

# Third Quarter 2021 Investment Review

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## The Episcopal Diocese of Vermont

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Securities Offered Through  
**Raymond James Financial Services, Inc.**  
Member FINRA/SIPC

# Quarterly Performance Summary

The 3rd quarter was a relatively quiet quarter but regardless, the unit fund gained 1.35% which was more than a full 1% above the risk adjusted benchmark. Year to date, the gain of 13.40% is well ahead of the benchmarks which both happened to rise by 11.04%.

The domestic stock account gained almost 2% versus the S&P 500 of 0.58%. The bond portion gained slightly, but was also ahead of the benchmark.

During the quarter, we sold calls against the Moderna position, and as of now, they are showing a gain of 86%. We reduced the positions in Apple, Advanced Micro Devices, Moderna, Eaton, and Air products in early and late August near the most recent market high. A portion of these proceeds were reinvested into Darden Restaurants, and a portion remain in cash thereby reducing the overall stock exposure. On the fixed income side, many bonds and preferred positions were called-in by the issuer as interest rates rose and continue to rise. We allocated some of that cash to ARCH Capital Preferred stock and have allowed cash levels to rise.

Currently, the assets are allocated 73.7% to stocks.

# Investment Return Summary

All information as of September 30, 2021

Third Quarter (06/30/2021 - 09/30/2021)			
June 30, 2021 Value:	\$37,315,191	Third Quarter Return:	1.35%
Net Cash Flows	(\$344,690)	Benchmark Return*:	0.45%
Investment Gain (Loss):	\$561,674	Alternative Benchmark Return**:	0.27%
September 30, 2021 Value:	\$37,532,175		
Year to Date Period (12/31/2020 - 09/30/2021)			
December 31, 2020 Value:	\$33,034,385	Year to Date Return:	13.40%
Net Cash Flows	(\$148,427)	Benchmark Return*:	11.04%
Investment Gain (Loss):	\$4,646,217	Alternative Benchmark Return**:	11.04%
September 30, 2021 Value:	\$37,532,175		
One Year Period (09/30/2020 - 09/30/2021)			
September 30, 2020 Value:	\$30,695,763	One Year Return:	23.18%
Net Cash Flows	(\$499,355)	Benchmark Return*:	21.10%
Investment Gain (Loss):	\$7,335,767	Alternative Benchmark Return**:	22.40%
September 30, 2021 Value:	\$37,532,175		
Two Year Period (09/30/2019 - 09/30/2021)			
September 30, 2019 Value:	28,826,143.00	Two Year Return:	17.73%
Net Cash Flows	(2,265,961.91)	Benchmark Return*:	17.69%
Investment Gain (Loss):	10,971,993.60	Alternative Benchmark Return**:	17.16%
September 30, 2021 Value:	37,532,175.00		
Three Year Period (09/30/2018 - 09/30/2021)			
September 30, 2018 Value:	\$27,576,183	Three Year Return:	14.54%
Net Cash Flows	(\$3,403,664)	Benchmark Return*:	13.80%
Investment Gain (Loss):	\$13,359,655	Alternative Benchmark Return**:	13.18%
September 30, 2021 Value:	\$37,532,175		
Five Year Period (09/30/2016 - 09/30/2021)			
September 30, 2016 Value:	\$24,666,546	Five Year Return:	12.88%
Net Cash Flows	(\$5,974,949)	Benchmark Return*:	13.08%
Investment Gain (Loss):	\$18,840,578	Alternative Benchmark Return**:	11.89%
September 30, 2021 Value:	\$37,532,175		

Note: Due to the IPS change in March 2016, periods beginning prior to 03/31/2016 do not reflect current investments and are omitted.

\* The Basic Benchmark Return is weighted to the Bloomberg Barclays US Aggregate Bond Index and the Standard & Poor's 500 Index based on the actual portfolio allocation.

\*\* The Alternative Benchmark Return is weighted among the Bloomberg Barclays US Aggregate Bond Index, the Bloomberg Barclays US Govt/Credit 1-3 Year Index, the Bloomberg Barclays US Intermediate Credit Index, the FTSE Treasury Bill 1 Month Index, the MSCI EAFE Index, the Russell 2000 Index and the Standard & Poor's 500 Index based on actual portfolio allocation.

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# Account Activity Summary

All information as of September 30, 2021

	Third Quarter	YTD	Last 12 Months	Last 2 Years	Last 3 Years	Last 5 Years
<b>Beginning Market Value</b>	<b>\$37,315,191</b>	<b>\$33,034,385</b>	<b>\$30,695,763</b>	<b>\$28,826,142</b>	<b>\$27,592,561</b>	<b>\$24,666,546</b>
Contributions						
- Parish Deposits	\$67,366	\$1,065,916	\$1,088,916	\$1,497,910	\$1,891,011	\$2,518,990
Withdrawals						
- Parish Withdrawals	(\$17,806)	(\$68,643)	(\$91,842)	(\$826,266)	(\$1,026,450)	(\$1,662,123)
- Parish Dividends	(\$339,038)	(\$990,184)	(\$1,298,914)	(\$2,525,187)	(\$3,698,471)	(\$5,917,205)
- Foreign Taxes Withheld	(\$802)	(\$2,035)	(\$2,501)	(\$6,184)	(\$16,930)	(\$36,767)
- Management Expenses	(\$50,410)	(\$141,480)	(\$183,002)	(\$370,540)	(\$525,045)	(\$821,835)
- Operating Expenses	(4,000)	(12,000)	(12,011)	(35,820)	(27,988)	(56,559)
<b>Net Cash Flows</b>	<b>(\$344,690)</b>	<b>(\$148,427)</b>	<b>(\$499,355)</b>	<b>(\$2,266,087)</b>	<b>(\$3,403,874)</b>	<b>(\$5,975,499)</b>
Income						
- Interest/Dividends	222,865	627,162	801,605	1,615,143	2,726,893	4,071,904
- Gains (Losses)	338,809	4,019,055	6,534,162	9,356,976	10,616,594	14,769,224
<b>Total Earnings</b>	<b>\$561,674</b>	<b>\$4,646,217</b>	<b>\$7,335,767</b>	<b>\$10,972,119</b>	<b>\$13,343,488</b>	<b>\$18,841,128</b>
<b>Ending Market Value</b>	<b>\$37,532,175</b>	<b>\$37,532,175</b>	<b>\$37,532,175</b>	<b>\$37,532,175</b>	<b>\$37,532,175</b>	<b>\$37,532,175</b>
Portfolio Returns (Gross of Fees)	1.49%	13.84%	23.83%	18.43%	15.16%	13.50%
Management Expenses	-0.14%	-0.44%	-0.65%	-0.70%	-0.62%	-0.62%
Portfolio Returns (Net of Fees)	1.35%	13.40%	23.18%	17.73%	14.54%	12.88%
Basic Benchmark Return*	0.45%	11.04%	21.10%	17.69%	13.80%	13.08%
Alternate Benchmark Return**	0.27%	11.04%	22.40%	17.16%	13.18%	11.89%

**Parish Deposits:** The total amount deposited by the parishes for investment into the Unit Fund subaccounts.

**Parish Withdrawals:** The total principal amount withdrawn by the parishes from the Unit Fund subaccounts.

**Parish Dividends:** The total Unit Fund dividends paid directly to the parishes and not reinvested or used for loan repayment

**Foreign Taxes Withheld:** The total foreign income taxes automatically withheld on dividends paid by non-US companies.

**Management Expenses:** The total expenses paid by the Unit Fund for investment, account maintenance, statement preparation and reporting purposes.

**Operating Expenses:** The total expenses paid by the Unit Fund for accounting and auditing fees.

**Interest/Dividends:** The total interest and dividends generated by the investments of the Unit Fund.

**Gains (Losses):** The total rise or fall of the market value of the investments in the Unit Fund.

**Portfolio Return:** The time-weighted rate of return earned by the Unit Fund investments before (Gross) and after (Net) the management expenses are deducted.

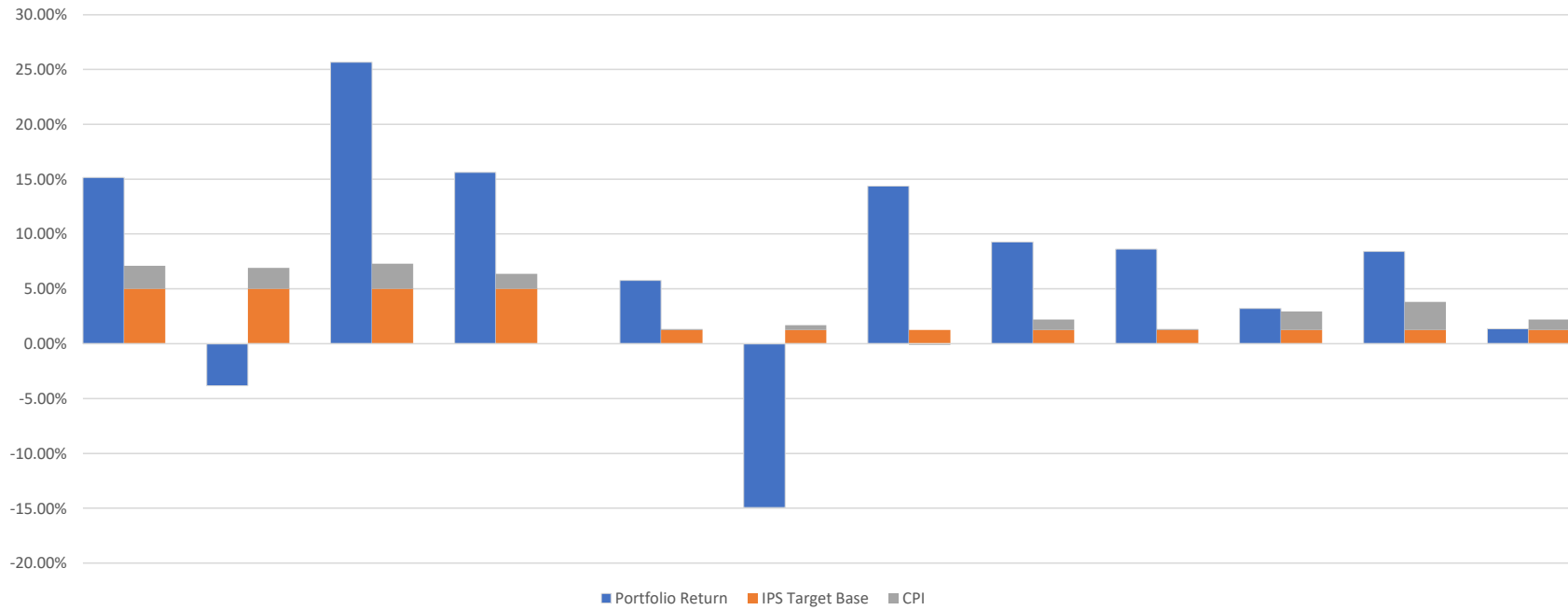
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# Quarterly Portfolio and IPS Target Returns

All information as of September 30, 2021

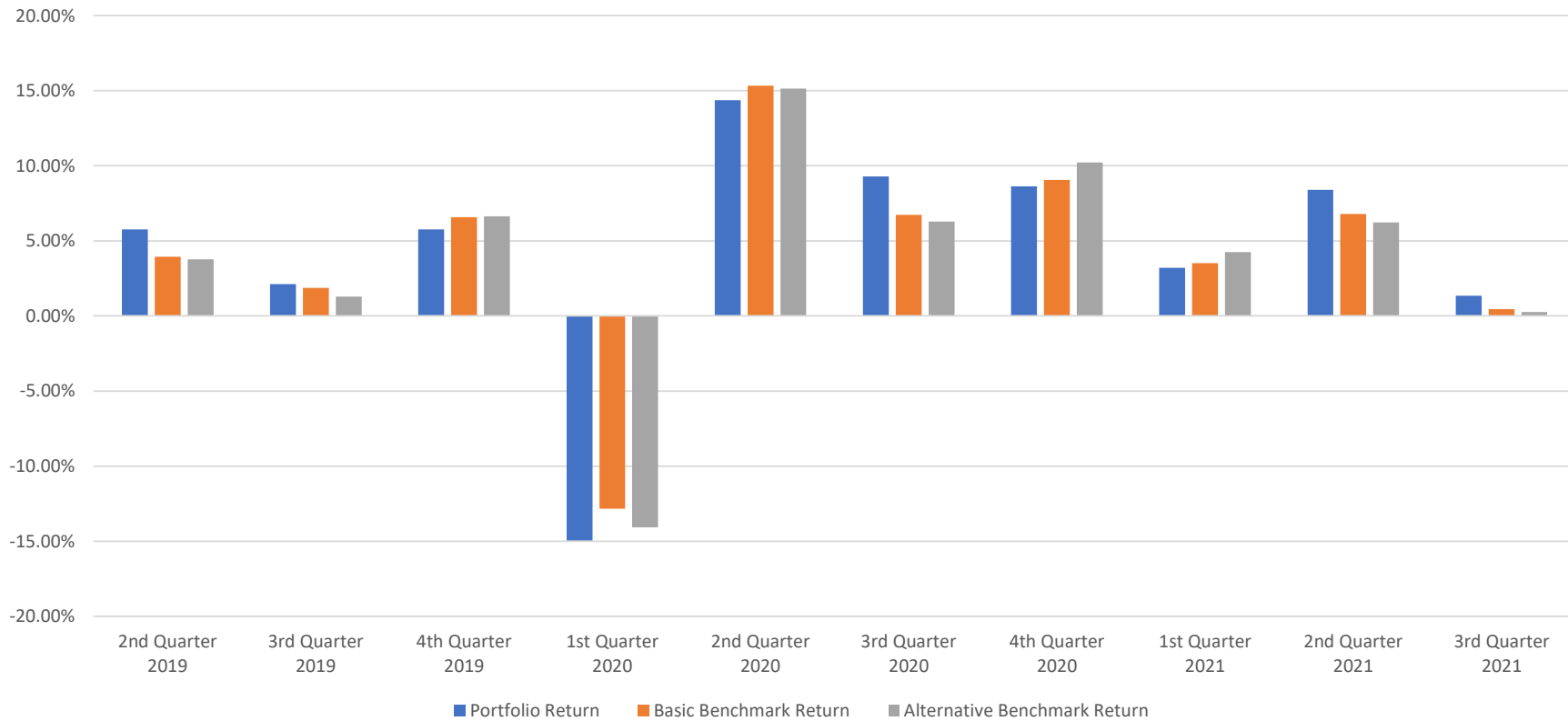


	2017	2018	2019	2020	4th Quarter 2019	1st Quarter 2020	2nd Quarter 2020	3rd Quarter 2020	4th Quarter 2020	1st Quarter 2021	2nd Quarter 2021	3rd Quarter 2021
Portfolio	15.14%	-3.83%	25.66%	15.62%	5.76%	-14.94%	14.37%	9.29%	8.63%	3.21%	8.40%	1.35%
IPS Target Base	5.00%	5.00%	5.00%	5.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
CPI	2.11%	1.91%	2.29%	1.36%	0.08%	0.44%	-0.12%	0.96%	0.07%	1.69%	2.57%	0.96%

Note: The IPS Target Return is comprised of the quarterly Non-Seasonally-Adjusted (NSA) CPI + 1.25%. This equates to an annual target return of the NSA CPI + 5%. The CPI figure is not available until the 15th of the month or later.

# Comparative Returns for the Last 10 Quarters

All information as of September 30, 2021



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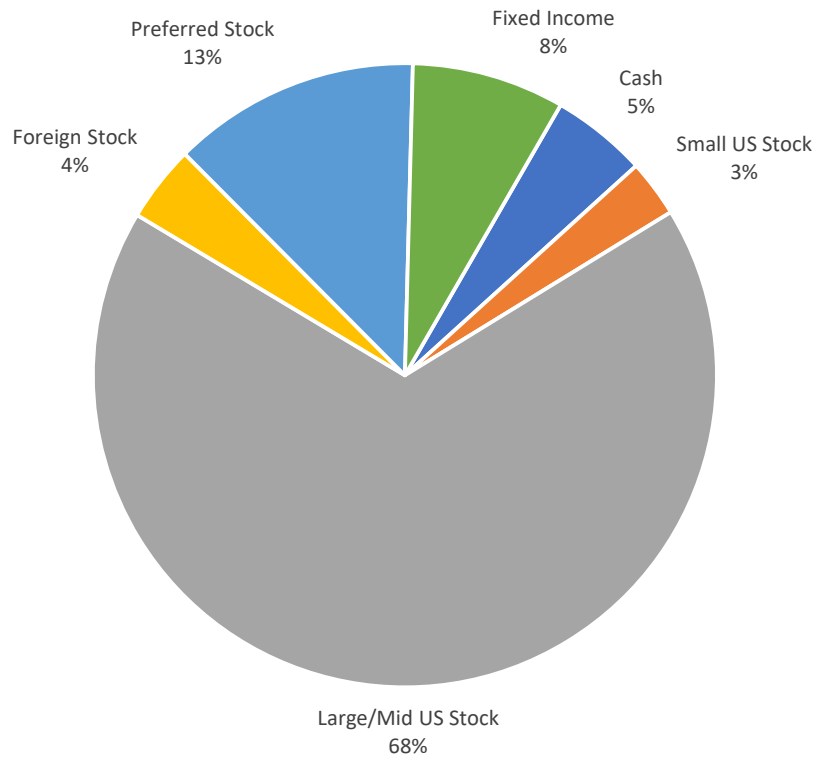
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# Portfolio Allocation

All information as of September 30, 2021

**(75% Equities / 25% Fixed Investments)**



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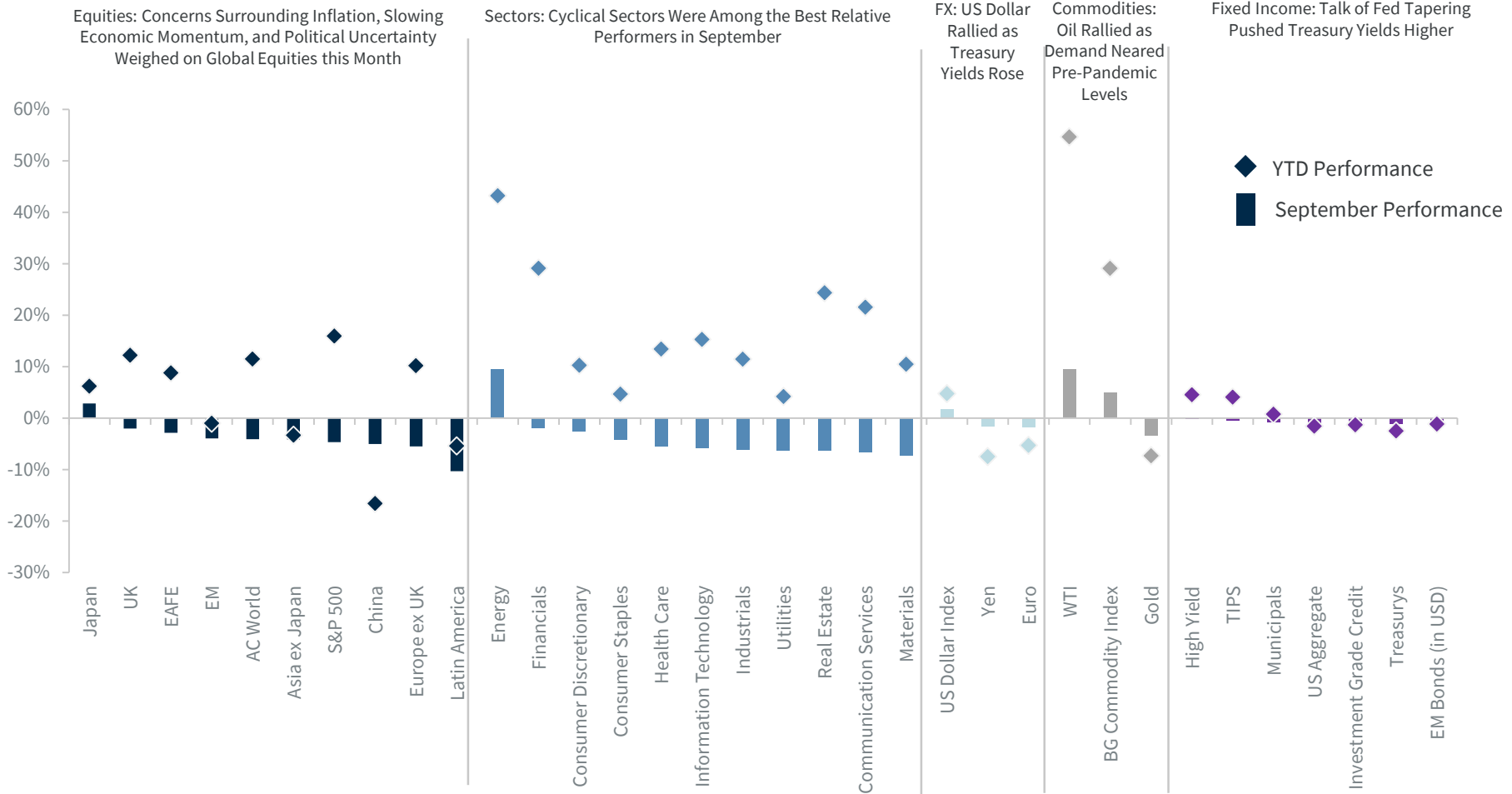
CIO View  
Monthly Strategy Snapshot

October 2021

Lawrence V. Adam III, CFA, CIMA®, CFP®  
Chief Investment Officer

# Returns By Asset Class | Month and Year-to-Date Returns

## Returns by Asset Class



Data as of September 30, 2021. All international equity indices are MSCI indices and in USD. Diamonds represent the year-to-date total returns and bars represent monthly returns.

## Global Economy | Economic Projections Continue to Improve

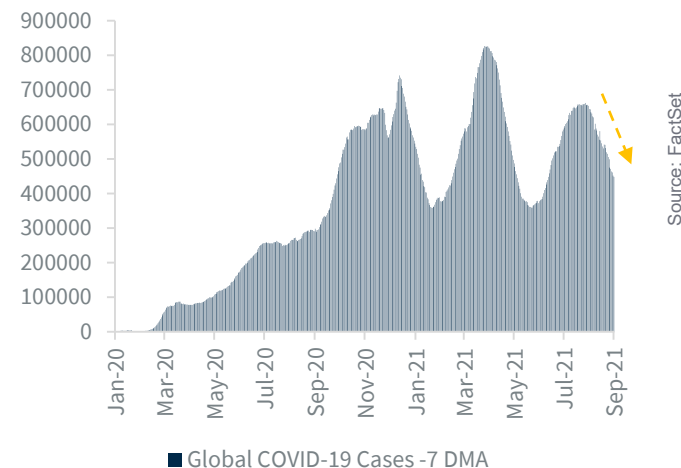
### Global Economy | Recent Trends

- **While global COVID-19 cases are still elevated, the rate of new cases is declining**, reaching a seven-day average of ~450,00 cases at the end of September, down from the high of ~820,000 in late April. **In the US, the Delta surge appears to have peaked**, as new daily cases in the US have declined to ~100k from the peak of ~277k in mid-September.
- Throughout the Delta surge, **real-time activity metrics (e.g., mobility indicators, restaurant bookings) remained resilient**, unlike previous periods of increasing cases.
- At the September FOMC meeting, the Fed signaled that **tapering may soon be warranted**. While Powell continues to stress that the Fed is a long way from lifting interest rates, the committee is now evenly split on a rate hike in 2022 and nearly all expecting higher policy rates by year-end 2023. We expect tapering to be announced at the Fed’s November meeting.
- Core PCE (ex-food and energy) rose 0.3% (+3.6% y/y) in August. While supply chain bottlenecks and rising input costs continue to provide upward pressure on inflation, **the Fed continues to expect inflation to moderate in 2022** (2022 core PCE target: +2.3%).
- We expect the bipartisan ~\$1 trillion ‘infrastructure’ package to be passed along with the ‘social’ infrastructure package—which will likely be around \$2 trillion passed via reconciliation.
- **Retail sales unexpectedly rose 0.7% in September** as consumer spending remained strong. Rising wages, improving employment and record net worth will continue to support spending.

### Global Economy | 2021 Outlook

- **While growth forecasts have been downgraded over recent months, economic growth should remain robust in 2021 and 2022.** Advanced economies, where the vaccine rollout has been more successful, should see further normalization in activity over the next 12 months. Emerging markets have had some near-term set backs, but should turn the corner.
- **We expect US GDP to grow at ~6% in 2021**, up sharply from our estimates at the beginning of the year. We expect consumer spending, the main engine behind growth, and solid corporate fundamentals to underpin growth for the remainder of the year. While COVID remains a threat going forward, we do not think it will derail the economic recovery.
- Supply chain bottlenecks, unfavorable year-over-year comparisons and surging demand have elevated price pressures in recent months. **Some of the factors pushing prices higher are beginning to abate, which should begin to ease price pressures in the months ahead.**
- Aggressive actions from policymakers (both from a fiscal and monetary perspective) remain supportive of economic growth. While **tapering remains on the horizon**, the Fed is expected to keep interest rates pegged at zero and continue its asset purchases well into next year.

Global COVID-19 Cases Down 34% from September High



Fed Growth Projections Increase



## COVID-19 | Resilience of Mobility

### AMIDST THE DELTA SURGE, ECONOMIC MOBILITY AND CONFIDENCE REMAINED RESILIENT

- Unlike previous periods of elevated COVID cases, mobility indicators were resilient during the Delta surge as evidenced by strong mobility, buoyant consumer confidence and elevated credit card spending.

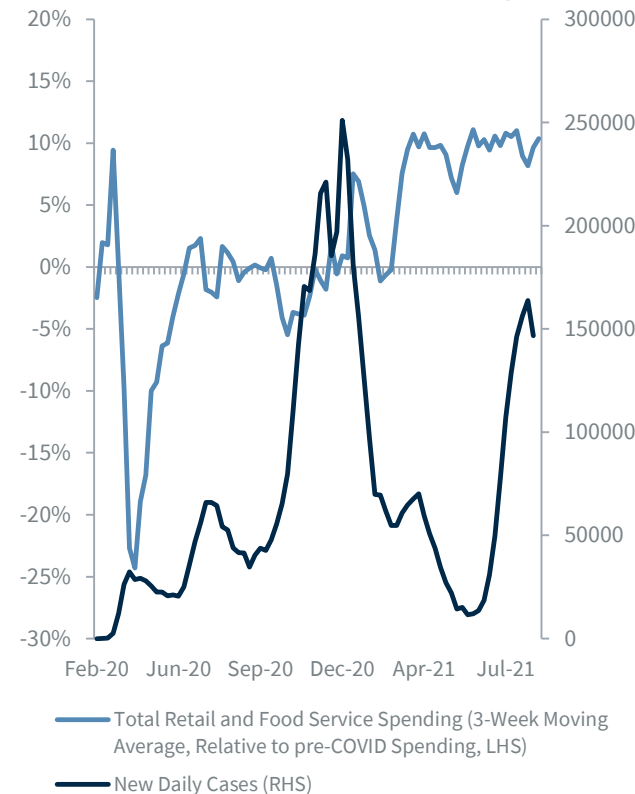
Resilient Mobility



Buoyant Confidence



Elevated Card Spending



## Equities | Equities Pause for a Pullback

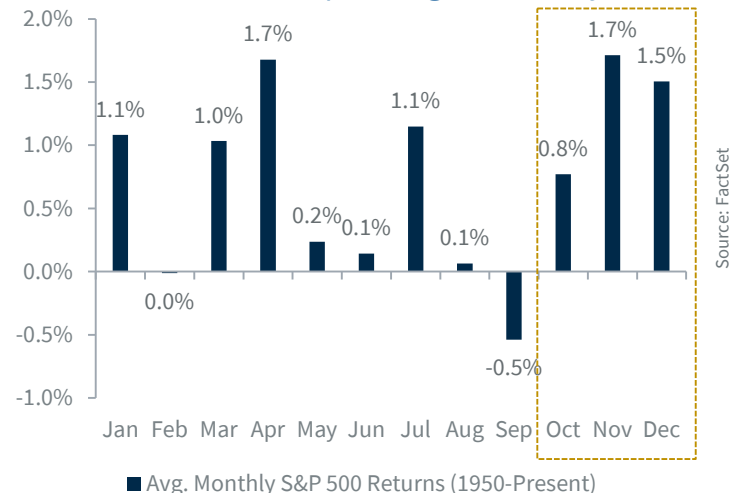
### Global Equities | Recent Trends

- US equities **declined (S&P 500 -4.8% MoM) for the first time in eight months in September**, ending the longest streak since January 2018. This downturn can be attributed to five Cs—**China, Congress, Commodities, COVID-19 and Calendar (e.g., seasonality)**—the five main factors responsible for the volatility-inducing uncertainty. This weakness led the S&P 500 to post its first 5% decline since October 2020.
- While September and early October are typically the weakest period of the year, **this sets up for the 4<sup>th</sup> quarter, which typically sees the strongest equity returns on average.**
- Heading into the third quarter earnings season, **S&P 500 EPS are expected to rise ~28% YoY.** While we expect a strong earnings season, **companies will likely not beat estimates by the magnitude (+~20%) seen since COVID** as supply chain issues and rising input costs weigh on margins. As a result, forward guidance provided by companies will be critical.
- Following a sharp underperformance over recent months, **small caps look attractive in the near term** as they should benefit from the peak in the Delta variant as small cap has higher exposure to the ‘reopening’ sectors (e.g., Financials, Cons Disc, Energy).
- Emerging market equities declined in September, **as China growth concerns and fears of contagion from a potential Evergrande default** weighed on the asset class. Ultimately, we expect spillover effects from the Evergrande issue to be contained within China.

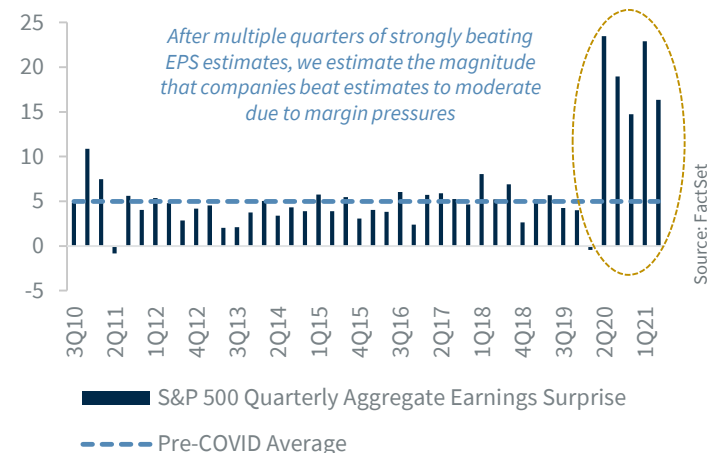
### Global Equities | 12-Month Outlook

- We believe that equity prices will grind higher over the next 12 months** given the strong macroeconomic backdrop, solid momentum in earnings and favorable valuations vs. bonds. However, we believe the pace of appreciation will likely slow, and believe the **S&P 500 will rise to 4,950 in 2022 (using a \$225 EPS and 22x P/E).**
- We continue to favor the Consumer Discretionary, Financials, Communication Services, Industrials and Energy sectors.** These pro-cyclical sectors are best positioned to benefit from strong pent-up demand, rising consumer confidence, and a continued decline in COVID cases leading to a further reopening of both the US and global economy.
- Our longer-term bias toward domestic equities remains intact.** While US equities have strongly outperformed foreign developed markets over recent years, the trend will likely continue as economic growth and earnings momentum are more favorable for US equities relative to their foreign developed market counterparts.
- Despite recent headwinds emanating from China, we remain constructive on emerging market equities over the medium to long term.** Valuations remain attractive on a relative basis, but selectivity within markets and sectors will be key.

### Positive Upcoming Seasonality



### Magnitude of EPS Beats Likely to Decline



## Fixed Income | Treasury Yields Move Higher

### Global Bonds | Recent Trends

- After falling ~50 bps from the year-to-date high (1.74%) in March, **the 10-year Treasury yield rose for the second straight month (to 1.53%)** and is now up ~35 bps off of the June low.
- Supporting the move higher was **increased Treasury issuance** (with the potential for further spending due to additional spending packages), **signaling from the Fed** that it may begin tapering asset purchases by year-end 2021, **elevated inflation** and signs that the surge in cases from **the Delta variant has likely peaked**.
- As shorter duration bond yields remained contained (as the Fed highlighted that we are at least one year away from the first rate hike) while longer duration bond yields increased, **the US yield curve (10s/2s) steepened for the second consecutive month in September**.
- Despite the weakness in equities in September, improving economic activity and the continued global hunt for yield further supported US credit-related assets during the month. As a result, **spreads in major US credit sectors remain near multi-year lows**. **EM spreads widened to a 10-month high**, as China/Evergrande concerns hampered the asset class.
- **Municipal bond spreads (relative to Treasuries) remain compressed relative to historical averages**, as healthy state budgets and falling net supply support muni bonds.

### Global Bonds | 12-Month Outlook

- As the market is pricing in robust economic growth through 2022 and the potential for additional fiscal spending in an infrastructure package, **we forecast the 10-year Treasury yield to rise to ~1.75% over the next 12 months**. However, **we anticipate the rise in yields to be limited** due to transitory inflation, buying from global central banks, demographics, increased demand from foreign investors, and the interest rate sensitivity of the economy.
- While our forecasted rise in yields will likely lead to **limited, if any, capital appreciation for bonds over the next 12 months, fixed income remains an important piece within investors' portfolios** as it limits/hedges equity market risk and provides diversification.
- Given our expectation for a modest rise in longer-duration interest rates while the Fed is set to leave policy rates unchanged for the foreseeable future (keeping shorter-term rates low), **we suggest a shorter than benchmark duration for bond portfolios**.
- From a credit perspective, while spreads have narrowed significantly to multi-year lows, **we expect them to tighten only modestly** in the next 12 months. We would favor holding higher-quality bonds and therefore **favor investment-grade over high-yield bonds**. In general, we **prefer to add additional risk in the equity market over high yield** as we believe investors are better compensated for taking on risk in the equity market.

US Yield Curve Steepens



China/Evergrande Issues Weigh on EM Bonds



## Commodities & Currencies | Commodity Rally Heats Up

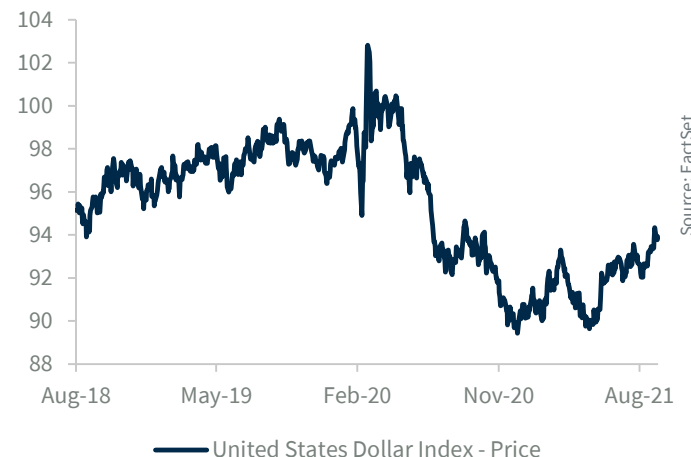
### Commodities & Currencies | Recent Trends

- The commodity rally continued in September as **the Bloomberg Commodity Index posted the strongest monthly gain (4.9% MoM) in five months**. Commodities are now up ~31% year-to-date, **the strongest start to a year for the asset class since at least 1992**.
- After a sharp decline in August, crude oil posted its strongest monthly gain in four months in September (+9.5% MoM) **and rose to the highest level (\$78.76) since November 2014**. Despite a stronger dollar, crude oil rallied as mobility indicators (e.g., airline travelers, restaurant bookings) and gasoline demand improved as the Delta variant waned, and as hurricane impacts continue to weigh on production. Crude oil is now up 60% on a YTD basis.
- On the back of supply concerns in Europe and China, **natural gas rallied for the sixth consecutive month** to the highest level since 2008. Nat gas is now up 132% year-to-date.
- On the back of widening interest rate differentials (particularly between the US/Europe) and more aggressive rhetoric from the Federal Reserve, the US dollar rallied for the third time in four months and **rose intra-month to the highest level since September 2020**.
- Despite EM growth concerns (particularly in China) and a stronger dollar, **industrial metals continued their recent move higher** and have now rallied for nine out of the last 11 months. At a nine-year high, industrial metals have rallied 81% off of the 2020 lows.

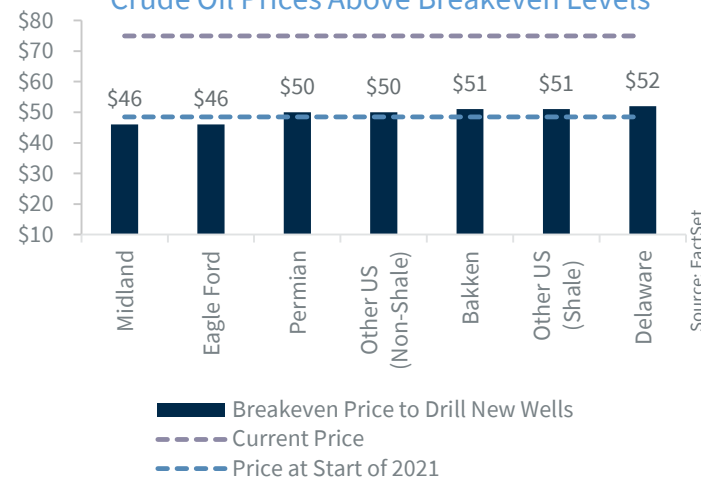
### Commodities & Currencies | 12-Month Outlook

- As US economic activity recovers following the continued roll out of vaccines and reopening of the economy, **crude oil prices will remain strong over the next 12 months (year-end 2021 WTI target: \$75/barrel) due to improving global demand**.
- However longer term, as the price of crude oil is above current breakeven levels for US producers (thereby incentivizing more capital investment), **rising US crude oil production as well as increasing OPEC production will likely limit a substantial further rise in prices**.
- We expect the dollar **to modestly weaken over the next 12 months**. Pressuring the dollar lower will be fundamental factors, as improving global economic activity, the reopening of global economies and falling global economic policy uncertainty (due to the counter-cyclical nature of the USD) will likely reduce demand for the dollar. Additionally, **accommodative US fiscal policy and Fed monetary policy**, leading to rapid money supply growth and wider fiscal deficits will also likely lead to a weaker dollar.
- While gold has been a solid hedge for investors throughout the COVID-crisis, **the demand for gold will likely continue to wane** as US economic activity remains strong in 2021 and 2022 and on the expectation that real interest rates will move modestly higher from current levels.

### US Dollar Rises Intra-Month to YTD High



### Crude Oil Prices Above Breakeven Levels



## Summary | Views and Key 2021 Year-End Targets

### 1 ECONOMY

2021 US GDP: ~6%

Despite recent softness due the Delta variant and an upcoming fiscal drag, we expect growth to be strong in 2021 and 2022 due to solid consumer spending, rebuilding inventories and strong business investment. While growth is likely to slow in 2022, we expect it will remain well-above potential at ~3.3%.

### 2 BOND MARKET

2021 10-Year Treasury: ~1.50%

We forecast that the 10-year Treasury yield will be ~1.50% by year-end 2021 and will scale gradually higher to 1.75% over the next 12 months, supported by robust economic growth, continued fiscal stimulus and a modest uptick in inflation. As we prefer higher-quality bonds, we prefer investment grade over high yield. Bond exposure should be viewed as a portfolio diversifier in mitigating the overall risk of a diversified portfolio and help in providing some stable income generation.

### 3 EQUITIES

2021 S&P 500: 4,613

Our expectation for robust economic growth in '21 and '22, rising EPS growth, and continued stimulus is supportive of our 4,950 price target by the end of next year. In contrast to recent years, we expect positive returns to be driven by EPS growth rather than P/E expansion. Use pullbacks as buying opportunities within our favorite sectors (Financials, Communication Services, Industrials, Energy, and Consumer Discretionary).

### 4 DOLLAR DIRECTION

2021 EUR/USD: 1.20

The twin deficits (current account and budget deficits) and sentiment point to a weaker US dollar longer term. However, the potential for near-term volatility in riskier assets, negative interest rates in Europe, a less accommodative Fed, growth slowdown concerns and China fears are all likely to support some near-term dollar strength. Therefore, we see the dollar strengthening in the near future, and trade sideways for most of 2022.

### 5 OIL

2021 WTI: \$75/bbl

Over the next 12 months, crude oil will be supported by the reduction in social distancing measures, increasing economic activity and thereby improving demand, peaking slightly higher in the first quarter of 2022 before subsiding to the mid \$70s by this time next year. However, as prices rise above breakeven levels to a point that incentivizes US oil producers and OPEC to raise production levels, the rise in oil prices will likely be limited by increased supply.

### 6 VOLATILITY

Volatility: ↑

From a year of unpredictable events in 2020 (e.g., COVID crisis, 2020 election), to stable market returns thus far in 2021, we expect volatility to modestly increase over the next 12 months. Potential drivers of volatility could be the uncertain policy path in Washington, the 2022 midterm elections, central banks rolling back accommodative monetary policy, additional COVID waves and slowing growth in China.

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## DISCLOSURES

Diversification does not ensure a profit or guarantee against a loss

**INTERNATIONAL INVESTING** | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

**SECTORS** | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

**OIL** | Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

**CURRENCIES** | Currencies investing are generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

**GOLD** | Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

**FIXED INCOME** | Fixed-income securities (or “bonds”) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise.

**US TREASURIES** | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

**US DOLLAR** | The US Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies,[1] often referred to as a basket of U.S. trade partners' currencies.[2] The Index goes up when the US dollar gains "strength" (value) when compared to other currencies.

## DEFINITIONS

**AGGREGATE BOND** | **Bloomberg US Agg Bond Total Return Index:** The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

**HIGH YIELD** | **Bloomberg US Corporate High Yield Total Return Index:** The index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

**CREDIT** | **Bloomberg US Credit Total Return Index:** The index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

**MUNICIPAL** | **Bloomberg Municipal Total Return Index:** The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

**BG COMMODITY INDEX** | Bloomberg Commodity Index is calculated on an excess return basis and reflects commodity futures price movements.

**S&P 500** | The **S&P 500 Total Return Index:** The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

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[EMERGING MARKETS EASTERN EUROPE](#) | **MSCI EM Eastern Europe Net Return Index:** The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

[ASIA EX JAPAN INDEX](#) | **The MSCI AC Asia ex Japan Index** captures large and mid cap representation across 2 of 3 Developed Markets (DM) countries\* (excluding Japan) and 9 Emerging Markets (EM) countries in Asia. With 983 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.

[AC WORLD INDEX](#) | **The MSCI AC World Index** is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International (MSCI) and is comprised of stocks from 23 developed countries and 24 emerging markets.

[EMERGING MARKETS LATIN AMERICA](#) | **MSCI EM Latin America Net Return Index:** The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

[EMERGING MARKETS](#) | **MSCI Emerging Markets Net Return Index:** This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

[JAPAN](#) | **MSCI Japan Net Return Index:** The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

[EUROPE EX UK](#) | **MSCI Europe Ex UK Net Return Index:** The index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

[MSCI EAFE](#) | **The MSCI EAFE** (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

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#### DATA SOURCES

FactSet as of 9/30/2021.


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## Portfolio and Individual Account Investment Returns

All information as of September 30, 2021

	Market Value	Current								
		Allocation	MTD	QTD	Last 6 Months	YTD	Last 12 Months	Last 2 Years	Last 3 Years	Last 5 Years
<b>Overall Portfolio</b>	<b>37,540,120.18</b>	<b>100.00%</b>	<b>-3.99%</b>	<b>1.35%</b>	<b>9.87%</b>	<b>13.40%</b>	<b>23.18%</b>	<b>17.73%</b>	<b>14.54%</b>	<b>12.88%</b>
Basic Benchmark Return*			-3.69%	0.45%	7.27%	11.04%	21.10%	17.69%	13.80%	13.08%
Alternate Benchmark Return**			-3.45%	0.27%	6.52%	11.04%	22.40%	17.16%	13.18%	11.89%
<b>Individual Stock Account</b>	<b>26,747,353.72</b>	<b>71.25%</b>	<b>-5.39%</b>	<b>1.95%</b>	<b>13.30%</b>	<b>18.56%</b>	<b>29.58%</b>	<b>24.30%</b>	<b>19.82%</b>	<b>18.29%</b>
S&P 500			-4.65%	0.58%	9.18%	15.92%	30.00%	22.35%	15.99%	16.90%
<b>Clarkston SMID-Cap Equity</b>	<b>456,633.83</b>	<b>1.22%</b>	<b>-4.92%</b>	<b>-8.00%</b>	<b>-7.38%</b>	<b>3.11%</b>	<b>24.05%</b>	<b>10.74%</b>	<b>8.13%</b>	<b>9.19%</b>
Russell 2000			-2.95%	-4.36%	-0.25%	12.41%	47.68%	21.76%	10.54%	13.45%
<b>International Equity</b>	<b>508,448.88</b>	<b>1.35%</b>	<b>-3.09%</b>	<b>-0.06%</b>	<b>7.32%</b>	<b>7.32%</b>	<b>19.83%</b>	<b>13.22%</b>	<b>7.53%</b>	<b>9.05%</b>
MSCI EAFE			-2.90%	-0.45%	4.70%	8.35%	25.73%	12.41%	7.62%	8.81%
<b>Individual Bond Account</b>	<b>9,827,683.75</b>	<b>26.18%</b>	<b>-0.04%</b>	<b>0.15%</b>	<b>2.09%</b>	<b>1.10%</b>	<b>4.06%</b>	<b>4.43%</b>	<b>5.64%</b>	<b>3.18%</b>
Bloomberg Barclays US Int Credit			-0.53%	0.07%	1.63%	-0.48%	1.06%	3.74%	5.55%	3.49%

*Note: Due to the IPS change in March 2016, periods beginning prior to 03/31/2016 do not reflect current investments and are omitted.*

\* The Basic Benchmark Return is weighted to the Bloomberg Barclays US Aggregate Bond Index and the Standard & Poor's 500 Index based on the actual portfolio allocation.

\*\* The Alternative Benchmark Return is weighted among the Bloomberg Barclays US Aggregate Bond Index, the Bloomberg Barclays US Govt/Credit 1-3 Year Index, the Bloomberg Barclays US Intermediate Credit Index, the FTSE Treasury Bill 1 Month Index, the MSCI EAFE Index, the Russell 2000 Index and the Standard & Poor's 500 Index based on actual portfolio performance.

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