

**Town of Newtown
Pension Committee Meeting
January 20, 2022, 7:30pm
Meeting Held Via Zoom**

THE FOLLOWING MINUTES ARE SUBJECT TO APPROVAL BY THE PENSION COMMITTEE.

Meeting called to order by Chairman Ellen Whalen at 7:32 pm.

Committee Members in attendance: Sam Broomer, John DiNoto, Joe Eppers, Tom Snayd, Ellen Whalen and Paula Wickman
Absent: Charles Farfaglia Guest: Devon Francis, Partner, Senior Consultant, Fiducient Advisors

Ms. Devon Francis, Partner, Senior Consultant, Fiducient Advisors

Review of 4th Quarter 2021 Trust Performance and 4th Quarter Asset Allocation Modeling

Ms. Francis reported on fixed income, equity and real asset class performances. She explained how fixed income performance has played out in the recent past as well as the performance of the risk portion of the portfolio. Moreover, strong returns on global equity markets and conversely a decrease in fixed income. The Pension ending MV was \$63.9 million with a 4.3% return this quarter. She also noted the OPEB Trust had an ending MV of \$4.5 million with a 4.3% return this quarter. Ms. Francis proposed the idea of marketable alternatives (10%) for the possible future. Ms. Francis will put a formal proposal together for the Committee which will be reviewed at the February Meeting. Ms. Francis noted the current Pension Actuarial Report reflects the Town Pension Plan is 85.2% funded and the Police Plan is 70.2% funded.

(See Fiducient Town of Newtown 4th Quarter Monthly Performance Update-December 2021 and Town of Newtown-Asset Allocation Modeling 4Q 2021 for further details. Reports attached.)

Minutes

Mr. Eppers made a motion to approve the Minutes of the December 16, 2021 Meeting. Mr. Snayd seconded. All in Favor.

Correspondence

None

Retirements/Expenses

None

Old Business

Dave Leonard, Pension Actuary, Actuarial Report Review

Mr. Leonard will review the Town and Police July 1, 2021 Actuarial Reports at the February meeting.

Fiducient Advisors Review 457/401 Plans

Ms. Whalen noted the Pension Committee will review their recommendation to appoint Fiducient Advisors as an Advisor for the ICMA and Voya 457/401a Plans at the February 7th Board of Selectmen Meeting. Mr. Scott Boulton, Fiducient Defined Contribution Consultant, will attend meeting.

Pullman & Comley Update

Ms. Whalen continues to have conversations with Pullman & Comley re Trust/Plan documentation. The goal is to finalize amended and restated documents in the second quarter.

New Business

Fiducient Investment Review Schedule 2022 – Pension Committee/Board of Selectmen

Discussion postponed to February PC Meeting.

Voter Comment

None

Date of Next Meeting: Thursday, February 17, 2022, at 7:30.
Subject to COVID 19 meeting guidelines.

Adjourn

With no further business, Mr. Broomer motioned to adjourn meeting. Mr. Eppers seconded. All in favor. Meeting adjourned at 8:29pm.

Respectfully submitted,
Kiley Morrison Gottschalk, Clerk

Attachments:

Town of Newtown Pension/OPEB Monthly Performance Update- December 2021
Town of Newtown 4th Quarter Asset Allocation Modeling



Newtown, CT

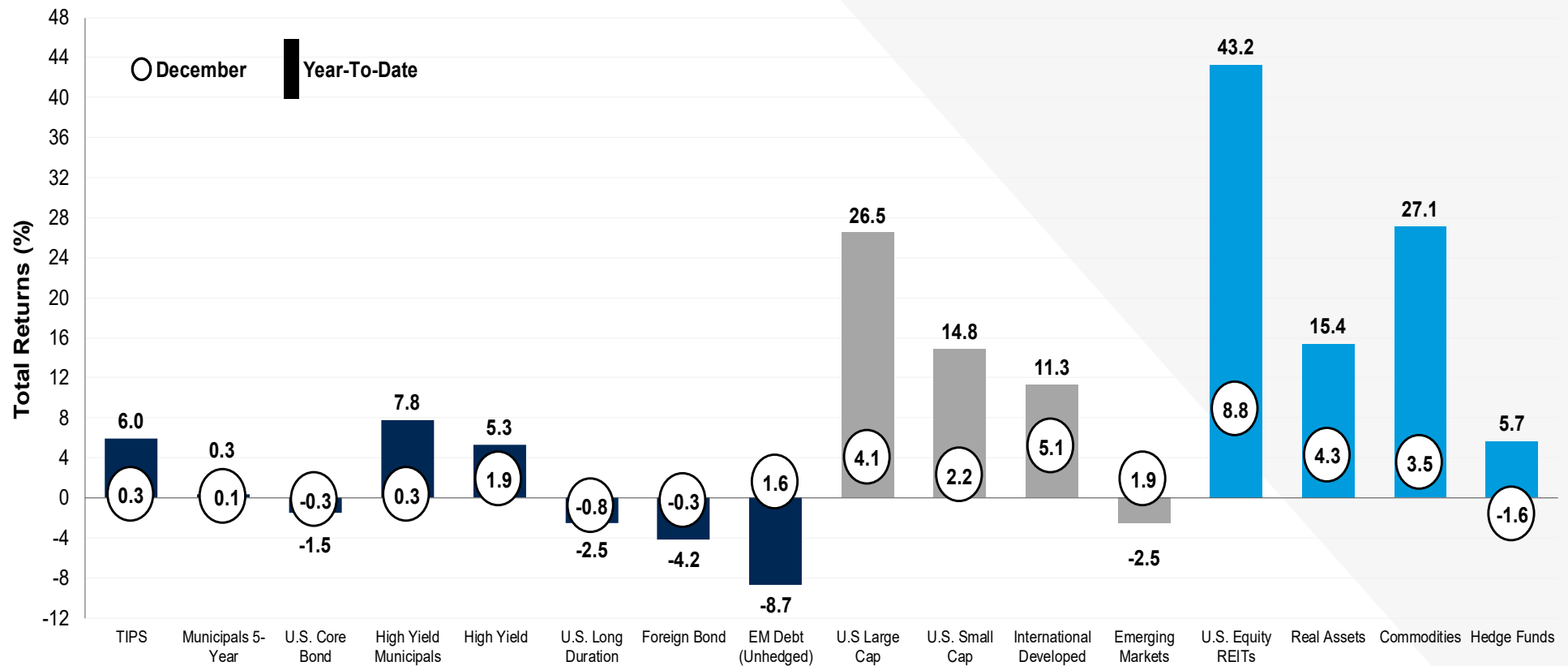
Monthly Performance Update - December 2021

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Past performance does not indicate future performance and there is possibility of a loss.



Asset Class Performance



*Hedge fund returns are lagged 1 month. Sources: FactSet, J.P. Morgan, Russell, MSCI, FTSE Russell, Alerian.

Fixed Income (December)

- + Early month concerns over the Omicron variant led investors to seek safety in fixed income assets, pushing up prices.
- A more hawkish Fed stance weighed on fixed income markets, as the bank moved from an accommodative tone to one of rate hikes and an accelerated wind-down of its asset purchase program.

Equity (December)

- + Following drawdowns arising from discovery of the Omicron variant, equity markets across geographies rallied to end the year on a positive note.
- While developed non-US markets outperformed as central banks remained accommodative, emerging markets continued to lag on continued weakness in Chinese equities, closing the year negative.

Real Asset / Alternatives (December)

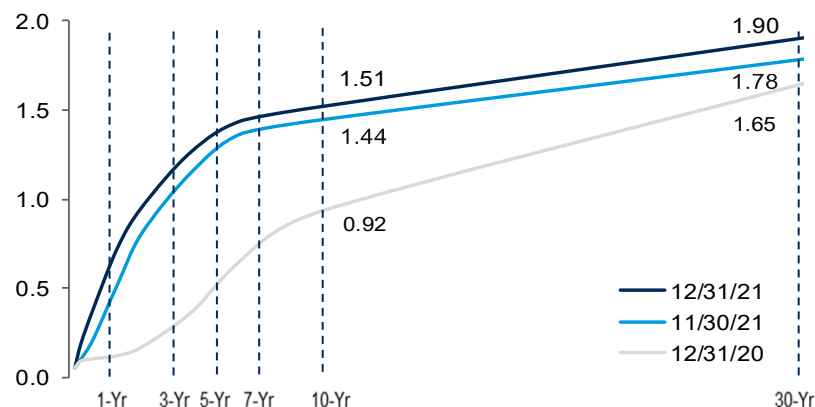
- + REITs continued their strong run amid a 40-year high in inflation and rising real estate prices.
- + Commodities gained, driven by energy as crude and natural gas prices continued to rise amid winter storms, supply shortages and geopolitical concerns in Europe.



Fixed Income Market Update

U.S. Treasury Yields Curve

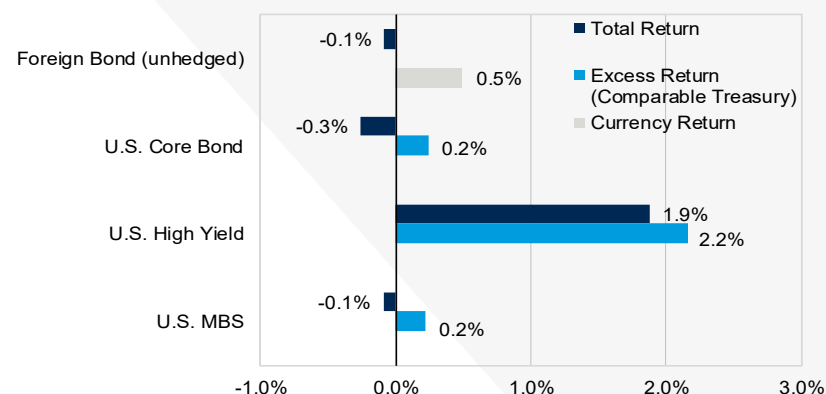
Markets priced in forecasts of multiple rate hikes for 2022, with the 10-year and 30-year yields rising 7bps and 12bps from November, respectively.



Source: FactSet

Index Performance Attribution (December 2021)

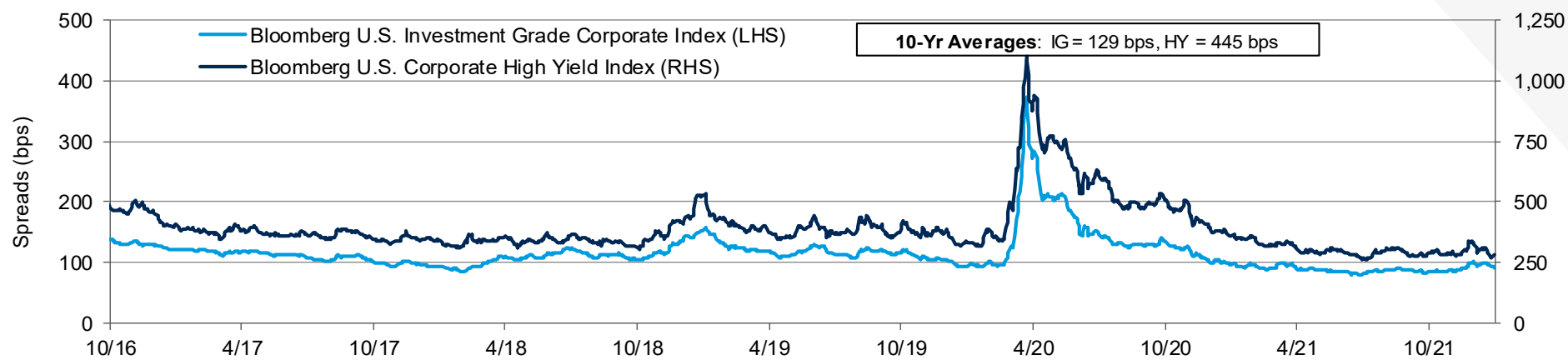
Although rising rates weighed on bonds, corporate strength propped up credit returns. Outside the U.S., dollar weakness helped foreign bonds.



Source: FactSet

Credit Market Spreads – Trailing 5 Years

Early month Omicron caution initially raised spreads, yet investment grade and high yield spreads closed 2bps and 3bps lower than November levels, respectively.



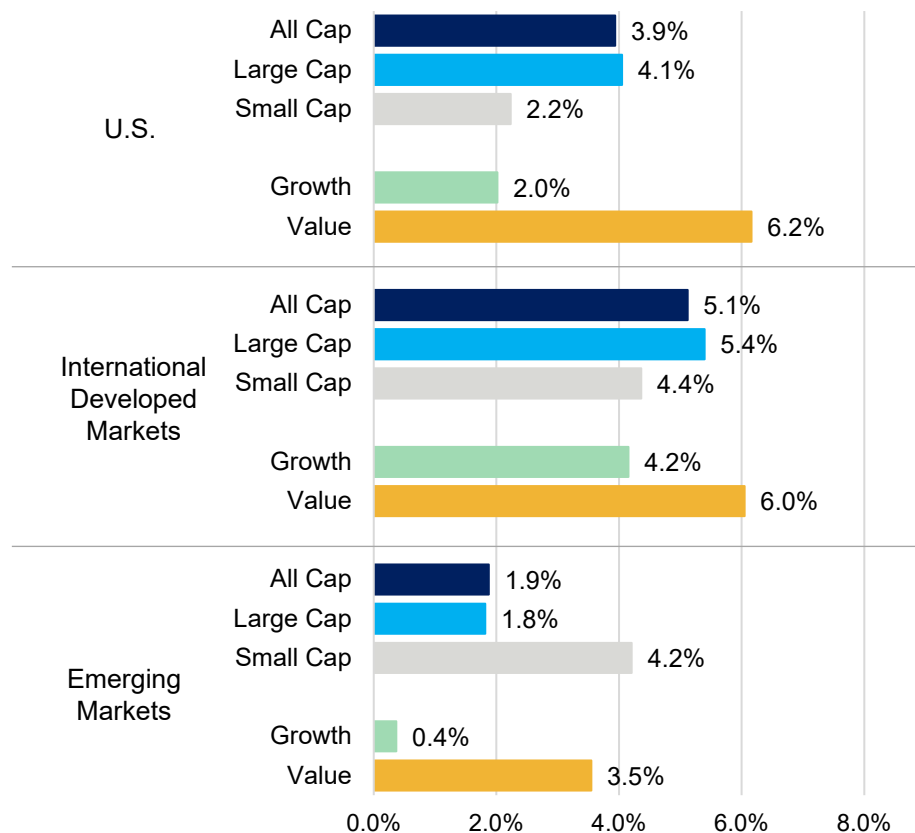
Source: FactSet



Equity Market Update

Market Capitalization and Style Performance (December 2021)

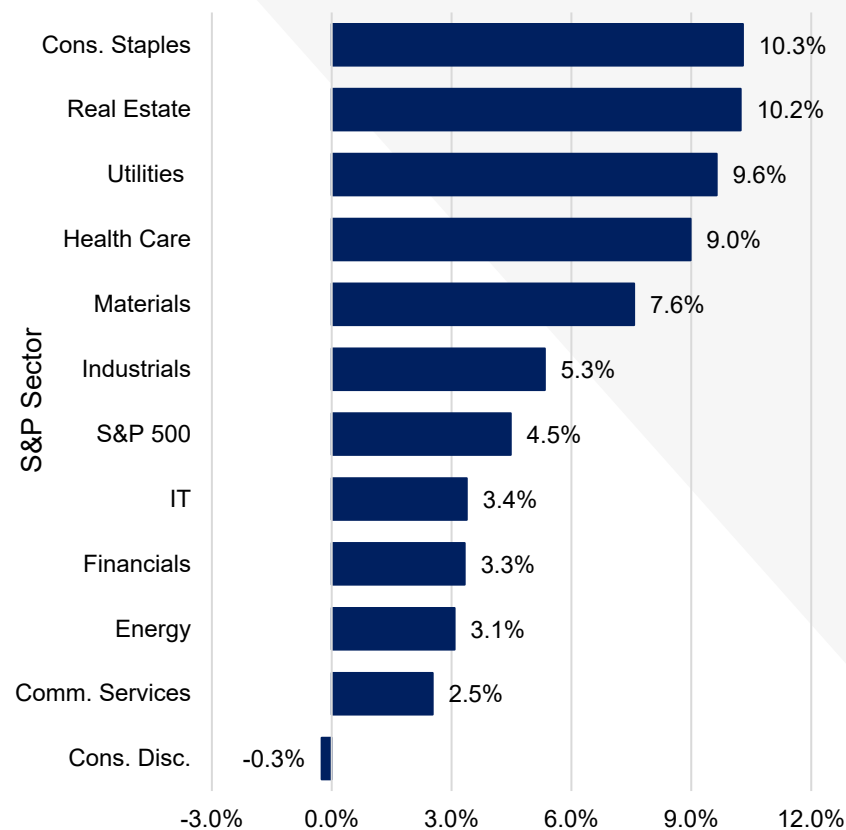
Value outperformed growth in all geographies. While large caps beat small caps in the U.S. and developed non-U.S. markets, the opposite was true in emerging markets.



Source: FactSet

U.S. Equities – Returns by Sector (December 2021)

A broad-based rally at the end of the year saw positive returns for nearly all sectors. Consumer discretionary was the exception, as travel, lodging, and restaurant names were all negatively affected by prospects of new restrictions.



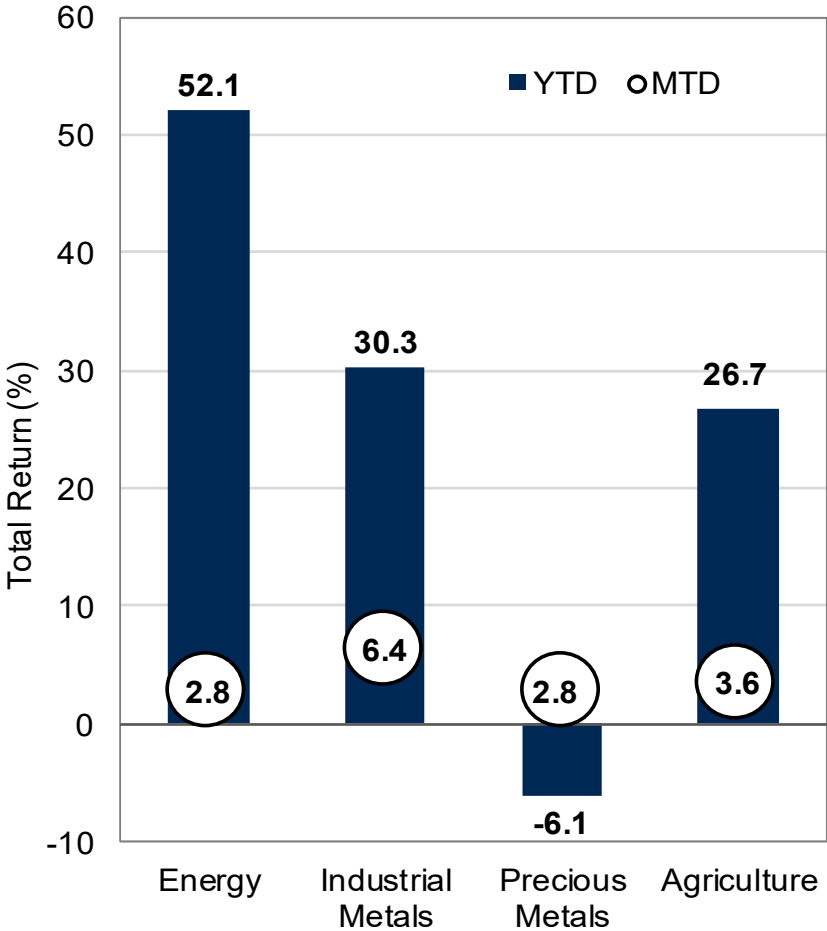
Source: FactSet



Real Assets Market Update

Real Assets Performance

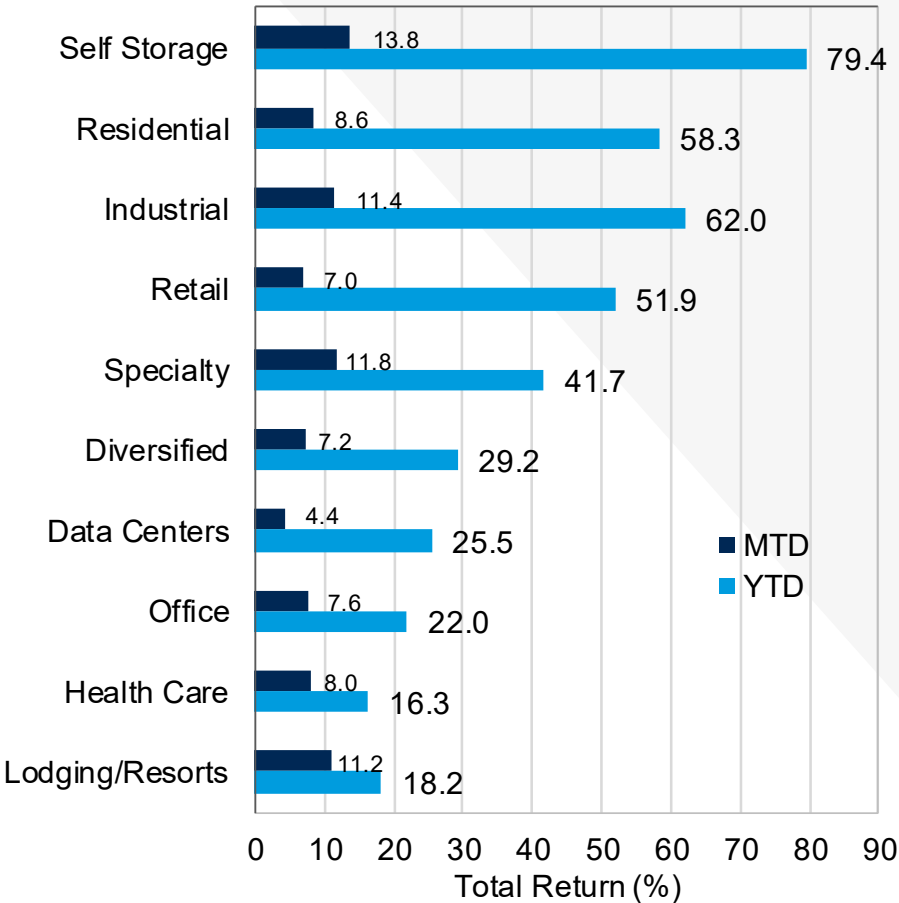
All segments of the real assets market gained during the quarter. Industrial metals was the strongest segment, as investors priced in rising EV demand and the shortage of raw materials for semiconductors.



Source: FactSet

REIT Sector Performance

Strong REIT sector performance has been broad based for the year, and December proved to be no exception with most sectors in positive territory, led by the self-storage and specialty segments.



Source: FactSet



Financials Markets Performance

Total return as of December 31, 2021
Periods greater than one year are annualized
All returns are in U.S. dollar terms

| Global Fixed Income Markets | MTD | YTD | 1YR | 3YR | 5YR | 7YR | 10YR | 15YR |
|---|------------|------------|------------|------------|------------|------------|-------------|-------------|
| Bloomberg 1-3-Month T-Bill | 0.0% | 0.0% | 0.0% | 0.9% | 1.1% | 0.8% | 0.6% | 0.8% |
| Bloomberg U.S. TIPS | 0.3% | 6.0% | 6.0% | 8.4% | 5.3% | 4.2% | 3.1% | 4.7% |
| Bloomberg Municipal Bond (5 Year) | 0.1% | 0.3% | 0.3% | 3.3% | 3.0% | 2.4% | 2.4% | 3.5% |
| Bloomberg High Yield Municipal Bond | 0.3% | 7.8% | 7.8% | 7.8% | 7.5% | 6.0% | 6.7% | 5.2% |
| Bloomberg U.S. Aggregate | -0.3% | -1.5% | -1.5% | 4.8% | 3.6% | 3.0% | 2.9% | 4.1% |
| Bloomberg U.S. Corporate High Yield | 1.9% | 5.3% | 5.3% | 8.8% | 6.3% | 6.1% | 6.8% | 7.1% |
| Bloomberg Global Aggregate ex-U.S. Hedged | -0.5% | -1.4% | -1.4% | 3.3% | 3.1% | 3.1% | 3.8% | 4.0% |
| Bloomberg Global Aggregate ex-U.S. Unhedged | -0.1% | -7.0% | -7.0% | 2.5% | 3.1% | 1.5% | 0.8% | 2.6% |
| Bloomberg U.S. Long Gov / Credit | -0.8% | -2.5% | -2.5% | 10.6% | 7.4% | 5.7% | 5.7% | 7.0% |
| JPMorgan GBI-EM Global Diversified | 1.6% | -8.7% | -8.7% | 2.1% | 2.8% | 1.0% | 0.7% | 3.5% |
| Global Equity Markets | MTD | YTD | 1YR | 3YR | 5YR | 7YR | 10YR | 15YR |
| S&P 500 | 4.5% | 28.7% | 28.7% | 26.1% | 18.5% | 14.9% | 16.6% | 10.7% |
| Dow Jones Industrial Average | 5.5% | 20.9% | 20.9% | 18.5% | 15.5% | 13.3% | 14.2% | 10.1% |
| NASDAQ Composite | 0.7% | 22.2% | 22.2% | 34.3% | 25.0% | 19.8% | 21.0% | 14.4% |
| Russell 3000 | 3.9% | 25.7% | 25.7% | 25.8% | 18.0% | 14.5% | 16.3% | 10.6% |
| Russell 1000 | 4.1% | 26.5% | 26.5% | 26.2% | 18.4% | 14.8% | 16.5% | 10.7% |
| Russell 1000 Growth | 2.1% | 27.6% | 27.6% | 34.1% | 25.3% | 19.6% | 19.8% | 13.7% |
| Russell 1000 Value | 6.3% | 25.2% | 25.2% | 17.6% | 11.2% | 9.7% | 13.0% | 7.5% |
| Russell Mid Cap | 4.1% | 22.6% | 22.6% | 23.3% | 15.1% | 12.2% | 14.9% | 10.2% |
| Russell Mid Cap Growth | 0.4% | 12.7% | 12.7% | 27.5% | 19.8% | 14.9% | 16.6% | 11.7% |
| Russell Mid Cap Value | 6.3% | 28.3% | 28.3% | 19.6% | 11.2% | 10.0% | 13.4% | 8.8% |
| Russell 2000 | 2.2% | 14.8% | 14.8% | 20.0% | 12.0% | 10.8% | 13.2% | 8.7% |
| Russell 2000 Growth | 0.4% | 2.8% | 2.8% | 21.2% | 14.5% | 11.7% | 14.1% | 10.0% |
| Russell 2000 Value | 4.1% | 28.3% | 28.3% | 18.0% | 9.1% | 9.5% | 12.0% | 7.2% |
| MSCI ACWI | 4.0% | 18.5% | 18.5% | 20.4% | 14.4% | 10.9% | 11.9% | 7.1% |
| MSCI ACWI ex. U.S. | 4.1% | 7.8% | 7.8% | 13.2% | 9.6% | 6.6% | 7.3% | 3.8% |
| MSCI EAFE | 5.1% | 11.3% | 11.3% | 13.5% | 9.5% | 6.8% | 8.0% | 3.6% |
| MSCI EAFE Growth | 4.3% | 11.3% | 11.3% | 19.0% | 13.6% | 9.7% | 10.1% | 5.5% |
| MSCI EAFE Value | 6.0% | 10.9% | 10.9% | 7.8% | 5.3% | 3.6% | 5.8% | 1.6% |
| MSCI EAFE Small Cap | 4.4% | 10.1% | 10.1% | 15.6% | 11.0% | 9.5% | 10.8% | 5.6% |
| MSCI Emerging Markets | 1.9% | -2.5% | -2.5% | 10.9% | 9.9% | 6.1% | 5.5% | 4.5% |
| Alternatives | MTD | YTD | 1YR | 3YR | 5YR | 7YR | 10YR | 15YR |
| Consumer Price Index* | 0.8% | 6.0% | 6.9% | 3.3% | 2.9% | 2.4% | 2.1% | 2.2% |
| FTSE NAREIT Equity REITs | 8.8% | 43.2% | 43.2% | 18.4% | 10.8% | 9.3% | 11.4% | 6.9% |
| S&P Real Assets | 4.3% | 15.4% | 15.4% | 11.0% | 7.4% | 5.2% | 5.9% | 5.5% |
| FTSE EPRA NAREIT Developed | 5.4% | 36.9% | 36.9% | 13.1% | 7.2% | 7.9% | 11.0% | 5.4% |
| FTSE EPRA NAREIT Developed ex U.S. | 3.1% | 8.8% | 8.8% | 7.4% | 7.1% | 4.8% | 7.8% | 2.4% |
| Bloomberg Commodity Total Return | 3.5% | 27.1% | 27.1% | 9.9% | 3.7% | 0.1% | -2.9% | -2.6% |
| HFRI Fund of Funds Composite* | -1.6% | 5.7% | 9.6% | 7.7% | 5.8% | 4.1% | 4.4% | 2.8% |
| HFRI Fund Weighted Composite* | -2.0% | 8.9% | 13.9% | 9.4% | 7.0% | 5.4% | 5.6% | 4.6% |
| Alerian MLP | 3.6% | 40.2% | 40.2% | 2.1% | -2.7% | -5.1% | -0.3% | 4.3% |

*One month lag.

Source: FactSet & Morningstar as of December 31, 2021. Periods greater than 1 year are annualized. All returns are in U.S. dollar terms.

Asset Allocation

As of December 31, 2021

| | Asset Allocation (\$) | Asset Allocation (%) | Target Allocation (%) | Differences (%) |
|---|-----------------------------|----------------------------|-----------------------------|--------------------|
| Pension Plan | 63,938,726 | 100.0 | 100.0 | 0.0 |
| Short Term Liquidity | 493,631 | 0.8 | 0.0 | 0.8 |
| Comerica Short Term Fund | 493,631 | 0.8 | 0.0 | 0.8 |
| Fixed Income | 21,795,261 | 34.1 | 35.0 | -0.9 |
| Baird Aggregate Bond Fund Class Institutional | 7,284,637 | 11.4 | 11.8 | -0.4 |
| Metropolitan West Total Return Bond Pl | 7,300,914 | 11.4 | 11.8 | -0.3 |
| BlackRock Strategic Income Opportunities Fund K | 4,993,528 | 7.8 | 8.0 | -0.2 |
| PIMCO High Yield Instl | 2,216,182 | 3.5 | 3.5 | 0.0 |
| Domestic Equity | 22,688,525 | 35.5 | 35.0 | 0.5 |
| Fidelity 500 Index Fund | 16,439,922 | 25.7 | 25.0 | 0.7 |
| Boston Partners Small Cap Value Fund II Instl | 2,958,017 | 4.6 | 5.0 | -0.4 |
| Conestoga Small Cap Instl | 3,290,586 | 5.1 | 5.0 | 0.1 |
| International Equity | 15,735,738 | 24.6 | 25.0 | -0.4 |
| Fidelity International Index Fund | 4,053,104 | 6.3 | 6.5 | -0.2 |
| Aristotle International Equity Instl | 3,906,058 | 6.1 | 6.0 | 0.1 |
| MFS Instl International Equity Fund | 3,868,935 | 6.1 | 6.0 | 0.1 |
| GQG Partners Emerging Markets Equity Inst | 3,907,641 | 6.1 | 6.5 | -0.4 |
| Real Assets | 3,225,572 | 5.0 | 5.0 | 0.0 |
| Principal Diversified Real Asset R6 | 3,225,572 | 5.0 | 5.0 | 0.0 |

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

Newtown, CT

Performance Update As Of December 31, 2021

Portfolio Performance

| | Value | Performance(%) | | | | | | | | Inception Date |
|--------------------------|-------------------|----------------|------------|----------------------|-------------|-------------|-------------|------------|-----------------|-------------------|
| | | 1 Month | QTD | Jul-2021 To Dec-2021 | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | |
| Pension Plan | 63,938,726 | 2.7 | 4.3 | 4.1 | 12.4 | 15.3 | 10.7 | 8.4 | 7.3 | 10/01/1999 |
| <i>Blended Benchmark</i> | | 2.5 | 3.9 | 3.2 | 11.2 | 15.0 | 10.4 | 9.5 | 6.4 | 10/01/1999 |

Calendar Year Performance

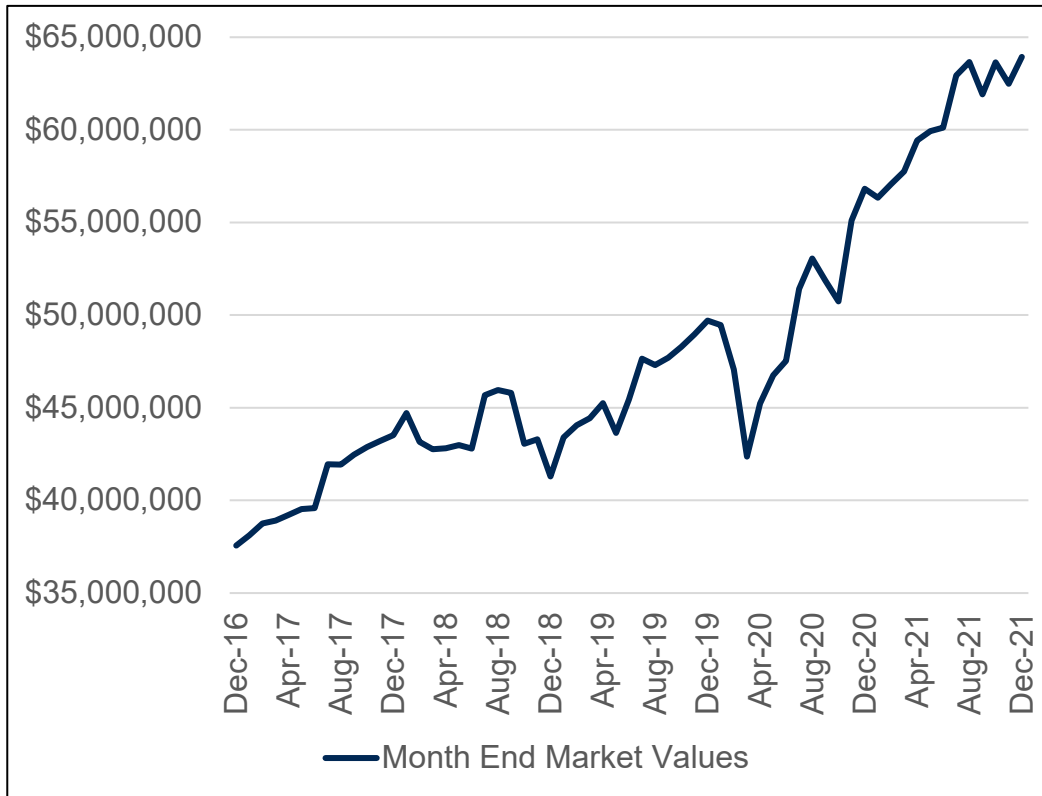
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------|-------------|-------------|-------------|-------------|------------|-------------|------------|
| Pension Plan | 14.0 | 19.7 | -6.0 | 15.1 | 5.1 | -0.3 | 5.9 |
| <i>Blended Benchmark</i> | 13.6 | 20.5 | -6.2 | 14.9 | 6.7 | 1.0 | 7.7 |

| Allocation Mandate | Weight (%) |
|--------------------------------------|------------|
| Jun-2021 | |
| Blmbg. U.S. Aggregate Index | 35.00 |
| Russell 3000 Index | 35.00 |
| MSCI AC World ex USA (Net) | 25.00 |
| Diversified Real Asset Blended Index | 5.00 |

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Town of Newtown, CT Pension Portfolio

Market Value History



| Month | Month End Market Value |
|----------------|------------------------|
| January 2021 | \$56,329,860 |
| February 2021 | \$57,055,987 |
| March 2021 | \$57,756,767 |
| April 2021 | \$59,424,756 |
| May 2021 | \$59,933,008 |
| June 2021 | \$60,119,694 |
| July 2021 | \$62,935,226 |
| August 2021 | \$63,649,325 |
| September 2021 | \$61,915,381 |
| October 2021 | \$63,645,417 |
| November 2021 | \$62,484,778 |
| December 2021 | \$63,938,726 |

DISCLOSURE: The balance information has been compiled solely by Fiducient Advisors and has not been independently verified. In preparing this report, Fiducient Advisors has relied upon information provided by the investment managers and by the custodian.

Manager Performance Overview

As of December 31, 2021

| | 1 Month | QTD | Jul-2021 To Dec-2021 | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception | Inception Date |
|---|------------------|------------------|----------------------------|-------------|-------------|-------------|------------|-------------|--------------------|-------------------|
| Pension Plan | 2.7 | 4.3 | 4.1 | 12.4 | 15.3 | 10.7 | 8.2 | 8.4 | 7.3 | 10/01/1999 |
| <i>Blended Benchmark</i> | 2.5 | 3.9 | 3.2 | 11.2 | 15.0 | 10.4 | 8.5 | 9.5 | 6.4 | |
| <i>60% S&P 500 / 40% Bloomberg Barclays Aggregate Index</i> | 2.6 | 6.6 | 7.0 | 15.9 | 17.5 | 12.6 | 10.3 | 11.1 | 7.1 | |
| Comerica Short Term Fund | 0.0 | 0.0 | 0.0 | 0.0 | N/A | N/A | N/A | N/A | 0.5 | 08/01/2019 |
| <i>90 Day U.S. Treasury Bill</i> | 0.0 | 0.0 | 0.0 | 0.0 | N/A | N/A | N/A | N/A | 0.6 | |
| Fixed Income | 0.1 | 0.0 | 0.1 | -1.7 | 4.8 | 3.8 | 3.4 | 3.6 | 5.3 | 10/01/1999 |
| <i>Blmbg. U.S. Aggregate Index</i> | -0.3 | 0.0 | 0.1 | -1.5 | 4.8 | 3.6 | 3.0 | 2.9 | 4.8 | |
| Baird Aggregate Bond Fund Class Institutional | -0.2 (54) | -0.1 (43) | 0.0 (33) | N/A | N/A | N/A | N/A | N/A | 0.9 (30) | 06/01/2021 |
| <i>Blmbg. U.S. Aggregate Index</i> | -0.3 | 0.0 | 0.1 | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| IM U.S. Broad Market Core Fixed Income (MF) Median | -0.2 | -0.1 | -0.1 | N/A | N/A | N/A | N/A | N/A | 0.7 | |
| Metropolitan West Total Return Bond PI | -0.2 (87) | -0.1 (41) | 0.0 (41) | N/A | N/A | N/A | N/A | N/A | 0.7 (56) | 06/01/2021 |
| <i>Blmbg. U.S. Aggregate Index</i> | -0.3 | 0.0 | 0.1 | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| IM U.S. Broad Market Core+ Fixed Income (MF) Median | 0.0 | -0.2 | 0.0 | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| BlackRock Strategic Income Opportunities Fund K | 0.3 (61) | -0.2 (39) | -0.3 (56) | N/A | N/A | N/A | N/A | N/A | -0.1 (61) | 06/01/2021 |
| <i>Blmbg. U.S. Aggregate Index</i> | -0.3 | 0.0 | 0.1 | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| IM Alternative Credit Focus (MF) Median | 0.5 | -0.3 | -0.1 | N/A | N/A | N/A | N/A | N/A | 0.2 | |
| PIMCO High Yield Instl | 2.0 (16) | 0.7 (35) | 1.4 (30) | N/A | N/A | N/A | N/A | N/A | 2.7 (33) | 06/01/2021 |
| <i>ICE BofAML High Yield BB-B Constrained Index</i> | 1.9 | 0.7 | 1.7 | N/A | N/A | N/A | N/A | N/A | 2.9 | |
| IM U.S. High Yield Bonds (MF) Median | 1.7 | 0.5 | 1.2 | N/A | N/A | N/A | N/A | N/A | 2.4 | |
| Domestic Equity | 4.0 | 9.1 | 9.8 | 25.3 | 25.9 | 17.8 | N/A | N/A | 17.9 | 12/01/2016 |
| <i>Russell 3000 Index</i> | 3.9 | 9.3 | 9.2 | 25.7 | 25.8 | 18.0 | N/A | N/A | 18.1 | |
| Fidelity 500 Index Fund | 4.5 (52) | 11.0 (26) | 11.7 (23) | N/A | N/A | N/A | N/A | N/A | 14.3 (22) | 06/01/2021 |
| <i>S&P 500 Index</i> | 4.5 | 11.0 | 11.7 | N/A | N/A | N/A | N/A | N/A | 14.3 | |
| IM U.S. Large Cap Core Equity (MF) Median | 4.5 | 10.0 | 9.9 | N/A | N/A | N/A | N/A | N/A | 11.5 | |
| Boston Partners Small Cap Value Fund II Instl | 4.8 (65) | 3.6 (85) | 1.0 (79) | N/A | N/A | N/A | N/A | N/A | -0.5 (80) | 06/01/2021 |
| <i>Russell 2000 Value Index</i> | 4.1 | 4.4 | 1.2 | N/A | N/A | N/A | N/A | N/A | 0.6 | |
| IM U.S. Small Cap Value Equity (MF) Median | 5.2 | 5.9 | 4.0 | N/A | N/A | N/A | N/A | N/A | 2.0 | |

Returns are expressed as percentages, and annualized only for periods greater than one year.

Manager Performance Overview

As of December 31, 2021

| | 1 Month | QTD | Jul-2021 To Dec-2021 | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception | Inception Date |
|--|-----------------|------------------|----------------------------|-------------|-------------|-------------|------------|-------------|--------------------|-------------------|
| Conestoga Small Cap Instl | 1.4 (62) | 5.0 (16) | 9.2 (2) | N/A | N/A | N/A | N/A | N/A | 12.9 (2) | 06/01/2021 |
| <i>Russell 2000 Growth Index</i> | <i>0.4</i> | <i>0.0</i> | <i>-5.6</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>-1.2</i> | |
| IM U.S. Small Cap Growth Equity (MF) Median | 1.9 | 1.8 | -1.0 | N/A | N/A | N/A | N/A | N/A | 2.0 | |
| International Equity | 4.1 | 3.8 | 1.9 | 12.6 | 14.9 | 10.4 | N/A | N/A | 10.8 | 12/01/2016 |
| <i>International Equity Hybrid</i> | <i>4.1</i> | <i>1.8</i> | <i>-1.2</i> | <i>9.1</i> | <i>13.5</i> | <i>9.4</i> | <i>N/A</i> | <i>N/A</i> | <i>9.9</i> | |
| Fidelity International Index Fund | 4.7 (60) | 3.2 (37) | 2.3 (26) | N/A | N/A | N/A | N/A | N/A | 0.8 (22) | 06/01/2021 |
| <i>MSCI EAFE (Net) Index</i> | <i>5.1</i> | <i>2.7</i> | <i>2.2</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>1.1</i> | |
| IM International Large Cap Core Equity (MF) Median | 5.0 | 2.9 | 0.5 | N/A | N/A | N/A | N/A | N/A | -0.7 | |
| Aristotle International Equity Instl | 4.9 (26) | 5.6 (5) | 5.9 (3) | N/A | N/A | N/A | N/A | N/A | 4.2 (8) | 06/01/2021 |
| <i>MSCI AC World ex USA Growth (Net)</i> | <i>3.0</i> | <i>2.4</i> | <i>-1.3</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>-1.0</i> | |
| IM International Large Cap Growth Equity (MF) Median | 3.9 | 3.0 | 1.2 | N/A | N/A | N/A | N/A | N/A | 0.7 | |
| MFS Instl International Equity Fund | 4.9 (55) | 6.8 (3) | 6.6 (2) | N/A | N/A | N/A | N/A | N/A | 5.2 (3) | 06/01/2021 |
| <i>MSCI EAFE (Net) Index</i> | <i>5.1</i> | <i>2.7</i> | <i>2.2</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>1.1</i> | |
| IM International Large Cap Core Equity (MF) Median | 5.0 | 2.9 | 0.5 | N/A | N/A | N/A | N/A | N/A | -0.7 | |
| GQG Partners Emerging Markets Equity Inst | 2.1 (48) | -0.2 (33) | -6.1 (30) | N/A | N/A | N/A | N/A | N/A | -6.0 (35) | 06/01/2021 |
| <i>MSCI Emerging Markets (Net) Index</i> | <i>1.9</i> | <i>-1.3</i> | <i>-9.3</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>-9.1</i> | |
| IM Emerging Markets Equity (MF) Median | 2.0 | -1.3 | -8.8 | N/A | N/A | N/A | N/A | N/A | -7.4 | |

Returns are expressed as percentages, and annualized only for periods greater than one year.

Manager Performance Overview

As of December 31, 2021

| | 1 Month | QTD | Jul-2021 To Dec-2021 | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception | Inception Date |
|---|------------|------------|----------------------------|------------|------------|------------|------------|-------------|--------------------|-------------------|
| Real Assets | 4.0 | 4.6 | 6.2 | N/A | N/A | N/A | N/A | N/A | 5.9 | 06/01/2021 |
| <i>Diversified Real Asset Blended Index</i> | <i>4.0</i> | <i>4.0</i> | <i>5.2</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>5.0</i> | |
| Principal Diversified Real Asset R6 | 4.0 | 4.6 | 6.2 | N/A | N/A | N/A | N/A | N/A | 5.9 | 06/01/2021 |
| <i>Diversified Real Asset Blended Index</i> | <i>4.0</i> | <i>4.0</i> | <i>5.2</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>5.0</i> | |

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies. Composite performance includes all funds held in the composite since inception.

Returns are net of fees unless otherwise stated. Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Returns are expressed as percentages, and annualized only for periods greater than one year.

Asset Allocation

As of December 31, 2021

| | Asset Allocation (\$) | Asset Allocation (%) | Target Allocation (%) | Differences (%) |
|---|-----------------------------|----------------------------|-----------------------------|--------------------|
| OPEB Plan | 4,467,833 | 100.0 | 100.0 | 0.0 |
| Short Term Liquidity | 6,203 | 0.1 | 0.0 | 0.1 |
| Goldman Sachs Financial Square Fund | 6,203 | 0.1 | 0.0 | 0.1 |
| Fixed Income | 1,524,419 | 34.1 | 35.0 | -0.9 |
| Baird Aggregate Bond Fund Class Institutional | 510,278 | 11.4 | 11.8 | -0.3 |
| Metropolitan West Total Return Bond PI | 510,048 | 11.4 | 11.8 | -0.3 |
| BlackRock Strategic Income Opportunities Fund K | 349,559 | 7.8 | 8.0 | -0.2 |
| PIMCO High Yield Instl | 154,534 | 3.5 | 3.5 | 0.0 |
| Domestic Equity | 1,607,067 | 36.0 | 35.0 | 1.0 |
| Fidelity 500 Index Fund | 1,159,466 | 26.0 | 25.0 | 1.0 |
| Boston Partners Small Cap Value Fund II Instl | 220,335 | 4.9 | 5.0 | -0.1 |
| Conestoga Small Cap Instl | 227,266 | 5.1 | 5.0 | 0.1 |
| International Equity | 1,101,573 | 24.7 | 25.0 | -0.3 |
| Fidelity International Index Fund | 284,415 | 6.4 | 6.5 | -0.1 |
| Aristotle International Equity Instl | 272,460 | 6.1 | 6.0 | 0.1 |
| MFS Instl International Equity Fund | 270,003 | 6.0 | 6.0 | 0.0 |
| GQG Partners Emerging Markets Equity Inst | 274,695 | 6.1 | 6.5 | -0.4 |
| Real Assets | 228,570 | 5.1 | 5.0 | 0.1 |
| Principal Diversified Real Asset R6 | 228,570 | 5.1 | 5.0 | 0.1 |

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

Newtown, CT

Performance Update As Of December 31, 2021

Portfolio Performance

| | Value | Performance(%) | | | | | | | | Inception Date |
|--------------------------|------------------|----------------|------------|----------------------|-------------|-------------|-------------|------------|-----------------|-------------------|
| | | 1 Month | QTD | Jul-2021 To Dec-2021 | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | |
| OPEB Plan | 4,467,833 | 2.7 | 4.3 | 4.1 | 12.0 | 14.8 | 10.4 | 8.1 | 6.7 | 05/01/2010 |
| <i>Blended Benchmark</i> | | 2.5 | 3.9 | 3.2 | 11.2 | 15.0 | 10.4 | 9.5 | 8.9 | 05/01/2010 |

Calendar Year Performance

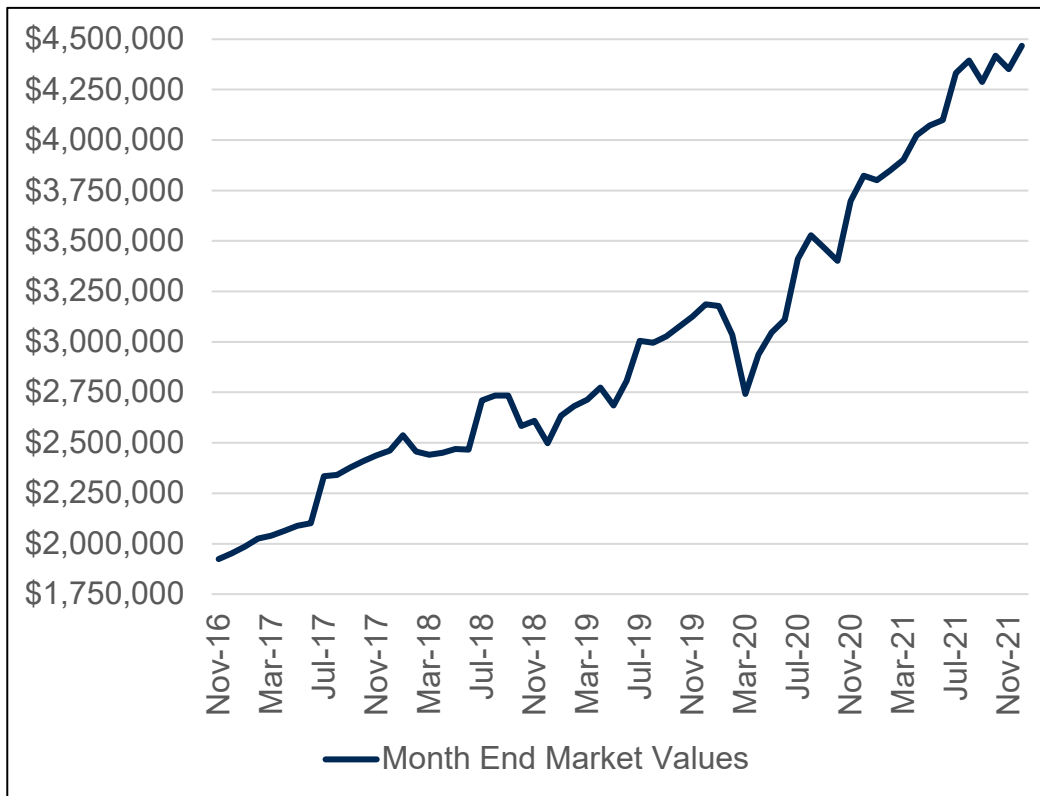
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------|-------------|-------------|-------------|-------------|------------|------------|------------|
| OPEB Plan | 13.1 | 19.3 | -6.0 | 15.5 | 4.1 | 0.5 | 5.7 |
| <i>Blended Benchmark</i> | 13.6 | 20.5 | -6.2 | 14.9 | 6.7 | 1.0 | 7.7 |

| Allocation Mandate | Weight (%) |
|--------------------------------------|------------|
| Jun-2021 | |
| Blmbg. U.S. Aggregate Index | 35.00 |
| Russell 3000 Index | 35.00 |
| MSCI AC World ex USA (Net) | 25.00 |
| Diversified Real Asset Blended Index | 5.00 |

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Town of Newtown, CT OPEB Portfolio

Market Value History



| Month | Month End Market Value |
|----------------|------------------------|
| January 2021 | \$3,801,346 |
| February 2021 | \$3,849,112 |
| March 2021 | \$3,902,690 |
| April 2021 | \$4,022,522 |
| May 2021 | \$4,071,740 |
| June 2021 | \$4,099,557 |
| July 2021 | \$4,332,283 |
| August 2021 | \$4,394,692 |
| September 2021 | \$4,288,093 |
| October 2021 | \$4,418,600 |
| November 2021 | \$4,350,782 |
| December 2021 | \$4,467,833 |

DISCLOSURE: The balance information has been compiled solely by Fiducient Advisors and has not been independently verified. In preparing this report, Fiducient Advisors has relied upon information provided by the investment managers and by the custodian.

Manager Performance Overview

As of December 31, 2021

| | 1 Month | QTD | Jul-2021 To Dec-2021 | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception | Inception Date |
|---|------------------|------------------|----------------------------|-------------|-------------|-------------|------------|-------------|--------------------|-------------------|
| OPEB Plan | 2.7 | 4.3 | 4.1 | 12.0 | 14.8 | 10.4 | 8.0 | 8.1 | 6.7 | 05/01/2010 |
| <i>Blended Benchmark</i> | 2.5 | 3.9 | 3.2 | 11.2 | 15.0 | 10.4 | 8.5 | 9.5 | 8.9 | |
| <i>60% S&P 500 / 40% Bloomberg Barclays Aggregate Index</i> | 2.6 | 6.6 | 7.0 | 15.9 | 17.5 | 12.6 | 10.3 | 11.1 | 10.5 | |
| Goldman Sachs Financial Square Fund | 0.0 | 0.0 | 0.0 | 0.0 | N/A | N/A | N/A | N/A | 0.4 | 08/01/2019 |
| <i>90 Day U.S. Treasury Bill</i> | 0.0 | 0.0 | 0.0 | 0.0 | N/A | N/A | N/A | N/A | 0.6 | |
| Fixed Income | 0.1 | 0.0 | 0.1 | -1.7 | 4.8 | 3.7 | 3.4 | 3.7 | 3.7 | 05/01/2010 |
| <i>Blmbg. U.S. Aggregate Index</i> | -0.3 | 0.0 | 0.1 | -1.5 | 4.8 | 3.6 | 3.0 | 2.9 | 3.5 | |
| Baird Aggregate Bond Fund Class Institutional | -0.2 (54) | -0.1 (43) | 0.0 (33) | N/A | N/A | N/A | N/A | N/A | 0.9 (34) | 06/01/2021 |
| <i>Blmbg. U.S. Aggregate Index</i> | -0.3 | 0.0 | 0.1 | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| IM U.S. Broad Market Core Fixed Income (MF) Median | -0.2 | -0.1 | -0.1 | N/A | N/A | N/A | N/A | N/A | 0.7 | |
| Metropolitan West Total Return Bond PI | -0.2 (87) | -0.1 (41) | 0.0 (41) | N/A | N/A | N/A | N/A | N/A | 0.7 (56) | 06/01/2021 |
| <i>Blmbg. U.S. Aggregate Index</i> | -0.3 | 0.0 | 0.1 | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| IM U.S. Broad Market Core+ Fixed Income (MF) Median | 0.0 | -0.2 | 0.0 | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| BlackRock Strategic Income Opportunities Fund K | 0.3 (61) | -0.2 (39) | -0.3 (56) | N/A | N/A | N/A | N/A | N/A | -0.1 (61) | 06/01/2021 |
| <i>Blmbg. U.S. Aggregate Index</i> | -0.3 | 0.0 | 0.1 | N/A | N/A | N/A | N/A | N/A | 0.8 | |
| IM Alternative Credit Focus (MF) Median | 0.5 | -0.3 | -0.1 | N/A | N/A | N/A | N/A | N/A | 0.2 | |
| PIMCO High Yield Instl | 2.0 (16) | 0.7 (35) | 1.4 (30) | N/A | N/A | N/A | N/A | N/A | 2.7 (33) | 06/01/2021 |
| <i>ICE BofAML High Yield BB-B Constrained Index</i> | 1.9 | 0.7 | 1.7 | N/A | N/A | N/A | N/A | N/A | 2.9 | |
| IM U.S. High Yield Bonds (MF) Median | 1.7 | 0.5 | 1.2 | N/A | N/A | N/A | N/A | N/A | 2.4 | |
| Domestic Equity | 4.1 | 9.1 | 9.8 | 25.6 | 26.0 | 17.9 | N/A | N/A | 18.0 | 12/01/2016 |
| <i>Russell 3000 Index</i> | 3.9 | 9.3 | 9.2 | 25.7 | 25.8 | 18.0 | N/A | N/A | 18.1 | |
| Fidelity 500 Index Fund | 4.5 (52) | 11.0 (26) | 11.7 (23) | N/A | N/A | N/A | N/A | N/A | 14.3 (22) | 06/01/2021 |
| <i>S&P 500 Index</i> | 4.5 | 11.0 | 11.7 | N/A | N/A | N/A | N/A | N/A | 14.3 | |
| IM U.S. Large Cap Core Equity (MF) Median | 4.5 | 10.0 | 9.9 | N/A | N/A | N/A | N/A | N/A | 11.5 | |
| Boston Partners Small Cap Value Fund II Instl | 4.8 (65) | 3.6 (85) | 1.0 (79) | N/A | N/A | N/A | N/A | N/A | -0.5 (80) | 06/01/2021 |
| <i>Russell 2000 Value Index</i> | 4.1 | 4.4 | 1.2 | N/A | N/A | N/A | N/A | N/A | 0.6 | |
| IM U.S. Small Cap Value Equity (MF) Median | 5.2 | 5.9 | 4.0 | N/A | N/A | N/A | N/A | N/A | 2.0 | |

Returns are expressed as percentages, and annualized only for periods greater than one year.

Manager Performance Overview

As of December 31, 2021

| | 1 Month | QTD | Jul-2021 To Dec-2021 | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception | Inception Date |
|--|-----------------|------------------|----------------------------|-------------|-------------|-------------|------------|-------------|--------------------|-------------------|
| Conestoga Small Cap Instl | 1.4 (62) | 5.0 (16) | 9.2 (2) | N/A | N/A | N/A | N/A | N/A | 12.9 (2) | 06/01/2021 |
| <i>Russell 2000 Growth Index</i> | <i>0.4</i> | <i>0.0</i> | <i>-5.6</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>-1.2</i> | |
| IM U.S. Small Cap Growth Equity (MF) Median | 1.9 | 1.8 | -1.0 | N/A | N/A | N/A | N/A | N/A | 2.0 | |
| International Equity | 4.1 | 3.8 | 1.8 | 12.5 | 14.9 | 10.4 | N/A | N/A | 10.7 | 12/01/2016 |
| <i>International Equity Hybrid</i> | <i>4.1</i> | <i>1.8</i> | <i>-1.2</i> | <i>9.1</i> | <i>13.5</i> | <i>9.4</i> | <i>N/A</i> | <i>N/A</i> | <i>9.9</i> | |
| Fidelity International Index Fund | 4.7 (60) | 3.2 (37) | 2.3 (26) | N/A | N/A | N/A | N/A | N/A | 0.8 (22) | 06/01/2021 |
| <i>MSCI EAFE (Net) Index</i> | <i>5.1</i> | <i>2.7</i> | <i>2.2</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>1.1</i> | |
| IM International Large Cap Core Equity (MF) Median | 5.0 | 2.9 | 0.5 | N/A | N/A | N/A | N/A | N/A | -0.7 | |
| Aristotle International Equity Instl | 4.9 (26) | 5.6 (5) | 5.9 (3) | N/A | N/A | N/A | N/A | N/A | 4.2 (8) | 06/01/2021 |
| <i>MSCI AC World ex USA Growth (Net)</i> | <i>3.0</i> | <i>2.4</i> | <i>-1.3</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>-1.0</i> | |
| IM International Large Cap Growth Equity (MF) Median | 3.9 | 3.0 | 1.2 | N/A | N/A | N/A | N/A | N/A | 0.7 | |
| MFS Instl International Equity Fund | 4.9 (55) | 6.8 (3) | 6.6 (2) | N/A | N/A | N/A | N/A | N/A | 5.2 (3) | 06/01/2021 |
| <i>MSCI EAFE (Net) Index</i> | <i>5.1</i> | <i>2.7</i> | <i>2.2</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>1.1</i> | |
| IM International Large Cap Core Equity (MF) Median | 5.0 | 2.9 | 0.5 | N/A | N/A | N/A | N/A | N/A | -0.7 | |
| GQG Partners Emerging Markets Equity Inst | 2.1 (48) | -0.2 (33) | -6.1 (30) | N/A | N/A | N/A | N/A | N/A | -6.0 (35) | 06/01/2021 |
| <i>MSCI Emerging Markets (Net) Index</i> | <i>1.9</i> | <i>-1.3</i> | <i>-9.3</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>-9.1</i> | |
| IM Emerging Markets Equity (MF) Median | 2.0 | -1.3 | -8.8 | N/A | N/A | N/A | N/A | N/A | -7.4 | |

Returns are expressed as percentages, and annualized only for periods greater than one year.

Manager Performance Overview

As of December 31, 2021

| | 1 Month | QTD | Jul-2021 To Dec-2021 | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception | Inception Date |
|---|------------|------------|----------------------------|------------|------------|------------|------------|-------------|--------------------|-------------------|
| Real Assets | 4.0 | 4.7 | 6.2 | N/A | N/A | N/A | N/A | N/A | 6.0 | 06/01/2021 |
| <i>Diversified Real Asset Blended Index</i> | <i>4.0</i> | <i>4.0</i> | <i>5.2</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>5.0</i> | |
| Principal Diversified Real Asset R6 | 4.0 | 4.7 | 6.2 | N/A | N/A | N/A | N/A | N/A | 6.0 | 06/01/2021 |
| <i>Diversified Real Asset Blended Index</i> | <i>4.0</i> | <i>4.0</i> | <i>5.2</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | <i>5.0</i> | |

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies. Composite performance includes all funds held in the composite since inception.

Returns are net of fees unless otherwise stated. Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Returns are expressed as percentages, and annualized only for periods greater than one year.

Definitions & Disclosures

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

REGULATORY DISCLOSURES

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

ASSET CLASS REPRESENTATIONS

All material and information is intended for Fiducient Advisors L.L.C. business only. Any use or public dissemination outside firm business is prohibited. Information is obtained from a variety of sources which are believed though not guaranteed to be accurate. Any forecast represents future expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance. This presentation does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged and investors can not actually invest directly into an index:

TIPS: Bloomberg Barclays Global Inflation-Linked: U.S. TIPS Total Return Index Unhedged

Municipals 5-Year: Bloomberg Barclays Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

Core Bond: Bloomberg Barclays US Agg Total Return Value Unhedged USD

High Yield Municipals: Bloomberg Barclays Muni High Yield Total Return Index Value Unhedged USD

High Yield: Bloomberg Barclays US Corporate High Yield Total Return Index Value Unhedged USD

Foreign Bond: Bloomberg Barclays Global Aggregate ex-USD Total Return Index Value USD (50/50 blend of hedged and unhedged)

EM Debt (unhedged): J.P. Morgan GBI-EM Global Diversified Composite Unhedged USD

U.S. Large Cap: S&P 500 Total Return Index

U.S. Small Cap: Russell 2000 Total Return Index

International Developed: MSCI EAFE Net Total Return USD Index

Emerging Markets: MSCI Emerging Markets Net Total Return USD Index

World: MSCI ACWI Net Total Return USD Index

U.S. Equity REITs: FTSE Nareit Equity REITs Total Return Index USD

S&P Real Assets: S&P Real Assets Total Return Index

Commodities: Bloomberg Commodity Total Return Index

Hedge Funds: Hedge Fund Research HFRI Fund of Funds Composite Index

Balanced: 3% TIPS, 33% Core Bond, 4% High Yield, 2% Foreign Bond, 2% EM Debt (unhedged), 18% U.S. Large Cap, 6% U.S. Small Cap, 16% International, 8% Emerging Markets, 5% U.S. Equity REITs, 3% Commodities

U.S.: MSCI USA Net Total Return USD Index

China: MSCI CHINA Net Total Return USD Index

Japan: MSCI Japan Net Total Return USD Index

Germany: MSCI Germany Net Total Return USD Index

India: MSCI India Net Total Return USD Index

United Kingdom: MSCI UK Net Total Return USD Index

France: MSCI France Net Total Return USD Index

Italy: MSCI Italy Net Total Return USD Index

Brazil: MSCI Brazil Net Total Return USD Index

Canada: MSCI Canada Net Total Return USD Index

INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of \$1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg Barclays Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Barclays Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Barclays Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg Barclays Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg Barclays Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

- **Bloomberg Barclays U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Barclays Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg Barclays U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **The Dow Jones Industrial Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2500** consists of the 2,500 smallest U.S. companies in the Russell 3000 index.
- **Russell 2500 Growth** measures the performance of the Russell 2500 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2500 Value** measures the performance of those Russell 2500 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World** captures large and mid-cap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across 22 of 23 Developed Markets countries (excluding the US) and 23 Emerging Markets countries. With 4,368 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 507 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. With 542 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across 23 Emerging Markets countries. With 836 constituents, the index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **Consumer Price Index** is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Fund Specific Broad Real Asset Benchmarks:**
 - **DWS Real Assets:** 30%: Dow Jones Brookfield Infrastructure Index, 30%: FTSE EPRA/NAREIT Developed Index, 15%: Bloomberg Commodity Index, 15%: S&P Global Natural Resources Index, 10%: Barclays U.S. Treasury Inflation Notes Total Return Index
 - **PIMCO Inflation Response Multi Asset Fund:** 45% Barclays U.S. TIPS, 20% Bloomberg Commodity Index, 15% JP Morgan Emerging Local Markets Plus, 10% Dow Jones Select REIT, 10% Bloomberg Gold Subindex Total Return
 - **Principal Diversified Real Assets:** 35% BBgBarc U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index NTR, 20% S&P Global Natural Resources Index NTR, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Index NTR
 - **Wellington Diversified Inflation H:** 50% MSCI ACWI Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Bloomberg Barclays US TIPS 1 – 10 Year Index
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **The Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
- **The Adjusted Alerian MLP Index** is commensurate with 65% of the monthly returns of the Alerian MLP Index to incorporate the effect of deferred tax liabilities incurred by MLP entities.
- **Cambridge Associates U.S. Private Equity Index** is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.

- **Cambridge Associates U.S. Venture Capital Index** is based on data compiled from over 1,600 institutional-quality venture capital funds formed between 1986 and 2015.
- **Vanguard Spliced Bloomberg Barclays US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US Agg Flt Adj Index:** Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US Long Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. Long Government/Credit Float Adjusted Index thereafter.
- **Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) and 40% Bloomberg Barclays U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg Barclays 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.
- **Vanguard Spliced Small Cap Index:** Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.
- **Vanguard Spliced Small Cap Growth Index:** S&P SmallCap 600 Growth Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Growth Index through April 16, 2013; CRSP US Small Cap Growth Index thereafter.
- **Vanguard Spliced Total International Stock Index:** Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Developed Markets Index:** MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Emerging Markets Index:** Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard REIT Spliced Index:** MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Additional:

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

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming 75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.

- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared:** This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta:** This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse than the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.
- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between the manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's annual return.
- **Information Ratio:** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing it by the standard deviation of excess return.
- **Consistency:** Consistency shows the percent of the periods the fund has beaten the index and the percent of the periods the index has beat the fund. A high average for the fund (e.g., over 50) is desirable, indicating the fund has beaten the index frequently.
- **Downside Risk:** Downside risk is a measure similar to standard deviation but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.
- **M-Squared:** M-squared, or the Modigliani risk-adjusted performance measure is used to characterize how well a portfolio's return rewards an investor for the amount of risk taken, relative to that of some benchmark portfolio and to the risk-free rate.

DEFINITION OF KEY PRIVATE EQUITY TERMS

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

VALUATION POLICY

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

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OTHER

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

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

CUSTODIAN STATEMENTS

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



FIDUCIENT

Advisors

Helping Clients Prosper

Town of Newtown – Asset Allocation Modeling

4Q 2021



Disclosure

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Fiduciary Governance Calendar



*Timing of actuarial review is dependent on client's individual plan and/or fiscal year and actuarial input.



January 2022 Investment Outlook

Key Observations

- We expect economic recovery to persist in 2022 at a more modest pace as extraordinary pandemic stimulus begins to moderate. Ongoing challenges with a recalibrating global supply chain are expected to continue to lead to persistently higher levels of inflation than we have seen over the last several decades.
- The investing backdrop remains mostly constructive in our view, but investors will likely be served by taking a thoughtful and diversified approach to risk-taking. The global economy is still in transition and pandemic-driven economic uncertainties are ongoing.

Capital Market Factors

- **Economic Growth:** The Conference Board's 2022 global economic growth forecast is 3.9 percent, a level characterized by the Board as "above potential recovery growth." 2023-2026 annualized growth is expected to moderate to 2.5 percent.
- **Monetary Policy:** The Fed's rotation to a tighter policy stance is expected to slow and then end its \$120 billion monthly asset purchase program sometime in 2022 and begin to raise interest rates. At its December 2021 meeting, the Fed indicated an accelerated pace toward the elimination of its bond buying efforts by the middle of next year and a majority of FOMC members now expect at least three interest rate hikes by year-end 2022.
- **Fiscal Policy:** Massive pandemic-relief and infrastructure spending will likely continue to drive short-term deficits, stimulate near-term economic growth and fuel inflationary forces.
- **Inflation:** Current year-over-year inflation is running at a level in excess of 6 percent, which is meaningfully above the Fed's stated target, and is likely to remain high in the immediate future. However, the bond market's expectation is for inflation to gradually moderate back towards 2.5 percent over the next decade.
- **Currency:** The dollar strengthened in 2021 and was supported by a more consistent economic recovery in the U.S. compared to global peers. A more aggressive path to interest rate hikes by the Fed when compared to its peer institutions would support U.S. dollar strength, but volatility is expected as investors continue to digest the implications of Fed tightening in conjunction with actions of other global central banks.

2022-2041 Twenty-Year Outlook



Investment Themes for 2022-2041

| Asset Class | 2022 Outlook E(R) - 20 Year | 2021 Outlook E(R) - 20 Year | Year Over Year Change |
|-------------------------|--------------------------------|--------------------------------|--------------------------|
| Inflation | 2.5% | 1.8% | 0.7% |
| Cash* | 0.7% | 0.7% | 0.0% |
| TIPS | 2.1% | 1.7% | 0.3% |
| Muni Bond** | 2.1% | 1.6% | 0.5% |
| Muni High Yield** | 5.6% | 7.7% | -2.1% |
| US Bond | 2.5% | 2.1% | 0.3% |
| Dynamic Bonds*** | 2.8% | 2.8% | -0.1% |
| Global Bonds | 2.2% | 1.8% | 0.4% |
| Corp HY Bond | 4.5% | 4.4% | 0.1% |
| Global Equity | 8.1% | 7.7% | 0.5% |
| US Equity (AC) | 6.8% | 6.4% | 0.4% |
| US Equity (LC) | 6.6% | 6.3% | 0.4% |
| US Equity (MC) | 7.0% | 6.6% | 0.4% |
| US Equity (SC) | 7.0% | 6.7% | 0.3% |
| Int'l Dev. Equity | 8.6% | 7.9% | 0.8% |
| EM Equity | 10.5% | 9.4% | 1.2% |
| Real Estate | 6.3% | 6.2% | 0.1% |
| Broad Real Assets**** | 5.6% | 4.8% | 0.9% |
| Marketable Alternatives | 6.8% | 6.3% | 0.5% |
| Private Equity | 9.8% | 9.4% | 0.4% |

*3-month forecast

**Tax equivalent yield based on highest marginal tax rate (37%)

***33% Cash, 33% Corp HY, and 34% Global Bonds

****20% REITs, 20% Global Infrastructure, 20% Commodities, 20% US Bonds, 15% Corp High Yield, 5% TIPS

- Nominal return forecasts rose for most asset classes, but rising inflation expectations means most asset classes have declining year-over-year real return expectations.
- Meaningfully negative real returns continues to make cash an expensive opportunity cost for investors.
- Global bond yields generally rose. Despite the increase, most fixed income asset class forward-looking return expectations remain below expected inflation levels.
- Earnings accelerated in 2021 and expanded faster than stock prices. Non-U.S. equities remain more attractive on a valuation basis as U.S. equities have grown to represent 61 percent of the global equity market capitalization compared to 58 percent a year ago.
- With higher inflation expectations, real assets remain an important diversifier. Within real assets, broad real assets return expectations rose meaningfully faster than real estate.
- Alternative asset class return expectations rose modestly.

For additional information on forecast methodologies, please speak with your advisor. Please see Index Proxy Summary slide at the end of this presentation for summary of indexes used to represent each asset class. Past performance does not indicate future performance and there is a possibility of a loss.



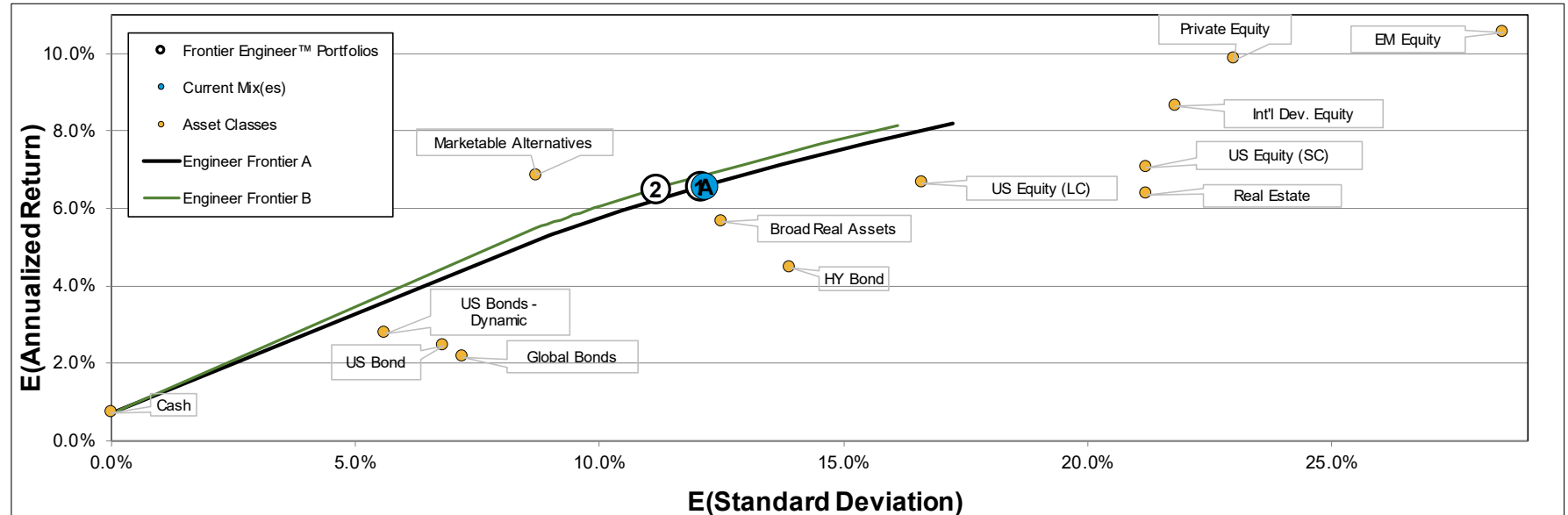
Asset Allocation Analysis

- We believe **Asset Allocation** is the primary determinant of long-term investment results.
- Our proprietary **Frontier Engineer®** system is the cornerstone of asset allocation decisions.
- Our Capital Markets Group develops **Capital Market Assumptions** (CMAs) for each major asset class at least annually.
 - ✓ The Capital Markets Group considers and analyzes a wide variety of factors that we believe will have the greatest impact on future returns and risks for each asset class studied.
 - ✓ Our CMAs are not intended to predict the future return in any single year, but rather to reflect our median expected outcome over the next ten years.
 - ✓ Our forecasting efforts center on **a ten-year horizon**. Any adjustments made to extend the forecast horizon to **twenty years** or beyond are grounded in our expectation that asset classes ultimately mean revert toward longer term historical averages.
 - ✓ Fiducient Advisors' Capital Markets Team develops our CMAs based on a “building block” approach outlined in our white paper “Capital Market Forecasts”. *(Copies are available upon request.)*
- **Correlations** (how asset classes behave in reference to one another) also significantly impact asset allocation analysis.
- **Fat Tails** (non-normal return elements of skewness and kurtosis) also meaningfully impact our asset allocation analysis.
- Given the current market environment, full market cycle (10 year) return assumptions are lower than long term (20 year) assumptions.

Frontier Engineer® Analysis



| 12/31/2021 | Asset Allocation | | | | | | | | | | | | | | | | Forecasts | | | | Past (1/88-12/21) | | |
|-----------------|------------------|--------|-------------|--------------|------|---------|--------------------|---------|--------------|----------------|----------------|-------------------|-----------|-------------|-------------------|-------------------------|----------------|-------------------|-----------------------|------------------------|-----------------------------|-------------------|-----------------------|
| | Fixed Income | Equity | Real Assets | Alternatives | Cash | US Bond | US Bonds - Dynamic | HY Bond | Global Bonds | US Equity (LC) | US Equity (SC) | Int'l Dev. Equity | EM Equity | Real Estate | Broad Real Assets | Marketable Alternatives | Private Equity | Annualized Return | Annualized Volatility | Normal 100 Year Flood* | Non-Normal 100 Year Flood** | Annualized Return | Annualized Volatility |
| Current Mix (A) | 35% | 60% | 5% | | | 23.5% | 8.0% | 3.5% | | 25.0% | 10.0% | 18.5% | 6.5% | | 5.0% | | | 6.6% | 12.2% | -21% | -29% | 8.7% | 9.8% |
| Mix 1 | 35% | 57% | 9% | | | 19% | 11% | 2% | 3% | 25% | 8% | 16% | 8% | 3% | 5% | | | 6.5% | 12.0% | -21% | -28% | 8.8% | 9.7% |
| Mix 2 | 33% | 49% | 8% | 10% | | 18% | 10% | 2% | 3% | 21% | 7% | 14% | 7% | 3% | 5% | 10% | | 6.5% | 11.1% | -19% | -26% | 8.6% | 8.8% |



*The expected one in a hundred worst case calendar year return based on normally distributed capital market assumptions. Greater losses are possible (1% expected likelihood).

**The expected one in a hundred worst case calendar year return based on non-normally distributed capital market assumptions (factoring in skewness & kurtosis). Greater losses are possible (1% expected likelihood).

Historical Returns and Risk Metrics for each Mix represent back-tested calculations developed with the benefit of hindsight. Return calculations use an asset-weighted methodology based on the target asset allocation of each mix and the total return of index proxies used to represent each asset class and are gross of fees. Historical returns are hypothetical and do not represent returns earned by a client. It is not possible to invest in an index. Please see disclosures at the end of this presentation for additional important information, including index proxies used to represent each asset class. Please ask for a copy of Fiducient Advisors' white paper titled 10-Year Capital Market Forecasts. Past performance does not indicate future performance and it is possible to lose money when investing.



Asset Allocation Analysis

| Asset Class | IPS Range | IPS Target | Current Allocation |
|----------------------|-----------|------------|--------------------|
| Cash & Equivalents | 0% - 10% | 0% | 0.8% |
| Fixed Income | 25% - 45% | 35% | 34.1% |
| Domestic Equity | 25% - 45% | 35% | 35.5% |
| International Equity | 15% - 35% | 25% | 24.6% |
| Real Assets | 0% - 15% | 5% | 5.0% |

The current allocation is within the allowable range as stated within the Investment Policy Statement (IPS). Any portfolio adjustments that are considered will likely remain within the allowable range, but the IPS targets may need to be updated.



| Newtown Pension Plans | | | | |
|-----------------------------|------------------------------|-----------------|----------------------|-----------------|
| | <u>BOE & Town Report</u> | | <u>Police Report</u> | |
| | <u>7/1/2021</u> | <u>7/1/2020</u> | <u>7/1/2021</u> | <u>7/1/2020</u> |
| Actuarial Value of Assets | 33,552,012 | 30,391,791 | 20,317,504 | 18,355,819 |
| Total Accrued Liability | 39,361,925 | 37,168,197 | 28,961,203 | 27,914,498 |
| Funded Ratio | 85.2% | 81.8% | 70.2% | 65.8% |
| Actuarial Return Assumption | 6.5% | 6.5% | 6.5% | 6.5% |



Indices for Past Return & Risk Metrics

| Indices used to generate historical risk and return metrics | Most Recent Index | Index Dates | | | Linked Index 1 | Index Dates | | | Linked Index 2 | Index Dates | | | Linked Index 2 | Index Dates | | |
|---|--|-------------|---|------|----------------------------------|-------------|---|------|----------------|-------------|---|------|----------------|-------------|---|------|
| Cash | FTSE Treasury Bill 3 Mon USD | 12/21 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| US Bond | Bloomberg US Agg Bond TR USD | 12/21 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| US Bonds - Dynamic | *Custom Blend of Indices | 12/21 | - | 2/90 | Bloomberg US Agg Bond TR USD | 1/90 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| HY Bond | Bloomberg US Corporate High Yield TR USD | 12/21 | - | 7/83 | Bloomberg US Agg Bond TR USD | 6/83 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| Global Bonds | Bloomberg Global Aggregate TR Hdg USD | 12/21 | - | 2/90 | Bloomberg US Agg Bond TR USD | 1/90 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| US Equity (LC) | S&P 500 TR USD | 12/21 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| US Equity (SC) | Russell 2000 TR USD | 12/21 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| Int'l Dev. Equity | MSCI EAFE GR USD | 12/21 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| EM Equity | MSCI EM GR USD | 12/21 | - | 1/88 | MSCI EAFE GR USD | 12/87 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| Real Estate | Wilshire US RESI TR USD | 12/21 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| Broad Real Assets | S&P Real Asset TR USD | 12/21 | - | 5/05 | *Custom Real Assets Index | 4/05 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| Marketable Alternatives | HFRI Fund of Funds Composite USD | 12/21 | - | 1/90 | HFN Hedge Fund Aggregate Average | 12/89 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |
| Private Equity | Cambridge PE 67% Buyout vs. 33% Venture | 12/21 | - | 4/86 | Russell 2000 TR USD | 3/86 | - | 1/79 | N.A. | N.A. | - | N.A. | N.A. | N.A. | - | N.A. |

*US Bonds - Dynamic Index - 1/3 Bloomberg Gbl Agg Ex USD TR Hdg USD, 1/3 FTSE Treasury Bill 3 Mon USD & 1/3 Bloomberg US Corporate High Yield TR USD

Note: Private Equity Index is frequently 3-6 months behind the other indices. For historical return calculation purposes, it is given 0% returns during the most recent period where gaps may exist.

Disclosures



The historical performance information derived from the Frontier Engineer and used or presented in charts, tables, or graphs represent simulated historical performance, which has been derived by retroactively applying an asset allocation modeling process in its most recently developed form with its most recently derived ten-year (forward-looking) capital market assumptions. Such historical return simulations (or back testing) was performed by simulating the combination of actual index returns for the historical period with a buy and hold strategy effective January 1, 1988 through the most recently available month-end date with simulated rebalancing occurring every month-end (with the reinvestment of dividends and capital gains from each index).

Back tested performance is hypothetical and does not reflect actual trades or actual client performance. As with all models, there are inherent limitations which are derived from the retroactive application developed with the benefit of hindsight, including the risk that certain factors such as material economic and market conditions could have contributed to materially different (either higher or lower) performance results than those depicted, or that certain material factors may have been included or excluded from consideration. As such, actual results during the applicable back tested period would have been different than those depicted.

The asset allocation modeling process currently used was initially developed in 2002, and was not offered as a strategy prior to that time. The output of a forward-looking model (or process) is a representation of allocation percentages among specific asset classes. Clients cannot invest directly in a target allocation, but rather, in underlying securities within designated asset classes. Advisor may change its models from time to time, and regularly updates its model as additional capital market assumption information becomes available or to increase or decrease relative weightings or emphasis on certain factors. Consequently, the Advisor may choose to deviate from a stated model over time as the model itself is revised, which could have a materially positive or negative impact on performance.

During the period represented, numerous modelling changes were made, including the regular changes in (ten-year and/or twenty-year basis) forward-looking expected returns, expected volatilities, expected non-normal return distribution assumptions, as well as tracking-error assumptions and risk budgets. Furthermore, such assumptions can be modified client-by-client depending on certain preferences, priorities, constraints or unique considerations applicable to each client.

Other economic and market factors may have impacted decision-making when using the model to manage client funds, including the list of approved asset classes by a client or client type as well as any client-directed or Advisor implemented constraints.

All investments bear the risk of loss, including the loss of principal. Past performance, actual or hypothetical, is no guarantee of future results.

The returns displayed on the preceding pages are gross of fees. Actual performance would be reduced by investment advisory fees and other expenses that may be incurred in the management of the client's portfolio. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be \$5,228 in the first year, and cumulative effects of \$30,342 over five years and \$73,826 over ten years. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.



INDEX DEFINITIONS

FTSE Treasury Bill 3 Month measures return equivalents of yield averages and are not marked to market. It is an average of the last three three-month Treasury bill month-end rates.

Bloomberg Barclays Capital US Treasury Inflation Protected Securities Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Barclays Muni 5 Year Index is the 5 year (4-6) component of the Municipal Bond index.

Bloomberg Barclays High Yield Municipal Bond Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg Barclays U.S. Aggregate Index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

FTSE World Government Bond Index (WGBI) (Unhedged) provides a broad benchmark for the global sovereign fixed income market by measuring the performance of fixed-rate, local currency, investment-grade sovereign debt from over 20 countries,

FTSE World Government Bond Index (WGBI) (Hedged) is designed to represent the FTSE WGBI without the impact of local currency exchange rate fluctuations.

Bloomberg Barclays US Corporate High Yield TR USD covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

JP Morgan Government Bond Index-Emerging Market Index (GBI-EMI) is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.

JPMorgan EMBI Global Diversified is an unmanaged, market-capitalization weighted, total-return index tracking the traded market for U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

MSCI ACWI is designed to represent performance of the full opportunity set of large- and mid-cap stocks across multiple developed and emerging markets, including cross-market tax incentives.

The S&P 500 is a capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Russell 3000 is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.

Russell Mid Cap measures the performance of the 800 smallest companies in the Russell 1000 Index.

Russell 2000 consists of the 2,000 smallest U.S. companies in the Russell 3000 index.

MSCI EAFE is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country

The Wilshire US Real Estate Securities Index (Wilshire US RESI) is comprised of publicly-traded real estate equity securities and designed to offer a market-based index that is more reflective of real estate held by pension funds.

Alerian MLP Index is a float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.

Bloomberg Commodity Index (BCI) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.

Treasury Inflation-Protected Securities (TIPS) are Treasury bonds that are indexed to inflation to protect investors from the negative effects of rising prices. The principal value of TIPS rises as inflation rises.

HFRI Fund of Funds Composite is an equal-weighted index consisting of over 800 constituent hedge funds, including both domestic and offshore funds.

Cambridge Associates U.S. Private Equity Index (67% Buyout vs. 33% Venture) is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.

HFN Hedge Fund Aggregate Average is an equal weighted average of all hedge funds and CTA/managed futures products reporting to the HFN Database. Constituents are aggregated from each of the HFN Strategy Specific Indices.

Goldman Sachs Commodity Index (GSCI) is a broadly diversified, unleveraged, long-only composite index of commodities that measures the performance of the commodity market.