



BURLINGTON RETIREMENT SYSTEM

City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401

Robert Hooper, Chairman of the Board

Munir Kastl, Vice-Chairman

Meeting – Monday, November 15, 2021

Start Time – 9:00 AM – 11:00 AM

Location – Burlington City Hall, 1st Floor, Councilor Bushor Conference Room

Or

Join Zoom Meeting:

<https://us02web.zoom.us/j/85261644826?pwd=SmI1amsvSkRmNzFSU29sV2VOMXhNUT09>

Meeting ID: 852- 6164- 4826

Passcode: 834923

You may join by phone, dial +1 929 205 6099, meeting # 852-6164-4826

1. Agenda

2. Public Forum

3. Approve Minutes

- October 18, 2021

4. Approve Return of Contributions

Effective Date of Benefit

- Alex Niez-Charest, Class A \$8,417.98 11/01/2021
- Harold Colston, Class B \$17,698.03 10/01/2021
- Kimberly Melissa Jordan, Class B \$6,523.95 10/01/2021
- Kyle Lavalley, Class B \$3,292.93 10/01/2021
- Susan M. Molzon, Class B \$15,727.00 11/01/2021
- Tyler Badeau, Class A \$104,041.47 11/01/2021

5. Approve Retirement Applications

Effective Date of Benefit

Actual First

Payment Date

- Brian Difrancio, Class A \$4,324.09 10/01/2021 10/15/2021
- Carole Bourneuf, Class B \$735.67 12/01/2021 12/15/2021
- David M. Clements, Class A \$4,642.31 12/01/2021 12/15/2021
- John King, Class B \$10,078.81 10/01/2021 10/15/2021
- Jonathan Young, Class A \$4,528.06 10/01/2021 10/15/2021
- Mark Metivier, Class B \$528.04 10/01/2021 10/15/2021
- Phyllis A. Blank, Class B \$2,119.09 11/01/2021 11/15/2021
- Scott A. Rainville, Class B \$5,298.75 11/01/2021 11/15/2021

6. Approval for Cost of Living Adjustment effective January 1, 2022

7. Administrative Updates

8. Set Retirement Meeting Dates for next 6 months

- Consider - 12/20/2021 (Mon), 1/18/2022 (Tue), 2/22/2022 (Tue), 3/21/2022 (Mon), 4/18/2022 (Mon), 5/16/2022 (Mon)

9. Fiducient's

- October Investment Update
- Update on transition to US Bank

10. Adjourn

**BURLINGTON RETIREMENT BOARD
REMOTE MEETING WITH CALL-IN
BURLINGTON, VERMONT
MINUTES OF MEETING**

DRAFT

October 18, 2021

MEMBERS PRESENT:

Robert Hooper, Chairperson
Munir Kasti, Vice-Chairperson
Patrick Robins
David Mount
Ben O'Brien
Matthew Dow
Dan Gilligan
Katherine Schad

OTHERS PRESENT:

Rich Goodwin
Chris Rowllins
Kate Pizzi
Hayley McClenahan

1.0 CALL TO ORDER

Robert Hooper called the Retirement Board meeting to order at 9:15 AM.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments
None at this time.

3.0 APPROVE MINUTES

3.01 Minutes of September 20, 2021

MOTION by Ben O'Brien, SECOND by Munir Kasti, to approve the minutes as presented.

VOTING: unanimous; motion carries.

4.0 APPROVE RETURN OF CONTRIBUTIONS

4.01 Approve Return of Contributions

- Andrew Cole Laderoute, Class B, \$4,448.70
- Bridget Ann Edwards, Class B \$7,646.02
- Elizabeth T. Dusablon, Class B \$3,616.65
- Jacqueline Corbally, Class B \$6,240.56
- Jesse Namdar, Class A \$38,925.43
- Kele J. Bourdeau, Class B \$1,362.17
- Layne C. Darfler, Class B \$10,383.99
- Marcus Simard-Wescott, Class B \$3,083.07
- Molly T. Roach, Class B \$3,352.50

MOTION by Ben O'Brien, SECOND by Dan Gilligan, to approve the return of contributions as presented.

VOTING: unanimous; motion carries.

5.0 APPROVE RETIREMENT APPLICATIONS

5.01 Approve Retirement Applications

- Donald DeGraw, Class B, \$298.88
- Howard Jaentschke, Class B \$26.46
- Joseph St. Amour, Class B, \$1,283.40
- Justin W. Couture, Class A, \$4,105.01
- Patrick R. Gingras, Class B, \$1,792.16
- Robert Rusten, Class B, \$1,262.07
- Kenneth A. Nolan, Class B, \$2,917.80

MOTION by Dan Gilligan, SECOND by Munir Kasti, to approve the retirement applications as presented.

VOTING: unanimous; motion carries.

6.0 ADMINISTRATIVE UPDATES

6.01 Administrative Updates

Chief Administration Officer Schad said that the City will soon be issuing notices for COLA, in order to give retirees ample notice. She additionally noted the \$1.3 million liability incurred through the IBEW arbitration is coming due and is being split among the Class B participants (which will not affect the plan) and that invoices are being sent as needed. Finance Director Goodwin added that \$1.3 million was paid back to the investment portfolio, which has been made whole. He said that that money was advanced to BED on behalf of the City, and then the payback would be shared among the Class B employees. Mr. Hooper asked about the contribution from a different settlement that occurred six months ago and Chief Administrative Officer Schad replied that that has already been taken care of and Finance Director Goodwin noted that the portfolio has been reimbursed for it.

Mr. Mount asked how inflows work in the pension fund, since the BERS board can only see the outflow information. Mr. O'Brien suggested including that as a discussion item on the agenda for the next BERS meeting.

7.0 FIDUCIARY ADVISORS PRESENTATION

7.01 BERS Investment Portfolio Update as of September 30, 2021

Ms. Pizzi began the discussion by reviewing Fiduciant's fiduciary governance calendar, noting that this quarter involves conducting a municipal landscape review and update. Mr. Rowlins noted that the review examines investment returns for public plans and the impact on funding status. He reviewed the Milliman Public Pension Index over the last several fiscal years (2019-2021), noting that returns have been positive, but have trended below the typical discount rate until fiscal year ending 6/30/2021. He also reviewed the funded ratios for the top 100 largest U.S. public pension plans for those years, noting that their average funded ratio improved by more than 10% during the past year (and noted that figures for the BERS board funded ratio for FY2021 are not available yet). Mr. Mount asked how the BERS portfolio performed in FY2021 and Mr. Rowlins replied that the fiscal year return was 31.1%, well above the 20% return of the Milliman Public Pension Index.

Ms. Pizzi spoke about another component of the fiduciary governance calendar pertaining to Environmental, Social, and Governmental (ESG) initiatives. She noted that there has been a significant increase in interest in having ESG considerations as part of investment portfolios, both for public and non-public plans. She noted that investor demand for them has continued to rise considerably. She cautioned that the definition of ESG is loose. She listed the ESG criteria that money managers look at, including climate change, anti-corruption, board issues, sustainable natural resources, and executive pay. She noted that some of the key initiatives for public plans around ESG have broadened to include conflict risk, labor, board issues, tobacco, climate change, diversity, executive pay, political contributions, military/weapons, human rights, green building, and sustainable natural resources/agriculture. She touched briefly on fossil fuel divestment, calling attention to the 9 public plans that have implemented fossil fuel divestment strategies. Mr. O'Brien noted that a number of those plans are quite large, and asked if any information is available about the implementation of divestment strategies. Ms. Pizzi replied that some of the larger accounts have separate account managers for specific asset classes of their portfolio and have committed to full divesting over time as

in the case of New York City. Also, some have committed only to divestment from coal. Mr. Hooper asked if any of the plans run shadow accounting on how the portfolio would have performed had it not divested from certain areas. Ms. Pizzi replied that the approach for most of these 9 plans is to benchmark against broad market benchmarks (not ESG benchmarks), in an effort to maintain that perspective on the returns not being sacrificed by ESG initiatives.

Mr. Rowllins spoke briefly about market performance. He said that the third quarter started out strong but dipped in September across the board, due to increased inflation, an economic slowdown in China related to real estate, and uncertainty around the US debt ceiling. He noted somewhat positive performance in the real asset/alternatives class, which have benefited from increasing demand, low interest rates, and high energy prices.

Ms. Pizzi walked through the plan's asset allocation as of September 30, 2021. She noted that the plan totaled \$242 million, allocated across the major asset classes. She noted the negative figure in the pooled cash line (-\$1,358,682), which is the amount that the City advances the retirement plan to pay benefits. She said that her team works with the City to track how much is owed to the City, and a reconciliation occurs at the end of the fiscal year to bring the balance as close to zero as possible.

Ms. Pizzi provided a summary of the calendar year performance summary, noting that the portfolio is down 1.3% for the quarter, but up 9.1% year to date and above the benchmark of 8.6%.

Ms. Pizzi then provided an overview of the manager performance. Mr. Robins asked how the portfolio has performed as a result of Fiducient's recommendations and modifications. Ms. Pizzi said that as a follow-up task, Fiducient can conduct a comparison of the current portfolio's performance and what performance would have been absent the implementation of Fiducient's recommended changes. Mr. Robins asked how the benchmark is constructed. Ms. Pizzi replied that it is a weighted composite of the benchmarks for each allocation category.

7.02 Update on Outstanding Transition Items

Ms. Pizzi noted that the transition to US Bank and Blackrock Strategic Income Opportunities is in process and that they will be able to begin investing in Blackrock once the accounts at US Bank are opened.

8.0 ADJOURN

8.01 Motion to Adjourn

MOTION by David Mount, SECOND by David Mount, to adjourn the meeting.

VOTING: unanimous; motion carries.

RScty: AACoonrad

Calculation of Return of Employee Contributions

Burlington Employees' Retirement System

Form A

Alex Niez-Charest

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	Alex Niez-Charest	Class:	A
Date of Birth:		Department:	Fire Union
Date of Hire:	03/16/2020	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	07/26/2021	Normal Retirement Date (NRD):	09/16/2047
Beneficiary Date of Birth:	N/A	Payment Start Date:	11/01/2021
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2020	Contributions	\$1,579.06	\$1,579.06
06/30/2020	Interest at 2%	\$0.00	\$1,579.06
06/30/2021	Contributions	\$6,004.39	\$7,583.45
06/30/2021	Interest at 2%	\$31.58	\$7,615.03
07/26/2021	Contributions	\$752.52	\$8,367.55
10/31/2021	Interest at 2%	\$50.43	\$8,417.98
(1)	Pre-Tax Employee Contributions (Taxable):		\$8,335.97
(2)	Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):		\$82.01
(3)	Total Return of Employee Contributions with Interest:		\$8,417.98

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$8,417.98	\$8,417.98	0.00

Calculation of Benefit Options

Burlington Employees' Retirement System, Class B - School

Form A

Harold Colston

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Late Retirement

Information Used in Benefit Determination

Participant Name:	Harold Colston	Class:	B
Date of Birth:		Department:	School
Date of Hire:	04/29/2013	Vesting Percentage:	100.0000%
Date of Termination:	06/30/2018	Normal Retirement Date (NRD):	04/29/2018
Beneficiary Date of Birth:	11/22/1966	Payment Start Date:	10/01/2021
		Employee Contribution Balance w/ Interest as of 10/01/2021:	\$17,698.03

Earnings

Average Final Compensation*: \$89,623.64

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	5.16667
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	0.00000
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	5.16667
(4) Years of CS in excess of 25 years	N/A

COLA Option Full COLA

(5) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.400%
(6) Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.400%
(7) Accrual Rate in excess of 25 years	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	7.2333%
(9) Monthly Vested Benefit Payable at Payment Start Date = (8) x Average Final Compensation/12 x Vesting Percentage	\$540.23
(10) Monthly Vested Benefit at NRD: = [Years of CS on or prior to 06/30/2006 and prior to NRD (0.00000) x (5)] + [Years of CS after 06/30/2006 and prior to NRD (5.00000) x (6)] + [Years of CS in excess of 25 years and prior to NRD (0.00000) x (7)] x Average Final Compensation/12 x Vesting Percentage	\$522.80
(11) Month Vested Benefit Payable as of your Payment Start Date: = [Greater of (10)] x 1.488857 Late Adjustment Factor or (9)	\$778.38

Benefit Options Available

Form of Payment	Option Factor	Full COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.1368	\$884.86	**
10 Year Certain & Life Annuity	1.0000	\$778.38	\$778.38
100% Joint & Survivor Annuity	0.7516	\$585.03	\$585.03
50% Joint & Survivor Annuity	0.9044	\$703.97	\$351.99
100% Joint & Survivor Pop-Up Annuity	0.7448	\$579.74	\$579.74
50% Joint & Survivor Pop-Up Annuity	0.8994	\$700.08	\$350.04
Return of Employee Contributions	N/A	\$17,698.03	N/A

(1) **Survivor Benefits:** for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

** Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Return of Employee Contributions

Form A

Burlington Employees' Retirement System

Kimberly Melissa Jordan

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Information Used in Determination

Participant Name:	Kimberly Melissa Jordan	Class:	B
Date of Birth:		Department:	Non-Union
Date of Hire:	10/15/2018	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	03/16/2021	Normal Retirement Date (NRD):	04/27/2038
Beneficiary Date of Birth:		Payment Start Date:	10/01/2021
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2019	Contributions	\$1,879.83	\$1,879.83
06/30/2019	Interest at 2%	\$0.00	\$1,879.83
06/30/2020	Contributions	\$2,477.15	\$4,356.98
06/30/2020	Interest at 2%	\$37.60	\$4,394.58
03/16/2021	Contributions	\$2,009.26	\$6,403.84
06/30/2021	Interest at 2%	\$87.89	\$6,491.73
09/30/2021	Interest at 2%	\$32.22	\$6,523.95

(1) Pre-Tax Employee Contributions (Taxable):	\$6,366.24
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):	\$157.71
(3) Total Return of Employee Contributions with Interest:	\$6,523.95

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$6,523.95	\$6,523.95	0.00

Calculation of Return of Employee Contributions

Burlington Employees' Retirement System

Form A

Kyle Lavalley

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Information Used in Determination

Participant Name:	Kyle Lavalley	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	02/03/2020	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	06/02/2021	Normal Retirement Date (NRD):	09/07/2058
Beneficiary Date of Birth:	N/A	Payment Start Date:	10/01/2021
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2020	Contributions	\$905.00	\$905.00
06/30/2020	Interest at 2%	\$0.00	\$905.00
06/02/2021	Contributions	\$2,353.57	\$3,258.57
06/30/2021	Interest at 2%	\$18.10	\$3,276.67
09/30/2021	Interest at 2%	\$16.26	\$3,292.93
(1) Pre-Tax Employee Contributions (Taxable):			\$3,258.57
(2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter):			\$34.36
(3) Total Return of Employee Contributions with Interest:			\$3,292.93

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$3,292.93	\$3,292.93	0.00

Calculation of Return of Employee Contributions

Burlington Employees' Retirement System

Form A

Susan M. Molzon

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected. As a Plan participant, you may have made post-tax contributions to the Plan. As a result, a portion of your benefit may be non-taxable. **Consult with your tax advisor if you have any questions.**

Information Used in Determination

Participant Name:	Susan M. Molzon	Class:	B
Date of Birth:		Department:	Non-Union
Date of Hire:	05/15/2017	Post-Tax Employee Contributions:	\$0.00
Date of Termination:	05/11/2021	Normal Retirement Date (NRD):	11/28/2054
Beneficiary Date of Birth:	N/A	Payment Start Date:	11/01/2021
		Vesting Percentage:	0.0000%

Determination of Employee Contribution Balance with Interest

<u>Period Ending</u>	<u>Description</u>	<u>Transaction</u>	<u>Balance at End of Period</u>
06/30/2017	Contributions	\$361.69	\$361.69
06/30/2017	Interest at 5.5%	\$0.00	\$361.69
12/31/2017	Interest at 5.5%	\$9.81	\$371.50
06/30/2018	Contributions	\$3,686.84	\$4,058.34
06/30/2018	Interest at 2%	\$3.70	\$4,062.04
06/30/2019	Contributions	\$3,683.89	\$7,745.93
06/30/2019	Interest at 2%	\$81.24	\$7,827.17
06/30/2020	Contributions	\$3,729.18	\$11,556.35
06/30/2020	Interest at 2%	\$156.54	\$11,712.89
05/11/2021	Contributions	\$3,676.38	\$15,389.27
06/30/2021	Interest at 2%	\$234.26	\$15,623.53
10/31/2021	Interest at 2%	\$103.47	\$15,727.00

- | | |
|--|--------------------|
| (1) Pre-Tax Employee Contributions (Taxable): | \$15,137.98 |
| (2) Interest Accrued on Employee Contributions (5.5% through 12/31/2017, 2% thereafter): | \$589.02 |
| (3) Total Return of Employee Contributions with Interest: | \$15,727.00 |

Determination of Taxable Portion of Benefit

<u>Form of Payment</u>	<u>Total Benefit</u>	<u>Taxable Portion</u>	<u>Non-Taxable Portion</u>
Return of Contributions	\$15,727.00	\$15,727.00	0.00

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class A - Police Union

Tyler Badeau

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Regular Retirement

Information Used in Benefit Determination

Participant Name:	Tyler Badeau	Class:	A
Date of Birth:		Department:	Police Union
Date of Hire:	08/04/2008	Vesting Percentage:	100.0000%
Date of Termination:	09/11/2021	Normal Retirement Date (NRD):	08/04/2033
Beneficiary Date of Birth:		Payment Start Date:	11/01/2021
		Employee Contribution Balance w/ Interest as of 11/01/2021:	\$104,041.47

Earnings

Average Final Compensation*: \$69,664.29

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	13.08333
(2) Years of CS on or prior to June 30, 2006 [(2)+(3) is not to exceed 25 years]	0.00000
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years]	13.08333
(4) Years of CS in excess of 25 years	0.00000

COLA Option

(5) Accrual Rate on or prior to June 30, 2006 (not to exceed 25 years)	2.650%
(6) Accrual Rate after June 30, 2006 (not to exceed 25 years)	2.650%
(7) Accrual Rate in excess of 25 years	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	34.6708%
(9) Monthly Vested Benefit Payable at NRD = (8) x Average Final Compensation / 12 x Vesting Percentage	\$2,012.76
(10) Early Retirement Reduction Factor	1.0000
(11) Monthly Vested Benefit Payable at Normal Retirement Date (9) x (10)	\$2,012.76

Benefit Options – payable at Normal Retirement Date

Form of Payment	Option Factor	Full COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0088	\$2,030.47	**
5 Year Certain & Life Annuity	1.0000	\$2,012.76	\$2,012.76
100% Joint & Survivor Annuity	0.8553	\$1,721.51	\$1,721.51
50% Joint & Survivor Annuity	0.9257	\$1,863.21	\$931.61
100% Joint & Survivor Pop-Up Annuity	0.8494	\$1,709.64	\$1,709.64
50% Joint & Survivor Pop-Up Annuity	0.9223	\$1,856.37	\$928.19

Benefit Options – payable at Payment Start Date

Return of Employee Contributions (100% taxable) N/A \$104,041.47 N/A

(1) **Survivor Benefits:** for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

**Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class A - Police Non-Union

Brian Difranco

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	Brian Difranco	Class:	A
Date of Birth:		Department:	Police Non-Union
Date of Hire:	09/10/2001	Vesting Percentage:	100.0000%
Date of Termination:	09/23/2021	Normal Retirement Date (NRD):	09/10/2026
Beneficiary Date of Birth:		Payment Start Date:	10/01/2021
		Employee Contribution Balance w/ Interest as of 10/01/2021:	\$182,440.87

Earnings

Average Final Compensation*: \$77,450.21

Determination of Benefit Amount

(1) Years of Creditable Service (CS)			20.00000	
(2) Years of CS on or prior to June 30, 2006 [(2)+(3) is not to exceed 25 years]			4.83333	
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years]			15.16667	
COLA Option		Full COLA	Half COLA	No COLA
(4) Accrual Rate on or prior to June 30, 2006 (not to exceed 25 years)		2.750%	3.250%	3.800%
(5) Accrual Rate after June 30, 2006 (not to exceed 25 years)		2.750%	3.250%	3.600%
(6) Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]		55.0000%	65.0000%	72.9667%
(7) Monthly Vested Benefit Payable at NRD = (6) x Average Final Compensation/12 x Vesting Percentage		\$3,549.80	\$4,195.22	\$4,709.41
(8) Early Retirement Reduction Factor		0.9090	0.9090	0.9090
(9) Monthly Vested Benefit Payable at Payment Start Date (7) x (8)		\$3,226.77	\$3,813.45	\$4,280.85

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0101	\$3,259.36	**	\$3,851.97	**	\$4,324.09	**
5 Year Certain & Life Annuity	1.0000	\$3,226.77	\$3,226.77	\$3,813.45	\$3,813.45	\$4,280.85	\$4,280.85
100% Joint & Survivor Annuity	0.8566	\$2,764.05	\$2,764.05	\$3,266.60	\$3,266.60	\$3,666.98	\$3,666.98
50% Joint & Survivor Annuity	0.9270	\$2,991.22	\$1,495.61	\$3,535.07	\$1,767.54	\$3,968.35	\$1,984.18
100% Joint & Survivor Pop-Up Annuity	0.8483	\$2,737.27	\$2,737.27	\$3,234.95	\$3,234.95	\$3,631.45	\$3,631.45
50% Joint & Survivor Pop-Up Annuity	0.9223	\$2,976.05	\$1,488.03	\$3,517.15	\$1,758.58	\$3,948.23	\$1,974.12
Return of Employee Contributions	N/A	\$182,440.87	N/A	\$182,440.87	N/A	\$182,440.87	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the five highest years of base earnings

**Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class B - AFSCME Local 1343

Carole Bourneuf

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	Carole Bourneuf	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	10/18/2010	Vesting Percentage:	100.0000%
Date of Termination:	10/05/2021	Normal Retirement Date (NRD):	10/10/2024
Beneficiary Date of Birth:		Payment Start Date:	12/01/2021
		Employee Contribution Balance w/ Interest as of 12/01/2021:	\$27,097.05

Earnings

Average Final Compensation*: \$64,519.21

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	11.00000
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]	0.00000
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]	11.00000
(4) Years of CS in excess of 25 years	N/A

COLA Option

(5) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	11.00000	Full COLA
(6) Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.400%	1.400%
(7) Accrual Rate in excess of 25 years	0.500%	0.500%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	15.4000%	15.4000%
(9) Monthly Vested Benefit Payable at NRD = (8) x Average Final Compensation/12 x Vesting Percentage	\$828.00	\$828.00
(10) Early Retirement Reduction Factor	0.9433	0.9433
(11) Monthly Vested Benefit Payable at Payment Start Date (9) x (10)	\$781.05	\$781.05

Benefit Options Available

Form of Payment	Option Factor	Full COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0686	\$834.63	**
10 Year Certain & Life Annuity	1.0000	\$781.05	\$781.05
100% Joint & Survivor Annuity	0.9419	\$735.67	\$735.67
50% Joint & Survivor Annuity	1.0000	\$781.05	\$390.53
100% Joint & Survivor Pop-Up Annuity	0.9241	\$721.77	\$721.77
50% Joint & Survivor Pop-Up Annuity	0.9977	\$779.25	\$389.63
Return of Employee Contributions	N/A	\$27,097.05	N/A

(1) **Survivor Benefits:** for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

** Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class A - Police Union

David M. Clements

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	David M Clements	Class:	A
Date of Birth:		Department:	Police Union
Date of Hire:	06/05/2000	Vesting Percentage:	100.0000%
Date of Termination:	11/05/2021	Normal Retirement Date (NRD):	06/05/2025
Beneficiary Date of Birth:	N/A	Payment Start Date:	12/01/2021
		Employee Contribution Balance w/ Interest as of 12/01/2021:	\$186,314.97

Earnings

Average Final Compensation*: \$75,518.54

Determination of Benefit Amount

(1) Years of Creditable Service (CS)				21.41667
(2) Years of CS on or prior to June 30, 2006 [(2)+(3) is not to exceed 25 years]				6.08333
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years]				15.33333
COLA Option		Full COLA	Half COLA	No COLA
(4) Accrual Rate on or prior to June 30, 2006 (not to exceed 25 years)		2.750%	3.250%	3.800%
(5) Accrual Rate after June 30, 2006 (not to exceed 25 years)		2.750%	3.250%	3.600%
(6) Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]		58.8958%	69.6042%	78.3167%
(7) Monthly Vested Benefit Payable at NRD = (6) x Average Final Compensation/12 x Vesting Percentage		\$3,706.44	\$4,380.34	\$4,928.64
(8) Early Retirement Reduction Factor		0.9348	0.9348	0.9348
(9) Monthly Vested Benefit Payable at Payment Start Date (7) x (8)		\$3,464.78	\$4,094.74	\$4,607.29

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit (1)	Initial Benefit	Survivor's Benefit (1)	Initial Benefit	Survivor's Benefit (1)
Straight Life Annuity	1.0076	\$3,491.11	**	\$4,125.86	**	\$4,642.31	**
5 Year Certain & Life Annuity	1.0000	\$3,464.78	\$3,464.78	\$4,094.74	\$4,094.74	\$4,607.29	\$4,607.29
100% Joint & Survivor Annuity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50% Joint & Survivor Annuity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
100% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Return of Employee Contributions	N/A	\$186,314.97	N/A	\$186,314.97	N/A	\$186,314.97	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

**Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Burlington Employees' Retirement System, Class B - Non-Union

Form A

John King

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Late Retirement

Information Used in Benefit Determination

Participant Name:	John King	Class:	B
Date of Birth:		Department:	Non-Union
Date of Hire:	06/03/1991	Vesting Percentage:	100.0000%
Date of Termination:	09/23/2021	Normal Retirement Date (NRD):	05/03/2009
Beneficiary Date of Birth:		Payment Start Date:	10/01/2021
		Employee Contribution Balance w/ Interest as of 10/01/2021:	\$39,793.01

Earnings

Average Final Compensation*: \$64,467.22

Determination of Benefit Amount

(1) Years of Creditable Service (CS)				30.33333
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]				15.08333
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]				9.91667
(4) Years of CS in excess of 25 years				5.33333
COLA Option		Full COLA	Half COLA	No COLA
(5) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)		1.600%	1.900%	2.200%
(6) Accrual Rate after 06/30/2006 (not to exceed 25 years)		1.600%	1.800%	2.000%
(7) Accrual Rate in excess of 25 years		0.500%	0.500%	0.50%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]		42.6667%	49.1750%	55.6833%
(9) Monthly Vested Benefit Payable at Payment Start Date = (8) x Average Final Compensation/12 x Vesting Percentage		\$2,292.17	\$2,641.81	\$2,991.46
(10) Monthly Vested Benefit at NRD: = [Years of CS on or prior to 06/30/2006 and prior to NRD (15.08333) x (5)] + [Years of CS after 06/30/2006 and prior to NRD (2.83333) x (6)] + [Years of CS in excess of 25 years and prior to NRD (0.00000) x (7)] x Average Final Compensation/12 x Vesting Percentage		\$1,540.05	\$1,813.59	\$2,087.13
(11) Monthly Vested Benefit Payable at Payment Start Date: = [Greater of (10)] x 4.939182 Late Adjustment Factor or (9)		\$7,606.59	\$8,957.64	\$10,308.69

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.3522	\$10,285.63	**	\$12,112.52	**	\$13,939.41	**
10 Year Certain & Life Annuity	1.0000	\$7,606.59	\$7,606.59	\$8,957.64	\$8,957.64	\$10,308.69	\$10,308.69
100% Joint & Survivor Annuity	0.9777	\$7,436.96	\$7,436.96	\$8,757.89	\$8,757.89	\$10,078.81	\$10,078.81
50% Joint & Survivor Annuity	1.0000	\$7,606.59	\$3,803.30	\$8,957.64	\$4,478.82	\$10,308.69	\$5,154.35
100% Joint & Survivor Pop-Up Annuity	0.9574	\$7,282.55	\$7,282.55	\$8,576.04	\$8,576.04	\$9,869.54	\$9,869.54
50% Joint & Survivor Pop-Up Annuity	1.0000	\$7,606.59	\$3,803.30	\$8,957.64	\$4,478.82	\$10,308.69	\$5,154.35
Return of Employee Contributions	N/A	\$39,793.01	N/A	\$39,793.01	N/A	\$39,793.01	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

**Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class A - Police Non-Union

Jonathan Young

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	Jonathan Young	Class:	A
Date of Birth:		Department:	Police Non-Union
Date of Hire:	08/17/1998	Vesting Percentage:	100.0000%
Date of Termination:	09/03/2021	Normal Retirement Date (NRD):	08/17/2026
Beneficiary Date of Birth:		Payment Start Date:	10/01/2021
		Employee Contribution Balance w/ Interest as of 10/01/2021:	\$120,132.19

Earnings

Average Final Compensation (1) for Option 1 and Option 2, Benefit B*: \$91,410.30
 Average Final Compensation (2) for Option 2, Benefit A**: \$93,943.51

Determination of Benefit Amount – Option 1

(1) Years of Creditable Service (CS)	20.08333
(2) Years of CS on or prior to June 30, 2006 [(2)+(3) is not to exceed 25 years]	7.83333
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years]	12.25000

COLA Option

(4) Accrual Rate on or prior to June 30, 2006 (not to exceed 25 years)	Full COLA	2.650%
(5) Accrual Rate after June 30, 2006 (not to exceed 25 years)	2.650%	
(6) Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]	53.2208%	
(7) Monthly Vested Benefit Payable at NRD = (6) x Average Final Compensation (1)/12 x Vesting Percentage	\$4,054.11	
(8) Early Retirement Reduction Factor	0.9105	
(9) Monthly Vested Benefit Payable at Payment Start Date (7) x (8)	\$3,691.27	

Determination of Benefit Amount – Option 2

(1) Years of Creditable Service (CS)	20.08333
(2) Years of CS on or prior to June 30, 2006 [(2)+(3) is not to exceed 25 years]	7.83333
(3) Years of CS after June 30, 2006 [(2) + (3) is not to exceed 25 years]	1.58333

Benefit A – For initial service period

(4) Years of CS [not to exceed 25 years]	10.66667
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COLA Option

Benefit A

(5) Accrual Rate on or prior to June 30, 2006 (not to exceed 25 years)	Full COLA	Half COLA	No COLA
(6) Accrual Rate after June 30, 2006 (not to exceed 25 years)	2.750%	3.250%	3.800%
(7) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)]	25.8958%	30.6041%	35.4666%
(8) Monthly Vested Benefit Payable at NRD = (7) x Average Final Compensation (2)/12 x Vesting Percentage	\$2,027.29	\$2,395.88	\$2,776.55
(9) Early Retirement Reduction Factor	0.9105	0.9105	0.9105
(10) Monthly Vested Benefit Payable at Payment Start Date (8) x (9)	\$1,845.84	\$2,181.45	\$2,528.05

Benefit B

(11) Accrual Rate (not to exceed 25 years)	Full COLA	2.650%
(12) Retirement Accrual Percentage = [(4) x (11)]	28.2667%	
(13) Monthly Vested Benefit Payable at NRD = (12) x Average Final Compensation (1)/12 x Vesting Percentage	\$2,153.22	
(14) Early Retirement Reduction Factor	0.9105	
(15) Monthly Vested Benefit Payable at Payment Start Date (13) x (14)	\$1,960.51	

Calculation of Benefit Options

Burlington Employees' Retirement System, Class A - Police Non-Union

Form A

Jonathan Young

Benefit Options Available for Option 1

<u>Form of Payment</u>	<u>Option Factor</u>	<u>Full COLA</u>	
		<u>Initial Benefit</u>	<u>Survivor's Benefit (1)</u>
Straight Life Annuity	1.0088	\$3,723.75	***
5 Year Certain and Life Annuity	1.0000	\$3,691.27	\$3,691.27
100% Joint & Survivor Annuity	0.8553	\$3,157.14	\$3,157.14
50% Joint & Survivor Annuity	0.9257	\$3,417.01	\$1,708.50
100% Joint & Survivor Pop-Up Annuity	0.8494	\$3,135.46	\$3,135.36
50% Joint & Survivor Pop-Up Annuity	0.9223	\$3,404.46	\$1,702.23
Return of Employee Contributions	N/A	\$120,132.19	N/A

Benefit Options Available for Option 2

Benefit A:

<u>Form of Payment</u>	<u>Option Factor</u>	<u>Full COLA</u>		<u>Half COLA</u>		<u>No COLA</u>	
		<u>Initial Benefit</u>	<u>Survivor's Benefit (1)</u>	<u>Initial Benefit</u>	<u>Survivor's Benefit (1)</u>	<u>Initial Benefit</u>	<u>Survivor's Benefit (1)</u>
Straight Life Annuity	1.0088	\$1,862.08	***	\$2,200.65	***	\$2,550.30	***
5 Year Certain and Life Annuity	1.0000	\$1,845.84	\$1,845.84	\$2,181.45	\$2,181.45	\$2,528.05	\$2,528.05
100% Joint & Survivor Annuity	0.8553	\$1,578.75	\$1,578.75	\$1,865.79	\$1,865.79	\$2,162.24	\$2,162.24
50% Joint & Survivor Annuity	0.9257	\$1,708.69	\$854.35	\$2,019.37	\$1,009.68	\$2,340.22	\$1,170.11
100% Joint & Survivor Pop-Up Annuity	0.8494	\$1,567.86	\$1,567.86	\$1,852.92	\$1,852.92	\$2,147.33	\$2,147.33
50% Joint & Survivor Pop-Up Annuity	0.9223	\$1,702.42	\$851.21	\$2,011.95	\$1,005.98	\$2,331.62	\$1,165.81
Return of Employee Contributions	N/A	\$120,132.19	N/A	\$120,132.19	N/A	\$120,132.19	N/A

Benefit B:

<u>Form of Payment</u>	<u>Option Factor</u>	<u>Full COLA</u>	
		<u>Initial Benefit</u>	<u>Survivor's Benefit (1)</u>
Straight Life Annuity	1.0088	\$1,977.76	***
5 Year Certain and Life Annuity	1.0000	\$1,960.51	\$1,960.51
100% Joint & Survivor Annuity	0.8553	\$1,676.82	\$1,676.82
50% Joint & Survivor Annuity	0.9257	\$1,814.84	\$907.42
100% Joint & Survivor Pop-Up Annuity	0.8494	\$1,665.26	\$1,665.26
50% Joint & Survivor Pop-Up Annuity	0.9223	\$1,808.18	\$904.09
Return of Employee Contributions	N/A	\$120,132.19	N/A

(1) **Survivor Benefits:** for the Joint and Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the five highest years of base earnings

** Average is of the three highest years of base earnings

*** Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class B - AFSCME Local 1343

Mark Metivier

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	Mark Metivier	Class:	B
Date of Birth:		Department:	AFSCME Local 1343
Date of Hire:	12/14/2000	Vesting Percentage:	100.0000%
Date of Termination:	06/04/2013	Normal Retirement Date (NRD):	06/08/2027
Beneficiary Date of Birth:	05/02/1967	Payment Start Date:	10/01/2021
		Employee Contribution Balance w/ Interest as of 10/01/2021:	\$12,643.84

Earnings

Average Final Compensation*: \$42,290.29

Determination of Benefit Amount

(1) Years of Creditable Service (CS)			12.50000
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]			5.58333
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]			6.91667
COLA Option	Full COLA	Half COLA	No COLA
(4) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)	1.600%	1.900%	2.200%
(5) Accrual Rate after 06/30/2006 (not to exceed 25 years)	1.600%	1.800%	2.000%
(6) Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]	20.0000%	23.0583%	26.1167%
(7) Monthly Vested Benefit Payable at NRD = (6) x Average Final Compensation / 12 x Vesting Percentage	\$704.84	\$812.62	\$920.40
(8) Early Retirement Reduction Factor	0.5480	0.5480	0.5480
(9) Monthly Vested Benefit Payable at Payment Start Date (7) x (8)	\$386.25	\$445.32	\$504.38

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾	Initial Benefit	Survivor's Benefit ⁽¹⁾
Straight Life Annuity	1.0469	\$404.37	**	\$466.21	**	\$528.04	**
10 Year Certain & Life Annuity	1.0000	\$386.25	\$386.25	\$445.32	\$445.32	\$504.38	\$504.38
100% Joint & Survivor Annuity	0.8476	\$327.39	\$327.39	\$377.45	\$377.45	\$427.51	\$427.51
50% Joint & Survivor Annuity	0.9367	\$361.80	\$180.90	\$417.13	\$208.57	\$472.45	\$236.23
100% Joint & Survivor Pop-Up Annuity	0.8407	\$324.72	\$324.72	\$374.38	\$374.38	\$424.03	\$424.03
50% Joint & Survivor Pop-Up Annuity	0.9328	\$360.29	\$180.15	\$415.39	\$207.70	\$470.49	\$235.25
Return of Employee Contributions	N/A	\$12,643.84	N/A	\$12,643.84	N/A	\$12,643.84	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings.

** Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Burlington Employees' Retirement System, Class B - School

Form A

Phyllis A. Blank

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

Type of Calculation

Vested - Late Retirement

Information Used in Benefit Determination

Participant Name:	Phyllis A Blank	Class:	B
Date of Birth:		Department:	School
Date of Hire:	04/29/1994	Vesting Percentage:	100.0000%
Date of Participation:	09/01/1998	Normal Retirement Date (NRD):	06/22/2015
Date of Termination:	06/15/2021	Payment Start Date:	07/01/2021
Beneficiary Date of Birth:		Employee Contribution Balance w/ Interest as of 07/01/2021:	\$24,707.20

Earnings

Average Final Compensation*: \$38,623.64

Determination of Benefit Amount

(1) Years of Creditable Service (CS)				22.66667
(2) Years of CS on or prior to 06/30/2006 [(2) + (3) is not to exceed 25 years]				7.83333
(3) Years of CS after 06/30/2006 [(2) + (3) is not to exceed 25 years]				14.83333
COLA Option		Full COLA	Half COLA	No COLA
(4) Accrual Rate on or prior to 06/30/2006 (not to exceed 25 years)		1.600%	1.900%	2.200%
(5) Accrual Rate after 06/30/2006 (not to exceed 25 years)		1.600%	1.800%	2.000%
(6) Retirement Accrual Percentage = [(2) x (4)] + [(3) x (5)]		36.2667%	41.5833%	46.9000%
(7) Monthly Vested Benefit Payable at Payment Start Date = (6) x Average Final Compensation / 12 x Vesting Percentage		\$1,167.29	\$1,338.42	\$1,509.54
(8) Monthly Vested Benefit at NRD: = [Years of CS on or prior to 06/30/2006 and prior to NRD (7.83333) x (4)] + [Years of CS after 06/30/2006 and prior to NRD (9.00000) x (5) x Average Final Compensation / 12 x Vesting Percentage]		\$866.89	\$1,000.46	\$1,134.03
(9) Monthly Vested Benefit Payable at Payment Start Date: = [Greater of (8)] x 2.045119 Late Adjustment Factor or (7)		\$1,772.88	\$2,046.06	\$2,319.23

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit (1)	Initial Benefit	Survivor's Benefit (1)	Initial Benefit	Survivor's Benefit (1)
Straight Life Annuity	1.1843	\$2,099.62	**	\$2,423.15	**	\$2,746.66	**
10 Year Certain & Life Annuity	1.0000	\$1,772.88	\$1,772.88	\$2,046.06	\$2,046.06	\$2,319.23	\$2,319.23
100% Joint & Survivor Annuity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50% Joint & Survivor Annuity	0.9137	\$1,619.88	\$809.94	\$1,869.49	\$934.75	\$2,119.08	\$1,059.54
100% Joint & Survivor Pop-Up Annuity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50% Joint & Survivor Pop-Up Annuity	0.9105	\$1,614.21	\$807.11	\$1,862.94	\$931.47	\$2,111.66	\$1,055.83
Return of Employee Contributions	N/A	\$24,707.20	N/A	\$24,707.20	N/A	\$24,707.20	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

** Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Calculation of Benefit Options

Form A

Burlington Employees' Retirement System, Class B - IBEW Local 300

Scott A. Rainville

IMPORTANT: City of Burlington reserves the right to correct any errors in the Calculation of Pension Benefit and Options. If it is determined at any time that the information provided in this Pension Distribution Kit conflicts with the terms of the Plan, the terms of the Plan will govern. Under the law, a plan must be operated in accordance with its terms and errors must be corrected.

RECEIVED

OCT 06 2021

HOOKER & HOLCOMBE

Type of Calculation

Vested - Early Retirement

Information Used in Benefit Determination

Participant Name:	Scott A Rainville	Class:	B
Date of Birth:		Department:	IBEW Local 300
Date of Hire:	02/10/1981	Vesting Percentage:	100.0000%
Date of Termination:	06/25/2021	Normal Retirement Date (NRD):	04/07/2023
Beneficiary Date of Birth:		Payment Start Date:	07/01/2021
		Employee Contribution Balance w/ Interest as of 07/01/2021:	\$22,851.50

Earnings

Average Final Compensation*: \$71,410.08

Determination of Benefit Amount

(1) Years of Creditable Service (CS)	40.33333
(2) Years of CS on or prior to 05/04/2008 [(2) + (3) is not to exceed 25 years]	25.00000
(3) Years of CS after 05/04/2008 [(2) + (3) is not to exceed 25 years]	0.00000
(4) Years of CS in excess of 25 years	15.33333

COLA Option	Full COLA	Half COLA	No COLA
(5) Accrual Rate on or prior to 05/04/2008 (not to exceed 25 years)	1.600%	1.900%	2.200%
(6) Accrual Rate after 05/04/2008 (not to exceed 25 years)	1.600%	1.800%	2.000%
(7) Accrual Rate in excess of 25 years	0.500%	1.800%	2.000%
(8) Retirement Accrual Percentage = [(2) x (5)] + [(3) x (6)] + [(4) x (7)]	47.6667%	75.1000%	85.6667%
(9) Monthly Vested Benefit Payable at NRD = (8) x Average Final Compensation/12 x Vesting Percentage	\$2,836.57	\$4,469.08	\$5,097.89
(10) Early Retirement Reduction Factor	0.9650	0.9650	0.9650
(11) Monthly Vested Benefit Payable at Payment Start Date (9) x (10)	\$2,737.29	\$4,312.66	\$4,919.46

Benefit Options Available

Form of Payment	Option Factor	Full COLA		Half COLA		No COLA	
		Initial Benefit	Survivor's Benefit (1)	Initial Benefit	Survivor's Benefit (1)	Initial Benefit	Survivor's Benefit (1)
Straight Life Annuity	1.0771	\$2,948.34	**	\$4,645.17	**	\$5,298.75	**
10 Year Certain & Life Annuity	1.0000	\$2,737.29	\$2,737.29	\$4,312.66	\$4,312.66	\$4,919.46	\$4,919.46
100% Joint & Survivor Annuity	0.9055	\$2,478.62	\$2,478.62	\$3,905.11	\$3,905.11	\$4,454.57	\$4,454.57
50% Joint & Survivor Annuity	0.9838	\$2,692.95	\$1,346.48	\$4,242.80	\$2,121.40	\$4,839.77	\$2,419.89
100% Joint & Survivor Pop-Up Annuity	0.8880	\$2,430.71	\$2,430.71	\$3,829.64	\$3,829.64	\$4,368.48	\$4,368.48
50% Joint & Survivor Pop-Up Annuity	0.9776	\$2,675.98	\$1,337.99	\$4,216.06	\$2,108.03	\$4,809.26	\$2,404.63
Return of Employee Contributions	N/A	\$22,851.50	N/A	\$22,851.50	N/A	\$22,851.50	N/A

(1) **Survivor Benefits:** for the Joint & Survivor Annuity payments, the survivor's benefit is only payable if the chosen survivor is alive upon the participant's death. If the chosen survivor is not alive, then no additional benefit is payable upon participant death. The choice of survivor may not be changed after benefit payments have commenced.

* Average is of the three highest years of base earnings

**Amount in excess (if any) of accumulated employee contributions, with interest, over payments made

Burlington Employees' Retirement System
Summary of Retiree Cost-of-Living Adjustments (COLAs)

Union/Group	Tier	Maximum COLA Increase	COLA Basis	Potential Exceptions to COLA
Class A Fire	Employees retiring on or before 10/5/2015	5.00%	CPI-U	N/A
Class A Fire	Employees retiring after 10/5/2015	2.75%	CPI-U	CBA also notes that the 2.75% cap applies to members hired on or after 1/1/2007
Class A Fire	Employees retiring after 3/28/2019	2.75%	CPI-U Northeast Region	Board may reduce or vote for no COLA if Class A funding level falls below 73%
Class A Police	Employees retiring on or before 9/29/2016	5.00%	CPI-U	N/A
Class A Police	Employees retiring after 9/29/2016	2.75%	CPI-U	N/A
Class A Police	Employees retiring after 2/1/2019	2.75%	CPI-U Northeast Region	Board may reduce or vote for no COLA if Class A funding level falls below 73%
Class B AFSCME	Employees retiring on or before 10/5/2015	5.00%	CPI-U	N/A
Class B AFSCME	Employees retiring after 10/5/2015	2.75%	CPI-U	N/A
Class B AFSCME	Employees retiring after 7/1/2018	2.75%	CPI-U Northeast Region	no COLA prior to age 65 unless BERS is at least 81% funded Board may reduce or vote for no COLA if BERS is < 70% funded or its assets fail to meet the assumed rate of return
Class B IBEW	Employees retiring on or before 3/9/2016	5.00%	CPI-U	N/A
Class B IBEW	Employees retiring after 3/9/2016	2.75%	CPI-U	N/A
Class B IBEW	Employees retiring after 7/1/2018	2.75%	CPI-U Northeast Region	no COLA prior to age 65 unless BERS is at least 81% funded, though it does not appear to apply for the bargaining unit members that pay an extra 1% in employee contributions towards grandfathered early retirement provisions Exception : if BERS is < 70% funded or its assets fail to meet the assumed rate of return (CBA does not appear to mention Board vote)
Class B Other	Employees retiring on or before 7/1/2017	5.00%	CPI-U	N/A
Class B Other	Employees retiring after 7/1/2017	2.75%	CPI-U	N/A
Class B Other	Employees retiring after 7/1/2018	2.75%	CPI-U Northeast Region	no COLA prior to age 65 unless BERS is at least 81% funded - City to confirm

CPI for All Urban Consumers (CPI-U)
Original Data Value

Source: [Top Picks \(Most Requested Statistics\) : U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov/top-picks)

Series Id: CUUR0000SA0

Not Seasonally Adjusted

Series Title: All items in U.S. city average, all urban consumers, not

Area: U.S. city average

Item: All items

Base Period: 1982-84=100

Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974	254.412	256.903
2020	257.971	258.678	258.115	256.389	256.394	257.797	259.101	259.918	260.280	260.388	260.229	260.474	257.557	260.065
2021	261.582	263.014	264.877	267.054	269.195	271.696	273.003	273.567					266.236	

5.4% uncapped increase for 1/1/2022

CPI for All Urban Consumers (CPI-U)
Original Data Value

Series Id: CUUR0100SA0

Not Seasonally Adjusted

Series Title: All items in Northeast urban, all urban consumers, not

Area: Northeast

Item: All items

Base Period: 1982-84=100

Years: 2011 to 2021

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2019	266.109	266.706	268.025	269.070	269.744	270.133	270.381	270.548	270.563	270.348	270.643	270.429	269.392	268.298	270.485
2020	272.316	273.080	272.531	271.325	271.345	272.283	273.347	273.597	273.925	273.374	273.543	274.225	272.908	272.147	273.669
2021	275.427	276.473	278.197	280.234	281.858	284.741	285.220	285.630						279.488	

4.6% uncapped increase for 1/1/2022



BURLINGTON RETIREMENT SYSTEM

City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401 Voice (802) 865-7000

MEMORANDUM TO: Retirement Board
FROM: Rich Goodwin, Director Financial Operations & Retirement
Administrator
DATE: November 15, 2021
SUBJECT: Retirement Cost-of-Living Allowance (COLA) recommendation

Dear Members of the Retirement Board:

Attached is a summary of the cost-of-living adjustments (COLAs) that currently apply to the Burlington Employee Retirement System retirees, based on the City's understanding of all various applicable documents (CBAs, Ordinance). In addition, please find the Standard Operating Procedures for annual COLA increases and an Excel worksheet which is used to calculate the benefit.

These recommendations have been reviewed by Hooker & Holcombe, the City's actuary; Melanson & Heath, the City's auditor; and the Clerk Treasurer's Office.

Per City Ordinance, [24-40 Post-retirement adjustments to retirement benefits](#), "For any person who retires after July 1, 2017, the maximum adjustment shall be two and three-quarters (2 3/4) percent. For all prior retirees, the maximum adjustment in any year of any retirement benefit resulting from any such determination shall be five (5) percent."

Following the City's standard operating procedure, the most recent annual increase using the CPI-U, as requested in the ordinance, was 5.4% and using the CPI-U Northeast Region, as requested in the CBAs, was 4.6%.

Based on this, the cap in the ordinance applies calculating the most recent annual increase utilizing either index, and those who retired before July 1, 2017 are eligible for 5% COLA and those who retired on or after July 1, 2017 are eligible for 2.75% COLA.

However, there are additional matters to consider:

- The Police and Fire CBAs allow the Retirement Board to vote to reduce or eliminate the COLA for the upcoming year if the Class A funded ratio of BERS is less than 73% (this is currently true based on the June 30, 2020 valuation). We do not recommend pursuing this option.

- The AFSCME and IBEW CBAs allow the Retirement Board to vote to reduce or eliminate the COLA for the upcoming year if the funded ratio of BERS is less than 70% or the fund's rate of return fails to meet the anticipated rate of return (these are not true based on the June 30, 2020 valuation and Fiscal Year 2020-21 rate of return).
- The AFSCME and IBEW CBAs eliminate COLAs for employees who retire after July 1, 2018 until they reach age 65, unless BERS funded ratio is 81% or more (except for those IBEW bargaining unit members who elected to pay the extra 1.0% for early retirement under Section 12.5(D)(2) of the IBEW CBA). There does not appear to be discretion for the Board in this area.

Motion:

To approve the recommended Cost of Living Allowance (COLA) adjustment for retirees, as indicated on the COLA index attachment prepared by H&H, effective January 1, 2022, broadly capped at 5% for retirees before July 1, 2017 and 2.75% for those who retired after that date.



OFFICE OF THE CLERK/TREASURER City of Burlington

City Hall, Room 20, 149 Church Street, Burlington, VT 05401

From: Rich Goodwin, Director Financial Operations, and Retirement Administrator
Re: **Standard Operating Procedure for Consumer Price Index used for Retirees**
Date: Revised and effective Date November 15, 2021

Burlington Code of Ordinances – 24-40

As of June 30 in each year, a determination will be made to the nearest one-tenth (1/10) percent of the ratio of the average of the Consumer Price Index for such month ending June 30 to the average of the Consumer Price Index for the month ending on June 30 of the most recent year as of which an increase in retirement benefits was made. If the ratio so determined exceeds one hundred (100) percent by at least one (1) percent, the retirement benefit of each beneficiary in receipt of a benefit for at least six (6) months on the next following December 31 shall be increased in the same ratio. Such increase shall commence on the January 1 immediately following such December 31. The same percentage increase shall also be made in the retirement benefit payable to a beneficiary in receipt of a benefit under an optional election, provided the member on whose account the benefit is payable and such other person shall have received a total of at least six (6) monthly payments by such December 31. For any person who retires after July 1, 2017, the maximum adjustment shall be two and three-quarters (2 3/4) percent. For all prior retirees, the maximum adjustment in any year of any retirement benefit resulting from any such determination shall be five (5) percent. No reduction shall be made in any retirement benefit on account of any decrease in the Consumer Price Index.

(b) For purposes of this section, "Consumer Price Index" shall mean the Consumer Price Index (all items—United States City Average) as published by the United States Department of Labor, Bureau of Labor Statistics.

(c) No adjustment shall be made pursuant to this section in a deferred vested retirement benefit payable pursuant to Section [24-26](#) prior to its commencement.

Annually the Retirement Administrator in conjunction with the Clerk Treasurers' Office will retrieve the cost of living percentage to be applied to active retirees who have been receiving pension benefits prior to June 30th of the year.

Calculating

Standard Operating Procedure

Revised November 2021

Cost of Living Implementation – Retirement

August – Retirement Administrator and C/T office calculate the percentage change in the CPI-U, and CPI-NE

- <https://www.bls.gov/cpi/>
- CPI Data
- Databases
- Tables -
- CPI-U – This is an excel sheet, save the sheet for back up.
- On the sheet locate “June” of which the current year
- The first line indicates “All items”

The screenshot shows an Excel spreadsheet with columns for years (2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015) and months (JAN, FEB, MAR, APR, MAY, JUN, JUL, AUG, SEP, OCT, NOV, DEC). The first row is labeled 'All Items'.

- Pull up the prior year’s table – Save priors table in folder for prior year to serve as backup
- Take June’s rate and calculate the difference from the prior year’s June to the current years June (below is an example of how to calculate)
- The DFO will send to the City Auditors with appropriate backup for review and approval.

Calculating Index Changes

Movements of the indexes from 1 month to another are usually expressed as percent changes rather than changes in index points, because index point changes are affected by the level of the index in relation to its base period, while percent changes are not. The following table shows an example of using index values to calculate percent changes:

	Item A	Item B	Item C
Year I	112.500	225.000	110.000
Year II	121.500	243.000	128.000
Change in index points	9.000	18.000	18.000
Percent change	$9.0/112.500 \times 100 = 8.0$	$18.0/225.000 \times 100 = 8.0$	$18.0/110.000 \times 100 = 16.4$

Implementation

November

Standard Operating Procedure

Revised November 2021

Cost of Living Implementation – Retirement

- Prepare a memo for the Retirement Board along with the backup and verification from the City’s auditors for an approval of implementation of the cost of living effective January 1st. The final approval will go to the Retirement Board.
- Create a list of COLA-eligible retirees
- The Director of Financial Operations will work with Hooker & Holcombe to implement the change effective January 1st of the New Year.
- Create a letter for all retirees that states what the cost of living will be if any – there may need to be two separate letters depending on the percentage change for those who would have a cap of 2.75% or 5% cap
- Mail letter to eligible retirees no later than December 20th

Notes

Cost of Living Increases are effective January 1st of each year

To determine the COLA allowance one should understand the basic concepts of the Consumer Price Index (CPI) and the source of information which comes from the Bureau of Labor Statistics (BLS).

What is the Consumer Price Index - CPI ?

The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. The main reason to give a COLA raise is to keep retirement wages reasonable compared to living expenses, and that retirees that elect this option receive a COLA increase by contract. CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the COLA; the CPI is one of the most frequently used statistics for identifying periods of inflation or deflation. The City of Burlington uses a period of time used for determining the CPI from June to June.

What is the Bureau of Labor Statistics – BLS ?

The Bureau of Labor Statistics is federal agency that produces a range of economic data which reflect the state of the U.S. economy. The link to the BLS is <https://www.bls.gov/>

Standard Operating Procedure
Revised November 2021
Cost of Living Implementation – Retirement



City of Burlington Employees Retirement System

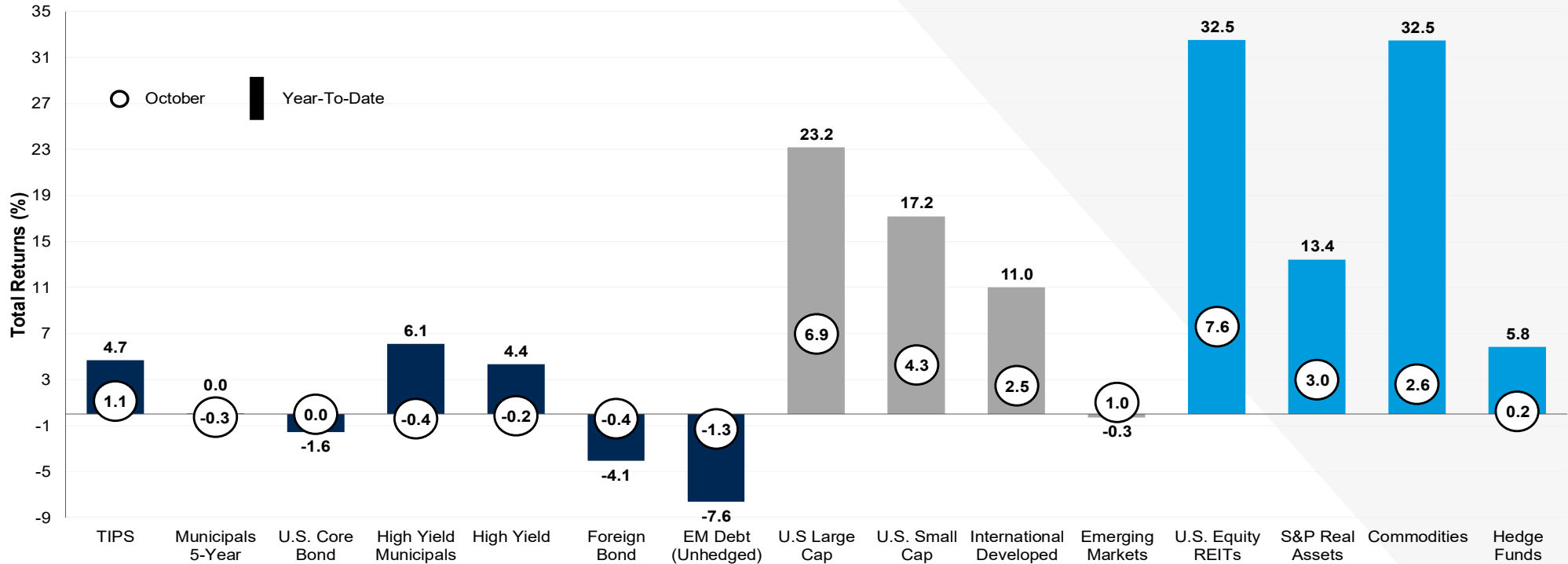
Monthly Performance Update - October 2021

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



Asset Class Performance



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

Fixed Income (October)

- + Rising inflation breakevens provided support to inflation-linked securities of all maturities.
- + Spreads continued to tighten for high yield corporates, offsetting the impact of rising rates.
- Increases in short-term rates in the US weighed on much of the market, while foreign and emerging markets were lower amid rising rates and geopolitical tensions.

Equity (October)

- + U.S. equities were driven higher by strong earnings growth, despite supply chain-related cost pressures. Markets broadly erased September's losses as volatility trended lower.
- International developed and emerging markets continued to lag their U.S. counterparts yet posted positive returns over the month.

Real Asset / Alternatives (October)

- + REITs continued their strong run year-to-date. Rental prices continue to move higher supporting the residential sector.
- + Commodities climbed higher, primarily driven by the energy sector.



Financials Markets Performance

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

Global Fixed Income Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg Barclays 1-3-Month T-Bill	0.0%	0.0%	0.0%	1.0%	1.1%	0.8%	0.6%	0.9%
Bloomberg Barclays U.S. TIPS	1.1%	4.7%	7.1%	8.4%	4.7%	3.9%	3.1%	4.5%
Bloomberg Barclays Municipal Bond (5 Year)	-0.3%	0.0%	1.0%	3.8%	2.4%	2.3%	2.6%	3.5%
Bloomberg Barclays High Yield Municipal Bond	-0.4%	6.1%	10.7%	7.7%	6.2%	6.0%	6.7%	5.2%
Bloomberg Barclays U.S. Aggregate	0.0%	-1.6%	-0.5%	5.6%	3.1%	3.1%	3.0%	4.1%
Bloomberg Barclays U.S. Corporate High Yield	-0.2%	4.4%	10.5%	7.4%	6.4%	5.7%	6.8%	7.2%
Bloomberg Barclays Global Aggregate ex-U.S. Hedged	-0.4%	-1.8%	-1.2%	3.7%	2.9%	3.3%	3.9%	4.0%
Bloomberg Barclays Global Aggregate ex-U.S. Unhedged	-0.4%	-6.3%	-2.0%	3.5%	1.9%	1.3%	0.6%	2.8%
Bloomberg Barclays U.S. Long Gov / Credit	1.6%	-3.0%	0.2%	12.0%	6.2%	6.1%	6.0%	7.0%
JPMorgan GBI-EM Global Diversified	-1.3%	-7.6%	0.8%	3.9%	2.0%	0.1%	0.4%	3.9%
Global Equity Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	7.0%	24.0%	42.9%	21.5%	18.9%	14.7%	16.2%	10.6%
Dow Jones Industrial Average	5.9%	18.8%	37.7%	15.1%	17.2%	13.5%	14.3%	10.3%
NASDAQ Composite	7.3%	20.9%	43.0%	29.7%	25.7%	20.1%	20.5%	14.5%
Russell 3000	6.8%	22.8%	43.9%	21.6%	18.9%	14.6%	16.1%	10.7%
Russell 1000	6.9%	23.2%	43.5%	22.0%	19.2%	14.8%	16.3%	10.8%
Russell 1000 Growth	8.7%	24.2%	43.2%	29.4%	25.5%	19.5%	19.4%	13.7%
Russell 1000 Value	5.1%	22.0%	43.8%	13.9%	12.4%	9.7%	12.8%	7.6%
Russell Mid Cap	5.9%	22.0%	45.4%	19.9%	16.5%	12.6%	14.8%	10.4%
Russell Mid Cap Growth	7.0%	17.3%	39.4%	26.2%	21.9%	16.1%	16.9%	12.2%
Russell Mid Cap Value	5.3%	24.5%	48.6%	15.0%	12.3%	9.9%	13.2%	8.9%
Russell 2000	4.3%	17.2%	50.8%	16.5%	15.5%	11.5%	13.5%	9.1%
Russell 2000 Growth	4.7%	7.6%	38.5%	18.6%	17.9%	13.0%	14.6%	10.5%
Russell 2000 Value	3.8%	27.6%	64.3%	13.4%	12.6%	9.7%	12.1%	7.4%
MSCI ACWI	5.1%	16.8%	37.3%	17.5%	14.7%	10.6%	11.3%	7.3%
MSCI ACWI ex. U.S.	2.4%	8.4%	29.7%	12.0%	9.8%	6.2%	6.7%	4.3%
MSCI EAFE	2.5%	11.0%	34.2%	11.5%	9.8%	6.4%	7.4%	4.0%
MSCI EAFE Growth	3.3%	10.4%	30.0%	16.8%	13.1%	9.3%	9.4%	5.8%
MSCI EAFE Value	1.6%	11.4%	38.3%	6.0%	6.2%	3.3%	5.2%	2.1%
MSCI EAFE Small Cap	1.6%	11.7%	35.8%	13.4%	11.4%	9.7%	10.1%	6.2%
MSCI Emerging Markets	1.0%	-0.3%	17.0%	12.3%	9.4%	5.6%	4.9%	5.4%
Alternatives	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	0.4%	4.8%	5.4%	2.8%	2.6%	2.1%	1.9%	2.0%
FTSE NAREIT Equity REITs	7.6%	32.5%	51.8%	13.9%	9.7%	8.7%	10.6%	6.6%
S&P Real Assets	3.0%	13.4%	26.6%	9.5%	7.1%	4.7%	5.6%	5.6%
FTSE EPRA NAREIT Developed	6.2%	29.2%	44.3%	9.9%	6.8%	7.8%	10.7%	5.3%
FTSE EPRA NAREIT Developed ex U.S.	3.5%	10.3%	31.3%	8.0%	6.9%	4.8%	6.9%	3.3%
Bloomberg Commodity Total Return	2.6%	32.5%	43.9%	8.6%	5.2%	-1.0%	-3.0%	-2.3%
HFRI Fund of Funds Composite*	0.2%	5.8%	14.4%	6.5%	5.8%	4.2%	4.5%	3.1%
HFRI Fund Weighted Composite*	-0.2%	9.7%	21.7%	8.4%	7.2%	5.6%	5.8%	4.9%
Alerian MLP	5.0%	46.3%	85.7%	0.0%	-0.6%	-5.6%	0.7%	5.0%

*One month lag.

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

Asset Allocation

As of October 31, 2021

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	251,338,338	100.0	100.0	0.0
Short Term Liquidity	691,362	0.3	0.0	0.3
Key Bank Cash Portfolio	2,050,044	0.8	0.0	0.8
Pooled Cash	-1,358,682	-0.5	0.0	-0.5
Fixed Income	40,030,260	15.9	18.0	-2.1
JIC Core Bond Fund I	40,030,260	15.9	18.0	-2.1
Equity	195,138,503	77.6	75.0	2.6
Domestic Equity	111,215,313	44.2	41.5	2.7
Mellon Large Cap Core	83,418,302	33.2	31.0	2.2
Mellon Smid Cap Core	27,797,011	11.1	10.5	0.6
International Equity	82,667,544	32.9	33.0	-0.1
Mellon EAFE Fund	58,302,447	23.2	23.0	0.2
Mellon Emerging Markets	24,365,097	9.7	10.0	-0.3
Private Equity	1,255,646	0.5	0.5	0.0
Hamilton Lane II	67,811	0.0	-	-
Hamilton Lane VII A	809,566	0.3	-	-
Hamilton Lane VII B	378,269	0.2	-	-
Real Assets	15,478,213	6.2	7.0	-0.8
UBS Trumbull Property Fund	13,543,228	5.4	6.0	-0.6
Molpus SWF II	1,934,985	0.8	1.0	-0.2

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

City of Burlington Employees Retirement System

Performance Update As Of October 31, 2021

Portfolio Performance

	Value	Performance(%)									
		1 Month	YTD	Jul-2021 To Oct-2021	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Plan	251,338,338	3.5	13.3	2.6	27.7	11.4	11.4	8.7	8.9	6.3	01/01/2008
<i>Policy Benchmark</i>		<i>3.4</i>	<i>12.8</i>	<i>2.8</i>	<i>27.9</i>	<i>14.4</i>	<i>12.2</i>	<i>9.6</i>	<i>10.5</i>	<i>7.5</i>	

Calendar Year Performance

	2020	2019	2018	2017	2016	2015	2014
Total Plan	12.7	19.1	-5.2	17.0	8.7	-2.2	4.0
<i>Policy Benchmark</i>	<i>14.5</i>	<i>20.6</i>	<i>-5.2</i>	<i>16.9</i>	<i>9.0</i>	<i>-0.2</i>	<i>7.3</i>

Allocation Mandate

May-2021

	Weight (%)
Blmbg. U.S. Aggregate Index	18.00
S&P 500 Index	31.50
Russell 2500 Index	10.50
MSCI EAFE (Net) Index	23.00
MSCI Emerging Markets (Net) Index	10.00
NCREIF Fund Index - ODCE (net)	6.00
NCREIF Timberland Index	1.00

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

Manager Performance Overview

As of October 31, 2021

	1 Month	YTD	Jul-2021 To Oct-2021	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Fixed Income	0.0	-1.9	-0.1	N/A	N/A	N/A	N/A	N/A	-1.9	01/01/2021
<i>Blmbg. U.S. Aggregate Index</i>	0.0	-1.6	0.0	N/A	N/A	N/A	N/A	N/A	-1.6	
JIC Core Bond Fund I	0.0 (34)	-1.9 (84)	-0.1 (66)	-1.1 (94)	N/A	N/A	N/A	N/A	1.8 (56)	03/01/2020
<i>Blmbg. U.S. Aggregate Index</i>	0.0	-1.6	0.0	-0.5	N/A	N/A	N/A	N/A	1.2	
IM U.S. Broad Market Core Fixed Income (MF) Median	-0.1	-1.3	0.0	0.4	N/A	N/A	N/A	N/A	1.9	
Equity	4.6	17.2	2.9	N/A	N/A	N/A	N/A	N/A	17.2	01/01/2021
<i>MSCI AC World Index (Net)</i>	5.1	16.8	4.0	N/A	N/A	N/A	N/A	N/A	16.8	
Domestic Equity										
Mellon Large Cap Core	7.0 (36)	24.0 (32)	7.6 (29)	42.9 (33)	21.4 (39)	18.9 (32)	N/A	N/A	17.7 (30)	04/01/2016
<i>S&P 500 Index</i>	7.0	24.0	7.6	42.9	21.5	18.9	N/A	N/A	17.7	
IM U.S. Large Cap Core Equity (MF) Median	6.8	23.1	6.9	41.4	20.6	17.8	N/A	N/A	16.6	
Mellon Smid Cap Core	4.9 (58)	19.6 (45)	2.2 (68)	49.7 (29)	18.6 (46)	16.5 (50)	N/A	N/A	15.8 (48)	04/01/2016
<i>Russell 2500 Index</i>	4.9	19.4	2.1	49.4	18.4	16.3	N/A	N/A	15.7	
IM U.S. SMID Cap Equity (MF) Median	5.1	18.9	3.5	45.6	17.9	16.4	N/A	N/A	15.5	
International Equity										
Mellon EAFE Fund	2.4 (83)	11.2 (57)	2.0 (28)	34.5 (54)	12.0 (43)	10.3 (31)	N/A	N/A	9.7 (31)	04/01/2016
<i>MSCI EAFE (Net) Index</i>	2.5	11.0	2.0	34.2	11.5	9.8	N/A	N/A	9.3	
IM International Large Cap Core Equity (MF) Median	3.0	11.6	1.1	35.1	11.4	9.3	N/A	N/A	8.9	
Mellon Emerging Markets	1.0 (61)	-0.2 (60)	-7.2 (60)	17.0 (61)	12.3 (61)	9.4 (46)	N/A	N/A	10.2 (49)	04/01/2016
<i>MSCI Emerging Markets (Net) Index</i>	1.0	-0.3	-7.2	17.0	12.3	9.4	N/A	N/A	10.2	
IM Emerging Markets Equity (MF) Median	1.2	1.2	-6.5	18.5	13.2	9.1	N/A	N/A	10.1	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Performance Overview

As of October 31, 2021

	1 Month	YTD	Jul-2021 To Oct-2021	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Private Equity										
Hamilton Lane II	0.0	-5.3	0.0	-5.3	21.4	17.5	16.3	16.0	18.1	03/01/2009
Hamilton Lane VII A	0.0	25.9	0.0	25.9	18.8	16.8	14.1	14.3	13.9	07/01/2011
Hamilton Lane VII B	0.0	4.6	0.0	4.6	10.4	10.4	10.2	11.5	11.1	07/01/2011
Real Assets	-0.2	8.3	5.0	N/A	N/A	N/A	N/A	N/A	8.3	01/01/2021
UBS Trumbull Property Fund	-0.2	9.6	5.7	7.1	0.8	2.6	N/A	N/A	3.0	07/01/2016
<i>NCREIF Fund Index - ODCE (net)</i>	0.0	12.6	6.6	13.9	6.2	6.6	N/A	N/A	6.5	
Molpus SWF II	0.0	-0.6	0.0	-0.6	0.3	-0.8	0.8	0.8	1.7	03/01/2009
<i>NCREIF Timberland Index</i>	0.0	4.4	1.9	5.0	2.4	2.9	3.6	4.7	3.4	

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

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

Valuations data as of:

Hamilton Lane and Molpus - 6-30-2021

UBS Trumbull Property Fund - 9-30-2021

All private equity and real estate assets are adjusted for any capital activity.

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

Manager Gain/Loss Summary

1 Month Ending October 31, 2021

	Market Value As of 10/01/2021	Net Flows	Return On Investment	Market Value As of 10/31/2021
<u>Short Term Liquidity</u>				
Key Bank Cash Portfolio	2,050,044	-	-	2,050,044
Pooled Cash	-1,358,682	-	-	-1,358,682
Total Short Term Liquidity	691,362	-	-	691,362
<u>Fixed Income</u>				
JIC Core Bond Fund I	40,042,247	-	-11,987	40,030,260
Total Fixed Income	40,042,247	-	-11,987	40,030,260
<u>Domestic Equity</u>				
Mellon Large Cap Core	80,967,295	-3,200,000	5,651,007	83,418,302
Mellon Smid Cap Core	33,171,353	-7,000,000	1,625,657	27,797,011
Total Domestic Equity	114,138,648	-10,200,000	7,276,664	111,215,313
<u>International Equity</u>				
Mellon EAFE Fund	47,003,212	10,200,000	1,099,235	58,302,447
Mellon Emerging Markets	24,127,832	-	237,264	24,365,097
Total International Equity	71,131,044	10,200,000	1,336,500	82,667,544
<u>Real Assets</u>				
UBS Trumbull Property Fund	13,691,982	-117,736	-31,017	13,543,228
Molpus SWF II	1,934,985	-	-	1,934,985
Total Real Assets	15,626,967	-117,736	-31,017	15,478,213
<u>Private Equity</u>				
Hamilton Lane II	67,811	-	-	67,811
Hamilton Lane VII A	809,566	-	-	809,566
Hamilton Lane VII B	378,269	-	-	378,269
Total Private Equity	1,255,646	-	-	1,255,646
Total Plan	242,885,914	-117,736	8,570,160	251,338,338

Definitions & Disclosures

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

REGULATORY DISCLOSURES

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

ASSET CLASS REPRESENTATIONS

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

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

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

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

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

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

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

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

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

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

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

International Developed: MSCI EAFE Net Total Return USD Index

Emerging Markets: MSCI Emerging Markets Net Total Return USD Index

World: MSCI ACWI Net Total Return USD Index

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

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

Commodities: Bloomberg Commodity Total Return Index

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

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

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

China: MSCI CHINA Net Total Return USD Index

Japan: MSCI Japan Net Total Return USD Index

Germany: MSCI Germany Net Total Return USD Index

India: MSCI India Net Total Return USD Index

United Kingdom: MSCI UK Net Total Return USD Index

France: MSCI France Net Total Return USD Index

Italy: MSCI Italy Net Total Return USD Index

Brazil: MSCI Brazil Net Total Return USD Index

Canada: MSCI Canada Net Total Return USD Index

INDEX DEFINITIONS

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

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

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

Additional:

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

DEFINITION OF KEY STATISTICS AND TERMS

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

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

DEFINITION OF KEY PRIVATE EQUITY TERMS

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

VALUATION POLICY

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

REPORTING POLICY

This report is intended for the exclusive use of the client listed within the report. Content is privileged and confidential. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecast represents median expectations and actual returns, volatilities and correlations will differ from forecasts. Please note each client has customized investment objectives and constraints and the investment strategy for each portfolio is based on a client-specific asset allocation model. Past performance does not indicate future performance and there is a possibility of a loss. Performance calculated net of investment fees. Certain portfolios presented may be gross of Fiducient Advisors' fees and actual performance would be reduced by investment advisory fees. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice.

Custodian reports are the reports that govern the account. There will be different account values between Fiducient Advisors' reports and the custodian reports based on whether the report utilizes trade date or settlement date to calculate value. Additionally, difference between values contained on reports may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and correlations will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is a possibility of a loss.

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Unless specified otherwise, all returns are net of individual manager fees, represent total returns and are annualized for periods greater than one year. The deduction of fees produces a compounding effect that reduces the total rate of return over time. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be \$5,228 in the first year, and cumulative effects of \$30,342 over five years and \$73,826 over ten years. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.

OTHER

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

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

CUSTODIAN STATEMENTS

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