NORWALK
The Sound of Connecticut

To: Norwalk Municipal Employees' Pension Board

From: Tina Fogell, Chief Human Resources Officer

Date: May 8, 2023

Subject: Disability Pension Committee – Wednesday, May 10, 2023 – Hybrid meeting

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A meeting of the Norwalk Municipal Employees' Pension Board – Disability Committee will be held on **Wednesday, May 10, 2023 at 5:55p.m.,** via zoom / Room 220.

To allow public access, anyone may access a meeting by telephone, Zoom, and/or the City of Norwalk YouTube channel. Specific instructions and links can be found at norwalkct.org/meetings

AGENDA

1. Call to Order and Approval of Minutes from April 12, 2023

2. Approval of Disability Pension Application - Resubmission

3 Adjourn

cc: Mayor Harry Rilling
Irene Dixon, City Clerk
Britton Murdoch, Callan Associates Inc.
Kevin Schmidt, Callan Associates Inc.
Billy Ireland, Fire Union President

CITY OF NORWALK
NORWALK MUNICIPAL EMPLOYEES PENSION BOARD
DISABILITY COMMITTEE
REGULAR MEETING
APRIL 12, 2023
VIA TELECONFERENCE

ATTENDANCE: Frank Nash, Chair; Richard Baskin, James Hendrickson, Charles Pirro

OTHERS: Chitsamay Lam, Comptroller; Geri DiStefano, Benefits Manager; Tina Fogell

Mr. Nash did not call the meeting to order in public session at the scheduled time of 5:50 p.m.

Ms. Lam announced that this portion of sub-committee meeting would not be recorded. She asked those that had joined in to the Teleconference to wait that the recording would be paused until approximately 6:00 p.m.

CALL TO ORDER

The meeting was called to order at 6:25 p.m.

Approval of Minutes – December 9, 2020

** MR. HENDRICKSON MOVED TO APPROVE MINUTES OF THE MEETING OF DECEMBER 9, 2020 AS PRESENTED.
** MR. PIRRO SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.

Ms. DiStefano presented the following pension application:

APPROVAL OF DISABILITY PENSION APPLICATIONS

MEETING OF: April 12, 2023

Name	Years of Service	Age	Type of Pension	Option Selected
Lawrence Taylor Dept. of Public Works Maintainer III Commencement Date	17 Years, 1 Month October 12, 2022	57	Disability	Standard

** MR. PIRRO MOVED TO APPROVE THE PENSION AS PRESENTED.
** MR. HENDRICKSON SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.

** MR. HENDRICKSON MOVED TO ADJOURN THE MEETING.
** MR. PIRRO SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 6:28 p.m.

Respectfully Submitted,

M. Knox
Telesco Secretarial Services.

APPROVAL OF DISABILITY PENSION APPLICATIONS

MEETING OF: **April 12, 2023** –Resubmitted on MAY 10, 2023

Name	Years of Service	Age	Type of Pension	Option Selected
Lawrence Taylor Dept. of Public Works Maintainer III Commencement Date	17 Years, 1 Month October 12, 2022	57	Disability	Standard

NORWALK
The Sound of Connecticut

To: Norwalk Municipal Employees' Pension Board

From: Tina Fogell, Chief Human Resources Officer

Date: May 5, 2023

Subject: Pension Board Meeting – Wednesday, May 10, 2023 - Hybrid meeting

A meeting of the Norwalk Municipal Employees' Pension Board will be held on **Wednesday, May 10, 2023 at 6:00 p.m.,** via zoom / Room 220.

To allow public access, anyone may access a meeting by telephone, Zoom, and/or the City of Norwalk YouTube channel. Specific instructions and links can be found at norwalkct.org/meetings

AGENDA

1. Call to Order and Approval of Minutes from April 12, 2023

2. Public Comments

3. Approval of Pension Applications

4. Principal Dynamic Growth Portfolio Review

5. Performance Review

6. Cash Needs Discussion

7. Adjourn

Next meeting scheduled for June 14, 2023.

cc: Mayor Harry Rilling
Irene Dixon, City Clerk
Britton Murdoch, Callan Associates Inc.
Kevin Schmidt, Callan Associates Inc.
Billy Ireland, Fire Union President
Al Palumbo, NASA President

CITY OF NORWALK
NORWALK MUNICIPAL EMPLOYEES PENSION BOARD
REGULAR MEETING
APRIL 12, 2023
VIA TELECONFERENCE

ATTENDANCE: Frank Nash, Chair; Richard Baskin, James Hendrickson, Charles Pirro.

STAFF: Chitsamay Lam, Comptroller; Henry Dachowitz, Director of Finance, Geri DiStefano, Benefits Manager; Tina Fogell

OTHERS:
Callan ~~Associates~~LLC: Britton Murdoch, Kevin Schmidt, Patrick Wisdom
Cavanaugh MacDonald: Ed Koebel, Ben Mobley

CALL TO ORDER

Mr. Nash called the meeting to order at 6:33 p.m. A quorum was present.

APPROVAL OF MINUTES - March 8, 2023

Mr. Hendrickson noted his name was misspelled as Henderson and requested corrections to be made throughout the sets of minutes.

** MR. PIRRO MOVED TO APPROVE THE MINUTES FROM THE MEETING OF MARCH 8, 2023 AS PRESENTED.
** MR. HENDRICKSON SECONDED.
** MOTION PASSED UNANIMOUSLY.

PUBLIC COMMENT

There was no one present who wished to comment at this time.

APPROVAL OF PENSION APPLICATIONS

Ms. DiStefano presented the following application to the Board Members and fielded questions and comments.

APPROVAL OF PENSION APPLICATIONS

MEETING OF April 12, 2023

Name	Years of Service	Type of Pension	Option Selected
Lynn Sadlon Board of Education FRC Site Coordinator/Outreach Wrk. Commencement Date	23 Years, 7 Months April 18, 2023	Regular	Standard

** MR. PIRRO MOVED TO APPROVE THE ABOVE PENSION AS SUBMITTED
** MR. HENDRICKSON SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.

ACTUARY PRESENTATION

Mr. Nash introduced members of Cavanaugh MacDonald Actuarial Firm who presented the Actuary Study.

Mr. Koebel gave an overview of the background and objectives of the study as it relates to the investment return strategy and using the market value of assets as the assessment base for the fund. He presented the study as contained in the agenda packet and highlighted key measures and findings of the study. Questions and comments from the Board members were fielded throughout the presentation.

PERFORMANCE REVIEW

Mr. ~~Murdoch~~ Schmidt provided a market update and Mr. Murdoch reviewed investment performance for the period ending February 28, 2023. He referred to the documents and reports as contained in the agenda packet and summarized the performance by asset class. Questions and comments from the Board members were fielded throughout the presentation.

It was noted that ~~a Manager Review for~~ Principal Dynamic Growth (Formerly Columbus Circle) is scheduled to present a portfolio review at~~is on the agenda for~~ next month's meeting.

Ms. Lam mentioned that the need for $3 million cash for pension disbursements in June 2023. There was a discussion on where to take this, and it was decided that Callan would present a recommendation at the May meeting on where to raise cash from. ~~was agreed to wait until next month's meeting.~~

It was noted that the next meeting is May 10, 2023.

** MR. HENDRICKSON MOVED TO ADJOURN THE MEETING.
** MR. PIRRO SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 7:32 p.m.

Respectfully Submitted,

M. Knox
Telesco Secretarial Services.

APPROVAL OF PENSION APPLICATIONS

MEETING OF: May 10, 2023

Name	Years of Service	Type of Pension	Option Selected
Nancy Griffin Board of Education Nurse Commencement Date	15 Years, 8 Months April 29, 2023	Regular	Standard
David Rauscher Dept. of Public Works Class I Mechanic Commencement Date	26 Years, 4 Months May 13, 2023	Regular	Option 2
Kathleen Rauscher Library Library Assistant Commencement Date:	13 Years, 7 Months May 13, 2023	Regular	Option 2

Callan

March 31, 2023

City of Norwalk
OPEB Monthly Report

Investment Measurement Service
Monthly Review

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City of Norwalk
March 31, 2023

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2023, with the distribution as of February 28, 2023. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2023					February 28, 2023		
	Market Value	Weight	Target	Net New Inv.	Inv. Return	Market Value	Weight	Target
Total Equity	**$82,356,667**	**65.61%**	**68.00%**	**$0**	**$2,110,818**	**$80,245,849**	**65.42%**	**68.00%**
Domestic Equity	**$51,521,983**	**41.04%**	**41.00%**	**$0**	**$1,321,864**	**$50,200,119**	**40.92%**	**41.00%**
Vanguard Total Stock Market	51,521,983	41.04%		0	1,321,864	50,200,119	40.92%	
International Equity	**$30,834,684**	**24.56%**	**27.00%**	**$0**	**$788,954**	**$30,045,730**	**24.49%**	**27.00%**
Vanguard Total Int'l. Stock	30,834,684	24.56%		0	788,954	30,045,730	24.49%	
Fixed Income	**$22,797,260**	**18.16%**	**20.00%**	**$0**	**$592,079**	**$22,205,181**	**18.10%**	**20.00%**
Metropolitan West Fund	8,642,761	6.88%		0	245,415	8,397,346	6.85%	
Prudential Cons Core Bond Fnd	14,154,500	11.28%		0	346,664	13,807,836	11.26%	
Liquid Real Assets	**$14,319,692**	**11.41%**	**12.00%**	**$0**	**$141,137**	**$14,178,555**	**11.56%**	**12.00%**
PIMCO All Assets	14,319,692	11.41%		0	141,137	14,178,555	11.56%	
Cash	**$6,058,782**	**4.83%**	**0.00%**	**$(4,474)**	**$23,489**	**$6,039,767**	**4.92%**	**0.00%**
Residual Cash	6,058,782	4.83%		(4,474)	23,489	6,039,767	4.92%	
Total Fund	**$125,532,401**	**100.0%**	**100.0%**	**$(4,474)**	**$2,867,524**	**$122,669,351**	**100.0%**	**100.0%**

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended March 31, 2023. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2023

	Fiscal YTD	Last 12 Months	Last 36 Months	Last 60 Months	Last 84 Months
Total Equity	**9.63%**	**(7.22%)**	**16.14%**	**7.32%**	**9.66%**
Domestic Equity	**9.70%**	**(8.77%)**	**18.36%**	**10.37%**	**11.93%**
Vanguard Total Stock Market (2)	9.70%	(8.77%)	18.36%	10.37%	11.93%
CRSP U.S. Total Market Index	9.71%	(8.77%)	18.37%	10.37%	11.94%
Russell 3000 Index	9.75%	(8.58%)	18.48%	10.45%	11.99%
International Equity	**9.48%**	**(4.60%)**	**12.70%**	**2.53%**	**6.05%**
Vanguard Total Int'l. Stock (3)	9.48%	(4.60%)	12.70%	2.53%	6.05%
Gl All Cap ex US Index	9.95%	(5.40%)	12.79%	2.91%	6.32%
Fixed Income	**0.10%**	**(5.09%)**	**(2.49%)**	**1.03%**	**1.07%**
Metropolitan West Fund	(0.09%)	(5.79%)	(2.30%)	1.14%	1.13%
Prudential Cons Core Bond Fnd	0.19%	(4.69%)	(2.59%)	0.98%	0.94%
Blmbg Aggregate Index	(0.09%)	(4.78%)	(2.77%)	0.91%	0.88%
Liquid Real Assets	**3.90%**	**(6.68%)**	**10.87%**	**4.00%**	**-**
PIMCO All Asset Fund	3.90%	(6.68%)	10.87%	4.00%	5.94%
Blmbg US TIPS 1-10	0.52%	(2.92%)	2.89%	3.18%	2.53%
Cash	**2.17%**	**2.31%**	**0.82%**	**1.32%**	**1.16%**
Residual Cash	2.17%	2.31%	0.82%	1.32%	1.16%
3-month Treasury Bill	2.40%	2.50%	0.89%	1.41%	1.21%
Total Fund	**6.76%**	**(6.95%)**	**11.47%**	**5.79%**	**7.33%**
Total Fund Benchmark (1)	6.93%	(5.88%)	10.32%	5.94%	7.07%
Annual Discount Rate:6.5%					

*Fiscal year starts 7/1 and ends 6/30.
(1) Current Total Fund Custom Benchmark = 41.0% Russell 3000 Index, 27.0% MSCI ACWI xUS, 20.0% Blmbg Aggregate and 12.0% Blmbg TIPS 1-10 Yr.
(2) On October 27, 2014 switched from Signal Shares to Admiral Shares, On November 14th, 2014 switched to Institutional Shares
(3) On November 14, 2014 switched from Admiral Shares to Institutional Shares

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Callan

March 31, 2023

City of Norwalk
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Investment Manager Asset Allocation

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Asset Distribution Across Investment Managers

	March 31, 2023					February 28, 2023		
	Market Value	**Weight**	**Target**	**Net New Inv.**	**Inv. Return**	**Market Value**	**Weight**	**Target**
Total Equity	**$316,508,016**	**67.71%**	**69.00%**	**$(389,574)**	**$1,773,116**	**$315,124,475**	**67.66%**	**69.00%**
U.S. Equity	**$157,282,550**	**33.65%**	**35.00%**	**$(39,547)**	**$1,915,211**	**$155,406,885**	**33.37%**	**35.00%**
BR Russell 1000 Index Non-Lend	114,774,618	24.55%		0	3,521,898	111,252,720	23.89%	
LSV	21,634,098	4.63%		(39,547)	(1,563,376)	23,237,021	4.99%	
Principal Dynamic Growth	20,873,834	4.47%		0	(43,310)	20,917,144	4.49%	
International Equity	**$106,487,674**	**22.78%**	**23.00%**	**$(37,247)**	**$(141,909)**	**$106,666,830**	**22.90%**	**23.00%**
Developed Markets	**$87,613,278**	**18.74%**	**-**	**$(37,247)**	**$(873,691)**	**$88,524,216**	**19.01%**	**-**
Artisan Trust	-	-		(30,678,310)	(1,578,945)	32,257,255	6.93%	
Silchester	56,934,968	12.18%		(37,247)	705,254	56,266,961	12.08%	
Walter Scott	30,678,310	6.56%		30,678,310	0	-	-	
Emerging Markets	**$18,874,397**	**4.04%**	**-**	**$0**	**$731,782**	**$18,142,615**	**3.90%**	**-**
BlackRock EM Alpha Tilts	18,874,397	4.04%		0	731,782	18,142,615	3.90%	
Global Equity/Long Short	**$29,684,860**	**6.35%**	**8.00%**	**$0**	**$(187)**	**$29,685,047**	**6.37%**	**8.00%**
ABS Global	19,735,036	4.22%		0	84,941	19,650,095	4.22%	
Blackstone Park Ave. NT	9,949,824	2.13%		0	(85,128)	10,034,952	2.15%	
Private Equity*	**$23,052,932**	**4.93%**	**3.00%**	**$(312,780)**	**$0**	**$23,365,712**	**5.02%**	**3.00%**
Pantheon USA IV	178,762	0.04%		0	0	178,762	0.04%	
Pantheon USA VI	153,054	0.03%		0	0	153,054	0.03%	
Pantheon USA VII	711,563	0.15%		(29,999)	0	741,562	0.16%	
Pantheon Europe Fund V A	408,743	0.09%		(28,000)	0	436,743	0.09%	
Pantheon Global Fund III	59,086	0.01%		0	0	59,086	0.01%	
Pantheon US Select 2014	21,541,724	4.61%		(254,781)	0	21,796,505	4.68%	
Domestic Fixed-Income	**$85,236,571**	**18.23%**	**19.00%**	**$0**	**$2,223,111**	**$83,013,460**	**17.82%**	**19.00%**
Prudential Cons Core Bond	37,688,888	8.06%		0	914,459	36,774,429	7.90%	
Metropolitan West CIT	47,547,683	10.17%		0	1,308,652	46,239,031	9.93%	
Absolute Return	**$27,480,047**	**5.88%**	**4.00%**	**$0**	**$124,578**	**$27,355,469**	**5.87%**	**4.00%**
UBS AIS	27,480,047	5.88%		0	124,578	27,355,469	5.87%	
Real Assets	**$35,182,114**	**7.53%**	**6.00%**	**$0**	**$346,761**	**$34,835,354**	**7.48%**	**6.00%**
PIMCO All Asset	35,182,114	7.53%	6.00%	0	346,761	34,835,354	7.48%	6.00%
Cash	**$3,035,944**	**0.65%**	**2.00%**	**$(2,425,189)**	**$20,924**	**$5,440,208**	**1.17%**	**2.00%**
Cash Account	3,035,944	0.65%		(2,425,189)	20,924	5,440,208	1.17%	
Total Fund	**$467,442,693**	**100.0%**	**100.0%**	**$(2,814,763)**	**$4,488,490**	**$465,768,965**	**100.0%**	**100.0%**

*Market values are preliminary and adjust for asset flows.

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended March 31, 2023. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2023

	Fiscal YTD	Last 12 Months	Last 36 Months	Last 60 Months	Last 84 Months
Total Equity	**8.31%**	**(5.58%)**	**15.11%**	**6.89%**	**8.76%**
U.S. Long Equity	**9.42%**	**(8.76%)**	**19.94%**	**10.19%**	**11.89%**
Russell 3000 Index	9.75%	(8.58%)	18.48%	10.45%	11.99%
BR Russell 1000 Index Non-Lendable	9.94%	(8.39%)	18.56%	10.88%	12.22%
Russell 1000 Index	9.93%	(8.39%)	18.55%	10.87%	12.23%
LSV	8.06%	(3.70%)	28.74%	5.05%	7.62%
Russell 2000 Value Index	2.74%	(12.96%)	21.01%	4.55%	7.86%
Principal Dynamic Growth	8.06%	(14.86%)	21.50%	12.48%	16.31%
Russell 2500 Growth Index	11.43%	(10.35%)	14.75%	6.82%	10.39%
International Equity	**10.69%**	**(2.73%)**	**11.05%**	**2.33%**	**5.69%**
MSCI ACWI ex US Index	10.38%	(4.57%)	12.32%	2.97%	6.37%
Developed Markets	**12.83%**	**(0.86%)**	**11.74%**	**3.14%**	**6.16%**
MSCI EAFE Index	15.36%	(1.38%)	12.99%	3.52%	6.21%
MSCI EAFE Gr w/ gr div	17.17%	(2.45%)	11.30%	5.26%	7.35%
Silchester	13.89%	1.42%	14.72%	3.33%	7.03%
MSCI EAFE Val Idx	13.81%	(0.31%)	14.58%	1.75%	5.13%
Emerging Markets	**2.33%**	**(10.01%)**	**8.29%**	**(1.05%)**	**3.71%**
BlackRock EM Alpha Tilts	2.33%	(10.01%)	8.29%	-	-
MSCI Emerging Mkts Idx	1.17%	(10.30%)	8.23%	(0.53%)	5.31%
Global Equity/Long Short	**2.43%**	**(3.28%)**	**6.74%**	**3.23%**	**4.23%**
HFRI FOF: Strategic Index	2.26%	(4.70%)	7.34%	2.29%	3.89%
ABS Global	3.38%	(2.32%)	6.86%	3.35%	4.54%
MSCI World Index	10.93%	(7.02%)	16.40%	8.01%	9.74%
Blackstone Park Ave. NT	0.85%	(4.84%)	5.86%	2.66%	3.70%
S&P 500 Index	9.98%	(7.73%)	18.60%	11.19%	12.42%
Private Equity(1)	**(0.78%)**	**(2.23%)**	**23.46%**	**16.91%**	**14.59%**
Pantheon USA IV	(1.24%)	(1.24%)	2.15%	1.80%	2.61%
Pantheon USA VI	0.62%	(0.48%)	(9.53%)	(8.87%)	(4.06%)
Pantheon USA VII	(3.27%)	(8.30%)	18.71%	10.16%	11.25%
Pantheon Europe Fund V A	(3.94%)	(9.07%)	14.46%	14.07%	10.13%
Pantheon Global Secondary Fund III	(1.10%)	(1.73%)	(1.09%)	0.98%	2.06%
Pantheon US Select 2014	(0.66%)	(1.88%)	25.68%	21.01%	19.20%
Private Equity Benchmark(2)	(0.78%)	(2.23%)	23.46%	16.91%	14.59%

*Fiscal year starts 7/1 and ends 6/30.
(1) Private Equity has a 1 quarter lag in valuation.
(2) Private Equity benchmark is a composite of Private Equity performance.

Investment Manager Returns

The table below details the rates of return for the fund's investment managers over various time periods ended March 31, 2023. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2023

	Fiscal YTD	Last 12 Months	Last 36 Months	Last 60 Months	Last 84 Months
Domestic Fixed Income	**0.10%**	**(5.25%)**	**(2.41%)**	**1.05%**	**1.04%**
Prudential Cons Core Bond	0.24%	(4.66%)	(2.55%)	0.85%	0.88%
Metropolitan West Fund (2)	(0.00%)	(5.71%)	(2.27%)	1.16%	1.14%
Blmbg Aggregate Index	(0.09%)	(4.78%)	(2.77%)	0.91%	0.88%
Absolute Return	**4.29%**	**7.04%**	**9.12%**	**5.79%**	**5.21%**
UBS AIS	4.29%	7.04%	9.12%	5.79%	5.21%
HFRI FOF: Conservative Index	2.47%	0.72%	7.59%	3.91%	4.04%
Real Assets	**3.90%**	**(6.68%)**	**10.86%**	**4.15%**	**7.02%**
PIMCO All Asset Fund	3.90%	(6.68%)	10.87%	4.00%	5.94%
Blmbg US TIPS 1-10	0.52%	(2.92%)	2.89%	3.18%	2.53%
Cash	**2.77%**	**2.98%**	**1.18%**	**1.63%**	**1.43%**
Cash	2.77%	2.98%	1.18%	1.63%	1.43%
3-month Treasury Bill	2.40%	2.50%	0.89%	1.41%	1.21%
Total Fund	**6.15%**	**(4.82%)**	**10.77%**	**5.45%**	**6.85%**
Total Fund Custom Benchmark (1)	6.13%	(5.28%)	9.57%	5.68%	6.76%

Annual Discount Rate:6.625%

*Fiscal year starts 7/1 and ends 6/30.
(1) The Total Fund Custom Benchmark is 35.0% Russell 3000 Index, 23.0% MSCI ACWI ex-US, 19.0% Bloomberg Aggregate Index 3.0% Norwalk Private Equity, 8.0% HFRI FOF Strategic, 6.0% Bloomberg US TIPS 1-10 Year Index, 4.0% HFRI FOF Conservative, 2% 3-month Treasury Bill.
(2) On August 24, 2022 switched from Mutual Fund to CIT.

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Past performance is no guarantee of future results.

City of Norwalk Employees' Pension Plan

May 10, 2023

Christopher T. Corbett, CFA

Marc R. Shapiro

Maureen Hays

Principal Asset Management[SM]

Actively invested.

As a global leader in asset management, we are focused on harnessing the potential of every opportunity to secure an advantage for our clients.

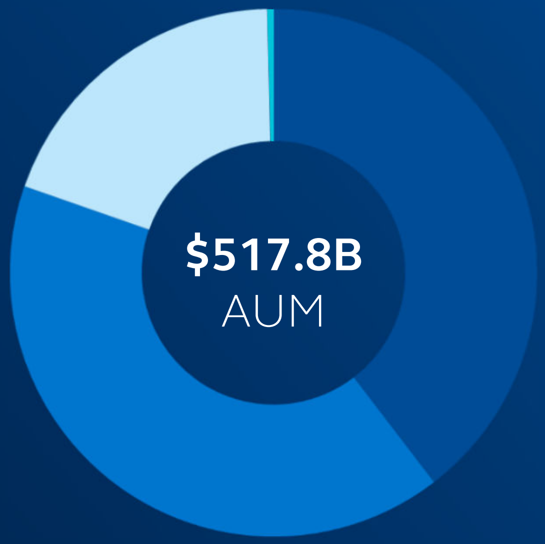
ABOUT PRINCIPAL ASSET MANAGEMENT

23rd largest manager of worldwide institutional assets.[1]

11-year winner of Pensions & Investments' annual Best Places to Work in Money Management, earning a spot every year since the program launched.[2]

A fiduciary with disciplined processes, specialized expertise across asset classes, and global investment capabilities in both public and private markets.

Principal Asset Management



- 39.6% Fixed Income
- 40.7% Equities
- 19.3% Real Estate
- 0.4% Alternatives

As of March 31, 2023. See Important Information page for AUM description. Due to rounding, figures and percentages shown may not add to the totals or equal 100%. [1]Managers ranked by total worldwide institutional assets as of 31 December 2021 "Largest Money Managers," PENSIONS & INVESTMENTS, 31 December 2021. [2]Pensions & Investments, "The Best Places to Work in Money Management" among companies with 1,000 or more employees, December 2022.

Principal Dynamic Growth team

Christopher T. Corbett, CFA
Portfolio Manager,
Sr. Managing Director
28 years experience
17 years firm tenure

Marc R. Shapiro
Portfolio Manager,
Managing Director
20 years experience
19 years firm tenure

Peter W. Hermann, Jr.
Research Analyst
36 years experience
14 years firm tenure

Elisa Trelewicz
Research Analyst
22 years experience
22 years firm tenure

Stuart Hemesath, CFA
Research Analyst
14 years experience
6 years firm tenure

Kelsey Petrich
Research Analyst
12 years experience
3 years firm tenure

Principal Asset Management centralized platforms

Global Equity Trading Desk
(10 experienced traders)

Investment Operations,
Compliance/Risk, Legal,
Human Resources, Finance

Relationship management, Client Reporting, Marketing, Distribution

Melinda Hanrahan
COO, Global Equities
34 years industry exp.
34 firm tenure

Scott Leiberton, CFA
Sr. Equities Port. Specialist
34 years industry exp.
24 firm tenure

As of 31 March 2023.

Team background

Highly specialized investment team focused exclusively on high growth U.S. small & mid cap equity investing (aka "Dynamic Growth").

Portfolio managers, Corbett and Shapiro, have worked together under the same time-tested process for 18 years and have 46 years combined experience.

Team history and philosophy trace to early pioneers of growth investing[1] including small cap since 1987, mid cap since 1993, and SMID since 2003.

Non-investment functions fully integrated within Principal for maximum depth of support and resources.

$1.1 billion in assets under management. Ample capacity and team access.

As of 31 March 2023.

[1] Formerly the Small/MidCap team of Columbus Circle Investors.

Why Principal Dynamic Growth

Key differentiators

MOMENTUM AND SURPRISE

- Invest in good companies getting stronger (fundamental momentum) and exceeding investor expectations (positive surprise)
- Experience in distilling fundamental drivers of a company into 3-5 key essential story elements (ESEs)
- Evidence-based decision making – continuous monitoring of fundamental change versus expectations drives timely, unemotional, and repeatable investment process

THEMATIC AND TECHNICAL OVERLAY

- Themes share common sources of positive surprise and are additive to traditional GICS sector diversification approach
- Portfolio technical analysis confirms conviction, identifies short-term dislocations, and exploits alpha generation opportunities

REPEATABLE OUTCOMES

- Quarterly report cards of portfolio holdings help to validate consistency of absolute and relative positive momentum and positive surprise
- Consistent positive EPS revisions relative to the investable universe

It's easier to identify change than to value a stock

Information is provided solely for general illustrative purposes of Principal Dynamic Growth investment process. Investment guidelines are subject to change. You should not make any investment assumptions based solely on the information contained herein.

Investment philosophy

Invest in **good companies getting stronger**

FUNDAMENTAL **MOMENTUM**

+

Invest in companies that are **exceeding investors' expectations**

POSITIVE **SURPRISE**

Investment process

NEW IDEA

IDENTIFY
key ESE's

DETERMINE
consensus expectations

COMPARE
to new data

Economic & Secular trends

KEY FACTORS

Industry & Company specific

Company management

Wall Street

Competitors/suppliers

Trade press

OWN and **BUY** companies exceeding expectations

AVOID or **SELL** companies that fall short of consensus expectations

Monitor continuously

Essential Story Elements (ESEs)

Sources of fundamental change

COMPANY SPECIFIC

- New products and services
- Market share gains
- Mix change
- Sales price
- Input costs
- Management change
- Acquisitions and restructuring

ENVIRONMENT

- **Secular trends:** digitization/ electrification of Industries, alternative energy, cloud computing, internet commerce, 5G
- **Industry:** supply/demand, competitive structure, regulation
- **Economic trends:** monetary/fiscal policy, business cycle

Performance

As of 31 March 2023

Annualized returns	3 Mos.	1YR	3YR	5YR	7YR	10YR	Since inception*
City of Norwalk Employees' Pension Plan (gross)	6.62%	-14.70%	22.09%	12.84%	16.59%	13.93%	14.74%
Russell 2500 Growth Index	6.54%	-10.35%	14.75%	6.82%	10.39%	10.04%	10.71%
Excess return	0.08%	-4.35%	7.35%	6.03%	6.21%	3.88%	4.04%
City of Norwalk Employees' Pension Plan (net)	6.40%	-15.42%	21.07%	11.89%	15.61%	12.97%	13.78%

Calendar year returns	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013*
City of Norwalk Employees' Pension Plan (gross)	-29.75%	11.49%	84.46%	26.72%	-1.73%	37.41%	4.39%	0.52%	3.65%	43.58%
Russell 2500 Growth Index	-26.21%	5.04%	40.47%	32.65%	-7.47%	24.46%	9.73%	-0.19%	7.05%	36.30%
Excess return	-3.54%	6.45%	43.99%	-5.93%	5.74%	12.95%	-5.34%	0.71%	-3.40%	7.28%
City of Norwalk Employees' Pension Plan (net)	-30.34%	10.56%	82.74%	25.61%	-2.53%	36.19%	3.49%	-0.28%	2.78%	41.46%

Portfolio market value: USD$20,873,833.78

*Inception Date: 7 January 2013

As of 31 March 2023. Periods greater than one year are annualized. Past performance is not indicative of future performance. All performance figures include dividends and income.

Performance attribution — sector

Three months as of 31 March 2023

Attribution analysis

	Portfolio weight	Portfolio return	Benchmark[1] weight	Benchmark[1] return	Allocation effect	Selection + interaction	Total effect
Consumer Discretionary	21.22	22.85	12.78	12.10	0.44	2.09	2.53
Information Technology	23.36	16.30	22.16	12.59	0.11	0.83	0.93
Real Estate	0.84	5.28	2.60	3.91	0.03	0.10	0.12
Financials	4.84	5.90	7.13	2.70	0.08	0.01	0.10
Utilities	--	--	1.23	4.04	0.03	--	0.03
Consumer Staples	6.28	8.57	3.92	9.85	0.06	-0.04	0.02
Energy	4.31	-16.63	5.52	-12.03	0.15	-0.17	-0.02
Materials	1.14	-1.69	5.21	6.67	-0.01	-0.12	-0.13
Communication Services	0.10	-7.87	1.92	14.11	-0.08	-0.14	-0.22
Industrials	18.53	4.79	18.84	7.95	-0.01	-0.55	-0.57
Health Care	15.29	-13.22	18.68	1.58	0.16	-2.65	-2.49
Cash	4.10	1.15	--	--	-0.26	--	-0.26
Total	**100.00**	**6.62**	**100.00**	**6.54**	**0.70**	**-0.66**	**0.08**

Source: FactSet. [1]Russell 2500 Growth Index. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.

Performance attribution – top contributors/detractors

Three months as of 31 Mach 2023

Five largest contributors	Sector	Portfolio weight	Portfolio return	Total contribution
On Holding AG	Consumer Discretionary	1.69	79.79	1.18
Allegro MicroSystems, Inc.	Information Technology	1.54	57.50	0.77
Lattice Semiconductor Corporation	Information Technology	1.92	47.19	0.72
Exact Sciences Corporation	Health Care	2.47	38.50	0.69
Floor & Decor Holdings Inc	Consumer Discretionary	1.52	36.17	0.68

Five largest detractors	Sector	Portfolio weight	Portfolio return	Total contribution
United Therapeutics Corporation	Health Care	2.01	-25.22	-0.51
Credo Technology Group Holding Ltd.	Information Technology	0.42	-49.39	-0.47
Matador Resources Company	Energy	2.81	-16.50	-0.45
Silk Road Medical, Inc.	Health Care	1.30	-31.51	-0.44
SVB Financial Group	Financials	0.46	-40.00	-0.44

Source: FactSet. It should not be assumed that securities identified above will prove to be profitable . Any reference to a specific investment or security does not constitute a recommendation to buy, sell, or hold such investment or security. Contributors and detractors do not represent all the securities purchased, sold, or recommended for advisory clients during the quarter. A list of recommendations made, and every holding's contribution to the representative account for the strategy during the past twelve months is available upon request. It should not be assumed that recommendations made in the future will be profitable or equal the performance of the securities listed.

City of Norwalk Employees' Pension Plan

Performance attribution — sector

One year ending 31 December 2022

	Portfolio weight	Portfolio return	Benchmark[1] weight	Benchmark[1] return	Allocation effect	Selection + interaction	Total effect
					Attribution analysis		
Consumer Staples	6.77	9.73	3.40	-12.27	0.25	1.13	1.38
Real Estate	--	--	2.80	-32.15	0.17	--	0.17
Utilities	--	--	0.89	-13.10	-0.05	--	-0.05
Energy	4.46	39.01	4.44	39.55	0.12	-0.27	-0.15
Financials	4.00	-27.76	6.46	-22.99	0.00	-0.18	-0.17
Consumer Discretionary	13.08	-31.96	13.66	-30.82	0.04	-0.22	-0.18
Communication Services	3.29	-40.24	2.05	-37.11	-0.05	-0.35	-0.40
Industrials	15.60	-26.26	16.79	-21.79	-0.06	-0.61	-0.66
Health Care	23.99	-33.54	20.02	-31.57	0.07	-0.93	-0.86
Materials	3.47	-45.33	4.34	-16.69	0.32	-1.26	-0.94
Information Technology	21.56	-39.94	25.12	-30.15	-0.04	-2.58	-2.61
Cash	3.79	1.99	--	--	0.78	--	0.78
Residual*		0.17					0.17
Total	**100.00**	**-29.75**	**100.00**	**-26.21**	**1.55**	**-5.26**	**-3.54**

Source: FactSet. [1]Russell 2500 Growth Index. . *Residual reflects differences in withholding tax and non-trade related transactions. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.

SMID GROWTH EQUITY REPRESENTATIVE PORTFOLIO

Thematic diversification: built bottom up

Healthcare

Drugs/Biotech - Earlier Stage
Prothena Corp. Plc (PRTA)

Healthcare Services
Charles River Laboratories Intl. (CRL)

Life Science Tools/Diagnostics
Exact Sciences Corporation (EXAS)
Natera, Inc. (NTRA)

Medical Products
Inspire Medical Systems, Inc. (INSP)
Insulet Corporation (PODD)

Value-Based Care
agilon health inc (AGL)
Evolent Health Inc Class A (EVH)

Financials

Banking
MarketAxess Holdings Inc. (MKTX)
PennyMac Financial Services, Inc. (PFSI)

Insurance
Kinsale Capital Group, Inc. (KNSL)

Consumer

Brand Exploitation - Retail
Academy Sports and Outdoors (ASO)
Deckers Outdoor Corporation (DECK)
e.l.f. Beauty, Inc. (ELF)
Floor & Decor Holdings, Inc. (FND)
Foot Locker, Inc. (FL)
On Holding AG Class A (ONON)

Brand Exploitation – Discount Retail/Staples
BellRing Brands, Inc. (BRBR)
BJ's Wholesale Club Holdings, Inc. (BJ)
Celsius Holdings, Inc. (CELH)
Five Below, Inc. (FIVE)
Freshpet Inc (FRPT)
Lamb Weston Holdings, Inc. (LW)

Education
Grand Canyon Education, Inc. (LOPE)

Homebuilders/Building Products
A. O. Smith Corporation (AOS)
AZEK Co., Inc. Class A (AZEK)
Meritage Homes Corporation (MTH)

Restaurants/Leisure/Entertainment
Hyatt Hotels Corporation (H)
Wingstop, Inc. (WING)
Xponential Fitness, Inc. Class A (XPOF)

Real Estate
Zillow Group, Inc. Class A (ZG)

Internet Commerce
DoubleVerify Holdings, Inc. (DV)

Technology

Autonomation
Applied Industrial Technologies (AIT)
Lincoln Electric Holdings, Inc. (LECO)
UiPath, Inc. Class A (PATH)

Electric Vehicles/Autonomous Driving
BorgWarner Inc. (BWA)
Visteon Corporation (VC)

Internet of Things
Impinj, Inc. (PI)

SaaS – Applications
Bentley Systems, Incorporated (BSY)
Freshworks, Inc. Class A (FRSH)
HubSpot, Inc. (HUBS)
Manhattan Associates, Inc. (MANH)
Paylocity Holding Corp. (PCTY)
Phreesia, Inc. (PHR)
Procore Technologies Inc (PCOR)

SaaS – Infrastructure
Confluent Inc Class A (CFLT)

Semiconductors/Semiconductor Equipment
Allegro MicroSystems, Inc. (ALGM)
Lattice Semiconductor Corp (LSCC)
MACOM Tech. Solutions (MTSI)
Silicon Laboratories Inc. (SLAB)
Universal Display Corporation (OLED)

Payments
Flywire Corp. (FLYW)
WEX Inc. (WEX)

Energy

Alternative Energy/LNG
Chesapeake Energy Corporation (CHK)
First Solar, Inc. (FSLR)
Shoals Technologies Group, Inc. (SHLS)

ESG Improvement
Matador Resources Company (MTDR)

Industrial Recovery/ Reflation

Agriculture
FMC Corporation (FMC)

Industrial Recovery
nVent Electric plc (NVT)
WillScot Mobile Mini Holdings (WSC)

Infrastructure
AECOM (ACM)
EMCOR Group, Inc. (EME)
Herc Holdings, Inc. (HRI)
Quanta Services, Inc. (PWR)

Restructuring

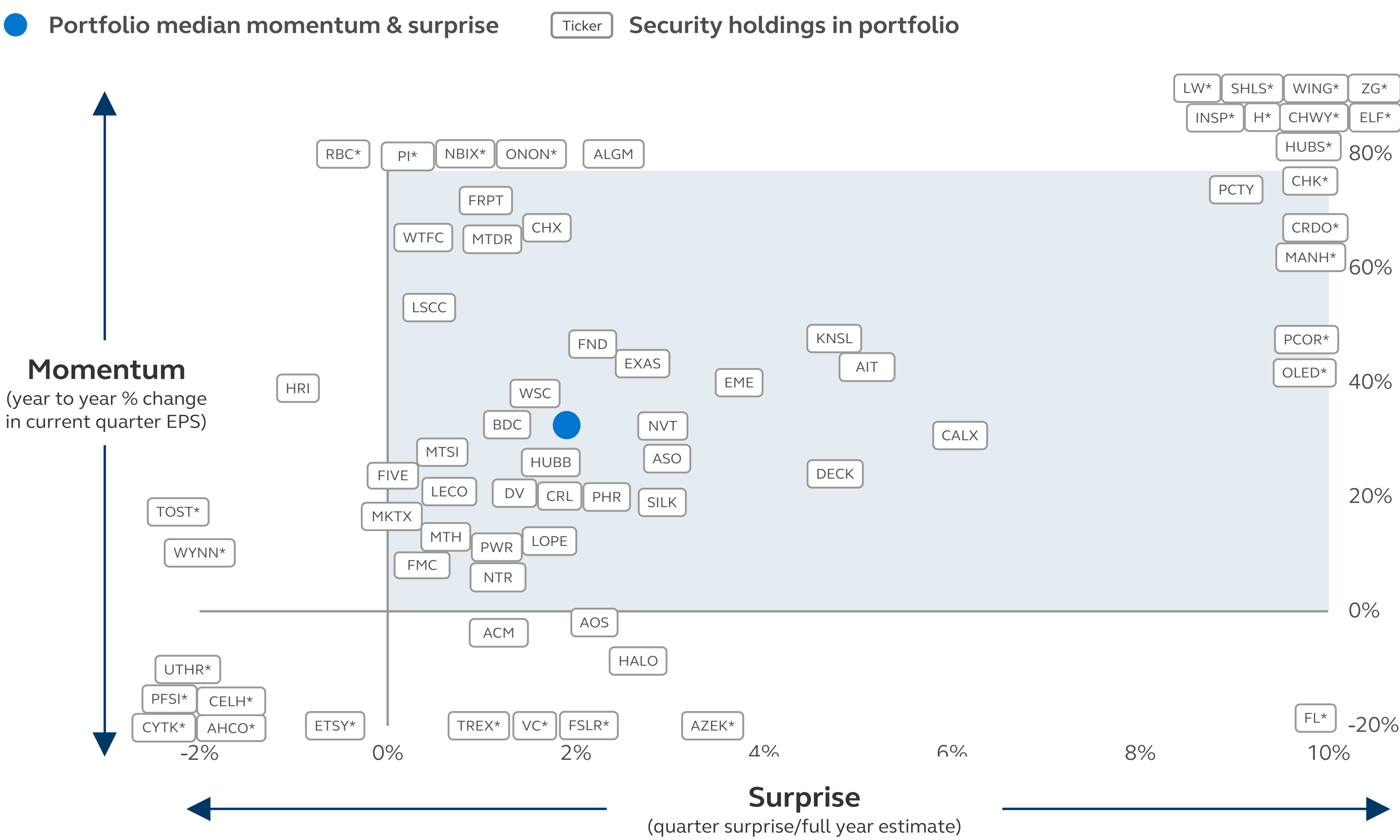
Restructuring
Belden Inc. (BDC)

As of 31 March 2023. Principal Dynamic Growth SMID Growth portfolio holdings. Holdings identified do not represent all of the securities purchased, sold, or recommended for Principal Dynamic Growth Equities advisory clients. You should not assume that any investment has been or will be profitable. Information should not be construed as a recommendation for or against any security, subsector, theme or financial product.

REPORT CARD:

SMID GROWTH EQUITY REPRESENTATIVE PORTFOLIO

Persistent absolute positive momentum and positive surprise

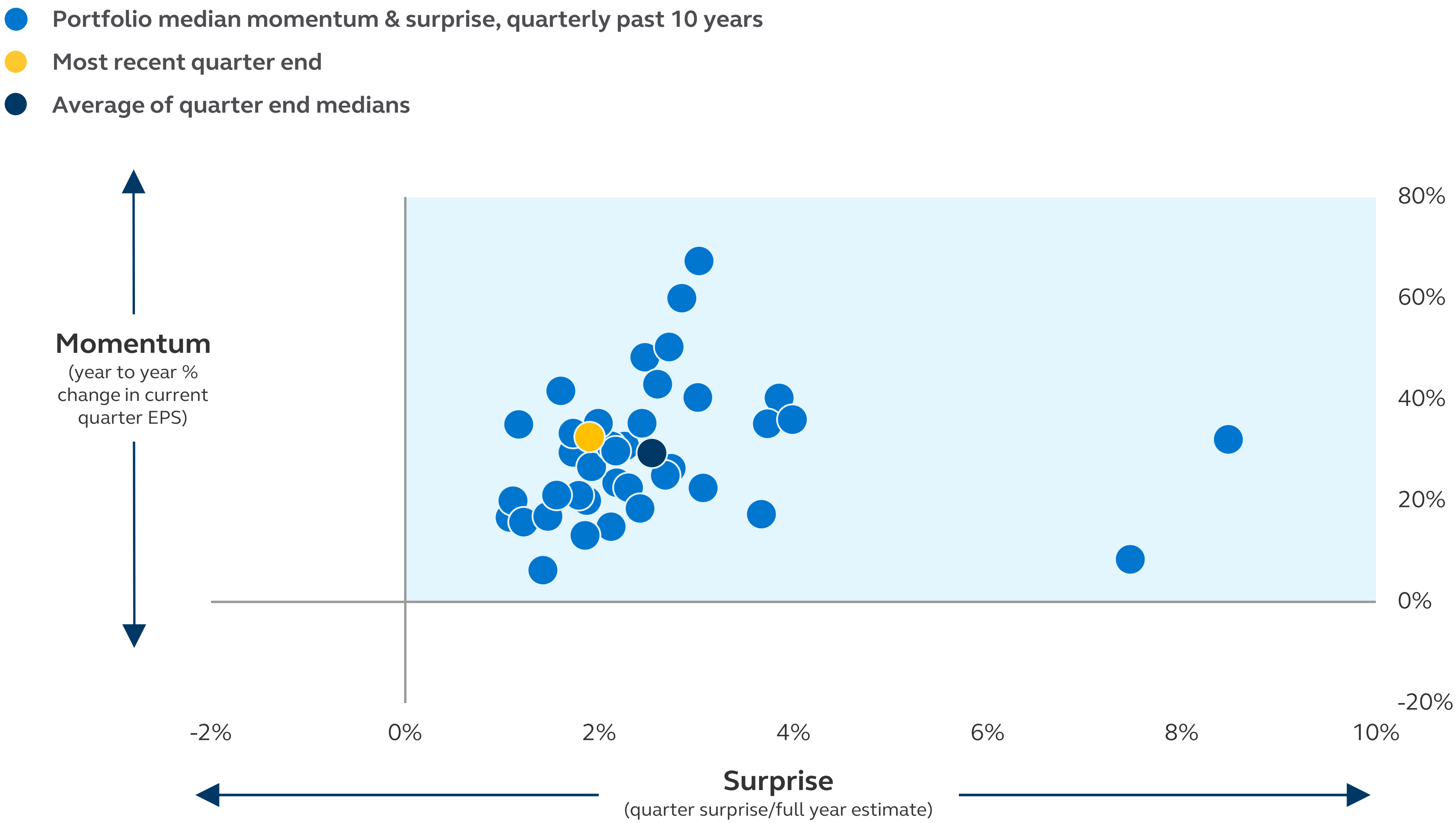


As of 31 March 2023. Source: FactSet Research Systems. Securities represented as of quarter-end. Due to space constraints, and to prevent overlapping of tickers, certain data plots do not correlate to exact Surprise and Momentum results. Holdings with results outside of grid boundaries are plotted in the quadrant extreme most closely representing the securities' results and are marked with an asterisk.

REPORT CARD:

SMID GROWTH EQUITY REPRESENTATIVE PORTFOLIO

Persistent absolute positive momentum and positive surprise



As of 31 March 2023. Source: FactSet Research Systems.

Top ten holdings

Company	Sector	Portfolio weight
Quanta Services, Inc.	Industrials	3.1%
Exact Sciences Corporation	Health Care	2.8%
Matador Resources Company	Energy	2.5%
Lamb Weston Holdings, Inc.	Consumer Staples	2.5%
Inspire Medical Systems, Inc.	Health Care	2.4%
BJ's Wholesale Club Holdings, Inc.	Consumer Staples	2.4%
HubSpot, Inc.	Information Technology	2.4%
Procore Technologies Inc	Information Technology	2.4%
Academy Sports and Outdoors, Inc.	Consumer Discretionary	2.3%
Lattice Semiconductor Corporation	Information Technology	2.3%
Total		**25.1%**

As of 31 March 2023. [1]Russell 2500 Growth Index. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions. Please refer to the accompanying notes to performance for additional disclosures and important information.

Sector weights

	Portfolio					Index*
	As of 31 Mar. 2022	As of 30 June 2022	As of 30 Sep. 2022	As of 31 Dec. 2022	As of 31 Mar. 2023	As of 31 Mar. 2023
Communication Services	5.4%	4.1%	1.1%	1.2%	0.0%	2.0%
Consumer Discretionary	9.6%	11.2%	10.8%	18.8%	22.2%	12.9%
Consumer Staples	3.5%	9.0%	8.4%	7.3%	9.0%	4.1%
Energy	3.4%	4.1%	4.6%	6.0%	3.4%	5.1%
Financials	4.9%	3.0%	2.1%	2.2%	6.6%	8.7%
Health Care	25.4%	26.8%	27.3%	21.2%	12.8%	18.4%
Industrials	13.5%	15.1%	19.8%	17.4%	16.8%	19.8%
Information Technology	28.6%	18.9%	21.8%	22.6%	24.0%	20.1%
Materials	5.1%	2.9%	0.7%	1.2%	1.0%	5.2%
Real Estate	0.0%	0.0%	0.0%	0.0%	1.0%	2.5%
Utilities	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%
Cash	0.7%	4.9%	3.4%	2.2%	3.0%	0.0%
TOTAL	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

As of 31 March 2023. *Russell MidCap Growth Index. Data provided via FactSet using GICS (Global Industry Classification Standard) categories.

Cyclical indicators

CONSENSUS ECONOMIC OUTLOOK

Calendar 2023/2024

	2023 E				2024E
	As of 7/22	As of 10/22	As of 1/23	As of 4/23	As of 4/23
Business activity forecast					
U.S. Real GDP (% Change)	1.5%	0.1%	0.4%	0.2%	1.9%
Global Real GDP (% change)	3.2%	2.9%	3.0%	2.4%	2.8%
FRB Ind. Prod. Index (% change)	5.2%	4.3%	4.1%	-1.0%	0.2%
Unemployment Rate	3.6%	3.7%	3.7%	3.9%	4.6%
PERS. Consumption Expenditure	3.2%	2.4%	2.7%	1.3%	1.0%
Total Vehicle Sales (# units)	14.4 mil	13.9 mil	13.8 mil		
Housing Starts	1.67 mil	1.56 mil	1.56 mil	1.29 mil	1.31 mil
Real Capital Spending (% change)	5.3%	3.6%	4.2%		
S&P 500 Earnings	$200.0	$204.1	$206.0	$207.5	$219.2
Savings Rate	5.6%	4.3%	3.1%		
Inflation expectations					
CPI	7.5%	8.0%	8.0%	4.3%	2.6%
Core PCE (YoY%)	4.7%	4.7%	5.0%	4.0%	2.5%
UNIV of Michigan 5yr Inflation Expectations*	3.1	2.7	2.9	2.9	--
Benchmark Oil Price w. TX Int.	$100.50	$97.71	$95.50	$80.38	$82.00
Interest rate environment					
Federal Funds Rate	3.18%	3.00%	4.25%	4.75%	4.75%
3 Month Libor	2.57%	3.75%	4.76%	4.9%	5.21%
10 Year Treasury Rate	3.17%	3.32%	3.38%	3.47%	3.24%
Deficit outlook					
Dollar/Yen Exchange Rate	140	145	130	131	134
Dollar/Euro Exchange Rate	1.06	1.02	0.93	0.92	0.90
Merchandise Trade Deficit	$1200 bil	$1136 bil	$1042 bil	$912 bil	$905 bil
Federal Surplus/Deficit (Trailing 12 months)	-$1023 bil	-$948 bil	-$1255 bil	-$1223 bil	-$1259 bil
Confidence indicators					
Purchasing Managers Survey*	53	51	48	46	--
Consumer Confidence Index*	99	108	108	104	--

Source: Bloomberg Finance L.P. and information obtained from various sources. Based on the last four quarter end periods (actual results).

Economic monitor

Recession		Growth	
Severe Rank -2	Mild Rank -1	Sustained Rank +1	Boom-bust Rank +2
JANUARY 2023			
Nov Trade Deficit -77.8B‡ → -61.5B Dec Existing Home Sales -1.5%, 4.0mil Dec Leading Indicators -1.1%‡ → -1.0%	Dec Total Vehicle Sales 14.1m → 13.3m Dec ISM – Buyer's Survey 49.0→ 48.4 Dec Building Permits -1.6%, 1.3m Dec Housing Starts -1.4%, 1.3m	Dec IJC 4 wk mva 231,000 → 204,000 Dec New Jobs +256,000‡ → +223,000 Dec Retail Ex Auto -0.6%‡ → -1.1% Nov Inv/Sales Ratio 1.33‡ → 1.35 Dec Ind Prod -0.6%‡ → -0.7% Dec Capacity Util 79.4%‡ → 78.8% Dec Consumer Conf 109.0‡ → 107.1 Dec PCE +0.1%‡ → +0.0% Dec Personal Income +0.3%‡ → +0.2% Dec Non Def Durables -2.3%‡ → +6.3%	Dec Unemployment Rate 3.6% → 3.5% Nov Consumer Credit +7.4%‡ → +7.1% Dec Dodge Index 259‡ → 281
FEBRUARY 2023			
Dec Trade Deficit -61.0B‡ → -67.4B Jan Existing Home Sales -0.7%, 4.0mil Dec Leading Indicators -0.8%‡ → -0.3%	Jan Total Vehicle Sales 13.3m → 15.7m Jan ISM – Buyer's Survey 48.4→ 47.4 Jan Building Permits +0.1%, 1.3m Jan Housing Starts -4.5%, 1.4m	Jan IJC 4 wk mva 204,000 → 183,000 Jan Retail Ex Auto -0.9%‡ → +2.3% Dec Inv/Sales Ratio 1.35‡ → 1.37 Jan Ind Prod -1.0%‡ → -0.0% Jan Capacity Util 78.4%‡ → 78.3% Jan Consumer Conf 106.0‡ → 102.9 Jan PCE -0.1%‡ → +1.8% Jan Personal Income +0.3%‡ → +0.6% Jan Non Def Durables +5.6%‡ → -5.1%	Jan Unemployment Rate 3.5% → 3.4% Jan New Jobs +260,000‡ → +517,000 Dec Consumer Credit +8.4%‡ → +2.9% Jan Dodge Index 278‡ → 250
MARCH 2023			
Jan Trade Deficit -67.2B‡ → -68.3B Feb Existing Home Sales +14.5%, 4.0mil Jan Leading Indicators -0.3%‡ → -0.3%	Feb Total Vehicle Sales 15.7m → 14.9m Feb ISM – Buyer's Survey 47.4→ 47.7 Feb Building Permits +13.8%, 1.5m Feb Housing Starts +9.8%, 1.4m	Feb IJC 4 wk mva 186,000 → 190,000 Feb Retail Ex Auto +2.4%‡ → +0.1% Jan Inv/Sales Ratio 1.36‡ → 1.34 Feb Ind Prod -+0.3%‡ → -0.0% Feb Capacity Util 78.0%‡ → 78.0% Feb Consumer Conf 103.4‡ → 104.2 Feb PCE +2.0%‡ → +0.2% Feb Personal Income +0.6%‡ → +0.3% Feb Non Def Durables -5.6%‡ → -0.5%	Feb Unemployment Rate 3.4% → 3.6% Feb New Jobs +504,000‡ → +311,000 Jan Consumer Credit +2.7%‡ → +3.7% Feb Dodge Index 247‡ → 250

Reading the Economic Monitor

The macro economic monitor is used by Principal Dynamic Growth Equities to help assess which economic forecasts are being reinforced or contradicted by the daily flow of economic news and statistics. As each new data item becomes available to the investment community, we classify it as to whether it most closely supports: 1) severe economic erosion; 2) modest economic erosion; 3) steady, healthy growth; or 4) too rapid growth that will induce boom-bust.

Shifts from a preponderance of data in one scenario to another are usually associated with surprises to consensus expectations which are key to Principal Dynamic Growth Equities investment discipline. Evenly distributed data is associated with investor confusion and suggests a bias toward defensive portfolio strategies.

In the Summary Data (below) the "Last 10 item Index" tracks the trend of the most recently available information. Values between 1 and 10 represent sustainable growth. Values above 10 would suggest rising fears of boom-bust. Conversely, values of -1 to -10 indicate recession. Values lower than -10 would suggest severe economic erosion.

‡ = Revised Number

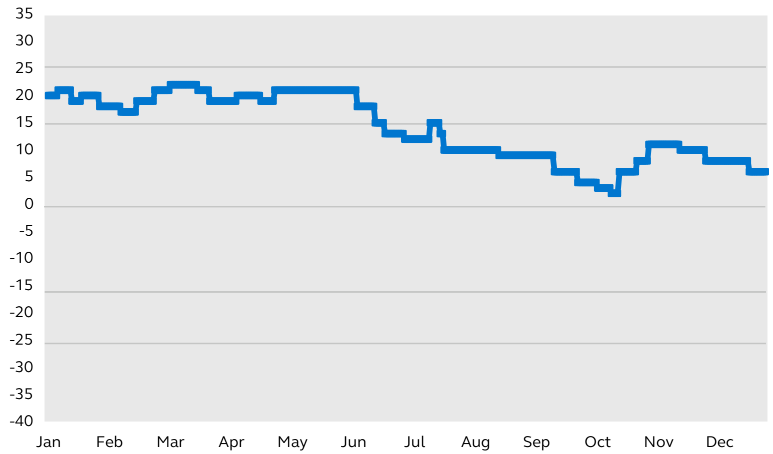
Date	Last 10 Item Index	Last 22 Item Index	3 Month T Bill	30 Year Treasury Yield	S&P 500
03/31/2023	0	5	4.63	3.65	4109.31
03/27/2023	-3	5	4.60	3.76	3977.53
03/22/2023	-2	5	4.66	3.65	3936.97
03/17/2023	-3	5	4.56	3.62	3916.64
03/16/2023	-2	5	4.65	3.70	3960.28
03/06/2023	5	5	4.76	3.89	4048.42
03/03/2023	10	5	4.76	3.88	4045.64
03/01/2023	11	5	4.74	3.95	3951.39
02/27/2023	8	5	4.72	3.93	3982.24
02/22/2023	3	5	4.73	3.91	3991.05
02/17/2023	2	5	4.75	3.87	4079.09
02/06/2023	1	5	4.58	3.67	4111.08
02/03/2023	9	5	4.58	3.61	4136.48
02/02/2023	9	4	4.50	3.54	4179.76
02/01/2023	7	4	4.53	3.57	4119.21
01/27/2023	6	4	4.57	3.62	4070.56
01/23/2023	6	4	4.58	3.68	4019.81
01/20/2023	-4	4	4.58	3.65	3972.61
01/19/2023	-4	4	4.58	3.56	3898.85
01/17/2023	-2	4	4.59	3.66	3990.97
01/09/2023	-1	4	4.64	3.66	3892.09
01/05/2023	4	4	4.59	3.79	3808.10
01/03/2023	2	4	4.48	3.84	3852.97

As of 31 March 2023. Proprietary model output is based upon certain assumptions that may change, are not guaranteed, and should not be relied upon as significant basis for an investment decision.

LAST 22 ITEM INDEX (2020-2023)

Economic monitor

2022



---- Boom Bust ----

Significant Expansion

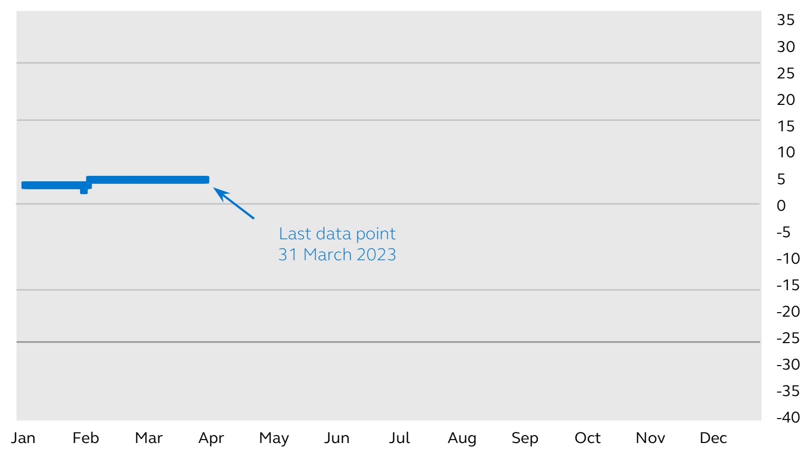
-- Modest Growth --

Modest Contraction

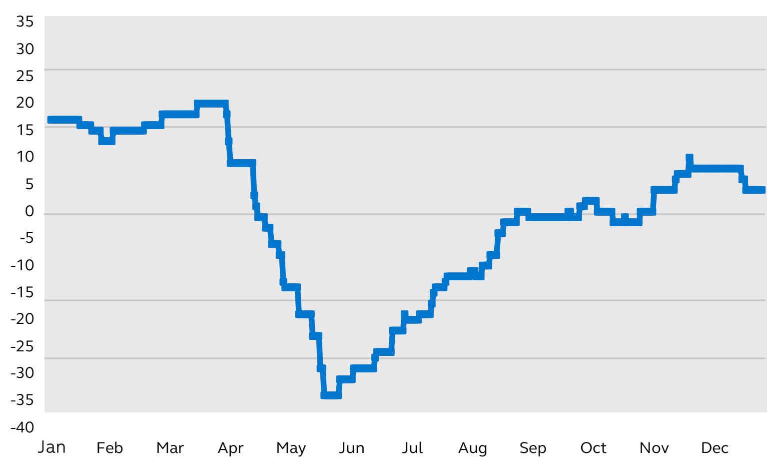
----- Recession -----

--- Severe Decline --

2023



2020



---- Boom Bust ----

Significant Expansion

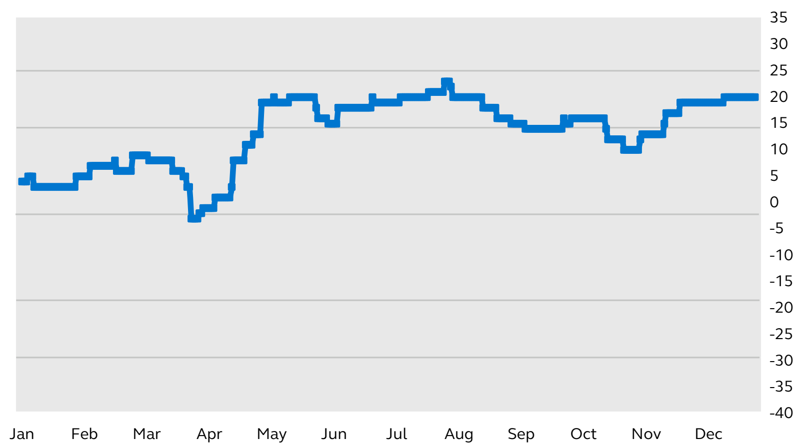
-- Modest Growth --

Modest Contraction

----- Recession -----

--- Severe Decline --

2021



As of 31 March 2023. Proprietary model output is based upon certain assumptions that may change, are not guaranteed, and should not be relied upon as significant basis for an investment decision. Score represents the moving sum of ranked economic items. See next page for further details.

Inflation monitor

Inflation Indicator: +1.4	CPI Yr/Yr: +5.6% y/y		
Disinflation Yr/Yr Change < -1% Rank -2	Stable Prices Yr/Yr Change -1% to 1% Rank -1	Moderate Inflation Yr/Yr Change >1.0% to 3.0% Rank +1	Unacceptable Inflation Yr/Yr Change > 3.0% Rank +2
JANUARY 2023			
	Dec M2 -1.3% y/y	Dec AHEI +0.4%‡ → +0.3% Dec Capacity Util 79.4%‡ → 78.8% Nov Ind Materials -2.9% → +3.3%	Dec Oil -8.2% → -8.5% Dec CRB Food -1.6% → -3.8% Dec CPI Ex F&E +0.2% → +0.3% Dec PPI Ex F&E +0.2% → +0.1%
FEBRUARY 2023			
	Jan M2 -1.8% y/y Jan Ind Materials +3.3% → +14.7%	Jan AHEI +0.4%‡ → +0.3% Jan Capacity Util 78.4%‡ → 78.3% Jan Ind Materials +3.3% → +14.7%	Jan Oil -8.5% → +3.1% Jan CRB Food -3.8% → -0.6% Jan CPI Ex F&E +0.5% → +0.4% Jan PPI Ex F&E +0.1% → +0.8%
MARCH 2023			
	Feb M2 -3.2% y/y Feb Ind Materials +6.7% → +3.8%	Feb AHEI -0.1%‡ → +0.2% Feb Capacity Util 78.0%‡ → 78.0% Feb Ind Materials +6.7% → +3.8%	Feb Oil +3.1% → +1.4% Feb CRB Food -0.6% → +1.0% Feb CPI Ex F&E +0.1% → +0.0% Feb PPI Ex F&E +0.6% → +0.5%

Reading the Inflation Monitor

The purpose of the Inflation Monitor is to gauge movements in inflation expectations. Selected economic variables are ranked and displayed according to their impact on the Consumer Price Index and the inflation scenarios described below.

For example, a +1 rank corresponds to a year over year change in the CPI of between 1.0% to 3.0%. A summation Index of the last eight items ranked tracks the trend of the most recently available information. The Index, located at the bottom of the Monitor, will range between -16 to +16. Values between 0 and 8 indicate moderate inflation, while values above 8 suggest a sharp acceleration in prices. An index reading below 0 signifies declining rates of inflation while measures below -8 signify substantial price declines.

The Inflation Indicator, located at the top of this page, will range between -2 and +2. This indicator smooths out the variability in the trailing eight item Index created by the ranking of irregularly scheduled information such as quarterly released data and unanticipated events with significant inflation impact.

Date	Trailing 8 Index	30 Yr Try Yield (%)	Oil ($)	CRB Index	Gold($)	S&P 500	Yld Curve Slope (bp)
03/28/2023	11	3.77	73.20	527.80	1973.5	3971.27	-0.93
03/21/2023	12	3.73	69.33	527.38	1940.1	4002.87	-0.94
03/17/2023	11	3.63	66.74	525.96	1989.3	3916.64	-0.77
03/14/2023	11	3.81	71.33	519.84	1904.0	3919.29	-0.99
03/02/2023	11	3.99	78.16	528.62	1835.9	3981.35	-0.86
02/28/2023	11	3.92	77.05	527.16	1826.9	3970.15	-0.90
02/16/2023	11	3.92	78.49	533.41	1836.4	4090.41	-0.89
02/15/2023	11	3.84	78.59	533.03	1836.0	4147.60	-0.93
02/10/2023	10	3.82	79.72	529.86	1865.6	4090.46	-0.94
02/03/2023	10	3.62	73.39	522.65	1865.0	4136.48	-1.04
02/02/2023	10	3.55	75.88	527.57	1912.7	4179.76	-1.08
01/24/2023	10	3.61	80.13	522.09	1937.4	4016.95	-1.07
01/18/2023	12	3.54	79.48	527.86	1904.1	3928.86	-1.12
01/12/2023	12	3.58	78.39	529.79	1897.1	3983.17	-1.01
01/06/2023	12	3.69	73.77	524.63	1865.7	3895.08	-0.92
01/05/2023	12	3.80	73.67	528.72	1832.9	3808.10	-0.82
01/03/2023	10	3.84	72.84	528.65	1854.6	3852.97	-0.53

COMMENTS

- The Inflation Index remains near all time highs
- CPI Excluding Food & Energy increased 5.4% annualized during the quarter

INDEX HIGH: 5/5/22 **15**

INDEX LOW: 02/20/02 **-11**

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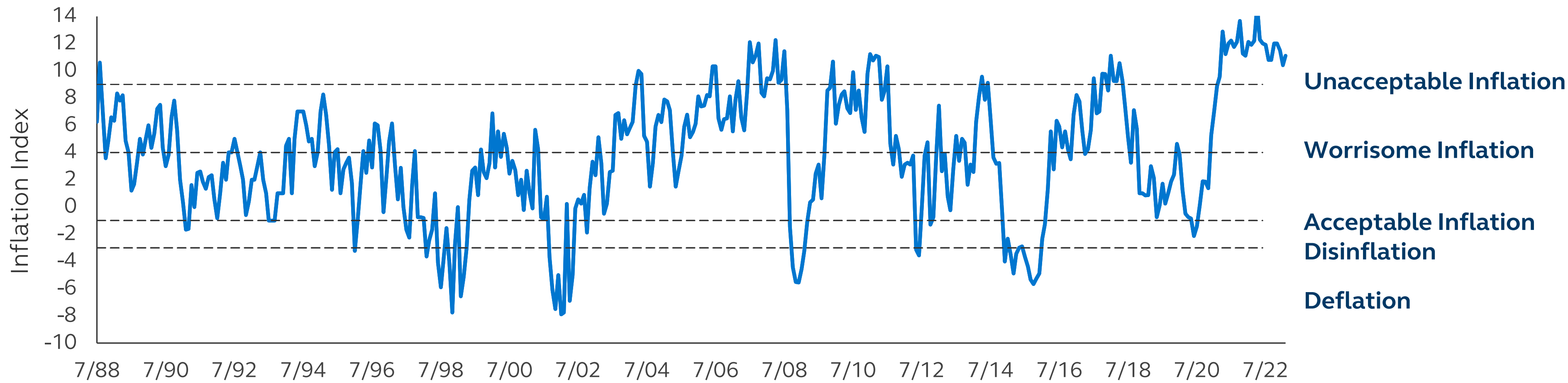
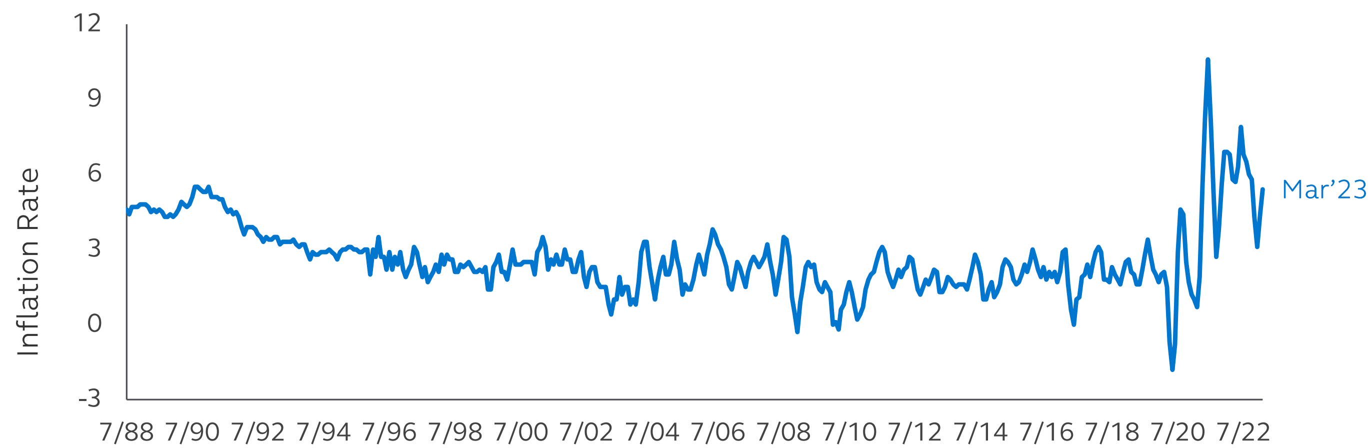
Inflation monitor

Trailing 8 Index, Monthly Average



CPI ex Food & Energy Annualized Quarterly % Change



CPI Ex Food & Energy

Date	Actual Ann. Qtrly Change	Actual Yr/Yr	2023 Consensus	2024 Consensus
3/31/22	5.8	6.5	2.7	--
6/30/22	7.9	5.8	7.5	--
9/30/22	6.0	6.7	3.8	2.4
12/31/22	3.1	5.5	4.0	2.5
3/31/23	5.4	5.6	4.3	2.6

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