

Firefighters' Pension Governance & Investment Policies

Final Report • March 18, 2022





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Re: Firefighters' Pension Governance & Investment Policies

I certify that the inspector general personnel assigned to this project are free of personal or other external impairments to independence.

A handwritten signature in blue ink that reads 'Edward Michel'. The signature is written in a cursive style with a small star above the 'i' in 'Michel'.

Edward Michel, CIG

Inspector General

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The Office of Inspector General (OIG) of the City of New Orleans conducted an evaluation of the New Orleans Firefighters' Pension and Relief Fund's (NOFFPF) governance and investment policies. The purpose of this evaluation was to determine whether the NOFFPF's overall governance systems and investment decision-making processes were consistent with legal requirements and best practices, and supported its goal of ensuring sufficient funds available to pay benefits.

The NOFFPF was responsible for paying retirement, disability, and survivor benefits for local firefighters, funded by contributions from employed firefighters and the City of New Orleans (City). The entity had a prior history of poor investment performance, including consistently negative overall returns for several years and the use of alternative investments such as a local golf course, films, and hedge funds. In recent years, the NOFFPF showed signs of improved financial stability and governance. However, after years of poor performance, compounded by conflict between the NOFFPF and the City over benefit obligations, the fund was significantly underfunded compared to other public pension plans.

Evaluators interviewed personnel, attended board meetings, and obtained documents from the NOFFPF, in addition to reviewing the entity's policies and procedures, financial and investment reports, board meeting minutes, and additional documentation provided by the NOFFPF.

The evaluation included the following findings:

- The NOFFPF did not comply with all governance requirements in its settlement agreement and Cooperative Endeavor Agreement (CEA) with the City.
- The NOFFPF did not develop, document, and use meaningful criteria for evaluating the performance of its investment portfolio.
- The NOFFPF lacked a formally articulated risk tolerance and a thorough, documented process for assessing investment risks.
- While the NOFFPF had clear criteria to monitor the performance of its money managers, it lacked similarly well-defined criteria to monitor the performance of its investment consultant.

Based on these findings, the OIG made the following recommendations to the NOFFPF:

- The NOFFPF should work with the City and other parties to revise the CEA as needed and should comply with any and all provisions within the updated CEA.
- The NOFFPF should develop meaningful measures to assess the performance of its investment portfolio, clearly document these criteria in its investment policy or other documents, and use these guidelines to routinely monitor investment performance.
- The NOFFPF should clearly document its risk tolerance and process for assessing risks in investment decisions.
- The NOFFPF should develop clear performance criteria for its investment consultant.

The NOFFPF accepted three of the four recommendations in the report and has indicated corrective actions that are either planned or in progress. Devoting additional attention to creating formal processes, policies, and performance measures that support effective decision making will increase the likelihood that the entity manages its assets efficiently and effectively.

I. OBJECTIVES, SCOPE, AND METHODS

The Office of Inspector General (OIG) of the City of New Orleans conducted an evaluation of the New Orleans Firefighters' Pension and Relief Fund's (NOFFPF) governance and investment policies.

The purpose of this evaluation was to determine whether the NOFFPF's overall governance systems and investment decision-making processes were consistent with legal requirements and best practices, and supported its goal of ensuring sufficient funds available to pay benefits.

Pursuant to Sections 2-1120(12) and (20) of the Code of the City of New Orleans and La. R.S. 33:9613, evaluators interviewed personnel, attended board meetings, and obtained documents from the NOFFPF. In addition, evaluators reviewed the NOFFPF's policies and procedures, financial and investment reports, board meeting minutes, and additional documentation provided by the entity.

The OIG was greatly assisted in the preparation of this report by the full cooperation of NOFFPF staff. This evaluation was performed in accordance with the Principles and Standards for Offices of Inspector General for Inspections, Evaluations, and Reviews.¹

¹ Association of Inspectors General, "Quality Standards for Inspections, Evaluations, and Reviews by Offices of Inspector General," Principles and Standards for Offices of Inspector General (New York: Association of Inspectors General, 2014).

II. INTRODUCTION

The New Orleans Firefighters' Pension and Relief Fund (NOFFPF) was responsible for administering disability, retirement, and survivor benefits to eligible firefighters and their families, as well as ensuring that there were sufficient funds available to pay these benefits. The money used to make pension and disability payments came from a combination of employee contributions withheld from the paychecks of active firefighters and employer contributions paid by the City of New Orleans (City).² The NOFFPF had the responsibility for investing these assets.³

The NOFFPF administered both an Old System, which supported firefighters employed prior to 1968, and a New System for firefighters employed from 1968 onward.⁴ In 2018, the City's annual required contribution to both Systems combined was just under \$50 million. The City was legally required to pay its annual contribution and was also liable for any outstanding pension obligations if the NOFFPF lacked sufficient funds to pay benefits.⁵

HISTORICAL CHALLENGES

INVESTMENT PERFORMANCE

The NOFFPF had a history of poor investment performance, including consistently negative overall returns for the past several years and the use of alternative investments such as a local golf course, films, and hedge funds.⁶ A review of the

² La. R.S. 11:3363(B); La. R.S. 11:3363(D); La. R.S. 11:3384(F). See also Postlethwaite & Netterville, Firefighters' Pension and Relief Fund of the City of New Orleans, Financial Statements, December 31, 2019, 15, accessed December 2, 2020, [http://app.la.state.la.us/PublicReports.nsf/0/124F647CEAF554CE862585FA005E22BB/\\$FILE/00021769.pdf?OpenElement&.7773098](http://app.la.state.la.us/PublicReports.nsf/0/124F647CEAF554CE862585FA005E22BB/$FILE/00021769.pdf?OpenElement&.7773098).

³ La. R.S. 11:3370.

⁴ Postlethwaite & Netterville, 5.

⁵ *New Orleans Fire Fighters Pension and Relief Fund v. City of New Orleans*, 131 So.3d 412, 416-17 (La. App. 2013); La. R.S. 11:3375.

⁶ For a recent history of the NOFFPF's investment returns, refer to Postlethwaite & Netterville, 35. For a description of historical alternative investments, see Duplantier, Hrapmann, Hogan & Maher, L.L.P., Firefighters' Pension and Relief Fund of the City of New Orleans, Financial Statements, December 31, 2013, 22-36, accessed June 21, 2021, <https://noffpf.com/Audit-Reports/2013NOFFP-Audit.pdf>. Details of the NOFFPF's experience with these investments can

NOFFPF’s annual comprehensive financial reports showed that 2019 was the first year since 2011 in which the New System reported a positive rate of return.⁷ The New System contained most of the NOFFPF’s assets.⁸ See Figure 1.

Figure 1: NOFFPF Rate of Investment Returns, 2011-2019

Year	Old System Rate of Return	New System Rate of Return
2011	6.64%	-7.40%
2012	-10.93%	-9.43%
2013	5.23%	-24.46%
2014	8.50%	-7.43%
2015	1.33%	-10.92%
2016	1.05%	-3.10%
2017	0.67%	-11.24%
2018	1.59%	-28.80%
2019	1.80%	31.90%

Source: NOFFPF Annual Comprehensive Financial Reports (ACFR)

The NOFFPF’s investment rate of return impacted the City’s financial obligations. The City’s annual contributions were calculated under the assumption that the fund would earn a certain rate of return. If the invested assets failed to provide the anticipated rate of return, the City’s contributions increased, placing a greater burden on the annual budget. Furthermore, the City was liable for all pension benefits if the NOFFPF was depleted through poor investment performance and

also be gleaned from the minutes of its investment board meetings, available at <https://noffpf.com/investment-minutes.shtml>.

⁷ 2011 was the earliest year in which investment rates of return were documented in the annual comprehensive financial reports reviewed by the OIG.

⁸ As of the NOFFPF’s 2019 financial statements, the New System had \$41.9 million in assets, while the Old System had \$5.5 million. In recent years, the Old System assets were primarily invested in safer, more conservative vehicles, since no new members were being added.

was therefore unable to pay benefits.⁹ The OIG and the City previously expressed concerns about the Board’s governance and handling of the fund.¹⁰

DISAGREEMENTS BETWEEN THE NOFFPF AND THE CITY

Compounding these challenges, the City and the NOFFPF were involved in protracted litigation for several decades.¹¹ One recent subject of litigation was the City’s obligation to pay the entire Actuarially Required Contribution (ARC) as determined by the NOFFPF’s actuary. Beginning in 2010, the City’s contribution to the NOFFPF was less than the amount determined by the actuary. The NOFFPF sued the City in 2012 for the full ARC.¹² In 2013, the trial court required the City to pay \$17 million plus interest for the time when the ARC was not properly funded. As part of the same lawsuit, the City filed a reconventional demand (counterclaim) arguing that the board of trustees had mismanaged the fund and violated its fiduciary duties. The trial court refused to hear evidence on this issue.

The local firefighters’ union (acting as a class representative for firefighters) and the City were also engaged in decades-long class action litigation (beginning in 1981) concerning challenges to the City’s annual leave and longevity pay rules.¹³ All of these legal matters were ultimately resolved in a settlement agreement in late 2015.¹⁴ The settlement agreement stated the City’s obligations under the ARC judgment were considered fulfilled as long as it continued to pay the ARC for the New System.¹⁵

⁹ La. R.S. 11:3375.

¹⁰ See Ed Quatrevaux, Office of Inspector General for the City of New Orleans, “Serious Problems with Firefighters’ Pension and Relief Fund for the City of New Orleans” (public letter to Mitchell J. Landrieu, Mayor of the City of New Orleans, August 25, 2016), 2, accessed September 16, 2019, http://nolaoig.gov/index.php?option=com_mtree&task=att_download&link_id=160&cf_id=37; *New Orleans Fire Fighters Pension and Relief Fund v. City of New Orleans*, 131 So.3d 412, 415 (La. App. 2013).

¹¹ For a summary of much of this history, see Reasons for Judgment, *New Orleans Firefighters Local No. 632 v. City of New Orleans*, No. 81-11108 (Civ. Dist. Ct., December 8, 2015).

¹² *New Orleans Fire Fighters Pension and Relief Fund v. City of New Orleans*, 131 So.3d 412, 414 (La. App. 2013).

¹³ *New Orleans Firefighters Local No. 632 v. City of New Orleans*, 1, Civil Action No. 81-11108 (Civ. Dist. Ct., December 8, 2015).

¹⁴ New Orleans Firefighters Local 632, New Orleans Firefighters’ Pension and Relief Fund, and the City of New Orleans, “Agreed Settlement Terms” (October 15, 2015), accessed February 11, 2020, http://www.noffpf.com/Legal/Agreed_Settlement_Terms_FULLY_EXECUTED.pdf.

¹⁵ *Ibid.*, 2.

CURRENT FINANCIAL STATUS OF THE FUND

After years of poor investment performance compounded by conflict between the NOFFPF and the City, the fund was significantly underfunded compared to other public pension plans.¹⁶ Pension plans use actuaries to calculate their accrued liability (the amount they will need to pay to pensioners) and compare it to the value of the pension plan's assets (i.e. cash and investments).¹⁷ If the assets are worth less than the liabilities, the pension plan will require increased payments from employers and/or employees in order to pay out benefits in the future. While public pension funds in the United States were over 70 percent funded on average, meaning that their assets were projected to cover more than 70 percent of their accrued liability, the NOFFPF's New System was only 9.69 percent funded according to its 2019 financial statements.¹⁸ Furthermore, the funded status of the NOFFPF declined each year between 2011 and 2019, when it improved slightly. See Figure 2.

¹⁶ Postlethwaite & Netteville, 32; "National Data," Public Plans Data, 4, accessed November 3, 2021, <https://publicplansdata.org/quick-facts/national/>.

¹⁷ This comparison of assets and liabilities accounts for differences in timeframes. For instance, if a pension plan needs to pay out \$1,000 in ten years, it needs to have less than \$1,000 in assets right now, since it can invest the money over the next ten years to make up the difference. If the pension plan needs to pay \$1,000 in 20 years instead of ten, it needs even fewer assets now to cover that amount, since they will be invested for a longer period.

¹⁸ "National Data," Public Plans Data, 4; Postlethwaite & Netteville, 32.

Figure 2: NOFFPF New System Funded Status, 2011-2019

Year	Percent Funded
2011	37.08%
2012	34.21%
2013	28.74%
2014	13.02%
2015	12.77%
2016	10.38%
2017	10.27%
2018	7.69%
2019	9.69%

Source: NOFFPF Annual Comprehensive Financial Reports (ACFR)

The Old System had minimal assets, and its benefits were funded in a “pay-as-you-go” manner. This meant rather than using actuarial methods to calculate the City’s annual contribution and considering expected investment returns, the City Council appropriated the full amount of the benefits to be paid each year as part of its annual budget process. As of 2019, the Old System had assets sufficient to cover 4.62 percent of its accrued liabilities.¹⁹

When the NOFFPF was underfunded, the City had the increased burden of making larger contributions to make up the difference.²⁰ In total, the City’s 2019 obligation for NOFFPF benefits was \$50 million, including both the New System and the Old System.²¹ Because the NOFFPF was increasingly underfunded, concerns were raised about its long-term sustainability.

In recent years, the NOFFPF showed indications of improved financial stability. The City had paid its full required contributions since the settlement agreement in 2015, and the annual required contribution, while still high, was relatively constant from year to year. On the investment side, both the Old System and the New System assets generated positive rates of return in 2019, and the funded level of both Systems improved from 2018 to 2019. However, the NOFFPF

¹⁹ Postlethwaite & Netterville, 32.

²⁰ Bureau of Governmental Research, *Sound the Alarm: New Orleans Firefighter Pension Woes and the Legislative Session* (New Orleans: Bureau of Governmental Research, 2013), 1-2, accessed April 30, 2019, https://www.bgr.org/wp-content/uploads/2017/07/BGR-Pensions-Firefighters_2013.pdf.

²¹ Postlethwaite & Netterville, 34.

remained significantly underfunded. Strong governance and well-designed investment policies and practices were therefore critical in order to maximize the NOFFPF's financial position in the future, minimize the financial burden on the City, and ensure the payment of benefits to retired firefighters.

III. COMPLIANCE WITH AGREEMENTS AND POLICIES

The operations of the NOFFPF were governed by several layers of laws, legally binding agreements, and internal policies. Consistent compliance with these requirements was necessary in order to ensure the NOFFPF functioned as intended.

SETTLEMENT AGREEMENT AND CEA

In 2015, the NOFFPF, the City, and the local firefighters' union entered into a settlement agreement designed to resolve decades of litigation regarding the funding, operations, and financial management of the NOFFPF. The settlement agreement imposed obligations on each party and also required them to develop a Cooperative Endeavor Agreement (CEA) that would "articulate and define all aspects of benefits, funding requirements, and other operations of the Fund."²² In 2016, the parties signed a CEA including various requirements stipulated in the settlement agreement.

The settlement agreement and resulting CEA aimed to address some of the challenges facing the NOFFPF. Among other provisions, the City committed to properly fund the actuarially determined annual contribution to the New System. For its part, the NOFFPF agreed to implement several governance provisions related to its actuarial assumptions, benefits structure, and board decision-making and governance processes.²³

Finding 1: The NOFFPF did not comply with all governance requirements in the settlement agreement and CEA with the City.

The NOFFPF complied with some, but not all, of its commitments in the settlement agreement and the CEA. One area in which the NOFFPF did not meet these requirements was in its actuarial assumptions. Because the exact assets and liabilities of a pension fund in the future are uncertain, pension funds use actuaries to determine the annual contribution required to fund the pension. The methods

²² New Orleans Firefighters Local 632, New Orleans Firefighters' Pension and Relief Fund, and the City of New Orleans, "Agreed Settlement Terms" (October 15, 2015), accessed February 11, 2020, http://www.noffpf.com/Legal/Agreed_Settlement_Terms_FULLY_EXECUTED.pdf.

²³ Ibid., 1-5; Cooperative Endeavor Agreement, City of New Orleans and New Orleans Firefighters Pension & Relief Fund and New Orleans Firefighters Local 632, January 1, 2016, 2-5.

and assumptions used by the actuary can have a significant impact on the results.²⁴ Specifically, the CEA between the NOFFPF and the City required the use of certain actuarial assumptions, including the use of a closed, level-dollar, 30-year amortization for liabilities until the NOFFPF was at least 80 percent funded. However, the NOFFPF used an open, level-dollar, 30-year amortization, even though the pension fund was less than ten percent funded.²⁵ This difference in actuarial assumptions may have a significant impact on calculations of the City's financial obligations and the funded status of the NOFFPF. Representatives from the NOFFPF stated they considered open amortization to be preferable to closed amortization because it was less volatile and easier for the City budget.

Open amortizations are an accepted practice among actuaries and there is nothing inherently wrong with using this method. However, the NOFFPF's assumptions should align with its commitments in the CEA, especially given the significant consequences this difference could have for the City's funding obligations.

The NOFFPF also failed to comply with the CEA's requirement to conduct an actuarial audit every three to five years by a firm that was not the NOFFPF's actuary at the time. An actuarial audit provides an opportunity for an outside auditor to review the work of the contracted actuary. This review is intended to identify any issues with a pension fund's current actuarial methods and provide assurance that the pension plan is functioning properly and will be able to meet its obligations. NOFFPF management stated that, instead of hiring an external actuary for an audit, they relied on the experience study and calculations from their contracted actuary.²⁶ They indicated that conducting an actuarial audit would not be a prudent use of funds given the NOFFPF's limited assets and their

²⁴ See Alicia H. Munnell, et al., "How Sensitive Is Public Pension Funding to Investment Returns?" (Trustees of Boston College, Center for Retirement Research, 2013), 6, accessed November 19, 2019, https://crr.bc.edu/wp-content/uploads/2013/09/slp_34-1.pdf.

²⁵ Amortization involves gradually paying down the pension's liabilities over time, and the amount that a pension fund needs to pay each period depends on the assumptions used. In a closed 30-year amortization period, the estimated repayment period decreases each year. By the end of the 30 years, the entire liability should be completely paid off. In an open 30-year amortization, the 30-year time period resets each year and liabilities are always calculated based on 30 years to repayment. As a result, the liability may never be completely paid off, but the annual payments required each year will be lower, at least initially.

²⁶ When an actuary conducts an experience study, they review the previous experience of the pension fund, as well as assumptions about future demographics, to evaluate whether the fund's actuarial assumptions need to be adjusted.

confidence in the work of their current actuary. Representatives from the NOFFPF also stated they planned to release a Request for Proposals (RFP) for a new actuary and experience study by the end of 2021. However, contracting for a new actuary and conducting an experience study were both distinct provisions in the CEA and did not fulfill the NOFFPF's obligation to undertake an actuarial audit every three to five years.

The CEA also required the NOFFPF to publicly report semi-annually to the City Council on its "financial health and progress toward being fully funded."²⁷ The NOFFPF failed to make these public reports. While this specific timeline was not adhered to, NOFFPF management expressed the opinion that the annual audit and actuarial reports provided to the Council, as well as the annual budget hearing process, provided information above and beyond that required by the CEA. Additionally, they noted that board meeting minutes and monthly investment reports were posted on the NOFFPF's website and other information could be provided to Council members if desired. According to the NOFFPF's management, the City Council seemed pleased with the direction of the NOFFPF and had not requested additional data.

Finally, the CEA required the NOFFPF to "administratively create and empower an independent investment advisory board . . . to advise the Fund Board of Trustees on investment policy and decisions."²⁸ This advisory board was never created. Despite the wording of the CEA, NOFFPF management stated the Business Council of New Orleans was supposed to find volunteers for this board but no names for volunteers were ever submitted. Additionally, the fact that the advisory council lacked fiduciary responsibilities raised concerns for NOFFPF board members and management, since they might not have the appropriate qualifications and might give faulty advice without consequences. Management stated that it was more appropriate to rely on their investment consultant, a fiduciary with relevant expertise, as opposed to a board of volunteers who lacked the same competence and fiduciary responsibilities.

Recommendation 1: The NOFFPF should work with the City and other parties to revise the CEA as needed and should

²⁷ Cooperative Endeavor Agreement, 4.

²⁸ Ibid., 4.

comply with any and all provisions within the updated CEA.

The governance provisions in the settlement agreement and the CEA were proposed in the context of litigation in which the City raised concerns about the NOFFPF's historical performance.²⁹ Their purpose was to ensure appropriate oversight and financial planning, and to avoid mismanagement of funds under NOFFPF control. Representatives from the NOFFPF provided several rationales for not complying with the CEA provisions discussed above, and the OIG takes no position on whether these managerial decisions were appropriate. The concerns raised about the value and appropriateness of implementing some of these measures may be valid, but the NOFFPF should comply with its legally binding obligations.

Therefore, the NOFFPF should identify provisions it considers to be problematic or a poor use of limited resources and address these concerns with the City and any other relevant parties.³⁰ After these discussions, the parties should amend the CEA with any required changes. This process should occur in a timely manner and the NOFFPF should make any necessary changes to their practices to achieve compliance with the CEA as soon as possible.

In addition to ensuring that the NOFFPF complies with its documented obligations, this approach also ensures that the City and the NOFFPF are in agreement about the assumptions, controls, and processes used, as well as any risks, costs, and benefits. Specifically, the difference between open and closed amortization periods is an issue the City should clearly understand in order to accurately assess its funding obligations and related risks.

Once the CEA provisions clearly reflect the understanding between the parties, the NOFFPF should ensure compliance with those requirements. To this end, management should update internal policies to align with the revised CEA.

²⁹ *New Orleans Fire Fighters Pension and Relief Fund v. City of New Orleans*, 131 So.3d 412, 415 (La. App. 2013).

³⁰ These discussions may require the involvement of the local firefighters' union (New Orleans Firefighters Local 632), since they are also a party to the original agreement.

IV. PERFORMANCE MONITORING AND INVESTMENT DECISION-MAKING

The NOFFPF Board is required by statute to act as fiduciaries of the pension fund. This entails acting with “the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income.”³¹ Best practice guidelines from the Government Finance Officers Association (GFOA) also discuss the fiduciary duties of “Prudence” and “Due diligence,” stating trustees must govern “through written and documented actions, policies, and instruments.”³²

MEASURING AND MONITORING INVESTMENT PERFORMANCE

A clear and comprehensive investment policy is crucial for pension funds to monitor their performance, plan for the future, and make sound decisions. A publication from the GFOA referred to investment policies as the “bedrock of prudent investing,” highlighting the importance of ensuring that relevant guidelines and criteria are incorporated into these policies.³³ The GFOA also emphasized the importance of performance benchmarking and provided that a pension fund’s investment policies should identify the relevant performance measurement criteria for investments.³⁴

Finding 2: The NOFFPF did not develop, document, and use meaningful criteria for evaluating the performance of its investment portfolio.

The NOFFPF had an investment policy outlining their investment objectives, policies, and requirements, which was intended to guide the entity in managing its assets effectively. It included performance objectives for the investment

³¹ La. R.S. 11:3370(D).

³² Nicholas Greifer, *Pension Investing: Fundamentals and Best Practices* (Chicago: Government Finance Officers Association, 2002), 6, accessed August 29, 2019, https://www.gfoa.org/sites/default/files/PensionInvesting_FundamentalsAndBestPractices.pdf.

³³ *Ibid.*, 5.

³⁴ *Ibid.*, 3.

portfolio as a whole, individual investments when applicable, and each asset class (equities, fixed income, real estate, and alternatives).³⁵

COMPLIANCE WITH PERFORMANCE BENCHMARKS IN THE INVESTMENT POLICY

Performance benchmarking involves identifying points of comparison that can be used to evaluate performance. In the case of investments, benchmarks often compare the portfolio's performance to a target rate of return, the performance of an index (the aggregate performance of a bundle of investments), the performance of other portfolios with similar characteristics, or some combination of these data points.³⁶ Selecting an appropriate benchmark is necessary in order to generate accurate and meaningful performance data. Comparing two portfolios with different strategies may not provide meaningful information on how their money managers are performing.

The performance objectives laid out in the NOFFPF's investment policy are consistent with the principle that pension funds should "ask money managers to compare results against formal benchmarks that are in the investment policy."³⁷ However, there were discrepancies between the investment policy's guidelines on performance benchmarking for assets and the performance analysis in the monthly investment reports provided to board members by the investment consultant. These reports formed the basis for monitoring the NOFFPF's investment performance. Although the NOFFPF's monthly investment reports included benchmark data for many of its individual equity and fixed income investments, as well as liquid alternative investments, they lacked benchmark data for various asset classes, the portfolio as a whole, and several individual real estate and alternative investments.³⁸

³⁵ Firefighters' Pension and Relief Fund for the City of New Orleans, *Statement of Investment Policy, Objectives, and Guidelines* (2015), 7-8, received from NOFFPF management on March 3, 2021.

³⁶ Greifer, *Pension Investing*, 7-8.

³⁷ *Ibid.*, 43.

³⁸ The NOFFPF's monthly investment reports are available at <https://noffpf.com/investment-reports.shtml>. Alternative investments are those other than conventional, publicly traded stocks, bonds, and cash. This category includes investments like private equity and hedge funds. Real estate is generally considered part of the alternative investment portfolio, although it is sometimes classified as its own asset class. Liquid alternative investments are those that can be sold quickly; some investments are not liquid and must be held for longer periods of time.

For each of the NOFFPF's asset classes, the investment policy identified benchmarks for monitoring performance.³⁹ Generally, these benchmarks were blended indices based on the composition of the specific asset class.⁴⁰ For the equity asset class, although the investment policy called for a blended index based on the proportion of domestic and international equities in the NOFFPF's asset allocation, the investment reports compared the overall equity portfolio performance to only the Standard and Poor's 500 (S&P 500) index through April 2020. After that date, no overall equity benchmark was included in the data provided to board members. Similarly, the reports did not provide any performance benchmarks for the overall real estate and alternative asset classes, although the investment policy identified benchmarks for these asset classes.⁴¹

The investment policy also included benchmarks for the performance of the Fund as a whole, including a blended index composed of 60% S&P 500 / 40% Barclay's Aggregate Bond Index, as well as ranking above the median in a peer group universe of similar funds.⁴² The monthly investment reports did not include data on either of these benchmarks.

Finally, the NOFFPF's investment policy provided that "individual components" of the real estate and alternative investment portfolios would be "compared as outlined in the management addendums where applicable." However, the NOFFPF had several real estate and alternative investments from prior to 2013 that lacked any benchmarks or documented performance criteria.⁴³ The NOFFPF's investment consultant indicated that the performance benchmarks in the investment policy for real estate and alternative investments were intended to apply to prospective investments purchased since the policy was drafted in 2015,

³⁹ Firefighters' Pension and Relief Fund for the City of New Orleans, *Statement of Investment Policy, Objectives, and Guidelines*, 7-8.

⁴⁰ A blended index combined different indices based on the characteristics of the Fund's investments and asset allocation.

⁴¹ The investment policy called for comparing the real estate portfolio's performance to the NCREIF Property Index (NPI), while the alternative asset class should be compared to a blended index of benchmarks appropriate for each individual alternative investment.

⁴² The investment policy also called for comparing the performance of the total portfolio to the NOFFPF's actuarially assumed rate of return, which was 7.5 percent.

⁴³ See the NOFFPF's monthly investment reports, available at <https://noffpf.com/investment-reports.shtml>.

and that these benchmarks weren't intended to apply to earlier "legacy" investments.

THE CHALLENGE OF LEGACY INVESTMENTS

The NOFFPF had several real estate and alternative investments that management referred to as "legacy" investments, which were purchased prior to the tenure of the most recent board members and investment consultant in 2013. Since then, the NOFFPF continuously attempted to sell or liquidate these holdings.⁴⁴ The legacy investments included poorly performing hedge funds and private equity. They also included real estate or direct equity investments that began as secured loans and were later converted into real estate holdings.

These investments were held for years without any documented performance monitoring or a cost-benefit analysis pertaining to holding or selling them. Management indicated the Board did not use benchmarks for its real estate investments but was waiting on the right offer in order to sell, since holding the property did not impose significant costs on the fund. They determined that customary performance benchmarks would be of limited value due to the challenge of ascribing an expected return to individual investments such as a golf course. Furthermore, they felt benchmarking would not provide useful information, given they had already decided to sell the investments and were waiting on an appropriate offer. Similarly, the NOFFPF did not monitor the performance of private equity investments because there was no market to sell these investments and no cost to continue holding them.⁴⁵

The continued holding of these legacy investments also impacted the NOFFPF's monitoring of the performance of the Fund as a whole. Because they could not control if and when these investments would be sold, representatives of the NOFFPF indicated that the asset allocation targets documented in the investment policy were "aspirational" and the NOFFPF may not be able to achieve them. The NOFFPF's investment consultant identified this as the reason the performance benchmarks for the overall fund and asset classes were not routinely reported to

⁴⁴ References to the NOFFPF's attempts to sell or liquidate these investments can be found in the minutes of the NOFFPF's investment board meetings, available at <https://noffpf.com/investment-minutes.shtml>.

⁴⁵ In these investments, the NOFFPF committed a certain amount of money to the private equity investment and it was drawn down over time. Once the money was committed, it could not be taken back if the investment was unsatisfactory.

the Board as called for in the investment policy, since this reporting would be of limited value for the NOFFPF. While these benchmarks would make sense for a portfolio that did not have the NOFFPF's difficult investment history, the underperforming legacy investments dragged down the performance of the fund relative to the identified benchmarks. Furthermore, the consultant noted that emphasizing these benchmarks could potentially have an adverse effect on governance if it tempted board members to invest too aggressively in order to keep up with the performance of funds that didn't have the same challenges. Rather, the success of the NOFFPF should be assessed in ways beyond the market-based performance benchmarks generally used by pension funds.

Recommendation 2: The NOFFPF should develop meaningful measures to assess the performance of its investment portfolio, clearly document these criteria in its investment policy or other documents, and use these guidelines to routinely monitor investment performance.

Performance measurement and monitoring in general are key governance practices associated with improving overall organizational performance and strategic planning, as well as managing risk.⁴⁶ The NOFFPF Board's duties of care, prudence, and diligence depend on their ability to accurately assess and make decisions about the NOFFPF's investments. To this end, the NOFFPF should identify and use relevant performance measurement criteria that enable it to evaluate the performance of each asset class and the entire fund as a whole. These criteria should then be compared to the fund's goals and policies to identify discrepancies and areas of concern.⁴⁷ This information is critical in order for the Board to make informed investment decisions.

Representatives from the NOFFPF indicated its legacy investments may pose challenges that make customary performance benchmarks focused on an index, such as those currently described in the investment policy, inappropriate for accurately assessing the fund's performance. Nevertheless, the NOFFPF should develop ways to meaningfully evaluate its investment performance under current

⁴⁶ Dean Bahrman, et al., *Assessing Organizational Governance in the Private Sector*, IPPF – Practice Guide (Altamonte Springs, FL: Institute of Internal Auditors, 2012), 6.

⁴⁷ Greifer, *Pension Investing*, 43.

conditions, rather than identifying benchmarks that will not provide information until the NOFFPF is fully extracted from its legacy investments, which might take a considerable amount of time. For instance, the NOFFPF might identify and monitor performance benchmarks that apply only to the non-legacy investments within the portfolio. It should also explore the possibility of developing other criteria for assessing its handling of the legacy investments. As an example, the investment consultant indicated one hallmark of success for the NOFFPF in recent years has been increasing the liquidity of the portfolio. The NOFFPF may consider developing targets for increased liquidity over time. The legacy investments pose considerable challenges for the NOFFPF in terms of monitoring its performance, but it should work to develop criteria for a meaningful assessment.

Once the NOFFPF has identified useful performance criteria, they should be documented in the investment policy, which should be clear enough to provide “meaningful guidance” to staff, consultants, and money managers.⁴⁸ This consistency is particularly important for performance benchmarks, which should be clearly defined as part of the investment policy.⁴⁹ Given the obstacles to using conventional performance benchmarks for some of the NOFFPF’s investments, this documentation might require an explanation of how different parts of the portfolio will be evaluated. Should the NOFFPF decide to apply certain performance criteria only to the non-legacy investments, this should be clearly reflected in the policy. In addition to providing a clear summary of policy guidelines so that all NOFFPF staff, board members, and contractors have a shared understanding of the investment process, updating the investment policy will also provide clarity to third parties on how investments were evaluated, as well as information for new staff, board members, or consultants as turnover occurs.

Once the NOFFPF has identified and documented applicable criteria for assessing their investment performance, these criteria should form the basis for routine monitoring of the NOFFPF’s investment portfolio. The Board should ensure that they receive the necessary information for this assessment. Should any changes become necessary, those should also be clearly documented in the investment policy.

⁴⁸ Ibid., 9.

⁴⁹ Ibid., 6, 43.

Finding 3: The NOFFPF lacked a formally articulated risk tolerance and a thorough, documented process for assessing investment risks.

Historically, the NOFFPF invested a significant portion of its assets in real estate and alternative investments, including a water park, golf courses, movie ventures, and private equity funds. These types of investments can pose additional or unusual risks for an investor, such as a lack of liquidity.⁵⁰ Furthermore, while the NOFFPF in recent years prioritized more conventional, less risky investments, it retained a considerable amount of assets in riskier investments from the past.⁵¹ Therefore, the NOFFPF may need to pay particular attention to risk concerns, as compared with pension funds with fewer risky investments.

During the scope period of this evaluation, the NOFFPF adjusted its asset allocation and took steps in practice to consider the risk profile of the portfolio and assess the risk of different asset allocations and individual investments. Evaluators observed board meetings in which board members and the consultant discussed risks related to new investments and changes to the asset allocation. At one of these meetings, the consultant also provided risk-return information for prospective new investments.

Nevertheless, the NOFFPF lacked both a formally articulated risk tolerance and a well-defined, documented process for assessing investment risks. With respect to risk tolerance, the investment policy provided only that “assets shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.”⁵² Other than that, it stated the investment consultant will work with the Board to determine their risk tolerance, but no record of this consultation with the Board was documented.⁵³ Management stated that, while the NOFFPF had general guidance on risk, the details of the

⁵⁰ See Jean-Pierre Aubry, et al., “A First Look at Alternative Investments and Public Pensions” (Trustees of Boston College, Center for Retirement Research, 2017), 2, accessed November 15, 2019, https://crr.bc.edu/wp-content/uploads/2017/06/slp_55.pdf; The Pew Charitable Trusts, *State Public Pension Funds Increase Use of Complex Investments* (Pew Charitable Trusts, 2017), 25, accessed August 30, 2019, https://www.pewtrusts.org/-/media/assets/2017/04/psrs_state_public_pension_funds_increase_use_of_complex_investments.pdf.

⁵¹ The breakdown of the NOFFPF’s assets can be seen in its monthly investment reports, available at <https://noffpf.com/investment-reports.shtml>.

⁵² Firefighters’ Pension and Relief Fund for the City of New Orleans, *Statement of Investment Policy, Objectives, and Guidelines*, 6.

⁵³ *Ibid.*, 4.

NOFFPF's asset allocation and risk tolerance depended significantly on the risk appetite of the current board members, some of whom may prefer riskier or more conservative investment strategies. More conservative board members may opt for staying with investments like publicly-traded equities, while board members with a higher risk tolerance may prefer to push into investments with greater risks and potential rewards. Discussions about risk tolerance were ongoing among the board members. As such, the risk tolerance was dependent on the composition of the Board, not on documented risk policies. Similarly, there was no documented guidance for assessing and monitoring the risk of individual investments.

Recommendation 3: The NOFFPF should clearly document its risk tolerance and process for assessing risks in investment decisions.

It is critically important for pension funds to evaluate risk. The NOFFPF should therefore develop a clear policy for addressing investment risks. Best practices from the GFOA recommended that a pension fund's investment policy include statements on managing the risk of both specific investments and the overall portfolio.⁵⁴ The GFOA advised that investment policies should, among other goals, provide a "method for determining and expressing the pension board's investment philosophy and risk tolerance to both staff and third parties."⁵⁵

Even if the NOFFPF Board believes they are incorporating risk into their decision processes in practice, their approach to risk should be clearly documented. Best practices call for the use of "written and documented actions, policies, and instruments" when administering the pension fund.⁵⁶ Clear guidelines on risk and risk tolerance are especially critical for pension funds with alternative and direct investments, because alternative investments are often complex, risky, and difficult to evaluate.⁵⁷

The OIG recognizes the need for flexibility for the Board in weighing investments and determining how to proceed, but the NOFFPF's risk policy should still provide clarity and, ideally, enough detail to allow a "competent stranger" to manage the

⁵⁴ Greifer, *Pension Investing*, 6.

⁵⁵ *Ibid.*, 5.

⁵⁶ *Ibid.*, 6.

⁵⁷ See Aubry et al., "A First Look at Alternative Investments and Public Pensions," 2; Pew Charitable Trusts, *State Public Pension Funds Increase Use of Complex Investments*, 25.

fund.⁵⁸ Evaluators observed that several other public pension funds had detailed statements on risk management that documented their approaches.⁵⁹ Similarly, some funds, such as the Firefighters' Retirement System of Louisiana, defined their risk tolerance in a way that provided concrete guidance to board members and investment consultants when they made future decisions.⁶⁰ The NOFFPF could refer to some of these, or other pension funds for potential examples in shaping their own risk policies.

A clear, well-documented approach to risk should help the NOFFPF and any contractors or stakeholders sharpen their understanding of the role risk plays in their investment decisions. It also brings the benefit of clear guidelines for new board members, management, and consultants should there be turnover within the entity. Furthermore, a clear risk policy could make it easier for the NOFFPF to articulate why investment decisions were made and address scrutiny that may arise from outside parties.

Finding 4: While the NOFFPF had clear criteria to monitor the performance of its money managers, it lacked similarly well-defined criteria to monitor the performance of its investment consultant.

Government entities like the NOFFPF have a responsibility to ensure appropriate oversight of their contractors. However, monitoring and performance evaluation of service providers whose performance is tied to the fund's investment

⁵⁸ Greifer, *Pension Investing*, 9.

⁵⁹ California State Teachers' Retirement System (CalSTRS), *Teachers' Retirement Board Policy Manual*, 34-35, updated October 2014, accessed December 3, 2020, https://www.calstrs.com/sites/main/files/file-attachments/boardpolicymanual_1.pdf; California Public Employees' Retirement System (CalPERS), *California Public Employees' Retirement System Total Fund Investment Policy* (June 17, 2020), 11, accessed December 15, 2020, <https://www.calpers.ca.gov/docs/total-fund-investment-policy.pdf>; Teacher Retirement System of Texas, *Investment Policy Statement* (September 18, 2020), 24-27, accessed December 15, 2020, <https://www.mcera.org/-/media/files/sites/retirement/governance/ips.pdf?la=en>; Dallas Police & Fire Pension System, *Investment Policy Statement* (November 12, 2020), 3, 12, accessed February 1, 2021, <https://www.dfp.org/Resources/6938ef5b-8e5c-47e2-bdcf-197c92dd5692/Investment%20Policy%20Statement%2011%2012%202020%20%20Final.pdf?TracKID=Investment%20Policy%20Statement%2011%2012%202020%20%20Final.pdf>.

⁶⁰ Investment Policy Statement for the Firefighters' Retirement System of Louisiana, 1, approved March 14, 2013, updated June 11, 2020, accessed December 7, 2020, <http://ffret.com/wp-content/uploads/2020/07/Updated-June-2020-FRS-IPS.pdf>.

performance can be challenging. Therefore, care must be taken in developing performance criteria that fairly and accurately evaluate these contractors. In discussing the oversight of money managers, for instance, the GFOA stressed that “pension systems need to develop specific, agreed-upon procedures for performance analysis and attribution.”⁶¹ It noted that evaluation of these managers often involved assessing performance over a full market cycle or relative to a group of similar managers. This allowed investment boards to separate manager effectiveness from the impact of market events and the particular investment strategy used.⁶²

The NOFFPF used these principles in its investment policy by laying out a list of objective criteria for evaluating the performance of its investment managers. These criteria included factors such as market performance, management turnover, increased fees, and changes in investment style. If three of the criteria were breached at any time, the Board may warn the manager, and if five were breached, they may search for a new manager to handle that portion of the portfolio.⁶³ This provided a clear framework for evaluating the performance of investment managers and making changes as necessary.

However, the NOFFPF did not have equally clear guidelines for evaluating the performance of its investment consultant. While the Request for Proposals (RFP) issued in the search for the investment consultant, the resulting service agreement, and the NOFFPF investment policy identified responsibilities the consultant should fulfill, the NOFFPF did not have clear performance criteria for the consultant’s performance in meeting these responsibilities.⁶⁴ Likewise, the NOFFPF lacked any formal process for routine monitoring of the investment consultant’s performance. Instead, management indicated the Board had meetings with the consultant to discuss concerns as needed. Board members periodically raised concerns based on the performance of the fund at that time, but those concerns were not necessarily tied to the investment strategy and

⁶¹ Greifer, *Pension Investing*, 46.

⁶² *Ibid.*, 44.

⁶³ Firefighters’ Pension and Relief Fund for the City of New Orleans, Statement of Investment Policy, Objectives, and Guidelines, 15-16.

⁶⁴ New Orleans Firefighters Pension and Relief Fund, Request for Proposal: Investment Consultant Services (2013); Agreement for Investment Performance Monitoring and Advisory Services, Bogdahn Consulting, LLC, d/b/a The Bogdahn Group and New Orleans Firefighters Pension and Relief Fund (February 15, 2016); Firefighters’ Pension and Relief Fund for the City of New Orleans, Statement of Investment Policy, Objectives, and Guidelines.

performance over a full market cycle. The investment consultant's performance was linked to the investment performance of the NOFFPF and could therefore be challenging to assess over a short timeframe without clear criteria.

Recommendation 4: The NOFFPF should develop clear performance criteria for its investment consultant.

Best practices highlight the importance of clear performance specifications for contractors.⁶⁵ Such guidelines clarify expectations for the contractor and allow the government entity to easily identify and address any potential issues. Pension fund boards should also require regular monitoring of all service providers, including the investment consultant.⁶⁶

Given the challenges with assessing the investment consultant's performance in the short term, the NOFFPF should identify clear performance criteria. These need not be defined in the same way as those for the NOFFPF's money managers, but the criteria should be as clear as possible and provide a meaningful framework for the Board to evaluate the consultant's performance.

⁶⁵ National Institute of Governmental Purchasing, *Public Procurement Practice: Specifications* (CIPS and NIGP, 2016), accessed March 18, 2021, <https://www.nigp.org/resource/global-best-practices/Specifications%20Best%20Practices.pdf?dl=true>.

⁶⁶ *Clapman Report 2.0: Model Governance Provisions to Support Pension Fund Best Practice Principles* (Stanford Institutional Investors' Forum Committee on Fund Governance), 27, accessed January 22, 2020, http://imperial.granicus.com/MetaViewer.php?view_id=2&event_id=676&meta_id=138861.

V. CONCLUSION

Although the NOFFPF has made progress on its governance and investment practices in recent years, there remain opportunities for improvement. Evaluators identified instances in which the entity's practices were not consistent with their policies or binding agreements. Specifically, evaluators found the NOFFPF did not comply with all the governance provisions in its settlement agreement and CEA with the City. The OIG does not take a position on the appropriateness of the NOFFPF's processes, but rather emphasizes that their practices and the requirements in the CEA should be consistent.

Evaluators also identified areas in which the NOFFPF lacked sufficient criteria for performance monitoring and oversight, as well as a documented risk policy and decision-making process. The NOFFPF had not developed meaningful criteria to evaluate their portfolio's investment performance, nor had they identified standards for assessing the performance of their investment consultant. Finally, the NOFFPF lacked a sufficiently detailed risk policy and a documented process for ensuring that investment risks were properly considered.

To address these weaknesses, the OIG recommended the NOFFPF amend its policies and the CEA as needed and fully comply with the revised documents. In addition, the NOFFPF should develop, document, and use meaningful performance criteria to evaluate both its investments and its investment consultant. The entity should also document its risk tolerance and process for assessing investment risks.

While the NOFFPF has improved its practices, it should devote additional attention to creating formal processes, policies, and performance measures that support effective decision making in the future. Ensuring that its practices are fully documented and monitored will increase the likelihood that the NOFFPF manages its assets efficiently and effectively.

OFFICIAL COMMENTS FROM THE NOFFPF

City Ordinance section 2-1120(8)(b) provides that a person or entity who is the subject of a report shall have 30 days to submit a written response to the findings before the report is finalized, and that such timely submitted written response shall be attached to the finalized report.

An Internal Review Copy of this report was distributed on February 7, 2022, to the entities who were the subject of the evaluation so that they would have an opportunity to comment on the report prior to the public release of this Final Report. A Management Response Form and a supplemental written response were received from the NOFFPF on March 2, 2022. These documents are attached.



**NEW ORLEANS OFFICE OF
INSPECTOR GENERAL**
Inspection and Evaluation Division

(FIREFIGHTERS' PENSION GOVERNANCE & INVESTMENT POLICIES AND I&E 19-0001)

MANAGEMENT RESPONSE FORM

PLEASE COMPLETE THIS FORM AND RETURN AS SPECIFIED BELOW. SUPPLY YOUR RESPONSES IN THE SHADED BOXES.

PLEASE INDICATE YOUR AGREEMENT OR DISAGREEMENT WITH EACH OF THE FOLLOWING RECOMMENDATIONS BY SELECTING A RESPONSE FROM THE DROPDOWN BOX. IF YOU REJECT OR PARTIALLY ACCEPT THE RECOMMENDATION, PLEASE EXPLAIN WHY IN THE SPACE PROVIDED. PLEASE DEVISE A PLAN FOR IMPLEMENTING THE RECOMMENDATIONS OR SOLVING THE PROBLEMS THAT WERE FOUND. DESCRIBE EACH ACTION YOUR AGENCY WILL TAKE TO IMPLEMENT THE RECOMMENDATION, OR FIX THE PROBLEM, ALONG WITH THE NAME AND CONTACT INFORMATION OF THE PERSON(S) RESPONSIBLE FOR THE ACTION AND THE COMPLETION DATE.

RETURN THIS COMPLETED FORM TO MEGHAN RAGANY AT MRAGANY@NOLAOIG.GOV BY **MARCH 9, 2022.**

ENTER NAME HERE: NEW ORLEANS FIREFIGHTERS' PENSION AND RELIEF FUND

RECOMMENDATION #1 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
1. THE NOFFPF SHOULD WORK WITH THE CITY AND OTHER PARTIES TO REVISE THE CEA AS NEEDED AND SHOULD COMPLY WITH ANY AND ALL PROVISIONS WITHIN THE UPDATED CEA.	PAUL MITCHELL & THOMAS MEAGHER	Accept
IF YOU <u>REJECT</u> OR <u>PARTIALLY ACCEPT</u> RECOMMENDATION #1, PLEASE EXPLAIN WHY:		
DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #1 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:
1.1 PREPARE A REVISED CEA	PAUL MITCHELL	APRIL 1, 2022
1.2 HAVE REVISED DRAFT REVIEWED BY FUND LEGAL COUNSEL	PAUL MITCHELL	APRIL 15, 2022
1.3 SET MEETING WITH CITY CAO TO REVIEW CHANGES	THOMAS MEAGHER & PAUL MITCHELL	TBD
1.4 RESOLVE AND PREPARE FINAL CHANGES TO CEA	THOMAS MEAGHER & PAUL MITCHELL	TBD
1.5 HAVE REVISED CEA SIGNED BY ALL PARTIES	PAUL MITCHELL & PAUL MITCHELL	BEFORE DEC 2022

RECOMMENDATION #2 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
2. THE NOFFPF SHOULD DEVELOP MEANINGFUL MEASURES TO ASSESS THE PERFORMANCE OF ITS INVESTMENT PORTFOLIO, CLEARLY DOCUMENT THESE CRITERIA IN ITS INVESTMENT POLICY OR OTHER DOCUMENTS, AND USE THESE GUIDELINES TO ROUTINELY MONITOR INVESTMENT PERFORMANCE.	PAUL MITCHELL	Accept

IF YOU REJECT OR PARTIALLY ACCEPT RECOMMENDATION #2, PLEASE EXPLAIN WHY:
 THE FUND HAS ALWAYS USED MEANINGFUL MEASURES TO ACCESS PERFORMANCE OF THE PORTFOLIO. WE HAVE ADDED LANGUAGE TO THE INVESTMENT POLICY REGARDING THE LEGACY PORTFOLIO, WHICH IS THE BASIS OF THIS FINDING. THE FUND'S INVESTMENT REPORT REFLECT THE SEPARTE LEGACY PORTFOLIO AS NON-PERFORMING.

DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #2 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:
2.1 UPDATE THE DECEMBER 2021 INVESTMENT REPORT AND INVESTMENT POLICY TO REFLECT LEGACY ASSETS.	PAUL MITCHELL	MARCH 2021
2.2		
2.3		
2.4		
2.5		

RECOMMENDATION #3 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
3. THE NOFFPF SHOULD CLEARLY DOCUMENT ITS RISK TOLERANCE AND PROCESS FOR ASSESSING RISKS IN INVESTMENT DECISIONS.	PAUL MITCHELL	Reject

IF YOU **REJECT** OR **PARTIALLY ACCEPT** RECOMMENDATION #3, PLEASE EXPLAIN WHY:
 WE REJECT THIS RECOMMEDATION AS OUR INVESTMENT POLICY CLEARLY DOCUMENTS RISK TOLERANCE. REFER TO THE DECEMBER 2021 INVESTMENT REPORT FOR SUPORT.

DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #3 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:
3.1		
3.2		
3.3		
3.4		
3.5		

RECOMMENDATION #4 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
4. THE NOFFPF SHOULD DEVELOP CLEAR PERFORMANCE CRITERIA FOR ITS INVESTMENT CONSULTANT.	PAUL MITCHELL	Accept

IF YOU **REJECT** OR **PARTIALLY ACCEPT** RECOMMENDATION #4, PLEASE EXPLAIN WHY:

DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #4 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:

4.1 SEARCH BEST PRACTICES GUIDELINES FOR PERFORMANCE CRITERIA GUIDELINES.	PAUL MITCHELL	JUNE 2022
4.2 DRAFT AND SUBMIT PERFORMANCE CRITERIA TO BOARD FOR ADOPTION	PAUL MITCHELL	JULY 2022
4.3		
4.4		
4.5		

BOARD OF TRUSTEES
- OF THE -
FIREFIGHTERS' PENSION AND RELIEF FUND
FOR THE CITY OF NEW ORLEANS
2401 Westbend Parkway Suite 3001
New Orleans, La 70114
504-366-8102
504-366-8103 fax

March 2, 2022

Mr. Edward Michael
Inspector General
525 St. Charles Avenue
New Orleans, Louisiana 70130

Re: Firefighters' Pension Governance & Investment Policies Evaluation

Dear Mr. Michael:

Thank you for the opportunity to review the draft report on the evaluation of the New Orleans Firefighters' Pension and Relief Fund's governance and investment policies. We have completed the Management Response Form and will utilize this letter as our supplemental written response. Our comments outlined below provide an opportunity to share additional facts not evident in your report.

Introduction

The most senior tenured Board member of the current Board took office in August 2014. No current Board member or the Fund's consultant is responsible for the underperformance cited in your report. This Board did not make an investment until 2018. The underperformance from 2011 thru 2018 results from a number of factors, a major factor being liquidity. The City's failure to pay the entire Actuarially Required Contribution (ARC) for the years 2009 through 2015 caused the illiquidity, as illustrated in the following chart.

Year	City's Contribution (Per audited reports)	Required Contribution (Per actuarial reports)
2009	\$10,187,077	\$24,532,819
2010	10,635,430	29,428,359
2011	11,398,565	32,212,794
2012	9,000,000	34,386,640
2013	9,000,000	36,182,434
2014	17,329,381	31,992,610
2015	29,635,220	35,880,883

Because the City failed to pay the ARC, (approximately \$130 million), the fund was forced to liquidate all of its stocks and bonds, as well as certain non-liquid assets to make member benefit payments. The investment opportunity lost during the stock market run over the period 2009-2018 makes the nonpayment of the ARC overly costly, resulting in the significant underfunding we presently witness. This underfunding was compounded when the Fund took the extra cooperative step during negotiations with the City, as noted in your report, to agree that “the City’s obligations under the ARC judgment were considered fulfilled as long as it continued to pay the ARC for the New System.” This meant the City would not be forced to pay past due ARC amounts immediately. Thus, in 2016, the Fund was left over weighted in non-liquid alternative investments (the legacy assets), which compounded the ability to produce positive returns.

Compliance with Agreements and Policies

The Fund has adopted the use of the closed, level-dollar, 30-year amortization for liabilities effective calendar year 2022. While we consider the open amortization method to be the preferable method, we have implemented the change.

We have also complied with the CEA’s requirement to conduct an actuarial audit every three to five years. The Fund marks 2017 as the initial year following the CEA agreement. RFP’s for actuarial service and consultant services have been issued in late 2021 and will be finalized in 2022, within the five year period as prescribed by the CEA.

We also submit that we have met our requirements with respect to semi-annual reports to the City Council. We disagree that our reports are not public. The annual reports are made public in a separate meeting with the council and the City’s (our) auditors. Our budget hearings provide the second opportunity to meet the Council publically. Board members and staff attend both public hearings and are available as needed.

Management of the Fund and Board will meet with the Administration to update the CEA during 2022.

Performance Monitoring and Investment Decision Making

Finding 2:

We disagree with the finding that the Fund did not develop, document, and use meaningful criteria for evaluating the performance of its investment portfolio. The heart of this finding is the Fund’s lack of benchmarks on its legacy portfolio. The legacy portfolio, which consists mainly of alternative assets deemed worthless or non-marketable, was not assigned benchmarks, as none exists for worthless, non-marketable securities. The majority of these assets have been fully reserved on the Fund’s audited financial statements. Every other investment in the Fund’s portfolio is benchmarked and complies with the investment policy.

To clear up this matter the Fund's investment policy will be updated to delineate the goals of benchmarking the active portfolio, while distinguishing the legacy assets that are held but marked for sale or liquidation.

Finding 3:

The goal of the pension fund investment portfolio is to meet the long term assumed rate of return identified for the retirement system. Due to the ongoing evolution of investment markets, a System's investment portfolio will evolve over time and will therefore include varying levels of fixed income, equity, and potentially alternative investments. The pension board is charged with working with the investment consultant to evaluate opportunities in the investment landscape and to then create the most efficient portfolio with the goal of meeting its long term assumed rate of return. In periods of high interest rates, such as the early 1980s, this goal was accomplished through a portfolio heavy in fixed income securities, resulting in a portfolio with a very low level of expected volatility. As interest rates have declined, pension plans have allocated more funds to equities and alternatives, resulting in portfolios with higher expected levels of return. The statement of a defined risk tolerance would indicate a targeted level of "risk", in this case we would assume the OIG means return volatility. If a portfolio is locked into a set volatility metric and cannot evolve, it lessens the portfolio's ability to generate long term performance. We feel the practice of periodically reviewing the portfolio's asset allocation and comparing the trade off in expected return and expected risk due to the inclusion of various asset classes is the prudent way for trustees to manage overall portfolio risk. This practice has been in place and will continue. One thing to point out however, is that due to the size and impact of the legacy, underperforming private assets, the current board was unable to make new portfolio investments between 2013 and 2018, therefore annual reviews of asset allocation and risk tolerance would have been fruitless with no free cash flow to make investments that could alter risk and return. The Fund will review its asset allocation and resulting expected return and risk in the second quarter of 2022 as part of the periodic review process. We have attached our December 31, 2021 performance review packet to support this position.

Alternative investments are not inherently bad and have a place in the asset allocation of the System moving forward, just as they are used successfully in Systems across Louisiana and across the country. In having been invested in alternatives, the trustees have sought to learn from the portfolio's successes and struggles. In response, the Fund has included several updates in its investment policy (IPS) to address the potential negative impact of "risky assets" impacting portfolio returns. The IPS calls for a minimum balance of \$2.5 million to make sure liquidity needs are met in the System. This is designed to help avoid forced selling of liquid assets that have occurred in the past due to a mixture of funding and performance issues within the plan. The System has also taken steps to make sure that the types of underperforming assets that impacted the plan – direct company loans and direct real estate investments – cannot be included moving forward by adding language in the IPS under prohibited investments.

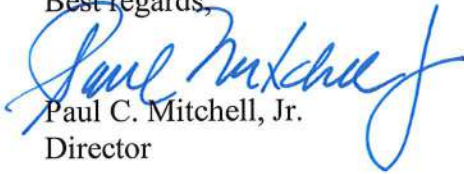
Finding 4

Management of the Fund will develop and document clear performance criteria for its investment consultant.

In closing, on behalf of the Board and staff, we appreciated the opportunity to work with the staff assigned this review. We commend their professionalism and effort. The final product is a welcome upgrade from prior OIG audits and reviews, which failed to discuss audit findings, hold exit conferences or allow a review of reports before being released to the public. Your team exhibited the feeling that all of us have the same goal, to put our heads together and make things better.

If you should have any questions or need any additional information, please do not hesitate to contact me.

Best regards,

A handwritten signature in blue ink, appearing to read "Paul Mitchell, Jr.", written over the typed name and title.

Paul C. Mitchell, Jr.
Director

Investment Performance Review
Period Ending December 31, 2021

New Orleans Firefighters Pension and Relief Fund



On behalf of everyone at AndCo, we want to Thank You for the opportunity to serve and the trust you place in us! 2021 marked another unique year as society continued to deal with the effects of the global pandemic. While this environment caused all organizations to reassess their business models and service approach, AndCo has remained steadfast in our belief and conviction that the best way to service our valued clients is within a model that is independent, singularly focused, customized, and passionately delivered. These four AndCo principles drive our service approach and desire to exceed your expectations. We take our role as your consultant and trusted advisor seriously and will continue working hard to maintain your confidence.

Looking back at 2021, we would like to provide a brief update on the firm. We advise on approximately \$123 billion in client assets, as of June 30, 2021. 2021 also marked the 21st straight year of revenue growth for the firm. We continue to reinvest 100% of our net profits back into the organization so that we can continue to evolve and adapt within a market environment that is constantly changing and challenging. Put simply, stasis is not an effective strategy, and we are convicted in our belief that a firm not focused on moving forward in our industry is moving backward.

To execute on our commitment, we continued to make personnel and technology investments within the firm. Our personnel investments focused on further enhancing departmental service levels and narrowing perceived gaps. We continued to invest in our proprietary software system to more effectively and efficiently compile and share information across departments and ultimately better serve our clients. We also continued to build out our internal site (the intranet) so colleagues could stay connected with the firm and gain a deeper understanding of standard operating procedures and collectively service our clients the AndCo way. Our intranet also helped strengthen our internal brand and culture by pushing out a variety of daily firm updates, videos, and interactive posts to increase team member bonds to our values, core philosophies, and ultimately, brought the firm closer together. We believe these connections are increasingly important in the COVID environment when many team members remain wholly or partially remote and we will continue to explore innovative ways to be together in 2022.

As we start 2022, we are 87 team members strong with plans to grow. We are targeting several new positions for the year as we thoughtfully continue to invest in our firm to provide the quality services you expect from AndCo. These talent enhancements cover multiple departments including Research and Client Solutions, which will strengthen our alternative and public market research as well as our client service. We are also looking to add team members to our Consulting, Finance, Marketing, and IT departments.

While adding so many resources to a firm our size is a significant investment, it is one we embrace due to the impact we believe it will have on our ability to continue serving our clients at a high level and push us closer to our vision of being a transformational organization viewed as the leader in our industry.

At the beginning of each year, we discuss the AndCo partnership and, when earned, announce new partners. This year I am thrilled to share two new team members were named partners at AndCo – Brian Green and Kerry Richardville. Brian has been with the firm for over 6 years and is currently a consultant based out of our Detroit, Michigan office. Kerry has been with AndCo for over 5 years and is a consultant based in Orlando. We could not be happier for both Brian and Kerry or more grateful for the contributions they have made to AndCo since joining the firm. Brian and Kerry represent what it means to be an AndCo team member, and we are honored and fortunate to have them serving our clients. With the addition of Brian and Kerry, we have 13 partners representing various departments at AndCo, which provides diverse perspectives and insight. Our growing partnership group continues to strengthen AndCo and reaffirm our belief that 100% employee management is vital to protecting our mission, vision, values, and the long-term success of our organization. We enter 2022 with an unwavering commitment to serve you the best we possibly can.

Coming off a year that provided many of our clients record returns, we recognize results going forward may be more challenging to obtain. Please know we will continue to invest and evolve our firm in aiming to meet these realities. We do not take any client relationship for granted and will continue to work tirelessly to serve, earn your trust, add value, and exceed your expectations. We are honored and humbled you have chosen AndCo as your partner.

In closing, and as we have stated since our rebrand in 2017, our name, AndCo, reminds us of who we work for every day - “Our Client” &Co. You will always be first in our service model. As we continue to discuss strategic decisions and reinvestments regarding our firm, please know that our decisions are filtered through the following question: “How does this keep our clients’ interests first?” If it doesn’t meet this standard, we don’t do it - it’s that simple.

Thank you again for your valued partnership and the opportunity to serve you. Happy New Year!



Mike Welker, CFA
CEO



Organizational Chart

PARTNERSHIP

Mike Welker, CFA®
Brian Green
Bryan Bakardjiev, CFA®
Dan Johnson
Dan Osika, CFA®
Donna Sullivan
Evan Scussel, CFA®, CAIA®

Jacob Peacock, CPFA
Jason Purdy
Kerry Richardville, CFA®
Kim Spurlin, CPA
Steve Gordon
Troy Brown, CFA®

LEADERSHIP & MANAGEMENT

Mike Welker, CFA®
CEO

Bryan Bakardjiev, CFA®
COO

Kim Spurlin, CPA
CFO

Sara Searle
CCO

Stacie Runion
CHRO

Steve Gordon
Partner

Troy Brown, CFA®
Executive Director

Brooke Wilson, CIPM®
Client Solutions Director

Dan Johnson
Consulting Director

Daniel Kwasny, CIPM®
Client Solutions Director

Evan Scussel, CFA®, CAIA®
Research Director

Jack Evatt
Consulting Director

Jacob Peacock, CPFA
Consulting Director

Jason Purdy
I.T. Director

Molly Halcom
Marketing Director

Philip Schmitt
Research Director

Rachel Brignoni, MHR
People & Culture Director

INVESTMENT POLICY COMMITTEE

Mike Welker, CFA®
Bryan Bakardjiev, CFA®
Troy Brown, CFA®
Sara Searle

CONSULTING

Annette Bidart
Brad Hess, CFA®, CPFA
Brendon Vavrica, CFP®
Brian Green
Chris Kuhn, CFA®, CAIA®
Christiaan Brokaw, CFA®
Dave West, CFA®
Doug Anderson
Gwelda Swilley
Ian Jones
James Ross
Jeff Kuchta, CFA®, CPFA
Jennifer Brozstek

Jennifer Gainfort, CFA®, CPFA
John Mellinger
John Thinnis, CFA®, CAIA®
Jon Breth, CFP®
Justin Lauver, Esq.
Kevin Vandolder, CFA®
Kerry Richardville, CFA®
Mary Nye
Michael Fleiner
Michael Holycross, CIMA®
Mike Bostler

Oleg Sydyak, CFA®, FSA, EA
Paul Murray, CPFA
Peter Brown
Tim Nash
Tim Walters
Tony Kay
Tyler Grumbles, CFA®, CIPM®, CAIA®

CLIENT SOLUTIONS

Donna Sullivan
Albert Sauerland
Amy Foster
David Gough, CPFA
Don Delaney

Donnell Lehrer, CPFA
Grace Niebrzydowski
James Reno
Jeff Pruniski
Joe Carter, CPFA

Julio Garcia Rengifo
Kim Hummel
Meghan Haines
Misha Bell
Yoon Lee-Choi

OPERATIONS

FINANCE
Kahjeelia Pope
Robert Marquetti

COMPLIANCE
Allen Caldwell
Thay Arroyo

H.R.
Sara Schmedinghoff

OPERATIONS
Jerry Camel

MARKETING
Dan Osika, CFA®
John Rodak, CIPM®
Kayleigh Greaser
Kim Goodearl
Lauren Kaufmann

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Ben Baldridge, CFA®, CAIA®
Private & Hedged Fixed Income

Chester Wyche
Real Estate & Real Assets

Dan Lomelino, CFA®
Fixed Income

David Julier
Real Estate & Real Assets

Elizabeth Wolfe
Capital Markets & Asset Allocation

Evan Scussel, CFA®, CAIA®
Private & Public Equity

Joseph Ivaszuk
Operational Due Diligence

Josue Christiansen, CFA®, CIPM®
Public Equity

Julie Baker, CFA®, CAIA®
Private & Hedged Equity

Justin Ellsesser, CFA®, CAIA®
Private Equity

Kevin Laake, CFA®, CAIA®
Private Equity

Michael Kosoff
Hedge Funds

Philip Schmitt
Fixed Income & Capital Markets

Ryan McCuskey
Real Estate & Real Assets

Zac Chichinski, CFA®, CIPM®
Public Equity



87
EMPLOYEES

38 ADVANCED
DEGREES

23 CFA®

8 CAIA®

8 CPFA

6 CIPM®



4th Quarter 2021 Market Environment



The Economy

- The US economy faced headwinds from the Omicron variant during the quarter which likely had a negative impact on economic growth. Fortunately, despite higher transmission rates, the variant appears to be less likely to result in hospitalizations or significant health risks.
- Even with the variant, the demand for goods and services remained strong during the quarter and market expectations for 4th quarter US GDP growth range from 4% to 7%.
- The US labor market is nearing full employment with the unemployment rate falling to 3.9% in December. The pace of job growth slowed during the quarter with a three-month average of roughly +365,000. Despite the continued improvement in the labor market, workers are continuing to leave their employers in record numbers. This condition means the number of jobs available exceeds the number of unemployed workers. As a result, wage growth remains strong as employers compete to fill job openings.
- Persistently higher inflation readings forced the Fed to announce it was planning to end its bond purchase program earlier than expected. In addition, the Fed's December statement suggested that it could also begin raising short-term interest rates sooner than expected.

Equity (Domestic and International)

- US equities rose to all-time highs during the 4th quarter as investors expressed optimism about future economic growth and continued monetary support from the Fed. Large cap growth was the best performing domestic segment of the equity market relative to other US market capitalizations and styles.
- International equities lagged far behind their US counterparts during the 4th quarter. A key contributor to the muted performance was US dollar strength, which rose against both the Euro and Yen developed market currencies and most emerging market currencies. Emerging markets came under pressure as the Chinese property developer Evergrande defaulted during the quarter.

Fixed Income

- The combination of concerns related to the potential for rising US interest rates and persistent inflation acted as headwinds for fixed income performance during the quarter. US interest rates moved modestly higher during the quarter with the US 10-Year Treasury bond rising 2 basis points to close at 1.51%.
- Generally, performance across most bond markets sectors was positive during the quarter, led by US high yield corporate bonds and US Treasury Inflation-Protected Securities (TIPS).
- High yield bond's combination of higher coupons and a shorter maturity profile relative to high quality government bonds was the primary driver of their performance during the period.
- TIPS outperformed all other sectors during the quarter. US inflation remained substantially higher than the Fed's stated 2% long-term target average, and as a result, investors' expectations of future inflation increased.

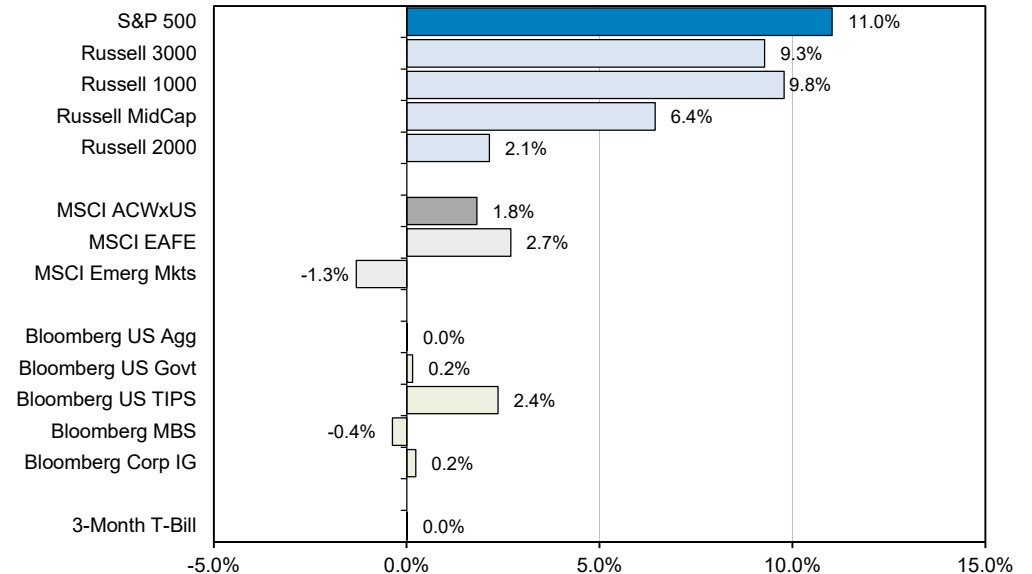
Market Themes

- Global central bank monetary policy diverged somewhat during the quarter as the Fed stated its intention to taper its bond purchases and potentially begin raising interest rates in 2022. Both the European Central Bank and the Bank of Japan reiterated their intent to remain accommodative as localized inflation remains low.
- While US economic growth remained strong, overall global economic growth slowed during the quarter primarily due to the rise in pandemic-related cases and shutdowns. It is likely that economic growth could face headwinds in 2022 as central bank stimulus begins to wear off.
- US equity markets – as measured by the S&P 500 Index – experienced their third consecutive year of double-digit positive performance led by large, growth-oriented companies. While equities have historically performed well during periods of rising inflation due to their links with strong economic growth, companies may face headwinds if they are unable to pass along price increases, which would result in lower profit margins.
- Longer-dated fixed income markets were negatively impacted by rising interest rates during the year. Despite the potential for increasing risks due to deteriorating credit conditions, corporate bonds could outperform given their higher coupons and shorter maturity profiles compared to higher quality, longer duration bonds.



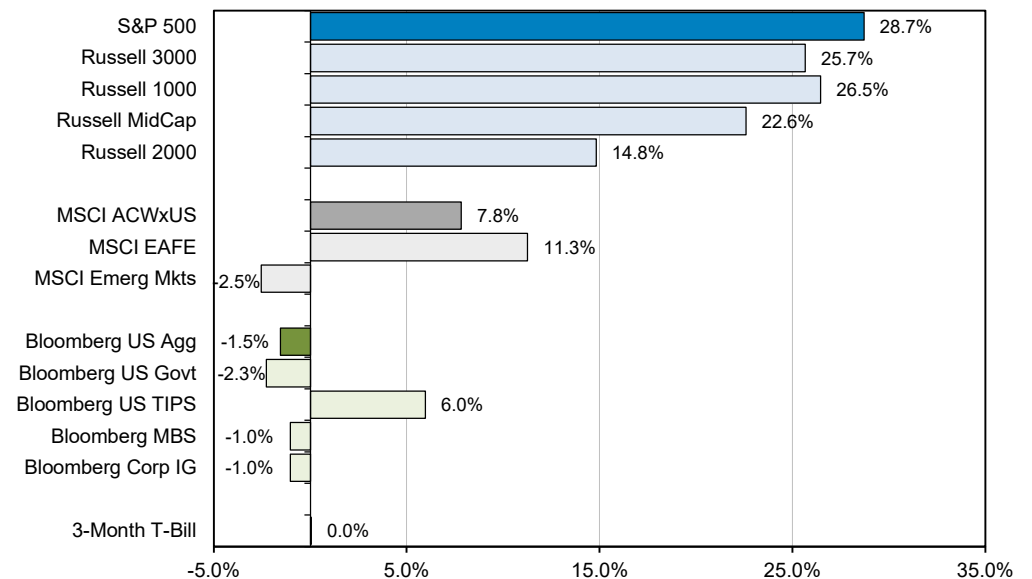
- Broad US equity markets experienced strong returns during the 4th quarter of 2021. There were a variety of factors that contributed to performance including improving corporate earnings, increased consumer spending and demand, and continued accommodative monetary support from the Fed. For the period, the S&P 500 large cap benchmark returned 11.0%, compared to 6.4% for the mid-cap and 2.1% for small cap indices.
- Similar to domestic markets, developed market international equities also posted positive results for the 4th quarter, albeit more muted. Europe and the UK were negatively affected by the increase in COVID cases related to the Omicron variant. Emerging markets declined primarily due to concerns related to future economic growth in China and the default of property developer Evergrande. China is the second largest country in the developed market index (9.4%) and its weight dominates the emerging markets index (32.5%). During the period, the MSCI EAFE Index returned of 2.7% while the MSCI Emerging Markets Index declined by -1.3%
- For the quarter, bond market performance was generally muted as concerns about higher interest rates and rising inflation acted as sizable headwinds. The outlier during the period was TIPS, which are highly sensitive to future inflation expectations and posted a return of 2.4%. The Bloomberg Barclays (BB) US Aggregate Index returned 0.0%, for the period, trailing Investment Grade Corporate bonds, which returned 0.2%.

Quarter Performance



- Developed equity markets were sharply higher over the trailing 1-year period. The combination of Improving economic fundamentals, continued support from the Fed, and improving investor expectations all combined to drive equity markets higher. All broad US equity market indexes traded at near-record levels during the quarter. The S&P 500 large cap stock index led equity market performance for the year with a return of 28.7%. The Russell 2000 small cap index returned a lower, but still strong, 14.8% for the year.
- Over the trailing 1-year period the developed market MSCI EAFE Index return of 11.3% outpaced the MSCI Emerging Markets Index return of -2.5%. While growth in developed markets improved throughout the year, emerging markets were negatively impacted from concerns related to index's dominant county weight to China.
- Bond market returns over the trailing 1-year period were broadly negative as rising interest rates and concerns regarding inflation detracted from performance. TIPS were the lone bright spot in the bond market with the TIPS Index returning 6.0% for the year.

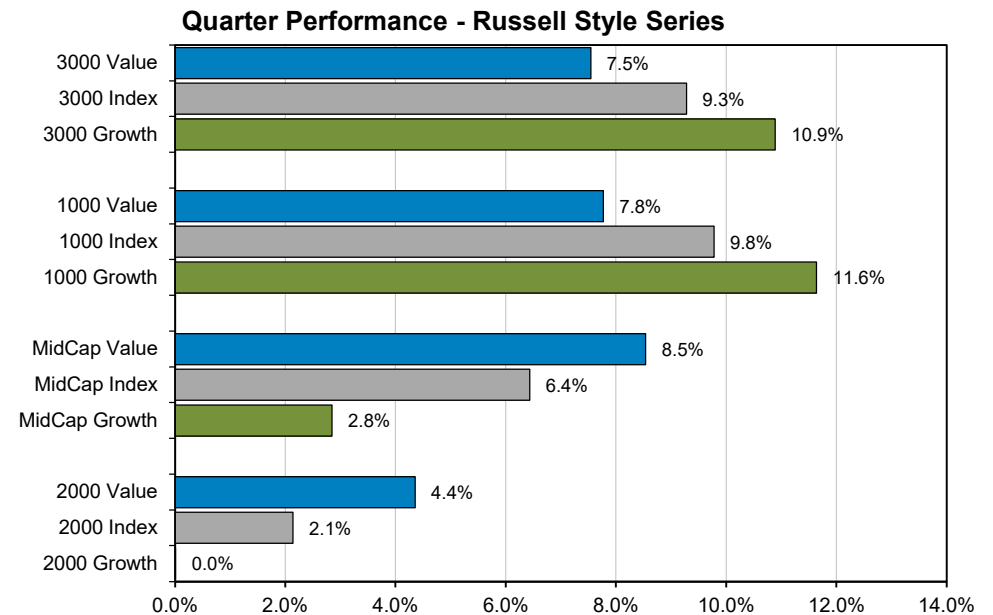
1-Year Performance



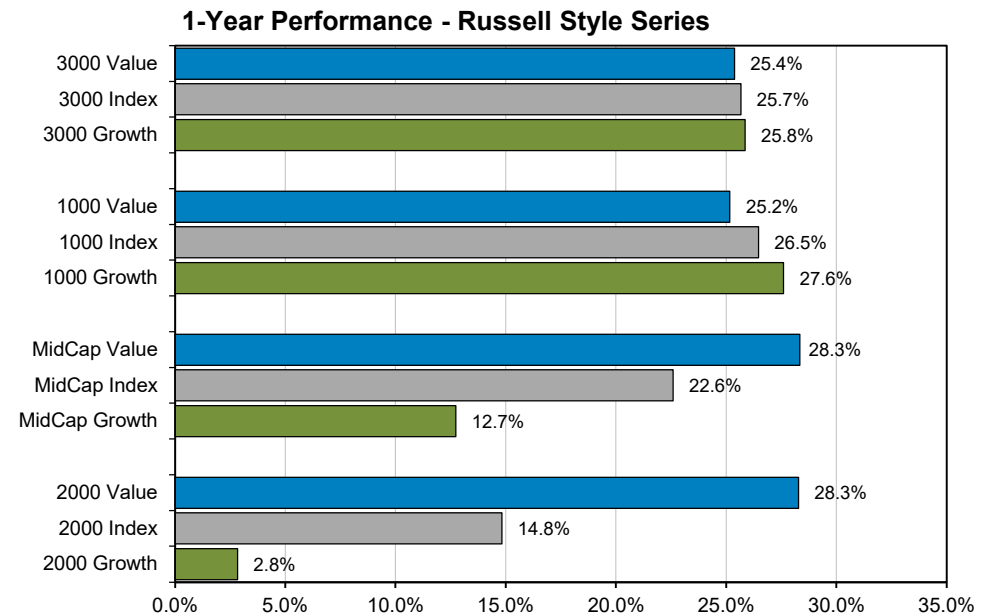
Source: Investment Metrics



- The equity market resumed its solid momentum during the 4th quarter as nearly all US equity benchmarks posted positive returns across both the style and market capitalization spectrums. Large cap stocks continued their leadership followed by mid and small cap issues. The Russell 1000 Index returned a strong 9.8% for the quarter and outpaced a 6.4% return of the Russell Mid Cap Index and a Russell 2000 Index return of 2.1%.
- Performance across styles and market capitalizations was disparate during the quarter. Large cap growth stocks sizably outpaced their value counterparts while mid and small cap value stocks outperformed growth stocks by an even wider margin. For the period, the Russell 1000 Growth Index was the best performing style index, posting a return of 11.6%. Mid cap value index performance was the next best performing segment, returning 8.5% for the quarter. Small cap growth stocks were the laggards during the period with the Russell 2000 Growth Index returning 0.0%.



- Performance across all market capitalizations and styles was broadly robust over the trailing 1-year period. Much like the 4th quarter, the outlier for the year was small cap growth stocks. The Russell 2000 Growth Index return of 2.8% for the year significantly lagged both its mid and large cap growth index counterparts and Russell 2000 Value index return of 28.3%.
- While large cap style returns were relatively similar for the year, there was wide dispersion across mid and small style-based index performance. For the year, the Russell 1000 Growth Index rose by 27.6% compared to a still robust 25.2% return for the Russell 1000 Value Index. Within mid and small cap benchmark performance, value dominated growth by double digits. The Russell 2000 Value Index and Russell Mid Cap Value Index both returned 28.3% for the period. In comparison, the Russell Mid Cap Growth Index returned 12.7%, while the Russell 2000 Growth Index returned only 2.8%.

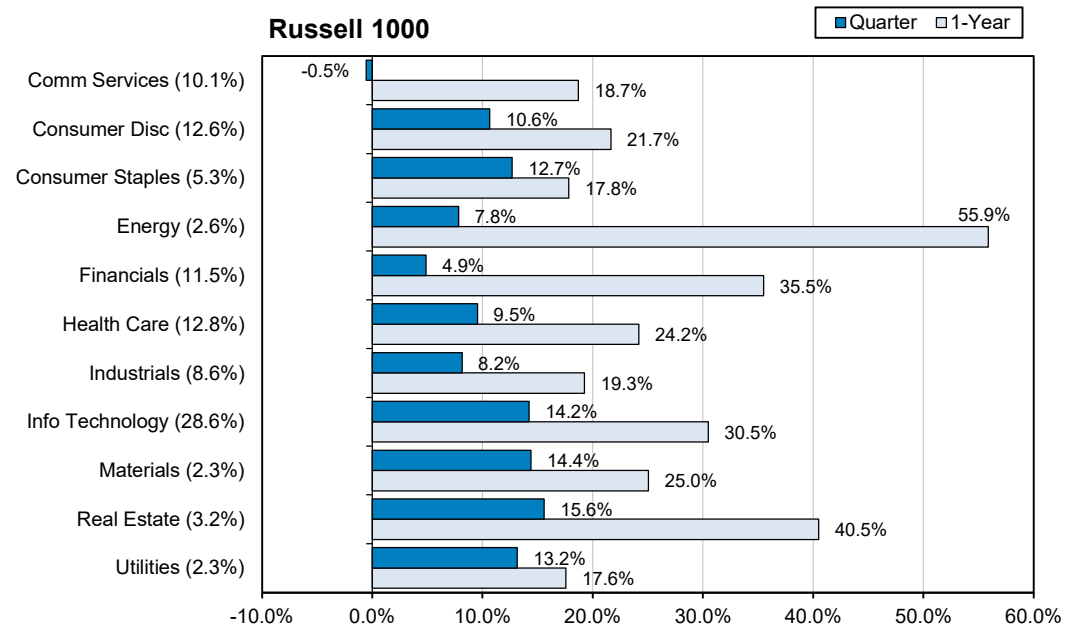


Source: Investment Metrics



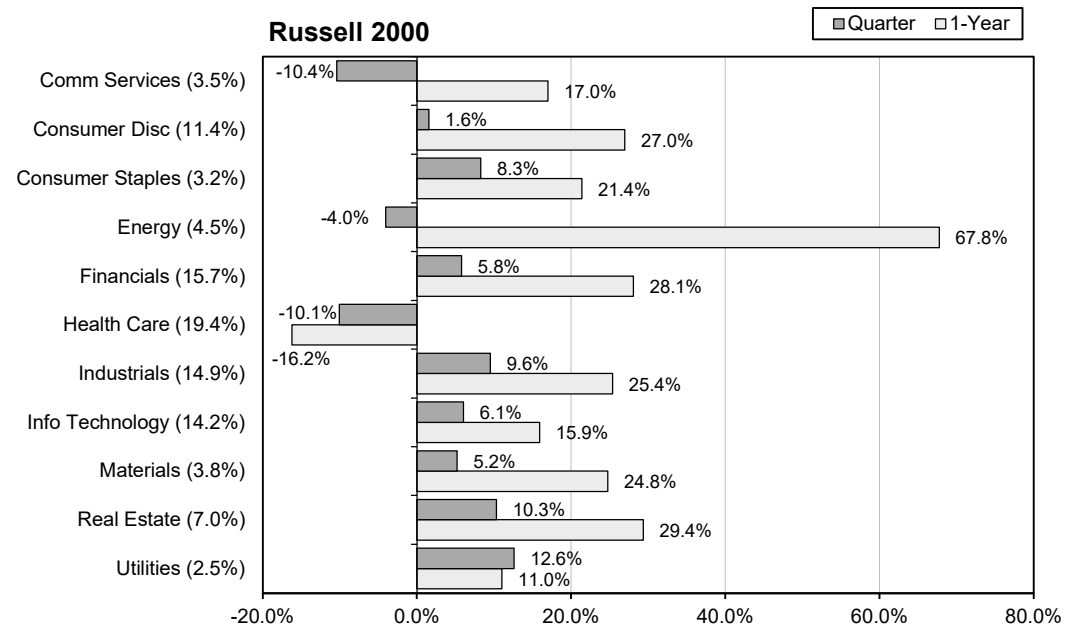
- Economic sector performance was positive across ten of the eleven large cap economic sectors for the 4th quarter. Six sectors outpaced the return of the broad index during the period.
- Economically sensitive sectors like real estate (15.6%), materials (14.4%), information technology (14.2%), and utilities (13.2%) were the best performing sectors for the quarter. In general, companies in sectors with the ability to grow earnings and either guard against, or pass along, inflation experienced the strongest returns. While nearly all sectors experienced positive results, the communication services sector (-0.5%) lagged its peers and was the sole negative performer for the quarter.
- For the full year, four sectors exceeded the return of the broad large cap benchmark: energy (55.9%), real estate (40.5%), financials (35.5%), and information technology (30.5%). The weakest economic sector performance in the Russell 1000 for the year was utilities, which still managed to post a solid return of 17.6%.

Russell 1000



- Small cap sector performance was more mixed with eight of the eleven economic sectors posting positive performance for the quarter and seven of them outpacing the return of the broader Russell 2000 Index. Utilities were the best performing sector during the quarter, returning 12.6%. The real estate (10.3%), industrials (9.6%), and consumer staples (8.3%) sectors also performed well during the period.
- For the trailing 1-year period, nine of the eleven sectors outpaced the broad benchmark's return. Outperforming sectors included energy (67.8%), real estate (29.4%), financials (28.1%), consumer discretionary (27.0%), industrials (25.4%), materials (24.8%), consumer staples (21.4%), communication services (17.0%), and information technology (15.9%). The combination of a steadily improving economy, improving corporate fundamentals, easy monetary policy, and rising inflationary pressures were all tailwinds for the robust performance in these sectors.

Russell 2000



Source: Morningstar Direct
 As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of December 31, 2021

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.11%	25.7%	34.6%	Information Technology
Microsoft Corp	5.65%	19.5%	52.5%	Information Technology
Amazon.com Inc	3.23%	1.5%	2.4%	Consumer Discretionary
Alphabet Inc Class A	1.94%	8.4%	65.3%	Communication Services
Tesla Inc	1.91%	36.3%	49.8%	Consumer Discretionary
Alphabet Inc Class C	1.81%	8.6%	65.2%	Communication Services
Meta Platforms Inc Class A	1.77%	-0.9%	23.1%	Communication Services
NVIDIA Corp	1.57%	42.0%	125.5%	Information Technology
Berkshire Hathaway Inc Class B	1.22%	9.5%	29.0%	Financials
UnitedHealth Group Inc	1.05%	28.9%	45.2%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Arista Networks Inc	0.08%	67.3%	97.9%	Information Technology
Builders FirstSource Inc	0.04%	65.7%	110.0%	Industrials
New Relic Inc	0.01%	53.2%	68.1%	Information Technology
Teradyne Inc	0.06%	49.9%	36.8%	Information Technology
Ciena Corp	0.03%	49.9%	45.6%	Information Technology
ON Semiconductor Corp	0.06%	48.4%	107.5%	Information Technology
Ford Motor Co	0.18%	47.4%	137.5%	Consumer Discretionary
Dollar Tree Inc	0.07%	46.8%	30.1%	Consumer Discretionary
Marvell Technology Inc	0.16%	45.2%	84.6%	Information Technology
Rexford Industrial Realty Inc	0.03%	43.4%	67.8%	Real Estate

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Peloton Interactive Inc	0.02%	-58.9%	-76.4%	Consumer Discretionary
Everbridge Inc	0.01%	-55.4%	-54.8%	Information Technology
Chegg Inc	0.01%	-54.9%	-66.0%	Consumer Discretionary
Upstart Holdings Inc Ordinary Shares	0.02%	-52.2%	271.3%	Financials
StoneCo Ltd Class A	0.01%	-51.4%	-79.9%	Information Technology
Vroom Inc Ordinary Shares	0.00%	-51.1%	-73.7%	Consumer Discretionary
Paysafe Ltd Ord Shares - Class A	0.01%	-49.5%	N/A	Information Technology
Virgin Galactic Holdings Inc Shs A	0.01%	-47.1%	-43.6%	Industrials
DraftKings Inc Ord Shares - Class A	0.02%	-43.0%	-41.0%	Consumer Discretionary
DocuSign Inc	0.07%	-40.8%	-31.5%	Information Technology

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
AMC Entmt Hldgs Inc Class A	0.47%	-28.5%	1,183.0%	Communication Services
Synaptics Inc	0.38%	61.1%	200.3%	Information Technology
Lattice Semiconductor Corp	0.35%	19.2%	68.2%	Information Technology
EastGroup Properties Inc	0.31%	37.4%	68.4%	Real Estate
BJ's Wholesale Club Holdings Inc	0.31%	21.9%	79.6%	Consumer Staples
Tetra Tech Inc	0.31%	13.8%	47.5%	Industrials
Saia Inc	0.30%	41.6%	86.4%	Industrials
Ovintiv Inc	0.30%	3.0%	138.4%	Energy
Tenet Healthcare Corp	0.29%	23.0%	104.6%	Health Care
WillScot Mobile Mini Holdings Corp	0.29%	28.8%	76.3%	Industrials

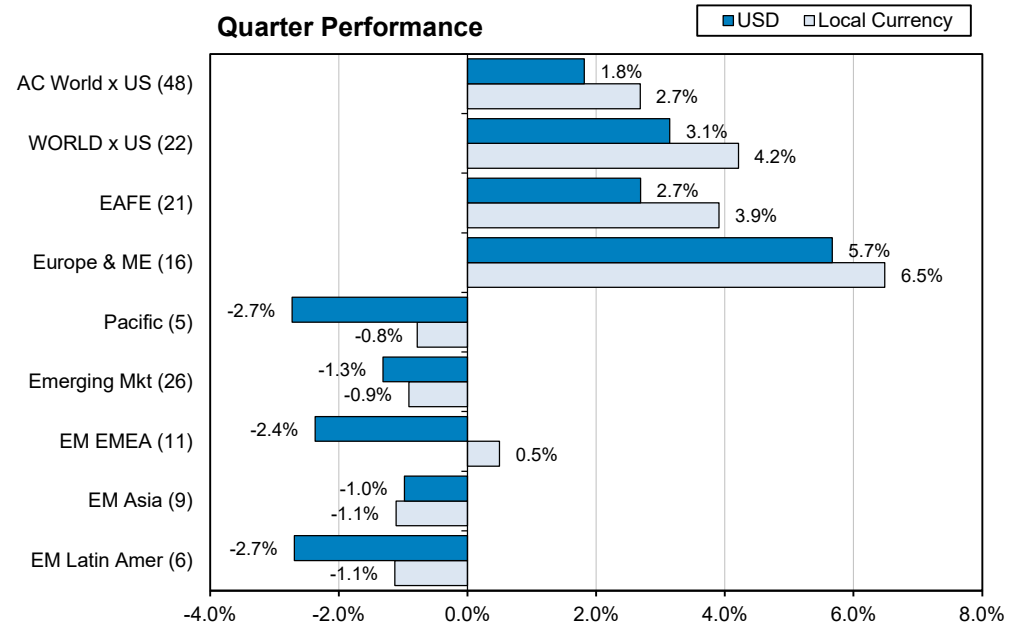
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Adicet Bio Inc Ordinary Shares	0.01%	123.1%	24.5%	Health Care
Yellow Corp Ordinary Shares	0.02%	122.9%	184.3%	Industrials
R.R.Donnelley & Sons Co	0.03%	119.1%	398.2%	Industrials
ChemoCentryx Inc	0.07%	112.9%	-41.2%	Health Care
iRhythm Technologies Inc	0.12%	101.0%	-50.4%	Health Care
BlueLinX Holdings Inc	0.03%	95.9%	227.3%	Industrials
Kezar Life Sciences Inc	0.02%	93.5%	220.3%	Health Care
Alpha & Omega Semiconductor Ltd	0.04%	93.1%	156.2%	Information Technology
Protagonist Therapeutics Inc	0.05%	93.0%	69.6%	Health Care
Clearfield Inc	0.03%	91.2%	241.5%	Information Technology

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Allakos Inc	0.01%	-90.8%	-93.0%	Health Care
Cortextyme Inc	0.01%	-86.2%	-54.6%	Health Care
Rafael Hldgs Inc Ord Shares - B	0.00%	-83.4%	-78.1%	Real Estate
Adagio Therapeutics Inc Ord Shares	0.01%	-82.8%	N/A	Health Care
Atea Pharmaceuticals Inc Ord Shs	0.02%	-74.5%	-78.6%	Health Care
Eros STX Global Corp	0.00%	-73.9%	-86.8%	Communication Services
Reata Pharmaceuticals Inc A	0.02%	-73.8%	-78.7%	Health Care
Generation Bio Co Ordinary Shares	0.01%	-71.8%	-75.0%	Health Care
BeyondSpring Inc	0.00%	-71.3%	-62.9%	Health Care
Deciphera Pharmaceuticals Inc	0.01%	-71.2%	-82.9%	Health Care

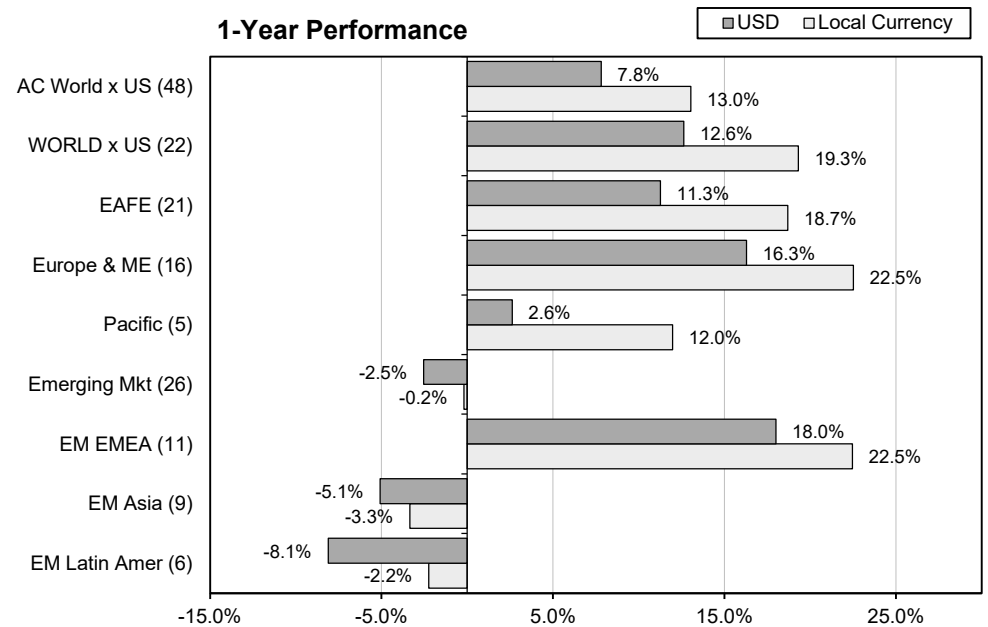
Source: Morningstar Direct



- Most developed market international equity indexes tracked in the chart posted positive returns in both US dollar (USD) and local currency terms for the 4th quarter. The provincial outlier during the period was the Pacific region which declined during the period on concerns about China and the country's future economic growth. The developed market MSCI EAFE Index returned 2.7% in USD and 3.9% in local currency (LC) terms for the period, while the MSCI Emerging Markets Index declined by -1.3% in USD and -0.9% in local currency terms.



- The trailing 1-year results for international developed markets were positive across all regions and currencies. The MSCI EAFE Index returned 11.3% in USD for the year and 18.7% in LC. Returns across emerging markets were more polarized by geography. While the MSCI Emerging Markets Index returned -2.5% in USD and -0.2% in LC, the EMEA (Europe, Middle East, and Africa) regional index's return of 18.0% in USD and 22.5% in LC, rivaled developed regional benchmark performance. In contrast, performance within the Latin America and Asia regional benchmarks detracted from emerging market index performance with the EM Latin America Index returning -8.1% in USD and -2.2% in LC, while EM Asia posted a return of -5.1% in USD and -3.3% in LC.



Source: MSCI Global Index Monitor (Returns are Net)



The Market Environment
US Dollar International Index Attribution & Country Detail
As of December 31, 2021

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.5%	-5.6%	-5.7%
Consumer Discretionary	12.5%	2.9%	10.7%
Consumer Staples	10.3%	5.2%	7.3%
Energy	3.4%	-0.5%	22.9%
Financials	16.9%	1.2%	16.6%
Health Care	12.8%	3.0%	8.6%
Industrials	16.2%	2.6%	13.6%
Information Technology	9.7%	3.8%	20.9%
Materials	7.6%	5.9%	10.4%
Real Estate	2.8%	-0.5%	4.1%
Utilities	3.4%	8.8%	0.0%
Total	100.0%	2.7%	11.3%

MSCI - ACWxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	6.1%	-2.8%	-6.9%
Consumer Discretionary	12.1%	-0.9%	-6.0%
Consumer Staples	8.6%	3.8%	5.3%
Energy	4.8%	-0.4%	26.0%
Financials	19.2%	1.9%	16.4%
Health Care	9.4%	0.1%	3.7%
Industrials	12.6%	2.6%	12.9%
Information Technology	13.6%	5.2%	15.4%
Materials	8.1%	3.6%	9.7%
Real Estate	2.4%	-2.3%	-2.2%
Utilities	3.1%	6.8%	3.1%
Total	100.0%	1.8%	7.8%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	10.7%	-0.5%	-9.1%
Consumer Discretionary	13.5%	-8.2%	-29.1%
Consumer Staples	5.9%	-2.1%	-4.9%
Energy	5.6%	-3.8%	21.0%
Financials	19.4%	-0.4%	8.2%
Health Care	4.2%	-15.4%	-19.8%
Industrials	5.1%	-0.3%	8.4%
Information Technology	22.7%	7.4%	9.9%
Materials	8.6%	-2.9%	9.3%
Real Estate	2.0%	-8.5%	-21.8%
Utilities	2.4%	0.7%	12.4%
Total	100.0%	-1.3%	-2.5%

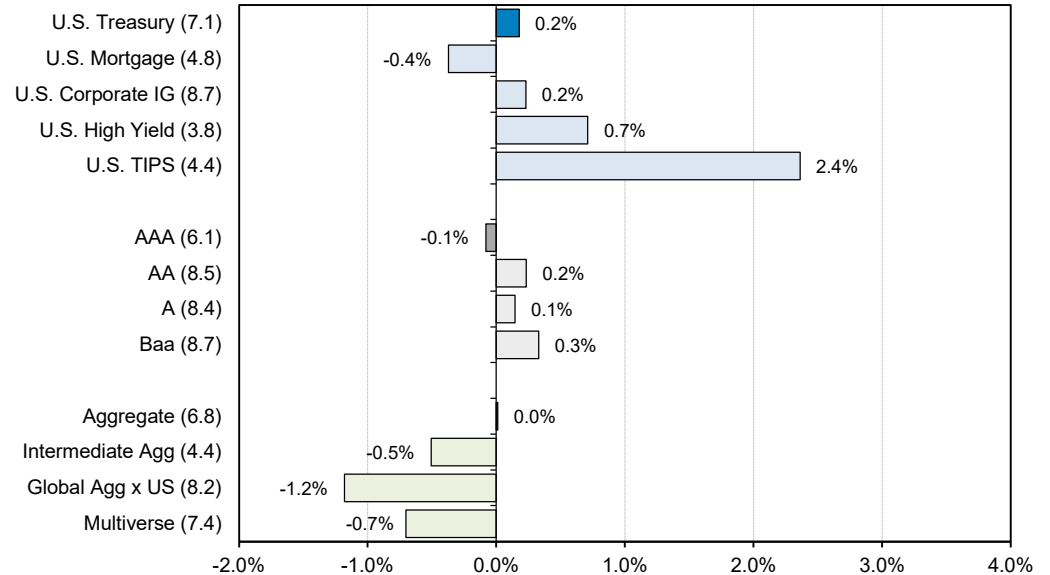
Country	MSCI-EAFE Weight	MSCI-ACWxUS Weight	Quarter Return	1-Year Return
Japan	22.5%	14.3%	-4.0%	1.7%
United Kingdom	14.6%	9.3%	5.6%	18.5%
France	11.7%	7.5%	7.1%	19.5%
Switzerland	10.5%	6.7%	12.8%	19.3%
Germany	8.9%	5.6%	0.8%	5.3%
Australia	6.9%	4.4%	2.1%	9.4%
Netherlands	4.9%	3.1%	3.5%	27.6%
Sweden	4.0%	2.5%	6.1%	21.9%
Hong Kong	2.8%	1.8%	-3.6%	-3.9%
Denmark	2.7%	1.7%	5.8%	19.1%
Italy	2.5%	1.6%	5.6%	15.0%
Spain	2.2%	1.4%	-1.4%	1.4%
Singapore	1.2%	0.8%	-3.4%	5.7%
Finland	1.0%	0.7%	3.0%	9.0%
Belgium	0.9%	0.6%	1.7%	2.2%
Israel	0.7%	0.5%	7.0%	15.2%
Ireland	0.7%	0.4%	0.6%	8.5%
Norway	0.7%	0.4%	-0.3%	22.0%
Austria	0.2%	0.2%	5.2%	41.5%
New Zealand	0.2%	0.1%	-4.0%	-17.1%
Portugal	0.2%	0.1%	1.9%	0.2%
Total EAFE Countries	100.0%	63.6%	2.7%	11.3%
Canada		7.5%	7.2%	26.0%
Total Developed Countries		71.1%	3.1%	12.6%
China		9.4%	-6.1%	-21.7%
Taiwan		4.7%	8.4%	26.1%
Korea		3.7%	-0.9%	-8.4%
India		3.6%	-0.2%	26.2%
Brazil		1.2%	-6.5%	-17.4%
Russia		1.0%	-9.2%	19.0%
Saudi Arabia		1.0%	-0.7%	37.7%
South Africa		0.9%	-0.5%	3.6%
Mexico		0.6%	6.2%	22.5%
Thailand		0.5%	3.0%	-1.4%
Indonesia		0.4%	6.4%	2.1%
Malaysia		0.4%	1.8%	-6.2%
United Arab Emirates		0.3%	10.3%	50.2%
Poland		0.2%	-2.4%	8.5%
Qatar		0.2%	2.6%	15.2%
Philippines		0.2%	3.7%	-3.9%
Kuwait		0.2%	2.3%	30.9%
Chile		0.1%	-10.5%	-17.3%
Hungary		0.1%	-9.7%	12.1%
Turkey		0.1%	-11.2%	-28.4%
Peru		0.1%	10.4%	-19.9%
Greece		0.1%	-3.6%	8.0%
Colombia		0.1%	-2.7%	-13.8%
Czech Republic		0.0%	12.3%	55.0%
Egypt		0.0%	18.3%	7.5%
Argentina		0.0%	-0.4%	21.0%
Pakistan		0.0%	-2.7%	-24.9%
Total Emerging Countries		28.9%	-1.3%	-2.5%
Total ACWxUS Countries		100.0%	1.8%	7.8%

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



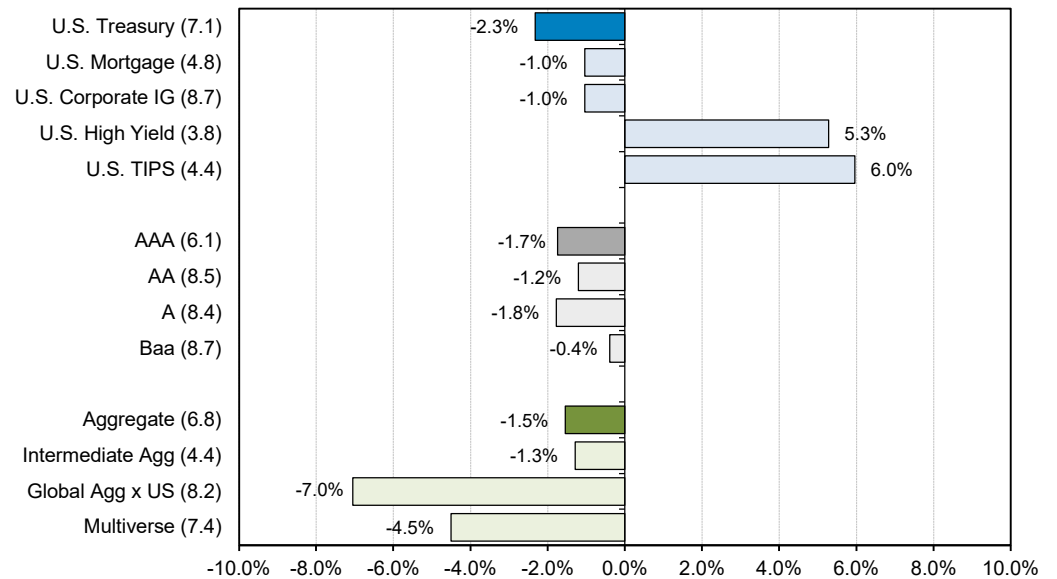
- Fixed income market results were mixed during the 4th quarter. While the Fed remained supportive with bond purchases, concerns about rising inflation and potentially higher interest rates detracted from performance. US Treasury yields were mixed across the maturity curve but remained low.
- The return for the Bloomberg US Aggregate Bond Index, the bellwether investment grade benchmark, was flat for the period at 0.0%.
- Performance across the investment grade index's segments was mixed during the period with the US Corporate Investment Grade bonds returning 0.2% while the US Mortgage index component fell -0.4%.
- US TIPS posted the quarter's strongest bond performance with a return of 2.4%. High yield issues were also positive, posting a return of 0.7%.
- Outside of domestic markets, the BB Global Aggregate ex US Index posted a return of -1.2% for the quarter. Like international stocks, global bond index performance was negatively impacted by the strengthening USD, which acted as a drag on domestic index returns.

Quarter Performance



- Over the trailing 1-year period, domestic investment grade benchmark performance was skewed lower by higher quality government bonds (-2.3%) as well as negative performance from investment grade corporate (-1.0%) and mortgage-backed (-1.0%) bonds. Aided by higher inflation, only US TIPS managed to generate positive returns during the year with a return of 6.0%. The bellwether Bloomberg US Aggregate Bond Index declined by -1.5% for the year.
- Lower quality high yield bonds delivered solid performance during the year supported by both higher coupons and a lower maturity profile, which acted as tailwinds. The Bloomberg US High Yield Index returned of 5.3% for the period.
- Performance for non-US bonds was broadly negative for the year with the developed market Bloomberg Global Aggregate ex US Index declining by -7.0%. The combination of rising interest rates overseas, a longer maturity profile, and USD strength for the year hindered index performance.

1-Year Performance

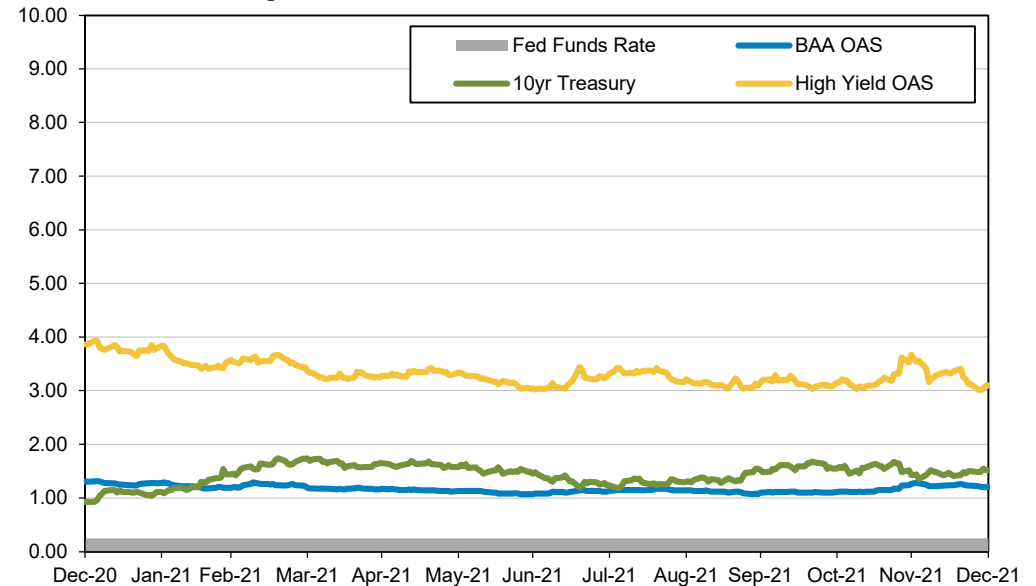


Source: Bloomberg

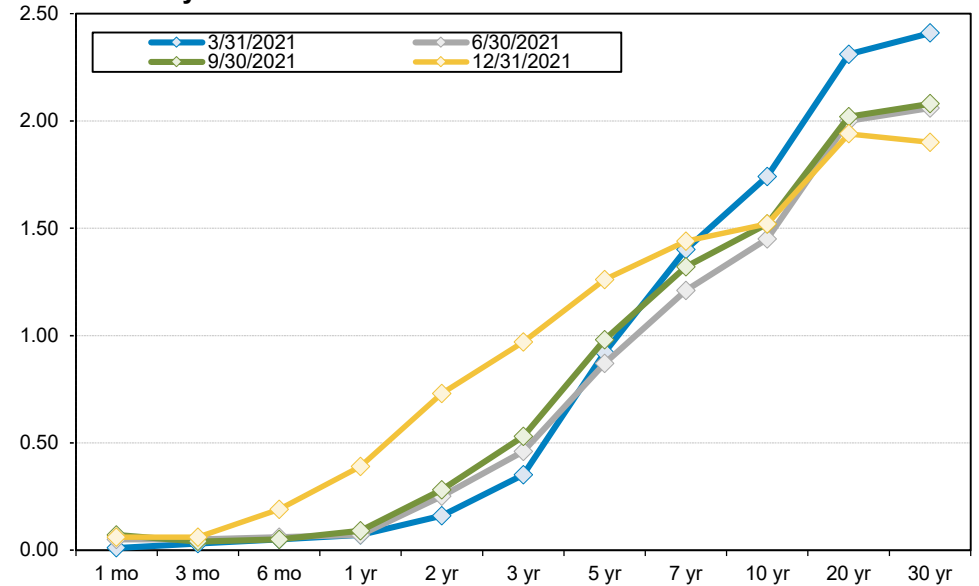


- The gray band across the graph illustrates the range of the current Fed Funds Rate. Over the past year, the Fed's target rate range has remained unchanged at 0.00% to 0.25%. During its recent December meeting, the Federal Open Market Committee (FOMC) stated its intent to keep interest rates unchanged in the near-term, while also signaling that it would end its bond purchase program earlier than expected and foreshadowing that interest rates could begin to rise early next year.
- The yield on the US 10-year Treasury (green line) ended the year higher as economic growth accelerated in anticipation of the Fed beginning the process of normalizing interest rates. After reaching a high of 1.74% during the 1st quarter of 2021, interest rates traded within a narrow range for the remainder of the year. The yield on the US 10-year Treasury was 1.52% on December 31st.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues. For the full year, the spread narrowed slightly from 1.30% to 1.21%. A narrowing of the premium measured by the High Yield OAS showed investors' willingness to take on credit risk during the year as the spread tightened from 3.86% to 3.10% over the course of the year.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. While short-term rates are largely pinned to the Fed Funds Rate, beginning in the 1st quarter of 2021, intermediate-term interest rates began to move higher as investors expectations for higher future interest rates increased. In contrast, longer-term interest rates declined throughout the year over concerns that future economic growth may slow due to rising interest rates.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

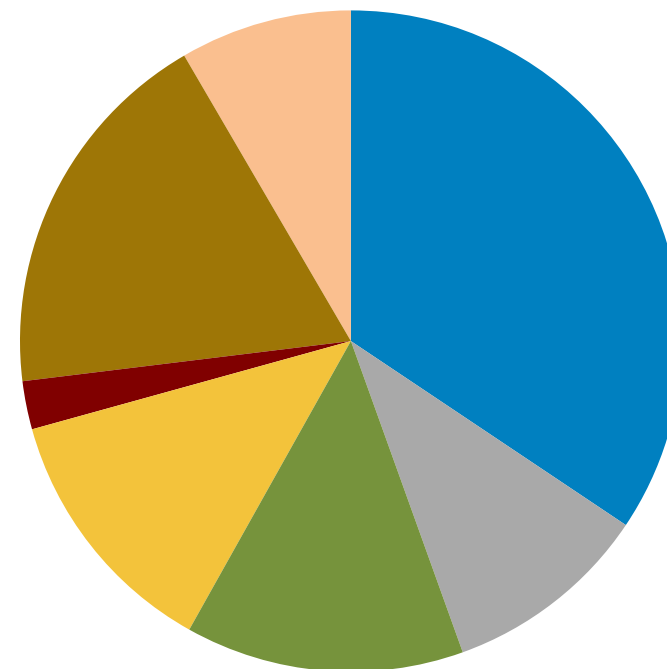
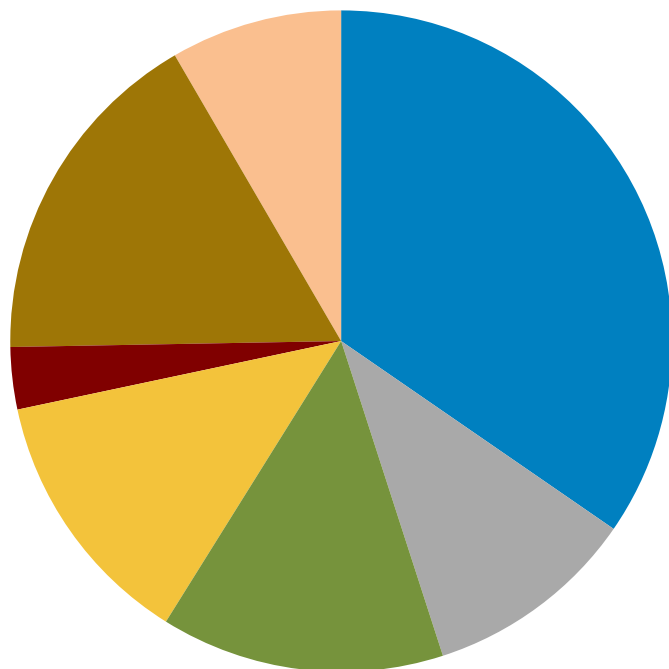


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Asset Allocation By Segment as of
September 30, 2021 : \$56,667,447

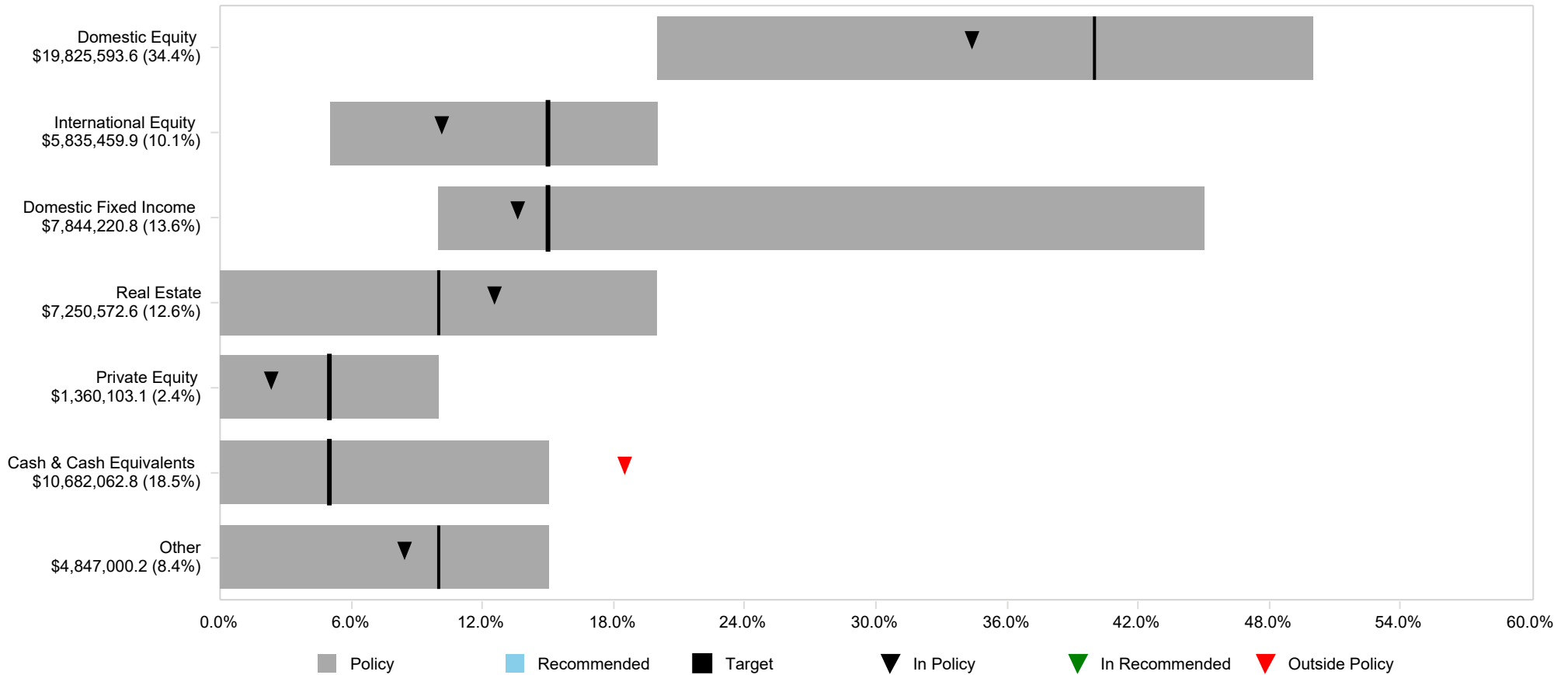
Asset Allocation By Segment as of
December 31, 2021 : \$57,645,013



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	19,612,906	34.6	Domestic Equity	19,825,594	34.4
International Equity	5,901,979	10.4	International Equity	5,835,460	10.1
Domestic Fixed Income	7,851,961	13.9	Domestic Fixed Income	7,844,221	13.6
Real Estate	7,250,573	12.8	Real Estate	7,250,573	12.6
Private Equity	1,720,382	3.0	Private Equity	1,360,103	2.4
Cash Equivalent	9,578,231	16.9	Cash Equivalent	10,682,063	18.5
Global Other	4,751,415	8.4	Global Other	4,847,000	8.4



Executive Summary



Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebal. (\$000)
Domestic Equity	19,825,594	34.4	20.0	50.0	40.0	3,232,412
International Equity	5,835,460	10.1	5.0	20.0	15.0	2,811,292
Domestic Fixed Income	7,844,221	13.6	10.0	45.0	15.0	802,531
Real Estate	7,250,573	12.6	0.0	20.0	10.0	-1,486,071
Private Equity	1,360,103	2.4	0.0	10.0	5.0	1,522,148
Cash & Cash Equivalents	10,682,063	18.5	0.0	15.0	5.0	-7,799,812
Other	4,847,000	8.4	0.0	15.0	10.0	917,501
Total Fund	57,645,013	100.0	N/A	N/A	100.0	-



Financial Reconciliation Year to Date									
	Market Value 01/01/2021	Contributions	Distributions	Net Transfers	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2021
Total Fund (Net of Liabilities)	54,862,339	25,674,937	-24,862,704	-	-	-361,246	1,591,124	740,564	57,645,013
Total Equity Composite	22,342,965	-	-	-	-	-	1,175,146	2,142,564	25,660,674
Total Domestic Equity Composite	16,668,586	-	-	-	-	-	622,793	2,533,836	19,825,214
Vanguard Total Stock Market Index (VTSAX)	16,668,586	-	-	-5,000,000	-	-	198,578	3,481,005	15,348,169
Clarkston Partners (CISMX)	-	-	-	2,500,000	-	-	18,052	-267,108	2,250,944
Jackson Square Partners (DCGTX)	-	-	-	2,500,000	-	-	406,162	-680,061	2,226,101
International Equity Composite	5,674,379	-	-	-	-	-	552,353	-391,272	5,835,460
Europacific Growth Fund R6 (RERGX)	5,674,379	-	-	-	-	-	552,353	-391,272	5,835,460
Total Fixed Income Composite	16,773,445	25,674,937	-24,750,000	1,232,019	-	-361,246	157,806	-271,606	18,455,355
Total Liquid Fixed Income Composite	8,813,095	25,674,937	-24,750,000	1,232,019	-	-361,246	2,365	-	10,611,170
Capital One New R&D Fund	8,492,753	25,674,937	-24,750,000	1,232,019	-	-361,246	2,277	-	10,290,740
Capital One New System DROP	320,342	-	-	-	-	-	88	-	320,430
Domestic Fixed Income Composite	7,960,350	-	-	-	-	-	155,442	-271,606	7,844,185
Baird Aggregate Bond Fund (BAGIX)	7,960,350	-	-	-	-	-	155,442	-271,606	7,844,185

Financial Reconciliation

Total Fund

Year To Date Ending December 31, 2021

	Market Value 01/01/2021	Contributions	Distributions	Net Transfers	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2021
Liquid Alternatives Composite	4,533,631	-	-	-	-	-	258,049	72,509	4,864,189
Blackrock Multi Asset Income-K (BKMIX)	4,533,631	-	-	-	-	-	258,049	72,509	4,864,189
Legacy Assets Composite	11,212,298	-	-112,704	-1,232,019	-	-	123	-1,202,903	8,664,795
Capital One Other Assets (equity assets)	418	-	-	-4	-	-	4	-40	378
Capital One Other Assets (fixed assets)	53,635	-	-	4	-	-	119	-18	53,740
Whalehaven Capital	909,028	-	-	-	-	-	-	-909,027	1
Endgame Entertainment Company, LLC	250,000	-	-112,704	-	-	-	-	-	137,296
Fire Flix (Goldstar Films)	352,500	-	-	-	-	-	-	-352,499	1
Greenspring Crossover Ventures I, LP 5124	448,143	-	-	-	-	-	-	-3,834	444,309
Murphree Venture Partners 1842	75,501	-	-	-105,699	-	-	-	70,152	39,954
Trans Europe Buyout III 2303	2,877	-	-	-	-	-	-	-	2,877
Louisiana Fund I 3044	703,814	-	-	-	-	-	-	-313	703,501
SAIL Venture Partners II 3061	1	-	-	-	-	-	-	-	1
Louisiana Sustainability Fund LP 1854	1	-	-	-	-	-	-	-	1
Wilton Private Equity	39,089	-	-	-	-	-	-	-6,926	32,163
Fire Game (TGGI) 1846	301,000	-	-	-	-	-	-	-	301,000
Fire Phoenix (Austin) 3053	29,914	-	-	-	-	-	-	-	29,914
Fire Lake Development 1819	3,033,506	-	-	-938,425	-	-	-	-	2,095,081
Fire Lake Entertainment 1819	2,022,144	-	-	-	-	-	-	-	2,022,144
Fire Water (Gulf Islands Water Park) 1832	2,802,433	-	-	-	-	-	-	-	2,802,433

Please see disclosures in back of the report.



Asset Allocation & Performance (Time Weighted Returns)	Allocation		Performance(%)							
	Market Value \$	%	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date
Total Fund (1)	57,645,013	100.00	-0.27	4.36	4.36	8.66	0.46	-4.42	-0.19	10/01/1997
Total Fund Policy			6.57	15.86	15.86	17.54	12.61	11.14	7.58	
Total Fund ex Legacy Assets	48,980,218	84.97	2.28	8.01	8.01	12.77	N/A	N/A	8.05	02/01/2018
Total Fund Policy			6.57	15.86	15.86	17.54	12.61	11.14	11.66	
Total Equity Composite	25,660,674	44.51	4.29	14.85	14.85	22.50	N/A	N/A	12.86	02/01/2018
Total Equity Policy			8.68	23.23	23.23	22.78	16.26	14.23	13.31	
Total Domestic Equity Composite	19,825,214	34.39	6.00	18.94	18.94	23.85	N/A	N/A	14.58	02/01/2018
S&P 500 Index			11.03	28.71	28.71	26.07	18.47	16.55	16.39	
Vanguard Total Stock Market Index (VTSAX)	15,348,169	26.63	9.16	25.71	25.71	25.77	N/A	N/A	16.05	02/01/2018
Vanguard Spliced Total Stock Market Index			9.16	25.72	25.72	25.79	18.00	16.31	16.06	
Clarkston Partners (CISMX)	2,250,944	3.90	2.70	N/A	N/A	N/A	N/A	N/A	-9.81	06/01/2021
Russell 2500 Index			3.82	18.18	18.18	21.91	13.75	14.15	2.23	
Jackson Square Partners (DCGTX)	2,226,101	3.86	-9.19	N/A	N/A	N/A	N/A	N/A	-9.46	06/01/2021
Russell 2500 Growth Index			0.20	5.04	5.04	25.09	17.65	15.75	1.85	
International Equity Composite	5,835,460	10.12	-1.13	2.84	2.84	17.95	N/A	N/A	7.26	02/01/2018
MSCI AC World ex USA (Net)			1.82	7.82	7.82	13.18	9.61	7.28	4.28	
Europacific Growth Fund R6 (RERGX)	5,835,460	10.12	-1.13	2.84	2.84	17.95	N/A	N/A	7.26	02/01/2018
MSCI AC World ex USA (Net)			1.82	7.82	7.82	13.18	9.61	7.28	4.28	

Please see disclosures at the back of the report. (1) Returns prior to 6/2013 are net of liabilities.
(2) Asset(s) used as collateral for a loan which totaled \$25,527,154 (including accruals) as of 3/31/18.



Asset Allocation and Performance
Total Fund

As of December 31, 2021

	Allocation		Performance(%)							Inception Date
	Market Value \$	%	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception	
Total Fixed Income Composite	18,455,355	32.02	-0.03	-0.91	-0.91	2.89	N/A	N/A	2.74	02/01/2018
Blmbg. U.S. Aggregate Index			0.01	-1.55	-1.55	4.79	3.57	2.90	3.96	
Total Liquid Fixed Income Composite	10,611,170	18.41	0.01	0.03	0.03	0.88	N/A	N/A	1.09	02/01/2018
Capital One New R&D Fund	10,290,740	17.85	0.01	0.03	0.03	0.88	1.04	N/A	0.98	08/01/2016
Capital One New System DROP	320,430	0.56	0.01	0.03	0.03	1.18	1.22	N/A	1.19	11/01/2016
Domestic Fixed Income Composite	7,844,185	13.61	-0.10	-1.46	-1.46	5.43	N/A	N/A	4.35	02/01/2018
Blmbg. U.S. Aggregate Index			0.01	-1.55	-1.55	4.79	3.57	2.90	3.96	
Baird Aggregate Bond Fund (BAGIX)	7,844,185	13.61	-0.10	-1.46	-1.46	5.43	N/A	N/A	4.35	02/01/2018
Blmbg. U.S. Aggregate Index			0.01	-1.55	-1.55	4.79	3.57	2.90	3.96	
Liquid Alternatives Composite	4,864,189	8.44	1.87	7.22	7.22	9.21	N/A	N/A	5.66	02/01/2018
Blackrock Multi Asset Income-K (BKMIX)	4,864,189	8.44	1.87	7.22	7.22	9.21	N/A	N/A	5.66	02/01/2018
50% MSCI World/50% BC Agg			3.89	9.69	9.69	13.38	N/A	N/A	8.33	

Please see disclosures at the back of the report.(1) Returns prior to 6/2013 are net of liabilities.
(2) Asset(s) used as collateral for a loan which totaled \$25,527,154 (including accruals) as of 3/31/18.



	Allocation		Performance(%)							Inception Date
	Market Value \$	%	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception	
Legacy Assets Composite	8,664,795	15.03	-12.78	-12.21	-12.21	-4.30	N/A	N/A	-17.70	03/01/2018
Cambridge Associates Private Equity Index			0.00	24.50	24.50	19.82	17.47	15.20	18.15	
NCREIF Fund Index-Open End Diversified Core (EW)			7.70	22.99	22.99	9.84	9.11	10.64	9.87	
Blmbg. U.S. Aggregate Index			0.01	-1.55	-1.55	4.79	3.57	2.90	4.31	
MSCI AC World Index (Net)			6.68	18.54	18.54	20.38	14.40	11.85	12.33	
Capital One Other Assets (equity assets)	378	0.00								
Capital One Other Assets (fixed assets)	53,740	0.09								
Endgame Entertainment Company, LLC	137,296	0.24								
Fire Flix (Goldstar Films)	1	0.00								
Fire Game (TGGI) 1846	301,000	0.52								
Fire Lake Development 1819	2,095,081	3.63								
Fire Lake Entertainment 1819	2,022,144	3.51								
Fire Phoenix (Austin) 3053	29,914	0.05								
Fire Water (Gulf Islands Water Park) 1832	2,802,433	4.86								
Firewall (West Wego) 1843	-	0.00								
Greenspring Crossover Ventures I, LP 5124	444,309	0.77								
Louisiana Fund I 3044	703,501	1.22								
Louisiana Sustainability Fund LP 1854	1	0.00								
Murphree Venture Partners 1842	39,954	0.07								
SAIL Venture Partners II 3061	1	0.00								
Trans Europe Buyout III 2303	2,877	0.00								
Whalehaven Capital	1	0.00								
Wilton Private Equity	32,163	0.06								

Please see disclosures at the back of the report.(1) Returns prior to 6/2013 are net of liabilities.
(2) Asset(s) used as collateral for a loan which totaled \$25,527,154 (including accruals) as of 3/31/18.



Comparative Performance - IRR Performance

	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception	Inception Date
Legacy Assets Composite	-12.78	-11.89	-11.89	-5.16	N/A	N/A	-20.64	02/28/2018
Capital One Other Assets (equity assets)	0.64	-8.60	-8.60	-1.67	5.85	N/A	7.49	10/31/2016
Capital One Other Assets (fixed assets)	0.04	0.19	0.19	1.05	2.58	N/A	2.54	10/31/2016
Endgame Entertainment Company, LLC	0.00	0.00	0.00	-43.93	-28.57	-15.42	-12.72	07/01/2003
Fire Flix (Goldstar Films)	-100.00	-100.00	-100.00	-98.87	-93.22	-73.49	-72.59	05/31/2011
Fire Game (TGGI) 1846	0.00	0.00	0.00	0.00	-18.19	-26.21	-21.53	11/30/2006
Fire Lake Development 1819	0.00	0.00	0.00	49.21	-30.32	-22.61	-17.77	02/28/2003
Fire Lake Entertainment 1819	0.00	0.00	0.00	13.84	-20.51	-13.68	-10.75	01/31/2003
Fire Phoenix (Austin) 3053	0.00	0.00	0.00	0.00	-4.98	-7.38	10.02	11/30/2001
Fire Water (Gulf Islands Water Park) 1832	0.00	0.00	0.00	0.00	-10.16	-5.42	0.29	08/31/2004
Firewall (West Wego) 1843	0.00	0.00	0.00	0.00	-97.95	-86.51	-80.56	05/31/2006
Greenspring Crossover Ventures I, LP 5124	-0.12	-0.86	-0.86	14.14	-0.66	28.71	11.50	01/31/2008
Louisiana Fund I 3044	-0.04	-0.04	-0.04	-6.20	-4.90	-3.70	3.02	07/31/2006
Louisiana Sustainability Fund LP 1854	0.00	0.00	0.00	0.00	-88.44	-75.51	-75.14	08/31/2011
Murphree Venture Partners 1842	0.00	756.85	756.85	-36.23	-31.55	-15.27	-7.54	03/31/2006
SAIL Venture Partners II 3061	0.00	0.00	0.00	0.00	-92.08	-79.70	-77.66	11/30/2008
Trans Europe Buyout III 2303	0.00	0.00	0.00	0.00	0.00	5.13	15.74	01/31/2002
Whalehaven Capital	-100.00	-100.00	-100.00	-99.18	-94.39	-70.81	-34.28	11/30/2007
Wilton Private Equity	-17.72	-17.72	-17.72	-9.61	-9.34	0.63	15.72	11/30/2001

Summary of Partnerships
Total Private Equity and Real Estate
As of December 31, 2021

Summary of Partnerships

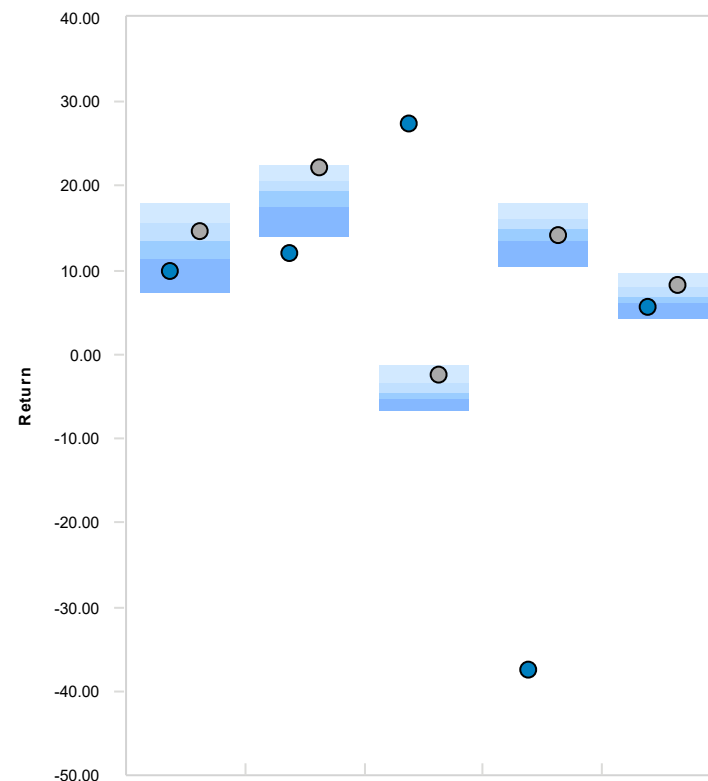
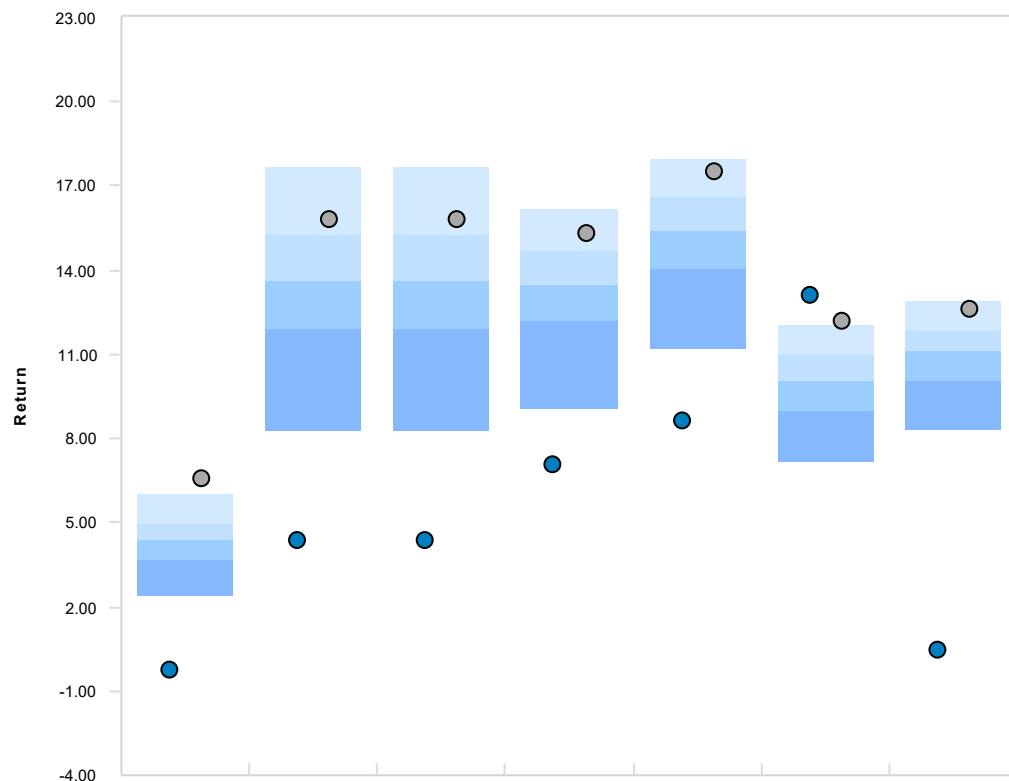
Partnerships	Drawn Down \$	Market Value \$	Distributed \$	IRR (%)	TVPI Multiple
Total Private Equity					
Endgame Entertainment Company, LLC	3,000,090	137,296	112,794	-12.7	0.1
Fire Flix (Goldstar Films)	755,000	1	72,902	-72.6	0.1
Greenspring Crossover Ventures I, LP 5124	3,000,000	444,309	5,666,282	11.5	2.0
Murphree Venture Partners 1842	1,008,665	39,954	529,879	-7.5	0.6
Trans Europe Buyout III 2303	3,161,041	2,877	4,938,383	15.7	1.6
Louisiana Fund I 3044	500,000	703,501	24,609	3.0	1.5
SAIL Venture Partners II 3061	5,361,922	1	690,672	-77.7	0.1
Louisiana Sustainability Fund LP 1854	996,305	1	29,943	-75.1	0.0
Wilton Private Equity	2,006,545	32,163	5,153,074	15.7	2.6
Total Real Estate					
Fire Game (TGGI) 1846	12,026,159	301,000	900,972	-21.5	0.1
Fire Phoenix (Austin) 3053	15,167,503	29,914	22,693,829	10.0	1.5
Fire Lake Development 1819	32,362,250	2,095,081	938,425	-17.8	0.1
Fire Lake Entertainment 1819	13,551,563	2,022,144	-	-10.7	0.1
Fire Water (Gulf Islands Water Park) 1832	6,106,600	2,802,433	3,455,471	0.3	1.0
Fire Game (TGGI)	12,026,159	-	900,972	-21.6	0.1
Fire Phoenix (Austin)	15,167,503	-	22,693,829	10.0	1.5
Fire Lake Development	32,362,250	-	938,425	-17.9	0.0
Fire Water (Gulf Islands Water Park)	6,106,600	-	3,455,471	0.3	0.6

TVPI = Total Value to Paid-In [(Market Value + Distributions - Catchup Interest Received)/(Contributions - Catchup Interest Paid)]
Cash flows prior to July 31, 2013 provided by the previous consultant.

Please see disclosures in back of the report.



Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund (Net)	-0.27 (99)	4.36 (97)	4.36 (97)	7.05 (98)	8.66 (97)	13.10 (2)	0.46 (100)
● Total Fund Policy	6.57 (3)	15.86 (17)	15.86 (17)	15.29 (14)	17.54 (9)	12.22 (4)	12.61 (10)
Median	4.36	13.59	13.59	13.51	15.39	10.10	11.11

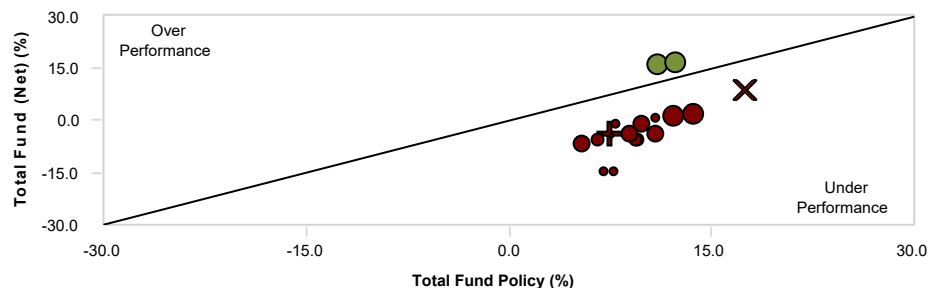
	2020	2019	2018	2017	2016
● Total Fund (Net)	9.82 (87)	11.95 (97)	27.54 (1)	-37.48 (100)	5.60 (84)
● Total Fund Policy	14.73 (37)	22.18 (8)	-2.35 (11)	14.21 (64)	8.31 (20)
Median	13.44	19.36	-4.45	14.95	6.95

Comparative Performance

	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Total Fund (Net)	-0.97 (97)	3.76 (95)	1.84 (88)	6.66 (95)	3.64 (94)	9.13 (90)
Total Fund Policy	0.40 (18)	5.84 (26)	2.31 (77)	7.54 (93)	5.64 (39)	13.32 (48)
All Public Plans-Total Fund Median	-0.16	5.46	3.11	10.19	5.42	13.14

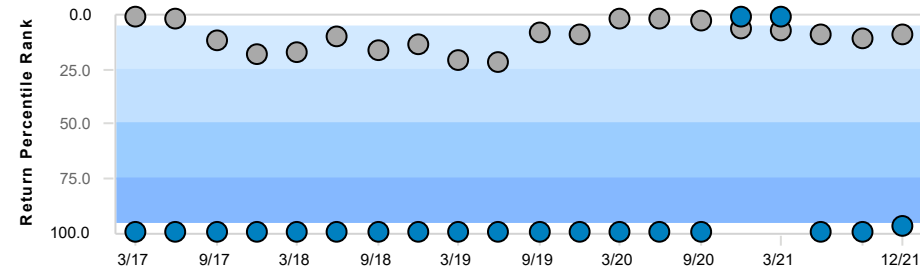


3 Yr Rolling Under/Over Performance - 5 Years



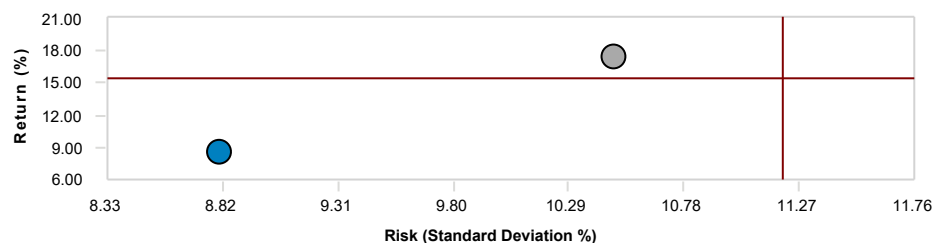
- Over Performance
- Under Performance
- + Earliest Date
- X Latest Date

3 Yr Rolling Percentile Ranking - 5 Years



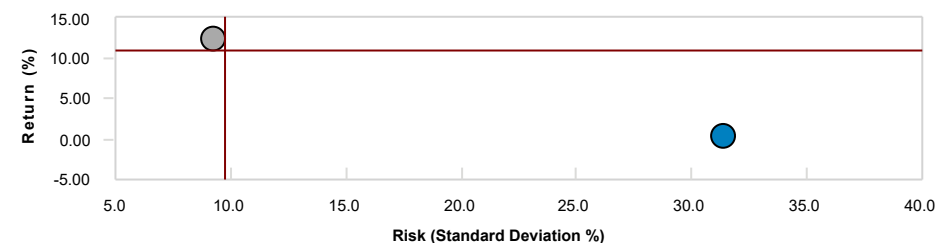
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Fund (Net)	20	2 (10%)	0 (0%)	0 (0%)	18 (90%)
● Total Fund Policy	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Total Fund (Net)	8.66	8.80
● Total Fund Policy	17.54	10.48
— Median	15.40	11.20

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Total Fund (Net)	0.46	31.35
● Total Fund Policy	12.61	9.28
— Median	11.08	9.75

Historical Statistics - 3 Years

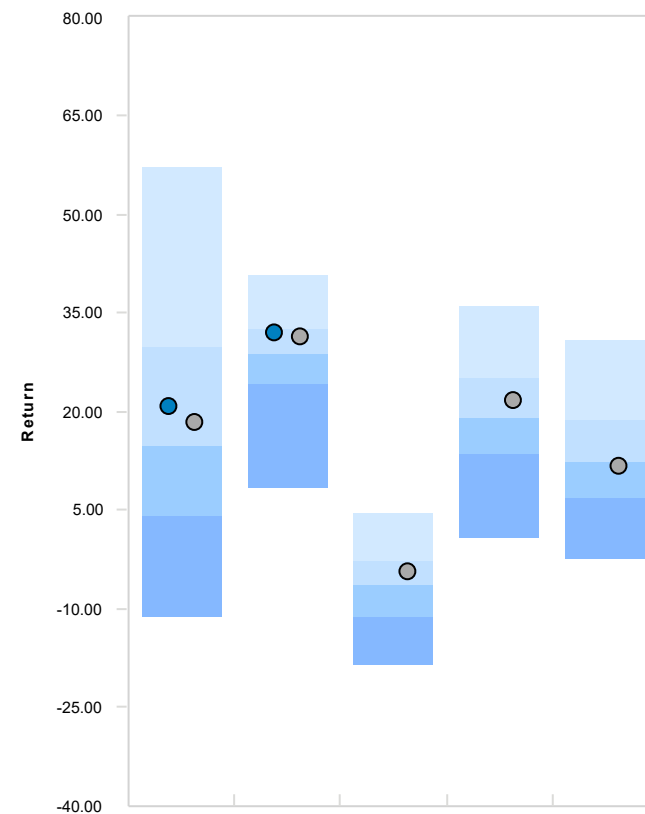
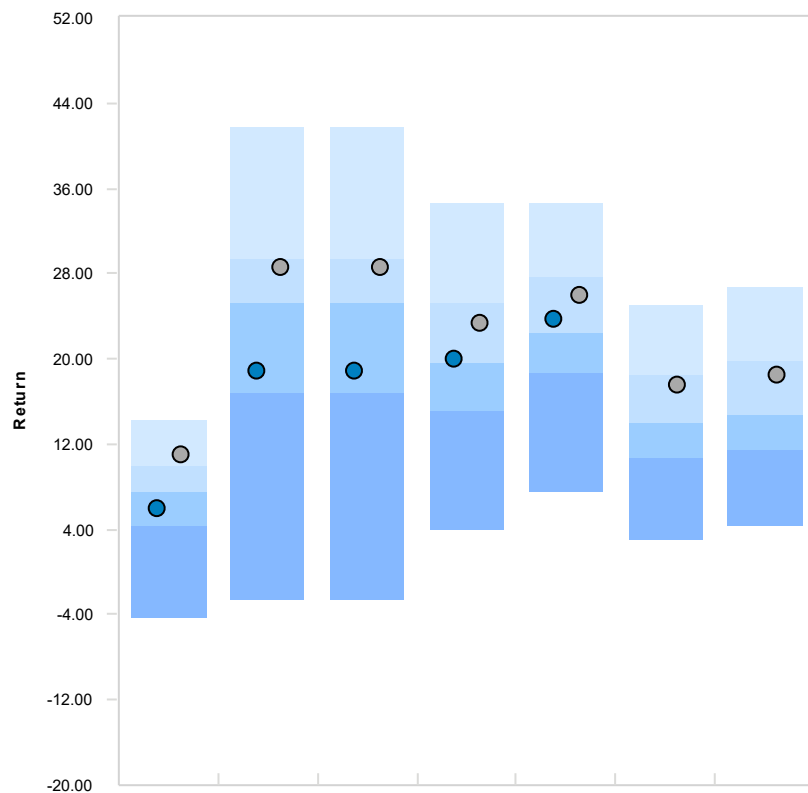
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund (Net)	6.21	59.24	75.22	-2.64	-1.30	0.87	0.68	5.16
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.50	1.00	5.92

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund (Net)	30.86	4.91	-53.60	-3.47	-0.24	0.12	0.68	17.13
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.20	1.00	5.56



Peer Group Analysis - IM U.S. Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Domestic Equity Composite	6.00 (65)	18.94 (71)	18.94 (71)	19.96 (49)	23.85 (43)	N/A	N/A
● S&P 500 Index	11.03 (16)	28.71 (30)	28.71 (30)	23.44 (33)	26.07 (32)	17.65 (30)	18.47 (32)
Median	7.51	25.23	25.23	19.69	22.47	14.04	14.86

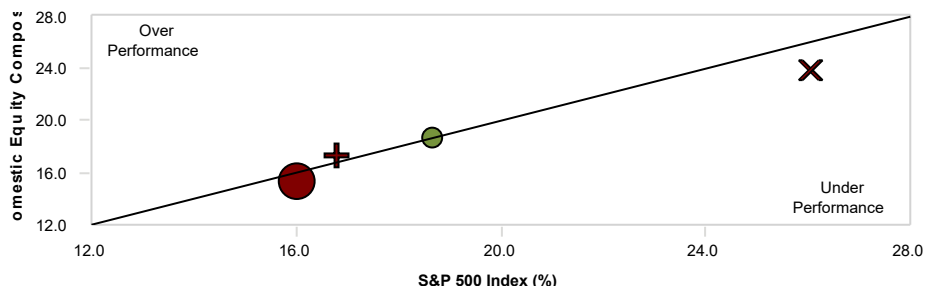
	2020	2019	2018	2017	2016
● Total Domestic Equity Composite	20.99 (37)	32.03 (30)	N/A	N/A	N/A
● S&P 500 Index	18.40 (44)	31.49 (33)	-4.38 (36)	21.83 (38)	11.96 (53)
Median	14.83	28.66	-6.45	19.02	12.35

Comparative Performance

	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Total Domestic Equity Composite	-2.12 (82)	7.71 (42)	6.43 (59)	14.69 (60)	9.20 (35)	22.08 (50)
S&P 500 Index	0.58 (35)	8.55 (33)	6.17 (62)	12.15 (75)	8.93 (38)	20.54 (59)
IM U.S. Equity (MF) Median	-0.12	6.92	7.93	16.84	7.23	22.06

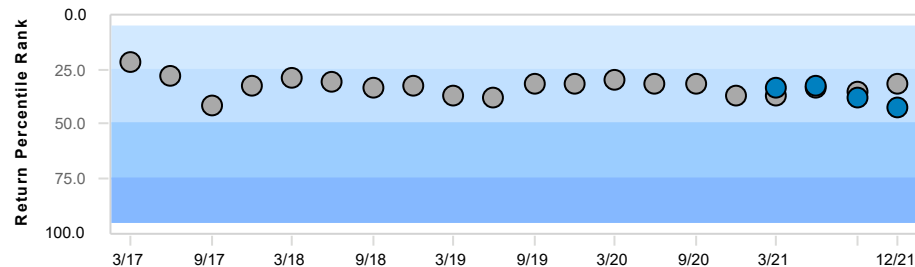


3 Yr Rolling Under/Over Performance - 5 Years



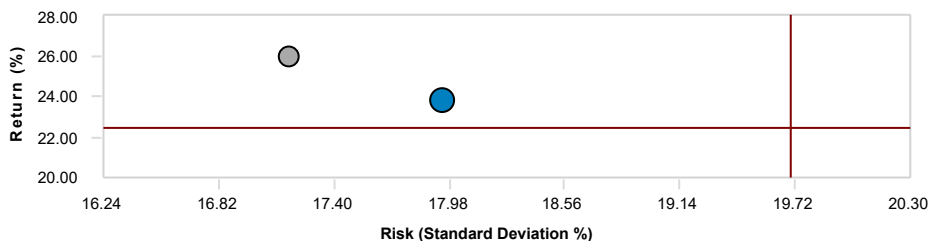
- Over Performance
- Under Performance
- + Earliest Date
- X Latest Date

3 Yr Rolling Percentile Ranking - 5 Years



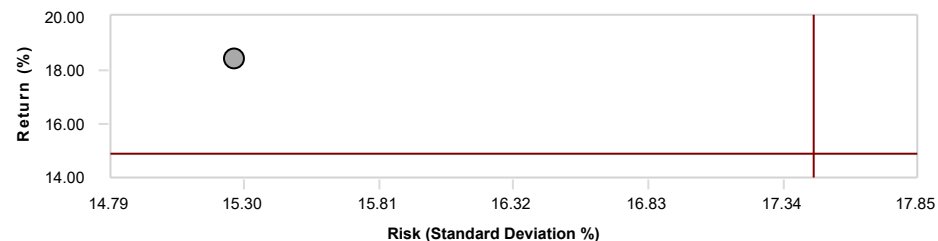
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Total Domestic Equity Composite	4	0 (0%)	4 (100%)	0 (0%)	0 (0%)
● S&P 500 Index	20	1 (5%)	19 (95%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Total Domestic Equity Composite	23.85	17.94
● S&P 500 Index	26.07	17.17
— Median	22.47	19.70

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Total Domestic Equity Composite	N/A	N/A
● S&P 500 Index	18.47	15.26
— Median	14.86	17.46

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Domestic Equity Composite	2.53	97.53	105.18	-2.51	-0.66	1.23	1.04	10.79
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.38	1.00	10.13

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Domestic Equity Composite	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.11	1.00	9.55



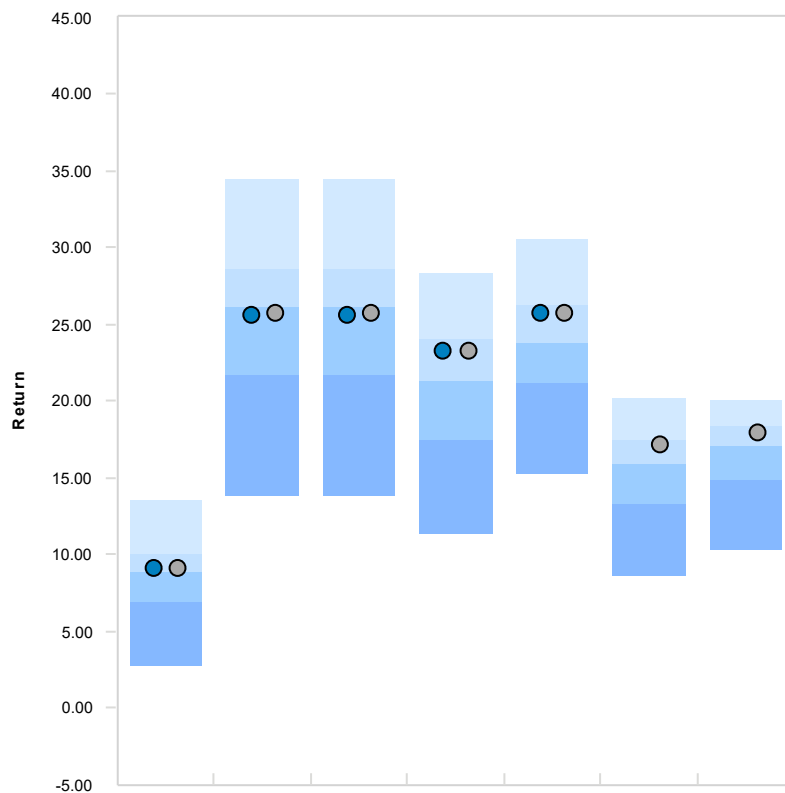
New Orleans Firefighters' Pension and Relief Fund
Mutual Funds

As of December 31, 2021

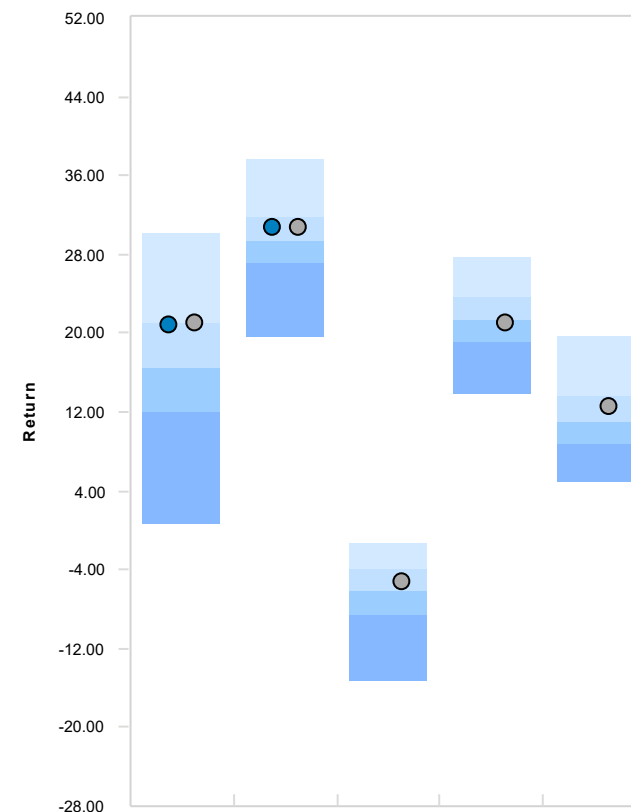
Asset Allocation & Performance	Allocation	Performance(%)					
	Market Value \$	MTH	QTD	YTD	1 YR	Inception	Inception Date
Baird Aggregate Bond Fund (BAGIX) Blmbg. U.S. Aggregate Index	7,844,185	-0.23 -0.26	-0.10 0.01	-1.46 -1.55	-1.46 -1.55	4.35 3.96	02/01/2018
Blackrock Multi Asset Income-K (BKMIX) 50% MSCI World/50% BC Agg	4,864,189	2.34 2.01	1.87 3.89	7.22 9.69	7.22 9.69	5.66 8.33	02/01/2018
Europacific Growth Fund R6 (REGX) MSCI AC World ex USA (Net)	5,835,460	2.19 4.13	-1.13 1.82	2.84 7.82	2.84 7.82	7.26 4.28	02/01/2018
Vanguard Total Stock Market Index (VTSAX) Vanguard Spliced Total Stock Market Index	15,348,169	3.82 3.82	9.16 9.16	25.71 25.72	25.71 25.72	16.05 16.06	02/01/2018



Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Vanguard Total Stock Mkt (VTSAX)	9.16 (46)	25.71 (57)	25.71 (57)	23.33 (35)	25.77 (34)	N/A	N/A
● Vanguard Spliced Total Stock Mkt	9.16 (46)	25.72 (57)	25.72 (57)	23.34 (34)	25.79 (33)	17.21 (31)	18.00 (35)
Median	8.94	26.12	26.12	21.41	23.89	15.86	17.04



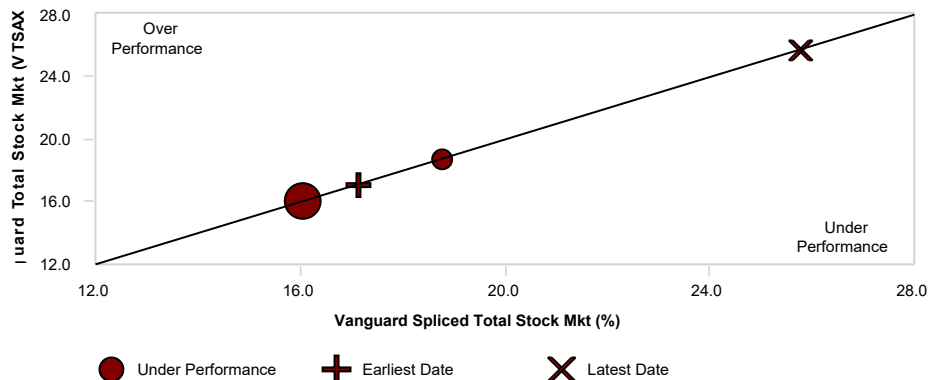
	2020	2019	2018	2017	2016
● Vanguard Total Stock Mkt (VTSAX)	20.99 (28)	30.80 (37)	N/A	N/A	N/A
● Vanguard Spliced Total Stock Mkt	21.00 (28)	30.84 (36)	-5.17 (34)	21.19 (55)	12.68 (37)
Median	16.42	29.30	-6.13	21.34	10.93

Comparative Performance

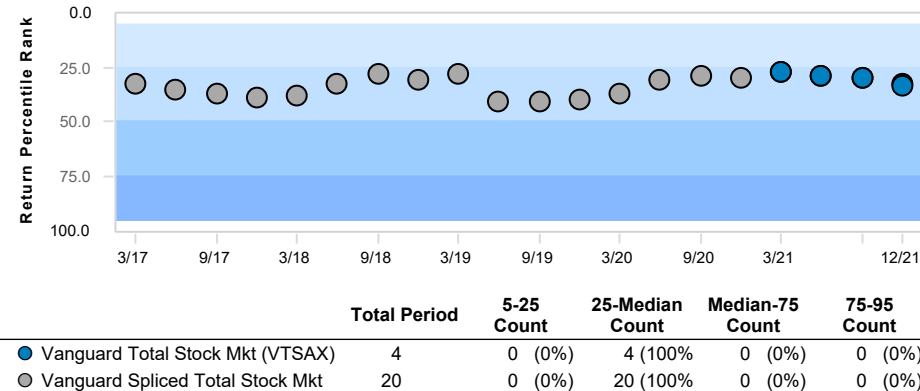
	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Vanguard Total Stock Mkt (VTSAX)	-0.07 (58)	8.28 (44)	6.43 (64)	14.69 (46)	9.20 (37)	22.08 (49)
Vanguard Spliced Total Stock Mkt	-0.06 (58)	8.29 (43)	6.43 (64)	14.70 (46)	9.20 (37)	22.09 (48)
IM U.S. Multi-Cap Core Equity (MF) Median	0.14	7.99	7.17	14.31	8.45	21.99



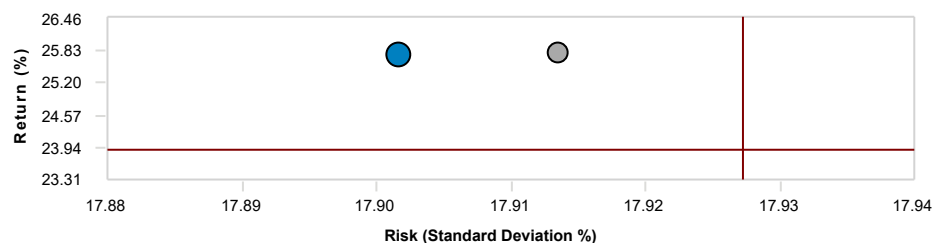
3 Yr Rolling Under/Over Performance - 5 Years



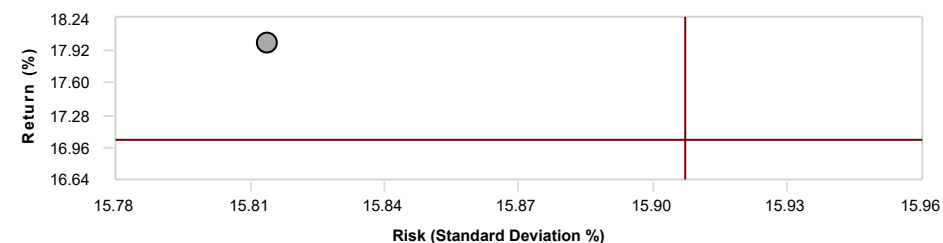
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard Total Stock Mkt (VTSAX)	0.03	99.94	99.95	0.00	-0.56	1.32	1.00	10.67
Vanguard Spliced Total Stock Mkt	0.00	100.00	100.00	0.00	N/A	1.32	1.00	10.68

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard Total Stock Mkt (VTSAX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vanguard Spliced Total Stock Mkt	0.00	100.00	100.00	0.00	N/A	1.05	1.00	10.01



Fund Information

Fund Name :	Vanguard Index Funds: Vanguard Total Stock Market Index Fund; Admiral Class Shares	Portfolio Assets :	\$1,346,423 Million
Fund Family :	Vanguard	Portfolio Manager :	O'Reilly/Nejman
Ticker :	VTSAX	PM Tenure :	2016--2016
Inception Date :	11/13/2000	Fund Style :	IM U.S. Multi-Cap Core Equity (MF)
Fund Assets :	\$329,594 Million	Style Benchmark :	Vanguard Spliced Total Stock Market Index
Portfolio Turnover :	8%		

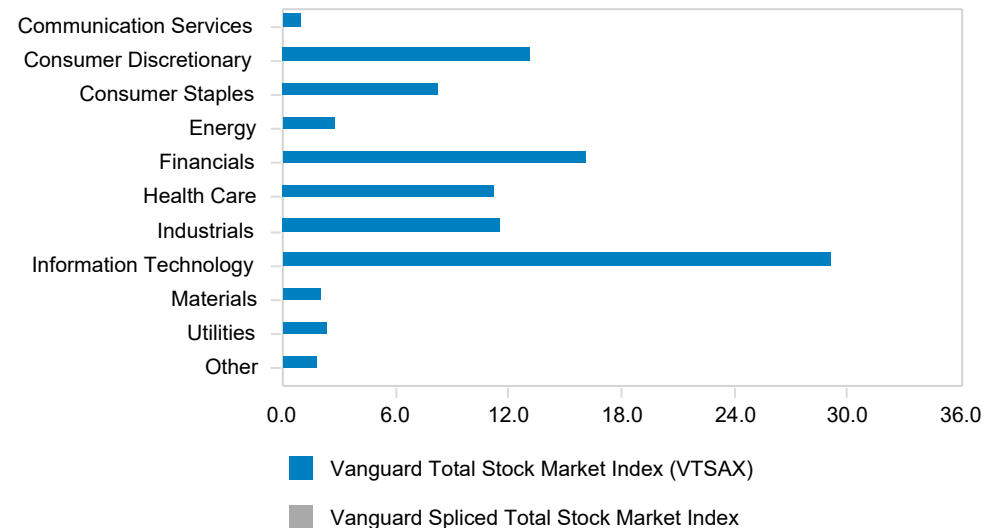
Portfolio Characteristics As of 11/30/2021

	Portfolio	Benchmark
Total Securities	4,158	N/A
Avg. Market Cap (\$)	557,224,539,226	-
Price/Earnings (P/E)	32.95	N/A
Price/Book (P/B)	10.70	N/A
Dividend Yield	1.78	N/A
Annual EPS	18.89	N/A
5 Yr EPS	18.26	N/A
3 Yr EPS Growth	17.08	N/A
Beta (3 Years, Monthly)	1.00	1.00

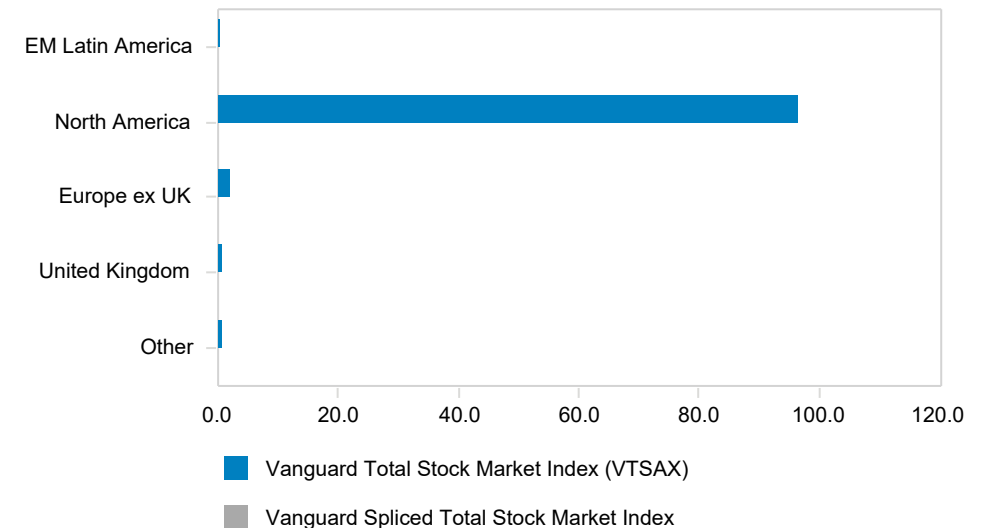
Top Ten Securities As of 11/30/2021

Apple Inc ORD	5.5 %
Microsoft Corp ORD	5.3 %
Amazon.com Inc ORD	3.2 %
Tesla Inc ORD	2.0 %
Alphabet Inc Class A ORD	1.8 %
NVIDIA Corp ORD	1.7 %
Alphabet Inc Class C ORD	1.7 %
Meta Platforms Inc ORD	1.7 %
Berkshire Hathaway Inc ORD	1.0 %
JPMorgan Chase & Co ORD	1.0 %

Sector Weights As of 11/30/2021



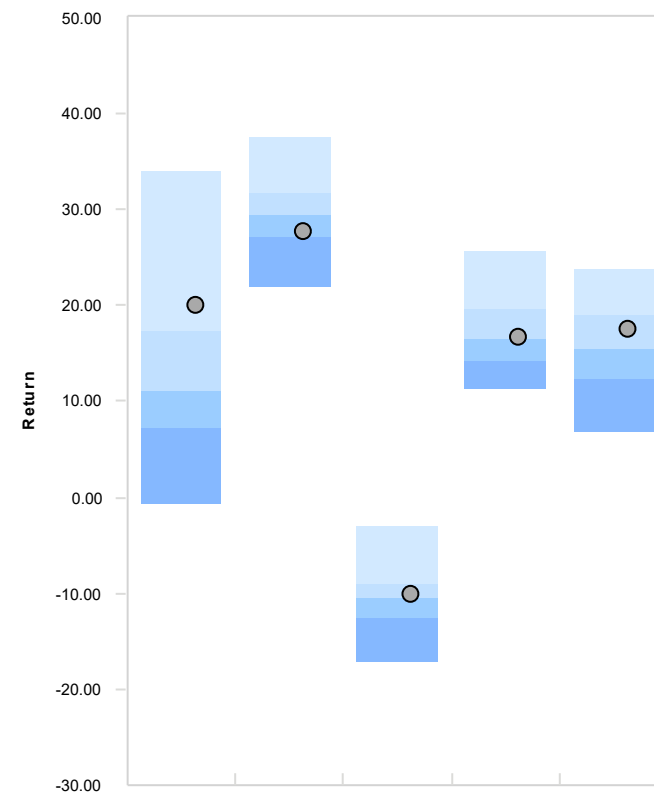
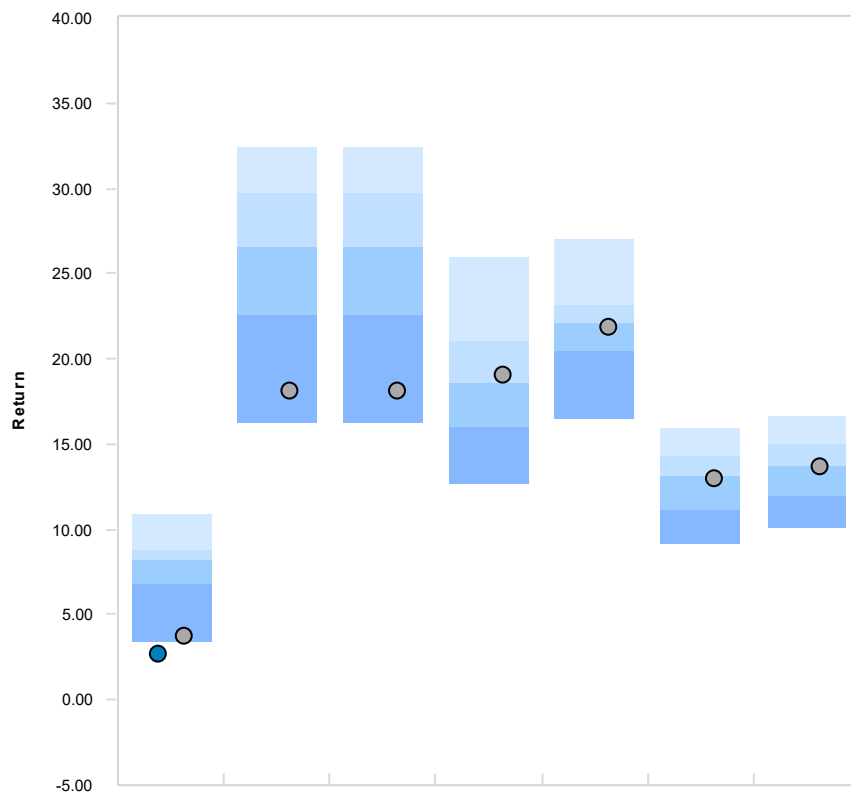
Region Weights As of 11/30/2021



Statistics provided by Lipper. Most recent available data shown.



Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Clarkston Partners (CISMX)	2.70 (99)	N/A	N/A	N/A	N/A	N/A	N/A
● Russell 2500 Index	3.82 (93)	18.18 (90)	18.18 (90)	19.08 (43)	21.91 (54)	13.00 (52)	13.75 (47)
Median	8.21	26.50	26.50	18.57	22.08	13.08	13.64

	2020	2019	2018	2017	2016
● Clarkston Partners (CISMX)	N/A	N/A	N/A	N/A	N/A
● Russell 2500 Index	19.99 (16)	27.77 (66)	-10.00 (42)	16.81 (47)	17.59 (34)
Median	11.14	29.39	-10.50	16.63	15.41

Comparative Performance

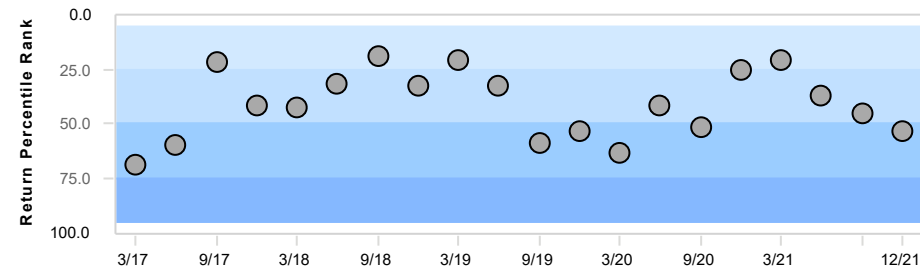
	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Clarkston Partners (CISMX)	-7.67 (100)	N/A	N/A	N/A	N/A	N/A
Russell 2500 Index	-2.68 (95)	5.44 (60)	10.93 (51)	27.41 (7)	5.88 (65)	26.56 (15)
IM U.S. Mid Cap Core Equity (MF) Median	-0.38	5.79	10.94	19.94	6.47	21.45



3 Yr Rolling Under/Over Performance - 5 Years

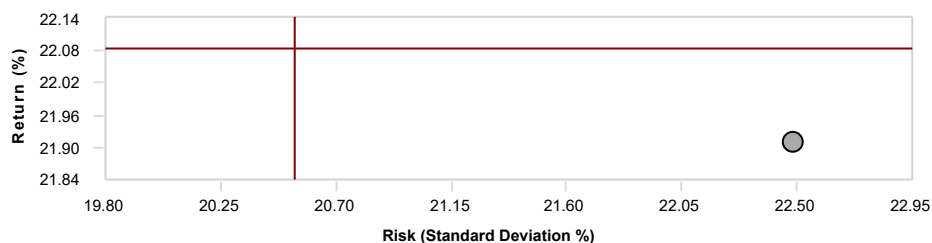
No data found.

3 Yr Rolling Percentile Ranking - 5 Years



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Clarkston Partners (CISM)	0	0	0	0	0
● Russell 2500 Index	20	5 (25%)	8 (40%)	7 (35%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Clarkston Partners (CISM)	N/A	N/A
● Russell 2500 Index	21.91	22.48
— Median	22.08	20.54

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Clarkston Partners (CISM)	N/A	N/A
● Russell 2500 Index	13.75	19.51
— Median	13.64	17.92

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Clarkston Partners (CISM)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2500 Index	0.00	100.00	100.00	0.00	N/A	0.96	1.00	14.72

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Clarkston Partners (CISM)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2500 Index	0.00	100.00	100.00	0.00	N/A	0.70	1.00	13.37



Fund Information

Fund Name : ALPS Series Trust: Clarkston Partners Fund; Institutional Class Shares
 Fund Family : Clarkston Funds
 Ticker : CISMX
 Inception Date : 09/15/2015
 Fund Assets : \$885 Million
 Portfolio Turnover : 9%

Portfolio Assets : \$1,562 Million
 Portfolio Manager : Hakala/Hakala
 PM Tenure : 2015--2015
 Fund Style : IM U.S. Mid Cap Core Equity (MF)
 Style Benchmark : Russell 2500 Index

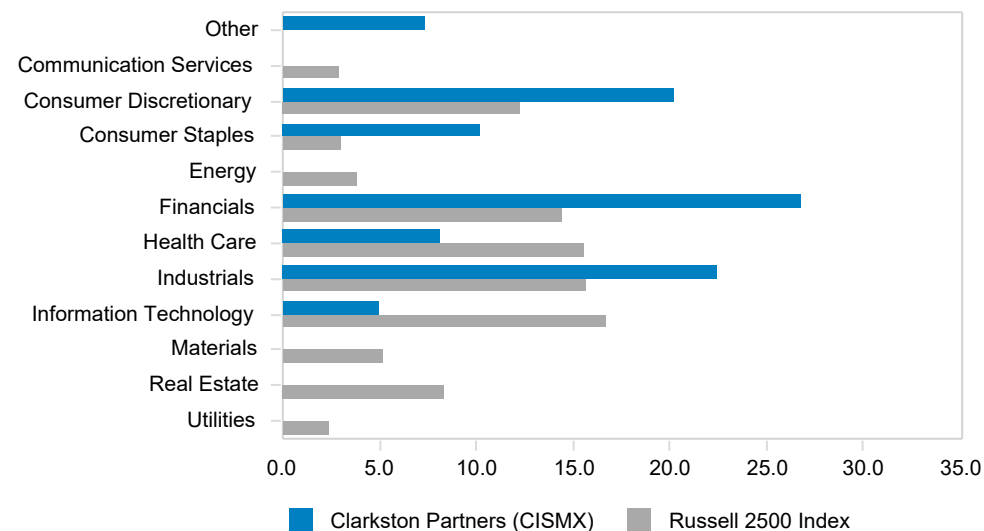
Portfolio Characteristics As of 09/30/2021

	Portfolio	Benchmark
Total Securities	21	2,534
Avg. Market Cap (\$)	9,896,372,370	1,713,080,705
Price/Earnings (P/E)	26.23	18.22
Price/Book (P/B)	5.48	3.04
Dividend Yield	1.79	1.13
Annual EPS	18.00	0.25
5 Yr EPS	4.22	16.61
3 Yr EPS Growth	6.80	N/A
Beta	N/A	1.00

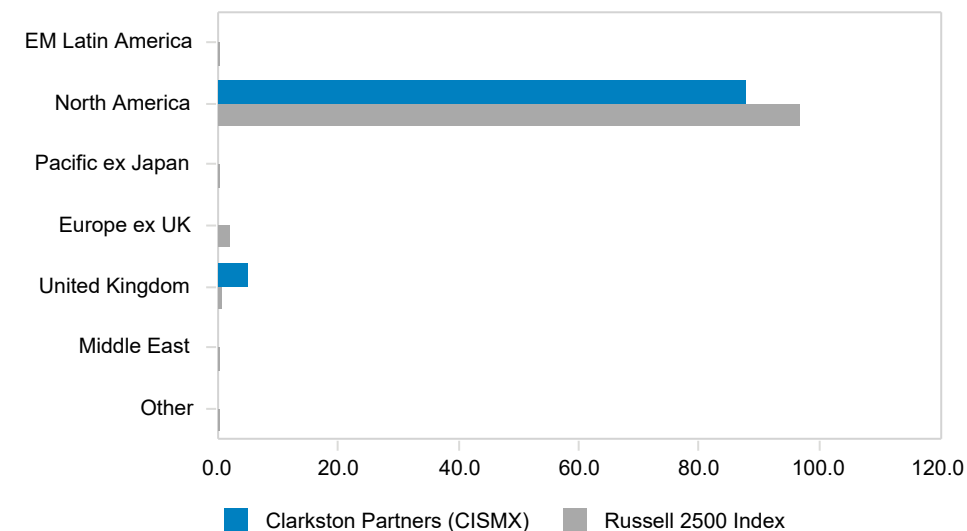
Top Ten Securities As of 09/30/2021

Change Healthcare Inc ORD	8.2 %
Nielsen Holdings PLC ORD	7.6 %
LPL Financial Holdings Inc ORD	7.5 %
Stericycle Inc ORD	5.9 %
Affiliated Managers Group Inc ORD	5.9 %
Altice USA Inc ORD	5.8 %
Hillenbrand Inc ORD	5.6 %
CDK Global Inc ORD	4.9 %
Willis Towers Watson PLC ORD	4.9 %
Molson Coors Beverage Co ORD	4.5 %

Sector Weights As of 09/30/2021



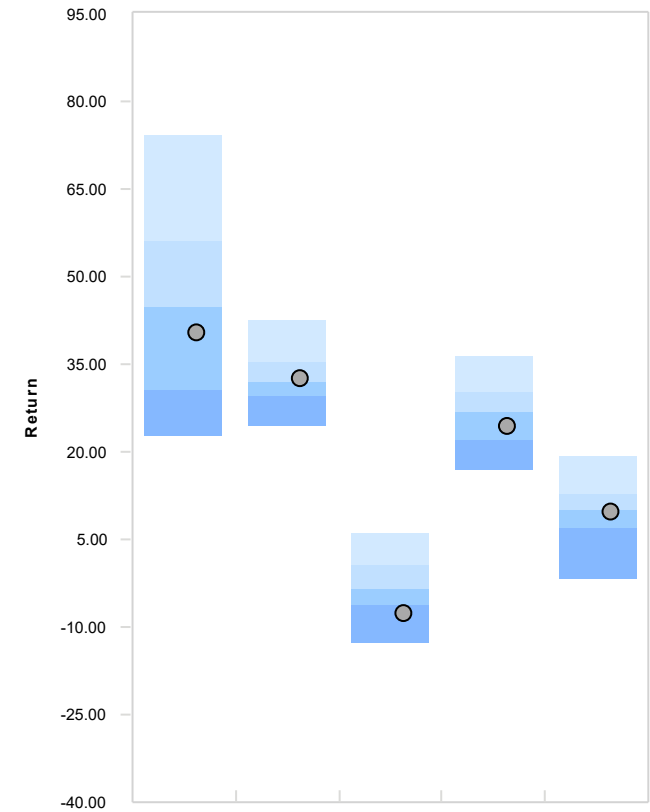
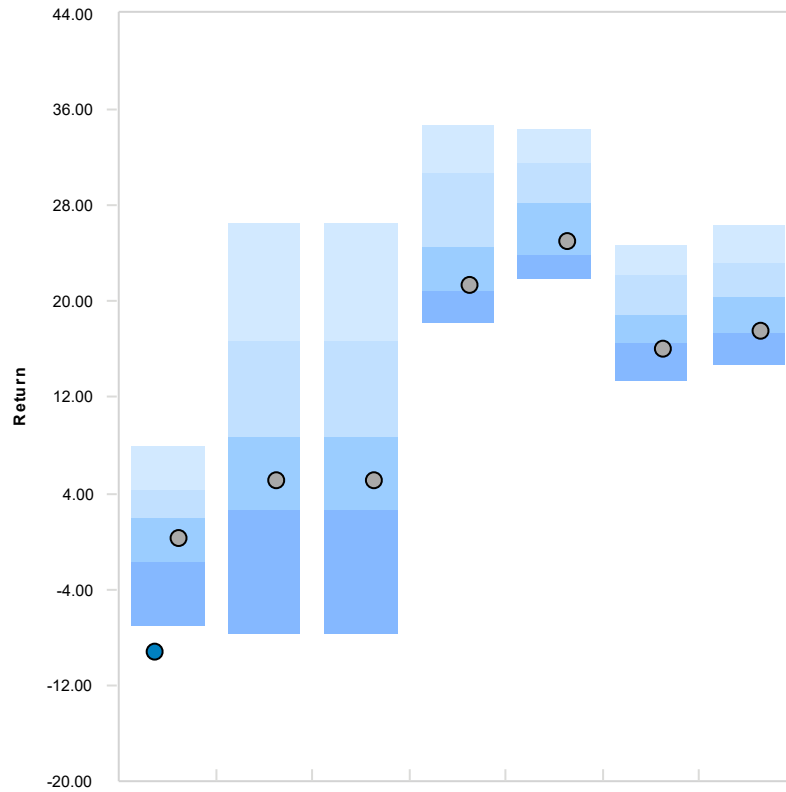
Region Weights As of 09/30/2021



Statistics provided by Lipper. Most recent available data shown.



Peer Group Analysis - IM U.S. SMID Cap Growth Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Jackson Square Partners (DCGTX)	-9.19 (98)	N/A	N/A	N/A	N/A	N/A	N/A
● Russell 2500 Growth Index	0.20 (72)	5.04 (73)	5.04 (73)	21.47 (69)	25.09 (70)	16.01 (77)	17.65 (68)
Median	1.99	8.71	8.71	24.53	28.25	18.85	20.32

	2020	2019	2018	2017	2016
● Jackson Square Partners (DCGTX)	N/A	N/A	N/A	N/A	N/A
● Russell 2500 Growth Index	40.47 (55)	32.65 (45)	-7.47 (80)	24.46 (71)	9.73 (56)
Median	44.80	31.84	-3.67	26.67	10.16

Comparative Performance

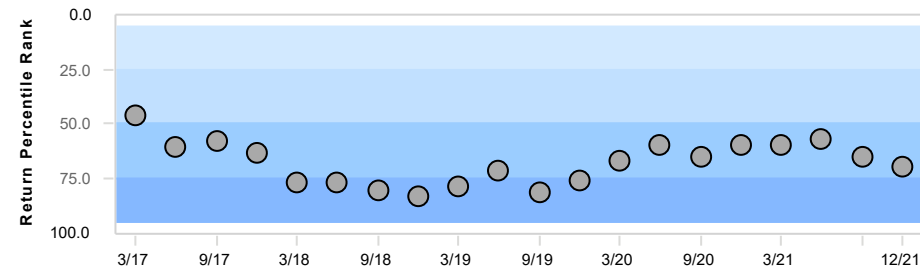
	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Jackson Square Partners (DCGTX)	-7.98 (100)	N/A	N/A	N/A	N/A	N/A
Russell 2500 Growth Index	-3.53 (93)	6.04 (51)	2.49 (62)	25.89 (40)	9.37 (62)	32.87 (68)
IM U.S. SMID Cap Growth Equity (MF) Median	-1.23	6.12	3.14	24.69	10.07	34.52



3 Yr Rolling Under/Over Performance - 5 Years

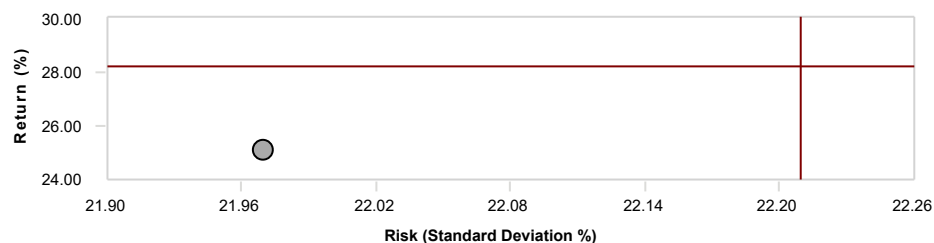
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3 Yr Rolling Percentile Ranking - 5 Years



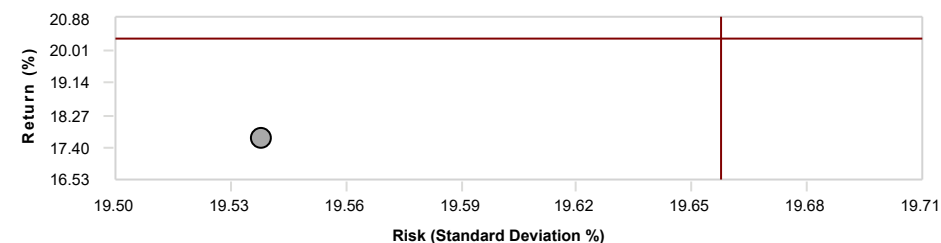
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Jackson Square Partners (DCGTX)	0	0	0	0	0
○ Russell 2500 Growth Index	20	0 (0%)	1 (5%)	12 (60%)	7 (35%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Jackson Square Partners (DCGTX)	N/A	N/A
○ Russell 2500 Growth Index	25.09	21.97
— Median	28.25	22.21

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Jackson Square Partners (DCGTX)	N/A	N/A
○ Russell 2500 Growth Index	17.65	19.54
— Median	20.32	19.66

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Jackson Square Partners (DCGTX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2500 Growth Index	0.00	100.00	100.00	0.00	N/A	1.09	1.00	12.66

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Jackson Square Partners (DCGTX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2500 Growth Index	0.00	100.00	100.00	0.00	N/A	0.87	1.00	12.30



Fund Information

Fund Name :	Managed Portfolio Series: Jackson Square SMID-Cap Growth Fund; IS Class Shares	Portfolio Assets :	\$1,708 Million
Fund Family :	Jackson Square Partners	Portfolio Manager :	Bonavico/Broad/Ferry
Ticker :	DCGTX	PM Tenure :	2005--2005--2019
Inception Date :	12/01/2003	Fund Style :	IM U.S. SMID Cap Growth Equity (MF)
Fund Assets :	\$837 Million	Style Benchmark :	Russell 2500 Growth Index
Portfolio Turnover :	49%		

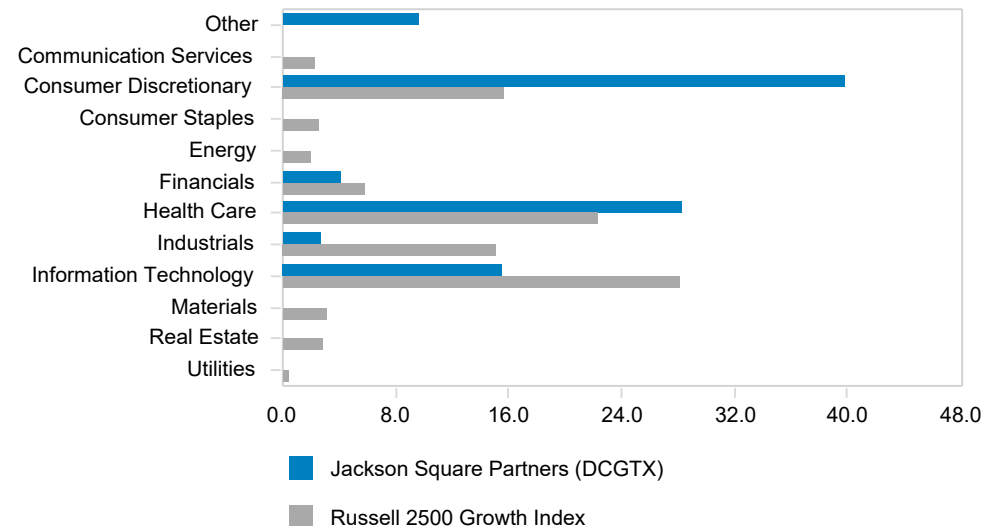
Portfolio Characteristics As of 11/30/2021

	Portfolio	Benchmark
Total Securities	28	1,436
Avg. Market Cap (\$)	8,678,086,685	1,718,238,000
Price/Earnings (P/E)	46.21	27.17
Price/Book (P/B)	10.39	5.93
Dividend Yield	0.70	0.46
Annual EPS	12.22	0.67
5 Yr EPS	8.54	22.71
3 Yr EPS Growth	16.31	N/A
Beta	N/A	1.00

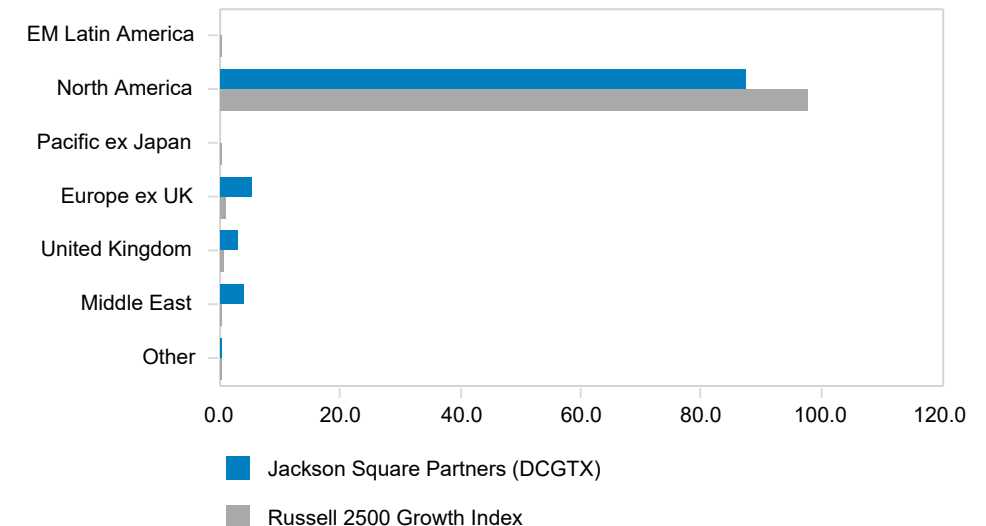
Top Ten Securities As of 11/30/2021

Tandem Diabetes Care Inc ORD	7.8 %
New York Times Co ORD	7.1 %
Lyft Inc ORD	5.8 %
Pacific Biosciences of California	5.6 %
Elastic NV ORD	5.3 %
Grocery Outlet Holding Corp ORD	5.2 %
Bio-Techne Corp ORD	4.9 %
Dolby Laboratories Inc ORD	4.3 %
LendingClub Corp ORD	4.0 %
Wix.Com Ltd ORD	4.0 %

Sector Weights As of 11/30/2021



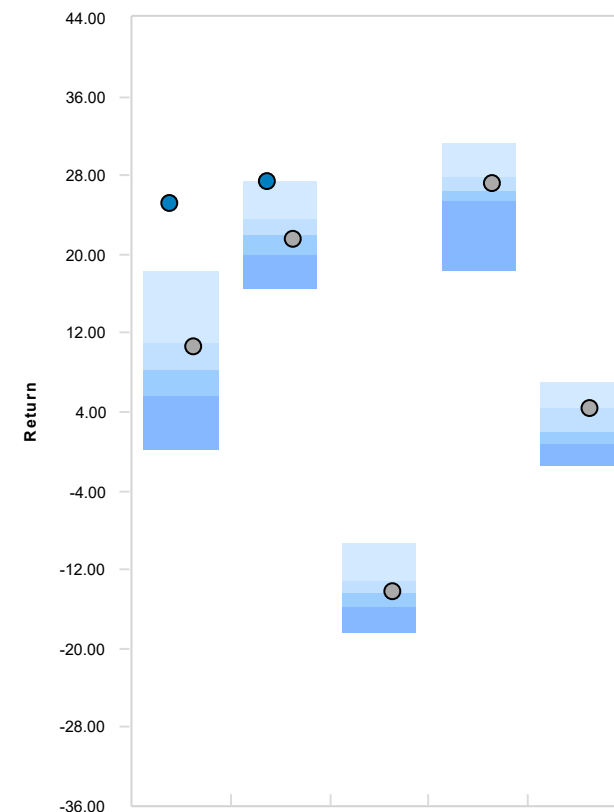
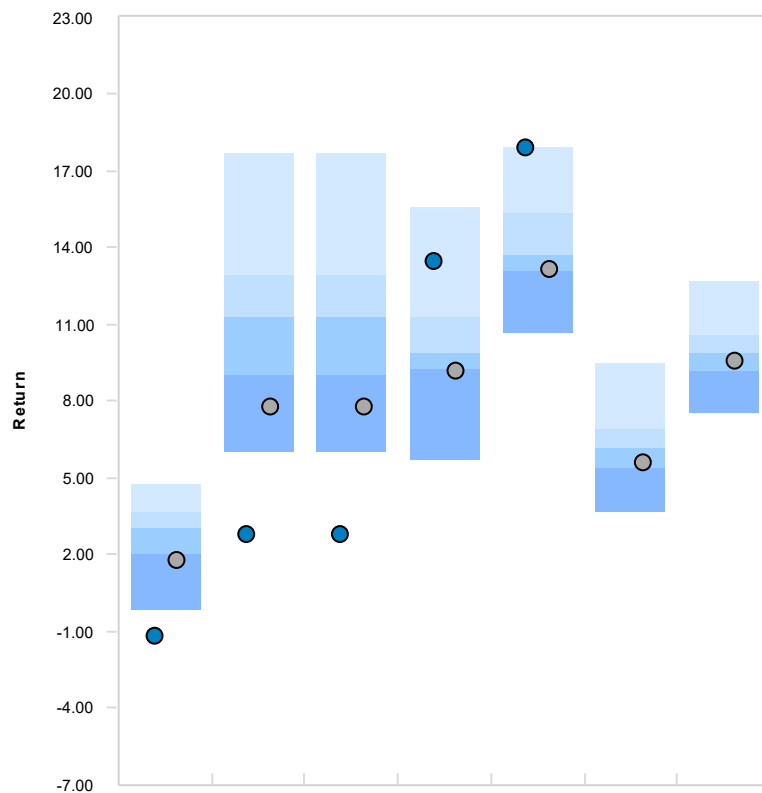
Region Weights As of 11/30/2021



Statistics provided by Lipper. Most recent available data shown.



Peer Group Analysis - IM International Multi-Cap Core Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Europacific Growth Fund R6 (REGX)	-1.13 (98)	2.84 (99)	2.84 (99)	13.50 (12)	17.95 (6)	N/A	N/A
● MSCI AC World ex USA (Net)	1.82 (79)	7.82 (87)	7.82 (87)	9.23 (76)	13.18 (73)	5.61 (66)	9.61 (68)
Median	3.02	11.33	11.33	9.89	13.76	6.14	9.90

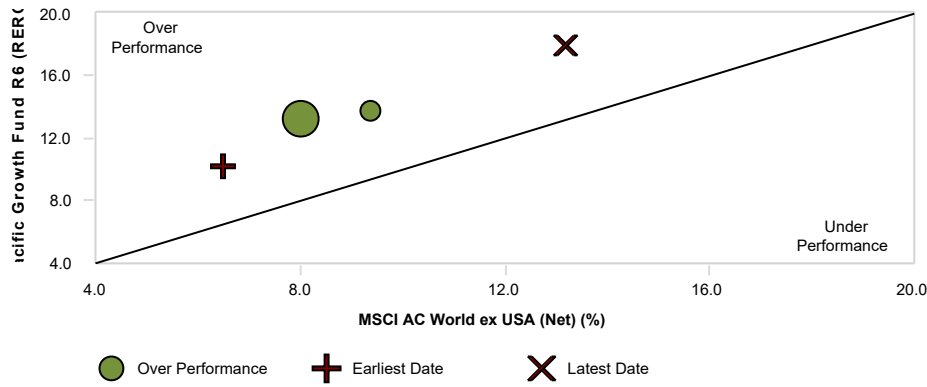
	2020	2019	2018	2017	2016
● Europacific Growth Fund R6 (REGX)	25.27 (1)	27.40 (6)	N/A	N/A	N/A
● MSCI AC World ex USA (Net)	10.65 (29)	21.51 (61)	-14.20 (47)	27.19 (36)	4.50 (25)
Median	8.21	21.97	-14.33	26.41	2.06

Comparative Performance

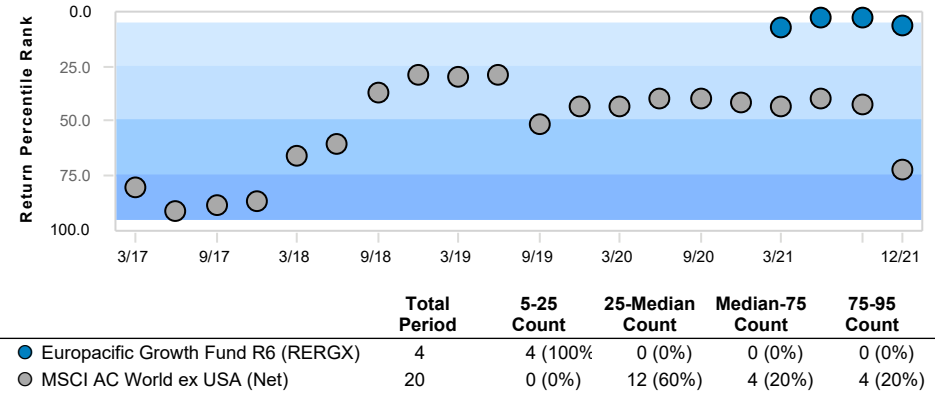
	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Europacific Growth Fund R6 (REGX)	-2.35 (79)	6.97 (6)	-0.43 (99)	19.95 (10)	9.66 (4)	22.77 (1)
MSCI AC World ex USA (Net)	-2.99 (88)	5.48 (53)	3.49 (69)	17.01 (27)	6.25 (35)	16.12 (61)
IM International Multi-Cap Core Equity (MF) Median	-0.98	5.50	3.98	16.00	5.47	16.65



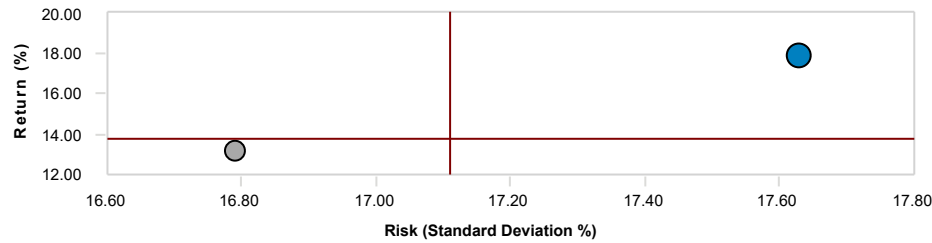
3 Yr Rolling Under/Over Performance - 5 Years



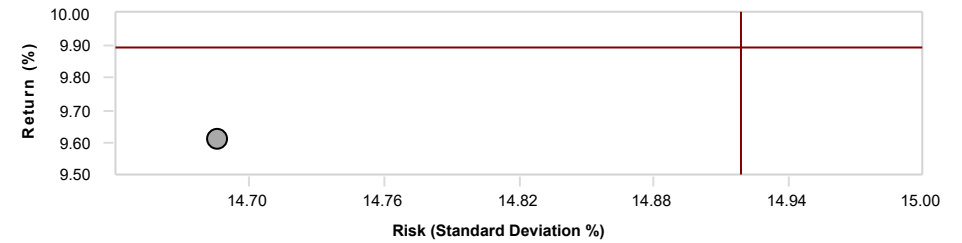
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Europacific Growth Fund R6 (REGX)	3.79	110.37	92.84	4.04	1.14	0.97	1.03	10.86
MSCI AC World ex USA (Net)	0.00	100.00	100.00	0.00	N/A	0.76	1.00	11.01

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Europacific Growth Fund R6 (REGX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI AC World ex USA (Net)	0.00	100.00	100.00	0.00	N/A	0.62	1.00	9.89



Fund Information

Fund Name : EuroPacific Growth Fund; Class R6 Shares
 Fund Family : Capital Group/American Funds
 Ticker : RERGX
 Inception Date : 05/01/2009
 Fund Assets : \$88,968 Million
 Portfolio Turnover : 32%

Portfolio Assets : \$186,465 Million
 Portfolio Manager : Team Managed
 PM Tenure :
 Fund Style : IM International Large Cap Growth Equity (MF)
 Style Benchmark : MSCI AC World ex USA (Net)

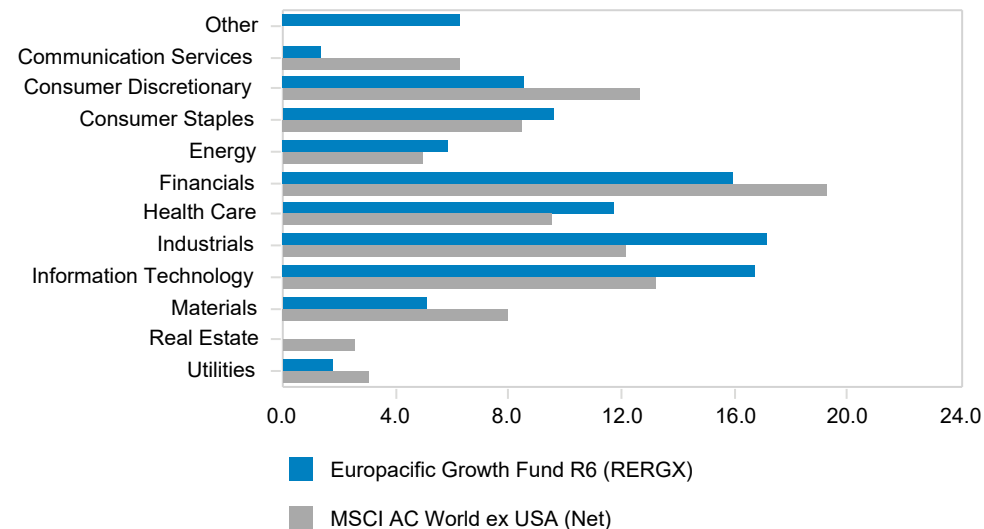
Portfolio Characteristics As of 09/30/2021

	Portfolio	Benchmark
Total Securities	387	2,354
Avg. Market Cap (\$)	110,262,239,538	10,101,983,737
Price/Earnings (P/E)	36.39	15.07
Price/Book (P/B)	8.18	2.69
Dividend Yield	1.67	2.64
Annual EPS	14.13	296.93
5 Yr EPS	15.97	13.39
3 Yr EPS Growth	10.14	N/A
Beta (3 Years, Monthly)	1.03	1.00

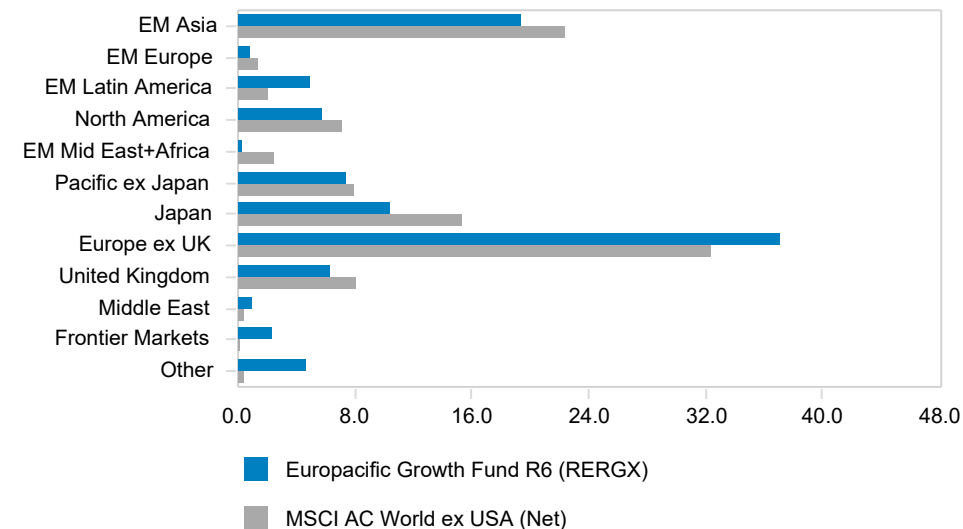
Top Ten Securities As of 09/30/2021

Capital Group Central Cash Fund;	4.3 %
ASML Holding NV ORD	3.7 %
Reliance Industries Ltd ORD	2.7 %
Sea Ltd DR	2.5 %
Mercadolibre Inc ORD	2.3 %
Taiwan Semiconductor Manufacturing	2.3 %
AIA Group Ltd ORD	2.0 %
LVMH Moet Hennessy Louis Vuitton	1.9 %
Airbus SE ORD	1.8 %
WuXi Biologics (Cayman) Inc ORD	1.5 %

Sector Weights As of 09/30/2021



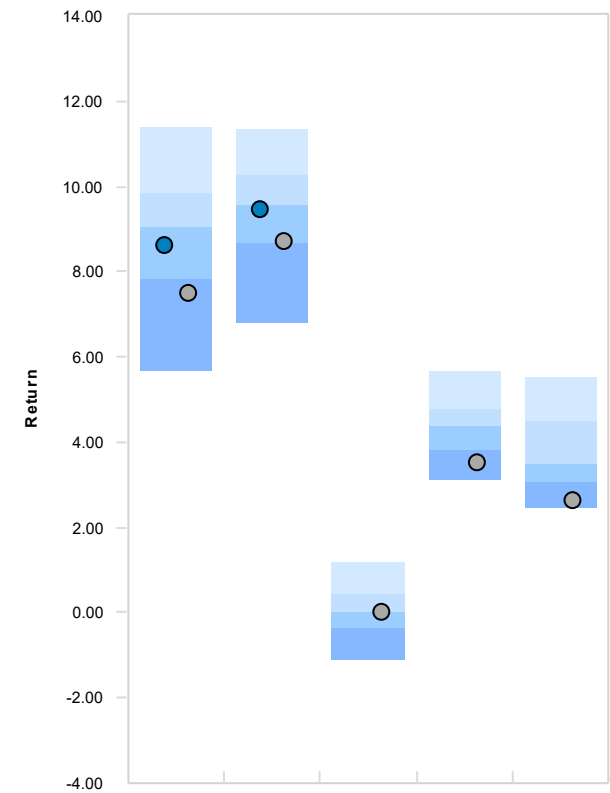
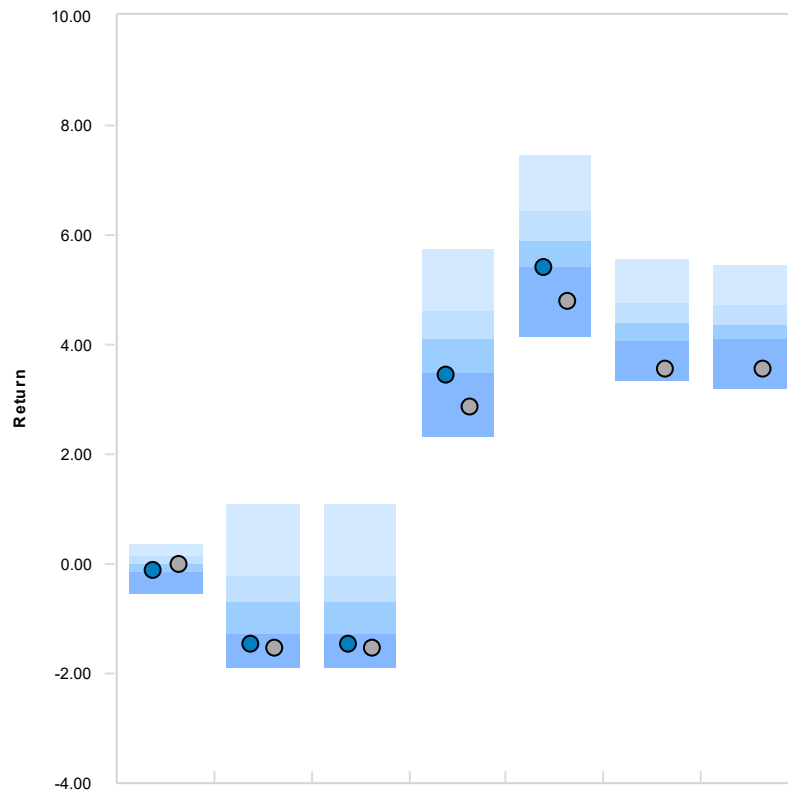
Region Weights As of 09/30/2021



Statistics provided by Lipper. Most recent available data shown.



Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Domestic Fixed Income Composite	-0.10 (69)	-1.46 (83)	-1.46 (83)	3.46 (77)	5.43 (75)	N/A	N/A
● Blmbg. U.S. Aggregate Index	0.01 (50)	-1.55 (85)	-1.55 (85)	2.88 (88)	4.79 (89)	3.57 (89)	3.57 (90)
Median	0.00	-0.68	-0.68	4.12	5.88	4.40	4.35

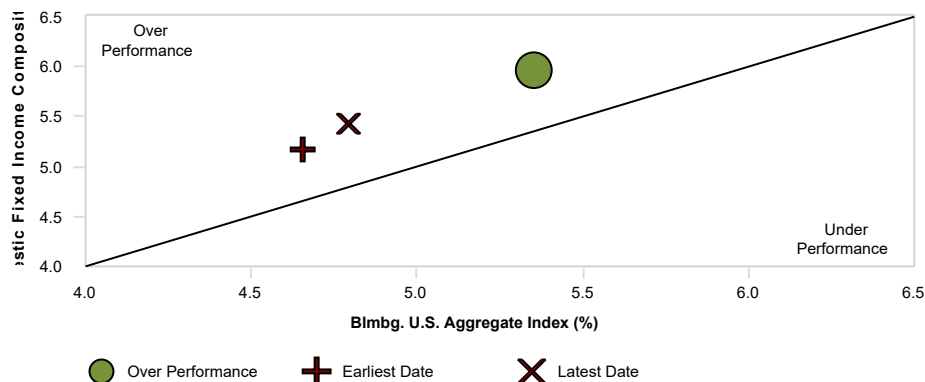
	2020	2019	2018	2017	2016
● Domestic Fixed Income Composite	8.63 (60)	9.48 (53)	N/A	N/A	N/A
● Blmbg. U.S. Aggregate Index	7.51 (87)	8.72 (74)	0.01 (49)	3.54 (86)	2.65 (87)
Median	9.02	9.55	0.00	4.38	3.49

Comparative Performance

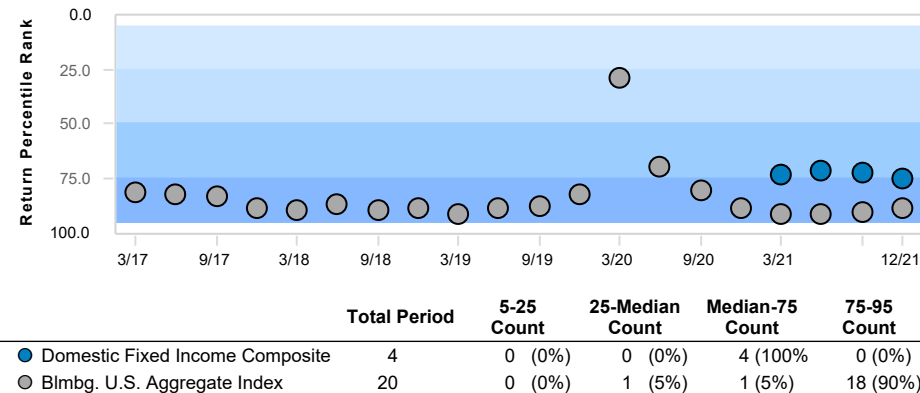
	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Domestic Fixed Income Composite	0.11 (87)	1.99 (77)	-3.39 (87)	1.07 (82)	1.06 (83)	4.79 (60)
Blmbg. U.S. Aggregate Index	0.05 (92)	1.83 (88)	-3.38 (86)	0.67 (97)	0.62 (96)	2.90 (95)
IM U.S. Broad Market Core Fixed Income (MF) Median	0.34	2.23	-2.69	1.70	1.52	5.29



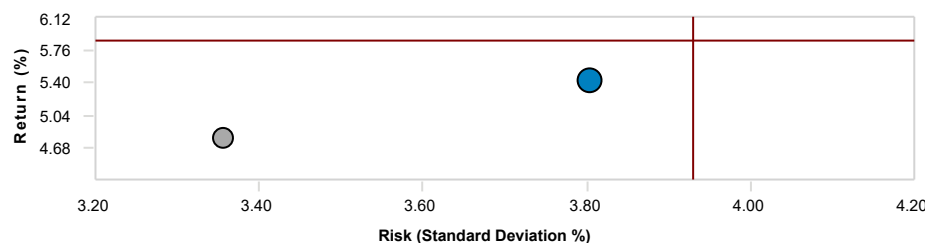
3 Yr Rolling Under/Over Performance - 5 Years



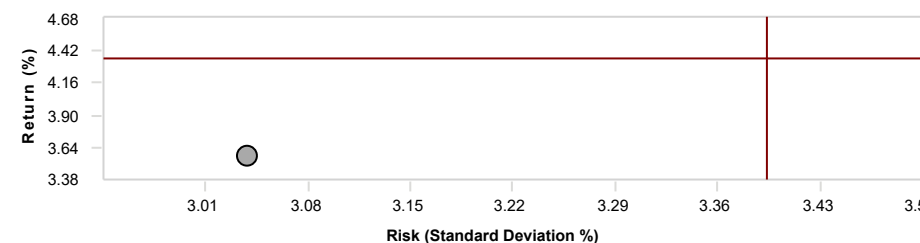
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

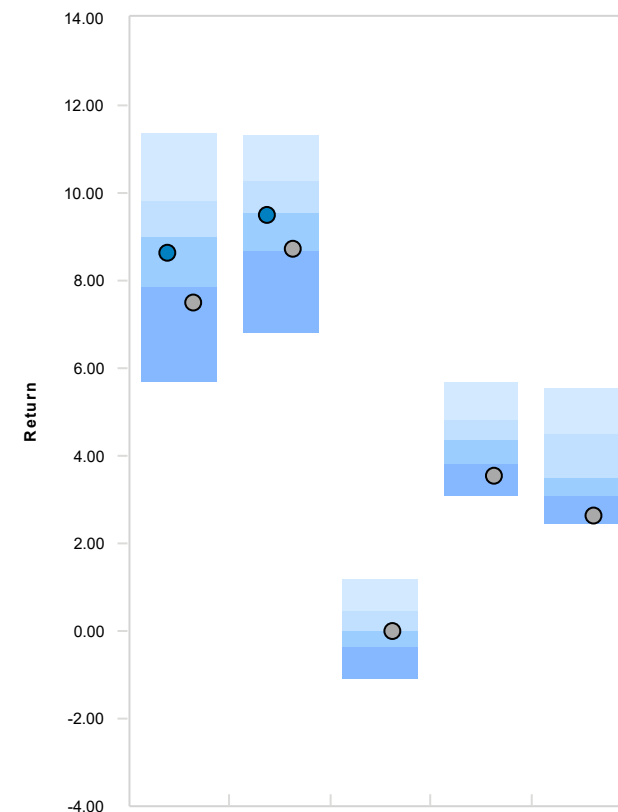
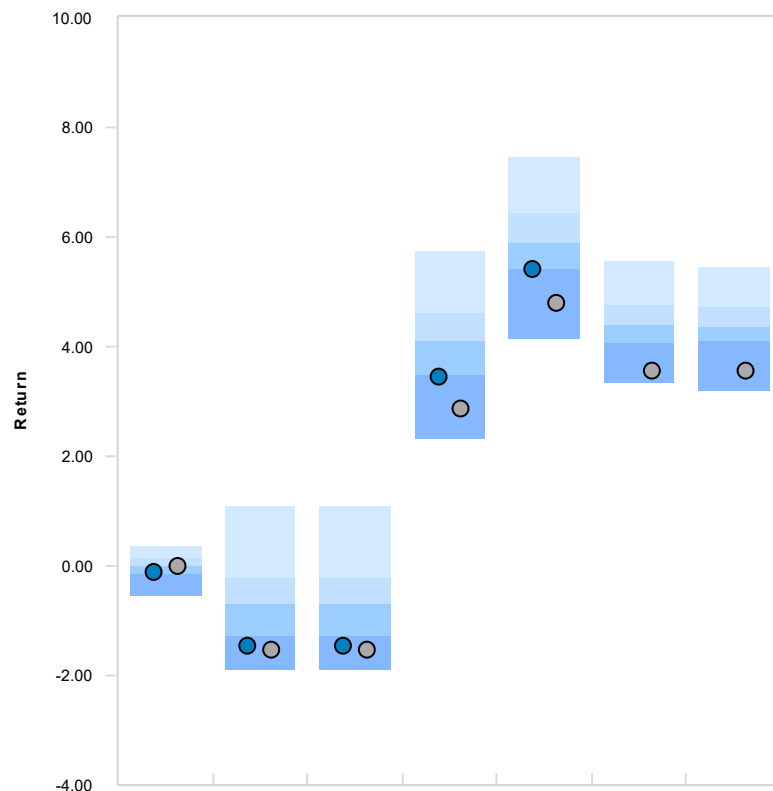
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Fixed Income Composite	1.14	113.04	112.70	0.22	0.55	1.16	1.09	1.86
Blmbg. U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.15	1.00	1.47

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Domestic Fixed Income Composite	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blmbg. U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	0.81	1.00	1.46



Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Baird Aggregate Bond Fund (BAGIX)	-0.10 (69)	-1.46 (83)	-1.46 (83)	3.46 (77)	5.43 (75)	N/A	N/A
● Blmbg. U.S. Aggregate Index	0.01 (50)	-1.55 (85)	-1.55 (85)	2.88 (88)	4.79 (89)	3.57 (89)	3.57 (90)
Median	0.00	-0.68	-0.68	4.12	5.88	4.40	4.35

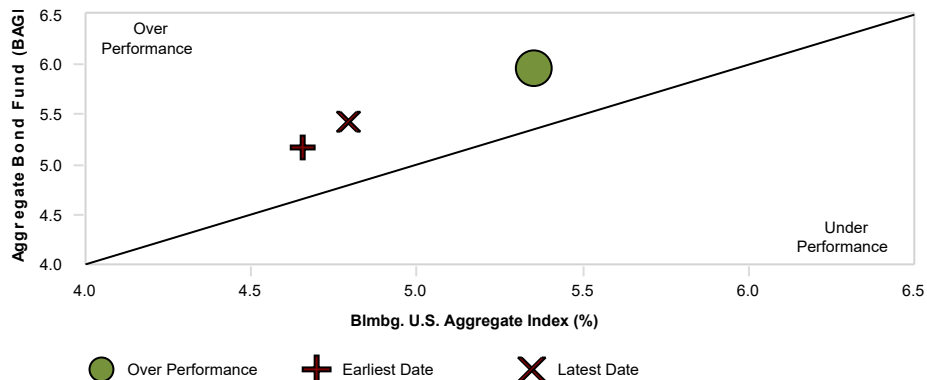
	2020	2019	2018	2017	2016
● Baird Aggregate Bond Fund (BAGIX)	8.63 (60)	9.48 (53)	N/A	N/A	N/A
● Blmbg. U.S. Aggregate Index	7.51 (87)	8.72 (74)	0.01 (49)	3.54 (86)	2.65 (87)
Median	9.02	9.55	0.00	4.38	3.49

Comparative Performance

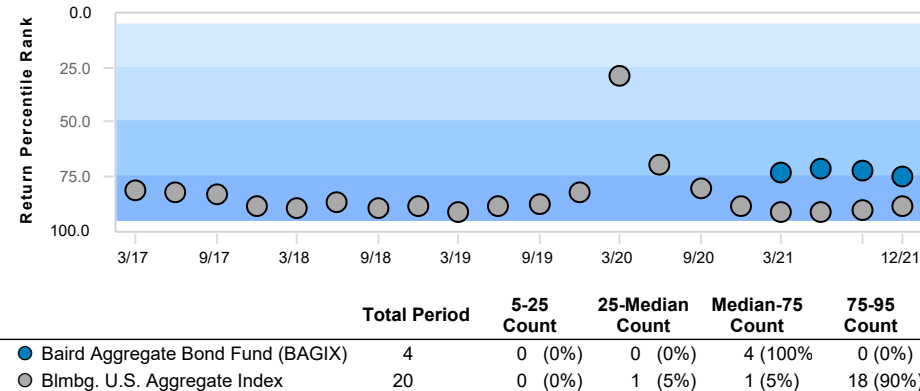
	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Baird Aggregate Bond Fund (BAGIX)	0.11 (87)	1.99 (77)	-3.39 (87)	1.07 (82)	1.06 (83)	4.79 (60)
Blmbg. U.S. Aggregate Index	0.05 (92)	1.83 (88)	-3.38 (86)	0.67 (97)	0.62 (96)	2.90 (95)
IM U.S. Broad Market Core Fixed Income (MF) Median	0.34	2.23	-2.69	1.70	1.52	5.29



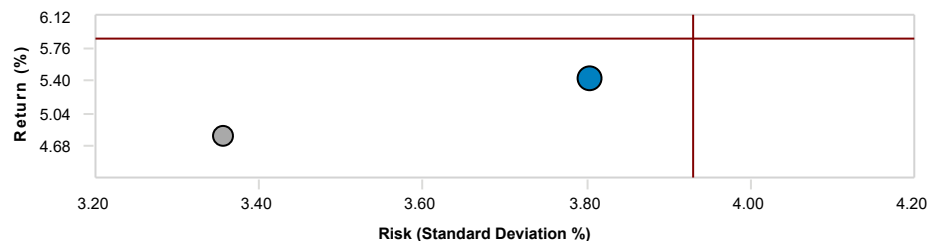
3 Yr Rolling Under/Over Performance - 5 Years



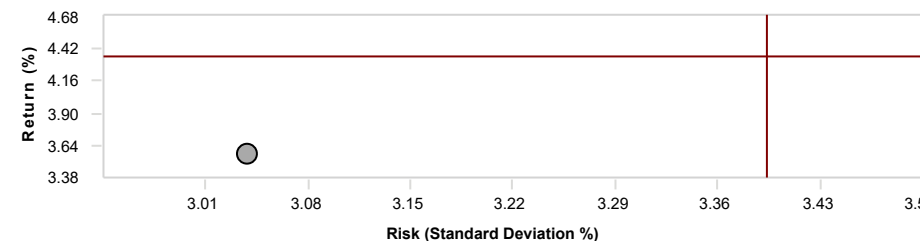
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Baird Aggregate Bond Fund (BAGIX)	1.14	113.04	112.70	0.22	0.55	1.16	1.09	1.86
Blmbg. U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.15	1.00	1.47

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Baird Aggregate Bond Fund (BAGIX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blmbg. U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	0.81	1.00	1.46



Fund Information

Fund Name :	Baird Funds, Inc: Baird Aggregate Bond Fund; Institutional Class Shares	Portfolio Assets :	\$39,974 Million
Fund Family :	Baird	Portfolio Manager :	Team Managed
Ticker :	BAGIX	PM Tenure :	
Inception Date :	09/29/2000	Fund Style :	IM U.S. Broad Market Core Fixed Income (MF)
Fund Assets :	\$39,069 Million	Style Benchmark :	Bloomberg U.S. Aggregate
Portfolio Turnover :	35%		

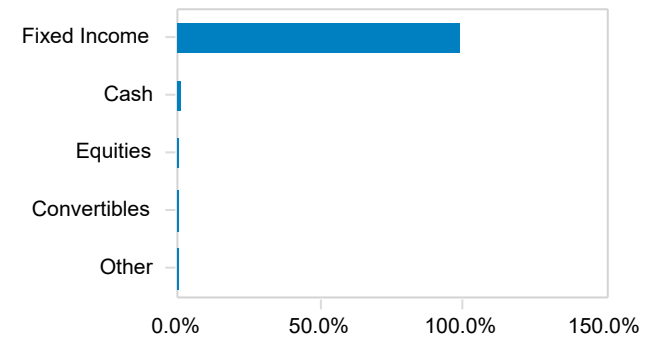
Fund Characteristics As of 09/30/2021

Avg. Coupon	N/A
Nominal Maturity	N/A
Effective Maturity	8.41 Years
Duration	6.71 Years
SEC 30 Day Yield	3.9
Avg. Credit Quality	AA

Top Ten Securities As of 09/30/2021

Corporate Notes/Bonds	40.4 %
Treasury Notes/Bonds	29.6 %
GNMA and Other Mtg Backed	26.5 %
Asset Backed Securities	1.2 %
Government Agency Securities	1.2 %

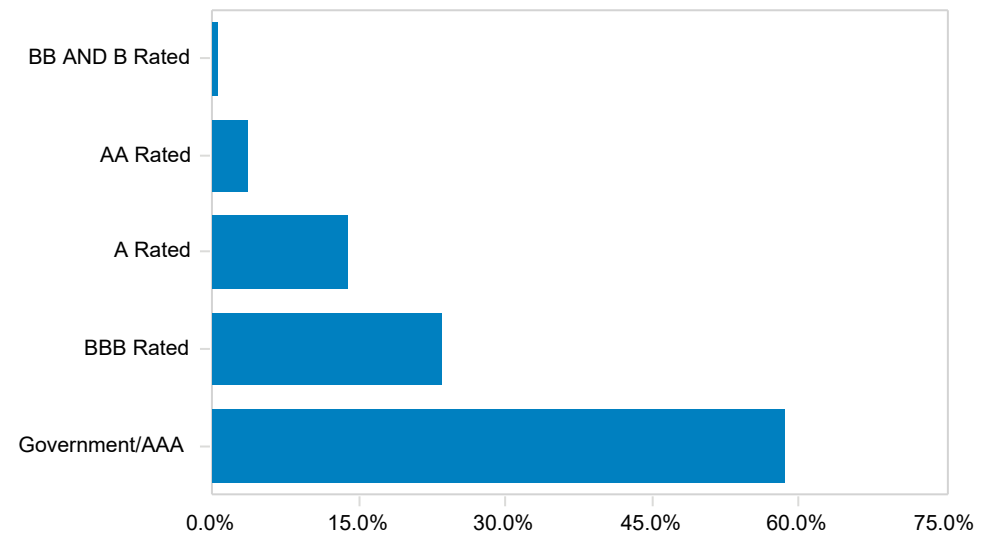
Asset Allocation As of 09/30/2021



Maturity Distribution As of 12/31/2021

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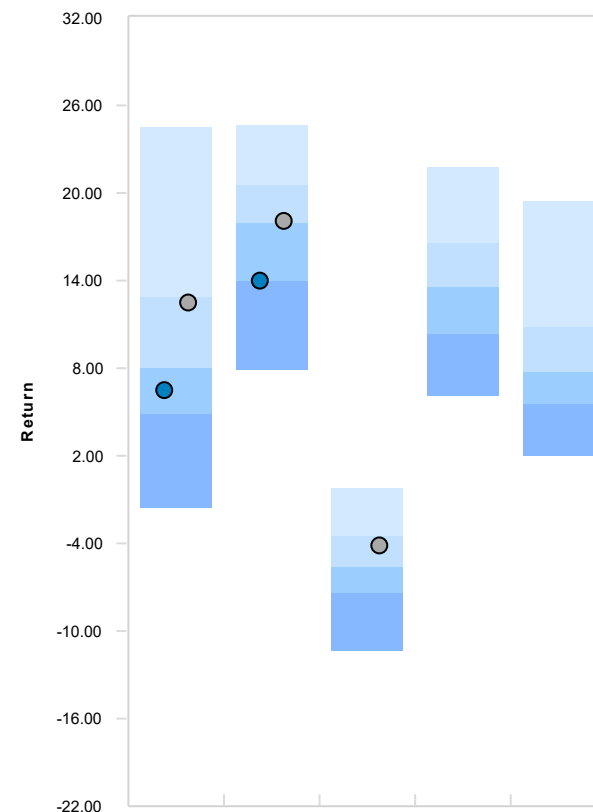
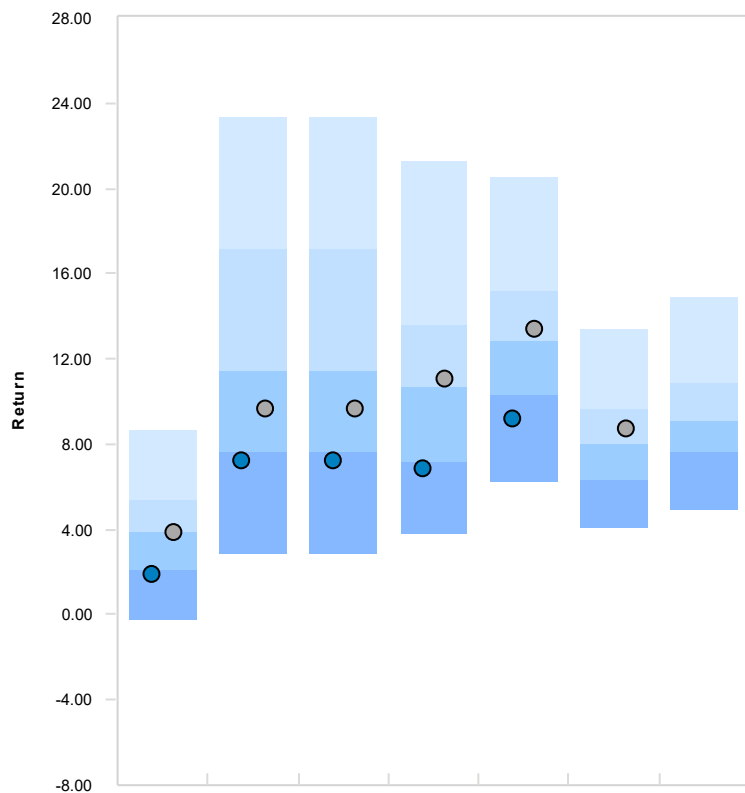
Sector/Quality Allocation As of 09/30/2021



Statistics provided by Lipper. Most recent available data shown.



Peer Group Analysis - IM Flexible Portfolio (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Blackrock Multi Asset Income-K (BKMIX)	1.87 (77)	7.22 (78)	7.22 (78)	6.87 (78)	9.21 (83)	N/A	N/A
● 50% MSCI World/50% BC Agg	3.89 (49)	9.69 (65)	9.69 (65)	1.08 (46)	3.38 (45)	8.70 (34)	N/A
Median	3.87	1.49	1.49	0.72	2.90	7.99	9.13

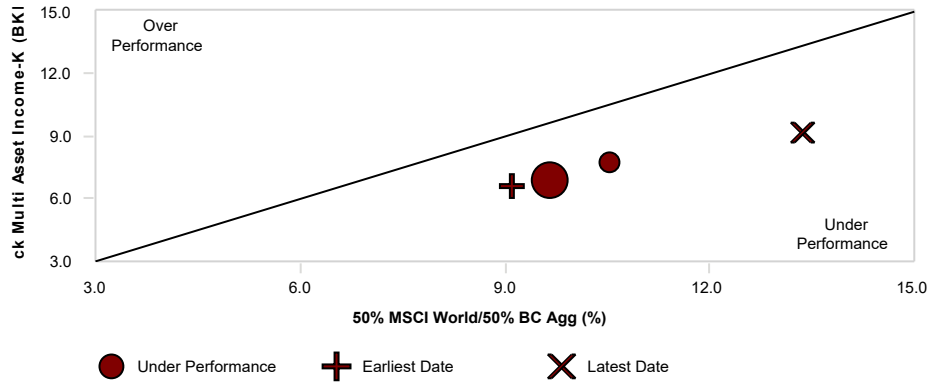
	2020	2019	2018	2017	2016
● Blackrock Multi Asset Income-K (BKMIX)	6.52 (61)	14.05 (75)	N/A	N/A	N/A
● 50% MSCI World/50% BC Agg	12.49 (28)	18.11 (49)	-4.19 (33)	N/A	N/A
Median	8.06	17.93	-5.58	13.53	7.68

Comparative Performance

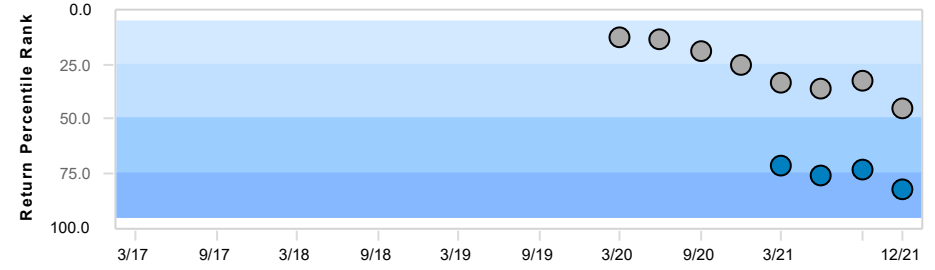
	1 Qtr Ending Sep-2021	1 Qtr Ending Jun-2021	1 Qtr Ending Mar-2021	1 Qtr Ending Dec-2020	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020
Blackrock Multi Asset Income-K (BKMIX)	-0.29 (60)	3.36 (85)	2.12 (67)	6.53 (79)	3.45 (79)	9.46 (73)
50% MSCI World/50% BC Agg	0.05 (48)	4.77 (62)	0.73 (86)	7.30 (74)	4.31 (67)	10.96 (60)
IM Flexible Portfolio (MF) Median	-0.03	5.20	3.24	9.90	5.21	11.84



3 Yr Rolling Under/Over Performance - 5 Years

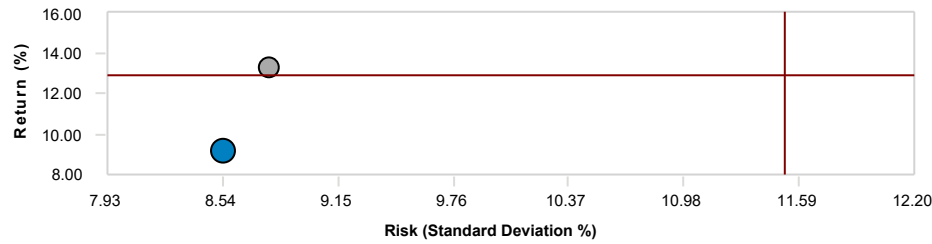


3 Yr Rolling Percentile Ranking - 5 Years



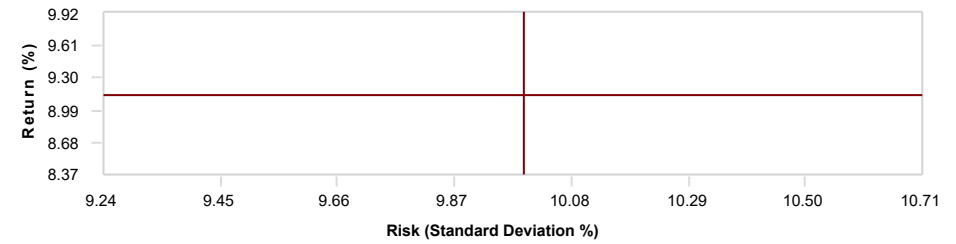
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Blackrock Multi Asset Income-K (BKMIX)	4	0 (0%)	0 (0%)	2 (50%)	2 (50%)
● 50% MSCI World/50% BC Agg	8	4 (50%)	4 (50%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Blackrock Multi Asset Income-K (BKMIX)	9.21	8.54
● 50% MSCI World/50% BC Agg	13.38	8.79
— Median	12.90	11.51

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Blackrock Multi Asset Income-K (BKMIX)	N/A	N/A
● 50% MSCI World/50% BC Agg	N/A	N/A
— Median	9.13	10.00

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Blackrock Multi Asset Income-K (BKMIX)	3.27	76.79	88.28	-2.50	-1.16	0.95	0.90	6.17
50% MSCI World/50% BC Agg	0.00	100.00	100.00	0.00	N/A	1.35	1.00	5.06

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Blackrock Multi Asset Income-K (BKMIX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50% MSCI World/50% BC Agg	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Total Fund Policy

Allocation Mandate	Weight (%)
Oct-1997	
S&P 500 Index	60.00
Blmbg. U.S. Aggregate Index	40.00

Total Equity Policy

Allocation Mandate	Weight (%)
Oct-2002	
S&P 500 Index	75.00
MSCI AC World ex USA (Net)	25.00



NOF Old Fund



Comparative Performance			
	QTR	YTD	1 YR
Capital One Old R&D Fund	0.01	0.03	0.03
Capital One Old System Drop & Plop	0.01	0.03	0.03
Old Fund Group Total	0.01	0.03	0.03

Financial Reconciliation									
	Market Value 01/01/2021	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2021
Capital One Old R&D Fund	4,925,911	-	8,811,379	-8,101,422	-	-1,871	1,353	-	5,635,351
Capital One Old System Drop & Plop	2,685,125	-	-	-	-	-	738	-	2,685,864
Old Fund Group Total	7,611,037	-	8,811,379	-8,101,422	-	-1,871	2,091	-	8,321,214



- The ending market value for the Clinton Magnolia Fund carried at August 31, 2014 valuation due to unavailability of data at the time of report production and is subject to change.
- Market values, performance, and transactions through July 31, 2013 were provided by the previous consultant, Consulting Services Group.
- All historical data is presented Net of Fees.
- Whalehaven Capital was reclassified on December 1, 2013 from Equity to Hedge Fund.
- The Fletcher FIA Leveraged balance was written down to \$0 in July 2014.
- Residual Cash was cash held at the custodian following the payoff of Casa Fuego II (Green Trails).
- The OIH/XLE Index is comprised of 50% OIH and 50% XLE.
- Returns for Private Fixed Loans, Private Equity and Real Estate are calculated using an Internal Rate of Return.
- The information contained in this report is obtained from third party sources and is not warranted to be accurate, complete or timely. All returns and market values are preliminary and subject to revision in the future upon final reconciliation.
- Custodian change effective 4th quarter 2016. From JP Morgan to Capital One.

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

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The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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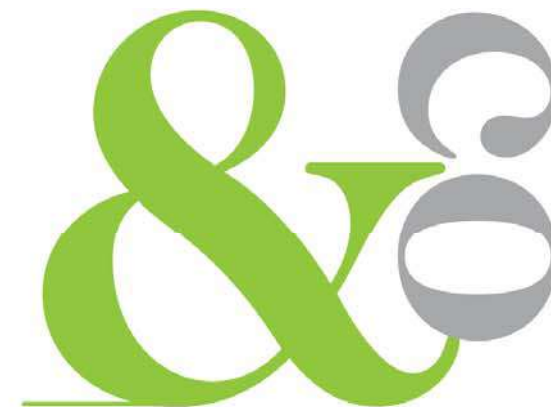
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