Retirement Board

Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room

Please click the link below to join the webinar:
https://zoom.us/j/96966455313
Or Telephone: +1 646 931 3860 US
Webinar ID: 969 6645 5313

1. Agenda

Subject	**1.1. Motion to adopt agenda**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	1. Agenda
Department	Retirement Administration
Type	Action Procedural
Recommended Action	Motion to adopt agenda

2. Public Forum

Subject	**2.1. Verbal Comments**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	2. Public Forum
Department	Retirement Administration

Type	Action Procedural
Recommended Action	open Public Forum close Public Forum

3. Approve Minutes

Subject	**3.1. May 20, 2024 Retirement Board Meeting Minutes**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	3. Approve Minutes
Department	Clerk/Treasurer's Office
Type	Action Minutes
Recommended Action	approve the minutes

4. Approve Return of Contributions

Subject	**4.1. James A. Sherrard, Jr., Class B $18,226.43; Effective Date of Benefit: 08/01/24**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for James A. Sherrard, Jr.
Subject	**4.2. William Sanderson, Class B $15,460.02; Effective Date of Benefit: 08/01/24**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for William Sanderson
Subject	**4.3. Mary Cain, Class B $209.11; Effective Date of Benefit: 06/01/24**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions

Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Mary Cain
Subject	**4.4. Jordain A. Williams, Class B $1,096.02; Effective Date of Benefit: 05/01/24**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	4. Approve Return of Contributions
Department	Retirement Administration
Type	Action
Recommended Action	approve return of contribution for Jordain A. Williams

5. Approve Retirement Applications

Subject	**5.1. Robert L. Green, Jr., Class B $3,758.91; Effective Date of Benefit: 07/01/24; Payment Date: 07/15/24**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	5. Approve Retirement Applications
Department	Retirement Administration
Type	Action
Recommended Action	approve retirement application for Robert L. Green, Jr.
Subject	**5.2. Gregory B. Thayer, Class B $9,431.55; Effective Date of Benefit: 06/01/24; Payment Date: 06/15/24**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	5. Approve Retirement Applications
Department	Retirement Administration
Type	Action
Recommended Action	approve retirement application for Gregory B. Thayer

6. Administrative Update

Subject	**6.1. Election of new Class A and Class B members**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room

Category	6. Administrative Update
Department	Retirement Administration
Type	Action

Recommended Action

Subject	**6.2. New city council appointed member**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	6. Administrative Update
Department	Retirement Administration
Type	Information

Subject	**6.3. Calendar of new meeting dates**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	6. Administrative Update
Department	Retirement Administration
Type	Information

7. Fiducient

Subject	**7.1. BERS - May 2024 Flash Report**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	7. Fiducient
Department	Retirement Administration
Type	Information Discussion

8. Presentation: Public Sector Pension Liabilities

Subject	**8.1. Presentation: Public Sector Pension Liabilities**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	8. Presentation: Public Sector Pension Liabilities
Department	Retirement Administration
Type	Information Presentation

9. Adjournment

Subject	**9.1. Motion to adjourn**
Meeting	June 24, 2024 - Retirement Board Meeting - Monday, June 24, 2024, 9:30 AM, Burlington City Hall, 1st Floor, Bushor Conference Room
Category	9. Adjournment
Department	Council and Board
Type	Action Procedural
Recommended Action	Motion to adjourn

BURLINGTON RETIREMENT BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING
DRAFT
May 20, 2024

MEMBERS PRESENT:
Robert Hooper (Chair, via Zoom)
Munir Kasti (Vice Chair)
David Mount
Matt Dow (via Zoom)
Kyle Blake (via Zoom)
Tom Chenette

OTHERS PRESENT:
Hayley McClenahan
Kate Pizzi (via Zoom)
Chris Rowlins
Steve Lemanski (via Zoom)
Brad Kukenberger

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1. CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order at 9:33 AM.

MOTION by Munir Kasti, SECOND by Matt Dow, to approve the agenda.

VOTING: unanimous; motion carries.

2. PUBLIC FORUM (VERBAL)

2.1 Verbal Comments
None.

3. APPROVE MINUTES

3.1 April 22, 2024 Meeting Minutes, Draft

MOTION by Munir Kasti, SECOND by Tom Chenette, to approve the minutes of April 22, 2024 as presented.

VOTING: unanimous; motion carries.

4. APPROVE RETURN OF CONTRIBUTIONS

4.1 Scott Rogers, Class B $5,633.67; Effective Date of Benefit: 06/01/2024 – approve the return of contributions.
4.2 Barbara D. King, Class B $2,008.87; Effective Date of Benefit: 07/01/2024 - approve the return of contributions.
4.3 Sunnie F. Lobdell, Class B $14,146.05; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.4 Gregory Osilka, Class A $138,132.56; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.5 Tyler Moody, Class B $3,955.60; Effective Date of Benefit: 07/01/2024 - approve the return of contributions.
4.6 Janet Gilbert, Class B $586.37; Effective Date of Benefit: 06/01/2024 - approve the return of contributions.
4.7 Owen A. Doherty, Class B $186.63; Effective Date of Benefit: 06/01/2024 - approve the return of contributions.
4.8 Jacob Dorman, Class B $8,930.52; Effective Date of Benefit: 07/01/2024 - approve the return of contributions.
4.9 Torin Olivetti, Class B $6,195/15; Effective Date of Benefit: 06/01/2024 - approve the return of contributions.
4.10 Tracy S. Belair Gaito, Class B $1,165.66; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.11 Sidney P. Badibanga, Class B $1,933.90; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.12 Karina Miranda, Class B $4,192.03; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.13 Hinoel Minaya, Class B $30,698.64; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.14 Patrick H. Brown, Class B $7,230.55; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.15 Bessie McManus, Class B $1,673.48; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.16 Yusuf Abdi, Class B $2,431.35; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.
4.17 Lindsay Sampson, Class B $1,020.60; Effective Date of Benefit: 05/01/2024 - approve the return of contributions.

MOTION by Munir Kasti, SECOND by Tom Chenette, to approve the returns of contributions as presented.

VOTING: unanimous; motion carries.

Mr. Blake noted that one of the return of contribution requests was quite larger and asked how that impacts the City actuarially, and whether it is better for the City to return it. Mr. Lemanski replied that with exceptions for the early part of someone’s career, the contributions with interest are generally going to be worth less than paying later. Mr. Mount noted that people are counselled on whether they should take a return of contributions or not. Assistant City Attorney McClenahan added that when employees separate, the Human Resources Department provides a letter explaining what they have and how they can expect to receive payments, but that the City cannot financially advise or give legal advice in this regard.

5. APPROVE RETIREMENT APPLICATIONS

5.1 Denise Girard, Class B $1,338.60; Effective Date of Benefit: 07/01/2024; Payment Date: 07/15/2024

5.2 John E. Askew, Class B $1,501.54; Effective Date of Benefit: 06/01/2024; Payment Date: 06/15/2024

5.3 Sarah McGarghan, Class B $182.05; Effective Date of Benefit: 05/01/2024; Payment Date: 05/15/2024

5.4 Lance R. Taylor, Class A $6,135.82; Effective Date of Benefit: 05/01/2024; Payment Date: 05/15/2024

5.5 Stacy Nordquist, Class B $22.44; Effective Date of Benefit: 05/01/2024; Payment Date: 05/15/2024

MOTION by Munir Kasti, SECOND by Tom Chenette, to approve the retirement applications as presented.

VOTING: unanimous; motion carries.

6. FIDUCIENT

6.1 Investment Portfolio Snapshot as of 4/30/2024

Ms. Pizzi began by showing market performance through the end of April, as well as month-to-date performance through May 16, 2024. She said that through April, there was negative performance across broad sectors of the market. She said that outside of commodities, there were impacts from higher inflation and lack of action from the Federal Reserve to cut interest rates and lack of uncertainty about when rate cuts would occur. She said that as a result of this, bond prices and equities valuations were pushed lower as investors changed course to adjust for this. She also spoke about performance to date in May, noting that there were strong corporate earnings, saying that this was partially due to the Federal Reserve publicly saying that they would take additional rate hikes off the table. She spoke about implications of this first for core bonds, noting that in April bond valuations and prices were lower, but that they were up slightly for May. She spoke about long duration bonds, which have more interest rate sensitivity. She noted that the portfolio does not have direct exposure to long term bonds, but that the negative impact on prices was felt acutely, but that in May, with interest rates coming down, long bonds returned positively. She then spoke about large cap equities, saying that they were down in April but again, up in May with positive developments on the interest rate side. She said that small cap stocks have much more sensitivity to interest rate movements and that they had a tough time in April with modest recovery in May. She noted that international markets sold off less in April than US markets, though there was still absolute negative performance, though they both performed better in May.

Ms. Pizzi then spoke about the overall allocation within the portfolio as of May. She said that the overall valuation stands at $235 million, with prepaid pension benefits of $3.7 million and very little short-term liquidity. She noted that the pension is right in line with its target allocations. She reminded the Board that they increased the allocation to fixed income from 25% to 27% and sourced that from global equities, and within global equities, they increased the allocation to US equities slightly. She then spoke about the portfolio's performance, noting that at the end of April it was down 3.0%, in line with the benchmark of 3.1%. She noted that the fixed income allocation outperformed its benchmark, partially due to the performance managers. She noted that the fiscal year to date numbers are up 7.9%, which are above the expected return on plan assets of 7.2%. She noted that the May rebound will help make up some of the April loss. She noted that the 3% loss in April represents a decrease in total value of about $7.4 million. She said that the fiscal year-to-date return of 7.9% represents about $17.5 million of investment gains, even considering the rough April performance. Mr. Hooper asked if commodities have rebounded in May, and Ms. Pizzi replied that yes, particularly in the energy sector. She noted that there is no direct exposure to the energy sector of commodities in the portfolio, though there is exposure to the real estate sector, so the portfolio is somewhat shielded from the volatility in the energy sector. Mr. Hooper asked about whether claims that the private equity market is to blame for changing the housing market are founded or unfounded. Ms. Pizzi replied that within the real estate market, there's a bifurcation between residential and commercial real estate. She noted that private equity is active in the commercial real estate space, and is attempting to convert some of that commercial space into residential space. Mr. Rowlins noted that there are some LLCs that have gone into the residential market and been aggressively buying houses and propping up prices, but the challenge for first-time buyers are high interest rates and lack of supply. Ms. Pizzi said that she can follow up with Fiducient's real estate team to get more information. Ms. Pizzi said that the one area where they are not seeing an improvement in inflation is in the shelter side.

6.2 Reconciliation of Prepaid Pension Benefits

Ms. Pizzi then spoke about a request from the BERS board to show the detail of the prepaid pension benefits and the reconciliation of it and how the total number within the Fiducient report is arrived at every month. She provided information from the City on the beginning balance as of July 2023, and the participation changes/employee contributions and the claims and benefits from each month, and how those affect the total balance that is due to or from the BERS plan. She said that at the beginning of FY24, the amount sitting in this prepaid account was $2.4

million, which was due back to BERS because there was overpayment from BERS to the City at the end of the previous fiscal year. She said that every month, the City then shows the employee contributions and participant charges that are netted against claims and benefits, expenses, and miscellaneous adjustments. She noted that the last number displayed is for the month of February, showing a net $297,000 due from BERS to the City. She said that this is dependent on timing, since when the City runs its cash reconciliation for the Fiducient report, it does not include the benefit payments paid out for that month. Mr. Blake asked whether returns of contributions are included in this report, and Financial Director Kukenberger replied that they are but that he would follow up with more information. He also said he would follow up with more information on what the expenses and miscellaneous payments include, as well as look into the high October number for participation charges and employee contributions. Mr. Kasti asked whether there are occasional audits conducted on these numbers for accuracy, and Finance Director Kukenberger replied that there is not a policy or procedure around this currently, but that he will include this in the policies and internal controls he is working to develop. He noted that this included in the annual financial audit. Mr. Blake asked why there was a $2.4 million amount due from the City to BERS, if the prepaid benefits are held by BERS. Finance Director Kukenberger replied that he will follow up with more information on this as well. Mr. Mount asked when the actual true-up occurs, and Ms. Pizzi replied that it occurs in late June or early July. Mr. Blake requested an additional column showing a breakout of the difference between the contribution and claims and benefits, as well as further detail on the employer contribution of the City.

6.3 Fiducient's 1st Quarter Fiduciary Governance Review: Investment Policy Statement
Mr. Rowlins then spoke about the quarterly activity around the fiduciary governance calendar, noting that this quarter focuses on the Investment Review, Investment Policy Review, and Fiduciary Training. He spoke about the Investment Policy Statement, its purpose, and the key elements of a good IPS. He spoke briefly about the asset allocation work conducted in previous months, noting that the appendix in the IPS outlining the revised asset allocations has been updated and requires approval by the BERS board at this juncture.

MOTION by Kyle Blake, SECOND by Munir Kasti, to accept the proposed changes to the Investment Policy Statement's updated Asset Allocation appendix as of May 2024 as presented.

VOTING: unanimous; motion carries.

Mr. Rowlins then spoke about governance and oversight activities, noting the Five Key Duties of fiduciary responsibility for boards such as BERS. These include duties of loyalty, prudence, diversity of investments, following plan documents, and avoiding prohibited transactions. He also spoke about Committee/Board best practices in this context. He noted that Fiducient's review of the policies and procedures around the BERS board haven't shown any deficiencies in its current processes.

Mr. Hooper noted that in the City's current budget discussions about FY25, one of the proposals for shoring up finances is potentially offering early retirement, and asked USI consultants to speak about this from an actuarial perspective. Mr. Lemanski replied that there are incentives attached to these sorts of windows, such as enhanced benefits or eligibility, and that in the short-term, there could be increased cash flow against the fund, depending on payouts, which could be absorbed. He said that actuarially, there could be an increased unfunded liability, and that the actual impact would be spread over time. Mr. Hooper noted that there are agreements that if the City's unfunded liability increases, that will impact and increase the employee contributions to the plan, so he said he would hate to see negative impacts like these of this conversation. Assistant City Attorney McClenahan noted that the rates on the employee side are set by the union contracts and by City Council resolution for non-union members, so the City is limited in that respect. She said that these are tentative proposals and that they are not for the upcoming (FY25) budget cycle. Mr. Hooper said that he hopes the BERS Board is consulted about these proposals if they become more seriously explored in the future.

7. COMMITTEE EDUCATION

7.1 Public Sector Pension Basics

Mr. Lemanski began by speaking about actuarial science, as well as the governing bodies and actuarial societies that create actuarial standards and ensure continuing education. He spoke about the Society of Actuaries, American Academy of Actuaries, Joint Boards for the Enrollment of Actuaries, and the Conference of Consulting Actuaries, and their duties, scopes, and responsibilities. He provided examples of the Actuarial Standards of Practice (ASOPs) particular to pensions, such as economic assumptions and demographic and other assumptions.

Mr. Lemanski then spoke about the employee groups and eligibility within the BERS system. He spoke about eligibility, which includes all regular employees of the City of Burlington, excluding elected officers other than the Mayor and teachers. He said that “employee” is defined as an employee that is regularly employed on a basis of not less than 1,200 hours in a 12-month period. He noted that employee groups are broken out into Class A (Police and Fire Departments, not including clerical employees), and Class B (all other eligible members).

Mr. Lemanski then spoke about the key plan provisions within the BERS system and calculations. He noted that these include years of service, final average earnings, the benefit formula multiplier, vesting, the age when the benefit payments begin, and other features. He spoke about each of these in more detail. He noted that a year is defined as a 12-month period. He noted that final average earnings are averaged over the highest 5 non-overlapping 12-month periods (for newer employees) and over 3 years (for older tiers, depending on date of hire). He spoke about the benefit multiplier, noting that a higher multiplier is used for the first 25 years of service than a lower multiplier for years in excess of 25 years. He said that Class A and B have different multipliers. He spoke about vesting, noting that the eligibility for it is 5 years of service. He noted that the vesting retirement benefit uses the vesting percentage times the accrued benefit at the date of termination, which is payable at 55 (for Class A) and 65 (for Class B). He spoke about the age when benefit payments begin (i.e., retirement). He said that for Class A, if a member has at least 25 years of service upon retirement, the age requirement varies from 45 to 55, depending on the tier. He said that for Class B, it is 65 years of age. He spoke about early retirement for both classes, noting that there is a factor that reduces the payment if a member retires early. He spoke about Cost-of-Living Adjustments (COLAs), which are paid out to current retirees. He said that these are increased annually by changes in the Consumer Price Index (CPI) of 1% or more. He noted that various tiers have various caps on COLAs per year.

He then spoke about basic terminology and assumptions within the BERS plan. He spoke about the funded ratio, which is the assets divided by the actuarial accrued liability, which is measured as of the valuation date. He said that assets use the smoothed value of assets, and the actuarial accrued liability is the present value of benefits earned to date by all members (active and retired). He noted that the target of funded ratio is 100%. He spoke about the actuarially determined employer contribution (ADEC), which is normal cost plus past service payments. He spoke about normal cost, which is the assignment of benefits earned for the upcoming year by active members. He spoke about past service payment or amortization, which is the annual payment against het plan’s unfunded liability as of the valuation date. He spoke about the unfunded liability, which is the actuarial accrued liability minus the assets. He spoke in more detail about the City’s amortization policy, noting that the amortization period is 20 years, it is a closed amortization, it uses the level dollar method, it has layered/separate bases, that it is consistent with best practices and that other approaches are available. He spoke briefly about assumptions, which include both economic and demographic and other assumptions. He then spoke about actuarial assumptions and the timing of any changes of these.

Mr. Lemanski then spoke about the financial reporting activities for the BERS system. He noted that this includes the Annual Comprehensive Financial Reporting (AFCR), which includes elements in addition to the pension reporting. He said that the reporting includes balance sheet entries of Net Pension Liability (NPL), which is the Total Pension Liability minus the Plan Fiduciary Net Position.

8. ADJOURNMENT

8.1 Motion to Adjourn

MOTION by David Mount, SECOND by Kyle Blake, to adjourn the meeting.

VOTING: unanimous; motion carries.

The meeting adjourned at 11:17 AM.

RScty: AACoonradt

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	**James A. Sherrard, Jr.**	Class:	B
Date of Birth:		Department:	Non-Union
Date of Hire:	07/01/2019	Post-Tax Employee Contributions:	$0.00
Date of Termination:	05/16/2024	Normal Retirement Date (NRD):	06/16/2050
Beneficiary Date of Birth:		Payment Start Date:	08/01/2024
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2020	Contributions	$3,051.50	$3,051.50
06/30/2020	Interest at 2%	$0.00	$3,051.50
06/30/2021	Contributions	$3,419.47	$6,470.97
06/30/2021	Interest at 2%	$61.03	$6,532.00
06/30/2022	Contributions	$4,062.21	$10,594.21
06/30/2022	Interest at 2%	$130.64	$10,724.85
06/30/2023	Contributions	$4,030.56	$14,755.41
06/30/2023	Interest at 2%	$214.50	$14,969.91
05/16/2024	Contributions	$2,927.07	$17,896.98
06/30/2024	Interest at 2%	$299.40	$18,196.38
07/31/2024	Interest at 2%	$30.05	$18,226.43

(1)	Pre-Tax Employee Contributions (Taxable):	$17,490.81
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$735.62
(3)	Total Return of Employee Contributions with Interest:	$\boxed{\$18,226.43}$

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$18,226.43	$18,226.43	0.00

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Information Used in Determination

Participant Name:	**William Sanderson**	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	07/01/2019	Post-Tax Employee Contributions:	$0.00
Date of Termination:	06/06/2024	Normal Retirement Date (NRD):	01/02/2051
Beneficiary Date of Birth:		Payment Start Date:	08/01/2024
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2020	Contributions	$2,639.63	$2,639.63
06/30/2020	Interest at 2%	$0.00	$2,639.63
06/30/2021	Contributions	$2,914.20	$5,553.83
06/30/2021	Interest at 2%	$52.79	$5,606.62
06/30/2022	Contributions	$3,368.69	$8,975.31
06/30/2022	Interest at 2%	$112.13	$9,087.44
06/30/2023	Contributions	$3,279.52	$12,366.96
06/30/2023	Interest at 2%	$181.75	$12,548.71
06/06/2024	Contributions	$2,634.85	$15,183.56
06/30/2024	Interest at 2%	$250.97	$15,434.53
07/31/2024	Interest at 2%	$25.49	$15,460.02

(1)	Pre-Tax Employee Contributions (Taxable):	$14,836.89
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$623.13
(3)	Total Return of Employee Contributions with Interest:	$15,460.02

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$15,460.02	$15,460.02	0.00

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	**Mary Cain**	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	05/21/2018	Post-Tax Employee Contributions:	$0.00
Date of Termination:	10/03/2018	Normal Retirement Date (NRD):	05/21/2023
Beneficiary Date of Birth:	N/A	Payment Start Date:	06/01/2024
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
06/30/2018	Contributions	$100.25	$100.25
06/30/2018	Interest at 2%	$0.00	$100.25
10/03/2018	Contributions	$87.45	$187.70
06/30/2019	Interest at 2%	$2.01	$189.71
06/30/2020	Interest at 2%	$3.79	$193.50
06/30/2021	Interest at 2%	$3.87	$197.37
06/30/2022	Interest at 2%	$3.95	$201.32
06/30/2023	Interest at 2%	$4.03	$205.35
05/31/2024	Interest at 2%	$3.76	$209.11

(1)	Pre-Tax Employee Contributions (Taxable):	$187.70
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$21.41
(3)	Total Return of Employee Contributions with Interest:	$209.11

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$209.11	$209.11	0.00

Calculation of Return of Employee Contributions — Form A

Burlington Employees' Retirement System — Jordain A. Williams

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	**Jordain A. Williams**	Class:	B
Date of Birth:		Department:	School
Date of Hire:	10/28/2022	Post-Tax Employee Contributions:	$0.00
Date of Termination:	05/15/2023	Normal Retirement Date (NRD):	08/19/2062
Beneficiary Date of Birth:	N/A	Payment Start Date:	05/01/2024
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

Period Ending	Description	Transaction	Balance at End of Period
05/15/2023	Contributions	$1,078.08	$1,078.08
06/30/2023	Interest at 2%	$0.00	$1,078.08
04/30/2024	Interest at 2%	$17.94	$1,096.02

(1)	Pre-Tax Employee Contributions (Taxable):	$1,078.08
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	$17.94
(3)	Total Return of Employee Contributions with Interest:	$1,096.02

Determination of Taxable Portion of Benefit

Form of Payment	Total Benefit	Taxable Portion	Non-Taxable Portion
Return of Contributions	$1,096.02	$1,096.02	0.00

Calculation of Benefit Options — Form A

Burlington Employees' Retirement System, Class B - Non-Union — Robert L. Green, Jr.

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	**Robert L. Green, Jr.**	Class:	B
Date of Birth:		Department:	Non-Union
Date of Hire:	08/31/1987	Vesting Percentage:	100.0000%
Date of Termination:	06/11/2019	Normal Retirement Date (NRD):	04/26/2029
Beneficiary Date of Birth:		Payment Start Date:	07/01/2024
		Employee Contribution Balance w/ Interest as of 07/01/2024:	$38,289.73

Earnings

Average Final Compensation*: $79,121.85

Determination of Benefit Amount

(1)	Years of Creditable Service (CS)	31.75000
(2)	Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	18.83333
(3)	Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	6.16667
(4)	Years of CS in excess of 25 years	6.75000

	COLA Option	Full COLA	Half COLA	No COLA
(5)	Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.600%	1.900%	2.200%
(6)	Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.600%	1.800%	2.000%
(7)	Accrual Rate in excess of 25 years	0.500%	0.500%	0.500%
(8)	Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	43.3750%	50.2583%	57.1417%
(9)	Monthly Vested Benefit Payable at NRD *= (8) x Average Final Compensation/12 x Vesting Percentage*	$2,859.93	$3,313.77	$3,767.63
(10)	Early Retirement Reduction Factor	0.9033	0.9033	0.9033
(11)	Monthly Vested Benefit Payable at Payment Start Date = (9) x (10)	$2,583.37	$2,993.33	$3,403.30

Benefit Options Available

Form of Payment	Option Factor	Full COLA Initial Benefit	Full COLA Survivor's Benefit[(1)]	Half COLA Initial Benefit	Half COLA Survivor's Benefit[(1)]	No COLA Initial Benefit	No COLA Survivor's Benefit[(1)]
Straight Life Annuity	1.0516	$2,716.67	**	$3,147.79	**	$\boxed{\$3,578.91}$	**
10 Year Certain & Life Annuity	1.0000	$2,583.37	$2,583.37	$2,993.33	$2,993.33	$3,403.30	$3,403.30
100% Joint & Survivor Annuity	0.9027	$2,332.01	$2,332.01	$2,702.08	$2,702.08	$3,072.16	$3,072.16
50% Joint & Survivor Annuity	0.9716	$2,510.00	$1,255.00	$2,908.32	$1,454.16	$3,306.65	$1,653.33
100% Joint & Survivor Pop-Up Annuity	0.8895	$2,297.91	$2,297.91	$2,662.57	$2,662.57	$3,027.24	$3,027.24
50% Joint & Survivor Pop-Up Annuity	0.9669	$2,497.86	$1,248.93	$2,894.25	$1,447.13	$3,290.65	$1,645.33
Return of Employee Contributions	N/A	$38,289.73	N/A	$38,289.73	N/A	$38,289.73	N/A

(1) **Survivor Benefits**: for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

** Average is of the three highest years of base earnings*

***Amount in excess (if any) of accumulated employee contributions, with interest, over payments made*

Calculation of Benefit Options — Form A

Burlington Employees' Retirement System, Class B - IBEW Local 300 — Gregory B. Thayer

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Benefit Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Late Service

Information Used in Benefit Determination

Participant Name:	**Gregory B. Thayer**	Class:	B
Date of Birth:		Department:	IBEW Local 300
Date of Hire:	01/20/1982	Vesting Percentage:	100.0000%
Date of Termination:	05/17/2024	Normal Retirement Date (NRD):	01/09/2020
Beneficiary Date of Birth:		Payment Start Date:	06/01/2024
		Employee Contribution Balance w/ Interest as of 06/01/2024:	$31,737.22

Earnings

Average Final Compensation*: $101,948.76

Determination of Benefit Amount

(1)	Years of Creditable Service (CS)			42.33333
(2)	Years of CS on or prior to 05/04/2008 [(2) + (3) is not to exceed 25 years]			25.00000
(3)	Years of CS after 05/04/2008 [(2) + (3) is not to exceed 25 years]			0.00000
(4)	Years of CS in excess of 25 years			17.33333

	COLA Option	Full COLA	Half COLA	No COLA
(5)	Accrual Rate on or prior to 05/04/2008 (not to exceed 25 years)	1.600%	1.900%	2.200%
(6)	Accrual Rate after 05/04/2008 (not to exceed 25 years)	1.600%	1.800%	2.000%
(7)	Accrual Rate in excess of 25 years	0.500%	1.800%	2.000%
(8)	Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	48.6667%	78.7000%	89.6667%
(9)	Monthly Vested Benefit Payable at Payment Start Date *= (8) x Average Final Compensation/12 x Vesting Percentage*	$4,134.59	$6,686.14	$7,617.84
(10)	Monthly Vested Benefit at NRD: *= {[Years of CS on or prior to 05/04/2008 and prior to NRD (25.00000) x (5)] + [Years of CS after 05/04/2008 and prior to NRD (0.00000) x (6)] + [Years of CS in excess of 25 years and prior to NRD (13.00000) x (7)]} x Average Final Compensation/12 x Vesting Percentage*	$3,950.51	$6,023.47	$6,881.54
(11)	Monthly Vested Benefit Payable at Payment Start Date: *= [Greater of (10)] x 1.663904 Late Adjustment Factor or (9)*	$6,573.27	$10,022.48	$11,450.22

Benefit Options Available

Form of Payment	Option Factor	Full COLA Initial Benefit	Full COLA Survivor's Benefit(1)	Half COLA Initial Benefit	Half COLA Survivor's Benefit(1)	No COLA Initial Benefit	No COLA Survivor's Benefit(1)
Straight Life Annuity	1.1511	$7,566.49	**	$11,536.88	**	$13,180.35	**
10 Year Certain & Life Annuity	1.0000	$6,573.27	$6,573.27	$10,022.48	$10,022.48	$11,450.22	$11,450.22
100% Joint & Survivor Annuity	0.8237	$5,414.40	$5,414.40	$8,255.52	$8,255.52	$\boxed{\$9,431.55}$	$9,431.55
50% Joint & Survivor Annuity	0.9601	$6,311.00	$3,155.50	$9,622.58	$4,811.29	$10,993.36	$5,496.68
100% Joint & Survivor Pop-Up Annuity	0.8095	$5,321.06	$5,321.06	$8,113.20	$8,113.20	$9,268.95	$9,268.95
50% Joint & Survivor Pop-Up Annuity	0.9538	$6,269.58	$3,134.79	$9,559.44	$4,779.72	$10,921.22	$5,460.61
Return of Employee Contributions	N/A	$31,737.22	N/A	$31,737.22	N/A	$31,737.22	N/A

(1) **Survivor Benefits**: for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

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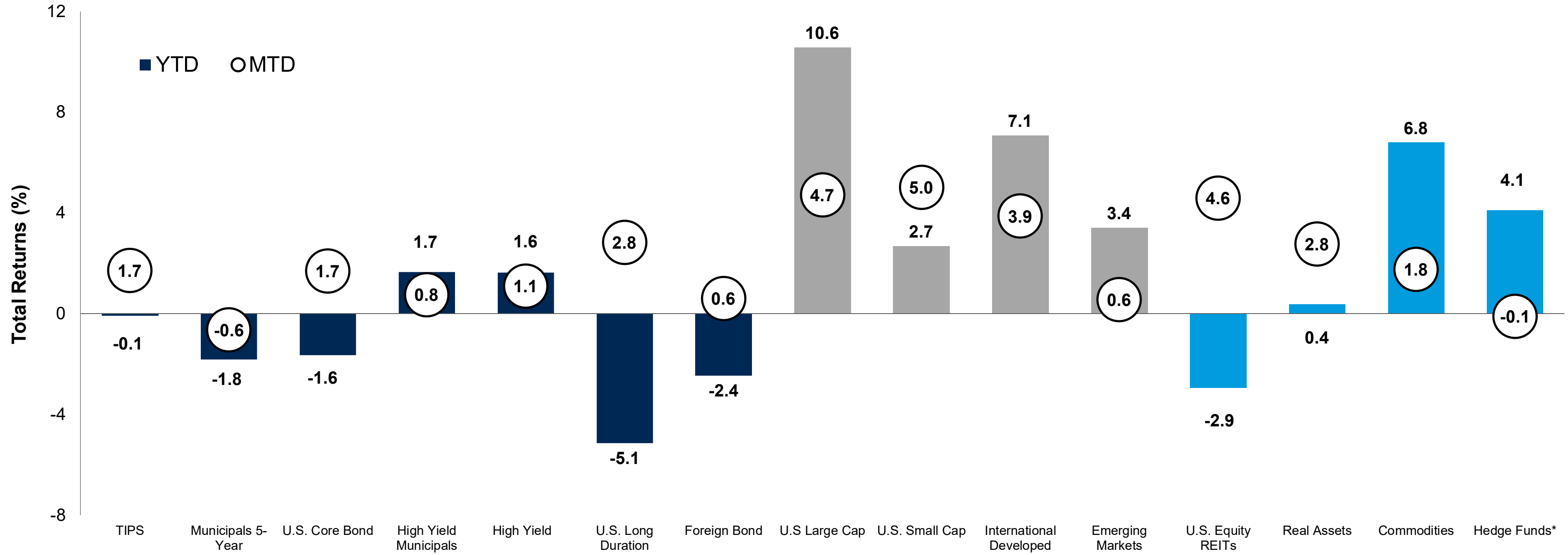
***Amount in excess (if any) of accumulated employee contributions, with interest, over payments made*

City of Burlington Employees Retirement System

Monthly Performance Update - May 2024

Asset Class Performance



Source: Morningstar Direct. As of May 31, 2024. *Hedge fund returns are as of April 30, 2024.

Fixed Income (May)

+ Fixed income volatility continued in May as markets continued repricing expectations for the timing of Fed rate cuts in 2024. Interest rates moved lower during the month which was supportive of U.S. Core Bonds.

+ High yield corporate bonds also posted positive returns as spreads remain persistently tight.

+ A weakening U.S. Dollar supported foreign bonds amid rising rates outside of the U.S.

Equity (May)

+ U.S. markets were positive in May. The more rate-sensitive small cap modestly outpaced large cap amid falling rates.

+ International developed markets, while positive, trailed the U.S. Underlying country results were mixed with mainland Europe outperforming the United Kingdom.

+ Emerging markets were modestly positive with gains in China and India offset by negative returns in Brazil, Mexico, and Korea.

Real Asset / Alternatives (May)

+ REITs were positive during the month. Falling rates and equity beta exposure were beneficial.

+ Commodity markets were positive in May, with strength from sectors outside of energy.

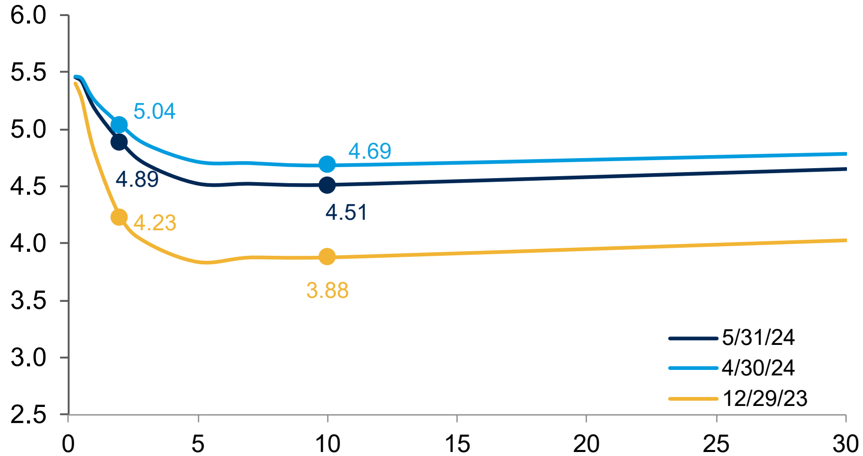
+ Real Assets were positively impacted by falling rates and rising commodity prices.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of loss. Indices cannot be invested in directly.

Fixed Income Market Update

U.S. Treasury Yield Curve

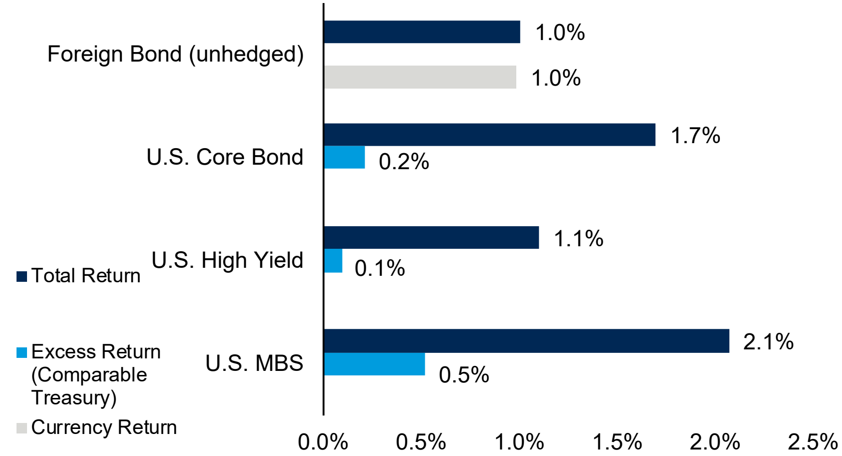
Interest rates fell across the U.S. yield curve during May as economic data provided further evidence that the U.S. economy may be losing its resilience to higher interest rates.



Source: FactSet. As of May 31, 2024.

Index Performance Attribution (May 2024)

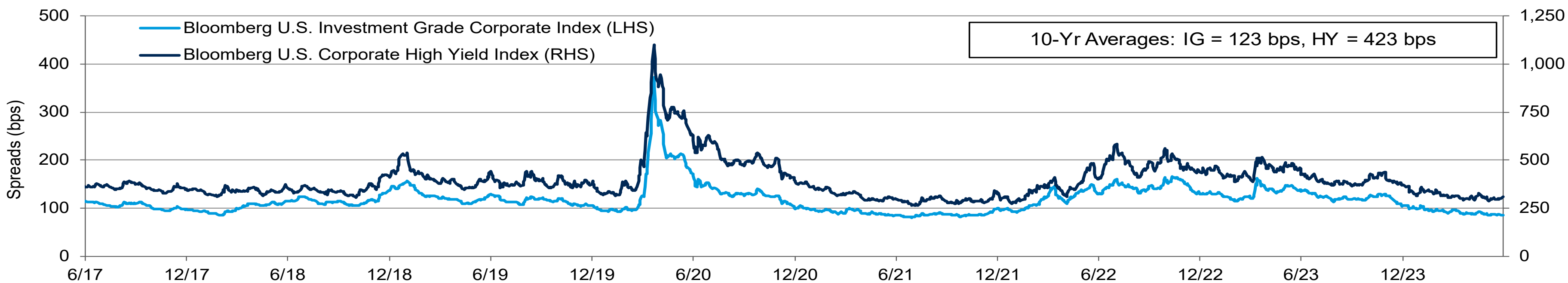
Corporate spread areas outperformed similar duration Treasuries in the period. More rate sensitive securities, such as U.S. MBS, outperformed amid falling rates. Foreign bonds posted gains on a weaker U.S. dollar.



Source: FactSet. As of May 31, 2024.

Credit Market Spreads – Trailing 5 Years

Corporate fundamentals, both in investment grade and high yield, continue to remain positive. Spreads remained flat at 85 and 308 basis points for investment grade and high yield, respectively, and remain well below their 10-year averages.



Source: FactSet. As of May 31, 2024.

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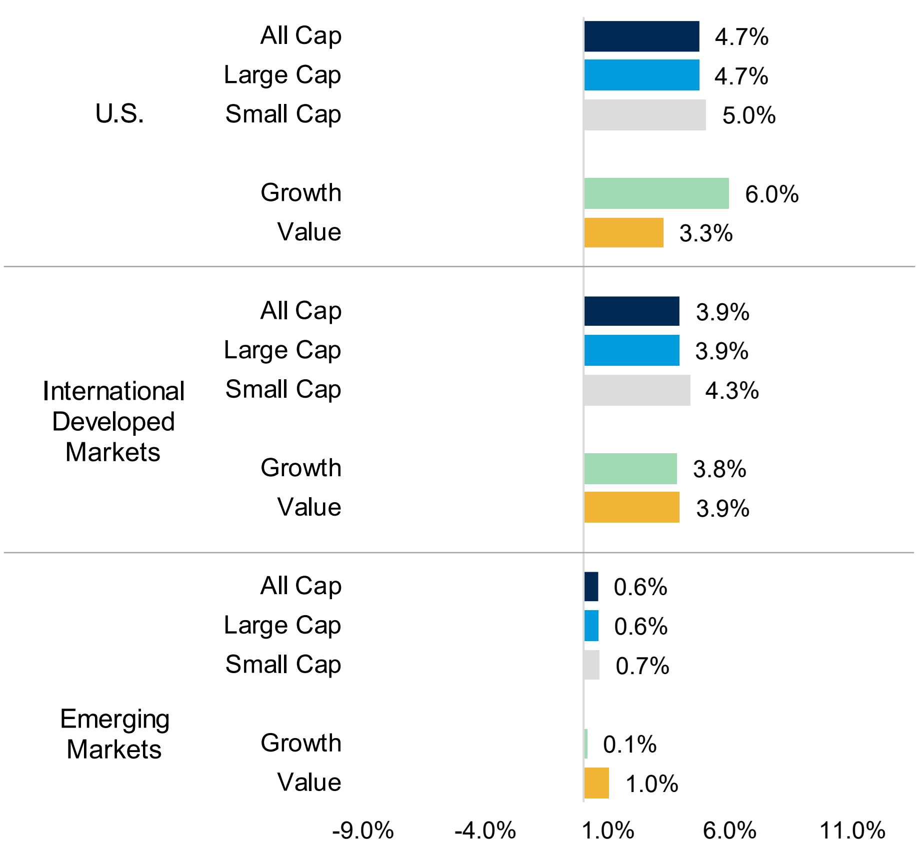
Equity Market Update

Market Capitalization & Style Performance (May 2024)

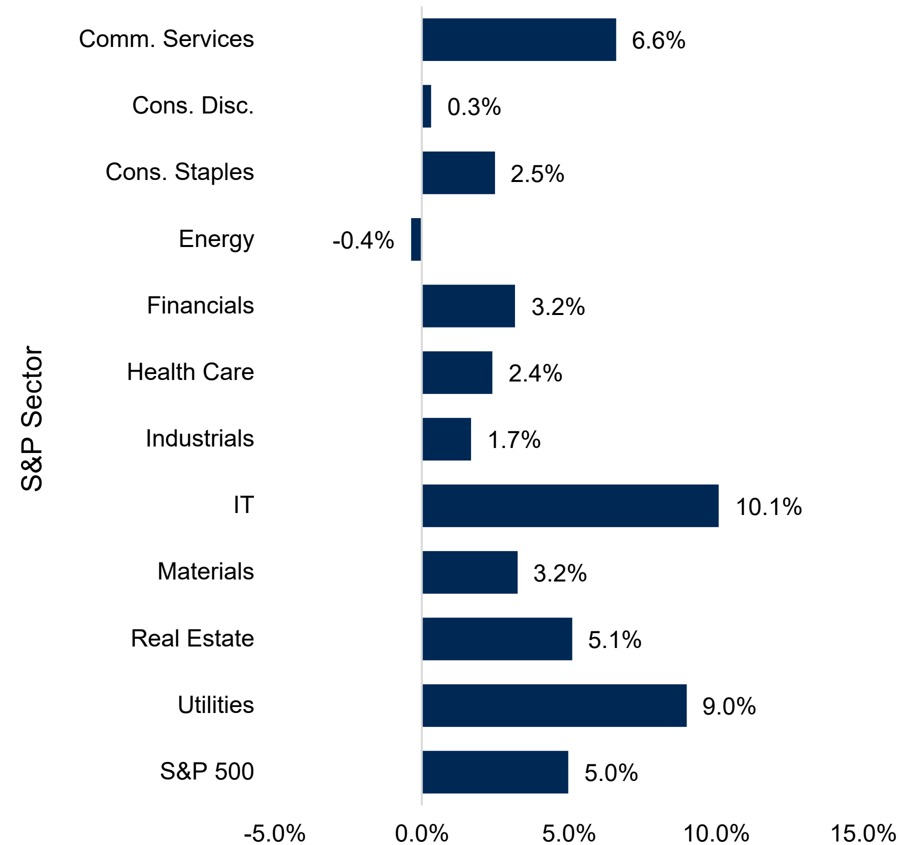
Equity markets were positive around the globe in May. Domestically, growth outperformed with value winning abroad. Dispersion across market capitalization was tight, with rate-sensitive small caps edging out large across markets.



Source: Morningstar Direct. As of May 31, 2024.

U.S. Equities – Returns by Sector (May 2024)

Despite weaker economic data suggesting a deteriorating U.S. economy, the increased likelihood of interest rate cuts propelled stocks higher. Shares in IT led the market, with most of the Magnificent Seven strongly outperforming.



Source: Morningstar Direct. As of May 31, 2024.

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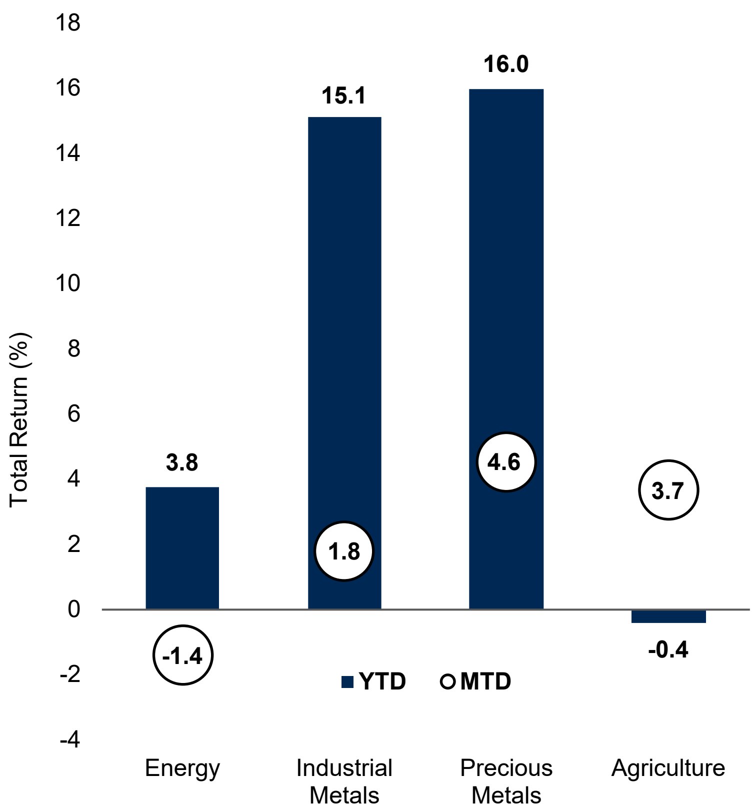
Real Asset Market Update

Commodity Performance (May 2024)

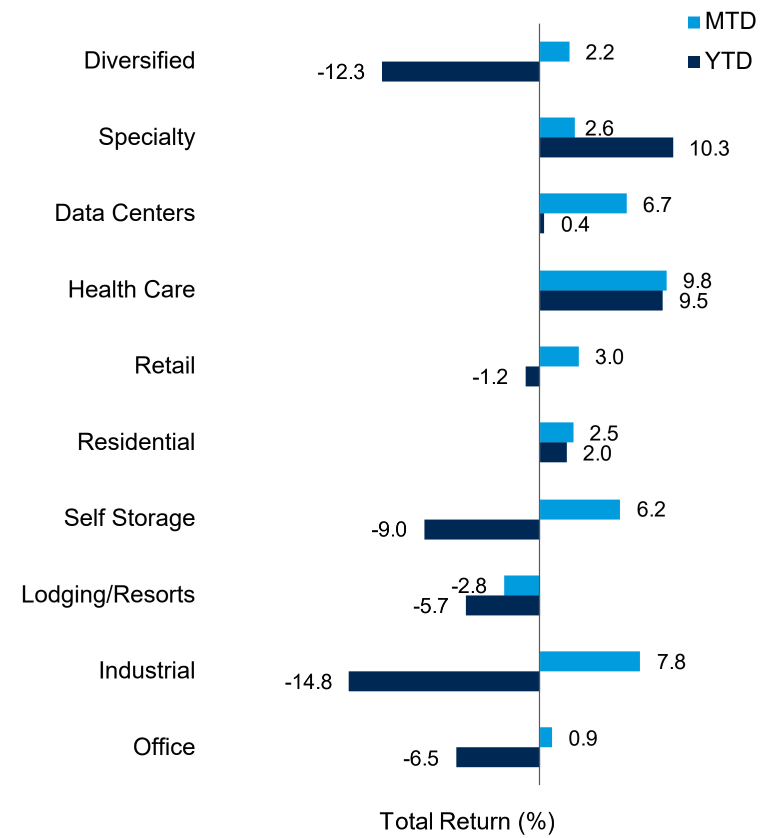
Commodity markets rose during May. Metals increased on growing expectations of looser monetary policy by major central banks and agriculture increased on supply pressures. Energy fell on OPEC+ announcements of easing production cuts.



Source: FactSet. As of May 31, 2024.

REIT Sector Performance (May 2024)

REITs posted a gain in May. Health care and Industrial REITs, the most rate-sensitive sectors with longer lease terms and fixed rental rates, posted the strongest gains.



Source: FactSet. As of May 31, 2024.

Financial Markets Performance

Total Return as of May 31, 2024
Periods greater than one year are annualized
All returns are in U.S. dollar terms

Global Fixed Income Markets	**MTD**	**YTD**	**1YR**	**3YR**	**5YR**	**7YR**	**10YR**	**15YR**
Bloomberg 1-3-Month T-Bill	0.5%	2.3%	5.5%	3.0%	2.1%	2.0%	1.5%	1.0%
Bloomberg U.S. TIPS	1.7%	-0.1%	1.6%	-1.4%	2.1%	2.2%	1.9%	3.1%
Bloomberg Municipal Bond (5 Year)	-0.6%	-1.8%	1.9%	-0.9%	0.7%	1.2%	1.5%	2.3%
Bloomberg High Yield Municipal Bond	0.8%	1.7%	8.2%	-0.3%	2.6%	3.9%	4.2%	6.2%
Bloomberg U.S. Aggregate	1.7%	-1.6%	1.3%	-3.1%	-0.2%	0.7%	1.3%	2.5%
Bloomberg U.S. Corporate High Yield	1.1%	1.6%	11.2%	1.8%	4.2%	4.1%	4.3%	7.6%
Bloomberg Global Aggregate ex-U.S. Hedged	0.2%	-0.1%	4.6%	-0.6%	0.6%	1.7%	2.4%	3.1%
Bloomberg Global Aggregate ex-U.S. Unhedged	1.0%	-4.8%	0.1%	-7.9%	-2.9%	-1.6%	-1.7%	0.2%
Bloomberg U.S. Long Gov / Credit	2.8%	-5.1%	-1.9%	-7.8%	-1.9%	0.1%	1.5%	4.3%
Global Equity Markets	**MTD**	**YTD**	**1YR**	**3YR**	**5YR**	**7YR**	**10YR**	**15YR**
S&P 500	5.0%	11.3%	28.2%	9.6%	15.8%	13.8%	12.7%	14.6%
Dow Jones Industrial Average	2.6%	3.5%	20.0%	6.0%	11.6%	11.5%	11.2%	13.3%
NASDAQ Composite	7.0%	11.8%	30.4%	7.6%	18.5%	16.3%	15.8%	17.3%
Russell 3000	4.7%	10.1%	27.6%	7.8%	15.0%	13.1%	12.1%	14.3%
Russell 1000	4.7%	10.6%	28.0%	8.5%	15.4%	13.5%	12.4%	14.5%
Russell 1000 Growth	6.0%	13.1%	33.6%	11.1%	19.4%	17.5%	15.8%	16.9%
Russell 1000 Value	3.2%	7.6%	21.7%	5.4%	10.7%	9.0%	8.6%	11.8%
Russell Mid Cap	2.9%	5.7%	23.1%	3.1%	11.1%	9.9%	9.5%	13.3%
Russell Mid Cap Growth	1.1%	4.2%	21.9%	1.6%	11.1%	11.5%	10.7%	13.9%
Russell Mid Cap Value	3.6%	6.2%	23.7%	3.8%	10.3%	8.1%	8.1%	12.6%
Russell 2000	5.0%	2.7%	20.1%	-1.7%	8.6%	7.5%	7.7%	11.4%
Russell 2000 Growth	5.4%	4.6%	18.4%	-3.3%	7.8%	7.8%	8.1%	11.8%
Russell 2000 Value	4.7%	0.8%	21.8%	-0.2%	8.8%	6.7%	6.9%	10.7%
MSCI ACWI	4.1%	8.9%	23.6%	5.1%	11.7%	9.7%	8.4%	10.1%
MSCI ACWI ex. U.S.	2.9%	5.8%	16.7%	0.3%	6.8%	5.2%	4.0%	6.1%
MSCI EAFE	3.9%	7.1%	18.5%	3.1%	8.0%	5.9%	4.6%	6.8%
MSCI EAFE Growth	3.8%	6.7%	13.8%	0.2%	7.9%	6.5%	5.5%	7.7%
MSCI EAFE Value	3.9%	7.5%	23.6%	5.7%	7.8%	5.1%	3.4%	5.8%
MSCI EAFE Small Cap	4.3%	3.7%	14.4%	-2.9%	5.7%	4.2%	4.8%	8.2%
MSCI Emerging Markets	0.6%	3.4%	12.4%	-6.2%	3.5%	3.1%	2.7%	4.5%
Alternatives	**MTD**	**YTD**	**1YR**	**3YR**	**5YR**	**7YR**	**10YR**	**15YR**
Consumer Price Index*	0.3%	1.4%	3.4%	5.5%	4.2%	3.6%	2.9%	2.6%
FTSE NAREIT Equity REITs	4.6%	-2.9%	10.2%	0.2%	3.6%	4.8%	5.7%	11.0%
S&P Real Assets	2.8%	0.4%	9.5%	0.7%	4.2%	4.2%	3.1%	6.2%
FTSE EPRA NAREIT Developed	3.5%	-3.7%	8.5%	-3.7%	0.5%	2.4%	3.1%	7.6%
FTSE EPRA NAREIT Developed ex U.S.	1.5%	-4.3%	7.1%	-8.3%	-2.7%	-0.1%	0.6%	4.8%
Bloomberg Commodity Total Return	1.8%	6.8%	10.9%	6.9%	8.1%	5.3%	-1.1%	-0.2%
HFRI Fund of Funds Composite*	-0.1%	4.1%	9.3%	2.1%	4.8%	4.3%	3.6%	4.0%
HFRI Asset Weighted Composite*	0.5%	5.5%	9.6%	4.2%	4.6%	4.4%	3.9%	5.2%
Alerian MLP	0.2%	12.7%	35.4%	23.0%	11.8%	7.5%	2.2%	9.1%

*Sources: Morningstar, FactSet. As of May 31, 2024. *Consumer Price Index and HFRI indexes as of April 30, 2024.*

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.

Asset Allocation

Total Plan | **As of May 31, 2024**

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	**242,329,284**	**100.0**	**100.0**	**0.0**
Prepaid Pension Benefits	-4,333,465	-1.8	0.0	-1.8
Total Invested Assets	**246,662,749**	**101.8**	**100.0**	**1.8**
Short Term Liquidity	**51,284**	**0.0**	**0.0**	**0.0**
Key Bank Cash Portfolio	48,552	0.0	0.0	0.0
First American Govt Oblig Fund Z	2,730	0.0	0.0	0.0
First American Govt Oblig Fund Z- Alternatives	2	0.0	0.0	0.0
Fixed Income	**67,116,078**	**27.7**	**27.0**	**0.7**
JIC Core Bond Fund I	49,992,690	20.6	20.0	0.6
BlackRock Strategic Income Opportunities K	17,123,388	7.1	7.0	0.1
Equity	**170,839,866**	**70.5**	**69.0**	**1.5**
Domestic Equity	**105,327,791**	**43.5**	**42.5**	**1.0**
Mellon Large Cap Core	82,060,328	33.9	33.0	0.9
Mellon Smid Cap Core	23,267,463	9.6	9.5	0.1
International Equity	**64,848,600**	**26.8**	**26.0**	**0.8**
Mellon EAFE Fund	47,397,837	19.6	19.0	0.6
Mellon Emerging Markets	17,450,764	7.2	7.0	0.2
Private Equity	**663,475**	**0.3**	**0.5**	**-0.2**
Hamilton Lane II	12,717	0.0	-	-
Hamilton Lane VII A	472,126	0.2	-	-
Hamilton Lane VII B	178,632	0.1	-	-
Real Assets	**8,655,521**	**3.6**	**4.0**	**-0.4**
UBS Trumbull Property Fund	8,655,521	3.6	4.0	-0.4

Valuations data as of:
Hamilton Lane VII - 12/31/2023
Hamilton Lane II - 12/31/2023
UBS Trumbull Property Fund - 03/31/2024

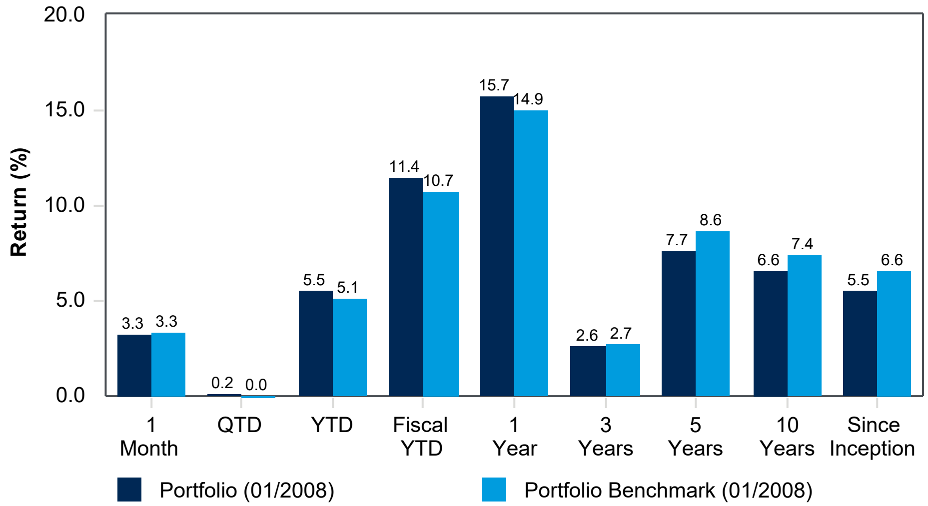
All private equity and real estate assets are adjusted for any subsequent capital activity.

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance.
Asset Allocation weightings may not add up to 100% due to rounding.

Portfolio Dashboard

Total Invested Assets — **As of May 31, 2024**

Historical Performance



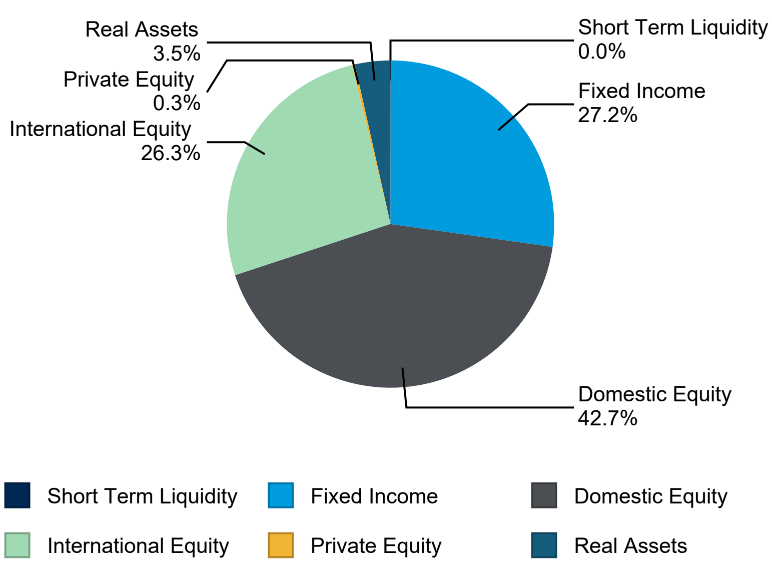
Summary of Cash Flows

	1 Month	QTD	YTD	Fiscal YTD	1 Year
Total Invested Assets					
Beginning Market Value	238,844,987	246,288,449	233,803,380	221,367,949	216,956,435
Net Contributions	-	-	-	-9,871	-3,938,049
Gain/Loss	7,817,761	374,300	12,859,369	25,304,671	33,644,363
Ending Market Value	246,662,749	246,662,749	246,662,749	246,662,749	246,662,749

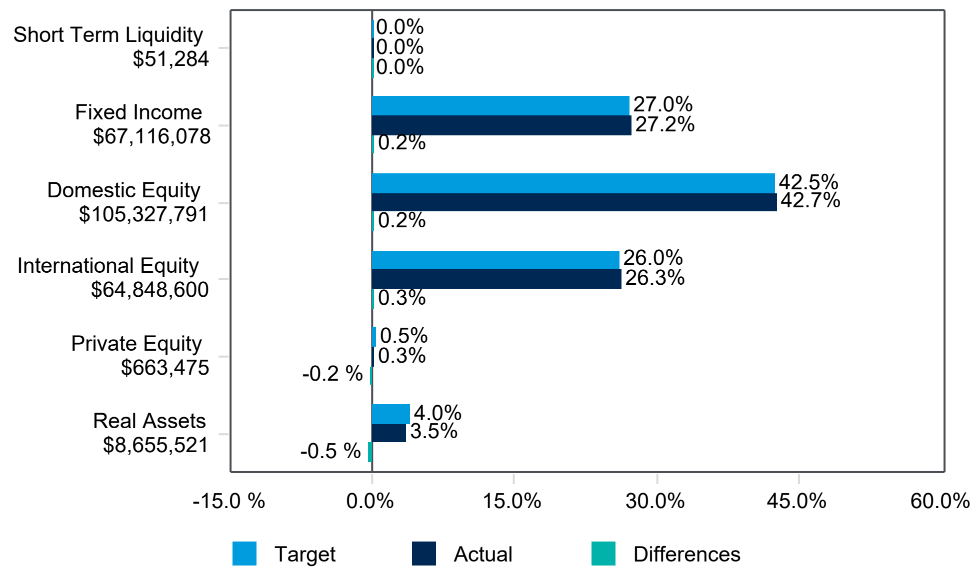
Current Benchmark Composition

From Date	To Date	
04/2024	Present	27.00% Blmbg. U.S. Aggregate, 33.50% S&P 500, 9.50% Russell 2500 Index, 19.00% MSCI EAFE (Net), 7.00% MSCI Emerging Markets (Net), 4.00% NCREIF Fund Index - ODCE (net)

Portfolio Allocation



Actual vs. Target Allocations



Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees.

Asset Allocation

Total Invested Assets | **As of May 31, 2024**

	Asset Allocation ($)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Invested Assets	**246,662,749**	**100.0**	**100.0**	**0.0**
Short Term Liquidity	**51,284**	**0.0**	**0.0**	**0.0**
Key Bank Cash Portfolio	48,552	0.0	0.0	0.0
First American Govt Oblig Fund Z	2,730	0.0	0.0	0.0
First American Govt Oblig Fund Z- Alternatives	2	0.0	0.0	0.0
Fixed Income	**67,116,078**	**27.2**	**27.0**	**0.2**
JIC Core Bond Fund I	49,992,690	20.3	20.0	0.3
BlackRock Strategic Income Opportunities K	17,123,388	6.9	7.0	-0.1
Equity	**170,839,866**	**69.3**	**69.0**	**0.3**
Domestic Equity	**105,327,791**	**42.7**	**42.5**	**0.2**
Mellon Large Cap Core	82,060,328	33.3	33.0	0.3
Mellon Smid Cap Core	23,267,463	9.4	9.5	-0.1
International Equity	**64,848,600**	**26.3**	**26.0**	**0.3**
Mellon EAFE Fund	47,397,837	19.2	19.0	0.2
Mellon Emerging Markets	17,450,764	7.1	7.0	0.1
Private Equity	**663,475**	**0.3**	**0.5**	**-0.2**
Hamilton Lane II	12,717	0.0	-	-
Hamilton Lane VII A	472,126	0.2	-	-
Hamilton Lane VII B	178,632	0.1	-	-
Real Assets	**8,655,521**	**3.5**	**4.0**	**-0.5**
UBS Trumbull Property Fund	8,655,521	3.5	4.0	-0.5

Valuations data as of:
Hamilton Lane VII - 12/31/2023
Hamilton Lane II - 12/31/2023
UBS Trumbull Property Fund - 03/31/2024

All private equity and real estate assets are adjusted for any subsequent capital activity.

Investments with a zero balance were held in the portfolio during the reporting period and will be removed once they no longer impact portfolio performance.
Asset Allocation weightings may not add up to 100% due to rounding.

Manager Performance

As of May 31, 2024

	Allocation		Performance(%)									
	Market Value ($)	%	1 Month	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Invested Assets (excluding Prepaid)	**246,662,749**	**100.0**	**3.3**	**0.2**	**5.5**	**11.4**	**15.7**	**2.6**	**7.7**	**6.6**	**5.5**	**01/2008**
Policy Benchmark			*3.3*	*0.0*	*5.1*	*10.7*	*14.9*	*2.7*	*8.6*	*7.4*	*6.6*	
Secondary Benchmark			*3.3*	*0.0*	*5.1*	*10.8*	*15.0*	*2.5*	*8.2*	*7.1*	*6.4*	
Short Term Liquidity	**51,284**	**0.0**	**0.2**	**0.5**	**1.6**	**3.4**	**3.8**	**1.4**	**-**	**-**	**1.2**	**01/2021**
90 Day U.S. Treasury Bill			*0.5*	*0.9*	*2.2*	*5.0*	*5.5*	*2.9*	*2.1*	*1.5*	*2.5*	
Key Bank Cash Portfolio	**48,552**	**0.0**										
First American Govt Oblig Fund Z	**2,730**	**0.0**	**0.4**	**0.9**	**2.2**	**4.9**	**5.3**	**2.9**	**2.0**	**1.4**	**3.7**	**02/2022**
90 Day U.S. Treasury Bill			*0.5*	*0.9*	*2.2*	*5.0*	*5.5*	*2.9*	*2.1*	*1.5*	*3.7*	
First American Govt Oblig Fund Z- Alternatives	**2**	**0.0**	**0.4**	**0.9**	**2.2**	**4.9**	**5.3**	**2.9**	**2.0**	**1.4**	**4.9**	**07/2023**
Fixed Income	**67,116,078**	**27.2**	**1.7**	**-0.6**	**-0.9**	**2.9**	**2.7**	**-2.6**	**-**	**-**	**-3.1**	**01/2021**
Blmbg. U.S. Aggregate			*1.7*	*-0.9*	*-1.6*	*1.7*	*1.3*	*-3.1*	*-0.2*	*1.3*	*-3.4*	
JIC Core Bond Fund I	**49,992,690**	**20.3**	**1.8**	**-0.9**	**-1.7**	**1.6**	**1.0**	**-3.4**	**-0.1**	**1.5**	**-1.9**	**03/2020**
Blmbg. U.S. Aggregate			*1.7*	*-0.9*	*-1.6*	*1.7*	*1.3*	*-3.1*	*-0.2*	*1.3*	*-1.9*	
IM U.S. Broad Market Core Fixed Income (MF) Median			1.7	-0.8	-1.3	2.1	1.7	-3.2	0.0	1.3	-1.7	
JIC Core Bond Fund I Rank			18	69	81	74	82	70	57	23	68	
BlackRock Strategic Income Opportunities K	**17,123,388**	**6.9**	**1.2**	**-0.2**	**0.7**	**5.9**	**6.3**	**0.7**	**2.9**	**2.6**	**1.3**	**02/2022**
Blmbg. U.S. Aggregate			*1.7*	*-0.9*	*-1.6*	*1.7*	*1.3*	*-3.1*	*-0.2*	*1.3*	*-3.4*	
IM Alternative Credit Focus (MF) Median			1.0	0.2	1.7	5.9	5.9	0.5	2.2	1.8	1.2	
BlackRock Strategic Income Opportunities K Rank			39	70	75	48	41	49	40	20	47	

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Manager Performance

As of May 31, 2024

	Allocation		Performance(%)									
	Market Value ($)	%	1 Month	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Equity	**170,839,866**	**69.3**	**4.1**	**0.5**	**8.3**	**15.9**	**22.7**	**4.6**	**-**	**-**	**7.7**	**01/2021**
MSCI AC World Index (Net)			*4.1*	*0.6*	*8.9*	*16.8*	*23.6*	*5.1*	*11.7*	*8.4*	*7.7*	
Domestic Equity	**105,327,791**	**42.7**	**4.8**	**-0.1**	**9.7**	**18.5**	**26.7**	**7.4**	**-**	**-**	**10.6**	**01/2021**
Domestic Equity Benchmark			*4.8*	*-0.1*	*9.6*	*18.5*	*26.8*	*7.4*	*14.5*	*11.6*	*10.6*	
Mellon Large Cap Core	**82,060,328**	**33.3**	**5.0**	**0.7**	**11.3**	**20.2**	**28.2**	**9.6**	**15.8**	**-**	**14.2**	**04/2016**
S&P 500			*5.0*	*0.7*	*11.3*	*20.2*	*28.2*	*9.6*	*15.8*	*12.7*	*14.2*	
IM U.S. Large Cap Core Equity (MF) Median			4.7	0.3	11.0	20.1	27.8	8.3	14.8	11.7	13.3	
Mellon Large Cap Core Rank			37	33	45	48	45	25	24	-	20	
Mellon Smid Cap Core	**23,267,463**	**9.4**	**4.2**	**-2.8**	**4.0**	**12.3**	**21.9**	**0.8**	**10.3**	**-**	**10.4**	**04/2016**
Russell 2500 Index			*4.2*	*-2.8*	*3.9*	*12.1*	*21.7*	*0.6*	*10.1*	*8.7*	*10.3*	
IM U.S. SMID Cap Equity (MF) Median			4.0	-2.4	4.8	12.1	21.5	1.3	10.2	8.4	10.1	
Mellon Smid Cap Core Rank			44	58	59	48	49	55	45	-	40	
International Equity	**64,848,600**	**26.3**	**3.0**	**1.4**	**6.3**	**12.2**	**17.2**	**0.5**	**-**	**-**	**2.8**	**01/2021**
International Equity Benchmark			*3.0*	*1.2*	*6.2*	*12.1*	*17.0*	*0.6*	*7.4*	*4.5*	*3.1*	
Mellon EAFE Fund	**47,397,837**	**19.2**	**4.0**	**1.5**	**7.3**	**13.7**	**18.9**	**3.3**	**8.5**	**-**	**7.8**	**04/2016**
MSCI EAFE (Net)			*3.9*	*1.2*	*7.1*	*13.4*	*18.5*	*3.1*	*8.0*	*4.6*	*7.3*	
IM International Large Cap Core Equity (MF) Median			4.5	1.6	7.5	11.7	17.4	2.1	8.0	4.1	7.0	
Mellon EAFE Fund Rank			70	55	53	27	24	20	38	-	18	
Mellon Emerging Markets	**17,450,764**	**7.1**	**0.6**	**1.2**	**3.3**	**7.8**	**11.9**	**-6.2**	**3.3**	**-**	**5.2**	**04/2016**
MSCI Emerging Markets (Net)			*0.6*	*1.0*	*3.4*	*8.3*	*12.4*	*-6.2*	*3.5*	*2.7*	*5.3*	
IM Emerging Markets Equity (MF) Median			1.7	1.0	4.3	8.5	13.5	-6.4	3.9	2.5	5.2	
Mellon Emerging Markets Rank			86	47	66	56	61	47	58	-	51	

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Manager Performance

As of May 31, 2024

	Allocation		Performance(%)									
	Market Value ($)	%	1 Month	QTD	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Private Equity	663,475	0.3	0.0	0.0	0.0	-3.3	-7.2	-3.6	-	-	-0.3	01/2021
Hamilton Lane II	12,717	0.0	0.0	0.0	0.0	-29.8	-47.9	-26.4	-9.2	1.8	8.1	03/2009
Hamilton Lane VII A	472,126	0.2	0.0	0.0	0.0	-2.5	-5.9	-2.4	6.2	8.9	9.8	07/2011
Hamilton Lane VII B	178,632	0.1	0.0	0.0	0.0	-2.8	-5.7	-3.3	2.6	5.6	7.6	07/2011
UBS Trumbull Property Fund	8,655,521	3.5	0.0	0.0	-1.9	-7.6	-10.9	-0.4	-1.8	-	0.8	07/2016
NCREIF Fund Index - ODCE (net)			*0.0*	*0.0*	*-2.6*	*-9.4*	*-12.0*	*2.5*	*2.6*	*5.8*	*4.0*	

Valuations data as of:

Hamilton Lane VII - 12/31/2023

Hamilton Lane II - 12/31/2023

UBS Trumbull Property Fund - 03/31/2024

All private equity and real estate assets are adjusted for any subsequent capital activity.

Client portfolio performance is presented net of underlying investment manager fees but gross of Fiducient Advisors' fees. Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Funds may include returns of an equivalent share class with a longer return history if period includes dates prior to the fund's inception. Returns are net of fees unless otherwise stated. The fund's inception date represents the first month the client made the investment. Composite performance includes all funds held in the composite since inception. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies.

Benchmark History

Total Invested Assets | **As of May 31, 2024**

Account Name	From Date	To Date	Benchmark
Total Invested Assets	**04/2024**	**Present**	**27.0% Blmbg. U.S. Aggregate, 33.5% S&P 500, 9.5% Russell 2500 Index, 19.0% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 4.0% NCREIF Fund Index - ODCE (net)**
	01/2023	04/2024	25.0% Blmbg. U.S. Aggregate, 32.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net)
	09/2022	01/2023	25.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net), 1.0% NCREIF Timberland Index
	05/2021	09/2022	18.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 10.5% Russell 2500 Index, 23.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 6.0% NCREIF Fund Index - ODCE (net), 1.0% NCREIF Timberland Index
	12/2019	05/2021	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
	06/2017	12/2019	20.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
	01/2016	06/2017	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% NCREIF Timberland Index
	01/2008	01/2016	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index
Secondary Benchmark	**04/2024**	**Present**	**27.0% Blmbg. U.S. Aggregate, 33.5% S&P 500, 9.5% Russell 2500 Index, 19.0% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 4.0% UBS Trumbull Property Fund**
	01/2023	04/2024	25.0% Blmbg. U.S. Aggregate, 32.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund
	09/2022	01/2023	25.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 9.0% Russell 2500 Index, 20.5% MSCI EAFE (Net), 7.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund, 1.0% Molpus SWF II
	05/2021	09/2022	18.0% Blmbg. U.S. Aggregate, 31.5% S&P 500, 10.5% Russell 2500 Index, 23.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 6.0% UBS Trumbull Property Fund, 1.0% Molpus SWF II
	12/2019	05/2021	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% UBS Trumbull Property Fund, 2.0% Molpus SWF II
	06/2017	12/2019	20.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% UBS Trumbull Property Fund, 2.0% Molpus SWF II
	07/2016	06/2017	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% Molpus SWF II
	01/2016	07/2016	28.0% Blmbg. Intermed. U.S. Government/Credit, 30.0% S&P 500, 18.0% Russell 2500 Index, 2.0% S&P Completion Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 2.0% Molpus SWF II
	03/2009	01/2016	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% Molpus SWF II
	01/2008	03/2009	20.0% Blmbg. U.S. Aggregate, 32.0% S&P 500, 18.0% Russell 2500 Index, 10.0% MSCI EAFE (Net), 10.0% MSCI Emerging Markets (Net), 8.0% NCREIF Fund Index - ODCE (net), 2.0% NCREIF Timberland Index

Definitions & Disclosures

Please note: Due to rounding methodologies of various data providers, certain returns in this report might differ slightly when compared to other sources

REGULATORY DISCLOSURES

Offer of ADV Part 2A: Rule 204-3 under the Investment Advisers Act of 1940 requires that we make an annual offer to clients to send them, without charge, a written disclosure statement meeting the requirements of such rule. We will be glad to send a copy of our ADV Part 2A to you upon your written request to compliance@fiducient.com.

INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of $1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **Bloomberg U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **The Dow Jones Industrial Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2500** consists of the 2,500 smallest U.S. companies in the Russell 3000 index.
- **Russell 2500 Growth** measures the performance of the Russell 2500 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2500 Value** measures the performance of those Russell 2500 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World** captures large and mid-cap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across 22 of 23 Developed Markets countries (excluding the US) and 23 Emerging Markets countries. With 4,368 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 507 constituents, the index targets 50% coverage of the free float- adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. With 542 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across 23 Emerging Markets countries. With 836 constituents, the index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **Consumer Price Index** is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Fund Specific Broad Real Asset Benchmarks:**
  - **DWS Real Assets:** 30%: Dow Jones Brookfield Infrastructure Index, 30%: FTSE EPRA/NAREIT Developed Index,15%: Bloomberg Commodity Index, 15%: S&P Global Natural Resources Index, 10%: U.S. Treasury Inflation Notes Total Return Index
  - **PIMCO Inflation Response Multi Asset Fund:** 45% Bloomberg U.S. TIPS, 20% Bloomberg Commodity Index, 15% JP Morgan Emerging Local Markets Plus, 10% Dow Jones Select REIT, 10% Bloomberg Gold Subindex Total Return
  - **Principal Diversified Real Assets:** 35% BBgBarc U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index NTR, 20% S&P Global Natural Resources Index NTR, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Index NTR
  - **Wellington Diversified Inflation H:** 50% MSCI ACWI Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Bloomberg Bloomberg US TIPS 1 – 10 Year Index
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **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 US Dollar and have a minimum of $50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **The Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
- **The Adjusted Alerian MLP Index** is commensurate with 65% of the monthly returns of the Alerian MLP Index to incorporate the effect of deferred tax liabilities incurred by MLP entities.
- **Cambridge Associates U.S. Private Equity Index** is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.
- **Cambridge Associates U.S. Venture Capital Index** is based on data compiled from over 1,600 institutional-quality venture capital funds formed between 1986 and 2015.
- **Vanguard Spliced Bloomberg US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Agg Flt Adj Index:** Bloomberg U.S. Aggregate Bond Index through December 31, 2009; Bloomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg US Long Gov/Cr Flt Adj Index:** Bloomberg U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. Long Government/Credit Float Adjusted Index thereafter.
- **Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) and 40% Bloomberg U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Blomberg U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.

- **Vanguard Spliced Small Cap Index:** Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.
- **Vanguard Spliced Small Cap Growth Index:** S&P SmallCap 600 Growth Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Growth Index through April 16, 2013; CRSP US Small Cap Growth Index thereafter.
- **Vanguard Spliced Total International Stock Index:** Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI AC USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Developed Markets Index:** MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Emerging Markets Index:** Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard REIT Spliced Index:** MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Additional:

- Equity sector returns are calculated by Russell and MSCI for domestic and international markets, respectively. MSCI sector definitions correspond to the MSCI GICS® classification (Global Industry Classification System); Russell uses its own sector and industry classifications.
- MSCI country returns are calculated by MSCI and are free float-adjusted market capitalization indices that are designed to measure equity market performance in each specific country.
- Currency returns are calculated using Bloomberg's historical spot rate indices and are calculated using the U.S. dollar as the base currency.
- The Index of Leading Economic Indicators, calculated by The Conference Board, is used as a barometer of economic activity over a range of three to six months. The index is used to determine the direction and stability of the economy. The composite index of leading indicators, which is derived from 10 leading indicators, helps to signal turning points in the economy and forecast economic cycles. The leading indicators are the following: average weekly hours, average weekly initial claims, manufacturers' new orders, both consumer and non-defense capital goods, vendor performance, building permits, stock prices, money supply (M2), the interest rate spread and the index of consumer expectations.
- S&P Target Date Indexes are constructed using a survey method of current target date investments with $100 million or more in assets under management. Allocations for each vintage are comprised of exchange-traded- funds that represent respective asset classes used in target date portfolios. The indexes are designed to represent a market consensus glide path.

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming 75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.
- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared**: This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta**: This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse that the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.

- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's an return.
- **Information Ratio:** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividin the standard deviation of excess return.
- **Consistency:** Consistency shows the percent of the periods the fund has beaten the index and the percent of the periods the index has beat the fund. A high average for the fund (e.g., over 50) is desirable, indicating the fund has beaten the index frequently.
- **Downside Risk:** Downside risk is a measure similar to standard deviation but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.
- **M-Squared:** M-squared, or the Modigliani risk-adjusted performance measure is used to characterize how well a portfolio's return rewards an investor for the amount of risk taken, relative to that of some benchmark portfolio and to the risk-free rate.

DEFINITION OF KEY PRIVATE EQUITY TERMS

- **PIC (Paid in Capital):** The amount of committed capital that has been transferred from the limited partner to the general partner.
- **TVPI (Total Value to Paid in Capital):** Money returned to limited partners plus the fund's unrealized investments, divided by money paid-in to the partnership. The TVPI should equal RVPI plus DPI.
- **DPI (Distribution to Paid In Capital):** Money returned (distributions) to limited partners divided by money paid in to the partnership. Also called cash-on-cash multiple.
- **RVPI (Residual Value to Paid In Capital):** The value of a fund's unrealized investments divided by money paid-in to the partnership.
- **Internal rate of return (IRR):** This is the most appropriate performance benchmark for private equity investments. It is a time-weighted return expressed as a percentage. IRR uses the present sum of cash drawdowns (money invested), the present value of distributions (money returned from investments) and the current value of unrealized investments and applies a discount.
- **Commitment:** Every investor in a private equity fund commits to investing a specified sum of money in the fund partnership over a specified period of time. The fund records this as the limited partnership's capital commitment. The sum of capital commitments is equal to the size of the fund.
- **Capital Distribution:** These are the returns that an investor in a private equity fund receives. It is the income and capital realized from investments less expenses and liabilities. Once a limited partner has had their cost of investment returned, further distributions are actual profit. The partnership agreement determines the timing of distributions to the limited partner. It will also determine how profits are divided among the limited partners and general partner.
- **Carried Interest:** The share of profits that the fund manager is due once it has returned the cost of investment to investors. Carried interest is normally expressed as a percentage of the total profits of the fund.
- **Co-Investment**: Co-Investments are minority investments made alongside a private equity investor in an LBO, a recapitalization, or an expansion capital transaction. It is a passive, non-controlling investment, as the private equity firm involved will typically exercise control and perform monitoring functions.
- **General Partner (GP):** This can refer to the top-ranking partners at a private equity firm as well as the firm managing the private equity fund.
- **GP Commitments:** It is normal practice for the GP managing a private equity fund to also make a financial commitment to the fund on the same basis as the LPs in the fund, and this is seen as an important factor driving the alignment of GP and LP interests. The historic benchmark for GP commitments has been 1% of the total fund size, but this is by no means universal, and many GPs commit significantly larger amounts. Furthermore, there has been a marked trend towards GPs making larger commitments to their funds over recent years.
- **Leveraged Buy-Out (LBO):** The acquisition of a company using debt and equity finance.
- **Limited Partner (LP):** Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund.
- **Public Market Equivalent (PME):** Performance measure used to evaluate performance relative to the market. It is calculated as the ratio of the discounted value of the LP's inflows divided by the discounted value of outflows, with the discounting performed using realized market returns.
- **Primaries:** An original investment vehicle that invests directly into a company or asset.

VALUATION POLICY

Fiducient Advisors does not engage an independent third-party pricing service to value securities. Our reports are generated using the security prices provided by custodians used by our clients. Our custodial pricing hierarchy is available upon request. If a client holds a security not reported by the first custodian within the hierarchy, the valuation is generated from the next custodian within the hierarchy, and so forth. Each custodian uses pricing services from outside vendors, where the vendors may generate nominally different prices. Therefore, this report can reflect minor valuation differences from those contained in a custodian's report. In rare instances where FA overrides a custodial price, prices are taken from Bloomberg.

REPORTING POLICY

This report is intended for the exclusive use of the client listed within the report. Content is privileged and confidential. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecast represents median expectations and actual returns, volatilities and correlations will differ from forecasts. Please note each client has customized investment objectives and constraints and the investment strategy for each portfolio is based on a client-specific asset allocation model. Past performance does not indicate future performance and there is a possibility of a loss. Performance calculated net of investment fees. Certain portfolios presented may be gross of Fiducient Advisors' fees and actual performance would be reduced by investment advisory fees. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice.

Custodian reports are the reports that govern the account. There will be different account values between Fiducient Advisors' reports and the custodian reports based on whether the report utilizes trade date or date to calculate value. Additionally, difference between values contained on reports may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past perfor not indicate future performance and there is a possibility of a loss.

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Unless specified otherwise, all returns are net of individual manager fees, represent total returns and are annualized for periods greater than one year. The deduction of fees produces a compounding effect that reduces the total rate of return over time. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) $1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be $5,228 in the first year, and cumulative effects of $30,342 over five years and $73,826 over ten years. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.

MATERIAL RISKS & LIMITATIONS

Fixed Income securities are subject to interest rate risks, the risk of default and liquidity risk. U.S. investors exposed to non-U.S. fixed income may also be subject to currency risk and fluctuations.
-Liability Driven Investing (LDI) Assets

Cash may be subject to the loss of principal and over longer period of time may lose purchasing power due to inflation.
-Short Term Liquidity

Domestic Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry factors, or other macro events. These may happen quickly and unpredictably.

International Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry impacts, or other macro events. These may happen quickly and unpredictably. International equity allocations may also be impact by currency and/or country specific risks which may result in lower liquidity in some markets.

Real Assets can be volatile and may include asset segments that may have greater volatility than investment in traditional equity securities. Such volatility could be influenced by a myriad of factors including, but not limited to overall market volatility, changes in interest rates, political and regulatory developments, or other exogenous events like weather or natural disaster.

Private Equity involves higher risk and is suitable only for sophisticated investors. Along with traditional equity market risks, private equity investments are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility and/or the potential loss of capital.

Private Credit involves higher risk and is suitable only for sophisticated investors. These assets are subject to interest rate risks, the riskof default and limited liquidity. U.S. investors exposed to non-U.S. private credit may also be subject to currency risk and fluctuations.

Private Real Estate involves higher risk and is suitable only for sophisticated investors. Real estate assets can be volatile and may include unique risks to the asset class like leverage and/or industry, sector or geographical concentration. Declines in real estate value may take place for a number of reasons including, but are not limited to economic conditions, change in condition of the underlying property or defaults by the borrow.

Marketable Alternatives involves higher risk and is suitable only for sophisticated investors. Along with traditional market risks, marketable alternatives are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility or the potential for loss of capital. Additionally, short selling involved certain risks including, but not limited to additional costs, and the potential for unlimited loss on certain short sale positions.

OTHER

By regulation, closed-end funds utilizing debt for leverage must report their interest expense, as well as their income tax expense, as part of their total expense ratio. To make for a useful comparison between closed-end funds and both open-end funds and exchange-traded funds, adjusted expense ratios excluding interest and income tax expenses are utilized for closed-end funds within this report. See disclosure on closed-end fund fact sheets for information regarding the total expense ratio of each closed-end fund.

Please advise us of any changes in your objectives or circumstances.

CUSTODIAN STATEMENTS

Please remember to review the periodic statements you receive from you custodian. If you do not receive periodic statements from your custodian or notice issues with the activity reported in those statements, please contact FA or your custodian immediately.

Burlington Employees’ Retirement System
Public Sector Pension Liabilities

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June 24, 2024

Today's agenda

1. Calculation and accrual of liabilities
2. Frequency of calculations
3. Changes from year to year
4. Impact of plan experience

Calculation and accrual of liabilities: data

- Collect census data for members covered under BERS
  - Actives
  - Retirees
  - Terminated vesteds
  - Non-vested terminations
- Data is a "snapshot" as the actuarial valuation date (valuation report pages 21-25)
  - Name
  - Date of birth
  - Date of hire
  - Gender
  - Pensionable compensation and employee contributions
  - Benefit amount (if retired or terminated) and payment form
  - Beneficiary information (if applicable)

Benefit categories

- Identify and model all future benefits payable from BERS upon:
  - Retirement
  - Termination
  - Disability
  - Death
- Each of above reasons is known as a “decrement”
- The majority of benefits paid from a pension plan is due to retirement
- The other decrements are often referred to as “ancillary” benefits
- Summarized in valuation report (pages 34-40)

Actuarial value of benefits

- Modeling of the future benefits payable is based on the actuarial assumptions and census data as of the valuation date
- The actuarial value of future benefits is based on "current dollars"
- Conversion is done by discounting future payments using the long-term investment return assumption (7.10%)
- Result is called actuarial **present value (PV)**

Actuarial value of benefits: example

- BERS retiree – annual pension benefit of $24,000 (assumes no COLA), payable as a life annuity
- Year 1: $ 24,000 PV (beginning of year)
- Year 2: $ 22,409 PV (equals $ 24,000 discounted one year at 7.10%)
- Year 3: $ 20,923 PV (equals $ 24,000 discounted two years at 7.10%/year)
- Etc…
- The above PVs reflect discounting for interest only

Actuarial value of benefits: example

- Assume that the probability of death is 1% per year
- BERS retiree – annual pension benefit of $24,000 (assumes no COLA)
- Year 1: $ 24,000 PV (beginning of year)
- Year 2: $ 22,185 PV (equals $ 22,409 times 0.99)
- Year 3: $ 20,507 PV (equals $ 20,923 times 0.99 times 0.99)
- Etc…
- The above PVs are calculated from current age to the end of the mortality table (age 120)
- This simplified example assumes annual benefit payments

Accrual of liabilities

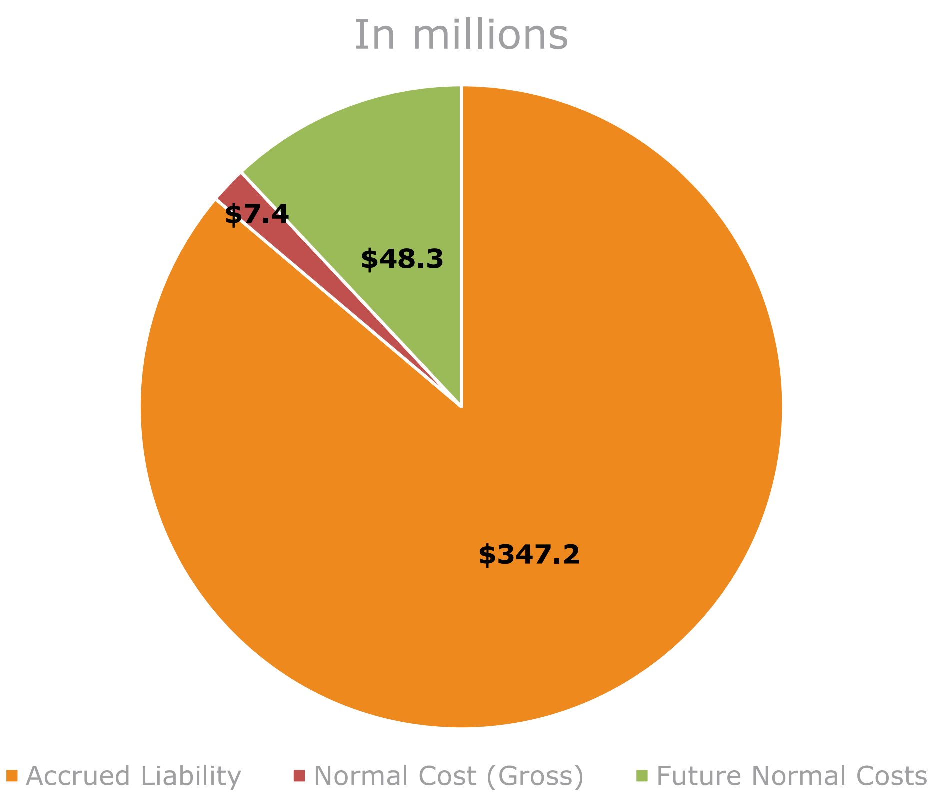
- Current retired and terminated vested members: no longer working, so benefits are fully accrued
- Active members: liability is accrued during career
- Most common actuarial cost method used is **Entry Age Normal (EAN)** *
- EAN: 92%; Projected Unit Credit: 4%; Aggregate: 4%
- BERS valuation uses EAN (valuation report page 26), which is also the prescribed method under GASB 67/68 for financial reporting

* *Source: Public Plans Data. 2022. Center for Retirement Research at Boston College, MissionSquare Research Institute, National Association of State Retirement Administrators, and Government Finance Officers Association.*

Accrual of liabilities

- **Actuarial Accrued Liability –** The present value of benefits earned to date by all members.   For retired and terminated vested members, the benefits are fully accrued. Active members have earned a portion of their benefits, assuming they continue to work until retirement. (valuation report page 1)
- **Normal Cost** – assignment of benefits "earned" for the upcoming year by active members (valuation report page 9)
- Under the EAN actuarial cost method, the normal cost is designed to increase annually at the assumed payroll growth rate if all assumptions are exactly realized

Accrual of liabilities



Accrual of liabilities

- **Present Value of Future Benefits** equals the liability accrued-to-date, plus the value of all future normal costs (total equals $402.9 million, valuation report page 1)
- **Employee Contributions** fund a portion of the current gross normal cost: approximately $3.5 million in expected employee contributions vs. the gross normal cost of $7.4 million (2023 actuarial valuation)
- **City Normal Cost** is $3.9 million ($7.4 million minus $3.5 million, valuation report page 9)

Frequency of calculations

- **Annual** actuarial valuations for BERS – June 30 valuation date
- **Biennial** valuations are also used by public sector retirement systems
- Timing requirements for financial reporting (GASB 67/68) effectively require that valuations be no less frequent than biennial

Changes from year to year

- Actuarial Accrued Liability is *expected* to change annually as follows:
  - **Increases** due to gross normal cost (active benefit accruals)
  - **Increases** with assumed interest (7.10%)
  - **Decreases** due to expected benefit payments

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Changes from year to year

- Other factors that impact the annual change in accrued liability (prior valuation):
  - **Plan provision changes** – Benefit changes (if any) in collective bargaining agreements and/or City ordinances since prior valuation
  - **Assumption changes** – For example, reflecting the 2023 Experience Study assumption changes increased the accrued liability by about $3.2 million (valuation report page 2)
  - **Plan experience** – Actual experience regarding retirements, mortality, turnover, salary increases, etc. versus the actuarial assumptions

Impact of plan experience

- **Economic Assumptions**
  - Investment rate of return
  - Inflation
  - Salary increases (including inflation)
  - COLAs
- **Demographic and Other Assumptions**
  - Mortality
  - Mortality improvement
  - Retirement
  - Turnover
  - Disability
  - Accrual rate election
  - Percent married/spouse age difference

Impact of plan experience

- Actual plan experience each year will result in the actuarial liability being either lower (**actuarial gain**) or higher (**actuarial loss**) than the expected liability (valuation report page 12)
- Example: if there are fewer retiree deaths than expected in a given year, that is unfavorable experience (actuarial loss) from the perspective of the pension plan, since more benefits continue to be paid vs. expected
- The actuarial gain/loss is recognized on the valuation date as part of a new amortization "base"
- The new base is recognized over 20 years in the calculation of the ADEC

Impact of plan experience: mortality

- Pension benefits are generally payable for the lifetime of the retiree
- Mortality is the main factor in determining how long the plan expects to pay benefits to a retiree
- Understating expected longevity will understate the current cost of pension liabilities and place additional burden on future taxpayers to fund pension obligations

Impact of plan experience: mortality

- Mortality *assumption* takes into consideration various demographic factors:
  - Gender
  - Status (e.g., active, retired, disabled)
  - Type of occupation (e.g. public safety; general employees)
  - Plan experience
- The plan's actuary follows guidance under ASOP 35
- BERS assumption is based on the most recently published public sector study by the Society of Actuaries, and plan experience

BERS assumption:

Pub-2010 Public Retirement Plans Tables, projected with Scale MP-2021

Questions?


Thank
You