

INVESTMENT PERFORMANCE SUMMARY

OFFICE OF THE TREASURER & CASH MANAGEMENT POLICY BOARD

**Month
Ending March 31, 2020**

John Krimmel, CPA, CFA, Partner

Kevin M. Leonard, Partner

Jennifer Appel, CFA, Senior Research Analyst

Daniel Rigby, CFA, CAIA, Senior Analyst



BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

CALENDAR YEAR INDEX PERFORMANCE

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 5yr | 10yr | Jan. | Feb. | Mar. | YTD |
|------------------------------------|---------|--------|--------|--------|--------|--------|--------|-------|-------|--------|--------|---------|---------|
| Reserve Custom Index | 0.12% | 1.10% | 0.86% | 1.15% | 1.00% | 1.88% | 6.62% | 2.97% | 2.28% | 1.61% | 1.63% | 0.91% | 4.20% |
| Endowment Custom Index | 14.46% | 5.43% | -0.07% | 5.71% | 14.52% | -5.07% | 20.01% | 3.54% | 5.76% | 0.40% | -4.35% | -8.18% | -11.82% |
| 3-Month Treasury Bill | 0.05% | 0.03% | 0.03% | 0.27% | 0.84% | 1.86% | 2.26% | 1.12% | 0.60% | 0.13% | 0.13% | 0.13% | 0.39% |
| 6-Month Treasury Bill | 0.10% | 0.06% | 0.10% | 0.40% | 0.88% | 1.91% | 2.38% | 1.21% | 0.66% | 0.15% | 0.14% | 0.13% | 0.42% |
| BAML 1-3 Yr Govt/Credit A+ | 0.55% | 0.72% | 0.66% | 1.06% | 0.70% | 1.65% | 3.83% | 1.91% | 1.59% | 0.54% | 0.81% | 0.85% | 2.22% |
| BAML 1-5 Yr Govt/Credit A+ | 0.10% | 1.42% | 1.07% | 1.30% | 1.02% | 1.50% | 4.62% | 2.29% | 2.17% | 0.86% | 1.08% | 0.99% | 2.97% |
| BAML 5-10 Yr Govt/Credit A+ | -3.82% | 6.61% | 1.95% | 1.95% | 2.98% | 0.59% | 9.04% | 3.94% | 4.83% | 2.52% | 2.31% | 0.89% | 5.82% |
| BBrg Barclays US Aggregate | -2.02% | 5.97% | 0.55% | 2.65% | 3.54% | 0.01% | 8.72% | 3.36% | 3.88% | 1.92% | 1.80% | -0.59% | 3.15% |
| BC Municipal Bond | -2.55% | 9.05% | 3.30% | 0.25% | 5.45% | 1.28% | 7.54% | 3.19% | 4.15% | 1.80% | 1.29% | -3.63% | -0.63% |
| BC US Corp High Yield | 7.44% | 2.45% | -4.47% | 17.13% | 7.50% | -2.08% | 14.32% | 2.78% | 5.64% | 0.03% | -1.41% | -11.46% | -12.69% |
| BC Long Treasuries | -12.66% | 25.07% | -1.21% | 1.33% | 8.53% | -1.84% | 14.83% | 7.33% | 8.96% | 6.85% | 6.70% | 6.05% | 20.90% |
| BC US Long Credit | -6.62% | 16.39% | -4.56% | 10.22% | 12.21% | -6.76% | 23.36% | 4.67% | 7.26% | 4.06% | 1.99% | -10.16% | -4.65% |
| MSCI World Index | 26.68% | 4.94% | -0.87% | 7.51% | 22.40% | -8.71% | 27.67% | 3.25% | 6.57% | -0.61% | -8.45% | -13.23% | -21.05% |

Source: Bloomberg, Barclays, Alerian, Nareit, MSCI, JP Morgan, Credit Suisse, Thomson One



TOTAL FUND PERFORMANCE DETAIL - NET OF FEES

| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | Fiscal YTD (%) | 1 Yr (%) | 2 Yrs (%) | 3 Yrs (%) | 4 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|--------------------------------------|----------------------|-------------------|---------------|---------------|----------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| Delaware Total Consolidation | 2,793,676,495 | 100.00 | 0.36 | 2.77 | 4.47 | 6.48 | 5.04 | 3.71 | 3.01 | 2.61 | 1.71 | 2.30 | Jan-05 |
| Total Liquidity & Reserve | 2,729,746,924 | 97.71 | 0.66 | 3.32 | 4.91 | 6.87 | 5.27 | 3.72 | -- | -- | -- | 3.29 | Nov-16 |
| Total Liquidity | 675,897,272 | 24.19 | -0.05 | 0.47 | 1.68 | 2.54 | 2.58 | 2.05 | 1.76 | 1.53 | 1.02 | 1.83 | Jan-05 |
| PFM Asset Management | 339,500,103 | 12.15 | 0.06 | 0.59 | 1.81 | 2.64 | 2.61 | 2.09 | 1.84 | 1.61 | -- | 1.33 | Jun-13 |
| Wilmington Liquidity | 336,397,169 | 12.04 | -0.16 | 0.34 | 1.55 | 2.42 | 2.54 | 1.95 | 1.64 | 1.45 | 1.02 | 4.14 | Jan-85 |
| Total Reserve | 2,053,849,652 | 73.52 | 0.89 | 4.09 | 5.77 | 8.48 | 6.50 | 4.45 | 3.47 | 3.05 | 2.19 | 2.72 | Jan-05 |
| <i>Reserve Custom Index</i> | | | <u>0.91</u> | <u>4.20</u> | <u>5.85</u> | <u>8.72</u> | <u>6.53</u> | <u>4.43</u> | <u>3.38</u> | <u>2.97</u> | <u>2.28</u> | <u>2.92</u> | <i>Jan-05</i> |
| Over/Under | | | -0.02 | -0.11 | -0.08 | -0.24 | -0.03 | 0.02 | 0.09 | 0.08 | -0.09 | -0.20 | |
| JPM Intermediate | 490,682,076 | 17.56 | 0.51 | 1.84 | 3.09 | 4.59 | 3.91 | 2.73 | 2.18 | 2.01 | -- | 1.76 | Jun-13 |
| <i>J.P. Morgan Custom Index</i> | | | <u>0.85</u> | <u>2.22</u> | <u>3.47</u> | <u>4.99</u> | <u>3.96</u> | <u>2.74</u> | <u>2.13</u> | <u>1.97</u> | <u>1.78</u> | <u>1.73</u> | <i>Jun-13</i> |
| Blackrock Financial Mangement | 498,574,797 | 17.85 | 0.63 | 2.49 | 3.85 | 5.71 | 4.68 | -- | -- | -- | -- | 4.58 | Mar-18 |
| <i>Blackrock Custom Index</i> | | | <u>0.99</u> | <u>2.97</u> | <u>4.28</u> | <u>6.22</u> | <u>4.80</u> | <u>3.30</u> | <u>2.54</u> | <u>2.30</u> | <u>1.94</u> | <u>4.72</u> | <i>Mar-18</i> |
| Chandler Asset Management | 528,956,185 | 18.93 | 0.38 | 4.73 | 6.85 | 10.35 | 8.13 | 5.49 | 4.19 | 3.66 | -- | 2.99 | Jun-13 |
| Lazard Financial Management | 535,636,594 | 19.17 | 1.99 | 7.18 | 9.14 | 13.18 | 9.19 | -- | -- | -- | -- | 9.06 | Mar-18 |
| <i>Chandler/Lazard Custom Index</i> | | | <u>0.89</u> | <u>5.82</u> | <u>7.84</u> | <u>11.88</u> | <u>8.70</u> | <u>5.84</u> | <u>4.43</u> | <u>3.81</u> | <u>2.69</u> | <u>8.45</u> | <i>Mar-18</i> |
| Total Endowment | 63,929,572 | 2.29 | -10.94 | -15.68 | -10.64 | -7.41 | -2.74 | 1.58 | 3.57 | -- | -- | 2.47 | Aug-15 |
| <i>Endowment Custom Index</i> | | | <u>-8.18</u> | <u>-11.82</u> | <u>-6.10</u> | <u>-2.58</u> | <u>0.88</u> | <u>3.38</u> | <u>4.73</u> | <u>3.54</u> | <u>5.76</u> | <u>3.61</u> | <i>Aug-15</i> |
| Over/Under | | | -2.76 | -3.86 | -4.54 | -4.83 | -3.62 | -1.80 | -1.16 | | | -1.14 | |
| SEI Funds | 22,604,751 | 0.81 | -9.68 | -14.01 | -8.39 | -5.21 | -1.31 | 2.47 | 4.71 | -- | -- | 3.80 | Aug-15 |
| MSIFT Global Strategist | 20,102,120 | 0.72 | -11.21 | -17.49 | -12.93 | -9.92 | -4.64 | 0.63 | 2.40 | -- | -- | 1.38 | Aug-15 |
| JP Morgan Diversified | 21,222,275 | 0.76 | -11.98 | -15.68 | -10.75 | -7.27 | -2.63 | 1.80 | 4.06 | -- | -- | 2.66 | Aug-15 |
| Cash Account | 426 | 0.00 | 0.07 | 0.33 | 1.26 | 1.83 | 1.79 | 1.45 | 1.16 | -- | -- | 1.01 | Aug-15 |

Notes: Net of Fees. Results for periods longer than one year are annualized.

Performance history through 12/2015 is from BNY Mellon. NEPC Performance start date is January 2016. Fiscal Year end is June 30.

Reserve Custom Index consists of 25% ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR / 25% ICE BofAML 1-3 Yrs AAA-A US Corp & Govt / 50% ICE BofA ML US Gov/Credit 5-10 Yrs A Rated and Above, as of 4/1/2018. Prior to this, the index comprised 75% ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR / 25% ICE BofAML 6 Months US T-Bills TR.

Endowment Custom Index consists of 60% MSCI World Index/40% BBgBarc US Aggregate.

BlackRock Custom Index consists of 100% ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR.

J.P. Morgan Custom Index consists of 100% ICE BofAML 1-3 Yrs AAA-A US Corp & Govt.

Chandler/Lazard Custom Index consists of ICE BofAML US Gov/Credit 5-10 Yrs A Rated and Above.



TOTAL FUND CASH FLOW SUMMARY

| | Month Ending March 31, 2020 | | | | | | | Ending Market Value |
|-------------------------------|-----------------------------|---------------|-------------|---------------|-----------|--------------------------|-------------|------------------------|
| | Beginning Market Value | Contributions | Withdrawals | Net Cash Flow | Fees | Net Investment Change | Income | |
| PFM Asset Management | \$219,302,759 | \$119,999,900 | -\$200 | \$119,999,700 | \$0 | \$197,645 | \$535,829 | \$339,500,103 |
| Wilmington Liquidity | \$216,908,903 | \$120,000,000 | \$0 | \$120,000,000 | \$0 | -\$511,734 | \$464,460 | \$336,397,169 |
| JPM Intermediate | \$488,170,659 | \$0 | \$0 | \$0 | \$0 | \$2,511,417 | \$824,560 | \$490,682,076 |
| Blackrock Financial Mangement | \$495,462,198 | \$0 | \$0 | \$0 | \$0 | \$3,112,599 | \$872,054 | \$498,574,797 |
| Chandler Asset Management | \$526,975,018 | \$0 | \$0 | \$0 | \$0 | \$1,981,167 | \$1,042,018 | \$528,956,185 |
| Lazard Financial Management | \$525,203,838 | \$0 | \$0 | \$0 | \$0 | \$10,432,755 | \$1,026,289 | \$535,636,594 |
| SEI Funds | \$25,028,224 | \$0 | \$0 | \$0 | \$0 | -\$2,423,473 | \$22,701 | \$22,604,751 |
| MSIFT Global Strategist | \$22,640,515 | \$0 | \$0 | \$0 | -\$12,396 | -\$2,538,395 | \$488 | \$20,102,120 |
| JP Morgan Diversified | \$24,112,251 | \$91 | -\$500 | -\$409 | -\$9,196 | -\$2,889,567 | \$104,933 | \$21,222,275 |
| Cash Account | \$426 | \$591 | -\$591 | \$0 | \$0 | \$0 | \$0 | \$426 |
| Total | \$2,543,804,791 | \$240,000,582 | -\$1,291 | \$239,999,291 | -\$21,593 | \$9,872,414 | \$4,893,332 | \$2,793,676,495 |



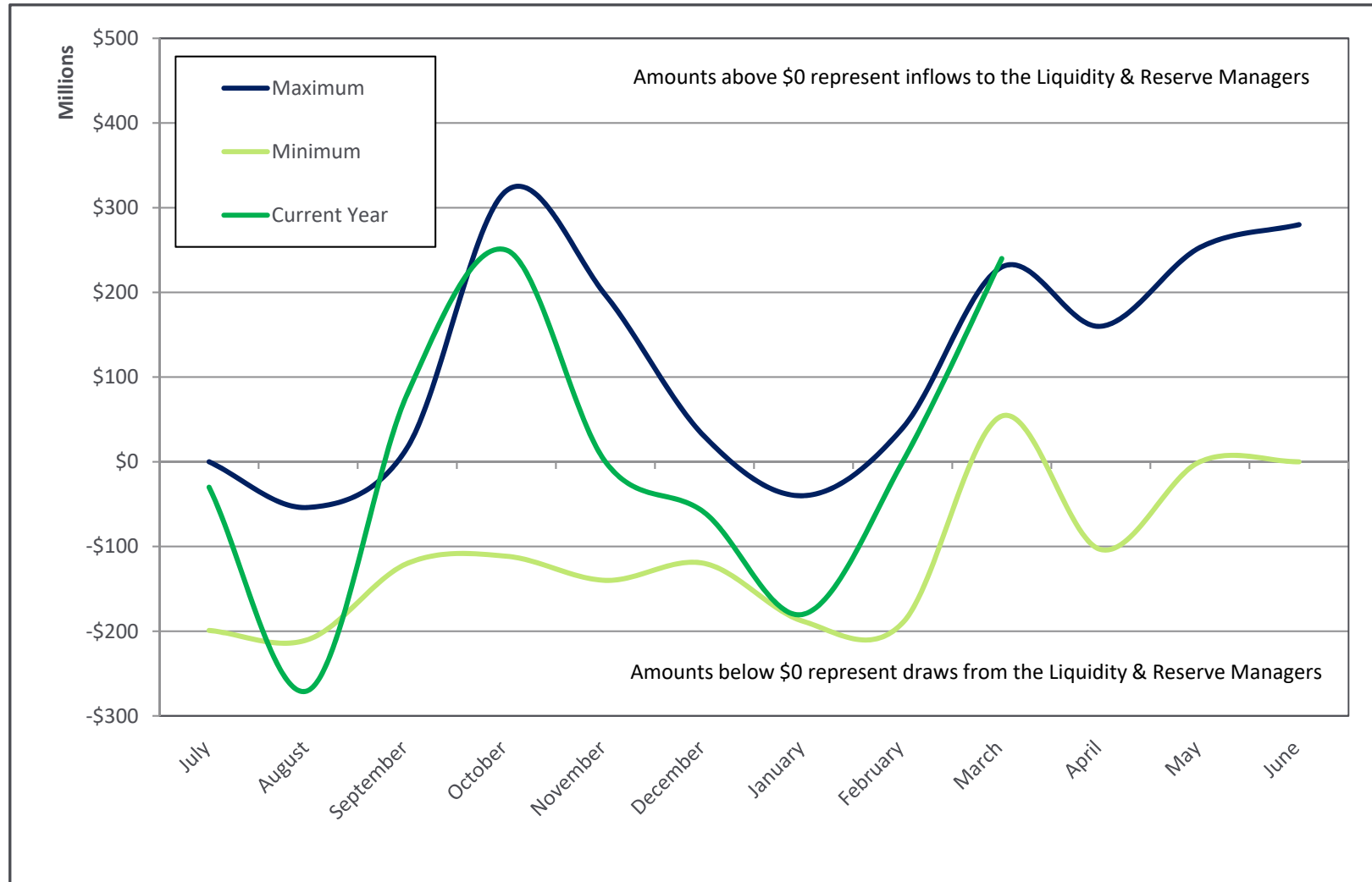
YIELD AND DURATION POSITIONING

| Liquidity Portfolio Yield and Duration Analysis | | | | | | | |
|---|----------------------|---------------|--------------|-------------|---------------------------------|--------------|-------------|
| Portfolio | | | | | Benchmark | | |
| | Portfolio Value | % of Assets | Yield | Duration | | Yield | Duration |
| PFM \$ | 339,500,103 | 12.4% | 1.60% | 0.51 | 6-Month Treasury Bill | 0.09% | 0.41 |
| Wilmington Trust \$ | 336,397,169 | 12.3% | 1.26% | 0.93 | 6-Month Treasury Bill | 0.09% | 0.41 |
| Total Liquidity \$ | 675,897,272 | 24.8% | 1.43% | 0.72 | 6-Month Treasury Bill | 0.09% | 0.41 |
| Reserve Portfolio Yield and Duration Analysis | | | | | | | |
| Portfolio | | | | | Benchmark | | |
| | Portfolio Value | % of Assets | Yield | Duration | | Yield | Duration |
| JP Morgan \$ | 490,682,076 | 18.0% | 1.08% | 1.75 | BAML 1-3 Yr Govt/Credit A+ | 0.60% | 1.80 |
| BlackRock \$ | 498,574,797 | 18.3% | 0.91% | 2.67 | BAML 1-5 Yr Govt/Credit A+ | 0.66% | 2.55 |
| Chandler \$ | 528,956,185 | 19.4% | 1.40% | 6.07 | BAML 5-10 Yr Govt/Credit A+ | 1.18% | 6.42 |
| Lazard \$ | 535,636,594 | 19.6% | 0.90% | 6.39 | BAML 5-10 Yr Govt/Credit A+ | 1.18% | 6.42 |
| Total Reserve \$ | 2,053,849,652 | 75.2% | 1.07% | 4.30 | Custom Reserve Benchmark | 0.91% | 4.30 |
| Total Liquidity & Reserve Portfolio Yield and Duration Analysis | | | | | | | |
| Portfolio | | | | | Benchmark | | |
| | Portfolio Value | % of Assets | Yield | Duration | | Yield | Duration |
| Total Liquidity & Reserve \$ | 2,729,746,924 | 100.0% | 1.16% | 3.41 | Weighted Average | 0.70% | 3.33 |

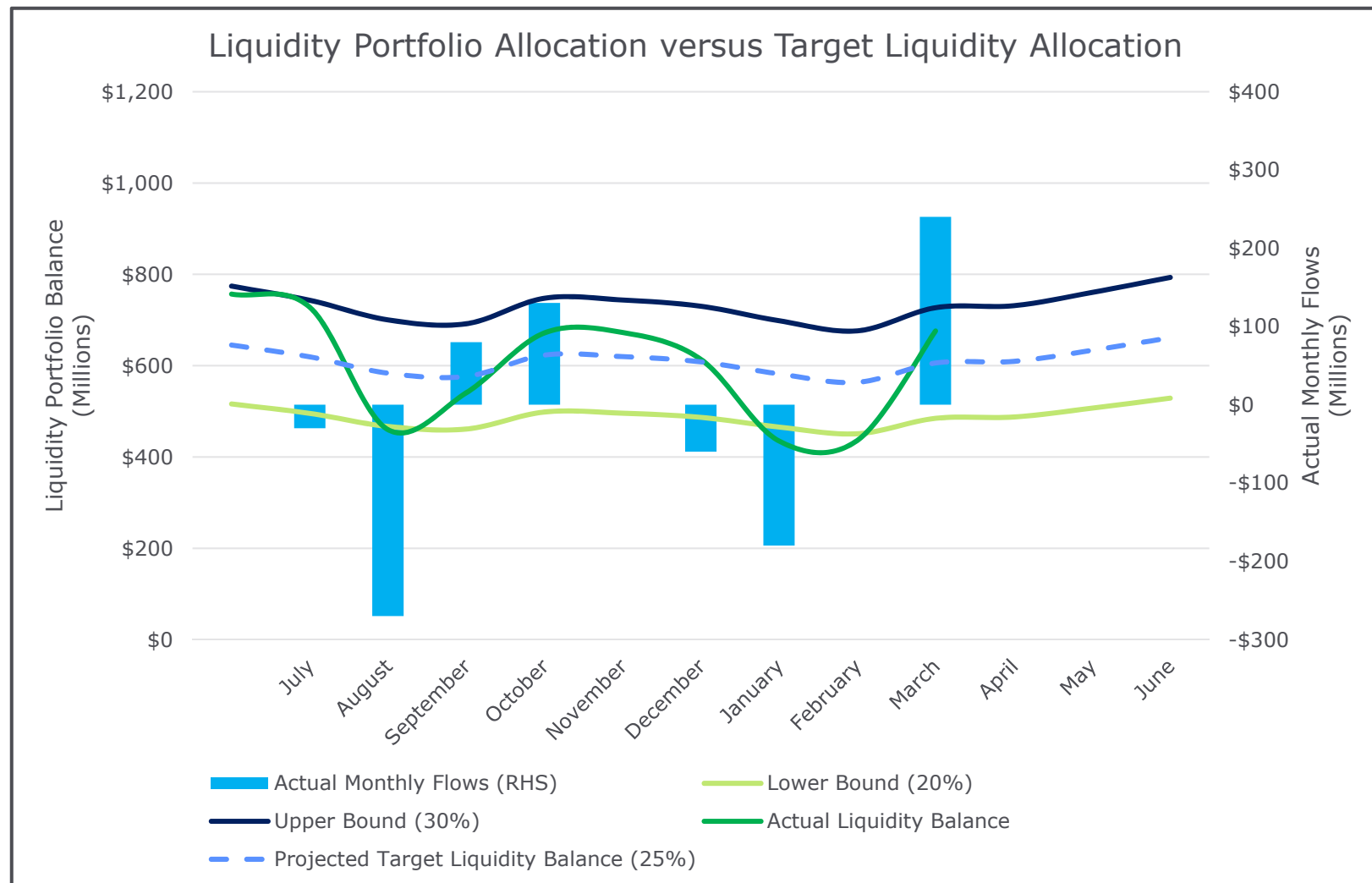


Source: Bloomberg, Barclays, Alerian, Nareit, MSCI, JP Morgan, Credit Suisse, Thomson One

CASH FLOWS – FISCAL YEAR 2020



LIQUIDITY BALANCE – FISCAL YEAR 2020



MONTH ENDED MARCH 31, 2020

| Change in Market Value Month Ending March 31, 2020 | | | | | | | | | | |
|---|---------------------------|-----------------------|-------------------|-------------|---------------------|---------------------------|-------------------------|-----------------------------|-------------------------|--|
| | Beginning Market Value | Contributions | Withdrawals | Fees | Income | Unrealized Gain (Loss) | Realized Gain (Loss) | Amortization / Accretion | Ending Market Value | |
| Liquidity Managers | | | | | | | | | | |
| PFM Asset Management | \$ 219,302,759 | \$ 119,999,900 | \$ (200) | \$ - | \$ 535,829 | \$ (383,305) | \$ 87,582 | \$ (42,462) | \$ 339,500,103 | |
| Wilmington Liquidity | \$ 216,908,903 | \$ 120,000,000 | \$ - | \$ - | \$ 464,460 | \$ (1,142,357) | \$ 163,881 | \$ 2,282 | \$ 336,397,169 | |
| Total Liquidity Managers | \$ 436,211,662 | \$ 239,999,900 | \$ (200) | \$ - | \$ 1,000,289 | \$ (1,525,661) | \$ 251,463 | \$ (40,180) | \$ 675,897,272 | |
| Reserve Managers | | | | | | | | | | |
| BlackRock Financial Management | \$ 495,462,198 | \$ - | \$ - | \$ - | \$ 872,054 | \$ 1,532,498 | \$ 701,029 | \$ 7,018 | \$ 498,574,797 | |
| Chandler Asset Management | \$ 526,975,018 | \$ - | \$ - | \$ - | \$ 1,042,018 | \$ (573,583) | \$ 1,446,272 | \$ 66,461 | \$ 528,956,185 | |
| JPM Intermediate | \$ 488,170,659 | \$ - | \$ - | \$ - | \$ 824,560 | \$ 669,198 | \$ 1,066,110 | \$ (48,452) | \$ 490,682,076 | |
| Lazard Asset Management | \$ 525,203,838 | \$ - | \$ - | \$ - | \$ 1,026,289 | \$ 8,384,385 | \$ 1,066,173 | \$ (44,092) | \$ 535,636,594 | |
| Total Reserve Managers | \$ 2,035,811,713 | \$ - | \$ - | \$ - | \$ 3,764,921 | \$ 10,012,497 | \$ 4,279,584 | \$ (19,065) | \$ 2,053,849,652 | |
| Total Liquidity & Reserve Managers | \$ 2,472,023,375 | \$ 239,999,900 | \$ (200) | \$ - | \$ 4,765,210 | \$ 8,486,836 | \$ 4,531,048 | \$ (59,245) | \$ 2,729,746,924 | |
| Land & Water Endowment | | | | | | | | | | |
| SEI Funds | \$ 25,028,224 | \$ - | \$ - | \$ - | \$ 22,701 | \$ (2,440,635) | \$ (5,540) | \$ - | \$ 22,604,751 | |
| MSIFT Global Strategist | \$ 22,640,515 | \$ - | \$ - | \$ - | \$ 488 | \$ (2,538,883) | \$ - | \$ - | \$ 20,102,120 | |
| JP Morgan Diversified | \$ 24,112,251 | \$ 91 | \$ (500) | \$ - | \$ 104,933 | \$ (2,994,467) | \$ (33) | \$ - | \$ 21,222,275 | |
| Cash Account | \$ 426 | \$ 591 | \$ (591) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 425 | |
| Total Land & Water Endowment | \$ 71,781,416 | \$ 682 | \$ (1,091) | \$ - | \$ 128,122 | \$ (7,973,985) | \$ (5,573) | \$ - | \$ 63,929,571 | |
| Total | \$ 2,543,804,791 | \$ 240,000,582 | \$ (1,291) | \$ - | \$ 4,893,332 | \$ 512,851 | \$ 4,525,475 | \$ (59,245) | \$ 2,793,676,495 | |

Footnotes:

Values provided by Northern Trust and are reconciled to the audited custodian reports.

Income is a product of income received during the month plus accrued income.

Numbers may not add due to rounding.



FISCAL YEAR TO DATE

| | Change in Market Value Fiscal Year-to-Date Through March 31, 2020 | | | | | | | | | |
|------------------------------------|---|----------------|------------------|----------------|---------------|---------------------------|-------------------------|-----------------------------|------------------------|--|
| | Beginning Market Value | Contributions | Withdrawals | Fees | Income | Unrealized Gain (Loss) | Realized Gain (Loss) | Amortization / Accretion | Ending Market Value | |
| Liquidity Managers | | | | | | | | | | |
| PFM Asset Management | \$ 379,459,861 | \$ 309,999,900 | \$ (355,000,200) | \$ (201,623) | \$ 4,698,181 | \$ (199,997) | \$ 588,880 | \$ 155,100 | \$ 339,500,103 | |
| Wilmington Liquidity | \$ 377,298,107 | \$ 310,000,000 | \$ (355,000,000) | \$ (208,399) | \$ 4,150,884 | \$ (1,403,945) | \$ 715,745 | \$ 844,776 | \$ 336,397,169 | |
| Total Liquidity Managers | \$ 756,757,968 | \$ 619,999,900 | \$ (710,000,200) | \$ (410,022) | \$ 8,849,065 | \$ (1,603,941) | \$ 1,304,625 | \$ 999,876 | \$ 675,897,272 | |
| Reserve Managers | | | | | | | | | | |
| BlackRock Financial Management | \$ 450,402,164 | \$ 30,000,000 | \$ - | \$ (230,279) | \$ 7,836,850 | \$ 8,691,612 | \$ 2,096,191 | \$ (221,740) | \$ 498,574,797 | |
| Chandler Asset Management | \$ 465,725,064 | \$ 30,000,000 | \$ - | \$ (226,507) | \$ 9,149,846 | \$ 21,247,162 | \$ 2,196,946 | \$ 863,675 | \$ 528,956,185 | |
| JPM Intermediate | \$ 446,232,523 | \$ 30,000,000 | \$ - | \$ (255,276) | \$ 7,462,900 | \$ 4,259,330 | \$ 3,055,352 | \$ (72,754) | \$ 490,682,076 | |
| Lazard Asset Management | \$ 461,513,160 | \$ 30,000,000 | \$ - | \$ (376,687) | \$ 8,848,776 | \$ 28,290,438 | \$ 7,368,113 | \$ (7,206) | \$ 535,636,594 | |
| Total Reserve Managers | \$ 1,823,872,911 | \$ 120,000,000 | \$ - | \$ (1,088,749) | \$ 33,298,372 | \$ 62,488,542 | \$ 14,716,603 | \$ 561,974 | \$ 2,053,849,652 | |
| Total Liquidity & Reserve Managers | \$ 2,580,630,879 | \$ 739,999,900 | \$ (710,000,200) | \$ (1,498,771) | \$ 42,147,437 | \$ 60,884,600 | \$ 16,021,228 | \$ 1,561,850 | \$ 2,729,746,924 | |
| Land & Water Endowment | | | | | | | | | | |
| SEI Funds | \$ 24,666,596 | \$ 26,436 | \$ (18,000) | \$ (64,896) | \$ 531,912 | \$ (2,939,091) | \$ 401,792 | \$ - | \$ 22,604,751 | |
| MSIFT Global Strategist | \$ 23,080,612 | \$ 26,436 | \$ (18,000) | \$ - | \$ 49,337 | \$ (3,407,586) | \$ 371,320 | \$ - | \$ 20,102,120 | |
| JP Morgan Diversified | \$ 23,772,475 | \$ 26,527 | \$ (18,500) | \$ - | \$ 369,179 | \$ (4,605,532) | \$ 1,678,125 | \$ - | \$ 21,222,275 | |
| Cash Account | \$ 413 | \$ 48,762 | \$ (48,762) | \$ - | \$ 13 | \$ - | \$ - | \$ - | \$ 425 | |
| Total Land & Water Endowment | \$ 71,520,096 | \$ 128,161 | \$ (103,262) | \$ (64,896) | \$ 950,441 | \$ (10,952,210) | \$ 2,451,238 | \$ - | \$ 63,929,571 | |
| Total | \$ 2,652,150,975 | \$ 740,128,061 | \$ (710,103,462) | \$ (1,563,667) | \$ 43,097,878 | \$ 49,932,391 | \$ 18,472,466 | \$ 1,561,850 | \$ 2,793,676,495 | |

Footnotes:

Values provided by Northern Trust and are reconciled to the audited custodian reports.

Income is a product of income received during the month plus accrued income.

Numbers may not add due to rounding.



DEFAC PROJECTION

| | DEFAC Current Year | Δ From Previous Observation | FY 21 | FY 21 Δ From Previous Observation | FY 22 | FY 22 Δ From Previous Observation | FY 23 | FY 23 Δ From Previous Observation | FY 24 | FY 24 Δ From Previous Observation |
|---|-----------------------|-----------------------------------|---------------------|---|---------------------|---|---------------------|---|-----------------------|---|
| | <u>Totals</u> | | <u>Totals</u> | | <u>Totals</u> | | <u>Totals</u> | | <u>Totals</u> | |
| Total Interest | \$69,508,711 | \$3,934,743 | \$19,048,456 | (\$10,082,502) | \$16,621,818 | (\$10,794,234) | \$14,127,596 | (\$11,431,258) | \$11,504,696 | (\$12,015,158) |
| Total Sweep Income | \$2,430,269 | (\$29,501) | \$1,958,000 | - | \$1,958,000 | - | \$1,958,000 | - | \$1,958,000 | - |
| Change in Market Value | \$16,356,400 | \$2,119,742 | \$32,746,237 | \$9,263,092 | \$32,908,557 | \$9,298,567 | \$32,919,832 | \$15,029,873 | \$3,575,208 | \$2,862,159 |
| Less: School Special Fund Interest Payments | (\$28,096,895) | (\$744,377) | (\$20,000,000) | - | (\$20,000,000) | - | (\$20,000,000) | - | (\$20,000,000) | - |
| Less: Banking Services | (\$4,396,600) | - | (\$4,616,430) | - | (\$4,847,252) | - | (\$5,089,614) | - | (\$5,344,095) | - |
| Less: Investment Manager Fees | (\$2,079,204) | (\$93) | (\$2,102,171) | (\$5,842) | (\$2,102,171) | (\$5,842) | (\$2,102,171) | (\$5,842) | (\$2,102,171) | (\$5,842) |
| DEFAC Projection | \$53,722,680 | \$5,280,513 | \$27,034,091 | (\$825,252) | \$24,538,952 | (\$1,501,510) | \$21,813,642 | \$3,592,771 | (\$10,408,361) | (\$9,158,840) |

As of 03/31/2020

Global yields declined significantly during month following additional action by the Federal Reserve aimed at lessening the economic impact from COVID-19

Interest rate expectations continued falling in future fiscal years – negatively impacting expected interest and increasing future year market values

Future 1-year rate expectations: FY21: 0.25%, FY22: 0.33%, FY23: 0.38%, FY24: 0.42%



ASSUMPTIONS FOR DEFAC PROJECTION

Net Cash Flows – Assumed to be net neutral over the course of each fiscal year and follow historical seasonality patterns, FY 21 through FY 24 each follow the previous year's cash flow pattern

Changes in Yield – Actual changes reflected as they are realized, projected changes based on forward yield curve at 1 year and 5 year forward points

Interest – Actual interest reflected as it is realized, projected interest calculated as projected yield times projected market value

Banking Services – Flat estimate of \$366,383 per month; projected to increase 5% annually

School and Special Fund Interest Payments – Actual payments reflected as realized, projected payments calculated based on \$1B average balance and a range-bound rate as implied by the trailing 12M liquidity and liquidity & reserve returns

Investment Manager Fees – Estimated as 8.2 bps per year of assets under management

Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
- This report is provided as a management aid for the client's internal use only. Information contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.

