberg US Aggregate - 64.84%; Bloomberg US Corp HY - 2.20%; JPMorgan EMBI Global - 3.30%; S&P 500 Index - 8.79%; Russell Midcap Index - 2.20%; MSCI EAFE Net - 2.20%; Bloomberg Commodity TR - 2.20%; HFRI Fund Weighted Composite - 12.09%.

4AG INCOME-Conservative TE-Total benchmark is defined as: Lipper Money Market Index - 2.15%; Bloomberg 1-15 Yr Muni - 82.79%; S&P 500 Index - 6.45%; Russell Midcap Index - 3.23%; HFRI Fund Weighted Composite - 5.38%.

3AG INCOME-Conservative-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 72%; Bloomberg US Corp HY - 3%; JPMorgan EMBI Global - 3%; S&P 500 Index - 12%; Russell Midcap Index - 4%; MSCI EAFE Net - 2%; Bloomberg Commodity TR - 2%.

3AG INCOME-Conservative-Total (TA) benchmark is defined as: Lipper Money Market Index - 3%; Bloomberg 1-15 Yr Muni - 85%; S&P 500 Index - 6%; Russell Midcap Index - 4%; MSCI EAFE Net - 2%.

**\* INCOME-MODERATE \***

4AG INCOME-Moderate-Total benchmark is defined as: Lipper Money Market Index - 2.22%; Bloomberg US Aggregate - 51.11%; Bloomberg US Corp HY - 2.22%; JPMorgan EMBI Global - 5.56%; S&P 500 Index - 13.33%; Russell Midcap Index - 4.44%; Russell 2000 Index - 2.22%; MSCI EAFE Net - 4.44%; Bloomberg Commodity TR - 2.22%; HFRI Fund Weighted Composite - 12.22%.

4AG INCOME-Moderate TE-Total benchmark is defined as: Lipper Money Market Index - 2.15%; Bloomberg 1-15 Yr Muni - 59.13%; Bloomberg HY Muni - 7.53%; S&P 500 Index - 17.20%; Russell Midcap Index - 5.38%; Russell 2000 Index - 3.23%; HFRI Fund Weighted Composite - 5.38%.

3AG INCOME-Moderate-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 58%; Bloomberg US Corp HY - 4%; JPMorgan EMBI Global - 5%; S&P 500 Index - 16%; Russell Midcap Index - 5%; Russell 2000 Index - 4%; MSCI EAFE Net - 4%; Bloomberg Commodity TR - 2%.

3AG INCOME-Moderate-Total (TA) benchmark is defined as: Lipper Money Market Index - 3%; Bloomberg 1-15 Yr Muni - 64%; Bloomberg HY Muni - 6%; S&P 500 Index - 14%; Russell Midcap Index - 5%; Russell 2000 Index - 4%; MSCI EAFE Net - 4%.

**\* INCOME-AGGRESSIVE \***

4AG INCOME-Aggressive-Total benchmark is defined as: Lipper Money Market Index - 2.30%; Bloomberg US Aggregate - 37.93%; Bloomberg US Corp HY - 4.60%; JPMorgan EMBI Global - 9.20%; S&P 500 Index - 17.24%; Russell Midcap Index - 6.90%; Russell 2000 Index - 2.30%; MSCI EAFE Net - 4.60%; Bloomberg Commodity TR - 2.30%; HFRI Fund Weighted Composite - 12.64%.

4AG INCOME-Aggressive TE-Total benchmark is defined as: Lipper Money Market Index - 2.15%; Bloomberg 1-15 Yr Muni - 43.01%; Bloomberg HY Muni - 15.05%; S&P 500 Index - 20.43%; Russell Midcap Index - 6.45%; Russell 2000 Index - 3.23%; MSCI EAFE Net - 5.38%; HFRI Fund Weighted Composite - 4.30%.

3AG INCOME-Aggressive-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 45%; Bloomberg US Corp HY - 6%; JPMorgan EMBI Global - 8%; S&P 500 Index - 19%; Russell Midcap Index - 7%; Russell 2000 Index - 4%; MSCI EAFE Net - 7%; Bloomberg Commodity TR - 2%.



**Blended Benchmarks: (cont.)**

3AG INCOME-Aggressive-Total (TA) benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg 1-15 Yr Muni - 48%; Bloomberg HY Muni - 14%; S&P 500 Index - 17%; Russell Midcap Index - 7%; Russell 2000 Index - 4%; MSCI EAFE Net - 8%.

**\* G&I-CONSERVATIVE \***

4AG G&I-Conservative-Total benchmark is defined as: Lipper Money Market Index - 2.33%; Bloomberg US Aggregate - 36.05%; Bloomberg US Corp HY - 4.65%; JPMorgan EMBI Global - 3.49%; S&P 500 Index - 18.60%; Russell Midcap Index - 6.98%; Russell 2000 Index - 2.33%; MSCI EAFE Net - 5.81%; MSCI EM Net - 3.49%; Bloomberg Commodity TR - 4.65%; HFRI Fund Weighted Composite - 11.63%.

4AG G&I-Conservative TE-Total benchmark is defined as: Lipper Money Market Index - 2.33%; Bloomberg 1-15 Yr Muni - 40.70%; Bloomberg HY Muni - 8.14%; S&P 500 Index - 22.09%; Russell Midcap Index - 6.98%; Russell 2000 Index - 3.49%; MSCI EAFE Net - 8.14%; MSCI EM Net - 3.49%; HFRI Fund Weighted Composite - 4.65%.

3AG G&I-Conservative-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 39%; Bloomberg US Corp HY - 6%; JPMorgan EMBI Global - 5%; S&P 500 Index - 20%; Russell Midcap Index - 8%; Russell 2000 Index - 5%; MSCI EAFE Net - 7%; MSCI EM Net - 4%; Bloomberg Commodity TR - 4%.

3AG G&I-Conservative-Total (TA) benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg 1-15 Yr Muni - 45%; Bloomberg HY Muni - 6%; S&P 500 Index - 17%; Russell Midcap Index - 10%; Russell 2000 Index - 6%; MSCI EAFE Net - 8%; MSCI EM Net - 6%.

**\* G&I-MODERATE \***

4AG G&I-Moderate-Total benchmark is defined as: Lipper Money Market Index - 2.38%; Bloomberg US Aggregate - 25.00%; Bloomberg US Corp HY - 4.76%; JPMorgan EMBI Global - 4.76%; S&P 500 Index - 21.43%; Russell Midcap Index - 9.52%; Russell 2000 Index - 3.57%; MSCI EAFE Net - 7.14%; MSCI EM Net - 4.76%; Bloomberg Commodity TR - 4.76%; HFRI Fund Weighted Composite - 11.90%.

4AG G&I-Moderate TE-Total benchmark is defined as: Lipper Money Market Index - 1.20%; Bloomberg 1-15 Yr Muni - 33.74%; Bloomberg HY Muni - 6.02%; S&P 500 Index - 26.52%; Russell Midcap Index - 8.43%; Russell 2000 Index - 3.61%; MSCI EAFE Net - 10.84%; MSCI EM Net - 4.82%; HFRI Fund Weighted Composite - 4.82%.

3AG G&I-Moderate-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 30%; Bloomberg US Corp HY - 6%; JPMorgan EMBI Global - 5%; S&P 500 Index - 24%; Russell Midcap Index - 10%; Russell 2000 Index - 6%; MSCI EAFE Net - 8%; MSCI EM Net - 5%; Bloomberg Commodity TR - 4%.

3AG G&I-Moderate-Total (TA) benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg 1-15 Yr Muni - 35%; Bloomberg HY Muni - 6%; S&P 500 Index - 23%; Russell Midcap Index - 12%; Russell 2000 Index - 6%; MSCI EAFE Net - 9%; MSCI EM Net - 7%.

**\* G&I AGGRESSIVE \***

4AG G&I-Aggressive-Total benchmark is defined as: Lipper Money Market Index - 2.44%; Bloomberg US Aggregate - 17.07%; Bloomberg US Corp HY - 3.66%; JPMorgan EMBI Global - 7.32%; S&P 500 Index - 26.83%; Russell Midcap Index - 9.76%; Russell 2000 Index - 4.88%; MSCI EAFE Net - 8.54%; MSCI EM Net - 6.10%; Bloomberg Commodity TR - 4.88%; HFRI Fund Weighted Composite - 8.54%.

4AG G&I-Aggressive TE-Total benchmark is defined as: Lipper Money Market Index - 1.23%; Bloomberg 1-15 Yr Muni - 25.93%; Bloomberg HY Muni - 7.41%; S&P 500 Index - 30.86%; Russell Midcap Index - 11.11%; Russell 2000 Index - 4.94%; MSCI EAFE Net - 12.35%; MSCI EM Net - 6.17%.

**Blended Benchmarks: (cont.)**

3AG G&I-Aggressive-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 20%; Bloomberg US Corp HY - 7%; JPMorgan EMBI Global - 6%; S&P 500 Index - 28%; Russell Midcap Index - 12%; Russell 2000 Index - 6%; MSCI EAFE Net - 9%; MSCI EM Net - 6%; Bloomberg Commodity TR - 4%.

3AG G&I-Aggressive-Total (TA) benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg 1-15 Yr Muni - 25%; Bloomberg HY Muni - 7%; S&P 500 Index - 27%; Russell Midcap Index - 14%; Russell 2000 Index - 6%; MSCI EAFE Net - 11%; MSCI EM Net - 8%.

**\* GROWTH-CONSERVATIVE \***

4AG GROWTH-Conservative-Total benchmark is defined as: Lipper Money Market Index - 1.23%; Bloomberg US Aggregate - 11.11%; Bloomberg US Corp HY - 3.70%; JPMorgan EMBI Global - 3.70%; S&P 500 Index - 29.63%; Russell Midcap Index - 11.11%; Russell 2000 Index - 6.17%; MSCI EAFE Net - 11.11%; MSCI EM Net - 7.41%; Bloomberg Commodity TR - 6.17%; HFRI Fund Weighted Composite - 8.64%.

4AG GROWTH-Conservative TE-Total benchmark is defined as: Lipper Money Market Index - 1.25%; Bloomberg 1-15 Yr Muni - 15.00%; Bloomberg HY Muni - 7.50%; S&P 500 Index - 35.00%; Russell Midcap Index - 13.75%; Russell 2000 Index - 6.25%; MSCI EAFE Net - 13.75%; MSCI EM Net - 7.50%.

3AG GROWTH-Conservative-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 16%; Bloomberg US Corp HY - 3%; JPMorgan EMBI Global - 3%; S&P 500 Index - 30%; Russell Midcap Index - 13%; Russell 2000 Index - 8%; MSCI EAFE Net - 11%; MSCI EM Net - 9%; Bloomberg Commodity TR - 5%.

3AG GROWTH-Conservative-Total (TA) benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg 1-15 Yr Muni - 18%; Bloomberg HY Muni - 4%; S&P 500 Index - 31%; Russell Midcap Index - 15%; Russell 2000 Index - 8%; MSCI EAFE Net - 12%; MSCI EM Net - 10%.

**\* GROWTH-MODERATE \***

4AG GROWTH-Moderate-Total benchmark is defined as: Lipper Money Market Index - 1.25%; Bloomberg US Aggregate - 5.00%; Bloomberg US Corp HY - 2.50%; JPMorgan EMBI Global - 3.75%; S&P 500 Index - 30.00%; Russell Midcap Index - 16.25%; Russell 2000 Index - 7.50%; MSCI EAFE Net - 13.75%; MSCI EM Net - 11.25%; Bloomberg Commodity TR - 6.25%; HFRI Fund Weighted Composite - 2.50%.

4AG GROWTH-Moderate TE-Total benchmark is defined as: Lipper Money Market Index - 1.27%; Bloomberg 1-15 Yr Muni - 5.06%; Bloomberg HY Muni - 6.33%; S&P 500 Index - 40.51%; Russell Midcap Index - 13.92%; Russell 2000 Index - 7.59%; MSCI EAFE Net - 15.19%; MSCI EM Net - 10.13%.

3AG GROWTH-Moderate-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 8%; Bloomberg US Corp HY - 3%; JPMorgan EMBI Global - 3%; S&P 500 Index - 31%; Russell Midcap Index - 14%; Russell 2000 Index - 10%; MSCI EAFE Net - 12%; MSCI EM Net - 12%; Bloomberg Commodity TR - 5%.

3AG GROWTH-Moderate-Total (TA) benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg 1-15 Yr Muni - 11%; Bloomberg HY Muni - 3%; S&P 500 Index - 31%; Russell Midcap Index - 16%; Russell 2000 Index - 11%; MSCI EAFE Net - 13%; MSCI EM Net - 13%.

**\* GROWTH-AGGRESSIVE \***

4AG GROWTH-Aggressive-Total benchmark is defined as: Lipper Money Market Index - 1.32%; S&P 500 Index - 31.58%; Russell Midcap Index - 19.74%; Russell 2000 Index - 9.21%; MSCI EAFE Net - 15.79%; MSCI EM Net - 15.79%; Bloomberg Commodity TR - 6.58%.

**Blended Benchmarks: (cont.)**

4AG GROWTH-Aggressive TE-Total benchmark is defined as: Lipper Money Market Index - 1.28%; S&P 500 Index - 42.31%; Russell Midcap Index - 16.67%; Russell 2000 Index - 7.69%; MSCI EAFE Net - 15.38%; MSCI EM Net - 16.67%.

3AG GROWTH-Aggressive-Total benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg US Aggregate - 3%; JPMorgan EMBI Global - 2%; S&P 500 Index - 28%; Russell Midcap Index - 16%; Russell 2000 Index - 13%; MSCI EAFE Net - 16%; MSCI EM Net - 15%; Bloomberg Commodity TR - 5%.

3AG GROWTH-Aggressive-Total (TA) benchmark is defined as: Lipper Money Market Index - 2%; Bloomberg 1-15 Yr Muni - 5%; S&P 500 Index - 27%; Russell Midcap Index - 18%; Russell 2000 Index - 14%; MSCI EAFE Net - 18%; MSCI EM Net - 16%.

Last updated: August 2022

Blended benchmark returns for the portfolio noted above reflect changes to the strategic asset allocation made over time. Index benchmarks are provided for comparison purposes only and are based on the most recently published data available. Indexes are unmanaged and performance results do not reflect the deduction of any advisory fees or commissions. The inclusion of an index is intended to provide a uniform reference point for the performance of an asset class and does not imply that the index is necessarily an appropriate benchmark for, or comparable to, an investment style or strategy specified. The composition and performance of an index that is specified in this report may differ from the composition and performance of an investment style to which it is compared. Additional information on any index referenced in this report is available upon request. You cannot invest in an index.

**Blended Benchmarks: (cont.)****\*CPI-Plus Benchmark\***

Consumer Price Index (CPI): program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

**\*Two Asset Static (Stock/Bond) Benchmark\***

Bloomberg Multiverse Index: This provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies.

MSCI All Country World Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of 46 country indices comprising 23 developed and 23 emerging market country indices.

**\* Class Level Array Benchmarks\***

Cash Equivalents: Lipper Money Market Funds Index is the average of the 30 largest funds in the Lipper Money Market Funds Category. These funds invest in high quality financial instruments rated in top two grades with dollar-weighted average maturities of less than 90 days. Money market funds intend to keep a constant net asset value. You cannot invest directly in a Lipper Average.

U.S. Investment Grade Bonds-Taxable: Bloomberg U.S. Aggregate Bond Index (Bloomberg US Aggregate) is unmanaged and is composed of the Bloomberg U.S. Government/Credit Index and the Bloomberg U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities.

U.S. Investment Grade Bonds-Tax Advantaged: Bloomberg Municipal Bond 1-15 Year Blend Index (Bloomberg 1-15 Yr Muni) measures the performance of municipal bonds with maturities of between one and fifteen years.

High Yield Bonds-Taxable: Bloomberg U.S. Corporate High Yield Bond Index (Bloomberg US Corp HY) is a market value-weighted index which covers the U.S. non-investment grade fixed-rate debt market. The index is composed of U.S. dollar-denominated corporate debt in Industrial, Utility, and Finance sectors with a minimum of \$150 million par amount outstanding and a maturity greater than 1 year. The index includes reinvestment of income.

High Yield Bonds-Tax Advantaged: Bloomberg Capital High Yield Municipal (Bloomberg HY Muni) is a market cap-weighted index that represents a broad universe of U.S. non-investment grade municipal debt. By using the same index provider as the U.S. Investment Grade Bonds - Tax Advantaged asset class, there is consistent categorization of corporate bonds among investment grade and non-investment grade municipals.

Developed Market Ex U.S. Bonds: JPMorgan GBI Global ex-US (Unhedged) (JPMorgan GBI Global Ex US) in USD is an unmanaged index market representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets. The JPM GBI is broadly used by managers in the asset class given the predominance of sovereign debt within the developed (ex U.S.) world.

Emerging Market Bonds: JP Morgan Emerging Markets Bond Index (EMBI) (JPMorgan EMBI Global) measures the total return performance of international government bonds issued by emerging market countries that are considered sovereign (issued in something other than local currency) and that meet specific liquidity and structural requirements.

U.S. Large Cap: S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market. The Index is unmanaged and not available for direct investment.

**Blended Benchmarks: (cont.)**

U.S. Mid Cap: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000® Index, which represent approximately 25% of the total market capitalization of the Russell 1000® Index.

U.S. Small Cap: Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000® Index.

Developed Market Ex U.S. Equity: MSCI EAFE Index-NET (MSCI EAFE FNet) (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The net index adjusts for reinvested dividends and accounts for foreign withholding taxes paid by money managers, thereby offering a truer picture of realizable returns available to U.S. investors.

Emerging Market Equity: MSCI Emerging Markets Index-NET (MSCI EM Net) is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey as of November 2013. The net index adjusts for reinvested dividends and accounts for foreign withholding taxes paid by money managers, thereby offering a truer picture of realizable returns available to U.S. investors.

Public Real Estate: FTSE EPRA/NAREIT Developed (FTSE EPRA/NAREIT Dvlp TR USD) is a market cap-weighted index designed to track the performance of listed real-estate companies and REITs in developed countries worldwide.

Commodities: Bloomberg Commodity Total Return (Bloomberg Commodity Total Return Index) reflects the returns that are potentially available through an unleveraged investment in the futures contracts on 19 physical commodities comprising the Index plus the rate of interest that could be earned on cash collateral invested in specified Treasury Bills. The Index is a rolling index rebalancing annually.

Alternative Investments Asset Group: Due to the unique nature of this asset group, Alternative Investments manager performance is benchmarked differently than from fixed income, equity, and real assets. Performance is compared to peer group returns rather than a universe of potential investable securities.

Global Hedge Funds: HFRI Fund Weighted Composite Index is a global, equal-weighted index of over 1,400 single-manager funds that report to the HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve month track record of active performance. The HFRI Fund Weighted Composite Index is comprised primarily of Equity Hedge, Relative Value, Event Driven, and Macro Hedge funds strategies. The index does not include funds of Hedge Funds.

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Due to the unique characteristics of private equity assets (PE), including irregular cash flows and lack of reinvestment options, performance measurement is better assessed through different methods than those typically used for more liquid asset classes (which use

time weighted metrics) as such methods may not provide representative PE performance. In practice, PE funds are typically long-lived and interim estimates of returns must be based on implicit assessments of expected future cash flows. In order to more effectively gauge performance, PE generally uses two principal cash flow based performance indicators where capital calls, capital reimbursement and profit distributions are the basis for calculation: the internal rate of return "IRR" and the presentation of investment "multiples". IRR is the estimated rate needed to convert (or discount or reduce) the sum of the future uneven cash flow to equal initial investment or down payment. Multiples are calculated as the ratio of cash paid out (distributions) to total funds supplied (drawdowns or capital calls), but do not take into account the timing of the cash flows.

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**WELLS  
FARGO**

# Wealth & Investment Management

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## 2023/2024 Foundation Scholarship Liability Calculations

	<b>Estimated Available Funds</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>
Endowed 12 Quarter Rolling Average Of Available Scholarship Endowed Funds	\$ 3,857,052.81	\$ 115,711.58	\$ 154,282.11	\$ 192,852.64
Estimated balance in STIF accounts for Financial Need Scholarships		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Less Financial Donor Software Subscription (Adivico)		\$ (11,820.00)	\$ (11,820.00)	\$ (11,820.00)
<b>Total Available</b>		<b>\$ 113,891.58</b>	<b>\$ 152,462.11</b>	<b>\$ 191,032.64</b>

### Montgomery Scholars

Tuition per Credit Hour	Average Number of Credit Hours	Total Tuition	Fees	Books	Total with Fees	Number of Semesters	Total Cost Per Year	Estimated # of students	Total Need Base Estimate
80.00	12	960.00	52.60	250.00	1,262.60	2	2,525.20	30	\$ 75,756.00

### Financial Need

Tuition per Credit Hour	Average Number of Credit Hours	Total Tuition	Fees	Books	Total with Fees	Number of Semesters	Total Cost Per Year	Estimated # of students	Total Need Base Estimate
80.00	12	960.00	52.60	250.00	1,262.60	2	2,525.20	30	\$ 75,756.00
<b>Total Estimated Need</b>									<b>\$ 151,512.00</b>

### Prior Year Summaries

<b>2021-2022</b>	<b>150,000.00</b>	Liability Projections (\$250 Books MSP and Financial Need)
	<b>147,195.16</b>	Actual amount spent
	Projected students 30 MSP, 30 Financial need	
	Actual # 15 MSP, 44 Financial need, 22 Merit	
 <b>2020-2021</b>	 <b>144,000.00</b>	 Liability Projections (\$250 Books MSP and Financial Need)
	<b>139,674.99</b>	Actual amount spent
	Projected students 30 MSP, 30 Financial need	
	Actual # 17 MSP, 29 Financial need, 23 Merit	



CURRENT PRINCIPAL	Endowed Funds	Sep 2022 Balance	Oct 2022 Contributions	Oct 2022 Expenses	Ending Balance Prior to Interest Allocation6	Oct 2022 Balance	Nov 2022 Contributions	Nov 2022 Expenses	Ending Balance Prior to Interest Allocation3	Nov 2022 Balance	Dec 2022 Contributions	Dec 2022 Expenses	Dec 2022 Inv. Gains/Losses	Dec 2022 Balance
	Interest(Gain/Loss less Contributions)												(146,770.58)	
16,135.00	50th Anniversary Endowed Scholarship	19,471.49			19,471.49	20,458.53			20,458.53	21,505.46			(826.57)	20,678.89
10,000.00	Alan Gutschmit Early Childhood Endowed Scholarship	14,742.06			14,742.06	15,489.36		410.00	15,079.36	15,851.02			(609.24)	15,241.78
17,070.00	Alexandra Blair Adams Endowed Scholarship	15,384.32			15,384.32	16,164.18	1,000.00	2,122.95	15,041.23	15,810.94			(607.70)	15,203.24
23,048.00	American Custom Gunmakers Guild Education Foundation Scholarship	25,060.70			25,060.70	26,331.07		684.39	25,646.68	26,959.11			(1,036.18)	25,922.93
10,000.00	Andy Speer Taxidermy Endowed Scholarship	12,405.94			12,405.94	13,034.82			13,034.82	13,701.86			(526.64)	13,175.22
11,000.00	Ann Elizabeth Abbott-Snavely Memorial Endowed Scholarship	9,607.43			9,607.43	10,094.45		1,086.42	9,008.03	9,469.00			(363.94)	9,105.06
18,000.00	Anna Hollers Montgomery Scholars Program Endowed Scholarship	19,897.39			19,897.39	20,906.02		525.94	20,380.08	21,423.00			(823.40)	20,599.60
16,300.00	Becky W. and Eben R. Wallace, Jr. Criminal Justice Endowed Scholarship	18,511.81			18,511.81	19,450.21		506.18	18,944.03	19,913.46			(765.38)	19,148.08
10,800.00	Better Burger Endowed Scholarship	13,979.05			13,979.05	14,687.67		356.42	14,331.25	15,064.63			(579.01)	14,485.62
3,185.00	Betty M. Reynolds Endowed Scholarship	6,102.05			6,102.05	6,411.37			6,411.37	6,739.46			(259.03)	6,480.43
20,250.00	Bill and Patsy Maness Family Endowed Scholarship (2)	26,055.28			26,055.28	27,376.07		500.00	26,876.07	28,251.41			(1,085.85)	27,165.56
11,650.00	Blanche Bray Farlowe Endowed Scholarship	13,423.00			13,423.00	14,103.43		295.09	13,808.34	14,514.96			(557.89)	13,957.07
17,500.00	Brady and Joan Dickson Endowed Scholarship	20,741.82			20,741.82	21,793.26		561.00	21,232.26	22,318.79			(857.83)	21,460.96
41,050.00	Branson and Lorraine McRae Montgomery Scholars Program Endowed Scholarships	41,749.08	10,000.00		51,749.08	54,372.33		1,117.95	53,254.38	55,979.58			(2,151.59)	53,827.99
10,730.00	Brenda Chriscoe Ritter Endowed Scholarship	11,770.83			11,770.83	12,367.51		328.71	12,038.80	12,654.87			(486.39)	12,168.48
10,175.00	Brittany C. Maness Honorary Endowed Scholarship	14,268.46			14,268.46	14,991.75		381.58	14,610.17	15,357.82			(590.28)	14,767.54
17,100.00	Bulthuis Endowed Scholarship	18,784.30			18,784.30	19,736.51	100.00	519.60	19,316.91	20,305.42			(780.44)	19,524.98
10,100.00	Capel Incorporated Endowed Scholarship	61,359.64			61,359.64	64,470.07		1,342.60	63,127.47	66,357.91			(2,550.49)	63,807.42
19,750.00	Capel, Capel, and Hric Montgomery Scholars Program Endowed Scholarship	24,069.00			24,069.00	25,289.10		500.00	24,789.10	26,057.64	150.00		(1,007.30)	25,200.34
17,317.08	Chris Deaton, Jodie Noah, Brandon Simmons and Austin Williams Memorial Endowed Scholarship	21,003.14			21,003.14	22,067.83		561.93	21,505.90	22,606.43			(868.88)	21,737.55
12,173.50	Christina "Christy" Blake Myrick Scholarship Endowment	11,219.07			11,219.07	11,787.78		100.00	11,687.78	12,285.88			(472.21)	11,813.67
10,000.00	Claire Menard Students Helping Students Endowment	15,743.77			15,743.77	16,541.85			16,541.85	17,388.35			(668.33)	16,720.02
10,000.00	Clay Vance Richardson Memorial Endowed Scholarship	14,339.21			14,339.21	15,066.09		400.00	14,666.09	15,416.60			(592.54)	14,824.06
10,000.00	CW Gunsmithing Endowed Scholarship	9,844.16			9,844.16	10,343.18			10,343.18	10,872.47			(417.89)	10,454.58
10,890.00	Kelly Stafford, Emily Hamilton, Stacey Stafford and Daniel Hamilton Honorary Endowed Scholarship	12,328.33			12,328.33	12,953.27		334.60	12,618.67	13,264.41			(509.82)	12,754.59
10,000.00	David Allen Whitesell Endowed Scholarship	9,675.94			9,675.94	10,166.43			10,166.43	10,686.68			(410.75)	10,275.93
16,679.87	Dr. Charles Highsmith Nurses Scholarship Endowment	15,998.74			15,998.74	16,809.74		251.60	16,558.14	17,405.48			(668.98)	16,736.50
44,725.00	Drs. Joseph Reese Blair and Claudia B. Blair Endowed Scholarship	66,590.80			66,590.80	69,966.40			69,966.40	73,546.81			(2,826.79)	70,720.02
10,000.00	DTE Energy Endowed Scholarship	10,907.54			10,907.54	11,460.46		300.60	11,159.86	11,730.95			(450.88)	11,280.07
37,750.00	Earle and Jean Connelly Scholarship Endowment	56,838.83			56,838.83	59,720.09		1,358.21	58,361.88	61,348.45			(2,357.95)	58,990.50
11,250.00	Fidelity Bank Biscoe Branch Endowed Scholarship	15,490.92			15,490.92	16,276.18			16,276.18	17,109.09			(657.59)	16,451.50
10,250.00	Fidelity Bank Candor Branch Endowed Scholarship	17,158.93			17,158.93	18,028.75		250.00	17,778.75	18,688.55			(718.30)	17,970.25
15,250.00	Fidelity Bank Star Branch Endowed Scholarship	23,513.57			23,513.57	24,705.51		250.00	24,455.51	25,706.98			(988.06)	24,718.92
10,250.00	Fidelity Bank Troy Branch Endowed Scholarship	16,529.40			16,529.40	17,367.30		250.00	17,117.30	17,993.25			(691.58)	17,301.67
34,500.00	First Bank Endowed Scholarship	59,449.22			59,449.22	62,462.80		1,535.60	60,927.20	64,045.05			(2,461.59)	61,583.46
16,500.00	First Bank Montgomery Scholars Program Endowed Scholarship	17,316.44			17,316.44	18,194.24		481.60	17,712.64	18,619.05			(715.63)	17,903.42
18,000.00	First Bank Montgomery Scholars Program Endowed Scholarship 2	19,852.71			19,852.71	20,859.08		550.00	20,309.08	21,348.36			(820.53)	20,527.83
28,000.00	FirstHealth of the Carolinas Endowed Scholarships	84,108.22			84,108.22	88,371.81		1,100.60	87,271.21	91,737.17			(3,525.95)	88,211.22
10,000.00	CommunityOne Bank Endowed Scholarship (First National Bank and Trust Endowed Scholarship)	14,447.73			14,447.73	15,180.11		403.23	14,776.88	15,533.06			(597.02)	14,936.04
12,250.00	Fred H. and Louise A. Powell Endowed Scholarship	14,745.78			14,745.78	15,493.27		101.00	15,392.27	16,179.94			(621.88)	15,558.06

CURRENT PRINCIPAL	Endowed Funds	Sep 2022 Balance	Oct 2022 Contributions	Oct 2022 Expenses	Ending Balance Prior to Interest Allocation	Oct 2022 Balance	Nov 2022 Contributions	Nov 2022 Expenses	Ending Balance Prior to Interest Allocation	Nov 2022 Balance	Dec 2022 Contributions	Dec 2022 Expenses	Dec 2022 Inv. Gains/Losses	Dec 2022 Balance
21,770.91	Frederick Leslie Taylor Memorial Endowed Scholarship	26,157.97			26,157.97	27,483.96		722.83	26,761.13	28,130.59			(1,081.21)	27,049.38
11,275.00	Friedman Blair Endowed Scholarship	12,804.96			12,804.96	13,454.07		330.00	13,124.07	13,795.67			(530.24)	13,265.43
29,345.00	Gelynda T. and Arron W. E. Capel Montgomery Scholars Program Endowed Scholarship	32,351.90			32,351.90	33,991.87		856.85	33,135.02	34,830.65	300.00		(1,350.26)	33,780.39
14,380.00	Gilbert "Sonny" A. Holt Memorial Nursing Scholarship Endowment	22,372.26			22,372.26	23,506.35			23,506.35	24,709.25			(949.71)	23,759.54
11,650.00	Gordon & Susan Knowles Endowed Scholarship	13,744.94			13,744.94	14,441.69		280.60	14,161.09	14,885.76			(572.14)	14,313.62
10,915.00	Grady and Alvis Goforth Boy Scouts and Venture Crew Endowed Scholarship	12,823.55			12,823.55	13,473.60		341.00	13,132.60	13,804.64			(530.59)	13,274.05
22,291.28	Grady G. Thomas Memorial Endowed Scholarship	38,386.22			38,386.22	40,332.08		760.00	39,572.08	41,597.11			(1,598.80)	39,998.31
15,000.00	Grede Endowed Scholarship	16,766.99			16,766.99	17,616.94		463.60	17,153.34	18,031.13			(693.03)	17,338.10
30,000.00	Growler Group Endowed Scholarship	40,498.72			40,498.72	42,551.67		985.60	41,566.07	43,693.14			(1,679.36)	42,013.78
10,000.00	Harlan McCaskill Endowment	16,789.79			16,789.79	17,640.89			17,640.89	18,543.63			(712.73)	17,830.90
10,050.00	Hartley & West Memorial Endowment	13,174.71			13,174.71	13,842.56		275.60	13,566.96	14,261.23			(548.13)	13,713.10
15,000.00	Hilda Lee Endowed Scholarship	20,640.26			20,640.26	21,686.55		413.85	21,272.70	22,361.29			(859.46)	21,501.83
16,550.00	J. Paul Russell Endowed Scholarship	28,135.74			28,135.74	29,561.99		777.83	28,784.16	30,257.14			(1,162.94)	29,094.20
31,245.00	James Eugene & Anne Roberts Samsel Endowed Scholarship	27,780.18			27,780.18	29,188.41		785.84	28,402.57	29,856.02			(1,147.53)	28,708.49
14,000.00	James L. Dunlap, Sr. Memorial Endowed Scholarship	16,983.75			16,983.75	17,844.69		363.12	17,481.57	18,376.16			(706.29)	17,669.87
4,000.00	Jason Stutts Endowed Forestry Scholar	1,860.34			1,860.34	1,954.64		-	1,954.64	2,054.67	2,000.00		(155.84)	3,898.83
20,000.00	Jean and JF Allen Endowed Scholarship	29,039.28			29,039.28	30,511.33		588.80	29,922.53	31,453.77			(1,208.94)	30,244.83
11,070.00	Joan and Frank Kersey Endowed Scholarship	16,587.71			16,587.71	17,428.57		454.77	16,973.80	17,842.41			(685.78)	17,156.63
10,000.00	John and Goldie Wallace Endowed Scholarship	11,037.46			11,037.46	11,596.97		290.00	11,306.97	11,885.59			(456.83)	11,428.76
12,500.00	Johnny Russell Endowed Scholarship	19,634.24			19,634.24	20,629.53		540.83	20,088.70	21,116.71			(811.63)	20,305.08
10,000.00	Jordan Lumber Montgomery Scholars Program Endowed Scholarship	11,878.89			11,878.89	12,481.05		335.00	12,146.05	12,767.60			(490.73)	12,276.87
23,000.00	Jordan Lumber Endowed Scholarships	33,713.30			33,713.30	35,422.29		408.85	35,013.44	36,805.19			(1,414.62)	35,390.57
7,000.00	Love Joy Church Endowed Scholarship	9,211.11			9,211.11	9,678.04			9,678.04	10,173.30	1,000.00		(429.45)	10,743.85
11,835.00	M.W. "Bill" Mullinix, Sr. and Nancy Hulin Mullinix Endowed Scholarship	15,696.78			15,696.78	16,492.48		435.80	16,056.68	16,878.35			(648.72)	16,229.63
27,272.96	Madeline and James B. Allen Endowed Scholarship	33,819.53			33,819.53	35,533.90		918.50	34,615.40	36,386.79			(1,398.54)	34,988.25
10,000.00	Margaret & Herbert C. Green Forestry Endowment	14,819.40			14,819.40	15,570.62		367.78	15,202.84	15,980.82			(614.23)	15,366.59
14,325.08	Mary P. and Charles T. Kirk Endowed Scholarship	19,441.84			19,441.84	20,427.38		542.07	19,885.31	20,902.91			(803.41)	20,099.50
22,615.78	Matt Ellis Endowed Scholarship	30,299.99			30,299.99	31,835.95		782.60	31,053.35	32,642.45			(1,254.62)	31,387.83
10,070.00	Matthew and Kim Woodard Endowed Scholarship	17,495.23			17,495.23	18,382.09		356.00	18,026.09	18,948.55			(728.29)	18,220.26
100,000.00	MidwayUSA Endowed Firearms Fund	118,138.28			118,138.28	124,126.91			124,126.91	130,478.90			(5,015.00)	125,463.90
10,000.00	Montgomery Insurance Scholarship Endowment	12,127.25			12,127.25	12,742.00		314.60	12,427.40	13,063.35			(502.09)	12,561.26
13,000.00	Montgomery Motors Montgomery Scholars Program Endowed Scholarship	15,421.79			15,421.79	16,203.55		421.60	15,781.95	16,589.56			(637.62)	15,951.94
37,362.44	Montgomery Scholars Program Endowed Scholarship	51,309.99			51,309.99	53,910.98		1,100.00	52,810.98	55,513.49			(2,133.68)	53,379.81
10,000.00	Nina Clelland Memorial Nursing Merit Scholarship	9,001.43			9,001.43	9,457.73			9,457.73	9,941.71			(382.11)	9,559.60
10,000.00	Oliver and Wanda Sweeney Endowment	17,344.69			17,344.69	18,223.92			18,223.92	19,156.50			(736.29)	18,420.21
22,000.00	Pat and Howard Burkart Endowed Scholarship	33,466.74			33,466.74	35,163.23		600.00	34,563.23	36,331.95			(1,396.43)	34,935.52
11,150.00	Peggy Haywood Memorial Endowed Scholarship	-			-	-	6,500.00		6,500.00	6,832.63	4,650.00		(441.34)	11,041.29
10,322.00	Pete Herron BLET Endowed Scholarship	11,264.51			11,264.51	11,835.53	40.00	500.00	11,375.53	11,957.65	20.00		(460.36)	11,517.29
30,000.00	Progress Energy Endowed Scholarships	42,873.34			42,873.34	45,046.66		413.85	44,632.81	46,916.82			(1,803.26)	45,113.56
10,000.00	Progress Energy Montgomery Scholars Program Endowed Scholarship	13,294.64			13,294.64	13,968.57		251.60	13,716.97	14,418.91			(554.20)	13,864.71
11,217.00	Leslie T. "Jack" Pugh Memorial Endowed Scholarship	12,858.35			12,858.35	13,510.16		353.55	13,156.61	13,829.88			(531.56)	13,298.32

CURRENT PRINCIPAL	Endowed Funds	Sep 2022 Balance	Oct 2022 Contributions	Oct 2022 Expenses	Ending Balance Prior to Interest Allocation <sup>6</sup>	Oct 2022 Balance	Nov 2022 Contributions	Nov 2022 Expenses	Ending Balance Prior to Interest Allocation <sup>3</sup>	Nov 2022 Balance	Dec 2022 Contributions	Dec 2022 Expenses	Dec 2022 Inv. Gains/Losses	Dec 2022 Balance
18,928.18	Quik Chek Montgomery Scholars Program Endowed Scholarship	23,940.71			23,940.71	25,154.31		447.80	24,706.51	25,970.82			(998.20)	24,972.62
12,500.00	Randolph Electric Membership Corporation Endowed Scholarship	15,003.59			15,003.59	15,764.15		432.60	15,331.55	16,116.12			(619.43)	15,496.69
11,890.00	Riley and Marilyn Phillips Endowed Scholarship	13,730.18			13,730.18	14,426.19		357.60	14,068.59	14,788.53			(568.40)	14,220.13
10,000.00	Robert Craig Cloninger Memorial Merit Endowed Scholarship	9,211.88			9,211.88	9,678.85			9,678.85	10,174.15			(391.05)	9,783.10
49,916.04	Frank Tedder and Edith Whicker Roberts Endowed Scholarship	60,228.51			60,228.51	63,281.60		1,616.60	61,665.00	64,820.60			(2,491.40)	62,329.20
28,053.81	Samantha B. Hussey Memorial Endowed Scholarship	30,950.60			30,950.60	32,519.54	298.83	751.53	32,066.84	33,707.81	149.42		(1,301.31)	32,555.92
10,000.00	Sandbeck Scholarship Endowment	10,520.67			10,520.67	11,053.98		274.55	10,779.43	11,331.05			(435.51)	10,895.54
25,000.00	Springs Industries Endowed Scholarship	43,402.60			43,402.60	45,602.75		1,201.56	44,401.19	46,673.35			(1,793.90)	44,879.45
15,000.00	Stanly Regional Medical Center Endowed Scholarship	16,813.40			16,813.40	17,665.70		466.00	17,199.70	18,079.87			(694.91)	17,384.96
10,000.00	Star Presbyterian Church Endowed Scholarship	8,047.52			8,047.52	8,455.46			8,455.46	8,888.15			(341.62)	8,546.53
17,765.18	Steve Hamilton Memorial Endowed Scholarship	19,812.54			19,812.54	20,816.87		500.00	20,316.87	21,356.55			(820.85)	20,535.70
10,100.00	Strong/Thompson Excellence in Forestry Scholarship	11,914.36			11,914.36	12,518.32		256.00	12,262.32	12,889.82			(495.42)	12,394.40
10,200.00	Harold & Carolyn VanDerveer Nursing Assistant Scholarship Endowment	14,289.24			14,289.24	15,013.59			15,013.59	15,781.89			(606.58)	15,175.31
30,500.00	Terri McCaskill Stafford Endowed Scholarship	29,155.60			29,155.60	30,633.55			30,633.55	32,201.17		124.60	(1,232.87)	30,843.70
10,000.00	Tom and Susan Eggleston Endowed Scholarship	8,444.03			8,444.03	8,872.07			8,872.07	9,326.08			(358.45)	8,967.63
60,000.00	Troy Lumber Company Scholarship Endowment	68,366.36			68,366.36	71,831.97		508.60	71,323.37	74,973.22			(2,881.62)	72,091.60
12,500.00	Uwharrie Environmental Montgomery Scholars Program Endowed Scholarship	20,087.12			20,087.12	21,105.37		558.60	20,546.77	21,598.22			(830.13)	20,768.09
10,855.00	Wanda and Michael Hamilton Memorial Nursing Scholarship Endowment	13,389.75			13,389.75	14,068.50		358.55	13,709.95	14,411.53			(553.91)	13,857.62
6,195.00	William "Billy" H. Johnson Jr. Endowed Scholarship	7,794.10			7,794.10	8,189.20	150.00		8,339.20	8,765.94	150.00		(342.69)	8,573.25
29,000.00	Willis Endowed Scholarship	29,323.76			29,323.76	30,810.23		553.60	30,256.63	31,804.96			(1,222.43)	30,582.53
8,500.00	Win & Elizabeth Dozier Endowed Scholarship	12,409.79			12,409.79	13,038.86			13,038.86	13,706.10			(526.80)	13,179.30
13,531.36	Woodrow Robinson Scholarship Endowment	13,384.56			13,384.56	14,063.05			14,063.05	14,782.70			(568.18)	14,214.52
13,987.34	Zane Simmons Endowed Scholarship - Pursuit of Excellence	22,286.32			22,286.32	23,416.05		250.00	23,166.05	24,351.53			(935.96)	23,415.57
439,017.04	General Scholarship	1,133,802.76			1,133,802.76	1,191,277.17	20.00	17,293.00	1,174,004.17	1,234,081.86	10.00		(47,432.70)	1,186,659.16
2,245,324.28					-	-			-					
	<b>Total Fund Balance</b>	3,491,844.10	10,000.00	-	3,501,844.10	3,679,358.59	8,108.83	62,627.31	3,624,840.13	3,810,335.24	8,429.42	124.60	(146,770.61)	3,671,869.45

STIF Account:	September 2022 Balance	October 2022 Contributions	October 2022 Expenses	October 2022 Balance	November 2022 Contributions	November 2022 Expenses	November 2022 Balance	December 2022 Contributions	December 2022 Expenses	December 2022 Balance
Accounting Program	125.00			125.00			125.00			125.00
Agriculture Program	48.60			48.60	400.00		448.60			448.60
Alexander Julian Scholarship for Carolina Craft Excellence	59.00			59.00			59.00			59.00
Allied Health Bldg.	12,284.75			12,284.75			12,284.75			12,284.75
American Firearms and Shooting Foundation Scholarship	-			-			-			-
Basic Skills Program Fund	157.20			157.20			157.20			157.20
Bear Paw Rifle Merit Scholarship	-			-			-			-
Beekeeping Fund	1,500.00			1,500.00			1,500.00			1,500.00
Bernice McRae Memorial Scholarship	1,399.80			1,399.80			1,399.80			1,399.80
William "Bill" R. Muse, Jr. Memorial Scholarship	246.40			246.40			246.40			246.40
BLET Program	550.47			550.47	50.00		600.47	25.00		625.47
Brownells Gunsmithing Scholarships	32.00			32.00			32.00			32.00
Bruce Turner Continuing Education Scholarships	314.66			314.66	40.00		354.66	30.00	70.00	314.66
Business and Industry Program Fund	2,065.13		132.64	1,932.49			1,932.49			1,932.49
Business Tech Scholarship	1,355.00			1,355.00			1,355.00			1,355.00
Cannon Foundation	-			-			-			-
Career and College Promise Program	1,311.00			1,311.00	180.00		1,491.00	95.00	756.00	830.00
Carolina Farm Credit Fund Grant								5,000.00		5,000.00
Chi Sigma Club Scholarship	71.73			71.73			71.73			71.73
Child Study Club Scholarship	100.00			100.00		100.00	-			-
College Transfer AA Program	1,193.05			1,193.05	30.00		1,223.05	10.00		1,233.05
Community Involvement	1,288.16			1,288.16	100.00		1,388.16	50.00		1,438.16
Computer Information Technology Program	1,022.32			1,022.32			1,022.32			1,022.32
Continuing Ed. Art Class Assistance	1,819.00			1,819.00			1,819.00			1,819.00
Counseling & Career Development Center	1,081.80			1,081.80			1,081.80			1,081.80
Cross Cut Saw	950.00			950.00			950.00			950.00
CW Gunsmithing Merit Scholarship	500.00			500.00		250.00	250.00			250.00
Dental Assisting Program	1,234.99			1,234.99			1,234.99			1,234.99
Dianne G. Nelson Scholarship Fund	2,425.00			2,425.00			2,425.00			2,425.00
Donnie Lee Little, Jr. Merit Scholarship	-			-			-			-
Drone Program	5.00			5.00			5.00			5.00
Duke Energy NCCF Apprenticeship Grant	44,388.84			44,388.84		14,407.25	29,981.59			29,981.59
Earle and Jean Connelly Scholarship (NCCF)	2,118.40			2,118.40		1,008.55	1,109.85			1,109.85
Early Childhood Program Merit Scholarship	90.00			90.00			90.00			90.00
Electrical/Electronics Program	1,100.00			1,100.00			1,100.00			1,100.00
Emergency Financial Aid	3,065.00			3,065.00			3,065.00			3,065.00
Employee Memorial Garden	63.19			63.19			63.19			63.19
Entrance Landscaping	68.35			68.35			68.35			68.35
FACTS (eCashier)	5,000.00			5,000.00			5,000.00			5,000.00
Faculty and Staff Upgrades	5,564.44			5,564.44	290.00		5,854.44	145.00		5,999.44
Financial Aid Department Fund	444.99			444.99			444.99			444.99
Fire/Rescue Expo	1,000.00	850.00		1,850.00			1,850.00			1,850.00
Food Service Technologies	120.00			120.00			120.00			120.00
Forestry Building	-			-			-			-
Forestry Program	1,335.00			1,335.00	2,000.00	\$500	2,835.00			2,835.00
Friend Raising Events	285.00			285.00			285.00			285.00
Friends of NRA Gunsmithing Scholarship (Curriculum)	-			-			-			-
Friends of the Library	2,528.90			2,528.90			2,528.90			2,528.90
High School Equivalency Testing Fees Assistance	415.00			415.00			415.00			415.00
Gelynda T. Capel Scholarship Endowment (NCCF)	1,925.65			1,925.65		950.00	975.65			975.65
Gene Anderson Scholarship	1,207.40			1,207.40			1,207.40			1,207.40
General Building Fund	4,618.33			4,618.33	20.00		4,638.33	10.00		4,648.33
GetFit StayFit Scholarship	655.00			655.00			655.00			655.00
Get Outdoors Program	543.12			543.12			543.12		2,000.00	(1,456.88)
Gunsmithing Program	15,441.99			15,441.99	40.00		15,481.99	20.00		15,501.99
Harold & Carolyn VanDerveer Named Scholarship	1,163.00			1,163.00			1,163.00			1,163.00
Heritage Crafts Program Fund	30.00			30.00			30.00			30.00
Human Services Program	1,179.40			1,179.40	40.00		1,219.40	20.00		1,239.40
Hunters Helping Kids Merit Scholarship	25.00			25.00			25.00			25.00
HVAC Program	5,131.28	150.00		5,281.28	20.00		5,301.28	10.00		5,311.28
J. & M. Hickman Scholarship	500.00			500.00			500.00			500.00
JF and Jean Allen Family Scholarship-NCCF	-			-			-		200.00	(200.00)
Knifemaking Scholarship	1,103.40			1,103.40			1,103.40			1,103.40
Leadership Montgomery	6,594.02	1,225.00	173.13	7,645.89		339.11	7,306.78			7,306.78
League for Innovation	-			-			-			-

Legacy Bricks	735.30			735.30			735.30			735.30
Legacy Gift	301.77		113.61	188.16	100.00		288.16	50.00		338.16
Lenue Tyson James Memorial Scholarship	227.80			227.80		227.80	-			-
MCC Unrestricted Annual Fund	42,452.71			42,452.71	180.00	1,250.00	41,382.71	80.00		41,462.71
Medical Assisting Program	504.50			504.50			504.50			504.50
Metal Engraving	332.95			332.95			332.95			332.95
MidwayUSA Firearms Fund	4,168.48		2,402.84	1,765.64		42.19	1,723.45			1,723.45
Minority Male Mentoring Program	1,073.42			1,073.42			1,073.42			1,073.42
Minority Male Mentoring Scholarship	97.00			97.00			97.00			97.00
MLK Day On Challenge	2,952.57			2,952.57			2,952.57			2,952.57
Morgan-Hutchinson Scholarship in Arts and Sciences	765.00			765.00			765.00			765.00
Mt. Gilead Civitan Club Scholarship	-			-			-			-
Mt. Gilead Lions Club Scholarship	-			-			-			-
Multi-Purpose Room Repairs	493.76			493.76			493.76			493.76
Nancy Capel - NCCF funds: anonymous	2,235.22			2,235.22		1,116.60	1,118.62	274.40		844.22
NRA Foundation CE Gunsmithing Scholarship	274.40			274.40			274.40			274.40
NRA Foundation Curriculum Gunsmithing Scholarship	-			-			-			-
Nurse Aid Testing Fees - Montgomery Fund	-			-			-			-
Nurse Pinning Ceremony	4,044.34			4,044.34	100.00		4,144.34	50.00		4,194.34
Nursing Program	30.00			30.00			30.00			30.00
General Building Fund	-			-			-			-
Open House	0.00			0.00			0.00			0.00
OST Program	30.66			30.66			30.66			30.66
People Helping People Grant	145.71			145.71			145.71			145.71
Pottery Program	5,509.52			5,509.52	20.00		5,529.52	10.00		5,539.52
Pottery Scholarship	784.55			784.55			784.55			784.55
Pottery Student Professional Development Fund	25.00			25.00			25.00			25.00
Problem Gambling Grant	796.42			796.42			796.42			796.42
Professional Development	22.39			22.39			22.39			22.39
REMC Drone Program	428.94			428.94			428.94			428.94
Sales Tax Reimbursement	-			-			-			-
Sandhills Dental Assistant Society Scholarship	2,660.00			2,660.00	20.00		2,680.00	10.00		2,690.00
SIM Man-Cannon Foundation	72.60			72.60			72.60			72.60
Shooting & Hunting Sports Mgmt	39,414.98			39,414.98			39,414.98			39,414.98
Trailblazer Shooting Club	658.24			658.24			658.24			658.24
Shooting Range	30.00			30.00			30.00			30.00
Student Competition Fund	-			-			-			-
Student Union/Sports Courts	151.82			151.82			151.82			151.82
Summer Camp - Forestry	75.00			75.00			75.00			75.00
Summer Camp - Photography	87.31			87.31			87.31			87.31
Summer Camp - Clay	49.50			49.50			49.50			49.50
Summer Camp - Youth Culinary	580.34			580.34			580.34			580.34
Taxidermy Program	4,259.83			4,259.83			4,259.83			4,259.83
Theodore C. Sanders Gunsmithing Scholarship	50.00			50.00			50.00			50.00
Tommy McNabb Knifemaking Scholarship	2,500.00			2,500.00			2,500.00	633.20		1,866.80
Troy Rotary	-			-			-			-
Walmart Scholarship	2,000.00			2,000.00		-	2,000.00	408.74		1,591.26
Win & Elizabeth Dozier Named Scholarship	800.00			800.00			800.00			800.00
Women's Minority Mentoring (Women of Empowerment)	196.75			196.75			196.75			196.75
Woodrow W. Robinson Scholarship Endowment (NCCF)	40.00			40.00		40.00	-			-
Woodsmen's Meet	480.79			480.79			480.79			480.79
Accumulated Interest	31,655.27	390.74		32,046.01	426.24		32,472.25	507.16		32,979.41
Fund Balance	295,039.60	2,615.74	2,822.22	294,833.12	4,056.24	20,231.50	278,657.86	6,122.16	4,342.34	280,437.68

# Montgomery Community College Foundation

## Funds Statement FY 2022-2023

### Fiscal Year To Date 7/1/2022 thru 6/30/2023

### Month of December 2022

	Wells Fargo	STIF	First Bank	Total
<b>Beginning Value</b>	\$3,660,486.64	\$285,837.60	\$129,060.24	\$4,075,384.48

	Wells Fargo	STIF	First Bank	Total
<b>Beginning Value</b>	\$3,802,726.40	\$275,027.76	\$142,012.94	\$4,219,767.10

<b>Receipts</b>				
Interest/Dividends	\$63,775.76	\$2,142.15	\$13.04	\$65,930.95
Deposits	\$33,034.55	\$37,187.88	\$117,759.32	\$187,981.75
<b>Total Receipts</b>	\$96,810.31	\$39,330.03	\$117,772.36	\$253,912.70

Interest/Dividends	\$26,299.27	\$507.16	\$2.38	\$26,808.81
Deposits	\$8,278.84	\$9,245.00	15,683.16	\$33,207.00
<b>Total Receipts</b>	\$34,578.11	\$9,752.16	\$15,685.54	\$60,015.81

<b>Disbursements</b>				
Fees/Withdrawals	\$82,952.50	\$44,730.05	\$111,505.60	\$239,188.15
<b>Total Disbursements</b>	\$82,952.50	\$44,730.05	\$111,505.60	\$239,188.15

Fees/Withdrawals	\$3,258.79	\$4,342.34	\$22,371.48	\$29,972.61
<b>Total Disbursements</b>	\$3,258.79	\$4,342.34	\$22,371.48	\$29,972.61

<b>Market Value Net Change</b>				
	(\$10,234.39)	\$0.00	\$0.00	(\$10,234.39)

	(\$169,935.66)	\$0.00	\$0.00	(\$169,935.66)
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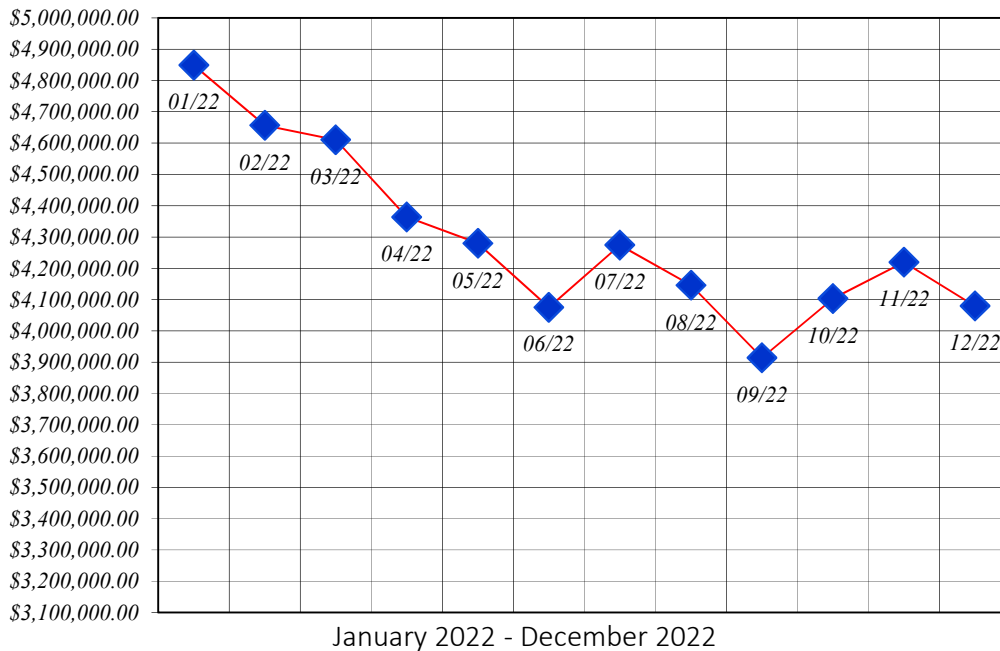
<b>Ending Value</b>	\$3,664,110.06	\$280,437.58	\$135,327.00	\$4,079,874.64
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<b>Ending Value</b>	\$3,664,110.06	\$280,437.58	\$135,327.00	\$4,079,874.64
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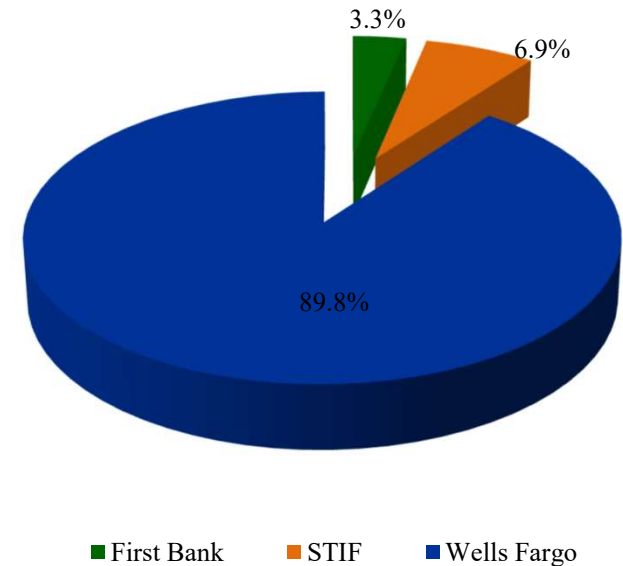
<b>Net Change</b>	\$3,623.42	(\$5,400.02)	\$6,266.76	\$4,490.16
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<b>Net Change</b>	(\$138,616.34)	\$5,409.82	(\$6,685.94)	(\$139,892.46)
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### Foundation Funds Value



### Foundation Funds Distribution

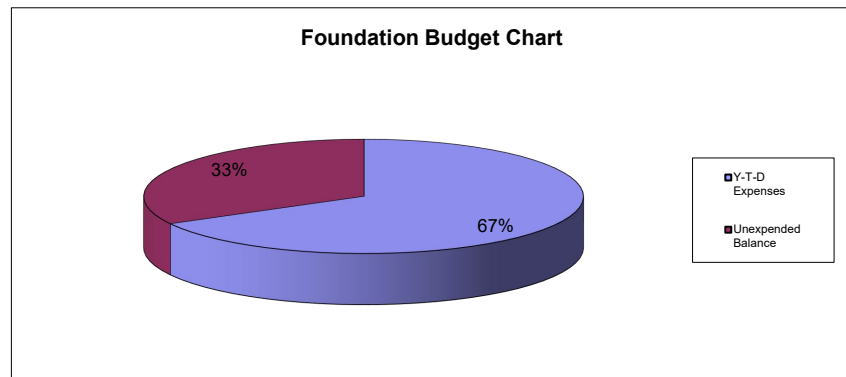


### MCC Foundation Budget FY 2022-23

1st Quarter = July-Sept  
 2nd Quarter = Oct.-Dec.  
 3rd Quarter = Jan.-March  
 4th Quarter = April-June

Last Updated: **01.19.2023**

Account Description		Budget	1st Quarter Expenses July, Aug., Sept.	2nd Quarter Expenses Oct, Nov, Dec.	3rd Quarter Expenses Jan, Feb, Mar.	4th Quarter Expenses Apr. May June	Y-T-D Expenses	Unexpended Balance	Percent Expended
Operating Expenses	Annual Audit	\$4,000		\$ 3,950			\$ 3,950	\$ 50	99%
	Donor/Endowment Maintenance	\$1,000					\$ -	\$ 1,000	0%
	Miscellaneous/contingency	\$1,800	\$ 18	\$ 677.22			\$ 696	\$ 1,104	39%
	Insurance	\$1,400	\$ 698				\$ 698	\$ 702	50%
College Outreach	Mini-Grants	\$2,500	\$ 500				\$ 500	\$ 2,000	20%
	Professional Development	\$1,500					\$ -	\$ 1,500	0%
	Friend Raisers	\$1,000		\$ 207.85			\$ 208	\$ 792	21%
	Diversity Days	\$500					\$ -	\$ 500	0%
	Awards Ceremony	\$1,000	\$ 790				\$ 790	\$ 1,000	79%
	Donor Appreciation	\$1,000					\$ -	\$ 1,000	0%
	MLK Day on Challenge	\$1,000					\$ -	\$ 1,000	0%
	Summer Camps	\$2,500	\$ 488				\$ 488	\$ 2,012	20%
	Annual Fund Drive	\$1,200			\$ 609		\$ 609	\$ 591	51%
	Alumni Program	\$2,000					\$ -	\$ 2,000	0%
Student Support	Ambassadors Scholarships	\$6,000		\$ 3,000			\$ 3,000	\$ 3,000	50%
	Sandra Miller High School Assistance Fund	\$5,000		\$ 1,975			\$ 1,975	\$ 3,025	40%
	Occupational Scholarships	\$8,000	\$ 4,493	\$ 363			\$ 4,856	\$ 3,144	61%
Events	Shooting Clays Tournament	\$5,000		\$ 8,069			\$ 8,069	\$ (3,069)	161%
	Raffle/Dinner	\$11,000	\$ 928	\$ 14,250			\$ 15,179	\$ (4,179)	138%
	Golf Tournament	\$3,000					\$ -	\$ 3,000	0%
<b>Totals</b>		<b>\$60,400</b>	<b>\$ 7,916</b>	<b>\$ 32,493</b>	<b>\$ 609</b>	<b>\$ -</b>	<b>\$ 41,018</b>	<b>\$ 20,172</b>	<b>68%</b>



# Thousands of Meals from MLK “Day On” Event at MCC

Approximately 75 volunteers met at Montgomery Community College to package nearly 10,000 meals in a half-day of service on January 23, 2023. Volunteers from MCC (students, faculty and staff), Communities in Schools, 4-H, Youth Leadership Montgomery, Eckerd Connects, East Middle School, Montgomery County Early College and Troy Rotary participated in the 13<sup>th</sup> annual Martin Luther King, Jr. “Day On” Challenge.



PHOTO: In January 2023, around 75 volunteers arrived to the MCC campus to begin the assembly line process of packing thousands of meals. This year’s meal is a pasta dish with tomato basil sauce, with each bag feeding four to six people.

Montgomery Community College was the recipient of a Randolph Electric Member Corporation People Helping People Sharing Success Community Grant. The funds totaling \$2,000 supported the meal preparation event. Over 9,500 sealed meals were bagged and placed into boxes that were distributed to Montgomery County Food Pantries and the Backpack Pals program, providing nutritious meals to local neighbors in need. Montgomery County is a rural county with a high poverty rate; local food banks are always in need of additional meals and supplies for local residents.

“We are so grateful to Randolph Electric Member Corporation for their generosity, and for recognizing the merit of our outreach event,” said Amy Friary, MCC’s point-person for this event and its Dean of Health and Human Services. “The MLK Day of Service event provides much-needed food for our communities, but also provides a wonderful day of fellowship and service for area youth.”



Prior to staging, assembling and delivering the meals, volunteers met in MCC's Library where Brandon Holland, Town Manager of Biscoe, NC, discussed Dr. King's legacy and how each person can make a difference through service to others. The total cost of hosting this event was \$4,127, with additional funding provided by the Montgomery Community College Foundation, Troy Rotary Club, Biscoe Lions Club, and the Montgomery County Cooperative Extension. Special thanks go to several individuals who assisted in coordinating this event: Amy Friary, Dean of Health & Human Services at MCC, Chrissy Haynes, Cooperative Extension Director and Katie Hursey, Communities in Schools Executive Director. Bojangles in Troy donated 100 biscuits for the enjoyment of our volunteers!



OCCUPATIONAL SCHOLARSHIPS										
Name	Course	Course ID	Term	Course Start Date	Attendance Verified	Course End Date	Course Cost	Paid by Student	Paid by Scholarship	Occupational Scholarship Balance
	Balance as of July 1, 2022									8,000.00
Azusena Arroyo-Jimenez	Phlebotomy	25209	2022CE3	8/29/2022	TRUE	12/12/2022	345.60	0.00	345.60	7,654.40
Hope Roscoe	Phlebotomy	25209	2022CE3	8/29/2022	TRUE	12/12/2022	345.60	0.00	345.60	7,308.80
Sharon Guinn	Phlebotomy	25209	2022CE3	8/29/2022	TRUE	12/12/2022	345.60	0.00	345.60	6,963.20
Dana Martinez	Phlebotomy	25209	2022CE3	8/29/2022	TRUE	12/12/2022	345.60	0.00	345.60	6,617.60
Sherriel Mandville	Phlebotomy	25498	2022CE3	8/30/2022	TRUE	12/8/2022	345.60	0.00	345.60	6,272.00
Christina Wall	Phlebotomy	25498	2022CE3	8/30/2022	TRUE	12/8/2022	345.60	0.00	345.60	5,926.40
Charlene Maready	Phlebotomy	25498	2022CE3	8/30/2022	TRUE	12/8/2022	345.60	0.00	345.60	5,580.80
Dornisha Land	Phlebotomy	25498	2022CE3	8/30/2022	TRUE	12/8/2022	345.60	0.00	345.60	5,235.20
Kaitlyn Ballew	Phlebotomy	25498	2022CE3	8/30/2022	TRUE	12/8/2022	345.60	0.00	345.60	4,889.60
Griselda Molina	Phlebotomy	25430	2022CE3	9/6/2022	TRUE	12/23/2022	345.60	0.00	345.60	4,544.00
Jacqueline Velasquez	Phlebotomy	25430	2022CE3	9/6/2022	TRUE	12/23/2022	345.60	0.00	345.60	4,198.40
Bianca Morris	Phlebotomy	25430	2022CE3	9/6/2022	TRUE	12/23/2022	345.60	0.00	345.60	3,852.80
Jasmine Edwards	Phlebotomy	25430	2022CE3	9/6/2022	TRUE	12/23/2022	345.60	0.00	345.60	3,507.20
Edwin Colon	Basic Machining	25507	2022CE3	9/9/2022	TRUE	12/9/2022	181.60	181.60	181.60	3,325.60
Brian Everhart	Basic Machining	25507	2022CE3	9/9/2022	TRUE	12/9/2022	181.60	0.00	181.60	3,144.00
Kristen Reed	Life and Health Insurance	26071	2022ce3		FALSE		245.00	0.00	245.00	2,899.00
Matthew Quick	Taxidermy	25861	2023ce1	1/9/2023	TRUE	5/8/2023	206.60	0.00	206.60	2,692.40
Jennell Cardin	Basic Welding (Sat.)	25859	2023ce1	1/14/2023	TRUE	5/13/2023	211.60	0.00	211.60	2,480.80
Kinsley Cardin-Chriscoe	Basic Welding (Sat.)	25859	2023ce2	1/14/2023	TRUE	5/13/2023	211.60	0.00	211.60	2,269.20
Savana Harris	Taxidermy	25861	2023ce1	1/9/2023	TRUE	5/8/2023	206.60	0.00	206.60	2,062.60
April Martin	Phlebotomy	25986	2023ce1	1/23/2023	FALSE	5/8/2023	303.90	0.00	303.90	1,758.70
Dustin Chriscoe	EMTI	25929	2023ce1	1/9/2023	TRUE	5/15/2023	63.60	0.00	63.60	1,695.10
Janet Chriscoe	EMTI	25929	2023ce1	1/9/2023	TRUE	5/15/2023	63.60	0.00	63.60	1,631.50
Johnie Harris	Basic Welding (Sat.)	25859	2023ce1	1/14/2023	TRUE	5/13/2023	211.60	0.00	211.60	1,419.90
Anthony Sanjuan Hernandez	Basic Welding (Night)	25858	2023ce1	1/9/2023	TRUE	5/8/2023	211.60	0.00	211.60	1,208.30
Destiny Hernandez	Pharmacy Technician	25981	2023ce1	1/30/2023	FALSE	5/8/2023	180.00	0.00	180.00	1,028.30
Autumn Tysinger	Phlebotomy	25430	2022ce3	9/6/2022	TRUE	12/23/2022	345.00	0.00	345.00	683.30
					FALSE					
							<b>Balance Remaining</b>		<b>2,692.40</b>	
	<b>Scholarships Awarded</b>	<b>27</b>					<b>Total Dollars Awarded</b>		<b>5,307.60</b>	

Annual Giving  
Comparison of Contributions by Quarter  
As of January 1, 2023

AFD Goal for 2022: \$150,000

	2022	2021	2020	2019
<b>January - March Total</b>	<b>\$43,637.00</b>	<b>\$47,844.50</b>	<b>\$71,369.94</b>	<b>\$45,059.74</b>
Stakeholder Giving (Employee/Boards)	\$14,135.00	\$8,290.50	\$6,753.00	\$7,824.00
Community Giving	\$20,392.00	\$29,704.00	\$58,948.94	\$31,638.74
Event Giving	\$9,110.00	\$9,850.00	\$5,668.00	\$5,597.00
<b>April - June Total</b>	<b>\$65,339.89</b>	<b>\$61,823.82</b>	<b>\$41,119.06</b>	<b>\$63,685.52</b>
Stakeholder Giving (Employee/Boards)	\$2,590.00	\$1,925.00	\$1,249.00	\$3,194.00
Community Giving	\$55,392.55	\$53,508.82	\$37,800.06	\$47,650.52
Event Giving	\$7,357.34	\$6,390.00	\$2,070.00	\$12,841.00
<b>July - September Total</b>	<b>\$46,587.71</b>	<b>\$58,079.25</b>	<b>\$121,143.00</b>	<b>\$96,208.30</b>
Stakeholder Giving (Employee/Boards)	\$895.00	\$1,975.00	\$816.00	\$2,754.00
Community Giving	\$23,022.71	\$32,534.25	\$92,737.00	\$59,056.30
Event Giving	\$22,670.00	\$23,570.00	\$27,590.00	\$34,398.00
<b>October - December Total</b>	<b>\$71,496.25</b>	<b>\$155,399.96</b>	<b>\$51,734.68</b>	<b>\$68,347.99</b>
Stakeholder Giving (Employee/Boards)	\$11,995.00	\$2,690.00	\$17,308.03	\$4,939.59
Community Giving	\$26,293.25	\$126,259.20	\$25,676.65	\$48,501.40
Event Giving	\$33,208.00	\$26,450.76	\$8,750.00	\$14,907.00
<b>TOTAL</b>	<b>\$227,060.85</b>	<b>\$323,147.53</b>	<b>\$285,366.68</b>	<b>\$273,301.55</b>



## Proposed Event Calendar 2023

February 8, 2023	Foundation Board of Directors Meeting External Annual Fund Drive Kick-Off
March 31, 2023	Golf Tournament
May 10, 2023 May 10, 2023	Foundation Board of Directors Meeting Graduation 7 p.m.
August 9, 2023 August 29, 2023	August Board Meeting Awards Ceremony
September 22, 2023	Fall Fundraiser Raffle
November 3, 2023 November 8, 2023 November 9, 2023	Shooting Clays Tournament November Board Meeting Veteran's Day Celebration