

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut

or

Via Remote Access**

AGENDA

Regular Meeting of Thursday, July 27, 2023 at 12:30 p.m.

-
- A. Safety Moment
- B. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
- C. Meet as Pension & Benefit Committee: S. Sack
1. Approve Minutes – April 27, 2023 meeting
 2. Quarterly Performance Investment Review: S. Kelliher, J. McLaughlin and A. Kantapin
 3. 401K Annual Update: S. Kelliher, J. McLaughlin and A. Kantapin
 4. Consider issuance of RFP for investment advisor
 5. Consider and act on resolution to approve the Tenth and Eleventh Amendments to the Authority's Voluntary Investment Plan - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(B), pertaining to financial information*
- D. Consent Agenda
1. Approve Minutes – June 22, 2023 meeting
 2. Capital Budget Authorization - August 2023
 3. Capital Budget Transfer Notifications (no action required) – August 2023
 4. Monthly Financial Report – June 2023
 5. Accounts Receivable Update – June 2023
 6. Revised FY24 Global Metrics
- E. Authority Committee Chair Assignments
- F. Reports on RPB Committee Meetings
- G. Business Updates: L. Bingaman
1. RWAY CIS Update: P. Singh
 2. Monthly Business Highlights: L. Bingaman
- H. Meet as Compensation Committee: D. Borowy
1. Approve Minutes – May 25, 2023 meeting
 2. Committee Charter Updates
 3. FY24 Revised Workplan
 4. *Pre-read: CEO FY 2023 Self-evaluation on Strategic Priorities & Performance – *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(A) to discuss matters pertaining to performance and evaluation and C.G.S. Section 1-200(6)(A)(C)(E) to discuss matters covered by Section 1-210(b)(5)(A) pertaining to trade secrets*
 5. Pre-read: CEO FY 2024 Strategic Priorities – *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(A)(C)(E) to discuss matters covered by Section 1-210(b)(5)(A) pertaining to trade secrets*
 6. CEO & Officer Performance Reviews - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(A) to discuss matters pertaining to performance and evaluation*
- I. Act on matters arising from Committee meetings

*RPB Member (M. Levine) is excused at Item H.4

** Members of the public may attend the meeting in person or via conference call. For information on attending the meeting and to view meeting documents, please visit <https://tinyurl.com/ysu5fy3e>. For questions, contact the board office at jslubowski@rwater.com or by calling 203-401-2515.

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

(Including Pension & Benefit Committee and Compensation Committee meetings)

90 SARGENT DRIVE, NEW HAVEN, CONNECTICUT

THURSDAY, JULY 27, 2023 AT 12:30 P.M.

REMOTE MEETING INSTRUCTIONS

Call in (*audio only*)

[+1 469-965-2517,,901225070#](tel:+14699652517901225070) United States, Dallas

Phone Conference ID: 901 225 070#

Members of the public may join the meeting in person at address above or by conference call. To view meeting documents please visit <https://tinyurl.com/ysu5fy3e>. For questions on attending the meeting, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.

Table of Contents

Table of Contents	1
Safety Moment	2
04 27 2023 RWA Pension Minutes UNAPPROVED	3
Qrtly Performance Review	6
RWA 401K Update	54
06 22 2023 RWA Minutes UNAPPROVED	66
Capital Budget Authorization - August 2023	71
Capital Budget Transfers - August 2023	73
Monthly Financials - June 2023	75
Aging Accounts Receivable - June 2023	78
FY24 Global Metrics - Revised	79
Current Committee Assignments	80
RPB Comm Mtgs Jul to Sept 2023	81
RWAY CIS Update	82
05 25 2023 RWA Compensation Minutes UNAPPROVED	83
Redlined -Compensation Committee Charter	84

SAFETY MOMENT

JULY – HURRICANE PREPAREDNESS:

It is important to be prepared for hurricane season and have a family emergency plan in place. In the event of a serious storm that could produce power outages, low land flooding and evacuations, and downed trees and power lines that could make roads impassible.

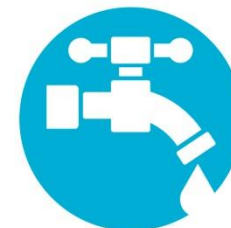
FEMA recommends:

- 10 day supply of non perishable food
- 10-day supply of water, 10 gallons per person
- Working battery operated radio
- Household communications plan

If you live in a costal area that is prone to flooding be sure to prepare a ready to go bag in case you need to evacuate. This should include:

- Cloth face masks, hand sanitizer, disinfectant wipes
- Copies of prescription medications and medical supplies
- Bedding and clothing, including sleeping bags and pillows
- Bottled water, a battery-operated radio and extra batteries, a first aid kit, a flashlight
- Copies of important documents: driver's license, Social Security card, proof of residence, insurance policies, wills, deeds, birth and marriage certificates, tax records, etc.

**Tap Into
Safety**



Regional Water Authority



Service – Teamwork – Accountability – Respect – Safety

**South Central Connecticut Regional Water Authority
Pension & Benefit Committee
Minutes of the April 27, 2023 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA”) Pension & Benefit Committee took place on Thursday, April 27, 2023, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chairman Sack presided.

Present: Committee – Mss. Sack and LaMarr, and Messrs. Borowy and Curseaden
Management – Mss. Kowalski and Calo, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, Matharu, and Singh
RPB – Mr. Slocum
Angell Pension Group, Inc. – Messrs. Bauer, Krayter, and Liter
Morgan Stanley – Messrs. Kelliher, McLaughlin, and Kantapin
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:33 p.m.

On motion made by Ms. LaMarr, seconded by Mr. Borowy, and unanimously carried, the Committee approved the minutes of its January 26, 2023 meeting.

Borowy	Aye
Curseaden	Absent
LaMarr	Aye
Sack	Aye

At 12:35 p.m., Mr. Curseaden entered the meeting.

Messrs. Bauer and Krayter, of Angell Pension Group, Inc., the RWA’s Pension actuary, presented summaries of the January 2023 salaried, union and Voluntary Employees Benefit Association (“VEBA”) valuation reports, assumptions, and contributions recommended for FY 2024. There were no changes made to the mortality tables or in the discount rate used for the FY 2024 contribution. He stated that overall, the plans are in good health with no concerns and the RWA should stay on track with contributions to meet its goal of 100% funding.

Mr. Curseaden moved for approval of the following resolutions, as discussed with the actuary:

1. *Salaried*

RESOLVED, that the Authority approves a contribution of \$3,022,490 to the South Central Connecticut Regional Water Authority’s Salaried Employees’ Retirement Plan, effective for the actuarial valuation of January 1, 2023; and

FURTHER RESOLVED, that the Authority approves the continued use of the PubG-2010 Above Median Employee and Annuitant with Scale MP-2021 generational improvements (M/F), effective for the actuarial valuation of January 1, 2023.

2. *Union*

RESOLVED, that the Authority approves a contribution of \$1,727,510 to the South Central Connecticut Regional Water Authority’s Union Employees’ Retirement Plan, effective for the actuarial valuation of January 1, 2023; and

FURTHER RESOLVED, that the Authority approves the continued use of the PubG-2010 Total Employee and Annuitant with Scale MP-2021 generational improvements (M/F), effective for the actuarial valuation of January 1, 2023.

Ms. LaMarr seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Ms. LaMarr moved for approval of the following resolutions, as discussed with the actuary:

RESOLVED, that the Authority approves a contribution of \$1,640,907 to the South Central Connecticut Regional Water Authority's Retired Employees' Contributory Welfare Trust, effective for the actuarial valuation of January 1, 2023; and

FURTHER RESOLVED, that the Authority approves the continued use of the mortality table for the South Central Connecticut Regional Water Authority's Retired Employees' Contributory Welfare Trust, the PubG.H.-2010 Employee, Healthy Annuitant, and Contingent Survivor with Scale MP-2021 generational improvements (M/F), effective as of the actuarial valuation of January 1, 2023.

Mr. Curseaden seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Mr. Curseaden moved for approval of the following resolutions, as discussed with the actuary:

RESOLVED, that based, on the recommendation of the its Pension & Benefit Committee, the South Central Connecticut Regional Water Authority authorizes an increase of \$2,000,000 as a combined contribution to the South Central Connecticut Retirement Plan and the South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan during fiscal year 2023.

Ms. LaMarr seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski reported that the amount is consistent with the RWA's FY 2023 projection and the FY 2024 pension contribution is consistent with the recent rate application.

At 1:04 p.m., Messrs. Bauer, Krayter, and Liter withdrew from the meeting.

Mr. Kelliher, of Morgan Stanley, the RWA's pension investment advisor, reported on the Authority's Quarterly Pension Investment Performance for its salaried plan, union plan, and RWA's Voluntary Employees Beneficiary Association Plan (VEBA), for the period ended March 31, 2023, which included:

- Market Commentary
- Asset Allocation Investment Results

Mr. Kelliher reported that the performance and market values have improved since last quarter.

The Committee discussed liquid investments, institutional protocols/processes, risk alternatives, and overall performance.

Ms. Sack reported that the Committee would be discussing a potential amendment to the Charter that would include a requirement for a Request for Proposal for investment advisory services every five years. Discussion ensued regarding current services, reasoning, relationship, and additional opportunities.

At 1:50 p.m., Messrs. Kelliher, McLaughlin and Kantapin withdrew from the meeting.

The Committee reviewed its FY 2024 Work Plan.

Ms. Sack reviewed management's suggested changes incorporated into the Committee Charter. Discussion ensued regarding requiring the issuance of a Request for Proposals (RFP) for the investment advisor vs. a requirement to consider the issuance of a RFP. After discussion, it was the consensus of the committee to consider the issuance of a RFP for the investment advisor every five years. The start date to be considered at the next committee meeting in July. Ms. Kowalski will revise the FY 2024 work plan to include the topic.

On motion made by Ms. LaMarr, seconded by Mr. Curseaden, and unanimously carried, the committee voted to adopt the changes to the Charter, as amended.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

At 2:12 p.m., on motion made by Mr. Borowy, seconded by Ms. LaMarr, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Suzanne Sack, Chairperson

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Discussion Outline & Agenda

	Section
Market Commentary	I.
Asset Allocation & Investment Matrices	II.
Investment Results	III.
Investment Holdings Analysis	IV.
Appendix	V.

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Market Commentary





Bloomberg U.S. Agg. annual returns and intra-year declines

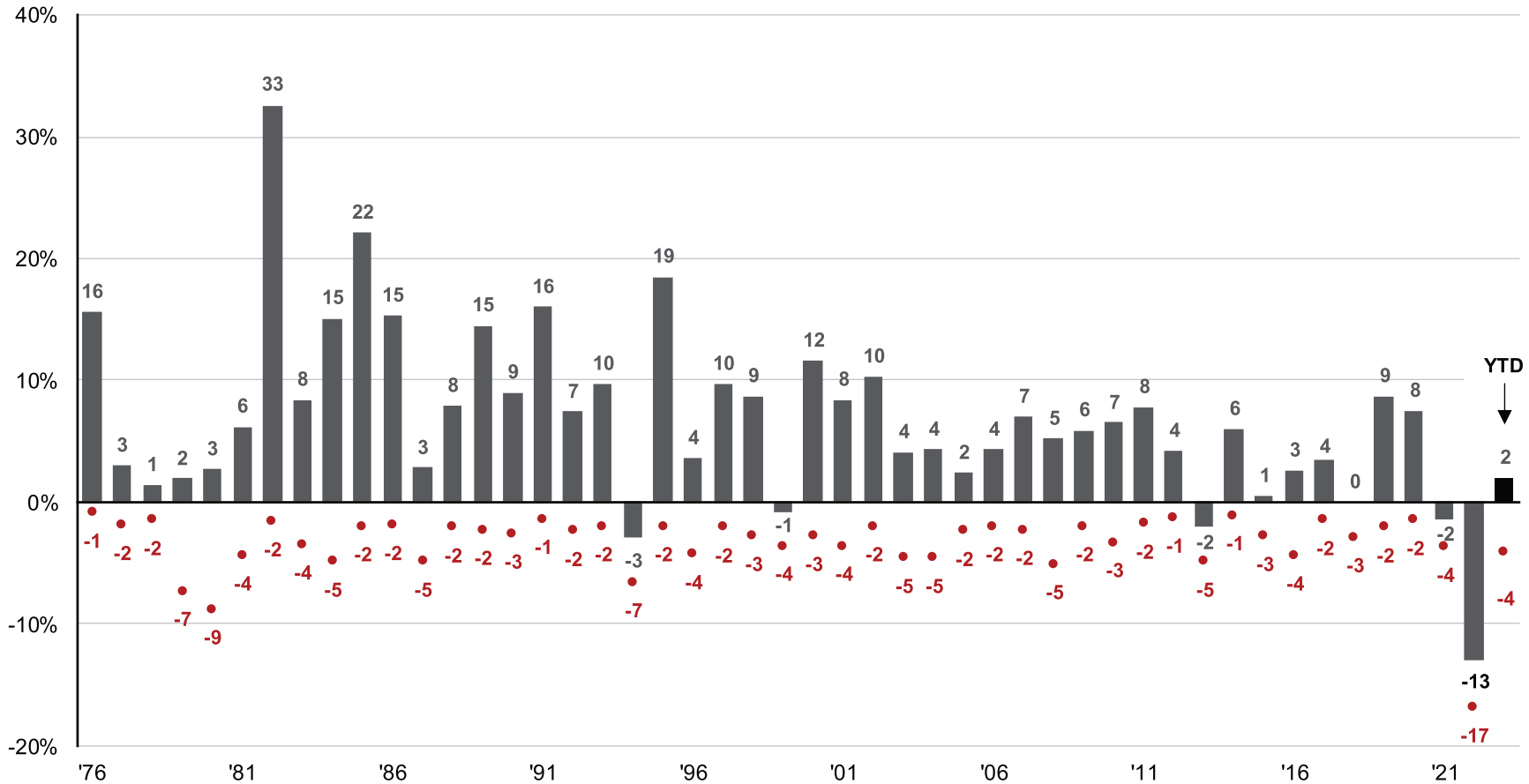
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45

Bloomberg U.S. Aggregate intra-year declines vs. calendar year returns

Despite average intra-year drops of 3.3%, annual returns positive in 42 of 47 years



Source: Bloomberg, FactSet, J.P. Morgan Asset Management.

Returns are based on total return. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1976 to 2022, over which time period the average annual return was 6.6%. Returns from 1976 to 1989 are calculated on a monthly basis; daily data are used afterward.

Guide to the Markets – U.S. Data are as of June 30, 2023.

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Yield curve

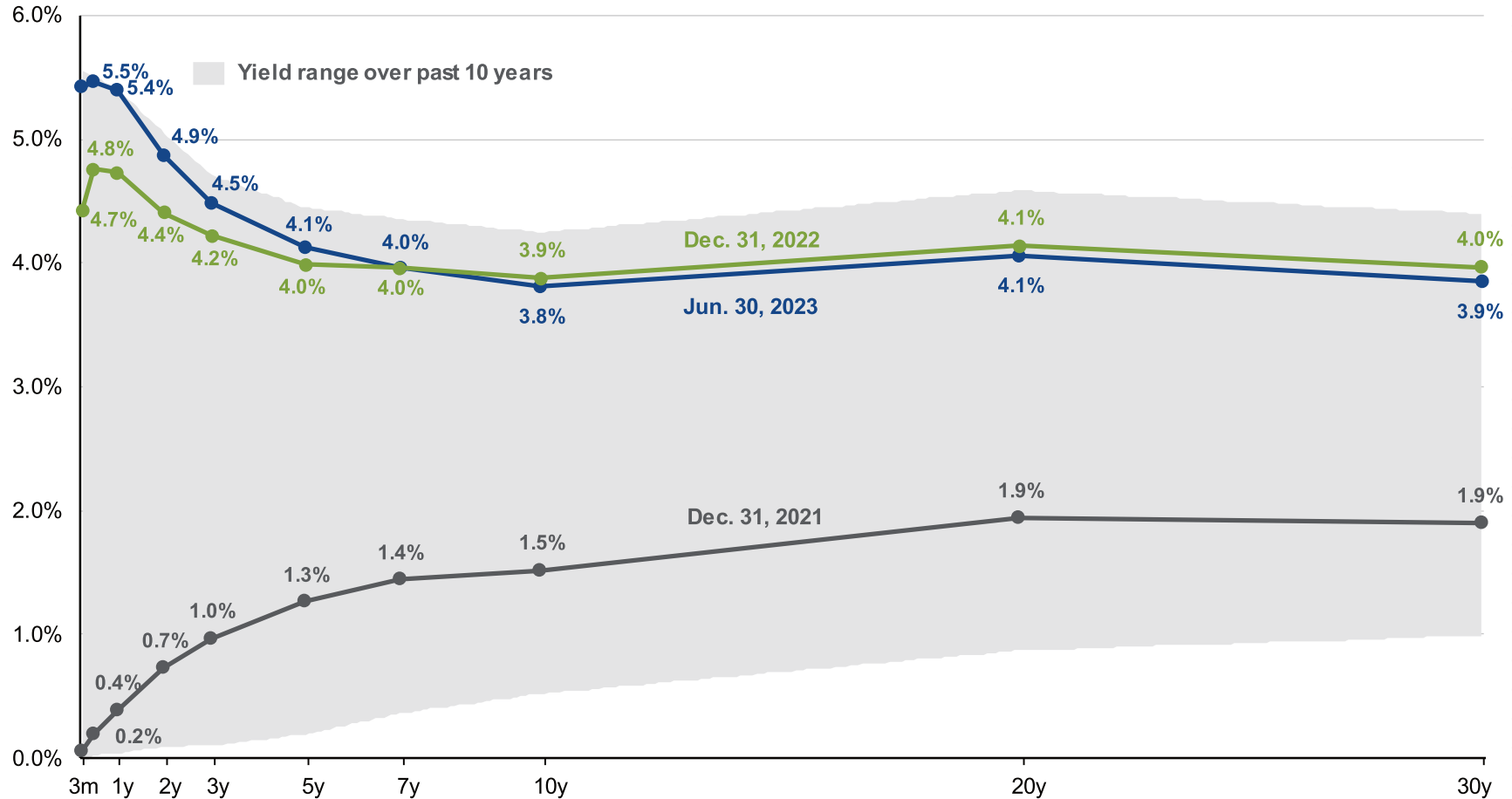
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Fixed Income

U.S. Treasury yield curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of June 30, 2023.

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S&P 500 Index at inflection points

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S&P 500 Price Index



Source: Compustat, FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management. Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on IBES estimates and FactSet estimates since January 2022. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.

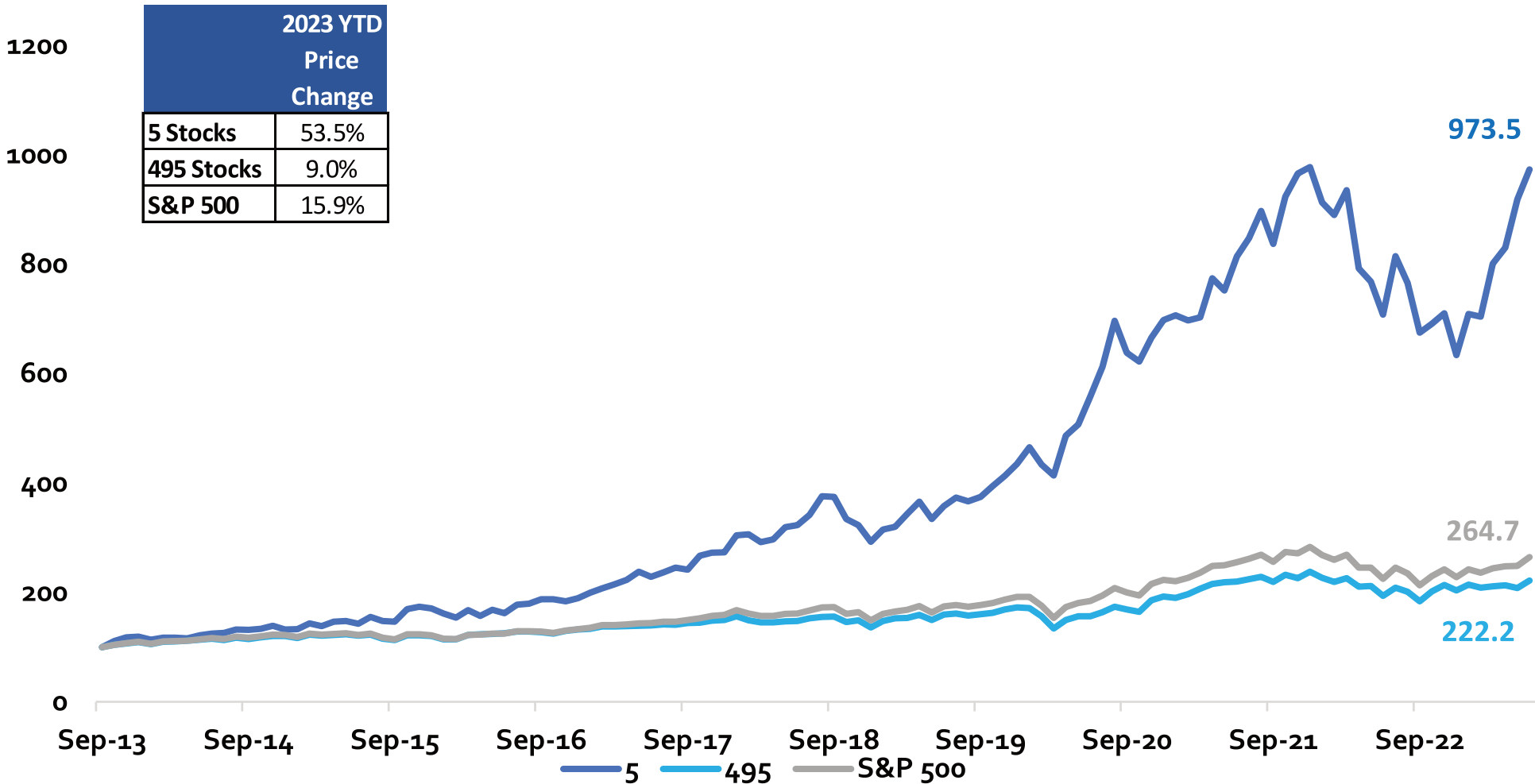
Guide to the Markets – U.S. Data are as of June 30, 2023.

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Performance of Five Companies vs. Rest of S&P 500 Index

Index Price of Five Companies in the S&P 500 vs. Rest of the Index Since Most Recent Low in Top Five Concentration

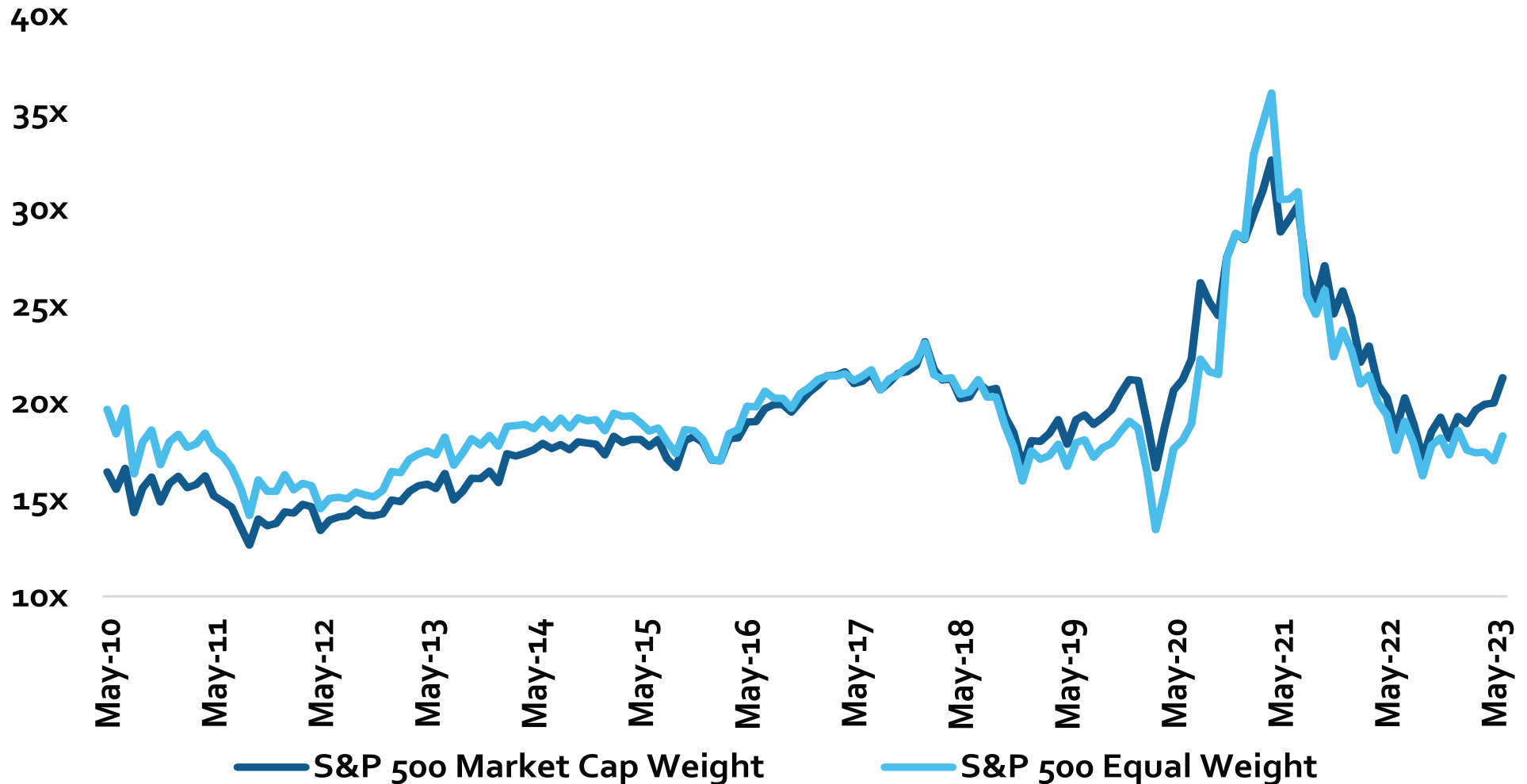
Data as of June 30, 2023



S&P 500 P/E Ratios: Market vs. Equal Weight

Market weighted S&P 500 P/E ratio compared to equal weighted S&P 500

Data through June 30, 2023



Source: Bloomberg, Morgan Stanley Wealth Management GIO

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material. This slide sourced from Market Performance section.

Current Indicators: Equity Valuation

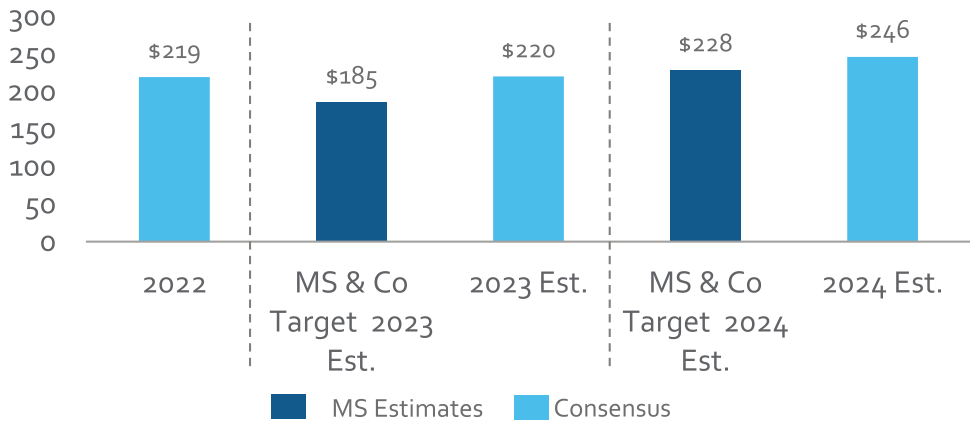
Morgan Stanley & Co. S&P 500 June 2024 Forecast Table

As of July 7, 2023

EPS Landscape	MS & Co 2025 EPS Est.	Multiple	Price Target	Upside / (Downside)
Bull Case	\$253	18.60	4,700	6.8%
Base Case	\$239	17.60	4,200	(4.5%)
Bear Case	\$222	16.70	3,700	(15.9%)
Current S&P 500 Price			4,399	

Morgan Stanley & Co. and Consensus S&P 500 Earnings Estimates

As of July 7, 2023



Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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S&P 500 Current and Historical Valuation

As of July 7, 2023

	Jul 7, 2023	Tech Bubble	Financial Crisis	20-Year Average	Current Relative to Average
S&P 500 Trailing P/E	21.2	28.9	12.1	18.3	1.15
S&P 500 Forward P/E	20.3	26.6	11.2	15.5	1.31
Technology	30.6	62.2	12.6	25.2	1.21
Consumer Discretionary	27.4	28.5	28.5	20.6	1.33
Communication Services	18.2	28.6	11.4	16.6	1.09
Industrials	20.0	20.1	8.6	17.6	1.14
Real Estate	36.5	-	-	-	-
Financials	13.7	13.9	7.8	14.5	0.94
Consumer Staples	20.8	19.6	11.5	18.0	1.15
Energy	10.8	25.2	11.6	21.4	0.51
Utilities	17.6	14.8	9.8	14.9	1.18
Materials	17.9	19.2	13.9	18.6	0.96
Health Care	17.6	24.5	9.3	18.1	0.97



Consumer saving and borrowing

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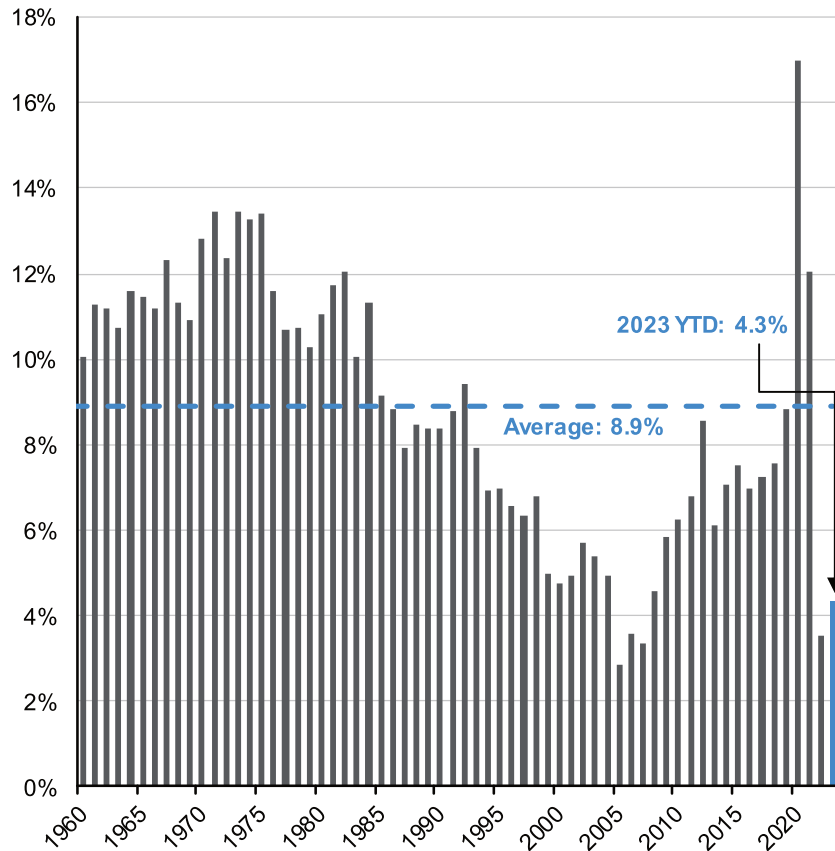
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Economy

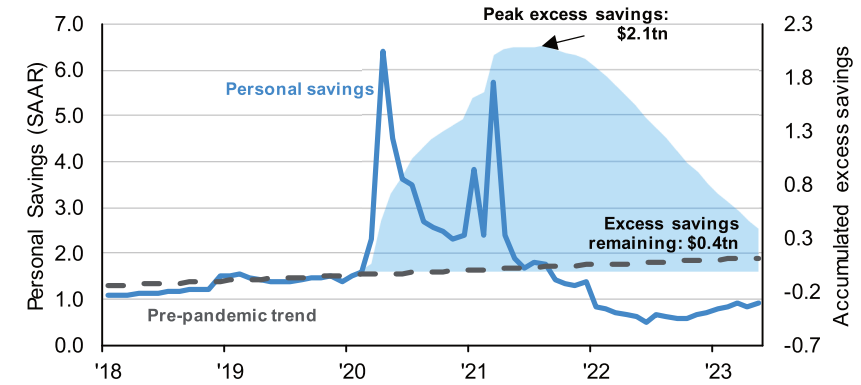
Personal saving rate

Personal savings as a % of disposable personal income, annual



Household excess savings

Trillions of USD



Revolving consumer credit outstanding

% of disposable income, SAAR



Source: BEA, Federal Reserve, J.P. Morgan Asset Management. From March 2020 to August 2021, consumers amassed a peak \$2.1 trillion in excess savings relative to the pre-pandemic trend. Since August 2021, consumers have drawn down on those excess savings, with the remaining reflected in the chart annotation.
Guide to the Markets – U.S. Data are as of June 30, 2023.

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Bank capitalization and lending sentiment

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Economy

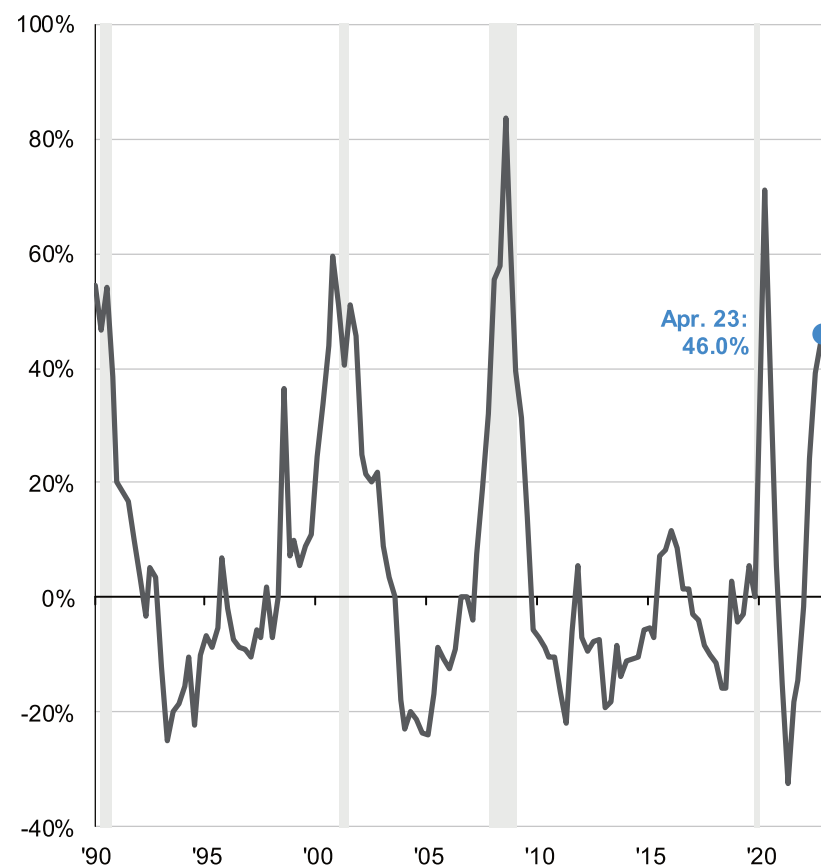
U.S. bank tier 1 capital ratio

Tier 1 capital as a % of risk-weighted assets



Net percentage of banks tightening lending standards

Commercial and industrial loans for large and middle-market firms



Source: Bloomberg, FDIC, Federal Reserve, J.P. Morgan Asset Management. The tier 1 capital ratio is the ratio of a bank's core tier 1 capital (equity capital and disclosed reserves) to its total risk-weighted assets. It is a key measure of a bank's financial strength that has been adopted as part of the Basel III Accord on bank regulation.
GuidetotheMarkets—U.S. Data areas of June 29, 2023.

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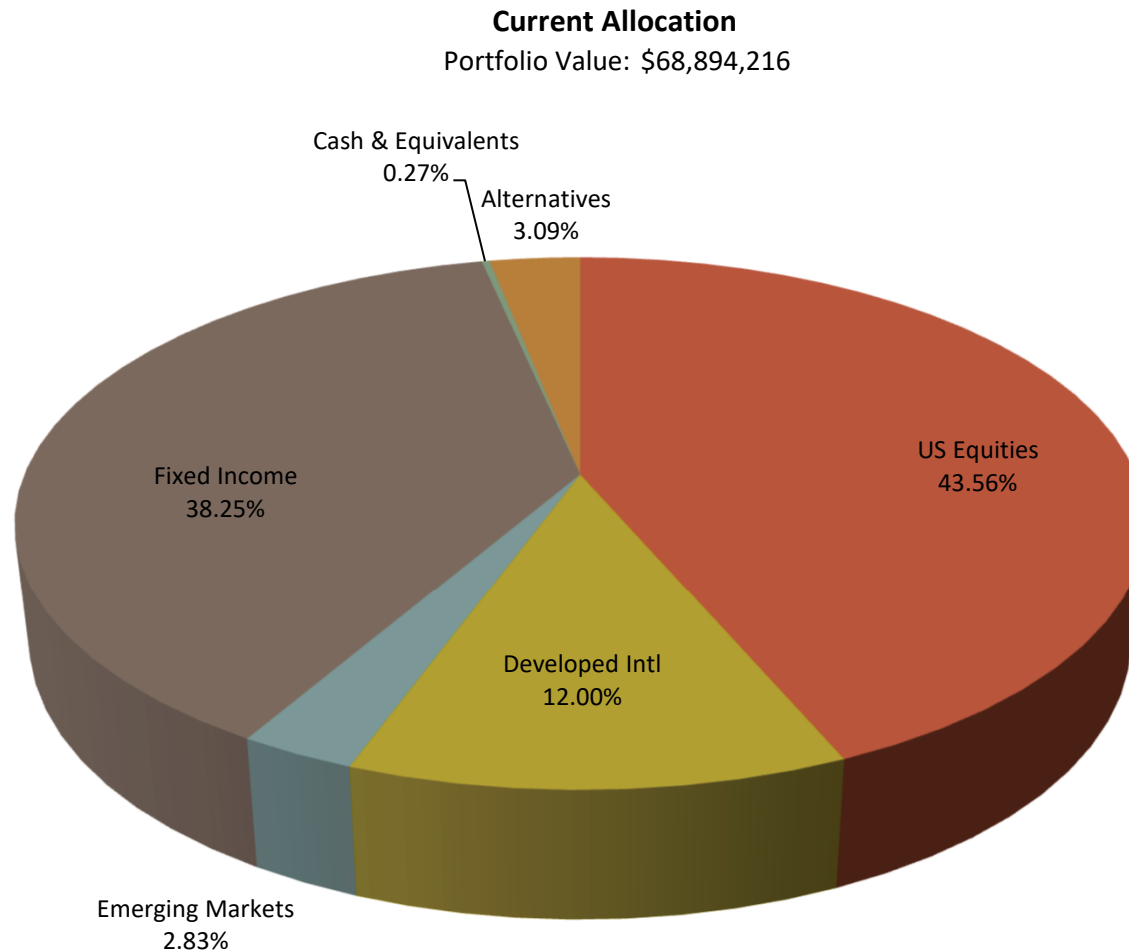
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Asset Allocation & Investment Matrices



SCCT Regional Water Authority - Salary & Union Plans



Total Equity	
58.39%	
% of Total Equity	
US Equity	= 74.61%
Intl Equity	= 25.39%
% of Intl Equity	
Developed Intl	= 80.94%
Emerging Markets	= 19.06%
Overall Equity Style Analysis*	
Value	= 25.88%
Core	= 44.84%
Growth	= 29.28%
US Equity Style Analysis*	
Value	= 27.08%
Core	= 45.15%
Growth	= 27.77%

Assets as of 6/30/2023

Asset Allocation does not assure a profit or protect against loss in declining financial markets

The information and data contained in this report are from sources considered reliable,

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advisors with respect to any tax questions."

*Equity Style Analysis provided by Morningstar "Asset Scan"

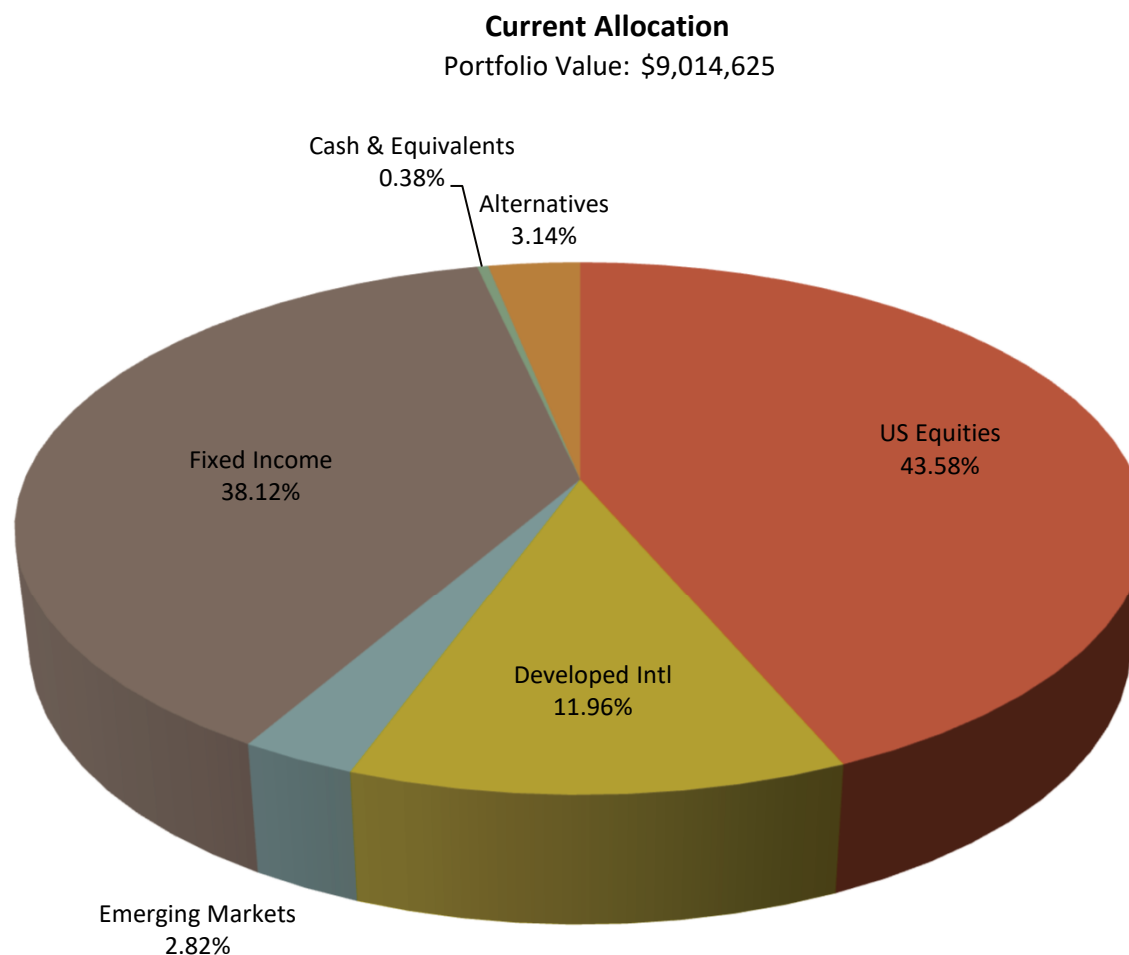
Data Source: Morgan Stanley & Morningstar

SCCT Regional Water Authority - Salary & Union Plans
Asset Allocation Matrix Summary
As of 6/30/2023

Benchmark vs Actual			
	Benchmark	Actual	+/-
Russell 3000	42.00%	43.57%	1.57%
MSCI ACWI ex US	15.00%	14.54%	-0.46%
Bloomberg US Aggregate	31.00%	38.13%	7.13%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	2.15%	-2.85%
Global Real Estate	2.00%	0.95%	-1.05%
Cash & Equivalents/T-Bills	2.00%	0.66%	-1.34%
Total	100.00%	100.00%	0.00%

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SCCT Regional Water Authority - VEBA Plan



Total Equity	
58.36%	
% of Total Equity	
US Equity	= 74.68%
Intl Equity	= 25.32%
% of Intl Equity	
Developed Intl	= 80.95%
Emerging Markets	= 19.05%
Overall Equity Style Analysis*	
Value	= 25.86%
Core	= 44.81%
Growth	= 29.33%
US Equity Style Analysis*	
Value	= 27.04%
Core	= 45.08%
Growth	= 27.88%

Assets as of 6/30/2023

Asset Allocation does not assure a profit or protect against loss in declining financial markets

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*Equity Style Analysis provided by Morningstar "Asset Scan"

Data Source: Morgan Stanley & Morningstar

SCCT Regional Water Authority - VEBA Plan
Asset Allocation Matrix Summary
As of 6/30/2023

Benchmark vs Actual			
	Benchmark	Actual	+/-
Russell 3000	42.00%	43.58%	1.58%
MSCI ACWI ex US	15.00%	14.49%	-0.51%
Bloomberg US Aggregate	31.00%	37.86%	6.86%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	2.26%	-2.74%
Global Real Estate	2.00%	0.88%	-1.12%
Cash & Equivalents/T-Bills	2.00%	0.92%	-1.08%
Total	100.00%	100.00%	0.00%

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Investment Results



SCCT Regional Water Authority
Second Quarter Investment Results
March 31, 2023 - June 30, 2023

Account Number	Account Type	Beg. Asset Value 31-Mar-2023	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2023	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$41,243,020	\$0	\$1,123,000	\$42,366,020	\$43,478,724	\$1,112,704	2.59%	2.68%
447-xxx451	Union	\$24,306,008	\$0	\$447,306	\$24,753,314	\$25,415,491	\$662,177	2.64%	2.73%
447-xxx456	VEBA	\$8,783,780	\$0	\$0	\$8,783,780	\$9,014,625	\$230,846	2.63%	2.72%
axx15a	Matrix Trust (Salaried)	\$77,300	\$1,091,938	(\$1,081,533)	\$87,705	\$87,705	\$0	-	-
axx15b	Matrix Trust (Union)	\$181,293	\$436,210	(\$418,467)	\$199,036	\$199,036	\$0	-	-
axx16	Matrix Trust(VEBA)	\$519,996	\$91,199	(\$70,306)	\$540,889	\$540,889	\$0	-	-
Consolidated		\$75,111,397	\$1,619,347	\$0	\$76,730,744	\$78,736,471	\$2,005,727	2.61%	2.70%

March 31, 2023 - June 30, 2023

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (3/12) 1.69%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 2.89%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 3.68%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 4.19%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 1.39%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 1.84%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 2.25%

Russell 3000	8.39%
S&P 500	8.74%
S&P 500 Equal Weight	3.99%
Russell 1000 Value	4.07%
Russell 1000	8.58%
Russell 1000 Growth	12.81%
Russell 2000	5.21%
MSCI All Country World ex. US	2.44%
MSCI EAFE	2.95%
MSCI EM	0.90%
Bloomberg Aggregate	-0.84%
Bloomberg Govt/Credit Intermediate	-0.81%
Bloomberg US Corp Bond	-0.29%
HFRI Fund of Funds Index	1.52%
DJ Global World Real Estate	0.45%
Morningstar Real Asset	-0.06%
FTSE WGBI Index	-1.79%
30 Day T-Bill	1.21%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

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SCCT Regional Water Authority
Year to Date Investment Results
December 31, 2022 - June 30, 2023

Account Number	Account Type	Beg. Asset Value 31-Dec-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2023	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$39,989,740	\$0	\$829,426	\$40,819,166	\$43,478,724	\$2,659,558	6.57%	6.76%
447-xxx451	Union	\$23,779,677	\$0	\$38,128	\$23,817,806	\$25,415,491	\$1,597,686	6.72%	6.91%
447-xxx456	VEBA	\$8,443,859	\$0	\$0	\$8,443,859	\$9,014,625	\$570,766	6.76%	6.95%
axx15a	Matrix Trust (Salaried)	\$46,129	\$773,109	(\$731,533)	\$87,705	\$87,705	\$0	-	-
axx15b	Matrix Trust (Union)	\$15,732	\$151,771	\$31,533	\$199,036	\$199,036	\$0	-	-
axx16	Matrix Trust(VEBA)	\$584,218	\$124,227	(\$167,555)	\$540,889	\$540,889	\$0	-	-
Consolidated		\$72,859,355	\$1,049,106	\$0	\$73,908,461	\$78,736,471	\$4,828,010	6.64%	6.83%

December 31, 2022 - June 30, 2023

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (6/12) 3.38%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 7.68%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 9.08%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 9.42%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 4.57%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 5.24%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 5.40%

Russell 3000	16.17%
S&P 500	16.89%
S&P 500 Equal Weight	7.03%
Russell 1000 Value	5.12%
Russell 1000	16.68%
Russell 1000 Growth	29.02%
Russell 2000	8.09%
MSCI All Country World ex. US	9.47%
MSCI EAFE	11.67%
MSCI EM	4.89%
Bloomberg Aggregate	2.09%
Bloomberg Govt/Credit Intermediate	1.50%
Bloomberg US Corp Bond	3.21%
HFRI Fund of Funds Index	2.27%
DJ Global World Real Estate	0.66%
Morningstar Real Asset	2.11%
FTSE WGBI Index	1.66%
30 Day T-Bill	2.31%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

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SCCT Regional Water Authority
Fiscal Year Investment Results
May 31, 2022 - May 31, 2023

Account Number	Account Type	Beg. Asset Value 31-May-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-May-2023	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$41,653,250	\$0	\$677,201	\$42,330,451	\$42,115,960	(\$214,491)	-0.52%	-0.16%
447-xxx451	Union	\$25,056,535	\$0	(\$110,267)	\$24,946,268	\$24,833,519	(\$112,749)	-0.37%	0.00%
447-xxx456	VEBA	\$8,798,758	\$0	\$0	\$8,798,758	\$8,731,841	(\$66,918)	-0.76%	-0.39%
axx15a	Matrix Trust (Salaried)	\$450,006	\$194,084	(\$506,533)	\$137,558	\$137,558	\$0	-	-
axx15b	Matrix Trust (Union)	\$235,584	(\$466,577)	\$231,533	\$539	\$539	\$0	-	-
axx16	Matrix Trust(VEBA)	\$297,597	\$527,146	(\$291,934)	\$532,809	\$532,809	\$0	-	-
Consolidated		\$76,491,731	\$254,653	\$0	\$76,746,384	\$76,352,226	(\$394,158)	-0.50%	-0.13%

May 31, 2022 - May 31, 2023

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (12/12) 6.75%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills -0.51%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills -0.38%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills -0.34%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills -2.67%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills -3.05%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills -3.13%

Russell 3000	2.03%
S&P 500	2.92%
S&P 500 Equal Weight	-4.31%
Russell 1000 Value	-4.55%
Russell 1000	2.45%
Russell 1000 Growth	9.55%
Russell 2000	-4.68%
MSCI All Country World ex. US	-1.41%
MSCI EAFE	3.06%
MSCI EM	-8.49%
Bloomberg Aggregate	-2.14%
Bloomberg Govt/Credit Intermediate	-0.53%
Bloomberg US Corp Bond	-1.70%
HFRI Fund of Funds Index	1.13%
DJ Global World Real Estate	-15.89%
Morningstar Real Asset	-7.40%
FTSE WGBI Index	-5.55%
30 Day T-Bill	3.32%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

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SCCT Regional Water Authority
Trailing Twelve Month Investment Results
June 30, 2022 - June 30, 2023

Account Number	Account Type	Beg. Asset Value 30-Jun-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2023	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$39,469,859	\$0	\$690,870	\$40,160,728	\$43,478,724	\$3,317,996	8.34%	8.74%
447-xxx451	Union	\$23,720,112	\$0	(\$325,709)	\$23,394,403	\$25,415,491	\$2,021,089	8.63%	9.03%
447-xxx456	VEBA	\$8,321,614	\$0	\$0	\$8,321,614	\$9,014,625	\$693,012	8.33%	8.73%
axx15a	Matrix Trust (Salaried)	\$100,906	\$493,331	(\$506,533)	\$87,705	\$87,705	\$0	-	-
axx15b	Matrix Trust (Union)	\$41,842	(\$299,339)	\$456,533	\$199,036	\$199,036	\$0	-	-
axx16	Matrix Trust(VEBA)	\$459,895	\$396,154	(\$315,160)	\$540,889	\$540,889	\$0	-	-
Consolidated		\$72,114,228	\$590,147	\$0	\$72,704,375	\$78,736,471	\$6,032,096	8.44%	8.84%

Trailing Twelve Month Returns (12/31/2020 - 12/31/2021)

11.43% 11.81%

Trailing Twelve Month Returns (12/31/2021 - 12/31/2022)

-12.85% -12.53%

Trailing Twelve Month Returns (3/31/2022 - 3/31/2023)

-4.75% -4.40%

June 30, 2022 - June 30, 2023

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%

6.75%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills: 7.73%

Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills: 9.65%

Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills: 10.52%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills: 5.96%

Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills: 7.47%

Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills: 8.24%

Russell 3000 18.95%

S&P 500 19.59%

S&P 500 Equal Weight 13.76%

Russell 1000 Value 11.54%

Russell 1000 19.36%

Russell 1000 Growth 27.11%

Russell 2000 12.31%

MSCI All Country World ex. US 12.72%

MSCI EAFE 18.77%

MSCI EM 1.75%

Bloomberg Aggregate -0.94%

Bloomberg Govt/Credit Intermediate -0.10%

Bloomberg US Corp Bond 1.55%

HFRI Fund of Funds Index 3.68%

DJ Global World Real Estate -5.53%

Morningstar Real Asset 1.94%

FTSE WGBI Index -2.49%

30 Day T-Bill 3.70%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*447-xxx626 closed May 2022

*447-xxx627 closed July 2022

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Data Source: Morgan Stanley & Morningstar

SCCT Regional Water Authority
Trailing Three Year Investment Results
June 30, 2020 - June 30, 2023

Account Number	Account Type	Beg. Asset Value 30-Jun-2020	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2023	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$36,042,610	\$0	\$896,375	\$36,938,985	\$43,478,724	\$6,539,740	5.74%	6.13%
447-xxx451	Union	\$22,392,512	\$0	(\$1,047,699)	\$21,344,813	\$25,415,491	\$4,070,679	5.84%	6.23%
447-xxx456	VEBA	\$7,302,446	\$0	\$400,000	\$7,702,446	\$9,014,625	\$1,312,180	5.72%	6.11%
447-xxx626*	Skybridge (Salaried)	\$541,474	\$0	(\$704,240)	(\$162,766)	\$0	\$162,766	9.16%	9.16%
447-xxx627*	Skybridge (Union)	\$363,626	\$0	(\$472,852)	(\$109,226)	\$0	\$109,226	9.15%	9.15%
axx15a	Matrix Trust (Salaried)	\$255,340	(\$479,311)	\$311,675	\$87,705	\$87,705	\$0	-	-
axx15b	Matrix Trust (Union)	\$53,675	(\$1,747,869)	\$1,893,230	\$199,036	\$199,036	\$0	-	-
axx16	Matrix Trust(VEBA)	\$434,433	\$1,382,945	(\$1,276,489)	\$540,889	\$540,889	\$0	-	-
Consolidated		\$67,386,116	(\$844,235)	\$0	\$66,541,881	\$78,736,471	\$12,194,590	5.78%	6.16%

Trailing Three Year Returns (12/31/2018 - 12/31/2021)

13.43% 13.84%

Trailing Three Year Returns (12/31/2019 - 12/31/2022)

2.43% 2.79%

Trailing Three Year Returns (3/31/2020 - 3/31/2023)

8.92% 9.31%

June 30, 2020 - June 30, 2023

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%

6.75%

Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%

7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 4.21%

Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 5.80%

Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 7.36%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 4.86%

Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 6.61%

Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 8.21%

Russell 3000 13.89%

S&P 500 14.60%

S&P 500 Equal Weight 15.82%

Russell 1000 Value 14.30%

Russell 1000 14.09%

Russell 1000 Growth 13.73%

Russell 2000 10.82%

MSCI All Country World ex. US 7.22%

MSCI EAFE 8.93%

MSCI EM 2.32%

Bloomberg Aggregate -3.96%

Bloomberg Govt/Credit Intermediate -2.46%

Bloomberg US Corp Bond -3.44%

HFRI Fund of Funds Index 5.04%

DJ Global World Real Estate 1.46%

Morningstar Real Asset 6.47%

FTSE WGBI Index -6.49%

30 Day T-Bill 1.29%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*447-xxx626 closed May 2022

*447-xxx627 closed July 2022

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Data Source: Morgan Stanley & Morningstar

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SCCT Regional Water Authority
Trailing Five Year Investment Results
June 30, 2018 - June 30, 2023

Account Number	Account Type	Beg. Asset Value 30-Jun-2018	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2023	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$31,594,366	\$0	\$2,267,994	\$33,862,360	\$43,478,724	\$9,616,364	5.27%	5.67%
447-xxx451	Union	\$20,958,040	\$0	(\$1,501,035)	\$19,457,006	\$25,415,491	\$5,958,485	5.29%	5.68%
447-xxx456	VEBA	\$5,779,889	\$0	\$1,334,134	\$7,114,022	\$9,014,625	\$1,900,603	5.10%	5.49%
447-xxx626*	Skybridge (Salaried)	\$637,242	\$0	(\$704,240)	(\$66,998)	\$0	\$66,998	2.02%	2.02%
447-xxx627*	Skybridge (Union)	\$427,888	\$0	(\$472,852)	(\$44,964)	\$0	\$44,964	2.02%	2.02%
axx15a	Matrix Trust (Salaried)	\$384,345	\$505,430	(\$802,071)	\$87,705	\$87,705	\$0	-	-
axx15b	Matrix Trust (Union)	\$66,545	(\$2,447,767)	\$2,580,257	\$199,036	\$199,036	\$0	-	-
axx16	Matrix Trust(VEBA)	\$327,575	\$2,915,502	(\$2,702,187)	\$540,889	\$540,889	\$0	-	-
Consolidated		\$60,175,890	\$973,166	\$0	\$61,149,056	\$78,736,471	\$17,587,415	5.19%	5.57%

Trailing Five Year Returns (12/31/2016 - 12/31/2021)

9.86% 10.27%

Trailing Five Year Returns (12/31/2017 - 12/31/2022)

3.82% 4.20%

Trailing Five Year Returns (3/31/2018 - 3/31/2023)

4.76% 5.14%

June 30, 2018 - June 30, 2023

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%

6.75%

Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%

7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	4.81%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	5.69%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	6.21%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	4.41%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	5.20%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	5.69%

Russell 3000	11.39%
S&P 500	12.31%
S&P 500 Equal Weight	10.21%
Russell 1000 Value	8.11%
Russell 1000	11.92%
Russell 1000 Growth	15.14%
Russell 2000	4.21%
MSCI All Country World ex. US	3.52%
MSCI EAFE	4.39%
MSCI EM	0.93%
Bloomberg Aggregate	0.77%
Bloomberg Govt/Credit Intermediate	1.23%
Bloomberg US Corp Bond	1.76%
HFRI Fund of Funds Index	3.32%
DJ Global World Real Estate	0.40%
Morningstar Real Asset	3.60%
FTSE WGBI Index	-2.04%
30 Day T-Bill	1.50%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*447-xxx626 closed May 2022

*447-xxx627 closed July 2022

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Data Source: Morgan Stanley & Morningstar

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SCCT Regional Water Authority
Trailing Seven Year Investment Results
June 30, 2016 - June 30, 2023

Account Number	Account Type	Beg. Asset Value 30-Jun-2016	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2023	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$23,665,331	\$0	\$5,474,480	\$29,139,812	\$43,478,724	\$14,338,913	6.38%	6.79%
447-xxx451	Union	\$17,011,919	\$0	(\$908,504)	\$16,103,415	\$25,415,491	\$9,312,077	6.41%	6.81%
447-xxx456	VEBA	\$3,981,133	\$0	\$2,256,436	\$6,237,569	\$9,014,625	\$2,777,057	6.24%	6.65%
447-xxx626*	Skybridge (Salaried)	\$450,528	\$0	(\$603,806)	(\$153,278)	\$0	\$153,278	3.89%	3.89%
447-xxx627*	Skybridge (Union)	\$325,381	\$0	(\$432,539)	(\$107,157)	\$0	\$107,157	3.90%	3.90%
axx15a	Matrix Trust (Salaried)	\$13,068	\$3,808,582	(\$3,733,945)	\$87,705	\$87,705	\$0	-	-
axx15b	Matrix Trust (Union)	\$41,258	(\$2,066,424)	\$2,224,201	\$199,036	\$199,036	\$0	-	-
axx16	Matrix Trust(VEBA)	\$43,861	\$4,773,353	(\$4,276,324)	\$540,889	\$540,889	\$0	-	-
Consolidated		\$45,532,478	\$6,515,511	\$0	\$52,047,989	\$78,736,471	\$26,688,482	6.32%	6.71%

Trailing Seven Year Returns (12/31/2015 - 12/31/2022)

5.78% 6.17%

Trailing Seven Year Returns (3/31/2016 - 3/31/2023)

6.17% 6.56%

June 30, 2016 - June 30, 2023

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%

6.75%

Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%

7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	5.58%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	6.70%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	7.43%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	5.10%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	6.11%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	6.81%

Russell 3000	12.86%
S&P 500	13.38%
S&P 500 Equal Weight	11.45%
Russell 1000 Value	8.94%
Russell 1000	13.15%
Russell 1000 Growth	16.91%
Russell 2000	8.76%
MSCI All Country World ex. US	6.32%
MSCI EAFE	6.88%
MSCI EM	4.95%
Bloomberg Aggregate	0.44%
Bloomberg Govt/Credit Intermediate	0.76%
Bloomberg US Corp Bond	1.46%
HFRI Fund of Funds Index	4.03%
DJ Global World Real Estate	1.92%
Morningstar Real Asset	3.27%
FTSE WGBI Index	-1.79%
30 Day T-Bill	1.31%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*447-xxx626 open from April 2016 to May 2022

*447-xxx627 open from April 2016 to July 2022

The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis from Morgan Stanley & Co. Incorporated Please compare the data on this document carefully with your monthly statements to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other advisors with respect to any tax questions.

Data Source: Morgan Stanley & Morningstar

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Investment Holdings Analysis



Mutual Funds/ETFs

Results

Data as of 6/30/2023

Morningstar		Market Returns (%)								\$	% of		
Category		3 Month	YTD		1-Yr		3-Yr		5-Yr		10-Yr	Assets	Total
Cash & Equivalents													
Cash & Equivalents		-	-		-		-		-		-	\$ 217,649	0.28%
Fixed Income													
Vanguard Short-Term Treasury ETF	Short Government	-0.62	1.01	●	0.13	●	-1.15	●	0.88	●	0.69	\$ 1,171,919	1.50%
Cat: Short Government	Short Government	-0.50	1.06		-0.44		-1.65		0.51		0.51		
Guggenheim Limited Duration Instl	Short-Term Bond	0.49	2.83	●	3.13	●	0.46	●	1.71		-	\$ 304,095	0.39%
PIMCO Low Duration Income I2	Short-Term Bond	1.88	3.53	●	6.05	●	2.37	●	2.60	●	3.12	\$ 2,327,709	2.99%
Vanguard Short-Term Bond ETF	Short-Term Bond	-0.62	1.26	●	0.18	●	-1.59	●	1.12	●	1.08	\$ 272,052	0.35%
Cat: Short-Term Bond	Short-Term Bond	0.06	1.76		1.42		-0.40		1.28		1.30		
American Funds Bond Fund of Amer F2	Intermediate Core Bond	-1.38	1.44	●	-1.13	●	-3.29	●	1.49	●	1.94	\$ 2,629,912	3.38%
Cat: Intermediate Core Bond	Intermediate Core Bond	-0.81	2.16		-0.89		-3.77		0.63		1.36		
American Funds Strategic Bond F-2	Intermediate Core-Plus Bond	-3.75	-0.30	●	-4.22	●	-3.72	●	2.41		-	\$ 2,991,267	3.84%
DoubleLine Total Return Bond I	Intermediate Core-Plus Bond	-0.79	2.49	●	-1.94	●	-3.05	●	0.17	●	1.59	\$ 2,723,937	3.50%
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	-0.69	3.12	●	1.13	●	-2.81	●	1.46	●	2.33	\$ 2,462,961	3.16%
Cat: Intermediate Core-Plus Bond	Intermediate Core-Plus Bond	-0.61	2.38		-0.29		-2.99		0.91		1.69		
Idx: Bloomberg US Agg Bond TR USD	-	-0.84	2.09		-0.94		-3.96		0.77		1.52		
Idx: Bloomberg US Govt/Credit Interm TR USD	-	-0.81	1.50		-0.10		-2.46		1.23		1.41		
Idx: FTSE WGBI USD	-	-1.79	1.66		-2.49		-6.49		-2.04		-0.48		
Sub-Total Fixed Income												\$ 14,883,852	19.10%
US Equity													
Columbia Dividend Income Inst	Large Value	4.20	4.01	●	12.08	●	13.78	●	10.81	●	11.08	\$ 4,205,495	5.40%
Vanguard Value ETF	Large Value	3.57	2.55	●	10.86	●	15.39	●	9.34	●	10.49	\$ 5,591,635	7.18%
Cat: Large Value	Large Value	3.64	4.47		10.83		14.59		8.12		9.11		
Invesco S&P 500® Equal Weight ETF	Large Blend	3.93	6.93	●	13.55	●	15.59	●	10.03	●	11.18	\$ 3,617,547	4.64%
Vanguard Total Stock Market ETF	Large Blend	8.42	16.18	●	18.96	●	13.76	●	11.31	●	12.28	\$ 7,129,362	9.15%
Cat: Large Blend	Large Blend	7.18	13.35		16.88		13.43		10.72		11.38		
MFS Massachusetts Inv Gr Stk I	Large Growth	8.31	16.78	●	18.43	●	13.93	●	14.51	●	14.18	\$ 3,631,272	4.66%
Vanguard Russell 1000 Growth ETF	Large Growth	12.79	28.97	●	27.02	●	13.65	●	15.05	●	15.63	\$ 2,346,755	3.01%
Cat: Large Growth	Large Growth	10.97	24.20		22.89		9.53		11.37		13.02		
Schwab US Mid-Cap ETF™	Mid-Cap Blend	5.07	9.11	●	15.19	●	12.18	●	6.92	●	9.94	\$ 1,578,642	2.03%
Cat: Mid-Cap Blend	Mid-Cap Blend	4.59	8.25		13.96		13.42		7.44		9.32		
Idx: Russell 3000 TR USD	-	8.39	16.17		18.95		13.89		11.39		12.34		
Idx: S&P 500 TR USD	-	8.74	16.89		19.59		14.60		12.31		12.86		
Idx: Russell 1000 Value TR USD	-	4.07	5.12		11.54		14.30		8.11		9.22		
Idx: Russell 1000 TR USD	-	8.58	16.68		19.36		14.09		11.92		12.64		
Idx: Russell 1000 Growth TR USD	-	12.81	29.02		27.11		13.73		15.14		15.74		
Idx: Morningstar DYF TR USD	-	-0.05	-1.42		4.88		11.69		7.52		8.23		
Sub-Total US Equity												\$ 28,100,708	36.07%

- Green = exceeds peer group
- Yellow = trails peer group
- Red = fails to meet criteria (on watch/remove and/or replacement)

Data Source: Morgan Stanley & Morningstar

Orange = Fund position only held in VEBA

Assets as of 6/30/2023

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Mutual Funds/ETFs

Results

Data as of 6/30/2023

Data as of 6/30/2023	Morningstar	Market Returns (%)								\$		% of	
	Category	3 Month	YTD		1-Yr		3-Yr		5-Yr		10-Yr	Assets	Total
Global/International Equity													
MFS Intl Diversification I	Foreign Large Blend	2.62	10.38		14.73		6.50		5.05		6.35	\$ 3,110,665	3.99%
Vanguard Total International Stock ETF	Foreign Large Blend	2.64	9.47		12.37		7.56		3.74		5.07	\$ 3,468,548	4.45%
Cat: Foreign Large Blend	Foreign Large Blend	2.89	10.91		15.72		7.96		3.89		5.10		
American Funds Europacific Growth F2	Foreign Large Growth	2.13	12.20		15.68		5.37		4.18		6.19	\$ 3,122,203	4.01%
Vs. Index (MSCI ACWI Ex USA NR USD)	-	2.13	12.20		15.68		5.37		4.18		6.19		
Cat: Foreign Large Growth	Foreign Large Growth	2.54	12.39		15.91		4.32		4.54		6.20		
First Eagle Global I	Global Allocation	3.14	9.33		14.05		10.64		6.97		7.10	\$ 3,249,707	4.17%
Cat: Global Allocation	Global Allocation	1.64	5.20		6.54		5.94		3.62		4.43		
Idx: MSCI ACWI Ex USA NR USD	-	2.44	9.47		12.72		7.22		3.52		4.75		
Idx: MSCI ACWI NR USD	-	6.18	13.93		16.53		10.99		8.10		8.75		
Idx: MSCI EAFE NR USD	-	2.95	11.67		18.77		8.93		4.39		5.41		
Idx: MSCI EM NR USD	-	0.90	4.89		1.75		2.32		0.93		2.95		
Sub-Total Global/International Equity												\$ 12,951,122	16.62%
Balanced													
American Funds American Balanced F2	Moderate Allocation	3.96	6.93		8.79		7.03		6.95		8.24	\$ 3,529,364	4.53%
Janus Henderson Balanced I	Moderate Allocation	3.61	9.06		9.95		6.90		7.86		8.52	\$ 3,504,374	4.50%
Cat: Moderate Allocation	Moderate Allocation	3.44	7.51		8.56		6.44		5.68		6.45		
Idx: Bloomberg US Agg Bond TR USD	-	-0.84	2.09		-0.94		-3.96		0.77		1.52		
Idx: S&P 500 TR USD	-	8.74	16.89		19.59		14.60		12.31		12.86		
Sub-Total Balanced												\$ 7,033,738	9.03%
Alternative													
BlackRock Event Driven Equity Instl	Event Driven	-0.62	0.10		2.17		2.61		3.67		5.83	\$ 1,154,913	1.48%
Cat: Event Driven	Event Driven	-0.02	0.75		2.43		3.93		3.43		2.93		
JPMorgan Hedged Equity I	Options Trading	5.93	13.15		15.18		9.10		8.41		-	\$ 103,737	0.13%
Cat: Options Trading	Options Trading	5.35	11.55		13.45		6.56		4.81		4.00		
Cohen & Steers Global Realty I	Global Real Estate	1.81	3.19		-3.16		5.09		2.74		4.93	\$ 1,161,403	1.49%
Cat: Global Real Estate	Global Real Estate	0.21	1.34		-4.49		2.76		0.44		3.08		
Idx: S&P 500 TR USD	-	8.74	16.89		19.59		14.60		12.31		12.86		
Idx: Bloomberg US Agg Bond TR USD	-	-0.84	2.09		-0.94		-3.96		0.77		1.52		
Idx: Russell 3000 TR USD	-	8.39	16.17		18.95		13.89		11.39		12.34		
Idx: MSCI ACWI NR USD	-	6.18	13.93		16.53		10.99		8.10		8.75		
Idx: DJ Global World Real Estate TR USD	-	0.45	0.66		-5.53		1.46		0.40		3.56		
Sub-Total Alternative												\$ 2,420,053	3.11%
Total												\$ 65,607,122	84.21%

● Green = exceeds peer group
 ● Yellow = trails peer group
 □ Red = fails to meet criteria (on watch/remove and/or replacement)

Data Source: Morgan Stanley & Morningstar

Assets as of 6/30/2023

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Mutual Funds/ETFs

Statistics

Data as of 6/30/2023

	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap \$MM	Mstar Risk 5 Yr
Fixed Income										
Vanguard Short-Term Treasury ETF	0.04	0.04	0.26	-1.34	1.90	68	-	-	-	Below Avg
Cat: Short Government	0.62	0.62	0.31	-1.51	2.27	71	-	-	-	-
Guggenheim Limited Duration Instl	0.49	0.48	0.39	1.04	2.69	83	52.1	1.3	345	Average
PIMCO Low Duration Income I2	0.60	0.60	0.51	3.60	4.17	56	-	-	-	High
Vanguard Short-Term Bond ETF	0.04	0.04	0.42	-0.89	2.79	85	-	-	-	Average
Cat: Short-Term Bond	0.66	0.66	0.38	0.10	2.73	75	-	-	-	-
American Funds Bond Fund of Amer F2	0.33	0.33	1.01	0.76	6.25	99	-	-	-	Average
Cat: Intermediate Core Bond	0.59	0.59	0.98	0.07	6.13	97	-	-	-	-
American Funds Strategic Bond F-2	0.43	0.43	1.07	0.71	6.96	89	-	-	-	Above Avg
DoubleLine Total Return Bond I	0.48	0.48	0.81	-0.12	5.20	92	-	-	-	Low
Loomis Sayles Core Plus Bond Y	0.49	0.49	1.08	1.68	6.78	97	-	-	-	Average
Cat: Intermediate Core-Plus Bond	0.74	0.74	0.99	0.97	6.34	93	-	-	-	-
US Equity										
Columbia Dividend Income Inst	0.66	0.66	0.81	1.47	15.81	86	17.5	3.4	142590	Low
Vanguard Value ETF	0.04	0.04	0.83	2.83	16.78	80	15.7	2.3	101526	Average
Cat: Large Value	0.90	0.90	0.86	1.80	17.75	78	15.1	2.3	109214	-
Invesco S&P 500® Equal Weight ETF	0.20	0.20	0.98	1.31	18.79	89	18.0	2.6	35571	High
Vanguard Total Stock Market ETF	0.03	0.03	1.01	-0.84	18.46	99	20.1	3.4	127598	Above Avg
Cat: Large Blend	0.79	0.79	0.96	-0.52	18.01	94	20.4	3.9	243054	-
MFS Massachusetts Inv Gr Stk I	0.46	0.46	0.99	-0.36	18.39	95	29.5	5.6	178991	Low
Vanguard Russell 1000 Growth ETF	0.08	0.08	1.13	-1.98	21.70	90	28.7	9.2	324018	Average
Cat: Large Growth	0.96	0.96	1.09	-5.20	21.63	86	28.2	7.4	340378	-
Schwab US Mid-Cap ETF™	0.04	0.04	1.02	-2.03	20.16	84	14.3	2.4	9481	Above Avg
Cat: Mid-Cap Blend	0.92	0.92	0.96	-0.24	19.42	80	14.3	2.4	9948	-

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Orange = Fund position only held in VEBA

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The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

Data Source: Morgan Stanley & Morningstar

Mutual Funds/ETFs

Statistics

Data as of 6/30/2023	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap \$MM	Mstar Risk 5 Yr
Global/International Equity										
MFS Intl Diversification I	0.82	0.82	0.99	-0.58	17.23	96	14.6	1.9	34396	Below Avg
Vanguard Total International Stock ETF	0.07	0.07	1.02	0.24	17.53	99	12.6	1.5	26466	Average
Cat: Foreign Large Blend	0.92	0.92	1.03	0.70	18.16	93	13.4	1.8	50325	-
American Funds Europacific Growth F2	0.57	0.57	1.08	-1.97	19.06	94	17.1	3.0	59238	Average
Cat: Foreign Large Growth	1.05	1.05	1.06	-2.70	19.93	84	21.3	3.2	55993	-
First Eagle Global I	0.86	0.86	1.10	5.02	14.24	90	16.9	1.7	55546	Above Avg
Cat: Global Allocation	1.13	1.13	0.99	0.94	12.87	88	14.1	1.9	58922	-
Balanced										
American Funds American Balanced F2	0.36	0.36	0.94	2.04	11.79	96	16.6	3.4	137317	Below Avg
Janus Henderson Balanced I	0.66	0.66	0.99	1.83	12.68	92	23.1	5.1	231157	Average
Cat: Moderate Allocation	1.03	1.03	0.96	1.46	12.36	92	18.3	2.9	119624	-
Alternative										
BlackRock Event Driven Equity Instl	1.26	1.26	0.13	-0.29	3.43	40	20.8	2.9	16777	Average
Cat: Event Driven	1.79	1.79	0.18	0.60	5.29	27	19.5	1.6	4684	Average
JPMorgan Hedged Equity I	0.58	0.58	0.45	2.93	8.71	79	22.3	4.0	225025	Average
Cat: Options Trading	0.99	0.99	0.48	0.21	9.40	78	22.5	4.2	294236	-
Cohen & Steers Global Realty I	0.90	0.90	1.00	-5.20	18.75	84	18.7	1.3	15602	Average
Cat: Global Real Estate	1.14	1.14	1.00	-7.44	18.89	82	18.2	1.2	13081	-

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Data Source: Morgan Stanley & Morningstar

The performance shown in the preceding pages represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above. Investment returns, yields and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns of less than a year are cumulative and are not annualized and are calculated from January 1 of the reporting year. Average annual total returns are annualized and assume the reinvestment of all distributions at net asset value and the deductions of fund expenses. Data is from sources deemed reliable, however no guarantee may be made to their accuracy.

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Assets as of 6/30/2023

Data Source: Morningstar; as of 6/30/2023

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Appendix



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Glossary of Terms

Accrued Income: The dividends and interest earned but not yet received at both the beginning and end of each reporting period.

Advisory Account: An investment advisory relationship is designed for clients who prefer that their Financial Advisor act as an investment consultant, with their assets invested in a mutual fund asset allocation program or in a Advisory account that is directed by a professional money manager either at Morgan Stanley or at an external money management firm. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at <http://www.morganstanley.com/ourcommitment>

Annualized Standard Deviation: A measure of volatility, it quantifies how much a series of numbers, such as portfolio returns, deviates around its average. Since it measures the portfolio's investment volatility, the account's gross rate of return is used.

Brokerage Account: In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at <http://www.morganstanley.com/ourcommitment>

Comparative Indices: A complete description of the comparative indices included in this Performance Report is available upon request.

Dollar-Weighted Return: Rate of return calculation methodology that reflects both the timing and magnitude of external contributions and withdrawals and measures the portfolio's performance. The return for each month is calculated as the average return on all dollars invested.

Gross Return: The return of the portfolio before the deduction of fees/commissions and other expenses.

Net Contributions/Withdrawals: The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

Net Invested Capital: The sum of the Total Beginning Value and the net of additional capital Contributions and Withdrawals for each reporting period.

Net Portfolio Appreciation: The total dollar gain/loss of the portfolio for each reporting period. The Net Portfolio Appreciation includes the impact of income received and is calculated as the difference between Net Invested Capital and Total Ending Value.

Net Return: The return of the portfolio for the period reduced by the amount of fees/commissions paid. The net of fees return is calculated gross of certain custody fees.

Time-Weighted Return: Rate of return calculation methodology that eliminates the impact of external contributions and withdrawals to the portfolio value and measures the manager's performance. Portfolio returns are calculated at least monthly and individual monthly returns are geometrically linked to calculate total cumulative return.

Total Beginning Value: The total market value of the portfolio, valued on a trade date basis, at the beginning of each reporting period. The Total Beginning Value includes Accrued Income.

Total Ending Value: The total market value of the portfolio, valued on a trade date basis, at the end of each reporting period. The Total Ending Value includes Accrued Income.

Weighted Average: The average in which each yield to be averaged is assigned a weight. These weightings determine the relative importance or frequency of each yield on the average.

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CRC 3744138 06/2023



J.P. Morgan Asset Management – Index definitions

GTM

U.S.

69

All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

Equities:

The **Dow Jones Industrial Average** is a price-weighted average of 30 actively traded blue-chip U.S. stocks.

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

The **MSCI EAFE Index(Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The **MSCI Pacific Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region.

The **Russell 1000 Index®** measures the performance of the 1,000 largest companies in the Russell 3000.

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

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

The **Russell 2000 Index®** measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

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

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

The **Russell 3000 Index®** measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell Midcap Index®** measures the performance of the 800 smallest companies in the Russell 1000 Index.

The **Russell Midcap Growth Index ®** measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The **Russell Midcap Value Index ®** measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The **S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The **S&P 500 Index** focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

Fixed income:

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

The **Bloomberg Global High Yield Index** is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

The **Bloomberg Municipal Index:** consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

The **Bloomberg US Dollar Floating Rate Note (FRN) Index** provides a measure of the U.S. dollar denominated floating rate note market.

The **Bloomberg US Corporate Investment Grade Index** is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least \$250 million par amount outstanding. To qualify, bonds must be SEC-registered.

The **Bloomberg US 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.

The **Bloomberg US Mortgage Backed Securities Index** is an unmanaged index that measures the performance of investment grade fixed-rate mortgage backed pass-through securities of GNMA, FNMA and FHLMC.

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

The **J.P. Morgan Emerging Market Bond Global Index(EMBI)** includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

The **J.P. Morgan Domestic High Yield Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market.

The **J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified)** is an expansion of the **J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI)**. The CEMBI is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

The **J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified)** tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The index limits the exposure of some of the larger countries.

The **J.P. Morgan GBI EM Global Diversified** tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.

The **U.S. Treasury Index** is a component of the U.S. Government index.

J.P.Morgan
ASSET MANAGEMENT



J.P. Morgan Asset Management – Definitions

GTM

U.S.

70

Other asset classes:

The **Alerian MLP Index** is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc

The **Cambridge Associates U.S. Global Buyout and Growth Index®** is based on data compiled from 1,768 global (U.S. & ex -U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

The **CS/Tremont Hedge Fund Index** is compiled by Credit Suisse Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US\$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis, and shown net of all performance fees and expenses. It is the exclusive property of Credit Suisse Tremont Index, LLC.

The **HFRI Monthly Indices (HFRI)** are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

The **NAREIT EQUITY REIT Index** is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List.

The **NFI-ODCE**, short for NCREIF Fund Index -Open End Diversified Core Equity, is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.

Definitions:

Investing in **alternative assets** involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments and should not be deemed a complete investment program. They are not tax efficient and an investor should consult with his/her tax advisor prior to investing. Alternative investments have higher fees than traditional investments and they may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.

Bonds are subject to interest rate risks. Bond prices generally fall when interest rates rise.

Investments in **commodities** may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.

Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

Investments in **emerging markets** can be more volatile. The normal risks of investing in foreign countries are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

The price of **equity** securities may rise, or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.

Equity market neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

Global macro strategies trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some overseas markets may not be as politically and economically stable as the United States and other nations.

There is no guarantee that the use of **long and short positions** will succeed in limiting an investor's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Using long and short selling strategies may have higher portfolio turnover rates. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

Merger arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

Mid-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies. Historically, mid-cap companies' stock has experienced a greater degree of market volatility than the average stock.

Price to forward earnings is a measure of the price-to-earnings ratio (P/E) using forecasted earnings. **Price to book value** compares a stock's market value to its book value. **Price to cash flow** is a measure of the market's expectations of a firm's future financial health. **Price to dividends** is the ratio of the price of a share on a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

Real estate investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investments may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

Relative Value Strategies maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

Small-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.

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ASSET MANAGEMENT



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GTM

U.S.

71

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Unless otherwise stated, all data are as of June 30, 2023 or most recently available.

Guide to the Markets – U.S.

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ASSET MANAGEMENT

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Global Investment Manager Analysis (GIMA) Focus List, Approved List and Tactical Opportunities List; Watch Policy. GIMA uses two methods to evaluate investment products in applicable advisory programs: **Focus** (and investment products meeting this standard are described as being on the Focus List) and **Approved** (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List. Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). GIMA has a **"Watch"** policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. Certain investment products on either the Focus List or Approved List may also be recommended for the **Tactical Opportunities List** based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time. For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "Manager Selection Process."

The **Global Investment Committee** is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.

The GIC Asset Allocation Models are not available to be directly implemented as part of an investment advisory service and should not be regarded as a recommendation of any Morgan Stanley investment advisory service. The GIC Asset Allocation Models do not represent actual trading or any type of account or any type of investment strategies and none of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, advisory fees, fund expenses) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models which, when compounded over a period of years, would decrease returns.

Adverse Active AlphaSM 2.0 is a patented screening and scoring process designed to help identify high-quality equity and fixed income managers with characteristics that may lead to future outperformance relative to index and peers. While highly ranked managers performed well as a group in our Adverse Active Alpha model back tests, not all of the managers will outperform. Please note that this data may be derived from back-testing, which has the benefit of hindsight. In addition, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment

manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

The proprietary **Value Score** methodology considers an active investment strategies' value proposition relative to its costs. From a historical quantitative study of several quantitative markers, Value Score measures perceived forward-looking benefit and computes (1) "fair value" expense ratios for most traditional investment managers across 40 categories and (2) managers' perceived "excess value" by comparing the fair value expense ratios to actual expense ratios. Managers are then ranked within each category by their excess value to assign a Value Score. Our analysis suggests that greater levels of excess value have historically corresponded to attractive subsequent performance.

For more information on the ranking models, please see Adverse Active AlphaSM 2.0: Scoring Active Managers According to Potential Alpha and Value Score: Scoring Fee Efficiency by Comparing Managers' "Fair Value" and Actual Expense Ratios. The whitepapers are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. For more information on AAA, please see the Adverse Active Alpha Ranking Model and Selecting Managers with Adverse Active Alpha whitepapers. The whitepaper are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

The Global Investment Manager Analysis (GIMA) Services Only Apply to Certain Investment Advisory Programs GIMA evaluates certain investment products for the purposes of some – but not all – of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management is not obligated to provide you notice of any GIMA Status changes even though it may give notice to clients in other programs.

Strategy May Be Available as a Separately Managed Account or Mutual Fund Strategies are sometimes available in Morgan Stanley Wealth Management investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program. Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instances, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

Conflicts of Interest: GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth

Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. Separately, certain strategies managed or sub-advised by us or our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS&Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS&Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

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Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

Consider Your Own Investment Needs: The model portfolios and strategies discussed in the material are formulated based on general client characteristics including risk tolerance. This material is not intended to be an analysis of whether particular investments or strategies are appropriate for you or a recommendation, or an offer to participate in any investment. Therefore, clients should not use this material as the sole basis for investment decisions. They should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a determination may lead to asset allocation results that are materially different from the asset allocation shown in this profile. Talk to your Financial Advisor about what would be an appropriate asset allocation for you, whether Morgan Stanley Pathway Funds is an appropriate program for you.

No obligation to notify – Morgan Stanley Wealth Management has no obligation to notify you when the model portfolios, strategies, or any other information, in this material changes.

For index, indicator and survey definitions referenced in this report please visit the following: <https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>

The Morgan Stanley Pathway Funds, Firm Discretionary UMA Model Portfolios, and other asset allocation or any other model portfolios discussed in this material are available only to investors participating in Morgan Stanley Consulting Group advisory programs. For additional information on the Morgan Stanley Consulting Group advisory programs, see the applicable ADV brochure, available at www.morganstanley.com/ADV or from your Morgan Stanley Financial Advisor or Private Wealth Advisor. To learn more about the Morgan Stanley Pathway Funds, visit the Funds' website at <https://www.morganstanley.com/wealth-investmentsolutions/cgcm>. Consulting Group is a business of Morgan Stanley.

Morgan Stanley Pathway Program Asset Allocation Models There are model portfolios corresponding to five risk-tolerance levels available in the Pathway program. Model 1 is the least aggressive portfolio and consists mostly of bonds. As the model numbers increase, the models have higher allocations to equities and become more aggressive. Pathway is a mutual fund asset allocation program. In constructing the Pathway Program Model Portfolios, Morgan Stanley Wealth Management uses, among other things, model asset allocations produced by Morgan Wealth Management's Global Investment Committee (the "GIC"). The Pathway Program Model Portfolios are specific to the Pathway program (based on program features and parameters, and any other requirements of Morgan Stanley Wealth Management's Consulting Group). The Pathway Program Model Portfolios may therefore differ in some respects from model portfolios available in other Morgan Stanley Wealth Management programs or from asset allocation models published by the Global Investment Committee.

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals; (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the

other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual fund or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund's essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or "leverage."

Please consider the investment objectives, risks, fees, and charges and expenses of mutual funds, ETFs, closed end funds, unit investment trusts, and variable insurance products carefully before investing. The prospectus contains this and other information about each fund. To obtain a prospectus, contact your Financial Advisor or Private Wealth Advisor or visit the Morgan Stanley website at www.morganstanley.com. Please read it carefully before investing.

Money Market Funds: You could lose money in money market funds. Although money market funds classified as government funds (i.e., money market funds that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., money market funds open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other money market funds will fluctuate and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A money market fund investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Investors should carefully consider the investment objectives, risks, charges and expenses of a money market fund before investing. The prospectus contains this and other information about the money market fund. To obtain a prospectus, contact your Financial Advisor or visit the money market fund company's website. Please read the prospectus carefully before investing.

Exchange Funds are private placement vehicles that enable holders of concentrated single-stock positions to exchange those stocks for a diversified portfolio. Investors may benefit from greater diversification by exchanging a concentrated stock position for fund shares without triggering a taxable event. These funds are available only to qualified investors and may only be offered by Financial Advisors who are qualified to sell alternative investments. Before investing, investors should consider the following:

- Dividends are pooled
- Investors may forfeit their stock voting rights
- Investment may be illiquid for several years
- Investments may be leveraged or contain derivatives
- Significant early redemption fees may apply
- Changes to the U.S. tax code, which could be retroactive (potentially disallowing the favorable tax treatment of exchange funds)
- Investment risk and potential loss of principal

KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. Some funds also invest in foreign securities, which may involve currency risk. There is no assurance that the fund will achieve its investment objective. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S.

Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not appropriate for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount from their NAV which may increase investors' risk of loss. The risk of loss due to this discount may be greater for investors expecting to sell their shares in a relatively short period after completion of the public offering. This characteristic is a risk separate and distinct from the risk that a closed-end fund's net asset value may decrease as a result of investment activities. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases or sells shares of a closed-end fund, shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

Structured Investments are complex and not appropriate for all investors. An investment in Structures Investments involve risks. These risks can include but are not limited to: (1) Fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality, (2) Substantial or total loss of principal, (3) Limits on participation in appreciation of underlying instrument, (4) Limited liquidity, (5) Issuer credit risk and (6) Conflicts of Interest. There is no assurance that a strategy of using structured product for wealth preservation, yield enhancement, and/or interest rate risk hedging will meet its objectives.

Alternative investments may be either traditional alternative investment vehicles, such as hedge funds, fund of hedge funds, private equity, private real estate and managed futures or, non-traditional products such as mutual funds and exchange-traded funds that also seek alternative-like exposure but have significant differences from traditional alternative investments. Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; and Risks associated with the operations, personnel, and processes of the manager. Further, opinions regarding Alternative Investments expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management.

Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing.

Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by advisory clients. Morgan Stanley Wealth Management rebates such fees that are received and attributable to an Investment held by an advisory client and retains the fees paid in connection with investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, “blow ups,” or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial “lift” or upwards bias.

Hedge Funds of Funds and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor’s goals by the pre-established year or “target date.” A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are appropriate only for the risk capital portion of an investor’s portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors.

Virtual Currency Products (Cryptocurrencies)

Buying, selling, and transacting in Bitcoin, Ethereum or other digital assets (“Digital Assets”), and related funds and products, is highly speculative and may result in a loss of the entire investment. Risks and considerations include but are not limited to:

- Digital Assets have only been in existence for a short period of time and historical trading prices for Digital Assets have been highly volatile. **The price of Digital Assets could decline rapidly, and investors could lose their entire investment.**
- Certain Digital Asset funds and products, allow investors to invest on a more frequent basis than investors may withdraw from the fund or product, and interests in such funds or products are generally not freely transferrable. This means that, particularly given the volatility of Digital Assets, an investor will have to bear any losses with respect to its investment for an extended period of time and will not be able to react to changes in the price of the Digital Asset once invested (for example, by seeking to withdraw) as quickly as when making the decision to invest. Such Digital Asset funds and products, are intended only for persons who are able to bear the economic risk of investment and who do not need liquidity with respect to their investments.
- Given the volatility in the price of Digital Assets, the net asset value of a fund or product that invests in such assets at the time an investor’s subscription for interests in the fund or product is accepted may be significantly below or above the net asset value of the product or fund at the time the investor submitted subscription materials.

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- Certain Digital Assets are not intended to function as currencies but are intended to have other use cases. These other Digital Assets may be subject to some or all of the risks and considerations set forth herein, as well as additional risks applicable to such Digital Assets. Buyers, sellers and users of such Digital Assets should thoroughly familiarize themselves with such risks and considerations before transacting in such Digital Assets.
 - The value of Digital Assets may be negatively impacted by future legal and regulatory developments, including but not limited to increased regulation of such Digital Assets. Any such developments may make such Digital Assets less valuable, impose additional burdens and expenses on a fund or product investing in such assets or impact the ability of such a fund or product to continue to operate, which may materially decrease the value of an investment therein.
 - Due to the new and evolving nature of digital currencies and the absence of comprehensive guidance, many significant aspects of the tax treatment of Digital Assets are uncertain. Prospective investors should consult their own tax advisors concerning the tax consequences to them of the purchase, ownership and disposition of Digital Assets, directly or indirectly through a fund or product, under U.S. federal income tax law, as well as the tax law of any relevant state, local or other jurisdiction.
 - Over the past several years, certain Digital Asset exchanges have experienced failures or interruptions in service due to fraud, security breaches, operational problems or business failure. Such events in the future could impact any fund's or product's ability to transact in Digital Assets if the fund or product relies on an impacted exchange and may also materially decrease the price of Digital Assets, thereby impacting the value of your investment, regardless of whether the fund or product relies on such an impacted exchange.
 - Although any Digital Asset product and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's Digital Asset could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's Digital Asset.
 - Investors in funds or products investing or transacting in Digital Assets may not benefit to the same extent (or at all) from "airdrops" with respect to, or "forks" in, a Digital Asset's blockchain, compared to investors who hold Digital Assets directly instead of through a fund or product. Additionally, a "fork" in the Digital Asset blockchain could materially decrease the price of such Digital Asset.
 - Digital Assets are not legal tender, and are not backed by any government, corporation or other identified body, other than with respect to certain digital currencies that certain governments are or may be developing now or in the future. No law requires companies or individuals to accept digital currency as a form of payment (except, potentially, with respect to digital currencies developed by certain governments where such acceptance may be mandated). Instead, other than as described in the preceding sentences, Digital Asset products' use is limited to businesses and individuals that are willing to accept them. If no one were to accept digital currencies, virtual currency products would very likely become worthless.
 - Platforms that buy and sell Digital Assets can be hacked, and some have failed. In addition, like the platforms themselves, digital wallets can be hacked, and are subject to theft and fraud. As a result, like other investors have, you can lose some or all of your holdings of Digital Assets.
 - Unlike US banks and credit unions that provide certain guarantees of safety to depositors, there are no such safeguards provided to Digital Assets held in digital wallets by their providers or by regulators.
 - Due to the anonymity Digital Assets offer, they have known use in illegal activity, including drug dealing, money laundering, human tracking, sanction evasion and other forms of illegal commerce. Abuses could impact legitimate consumers and speculators; for instance, law enforcement agencies could shut down or restrict the use of platforms and exchanges, limiting or shutting of entirely the ability to use or trade Digital Asset products.
 - Digital Assets may not have an established track record of credibility and trust. Further, any performance data relating to Digital Asset products may not be verifiable as pricing models are not uniform.
 - Investors should be aware of the potentially increased risks of transacting in Digital Assets relating to the risks and considerations, including fraud, theft, and lack of legitimacy, and other aspects and qualities of Digital Assets, before transacting in such assets.
 - The exchange rate of virtual currency products versus the USD historically has been very volatile and the exchange rate could drastically decline. For example, the exchange rate of certain Digital

Assets versus the USD has in the past dropped more than 50% in a single day. Other Digital Assets may be affected by such volatility as well.

- Digital Asset exchanges have limited operating and performance histories and are not regulated with the same controls or customer protections available to more traditional exchanges transacting equity, debt, and other assets and securities. There is no assurance that a person/exchange who currently accepts a Digital Asset as payment will continue to do so in the future.
- The regulatory framework of Digital Assets is evolving, and in some cases is uncertain, and Digital Assets themselves may not be governed and protected by applicable securities regulators and securities laws, including, but not limited to, Securities Investor Protection Corporation coverage, or other regulatory regimes.
- Morgan Stanley Smith Barney LLC or its affiliates (collectively, "Morgan Stanley") may currently, or in the future, offer or invest in Digital Asset products, services or platforms. The proprietary interests of Morgan Stanley may conflict with your interests.
- The foregoing list of considerations and risks are not and do not purport to be a complete enumeration or explanation of the risks involved in an investment in any product or fund investing or trading in Digital Assets.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

Rebalancing does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. Investors should consult with their tax advisor before implementing such a strategy.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

To obtain **Tax-Management Services**, a client must complete the Tax-Management Form, and deliver the signed form to Morgan Stanley. For more information on Tax-Management Services,

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HYPOTHETICAL MODEL PERFORMANCE (GROSS): Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC’s strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight. Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated. Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense

of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products. Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

FEES REDUCE THE PERFORMANCE OF ACTUAL ACCOUNTS: None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at www.morganstanley.com/adv. The following hypothetical illustrates the compound effect fees have on investment returns: For example, if a portfolio's annual rate of return is 15% for 5 years and the account pays 50 basis points in fees per annum, the gross cumulative five-year return would be 101.1% and the five-year return net of fees would be 96.8%. Fees and/or expenses would apply to clients who invest in investments in an account based on these asset allocations, and would reduce clients' returns. The impact of fees and/or expenses can be material.

Variable annuities are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options. Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract. If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection. Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment. **Ultrashort-term fixed income** asset class is comprised of fixed income securities with high quality, very short maturities. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. MLP funds accrue deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments; this deferred tax liability is reflected in the daily NAV, and, as a result, the MLP fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be appropriate for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor.

REITs investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions. Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency;

volatility (risk of loss); and leverage. Principal is returned on a monthly basis over the life of a **mortgage-backed security**. Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds. **Asset-backed securities** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to change. **Duration**, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. The majority of \$25 and \$1000 par **preferred securities** are “callable” meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price. The initial interest rate on a **floating-rate security** may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. The market value of **convertible bonds** and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable bonds may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Some \$25 or \$1000 par **preferred securities** are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional 'dividend paying' perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period – 91 days during a 180 day window period, beginning 90 days before the ex-dividend date.

Companies paying **dividends** can reduce or cut payouts at any time.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time. Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.

Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels.

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Discussion Outline & Agenda

	Section
Investment Menu Structure & Assets	I.
401(k) Plan Initiatives	II.
401(k) Plan Metrics	III.

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Investment Menu Structure & Assets

Investment Menu Structure & Assets

Fixed Income

Stable Value

Putnam Stable Value

Bond

Intermediate Core-Plus Bond:

PIMCO Total Return

Multisector Bond:

JHancock Strategic Income Opps

Total Fixed Income: \$10,180,617.62

Target Date

JPMorgan SmartRetirement Target Date

Total Target Date: \$8,668,324.32

Risk Based

MFS Risk Based Allocation

Conservative, Moderate, Growth

Total Risk Based: \$4,419,916.80

Investment Menu Structure & Assets

Equity Funds				
		Value	Core/Blend	Growth
Large	Mid	Putnam Large Cap Value	Vanguard 500 Index (Passive) MFS Massachusetts Investors Tr (Active)	American Funds Growth Funds of Amer MFS Massachusetts Inv Gr Stk
		MFS Mid Cap Value		Principal Midcap Janus Henderson Enterprise
		Delaware Small Cap Value		JPMorgan Small Cap Growth

Total US Equity: \$29,143,160.90

Int'l	Developed	American Funds EuroPacific Growth
	EM	Invesco Developing Markets

Total International Equity: \$3,270,224.92

Total 401(k) Plan Assets: \$55,682,244.56

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401(k) Plan Initiatives

Committee Mission for your 401(k) – an ongoing process, supported by your Advisors

Fiduciary Governance

Build a Reliable and Repeatable Process Around All Critical Plan Components

- Fiduciary Audit File to document procedural process

Initial and Ongoing Training of Plan Committee Members

Legislative and Regulatory Updates

Employee Engagement

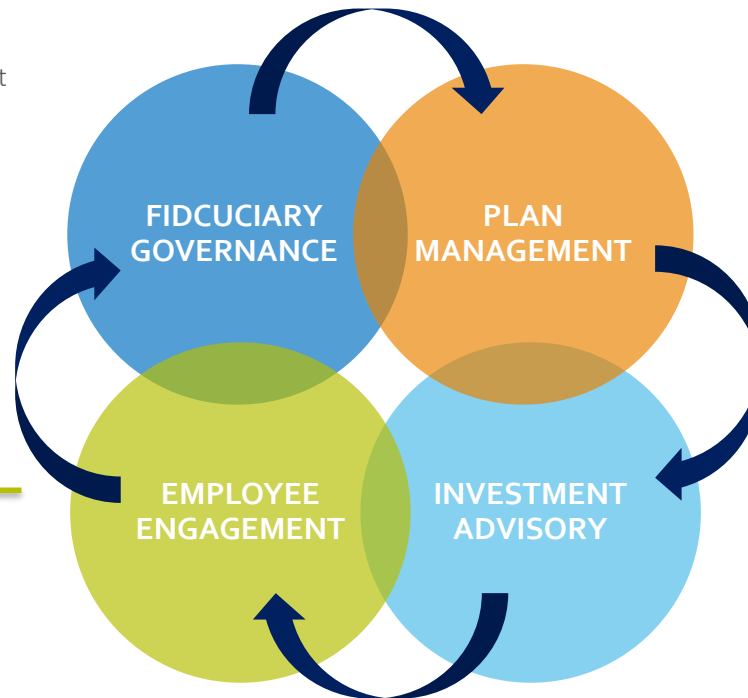
Drive Employee Engagement

- Analyze plan demographics, to formulate short and long term education goals and objectives
- Develop and deliver customized education programs tailored to your specific objectives

Ongoing Employee Education

Improve Retirement Readiness

- Risk-based and Target Date Custom Model Portfolios



Plan Management

Strategic Planning

- Consulting, Administrative and Operational Support

Plan Design Consulting & Support

Plan Benchmarking

- Evaluate and understand plan services and costs
- Assess reasonableness of plan costs relative to services received

Vendor Search Services

- Complete project management

Investment Advisory

Investment Oversight

- Conduct needs analysis
- Investment Policy Statement (IPS)
- Asset class analysis including the creation of Custom Model Portfolios

Provide Ongoing Fund Selection & Monitoring

- Performance reporting & analytics

ERISA 3(21) and/or 3(38) Fiduciary Services Available

Committee Mission for your 401(k) – an ongoing process, supported by your Advisors

Fiduciary Governance

- Fiduciary Training
- SECURE 2.0

Plan Management

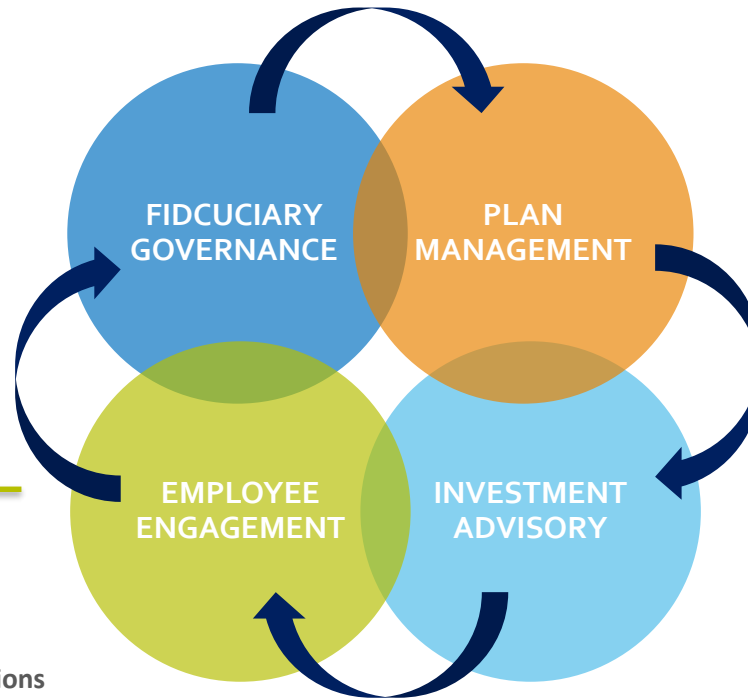
- Plan Benchmarking:
 - Comprehensive plan costs benchmarking via Fiduciary Decisions, Inc.

Employee Engagement

- Monthly Webinars
- On-site and Virtual:
 - Retirement Readiness
 - One-on-one consultations

Investment Advisory

- Provide Ongoing Investment Monitoring
 - Performance reporting & analytics
- ERISA 3(21) Services



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401(k) Plan Metrics

401(k) Plan Metrics



Total Plan Participants	365
Active (incl. Well Services)	290
Non-active	75

Participation Rate – salary deferral	84% (244 active)
Average Contribution Rate	9.1%

401(k) Plan Metrics



Unique Webinar Participants (since 2021)	46
Webinar Topics	11
Webinars offered	33

Onsite Retirement Readiness (2023)	16
One-on-one consultations (2023)	7
Average annual calls/e-mails	12-15

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**South Central Connecticut Regional Water Authority
Minutes of the June 22, 2023 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, June 22, 2023, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chairman Borowy presided.

Present: Authority – Messrs. Borowy, Curseaden, and Mss. LaMarr and Sack
Management – Mss. Kowalski and Calo, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, Singh, and Triana
RPB – Ms. Campbell and Mr. Ricozzi
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:30 p.m. He reviewed the Safety Moment distributed to members.

Chair Borowy offered the opportunity for members of the public to comment. There were no members of the public present.

At 12:31 p.m., on motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Strategic Planning Committee.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

At 2:55 p.m., the Authority reconvened.

On motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to approve, adopt, or receive, as appropriate, the following items in the Consent Agenda, as amended:

1. Minutes of the May 25, 2023 meeting
2. Capital budget authorization for July 2023

RESOLVED, that the Vice President & Chief Financial Officer is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$4,500,000 for the month of July 2023 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for Fiscal Year 2024 for all Capital Improvement Projects to be exceeded.

3. Key Performance Indicators for FY 2023 4th Quarter.
4. Accounts Receivable Update for May 2023.
5. FY 2024 RPB Weighted Vote Calculation.
6. RPB Dashboard Report

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski, RWA's Vice President & Chief Financial Officer, reviewed the Year-end Financial Report for the fiscal year ended May 31, 2023, which included:

- Balance sheet
- Statement of revenues, expenses, and changes in net position
- Maintenance test year-end projections
- Operating and maintenance key variances
- Capital budget report
- Investment earnings report

Ms. Kowalski distributed to Authority members a memorandum dated June 16, 2023, regarding "Distribution of Fiscal Year 2023 Revenue Fund Balance and General Fund Balance per Section 404D of the *General Bond Resolution*." She reported on funds available for allocation from the Revenue Fund and the General Fund.

Ms. Sack moved for adoption of the following three resolutions:

1. **WHEREAS**, the Vice President & Chief Financial Officer has and will make certain transfers from the Revenue Fund as required by Section 404D of the General Bond Resolution; and

WHEREAS, the balance remaining in the Revenue Fund, after taking into account such transfers as of year-end, is approximately \$25,375,763 and pursuant to the General Bond Resolution will be deposited to the General Fund.

NOW THEREFORE BE IT RESOLVED that after such transfer is made to the General Fund, the balance of the General Fund is approximately \$37,125,763.

2. **WHEREAS**, pursuant to section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority.

NOW THEREFORE BE IT RESOLVED BY THE REGIONAL WATER AUTHORITY, that the Vice President & Chief Financial Officer is hereby authorized and directed to transfer from the General Fund \$4,000,000 to the Growth Fund.

3. **WHEREAS**, pursuant to section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority.

NOW THEREFORE BE IS RESOLVED BY THE REGIONAL WATER AUTHORITY, that the Vice President & Chief Financial officer is hereby authorized and directed to transfer and pay over from the General Fund \$20,375,763 to the Construction Fund.

Ms. LaMarr seconded the motion. After discussion, the Chair called for the vote.

Borowy	Aye
--------	-----

Curseaden	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski described management's requests for Authority approval to: 1) release \$5,154,000 from the reserve, as noted in the FY 2024 capital budget, to specific project accounts, 2) release \$1,744,000 for projects added to the reserve subsequent to the submission of the FY 2024 capital budget, and 3) release \$837,460 to be distributed to projects carried over from FY 2023. Ms. LaMarr moved for adoption of the following resolution:

RESOLVED: The proposed revision to the Capital Budget for the Authority for the 2024 fiscal year presented to this meeting, including the revised capital improvements plan, for fiscal 2024 through fiscal 2028, is hereby adopted and ordered to be filed, with the records, to U.S. Bank Trust Company, National Association pursuant to Section 614 of the General Bond Resolution.

Ms. Sack seconded the motion. After discussion, the Chair called for the vote.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Chair Borowy stated that the RWA's enabling legislation requires the Authority to purchase a bond to be executed by the Treasurer. Ms. Sack moved for adoption of the following resolution:

WHEREAS, under Section 7 of Special Act 77-98, as amended, there is a requirement for the Treasurer to execute a bond conditioned upon the faithful performance of the duties of his/her office. Section 7 also states the amount and sufficiency of which shall be approved by the Authority and the premium shall be paid by the Authority.

NOW THEREFORE BE IT RESOLVED, that the Authority hereby authorizes management to purchase such bond, to be executed by the Treasurer, in the amount of \$10,000, as required under Section 7, of Special Act 77-98, as amended.

Mr. Curseaden seconded the motion. After discussion, the Chair called for the vote.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Authority members reported on recent Representative Policy Board (RPB) committee meetings and assignments were made for the next quarter.

Mr. Bingaman:

- Reported that earlier in the month he met Senator Blumenthal and First Selectwoman Drugonis at the Seymour Wellfield in recognition of the federal funding for the Seymour Wellfield generator, as well as funding for the HVAC and electrical improvements at the Lake Gaillard Water Treatment Plant in North Branford.

- Stated that he met with the Chief Manufacturing Officer for Connecticut to visit the Athletic Brewing Company in Milford to present a certificate for qualifying for the RWA's Economic Development rate. This rate is an incentive for economic development for qualifying commercial and industrial customers new to, or significantly expanding within, our service area, as well as distressed businesses contemplating closure, that meet water usage and other criteria. He also met with the President of Baron Technology in Milford to tour the facility. The organization specializes in customer engraving and finishing on a variety of materials.
- Highlighted a meeting with two co-Presidents of AdvancedCT, a non-profit organization that markets Connecticut to businesses to discuss excess water supply as a recruiting tool. He stated that he is under consideration for a seat on the board and that a vote will be held in September.
- Commented on a meeting last week with the First Selectman Jim Zeoli of Orange to discuss the lead & copper rule and review RWA's commercial business strategy. The meeting was productive and the First Selectman was responsive and offered to help communicate with customers about the lead & copper rule.

Mr. Singh, the RWA's Chief Information Digital Officer & Vice President of Customer Care, provided a Customer Information System Update, which included:

- Accomplishments
- Current Activities
- Decisions, Risks & Issues
- Next Steps

At 3:45 p.m., on motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Commercial Business Committee.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

At 3:53 p.m., Ms. Campbell withdrew from the meeting.

At 5:00 p.m., the Authority reconvened.

Chair Borowy stated that the Strategic Planning Committee recommended the adoption of the RWA's FY 2024 Strategic Plan & Global Metrics. On motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to adopt the Authority's FY 2024 Strategic Action Plan & Global Metrics.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

At 5:02 p.m., Mr. Triana, entered the meeting.

Chair Borowy summarized the disposition of RWA owned properties; Beech Street and Poms Lane, both located in North Branford, Connecticut. After discussion, Ms. Sack moved for approval of the following resolutions:

1. Beech Street, North Branford, Connecticut:

RESOLVED that the Authority hereby accepts the Application for Disposition for 17.22 acres located west of Beech St. in North Branford that is part of Land Unit NB 4, as a completed Application, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board; and

FURTHER RESOLVED, if approved by the Representative Policy Board, the President and CEO, and the Vice President Engineering and Environmental Services, are authorized to take any and all actions necessary to complete the transfer interest in real estate.

2. Poms Lane, North Branford, Connecticut:

RESOLVED that the Authority hereby accepts the Application for Disposition for 19.462 acres located north of Poms La. in North Branford that is part of Land Unit NB 4, as a completed Application, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board; and

FURTHER RESOLVED, if approved by the Representative Policy Board, the President and CEO, and the Vice President Engineering and Environmental Services, are authorized to take any and all actions necessary to complete the transfer interest in real estate.

Ms. LaMarr seconded the motion. The Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
Sack	Aye

At 5:05 p.m., on motion made by Ms. LaMarr, seconded by Mr. Curseaden, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Respectfully submitted,

Catherine E. LaMarr, Secretary

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020
<http://www.rwater.com>

MEMORANDUM

TO: David J. Borowy
Kevin J. Curseaden
Catherine E. LaMarr
Mario Ricozzi
Suzanne C. Sack

FROM:  Rochelle Kowalski
Vice President & Chief Financial Officer

DATE: July 21, 2023

SUBJECT: Capital budget authorization request for August 2023

Attached for your meeting on July 27, 2023, is a copy of the resolution authorizing expenditures against the capital improvement budget for August 2023. The amount of the requested authorization, for funds held by the trustee, is \$3,900,000.

This would result in projected expenditures through August 2023 of \$9,151,335 or 15.8% of the total 2024 fiscal year capital budget, including State and Redevelopment.

Attachment

RESOLVED

That the Vice President & Chief Financial Officer is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,900,000 for the month of August 2023 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2024 for all Capital Improvement Projects to be exceeded.

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020

<http://www.rwater.com>

TO:

David J. Borowy
Kevin J. Curseaden
Catherine E. LaMarr
Mario Ricozzi
Suzanne C. Sack

FROM:



Rochelle Kowalski

DATE:

July 21, 2023

SUBJECT: Capital Budget Transfers

The status of all capital projects are reviewed on a monthly basis. In an effort to obtain efficiencies in our capital program, any anticipated unspent funds are reallocated to support reprioritized projects or existing projects. Below is a summary of the attached capital budget transfers and amendments.

	Available Funds	Reallocation of Project/Funds
Spring Street Pump Station Replacement	\$36,750	Roses Brook Water Quality Improvements

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	7/17/2023	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	24-01	Jul/23
Requested By:	William Henley			

Transfer From:	
Account Number:	001-000-107125-150065
Project Description:	Spring Street Pump Station Replacement
A) Original Budget	\$ 1,000,000
B) Total Previous Transfers (In or Out)	\$ -
C) This Transfer	\$ 36,750
D) Revised Budget (A+/-B-C)	\$ 963,250
E) Estimated Project Costs	\$ 500,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 463,250
Explanation why funds are available: Project expenditures are anticipated to be under budget for Fiscal Year 2024.	

Transfer To:	
Account Number:	001-000-107112-116125
Project Description:	Roses Brook Water Quality Improvements
A) Original Budget	\$ -
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ -
D) Amount to be Transferred	\$ 36,750
E) Proposed Revised Budget (C+D)	\$ 36,750
Explanation why funds are needed: This amendment will fund the design, construction, and monitoring of a pilot forebay at the mouth of Roses Brook. This is the next step of the project initiated in FY 2023, and will accelerate the pilot work from it's planned start in FY 2025, and will be executed during the summers of calendar years 2023 and 2024. The forebay will be constructed for treatment of highly organic source waters, and will likely be a simple detention basin where a small proportion of water would be monitored for degradation of organic compounds. It would also be a test bed for various technological and biolocalization methodologies for removal of organics that are the precursors for disinfection byproducts (DBPs). The total cost of project work in FY 2024 is estimated at \$36,750.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	approved at CMC	7/13/2023
2) Donor Vice President/Director	approved at CMC	7/13/2023
3) Vice President - Finance	approved at CMC	7/13/2023
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
June 30, 2023 (FY 2024)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY23 revenue for water, including wholesale and fire service, is over budget by \$251k (approx. 2%).
Metered water revenue is over budget by \$227k (approx. 2%).

Total net other revenue is \$135k over budget primarily due to other water revenues being higher and other proprietary expense being lower than budget.

Operating Expenses

Operating and Maintenance Expenses are currently under budget due to the following:

Payroll is under budget primarily due to head count under runs.	\$	(513,000)
Utilities & Fuel is under budget primarily due to timing.		(65,000)
Pump Power is under budget primarily due to timing.		(98,000)
Chemicals Expense is over budget due to higher than anticipated costs in June.		258,000
Outside Services is under budget primarily due to timing.		(65,000)
Info. Technology Licensing & Maintenance Fees are under budget primarily due to timing.		(124,000)
All Other		<u>(214,000)</u>
<u>Interest Income</u>		(821,000)

Interest Income is above budget primarily due to higher investment earnings.

PROJECTED MAINTENANCE TEST

The projected coverage is 1.14 with no shortfall.

REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING JUNE 30, 2023

Pg 2

	FY 2023 Actual	FY 2024 Budget	FY 2024 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 10,011	\$ 10,350	\$ 10,577	\$ 227
Fire service	1,067	1,073	1,065	(8)
Wholesale	66	57	88	31
Other revenue - water	339	339	420	81
Other revenue - proprietary	776	914	914	1
Total operating revenues	12,259	12,733	13,065	332
Operating expenses				
Operating and maintenance expense	4,087	5,690	4,869	(821)
Expense associated with other revenue - water	118	182	187	5
Expense associated with other revenue - proprietary	328	363	305	(58)
Provision for uncollectible accounts	76	50		(50)
Depreciation	2,048	2,025	2,025	-
Payment in lieu of taxes	745	768	765	(4)
Amortization Pension Outflows/Inflows	37	46	46	(0)
Amortization OPEB Outflows/Inflows	(51)	(54)	(54)	0
Total operating expenses	7,387	9,070	8,143	(927)
Operating income	4,872	3,663	4,922	1,260
Nonoperating income and (expense)				
Interest income	296	641	919	278
(Loss) Gain on disposal of assets			-	-
Realized and unrealized (losses) gains on investments			-	-
Interest expense	(1,933)	(1,835)	(1,832)	3
Amortization of bond discount, premium, issuance cost and deferred losses	265	237	235	(2)
Amortization of Goodwill			-	-
Intergovernmental revenue			-	-
Contributions to related entities			-	-
Total nonoperating income and (expense) before capital contributions	(1,372)	(957)	(678)	279
Income (expense) before contributions	3,500	\$ 2,706	4,244	\$ 1,540
Capital contributions				
Change in net assets	156		(0)	
Total net assets - beginning of fiscal year	252,020		280,846	
Total net assets - end of reporting month	\$ 255,677		\$ 285,090	

	Budget	Projected	(Under)Over
FY 2024 MAINTENANCE TEST	FY 2024	FY 2024	FY 2024
(Budget vs. Projected)	@114%	@114%	@114%
Revenue Collected:			
Water sales	129,136	129,136	-
Interest Income	3,371	3,371	-
BABs Subsidy	657	657	-
Other Net	8,468	8,468	-
Common Non-Core	(375)	(375)	-
Total	141,257	141,257	-
Less:			
Operating and maintenance expenses	(69,318)	(69,318)	-
Depreciation	(8,875)	(8,875)	-
PILOT (A)	(9,100)	(9,100)	-
Net Avail for Debt Service (B)	\$ 53,964	\$ 53,964	\$ -
Debt Service Payments (C)	\$ 47,207	47,207	\$ -
Debt Service @ 114% (D)	\$ 53,816	53,816	\$ -
Difference (B-D)	\$ 148	\$ 148	
RSF, Growth and/or General Fund (D)	-		
Coverage	114%	114%	

**REGIONAL WATER AUTHORITY
OPERATING AND MAINTENANCE EXPENSE
JUNE 30, 2023**

Pg 3

PERIOD ENDING JUNE 30, 2023

	FY 2023 Actual	FY 2024 Budget	FY 2024 Actual	(Under) Over
1 Payroll	\$ 1,865	\$ 2,091	\$ 1,578	\$ (513)
2 Employee Benefits	520	632	585	(47)
Pension Contributions	222	332	332	0
3 Administrative Building	55	92	76	(16)
4 General & Administrative	38	121	137	16
5 Transportation	44	77	69	(8)
6 Tools & Stores	15	31	15	(16)
7 Utilities & Fuel	58	139	74	(65)
8 Material From Inventory	31	29	20	(9)
9 Pump Power Purchased	200	306	208	(98)
10 Chemicals	207	312	570	258
11 Road Repairs	10	27	21	(6)
14 Postage	47	42	(0)	(42)
15 Printing & Forms	2	8	1	(7)
17 Collection Expense	83	118	90	(28)
18 Business Improvement	-	16	20	4
19 Public/Customer Information	14	17	24	7
20 Outside Services	158	432	366	(65)
21 Insurance Premiums	122	139	129	(10)
22 Worker's Compensation, pre-Churchill	4	3	10	7
23 Damages	1	6	2	(4)
24 Training & Cont. Education	7	57	12	(45)
25 Authority Fees	11	14	6	(8)
26 Consumer Counsel	(0)	5	11	6
27 RPB Fees	12	14	14	0
28 Organizational Dues	12	7	7	0
29 Donations	-	1	4	4
34 Central Lab/Water Quality	(13)	28	22	(7)
40 Environmental Affairs	2	8	12	5
44 Info. Technology Licensing & Maintenance Fees	135	280	156	(124)
45 Maintenance and Repairs	201	288	275	(13)
46 Regulatory Asset Amortization	23	19	23	4
	<u>\$ 4,087</u>	<u>\$ 5,690</u>	<u>\$ 4,869</u>	<u>\$ (821)</u>

South Central Regional Water Authority

Analysis of Accounts Receivable ("A/R")

(\$000 omitted)

Denotes City of New Haven Invoicing (pre-monthly billing)

Total Accounts Receivable Aging (in days)

	Jun-23	May-23	April	March	Feb	Jan	Dec	Nov	Oct	Sept	Aug	July	June
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022	2022
Under 30	\$ 7,293	\$ 5,586	\$ 6,922	\$ 4,954	\$ 5,926	\$ 6,550	\$ 6,158	\$ 6,197	\$ 7,228	\$ 8,082	\$ 7,220	\$ 8,465	\$ 6,543
31-60	1,183	1,498	1,513	1,615	1,865	1,621	1,910	2,267	2,454	2,403	2,481	2,216	1,620
61-90	650	498	703	786	1,062	1,070	1,053	966	868	1,222	882	731	1,002
91-180	1,085	1,171	1,111	1,301	1,583	1,558	1,516	1,382	1,492	1,603	1,476	1,714	1,737
181-360	1,295	1,452	1,458	1,591	1,680	1,890	1,828	2,159	2,083	2,014	2,201	1,889	1,606
More than 1 year	4,682	4,676	4,864	5,036	5,263	5,239	5,085	4,950	5,090	5,181	4,991	5,085	5,169
Sub Total	16,188	14,881	16,571	15,283	17,379	17,928	17,550	17,921	19,215	20,505	19,251	20,100	17,677
Interest due	1,633	1,618	1,627	1,668	1,699	1,674	1,651	1,648	1,624	1,629	1,561	1,502	1,458
Total Gross A/R plus interest	\$ 17,821	\$ 16,499	\$ 18,198	\$ 16,951	\$ 19,078	\$ 19,602	\$ 19,201	\$ 19,569	\$ 20,839	\$ 22,134	\$ 20,812	\$ 21,602	\$ 19,135

Aged Accounts Receivable Focus of Collection Efforts

	Jun-23	May-23	April	March	Feb	Jan	Dec	Nov	Oct	Sept	Aug	July	June
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022	2022
Greater than 60 days:													
A/R	\$ 9,116	\$ 9,154	\$ 9,502	\$ 10,121	\$ 11,020	\$ 11,172	\$ 10,864	\$ 10,820	\$ 10,879	\$ 11,378	\$ 10,956	\$ 10,666	\$ 10,702
Less: Multi-Tenants	(2,035)	(2,435)	(2,868)	(2,705)	(2,806)	(2,923)	(2,831)	(2,900)	(2,931)	(2,812)	(2,762)	(2,690)	(2,496)
Receiverships	(1,919)	(1,834)	(1,941)	(1,932)	(2,013)	(1,996)	(1,981)	(1,975)	(1,957)	(1,976)	(1,952)	(1,962)	(1,900)
Liens	(1,935)	(1,583)	(1,703)	(1,778)	(1,793)	(1,835)	(1,867)	(1,808)	(1,803)	(2,069)	(2,105)	(2,210)	(2,455)
Total	\$ 3,227	\$ 3,302	\$ 2,990	\$ 3,706	\$ 4,408	\$ 4,418	\$ 4,185	\$ 4,137	\$ 4,188	\$ 4,521	\$ 4,137	\$ 3,804	\$ 3,851
	35%	36%	31%	37%	40%	40%	39%	38%	38%	40%	38%	36%	36%

Collection Efforts

	Jun-23	May-23	April	March	Feb	Jan	Dec	Nov	Oct	Sept	Aug	July	June
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022	2022
Shuts *	\$ 65	\$ 115	\$ 95	\$ 167	\$ 48	\$ 51	\$ 61	\$ 80	\$ 143	\$ 1	\$ 2	\$ 1	\$ 6
Red Tags **	17	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	33	47	60	48	71	2	44	64	34	47	27	17	30
Top 100 Collection Calls	20	5	21	41	25	216	-	-	39	119	834	385	683
Other ⁽¹⁾	993	1,177	1,507	1,517	1,429	1,346	1,550	1,665	1,890	1,227	576	1,441	922
Total	\$ 1,128	\$ 1,344	\$ 1,683	\$ 1,773	\$ 1,573	\$ 1,615	\$ 1,655	\$ 1,809	\$ 2,106	\$ 1,394	\$ 1,439	\$ 1,844	\$ 1,641

* Number of shuts

134

328

212

292

106

134

150

198

295

3

1

1

3

** Number of Red tags

28

-

-

-

-

-

-

-

-

-

-

-

-

⁽¹⁾ Includes: Notices and letters and legal initiatives.

Fiscal Year 2024 Global Metrics
Management Revisions in Blue

Global Metric	Fiscal Year 2024 Target	Description	Perspective
Customer Satisfaction	Proposed on 6.22.23 91.8% CSI <u>Management Modified</u> 91.8% CSI (+/- 4% margin of error)	Proposed on 6.22.23 Maintain RWA's Customer Satisfaction Index at 91.8% (+/- 2% margin of error) <u>Management Modified</u> Maintain RWA's Customer Satisfaction Index at 91.8% (+/- 4% margin of error)	Customers & Constituents
Community Engagement	Proposed on 6.22.23 40% Employee Participation @ 3 RWA-Sponsored Community Events <u>Management Modified</u> ≥70.9% Brand Image Index	Proposed on 6.22.23 Achieve at least 40% employee participation at 3 RWA-sponsored community engagement programs/events <u>Management Modified</u> Actively engage in the community through employee participation at 3 RWA-sponsored civic events to bolster brand image and maintain or exceed brand image index of 70.9%	Customers & Constituents
Safety	0 Recordable Injuries	Continue the safety journey toward achieving zero recordable injuries	Employee Learning & Growth
Employee Engagement	Proposed on 6.22.23 80% Employee Participation @ 3 RWA Employee Events <u>Management Modified</u> ≤10% Voluntary Turnover Rate	Proposed on 6.22.23 Achieve at least 80% employee participation at 3 DE&I/wellbeing programs/events <u>Management Modified</u> Foster an engaged workforce of productivity, enablement, innovation and collaboration by maintaining a best-in-class voluntary turnover rate of 10% or less	Employee Learning & Growth
Cash Collections	≥ 118% Coverage	Meet 118% coverage with no shortfall	Financial
Capital Efficiency	96% of Capital Budget	Ensure that at least 96% of capital budget benefits customers	Financial
Operating Efficiency	\$750,000	Identify at least \$750,000 in annualized operating efficiencies and savings	Internal Business Process
Service Training	Proposed on 6.22.23 100% Employees Trained <u>Management Modified</u> Service-assessment baseline survey and 100% employees trained	Proposed on 6.22.23 Certify that 100% of employees complete internal/external customer service training on schedule <u>Management Modified</u> Conduct an employee service-assessment survey to establish a baseline with the goal of a 5% improvement within six months of training (FY25) all employees on a high-performance service culture to deliver outstanding internal and external service	Internal Business Process

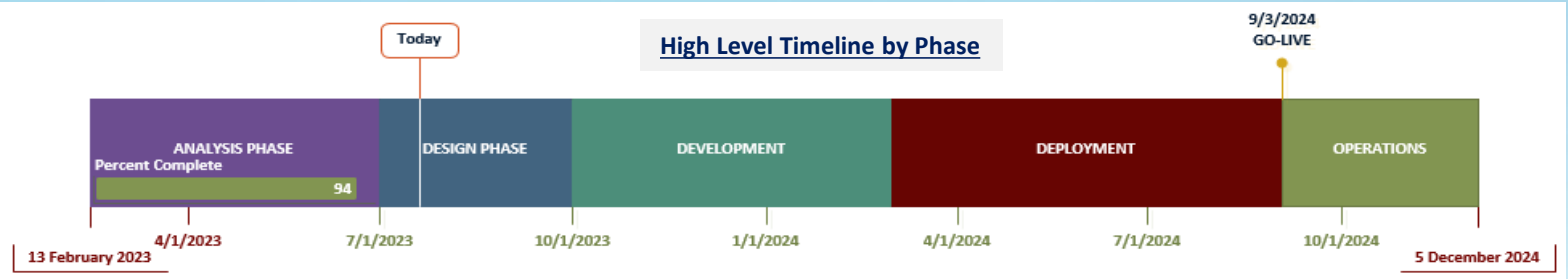
AUTHORITY
COMMITTEE ASSIGNMENTS
(CURRENT)

COMMITTEE	CHAIR/LIAISON
Audit-Risk	Catherine LaMarr/Rochelle
Commercial Business	Kevin Curseaden/Prem & Dennis
Compensation	David Borowy/Liz
Environmental, Health & Safety	Kevin Curseaden/Sunny
Pension & Benefit	Suzanne Sack/Rochelle
Strategic Planning	David Borowy/Larry

RPB COMMITTEE MEETINGS

Month	Meeting	Will Attend
July 2023	<i>Land Use Committee – (North Branford)</i> Wednesday, July 12 at 5:30 p.m.	Catherine
	<i>Finance Committee (Special Meeting) - (Remote Only)</i> Thursday, July 13 at 5:00 p.m.	Kevin
	<i>Consumer Affairs Committee - (Remote Only)</i> Monday, July 17 at 5:30 p.m.	Suzanne
August 2023	<i>Finance Committee (TBD)</i> Monday, Aug. 14 at 5:00 p.m.	Kevin
	<i>Land Use Committee (In Person Only – Derby Tank)</i> Wednesday, Aug. 9 at 5:30 p.m.	Catherine
	<i>Consumer Affairs Committee (TBD)</i> Monday, Aug. 21 at 5:30 p.m.	Mario
Sept. 2023	<i>Finance Committee (TBD)</i> Monday, Sept. 11 at 5:00 p.m.	Suzanne
	<i>Land Use Committee (In Person Only - Location TBD)</i> Wednesday, Sept. 13 at 4:30 p.m.	Kevin
	<i>Consumer Affairs Committee (TBD)</i> Monday, Sept. 18 at 5:30 p.m.	Catherine

CIS/RWAY Status



CIS/RWAY Project Health Indicators

Schedule	✓	Completion Target Q3 2024	Capital Budget	✓	~\$14.8M (B)	FY24 Spend	✓	~\$7.9M	Scope	✓	No Change
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Accomplishments

- Project RWAY Kickoff 02/13
- Analysis Phase **COMPLETE ON 07/13**.
 - Project Schedule Baselined.
 - 145 Analysis Phase Workshops Sessions Complete
 - Training & Testing Strategy Sessions Complete
 - UMAX Installation Complete on Itineris Azure.
 - Data Mapping & Conversion activities Complete with ETL 1 (Account Party, Premises, Premise attributes, Customer Accounts, Services). **~ 87% Accuracy!**
 - OCM Plan - Analysis Phase Readiness Complete.
- Project Communications, Resource, & Decision Process Flow Frameworks Established
- Project RACI (Responsible, Accountable, Consulted, Informed) Complete
- Design Phase Kicked Off on 7/10.

Decisions, Risks & Issues

- Key Decisions
 - GIS will be system of record for Premise, Tap, Curb Valve and Service Lateral
 - Great Plains will perform Credit Refunds
 - Data Prose is new bill print provider
 - Analysis Phase Gap Items Reconciliation Underway
- Key Risks – Mitigation Plans Underway
 - None
- Key Issues
 - None

Current Activities

- Wrap Analysis phase Final Gap List Review
- Design Workshops Begin
- Data Mapping & Conversion activities with ETL 2 Begin
- UMAX Configuration Work
- Capacity and Demand Management Reviews

Next Steps: Design Phase Starts July

- Finalize UMAX Configurations
- Data mapping and Conversion activities for ETL 2
- Functional Design of Gaps, Reports, Notices
- Integration Design
- Infrastructure Design
- UMAX Training for Core Team

**South Central Connecticut Regional Water Authority
Compensation Committee**

Minutes of the May 25, 2023 Meeting

The regular meeting of the South Central Connecticut Regional Water Authority Compensation Committee took place on Thursday, May 25, 2023, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Mr. Borowy, Acting Chair, presided.

Present: Committee – Messrs. Borowy and Curseaden, and Mss. LaMarr and Sack
Management – Mss. Kowalski and Calo, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, Matharu, and Singh
Staff – Mrs. Slubowski

Mr. Borowy called the meeting to order at 1:39 p.m.

On motion made by Ms. LaMarr, seconded by Ms. Sack, and unanimously carried, the Committee voted to approve the minutes of its January 26, 2023 meeting.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

Ms. Calo, the RWA’s Senior Director of Employee Relations & Human Resources Operations, provided an employee engagement update, which included:

- Cooleaf Employee Engagement Program
- Employee Surveys
- Employee Onsite Activities (e.g., Diversity, Equity & Inclusion and Health & Wellness)
- Commitment

Discussion ensued regarding engagement metrics and benchmarks.

The Committee reviewed its FY 2024 Work Plan.

At 2:05 p.m., on motion made by Ms. LaMarr, seconded by Ms. Sack, and unanimously carried, the committee voted to adjourn.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Sack	Aye

David Borowy, Acting Chairman

Revised on 7.24.23

Executive

COMPENSATION & HUMAN

RESOURCES COMMITTEE

Committee Purpose:

The Executive Compensation & Human Resources Committee aims to ensure fair and competitive compensation, and employee relations practices within the organization.

The Committee will assist the Regional Water Authority (RWA) in fulfilling its fiduciary responsibilities for oversight relating to compensation of RWA's officers and best practices for employee relations, including an annual review of RWA's officer total rewards compensation; review and approval of organizational goals and objectives; evaluation of CEO's performance; recommended compensation of CEO and other officers; and periodic review of RWA's human resources policies, practices and programs.

Responsibilities:

The Committee shall have the following duties and responsibilities:

1. Review, at least annually, the RWA's total rewards compensation strategy to ensure that: 1) officers are rewarded in a manner consistent with such strategy while considering internal equity, competitive compensation practices, including their contributions to the RWA's financial and operating performance; and 2) executive compensation strategy supports the RWA's strategic plan goals and objectives.
2. Review and approve the CEO's annual goals and objectives relevant to compensation by: 1) evaluating the performance in light of those goals and objectives; and 2) setting the recommended annual compensation of the CEO and other officers based on this evaluation and other factors the Committee deems to be relevant, including competitive market practices.

3. Periodically review RWA's HR policies, practices, and programs for: 1) succession planning; 2) employee training and development plans; 3) progress toward diversity, equity, and inclusion goals for the organization; and 4) employee satisfaction and engagement trends.
4. Periodically review the Committee's performance under this Charter and recommend changes when and where indicated.
5. Perform any other duties or responsibilities delegated to the Committee by the Authority RWA.

Compensation Committee

FY 2024 Work Plan

The Executive Compensation Committee will assist the Regional Water Authority (RWA) in fulfilling its fiduciary responsibilities for oversight relating to compensation of RWA's executives, including annual review of RWA's compensation, review and approval of goals and objectives, and evaluation of the Officers and CEO performance and recommended annual compensation of CEO and other officers.

July 2023

- CEO FY23 Strategic Priorities' Accomplishments
- CEO FY24 Strategic Priorities
- CEO & Officer Performance Reviews
- Updates to Committee Charter

August 2023

(special meeting)

- WTW Competitive Compensation Assessment Review
- Review and recommend CEO & Officer Compensation

December 2023

(to be cancelled)

January 2024

- 6 Month CEO FY24 Strategic Priorities update
- Review Compensation Strategy

April 2024

- Meet, if necessary, with topics of interest such as Employee Engagement, Succession Planning & DE&I.
- FY25 Work Plan