MWRA EMPLOYEES' RETIREMENT BOARD MEETING

AGENDA

Thursday, June 30, 2022 10:00 a.m.
MWRA, 2 Griffin Way
Chelsea, MA 02150

Item 1 10:00 a.m. Meeting called to order

OLD BUSINESS

Item 2 Standing Committee Reports

- i. By-Laws Committee: Member Kevin McKenna
- ii. Human Resources Committee: Member Thomas J. Durkin, Member Frank Zecha – FY23 Staff Raises and FY21 increase and signing bonus for non-union managers
- iii. Special Committee, Stipend: Chair James M. Fleming, Member Kevin McKenna
- iv. Job Review Committee: Member James M. Fleming, Member Thomas J. Durkin

NEW BUSINESS

Item 3 Approval of Minutes – VOTE

- a) May 26, 2022 Minutes
- b) June 1, 2022 Minutes

Item 4 Approval of Warrants – VOTE

- a) Warrant 6-2022
- b) Warrant 6-2022A – Payroll

Item 5 Approval of Monthly Transfers 6-2022 – VOTE

Item 6 Acknowledgement of retirement applications under G.L. c 32 §5 – VOTE

- a) Alison Sheppard DOR 5/8/2022
- b) Yvonne vanOssenbruggen-Hart DOR 5/28/2022

Item 7 Approval of 12(2)(d) Survivor Benefit Ann Marie Hynes – VOTE

Item 8 Patrick Thistle request for creditable service pursuant to 4(1)(c) – VOTE

Item 9 Approval of Bank Reconciliations – VOTE

- a) April 2022
- b) May 2022

Item 10 Manager Due Diligence Presentations

- 10:30 a.m. a) Polen
- 10:50 a.m. b) Baillie Gifford
- 11:10 a.m. c) Schroders
- 11:30 a.m. d) CarVal

Item 11 NEPC

- a) Flash Report as of 5/31/22
- b) Investment Policy Statement Red Lined
- c) Investment Policy Statement – VOTE

Item 12		Legal	
	12:30 p.m.	a)	John Burke Section 7 Clarification
		b)	Shift Differential Agreement re. Regular Compensation

..FOR YOUR INFORMATION and REVIEW ....

Item 99-1	Update: Retirement Office Access
Item 99-2	2022 PERAC Investment Report
Item 99-3	PERAC MEMO #13/2022 – 2021 Salary Verification Request
Item 99-4	PERAC MEMO #14/2022 – Supreme Judicial Court decision in *Vernava II* – Action Required
Item 99-5	PERAC MEMO #15/2022 – Tobacco Company List
Item 99-6	PERAC MEMO #16/2022 – Calendar Year 2022 Waiver of Section 91 Limits for Superannuation Retirees in the Public Sector
Item 99-7	PERAC Pension Newsflash
Item 99-8	Agreement to Sell Alcentra to Franklin Templeton
Item 99-9	Dr. Will Roper joins J.F. Lehman & Company's Operation Executive Board
Item 99-10	Apogem Capital Organizational Update
Item 99-11	Invesco Personnel Update

The Board reserves the right to consider items on the agenda out of order. The listing of items is those reasonably anticipated by the Chair to be discussed received at least forty-eight (48) hours prior to the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law. Items identified for discussion in Executive Session may be conducted in open session, in addition to, or in lieu of discussion in Executive Session.

Date of next scheduled Retirement Board meeting is Thursday, July 28, 2022, 10:00 a.m., Chelsea

MWRA EMPLOYEES' RETIREMENT BOARD MEETING
MAY 26, 2022

A meeting of the MWRA Employees' Retirement Board was conducted in-person on Thursday, May 26, 2022. Remote access was provided to the public via Zoom, with call-in information provided on the official Meeting Notice posted to mwraretirement.com and the MA Secretary of State's website. Participating in the in-person meeting were Board members James Fleming, Kevin McKenna, Andrew Pappastergion, and Frank Zecha, and staff members Carolyn Russo, Julie McManus, and Danielle DiRuzza. Mr. Durkin participated via remote access. Representatives from NEPC, Sebastian Grzejka and Kiley Fisher, Board Counsel, as well as members of the public attended. Mr. Fleming called the meeting to order at 10:02 a.m.

1) Call the meeting to order-roll call of members: Mr. Fleming, Mr. McKenna, Mr. Pappastergion, and Mr. Zecha present, Mr. Durkin present via remote access.

2) Standing Committee Reports
   i. By-Laws Committee: No report
   ii. Human Resources Committee: No report
   iii. Special Committee, Stipend: No report
   iv. Job Review Committee: No report

3) Draft Policy for Chair's Authority to Execute Interim Fund Transfers – VOTE

   On a motion made by Mr. Zecha and seconded by Mr. Pappastergion:
   VOTED
   to approve the Policy for Chair's Authority to Execute Interim Fund Transfers as drafted by the Executive Director. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

4) Approval of Minutes of April 28, 2022 – VOTE

   On a motion made by Mr. McKenna and seconded by Mr. Pappastergion:
   VOTED
   to approve the regular minutes of the April 28, 2022 meeting as submitted by the Executive Director. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

5) Approval of Warrants – VOTE

   a) Warrant 5-2022
   b) Warrant 5-2022A – Payroll

On a motion made by Mr. McKenna and seconded by Mr. Pappastergion:
VOTED
to approve Warrants 05-2022 and 05-2022A. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

6) Approval of Monthly Transfers 5-2022 – VOTE

On a motion by Mr. Pappastergion and seconded by Mr. Zecha:
VOTED
to approve the monthly transfers as presented and as recommended by NEPC. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

7) Acknowledgement of retirement applications under G.L. c 32 §5 – VOTE

a)	David Smith	DOR 4/30/2022
b)	Lisa Cook	DOR 5/4/2022
c)	Jeffrey McLaughlin	DOR 5/12/2022
d)	Lisa Grollman	DOR 5/14/2022

On an omnibus motion made by Mr. McKenna and seconded by Mr. Pappastergion:
VOTED
to acknowledge the four s. 5 retirements as detailed above. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

8) Manager Due Diligence Presentations

The following managers underwent an annual investment manager review pursuant to 840 CMR 16.07. The managers presented performance and investment reports detailing the manager's activities, which the Board reviewed.

a) Kayne Anderson
b) Lord Abbett
c) Alcentra
d) Foundry

At 10:20 a.m., Mr. Ryan Sauer joined the call from Kayne Anderson. Mr. Fleming asked that personnel, philosophy and performance be addressed in the allotted time. Mr. Sauer reported no significant team changes. As of 3/31, the fund is at par, after having been down previously due to Covid's impact on commodities and the energy sector in particular. Mr. Sauer directed the Board to page 5 of the presentation which demonstrates the price volatility in oil and natural gas.

Events in Europe, and scarcity have contributed to wild swings. New rig activity is up, but the sector has been slower to respond, with supply chain and labor shortages restricting the ability to increase supply. There has also been constriction of available capital investment due to volatility of returns. Mr. Grzejka asked Mr. Sauer if ESG and the politics of hydrocarbons are long-term concerns for the fund. Mr. Sauer stated that in his view governance is the key to the industry, and that we need to identify more energy sources in all forms. The energy currently available cannot cover increasing population and developing nations. If invested capital does not increase, supply will not be adequate. Oil is expected to rise over the next eighteen months. Kayne's fund has all of its investments/rigs running, is reinvesting free cash flow, has low leverage, and strong management. Kayne is working toward realizations and expects there to be distributions from the fund during Q3 or Q4. Mr. Sauer signed off at 10:35 a.m.

Mr. Grzejka stated the fund is close to even, and that he expects positive returns. Mr. McKenna noted that it had lost ¾ of the commitment. At the time of the initial investment in 2015, oil was at $23 a barrel, went up sharply, then dropped because of demand suppression during Covid, so the turnaround has been impressive. Mr. McKenna asked if they restructured, and Mr. Grzejka noted that there had been some leadership changes. Mr. Durkin remarked that we should expect some volatility in the PE portfolio, and Mr. Grzejka concurred that mergers, IPO's and takeovers may increase volatility particularly closer to the disposition of assets, and this is even more pronounced in commodities. Mr. Fleming asked if all of the committed capital has been called and Mr. Grzejka stated that it has.

Mr. Tim Poulin joined the call on behalf of Lord Abbett at 10:39 a.m., accompanied by Mr. Tim Paulson and Ms. Kathleen Swartz, and offered his apologies that Greg Balewicz could not make it. Mr. Grzejka cautioned the presenters that there are members of the public and/or media on the call, and to avoid discussion of any materials which may be considered proprietary. The firm currently has $236bn AUM. Lord Abbett has nine MACRS clients and will be present at the conference. There have been no changes to philosophy or process. The fund has outperformed its benchmark YTD, but has experienced volatility. There have been extraordinary price fluctuations, with credit outperforming in 2021 and underperforming YTD 2022. Lord Abbett has performed well in both environments. The fund has a team-based, collaborative approach. The fund is underweight in investment grade corporate and MBS, and overweight in Warehouse, Industrials and Hotels. Mr. Grzejka asked whether, within the current environment, with the Fed expected to act, and consumer demand rising, if Lord Abbett sees any cracks forming in the Credit and MBS spaces. Mr. Poulin responded that he sees a lot of cracks forming, with aggressive demand fueled by monetary policy and fiscal spending driving inflation. Mr. Paulson added that creates opportunities, but that they need to be cautious in considering new investments. Consumer confidence has not been

this low since the 1970's. Risk has shifted toward a more balanced position, and friction has been created in rearranging the economy from old to new, for example moving away from movie theaters to streaming services, on line retail vs. brick and mortar retail, etc. Lord Abbett signed off at 10:55 a.m.
Mr. Fleming commented that although Lord Abbett's performance has been good, they are still lagging. Mr. Grzejka stated that they are slightly ahead of the benchmark, at -0.7% to -1.5% for the bench over the most recent one year period. Mr. McKenna stated that Garcia Hamilton has come back a bit, but that he keeps getting sheets from other funds that are 500bps better. Mr. Grzejka cautioned that those results could be selected based on timing, the funds might be sector-specific, and that such overarching statements can be misleading because performance such as that which is inconsistent with comparable funds is not likely to continue. NEPC can parse out segments of other funds to see if we have exposure if Mr. McKenna would like to share the information.

Mr. Rob Brady and Ms. Nina Moore joined the call at 11:00 a.m. on behalf of Alcentra. Mr. Grzejka cautioned the presenters that there are members of the public and/or media on the call, and to avoid discussion of any materials which may be considered proprietary. Mr. Brady reported that the fund is in the wind-down phase with three remaining investments, and no exposure to Russia or Ukraine among them. Net IRR has been as planned. Private Credit has been expanding. Mr. Fleming asked the team to review performance, team and philosophy. Mr. Brady referred the Board to page 5 in the presentation. Peter Glaser has left the firm, and Jon DeSimone has been named interim CIO. Mr. DeSimone is from Beverly MA, and was formerly at Bain Capital. Mr. Brady directed the Board to page 8, which shows that of the $5m commitment, $4.7 has been drawn down with $4.2m returned to date, $1.4m in distributions since inception, and $263,000 remaining account value. Mr. Durkin asked how currency differences are affecting the portfolio. Mr. Brady responded that the fund is lending in Pounds, Euros and is hedging currency risk. Mr. Fleming asked about the future of this type of investment. Mr. Brady responded that he expects there will continue to be private credit opportunities, in Europe more than in the US. Alcentra signed off at 11:15 a.m. Mr. Fleming asked Mr. Grzejka about the future outlook, and he answered that banks have been stepping out of lending in Europe, so Alcentra fills a gap. There are more opportunities in the opportunistic space (i.e., distressed). IRR is not expected to increase much, and has been in line with expectations.

Brad Feld joined the call from Foundry at 11:19 a.m. Mr. Grzejka cautioned the presenter that there are members of the public and/or media on the call, and to avoid discussion of any materials which may be considered proprietary. Mr. Feld directed the Board to page 5 of the presentation for the 2007 Fund Summary. The Board committed $3m to the fund, with 98.5% called. The fund is nearly fully realized, and there have distributions totaling $14.5m. The net IRR on the fund is 42.9%. The Fund has been extended to optimize upside on the remaining holdings, but no management fees will be paid on the remaining positions. Mr.

Feld referred the Board to page 8 of the presentation for 2010 performance. The Board committed $3m, with 97.8% called. There have been distributions totaling $3.1m with a net IRR of 15.4%. $336m has been realized, with $572m unrealized value. There are six companies remaining, and most have active value. Airship continues to grow at a steady pace, JumpCloud grew 100%, and Pantheon grew 40% year-over-year. None needs additional financing in order to be realized/sold/go public. Foundry continues to actively manage these funds, with Foundry personnel serving on several company boards. Mr. Durkin asked what affect inflation has had on the remaining companies. Macros have affected business, but not in a meaningful way. Inflation affects financing, but none of the companies has a near-term need to raise capital. Inflation would affect companies that sell tangible goods more frequently and to a greater degree, and most of the remaining companies are tech infrastructure. Over the long term, some of the companies' customers' growth may slow. Mr. McKenna asked what the hit rate is for funds 2007 and 2010, i.e. what is the rate of success for companies sold and what is it expected to be for investments not yet realized. Mr. Feld stated that roughly 10 out of 30 were zeroes and he expects that 2 of the remaining 6 companies in 2007 will be as well. However he expects three of the companies to come in at 10X or greater. He expects similar results for 2010. About 25-33% of the investments generate meaningful value, greater than 5x. Mr. McKenna asked if Foundry anticipates changing the strategy. Mr. Feld stated that in later funds the firm moved from whole market to network-driven seed stage strategy. The current fund raise is only early-stage, with 5% carry and no fees until 3x. They have no intentions at the present time to go outside of tech/internet. Mr. Fleming asked about the 2010 Annex. Mr. Feld thanked the Board for investing because in 2015 there was a cash flow crunch. The Annex returned 39.3% net IRR with 5.7x net TVPI. There are seven remaining investments, with JumpCloud and Authentic8 driving remaining value. Mr. Feld expects 10X or greater once the fund is fully realized. Mr. Feld thanked the Board and signed off the call at 11:47 a.m.

The Board determined each manager continues to operate in a manner represented when retained and outlined in the agreement between the Board and the manager.

The Chair declared a ten minute recess at 11:48 a.m. The meeting resumed at 11:58 a.m.

9) NEPC
   a) Flash Report as of 5/31/2022
   b) Q1 2022 Investment Report
   c) Q4 2021 Private Equity Performance Report
   d) Q4 2021 Real Estate Performance Report
   e) Q4 2021 Private Debt Performance Report

Mr. Grzejka began with the review of the Flash report. The portfolio has been adversely affected by inflation, geopolitical issues, and Federal Reserve actions. Consumer spending is slowing, due to higher prices in food and fuel. All of this is leading to volatility in returns. The Board now needs to re-evaluate whether the asset allocation is appropriate to the System's goals. The degree of Fed rate increases was underestimated, and inflation originally thought to be transitory is now ingrained. April was extremely volatile. The fund was down 4.7% for the month. Both Equity and Fixed Income were negative for the month, and the plan is down 9.2% YTD. Coho has outperformed its benchmark, and value has outperformed growth generally. Polen Focused Growth is down 25.2% YTD, underperforming the benchmark, which is down 20%. The growth losses were driven by investments in Amazon, Visa and other tech, but the holdings should respond in the long term. The story is similar on the small cap side, with value outperforming growth. Baillie Gifford is sharply down, underperforming the benchmark by a wide margin. The portfolio has a 5-10 year outlook, but will experience volatility over the short term. Polen and Baillie Gifford will be calling in to the June meeting. Polen is requesting that they be permitted to go above 10% on a single holding, up to 12% because they want to purchase Amazon at a low price point. Mr. McKenna asked whether the Board just granted Polen's request for an increase to the number of holdings permitted in the strategy, and Mr. Grzejka responded in the affirmative, and that the maximum holdings went from 25 to 30. Mr. McKenna noted that the product the Board purchased was a concentrated growth strategy. Mr. Grzejka responded that Polen has not changed its process, they are looking for leeway to purchase additional shares at a lower cost, although it does change the risk profile. The timing for the EM transition was inopportune, with both ABS and Axiom down since inception and lagging the benchmark. NEPC is making no rebalance recommendations for the month, and anticipates the final redemption from the TIPS investment next month. Hedge Funds have performed as expected led by UBS, which is up 6.8% year to date.

Mr. Zecha stated that he is not happy with performance, and will watch for the next 30-60 days and hopefully this will prove to be an aberration. The Board needs to take a serious look at what needs to be done. Mr. Grzejka responded that the System's goals are long term and have been met or exceeded by that measure. The unofficial state benchmark against which the fund is being measured has full-time investment staff, and access to managers that NEPC doesn't have, due to scale and inconsistent transparency requirements. Structurally, the MWRAERS' portfolio is comparable. We have 2-3 managers that are underperforming on an absolute and relative basis. Mr. Zecha stated the Board is available to meet in between the regular meetings as necessary. Mr. Grzejka stated the fund's performance has been strong 6 or 7 out of ten years. Mr. Zecha stated that he wants the next search to be on an aggressive timetable because we lose alpha, and doesn't want it to take 3 months. Mr. Grzejka stated that the prior recent searches were PE and RE. RE is close to target, so NEPC will develop a plan for what is next. Mr. Zecha asked if Fixed Income will be next, and Mr. Grzejka responded that the long-term structure of the Fixed Income portfolio is correct. He expects the December private markets reports to be forthcoming. Mr. Zecha stated that he looks forward to some good news. NEPC ended their presentation at 12:19 p.m.

Mr. Fleming asked the Board for a motion to allow any Board or Staff member to attend the MACRS conference in Hyannis.

On a motion made by Mr. McKenna and seconded by Mr. Zecha:
VOTED
to approve the attendance of any Board and/or Staff member at the June MACRS conference in Hyannis. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

Mr. Fleming asked the Board for a motion to allow any Board and/or Staff member to attend the Public Funds East conference in Newport, RI.

On a motion made by Mr. McKenna and seconded by Mr. Pappastergion:
VOTED
to approve the attendance of any Board and/or Staff member at the July Public Funds East conference in Newport, RI. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes.

Mr. Grzejka asked whether it is the Board's intention to continue to have the managers call in, and Mr. Fleming responded that we will continue to be hybrid at least in the near term.

10) Segal January 1, 2022 Preliminary Actuarial Valuation

Segal began its presentation at 12:25 p.m. Ms. Lisa VanDermark stated that there are no changes to participant data, only to the funding schedules as requested. Mr. McKenna asked where the 6.75 and 6.5 schedules are, and the Executive Director responded that they are on the table. Ms. VanDermark stated that she had sent them over last night. Page 7 of the presentation shows that the increase in the COLA base from $15,000 to $17,000 would add $5.6m to the UAAL with a smaller increase to the normal cost. The four funding options requested are presented on page 10.

1. 6.9% Investment Return Assumption $15,000 COLA Base, 12.05% Appropriation Increases and fully funded by 2030
2. 6.9% Investment Return Assumption $15,000 COLA Base, 9.25% Appropriation Increases and fully funded by 2030
3. 6.9% Investment Return Assumption $17,000 COLA Base, 9.25% Appropriation Increases and fully funded by 2030

4. 6.9% Investment Return Assumption $17,000 COLA Base, 10.98% Appropriation Increases and fully funded by 2030

Mr. McKenna asked if page 9 reflects the schedule adopted by the Board last year and the difference between that and Funding Schedule 1. Ms. VanDermark responded that in the final year of the schedule, the payment is lower on Schedule 1. Mr. McKenna asked why the Schedule on page 9 is not Schedule 1, and Ms. VanDermark responded that page 9 reflects projections based on the old data, and does not incorporate 2021 returns. Schedule 2's payments increase 9.25% year-over-year, and Schedule 3 kept 12.05% increases and 2030 full-funding date but includes the COLA base increase, so only the last year of the schedule changes from Schedule 1. Schedule 4 incorporates the COLA base increase to $17,000, has year-over-year increases of 10.98%, and maintains 2030 as the full-funding date. Ms. VanDermark directed the Board to page 16 for results if staffing were to be assumed to be at full complement. Page 17 shows the "stress test," i.e. the estimated impact if the System's return were 0% for CY2022 while holding the increases to 12.05% and full funding date to 2030. The schedule on page 18 shows that if the return were 0% and year-over-year increases were reduced to 9.25%, the System would not be funded until 2031. If the investment return assumption were reduced to 6.75%, the year over-year increases would have to go up to 13.1% to fully fund by 2030. If the assumption were reduced to 6.5%, the year-over-year increase would have to go up to 18.79%. Mr. Pappastergion asked what the likelihood is that the COLA will increase to $17,000. Mr. Fleming responded that we would need three votes among Retirement Board members, plus approval of the Board of Directors. Mr. Zecha stated that he is currently going through the COLA approval process with Town Meeting in Brookline. He noted if the valuation were to be done today, it would tell a very different story from the 1/1/2022 data. Obviously, the Authority wants to keep the appropriation down, but it must stay at least at its former level. Mr. Zecha asked Mr. Durkin whether the appropriation amounts have already been budgeted through 2025, and Mr. Durkin responded that the amounts have already been figured into the projections. Mr. Zecha stated that with the anticipated 2022 investment return assumption losses, if we lower the appropriation now, there will be sticker shock with the next valuation. Mr. Durkin replied that any losses will be smoothed too. Mr. Zecha continued that if the System's return at year end is -10% and we are down $75m when we should have made $50m+ under the assumption, there is $125m swing to smooth out. He would rather be more consistent in approach rather than lower it to appease the powers that be, and asked Ms. VanDermark for her input. Ms. VanDermark stated that it is likely the System would not be able to maintain full funding by 2030. Mr. Durkin stated that a valuation is really only required once every three years, it changed to every two years here, and now it's every year. We could skip a year, and did so in 2008, and 2016. Mr. Zecha asked about the impact on the ACFR. Mr. Durkin said there would be none, we could just use the prior schedule. Ms. VanDermark noted that once full funding is achieved, subsequent losses will hit all at once. Mr. Fleming asked Mr. Durkin about his schedule preference. Mr. Durkin stated he prefers Schedule 2. He stated he had not asked to keep the increase at 12% or at a specific percent, he had just asked that the 2023 appropriation be kept at $12.5m. Mr. Fleming asked about going to schedule 3, and Ms. VanDermark responded that there is not much difference in the ARC, and that it increases the UAAL by about $5m, so it's not a lot. Mr. McKenna questioned whether moves should be made now to reduce the return assumption to help mitigate anticipated return losses next year. If we are in fact only looking out 3 or 4 years, it's the right thing to do. Mr. Durkin responded that reducing the investment return assumption increases the UAAL which is "something a lot of people looked at." The funding schedule shouldn't only go up, gains should drive the ARC down and should benefit the plan sponsor. Mr. Zecha stated that it's comparable to a mortgage and you don't want to keep pushing it back out to 30 years or back-loading it. Mr. Durkin clarified that he is just looking to balance out the increases more. Mr. Zecha countered that you're really lowering the principal payments then. Mr. McKenna commented that the 2021 gains are already gone from the YTD losses, and we need to make almost 10% over the next 8 months just to get back to zero. Mr. Durkin responded that we deferred 80% of the previous gains, so one down year isn't going to kill us. Mr. McKenna stated that the more compressed the time horizon gets on the schedule, the more volatile it will become. Mr. Durkin agreed, but stated that we can legally go to 2040. Mr. Fleming stated that we would be giving up rights then, but stated to hold the discussion because Mr. Zecha needs to leave. The Chair called for a special in-person meeting to continue the funding schedule discussion to be held Wednesday June 1, 2022 at 10:00 a.m. Mr. Pappastergion asked to participate remotely, since he will be away.

Mr. Zecha left the meeting at 1:11 p.m.

Ms. VanDermark noted that the $62m deferred gains that were in the Board's "back pocket" are reduced to $1m if there is a 0% return for 2022. Mr. McKenna asked if it is more palatable to stay on the current schedule. Ms. VanDermark does not think it is required of the Board to update the schedule, but stated she would check with PERAC. Mr. Fleming asked whether a schedule which keeps 2023 as previously scheduled is acceptable, and Mr. Durkin responded affirmatively. Mr. Fleming asked whether the Board could adopt a COLA in a year when the funding schedule was not updated, and Ms. VanDermark stated that she has never encountered that before. Ms. VanDermark asked the Executive Director if the lack of approval of a funding schedule would impact the ACFR. Mr. Durkin responded that it would have no impact, and that the audit is usually completed in August. The Executive Director noted that Ms. VanDermark's reference was to the Retirement System's audit and ACFR, not the MWRA's, and that if a funding schedule is not approved in the near term, it would not be possible to complete the report even by the extended deadline of July 31, 2022, assuming GFOA were to approve an extension request from the original deadline of June 30, 2022. Ms. VanDermark stated that Segal needs time to complete their potion of the ACFR report, then the Executive Director reviews it and CLA needs time to put it through their review process. Any change to plan assumptions, including to the COLA base, would change both the Valuation and ACFR reports. Mr. McKenna asked Attorney Gibson if the Board needs to adopt a schedule. Attorney Gibson said it does not, but that the Board would need to inform PERAC, adding that many systems are now doing annual valuations. Mr. McKenna asked how PERAC would know, that the Board could keep the gain results in their back pocket, and that the funding "numbers don't suit us." Ms. VanDermark stated that she knows of one system that did it, but they had not previously done valuations annually. She continued if the Board adopts a COLA increase, the schedule would need to be updated, and PERAC is required to be notified. Attorney Gibson stated that legislation was filed to allow Boards to adopt a one-time 5% COLA via local option. Mr. Fleming termed the prospect of a one-time increase "fool's gold" and stated it is his preference to adopt a permanent COLA base increase. The Chair called the in-person special meeting to approve a funding schedule for 10 a.m. Wednesday June 1, 2022 with the exception of remote access for Mr. Pappastergion, who would be away on vacation. The Executive Director confirmed the meeting would be posted tomorrow morning to provide sufficient notice, given that Monday is a holiday.

11) Legal

Attorney Gibson reviewed recent legislative filings. The one-time 5% COLA will require local option acceptance and be automatic for SRB and MTRS retirees.

Mr. McKenna left the meeting at 1:26 p.m.

Attorney Gibson continued that the has been legislation filed to hold retirees harmless because of the recent additional *Vernava* decision for those retired prior to July 2022. The vacation buyback decision from the SJC is expected any day.

Mr. McKenna returned at 1:28 p.m.

Attorney Gibson informed the Board that PERAC Commissioner Machado recently retired at age 65, and would be off the Commission. Attorney Gibson stated that apparently the Governor's site posted the appointment of a new Commissioner, a Police Officer, Jay Guido. Legislation has been filed to expand the Commission to add a MACRS representative and a local system representative. A bill to waive the earnings and hours restrictions on retired public employees has stalled. Mr. Fleming asked if the hours had already been changed, and Attorney Gibson confirmed that it had changed from 960 to 1200, but the earnings cap had remained the same. Miles King settled his Worker's Compensation claim with the required 20% proceeds to go to the Retirement System in lieu of future offset. There has been no decision on *Capozzi* or *Hass*. Attorney Gibson stated that the Board may want to review its supplemental regulations to be sure they have kept up with legislative changes, and stated that PERAC is in the process of reviewing them as well. Attorney Gibson reported that he will be the moderator of the MACRS Legal Panel to be held Tuesday afternoon. He stated that other Boards have purchased "The Owl" device which moves around the table at a meeting to keep speakers in view for those participating via remote access. His recommendation was that the Board continue to allow remote public access, and the Retirement Coordinator responded that we already do.

On a motion by Mr. McKenna and seconded by Mr. Pappastergion:
<u>VOTED</u>
to adjourn the May 26, 2022 meeting of the MWRA Employees' Retirement Board. 4-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, and Mr. Fleming voting yes. The meeting was adjourned at 1:46 p.m.

The following communications were distributed to the Board for their review:
PERAC MEMO #12/2022 – Forfeiture of Retirement Allowance for Dereliction of Duty by Members
PERAC Proposed Changes to 840 CMR 28.00 Electronic Signatures
Memo from Executive Director re. Outstanding Check

The Board reserves the right to consider items on the agenda out of order. The listing of items is those reasonably anticipated by the Chair to be discussed received at least forty-eight (48) hours prior to the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law. Items identified for discussion in Executive Session may be conducted in open session, in addition to, or in lieu of discussion in Executive Session.

Date of next scheduled Retirement Board meeting is Thursday, June 30, 2022, 10:00 a.m., Chelsea

James M. Fleming, Elected member

Thomas Durkin, Appointed Member

Kevin McKenna, Elected Member

Andrew Pappastergion, Ex-Officio Member

Frank Zecha, Fifth Member

MWRA EMPLOYEES' RETIREMENT SPECIAL BOARD MEETING
JUNE 1, 2022

A special meeting of the MWRA Employees' Retirement Board was conducted in-person on Wednesday, June 1, 2022 for the purpose of reviewing the preliminary results of the 1/1/2022 Actuarial Valuation and adopting a Retirement System funding Schedule. Remote access was provided to the public via Zoom, with call-in information provided on the official Meeting Notice posted to mwraretirement.com and the MA Secretary of State's website. Participating in the in-person meeting were Board members James Fleming and Kevin McKenna, and staff members Carolyn Russo, Julie McManus, and Danielle DiRuzza. Mr. Durkin, Mr. Pappastergion, and Mr. Zecha attended via remote access. Representatives from Segal as well as members of the public, including James Guiod from the Advisory Board, attended virtually. Mr. Fleming called the meeting to order at 10:02 a.m.

1) Call the meeting to order-roll call of members: Mr. Fleming, and Mr. McKenna, present, Mr. Durkin, Mr. Pappastergion, and Mr. Zecha present via remote access.

2) January 1, 2022 Preliminary Actuarial Valuation Results Review and Funding Discussion

The Chair asked for the input of the Members of the Board. Mr. Zecha noted that under Schedule 1, FY23, 24 and 25 will not change at all from last year's schedule. Mr. Durkin stated that when there are losses, the Plan Sponsor has to increase the appropriation, and said that any gains should likewise benefit the Plan Sponsor in the form of a reduction. Ms. VanDermark noted at 10:07 a.m. that another unidentified number had signed on to the meeting. Mr. Durkin continued that he is seeking to reorganize the schedule to be more smooth. Mr. Fleming asked Mr. Durkin to which schedule he was referring, and Mr. Durkin responded Schedule 2. Mr. McKenna stated that perhaps Schedule 5, which reduces the return assumption, is the most responsible approach, given that 2022 has already experienced a steeply down market, that the Board changed the floor last year and the gains are essentially already gone from last year due to current market conditions, but stated he could support Schedule 3. The FY23 appropriation does not change under Schedule 5, and FY24 and FY25 increase modestly. Mr. Durkin stated that he does not have Schedule 5. Ms. VanDermark noted that the two additional schedules were handed out in person at the May 26 meeting because she had sent them over the night before, and stated she would share schedule 5 on her screen. Ms. VanDermark noted that although Schedule 5 does lower the investment return assumption, it does not incorporate an increase to the COLA base. Schedule 3 keeps the return assumption at 6.9%, maintains year-over-year increases at their current level of 12.05%, and increases the COLA base to $17,000. Mr. Zecha stated that he would vote for

Schedule 1 or 3 if there is no change to the return assumption, and noted that both result in the full-funding by 2030. Mr. Fleming asked Mr. Pappastergion for his input. Mr. Pappastergion asked Mr. Durkin if Schedule 4, which reduces the year-over-year ADC increases from 12.05% to 10.98% accomplishes Mr. Durkin's stated purpose of flattening the payments. Mr. Durkin stated that he hadn't given Schedule 4 much though because it gives the COLA base increase, but acknowledged that it does somewhat smooth the payments. Mr. Pappastergion stated that if there is no COLA base increase, Schedule 2 smooths the payments, and if the base is increased, Schedule 4 will do so. Mr. Pappastergion asked what the total cost of granting the COLA is, and Ms. VanDermark referred the Board to the column on Schedules 1 and 3 which is labeled "Total Actuarial Unfunded Liability at beginning of Fiscal Year." The approval of the COLA increase from $15,000 to $17,000 would add approximately $5.6m to UAAL, and about $96,000 to Normal Cost because it incorporates all current employees and retirees in the benefit projections. Mr. Pappastergion asked Mr. Durkin if Schedule 4 achieves what Mr. Durkin was seeking, and he stated that it does, and that his focus is on FY23, 24, and 25. He is concerned that the payments go up to the $25m range at the end, but there will be several funding schedule updates before then. Schedule 4 has validity and is close to the existing planning model, so he could accept it because it "does achieve something we are looking for." Mr. Pappastergion made a motion to adopt Schedule 4 with a 6.9% return assumption, 10.98% per year increases to the ADC, and full funding by 2030, and to increase the COLA base from $15,000 to $17,000. Mr. Zecha seconded Mr. Pappastergion's motion. Ms. VanDermark requested that the record also reflect that Schedule 4 incorporates the changes to the Mortality and Expense assumptions described on page 5. Mr. Pappastergion asked what would happen if the Board of Directors did not approve the COLA base increase. Mr. Fleming stated that it would come back before the Retirement Board for possible approval of a different funding schedule. Mr. Zecha stated that if Schedule 4 is adopted by the Retirement Board, and the Board of Directors failed to approve the increase to the COLA base, the Authority would still be required by statute to pay the total ADC. Ms. VanDermark reminded the Board that she still needs the final plan provisions to complete both the Valuation and ACFR reports. She inquired what the possible time line would be to secure the Board of Directors' decision. Mr. Durkin stated that he could request that the matter be put on the Board of Directors' agenda for the meeting to be held June 22. Mr. McKenna asked Mr. Pappastergion to assess the likelihood of passage before the Board of Directors, noting that if it does not pass the Board of Directors, the Retirement System is in a worse spot, due to current market conditions. Ms. VanDermark stated that Schedule 3 has a 6.9% assumption, and a $17,000 COLA base, but has a lower payment in 2030 than Schedule 4. Schedule 1 has a lower 2030 payment because there is no COLA base increase. Mr. McKenna stated that if the market doesn't come back, we've lowered the appropriation. Mr. Zecha asked about the budgeted amount for FY24. Mr. Durkin stated that it has not yet been budgeted because that won't happen until next year, but projections have been modeled based on $14.068m.

Mr. Pappastergion asked Mr. Durkin his opinion in regard to Schedule 3 vs. Schedule 4, and Mr. Durkin responded that he does not see a big difference. Mr. Pappastergion asked if Schedule 3 leaves the System in a better position, and Mr. Zecha responded that he believes it does. Mr. Durkin stated that the Board needs to strike a balance. Mr. McKenna asked Ms. VanDermark about the difference. Ms. VanDermark responded that Schedule 4 keeps FY23 at a 12.05% increase then offers lower projected payments in later years because the ADC increases at 10.98% thereafter, although the 2030 payment will be higher than it would be under Schedule 3. Mr. Zecha stated that he has no problem with Schedule 3, that the near term amounts have already been budgeted at their current levels, and if the markets come back all the better. Going past 2030 should be considered a last resort because the System would be giving up rights as the statute stands now. Mr. Zecha made a motion to amend Mr. Pappastergion's motion and to adopt Schedule 3, and Mr. McKenna seconded. Mr. Pappastergion accepted Mr. Zecha's motion as a friendly amendment. Mr. Durkin reminded the Board that it should not make a decision based on five months of down performance when it should be a long-term horizon, and that the Board has in place five-year smoothing. He stated that the Board may skip a year, that it was done in 2009, the sky isn't falling and that the Board needs to focus on adopting a prudent schedule. Mr. Pappastergion acknowledged that each Board member makes good points, but noted that he is only one vote on the Board of Directors and can't guarantee acceptance of the COLA base increase. He stated that he prefers Schedule 3 to Schedule 1, but could support Schedule 4. Mr. Durkin acknowledged that the roll call is normally read in alphabetical order with the Chair voting last, but asked that the Retirement Coordinator take the roll call out of its usual order and put him just prior to the Chair.

> On a motion made by Mr. Zecha and seconded by Mr. McKenna:
> **<u>VOTED</u>**
> to adopt Schedule 3 as presented by Segal with a 6.9% investment return assumption, appropriations increasing at 12.05% per year, full funding by 2030, updated expense and mortality assumptions, and to increase the COLA base from \$15,000 to \$17,000. 5-0, roll call with Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, Mr. Durkin voting yes, and Mr. Fleming voting yes.

Mr. McKenna inquired about the next step of notifying the Board of Directors. The Executive Director asked Ms. VanDermark about the ACFR deadline. Ms. VanDermark said that between the Valuation, the ACFR, and the GASB statements Segal needs 4-6 weeks, and asked whether Segal should proceed to prepare the reports based on the Retirement Board vote and risk having to start all over on the 22^{nd} if the Board of Directors does not approve the COLA. Ms. VanDermark recommended that she and the Executive Director set up a call with CLA to find out what their "drop dead" date is to receive Segal's portion and still file in time. Mr. Zecha asked how it would affect the report since it would result in additional funding if the Schedule were approved but the COLA were not, and Ms. VanDermark responded that it changes the UAAL, Normal Cost and Plan Provisions. Mr. Pappastergion asked if the Board of Directors does not approve the COLA base increase, if the Board would revert to Schedule 1. Mr. Fleming stated it comes back to the Retirement Board. Mr. Pappastergion noted that the Board could then adopt Schedule 2, and asked whether Schedule 2 would meet Mr. Durkin's needs. Mr. Durkin responded that it would.

On a motion by Mr. McKenna and seconded by Mr. Durkin:
VOTED
to adjourn the June 1, 2022 special meeting of the MWRA Employees' Retirement Board. 5-0, roll call with Mr. Durkin voting yes, Mr. McKenna voting yes, Mr. Pappastergion voting yes, Mr. Zecha voting yes, and Mr. Fleming voting yes. The meeting was adjourned at 10:48 a.m.

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James M. Fleming, Elected member

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Thomas Durkin, Appointed Member

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Kevin McKenna, Elected Member

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Andrew Pappastergion, Ex-Officio Member

____
Frank Zecha, Fifth Member

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Date of next scheduled Retirement Board meeting is Thursday June 30, 2022, 10:00 a.m., Chelsea

NEPC, LLC

Firm: Polen Capital Management, LLC
Strategy/Product: Focus Growth strategy
Client: MWRA Employees Retirement Board

NEPC Manager Due Diligence Questionnaire - Update

Instructions
In support of our upcoming meeting we ask that you please complete this due diligence questionnaire. Please provide your responses in the form of brief descriptions, lists or tables added directly to this Word document.

Thank you for taking the time to complete this questionnaire. Please note that all materials submitted in relation to MWRA Retirement System may be subject to disclosure consistent with Massachusetts Public Record laws.

Firm/Organization

1. Have there been any changes in ownership or management in the past year?

   As of March 31, 2022:

   Ownership Changes

   On August 20, 2021, Polen Capital purchased 1% of equity from Polen Family Holdings. This increased employee ownership from 71% to 72%.

   Senior Management Changes

   In June 2021, Andrew Powers, Chief Technology Officer, left the firm. He was replaced by a new Head of Technology, Praveen Reddy and parts of his role have been distributed to Kaushik Sudarsan, Head of Analytics and John Hammar, Head of Data & Applications.

   During the fourth quarter 2021, Leslie Marcus, Head of Marketing, left the firm.
   In January 2022, Rayna Lesser Hannaway was promoted to Head of Small Company Growth Team and lead portfolio manager of our U.S. Small Company Growth strategy. Rayna has been a Portfolio Manager & Analyst on our U.S. Small Company Growth strategy since 2018 and has been instrumental in hiring, mentoring, and developing the Small Company Growth team. Rayna launched our U.S. SMID Company Growth strategy as its sole portfolio manager in 2019. Tucker Walsh left Polen Capital for a CIO position at a tech entrepreneur's family office.

   In February 2022, in connection with the acquisition of DDJ Capital Management, Dave Breazzano, Head of Team, Portfolio Manager & Analyst (U.S. High Yield Team) joined Polen Capital's Operating Committee.

   Organizational Changes

   In January 2022, Polen Capital acquired DDJ Capital Management (n/d/b Polen Capital Credit), a boutique high yield, bank loan, private credit, and special situations manager. The acquisition marks Polen's expansion into the high yield market and broadens Polen's objective of delivering attractive active returns to preserve and grow clients' assets with offerings that meet the increased demand for sustainable income.

2. List firm AUM, net flows and accounts gained/lost for the past 5 years.

	AUM ($millions)	**Net Flows ($millions)**	**Accounts Gained (# / $millions)**	**Accounts Lost (# / $millions)**
2021	80,462.99	10,522.08	1,293 / 18,595.66	485 / 8,043.58
2020	59,270.63	10,653.75	1,752 / 16,990.87	333 / 6,337.12
2019	34,784.43	5,5671.74	780 / 8,940.12	263 / 3,268.38
2018	20,591.32	1,789.88	581 / 5,388.77	122 / 3,598.89
2017	17,422.23	2,956.12	292 / 4,476.02	84 / 1,519.90

3. Have there been any new or discontinued products in the past year?

   No discontinued products in the past year.

   Global SMID Company Growth Strategy
   We launched the Global SMID Company Growth strategy in 2021, which is available in an SMA, mutual fund, and UCITS vehicle.

   Global Emerging Markets ex-China Growth Strategy
   We launched the Global Emerging Markets ex-China Growth strategy in 2022, which is available in an SMA vehicle.

4. Are any products capacity constrained?
   We manage capacity for each of our strategies individually, taking a conservative approach that considers, among other things, total assets under management, the speed of asset growth and the mix of business across distribution channels, platforms, regions, and client types.

   As of March 31, 2022, Focus Growth strategy assets were approximately $62.19 billion. While our Focus Growth portfolio management team believes the strategy has additional capacity for growth, we have concluded that it is prudent to begin selectively closing certain vehicles and raising account minimums within the strategy to better manage the pace of new asset growth and the diversification of assets across the Large Company Growth Team's three investment strategies. Significant capacity remains in the team's Global Growth strategy (typically 50% overlap with Focus Growth in terms of holdings) and International Growth strategy.

   The soft close is meant to preserve adequate liquidity in our investments, provide cash flow flexibility for our existing clients, provide capacity for strategic opportunities, and allow us to continue to seek exceptional returns for our clients over the long term.

5. Describe any current or pending regulatory, compliance or litigation issues and the expected business impact.
   No issues to report.

6. Describe your diversity, equity and inclusion efforts with regard to the firm and its employees.
   We view a diverse workforce as essential to fostering a culture of empathy and open-minded collaboration—a culture that supports personal growth and better results. We welcome the diversity that comes from the perspectives of people with different backgrounds and life experiences. We define diversity and inclusion as underrepresentation in our industry which includes women, people of color, the LGBTQ+ community, people with disabilities and veterans.

   Polen Capital's Diversity and Inclusion Strategic Plan is focused on four key concepts:
   (1) Empower all voices, which focuses on our minority recruitment and leadership efforts
   (2) Enhance our workplace, which works on fostering a culture of belonging and delivering resources to advance allyship and inclusion
   (3) Engage our communities, which supports our local communities in Boca, Boston, and London through corporate partnership, volunteerism, and charitable giving
   (4) Expand our reach to work with diverse vendors and companies.

   Polen maintains a donor advised fund for charitable giving to organizations that promote diversity & inclusion. Roland Cole, Research Analyst and Toigo alum, manages this fund.

   Please see Appendix 1 - Polen Capital Diversity and Inclusion Policy and Appendix 2 - Diversity and Inclusion Addendum 2022.03.31, for additional information.

Portfolio Management Team

1. Have there been any changes in the portfolio management team in the past year?
   Large Company Growth Team Updates
   In January 2022, Lauren Harmon was promoted to ESG & Research Analyst, Bryan Power was promoted to Director of Research & Analyst, and Brandon Ladoff was promoted to Portfolio Manager & Director of Sustainable Investing.

2. Are there any expected changes to the team in the future (planned additions or departures)?
   As of March 31, 2022, there are no expected changes to the Large Company Growth Team in the future.

Process

1. Have there been significant changes in any of the areas below in the past year?
   - Identification of investment ideas
   - Process for exploring and vetting ideas
   - Portfolio trading practices including buy/sell rules
   - Approach to portfolio monitoring and risk management
     There have been no material changes to our process over the past year.

Philosophy

1. Describe recent changes in investment philosophy, if any.
   There has been no recent changes made to our investment philosophy.

Portfolio

1. If not included in your meeting presentation, provide portfolio holdings, sector exposure, geographic exposure and common characteristics (yield, duration, market cap, P/E, etc.).
   This information is included in our meeting presentation.

2. List strategy AUM, net flows and accounts gained/lost for the past 5 years.

	AUM ($millions)	Net Flows ($millions)	Accounts Gained (#/ $millions)	Accounts Lost (# / $millions)
2021	62,727.25	7,354.79	715 / 14,085.65	398 / 6,730.85
2020	52,365.01	6,267.19	1,260 / 11,553.93	201 / 5,286.74
2019	33,185.74	4,659.98	568 / 7,834.65	229 / 3,174.67
2018	20,230.16	1,604.46	466 / 5,152.47	108 / 3,548.01
2017	17,241.57	2,838.48	202 / 4,355.01	83 / 1,516.53

3. Describe investor concentration for the strategy and note the percent of AUM attributable to the top five investors.

Focus Growth Strategy Assets
As of March 31, 2022:

Client type	# of Accounts	Assets in $millions
Separate Accounts:		
Corporate	178	5,557.10
Endowment & Foundations	113	999.76
Healthcare	19	1,248.89
HNW	2,759	2,839.44
Insurance	4	21.76
Public Fund	74	2,715.49
Taft-Hartley	30	1,755.92
Sovereign Wealth	6	2,132.47
Mutual Fund	1	11,456.68
UMA	28	22,688.94
UCITS	1	4,261.30
CIT	1	644.99
Wrap Platform	64	5,869.99
Total Strategy Assets	**3,278**	**62,192.73**

The top five institutional separate accounts total 6.70% of the strategy assets as of March 31, 2022.

Performance / Market Outlook

1. If not included in your meeting presentation, provide trailing returns as of the most recent quarter-end and calendar year returns for the past 10 years, both relative to benchmark.
   This information is included in our meeting presentation.

2. Briefly discuss recent performance trends and identify environments in which the strategy is likely to be in or out of favor.
   Please see attached commentary.

3. Describe your market outlook and how strategy positioning is impacted by your views.
   Please see attached commentary.

4. Could you please include a slide in your presentation that sows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.
   This information is included in our meeting presentation.

Going beyond.

MWRA Employees Retirement Board

Focus Growth

June 30, 2022

polen capital

Today's Presenters

Lauren Harmon, CFA

ESG & Research Analyst

Background

- **Joined Polen Capital:** 2016
- **Education:** B.A. in Business and Psychology from Wake Forest University and M.B.A. from Columbia Business School
- **Years of Industry Experience:** 11
- **Special Interests:** Travel, cooking, exercise, watching and attending sporting events with a particular interest in the NFL, volunteering at animal shelters, and spending time with family

Lisa Rynne, CFA

Senior Relationship Manager

Background

- **Joined Polen Capital:** 2018
- **Education:** B.S. in Marketing and Economics from Boston College
- **Years of Industry Experience:** 35
- **Special Interests:** Spending time with family and friends, travel, winter sports, and water skiing

"Our mission is to preserve and grow client assets to protect their present and enable their future."

Going Beyond Expectations

Polen Capital is a team of experienced investment industry professionals who share an unwavering commitment to our clients, investors, community and each other. We have been dedicated to serving investors by providing concentrated portfolios of the highest-quality companies for more than three decades. At Polen Capital, we have built a culture of results, and in this, an inherent belief in going beyond what's expected for the people and communities we serve.

- We adhere to a time-tested process of researching and analyzing the highest-quality companies around the globe
- We invest for the long haul and with a business owner's mindset—giving these companies time to grow
- We remain passionate about our mission to protect and grow capital

Independent, High Conviction Investing

Employee Owned & Aligned with Our Clients

- 72% Employees
- 8% Polen Family Trust (Passive)
- 20% iM Global Partner (Passive)

An ESG Friendly Investment Approach

- UN PRI Signatory
- Integrated ESG stakeholder approach

High Conviction, Growth and Income Solutions

Total Firm Assets: $79.9B

- Focus Growth $62.2B
- Global Growth $6.1B
- International Growth $2.5B
- U.S. Small Company Growth $549.6M
- International Small Company Growth $30.4M
- Global Emerging Markets Growth $24.3M
- U.S. SMID Company Growth $82.9M
- Global SMID Company Growth $21.7M
- U.S. Opportunistic High Yield $5.3B
- Upper Tier U.S. High Yield $1.0B
- Total Return Credit $314.2M
- Bank Loan $148.5M

Team-Based Outlook with Global Reach

- Headquarters and Large Company Growth Team: Boca Raton, FL
- Small Company Growth and High Yield Teams: Boston, MA
- Emerging Markets Growth Team: London, UK

A Range of Investment Vehicles

- Strategies available across SMAs, Mutual Funds, CITs, UCITS, Private Funds

Institutional Assets by Client Type

Total	$24,099	100%
Corporate	$5,978	25%
Sub-Advised	$5,798	24%
Public	$4,263	18%
Sovereign Wealth	$2,132	9%
Union/Multi-Employer	$2,041	8%
Endowment/Foundation	$1,389	6%
Healthcare	$1,467	6%
Other[1]	$1,031	4%
Defined Contribution[2]	$2,323	10%

As of 03-31-2022. [1]Other includes Insurance and CIT assets. [2]Defined contribution assets are also included in the primary categories listed above.

A Collaborative & Research Driven Team

Large Company Growth

Rana Pritanjali, CFA
Research Analyst

Stephen Atkins, CFA
Portfolio Strategist & Analyst

Bryan Power, CFA
Director of Research & Analyst

Roland Cole
Research Analyst

Jeff Mueller
Portfolio Manager & Analyst

Dan Davidowitz, CFA
Portfolio Manager & Analyst

Todd Morris
Portfolio Manager & Analyst

Damon Ficklin
Head of Team, Portfolio Manager & Analyst

Brandon Ladoff
Portfolio Manager & Director of Sustainable Investing

Lauren Harmon, CFA
ESG & Research Analyst

Daniel Fields, CFA
Portfolio Manager & Analyst

How Polen Capital Goes Beyond for Our Clients

Investment Philosophy

Concentrated Portfolio: "High Active Share"

- Portfolios constructed with a select group of high-quality companies
- Use the guardrails of strong balance sheets, abundant free cash flow, strong ROE (> 20%), stable to improving margins, and real-organic revenue growth
- Best ideas portfolio—impartial to index sector and position weightings
- Strategies invest in a range of 20-30 companies

Risk Management: "Don't Lose Mentality"

- Only invest in financially superior and competitively advantaged businesses—Margin of Safety
- Focus on long-term preservation of capital
- Portfolio construction parameters include position size limits and sector weight limits
- Currency, policy and political risks are considered regarding investment outside of the United States

Long Holding/Compounding Period: "Time Arbitrage"

- Long-term focus on company fundamentals and competitive advantages
- Portfolio returns are generated through the compound earnings growth of competitively advantaged companies owned for many years—share prices follow earnings growth
- The flagship Focus Growth portfolio has only invested in ~125 companies since inception
- Average holding period is about five years

Outcome Orientation: "Weighing Machine vs. Voting Machine"

- Seeking double-digit returns with lower levels of risk
- More than 30 years of evidenced success through consistent application of our investment process
- No market predictions, always fully invested
- Unemotional selling with an absolute return mentality

The Polen Capital Investment Process

4: Portfolio Construction & Management

- Construct portfolio of competitively advantaged growth businesses
- Continue to monitor objectively
- Utilize unemotional selling–absolute return mentality

3: Iterative Deep Dive Research

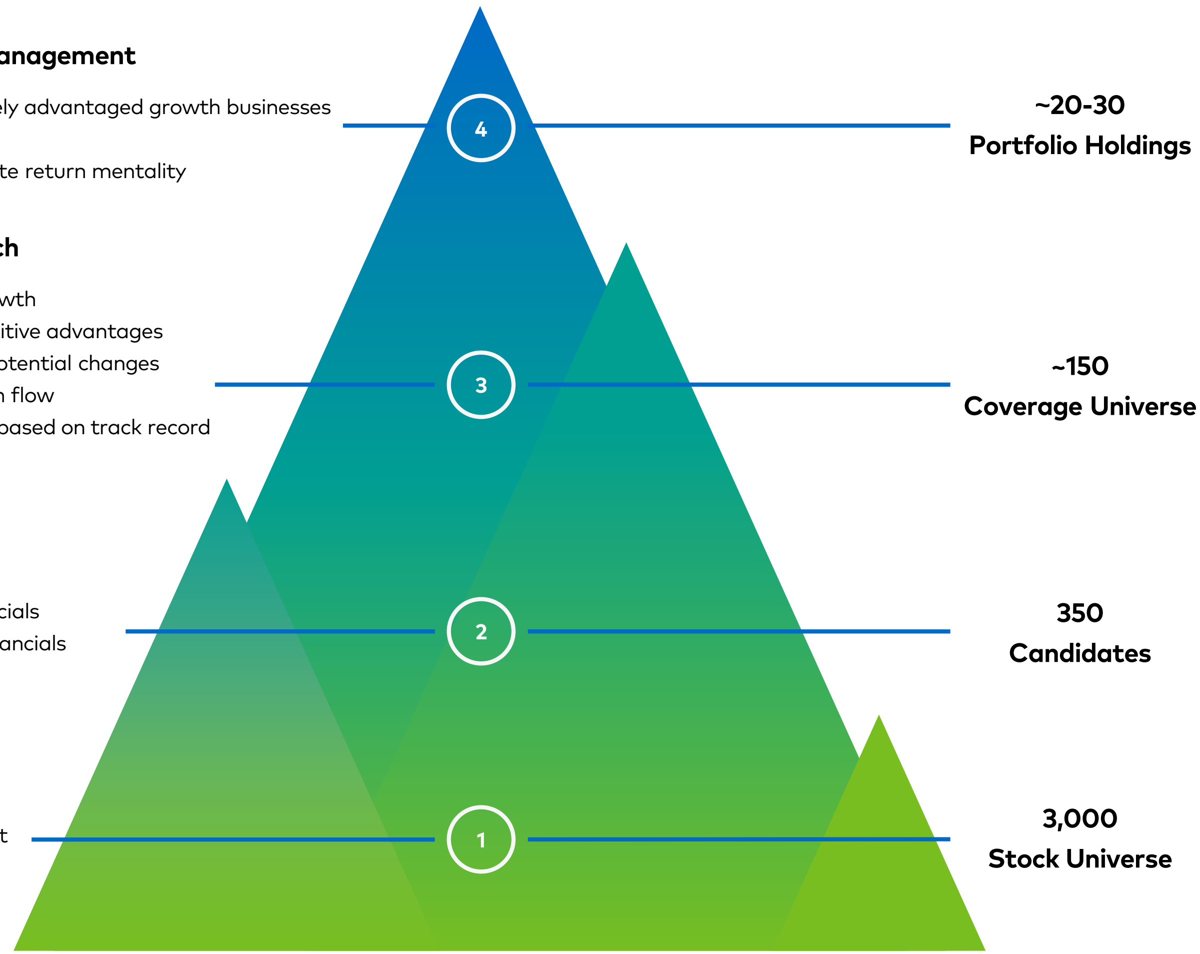
- Assess industry dynamics and growth
- Identify company-specific competitive advantages
- Evaluate competitive dynamics/potential changes
- Valuation work based on free cash flow
- Examine/interview management based on track record
- Identify pre-mortem
- ESG analysis/review

2: Initial Research Project

- Test sustainability of strong financials
- Determine cyclical influence on financials
- Rule out fad/fashion impacts

1: Apply Guardrails

- ROE above 20% sustained
- Exceptionally strong balance sheet
- Stable or growing profit margins
- Abundant free cash flow
- Real-organic revenue growth



Portfolio Characteristics

Company Name	Percentage of Portfolio (%)	Market Cap ($Millions)	P/E Forward 12 Months (x)	Net Debt/Free Cash Flow ex lease	Polen Long-Term EPS Growth Estimates (%)	Return on Total Capital (Total Debt) (%)	Return on Total Capital (Net Debt) (%)
Abbott Laboratories	5.9	200,155	23.4	0.9	12.0	14.3	17.1
Accenture	3.8	199,257	26.7	-0.8	12.0	27.2	39.5
Adobe Systems	6.3	187,086	28.1	-0.1	20.0	26.3	35.7
Airbnb	4.9	98,919	90.6	-2.9	30.0	2.1	NMF
Align Technology	1.1	22,846	29.3	-1.7	25.0	22.8	33.5
Alphabet	8.5	1,508,573	17.0	-1.7	18.0	26.1	52.0
Amazon.com	8.7	1,264,491	37.6	NMF	30.0	7.7	11.0
Autodesk	3.6	41,132	28.2	0.6	17.0	15.4	31.7
DocuSign	1.9	16,192	40.8	-0.2	25.0	NMF	NMF
Gartner	2.3	23,582	40.4	1.4	16.0	21.2	26.3
Illumina	1.9	46,600	71.8	1.1	20.0	0.5	0.7
Intuitive Surgical	2.0	85,898	46.5	-2.8	18.0	14.6	23.7
Mastercard	6.7	353,440	34.2	0.7	18.0	43.4	67.5
Meta Platforms	6.3	542,537	14.1	-1.1	18.0	26.3	42.5
Microsoft	6.2	2,075,581	27.1	-0.6	15.0	30.0	60.4
Netflix	2.3	84,572	17.3	NMF	16.0	14.9	19.1
Nike	2.2	196,249	28.8	-0.8	15.0	23.4	46.6
PayPal Holdings	2.9	101,826	21.2	0.1	18.0	11.9	18.5
salesforce.com	4.3	174,870	37.6	0.1	22.0	0.8	1.0
ServiceNow	3.7	95,840	61.2	-1.3	30.0	4.3	12.4
UnitedHealth Group	4.7	477,503	23.6	1.1	14.0	14.1	17.2
Visa	6.2	458,196	27.9	0.2	18.0	25.0	37.7
Zoetis	2.6	83,529	34.4	1.8	14.0	20.0	29.2
Cash	1.2						

Polen Focus Growth (weighted average)	545,811	27.2	**-0.3**	**19.4**	**19.2**
Russell 1000 Growth	851,182	23.8	**0.8**[1]	**8.0**[2]	**24.7**
S&P 500	647,005	19.7	**1.1**[1]	**7.0**[2]	**19.2**

As of 04-30-2022. [1]Net Debt/Free Cash Flow ratio excludes companies in the benchmark with negative FCF over the TTM period. [2]Our estimates for the market indices are approximate and based on long-term historical data which captures different market cycles. NMF (No Meaningful Figure) is a designation used when an individual financial ratio has a negative denominator or an outlier value (e.g., greater than 100x or 100%, less than 0%) which we view as not representative of the ongoing underlying economics of the business, likely due to transitory issues or GAAP accounting limitations. This figure is also excluded from the weighted average portfolio calculation in an effort to avoid distorting aggregate portfolio characteristics, but remains included in the benchmark calculation unless otherwise noted. Additional information is available upon request. Source: Bloomberg, Polen Capital. Please see Disclosures page for disclosure #1 & #2.

Investing Across the Growth Spectrum

Safety → Growth

UnitedHealthcare	Microsoft	AUTODESK	INTUITIVE	PayPal	airbnb
accenture	zoetis	Gartner	facebook	salesforce	amazon.com
Abbott	NIKE	NETFLIX	Alphabet	illumina	servicenow
			mastercard	Adobe	align
			VISA		DocuSign

As of 04-30-2022. Please see Disclosures page for disclosure #1.

Account Performance

As of May 31, 2022

MWRA Employees Retirement Board

	Currency: USD
Beginning Net Assets (02-01-2016)	**19,397,880**
Cash Flows	2,269,566
Appreciation	21,381,543
Ending Net Assets (05-31-2022)	**43,048,989**

	MTD	QTD	YTD	1Y	3Y	5Y	Since Inception (02/01/2016)
Portfolio Return (Gross)	-2.42	-15.64	-26.80	-16.29	13.19	15.41	15.58
Portfolio Return (Net)	-2.42	-15.78	-27.04	-16.85	12.47	14.67	14.86
Russell 1000 Growth	-2.32	-14.12	-21.88	-6.25	18.31	16.13	17.25
Excess Return (Net)	-0.09	-1.66	-5.15	-10.59	-5.84	-1.46	-2.39
S&P 500	0.18	-8.55	-12.76	-0.30	16.43	13.38	14.83
Excess Return (Net)	-2.60	-7.23	-14.28	-16.55	-3.97	1.29	0.03

Source: Archer and Bloomberg. Reporting currency is in USD
Returns are reported as percentages. Annualized returns are presented for periods greater than one year.

Consistent Risk and Return Rankings

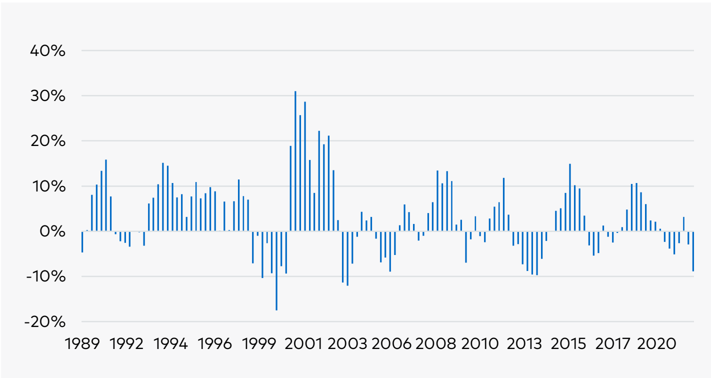
Focus Growth

Focus Growth/ R1000G	Returns (Gross)		Alpha		Beta		Sharpe Ratio		Standard Deviation		Downside Capture Ratio		Upside Capture Ratio		Information Ratio	
Time Period	**Value**	**Rank**	**Value**	**Rank**	**Value**	**Rank**	**Value**	**Rank**	**Value**	**Rank**	**Value**	**Rank**	**Value**	**Rank**	**Value**	**Rank**
1 Year	6.10	69	-7.80	71	1.01	74	0.31	70	19.47	78	108.18	78	79.87	46	-1.56	60
3 Years	19.89	53	-1.84	58	0.94	45	1.01	55	18.99	40	93.80	39	85.33	58	-0.75	58
5 Years	20.80	26	1.22	17	0.93	33	1.17	18	16.85	32	91.17	23	93.32	44	-0.02	26
7 Years	18.05	12	1.67	7	0.94	31	1.10	7	15.61	35	89.88	20	95.23	43	0.16	11
10 Years	16.64	25	0.73	18	0.93	30	1.13	18	14.20	37	90.94	19	92.78	61	-0.09	22
15 Years	14.61	2	2.87	1	0.89	10	0.91	1	15.28	15	82.91	5	91.92	74	0.32	3
20 Years	12.28	6	3.24	2	0.84	8	0.79	3	14.04	10	77.09	5	87.55	88	0.31	6
25 Years	13.31	5	5.57	4	0.74	10	0.79	4	14.50	12	67.25	8	81.85	85	0.43	7
Since Inception (01/01/1989)	15.28	5	6.04	1	0.76	1	0.81	1	15.42	5	61.34	1	95.60	75	0.47	5

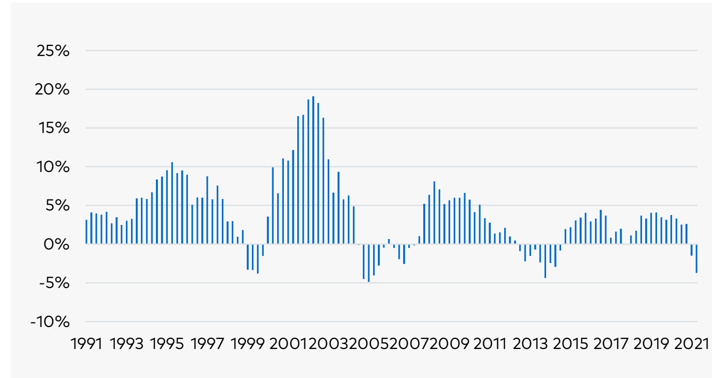
As of 03-31-2022. Source: eVestment Alliance Large Cap Growth Universe. Results were calculated for the trailing periods ending 03-31-2022. Results for all periods are calculated based on monthly returns. Please see Disclosures page for disclosure #2 & #3.

Quarterly Excess Returns

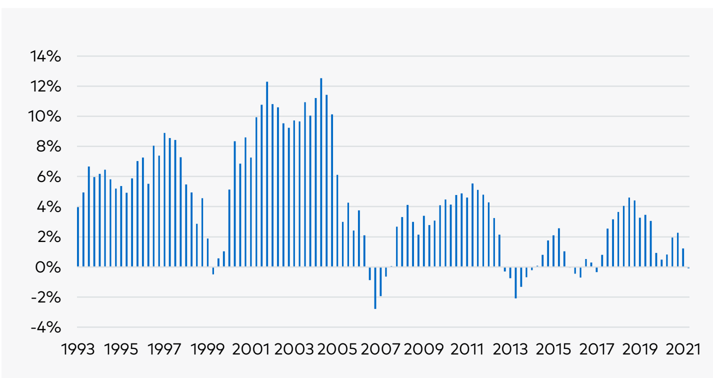
Trailing 1-Year Gross Excess Returns on a Quarterly Basis vs. R1000G[1]



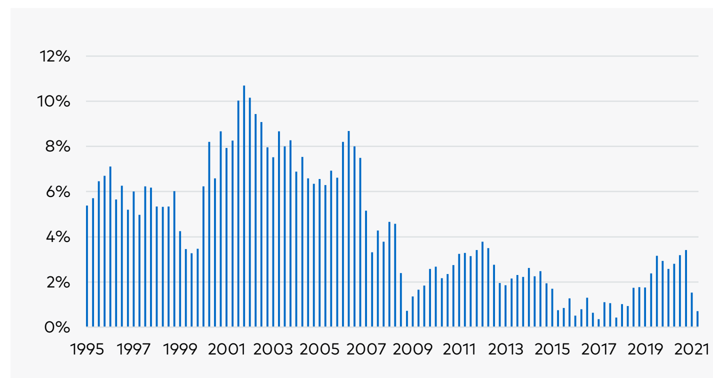
Trailing 3-Year Annualized Gross Excess Returns on a Quarterly Basis vs. R1000G[2]



Trailing 5-Year Annualized Gross Excess Returns on a Quarterly Basis vs. R1000G[3]



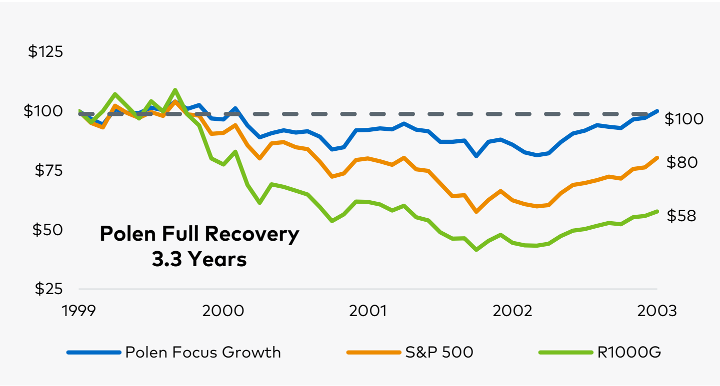
Trailing 7-Year Annualized Gross Excess Returns on a Quarterly Basis vs. R1000G[4]



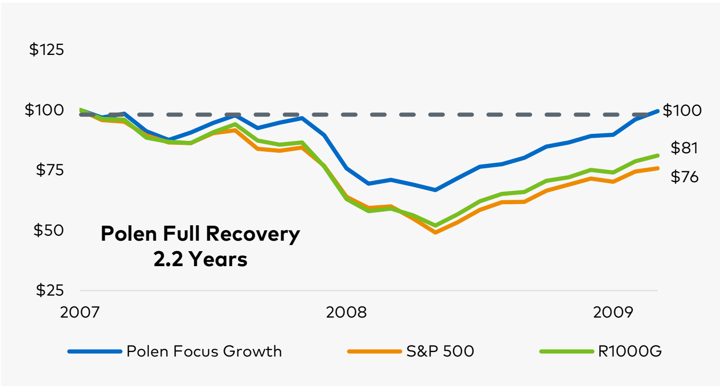
[1]Polen Focus Growth outperformed the R1000G in 78 of 130 periods (60%) for an average 1-year rolling excess return of 319 basis points since inception as of 03-31-2022.
[2]Polen Focus Growth outperformed the R1000G in 95 of 122 periods (78%) for an average 3-year rolling excess return of 393 basis points since inception as of 03-31-2022.
[3]Polen Focus Growth outperformed the R1000G in 98 of 114 periods (86%) for an average 5-year rolling excess return of 421 basis points since inception as of 03-31-2022.
[4]Polen Focus Growth outperformed the R1000G in 106 of 106 periods (100%) for an average 7-year rolling excess return of 434 basis points since inception as of 03-31-2022.
Please see Disclosures page for disclosure #3.

Capital Drawdown & Recovery Periods

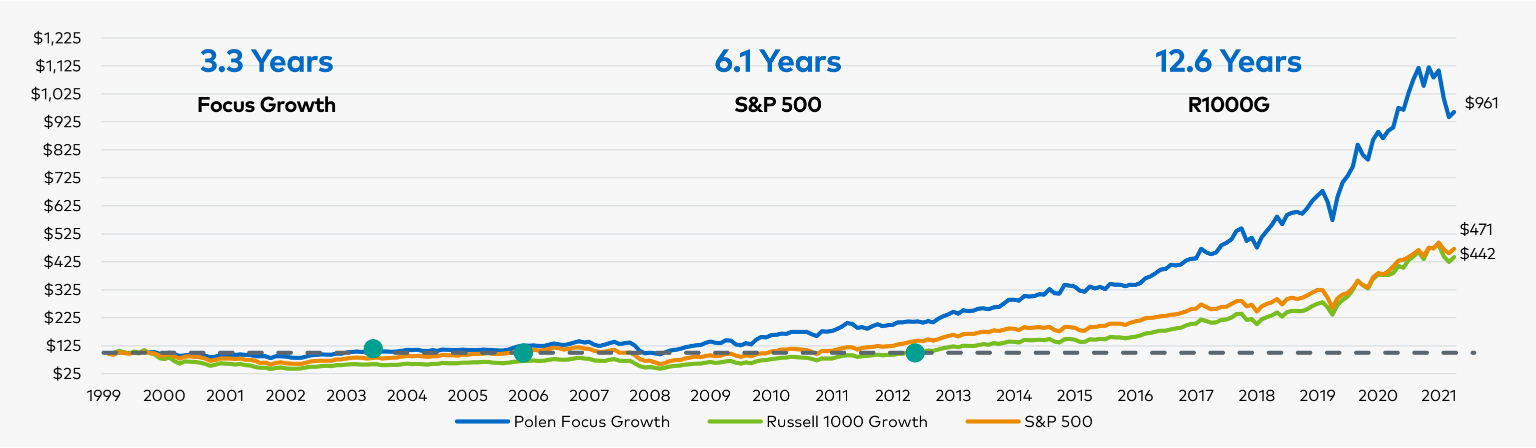
Drawdown & Recovery (Tech Bubble)[1]



Drawdown & Recovery (Global Financial Crisis)[2]



Recovery Time From Initial Drawdown[3]



● Recovery Time Periods.

As of 03-31-2022. [1] 12-31-1999 to 12-31-2003. [2] 10-31-2007 to 12-31-2009. [3] Drawdown to Present 12-31-1999 to 03-31-2022.
Source: Archer. Data related to returns is based on gross returns. Please see Disclosures page for disclosure #3.

Appendix

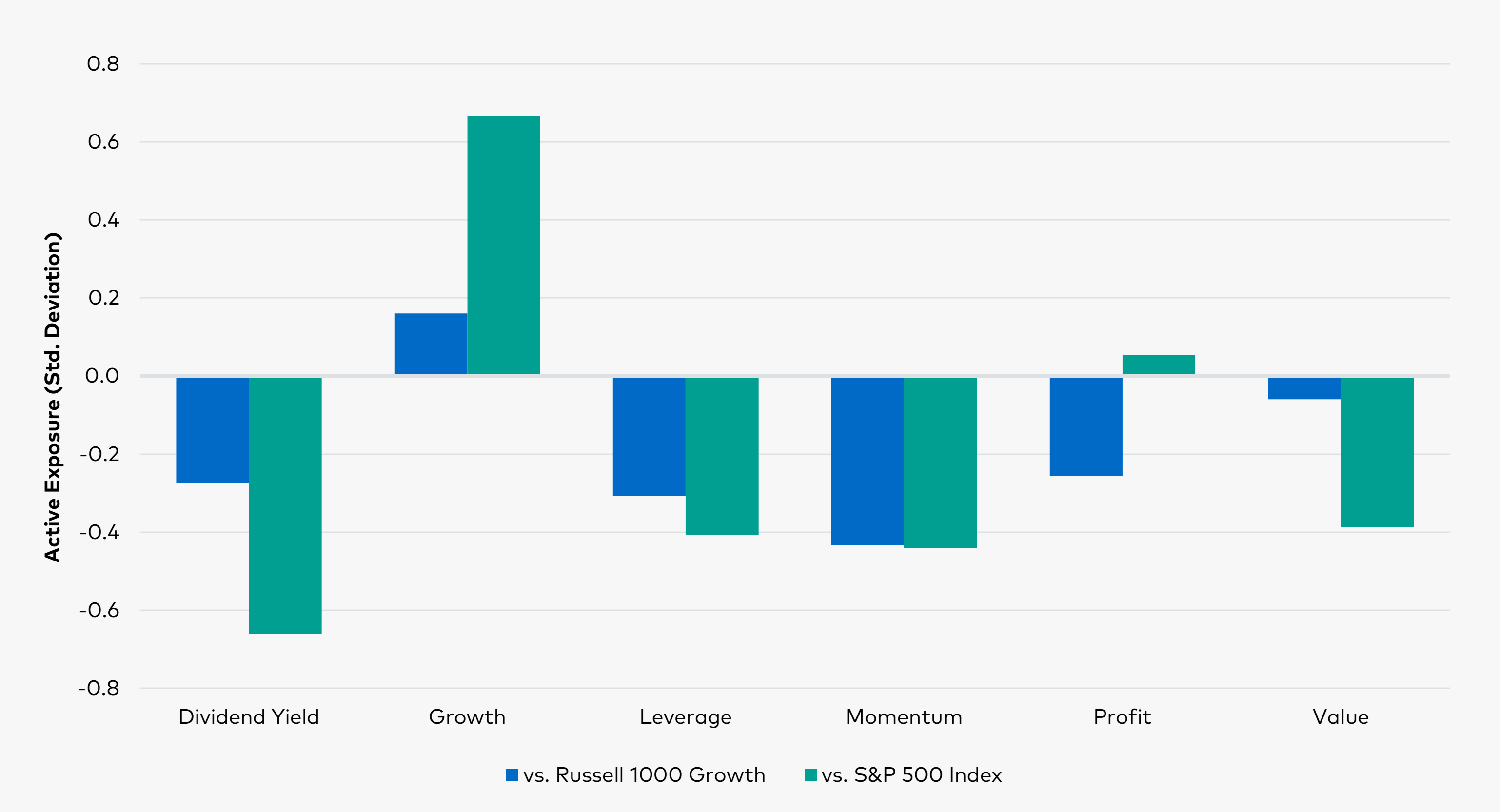
Portfolio Activity

	2Q 2021	3Q 2021	4Q 2021	1Q 2022
New Buys		Airbnb	DocuSign	
Additions		Amazon.com	Mastercard	Visa
		Autodesk	Amazon.com	Autodesk
				Airbnb
				Netflix
				Meta Platforms
				PayPal Holdings
Complete Sells				Starbucks
Trims	Gartner	ServiceNow	Facebook	Alphabet
		Starbucks	Adobe Systems	Zoetis
		Accenture		Accenture
		Zoetis		MSCI
		Microsoft		Gartner
		Adobe Systems		

As of 03-31-2022. Please see Disclosures page for disclosure #1.

Portfolio Factor Exposures

Active Style Exposure



As of 03-31-2022. Source: Bloomberg Portfolio and Risk Analytics. Please see Disclosures page for disclosure #2.

Valuation Risk—Focused on Long-term Expected Return

"The risk of paying too high a price for good quality stocks—while a real one—is not the chief hazard confronting the average buyer of securities...chief losses to investors come from the purchase of low-quality securities at times of favorable business conditions." - Benjamin Graham

5 Year Annualized Return Scenarios

P/E Multiple (Contraction) / Expansion

% 5y EPS CAGR	-67%	-50%	-33%	-25%	-10%	0%	10%
0.0%	-20%	-13%	-8%	-6%	-2%	0%	2%
1.3%	-19%	-12%	-7%	-4%	-1%	1%	3%
2.5%	-18%	-11%	-5%	-3%	0%	2%	4%
3.8%	-17%	-10%	-4%	-2%	2%	4%	6%
5.0%	-16%	-9%	-3%	-1%	3%	5%	7%
6.3%	-15%	-8%	-2%	0%	4%	6%	8%
7.5%	-14%	-6%	-1%	1%	5%	8%	10%
8.8%	-13%	-5%	0%	3%	6%	9%	11%
10.0%	-12%	-4%	2%	4%	8%	10%	12%
11.3%	-11%	-3%	3%	5%	9%	11%	13%
12.5%	-10%	-2%	4%	6%	10%	13%	15%
13.8%	-9%	-1%	5%	7%	11%	14%	16%
15.0%	-8%	0%	6%	9%	13%	15%	17%
16.3%	-7%	1%	7%	10%	14%	16%	18%
17.5%	-6%	2%	8%	11%	15%	18%	20%
18.8%	-5%	3%	10%	12%	16%	19%	21%
20.0%	-4%	4%	11%	13%	17%	20%	22%
21.3%	-3%	6%	12%	14%	19%	21%	24%
22.5%	-2%	7%	13%	16%	20%	23%	25%
23.8%	-1%	8%	14%	17%	21%	24%	26%
25.0%	0%	9%	15%	18%	22%	25%	27%

Source: Polen Capital. This page is not intended as a guarantee of profitable outcomes. Any forward-looking estimates are based on certain expectations and assumptions that are susceptible to changes in circumstances.

Account Holdings

As of May 31, 2022
MWRA Employees Retirement Board

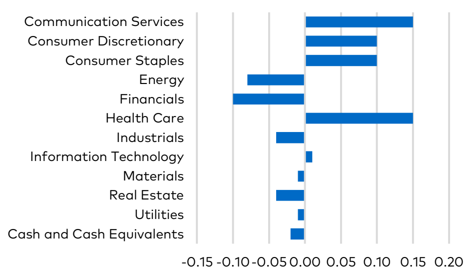
Security Name	Ticker	ISIN	Quantity	Current Price (USD)	Market Value (USD)	Accrued Income (USD)	Portfolio Weight (%)	Russell 1000 Growth Weight (%)
Abbott Laboratories	ABT	US0028241000	14,879	117.46	1,747,687	-	4.1	0.6
Accenture PLC Cl A	ACN	IE00B4BNMY34	5,616	298.46	1,676,151	-	3.9	0.8
Adobe Inc	ADBE	US00724F1012	6,988	416.48	2,910,362	-	6.8	1.1
Airbnb Inc-Class A	ABNB	US0090661010	13,967	120.87	1,688,191	-	3.9	-
Align Technology Inc	ALGN	US0162551016	1,641	277.64	455,607	-	1.1	0.1
Alphabet Inc Cl C	GOOG	US02079K1079	1,632	2,280.78	3,722,233	-	8.6	2.9
Amazon.com Inc	AMZN	US0231351067	1,750	2,404.19	4,207,333	-	9.8	5.7
Autodesk Inc	ADSK	US0527691069	8,464	207.75	1,758,396	-	4.1	0.2
DocuSign Inc	DOCU	US2561631068	10,168	83.91	853,197	-	2.0	0.1
Gartner Inc	IT	US3666511072	3,412	262.40	895,309	-	2.1	0.1
Illumina Inc	ILMN	US4523271090	2,821	239.48	675,573	-	1.6	0.2
Intuitive Surgical Inc	ISRG	US46120E6023	3,646	227.64	829,975	-	1.9	0.4
Mastercard Inc A	MA	US57636Q1040	8,142	357.87	2,913,778	-	6.8	1.7
Meta Platforms Cl A	FB	US30303M1027	13,768	193.64	2,666,036	-	6.2	2.4
Microsoft Corp	MSFT	US5949181045	9,861	271.87	2,680,910	6,114	6.2	11.1
Netflix Inc	NFLX	US64110L1061	5,278	197.44	1,042,088	-	2.4	0.5
Nike Inc Cl B	NKE	US6541061031	7,804	118.85	927,505	-	2.2	0.8
PayPal Holdings Inc	PYPL	US70450Y1038	14,297	85.21	1,218,247	-	2.8	0.5
Salesforce.com Inc	CRM	US79466L3024	10,781	160.24	1,727,547	-	4.0	0.2
ServiceNow Inc	NOW	US81762P1021	3,377	467.47	1,578,646	-	3.7	0.5
UnitedHealth Group Inc	UNH	US91324P1021	3,131	496.78	1,555,418	-	3.6	0.2
Visa Inc Class A Shares	V	US92826C8394	12,700	212.17	2,694,559	4,763	6.3	1.9
Zoetis Inc	ZTS	US98978V1035	6,537	170.93	1,117,369	2,125	2.6	0.4
US Dollars	USD	-	1,493,868	1.00	1,493,868	-	3.5	-
Total					**43,035,988**	**13,001**	**100.0**	**32.4**

The information provided in this report is only an estimate. You should consult your monthly custodian statements for exact i nformation and consult a tax professional for specific tax guidance or advice. Columns may not total properly due to rounding. A total cost of zero indicates the cost is not known. Please see Disclosures page for disclosure #1 & #2.

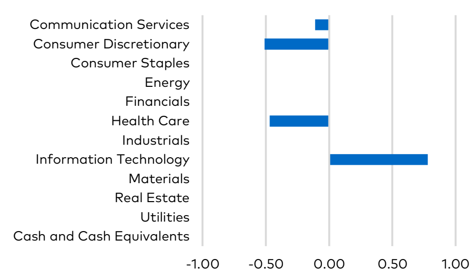
Performance Attribution – Month

GICS Sector	Avg. Portfolio Weight (%)	Avg. Russell 1000 Growth Weight (%)	Active Weight (%)	Gross Portfolio Return (%)	Russell 1000 Growth Return (%)	Portfolio Contribution (%)	Russell 1000 Growth Contribution (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Communication Services	17.67	10.02	7.65	-1.16	-0.51	-0.25	-0.08	0.15	-0.11	0.03
Consumer Discretionary	15.37	17.22	-1.85	-8.76	-5.45	-1.26	-0.98	0.10	-0.51	-0.41
Consumer Staples	0.00	4.86	-4.86	-	-4.49	-	-0.22	0.10	0.00	0.10
Energy	0.00	0.56	-0.56	-	14.30	-	0.07	-0.08	0.00	-0.08
Financials	0.00	2.54	-2.54	-	1.50	-	0.05	-0.10	0.00	-0.10
Health Care	16.18	9.31	6.87	-2.80	-0.45	-0.68	-0.02	0.15	-0.47	-0.31
Industrials	0.00	6.43	-6.43	-	-1.75	-	-0.11	-0.04	0.00	-0.04
Information Technology	48.21	46.06	2.15	-0.58	-2.23	-0.21	-1.04	0.01	0.78	0.79
Materials	0.00	1.07	-1.07	-	-1.61	-	-0.02	-0.01	0.00	-0.01
Real Estate	0.00	1.90	-1.90	-	0.00	-	0.01	-0.04	0.00	-0.04
Utilities	0.00	0.03	-0.03	-	22.27	-	0.01	-0.01	0.00	-0.01
Cash and Cash Equivalents	2.58	0.00	2.58	0.00	-	0.00	-	-0.02	0.00	-0.02
Total	**100.00**	**100.00**	**0.00**	**-2.41**	**-2.32**	**-2.41**	**-2.32**	**0.22**	**-0.31**	**-0.09**

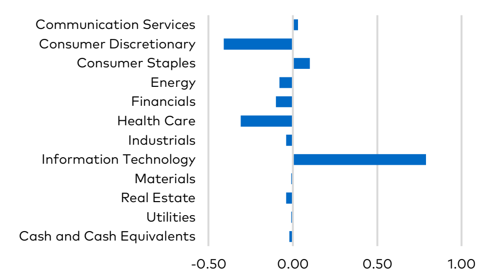
Allocation Effect (%)



Selection Effect (%)



Total Effect (%)



Top 5 Contributors	Avg. Portfolio Weight (%)	Total Return (%)	Contribution to Active Return (%)
Autodesk Inc	3.88	9.76	0.34
Adobe Inc	6.70	5.18	0.29
DocuSign Inc	1.88	3.59	0.08
Netflix Inc	2.35	3.72	0.08
Microsoft Corp	6.28	-1.80	0.08

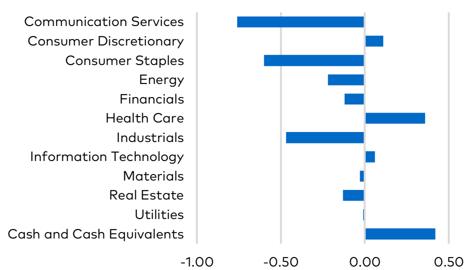
Bottom 5 Contributors	Avg. Portfolio Weight (%)	Total Return (%)	Contribution to Active Return (%)
Airbnb Inc-Class A	4.11	-21.11	-1.05
Salesforce.com Inc	4.26	-8.92	-0.38
Illumina Inc	1.69	-19.27	-0.33
Gartner Inc	2.09	-9.69	-0.19
Meta Platforms Cl A	6.49	-3.41	-0.16

Source: Bloomberg. Data above pertains to the MWRA Employees Retirement Board vs. Russell 1000 Growth. Portfolio returns pres ented are gross of fees and are calculated based on end of day holdings and Bloomberg pricing. These returns may differ from the portfolio returns on the previous pages that are calculated using cash flows and other transactions. Returns net of fees will be lower. Please see Disclosures page for disclosure #1 &#2. For Period April 30, 2022 - May 31, 2022.

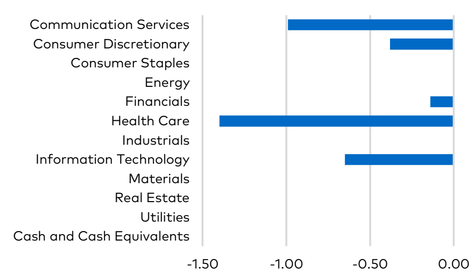
Performance Attribution – Year-to-Date

GICS Sector	Avg. Portfolio Weight (%)	Avg. Russell 1000 Growth Weight (%)	Active Weight (%)	Gross Portfolio Return (%)	Russell 1000 Growth Return (%)	Portfolio Contribution (%)	Russell 1000 Growth Contribution (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Communication Services	17.94	10.63	7.31	-37.88	-32.99	-7.22	-3.81	-0.76	-0.99	-1.75
Consumer Discretionary	15.90	18.15	-2.24	-29.07	-26.59	-4.66	-5.04	0.11	-0.38	-0.27
Consumer Staples	0.00	4.43	-4.43	-	-6.42	-	-0.29	-0.60	0.00	-0.60
Energy	0.00	0.46	-0.46	-	51.31	-	0.16	-0.22	0.00	-0.22
Financials	0.87	2.49	-1.62	-21.45	-14.03	-0.26	-0.32	-0.12	-0.14	-0.25
Health Care	17.92	8.93	8.98	-24.85	-17.17	-4.78	-1.47	0.36	-1.40	-1.04
Industrials	0.00	6.19	-6.19	-	-13.62	-	-0.80	-0.47	0.00	-0.47
Information Technology	44.97	45.91	-0.94	-23.40	-21.73	-9.90	-9.88	0.06	-0.65	-0.59
Materials	0.00	1.00	-1.00	-	-18.89	-	-0.19	-0.03	0.00	-0.03
Real Estate	0.00	1.78	-1.78	-	-14.41	-	-0.24	-0.13	0.00	-0.13
Utilities	0.00	0.03	-0.03	-	7.07	-	0.00	-0.01	0.00	-0.01
Cash and Cash Equivalents	2.40	0.00	2.40	0.00	-	0.00	-	0.42	0.00	0.42
Total	**100.00**	**100.00**	**0.00**	**-26.82**	**-21.88**	**-26.82**	**-21.88**	**-1.37**	**-3.56**	**-4.93**

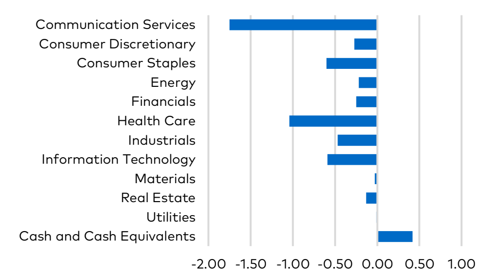
Allocation Effect (%)



Selection Effect (%)



Total Effect (%)



Top 5 Contributors	Avg. Portfolio Weight (%)	Total Return (%)	Contribution to Active Return (%)
Microsoft Corp	5.93	-18.80	0.90
Alphabet Inc Cl A	0.41	-3.76	0.65
Mastercard Inc A	5.94	-0.13	-0.01
Visa Inc Class A Shares	5.47	-1.74	-0.04
UnitedHealth Group Inc	3.94	-0.77	-0.05

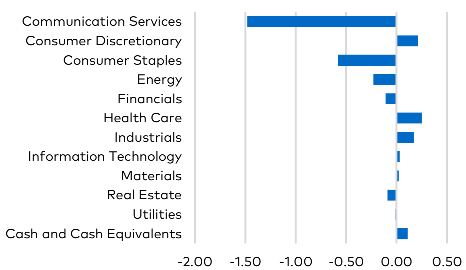
Bottom 5 Contributors	Avg. Portfolio Weight (%)	Total Return (%)	Contribution to Active Return (%)
Netflix Inc	3.11	-67.23	-2.05
Salesforce.com Inc	4.41	-36.95	-1.64
Meta Platforms Cl A	6.08	-42.43	-1.30
Airbnb Inc-Class A	4.22	-27.40	-1.21
Alphabet Inc Cl C	8.34	-21.18	-1.05

Source: Bloomberg. Data above pertains to the MWRA Employees Retirement Board vs. Russell 1000 Growth. Portfolio returns presented are gross of fees and are calculated based on end of day holdings and Bloomberg pricing. These returns may differ from the portfolio returns on the previous pages that are calculated using cash flows and other transactions. Returns net of fees will be lower. Please see Disclosures page for disclosure #1 &#2. For Period December 31, 2021 - May 31, 2022.

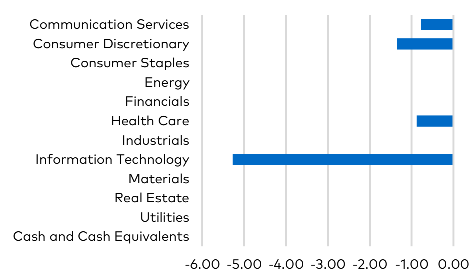
Performance Attribution – One Year

GICS Sector	Avg. Portfolio Weight (%)	Avg. Russell 1000 Growth Weight (%)	Active Weight (%)	Gross Portfolio Return (%)	Russell 1000 Growth Return (%)	Portfolio Contribution (%)	Russell 1000 Growth Contribution (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
Communication Services	19.44	11.67	7.77	-30.09	-26.18	-5.42	-2.99	-1.48	-0.78	-2.26
Consumer Discretionary	14.21	18.11	-3.90	-21.76	-13.73	-4.06	-2.75	0.21	-1.35	-1.15
Consumer Staples	0.00	4.10	-4.10	-	9.16	-	0.26	-0.58	0.00	-0.58
Energy	0.00	0.35	-0.35	-	65.52	-	0.20	-0.23	0.00	-0.23
Financials	1.31	2.42	-1.11	3.14	0.15	0.10	-0.01	-0.11	-0.01	-0.12
Health Care	17.96	9.30	8.66	-8.61	-4.29	-1.78	-0.14	0.25	-0.88	-0.63
Industrials	0.00	5.97	-5.97	-	-10.14	-	-0.65	0.17	0.00	0.17
Information Technology	44.46	45.28	-0.82	-12.93	0.32	-5.11	-0.06	0.03	-5.28	-5.25
Materials	0.00	0.99	-0.99	-	-10.28	-	-0.10	0.02	0.00	0.02
Real Estate	0.00	1.78	-1.78	-	-1.23	-	-0.02	-0.09	0.00	-0.09
Utilities	0.00	0.03	-0.03	-	39.48	-	0.01	-0.01	0.00	-0.01
Cash and Cash Equivalents	2.62	0.00	2.62	0.00	-	0.00	-	0.11	0.00	0.11
Total	**100.00**	**100.00**	**0.00**	**-16.27**	**-6.25**	**-16.27**	**-6.25**	**-1.71**	**-8.31**	**-10.01**

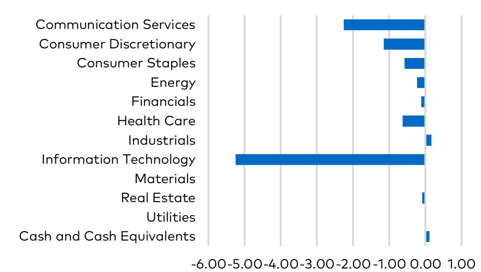
Allocation Effect (%)



Selection Effect (%)



Total Effect (%)



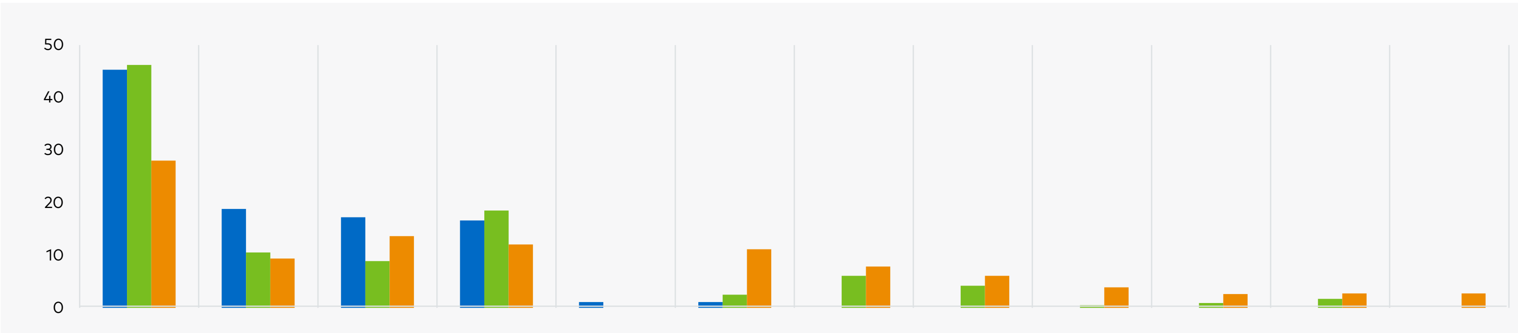
Top 5 Contributors	Avg. Portfolio Weight (%)	Total Return (%)	Contribution to Active Return (%)
Alphabet Inc Cl A	1.81	18.29	0.60
UnitedHealth Group Inc	3.39	22.24	0.54
Gartner Inc	2.62	13.18	0.30
Accenture PLC Cl A	3.94	6.98	0.22
MSCI Inc	1.31	3.14	0.10

Bottom 5 Contributors	Avg. Portfolio Weight (%)	Total Return (%)	Contribution to Active Return (%)
Netflix Inc	2.90	-60.73	-1.93
Salesforce.com Inc	4.72	-32.70	-1.49
PayPal Holdings Inc	2.89	-67.23	-1.40
Meta Platforms Cl A	7.19	-41.09	-1.30
Airbnb Inc-Class A	2.92	-15.65	-0.98

Source: Bloomberg. Data above pertains to the MWRA Employees Retirement Board vs. Russell 1000 Growth. Portfolio returns presented are gross of fees and are calculated based on end of day holdings and Bloomberg pricing. These returns may differ from the portfolio returns on the previous pages that are calculated using cash flows and other transactions. Returns net of fees will be lower. Please see Disclosures page for disclosure #1 &#2. For Period May 31, 2021 - May 31, 2022.

GICS Sector Allocation

Our Focus is on Companies with Long-Term Staying Power

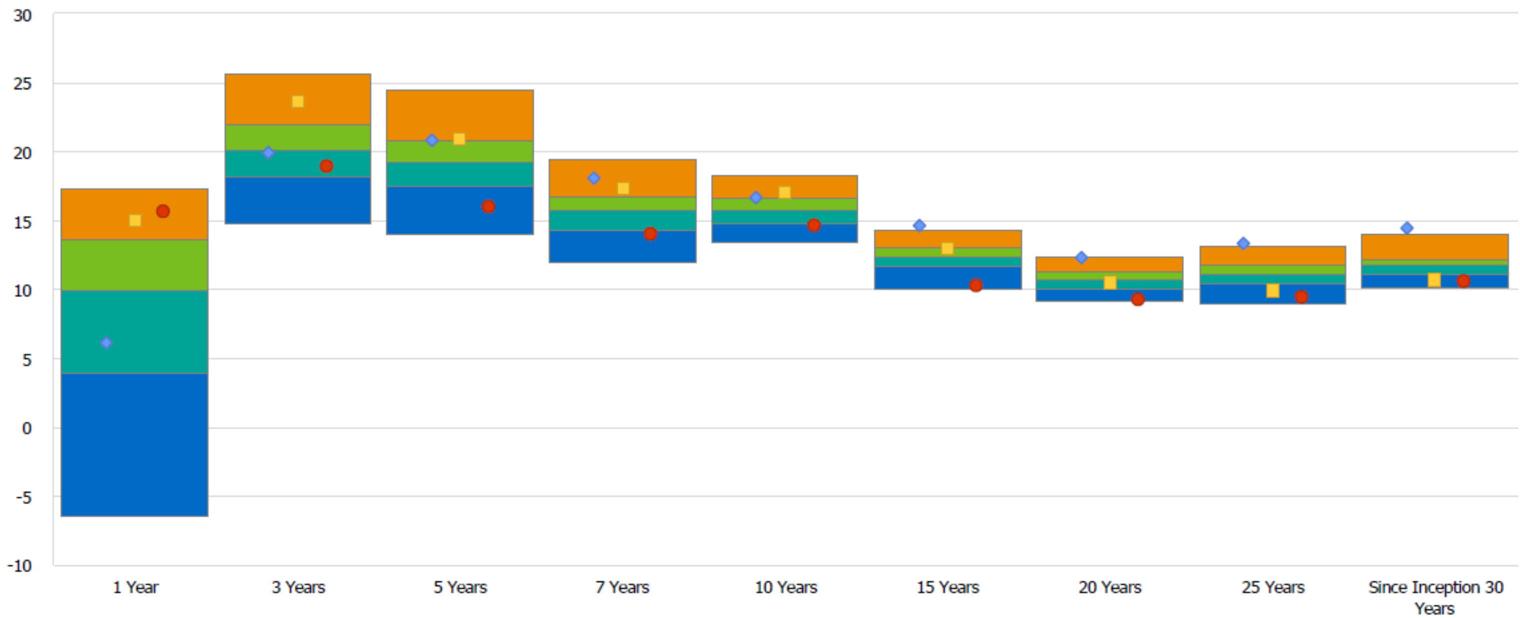


	Information Technology	Comm. Services	Health Care	Consumer Discretionary	Financials	Industrials	Consumer Staples	Energy	Materials	Real Estate	Utilities	Cash
Focus Growth	45.3	18.8	17.2	16.6	1.1	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Russell 1000G	46.2	10.5	8.9	18.5	2.5	6.1	4.2	0.5	0.9	1.7	0.0	0.0
S&P 500	28.0	9.4	13.6	12.0	11.1	7.9	6.1	3.9	2.6	2.7	2.7	0.0

Information Technology	Communication Services	Health Care	Consumer Discretionary	Financials
• Accenture • Adobe Systems • Autodesk • DocuSign • Gartner • Mastercard • Microsoft • PayPal Holdings • Salesforce.com • ServiceNow • Visa	• Alphabet • Meta Platforms • Netflix	• Abbott Laboratories • Align Technology • Illumina • Intuitive Surgical • UnitedHealth Group • Zoetis	• Airbnb • Amazon.com • Nike	• MSCI

As of 03-31-2022. Please see Disclosures page for disclosure #1 & #2.

Focus Growth vs. Large Company Growth Universe



	1 Yr	Rk	3 Yr	Rk	5 Yr	Rk	7 Yr	Rk	10 Yr	Rk	15 Yr	Rk	20 Yr	Rk	25 Yr	Rk	Incept.	Rk
5th Percentile	17.29		25.55		24.39		19.38		18.23		14.23		12.32		13.08		14.00	
25th Percentile	13.56		21.91		20.77		16.68		16.59		13.02		11.28		11.69		12.08	
Median	9.87		20.09		19.16		15.72		15.74		12.35		10.63		11.07		11.76	
75th Percentile	3.85		18.11		17.42		14.29		14.77		11.60		9.96		10.38		11.09	
95th Percentile	-6.46		14.75		13.99		11.90		13.36		9.96		9.16		8.89		10.11	
# of Observations	168		166		160		151		140		125		97		54		28	
◆ Polen Focus Growth	6.10	68	19.89	53	20.80	24	18.05	10	16.64	22	14.61	2	12.28	6	13.31	4	14.42	1
■ Russell 1000 Growth	14.98	13	23.60	14	20.88	22	17.34	16	17.04	16	12.92	27	10.48	59	9.89	85	10.67	81
● S&P 500	15.65	10	18.92	69	15.99	87	14.01	79	14.64	79	10.26	93	9.25	94	9.44	90	10.57	85
Results displayed is US Dollar (USD)																		

As of 03-31-2022. Universe: eVestment US Large Cap Growth Equity. Since Inception results are from 3-31-1989. Periods over one-year are annualized. eVestment Alliance, LLC and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable, however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible fo r any errors or omissions. Performance results may be provided with additional disclosure available on eVestment's systems and other important considerations such as fees that may be applicable. Not for general distribution and limited distribution may only be made pursuant to client's agreement terms. *All categories not necessarily included, totals may not equal 100%. Please see Disclosures page for disclosure #3.

Historical Performance—A Culture of Results

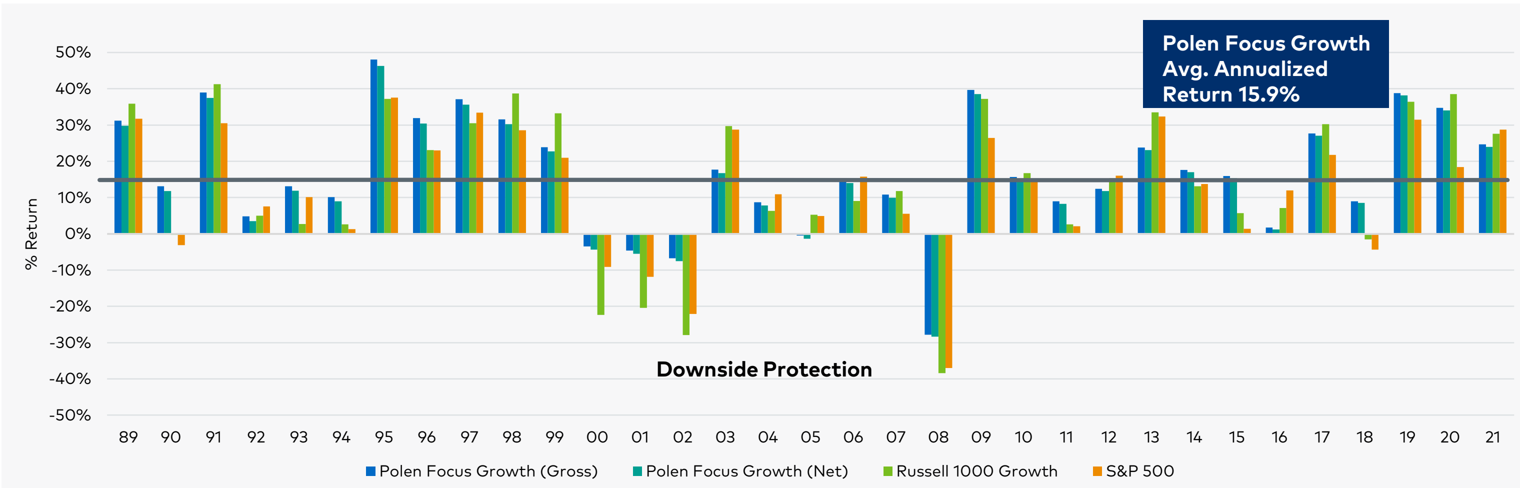
Polen Focus Growth - Separately Managed Account (SMA) Composite Performance

	Polen (Gross) (%)	Polen (Net) (%)	R1000G (%)	S&P 500 (%)
1Q 2022	-13.39	-13.56	-9.04	-4.59
YTD	-13.39	-13.56	-9.04	-4.59
1 Year	6.10	5.46	14.98	15.66
3 Years	19.89	19.27	23.60	18.93
5 Years	20.80	20.20	20.89	15.99
7 Years	18.05	17.46	17.35	14.02
10 Years	16.64	16.04	17.05	14.64
15 Years	14.61	13.90	12.92	10.27
20 Years	12.28	11.51	10.48	9.25
25 Years	13.31	12.46	9.90	9.44
30 Years	14.42	13.49	10.67	10.57
Since Inception (01/01/1989)	15.28	14.31	11.57	11.10

As of 3-31-2022. Source: Archer. Returns are trailing through 3-31-2022. Annualized returns are presented for periods greater than one year. Please see Disclosures page for disclosure #3. Please see the attached GIPS Report in the Appendix.

Annual Rates of Return

Polen Focus Growth vs. Russell 1000 Growth & S&P 500



89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04
31.2%	13.1%	39.0%	4.8%	13.1%	10.1%	48.1%	31.9%	37.1%	31.6%	23.9%	-3.5%	-4.6%	-6.7%	17.7%	8.7%
29.8%	11.8%	37.5%	3.5%	11.9%	9.0%	46.3%	30.4%	35.6%	30.2%	22.7%	-4.4%	-5.5%	-7.5%	16.7%	7.8%
35.9%	-0.3%	41.3%	5.0%	2.7%	2.6%	37.2%	23.1%	30.5%	38.7%	33.2%	-22.4%	-20.4%	-27.9%	29.7%	6.3%
31.7%	-3.1%	30.5%	7.6%	10.1%	1.3%	37.6%	23.0%	33.4%	28.6%	21.0%	-9.1%	-11.9%	-22.1%	28.7%	10.9%

05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
-0.5%	15.0%	10.8%	-27.8%	39.7%	15.7%	9.0%	12.4%	23.8%	17.6%	15.9%	1.7%	27.7%	9.0%	38.8%	34.7%
-1.4%	14.0%	9.9%	-28.4%	38.5%	14.7%	8.3%	11.8%	23.1%	17.0%	15.3%	1.2%	27.1%	8.5%	38.2%	34.0%
5.3%	9.1%	11.8%	-38.4%	37.2%	16.7%	2.6%	15.3%	33.5%	13.1%	5.7%	7.1%	30.2%	-1.5%	36.4%	38.5%
4.9%	15.8%	5.5%	-37.0%	26.4%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%

21
24.7%
24.0%
27.6%
28.7%

As of 12-31-2021. Returns from 01-01-1989 through 12-31-2021. Please see Disclosures page for disclosure #3.

Large Company Growth Team Biographies

Dan Davidowitz, CFA – Portfolio Manager & Analyst
Dan joined Polen Capital in 2005. Dan is the lead portfolio manager of the firm's flagship Focus Growth strategy. Prior to joining Polen Capital, Dan spent five years as Vice President and Research Analyst at Osprey Partners Investment Management. Before joining Osprey Partners, Dan spent one year as a Research Analyst at Value Line, Inc. and five years in the health care sector, holding various analytical positions at Memorial Sloan-Kettering Cancer Center. Dan received a B.S. with high honors in Public Health from Rutgers University and an M.B.A. from the City University of New York, Baruch College Zicklin School of Business. Dan is a CFA® charterholder and a member of the CFA Institute and the CFA Society of South Florida.

Damon Ficklin – Head of Team, Portfolio Manager & Analyst
Damon joined Polen Capital in 2003. He heads the Large Company Growth Team and is the lead portfolio manager of the firm's Global Growth strategy. From 2012 through June 30, 2019, Damon was a co-portfolio manager on the Focus Growth strategy. Prior to joining Polen Capital, Damon spent one year working as an equity analyst with Morningstar and four years as a tax consultant to Fortune 500 companies with Price Waterhouse. Damon graduated Magna Cum Laude from the University of South Florida with a B.S. in Accounting, earned an M.S. in Accounting (magna cum laude) from Appalachian State University, and earned an M.B.A. with high honors from The University of Chicago Booth School of Business. He serves on the Investment Committee to the Board of the Make-A-Wish Foundation of Southern Florida.

Daniel Fields, CFA – Portfolio Manager & Analyst
Daniel joined Polen Capital in 2017. He is co-portfolio manager of the firm's International Growth strategy. Prior to joining Polen Capital, Daniel spent eight years in Hong Kong where he worked for GaveKal Capital and Marshall Wace LLP as a Research Analyst evaluating Asian growth companies. He began his career at Fisher Investments as a Junior Analyst analyzing Emerging Markets companies. Daniel received a B.S. in Finance from the University of Idaho and M.S. in Global Finance from the NYU Stern School of Business and HKUST Business School. Daniel is a CFA® charterholder.

Brandon Ladoff – Portfolio Manager & Director of Sustainable Investing
Brandon joined Polen Capital in 2013. Brandon is a co-portfolio manager of the firm's Focus Growth strategy and is responsible for managing the team's research and investment process. Prior to joining Polen Capital, Brandon spent over four years as a corporate lawyer at Willkie Farr & Gallagher, LLP. Prior to that, he spent a year as a Tax Associate at PricewaterhouseCoopers, LLP. Brandon received his B.S. in Accounting from the University of Florida, where he graduated summa cum laude. He also completed a Certificate in Business Policy at the Wharton School of Business and earned a J.D. from the University of Pennsylvania Law School, where he graduated cum laude.

Todd Morris – Portfolio Manager & Analyst
Todd joined Polen Capital in 2011. Todd is lead portfolio manager of the firm's International Growth strategy. He also works as an analyst, identifying and researching investments for the strategy. During his time at Polen Capital, he has served as a Research Analyst and the Director of Research. Prior to joining Polen Capital, Todd worked in research and marketing roles with Prudential Insurance and Millennium Global Asset Management, respectively, and served for seven years in the U.S. Navy. During his naval career, Todd navigated a warship on three deployments, taught at the U.S. Merchant Marine Academy, and served with the U.S. Army in Iraq. Todd received a B.S. in History from the U.S. Naval Academy where he was a student-athlete and an M.B.A. from Columbia Business School.

Large Company Growth Team Biographies

Jeff Mueller – Portfolio Manager & Analyst

Jeff joined Polen Capital in 2013. He is co-portfolio manager of the firm's Global Growth strategy. Prior to joining Polen Capital, Jeff spent 10 years in the U.S. Marine Corps, during which he flew over 200 combat missions in F/A-18s. Jeff received his B.A. in Communications and Business Administration from Trinity University in San Antonio, where he was Captain of the Men's Tennis Team, an All American, and NCAA Champion. Jeff is a Tillman Scholar and earned his M.B.A. with honors and distinction from Columbia Business School, where he was a graduate of the Value Investing Program. Jeff serves as an adjunct faculty member at Columbia Business School, where he teaches the Compounders course within the Value Investing Program. Jeff is a member of the Board of Trustees at Trinity University in San Antonio, where he serves on the investment committee.

Stephen Atkins, CFA – Portfolio Strategist & Analyst

Stephen joined Polen Capital in 2012. Prior to joining Polen Capital, Stephen spent 12 years as a portfolio manager at Northern Trust Investments, including eight years as a mutual fund co-manager. Before joining Northern Trust, Stephen spent two years as a portfolio manager at Carl Domino Associates, LP. Stephen received his B.S. in Business Administration from Georgetown University and a General Course degree from the London School of Economics. Stephen is a CFA® charterholder and a member of the CFA Institute and the CFA Society of South Florida.

Lauren Harmon, CFA – ESG & Research Analyst

Lauren joined Polen Capital in 2016. Prior to joining Polen Capital, Lauren spent almost three years as a performance and risk analyst at GE Asset Management. Prior to that, she spent more than two years as an investment analyst at Rocaton Investment Advisors. Lauren received a B.A. in Business and Psychology from Wake Forest University and an M.B.A. from Columbia Business School, where she was a graduate of the Value Investing Program. Lauren is a CFA® charterholder and a member of the CFA Institute.

Bryan Power, CFA – Director of Research & Analyst

Bryan joined Polen Capital in 2016. Prior to joining the firm, Bryan spent two years as an Associate in equity research and institutional equity sales at Oppenheimer & Co. Prior to that, he spent almost three years working in various equity-related analytical roles at Bloomberg LP. Bryan received a B.A. in Economics and Business (cum laude) from Johns Hopkins University, where he was a student-athlete, and earned an M.B.A. from The University of Chicago Booth School of Business. Bryan is a CFA® charterholder and member of the CFA Society of South Florida.

Roland Cole – Research Analyst

Roland joined Polen Capital Management in July 2018. Prior to joining Polen Capital, Roland spent two years as an Investment Consultant in asset allocation and financial advisory at Duncan-Williams, Inc. He spent nearly three years working in various equity-related analytical roles that included the co-launch of Duncan Williams Asset Management, a private wealth advisory firm focusing on multi-manager investments for high net worth individuals and non-profit organizations. Roland received a B.S. in Economics and History from Vanderbilt University and an M.B.A. in Accounting and Analytic Finance from the University of Chicago Booth School of Business.

Rana Pritanjali, CFA – Research Analyst

Rana joined Polen Capital in 2021. Prior to joining Polen Capital, Rana was a Global Consumer Analyst at Causeway Capital Management. Prior to that, Rana held positions at The Motley Fool, covering the consumer, media, and auto sectors, as well as Arkanis Capital in India, and Credit Suisse in Singapore. Rana received a B.S. in Civil Engineering from IIT Delhi and an M.B.A. from Columbia Business School, where she was a member of the Value Investing program. Rana is a CFA® charterholder.

GIPS Report

Focus Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results					3 Year Standard Deviation		
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	S&P 500 (%)	Russell 1000 G (%)	Composite Dispersion (%)	Composite Gross (%)	S&P 500 (%)	Russell 1000 G (%)
2021	82,789	28,884	53,905	14,809	2387	24.71	24.04	28.71	27.61	0.3	17.25	17.17	18.17
2020	59,161	20,662	38,499	12,257	1904	34.64	34.00	18.40	38.49	0.4	18.16	18.53	19.64
2019	34,784	12,681	22,104	8,831	939	38.80	38.16	31.49	36.40	0.3	12.13	11.93	13.07
2018	20,591	7,862	12,729	6,146	705	8.99	8.48	-4.38	-1.51	0.2	11.90	10.95	12.12
2017	17,422	6,957	10,466	5,310	513	27.74	27.14	21.83	30.22	0.3	10.66	10.07	10.54
2016	11,251	4,697	6,554	3,212	426	1.72	1.22	11.96	7.09	0.2	11.31	10.74	11.31
2015	7,451	2,125	5,326	2,239	321	15.89	15.27	1.38	5.68	0.1	10.92	10.62	10.85
2014	5,328	1,335	3,993	1,990	237	17.60	16.95	13.69	13.06	0.2	10.66	9.10	9.73
2013	5,015	1,197	3,818	1,834	245	23.77	23.07	32.39	33.49	0.3	11.91	12.11	12.35
2012	4,527	889	3,638	1,495	325	12.43	11.75	16.00	15.26	0.1	16.01	15.30	15.88
2011	2,374	561	1,812	556	171	9.04	8.25	2.11	2.63	0.2	15.98	18.97	18.01
2010	1,181	322	860	316	120	15.65	14.70	15.06	16.72	0.2	20.16	22.16	22.42
2009	626	131	494	225	120	39.71	38.50	26.46	37.21	0.3	16.99	19.91	20.01
2008	266	10	256	137	112	-27.81	-28.42	-37.00	-38.44	0.3	15.26	15.29	16.63
2007	682	-	682	491	149	10.78	9.86	5.49	11.81	0.2	8.36	7.79	8.66
2006	730	-	730	524	219	15.00	14.04	15.80	9.07	0.1	7.25	6.92	8.43
2005	1,849	-	1,849	945	419	-0.53	-1.43	4.91	5.26	0.2	8.08	9.17	9.67
2004	2,017	-	2,017	1,124	665	8.72	7.76	10.88	6.30	0.2	10.08	15.07	15.66
2003	1,617	-	1,617	907	513	17.73	16.67	28.68	29.75	0.7	12.98	18.32	22.98
2002	970	-	970	518	407	-6.69	-7.53	-22.10	-27.88	0.9	13.15	18.81	25.58
2001	703	-	703	408	289	-4.61	-5.50	-11.89	-20.42	1.0	13.58	16.94	25.56
2000	622	-	622	359	236	-3.50	-4.44	-9.10	-22.42	0.7	16.52	17.67	23.11
1999	640	-	640	377	228	23.89	22.65	21.04	33.16	0.6	18.27	16.76	19.27
1998	418	-	418	257	202	31.61	30.19	28.58	38.71	0.7	17.95	16.23	18.15
1997	252	-	252	145	158	37.14	35.63	33.36	30.49	0.9	13.17	11.30	12.79
1996	140	-	140	89	118	31.94	30.40	22.96	23.12	0.7	10.61	9.72	10.49
1995	70	-	70	45	61	48.07	46.33	37.58	37.18	1.0	9.72	8.34	9.26
1994	32	-	32	17	27	10.13	8.96	1.32	2.62	1.6	-	-	-

Total assets and UMA assets are supplemental information to the GIPS Composite Report.
While pitch books are updated quarterly to include composite performance through the most recent quarter, we use the GIPS Report that includes annual returns only. To minimize the risk of error we update the GIPS Report annually. This is typically updated by the end of the first quarter.

GIPS Report

The Focus Growth Composite created on January 1, 2006 with inception date April 1, 1992 contains fully discretionary large cap equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against the S&P 500 and the Russell 1000 Growth indices. Prior to March 22, 2021, the composite was named Large Capitalization Equity Composite. The accounts are highly concentrated and unconstrained with regard to the number of the highest-conviction positions (i.e., positions of greater than 5%) comprising the portfolios. Polen Capital invests exclusively in a portfolio of high-quality companies.

Polen Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Polen Capital Management has been independently verified for the periods April 1, 1992 through June 30, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Focus Growth Composite has had a performance examination for the periods April 1, 1992 through December 31, 2020. The verification and performance examination reports are available upon request.

Polen Capital Management is an independent registered investment adviser. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. In July 2007, the firm was reorganized from an S-corporation into an LLC and changed names from Polen Capital Management, Inc. to Polen Capital Management, LLC. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. From July 1, 2002 through April 30, 2016, composite policy required the temporary removal of any portfolio incurring a client initiated significant cash outflow of 10% or greater of portfolio assets. The temporary removal of such an account occurred at the beginning of the month in which the significant cash flow occurred and the account re-entered the composite the first full month after the cash flow. The U.S. Dollar is the currency used to express performance. Certain accounts included in the composite may participate in a zero-commission program. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an asset-weighted standard deviation using returns presented gross of management fees calculated for the accounts in the composite the entire year. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The management fee schedule is as follows:

Institutional: Per annum fees for managing accounts are 75 basis points (.75%) on the first $50 Million and 55 basis points (.55%) on all assets above $50 Million of assets under management.

HNW: Per annum fees for managing accounts are 150 basis points (1.5%) of the first $500,000 of assets under management and 100 basis points (1.0%) of amounts above $500,000 of assets under management. Actual investment advisory fees incurred by clients may vary.

Past performance does not guarantee future results and future accuracy and profitable results cannot be guaranteed. Performance figures are presented gross and net of management fees and have been calculated after the deduction of all transaction costs and commissions. Polen Capital is an SEC registered investment advisor and its investment advisory fees are described in its Form ADV Part 2A. The advisory fees will reduce clients' returns. The chart below depicts the effect of a 1% management fee on the growth of one dollar over a 10 year period at 10% (9% after fees) and 20% (19% after fees) assumed rates of return.

The Russell 1000® Growth Index is a market capitalization weighted index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The index is maintained by the FTSE Russell, a subsidiary of the London Stock Exchange Group. The S&P 500® Index is a market capitalization weighted index that measures 500 common equities that are generally representative of the U.S. stock market. The index is maintained by S&P Dow Jones Indices.

The volatility and other material characteristics of the indices referenced may be materially different from the performance achieved. In addition, the composite's holdings may be materially different from those within the index. Indices are unmanaged and one cannot invest directly in an index.

The information provided in this document should not be construed as a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the composite or that the securities sold will not be repurchased. The securities discussed do not represent the composites' entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. A complete list of our past specific recommendations for the last year is available upon request.

Return	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
10%	1.10	1.21	1.33	1.46	1.61	1.77	1.95	2.14	2.36	2.59
9%	1.09	1.19	1.30	1.41	1.54	1.68	1.83	1.99	2.17	2.37
20%	1.20	1.44	1.73	2.07	2.49	2.99	3.58	4.30	5.16	6.19
19%	1.19	1.42	1.69	2.01	2.39	2.84	3.38	4.02	4.79	5.69

Disclosures

1. The information provided in this document should not be construed as a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will be in the composite at the time you receive this document or that any securities sold have not been repurchased. The securities discussed do not necessarily represent the composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, restrictions, and any trade orders in progress on the date as of when holdings are shown. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable or that any investment recommendations we make in the future will equal the investment performance of the securities discussed herein. For a complete list of Polen's past specific recommendations holdings and current holdings as of the current quarter end, please contact info@polencapital.com.
2. Portfolio characteristics are shown as of September 30, 2021. There can be no guarantee that the portfolio will exhibit identical or similar characteristics to those shown at any future time of investment. Investments are subject to risks, including the possibility that the value of any investment (and income derived thereof (if any)) can increase, decrease or in some cases, be entirely lost and investors may not get back the amount originally invested. This document does not identify all the risks (direct or indirect) or other considerations which might be material to you when entering any financial transaction. The views and strategies described may not be suitable for all clients.
3. Supplemental information to the fully compliant composite performance which accompanies this presentation. **Past performance is not indicative of future results.**

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polen capital

Polen Capital Diversity and Inclusion Policy
February 2022

Polen Capital is guided by three Core Values geared toward both honoring our commitment to our clients and creating a positive culture and a fair and productive professional environment:

> Do the right thing: Our clients are the reason we are in business; we make every decision with their best interests in mind.
>
> Do more than expected: Excellence is the base; unexpected service and performance is the goal.
>
> Respect the individual: Build trust with both clients and colleagues by acting with integrity and respect.

Our approach to diversity and inclusion is reflected in these Core Values. Our management team is dedicated to ensuring the fulfillment of this policy with respect to recruitment, hiring, placement, promotion, learning, compensation, benefits, and access to facilities and programs.

Employees with questions or concerns about the policies are encouraged to bring these issues to the attention of Human Resources.

Discrimination

Polen Capital is an equal opportunity employer. The firm does not tolerate and prohibits discrimination against or harassment of our employees, job applicants, contractors, interns, volunteers, or by another employee, supervisor, vendor, customer, or any third party on the basis of race, color, creed, religion, national origin, ancestry, citizenship status, age, sex or gender, gender identity or gender expression, sexual orientation, marital status, military service and veteran status, and physical or mental disability. Employees participate in training annually around Workplace Harassment and Diversity and Inclusion. The Head of Human Resources has ombudsman responsibilities and employees are aware that they can escalate any harassment, discrimination, or retaliation complaint.

We will endeavor to make a reasonable accommodation to employees if requested. The Employee Handbook provides employees with additional information on our harassment, discrimination, and retaliation prevention measures.

Fair Remuneration

Polen Capital is committed to fair and equal employment opportunities and compensation for all employees. The firm has implemented practices and measures to ensure all employees are compensated fairly for their roles, skill level, and performance and that no employee is disadvantaged based on personal characteristics.

Performance-focused compensation provides alignment with the business

Polen Capital is privately owned: 72% by employees, 20% by iM Global Partner (an investment and distribution platform) and 8% by Polen Family Holdings. Polen Capital employees control 100% of the firm. Employees receive competitive salaries and bonuses, along with generous benefit offerings including 100% employer-paid health insurance. The firm typically funds employee 401k profit-sharing plans, which can be invested in our mutual funds to strengthen client alignment. All employees share in upside firm performance either through equity ownership, long-term incentive plans (phantom equity), distribution pools, or a firm bonus tied to asset growth and client retention. Future equity participation through our phantom equity plan and equity ownership is evaluated annually.

Fair and equal compensation

Compensation is market-based and designed to fairly reflect an employee's skill, education, and experience without bias based on gender, ethnicity, or any other grounds. McLagan compensation surveys are reviewed every two years for industry compensation benchmarks. The Compensation Committee reviews employee compensation annually, with input from managers, and seeks to ensure fair balance across teams.

Transparency and communication

On an annual basis, employees set individual goals and learning plans in consultation with their immediate managers. Performance reviews are conducted twice annually in an effort to ensure that employees are delivering on these goals and training plans. Managers work to identify strengths and areas of development. Overall, performance is evaluated against a Role Matrix and Balanced Scorecard model. The Role Matrix details key priorities for each position across three categories: Culture, Core Skills, and Client. The Balanced Scorecard provides a framework to tie performance across the three categories to individual year-end compensation.

We are committed to career development and mobility. Promotions may occur at any point throughout the year. Employees are also encouraged to apply for open positions which are posted on internal message boards.

Flexible Working Practices and Supportive Policies

Polen Capital is a results-only work environment (ROWE) which allows for flexibility to meet personal, childcare, and family needs. Polen Capital provides up to 12 weeks of paid leave to run concurrently with any FMLA leave taken to care for an employee's child after birth, or placement for adoption or foster care to any employee who is the primary caregiver for the child. Non-primary caregivers will be provided with up to 2 weeks of paid leave taken to care for an employee's child after birth, or placement for adoption or foster care to any employee. In addition, Polen offers unlimited PTO to all employees which allows for leave in a variety of life circumstances. We have also worked to eliminate gender bias in our job descriptions by utilizing more inclusive language and highlighting gender-neutral company benefits, such as our 12-week paid parental leave and, family planning benefits such as fertility treatments for employees who wish to become parents.

Additional Information

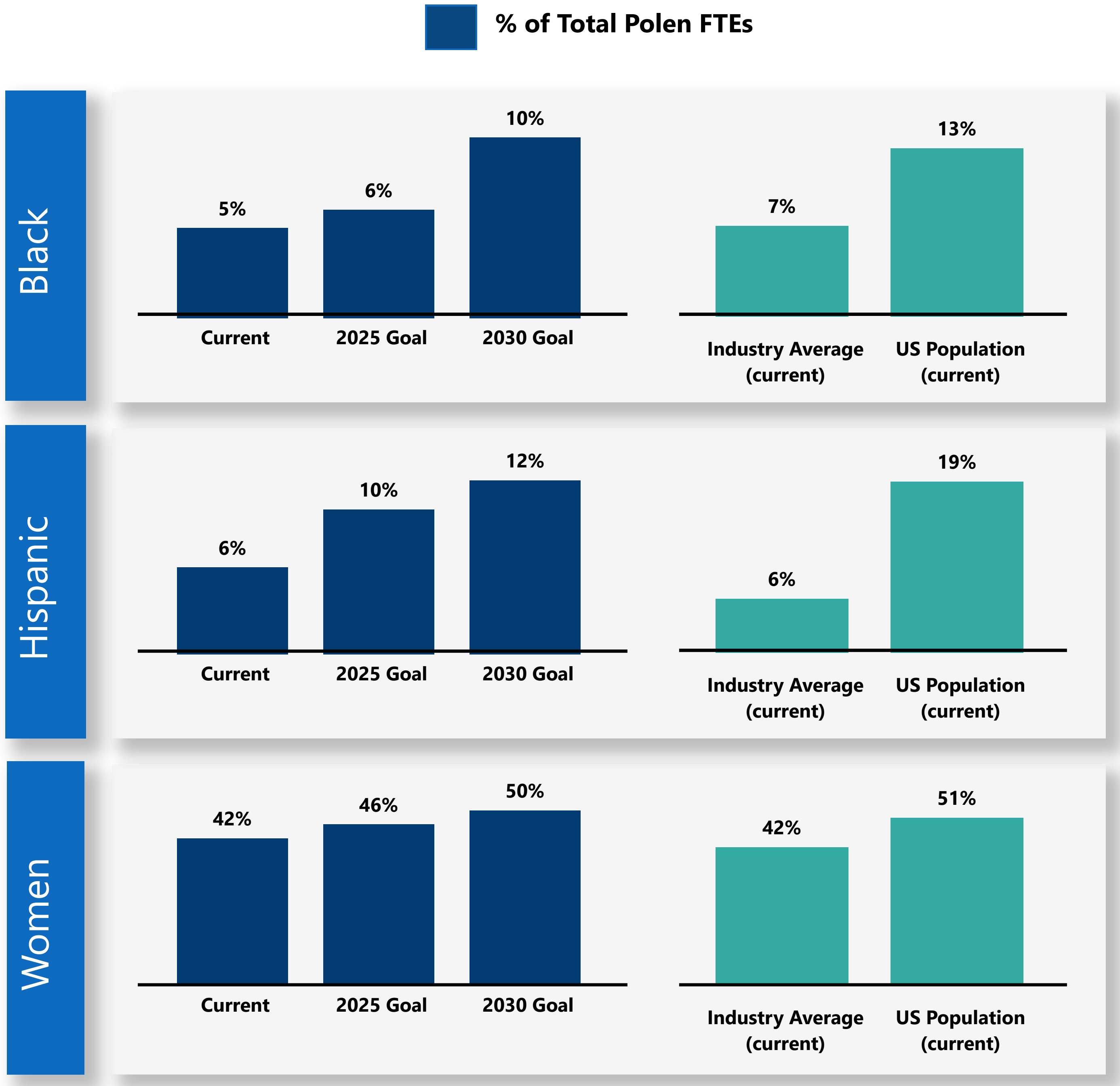
Polen Capital's Diversity and Inclusion Strategic plan is focused on four key concepts: (1) Empower all voices, which focuses on our minority recruitment and leadership efforts; (2) Enhance our workplace, which works on fostering a culture of belonging and delivering resources to advance allyship and inclusion; (3) Engage our communities, which supports our local communities in Boca, Boston and London through corporate partnership, volunteerism, and charitable giving; and (4) Expand our reach to work with diverse vendors and companies.

Please see the Addendum for a current snapshot of our Diversity and Inclusion Strategic Plan, including our diversity composition and targets.

Polen Capital Diversity & Inclusion Addendum

Polen Capital Top 5 Goal for 2021: Develop and implement Diversity & Inclusion strategy to increase minority representation within the asset management industry and to enhance our ability to deliver to clients.

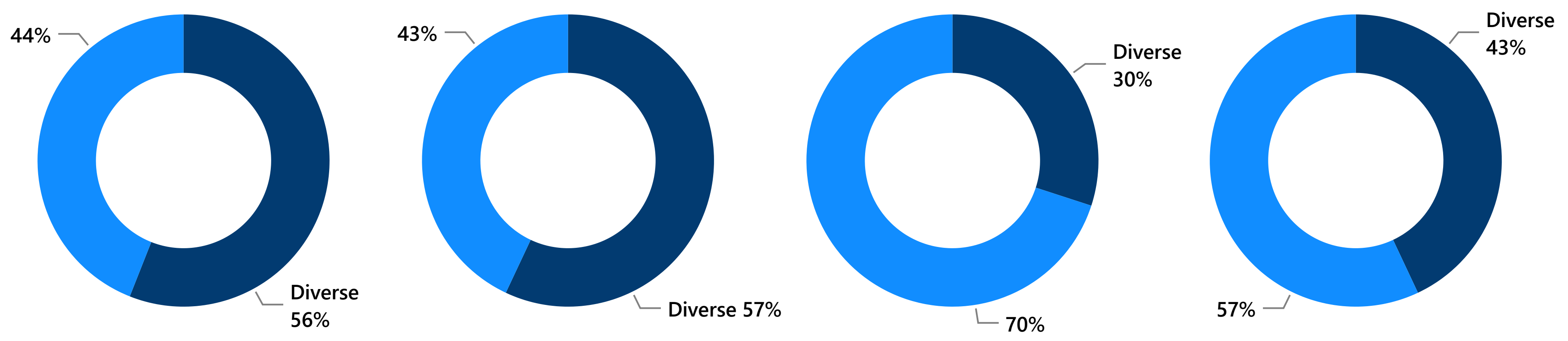
Aspirational Targets at Polen



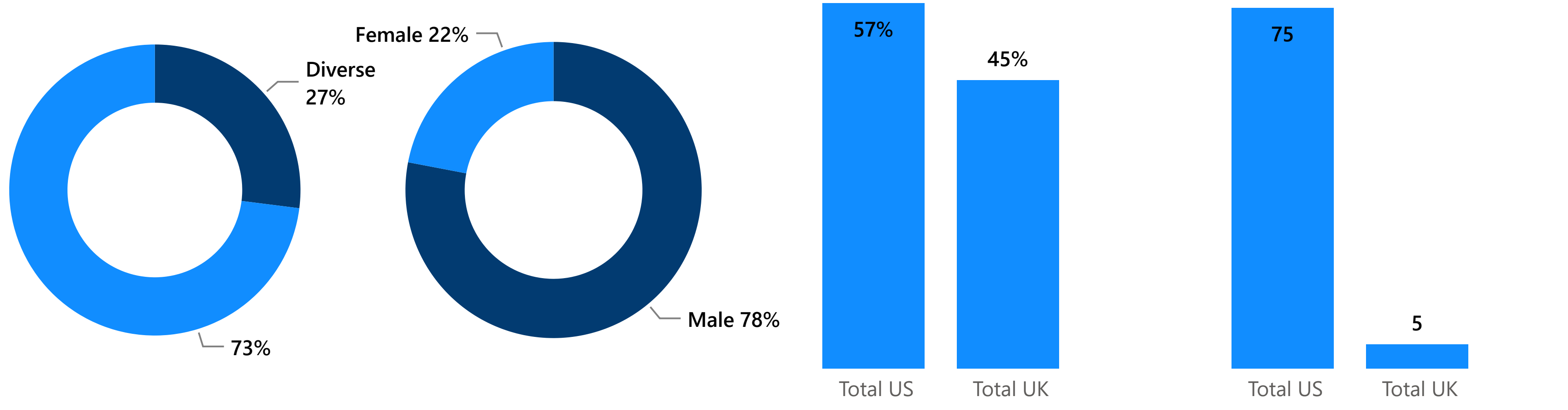
By The Numbers

Diversity at Polen is defined by women, ethnic minorities, veterans, or members of the LGTBQ+ community

Total Employees | **2021 New Hires** | **Operating Committee** | **Advisory Board**



Equity Participants | **Equity Participants Gender** | **Diverse Employees %** | **# of Diverse Employees**



Recruitment Partnerships

Full Time Employees

Toigo	Works to foster career advancement and increased leadership presence of underrepresented talent in the financial service industry
Pat Tillman Foundation	Identifies remarkable military service members, veterans, and spouses, empowering them with academic scholarships, leadership development opportunities and a diverse, global community of mentors and peers
Out in Finance	Focuses on uniting individuals across the financial services industry to drive LGBTQ+ inclusion and equality

Interns

The DEI Collective	Works to foster career advancement and increased leadership presence of underrepresented talent in the financial service industry
Access Distributed	Expands access to careers in finance and entrepreneurship for undergraduate students from underrepresented backgrounds
Wall Street Diversity Accelerator	Provides rising sophomores and juniors from underrepresented communities with an introduction to career possibilities in financial services
GAIN Girls Are INvestors	Provides young women online resources and a network of female role models delivering compelling and high-impact messages on the many benefits of investing as a career
AGL Adaptive Growth Leadership	FAMU in partnership with Adaptive Growth Leadership

Making a Difference

Firmwide Training: Conscious Inclusion (2019), Implicit Bias (2020), Behaviors of Inclusion (2021)

Polen Capital Diversity Charitable Fund: Donor Advised Fund with grants for minority-focused organizations managed by Roland Cole, Large Company Growth Team Research Analyst and Toigo alum

Employee Resources Groups: Women's ERG and Multicultural ERG established in 2021

The George Snow Scholarship Fund: Polen Capital will be funding a $40,000 scholarship for a diverse rising college student who is interested in business or finance

The Diversity Project North America: An organization focused on diverse best practices that allows Polen to network with other finance institutions

NEPC, LLC

Firm: Baillie Gifford Overseas Limited

Strategy/Product: Baillie Gifford International Growth Fund (the "Fund")

Client: Massachusetts Water Resource Authority

NEPC Manager Due Diligence Questionnaire - Update

Instructions

In support of our upcoming meeting we ask that you please complete this due diligence questionnaire. Please provide your responses in the form of brief descriptions, lists or tables added directly to this Word document.

Thank you for taking the time to complete this questionnaire. Please note that all materials submitted in relation to MWRA Retirement System may be subject to disclosure consistent with Massachusetts Public Record laws.

Firm/Organization

1. **Have there been any changes in ownership or management in the past year?**

Baillie Gifford & Co is a private partnership and the main changes each year occur when partners retire or are appointed, which alters the direct ownership of Baillie Gifford & Co. Clear succession plans are always in place and this is communicated directly with clients in a timely manner.

We are pleased to share the news that in May 2022, Julia Angeles, Jenny Davis, Lorna Kennedy, Linda Lin, Milena Mileva, Peter Singlehurst, Michael Stirling-Aird and Tom Walsh joined the Baillie Gifford partnership. At the same time, four of our colleagues, James Anderson, Gerard Callahan, Lynn Dewar and Angus Franklin, retired from the partnership. The number of partners is now 51.

2. **List firm AUM, net flows and accounts gained/lost for the past 5 years.**

Please note that we amended the way that we calculate accounts in the second half of 2021 as we improved our dataset so we could look through into our pooled vehicles.

Date	Firm AUM ($M)	Accounts Gained	Accounts Lost
March 2022	365,340	642	446
March 2021	446,927	140	52
March 2020	245,204	91	43
March 2019	252,424	95	50
March 2018	249,142	46	44

Source: Baillie Gifford & Co.

Year to	Net flows ($M)

March 2022	-8,328
March 2021	-5,655
March 2020	1,243
March 2019	3,494
March 2018	-8,654

Source: Baillie Gifford & Co.

Year to	No. of clients gained	Value of client gains ($M)	No. of portfolios gained	No. of clients lost	Value of client lost ($M)	No. of portfolios lost
March 2022	42	12192	642	45	3517	446
March 2021	51	6556	140	29	2678	52
March 2020	43	4272	91	23	2754	42
March 2019	53	5556	95	32	1836	50
March 2018	36	3375	63	28	2065	44

Source: Baillie Gifford & Co.

3. Have there been any new or discontinued products in the past year?

In April 2022 we closed our UK Equity Focus Strategy. We launched four new US Mutual Funds over the past 12 months:

Fund	Launch Dates
Baillie Gifford US Discovery Fund	May 2021
Baillie Gifford China Equities Fund	July 2021
Baillie Gifford Health Innovation Equities Fund	December 2021
Baillie Gifford Emerging Markets ex China Fund	December 2021

4. Are any products capacity constrained?

The International Growth Strategy is closed to new segregated enquiries. However, the strategy is open to cashflows from existing clients and to new investments in the Baillie Gifford International Growth Mutual Fund. Please refer to Enclosure A for details of our Mutual Fund availability.

We believe there is no industry standard/'holy grail' approach to monitoring liquidity and capacity. By their nature, liquidity and capacity are variable over time. Our approach is to thoughtfully consider a number of different metrics at a strategy and a pan-firm level, and to monitor them on an ongoing basis. This approach is subject to continual enhancement, with additional metrics incorporated into the analysis where this is considered useful.

We consider liquidity as the time it takes to return cash to clients, with this expected to be performed promptly. When considering liquidity, it is important to return cash to clients in a manner that preserves the value of their investment, with liquidity guidelines used to support this objective.

We consider capacity as an ongoing broad assessment of the amount of assets that can reasonably be managed within an investment strategy whilst maintaining a range of factors such as high levels of client service, investment performance and continued compliance with investment and liquidity guidelines.

As a firm, we put the interests of existing clients first. This is our starting point when considering liquidity, and capacity. The ability for clients to give us in/outflows, not to have a reduced opportunity set, not to have market impact eroding alpha, and not to compromise client service are key considerations. We try to avoid ever having to hard close a strategy. In the past, we have closed a number of strategies well in advance of client service or liquidity constraints, and we will continue to do so, as appropriate. We know if we get this wrong it would undermine the trust of the clients we serve, and their consultants. Where there is overlap between two or more strategies, it is very unusual for our independent decision-making groups to want to trade at the same time. In the unusual scenario that multiple strategies wanted to exit a stock simultaneously, this would typically be for stock specific reasons which from experience tends to result in liquidity increasing.

Strategy-level monitoring

Liquidity considerations are monitored as an investment risk. Each strategy group has their own liquidity guidelines which have been approved by the Investment Risk Committee (IRC), and are monitored on an ongoing basis. The IRC has the ultimate oversight of all aspects of investment risk across all of our strategies, including liquidity.

Strategy liquidity guidelines limit the amount that can be invested in less liquid stocks and ensure that demanding expectations around the redemption of assets can be met. In conjunction with the Trading Team, liquidity is reviewed on an ongoing basis.

Each strategy also considers any pipeline of new business, the make-up of its client base, consultant concentration, the risk of mass redemptions, its market cap range, potential flows from existing clients, and client service resource. In our experience, larger clients typically withdraw assets in-kind via a transition manager.

Notwithstanding the backdrop of significant net outflows, any strategies that reopen are within their liquidity guidelines, and we are satisfied there is sufficient capacity to reopen without compromising client service/investment returns. As part of this, consideration has been given to overlap with other strategies.
For any strategies that reopen, we will continue to monitor liquidity, and would close again in advance of any concerns in order to look after client's interests.

Pan-firm monitoring

Firm wide liquidity is managed through a Stop/Caution list which is maintained by the Business Risk and Trading Departments, and ultimately overseen by the Investment

Risk Committee. A stock will have a ‘caution’ attached to it if it would take more than 50 days to exit the firm wide holding. The ‘caution’ requires investment teams to consider if it is appropriate to add to the position, although this is not prevented. A stock will have a ‘stop’ attached to it if it would take more than 100 days to exit the firm wide holding. No new investment can be made in a position on the stop list. In addition, the aggregate holding the firm can have in a single company is limited to 20% of the issued share capital and 33% of the free float. If a strategy team wants to exceed this level, Management Committee approval is required. Prior to the 20% limit, a 15% threshold is in place obliging investment teams to “stop and think” prior to adding further to the position. If they do, the 20% limit still applies.

5. **Describe any current or pending regulatory, compliance or litigation issues and the expected business impact.**

   No Baillie Gifford firm or affiliate has been the focus of any pending or ongoing litigation, formal investigation, or administrative proceedings related to money management activities.

6. **Describe your diversity, equity and inclusion efforts with regard to the firm and its employees.**

   We recognize that promoting diversity and inclusion (D&I) is a process of continuous improvement. Our priority areas of focus for the next 12 months are on developing our data and insight, communication, accountability, and employee-led network support models. Currently, we have active projects underway to enhance the D&I data we collect from employees, the first phase of this work will improve the ethnicity data we hold and start capturing data on gender identity and sexual orientation. We are also focused on increasing the reach and accessibility of our recruitment efforts with an emphasis on intersectionality and are working to reduce the impact of unconscious bias throughout the firm and in our recruitment process.

   We have begun to introduce experience surveys across the employee lifecycle which provide more opportunities for different employee perspectives to be heard, address any suggestions for improvement and ensure that our approach is representative of different life experiences across our employee base.

   We are committed to living up to our Shared Beliefs and our core purpose: delivering value for clients, supporting companies, and benefiting society through thoughtful long-term investment. We want to position ourselves as much in the debate around diversity as we have with other aspects of our investment approach, and lead by example.

   We want to learn from thoughtful and diverse minds: from our colleagues and our employee-led networks to our external partners, our clients, the companies in which we invest, and the thought-leaders with whom we interact. As with our approach to investment, we will be led by careful consideration of what we believe to be in the best long-term interests of our clients, rather than simply following what others are doing.

Each of us has a part to play in the creation of an inclusive culture. We must support our networks in the work they do to engage with and educate our colleagues and create an environment in which every Baillie Gifford partner and employee has the confidence to be a visible and active ally for diversity.

Without inclusion, our efforts to retain and engage diverse talent will come to nothing. We must create and sustain a culture in which each of our colleagues feel they can speak up, be heard, and reach their full potential. This is how new ideas emerge, problems are solved, and mediocrity is eliminated.

Our ultimate aim is for diversity of thought and the creation of an inclusive culture, which we do not think can be approached in an overly prescriptive or tick-box manner. Both will help us to deliver value for clients, support companies, and benefit society through thoughtful long-term investment.

We are committed to making meaningful change on D&I, with a focus on transparency around D&I data, and in the articulation of our D&I vision.

We believe that ensuring progress requires both responsibility and accountability, with the tone set by our Diversity and Inclusion Group (DIG) which is led by four of the firm's partners.

More on our D&I vision can be found here: Supporting Diversity and Inclusion | About Us | Baillie Gifford | Baillie Gifford

Portfolio Management Team

1. Have there been any changes in the portfolio management team in the past year?

James Anderson stepped down as a Partner of Baillie Gifford on 30 April 2022, after 39 years at the firm.

James was a founding member of the International Growth Portfolio Construction Group (PCG), and he handed over the chair of the International Growth PCG in 2019.

Tom Coutts, previously the deputy, took on the lead role, with Lawrence Burns becoming deputy chair. Tom continues to lead an experienced investment team, including 4 partners in the firm.

A strong advantage of being a partnership is the space and visibility to plan for the future, as partners signal their intended retirement plans well ahead of time.

With over 110 years of investing, Baillie Gifford is experienced in planning succession of experienced and talented investors. James left a very strong legacy, with a focus on long-term, transformational growth investing.

2. Are there any expected changes to the team in the future (planned additions or departures)?

No, we are not expecting any changes to the team in the future.

Process

1. Have there been significant changes in any of the areas below in the past year?

- **Identification of investment ideas**

  No significant change to note.

  In terms of sources of inspiration for ideas generation, we look for information outside the financial world. For instance, we engage with academia, spend time with companies' leaders and management of unlisted businesses. But most of all, we pay attention to long term duration trends, to see how the world will be in many years to come and which companies could benefit from these changes.

- **Process for exploring and vetting ideas**

  No significant change to note.

- **Portfolio trading practices including buy/sell rules**

  No significant change to note.

- **Approach to portfolio monitoring and risk management**

  No significant change to note.

Philosophy

1. Describe recent changes in investment philosophy, if any.

Our investment philosophy has remained the same since the inception of the strategy in 2003.

There has, however, been an evolution away from the more traditional "quality growth", owning compounding stocks, towards "Growth with a capital G" over the past decade as we have observed the world changing. We know from our experience that a small number of winners has driven investment returns. A long-term study conducted by Professor Henrick Bessembinder provided further evidence of the tremendous skew to a group of massive winners. Understanding this asymmetry of long-term returns focused our process of finding stocks that have the potential to be in this super group and owing them for long enough to enable the investment returns to come through. Our culture and stable partnership structure are crucial in allowing our philosophy to flourish. The partnership stability encourages the required temperament and patience in our analysts, enhancing their chances of successfully identifying companies that will ultimately boost investment returns for our clients over the long term.

Portfolio

1. **If not included in your meeting presentation, provide portfolio holdings, sector exposure, geographic exposure and common characteristics (yield, duration, market cap, P/E, etc.).**

   Please refer to **Enclosure B** for historic portfolio holdings.

Region	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Europe ex UK	57.62	52.16	51.18	51.94	54.41
Emerging Markets	25.58	32.92	28.38	19.74	19.07
Developed Asia Pacific	13.93	11.1	17.1	21.83	21.36
UK	1.37	2.27	2.42	5.25	4.2
Cash	1.5	1.55	0.92	1.23	0.96

Source: Baillie Gifford & Co. Totals may not sum due to rounding.

Sector	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Communication Services	9.58	11.41	13.38	15.98	12.94
Consumer Discretionary	30.49	39.19	38.07	32.64	35.19
Consumer Staples	6.01	6.3	5.91	5.39	5
Energy	0.00	0.00	0.00	0.00	0.00
Financials	8.48	6.29	9.08	12.26	12.18
Health Care	12.44	11.65	11.06	8.58	8.99
Industrials	8.15	5.35	5.86	9.3	10.32
Information Technology	20.43	15.18	11.88	9.55	9.64
Materials	2.93	3.09	3.83	5.06	4.78
Real Estate	0.00	0.00	0.00	0.00	0.00
Utilities	0.00	0.00	0.00	0.00	0.00

Cash	1.5	1.55	0.92	1.23	0.96

Source: Baillie Gifford & Co. Totals may not sum due to rounding.

Characteristics	31 March 2022
Yield	0.9
Average market cap	109,282
P/E	22.5
P/B	5.0
Historic Earnings Growth	22.7
Forecast Earnings Growth	13.5
Return on Equity	15.1
Active Share	91.7
Turnover	9.9

Source: Baillie Gifford & Co and Factset

2. List strategy AUM, net flows and accounts gained/lost for the past 5 years.

Date	Strategy AUM ($M)
March 2022	56,806
March 2021	76,475
March 2020	41,317
March 2019	41,275
March 2018	44,660

Source: Baillie Gifford & Co.

Year to	Net flow ($M)
March 2022	-2,446
March 2021	-4,079
March 2020	-516
March 2019	-1,771
March 2018	-972

Source: Baillie Gifford & Co.

Year to	No. of clients gained	Value of client gains ($M)	Number of portfolios gained	No. of clients lost	Value of client lost ($M)	Number of portfolios lost
March 2022	3	1,506	21	5	-56	13
March 2021	1	75	1	0	0	0
March 2020	0	0	0	1	154	2
March	1	6	2	1	177	2

2019						
March 2018	1	192	1	2	61	2

Source: Baillie Gifford & Co.

3. Describe investor concentration for the strategy and note the percent of AUM attributable to the top five investors.

Investor	% of strategy AUM
Financial Institution	66.1
Government	7.4
Government	6.2
Government	2.4
Government	2.2

Source: Baillie Gifford & Co. As at 31 March 2022.

Performance / Market Outlook

1. If not included in your meeting presentation, provide trailing returns as of the most recent quarter-end and calendar year returns for the past 10 years, both relative to benchmark.

Please refer to **Enclosures C** and **D** which include the performance information requested.

2. Briefly discuss recent performance trends and identify environments in which the strategy is likely to be in or out of favor.

The PCG's opinion as to which market environment is beneficial to the strategy remains consistent. We believe that share prices follow earnings and, because our investment style is biased towards growth, our companies' earnings grow faster than that of the market. This means the portfolio will do well when the market pays attention to earnings growth. Conversely, our investment style may not do well when the market puts less emphasis on long-term earnings growth.

Inflationary environments tend to be difficult for our strategy which focuses on growth stocks. During inflationary periods the market tends to apply a higher discount rate to future earnings, and our stocks are expected to make a relatively high proportion of their future cashflow many years from now. That said, rising prices are also a spur for change and innovation which can be good news for our companies.

Deflationary environments will probably be good for the valuation of our stocks, i.e. the inverse situation. Over the long term we believe the powers of innovation are likely to be deflationary.

3. **Describe your market outlook and how strategy positioning is impacted by your views.**

   Our strategy positioning in influenced by the fact we embrace the concept of asymmetry of returns and adopt a probabilistic thinking approach. We believe that only a handful of exceptional companies really matter when it comes to investment returns. We are interested in rapid growth and durable growth companies. We call them disruptors and adaptors. Our analysis focuses on the upside case for a company, and we focus on owning those stocks capable of delivering extreme returns. We find these companies by using a differentiated research approach and a 10-question framework. We think probabilistically when sizing positions, weighing up both potential upside and likelihood of success. Then we hold on to these exceptional companies, for the long term, so the portfolios can benefit from the compounding of their returns.

   In terms of outlook, we believe that we leave in a world where change is accelerating, and disruption is happening in many sectors of the economy powered by technology. As a result, our opportunity set of growth companies is getting richer. We are therefore more excited about the research pipeline than ever before.

4. **Could you please include a slide in your presentation that shows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.**

   This has been included in our presentation.

MWRA Retirement System

June 2022

BAILLIE GIFFORD | International Growth

Baillie Gifford Overview

Developments at Baillie Gifford

Short term performance has been challenging

After robust analysis of the portfolio, we remain confident that it is well placed to benefit from structural growth trends

There is no change to our long-term, growth investment philosophy

Firm update

	March 31, 2022
Number of clients	871
Number of staff	1,684
Number of investment professionals	352
Funds under management	$365.3bn

US dollar.

MWRA Retirement System

Initial investment on September 25, 2020 of $25,000,000

Outflow on April 5, 2021 of $10,000,000

Valuation as at May 31, 2022: $13,271,252

The portfolio

24% >10 YEARS	
Holding	**%**
Tencent	4.8
Kering	4.6
L'Oréal	2.9
Atlas Copco	2.6
AIA	2.5
SMC	2.0
Stellantis	1.1
Hong Kong Exchanges & Clearing	1.0
Novozymes	0.9
Aixtron	0.8
Inditex (−)	0.7
HDFC	0.6

34% 5-10 YEARS	
Holding	**%**
ASML	7.2
Ferrari	5.7
MercadoLibre (+)	5.5
Genmab	3.4
Zalando	2.8
Alibaba	2.6
M3	2.6
Ocado	1.4
Kinnevik	1.0
SBI Holdings	0.8
Pan Pacific International	0.5
Schibsted	0.4
Morphosys	0.1

30% 2-5 YEARS	
Holding	**%**
Adyen (+)	4.8
Meituan	3.4
Spotify (+)	3.3
Argenx (+)	2.5
Nidec Corporation	2.3
Sartorius Group	2.1
Umicore	2.1
HelloFresh	1.5
EXOR	1.4
NIO	1.3
Ping An Insurance	1.2
Delivery Hero (+)	1.2
Wix.com	1.1
Temenos	0.9
Ambu	0.7
Adevinta	0.2

10% <2 YEARS	
Holding	**%**
TSMC	3.2
WiseTech Global	1.6
Vestas Wind Systems	1.3
WuXi Biologics	1.0
SEA Limited NB	0.9
Xero	0.7
Coupang NB	0.7
Pinduoduo NB	0.4
Oatly	0.2
CureVac	0.2
JD.com	0.1

As at March 31, 2022. Totals may not sum due to rounding. Cash: 1.5%.
Notable transactions shown six months to March 31, 2022. NB New Buy (+) Addition (−) Reduction. Complete sales: Afterpay (acquired by Block), SoftBank Group, TAL Education.
Holding weights and periods based on the Baillie Gifford International Growth Fund.

Performance and attribution

NAV investment returns to May 31, 2022

	Fund %	Benchmark %	Difference %	Universe ranking
Since inception* (p.a.)	5.39	3.41	+1.97	17
Ten years (p.a.)	9.11	7.72	+1.38	17
Five years (p.a.)	6.23	4.83	+1.40	28
Three years (p.a.)	7.11	7.18	-0.07	46
12 months	-37.07	-11.98	-25.10	95
Three months	-15.16	-5.21	-9.95	92

Top and bottom five relative stock contributors to May 31, 2022

Three months to May 31, 2022

Stock	Fund (avg. weight) %	Contribution %
Meituan	3.71	0.55
Aixtron	0.98	0.39
Argenx	2.56	0.31
Umicore	2.13	0.30
Shopify†	0.00	0.13
MercadoLibre	5.06	-1.42
Zalando	2.69	-1.24
Adyen	4.57	-1.00
Kering	4.50	-0.87
Spotify	3.01	-0.72

12 months to May 31, 2022

Stock	Fund (avg. weight) %	Contribution %
Argenx	1.88	0.50
Aixtron	0.76	0.48
Shopify	0.00	0.33
WiseTech Global	1.22	0.31
Sberbank†	0.00	0.17
Zalando	3.64	-2.62
M3	3.00	-1.96
MercadoLibre	5.05	-1.86
Spotify	3.07	-1.80
Kering	4.51	-1.60

Source: Bank of New York Mellon, Morningstar Direct, MSCI. Totals may not sum due to rounding. NAV returns shown above are based on share class K of the Baillie Gifford International Growth Fund. Benchmark: MSCI ACWI ex US Index (MSCI EAFE prior to 11/22/2019). *March 8, 2008. †Not held during the period.

Returns are based on the actual share class from April 28, 2017. Prior to that date returns are calculated based on the oldest share class of the Fund adjusted to reflect the Institutional share class fees where these fees are higher.

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns.

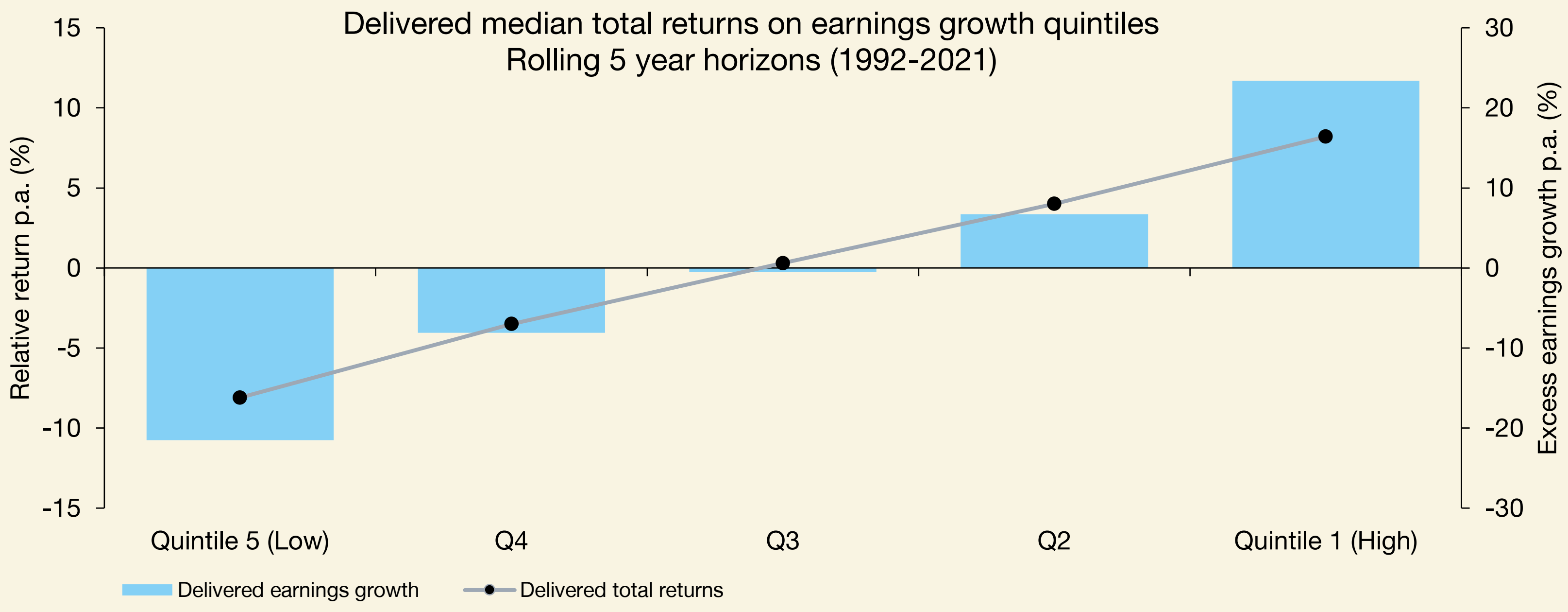
Share prices ultimately follow fundamentals

After a strong period of returns in 2020, the market has gone through a period of volatility in 2021 and into 2022

The market is concerned about rising interest rates, inflation rates, geopolitics, and regulation

Our advantage as investors is our long-term view and our hold discipline through periods like this

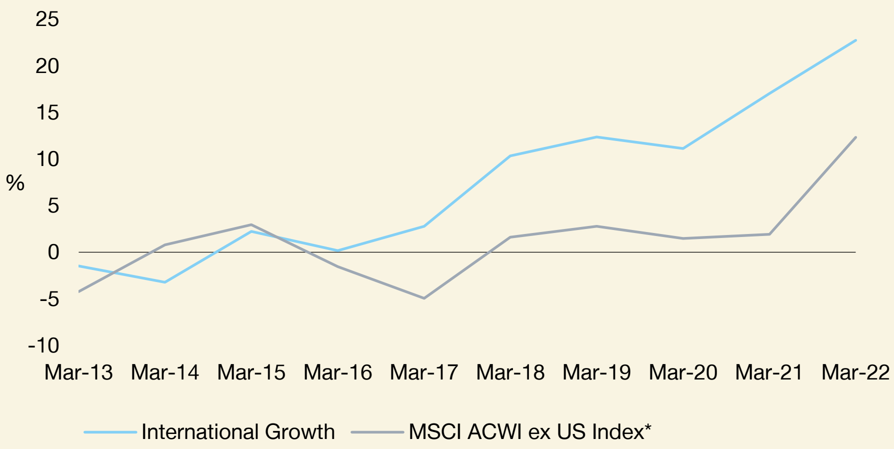
Over five year periods, the only reliable driver of share price performance is earnings growth



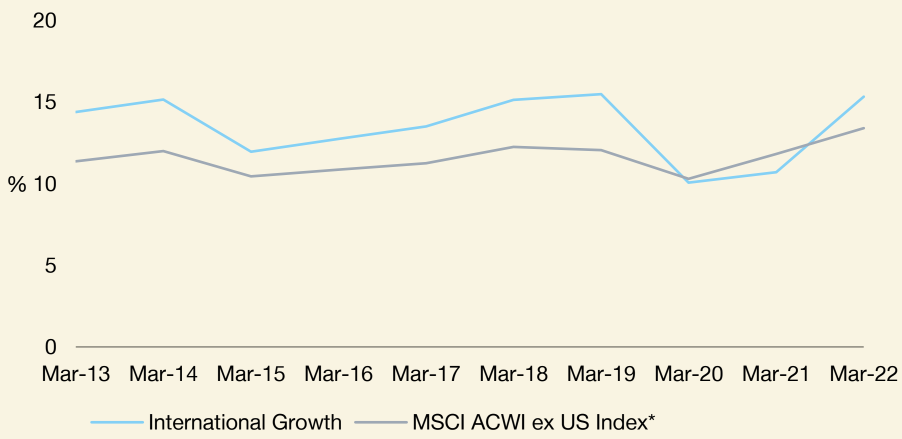
Source: FactSet, FTSE, MSCI. The universe consists of all stocks listed in the FTSE World and MSCI ACWI Indices at each starting period and excluding repetitions.

Outputs of our approach

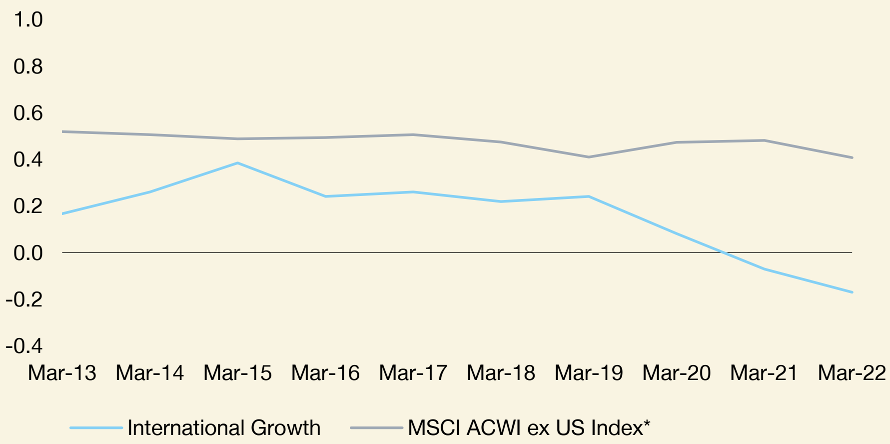
Historic earnings growth†



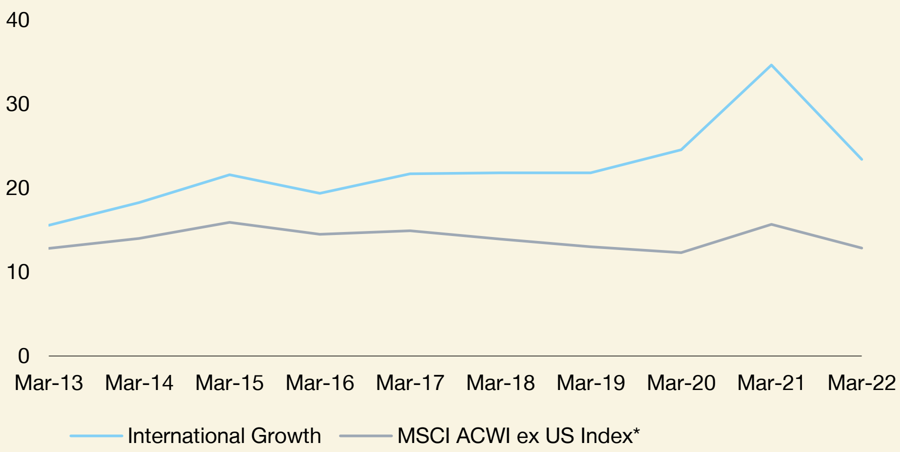
Return on equity††



Debt/equity ratio



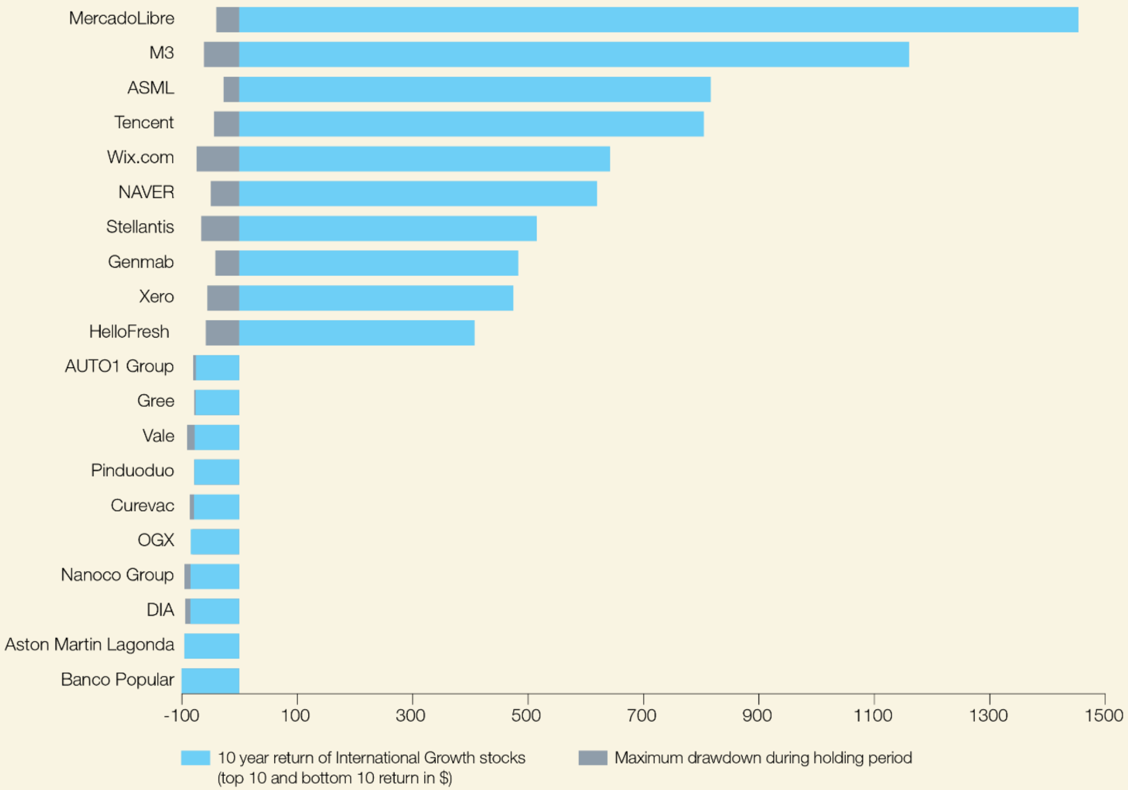
P/E ratio††



Source: Baillie Gifford & Co, FactSet. US dollars. Based on the Baillie Gifford International Growth Fund.
†5 years historic.
††12 month forward estimate.
*MSCI EAFE prior to September 30, 2018.

Exceptional outliers and their inevitable drawdowns

Some stocks offer huge upside



Source: StatPro, MSCI. Based on the Baillie Gifford International Growth Composite. US dollars. March 31, 2012 to March 31, 2022. Some stocks were only held for part of the period.

Learning from academia

'Even those investments that are the most successful at long horizons typically involve painful losses over shorter horizons.'

– Professor Hendrick Bessembinder

But even the biggest wealth creators experience large drawdowns

MercadoLibre – 6 drawdowns >30%

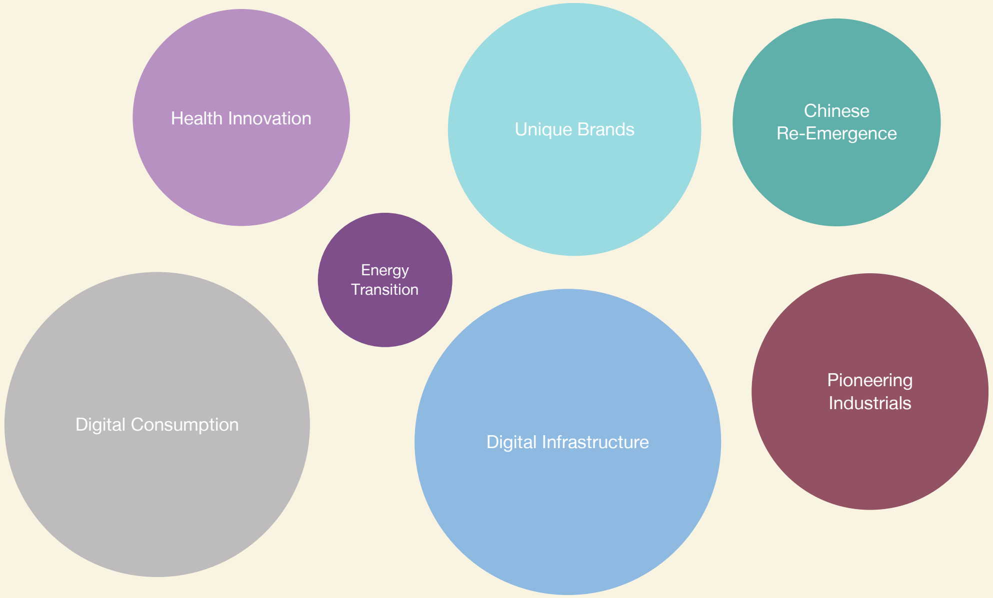
M3 – 4 drawdowns >30%

ASML – 4 drawdowns >30%

Source: Thomson Reuters Eikon. Bessembinder (2020).

Portfolio insights

Our portfolio insights analysis is a subjective representation of the various investment themes present in the portfolio. The diagram is an output of our bottom-up stock selection, and not the result of a top down asset allocation. We classify each stock in the portfolio into a maximum of three themes out of the seven possible. We then calculate a weighted average of its holding size in the portfolio. The size of each circle reflects the sum of the weighted averages of the underlying stocks. This thematic analysis represents the underlying growth trends in the economy we are excited about both today and going forward. We believe representing the portfolio in this way is more insightful than looking at standard industry or sector classifications.



As at March 31, 2022. Totals may not sum due to rounding.
Based on an illustrative portfolio.
The holdings used to produce the above diagram are based on an illustrative portfolio and may differ from the portfolio shown elsewhere in this document.

Health innovation

Computing power and genetic sequencing are transforming the healthcare industry. Treatment methods and business models will change radically.

Energy transition

We are entering a fourth energy transition driven by renewables. The variable cost of electricity will fall towards zero and disrupt traditional energy sources.

Unique brands

Groups providing these unique brands should benefit from rising consumption in many developing markets and increased spending by the affluent.

Chinese re-emergence

The scale and speed of China's economic growth continue to amaze. Education, urbanisation and technological innovation suggest the outlook remains bright.

Digital infrastructure

The companies in this theme provide the 'picks and shovels' facilitating digitisation in many sectors of the economy.

Digital consumption

Customers' behaviours are changing. Digitally native companies are driving the rapid adoption of online services.

Pioneering industrials

Intellectual property and engineering excellence can give companies a competitive edge that allows them to take advantage of growth opportunities.

Legal notices

All information is current and sourced from Baillie Gifford & Co unless otherwise stated.

MSCI

Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

FTSE Russell

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2022. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" "Russell®", is/are a trade mark(s) of the relevant LSE Group companies and is/are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

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MWRA - International Growth K Performance
Currency: US Dollar
Grouped by: Morningstar Category
Calculated on: 20/06/2022 11:05:52
Exported on: 20/06/2022 11:08:16

	3 MONTHS		**6 MONTHS**		**1 YEAR**		**SINCE MWRA INCEPTION**		**3 YEARS**		**5 YEARS**		**10 YEARS**	
	01/01/2022 31/03/2022		**01/10/2021 31/03/2022**		**01/04/2021 31/03/2022**		**17/09/2020 31/03/2022**		**01/04/2019 31/03/2022**		**01/04/2017 31/03/2022**		**01/04/2012 31/03/2022**	
Group/Investment	Return (Cumulative)	Peer group percentile	Return (Cumulative)	Peer group percentile	Return (Cumulative)	Peer group percentile	Return (Annualized)	Peer group percentile	Return (Annualized)	Peer group percentile	Return (Annualized)	Peer group percentile	Return (Annualized)	Peer group percentile
US OE Foreign Large Growth														
Baillie Gifford International Growth K	-21.77	96	-25.36	96	-27.21	96	-9.18	96	9.91	40	11.07	16	8.87	17
Peer Group: Morningstar Category = Foreign Large Growth														
Number of investments ranked		465		463		450		440		419		400		323
Peer Group Median	-13.11		-11.22		-6.50		3.86		9.23		8.80		7.04	

Source: Morningstar Direct. Data in USD to end March 2022.

Mutual Funds Overview

BAILLIE GIFFORD

Important information and risk factors

Baillie Gifford Overseas Limited is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited provides investment management and advisory services to non-UK clients. Both are authorized and regulated by the Financial Conduct Authority. Baillie Gifford Overseas Limited is registered with the SEC in the United States of America.

Baillie Gifford International LLC is wholly owned by Baillie Gifford Overseas Limited; it was formed in Delaware in 2005 and is registered with the SEC. It is the legal entity through which Baillie Gifford Overseas Limited provides client service and marketing functions in North America.

The Funds are distributed by Baillie Gifford Funds Services LLC. Baillie Gifford Funds Services LLC is registered as a broker-dealer with the SEC, a member of FINRA and is an affiliate of Baillie Gifford Overseas Limited.

This presentation contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned.

All information is current and sourced from Baillie Gifford & Co unless otherwise stated.

As with all mutual funds, the value of an investment in the Fund could decline, so you could lose money. International investing involves special risks, which include changes in currency rates, foreign taxation and differences in auditing standards and securities regulations, political uncertainty and greater volatility. These risks are even greater when investing in emerging markets. Security prices in emerging markets can be significantly more volatile than in the more developed nations of the world, reflecting the greater uncertainties of investing in less established markets and economies. Currency risk includes the risk that the foreign currencies in which a Fund's investments are traded, in which a Fund receives income, or in which a Fund has taken a position, will decline in value relative to the U.S. dollar. Hedging against a decline in the value of currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. In addition, hedging a foreign currency can have a negative effect on performance if the U.S. dollar declines in value relative to that currency, or if the currency hedging is otherwise ineffective.

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Telephone: (212) 319 4633 bailliegifford.com**

Please see the Principal Investment Risks slide at the end of this presentation for the most significant risks of an investment in the Funds. For more information about these and other risks of an investment in the Funds see "Principal Investment Risks" and "Additional Investment Strategies" in the prospectus.

The Baillie Gifford Asia ex Japan Fund, the Baillie Gifford EAFE Plus All Cap Fund, The Baillie Gifford Developed EAFE All Cap Fund, The Baillie Gifford Emerging Markets Equities Fund, The Baillie Gifford U.S. Equity Growth Fund, the Baillie Gifford International Growth Fund, The Baillie Gifford Global Alpha Equities Fund, the Baillie Gifford Global Stewardship Equities Fund, the Baillie Gifford International Concentrated Growth Equities Fund, the Baillie Gifford International Alpha Fund, the Baillie Gifford China Equities Fund, the Baillie Gifford International Smaller Companies Fund, the Baillie Gifford Emerging Markets ex China Fund and the Baillie Gifford Healthcare Innovation Equities Fund seek capital appreciation. The Baillie Gifford Long Term Global Growth Fund seeks to provide long-term capital appreciation. The Baillie Gifford Positive Change Equities Fund seeks capital appreciation with an emphasis on investing in businesses that deliver positive change by contributing towards a more sustainable and inclusive world. The Baillie Gifford Multi Asset Fund seeks long-term capital growth at lower volatility than is typically associated with equity markets. The Baillie Gifford US Discovery Fund seeks capital appreciation.

There can be no assurance, however, that the Funds will achieve their investment objectives.

Any stock examples, or images, used in this presentation are not intended to represent recommendations to buy or sell, neither is it implied that they will prove profitable in the future. It is not known whether they will feature in any future portfolio produced by us. Any individual examples will represent only a small part of the overall portfolio and are inserted purely to help illustrate our investment style.

Mutual Funds

Fund Name	Strategy	Index	Fund Inception Date	Fund Size (m)*	Share Class	Ticker	Total Expense Ratio (%) Gross	Net
International								
Baillie Gifford Developed EAFE All Cap Fund	Developed EAFE All Cap	MSCI EAFE Index	04/15/2014	608	K	BGPKX	0.64	0.64
					Institutional	BSGPX	0.76	0.76
Baillie Gifford EAFE Plus All Cap Fund	EAFE Plus All Cap	MSCI EAFE Index	12/17/2009	537	K	BKGCX	0.62	0.62
					Institutional	BGCSX	0.72	0.72
Baillie Gifford International Alpha Fund	International Alpha	MSCI ACWI ex US Index	02/07/2008	3,158	K	BGIKX	0.59	0.59
					Institutional	BINSX	0.67	0.67
Baillie Gifford International Growth Fund	International Growth	MSCI ACWI ex US Index	03/06/2008	3,048	K	BGEKX	0.58	0.58
					Institutional	BGESX	0.64	0.64
Baillie Gifford International Concentrated Growth Equities Fund	International Concentrated Growth	MSCI ACWI ex US Index	12/14/2017	100	K	BTLKX	0.79	0.72†
					Institutional	BTLSX	0.87	0.80†
Baillie Gifford International Smaller Companies Fund	International Smaller Companies	MSCI ACWI ex US Small Cap Index	12/19/2018	46	K	BICKX	17.20	0.90†
					Institutional	BICIX	17.20	0.90†
Global								
Baillie Gifford Long Term Global Growth Fund	Long Term Global Growth	MSCI ACWI Index	06/10/2014	896	K	BGLKX	0.71	0.71
					Institutional	BSGLX	0.79	0.79
Baillie Gifford Positive Change Equities Fund	Positive Change	MSCI ACWI Index	12/14/2017	180	K	BPEKX	1.02	0.65†
					Institutional	BPESX	1.05	0.68†
Baillie Gifford Global Stewardship Equities Fund	Global Stewardship	MSCI ACWI Index	12/14/2017	5	K	BGSKX	5.22	0.65†
					Institutional	BGSSX	5.22	0.65†
Baillie Gifford Global Alpha Equities Fund	Global Alpha	MSCI ACWI Index	11/15/2011	1,274	K	BGAKX	0.65	0.65
					Institutional	BGASX	0.74	0.74

Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time.

*As of March 31, 2022. US dollars. †The net expense ratios for this Fund are contractually capped (excluding taxes, sub-accounting expenses and extraordinary expenses), through April 30, 2022. Only the Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.

Mutual Funds

Fund Name	Strategy	Index	Fund Inception Date	Fund Size (m)*	Share Class	Ticker	Total Expense Ratio (%)	
							Gross	Net
Regional								
Baillie Gifford Emerging Markets Equities Fund	Emerging Markets All Cap	MSCI Emerging Markets Index	04/04/2003	5,492	K	BGKEX	0.80	0.80
					Institutional	BGEGX	0.89	0.89
Baillie Gifford U.S. Equity Growth Fund	US Equity Growth	Russell 1000 Growth Index	12/05/2016	64	K	BGGKX	0.97	0.65[1]
					Institutional	BGGSX	1.06	0.74[1]
Baillie Gifford US Discovery Fund	US Discovery	Russell 2500 Growth Index	05/05/21	4	K	BGUKX	16.32	0.82[1]
					Institutional	BGUIX	16.47	0.97[1]
Baillie Gifford China Equities Fund	China	MSCI China All Shares Index	07/07/21	2	K	BGCDX	17.97	0.87[2]
					Institutional	BGCBX	18.12	1.02[2]
Multi Asset								
Baillie Gifford Multi Asset Fund	Multi Asset	ICE BofA 3M US Treasury Bill Index	12/04/2018	26	K	BGBKX	2.68	0.57[3]
					Institutional	BGBIX	2.67	0.57[3]

Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a Fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time.

*As of March 31, 2022. US dollars.

[1]The net expense ratios for this Fund are contractually capped (excluding taxes, sub-accounting expenses and extraordinary expenses), through April 30, 2022.

[2]The net expense ratios for this Fund are contractually capped (excluding taxes, sub-accounting expenses and extraordinary expenses), through April 30, 2023.

[3]The net expense ratios for this Fund are contractually capped (excluding taxes, sub-accounting expenses, acquired fund fees and expenses and extraordinary expenses), through August 31, 2022.

Only the Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.

2 new share classes launched May 1, 2017

Baillie Gifford Mutual Funds

Institutional share class – allows 'fee for service payments' for intermediaries/recordkeepers who require these payments to compensate for reporting and servicing they provide to underlying investors

K share class – for institutional investors

Existing share classes closed to new mandates. Existing investors can add to their existing mandates

Purchase and redemptions fees removed from all funds and share classes

These changes bring the funds in line with U.S. industry standards, and provide appropriate vehicles for Defined Contribution and Intermediated shareholders

Mutual funds available

Fund Name	Strategy
Baillie Gifford Developed EAFE All Cap Fund	Developed EAFE All Cap
Baillie Gifford EAFE Plus All Cap Fund	EAFE Plus All Cap
Baillie Gifford International Alpha Fund	International Alpha
Baillie Gifford International Concentrated Growth Equities Fund	International Concentrated Growth
Baillie Gifford International Smaller Companies Fund	International Smaller Companies
Baillie Gifford International Growth Fund	International Growth
Baillie Gifford Long Term Global Growth Fund	Long Term Global Growth
Baillie Gifford Positive Change Equities Fund	Positive Change
Baillie Gifford Global Stewardship Equities Fund	Global Stewardship
Baillie Gifford Global Alpha Equities Fund	Global Alpha
Baillie Gifford Emerging Markets Equities Fund	Emerging Markets All Cap
Baillie Gifford U.S. Equity Growth Fund	US Equity Growth
Baillie Gifford Multi Asset Fund	Multi Asset
Baillie Gifford China Equities Fund	China Equities
Baillie Gifford US Discovery Fund	US Discovery

More information and Fund's Prospectus can be found at bailliegifford.com/institutional-investor/usa/funds

Mutual Fund servicing

Initial investor size	Service model	Availability of Relationship Manager (RM)
<$25m	Digital	No
>$25m	Relationship Manager + digital	Yes

Baillie Gifford Developed EAFE All Cap Fund

Fund size: $608m

Active share: 90%*

Annual Turnover: 9%

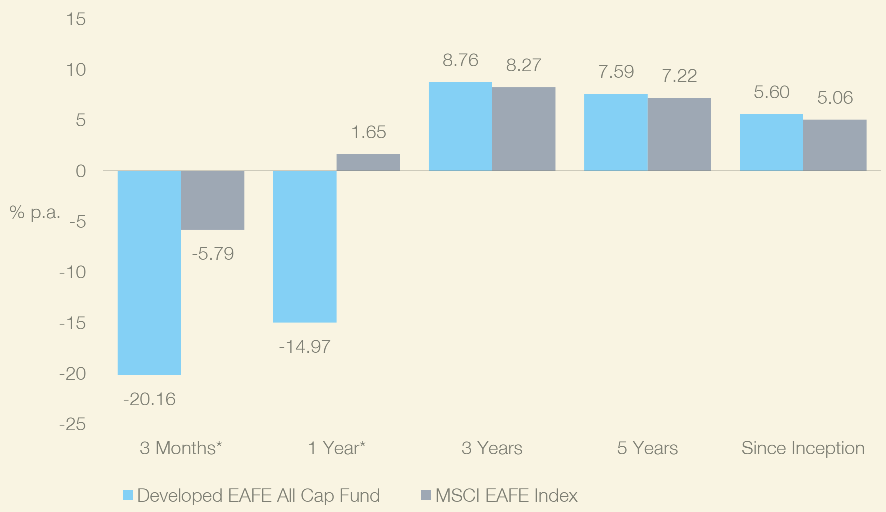
Number of stocks: 59

Guideline range of stocks: 50-90

Expense Ratios	Gross	Net
K Class	0.64%	0.64%
Institutional Class	0.76%	0.76%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI EAFE Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.
Since Inception April 15, 2014.

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance please visit the Fund's website at www.bailliegifford.com/en/usa/professional-investor/funds/.

The Baillie Gifford Fund's performance shown assumes reinvestment of dividend and capital gain distributions and is net of management fees and expenses. Returns for periods less than one year are not annualized. From time to time, certain fees and/or expenses have been voluntarily or contractually waived or reimbursed, which has resulted in higher returns. Without these waivers or reimbursements, the returns would have been lower. Voluntary waivers or reimbursements may be applied or discontinued at any time without notice. Only the Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.

Returns are based on K class shares from April 28, 2017. Prior to this date returns are calculated based on the oldest class of the Fund adjusted to reflect the K class fees where these fees are higher.

Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time.

The MSCI EAFE Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed markets, excluding the United States and Canada. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford Developed EAFE All Cap Fund is more concentrated than the MSCI EAFE Index.

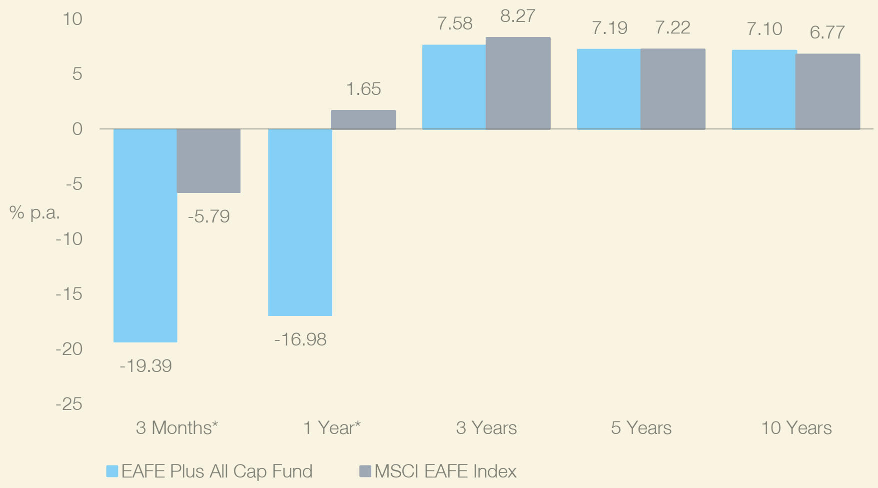
Baillie Gifford EAFE Plus All Cap Fund

Fund size: $537m
Active share: 90%*
Annual Turnover: 10%
Number of stocks: 69
Guideline range of stocks: 60-90

Expense Ratios	Gross	Net
K Class	0.62%	0.62%
Institutional Class	0.72%	0.72%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI EAFE Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.

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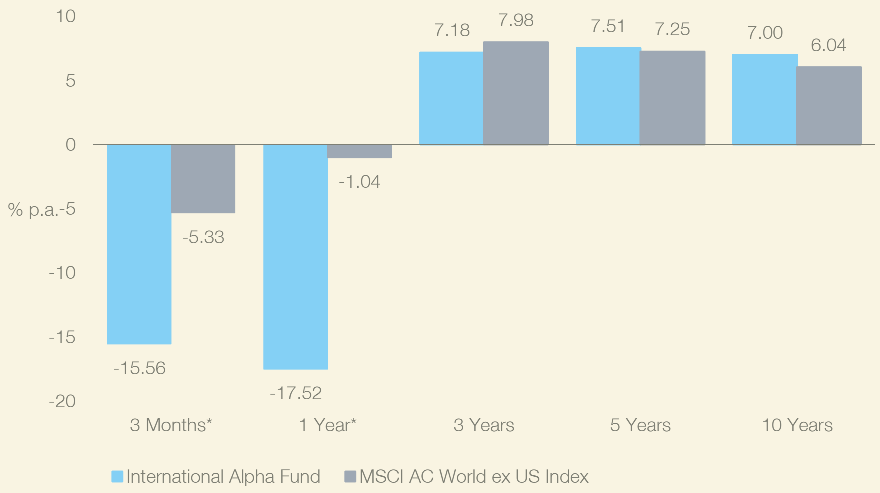
Baillie Gifford International Alpha Fund

Fund size: $3,158m
Active share: 86%*
Annual Turnover: 18%
Number of stocks: 76
Guideline range of stocks: 70-110

Expense Ratios	Gross	Net
K Class	0.59%	0.59%
Institutional Class	0.67%	0.67%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI AC World ex US Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance please visit the Fund's website at www.bailliegifford.com/en/usa/professional-investor/funds/.

The Baillie Gifford Fund's performance shown assumes reinvestment of dividend and capital gain distributions and is net of management fees and expenses. Returns for periods less than one year are not annualized. From time to time, certain fees and/or expenses have been voluntarily or contractually waived or reimbursed, which has resulted in higher returns. Without these waivers or reimbursements, the returns would have been lower. Voluntary waivers or reimbursements may be applied or discontinued at any time without notice. Only the Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.

Returns are based on the K share class from April 28, 2017. Prior to that date returns are calculated based on the oldest share class of the Fund adjusted to reflect the K share class fees where these fees are higher.

Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time.

The MSCI AC World ex US Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford International Alpha Fund is more concentrated than the MSCI AC World ex US Index.

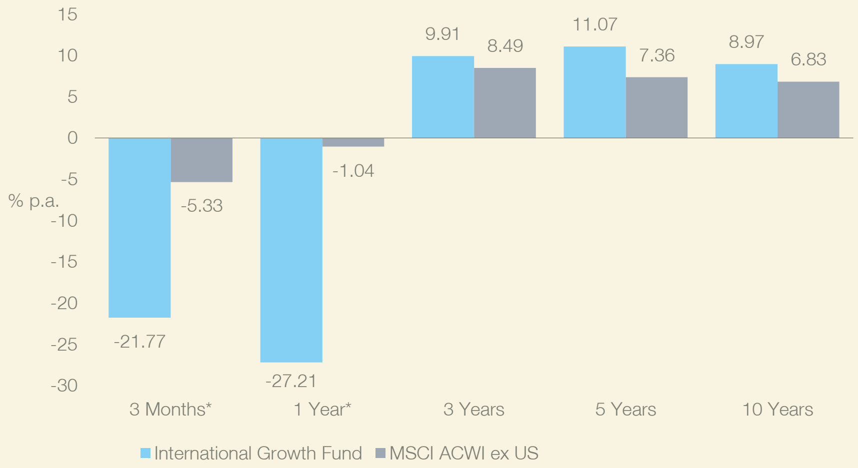
Baillie Gifford International Growth Fund

Fund size: $3,048m
Active share: 91%*
Annual Turnover: 10%
Number of stocks: 52
Guideline range of stocks: 50+

Expense Ratios	Gross	Net
K Class	0.58%	0.58%
Institutional Class	0.64%	0.64%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI ACWI ex US.

K Class Fund Performance – NAV Returns



MSCI EAFE Index benchmark data used until November 22, 2019. MSCI AC World ex USA benchmark data used after November 22, 2019.
Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance please visit the Fund's website at www.bailliegifford.com/en/usa/professional-investor/funds/.

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The MSCI AC World ex US Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford International Growth Fund is more concentrated than the MSCI AC World ex US Index.

Baillie Gifford International Concentrated Growth Equities Fund

Fund size: $100m

Active share: 95%*

Annual Turnover: 25%

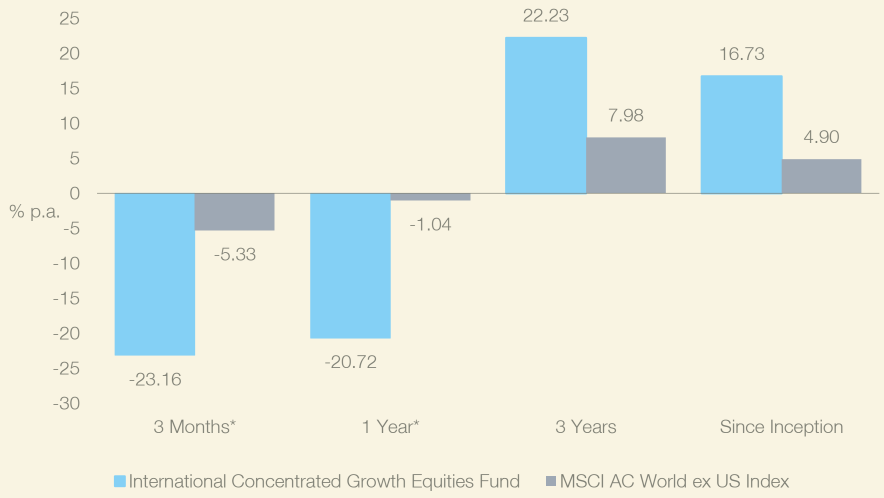
Number of stocks: 26

Guideline range of stocks: 20-35

Expense Ratios	Gross	Net
K Class	0.79%	0.72%
Institutional Class	0.87%	0.80%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars
*Relative to the MSCI AC World ex US Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022 US dollars.
*Not Annualized.
Since Inception December 14, 2017.

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance please visit the Fund's website at www.bailliegifford.com/en/usa/professional-investor/funds/.

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The MSCI AC World ex US Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford International Concentrated Growth Equities Fund is more concentrated than the MSCI AC World ex US Index.

Baillie Gifford International Smaller Companies Fund

Fund size: $46m

Active share: 98%*

Annual Turnover: 15%

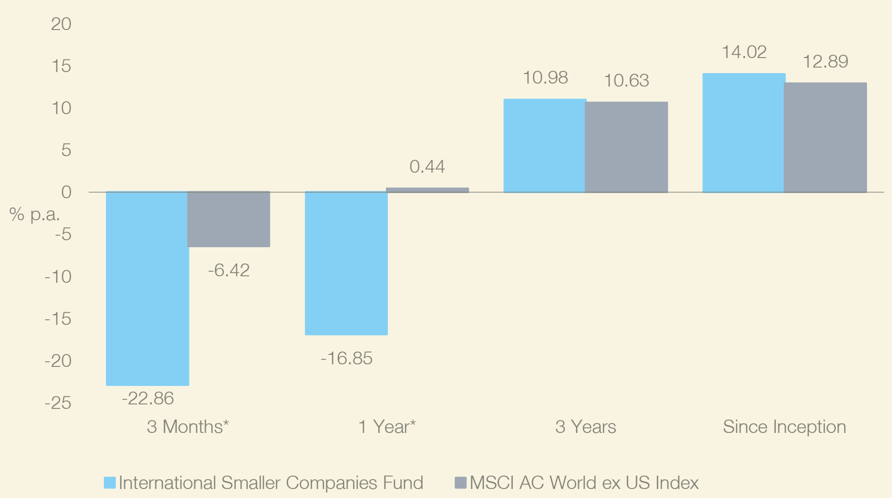
Number of stocks: 82

Guideline range of stocks: 75+

Expense Ratios	Gross	Net
K Class	17.20%	0.90%
Institutional Class	17.20%	0.90%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars
*Relative to the MSCI AC World ex US Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized
Since inception December 19, 2018.

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The MSCI AC World ex US Smaller Companies Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford International Smaller Companies Fund is more concentrated than the MSCI AC World ex US Smaller Companies Index.

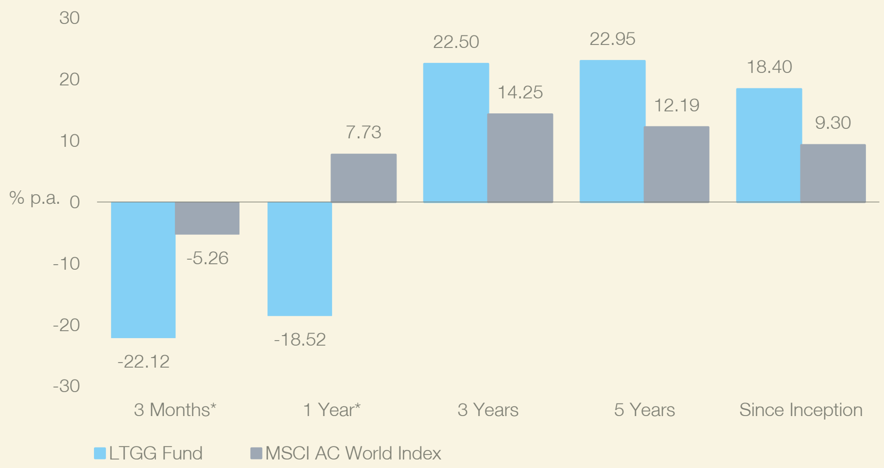
Baillie Gifford Long Term Global Growth Fund

Fund size: $896m
Active share: 91%*
Annual Turnover: 16%
Number of stocks: 42
Guideline range of stocks: 30-60

Expense Ratios	Gross	Net
K Class	0.71%	0.71%
Institutional Class	0.79%	0.79%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI AC World Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.
Since inception June 10, 2014.

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Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time.

The MSCI AC World Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford Long Term Global Growth Fund is more concentrated than the MSCI AC World Index.

Baillie Gifford Positive Change Equities Fund

Fund size: $180m

Active share: 96%*

Annual Turnover: 26%

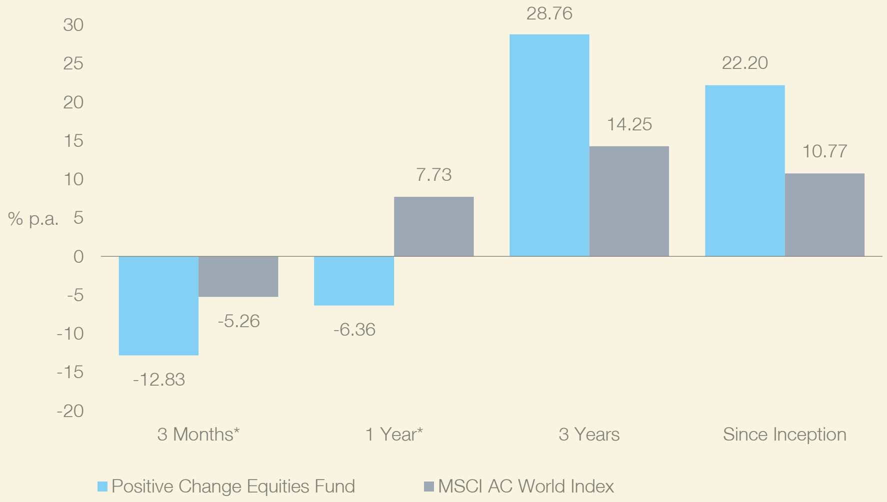
Number of stocks: 35

Guideline range of stocks: 25-50

Expense Ratios	Gross	Net
K Class	1.02%	0.65%
Institutional Class	1.05%	0.68%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI AC World Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.
Since inception December 14, 2017.

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The MSCI AC World Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford Positive Change Equities Fund is more concentrated than the MSCI AC World Index.

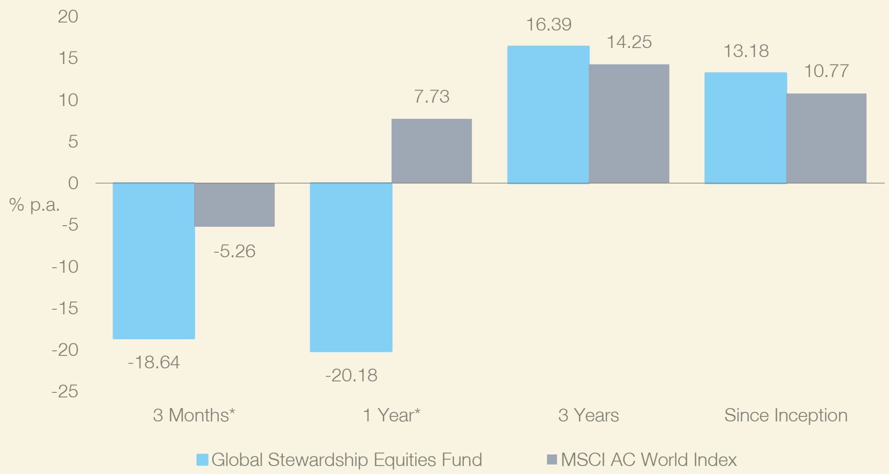
Baillie Gifford Global Stewardship Equities Fund

Fund size: $5m
Active share: 91%*
Annual Turnover: 13%
Number of stocks: 73
Guideline range of stocks: 70-100

Expense Ratios	Gross	Net
K Class	5.22%	0.65%
Institutional Class	5.22%	0.65%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI AC World Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.
Since inception December 14, 2017.

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The MSCI AC World Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford Global Stewardship Equities Fund is more concentrated than the MSCI AC World Index.

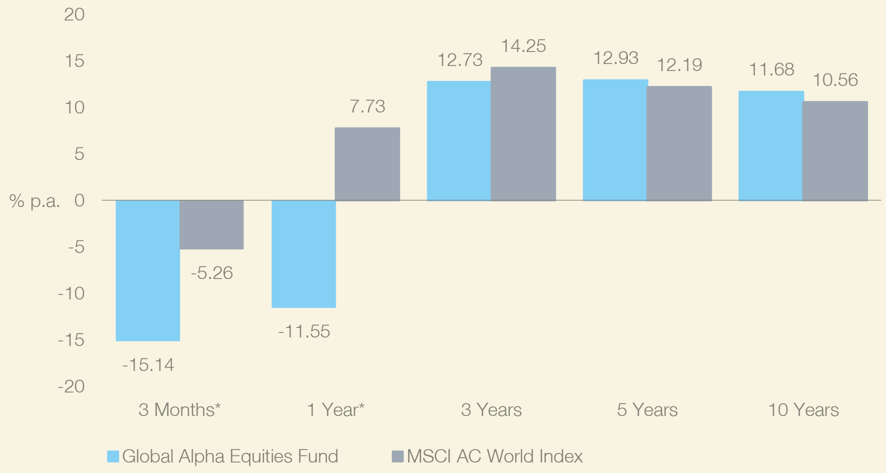
Baillie Gifford Global Alpha Equities Fund

Fund size: $1,274m
Active share: 85%*
Annual Turnover: 17%
Number of stocks: 97
Guideline range of stocks: 70-120

Expense Ratios	Gross	Net
K Class	0.65%	0.65%
Institutional Class	0.74%	0.74%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI AC World Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.
Since inception November 15, 2011.

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Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time.

The MSCI AC World Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global developed and emerging markets, excluding the United States. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford Global Alpha Equities Fund is more concentrated than the MSCI AC World Index.

Baillie Gifford Emerging Markets Equities Fund

Fund size: $5,492m

Active share: 68%*

Annual Turnover: 16%

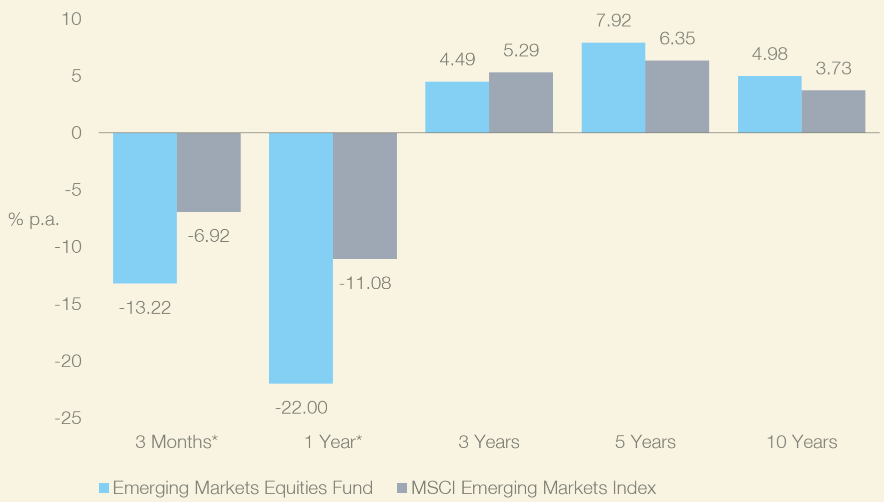
Number of stocks: 69

Guideline range of stocks: 60-100

Expense Ratios	Gross	Net
K Class	0.80%	0.80%
Institutional Class	0.89%	0.89%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the MSCI Emerging Markets Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.

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Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in the global emerging markets. This unmanaged index does not reflect fees and expenses and is not available for direct investment. Baillie Gifford Emerging Markets Equities Fund is more concentrated than the MSCI Emerging Markets Index.

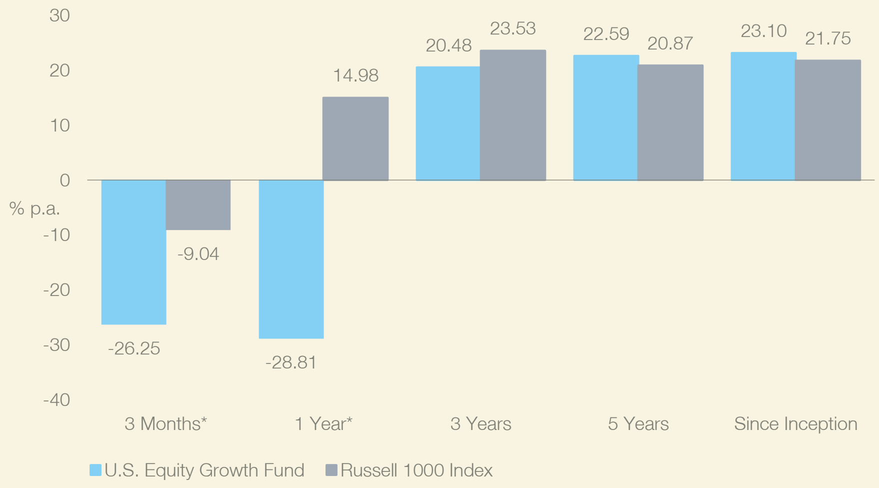
Baillie Gifford U.S. Equity Growth Fund

Fund size: $64m
Active share: 84%*
Annual Turnover: 15%
Number of stocks: 45
Guideline range of stocks: 30-50

Expense Ratios	Gross	Net
K Class	0.97%	0.65%
Institutional Class	1.06%	0.74%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the Russell 1000 Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.
Since inception December 5, 2016.

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The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the US equity universe. It includes Russell 1000 companies with higher forecasted growth values. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Fund is more concentrated than the Russell 1000 Growth Index.

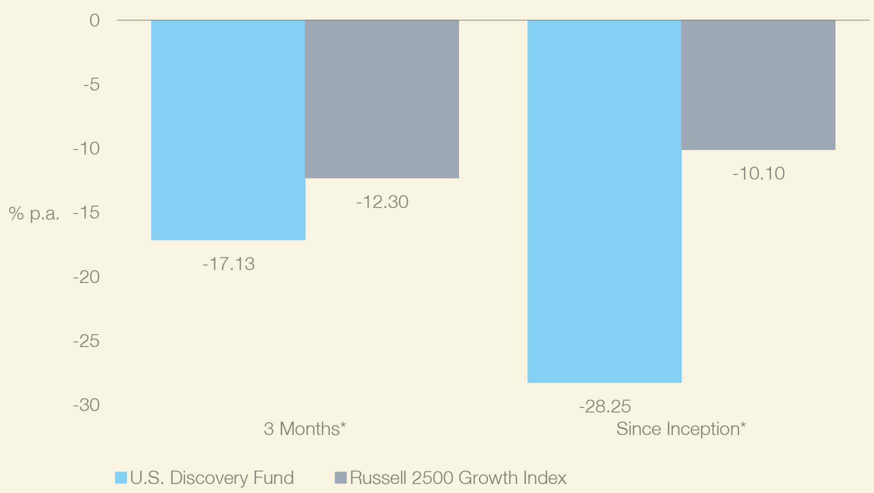
Baillie Gifford U.S. Discovery Fund

Fund size: $4m
Active share: 95%*
Annual Turnover: N/A
Number of stocks: 57
Guideline range of stocks: 40-75

Expense Ratios	Gross	Net
K Class	16.32%	0.82%
Institutional Class	16.47%	0.97%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to the Russell 2500 Index.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.
Since inception May 5, 2021.

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The Russell 2500™ Growth Index measures the performance of the small to mid-cap growth segment of the US equity universe. It includes those Russell 2500™ companies with higher growth earning potential as defined by FTSE Russell's leading style methodology. The Fund is more concentrated than the Russell 2500 Growth Index.

Baillie Gifford China Equities Fund

Fund size: $2m

Active share: 71%*

Annual Turnover: N/A

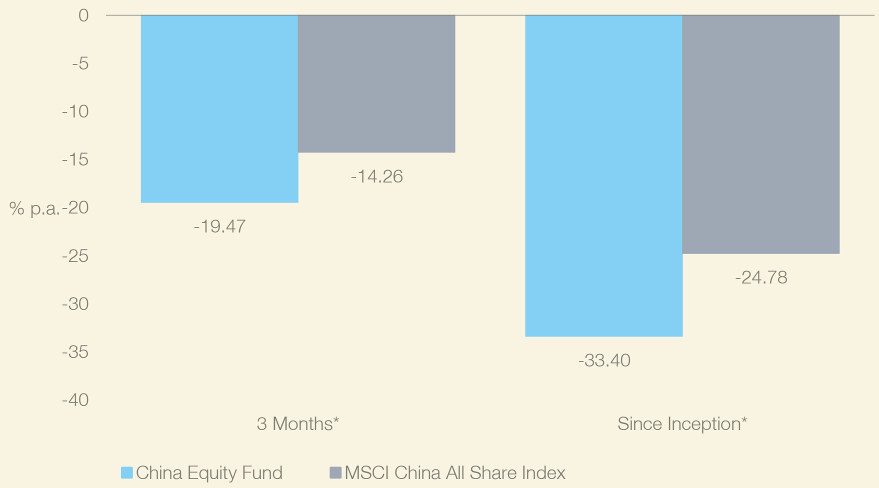
Number of stocks: 59

Guideline range of stocks: 40-80

Expense Ratios	Gross	Net
K Class	17.97%	0.87%
Institutional Class	18.12%	1.02%

Source: Baillie Gifford & Co and MSCI.
As of March 31, 2022. US dollars.
*Relative to MSCI Golden Dragon to May 2, 2019, MSCI All China to November 27, 2019, MSCI China All Shares thereafter

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and MSCI.
As of March 31, 2022. US dollars.
*Not annualized.
Since inception July 7, 2021.

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance please visit the Fund's website at www.bailliegifford.com/en/usa/professional-investor/funds/.

The Baillie Gifford Fund's performance shown assumes reinvestment of dividend and capital gain distributions and is net of management fees and expenses. Returns for periods less than one year are not annualized. From time to time, certain fees and/or expenses have been voluntarily or contractually waived or reimbursed, which has resulted in higher returns. Without these waivers or reimbursements, the returns would have been lower. Voluntary waivers or reimbursements may be applied or discontinued at any time without notice. Only the Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.

Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time. The net expense ratios for this fund are contractually capped (excluding taxes, sub-accounting expenses and extraordinary expenses), through April 30, 2022.

The MSCI China All Shares Index captures large and mid-cap representation across China A-shares, B-shares, H-shares, Red- chips, P-chips and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China. This unmanaged index does not reflect fees and expenses and is not available for direct investment. The Fund is more concentrated than the MSCI China All Shares Index.

Baillie Gifford Multi Asset Fund

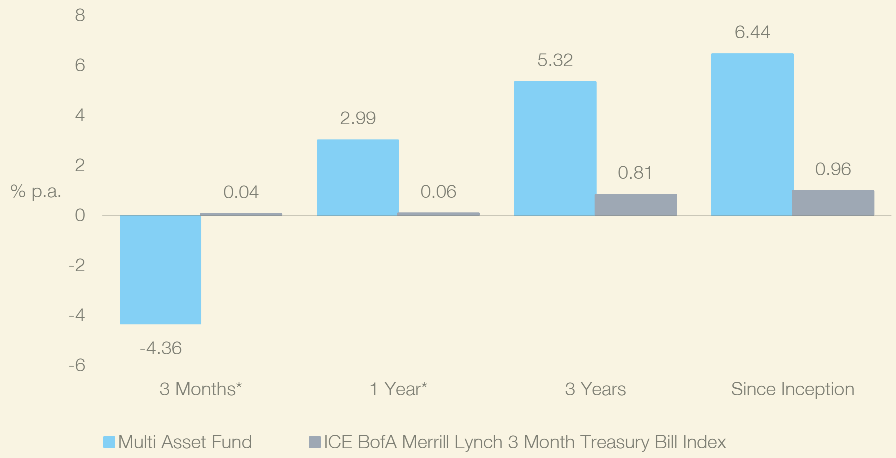
Fund size: $26m

Investment universe: A broad range of asset classes, markets and instruments

Expense Ratios	Gross	Net
K Class	2.68%	0.57%
Institutional Class	2.67%	0.57%

Source: Baillie Gifford & Co.
As of March 31, 2022. US dollars.

K Class Fund Performance – NAV Returns



Source: Bank of New York Mellon and ICE BofAML.
As of March 31, 2022. US dollars. *Not annualized. Since Inception December 3, 2018.

The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For the most recent month-end performance please visit the Fund's website at www.bailliegifford.com/en/usa/professional-investor/funds/.

The Baillie Gifford Fund's performance shown assumes reinvestment of dividend and capital gain distributions and is net of management fees and expenses. Returns for periods less than one year are not annualized. From time to time, certain fees and/or expenses have been voluntarily or contractually waived or reimbursed, which has resulted in higher returns. Without these waivers or reimbursements, the returns would have been lower. Voluntary waivers or reimbursements may be applied or discontinued at any time without notice. Only the Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.

Expense Ratios: All mutual funds have expense ratios which represent what shareholders pay for operating expenses and management fees. Expense ratios are expressed as an annualized percentage of a fund's average net assets paid out in expenses. Expense ratio information is as of the Fund's current prospectus, as revised and supplemented from time to time. The net expense ratios for this fund are contractually capped (excluding taxes, sub-accounting expenses, Acquired Fund Fees and Expenses and extraordinary expenses), through August 31, 2022. The Board of Trustees may modify or terminate contractual fee waivers or expense reimbursements. All fees are described in the Fund's prospectus.

The ICE U.S. Treasury Bond Index is market value weighted and designed to measure the performance of the U.S. dollar-denominated, fixed rate U.S. Treasury market. This unmanaged index does not reflect fees and expenses and is not available for direct investment.

Legal notices

All information is current and sourced from Baillie Gifford & Co unless otherwise stated.

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Principal investment risks

The value of your shares in a Fund will change with the value of the Fund's investments. Many factors can affect that value. The factors that are most likely to have a material effect on a particular Fund's portfolio as a whole are called "principal risks." Each Fund may be subject to additional risks other than those identified below, because the types of investments made by each Fund can change over time. There is no guarantee that a fund will be able to achieve its investment objective. It is possible to lose money by investing in a Fund. Risks applicable to each Fund:
Conflicts of Interest Risk • Equity Securities Risk • Focused Investment Risk • Growth Stock Risk • Government and Regulatory Risk • Information Technology Risk • Investment Style Risk • IPO Risk • Liquidity Risk • Long-Term Investment Strategy Risk • Market Disruption and Geopolitical Risk • Market Risk • Service Provider Risk • Small- and Medium-Capitalization Securities Risk • Valuation Risk

Risk	Baillie Gifford International Growth Fund	Baillie Gifford EAFE Plus All Cap Fund	Baillie Gifford Developed EAFE All Cap Fund	Baillie Gifford Emerging Markets Equities Fund	Baillie Gifford Global Alpha Equities Fund	Baillie Gifford Global Stewardship Equities Fund	Baillie Gifford International Concentrated Growth Equities Fund	Baillie Gifford International Alpha Fund	Baillie Gifford International Smaller Companies Fund	Baillie Gifford Long Term Global Growth Fund	Baillie Gifford Positive Change Equities Fund	Baillie Gifford U.S. Equity Growth Fund	Baillie Gifford Multi Asset Fund	Baillie Gifford US Discovery Fund	Baillie Gifford China Equities Fund
Asia Risk	•	•	•	•	•	•	•	•	•	•	•				
Asset Allocation Risk													•		
China Risk	•	•	•	•	•	•	•	•		•					•
Commodities Risk													•		
Counterparty and Third Party Risk													•		
Credit Risk													•		
Currency Risk	•	•	•	•	•	•	•	•	•	•	•				•
Currency and Currency Hedging and Trading Risk													•		
Debt Securities Risk													•		
Derivatives Risk													•		
Emerging Markets Risk	•	•		•	•	•	•	•	•	•	•		•		•
Frontier Markets Risk				•							•		•		
Futures Contracts Risk													•		
Geographic Focus Risk	•	•	•	•			•	•	•			•		•	•
Hedging Risk													•		
High Yield Investments Risk													•		

Principal investment risks

Risk	Baillie Gifford International Growth Fund	Baillie Gifford EAFE Plus All Cap Fund	Baillie Gifford Developed EAFE All Cap Fund	Baillie Gifford Emerging Markets Equities Fund	Baillie Gifford Global Alpha Equities Fund	Baillie Gifford Global Stewardship Equities Fund	Baillie Gifford International Concentrated Growth Equities Fund	Baillie Gifford International Alpha Fund	Baillie Gifford International Smaller Companies Fund	Baillie Gifford Long Term Global Growth Fund	Baillie Gifford Positive Change Equities Fund	Baillie Gifford U.S. Equity Growth Fund	Baillie Gifford Multi Asset Fund	Baillie Gifford US Discovery Fund	Baillie Gifford China Equities Fund
Infrastructure Investments Risk													•		
Interest Rate Risk													•		
Impact Risk											•				
Japan Risk	•	•	•		•	•	•	•	•		•				
Large-Capitalization Securities Risk	•	•	•	•	•	•	•	•		•	•	•	•		•
Modeling Risk													•		
New and Smaller-Sized Funds Risk						•	•		•			•	•	•	•
Non-Diversification Risk							•			•	•	•		•	•
Non-U.S. Investment Risk	•	•	•	•	•	•	•	•	•	•	•		•		•
Over-the-Counter Risk													•		
Real Estate Securities Risk													•		
Settlement Risk	•	•	•	•	•	•	•	•	•	•	•		•		•
Short Position Risk													•		
Socially Responsible Investing Risk						•					•				
Structured Finance Securities Risk													•		
Tax Risk													•		
Underlying Funds Risk															•

Portfolio Holdings

Bailiie Gifford International Growth Fund

Company	Mar-18 Fund %	Mar-19 Fund %	Mar-20 Fund %	Mar-21 Fund %	Mar-22 Fund %
Adevinta			0.2	0.22	0.19
Adyen			1.79	3.47	4.81
Afterpay				0.99	
AIA	4.06	4.34	3.7	2.14	2.47
Aixtron	0.74	0.38	0.37	0.63	0.84
Alfa Laval	0.87	0.7			
Alibaba	4.37	4.6	6.44	3.91	2.6
Ambu		0.83	0.76	1.61	0.67
AMS	1.9	0.51			
Argenx			0.58	1.48	2.47
ASML	5.47	5.88	6.97	8.24	7.23
Aston Martin Lagonda		0.51	0.1		
Atlas Copco	3.23	1.86	1.94	2.24	2.58
Baidu.com	3.86	2.48	1.06		
BASF	1.49	1.57	0.73	0.75	
BBVA	1.38	1.07			
Cash and Deposits	0.91	1.23	2.06	1.06	1.5
Chr Hansen	0.83	0.61	0.88	0.62	
Coupang					0.67
CureVac				0.52	0.15
CyberAgent		0.42	0.4		
Delivery Hero	0.81	0.63	2.23	2.08	1.17
DIA	0.28				
Dialog Semiconductor	0.25				
Elekta	0.56	0.68	0.45		
EssilorLuxottica	0.82	0.67	0.36		
EXOR			1.01	1.18	1.43
Faurecia				0.04	
Ferrari	4.58	5.42	5.7	4.09	5.7
Genmab	2.17	1.89	2.49	2.32	3.4
GMO Payment Gateway		0.78	0.77		
HDFC	0.48	0.49	0.49	0.47	0.58
HelloFresh			1.66	1.84	1.52
Hong Kong Exchanges & Clearing	1.09	1.2	0.74	0.94	0.99
Inditex	3.25	3.23	2.86	2.11	0.71
JD.com					0.1
Jeronimo Martins	0.51				
Kering	3.41	4.67	3.9	3.82	4.62
Kinnevik	1.79	1.38	0.89	1.45	1.03
L'Oréal	2.61	2.75	2.22	2.11	2.92
M3	3.62	2.82	4.38	3.63	2.56
MakeMyTrip			0.14		
Meituan		0.58	2.19	4.77	3.39
MercadoLibre	1.52	2.32	3.43	5	5.52
Morphosys	0.67	0.61	0.6	0.35	0.15
New Oriental Education & Technology	1.54				
Nidec Corporation	1.67	1.75	1.36	2.22	2.27
NIO		0.43	0.23	1.77	1.26

Novozymes	0.96	0.69	0.68	0.6	0.87
Oatly					0.2
Ocado	0.68	1.75	1.39	1.89	1.37
Pan Pacific International	1.15	1.37	1.19	0.56	0.52
Pigeon	0.95	0.9	0.69	0.45	
Pinduoduo					0.37
Ping An Insurance		1.3	2.05	1.53	1.23
Rakuten	1.15				
Richemont	1.54				
Rocket Internet	0.75	0.64	0.51		
Rolls-Royce	2.53	3	0.94	0.56	
Sartorius Group	0.62	0.8	1.14	1.31	2.08
SBI Holdings	0.77	0.77	0.51	0.59	0.75
Schibsted	0.57	0.64	0.36	0.5	0.4
SEA Limited					0.94
SMC	2.03	2	2.19	1.6	2.03
SoftBank Group	3.52	4.54	1.94	1.23	
Spotify		2.4	1.95	3.22	3.29
Standard Chartered	0.99				
Stellantis	3.94	2.12	1.03	0.88	1.1
Svenska Handelsbanken	2.08	1.71			
Sysmex	1.36	0.95	0.81		
TAL Education	1.94	2.03	2.83	1.46	
Temenos			1.3	1.04	0.91
Tencent	4.74	5.52	7	5.45	4.76
Trip.com Group	0.61				
TSMC					3.2
Umicore	1.52	2.18	1.76	1.89	2.05
Vestas Wind Systems				0.43	1.27
WiseTech Global				0.7	1.65
Wix.com	1.27	2.01	1.04	2	1.1
WuXi Biologics					0.96
Xero				0.64	0.69
Zalando	3.56	3.42	2.61	3.41	2.77
Grand Total	100	100	100	100	100

Baillie Gifford Performance Sign Off

Account:	NAV return for MUTEAF Class 2
Benchmark:	MSCI EAFE GDR to 22-11-19 then MSCI AC World ex US GDR
Currency:	US dollar
To date:	3/31/2022
Source:	SPA

	Discrete Annual Performance (Net)									
	3/31/2013	3/31/2014	3/31/2015	3/31/2016	3/31/2017	3/31/2018	3/31/2019	3/31/2020	3/31/2021	3/31/2022
NAV return for MUTEAF Class 2	8.8	23.2	-0.3	-11.8	18.7	36.4	-6.6	-1.2	84.5	-27.2
MSCI EAFE GDR to 22-11-19 then MSCI AC World e	11.8	18.1	-0.5	-7.9	12.2	15.3	-3.2	-13.9	50.0	-1.0

FUND PERFORMANCE SUMMARY
Long Term Returns

FUND: BG MUT Intl. Growth Class 2

March 31 2022

BENCHMARK: MSCI AC World ex US (MSCI EAFE prior to 23/11/19)

	1 month	2 months	3 months	6 months	YTD	1 year	2 years % p.a.	3 years % p.a.	4 years % p.a.	5 years % p.a.	10 years % p.a.	Since Inception % p.a.
NAV Return *	-4.35	-11.92	-21.75	-25.33	-21.75	-27.17	15.92	9.92	5.52	11.08	8.97	6.35
Benchmark Return	0.25	-1.72	-5.33	-3.55	-5.33	-1.04	21.85	8.49	5.45	7.36	6.83	3.87
Difference	-4.60	-10.19	-16.41	-21.77	-16.41	-26.12	-5.93	1.43	0.07	3.72	2.14	2.49

Since Inception Date: 06 March 2008

* NAV Return based on Share Class 2 Prices

Source: Bank of New York Mellon, StatPro and relevant underlying index provider(s)

All investment strategies have the potential for profit and loss. Past performance is not a guide to future returns.

NEPC, LLC

Firm: **Schroders Investment Management, North America Inc.**

Strategy/**Product: International Alpha**

Client: **MWRA**

<u>NEPC Manager Due Diligence Questionnaire - Update</u>

Instructions
In support of our upcoming meeting we ask that you please complete this due diligence questionnaire. Please provide your responses in the form of brief descriptions, lists or tables added directly to this Word document.

Thank you for taking the time to complete this questionnaire. Please note that all materials submitted in relation to MWRA Retirement System may be subject to disclosure consistent with Massachusetts Public Record laws.

Firm/Organization*

1. Have there been any changes in ownership or management in the past year?

There has been no change in ownership in the past year.

However, please see below for senior management changes announced during the past year

3Q2022

- In January 2022, it was announced that Marc Brookman will be leaving Schroders in July 2022. Marc Joined as Deputy CEO and the Head of Distribution, North America, in 2018, and assumed the position of CEO of North America at the beginning of 2020. Marc joined the GMC in March 2020.

2Q2022

- In January 2022 it was announced that Carolina Minio-Paluello (Global Head of Product, Solutions & Quant) will be leaving the firm Schroders and stepping down from the GMC in June 2022.

- In 2022, it was announced that Tiffani Potesta would assume the role of Head of Distribution, while retaining her role as Chief Strategy Officer for North America. Tiffani Potesta was previously appointed Chief Strategy Officer for North America in 2Q21. Previously, Tiffani Potesta served as Chief Administrative Officer (CAO) from 4Q19, a newly created role which expands beyond distribution to include responsibility for business management and strategy for the overall North American business, while continuing to oversee Product and Marketing for the Americas.

- In late February 2022, it was announced that Phil Gallo, Schroders' Global Head of Compliance since 2018, has been appointed to a new role as Head of Risk & Compliance for the Americas, based in New York, while retaining management oversight for Global Advisory Compliance. Phil will assume the role of Chief Compliance Officer for Schroder Investment Management North America Inc. (SIMNA Inc.) as of April 1, 2022. He will report to Nigel Drury, Chief of Risk Officer.

- Following the restructuring of risk and compliance, Joe Bertini, Head of Compliance for the Americas and Chief Compliance Officer for SIMNA Inc., will leave the firm after a period of transition to pursue other opportunities. Joe joined at the end of 2015 and assumed the responsibilities of CCO at the beginning of 2016.

- In 2022, Schroders will be bringing our compliance and risk functions together, which we believe will further increase collaboration and effectiveness. Nigel Drury, Schroders' Chief Risk Officer, based in London, will lead Risk and Compliance globally. Nigel Drury previously joined the GMC on January 1, 2021.

- In January 2022, it was announced that Beth Saint, Schroders Global Head of Marketing and Communications, was appointed to the Schroders GMC, effective April 1st, 2021. Beth joined Schroders in June 2008, holding various roles within Marketing. She was appointed Global Head of Marketing and Communications in 2019.

1Q2022

- In January 2022, Karine Szenberg was appointed Head of EMEA and was promoted to a global role to include Marketing, Communications and Product. Karine was appointed to the Head of Europe in May 2018, with responsibility for Continental Europe and the Middle East and was appointed to the GMC in March 2020. Karine joined Schroders in 2014 as Country Head of France.

- In January 2022, Charles Prideaux was appointed Global Head of Strategy and Solutions. In this new role, Charles will be responsible for global solutions, overseeing the integration of Schroders acquisition of the River & Mercantile Solutions division, as well as corporate development and relationships with key partners. Previously, Charles was appointed to the newly created position of Global Head of Investments in September 2019. Prior to that, in March 2018, he served as Global Head of Product and Solutions. He joined the Firm in October 2017 as Head of Solutions and was appointed to the GMC.

- In January 2022, Johanna Kyrklund was appointed Co-Head of Investment, alongside her existing role as Group Chief Investment Officer. Johanna Kyrklund was appointed to the role of Chief Investment Officer in September 2019. She joined Schroders in 2007 as Head of UK Multi-Asset, became Global Head of Multi-Asset Investments in 2016 and joined the GMC in 2017. She still retains her responsibilities as head of Multi-Assets Investments.

- In January 2022, Rory Bateman was appointed Co-Head of Investment, alongside his existing role as Global Head of Equities. In March 2019, Rory Bateman became Global Head of Equities, succeeding Nicola Richards, and joined the GMC. He joined Schroders in 2008, serving as the head of UK/European Equities team at Schroders from 2015 to 2019.

- In January 2022, Phil Middleton succeeded Marc Brookman as CEO, North America, and will be joining the GMC effective April 1st. Phil was appointed to the role of Head of US Institutional

Distribution in November 2019. Phil joined Schroders nearly 30 years ago and, most recently, led the UK Intermediary business.

4Q2021

- In October 2021, Andy Howard, Global Head of Sustainable Investment joined the GMC.

- It was announced that at the end of October 2021, Chris Durack, Co-Head of Asia Pacific, has decided to leave the firm after a decade with Schroders.

3Q2021

- At the end of August 2021, Richard Mountford retired from Schroders having worked for the firm for over 40 years. He has stepped down from the GMC and his role of Head of Planning, Group Strategy, but remains as the Chair of a number of our Luxembourg fund boards.

2Q2021

- At the end of May 2021, Mark A. Hemenetz, Chief Operating Officer, Americas, has retired after 18 years with Schroders. Following his retirement, Bill Sauer was promoted to Head of Operations, Americas, Carin Muhlbaum, General Counsel, Americas, was promoted to Chief Administrative Officer, Americas, while retaining her role as General Counsel and Tiffani Potesta was also appointed Chief Strategy Officer for North America.

- In April 2021, Jamie Ovenden, Global Head of Enterprise Technology, Digital and Innovation, became our Chief Technology Officer (CTO) and a member of the GMC.

1Q2021

- At the end of March 2021, Stewart Carmichael, Chief Technology Officer retired.

- At the end of March 2021, Philippe Lespinard left Schroders. Philippe previously stepped down from his role as Head of Fixed Income in September 2020.

- On January 1, 2021, Nigel Drury, Chief Risk Officer, joined the GMC.

2. List Firm AUM, net flows and accounts gained/lost in the past 5 years

Year	AUM (US$ Millions)	Net Flows* (US$ Millions)	Accounts Gained* (US$ Millions)	Accounts Lost* (US$ Millions)
2022 – 1Q	837,914	*	*	*
2021	833,200	20,447	395	294
2020	785,146	58,091	485	284
2019	662,630	57,476	532	366

2018	518,672	-12,156	267	338
2017	589,470	12,983	565	264

Source: Schroders

*Net Flows and Accounts Gained and Lost are available on a semi-annual basis.

Post the Financial Crisis, the UK Professor John Kay conducted a Review of UK equity markets and long-term decision making. We agreed with his conclusions that the excessively frequent reporting and subsequent management of financial performance increases the pressure to make short- term decisions. UK Policy makers responded with a change in regulations which allowed UK companies to report public earnings less frequently. In light of these developments and as a company that is focused on building sustainable growth for the long term, we decided to change the way we report earnings as a publicly listed company on the London Stock Exchange and will no longer publish full financial results in the first and third quarters. This will have an impact on our quarterly client reporting, as we will not be providing assets gained and lost and flows during these quarters. We will still provide our firm wide global assets under management, strategy assets, and valuations of client accounts. As we value our client's needs, we welcome any feedback and comments on this recent change.

3. Have there been any new or discontinued products in the past year?

During the past year, Schroder Investment Management North America Inc. has had the following new and discontinued vehicles:

New Vehicles:

Product Name	Effective Date	Vehicle	Comments
iCapital Schroder Adveq US V Feeder L.P	April 30, 2020	US 3C-7 LP	Launched
Schroder FOCUS II Fund, L.P.	May 8, 2020	3C-7 LP	Launched with Cayman Feeder
Schroder Taft-Hartley Income Fund	June 8, 2020	US 3C-7 LP	Launched
Schroder Emerging Markets Equity Alpha	September 1, 2020	US 3C-7 LP	Launched
Schroder Global Sustainable Growth Fund (Canada)	October 16, 2020	Canadian Trust	Launched
Hartford Schroders ESG US Equity ETF	August 11, 2021	ETF	Launched
Schroder Flexible Secured Income Fund, L.P. (FLEXSI)	August 27, 2021	US 3C-7 LP	Launched
Hartford Schroders Commodity Strategy ETF	September 15, 2021	ETF	Launched
Hartford Schroders Diversified Emerging Markets Fund	September 30, 2021	US 1940 Act Mutual Fund	Launched
Schroder Flexible Secured Income (Cayman) Fund, L.P. (FLEXSI)	October 1, 2021	Cayman 3C-7 LP	Launched
Schroders Capital PILLARS Fund, L.P.	December 1, 2021	US 3C-7 LP	Launched

Schroder Emerging Markets Equity Alpha Fund (Canada)	December 15, 2021	Canadian Trust	Launched

Closed Vehicles:

Product Name	Effective Date	Vehicle	Comments
Schroder Securitized Credit Fund (US & Bermuda)	April 30, 2021	3C-7 LP	Liquidated
Schroder Global Multi-Cap Quality Trust	October 5, 2021	US CIT 3c-11	Liquidated
Hartford Schroders Opportunistic Income Fund	October 15, 2021	US 1940 Act Mutual Fund	Liquidated
Schroder Long Duration Investment-Grade Bond Fund	October 26, 2021	US 1940 Act Mutual Fund	Liquidated
Schroder Absolute Return Emerging Markets Debt Portfolio LP	October 29, 2021	3C-7 LP	Liquidated

4. Are any products capacity constrained?

Yes. Schroders has a Group Capacity Committee. The purpose of the Committee is to provide oversight on the management of capacity issues. It will seek to identify up-coming capacity pinch-points and agree how these will be managed.

Given the breadth of our product range, we monitor the capacity of our individual products closely so that we do not take on more assets than we can be managed without negatively impacting performance. We actively monitor potential capacity constraints and mitigate this by closing products to new investment in certain circumstances

We believe that the key to a successful investment partnership with our customers is prioritizing their interests and safeguarding their trust in us. With this in mind, we take capacity management extremely seriously.

The primary objective of capacity management is ensuring that our investment process can continue to deliver the performance potential for our clients without compromise. Therefore, we take a conservative approach to monitoring and managing capacity.

The management of capacity is jointly determined by our independent Risk & Performance Analytics Team, fund managers and investment directors.

The Equity Risk and Performance Analytics Team assist the fund managers and investment directors with the quantitative analysis of stock or bond ownership and liquidity on a quarterly basis. Ownership analysis involves looking at share or bond holdings at both the aggregate product level and the total Schroder level by examining the impact of increased levels of funds under management. Liquidity data encompasses all trading venues, on and off exchange, including venues such as dark pools. Liquidity analysis involves reviewing average daily trading volumes and calculating how long it would take to accumulate/liquidate a given position at increasing levels of funds under management.

Capacity is also reviewed in our quarterly Asset Class Risk and Performance Committees and centrally at the Capacity Committee, which is chaired by the Global Head of Product.

We would not hesitate to soft close or hard close strategies in order to protect performance, even at levels that are significantly lower than our industry peers and have done so on various products across Schroders in the past.

5. **Describe any current or pending regulatory, compliance or litigation issues and the expected business impact.**

Schroder Investment Management North America Inc. (SIMNA) and its principals are not involved in any current or pending regulatory, compliance or litigation issues that would have an expected business impact.

6. **Describe your diversity, equity and inclusion efforts with regard to the firm and its employees.**

Diversity, Equity, and Inclusion (DEI) is a major focus across the industry and is of increasing importance to our clients.

Having a diverse workforce and inclusive workplace results in greater creativity and innovation, providing better results for our clients.

Our commitment to creating a truly inclusive culture at Schroders is at the center of our people strategy, and is led by our Group Chief Executive, along with executive sponsorship from our GMC members. We are committed to providing equal employment opportunities and combating all forms of discrimination.

Upon becoming CEO in 2016, Peter Harrison made DEI initiatives a key area of focus for Schroders, and we have become a leader in these efforts in London. We aim to further build on these initiatives and become a diversity leader in North America as well.

At a Group level, Faye Farrant, who serves as Global Head of Talent and Inclusion, based in our London Headquarters, partners across the firm to set the direction of our D & I strategy, in conjunction with our General Management Committee, and also facilitates learning, development and training efforts around our D&I program.

Racheal Hanifan, the Head of Human Resources for Schroder Investment Management North America (SIMNA) Inc. is our EEO Coordinator. She is responsible for executing local D & I initiatives, in conjunction with the North America Executive Committee. She is also responsible for ensuring compliance with our equal opportunity employment policy, which is embedded in the employee handbook.

Additionally, we recently established a local Inclusion Committee to promote an inclusive culture across our US operations. The committee meets on a regular basis and reports activities to Schroder Investment Management North America Inc.'s board.

For over 20 years, Schroder Investment Management North America Inc. has had a MBE/WBE/DVBE Committee, which focused on tracking procurement and vendor spending with MBE/WBE/DVBE firms and brokers. Approved by the SIMNA Board in March 2019, the DEI Committee absorbed the remit of the MBE/WBE/DVBE Committee and extended its focus to other DEI initiatives. The Committee continues to oversee vendor expenditures, and reports on DEI initiatives to the SIMNA board.

The DEI Council was formed in July 2020, with delegated authority from the Committee, to develop and implement initiatives to advance our DEI Strategy in North America. The Council is comprised of our Employee Resource Group (ERG) leads, and representatives from various departments.

Bi-monthly Council meetings provide an opportunity for each ERG lead to share accomplishments, concerns, and needs, as well as provide an open forum for the sharing of up-coming global and local D & I initiatives in order for the Council to provide feedback and guide the development of content to ensure it meets the needs of our local business.

Together, the Committee and Council aims to encourage efforts to increase and improve tracking of diverse suppliers, promote an inclusive culture, improve external communication and enhance engagement with industry groups.

We recognize efforts to increase diversity in our industry has to involve community outreach and talent development. In order to build the pipeline of talent, we support several programs to enhance opportunities for non-traditional candidates to advance in careers in asset management and finance.

Schroders is involved in several programs to enhance opportunities for diverse individuals to advance in careers in asset management and finance.

Investment 20/20
We are a participating firm in the Investment 20/20, an initiative to promote investment management to interested and diverse talent. One of the co-founders previously served as one of our longest sitting female board members, Nichola Pease.

Women in Finance Charter
In May 2016, Schroders signed up to the, Women in Finance Charter, a pledge for gender balance across financial services. The charter sets out to build a more gender-balanced and fair sector. Signatories pledge to commit to progressing women into senior roles, setting a strategy with measurable targets and reporting publicly on their progress.

We see transparency around gender pay as integral to having more meaningful conversations around equality.

The Diversity Project
We are proud to support The Diversity Project. Peter Harrison, Group CEO, is a member of its CEO Advisory Council. This is a group of leaders in the investment and savings profession that decided to take action to accelerate progress towards an inclusive culture within our industry.

In North America, we have agreed to be a participating member firm in NICSA's Diversity Project focused on activities in the US and Canada. We are also an experimental research partner with the CFA Driving Change D&I in Investment Management We have a corporate partnership in New York with the Ellevate Network, Global Professional Women's Network, to increase development opportunities for our US female employees. We also offer the services of Villyge to all our parents and parents to be, to provide them with the support they need in order to thrive at home and at work. Our SIMNA Inclusion Committee reviews external stakeholder and industry engagement in the US to promote an inclusive culture.

READ Alliance

READ Alliance works to improve the educational trajectory of early elementary students through the power of teen leaders who provide one-to-one tutoring in foundational reading skills. Their unique, dual-impact model of literacy and leadership addresses the achievement gap for younger students while engaging young people in serving their communities.

Since 2000, READ has engaged more than 13,000 high school youth to provide more than 15,000 kindergarten through second grade students with one-to-one reading tutoring in under-resourced communities throughout the five boroughs of NYC and Schroders has partnered with READ since 2008. In 2021, Schroders was the recipient of READ's first Trailblazer Award for Corporate Social Responsibility.

Corporate Call to Action: Coalition for Equity & Opportunity

In August 2020, The Connecticut Office of the Treasurer and the Ford Foundation launched a partnership to convene a coalition of CEOs, including SIMNA Inc.'s CEO, to advance racial and economic security and opportunity both within and outside of their companies. The coalition of CEOs, as part of a corporate call to action working group, will establish long-term, measurable commitments that address the need for significant changes in be made in order to advance social change, racial justice and greater economic prosperity for all.

Villyge

Villyge is an organization providing support to working parents including 1:1 employee support and development programs. It is an employer-paid benefit that sets families up for success and helps employees to thrive. Through insights, news and webinars, they provide resources to employees at no cost on all things caregiving – including parents, pets and elderly.

RecruitMilitary

We partner with Recruit Military to help engage transitioning and civilian experienced military veteran persons in the most meaningful way. We share all open roles directly with members.

National Black MBA Association

SIMNA Inc. partnered with the National Black MBA Association. For over 50 years, the NBMBAA has focused on promoting educational and economic growth for African Americans. As a corporate partner, we share employment opportunities and communicate directly with NBMAA members to help them find their next role.

Autism Speaks

Schroders is a corporate sponsor of Autism Speaks. Autism Speaks, founded in 2005, is dedicated to providing crucial autism research, advocacy, services and support to help people with autism spectrum disorder and related conditions thrive from early childhood into adulthood.

Harlem Lacrosse

Schroders is a corporate sponsor of Harlem Lacrosse, a school-based non-profit organization that changes the life trajectories of children who are most at risk for academic decline and dropout through daily wrap-around academic support, mentoring, leadership training, college readiness, career exploration, admissions counseling and lacrosse instruction.

National Association of Securities Professionals

Starting in August 2021, SIMNA Inc. became a partner and corporate sponsor of the National Association of Securities Professionals (NASP). NASP is the premier organization that assists people of color and women achieve inclusion in the financial services industry.

The NASP connects members to industry leaders and business opportunities; advocates for policies that create equal representation and inclusion; provides educational opportunities; and works to build awareness about the value of ensuring that people of color and women are included in all aspects of the financial services industry.

Founded in Chicago in 1985, the organization has grown to become a resource for diverse professionals within the financial services industry. Headquartered in Washington, D.C., NASP currently has 11 local chapters throughout the United States and boasts a membership of over 600.

Ellevate

We have a corporate partnership in New York with the Ellevate Network. Ellevate is the largest community of women+ at work, a powerful coalition of ambitious and supportive women who believe there is strength in numbers, Ellevate works with leading companies to help them retain, hire and improve diversity, equity and inclusion within their organizations. Schroders has partners with Ellevate to increase development opportunities for our US female employees.

Schroders is committed to workforce diversity and promoting an inclusive environment. Our policy and initiatives are available on our public website http://www.schroders.com/en/people/diversity-and-inclusion/

Valuable 500 Initiative

In 2020, Schroders joined the global Valuable 500 Initiative, the largest network of global chief executives determined to embed disability inclusion throughout the whole business supply chain.

The Valuable 500 Initiative, aims to bring disability inclusion to the forefront of the diversity and inclusion agenda and raise awareness with business leaders around how disability is valued and represented within business. Today, the Valuable 500 encompasses 64 sectors, with over 22 million employees and reaches across 41 one countries*.

*Source: the Valuable 500.

UN Women’s Empowerment Principles

Schroders became a signatory of the Women's Empowerment Principles in 2021. Established by the UN Global Compact and UN Women, the Women's Empowerment Principles offer guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace and community. The WEPs are informed by international labor and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, women's empowerment

reacHIRE

Schroders is entering into a partnership with reacHIRE to launch a return ship program, aimed at bringing individuals back into our industry. reacHIRE partners with forward-thinking companies to diversify their workforces and empower individuals to reach higher at every stage of their careers.

Jopwell

Schroders is launching a partnership with Jopwell. Jopwell is the first and leading diversity and inclusion technology company. Jopwell represents and advances careers for Black, Latinx, and Native American students and professionals and partners with companies to advance diversity & inclusion.

Schroders is committed to providing equal opportunities in employment and to preventing discrimination. Our Equal Opportunities policy is intended to assist Schroders to put this commitment into practice. Compliance with this policy will ensure that employees do not commit unlawful acts of discrimination. The policy applies to all employees regardless of their seniority together with applicants, consultants and contractors working for us and other individuals such as external suppliers, not directly employed by us but with whom we have dealings during the course of our business.

More information is available here:
https://www.schroders.com/en/working-here/inclusion-and-diversity/

*Information as of 3/31/2022

Portfolio Management Team

1. **Have there been any changes in the portfolio management team in the past year?**

No. There have been no changes to the portfolio management team in the past year.

Within the broader team, the following changes occurred:

Joiners

Date	Name	Job Title / Responsibilities	Location (Country)	Country/sector coverage
Q1 2022	Michael White	Global Sector Specialist	UK	Communication Services
Q3 2021	Jonathan McMullen	Global Sector Specialist	UK	Technology

Leavers

Date	Name	Job Title / Responsibilities	Location (Country)	Country / sector coverage
Q3 2021	George Ullstein	Global Sector Specialist	UK	Energy, Materials

Source: Schroders, as at April 2022.

2. **Are there any expected changes to the team in the future (planned additions or departures)?**

There are no expected team changes in the future planned at this point in time.

Process

1. **Have there been significant changes in any of the areas below in the past year?**
   - **Identification of investment ideas**
   - **Process for exploring and vetting ideas**
   - **Portfolio trading practices including buy/sell rules**
   - **Approach to portfolio monitoring and risk management**

No changes.

Philosophy

1. **Describe recent changes in investment philosophy, if any.**

Not applicable.

Portfolio

1. **If not included in your meeting presentation, provide portfolio holdings, sector exposure, geographic exposure and common characteristics (yield, duration, market cap, P/E, etc.).**

All of the following items are included within the presentation deck.

2. **List strategy AUM, net flows and accounts gained/lost for the past 5 years.**

As of 31 March 2022, the AUM of International Alpha was 10,923 million.

Calendar Year	**2017**	**2018**	**2019**	**2020**	**2021**
Gross Inflows (millions)	46	81	262	1010	3,130
Gross Outflows (millions)	97	18	5	0	629
Net Flows (millions)	-51	+63	+257	+1010	+2500
Total Strategy AUM (millions)	**1,736**	**1,567**	**2,517**	**6,378**	9,778

3. **Describe investor concentration for the strategy and note the percent of AUM attributable to the top five investors.**

   Please see below for AUM of the top five investors in the International Alpha strategy.

   $4,068
   $1,980
   $1,516
   $1,352
   $555
   Total
   $9471

   The top 5 represent 86% of the AUM of the strategy, includes mutual funds.
   As at 31 May 2022.

Performance / Market Outlook

1. **If not included in your meeting presentation, provide trailing returns as of the most recent quarter-end and calendar year returns for the past 10 years, both relative to benchmark.**

   Please see attached.

2. **Briefly discuss recent performance trends and identify environments in which the strategy is likely to be in or out of favor.**

With an investment style that focuses on stock selection and portfolio construction based on long-term fundamentals, we have an approach that has proved effective at outperforming in a variety of up and down markets which broadly track fundamental developments. However, because we are disciplined in the way in which we identify and place a value on company growth, we are unlikely to participate fully in extreme market movements that are driven principally by momentum (due, for example, to excessive investor greed, fear or hubris) and thus become detached from the underlying fundamentals.

3. **Describe your market outlook and how strategy positioning is impacted by your views.**

The outlook for global equities remains challenged amidst increased headwinds from geopolitical tensions, liquidity, inflation, margins and ultimately earnings. Russia's invasion of the Ukraine remains a significant source of volatility and uncertainty to global markets. Putin's endgame remains unknown and the extent with which NATO allies respond with sanctions and other actions remains to be fully determined. The sanctions being issued will certainly have significant impacts on companies doing business with Russia and the continued impacts on both commodity prices and their availability will have important implications for cost inflation, interest rates and supply chain disruption.

Much of the significant disruption to supply chains seen in 2021, largely linked to Covid-19-related capacity shutdowns and transportation bottlenecks, is set to diminish as we move into 2022. While some industries and markets may continue to face challenges well into 2023, we are already seeing signs of improvement in supply chains in many industries with costs starting to come back down in a meaningful way.

Oil and gas prices remain elevated, further complicating the inflationary picture for consumers and policymakers. As governments have encouraged energy companies to spend more money on renewables, spending on traditional exploration and production has declined in recent years. With the economic recovery boosting demand and geopolitical tensions with Russia complicating an already tight supply picture we expect energy prices to remain elevated. Historically rapid increases in energy costs like this have often triggered recessions and as fossil fuels still account for 85% of the global energy mix, it remains a challenging problem to solve for.

Corporate earnings growth in 2021 was remarkably strong with margins nearing record highs. Record monetary and fiscal stimulus has supported the rapid turnaround in business activity after Covid-19 vaccines were approved late last year. However, the full impact of higher input costs has yet to be felt and with the tight labour market creating competition for qualified workers across multiple industries, there will be further pressure on margins in 2022, particularly in the service sector. We believe that consensus is behind the curve and negative earnings revisions are likely to increase. This further highlights the importance of holdings companies with strong competitive position and pricing power. However, many companies, especially those in fragmented industries with little or no product differentiation, will not be able to pass on higher costs. This all adds up to a more challenging environment for overall corporate profitability.

Many of the Covid-19 lockdowns and restrictions in China have translated to slower growth and policy makers have shifted from restrictive policy toward one of greater stabilization. Comments from Vice Premier Liu He in March reinforced the changing tone as he reiterated the importance of economic growth and likely increase in monetary policy and other measures to support the economy and financial markets. He also delivered positive messages around Chinese overseas listings and the regulatory environment for the internet platforms. We believe that this is an important step forward and a key inflection in the political and regulatory backdrop in China.

Stepping back from the immediate challenges, there are a number of structural drivers that are likely to have a material impact on equity markets over the next decade and beyond. Most of these trends (often known as "mega-trends") are far from new. Climate change, energy transition, demographic change, healthcare innovation, digitization, automation, and urbanization have been relevant for many years. However, their relevance is increasing exponentially as populations grow.

In some cases, the pandemic and Ukraine situation has simply accelerated the process of change. Energy independence remains acutely in focus, and we are now seeing European countries aggressively accelerating their plans for development of renewables. However, we also remain aware that the current tensions between a number of global super-powers does not bode well for the kind of political will and global cooperation needed to solve the climate crisis.

The macro picture and equity prices have changed very quickly, and it remains to be seen whether the recent moves fully reflect the risks and outcomes, highlighting the importance of a balanced, flexible and selective approach. It is often during these periods of heightened uncertainty where the most significant market dislocations can occur, translating into opportunities for selective and patient investors. We continue to monitor the market landscape closely and stress-test our holdings across a range of possible scenarios to probability weight the risks and assess our positions. We maintain a well-diversified portfolio reflecting a fluid outlook with a wide range of possible outcomes. At a stock level we continue to emphasize revenue and earnings stability, which we expect to be rewarded during periods of elevated risk.

4. **Could you please include a slide in your presentation that sows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.**

A slide including all historical transactions for the client has been included.

Schroders

MWRA – Annual Board Review

John Chisholm, CFA – Investment Director
John Gallagher – Institutional Director

June 2022

Introduction to Schroders

A worldwide team dedicated to asset management

Schroders group assets

$833.2* **billion**

Over $1.0 billion surplus capital available for building the business

Operating in 37 locations

across Europe, the Americas, Asia Pacific, Middle East and Africa

215

years' experience of investment markets

Global & International Equities Team assets under management

$77.8 billion**

Asset management is our core business and our goals are completely aligned with those of our clients – the creation of **long-term value** to assist them in meeting their future financial requirements. We manage on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested across **equities, fixed income, multi-asset, alternatives** and **real estate**.

INVESTMENT MANAGEMENT QUALITY RATING FitchRatings Excellent fitchratings.com TM

Rated 'Highest Standards' by Fitch Ratings[1]

Source: Schroders, as at 31 December 2021. Group assets under management and administration comprise assets managed or advised on behalf of clients (Assets Under Management) and assets where Schroders solely provides administrative support through the Benchmark Capital business (Assets Under Administration). [1]Fitch Ratings, as of August 22, 2018. ** as at 31 March 2022

Schroder International Equities: A distinctive approach

Active managers add value through three primary ways…

The Schroders difference

Research

Breadth of research coverage
Over 100+ analysts based around the world distilling ideas that are style neutral with a quality bias

Global perspective
Global Sector Specialists marrying local research with global analysis

Innovative use of data analytics
Industry-leading capability to improve fundamental research efforts

Integration of ESG
Assessing the materiality of non-financial factors and their impact on the durability of a company's earnings

+

Portfolio construction

Consistent application of philosophy
Portfolio construction driven by bottom-up stock picking

Risk-based construction
Ensuring consistent alignment between portfolio risk and manager conviction

Controlled factor risk
Alignment of risk and stock selection to drive enhanced performance consistency

Fundamental risk framework
Proprietary forward looking risk system designed to enhance portfolio downside protection

+

Engagement

Active ownership
Regular dialogue with companies promoting improvement of long term returns

Dedicated engagement resources
Impressive record of positive response to change from hundreds of companies.

Source: Schroders, as at 31 March 2022. The views and opinions contained herein are those of the Global and International Equity team and are subject to change. Our proprietary tools and systems are designed to enhance the research and investment process but do not guarantee favorable results or the abatement of all risk.

Schroders

International Alpha (ACWI ex USA)

Value creation evidenced

Efficiency of alpha

– Proprietary risk framework helping to drive consistently strong risk adjusted returns

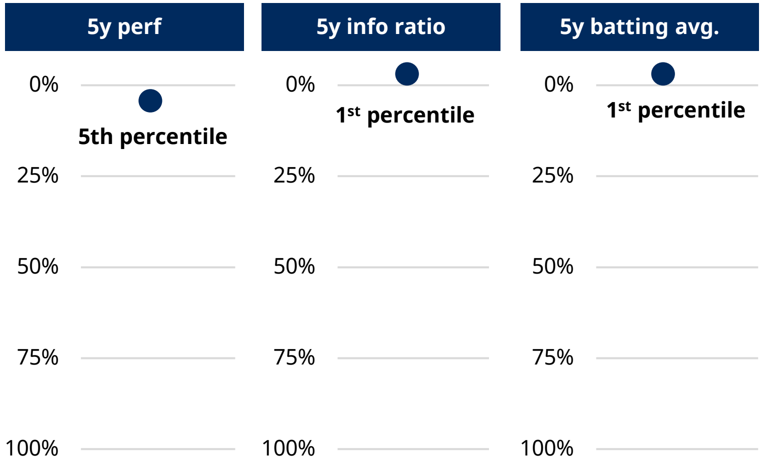
Persistency of alpha

– Success rates across market environments demonstrate low factor dependency to drive relative performance

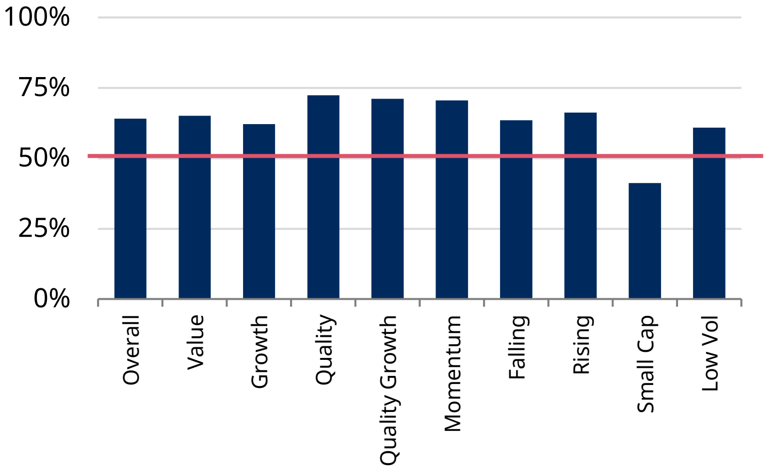
Consistency of alpha

– Consistency from breadth of research and our focus on delivering alpha through idiosyncratic stock picking

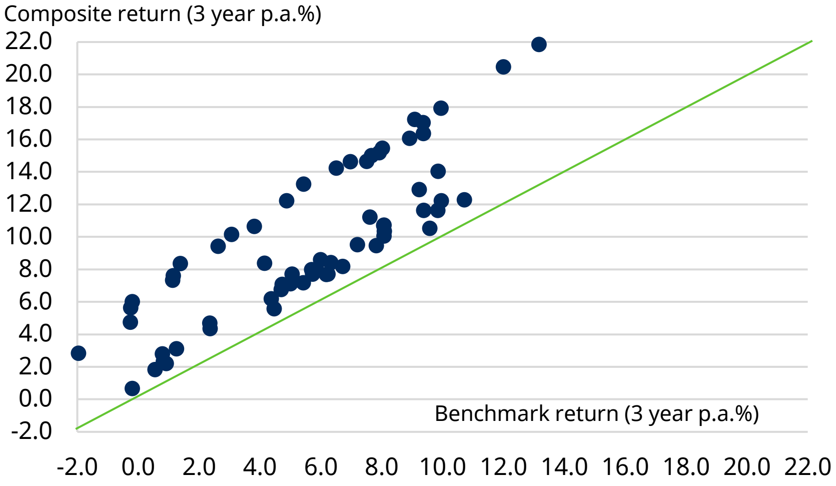
International Alpha: concentrated by names, diversified by risk



Vs eVestment Non-US Diversified Large Cap Equity (app. 300 strategies)



Batting average based on monthly returns across market environments



Rolling 3y excess returns since inception of PM team in January 2014

Performance shown is past performance. Past performance is not a guide to future performance. The value of investment can go down as well as up and is not guaranteed.

Source: Schroders, eVestment. Peer group data as of 31 March 2022. Performance is based on monthly returns for the strategy composite gross of fees in USD versus the MSCI ACWI ex-US (NR) Index. Batting average refers to the comparison of the fund's monthly returns to those of the MSCI All Country World Index ex USA NDR Index, as a percentage of fund outperformance over the stated time period. Market environments based on the index, as follows: 'overall' refers to the standard ACWI ex USA cap weighted index monthly returns. 'Rising' months are when the index return is greater than 0, and 'falling' months when the index return is less than 0. 'Value' reflects months when value stocks outperform growth stocks, and 'growth' reflects months when growth stocks outperform value stocks. 'large' reflects months when large-cap stocks outperform small/mid-cap stocks, and 'SMID' reflects months when small/mid-cap stocks outperform large-cap stocks. Growth stocks are generally those with higher price-to-book ratios and forecasted growth values, and value stocks are generally those with lower price-to-book ratios and forecasted growth values. Large-cap stocks are generally those with market caps of $10bn or higher, and small-cap stocks are generally those with market caps of $2bn or lower. Market environments (value, growth, falling, rising, momentum, large and small/mid) defined using MSCI indices and are as of 31 March 2022. Rolling 3-year performance is based on rolling 3-year returns for the International Alpha strategy composite gross of fees in USD vs. the MSCI ACWI ex-US from January 2014.

Schroders

Global Equities

Strategy assets under management

	Global (US$m)	International (Global ex US) (US$m)	Total (US$m)
Equity	15,164	22,493	37,657
Alpha[2]	9,802	9,576	19,378
US Large Cap	6,142		$6,142
Thematic[1]	14,648		14,648
Total	**45,756**	**32,069**	**77,825**

Source: Schroders, as at 31 March 2022. [1]Thematic strategies are Global Climate Change, Global Healthcare, Global Healthcare Innovation, Global Disruption, Changing Lifestyle, Smart Manufacturing, Energy Transition and Global Cities. [2]Alpha strategies now include Global Sustainable Growth

Schroders

Global Equities Team

Portfolio Management Team

Global Equities

Alex Tedder
Head of Global and Thematic Equities,
Multi Regional Equity (31)

Frank Thormann, CFA
Fund Manager (23)

International Equities

James Gautrey, CFA
Fund Manager (20)

Simon Webber, CFA
Fund Manager (22)

Global Specialist Equities

Katherine Davidson, CFA
Fund Manager (13)
GSS – Consumer Discretionary

Charles Somers, CFA
Fund Manager (23)
GSS – Consumer Staples and Discretionary

Global Sector Specialists (GSS)

Dan McFetrich, CFA
Head of Research (21)
GSS - Industrials

John Bowler
GSS - Healthcare (27)

Ines Duarte Da Silva
GSS – Healthcare (11)

Isabella Hervey-Bathurst, CFA
GSS – Utilities (9)

Andre Reichel, CFA
GSS – Financials (10)

Michael White, CFA
GSS – Communication Services (9)

Jonathan McMullen
GSS – Technology (15)

Patrick Flood, CFA
GSS – Technology (6)

Marine Jacquemoud
GSS – Energy & Materials (11)

Simone Geldenhuys
GSS – Consumer Discretionary (3)

Investment Directors
Gavin Marriott, CFA (37)
John Chisholm, CFA (27)
David Docherty (30)
Yashica Reddy (10)

Local Research
Team of 100+ analysts
across 11 countries

Data Insights
Ben Wicks – Data Insights
Team of over30 Data Scientists
and Analysts

Sustainable Investment
Team of over 40 dedicated
Sustainable Investment
analysts and professionals

Source: Schroders, as of 31 March 2022. Team members and roles subject to change. GSS stands for Global Sector Specialist. Industry experience shown in parentheses.

A process underpinned by a global research capability

Global investment capability

- Over 400 fund managers and analysts worldwide
  - Over 100 equity analysts and 25 credit analysts

Americas
Argentina 2 (E)
Bermuda
Brazil 4 (E/FI/MA)
Cayman Islands (WM)
Chile
Mexico
USA 50 (A/E/FI/MA)

UK and Channel Islands
UK 191 (A/E/FI/MA/WM)
Channel Islands 5 (A/MA/WM)

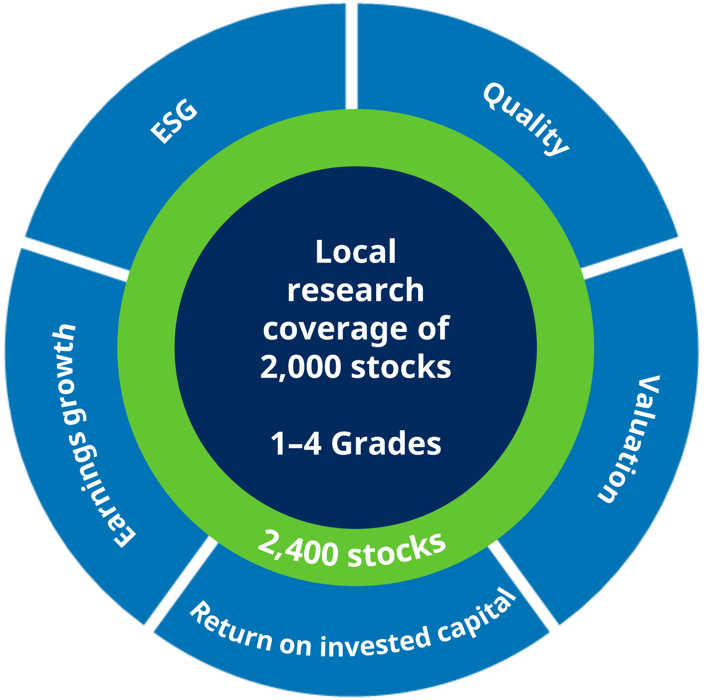
Europe and Middle East
Denmark
France 2 (A)
Germany 6 (A/WM)
Gibralter
Italy 1 (A/MA/WM)
Luxembourg
Netherlands (A)
Spain
Sweden
Switzerland 29 (A/E/FI/MA/WM)
UAE 3 (E)

Asia
Australia 24 (E/FI/MA)
China 3 (E) BoComm JV
Hong Kong 19 (E/FI/MA)
India Axis JV
Indonesia 5 (E/FI/MA)
Japan 17 (E)
Singapore 16 (E/FI/MA/WM)
South Korea 7 (E/MA)
Taiwan 9 (E/FI/MA)

Key
A Alternatives (Property/EMD/Commodities)
E Equities
FI Fixed Income
MA Multi-Asset
WM Wealth Management

Regional equity analysts' research output

- Analysis is **style-neutral** with a **Quality-bias**
- Assessment/grading reflect regional philosophies and approach and, local opportunity set
- Stocks graded '1'– strong buy to '4' – strong sell



Source: Schroders, as at 31 March 2022. Investment professional employee numbers by role and location. ESG (Environmental, Social and Governance) For illustrative proposes only.

Schroders

Schroders

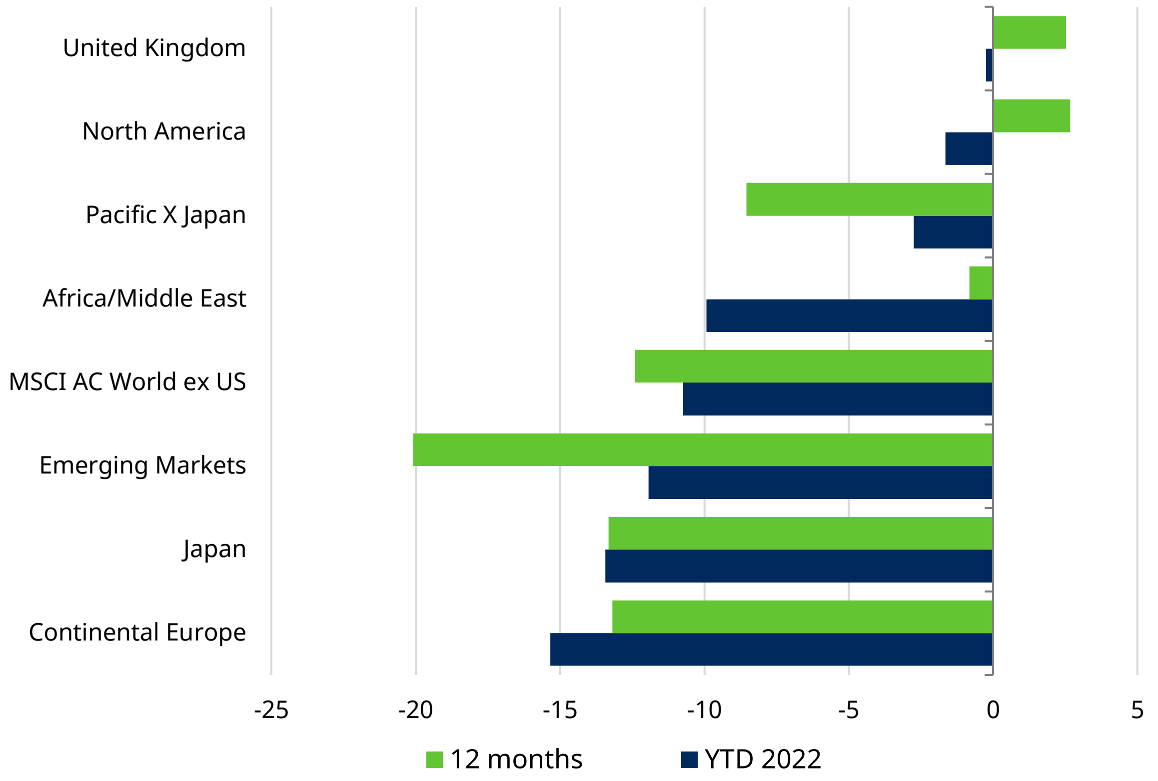
International Equities

Portfolio performance and positioning

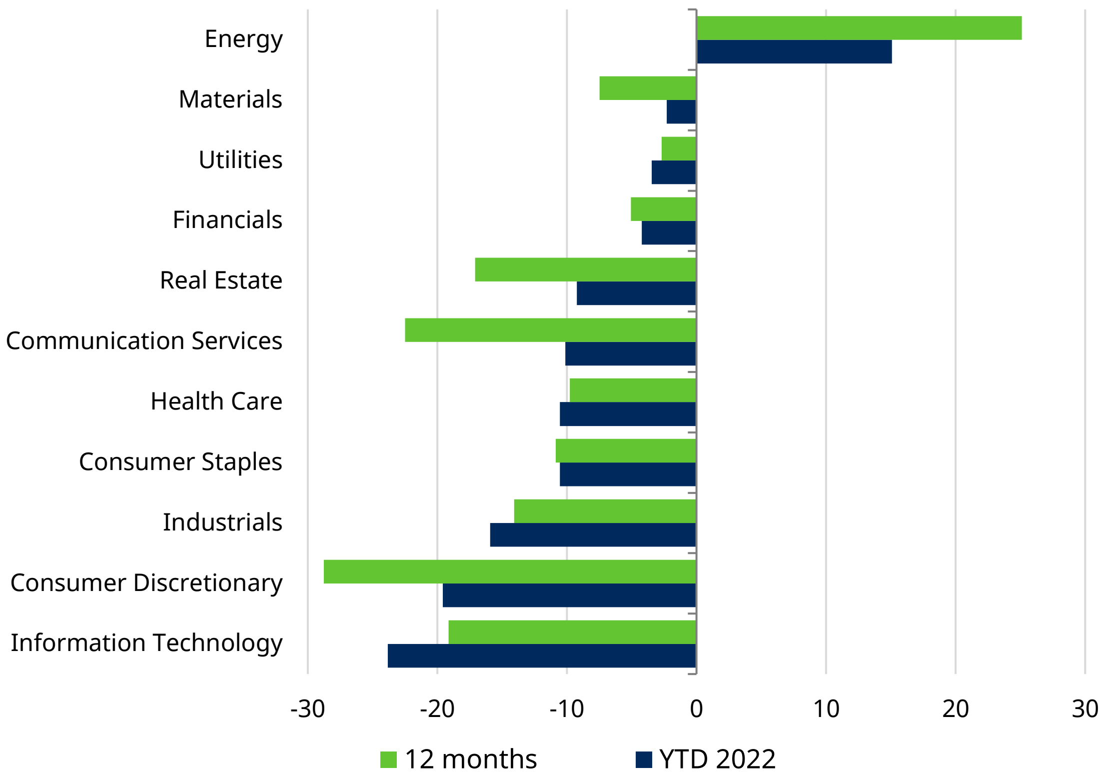
Market background

As at 31 May 2022

Region returns[1] (USD %)



Sector returns[1] (USD %)

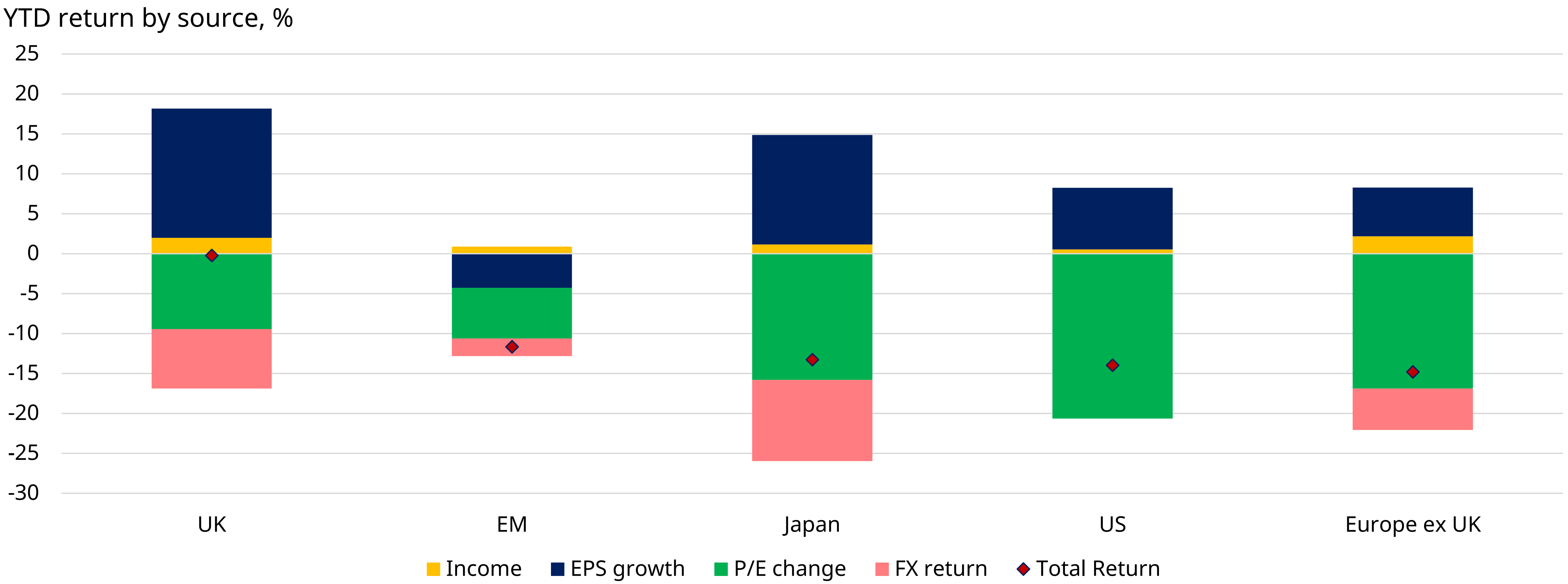


Past Performance is not a guide to future performance and may not be repeated.
Source: FactSet, MSCI. [1]Based on MSCI AC World ex US. The regions and sectors shown above are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

Schroders

Drivers of global equity returns

Valuations have contracted across all regions this year



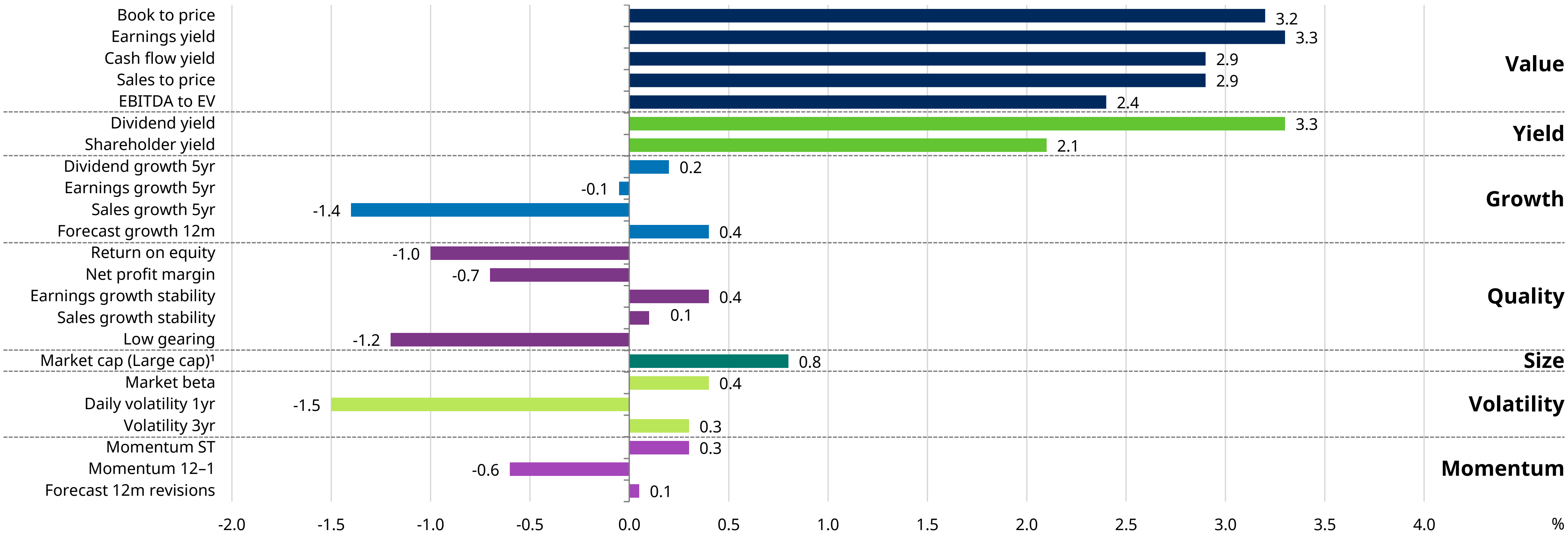
Past performance is not a guide to future performance and may not be repeated.
Source: Datastream Refinitiv, MSCI and Schroders Strategic Research Unit. Data to 31 May 2022 in US dollars.

Market background

Style performance – Global ex-US

Q1 2022

Style factor performance – return relative to developed markets region – (top 50% of style)



Past Performance is not a guide to future performance and may not be repeated.

Source: © 2020 Style Research Ltd. All rights reserved. All trademarks are the property of their respective owners. [1]Market cap = top 70% of developed markets region. As at September 30, 2021.

Schroders

Performance

MWRA – Schroders International Alpha

Performance to 31 May 2021 (% Gross returns in USD)

	YTD 2022	12 Months	3 years p.a.	5 years p.a.	Since Inception* p.a.
MWRA (gross)	-14.8	-13.3	+12.1	+8.4	+8.1
MWRA (net)	-15.0	-13.7	+11.5	+7.8	+7.5
MSCI AC World ex US (NDR) TL	-10.7	-12.4	+6.5	+3.9	+5.6
Relative performance	**-4.1**	**-0.9**	**+5.7**	**+4.5**	**+2.5**

Calendar years performance (% Gross returns in USD)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
MWRA*	+12.1	+25.5	+26.4	-12.1	+30.7	-0.4	+0.6	-4.1	+22.9
MSCI AC World ex US (NDR) TL	+7.8	+10.7	+21.5	-14.5	+25.0	+1.0	-0.8	-4.9	+22.8
Relative performance	**+4.3**	**+14.8**	**+4.9**	**+2.4**	**+5.7**	**-1.4**	**+1.4**	**+0.8**	**+0.1**

Past performance is not a guide to future performance and may not be repeated. The value of investment can go down as well as up and is not guaranteed. The return may increase or decrease as a result of currency fluctuations. Please refer to the important information on the effect of fees at the end of the presentation for further details
Source: Schroders. Gross of fees. p.a. represents annualised performance. *Inception date of MWRA is February 2, 2012. Returns has been chain linked using the Hartford International Stock Fund up to the 19 November 2019 and then to the Schroder International Alpha CIT

Schroders International Alpha CIT – risk factors

- Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.
- CIT Schroders International Alpha – Risk Factors:
- Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.
- Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the fund.
- Currency risk: The fund may lose value as a result of movements in foreign exchange rates.
- Derivatives risk – Efficient Portfolio Management and Investment Purposes: Derivatives may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund. The fund may also materially invest in derivatives including using short selling and leverage techniques with the aim of making a return. When the value of an asset changes, the value of a derivative based on that asset may change to a much greater extent. This may result in greater losses than investing in the underlying asset.
- Emerging Markets & Frontier risk: Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty, operational and liquidity risk than developed markets.
- Counterparty risk: The fund may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the fund may be lost in part or in whole.
- Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.
- IBOR: The transition of the financial markets away from the use of interbank offered rates (IBORs) to alternative reference rates may impact the valuation of certain holdings and disrupt liquidity in certain instruments. This may impact the investment performance of the fund.

Source: Schroders.

MWRA Transactions
As of May 31, 2022

	Date	Amount (US$)
Initial Contribution	02/02/2012	**17,354,622**
Follow-on Contributions	02/07/2012	**900,000**
	07/05/2012	**1,100,000**
	07/27/2012	**500,000**
	10/05/2012	**2,000,000**
	02/01/2013	**1,250,000**
	12/22/2014	**2,000,000**
	02/17/2015	**1,500,000**
	08/04/2015	**1,000,000**
	11/28/2016	**2,000,000**
	12/27/2017	**345,246**
	05/06/2019	**4,000,000**
Subsequent Withdrawals	11/14/2013	**(4,000,000)**
	07/19/2017	**(6,000,000)**
	12/05/2017	**(3,000,000)**
Full Redemption (MF)	11/15/2019	**(32,139,612)**

	Date	Amount (US$)
Initial Contribution (CIT)	11/19/2019	**32,139,612**
Follow-on Contributions (CIT)	05/06/2020	**1,000,000**
Follow-on Contribution (CIT)	09/17/2020	**6,000,000**
Subsequent Withdrawal (CIT)	06/21/2021	**(2,500,000)**
Subsequent Withdrawal (CIT	11/23/2021	**(16,000,000)**
Subsequent Withdrawal (CIT)	02/01/2022	**(6,000,000)**
Market Value as of May 31, 2022		**$26,883,973.77**

Source: Schroders, as of May 31, 2022.

Attribution – sector

Schroders International Alpha CIT

12 Months to 31 May 2022

(%)	Portfolio weight	Benchmark[1] weight	Portfolio return	Benchmark[1] return	Allocation	Selection	Total effect
Communication Services	3.6	6.1	-31.1	-21.8	0.16	-0.45	-0.30
Consumer Discretionary	18.4	11.0	-25.9	-28.8	-1.21	0.65	-0.56
Consumer Staples	12.2	8.6	-4.0	-10.8	-0.05	0.57	0.52
Energy	4.7	6.1	68.8	25.1	-0.23	1.19	0.96
Financials	17.1	20.5	-16.2	-5.1	-0.21	-1.99	-2.20
Health Care	9.5	9.4	8.8	-9.3	-0.01	1.57	1.55
Industrials	17.2	12.0	-16.1	-13.9	-0.18	-0.51	-0.70
Information Technology	11.0	11.7	-20.4	-19.0	0.12	-0.25	-0.13
Materials	1.2	8.8	-13.4	-7.5	-0.34	-0.09	-0.42
Real Estate	—	2.5	—	-17.6	0.14	0.00	0.14
Utilities	3.5	3.3	1.7	-2.6	0.00	0.14	0.14
[Cash]	1.6	—	1.3	—	0.05	0.00	0.05
Residual	—	—	—	—	—	—	0.08
Total	**100**	**100**	**-13.27**	**-12.41**	**-1.77**	**0.83**	**-0.86**

Past performance is not a guide to future performance and may not be repeated. The value of investment can go down as well as up and is not guaranteed. The return may increase or decrease as a result of currency fluctuations.

Residual = Total Portfolio Return – Total Benchmark Return – Total Effect.

Source: Schroders, USD, Gross, [1]MSCI AC World ex US (NDR) TL. Sectors mentioned are shown for illustrative purposes only and should not be viewed as a recommendation to buy/sell.

Schroders

Attribution – region

Schroders International Alpha CIT

12 Months to 31 May 2022

(%)	Portfolio weight	Benchmark[1] weight	Portfolio return	Benchmark[1] return	Allocation	Selection	Total effect
Africa/Middle East	—	0.6	—	-0.8	-0.05	0.00	-0.05
Continental Europe	42.6	30.7	-15.3	-13.2	-0.08	-0.86	-0.95
Emerging Markets	14.5	28.2	-26.0	-19.7	0.95	-1.18	-0.24
Japan	8.5	14.0	-13.1	-13.3	-0.03	0.05	0.02
North America	5.9	8.3	-4.8	2.7	-0.32	-0.43	-0.75
Pacific X Japan	4.2	8.2	-21.2	-8.5	-0.28	-0.59	-0.86
United Kingdom	22.8	10.0	6.2	2.5	1.38	0.46	1.84
[Cash]	1.6	—	1.3	—	0.05	0.00	0.05
Residual	—	—	—	—	—	—	0.07
Total	**100**	**100**	**-13.27**	**-12.41**	**1.61**	**-2.55**	**-0.87**

Past performance is not a guide to future performance and may not be repeated. The value of investment can go down as well as up and is not guaranteed. The return may increase or decrease as a result of currency fluctuations.

Residual = Total Portfolio Return – Total Benchmark Return – Total Effect.

Source: FactSet, USD, Gross. [1]MSCI AC World ex US (NDR) TL. Regions mentioned are shown for illustrative purposes only and should not be viewed as a recommendation to buy/sell.

Schroders

Attribution – stock

Schroders International Alpha CIT

12 Months to 31 May 2022

Top 10 contributors	Portfolio weight	Benchmark[1] weight	Portfolio return	Benchmark[1] return	Total effect
Equinor Asa	1.8	0.1	81.9	81.9	+1.10
Shell Plc	2.5	0.7	62.5	66.3	+1.02
AstraZeneca	2.4	0.7	18.1	18.1	+0.47
Glaxosmithkline Plc	1.9	0.4	19.9	19.9	+0.42
Canadian National Railway Co	2.3	0.3	3.4	3.4	+0.36
Lindt & Spruengli	1.8	0.1	6.2	4.5	+0.33
National Grid	1.4	0.2	16.4	16.4	+0.32
Shopify Inc	0.0	0.5	0.0	-69.4	+0.30
Bunzl	1.3	0.0	9.6	9.6	+0.24
Alcon Ag	1.5	0.1	2.2	7.9	+0.22

Top 10 detractors	Portfolio weight	Benchmark[1] weight	Portfolio return	Benchmark return	Total effect
Zalando Se	1.1	0.1	-63.5	-62.1	-1.04
Mercadolibre Inc	2.0	0.0	-42.2	0.0	-0.67
Knorr Bremse	1.4	0.0	-44.0	-44.0	-0.51
Tencent	2.6	1.3	-40.1	-40.1	-0.48
SAP	1.2	0.5	-30.1	-27.0	-0.37
Vestas Wind System	1.7	0.1	-34.4	-34.4	-0.36
Burberry Group	1.6	0.0	-26.9	-26.9	-0.29
Adidas	1.1	0.2	-21.9	-45.1	-0.28
Recruit Hldgs Co L	2.1	0.3	-27.3	-27.3	-0.27
Novo Nordisk A/S	0.0	0.7	0.0	41.2	-0.26

Past performance is not a guide to future performance and may not be repeated. The value of investment can go down as well as up and is not guaranteed. The return may increase or decrease as a result of currency fluctuations.

Source: FactSet, USD, Gross. [1]MSCI AC World ex US (NDR) TL. Stocks mentioned are shown for illustrative purposes only and should not be viewed as a recommendation to buy/sell.

Schroders

Recent stock transactions

Significant new buys and sells since 31 December 2021 to 31 May 2022

Buys		Weight (%) 5/31/2022
Alibaba	Consumer Discretionary	2.2
HSBC Holdings	Financials	1.9
Carrefour	Consumer Staples	1.7
RELX	Industrials	1.7
Tesco	Consumer Staples	1.6
Vodafone	Communication Services	1.4

Sells		Weight (%) 12/31/2021
Barclays	Financials	1.8
Alcon	Health Care	1.8
Xero Ltd	Information Technology	1.3
Mercedes-Benz	Consumer Discretionary	1.3
Kubota Corp	Industrials	1.2
Daimler Truck	Consumer Discretionary	0.3

Sector positions

Schroders International Alpha CIT

As at 31 May 2022

	Portfolio (%)	Benchmark[1] (%)	Underweight / Overweight
Consumer Discretionary	18.4	11.0	7.4%
Industrials	17.2	11.9	5.3%
Consumer Staples	12.2	8.6	3.6%
Utilities	3.5	3.3	0.2%
Health Care	9.5	9.4	0.1%
Information Technology	11.0	11.7	-0.7%
Energy	4.7	6.1	-1.4%
Real Estate	0.0	2.4	-2.4%
Communication Services	3.6	6.3	-2.7%
Financials	17.1	20.4	-3.3%
Materials	1.2	8.8	-7.6%
[Cash]	1.6	0.0	1.6%
Total	**100.0**	**100.0**	

0	Portfolio (%)	Benchmark[1] (%)	Underweight / Overweight
United Kingdom	22.8	10.0	12.8%
Continental Europe	42.6	30.7	11.9%
Africa/Middle East	0.0	0.6	-0.6%
North America	5.9	8.3	-2.4%
Pacific X Japan	4.2	8.0	-3.8%
Japan	8.5	13.9	-5.4%
Emerging Markets	14.5	28.6	-14.1%
[Cash]	1.6	0.0	1.6%
Total	**100.0**	**100.0**	

Source: Schroders, FactSet. [1]MSCI All Country World Ex-United States
The accounting data used by FactSet is un-audited, therefore any subsequent cleaning of data will not be reflected in FactSet.
The sectors, securities, regions and countries shown above are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

Schroders

Top 10 holdings by absolute weight

Schroders International Alpha CIT

As at 31 May 2022

Stock	Region	Sector	Portfolio weight (%)	Benchmark[1] weight (%)	Active weight (%)
TSMC	Emerging Markets	Information Technology	4.0	2.0	+2.0
ASML	Continental Europe	Information Technology	3.1	1.0	+2.1
Nestle	Continental Europe	Consumer Staples	3.0	1.4	+1.6
AstraZeneca	United Kingdom	Health Care	3.0	0.9	+2.1
AIA Group	Pacific X Japan	Financials	2.8	0.5	+2.3
Bridgestone Corp	Japan	Consumer Discretionary	2.7	0.1	+2.6
Shell Plc	United Kingdom	Energy	2.5	1.0	+1.6
Glaxosmithkline Plc	United Kingdom	Health Care	2.5	0.5	+2.0
Roche	Continental Europe	Health Care	2.5	1.1	+1.4
Booking Holdings Inc	North America	Consumer Discretionary	2.3	0.0	+2.3
Total			**28.4**	**10.3**	

Source: Schroders, FactSet. [1]MSCI All Country World Ex-United States.
The accounting data used by FactSet is un-audited, therefore any subsequent cleaning of data will not be reflected in FactSet.
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Schroders International Alpha CIT

As at 31 May 2022

Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	IT	Materials	Com Services	Real Estate	Utilities
Alibaba	Carrefour	Equinor	AIA Group	AstraZeneca	Bunzl	ASML	Sika	Tencent Holdings		Iberdrola
BMW	Lindt & Spruengli	Shell	B3 SA	GSK	Canadian National Railway	Infineon Tech		Vodafone		National Grid
Booking Holdings	Diageo		Erste Group Bank	Lonza Group	Knorr-Bremse	MercadoLibre				
Bridgestone	Nestle		FinecoBank	Roche	Legrand	SAP				
Burberry	Raia Drogasil		HDFC Bank		Recruit	TSMC				
Richemont SA	Reckitt Benckiser		HK Exchanges		Relx					
Lululemon Athletica	Tesco		HSBC		Schneider Electric					
Sony Group			Intesa Sanpaolo		Siemens					
Zalando			Svenska Handelsbank		SMC Corp					
					Vestas Wind Systems					

Orange text indicates a Core holding, Blue an Opportunistic holding.
Source: Schroders. Securities shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Schroders

Style exposure

International Alpha portfolio

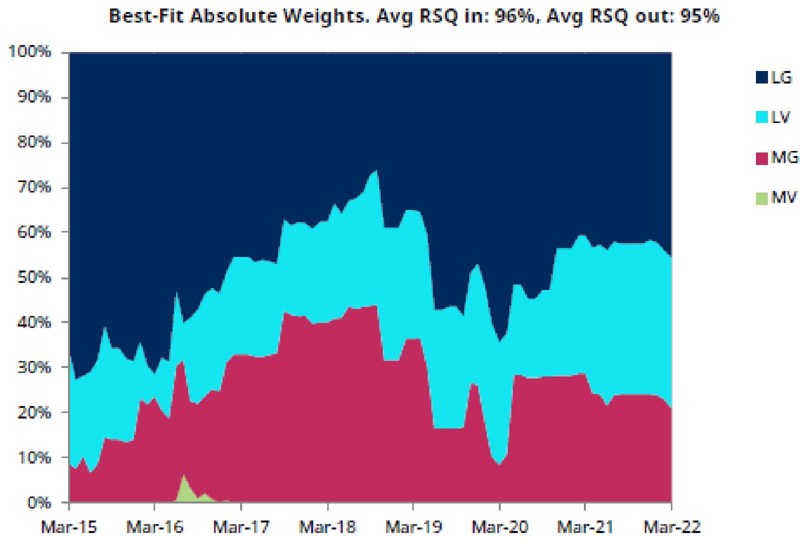
Portfolio style skyline – Schroder International Alpha Equity – current versus last 3 years

Source: Style Research, Schroders, Skyline represents style factor exposures for a representative International Alpha portfolio versus MSCI AC ex US as of 14 June 2022. red mark represents current factor exposure. Bar represents range over the past 3 years.

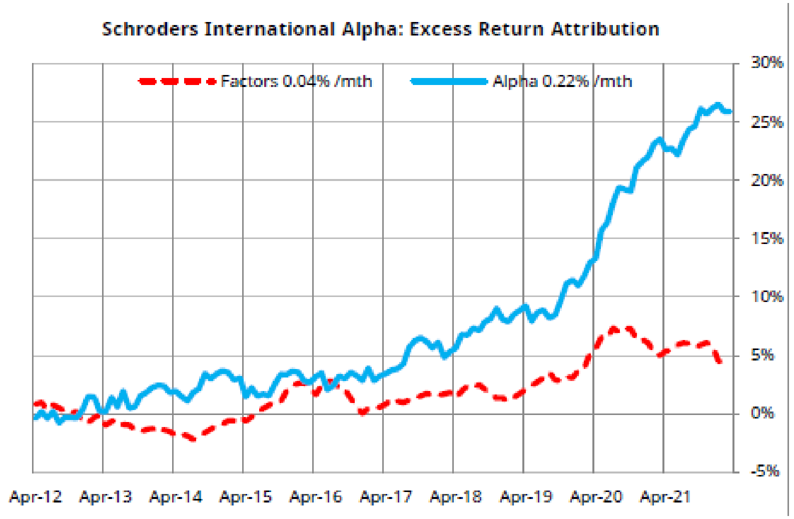
Schroders International Alpha

Style Factor Attribution

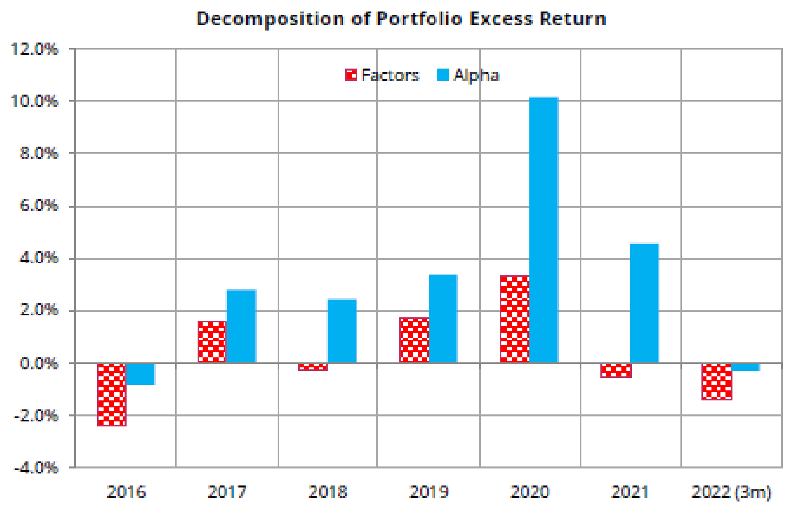
Persistent historic tilt toward large and mid cap growth in the portfolio



Vast majority of alpha has come from idiosyncratic stock selection vs. style factors



Annual results largely illustrate that we have been able to add value when our style is in favor and add value when it is not



Source: Schroders, Methodology : Schroders' Factor Mapping model estimates the combination of active exposures to factors that provides the best-fitting (i.e. lowest tracking error) explanation of a strategy's excess returns over time. In the case of international equity, the factors are the relative returns of MSCI ACWI ex USA Large-Cap Growth (LG), Large-Cap Value (LV), Mid-Cap Growth (MG) and Mid-Cap Value (MV) compared to MSCI ACWI ex USA, as shown in the regressed portfolio weights above in Chart 1 from 2014 to March 2022. Rolling 2-year windows are used to analyze returns over the period to March 31 March 2022. Based on the estimated active exposures, the excess return of the strategy (in Chart 2) is decomposed into the contribution from factors (dashed line line) and the residual alpha element (solid blue line). The same approach is illustrated on a calendar year basis in Chart 3 above. Past performance is no guarantee of future results.

Schroders

Performance rankings

Schroders International Alpha (ACWI ex-US) strategy

Vs eVestment Non-US Diversified Large Cap Equity	3M Perf	1Y Perf	3Y Perf	5Y Perf	10Y Perf
25th percentile	-4.34	2.69	11.01	9.71	8.20
Median	-6.94	-0.19	9.00	7.73	7.07
75th percentile	-10.12	-3.47	7.37	6.25	6.38
Schroders International Alpha (ACWI ex-US)	**-7.05**	**0.17**	**14.63**	**12.42**	**8.75**
Number of strategies in peer group	362	361	337	314	235

Performance shown is past performance. Past performance is not a guide to future performance. The value of investment can go down as well as up and is not guaranteed.
Source: Schroders, eVestment. As of March 31, 2022. Performance is based on monthly returns for the strategy composite gross of fees in USD versus the MSCI ACWI ex-US (NR) Index. Indexes are unmanaged. Investors cannot invest directly in any index. Actual results would vary due to, among other things, fees and expenses.

Schroders

Performance rankings

Strong risk-adjusted returns and consistency

International Alpha (ACWI ex-US) strategy

Vs eVestment Non-US Diversified Large Cap Equity	5Y Perf	5Y Info Ratio	5Y Batting Average
25th percentile	9.69	0.57	0.58
Median	7.72	0.22	0.53
75th percentile	6.23	-0.11	0.48
Schroders International Alpha (ACWI ex-US)	**12.42**	**1.85**	**0.70**
Number of strategies in peer group		307	

Performance shown is past performance. Past performance is not a guide to future performance. The value of investment can go down as well as up and is not guaranteed.
Source: Schroders, eVestment. As of March 31, 2022. Performance is based on monthly returns for the strategy composite gross of fees in USD versus the MSCI ACWI ex-US (NR) Index. Indexes are unmanaged. Investors cannot invest directly in any index. Actual results would vary due to, among other things, fees and expenses.

Schroders

Market Outlook

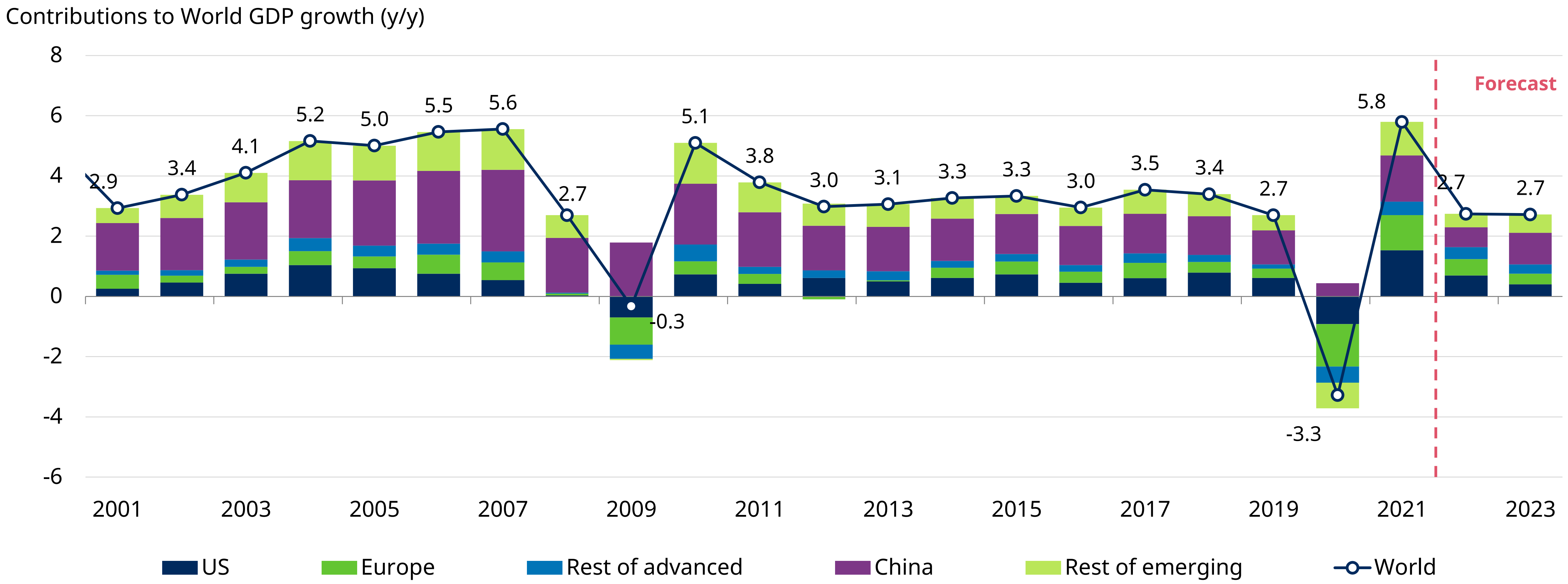
Market Outlook

- Inflation may be close to a peak, but is unlikely to fall quickly due to lag and second round effects.
- Real economic growth has already slowed. The squeeze on disposable income from energy and other inflation looks set to exacerbate the slowdown in the second half.
- China's economy is very weak and the zero covid policy is likely to remain in place for some time but the central bank is entering a monetary easing cycle.
- Inventory cycle risks are building in certain industries (e.g. retail, semiconductors).
- The Euro and Yen are very depressed, and the ECB is set to raise rates for the first time in a decade which could be an important catalyst.
- Growth stocks have significantly de-rated, and are now priced with only slightly above normal valuation spreads relative to value stocks.
- Valuation of international equities is very reasonable, with good upside to our fair values on average.

Source Schroders. The views and opinions stated in this document are those of the Schroder Global and International team and are subject to change.

Global growth moderating

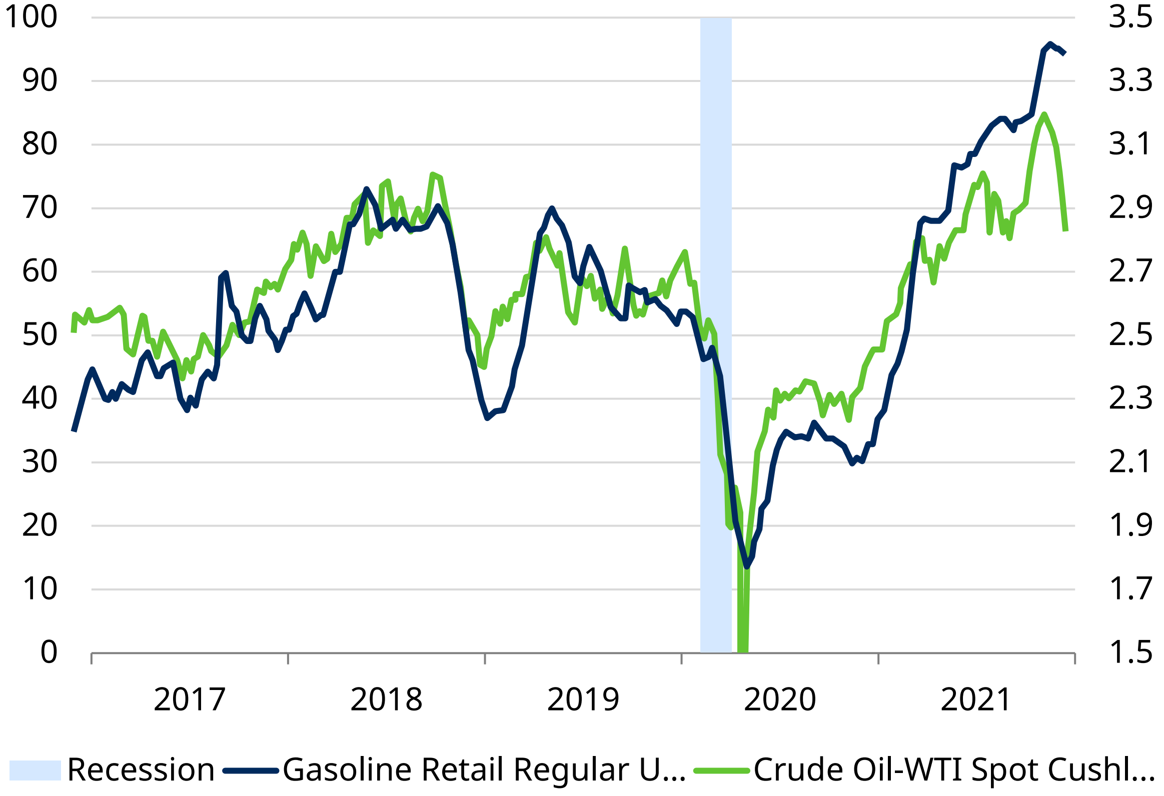
Growth momentum fades as price pressures rise

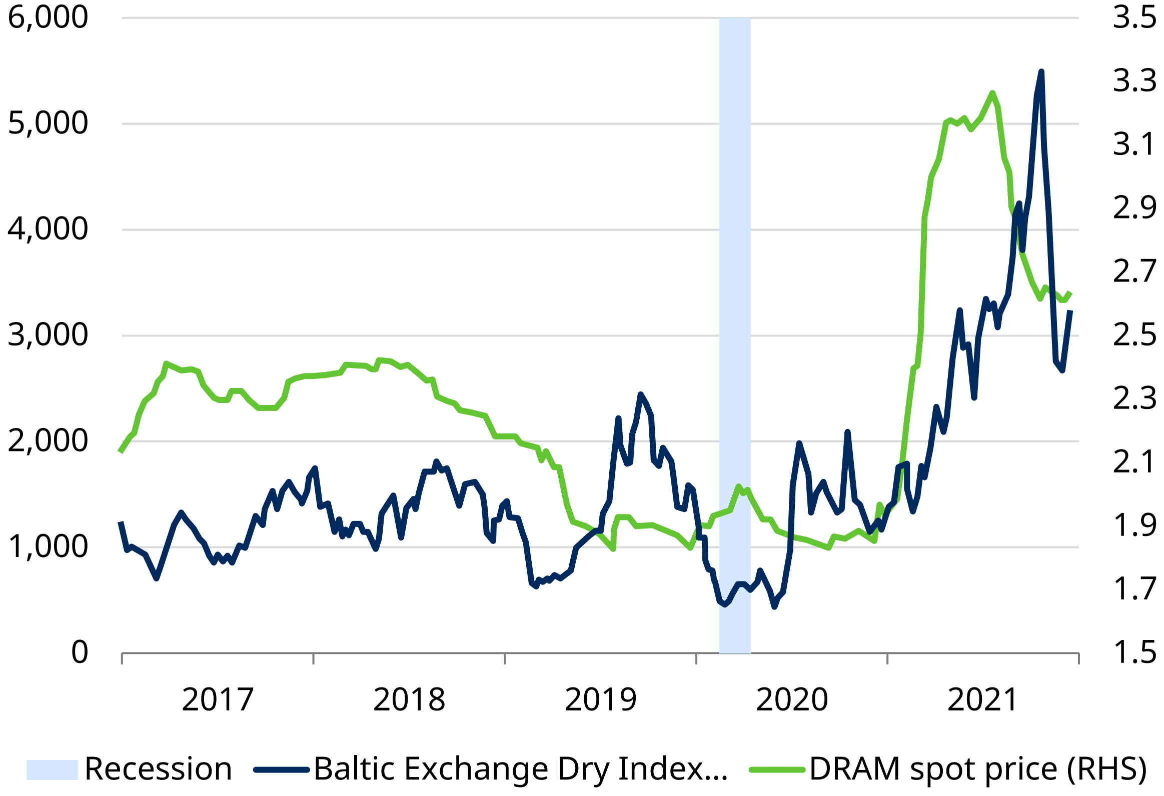


Source: Schroders Economics Group 26 May 2022. Please note the forecast warning at the back of the document.

An easing of supply chain pressures?

Expect further moderation throughout 2022



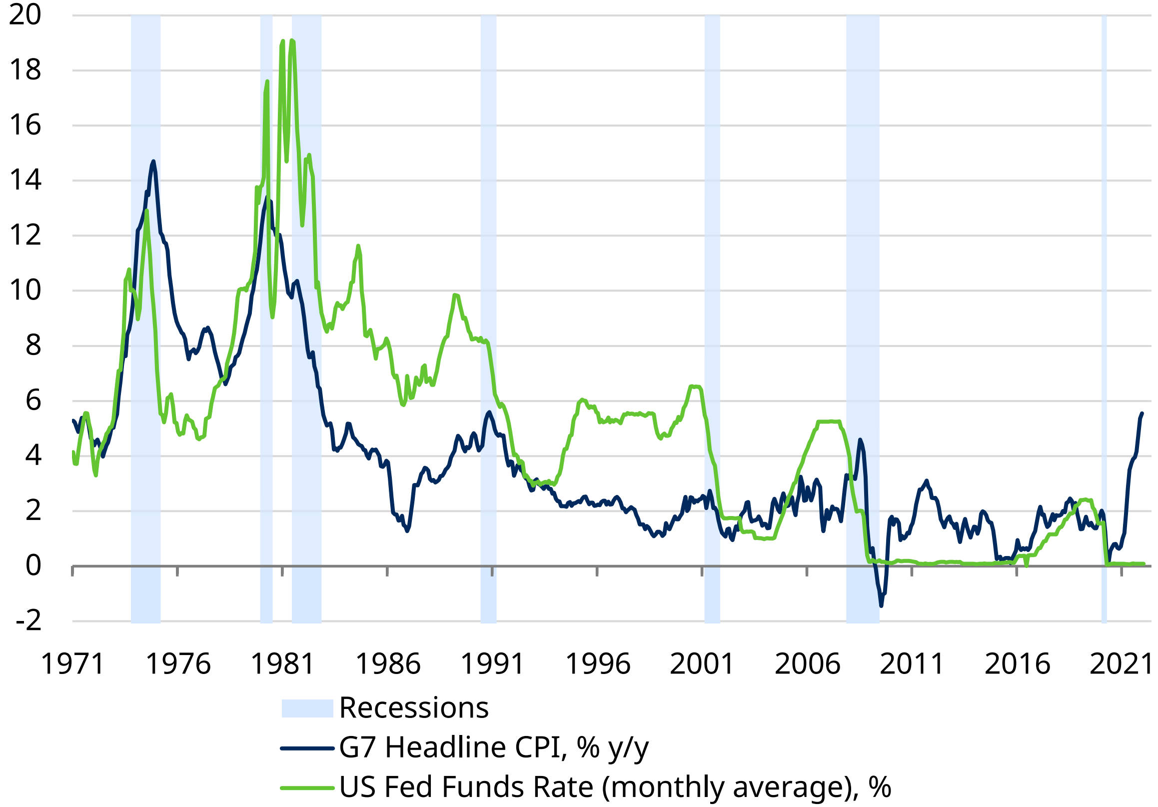


Source: Refinitiv DataStream, Schroders, G0718 and G0719, updated 6 December 2021. Forward looking views may not materialize .

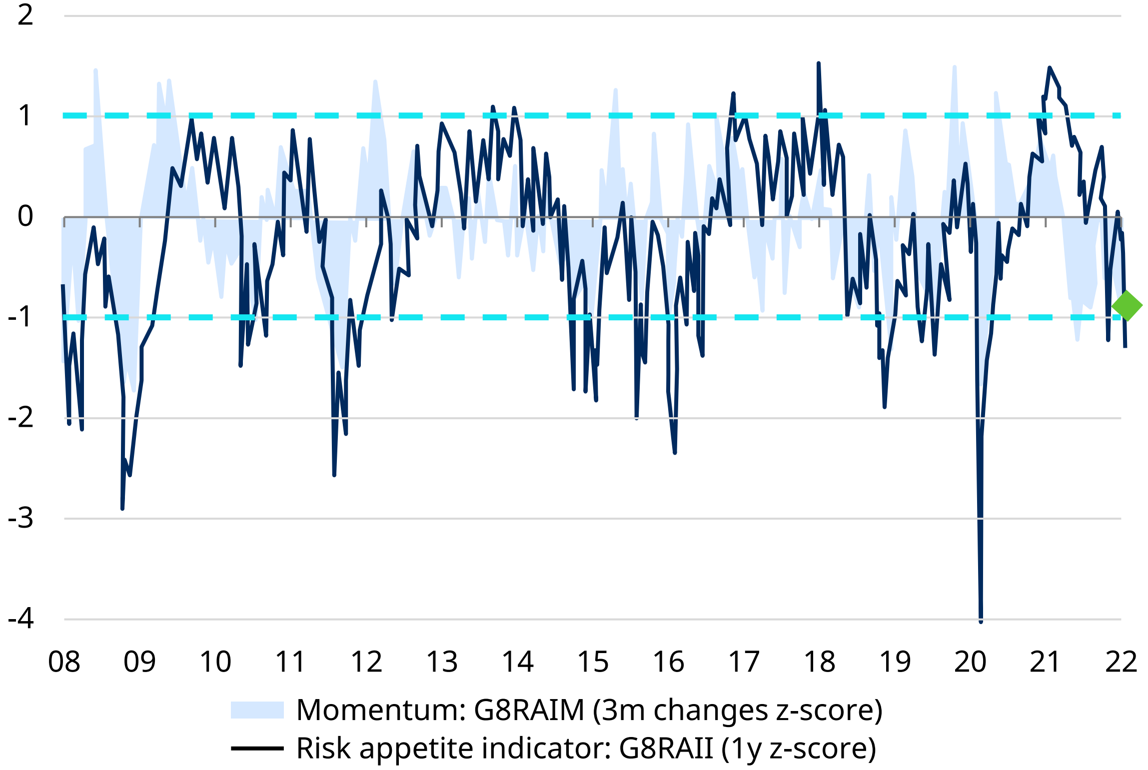
Focus on inflation and rates compounded by Ukraine

Headline inflation driving expectations of rising rates

High inflation driving rate expectations



Risk appetite indicator fails to reflect increased risk aversion level



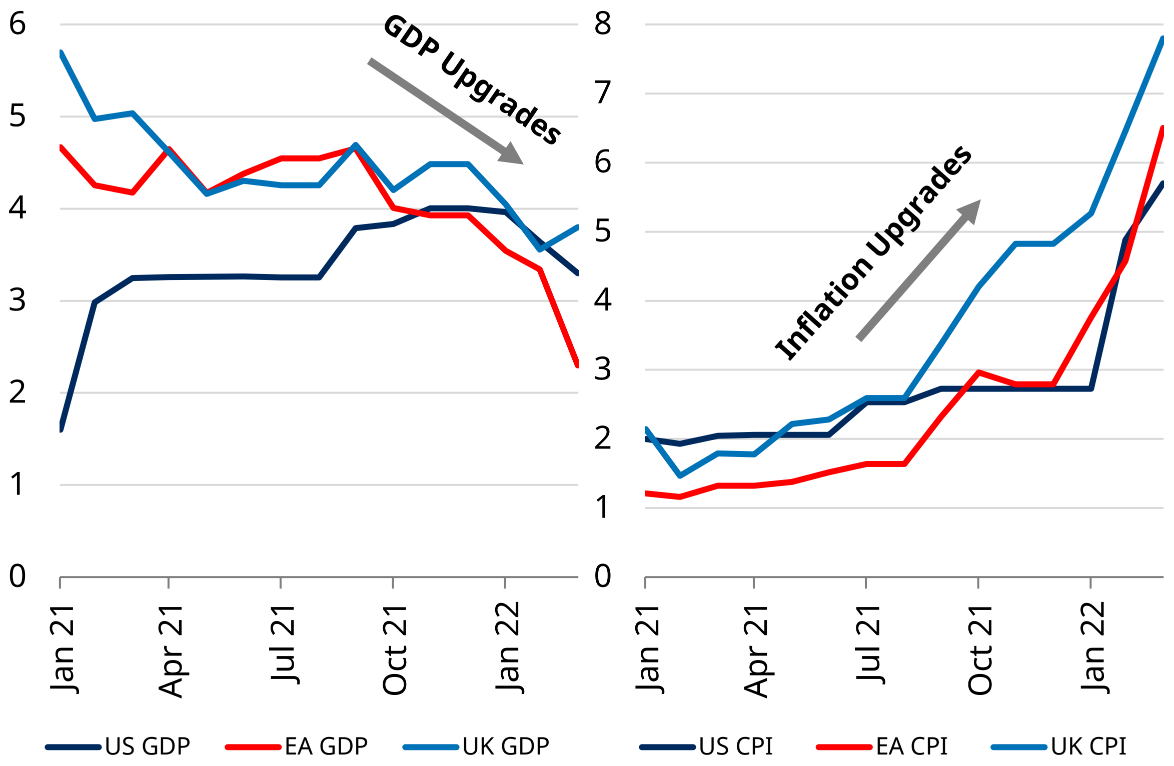
Source: Schroders Economics Group 25 February 2022, Goldman Sachs Global Investment Research 28 February 2022. Forward looking views and forecast may not be realized.

Schroders

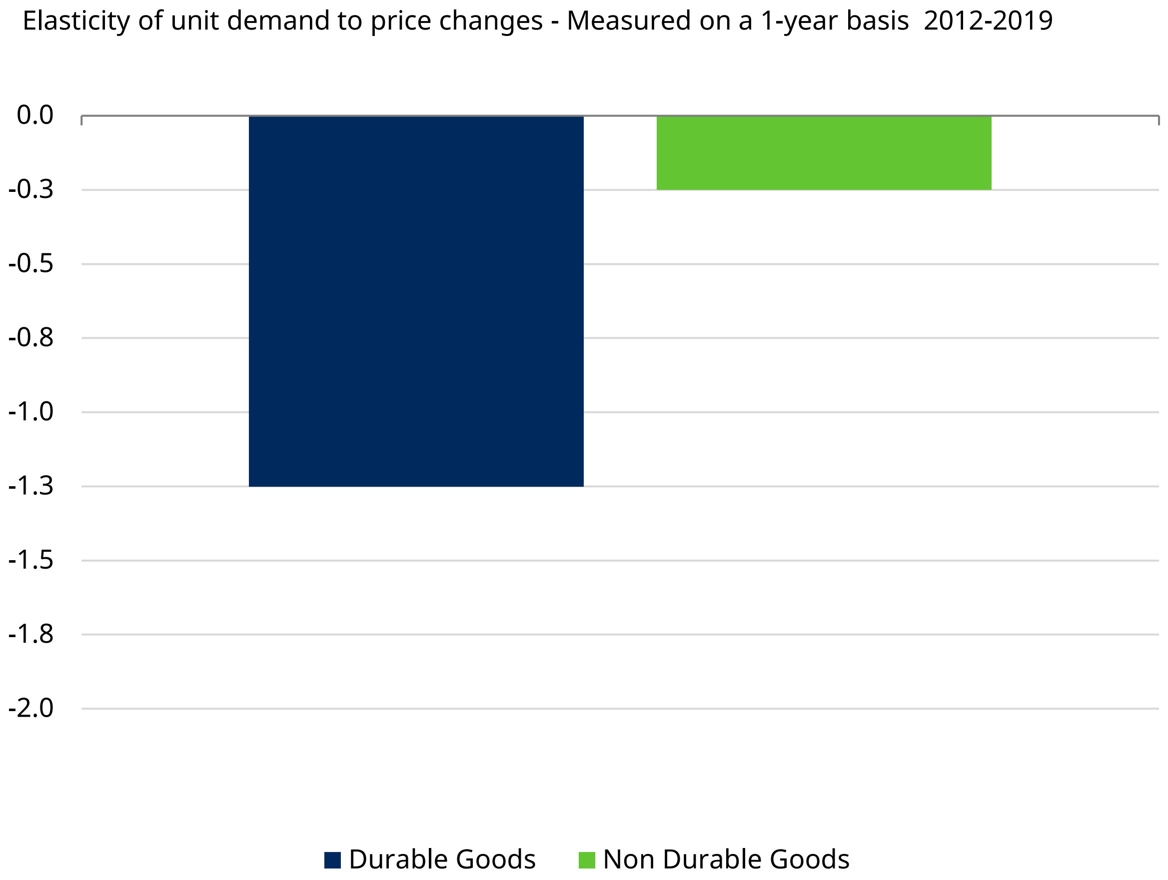
Possibility of stagflation

Increased probability, although not base case

GDP & CPI Growth Forecasts



Watching for signs of demand destruction



Source: Schroders, Citi Research, DataStream as at 17 March 2022
Source: Empirical Research Partners Analysis 10 March 2022 Forecast may not materialize and should not be relied upon.

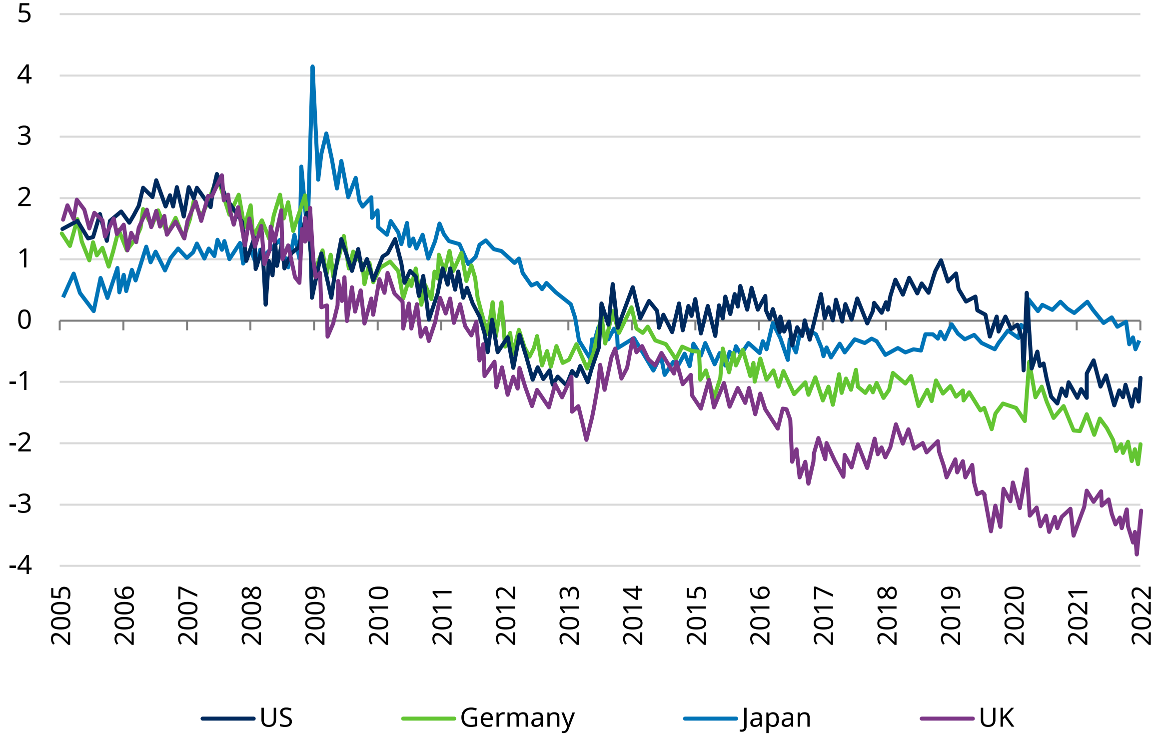
Schroders

Real rates and inflation expectations

Rising yields may pressure equity multiples

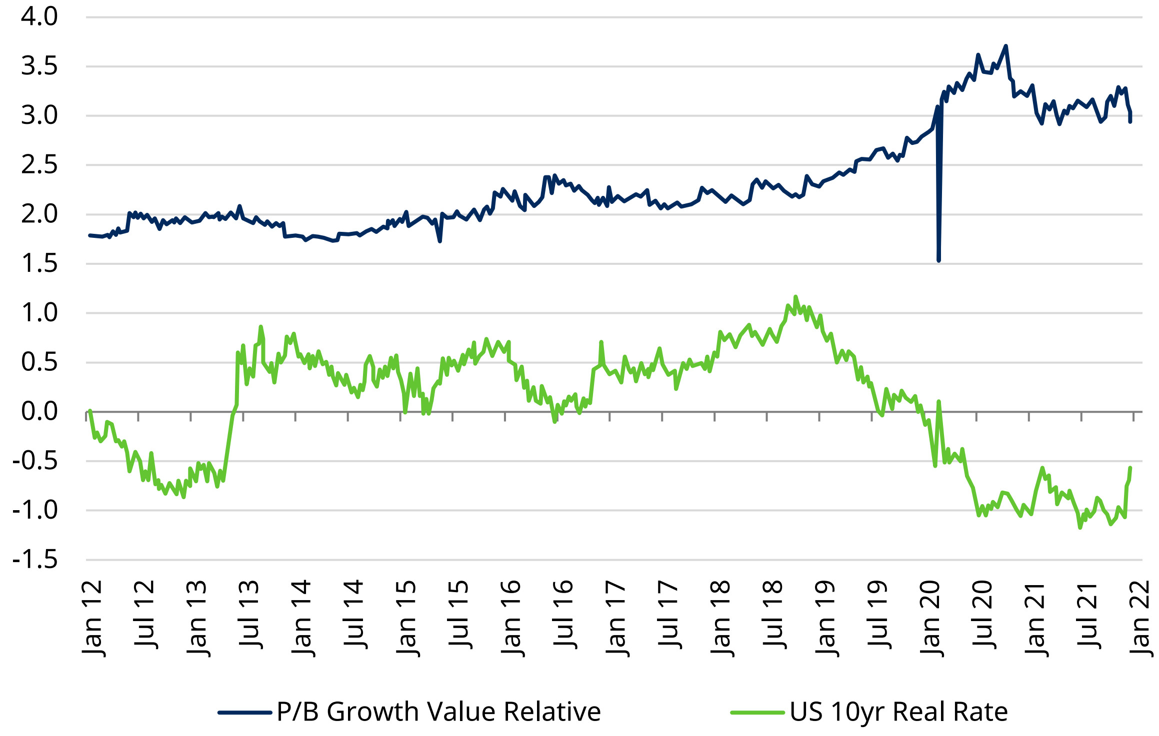
Negative real rates have remained supportive of risk assets

10yr real yields across regions. Nominal bond yield minus CPI inflation swap (RPI for the UK)



Rising real rates more negative to multiples for longer duration growth stocks

MSCI ACWI ex. US P/B Relative Growth/Value vs. US 10yr Real Interest Rate

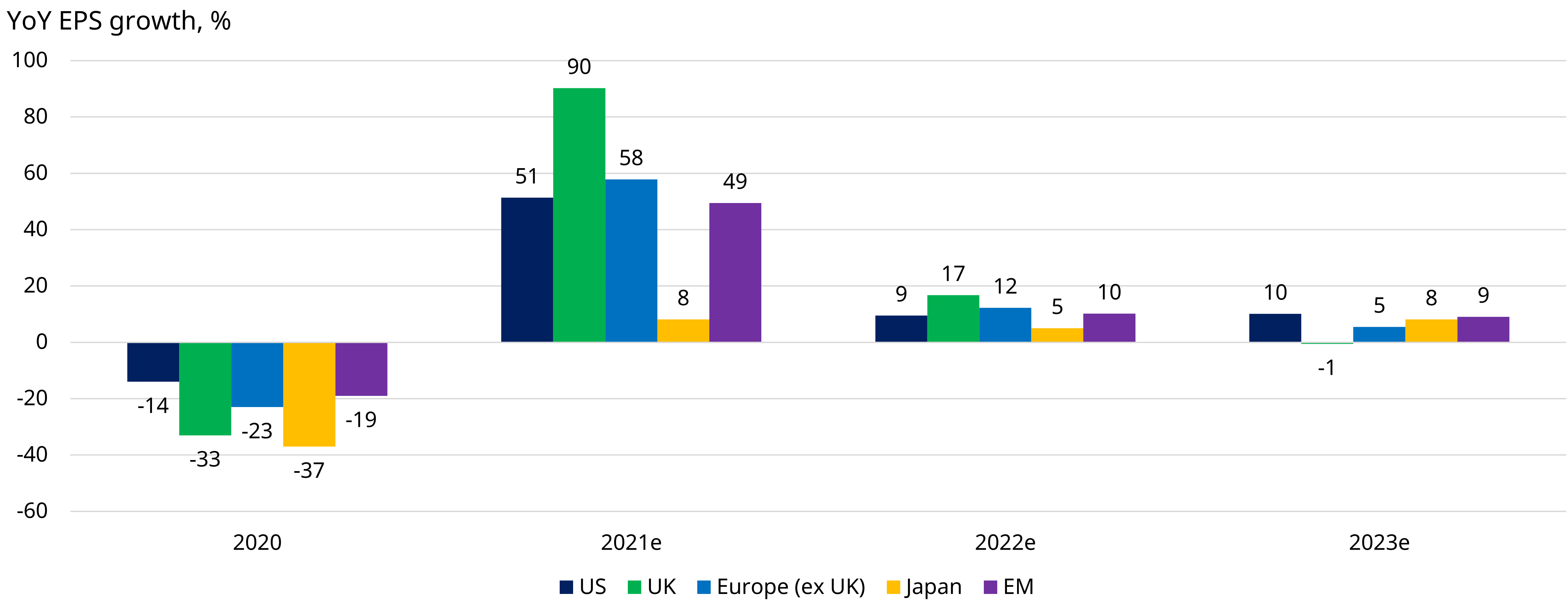


Source: Schroders, Bloomberg, Goldman Sachs Investment Research, 18 January 2022. Past performance is no guarantee of future results. Forward looking views may not materialize.

Schroders

Corporate earnings

Consensus behind the curve, more downgrades expected



Forecasts included are not guaranteed and should not be relied upon.

Source: Datastream Refinitiv and Schroders Strategic Research Unit. Data to 31 May 2022. Notes: Japan EPS for 2022 is 4 quarter sum until 31 March of next calendar year, e.g. 2022 = 31/03/2022 – 31/03/2023.

Certain markets are looking less expensive

EM and Japanese equities look cheap compared to history

EOM valuation vs 15-year median (% above or below)

Equity market	CAPE	Forward P/E	Trailing P/E	P/B	Dividend yield
US	30 (29%)	18 (13%)	21 (6%)	4.2 (48%)	1.5 (31%)
UK	15 (15%)	11 (-14%)	14 (0%)	1.9 (5%)	3.8 (1%)
Europe ex. UK	20 (24%)	14 (-2%)	16 (-8%)	1.9 (10%)	3.0 (9%)
Japan	19 (-12%)	13 (-9%)	14 (-16%)	1.3 (2%)	2.4 (-16%)
EM	13 (-13%)	11 (-2%)	13 (-5%)	1.7 (3%)	2.8 (-8%)

Key:	<-25%	-25% to -15%	-15% to -5%	-5% to 0%	0% to 5%	5% to 15%	15% to 25%	>25%
	Cheap			Neutral			Expensive	

Source: Datastream Refinitiv, MSCI and Schroders Strategic Research Unit. Data to 31 May 2022. Figures are shown on a rounded basis. Assessment of cheap/expensive is relative to 15-year median.

No quick fix for gas crunch

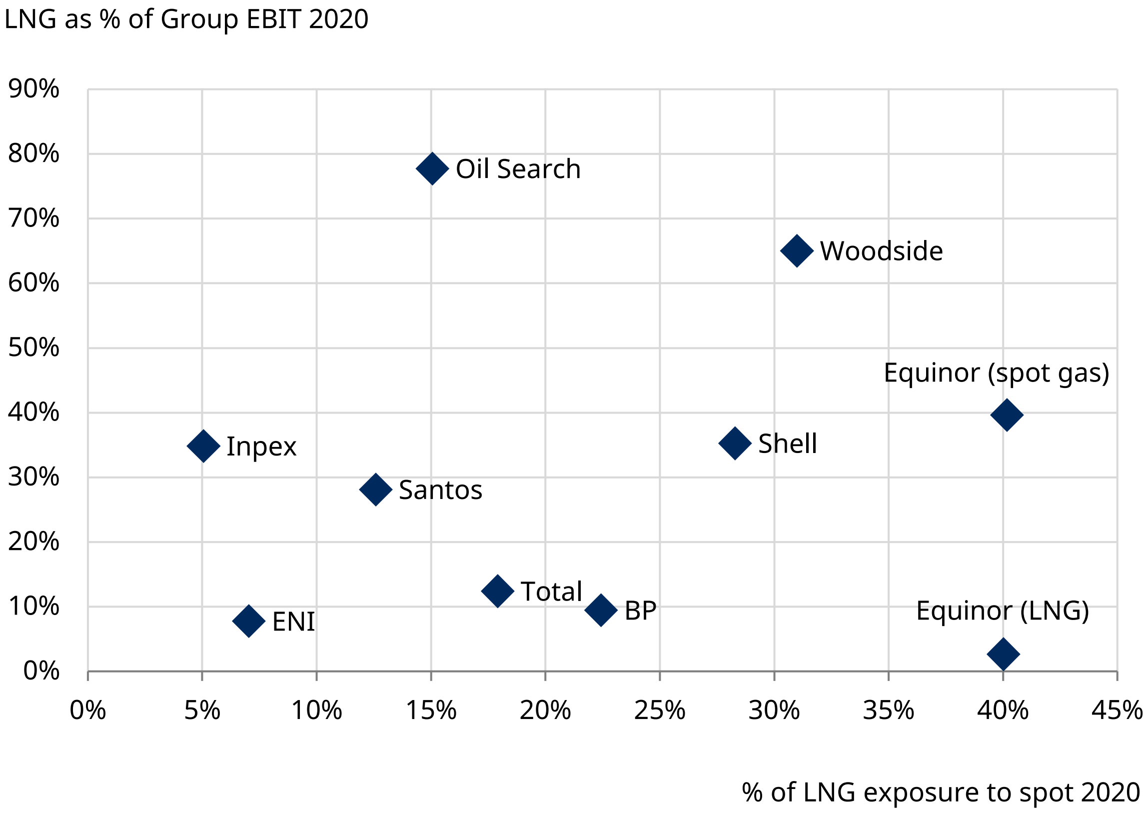
LNG demand in Asia is pressuring global supply

Global LNG project deferrals since start of pandemic support continued tight supply and LNG spot prices

Project	Operator	Capacity MTPA	2019				2020				2021				2022	2023	2024	2025
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
LNG Canada T1-2	Shell	14.0															→	Start-up
Golden Pass LNG	QP/Exxon	15.6	RD														Start-up	
Mozambique LNG	Total	12.9		RD													→	Start-up
Sabine Pass T6	Cheniere	4.5		RD											Start-up			
Calcasieu Pass LNG	Venture Global	10.0			RD										Start-up			
Arctic LNG 2 T1	Novatek	6.6			RD											Start-up		
Arctic LNG 2 T2	Novatek	6.6			RD												Start-up	
Arctic LNG 2 T3	Novatek	6.6			RD													
Nigeria LNG T7	Nigeria LNG	8.0				RD											→	Start-up
Sakhalin 1	Exxon	6.2			RD													Start-up
North Field Expansion T1 & T2	Qatar Petroleum	15.6					→	→	→	→	RD						→	Start-up
North Field Expansion T3 & T4	Qatar Petroleum	15.6					→	→	→	→	RD							
North Field Expansion T5 & T6	Qatar Petroleum	16.0													RD			
Scarborough	Woodside	5.0	FEED					→	→	→	→	→	→	RD			→	Start-up
Rovuma LNG	Exxon	15.2				→	→	→	→	→	→	→	→	→	→	RD		
Freeport T4	Freeport	5.1						→	→	→	→	→	→	→	RD			
Papua LNG	Total	5.4				→	→	→	→	→	→	→	→	→	FEED	RD		
PNG LNG T3	Exxon	2.7				→	→	→	→	→	→	→	→	→	FEED	RD		
Cameron LNG T4&5	Sempra	10.0							→	→	→	→	→	→	FEED	RD		
Rio Grande LNG	NextDecade	17.6							→	→	→	→	→	→	→	→	RD	
Driftwood LNG	Tellurian	27.6							→	→	→	→	→	→	→	→	RD	
Abadi LNG	Inpex	9.5						→	→	→	→	→	→	→	FEED	→	→	RD

FEED RD Start-up

LNG producers with the most exposure to spot LNG prices



Shortfall of liquefaction capacity and demand trends, support higher spot prices

Source: Bernstein analysis and estimates, company reports.

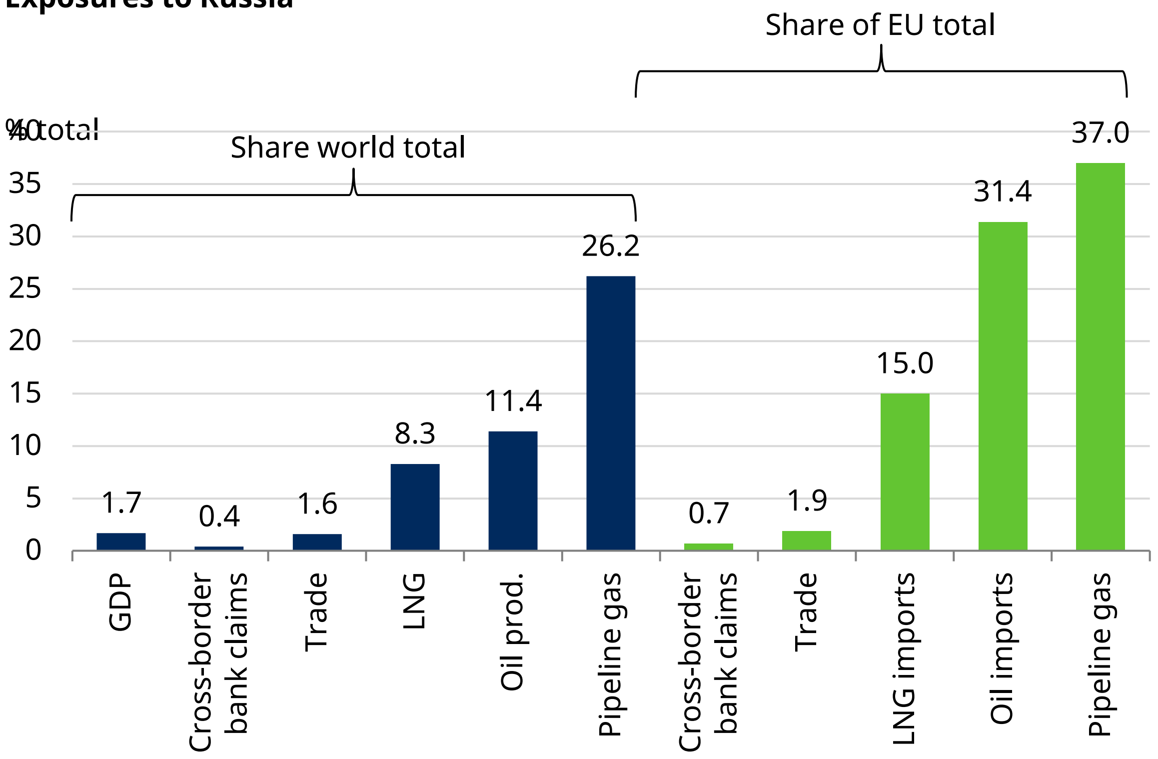
Schroders

European dependance on Russian gas and oil

Conflict has accelerated energy transition

Russia's interlinkage with the world is small, except for energy

Exposures to Russia

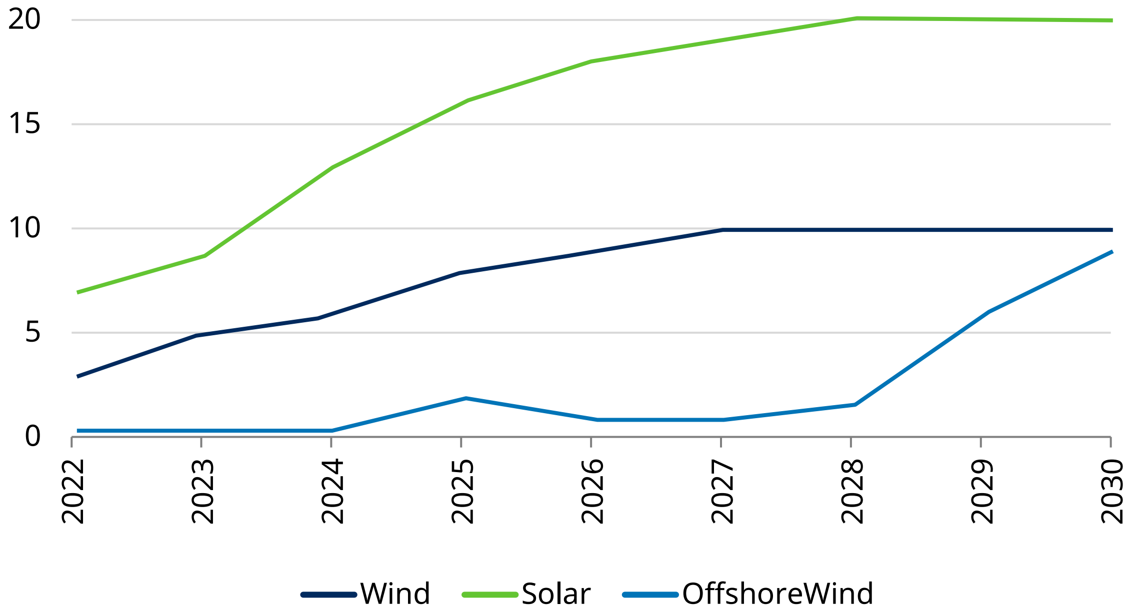


German proposed renewables expansion roughly triples the annual additions from onshore wind and solar

Clean-energy expansion[1]

Germany plans to ramp up its renewable power generation

Gigawatts



Potential supply disruption and cost inflation highlight the acute importance of European energy independence

Note: [1]Annual capacity expansion.

Source: UBS, Haver, BIS, IMF, Bloomberg, German Economy Ministry. The views shared are those of the Global and International Equity team and are subject to change. Forecast may not be realized.

Schroders

The energy system must undergo three structural changes

Better economics, new policies and growing consumer demand will drive the change

Decarbonisation of power generation

The share of electricity generated from **renewables is expected to increase from 20% closer to 85%** by 2050 in order to reduce carbon emissions

Electrification of energy use

The share of **electricity in final energy consumption is expected to increase from 20% to nearer 45%** by 2050 due to the growth of electric vehicles

Increased efficiency of consumption

The **energy intensity[1] of the global economy must fall by nearly two-thirds** by 2050 to limit the growth in overall power consumption

1. **Better economics** mean that renewables are now cheaper than conventional coal and gas power across two-thirds of the world
2. **New policies** around the world are starting to prevent the use of fossil fuels in power production and transportation
3. There is **growing consumer demand** for products like electric vehicles, residential solar and storage and energy efficient applications

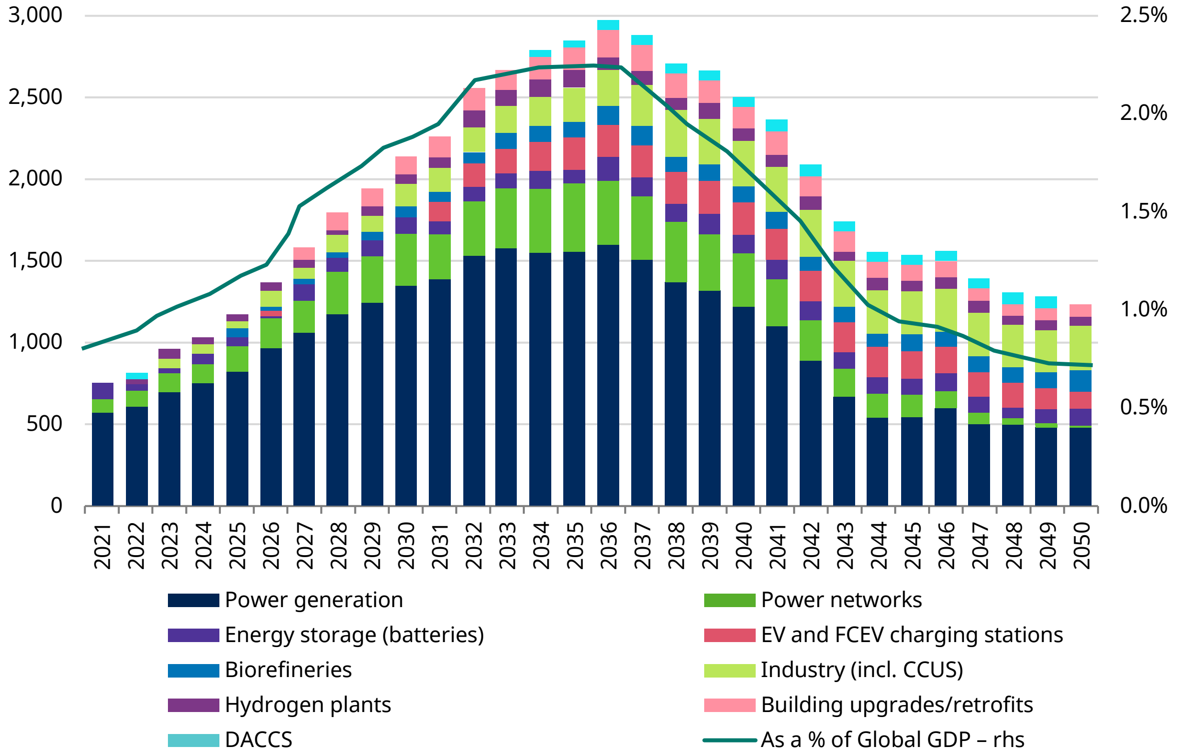
Source: Schroders, IEA, IRENA – 30 September 2021. [1]Energy intensity is the amount of energy needed to produce one unit of GDP. The views shared are those of the Global and International Equity team and are subject to change. Forecast may not be realized.

Achieving net zero

Opportunities in clean tech infrastructure and power generation

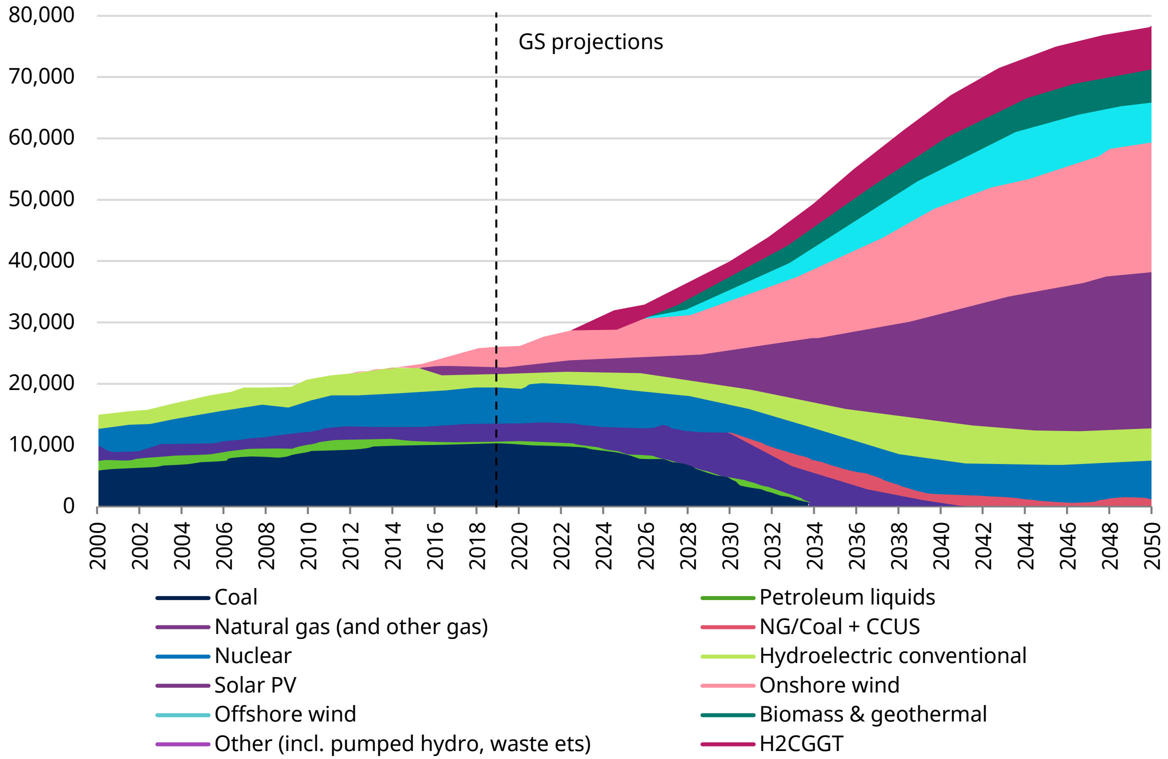
Reaching >2% of GDP by 2032 in the 1.5⁰ scenario

Annual infrastructure investments for net zero by 2050 (US$tn)



Power generation needs to decarbonise, while power demand grows c.3x to 2050E…

Global power generation (TWh)



Power generation is at the heart of the energy transformation

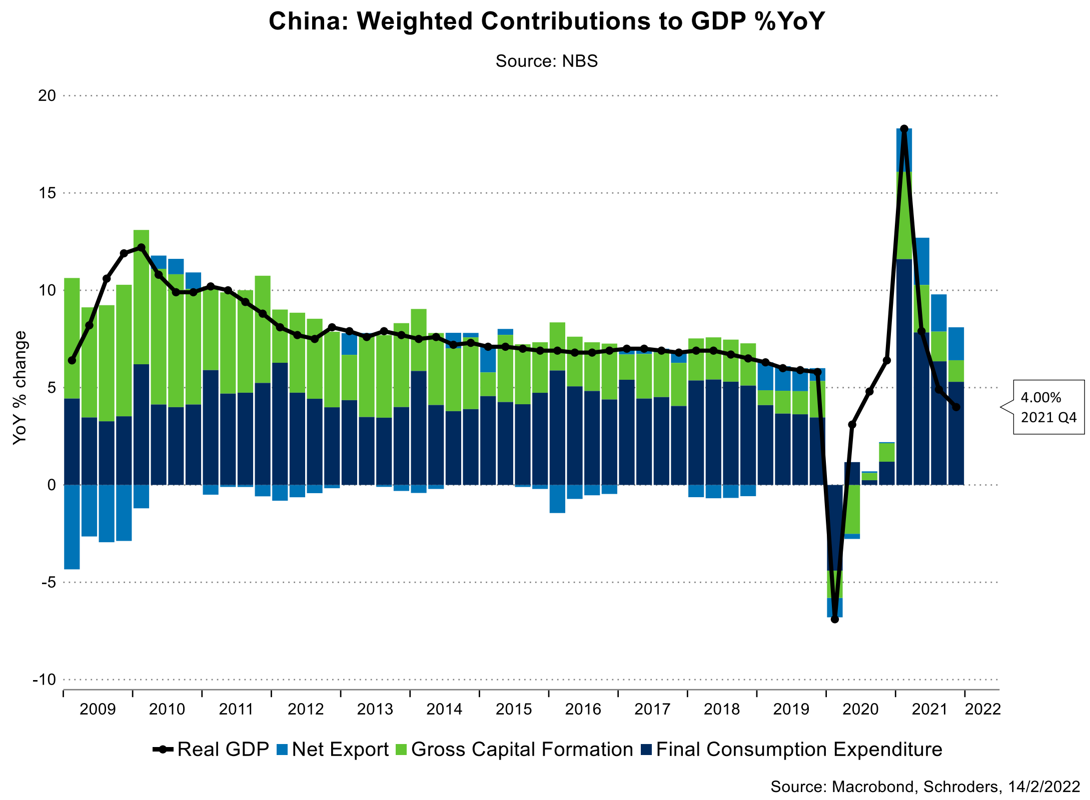
Source: Goldman Sachs Global Investment Research, BP Statistical Review. Forecast and estimated may not be realized.

Schroders

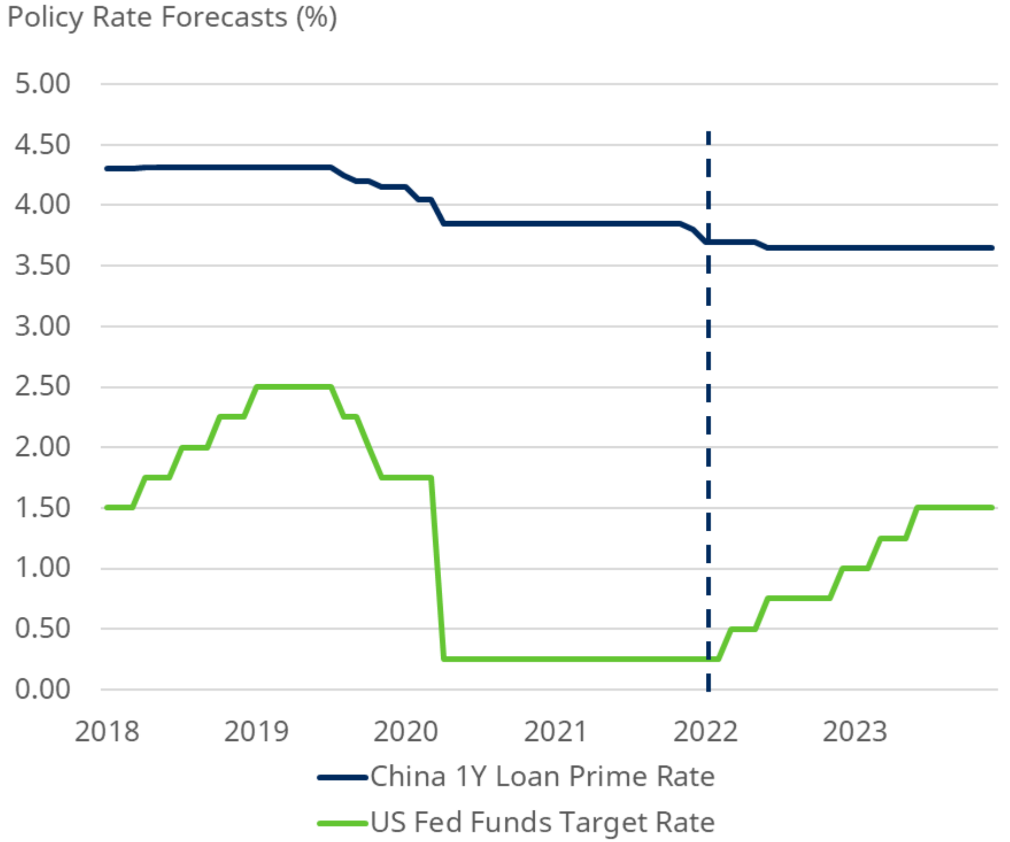
China policy shift

From restrictive to stability

Growth momentum has remained weak and impaired by COVID restrictions



Government signaling increased policy response amidst a tightening backdrop in the West



Source: Schroders, Macrobond February 2022
Source: Refinitiv Datastream, Schroders Economics Group January 2022. Forecast may not be realized.

Schroders

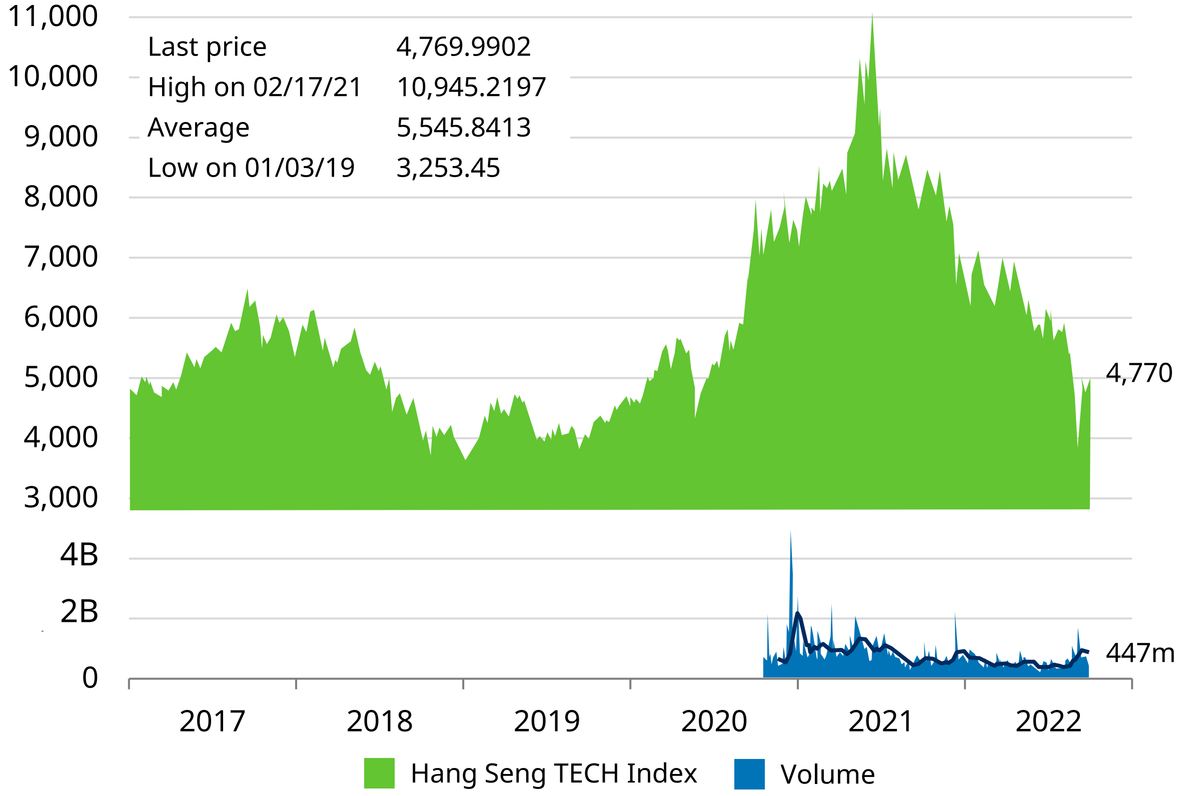
China

Regulatory reprieve for tech platforms and overseas listings...

Favorable commentary from Vice Premier Liu He on March 16th:

- Economic growth
  - Likely increased monetary policy and other measures to support the economy and financial markets
- Regulatory environment
  - Regulation of internet companies to improve transparency of process and increase consultation/coordination with key departments to maintain stability and international competitiveness
- Overseas listings / ADRs
  - Positive developments in negotiations with US/China and increased likelihood of resolution on the audit issue

Sharp rebound in China tech stocks following comments



Source: Bloomberg, Schroders.

Schroders

Schroders

Investment philosophy and process

Investment philosophy

Focus on un-anticipated growth

- We seek to exploit **3 persistent inefficiencies**
  1. Markets over-react to short term news flow
  2. Markets extrapolate historic growth and fail to correctly interpret catalysts that change the trajectory of growth
  3. Markets fail to look far enough ahead when appraising the earnings power of companies
- Market inefficiencies often drive material differences between underlying company fundamentals and market estimates (the '**Growth Gap**')
- Disciplined investment in stocks which deliver positive earnings surprise could deliver consistent outperformance over time

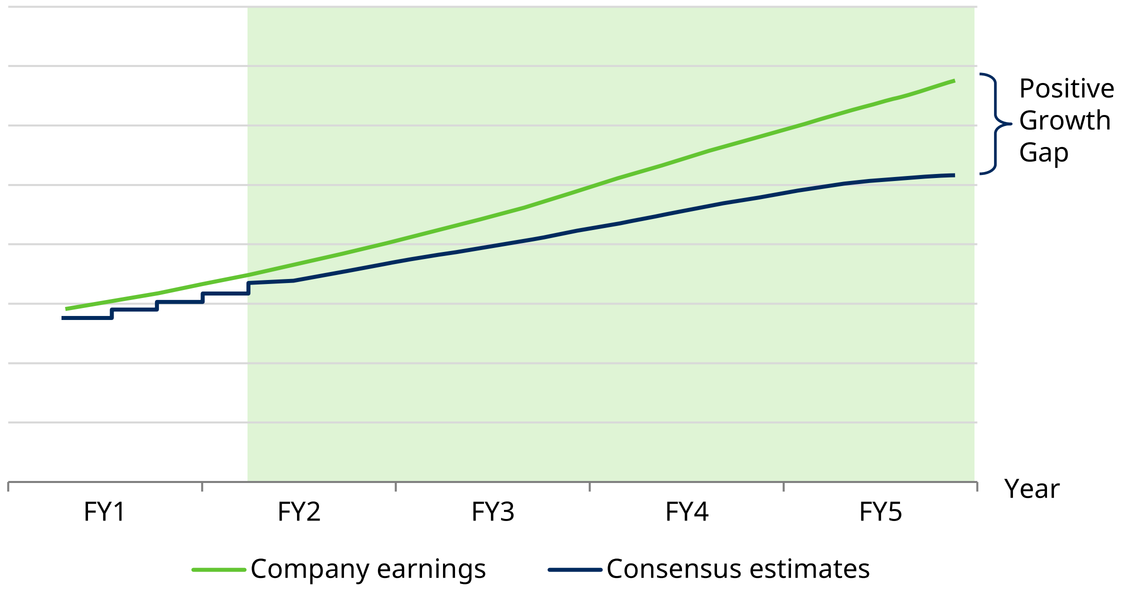
Source: Schroders, as at 31 March 2022. For illustrative proposes only. The views and opinions contained herein are those of the Global and International Equity team and are subject to change. There is no guarantee that the investment philosophy will lead to portfolio outperformance.

The stocks we look for

Forward earnings growth not yet identified by the market – the growth gap

Core growth

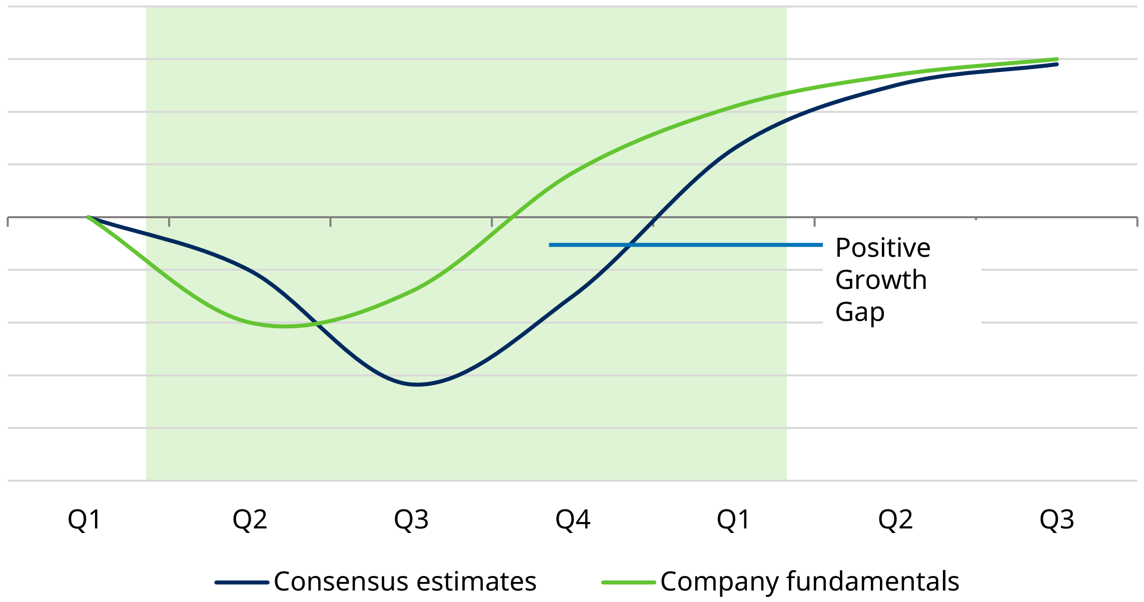
Markets often fail to look far enough ahead



- **Structural**
- **Sustainable competitive advantage**
- **Innovation**

Opportunistic growth

Consensus often fails to anticipate inflection



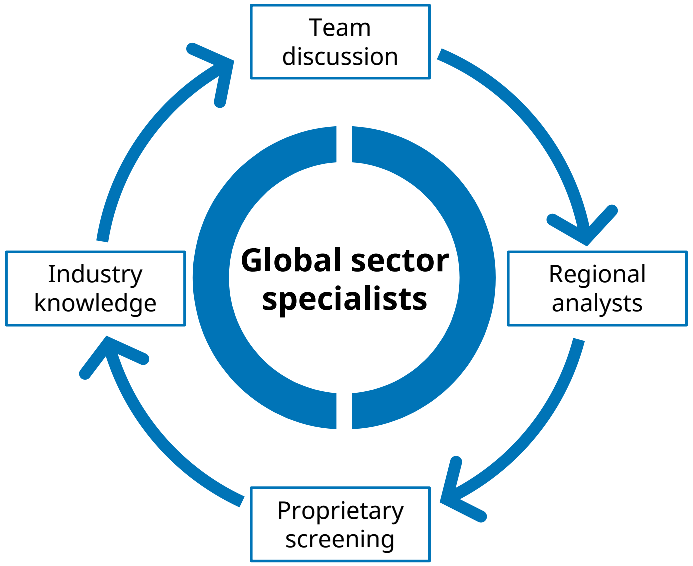
- **Cyclical**
- **Transitional growth**
- **Turnarounds/restructuring**

Source: Schroders. The 'company earnings' line in the graph represents our forecast (as opposed to the consensus estimates). The opinions stated in this presentation include some forecasted views. We believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know. However, there is no guarantee that any forecasts or opinions will be realised. For illustrative purposes only. Past Performance is not a guide to future performance and may not be repeated.

Investment process

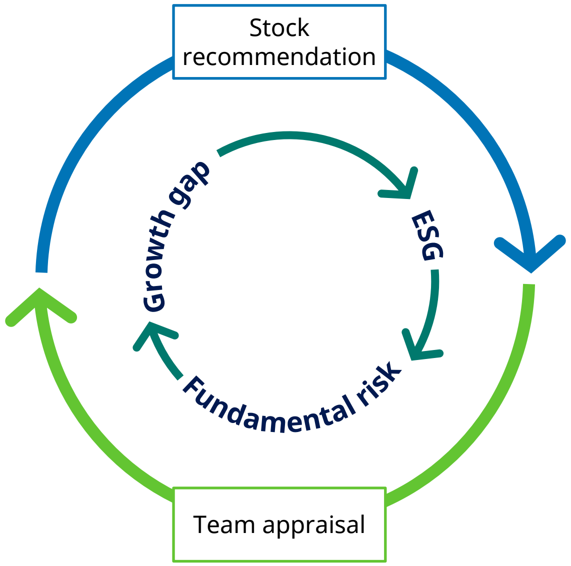
Filtering the universe to identify best ideas

Idea generation



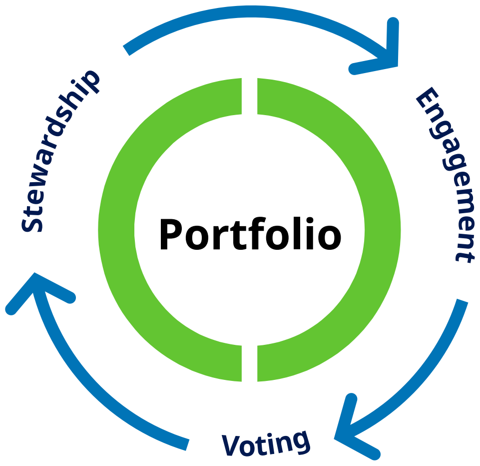
- GSS – primary source for idea generation
- Regional analysts provide local perspective
- GSS recalibrate analysis to reflect the team philosophy and approach

Stock selection



- An independent investment view
- GSS recommendation
- Team-based appraisal

Portfolio construction and risk control



- Risk adjusted return expectation
- Proprietary risk framework

Source: Schroders, as at 31 March 2022. There is no guarantee that the investment process will produce returns or protect against a loss of principal. ESG = Environmental, Social And Governance and GSS = Global Sector Specialists.

Schroders

Sustainable investment

Three primary layers of ESG integration

ESG at Schroders

- Long history of responsible investment imbedded in our culture and investment process
- Supported by a well resourced team of 22 dedicated ESG Analysts
- ESG Specialists work alongside analysts and investors to identify and understand key ESG issues
- Active engagement with companies to improve their performance
  - We have achieved an impressive record of positive response to change from hundreds of companies

How ESG is integrated in the investment process

Research

- Thematic and bespoke research
- Training for analysts and ESG research audit
- 10 proprietary tools and dashboard (Context, SustainEX, etc)
- Thorough analysis of risks and opportunities

Portfolio Construction

- Fundamental risk score is a key input in determining position sizes
- ESG, management quality and transparency are primary factors for assessing quality and sustainability risk scores

Engagement

- Company meetings with analysts and ESG specialists
- Requests for change and disclosure
- Partnering with other investors and interest groups to exert greater influence

An integral part of our efforts to manage and enhance our clients' investments

Source: Schroders, as at 31 March 2022. For illustrative proposes only. There is no guarantee the Environmental, Social & Governance (ESG) approach to investment analysis will boost a portfolio's performance.

Active ownership

Stock example: Recruit (Feb 2019-)

Customers

Indeed, GlassDoor and growing suite of recruitment tools providing strong value proposition and helping reduce costs

Focused on developing tools to cut recruitment time in half

Very strong cybersecurity risk management. Data is not sold or shared externally.

Employees

Strong corporate culture of "empowerment" that embraces entrepreneurial spirit focused on career development programs and promoting work life balance measures.

Improving D&I initiatives with 50% female employees and 42% of management. No gender pay gap.

Regulators

Improves transparency and reduces friction within the labor market

Company improves flexibility for working women and small businesses.

Strong management of data security and privacy

Shareholders

Strategic focus on being the global leader in HR

Entrepreneurial management team achieving >20% ROIC while investing aggressively to grow and pivot the business from print to online

Target minimum 10% IRR on M&A and 15% ROE for company overall

Engagement - Diversity and Governance

- We engaged with Recruit to encourage the company to add female members and external independent directors from other regions to its board.
- We believe that having diversity in perspectives, backgrounds, business experiences and professional expertise is imperative to ensure that the company is properly equipped to maneuver around its international and increasingly volatile business environment.
- Our various interactions with Recruit have helped us to better understand the extensive efforts that the company is undertaking to encourage inclusiveness, providing reassurance that it has a robust process.

Progress so far:

- Recruit set formal targets to add a woman to their six person board by June 2021 and build upon this progress by appointing another one the following year. They also added their first foreigner to the board at the 2020 AGM.
- Feb 2022 – Added new female non-executive director to board, further bolstering board independence and gender diversity mix
- These improvements in Recruit's corporate governance structure added conviction to our view around governance and management quality. We believe the company could be a leader in the Japanese market, and remain cautiously optimistic of its progress on ESG. We will continue to monitor progress.

Past Performance is not a guide to future performance and may not be repeated.

Source: Schroders. The stocks and sectors shown above are for illustrative purposes only and are not to be considered a recommendation to buy or sell

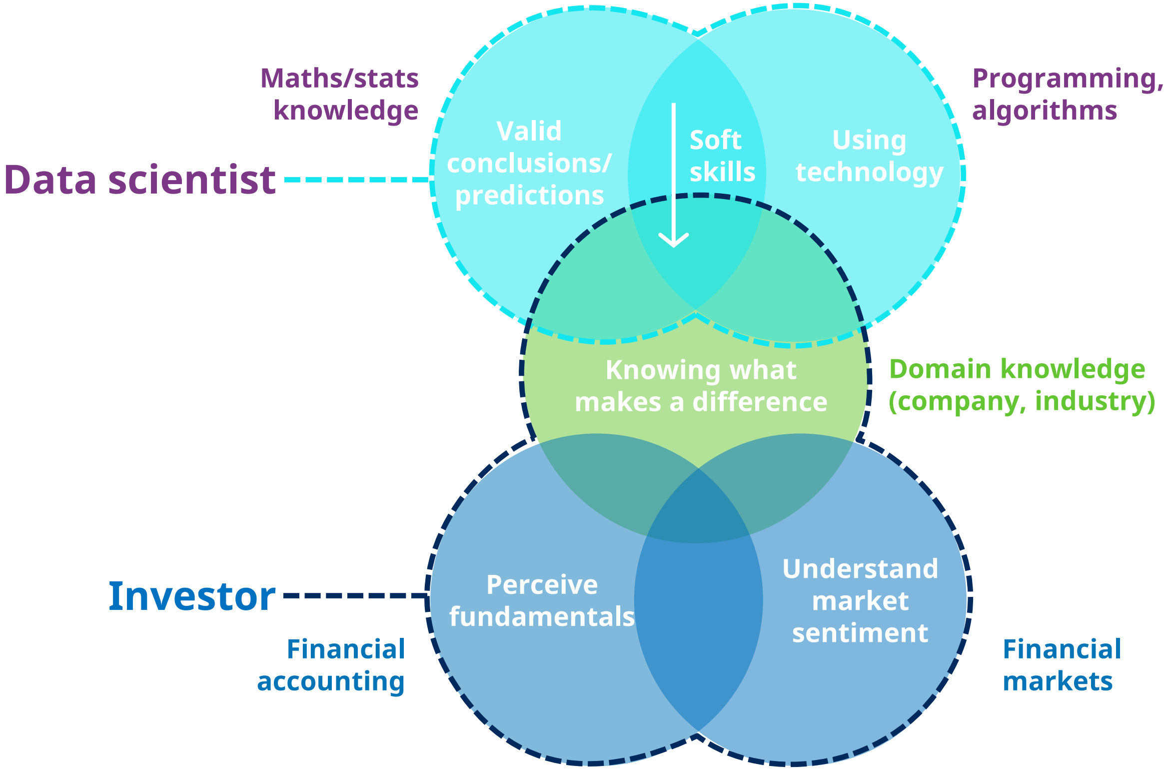
Data Insights Unit

Enabling better investment decisions

To enable analysts and PMs to make better investment decisions

- Equipping them with timely, relevant, industry-leading and usable **data**
- Servicing investors with quality **data science**, statistical rigour and engaging visualisations
- Supporting **investment process and tools**, using our position as technologists within Investment
  - Putting investment ontology + systems at heart of processes
  - Intelligent and relevant **newsflow** to investors
- **Forging connections** between investors of all asset classes and data scientists across Schroders group

Marrying skills of investors and data scientists to build the perfect team



Gain and maintain an information edge

Source: Schroders, as at 31 March 2022. The opinions stated are those of the Schroder Data Insights Unit and are subject to change.

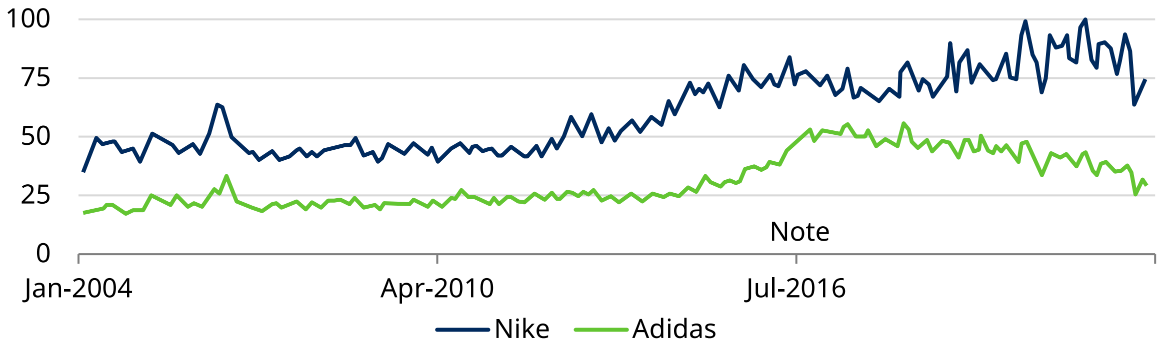
Data Insights Unit in practice

Adidas – sell decision

Data driving reduced conviction

- Positioning in China and the US remain key risk
- Lack of new products appear to be taking consumers' interest elsewhere
- Further channel checks:
  - Highlight too much adidas apparel sitting on the floor with retailers
  - Questions around product innovation and customer interest

Nike vs. Adidas – worldwide search interest 5 yr history



Brand sentiment

DIU Brand Health - US	Awareness	Value & Quality	Purchase consideration
Nike	93%	7	▼▼ 29%
Adidas	91%	4	25%
Asics	52%	7	9%
New Balance	84%	3	28%
Puma	84%	8	13%
Skechers	87%	3	▲▲ 32%
Under Armour	83%	4	▲ 22%
Columbia	69%	2	▲ 22%

DIU Brand Health - Germany	Awareness	Value & Quality	Purchase consideration
Nike	89%	3	▲▲ 28%
Adidas	90%	1	32%
Asics	46%	5	8%
New Balance	32%	5	6%
Puma	88%	3	▲ 20%
Under Armour	27%	6	5%
Columbia	15%	7	2%

DIU Brand Health - UK	Awareness	Value & Quality	Purchase consideration
Nike	95%	4	▲▲ 36%
Adidas	94%	2	▲▲ 34%
Asics	53%	5	10%
New Balance	51%	3	13%
Puma	89%	7	12%
Under Armour	58%	3	16%
Columbia	20%	5	3%

DIU Brand Health - France	Awareness	Value & Quality	Purchase consideration
Nike	91%	3	▲▲ 30%
Adidas	91%	1	▲▲ 31%
Asics	61%	5	▲ 11%
New Balance	55%	6	▲ 8%
Puma	86%	4	▲▲ 14%
Under Armour	14%	6	2%
Columbia	38%	5	4%

DIU Brand Health - China	Awareness	Value & Quality	Purchase consideration
Li Ning	83%	2	▲ 31%
Anta	78%	2	▲▲ 29%
Nike	84%	8	▼▼ 23%
Adidas	79%	7	▼▼ 20%
New Balance	61%	9	▼▼ 10%
Puma	60%	9	9%
Skechers	35%	6	6%
Asics	27%	3	▼▼ 5%
Under Armour	24%	6	▼▼ 4%
Columbia	21%	6	▼ 2%

Please note for China:

- Nike and Adidas saw improvements in purchase consideration before the Xinjiang cotton scandal.
- Li Ning and Anta were slightly improving but got a structural boost post the scandal.
- Skechers and Puma did see a tick lower after the early summer but not enough of a down move to offset structural improvements over time.
- Columbia, Under Armour and Asics were all deterioraiting even before the cotton scandal.
- **None of the western brands have since seen an improvement since the big drop in brand perception over summer; the trend has plateaued.**

Brand sentiment, search activity and channel checks point to weaker positioning

Source: Schroders, Data Insights Unit, Google Trends, December 2021. Shown for illustrative purposes only and should not be viewed as investment guidance.

Fundamental risk

An innovative and dynamic risk framework

- A proprietary, **forward-looking** and dynamic view of risk based on GSS' assessment of company fundamentals
- All companies are scored across the same fundamental risk categories
  - Increasing consistency of risk assessment
- Risk scores provide team with:
  - A transparent and debatable view of risk
  - A useful position-sizing tool to ensure portfolio risk consistently reflects conviction

A robust risk calibration tool designed to enhance downside protection

	Fundamental risk score	
40%	Leverage	Financial leverage operating leverage
50%	Quality and sustainability assessment	Industry metrics/ competitive positioning /management quality/ transparency/ESG/Accounting
10%	Country risk	Assessment of geographical revenue and earnings exposure

Strengthening decision making through more robust and dynamic information

Source: Schroders, as at 31 March 2022. For illustrative proposes only. The views and forecasts contained herein are those of the Global and International Equity team and are subject to change. The proprietary Risk Management tool mentioned is designed to enhance the risk evaluation process but does not guarantee the identification or abatement of all risk.

Fundamental Risk Score

Example: Mercadolibre

Leverage

5.3

Financial leverage

Fixed cover charge = **4**

Net debt/EBITDA = **2**

Operating leverage

Revenue volatility = **6**

Margin volatility = **9**

On a scale of 10

Quality and sustainability

5.4

ESG score = **6**

Business & industry quality = **4**

Management quality = **2**

Transparency rating = **7**

Accounting rating = **6**

On a scale of 10

Country risk

8

Political stability

Voice and accountability

Government effectiveness

Regulatory quality

Rule of Law

Control of corruption

Ease of doing business

Credit rating score

On a scale of 10

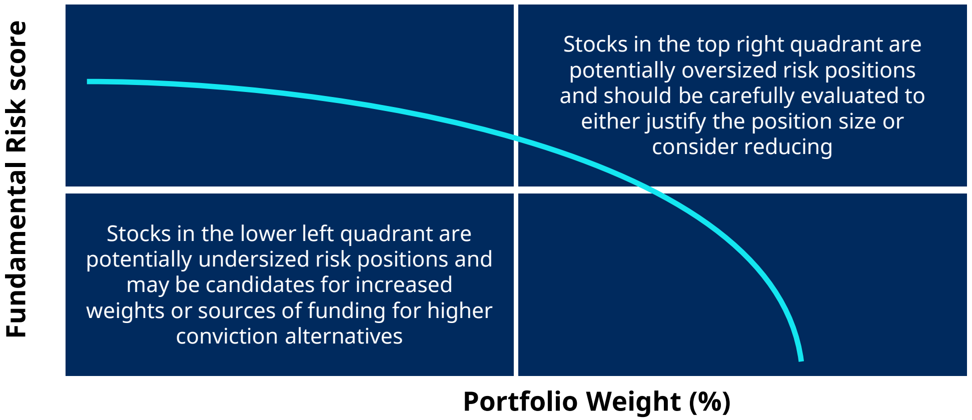
Fundamental Risk Score = 5.37 On a scale of 10

Source: Schroders, as of 31 March 2022. Fundamental Risk Score is calculated by weighted risk. Quality and Sustainability and Country risk scores are graded by the GSS on a scale of 1 to 10 and then grossed up for aggregate scoring which ranges from 0-10. The range of country risk factors are scored and then ranked by country, with the country risk score corresponding with the quintile ranking and then calculated based on the revenue and earnings mix of the company. Risk categories that receive the maximum risk score have their weight doubled to better reflect the increased tail risk. The securities shown above are for illustrative purposes only and are not to be considered a recommendation to buy/sell

Fundamental risk

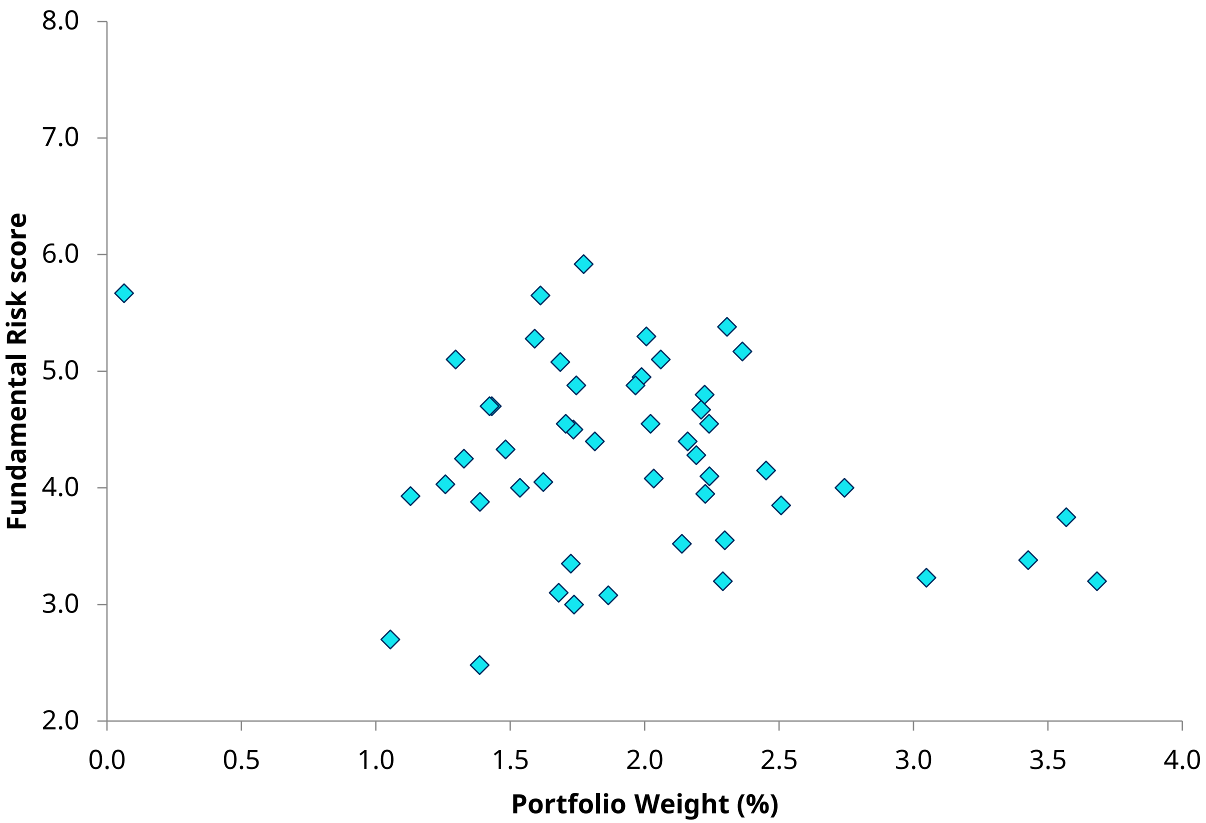
Example: International Alpha

A systematic framework to drive consistent debate



Top 10 Fundamental Risk Scores	Absolute Weight (%)	Fundamental Risk Score
HSBC Holdings Plc	1.8	5.9
JD.com, Inc. Class A	0.1	5.7
Erste Group Bank AG	1.6	5.7
MercadoLibre, Inc.	2.3	5.4
Intesa Sanpaolo S.p.A.	2.0	5.3
Compagnie Financiere Richemont SA	1.6	5.3
Alibaba Group Holding Ltd	2.4	5.2
Vodafone Group Plc	1.3	5.1
Infineon Technologies AG	2.1	5.1
Iberdrola SA	1.7	5.1

Portfolio scatter plot



Source: Schroders, FactSet. As at 31 March 2022, based on a representative International Equity portfolio. For illustrative purposes only and not a recommendation to buy or sell shares. A full list of holdings will be provided upon request.

Portfolio construction

Driven by bottom-up assessment

Weights reflect risk-adjusted return expectations

Lower active weight
Lower relative upside
Higher fundamental risk
Lower liquidity

Higher active weight
High relative upside
Low fundamental risk
High liquidity

Decision-making

Co-portfolio manager structure with distinct lead focus
International Equity – Simon Webber (lead)
International Alpha – James Gautrey (lead)

Core/opportunistic holdings

Core names: 'long-term winners'
Anticipated holding period: >3 years
Expected turnover: 30%
Typical portfolio weight: 60–70%

Opportunistic names: 'tactical opportunities'
Anticipated holding period: <1 year
Expected turnover: 80–120%
Typical portfolio weight: 30–40%

Source: Schroders, as at 31 March 2022. Past Performance is not a guide to future performance and may not be repeated.

Portfolio risk management

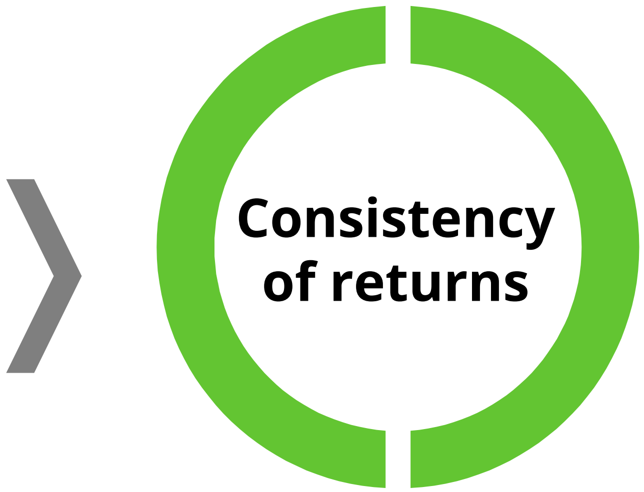
A robust multi-layered approach

Portfolio risk management

Structural	Position sizing	Factor monitoring	Performance analysis
– Investment objectives – Client guidelines	– Volatility – Contribution to Risk	– Style, industry, country, currency, characteristics	– Attribution – Risk decomposition

Oversight

- Independent Risk Team
- Global Head of Equities
- Portfolio Managers
- Product Managers



Our understanding of portfolio drivers and risk factors is designed to drive our consistency of returns

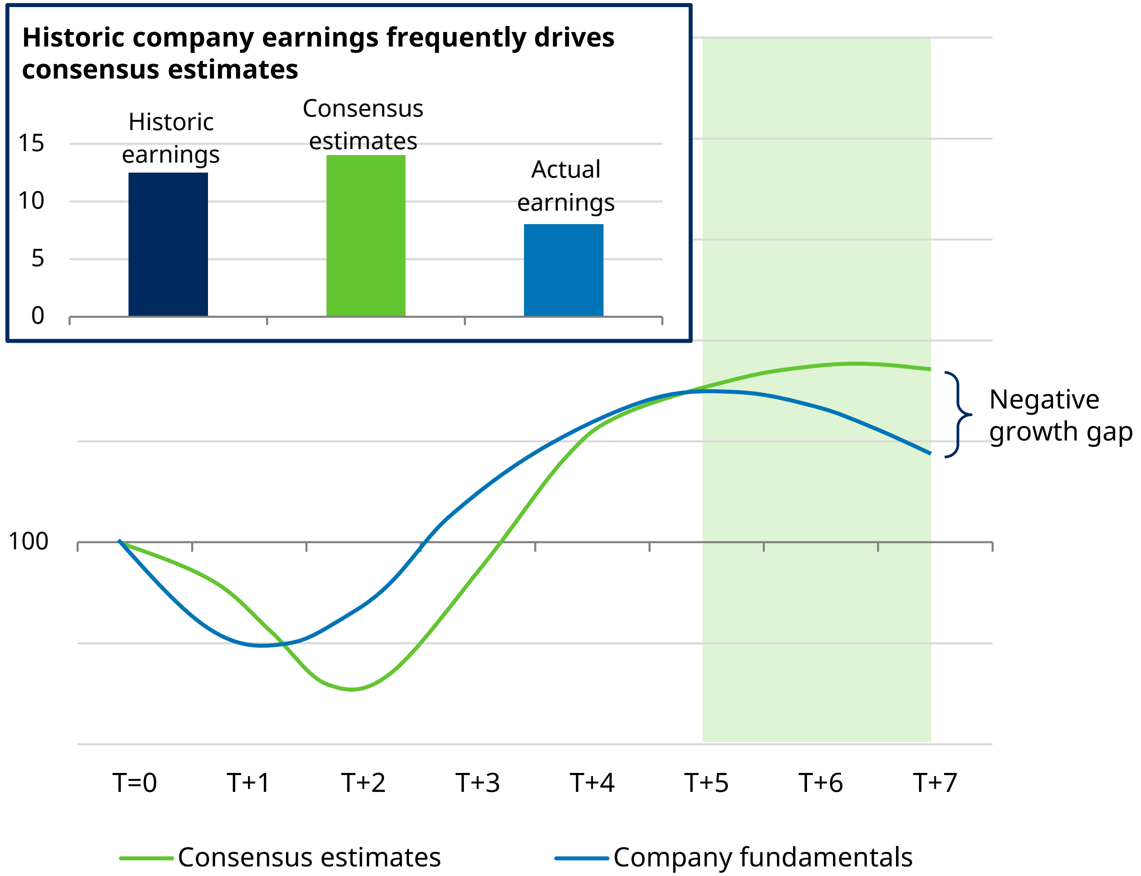
We utilise a pragmatic approach within a disciplined framework of continual review

Source: Schroders, as at 31 March 2022. For illustrative proposes only. There is no guarantee the risk management approach used will achieve its intended objective.

Sell discipline

The growth gap turns negative

Markets extrapolate recent growth



A holding is sold when…

- The growth gap turns 'negative'
- We identify a stock offering better risk adjusted returns
- We lose conviction in our investment thesis
- Material ESG deterioration and/or lack of engagement progress
- Valuation no longer compelling

Source: SG Equity Research, Growth: Past, expected and actual (US1985–2007). Data for Core/Growth stocks. Historical data can not guarantee or predict future results.

Schroders' proposition

A differentiated approach

- Well-resourced, highly experienced team with global perspective
- Distinctive philosophy focused on unanticipated growth
- Integration of principles of sustainability
- Innovative approach research and risk management
- A focus on seeking to enhancing consistency and downside protection through portfolio construction

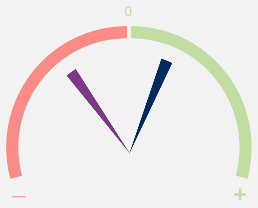
Source Schroders. The views and opinions stated in this document are those of the Schroder Global and International team and are subject to change.

Appendix

Proprietary sustainability metrics

Schroders International Alpha Equity CIT as at 31 May 2022

Overall impact

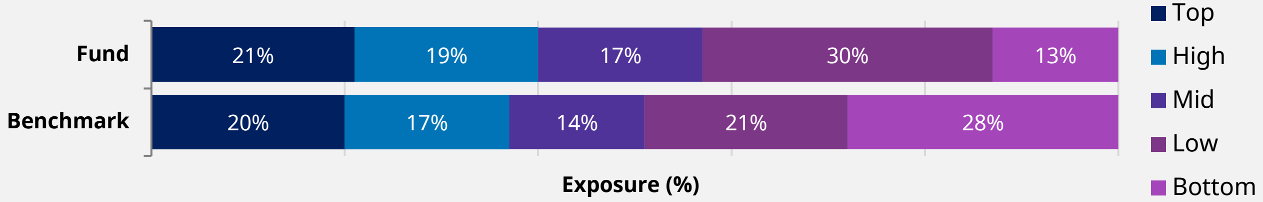


Fund coverage:100%, Benchmark coverage:100%

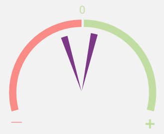
Fund +2.8%

Benchmark -5.1%

Exposure of holdings from highest to lowest SustainEx score by quintile

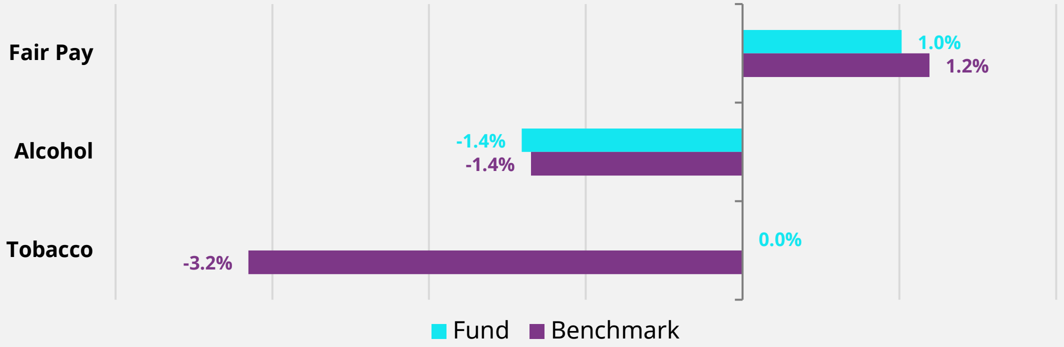


Impact on people

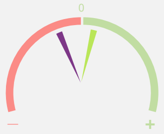


Fund +1.3%

Benchmark -2.1%

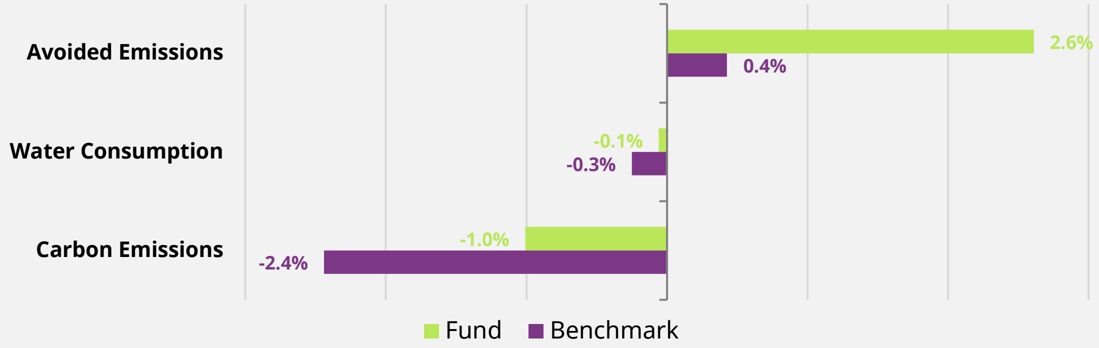


Impact on planet



Fund +1.5%

Benchmark -3.0%



Source: Schroders. Please refer to the Sustainability definitions and disclaimers slide for more information on Overall Impact. Benchmark data MSCI AC World ex USA (USD).

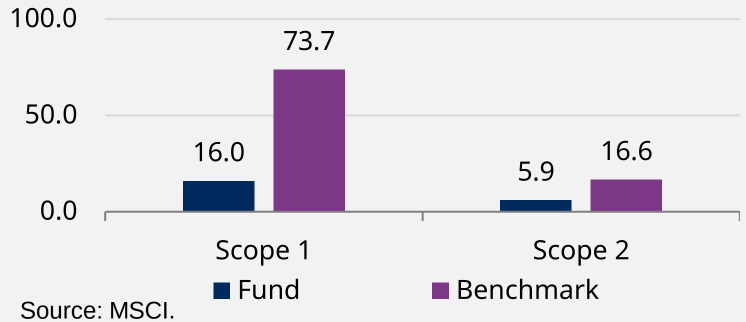
Schroders

Climate metrics

Schroders International Alpha Equity CIT as at 31 May 2022

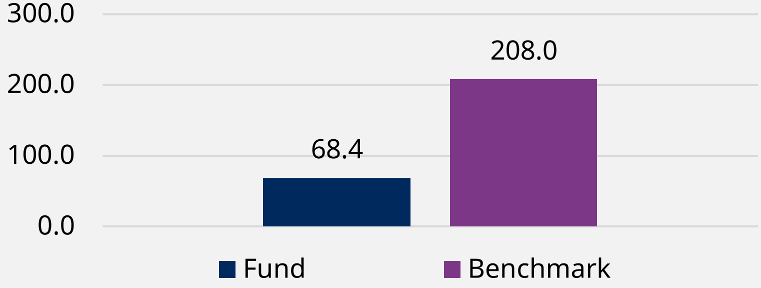
Carbon metrics

Carbon footprint
Tonnes of CO2e per $mn invested



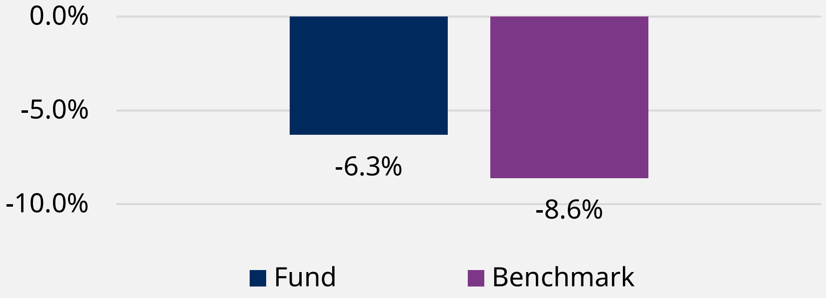
Source: MSCI.
Scope 1: Fund coverage: 100%, Benchmark coverage: 100%
Scope 2: Fund coverage: 100%, Benchmark coverage: 100%

Carbon intensity
Tonnes of CO2e per $mn sales



Source: MSCI.
Fund coverage: 100%, Benchmark coverage: 100%

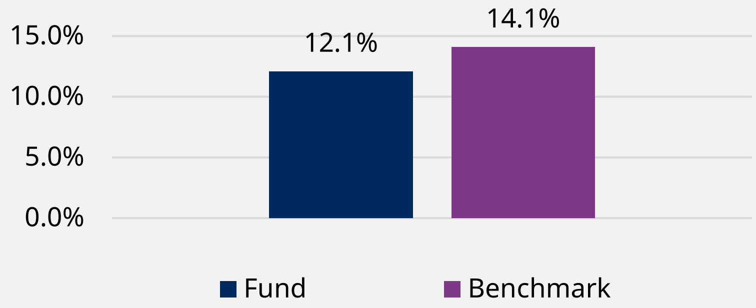
Exposure to transition risk: Carbon VaR
% earnings at risk



Source: Schroders.
Fund coverage: 100%, Benchmark coverage: 99%

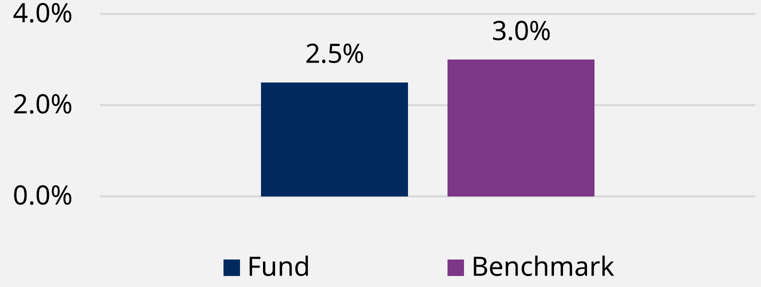
Climate exposures

Exposure to renewables
% exposure based on revenues



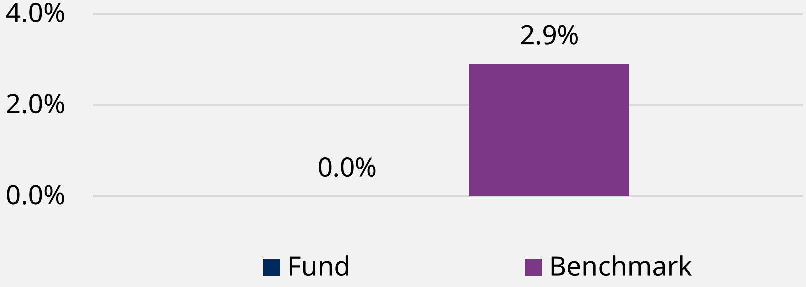
Source: MSCI.

Exposure to tar sands
% exposure based on revenues



Source: MSCI.

Exposure to coal
% exposure based on revenues



Source: MSCI.

Source: Benchmark data MSCI AC World ex USA (USD). Climate exposures represents % weight of portfolio deriving any revenue from coal/tar sands/renewables (Hydro, Biomass, Geothermal, Solar, Tidal or Wind). Please refer to the Sustainability definitions and disclaimers slide for more information on Climate metrics.

Third party metrics

Schroders International Alpha Equity CIT as at 31 May 2022

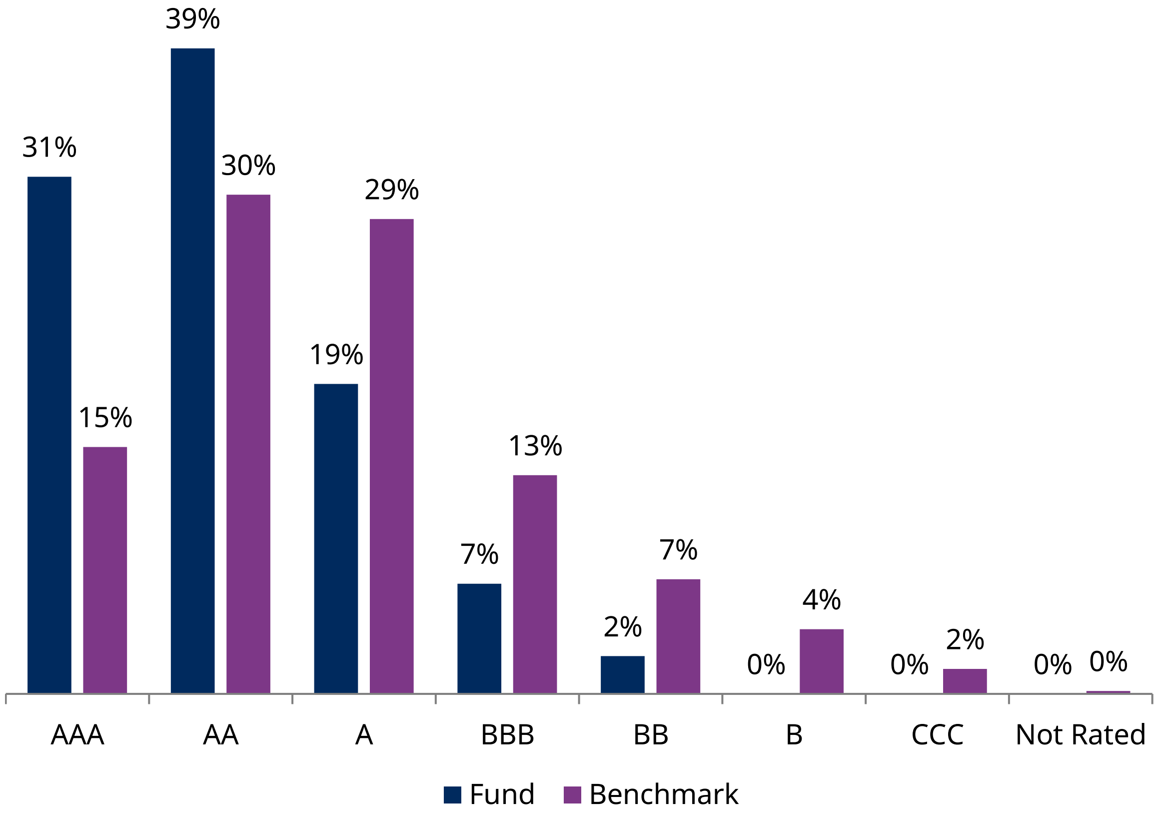
Controversy metrics

ESG risk & controversies	Fund	Benchmark
Sustainalytics % of AUM with High or Severe ESG risk	10.69%	14.74%
Exposure to violators of the UN Global Compact	2.52%	2.78%

Top 10 holdings ESG Scores

Holding Name	%	MSCI	Sustainalytics
Taiwan Semiconductor Manufacturing Co Ltd	4.0	AAA	Low
ASML Holding NV	3.1	AAA	Low
Nestle SA	3.0	AA	Medium
AstraZeneca PLC	3.0	AA	Medium
AIA Group Ltd	2.8	AA	Low
Bridgestone Corp	2.7	A	Low
Shell PLC	2.5	AA	High
GSK PLC	2.5	AA	Low
Roche Holding AG	2.5	A	Medium
Booking Holdings Inc	2.3	BBB	Medium

MSCI ESG ratings of fund vs. benchmark



Source: Sustainalytics (Morningstar), MSCI. Benchmark data MSCI AC World ex USA (USD). All holdings exclude cash and currency holdings. Sourced from Risk dashboard. Sustainalytics data is sourced at the previous month end to the month shown. Sustainalytics measures risk.

Sustainability performance measures

Schroders International Alpha Equity CIT as at 31 May 2022

	Measure	Units	Fund	Benchmark
People	Policy Human Rights	% of companies with a human rights policy	**86** Coverage: 100%	**86** Coverage: 98.2%
	Board Gender Diversity	Average % of women on Board	**32** Coverage: 100%	**26** Coverage: 97.9%
	Employees Community Work Program	% of companies with employees community work programs in place	**96** Coverage: 100%	**89** Coverage: 98.2%
	Independent Board Members	% of total directors who are independent	**72** Coverage: 100%	**62** Coverage: 97.9%
	CEO-Chairman Separation	% of companies with separate CEO and Chairman	**70** Coverage: 100%	**70** Coverage: 98.2%
Planet	Policy Energy Efficiency	% of companies with a policy on energy efficiency in place	**100** Coverage: 100%	**96** Coverage: 98.2%
	Policy Emissions Reduction	% of companies with a policy on emission reduction in place	**100** Coverage: 100%	**96** Coverage: 98.2%
	Water intensity	Total water withdrawal (m^3) per $1mn of sales	**2,688** Coverage: 76%	**18,000** Coverage: 71.5%

Source: MSCI and Refinitiv as at the 31 May 2022. Benchmark data MSCI AC World ex USA (USD). The analysis shown is based on company disclosed information. Coverage is calculated based on the average weighted by holding percentage for each metric for the fund and benchmark. Coverage shows the % of company reported data that is available for each measure for the fund and the benchmark.

The table above shows the sustainability performance measures of this fund. It uses reported company data to identify or derive Environmental, Social and Governance (ESG) metrics on an objective basis. With this we compare a range of ESG metrics for the fund and its benchmark where applicable, and identify the measure coverage of the fund. The charts illustrate how the portfolio and benchmark compare for each metric.

Sustainability definitions and disclaimers

Schroders International Alpha Equity CIT

Impact scores: These are generated using Schroders' proprietary tool, SustainEx™, which provides an estimate of the potential social or environmental impact that a company or other issuer may create. It does this by using certain metrics with respect to that issuer and quantifying the positive and negative impacts of each of those metrics in economic terms to produce an aggregate measure. Not all of those metrics are represented in the impact scores on 'People' and 'Planet' and how those scores are generated may change over time. It utilises and is reliant on third party data (including third party estimates) as well as Schroders' own modelling assumptions, and the outcome differs from other sustainability tools and measures. Where SustainEx™ relies on data and estimates produced by third parties, Schroders seeks to ensure that such data and estimate are accurate, but Schroders cannot and does not warrant the accuracy, completeness and adequacy of such third party data and estimates. Like any model, SustainEx™ will evolve and develop over time as Schroders continues to assess, refine and add to the metrics and their relative contributions. Generating SustainEx™ scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and accordingly Schroders does not accept any liability arising from any inaccuracy or omission in, or the use of or reliance on, SustainEx™ scores. As the model evolves, changes made to how metrics are applied may result in changes to the SustainEx™ score of any issuer and ultimately the overall fund/portfolio score. At the same time, of course, the issuer's SustainEx performance might improve or deteriorate. Schroders' proprietary tools, including SustainEx, may not cover all of the fund's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash and certain equivalent securities such as gilts) are treated as neutral and are therefore not considered by our proprietary tools. The SustainEx scores show month-end data. Where a fund maintains a higher overall sustainability score than its sustainability benchmark based on the investment manager's rating system, this means that the fund's weighted average score in SustainEx over the previous six month period will be higher than the benchmark's score in SustainEx over the same period, based on month-end data. Where a fund has different sustainability criteria (for example, it invests a minimum proportion of its assets in sustainable investments or maintains a positive absolute sustainability score), the fund's weighted average score in SustainEx is shown here for information and illustrative purposes only.

MSCI ESG Research rating: Produced by MSCI ESG Research as of the "reporting date". MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class mutual funds and ETFs globally. MSCI ESG is a registered investment adviser under the U.S. Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from, the U.S. Securities and Exchange Commission or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. The Information should not be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information.

Sustainalytics: Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Rating [Historical Sustainability Score]. The rating of the fund: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of the rating. Past performance is no guarantee of future results.

SustainEx Impact metrics shown:

Carbon emissions: Environmental and societal cost of carbon emissions (scope 1,2 and 3). Country assessments also include the benefits arising from direct carbon removal by forests and the costs when carbon is released by forest fires or deforestation.

Water consumption: Environmental and societal cost of companies' and countries' freshwater withdrawal.

Avoided emissions: Environmental and societal benefits of activities and technologies that enable system-wide reductions in carbon emissions, including companies' products and services and country investments in clean energy.

Fair pay: Societal benefits or costs of companies over- or under-paying staff relative to local living wages (for regions in which they operate).

Alcohol: Societal cost of alcohol consumption (assigned to alcohol producers).

Tobacco: Societal cost of smoking (assigned to tobacco producers).

Carbon footprint: A weighted-average measure of company greenhouse gas emissions per $ million of enterprise value. Methodology is aligned to "carbon footprint" as defined by TCFD and The EU's Sustainable Finance Disclosures Regulation

Carbon intensity: A weighted-average of company emissions per $million of sales. Methodology is aligned to "weighted average carbon intensity" as defined by TCFD and "GHG intensity" under the EU's Sustainable Finance Disclosures Regulation

Carbon Value-at-Risk (VaR): A model developed by Schroders to measure the potential impact on companies' earnings of raising carbon prices to $100 per tonne.

Coal* exposure: Measures the weight of the portfolio exposed to companies deriving revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.

Sub-funds that are categorised as Article 8 or Article 9 under SFDR apply a revenue-based exclusion on companies operating in the coal sector. Companies generating more than 10% of their revenue from thermal coal extraction and/or 30% of their revenue from coal-fired power are systematically excluded. Some sub-funds apply a more stringent exclusion criterion. Please refer to the fund sustainability disclosures for more details. Any fund exposure to coal reflects investments in companies whose coal-related revenues are below the accepted threshold.

Tar sands* exposure: Measures the weight of the portfolio exposed to companies deriving revenue from oil sands extraction for a set of companies that own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction. This factor does not include revenue from non-extraction activities (e.g. exploration, surveying, processing, refining); ownership of oil sands reserves with no associated extraction revenues; revenue from intra-company sales.

Renewable energy: Measures the weight of the portfolio exposed to companies deriving revenue from biomass, geothermal, solar, wave or wind power.

Source: Schroders. *Gases burned from fossil fuels like coal tar sands are widely believed to be a leading cause of climate change.

Sustainability definitions and disclaimers

Schroders International Alpha Equity CIT

The European SRI Transparency logo signifies that the Schroders commits to provide accurate, adequate and timely information to enable stakeholders, in particular consumers, to understand the Sustainable Responsible Investment (SRI) policies and practices relating to the fund. Detailed information about the European SRI Transparency Code can be found on www.eurosif.org, and information of the SRI policies and practices of the fund can be found on our website. The Transparency Code is managed by Eurosif, an independent organisation. The European SRI. Transparency Logo reflects the fund manager's commitment as detailed above and should not be taken as an endorsement of any particular company, organisation or individual. Eurosif is not responsible for the completeness or the accuracy of the disclosure in this documentation.

Morningstar Sustainability Rating: The Sustainability Rating is stated as of "reporting date". Sustainalytics provides company-level analysis used in the calculation of Morningstar's Sustainability Rating [Historical Sustainability Score]. © 2021 Morningstar. All rights reserved. The rating of the fund: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of the rating. Past performance is no guarantee of future results

Morningstar Rating:© Morningstar 2021. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Overall Impact

The Schroders Impact Score is based on Schroders' proprietary tool, SustainEx™. SustainEx™ provides an estimate of the potential societal or environmental impact that may be created by the companies and other issuers in which the fund is invested. The result is expressed as a notional percentage (positive or negative) of sales of the relevant underlying companies and other issuers. For example, a SustainEx™ score of +2% would mean a company contributes $2 of relative notional positive impact (i.e benefits to society) per $100 of sales.

We calculate SustainEx™ scores for companies and other issuers in the fund to arrive at the total fund score.

The "Overall Impact" shown is a measure of the fund's estimated impact compared to that of its benchmark, in each case calculated as a relative notional percentage as described above.

The "Impact on People" and "Impact on Planet" measure the fund's estimated underlying benefits and harms, as compared to its benchmark, in each case calculated as a relative notional percentage as described above. Overall impact is a measure of the fund's impact compared to its benchmark.

Source: Schroders.

Biographies

James Gautrey

Fund Manager

James joined the graduate programme at Schroders in 2001 working with senior management and client directors. From 2002 he worked as a Pan European research analyst covering technology, telecoms and support services. In 2006 he moved to the Global and International Equities team becoming a Global Sector Specialist for the technology sector, having previously also covered telecoms and autos. In 2014 James assumed Portfolio Management responsibilities for a number of the team's International Equity portfolios. James is a CFA charterholder.

Simon Webber

Fund Manager

Simon joined Schroders in 1999, initially as a research analyst in the Global Technology Team. In 2001 he became a Fund Manager on the US Desk, specialising in technology and industrials. In 2002 he assumed analytical responsibilities for the US telecoms, media and software sectors. In 2004 he joined the Global and International Equities Team as a Global Sector Specialist and has covered multiple sectors including utilities, autos, telecoms and consumer discretionary. He became a Fund Manager for EAFE mandates in 2009 and has managed the Global Climate Change strategy since its launch in 2007. Simon is a CFA charterholder.

Source: Schroders, as at 31 March 2022

Schroders

Biographies

Alex Tedder

Head of Global and Thematic Equities, Multi Regional Equity

Alex re-joined Schroders in July 2014 as Head of Global Equities, having commenced his investment career at Schroders in 1990 with responsibility for promoting European Equity mandates alongside Schroders' Private Equity operation. In 1994 he moved to Deutsche Asset Management Ltd, where he worked in various capacities including Managing Director and Head of International Equities/Fund Manager. He was lead manager of the Deutsche International Select Equity Fund (MGINX) from inception in May 1995. He also previously served as co-manager of DWS International Fund, DWS Worldwide 2004 Fund, Deutsche Global Select Equity Fund and Dean Witter European Growth Fund. Alex re-joins Schroders from American Century Investments in New York, where he worked from 2006 as Senior Vice President and Senior Fund Manager (Global and Non-US Large Cap Strategies). He was lead manager of the American Century International Growth Fund (TWIEX) from July 2006 to March 2014. A dual citizen of UK and Switzerland, Alex was educated at Winchester College (UK) and University of Freiburg/Fribourg, Switzerland, where he obtained a Masters' Degree in Economics and Business Administration.

Frank Thormann

Fund Manager

Frank joined as a Fund Manager for Global and US Large Cap Equity portfolios. He joined in 2017 from Frankfurt-based Union Investment where he was a global Fund Manager. Having initially focused on the North American component of Union's Concentrated Global Equity portfolios, he assumed overall portfolio management responsibility for the UniFavorit Concentrated Global Equity Fund in early 2010. The fund achieved a five-star rating from Morningstar during his tenure. Before joining Union Investment in 2008, Frank worked at American Century Investments in Kansas City, USA where he was a multi-industry analyst for the American Century Ultra Fund, as well as for the AC Select Equity Fund. Frank earned his Bachelor Degree in Finance and Mathematics at Loras College, USA. He gained a Masters in Finance and International Business at the University of Missouri. Frank is a CFA Charterholder.

Charles Somers

Fund Manager/Global Sector Specialist

Charles is a Fund Manager for the Global Alpha Plus strategy, Global Sustainable Growth strategy and number of specialist institutional global equity portfolios. He also has global sector responsibility for consumer staples as one of the team's Global Sector Specialists. Charles initially joined Schroders in 1998 as a research analyst on the US desk in London. In 2001 he was seconded to Schroders' New York office, where he covered healthcare and financial stocks. He returned to London in 2002 to join the Pan European research team, taking responsibility for the consumer staples sector. In 2006 Charles left Schroders to take a position as a Fund Manager at Intrinsic Value Investors, a long-only fund management company focused on European equities. He returned to Schroders in 2008 to take the position of Global Sector Specialist for consumer discretionary and consumer staples. Charles is a CFA charterholder.

Katherine Davidson

Fund Manager/Global Sector Specialist

Katherine joined Schroders as a graduate on the Global and International Equities team in 2008. She is a Fund Manager for the team's sustainability strategies and separately has global sector responsibility for the autos and telecoms sectors as one of the team's Global Sector Specialists. Katherine is lead portfolio manager for the team's Global Sustainable Growth strategy that evolved from the Global Demographic Opportunities strategy, launched in 2010. Katherine was instrumental in the conception, launch and management of both strategies. Katherine is a CFA Charterholder.

Source: Schroders, as at 31 March 2022

Biographies

John Bowler

Global Sector Specialist

John joined Schroders in 2003 as the Global Sector Specialist covering the healthcare sector. He is also Fund Manager for the Schroder Global Healthcare Fund and has primary research responsibility for Pan-European Pharmaceuticals. His investment career commenced in 1994 when he joined Hill Samuel Asset Management in 1994 as a graduate trainee, later becoming a junior Fund Manager for UK equities. From 1997 he worked at State Street Research and Management as a Fund Manager/analyst. He joined Schroders from AXA Investment Managers, where he worked from 1998 in a global healthcare research role. He was voted top buy-side analyst for the pharmaceutical and healthcare sector in the Institutional Investor Pan European Equity survey in 2002.

Dan McFetrich

Global Sector Specialist

Dan joined the Global and International Equities team as the Global Sector Specialist for the industrials sector in April 2015. He joined us from Fidelity Worldwide Investment where he worked from 2008 as a senior industrials analyst covering both industrials and chemicals stocks. Prior to this, he worked at Dresdner Kleinwort where he covered the food retail sector from 2004. From 2001 he worked at Nomura Asset Management as a research analyst covering European consumer goods. His career commenced in 1996 when he joined Arthur Anderson as a corporate tax consultant. Dan is a CFA charterholder and a chartered accountant (ACA). He also holds an M.A. in Economics from Cambridge University.

Andre Reichel

Global Sector Specialist

Andre joined Schroders in 2011 as a graduate on the Global and International Equities team. He is a Global sector Specialist covering the financials sector, whilst also covering utilities and real estate. He joined the team as an equity analyst covering emerging markets and selected developed market companies within the financials sector, including Asian, Latin American and European banks, insurance firms, real estate companies and diversified financials. Prior to joining Schroders, he worked as a strategy consultant at Meritco in Shanghai. In this role, he engaged in commercial due diligence for investors, conducting financial modelling and analysis of the competitive landscape for projects in the pharmaceutical, chemical, construction and retail industries. Andre is a CFA charterholder

Isabella Hervey-Bathurst

Global Sector Specialist

Isabella is Global Sector Specialist for the Utilities sector and Climate Change. Isabella joined Schroders in 2014 as a graduate on the Global and International Equities team. She provides research support for the Global Climate Change strategy. Prior to joining Schroders, she worked as an investment associate at Ruffer. In this role, she worked closely with a senior fund manager looking after pension fund and charity client portfolios. Isabella has a M.A. from Cambridge and an MSc in International Political Economy from The London School of Economics. She has completed the IMC and is a CFA charterholder.

Source: Schroders, as at 31 March 2022

Biographies

Patrick Flood
Global Sector Specialist

Patrick joined Schroders in 2019 as a Global Sector Specialist for IT. Investment career commenced in 2015. Patrick joined Schroders from Aberdeen Standard Investments, where he had worked since 2015 and had been Investment analyst, European Equities. Patrick has a degree from the University of Bath in Economics. He has completed the IMC and is a CFA charterholder.

Ines Duarte Da Silva
Global Sector Specialist

Joined Schroders in 2018. Investment career commenced in 2011. Currently Research Analyst covering the healthcare sector, based in London. Ines joined Schroders from Bank of America Merrill Lynch, where she had worked since 2015 and had been responsible for European Medtech & Healthcare Services research. Before this, Ines worked at Espirito Santo Investment Bank in Lisbon from 2011 as an equity research analyst, leading the Iberian Mid-Cap team. Earlier, Ines gained experience as a financial analyst in 2011 at the NOVA School of Business and Economics, after completing her Master in Finance. Master in Finance, NOVA School of Business and Economics. Degree in Mathematics Applied to Economics & Management, ISEG School of Economics and Management

Marine Jacquemoud
Global Sector Specialist

Marine joined the Global and International Equities team as the Global Sector Specialist for the energy and materials in January 2020. She joined us from Universities Superannuation Scheme where she worked from 2015 as an Fund Manager covering a range of sectors including industrials and energy. Prior to this, she worked at Lombard Odier Asset Management where she was a Convertible Bond Analyst and From 2011 as an Energy Equity Analyst. Marine career commenced in 2010 when she joined BNP Paribas. Marina is a CFA Charterholder.

Simone Geldenhuys
Global Sector Specialist

Simone joined Schroders in September 2018 on the Graduate Programme, after graduating from the London School of Economics with a BSc in Accounting and Finance. Given the rotational nature of the programme, she started on the Schroders Multi-Sector Fixed Income desk covering EM Strategy, before transitioning onto the Global and International Equities desk to cover Consumer names. Since September 2020, Simone has been a full-time analyst on the team and is now a Global Sector Specialist covering Consumer.

Source: Schroders, as at 31 March 2022

Biographies

Michael White

Global Sector Specialist

Michael joined the Global and International Equities team as the Global Sector Specialist for the communication services in March 2022. He joined us from Capital Group where he worked from 2020 as an Equity Research Associate covering European Retail, Chemicals and Fintech sectors. Prior to this, he worked at ARDEN Partners where he was a Equity Research Analyst covering generalist coverage across various companies. Prior to this he worked for Ernst & Young Global Limited where he was a Senior, Financial Services Assurance. Michael is an Institute of chartered accountant of Scotland (ICAS) and is CFA charterholder. He also holds an BSc (Hons) 1st, Economics, University of Nottingham.

Jonathan McMullan

Global Sector Specialist

Jonathan joined the Global and International Equities team as the Global Sector Specialist for the information technology in September 2021. He joined us from Newton Investment Management where he worked from 2010 as an Global Equity Analyst covering global technology and communication services sectors. Prior to this, he worked at Deloitte where he was a Manager undertaking project management of a high-profile portfolio of audit clients within the investment management. Jonathan is an Associate Chartered Accountant (ACA), ICAEW and has completed the IMC. He also holds an Economics and Accounting (MA with Honours, 2:1), University of Edinburgh.

Ben Wicks

Head of Data Insights and Research Innovation, Investment

Ben originally joined Schroders in 1999 as a graduate, before becoming an equity analyst in the Pan-European team covering construction, basic materials and oil and gas sectors. He later became a global basic materials sector specialist before working as an EAFE Fund Manager. In 2005 he left to work for the UK Government as a senior analyst conducting geopolitical risk analysis. Ben re-joined Schroders in March 2013 as an equity analyst supporting the research effort in the Global Climate Change and Global Resources strategies. He then assumed the role of Global Sector Specialist – Energy from September 2013 to June 2015, and additionally became Global Climate Change Fund Manager in October 2014. Ben also provides strategic input to the firm in the field of research innovation.

Source: Schroders, as at 31 March 2022

Biographies

Gavin Marriott

Investment Director – Global and International Equities

Gavin joined Schroders in 2007 and is an investment director for Global and International Equities. Prior to 2008, he managed Pan Pacific and Japanese Equity products. His investment career commenced in 1984 with Scottish Equitable, where he held a number of marketing and sales-related positions. From 1996 he worked for M&G Investment Management, where he had responsibility for product development and marketing. In 1998 he became a director at Merrill Lynch Investment Managers (MLIM) with product management responsibility for high performance institutional and retail UK Equity portfolios. Gavin is a CFA charterholder.

John Chisholm

Investment Director – Global and International Equities

John joined Schroders in 2014 and is an investment director for Global and International Equities. Prior to joining Schroders, he was a founding principal and institutional Fund Manager at Hermes Global Equities Advisors. From 2005 to 2009 he worked at Fortis Investments, first as an investment specialist for global and emerging market equities, then as head of equity investment specialists. His career commenced in 1994 when he joined The Boston Company as a custody specialist before joining Chase Manhattan Bank in 1996 as a senior fund accountant. In 1998 he joined MFS Investment Management where he worked in both fund administration and institutional marketing. John has a BSBA degree from Northeastern University, an MBA degree from Babson College and is a CFA Charterholder.

Source: Schroders, as at 31 March 2022

21+ years
ESG integration

+45
Dedicated ESG specialists

With 210+ years
Combined investment experience

Fully ESG Integrated
Across our managed assets

2,100+
Engagements in 2020

Across 58
Countries globally

10
Proprietary investment tools and frameworks

13,000+
Companies covered by our portfolio-level sustainability reporting tools

A+
UN PRI annual assessment[1]

1st
Asset manager to tie their cost of capital to sustainability goals

UN global compact
Signatory

Net Zero Asset Manager
Founding member of initiative

Source: Schroders, March 2022 unless otherwise stated. [1]PRI, 2015 - 2020 Assessment Reports. [2]For certain businesses acquired during the course of 2020 we have not yet integrated ESG factors into investment decision-making. There are also a small number of strategies for which ESG integration is not practicable or now possible, for example passive index tracking or legacy businesses or investments in the process of or soon to be liquidated, and certain joint venture businesses are excluded.

Schroders

Sustainable Investment Team

Andrew Howard
Global Head of Sustainable Investment

Tiffani Potesta – Chief Strategy Officer, North America

Karine Szenburg – Head of Europe

Lily Choh – Country Head, Singapore

Sustainable Investment Management

Margot Von Aesch
Head of Sustainable Investment Management

Integration
- **Stephanie Chang** – Head of Integration
- **John Cox** – Integration Manager
- **Dan Chi Wong** – Head of Integration, APAC
- **Yixue Yin*** – Student Trainee APAC
- **Daniel Quanli*** – Student Trainee APAC

Thematic Research
- **Angus Bauer** – Head of Sustainable Research
- **Catherine Macaulay** – Sustainable Investment Analyst
- **Samuel Thomas** – Sustainable Investment Analyst
- **Holly Turner** – Sustainable Investment Analyst
- **Stephanie Williams** – Sustainable Investment Analyst

ESG Models
- **Ben Corris** – Head of ESG Models
- **Niall Smith** – ESG Models Analyst
- **Maša Vujovic** – ESG Models Analyst
- **Tugu Batjargal** – ESG Models Analyst
- **Alexandra James** – ESG Models Developer
- **Callum Dykes** – ESG Models Developer

ESG Data
- **Cathy Zaccheo** – Head of ESG Data
- **Ross Cheyne** – ESG Data Engineer
- **Mark Bennett-Haldane*** – ESG Data Analyst
- **Mary Pattinson**** – ESG Data Analyst

ESG Analytics
- **Mike Law** – Head of ESG Analytics
- **Clare Melvin** – ESG Analytics Team Lead
- **Nicole Li** – ESG Analytics Analyst
- **Jason Wooldridge** – ESG Analytics Analyst
- **James Hawkins** – ESG Analytics Engineer
- **Jessica Kelly** – ESG Analytics Engineer
- **Katherine Green** – ESG Analytics Engineer
- **Finn Robinson-Jones** – ESG Analytics Developer

Active Ownership

Kim Lewis
Head of Active Ownership

Engagements
- **Carol Storey** – Active Ownership Manager
- **Katie Frame** – Active Ownership Manager
- **Sarah Woodfield**** – Active Ownership Manager
- **Amelia Reay** – Central Training Scheme Trainee

Corporate Governance
- **Tim Goodman** – Head of Corporate Governance
- **Pippa O'Riley** – Corporate Governance Analyst
- **Yousif Ebeed** – Corporate Governance Analyst
- **Shane Beldom** – Voting Implementation Specialist

Product

Hannah Simons
Head of Sustainability Strategy

Client coverage / Regional

Marina Severinovsky – Head of Sustainability North America

Nathaele Rebondy – Head of Sustainability Europe

Mervyn Tang – Head of Sustainability Strategy, APAC

Investment & Solutions
- **Anastasia Petraki** – Investment Director
- **Katie Green** – Investment Director
- **Jack Bowles** – Associate Investment Director
- **Megan Theobald** – Product Executive
- **Kiana Safa** – Graduate Trainee
- **Lazaro Tiant** – Investment Director North America

Distribution
- **Claire Herbert** – ESG Manager APAC

Louise McKenna
Team Secretary

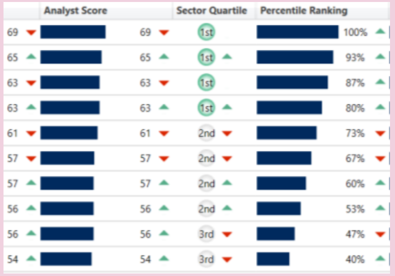
Source: Schroders, 31 March 2022. Names in grey boxes indicate local reporting line for regional specialists. *Under temporary contract or trainee. ** Joining in April 2022.

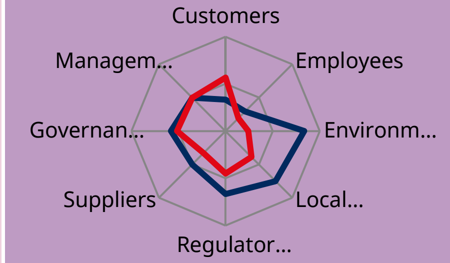
Schroders

ESG Research Tools - CONTEXT

A structured approach to stakeholder analysis

1 Trends	2 Stakeholders	3 Metrics	4 Scores & rankings	5 Company details
Key trends Business impacts Questions companies will face	Weighted to reflect materiality Different weights for every sector	Translating ESG issues into quantifiable risks	Score adjustments to reflect analyst expertise	Detailed data insights and analyst commentary





A proprietary tool underpinned by....

735 ESG trends across **47** sub-sectors	Customers, communities, employees, environment, government & regulators, suppliers	**260+** data points from **80+** conventional and unconventional data sources	Qualitative and quantitative analysis	**13,000+** equity and fixed income issuers covered

Source: Schroders, December 2021. CONTEXT is a tool that considers the sustainability of a company's business model having regard to certain measures and uses both third party data and our own estimates and assumptions and is not an industry standard measure. Our proprietary tools are designed to enhance the research and evaluation process but do not guarantee favorable investment results.

Schroders

ESG Research Tools - SustainEx

Translating social impacts into financial costs

1

Companies generate impacts on society

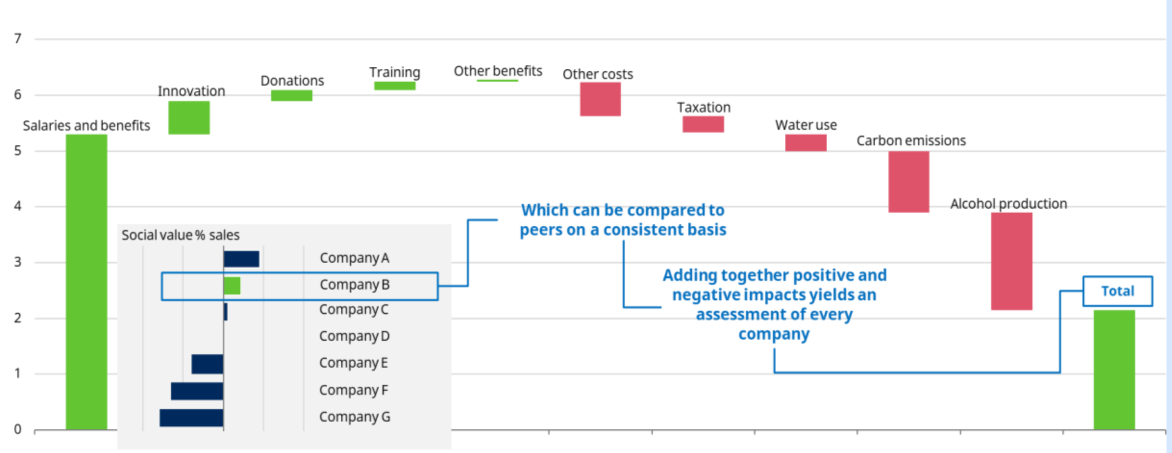
Regulation is increasingly making companies pay for those impacts

2

We mapped a wide range of possible impacts

(positive **and** negative)

3



SustainEx quantifies impacts in dollar terms…

…identifying sources of risk to company profitability

A proprietary tool built on…

Over 700 academic and industry studies of social impacts and externalities

Over 70 data points for each company, estimated where not disclosed

Over 16,000 global companies examined

Source: Schroders, December 2021. Schroders uses SustainEx™ to estimate the net impact of an investment portfolio having regard to certain sustainability measures in comparison to a product's benchmark where relevant. It does this using third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures. Our proprietary tools do not guarantee favorable investment results.

Schroders

Schroders Diversity and Inclusion

#rethinktheroles
#rewritetherules

Our commitment

- Diversity of thought and experience has always been at the heart of Schroders
- Providing an inclusive environment is crucial to our long-term success
- Peter Harrison, Group CEO & Marc Brookman, CEO North America, are personally accountable for Schroders' D&I
- We know stereotypes need to change, and we're working to replace them with more inclusive perspectives

Our people

- 45% of our board is comprised of women
- 32% of senior management are women
- Targets linked to executive pay
- Increase transparency by collecting more diversity profile data
- Pledge to publish ethnicity pay gap report
- 13 Employee Resource Groups operating
- Provide unconscious bias training
- Utilize technology to improve job postings to be more inclusive

Our business

- Foster a diverse and inclusive business
- Revamp flexible work policies
- Introduced our first Transgender policy in the UK
- Enhance parental leave policies
- Endeavor to partner with diverse suppliers in the US
- Global Supplier Code of Conduct incorporates human rights & diversity
- ESG policy explicitly calls for diversity to be considered at the board and executive levels

Our industry

- Marc Brookman part of Corporate Call to Action Coalition for US CEOs to address racial and economic disparity in the US
- Support programs to enhance opportunities for non-traditional candidates
- Early signatory to the Women in Finance Charter
- Included in the inaugural Bloomberg 2019 Equality Index
- Peter Harrison recognized as 11 of top 50 Ally CEOs by OutStanding & the Financial Times
- Peter Harrison received a HERoes recognition and ranked 9th of male leaders who support women in business

Source: Schroders, as of June 30, 2020.

Data Insights Unit

Co-Heads of Data Insights Unit
Mark Ainsworth and Ben Wicks

Investment Research Insights	
Francesca Guinane	Relationship Manager
James Blake	Lead Geospatial Data Scientist
Mark Chisholm	Lead Data Scientist
Debbie Abban-Mensah	Data Scientist
Ignacio Benitez, CFA	Lead Insights Analyst
Lucy Coles	Trainee
Ryan Croft	Insight Analyst
Charles Fox	Lead Geospatial Data Scientist

Investment Research Products	
Hugo Brown	Research Capability Owner
Sam Rabbani, CFA	Head of Research Initiatives
King Yo	Product Manager (Context)

Embedded Data Science Professionals	
Nikhil Iyengar	US Fixed Income
Michal Ziembinski, PhD	Emerging Market Equities

Data Insights Office	
Graham Taylor, CFA	ESG Data Science Lead
Jonathan Usmar	Head of Data Science Practice Enablement
Lucy Jackson	Interim Product Manager
Dawn Lyall	Executive Secretary

Data Science Engineering	
Olivia Regan	Head of Data Science Engineering
Tomasz Chodakowski	Head of Data Science Engineering
Derek Clements	Business Analyst

Customised Portfolios At Scale	
Kamil Bartocha	Head of Data Science R&D
Yves Berthelon, CFA	Data Science Impact Manager
Oliver Barter, PhD	Lead Data Scientist
Frederica Caira	Data Science Developer
Tom Steggall	Graduate Trainee

Portfolio Insights	
Parimal Patel, PhD	Head of Data Science R&D
Charlie Davies	Graduate Trainee
Tim Gordon	Data Scientist
Chris Hamer, CFA	Lead Data Scientist
Deena Parmar	Data Scientist
Dominic Tonge	Lead Data Scientist
Sam Wise	Data Scientist
Jonathan Yow	Lead Data Scientist (Quant)

Schroders Capital Data Science	
James Ellison	Head of Private Assets Data Insights
Eufemiano Fuentes Perez	Data Scientist
Jonas Klass	Data Scientist
Peter McLagan	Data Scientist

Source: Schroders, as at 31 December 2021.

Important information

The returns are presented as gross returns, including cash, reinvestment of dividends, interest and other income earned in the period and are calculated on a trade date basis after transaction charges (brokerage commissions), but before taxes and management and custody fees. Performance would have been reduced by such fees and the effect of these fees on performance compounds over time.

As an illustration see the chart below. The value of a $5,000,000 account would be reduced by the following amounts due to the compound effect of the management fees. (This has been calculated assuming an assumed constant return of 10% per annum[1] and a hypothetical management fee of 0.75% per annum, which has been applied on a simple average of opening and closing annual fund values).

	Gross value	Net value	Compound effect
1 Year	$5,500,000	$5,460,625	$39,375
3 Years	6,655,000	6,513,090	141,910
5 Years	8,052,550	7,768,403	284,147
10 Years	12,968,712	12,069,617	899,095

[1]The assumed 10% return is hypothetical and should not be considered a representation of past or future returns. The actual effect of fees on the value of an account over time will vary with future returns, which cannot be predicted and may be more or less than the amount assumed in this illustration. Actual fees may differ from the assumed rate presented above. Please consult the Firm's Advisory Brochure (ADV Part 2) for a description of the fees.

Important information

Risks associated with Schroder Global and International Equities: All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. These risks exist to a greater extent in emerging markets than in developed markets.

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The views and forecasts contained herein are those of the Global and International Equity team and are subject to change. The information and opinions contained in this document have been obtained from sources we consider to be reliable. No responsibility can be accepted for errors of facts obtained from third parties. Reliance should not be placed on the views and information in the document when taking individual investment and/or strategic decisions. Schroders has expressed its own views and opinions in this document and these may change.

The opinions stated in this presentation include some forecasted views. We believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know. However, there is no guarantee that any forecasts or opinions will be realized.

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Schroder Investment Management North America Inc.
7 Bryant Park, New York, NY 10018-3706
(212) 641-3800
www.schroders.com/us

Rolling 1 Year Performance and Risk Report

Portfolio: MWRA (Fund holding)
Portfolio ID: MWRA
Inception Da 2/2/2012
Base Curren USD
Report Curre USD
Benchmark: MACI AC World ex US (NDR)
Net/Gross: Gross Performance
Report Start 2/2/2012
Report End D 3/31/2022

Start Date	End Date	Portfolio Return	Benchmark Return	Excess Return
12/31/2020	12/31/2021	12.11	7.82	4.28
12/31/2019	12/31/2020	25.52	10.65	14.87
12/31/2018	12/31/2019	26.37	21.51	4.86
12/31/2017	12/31/2018	-12.14	-14.50	2.36
12/31/2016	12/31/2017	30.75	25.03	5.71
12/31/2015	12/31/2016	-0.37	1.00	-1.37
12/31/2014	12/31/2015	0.62	-0.81	1.43
12/31/2013	12/31/2014	-4.09	-4.90	0.81
12/31/2012	12/31/2013	22.86	22.78	0.08

Rolling 3 Month Performance and Risk Report

Portfolio: MWRA (Fund holding)
Portfolio ID: MWRA
Inception Date: 2/2/2012
Base Currency: USD
Report Currency: USD
Benchmark: MACI AC World ex US (NDR)
Net/Gross: Gross Performance
Report Start Date: 2/2/2012
Report End Date: 3/31/2022

End Date	Portfolio Return	Benchmark Return	Excess Return
3/31/2022	-7.14	-5.44	-1.70
12/31/2021	3.29	1.82	1.47
9/30/2021	-0.73	-2.99	2.25
6/30/2021	4.99	5.48	-0.49
3/31/2021	4.15	3.49	0.65
12/31/2020	18.81	17.01	1.79
9/30/2020	9.99	6.25	3.74
6/30/2020	21.62	16.12	5.50
3/31/2020	-21.02	-23.36	2.33
12/31/2019	12.25	8.92	3.33
9/30/2019	-2.06	-1.80	-0.26
6/30/2019	3.38	2.98	0.40
3/31/2019	11.19	10.31	0.88
12/31/2018	-11.96	-11.46	-0.50
9/30/2018	1.85	0.71	1.14
6/30/2018	-0.48	-2.61	2.14
3/31/2018	-1.54	-1.53	0.00
12/31/2017	4.08	4.23	-0.15
9/30/2017	8.43	5.40	3.02
6/30/2017	6.63	6.12	0.51
3/31/2017	8.65	7.25	1.40
12/31/2016	-2.77	-0.71	-2.05
9/30/2016	7.08	6.43	0.65
6/30/2016	-1.87	-1.46	-0.41
3/31/2016	-2.49	-3.01	0.51
12/31/2015	6.38	4.71	1.67
9/30/2015	-10.11	-10.23	0.13
6/30/2015	0.53	0.62	-0.09
3/31/2015	4.66	4.88	-0.22

12/31/2014	-3.50	-3.57	0.07
9/30/2014	-2.78	-5.88	3.09
6/30/2014	3.51	4.09	-0.58
3/31/2014	-1.23	0.66	-1.89
12/31/2013	7.21	5.71	1.50
9/30/2013	10.49	11.56	-1.07
6/30/2013	-0.55	-0.98	0.43
3/31/2013	4.28	5.13	-0.86
12/31/2012	5.93	6.57	-0.64
9/30/2012	6.47	6.92	-0.45
6/30/2012	-7.09	-7.13	0.04
3/31/2012	N/A	N/A	N/A

NEPC, LLC

Firm: CarVal Investors, L.P.

Strategy/Product: CVI Credit Value Fund IV

Client: MWRA Retirement System

NEPC Manager Due Diligence Questionnaire - Update

Instructions
In support of our upcoming meeting we ask that you please complete this due diligence questionnaire. Please provide your responses in the form of brief descriptions, lists or tables added directly to this Word document.

Thank you for taking the time to complete this questionnaire. Please note that all materials submitted in relation to MWRA Retirement System may be subject to disclosure consistent with Massachusetts Public Record laws.

Firm/Organization

1. Have there been any changes in ownership or management in the past year?

   CarVal announced on February 1, 2022, the promotion of four individuals to the principal level at the Firm. The four individuals promoted are below for reference.

   - Angie Fenske, Principal, Clean Energy
   - Neil Hepworth, Principal, Loan Portfolios
   - Chris Mawn, Principal, Corporate Loans
   - Bryan Simpson, Principal, Corporate Securities

   In March 2022, AllianceBernstein L.P. announced their intent to acquire CarVal Investors L.P. The transaction is subject to customary regulatory and closing conditions and is expected to close in July 2022. At closing, CarVal Investors will become a wholly owned subsidiary of AllianceBernstein L.P. and will be rebranded as AB CarVal.

2. List firm AUM, net flows and accounts gained/lost for the past 5 years.

   The current funds under management are as follows. AUM figures provided in the below table are as of March 31, 2022, unless otherwise noted.

Investment Offering	Vintage	Structure	Stage	Total Commitments ($ millions)	Total Called-to-Date (%)	AUM ($ millions)
Commingled Closed-End Credit Funds						
CVI Credit Value Fund V	2021-2024	Drawdown	Closed/Investing	3,583	45%	1,682
CVI Credit Value Fund IV	2018-2022	Drawdown	Closed/Investing	3,010	97%	3,497
CVI Credit Value Fund III	2015-2018	Drawdown	Closed/Harvesting	3,021	95%	941
CVI Credit Value Fund II	2013-2016	Drawdown	Closed/Harvesting	2,305	95%	125
CVI Credit Value Fund I	2011-2013	Drawdown	Closed/Harvesting	844	95%	1
CVI Global Value Fund II	2008-2011	Drawdown	Closed/Harvesting	1,956	95%	1
CVI Global Value Fund I	2007-2011	Drawdown	Closed/Harvesting	5,777	95%	3
CVI Aviation Income Fund	2020-2023	Drawdown	Closed/Investing	234	55%	135
CVI Clean Energy Fund	2020-2022	Drawdown	Closed/Investing	490	55%	304
CVI Emerging Markets Credit Opportunities Fund	2020-2022	Drawdown	Closed/Investing	168	62%	118
CVI Shipping Opportunities Fund	2015-2017	Drawdown	Closed/Harvesting	256	92%	175
Commingled Evergreen Credit Funds						
CarVal Global Credit Fund	2014-present	Evergreen	Open/Investing	N/A	N/A	333
CVI Emerging Markets Credit Value Fund	2013-2020	Evergreen	Closed/Distributing	N/A	N/A	60
Single-Investor Funds						
Collective Single-Investor Funds	N/A	Various	Open/Investing	N/A	N/A	2,641
Corporate Loans Platform						
CarVal CLO V-C	2021	CLO-BSL	Reinvestment Period	N/A	N/A	376
CarVal CLO IV	2021	CLO-BSL	Reinvestment Period	N/A	N/A	384
CarVal CLO III	2019	CLO-BSL	Reinvestment Period	N/A	N/A	461
CarVal CLO II	2019	CLO-BSL	Reinvestment Period	N/A	N/A	664
CarVal CLO I	2018	CLO-BSL	Reinvestment Period	N/A	N/A	454
Commingled Closed-End Real Estate Funds*						
Collective Real Estate Funds	2004-2017	Drawdown	Closed/Harvesting	228	N/A	36
Total Assets Under Management				**21,871**		**12,392**

**As of December 31, 2021*

CVI Credit Value Fund V (CVF V) – A fund formed to invest primarily in 2021-2024 vintage whole loan portfolios, corporate securities, structured credit and hard assets globally.

CVI Credit Value Fund IV (CVF IV) – A fund formed to invest primarily in 2018-2022 vintage whole loan portfolios, corporate securities, structured credit and hard assets globally.

CVI Credit Value Fund III (CVF III) – A fund formed to invest primarily in 2015-2018 vintage whole loan portfolios, corporate securities, structured credit and hard assets globally.

CVI Credit Value Fund II (CVF II) – A fund formed to invest primarily in 2013-2016 vintage whole loan portfolios, corporate securities, structured credit and hard assets globally.

CVI Credit Value Fund (CVF) – A fund formed to invest primarily in 2011-2013 vintage whole loan portfolios, corporate securities, structured credit and hard assets globally.

CVI Global Value Fund (GVF I and GVF II)[1] – A fund formed to invest primarily in 2007-2011 vintage liquidations, whole loan portfolios, corporate securities, structured credit, commercial real estate and hard assets globally.

CVI Aviation Income Fund (AIF) – A fund formed to invest primarily in 2020-2023 leased commercial aircraft and aviation-related securities, focusing on new and early life aircraft, longer-term leases and good credit-quality lessees.

[1] GVF II comprises the interests held by investors that were admitted to GVF from the first top-off closing on April 30, 2008 through November 2008, and GVF I comprises the interests held by investors that were admitted to GVF from January 2007 through, but not including, the first top-off closing in April 30, 2008.

CVI Clean Energy Fund (CEF) – A fund formed to invest primarily in 2020-2022 investment opportunities in or with a nexus to clean energy, renewable energy or energy usage efficiencies.

CVI Emerging Markets Credit Opportunities Fund (EMCOF) – A fund formed to invest primarily in 2020-2022 vintage whole loan portfolios, leveraged credit and corporate restructurings across Asia and Latin America.

CVI Shipping Opportunities Fund (SOF) – A fund formed to acquire a portfolio of dry bulk vessels, partnering with GoodBulk Ltd. for sourcing, due diligence and operational expertise.

CarVal Global Credit Fund (GCF) – An evergreen fund formed to invest in evolving dislocations and opportunities across credit markets including corporate securities, portfolios of whole loans, structured credit and special opportunities globally.

CVI Emerging Markets Credit Value Fund (EMCVF) – An evergreen fund formed to invest in opportunities such as public and private corporate securities, corporate restructurings and other credit opportunities in Emerging Markets. This fund is currently in wind-down.

Collective Single-Investor Funds – Funds-of-one formed for investors with multi-strategy or single-strategy investment mandates across loan portfolios, corporate securities, structured credit and hard assets on a regional or global basis.

CarVal CLO I, CarVal CLO II, CarVal CLO III, CarVal CLO IV, and CarVal CLO V-C – Open market collateralized loan securitization vehicles that closed between 2018-2021, that are managed by a wholly-owned, relying adviser affiliate of CarVal.

Collective Real Estate Funds – Funds formed to pursue value-added real estate investments across vintages spanning 2004-2017.

3. Have there been any new or discontinued products in the past year?

CarVal realized the final assets in the CVI Global Value Fund and CVI Credit Value Fund, and will complete the winddown of these funds this year.

New products for the year include the following:

- CarVal is in the market raising a new flagship closed-end credit value fund approximately every two years. These funds tend to be $2.5 to $3.5 billion in size. CarVal held its final close of CVF V in May 2021 with $3.6 billion in capital commitments. We expect to be back to market with CVF VI in H2 2022.
- CarVal closed its fifth CLO in December 2021 and its sixth CLO in June 2022. These CLOs were the first Clean CLOs offered by CarVal. The Clean CLO utilizes a proprietary scoring methodology to quantify ESG risk on an individual and portfolio level. The purpose of this methodology is to lower the cost of capital for ESG-minded companies by creating an independent, auditable, and comparable risk assessment model to create portfolios that are ESG-optimized but do not sacrifice returns.
- CarVal is currently fundraising for our second clean energy focused closed-end fund, CVI Clean Energy Fund II or “CEF II”. CEF II intends to focus on investment opportunities in or with a nexus to clean energy, renewable energy, energy usage efficiencies, energy storage, or sustainability. CarVal held the first close of the fund in May 2022 with $880 million in capital commitments. CEF II is the successor fund to CEF I which is currently in its investment period and is 75% called as of May 31, 2022.
- CarVal is currently fundraising for our second emerging markets focused closed-end fund, CVI Emerging Markets Credit Opportunities Fund II or “EMCOF II”. EMCOF II intends to focus on opportunistic credit investments in Latin America and Asia, and we anticipate the first close occurring in H2 2022. EMCOF II will be the successor fund to

EMCOF I which is currently in its investment period and is 62% called as of May 31, 2022.

CarVal also manages capital in separate accounts and single-strategy investment funds for a small number of investors, as well as in our flagship hedge fund vehicle that allow investors to access our global credit strategy (CarVal Global Credit Fund). Since 2011 across the platform, the Firm has generally distributed $1.5 to $2.5 billion back to investors annually. AUM is maintained or grown through performance accretion, monthly inflows into the separate accounts and hedge fund vehicles and fundraising for the above-described new vehicles.

CarVal believes that its position as a global leader in alternative investment management, located in five offices in four countries around the globe, will afford investors opportunities for attractive returns in its various investment strategies. CarVal's global view and ability to move capital across asset classes provides a platform to evaluate and take advantage of what CarVal believes to be optimal risk-adjusted returns. In addition, CarVal has an established team and infrastructure which is well-positioned to take advantage of opportunity sets through cycles by utilizing its local capabilities and relationships.

4. Are any products capacity constrained?

   Yes, generally CarVal-managed funds are capacity constrained. The anticipated new products above have the following maximum capacities (hard caps): CEF II ($2.0 billion), EMCOF II ($750 million).

5. Describe any current or pending regulatory, compliance or litigation issues and the expected business impact.

   Because CarVal invests in distressed and credit-intensive assets, many transactions throughout our history have resulted in litigation/arbitration. The litigation/arbitration is generally part of the investment strategy and does not have a material impact on the performance of any prior fund.

   CarVal's general counsel and CCO is available to discuss further, if so desired.

6. Describe your diversity, equity and inclusion efforts with regard to the firm and its employees.

   At CarVal, we believe peak effectiveness comes from an engaged, talented and diverse workforce. Our approach to inclusion and diversity takes numerous forms. Our CarVal '25 strategic plan incorporates goals, ongoing action plans and initiatives which strive to build and reinforce our inclusion and diversity objectives, ensuring we have the right skills, attitudes and behaviors. CarVal is committed to inclusion and diversity, valuing the full range of life experiences, skills and qualities of our employees.

   In 2019, CarVal established a Diversity, Equity and Inclusion ("DEI") Committee to support the executive team and human capital team in progressing CarVal's long-term, global DEI strategy. The intention of the committee is to increase the impact of CarVal's DEI strategy by:

   - Broadening organizational ownership of the DEI strategy
   - Increasing employee involvement and advocacy of DEI strategy and initiatives
   - Better leveraging diverse perspectives that exist within the organization

- Providing career development opportunities for employees
- Increasing visibility to CarVal's commitment to DEI (internally and externally)
- Cultivating a culture of engagement
- Increasing global exposure of DEI strategy and dynamics

Working groups were also formed around six key areas of action within CarVal's global DEI strategy: Human Capital Representation, Education and Training, Inclusive Culture, Business Development Sourcing, Vendors, and Strategic Relationships.

With our strong international footprint, we have been able to leverage our current employee base to build relationships and connect with a network of qualified candidates from across the globe. Our recruiting efforts have continued to focus on identifying qualified talent from a wide range of resources, particularly focused on expanding our recruitment marketing to diverse populations by partnering with diversity focus organizations. CarVal has provided sponsorship for a variety of charitable events and organizations which are committed to providing support for diverse populations of people.

CarVal continues to regularly review its diversity and inclusion initiatives to ensure that we are focused on increasing long-term diversity and inclusion within our organization. We know that by doing so, we will help create a more successful organization, buoyed by even broader backgrounds and viewpoints and deeper experience.

Please refer to the enclosure entitled, *CarVal Investors Diversity, Equity and Inclusion – 2022* for further information.

Portfolio Management Team

1. Have there been any changes in the portfolio management team in the past year?

From January 1, 2021 through May 31, 2022, there has been three senior level departures (at the MD level and above). Please see details below.

Year of Departure	Name	Position	Asset Class/Department	Region
2021	Stuart Lammin	Principal	Loan Portfolios	Europe
2021	David Chung	Managing Director	Tax	North America
2021	Daniel Lerner*	Managing Director	Emerging Markets	North America

**Daniel Lerner transitioned into an advisory role with the Firm. This is part of a yearlong departure plan ending in mid-2022. Daniel will continue to advise on investments made in Argentina during the transition period.*

From January 1, 2021 through May 31, 2022, there has been one senior level addition (at the MD level and above). Please see details below.

Year of Hire	Name	Position	Asset Class/Department	Region
2022	Scott Greenfield	Managing Director	Real Estate	North America

2. Are there any expected changes to the team in the future (planned additions or departures)?

CarVal continuously reviews the needs of the business and the skills of the team and seeks to add new team members as opportunities warrant. As such, expansion will be organic and opportunistic.

Process

1. Have there been significant changes in any of the areas below in the past year?
   - Identification of investment ideas
   - Process for exploring and vetting ideas
   - Portfolio trading practices including buy/sell rules
   - Approach to portfolio monitoring and risk management

   There have been no significant changes to the above.

Philosophy

1. Describe recent changes in investment philosophy, if any.

   There have been no recent material changes in our investment philosophy.

Portfolio

1. If not included in your meeting presentation, provide portfolio holdings, sector exposure, geographic exposure and common characteristics (yield, duration, market cap, P/E, etc.).

   Please refer to the enclosure entitled, *CVI Credit Value Fund IV First Quarter Report March 31, 2022.*

2. List strategy AUM, net flows and accounts gained/lost for the past 5 years.

   As of March 31, 2022, CVF IV had an AUM of $3,497m and is 97% called. The Fund's investment period concluded at the end of April 2022, and the Fund distributed $200m on May 31, 2022.

3. Describe investor concentration for the strategy and note the percent of AUM attributable to the top five investors.

   There are 86 external investors within the Fund, which are diversified across the following investor types and geographies as of March 31, 2022:

Investor Type	% of AUM
Public Sector Pension Fund	27%
Private Sector Pension Fund	18%
Sovereign Wealth Fund	14%
Endowment/Foundation	10%
Insurance Company	9%
Fund of Funds	8%

Corporate Investor	7%
Private Bank	4%
Family Office	3%
High Net Worth	1%

Investor Geography	% of AUM
North America	60%
Europe	20%
Asia-Pacific	18%
Latin America	1%
Middle East	1%

The top five investors represent 39% of Fund AUM as of March 31, 2022.

Performance / Market Outlook

1. If not included in your meeting presentation, provide trailing returns as of the most recent quarter-end and calendar year returns for the past 10 years, both relative to benchmark.

   Trailing net returns for the Fund are below as of March 31, 2022.

Period	Return
Q1 2022	0.9%
YTD 2021	14.0%
YTD 2020	-0.2%
YTD 2019	11.0%
YTD 2018	4.7%
ITD Net IRR	8.1%

2. Briefly discuss recent performance trends and identify environments in which the strategy is likely to be in or out of favor.

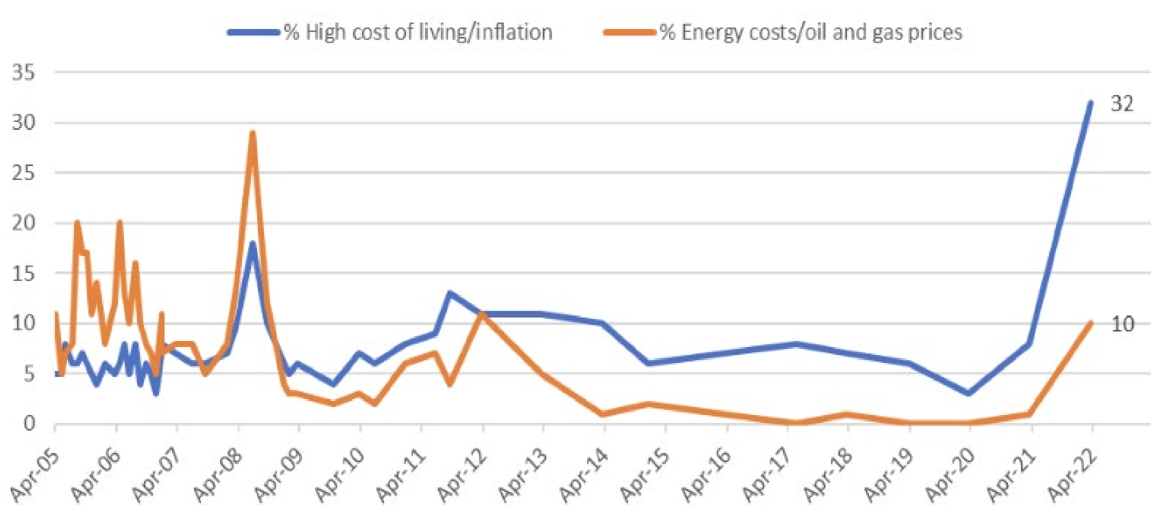
   Since the 2020 crisis, CarVal Investors has actively pivoted our investment strategy to take advantage of the shifting opportunity set, first buying the post-crisis dip, then rotating into COVID recovery trades, and most recently reducing risk. We have become increasingly defensive over the past several quarters and have reduced risk as valuations moved steadily higher and the economic outlook became increasingly fragile. We were not predicting a seismic change in markets but simply recognizing that market pricing had become unattractive. Our purchases fell, our realizations rose, and our purchase mix was almost exclusively in illiquid asset classes where we found better value in reliable cashflow and strong collateral protection. Clearly, the investing regime has changed and the QE investment playbook no longer works. Markets in 2022 are signaling that it’s time we pivot again as the prior investing regime of low volatility and broad asset price increases gives way to the mirror opposite.

3. Describe your market outlook and how strategy positioning is impacted by your views.

Yesterday's market winners – technology companies, long-duration treasuries, spread compression, etc. -- are all now market losers. The traded markets are reacting first, especially markets traditionally reliant on leverage. During the first quarter, we have seen a mixed reaction in private markets. Real money buyers including insurance companies, private debt funds and regional banks with excess cash to invest, have been slower to react to the changes. As we move through the second quarter, however, we are seeing cracks in the private market as the deal pipeline grows and prices are adjusting to the new market reality.

We expect further disruption. We do not specialize in macro investing but we do evaluate where the market is susceptible to macro shifts. The data tells us that inflation isn't slowing and is becoming more sticky. Inflation has become the primary concern of central bankers, consumers and politicians. In several recent surveys, U.S. inflation risks rank highest in those surveyed where it barely registered a year ago (see chart below). The FOMC is responding and changing course on policy but their comments reflect a concern that they are late on that shift. Being late is a particularly vexing problem because the FOMC cannot change policy quickly without also risking further market disruption. This gradual approach might then require that monetary policy become highly restrictive to slow the impact of inflation that is entrenched, thereby risking a longer recession. In our view the risks are still skewed to the upside, and the prospects for credit assets to rapidly rise are very low.

Trend in Mentions of Inflation and Gas Prices as Most Important Family Financial Problem

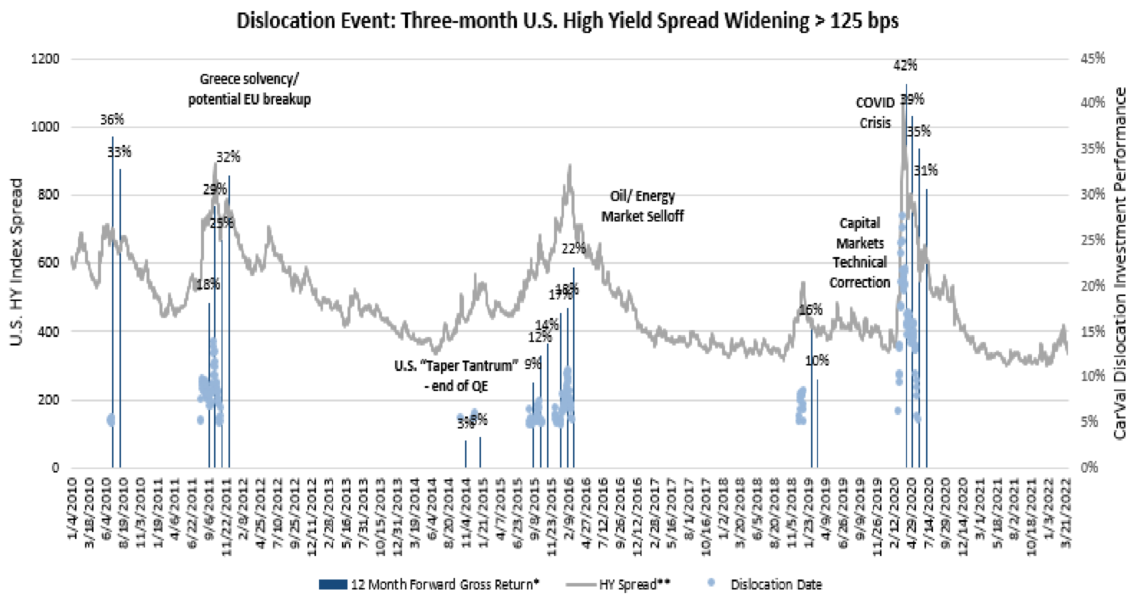


Source: Gallup, 22V Research

We have called capital in our drawdown vehicles and raised cash in our evergreen structures but have yet to materially deploy. Price volatility in equity markets is high, hedging costs are high, credit volatility is high and interest rate volatility is on par with periods of crisis. We are seeing the signs of stress but not yet signs of dislocation. Investor outflows from risk markets are persistent but not dramatic and while investors seem to be bearish risk, market prices are not yet reflecting that sentiment -- but they are getting closer to our price targets in traded markets and improving terms and returns in private markets.

Intervention by central banks since the GFC has come to define markets. As you have heard us say before, the pattern has been long periods of stable and rising prices (as we saw last year) punctuated by dramatic repricing and dislocation. Since 2009, this boom-and-bust cycle has occurred approximately every 18 months and has offered very attractive entry points when excessive bullishness turns bearish. See below for how CarVal's funds have fared during these periods and how you can expect us to invest in what we believe is a pending dislocation.

As of March 31, 2022



CarVal's corporate investment 12-month performance following a dislocation event

See footnotes for this chart at the end of this document.

4. Could you please include a slide in your presentation that sows the MWRA's account history, initial contribution, cumulative subsequent contributions, cumulative subsequent distributions, gain/loss and current value.

Yes, this information will be included in the presentation.

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11. No reliance, no update and use of information. You may not rely on the Materials as the basis upon which to make an investment decision. To the extent that you rely on the Materials in connection with any investment decision, you do so at your own risk. The Materials do not purport to be complete on any topic addressed. The information in the Materials is provided to you as of the dates indicated and CarVal does not intend to update the information after its distribution, even in the event that the information becomes materially inaccurate. Certain information contained in the Materials includes calculations or figures which have been prepared internally and have not been audited or verified by a third party. Use of different methods for preparing, calculating or presenting information may lead to different results and such differences may be material. Moreover, the information provided herein has been adapted in a good faith effort to satisfy the requirements of the requested format, which differs in some respects from CarVal's standard reporting processes.

12. **Projections** (including targeted returns, opinions, predictions or expectations about any future event) contained herein are based on a variety of estimates and assumptions by CarVal Investors including, but not limited to, estimates of future operating results, the value of assets and market conditions at the time of disposition and the timing and manner of disposition or other realization events. These estimates and assumptions are inherently uncertain and are subject to business, industry, market, regulatory, geo-political, competitive and financial risks which are outside of the control of CarVal Investors. There can be no assurance that the assumptions made will prove accurate and actual results may differ materially, including the possibility that an investor may lose some or all of invested capital. The inclusion of the Projections herein should not be regarded as an indication that CarVal Investors considers the Projections to be a reliable prediction of future events and the Projections should not be relied upon as such. CarVal Investors has not made any representation to any person regarding the Projections and does not intend to update or otherwise revise the Projections to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the Projections are later shown to be in error.

Notes for Dislocation Event Chart:

*2010 is used as a starting point in order to provide an adequate number of years to show multiple periods of dislocation dates. The period surrounding the financial crisis of 2008 is not shown due to the extremes in the number and size of dislocations in that period.

*The 12-month Forward Gross Return ("Gross Return") is calculated for the 12-month period starting with the first day of the month immediately following a dislocation date. The Gross Returns reflect the aggregate gross performance in all corporate investments held at any time in the relevant 12-month period by one or more funds managed by CarVal. Gross Return used herein means the gross investment return and does not include a deduction for fund-level costs, expenses, or performance or management fees, which will reduce the returns. The funds have also invested in other asset classes that are not represented here. Fund-specific returns differ from those shown here, and such differences may be material. The returns shown above do not represent the actual investment return experienced by any investor.

**The High Yield Spread (“HY Spread”) refers to the difference in yield between high yield bonds and U.S. Treasuries, as measured by the ICE BofAML US High Yield Index (H0A0), which tracks the performance of U.S. dollar-denominated below-investment-grade corporate debt publicly issued in the U.S. domestic market. The HY Spread is provided here for information only, as an indicator of market dislocation. However, the Gross Returns shown incorporate instruments that are not part of the H0A0 index, including but not limited to bonds that do not meet the index’s definition of high yield, liquidation claims, and securities denominated in currencies other than U.S. dollars

This chart reflects trading in corporate securities, excluding emerging markets investments. This population reflects our belief that traded developed markets are likely to react most quickly to and present the widest opportunity set in dislocated markets. Full track record is available upon request.

CARVAL INVESTORS
CVF IV UPDATE

JUNE 2022

CARVAL INVESTORS: FIRM OVERVIEW

As of March 31, 2022

Global Alternative Investment Manager

- Approximately $14 billion in assets under management*
- 35-year global track record in opportunistic and distressed credit
- Invested $135 billion in 5,630 transactions in 82 countries including over $2 billion in clean energy ITD
- Responsible Investing Policy, UNPRI signatory

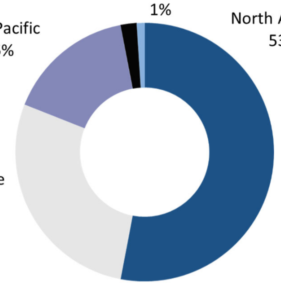
Specialists in Complex Credit

- Approximately 70 investment professionals in the U.S., Europe and Asia
- Ability to capitalize on traded and private market opportunities across the full credit spectrum – performing, stressed, distressed
- Sourcing and origination – We estimate that approximately 76% of deals are completed on a negotiated or lightly competitive basis**

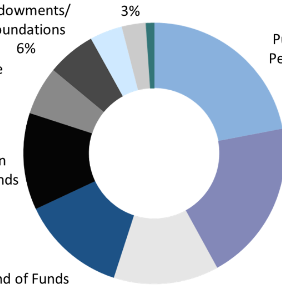
Diverse and Stable Investor Base

- Over 300 institutional investors
- Most recent four flagship funds oversubscribed

Investors by Geography



Investors by Type



**AUM is comprised of fee-earning AUM and fee-eligible AUM. Fee-earning AUM includes those assets currently qualified to generate management fees. Fee-eligible AUM includes capital that is committed to a CarVal Fund but is currently uncalled or recallable. The number represented here excludes assets under CarVal's management that are not generating management fees due to the maturity of the Fund but includes amounts that do not generate management fees solely due to CarVal's decision not to charge management fees.*

***Measured during the period from January 2020 – December 2021. Includes invested equity for hard asset, loan portfolios, and renewable deals.*

CARVAL INVESTORS®

OPPORTUNISTIC CREDIT INVESTORS FOCUSED ON FOUR CORE ASSET CLASSES

INTEGRATED APPROACH WITH CROSS-DESK COLLABORATION

- Distressed Securities
- Bankruptcies and Liquidations
- Leveraged Loans
- High Yield Bonds
- CLOs

- Residential Mortgages
- Consumer
- Small Business
- CRE-backed Mezzanine Debt

- Issuer of Mortgage-Backed Securities
- Buyer of Asset-Backed Securities

- Clean Energy
- Aviation

Active management of investments across our four boxes allows us the opportunity to achieve a balanced portfolio and targeted returns with less risk

CARVAL INVESTORS®

DEEP-SECTOR EXPERTISE AMONG SENIOR INVESTMENT TEAM

CORPORATE LOANS, EMERGING MARKETS, HARD ASSETS, REAL ESTATE					U.S. AND EUROPE CORPORATE SECURITIES	LOAN PORTFOLIOS, STRUCTURED CREDIT, CLEAN ENERGY		
LUCAS DETOR Managing Principal 26 years					**JAMES GANLEY** Managing Principal 32 years	**JODY GUNDERSON** Managing Principal 28 years		
AVIATION	**SHIPPING & WORKOUT**	**CORPORATE LOAN BUSINESS**	**EMERGING MARKETS CORPORATE SECURITIES**	**U.S. CRE CREDIT**	**U.S. AND EUROPE CORPORATE SECURITIES**	**LOAN PORTFOLIOS**	**STRUCTURED CREDIT**	**CLEAN ENERGY**
Justin Bradburn Principal 25 years	**Greg Belonogoff** Principal 24 years	**Chris Mawn** Principal 21 years	**Gerardo Bernáldez** Principal 32 years	**Seth Cohen** Principal 22 years **Dave Pelka** Principal 19 years **Paul Mullaney** Managing Director 35 years	**Bryan Simpson** Principal 22 years **John Withrow** Principal 21 years	**Seth Cohen** Principal 22 years **Dave Pelka** Principal 19 years **James Sackett** Principal 28 years **Angie Fenske** Principal 22 years	**Neil Hepworth** Principal 20 years **Shane Huether** Executive Adviser 27 years	**Jerry Keefe** Principal 32 years **Angie Fenske** Principal 22 years **Jonathan Hunt** Managing Director 20 years

RISK

David Fry
Chief Risk Officer
31 years

The senior credit investment team averages 24 years investment experience and 12 years with CarVal

Note: Years denote industry experience. This slide does not represent an official CarVal organizational chart.

CARVAL INVESTORS®

CARVAL INVESTORS PLATFORM

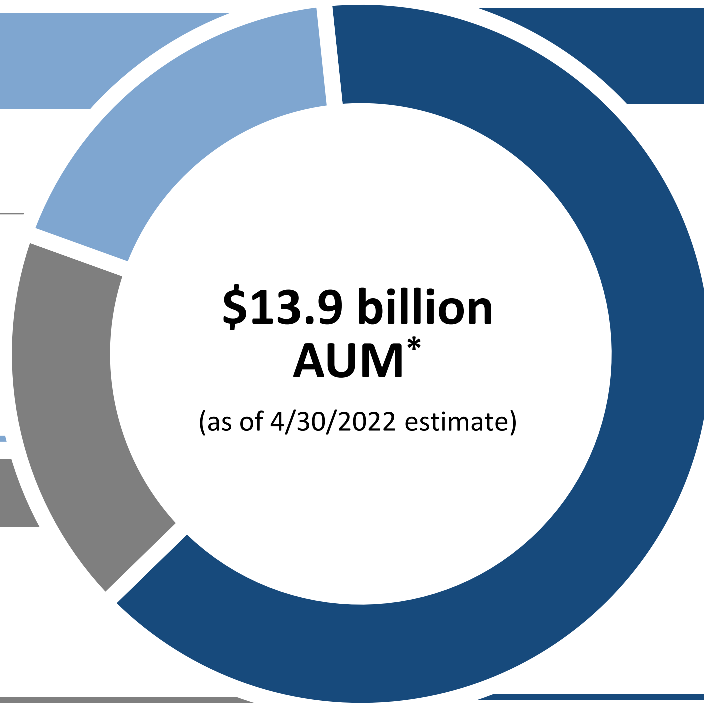
EVERGREEN FUNDS: $2.5 billion

Global Credit Fund[1]
- Target Net Return: 10-12%

Single Investor Funds
- Target Net Return: 10-15%

OTHER: $2.4 billion

Corporate Loans
- Standard: CLO I, CLO II, CLO III, CLO IV
- Clean: CLO V-C



DRAWDOWN FUNDS: $9.0 billion

Credit Value Funds
- **CVF I, II, III, IV, V**
- Target Net Return: 15%

Emerging Markets Credit Opportunities Funds
- **EMCOF I, II[1,2]**
- Target Net Return: 15%+

Aviation Income Fund
- Target Net Return: 10-12%

Clean Energy Funds
- **CEF I, II[1]**
- Target Net Return: 10-13%

Single Investor Funds
- Target Net Return: 10-15%

[1]Open for investment
[2]This Fund is not being offered in the United Kingdom or any country of the European Economic Area. Other open funds are offered in select EEA jurisdictions only.

CarVal's diverse base of funds allows access to the firm's proprietary global credit platform

**AUM is comprised of fee-earning AUM and fee-eligible AUM. Fee-earning AUM includes those assets currently qualified to generate management fees. Fee-eligible AUM includes capital that is committed to a CarVal Fund but is currently uncalled or recallable. The number represented here excludes assets under CarVal's management that are not generating management fees due to the maturity of the Fund but includes amounts that do not generate management fees solely due to CarVal's decision not to charge management fees. See disclaimers regarding Risk of Loss and Targeted Returns.*

CVF IV PERFORMANCE

CARVAL INVESTORS®

MWRA: PERFORMANCE SUMMARY

As of May 31, 2022 (estimate)
($ millions)

Fund	Capital Commitment	Called %	Invested Capital	ITD Distributions	NAV	2022 YTD Net Return*	Current Net IRR
CVF IV	$6.0	97%	$6.7(1)	$1.7(2)	$6.4	1.9%	8.0%

(1) Includes 2022 recalled capital contributions.
(2) Includes 2021 distributions of capital available to recall.

** Calendar Year Net Returns: represent net time-weighted returns for stated time periods, inclusive of realized and unrealized results. 2022 figures are YTD (not annualized).*

CARVAL INVESTORS®

CVF IV: PERFORMANCE SUMMARY

As of May 31, 2022 (estimate)
($ millions)

Fund	Vintage	Fund Size	Called %	Contributions	Distributions	NAV	Net IRR	Net Multiple
CVF IV	2018-2022	$3,009.2	97%	$3,374.3	$866.5	$3,217.4	8.0%	1.21x

CVI Credit Value Fund IV (CVF IV) – *A fund formed to invest primarily in 2018-2022 vintage liquidations, whole loan portfolios, leveraged credit, corporate restructurings and structured credit, primarily in developed markets.*

Calendar Year Net Returns*

2022 YTD	2021	2020	2019	2018
2.1%	14.0%	-0.2%	11.0%	4.7%

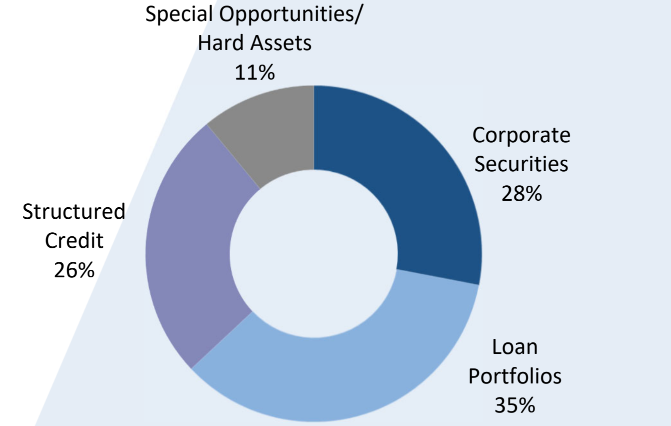
**Calendar Year Net Returns: represent net time-weighted returns for stated time periods, inclusive of realized and unrealized results. 2022 figures are YTD (not annualized).*

CVF IV: PORTFOLIO COMPOSITION

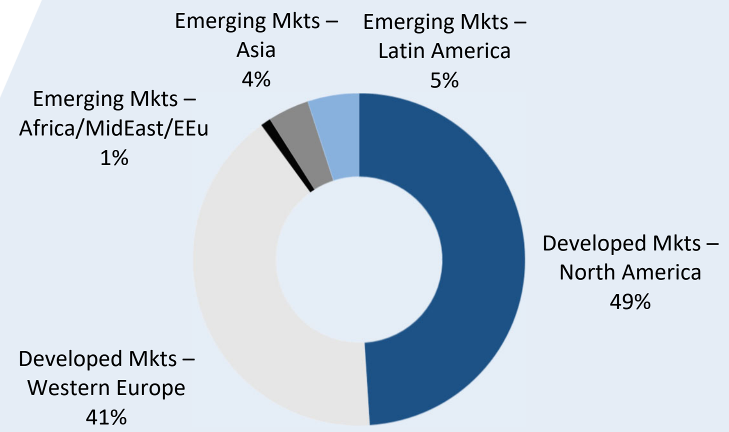
As of May 31, 2022 (estimate)
($ millions)

Investment Strategy	Portfolio Composition*	
	$	%
Structured Credit - RMBS	$459.7	11.0%
Hard Assets - Aircraft Leasing	448.2	10.7%
European Loan Portfolios - Commercial	375.8	9.0%
European Loan Portfolios - Residential	354.5	8.5%
Commercial Real Estate Debt	327.5	7.8%
Structured Credit - CLO	294.8	7.0%
U.S. Loan Portfolios - Residential	282.0	6.7%
U.S. Corporate Credit - Alternative Energy	276.5	6.6%
U.S. Corporate Credit - Communications	169.6	4.1%
Structured Credit - Consumer ABS	168.2	4.0%
Top 10 Strategies	**$3,156.8**	**75.4%**
Other Strategies	1,027.9	24.6%
CVF IV Grand Total	**$4,184.7**	**100.0%**

CVF IV Portfolio by Asset Class*



CVF IV Portfolio by Region*



**Figures based on Portfolio Composition which includes carrying value and recourse third-party debt.*

CARVAL INVESTORS®

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11. **No reliance, no update and use of information.** You may not rely on the Materials as the basis upon which to make an investment decision. To the extent that you rely on the Materials in connection with any investment decision, you do so at your own risk. The Materials do not purport to be complete on any topic addressed. The information in the Materials is provided to you as of the dates indicated and CarVal does not intend to update the information after its distribution, even in the event that the information becomes materially inaccurate. Certain information contained in the Materials includes calculations or figures which have been prepared internally and have not been audited or verified by a third party. Use of different methods for preparing, calculating or presenting information may lead to different results and such differences may be material.

13. **No tax, legal, accounting or investment advice.** The Materials are not intended to provide and should not be relied upon for tax, legal, accounting or investment advice. Any statements of federal tax consequences in the Materials were not intended to be used and cannot be used to avoid penalties under the Internal Revenue Code.

14. **Investment examples.** CarVal makes no representation that the performance information contained in the Materials is representative of how any CarVal-managed investment vehicle will perform. The opportunities represented in the Materials are for illustrative purposes only. CarVal makes no representation that any CarVal-managed investment vehicle has or will participate in the represented opportunities.

15. **Targeted returns.** The targeted rates of return included in this presentation are hypothetical and are for illustrative purposes only. Accordingly, no assumptions or comparisons should be made based upon these returns. The targeted returns are based on research conducted by CarVal and the conclusions are CarVal’s opinions based on its own independent study. Targeted returns are subject to inherent limitations. One limitation is that the returns cannot take into account the impact that market and economic risks, such as defaults, prepayments and reinvestment rates, may have on actual trading. In addition, targeted returns are subject to risk and uncertainties that may change at any time and, therefore, actual results may differ materially from those expected. In no circumstances should the targeted returns be regarded as a representation, warranty or prediction that any future CarVal-managed investment vehicle will reflect any particular performance or that it will achieve or is likely to achieve any particular result or that investors will be able to avoid losses, including total losses of their investment. Inherent in any investment is the potential for loss. While CarVal believes its assumptions are reasonable, it is very difficult to predict the impact of known factors and it is impossible to anticipate all factors that could affect actual results.

DIVERSITY, EQUITY & INCLUSION

2022

CARVALINVESTORS.COM

CARVAL INVESTORS®

Diversity, Equity & Inclusion

DIVERSITY, EQUITY & INCLUSION

CarVal believes that a diverse, equitable and inclusive environment will drive idea generation and create better solutions to promote positive and sustainable results in our business.

Each of us has a responsibility to act in intentional and thoughtful ways – every day – to encourage diversity, to promote equity and to help make CarVal a more inclusive place.

DIVERSITY, EQUITY & INCLUSION DEFINED

D DIVERSITY	E EQUITY	I INCLUSION
Diversity is an expansive concept. It encompasses gender, ethnicity, race, sexual orientation, age, physical abilities, religious beliefs, socioeconomic background, and numerous other characteristics that may or may not be readily apparent.	We aim to support the opportunity for every person to achieve their potential. Equity promotes fairness and impartiality within practices and processes. Equity is different than equality in that equality implies treating everyone as if their experiences are the same. Tackling equity issues requires an understanding of the root causes of outcome disparities.	CarVal strives to hear, respect and recognize the individuality of every employee as we contribute to CarVal's success. Our efforts toward inclusion aim to leverage our diversity and harness the broad variety of experiences and perspectives amongst us.

STRATEGIC AREAS OF ACTION

INTERNAL

- HUMAN CAPITAL REPRESENTATION
- EDUCATION & TRAINING
- INCLUSIVE CULTURE

EXTERNAL

- BUSINESS DEVELOPMENT SOURCING
- VENDORS
- STRATEGIC RELATIONSHIPS

STRATEGIC DEI OBJECTIVE

Increase CarVal's long-term engagement of diversity, equity, and inclusion globally, cultivating an internal and external culture where employees feel empowered to share different experiences, backgrounds, and ideas and, ultimately, contribute to the growth and performance of the firm.

CARVAL THREE-YEAR GOALS

01 Demonstrate market leadership (internally and externally) on diversity, equity and inclusion

02 Commercially align our DEI strategy including demonstrating and executing on DEI opportunities for capital deployment

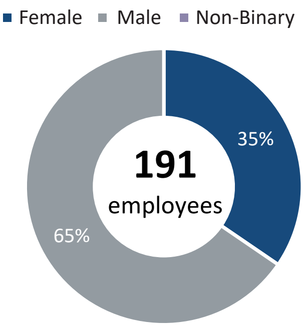
03 Monitor DEI standards of external partnerships, vendors and clients as part of the decision and selection process

04 Become more diverse in the long term with a goal of hiring 25% female investment professionals and 25% ethnically diverse operations/function professionals

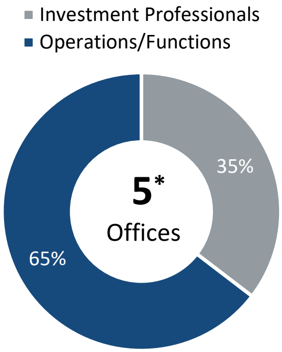
GLOBAL TALENT AND FOOTPRINT *(As of January 2022)*

As a global organization with a strong international footprint and many different and dynamic backgrounds, having an inclusive environment is part of the everyday interactions of our business.

GENDER BREAKDOWN

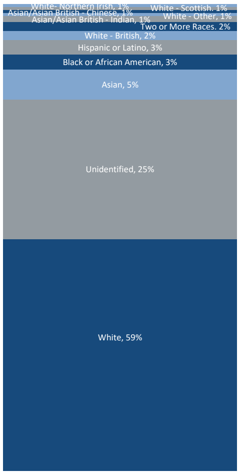


PROFESSIONAL BREAKDOWN



*Denotes advertised office locations. Individuals may be employed and/or located in additional locations globally.

ETHNICITY

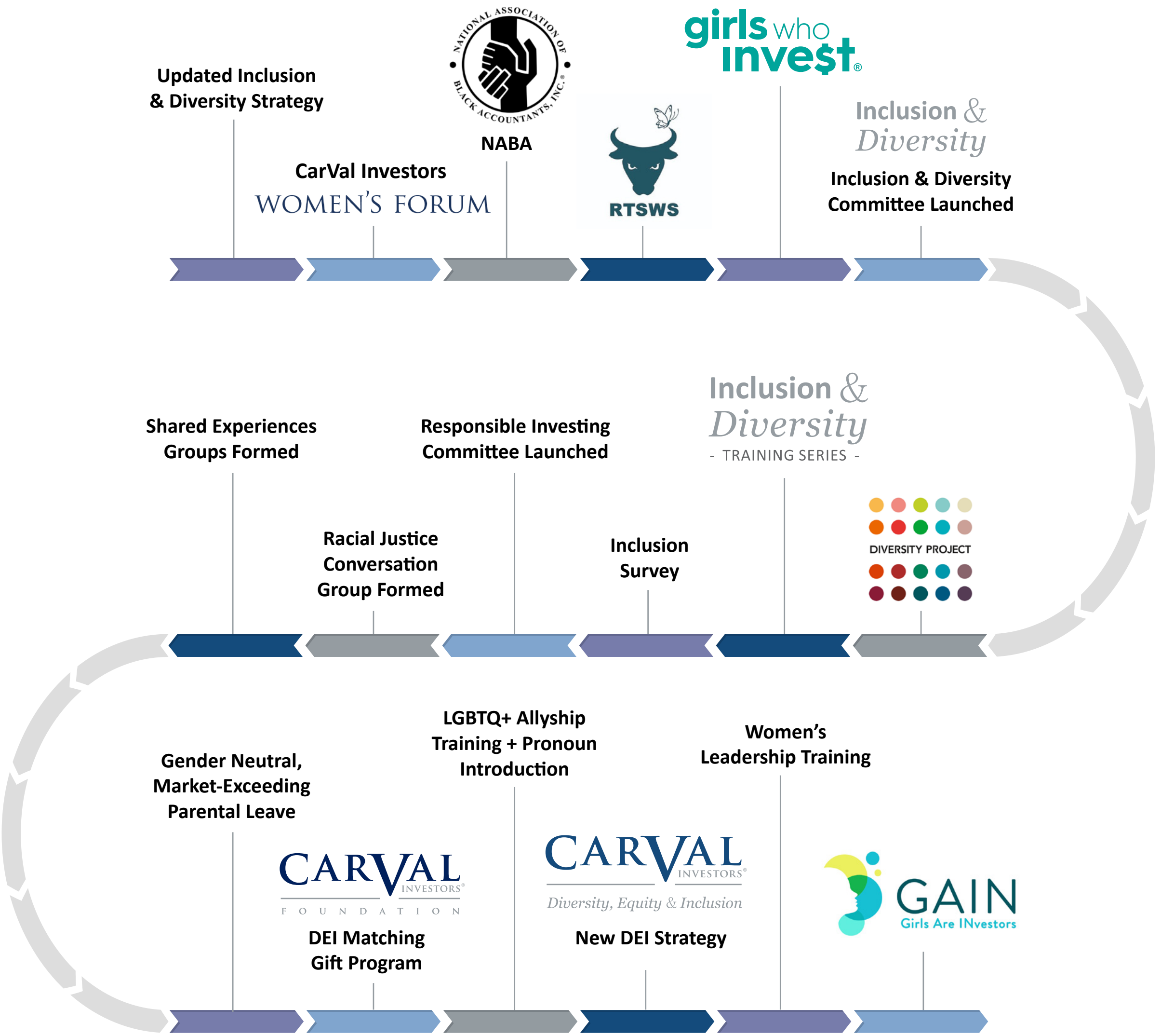


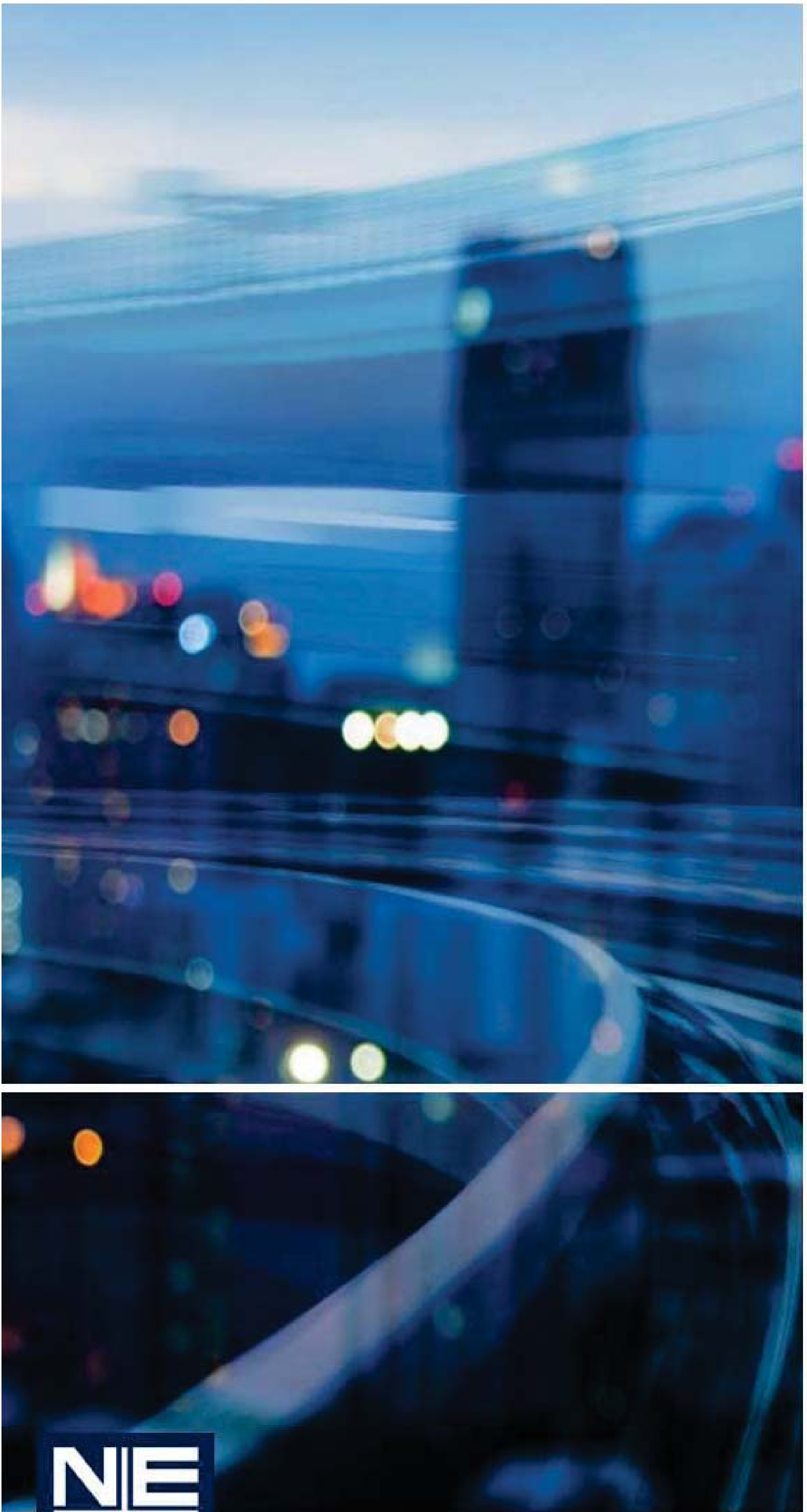
METRICS

Nationalities:	28
Languages:	38
Degrees:	42
Majors:	83
Identified Veterans	7

CARVAL INVESTORS' DEI JOURNEY

Shaping CarVal's DEI journey has been a key focus for the organization in recent years. We are proud of what we have accomplished so far, of the partnerships we have forged and initiatives we have put in place across the globe, but also acknowledge that we have much to learn and so much more to do.





MONTHLY PERFORMANCE REPORT

MWRA Employees' Retirement System

May 31, 2022

EXECUTIVE SUMMARY

	Market Value ($)	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Composite	**654,480,612**	**-0.3**	**-4.2**	**-9.0**	**-3.0**	**8.2**	**7.1**	**7.9**
Allocation Index		*0.2*	*-3.3*	*-7.6*	*-1.2*	*9.3*	*7.6*	*8.1*
Policy Index		*0.1*	*-4.0*	*-8.5*	*-1.7*	*9.5*	*7.9*	*8.2*

20 Years Ending May 31, 2022				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
Composite	**7.6**	**8.3**	**0.8**	**1.1**
Allocation Index	*6.9*	*7.7*	*0.7*	*1.1*
Policy Index	*7.3*	*8.3*	*0.7*	*1.1*

Performance

- The Composite had a return of -0.3% (net) for the month, trailing the Allocation Index (0.2%) and outperforming the Policy Index (0.1%).
- Despite a difficult start to the year, equities modestly rebounded in May. The S&P 500 Index eked out a gain of 0.2% for the month. Outside the U.S., the MSCI ACWI ex-U.S. and MSCI Emerging Markets indexes gained 0.7% and 0.4% respectively, for the month. The portfolio's Domestic Equity composite was down 0.5% (net) while the Non-US Equity composite fell 0.3% (net).
- The Federal Reserve raised the benchmark interest rate by 50 basis points to a range of 0.75%-1.00% and announced that the balance sheet runoff would begin in June. U.S. yields were volatile in May with the 10-year yield ending the month five basis points lower, while the 30-year yield increased 11 basis points. The Fixed Income composite fell 0.1% (net) for the month while both the Bloomberg Agg and Bloomberg US HY were up 0.6% and 0.2% respectively.
- This brings the total plan return for the trailing one-year period to -3.0% (net), while the Allocation and Policy Index returned -1.2% and -1.7% respectively.

20 years Risk/Return is as of 05/2022.Chart reflects universe data on quarter end months only.
Returns for 20 years Risk/Return and Statistics Summary are gross of fees.
Since inception return is 8.4% gross of fees. Prior to 1999, performance history does not capture separate net and gross returns.

MWRA Employees’ Retirement System

TOTAL FUND PERFORMANCE DETAIL (NET)

	Allocation			Performance (%)							
	Market Value ($)	% of Portfolio	Policy(%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Composite	**654,480,612**	**100.0**	**100.0**	**-0.3**	**-9.0**	**-3.0**	**8.2**	**7.1**	**7.9**	**6.9**	**Jan-86**
Allocation Index				*0.2*	*-7.6*	*-1.2*	*9.3*	*7.6*	*8.1*		
Policy Index				*0.1*	*-8.5*	*-1.7*	*9.5*	*7.9*	*8.2*		
Total Balanced	**5,100,369**	**0.8**	**0.0**	**-0.6**	**-6.0**	**4.3**	**9.7**	**6.5**	**6.1**	**5.2**	**Dec-10**
PRIT Core Fund	5,100,369	0.8		-0.6	-7.1	3.1	11.2	9.1	9.5	7.1	Apr-99
60% S&P 500 / 40% Bloomberg Aggregate				*0.4*	*-11.2*	*-3.3*	*10.0*	*8.7*	*9.4*	*6.3*	
Total Domestic Equity	**195,543,774**	**29.9**	**31.0**	**-0.5**	**-14.9**	**-6.6**	**13.8**	**12.4**	**13.1**	**7.6**	**May-99**
Russell 3000 Index				*-0.1*	*-13.9*	*-3.7*	*15.6*	*12.7*	*14.0*	*7.3*	
Large Cap	**151,071,505**	**23.1**	**24.0**	**-0.7**	**-14.9**	**-4.7**	**14.7**	**13.3**	**13.6**	**13.0**	**Dec-10**
Rhumbline Advisors S&P 500 Index Fund	59,899,192	9.2	10.0	0.2	-12.7	-0.3	16.4	13.3	14.3	9.0	Apr-97
S&P 500 Index				*0.2*	*-12.8*	*-0.3*	*16.4*	*13.4*	*14.4*	*9.0*	
Coho Relative Value Equity	48,122,805	7.4	7.0	-0.1	-5.3	1.2	13.8	11.5		11.5	Mar-16
Russell 1000 Value Index				*1.9*	*-4.5*	*0.9*	*12.8*	*9.5*	*12.1*	*11.8*	
Polen Focused Growth	43,049,508	6.6	7.0	-2.5	-27.1	-16.9	12.4	14.6		14.8	Feb-16
Russell 1000 Growth Index				*-2.3*	*-21.9*	*-6.3*	*18.3*	*16.1*	*16.1*	*17.2*	
Small Cap	**44,472,269**	**6.8**	**7.0**	**0.2**	**-14.9**	**-13.1**	**11.1**	**9.8**	**11.9**	**11.4**	**Dec-10**
Boston Partners Small Cap Value	23,740,450	3.6	3.5	3.4	-5.1	-6.0	13.1	8.1	10.9	10.5	Feb-97
Russell 2000 Value Index				*1.9*	*-8.2*	*-7.7*	*12.2*	*7.8*	*10.7*	*9.0*	
Loomis Sayles Small Cap Growth	20,731,819	3.2	3.5	-3.3	-24.2	-20.3	8.2	10.8	12.5	6.6	Jan-97
Russell 2000 Growth Index				*-1.9*	*-24.8*	*-25.7*	*6.2*	*6.9*	*10.6*	*6.6*	
Total Non-US Equity	**106,457,814**	**16.3**	**19.0**	**-0.3**	**-16.8**	**-19.7**	**3.3**	**2.8**	**5.8**	**4.0**	**Mar-99**
International Equity	**70,081,146**	**10.7**	**12.0**	**-0.2**	**-16.5**	**-18.8**	**4.7**	**3.9**	**6.6**	**3.5**	**Sep-05**
SEG Baxter Street	29,925,920	4.6	5.0	-0.2	-17.2	-20.7	3.5	4.8		7.0	May-16
MSCI AC World ex USA (Net)				*0.7*	*-10.7*	*-12.4*	*6.5*	*4.4*	*6.4*	*6.2*	
Schroder International Alpha Trust Class 1	26,883,974	4.1	4.0	-0.4	-14.6	-13.4	10.5	7.2	8.3	6.7	Mar-12
MSCI AC World ex USA (Net)				*0.7*	*-10.7*	*-12.4*	*6.5*	*4.4*	*6.4*	*4.7*	
Baillie Gifford International Growth Fund Class K	13,271,252	2.0	3.0	0.1	-30.6	-37.1				-15.2	Oct-20
MSCI AC World ex USA (Net)				*0.7*	*-10.7*	*-12.4*	*6.5*	*4.4*	*6.4*	*7.4*	
Emerging Markets Equity	**36,376,668**	**5.6**	**7.0**	**-0.4**	**-17.6**	**-23.3**				**-18.7**	**Mar-21**
Axiom Emerging Markets Trust Class 2	17,603,020	2.7	7.0	-0.2	-18.9	-24.9				-20.1	Mar-21
MSCI Emerging Markets (Net)				*0.4*	*-11.8*	*-19.8*	*5.0*	*3.8*	*4.2*	*-13.9*	
ABS Emerging Markets MA Fund	18,773,649	2.9		-0.5	-16.3					-14.5	Dec-21
MSCI Emerging Markets (Net)				*0.4*	*-11.8*	*-19.8*	*5.0*	*3.8*	*4.2*	*-10.1*	

Since inception return is 8.4% gross of fees. Prior to 1999, performance history does not capture separate net and gross returns.
In November 2019, Loomis Sayles and Schroders transitioned from a mutual fund to a CIT structure. Performance prior to the transition to the CIT investment vehicle is linked to mutual fun performance history.
Corbin Pinehurts Partners, UBS Neutral Alpha Strategies, and Entrust Peru Wind Down are preliminary as of 05/2022 and are subject to change once finalized.

TOTAL FUND PERFORMANCE DETAIL (NET)

	Allocation			Performance (%)							
	Market Value ($)	% of Portfolio	Policy(%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fixed Income	**139,613,698**	**21.3**	**20.0**	**-0.1**	**-7.3**	**-6.1**	**2.1**	**2.5**	**3.6**	**6.0**	**Mar-99**
Garcia Hamilton Fixed Income Aggregate	36,239,153	5.5	6.0	0.7	-6.8	-6.8	0.3			1.5	Apr-18
Blmbg. U.S. Aggregate Index				*0.6*	*-8.9*	*-8.2*	*0.0*	*1.2*	*1.7*	*1.5*	
Lord Abbett Core Fixed Income	35,005,422	5.3	4.0	0.0	-8.8	-8.0	0.5			1.8	Apr-18
Blmbg. U.S. Aggregate Index				*0.6*	*-8.9*	*-8.2*	*0.0*	*1.2*	*1.7*	*1.5*	
Rhumbline TIPS	2,654,089	0.4	0.0	-1.0	-6.0	-1.5	4.4	3.7		3.4	Jun-16
Blmbg. U.S. TIPS				*-1.0*	*-5.9*	*-1.4*	*4.4*	*3.7*	*2.0*	*3.5*	
Loomis Sayles Multisector Full Discretion Trust	51,873,336	7.9	8.0	0.2	-8.8	-7.8	3.2	3.1	4.5	7.1	Mar-99
Blmbg. U.S. Aggregate Index				*0.6*	*-8.9*	*-8.2*	*0.0*	*1.2*	*1.7*	*4.2*	
Blmbg. U.S. Corp: High Yield Index				*0.2*	*-8.0*	*-5.3*	*3.3*	*3.6*	*5.4*	*6.4*	
Octagon Senior Secured Credit Cayman Fund Ltd. - Class L Acc, Series 1	13,788,039	2.1	2.0	-2.8	-3.2	-1.6				2.3	Aug-19
Credit Suisse Leveraged Loan				*-2.5*	*-2.4*	*-0.2*	*2.8*	*3.4*	*4.2*	*2.6*	
Invesco Mortgage Recovery Loans Feeder Fund	53,659	0.0		0.0	-0.1	0.9	-1.9	2.4	5.9	10.5	Apr-10
Blmbg. U.S. Aggregate Index				*0.6*	*-8.9*	*-8.2*	*0.0*	*1.2*	*1.7*	*2.6*	
Total Hedge Fund	**42,534,344**	**6.5**	**6.0**	**-1.0**	**-1.8**	**0.9**	**5.9**	**4.3**	**4.4**	**3.6**	**Oct-06**
PRIM Portfolio Completion Strategies				-0.6	-0.8	0.6	4.6	4.0	4.9	3.9	Oct-06
Corbin Pinehurst Partners	12,997,667	2.0		-2.2	-8.0	-5.3	6.1			5.9	Nov-18
HFRI Fund of Funds Composite Index				*-1.0*	*-4.9*	*-3.2*	*5.1*	*4.0*	*3.9*	*4.9*	
UBS Neutral Alpha Strategies	13,581,608	2.1		-0.2	2.9	7.3	7.7			6.8	Nov-18
HFRI Fund of Funds Composite Index				*-1.0*	*-4.9*	*-3.2*	*5.1*	*4.0*	*3.9*	*4.9*	
Entrust Peru Wind Down	738,700	0.1		-0.1	-0.9	-0.9	-2.7			-3.3	Dec-17
HFRI Fund of Funds Composite Index				*-1.0*	*-4.9*	*-3.2*	*5.1*	*4.0*	*3.9*	*3.7*	
Other	**10,469,389**	**1.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.8**	**1.2**	**0.7**	**0.6**	**Dec-10**
Cash Account	10,469,389	1.6		0.0	0.0	0.0	0.8	1.2	0.7	1.7	Feb-00
90 Day U.S. Treasury Bill				*0.1*	*0.1*	*0.1*	*0.7*	*1.1*	*0.6*	*1.6*	

May 31, 2022

TOTAL FUND PERFORMANCE DETAIL (NET)

	Allocation			Performance (%)							
	Market Value ($)	% of Portfolio	Policy(%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Real Estate	**70,990,460**	**10.8**	**12.0**	**0.0**	**6.8**	**29.9**	**12.5**	**10.9**	**12.0**	**8.5**	**Apr-99**
NCREIF Property Index				*0.0*	*5.3*	*21.9*	*9.6*	*8.5*	*9.6*	*9.0*	
Morgan Stanley Prime Property ($2.8m commitment in '95)	26,193,378	4.0		0.0	7.0	27.6	11.3	10.0	11.6	9.0	Sep-95
TA Realty Core Property Fund, LP ($15m commitment in '19)	27,157,032	4.1		0.0	8.2	37.0	15.5			15.5	Jun-19
Invesco Mortgage Recovery II ($3M commitment in '15)	968,569	0.1		0.0	-1.2	5.8	-16.9	-5.2		-1.4	Oct-15
Landmark VI ($2m commitment in '11)	42,917	0.0		0.0	-17.0	-4.6	-10.9	-8.3	1.2	2.3	Jul-11
Landmark VIII ($4m commitment in '17)	1,617,022	0.2		0.0	0.0	33.7	12.8			17.8	Nov-17
StepStone Real Estate Fund II ($2m commitment in '11)	555,803	0.1		0.0	0.0	2.6	-3.0	0.0	2.3	2.3	May-12
Cerberus Institutional Real Estate Partners III ($1.5m commitment in '12)	665,939	0.1		0.0	10.6	95.1	30.6	19.8		18.3	May-13
TA Realty Fund X LP ($3.5m commitment in '12)	3,352	0.0		0.0	1.8	0.8	2.6	7.2		7.9	May-13
TerraCap Partners III, LP ($2.6m commitment in '15)	1,561,343	0.2		0.0	4.2	6.0	4.1	5.9		9.5	Jul-15
TerraCap Partners IV, LP ($4m commitment in '17)	3,765,605	0.6		0.0	2.8	15.3	12.6			11.5	Nov-17
TerraCap Partners V, LP ($8m commitment in '22)	8,459,501	1.3									
Total Private Equity	**83,770,766**	**12.8**	**12.0**	**-0.2**	**2.3**	**26.6**	**19.5**	**17.0**	**14.7**	**10.6**	**Apr-99**
C|A US All PE				*0.0*	*0.0*	*25.9*	*22.2*	*19.1*	*15.8*	*13.6*	
NASDAQ W/O Income				*-2.1*	*-22.8*	*-12.1*	*17.5*	*14.3*	*15.6*	*7.1*	
PRIM Vintage Year 2008 ($3m commitment in '08)	869,795	0.1		0.0	6.5	39.1	20.4	20.7	20.5	10.7	Jun-08
PRIM Vintage Year 2009 ($1m commitment in '09)	126,374	0.0		-3.1	6.9	60.0	52.0	40.1	29.3	16.8	Nov-09
PRIM Vintage Year 2010 ($1m commitment in '10)	596,327	0.1		-14.0	-30.4	37.9	30.6	25.8	21.8	13.2	Jun-10
PRIM Vintage Year 2011 ($1.5m commitment in '11)	1,005,640	0.2		-3.9	3.0	52.8	38.7	30.2	22.7	11.3	May-11
PRIM Vintage Year 2012 ($1m commitment in '12)	591,779	0.1		-8.4	-13.1	7.5	25.8	21.3	-8.4	-8.4	Jun-12
PRIM Vintage Year 2014 ($2m commitment in '14)	2,424,402	0.4		-4.0	3.3	44.3	32.7	29.0		9.7	Jun-14
PRIM Vintage Year 2017 ($2m commitment in '17)	2,694,586	0.4		1.3	6.9	41.6	30.2	19.2		18.8	May-17
PRIM Vintage Year 2020 ($5m commitment in '20)	3,253,335	0.5		2.0	11.0	39.1				24.5	Mar-20
PRIM Vintage Year 2021 ($5m commitment in '21)	2,268,527	0.3		1.1	3.0	8.5				4.4	Dec-20
Alcentra European DLF ($5m commitment in '14)	210,757	0.0		0.0	4.5	81.3	22.7	14.3		12.3	Jan-15
Ascent Fund IV-B ($1m commitment in '16)	45,359	0.0		0.0	-14.4	-26.3	-27.7	-19.4		-16.2	Jul-16
Ascent Fund V ($2m commitment in '08)	1,655,897	0.3		0.0	-0.8	18.2	4.0	0.8	6.8	5.2	Oct-08
Ascent VI ($3m commitment in '15)	3,328,252	0.5		0.0	-1.1	10.6	0.9	4.6		2.0	Dec-15
CVI Credit Value Fund IV A LP ($6m commitment in '17)	6,287,826	1.0		0.0	0.3	7.9	6.5			5.9	Dec-17
Invesco Fund VI ($5m commitment in '13)	1,489,373	0.2		0.0	0.0	18.2	35.9	27.5		20.9	Jul-13

Importantly, all returns in this report, including those of the private real estate managers and private markets managers, are based on a time weighted return calculation and not based on IRRs, which can result in return differences.

TOTAL FUND PERFORMANCE DETAIL (NET)

	Allocation			Performance (%)							
	Market Value ($)	% of Portfolio	Policy(%)	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Kayne Energy Fund VII ($5m commitment in '15)	3,066,564	0.5		0.0	45.4	83.0	-22.8	-9.5		-3.6	Jan-16
Foundry 2007 ($3m commitment in '07)	528,336	0.1		0.0	-1.1	13.0	19.7	5.3	9.6	20.9	Dec-07
Foundry 2010 ($3m commitment in '10)	6,041,097	0.9		0.0	-0.9	88.6	32.9	26.6	16.8	15.1	Feb-11
Foundry 2010 Annex ($0.4m commitment in '15)	1,114,791	0.2		0.0	0.0	200.2	106.6	71.6		46.5	Sep-15
Pinebridge PEP V ($6m commitment in '07)	521,010	0.1		0.0	0.0	3.3	9.8	5.9	9.5	8.9	Dec-10
Pinebridge (AIG) PEP V Asia ($6m commitment in '07)	40,070	0.0		0.0	0.0	-2.1	-12.5			-12.1	Oct-18
Pinebridge (AIG) PEP V Co-Investment ($6m commitment in '07)	89,273	0.0		0.0	0.0	29.4	18.7			6.8	Oct-18
Pinebridge (AIG) PEP V Europe ($6m commitment in '07)	22,011	0.0		0.0	0.0	-6.4	230.6			173.3	Oct-18
Pinebridge (AIG) PEP V Large Market US Buyout ($6m commitment in '07)	91,895	0.0		0.0	0.0	1.6	18.0			13.2	Oct-18
Pinebridge (AIG) PEP V Preferred Participation Fund ($6m commitment in '07)	106,747	0.0		0.0	0.0	0.4	8.0			3.6	Oct-18
Pinebridge (AIG) PEP V Secondary ($6m commitment in '07)	33,880	0.0		0.0	0.0	7.5	-5.2	-5.4		-5.0	Jan-17
Pinebridge (AIG) PEP V Small-Mid Market US Buyout ($6m commitment in '07)	92,082	0.0		0.0	0.0	8.7	22.7			19.4	Oct-18
Pinebridge (AIG) PEP V US Venture ($6m commitment in '07)	45,052	0.0		0.0	0.0	-0.4	-2.2			-3.6	Oct-18
Landmark XV ($3m commitment in '13)	1,199,414	0.2		0.0	0.5	15.2	16.1	14.2		13.9	Nov-13
JFL Equity Investors IV, L.P. ($6m commitment in '16)	2,377,667	0.4		0.0	-0.9	36.9	44.3	44.0		39.4	Jan-17
Private Advisors Small Co. Coinvestment Fund, LP ($4m commitment in '17)	4,952,172	0.8		0.0	0.0	20.2	25.5	22.5		21.6	Feb-17
Park Square Credit Opportunities III ($3m commitment in ’17)	2,809,486	0.4		0.0	0.9	7.5	8.5			6.9	Feb-18
Ironsides Constitution Opportunities ($3m commitment in '18)	2,351,319	0.4		0.0	3.6	14.7	14.9			13.3	Oct-18
HarbourVest Dover Street X ($9m commitment in '20)	6,364,462	1.0		0.0	0.0	58.6				84.5	Jun-20
Hamilton Lane Secondary Fund V LP ($9m commitment in '20)	7,052,206	1.1		0.0	0.0	43.9				44.7	Jul-20
Constitution Ironsides Co-Investment Fund VI ($12m commitment in '21)	10,771,012	1.6		0.0							Nov-21
HarbourVest Co-Investment Fund VI ($8m commitment in '21)	400,000	0.1		0.0							Jan-22
JFL Equity Investors V, L.P. ($9m commitment in '20)	7,089,447	1.1		0.0	6.5	12.6				-0.9	Sep-20

Importantly, all returns in this report, including those of the private markets managers, are based on a time weighted return calculation and not based on IRRs, which can result in return differences.

ESTIMATED FEE SCHEDULE

Account Name	Fee Schedule	Market Value ($)	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
PRIT Core Fund	0.5 % of Assets	5,100,369	0.8	24,992	0.5
Rhumbline Advisors S&P 500 Index Fund	0.1 % of Assets	59,899,192	9.2	29,950	0.1
Coho Relative Value Equity	0.5 % of First $75 M 0.4 % of Next $75 M 0.4 % Thereafter	48,122,805	7.4	240,614	0.5
Polen Focused Growth	0.7 % of Assets	43,049,508	6.6	279,822	0.6
Boston Partners Small Cap Value	1.0 % of Assets	23,740,450	3.6	237,405	1.0
Loomis Sayles Small Cap Growth	0.5 % of Assets Minimum Fee: $45,000	20,731,819	3.2	93,293	0.5
SEG Baxter Street	1.0 % of Assets	29,925,920	4.6	299,259	1.0
Schroder International Alpha Trust Class 1	0.6 % of Assets	26,883,974	4.1	147,862	0.6
Baillie Gifford International Growth Fund Class K	0.6 % of Assets	13,271,252	2.0	79,628	0.6
Axiom Emerging Markets Trust Class 2	0.7 % of Assets	17,603,020	2.7	128,502	0.7
ABS Emerging Markets MA Fund	0.8 % of Assets	18,773,649	2.9	140,802	0.7
Garcia Hamilton Fixed Income Aggregate		36,239,153	5.5	45,299	0.1
Lord Abbett Core Fixed Income	0.2 % of Assets	35,005,422	5.3	66,510	0.2
Rhumbline TIPS Pooled Index Fund	0.0 % of Assets	2,654,089	0.4	1,062	0.0
Loomis Sayles Multisector Full Discretion Trust	0.5 % of First $20 M 0.4 % of Next $20 M 0.3 % Thereafter	51,873,336	7.9	215,620	0.4
Octagon Senior Secured Credit Cayman Fund Ltd. - Class L Acc, Series 1	0.4 % of Assets	13,788,039	2.1	55,152	0.4
Invesco Mortgage Recovery Loans Feeder Fund		53,659	0.0		
PRIM Portfolio Completion Strategies		15,216,369	2.3		
Corbin Pinehurst Partners	0.9 % of Assets	12,997,667	2.0	110,480	0.9
UBS Neutral Alpha Strategies	0.9 % of Assets	13,581,608	2.1	122,234	0.9
Entrust Peru Wind Down	0.5 % of Assets	738,700	0.1	3,694	0.5
Cash Account		10,469,389	1.6		
Morgan Stanley Prime Property ($2.8m commitment in '95)		26,193,378	4.0		
TA Realty Core Property Fund, LP ($15m commitment in '19)		27,157,032	4.1		
Invesco Mortgage Recovery II ($3M commitment in '15)		968,569	0.1		
Landmark VI ($2m commitment in '11)		42,917	0.0		
Landmark VIII ($4m commitment in '17)		1,617,022	0.2		
StepStone Real Estate Fund II ($2m commitment in '11)		555,803	0.1		
Cerberus Institutional Real Estate Partners III ($1.5m commitment in '12)		665,939	0.1		

MWRA Employees' Retirement System

May 31, 2022

ESTIMATED FEE SCHEDULE

Account Name	Fee Schedule	Market Value ($)	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
TA Realty Fund X LP ($3.5m commitment in '12)		3,352	0.0		
TerraCap Partners III, LP ($2.6m commitment in '15)		1,561,343	0.2		
TerraCap Partners IV, LP ($4m commitment in '17)		3,765,605	0.6		
TerraCap Partners V, LP ($8m commitment in '22)		8,459,501	1.3		
PRIM Vintage Year 2008 ($3m commitment in '08)		869,795	0.1		
PRIM Vintage Year 2009 ($1m commitment in '09)		126,374	0.0		
PRIM Vintage Year 2010 ($1m commitment in '10)		596,327	0.1		
PRIM Vintage Year 2011 ($1.5m commitment in '11)		1,005,640	0.2		
PRIM Vintage Year 2012 ($1m commitment in '12)		591,779	0.1		
PRIM Vintage Year 2014 ($2m commitment in '14)		2,424,402	0.4		
PRIM Vintage Year 2017 ($2m commitment in '17)		2,694,586	0.4		
PRIM Vintage Year 2020 ($5m commitment in '20)		3,253,335	0.5		
PRIM Vintage Year 2021 ($5m commitment in '21)		2,268,527	0.3		
PRIM Vintage Year 2022 ($7.5m commitment in '22)		283,557	0.0		
Alcentra European DLF ($5m commitment in '14)		210,757	0.0		
Ascent Fund IV-B ($1m commitment in '16)		45,359	0.0		
Ascent Fund V ($2m commitment in '08)		1,655,897	0.3		
Ascent VI ($3m commitment in '15)		3,328,252	0.5		
CVI Credit Value Fund IV A LP ($6m commitment in '17)		6,287,826	1.0		
Invesco Fund VI ($5m commitment in '13)		1,489,373	0.2		
Kayne Energy Fund VII ($5m commitment in '15)		3,066,564	0.5		
Foundry 2007 ($3m commitment in '07)		528,336	0.1		
Foundry 2010 ($3m commitment in '10)		6,041,097	0.9		
Foundry 2010 Annex ($0.4m commitment in '15)		1,114,791	0.2		
Pinebridge (AIG) PEP V Asia ($6m commitment in '07)		40,070	0.0		
Pinebridge (AIG) PEP V Co-Investment ($6m commitment in '07)		89,273	0.0		
Pinebridge (AIG) PEP V Europe ($6m commitment in '07)		22,011	0.0		
Pinebridge (AIG) PEP V Large Market US Buyout ($6m commitment in '07)		91,895	0.0		
Pinebridge (AIG) PEP V Preferred Participation Fund ($6m commitment in '07)		106,747	0.0		
Pinebridge (AIG) PEP V Secondary ($6m commitment in '07)		33,880	0.0		
Pinebridge (AIG) PEP V Small-Mid Market US Buyout ($6m commitment in '07)		92,082	0.0		
Pinebridge (AIG) PEP V US Venture ($6m commitment in '07)		45,052	0.0		
Landmark XV ($3m commitment in '13)		1,199,414	0.2		
JFL Equity Investors IV, L.P. ($6m commitment in '16)		2,377,667	0.4		

ESTIMATED FEE SCHEDULE

Account Name	Fee Schedule	Market Value ($)	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Private Advisors Small Co. Coinvestment Fund, LP ($4m commitment in '17)		4,952,172	0.8		
Park Square Credit Opportunities III ($3m commitment in '17)		2,809,486	0.4		
Ironsides Constitution Opportunities ($3m commitment in '18)		2,351,319	0.4		
HarbourVest Dover Street X ($9m commitment in '20)		6,364,462	1.0		
Hamilton Lane Secondary Fund V LP ($9m commitment in '20)		7,052,206	1.1		
Constitution Ironsides Co-Investment Fund VI ($12m commitment in '21)		10,771,012	1.6		
JFL Equity Investors V, L.P. ($9m commitment in '20)		7,089,447	1.1		
HarbourVest Co-Investment Fund VI ($8m commitment in '21)		400,000	0.1		
Investment Manager Fee		**654,480,612**	**100.0**	**2,322,179**	**0.4**

Estimate fee for privates are ~$1,556,212 annually, which brings the total expense ratio for privates to ~22 bps. This brings the total estimated expense ratio for MWRA to ~ 57bps.

NOTES

1 - Results for periods longer than one year are annualized.

2 - Total Balances, Large Cap, Small Cap, and Other Composite performance starts 12/1/2010.

3 - Preliminary Total Composite net of fee since inception return is 6.9% for the current month.

4 - Preliminary Total Composite gross of fee since inception return is 8.4% for the current month.

5 - Targets, Allocation Index, and Policy Index have been updated to reflect new allocation of 02/01/2022.

6 - Policy Index changed from Nasdaq to Cambridge All PE to reflect as of 5/1/2012.

7 - Policy Index as of 02/2022 consists of: 24% S&P 500, 7% Russell 2000, 12% MSCI ACWI IMI, 7% MSCI Emerging Markets, 12% Bloomberg US Aggregate TR, 8% Bloomberg US Universal TR, 6% HFRI Fund of Funds Composite Index, 12% NCREIF Property Index, 12% C|A US All PE.

8 - Allocation index consists of: Weighted index of underlying managers to their respective benchmark.

DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A "since inception" return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC's preferred data source is the plan's custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv

Approved: ~~September 2020~~June 2022

MWRA EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT POLICY STATEMENT

I. DEFINITION AND FUNCTION

The Massachusetts Water Resources Authority (MWRA) Employees' Retirement System (the "System" or "Plan") is an employee pension benefit plan established in accordance with Chapter 32 of Massachusetts General Laws ("M.G.L., Chapter 32"). The Plan and Funds are administered by a Retirement Board (the "Board") consisting of five members. The Ex-Officio, two appointed members, and two members elected by the general membership of the retirement system. This defined benefit plan is maintained to provide retirement, disability, and or death benefits, as the case may be, to participants in accordance with Massachusetts General Laws.

The plan and the benefits provided hereunder are funded by investment income and investment gains, contributions from the membership, and annual contributions made by the Massachusetts Water Resources Authority.

The Board members are charged by law with the responsibility for the investment of the assets of the MWRA Employees' Retirement System. To assist the Board in meeting their fiduciary obligation, they are authorized and permitted by the Public Employee Retirement Administration Commission (PERAC) to engage the services of advisors who possess the necessary specialized research facilities and skilled manpower to assure adherence to the "Prudent Expert Rule" under such statutes as may now apply or in the future apply to investments of the Plan.

Policy guidelines will be fixed annually by the Board after consideration of the advice and recommendations of the Investment Advisor. All modifications of policy guidelines shall be in writing and signed by each of the acting Board members.

II. PURPOSE OF THIS STATEMENT OF GOALS AND OBJECTIVES

This statement of Investment Goals and Objectives is to set forth for the explicit purpose of:

1. Determine the Plan's projected financial needs.

2. Express the Board's position with respect to its risk/reward posture.

3. Formulate an appropriate set of goals and objectives for this Plan's assets.

4. Define the strategy to be implemented by the Board in the endeavor of achieving the goals and objectives.

5. Identify a set of guidelines which the Investment Advisor can use in formulating corresponding investment recommendations over the next 10 year time horizon.

6. Establish procedures and a schedule for monitoring the performance of the System in achieving the stated objectives.

III. MISSION STATEMENT

The MWRA Employees' Retirement System is a qualified Defined Benefit plan as defined by the M.G.L., Chapter 32.

The Board of the MWRA Employees' Retirement System has as its primary goal to provide promised benefits to participants and beneficiaries of the system. Plan assets should be equal to or greater than the present value of the projected benefit obligations ("fully funded"). When Plan assets are less than the present value of projected benefit obligations, a schedule will be established, and a plan will be in place to meet a fully funded status.

When achieving return objectives required to fully fund the system, the Board is intent on controlling risk. Consistency of returns and risk of loss are primary considerations.

The Board has also determined that the annual performance of plan assets should not vary substantially from returns achieved by other public pension funds with similar goals and objectives.

IV. REGULATORY REQUIREMENTS

Assets of this Fund shall be invested in a manner consistent with the fiduciary standards established under Code of Massachusetts Regulations 840 ("840 CMR"). The Board shall also use as precedent the Employee Retirement Income Security Act (ERISA).

Every Fiduciary Shall:

- Discharge his or her duties for the exclusive purpose of providing benefits to the participants of the Plan and their beneficiaries.

- Act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

- Diversify by investment of the Plan so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

- Operate in accordance with the MWRA Employees' Retirement System's procedures, documents and instruments.
- Maintain compliance with the Code of Ethics and Standards of Conduct applicable to their assigned duties.

No Fiduciary Shall:

- Deal with the assets of the MWRA Employees' Retirement System for his or her own account or his or her own interest.
- Act in any manner or on behalf of any person or organization whose interests are adverse to the interests of the MWRA Employees' Retirement System, its members, or beneficiaries.
- Cause the MWRA Employees' Retirement System to engage in a transaction which in any way involves a sale, exchange, lease, or transfer of assets to or from, or the use of assets by or for the benefit, or the furnishing of goods, services or facilities to or by, or the lending of money or extension of credit to or by any party in one's own interest.

V. TIME HORIZON

Return assumptions will be based on a ten year time horizon with a detailed review and analysis to be made at least annually to monitor allocations and assumptions. Should a manager deviate from proscribed mandate or expected risk and return profile by a consequential degree, that manager may be reevaluated at any time.

VI. LIQUIDITY

Presently contributions exceed plan withdrawals to provide benefits, payouts, and/or plan expenses. Portfolio liquidity will be managed based on the cash flow needs of the System.

VII. RETURN EXPECTATIONS

The Board has determined that investment growth should be maintained in such a manner that the minimum nominal rate of return does not cause a negative real rate of return over a full market cycle.

Return volatility of the aggregate asset base of the Plan will be measured relative to the volatility experienced by a policy benchmark, referenced in Attachment B.

Volatility or risk shall be measured as the annualized standard deviation, utilizing monthly and/or quarterly total rates of return of the aggregate assets of the Plan.

VIII. POLICY ASSET MIX

In order to achieve needed returns within the stated risk tolerance and in order to diversify plan assets so as to minimize the risk associated with the independence on the success of one enterprise, a policy asset mix will be utilized. The policy mix can be found in Attachment B. To accommodate the growth and to avoid excess trading costs the Board has also implemented asset class ranges, which can also be found in Attachment B.

In developing this asset mix no portion of the portfolio has been allocated to cash. However, when employing a multi-manager investment approach, managers may raise cash balances in accordance with their individual investment guidelines.

Surplus cash flows shall be utilized to maintain the asset management structure. Should these cash flows not be sufficient to reallocate the Plan according to the policy, the transfer of assets may occur between managers.

At least annually, the Board will reevaluate the portfolio weightings by asset class and adjustments shall be made accordingly.

IX. MANAGEMENT STRUCTURE

The Board has determined to diversify Plan assets so as to minimize the risk associated with dependence on the success of one enterprise; therefore, the Board has decided to employ a multi-manager team approach to investing plan assets.

Asset managers will be employed to utilize individual expertise within their assigned area of responsibility. Each manager will be governed by individual investment guidelines. Manager guidelines will serve as addenda to the Policy.

The Board, in recognition of the benefits of commingled funds (i.e., the ability to diversify more extensively than in a small, direct investment account and the lower costs which can be associated with these funds) may elect to invest in such funds on a case-by-case basis. The Board recognizes that it cannot give specific policy directives to a commingled fund with pre-established policies, outlined in each fund's prospectus or offering documents; therefore, the Board is relying on the investment consultant to assess and monitor the investment policies of any funds used by the Fund to ascertain whether they are appropriate for the Plan. The Board and its Investment Managers, where applicable, will establish a Side Letter Agreement that sets forth that the manager is aware of the Code of Massachusetts Regulations, Investment Regulations, the applicable provisions of M.G.L., Chapter 32 and that the Manager will comply with the statute and Investment Regulations wherever possible, consistent with the Manager's trust documents, prospectus, implementation documents, etc. creating the commingled fund vehicle.

X. DIVERSIFICATION

Equity Investments

Equity securities shall mean common stocks or equivalents plus issues convertible into common stocks.

Domestic equity holdings consist of equity securities of companies that are listed on U.S. registered exchanges or actively traded in the over-the counter market. The market capitalization of securities should be largely consistent with securities held in appropriate indices.

International equity, including emerging market securities, are listed securities that can be accessed through local markets or American Depository Receipts (ADRs). The manager may hedge currency exposure through the use of derivative instruments. Currency hedging can only be used to eliminate or reduce exposure to a foreign currency, not to introduce or increase exposure to a foreign currency.

Recognizing the benefit of diversification, the Board will consider for every equity mandate: market capitalization, industry diversification, number of issues and rate of turnover.

Additionally, each investment manager will be notified of the exclusions that exist, referenced in section XI, as well as the following securities level restrictions:

a) Not more than ~~8% at cost or~~ 10% of the total market value of equity investments should be invested in the equity securities of any one company.

b) Not more than 10% of the outstanding equity of one issuer should be held in the portfolio.

Fixed Income

Fixed income shall mean marketable debt securities issued by either (1) the United States Government, (2) sovereign debt of foreign governments, (3) corporations, or (4) domestic banks and other financial institutions and may include mortgage backed securities, asset backed securities, corporate bonds, debentures, and commercial paper.

Recognizing the benefit of diversification, the Board will consider for every fixed income mandate: quality ratings, maturity schedule, industry diversification, number of issues, and rate of turnover.

The duration of the portfolio should be largely consistent with appropriate indices. Unless otherwise agreed to, the duration of the portfolio must be within 25% of the appropriate benchmark.

The minimum quality rating at the time of purchase of any fixed income issue shall be CCC, or the equivalent thereof. Non-rated issues may comprise up to 10% of the portfolio, provided that the manager determines that, if such an issue were rated, it would be allowed under the above limitations and that the non-rated issue is deemed to be below BAA (investment grade).

Compliance with classifications provided by rating agencies (Moody's, S&P, and Fitch) is not sufficient for an issue to be deemed an appropriate investment. The Investment manager is responsible for making an independent analysis of the credit-worthiness of securities and their appropriateness as an investment for this fund.

a) Additionally, each investment manager will be notified of the exclusions that exist, referenced in section XI, as well as the following securities level restrictions:

b) Not more than 5% of the total market value of all investments shall be invested in the debt obligations of any one issuer with the exception of securities issued and guaranteed by the United States Government, or its agencies, which may be held without limitation.

Alternative Implementation Mandates (a.k.a. Global Asset Allocation)

Global Asset Allocation mandates were approved in the portfolio as an alternative implementation of the current asset allocation policy. The goal of these strategies is to outperform either an absolute return or blended multi-asset class market benchmark (i.e. 65% MSCI World Equity / 35% ~~BC~~ Bloomberg Aggregate) over a full market cycle by allocating assets among a defined group of permissible assets classes and markets to gain access to, and an overweight exposure to, those asset classes and markets that the manager has determined are attractive. The benefits of and allocation to these groups of strategies include enhanced diversification through exposure to new asset categories, enhanced return and reduced volatility in down markets.

It is understood that securities, strategies, constraints and investments that are declared ineligible for inclusion within other investment mandates may be included in these portfolios. The otherwise restricted investments may be allowed within this category to allow for positions that on an aggregate basis offer attractive risk-adjusted return benefits to the overall portfolio. The managers should determine that the securities to be purchased and the strategies to be utilized are suitable for this account. Provisions, including liquidity and transparency shall be reviewed and mandates will be deemed appropriate for the Fund's assets on an individual basis. Allocations will be monitored closely to ensure that asset classes' ranges are not violated.

Derivatives are permitted in this portfolio but are limited in use relative to the Derivatives Policy Statement herein, unless approved in writing by the Board.

Cash, Money Market Investments, and Short Term Investments

Cash and cash equivalent investments shall mean debt obligations with a maturity of twelve months or less at the time of purchase. Investments shall be made only in:

a) Money market funds, Short-term Investment Fund ("STIF funds");

b) Securities rated A1 by Moody or P-1 by Standard & Poor's or better by a recognized credit rating service;

c) Repurchase agreements, provided there is evidence of a pledge of Treasury securities matching the repurchase agreement by reason of non-duplicated depository receipt; or provided the Board takes physical possession of the pledged Treasury securities;

d) Bank deposits which meet the Federal Depository Insurance Corporation's capital ratio requirements so as to provide $250,000 of insurance coverage per participant.

Real Estate

Real estate investments are allowed within the portfolio; real estate shall mean investments which represent beneficial ownership of real estate properties, which can be both equity and debt; Real estate investments shall be:

a) Diversified geographically;

b) Diversified by property type;

c) Diversified by manager so that no investment shall exceed 50% of the total equity real estate portfolio allocation;

d) Diversified by investor so that the Board's investment would not constitute more than 10% of funds invested or that the investments of all Massachusetts contributory retirement systems would not constitute more than 50% of the funds invested, unless otherwise exempted under supplemental regulations through 840 CMR 19.00.

Private Investments

This policy authorizes commitments to private equity partnerships, private equity limited liability companies and discretionary managers investing in private equity partnerships and private equity limited liability companies. A portfolio of private equity could be invested in, but not limited to:

Venture Capital funds

Leverage Buyout/Growth Equity funds

Mezzanine Financing/ Direct Lending

Secondaries

Distressed Opportunities

Energy Opportunities

Private Debt Investments

Private investments consist of Direct investments, Co-investments, or Fund-of-Funds

Hedge Funds

It is understood that securities, strategies, constraints and investments that are declared ineligible for inclusion within other investment mandates may be included in these portfolios. The otherwise restricted investments may be allowed within this category to allow for positions that on an aggregate basis offer attractive risk-adjusted return benefits to the overall portfolio. The managers should determine that the securities to be purchased and the strategies to be utilized are suitable for this account.

a) The overall goal of the hedge fund investments are to provide a diversified and uncorrelated investment, which over a full market cycle will be competitive with traditional like-strategies, while exhibiting relatively low correlations to equity and fixed income markets.

b) Hedge Funds include a broad array of strategies, which utilize both liquid and illiquid securities. Hedge Funds have the ability to sell securities short as well as purchase long securities. They may also use options, futures, swaps and other derivatives within their portfolio.

c) The returns of hedge funds are much more manager dependent than is the case for traditional mandates. Therefore, hedge fund managers will have the following allocation limits expressed as a percentage of total fund assets: A broadly diversified allocation, with no more than 50% in any specific strategy and no more than 2% in any given fund as per 840 CMR 19.00. In the case of Fund-of-Funds limitations will apply on a look through basis.

Exclusions

The following categories of securities are not permissible for investment in the Plan without the Board's written approval within the specified individual manager guidelines and exempted under supplemental regulations through 840 CMR 19.00.

a. Investments in Sudan, Northern Ireland and South Africa

b. Unregistered or restricted stock

c. Physical Commodities

d. Derivative investments including: forwards, futures options, warrants, hedging, or structured investments which display derivative like characteristics.

e. Margin buying

f. Short selling

g. Swaps, Scores, Primes

h. The portfolio shall comply at all times with applicable laws and regulations.

i. Direct investment in securities of companies that derive greater than 15% of revenue from the sale of tobacco and tobacco related products.

j. Investment in a pooled (commingled or mutual) fund that has greater than 15% of its securities invested in companies that derive more that 15% of their revenue from tobacco and tobacco related products.

k. Direct purchases of real estate, not including real estate held in managed accounts or within investment partnerships

l. Direct ownership of common stock (please refer to section XVII)

XI. RESPONSIBILITIES, COMMUNICATION, AND REPORTING

1. Investment Advisor

An investment advisor or consultant will be employed whose fiduciary responsibilities will be to provide investment advice including: risk/return assumptions on investments, diversification of plan assets so as to minimize the risk within the confinements of the Plan attempting to achieve stated return objectives, and to evaluate, monitor, and report on total portfolio and investment manager returns and compliance to investment policy and guidelines. The investment advisor is responsible for monthly and quarterly reporting.

The advisor shall communicate to the Board:

a. All significant matters pertaining to investment policy and the management of plan assets.

b. Any major changes in manager portfolio structure.

c. Any significant changes on manager ownership, organizational structure, financial condition, or senior personnel staffing.

d. Certified financial statements of the investment managers.

e. Detailed performance measurement and evaluation of total fund as well as manager performance.

f. Should carry error and omissions insurance policy providing a prudent amount of coverage for negligent acts or omissions.

g. Conduct due diligence on each manager.

2. Investment Managers

Managers shall report directly to the Board with council of the Board's Investment Consultant. Every investment manager shall maintain knowledge and shall comply with all applicable laws and rules and regulations, including rules and regulations of any self-regulatory agency of the profession, and the Standards of Conduct of 840 CMR 17.03 and 17.04 and the Code of Ethics of 840 CMR 17.02

Managers shall provide all needed information such as:

a. Major changes in investment outlook.

b. Significant changes in ownership, organizational structure, financial conditions, or senior personnel staffing. Certified financial statements are to be furnished annually.

c. Daily transactions; Monthly valuation and performance reports.

d. The manager is expected to acknowledge in writing its recognition and acceptance of fiduciary responsibility.

e. To have its employees bonded and to carry errors and omissions and/or fiduciary insurance unless otherwise exempted by law or governmental regulation.

3. Actuaries

Actuaries will be utilized to determine the overall health of the Plan. Actuaries will work closely with the Board and the investment advisor to provide needed information including but not limited to determining return assumptions and contribution rates, liquidity needs, future cash flows, and how adverse performance affects contribution rates.

4. Custodian Bank

In order to maximize the Plan's return, no money should be allowed to remain idle. Dividends, interest, proceeds from sales, new contributions and all other monies are to be invested or reinvested promptly.

The custodian bank(s) will be responsible for performing the following functions:

1. Accept daily instructions from designated staff.
2. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings.
3. Resolve any problems that designated staff may have relating to the custodial account.
4. Safekeeping of securities.
5. Collection of interest and dividends.
6. Daily cash sweep of idle principal and income cash balances.
7. Processing of all investment manager transactions.
8. Collection of proceeds from maturing securities.
9. Disbursement of all income or principal cash balances as directed.
10. Providing monthly statements by investment account and a consolidated statement of all assets.
11. Working with the investment consultant and the Fund accountant to ensure accuracy in reporting.
12. Provide written statements revealing monthly reconciliation of custody and investment managers' accounting statements.
13. Provide such other duties as are required under the Fund agreements.

5. Delegation of Responsibilities

The following chart displays the involvement of each entity as to the decision-making process of the System expressed as a presentation of control is:

	Board	**Actuary**	**Inv.Advisor**	**Manager**	**Custodian**
Asset Allocation Investment Policy	X	X	X		
Formation of Investment Policy	X		X		
Manager Guidelines	X		X	X	
Manager Selection	X		X		
Performance Evaluation	X		X		
Security Selection	X			X	
Execution of Trades	X			X	X
Collection of Dividends & Interest				X	X
Cash Sweeps				X	X
Recapture Programs				X	
Security Lending					X
Proxy Voting	X			X	
Trading Verification	X			X	X

6. Legal Counsel

Legal counsel will be retained by the Trustees to review contracts and to provide overall advice as to fiduciary compliance to regulatory authorities.

XII. STANDARDS OF PERFORMANCE

Standards utilized in evaluating investment performance.

1. The extent to which the total rate of return for the Plan's assets over the next 10 year period equals or exceeds the targeted actuarial rate of return.

2. The extent to which the total rate of return for the Plan's assets over the next 10 year period exceeds the policy benchmark (Attachment B).

3. Comparison of the funds return to a compatible universe of funds allocated in similar weights and with the same goals and objectives.

4. The extent to which return divided by standard deviation (risk adjusted return) exceeds that of the policy benchmark and a comparable universe of funds.

5. Investment performance of various asset classes of securities, excluding private equity, will be compared, on a time weighted basis, with that of unmanaged market indices as well as a sample universe of funds as follows:

a. Total equity performance will be compared with the Russell 3000 Index and with a sample universe of equity funds. Large Cap mandates will also be reviewed relative to the S&P 500 Index and any other style index (Russell 1000 Value or Growth). Likewise, for Small Cap mandates, where the performance benchmark shall be the Russell 2000 and the applicable Value or Growth Benchmark.

b. Fixed income performance will be compared with the ~~Barclay's Capital~~Bloomberg Aggregate Bond Index as well as with a sample universe of fixed income funds.

c. International and emerging market equity performance will be compared with the MS EAFE Index for developed and the MS EME Index for emerging equity mandates, as well as a sample universe of international and emerging equity funds.

d. Global Asset Allocation managers and Hedge Fund managers will be evaluated based upon an agreed upon benchmark. Different mandates will require different stated benchmarks as well as a sample universe of funds.

e. Real Estate managers will be evaluated relative to the NCREIF index.

f. Private Equity managers will be evaluated with an Internal Rate of Return (IRR) calculation.

XIII. INVESTMENT TRANSACTIONS

All transactions are to be governed by negotiation for execution on a "best execution basis." The lowest commission cost may not represent the best execution. Investment managers shall be responsible for determining best execution of trades within their assigned portfolio.

XIV. PROXY VOTING

Proxy voting shall be implemented by the manager in compliance to policies established by the manager approved by the Board. The manager is to report on all votes that are cast and the reason behind their decisions on a semi-annual basis. See Attachment “A”.

XV. IMPLEMENTATION

All new moneys invested for the Board by investment managers after the adoption of this investment policy statement shall conform to this statement. To the extent that the Board shall deliver to an investment manager, in cash or kind, or fund assets here to fore invested for them by other investment managers, within 60 days after the delivery of said prior assets by the Board, the entire portfolio managed by the manager shall conform to in all aspects to guidelines established to the investment guidelines established for said manager. Specific manager guidelines shall serve as addenda to the investment policy.

XVI. RECIEPT OF SECURITIES IN-KIND

The Board acknowledges that from time to time, investment managers may distribute shares of securities in-kind, in lieu of cash. It is the Policy of the Board to be fully invested with specialist investment managers and not hold individual securities as part of the investment portfolio.

In the event that an in-kind distribution occurs, the Board will meet to discuss and vote on the sale of shares as soon as feasible upon receipt. The Board Chairman, in consultation with the Board’s investment consultant, custodian bank, legal counsel, and Executive Director, shall be authorized to take all necessary actions to execute the sale of stock or securities. Due to the unpredictable nature of these distributions, meetings can take place in person, by phone or electronically, as needed. In the event a meeting cannot take place or the Board Chairman and/or Vice-Chairman is unavailable, the Board grants the Executive Director the ability to sell the shares immediately.

Following such an event, the Chairman, Vice-Chairman or Director shall report at the next scheduled public meeting of the Board the actions taken to effectuate the sale of stock or securities.

Manager Guidelines Act as Addendum to Policy

Approved: ~~September 2020~~June 2022

Adopted this ~~24th~~ 30th day of ~~September 2020~~June 2022

Board Members

Name_____________________________

Name_____________________________

Name_____________________________

Name_____________________________

Name_____________________________

Consultant:

Name_____________________________

Approved: ~~September 2020~~June 2022

Attachment "A"
Proxy Voting

The MWRA Employees' Retirement Board has discussed their position as it relates to shareholder proposals in four specific categories: Board Independence, Corporate Governance, Employee Related Proposals, and Executive Compensation. Notwithstanding The fact that The MWRA Employees' Retirement Board has delegated this responsibility to your company as our investment advisor, The Board desires to clarify their position as a matter for the public record.

Board Independence- In an effort to ensure the Board of Directors will perform their oversight function as impartially as possible, the MWRA Employees' Retirement Board favors either a majority of independent directors, an independent board chairman, and/or independent members on [key] committees.

Executive Compensation- It is the position of the MWRA Employees' Retirement Board that Executive Compensation should be tied closely to the performance of the company. **The MWRA Employees' Retirement Board does not favor the practice of compensating board members with pension benefits**. As a Board, we believe excessive compensation for senior executive's impacts productivity and employee morale. We advocate performance based stock options to align compensation interests to company performance, and we endorse the creation of long-term shareholder value through human capital- the skill and commitment of the company workforce.

Corporate Governance- while this category holds a multitude of issues, the MWRA Employees' Retirement Board believes the Corporate Governance of any company should be in the spirit of the previous two categories, but fundamentally in the long- term interests of shareholder value. The issues within this category include:

- Increasing Authorized Common Stock
- Blank-Check Preferred Stock
- Reincorporation
- Poison Pills
- Insider Trading
- Board Size and Composition
- Supermajority Voting Requirements
- Dual Class Voting
- Confidential Voting and Independent Tabulation of the Vote
- Cumulative Voting
- Shareholder's Rights to Call Special Meeting
- Approving Other Business
- Attendance at Meetings
- Stock Options For Bard Members Who are not Employees
- Excessive number of Board Memberships

Employee Related Proposals- The MWRA Employees' Retirement Board supports proposals that align the interest of employees and shareholders. Two key areas are:
Employee Stock Purchase Plans – allowing employees to purchase company stock at a discount supports employee ownership and links the interests of employees of the company with shareholders, benefiting all shareholders in the long run.
High-Performance Workplaces- voting fiduciaries should generally support "high-performance workplace practices" at companies; some such practices are outlined in the Department of Labor's 1994 report, "Road to High-Performance Workplaces". Voting fiduciaries should review these proposals and ensure that they do not unduly interfere with the company's operation.

Approved: ~~September 2020~~June 2022

Attachment "B"
Asset Allocation

Asset Class	**% Allocated**	**Corresponding Index**
~~Domestic Stocks~~US Equity	~~26~~31	Russell 3000
Large Cap	*2~~0~~4*	*S&P 500*
Small Cap	*7~~6~~*	*Russell 2000*
~~Domestic Bonds*~~	~~27~~	~~Barclay's Capital Aggregate~~
~~International Stocks~~Non-US Equity	~~21~~19	MSCI ACWI Ex. US
Developed International	*1~~5~~2*	*MSCI EAFE*
Emerging Equity	*~~6~~7*	*MSCI EME*
~~Real Estate~~Fixed Income*	20~~10~~	Bloomberg Aggregate ~~NCREIF Property Index~~
Real Estate	12	NCRIEF Property Index
Private Equity	~~10~~12	CA All US Private Equity Index
Hedge Funds/Absolute Return	6	HFRI Hedge Fund of Funds
Global Asset Allocation	0	TBD, based on hired manager (See Policy Index)

**Core bonds, credit, high yield, TIPS and non-U.S. bond holdings*

Asset Class	**Minimum Exposure**	**Maximum Exposure**
~~Domestic Stocks~~US Equity	~~10~~20%	~~40~~45%
Domestic Bonds	15%	40%
International Stocks	~~10~~15%	30%
Real Estate (Equity)	0%	~~15~~18%
Private Equity	0%	~~15~~18%
Hedge Funds/Absolute Return	0%	10%
Global Asset Allocation	0%	10%
Cash	0%	10%

Policy benchmark (Effective ~~June~~ July 1, 202~~0~~2): 1~~0~~2% Cambridge All US Private Equity (as proxy for private equity allocation), 1~~0~~2% NCREIF Property Index, ~~10~~19% Morgan Stanley ~~EAFE~~ACWI Ex. US, ~~5% MSCI World ex. US Small Cap Index, 6% Morgan Stanley Emerging Markets, 20% S&P 500~~Russell 3000, ~~6% Russell 2000,~~

~~12~~20% ~~Barclay's~~ Bloomberg ~~Capital~~ Aggregate Bond Index~~, 5% Barclay's Capital US TIPS Index, 10% Bloomberg US Universal Bond Index~~, 6% HFRI Fund of Funds (as a proxy for Hedge Funds);

Approved: June 2022

MWRA EMPLOYEES' RETIREMENT SYSTEM

INVESTMENT POLICY STATEMENT

I. DEFINITION AND FUNCTION

The Massachusetts Water Resources Authority (MWRA) Employees' Retirement System (the "System" or "Plan") is an employee pension benefit plan established in accordance with Chapter 32 of Massachusetts General Laws ("M.G.L., Chapter 32"). The Plan and Funds are administered by a Retirement Board (the "Board") consisting of five members. The Ex-Officio, two appointed members, and two members elected by the general membership of the retirement system. This defined benefit plan is maintained to provide retirement, disability, and or death benefits, as the case may be, to participants in accordance with Massachusetts General Laws.

The plan and the benefits provided hereunder are funded by investment income and investment gains, contributions from the membership, and annual contributions made by the Massachusetts Water Resources Authority.

The Board members are charged by law with the responsibility for the investment of the assets of the MWRA Employees' Retirement System. To assist the Board in meeting their fiduciary obligation, they are authorized and permitted by the Public Employee Retirement Administration Commission (PERAC) to engage the services of advisors who possess the necessary specialized research facilities and skilled manpower to assure adherence to the "Prudent Expert Rule" under such statutes as may now apply or in the future apply to investments of the Plan.

Policy guidelines will be fixed annually by the Board after consideration of the advice and recommendations of the Investment Advisor. All modifications of policy guidelines shall be in writing and signed by each of the acting Board members.

II. PURPOSE OF THIS STATEMENT OF GOALS AND OBJECTIVES

This statement of Investment Goals and Objectives is to set forth for the explicit purpose of:

1. Determine the Plan's projected financial needs.

2. Express the Board's position with respect to its risk/reward posture.

3. Formulate an appropriate set of goals and objectives for this Plan's assets.

4. Define the strategy to be implemented by the Board in the endeavor of achieving the goals and objectives.

5. Identify a set of guidelines which the Investment Advisor can use in formulating corresponding investment recommendations over the next 10 year time horizon.

6. Establish procedures and a schedule for monitoring the performance of the System in achieving the stated objectives.

III. MISSION STATEMENT

The MWRA Employees' Retirement System is a qualified Defined Benefit plan as defined by the M.G.L., Chapter 32.

The Board of the MWRA Employees' Retirement System has as its primary goal to provide promised benefits to participants and beneficiaries of the system. Plan assets should be equal to or greater than the present value of the projected benefit obligations ("fully funded"). When Plan assets are less than the present value of projected benefit obligations, a schedule will be established, and a plan will be in place to meet a fully funded status.

When achieving return objectives required to fully fund the system, the Board is intent on controlling risk. Consistency of returns and risk of loss are primary considerations.

The Board has also determined that the annual performance of plan assets should not vary substantially from returns achieved by other public pension funds with similar goals and objectives.

IV. REGULATORY REQUIREMENTS

Assets of this Fund shall be invested in a manner consistent with the fiduciary standards established under Code of Massachusetts Regulations 840 ("840 CMR"). The Board shall also use as precedent the Employee Retirement Income Security Act (ERISA).

Every Fiduciary Shall:

- Discharge his or her duties for the exclusive purpose of providing benefits to the participants of the Plan and their beneficiaries.

- Act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

- Diversify by investment of the Plan so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so.

- Operate in accordance with the MWRA Employees' Retirement System's procedures, documents and instruments.

- Maintain compliance with the Code of Ethics and Standards of Conduct applicable to their assigned duties.

No Fiduciary Shall:

- Deal with the assets of the MWRA Employees' Retirement System for his or her own account or his or her own interest.

- Act in any manner or on behalf of any person or organization whose interests are adverse to the interests of the MWRA Employees' Retirement System, its members, or beneficiaries.

- Cause the MWRA Employees' Retirement System to engage in a transaction which in any way involves a sale, exchange, lease, or transfer of assets to or from, or the use of assets by or for the benefit, or the furnishing of goods, services or facilities to or by, or the lending of money or extension of credit to or by any party in one's own interest.

V. TIME HORIZON

Return assumptions will be based on a ten year time horizon with a detailed review and analysis to be made at least annually to monitor allocations and assumptions. Should a manager deviate from proscribed mandate or expected risk and return profile by a consequential degree, that manager may be reevaluated at any time.

VI. LIQUIDITY

Presently contributions exceed plan withdrawals to provide benefits, payouts, and/or plan expenses. Portfolio liquidity will be managed based on the cash flow needs of the System.

VII. RETURN EXPECTATIONS

The Board has determined that investment growth should be maintained in such a manner that the minimum nominal rate of return does not cause a negative real rate of return over a full market cycle.

Return volatility of the aggregate asset base of the Plan will be measured relative to the volatility experienced by a policy benchmark, referenced in Attachment B.

Volatility or risk shall be measured as the annualized standard deviation, utilizing monthly and/or quarterly total rates of return of the aggregate assets of the Plan.

VIII. POLICY ASSET MIX

In order to achieve needed returns within the stated risk tolerance and in order to diversify plan assets so as to minimize the risk associated with the independence on the success of one enterprise, a policy asset mix will be utilized. The policy mix can be found in Attachment B. To accommodate the growth and to avoid excess trading costs the Board has also implemented asset class ranges, which can also be found in Attachment B.

In developing this asset mix no portion of the portfolio has been allocated to cash. However, when employing a multi-manager investment approach, managers may raise cash balances in accordance with their individual investment guidelines.

Surplus cash flows shall be utilized to maintain the asset management structure. Should these cash flows not be sufficient to reallocate the Plan according to the policy, the transfer of assets may occur between managers.

At least annually, the Board will reevaluate the portfolio weightings by asset class and adjustments shall be made accordingly.

IX. MANAGEMENT STRUCTURE

The Board has determined to diversify Plan assets so as to minimize the risk associated with dependence on the success of one enterprise; therefore, the Board has decided to employ a multi-manager team approach to investing plan assets.

Asset managers will be employed to utilize individual expertise within their assigned area of responsibility. Each manager will be governed by individual investment guidelines. Manager guidelines will serve as addenda to the Policy.

The Board, in recognition of the benefits of commingled funds (i.e., the ability to diversify more extensively than in a small, direct investment account and the lower costs which can be associated with these funds) may elect to invest in such funds on a case-by-case basis. The Board recognizes that it cannot give specific policy directives to a commingled fund with pre-established policies, outlined in each fund's prospectus or offering documents; therefore, the Board is relying on the investment consultant to assess and monitor the investment policies of any funds used by the Fund to ascertain whether they are appropriate for the Plan. The Board and its Investment Managers, where applicable, will establish a Side Letter Agreement that sets forth that the manager is aware of the Code of Massachusetts Regulations, Investment Regulations, the applicable provisions of M.G.L., Chapter 32 and that the Manager will comply with the statute and Investment Regulations wherever possible, consistent with the Manager's trust documents, prospectus, implementation documents, etc. creating the commingled fund vehicle.

X. DIVERSIFICATION

Equity Investments

Equity securities shall mean common stocks or equivalents plus issues convertible into common stocks.

Domestic equity holdings consist of equity securities of companies that are listed on U.S. registered exchanges or actively traded in the over-the counter market. The market capitalization of securities should be largely consistent with securities held in appropriate indices.

International equity, including emerging market securities, are listed securities that can be accessed through local markets or American Depository Receipts (ADRs). The manager may hedge currency exposure through the use of derivative instruments. Currency hedging can only be used to eliminate or reduce exposure to a foreign currency, not to introduce or increase exposure to a foreign currency.

Recognizing the benefit of diversification, the Board will consider for every equity mandate: market capitalization, industry diversification, number of issues and rate of turnover.

Additionally, each investment manager will be notified of the exclusions that exist, referenced in section XI, as well as the following securities level restrictions:

a) Not more than 10% of the total market value of equity investments should be invested in the equity securities of any one company.

b) Not more than 10% of the outstanding equity of one issuer should be held in the portfolio.

Fixed Income

Fixed income shall mean marketable debt securities issued by either (1) the United States Government, (2) sovereign debt of foreign governments, (3) corporations, or (4) domestic banks and other financial institutions and may include mortgage backed securities, asset backed securities, corporate bonds, debentures, and commercial paper.

Recognizing the benefit of diversification, the Board will consider for every fixed income mandate: quality ratings, maturity schedule, industry diversification, number of issues, and rate of turnover.

The duration of the portfolio should be largely consistent with appropriate indices. Unless otherwise agreed to, the duration of the portfolio must be within 25% of the appropriate benchmark.

The minimum quality rating at the time of purchase of any fixed income issue shall be CCC, or the equivalent thereof. Non-rated issues may comprise up to 10% of the portfolio, provided that the manager determines that, if such an issue were rated, it would be allowed under the above limitations and that the non-rated issue is deemed to be below BAA (investment grade).

Compliance with classifications provided by rating agencies (Moody's, S&P, and Fitch) is not sufficient for an issue to be deemed an appropriate investment. The Investment manager is responsible for making an independent analysis of the credit-worthiness of securities and their appropriateness as an investment for this fund.

a) Additionally, each investment manager will be notified of the exclusions that exist, referenced in section XI, as well as the following securities level restrictions:

b) Not more than 5% of the total market value of all investments shall be invested in the debt obligations of any one issuer with the exception of securities issued and guaranteed by the United States Government, or its agencies, which may be held without limitation.

Alternative Implementation Mandates (a.k.a. Global Asset Allocation)

Global Asset Allocation mandates were approved in the portfolio as an alternative implementation of the current asset allocation policy. The goal of these strategies is to outperform either an absolute return or blended multi-asset class market benchmark (i.e. 65% MSCI World Equity / 35% Bloomberg Aggregate) over a full market cycle by allocating assets among a defined group of permissible assets classes and markets to gain access to, and an overweight exposure to, those asset classes and markets that the manager has determined are attractive. The benefits of and allocation to these groups of strategies include enhanced diversification through exposure to new asset categories, enhanced return and reduced volatility in down markets.

It is understood that securities, strategies, constraints and investments that are declared ineligible for inclusion within other investment mandates may be included in these portfolios. The otherwise restricted investments may be allowed within this category to allow for positions that on an aggregate basis offer attractive risk-adjusted return benefits to the overall portfolio. The managers should determine that the securities to be purchased and the strategies to be utilized are suitable for this account. Provisions, including liquidity and transparency shall be reviewed and mandates will be deemed appropriate for the Fund's assets on an individual basis. Allocations will be monitored closely to ensure that asset classes' ranges are not violated.

Derivatives are permitted in this portfolio but are limited in use relative to the Derivatives Policy Statement herein, unless approved in writing by the Board.

Cash, Money Market Investments, and Short Term Investments

Cash and cash equivalent investments shall mean debt obligations with a maturity of twelve months or less at the time of purchase. Investments shall be made only in:

a) Money market funds, Short-term Investment Fund ("STIF funds");

b) Securities rated A1 by Moody or P-1 by Standard & Poor's or better by a recognized credit rating service;

c) Repurchase agreements, provided there is evidence of a pledge of Treasury securities matching the repurchase agreement by reason of non-duplicated depository receipt; or provided the Board takes physical possession of the pledged Treasury securities;

d) Bank deposits which meet the Federal Depository Insurance Corporation's capital ratio requirements so as to provide $250,000 of insurance coverage per participant.

Real Estate

Real estate investments are allowed within the portfolio; real estate shall mean investments which represent beneficial ownership of real estate properties, which can be both equity and debt; Real estate investments shall be:

a) Diversified geographically;

b) Diversified by property type;

c) Diversified by manager so that no investment shall exceed 50% of the total equity real estate portfolio allocation;

d) Diversified by investor so that the Board's investment would not constitute more than 10% of funds invested or that the investments of all Massachusetts contributory retirement systems would not constitute more than 50% of the funds invested, unless otherwise exempted under supplemental regulations through 840 CMR 19.00.

Private Investments

This policy authorizes commitments to private equity partnerships, private equity limited liability companies and discretionary managers investing in private equity partnerships and private equity limited liability companies. A portfolio of private equity could be invested in, but not limited to:

Venture Capital funds

Leverage Buyout/Growth Equity funds

Mezzanine Financing/ Direct Lending

Secondaries

Distressed Opportunities

Energy Opportunities

Private Debt Investments

Private investments consist of Direct investments, Co-investments, or Fund-of-Funds

Hedge Funds

It is understood that securities, strategies, constraints and investments that are declared ineligible for inclusion within other investment mandates may be included in these portfolios. The otherwise restricted investments may be allowed within this category to allow for positions that on an aggregate basis offer attractive risk-adjusted return benefits to the overall portfolio. The managers should determine that the securities to be purchased and the strategies to be utilized are suitable for this account.

a) The overall goal of the hedge fund investments are to provide a diversified and uncorrelated investment, which over a full market cycle will be competitive with traditional like-strategies, while exhibiting relatively low correlations to equity and fixed income markets.

b) Hedge Funds include a broad array of strategies, which utilize both liquid and illiquid securities. Hedge Funds have the ability to sell securities short as well as purchase long securities. They may also use options, futures, swaps and other derivatives within their portfolio.

c) The returns of hedge funds are much more manager dependent than is the case for traditional mandates. Therefore, hedge fund managers will have the following allocation limits expressed as a percentage of total fund assets: A broadly diversified allocation, with no more than 50% in any specific strategy and no more than 2% in any given fund as per 840 CMR 19.00. In the case of Fund-of-Funds limitations will apply on a look through basis.

Exclusions

The following categories of securities are not permissible for investment in the Plan without the Board's written approval within the specified individual manager guidelines and exempted under supplemental regulations through 840 CMR 19.00.

a. Investments in Sudan, Northern Ireland and South Africa

b. Unregistered or restricted stock

c. Physical Commodities

d. Derivative investments including: forwards, futures options, warrants, hedging, or structured investments which display derivative like characteristics.

e. Margin buying

f. Short selling

g. Swaps, Scores, Primes

h. The portfolio shall comply at all times with applicable laws and regulations.

i. Direct investment in securities of companies that derive greater than 15% of revenue from the sale of tobacco and tobacco related products.

j. Investment in a pooled (commingled or mutual) fund that has greater than 15% of its securities invested in companies that derive more that 15% of their revenue from tobacco and tobacco related products.

k. Direct purchases of real estate, not including real estate held in managed accounts or within investment partnerships

l. Direct ownership of common stock (please refer to section XVII)

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1. Investment Advisor

An investment advisor or consultant will be employed whose fiduciary responsibilities will be to provide investment advice including: risk/return assumptions on investments, diversification of plan assets so as to minimize the risk within the confinements of the Plan attempting to achieve stated return objectives, and to evaluate, monitor, and report on total portfolio and investment manager returns and compliance to investment policy and guidelines. The investment advisor is responsible for monthly and quarterly reporting.

The advisor shall communicate to the Board:

a. All significant matters pertaining to investment policy and the management of plan assets.

b. Any major changes in manager portfolio structure.

c. Any significant changes on manager ownership, organizational structure, financial condition, or senior personnel staffing.

d. Certified financial statements of the investment managers.

e. Detailed performance measurement and evaluation of total fund as well as manager performance.

f. Should carry error and omissions insurance policy providing a prudent amount of coverage for negligent acts or omissions.

g. Conduct due diligence on each manager.

2. Investment Managers

Managers shall report directly to the Board with council of the Board's Investment Consultant. Every investment manager shall maintain knowledge and shall comply with all applicable laws and rules and regulations, including rules and regulations of any self-regulatory agency of the profession, and the Standards of Conduct of 840 CMR 17.03 and 17.04 and the Code of Ethics of 840 CMR 17.02

Managers shall provide all needed information such as:

a. Major changes in investment outlook.

b. Significant changes in ownership, organizational structure, financial conditions, or senior personnel staffing. Certified financial statements are to be furnished annually.

c. Daily transactions; Monthly valuation and performance reports.

d. The manager is expected to acknowledge in writing its recognition and acceptance of fiduciary responsibility.

e. To have its employees bonded and to carry errors and omissions and/or fiduciary insurance unless otherwise exempted by law or governmental regulation.

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2. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings.
3. Resolve any problems that designated staff may have relating to the custodial account.
4. Safekeeping of securities.
5. Collection of interest and dividends.
6. Daily cash sweep of idle principal and income cash balances.
7. Processing of all investment manager transactions.
8. Collection of proceeds from maturing securities.
9. Disbursement of all income or principal cash balances as directed.
10. Providing monthly statements by investment account and a consolidated statement of all assets.
11. Working with the investment consultant and the Fund accountant to ensure accuracy in reporting.
12. Provide written statements revealing monthly reconciliation of custody and investment managers' accounting statements.
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5. *Delegation of Responsibilities*

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Manager Guidelines	X		X	X	
Manager Selection	X		X		
Performance Evaluation	X		X		
Security Selection	X			X	
Execution of Trades	X			X	X
Collection of Dividends & Interest				X	X
Cash Sweeps				X	X
Recapture Programs				X	
Security Lending					X
Proxy Voting	X			X	
Trading Verification	X			X	X

6. *Legal Counsel*

Legal counsel will be retained by the Trustees to review contracts and to provide overall advice as to fiduciary compliance to regulatory authorities.

XII. STANDARDS OF PERFORMANCE

Standards utilized in evaluating investment performance.

1. The extent to which the total rate of return for the Plan's assets over the next 10 year period equals or exceeds the targeted actuarial rate of return.

2. The extent to which the total rate of return for the Plan's assets over the next 10 year period exceeds the policy benchmark (Attachment B).

3. Comparison of the funds return to a compatible universe of funds allocated in similar weights and with the same goals and objectives.

4. The extent to which return divided by standard deviation (risk adjusted return) exceeds that of the policy benchmark and a comparable universe of funds.

5. Investment performance of various asset classes of securities, excluding private equity, will be compared, on a time weighted basis, with that of unmanaged market indices as well as a sample universe of funds as follows:

a. Total equity performance will be compared with the Russell 3000 Index and with a sample universe of equity funds. Large Cap mandates will also be reviewed relative to the S&P 500 Index and any other style index (Russell 1000 Value or Growth). Likewise, for Small Cap mandates, where the performance benchmark shall be the Russell 2000 and the applicable Value or Growth Benchmark.

b. Fixed income performance will be compared with the Bloomberg Aggregate Bond Index as well as with a sample universe of fixed income funds.

c. International and emerging market equity performance will be compared with the MS EAFE Index for developed and the MS EME Index for emerging equity mandates, as well as a sample universe of international and emerging equity funds.

d. Global Asset Allocation managers and Hedge Fund managers will be evaluated based upon an agreed upon benchmark. Different mandates will require different stated benchmarks as well as a sample universe of funds.

e. Real Estate managers will be evaluated relative to the NCREIF index.

f. Private Equity managers will be evaluated with an Internal Rate of Return (IRR) calculation.

XIII. INVESTMENT TRANSACTIONS

All transactions are to be governed by negotiation for execution on a "best execution basis." The lowest commission cost may not represent the best execution. Investment managers shall be responsible for determining best execution of trades within their assigned portfolio.

XIV. PROXY VOTING

Proxy voting shall be implemented by the manager in compliance to policies established by the manager approved by the Board. The manager is to report on all votes that are cast and the reason behind their decisions on a semi-annual basis. See Attachment “A”.

XV. IMPLEMENTATION

All new moneys invested for the Board by investment managers after the adoption of this investment policy statement shall conform to this statement. To the extent that the Board shall deliver to an investment manager, in cash or kind, or fund assets here to fore invested for them by other investment managers, within 60 days after the delivery of said prior assets by the Board, the entire portfolio managed by the manager shall conform to in all aspects to guidelines established to the investment guidelines established for said manager. Specific manager guidelines shall serve as addenda to the investment policy.

XVI. RECIEPT OF SECURITIES IN-KIND

The Board acknowledges that from time to time, investment managers may distribute shares of securities in-kind, in lieu of cash. It is the Policy of the Board to be fully invested with specialist investment managers and not hold individual securities as part of the investment portfolio.

In the event that an in-kind distribution occurs, the Board will meet to discuss and vote on the sale of shares as soon as feasible upon receipt. The Board Chairman, in consultation with the Board’s investment consultant, custodian bank, legal counsel, and Executive Director, shall be authorized to take all necessary actions to execute the sale of stock or securities. Due to the unpredictable nature of these distributions, meetings can take place in person, by phone or electronically, as needed. In the event a meeting cannot take place or the Board Chairman and/or Vice-Chairman is unavailable, the Board grants the Executive Director the ability to sell the shares immediately.

Following such an event, the Chairman, Vice-Chairman or Director shall report at the next scheduled public meeting of the Board the actions taken to effectuate the sale of stock or securities.

Manager Guidelines Act as Addendum to Policy

Adopted this 30th day of June 2022

Board Members

Name______________________________

Name______________________________

Name______________________________

Name______________________________

Name______________________________

Consultant:

Name______________________________

Approved: June 2022

Attachment "A"
Proxy Voting

The MWRA Employees' Retirement Board has discussed their position as it relates to shareholder proposals in four specific categories: Board Independence, Corporate Governance, Employee Related Proposals, and Executive Compensation. Notwithstanding The fact that The MWRA Employees' Retirement Board has delegated this responsibility to your company as our investment advisor, The Board desires to clarify their position as a matter for the public record.

Board Independence- In an effort to ensure the Board of Directors will perform their oversight function as impartially as possible, the MWRA Employees' Retirement Board favors either a majority of independent directors, an independent board chairman, and/or independent members on [key] committees.

Executive Compensation- It is the position of the MWRA Employees' Retirement Board that Executive Compensation should be tied closely to the performance of the company. **The MWRA Employees' Retirement Board does not favor the practice of compensating board members with pension benefits**. As a Board, we believe excessive compensation for senior executive's impacts productivity and employee morale. We advocate performance based stock options to align compensation interests to company performance, and we endorse the creation of long-term shareholder value through human capital- the skill and commitment of the company workforce.

Corporate Governance- while this category holds a multitude of issues, the MWRA Employees' Retirement Board believes the Corporate Governance of any company should be in the spirit of the previous two categories, but fundamentally in the long- term interests of shareholder value. The issues within this category include:

- Increasing Authorized Common Stock
- Blank-Check Preferred Stock
- Reincorporation
- Poison Pills
- Insider Trading
- Board Size and Composition
- Supermajority Voting Requirements
- Dual Class Voting
- Confidential Voting and Independent Tabulation of the Vote
- Cumulative Voting
- Shareholder's Rights to Call Special Meeting
- Approving Other Business
- Attendance at Meetings
- Stock Options For Bard Members Who are not Employees
- Excessive number of Board Memberships

Employee Related Proposals- The MWRA Employees' Retirement Board supports proposals that align the interest of employees and shareholders. Two key areas are:
Employee Stock Purchase Plans – allowing employees to purchase company stock at a discount supports employee ownership and links the interests of employees of the company with shareholders, benefiting all shareholders in the long run.
High-Performance Workplaces- voting fiduciaries should generally support "high-performance workplace practices" at companies; some such practices are outlined in the Department of Labor's 1994 report, "Road to High-Performance Workplaces". Voting fiduciaries should review these proposals and ensure that they do not unduly interfere with the company's operation.

Approved: June 2022

Attachment "B"
Asset Allocation

Asset Class	% Allocated	Corresponding Index
US Equity	**31**	**Russell 3000**
Large Cap	*24*	*S&P 500*
Small Cap	*7*	*Russell 2000*
Non-US Equity	**19**	**MSCI ACWI Ex. US**
Developed International	*12*	*MSCI EAFE*
Emerging Equity	*7*	*MSCI EME*
Fixed Income*	20	Bloomberg Aggregate
Real Estate	12	NCRIEF Property Index
Private Equity	12	CA All US Private Equity
Hedge Funds/Absolute Return	6	HFRI Hedge Fund of Funds
Global Asset Allocation	0	TBD, based on hired manager (See Policy Index)

**Core bonds, credit, high yield, TIPS and non-U.S. bond holdings*

Asset Class	Minimum Exposure	Maximum Exposure
US Equity	20%	45%
Domestic Bonds	15%	40%
International Stocks	15%	30%
Real Estate (Equity)	0%	18%
Private Equity	0%	18%
Hedge Funds/Absolute Return	0%	10%
Global Asset Allocation	0%	10%
Cash	0%	10%

Policy benchmark (Effective July 1, 2022): 12% Cambridge All US Private Equity (as proxy for private equity allocation), 12% NCREIF Property Index, 19% Morgan Stanley ACWI Ex. US, 31% Russell 3000, 20% Bloomberg Aggregate Bond Index, 6% HFRI Fund of Funds (as a proxy for Hedge Funds).