



**PENSION FUND TRUSTEES MEETING  
LANSING BOARD OF WATER AND LIGHT BOARD OF COMMISSIONERS  
AGENDA**

**November 16, 2021**

**5:00 P.M. – 1201 S. Washington Ave., Lansing, MI 48910**

The BWL full meeting packet and public notice/agenda is located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

Call to Order

Roll Call

Public Comments

1. Approval of Minutes
  - a. Pension Fund Trustees Meeting (November 17, 2020) – David Price, Chairperson
  - b. Pension Fund Trustees Meeting (March 16, 2021) – David Price, Chairperson
  - c. Pension Fund Trustees Meeting (May 25, 2021) – David Price, Chairperson
2. Table of Contents
3. Pension Memo with Review of External Investment Management
4. Pension Dashboard
5. Defined Benefit Plan (DB) Information
6. Post-Employment Benefit Plan (VEBA)
7. Defined Contribution and Deferred Compensation Plans (DC)
8. Resolution – Acknowledgment/Acceptance of FY 2021 Audited Financial Statements

Other

Adjourn

Based on recommendations from the Centers for Disease Control, and in accordance with the City of Lansing, the Board of Commissioners are requesting members of the public, staff and Board Members to wear a face covering at Committee and Regular Board Meetings.



**LANSING BOARD OF WATER & LIGHT  
PENSION FUND TRUSTEES MEETING MINUTES  
November 17, 2020**

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met via WebEx (BWL Headquarters – REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) at 5:00 P.M. on Tuesday, November 17, 2020.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=efac46ef50bf8a3970e0de61fec6c4195>

Event Number for Attendees: 132 199 1884    Event Password: RTuAXyAV35

Audio Conference: United States Toll +1-408-418-9388    Access Code: 132 199 1884

Trustee and Board Chairperson David Price called the meeting to order at 5:00 p.m.

Corporate Secretary Griffin called the Roll:

The following Trustees were present via audio/video:

|  |   |
|--|---|
| Douglas Jester, East Lansing, MI (arrived @5:30pm) | David Lenz remotely, Lansing, MI                          |
| Deshon Leek remotely, Lansing, MI                  | Larry Merrill remotely, Delta Township (arrived @ 5:45pm) |
| Tony Mullen remotely, Lansing, MI                  | David Price remotely, Lansing, MI                         |
| Ken Ross remotely, Lansing, MI                     | Sandra Zerkle remotely, Lansing, MI                       |
| Tracy Thomas remotely, Lansing, MI                 |   |

Absent: Trustee Beth Graham

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**Approval of Minutes**

**Motion** by Trustee Thomas and Seconded by Trustee Zerkle to approve the minutes from the May 26, 2020 Pension Fund Trustees Meeting.

**Roll Call Vote:**

**Yeas:** Trustees David Price, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle.

**Nays:** None.

**Action:** Motion Carried.

**Pension Fund**

Chief Financial Officer (CFO) Heather Shawa provided an overview of the information from the Pension Dashboard, Defined Benefit Plan (DB), Post-Employment Benefit Plan (VEBA), and Defined Contribution and Deferred Compensation Plan (DC).

Ms. Shawa stated that a delegation of authority to the Retirement Plan Committee (RPC); an updated Statement of Investment Policies, Procedures Objectives for DB and VEBA; and one-time

lump sum payment to DB retiree participants were the changes made in FY 2020. The DB Plan ended FY2020 with \$55.6 million in assets compared to \$60.4 million in 2019 and with a funded status at 106.5% compared to 112.3% in 2019. The VEBA Plan ended FY2020 with \$198.8 million in assets compared to \$195.2 million in 2019 and the funded status at 128.6% compared to 131.4% in 2019. BWL uncovered errors related to employer contributions for the DC Plans and will post adjustments to participant accounts.

Mr. Scott Taylor, BWL Finance Manager, introduced the financial advisory panel. The Panel provided financial plan information and followed by a question and answer session.

- 1) Nathan Burk, Vice President and Senior Consultant with Asset Consulting Group (ACG); ACG assists in investment allocation, evaluation of investment managers, reporting of investment performance and investment policy statements.
- 2) Mark Miller, Founder and Principal Consultant with Benassist Retirement Consulting, LLC; Mr. Miller provides actuarial evaluation reports, assists with required annual state filing requirements, and performs calculations for DB employee benefits at retirement.
- 3) Dori Drayton, Senior Vice President and Financial Advisor with Captrust; Captrust assists with fund line up selection and monitoring, investment performance reporting, fee benchmarking and fiduciary compliance for the DC plans.
- 4) David Sharer, Managing Vice President and Sales and Relationship Management with ICMA-RC; ICMA is the DC Plan administrator and provides personalized resources to help employees and retirees reach their financial goals.

Mr. Nathan Burk gave a capital market update for 2020. Mr. Burk stated that during the pandemic Federal Reserve rates were cut to zero and an economic stimulus was sent out in response to the bear market decrease of 20%. U.S. Treasury bonds were the best performing asset class at 10% followed by high quality bonds at 8% and U.S. equities at 7%. The results for FY 2020 for the DB and VEBA Plans include a strong funded status and a strategic asset allocation that advanced 3.5% and 2.3% respectively. Mr. Burk noted that the investment management fees paid are less than that for 75% of consultants nationwide and are very efficient.

Mr. Mark Miller spoke about the DB and VEBA plan funded status. He noted that the BWL DB plan is 106.5% while the average for funded plans in Michigan is 73.5% and the BWL VEBA plan is 128.6% while the average for funded plans in Michigan is 50.9%.

Trustee Price commented that the information provided was beneficial to retirees.

Ms. Dori Drayton with Captrust spoke about the investment management, fiduciary process, plan design, vendor monitoring, and participant engagement for the 401(a) and 457(b) plans. There were no fund changes nor share class changes made in the plans as the investments performed well. Approximately 94% of the managers met the one- year criteria, and 90% met the five-year criteria.

Mr. David Sharer with ICMA gave an update on education outreach for the 401(a) and 457(b) plans. Education efforts included information on benefits and features of the plan along with providing advice and distribution strategies for the DC plan. Digital outreach has increased by the way of seminars, webinars and attendees.

Trustee Zerkle asked if virtual meetings will continue after the COVID-19 pandemic subsides as more employees can be contacted. Mr. Sharer responded that virtual meetings would continue as they were beneficial in reaching employees and retirees.

Trustee Thomas asked for the dollar amounts in assets from the 401(a) and 457(b) plans. Ms. Drayton from Captrust responded that \$204M was in the 401(a) plan and \$118M was in the 457(b).

**RESOLUTION #2020-11-01**

**ACCEPTANCE OF 2020 AUDITED FINANCIAL STATEMENTS FOR DEFINED BENEFIT PENSION PLAN, DEFINED CONTRIBUTION PENSION PLAN, AND RETIREE BENEFIT PLAN**

Resolved, that the Corporate Secretary receive and place on file the Defined Benefit, Defined Contribution, and Retiree Benefit Plan reports presented during the Pension Trustee Meeting.

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Staff comments: All three Plans received clean audit reports.

**Motion** by Trustee Mullen, **Seconded** by Trustee Lenz, to accept the 2020 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan.

**Roll Call Vote:**

**Yeas:** Trustees David Price, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle.

**Nays:** None.

**Action:** Motion Carried.

**Other**

None.

**Excused Absences**

**Motion** by Trustee Mullen, **Seconded** by Trustee Thomas for an excused absence for Trustee Beth Graham.

**Roll Call Vote:**

**Yeas:** Trustees David Price, Deshon Leek, David Lenz, Tony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle.

**Nays:** None.

**Action:** Motion Carried.

**Adjourn**

There being no further business, the Pension Fund Trustees meeting adjourned at 5:50 p.m.

Approved by the Trustees on \_\_\_\_\_, 2020



**LANSING BOARD OF WATER & LIGHT  
SPECIAL PENSION FUND TRUSTEES MEETING MINUTES  
March 16, 2021**

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met via WebEx at the BWL Headquarters – REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, March 16, 2021. The meeting was Publicly Noticed for 5:55 p.m.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ed6ca7a6c0cfaf6f7323609f75a027689>

Event Number for Attendees: 132 601 2112      Event Password: C3m2MMYB4js

Audio Conference: United States Toll +1-408-418-9388      Access Code: 132 601 2112

Board Trustee David Price called the meeting to order at 6:44 p.m.

Corporate Secretary Griffin called the roll.

The following Trustees were present via audio/video:

|                                    |                                      |
|------------------------------------|--------------------------------------|
| David Price remotely, Lansing, MI  | Beth Graham remotely, Lansing, MI    |
| DeShon Leek remotely, Lansing, MI  | David Lenz remotely, Lansing, MI     |
| Tony Mullin remotely, Lansing, MI  | Ken Ross remotely Port Charlotte, FL |
| Tracy Thomas remotely, Lansing, MI | Sandra Zerkle remotely, Lansing, MI  |

Absent: None

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**MEETING PURPOSE:**

**Consider a Resolution to Approve and Adopt Restated:  
DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust.**

Chair Trustee Price stated that he called for this Special Pension Fund Trustee meeting to consider the approval of and adoption of restated DC Plan 2, DC Trust 1, DC Trust 2, and 457 Trust and would like to put forward a Resolution.

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**RESOLUTION #2021-03-02**

**Lansing Board of Water & Light Retirement Plans**

WHEREAS, the Lansing Board of Water & Light (the “Board”) maintains the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (the “DC Plan 1”), the Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (the “DC Plan 2”), and the Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (the “457 Plan”); and

WHEREAS, the Board desires to amend and restate the DC Plan 2; and

WHEREAS, the Board desires to amend and restate the Trust Agreement for the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (the "DC Trust 1"), the Trust Agreement for the Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (the "DC Trust 2), and the Trust Agreement for the Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (the "457 Trust"); and

WHEREAS, the Board has received and reviewed copies of the proposed DC Plan 2, DC Trust 1, DC Trust 2 and 457 Trust; and

WHEREAS, the Board desires to approve and adopt the restated DC Plan 2, DC Trust 1, DC Trust 2 and 457 Trust.

NOW THEREFORE, it is:

RESOLVED, that the restated DC Plan 2 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated DC Trust 1 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated DC Trust 2 is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that the restated 457 Trust is hereby approved, effective as set forth therein;

FURTHER RESOLVED, that any member of the Board of Commissioners, on behalf of the Board, is authorized to execute the restated DC Plan 2, DC Trust 1, DC Trust 2, 457 Trust and any other documents that are necessary to implement the foregoing resolutions.

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**Motion** by Trustee Mullen, **Seconded** by Trustee Zerkle, to approve and adopt the Resolution for the Restated DC Plan 2, DC Trust 1, DC Trust2, and 457 Trust.

**Roll Call Vote:**

**Yeas:** Trustees David Price, Beth Graham, Deshon Leek, David Lenz, Anthony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle

**Nays:** None.

**Action:** Motion Carried.

**Other**

None.

**Adjourn**

There being no further business, the Special Pension Fund Trustees meeting adjourned at 6:48 p.m.



**LANSING BOARD OF WATER & LIGHT  
PENSION FUND TRUSTEES MEETING MINUTES  
May 25, 2021**

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met via WebEx at the BWL Headquarters – REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, May 25, 2021. The meeting was Publicly Noticed for 5:40 p.m.

Event Address for Attendees:

<https://lbwlevents.webex.com/lbwlevents/onstage/g.php?MTID=ec28985d811f30b5b049a27ea080e4a42>

Event Number for Attendees: 132 644 2247      Event Password: R7qqmtu5VM8

Audio Conference: United States Toll +1-408-418-9388      Access Code: 132 644 2247

Board Trustee David Price called the meeting to order at 5:55 p.m.

Corporate Secretary Griffin called the roll.

The following Trustees were present via audio/video:

|                                    |                                     |
|------------------------------------|-------------------------------------|
| Beth Graham remotely, Lansing, MI  | DeShon Leek remotely, Lansing, MI   |
| David Lenz remotely, Lansing, MI   | Tony Mullin remotely, Lansing, MI   |
| David Price remotely, Lansing, MI  | Ken Ross remotely, Lansing, MI      |
| Tracy Thomas remotely, Lansing, MI | Sandra Zerkle remotely, Lansing, MI |

Absent: None

Also Present: Commissioner Larry Merrill remotely, Delta Township, MI

The Corporate Secretary declared a quorum.

**Public Comments**

None.

**MEETING PURPOSE:**

**Acknowledgement of Revised Investment Policy Statements  
of the DC Plans Recommendation**

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**RESOLUTION #2021-05-04**

**Acknowledgement of Revised Investment Policy Statements of the DC Plans  
Recommendation**

WHEREAS, the Lansing Board of Water & Light sponsors the Lansing Board of Water and Light Defined Contribution Plan and Trust 1, Lansing Board of Water and Light Defined Contribution Plan and Trust 2; and Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (the “DC Plans”); and

WHEREAS, certain individuals serve as trustees of the DC Plans (the “Trustees”); and

WHEREAS, the Trustees delegated certain investment authority regarding the DC Plans' assets to the Retirement Plan Committee in November 2018 (the "Delegation"); and

WHEREAS, the Trustees are required to acknowledge all revisions to the Investment Policy Statements ("IPs") which are adopted from time to time by the Board of Commissioners of the Lansing Board of Water & Light;

THEREFORE, it is:

RESOLVED, that the Trustees ratify all investment actions that have been taken by the Retirement Plan Committee in accordance with the Delegation;

FURTHER RESOLVED, that after reviewing the attached revised IPs, the Trustees acknowledge all revisions to the IPs, effective as indicated therein.

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**Motion** by Trustee Ross, **Seconded** by Trustee Lenz, to acknowledge the Resolution for the Recommendations of Revised Investment Policy Statements of the DC Plans.

**Discussion:** Trustee Ross inquired about the scope of the language contained in the Proposed Resolution. He inquired whether the Resolution was just ratifying the revision to the Investment Policy Statement, or whether we were also additionally ratifying Retirement Plan Committee actions since the original November 2018 delegation, and if so, which specific actions. Trustee Price replied that the change in policy is the only item being validated. Corporate Secretary Griffin replied that this resolution is acknowledgement for what was approved by the Board. Trustee Ross referred his question to the paragraph that states *RESOLVED, that the Trustees ratify all investment actions that have been taken by the Retirement Plan Committee in accordance with the Delegation.* Trustee Price responded that this resolution was the result of revisions to the investment policy statements that were presented and that the full Board is acknowledging, as part of the process, that the revisions were accepted. Chief Financial Officer Heather Shawa confirmed and reinforced that Chair Price's comment stating that this Resolution was indeed the result of the revisions to the investment policy statements that were presented and the intent was, that was the only investment action that is being accepted and/or acknowledged by the Trustees.

**Roll Call Vote:**

**Yeas:** Trustees David Price, Beth Graham, Deshon Leek, David Lenz, Anthony Mullen, Ken Ross, Tracy Thomas and Sandra Zerkle

**Nays:** None.

**Action:** Motion Carried.

**Other**

There was no other business.

**Adjourn**

There being no further business, the Pension Fund Trustees meeting adjourned at 5:59 p.m.





**Lansing Board of Water and Light  
FY 2021 Pension Trustee Packet for 11-16-2021**

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## M E M O R A N D U M

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**From: Heather Shawa – Chair, Retirement Plan Committee (RPC)**

**To: Board of Water and Light Pension Trustees**

**Date: November 9, 2021**

**Subject: Annual Pension Trustee Meeting – November 16, 2021**

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At the Annual Trustee Meeting to be held November 16, 2021, staff will summarize FY 2021 performance of the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions ("DB"), the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light ("VEBA"), and the participant-directed 401(a) Defined Contribution & 457(b) Deferred Compensation Plans and Trusts ("DC"). Representatives from Asset Consulting Group ("ACG") and Benassist Retirement Consulting ("Benassist") will be present to address DB and VEBA. Representatives from Nationwide and Captrust will be present to address DC.

Audited financial reports are included in the meeting packet. BWL's external auditor, Baker Tilly, has issued each report with an unmodified opinion. This indicates that the financial statements present fairly, in all material respects, the fiduciary position as of June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

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### *DB & VEBA UPDATES*

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During the fiscal year 2021, the RPC completed the following notable actions:

- Appointed Atlanta Capital to replace Aristotle as a VEBA small/mid cap investment manager.
- Amended the VEBA Plan document for non-bargaining employee premium sharing.
- Executed rebalancing transactions as needed for the VEBA Trust to maintain required asset allocations.

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## Actuarial Reports Overview

Included in the packet are the actuarial reports for DB and VEBA. These reports were prepared by Benassist using census data as of February 28, 2021, and financial data as of June 30, 2021. Benassist calculated the funding status and actuarially determined contribution ("ADC") for each plan. ADC is the amount BWL is required to contribute to the Trust annually to provide adequate funding for payment of future benefits. The VEBA ADC increased from \$0 in FY 2020 to \$220,026 in FY 2021.

| <b>DB</b>                           | As of 6/30/2020 | As of 6/30/2021  |
|-------------------------------------|-----------------|------------------|
| Actuarially Determined Contribution | \$0             | \$0              |
| Total Pension Liability             | \$52.2 million  | \$48.4 million   |
| Fiduciary Net Position              | \$55.6 million  | \$61.7 million   |
| Funded Status                       | 106.5%          | 127.3%           |
| Net Pension (Asset) / Liability     | (\$3.4 million) | (\$13.2 million) |

| <b>VEBA</b>                         | As of 06/30/2020 | As of 06/30/2021  |
|-------------------------------------|------------------|-------------------|
| Actuarially Determined Contribution | \$0              | \$220,026         |
| Total OPEB Liability                | \$154.6 million  | \$147.6 million   |
| Fiduciary Net Position              | \$198.8 million  | \$247.7 million   |
| Funded Status                       | 128.6%           | 167.8%            |
| Net OPEB (Asset) / Liability        | (\$44.2) million | (\$100.1) million |

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## Asset Class Allocation

Investments for DB and VEBA are directed by the plan sponsor, BWL, under the guidance of the Statement of Investment Policies, Procedures and Objectives (“IPS”) for each plan.

Listed below are the asset class allocations for DB and VEBA. Except for US Large Cap Equity, all investment allocations fell within target ranges at fiscal year-end. The RPC authorized a rebalancing transaction prior to fiscal year-end, which was executed in July 2021. All VEBA allocations including large cap equity were within allowable ranges by the end of July 2021.

| <b><u>Asset Class:</u></b>                 | <b><u>Fund Allocation as of 06/30/2021</u></b> |                    |
|--|--|--------------------|
|  | <b><u>DB</u></b>                               | <b><u>VEBA</u></b> |
| <b><u>US Large Cap Equity:</u></b>         |  |                    |
| Loomis Sayles                              | 12.21%   | 20.38%             |
| Vanguard Russell 1000 Value                | 12.08%   | 15.46%             |
| <b><u>US Small/Mid Cap Equity:</u></b>     |  |                    |
| Atlanta Capital                            | 10.50%   | 9.87%              |
| Aristotle                                  | 0.00%  | 0.01%              |
| <b><u>Non-US Equity:</u></b>               |  |                    |
| Harding Loevner Int'l Equity               | 10.60%   | 10.23%             |
| Lazard Int'l Equity                        | 10.52%   | 8.84%              |
| <b><u>Fixed Income:</u></b>                |  |                    |
| JPMorgan Core Bond                         | 17.40%   | 12.42%             |
| Fidelity Tactical Bond                     | 9.42%  | 4.49%              |
| BlackRock Strategic Income                 | 9.79%  | 4.17%              |
| <b><u>Real Assets:</u></b>                 |  |                    |
| AEW Core Property Trust                    | 5.44%  | 6.75%              |
| Blackstone Property Partners               | 0.00%  | 7.29%              |
| <b><u>Cash &amp; Cash Equivalents:</u></b> |  |                    |
| Cash & Cash Equivalents                    | 2.04%  | 0.08%              |

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## Management Fees

The IPS prescribes that consideration will be given to fees prior to retaining professionals. The following table lists all fees associated with DB and VEBA funds as of June 30, 2021.

|                                | <b>Manager<br/>Fee</b> | <b>Custodial<br/>Fee</b> | <b>ACG<br/>Fee*</b> | <b>Total<br/>Fees</b> |
|--------------------------------|------------------------|--------------------------|---------------------|-----------------------|
| <b>US Large Cap Equity</b>     |                        |                          |                     |                       |
| Loomis Sayles                  | 0.52 %                 | 0.02 %                   | 0.04 %              | 0.58 %                |
| Vanguard Russell 1000 Value    | 0.07 %                 | 0.02 %                   | 0.04 %              | 0.13 %                |
| <b>US Small/Mid Cap Equity</b> |                        |                          |                     |                       |
| Atlanta Capital                | 0.82%                  | 0.02 %                   | 0.04 %              | 0.88 %                |
| <b>Non-US Equity</b>           |                        |                          |                     |                       |
| Harding Loevner Int'l Equity   | 0.73 %                 | 0.02 %                   | 0.04 %              | 0.79 %                |
| Lazard Int'l Equity            | 0.82 %                 | 0.02 %                   | 0.04 %              | 0.88 %                |
| <b>Fixed Income</b>            |                        |                          |                     |                       |
| JP Morgan Fixed Income         | 0.30 %                 | 0.02 %                   | 0.04 %              | 0.36 %                |
| Fidelity Tactical Bond         | 0.36 %                 | 0.02 %                   | 0.04 %              | 0.42 %                |
| BlackRock Strategic Income     | 0.63 %                 | 0.02 %                   | 0.04 %              | 0.69%                 |
| <b>Real Estate</b>             |                        |                          |                     |                       |
| AEW Core Property Trust        | 1.10 %                 | 0.02 %                   | 0.04 %              | 1.16 %                |
| Blackstone Property Partners   | 1.00 %                 | 0.02 %                   | 0.04 %              | 1.06 %                |

\*ACG advisory fee is a flat dollar cost. For purposes of this report, this fee is shown as a weighted average of total assets under management.

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## Performance of Investment Managers

These charts show DB and VEBA investment returns from inception of BWL investment through June 30, 2021. The charts reflect investment managers employed by the BWL as of June 30, 2021. These returns are compared to the market index that most closely resembles each investment manager's style as described in the current IPS documents for DB and VEBA, respectively. Note that due to differing individual portfolio start dates and investment sectors, the comparative market index will vary between managers.

| <b>DB</b>                    | <b>Inception Date</b> | <b>Return</b> | <b>Index</b> |
|------------------------------|-----------------------|---------------|--------------|
| Loomis Sayles                | 01/13                 | 19.38%        | 19.89%       |
| Vanguard                     | 05/17                 | 10.88%        | 10.92%       |
| Atlanta Capital              | 08/18                 | 14.76%        | 14.95%       |
| Harding Loevner Int'l Equity | 09/17                 | 10.83%        | 8.58%        |
| Lazard Int'l Equity          | 09/17                 | 6.61%         | 8.00%        |
| JP Morgan                    | 01/09                 | 4.37%         | 3.93%        |
| Fidelity Tactical Bond       | 09/18                 | 7.49%         | 5.42%        |
| BlackRock Strategic Income   | 09/17                 | 4.50%         | 3.69%        |
| AEW Core Property Trust      | 01/19                 | 4.61%         | 4.15%        |

| <b>VEBA</b>                  | <b>Inception Date</b> | <b>Return</b> | <b>Index</b> |
|------------------------------|-----------------------|---------------|--------------|
| Loomis Sayles                | 01/13                 | 19.08%        | 19.89%       |
| Vanguard                     | 05/17                 | 10.87%        | 10.92%       |
| Atlanta Capital              | 04/21                 | 5.31%         | 5.44%        |
| Harding Loevner Int'l Equity | 09/17                 | 10.82%        | 8.58%        |
| Lazard Int'l Equity          | 09/17                 | 6.61%         | 8.00%        |
| JP Morgan                    | 01/09                 | 4.42%         | 3.93%        |
| Fidelity Tactical Bond       | 09/18                 | 7.12%         | 5.42%        |
| BlackRock Strategic Income   | 09/17                 | 4.49%         | 3.69%        |
| AEW Core Property Trust      | 01/19                 | 4.61%         | 4.15%        |
| Blackstone Property Partners | 10/19                 | 3.63%         | 4.16%        |

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## *DC UPDATES*

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The BWL continues to sponsor three DC Plans whose participants elect their own investments from a menu designed by the Plan Sponsor:

- The Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (“DC Plan 1”)
- The Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (“DC Plan 2”)
- The Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (“457 Plan”)

During fiscal year 2021, the RPC completed the following notable actions:

- Submitted a Voluntary Correction Program (VCP) application to the IRS for DC Plan 1 & DC Plan 2. In October (29th), we received a follow up question and request for additional information. As a reminder, the corrections have already been made. The filing process is intended to receive official IRS approval of the corrections.
- Selected Nationwide to replace ICMA-RC as the administrative recordkeeper for all DC Plans. In conformance with BWL procurement policies, the selection was made through a competitive RFP process. Plan and Trust governance documents (including IPSs) were prepared accordingly.
  - While Nationwide fills the same role previously occupied by ICMA-RC, BWL believes that Nationwide also brings the following advantages to participants:
    - Improved account access experience for digital devices on all platforms
    - Greater scale of resources for education, financial planning, and investment advice
    - Maintained access to local retirement specialist for individual meetings
    - Lower quarterly maintenance fees
- Extended Captrust contract for investment advisory services to Plan Sponsor through 5/31/2023.

# Retirement Plans Dashboard: FY 2021



## Lansing Board of Water & Light: Defined Benefit Plan - 06/30/2021

| Funding Status                            |                | Returns                             |        |
|---|----------------|-------------------------------------|--------|
| Fiduciary Net Position                    | \$ 61,658,099  | FY 2021 Return on Assets            | 22.13% |
| Total Pension Liability                   | \$ 48,443,824  | Expected Return                     | 6.50%  |
| Funding Status                            | 127%           | Median Expected Return <sup>2</sup> | 7.00%  |
| Average Funding Percentage <sup>1</sup>   | 72%            | % Over/Under Median                 | -0.50% |
| Actuarially Determined Contribution (ADC) | \$ -           |                                     |        |
| FY 2021 Total Revenues                    | \$ 380,578,649 |                                     |        |
| ADC as % of Revenues                      | 0.00%          |                                     |        |

| Change in Assets                  |                | Participants <sup>3</sup>   |     |
|-----------------------------------|----------------|-----------------------------|-----|
| FY 2021 Beginning Market Value    | \$ 55,586,895  | Total Active Participants   | 3   |
| FY 2021 Contributions             | \$ -           | Total Inactive Participants | 2   |
| FY 2021 Net Investment Income     | \$ 11,852,724  | Total Retiree Participants  | 296 |
| FY 2021 Distributions             | \$ (5,781,520) | Total Participants          | 301 |
| FY 2021 Ending Market Value       | \$ 61,678,532  |                             |     |
| FY 2021 Inc/(Dec) in Market Value | \$ 6,091,637   |                             |     |

### Asset Allocation



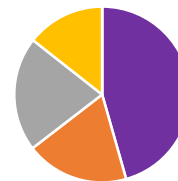
| Asset Class        | Allocation | Target Allocation |
|--------------------|------------|-------------------|
| US Equity          | 35%        | 25 - 45%          |
| Non-US Equity      | 21%        | 15 - 25%          |
| Fixed Income       | 37%        | 20 - 50%          |
| Real Assets        | 5%         | 0 - 10%           |
| Cash & Equivalents | 2%         | 0 - 5%            |

## Lansing Board of Water & Light: VEBA Plan - 06/30/2021

| Funding Status                            |                | Returns                  |       |
|---|----------------|--------------------------|-------|
| Fiduciary Net Position                    | \$ 247,741,205 | FY 2021 Return on Assets | 25.2% |
| Total OPEB Liability                      | \$ 147,642,469 | Expected Return          | 7.0%  |
| Funding Status                            | 167.80%        |                          |       |
| Prior Year Funding Percentage             | 128.59%        |                          |       |
| Actuarially Determined Contribution (ADC) | \$ 220,026     |                          |       |
| FY 2021 Total Revenues                    | \$ 380,578,649 |                          |       |
| ADC as % of Revenues                      | 0.06%          |                          |       |

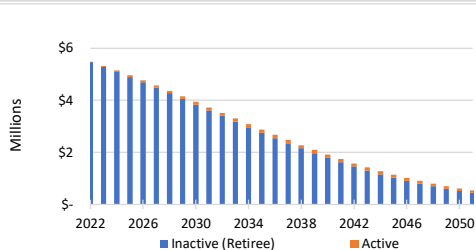
| Change in Assets                  |                | Participants <sup>3</sup>  |       |
|-----------------------------------|----------------|----------------------------|-------|
| FY 2021 Beginning Market Value    | \$ 198,804,802 | Total Active Participants  | 698   |
| FY 2021 Contributions             | \$ 8,343,977   | Total Retiree Participants | 747   |
| FY 2021 Net Investment Income     | \$ 49,388,725  | Total Participants         | 1,445 |
| FY 2021 Distributions             | \$ (8,794,277) |                            |       |
| FY 2021 Ending Market Value       | \$ 247,743,227 |                            |       |
| FY 2021 Inc/(Dec) in Market Value | \$ 48,938,425  |                            |       |

### Asset Allocation

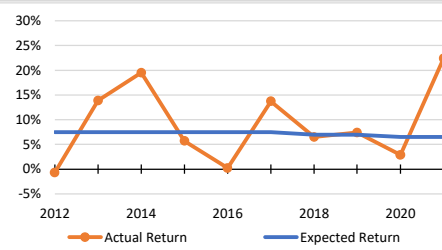


| Asset Class        | Allocation % | Target Allocation |
|--------------------|--------------|-------------------|
| US Equity          | 46%          | 30 - 50%          |
| Non-US Equity      | 19%          | 15 - 25%          |
| Fixed Income       | 21%          | 10 - 50%          |
| Real Assets        | 14%          | 0% - 20%          |
| Cash & Equivalents | < 1%         | 0% - 5%           |

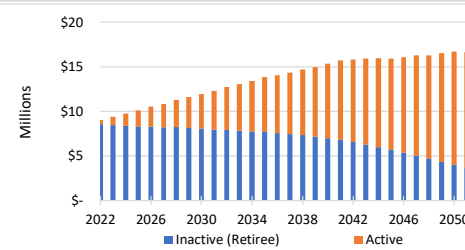
### Projected Benefit Payments



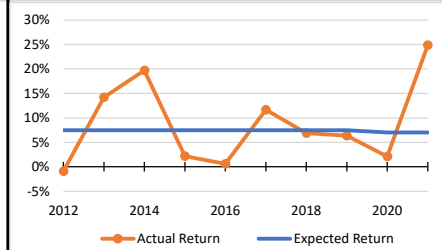
### Historical vs Expected Returns<sup>6</sup>



### Projected Benefit Payments



### Historical vs Expected Returns<sup>7</sup>



### Approximate Plan Fees

| Type                         | Annual Fees Paid | % of Assets |
|------------------------------|------------------|-------------|
| Investment Fees <sup>4</sup> | \$ 300,176       | 0.54%       |
| Custodial Fees               | \$ 8,900         | 0.02%       |
| Advisory Fees <sup>5</sup>   | \$ 55,000        | 0.10%       |
| Total                        | \$ 364,076       | 0.65%       |

### Approximate Plan Fees

| Type                         | Annual Fees Paid | % of Assets |
|------------------------------|------------------|-------------|
| Investment Fees <sup>4</sup> | \$ 1,159,256     | 0.58%       |
| Custodial Fees               | \$ 33,691        | 0.02%       |
| Advisory Fees <sup>5</sup>   | \$ 55,000        | 0.03%       |
| Total                        | \$ 1,247,947     | 0.63%       |

- Average funding for state and local pensions nationwide as published Nov. 2021. Data obtained from Public Plans Database and PENDAT as provided by BWL's external advisor, ACG.
- Median investment return assumption for public pensions from 2020 data obtained from NASRA Public Fund Survey Summary of Findings as provided by BWL's external advisor, ACG.
- Participant data from actuarial census date of February 28, 2021.
- Aggregate of explicit payments as well as underlying expense ratios. Certain investment fees are charged on a "% of Assets" basis and have been converted to an estimated dollar amount for purposes of this comparison.
- Advisory fees are a flat dollar amount and have been converted to a "% of Assets" basis for purposes of this comparison.
- In FY 2018, the expected return for the DB plan was reduced from 7.50% to 7.00%, and was reduced again in FY 2020 to 6.50%.
- In FY 2020, the expected return for the VEBA plan was reduced from 7.50% to 7.00%.

Investment manager and advisory fees are accounted for on an accrual basis for purposes of this dashboard, but on a cash basis for purposes of external audit. Due to rounding, sums and percentages in this dashboard may not precisely reflect absolute figures or those found in other reports.



# Retirement Plans Dashboard: FY 2021

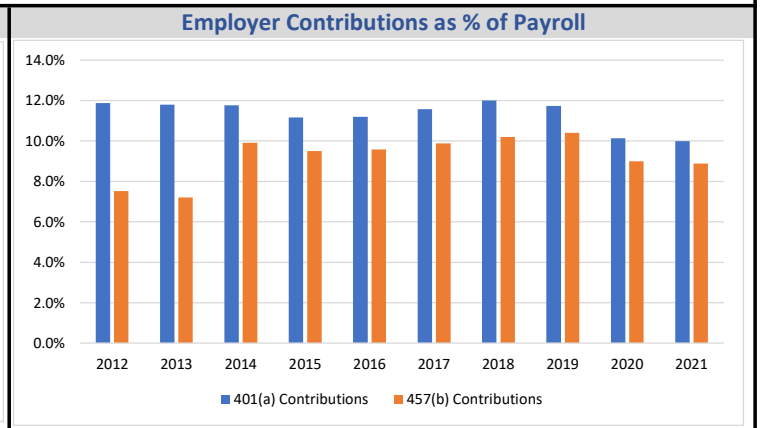
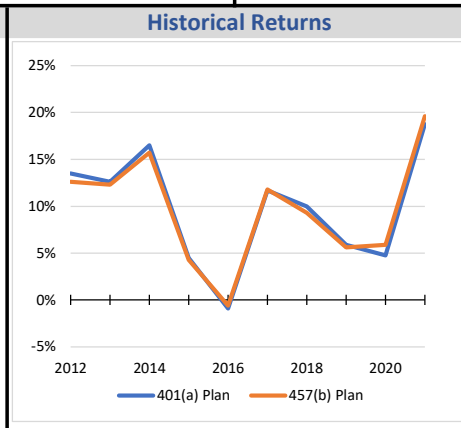
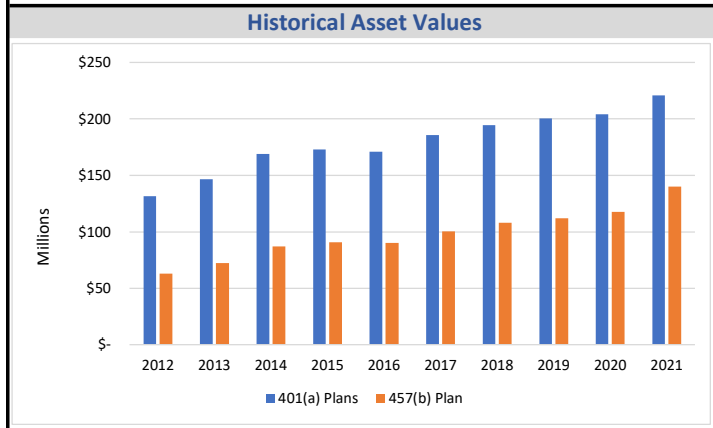
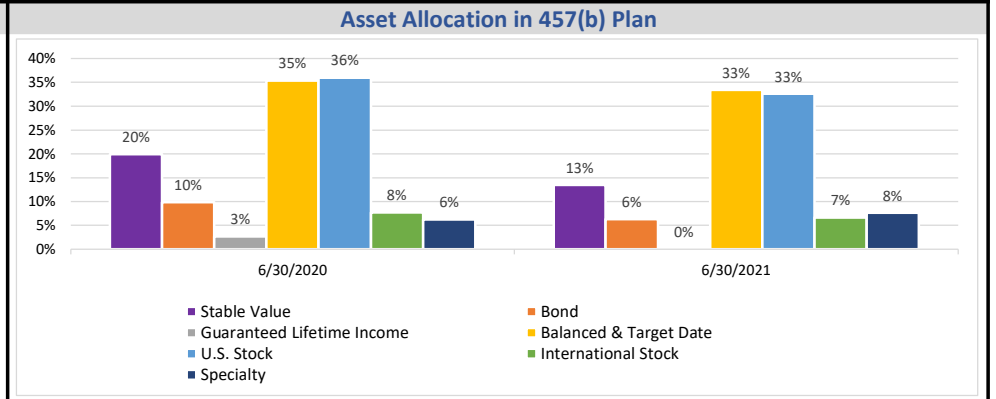
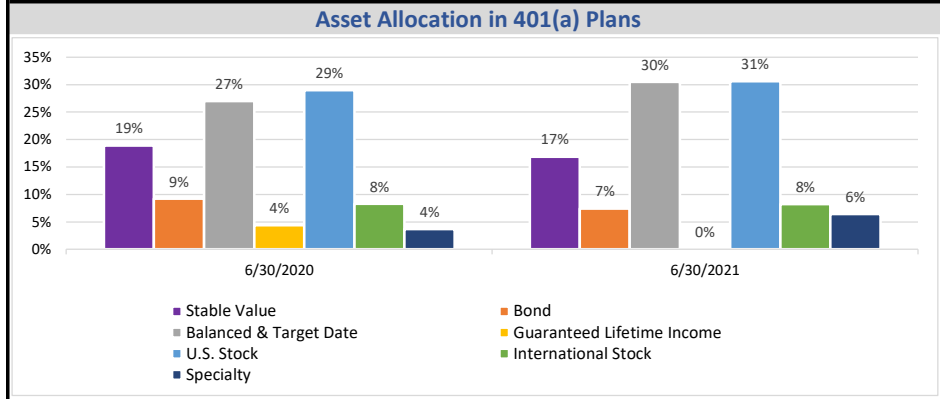


## Lansing Board of Water & Light: Defined Contribution 401(a) Plans & Deferred Compensation 457(b) Plan

| Total Participants     |              | 401(a) Loan Statistics  |              | Aggregate Education Statistics |                             |                    |                       |
|------------------------|--------------|-------------------------|--------------|--------------------------------|-----------------------------|--------------------|-----------------------|
| Plan Type              | Participants | Active Loans            |              | Retirement Specialists         | Certified Financial Planner | Seminars           | Nationwide Transition |
| 401 Plans <sup>1</sup> | 1,081        | Total Loan Balance      | \$ 3,199,806 | 28 days in service             | 87 Attendees                | 6 Seminars On Site | 12 workshops          |
| 457 Plan <sup>2</sup>  | 966          | Avg Active Loan Balance | \$ 12,260    | 402 attendees                  |                             | 80 Attendees       | 144 registrations     |

| Participants & Assets by Age Group: 401(a) Plans |                 |                    |              |                    |
|--|-----------------|--------------------|--------------|--------------------|
| Age Group  | Average Balance | Total Participants | Total Assets |                    |
| Under 30   | \$ 29,268       | 60                 | \$           | 1,756,056          |
| 30 - 39  | \$ 65,374       | 159                | \$           | 10,394,435         |
| 40 - 49  | \$ 125,405      | 235                | \$           | 29,470,104         |
| 50 - 59  | \$ 228,074      | 281                | \$           | 64,088,892         |
| 60 - 69  | \$ 389,340      | 231                | \$           | 89,937,629         |
| 70 & Up  | \$ 226,530      | 111                | \$           | 25,144,877         |
| N/A  | \$ 141,112      | 4                  | \$           | 564,449            |
| <b>Total</b>                                     |                 | <b>1,081</b>       | <b>\$</b>    | <b>221,356,443</b> |

| Participants and Assets by Age Group: 457(b) Plan |                 |                    |              |                    |
|---|-----------------|--------------------|--------------|--------------------|
| Age Group   | Average Balance | Total Participants | Total Assets |                    |
| Under 30  | \$ 30,702       | 62                 | \$           | 1,903,542          |
| 30 - 39   | \$ 63,674       | 162                | \$           | 10,315,188         |
| 40 - 49   | \$ 121,548      | 216                | \$           | 26,254,387         |
| 50 - 59   | \$ 170,961      | 265                | \$           | 45,304,621         |
| 60 - 69   | \$ 230,904      | 201                | \$           | 46,411,629         |
| 70 & Up   | \$ 170,833      | 58                 | \$           | 9,908,300          |
| N/A   | \$ 173          | 2                  | \$           | 345.09             |
| <b>Total</b>                                      |                 | <b>966</b>         | <b>\$</b>    | <b>140,098,012</b> |



1 401(a) Plans are employer contribution only.

2 457(b) Plan is employee contribution with an employer contribution of \$1,000 and an additional employer match up to \$1,500 per calendar year.

*Due to rounding, sums and percentages in this dashboard may not precisely reflect absolute figures or those found in other reports*

**Lansing Board of Water and Light  
Defined Benefit Plan and Trust for  
Employees' Pensions**

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**Financial Report  
with Required Supplementary Information  
As of and for the Years Ended June 30, 2021 and 2020**

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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## **Independent Auditors' Report**

To the Honorable Mayor, Members of the City Council,  
and Commissioners of the Board of Water and Light  
Lansing Board of Water and Light  
Defined Benefit Plan and Trust for Employees' Pensions

We have audited the accompanying financial statements of the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions ("Plan") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2021 and 2020, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
September 10, 2021

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Management's Discussion and Analysis As of and for the Years Ended June 30, 2021 and 2020

### Using this Annual Report

The annual report consists of two parts: (1) Management's Discussion and Analysis (this section) and (2) the financial statements. The financial statements include notes that explain information in the statements and provide more detail.

### Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior two years:

|                                     | 2021                 | 2020                  | 2019                  |
|-------------------------------------|----------------------|-----------------------|-----------------------|
| <b>Assets held in trust:</b>        |                      |                       |                       |
| Money market collective trust fund  | \$ 1,401,780         | \$ 1,402,445          | \$ 1,963,325          |
| U.S. government obligations         | -                    | -                     | 4,873,353             |
| Fixed income securities             | -                    | 2                     | 6,379,674             |
| Mutual funds                        | 33,017,321           | 27,724,349            | 30,566,813            |
| Common collective funds             | 19,776,148           | 19,028,423            | 6,029,465             |
| Common stock                        | 7,460,769            | 7,429,429             | 10,529,824            |
| Trade Receivable due from Broker    | 20,550               | -                     | -                     |
| Interest and dividend receivable    | 1,964                | 2,247                 | 85,635                |
| Total assets held in trust          | <u>\$ 61,678,532</u> | <u>\$ 55,586,895</u>  | <u>\$ 60,428,089</u>  |
| <br>                                |                      |                       |                       |
| Liabilities - Accrued liabilities   | \$ 20,433            | \$ -                  | \$ 6,242              |
| <br>                                |                      |                       |                       |
| Net position restricted for pension | <u>61,658,099</u>    | <u>55,586,895</u>     | <u>60,421,847</u>     |
| <br>                                |                      |                       |                       |
| Total liabilities and net position  | <u>\$ 61,678,532</u> | <u>\$ 55,586,895</u>  | <u>\$ 60,428,089</u>  |
| <br>                                |                      |                       |                       |
| <b>Changes in net position:</b>     |                      |                       |                       |
| Net investment income (loss)        | \$ 11,852,724        | \$ 1,657,911          | \$ 4,380,722          |
| Benefits payments                   | (5,658,372)          | (6,347,779)           | (6,142,622)           |
| Administrative fees                 | <u>(123,148)</u>     | <u>(145,084)</u>      | <u>(183,238)</u>      |
| Net change in net position          | <u>\$ 6,071,204</u>  | <u>\$ (4,834,952)</u> | <u>\$ (1,945,138)</u> |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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## Management's Discussion and Analysis (Continued) As of and for the Years Ended June 30, 2021 and 2020

### Investment Results

The fiscal year ended June 30, 2021 saw a net investment gain of \$11.9 million. We believe this performance is consistent with the experience of similarly situated employee benefit funds.

The Board of Water and Light – City of Lansing, Michigan's ("BWL") actuarially determined contribution (ADC) as determined by the BWL's actuary was \$0 in fiscal year 2021, therefore no employer contributions were required.

### Investment Objectives and Asset Allocation

The Plan assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Plan, the BWL has considered the time horizon available for investment, the nature of the Plan's cash flows and liabilities, and other factors that affect the Plan's risk tolerance.

The investment of Plan assets is intended to result in moderate, long-term capital appreciation through moderate risk-taking. The Plan's overall investment objective is to earn an average, annual return of 6.5% over five-year rolling periods. Achievement of this objective is likely to result in stable contribution rates and ensure its ability to pay retirement benefits for all plan participants.

Consistent with the advice of the investment advisor, the BWL has selected the following target asset allocation strategy:

| <b><u>Asset Class</u></b> | <b><u>Target Asset Allocation</u></b> |
|---------------------------|---------------------------------------|
| Core bonds                | 20%                                   |
| Multi-sector              | 10%                                   |
| Liquid absolute return    | 10%                                   |
| U.S. large cap equity     | 25%                                   |
| U.S. small cap equity     | 10%                                   |
| Non-U.S. equity           | 20%                                   |
| Core real estate          | <u>5%</u>                             |
| Total                     | 100%                                  |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Management's Discussion and Analysis (Continued)  
As of and for the Years Ended June 30, 2021 and 2020

## Future Events

The Plan is currently overfunded, with a funded ratio (fiduciary net position divided by total pension liability) of 127 percent. This funding level results in an actuarially determined contribution of \$0 for fiscal year 2022. As a result, the BWL does not expect to make contributions to the trust in fiscal year 2022.

The Plan expects to make an annual withdrawal of approximately \$5,000,000 to cover participant benefits in fiscal year 2022.

## Contacting the Plan's Management

The financial report is intended to provide a general overview of the Plan's finances and to demonstrate accountability for the funds it administers. Questions about this report should be submitted to Lansing Board of Water and Light, Chief Financial Officer, P.O. Box 13007, Lansing, Michigan 48901-3007.



# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Statements of Plan Fiduciary Net Position

|   | As of June 30               |                             |
|---|-----------------------------|-----------------------------|
|   | 2021                        | 2020                        |
| <b>Assets</b>                               |                             |                             |
| Investments at fair value:                  |                             |                             |
| Cash and money market trust fund            | \$ 1,401,780                | \$ 1,402,445                |
| Fixed income securities                     | -                           | 2                           |
| Mutual funds                                | 33,017,321                  | 27,724,349                  |
| Common collective funds                     | 19,776,148                  | 19,028,423                  |
| Common stocks                               | 7,460,769                   | 7,429,429                   |
|   | <u>61,656,018</u>           | <u>55,584,648</u>           |
| Total investments at fair value             | 61,656,018                  | 55,584,648                  |
| Trade receivable - due from broker          | 20,550                      | -                           |
| Receivable - investment interest receivable | 1,964                       | 2,247                       |
|   | <u>61,678,532</u>           | <u>55,586,895</u>           |
| Total assets                                | 61,678,532                  | 55,586,895                  |
| <b>Liabilities</b>                          |                             |                             |
| Trade payable - due to broker               | 20,433                      | -                           |
|   | <u>20,433</u>               | <u>-</u>                    |
| <b>Net Position Restricted for Pensions</b> | <b>\$ <u>61,658,099</u></b> | <b>\$ <u>55,586,895</u></b> |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Statements of Changes in Plan Fiduciary Net Position

|  | For the Year Ended June 30 |                      |
|--|----------------------------|----------------------|
|  | 2021                       | 2020                 |
| <b>Additions</b>                                 |                            |                      |
| Investment income:                               |                            |                      |
| Net appreciation in fair<br>value of investments | \$ 10,760,058              | \$ 492,124           |
| Interest and dividend income                     | 1,092,666                  | 1,165,787            |
| Total investment income                          | 11,852,724                 | 1,657,911            |
| <b>Deductions</b>                                |                            |                      |
| Retiree benefits paid                            | 5,658,372                  | 6,347,779            |
| Administrative expenses                          | 123,148                    | 145,084              |
| Total deductions                                 | 5,781,520                  | 6,492,863            |
| <b>Net Increase (Decrease) in Net Position</b>   | 6,071,204                  | (4,834,952)          |
| <b>Net Position Restricted for Pensions</b>      |                            |                      |
| Beginning of year                                | 55,586,895                 | 60,421,847           |
| End of year                                      | <b>\$ 61,658,099</b>       | <b>\$ 55,586,895</b> |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 1 - Summary of Significant Accounting Policies

### **Reporting Entity**

The Board of Water and Light – City of Lansing, Michigan (“BWL”) sponsors the Defined Benefit Plan and Trust for Employees’ Pensions (“Plan”), which is a noncontributory single–employer defined benefit, public employee retirement system established and administered by the BWL under Section 5–203 of the City Charter. A participant’s interest shall be fully vested when the participant has been credited with seven years of vesting service. The Plan was established in 1939 and has been amended several times, with the latest amendment taking effect on July 1, 2010. Participants should refer to the Plan Document for a more complete description of the Plan’s provisions.

### **Accounting and Reporting Principles**

The Plan follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

### **Basis of Accounting**

Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Employer contributions to the Plan are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

### **Report Presentation**

This report includes the fund–based statements of the Plan.

**Investment Valuation and Income Recognition** – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales prices. Investments that do not have an established market are reported at estimated fair value.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 1 - Summary of Significant Accounting Policies (Continued)

### Report Presentation (Continued)

Purchases and sales of securities are recorded on a trade-date basis.

Appreciation or depreciation of investments is calculated based on the beginning of year fair value of investments.

**Expenses** – Substantially all Plan expenses are paid by the Plan.

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**Regulatory Status** – The Plan is not subject to the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as it has been established for the benefit of a governmental unit.

## Note 2 - Plan Description

**Plan Administration** – The BWL administers the Plan – a noncontributory single-employer defined benefit pension plan for employees of the BWL. The benefit terms were established by the BWL and may be amended by future BWL actions.

Management of the Plan is vested in the BWL, which consists of eight members appointed by the mayor of the City of Lansing, Michigan.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 2 - Plan Description (Continued)

**Plan Membership** – At February 28, 2021 and February 29, 2020 (the most recent actuarial valuation for funding purposes), Plan membership consisted of the following:

|  | <u>2021</u>       | <u>2020</u>       |
|--|-------------------|-------------------|
| Inactive Plan members or beneficiaries<br>currently receiving benefits | 296               | 318               |
| Inactive Plan members entitled to but not<br>yet receiving benefits    | 2                 | 3                 |
| Active Plan members  | <u>3</u>          | <u>3</u>          |
| Total  | <u><u>301</u></u> | <u><u>324</u></u> |

The Plan, by resolution of the Board of Commissioners, was closed to employees hired subsequent to December 31, 1996, and a defined contribution plan was established for employees hired after December 31, 1996. Effective December 1, 1997, all active participants in this Plan were required to make an irrevocable choice to either remain in this Plan (defined benefit) or move to the newly established defined contribution plan. Those participants who elected to move to the defined contribution plan received lump-sum distributions from this Plan that were rolled into their accounts in the newly established defined contribution plan. Of the 760 employees who were required to make this election, 602 elected to convert their retirement benefits to the newly established defined contribution plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred \$75,116,470 to the newly established defined contribution plan, reflecting the Plan participants' accumulated benefits as of said date.

**Benefits Provided** – The Plan provides retirement, early retirement, disability, termination, and death benefits. The Plan provides for an annual benefit upon normal retirement age equal to the product of the total number of years of credited service multiplied by a percentage equal to 1.80 percent of the highest annual pay during the last 10 years of service, paid in equal monthly installments.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 2 - Plan Description (Continued)

Payments will either be nonincreasing or increase only as follows: (a) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics; (b) to the extent of the reduction in the amount of the employee's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in subsection 8 dies or is no longer the employee's beneficiary pursuant to a qualified domestic relations order within the meaning of Internal Revenue Code Section 414(p); (c) to provide cash refunds of employee contributions upon the employee's death; or (d) to pay increased benefits that result from a Plan amendment.

**Contributions** – Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the BWL retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. There was no contribution required for the years ended June 30, 2021 and 2020. Plan documents do not require participant contributions.

**Plan Termination** – Although the BWL has not expressed any intent to terminate the Plan, the BWL has the right to do so at any time. If the Plan is terminated, each employee who has a pension benefit under the Plan will be fully vested in that benefit. Those benefits shall be calculated on Plan termination as though each person had elected to receive his or her accrued benefit as a lump sum amount, although no employee would be required to accept his or her Plan termination distribution in the form of a lump sum. The lump sum amount to be paid to each individual in any of the forms permitted by the Plan would be calculated in accordance with the Plan document. On termination of the Plan, each employee would have recourse toward satisfaction of his or her nonforfeitable benefit from the Plan assets and from the general assets of the BWL and its successor.

The Plan is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 3 - Cash, Investments, and Fair Disclosure

The Plan's deposits and investment policies are in accordance with PA 196 of 1997; the Plan has authorized the investments according to Michigan PA 314 of 1965, as amended.

**Custodial Credit Risk of Bank Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan requires that financial institutions must meet minimum criteria to offer adequate safety to the Plan. The Plan evaluates each financial institution with which it deposits funds and only those institutions meeting minimum established criteria are used as depositories. The Plan does not have any deposits exposed to custodial credit risk.

**Custodial Credit Risk of Investments** – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan does not have a policy for custodial credit risk. At year end, all investments of the Plan were held in the name of the Plan and are therefore not subject to custodial credit risk.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Plan's investment policy does not restrict investment maturities, other than commercial paper, which can only be purchased with maturities 270 days or less. The average maturities of investments are as follows as of June 30, 2021:

| Investment                          | Fair Value   | Weighted<br>Average Maturity |
|-------------------------------------|--------------|------------------------------|
| Cash and money market trust fund    | \$ 1,401,780 | Less than 1 year             |
| Portfolio weighted average maturity |              | Less than 1 year             |

The average maturities of investments are as follows as of June 30, 2020:

| Investment                          | Fair Value | Weighted<br>Average Maturity |
|-------------------------------------|------------|------------------------------|
| U.S. government obligations         | \$ 2       | 1.15 years                   |
| Cash and money market trust fund    | 1,402,445  | Less than 1 year             |
| Portfolio weighted average maturity |            | 1.15 years                   |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 3 - Cash, Investments, and Fair Disclosure (Continued)

**Credit Risk** – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. The credit quality ratings of debt securities are as follows as of June 30, 2021:

| <u>Investment</u>                 | <u>Fair Value</u> | <u>Rating</u> | <u>Rating Organization</u> |
|-----------------------------------|-------------------|---------------|----------------------------|
| Cash and money market trust funds | \$ 1,401,780      | AAAm          | S&P                        |

The credit quality ratings of debt securities are as follows as of June 30, 2020:

| <u>Investment</u>                                   | <u>Fair Value</u> | <u>Rating</u> | <u>Rating Organization</u> |
|---|-------------------|---------------|----------------------------|
| U.S. government obligations – implicitly guaranteed | \$ 2              | AA–           | S&P                        |
| Cash and money market trust funds                   | 1,402,445         | AAAm          | S&P                        |

### Note 4 - 401(h) Account

Effective July 1, 1999, the Plan was amended to include a medical-benefit component, in addition to the normal retirement benefits, to fund a portion of the postretirement obligations for certain retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code (IRC). A separate account has been established and maintained in the Plan for the net assets related to the medical-benefit component 401(h) account. In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of the Plan sponsor. At June 30, 2021 and 2020, there were no excess Plan assets available for transfer.

### Note 5 - Tax Status

The Plan obtained, from the Internal Revenue Service, a determination letter dated November 4, 2011. The letter affirmed that the Plan complied with the requirements of Internal Revenue Code section 401(a). The Plan continues to operate as a qualified plan.



# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 - Plan Investments - Policy and Rate of Return

**Investment Policy** – The Plan’s policy in regard to the allocation of invested assets is established and may be amended by the BWL by a majority vote of its members. It is the policy of the board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the BWL’s adopted asset allocation policy as of June 30, 2021 and 2020:

| <u>Asset Class</u>     | <u>2021 Target Allocation</u> | <u>2020 Target Allocation</u> |
|------------------------|-------------------------------|-------------------------------|
| Global Fixed Income    | 40%                           | 40%                           |
| U.S. Equities          | 35%                           | 35%                           |
| Non-U.S. Equities      | 20%                           | 20%                           |
| Commercial real estate | 5%                            | 5%                            |

**Rate of Return** – For the year ended June 30, 2021, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 22.42 percent. For the year ended June 30, 2020, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 2.90 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Note 7 - Net Pension Asset of the BWL

The components of the net pension asset of the BWL at June 30, 2021 and 2020 were as follows (in thousands):

|   | <u>2021</u>        | <u>2020</u>       |
|---|--------------------|-------------------|
| Total pension liability   | \$ 48,444          | \$ 52,198         |
| Plan fiduciary net pension  | <u>61,658</u>      | <u>55,586</u>     |
| Plan’s net pension asset  | <u>\$ (13,214)</u> | <u>\$ (3,388)</u> |
| Plan fiduciary net position, as a percentage of the total pension liability | 127.28%            | 106.49%           |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 7 - Net Pension Asset of the BWL (Continued)

**Actuarial Assumptions** – The June 30, 2021 total pension liability was determined by an actuarial valuation as of February 28, 2021, which used updated procedures to roll forward the estimated liability to June 30, 2021. The June 30, 2020 total pension liability was determined by an actuarial valuation as of February 29, 2020, which used updated procedures to roll forward the estimated liability to June 30, 2020. The total pension liability is determined by the Plan's independent actuary and is that amount that results from applying actuarial assumptions to adjust the total pension liability to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Benassist Actuaries was the actuary for the February 28, 2021 and February 29, 2020 valuations, respectively. The inflation rate used was 2.25 percent for the February 28, 2021 and February 29, 2020 valuations. Salary increase used was 3.5 percent for both the February 28, 2021 and February 29, 2020 valuations, respectively. The most recent experience review was completed in 2014. Since the Plan only covered 17 active participants in fiscal year 2014, assumptions like termination, retirement, and disability have an immaterial impact on the results and have not been changed.

The mortality table was based on the PUB-2010 General Mortality Table, Male and Female, projected generationally using the MP-2020 projection scale for the June 30, 2021 valuation. The June 30, 2020 valuation used the PUB-2010 General Mortality Table, Male and Female, projected generationally using the MP-2019 projection scale.

**Discount Rate** – The discount rate used to measure the total pension liability was 6.5 percent for June 30, 2021 and June 30, 2020. The projection of cash flows used to determine the discount rate in both years assumed that BWL contributions will be made at rates equal to the actuarially determined contribution rates.

**Projected Cash Flows Section** – Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 7 - Net Pension Asset of the BWL (Continued)

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2021 and 2020 for each major asset class included in the Plan's target asset allocation, as disclosed in Note 6, are summarized in the following table:

| Asset Class            | 2021 Long-term<br>Expected Real Rate<br>of Return | 2020 Long-term<br>Expected Real Rate<br>of Return |
|------------------------|---|---|
| Core bonds             | 2.58%   | 2.60%   |
| Multi-sector           | 3.42%   | 3.43%   |
| Liquid absolute return | 3.26%   | 3.25%   |
| U.S. large cap equity  | 7.15%   | 7.14%   |
| U.S. small cap equity  | 8.44%   | 8.43%   |
| Non-U.S. equity        | 8.15%   | 8.37%   |
| Core real estate       | 6.66%   | 6.73%   |

**Sensitivity of the Net Pension Asset to Changes in the Discount Rate** – The following presents the net pension asset of the BWL at June 30, 2021, calculated using the discount rate of 6.50 percent, as well as what the BWL's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (5.50 percent) or 1 percentage point higher (7.50 percent) than the current rate:

|   | 1% Decrease<br>(5.50%) | Current<br>Discount Rate<br>(6.50%) | 1% Increase<br>(7.50%) |
|---|------------------------|-------------------------------------|------------------------|
| Net pension liability (asset) of the<br>BWL | \$ (8,727,745)         | \$ (13,214,275)                     | \$ (15,551,002)        |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 7 - Net Pension Asset of the BWL (Continued)

The following presents the net pension asset of the BWL at June 30, 2020, calculated using the discount rate of 6.50 percent, as well as what the BWL's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (5.50 percent) or 1 percentage point higher (7.50 percent) than the current rate:

|   | 1% Decrease<br>(5.50%) | Current<br>Discount Rate<br>(6.50%) | 1% Increase<br>(7.50%) |
|---|------------------------|-------------------------------------|------------------------|
| Net pension liability (asset) of the<br>BWL | \$ (1,477,448)         | \$ (3,388,473)                      | \$ (6,060,344)         |

### Note 8 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three Levels of the fair value hierarchy under authoritative guidance are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Plan has the ability to access.
- Level 2 – Inputs to the valuation methodology include:
- > quoted prices for similar assets or liabilities in active markets;
  - > quoted prices for identical or similar assets or liabilities in inactive markets;
  - > inputs other than quoted prices that are observable for the asset or liability;
  - > inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
  - > if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 8 – Fair Value Measurements (Continued)

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020:

*Money market fund:* Valued at the quoted net asset value ("NAV") of shares held by the Plan at year end.

*U.S. government obligations, common stock and fixed income securities:* Valued at the most recent closing price reported on the market on which individual securities are traded.

*Mutual and common collective funds:* Valued at the daily closing price as reported by the fund. Mutual and common collective funds held by the Plan are open-end mutual and common collective funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual and common collective funds held by the Plan are deemed to be actively traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 8 – Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2021 and 2020:

| Investment Type                  | June 30, 2021        |                      |             | Total                |
|----------------------------------|----------------------|----------------------|-------------|----------------------|
|                                  | Level 1              | Level 2              | Level 3     |                      |
| Cash and money market trust fund | \$ -                 | \$ 1,401,780         | \$ -        | \$ 1,401,780         |
| Mutual funds                     | -                    | 33,017,321           | -           | 33,017,321           |
| Common collective funds          | 3,334,176            | 16,441,972           | -           | 19,776,148           |
| Common stocks                    | 7,460,769            | -                    | -           | 7,460,769            |
| <b>Total</b>                     | <b>\$ 10,794,946</b> | <b>\$ 50,861,072</b> | <b>\$ -</b> | <b>\$ 61,656,018</b> |

| Investment Type                  | June 30, 2020        |                      |             | Total                |
|----------------------------------|----------------------|----------------------|-------------|----------------------|
|                                  | Level 1              | Level 2              | Level 3     |                      |
| Cash and money market trust fund | \$ -                 | \$ 1,402,445         | \$ -        | \$ 1,402,445         |
| U.S. government obligations      | -                    | 2                    | -           | 2                    |
| Mutual funds                     | -                    | 27,724,349           | -           | 27,724,349           |
| Common collective funds          | 3,092,214            | 15,936,209           | -           | 19,028,423           |
| Common stocks                    | 7,460,769            | -                    | -           | 7,429,429            |
| <b>Total</b>                     | <b>\$ 10,521,643</b> | <b>\$ 45,063,005</b> | <b>\$ -</b> | <b>\$ 55,584,648</b> |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 9 – Risks and Uncertainties

The total pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

In addition, the Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Plan Fiduciary Net Position.

## Note 10 – Subsequent Events

The Plan has evaluated subsequent events occurring through September 10, the date that the Plan's financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements. There are no subsequent events warranting disclosures.

## Required Supplementary Information

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**Lansing Board of Water and Light  
Defined Benefit Plan and Trust for Employees' Pensions**

**Required Supplemental Information (Unaudited)  
Schedule of Changes in the BWL's  
Net Pension Asset and Related Ratios  
Last Ten Fiscal Years  
(in thousands)**

|   | 2021               | 2020              | 2019              | 2018              | 2017              | 2016              | 2015              | 2014               | 2013              | 2012*       |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------|
| <b>Total Pension Liability</b>                                    |                    |                   |                   |                   |                   |                   |                   |                    |                   |             |
| Service cost  | \$ 26              | \$ 42             | \$ 60             | \$ 50             | \$ 113            | \$ 223            | \$ 274            | \$ 349             | \$ 407            | \$ -        |
| Interest  | 3,212              | 3,566             | 3,691             | 4,031             | 4,317             | 4,625             | 4,919             | 4,751              | 5,085             | -           |
| Changes in benefit terms  | -                  | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                 | -           |
| Differences between expected and actual experience                | (968)              | (919)             | (743)             | (230)             | (383)             | 299               | (1,093)           | 964                | (1,716)           | -           |
| Changes in assumptions  | (366)              | 1,555             | 1,210             | 1,419             | (857)             | (1,468)           | -                 | 4,538              | -                 | -           |
| Benefit payments, including refunds                               | (5,658)            | (5,872)           | (6,143)           | (6,414)           | (7,473)           | (7,896)           | (8,046)           | (8,541)            | (7,777)           | -           |
| <b>Net Change in Total Pension Liability</b>                      | <b>(3,754)</b>     | <b>(1,628)</b>    | <b>(1,925)</b>    | <b>(1,144)</b>    | <b>(4,283)</b>    | <b>(4,217)</b>    | <b>(3,946)</b>    | <b>2,061</b>       | <b>(4,001)</b>    | <b>-</b>    |
| <b>Total Pension Liability - Beginning of year</b>                | <b>52,198</b>      | <b>53,826</b>     | <b>55,751</b>     | <b>56,895</b>     | <b>61,178</b>     | <b>65,395</b>     | <b>69,341</b>     | <b>67,280</b>      | <b>71,281</b>     | <b>-</b>    |
| <b>Total Pension Liability - End of year</b>                      | <b>48,444</b>      | <b>52,198</b>     | <b>53,826</b>     | <b>55,751</b>     | <b>56,895</b>     | <b>61,178</b>     | <b>65,395</b>     | <b>69,341</b>      | <b>67,280</b>     | <b>-</b>    |
| <b>Plan Net Position</b>  |                    |                   |                   |                   |                   |                   |                   |                    |                   |             |
| Contributions - Employer  | -                  | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                 | -           |
| Contributions - Member  | -                  | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                 | -           |
| Net investment income   | 11,853             | 1,658             | 4,381             | 3,112             | 8,272             | 47                | 1,771             | 14,243             | 10,170            | -           |
| Administrative expenses   | (123)              | (145)             | (183)             | (255)             | (317)             | (388)             | (576)             | (596)              | (536)             | -           |
| Benefit payments, including refunds                               | (5,658)            | (5,872)           | (6,143)           | (6,414)           | (7,473)           | (7,896)           | (8,045)           | (8,541)            | (7,777)           | -           |
| Other   | -                  | (477)             | -                 | -                 | -                 | -                 | -                 | -                  | -                 | -           |
| <b>Net change in Net Position Held in Trust</b>                   | <b>6,072</b>       | <b>(4,836)</b>    | <b>(1,945)</b>    | <b>(3,557)</b>    | <b>482</b>        | <b>(8,237)</b>    | <b>(6,850)</b>    | <b>5,106</b>       | <b>1,857</b>      | <b>-</b>    |
| <b>Net Position Restricted for Pensions - Beginning of year</b>   | <b>55,586</b>      | <b>60,422</b>     | <b>62,367</b>     | <b>65,924</b>     | <b>65,442</b>     | <b>73,679</b>     | <b>80,529</b>     | <b>75,424</b>      | <b>73,567</b>     | <b>-</b>    |
| <b>Net Position Restricted for Pensions - End of year</b>         | <b>61,658</b>      | <b>55,586</b>     | <b>60,422</b>     | <b>62,367</b>     | <b>65,924</b>     | <b>65,442</b>     | <b>73,679</b>     | <b>80,530</b>      | <b>75,424</b>     | <b>-</b>    |
| <b>BWL Net Pension Asset - Ending</b>                             | <b>\$ (13,214)</b> | <b>\$ (3,388)</b> | <b>\$ (6,596)</b> | <b>\$ (6,616)</b> | <b>\$ (9,029)</b> | <b>\$ (4,264)</b> | <b>\$ (8,284)</b> | <b>\$ (11,189)</b> | <b>\$ (8,144)</b> | <b>\$ -</b> |
| <b>Plan Net Position as a % of Total Pension Liability</b>        | <b>127.28%</b>     | <b>106.49%</b>    | <b>112.25%</b>    | <b>111.87%</b>    | <b>115.87%</b>    | <b>106.97%</b>    | <b>112.67%</b>    | <b>116.14%</b>     | <b>112.10%</b>    | <b>- %</b>  |
| <b>Covered Employee Payroll</b>                                   | <b>\$ 237</b>      | <b>\$ 240</b>     | <b>\$ 406</b>     | <b>\$ 603</b>     | <b>\$ 586</b>     | <b>\$ 772</b>     | <b>\$ 1,018</b>   | <b>\$ 1,225</b>    | <b>\$ 1,684</b>   | <b>\$ -</b> |
| <b>BWL's Net Pension Asset as a % of Covered Employee Payroll</b> | <b>(5,576%)</b>    | <b>(1,412%)</b>   | <b>(1,625%)</b>   | <b>(1,097%)</b>   | <b>(1,541%)</b>   | <b>(552%)</b>     | <b>(814%)</b>     | <b>(913%)</b>      | <b>(484%)</b>     | <b>- %</b>  |

\*GASB Statement No. 67 was implemented as of June 30, 2014. Information from 2012 is not available and this schedule will be presented on a prospective basis.

**Lansing Board of Water and Light  
Defined Benefit Plan and Trust for Employees' Pensions**

**Required Supplemental Information (Unaudited)  
Schedule of Employer Contributions  
Last Ten Fiscal Years  
(in thousands)**

|  | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015            | 2014            | 2013            | 2012            |
|--|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Actuarially determined contribution                                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -            | \$ -            | \$ -            | \$ -            |
| Contributions in relation to the actuarially determined contribution | -             | -             | -             | -             | -             | -             | -               | -               | -               | -               |
| <b>Contribution Deficiency (Excess)</b>                              | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>     |
| <b>Covered Employee Payroll</b>                                      | <b>\$ 237</b> | <b>\$ 240</b> | <b>\$ 406</b> | <b>\$ 603</b> | <b>\$ 586</b> | <b>\$ 772</b> | <b>\$ 1,018</b> | <b>\$ 1,225</b> | <b>\$ 1,684</b> | <b>\$ 2,101</b> |
| <b>Contributions as a Percentage of Covered Employee Payroll</b>     | <b>- %</b>    | <b>- %</b>    | <b>- %</b>    | <b>- %</b>    | <b>- %</b>    | <b>- %</b>    | <b>- %</b>      | <b>- %</b>      | <b>- %</b>      | <b>- %</b>      |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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## Notes to Required Supplementary Information (Unaudited) Years Ended June 30, 2021 and 2020

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2021, based on roll-forward of February 28, 2021 valuation

Methods and assumptions used to determine contribution rates:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry age method  |
| Amortization method           | Level dollar over a 15-year period                              |
| Remaining amortization period | 15 years  |
| Asset valuation method        | Market value of the assets                                      |
| Inflation                     | 2.25 percent  |
| Salary increases              | 3.5 percent per year  |
| Investment rate of return     | 6.5 percent per year compounded annually                        |
| Mortality                     | PUB-2010 General Mortality Table with MP-2020 Improvement Scale |

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2020, based on roll-forward of February 29, 2020 valuation

Methods and assumptions used to determine contribution rates:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry age method  |
| Amortization method           | Level dollar over a 15-year period                              |
| Remaining amortization period | 15 years  |
| Asset valuation method        | Market value of the assets                                      |
| Inflation                     | 2.25 percent  |
| Salary increases              | 3.5 percent per year  |
| Investment rate of return     | 6.5 percent per year compounded annually                        |
| Mortality                     | PUB-2010 General Mortality Table with MP-2019 Improvement Scale |

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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## Notes to Required Supplementary Information (Unaudited) Years Ended June 30, 2021 and 2020

### Significant Changes:

#### June 30, 2021

- > Difference between actual and expected experience – The \$968K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2021 is primarily attributable to participant deaths.
- > Assumption change – The plan experienced a \$366K actuarial gain due to the change in the mortality improvement scale.

#### June 30, 2020

- > Difference between actual and expected experience – The \$.92MM actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2020 is primarily attributable to participant deaths.
- > Assumption change – The plan experienced a \$1.55MM actuarial loss due to the change in the mortality improvement scale and decrease in the discount rate from 7.00% to 6.50%. Updating the mortality improvement scale to the MP-2019 scale resulted in a \$.22MM actuarial gain and decreasing the discount rate resulted in a \$1.77MM actuarial loss. The combination of these two changes resulted in an overall actuarial loss of \$1.55MM.

#### June 30, 2019

- > Difference between actual and expected experience – The \$.74MM gain on the Total Pension Liability for the fiscal year ending June 30, 2019 is primarily attributable to participant deaths.
- > Assumption change – The plan experienced a \$1.21MM loss due to the change of the mortality assumption from the RP-2014 Total Dataset Mortality adjusted to 2006 and projected generationally using the MP-2017 improvement scale to the PUB-2010 General Employees Mortality, projected generationally using the MP-2018 improvement scale.

#### June 30, 2018

- > Difference between actual and expected experience – The \$230,000 gain on the Total Pension Liability for the fiscal year ending June 30, 2018 is primarily attributable to participant deaths.
- > Assumption change – Assumptions for the discount rate and expected return on assets were decreased from 7.50% to 7.00% to reflect the expected long term rate of return on the trust.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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## Significant Changes (Continued):

### June 30, 2017

- > Difference between actual and expected experience – The \$383,000 gain on the Total Pension Liability for the fiscal year ending June 30, 2017 is primarily attributable to participant deaths.
- > Assumption change – The plan experienced a \$.86MM gain due to the change of the mortality assumption from the RP-2014 table projected generationally with Scale MP-2014 with MP-2016 Improvement Scale.

### June 30, 2016

- > Difference between actual and expected experience – The \$299,000 loss on the Total Pension Liability for the fiscal year ending June 30, 2016 is primarily attributable to participant deaths.
- > Assumption change – The plan experienced a \$1.47MM gain due to the change of the mortality assumption from the RP-2014 table projected generationally with Scale MP-2014 with MP-2015 Improvement Scale.

### June 30, 2015

- > Difference between actual and expected experience – The \$1.01MM gain on the Total Pension Liability for the fiscal year ending June 30, 2015 is primarily attributable to participant deaths.
- > Assumption change – There were no impacts associated with assumption changes.

### June 30, 2014

- > Difference between actual and expected experience – The \$964,000 loss on the Total Pension Liability for the fiscal year ending June 30, 2014 is primarily attributable to participant deaths.
- > Assumption change – The plan experienced a \$4.54MM loss due to the change of the mortality assumption from the RP2000CH table projected to 2018 with Scale AA to the RP-2014 table projected generationally with Scale MP-2014.

**Lansing Board of Water and Light  
Defined Benefit Plan and Trust for Employees' Pensions**

**Required Supplemental Information (Unaudited)  
Schedule of Investment Returns  
Last Ten Fiscal Years**

|  | 2021   | 2020  | 2019  | 2018  | 2017   | 2016    | 2015  | 2014   | 2013* | 2012* |
|--|--------|-------|-------|-------|--------|---------|-------|--------|-------|-------|
| Annual money-weighted rate of return,<br>net of investment expense | 22.42% | 2.90% | 7.39% | 4.97% | 12.10% | (0.49%) | 1.55% | 19.18% | - %   | - %   |

\*GASB 67 was implemented as of June 30, 2014. Information from 2012 - 2013 is not available and this schedule will be presented on a prospective basis



**Lansing Board of Water and Light**

**Defined Benefit Plan for Employees' Pensions**

June 30, 2021 GASB 67/68 Report

August 6, 2021

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
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**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Executive Summary**

**Governmental accounting requirements and purpose of this report**

The Governmental Accounting Standards Board Statements No. 67 and No. 68 require trusts (GASB 67) and employers (GASB 68) to accrue the cost associated with pension benefits while eligible employees are providing services to the employer. The purpose of this actuarial valuation report is to provide the Lansing Board of Water and Light (the "Board") with:

- 1) The amount of accrued liability related to the Board's pension plan (Total Pension Liability) using the most recent census data and discount rate;
- 2) The funded status of the plan;
- 3) The actuarial determined contribution; and
- 4) The GASB 67/68 expense and disclosure information needed to fulfill the Board's financial reporting requirements for the current fiscal year.

| <b>Key measures for the prior and current fiscal years</b> | <b>6/30/2020</b> | <b>6/30/2021</b> |
|--|------------------|------------------|
| Active participants  | 3                | 3                |
| Terminated vested participants                             | 3                | 2                |
| Retired, disabled and surviving participants               | <u>318</u>       | <u>296</u>       |
| Total  | 324              | 301              |
| Present value of future benefits (PVFB)                    | \$ 52,298,238    | \$ 48,534,642    |
| Total pension liability (TPL)                              | \$ 52,198,422    | \$ 48,443,824    |
| Fiduciary net position (FNP)                               | \$ 55,586,895    | \$ 61,658,099    |
| Net pension liability (NPL)                                | \$ (3,388,473)   | \$ (13,214,275)  |
| Funded status  | 106.49%          | 127.28%          |
| Pension expense  | \$ 1,902,047     | \$ (3,076,889)   |
| Actuarially determined contribution                        | \$ 0             | \$ 0             |

**Key assumptions**

|  |                  |                  |
|--|------------------|------------------|
| Census date                                      | 2/29/2020        | 2/28/2021        |
| Valuation date                                   | 2/29/2020        | 2/28/2021        |
| Measurement date                                 | 6/30/2020        | 6/30/2021        |
| Discount rate                                    | 6.50%            | 6.50%            |
| Expected long term rate of return on plan assets | 6.50%            | 6.50%            |
| Actuarial cost method                            | Entry Age Normal | Entry Age Normal |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Executive Summary (continued)**

**Discount rate**

Pursuant to GASB 67/68, projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on plan investments is 6.50%; the municipal bond rate is 2.16% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Bond GO Index"); and the resulting Single Discount Rate is 6.50%.

The plan's fiduciary net position was projected to cover all future pension benefit payments. Therefore, we determined the discount rate to be the long-term expected rate of return on plan investments.

**Assumption and method changes from the prior year**

The mortality improvement scale was updated to the MP-2020 scale.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Actuarial Certification**

August 6, 2021

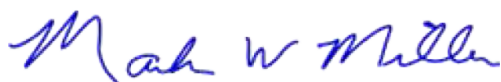
This report presents actuarial and accounting results related to the Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions (the "Plan"). The results herein were prepared pursuant to Governmental Accounting Standards Board Statements 67 and 68 ("GASB 67/68").

The primary purpose of this report is to provide financial statement information pursuant to GASB 67/68 for the fiscal year ending June 30, 2021. The results of our calculations are set forth in this report, as are the actuarial assumptions and methods and a brief summary of the eligibility criteria and benefits for retirees.

To the best of our knowledge, the information supplied in this report is complete and accurate. The analysis and calculations were conducted in a manner consistent with the Standards of Professional Conduct, Qualifications, and Practice of the American Academy of Actuaries and consistent with the standards of practice of the Actuarial Standards Board.

All costs, liabilities, rates of interest, and other factors under the Plan have been determined on the basis of actuarial assumptions and methods which are reasonable and consistent with our understanding of GASB 67/68. All assumptions have been discussed with Lansing Board of Water and Light and appear to represent the best estimate of anticipated experience under the Plan. In preparing this report we relied on the census data, plan provisions, and other plan financial information provided by the Lansing Board of Water and Light. Actuarial computations under GASB 67/68 are for purposes of fulfilling employer financial accounting requirements. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results contained in this report.

Respectfully Submitted,

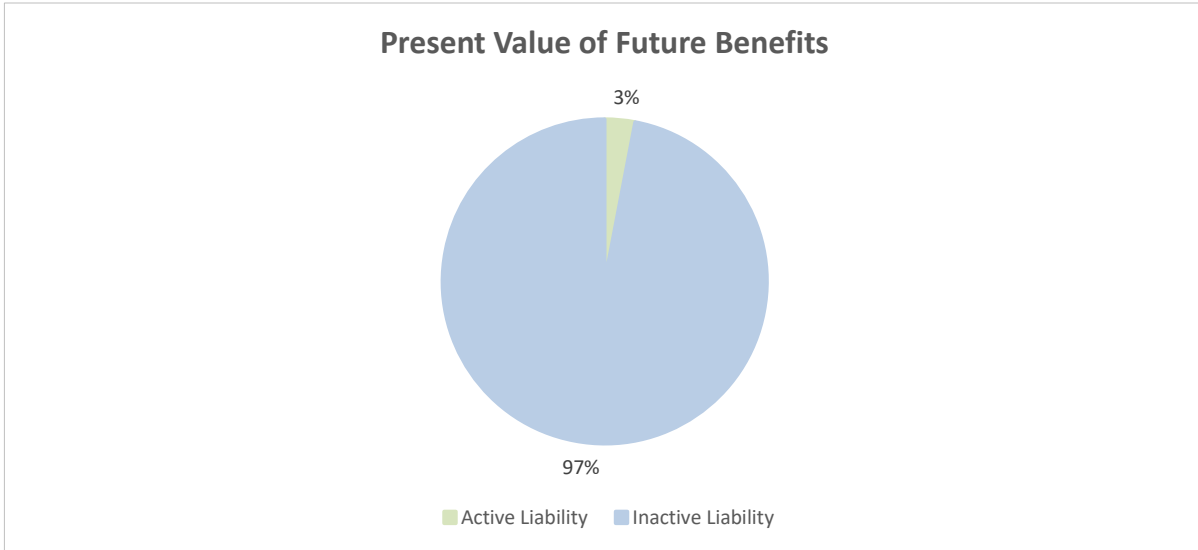


Mark W. Miller, FCA, EA, ASA, MAAA  
Benassist Retirement Consulting, LLC

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2021 GASB 67/68 Report  
Summary of Key Results**

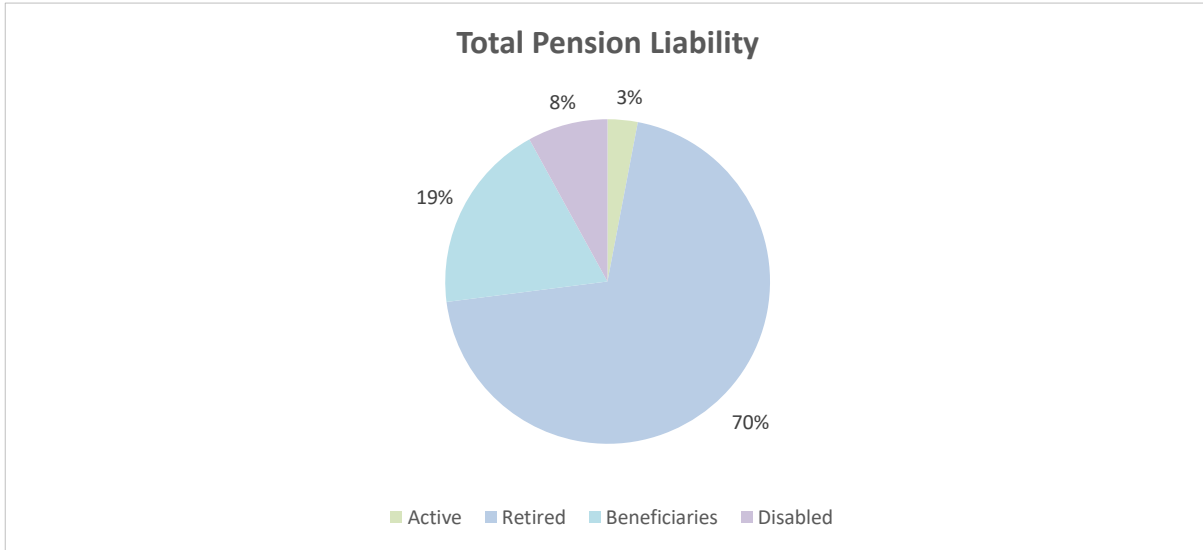
|   | 6/30/2020            | 6/30/2021            |
|---|----------------------|----------------------|
| <b>Census data summary</b>                                    |                      |                      |
| Active participants   | 3                    | 3                    |
| Terminated vested participants                                | 3                    | 2                    |
| Retired, disabled and surviving participants                  | <u>318</u>           | <u>296</u>           |
| Total   | 324                  | 301                  |
| <br>  |                      |                      |
| Covered payroll   | \$ 240,482           | \$ 236,973           |
| <br>  |                      |                      |
| <b>Present value of future benefits (PVFB)</b>                |                      |                      |
| Active participants   | \$ 1,206,095         | \$ 1,281,228         |
| Terminated vested participants                                | \$ 323,775           | 145,311              |
| Retired, disabled and surviving participants                  | <u>50,768,368</u>    | <u>47,108,103</u>    |
| Total   | <u>\$ 52,298,238</u> | <u>\$ 48,534,642</u> |
| <br>  |                      |                      |
| <b>Present value of future normal costs (PVFNC)</b>           | \$ 99,816            | \$ 90,818            |
| <br>  |                      |                      |
| <b>Total pension liability (TPL)</b>                          |                      |                      |
| Active participants   | \$ 1,106,279         | \$ 1,190,410         |
| Terminated vested participants                                | \$ 323,775           | 145,311              |
| Retired, disabled and surviving participants                  | <u>50,768,368</u>    | <u>47,108,103</u>    |
| Total   | <u>\$ 52,198,422</u> | <u>\$ 48,443,824</u> |
| <br>  |                      |                      |
| <b>Fiduciary net position (FNP)</b>                           | \$ 55,586,895        | \$ 61,658,099        |
| <br>  |                      |                      |
| <b>Net pension liability (NPL)</b>                            | \$ (3,388,473)       | \$ (13,214,275)      |
| <br>  |                      |                      |
| <b>Funded status</b>  | 106.49%              | 127.28%              |
| <br>  |                      |                      |
| <b>Pension expense</b>  | \$ 1,902,047         | \$ (3,076,889)       |
| <br>  |                      |                      |
| <b>Contribution</b>   |                      |                      |
| Actuarially determined contribution                           | \$ 0                 | \$ 0                 |
| Actuarially determined contribution as a % of covered payroll | 0.00%                | 0.00%                |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Present Value of Future Benefits**



|  | <b>6/30/2020</b>     | <b>6/30/2021</b>     |
|--|----------------------|----------------------|
| <b>Present value of future benefits</b>                    |                      |                      |
| Active participants  | \$ 1,206,095         | \$ 1,281,228         |
| Inactive participants                                      |                      |                      |
| Retired  | \$ 37,070,224        | \$ 34,080,920        |
| Beneficiaries  | 9,401,889            | 9,008,917            |
| Disabled   | 4,296,255            | 4,018,266            |
| Terminated vested  | <u>323,775</u>       | <u>145,311</u>       |
| Total inactive   | 51,092,143           | 47,253,414           |
| Total  | <u>\$ 52,298,238</u> | <u>\$ 48,534,642</u> |
| <b>Fiduciary net position (FNP)</b>                        | \$ 55,586,895        | \$ 61,658,099        |
| <b>Unfunded present value of future benefits (surplus)</b> | \$ (3,288,657)       | \$ (13,123,457)      |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Total Pension Liability**



|                                     | <b>6/30/2020</b>     | <b>6/30/2021</b>     |
|-------------------------------------|----------------------|----------------------|
| <b>Total pension liability</b>      |                      |                      |
| Active participants                 | \$ 1,106,279         | \$ 1,190,410         |
| Inactive participants               |                      |                      |
| Retired                             | \$ 37,070,224        | \$ 34,080,920        |
| Beneficiaries                       | 9,401,889            | 9,008,917            |
| Disabled                            | 4,296,255            | 4,018,266            |
| Terminated vested                   | <u>323,775</u>       | <u>145,311</u>       |
| Total inactive                      | 51,092,143           | 47,253,414           |
| Total                               | <u>\$ 52,198,422</u> | <u>\$ 48,443,824</u> |
| <b>Fiduciary net position (FNP)</b> | \$ 55,586,895        | \$ 61,658,099        |
| <b>Net pension liability (NPL)</b>  | \$ (3,388,473)       | \$ (13,214,275)      |
| <b>Service cost</b>                 | \$ 24,447            | \$ 24,067            |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Statement of Fiduciary Net Position**

|   | <b>6/30/2020</b>         | <b>6/30/2021</b>         |
|---|--------------------------|--------------------------|
| <b>Assets</b>                                   |                          |                          |
| Cash and deposits                               | \$ 1,402,445             | \$ 1,401,780             |
| Receivables                                     |                          |                          |
| Contributions                                   | 0                        | 0                        |
| Due from broker for investments sold            | 0                        | 20,550                   |
| Net receivable on investments                   | <u>2,247</u>             | <u>1,964</u>             |
| Total receivables                               | \$ 2,247                 | \$ 22,514                |
| Investments                                     |                          |                          |
| U.S. government and agencies                    | 0                        | 0                        |
| Corporate bonds and notes                       | 2                        | 0                        |
| U.S. common stocks                              | 7,429,429                | 7,460,770                |
| Common collective fund - other                  | 15,936,209               | 16,441,972               |
| Mutual funds                                    | 27,724,349               | 33,017,321               |
| Real estate                                     | <u>3,092,214</u>         | <u>3,334,176</u>         |
| Total investments                               | \$ 54,182,203            | \$ 60,254,239            |
| <br>Total assets                                | <br>\$ 55,586,895        | <br>\$ 61,678,533        |
| <b>Liabilities</b>                              |                          |                          |
| Payables:                                       |                          |                          |
| Investment management fees                      | \$ 0                     | \$ 0                     |
| Due to broker for investments purchased         | <u>0</u>                 | <u>(20,434)</u>          |
| Total payables                                  | \$ 0                     | \$ (20,434)              |
| <br>Total liabilities                           | <br>\$ 0                 | <br>\$ (20,434)          |
| <br><b>Net position restricted for pensions</b> | <br><u>\$ 55,586,895</u> | <br><u>\$ 61,658,099</u> |

*Investment Policy* - A detailed description of the investment policy for the plan can be found in the Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions Statement of Investment Policies, Procedures and Objectives.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Statement of Changes in Fiduciary Net Position**

|   | 6/30/2020             | 6/30/2021            |
|---|-----------------------|----------------------|
| <b>Additions</b>                            |                       |                      |
| Contributions                               |                       |                      |
| Employer                                    | \$ 0                  | \$ 0                 |
| Employee                                    | <u>0</u>              | <u>0</u>             |
| Total contributions                         | \$ 0                  | \$ 0                 |
| <br>  |                       |                      |
| Investment income                           |                       |                      |
| Net increase in fair value of investments   | \$ 492,125            | \$ 10,760,057        |
| Interest and dividends                      | 1,165,787             | 1,092,666            |
| Less investment expense                     | <u>0</u>              | <u>0</u>             |
| Net investment income                       | \$ 1,657,912          | \$ 11,852,723        |
| <br>  |                       |                      |
| Total additions                             | \$ 1,657,912          | \$ 11,852,723        |
| <br>  |                       |                      |
| <b>Deductions</b>                           |                       |                      |
| Benefit payments                            | \$ (6,347,779)        | \$ (5,658,372)       |
| Administrative expenses                     | <u>(145,084)</u>      | <u>(123,147)</u>     |
| Total deductions                            | \$ (6,492,863)        | \$ (5,781,519)       |
| <br>  |                       |                      |
| <b>Net increase in net position</b>         | <b>\$ (4,834,951)</b> | <b>\$ 6,071,204</b>  |
| <br>  |                       |                      |
| <b>Net position restricted for pensions</b> |                       |                      |
| Beginning of year                           | \$ 60,421,846         | \$ 55,586,895        |
| End of year                                 | <u>\$ 55,586,895</u>  | <u>\$ 61,658,099</u> |



**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Changes in the Net Pension Liability**

|  | Increase (Decrease)               |                                  |                                     |
|--|-----------------------------------|----------------------------------|-------------------------------------|
|  | Total Pension<br>Liability<br>(a) | Fiduciary Net<br>Position<br>(b) | Net Pension<br>Liability<br>(a)-(b) |
| <b>Balances at 6/30/2020</b>                           | \$ 52,198,422                     | \$ 55,586,895                    | \$ (3,388,473)                      |
| <b>Changes for the year</b>                            |                                   |                                  |                                     |
| Service cost   | 26,036                            | 0                                | 26,036                              |
| Interest   | 3,211,895                         | 0                                | 3,211,895                           |
| Change of benefit terms                                | 0                                 | 0                                | 0                                   |
| Differences between expected and actual experience     | (967,935)                         | 0                                | (967,935)                           |
| Change in assumptions and other inputs                 | (366,222)                         | 0                                | (366,222)                           |
| Contributions - employer                               | 0                                 | 0                                | 0                                   |
| Contributions - retiree                                | 0                                 | 0                                | 0                                   |
| Net investment income                                  | 0                                 | 11,852,723                       | (11,852,723)                        |
| Benefit payments and refunds of employee contributions | (5,658,372)                       | (5,658,372)                      | 0                                   |
| Administrative expense                                 | 0                                 | (123,147)                        | 123,147                             |
| Other changes  | 0                                 | 0                                | 0                                   |
| <b>Net changes</b>                                     | <b>\$ (3,754,598)</b>             | <b>\$ 6,071,204</b>              | <b>\$ (9,825,802)</b>               |
| <b>Balances at 6/30/2021</b>                           | <b>\$ 48,443,824</b>              | <b>\$ 61,658,099</b>             | <b>\$ (13,214,275)</b>              |

Notes

The Net Pension Liability (NPL) is equal to the Total Pension Liability (TPL) minus the Fiduciary Net Position (FNP), or market value of assets. Pension Expense includes amounts for: service cost, interest on the TPL, changes in the benefit structure, recognition of increases/decreases in liability due to actual vs. expected experience, actuarial assumption changes, investment gains/losses on the market value of assets and expected return on plan assets. The impact of actual experience and assumption changes are recognized over the average expected remaining service life of the plan participants, while investment gains/losses are recognized equally over five years.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Schedule of Changes in the Net Pension Liability**

|  | 6/30/2021              | 6/30/2020             | 6/30/2019             | 6/30/2018             | 6/30/2017             | 6/30/2016             | 6/30/2015             |
|--|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total pension liability</b>   |                        |                       |                       |                       |                       |                       |                       |
| Service cost   | \$ 26,036              | \$ 42,363             | \$ 60,468             | \$ 50,072             | \$ 112,672            | \$ 223,219            | \$ 274,052            |
| Interest   | 3,211,895              | 3,565,796             | 3,691,180             | 4,030,924             | 4,316,565             | 4,625,283             | 4,919,427             |
| Change of benefit terms  | 0                      | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Difference between expected and actual experience                          | (967,935)              | (918,913)             | (743,020)             | (229,751)             | (383,137)             | 299,179               | (1,093,705)           |
| Change in assumptions and other inputs                                     | (366,222)              | 1,554,711             | 1,209,610             | 1,418,554             | (856,662)             | (1,469,174)           | 0                     |
| Benefit payments   | (5,658,372)            | (5,871,654)           | (6,142,622)           | (6,413,954)           | (7,472,625)           | (7,895,767)           | (8,045,948)           |
| Refunds of contributions   | 0                      | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| <b>Net change in total pension liability</b>                               | <b>\$ (3,754,598)</b>  | <b>\$ (1,627,697)</b> | <b>\$ (1,924,384)</b> | <b>\$ (1,144,155)</b> | <b>\$ (4,283,187)</b> | <b>\$ (4,217,260)</b> | <b>\$ (3,946,174)</b> |
| <b>Total pension liability - beginning</b>                                 | <b>52,198,422</b>      | <b>53,826,119</b>     | <b>55,750,503</b>     | <b>56,894,658</b>     | <b>61,177,845</b>     | <b>65,395,105</b>     | <b>69,341,279</b>     |
| <b>Total pension liability - ending (a)</b>                                | <b>\$ 48,443,824</b>   | <b>\$ 52,198,422</b>  | <b>\$ 53,826,119</b>  | <b>\$ 55,750,503</b>  | <b>\$ 56,894,658</b>  | <b>\$ 61,177,845</b>  | <b>\$ 65,395,105</b>  |
| <b>Fiduciary net position</b>  |                        |                       |                       |                       |                       |                       |                       |
| Contributions - employer   | \$ 0                   | \$ 0                  | \$ 0                  | \$ 0                  | \$ 0                  | \$ 0                  | \$ 0                  |
| Contributions - non-employer   | 0                      | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Contributions - member   | 0                      | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Net investment income  | 11,852,723             | 1,657,912             | 4,380,721             | 3,112,090             | 8,271,674             | 46,762                | 1,771,424             |
| Benefit payments   | (5,658,372)            | (5,871,654)           | (6,142,622)           | (6,413,954)           | (7,472,625)           | (7,895,767)           | (8,045,948)           |
| Administrative expense   | (123,147)              | (145,084)             | (183,238)             | (254,964)             | (317,071)             | (388,495)             | (576,122)             |
| Refunds of contributions   | 0                      | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Other - 2/29/2020 COLA   | 0                      | (476,125)             | 0                     | 0                     | 0                     | 0                     | 0                     |
| <b>Net change in fiduciary net position</b>                                | <b>6,071,204</b>       | <b>(4,834,951)</b>    | <b>(1,945,139)</b>    | <b>(3,556,828)</b>    | <b>481,978</b>        | <b>(8,237,500)</b>    | <b>(6,850,646)</b>    |
| <b>Fiduciary net position - beginning</b>                                  | <b>55,586,895</b>      | <b>60,421,846</b>     | <b>62,366,985</b>     | <b>65,923,813</b>     | <b>65,441,835</b>     | <b>73,679,335</b>     | <b>80,529,981</b>     |
| <b>Fiduciary net position - ending (b)</b>                                 | <b>\$ 61,658,099</b>   | <b>\$ 55,586,895</b>  | <b>\$ 60,421,846</b>  | <b>\$ 62,366,985</b>  | <b>\$ 65,923,813</b>  | <b>\$ 65,441,835</b>  | <b>\$ 73,679,335</b>  |
| <b>Net pension liability - ending (a)-(b)</b>                              | <b>\$ (13,214,275)</b> | <b>\$ (3,388,473)</b> | <b>\$ (6,595,727)</b> | <b>\$ (6,616,482)</b> | <b>\$ (9,029,155)</b> | <b>\$ (4,263,990)</b> | <b>\$ (8,284,230)</b> |
| Plan fiduciary net position as a percentage of the total pension liability | 127.28%                | 106.49%               | 112.25%               | 111.87%               | 115.87%               | 106.97%               | 112.67%               |
| Covered payroll  | 236,973                | 240,482               | 405,694               | 603,382               | 586,181               | 771,810               | 1,017,849             |
| Net pension liability as a percentage of covered payroll                   | -5576.28%              | -1409.03%             | -1625.79%             | -1096.57%             | -1540.34%             | -552.47%              | -813.90%              |
| Census date  | 2/28/2021              | 2/29/2020             | 2/28/2019             | 2/28/2018             | 2/28/2017             | 2/28/2016             | 2/28/2015             |
| Measurement date   | 6/30/2021              | 6/30/2020             | 6/30/2019             | 6/30/2018             | 6/30/2017             | 6/30/2016             | 6/30/2015             |
| Reporting date   | 6/30/2021              | 6/30/2020             | 6/30/2019             | 6/30/2018             | 6/30/2017             | 6/30/2016             | 6/30/2015             |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Schedule of Changes in the Net Pension Liability**

|  | <b>6/30/2014</b>              |
|--|-------------------------------|
| <b>Total pension liability</b>   |                               |
| Service cost   | \$ 348,952                    |
| Interest   | 4,751,843                     |
| Change of benefit terms  | 0                             |
| Difference between expected and actual experience                          | 964,016                       |
| Change in assumptions and other inputs                                     | 4,538,152                     |
| Benefit payments   | (8,541,275)                   |
| Refunds of contributions   | 0                             |
| <b>Net change in total pension liability</b>                               | <b>\$ 2,061,688</b>           |
| <b>Total pension liability - beginning</b>                                 | <b>67,279,591</b>             |
| <b>Total pension liability - ending (a)</b>                                | <b><u>\$ 69,341,279</u></b>   |
| <br>   |                               |
| <b>Fiduciary net position</b>  |                               |
| Contributions - employer   | \$ 0                          |
| Contributions - non-employer   | 0                             |
| Contributions - member   | 0                             |
| Net investment income  | 14,243,164                    |
| Benefit payments   | (8,541,275)                   |
| Administrative expense   | (595,925)                     |
| Refunds of contributions   | 0                             |
| Other - 2/29/2020 COLA   | 0                             |
| <b>Net change in fiduciary net position</b>                                | <b>5,105,964</b>              |
| <b>Fiduciary net position - beginning</b>                                  | <b>75,424,017</b>             |
| <b>Fiduciary net position - ending (b)</b>                                 | <b><u>\$ 80,529,981</u></b>   |
| <br>   |                               |
| <b>Net pension liability - ending (a)-(b)</b>                              | <b><u>\$ (11,188,702)</u></b> |
| <br>   |                               |
| Plan fiduciary net position as a percentage of the total pension liability | 116.14%                       |
| <br>   |                               |
| Covered payroll  | 1,224,727                     |
| <br>   |                               |
| Net pension liability as a percentage of covered payroll                   | -913.57%                      |
| <br>   |                               |
| Census date  | 2/28/2014                     |
| Measurement date   | 6/30/2014                     |
| Reporting date   | 6/30/2014                     |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Development of Net Pension Liability (Gain) / Loss**

|  | 6/30/2020           | 6/30/2021             |
|--|---------------------|-----------------------|
| <b>Total pension liability</b>             |                     |                       |
| Total pension liability at BOY             | \$ 53,826,119       | \$ 52,198,422         |
| Service cost                               | 42,363              | 26,036                |
| Benefit payments                           | (5,871,654)         | (5,658,372)           |
| Expected interest                          | 3,565,796           | 3,211,895             |
| Assumption change                          | 1,554,711           | (366,222)             |
| Expected total pension liability at EOY    | 53,117,335          | 49,411,759            |
| Actual total pension liability at EOY      | 52,198,422          | 48,443,824            |
| Total pension liability (gain) / loss      | <u>\$ (918,913)</u> | <u>\$ (967,935)</u>   |
| <b>Fiduciary net position</b>              |                     |                       |
| Fiduciary net position at BOY              | \$ 60,421,846       | \$ 55,586,895         |
| Employer contributions                     | 0                   | 0                     |
| Employee contributions                     | 0                   | 0                     |
| Benefit payments                           | (6,347,779)         | (5,658,372)           |
| Administrative expenses                    | (145,084)           | (123,147)             |
| Expected net investment income             | 4,006,123           | 3,428,207             |
| Expected fiduciary net position at EOY     | 57,935,106          | 53,233,583            |
| Actual fiduciary net position at EOY       | \$ 55,586,895       | 61,658,099            |
| Fiduciary net position (gain) / loss       | <u>\$ 2,348,211</u> | <u>\$ (8,424,516)</u> |
| <b>Net pension liability (gain) / loss</b> | <u>\$ 1,429,298</u> | <u>\$ (9,392,451)</u> |

**Note**

Notes for the fiscal years shown above are provided on page 15.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Notes to Schedule of Changes in the Net Pension Liability**

**June 30, 2021**

- Difference between actual and expected experience - The \$968K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2021 is primarily attributable to participant deaths.
- Assumption change - The plan experienced a \$366K actuarial gain due to the change in the mortality improvement scale.
- Investment gain - The plan experienced a \$8.42MM gain on plan assets during the fiscal year ending June 30, 2021 due to the actual return on assets equaling 22.42% vs. an expected return of 6.50%.

**June 30, 2020**

- Difference between actual and expected experience - The \$.92MM actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2020 is primarily attributable to participant deaths.
- Assumption change - The plan experienced a \$1.55MM actuarial loss due to the change in the mortality improvement scale and the decrease the discount rate from 7.00% to 6.50%. Updating the mortality improvement scale to the MP-2019 scale resulted in a \$.22MM actuarial gain and decreasing the discount rate resulted in a \$1.77MM actuarial loss. The combination of these two changes resulted in an overall actuarial loss of \$1.55MM.
- Investment loss - The plan experienced a \$2.35MM loss on plan assets during the fiscal year ending June 30, 2020 due to the actual return on assets equaling 2.90% vs. an expected return of 7.00%.

**June 30, 2019**

- Difference between actual and expected experience - The \$.74MM gain on the Total Pension Liability for the fiscal year ending June 30, 2019 is primarily attributable to participant deaths.
- Assumption change - The plan experienced a \$1.21MM loss due to the change of the mortality assumption from the RP-2014 Total Dataset Mortality adjusted to 2006 and projected generationally using the MP-2017 improvement scale to the PUB-2010 General Employees Mortality, projected generationally using the MP-2018 improvement scale.
- Investment loss - The plan experienced a \$.23MM gain on plan assets during the fiscal year ending June 30, 2019 due to the actual return on assets equaling 7.39% vs. an expected return of 7.00%.

**June 30, 2018**

- Difference between actual and expected experience - The \$230,000 gain on the Total Pension Liability for the fiscal year ending June 30, 2018 is primarily attributable to participant deaths.
- Assumption change - Assumptions for the discount rate and expected return on assets were decreased from 7.50% to 7.00% to reflect the expected long term rate of return on the trust.
- Investment loss - During the fiscal year ending June 30, 2018 the actual return on assets was 4.97% vs. an expected return of 7.50%.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Sensitivity Analysis**

**Sensitivity of the net pension liability to changes in the discount rate** - The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

|                               | 1%<br>Decrease<br>(5.50%) | Current<br>Discount<br>Rate (6.50%) | 1%<br>Increase<br>(7.50%) |
|-------------------------------|---------------------------|-------------------------------------|---------------------------|
| Net pension liability (asset) | \$ (8,727,745)            | \$ (13,214,275)                     | \$ (15,551,002)           |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Pension Expense**

|   | <b>6/30/2020</b>           | <b>6/30/2021</b>             |
|---|----------------------------|------------------------------|
| Service cost with interest  | \$ 42,363                  | \$ 26,036                    |
| Interest on the total pension liability   | 3,565,796                  | 3,211,895                    |
| Change of benefit terms   | 476,125                    | 0                            |
| Expensed portion of current-period difference between expected and actual experience in the total pension liability | (918,913)                  | (967,935)                    |
| Expensed portion of current-period changes in assumptions   | 1,554,711                  | (366,222)                    |
| Expensed portion of current-period difference between expected and actual earnings on plan investments              | 469,642                    | (1,684,903)                  |
| Employee contributions  | 0                          | 0                            |
| Expected earnings on pension plan investments   | (4,006,123)                | (3,428,207)                  |
| Administrative expenses   | 145,084                    | 123,147                      |
| Recognition of deferred inflows   | (777,669)                  | (777,669)                    |
| Recognition of deferred outflows  | <u>1,351,031</u>           | <u>786,969</u>               |
| <b>Pension expense</b>  | <b><u>\$ 1,902,047</u></b> | <b><u>\$ (3,076,889)</u></b> |
| <br>  |                            |                              |
| Census date   | 2/29/2020                  | 2/28/2021                    |
| Measurement date  | 6/30/2020                  | 6/30/2021                    |
| Reporting date  | 6/30/2020                  | 6/30/2021                    |
| <br>  |                            |                              |
| Discount rate   | 6.50%                      | 6.50%                        |
| Expected return on assets   | 6.50%                      | 6.50%                        |

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2021 GASB 67/68 Report  
Deferred Inflows and Outflows**

The following table provides a summary of the deferred inflows and outflows as of 6/30/2021.

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                       | \$ 0                              | \$ 0                             |
| Changes of assumptions or other inputs                                   | 0                                 | 0                                |
| Net difference between projected and actual earnings on plan investments | <u>1,726,252</u>                  | <u>(6,832,689)</u>               |
| Total  | \$ 1,726,252                      | \$ (6,832,689)                   |

Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

| Year Ended June 30 | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--------------------|-----------------------------------|----------------------------------|
| 2022               | \$ 786,967                        | \$ (1,731,442)                   |
| 2023               | 469,642                           | (1,731,440)                      |
| 2024               | 469,643                           | (1,684,903)                      |
| 2025               | 0                                 | (1,684,904)                      |
| 2026               | 0                                 | 0                                |
| Thereafter         | 0                                 | 0                                |



**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2021 GASB 67/68 Report  
Amortization Schedule**

| <b>Date<br/>Established</b> | <b>Description</b>     | <b>Initial<br/>Amount</b> | <b>Outstanding<br/>Balance</b> | <b>Years<br/>Remaining</b> | <b>2021<br/>Installment</b> |
|-----------------------------|------------------------|---------------------------|--------------------------------|----------------------------|-----------------------------|
| 6/30/2017                   | Actuarial (Gain)/Loss  | \$ (383,137)              | \$ 0                           | 0.00                       | \$ 0                        |
| 6/30/2018                   | Actuarial (Gain)/Loss  | (229,751)                 | 0                              | 0.00                       | 0                           |
| 6/30/2019                   | Actuarial (Gain)/Loss  | (743,020)                 | 0                              | 0.00                       | 0                           |
| 6/30/2020                   | Actuarial (Gain)/Loss  | (918,913)                 | 0                              | 0.00                       | 0                           |
| 6/30/2021                   | Actuarial (Gain)/Loss  | (967,935)                 | 0                              | 0.00                       | (967,935)                   |
| Total                       |                        |                           | \$ 0                           |                            | \$ (967,935)                |
| 6/30/2017                   | Assumption Change      | \$ (856,662)              | \$ 0                           | 0.00                       | \$ 0                        |
| 6/30/2018                   | Assumption Change      | 1,418,554                 | 0                              | 0.00                       | 0                           |
| 6/30/2019                   | Assumption Change      | 1,209,610                 | 0                              | 0.00                       | 0                           |
| 6/30/2020                   | Assumption Change      | 1,554,711                 | 0                              | 0.00                       | 0                           |
| 6/30/2021                   | Assumption Change      | (366,222)                 | 0                              | 0.00                       | (366,222)                   |
| Total                       |                        |                           | \$ 0                           |                            | \$ (366,222)                |
| 6/30/2016                   | Investment (Gain)/Loss | \$ 5,168,528              | \$ 0                           | 0.00                       | \$ 0                        |
| 6/30/2017                   | Investment (Gain)/Loss | (3,655,650)               | 0                              | 0.00                       | (731,130)                   |
| 6/30/2018                   | Investment (Gain)/Loss | 1,586,633                 | 317,325                        | 1.00                       | 317,327                     |
| 6/30/2019                   | Investment (Gain)/Loss | (232,693)                 | (93,076)                       | 2.00                       | (46,539)                    |
| 6/30/2020                   | Investment (Gain)/Loss | 2,348,211                 | 1,408,927                      | 3.00                       | 469,642                     |
| 6/30/2021                   | Investment (Gain)/Loss | (8,424,516)               | (6,739,613)                    | 4.00                       | (1,684,903)                 |
| Total                       |                        |                           | \$ (5,106,437)                 |                            | \$ (1,675,603)              |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Rate of Return**

The long-term expected rate of return on plan investments was determined using a building-block method where expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

| <u>Asset Class</u>     | <u>Target Asset Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|--------------------------------|---|
| Core bonds             | 20.00%                         | 2.58%   |
| Multi-sector           | 10.00%                         | 3.42%   |
| Liquid absolute return | 10.00%                         | 3.26%   |
| U.S. large cap equity  | 25.00%                         | 7.15%   |
| U.S. small cap equity  | 10.00%                         | 8.44%   |
| Non-U.S. equity        | 20.00%                         | 8.15%   |
| Core real estate       | 5.00%                          | 6.66%   |
| Total                  | 100.00%                        |   |

Notes

- (1) The amounts shown above were provided ACG Asset Consulting Group.
- (2) The Long-Term Expected Real Rate of Return equals the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.
- (3) The long-term expected rate of return for the June 30, 2021 measurement date is 6.50%.

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2021 GASB 67/68 Report  
Actuarially Determined Contribution**

|   | <b>FYE 6/30/2021</b> | <b>FYE 6/30/2022</b> |
|---|----------------------|----------------------|
| Normal cost   | \$ 35,234            | \$ 36,543            |
| Actuarial accrued liability (beginning of year)         | 52,993,849           | 49,248,704           |
| Actuarial value of assets (beginning of year)           | 56,961,053           | 56,436,641           |
| Unfunded actuarial accrued liability                    | (3,967,204)          | (7,187,937)          |
| Net amortization charges / (credits)                    | (396,172)            | (717,800)            |
| Administrative expenses                                 | 139,000              | 111,000              |
| Actuarially determined contribution (beginning of year) | <u>\$ 0</u>          | <u>\$ 0</u>          |
| <br>  |                      |                      |
| Covered payroll   | \$ 240,482           | \$ 236,973           |
| <br>  |                      |                      |
| Percentage of covered payroll                           | 0.00%                | 0.00%                |
| <br>  |                      |                      |
| Discount rate   | 6.50%                | 6.50%                |
| Amortization period                                     | 15 Years             | 15 Years             |
|   | Closed               | Closed               |

Notes

(1) Administrative expenses are assumed to equal the expenses for the prior year rounded up to the next \$1,000.

(2) Disclosure of the actuarial methods and assumptions to develop the Actuarially Determined Contribution for the fiscal year ending June 30, 2022 can be found in the Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions February 28, 2021 Actuarial Valuation for Funding Purposes dated June 14, 2021.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Schedule of Contributions**

|   | FYE 2021   | FYE 2020   | FYE 2019   | FYE 2018   | FYE 2017   | FYE 2016     | FYE 2015     | FYE 2014     | FYE 2013     | FYE 2012     |
|---|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined employer contribution            | \$ 0       | \$ 0       | \$ 0       | \$ 0       | \$ 0       | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 85,652    |
| Actual employer contributions                           | \$ 0       | \$ 0       | \$ 0       | \$ 0       | \$ 0       | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 85,652    |
| Annual contribution deficiency (excess)                 | \$ 0       | \$ 0       | \$ 0       | \$ 0       | \$ 0       | \$ 0         | \$ 0         | \$ 0         | \$ 0         | 0            |
| Covered payroll   | \$ 236,973 | \$ 240,482 | \$ 603,382 | \$ 586,181 | \$ 771,810 | \$ 1,017,849 | \$ 1,224,727 | \$ 1,683,696 | \$ 2,101,442 | \$ 2,397,921 |
| Actual contributions as a percentage of covered payroll | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%      | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 3.57%        |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Actuarial Assumptions and Methods Used for Funding Policy**

The following actuarial methods and assumptions were used in the February 28, 2021 funding valuation. Please see that valuation report dated June 14, 2021 for further details.

**Actuarial Cost Method** - Projected unit credit.

**Amortization Method** - 15 year closed level dollar amortization of Unfunded Actuarial Accrued Liability.

**Asset Valuation Method** - The Actuarial Value of Assets is equal to the Market Value of Assets plus a five year smoothing of gains and losses on the Market Value of Assets, subject to a 20% corridor around the Market Value of Assets.

**Inflation Rate** - 2.25% per year.

**Salary Increase Rate** - 3.50% per year.

**Discount Rate and Expected Long-Term Rate of Return on Investments** - 6.50% per year.

**Retirement Rates** - See Table A on page 29.

**Mortality Rates** - PUB-2010 General Mortality, male and female, projected generationally using the MP-2020 improvement scale.

**Disability Rates** - 1985 Pension Disability Incident Class 1 rates for males and females. See table of sample rates in Table B on page 29.

**Termination Rates** - None assumed.

**Expenses** - Administrative expenses are assumed to equal the expenses for the prior year rounded up to the next \$1,000.

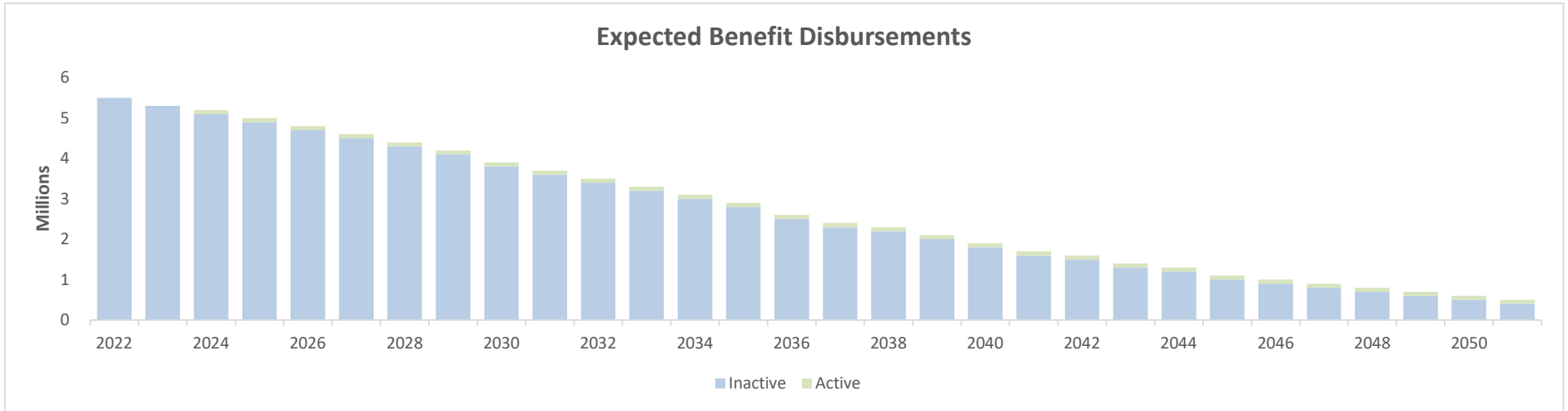
**Benefit Commencement Age for Deferred Vested Participants** - Age 65.

**Spouse Assumptions** - (1) 100% of the male participants are assumed to be married with the spouse assumed to be 3 years younger; (2) 100% of the female participants are assumed to be married with the spouse assumed to be 3 years older.

**Form of Payment** - All active participants are assumed to elect a 100% joint and survivor annuity.

**Assumption and Method Changes from Prior Year** - The mortality improvement scale was updated to the MP-2020 scale.

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2021 GASB 67/68 Report  
Expected Benefit Disbursements**



| FYE         | Inactive     | Active    | Total        | FYE         | Inactive     | Active     | Total        | FYE         | Inactive     | Active     | Total        |
|-------------|--------------|-----------|--------------|-------------|--------------|------------|--------------|-------------|--------------|------------|--------------|
| <b>2022</b> | \$ 5,461,287 | \$ 23,691 | \$ 5,484,978 | <b>2032</b> | \$ 3,393,314 | \$ 114,759 | \$ 3,508,073 | <b>2042</b> | \$ 1,452,389 | \$ 121,933 | \$ 1,574,322 |
| <b>2023</b> | 5,279,159    | 44,465    | 5,323,624    | <b>2033</b> | 3,176,243    | 118,673    | 3,294,916    | <b>2043</b> | 1,300,229    | 119,715    | 1,419,944    |
| <b>2024</b> | 5,089,481    | 61,091    | 5,150,572    | <b>2034</b> | 2,962,048    | 122,174    | 3,084,222    | <b>2044</b> | 1,158,007    | 117,166    | 1,275,173    |
| <b>2025</b> | 4,894,499    | 67,666    | 4,962,165    | <b>2035</b> | 2,751,609    | 124,775    | 2,876,384    | <b>2045</b> | 1,025,946    | 114,275    | 1,140,221    |
| <b>2026</b> | 4,695,616    | 74,080    | 4,769,696    | <b>2036</b> | 2,545,777    | 127,408    | 2,673,185    | <b>2046</b> | 904,140      | 111,046    | 1,015,186    |
| <b>2027</b> | 4,488,649    | 79,627    | 4,568,276    | <b>2037</b> | 2,345,390    | 128,863    | 2,474,253    | <b>2047</b> | 792,533      | 107,496    | 900,029      |
| <b>2028</b> | 4,271,748    | 87,464    | 4,359,212    | <b>2038</b> | 2,151,265    | 127,938    | 2,279,203    | <b>2048</b> | 690,940      | 103,652    | 794,592      |
| <b>2029</b> | 4,052,632    | 97,128    | 4,149,760    | <b>2039</b> | 1,964,196    | 126,813    | 2,091,009    | <b>2049</b> | 599,072      | 99,552     | 698,624      |
| <b>2030</b> | 3,832,475    | 104,411   | 3,936,886    | <b>2040</b> | 1,784,917    | 125,456    | 1,910,373    | <b>2050</b> | 516,528      | 95,235     | 611,763      |
| <b>2031</b> | 3,612,369    | 109,785   | 3,722,154    | <b>2041</b> | 1,614,111    | 123,838    | 1,737,949    | <b>2051</b> | 442,815      | 90,735     | 533,550      |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Census Data Summary**

|                                       | 2/29/2020  | 2/28/2021  |
|---------------------------------------|------------|------------|
| <b>Number of participants</b>         |            |            |
| Active                                | 3          | 3          |
| Terminated vested                     | 3          | 2          |
| Retired                               | 177        | 162        |
| Beneficiaries                         | 113        | 107        |
| Disabled                              | 28         | 27         |
| Total                                 | 324        | 301        |
| <b>Active demographics</b>            |            |            |
| Average age                           | 58.3       | 59.3       |
| Average past service                  | 30.2       | 31.2       |
| Average future service                | 4.4        | 4.1        |
| Average compensation                  | \$ 80,161  | \$ 78,990  |
| Covered payroll                       | \$ 240,482 | \$ 236,973 |
| Average monthly accrued benefit       | \$ 3,481   | \$ 3,552   |
| Total monthly accrued benefits        | \$ 10,442  | \$ 10,656  |
| <b>Terminated vested demographics</b> |            |            |
| Average age                           | 57.7       | 57.8       |
| Average monthly accrued benefit       | \$ 1,042   | \$ 589     |
| Total monthly accrued benefits        | \$ 3,125   | \$ 1,179   |
| <b>Retiree demographics</b>           |            |            |
| Average age                           | 77.7       | 77.8       |
| Average monthly accrued benefit       | \$ 1,964   | \$ 2,011   |
| Total monthly accrued benefits        | \$ 347,703 | \$ 325,710 |
| <b>Beneficiary demographics</b>       |            |            |
| Average age                           | 81.9       | 82.3       |
| Average monthly accrued benefit       | \$ 968     | \$ 1,024   |
| Total monthly accrued benefits        | \$ 109,427 | \$ 109,575 |
| <b>Disabled demographics</b>          |            |            |
| Average age                           | 73.0       | 73.9       |
| Average monthly accrued benefit       | \$ 1,247   | \$ 1,229   |
| Total monthly accrued benefits        | \$ 34,908  | \$ 33,190  |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Age & Service Distribution - Active Participants**

| Attained Age | Years of Service |        |        |          |          |          |          |          |          |           | Total |
|--------------|------------------|--------|--------|----------|----------|----------|----------|----------|----------|-----------|-------|
|              | Under 1          | 1 to 4 | 5 to 9 | 10 to 14 | 15 to 19 | 20 to 24 | 25 to 29 | 30 to 34 | 35 to 39 | 40 & Over |       |
| Under 25     |                  |        |        |          |          |          |          |          |          |           | 0     |
| 25 to 29     |                  |        |        |          |          |          |          |          |          |           | 0     |
| 30 to 34     |                  |        |        |          |          |          |          |          |          |           | 0     |
| 35 to 39     |                  |        |        |          |          |          |          |          |          |           | 0     |
| 40 to 44     |                  |        |        |          |          |          |          |          |          |           | 0     |
| 45 to 49     |                  |        |        |          |          |          |          |          |          |           | 0     |
| 50 to 54     |                  |        |        |          |          |          |          |          |          |           | 0     |
| 55 to 59     |                  |        |        |          |          | 1        | 1        |          |          |           | 2     |
| 60 to 64     |                  |        |        |          |          |          |          |          |          |           | 0     |
| 65 to 69     |                  |        |        |          |          |          |          |          |          | 1         | 1     |
| 70+          |                  |        |        |          |          |          |          |          |          |           | 0     |
| <b>Total</b> | 0                | 0      | 0      | 0        | 0        | 1        | 1        | 0        | 0        | 1         | 3     |



**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Census Data Reconciliation**

|                        | <u>Active</u> | <u>Term<br/>Vested</u> | <u>Retired</u> | <u>Benef</u> | <u>Disabled</u> | <u>Total</u> |
|------------------------|---------------|------------------------|----------------|--------------|-----------------|--------------|
| February 29, 2020      | 3             | 3                      | 177            | 113          | 28              | 324          |
| Vested terminations    | 0             | 0                      | 0              | 0            | 0               | 0            |
| Retirements            | 0             | (1)                    | 1              | 0            | 0               | 0            |
| Disabled               | 0             | 0                      | 0              | 0            | 0               | 0            |
| Death with survivor    | 0             | 0                      | (6)            | 6            | 0               | 0            |
| Death without survivor | 0             | 0                      | (10)           | (12)         | (1)             | (23)         |
| New entrants           | 0             | 0                      | 0              | 0            | 0               | 0            |
| Rehires                | 0             | 0                      | 0              | 0            | 0               | 0            |
| Data corrections       | 0             | 0                      | 0              | 0            | 0               | 0            |
| February 28, 2021      | 3             | 2                      | 162            | 107          | 27              | 301          |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Summary of Assumptions and Methods**

**Cost Method** - Individual entry age normal level percent of salary.

**Dates of Calculations**

Actuarial valuation date: February 28, 2021

Census date: February 28, 2021

Measurement date GASB 67 and GASB 68: June 30, 2021

Reporting date GASB 67 and GASB 68: June 30, 2021

**Employees Included in the Calculations** - All active employees who are eligible to receive pension benefits as a retiree. Retired, disabled, beneficiaries and terminated vested participants who are receiving benefits or entitled to receive benefits in the future.

**Source of Data** - Data is as of the valuation date and was supplied by the Lansing Board of Water and Light. While we have not audited this data, we believe the census data and financial information to be accurate and complete.

**Discount Rate** - Pursuant to GASB 67/68, projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on plan investments is 6.50%; the municipal bond rate is 2.16% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Bond GO Index"); and the resulting Single Discount Rate is 6.50%.

The plan's fiduciary net position was projected to cover all future pension benefit payments. Therefore, we determined the discount rate to be the long-term expected rate of return on plan investments.

**Inflation Rate** - 2.25% per year.

**Salary Increase Rate** - 3.50% per year.

**Mortality Rates** - Pre and Post retirement - PUB-2010 General Mortality, male and female, projected generationally using the MP-2020 improvement scale.

**Retirement Rates** - Sample rates are listed on Table A herein.

**Termination Rates** - None assumed.

**Disability Rates** - The 1985 Pension Disability Incidence Class 1 rates for males and females. Sample rates are listed on Table B herein.

**Expenses** - Administrative expenses are assumed to equal the expenses for the prior year rounded up to the next \$1,000.

**Benefit Commencement Age for Deferred Vested Participants** - Age 65.

**Spouse Assumptions** - (1) 100% of the male participants are assumed to be married with the spouse assumed to be 3 years younger; (2) 100% of the female participants are assumed to be married with the spouse assumed to be 3 years older.

**Form of Payment** - All active participants are assumed to elect a 100% joint and survivor annuity.

**Assumption and Method Changes from Prior Year** - The mortality improvement scale was updated to the MP-2020 scale.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Summary of Assumptions and Methods (continued)**

**Table A - Retirement Rates**

| Age | Rate   | Age | Rate    |
|-----|--------|-----|---------|
| 50  | 4.00%  | 61  | 14.00%  |
| 51  | 4.00%  | 62  | 25.00%  |
| 52  | 8.00%  | 63  | 25.00%  |
| 53  | 4.00%  | 64  | 20.00%  |
| 54  | 10.00% | 65  | 25.00%  |
| 55  | 5.00%  | 66  | 25.00%  |
| 56  | 8.00%  | 67  | 33.00%  |
| 57  | 10.00% | 68  | 33.00%  |
| 58  | 12.00% | 69  | 50.00%  |
| 59  | 14.00% | 70  | 100.00% |
| 60  | 10.00% |     |         |

**Table B - Disability Rates**

| Age | Male  | Female |
|-----|-------|--------|
| 20  | 0.03% | 0.03%  |
| 25  | 0.04% | 0.05%  |
| 30  | 0.05% | 0.08%  |
| 40  | 0.12% | 0.21%  |
| 50  | 0.36% | 0.53%  |
| 55  | 0.72% | 0.95%  |
| 60  | 1.26% | 1.16%  |

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Summary of Plan Provisions**

**Effective Date and Plan Year** – The most recent effective date is July 1, 2010. The plan year is from July 1 through June 30.

**Participation and Eligibility** - Eligible employees are those who were participating in the plan on December 31, 1996 and who elected to remain in the plan as of December 1, 1997.

**Employer Contributions** - The employer contributes the entire cost of the Plan. Participant contributions are not required.

**Pension Service Credit** - Service is credited on an elapsed time basis.

**Annual Pay** - Annual pay equals the base pay plus bonus received during the year in which the base pay was the highest within the last ten years of employment.

**Normal Retirement Date** - The normal retirement date for employees hired prior to July 1, 1990 is the earlier of (1) the first day of the month on or after attainment of age 60, and (2) the first day of the month on or after completion of 30 years of Pension Service Credit and attainment of age 55. If an employee who was hired before July 1, 1990 terminates employment after attainment of age 45 and completion of 25 years of Pension Service Credit, the normal retirement date is the first day of the month on or after the date he has attained age 55 and would have completed 30 years of Pension Service Credit if he had remained employed.

For employees hired after July 1, 1990, the normal retirement date is the first day of the month on or after attainment of age 65.

**Normal Retirement Benefit** - 1.8% of Annual Pay multiplied by the Pension Service Credit and payable as a life annuity.

**Early Retirement Date** - A reduced early retirement benefit is payable during the 10 years prior to a participant's Normal Retirement Date upon completion of 25 years of Pension Service Credit or 5 years prior to a participant's normal retirement date upon completion of 15 years of Pension Service Credit.

**Early Retirement Benefit** - The Normal Retirement Benefit is reduced 0.25% per month for the first 60 months and then reduced 0.4167% per month for the next 60 months.

**Disability Retirement Benefit** - A disability benefit is payable upon disability after completion of at least 10 years of service. The disability benefit is equal to the Normal Retirement Benefit accrued as of the date of disability and is payable immediately. The disability benefit is offset for any workers' compensation payments.

**Deferred Vested Benefit** - If a participant terminates employment for any reason other than death or disability prior to his or her Normal or Early Retirement Date, and if the participant has completed at least three (3) years service on his or her date of termination of employment, then the participant will become vested in his or her accrued Normal Retirement Benefit subject to a 7 year graded vesting schedule.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Summary of Plan Provisions (continued)**

**Death in Service Benefit** - If a vested employee dies while still an employee and has a spouse, the Board will assume that the employee retired on the day preceding his or her death on a disability pension and elected a 100% Joint and Survivor form of payment.

**Forms of Payment** - The following actuarially equivalent forms of payment are available under the plan:

- a) a monthly benefit payable for the participant's lifetime;
- b) a monthly benefit payable for the participant's lifetime with 15% up to 100% of such benefit continued to a surviving contingent annuitant following the participant's death;
- c) a monthly benefit payable for the participant's lifetime with 15% up to 100% of such benefit continued to a surviving contingent annuitant following the participant's death. If the beneficiary dies first, the pension amount will revert back to the life annuity amount;
- d) a lump sum payment

**Cost of Living Increases** - None

**Actuarial Equivalence** - The plan's definition of Actuarial Equivalence is as follows:

- a) Non-decreasing annuities: Actuarial Equivalence is computed using the 1983 Group Annuity Mortality Table applied on a unisex basis and 7.50% interest.
- b) Accelerated forms of payments: Actuarial Equivalence is computed using the 1983 Group Annuity Mortality Table applied on a unisex basis and the annual rate of interest on a 30 year constant maturity U.S. Treasury securities for the month of December immediately preceding the start of the calendar year in which distribution occurs.

**Maximum Compensation** - Annual Pay for any 12-month period used to determine a participant's accrued benefit may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins.

**Maximum Benefit** - Annual benefit amounts payable under the plan may not exceed the limits in IRC Section 415.

**Changes in Plan Provisions Since Last Valuation** - None.

# Lansing Board of Water and Light

## Defined Benefit Plan for Employees' Pensions

June 30, 2021 GASB 67/68 Report

### Glossary

**Actuarial Assumptions** - Assumptions relating to future experience under the plan. These include assumptions about the occurrence of future events affecting costs or liabilities, such as:

- mortality, withdrawal, disablement, and retirement;
- future increases in salary;
- future rates of investment earnings and future investment and administrative expenses;
- characteristics of members not specified in the data, such as marital status;
- characteristics of future members;
- future elections made by members; and
- other relevant items.

**Actuarial Cost Method** - A procedure for allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Total Pension Liability (TPL).

**Actuarial (Gain) or Loss** - A measure of the difference between actual experience and experience expected under a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings that have been forecasted. To the extent that actual experience differs from that assumed, actuarial accrued liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., the plan's assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results that produce actuarial liabilities which are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.

**Actuarially Equivalent** - Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.

**Actuarial Present Value (APV)** - The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:

- adjusted for the probable financial effect of certain intervening events (such as changes in marital status, etc.)
- multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
- discounted according to an assumed rate (or rates) of return to reflect the time value of money.

**Actuarial Present Value of Future Benefits** - The Actuarial Present Value of those benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future benefit increases. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members and spouses receiving benefits. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.

**Actuarial Present Value of Future Earnings** - The Actuarial Present Value of a participant's expected future earnings.

**Actuarial Present Value of Future Normal Costs** - The portion of the Actuarial Present Value of Future Benefits allocated to future years.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2021 GASB 67/68 Report**  
**Glossary (continued)**

**Actuarial Valuation** - The determination, as of a valuation date, of the Normal Cost, Total Pension Liability (TPL), Fiduciary Net Position (FNP), and related Actuarial Present Values for a plan. An Actuarial valuation for a retirement system typically includes calculations that provide financial information for the plan, such as the funded status, unfunded actuarial accrued liability and the contribution amounts.

**Actuarially Determined** - Values which have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.

**Covered Payroll** - Payroll as of the valuation date for active participants who have not attained normal retirement age.

**Decrements** - Those causes/events due to which a member's status (active-inactive-retiree-spouse) changes, that is: death, retirement, disability, or termination.

**Entry Age Normal Cost Method** - The EAN cost method is a standard actuarial funding method. The annual cost of benefits under EAN cost method is comprised of two components:

- Normal cost
- Amortization of the unfunded liability

The normal cost is determined on an individual basis, from a member's age at plan entry, and is designed to be a level percentage of pay throughout a member's career.

**Fiduciary Net Position** - The value of the plan's assets as of a given date, used by the actuary for valuation purposes. This usually equals the market value of plan assets.

**Funded Status** - The ratio of the Fiduciary Net Position (FNP) to the Total Pension Liability (TPL).

**Net Pension Liability (NPL)** - The excess of the Total Pension Liability (TPL) over the Fiduciary Net Position (FNP). This value may be negative in which case it may be expressed as a negative Fiduciary Net Position, also called the funding surplus.

**Normal Cost** - The portion of the Actuarial Present Value of Future Benefits allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an unfunded actuarial accrued liability is not part of Normal Cost. Under the entry age normal cost method, the Normal Cost is intended to be the level cost (when expressed as a percentage of pay) needed to fund the benefits of a member from hire until ultimate termination, death, disability or retirement.

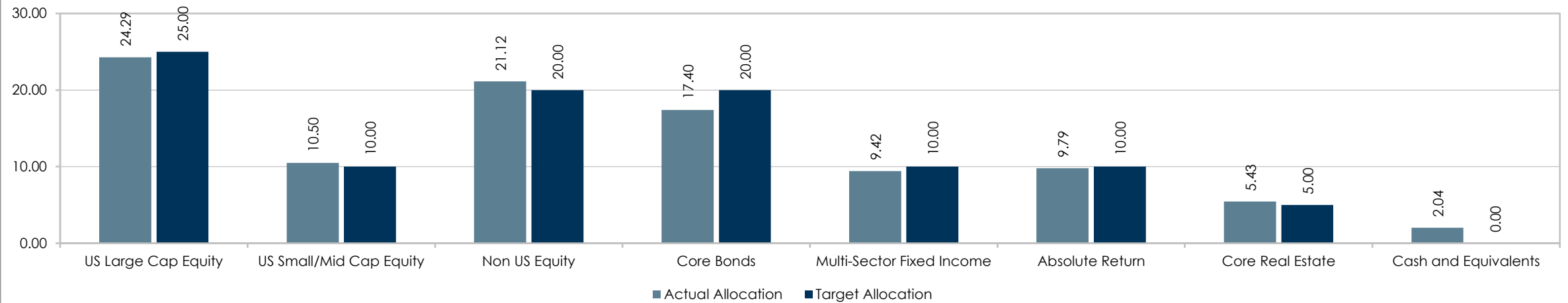
**Total Pension Liability (TPL)** - The portion of the Actuarial Present Value of Future Benefits which is not provided for by future Normal Costs. It is equal to the Actuarial Present Value of Future Benefits minus the actuarial present value of future Normal Costs.

**Valuation Date or Actuarial Valuation Date** - The date on which the value of plan assets, the Actuarial Present Value of Future Benefits, the Total Pension Liability (TPL) and Normal Cost are determined. The expected future benefits are discounted to this date.

## LBWL Defined Benefit Plan and Trust for Employees' Pensions

For the Periods Ending June 30, 2021

**Actual vs. Target Allocation (%)**



| Asset Class                 | Market Value (\$000s) | Actual Allocation (%) | Target Allocation (%) | Over/Under (%) | Range Min - Max (%)  |
|-----------------------------|-----------------------|-----------------------|-----------------------|----------------|----------------------|
| <b>Total Portfolio</b>      | <b>61,745</b>         | <b>100.00</b>         | <b>100.00</b>         |                |                      |
| <b>Equity</b>               | <b>34,521</b>         | <b>55.91</b>          | <b>55.00</b>          | <b>0.91</b>    | <b>40.00 - 70.00</b> |
| US Large Cap Equity         | 14,998                | 24.29                 | 25.00                 | -0.71          | 20.00 - 30.00        |
| US Small/Mid Cap Equity     | 6,484                 | 10.50                 | 10.00                 | 0.50           | 5.00 - 15.00         |
| Non US Equity               | 13,039                | 21.12                 | 20.00                 | 1.12           | 15.00 - 25.00        |
| <b>Fixed Income</b>         | <b>22,606</b>         | <b>36.61</b>          | <b>40.00</b>          | <b>-3.39</b>   | <b>20.00 - 50.00</b> |
| Core Bonds                  | 10,741                | 17.40                 | 20.00                 | -2.60          | 10.00 - 30.00        |
| Multi-Sector Fixed Income   | 5,817                 | 9.42                  | 10.00                 | -0.58          | 5.00 - 15.00         |
| Absolute Return             | 6,048                 | 9.79                  | 10.00                 | -0.21          | 5.00 - 15.00         |
| <b>Real Assets</b>          | <b>3,355</b>          | <b>5.43</b>           | <b>5.00</b>           | <b>0.43</b>    | <b>0.00 - 10.00</b>  |
| Core Real Estate            | 3,355                 | 5.43                  | 5.00                  | 0.43           | 0.00 - 10.00         |
| <b>Cash and Equivalents</b> | <b>1,262</b>          | <b>2.04</b>           | <b>0.00</b>           | <b>2.04</b>    | <b>0.00 - 5.00</b>   |

|                                  | Mar 2021 Market Value (\$000s) | Jun 2021 Market Value (\$000s) | Actual Allocation (%) | 1 Month (%) | 3 Months (%) | YTD (%) | FYTD (%) | 3 Years (%) | 5 Years (%) | 10 Years (%) |
|----------------------------------|--------------------------------|--------------------------------|-----------------------|-------------|--------------|---------|----------|-------------|-------------|--------------|
| <b>Total Portfolio (01/17) *</b> | 60,549                         | 61,745                         | 100.00                | 0.50        | 4.33         | 6.75    | 22.12    | 10.56       | --          | --           |
| <b>Total Portfolio (07/04)</b>   | 60,549                         | 61,745                         | 100.00                | 0.55        | 4.47         | 7.02    | 22.77    | 11.15       | 10.39       | 8.56         |
| <i>Policy Index</i> <sup>1</sup> |                                |                                |                       | 1.09        | 4.72         | 6.79    | 22.51    | 11.07       | 10.60       | 9.23         |



## LBWL Defined Benefit Plan and Trust for Employees' Pensions

For the Periods Ending June 30, 2021

|  | Mar 2021<br>Market<br>Value<br>(\$000s) | Jun 2021<br>Market<br>Value<br>(\$000s) | Actual<br>Allocation<br>(%) | 1<br>Month<br>(%) | 3<br>Months<br>(%) | YTD<br>(%)   | FYTD<br>(%)  | 3<br>Years<br>(%) | 5<br>Years<br>(%) | 10<br>Years<br>(%) | Since<br>Inception<br>(%) |
|--|---|---|-----------------------------|-------------------|--------------------|--------------|--------------|-------------------|-------------------|--------------------|---------------------------|
| <b>Total Portfolio (01/17) *</b>       | <b>60,549</b>                           | <b>61,745</b>                           | <b>100.00</b>               | <b>0.50</b>       | <b>4.33</b>        | <b>6.75</b>  | <b>22.12</b> | <b>10.56</b>      | <b>--</b>         | <b>--</b>          | <b>9.96</b>               |
| <b>Total Portfolio (07/04)</b>         | <b>60,549</b>                           | <b>61,745</b>                           | <b>100.00</b>               | <b>0.55</b>       | <b>4.47</b>        | <b>7.02</b>  | <b>22.77</b> | <b>11.15</b>      | <b>10.39</b>      | <b>8.56</b>        | <b>6.94</b>               |
| <i>Policy Index</i> <sup>1</sup>       |   |   |                             | 1.09              | 4.72               | 6.79         | 22.51        | 11.07             | 10.60             | 9.23               | 7.83                      |
| <b>US Large Cap Equity (01/17)</b>     | <b>15,308</b>                           | <b>14,998</b>                           | <b>24.29</b>                | <b>1.40</b>       | <b>7.89</b>        | <b>15.72</b> | <b>40.93</b> | <b>18.54</b>      | <b>--</b>         | <b>--</b>          | <b>18.52</b>              |
| <i>Russell 1000</i>                    |   |   |                             | 2.51              | 8.54               | 14.95        | 43.07        | 19.16             | 17.99             | 14.90              | 18.14                     |
| <b>US Small/Mid Cap Equity (01/17)</b> | <b>6,157</b>                            | <b>6,484</b>                            | <b>10.50</b>                | <b>-0.92</b>      | <b>5.53</b>        | <b>14.68</b> | <b>44.20</b> | <b>16.12</b>      | <b>--</b>         | <b>--</b>          | <b>13.20</b>              |
| <i>Blended Benchmark</i> <sup>2</sup>  |   |   |                             | 1.18              | 5.44               | 16.97        | 57.79        | 15.26             | --                | --                 | 13.10                     |
| <b>Non US Equity (01/17) *</b>         | <b>12,473</b>                           | <b>13,039</b>                           | <b>21.12</b>                | <b>-0.97</b>      | <b>4.54</b>        | <b>5.89</b>  | <b>32.35</b> | <b>9.42</b>       | <b>--</b>         | <b>--</b>          | <b>10.61</b>              |
| <i>MSCI EAFE</i>                       |   |   |                             | -1.10             | 5.38               | 9.17         | 32.92        | 8.77              | 10.79             | 6.38               | 10.67                     |
| <b>Fixed Income (01/17)</b>            | <b>22,194</b>                           | <b>22,606</b>                           | <b>36.61</b>                | <b>0.73</b>       | <b>1.93</b>        | <b>0.13</b>  | <b>5.06</b>  | <b>6.34</b>       | <b>--</b>         | <b>--</b>          | <b>4.91</b>               |
| <i>BloomBar US Aggregate</i>           |   |   |                             | 0.70              | 1.83               | -1.60        | -0.33        | 5.34              | 3.03              | 3.39               | 3.96                      |
| <b>Real Assets (01/19) *</b>           | <b>3,225</b>                            | <b>3,355</b>                            | <b>5.43</b>                 | <b>4.06</b>       | <b>4.06</b>        | <b>6.01</b>  | <b>7.81</b>  | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>4.58</b>               |
| <i>NFI ODCE Net</i>                    |   |   |                             | 3.72              | 3.72               | 5.68         | 7.13         | 4.61              | 5.63              | 8.60               | 4.15                      |
| <b>Cash and Equivalents (01/17)</b>    | <b>1,192</b>                            | <b>1,262</b>                            | <b>2.04</b>                 | <b>0.00</b>       | <b>0.01</b>        | <b>0.01</b>  | <b>0.02</b>  | <b>1.10</b>       | <b>--</b>         | <b>--</b>          | <b>1.06</b>               |
| <i>US T-Bills 90 Day</i>               |   |   |                             | -0.00             | -0.00              | 0.03         | 0.09         | 1.34              | 1.17              | 0.63               | 1.26                      |

## LBWL Defined Benefit Plan and Trust for Employees' Pensions

For the Periods Ending June 30, 2021

|  | Mar 2021<br>Market<br>Value<br>(\$000s) | Jun 2021<br>Market<br>Value<br>(\$000s) | Actual<br>Allocation<br>(%) | 1<br>Month<br>(%) | 3<br>Months<br>(%) | YTD<br>(%)   | FYTD<br>(%)  | 3<br>Years<br>(%) | 5<br>Years<br>(%) | 10<br>Years<br>(%) | Since<br>Inception<br>(%) |
|--|---|---|-----------------------------|-------------------|--------------------|--------------|--------------|-------------------|-------------------|--------------------|---------------------------|
| <b>Equity (01/17)</b>                                | <b>33,938</b>                           | <b>34,521</b>                           | <b>55.91</b>                | <b>0.09</b>       | <b>6.26</b>        | <b>11.97</b> | <b>38.76</b> | <b>15.14</b>      | <b>--</b>         | <b>--</b>          | <b>15.20</b>              |
| <b>US Large Cap Equity</b>                           |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>Loomis Sayles (01/13)</b>                         | <b>7,642</b>                            | <b>7,539</b>                            | <b>12.21</b>                | <b>3.94</b>       | <b>10.56</b>       | <b>13.97</b> | <b>37.13</b> | <b>23.81</b>      | <b>22.62</b>      | <b>--</b>          | <b>19.38</b>              |
| <i>Russell 1000 Growth</i>                           |   |   |                             | 6.27              | 11.93              | 12.99        | 42.50        | 25.14             | 23.66             | 17.87              | 19.89                     |
| <b>Vanguard Russell 1000 Value (05/17) *</b>         | <b>7,666</b>                            | <b>7,459</b>                            | <b>12.08</b>                | <b>-1.15</b>      | <b>5.19</b>        | <b>17.05</b> | <b>43.64</b> | <b>12.39</b>      | <b>--</b>         | <b>--</b>          | <b>10.88</b>              |
| <i>Russell 1000 Value</i>                            |   |   |                             | -1.15             | 5.21               | 17.05        | 43.68        | 12.42             | 11.87             | 11.61              | 10.92                     |
| <b>US Small/Mid Cap Equity</b>                       |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>Atlanta Capital (08/18) *</b>                     | <b>6,157</b>                            | <b>6,484</b>                            | <b>10.50</b>                | <b>-0.98</b>      | <b>5.31</b>        | <b>14.21</b> | <b>43.02</b> | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>14.76</b>              |
| <i>Russell 2500</i>                                  |   |   |                             | 1.18              | 5.44               | 16.97        | 57.79        | 15.24             | 16.35             | 12.86              | 14.95                     |
| <b>Non US Equity</b>                                 |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>Harding Loevner Int'l Equity (09/17) *</b>        | <b>6,210</b>                            | <b>6,546</b>                            | <b>10.60</b>                | <b>-0.07</b>      | <b>5.41</b>        | <b>6.34</b>  | <b>34.21</b> | <b>11.48</b>      | <b>--</b>         | <b>--</b>          | <b>10.83</b>              |
| <i>MSCI ACWI ex US</i>                               |   |   |                             | -0.62             | 5.64               | 9.45         | 36.29        | 9.88              | 11.59             | 5.93               | 8.58                      |
| <b>Lazard Int'l Equity (09/17) *</b>                 | <b>6,263</b>                            | <b>6,493</b>                            | <b>10.52</b>                | <b>-1.86</b>      | <b>3.68</b>        | <b>5.44</b>  | <b>30.45</b> | <b>7.26</b>       | <b>--</b>         | <b>--</b>          | <b>6.61</b>               |
| <i>MSCI EAFE</i>                                     |   |   |                             | -1.10             | 5.38               | 9.17         | 32.92        | 8.77              | 10.79             | 6.38               | 8.00                      |
| <b>Fixed Income (01/17)</b>                          | <b>22,194</b>                           | <b>22,606</b>                           | <b>36.61</b>                | <b>0.73</b>       | <b>1.93</b>        | <b>0.13</b>  | <b>5.06</b>  | <b>6.34</b>       | <b>--</b>         | <b>--</b>          | <b>4.91</b>               |
| <b>Core Bonds</b>                                    |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>JP Morgan Fixed Income (01/09)</b>                | <b>10,544</b>                           | <b>10,741</b>                           | <b>17.40</b>                | <b>0.78</b>       | <b>1.90</b>        | <b>-0.83</b> | <b>1.49</b>  | <b>5.68</b>       | <b>3.56</b>       | <b>3.66</b>        | <b>4.37</b>               |
| <i>BloomBar US Aggregate</i>                         |   |   |                             | 0.70              | 1.83               | -1.60        | -0.33        | 5.34              | 3.03              | 3.39               | 3.93                      |
| <b>Multi-Sector Fixed Income</b>                     |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>Fidelity Tactical Bond (09/18) *</b>              | <b>5,666</b>                            | <b>5,817</b>                            | <b>9.42</b>                 | <b>1.11</b>       | <b>2.57</b>        | <b>0.15</b>  | <b>7.37</b>  | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>7.49</b>               |
| <i>BloomBar US Aggregate</i>                         |   |   |                             | 0.70              | 1.83               | -1.60        | -0.33        | 5.34              | 3.03              | 3.39               | 5.42                      |
| <b>Absolute Return</b>                               |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>BlackRock Strategic Income Opp (09/17) *</b>      | <b>5,983</b>                            | <b>6,048</b>                            | <b>9.79</b>                 | <b>0.21</b>       | <b>1.08</b>        | <b>1.30</b>  | <b>8.45</b>  | <b>5.43</b>       | <b>--</b>         | <b>--</b>          | <b>4.50</b>               |
| <i>US T-Bills 90 Day + 3.0%</i>                      |   |   |                             | 0.24              | 0.74               | 1.51         | 3.10         | 4.38              | 4.21              | 3.65               | 4.40                      |
| <i>BloomBar US Aggregate</i>                         |   |   |                             | 0.70              | 1.83               | -1.60        | -0.33        | 5.34              | 3.03              | 3.39               | 3.69                      |
| <b>Real Assets (01/19) *</b>                         | <b>3,225</b>                            | <b>3,355</b>                            | <b>5.43</b>                 | <b>4.06</b>       | <b>4.06</b>        | <b>6.01</b>  | <b>7.81</b>  | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>4.58</b>               |
| <b>Core Real Estate</b>                              |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>AEW Core Property Trust (01/19) *<sup>3</sup></b> | <b>3,225</b>                            | <b>3,355</b>                            | <b>5.43</b>                 | <b>4.06</b>       | <b>4.06</b>        | <b>6.01</b>  | <b>7.81</b>  | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>4.58</b>               |
| <i>NFI ODCE Net</i>                                  |   |   |                             | 3.72              | 3.72               | 5.68         | 7.13         | 4.61              | 5.63              | 8.60               | 4.15                      |
| <b>Cash &amp; Equivalents (01/17)</b>                | <b>1,192</b>                            | <b>1,262</b>                            | <b>2.04</b>                 | <b>0.00</b>       | <b>0.01</b>        | <b>0.01</b>  | <b>0.02</b>  | <b>1.10</b>       | <b>--</b>         | <b>--</b>          | <b>1.06</b>               |
| <b>Cash &amp; Equivalents (01/17)</b>                | <b>1,192</b>                            | <b>1,262</b>                            | <b>2.04</b>                 | <b>0.00</b>       | <b>0.01</b>        | <b>0.01</b>  | <b>0.02</b>  | <b>1.10</b>       | <b>--</b>         | <b>--</b>          | <b>1.06</b>               |
| <i>US T-Bills 90 Day</i>                             |   |   |                             | -0.00             | -0.00              | 0.03         | 0.09         | 1.34              | 1.17              | 0.63               | 1.26                      |

All returns prior to 12/31/2016 were calculated by the prior consultant.

\* Net of Fee return data.

<sup>1</sup> Policy Index: Effective January 2019, the index consists of 25.0% Russell 1000, 10.0% Russell 2500, 20.0% MSCI ACWI ex US, 40.0% BloomBar US Aggregate, 5.0% NFI ODCE Net.

<sup>2</sup> Blended Benchmark: Effective August 2018, the index consists of 100% Russell 2500.

The Fiscal Year End is June.

<sup>3</sup> Valuation and performance are assessed quarterly.

**Total Portfolio**

**Dollar Reconciliation (\$000s)**

*For the Periods Ending June 30, 2021*

|                               | <b>3 Months</b> | <b>FYTD</b>   |
|-------------------------------|-----------------|---------------|
| <b>Beginning Market Value</b> | <b>60,549</b>   | <b>55,646</b> |
| Net Additions                 | -1,495          | -6,024        |
| Return on Investment          | 2,691           | 12,124        |
| <b>Ending Market Value</b>    | <b>61,745</b>   | <b>61,745</b> |

## Market Overview

For the Periods Ending June 30, 2021

|                                  | 1<br>Month<br>(%) | 3<br>Months<br>(%) | YTD<br>(%) | FYTD<br>(%) | 3<br>Years<br>(%) | 5<br>Years<br>(%) | 10<br>Years<br>(%) |
|----------------------------------|-------------------|--------------------|------------|-------------|-------------------|-------------------|--------------------|
| <b>Equity Markets - Core</b>     |                   |                    |            |             |                   |                   |                    |
| S&P 500                          | 2.33              | 8.55               | 15.25      | 40.79       | 18.67             | 17.65             | 14.84              |
| Russell 1000                     | 2.51              | 8.54               | 14.95      | 43.07       | 19.16             | 17.99             | 14.90              |
| Russell 2000                     | 1.94              | 4.29               | 17.54      | 62.03       | 13.52             | 16.47             | 12.34              |
| Russell 2500                     | 1.18              | 5.44               | 16.97      | 57.79       | 15.24             | 16.35             | 12.86              |
| <b>Equity Markets - Growth</b>   |                   |                    |            |             |                   |                   |                    |
| S&P 500 Growth                   | 5.68              | 11.93              | 14.31      | 41.36       | 23.08             | 21.83             | 17.29              |
| Russell 1000 Growth              | 6.27              | 11.93              | 12.99      | 42.50       | 25.14             | 23.66             | 17.87              |
| Russell 2000 Growth              | 4.69              | 3.92               | 8.98       | 51.36       | 15.94             | 18.76             | 13.52              |
| Russell 2500 Growth              | 5.37              | 6.04               | 8.67       | 49.63       | 20.15             | 20.68             | 14.83              |
| <b>Equity Markets - Value</b>    |                   |                    |            |             |                   |                   |                    |
| S&P 500 Value                    | -1.17             | 4.99               | 16.30      | 39.54       | 13.14             | 12.54             | 11.85              |
| Russell 1000 Value               | -1.15             | 5.21               | 17.05      | 43.68       | 12.42             | 11.87             | 11.61              |
| Russell 2000 Value               | -0.61             | 4.56               | 26.69      | 73.28       | 10.27             | 13.62             | 10.85              |
| Russell 2500 Value               | -1.32             | 5.00               | 22.68      | 63.23       | 10.60             | 12.29             | 10.93              |
| <b>International Markets</b>     |                   |                    |            |             |                   |                   |                    |
| MSCI ACWI                        | 1.35              | 7.53               | 12.56      | 39.87       | 15.14             | 15.20             | 10.48              |
| MSCI ACWI ex US                  | -0.62             | 5.64               | 9.45       | 36.29       | 9.88              | 11.59             | 5.93               |
| MSCI EAFE                        | -1.10             | 5.38               | 9.17       | 32.92       | 8.77              | 10.79             | 6.38               |
| MSCI EAFE Growth                 | 0.06              | 7.59               | 7.07       | 31.39       | 12.85             | 12.89             | 8.15               |
| MSCI EAFE Value                  | -2.27             | 3.25               | 11.10      | 34.22       | 4.37              | 8.43              | 4.45               |
| MSCI Emerging Markets            | 0.21              | 5.12               | 7.58       | 41.36       | 11.67             | 13.43             | 4.65               |
| MSCI World                       | 1.52              | 7.89               | 13.33      | 39.67       | 15.59             | 15.44             | 11.26              |
| MSCI World ex US                 | -0.98             | 5.86               | 10.27      | 34.22       | 9.10              | 10.91             | 6.22               |
| <b>Fixed Income</b>              |                   |                    |            |             |                   |                   |                    |
| ICE BofA ML 1 Yr Treasury Note   | -0.01             | 0.02               | 0.09       | 0.22        | 2.01              | 1.47              | 0.90               |
| ICE BofA ML High Yield Master II | 1.37              | 2.77               | 3.70       | 15.62       | 7.16              | 7.30              | 6.50               |
| BloomBar US Aggregate            | 0.70              | 1.83               | -1.60      | -0.33       | 5.34              | 3.03              | 3.39               |
| BloomBar Intermediate G/C        | 0.08              | 0.98               | -0.90      | 0.19        | 4.70              | 2.63              | 2.76               |
| BloomBar 10 Yr Municipal         | 0.19              | 1.14               | 0.57       | 3.66        | 5.33              | 3.26              | 4.39               |
| BloomBar US Credit               | 1.50              | 3.32               | -1.28      | 2.99        | 7.42              | 4.63              | 4.92               |
| <b>Real Assets</b>               |                   |                    |            |             |                   |                   |                    |
| NFI ODCE Net                     | 0.00              | 0.00               | 1.89       | 3.29        | 3.35              | 4.86              | 8.21               |

## Disclosures and Legal Notice

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**The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) & Public Act 530 of 2016 Pension Report**

|   |  |   |
|---|--|---|
| Enter Local Government Name                   | LANSING CITY BOARD OF WATER & LIGHT                              | Instructions: For a list of detailed instructions on how to complete and submit this form, visit <a href="http://michigan.gov/LocalRetirementReporting">michigan.gov/LocalRetirementReporting</a> .   |
| Enter Six-Digit MuniCode                      | 337537   |   |
| Unit Type                                     | Authority  |   |
| Fiscal Year End Month                         | June   |   |
| Fiscal Year (four-digit year only, e.g. 2019) | 2021   | Questions: For questions, please email <a href="mailto:LocalRetirementReporting@michigan.gov">LocalRetirementReporting@michigan.gov</a> . Return this original Excel file. Do not submit a scanned image or PDF.  |
| Contact Name (Chief Administrative Officer)   | Scott Taylor   |   |
| Title if not CAO                              | Manger, Accounting & Finance                                     |   |
| CAO (or designee) Email Address               | <a href="mailto:SCOTT.TAYLOR@LBWL.COM">SCOTT.TAYLOR@LBWL.COM</a> |   |
| Contact Telephone Number                      | 517-702-6104   |   |
| Pension System Name (not division) 1          | and Trust for Employees' Pensions                                | If your pension system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form. |
| Pension System Name (not division) 2          |  |   |
| Pension System Name (not division) 3          |  |   |
| Pension System Name (not division) 4          |  |   |
| Pension System Name (not division) 5          |  |   |

| Line      | Descriptive Information  | Source of Data  | System 1   | System 2 | System 3 | System 4 | System 5 |
|-----------|--|---|--|----------|----------|----------|----------|
| 1         | Is this unit a primary government (County, Township, City, Village)?                               | Calculated  | NO   | NO       | NO       | NO       | NO       |
| 2         | Provide the name of your retirement pension system   | Calculated from above   | Lansing Board of Water and Light Defined Benefit |          |          |          |          |
| <b>3</b>  | <b>Financial Information</b>   |   |  |          |          |          |          |
| 4         | Enter retirement pension system's assets (system fiduciary net position ending)                    | Most Recent Audit Report  | 61,658,099                                       |          |          |          |          |
| 5         | Enter retirement pension system's liabilities (total pension liability ending)                     | Most Recent Audit Report  | 48,443,824                                       |          |          |          |          |
| 6         | Funded ratio   | Calculated  | 127.3%   |          |          |          |          |
| 7         | Actuarially Determined Contribution (ADC)  | Most Recent Audit Report  | -  |          |          |          |          |
| 8         | Governmental Fund Revenues   | Most Recent Audit Report  | 380,578,649                                      |          |          |          |          |
| 9         | All systems combined ADC/Governmental fund revenues  | Calculated  | 0.0%   |          |          |          |          |
| <b>10</b> | <b>Membership</b>  |   |  |          |          |          |          |
| 11        | Indicate number of active members  | Actuarial Funding Valuation used in Most Recent Audit Report  | 3  |          |          |          |          |
| 12        | Indicate number of inactive members  | Actuarial Funding Valuation used in Most Recent Audit Report  | 2  |          |          |          |          |
| 13        | Indicate number of retirees and beneficiaries  | Actuarial Funding Valuation used in Most Recent Audit Report  | 296  |          |          |          |          |
| <b>14</b> | <b>Investment Performance</b>  |   |  |          |          |          |          |
| 15        | Enter actual rate of return - prior 1-year period  | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider  | 22.13%   |          |          |          |          |
| 16        | Enter actual rate of return - prior 5-year period  | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider  | 10.39%   |          |          |          |          |
| 17        | Enter actual rate of return - prior 10-year period   | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider  | 8.56%  |          |          |          |          |
| <b>18</b> | <b>Actuarial Assumptions</b>   |   |  |          |          |          |          |
| 19        | Actuarial assumed rate of investment return  | Actuarial Funding Valuation used in Most Recent Audit Report  | 6.50%  |          |          |          |          |
| 20        | Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any | Actuarial Funding Valuation used in Most Recent Audit Report  |  |          |          |          |          |
| 21        | Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any | Actuarial Funding Valuation used in Most Recent Audit Report  |  |          |          |          |          |
| 22        | Is each division within the system closed to new employees?  | Actuarial Funding Valuation used in Most Recent Audit Report  | Yes  |          |          |          |          |
| <b>23</b> | <b>Uniform Assumptions</b>   |   |  |          |          |          |          |
| 24        | Enter retirement pension system's actuarial value of assets using uniform assumptions              | Actuarial Funding Valuation used in Most Recent Audit Report  | 56,436,641                                       |          |          |          |          |
| 25        | Enter retirement pension system's actuarial accrued liabilities using uniform assumptions          | Actuarial Funding Valuation used in Most Recent Audit Report  | 49,607,132                                       |          |          |          |          |
| 26        | Funded ratio using uniform assumptions   | Calculated  | 113.8%   |          |          |          |          |
| 27        | Actuarially Determined Contribution (ADC) using uniform assumptions                                | Actuarial Funding Valuation used in Most Recent Audit Report  | -  |          |          |          |          |
| 28        | All systems combined ADC/Governmental fund revenues  | Calculated  | 0.0%   |          |          |          |          |
| <b>29</b> | <b>Pension Trigger Summary</b>   |   |  |          |          |          |          |
| 30        | Does this system trigger "underfunded status" as defined by PA 202 of 2017?                        | <b>Primary government triggers:</b> Less than 60% funded <b>AND</b> greater than 10% ADC/Governmental fund revenues. <b>Non-Primary government triggers:</b> Less than 60% funded | NO   | NO       | NO       | NO       | NO       |

**Requirements (For your information, the following are requirements of P.A. 202 of 2017)**  
 Local governments must post the current year report on their website or in a public place.  
 The local government must electronically submit the form to its governing body.  
 Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.  
 Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.

# **Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light**

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**Financial Report**

**With Required Supplementary Information**

**As of and for the Years Ended June 30, 2021 and 2020**

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## **Independent Auditors' Report**

To the Honorable Mayor, Members of the City Council,  
and Commissioners of the Board of Water and Light  
Post-Retirement Benefit Plan and Trust for Eligible  
Employees of Lansing Board of Water and Light

We have audited the accompanying financial statements of the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (“Plan”) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements as listed in the table of contents.

### ***Management’s Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors’ Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2021 and 2020, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
September 10, 2021

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Management's Discussion and Analysis As of and for the Years Ended June 30, 2021 and 2020

### Using this Annual Report

The annual report consists of two parts: (1) Management's Discussion and Analysis (this section) and (2) the financial statements. The financial statements include notes that explain information in the statements and provide more detail.

### Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior two years:

|   | 2021                  | 2020                  | 2019                  |
|---|-----------------------|-----------------------|-----------------------|
| <b>Assets held in trust:</b>                |                       |                       |                       |
| Cash and money market trust funds           | \$ 1,042,711          | \$ 578,216            | \$ 3,437,276          |
| Fixed income securities                     | 286                   | 283                   | 20,108,406            |
| U.S. government obligations                 | -                     | -                     | 18,994,138            |
| Equities                                    | 49,879,749            | 85,193,786            | 67,168,552            |
| Mutual funds                                | 120,768,939           | 72,136,937            | 75,437,370            |
| Common collective funds                     | 76,041,081            | 40,856,781            | 9,825,815             |
| Interest and dividend receivable            | 12,481                | 26,604                | 261,067               |
| Trade Receivable - Due from Broker          | 135,656               | 13,252                | 1,539                 |
|   | <u>\$ 247,880,903</u> | <u>\$ 198,805,859</u> | <u>\$ 195,234,163</u> |
| <b>Liabilities:</b>                         |                       |                       |                       |
| Trade Payable - Due to Broker               | \$ 137,676            | \$ 1,057              | \$ 75,586             |
|   | <u>\$ 247,743,227</u> | <u>\$ 198,804,802</u> | <u>\$ 195,158,577</u> |
| <b>Net Position Restricted for Pensions</b> |                       |                       |                       |
|   | <u>\$ 247,743,227</u> | <u>\$ 198,804,802</u> | <u>\$ 195,158,577</u> |
| <b>Changes in net position:</b>             |                       |                       |                       |
| Net investment income                       | \$ 49,388,725         | \$ 4,158,326          | \$ 11,687,552         |
| Employer contributions                      | 8,343,977             | 9,156,565             | 9,277,538             |
| Retiree benefits paid                       | (8,343,977)           | (9,156,565)           | (9,277,538)           |
| Administrative fees                         | (450,300)             | (512,101)             | (568,600)             |
|   | <u>\$ 48,938,425</u>  | <u>\$ 3,646,225</u>   | <u>\$ 11,118,952</u>  |
| Net change in net position                  | <u>\$ 48,938,425</u>  | <u>\$ 3,646,225</u>   | <u>\$ 11,118,952</u>  |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Management's Discussion and Analysis (Continued) As of and for the Years Ended June 30, 2021 and 2020

### Investment Results

The fiscal year ended June 30, 2021 saw a net investment income of \$49.4 million. We believe this performance is consistent with the experience of similarly situated employee benefit funds.

The Board of Water and Light – City of Lansing, Michigan's ("BWL") actuarially determined contribution (ADC) as determined by the BWL's actuary was \$220,026 in fiscal year 2021.

The discount rate was 7.5 percent in fiscal year 2019 and 7.0 percent in fiscal years 2020 and 2021.

### Investment Objectives and Asset Allocation

The assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light ("Plan"), the BWL has considered the time horizon available for investment, the nature of the Plan's cash flows and liabilities, and other factors that affect the Plan's risk tolerance.

The investment of assets is intended to result in moderate, long-term capital appreciation through moderate risk-taking. The Plan's overall investment objective is to earn an average, annual return of 7.0% over five-year rolling periods. Achievement of this objective is likely to result in stable to declining future contribution rates and ensure its ability to pay retirement benefits for all plan participants.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Management's Discussion and Analysis (Continued) As of and for the Years Ended June 30, 2021 and 2020

Consistent with the advice of its investment advisor, the BWL has selected the following target asset allocation strategy:

| <u>Asset Class</u>     | <u>Target Asset Allocation</u> |
|------------------------|--------------------------------|
| Core bonds             | 15%                            |
| Multi-sector           | 5%                             |
| Liquid absolute return | 5%                             |
| U.S. large cap equity  | 30%                            |
| U.S. small cap equity  | 10%                            |
| Non-U.S. equity        | 20%                            |
| Core real estate       | 8%                             |
| Value add RE           | <u>7%</u>                      |
| Total                  | 100%                           |

### Future Events

The BWL intends to continue to fund its actuarially determined contributions (ADC) annually.

### Contacting the Plan's Management

The financial report is intended to provide a general overview of the Plan's finances and to demonstrate accountability for the funds it administers. Questions about this report should be submitted to Lansing Board of Water and Light, Chief Financial Officer, P.O. Box 13007, Lansing, Michigan 48901-3007.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Statements of Fiduciary Net Position

|   | As of June 30                |                              |
|---|------------------------------|------------------------------|
|   | 2021                         | 2020                         |
| <b>Assets</b>                                       |                              |                              |
| Investments - fair value:                           |                              |                              |
| Cash and money market trust funds                   | \$ 1,042,711                 | \$ 578,216                   |
| Fixed income securities                             | 286                          | 283                          |
| Equities  | 49,879,749                   | 56,232,716                   |
| Mutual funds  | 120,768,939                  | 72,136,937                   |
| Common collective funds                             | 76,041,081                   | 69,817,851                   |
| Total investments at fair value                     | 247,732,766                  | 198,766,003                  |
| Investment interest and dividend receivable         | 12,481                       | 26,604                       |
| Trade receivable - due from broker                  | 135,656                      | 13,252                       |
| Total assets  | <u>247,880,903</u>           | <u>198,805,859</u>           |
| <b>Liabilities</b>                                  |                              |                              |
| Trade payable - due to broker                       | <u>137,676</u>               | <u>1,057</u>                 |
| <b>Net position restricted for retiree benefits</b> | <b><u>\$ 247,743,227</u></b> | <b><u>\$ 198,804,802</u></b> |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Statements of Changes in Fiduciary Net Position

|   | For the Year Ended June 30 |                       |
|---|----------------------------|-----------------------|
|   | 2021                       | 2020                  |
| <b>Additions</b>                                    |                            |                       |
| Investment income:                                  |                            |                       |
| Net appreciation in fair value of investments       | \$ 47,489,394              | \$ 1,326,808          |
| Interest and dividend income                        | 1,899,331                  | 2,831,518             |
| Total investment income                             | 49,388,725                 | 4,158,326             |
| Employer contributions                              | 8,343,977                  | 9,156,565             |
| Total additions                                     | 57,732,702                 | 13,314,891            |
| <b>Deductions</b>                                   |                            |                       |
| Retiree benefits paid                               | 8,343,977                  | 9,156,565             |
| Administrative expenses                             | 450,300                    | 512,101               |
| Total deductions                                    | 8,794,277                  | 9,668,666             |
| <b>Net Increase in Net Position</b>                 | 48,938,425                 | 3,646,225             |
| <b>Net Position Restricted for Retiree Benefits</b> |                            |                       |
| Beginning of year                                   | 198,804,802                | 195,158,577           |
| End of year   | <u>\$ 247,743,227</u>      | <u>\$ 198,804,802</u> |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 1 - Summary of Significant Accounting Policies

### **Reporting Entity**

The Board of Water and Light - City of Lansing, Michigan ("BWL") sponsors the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light ("Plan"), which is a single-employer defined benefit healthcare plan. The Plan was established on October 20, 1999, effective as of July 1, 1999, for the purpose of accumulating assets to fund retiree healthcare insurance costs in future years.

### **Accounting and Reporting Principles**

The Plan follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

### **Basis of Accounting**

Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Employer contributions to the Plan are recognized when due pursuant to legal requirements.

Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

### **Report Presentation**

This report includes the fund-based statements of the Plan.

**Investment Valuation and Income Recognition** - Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

Purchases and sales of investments are recorded on a trade-date basis.

Appreciation or depreciation of investments is calculated based on the beginning of the period's fair value of investments.



# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 1 - Summary of Significant Accounting Policies (Continued)

### Report Presentation (Continued)

**Expenses** – Substantially all Plan expenses are paid by the Plan.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

## Note 2 - Description of the Plan

The following description of the Plan, a trust fund of the BWL, provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General** – The Plan was established on October 20, 1999, effective as of July 1, 1999, to constitute a voluntary employee beneficiary association (VEBA) under Section 501(c)(9) of the Internal Revenue Code of 1986, as amended. The Plan was formed for the purpose of accumulating assets sufficient to fund retiree healthcare insurance costs in future years.

The Plan is a single-employer defined benefit healthcare plan. The Plan provides medical, dental, and life insurance benefits in accordance with Section 5-203 of the City Charter. The City Charter grants the authority to establish and amend the benefit terms to BWL. Substantially all of the BWL's employees may become eligible for insurance benefits under the Plan if they reach normal retirement age while working for the BWL. There were 747 participants eligible to receive benefits at June 30, 2021 and 754 participants eligible at June 30, 2020.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 2 - Description of the Plan (Continued)

**Benefits** – Benefits shall not be paid from this Plan to participants or their beneficiaries during a plan year in which there has been a “qualified transfer” pursuant to Internal Revenue Code Section 420(e)(1)(8) from the Lansing Board of Water and Light Defined Benefit Plan for the Employees' Pensions, except that once the “qualified transfer” has been exhausted for the purpose of paying qualified current retiree health liabilities, benefit payments may be made under this Plan consistent with Internal Revenue Code Section 420(e)(1)(B). After “qualified transfers” have been exhausted, benefits paid under this Plan shall be those benefits described in the Plan document of the Postretirement Benefit Plan for Eligible Employees of the Lansing Board of Water and Light.

**Trustees** – Each voting member of the BWL Board of Commissioners is a Trustee during the term of office as a commissioner. The Trustees have appointed Fifth Third Bank as custodian of the Plan's assets.

**Contributions** – Section 5–203 of the City Charter grants the authority to establish and amend the contribution requirement of the City and Plan members to BWL. The retiree benefits are paid by BWL's general cash flow to the third party administrators who process participant claims. These payments represent contributions to the Plan. Employer contributions in the statement of changes in net position are equal to the retiree benefits paid because the actuarially determined contribution (ADC) for the year ended June 30, 2021 was less than the pay-as-you-go amount. During the years ended June 30, 2021 and 2020, BWL incurred \$8,343,977 and \$9,156,565 in benefit payments, respectively. The BWL may make additional contributions in such a manner and at such times as appropriate. All contributions received, together with the income thereon, are held, invested, reinvested, and administered by the Trustees pursuant to the terms of the Plan agreement. Additional contributions are only made to the Plan if the ADC is more than the pay-as-you-go amount. No employee contributions are allowed under this Plan. Contributions are recognized when due and when the amount to be contributed is committed by the BWL. For the years ended June 30, 2021 and 2020, the contribution rates of the employer were 13.8 percent and 15.7 percent of covered-employee payroll, respectively.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 2 - Description of the Plan (Continued)

**Participation** – Participation in this Plan is determined in accordance with the terms of the Post-Retirement Benefit Plan and Trust for Eligible Employees of the Lansing Board of Water and Light. At June 30, 2021, there were 698 active participants (not eligible to receive benefits), 72 disabled participants, 526 retired participants, and 149 surviving spouses participating in the Plan. At June 30, 2020, there were 676 active participants (not eligible to receive benefits), 75 disabled participants, 532 retired participants, and 147 surviving spouses participating in the Plan.

**Vesting** – Benefits become payable in accordance with the terms of the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light. At no time will benefits of the Plan be vested. The BWL may reduce or eliminate any or all plan benefits at any time, subject to the requirements of any collective bargaining agreement.

**Termination** – In the event of Plan termination, all Plan assets shall be used to purchase additional eligible benefits in accordance with the terms of the Plan agreement. In the event of dissolution, merger, consolidation, or reorganization of the BWL, the Plan shall terminate and liquidate in a manner consistent with the Plan agreement unless the Plan is continued by a successor to the BWL.

### Note 3 - Cash, Investments, and Fair Disclosure

The Plan is authorized through Public Act 149 of 1999 to invest in accordance with Public Act 314. Public Act 314 of 1965, as amended, allows the Plan to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Plan's deposits and investment policies are in accordance with PA 196 of 1997 and have authorized the investments according to Michigan PA 314 of 1965, as amended.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 3 - Cash, Investments, and Fair Disclosure (Continued)

The Plan's cash and investments are subject to several types of risk, which are examined in more detail below:

### Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan requires that financial institutions must meet minimum criteria to offer adequate safety to the Plan. The Plan evaluates each financial institution with which it deposits funds and only those institutions meeting minimum established criteria are used as depositories. The Plan does not have any deposits exposed to custodial credit risk.

### Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan does not have a policy for custodial credit risk. At year-end, all investments of the Plan were held in the name of the Plan and are therefore not subject to custodial credit risk.

### Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Plan's investment policy does not restrict investment maturities. At June 30, 2021, the average maturities of investments are as follows:

| Investment                          | Fair Value | Weighted Average Maturity |
|-------------------------------------|------------|---------------------------|
| Fixed income securities             | \$ 286     | 24.3                      |
| Money market trust funds            | 1,042,711  | Less than 1 year          |
| Portfolio weighted average maturity |            | 24.3                      |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 3 - Cash, Investments, and Fair Disclosure (Continued)

At June 30, 2020 the average maturities of investments are as follows:

| Investment                          | Fair Value | Weighted Average Maturity |
|-------------------------------------|------------|---------------------------|
| Fixed income securities             | \$ 283     | 20.3                      |
| Money market trust funds            | 578,216    | Less than 1 year          |
| Portfolio weighted average maturity | -          | 20.3                      |

#### Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of June 30, 2021, the credit quality ratings of debt securities are as follows:

| Investment               | Fair Value | Rating | Rating Organization |
|--------------------------|------------|--------|---------------------|
| Fixed income securities  | \$ 286     | AA     | S&P                 |
| Money market trust funds | 1,042,711  | AAAm   | S&P                 |

As of June 30, 2020, the credit quality ratings of debt securities are as follows:

| Investment               | Fair Value | Rating | Rating Organization |
|--------------------------|------------|--------|---------------------|
| Fixed income securities  | \$ 283     | AA     | S&P                 |
| Money market trust funds | 578,216    | AAAm   | S&P                 |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 4 - Tax Status

The Plan is exempt under Internal Revenue Code Section 501(c)(9) and received an exemption letter as of February 9, 2000. The Plan has since been amended. Management believes the Plan continues to operate as a qualified plan.

### Note 5 - Plan Investments - Policy and Rate of Return

BWL's policy regarding the allocation of invested assets is established and may be amended by the BWL Board by a majority vote of its members. It is the policy of the BWL Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2021 and 2020:

| <u>Asset Class</u>     | <u>2021 Target Allocation</u> | <u>2020 Target Allocation</u> |
|------------------------|-------------------------------|-------------------------------|
| Core bonds             | 15.00%                        | 15.00%                        |
| Multi-sector           | 5.00%                         | 5.00%                         |
| Liquid absolute return | 5.00%                         | 5.00%                         |
| U.S. large cap equity  | 30.00%                        | 30.00%                        |
| U.S. small cap equity  | 10.00%                        | 10.00%                        |
| Non-U.S. equity        | 20.00%                        | 20.00%                        |
| Core real estate       | 8.00%                         | 8.00%                         |
| Value add RE           | 7.00%                         | 7.00%                         |

**Rate of Return** – For the years ended June 30, 2021 and 2020 the annual money-weighted rate of return on investments, net of investment expense, was 24.87% and 2.13%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 – Net OPEB Liability (Asset) of BWL

**Net OPEB Liability (Asset) of BWL** –The components of the net OPEB liability (asset) for BWL at June 30, 2021 and 2020 were as follows:

|  | <u>June 30, 2021</u>    | <u>June 30, 2020</u>   |
|--|-------------------------|------------------------|
| Total OPEB Liability   | \$ 147,644,491          | \$ 154,602,686         |
| Plan fiduciary net position  | <u>(247,743,227)</u>    | <u>(198,804,802)</u>   |
| BWL’s net OPEB liability (asset)   | <u>\$ (100,098,736)</u> | <u>\$ (44,202,116)</u> |
| Plan fiduciary net position as a percentage of<br>the total OPEB Liability (asset) | 167.80%                 | 128.59%                |

**Actuarial assumptions** – The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                                   |  |
|-----------------------------------|--|
| Inflation                         | 2.25%  |
| Payroll Growth                    | 9.3% growth at age 25 and decreases to 6.4% for ages 60+. This percentage includes general wage inflation and merit / productivity increases |
| Long-term expected Rate of Return | 7.0%   |
| Healthcare cost trend rates       | 7.50% for 2021, decreasing 0.25% per year to an ultimate rate of 4.50% in 2033 and later years   |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 – Net OPEB Liability (Asset) of BWL (Continued)

**Actuarial assumptions** – The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                                   |  |
|-----------------------------------|--|
| Inflation                         | 2.25%  |
| Payroll Growth                    | 9.3% growth at age 25 and decreases to 6.4% for ages 60+. This percentage includes general wage inflation and merit / productivity increases |
| Long-term expected Rate of Return | 7.0%   |
| Healthcare cost trend rates       | 8.25% for 2020, decreasing 0.25% per year to an ultimate rate of 4.50% in 2035 and later years   |

For the June 30, 2021 and 2020 valuation, mortality rates were based on the PUBH-2010 General Mortality Table projected generationally using MP-2020 scale and MP-2019 scale, respectively.

Best actuarial practices call for a periodic assumption review and BWL had completed a performance study in 2017. At that time, Nyhart recommended BWL to complete another experience study prior to the fiscal year ending June 30, 2022 valuation.



# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 – Net OPEB Liability (Asset) of BWL (Continued)

For the June 30, 2021 valuation, the long-term expected rate of return was 7.0%. The rate was determined using a building-block method where expected future real rates of return are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are as follows:

| <u>Asset Class</u>     | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|---|
| Core bonds             | 2.58%   |
| Multi-sector           | 3.42%   |
| Liquid absolute return | 3.26%   |
| U.S. large cap equity  | 7.15%   |
| U.S. small cap equity  | 8.44%   |
| Non-U.S. equity        | 8.15%   |
| Core real estate       | 6.66%   |
| Value add RE           | 8.16%   |

For the June 30, 2020 valuation, the long-term expected rate of return was 7.0%. The rate was determined using a building-block method where expected future real rates of return are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are as follows:

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 – Net OPEB Liability (Asset) of BWL (Continued)

| <u>Asset Class</u>     | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|---|
| Core bonds             | 2.60%   |
| Multi-sector           | 3.43%   |
| Liquid absolute return | 3.25%   |
| U.S. large cap equity  | 7.14%   |
| U.S. small cap equity  | 8.43%   |
| Non-U.S. equity        | 8.37%   |
| Core real estate       | 6.73%   |
| Value add RE           | 8.23%   |

**Discount Rate** – The discount rate used to measure the total OPEB liability was 7.0% and 7.0% for June 30, 2021 and 2020, respectively. The discount rate is based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that (a) they are sufficient to pay for the projected benefit payments and (b) the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale) must be used.

**Sensitivity of the net OPEB liability (asset) to changes in the discount rate** – The following presents the net OPEB liability (asset) of BWL, as well as what BWL’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current discount rate (7.0 percent) as of June 30, 2021:

|                            | <u>June 30, 2021</u> |                              |                    |
|----------------------------|----------------------|------------------------------|--------------------|
|                            | <u>1% Decrease</u>   | <u>Current Discount Rate</u> | <u>1% Increase</u> |
| Net OPEB Liability (asset) | \$(83,406,607)       | \$(100,098,736)              | \$(114,179,696)    |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 – Net OPEB Liability (Asset) of BWL (Continued)

The following presents the net OPEB liability (asset) of BWL, as well as what BWL's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current discount rate (7.0 percent) as of June 30, 2020:

|                            | June 30, 2020      |                              |                    |
|----------------------------|--------------------|------------------------------|--------------------|
|                            | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
| Net OPEB Liability (asset) | \$(26,376,741)     | \$(44,202,116)               | \$(59,182,348)     |

**Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates** – The following presents the net OPEB liability (asset) of BWL, as well as what BWL's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates as of June 30, 2021 and 2020:

|                            | June 30, 2021      |                                    |                    |
|----------------------------|--------------------|------------------------------------|--------------------|
|                            | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
| Net OPEB Liability (asset) | \$(115,475,352)    | \$(100,098,736)                    | \$(81,548,417)     |

|                            | June 30, 2020      |                                    |                    |
|----------------------------|--------------------|------------------------------------|--------------------|
|                            | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
| Net OPEB Liability (asset) | \$(60,529,722)     | \$(44,202,116)                     | \$(24,480,910)     |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 7 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Plan has the ability to access.
- Level 2 – Inputs to the valuation methodology include:
- > quoted prices for similar assets or liabilities in active markets;
  - > quoted prices for identical or similar assets or liabilities in inactive markets;
  - > inputs other than quoted prices that are observable for the asset or liability;
  - > inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
  - > if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020:

*Money market fund:* Valued at the quoted net asset value ("NAV") of shares held by the Plan at year-end.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 7 – Fair Value Measurements (Continued)

*Common Stock, Fixed income securities, and U.S. government obligations:* Valued at the most recent closing price reported on the market on which individual securities are traded.

*Mutual and common collective funds:* Valued at the daily closing price as reported by the fund. Mutual and common collective funds held by the Plan are open-end mutual and common collective funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual and common collective funds held by the Plan are deemed to be actively traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2021 and 2020:

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

| Investment Type                  | June 30, 2021        |                       |             |                       |
|----------------------------------|----------------------|-----------------------|-------------|-----------------------|
|                                  | Level 1              | Level 2               | Level 3     | Total                 |
| Cash and money market trust fund | \$ -                 | \$ 1,042,711          | \$ -        | \$ 1,042,711          |
| Fixed income securities          | -                    | 286                   | -           | 286                   |
| Common Stock                     | 49,879,749           | -                     | -           | 49,879,749            |
| Mutual Funds                     | -                    | 120,768,939           | -           | 120,768,939           |
| Common collective funds          | <u>34,030,243</u>    | <u>42,010,838</u>     | <u>-</u>    | <u>76,041,081</u>     |
| Total                            | <u>\$ 83,909,992</u> | <u>\$ 163,822,774</u> | <u>\$ -</u> | <u>\$ 247,732,766</u> |

| Investment Type                  | June 30, 2020        |                       |             |                       |
|----------------------------------|----------------------|-----------------------|-------------|-----------------------|
|                                  | Level 1              | Level 2               | Level 3     | Total                 |
| Cash and money market trust fund | \$ -                 | \$ 578,216            | \$ -        | \$ 578,216            |
| Fixed income securities          | -                    | 283                   | -           | 283                   |
| Common Stock                     | 56,232,716           | -                     | -           | 56,232,716            |
| Mutual Funds                     | -                    | 72,136,937            | -           | 72,136,937            |
| Common collective funds          | <u>28,961,070</u>    | <u>40,856,781</u>     | <u>-</u>    | <u>69,817,851</u>     |
| Total                            | <u>\$ 85,193,786</u> | <u>\$ 113,572,217</u> | <u>\$ -</u> | <u>\$ 198,766,003</u> |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 8 – Risks and Uncertainties

Plan contributions are made and the accrued actuarial liability is reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

In addition, the Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

## Note 9 – Subsequent Events

The Plan has evaluated subsequent events occurring through the date that the Plan's financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements. There are no subsequent events warranting disclosures.

## Required Supplementary Information

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**Post-Retirement Benefit Plan and Trust for  
Eligible Employees of Lansing Board of Water and Light**

**Required Supplemental Information (Unaudited)**

**Schedule of Changes in BWL's  
Net OPEB Liability and Related Ratios  
Last Ten Fiscal Years  
(in thousands)**

|  | 2021                | 2020               | 2019               | 2018             | 2017             | 2016*       | 2015*       | 2014*       | 2013*       | 2012*       |
|--|---------------------|--------------------|--------------------|------------------|------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total OPEB Liability</b>  |                     |                    |                    |                  |                  |             |             |             |             |             |
| Service cost   | \$ 3,396            | \$ 3,245           | \$ 4,403           | \$ 4,827         | \$ 3,130         | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| Interest   | 10,535              | 10,804             | 14,920             | 15,039           | 14,226           | -           | -           | -           | -           | -           |
| Changes in benefit terms   | -                   | -                  | (415)              | -                | -                | -           | -           | -           | -           | -           |
| Differences between expected and actual experience                         | (8,794)             | (6,093)            | (5,231)            | (9,880)          | 5,281            | -           | -           | -           | -           | -           |
| Changes in assumptions   | (3,752)             | 7,254              | (59,336)           | (1,728)          | (2,027)          | -           | -           | -           | -           | -           |
| Benefit payments, including refunds  | (8,344)             | (9,157)            | (9,278)            | (10,395)         | (9,574)          | -           | -           | -           | -           | -           |
| <b>Net Change in Total OPEB Liability</b>                                  | (6,959)             | 6,053              | (54,937)           | (2,137)          | 11,036           | -           | -           | -           | -           | -           |
| <b>Total OPEB Liability</b> - Beginning of year                            | 154,603             | 148,550            | 203,487            | 205,624          | 194,588          | -           | -           | -           | -           | -           |
| <b>Total OPEB Liability</b> - End of year                                  | 147,644             | 154,603            | 148,550            | 203,487          | 205,624          | -           | -           | -           | -           | -           |
| <b>Trust Net Position</b>  |                     |                    |                    |                  |                  |             |             |             |             |             |
| Contributions - Employer   | 8,344               | 9,157              | 9,278              | 10,395           | 9,574            | -           | -           | -           | -           | -           |
| Contributions - Member   | -                   | -                  | -                  | -                | -                | -           | -           | -           | -           | -           |
| Net investment income  | 49,387              | 4,158              | 11,688             | 11,039           | 18,040           | -           | -           | -           | -           | -           |
| Administrative expenses  | (449)               | (512)              | (569)              | (634)            | (705)            | -           | -           | -           | -           | -           |
| Benefit payments, including refunds  | (8,344)             | (9,157)            | (9,278)            | (10,395)         | (9,574)          | -           | -           | -           | -           | -           |
| Other  | -                   | -                  | -                  | -                | -                | -           | -           | -           | -           | -           |
| <b>Net change in Net Position Held in Trust</b>                            | 48,938              | 3,646              | 11,119             | 10,405           | 17,335           | -           | -           | -           | -           | -           |
| <b>Trust fiduciary net position</b> - Beginning of year                    | 198,805             | 195,159            | 184,040            | 173,635          | 156,300          | -           | -           | -           | -           | -           |
| <b>Trust fiduciary net position</b> - End of year                          | 247,743             | 198,805            | 195,159            | 184,040          | 173,635          | -           | -           | -           | -           | -           |
| <b>BWL Net OPEB Liability (Asset) - Ending</b>                             | <u>\$ (100,099)</u> | <u>\$ (44,202)</u> | <u>\$ (46,609)</u> | <u>\$ 19,447</u> | <u>\$ 31,989</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| <b>Trust Fiduciary Net Position as a % of Total OPEB Liability (Asset)</b> | 167.80%             | 128.59%            | 131.38%            | 90.44%           | 84.44%           | - %         | - %         | - %         | - %         | - %         |
| <b>Covered Employee Payroll</b>  | \$ 60,269           | \$ 58,198          | \$ 56,785          | \$ 55,650        | \$ 54,383        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| <b>BWL's Net OPEB Liability (Asset) as a % of Covered Employee Payroll</b> | (166.09%)           | (75.95%)           | (82.08%)           | 34.95%           | 58.82%           | - %         | - %         | - %         | - %         | - %         |

\*GASB Statement No. 74 was implemented as of June 30, 2017. Information from 2012 - 2016 is not available and this schedule will be presented on a prospective basis.

**Post-Retirement Benefit Plan and Trust for  
Eligible Employees of Lansing Board of Water and Light**

**Required Supplemental Information (Unaudited)  
Schedule of Employer Contributions  
Last Ten Fiscal Years  
(in thousands)**

| Fiscal Year<br>Ended | Employer Contributions |           | Difference of Required<br>to Actual Contribution: | Covered Employee<br>Payroll | Percentage of Actual<br>Contributions to Cover<br>Payroll |
|----------------------|------------------------|-----------|---|-----------------------------|---|
|                      | Required               | Actual    |   |                             |   |
| 6/30/2012            | \$ 15,774              | \$ 15,854 | \$ 80   | \$ 46,885                   | 34%   |
| 6/30/2013            | 13,994                 | 14,045    | 51  | 47,468                      | 30%   |
| 6/30/2014            | 9,200                  | 9,268     | 68  | 46,971                      | 20%   |
| 6/30/2015            | 5,762                  | 9,671     | 3,909   | 50,885                      | 19%   |
| 6/30/2016            | 5,788                  | 9,423     | 3,635   | 53,893                      | 17%   |
| 6/30/2017            | 7,508                  | 9,574     | 2,066   | 54,383                      | 18%   |
| 6/30/2018            | 7,535                  | 10,395    | 2,860   | 55,650                      | 19%   |
| 6/30/2019            | 7,031                  | 9,278     | 2,247   | 56,785                      | 16%   |
| 6/30/2020            | -                      | 9,157     | 9,157   | 58,198                      | 16%   |
| 6/30/2021            | 220                    | 8,344     | 8,124   | 60,269                      | 14%   |

**Post-Retirement Benefit Plan and Trust for  
Eligible Employees of Lansing Board of Water and Light**

**Required Supplemental Information (Unaudited)  
Schedule of Investment Returns  
Last Ten Fiscal Years**

|  | 2021   | 2020  | 2019  | 2018  | 2017   | 2016  | 2015* | 2014* | 2013* | 2012* |
|--|--------|-------|-------|-------|--------|-------|-------|-------|-------|-------|
| Annual money-weighted rate of return,<br>net of investment expense | 24.87% | 2.13% | 6.36% | 6.37% | 10.01% | 0.32% | - %   | - %   | - %   | - %   |

\*GASB Statement No. 74 was implemented as of June 30, 2017. Information from 2012 - 2015 is not available and this schedule will be presented on a prospective basis.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

## Notes to Required Supplementary Information (Unaudited) Years Ended June 30, 2021 and 2020

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2021, based on roll-forward of February 28, 2021 valuation

Methods and assumptions used to determine contribution rates:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry age normal level % of salary method   |
| Amortization method           | Level dollar over a 30-year closed period   |
| Remaining amortization period | 26 years  |
| Inflation                     | 2.25 percent  |
| Salary increases              | 9.3 percent growth at age 25 and decreases to 6.4 percent for ages 60+. This percentage includes general wage inflation and merit / productivity increases. |
| Investment rate of return     | 7.0 percent per year compounded annually  |
| Mortality                     | PUBH-2010 General Mortality Table projected generationally using MP-2020 scale  |

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2020, based on roll-forward of February 29, 2020 valuation

Methods and assumptions used to determine contribution rates:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry age normal level % of salary method   |
| Amortization method           | Level dollar over a 30-year closed period   |
| Remaining amortization period | 27 years  |
| Inflation                     | 2.25 percent  |
| Salary increases              | 9.3 percent growth at age 25 and decreases to 6.4 percent for ages 60+. This percentage includes general wage inflation and merit / productivity increases. |
| Investment rate of return     | 7.0 percent per year compounded annually  |
| Mortality                     | PUBH-2010 General Mortality Table projected generationally using MP-2019 scale  |

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Notes to Required Supplementary Information (Unaudited) Years Ended June 30, 2021 and 2020

### Significant Changes:

#### June 30, 2021

- > Difference between actual and expected experience – The \$8.79MM actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2021 is attributable to the combination of favorable demographic experience and lower than expected 2021 per capita claims cost. \$3.94MM of the actuarial gain is associated with demographic experience and is mainly attributable to deaths (37 participants), termination of active participants and changes in coverage elections. The remaining \$4.85MM of the actuarial gain is due to less than expected 2021 per capita claims cost. The 2021 Humana premiums are slightly lower than what was expected for 2021 (\$321.92 per month vs. \$347.80 per month)
- > Assumption change – The \$3.75MM actuarial gain on the Total OPEB liability for the fiscal year ending June 30, 2021 is attributable to updating the mortality improvement scale to the MP-2020 scale and reflecting the updated healthcare trend assumptions set forth in the Michigan Uniform Assumptions memo for the 2021 fiscal year. Updating the mortality improvement scale resulted in a \$1.18MM actuarial gain. The remaining \$2.57MM of the actuarial gain is attributable to reflecting the updated trend assumptions.

#### June 30, 2020

- > Difference between actual and expected experience – The \$6.09MM gain on the Total OPEB Liability for the fiscal year ending June 30, 2020 is attributable to the combination of unfavorable demographic experience and a reduction in the per capita claims cost used in the June 30, 2020 valuation. The \$1.13MM loss associated with demographic experience is mainly attributable to active participant retirements. The \$7.22MM gain due to a reduction in per capita claims cost is attributable a decrease in the Pre-65 medical and prescription drug premiums for 2020. The 2019 Pre-65 medical and Rx monthly premium for a retiree was \$1,073.13. For 2020, the Pre-65 medical and Rx monthly premium for a retiree is \$957.99, an 11% reduction in monthly premium. The combination of the demographic loss and the reduction in monthly premiums resulted in the overall \$6.09MM actuarial gain.
- > Assumption change – The \$7.25MM loss on the Total OPEB liability for the fiscal year ending June 30, 2020 is attributable to updating the mortality improvement scale to the MP-2019 scale and decreasing the discount rate from 7.50% to 7.00%. Updating the mortality improvement scale resulted in a \$.53MM actuarial gain. Whereas, decreasing the discount rate resulted in a \$7.78MM actuarial loss. The combination of these changes resulted in the overall \$7.25MM actuarial loss.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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## Significant Changes (Continued):

### June 30, 2019

- > Difference between actual and expected experience – The \$5.2 million gain on the Total OPEB Liability for the fiscal year ending June 30, 2019 is primarily due to favorable demographic experience. The favorable experience is mainly attributable to terminations of active participants and deaths of participants with and without beneficiaries.
- > Assumption changes – (1) The plan experienced a \$54.4 million gain on the Total OPEB Liability due to a change of the assumed per capita claims cost. The Board changed the Plan's insurance provider for Medicare eligible participants from The Hartford and Envision Insurance to Humana. Doing so resulted in a dramatic decrease in both the medical and prescription drug monthly premiums from the prior fiscal year (\$98.99 per month vs. \$219.54 per month for medical coverage and \$213.47 per month vs. \$305.00 per month for prescription drug coverage); (2) The Plan experienced a \$3.8 million loss on the mortality assumption change. The mortality assumption was updated from the RPH-2014 Total Dataset mortality, adjusted to 2006 and projected generationally using the MP-2017 improvement scale to the PUBH-2010 General Employees Mortality, projected generationally using the MP-2018 improvement scale; and (3) The Plan experienced a \$8.7 million gain on a change to the medical and prescription drug trend assumptions. The trend assumptions were changed to those prescribed under the Michigan Uniform Assumptions for the 2019 fiscal year.
- > Change in benefit terms – The Plan experienced a \$.4 million gain due to an expected increase in the retiree contribution percentage for employees hired on or after January 1, 2009. The expected contribution percentage was increased from 14% to 20% of the premium charged to active employees.

### June 30, 2018

- > Difference between actual and expected experience – The \$9.9 million gain on the Total OPEB Liability for the fiscal year ending June 30, 2018 is attributable to a reduction in the per capita claims cost used in the 6/30/2018 valuation. Better than expected claims experience during the fiscal year resulted in a decrease in the projected claims when compared to those used in the 6/30/2017 valuation.
- > Assumption change – The mortality improvement scale was updated to the MP-2017 scale.



**Lansing Board of Water and Light**

**Post-Retirement Benefit Plan for Eligible Employees**

**June 30, 2021 GASB 74/75 Actuarial Valuation Report**

**August 6, 2021**

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
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**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Executive Summary**

**Governmental accounting requirements and purpose of this report**

The Governmental Accounting Standards Board Statements No. 74 and No. 75 require trusts (GASB 74) and employers (GASB 75) to accrue the cost associated with other post-employment benefits ("OPEB") while eligible employees are providing services to the employer. Lansing Board of Water and Light (the "Board") adopted GASB 74/75 for the fiscal year ending June 30, 2018.

The purpose of this actuarial valuation report is to provide the Board with:

- 1) The amount of accrued liability related to the Board's OPEB plan (Net OPEB Liability) using the most recent census data, discount rate and healthcare trend rates;
- 2) Projected cash contributions (pay-as-you-go costs); and
- 3) The GASB 74/75 expense and disclosure information needed to fulfill the Board's financial reporting requirements for the current fiscal year.

| <b>Key measures for the prior and current fiscal years</b> | <b>6/30/2020</b> | <b>6/30/2021</b> |
|--|------------------|------------------|
| Active participants  | 676              | 698              |
| Retired participants                                       | 754              | 747              |
| Total  | 1,430            | 1,445            |
| Present value of future benefits (PVFB)                    | \$ 189,296,464   | \$ 181,287,384   |
| Total OPEB liability (TOL)                                 | \$ 154,602,686   | \$ 147,642,469   |
| Fiduciary net position (FNP)                               | 198,804,802      | 247,741,205      |
| Net OPEB liability (NOL)                                   | (44,202,116)     | (100,098,736)    |
| Funded ratio   | 128.59%          | 167.80%          |
| OPEB expense   | \$ (9,700,346)   | \$ (18,208,418)  |
| Expected contributions in upcoming fiscal year             | \$ 9,412,665     | \$ 9,032,480     |

**Key assumptions**

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Census date                          | 2/29/2020        | 2/28/2021        |
| Valuation date                       | 6/30/2020        | 6/30/2021        |
| Measurement date                     | 6/30/2020        | 6/30/2021        |
| Discount rate                        | 7.00%            | 7.00%            |
| Healthcare trend rates               |                  |                  |
| Year 1                               | 8.25%            | 7.50%            |
| Year 2                               | 8.00%            | 7.25%            |
| Ultimate                             | 4.50%            | 4.50%            |
| Year ultimate trend rate is achieved | 2035             | 2033             |
| Actuarial cost method                | Entry Age Normal | Entry Age Normal |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Executive Summary (continued)**

**Discount rate**

Projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 7.00%; the municipal bond rate is 2.16% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Bond GO Index"); and the resulting Single Discount Rate is 7.00%.

The projection of cash flows used to determine the discount rate assumes that Lansing Board of Water and Light will make contributions based on its VEBA Funding Policy. Based on this policy, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, we determined the discount rate to be the long-term expected rate of return on OPEB plan investments.

**Assumption and method changes since the prior valuation**

(1) The mortality projection scale was updated to the MP-2020 scale; (2) The assumed Medicare Part B premium reimbursement was increased from \$1,560 per year to \$1,604 per year.

**Plan provision changes since the prior valuation** - None.

**Funding policy**

Currently, the Board pays the annual pay-as-you-go cost from both its general assets and the VEBA trust. Additional details can be found in the Lansing Board of Water and Light VEBA Funding Policy.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Actuarial Certification**

August 6, 2021


This report presents actuarial and accounting results related to the Lansing Board of Water and Light Post-Retirement Benefit Plan for Eligible Employees (the "Plan"). Results herein were prepared pursuant to Governmental Accounting Standards Board Statements 74 and 75 ("GASB 74/75").

The primary purpose of this report is to provide financial statement information pursuant to GASB 74/75 for the fiscal year ending June 30, 2021. The results of our calculations are set forth in this report, as are the actuarial assumptions and methods and a brief summary of the eligibility criteria and benefits for retirees.

To the best of our knowledge, the information supplied in this report is complete and accurate. The analysis and calculations were conducted in a manner consistent with the Standards of Professional Conduct, Qualifications, and Practice of the American Academy of Actuaries and consistent with the standards of practice of the Actuarial Standards Board.

All costs, liabilities, rates of interest, and other factors under the Plan have been determined on the basis of actuarial assumptions and methods which are reasonable and consistent with our understanding of GASB 74/75. All assumptions have been discussed with the Lansing Board of Water and Light and appear to represent the best estimate of anticipated experience under the Plan. In preparing this report we relied on the census data, plan provisions, and other plan financial information provided by the Lansing Board of Water and Light. Actuarial computations under GASB 74/75 are for purposes of fulfilling employer financial accounting requirements. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results contained in this report.

Respectfully Submitted,

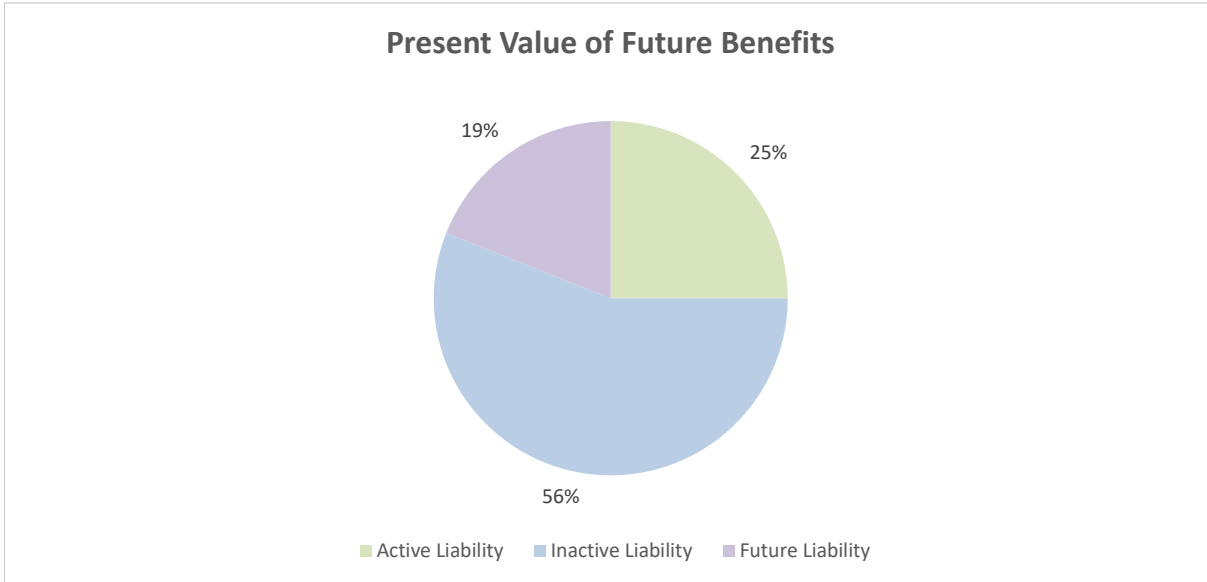


Mark W. Miller, FCA, EA, ASA, MAAA  
Benassist Retirement Consulting, LLC

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Summary of Key Results**

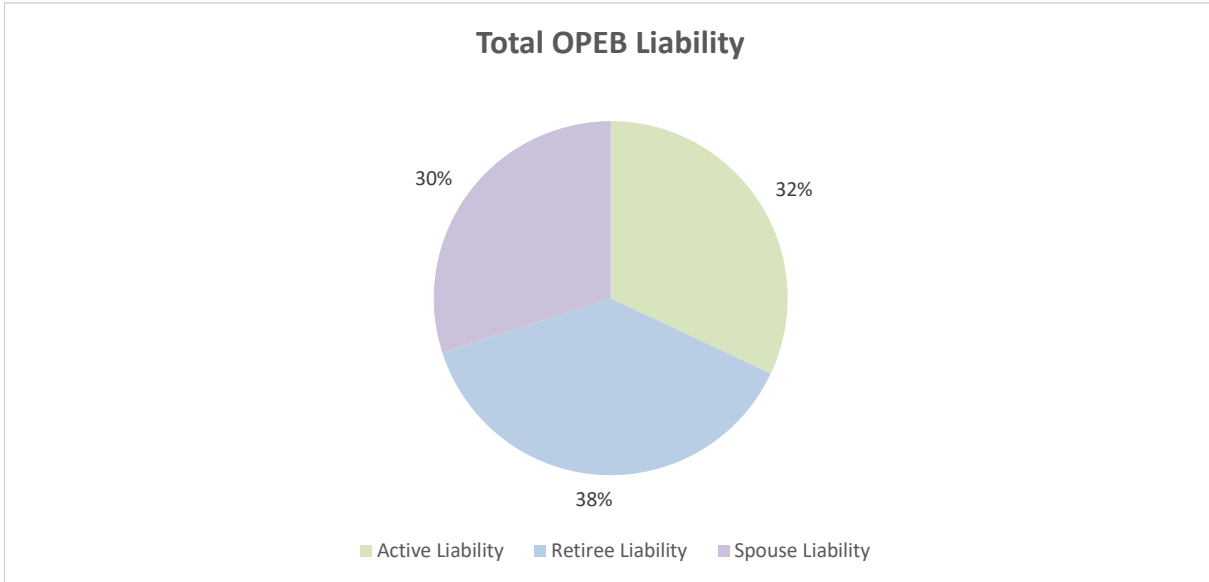
|   | 6/30/2020             | 6/30/2021             |
|---|-----------------------|-----------------------|
| <b>Census data summary</b>                          |                       |                       |
| Active participants                                 | 676                   | 698                   |
| Retired participants                                | <u>754</u>            | <u>747</u>            |
| Total   | 1,430                 | 1,445                 |
| <br>  |                       |                       |
| Covered payroll                                     | \$ 58,198,143         | \$ 60,269,205         |
| <br>  |                       |                       |
| <b>Present value of future benefits (PVFB)</b>      |                       |                       |
| Active participants                                 | \$ 82,807,335         | \$ 80,382,211         |
| Retired participants                                | <u>106,489,129</u>    | <u>100,905,173</u>    |
| Total   | <u>\$ 189,296,464</u> | <u>\$ 181,287,384</u> |
| <br>  |                       |                       |
| <b>Present value of future normal costs (PVFNC)</b> | \$ 34,693,778         | \$ 33,644,915         |
| <br>  |                       |                       |
| <b>Total OPEB Liability (TOL)</b>                   |                       |                       |
| Active participants                                 | \$ 48,113,557         | \$ 46,737,296         |
| Retired participants                                | <u>106,489,129</u>    | <u>100,905,173</u>    |
| Total   | <u>\$ 154,602,686</u> | <u>\$ 147,642,469</u> |
| <br>  |                       |                       |
| <b>Fiduciary net position (FNP)</b>                 | \$ 198,804,802        | \$ 247,741,205        |
| <br>  |                       |                       |
| <b>Net OPEB liability (NOL)</b>                     | \$ (44,202,116)       | \$ (100,098,736)      |
| <br>  |                       |                       |
| <b>Funded status</b>                                | 128.59%               | 167.80%               |
| <br>  |                       |                       |
| <b>OPEB expense</b>                                 | \$ (9,700,346)        | \$ (18,208,418)       |
| <br>  |                       |                       |
| <b>Contribution</b>                                 |                       |                       |
| Actuarially determined contribution                 | \$ 0                  | \$ 220,026            |
| Actuarially determined contribution as a % payroll  | 0.00%                 | 0.38%                 |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Present Value of Future Benefits**



|  | <b>6/30/2020</b>      | <b>6/30/2021</b>      |
|--|-----------------------|-----------------------|
| <b>Present value of future benefits</b>                    |                       |                       |
| Active participants  | \$ 82,807,335         | \$ 80,382,211         |
| Inactive participants                                      |                       |                       |
| Retirees   | \$ 60,190,035         | \$ 57,343,259         |
| Spouses  | <u>46,299,094</u>     | <u>43,561,914</u>     |
| Total inactive   | 106,489,129           | 100,905,173           |
| Total  | <u>\$ 189,296,464</u> | <u>\$ 181,287,384</u> |
| <b>Fiduciary net position (FNP)</b>                        | \$ 198,804,802        | \$ 247,741,205        |
| <b>Unfunded present value of future benefits (surplus)</b> | \$ (9,508,338)        | \$ (66,453,821)       |
| <b>Funded ratio</b>  | 105.02%               | 136.66%               |
| <b>Discount rate</b>                                       | 7.00%                 | 7.00%                 |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Total OPEB Liability**



|                                     | <b>6/30/2020</b>      | <b>6/30/2021</b>      |
|-------------------------------------|-----------------------|-----------------------|
| <b>Total OPEB liability</b>         |                       |                       |
| Active participants                 | \$ 48,113,557         | \$ 46,737,296         |
| Inactive participants               |                       |                       |
| Retirees                            | \$ 60,190,035         | \$ 57,343,259         |
| Spouses                             | <u>46,299,094</u>     | <u>43,561,914</u>     |
| Total inactive                      | 106,489,129           | 100,905,173           |
| Total                               | <u>\$ 154,602,686</u> | <u>\$ 147,642,469</u> |
| <br>                                |                       |                       |
| <b>Fiduciary net position (FNP)</b> | \$ 198,804,802        | \$ 247,741,205        |
| <br>                                |                       |                       |
| <b>Net OPEB liability (NOL)</b>     | \$ (44,202,116)       | \$ (100,098,736)      |
| <br>                                |                       |                       |
| <b>Funded ratio</b>                 | 128.59%               | 167.80%               |
| <br>                                |                       |                       |
| <b>Service cost</b>                 | \$ 3,172,541          | \$ 3,083,438          |
| <br>                                |                       |                       |
| <b>Discount rate</b>                | 7.00%                 | 7.00%                 |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Statement of Fiduciary Net Position**

|  | 6/30/2020                 | 6/30/2021                 |
|--|---------------------------|---------------------------|
| <b>Assets</b>                                |                           |                           |
| Cash and deposits                            | \$ 578,216                | \$ 1,040,689              |
| Receivables                                  |                           |                           |
| Contributions                                | 0                         | 0                         |
| Due from broker for investments sold         | 13,252                    | 135,656                   |
| Net receivable on investments                | <u>26,604</u>             | <u>12,481</u>             |
| Total receivables                            | \$ 39,856                 | \$ 148,137                |
| Investments                                  |                           |                           |
| U.S. government and agencies                 | 0                         | 0                         |
| Corporate bonds and notes                    | 283                       | 287                       |
| U.S. common stocks                           | 56,232,716                | 49,879,749                |
| Common collective fund - other               | 40,856,781                | 42,010,838                |
| Mutual funds                                 | 72,136,937                | 120,768,939               |
| Real estate                                  | <u>28,961,070</u>         | <u>34,030,244</u>         |
| Total investments                            | \$ 198,187,787            | \$ 246,690,057            |
| <br>Total assets                             | <br>\$ 198,805,859        | <br>\$ 247,878,883        |
| <b>Liabilities</b>                           |                           |                           |
| Payables:                                    |                           |                           |
| Investment management fees                   | \$ 0                      | \$ 0                      |
| Due to broker for investments purchased      | <u>(1,057)</u>            | <u>(137,678)</u>          |
| Total payables                               | \$ (1,057)                | \$ (137,678)              |
| <br>Total liabilities                        | <br>\$ (1,057)            | <br>\$ (137,678)          |
| <br><b>Net position restricted for OPEBs</b> | <br><u>\$ 198,804,802</u> | <br><u>\$ 247,741,205</u> |

*Investment Policy* - A detailed description of the investment policy for the plan can be found in the Trust Agreement for Post-Retirement Benefit Plan for Eligible Employees of Lansing Board of Water and Light.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Statement of Changes in Fiduciary Net Position**

|   | 6/30/2020             | 6/30/2021             |
|---|-----------------------|-----------------------|
| <b>Additions</b>                          |                       |                       |
| Contributions                             |                       |                       |
| Employer                                  | \$ 9,156,565          | \$ 8,343,977          |
| Employee                                  | <u>0</u>              | <u>0</u>              |
| Total contributions                       | \$ 9,156,565          | \$ 8,343,977          |
| <br>                                      |                       |                       |
| Investment income                         |                       |                       |
| Net increase in fair value of investments | \$ 1,326,809          | \$ 47,530,462         |
| Interest and dividends                    | 2,831,519             | 1,856,241             |
| Less investment expense                   | <u>0</u>              | <u>0</u>              |
| Net investment income                     | \$ 4,158,328          | \$ 49,386,703         |
| <br>                                      |                       |                       |
| Total additions                           | \$ 13,314,893         | \$ 57,730,680         |
| <br>                                      |                       |                       |
| <b>Deductions</b>                         |                       |                       |
| Benefit payments                          | \$ (9,156,565)        | \$ (8,343,977)        |
| Administrative expenses                   | <u>(512,101)</u>      | <u>(450,300)</u>      |
| Total deductions                          | \$ (9,668,666)        | \$ (8,794,277)        |
| <br>                                      |                       |                       |
| <b>Net increase in net position</b>       | <b>\$ 3,646,227</b>   | <b>\$ 48,936,403</b>  |
| <br>                                      |                       |                       |
| <b>Net position restricted for OPEBs</b>  |                       |                       |
| Beginning of year                         | \$ 195,158,575        | \$ 198,804,802        |
| End of year                               | <u>\$ 198,804,802</u> | <u>\$ 247,741,205</u> |



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Changes in the Net OPEB Liability**

|  | Increase (Decrease)            |                                  |                                  |
|--|--------------------------------|----------------------------------|----------------------------------|
|  | Total OPEB<br>Liability<br>(a) | Fiduciary Net<br>Position<br>(b) | Net OPEB<br>Liability<br>(a)-(b) |
| <b>Balances at 6/30/2020</b>                           | \$ 154,602,686                 | \$ 198,804,802                   | \$ (44,202,116)                  |
| <b>Changes for the year</b>                            |                                |                                  |                                  |
| Service cost   | 3,394,619                      | 0                                | 3,394,619                        |
| Interest   | 10,535,088                     | 0                                | 10,535,088                       |
| Change of benefit terms                                | 0                              | 0                                | 0                                |
| Differences between expected and actual experience     | (8,793,909)                    | 0                                | (8,793,909)                      |
| Changes in assumptions or other inputs                 | (3,752,038)                    | 0                                | (3,752,038)                      |
| Contributions - employer                               | 0                              | 8,343,977                        | (8,343,977)                      |
| Contributions - retiree                                | 0                              | 0                                | 0                                |
| Net investment income                                  | 0                              | 49,386,703                       | (49,386,703)                     |
| Benefit payments and refunds of employee contributions | (8,343,977)                    | (8,343,977)                      | 0                                |
| Administrative expense                                 | 0                              | (450,300)                        | 450,300                          |
| Other changes  | 0                              | 0                                | 0                                |
| <b>Net changes</b>                                     | \$ (6,960,217)                 | \$ 48,936,403                    | \$ (55,896,620)                  |
| <b>Balances at 6/30/2021</b>                           | \$ 147,642,469                 | \$ 247,741,205                   | \$ (100,098,736)                 |

Note

The Net OPEB Liability (NOL) is equal to the Total OPEB Liability (TOL) minus the Fiduciary Net Position (FNP), or market value of assets. OPEB Expense includes amounts for: service cost, interest on the TOL, changes in the benefit structure, recognition of increases/decreases in liability due to actual vs. expected experience, actuarial assumption changes, investment gains/losses on the market value of assets and expected return on plan assets. The impact of actual experience and assumption changes are recognized over the average expected remaining service life of the plan participants, while investment gains/losses are recognized equally over five years.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Schedule of Changes in the Net OPEB Liability**

|   | 6/30/2021               | 6/30/2020              | 6/30/2019              | 6/30/2018             | 6/30/2017             |
|---|-------------------------|------------------------|------------------------|-----------------------|-----------------------|
| <b>Total OPEB liability</b>   |                         |                        |                        |                       |                       |
| Service cost  | \$ 3,394,619            | \$ 3,244,596           | \$ 4,402,631           | \$ 4,826,401          | \$ 3,130,487          |
| Interest  | 10,535,088              | 10,804,062             | 14,919,912             | 15,039,052            | 14,226,364            |
| Change of benefit terms   | 0                       | 0                      | (414,594)              | 0                     | 0                     |
| Differences between expected and actual experience                      | (8,793,909)             | (6,092,830)            | (5,231,311)            | (9,879,514)           | 5,280,548             |
| Change in assumptions or other inputs                                   | (3,752,038)             | 7,253,746              | (59,336,488)           | (1,727,939)           | (2,027,643)           |
| Benefit payments  | (8,343,977)             | (9,156,565)            | (9,277,538)            | (10,395,327)          | (9,573,671)           |
| Refunds of contributions  | 0                       | 0                      | 0                      | 0                     | 0                     |
| <b>Net change in total OPEB liability</b>                               | <u>\$ (6,960,217)</u>   | <u>\$ 6,053,009</u>    | <u>\$ (54,937,388)</u> | <u>\$ (2,137,327)</u> | <u>\$ 11,036,085</u>  |
| <b>Total OPEB liability - beginning</b>                                 | <u>154,602,686</u>      | <u>148,549,677</u>     | <u>203,487,065</u>     | <u>205,624,392</u>    | <u>194,588,307</u>    |
| <b>Total OPEB liability - ending (a)</b>                                | <u>\$ 147,642,469</u>   | <u>\$ 154,602,686</u>  | <u>\$ 148,549,677</u>  | <u>\$ 203,487,065</u> | <u>\$ 205,624,392</u> |
| <b>Fiduciary net position</b>   |                         |                        |                        |                       |                       |
| Contributions - employer  | \$ 8,343,977            | \$ 9,156,565           | \$ 9,277,538           | \$ 10,395,327         | \$ 9,573,671          |
| Contributions - non-employer  | 0                       | 0                      | 0                      | 0                     | 0                     |
| Contributions - member  | 0                       | 0                      | 0                      | 0                     | 0                     |
| Net investment income   | 49,386,703              | 4,158,328              | 11,687,551             | 11,038,903            | 18,039,508            |
| Benefit payments  | (8,343,977)             | (9,156,565)            | (9,277,538)            | (10,395,327)          | (9,573,671)           |
| Administrative expense  | (450,300)               | (512,101)              | (568,600)              | (634,336)             | (704,793)             |
| Refunds of contributions  | 0                       | 0                      | 0                      | 0                     | 0                     |
| Other   | 0                       | 0                      | 0                      | 0                     | 0                     |
| <b>Net change in fiduciary net position</b>                             | <u>48,936,403</u>       | <u>3,646,227</u>       | <u>11,118,951</u>      | <u>10,404,567</u>     | <u>17,334,715</u>     |
| <b>Fiduciary net position - beginning</b>                               | <u>198,804,802</u>      | <u>195,158,575</u>     | <u>184,039,624</u>     | <u>173,635,057</u>    | <u>156,300,342</u>    |
| <b>Fiduciary net position - ending (b)</b>                              | <u>\$ 247,741,205</u>   | <u>\$ 198,804,802</u>  | <u>\$ 195,158,575</u>  | <u>\$ 184,039,624</u> | <u>\$ 173,635,057</u> |
| <b>Net OPEB liability - ending (a)-(b)</b>                              | <u>\$ (100,098,736)</u> | <u>\$ (44,202,116)</u> | <u>\$ (46,608,898)</u> | <u>\$ 19,447,441</u>  | <u>\$ 31,989,335</u>  |
| Plan fiduciary net position as a percentage of the total OPEB liability | 167.80%                 | 128.59%                | 131.38%                | 90.44%                | 84.44%                |
| Covered payroll   | 60,269,205              | 58,198,143             | 56,785,166             | 55,650,345            | 54,382,507            |
| Net OPEB liability as a percentage of covered payroll                   | -166.09%                | -75.95%                | -82.08%                | 34.95%                | 58.82%                |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Development of Net OPEB Liability (Gain)/Loss**

|  | 6/30/2020             | 6/30/2021              |
|--|-----------------------|------------------------|
| <b>Total OPEB liability</b>            |                       |                        |
| Total OPEB liability at BOY            | \$ 148,549,677        | \$ 154,602,686         |
| Service cost                           | 3,244,596             | 3,394,619              |
| Benefit payments                       | (9,156,565)           | (8,343,977)            |
| Expected interest                      | 10,804,062            | 10,535,088             |
| Assumption change                      | 7,253,746             | (3,752,038)            |
| Plan change                            | <u>0</u>              | <u>0</u>               |
| Expected total OPEB liability at EOY   | 160,695,516           | 156,436,378            |
| Actual total OPEB liability at EOY     | 154,602,686           | 147,642,469            |
| Total OPEB liability (gain)/loss       | <u>\$ (6,092,830)</u> | <u>\$ (8,793,909)</u>  |
| <b>Fiduciary net position</b>          |                       |                        |
| Fiduciary net position at BOY          | \$ 195,158,575        | \$ 198,804,802         |
| Employer contributions                 | 9,156,565             | 8,343,977              |
| Employee contributions                 | 0                     | 0                      |
| Benefit payments                       | (9,156,565)           | (8,343,977)            |
| Administrative expenses                | (512,101)             | (450,300)              |
| Expected net investment income         | <u>14,618,037</u>     | <u>13,900,842</u>      |
| Expected fiduciary net position at EOY | 209,264,511           | 212,255,344            |
| Actual fiduciary net position at EOY   | 198,804,802           | 247,741,205            |
| Fiduciary net position (gain)/loss     | <u>\$ 10,459,709</u>  | <u>\$ (35,485,861)</u> |
| <b>Net OPEB liability (gain)/loss</b>  | <u>\$ 4,366,879</u>   | <u>\$ (44,279,770)</u> |

Note

Notes for the FYE June 30, 2021 shown above are provided on page 14.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Notes to Schedule of Changes in the Net OPEB Liability**

**June 30, 2021**

- Difference between actual and expected experience - The \$8.79MM actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2021 is attributable to the combination of favorable demographic experience and lower than expected 2021 per capita claims cost. \$3.94MM of the actuarial gain is associated with demographic experience and is mainly attributable to deaths (37 participants), termination of active participants and changes in coverage elections. The remaining \$4.85MM of the actuarial gain is due to less than expected 2021 per capita claims cost. The 2021 Humana premiums are slightly lower than what was expected for 2021 (\$321.92 per month vs. \$347.80 per month)
- Assumption change - The \$3.75MM actuarial gain on the Total OPEB liability for the fiscal year ending June 30, 2021 is attributable to updating the mortality improvement scale to the MP-2020 scale and reflecting the updated healthcare trend assumptions set forth in the Michigan Uniform Assumptions memo for the 2021 fiscal year. Updating the mortality improvement scale resulted in a \$1.18MM actuarial gain. The remaining \$2.57MM of the actuarial gain is attributable to reflecting the updated trend assumptions.
- Investment gain - The \$35.49MM investment gain during the fiscal year ending June 30, 2021 is attributable an actual return on assets of 24.87% vs. an expected return of 7.00%.

**June 30, 2020**

- Difference between actual and expected experience - The \$6.09MM gain on the Total OPEB Liability for the fiscal year ending June 30, 2020 is attributable to the combination of unfavorable demographic experience and a reduction in the per capita claims cost used in the June 30, 2020 valuation. The \$1.13MM loss associated with demographic experience is mainly attributable to active participant retirements. The \$7.22MM gain due to a reduction in per capita claims cost is attributable a decrease in the Pre-65 medical and prescription drug premiums for 2020. The 2019 Pre-65 medical and Rx monthly premium for a retiree was \$1,073.13. For 2020, the Pre-65 medical and Rx monthly premium for a retiree is \$957.99. An 11% reduction in monthly premium. The combination of the demographic loss and the reduction in monthly premiums resulted in the overall \$6.09MM actuarial gain.
- Assumption change - The \$7.25MM loss on the Total OPEB liability for the fiscal year ending June 30, 2020 is attributable to updating the mortality improvement scale to the MP-2019 scale and decreasing the discount rate from 7.50% to 7.00%. Updating the mortality improvement scale resulted in a \$.53MM actuarial gain. Whereas, decreasing the discount rate resulted in a \$7.78MM actuarial loss. The combination of these changes resulted in the overall \$7.25MM actuarial loss.
- Investment loss - The \$10.46MM investment loss during the fiscal year ending June 30, 2020 is attributable an actual return on assets of 2.13% vs. an expected return of 7.50%.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Sensitivity Analysis**

**Sensitivity of the net OPEB liability to changes in the discount rate** - The following presents the net OPEB liability, calculated using the discount rate of 7.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

|                            | <b>1%<br/>Decrease<br/>(6%)</b> | <b>Current Discount<br/>Rate<br/>(7%)</b> | <b>1%<br/>Increase<br/>(8%)</b> |
|----------------------------|---------------------------------|---|---------------------------------|
| Net OPEB liability (asset) | \$ (83,406,607)                 | \$ (100,098,736)                          | \$ (114,179,696)                |

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates** - The following presents the net OPEB liability as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

|                            | <b>1%<br/>Decrease</b> | <b>Current<br/>Rates</b> | <b>1%<br/>Increase</b> |
|----------------------------|------------------------|--------------------------|------------------------|
| Net OPEB liability (asset) | \$ (115,475,352)       | \$ (100,098,736)         | \$ (81,548,417)        |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**

**OPEB Expense**

|  | <b>6/30/2020</b>             | <b>6/30/2021</b>              |
|--|------------------------------|-------------------------------|
| Service cost with interest   | \$ 3,244,596                 | \$ 3,394,619                  |
| Interest on the total OPEB liability   | 10,804,062                   | 10,535,088                    |
| Change of benefit terms  | 0                            | 0                             |
| Expensed portion of current-period difference between expected and actual experience in the total OPEB liability | (974,697)                    | (1,364,963)                   |
| Expensed portion of current-period changes in assumptions  | 1,160,414                    | (582,379)                     |
| Expensed portion of current-period difference between expected and actual earnings on plan investments           | 2,091,942                    | (7,097,172)                   |
| Employee contributions   | 0                            | 0                             |
| Expected earnings on OPEB plan investments   | (14,618,037)                 | (13,900,842)                  |
| Administrative expenses  | 512,101                      | 450,300                       |
| Recognition of deferred inflows  | (13,544,090)                 | (14,518,788)                  |
| Recognition of deferred outflows   | <u>1,623,363</u>             | <u>4,875,719</u>              |
| <b>OPEB Expense</b>  | <b><u>\$ (9,700,346)</u></b> | <b><u>\$ (18,208,418)</u></b> |
| <br>   |                              |                               |
| Census date  | 2/29/2020                    | 2/28/2021                     |
| Measurement date   | 6/30/2020                    | 6/30/2021                     |
| Reporting date   | 6/30/2020                    | 6/30/2021                     |
| <br>   |                              |                               |
| Discount rate  | 7.00%                        | 7.00%                         |
| Expected return on assets  | 7.00%                        | 7.00%                         |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Deferred Inflows and Outflows**

The following table provides a summary of the deferred inflows and outflows as of 6/30/2021.

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| Differences between expected and actual experience                       | \$ 1,218,588                              | \$ (18,020,740)                          |
| Changes of assumptions or other inputs                                   | 4,932,918                                 | (35,620,502)                             |
| Net difference between projected and actual earnings on plan investments | <u>7,505,692</u>                          | <u>(28,388,689)</u>                      |
| Total  | \$ 13,657,198                             | \$ (82,029,931)                          |

Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

| Year Ended June 30 | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--------------------|---|--|
| 2022               | \$ 4,875,718                              | \$ (22,306,029)                          |
| 2023               | 4,077,449                                 | (22,150,057)                             |
| 2024               | 3,252,355                                 | (20,866,087)                             |
| 2025               | 1,160,414                                 | (13,653,872)                             |
| 2026               | 291,262                                   | (2,191,991)                              |
| Thereafter         | 0   | (861,895)                                |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Amortization Schedule**

| <b>Date Established</b> | <b>Description</b>     | <b>Initial Amount</b> | <b>Outstanding Balance</b> | <b>Years Remaining</b> | <b>2021 Installment</b> |
|-------------------------|------------------------|-----------------------|----------------------------|------------------------|-------------------------|
| 6/30/2017               | Actuarial (Gain)/Loss  | \$ 5,280,548          | \$ 1,218,588               | 1.50                   | \$ 812,392              |
| 6/30/2018               | Actuarial (Gain)/Loss  | (9,879,514)           | (3,685,462)                | 2.38                   | (1,548,513)             |
| 6/30/2019               | Actuarial (Gain)/Loss  | (5,231,311)           | (2,762,896)                | 3.36                   | (822,805)               |
| 6/30/2020               | Actuarial (Gain)/Loss  | (6,092,830)           | (4,143,436)                | 4.25                   | (974,697)               |
| 6/30/2021               | Actuarial (Gain)/Loss  | (8,793,909)           | <u>(7,428,946)</u>         | 5.44                   | <u>(1,364,963)</u>      |
| Total                   |                        |                       | \$ (16,802,152)            |                        | \$ (3,898,586)          |
| 6/30/2017               | Assumption Change      | \$ (2,027,643)        | \$ (467,918)               | 1.50                   | \$ (311,945)            |
| 6/30/2018               | Assumption Change      | (1,727,939)           | (644,591)                  | 2.38                   | (270,837)               |
| 6/30/2019               | Assumption Change      | (59,336,488)          | (31,338,334)               | 3.36                   | (9,332,718)             |
| 6/30/2020               | Assumption Change      | 7,253,746             | 4,932,918                  | 4.25                   | 1,160,414               |
| 6/30/2021               | Assumption Change      | (3,752,038)           | <u>(3,169,659)</u>         | 5.44                   | <u>(582,379)</u>        |
| Total                   |                        |                       | \$ (30,687,584)            |                        | \$ (9,337,465)          |
| 6/30/2017               | Investment (Gain)/Loss | \$ (6,286,361)        | \$ 0                       | 0.00                   | \$ (1,257,273)          |
| 6/30/2018               | Investment (Gain)/Loss | 1,960,369             | 392,073                    | 1.00                   | 392,074                 |
| 6/30/2019               | Investment (Gain)/Loss | 2,094,485             | 837,794                    | 2.00                   | 418,897                 |
| 6/30/2020               | Investment (Gain)/Loss | 10,459,709            | 6,275,825                  | 3.00                   | 2,091,942               |
| 6/30/2021               | Investment (Gain)/Loss | (35,485,861)          | <u>(28,388,689)</u>        | 4.00                   | <u>(7,097,172)</u>      |
| Total                   |                        |                       | \$ (20,882,997)            |                        | \$ (5,451,532)          |



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Rate of Return**

The long-term expected rate of return on plan investments was determined using a building-block method where expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the VEBA plan's target asset allocation as of June 30, 2021 are summarized in the following table:

| <u>Asset Class</u>     | <u>Target Asset Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|--------------------------------|---|
| Core bonds             | 15.00%                         | 2.58%   |
| Multi-sector           | 5.00%                          | 3.42%   |
| Liquid absolute return | 5.00%                          | 3.26%   |
| U.S. large cap equity  | 30.00%                         | 7.15%   |
| U.S. small cap equity  | 10.00%                         | 8.44%   |
| Non-U.S. equity        | 20.00%                         | 8.15%   |
| Core real estate       | 8.00%                          | 6.66%   |
| Value add RE           | 7.00%                          | 8.16%   |
| Total                  | 100.00%                        |   |

Notes

- (1) The amounts shown above were provided ACG Asset Consulting Group.
- (2) The Long-Term Expected Real Rate of Return equals the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.
- (3) The long-term expected rate of return for the June 30, 2021 measurement date is 7.00%.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Actuarially Determined Contribution**

|   | <b>FYE 6/30/2021</b> | <b>FYE 6/30/2022</b> |
|---|----------------------|----------------------|
| Normal cost                                     | \$ 3,394,619         | \$ 3,299,279         |
| Actuarial accrued liability (beginning of year) | 154,602,686          | 147,642,469          |
| Market value of assets (beginning of year)      | 198,804,802          | 247,741,205          |
| Unfunded actuarial accrued liability            | (44,202,116)         | (100,098,736)        |
| Net amortization charges / (credits)            | (3,446,349)          | (7,910,703)          |
| Interest to the end of year                     | (241,244)            | (553,749)            |
| Administrative expenses                         | <u>513,000</u>       | <u>451,000</u>       |
| Actuarially determined contribution             | <u>\$ 220,026</u>    | <u>\$ 0</u>          |
| <br>  |                      |                      |
| Expected benefit disbursements                  | \$ 9,412,665         | \$ 9,032,480         |
| <br>  |                      |                      |
| Covered payroll                                 | \$ 58,198,143        | \$ 60,269,205        |
| <br>  |                      |                      |
| Percentage of covered payroll                   | 0.38%                | 0.00%                |
| <br>  |                      |                      |
| Discount rate                                   | 7.00%                | 7.00%                |
| Amortization period                             | 27 Years             | 26 Years             |
|   | Closed               | Closed               |

**Note**

For the FYE June 30, 2021, administrative expenses are assumed to equal the expenses for the prior year rounded up to the next \$1,000.

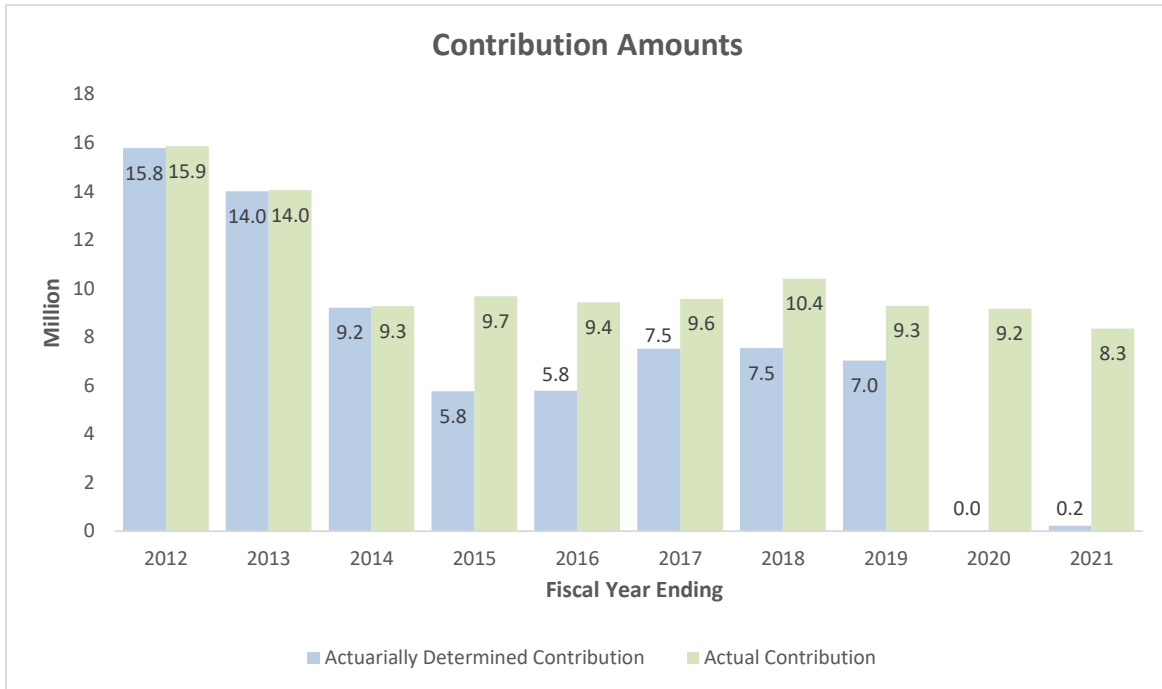
**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Schedule of Contributions**

|   | FYE 2021       | FYE 2020       | FYE 2019       | FYE 2018       | FYE 2017       | FYE 2016       | FYE 2015       | FYE 2014      | FYE 2013      | FYE 2012      |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|
| Actuarially determined employer contribution            | \$ 220,026     | \$ 0           | \$ 7,030,548   | \$ 7,534,978   | \$ 7,507,689   | \$ 5,787,960   | \$ 5,762,462   | \$ 9,199,669  | \$ 13,993,843 | \$ 15,774,370 |
| Actual employer contributions                           | \$ 8,343,977   | \$ 9,156,565   | \$ 9,277,538   | \$ 10,395,327  | \$ 9,573,671   | \$ 9,423,081   | \$ 9,670,794   | \$ 9,268,334  | \$ 14,045,204 | \$ 15,854,530 |
| Annual contribution deficiency (excess)                 | \$ (8,123,951) | \$ (9,156,565) | \$ (2,246,990) | \$ (2,860,349) | \$ (2,065,982) | \$ (3,635,121) | \$ (3,908,332) | \$ (68,665)   | \$ (51,361)   | \$ (80,160)   |
| Covered payroll   | \$ 60,269,205  | \$ 58,198,143  | \$ 56,785,166  | \$ 55,650,345  | \$ 54,382,507  | \$ 53,892,858  | \$ 50,885,058  | \$ 46,971,463 | \$ 47,467,921 | \$ 46,885,031 |
| Actual contributions as a percentage of covered payroll | 13.84%         | 15.73%         | 16.34%         | 18.68%         | 17.60%         | 17.48%         | 19.01%         | 19.73%        | 29.59%        | 33.82%        |

**Notes**

- (1) The actual employer contributions for fiscal years 2017 through 2021 include employer contributions for pay as you go cost paid from the General Fund and pre-funding contributions deposited into the OPEB Trust.  
(2) LBWL contributed the pay as you go cost for fiscal years 2017 through 2021.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Historical Contributions**

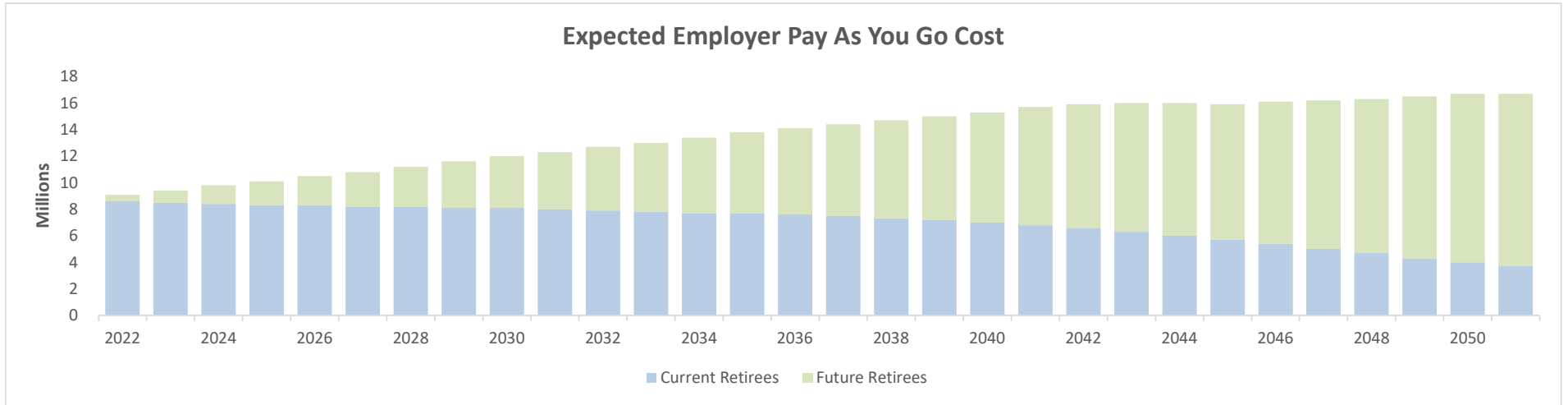


| <b>Fiscal Year Ending</b> | <b>Actuarially Determined Contribution</b> | <b>Actual Contribution</b> | <b>Contribution Deficiency (Excess)</b> |
|---------------------------|--|----------------------------|---|
| 2012                      | \$ 15,774,370                              | \$ 15,854,530              | \$ (80,160)                             |
| 2013                      | 13,993,843                                 | 14,045,204                 | (51,361)                                |
| 2014                      | 9,199,669                                  | 9,268,334                  | (68,665)                                |
| 2015                      | 5,762,462                                  | 9,670,794                  | (3,908,332)                             |
| 2016                      | 5,787,960                                  | 9,423,081                  | (3,635,121)                             |
| 2017                      | 7,507,689                                  | 9,573,671                  | (2,065,982)                             |
| 2018                      | 7,534,978                                  | 10,395,327                 | (2,860,349)                             |
| 2019                      | 7,030,548                                  | 9,277,538                  | (2,246,990)                             |
| 2020                      | 0  | 9,156,565                  | (9,156,565)                             |
| 2021                      | 220,026                                    | 8,343,977                  | (8,123,951)                             |

**Notes**

- (1) The actual employer contributions for fiscal years 2017 through 2021 include employer contributions for pay as you go cost paid from the General Fund and pre-funding contributions deposited into the OPEB Trust.
- (2) LBWL contributed the pay as you go cost for fiscal years 2017 through 2021.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Expected Employer Pay As You Go Cost**



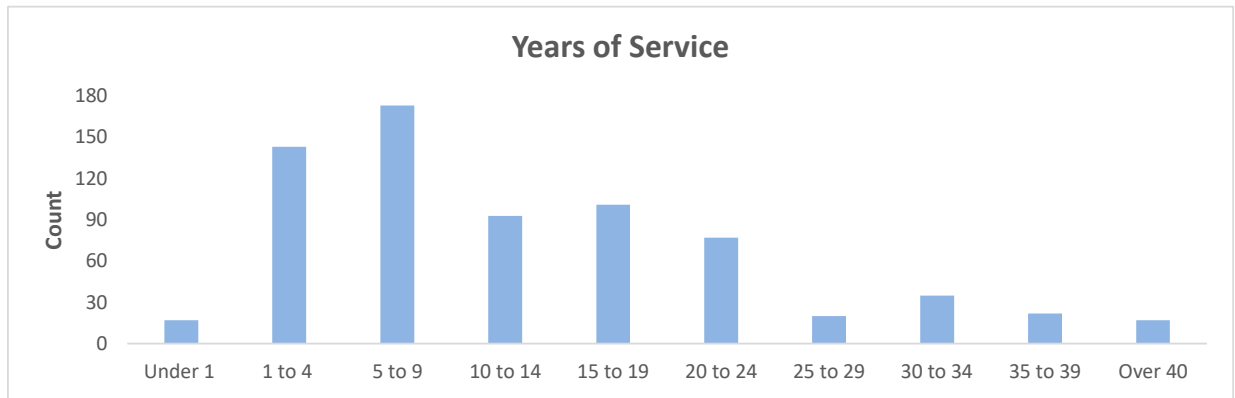
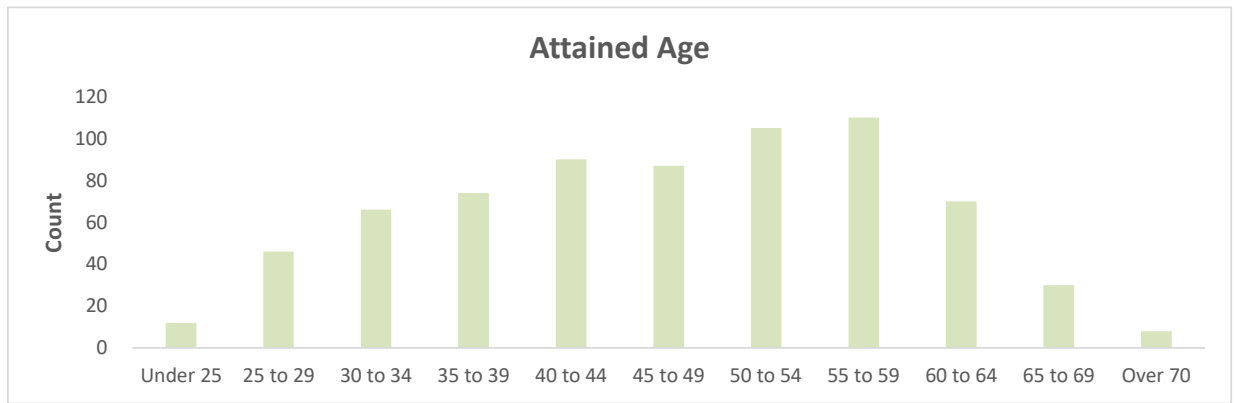
| FYE  | Current Retirees | Future Retirees | Total        | FYE  | Current Retirees | Future Retirees | Total         | FYE  | Current Retirees | Future Retirees | Total         |
|------|------------------|-----------------|--------------|------|------------------|-----------------|---------------|------|------------------|-----------------|---------------|
| 2022 | \$ 8,575,344     | \$ 457,136      | \$ 9,032,480 | 2032 | \$ 7,896,339     | \$ 4,814,443    | \$ 12,710,782 | 2042 | \$ 6,554,226     | \$ 9,259,970    | \$ 15,814,196 |
| 2023 | 8,465,478        | 923,667         | 9,389,145    | 2033 | 7,833,800        | 5,204,068       | 13,037,868    | 2043 | 6,264,532        | 9,654,538       | 15,919,070    |
| 2024 | 8,367,833        | 1,391,583       | 9,759,416    | 2034 | 7,733,906        | 5,665,645       | 13,399,551    | 2044 | 5,983,567        | 9,967,196       | 15,950,763    |
| 2025 | 8,303,151        | 1,801,578       | 10,104,729   | 2035 | 7,712,274        | 6,137,166       | 13,849,440    | 2045 | 5,682,992        | 10,242,233      | 15,925,225    |
| 2026 | 8,284,883        | 2,249,140       | 10,534,023   | 2036 | 7,572,144        | 6,502,912       | 14,075,056    | 2046 | 5,365,461        | 10,700,929      | 16,066,390    |
| 2027 | 8,223,104        | 2,618,761       | 10,841,865   | 2037 | 7,460,833        | 6,884,481       | 14,345,314    | 2047 | 5,035,266        | 11,227,835      | 16,263,101    |
| 2028 | 8,232,929        | 3,044,602       | 11,277,531   | 2038 | 7,345,076        | 7,351,362       | 14,696,438    | 2048 | 4,694,994        | 11,575,269      | 16,270,263    |
| 2029 | 8,115,831        | 3,509,621       | 11,625,452   | 2039 | 7,170,254        | 7,753,914       | 14,924,168    | 2049 | 4,349,766        | 12,184,658      | 16,534,424    |
| 2030 | 8,052,211        | 3,867,654       | 11,919,865   | 2040 | 6,992,197        | 8,331,859       | 15,324,056    | 2050 | 4,002,808        | 12,702,514      | 16,705,322    |
| 2031 | 7,960,604        | 4,322,601       | 12,283,205   | 2041 | 6,786,497        | 8,899,600       | 15,686,097    | 2051 | 3,659,645        | 12,957,147      | 16,616,792    |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Data Summary - Active Participants**

|   | 6/30/2020     | 6/30/2021     |
|---|---------------|---------------|
| <b>Medical coverage</b>                 |               |               |
| Participant count - single coverage     | 137           | 149           |
| Participant count - non-single coverage | 475           | 481           |
| Total                                   | 612           | 630           |
| Average age                             | 47.5          | 47.4          |
| Average past service                    | 13.6          | 13.5          |
| Average future service                  | 14.2          | 14.3          |
| Covered payroll                         | \$ 52,513,984 | \$ 54,389,292 |
| Average compensation                    | \$ 85,807     | \$ 86,332     |
| <b>Cash in lieu</b>                     |               |               |
| Participant count                       | 51            | 55            |
| Average age                             | 46.8          | 45.7          |
| Average past service                    | 12.4          | 9.8           |
| Average future service                  | 15.7          | 16.8          |
| Covered payroll                         | \$ 4,628,320  | \$ 4,837,184  |
| Average compensation                    | \$ 90,751     | \$ 87,949     |
| <b>Waived coverage</b>                  |               |               |
| Participant count                       | 13            | 13            |
| Average age                             | 42.8          | 44.0          |
| Average past service                    | 13.3          | 14.2          |
| Average future service                  | 16.9          | 16.2          |
| Covered payroll                         | \$ 1,055,839  | \$ 1,042,729  |
| Average compensation                    | \$ 81,218     | \$ 80,210     |
| <b>Total</b>                            |               |               |
| Participant count                       | 676           | 698           |
| Average age                             | 47.4          | 47.2          |
| Average past service                    | 13.5          | 13.2          |
| Average future service                  | 14.4          | 14.6          |
| Covered payroll                         | \$ 58,198,143 | \$ 60,269,205 |
| Average compensation                    | \$ 86,092     | \$ 86,346     |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Age & Service Distribution - Active Participants**

| Attained Age | Years of Service |            |            |           |            |           |           |           |           |           | Total |            |
|--------------|------------------|------------|------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-------|------------|
|              | Under 1          | 1 to 4     | 5 to 9     | 10 to 14  | 15 to 19   | 20 to 24  | 25 to 29  | 30 to 34  | 35 to 39  | 40 & Over |       |            |
| Under 25     |                  | 11         | 1          |           |            |           |           |           |           |           |       | 12         |
| 25 to 29     | 4                | 24         | 14         | 4         |            |           |           |           |           |           |       | 46         |
| 30 to 34     | 3                | 23         | 33         | 6         | 1          |           |           |           |           |           |       | 66         |
| 35 to 39     | 3                | 22         | 29         | 16        | 4          |           |           |           |           |           |       | 74         |
| 40 to 44     | 2                | 18         | 31         | 13        | 18         | 8         |           |           |           |           |       | 90         |
| 45 to 49     | 4                | 13         | 18         | 12        | 16         | 24        |           |           |           |           |       | 87         |
| 50 to 54     |                  | 13         | 26         | 10        | 22         | 24        | 7         | 3         |           |           |       | 105        |
| 55 to 59     | 1                | 16         | 15         | 16        | 18         | 8         | 9         | 19        | 8         |           |       | 110        |
| 60 to 64     |                  | 3          | 4          | 11        | 15         | 9         | 2         | 9         | 11        | 6         |       | 70         |
| 65 to 69     |                  |            | 2          | 3         | 6          | 4         | 1         | 4         | 1         | 9         |       | 30         |
| 70+          |                  |            |            | 2         | 1          |           | 1         |           | 2         | 2         |       | 8          |
| <b>Total</b> | <b>17</b>        | <b>143</b> | <b>173</b> | <b>93</b> | <b>101</b> | <b>77</b> | <b>20</b> | <b>35</b> | <b>22</b> | <b>17</b> |       | <b>698</b> |



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Data Summary - Inactive Participants**

|   | 6/30/2020  | 6/30/2021  |
|---|------------|------------|
| <b>Medical coverage</b>                 |            |            |
| Retirees                                |            |            |
| Participant count - single coverage     | 136        | 136        |
| Participant count - non-single coverage | <u>353</u> | <u>351</u> |
| Total                                   | 489        | 487        |
| Average age                             | 71.5       | 71.8       |
| Disabled                                |            |            |
| Participant count - single coverage     | 25         | 25         |
| Participant count - non-single coverage | <u>49</u>  | <u>46</u>  |
| Total                                   | 74         | 71         |
| Average age                             | 68.7       | 69.7       |
| Surviving spouses                       |            |            |
| Participant count - single coverage     | 121        | 126        |
| Participant count - non-single coverage | <u>6</u>   | <u>5</u>   |
| Total                                   | 127        | 131        |
| Average age                             | 78.5       | 78.2       |
| Total                                   |            |            |
| Participant count - single coverage     | 282        | 287        |
| Participant count - non-single coverage | <u>408</u> | <u>402</u> |
| Total                                   | 690        | 689        |
| Average age                             | 72.5       | 72.8       |
| <b>Cash in lieu</b>                     |            |            |
| Participant count                       | 33         | 31         |
| Average age                             | 74.2       | 74.0       |
| <b>Waived coverage</b>                  |            |            |
| Retirees                                |            |            |
| Participant count                       | 10         | 8          |
| Average age                             | 69.0       | 68.0       |
| Disabled                                |            |            |
| Participant count                       | 1          | 1          |
| Average age                             | 57.0       | 58.0       |
| Surviving spouses                       |            |            |
| Participant count                       | 20         | 18         |
| Average age                             | 77.8       | 79.4       |
| Total                                   |            |            |
| Participant count                       | 31         | 27         |
| Average age                             | 74.3       | 75.2       |



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Age Distribution - Inactive Participants**

| <b>Attained<br/>Age</b> | <b>Retired</b> | <b>Disabled</b> | <b>Surviving Spouse</b> | <b>Total</b> |
|-------------------------|----------------|-----------------|-------------------------|--------------|
| <b>Under 50</b>         |                |                 |                         | 0            |
| <b>50 to 54</b>         | 1              | 1               | 4                       | 6            |
| <b>55 to 59</b>         | 14             | 7               |                         | 21           |
| <b>60 to 64</b>         | 77             | 11              | 8                       | 96           |
| <b>65 to 69</b>         | 133            | 20              | 20                      | 173          |
| <b>70 to 74</b>         | 137            | 16              | 24                      | 177          |
| <b>75 to 79</b>         | 80             | 8               | 30                      | 118          |
| <b>80 to 84</b>         | 40             | 5               | 18                      | 63           |
| <b>85 to 89</b>         | 29             | 4               | 16                      | 49           |
| <b>90 &amp; Over</b>    | 15             |                 | 29                      | 44           |
| <b>Total</b>            | 526            | 72              | 149                     | 747          |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Census Data Reconciliation**

|                              | <u>Active</u> | <u>Retired</u> | <u>Surviving<br/>Spouse</u> | <u>Disabled</u> | <u>Total</u> |
|------------------------------|---------------|----------------|-----------------------------|-----------------|--------------|
| February 29, 2020            | 676           | 532            | 147                         | 75              | 1,430        |
| Terminations                 | (15)          | 0              | 0                           | 0               | (15)         |
| Part time - not eligible     | 0             | 0              | 0                           | 0               | 0            |
| Retirements                  | (16)          | 16             | 0                           | 0               | 0            |
| Disabled                     | 0             | 0              | 0                           | 0               | 0            |
| Deceased with beneficiary    | (1)           | (10)           | 13                          | (2)             | 0            |
| Deceased without beneficiary | 0             | (12)           | (11)                        | (1)             | (24)         |
| New entrants                 | 54            | 0              | 0                           | 0               | 54           |
| Rehires                      | 0             | 0              | 0                           | 0               | 0            |
| Data corrections             | 0             | 0              | 0                           | 0               | 0            |
| February 28, 2021            | 698           | 526            | 149                         | 72              | 1,445        |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods**

**Cost Method** - Individual entry age normal level percent of salary.

**Dates of Calculations**

Actuarial valuation date: June 30, 2021

Census date: February 28, 2021

Measurement date GASB 74 and GASB 75: June 30, 2021

Reporting date GASB 74 and GASB 75: June 30, 2021

**Employees Included in the Calculations** - All active employees who are potentially eligible to receive healthcare benefits as a retiree. Retirees (healthy and disabled) and their spouses or their survivors who are receiving benefits.

**Source of Data** - Data is as of the valuation date and was supplied by the Lansing Board of Water and Light. While we have not audited this data, we believe the census data and financial information to be accurate and complete.

**Discount Rate** - Pursuant to GASB 74/75, projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 7.00%; the municipal bond rate is 2.16% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Bond GO Index"); and the resulting Single Discount Rate is 7.00%.

The projection of cash flows used to determine the discount rate assumes that the Lansing Board of Water and Light will make contributions equal to at least the annual "pay as you go cost". Based on this assumption, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, we determined the discount rate to be the long-term expected rate of return on OPEB plan investments.

**Inflation Rate** - 2.25% per year.

**Salary Increase Rates** - Sample rates are listed on Table A herein. The rates include general wage inflation and merit / productivity increases.

**Mortality Rates** - Pre and Post retirement - PUBH-2010 General Employees Mortality Table, Male and Female, projected generationally using the MP-2020 improvement scale.

**Retirement Rates** - The retirement rates are based on Lansing Board of Water and Light historical experience from 2012 to 2016 that was used in the February 2017 experience study. Sample rates are listed on Table B herein.

**Termination Rates** - The termination rates are based on Lansing Board of Water and Light historical experience from 2012 to 2016 that was used in the February 2017 experience study. Sample rates are listed on Table C herein.

**Disability Rates** - The 1985 Pension Disability Incidence Class 1 rates for males and females. Sample rates are listed on Table D herein.

**Per Capita Claims Costs** - Annual per capita costs are based on the premiums in effect on January 1, 2021 and are actuarially increased using current enrollment and aging factors. In addition, these costs are assumed to increase with medical, prescription drug and dental trend rates. Aging factors and sample per capita claims costs are shown on Tables E and F herein.

**Healthcare Trend** - Sample healthcare trend rates are shown on Table G herein.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Retiree Contributions** - The 2021 retiree contributions shown in the plan provisions of this report are assumed to increase according to the healthcare trend rates.

**Medicare Part B Reimbursement** - It is assumed that the annual Medicare Part B reimbursement amount is \$1,604 for the current valuation. This amount is assumed to increase with the Medicare Part B trend rates.

**Election Percentage** - Ninety five percent (95%) of active employees who currently have healthcare coverage are assumed to elect coverage at retirement. Ninety five percent (95%) of active employees who currently elect cash in lieu of healthcare coverage are assumed to make the same election at retirement. All active employees who currently waive coverage are assumed to waive coverage at retirement. One hundred percent (100%) of retirees who currently have healthcare coverage are assumed to continue coverage until death. One hundred percent (100%) of retirees who currently elect cash in lieu of healthcare coverage are assumed to make the same election until death. All retirees who currently waive coverage are assumed to never elect coverage with the Lansing Board of Water and Light. All employees who currently have \$10,000 of life insurance coverage are assumed to never purchase additional insurance and thus are not eligible for retiree life insurance coverage.

**Marriage Percentage** - It is assumed that 65% of active employees are married upon retirement. Husbands are assumed to be three years older than wives.

**Assumption Changes** - (1) The mortality projection scale was updated to the MP-2020 scale; (2) The assumed Medicare Part B premium reimbursement was increased from \$1,560 per year to \$1,604 per year. The healthcare trend assumption was updated to reflect the rates set forth in the Michigan Uniform Assumptions memo for the 2021 fiscal year.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Table A - Salary Increase Rates**

| Age | Rate  |
|-----|-------|
| 25  | 9.30% |
| 30  | 8.70% |
| 35  | 8.20% |
| 40  | 7.80% |
| 45  | 7.50% |
| 50  | 7.20% |
| 55  | 6.90% |
| 60+ | 6.40% |

**Table B - Retirement Rates**

| Age | Rate   | Age | Rate    |
|-----|--------|-----|---------|
| 50  | 5.00%  | 61  | 25.00%  |
| 51  | 3.00%  | 62  | 30.00%  |
| 52  | 3.00%  | 63  | 15.00%  |
| 53  | 3.00%  | 64  | 20.00%  |
| 54  | 6.00%  | 65  | 20.00%  |
| 55  | 10.00% | 66  | 50.00%  |
| 56  | 7.00%  | 67  | 25.00%  |
| 57  | 7.00%  | 68  | 25.00%  |
| 58  | 7.00%  | 69  | 25.00%  |
| 59  | 15.00% | 70  | 100.00% |
| 60  | 15.00% |     |         |

**Table C - Termination Rates**

| Age | Years of Service |       |       |       |       |       |
|-----|------------------|-------|-------|-------|-------|-------|
|     | 0                | 1     | 2     | 3     | 4     | 5+    |
| 20  | 10.60%           | 9.40% | 8.60% | 7.80% | 7.00% | 4.80% |
| 30  | 8.00%            | 6.80% | 6.00% | 5.20% | 4.40% | 2.50% |
| 40  | 7.10%            | 5.90% | 5.10% | 4.30% | 3.50% | 1.90% |
| 50  | 6.30%            | 5.10% | 4.30% | 3.70% | 3.00% | 1.60% |
| 60  | 5.60%            | 4.60% | 3.90% | 3.30% | 2.60% | 1.20% |
| 70+ | 5.20%            | 4.20% | 3.50% | 2.90% | 2.20% | 0.90% |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Table D - Disability Rates**

| Age | Male  | Female |
|-----|-------|--------|
| 20  | 0.03% | 0.03%  |
| 30  | 0.05% | 0.08%  |
| 40  | 0.12% | 0.21%  |
| 50  | 0.36% | 0.53%  |
| 60  | 1.26% | 1.16%  |

**Table E - Aging Factors**

| Age     | Medical | Rx    |
|---------|---------|-------|
| 35 – 39 | 2.00%   | 5.00% |
| 40 – 44 | 2.00%   | 4.50% |
| 45 – 49 | 2.00%   | 4.00% |
| 50 – 54 | 2.00%   | 3.50% |
| 55 – 59 | 4.00%   | 3.00% |
| 60 – 64 | 4.00%   | 2.50% |
| 65 – 69 | 3.00%   | 1.50% |
| 70 – 74 | 2.00%   | 1.00% |
| 75 – 79 | 1.00%   | 0.00% |
| 80+     | 0.00%   | 0.00% |

**Table F - Per Capita Claims Cost**

| Age | Healthy Retirees |          |        | Disabled Retirees |          |        |
|-----|------------------|----------|--------|-------------------|----------|--------|
|     | Medical          | Rx       | Dental | Medical           | Rx       | Dental |
| 50  | \$ 7,543         | \$ 2,389 | \$ 543 | \$ 16,972         | \$ 5,375 | \$ 543 |
| 55  | 8,328            | 2,837    | 543    | 18,738            | 6,383    | 543    |
| 60  | 10,132           | 3,290    | 543    | 22,796            | 7,401    | 543    |
| 65  | 3,192            | N/A      | 543    | 3,192             | N/A      | 543    |
| 70  | 3,700            | N/A      | 543    | 3,700             | N/A      | 543    |
| 75  | 4,085            | N/A      | 543    | 4,085             | N/A      | 543    |
| 80+ | 4,293            | N/A      | 543    | 4,293             | N/A      | 543    |

Notes

(1) Post-65 per capita claims cost for Rx coverage are included in the in medical per capita claims cost amounts shown above.

(2) The annual per capita claims shown above are for disabled retirees that are not Medicare primary due to disability. For disabled retirees who are Medicare primary due to disability, the pre-65 annual per capita costs are \$3,018 for medical and Rx coverages. 70% of disabled retirees are assumed to be Medicare primary due to disability.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Table G - Healthcare Trend Rates**

| FYE   | Medical & Rx |         | Part B | Dental |
|-------|--------------|---------|--------|--------|
|       | Pre-65       | Post-65 |        |        |
| 2021  | 7.50%        | 5.75%   | 3.50%  | 4.50%  |
| 2022  | 7.25%        | 5.50%   | 3.75%  | 4.25%  |
| 2023  | 7.00%        | 5.25%   | 4.00%  | 4.00%  |
| 2024  | 6.75%        | 5.00%   | 4.25%  | 4.00%  |
| 2025  | 6.50%        | 4.75%   | 4.50%  | 4.00%  |
| 2026  | 6.25%        | 4.50%   | 4.75%  | 4.00%  |
| 2027  | 6.00%        | 4.50%   | 5.00%  | 4.00%  |
| 2028  | 5.75%        | 4.50%   | 5.00%  | 4.00%  |
| 2029  | 5.50%        | 4.50%   | 5.00%  | 4.00%  |
| 2030  | 5.25%        | 4.50%   | 5.00%  | 4.00%  |
| 2031  | 5.00%        | 4.50%   | 5.00%  | 4.00%  |
| 2032  | 4.75%        | 4.50%   | 5.00%  | 4.00%  |
| 2033+ | 4.50%        | 4.50%   | 5.00%  | 4.00%  |

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Summary of Plan Provisions**

**Effective Date** - Initial effective date was July 1, 1999. The plan was restated on March 27, 2007.

**Eligibility** - Employees who satisfy the eligibility requirements for either normal retirement, early retirement, or disability are eligible for lifetime health benefits under the plan.

**Normal Retirement Date** - The normal retirement date for employees hired prior to July 1, 1990 is the earlier of (1) the first day of the month on or after attainment of age 60 and the completion of at least 10 years of Benefit Service Credit, and (2) the first day of the month on or after completion of 30 years of Benefit Service Credit and attainment of age 55. If an employee who was hired before July 1, 1990 terminates employment after attainment of age 45 and completion of 25 years of Benefit Service Credit, the normal retirement date is the first day of the month on or after the date he has attained age 55 and would have completed 30 years of Benefit Service Credit if he had remained employed.

For employees hired on or after July 1, 1990, the normal retirement date is the first day of the month on or after attainment of age 65 and completion of 10 years of Benefit Service Credit.

**Early Retirement Date** - The date that is 10 years prior to an employee's Normal Retirement Date upon completion of 25 years of Benefit Service Credit or 5 years prior to an employee's normal retirement date upon completion of 15 years of Benefit Service Credit.

**Disability Retirement Date** - The date that the employee is determined to be disabled, provided the employee has completed at least 10 years of Years of Service.

**Healthcare Coverage** - The healthcare coverage (medical, prescription drug and dental) provided under the plan is substantially the same coverage (based on the cost per retiree to the employer for providing said health coverage) that is available to active employees. All health plans are self-insured except for the Medicare plan that is fully-insured with Humana. Dental benefits are fully insured with Delta Dental. Spousal and family coverage is available. In addition, coverage will continue to a surviving spouse upon the death of a retiree or an active employee who is eligible to retire. If an employee with at least ten years of service dies while in employment, the surviving spouse will qualify for retiree healthcare benefits under the disability retirement status. Surviving spouse contributions are the same as the member's prior to the member's death.

**Retiree Premiums** - The monthly retiree premium rates effective on January 1, 2021 are shown below:

| <u>Non-Medicare</u>          | <u>Medical Only</u> | <u>Medical &amp; Rx</u> | <u>Dental</u> |
|------------------------------|---------------------|-------------------------|---------------|
| Single                       | \$ 816.87           | \$ 1,078.26             | \$ 43.32      |
| 2 Person                     | \$ 1,837.99         | \$ 2,426.10             | \$ 79.62      |
| Family                       | \$ 2,287.26         | \$ 3,019.14             | \$ 138.81     |
| <br><u>Medicare Eligible</u> |                     | <u>Medical &amp; Rx</u> | <u>Dental</u> |
| 1 Person Humana              |                     | \$ 321.92               | \$ 43.32      |
| 2 Person Humana              |                     | \$ 643.84               | \$ 79.62      |
| Family Humana                |                     | \$ 956.76               | \$ 138.81     |



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Summary of Plan Provisions (continued)**

**Retiree Contributions** - Retiree healthcare benefits are non-contributory for employees who were hired prior to January 1, 2009. Retiree healthcare benefits for employees hired on or after January 1, 2009 are contributory. Future retiree contributions for this group will be equal to the current employees' healthcare premium sharing arrangement in effect immediately prior to retirement. Currently, Union and Non-Union employees contribute 20% of the active medical and prescription drug coverage premium and do not contribute for dental coverage. The monthly premiums in effect on January 1, 2021 are shown below:

| <u>Coverage</u> | <u>Medical Only</u> | <u>Medical &amp; Rx</u> | <u>Dental</u> |
|-----------------|---------------------|-------------------------|---------------|
| Single          | \$ 558.45           | \$ 727.99               | \$ 43.32      |
| 2 Person        | \$ 1,226.52         | \$ 1,637.99             | \$ 79.62      |
| Family          | \$ 1,563.66         | \$ 2,038.38             | \$ 138.81     |

**Medicare Part B Reimbursement** - The Lansing Board of Water and Light reimburses retirees and spouses for 90% of the Medicare Part B premium (standard premium prior to income-related adjustment). As of June 30, 2021 the amount of reimbursement is \$133.65 per month.

**Cash in Lieu of Coverage** - Retirees may elect to receive cash in lieu of healthcare benefits. Currently, retirees electing this option receive \$2,232 per year.

**Life Insurance** - Employees that have life insurance coverage equal to 1.5 times of their salary immediately prior to retirement may continue this coverage at one-third of the amount in effect immediately prior to retirement rounded to the next higher \$500. Bargaining unit retirees contribute 50% of the premium for retiree life insurance coverage. Contributions are not required for non-bargaining unit retirees. A closed group of disabled retirees receive retiree life insurance coverage at no cost. Retiree life insurance coverage is not provided for employees who have \$10,000 of life insurance coverage immediately prior to retirement. The monthly retiree life insurance premium in effect on January 1, 2021 is 41 cents per thousand dollars of coverage.

**Changes in Plan Provisions since the Prior Valuation** - None.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**

**Glossary**

**Actuarial Assumptions** - Assumptions relating to future experience under the plan. These include assumptions about the occurrence of future events affecting costs or liabilities, such as:

- mortality, withdrawal, disablement, and retirement;
- future increases in salary;
- future rates of investment earnings and future investment and administrative expenses;
- characteristics of members not specified in the data, such as marital status;
- characteristics of future members;
- future elections made by members; and
- other relevant items.

**Actuarial Cost Method** - A procedure for allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Total OPEB Liability (TOL).

**Actuarial (Gain) or Loss** - A measure of the difference between actual experience and experience expected under a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings that have been forecasted. To the extent that actual experience differs from that assumed, actuarial accrued liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., the plan's assets earn more than projected, healthcare trend does not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results that produce actuarial liabilities which are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.

**Actuarially Equivalent** - Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.

**Actuarial Present Value (APV)** - The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:

- adjusted for the probable financial effect of certain intervening events (such as changes in marital status, etc.)
- multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
- discounted according to an assumed rate (or rates) of return to reflect the time value of money.

**Actuarial Present Value of Future Benefits** - The Actuarial Present Value of those benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future benefit increases. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members and spouses receiving benefits. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.

**Actuarial Present Value of Future Earnings** - The Actuarial Present Value of a participant's expected future earnings.

**Actuarial Present Value of Future Normal Costs** - The portion of the Actuarial Present Value of Future Benefits allocated to future years.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2021 GASB 74/75 Actuarial Valuation Report**  
**Glossary (continued)**

**Actuarial Valuation** - The determination, as of a valuation date, of the Normal Cost, Total OPEB Liability (TOL), Fiduciary Net Position (FNP), and related Actuarial Present Values for a plan. An Actuarial valuation for a healthcare arrangement typically also includes calculations that provide the financial information of the plan, such as the funded status, unfunded actuarial accrued liability and the contribution amounts.

**Actuarially Determined** - Values which have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.

**Covered Payroll** - Payroll as of the valuation date for active participants who have not attained normal retirement age.

**Decrements** - Those causes/events due to which a member's status (active-inactive-retiree-spouse) changes, that is: death, retirement, disability, or termination.

**Entry Age Normal Cost Method** - The EAN cost method is a standard actuarial funding method. The annual cost of benefits under EAN cost method is comprised of two components:

- Normal cost
- Amortization of the unfunded liability

The normal cost is determined on an individual basis, from a member's age at plan entry, and is designed to be a level percentage of pay throughout a member's career.

**Fiduciary Net Position** - The value of the plan's assets as of a given date, used by the actuary for valuation purposes. This usually equals the market value of plan assets.

**Funded Status** - The ratio of the Fiduciary Net Position (FNP) to the Total OPEB Liability (TOL).

**Net OPEB Liability (NOL)** - The excess of the Total OPEB Liability (TOL) over the Fiduciary Net Position (FNP). This value may be negative in which case it may be expressed as a negative Fiduciary Net Position, also called the funding surplus.

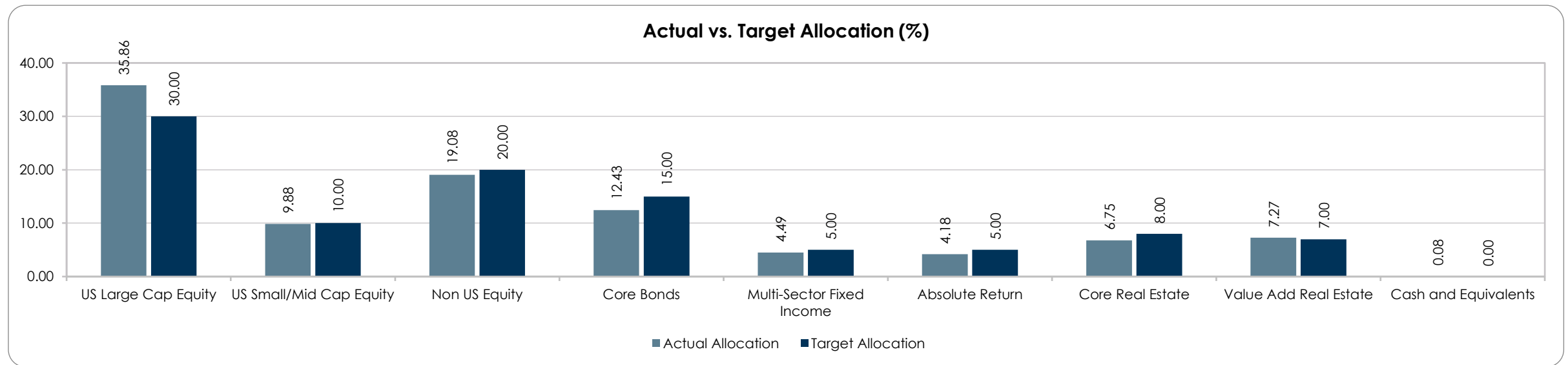
**Normal Cost** - The portion of the Actuarial Present Value of Future Benefits allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an unfunded actuarial accrued liability is not part of Normal Cost. Under the entry age normal cost method, the Normal Cost is intended to be the level cost (when expressed as a percentage of pay) needed to fund the benefits of a member from hire until ultimate termination, death, disability or retirement.

**Total OPEB Liability (TOL)** - The portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits which is not provided for by future Normal Costs. It is equal to the Actuarial Present Value of Future Benefits minus the actuarial present value of future Normal Costs.

**Valuation Date or Actuarial Valuation Date** - The date on which the value of plan assets, the Actuarial Present Value of Future Benefits, the Total OPEB Liability (TOL) and Normal Cost are determined. The expected future benefits are discounted to this date.

## Post-Retirement Benefit Plan and Trust for Eligible Employees of LBWL

For the Periods Ending June 30, 2021



| Asset Class                 | Market Value (\$000s) | Actual Allocation (%) | Target Allocation (%) | Over/Under (%) | Range Min - Max (%)               |
|-----------------------------|-----------------------|-----------------------|-----------------------|----------------|-----------------------------------|
| <b>Total Portfolio</b>      | <b>248,577</b>        | <b>100.00</b>         | <b>100.00</b>         |                |                                   |
| <b>Equity</b>               | <b>161,111</b>        | <b>64.81</b>          | <b>60.00</b>          | <b>4.81</b>    | <b>45.00 - 70.00</b>              |
| US Large Cap Equity         | 89,128                | 35.86                 | 30.00                 | 5.86           | 25.00 - 35.00                     |
| US Small/Mid Cap Equity     | 24,560                | 9.88                  | 10.00                 | -0.12          | 5.00 - 15.00                      |
| Non US Equity               | 47,423                | 19.08                 | 20.00                 | -0.92          | 15.00 - 25.00                     |
| <b>Fixed Income</b>         | <b>52,429</b>         | <b>21.09</b>          | <b>25.00</b>          | <b>-3.91</b>   | <b>10.00 - 50.00</b>              |
| Core Bonds                  | 30,888                | 12.43                 | 15.00                 | -2.57          | 10.00 - 35.00                     |
| Multi-Sector Fixed Income   | 11,160                | 4.49                  | 5.00                  | -0.51          | 0.00 - 10.00                      |
| Absolute Return             | 10,380                | 4.18                  | 5.00                  | -0.82          | 0.00 - 10.00                      |
| <b>Real Assets</b>          | <b>34,844</b>         | <b>14.02</b>          | <b>15.00</b>          | <b>-0.98</b>   | <b>0.00 - 20.00</b>               |
| Core Real Estate            | 16,777                | 6.75                  | 8.00                  | -1.25          | -- <sup>4</sup> - -- <sup>4</sup> |
| Value Add Real Estate       | 18,067                | 7.27                  | 7.00                  | 0.27           | -- <sup>4</sup> - -- <sup>4</sup> |
| <b>Cash and Equivalents</b> | <b>193</b>            | <b>0.08</b>           | <b>0.00</b>           | <b>0.08</b>    | <b>0.00 - 5.00</b>                |

|                           | Mar 2021 Market Value (\$000s) | Jun 2021 Market Value (\$000s) | Actual Allocation (%) | 1 Month (%) | 3 Months (%) | YTD (%) | FYTD (%) | 3 Years (%) | 5 Years (%) | 10 Years (%) |
|---------------------------|--------------------------------|--------------------------------|-----------------------|-------------|--------------|---------|----------|-------------|-------------|--------------|
| Total Portfolio (01/17) * | 236,281                        | 248,577                        | 100.00                | 1.04        | 5.20         | 8.27    | 25.14    | 10.58       | --          | --           |
| Total Portfolio (07/04)   | 236,281                        | 248,577                        | 100.00                | 1.10        | 5.37         | 8.59    | 25.83    | 11.18       | 10.33       | 8.58         |
| Policy Index <sup>1</sup> |                                |                                |                       | 1.48        | 5.26         | 8.40    | 25.65    | 11.74       | 11.16       | 9.54         |

## Post-Retirement Benefit Plan and Trust for Eligible Employees of LBWL

For the Periods Ending June 30, 2021

|  | Mar 2021<br>Market<br>Value<br>(\$000s) | Jun 2021<br>Market<br>Value<br>(\$000s) | Actual<br>Allocation<br>(%) | 1<br>Month<br>(%) | 3<br>Months<br>(%) | YTD<br>(%)   | FYTD<br>(%)  | 3<br>Years<br>(%) | 5<br>Years<br>(%) | 10<br>Years<br>(%) | Since<br>Inception<br>(%) |
|--|---|---|-----------------------------|-------------------|--------------------|--------------|--------------|-------------------|-------------------|--------------------|---------------------------|
| <b>Total Portfolio (01/17) *</b>       | <b>236,281</b>                          | <b>248,577</b>                          | <b>100.00</b>               | <b>1.04</b>       | <b>5.20</b>        | <b>8.27</b>  | <b>25.14</b> | <b>10.58</b>      | <b>--</b>         | <b>--</b>          | <b>10.18</b>              |
| <b>Total Portfolio (07/04)</b>         | <b>236,281</b>                          | <b>248,577</b>                          | <b>100.00</b>               | <b>1.10</b>       | <b>5.37</b>        | <b>8.59</b>  | <b>25.83</b> | <b>11.18</b>      | <b>10.33</b>      | <b>8.58</b>        | <b>7.11</b>               |
| <i>Policy Index</i> <sup>1</sup>       |   |   |                             | 1.48              | 5.26               | 8.40         | 25.65        | 11.74             | 11.16             | 9.54               | 8.02                      |
| <b>US Large Cap Equity (01/17)</b>     | <b>82,377</b>                           | <b>89,128</b>                           | <b>35.86</b>                | <b>1.69</b>       | <b>8.21</b>        | <b>15.09</b> | <b>39.73</b> | <b>18.61</b>      | <b>--</b>         | <b>--</b>          | <b>18.51</b>              |
| <i>Russell 1000</i>                    |   |   |                             | 2.51              | 8.54               | 14.95        | 43.07        | 19.16             | 17.99             | 14.90              | 18.14                     |
| <b>US Small/Mid Cap Equity (01/17)</b> | <b>23,323</b>                           | <b>24,560</b>                           | <b>9.88</b>                 | <b>-0.92</b>      | <b>5.52</b>        | <b>13.39</b> | <b>49.24</b> | <b>8.13</b>       | <b>--</b>         | <b>--</b>          | <b>7.87</b>               |
| <i>Blended Benchmark</i> <sup>2</sup>  |   |   |                             | 1.18              | 5.44               | 16.97        | 57.79        | 15.26             | --                | --                 | 13.10                     |
| <b>Non US Equity (01/17) *</b>         | <b>45,336</b>                           | <b>47,423</b>                           | <b>19.08</b>                | <b>-0.91</b>      | <b>4.60</b>        | <b>5.92</b>  | <b>32.44</b> | <b>9.44</b>       | <b>--</b>         | <b>--</b>          | <b>10.62</b>              |
| <i>MSCI EAFE</i>                       |   |   |                             | -1.10             | 5.38               | 9.17         | 32.92        | 8.77              | 10.79             | 6.38               | 10.67                     |
| <b>Fixed Income (01/17)</b>            | <b>51,469</b>                           | <b>52,429</b>                           | <b>21.09</b>                | <b>0.76</b>       | <b>1.93</b>        | <b>-0.12</b> | <b>3.96</b>  | <b>6.21</b>       | <b>--</b>         | <b>--</b>          | <b>4.73</b>               |
| <i>BloomBar US Aggregate</i>           |   |   |                             | 0.70              | 1.83               | -1.60        | -0.33        | 5.34              | 3.03              | 3.39               | 3.96                      |
| <b>Real Assets (01/19) *</b>           | <b>33,483</b>                           | <b>34,844</b>                           | <b>14.02</b>                | <b>4.07</b>       | <b>4.07</b>        | <b>5.86</b>  | <b>8.25</b>  | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>4.11</b>               |
| <i>NFI ODCE Net</i>                    |   |   |                             | 3.72              | 3.72               | 5.68         | 7.13         | 4.61              | 5.63              | 8.60               | 4.15                      |
| <b>Cash and Equivalents (01/17)</b>    | <b>293</b>                              | <b>193</b>                              | <b>0.08</b>                 | <b>0.00</b>       | <b>0.01</b>        | <b>0.03</b>  | <b>0.04</b>  | <b>1.16</b>       | <b>--</b>         | <b>--</b>          | <b>1.12</b>               |
| <i>US T-Bills 90 Day</i>               |   |   |                             | -0.00             | -0.00              | 0.03         | 0.09         | 1.34              | 1.17              | 0.63               | 1.26                      |

## Post-Retirement Benefit Plan and Trust for Eligible Employees of LBWL

For the Periods Ending June 30, 2021

|   | Mar 2021<br>Market<br>Value<br>(\$000s) | Jun 2021<br>Market<br>Value<br>(\$000s) | Actual<br>Allocation<br>(%) | 1<br>Month<br>(%) | 3<br>Months<br>(%) | YTD<br>(%)   | FYTD<br>(%)  | 3<br>Years<br>(%) | 5<br>Years<br>(%) | 10<br>Years<br>(%) | Since<br>Inception<br>(%) |
|---|---|---|-----------------------------|-------------------|--------------------|--------------|--------------|-------------------|-------------------|--------------------|---------------------------|
| <b>Equity (01/17)</b>                           | <b>151,036</b>                          | <b>161,111</b>                          | <b>64.81</b>                | <b>0.53</b>       | <b>6.77</b>        | <b>12.15</b> | <b>39.14</b> | <b>14.28</b>      | <b>--</b>         | <b>--</b>          | <b>14.60</b>              |
| <b>US Large Cap Equity</b>                      |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>Loomis Sayles (01/13)</b>                    | <b>45,829</b>                           | <b>50,683</b>                           | <b>20.39</b>                | <b>3.96</b>       | <b>10.59</b>       | <b>13.91</b> | <b>37.27</b> | <b>23.88</b>      | <b>22.53</b>      | <b>--</b>          | <b>19.08</b>              |
| <i>Russell 1000 Growth</i>                      |   |   |                             | 6.27              | 11.93              | 12.99        | 42.50        | 25.14             | 23.66             | 17.87              | 19.89                     |
| <b>Vanguard Russell 1000 Value (05/17) *</b>    | <b>36,547</b>                           | <b>38,445</b>                           | <b>15.47</b>                | <b>-1.15</b>      | <b>5.19</b>        | <b>17.00</b> | <b>43.59</b> | <b>12.38</b>      | <b>--</b>         | <b>--</b>          | <b>10.87</b>              |
| <i>Russell 1000 Value</i>                       |   |   |                             | -1.15             | 5.21               | 17.05        | 43.68        | 12.42             | 11.87             | 11.61              | 10.92                     |
| <b>US Small/Mid Cap Equity</b>                  |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>Aristotle (08/18)</b>                        | <b>17</b>                               | <b>17</b>                               | <b>0.01</b>                 | <b>--</b>         | <b>--</b>          | <b>--</b>    | <b>--</b>    | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>--</b>                 |
| <b>Atlanta Capital (04/21) *</b>                | <b>23,305</b>                           | <b>24,543</b>                           | <b>9.87</b>                 | <b>-0.98</b>      | <b>5.31</b>        | <b>--</b>    | <b>--</b>    | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>5.31</b>               |
| <i>Russell 2500</i>                             |   |   |                             | 1.18              | 5.44               | 16.97        | 57.79        | 15.24             | 16.35             | 12.86              | 5.44                      |
| <b>Non US Equity</b>                            |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>Harding Loevner Int'l Equity (09/17) *</b>   | <b>24,132</b>                           | <b>25,437</b>                           | <b>10.23</b>                | <b>-0.07</b>      | <b>5.41</b>        | <b>6.34</b>  | <b>34.21</b> | <b>11.46</b>      | <b>--</b>         | <b>--</b>          | <b>10.82</b>              |
| <i>MSCI ACWI ex US</i>                          |   |   |                             | -0.62             | 5.64               | 9.45         | 36.29        | 9.88              | 11.59             | 5.93               | 8.58                      |
| <b>Lazard Int'l Equity (09/17) *</b>            | <b>21,205</b>                           | <b>21,986</b>                           | <b>8.84</b>                 | <b>-1.86</b>      | <b>3.68</b>        | <b>5.44</b>  | <b>30.45</b> | <b>7.26</b>       | <b>--</b>         | <b>--</b>          | <b>6.61</b>               |
| <i>MSCI EAFE</i>                                |   |   |                             | -1.10             | 5.38               | 9.17         | 32.92        | 8.77              | 10.79             | 6.38               | 8.00                      |
| <b>Fixed Income (01/17)</b>                     | <b>51,469</b>                           | <b>52,429</b>                           | <b>21.09</b>                | <b>0.76</b>       | <b>1.93</b>        | <b>-0.12</b> | <b>3.96</b>  | <b>6.21</b>       | <b>--</b>         | <b>--</b>          | <b>4.73</b>               |
| <b>Core Bonds</b>                               |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>JP Morgan Fixed Income (01/09)</b>           | <b>30,320</b>                           | <b>30,888</b>                           | <b>12.43</b>                | <b>0.78</b>       | <b>1.91</b>        | <b>-0.83</b> | <b>1.50</b>  | <b>5.79</b>       | <b>3.37</b>       | <b>3.81</b>        | <b>4.42</b>               |
| <i>BloomBar US Aggregate</i>                    |   |   |                             | 0.70              | 1.83               | -1.60        | -0.33        | 5.34              | 3.03              | 3.39               | 3.93                      |
| <b>Multi-Sector Fixed Income</b>                |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>Fidelity Tactical Bond (09/18) *</b>         | <b>10,879</b>                           | <b>11,160</b>                           | <b>4.49</b>                 | <b>1.13</b>       | <b>2.49</b>        | <b>0.03</b>  | <b>5.94</b>  | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>7.12</b>               |
| <i>BloomBar US Aggregate</i>                    |   |   |                             | 0.70              | 1.83               | -1.60        | -0.33        | 5.34              | 3.03              | 3.39               | 5.42                      |
| <b>Absolute Return</b>                          |   |   |                             |                   |                    |              |              |                   |                   |                    |                           |
| <b>BlackRock Strategic Income Opp (09/17) *</b> | <b>10,270</b>                           | <b>10,380</b>                           | <b>4.18</b>                 | <b>0.21</b>       | <b>1.08</b>        | <b>1.30</b>  | <b>8.45</b>  | <b>5.42</b>       | <b>--</b>         | <b>--</b>          | <b>4.49</b>               |
| <i>US T-Bills 90 Day + 3.0%</i>                 |   |   |                             | 0.24              | 0.74               | 1.51         | 3.10         | 4.38              | 4.21              | 3.65               | 4.40                      |
| <i>BloomBar US Aggregate</i>                    |   |   |                             | 0.70              | 1.83               | -1.60        | -0.33        | 5.34              | 3.03              | 3.39               | 3.69                      |

## Post-Retirement Benefit Plan and Trust for Eligible Employees of LBWL

For the Periods Ending June 30, 2021

|   | Mar 2021<br>Market<br>Value<br>(\$000s) | Jun 2021<br>Market<br>Value<br>(\$000s) | Actual<br>Allocation<br>(%) | 1<br>Month<br>(%) | 3<br>Months<br>(%) | YTD<br>(%)  | FYTD<br>(%) | 3<br>Years<br>(%) | 5<br>Years<br>(%) | 10<br>Years<br>(%) | Since<br>Inception<br>(%) |
|---|---|---|-----------------------------|-------------------|--------------------|-------------|-------------|-------------------|-------------------|--------------------|---------------------------|
| <b>Real Assets (01/19) *</b>                              | <b>33,483</b>                           | <b>34,844</b>                           | <b>14.02</b>                | <b>4.07</b>       | <b>4.07</b>        | <b>5.86</b> | <b>8.25</b> | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>4.11</b>               |
| <b>Core Real Estate</b>                                   |   |   |                             |                   |                    |             |             |                   |                   |                    |                           |
| <b>AEW Core Property Trust (01/19) *<sup>3</sup></b>      | <b>16,123</b>                           | <b>16,777</b>                           | <b>6.75</b>                 | <b>4.06</b>       | <b>4.06</b>        | <b>6.01</b> | <b>7.81</b> | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>4.58</b>               |
| <i>NFI ODCE Net</i>                                       |   |   |                             | 3.72              | 3.72               | 5.68        | 7.13        | 4.61              | 5.63              | 8.60               | 4.15                      |
| <b>Value Add Real Estate</b>                              |   |   |                             |                   |                    |             |             |                   |                   |                    |                           |
| <b>Blackstone Property Partners (10/19) *<sup>3</sup></b> | <b>17,359</b>                           | <b>18,067</b>                           | <b>7.27</b>                 | <b>4.08</b>       | <b>4.08</b>        | <b>5.68</b> | <b>8.76</b> | <b>--</b>         | <b>--</b>         | <b>--</b>          | <b>3.56</b>               |
| <i>NFI ODCE Net</i>                                       |   |   |                             | 3.72              | 3.72               | 5.68        | 7.13        | 4.61              | 5.63              | 8.60               | 4.16                      |
| <b>Cash &amp; Equivalents (01/17)</b>                     | <b>293</b>                              | <b>193</b>                              | <b>0.08</b>                 | <b>0.00</b>       | <b>0.01</b>        | <b>0.03</b> | <b>0.04</b> | <b>1.16</b>       | <b>--</b>         | <b>--</b>          | <b>1.12</b>               |
| <b>Cash &amp; Equivalents (01/17)</b>                     | <b>293</b>                              | <b>193</b>                              | <b>0.08</b>                 | <b>0.00</b>       | <b>0.01</b>        | <b>0.03</b> | <b>0.04</b> | <b>1.16</b>       | <b>--</b>         | <b>--</b>          | <b>1.12</b>               |
| <i>US T-Bills 90 Day</i>                                  |   |   |                             | -0.00             | -0.00              | 0.03        | 0.09        | 1.34              | 1.17              | 0.63               | 1.26                      |

All returns prior to 12/31/2016 were calculated by the prior consultant.

\* Net of Fee return data.

<sup>1</sup> Policy Index: Effective October 2019, the index consists of 30.0% Russell 1000, 10.0% Russell 2500, 20.0% MSCI ACWI ex US, 25.0% BloomBar US Aggregate, 15.0% NFI ODCE Net.

<sup>2</sup> Blended Benchmark: Effective August 2018, the index consists of 100% Russell 2500.

The Fiscal Year End is June.

<sup>3</sup> Valuation and performance are assessed quarterly.

<sup>4</sup> Investment policy statement specifies a desired range for real estate at the asset-class level only. It does not impose any underlying allocation requirements within the asset class.

**Total Portfolio**

**Dollar Reconciliation (\$000s)**

*For the Periods Ending June 30, 2021*

|                               | <b>3 Months</b> | <b>FYTD</b>    |
|-------------------------------|-----------------|----------------|
| <b>Beginning Market Value</b> | <b>236,281</b>  | <b>198,703</b> |
| Net Additions                 | -386            | -1,311         |
| Return on Investment          | 12,682          | 51,185         |
| <b>Ending Market Value</b>    | <b>248,577</b>  | <b>248,577</b> |



## Market Overview

For the Periods Ending June 30, 2021

|                                  | 1<br>Month<br>(%) | 3<br>Months<br>(%) | YTD<br>(%) | FYTD<br>(%) | 3<br>Years<br>(%) | 5<br>Years<br>(%) | 10<br>Years<br>(%) |
|----------------------------------|-------------------|--------------------|------------|-------------|-------------------|-------------------|--------------------|
| <b>Equity Markets - Core</b>     |                   |                    |            |             |                   |                   |                    |
| S&P 500                          | 2.33              | 8.55               | 15.25      | 40.79       | 18.67             | 17.65             | 14.84              |
| Russell 1000                     | 2.51              | 8.54               | 14.95      | 43.07       | 19.16             | 17.99             | 14.90              |
| Russell 2000                     | 1.94              | 4.29               | 17.54      | 62.03       | 13.52             | 16.47             | 12.34              |
| Russell 2500                     | 1.18              | 5.44               | 16.97      | 57.79       | 15.24             | 16.35             | 12.86              |
| <b>Equity Markets - Growth</b>   |                   |                    |            |             |                   |                   |                    |
| S&P 500 Growth                   | 5.68              | 11.93              | 14.31      | 41.36       | 23.08             | 21.83             | 17.29              |
| Russell 1000 Growth              | 6.27              | 11.93              | 12.99      | 42.50       | 25.14             | 23.66             | 17.87              |
| Russell 2000 Growth              | 4.69              | 3.92               | 8.98       | 51.36       | 15.94             | 18.76             | 13.52              |
| Russell 2500 Growth              | 5.37              | 6.04               | 8.67       | 49.63       | 20.15             | 20.68             | 14.83              |
| <b>Equity Markets - Value</b>    |                   |                    |            |             |                   |                   |                    |
| S&P 500 Value                    | -1.17             | 4.99               | 16.30      | 39.54       | 13.14             | 12.54             | 11.85              |
| Russell 1000 Value               | -1.15             | 5.21               | 17.05      | 43.68       | 12.42             | 11.87             | 11.61              |
| Russell 2000 Value               | -0.61             | 4.56               | 26.69      | 73.28       | 10.27             | 13.62             | 10.85              |
| Russell 2500 Value               | -1.32             | 5.00               | 22.68      | 63.23       | 10.60             | 12.29             | 10.93              |
| <b>International Markets</b>     |                   |                    |            |             |                   |                   |                    |
| MSCI ACWI                        | 1.35              | 7.53               | 12.56      | 39.87       | 15.14             | 15.20             | 10.48              |
| MSCI ACWI ex US                  | -0.62             | 5.64               | 9.45       | 36.29       | 9.88              | 11.59             | 5.93               |
| MSCI EAFE                        | -1.10             | 5.38               | 9.17       | 32.92       | 8.77              | 10.79             | 6.38               |
| MSCI EAFE Growth                 | 0.06              | 7.59               | 7.07       | 31.39       | 12.85             | 12.89             | 8.15               |
| MSCI EAFE Value                  | -2.27             | 3.25               | 11.10      | 34.22       | 4.37              | 8.43              | 4.45               |
| MSCI Emerging Markets            | 0.21              | 5.12               | 7.58       | 41.36       | 11.67             | 13.43             | 4.65               |
| MSCI World                       | 1.52              | 7.89               | 13.33      | 39.67       | 15.59             | 15.44             | 11.26              |
| MSCI World ex US                 | -0.98             | 5.86               | 10.27      | 34.22       | 9.10              | 10.91             | 6.22               |
| <b>Fixed Income</b>              |                   |                    |            |             |                   |                   |                    |
| ICE BofA ML 1 Yr Treasury Note   | -0.01             | 0.02               | 0.09       | 0.22        | 2.01              | 1.47              | 0.90               |
| ICE BofA ML High Yield Master II | 1.37              | 2.77               | 3.70       | 15.62       | 7.16              | 7.30              | 6.50               |
| BloomBar US Aggregate            | 0.70              | 1.83               | -1.60      | -0.33       | 5.34              | 3.03              | 3.39               |
| BloomBar Intermediate G/C        | 0.08              | 0.98               | -0.90      | 0.19        | 4.70              | 2.63              | 2.76               |
| BloomBar 10 Yr Municipal         | 0.19              | 1.14               | 0.57       | 3.66        | 5.33              | 3.26              | 4.39               |
| BloomBar US Credit               | 1.50              | 3.32               | -1.28      | 2.99        | 7.42              | 4.63              | 4.92               |
| <b>Real Assets</b>               |                   |                    |            |             |                   |                   |                    |
| NFI ODCE Net                     | 3.72              | 3.72               | 5.68       | 7.13        | 4.61              | 5.63              | 8.60               |

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The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) Health Care (OPEB) Report

|   |                                     |  |
|---|-------------------------------------|--|
| Enter Local Government Name                   | LANSING CITY BOARD OF WATER & LIGHT | Instructions: For a list of detailed instructions on how to complete and submit this form, visit <a href="http://michigan.gov/LocalRetirementReporting">michigan.gov/LocalRetirementReporting</a> .              |
| Enter Six-Digit Municode                      | 337537                              |  |
| Unit Type                                     | Authority                           |  |
| Fiscal Year End Month                         | June                                |  |
| Fiscal Year (four-digit year only, e.g. 2019) | 2021                                | Questions: For questions, please email <a href="mailto:LocalRetirementReporting@michigan.gov">LocalRetirementReporting@michigan.gov</a> . Return this original Excel file. Do not submit a scanned image or PDF. |
| Contact Name (Chief Administrative Officer)   | Scott Taylor                        |  |
| Title if not CAO                              | Manger, Accounting & Finance        |  |
| CAO (or designee) Email Address               | SCOTT.TAYLOR@LBWL.COM               |  |
| Contact Telephone Number                      | 517-702-6104                        |  |

|                                   |   |  |
|-----------------------------------|---|--|
| OPEB System Name (not division) 1 | Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light | If your OPEB system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form. |
| OPEB System Name (not division) 2 |   |  |
| OPEB System Name (not division) 3 |   |  |
| OPEB System Name (not division) 4 |   |  |
| OPEB System Name (not division) 5 |   |  |

| Line                             | Descriptive Information  | Source of Data   | System 1                               | System 2 | System 3 | System 4 | System 5 |
|----------------------------------|--|--|--|----------|----------|----------|----------|
| 1                                | Is this unit a primary government (County, Township, City, Village)?   | Calculated   | NO                                     | NO       | NO       | NO       | NO       |
| 2                                | Provide the name of your retirement health care system   | Calculated from above  | Post-Retirement Benefit Plan and Trust |          |          |          |          |
| <b>3 Financial Information</b>   |  |  |  |          |          |          |          |
| 4                                | Enter retirement health care system's assets (system fiduciary net position ending)                              | Most Recent Audit Report   | 247,741,205                            |          |          |          |          |
| 5                                | Enter retirement health care system's liabilities (total OPEB liability)   | Most Recent Audit Report   | 147,642,469                            |          |          |          |          |
| 6                                | Funded ratio   | Calculated   | 167.8%                                 |          |          |          |          |
| 7                                | Actuarially determined contribution (ADC)  | Most Recent Audit Report   | 220,026                                |          |          |          |          |
| 7a                               | Do the financial statements include an ADC calculated in compliance with <a href="#">Numbered Letter 2018-3?</a> | Most Recent Audit Report   | YES                                    |          |          |          |          |
| 8                                | Governmental Fund Revenues   | Most Recent Audit Report   | 380,578,649                            |          |          |          |          |
| 9                                | All systems combined ADC/Governmental fund revenues  | Calculated   | 0.1%                                   |          |          |          |          |
| <b>10 Membership</b>             |  |  |  |          |          |          |          |
| 11                               | Indicate number of active members  | Actuarial Funding Valuation used in Most Recent Audit Report   | 698                                    |          |          |          |          |
| 12                               | Indicate number of inactive members  | Actuarial Funding Valuation used in Most Recent Audit Report   | -                                      |          |          |          |          |
| 13                               | Indicate number of retirees and beneficiaries  | Actuarial Funding Valuation used in Most Recent Audit Report   | 747                                    |          |          |          |          |
| 14                               | Provide the amount of premiums paid on behalf of the retirants   | Most Recent Audit Report or Accounting Records   | 8,343,977                              |          |          |          |          |
| <b>15 Investment Performance</b> |  |  |  |          |          |          |          |
| 16                               | Enter actual rate of return - prior 1-year period  | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider   | 25.15%                                 |          |          |          |          |
| 17                               | Enter actual rate of return - prior 5-year period  | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider   | 10.33%                                 |          |          |          |          |
| 18                               | Enter actual rate of return - prior 10-year period   | Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider   | 8.58%                                  |          |          |          |          |
| <b>19 Actuarial Assumptions</b>  |  |  |  |          |          |          |          |
| 20                               | Assumed Rate of Investment Return  | Actuarial Funding Valuation used in Most Recent Audit Report   | 7.00%                                  |          |          |          |          |
| 21                               | Enter discount rate  | Actuarial Funding Valuation used in Most Recent Audit Report   | 7.00%                                  |          |          |          |          |
| 22                               | Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any               | Actuarial Funding Valuation used in Most Recent Audit Report   |  |          |          |          |          |
| 23                               | Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any               | Actuarial Funding Valuation used in Most Recent Audit Report   |  |          |          |          |          |
| 24                               | Is each division within the system closed to new employees?  | Actuarial Funding Valuation used in Most Recent Audit Report   | No                                     |          |          |          |          |
| 25                               | Health care inflation assumption for the next year   | Actuarial Funding Valuation used in Most Recent Audit Report   | 7.25%                                  |          |          |          |          |
| 26                               | Health care inflation assumption - Long-Term Trend Rate  | Actuarial Funding Valuation used in Most Recent Audit Report   | 4.50%                                  |          |          |          |          |
| <b>27 Uniform Assumptions</b>    |  |  |  |          |          |          |          |
| 28                               | Enter retirement health care system's actuarial value of assets using uniform assumptions                        | Actuarial Funding Valuation used in Most Recent Audit Report   | 247,741,205                            |          |          |          |          |
| 29                               | Enter retirement health care system's actuarial accrued liabilities using uniform assumptions                    | Actuarial Funding Valuation used in Most Recent Audit Report   | 148,803,313                            |          |          |          |          |
| 30                               | Funded ratio using uniform assumptions   | Calculated   | 166.5%                                 |          |          |          |          |
| 31                               | Actuarially Determined Contribution (ADC) using uniform assumptions  | Actuarial Funding Valuation used in Most Recent Audit Report   | 228,434                                |          |          |          |          |
| 32                               | All systems combined ADC/Governmental fund revenues  | Calculated   | 0.1%                                   |          |          |          |          |
| <b>33 Summary Report</b>         |  |  |  |          |          |          |          |
| 34                               | Did the local government pay the retiree insurance premiums for the year?  | Accounting Records   | YES                                    |          |          |          |          |
| 35                               | Did the local government pay the normal cost for employees hired after June 30, 2018?                            | Accounting Records   | YES                                    |          |          |          |          |
| 36                               | Does this system trigger "underfunded status" as defined by PA 202 of 2017?                                      | <b>Primary government triggers:</b> Less than 40% funded AND greater than 12% ARC/Governmental fund revenues. <b>Non-Primary government triggers:</b> Less than 40% funded | NO                                     | NO       | NO       | NO       | NO       |

|   |
|---|
| <b>Requirements (For your information, the following are requirements of P.A. 202 of 2017)</b>  |
| Local governments must post the current year report on their website or in a public place   |
| The local government must electronically submit the form to its governing body.   |
| Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years                   |
| Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years. |

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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Financial Report

With Required Supplementary Information

As of and for the Years Ended June 30, 2021 and 2020

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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## **Independent Auditors' Report**

To the Honorable Mayor, Members of the City Council,  
and Commissioners of the Board of Water and Light  
Lansing Board of Water and Light Defined  
Contribution Plan and Trust 1

We have audited the accompanying financial statements of the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 ("Plan"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2021 and 2020, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
September 10, 2021

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

## Management's Discussion and Analysis As of and for the Years Ended June 30, 2021 and 2020

### Using this Annual Report

The annual report consists of two parts: (1) Management's Discussion and Analysis (this section) and (2) the financial statements. The financial statements include notes that explain information in the statements and provide more detail.

### Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior two fiscal years:

|  | 2021                         | 2020                         | 2019                         |
|--|------------------------------|------------------------------|------------------------------|
| <b>Assets held in trust:</b>           |                              |                              |                              |
| Mutual funds                           | \$ 159,281,467               | \$ 148,613,938               | \$ 147,768,040               |
| Stable value                           | 35,542,619                   | 36,833,694                   | 36,352,914                   |
| Guaranteed income fund                 | -                            | 8,975,990                    | 8,940,026                    |
| Self-directed brokerage account        | 12,317,950                   | 6,330,405                    | 3,787,956                    |
| Participant notes receivable and other | 3,424,144                    | 3,251,182                    | 3,422,076                    |
| Net position                           | <b><u>\$ 210,566,180</u></b> | <b><u>\$ 204,005,209</u></b> | <b><u>\$ 200,271,012</u></b> |
| <b>Changes in plan assets:</b>         |                              |                              |                              |
| Net investment income/(loss)           | \$ 39,694,089                | \$ 8,692,176                 | \$ 11,044,252                |
| Employer and participant contributions | 8,679,314                    | 7,199,159                    | 8,405,369                    |
| Benefits paid to participants          | (41,414,977)                 | (11,912,104)                 | (13,639,444)                 |
| Loan defaults and other changes        | (397,455)                    | (245,034)                    | (206,729)                    |
| Changes in net position                | <b><u>\$ 6,560,971</u></b>   | <b><u>\$ 3,734,197</u></b>   | <b><u>\$ 5,603,448</u></b>   |



# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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## Management's Discussion and Analysis (Continued) As of and for the Years Ended June 30, 2021 and 2020

### Investment Objectives

The principal purpose of the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 ("Plan") is to provide benefits at a normal retirement age. The Plan's funds are selected to optimize return on a risk-adjusted basis within each asset class, to provide an opportunity to create a well-diversified portfolio, to control administrative and management cost, and to comply with applicable Michigan and federal law.

The Plan allows each participant to direct the investment of the funds in their Plan accounts. The Lansing Board of Water and Light ("BWL") offers various investment options (consistent with the investment policy statement) from which participants may choose to invest their respective interests in the Plan. The BWL periodically reviews the performance of investment options available to participants to ensure that each option is meeting its investment objectives.

### Investment Results

The fiscal year ended June 30, 2021 saw a net investment gain of \$39.7 million. Total assets held in trust at the end of the fiscal year were \$211 million.

### Future Events

The BWL has no plan to materially revise the terms of its Plan.

### Contacting the Plan's Management

The financial report is intended to provide a general overview of the Plan's finances and to demonstrate accountability for the funds it administers. Questions about this report should be submitted to Lansing Board of Water and Light, Chief Financial Officer, P.O. Box 13007, Lansing, Michigan 48901-3007.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

## Statements of Fiduciary Net Position

|   | As of June 30         |                       |
|---|-----------------------|-----------------------|
|   | 2021                  | 2020                  |
| <b>Assets</b>                               |                       |                       |
| Participant-directed investments (Note 1):  |                       |                       |
| Mutual funds                                | \$ 159,281,467        | \$ 148,613,938        |
| Stable value                                | 35,542,619            | 36,833,694            |
| Guaranteed income fund                      | -                     | 8,975,990             |
| Self-directed brokerage account             | 12,317,950            | 6,330,405             |
| Total participant-directed investments      | 207,142,036           | 200,754,027           |
| Participant notes receivable                | 3,424,144             | 3,251,182             |
| <b>Net Position Restricted for Pensions</b> | <b>\$ 210,566,180</b> | <b>\$ 204,005,209</b> |

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

## Statements of Changes in Fiduciary Net Position

|  | For the Year Ended June 30 |                       |
|--|----------------------------|-----------------------|
|  | 2021                       | 2020                  |
| <b>Additions</b>                                 |                            |                       |
| Investment income:                               |                            |                       |
| Net appreciation in fair<br>value of investments | \$ 33,701,209              | \$ 3,326,676          |
| Dividend income                                  | 5,992,880                  | 5,365,500             |
| Total investment income                          | 39,694,089                 | 8,692,176             |
| Employer contributions (Note 1)                  | 7,863,510                  | 6,733,020             |
| Participant rollover contributions               | 467,189                    | 466,139               |
| Interest from participant notes receivable       | 227,245                    | 172,695               |
| Other  | 121,370                    | -                     |
| Total additions                                  | 48,373,403                 | 16,064,030            |
| <b>Deductions</b>                                |                            |                       |
| Benefits paid to participants                    | 41,414,977                 | 11,912,104            |
| Loan defaults                                    | 231,871                    | 232,785               |
| Participants' note and administrative fees       | 165,584                    | 184,944               |
| Total deductions                                 | 41,812,432                 | 12,329,833            |
| <b>Net Increase in Net Position</b>              | 6,560,971                  | 3,734,197             |
| <b>Net Position Restricted for Pensions</b>      |                            |                       |
| Beginning of year                                | 204,005,209                | 200,271,012           |
| End of year                                      | <b>\$ 210,566,180</b>      | <b>\$ 204,005,209</b> |

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 1 - Description of the Plan

The following description of Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (“Plan”) provides only general information. Participants should refer to the Plan and Trust Document, in conjunction with the Plan Adoption Agreement, for a more complete description of the Plan’s provisions.

**General** – The Plan was established by the Lansing Board of Water and Light (“BWL”) in 1997 under Section 5-203 of the City Charter. Prior to its establishment, the BWL sponsored a defined benefit plan (Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions) in which substantially all employees of the BWL were participants. Effective December 1, 1997, all active participants of the defined benefit plan were required to make an irrevocable choice to either remain in the defined benefit plan or move to the newly established Plan. Those participants who elected to move to the Plan received lump-sum distributions from the defined benefit plan, which were rolled into their accounts in the Plan. Of the 760 active participants who were required to make this election, 602 elected to convert their retirement benefits to the Plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred \$75,116,470 to the Plan, reflecting the plan participants’ accumulated benefits as of said date.

For FY 2020 and a portion of FY 2021, ICMA-RC served as Plan recordkeeper and was responsible for Plan administration and processing of participant investments. During FY 2021, this role was transitioned to Nationwide.

**Contributions** – For eligible employees hired before January 1, 1997, the BWL is required to contribute 15 percent of the employees’ eligible compensation. For employees hired on or after January 1, 1997, the BWL is required to contribute 9.5 percent of the employees’ compensation. In addition, the BWL is required to contribute an additional 3.0 percent of the employees’ compensation for all employees who are not eligible to receive overtime pay and 0.5 percent of the employees’ compensation for all non-bargaining employees. As part of the transition to Nationwide the Lansing Board of Water and Light adopted new Nationwide plan documents. The new plan documents contain no substantive changes from the ICMA plan documents.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 1 - Description of the Plan (Continued)

**Participant Accounts** – Each participant’s account is credited with the participant’s rollover contributions and withdrawals, as applicable, and allocations of the BWL’s contributions and Plan earnings. Allocations are based on participants’ earnings or account balances, as defined in the Plan document. Forfeited balances of terminated participants’ non-vested accounts are used to reduce future BWL contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s account.

As of June 30, 2021, there were 948 participants in the Plan, of which 656 were active employees. As of June 30, 2020, there were 936 participants in the Plan, of which 665 were active employees.

**Vesting** – The portion of employer contribution which is subject to vesting is vested on the following schedule: 25% vested after three years and an additional 25% after each subsequent completed year of service.

**Investment Options** – Participants may direct contributions to any of the following investment options, some of which are administered by subsidiaries (or related parties) of ICMA-RC. Since ICMA-RC is a service provider to the Plan, transactions in Vantagepoint and Vantage Trust funds qualify as party-in-interest transactions.

*Stable Value* – Seeks safety of principal, adequate liquidity, and returns superior to shorter maturity alternatives by actively managing a diversified portfolio of assets issued by highly rated financial institutions and corporations as well as obligations of the U.S. government or its agencies.

*Balanced* - Seeks both current income and capital appreciation by investing in a combination of stocks, bonds, and money market instruments.

*Growth* – Seeks long-term capital appreciation by investing primarily in equity securities of companies with above-average growth prospects. Current income is a secondary concern.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 1 - Description of the Plan (Continued)

*International* - Seeks long-term capital appreciation by investing primarily in equity securities of issuers located outside of the U.S.

*Stock Funds* - Seeks long-term growth through capital gains, although historically dividends have been an important source of total return. These funds primarily invest in the common stocks of companies based in the United States. There are many options for diversification within this category.

*Bond and Equity Funds* - Seeks to maximize current income with capital appreciation as a secondary consideration by investing primarily in debt securities issued by the U.S. government or its agencies and domestic and foreign corporations. They are not fixed-income investments. Even when a mutual fund's portfolio is composed entirely of bonds, the fund itself has neither a fixed yield nor a contractual obligation to give investors back their principal at some later maturity date – the two key fixed characteristics of individual bonds.

*VT Retirement IncomeAdvantage Fund*: The VT Retirement IncomeAdvantage Fund seeks both moderate capital growth and current income. It invests in a separate account under a group variable annuity. The separate account, in turn, invests in a mix of registered funds and a collective trust fund with an allocation of approximately 60% domestic and foreign equities and 40% fixed income.

*Self-directed Brokerage Account*: Participants meeting minimum balance and transaction requirements may transfer funds to a self-directed brokerage account providing access to additional investment options including a large selection of mutual funds.

**Participant Notes Receivable** – Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50 percent of their account balances. Notes receivable are treated as transfers between the investment fund and the notes receivable fund. Note terms range from one to five years or up to 20 years for the purchase of a primary residence. The notes receivable are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates as determined periodically by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 1 - Description of the Plan (Continued)

**Payment of Benefits** – Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or choose from a variety of periodic payment options. Upon reaching normal retirement age, a participant may elect to receive in service distributions.

### Note 2 - Summary of Significant Accounting Policies

**Basis of Accounting** – Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Plan participant contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

**Valuation of Investments and Income Recognition** – The investments are stated at fair value based on closing sales prices reported on recognized securities exchanges on the last business day of the year, or for listed securities having no sales reported, and for unlisted securities, upon the last reported bid prices on that date. The mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year-end.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 2 - Summary of Significant Accounting Policies (Continued)

**Participant Notes Receivable** – Participant notes receivable are recorded at their unpaid principal balances plus any accrued interest. Participant notes receivable are written off when deemed uncollectible.

**Expenses** – Substantially all Plan expenses are paid by Plan participants.

**Regulatory Status** – The Plan is not subject to the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as it has been established for the benefit of a governmental unit.

### Note 3 - Investments

The pension trust fund is authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Plan's deposits and investment policies are in accordance with PA 196 of 1997 and have authorized the investments according to Michigan PA 314 of 1965, as amended.

**Custodial Credit Risk of Bank Deposits** – As of June 30, 2021 and 2020, the Plan has no bank deposits.

**Custodial Credit Risk of Investments** – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan does not have a policy for custodial credit risk. At year end, all investments of the Plan were held in the name of the Plan and are therefore not subject to custodial credit risk.

**Credit Risk** – Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2021, the credit quality ratings of debt securities are as follows:

| <u>Investment</u> | <u>Fair Value</u> | <u>Rating</u> | <u>Rating Organization</u> |
|-------------------|-------------------|---------------|----------------------------|
| Mutual funds      | \$ 159,281,467    | Not rated     | Not rated                  |
| Stable value      | 35,542,619        | AA-           | S&P                        |



# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 3 – Investments (Continued)

As of June 30, 2020, the credit quality ratings of debt securities are as follows:

| <u>Investment</u> | <u>Fair Value</u> | <u>Rating</u> | <u>Rating<br/>Organization</u> |
|-------------------|-------------------|---------------|--------------------------------|
| Mutual funds      | \$ 148,613,938    | Not rated     | Not rated                      |
| Stable value      | 36,833,694        | AA-           | S&P                            |

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Plan’s investment policy does not address this risk. At June 30, 2021, the average maturities of investments are as follows:

| <u>Investment</u>         | <u>Fair Value</u> | <u>Weighted<br/>Average Maturity</u> |
|---------------------------|-------------------|--------------------------------------|
| Mutual funds – Bond funds | \$ 16,365,491     | 5.6 years                            |

At June 30, 2020, the average maturities of investments are as follows:

| <u>Investment</u>         | <u>Fair Value</u> | <u>Weighted<br/>Average Maturity</u> |
|---------------------------|-------------------|--------------------------------------|
| Mutual funds – Bond funds | \$18,651,741      | 5.9 years                            |

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 4 - Plan Termination

Although it has not expressed any intention to do so, the BWL has the right under the provisions set forth in Article 14 of the Plan to terminate the Plan. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, the accounts of each affected participant shall become fully vested.

### Note 5 - Tax Status

The Plan is a prototype plan. The prototype plan has received a favorable opinion letter from the Internal Revenue Service (IRS) that the prototype plan, as designed, is qualified for federal income tax-exempt status. The Plan has not individually sought its own determination letter.

### Note 6 – Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Plan has the ability to access.
- Level 2 – Inputs to the valuation methodology include:
  - > quoted prices for similar assets or liabilities in active markets;
  - > quoted prices for identical or similar assets or liabilities in inactive markets;
  - > inputs other than quoted prices that are observable for the asset or liability;
  - > inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
  - > if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 – Fair Value Measurements (Continued)

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020:

*Money market fund, growth funds, and international funds:* Valued at the quoted net asset value ("NAV") of shares held by the Plan at year-end.

*Common stock and bond and equity funds:* Valued at the most recent closing price reported on the market on which individual securities are traded.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Stable value fund:* The Vantagepoint PLUS Fund is a collective fund that seeks to maintain a stable net asset value. It invests primarily in a diversified portfolio of stable-value investments, including traditional guaranteed investment contracts (traditional GICs), separate account GICs, synthetic GICs backed by fixed income securities or investments, and short-term investment funds, including money market mutual funds. The Nationwide Stable Value Account is a Separate Account Product that seeks to provide a low-risk, stable investment option offering consistently competitive returns for retirement plan investors. The Account invests in a diversified portfolio of fixed income securities. Nationwide Life Insurance Company provides a crediting rate guarantee each quarter, which is backed by the assets in the Account and the claims paying ability of Nationwide Life Insurance Company. Assets in the Account are not part of the General Account of Nationwide Life Insurance Company. This investment portfolio is not a mutual fund.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 – Fair Value Measurements (Continued)

*Guaranteed Lifetime Income fund:* The Vantage Trust Retirement Income Advantage Fund seeks both moderate capital growth and current income. It invests in a separate account under a group variable annuity. The separate account, in turn, invests in a mix of registered funds and a collective trust fund with an allocation of approximately 60% domestic and foreign equities and 40% fixed income.

*Self-directed brokerage account:* The self-directed brokerage account allows participants of the Plan the option of selecting a more personalized and broad range of investment choices. The investments within the account consist of corporate stocks, which are valued at the most recent closing price reported on the market on which individual securities are traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2021 and 2020:

| Investment Type                                   | June 30, 2021         |             |             | Total                 |
|---|-----------------------|-------------|-------------|-----------------------|
|   | Level 1               | Level 2     | Level 3     |                       |
| Mutual funds:                                     |                       |             |             |                       |
| Bond and equity funds                             | \$ 16,365,491         | \$ -        | \$ -        | \$ 16,365,491         |
| Stock funds                                       | 69,556,974            | -           | -           | 69,556,974            |
| Balanced funds                                    | 55,153,523            | -           | -           | 55,153,523            |
| International funds                               | 18,205,479            | -           | -           | 18,205,479            |
| Self-directed brokerage account                   | <u>12,317,950</u>     | <u>-</u>    | <u>-</u>    | <u>12,317,950</u>     |
| Total Investments by Fair Value Level             | <u>\$ 171,599,417</u> | <u>\$ -</u> | <u>\$ -</u> | <u>171,599,417</u>    |
| Investments measured at the net asset value (NAV) |                       |             |             |                       |
| Stable value                                      |                       |             |             | <u>35,542,619</u>     |
| Total Investments                                 |                       |             |             | <u>\$ 207,142,036</u> |

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

## Notes to Financial Statements As of and for the Years Ended June 30, 2021 and 2020

### Note 6 – Fair Value Measurements (Continued)

| Investment Type                                   | June 30, 2020         |             |             | Total                 |
|---|-----------------------|-------------|-------------|-----------------------|
|   | Level 1               | Level 2     | Level 3     |                       |
| Mutual funds:                                     |                       |             |             |                       |
| Money market                                      | \$ 340,907            | \$ -        | \$ -        | \$ 340,907            |
| Bond and equity funds                             | 18,651,741            | -           | -           | 18,651,741            |
| Stock funds                                       | 58,499,545            | -           | -           | 58,499,545            |
| Balanced funds                                    | 54,465,725            | -           | -           | 54,465,725            |
| International funds                               | 16,656,020            | -           | -           | 16,656,020            |
| Self-directed brokerage account                   | 6,330,405             | -           | -           | 6,330,405             |
| Total Investments by Fair Value Level             | <u>\$ 154,944,343</u> | <u>\$ -</u> | <u>\$ -</u> | <u>154,944,343</u>    |
| Investments measured at the net asset value (NAV) |                       |             |             |                       |
| Stable value                                      |                       |             |             | 36,833,694            |
| Guaranteed Lifetime Income                        |                       |             |             | <u>8,975,990</u>      |
| Total Investments                                 |                       |             |             | <u>\$ 200,754,027</u> |

*Investments Measured Using NAV per Share Practical Expedient:* The stable value fund and guaranteed lifetime income fund use NAV per share as a practical expedient to measuring fair value. The stable value fund had a fair value of \$31,757,180 and \$36,833,694 as of June 30, 2021 and 2020, respectively and the guaranteed lifetime income fund had a fair value of \$1,795,292 and \$8,975,990, respectively. These funds have no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

### Note 7 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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Notes to Financial Statements  
As of and for the Years Ended June 30, 2021 and 2020

## Note 8 – Subsequent Events

The Plan has evaluated subsequent events occurring through September 10<sup>th</sup>, the date that the Plan's financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements. There are no subsequent events warranting disclosures.

LANSING BOARD OF WATER & LIGHT  
2ND QUARTER, 2021

**DEFINED CONTRIBUTION  
QUARTERLY REVIEW**

**CAPTRUST**

99 Monroe Avenue, N.W., Suite 901, Grand Rapids, MI 49503

Our mission is to enrich the lives of our clients, colleagues and communities through sound financial advice, integrity, and a commitment to service beyond expectation.

**Lansing Board of Water and Light**  
2nd Quarter, 2021 Quarterly Review

prepared by:

**Dori Drayton, CPA ,CFP®**  
Senior Vice President | Financial Advisor

Section 1  
**RETIREMENT INDUSTRY UPDATES**

Section 2  
**MARKET COMMENTARY AND REVIEW**

Section 3  
**PLAN INVESTMENT REVIEW**

Section 4  
**FUND FACT SHEETS**

Appendix



**SECTION 1: RETIREMENT INDUSTRY UPDATES**

Industry Updates.....



## FIDUCIARY FLASH TRAINING: ENSURING REASONABLE FEES

Fiduciary training provides a way to minimize risk through education and governance and serves as a critical component to managing a retirement plan. In fact, the Department of Labor often looks for evidence of formal training during plan investigations. A good fiduciary curriculum covers a range of topics—from an overview of ERISA to best practices for monitoring investments. In this installment, we cover the duty to ensure reasonable plan fees, one of the core fiduciary duties required by ERISA.

### ENSURING REASONABLE PLAN FEES

- A fiduciary is responsible for understanding and evaluating fees associated with the plan's investments and services.
- Having the least expensive plan is not required. However, fiduciaries are responsible for ensuring that the costs associated with the services provided are reasonable.

#### Investment Fees

- Investment fees should be reviewed on a regular basis. These comparisons should be made with peers in the same investment category.
- It is important to review and understand an investment option's various share classes, net investment cost, and the impact of the share class utilized. Know whether revenue sharing with certain share classes is used to offset plan costs or allocated back to participants.

#### Service Providers

- Administration and recordkeeping fees should be reviewed periodically to ensure that the costs are reasonable for the services provided.
- A common approach is to perform a fee benchmark against similar sized plans and comparable services in the market every one to three years and to conduct a more formal comparison, such as a request for proposal (RFP) or request for information (RFI), every five to ten years.
- Additional service providers, such as auditors, investment advisors, and consultants, should also be monitored and benchmarked on a periodic basis.
- Creating a consistent process to review and document all plan fees on an ongoing basis is an important step in fulfilling this fiduciary responsibility.

### FIDUCIARY DUTIES UNDER ERISA

- Duty of prudence
- Duty of loyalty
- Duty to diversify
- Duty to monitor and supervise
- **Duty to ensure reasonable fees**
- Duty to avoid prohibited transactions

### ENSURING REASONABLE FEES

- Analyze and document total plan costs
- Understand the use and impact of revenue sharing arrangements on plan costs
- Compare plan costs to the market periodically
- Retain copies of all contracts and service agreements

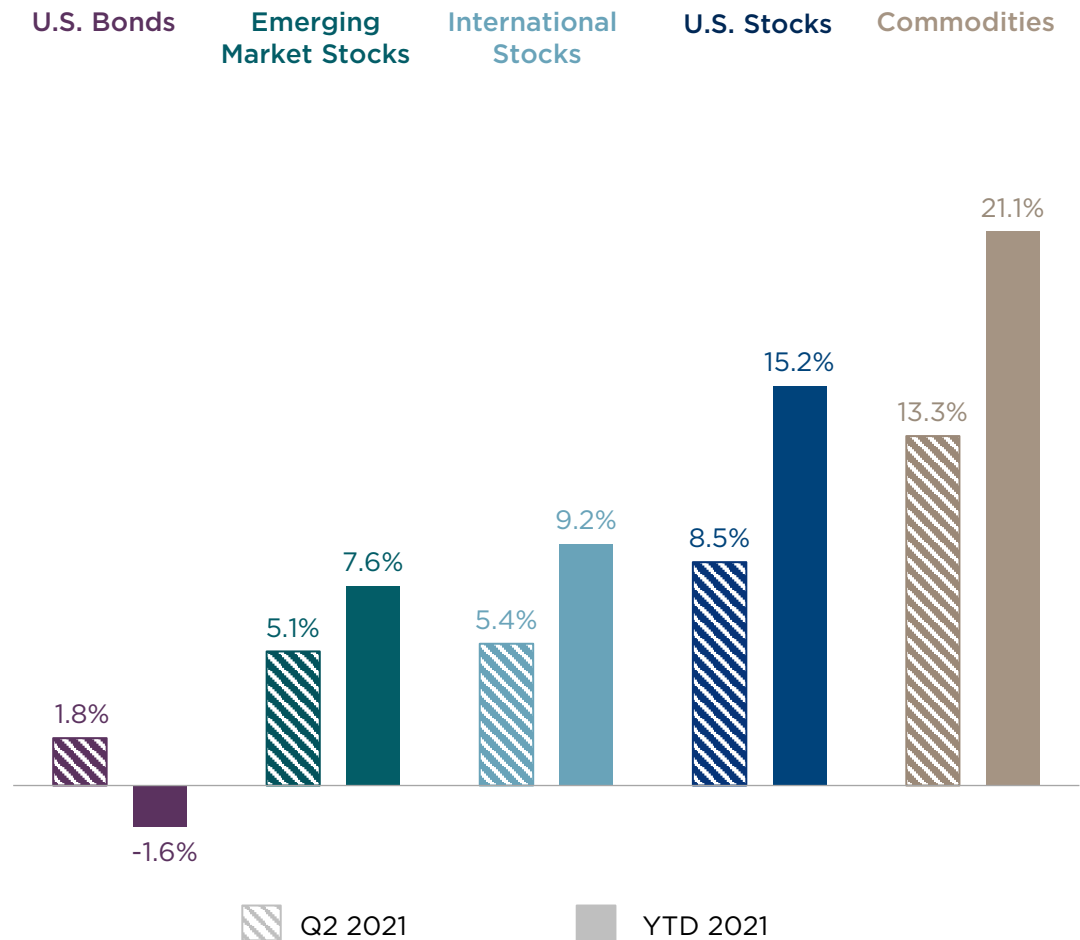
| SECTION 2: MARKET COMMENTARY AND REVIEW |  |
|---|--|
| Market Commentary.....                  |  |
| Market Review.....                      |  |
| Asset Class Returns.....                |  |
| Index Performance.....                  |  |



## STRONG QUARTER AND FIRST HALF

All major asset classes posted gains last quarter, buoyed by fiscal and monetary policy support and optimism about economic reopening. Stocks and commodities performed particularly well, while bonds regained some ground amid declining rates. Meanwhile, investors watch for signs that inflation pressures are either temporary or more persistent.

- U.S. stocks added to gains in the second quarter. Both large- and small-cap stocks have notched double-digit returns for the year so far, as consumer spending and corporate earnings remain strong.
- While they are lagging their U.S. counterparts, international developed and emerging market stocks are also in positive territory for the year, despite the headwind of slower growth in China.
- Bonds are in negative territory for the year but posted a small gain in the second quarter as interest rates eased a bit. The yield on the benchmark 10-year U.S. Treasury slipped from 1.74% to 1.45% this quarter.
- Commodities were the standout performer for the second quarter (and the year to date) as oil prices reached their highest level since 2018. Other commodities, including lumber and precious metals, also surged during the quarter.



Asset class returns are represented by the following indexes: S&P 500 Index (U.S. large-cap stocks), MSCI EAFE Index (international developed stocks), MSCI Emerging Markets Index (emerging market stocks), Bloomberg Barclays U.S. Aggregate Bond Index (U.S. bonds), and Bloomberg Commodity Index (commodities).



## DIGGING DEEPER: STOCKS AND BONDS

### Equities

|                               | Q2 2021 | YTD 2021 | Last 12 Months |
|-------------------------------|---------|----------|----------------|
| U.S. Stocks                   | 8.5%    | 15.2%    | 40.8%          |
| • Q2 Best Sector: Real Estate | 13.1%   | 23.3%    | 31.9%          |
| • Q2 Worst Sector: Utilities  | -0.4%   | 2.5%     | 15.9%          |
| International Stocks          | 5.4%    | 9.2%     | 32.9%          |
| Emerging Market Stocks        | 5.1%    | 7.6%     | 41.4%          |

### Fixed Income

|                                    | 06.30.21 | 03.31.21 | 06.30.20       |
|------------------------------------|----------|----------|----------------|
| 1-Year U.S. Treasury Yield         | 0.07%    | 0.07%    | 0.16%          |
| 10-Year U.S. Treasury Yield        | 1.45%    | 1.74%    | 0.66%          |
|                                    | QTD 2021 | YTD 2021 | Last 12 Months |
| 10-Year U.S. Treasury Total Return | 3.06%    | -4.17%   | -5.94%         |

### Equities - Relative Performance by Market Capitalization and Style

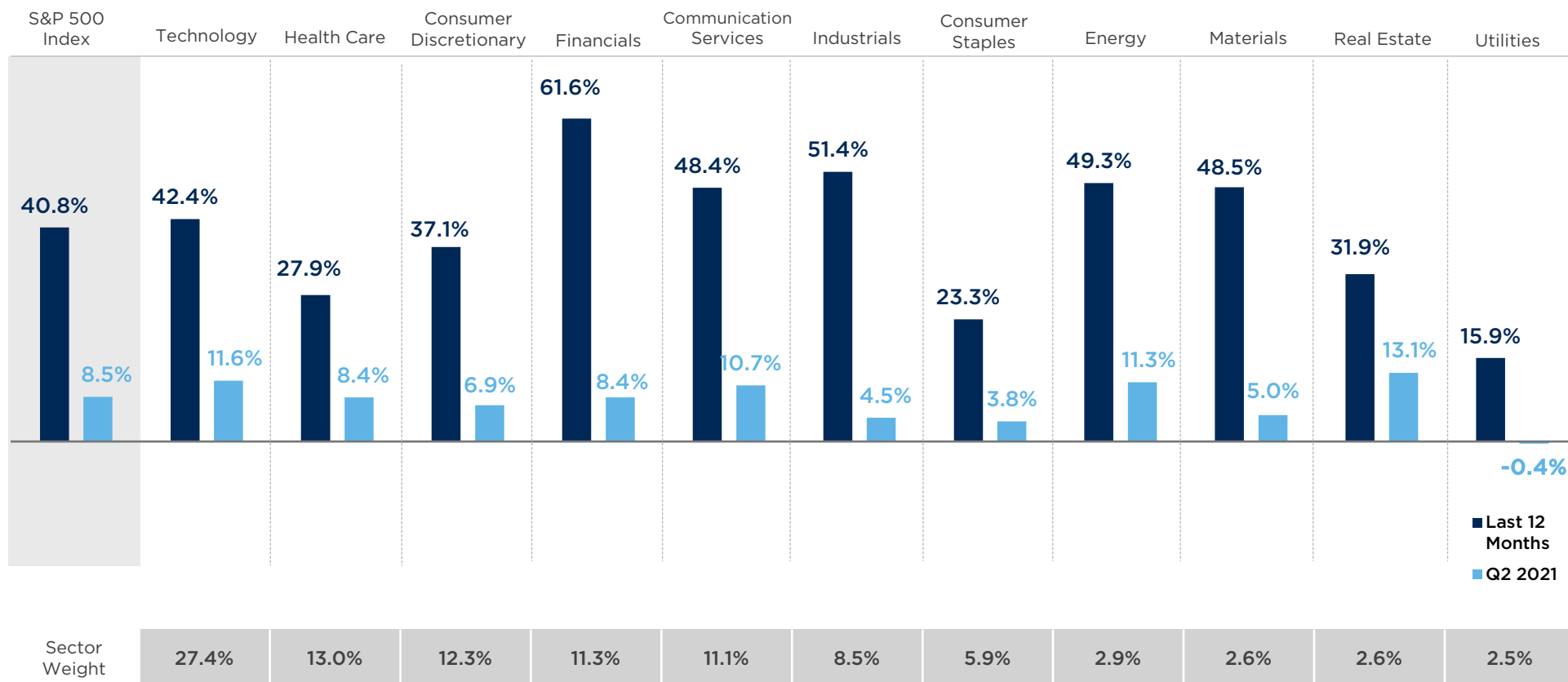
|       | Q2 2021 |       |        | YTD 2021 |       |        | Last 12 Months |       |        |       |       |
|-------|---------|-------|--------|----------|-------|--------|----------------|-------|--------|-------|-------|
|       | Value   | Blend | Growth | Value    | Blend | Growth | Value          | Blend | Growth |       |       |
| Large | 5.2%    | 8.5%  | 11.9%  | Large    | 17.0% | 15.2%  | 13.0%          | Large | 43.7%  | 40.8% | 42.5% |
| Mid   | 5.7%    | 7.5%  | 11.1%  | Mid      | 19.5% | 16.2%  | 10.4%          | Mid   | 53.1%  | 49.8% | 43.8% |
| Small | 4.6%    | 4.3%  | 3.9%   | Small    | 26.7% | 17.5%  | 9.0%           | Small | 73.3%  | 62.0% | 51.4% |

Sources: Bloomberg, U.S. Treasury. Asset class returns are represented by the following indexes: S&P 500 Index (U.S. stocks), MSCI EAFE Index (international stocks), and MSCI Emerging Markets Index (emerging market stocks). Relative performance by market capitalization and style is based upon the Russell US Style Indexes except for large-cap blend, which is based upon the S&P 500 Index.

## DIGGING DEEPER: U.S. EQUITY MARKETS

The S&P 500 Index is a market-capitalization-weighted index of U.S. large-cap stocks across a diverse set of industry sectors. The stocks represented in these 11 sectors generated a wide range of returns for the last 12 months and most recent quarter.

Returns by S&P 500 Sector



Source: Bloomberg. All calculations are cumulative total return, not annualized, including dividends for the stated period. Past performance is not indicative of future returns.



## DIGGING DEEPER: FIXED INCOME MARKET

| Interest Rates | 3 Months | 2 Years | 5 Years | 10 Years | 30 Years | Mortgage Rate |
|----------------|----------|---------|---------|----------|----------|---------------|
| March 2021     | 0.03%    | 0.16%   | 0.92%   | 1.74%    | 2.41%    | 3.27%         |
| June 2021      | 0.05%    | 0.25%   | 0.87%   | 1.45%    | 2.06%    | 3.13%         |
| Change         | 0.02%    | 0.09%   | -0.05%  | -0.29%   | -0.35%   | -0.14%        |

U.S. Treasury rates fell at the longer end of the yield curve. Mortgage rates remain at near record-low levels, serving as a tailwind for the U.S. housing market.

| Bloomberg Barclays U.S. Aggregate Bond Index | Yield to Worst | Duration | Total Return Q2 2021 | Spread | Treasury Rate | AA Spread | BBB Spread |
|--|----------------|----------|----------------------|--------|---------------|-----------|------------|
| March 2021                                   | 1.61%          | 6.4      | 1.83%                | 0.31%  | 1.30%         | 0.51%     | 1.14%      |
| June 2021                                    | 1.50%          | 6.58     |                      | 0.32%  | 1.18%         | 0.45%     | 1.03%      |
| Change                                       | -0.11%         | 0.18     |                      | 0.01%  | -0.12%        | -0.05%    | -0.11%     |

Declining long interest rates drove positive second quarter performance following a difficult start to the year. Credit had a negligible impact on performance this quarter as spreads remain nearly unchanged.

| Bloomberg Barclays U.S. Long Credit Index | Yield to Worst | Duration | Total Return Q2 2021 | Spread | Treasury Rate | AA Spread | BBB Spread |
|---|----------------|----------|----------------------|--------|---------------|-----------|------------|
| March 2021                                | 3.45%          | 14.90    | 6.45%                | 1.26%  | 2.20%         | 0.86%     | 1.53%      |
| June 2021                                 | 3.08%          | 15.18    |                      | 1.18%  | 1.90%         | 0.80%     | 1.45%      |
| Change                                    | -0.37%         | 0.28     |                      | -0.07% | -0.30%        | -0.06%    | -0.08%     |

A decline in longer-term Treasury rates drove performance for long bonds in the second quarter. A modest narrowing of credit spreads contributed positively to performance as well.

Sources: Bloomberg, U.S. Treasury, CAPTRUST Research

## ECONOMIC OUTLOOK

The economic recovery is full steam ahead, but growing concerns around inflation and labor market challenges are tempering the good news. Below are the headwinds and tailwinds we see as we enter the next phase of the post-pandemic recovery.

### HEADWINDS

#### Inflation Signals Flashing

- The much-anticipated inflation readings for May revealed a 5% year-over-year increase in price levels, the sharpest increase since 2008.
- This reignited concerns of the risks of economy-crippling 1970s-style inflation, while others view the numbers merely as evidence of economic healing.



#### Help Wanted

- In May, the number of job openings reached an all-time high of 9.3 million as the labor force participation rate shrank. The scarcity of qualified workers has affected all sectors, creating wage pressures as businesses compete to fill empty slots.

#### Uncertain Policy Outlook

- As support programs wind down, the baton will pass from the public to the private sector to sustain the recovery. A proposed infrastructure investment package could provide a further economic boost but also risks higher tax rates.
- In June, the Fed took its first steps toward a slightly less dovish stance through a willingness to begin talking about tapering its ultra-accommodative policies.

### TAILWINDS

#### The Reopening Surge

- The combination of broadening vaccine distribution, relaxed restrictions, consumers and businesses ready to spend and invest, and supportive policy has shifted the economic recovery into high gear.
- U.S. gross domestic product (GDP) increased at a whopping 6.4% annualized rate in the first quarter of 2021, and leading indicators point to an even stronger second quarter.



#### Consumer and Business Spending Power

- Soaring home and financial asset prices, lower borrowing costs, and government support have pushed household wealth to record highs.
- Businesses' capital expenditures could surge to their highest levels in nearly 20 years, a strong signal of business optimism that could also drive future productivity gains.

#### Fiscal and Monetary Support

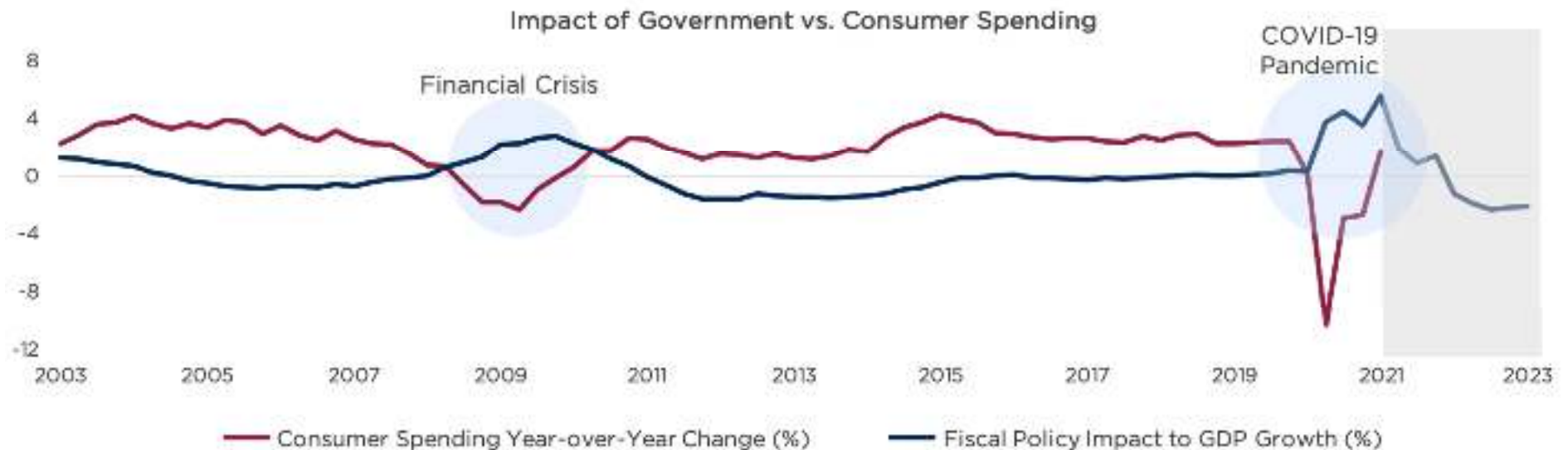
- The policy backdrop remains growth-oriented, with continued direct stimulus to families and unemployed workers. Extremely supportive monetary policy has also kept borrowing costs low, adding fuel to the economic engine.

A one-of-a-kind recession has created a strong, but atypical recovery. There will be bumps in the road, both for the economy and for markets, as the complex machinery of the global economy returns to full speed.



## PASSING THE BATON: PUBLIC TO PRIVATE SECTOR

An important function of fiscal policy is to provide countercyclical support to the economy by maintaining or increasing government spending during times of economic stress. Additional government spending and support programs can provide a short-term boost at a time when consumers and businesses are unable or unwilling to spend.



### OBSERVATIONS

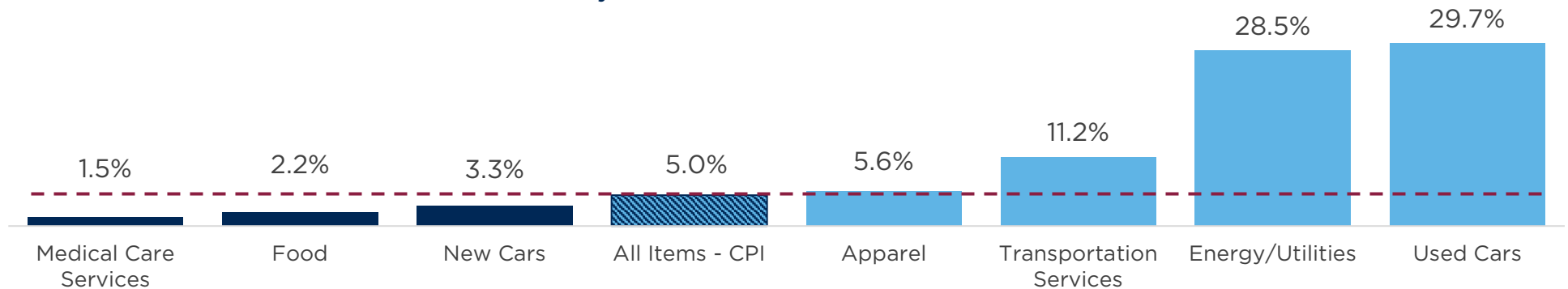
- While the U.S. fiscal policy response to the global financial crisis was massive, the response to the COVID-19 pandemic has been even larger, with more than \$6 trillion in stimulus and support for businesses and families so far.
- The chart above illustrates the countercyclical nature of government spending, with the fiscal policy contribution to growth (blue line) rising during periods of weak consumer spending activity (red line).
- With consumer spending approaching normal levels, the economy appears to be firing on all cylinders as fiscal support programs begin to wind down. However, this handoff from the public to the private sector must occur smoothly. The recovery could stall if support is removed too soon; conversely, excess stimulus could lead the economy to overheat.

Sources: *The New York Times*, Federal Reserve Bank of St. Louis, The Brookings Institution, Hutchins Center

## INFLATION: WHERE IT IS, WHERE IT ISN'T

Inflation is a normal and important precondition for economic growth, and the Federal Reserve’s mandate is to create conditions for positive (but low), predictable, and stable inflation. Although the challenge of the past decade has been too little inflation, the torrid growth conditions of the pandemic recovery, combined with supply chain disruptions, supply/demand imbalances, and labor market tightening, have caused inflation to spike to eye-popping levels within some (but not all) categories.

**U.S. Consumer Price Index**  
May 2021 - Year-over-Year Inflation



### OBSERVATIONS

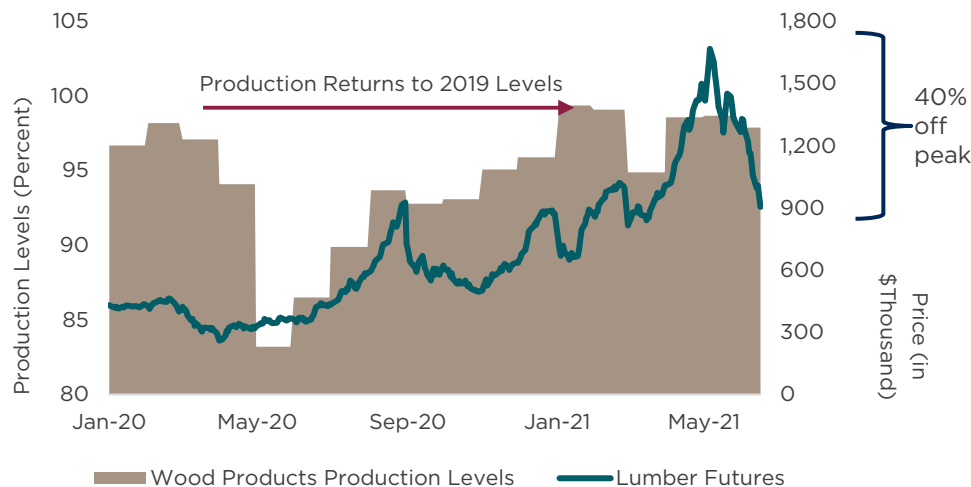
- As the U.S. economy staged a historically quick recovery in the first half of 2021, price levels rose in tandem.
- The most extreme increases were seen in pockets of the economy such as the transportation sector, with major spikes in energy and vehicle prices. Other important categories, such as food and medical care, showed more normal levels of inflation.
- Measures of price increases such as the Consumer Price Index can be distorted by artificially low levels from a year ago, leading some to interpret these spikes as short term (or transitory). However, if significant inflation persists, it could erode households’ purchasing power, raise borrowing costs, and reduce business profitability.

Percent change in annual CPI (chain-type) price index.  
Source: Federal Reserve Bank of St. Louis.

## INFLATION: HOW MUCH IS TRANSITORY?

Although inflation is on everyone’s mind, the degree of concern varies widely. Some view inflation as a short-term (or transitory) risk, while others consider it a long-term, secular threat. Below are arguments for each side of the debate. We do not view inflation as a binary outcome and expect to see some inflation of both types as the recovery continues.

| TRANSITORY INFLATION  | SECULAR INFLATION  |
|---|--|
| <ul style="list-style-type: none"> <li>• Pent-up demand will subside as the reopening continues.</li> <li>• Supply chain disruptions will moderate as production and distribution logistics normalize.</li> <li>• Commodity prices rose quickly as the economy reopened, but some, such as lumber, have begun to reverse course.</li> <li>• Productivity gains from the accelerated pace of technology adoption will serve as a disinflationary force.</li> </ul> | <ul style="list-style-type: none"> <li>• Powerful demographic forces, such as the shrinking of the U.S. working-age population, could drive wage inflation higher.</li> <li>• Record levels of deficit spending and experimental monetary policy could fuel persistent inflation.</li> <li>• A trend to reverse supply chain globalization could raise production costs.</li> <li>• More restrictive regulation may result in inflationary pressures within certain areas of the economy.</li> </ul> |



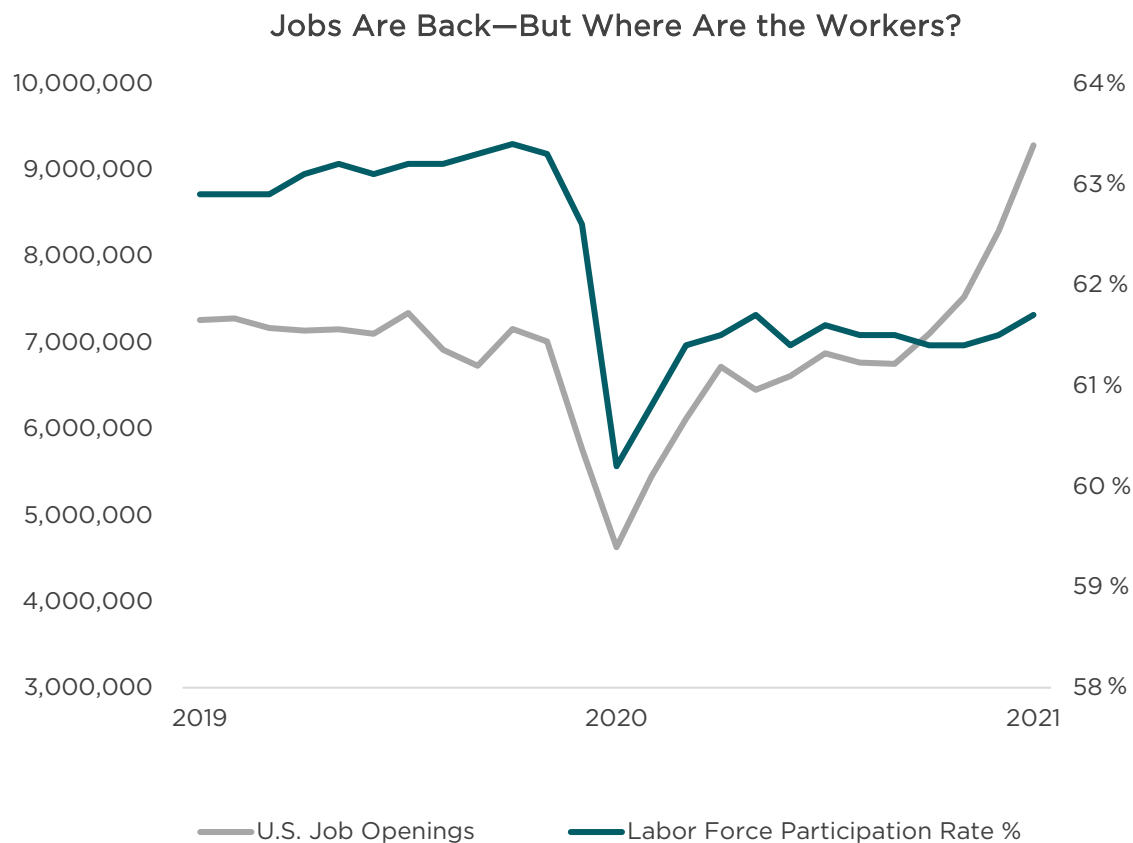
### OBSERVATIONS

- Lumber prices may be the best example of pandemic inflation pressures. Higher lumber prices added as much as \$34,000 to new home prices in 2020.
- The combination of reduced supply from shuttered mills and higher demand for construction and renovation contributed to a spike in lumber prices in early 2021.
- By the end of 2020, wood products production returned to pre-pandemic levels, causing prices to tumble by 40%.

Source: Bloomberg.

## HELP WANTED: WHEN WILL WORKERS RETURN?

Restoring a balanced and well-functioning labor market may be the trickiest ingredient for a sustainable, long-term economic recovery. Because recovering the jobs lost during the pandemic is a necessary step in returning the economy to its full potential, it is being closely watched by the Federal Reserve as it considers the pace of policy tightening.



### OBSERVATIONS

- With “help wanted” signs cropping up across the nation, desperate businesses are using higher wages, signing or retention bonuses, and free meals to lure skilled workers back.
- U.S. job openings surpassed 9 million in April, far exceeding the number of pre-pandemic open positions. However, labor force participation remains stubbornly low, leading many to wonder why.
- Some theories include:
  - The continuing influence of generous Pandemic Unemployment Assistance (PUA) benefits from the CARES Act;
  - Early retirements enabled by swelling 401(k) balances;
  - Workers reassessing their long-term career goals and developing alternative skills after a long absence from the workplace; and
  - Lingering virus concerns, childcare issues, and school closings.

Source: Bloomberg



# ASSET CLASS RETURNS

Period Ending 6.30.21 | Q2 21

| 2008                              | 2009                             | 2010                            | 2011                              | 2012                             | 2013                             | 2014                             | 2015                             | 2016                            | 2017                             | 2018                              | 2019                             | 2020                            | YTD 2021                        |
|-----------------------------------|----------------------------------|---------------------------------|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|-----------------------------------|----------------------------------|---------------------------------|---------------------------------|
| Fixed Income<br>5.08%             | Mid-Cap Growth<br>46.29%         | Small-Cap Growth<br>29.09%      | Fixed Income<br>7.84%             | Mid-Cap Value<br>18.51%          | Small-Cap Growth<br>43.30%       | Mid-Cap Value<br>14.75%          | Large-Cap Growth<br>5.67%        | Small-Cap Value<br>31.74%       | Large-Cap Growth<br>30.21%       | Cash<br>1.87%                     | Large-Cap Growth<br>36.39%       | Large-Cap Growth<br>38.49%      | Small-Cap Value<br>26.69%       |
| Cash<br>1.51%                     | Large-Cap Growth<br>37.21%       | Mid-Cap Growth<br>26.38%        | Large-Cap Growth<br>2.64%         | Small-Cap Value<br>18.05%        | Mid-Cap Growth<br>35.74%         | Large-Cap Value<br>13.45%        | Fixed Income<br>0.55%            | Mid-Cap Value<br>20.00%         | International Equities<br>25.62% | Fixed Income<br>0.01%             | Mid-Cap Growth<br>35.47%         | Mid-Cap Growth<br>35.59%        | Mid-Cap Value<br>19.45%         |
| Small-Cap Value<br>-28.92%        | Small-Cap Growth<br>34.47%       | Mid-Cap Value<br>24.75%         | Large-Cap Value<br>0.39%          | International Equities<br>17.90% | Small-Cap Value<br>34.52%        | Large-Cap Growth<br>13.05%       | Cash<br>0.05%                    | Large-Cap Value<br>17.34%       | Mid-Cap Growth<br>25.27%         | Large-Cap Growth<br>-1.51%        | Small-Cap Growth<br>28.48%       | Small-Cap Growth<br>34.63%      | Large-Cap Value<br>17.05%       |
| Large-Cap Value<br>-36.85%        | Mid-Cap Value<br>34.21%          | Small-Cap Value<br>24.50%       | Cash<br>0.10%                     | Large-Cap Value<br>17.51%        | Large-Cap Growth<br>33.48%       | Mid-Cap Growth<br>11.90%         | Mid-Cap Growth<br>-0.20%         | Small-Cap Growth<br>11.32%      | Small-Cap Growth<br>22.17%       | Mid-Cap Growth<br>-4.75%          | Mid-Cap Value<br>27.06%          | International Equities<br>8.28% | Large-Cap Growth<br>12.99%      |
| Mid-Cap Value<br>-38.44%          | International Equities<br>32.46% | Large-Cap Growth<br>16.71%      | Mid-Cap Value<br>-1.38%           | Mid-Cap Growth<br>15.81%         | Mid-Cap Value<br>33.46%          | Fixed Income<br>5.97%            | International Equities<br>-0.39% | Mid-Cap Growth<br>7.33%         | Large-Cap Value<br>13.66%        | Large-Cap Value<br>-8.27%         | Large-Cap Value<br>26.54%        | Fixed Income<br>7.51%           | Mid-Cap Growth<br>10.44%        |
| Large-Cap Growth<br>-38.44%       | Small-Cap Value<br>20.58%        | Large-Cap Value<br>15.51%       | Mid-Cap Growth<br>-1.65%          | Large-Cap Growth<br>15.26%       | Large-Cap Value<br>32.53%        | Small-Cap Growth<br>5.60%        | Small-Cap Growth<br>-1.38%       | Large-Cap Growth<br>7.08%       | Mid-Cap Value<br>13.34%          | Small-Cap Growth<br>-9.31%        | International Equities<br>22.66% | Mid-Cap Value<br>4.96%          | International Equities<br>9.17% |
| Small-Cap Growth<br>-38.54%       | Large-Cap Value<br>19.69%        | International Equities<br>8.21% | Small-Cap Growth<br>-2.91%        | Small-Cap Growth<br>14.59%       | International Equities<br>23.29% | Small-Cap Value<br>4.22%         | Large-Cap Value<br>-3.83%        | Fixed Income<br>2.65%           | Small-Cap Value<br>7.84%         | Mid-Cap Value<br>-12.29%          | Small-Cap Value<br>22.39%        | Small-Cap Value<br>4.63%        | Small-Cap Growth<br>8.98%       |
| International Equities<br>-43.06% | Fixed Income<br>5.24%            | Fixed Income<br>5.89%           | Small-Cap Value<br>-5.50%         | Fixed Income<br>4.22%            | Cash<br>0.07%                    | Cash<br>0.03%                    | Mid-Cap Value<br>-4.78%          | International Equities<br>1.51% | Fixed Income<br>3.54%            | Small-Cap Value<br>-12.86%        | Fixed Income<br>8.72%            | Large-Cap Value<br>2.80%        | Cash<br>0.02%                   |
| Mid-Cap Growth<br>-44.32%         | Cash<br>0.21%                    | Cash<br>0.13%                   | International Equities<br>-11.73% | Cash<br>0.11%                    | Fixed Income<br>-2.02%           | International Equities<br>-4.48% | Small-Cap Value<br>-7.47%        | Cash<br>0.33%                   | Cash<br>0.86%                    | International Equities<br>-13.36% | Cash<br>2.28%                    | Cash<br>0.67%                   | Fixed Income<br>-1.60%          |

Source: Markov Processes, Inc., Bloomberg, Mobius

- Small-Cap Value Stocks (Russell 2000 Value)
- Small-Cap Growth Stocks (Russell 2000 Growth)
- Large-Cap Growth Stocks (Russell 1000 Growth)
- Large-Cap Value Stocks (Russell 1000 Value)
- Mid-Cap Growth Stocks (Russell Mid-Cap Growth)
- Mid-Cap Value Stocks (Russell Mid-Cap Value)
- International Equities (MSCI EAFE)
- Fixed Income (Bloomberg Barclays U.S. Aggregate Bond)
- Cash (Merrill Lynch 3-Month Treasury Bill)

The information contained in this report is from sources believed to be reliable but is not warranted by CAPTRUST to be accurate or complete.



# INDEX PERFORMANCE

Period Ending 6.30.21 | Q2 21

| INDEXES                                     | Q2 2021 | YTD    | 2020   | 2019   | 2018    | 2017   | 2016   | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS |
|---|---------|--------|--------|--------|---------|--------|--------|--------|---------|---------|----------|
| 90-Day U.S. Treasury                        | 0.00%   | 0.02%  | 0.67%  | 2.28%  | 1.87%   | 0.86%  | 0.33%  | 0.09%  | 1.34%   | 1.17%   | 0.63%    |
| Bloomberg Barclays Government 1-3 Year      | -0.04%  | -0.09% | 3.14%  | 3.59%  | 1.58%   | 0.45%  | 0.87%  | 0.06%  | 2.72%   | 1.61%   | 1.23%    |
| Bloomberg Barclays Intermediate Govt        | 0.62%   | -1.12% | 5.73%  | 5.20%  | 1.43%   | 1.14%  | 1.05%  | -1.14% | 3.94%   | 1.94%   | 2.13%    |
| Bloomberg Barclays Muni Bond                | 1.42%   | 1.06%  | 5.21%  | 7.54%  | 1.28%   | 5.45%  | 0.25%  | 4.17%  | 5.10%   | 3.25%   | 4.28%    |
| Bloomberg Barclays Intermediate Govt/Credit | 0.98%   | -0.90% | 6.43%  | 6.80%  | 0.88%   | 2.14%  | 2.08%  | 0.19%  | 4.70%   | 2.63%   | 2.76%    |
| Bloomberg Barclays Intermediate Credit      | 1.56%   | -0.54% | 7.08%  | 9.52%  | 0.01%   | 3.67%  | 3.68%  | 2.25%  | 5.78%   | 3.64%   | 3.80%    |
| Bloomberg Barclays Aggregate Bond           | 1.83%   | -1.60% | 7.51%  | 8.72%  | 0.01%   | 3.54%  | 2.65%  | -0.33% | 5.34%   | 3.03%   | 3.39%    |
| Bloomberg Barclays Corporate IG Bond        | 3.55%   | -1.27% | 9.89%  | 14.54% | -2.51%  | 6.42%  | 6.11%  | 3.30%  | 7.79%   | 4.90%   | 5.17%    |
| Bloomberg Barclays High Yield               | 2.74%   | 3.62%  | 7.11%  | 14.32% | -2.08%  | 7.50%  | 17.13% | 15.37% | 7.45%   | 7.48%   | 6.66%    |
| Bloomberg Barclays Global Aggregate         | 1.31%   | -3.21% | 9.20%  | 6.84%  | -1.20%  | 7.39%  | 2.09%  | 2.63%  | 4.23%   | 2.34%   | 2.05%    |
| Bloomberg Barclays U.S. Long Corporate      | 6.64%   | -2.44% | 13.94% | 23.89% | -7.24%  | 12.09% | 10.97% | 4.54%  | 11.07%  | 6.88%   | 7.68%    |
| S&P 500                                     | 8.55%   | 15.25% | 18.40% | 31.49% | -4.38%  | 21.83% | 11.96% | 40.79% | 18.67%  | 17.65%  | 14.84%   |
| Dow Jones Industrial Average                | 5.08%   | 13.79% | 9.72%  | 25.34% | -3.48%  | 28.11% | 16.50% | 36.34% | 15.02%  | 16.66%  | 13.50%   |
| NASDAQ Composite                            | 9.49%   | 12.54% | 43.64% | 35.23% | -3.88%  | 28.24% | 7.50%  | 44.19% | 24.53%  | 24.53%  | 17.99%   |
| Russell 1000 Value                          | 5.21%   | 17.05% | 2.80%  | 26.54% | -8.27%  | 13.66% | 17.34% | 43.68% | 12.42%  | 11.87%  | 11.61%   |
| Russell 1000                                | 8.54%   | 14.95% | 20.96% | 31.43% | -4.78%  | 21.69% | 12.05% | 43.07% | 19.16%  | 17.99%  | 14.90%   |
| Russell 1000 Growth                         | 11.93%  | 12.99% | 38.49% | 36.39% | -1.51%  | 30.21% | 7.08%  | 42.50% | 25.14%  | 23.66%  | 17.87%   |
| Russell Mid-Cap Value Index                 | 5.66%   | 19.45% | 4.96%  | 27.06% | -12.29% | 13.34% | 20.00% | 53.06% | 11.86%  | 11.79%  | 11.75%   |
| Russell Mid-Cap Index                       | 7.50%   | 16.25% | 17.10% | 30.54% | -9.06%  | 18.52% | 13.80% | 49.80% | 16.45%  | 15.62%  | 13.24%   |
| Russell Mid-Cap Growth Index                | 11.07%  | 10.44% | 35.59% | 35.47% | -4.75%  | 25.27% | 7.33%  | 43.77% | 22.39%  | 20.52%  | 15.13%   |
| MSCI EAFE                                   | 5.38%   | 9.17%  | 8.28%  | 22.66% | -13.36% | 25.62% | 1.51%  | 32.92% | 8.77%   | 10.79%  | 6.38%    |
| MSCI ACWI ex U.S.                           | 5.64%   | 9.45%  | 11.13% | 22.13% | -13.78% | 27.77% | 5.01%  | 36.29% | 9.88%   | 11.59%  | 5.93%    |
| Russell 2000 Value                          | 4.56%   | 26.69% | 4.63%  | 22.39% | -12.86% | 7.84%  | 31.74% | 73.28% | 10.27%  | 13.62%  | 10.85%   |
| Russell 2000                                | 4.29%   | 17.54% | 19.96% | 25.52% | -11.01% | 14.65% | 21.31% | 62.03% | 13.52%  | 16.47%  | 12.34%   |
| Russell 2000 Growth                         | 3.92%   | 8.98%  | 34.63% | 28.48% | -9.31%  | 22.17% | 11.32% | 51.36% | 15.94%  | 18.76%  | 13.52%   |
| MSCI Emerging Markets                       | 5.12%   | 7.58%  | 18.69% | 18.90% | -14.25% | 37.75% | 11.60% | 41.36% | 11.67%  | 13.43%  | 4.65%    |
| Dow Jones U.S. Real Estate Index            | 11.68%  | 20.28% | -5.29% | 28.92% | -4.03%  | 9.84%  | 7.56%  | 32.26% | 11.60%  | 8.20%   | 9.70%    |
| HFRI Absolute Return Index                  | 1.80%   | 2.46%  | 2.72%  | 4.37%  | -0.49%  | 3.39%  | 0.31%  | 6.63%  | 2.65%   | 2.59%   | 1.84%    |
| Consumer Price Index (Inflation)            | 2.34%   | 3.60%  | 1.30%  | 2.26%  | 1.92%   | 2.10%  | 2.05%  | 5.32%  | 2.57%   | 2.44%   | 1.89%    |
| BLENDING BENCHMARKS                         | Q2 2021 | YTD    | 2020   | 2019   | 2018    | 2017   | 2016   | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS |
| 25% S&P 500/5% MSCI EAFE/70% BB Agg         | 3.67%   | 2.97%  | 10.87% | 14.96% | -1.55%  | 8.93%  | 5.00%  | 10.56% | 9.11%   | 7.16%   | 6.53%    |
| 30% S&P 500/10% MSCI EAFE/60% BB Agg        | 4.19%   | 4.34%  | 11.56% | 16.79% | -2.44%  | 10.90% | 5.43%  | 14.17% | 10.00%  | 8.31%   | 7.29%    |
| 35% S&P 500/15% MSCI EAFE/50% BB Agg        | 4.70%   | 5.72%  | 12.18% | 18.63% | -3.34%  | 12.90% | 5.85%  | 17.87% | 10.85%  | 9.45%   | 8.03%    |
| 40% S&P 500/20% MSCI EAFE/40% BB Agg        | 5.22%   | 7.11%  | 12.75% | 20.48% | -4.25%  | 14.93% | 6.26%  | 21.65% | 11.68%  | 10.57%  | 8.75%    |
| 45% S&P 500/25% MSCI EAFE/30% BB Agg        | 5.74%   | 8.52%  | 13.25% | 22.33% | -5.17%  | 16.99% | 6.65%  | 25.53% | 12.48%  | 11.68%  | 9.46%    |
| 60% S&P 500/40% Bloomberg Barclays Agg      | 5.84%   | 8.28%  | 14.73% | 22.18% | -2.35%  | 14.21% | 8.31%  | 23.02% | 13.64%  | 11.89%  | 10.39%   |

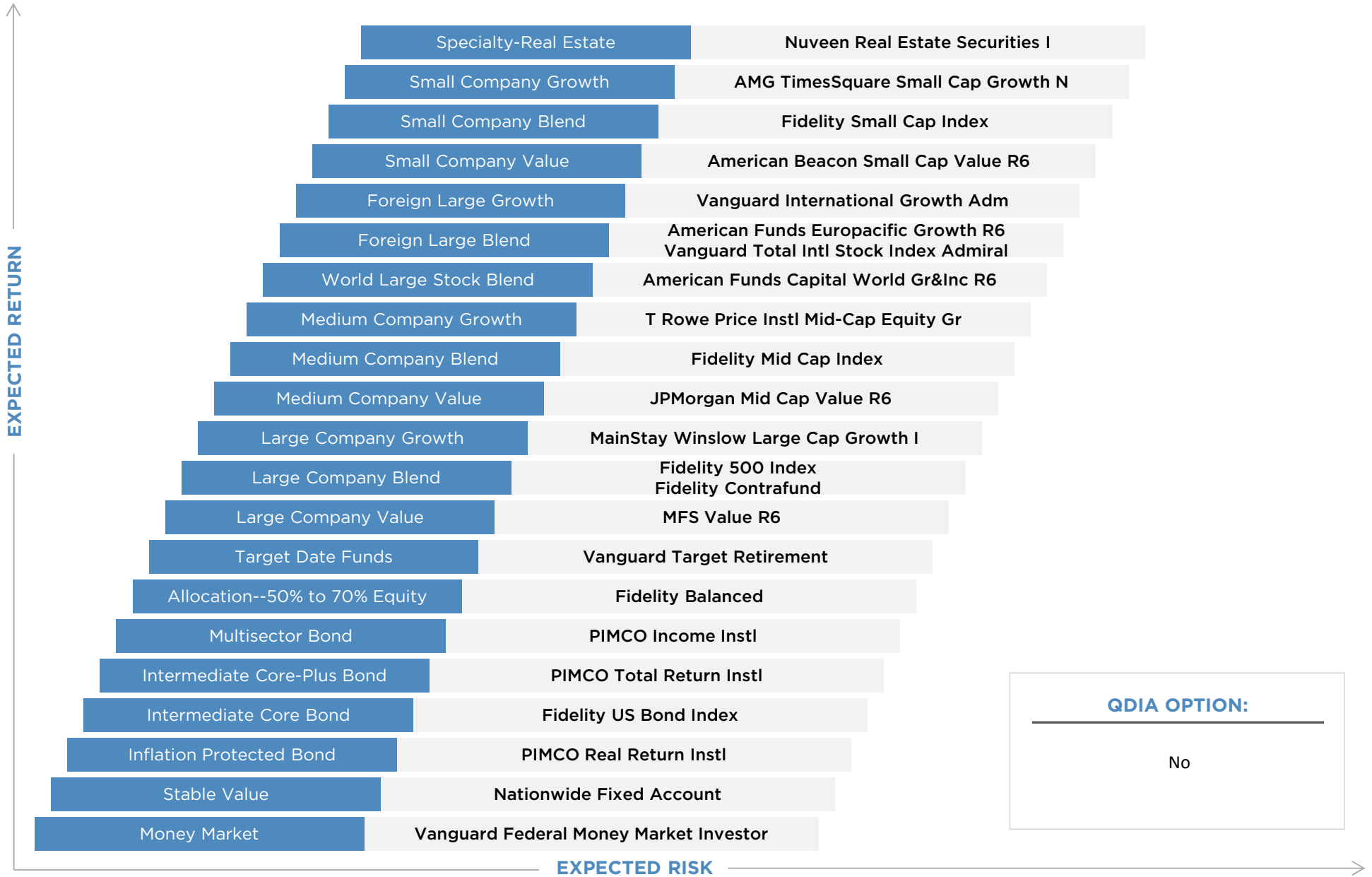
Sources: Morningstar Direct, MPI. The opinions expressed in this report are subject to change without notice. This material has been prepared or is distributed solely for informational purposes and is not a solicitation or an offer to buy any security or to participate in any investment strategy. The performance data quoted represents past performance and does not guarantee future results. Index averages are provided for comparison purposes only. The information and statistics in this report are from sources believed to be reliable but are not guaranteed to be accurate or complete. CAPTRUST is an investment adviser registered under the Investment Advisers Act of 1940.



| SECTION 3: PLAN INVESTMENT REVIEW        |  |
|--|--|
| Plan Investment Menu Review.....         |  |
| Plan Assets.....                         |  |
| Investment Policy Monitor.....           |  |
| Investment Review Select Commentary..... |  |
| Investment Performance Summary.....      |  |



Lansing Board of Water and Light



**QDIA OPTION:**  
No





# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| FUND OPTION                     | CURRENT INVESTMENT NAME                  | — MARKET VALUE — |        |              |       |
|---------------------------------|--|------------------|--------|--------------|-------|
|                                 |  | 12.31.2020       | (%)    | CURRENT      | (%)   |
| Money Market                    | Vanguard Federal Money Market Investor   | -                | -      | \$0          | 0.00% |
| Money Market                    | VT Cash Management R5                    | \$367,612        | 0.16%  | -            | -     |
| Stable Value                    | Nationwide Fixed Account                 | -                | -      | \$3,785,439  | 2.07% |
| Stable Value                    | Vantagepoint PLUS Fund Class R10         | \$37,413,680     | 16.20% | -            | -     |
| Inflation Protected Bond        | PIMCO Real Return Instl                  | \$2,713,344      | 1.18%  | \$2,210,409  | 1.21% |
| Intermediate Core Bond          | Fidelity US Bond Index                   | \$11,985,194     | 5.19%  | \$5,570,904  | 3.05% |
| Intermediate Core-Plus Bond     | PIMCO Total Return A                     | \$4,967,799      | 2.15%  | -            | -     |
| Intermediate Core-Plus Bond     | PIMCO Total Return Instl                 | -                | -      | \$5,675,695  | 3.11% |
| Multisector Bond                | PIMCO Income Instl                       | \$752,445        | 0.33%  | \$2,908,483  | 1.59% |
| Allocation--50% to 70% Equity   | Fidelity Balanced                        | \$8,761,909      | 3.79%  | \$5,888,159  | 3.23% |
| Allocation--50% to 70% Equity   | VantageTrust Retirement Income Advantage | \$10,444,020     | 4.52%  | -            | -     |
| Target Date Ret Income Moderate | Vanguard Instl Trgt Retire Inc Instl     | -                | -      | \$2,915,800  | 1.60% |
| Target Date Ret Income Moderate | Vanguard Target Retirement Income Inv    | \$3,399,769      | 1.47%  | -            | -     |
| Target Date 2015 Moderate       | Vanguard Instl Trgt Retire 2015 Instl    | -                | -      | \$4,686,208  | 2.57% |
| Target Date 2015 Moderate       | Vanguard Target Retirement 2015 Inv      | \$4,053,489      | 1.76%  | -            | -     |
| Target Date 2020 Moderate       | Vanguard Instl Trgt Retire 2020 Instl    | -                | -      | \$9,130,192  | 5.00% |
| Target Date 2020 Moderate       | Vanguard Target Retirement 2020 Inv      | \$9,669,042      | 4.19%  | -            | -     |
| Target Date 2025 Moderate       | Vanguard Instl Trgt Retire 2025 Instl    | -                | -      | \$11,754,375 | 6.44% |

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| FUND OPTION                | CURRENT INVESTMENT NAME               | — MARKET VALUE — |       |             |       |
|----------------------------|---------------------------------------|------------------|-------|-------------|-------|
|                            |                                       | 12.31.2020       | (%)   | CURRENT     | (%)   |
| Target Date 2025 Moderate  | Vanguard Target Retirement 2025 Inv   | \$9,878,913      | 4.28% | -           | -     |
| Target Date 2030 Moderate  | Vanguard Instl Trgt Retire 2030 Instl | -                | -     | \$8,428,812 | 4.62% |
| Target Date 2030 Moderate  | Vanguard Target Retirement 2030 Inv   | \$7,444,388      | 3.22% | -           | -     |
| Target Date 2035 Moderate  | Vanguard Instl Trgt Retire 2035 Instl | -                | -     | \$8,584,873 | 4.70% |
| Target Date 2035 Moderate  | Vanguard Target Retirement 2035 Inv   | \$7,695,488      | 3.33% | -           | -     |
| Target Date 2040 Moderate  | Vanguard Instl Trgt Retire 2040 Instl | -                | -     | \$7,301,936 | 4.00% |
| Target Date 2040 Moderate  | Vanguard Target Retirement 2040 Inv   | \$6,880,540      | 2.98% | -           | -     |
| Target Date 2045 Moderate  | Vanguard Instl Trgt Retire 2045 Instl | -                | -     | \$5,352,207 | 2.93% |
| Target Date 2045 Moderate  | Vanguard Target Retirement 2045 Inv   | \$4,906,034      | 2.12% | -           | -     |
| Target Date 2050 Moderate  | Vanguard Instl Trgt Retire 2050 Instl | -                | -     | \$2,827,570 | 1.55% |
| Target Date 2050 Moderate  | Vanguard Target Retirement 2050 Inv   | \$2,405,034      | 1.04% | -           | -     |
| Target Date 2055 Moderate  | Vanguard Instl Trgt Retire 2055 Instl | -                | -     | \$299,698   | 0.16% |
| Target Date 2055 Moderate  | Vanguard Target Retirement 2055 Inv   | \$174,437        | 0.08% | -           | -     |
| Target Date 2060 Moderate  | Vanguard Instl Trgt Retire 2060 Instl | -                | -     | \$274,045   | 0.15% |
| Target Date 2060 Moderate  | Vanguard Target Retirement 2060 Inv   | \$136,383        | 0.06% | -           | -     |
| Target Date 2065+ Moderate | Vanguard Instl Trgt Retire 2065 Instl | -                | -     | \$27,597    | 0.02% |
| Target Date 2065+ Moderate | Vanguard Target Retirement 2065 Inv   | \$17,436         | 0.01% | -           | -     |
| Large Company Value        | JHancock Disciplined Value R6         | \$6,704,640      | 2.90% | -           | -     |

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| FUND OPTION             | CURRENT INVESTMENT NAME                 | — MARKET VALUE —     |             |                      |             |
|-------------------------|---|----------------------|-------------|----------------------|-------------|
|                         |   | 12.31.2020           | (%)         | CURRENT              | (%)         |
| Large Company Value     | MFS Value R6                            | -                    | -           | \$9,246,573          | 5.07%       |
| Large Company Blend     | Fidelity 500 Index                      | \$14,808,986         | 6.41%       | \$15,511,315         | 8.50%       |
| Large Company Blend     | Fidelity Contrafund                     | \$8,908,577          | 3.86%       | \$10,694,698         | 5.86%       |
| Large Company Growth    | MainStay Winslow Large Cap Growth I     | \$8,298,085          | 3.59%       | \$8,340,920          | 4.57%       |
| Medium Company Value    | JPMorgan Mid Cap Value R6               | \$174,966            | 0.08%       | \$1,231,428          | 0.67%       |
| Medium Company Blend    | Fidelity Mid Cap Index                  | \$4,640,844          | 2.01%       | \$2,945,502          | 1.61%       |
| Medium Company Growth   | T Rowe Price Instl Mid-Cap Equity Gr    | \$10,840,116         | 4.69%       | \$10,952,468         | 6.00%       |
| World Large Stock Blend | American Funds Capital World Gr&Inc R6  | \$13,528,783         | 5.86%       | \$9,519,728          | 5.22%       |
| Foreign Large Value     | Oakmark International Advisor           | \$135,681            | 0.06%       | -                    | -           |
| Foreign Large Blend     | American Funds Europacific Growth R6    | \$1,956,459          | 0.85%       | \$1,160,097          | 0.64%       |
| Foreign Large Blend     | Vanguard Total Intl Stock Index Admiral | \$1,934,631          | 0.84%       | \$4,561,842          | 2.50%       |
| Foreign Large Growth    | Vanguard International Growth Adm       | \$2,643,074          | 1.14%       | \$2,963,811          | 1.62%       |
| Small Company Value     | American Beacon Small Cap Value R6      | \$1,821,295          | 0.79%       | \$2,945,710          | 1.61%       |
| Small Company Blend     | Fidelity Small Cap Index                | \$4,862,293          | 2.11%       | \$3,756,255          | 2.06%       |
| Small Company Growth    | AMG TimesSquare Small Cap Growth N      | \$1,697,141          | 0.73%       | \$2,136,812          | 1.17%       |
| Specialty-Real Estate   | Nuveen Real Estate Securities I         | \$1,277,616          | 0.55%       | \$1,795,292          | 0.98%       |
| Self-Directed Brokerage | Self-Directed Brokerage                 | \$8,637,708          | 3.74%       | \$3,785,439          | 2.07%       |
| Loan                    | Loan Balance                            | \$3,968,534          | 1.72%       | \$3,361,629          | 1.84%       |
| <b>TOTALS</b>           |   | <b>\$230,906,384</b> | <b>100%</b> | <b>\$182,531,923</b> | <b>100%</b> |

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water & Light Defined Contribution Plan and Trust 2

| FUND OPTION                     | CURRENT INVESTMENT NAME                | — MARKET VALUE — |        |          |        |
|---------------------------------|--|------------------|--------|----------|--------|
|                                 |  | 12.31.2020       | (%)    | CURRENT  | (%)    |
| Money Market                    | Vanguard Federal Money Market Investor | -                | -      | \$0      | 0.00%  |
| Money Market                    | VT Cash Management R5                  | \$2              | 0.00%  | \$0      | 0.00%  |
| Stable Value                    | Nationwide Fixed Account               | -                | -      | \$8,129  | 7.02%  |
| Stable Value                    | Vantagepoint PLUS Fund Class R10       | \$1,487,205      | 40.13% | \$0      | 0.00%  |
| Inflation Protected Bond        | PIMCO Real Return Instl                | \$20,296         | 0.55%  | \$2,228  | 1.93%  |
| Intermediate Core Bond          | Fidelity US Bond Index                 | \$116,819        | 3.15%  | \$4,445  | 3.84%  |
| Intermediate Core-Plus Bond     | PIMCO Total Return A                   | \$13,050         | 0.35%  | \$0      | 0.00%  |
| Intermediate Core-Plus Bond     | PIMCO Total Return Instl               | -                | -      | \$5,924  | 5.12%  |
| Multisector Bond                | PIMCO Income Instl                     | \$0              | 0.00%  | \$6,654  | 5.75%  |
| Allocation--50% to 70% Equity   | Fidelity Balanced                      | \$331,694        | 8.95%  | \$0      | 0.00%  |
| Allocation--50% to 70% Equity   | VT Retirement Income Advantage R5      | \$0              | 0.00%  | \$0      | 0.00%  |
| Target Date Ret Income Moderate | Vanguard Instl Trgt Retire Inc Instl   | -                | -      | \$0      | 0.00%  |
| Target Date Ret Income Moderate | Vanguard Target Retirement Income Inv  | \$125,594        | 3.39%  | \$0      | 0.00%  |
| Target Date 2015 Moderate       | Vanguard Instl Trgt Retire 2015 Instl  | -                | -      | \$1,172  | 1.01%  |
| Target Date 2015 Moderate       | Vanguard Target Retirement 2015 Inv    | \$10,152         | 0.27%  | \$0      | 0.00%  |
| Target Date 2020 Moderate       | Vanguard Instl Trgt Retire 2020 Instl  | -                | -      | \$15,269 | 13.19% |
| Target Date 2020 Moderate       | Vanguard Target Retirement 2020 Inv    | \$89,457         | 2.41%  | \$0      | 0.00%  |
| Target Date 2025 Moderate       | Vanguard Instl Trgt Retire 2025 Instl  | -                | -      | \$0      | 0.00%  |

CONTINUED...

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water & Light Defined Contribution Plan and Trust 2

| FUND OPTION                | CURRENT INVESTMENT NAME               | MARKET VALUE |       |          |        |
|----------------------------|---------------------------------------|--------------|-------|----------|--------|
|                            |                                       | 12.31.2020   | (%)   | CURRENT  | (%)    |
| Target Date 2025 Moderate  | Vanguard Target Retirement 2025 Inv   | \$0          | 0.00% | \$0      | 0.00%  |
| Target Date 2030 Moderate  | Vanguard Instl Trgt Retire 2030 Instl | -            | -     | \$14,026 | 12.12% |
| Target Date 2030 Moderate  | Vanguard Target Retirement 2030 Inv   | \$40,275     | 1.09% | \$0      | 0.00%  |
| Target Date 2035 Moderate  | Vanguard Instl Trgt Retire 2035 Instl | -            | -     | \$0      | 0.00%  |
| Target Date 2035 Moderate  | Vanguard Target Retirement 2035 Inv   | \$0          | 0.00% | \$0      | 0.00%  |
| Target Date 2040 Moderate  | Vanguard Instl Trgt Retire 2040 Instl | -            | -     | \$0      | 0.00%  |
| Target Date 2040 Moderate  | Vanguard Target Retirement 2040 Inv   | \$0          | 0.00% | \$0      | 0.00%  |
| Target Date 2045 Moderate  | Vanguard Instl Trgt Retire 2045 Instl | -            | -     | \$0      | 0.00%  |
| Target Date 2045 Moderate  | Vanguard Target Retirement 2045 Inv   | \$0          | 0.00% | \$0      | 0.00%  |
| Target Date 2050 Moderate  | Vanguard Instl Trgt Retire 2050 Instl | -            | -     | \$0      | 0.00%  |
| Target Date 2050 Moderate  | Vanguard Target Retirement 2050 Inv   | \$0          | 0.00% | \$0      | 0.00%  |
| Target Date 2055 Moderate  | Vanguard Instl Trgt Retire 2055 Instl | -            | -     | \$0      | 0.00%  |
| Target Date 2055 Moderate  | Vanguard Target Retirement 2055 Inv   | \$0          | 0.00% | \$0      | 0.00%  |
| Target Date 2060 Moderate  | Vanguard Instl Trgt Retire 2060 Instl | -            | -     | \$0      | 0.00%  |
| Target Date 2060 Moderate  | Vanguard Target Retirement 2060 Inv   | \$0          | 0.00% | \$0      | 0.00%  |
| Target Date 2065+ Moderate | Vanguard Instl Trgt Retire 2065 Instl | -            | -     | \$0      | 0.00%  |
| Target Date 2065+ Moderate | Vanguard Target Retirement 2065 Inv   | \$0          | 0.00% | \$0      | 0.00%  |
| Large Company Value        | JHancock Disciplined Value R6         | \$74,135     | 2.00% | \$0      | 0.00%  |

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water & Light Defined Contribution Plan and Trust 2

| FUND OPTION             | CURRENT INVESTMENT NAME                 | — MARKET VALUE —   |             |                  |             |
|-------------------------|---|--------------------|-------------|------------------|-------------|
|                         |   | 12.31.2020         | (%)         | CURRENT          | (%)         |
| Large Company Value     | MFS Value R6                            | -                  | -           | \$8,120          | 7.02%       |
| Large Company Blend     | Fidelity 500 Index                      | \$204,367          | 5.51%       | \$7,144          | 6.17%       |
| Large Company Blend     | Fidelity Contrafund                     | \$345,313          | 9.32%       | \$2,680          | 2.32%       |
| Large Company Growth    | MainStay Winslow Large Cap Growth I     | \$303,701          | 8.19%       | \$3,724          | 3.22%       |
| Medium Company Value    | JPMorgan Mid Cap Value R6               | \$0                | 0.00%       | \$2,222          | 1.92%       |
| Medium Company Blend    | Fidelity Mid Cap Index                  | \$45,111           | 1.22%       | \$1,127          | 0.97%       |
| Medium Company Growth   | T Rowe Price Instl Mid-Cap Equity Gr    | \$3,768            | 0.10%       | \$2,226          | 1.92%       |
| World Large Stock Blend | American Funds Capital World Gr&Inc R5  | \$0                | 0.00%       | \$0              | 0.00%       |
| World Large Stock Blend | American Funds Capital World Gr&Inc R6  | \$75,171           | 2.03%       | \$0              | 0.00%       |
| Foreign Large Value     | Oakmark International Advisor           | \$0                | 0.00%       | \$0              | 0.00%       |
| Foreign Large Blend     | American Funds Europacific Growth R6    | \$5,518            | 0.15%       | \$1,465          | 1.27%       |
| Foreign Large Blend     | Vanguard Total Intl Stock Index Admiral | \$4,944            | 0.13%       | \$11,735         | 10.14%      |
| Foreign Large Growth    | Vanguard International Growth Adm       | \$220,513          | 5.95%       | \$2,968          | 2.56%       |
| Small Company Value     | American Beacon Small Cap Value R6      | \$17,555           | 0.47%       | \$1,460          | 1.26%       |
| Small Company Blend     | Fidelity Small Cap Index                | \$140,155          | 3.78%       | \$471            | 0.41%       |
| Small Company Growth    | AMG TimesSquare Small Cap Growth N      | \$0                | 0.00%       | \$1,462          | 1.26%       |
| Specialty-Real Estate   | Nuveen Real Estate Securities I         | \$600              | 0.02%       | \$2,941          | 2.54%       |
| Self-Directed Brokerage | Self-Directed Brokerage                 | \$30,663           | 0.83%       | \$8,129          | 7.02%       |
| <b>TOTALS</b>           |   | <b>\$3,706,059</b> | <b>100%</b> | <b>\$115,721</b> | <b>100%</b> |

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

| FUND OPTION                     | CURRENT INVESTMENT NAME                  | — MARKET VALUE — |        |             |       |
|---------------------------------|--|------------------|--------|-------------|-------|
|                                 |  | 12.31.2020       | (%)    | CURRENT     | (%)   |
| Money Market                    | Vanguard Federal Money Market Investor   | -                | -      | \$0         | 0.00% |
| Money Market                    | VT Cash Management R5                    | \$524,671        | 0.39%  | -           | -     |
| Stable Value                    | Nationwide Fixed Account                 | -                | -      | \$2,028,901 | 1.75% |
| Stable Value                    | Vantagepoint PLUS Fund Class R10         | \$21,089,234     | 15.54% | -           | -     |
| Inflation Protected Bond        | PIMCO Real Return Instl                  | \$1,616,692      | 1.19%  | \$1,251,907 | 1.08% |
| Intermediate Core Bond          | Fidelity US Bond Index                   | \$6,534,731      | 4.81%  | \$2,292,643 | 1.97% |
| Intermediate Core-Plus Bond     | PIMCO Total Return A                     | \$2,035,897      | 1.50%  | -           | -     |
| Intermediate Core-Plus Bond     | PIMCO Total Return Instl                 | -                | -      | \$3,061,438 | 2.64% |
| Multisector Bond                | PIMCO Income Instl                       | \$732,612        | 0.54%  | \$2,175,125 | 1.87% |
| Allocation--50% to 70% Equity   | Fidelity Balanced                        | \$6,071,900      | 4.47%  | \$3,476,434 | 2.99% |
| Allocation--50% to 70% Equity   | VantageTrust Retirement Income Advantage | \$2,941,319      | 2.17%  | -           | -     |
| Target Date Ret Income Moderate | Vanguard Instl Trgt Retire Inc Instl     | -                | -      | \$889,504   | 0.77% |
| Target Date Ret Income Moderate | Vanguard Target Retirement Income Inv    | \$873,037        | 0.64%  | -           | -     |
| Target Date 2015 Moderate       | Vanguard Instl Trgt Retire 2015 Instl    | -                | -      | \$1,204,630 | 1.04% |
| Target Date 2015 Moderate       | Vanguard Target Retirement 2015 Inv      | \$1,467,723      | 1.08%  | -           | -     |
| Target Date 2020 Moderate       | Vanguard Instl Trgt Retire 2020 Instl    | -                | -      | \$6,595,147 | 5.68% |
| Target Date 2020 Moderate       | Vanguard Target Retirement 2020 Inv      | \$4,692,958      | 3.46%  | -           | -     |
| Target Date 2025 Moderate       | Vanguard Instl Trgt Retire 2025 Instl    | -                | -      | \$6,222,018 | 5.36% |

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

| FUND OPTION                | CURRENT INVESTMENT NAME               | — MARKET VALUE — |       |             |       |
|----------------------------|---------------------------------------|------------------|-------|-------------|-------|
|                            |                                       | 12.31.2020       | (%)   | CURRENT     | (%)   |
| Target Date 2025 Moderate  | Vanguard Target Retirement 2025 Inv   | \$5,584,400      | 4.11% | -           | -     |
| Target Date 2030 Moderate  | Vanguard Instl Trgt Retire 2030 Instl | -                | -     | \$7,630,510 | 6.57% |
| Target Date 2030 Moderate  | Vanguard Target Retirement 2030 Inv   | \$6,202,969      | 4.57% | -           | -     |
| Target Date 2035 Moderate  | Vanguard Instl Trgt Retire 2035 Instl | -                | -     | \$5,581,906 | 4.81% |
| Target Date 2035 Moderate  | Vanguard Target Retirement 2035 Inv   | \$5,103,025      | 3.76% | -           | -     |
| Target Date 2040 Moderate  | Vanguard Instl Trgt Retire 2040 Instl | -                | -     | \$7,092,545 | 6.11% |
| Target Date 2040 Moderate  | Vanguard Target Retirement 2040 Inv   | \$6,219,325      | 4.58% | -           | -     |
| Target Date 2045 Moderate  | Vanguard Instl Trgt Retire 2045 Instl | -                | -     | \$4,755,259 | 4.09% |
| Target Date 2045 Moderate  | Vanguard Target Retirement 2045 Inv   | \$4,418,225      | 3.25% | -           | -     |
| Target Date 2050 Moderate  | Vanguard Instl Trgt Retire 2050 Instl | -                | -     | \$2,737,956 | 2.36% |
| Target Date 2050 Moderate  | Vanguard Target Retirement 2050 Inv   | \$2,233,669      | 1.65% | -           | -     |
| Target Date 2055 Moderate  | Vanguard Instl Trgt Retire 2055 Instl | -                | -     | \$412,409   | 0.36% |
| Target Date 2055 Moderate  | Vanguard Target Retirement 2055 Inv   | \$318,019        | 0.23% | -           | -     |
| Target Date 2060 Moderate  | Vanguard Instl Trgt Retire 2060 Instl | -                | -     | \$188,677   | 0.16% |
| Target Date 2060 Moderate  | Vanguard Target Retirement 2060 Inv   | \$95,270         | 0.07% | -           | -     |
| Target Date 2065+ Moderate | Vanguard Instl Trgt Retire 2065 Instl | -                | -     | \$34,698    | 0.03% |
| Target Date 2065+ Moderate | Vanguard Target Retirement 2065 Inv   | \$24,670         | 0.02% | -           | -     |
| Large Company Value        | JHancock Disciplined Value R6         | \$2,444,226      | 1.80% | -           | -     |

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

| FUND OPTION             | CURRENT INVESTMENT NAME                 | — MARKET VALUE — |       |               |       |
|-------------------------|---|------------------|-------|---------------|-------|
|                         |   | 12.31.2020       | (%)   | CURRENT       | (%)   |
| Large Company Value     | MFS Value R6                            | -                | -     | \$4,186,921   | 3.61% |
| Large Company Blend     | Fidelity 500 Index                      | \$9,094,458      | 6.70% | \$10,337,833  | 8.90% |
| Large Company Blend     | Fidelity Contrafund                     | \$7,290,225      | 5.37% | \$8,854,298   | 7.62% |
| Large Company Growth    | MainStay Winslow Large Cap Growth I     | \$9,017,568      | 6.64% | \$9,874,203   | 8.50% |
| Medium Company Value    | JPMorgan Mid Cap Value R6               | \$145,690        | 0.11% | \$1,146,801   | 0.99% |
| Medium Company Blend    | Fidelity Mid Cap Index                  | \$2,670,754      | 1.97% | \$1,738,461   | 1.50% |
| Medium Company Growth   | T Rowe Price Instl Mid-Cap Equity Gr    | \$4,656,083      | 3.43% | \$4,980,017   | 4.29% |
| World Large Stock Blend | American Funds Capital World Gr&Inc R6  | \$3,544,455      | 2.61% | \$1,101,155   | 0.95% |
| Foreign Large Value     | Oakmark International Advisor           | \$114,522        | 0.08% | -             | -     |
| Foreign Large Blend     | American Funds Europacific Growth R6    | \$1,257,393      | 0.93% | \$785,114     | 0.68% |
| Foreign Large Blend     | Vanguard Total Intl Stock Index Admiral | \$1,404,560      | 1.03% | \$3,377,500   | 2.91% |
| Foreign Large Growth    | Vanguard International Growth Adm       | \$3,232,354      | 2.38% | \$4,028,720   | 3.47% |
| Small Company Value     | American Beacon Small Cap Value R6      | \$543,248        | 0.40% | \$1,113,415   | 0.96% |
| Small Company Blend     | Fidelity Small Cap Index                | \$3,095,061      | 2.28% | \$2,567,622   | 2.21% |
| Small Company Growth    | AMG TimesSquare Small Cap Growth N      | \$743,824        | 0.55% | \$903,161     | 0.78% |
| Specialty-Real Estate   | Nuveen Real Estate Securities I         | \$1,106,591      | 0.82% | \$1,483,377   | 1.28% |
| Self-Directed Brokerage | Self-Directed Brokerage                 | \$6,596,770      | 4.86% | \$2,028,901   | 1.75% |
| <b>TOTALS</b>           |   | \$135,738,128    | 100%  | \$116,139,207 | 100%  |

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Lansing Board of Water and Light

| INVESTMENT  | QUANTITATIVE              |      |                       |      |       |      |            |      | QUALITATIVE     |           | TOTALS  |             |
|---|---------------------------|------|-----------------------|------|-------|------|------------|------|-----------------|-----------|---------|-------------|
|   | Risk-Adjusted Performance |      | vs. Peers Performance |      | Style |      | Confidence |      | Fund Management | Fund Firm | Overall | Total Score |
|   | 3 Yr                      | 5 Yr | 3 Yr                  | 5 Yr | 3 Yr  | 5 Yr | 3 Yr       | 5 Yr |                 |           |         |             |
| Inflation Protected Bond<br>PIMCO Real Return Instl           | ●                         | ●    | ●                     | ●    | ●     | ●    | ●          | ●    | ●               | ●         | ●       | 99          |
| Intermediate Core-Plus Bond<br>PIMCO Total Return Instl       | ●                         | ●    | ▼                     | ●    | ●     | ●    | ●          | ●    | ●               | ●         | ●       | 94          |
| Allocation--50% to 70% Equity<br>Fidelity Balanced            | ●                         | ●    | ●                     | ●    | ●     | ●    | ●          | ●    | ●               | ●         | ●       | 100         |
| Large Company Value<br>MFS Value R6                           | ●                         | ●    | ●                     | ▼    | ●     | ●    | ●          | ●    | ●               | ●         | ●       | 90          |
| Large Company Blend<br>Fidelity Contrafund                    | ●                         | ●    | ●                     | ●    | ●     | ●    | ●          | ●    | ●               | ●         | ●       | 100         |
| Large Company Growth<br>MainStay Winslow Large Cap Growth I   | ●                         | ●    | ●                     | ●    | ●     | ●    | ●          | ●    | ●               | ●         | ●       | 91          |
| Medium Company Value<br>JPMorgan Mid Cap Value R6             | ●                         | ▼    | ●                     | ▼    | ●     | ●    | ●          | ▼    | ●               | ●         | ●       | 80          |
| Medium Company Growth<br>T Rowe Price Instl Mid-Cap Equity Gr | ▼                         | ▼    | ▼                     | ▼    | ●     | ●    | ▼          | ▼    | ●               | ●         | ▼       | 78          |

LEGEND

|   |                  |   |                   |   |                          |
|---|------------------|---|-------------------|---|--------------------------|
| ● | IN GOOD STANDING | ▼ | MARKED FOR REVIEW | ● | CONSIDER FOR TERMINATION |
|---|------------------|---|-------------------|---|--------------------------|

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The CAPTRUST Investment Policy Monitor ("Scorecard") is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields for actively managed investment options. Quantitative scoring areas include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; Style Attribution; and Confidence. Qualitative Scoring Areas measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. This material is for institutional investor use only and is not intended to be shared with individual investors.



Lansing Board of Water and Light

| INVESTMENT  | QUANTITATIVE              |      |                       |      |       |      |            |      | QUALITATIVE     |           | TOTALS  |             |
|---|---------------------------|------|-----------------------|------|-------|------|------------|------|-----------------|-----------|---------|-------------|
|   | Risk-Adjusted Performance |      | vs. Peers Performance |      | Style |      | Confidence |      | Fund Management | Fund Firm | Overall | Total Score |
|   | 3 Yr                      | 5 Yr | 3 Yr                  | 5 Yr | 3 Yr  | 5 Yr | 3 Yr       | 5 Yr |                 |           |         |             |
| World Large Stock Blend<br>American Funds Capital World Gr&Inc R6 | ●                         | ●    | ▼                     | ●    | ●     | ●    | ▼          | ▼    | ●               | ●         | ●       | 86          |
| Foreign Large Blend<br>American Funds Europacific Growth R6       | ●                         | ●    | ●                     | ●    | ●     | ●    | ●          | ●    | ●               | ●         | ●       | 100         |
| Foreign Large Growth<br>Vanguard International Growth Adm         | ●                         | ●    | ●                     | ●    | ▼     | ▼    | ●          | ●    | ●               | ●         | ●       | 97          |
| Small Company Value<br>American Beacon Small Cap Value R6         | ▼                         | ▼    | ▼                     | ●    | ●     | ●    | ▼          | ▼    | ●               | ●         | ●       | 81          |
| Small Company Growth<br>AMG TimesSquare Small Cap Growth N        | ▼                         | ▼    | ▼                     | ▼    | ●     | ●    | ▼          | ▼    | ●               | ●         | ▼       | 78          |
| Specialty-Real Estate<br>Nuveen Real Estate Securities I          | ▼                         | ▼    | ▼                     | ▼    | ●     | ●    | ▼          | ▼    | ●               | ●         | ▼       | 78          |

LEGEND

|   |                  |   |                   |   |                          |
|---|------------------|---|-------------------|---|--------------------------|
| ● | IN GOOD STANDING | ▼ | MARKED FOR REVIEW | ● | CONSIDER FOR TERMINATION |
|---|------------------|---|-------------------|---|--------------------------|

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Lansing Board of Water and Light

**TARGET DATE INVESTMENTS**

| INVESTMENT                 | QUANTITATIVE              |      |                       |      |               |                  | QUALITATIVE          |                          |           |           | TOTALS  |             |
|----------------------------|---------------------------|------|-----------------------|------|---------------|------------------|----------------------|--------------------------|-----------|-----------|---------|-------------|
|                            | Risk-Adjusted Performance |      | vs. Peers Performance |      | Glidepath     |                  | Portfolio Construct. | Underlying Inv. Vehicles | Fund Mgmt | Fund Firm | Overall | Total Score |
|                            | 3 Yr                      | 5 Yr | 3 Yr                  | 5 Yr | % of Equities | Beta to Equities |                      |                          |           |           |         |             |
| Vanguard Target Retirement | ●                         | ●    | ●                     | ●    | ●             | ●                | ●                    | ●                        | ●         | ●         | ●       | 95          |

**CAPITAL PRESERVATION INVESTMENTS**

| INVESTMENT                             | Overall | Commentary   |
|--|---------|--|
| Vanguard Federal Money Market Investor | ●       | This Capital Preservation option is in good standing per the guidelines as established by the Investment Policy Statement. |
| Nationwide Fixed Account               | ●       | This Capital Preservation option is in good standing per the guidelines as established by the Investment Policy Statement. |






CONTINUED...

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Lansing Board of Water and Light

**PASSIVE INVESTMENTS**

| INVESTMENT  | Overall   | Commentary  |
|---|---|---|
| <a href="#">Fidelity US Bond Index</a>                  |  | This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost. |
| <a href="#">Fidelity 500 Index</a>                      |  | This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost. |
| <a href="#">Fidelity Mid Cap Index</a>                  |  | This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost. |
| <a href="#">Vanguard Total Intl Stock Index Admiral</a> |  | This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost. |
| <a href="#">Fidelity Small Cap Index</a>                |  | This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost. |

The CAPTRUST Financial Advisors Investment Scorecard is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields. Quantitative scoring areas for target date funds include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; and Glidepath. Qualitative Scoring Areas for target date funds measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. Qualitative Scoring for Target Date funds also includes a score for Portfolio Construction and Underlying Investment vehicles to express CAPTRUST's views on the manager or strategy. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. Capital Preservation options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics, depending on the type of capital preservation option being evaluated, and may include quantitative criteria such as: Crediting Rate/Yield, Market to Book Ratio, Average Crediting Quality, Insurer Quality/Diversification, Duration, and Sector Allocations, and/or qualitative criteria such as quality and experience of the Management Team and stewardship of the investment option's parent company. Passively Managed options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics and may include quantitative criteria such as: Tracking Error, Fees, and Performance versus relevant peer group, and/or qualitative criteria such as index replication strategy, securities lending practices, and fair value pricing methodology. Distinct investment options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics. This material is for institutional investor use only and is not intended to be shared with individual investors.



Lansing Board of Water and Light

INVESTMENTS IN DISTINCT ASSET CLASSES

| INVESTMENT         | Overall | Commentary  |
|--------------------|---------|---|
| PIMCO Income Instl | ●       | This fund currently meets the guidelines set forth by CAPTRUST for distinct investments in the Investment Policy Statement. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, excess return, and risk-adjusted performance. |

The CAPTRUST Financial Advisors Investment Scorecard is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields. Quantitative scoring areas for target date funds include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; and Glidepath. Qualitative Scoring Areas for target date funds measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. Qualitative Scoring for Target Date funds also includes a score for Portfolio Construction and Underlying Investment vehicles to express CAPTRUST's views on the manager or strategy. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. Capital Preservation options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics, depending on the type of capital preservation option being evaluated, and may include quantitative criteria such as: Crediting Rate/Yield, Market to Book Ratio, Average Crediting Quality, Insurer Quality/Diversification, Duration, and Sector Allocations, and/or qualitative criteria such as quality and experience of the Management Team and stewardship of the investment option's parent company. Passively Managed options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics and may include quantitative criteria such as: Tracking Error, Fees, and Performance versus relevant peer group, and/or qualitative criteria such as index replication strategy, securities lending practices, and fair value pricing methodology. Distinct investment options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics. This material is for institutional investor use only and is not intended to be shared with individual investors.



Lansing Board of Water and Light

| FUND MANAGEMENT ITEMS                          | COMMENTARY   |
|--|--|
| American Beacon Small Cap Value                | Coleman Hubbard has been promoted to portfolio manager, succeeding the recently retired John Harloe.   |
| American Funds Capital World Growth and Income | <p>Lara Pellini has been named a portfolio manager on the Capital World Growth and Income Fund. Ms. Pellini has 18 years of investment experience, all of which have been with Capital Group.</p> <p>Joyce Gordon, a portfolio manager on American Funds Capital World Growth and Income, has exited the strategy.</p> <p>Alex Sheynkman, portfolio manager on the Capital World Growth and Income Fund, retired from Capital Group. The fund continues to be managed by Alfonso Barroso, Jeremy Burge, Michael Cohen, Leo Hee, Jin Lee, Sung Lee, Lara Pellini, and David Riley.</p>  |
| T. Rowe Price Mid Cap Growth                   | <p>Following a difficult 2020, the strategy's year to date performance stabilized vs. the benchmark and peer group. High growth, high valuation stocks led the market for much of 2020, which was a headwind for the strategy's growth-at-a-reasonable-price (GARP) approach. That dynamic reversed in Q1 2021, as higher growth, higher valuation stocks came under pressure in areas such as software. The strategy significantly outperformed in Q1 as its approach came back into favor. The strategy underperformed in Q2 2021 as growth stocks regained leadership over value/cyclical areas. We do not believe there are any underlying issues with the investment team or process. Instead, the strategy's GARP approach has been out of favor in the market. T. Rowe portfolio manager Brian Berghuis is sticking with his approach and not chasing after higher valuation, higher growth stocks. His investment discipline has been rewarded in past market cycles. Thus, we believe that clients currently holding the strategy should continue to do so.</p> |
| Vanguard International Growth                  | <p>Vanguard has changed the sub-advisor weights for the International Growth fund from 60% in Baillie Gifford and 40% in Schroders to 70% in Baillie Gifford and 30% in Schroders.</p> <p>James Gautrey of Schroders and Lawrence Burns of Baillie Gifford were recently added as co-portfolio managers of the Vanguard International Growth fund.</p>   |

Lansing Board of Water and Light

| FUND MANAGEMENT ITEMS                      | COMMENTARY   |
|--|--|
| <p>Vanguard Target Retirement</p>          | <p>Vanguard recently launched the Total International Bond II Index fund. It serves as an underlying allocation for the firm's Target Retirement suite and other funds of funds and has replaced the Total International Bond Index Fund for these products. There will be no change to the funds' strategies or exposures as the new fund tracks the same benchmark as the old one.</p> |
| FUND FIRM ITEMS                            | COMMENTARY   |
| <p>Capital Group</p>                       | <p>Rob Lovelace replaced Tim Armour as chairman of Capital Group's management committee. Tim Armour will continue to serve on the committee. Additionally, Philip de Toledo rotated off in preparation for his planned retirement.</p>   |
| <p>TimesSquare Capital Management, LLC</p> | <p>TimeSquare has announced the appointment of Yovanka Bylander as head of Sustainability. Ms. Bylander will be responsible for integrating environmental, social and governance (ESG) principles within the firm's strategies and operations.</p>   |
| <p>FMR Corporation</p>                     | <p>Head of Personal Investing Kathy Murphy, will retire from Fidelity in 2021. A successor will be named in the coming months.</p> <p>Adam Joffe joined Fidelity as head of Compliance, Risk &amp; Business Operations (CRBO), succeeding Bob Minicus. Mr. Minicus recently moved to Geode Capital Management, a subsidiary of Fidelity, as its new president and CEO.</p>               |
| <p>PIMCO</p>                               | <p>Jennifer Durham, Chief Compliance Officer at Pimco has retired from the firm.</p>   |





Lansing Board of Water and Light

| FUND FIRM ITEMS     | COMMENTARY   |
|---------------------|--|
| MFS Family of Funds | <p>Effective September 30, 2021, MFS Co-CIO of Equity for the Americas Kevin Beatty will retire. The other members of the MFS Co-CIO leadership team will remain in place. Effective 3/1/2022,</p> <p>Executive Chair Robert Manning will retire from MFS. At that time, CEO Michael Roberge will become executive chair and retain his role as CEO.</p>   |
| T. Rowe Price       | <p>Jason Nogueira, portfolio manager of the Global Consumer Fund, has been named director of Research North America responsible for the technology, media/telecom, health care, and consumer sector teams.</p> <p>Dave Eiswert, portfolio manager of the Global Focused Growth Equity strategy, has joined the firm's International Equity Steering Committee. In addition, Sridhar Nishtala, second director of Research for Asia, has also joined the International Equity Steering Committee.</p> <p>Celine Dufetel, CFO, has been named COO of T. Rowe Price Group. She will continue to serve as CFO.</p> <p>Rob Sharps, head of Investments and group CIO, has been named president of T. Rowe Price Group. He will continue to serve as head of Investments and group CIO.</p> <p>Josh Nelson, director of Research North America, has been named associate head of U.S. Equity. He replaces Stephon Jackson, who has been named head of T. Rowe Price Investment Management.</p> <p>T. Rowe Price is splitting its investment research group into two separate and independent groups. Over the next 18 months, finishing in Q2 2022, T. Rowe Price will transition six existing strategies, including portfolio management, research, and trading teams to a new investment advisor it is forming called T. Rowe Price Investment Management. This new group will remain entirely separate from the legacy group T. Rowe Price Associates. As a result of this change, the two groups will operate independently, meaning they will not share investment research, resources, or portfolio management responsibilities.</p> <p>Hugh McGuirk, head of the Municipal Bond team, member of the Fixed Income Steering Committee, and portfolio manager announced his intention to retire on 12/31/2021. Jim Murphy will succeed Hugh as head of the Municipal Bond team on 9/30/2021.</p> |

# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light

| INVESTMENT NAME                        | Q2 '21 | YTD '21 | 2020   | 2019  | 2018   | 2017  | 2016  | 1 YEAR* | 3 YEAR* | 5 YEAR* | 10 YEAR* |
|--|--------|---------|--------|-------|--------|-------|-------|---------|---------|---------|----------|
| <b>MONEY MARKET</b>                    |        |         |        |       |        |       |       |         |         |         |          |
| Vanguard Federal Money Market Investor | 0.00%  | 0.01%   | 0.45%  | 2.14% | 1.78%  | 0.81% | 0.30% | 0.03%   | 1.21%   | 1.07%   | 0.55%    |
| ICE BofA ML US Treasury Bill 3 Mon USD | 0.00%  | 0.03%   | 0.67%  | 2.28% | 1.87%  | 0.86% | 0.33% | 0.09%   | 1.34%   | 1.17%   | 0.63%    |
| <b>STABLE VALUE</b>                    |        |         |        |       |        |       |       |         |         |         |          |
| Nationwide Fixed Account               | -      | -       | -      | -     | -      | -     | -     | -       | -       | -       | -        |
| ICE BofA ML US Treasury Bill 3 Mon USD | 0.00%  | 0.03%   | 0.67%  | 2.28% | 1.87%  | 0.86% | 0.33% | 0.09%   | 1.34%   | 1.17%   | 0.63%    |
| Hueler Stable Value Index (gross)      | 0.43%  | 0.89%   | 2.26%  | 2.52% | 2.26%  | 1.95% | 1.79% | 1.98%   | 2.29%   | 2.16%   | 2.05%    |
| <b>INFLATION PROTECTED BOND</b>        |        |         |        |       |        |       |       |         |         |         |          |
| PIMCO Real Return Instl                | 3.22%  | 1.84%   | 12.09% | 8.52% | -1.97% | 3.92% | 5.04% | 7.49%   | 6.78%   | 4.56%   | 3.45%    |
| BBgBarc US Treasury US TIPS TR USD     | 3.25%  | 1.73%   | 10.99% | 8.43% | -1.26% | 3.01% | 4.68% | 6.51%   | 6.53%   | 4.17%   | 3.40%    |
| Inflation Protected Bond Universe      | 2.73%  | 2.04%   | 9.65%  | 7.31% | -1.57% | 2.42% | 4.26% | 7.41%   | 5.73%   | 3.76%   | 2.62%    |
| <b>INTERMEDIATE CORE BOND</b>          |        |         |        |       |        |       |       |         |         |         |          |
| Fidelity US Bond Index                 | 1.85%  | -1.70%  | 7.80%  | 8.48% | 0.01%  | 3.50% | 2.52% | -0.53%  | 5.37%   | 2.97%   | 3.37%    |
| BBgBarc Aggregate Bond Index           | 1.83%  | -1.60%  | 7.51%  | 8.72% | 0.01%  | 3.54% | 2.65% | -0.33%  | 5.34%   | 3.03%   | 3.39%    |
| Intermediate Core Bond Universe        | 1.72%  | -1.23%  | 7.85%  | 8.28% | -0.45% | 3.38% | 2.71% | 0.88%   | 5.31%   | 3.05%   | 3.32%    |
| <b>INTERMEDIATE CORE-PLUS BOND</b>     |        |         |        |       |        |       |       |         |         |         |          |
| PIMCO Total Return Instl               | 2.09%  | -1.06%  | 8.88%  | 8.26% | -0.26% | 5.13% | 2.60% | 1.47%   | 5.77%   | 3.84%   | 3.77%    |
| BBgBarc Aggregate Bond Index           | 1.83%  | -1.60%  | 7.51%  | 8.72% | 0.01%  | 3.54% | 2.65% | -0.33%  | 5.34%   | 3.03%   | 3.39%    |
| Intermediate Core Plus Bond Universe   | 1.99%  | -0.67%  | 8.53%  | 9.02% | -0.72% | 4.34% | 3.97% | 3.08%   | 5.81%   | 3.80%   | 3.85%    |

\*ANNUALIZED

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light

| INVESTMENT NAME                              | Q2 '21       | YTD '21       | 2020          | 2019          | 2018          | 2017          | 2016         | 1 YEAR*       | 3 YEAR*       | 5 YEAR*       | 10 YEAR*      |
|--|--------------|---------------|---------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|
| <b>MULTISECTOR BOND</b>                      |              |               |               |               |               |               |              |               |               |               |               |
| <b>PIMCO Income Instl</b>                    | <b>2.01%</b> | <b>1.84%</b>  | <b>5.80%</b>  | <b>8.05%</b>  | <b>0.58%</b>  | <b>8.60%</b>  | <b>8.72%</b> | <b>9.59%</b>  | <b>5.65%</b>  | <b>5.80%</b>  | <b>6.97%</b>  |
| BBgBarc Aggregate Bond Index                 | 1.83%        | -1.60%        | 7.51%         | 8.72%         | 0.01%         | 3.54%         | 2.65%        | -0.33%        | 5.34%         | 3.03%         | 3.39%         |
| Multisector Bond Universe                    | 2.11%        | 1.88%         | 5.60%         | 10.09%        | -1.66%        | 6.50%         | 7.40%        | 9.65%         | 5.33%         | 4.80%         | 4.43%         |
| <b>ALLOCATION--50% TO 70% EQUITY</b>         |              |               |               |               |               |               |              |               |               |               |               |
| <b>Fidelity Balanced</b>                     | <b>6.37%</b> | <b>11.14%</b> | <b>22.43%</b> | <b>24.39%</b> | <b>-4.02%</b> | <b>16.50%</b> | <b>7.01%</b> | <b>33.47%</b> | <b>16.29%</b> | <b>14.62%</b> | <b>11.50%</b> |
| 60% S&P 500, 40% BBgBarc Agg                 | 5.86%        | 8.36%         | 15.37%        | 22.11%        | -2.26%        | 14.26%        | 8.21%        | 23.08%        | 13.91%        | 12.05%        | 10.49%        |
| Allocation--50% to 70% Equity Universe       | 5.14%        | 9.13%         | 11.97%        | 19.38%        | -5.69%        | 13.96%        | 7.38%        | 26.04%        | 11.12%        | 10.33%        | 8.42%         |
| <b>TARGET DATE RET INCOME MODERATE</b>       |              |               |               |               |               |               |              |               |               |               |               |
| <b>Vanguard Instl Trgt Retire Inc Instl</b>  | <b>3.21%</b> | <b>3.32%</b>  | <b>10.18%</b> | <b>13.20%</b> | <b>-1.98%</b> | <b>8.54%</b>  | <b>5.29%</b> | <b>12.04%</b> | <b>8.12%</b>  | <b>6.70%</b>  | <b>-</b>      |
| Morningstar Lifetime Moderate Income Index   | 3.98%        | 4.83%         | 10.56%        | 13.27%        | -2.20%        | 8.55%         | 5.98%        | 15.66%        | 8.54%         | 7.09%         | 5.77%         |
| Retirement Income Moderate                   | 3.44%        | 3.81%         | 10.17%        | 13.33%        | -3.55%        | 9.24%         | 4.86%        | 14.10%        | 8.07%         | 6.72%         | 5.39%         |
| <b>TARGET DATE 2015 MODERATE</b>             |              |               |               |               |               |               |              |               |               |               |               |
| <b>Vanguard Instl Trgt Retire 2015 Instl</b> | <b>3.41%</b> | <b>3.79%</b>  | <b>10.42%</b> | <b>14.88%</b> | <b>-2.91%</b> | <b>11.50%</b> | <b>6.27%</b> | <b>13.61%</b> | <b>8.51%</b>  | <b>7.82%</b>  | <b>-</b>      |
| Morningstar Lifetime Moderate 2015 Index     | 4.99%        | 5.05%         | 12.67%        | 16.29%        | -3.54%        | 11.39%        | 7.10%        | 17.73%        | 9.92%         | 8.47%         | 7.10%         |
| 2015 Moderate                                | 3.89%        | 5.17%         | 10.47%        | 15.19%        | -4.18%        | 11.21%        | 6.15%        | 16.85%        | 8.82%         | 7.87%         | 6.53%         |
| <b>TARGET DATE 2020 MODERATE</b>             |              |               |               |               |               |               |              |               |               |               |               |
| <b>Vanguard Instl Trgt Retire 2020 Instl</b> | <b>4.21%</b> | <b>5.56%</b>  | <b>12.09%</b> | <b>17.69%</b> | <b>-4.21%</b> | <b>14.13%</b> | <b>7.04%</b> | <b>18.96%</b> | <b>10.06%</b> | <b>9.44%</b>  | <b>-</b>      |
| Morningstar Lifetime Moderate 2020 Index     | 5.38%        | 5.55%         | 13.32%        | 17.73%        | -4.16%        | 12.79%        | 7.66%        | 19.56%        | 10.53%        | 9.21%         | 7.68%         |
| 2020 Moderate                                | 4.26%        | 5.97%         | 11.15%        | 16.57%        | -4.93%        | 13.25%        | 6.10%        | 19.32%        | 9.47%         | 8.79%         | 7.34%         |

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light

| INVESTMENT NAME                          | Q2 '21 | YTD '21 | 2020   | 2019   | 2018   | 2017   | 2016   | 1 YEAR* | 3 YEAR* | 5 YEAR* | 10 YEAR* |
|--|--------|---------|--------|--------|--------|--------|--------|---------|---------|---------|----------|
| <b>TARGET DATE 2025 MODERATE</b>         |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2025 Instl    | 4.79%  | 6.78%   | 13.34% | 19.67% | -5.02% | 15.94% | 7.56%  | 22.81%  | 11.17%  | 10.62%  | -        |
| Morningstar Lifetime Moderate 2025 Index | 5.71%  | 6.38%   | 13.67% | 19.36% | -4.90% | 14.54% | 8.39%  | 22.14%  | 11.14%  | 10.11%  | 8.33%    |
| 2025 Moderate                            | 4.68%  | 6.74%   | 12.54% | 18.33% | -5.54% | 15.15% | 6.78%  | 22.13%  | 10.45%  | 9.92%   | 8.09%    |
| <b>TARGET DATE 2030 MODERATE</b>         |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2030 Instl    | 5.27%  | 7.93%   | 14.10% | 21.14% | -5.82% | 17.57% | 7.97%  | 26.11%  | 11.92%  | 11.55%  | -        |
| Morningstar Lifetime Moderate 2030 Index | 5.99%  | 7.71%   | 13.69% | 21.24% | -5.82% | 16.59% | 9.26%  | 25.93%  | 11.77%  | 11.18%  | 9.00%    |
| 2030 Moderate                            | 5.26%  | 8.12%   | 13.44% | 20.55% | -6.43% | 17.27% | 7.27%  | 26.19%  | 11.43%  | 11.13%  | 8.82%    |
| <b>TARGET DATE 2035 MODERATE</b>         |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2035 Instl    | 5.70%  | 9.05%   | 14.80% | 22.56% | -6.56% | 19.14% | 8.39%  | 29.34%  | 12.64%  | 12.45%  | -        |
| Morningstar Lifetime Moderate 2035 Index | 6.19%  | 9.38%   | 13.38% | 23.04% | -6.82% | 18.52% | 10.07% | 30.55%  | 12.33%  | 12.17%  | 9.54%    |
| 2035 Moderate                            | 5.84%  | 9.66%   | 14.78% | 22.37% | -7.33% | 19.10% | 7.72%  | 30.79%  | 12.59%  | 12.32%  | 9.58%    |
| <b>TARGET DATE 2040 MODERATE</b>         |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2040 Instl    | 6.14%  | 10.22%  | 15.44% | 23.93% | -7.31% | 20.73% | 8.81%  | 32.73%  | 13.34%  | 13.34%  | -        |
| Morningstar Lifetime Moderate 2040 Index | 6.36%  | 10.87%  | 13.09% | 24.35% | -7.65% | 19.87% | 10.61% | 34.74%  | 12.76%  | 12.89%  | 9.85%    |
| 2040 Moderate                            | 6.24%  | 10.85%  | 15.32% | 23.69% | -7.90% | 20.10% | 7.53%  | 34.07%  | 13.24%  | 13.01%  | 9.98%    |
| <b>TARGET DATE 2045 MODERATE</b>         |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2045 Instl    | 6.56%  | 11.34%  | 16.17% | 25.07% | -7.87% | 21.47% | 8.94%  | 36.10%  | 14.07%  | 13.96%  | -        |
| Morningstar Lifetime Moderate 2045 Index | 6.47%  | 11.78%  | 12.95% | 24.97% | -8.17% | 20.53% | 10.84% | 37.39%  | 13.00%  | 13.22%  | 9.93%    |
| 2045 Moderate                            | 6.49%  | 11.76%  | 15.32% | 24.39% | -8.42% | 20.57% | 7.89%  | 36.74%  | 13.55%  | 13.36%  | 9.95%    |

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light

| INVESTMENT NAME                          | Q2 '21 | YTD '21 | 2020   | 2019   | 2018   | 2017   | 2016   | 1 YEAR* | 3 YEAR* | 5 YEAR* | 10 YEAR* |
|--|--------|---------|--------|--------|--------|--------|--------|---------|---------|---------|----------|
| <b>TARGET DATE 2050 MODERATE</b>         |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2050 Instl    | 6.64%  | 11.51%  | 16.33% | 25.05% | -7.87% | 21.47% | 8.95%  | 36.49%  | 14.17%  | 14.01%  | -        |
| Morningstar Lifetime Moderate 2050 Index | 6.50%  | 12.10%  | 12.91% | 25.09% | -8.41% | 20.78% | 10.89% | 38.42%  | 13.05%  | 13.30%  | 9.88%    |
| 2050 Moderate                            | 6.58%  | 11.87%  | 15.16% | 24.67% | -8.33% | 20.76% | 7.77%  | 36.89%  | 13.61%  | 13.43%  | 10.08%   |
| <b>TARGET DATE 2055 MODERATE</b>         |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2055 Instl    | 6.65%  | 11.51%  | 16.36% | 25.06% | -7.84% | 21.47% | 8.94%  | 36.50%  | 14.20%  | 14.03%  | -        |
| Morningstar Lifetime Moderate 2055 Index | 6.50%  | 12.14%  | 12.91% | 25.05% | -8.57% | 20.95% | 10.90% | 38.71%  | 13.02%  | 13.29%  | 9.78%    |
| 2055 Moderate                            | 6.37%  | 11.81%  | 15.25% | 24.48% | -8.95% | 20.73% | 8.35%  | 37.44%  | 13.39%  | 13.35%  | 10.04%   |
| <b>TARGET DATE 2060 MODERATE</b>         |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2060 Instl    | 6.66%  | 11.51%  | 16.40% | 25.13% | -7.88% | 21.42% | 8.94%  | 36.54%  | 14.23%  | 14.04%  | -        |
| Morningstar Lifetime Moderate 2060 Index | 6.50%  | 12.12%  | 12.89% | 24.96% | -8.69% | 21.06% | 10.88% | 38.83%  | 12.96%  | 13.25%  | -        |
| 2060 Moderate                            | 6.51%  | 12.07%  | 16.07% | 25.06% | -8.56% | 20.72% | 8.79%  | 37.98%  | 13.89%  | 13.77%  | -        |
| <b>TARGET DATE 2065+ MODERATE</b>        |        |         |        |        |        |        |        |         |         |         |          |
| Vanguard Instl Trgt Retire 2065 Instl    | 6.62%  | 11.49%  | 16.18% | 25.15% | -7.84% | -      | -      | 36.49%  | 14.13%  | -       | -        |
| Morningstar Lifetime Moderate 2065 Index | 6.48%  | 12.07%  | 12.88% | 24.74% | -      | -      | -      | 38.85%  | -       | -       | -        |
| 2065+ Moderate                           | 6.67%  | 12.13%  | 15.67% | 26.02% | -9.43% | -      | -      | 38.43%  | 13.64%  | -       | -        |
| <b>LARGE COMPANY VALUE</b>               |        |         |        |        |        |        |        |         |         |         |          |
| MFS Value R6                             | 5.66%  | 14.84%  | 4.03%  | 30.18% | -9.78% | 17.86% | 14.25% | 37.03%  | 13.31%  | 12.09%  | 12.06%   |
| Russell 1000 Value                       | 5.21%  | 17.05%  | 2.80%  | 26.54% | -8.27% | 13.66% | 17.34% | 43.68%  | 12.42%  | 11.87%  | 11.61%   |
| Large Value Universe                     | 5.53%  | 17.41%  | 3.11%  | 25.24% | -8.62% | 16.10% | 14.63% | 42.86%  | 11.80%  | 11.98%  | 10.89%   |

\*ANNUALIZED

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light

| INVESTMENT NAME                      | Q2 '21 | YTD '21 | 2020   | 2019   | 2018    | 2017   | 2016   | 1 YEAR* | 3 YEAR* | 5 YEAR* | 10 YEAR* |
|--------------------------------------|--------|---------|--------|--------|---------|--------|--------|---------|---------|---------|----------|
| <b>LARGE COMPANY BLEND</b>           |        |         |        |        |         |        |        |         |         |         |          |
| Fidelity 500 Index                   | 8.55%  | 15.25%  | 18.40% | 31.47% | -4.40%  | 21.81% | 11.97% | 40.79%  | 18.66%  | 17.63%  | 14.83%   |
| Fidelity Contrafund                  | 11.67% | 14.45%  | 32.58% | 29.98% | -2.13%  | 32.21% | 3.36%  | 38.50%  | 20.79%  | 21.70%  | 16.46%   |
| S&P 500 Index                        | 8.55%  | 15.25%  | 18.40% | 31.49% | -4.38%  | 21.83% | 11.96% | 40.79%  | 18.67%  | 17.65%  | 14.84%   |
| Large Blend Universe                 | 7.71%  | 15.04%  | 16.35% | 29.26% | -6.28%  | 20.90% | 10.19% | 40.79%  | 16.71%  | 16.10%  | 13.20%   |
| <b>LARGE COMPANY GROWTH</b>          |        |         |        |        |         |        |        |         |         |         |          |
| MainStay Winslow Large Cap Growth I  | 11.79% | 12.80%  | 37.38% | 33.67% | 3.74%   | 32.39% | -2.28% | 38.10%  | 23.49%  | 23.82%  | 16.72%   |
| Russell 1000 Growth                  | 11.93% | 12.99%  | 38.49% | 36.39% | -1.51%  | 30.21% | 7.08%  | 42.50%  | 25.14%  | 23.66%  | 17.87%   |
| Large Growth Universe                | 10.51% | 12.32%  | 38.87% | 32.72% | -1.50%  | 28.79% | 3.34%  | 41.28%  | 23.01%  | 22.33%  | 16.25%   |
| <b>MEDIUM COMPANY VALUE</b>          |        |         |        |        |         |        |        |         |         |         |          |
| JPMorgan Mid Cap Value R6            | 5.39%  | 21.78%  | 0.43%  | 26.67% | -11.66% | 13.68% | 14.61% | 51.83%  | 11.09%  | 10.85%  | 11.77%   |
| Russell Mid Cap Value                | 5.66%  | 19.45%  | 4.96%  | 27.06% | -12.29% | 13.34% | 20.00% | 53.06%  | 11.86%  | 11.79%  | 11.74%   |
| Mid Value Universe                   | 4.83%  | 20.26%  | 3.15%  | 26.77% | -13.64% | 13.83% | 18.11% | 54.16%  | 10.66%  | 11.58%  | 10.41%   |
| <b>MEDIUM COMPANY BLEND</b>          |        |         |        |        |         |        |        |         |         |         |          |
| Fidelity Mid Cap Index               | 7.47%  | 16.23%  | 17.11% | 30.51% | -9.05%  | 18.47% | 13.86% | 49.79%  | 16.45%  | 15.61%  | -        |
| Russell Mid Cap                      | 7.50%  | 16.25%  | 17.10% | 30.54% | -9.06%  | 18.52% | 13.80% | 49.80%  | 16.45%  | 15.62%  | 13.24%   |
| Mid Blend Universe                   | 5.49%  | 16.44%  | 13.57% | 27.46% | -10.94% | 15.77% | 14.52% | 50.18%  | 13.59%  | 13.84%  | 11.30%   |
| <b>MEDIUM COMPANY GROWTH</b>         |        |         |        |        |         |        |        |         |         |         |          |
| T Rowe Price Instl Mid-Cap Equity Gr | 6.74%  | 10.07%  | 23.87% | 33.09% | -2.23%  | 26.02% | 6.94%  | 39.73%  | 19.07%  | 18.62%  | 15.48%   |
| Russell Mid Cap Growth               | 11.07% | 10.44%  | 35.59% | 35.47% | -4.75%  | 25.27% | 7.33%  | 43.77%  | 22.39%  | 20.52%  | 15.13%   |
| Mid Growth Universe                  | 7.24%  | 10.09%  | 40.88% | 33.89% | -4.87%  | 25.50% | 5.72%  | 46.31%  | 21.90%  | 20.58%  | 14.40%   |

\*ANNUALIZED

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light

| INVESTMENT NAME                         | Q2 '21 | YTD '21 | 2020   | 2019   | 2018    | 2017   | 2016   | 1 YEAR* | 3 YEAR* | 5 YEAR* | 10 YEAR* |
|---|--------|---------|--------|--------|---------|--------|--------|---------|---------|---------|----------|
| <b>WORLD LARGE STOCK BLEND</b>          |        |         |        |        |         |        |        |         |         |         |          |
| American Funds Capital World Gr&Inc R6  | 5.76%  | 10.49%  | 15.78% | 25.74% | -9.97%  | 25.08% | 6.85%  | 35.65%  | 12.91%  | 13.71%  | 10.07%   |
| MSCI ACWI NR USD                        | 7.39%  | 12.30%  | 16.25% | 26.60% | -9.41%  | 23.97% | 7.86%  | 39.27%  | 14.57%  | 14.61%  | 9.90%    |
| World Large Stock Blend                 | 6.55%  | 11.86%  | 13.20% | 25.74% | -10.09% | 23.00% | 6.17%  | 37.28%  | 12.81%  | 12.94%  | 9.41%    |
| <b>FOREIGN LARGE BLEND</b>              |        |         |        |        |         |        |        |         |         |         |          |
| American Funds Europacific Growth R6    | 6.97%  | 6.51%   | 25.27% | 27.40% | -14.91% | 31.17% | 1.01%  | 40.10%  | 13.79%  | 14.50%  | 8.33%    |
| Vanguard Total Intl Stock Index Admiral | 5.52%  | 9.68%   | 11.28% | 21.51% | -14.43% | 27.55% | 4.67%  | 36.51%  | 9.60%   | 11.10%  | 5.71%    |
| MSCI EAFE                               | 5.38%  | 9.17%   | 8.28%  | 22.66% | -13.36% | 25.62% | 1.51%  | 32.92%  | 8.77%   | 10.79%  | 6.38%    |
| Foreign Large Blend Universe            | 5.06%  | 9.00%   | 10.97% | 22.67% | -15.56% | 25.78% | 1.00%  | 34.53%  | 8.95%   | 10.27%  | 5.81%    |
| <b>FOREIGN LARGE GROWTH</b>             |        |         |        |        |         |        |        |         |         |         |          |
| Vanguard International Growth Adm       | 7.49%  | 6.38%   | 59.74% | 31.48% | -12.58% | 43.16% | 1.84%  | 51.23%  | 23.33%  | 23.66%  | 12.55%   |
| MSCI EAFE                               | 5.38%  | 9.17%   | 8.28%  | 22.66% | -13.36% | 25.62% | 1.51%  | 32.92%  | 8.77%   | 10.79%  | 6.38%    |
| Foreign Large Growth Universe           | 6.75%  | 6.85%   | 24.92% | 28.62% | -13.79% | 31.88% | -1.63% | 34.69%  | 13.83%  | 14.10%  | 8.26%    |
| <b>SMALL COMPANY VALUE</b>              |        |         |        |        |         |        |        |         |         |         |          |
| American Beacon Small Cap Value R6      | 2.47%  | 22.62%  | 4.03%  | 23.50% | -15.59% | 8.71%  | 26.77% | 69.52%  | 8.42%   | 12.07%  | 10.50%   |
| Russell 2000 Value                      | 4.56%  | 26.69%  | 4.63%  | 22.39% | -12.86% | 7.84%  | 31.74% | 73.28%  | 10.27%  | 13.62%  | 10.85%   |
| Small Value Universe                    | 4.43%  | 26.07%  | 3.74%  | 22.53% | -15.33% | 9.40%  | 24.95% | 70.21%  | 9.41%   | 12.15%  | 9.95%    |
| <b>SMALL COMPANY BLEND</b>              |        |         |        |        |         |        |        |         |         |         |          |
| Fidelity Small Cap Index                | 4.26%  | 17.53%  | 19.99% | 25.71% | -10.88% | 14.85% | 21.63% | 61.98%  | 13.61%  | 16.59%  | -        |
| Russell 2000                            | 4.29%  | 17.54%  | 19.96% | 25.53% | -11.01% | 14.65% | 21.31% | 62.03%  | 13.52%  | 16.47%  | 12.34%   |
| Small Blend Universe                    | 4.28%  | 19.59%  | 11.48% | 24.48% | -12.35% | 13.10% | 21.31% | 59.64%  | 11.17%  | 13.80%  | 11.20%   |

\*ANNUALIZED

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light

| INVESTMENT NAME                    | Q2 '21 | YTD '21 | 2020    | 2019   | 2018   | 2017   | 2016   | 1 YEAR* | 3 YEAR* | 5 YEAR* | 10 YEAR* |
|------------------------------------|--------|---------|---------|--------|--------|--------|--------|---------|---------|---------|----------|
| <b>SMALL COMPANY GROWTH</b>        |        |         |         |        |        |        |        |         |         |         |          |
| AMG TimesSquare Small Cap Growth N | 4.62%  | 6.02%   | 34.96%  | 27.98% | -4.38% | 20.87% | 8.20%  | 41.97%  | 16.45%  | 17.96%  | 13.33%   |
| Russell 2000 Growth                | 3.92%  | 8.98%   | 34.63%  | 28.48% | -9.31% | 22.17% | 11.32% | 51.36%  | 15.94%  | 18.76%  | 13.52%   |
| Small Growth Universe              | 4.87%  | 10.91%  | 41.04%  | 29.48% | -4.67% | 23.44% | 10.66% | 53.28%  | 19.60%  | 21.14%  | 14.11%   |
| <b>SPECIALTY-REAL ESTATE</b>       |        |         |         |        |        |        |        |         |         |         |          |
| Nuveen Real Estate Securities I    | 11.97% | 19.84%  | -6.12%  | 25.56% | -5.51% | 5.61%  | 6.79%  | 32.09%  | 9.92%   | 6.18%   | 9.14%    |
| Dow Jones US Select REIT           | 11.76% | 22.94%  | -11.20% | 23.10% | -4.22% | 3.76%  | 6.68%  | 39.98%  | 8.13%   | 5.16%   | 8.67%    |
| Specialty-Real Estate Universe     | 11.82% | 20.59%  | -3.34%  | 28.12% | -6.35% | 6.72%  | 6.31%  | 35.69%  | 11.54%  | 7.33%   | 9.26%    |

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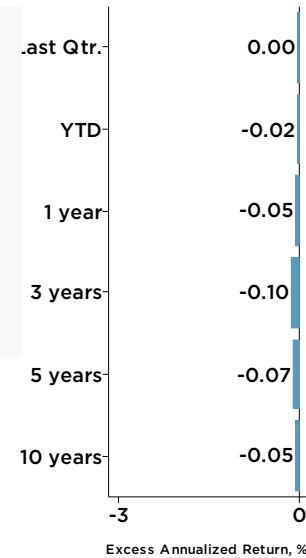
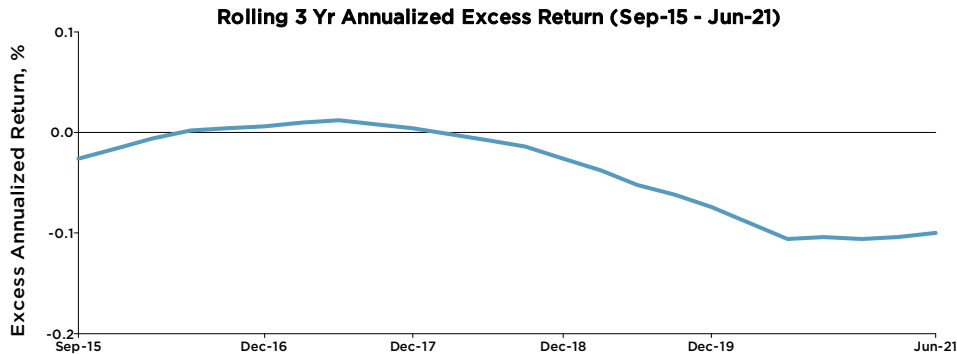
| SECTION 4: FUND FACT SHEETS |  |
|-----------------------------|--|
| Fund Fact Sheets.....       |  |



## INDUSTRY ANALYSIS

The Federal Reserve continues to keep interest rates near zero at the front-end of the yield curve while also continuing their quantitative easing, bond buying, program. Yields on money market funds remain close to 0.00% and are expected to remain at such levels until the Fed hikes interest rates. Money market managers continue to waive expense ratios on offerings to avoid negative returns. Money market managers saw negative cash flows across both retail and institutional markets as investors sought return opportunities in the equity market as its rally continues. With inflation levels increasing throughout the second quarter, the most recent guidance from the Federal Reserve indicates the earliest it would hike rates is 2023. Money market managers and governing parties continue to call for structural reform of money market funds as regulatory concerns continue, with a focus on prime options and governing response to liquidity events.

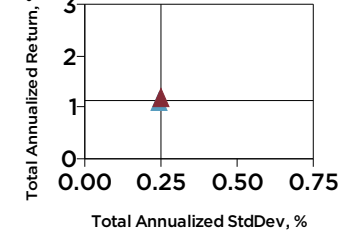
|                              | Vanguard Federal Money Market Investor | FTSE Treasury Bill 3 Mon USD |
|------------------------------|--|------------------------------|
| <b>TRAILING RETURNS</b>      |  |                              |
| Last Qtr.                    | 0.00                                   | 0.01                         |
| YTD                          | 0.01                                   | 0.03                         |
| 1 Year                       | 0.03                                   | 0.08                         |
| 3 Years                      | 1.21                                   | 1.31                         |
| 5 Years                      | 1.07                                   | 1.14                         |
| 10 Years                     | 0.55                                   | 0.60                         |
| <b>CALENDAR RETURNS</b>      |  |                              |
| 2020                         | 0.45                                   | 0.58                         |
| 2019                         | 2.14                                   | 2.25                         |
| 2018                         | 1.78                                   | 1.86                         |
| 2017                         | 0.81                                   | 0.84                         |
| 2016                         | 0.30                                   | 0.27                         |
| <b>KEY MEASURES / 5 YEAR</b> |  |                              |
| 5 Year                       | 0.24                                   | 0.25                         |



## INVESTMENT PROFILE

|                      |            |
|----------------------|------------|
| Ticker               | VMFXX      |
| Strategy Incept Date | 07/13/1981 |
| Prospectus Exp Ratio | 0.11%      |
| 12 Mo Yield          | 0.03%      |

## Performance vs Risk - 5 Year



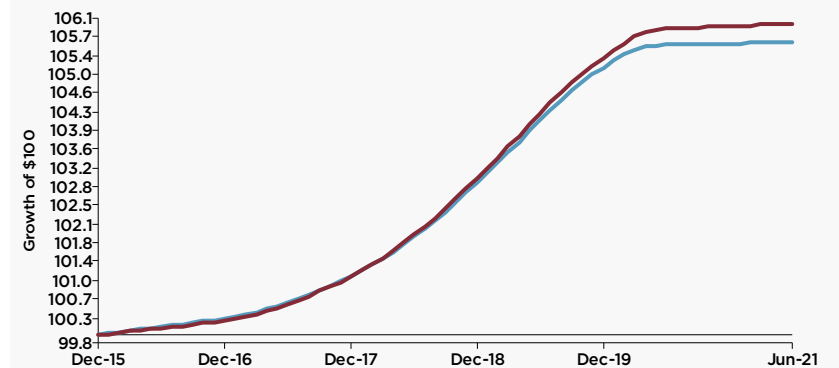
## Vanguard Federal Money Market Investor

■ Excess

▲ Vanguard Federal Money Market Investor  
▲ FTSE Treasury Bill 3 Mon USD

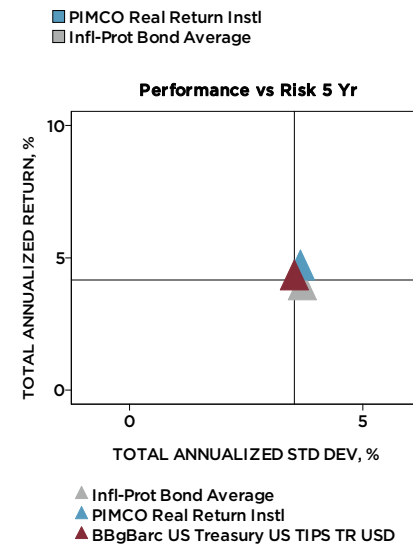
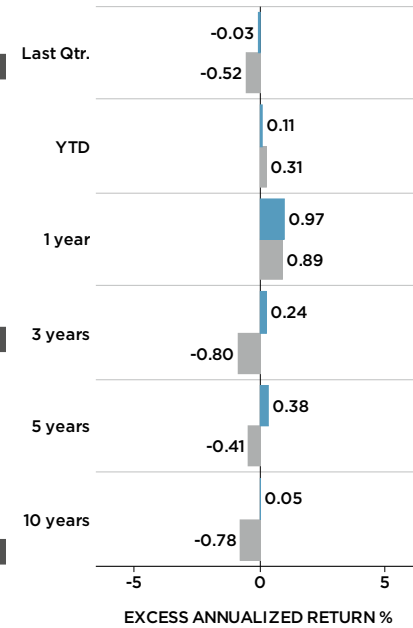
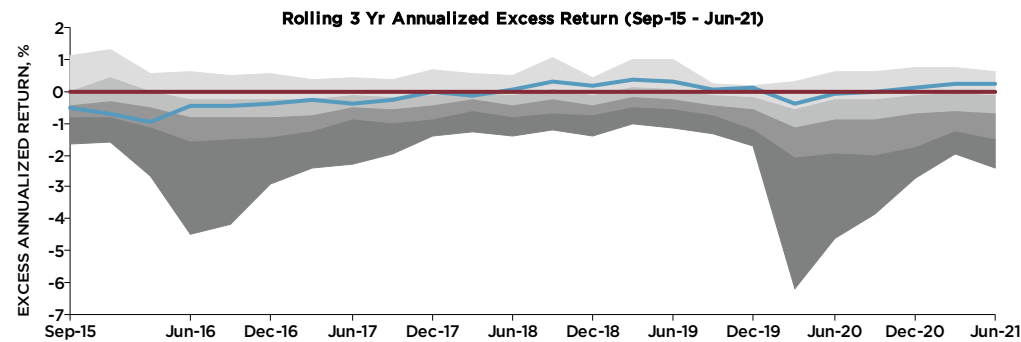
## Cumulative Performance

Dec-15 - Jun-21



Performance Disclosure: For use with CAPTRUST clients only. Mutual fund investing involves risk. Please visit [captrustadvisors.com/risk-disclosures/](http://captrustadvisors.com/risk-disclosures/) for a detailed description of the risks associated with investing by asset class. Statistics and data have been derived from Morningstar and are not guaranteed to be accurate or complete. Performance data included here represents past performance and does not guarantee future results. This is not a solicitation to invest. Each mutual fund has a prospectus with a complete description of the risks associated with investing in the specific fund. To request a prospectus on this fund, please call CAPTRUST at (800)216-0645.

|                              | PIMCO Real Return Instl | Peer Group Rank | BBgBarc US Treasury US TIPS TR USD | Infl-Prot Bond | # of Funds |
|------------------------------|-------------------------|-----------------|------------------------------------|----------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                         |                 |                                    |                |            |
| Standard Deviation           | 3.68                    | 56%             | 3.54                               | 3.72           | 189        |
| Sharpe Ratio                 | 0.92                    | 13%             | 0.85                               | 0.72           | 189        |
| Alpha                        | 0.31                    | 27%             | 0.00                               | -0.10          | 189        |
| Beta                         | 1.02                    | 33%             | 1.00                               | 0.90           | 189        |
| R-Squared                    | 95.86                   | 24%             | 100.00                             | 77.85          | 189        |
| Up Mkt Capture               | 103.53                  | 8%              | 100.00                             | 87.80          | 189        |
| Down Mkt Capture             | 96.13                   | 53%             | 100.00                             | 84.99          | 189        |
| Information Ratio            | 0.48                    | 3%              | NA                                 | -0.39          | 189        |
| <b>TRAILING RETURNS</b>      |                         |                 |                                    |                |            |
| Last Qtr.                    | 3.22                    | 22%             | 3.25                               | 2.73           | 198        |
| YTD                          | 1.84                    | 47%             | 1.73                               | 2.04           | 198        |
| 1 Year                       | 7.49                    | 26%             | 6.51                               | 7.41           | 196        |
| 3 Years                      | 6.78                    | 11%             | 6.53                               | 5.73           | 196        |
| 5 Years                      | 4.56                    | 10%             | 4.17                               | 3.76           | 189        |
| 10 Years                     | 3.45                    | 6%              | 3.40                               | 2.62           | 152        |
| <b>CALENDAR RETURNS</b>      |                         |                 |                                    |                |            |
| 2020                         | 12.09                   | 14%             | 10.99                              | 9.65           | 196        |
| 2019                         | 8.52                    | 15%             | 8.43                               | 7.31           | 196        |
| 2018                         | -1.97                   | 68%             | -1.26                              | -1.57          | 191        |
| 2017                         | 3.92                    | 7%              | 3.01                               | 2.42           | 190        |
| 2016                         | 5.04                    | 18%             | 4.68                               | 4.26           | 185        |



## INVESTMENT PROFILE

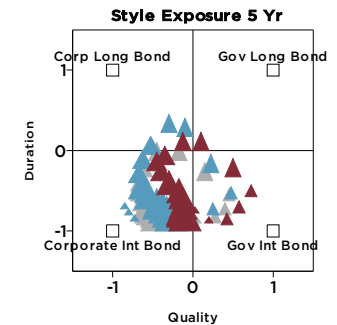
|                         |              |
|-------------------------|--------------|
| Ticker                  | PRRIX        |
| CUSIP                   | 693391104    |
| Net Assets \$MM         | \$12,384.00  |
| Manager Names           | Team Managed |
| Manager Tenure          | 2.5 Years    |
| Prospectus Exp Ratio    | 0.53%        |
| Cat Median Exp Ratio    | 0.62%        |
| Current 12b-1           | N/A          |
| Annlzd Ret Since Incept | 5.88%        |
| Inception Date          | 01/29/1997   |
| Phone Number            | 888-877-4626 |
| Sub Advisor             | N/A          |

## HOLDINGS OVERVIEW

|                             |         |
|-----------------------------|---------|
| Total Number of Holdings    | 997     |
| % Assets in Top 10 Holdings | 83.22%  |
| Avg Mkt Cap \$MM            | N/A     |
| Turnover Ratio              | 225.00% |

## TOP HOLDINGS

|                           |        |
|---------------------------|--------|
| 5 Year Treasury Note Futu | 20.78% |
| Euro Schatz Future June 2 | 17.95% |
| 10 Year Treasury Note Fut | 9.30%  |
| United States Treasury Bo | 6.56%  |
| United States Treasury Nc | 5.41%  |



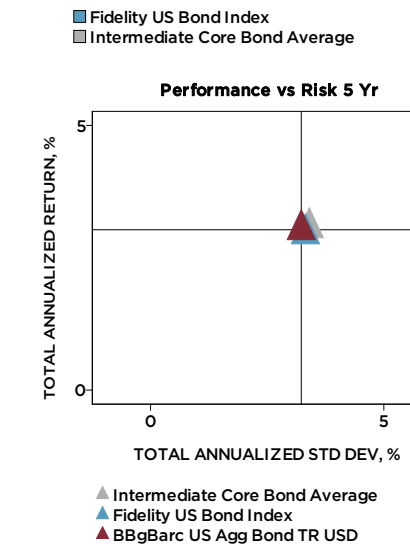
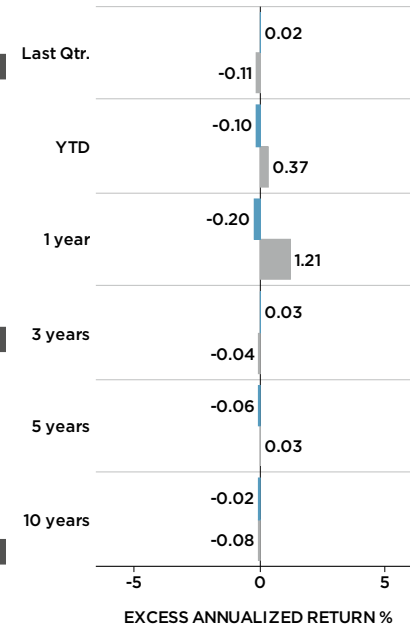
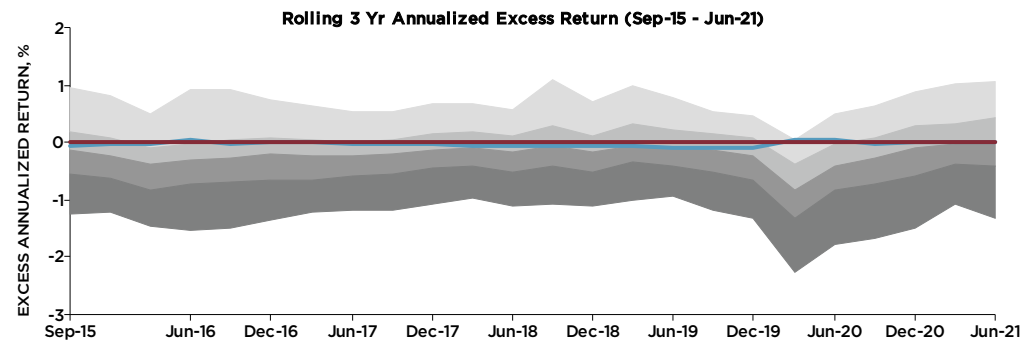
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# FIDELITY US BOND INDEX

Period Ending 6.30.21 | Q2 21

|                              | Fidelity US Bond Index | Peer Group Rank | BBgBarc US Agg Bond TR USD | Intermediate Core Bond | # of Funds |
|------------------------------|------------------------|-----------------|----------------------------|------------------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                        |                 |                            |                        |            |
| Standard Deviation           | 3.32                   | 37%             | 3.25                       | 3.41                   | 387        |
| Sharpe Ratio                 | 0.54                   | 58%             | 0.57                       | 0.55                   | 387        |
| Alpha                        | -0.08                  | 64%             | 0.00                       | 0.08                   | 387        |
| Beta                         | 1.01                   | 54%             | 1.00                       | 0.97                   | 387        |
| R-Squared                    | 99.18                  | 8%              | 100.00                     | 85.50                  | 387        |
| Up Mkt Capture               | 100.31                 | 61%             | 100.00                     | 99.64                  | 387        |
| Down Mkt Capture             | 102.53                 | 47%             | 100.00                     | 98.25                  | 387        |
| Information Ratio            | -0.19                  | 68%             | NA                         | -0.12                  | 387        |
| <b>TRAILING RETURNS</b>      |                        |                 |                            |                        |            |
| Last Qtr.                    | 1.85                   | 47%             | 1.83                       | 1.72                   | 436        |
| YTD                          | -1.70                  | 75%             | -1.60                      | -1.23                  | 433        |
| 1 Year                       | -0.53                  | 88%             | -0.33                      | 0.88                   | 424        |
| 3 Years                      | 5.37                   | 49%             | 5.34                       | 5.31                   | 413        |
| 5 Years                      | 2.97                   | 59%             | 3.03                       | 3.05                   | 387        |
| 10 Years                     | 3.37                   | 50%             | 3.39                       | 3.32                   | 358        |
| <b>CALENDAR RETURNS</b>      |                        |                 |                            |                        |            |
| 2020                         | 7.80                   | 50%             | 7.51                       | 7.85                   | 423        |
| 2019                         | 8.48                   | 49%             | 8.72                       | 8.28                   | 416        |
| 2018                         | 0.01                   | 26%             | 0.01                       | -0.45                  | 407        |
| 2017                         | 3.50                   | 44%             | 3.54                       | 3.38                   | 401        |
| 2016                         | 2.52                   | 56%             | 2.65                       | 2.71                   | 380        |



## INVESTMENT PROFILE

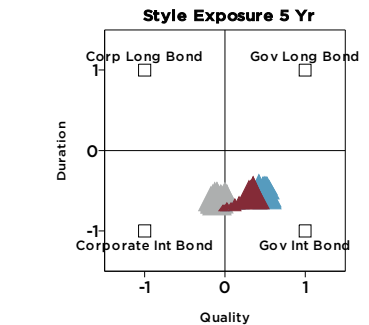
|                         |              |
|-------------------------|--------------|
| Ticker                  | FXNAX        |
| CUSIP                   | 316146356    |
| Net Assets \$MM         | \$58,102.00  |
| Manager Names           | Team Managed |
| Manager Tenure          | 7.1 Years    |
| Prospectus Exp Ratio    | 0.03%        |
| Cat Median Exp Ratio    | 0.55%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 3.38%        |
| Inception Date          | 05/04/2011   |
| Phone Number            | 800-544-8544 |
| Sub Advisor             | Multiple     |

## HOLDINGS OVERVIEW

|                             |        |
|-----------------------------|--------|
| Total Number of Holdings    | 2338   |
| % Assets in Top 10 Holdings | 15.90% |
| Avg Mkt Cap \$MM            | N/A    |
| Turnover Ratio              | 59.00% |

## TOP HOLDINGS

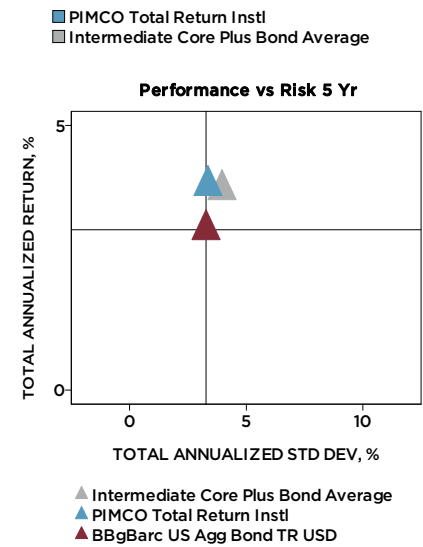
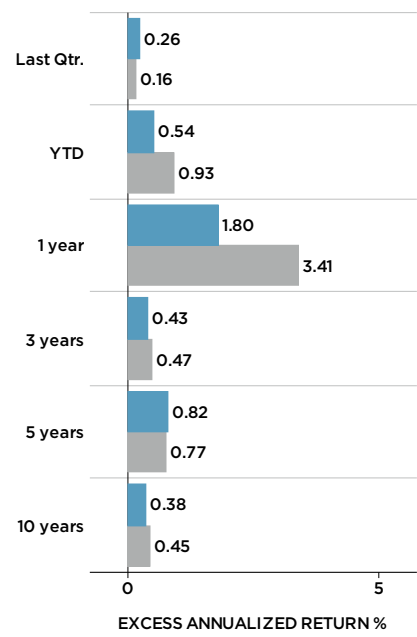
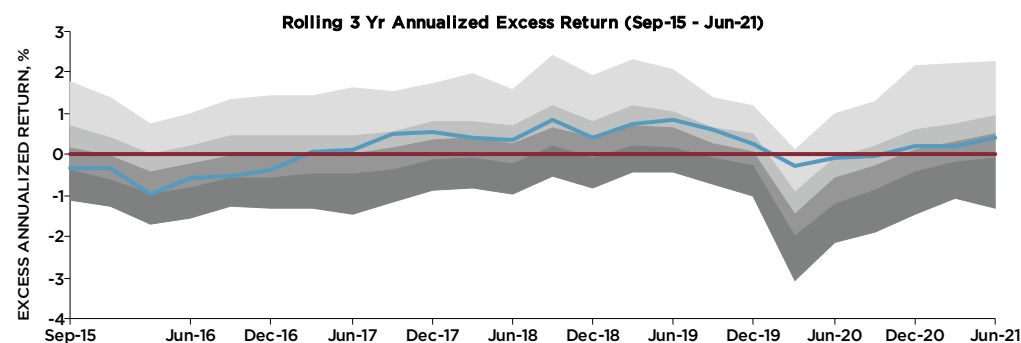
|                         |       |
|-------------------------|-------|
| Freddie Mac 2% 30 Year  | 2.27% |
| Fannie Mae 2% 30 Year   | 2.22% |
| Fannie Mae 3% 30 Year   | 2.09% |
| Ginnie Mae 3% 30 Year   | 1.43% |
| Fannie Mae 3.5% 30 Year | 1.42% |



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|                              | PIMCO Total Return Instl | Peer Group Rank | BBgBarc US Agg Bond TR USD | Intermediate Core Plus Bond | # of Funds |
|------------------------------|--------------------------|-----------------|----------------------------|-----------------------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                          |                 |                            |                             |            |
| Standard Deviation           | 3.34                     | 13%             | 3.25                       | 4.00                        | 540        |
| Sharpe Ratio                 | 0.80                     | 20%             | 0.57                       | 0.67                        | 540        |
| Alpha                        | 0.84                     | 42%             | 0.00                       | 0.79                        | 540        |
| Beta                         | 0.99                     | 62%             | 1.00                       | 0.99                        | 540        |
| R-Squared                    | 89.60                    | 7%              | 100.00                     | 66.08                       | 540        |
| Up Mkt Capture               | 108.52                   | 69%             | 100.00                     | 111.51                      | 540        |
| Down Mkt Capture             | 89.76                    | 29%             | 100.00                     | 96.85                       | 540        |
| Information Ratio            | 0.74                     | 9%              | NA                         | 0.33                        | 540        |
| <b>TRAILING RETURNS</b>      |                          |                 |                            |                             |            |
| Last Qtr.                    | 2.09                     | 53%             | 1.83                       | 1.99                        | 588        |
| YTD                          | -1.06                    | 66%             | -1.60                      | -0.67                       | 587        |
| 1 Year                       | 1.47                     | 81%             | -0.33                      | 3.08                        | 580        |
| 3 Years                      | 5.77                     | 54%             | 5.34                       | 5.81                        | 568        |
| 5 Years                      | 3.84                     | 46%             | 3.03                       | 3.80                        | 540        |
| 10 Years                     | 3.77                     | 57%             | 3.39                       | 3.85                        | 480        |
| <b>CALENDAR RETURNS</b>      |                          |                 |                            |                             |            |
| 2020                         | 8.88                     | 36%             | 7.51                       | 8.53                        | 577        |
| 2019                         | 8.26                     | 75%             | 8.72                       | 9.02                        | 577        |
| 2018                         | -0.26                    | 27%             | 0.01                       | -0.72                       | 552        |
| 2017                         | 5.13                     | 21%             | 3.54                       | 4.34                        | 544        |
| 2016                         | 2.60                     | 82%             | 2.65                       | 3.97                        | 519        |



## INVESTMENT PROFILE

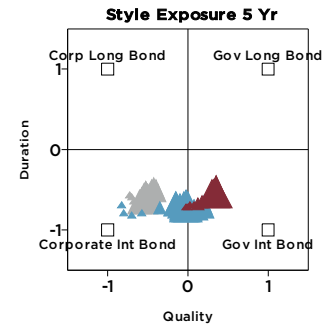
|                         |              |
|-------------------------|--------------|
| Ticker                  | PTRX         |
| CUSIP                   | 693390700    |
| Net Assets \$MM         | \$69,181.00  |
| Manager Names           | Team Managed |
| Manager Tenure          | 6.8 Years    |
| Prospectus Exp Ratio    | 0.70%        |
| Cat Median Exp Ratio    | 0.68%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 7.02%        |
| Inception Date          | 05/11/1987   |
| Phone Number            | 888-877-4626 |
| Sub Advisor             | N/A          |

## HOLDINGS OVERVIEW

|                             |         |
|-----------------------------|---------|
| Total Number of Holdings    | 7502    |
| % Assets in Top 10 Holdings | 46.66%  |
| Avg Mkt Cap \$MM            | \$4.23  |
| Turnover Ratio              | 430.00% |

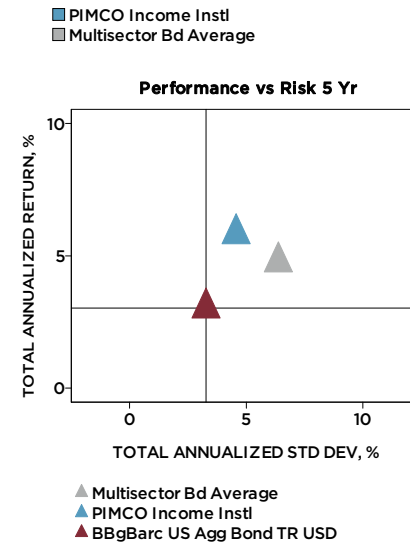
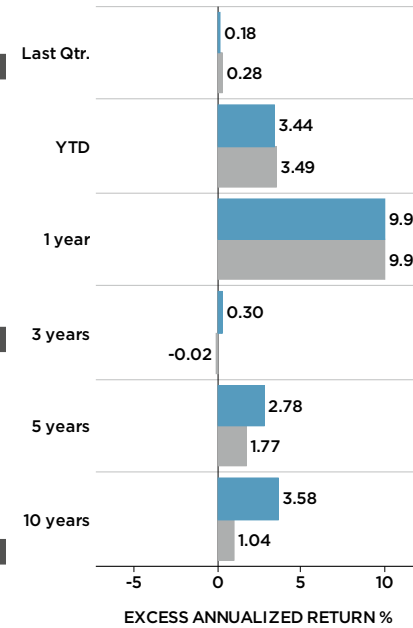
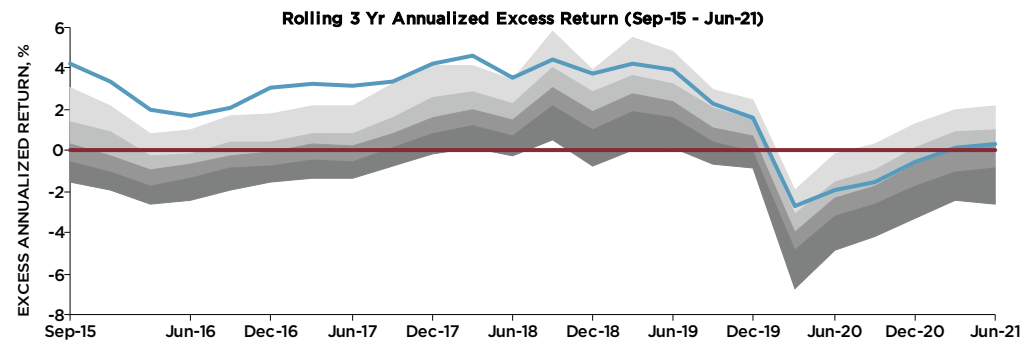
## TOP HOLDINGS

|                            |        |
|----------------------------|--------|
| 10 Year Treasury Note Futl | 14.22% |
| Federal National Mortgage  | 5.54%  |
| Pimco Fds                  | 5.23%  |
| Japan (Government Of) O'   | 4.92%  |
| Pimco Fds                  | 4.28%  |



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|                              | PIMCO Income Instl | Peer Group Rank | BBgBarc US Agg Bond TR USD | Multisector Bd | # of Funds |
|------------------------------|--------------------|-----------------|----------------------------|----------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                    |                 |                            |                |            |
| Standard Deviation           | 4.56               | 16%             | 3.25                       | 6.35           | 278        |
| Sharpe Ratio                 | 1.02               | 4%              | 0.57                       | 0.62           | 278        |
| Alpha                        | 3.86               | 12%             | 0.00                       | 2.30           | 278        |
| Beta                         | 0.41               | 95%             | 1.00                       | 0.71           | 278        |
| R-Squared                    | 7.97               | 78%             | 100.00                     | 16.19          | 278        |
| Up Mkt Capture               | 98.24              | 77%             | 100.00                     | 114.22         | 278        |
| Down Mkt Capture             | 5.24               | 2%              | 100.00                     | 69.42          | 278        |
| Information Ratio            | 0.55               | 11%             | NA                         | 0.31           | 278        |
| <b>TRAILING RETURNS</b>      |                    |                 |                            |                |            |
| Last Qtr.                    | 2.01               | 58%             | 1.83                       | 2.11           | 355        |
| YTD                          | 1.84               | 50%             | -1.60                      | 1.88           | 353        |
| 1 Year                       | 9.59               | 56%             | -0.33                      | 9.65           | 339        |
| 3 Years                      | 5.65               | 50%             | 5.34                       | 5.33           | 295        |
| 5 Years                      | 5.80               | 18%             | 3.03                       | 4.80           | 278        |
| 10 Years                     | 6.97               | 1%              | 3.39                       | 4.43           | 187        |
| <b>CALENDAR RETURNS</b>      |                    |                 |                            |                |            |
| 2020                         | 5.80               | 55%             | 7.51                       | 5.60           | 338        |
| 2019                         | 8.05               | 79%             | 8.72                       | 10.09          | 302        |
| 2018                         | 0.58               | 16%             | 0.01                       | -1.66          | 294        |
| 2017                         | 8.60               | 16%             | 3.54                       | 6.50           | 282        |
| 2016                         | 8.72               | 30%             | 2.65                       | 7.40           | 271        |



**INVESTMENT PROFILE**

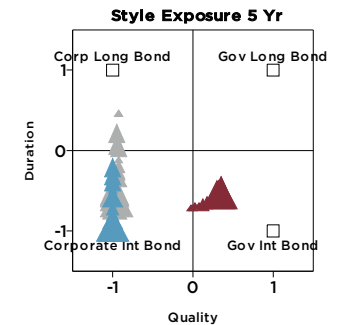
|                         |              |
|-------------------------|--------------|
| Ticker                  | PIMIX        |
| CUSIP                   | 72201F490    |
| Net Assets \$MM         | \$140,174.00 |
| Manager Names           | Team Managed |
| Manager Tenure          | 14.3 Years   |
| Prospectus Exp Ratio    | 1.09%        |
| Cat Median Exp Ratio    | 0.93%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 7.91%        |
| Inception Date          | 03/30/2007   |
| Phone Number            | 888-877-4626 |
| Sub Advisor             | N/A          |

**HOLDINGS OVERVIEW**

|                             |            |
|-----------------------------|------------|
| Total Number of Holdings    | 8055       |
| % Assets in Top 10 Holdings | 41.62%     |
| Avg Mkt Cap \$MM            | \$7,770.88 |
| Turnover Ratio              | 396.00%    |

**TOP HOLDINGS**

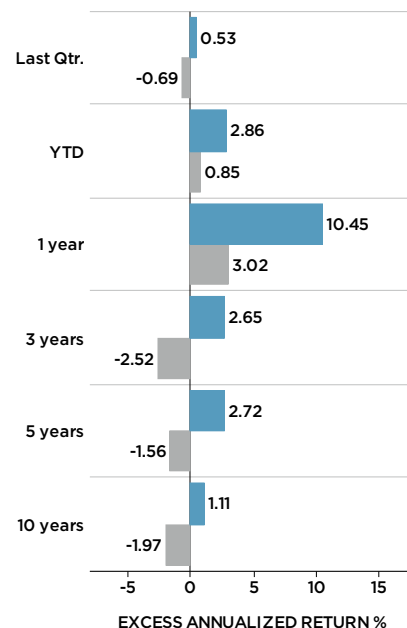
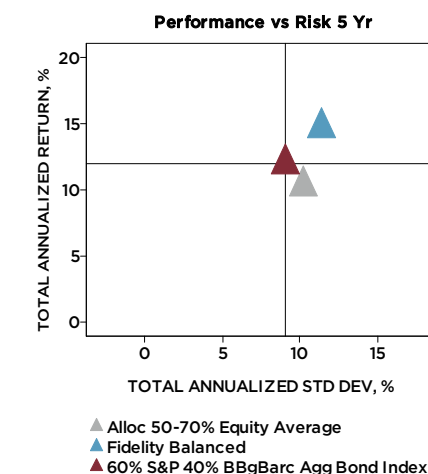
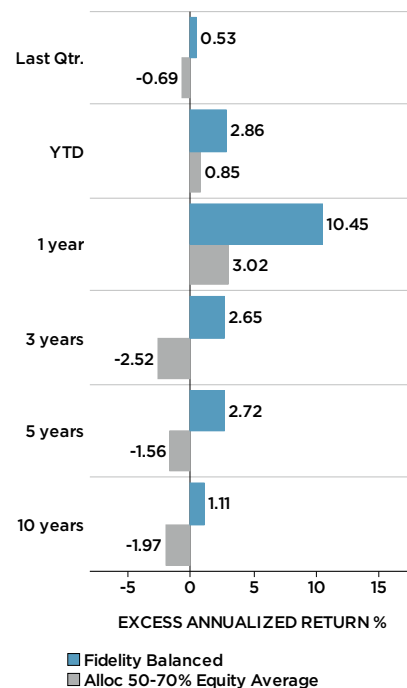
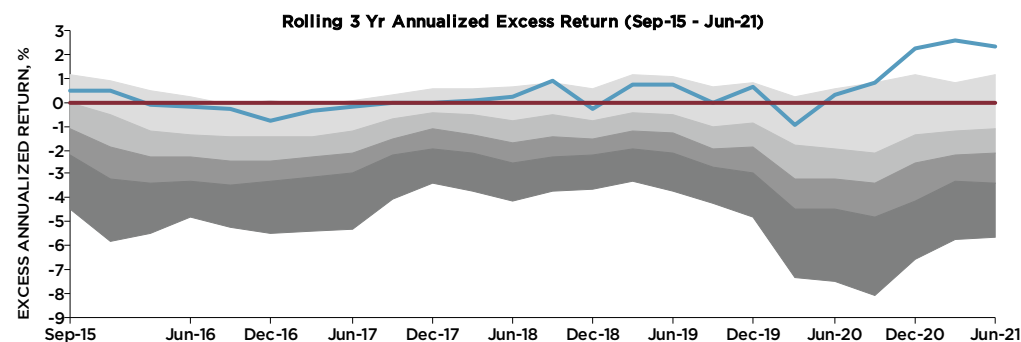
|                            |        |
|----------------------------|--------|
| 10 Year Treasury Note Futu | 14.65% |
| Federal National Mortgage  | 5.22%  |
| Federal National Mortgage  | 5.07%  |
| Federal National Mortgage  | 3.31%  |
| Pimco Fds                  | 3.29%  |



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|                              | Fidelity<br>Balanced | Peer Group<br>Rank | 60% S&P 40% BBgBarc<br>Agg Bond Index | Alloc 50-70%<br>Equity | # of<br>Funds |
|------------------------------|----------------------|--------------------|---------------------------------------|------------------------|---------------|
| <b>KEY MEASURES / 5 YEAR</b> |                      |                    |                                       |                        |               |
| Standard Deviation           | 11.36                | 86%                | 9.10                                  | 10.16                  | 660           |
| Sharpe Ratio                 | 1.18                 | 6%                 | 1.18                                  | 0.91                   | 660           |
| Alpha                        | 0.21                 | 7%                 | 0.00                                  | -2.27                  | 660           |
| Beta                         | 1.23                 | 9%                 | 1.00                                  | 1.07                   | 660           |
| R-Squared                    | 97.94                | 7%                 | 100.00                                | 91.84                  | 660           |
| Up Mkt Capture               | 122.93               | 3%                 | 100.00                                | 95.42                  | 660           |
| Down Mkt Capture             | 118.46               | 80%                | 100.00                                | 108.47                 | 660           |
| Information Ratio            | 0.89                 | 2%                 | NA                                    | -0.48                  | 660           |
| <b>TRAILING RETURNS</b>      |                      |                    |                                       |                        |               |
| Last Qtr.                    | 6.37                 | 11%                | 5.84                                  | 5.14                   | 706           |
| YTD                          | 11.14                | 10%                | 8.28                                  | 9.13                   | 706           |
| 1 Year                       | 33.47                | 7%                 | 23.02                                 | 26.04                  | 698           |
| 3 Years                      | 16.29                | 3%                 | 13.64                                 | 11.12                  | 684           |
| 5 Years                      | 14.62                | 2%                 | 11.89                                 | 10.33                  | 660           |
| 10 Years                     | 11.50                | 2%                 | 10.39                                 | 8.42                   | 545           |
| <b>CALENDAR RETURNS</b>      |                      |                    |                                       |                        |               |
| 2020                         | 22.43                | 2%                 | 14.73                                 | 11.97                  | 692           |
| 2019                         | 24.39                | 4%                 | 22.18                                 | 19.38                  | 684           |
| 2018                         | -4.02                | 26%                | -2.35                                 | -5.69                  | 674           |
| 2017                         | 16.50                | 16%                | 14.21                                 | 13.96                  | 660           |
| 2016                         | 7.01                 | 49%                | 8.31                                  | 7.38                   | 659           |



## INVESTMENT PROFILE

|                         |              |
|-------------------------|--------------|
| Ticker                  | FBALX        |
| CUSIP                   | 316345206    |
| Net Assets \$MM         | \$46,577.00  |
| Manager Names           | Team Managed |
| Manager Tenure          | 12.8 Years   |
| Prospectus Exp Ratio    | 0.52%        |
| Cat Median Exp Ratio    | 0.97%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 9.90%        |
| Inception Date          | 11/06/1986   |
| Phone Number            | 800-544-5555 |
| Sub Advisor             | Multiple     |

## HOLDINGS OVERVIEW

|                             |             |
|-----------------------------|-------------|
| Total Number of Holdings    | 1561        |
| % Assets in Top 10 Holdings | 22.14%      |
| Avg Mkt Cap \$MM            | \$98,220.20 |
| Turnover Ratio              | 95.00%      |

## TOP HOLDINGS

|                        |       |
|------------------------|-------|
| Fidelity Revere Str Tr | 5.50% |
| Microsoft Corp         | 3.11% |
| Apple Inc              | 2.57% |
| Amazon.com Inc         | 2.44% |
| Alphabet Inc Class C   | 2.10% |

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## Investor Assumptions/Glidepath Methodology

|   |   |
|---|---|
| Glidepath Management                      | • Through retirement (assumed at age 65) ending 7 years after retirement  |
| Assumed Investor Savings Rate:            | • Contributions start at 5% at age 25 and increase to 10% at age 65. Also includes a 50% employer match up to 3% of salary. |
| Assumed Investor Income Growth Rate       | • 1.1% annual salary growth   |
| Income Replacement                        | • The portfolios are designed to provide withdrawals in retirement based on multiples of an investor's age 65 salary.       |
| Assumed Accumulated Savings at Retirement | • N/A   |
| Life Expectancy                           | • Through age 95  |
| Asset Allocation Flexibility              | • Strict targets with narrow ranges.  |
| Other Assumptions                         | • Glidepath was tested against 10,000 potential lifetime return outcomes  |

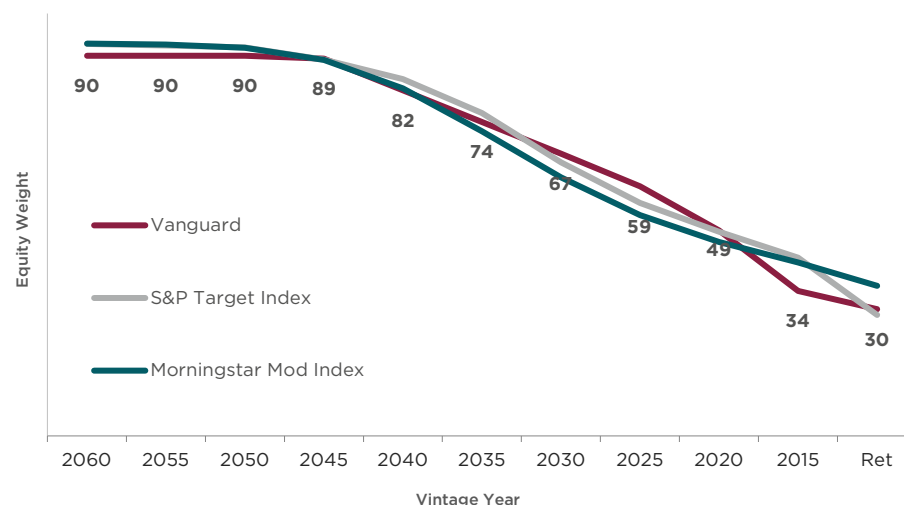
Vanguard uses a proprietary capital markets modeling tool to statistically analyze historical data, including interest rates, inflation, and other risk factors for global equities, fixed income, and commodity markets. This tool is used to generate forward-looking distributions of expected returns. Then, by combining these figures with their investor assumptions, Vanguard constructs target portfolios with asset allocations that seek to provide the highest probability of a successful outcome (not outliving retirement savings).

## Investment Profile

|                      |            |                                 |                      |
|----------------------|------------|---------------------------------|----------------------|
| % Open Architecture: | 0%         | Active/Passive:                 | Passive              |
| Inception Date:      | 10-27-2003 | % Active:                       | 0%                   |
| Net Assets \$MM:     | \$248,392  | Manager Tenure:                 | 8.42 years (longest) |
| Manager Name:        | Team       | Inv Expense Range:              | 0.12-0.15%           |
|                      |            | Inst Expense Range (\$5M Min.): | 0.09%                |
| Avg # of Holdings:   | 5          | Investment Structure:           | Mutual Fund          |

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## Target Asset Allocation Glidepath per Vintage Year



## Dedicated Asset Class Granularity/Diversification

|                                |     |
|--------------------------------|-----|
| Emerging Market Equities       | No  |
| International/Global Debt      | Yes |
| Inflation-Protected Securities | Yes |
| High Yield Fixed Income        | No  |
| Real Estate                    | No  |
| Commodities                    | No  |

The Vanguard Target Retirement funds allocate to five broad index funds that provide comprehensive exposure to U.S. and non-U.S. equity and bond markets. Using index funds allows Vanguard to provide investment diversification at a low cost while also producing returns in line with equity and fixed income markets. Through its five index funds, the strategies gain exposure to over 25 sub-asset classes, capturing over 90% of the world's investable market.



## Material Changes to the Series

### 2006:

- Increased minimum equity allocation from 20% to 30%
- Added Emerging Markets Equity

### Rationale:

- Participant behavior showed lower savings rate
- Decreased costs within the EM space led to increased liquidity

### 2010:

- Collapsed three international equity index funds (Europe, Pacific, and Emerging Markets) with Vanguard Total International Stock Index

### Rationale:

- More cost-effective way to gain international exposure

### 2013:

- Replaced the broad TIPs fund with a short-term TIPs allocation
- Eliminated the Prime Money Market fund
- Added a 20% International Bond Index Allocation

### Rationale:

- Short-Term TIPs provide better inflation exposure with lower interest rate risk
- Deemed to be an unnecessary asset class
- Dedicated exposure to move more in line with the Global fixed income Market Cap; better FI diversification

### 2015:

- Increased international stock allocation from 30% to 40%
- Increased International bond allocation from 20% to 30%

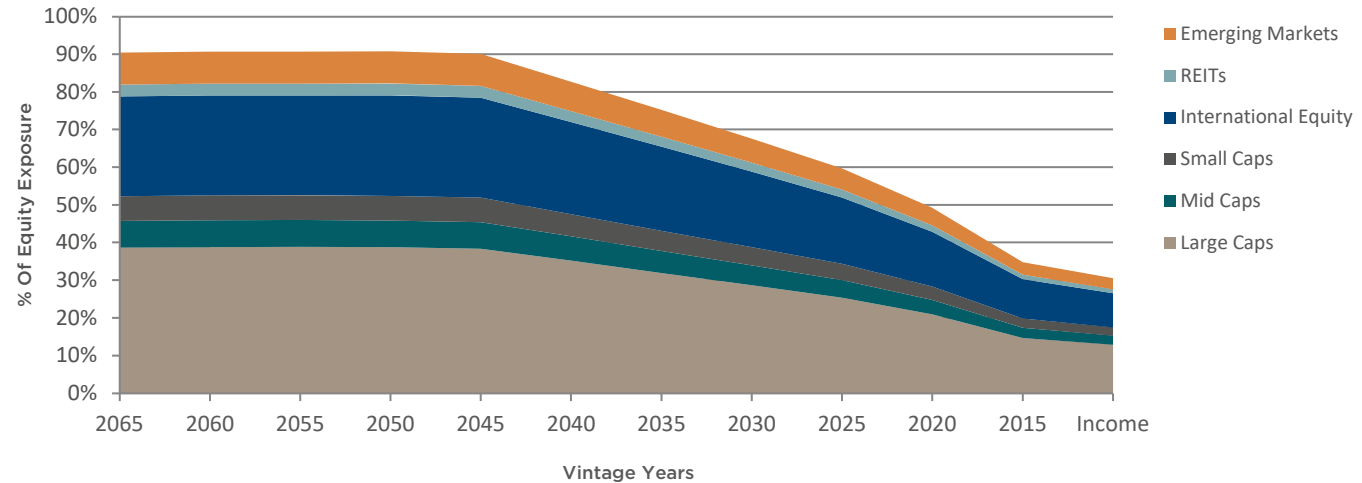
### Rationale:

- Move to be more in line with the Global Market Cap

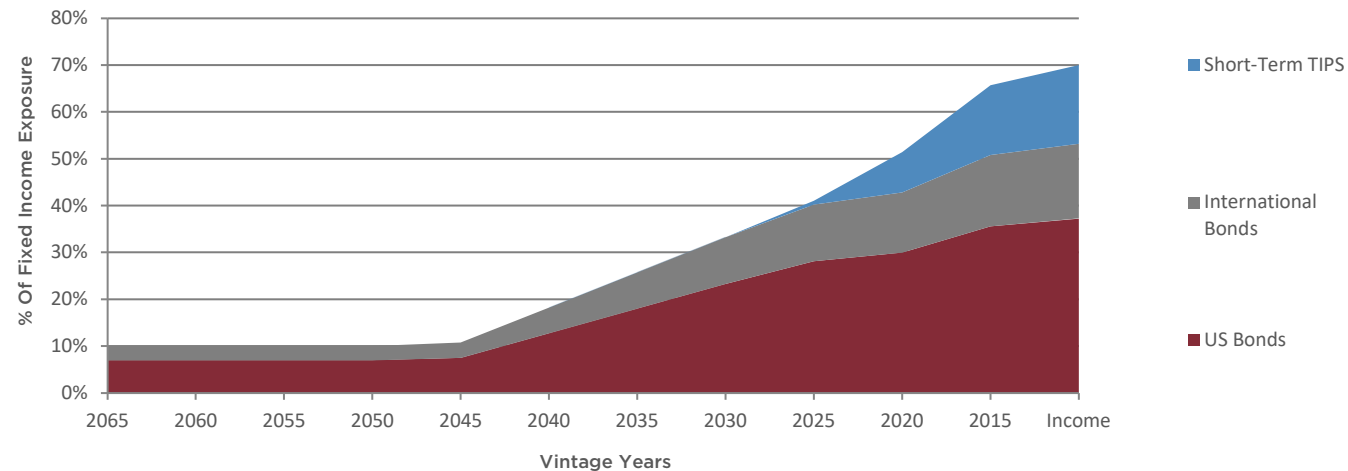
\*All information provided by the asset manager, as of 12/31/20. Asset allocations shown are static in nature and do not incorporate any tactical views implemented by the manager.

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## Equity Exposure



## Fixed Income Exposure



# TARGET DATE ANALYSIS

Period Ending 6.30.21 | Q2 21

|                                       | 3 Year |        |            |              | 5 Year |        |            |              |
|---------------------------------------|--------|--------|------------|--------------|--------|--------|------------|--------------|
|                                       | Beta   | Sharpe | Up Capture | Down Capture | Beta   | Sharpe | Up Capture | Down Capture |
| Vanguard Instl Trgt Retire 2015 Instl | 0.86   | 0.99   | 89.70      | 82.70        | 0.87   | 1.12   | 91.58      | 83.87        |
| Morningstar Target Date 2015          | 1.01   | 0.89   | 100.02     | 98.36        | 1.01   | 0.99   | 98.58      | 98.03        |
| S&P Target Date 2015 TR               | 1.00   | 0.89   | 100.00     | 100.00       | 1.00   | 1.01   | 100.00     | 100.00       |

|                                       | 3 Year |        |            |              | 5 Year |        |            |              |
|---------------------------------------|--------|--------|------------|--------------|--------|--------|------------|--------------|
|                                       | Beta   | Sharpe | Up Capture | Down Capture | Beta   | Sharpe | Up Capture | Down Capture |
| Vanguard Instl Trgt Retire 2025 Instl | 1.03   | 0.87   | 105.41     | 99.62        | 1.03   | 1.03   | 105.27     | 100.16       |
| Morningstar Target Date 2025          | 0.96   | 0.82   | 96.49      | 93.79        | 0.97   | 0.98   | 96.20      | 94.37        |
| S&P Target Date 2025 TR               | 1.00   | 0.79   | 100.00     | 100.00       | 1.00   | 0.97   | 100.00     | 100.00       |

|                                       | 3 Year |        |            |              | 5 Year |        |            |              |
|---------------------------------------|--------|--------|------------|--------------|--------|--------|------------|--------------|
|                                       | Beta   | Sharpe | Up Capture | Down Capture | Beta   | Sharpe | Up Capture | Down Capture |
| Vanguard Instl Trgt Retire 2045 Instl | 1.01   | 0.77   | 103.83     | 99.86        | 1.02   | 0.96   | 104.30     | 100.29       |
| Morningstar Target Date 2045          | 0.99   | 0.75   | 100.29     | 97.92        | 0.99   | 0.93   | 100.46     | 98.29        |
| S&P Target Date 2045 TR               | 1.00   | 0.71   | 100.00     | 100.00       | 1.00   | 0.90   | 100.00     | 100.00       |

\*Lowest cost share class shown

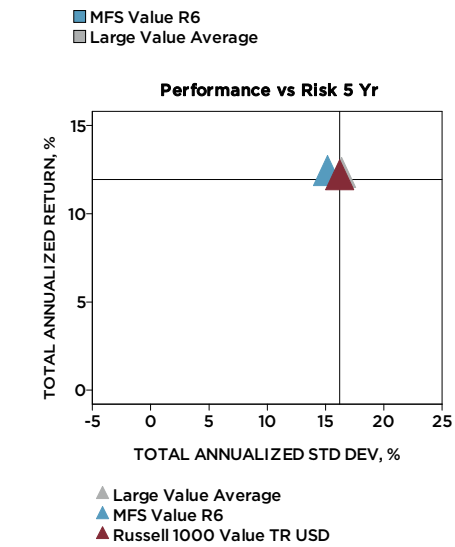
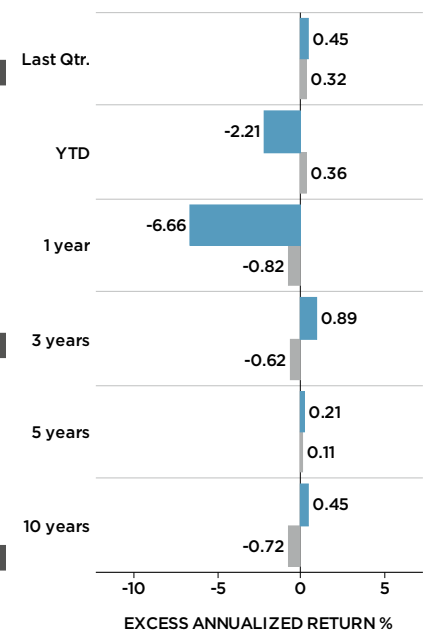
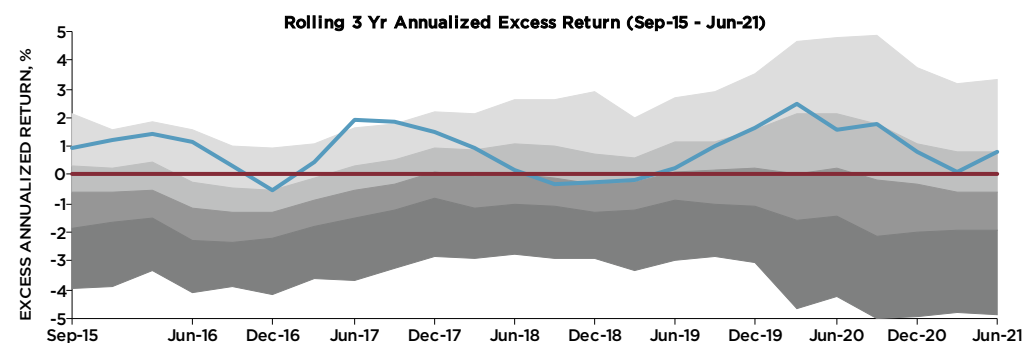
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|                              | MFS Value R6 | Peer Group Rank | Russell 1000 Value TR USD | Large Value | # of Funds |
|------------------------------|--------------|-----------------|---------------------------|-------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |              |                 |                           |             |            |
| Standard Deviation           | 15.21        | 26%             | 16.20                     | 16.40       | 1058       |
| Sharpe Ratio                 | 0.72         | 32%             | 0.66                      | 0.66        | 1058       |
| Alpha                        | 1.01         | 33%             | 0.00                      | 0.25        | 1058       |
| Beta                         | 0.93         | 74%             | 1.00                      | 0.99        | 1058       |
| R-Squared                    | 97.21        | 36%             | 100.00                    | 95.09       | 1058       |
| Up Mkt Capture               | 95.77        | 67%             | 100.00                    | 99.15       | 1058       |
| Down Mkt Capture             | 92.64        | 30%             | 100.00                    | 97.83       | 1058       |
| Information Ratio            | 0.07         | 49%             | NA                        | 0.03        | 1058       |

| <b>TRAILING RETURNS</b> |       |     |       |       |      |
|-------------------------|-------|-----|-------|-------|------|
| Last Qtr.               | 5.66  | 39% | 5.21  | 5.53  | 1126 |
| YTD                     | 14.84 | 77% | 17.05 | 17.41 | 1122 |
| 1 Year                  | 37.03 | 73% | 43.68 | 42.86 | 1119 |
| 3 Years                 | 13.31 | 26% | 12.42 | 11.80 | 1096 |
| 5 Years                 | 12.09 | 49% | 11.87 | 11.98 | 1058 |
| 10 Years                | 12.06 | 18% | 11.61 | 10.89 | 946  |

| <b>CALENDAR RETURNS</b> |       |     |       |       |      |
|-------------------------|-------|-----|-------|-------|------|
| 2020                    | 4.03  | 37% | 2.80  | 3.11  | 1119 |
| 2019                    | 30.18 | 7%  | 26.54 | 25.24 | 1098 |
| 2018                    | -9.78 | 68% | -8.27 | -8.62 | 1093 |
| 2017                    | 17.86 | 30% | 13.66 | 16.10 | 1070 |
| 2016                    | 14.25 | 52% | 17.34 | 14.63 | 1052 |



**INVESTMENT PROFILE**

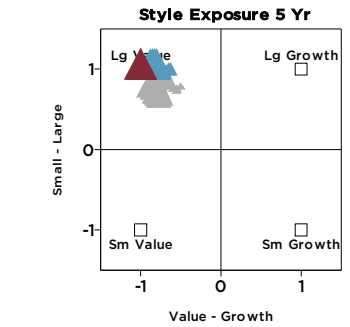
|                         |              |
|-------------------------|--------------|
| Ticker                  | MEIKX        |
| CUSIP                   | 55273H353    |
| Net Assets \$MM         | \$62,543.00  |
| Manager Names           | Team Managed |
| Manager Tenure          | 15.1 Years   |
| Prospectus Exp Ratio    | 0.47%        |
| Cat Median Exp Ratio    | 0.90%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 8.83%        |
| Inception Date          | 05/01/2006   |
| Phone Number            | 800-225-2606 |
| Sub Advisor             | N/A          |

**HOLDINGS OVERVIEW**

|                             |              |
|-----------------------------|--------------|
| Total Number of Holdings    | 78           |
| % Assets in Top 10 Holdings | 28.43%       |
| Avg Mkt Cap \$MM            | \$106,302.56 |
| Turnover Ratio              | 16.00%       |

**TOP HOLDINGS**

|                            |       |
|----------------------------|-------|
| JPMorgan Chase & Co        | 4.60% |
| Johnson & Johnson          | 3.56% |
| Comcast Corp Class A       | 3.15% |
| Honeywell International Ir | 2.65% |
| Texas Instruments Inc      | 2.55% |



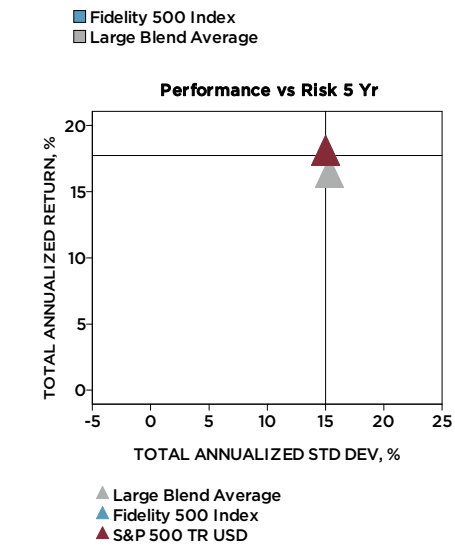
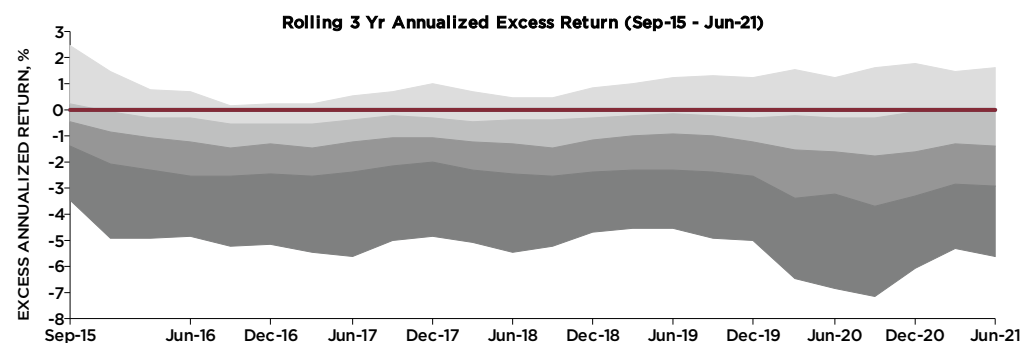
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|                              | Fidelity 500 Index | Peer Group Rank | S&P 500 TR USD | Large Blend | # of Funds |
|------------------------------|--------------------|-----------------|----------------|-------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                    |                 |                |             |            |
| Standard Deviation           | 14.98              | 43%             | 14.99          | 15.37       | 1148       |
| Sharpe Ratio                 | 1.10               | 18%             | 1.10           | 0.98        | 1148       |
| Alpha                        | -0.01              | 22%             | 0.00           | -1.57       | 1148       |
| Beta                         | 1.00               | 51%             | 1.00           | 1.00        | 1148       |
| R-Squared                    | 100.00             | 1%              | 100.00         | 95.54       | 1148       |
| Up Mkt Capture               | 99.97              | 29%             | 100.00         | 95.76       | 1148       |
| Down Mkt Capture             | 100.02             | 42%             | 100.00         | 101.79      | 1148       |
| Information Ratio            | -0.69              | 63%             | NA             | -0.96       | 1148       |

| <b>TRAILING RETURNS</b> |       |     |       |       |      |
|-------------------------|-------|-----|-------|-------|------|
| Last Qtr.               | 8.55  | 24% | 8.55  | 7.71  | 1285 |
| YTD                     | 15.25 | 42% | 15.25 | 15.04 | 1274 |
| 1 Year                  | 40.79 | 46% | 40.79 | 40.79 | 1249 |
| 3 Years                 | 18.66 | 23% | 18.67 | 16.71 | 1200 |
| 5 Years                 | 17.63 | 22% | 17.65 | 16.10 | 1148 |
| 10 Years                | 14.83 | 11% | 14.84 | 13.20 | 1006 |

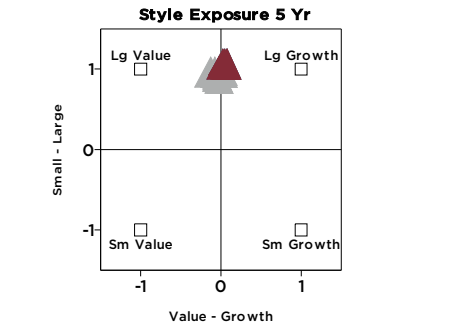
| <b>CALENDAR RETURNS</b> |       |     |       |       |      |
|-------------------------|-------|-----|-------|-------|------|
| 2020                    | 18.40 | 34% | 18.40 | 16.35 | 1240 |
| 2019                    | 31.47 | 24% | 31.49 | 29.26 | 1212 |
| 2018                    | -4.40 | 24% | -4.38 | -6.28 | 1192 |
| 2017                    | 21.81 | 33% | 21.83 | 20.90 | 1162 |
| 2016                    | 11.97 | 27% | 11.96 | 10.19 | 1139 |



| <b>INVESTMENT PROFILE</b> |                               |
|---------------------------|-------------------------------|
| Ticker                    | FXAIX                         |
| CUSIP                     | 315911750                     |
| Net Assets \$MM           | \$343,338.00                  |
| Manager Names             | Team Managed                  |
| Manager Tenure            | 12.4 Years                    |
| Prospectus Exp Ratio      | 0.01%                         |
| Cat Median Exp Ratio      | 0.82%                         |
| Current 12b-1             | N/A                           |
| Annldz Ret Since Incept   | 14.40%                        |
| Inception Date            | 05/04/2011                    |
| Phone Number              | 202-551-8090                  |
| Sub Advisor               | Geode Capital Management, LLC |

| <b>HOLDINGS OVERVIEW</b>    |              |
|-----------------------------|--------------|
| Total Number of Holdings    | 509          |
| % Assets in Top 10 Holdings | 26.29%       |
| Avg Mkt Cap \$MM            | \$186,064.92 |
| Turnover Ratio              | 7.00%        |

| <b>TOP HOLDINGS</b> |       |
|---------------------|-------|
| Apple Inc           | 5.50% |
| Microsoft Corp      | 5.27% |
| Amazon.com Inc      | 3.86% |
| Facebook Inc A      | 2.21% |
| Alphabet Inc A      | 1.98% |



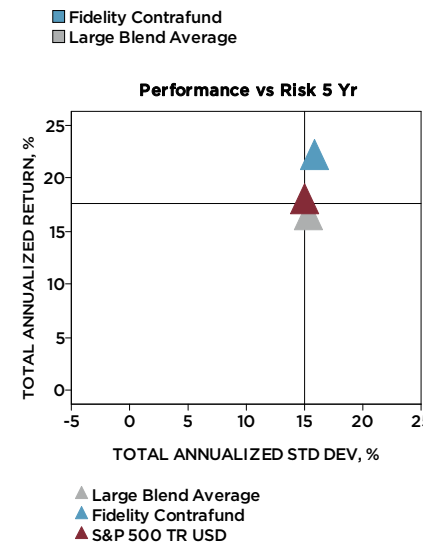
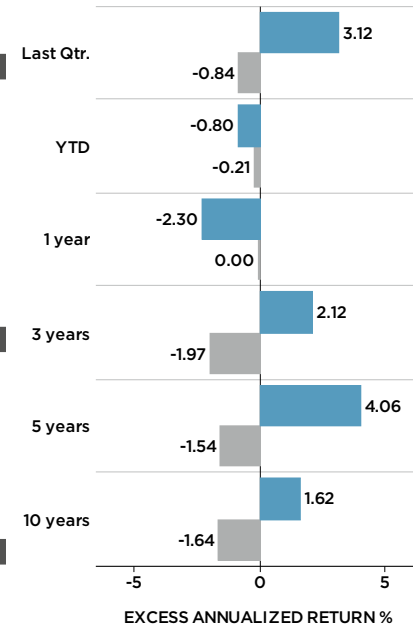
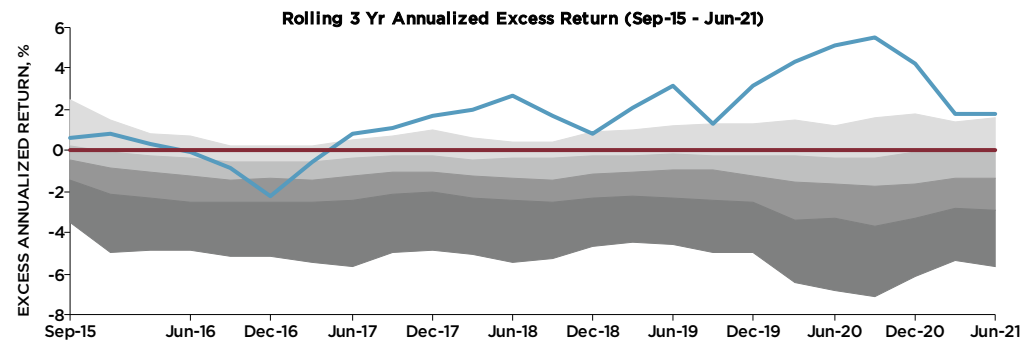
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|                              | Fidelity Contrafund | Peer Group Rank | S&P 500 TR USD | Large Blend | # of Funds |
|------------------------------|---------------------|-----------------|----------------|-------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                     |                 |                |             |            |
| Standard Deviation           | 15.80               | 75%             | 14.99          | 15.37       | 1148       |
| Sharpe Ratio                 | 1.30                | 1%              | 1.10           | 0.98        | 1148       |
| Alpha                        | 4.23                | 1%              | 0.00           | -1.57       | 1148       |
| Beta                         | 0.99                | 62%             | 1.00           | 1.00        | 1148       |
| R-Squared                    | 88.24               | 95%             | 100.00         | 95.54       | 1148       |
| Up Mkt Capture               | 110.08              | 4%              | 100.00         | 95.76       | 1148       |
| Down Mkt Capture             | 93.13               | 15%             | 100.00         | 101.79      | 1148       |
| Information Ratio            | 0.64                | 3%              | NA             | -0.96       | 1148       |

| <b>TRAILING RETURNS</b> |       |     |       |       |      |
|-------------------------|-------|-----|-------|-------|------|
| Last Qtr.               | 11.67 | 1%  | 8.55  | 7.71  | 1285 |
| YTD                     | 14.45 | 65% | 15.25 | 15.04 | 1274 |
| 1 Year                  | 38.50 | 73% | 40.79 | 40.79 | 1249 |
| 3 Years                 | 20.79 | 5%  | 18.67 | 16.71 | 1200 |
| 5 Years                 | 21.70 | 1%  | 17.65 | 16.10 | 1148 |
| 10 Years                | 16.46 | 1%  | 14.84 | 13.20 | 1006 |

| <b>CALENDAR RETURNS</b> |       |     |       |       |      |
|-------------------------|-------|-----|-------|-------|------|
| 2020                    | 32.58 | 1%  | 18.40 | 16.35 | 1240 |
| 2019                    | 29.98 | 50% | 31.49 | 29.26 | 1212 |
| 2018                    | -2.13 | 9%  | -4.38 | -6.28 | 1192 |
| 2017                    | 32.21 | 1%  | 21.83 | 20.90 | 1162 |
| 2016                    | 3.36  | 97% | 11.96 | 10.19 | 1139 |



## INVESTMENT PROFILE

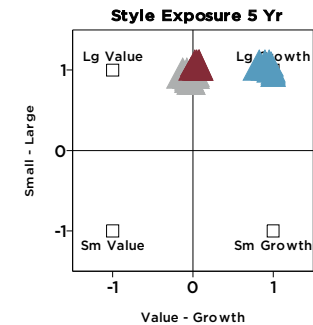
|                         |                |
|-------------------------|----------------|
| Ticker                  | FCNTX          |
| CUSIP                   | 316071109      |
| Net Assets \$MM         | \$142,429.00   |
| Manager Names           | William Danoff |
| Manager Tenure          | 30.8 Years     |
| Prospectus Exp Ratio    | 0.86%          |
| Cat Median Exp Ratio    | 0.82%          |
| Current 12b-1           | N/A            |
| Annldz Ret Since Incept | 13.08%         |
| Inception Date          | 05/17/1967     |
| Phone Number            | 800-544-8544   |
| Sub Advisor             | Multiple       |

## HOLDINGS OVERVIEW

|                             |              |
|-----------------------------|--------------|
| Total Number of Holdings    | 387          |
| % Assets in Top 10 Holdings | 46.36%       |
| Avg Mkt Cap \$MM            | \$297,320.10 |
| Turnover Ratio              | 32.00%       |

## TOP HOLDINGS

|                          |       |
|--------------------------|-------|
| Facebook Inc A           | 9.99% |
| Amazon.com Inc           | 8.29% |
| Berkshire Hathaway Inc C | 6.03% |
| Microsoft Corp           | 5.25% |
| UnitedHealth Group Inc   | 3.24% |



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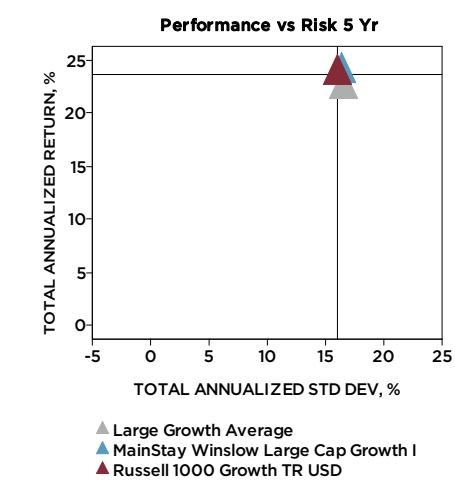
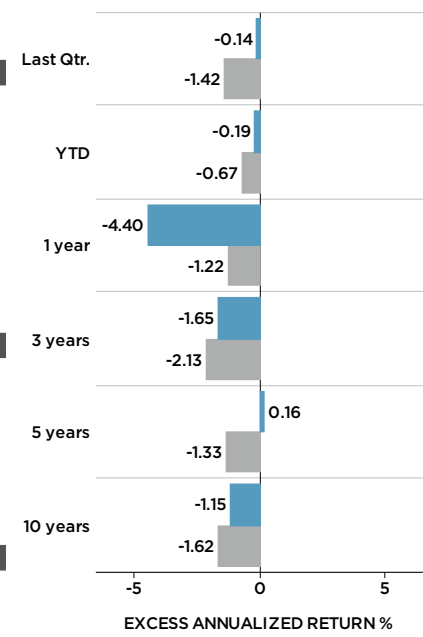
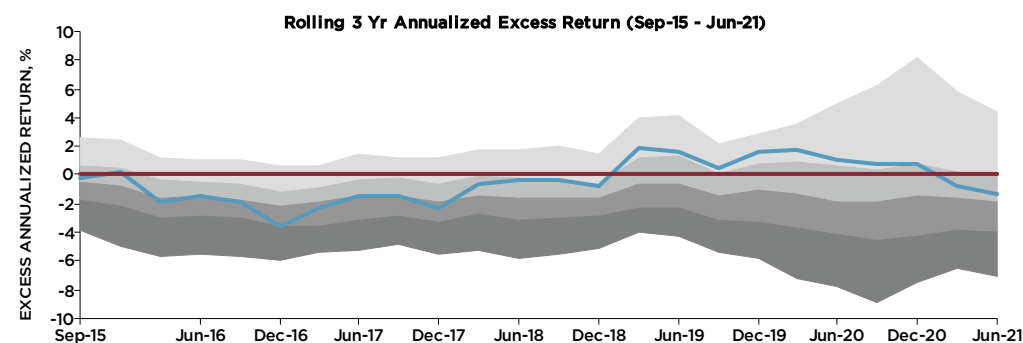
# MAINSTAY WINSLOW LARGE CAP GROWTH I

Period Ending 6.30.21 | Q2 21

| KEY MEASURES / 5 YEAR | MainStay Winslow Large Cap Growth I | Peer Group Rank | Russell 1000 Growth TR USD | Large Growth | # of Funds |
|-----------------------|-------------------------------------|-----------------|----------------------------|--------------|------------|
| Standard Deviation    | 16.33                               | 60%             | 16.11                      | 16.49        | 1117       |
| Sharpe Ratio          | 1.39                                | 28%             | 1.40                       | 1.28         | 1117       |
| Alpha                 | 0.50                                | 29%             | 0.00                       | -0.83        | 1117       |
| Beta                  | 0.99                                | 40%             | 1.00                       | 0.98         | 1117       |
| R-Squared             | 94.59                               | 42%             | 100.00                     | 91.88        | 1117       |
| Up Mkt Capture        | 97.67                               | 29%             | 100.00                     | 93.60        | 1117       |
| Down Mkt Capture      | 93.92                               | 47%             | 100.00                     | 94.10        | 1117       |
| Information Ratio     | 0.04                                | 28%             | NA                         | -0.35        | 1117       |

| TRAILING RETURNS | MainStay Winslow Large Cap Growth I | Peer Group Rank | Russell 1000 Growth TR USD | Large Growth | # of Funds |
|------------------|-------------------------------------|-----------------|----------------------------|--------------|------------|
| Last Qtr.        | 11.79                               | 28%             | 11.93                      | 10.51        | 1205       |
| YTD              | 12.80                               | 47%             | 12.99                      | 12.32        | 1201       |
| 1 Year           | 38.10                               | 72%             | 42.50                      | 41.28        | 1196       |
| 3 Years          | 23.49                               | 42%             | 25.14                      | 23.01        | 1150       |
| 5 Years          | 23.82                               | 28%             | 23.66                      | 22.33        | 1117       |
| 10 Years         | 16.72                               | 37%             | 17.87                      | 16.25        | 990        |

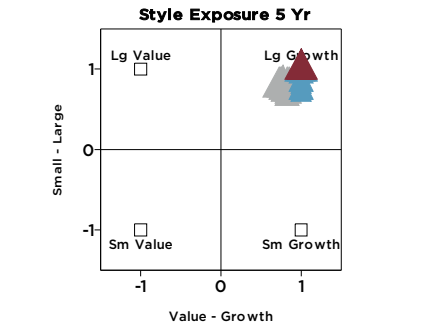
| CALENDAR RETURNS | MainStay Winslow Large Cap Growth I | Peer Group Rank | Russell 1000 Growth TR USD | Large Growth | # of Funds |
|------------------|-------------------------------------|-----------------|----------------------------|--------------|------------|
| 2020             | 37.38                               | 41%             | 38.49                      | 38.87        | 1186       |
| 2019             | 33.67                               | 42%             | 36.39                      | 32.72        | 1158       |
| 2018             | 3.74                                | 9%              | -1.51                      | -1.50        | 1147       |
| 2017             | 32.39                               | 24%             | 30.21                      | 28.79        | 1125       |
| 2016             | -2.28                               | 90%             | 7.08                       | 3.34         | 1109       |



| INVESTMENT PROFILE      |                                 |
|-------------------------|---------------------------------|
| Ticker                  | MLAIX                           |
| CUSIP                   | 56062X641                       |
| Net Assets \$MM         | \$15,979.00                     |
| Manager Names           | Team Managed                    |
| Manager Tenure          | 15.7 Years                      |
| Prospectus Exp Ratio    | 0.72%                           |
| Cat Median Exp Ratio    | 0.94%                           |
| Current 12b-1           | N/A                             |
| Annldz Ret Since Incept | 13.33%                          |
| Inception Date          | 04/01/2005                      |
| Phone Number            | 800-624-6782                    |
| Sub Advisor             | Winslow Capital Management, LLC |

| HOLDINGS OVERVIEW           |              |
|-----------------------------|--------------|
| Total Number of Holdings    | 64           |
| % Assets in Top 10 Holdings | 47.14%       |
| Avg Mkt Cap \$MM            | \$284,917.72 |
| Turnover Ratio              | 44.00%       |

| TOP HOLDINGS         |       |
|----------------------|-------|
| Microsoft Corp       | 8.71% |
| Amazon.com Inc       | 8.09% |
| Apple Inc            | 5.54% |
| Visa Inc Class A     | 4.53% |
| Alphabet Inc Class C | 3.79% |



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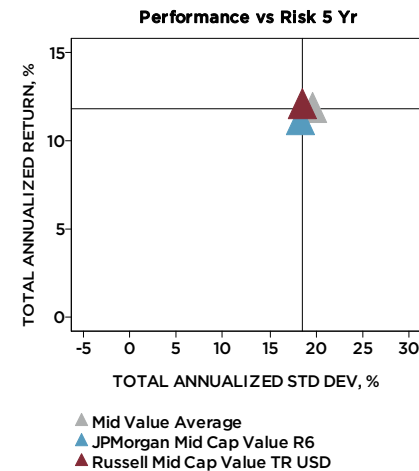
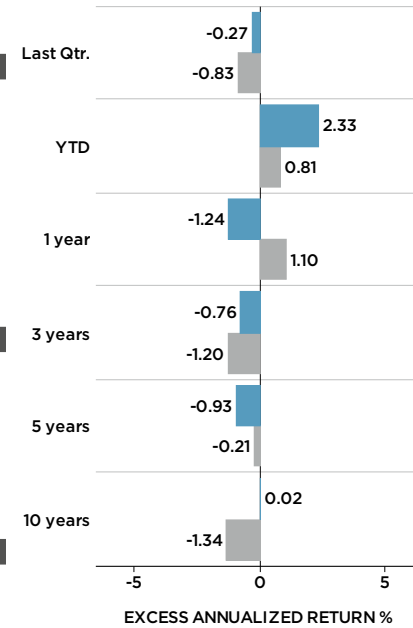
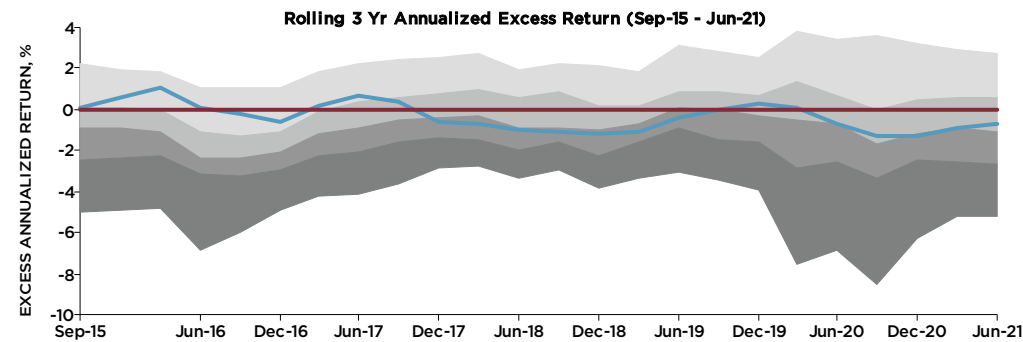
| KEY MEASURES / 5 YEAR | JPMorgan Mid Cap Value R6 | Peer Group Rank | Russell Mid Cap Value TR USD | Mid Value | # of Funds |
|-----------------------|---------------------------|-----------------|------------------------------|-----------|------------|
| Standard Deviation    | 18.40                     | 35%             | 18.60                        | 19.71     | 368        |
| Sharpe Ratio          | 0.53                      | 55%             | 0.57                         | 0.54      | 368        |
| Alpha                 | -0.73                     | 57%             | 0.00                         | -0.62     | 368        |
| Beta                  | 0.98                      | 66%             | 1.00                         | 1.04      | 368        |
| R-Squared             | 98.36                     | 10%             | 100.00                       | 96.06     | 368        |
| Up Mkt Capture        | 94.96                     | 74%             | 100.00                       | 103.11    | 368        |
| Down Mkt Capture      | 97.85                     | 29%             | 100.00                       | 104.90    | 368        |
| Information Ratio     | -0.36                     | 78%             | NA                           | -0.06     | 368        |

| TRAILING RETURNS | JPMorgan Mid Cap Value R6 | Peer Group Rank | Russell Mid Cap Value TR USD | Mid Value | # of Funds |
|------------------|---------------------------|-----------------|------------------------------|-----------|------------|
| Last Qtr.        | 5.39                      | 35%             | 5.66                         | 4.83      | 385        |
| YTD              | 21.78                     | 32%             | 19.45                        | 20.26     | 385        |
| 1 Year           | 51.83                     | 54%             | 53.06                        | 54.16     | 385        |
| 3 Years          | 11.09                     | 43%             | 11.86                        | 10.66     | 383        |
| 5 Years          | 10.85                     | 60%             | 11.79                        | 11.58     | 368        |
| 10 Years         | 11.77                     | 13%             | 11.74                        | 10.41     | 310        |

| CALENDAR RETURNS | JPMorgan Mid Cap Value R6 | Peer Group Rank | Russell Mid Cap Value TR USD | Mid Value | # of Funds |
|------------------|---------------------------|-----------------|------------------------------|-----------|------------|
| 2020             | 0.43                      | 72%             | 4.96                         | 3.15      | 384        |
| 2019             | 26.67                     | 54%             | 27.06                        | 26.77     | 383        |
| 2018             | -11.66                    | 26%             | -12.29                       | -13.64    | 383        |
| 2017             | 13.68                     | 48%             | 13.34                        | 13.83     | 371        |
| 2016             | 14.61                     | 81%             | 20.00                        | 18.11     | 368        |



## INVESTMENT PROFILE

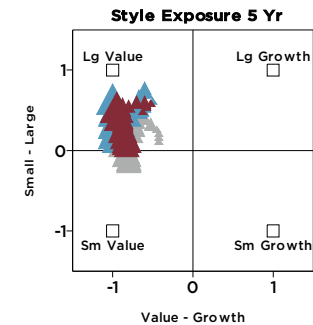
|                         |              |
|-------------------------|--------------|
| Ticker                  | JMVYX        |
| CUSIP                   | 46647B404    |
| Net Assets \$MM         | \$17,146.00  |
| Manager Names           | Team Managed |
| Manager Tenure          | 23.6 Years   |
| Prospectus Exp Ratio    | 0.73%        |
| Cat Median Exp Ratio    | 1.00%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 11.06%       |
| Inception Date          | 09/09/2016   |
| Phone Number            | 800-480-4111 |
| Sub Advisor             | N/A          |

## HOLDINGS OVERVIEW

|                             |             |
|-----------------------------|-------------|
| Total Number of Holdings    | 112         |
| % Assets in Top 10 Holdings | 16.48%      |
| Avg Mkt Cap \$MM            | \$17,339.80 |
| Turnover Ratio              | N/A         |

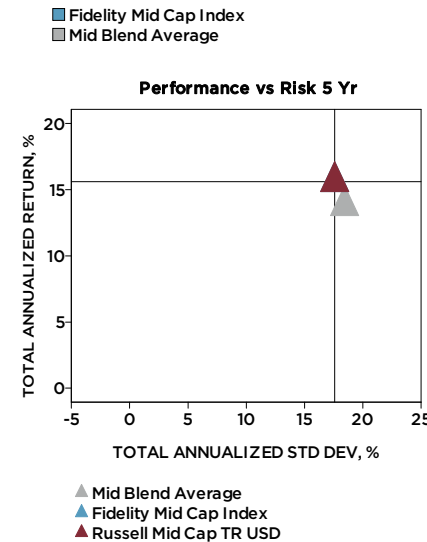
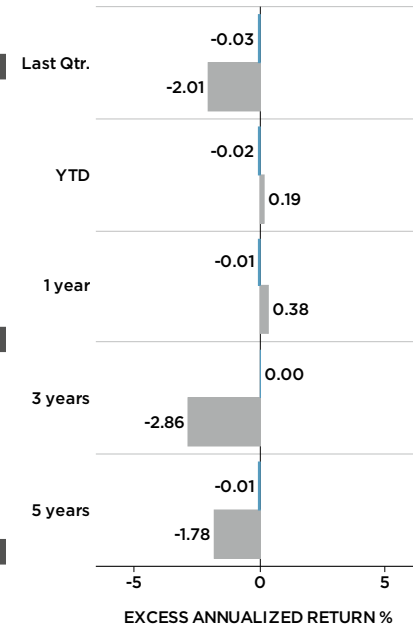
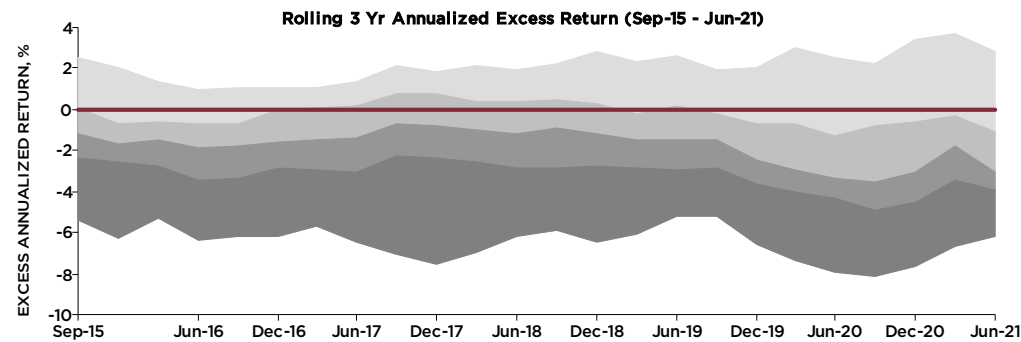
## TOP HOLDINGS

|                          |       |
|--------------------------|-------|
| JPMorgan Prime Money M   | 2.38% |
| Ameriprise Financial Inc | 1.83% |
| Fifth Third Bancorp      | 1.64% |
| Loews Corp               | 1.63% |
| Xcel Energy Inc          | 1.58% |



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|                              | Fidelity Mid Cap Index | Peer Group Rank | Russell Mid Cap TR USD | Mid Blend | # of Funds |
|------------------------------|------------------------|-----------------|------------------------|-----------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                        |                 |                        |           |            |
| Standard Deviation           | 17.65                  | 37%             | 17.67                  | 18.50     | 304        |
| Sharpe Ratio                 | 0.82                   | 19%             | 0.82                   | 0.69      | 304        |
| Alpha                        | 0.01                   | 24%             | 0.00                   | -1.96     | 304        |
| Beta                         | 1.00                   | 54%             | 1.00                   | 1.01      | 304        |
| R-Squared                    | 100.00                 | 1%              | 100.00                 | 93.46     | 304        |
| Up Mkt Capture               | 99.86                  | 40%             | 100.00                 | 96.85     | 304        |
| Down Mkt Capture             | 99.83                  | 36%             | 100.00                 | 104.42    | 304        |
| Information Ratio            | -0.10                  | 26%             | NA                     | -0.47     | 304        |
| <b>TRAILING RETURNS</b>      |                        |                 |                        |           |            |
| Last Qtr.                    | 7.47                   | 14%             | 7.50                   | 5.49      | 349        |
| YTD                          | 16.23                  | 54%             | 16.25                  | 16.44     | 348        |
| 1 Year                       | 49.79                  | 50%             | 49.80                  | 50.18     | 347        |
| 3 Years                      | 16.45                  | 14%             | 16.45                  | 13.59     | 332        |
| 5 Years                      | 15.61                  | 21%             | 15.62                  | 13.84     | 304        |
| 10 Years                     | NA                     | 0%              | 13.24                  | 11.30     | 252        |
| <b>CALENDAR RETURNS</b>      |                        |                 |                        |           |            |
| 2020                         | 17.11                  | 23%             | 17.10                  | 13.57     | 347        |
| 2019                         | 30.51                  | 25%             | 30.54                  | 27.46     | 338        |
| 2018                         | -9.05                  | 27%             | -9.06                  | -10.94    | 331        |
| 2017                         | 18.47                  | 25%             | 18.52                  | 15.77     | 323        |
| 2016                         | 13.86                  | 58%             | 13.80                  | 14.52     | 300        |



## INVESTMENT PROFILE

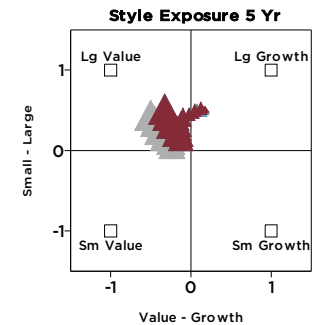
|                         |                               |
|-------------------------|-------------------------------|
| Ticker                  | FSMDX                         |
| CUSIP                   | 316146265                     |
| Net Assets \$MM         | \$22,772.00                   |
| Manager Names           | Team Managed                  |
| Manager Tenure          | 9.8 Years                     |
| Prospectus Exp Ratio    | 0.03%                         |
| Cat Median Exp Ratio    | 0.97%                         |
| Current 12b-1           | N/A                           |
| Annldz Ret Since Incept | 15.08%                        |
| Inception Date          | 09/08/2011                    |
| Phone Number            | 800-544-8544                  |
| Sub Advisor             | Geode Capital Management, LLC |

## HOLDINGS OVERVIEW

|                             |             |
|-----------------------------|-------------|
| Total Number of Holdings    | 828         |
| % Assets in Top 10 Holdings | 4.66%       |
| Avg Mkt Cap \$MM            | \$19,102.41 |
| Turnover Ratio              | 14.00%      |

## TOP HOLDINGS

|                            |       |
|----------------------------|-------|
| Freeport-McMoRan Inc       | 0.58% |
| Ford Motor Co              | 0.53% |
| Moderna Inc                | 0.49% |
| KLA Corp                   | 0.46% |
| Johnson Controls Internati | 0.45% |



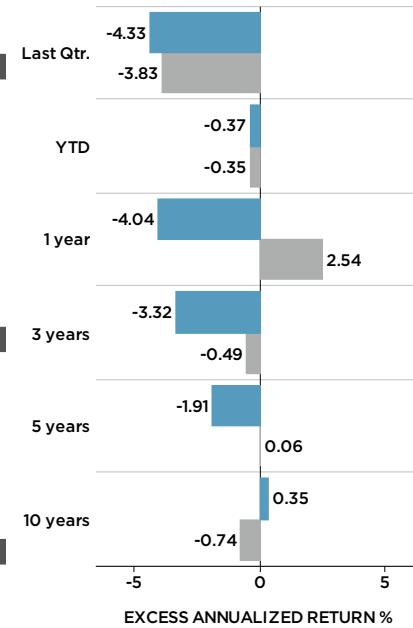
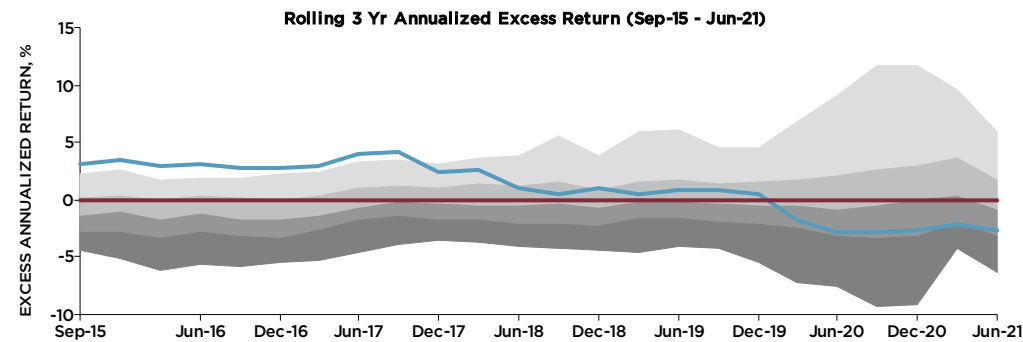
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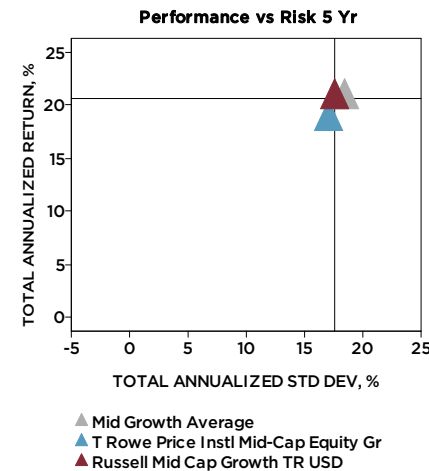
# T ROWE PRICE INSTL MID-CAP EQUITY GR

Period Ending 6.30.21 | Q2 21

|                              | T Rowe Price Instl Mid-Cap Equity Gr | Peer Group Rank | Russell Mid Cap Growth TR USD | Mid Growth | # of Funds |
|------------------------------|--------------------------------------|-----------------|-------------------------------|------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                                      |                 |                               |            |            |
| Standard Deviation           | 17.15                                | 30%             | 17.61                         | 18.41      | 522        |
| Sharpe Ratio                 | 1.02                                 | 64%             | 1.10                          | 1.06       | 522        |
| Alpha                        | -0.94                                | 68%             | 0.00                          | 0.28       | 522        |
| Beta                         | 0.95                                 | 65%             | 1.00                          | 0.99       | 522        |
| R-Squared                    | 95.13                                | 31%             | 100.00                        | 90.66      | 522        |
| Up Mkt Capture               | 90.63                                | 78%             | 100.00                        | 99.76      | 522        |
| Down Mkt Capture             | 92.91                                | 24%             | 100.00                        | 99.06      | 522        |
| Information Ratio            | -0.41                                | 72%             | NA                            | -0.10      | 522        |
| <b>TRAILING RETURNS</b>      |                                      |                 |                               |            |            |
| Last Qtr.                    | 6.74                                 | 65%             | 11.07                         | 7.24       | 572        |
| YTD                          | 10.07                                | 36%             | 10.44                         | 10.09      | 572        |
| 1 Year                       | 39.73                                | 76%             | 43.77                         | 46.31      | 558        |
| 3 Years                      | 19.07                                | 71%             | 22.39                         | 21.90      | 540        |
| 5 Years                      | 18.62                                | 71%             | 20.52                         | 20.58      | 522        |
| 10 Years                     | 15.48                                | 23%             | 15.13                         | 14.40      | 493        |
| <b>CALENDAR RETURNS</b>      |                                      |                 |                               |            |            |
| 2020                         | 23.87                                | 85%             | 35.59                         | 40.88      | 550        |
| 2019                         | 33.09                                | 56%             | 35.47                         | 33.89      | 542        |
| 2018                         | -2.23                                | 25%             | -4.75                         | -4.87      | 535        |
| 2017                         | 26.02                                | 43%             | 25.27                         | 25.50      | 522        |
| 2016                         | 6.94                                 | 35%             | 7.33                          | 5.72       | 522        |



■ T Rowe Price Instl Mid-Cap Equity Gr  
■ Mid Growth Average



## INVESTMENT PROFILE

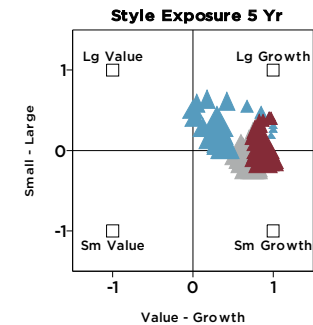
|                         |                     |
|-------------------------|---------------------|
| Ticker                  | PMEGX               |
| CUSIP                   | 45775L101           |
| Net Assets \$MM         | \$7,758.00          |
| Manager Names           | Brian W.H. Berghuis |
| Manager Tenure          | 24.9 YRS            |
| Prospectus Exp Ratio    | 0.61%               |
| Cat Median Exp Ratio    | 1.05%               |
| Current 12b-1           | N/A                 |
| Annldz Ret Since Incept | 13.14%              |
| Inception Date          | 07/31/1996          |
| Phone Number            | 800-638-8797        |
| Sub Advisor             | N/A                 |

## HOLDINGS OVERVIEW

|                             |             |
|-----------------------------|-------------|
| Total Number of Holdings    | 144         |
| % Assets in Top 10 Holdings | 21.65%      |
| Avg Mkt Cap \$MM            | \$18,196.52 |
| Turnover Ratio              | 25.30%      |

## TOP HOLDINGS

|                          |       |
|--------------------------|-------|
| Hologic Inc              | 2.65% |
| Reserve Invnt Fds        | 2.64% |
| Microchip Technology Inc | 2.37% |
| Teleflex Inc             | 2.35% |
| Ball Corp                | 2.12% |



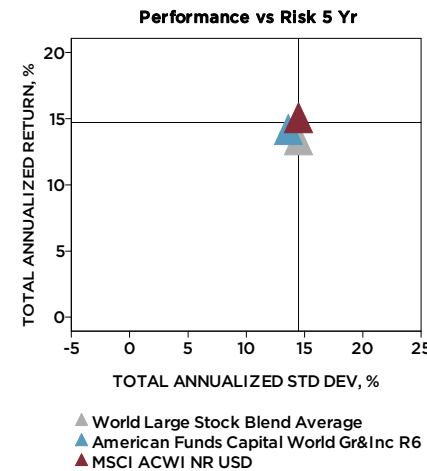
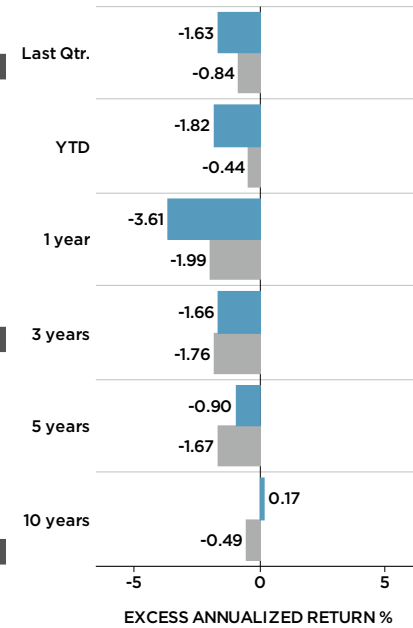
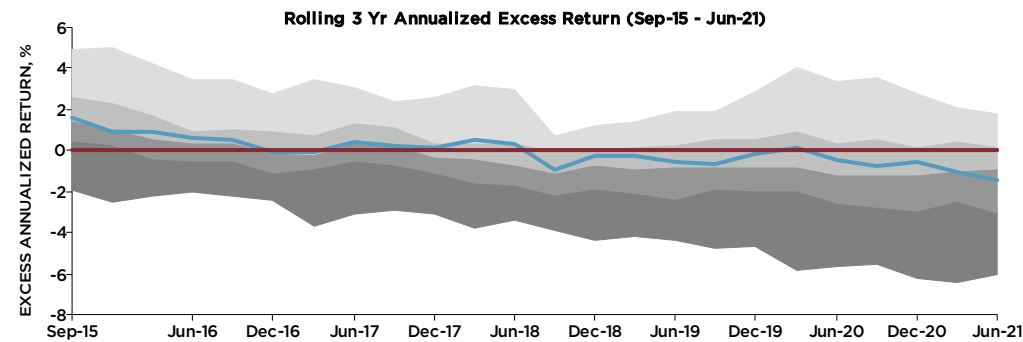
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# AMERICAN FUNDS CAPITAL WORLD GR&INC R6

Period Ending 6.30.21 | Q2 21

|                              | American Funds Capital World Gr&Inc R6 | Peer Group Rank | MSCI ACWI NR USD | World Large Stock Blend | # of Funds |
|------------------------------|--|-----------------|------------------|-------------------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |  |                 |                  |                         |            |
| Standard Deviation           | 13.70                                  | 34%             | 14.52            | 14.41                   | 264        |
| Sharpe Ratio                 | 0.92                                   | 28%             | 0.93             | 0.82                    | 264        |
| Alpha                        | -0.03                                  | 29%             | 0.00             | -1.12                   | 264        |
| Beta                         | 0.94                                   | 66%             | 1.00             | 0.96                    | 264        |
| R-Squared                    | 98.21                                  | 16%             | 100.00           | 93.61                   | 264        |
| Up Mkt Capture               | 92.42                                  | 61%             | 100.00           | 92.97                   | 264        |
| Down Mkt Capture             | 92.70                                  | 28%             | 100.00           | 98.56                   | 264        |
| Information Ratio            | -0.38                                  | 50%             | NA               | -0.39                   | 264        |
| <b>TRAILING RETURNS</b>      |  |                 |                  |                         |            |
| Last Qtr.                    | 5.76                                   | 77%             | 7.39             | 6.55                    | 322        |
| YTD                          | 10.49                                  | 72%             | 12.30            | 11.86                   | 320        |
| 1 Year                       | 35.65                                  | 58%             | 39.27            | 37.28                   | 318        |
| 3 Years                      | 12.91                                  | 57%             | 14.57            | 12.81                   | 294        |
| 5 Years                      | 13.71                                  | 44%             | 14.61            | 12.94                   | 264        |
| 10 Years                     | 10.07                                  | 40%             | 9.90             | 9.41                    | 204        |
| <b>CALENDAR RETURNS</b>      |  |                 |                  |                         |            |
| 2020                         | 15.78                                  | 30%             | 16.25            | 13.20                   | 312        |
| 2019                         | 25.74                                  | 55%             | 26.60            | 25.74                   | 303        |
| 2018                         | -9.97                                  | 49%             | -9.41            | -10.09                  | 293        |
| 2017                         | 25.08                                  | 27%             | 23.97            | 23.00                   | 272        |
| 2016                         | 6.85                                   | 33%             | 7.86             | 6.17                    | 261        |



## INVESTMENT PROFILE

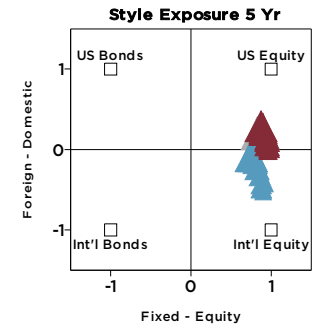
|                         |              |
|-------------------------|--------------|
| Ticker                  | RWIGX        |
| CUSIP                   | 140543810    |
| Net Assets \$MM         | \$124,062.00 |
| Manager Names           | Team Managed |
| Manager Tenure          | 15.4 Years   |
| Prospectus Exp Ratio    | 0.42%        |
| Cat Median Exp Ratio    | 0.99%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 12.07%       |
| Inception Date          | 05/01/2009   |
| Phone Number            | 800-421-4225 |
| Sub Advisor             | N/A          |

## HOLDINGS OVERVIEW

|                             |              |
|-----------------------------|--------------|
| Total Number of Holdings    | 330          |
| % Assets in Top 10 Holdings | 20.95%       |
| Avg Mkt Cap \$MM            | \$108,322.85 |
| Turnover Ratio              | 36.00%       |

## TOP HOLDINGS

|                          |       |
|--------------------------|-------|
| Broadcom Inc             | 3.49% |
| Microsoft Corp           | 3.42% |
| Taiwan Semiconductor Mar | 3.18% |
| Netflix Inc              | 1.75% |
| ASML Holding NV          | 1.69% |



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# AMERICAN FUNDS EUROPACIFIC GROWTH R6

Period Ending 6.30.21 | Q2 21

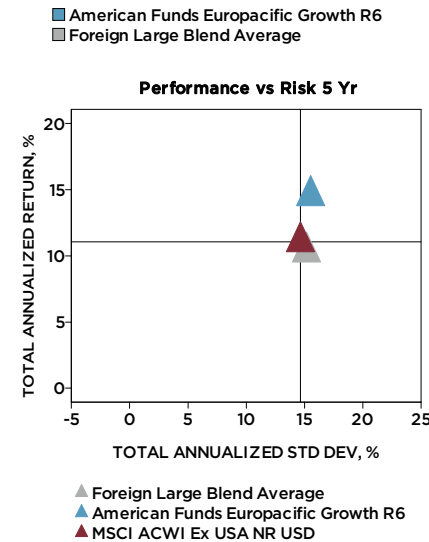
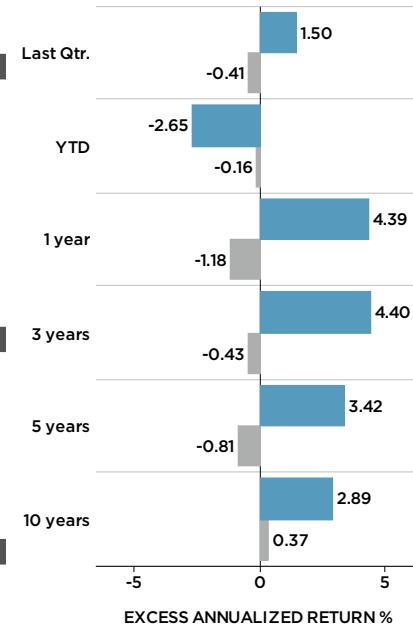
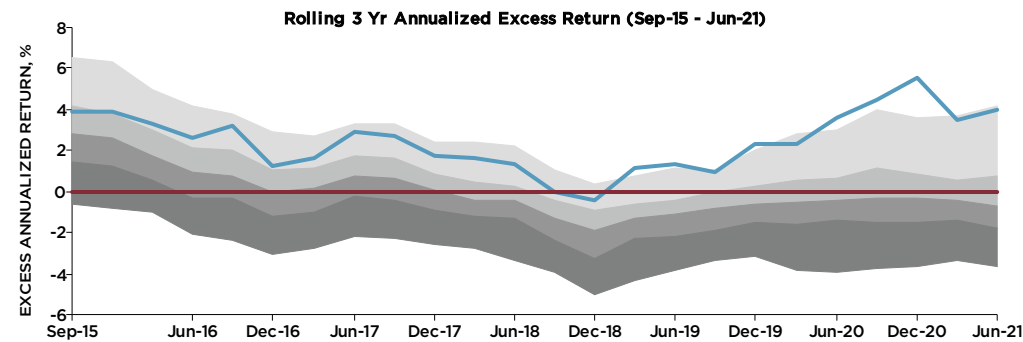
| KEY MEASURES / 5 YEAR | American Funds Europacific Growth R6 | Peer Group Rank | MSCI ACWI Ex USA NR USD | Foreign Large Blend | # of Funds |
|-----------------------|--------------------------------------|-----------------|-------------------------|---------------------|------------|
| Standard Deviation    | 15.46                                | 67%             | 14.59                   | 15.10               | 624        |
| Sharpe Ratio          | 0.86                                 | 3%              | 0.68                    | 0.60                | 624        |
| Alpha                 | 3.09                                 | 2%              | 0.00                    | -0.84               | 624        |
| Beta                  | 1.03                                 | 30%             | 1.00                    | 1.00                | 624        |
| R-Squared             | 95.22                                | 49%             | 100.00                  | 94.01               | 624        |
| Up Mkt Capture        | 109.53                               | 10%             | 100.00                  | 97.77               | 624        |
| Down Mkt Capture      | 93.73                                | 13%             | 100.00                  | 101.43              | 624        |
| Information Ratio     | 0.90                                 | 1%              | NA                      | -0.20               | 624        |

| TRAILING RETURNS | American Funds Europacific Growth R6 | Peer Group Rank | MSCI ACWI Ex USA NR USD | Foreign Large Blend | # of Funds |
|------------------|--------------------------------------|-----------------|-------------------------|---------------------|------------|
| Last Qtr.        | 6.97                                 | 6%              | 5.48                    | 5.06                | 711        |
| YTD              | 6.51                                 | 85%             | 9.16                    | 9.00                | 710        |
| 1 Year           | 40.10                                | 13%             | 35.72                   | 34.53               | 698        |
| 3 Years          | 13.79                                | 6%              | 9.38                    | 8.95                | 657        |
| 5 Years          | 14.50                                | 3%              | 11.08                   | 10.27               | 624        |
| 10 Years         | 8.33                                 | 4%              | 5.45                    | 5.81                | 513        |

| CALENDAR RETURNS | American Funds Europacific Growth R6 | Peer Group Rank | MSCI ACWI Ex USA NR USD | Foreign Large Blend | # of Funds |
|------------------|--------------------------------------|-----------------|-------------------------|---------------------|------------|
| 2020             | 25.27                                | 2%              | 10.65                   | 10.97               | 696        |
| 2019             | 27.40                                | 10%             | 21.51                   | 22.67               | 671        |
| 2018             | -14.91                               | 46%             | -14.20                  | -15.56              | 642        |
| 2017             | 31.17                                | 6%              | 27.19                   | 25.78               | 635        |
| 2016             | 1.01                                 | 49%             | 4.50                    | 1.00                | 619        |



## INVESTMENT PROFILE

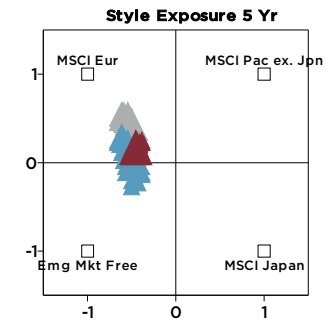
|                         |              |
|-------------------------|--------------|
| Ticker                  | REGRX        |
| CUSIP                   | 298706821    |
| Net Assets \$MM         | \$196,422.00 |
| Manager Names           | Team Managed |
| Manager Tenure          | 20.1 Years   |
| Prospectus Exp Ratio    | 0.46%        |
| Cat Median Exp Ratio    | 0.94%        |
| Current 12b-1           | N/A          |
| Annlzd Ret Since Incept | 10.81%       |
| Inception Date          | 05/01/2009   |
| Phone Number            | 800-421-4225 |
| Sub Advisor             | N/A          |

## HOLDINGS OVERVIEW

|                             |             |
|-----------------------------|-------------|
| Total Number of Holdings    | 355         |
| % Assets in Top 10 Holdings | 20.95%      |
| Avg Mkt Cap \$MM            | \$60,651.63 |
| Turnover Ratio              | 32.00%      |

## TOP HOLDINGS

|                             |       |
|-----------------------------|-------|
| ASML Holding NV             | 3.22% |
| Reliance Industries Ltd Shs | 2.44% |
| Taiwan Semiconductor Ma     | 2.29% |
| AlA Group Ltd               | 2.28% |
| MercadoLibre Inc            | 2.04% |



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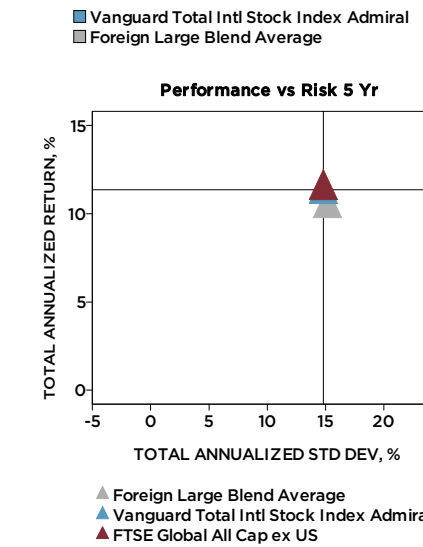
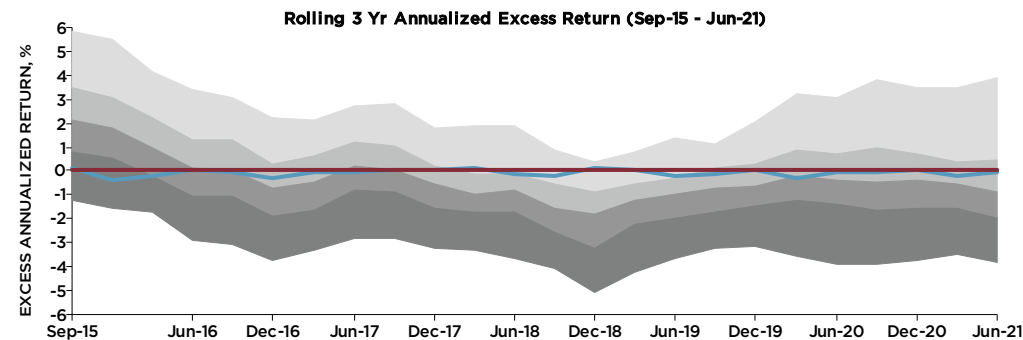
# VANGUARD TOTAL INTL STOCK INDEX ADMIRAL

Period Ending 6.30.21 | Q2 21

| KEY MEASURES / 5 YEAR | Vanguard Total Intl Stock Index Admiral | Peer Group Rank | FTSE Global All Cap ex US | Foreign Large Blend | # of Funds |
|-----------------------|---|-----------------|---------------------------|---------------------|------------|
| Standard Deviation    | 14.87                                   | 48%             | 14.80                     | 15.10               | 624        |
| Sharpe Ratio          | 0.67                                    | 23%             | 0.68                      | 0.60                | 624        |
| Alpha                 | -0.19                                   | 28%             | 0.00                      | -0.92               | 624        |
| Beta                  | 1.00                                    | 42%             | 1.00                      | 0.99                | 624        |
| R-Squared             | 99.02                                   | 2%              | 100.00                    | 94.17               | 624        |
| Up Mkt Capture        | 99.38                                   | 33%             | 100.00                    | 96.56               | 624        |
| Down Mkt Capture      | 100.20                                  | 46%             | 100.00                    | 100.87              | 624        |
| Information Ratio     | -0.11                                   | 34%             | NA                        | -0.26               | 624        |

| TRAILING RETURNS | Vanguard Total Intl Stock Index Admiral | Peer Group Rank | FTSE Global All Cap ex US | Foreign Large Blend | # of Funds |
|------------------|---|-----------------|---------------------------|---------------------|------------|
| Last Qtr.        | 5.52                                    | 32%             | 5.67                      | 5.06                | 711        |
| YTD              | 9.68                                    | 35%             | 9.70                      | 9.00                | 710        |
| 1 Year           | 36.51                                   | 34%             | 37.20                     | 34.53               | 698        |
| 3 Years          | 9.60                                    | 35%             | 9.64                      | 8.95                | 657        |
| 5 Years          | 11.10                                   | 28%             | 11.29                     | 10.27               | 624        |
| 10 Years         | 5.71                                    | 55%             | 5.79                      | 5.81                | 513        |

| CALENDAR RETURNS | Vanguard Total Intl Stock Index Admiral | Peer Group Rank | FTSE Global All Cap ex US | Foreign Large Blend | # of Funds |
|------------------|---|-----------------|---------------------------|---------------------|------------|
| 2020             | 11.28                                   | 41%             | 11.24                     | 10.97               | 696        |
| 2019             | 21.51                                   | 62%             | 21.81                     | 22.67               | 671        |
| 2018             | -14.43                                  | 39%             | -14.62                    | -15.56              | 642        |
| 2017             | 27.55                                   | 29%             | 27.41                     | 25.78               | 635        |
| 2016             | 4.67                                    | 12%             | 4.72                      | 1.00                | 619        |



## INVESTMENT PROFILE

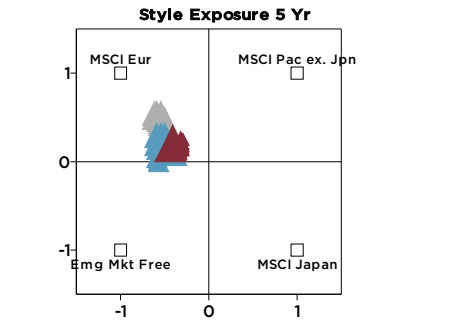
|                         |              |
|-------------------------|--------------|
| Ticker                  | VTIAX        |
| CUSIP                   | 921909818    |
| Net Assets \$MM         | \$404,729.00 |
| Manager Names           | Team Managed |
| Manager Tenure          | 12.9 Years   |
| Prospectus Exp Ratio    | 0.11%        |
| Cat Median Exp Ratio    | 0.94%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 6.44%        |
| Inception Date          | 11/29/2010   |
| Phone Number            | 800-662-7447 |
| Sub Advisor             | N/A          |

## HOLDINGS OVERVIEW

|                             |             |
|-----------------------------|-------------|
| Total Number of Holdings    | 7570        |
| % Assets in Top 10 Holdings | 9.84%       |
| Avg Mkt Cap \$MM            | \$30,922.47 |
| Turnover Ratio              | 7.00%       |

## TOP HOLDINGS

|                           |       |
|---------------------------|-------|
| Taiwan Semiconductor Mar  | 1.60% |
| Tencent Holdings Ltd      | 1.48% |
| Alibaba Group Holding Ltd | 1.18% |
| Nestle SA                 | 1.08% |
| Samsung Electronics Co Lt | 1.05% |



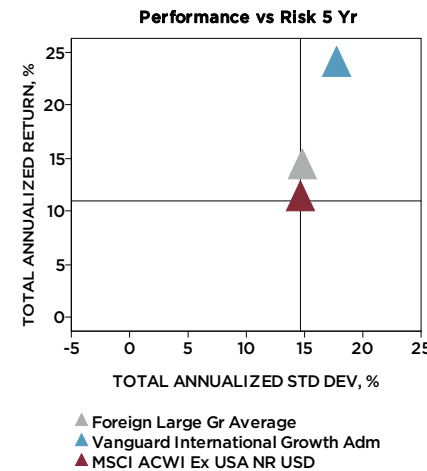
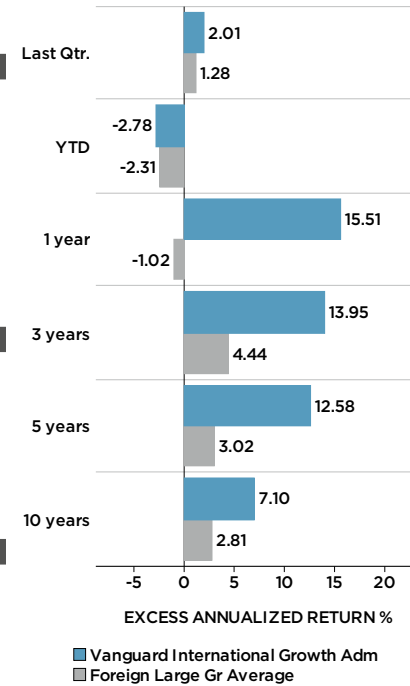
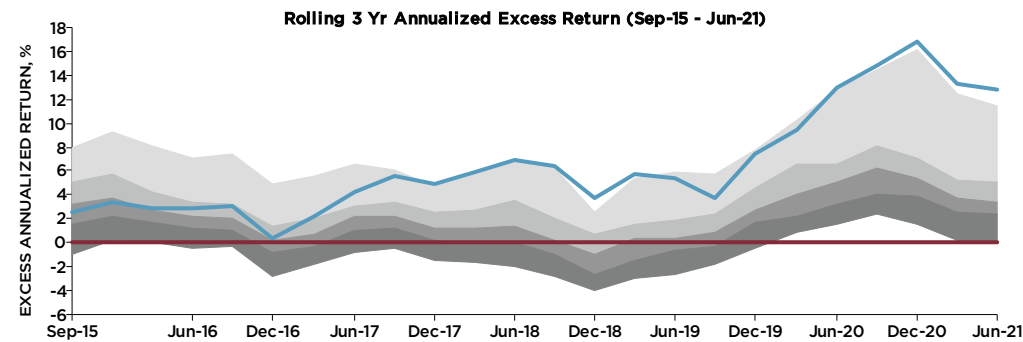
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# VANGUARD INTERNATIONAL GROWTH ADM

Period Ending 6.30.21 | Q2 21

|                              | Vanguard International Growth Adm | Peer Group Rank | MSCI ACWI Ex USA NR USD | Foreign Large Gr | # of Funds |
|------------------------------|-----------------------------------|-----------------|-------------------------|------------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                                   |                 |                         |                  |            |
| Standard Deviation           | 17.77                             | 99%             | 14.59                   | 14.77            | 384        |
| Sharpe Ratio                 | 1.27                              | 5%              | 0.68                    | 0.87             | 383        |
| Alpha                        | 11.70                             | 7%              | 0.00                    | 3.65             | 384        |
| Beta                         | 1.09                              | 2%              | 1.00                    | 0.94             | 384        |
| R-Squared                    | 80.27                             | 81%             | 100.00                  | 85.84            | 384        |
| Up Mkt Capture               | 140.48                            | 1%              | 100.00                  | 102.55           | 384        |
| Down Mkt Capture             | 85.56                             | 42%             | 100.00                  | 85.99            | 384        |
| Information Ratio            | 1.41                              | 1%              | NA                      | 0.45             | 384        |
| <b>TRAILING RETURNS</b>      |                                   |                 |                         |                  |            |
| Last Qtr.                    | 7.49                              | 34%             | 5.48                    | 6.75             | 442        |
| YTD                          | 6.38                              | 56%             | 9.16                    | 6.85             | 439        |
| 1 Year                       | 51.23                             | 1%              | 35.72                   | 34.69            | 432        |
| 3 Years                      | 23.33                             | 3%              | 9.38                    | 13.83            | 409        |
| 5 Years                      | 23.66                             | 5%              | 11.08                   | 14.10            | 384        |
| 10 Years                     | 12.55                             | 5%              | 5.45                    | 8.26             | 325        |
| <b>CALENDAR RETURNS</b>      |                                   |                 |                         |                  |            |
| 2020                         | 59.74                             | 2%              | 10.65                   | 24.92            | 425        |
| 2019                         | 31.48                             | 23%             | 21.51                   | 28.62            | 411        |
| 2018                         | -12.58                            | 35%             | -14.20                  | -13.79           | 407        |
| 2017                         | 43.16                             | 8%              | 27.19                   | 31.88            | 393        |
| 2016                         | 1.84                              | 16%             | 4.50                    | -1.63            | 372        |



## INVESTMENT PROFILE

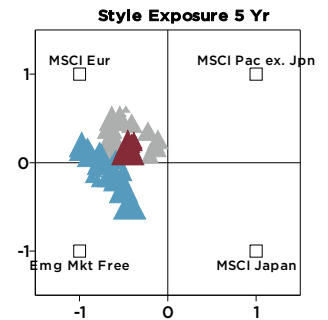
|                         |              |
|-------------------------|--------------|
| Ticker                  | VWILX        |
| CUSIP                   | 921910501    |
| Net Assets \$MM         | \$72,672.00  |
| Manager Names           | Team Managed |
| Manager Tenure          | 18.4 Years   |
| Prospectus Exp Ratio    | 0.33%        |
| Cat Median Exp Ratio    | 1.01%        |
| Current 12b-1           | N/A          |
| Annldz Ret Since Incept | 10.08%       |
| Inception Date          | 08/13/2001   |
| Phone Number            | 800-662-7447 |
| Sub Advisor             | Multiple     |

## HOLDINGS OVERVIEW

|                             |             |
|-----------------------------|-------------|
| Total Number of Holdings    | 135         |
| % Assets in Top 10 Holdings | 36.75%      |
| Avg Mkt Cap \$MM            | \$86,470.62 |
| Turnover Ratio              | 20.00%      |

## TOP HOLDINGS

|                           |       |
|---------------------------|-------|
| ASML Holding NV           | 6.82% |
| Tencent Holdings Ltd      | 5.38% |
| MercadoLibre Inc          | 4.09% |
| Tesla Inc                 | 3.49% |
| Alibaba Group Holding Ltd | 3.32% |



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# AMERICAN BEACON SMALL CAP VALUE R6

Period Ending 6.30.21 | Q2 21

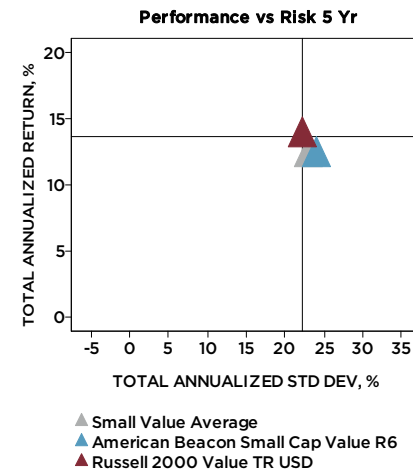
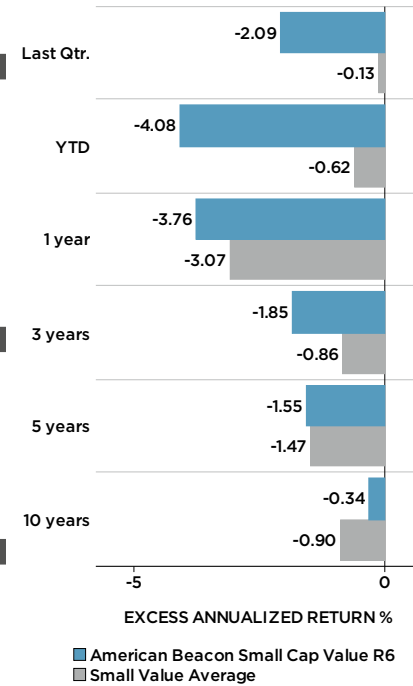
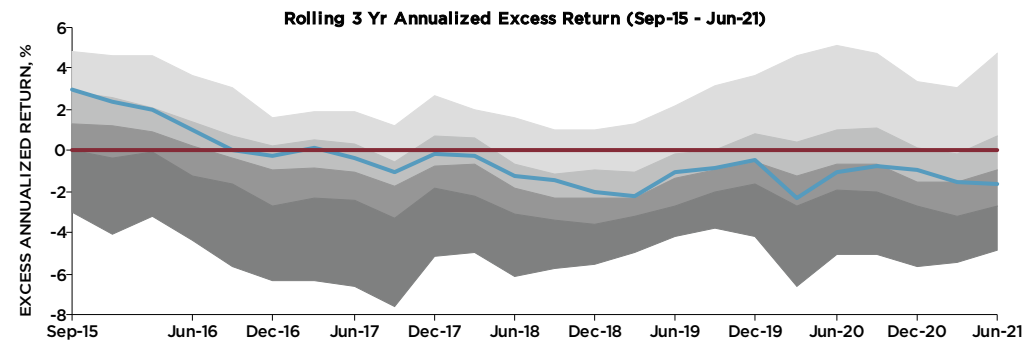
| KEY MEASURES / 5 YEAR | American Beacon Small Cap Value R6 | Peer Group Rank | Russell 2000 Value TR USD | Small Value | # of Funds |
|-----------------------|------------------------------------|-----------------|---------------------------|-------------|------------|
| Standard Deviation    | 24.04                              | 73%             | 22.32                     | 22.92       | 400        |
| Sharpe Ratio          | 0.45                               | 60%             | 0.56                      | 0.48        | 400        |
| Alpha                 | -2.37                              | 65%             | 0.00                      | -1.48       | 400        |
| Beta                  | 1.07                               | 24%             | 1.00                      | 1.00        | 400        |
| R-Squared             | 98.03                              | 10%             | 100.00                    | 95.06       | 400        |
| Up Mkt Capture        | 104.04                             | 26%             | 100.00                    | 97.32       | 400        |
| Down Mkt Capture      | 110.41                             | 81%             | 100.00                    | 101.77      | 400        |
| Information Ratio     | -0.36                              | 59%             | NA                        | -0.27       | 400        |

| TRAILING RETURNS | American Beacon Small Cap Value R6 | Peer Group Rank | Russell 2000 Value TR USD | Small Value | # of Funds |
|------------------|------------------------------------|-----------------|---------------------------|-------------|------------|
| Last Qtr.        | 2.47                               | 84%             | 4.56                      | 4.43        | 420        |
| YTD              | 22.62                              | 78%             | 26.69                     | 26.07       | 420        |
| 1 Year           | 69.52                              | 53%             | 73.28                     | 70.21       | 415        |
| 3 Years          | 8.42                               | 61%             | 10.27                     | 9.41        | 403        |
| 5 Years          | 12.07                              | 51%             | 13.62                     | 12.15       | 400        |
| 10 Years         | 10.50                              | 38%             | 10.85                     | 9.95        | 366        |

| CALENDAR RETURNS | American Beacon Small Cap Value R6 | Peer Group Rank | Russell 2000 Value TR USD | Small Value | # of Funds |
|------------------|------------------------------------|-----------------|---------------------------|-------------|------------|
| 2020             | 4.03                               | 44%             | 4.63                      | 3.74        | 415        |
| 2019             | 23.50                              | 32%             | 22.39                     | 22.53       | 405        |
| 2018             | -15.59                             | 53%             | -12.86                    | -15.33      | 400        |
| 2017             | 8.71                               | 58%             | 7.84                      | 9.40        | 400        |
| 2016             | 26.77                              | 35%             | 31.74                     | 24.95       | 398        |



## INVESTMENT PROFILE

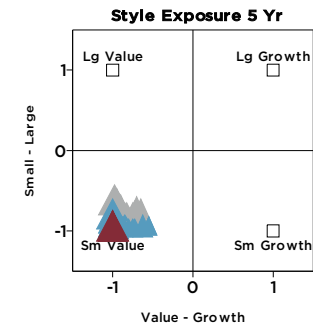
|                         |              |
|-------------------------|--------------|
| Ticker                  | AASRX        |
| CUSIP                   | 024526774    |
| Net Assets \$MM         | \$6,279.00   |
| Manager Names           | Team Managed |
| Manager Tenure          | 22.5 Years   |
| Prospectus Exp Ratio    | 0.80%        |
| Cat Median Exp Ratio    | 1.15%        |
| Current 12b-1           | 0.00%        |
| Annldz Ret Since Incept | 8.51%        |
| Inception Date          | 02/28/2017   |
| Phone Number            | 800-658-5811 |
| Sub Advisor             | Multiple     |

## HOLDINGS OVERVIEW

|                             |            |
|-----------------------------|------------|
| Total Number of Holdings    | 730        |
| % Assets in Top 10 Holdings | 12.84%     |
| Avg Mkt Cap \$MM            | \$3,061.10 |
| Turnover Ratio              | 61.00%     |

## TOP HOLDINGS

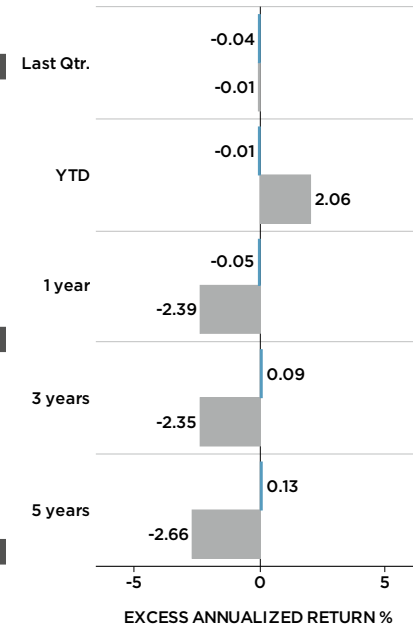
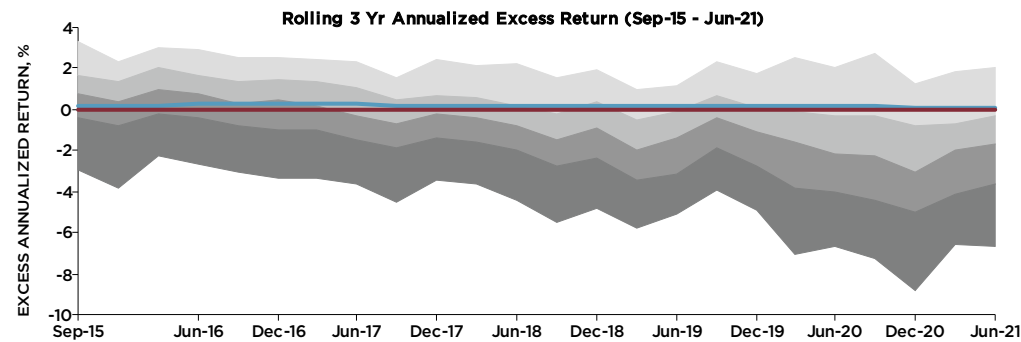
|                              |       |
|------------------------------|-------|
| State Street Instl US Govt I | 2.35% |
| E-Mini Russ 2000 Jun21 Xc    | 2.23% |
| KBR Inc                      | 1.35% |
| Diodes Inc                   | 1.28% |
| MGIC Investment Corp         | 1.01% |



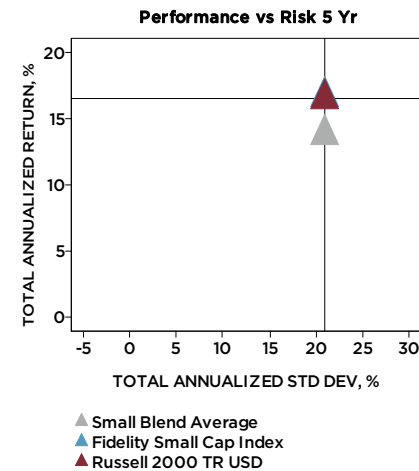
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|                              | Fidelity Small Cap Index | Peer Group Rank | Russell 2000 TR USD | Small Blend | # of Funds |
|------------------------------|--------------------------|-----------------|---------------------|-------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                          |                 |                     |             |            |
| Standard Deviation           | 21.00                    | 53%             | 21.00               | 21.01       | 575        |
| Sharpe Ratio                 | 0.73                     | 10%             | 0.73                | 0.60        | 575        |
| Alpha                        | 0.13                     | 13%             | 0.00                | -2.25       | 575        |
| Beta                         | 1.00                     | 35%             | 1.00                | 0.97        | 575        |
| R-Squared                    | 100.00                   | 1%              | 100.00              | 94.67       | 575        |
| Up Mkt Capture               | 100.27                   | 18%             | 100.00              | 93.04       | 575        |
| Down Mkt Capture             | 99.84                    | 40%             | 100.00              | 101.23      | 575        |
| Information Ratio            | 1.23                     | 1%              | NA                  | -0.63       | 575        |
| <b>TRAILING RETURNS</b>      |                          |                 |                     |             |            |
| Last Qtr.                    | 4.26                     | 49%             | 4.29                | 4.28        | 603        |
| YTD                          | 17.53                    | 65%             | 17.54               | 19.59       | 603        |
| 1 Year                       | 61.98                    | 37%             | 62.03               | 59.64       | 603        |
| 3 Years                      | 13.61                    | 18%             | 13.52               | 11.17       | 593        |
| 5 Years                      | 16.59                    | 8%              | 16.47               | 13.80       | 575        |
| 10 Years                     | NA                       | 0%              | 12.34               | 11.20       | 470        |
| <b>CALENDAR RETURNS</b>      |                          |                 |                     |             |            |
| 2020                         | 19.99                    | 13%             | 19.96               | 11.48       | 603        |
| 2019                         | 25.71                    | 36%             | 25.53               | 24.48       | 599        |
| 2018                         | -10.88                   | 35%             | -11.01              | -12.35      | 591        |
| 2017                         | 14.85                    | 26%             | 14.65               | 13.10       | 581        |
| 2016                         | 21.63                    | 45%             | 21.31               | 21.31       | 572        |



Fidelity Small Cap Index  
Small Blend Average



## INVESTMENT PROFILE

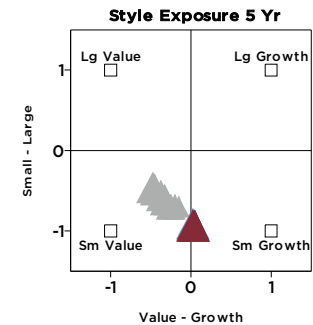
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|-------------------------|-------------------------------|
| Ticker                  | FSSNX                         |
| CUSIP                   | 316146182                     |
| Net Assets \$MM         | \$22,190.00                   |
| Manager Names           | Team Managed                  |
| Manager Tenure          | 9.8 Years                     |
| Prospectus Exp Ratio    | 0.03%                         |
| Cat Median Exp Ratio    | 1.03%                         |
| Current 12b-1           | N/A                           |
| Annldz Ret Since Incept | 14.73%                        |
| Inception Date          | 09/08/2011                    |
| Phone Number            | 800-544-8544                  |
| Sub Advisor             | Geode Capital Management, LLC |

## HOLDINGS OVERVIEW

|                             |            |
|-----------------------------|------------|
| Total Number of Holdings    | 2043       |
| % Assets in Top 10 Holdings | 6.18%      |
| Avg Mkt Cap \$MM            | \$2,624.59 |
| Turnover Ratio              | 19.00%     |

## TOP HOLDINGS

|                           |       |
|---------------------------|-------|
| E-mini Russell 2000 Index | 0.98% |
| Fidelity Revere Str Tr    | 0.90% |
| Plug Power Inc            | 0.89% |
| GameStop Corp Class A     | 0.70% |
| Penn National Gaming Inc  | 0.61% |

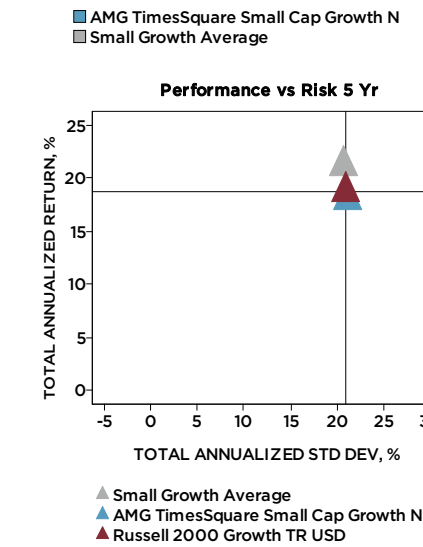
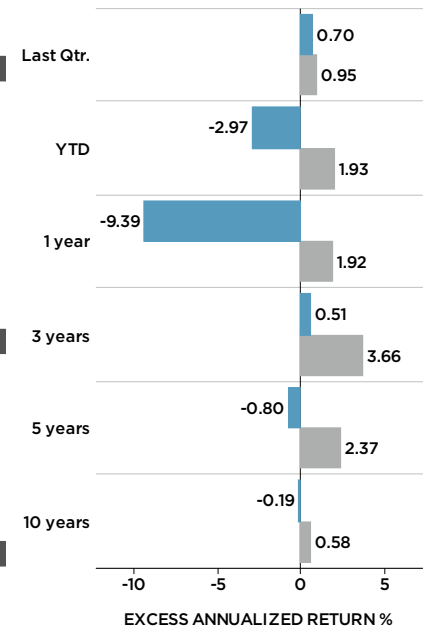
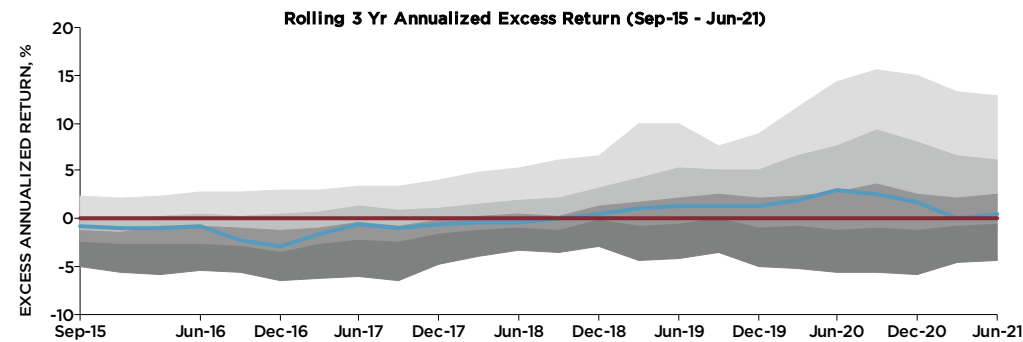


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# AMG TIMESQUARE SMALL CAP GROWTH N

Period Ending 6.30.21 | Q2 21

|                              | AMG TimesSquare Small Cap Growth N | Peer Group Rank | Russell 2000 Growth TR USD | Small Growth | # of Funds |
|------------------------------|------------------------------------|-----------------|----------------------------|--------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                                    |                 |                            |              |            |
| Standard Deviation           | 21.05                              | 72%             | 20.81                      | 20.60        | 568        |
| Sharpe Ratio                 | 0.80                               | 78%             | 0.85                       | 0.97         | 568        |
| Alpha                        | -0.50                              | 79%             | 0.00                       | 3.46         | 568        |
| Beta                         | 0.98                               | 26%             | 1.00                       | 0.94         | 568        |
| R-Squared                    | 94.48                              | 25%             | 100.00                     | 90.39        | 568        |
| Up Mkt Capture               | 97.13                              | 56%             | 100.00                     | 99.27        | 568        |
| Down Mkt Capture             | 99.10                              | 86%             | 100.00                     | 88.76        | 568        |
| Information Ratio            | -0.14                              | 70%             | NA                         | 0.27         | 568        |
| <b>TRAILING RETURNS</b>      |                                    |                 |                            |              |            |
| Last Qtr.                    | 4.62                               | 57%             | 3.92                       | 4.87         | 603        |
| YTD                          | 6.02                               | 82%             | 8.98                       | 10.91        | 603        |
| 1 Year                       | 41.97                              | 86%             | 51.36                      | 53.28        | 602        |
| 3 Years                      | 16.45                              | 65%             | 15.94                      | 19.60        | 587        |
| 5 Years                      | 17.96                              | 68%             | 18.76                      | 21.14        | 568        |
| 10 Years                     | 13.33                              | 67%             | 13.52                      | 14.11        | 515        |
| <b>CALENDAR RETURNS</b>      |                                    |                 |                            |              |            |
| 2020                         | 34.96                              | 59%             | 34.63                      | 41.04        | 602        |
| 2019                         | 27.98                              | 55%             | 28.48                      | 29.48        | 587        |
| 2018                         | -4.38                              | 46%             | -9.31                      | -4.67        | 585        |
| 2017                         | 20.87                              | 62%             | 22.17                      | 23.44        | 571        |
| 2016                         | 8.20                               | 65%             | 11.32                      | 10.66        | 560        |



| <b>INVESTMENT PROFILE</b> |                                     |
|---------------------------|-------------------------------------|
| Ticker                    | TSCPX                               |
| CUSIP                     | 00170K737                           |
| Net Assets \$MM           | \$454.00                            |
| Manager Names             | Team Managed                        |
| Manager Tenure            | 21.5 Years                          |
| Prospectus Exp Ratio      | 1.19%                               |
| Cat Median Exp Ratio      | 1.15%                               |
| Current 12b-1             | N/A                                 |
| Annldz Ret Since Incept   | 10.27%                              |
| Inception Date            | 01/21/2000                          |
| Phone Number              | 800-548-4539                        |
| Sub Advisor               | TimesSquare Capital Management, LLC |

| <b>HOLDINGS OVERVIEW</b>    |            |
|-----------------------------|------------|
| Total Number of Holdings    | 106        |
| % Assets in Top 10 Holdings | 17.59%     |
| Avg Mkt Cap \$MM            | \$3,549.06 |
| Turnover Ratio              | 71.00%     |

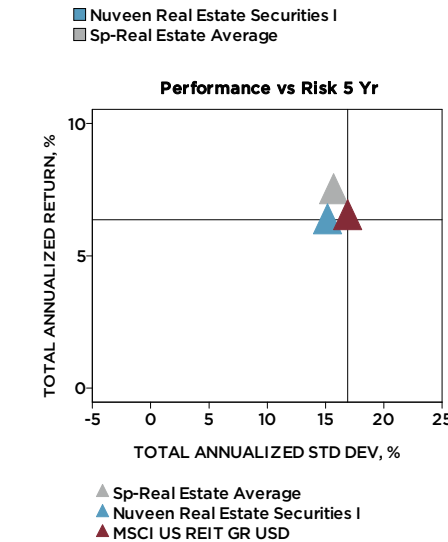
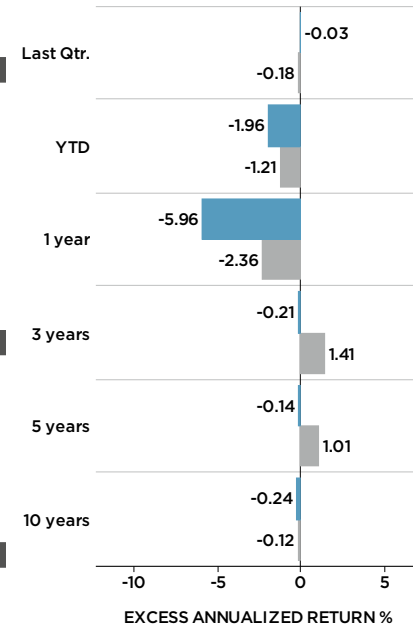
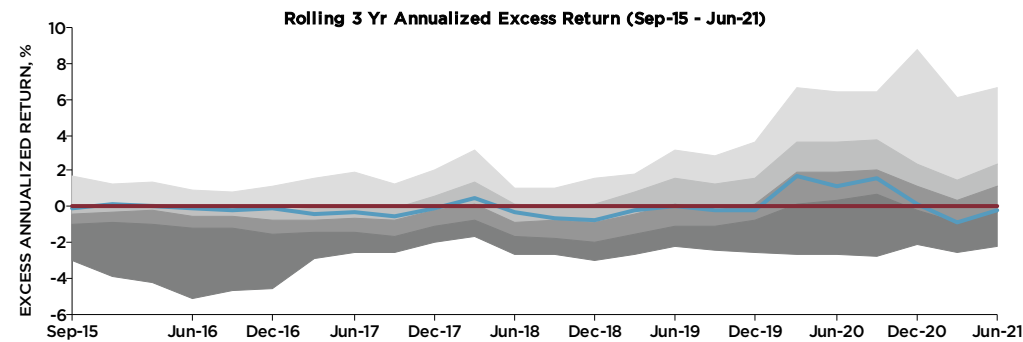
| <b>TOP HOLDINGS</b>       |       |
|---------------------------|-------|
| Wheels Up Inc Preferred S | 2.01% |
| Casella Waste Systems Inc | 1.99% |
| ASGN Inc                  | 1.85% |
| Q2 Holdings Inc           | 1.79% |
| Rexnord Corp              | 1.73% |

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|                              | Nuveen Real Estate Securities I | Peer Group Rank | MSCI US REIT GR USD | Sp-Real Estate | # of Funds |
|------------------------------|---------------------------------|-----------------|---------------------|----------------|------------|
| <b>KEY MEASURES / 5 YEAR</b> |                                 |                 |                     |                |            |
| Standard Deviation           | 15.13                           | 29%             | 16.87               | 15.70          | 212        |
| Sharpe Ratio                 | 0.33                            | 69%             | 0.30                | 0.40           | 212        |
| Alpha                        | 0.45                            | 70%             | 0.00                | 1.51           | 212        |
| Beta                         | 0.89                            | 59%             | 1.00                | 0.90           | 212        |
| R-Squared                    | 97.39                           | 32%             | 100.00              | 94.16          | 212        |
| Up Mkt Capture               | 92.04                           | 68%             | 100.00              | 93.84          | 212        |
| Down Mkt Capture             | 91.73                           | 61%             | 100.00              | 87.79          | 212        |
| Information Ratio            | -0.04                           | 74%             | NA                  | 0.19           | 212        |
| <b>TRAILING RETURNS</b>      |                                 |                 |                     |                |            |
| Last Qtr.                    | 11.97                           | 64%             | 12.00               | 11.82          | 226        |
| YTD                          | 19.84                           | 69%             | 21.80               | 20.59          | 226        |
| 1 Year                       | 32.09                           | 78%             | 38.05               | 35.69          | 226        |
| 3 Years                      | 9.92                            | 75%             | 10.14               | 11.54          | 222        |
| 5 Years                      | 6.18                            | 75%             | 6.32                | 7.33           | 212        |
| 10 Years                     | 9.14                            | 53%             | 9.38                | 9.26           | 189        |
| <b>CALENDAR RETURNS</b>      |                                 |                 |                     |                |            |
| 2020                         | -6.12                           | 68%             | -7.57               | -3.34          | 226        |
| 2019                         | 25.56                           | 75%             | 25.84               | 28.12          | 226        |
| 2018                         | -5.51                           | 46%             | -4.57               | -6.35          | 222        |
| 2017                         | 5.61                            | 52%             | 5.07                | 6.72           | 212        |
| 2016                         | 6.79                            | 38%             | 8.60                | 6.31           | 211        |



## INVESTMENT PROFILE

|                         |                              |
|-------------------------|------------------------------|
| Ticker                  | FARCX                        |
| CUSIP                   | 670678507                    |
| Net Assets \$MM         | \$2,555.00                   |
| Manager Names           | Team Managed                 |
| Manager Tenure          | 16.1 Years                   |
| Prospectus Exp Ratio    | 0.97%                        |
| Cat Median Exp Ratio    | 1.08%                        |
| Current 12b-1           | 0.00%                        |
| Annldz Ret Since Incept | 11.27%                       |
| Inception Date          | 06/30/1995                   |
| Phone Number            | 800-257-8787                 |
| Sub Advisor             | Nuveen Asset Management, LLC |

## HOLDINGS OVERVIEW

|                             |             |
|-----------------------------|-------------|
| Total Number of Holdings    | 109         |
| % Assets in Top 10 Holdings | 37.03%      |
| Avg Mkt Cap \$MM            | \$16,449.13 |
| Turnover Ratio              | 135.00%     |

## TOP HOLDINGS

|                          |       |
|--------------------------|-------|
| Prologis Inc             | 8.64% |
| Equinix Inc              | 5.31% |
| Public Storage           | 4.33% |
| Simon Property Group Inc | 2.98% |
| UDR Inc                  | 2.86% |

Performance Disclosure: For use with CAPTRUST clients only. Mutual fund investing involves risk. Please visit [captrustadvisors.com/risk-disclosures/](http://captrustadvisors.com/risk-disclosures/) for a detailed description of the risks associated with investing by asset class. Statistics and data have been derived from Morningstar and are not guaranteed to be accurate or complete. Performance data included here represents past performance and does not guarantee future results. This is not a solicitation to invest. Each mutual fund has a prospectus with a complete description of the risks associated with investing in the specific fund. To request a prospectus on this fund, please call CAPTRUST at (800)216-0645.

| APPENDIX                        |  |
|---------------------------------|--|
| Advisory Services Review.....   |  |
| Plan Administration Review..... |  |
| Action Items/Notes.....         |  |
| Your CAPTRUST Service Team..... |  |
| Glossary of Terms.....          |  |
| Evaluation Methodology.....     |  |



Lansing Board of Water and Light

Feedback on level of satisfaction with CAPTRUST:

| AREA OF EVALUATION                              | FAIR | GOOD | EXCELLENT |
|---|------|------|-----------|
| Plan design & compliance                        |      |      |           |
| Fiduciary oversight & process management        |      |      |           |
| Quality of investment selection & due diligence |      |      |           |
| Quality of investment monitoring & reporting    |      |      |           |
| Provider analysis & due diligence               |      |      |           |
| Participant advice                              |      |      |           |
| Quality & timeliness of Plan Sponsor materials  |      |      |           |
| Overall level of responsiveness                 |      |      |           |
| Overall advisory service evaluation             |      |      |           |

COMMENTS:

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Lansing Board of Water and Light

Feedback on level of satisfaction with CAPTRUST:

| AREA OF EVALUATION                         | FAIR | GOOD | EXCELLENT |
|--|------|------|-----------|
| Responsiveness                             |      |      |           |
| Effectiveness                              |      |      |           |
| Knowledge & expertise                      |      |      |           |
| Problem solving capabilities               |      |      |           |
| Understanding of your organization's needs |      |      |           |
| Frequency of contact with you              |      |      |           |
| Content of meetings                        |      |      |           |
| Quality of materials                       |      |      |           |
| Overall                                    |      |      |           |

COMMENTS:

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# PLAN ADMINISTRATION REVIEW

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

## Feedback on level of satisfaction with Provider:

| AREA OF EVALUATION                             | FAIR | GOOD | EXCELLENT |
|--|------|------|-----------|
| Quality & timeliness of Participant materials  |      |      |           |
| Quality & timeliness of Plan Sponsor materials |      |      |           |
| Accuracy of plan data                          |      |      |           |
| Phone/email responsiveness                     |      |      |           |
| Website usability                              |      |      |           |
| Call center representative accessibility       |      |      |           |
| Ease of participant transactions               |      |      |           |
| Overall administration service evaluation      |      |      |           |

### PROVIDER NAME:

Nationwide Financial Services

### RELATIONSHIP MANAGER

Michael Burkhart

## COMMENTS:

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Lansing Board of Water and Light

| PLAN ADMINISTRATION |
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| PLAN INVESTMENTS |
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| PARTICIPANT ENROLLMENT & PARTICIPATION |
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|  |

| OTHER                  |
|------------------------|
| • Set next review date |
|                        |
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|                        |



# YOUR CAPTRUST SERVICE TEAM MEMBERS

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light

| TEAM MEMBERS  | RESPONSIBILITIES  |
|---|---|
| <p><b>Dori Drayton, CPA ,CFP®</b><br/>Senior Vice President   Financial Advisor<br/>Dori.Drayton@captrust.com</p>                               | <p><b>Account Role: Lead Consultant</b><br/>Our Lead Consultants serve as the primary relationship manager for the fiduciaries of corporate retirement plans. They oversee and ensure quality delivery of comprehensive investment advisory services. They are available to assist with any aspect of clients' accounts, or put them in contact with the appropriate resources here at CAPTRUST.</p>  |
| <p><b>Anthony Bergstrom, CPFA</b><br/>Senior Client Management Consultant   Institutional Client Service<br/>Anthony.Bergstrom@captrust.com</p> | <p><b>Account Role: Senior Advisor</b><br/>Our Senior Advisors serve in strategic oversight roles on the CAPTRUST Account Team.</p>   |
| <p><b>Lisa Mason</b><br/>Client Management Associate II   Institutional Client Service<br/>Lisa.Mason@captrust.com</p>                          | <p><b>Account Role: Client Management Consultant</b><br/>The Client Management Consultants are focused on overall client management from initial conversion of new plans to CAPTRUST throughout their 'life' at CAPTRUST. As the primary contact for day-to-day client service needs, the main goal of the Client Management Consultant is to deliver exceptional proactive client service. On a daily basis, the Client Management Consultants are available to assist employees with questions related to plan enrollment and education, available investment options, and other areas.</p> |



**ALPHA**

Alpha measures a manager's rate of return in excess of that which can be explained by its systematic risk, or Beta. It is a result of regressing a manager's returns against those of a benchmark index. A positive alpha implies that a manager has added value relative to its benchmark on a risk-adjusted basis.

**BATTING AVERAGE**

Batting Average, an indicator of consistency, measures the percentage of time an active manager outperformed the benchmark.

**BETA**

Beta measures a manager's sensitivity to systematic, or market risk. Beta is a result of the analysis regressing a manager's returns against those of a benchmark Index. A manager with a Beta of 1 should move perfectly with a benchmark. A Beta of less than 1 implies that a manager's returns are less volatile than the market's (i.e., selected benchmarks). A Beta of greater than 1 implies that a manager exhibits greater volatility than the market (i.e., selected benchmark).

**CAPTURE RATIO**

Up Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was positive. Down Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was negative. An Up Market Capture of greater than 100% and a Down Market Capture of less than 100% is considered desirable.

**INFORMATION RATIO**

The Information Ratio measures a manager's excess return over the passive index divided by the volatility of that excess return, or Tracking Error. To obtain a higher Information Ratio, which is preferable, a manager must demonstrate the ability to generate returns above its benchmark while avoiding large performance swings relative to that same benchmark.

**PERCENTILE RANK**

Percentile Rankings are based on a manager's performance relative to all other available funds in its universe. Percentiles range from 1, being the best, to 100 being the worst. A ranking in the 50th percentile or above demonstrates that the manager has performed better on a relative basis than at least 50% of its peers.

**RISK-ADJUSTED PERFORMANCE**

Risk-adjusted Performance, or RAP, measures the level of return that an investment option would generate given a level of risk equivalent to the benchmark index.

**R-SQUARED**

R-squared measures the portion of a manager's movements that are explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a manager are completely explained by movements in the index. This measurement is identified as the coefficient of determination from a regression equation. A high R-squared value supports the validity of the Alpha and Beta measures, and it can be used as a measure of style consistency.

**SHARPE RATIO**

Sharpe ratio measures a manager's return per unit of risk, or standard deviation. It is the ratio of a manager's excess return above the risk-free rate divided by a manager's standard deviation. A higher Sharpe ratio implies greater manager efficiency.

**STANDARD DEVIATION**

Standard Deviation is a measure of the extent to which observations in a series vary from the arithmetic mean of the series. This measure of volatility or risk allows the estimation of a range of values for a manager's returns. The wider the range, the more uncertainty, and, therefore, the riskier a manager is assumed to be.

**TRACKING ERROR**

Tracking Error is the standard deviation of the portfolio's residual (i.e. excess) returns. The lower the tracking error, the closer the portfolio returns have been to its risk index. Aggressively managed portfolios would be expected to have higher tracking errors than portfolios with a more conservative investment style.

**TREYNOR RATIO**

The Treynor Ratio is a measure of reward per unit of risk. With Treynor, the numerator (i.e. reward) is defined as the annualized excess return of the portfolio versus the risk-free rate. The denominator (i.e. risk) is defined as the portfolio beta. The result is a measure of excess return per unit of portfolio systematic risk. As with Sharpe and Sortino, the Treynor Ratio only has value when it is used as the basis of comparison between portfolios. The higher the Treynor Ratio, the better.



QUANTITATIVE EVALUATION ITEMS      QUALITATIVE EVALUATION ITEMS



The following categories of the Investment Policy Monitor appear “Marked For Review” when:

**CAPTRUST’s Investment Policy Monitoring Methodology**

The Investment Policy Monitoring Methodology document describes the systems and procedures CAPTRUST uses to monitor and evaluate the investment vehicles in your plan/account on a quarterly basis.

Our current Investment Policy Monitoring Methodology document can be accessed through the following link:

[captrust.com/investmentmonitoring](http://captrust.com/investmentmonitoring)

**3/5 Year Risk- adjusted Performance**

The investment option’s 3 or 5 Year Annualized Risk Adjusted Performance falls below the 50th percentile of the peer group.

**3/5 Year Performance vs. Peers**

The investment option’s 3 or 5 Year Annualized Peer Relative Performance falls below the 50th percentile of the peer group.

**3/5 Year Style**

The investment option’s 3 or 5 Year R-Squared measure falls below the absolute threshold set per asset class.

**3/5 Year Confidence**

The investment option’s 3 or 5 Year Confidence Rating falls below the 50<sup>th</sup> percentile of the peer group.

**Glidepath Assessment**

% of Equity Exposure: The combined percentage of an investment option’s equity exposure ranks in the top 20th percentile or bottom 20th percentile of the peer group.

Regression to the Benchmark: The investment option’s sensitivity to market risk - as measured by beta relative to a Global Equity Index - is above 0.89.

**Fund Management**

A significant disruption to the investment option’s management team has been discovered.

**Fund Family**

A significant disruption to the investment option’s parent company has been discovered.

**Portfolio Construction**

The investment option’s combined Portfolio Construction score is 6 or below out of a possible 15 points.

**Underlying Investment Vehicles**

The investment option’s combined Underlying Investment Vehicles score is 6 or below out of a possible 15 points.



# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 1/3)

Period Ending 6.30.21 | Q2 21

## Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| Allocation Tier               |                            |        |                     |               |               |                 |               |                 |
|-------------------------------|----------------------------|--------|---------------------|---------------|---------------|-----------------|---------------|-----------------|
| Asset Class                   | Investment Name            | Ticker | Value               | % Assets      | Expense Ratio |                 | Revenue Share |                 |
|                               |                            |        |                     |               | %             | \$              | %             | \$              |
| Allocation--50% to 70% Equity | Fidelity Balanced          | FBALX  | \$5,888,159         | 3.29%         | 0.52%         | \$30,618        | 0.25%         | \$14,720        |
| Target Date Series            | Vanguard Target Retirement | -      | \$61,583,313        | 34.37%        | 0.09%         | \$55,425        | 0.00%         | \$0             |
| <b>Allocation Total</b>       |                            |        | <b>\$67,471,473</b> | <b>37.66%</b> | <b>0.13%</b>  | <b>\$86,043</b> | <b>0.02%</b>  | <b>\$14,720</b> |

| Passive Tier           |   |        |                     |               |               |                 |               |            |
|------------------------|---|--------|---------------------|---------------|---------------|-----------------|---------------|------------|
| Asset Class            | Investment Name                         | Ticker | Value               | % Assets      | Expense Ratio |                 | Revenue Share |            |
|                        |   |        |                     |               | %             | \$              | %             | \$         |
| Intermediate Core Bond | Fidelity US Bond Index                  | FXNAX  | \$5,570,904         | 3.11%         | 0.03%         | \$1,671         | 0.00%         | \$0        |
| Large Company Blend    | Fidelity 500 Index                      | FXAIX  | \$15,511,315        | 8.66%         | 0.01%         | \$1,551         | 0.00%         | \$0        |
| Medium Company Blend   | Fidelity Mid Cap Index                  | FSMDX  | \$2,945,502         | 1.64%         | 0.03%         | \$884           | 0.00%         | \$0        |
| Foreign Large Blend    | Vanguard Total Intl Stock Index Admiral | VTIAX  | \$4,561,842         | 2.55%         | 0.11%         | \$5,018         | 0.00%         | \$0        |
| Small Company Blend    | Fidelity Small Cap Index                | FSSNX  | \$3,756,255         | 2.10%         | 0.03%         | \$1,127         | 0.00%         | \$0        |
| <b>Passive Total</b>   |   |        | <b>\$32,345,819</b> | <b>18.05%</b> | <b>0.03%</b>  | <b>\$10,251</b> | <b>0.00%</b>  | <b>\$0</b> |

| Active Tier  |  |        |       |          |               |     |               |     |
|--------------|--|--------|-------|----------|---------------|-----|---------------|-----|
| Asset Class  | Investment Name                        | Ticker | Value | % Assets | Expense Ratio |     | Revenue Share |     |
|              |  |        |       |          | %             | \$  | %             | \$  |
| Money Market | Vanguard Federal Money Market Investor | VMFXX  | \$0   | 0.00%    | 0.11%         | \$0 | 0.00%         | \$0 |

Information shown has been obtained from sources deemed to be reliable but is not guaranteed to be accurate or complete. Target date expenses and revenue sharing shown are a weighted average based on plan assets. Expense ratios are rounded to two decimal places.



# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 2/3)

Period Ending 6.30.21 | Q2 21

## Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| Active Tier                 |  |        |                     |               |               |                  |               |                 |
|-----------------------------|--|--------|---------------------|---------------|---------------|------------------|---------------|-----------------|
| Asset Class                 | Investment Name                        | Ticker | Value               | % Assets      | Expense Ratio |                  | Revenue Share |                 |
|                             |  |        |                     |               | %             | \$               | %             | \$              |
| Stable Value                | Nationwide Fixed Account               | -      | \$3,785,439         | 2.11%         | 0.00%         | \$0              | 0.00%         | \$0             |
| Inflation Protected Bond    | PIMCO Real Return Instl                | PRRIX  | \$2,210,409         | 1.23%         | 0.53%         | \$11,715         | 0.00%         | \$0             |
| Intermediate Core-Plus Bond | PIMCO Total Return Instl               | PTTRX  | \$5,675,695         | 3.17%         | 0.70%         | \$39,730         | 0.00%         | \$0             |
| Multisector Bond            | PIMCO Income Instl                     | PIMIX  | \$2,908,483         | 1.62%         | 1.09%         | \$31,702         | 0.00%         | \$0             |
| Large Company Value         | MFS Value R6                           | MEIKX  | \$9,246,573         | 5.16%         | 0.47%         | \$43,459         | 0.00%         | \$0             |
| Large Company Blend         | Fidelity Contrafund                    | FCNTX  | \$10,694,698        | 5.97%         | 0.86%         | \$91,974         | 0.25%         | \$26,737        |
| Large Company Growth        | MainStay Winslow Large Cap Growth I    | MLAIX  | \$8,340,920         | 4.66%         | 0.72%         | \$60,055         | 0.15%         | \$12,511        |
| Medium Company Value        | JPMorgan Mid Cap Value R6              | JMVYX  | \$1,231,428         | 0.69%         | 0.73%         | \$8,989          | 0.00%         | \$0             |
| Medium Company Growth       | T Rowe Price Instl Mid-Cap Equity Gr   | PMEGX  | \$10,952,468        | 6.11%         | 0.61%         | \$66,810         | 0.00%         | \$0             |
| World Large Stock Blend     | American Funds Capital World Gr&Inc R6 | RWIGX  | \$9,519,728         | 5.31%         | 0.42%         | \$39,983         | 0.00%         | \$0             |
| Foreign Large Blend         | American Funds Europacific Growth R6   | RERGX  | \$1,160,097         | 0.65%         | 0.46%         | \$5,336          | 0.00%         | \$0             |
| Foreign Large Growth        | Vanguard International Growth Adm      | VWILX  | \$2,963,811         | 1.65%         | 0.33%         | \$9,781          | 0.00%         | \$0             |
| Small Company Value         | American Beacon Small Cap Value R6     | AASRX  | \$2,945,710         | 1.64%         | 0.80%         | \$23,566         | 0.00%         | \$0             |
| Small Company Growth        | AMG TimesSquare Small Cap Growth N     | TSCPX  | \$2,136,812         | 1.19%         | 1.19%         | \$25,428         | 0.40%         | \$8,547         |
| Specialty-Real Estate       | Nuveen Real Estate Securities I        | FARCX  | \$1,795,292         | 1.00%         | 0.97%         | \$17,414         | 0.25%         | \$4,488         |
| <b>Active Total</b>         |  |        | <b>\$75,567,564</b> | <b>42.18%</b> | <b>0.63%</b>  | <b>\$475,943</b> | <b>0.07%</b>  | <b>\$52,284</b> |

Information shown has been obtained from sources deemed to be reliable but is not guaranteed to be accurate or complete. Target date expenses and revenue sharing shown are a weighted average based on plan assets. Expense ratios are rounded to two decimal places.



# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 3/3)

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| Other Tier              |                         |        |                    |              |               |            |               |            |
|-------------------------|-------------------------|--------|--------------------|--------------|---------------|------------|---------------|------------|
| Asset Class             | Investment Name         | Ticker | Value              | % Assets     | Expense Ratio |            | Revenue Share |            |
|                         |                         |        |                    |              | %             | \$         | %             | \$         |
| Self-Directed Brokerage | Self-Directed Brokerage | -      | \$3,785,439        | 2.11%        | -             | \$0        | -             | \$0        |
| Loan                    | Loan Balance            | -      | -                  | 0.00%        | -             | \$0        | -             | \$0        |
| <b>Other Total</b>      |                         |        | <b>\$3,785,439</b> | <b>2.11%</b> | <b>0.00%</b>  | <b>\$0</b> | <b>0.00%</b>  | <b>\$0</b> |

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# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 1/3)

Period Ending 6.30.21 | Q2 21

## Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| <u>Allocation Tier</u>        |                            |        |                 |               |               |             |               |            |
|-------------------------------|----------------------------|--------|-----------------|---------------|---------------|-------------|---------------|------------|
| Asset Class                   | Investment Name            | Ticker | Value           | % Assets      | Expense Ratio |             | Revenue Share |            |
|                               |                            |        |                 |               | %             | \$          | %             | \$         |
| Allocation--50% to 70% Equity | Fidelity Balanced          | FBALX  | \$0             | 0.00%         | 0.52%         | \$0         | 0.25%         | \$0        |
| Target Date Series            | Vanguard Target Retirement | -      | \$30,467        | 26.33%        | 0.09%         | \$27        | 0.00%         | \$0        |
| <b>Allocation Total</b>       |                            |        | <b>\$30,467</b> | <b>26.33%</b> | <b>0.09%</b>  | <b>\$27</b> | <b>0.00%</b>  | <b>\$0</b> |

| <u>Passive Tier</u>    |   |        |                 |               |               |             |               |            |
|------------------------|---|--------|-----------------|---------------|---------------|-------------|---------------|------------|
| Asset Class            | Investment Name                         | Ticker | Value           | % Assets      | Expense Ratio |             | Revenue Share |            |
|                        |   |        |                 |               | %             | \$          | %             | \$         |
| Intermediate Core Bond | Fidelity US Bond Index                  | FXNAX  | \$4,445         | 3.84%         | 0.03%         | \$1         | 0.00%         | \$0        |
| Large Company Blend    | Fidelity 500 Index                      | FXAIX  | \$7,144         | 6.17%         | 0.01%         | \$1         | 0.00%         | \$0        |
| Medium Company Blend   | Fidelity Mid Cap Index                  | FSMDX  | \$1,127         | 0.97%         | 0.03%         | \$0         | 0.00%         | \$0        |
| Foreign Large Blend    | Vanguard Total Intl Stock Index Admiral | VTIAX  | \$11,735        | 10.14%        | 0.11%         | \$13        | 0.00%         | \$0        |
| Small Company Blend    | Fidelity Small Cap Index                | FSSNX  | \$471           | 0.41%         | 0.03%         | \$0         | 0.00%         | \$0        |
| <b>Passive Total</b>   |   |        | <b>\$24,922</b> | <b>21.54%</b> | <b>0.06%</b>  | <b>\$15</b> | <b>0.00%</b>  | <b>\$0</b> |

| <u>Active Tier</u> |  |        |       |          |               |     |               |     |
|--------------------|--|--------|-------|----------|---------------|-----|---------------|-----|
| Asset Class        | Investment Name                        | Ticker | Value | % Assets | Expense Ratio |     | Revenue Share |     |
|                    |  |        |       |          | %             | \$  | %             | \$  |
| Money Market       | Vanguard Federal Money Market Investor | VMFXX  | \$0   | 0.00%    | 0.11%         | \$0 | 0.00%         | \$0 |

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# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 2/3)

Period Ending 6.30.21 | Q2 21

## Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| Active Tier                 |  |        |                 |               |               |              |               |             |
|-----------------------------|--|--------|-----------------|---------------|---------------|--------------|---------------|-------------|
| Asset Class                 | Investment Name                        | Ticker | Value           | % Assets      | Expense Ratio |              | Revenue Share |             |
|                             |  |        |                 |               | %             | \$           | %             | \$          |
| Stable Value                | Nationwide Fixed Account               | -      | \$8,129         | 7.02%         | 0.00%         | \$0          | 0.00%         | \$0         |
| Inflation Protected Bond    | PIMCO Real Return Instl                | PRRIX  | \$2,228         | 1.93%         | 0.53%         | \$12         | 0.00%         | \$0         |
| Intermediate Core-Plus Bond | PIMCO Total Return Instl               | PTTRX  | \$5,924         | 5.12%         | 0.70%         | \$41         | 0.00%         | \$0         |
| Multisector Bond            | PIMCO Income Instl                     | PIMIX  | \$6,654         | 5.75%         | 1.09%         | \$73         | 0.00%         | \$0         |
| Large Company Value         | MFS Value R6                           | MEIKX  | \$8,120         | 7.02%         | 0.47%         | \$38         | 0.00%         | \$0         |
| Large Company Blend         | Fidelity Contrafund                    | FCNTX  | \$2,680         | 2.32%         | 0.86%         | \$23         | 0.25%         | \$7         |
| Large Company Growth        | MainStay Winslow Large Cap Growth I    | MLAIX  | \$3,724         | 3.22%         | 0.72%         | \$27         | 0.15%         | \$6         |
| Medium Company Value        | JPMorgan Mid Cap Value R6              | JMVYX  | \$2,222         | 1.92%         | 0.73%         | \$16         | 0.00%         | \$0         |
| Medium Company Growth       | T Rowe Price Instl Mid-Cap Equity Gr   | PMEGX  | \$2,226         | 1.92%         | 0.61%         | \$14         | 0.00%         | \$0         |
| World Large Stock Blend     | American Funds Capital World Gr&Inc R6 | RWIGX  | \$0             | 0.00%         | 0.42%         | \$0          | 0.00%         | \$0         |
| Foreign Large Blend         | American Funds Europacific Growth R6   | RERGX  | \$1,465         | 1.27%         | 0.46%         | \$7          | 0.00%         | \$0         |
| Foreign Large Growth        | Vanguard International Growth Adm      | VWILX  | \$2,968         | 2.56%         | 0.33%         | \$10         | 0.00%         | \$0         |
| Small Company Value         | American Beacon Small Cap Value R6     | AASRX  | \$1,460         | 1.26%         | 0.80%         | \$12         | 0.00%         | \$0         |
| Small Company Growth        | AMG TimesSquare Small Cap Growth N     | TSCPX  | \$1,462         | 1.26%         | 1.19%         | \$17         | 0.40%         | \$6         |
| Specialty-Real Estate       | Nuveen Real Estate Securities I        | FARCX  | \$2,941         | 2.54%         | 0.97%         | \$29         | 0.25%         | \$7         |
| <b>Active Total</b>         |  |        | <b>\$52,203</b> | <b>45.11%</b> | <b>0.61%</b>  | <b>\$318</b> | <b>0.05%</b>  | <b>\$25</b> |

Information shown has been obtained from sources deemed to be reliable but is not guaranteed to be accurate or complete. Target date expenses and revenue sharing shown are a weighted average based on plan assets. Expense ratios are rounded to two decimal places.



# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 3/3)

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| Other Tier              |                         |        |                |              |               |            |               |            |            |
|-------------------------|-------------------------|--------|----------------|--------------|---------------|------------|---------------|------------|------------|
| Asset Class             | Investment Name         | Ticker | Value          | % Assets     | Expense Ratio |            | Revenue Share |            |            |
|                         |                         |        |                |              | %             | \$         | %             | \$         | \$         |
| Self-Directed Brokerage | Self-Directed Brokerage | -      | \$8,129        | 7.02%        | -             | \$0        | -             | \$0        | \$0        |
| <b>Other Total</b>      |                         |        | <b>\$8,129</b> | <b>7.02%</b> | <b>0.00%</b>  | <b>\$0</b> | <b>0.00%</b>  | <b>\$0</b> | <b>\$0</b> |

Information shown has been obtained from sources deemed to be reliable but is not guaranteed to be accurate or complete. Target date expenses and revenue sharing shown are a weighted average based on plan assets. Expense ratios are rounded to two decimal places.



# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 1/3)

Period Ending 6.30.21 | Q2 21

## Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| <u>Allocation Tier</u>        |                            |        |                     |               |               |                 |               |                |
|-------------------------------|----------------------------|--------|---------------------|---------------|---------------|-----------------|---------------|----------------|
| Asset Class                   | Investment Name            | Ticker | Value               | % Assets      | Expense Ratio |                 | Revenue Share |                |
|                               |                            |        |                     |               | %             | \$              | %             | \$             |
| Allocation--50% to 70% Equity | Fidelity Balanced          | FBALX  | \$3,476,434         | 2.99%         | 0.52%         | \$18,077        | 0.25%         | \$8,691        |
| Target Date Series            | Vanguard Target Retirement | -      | \$43,345,260        | 37.32%        | 0.09%         | \$39,011        | 0.00%         | \$0            |
| <b>Allocation Total</b>       |                            |        | <b>\$46,821,694</b> | <b>40.32%</b> | <b>0.12%</b>  | <b>\$57,088</b> | <b>0.02%</b>  | <b>\$8,691</b> |

| <u>Passive Tier</u>    |   |        |                     |               |               |                |               |            |
|------------------------|---|--------|---------------------|---------------|---------------|----------------|---------------|------------|
| Asset Class            | Investment Name                         | Ticker | Value               | % Assets      | Expense Ratio |                | Revenue Share |            |
|                        |   |        |                     |               | %             | \$             | %             | \$         |
| Intermediate Core Bond | Fidelity US Bond Index                  | FXNAX  | \$2,292,643         | 1.97%         | 0.03%         | \$688          | 0.00%         | \$0        |
| Large Company Blend    | Fidelity 500 Index                      | FXAIX  | \$10,337,833        | 8.90%         | 0.01%         | \$1,034        | 0.00%         | \$0        |
| Medium Company Blend   | Fidelity Mid Cap Index                  | FSMDX  | \$1,738,461         | 1.50%         | 0.03%         | \$522          | 0.00%         | \$0        |
| Foreign Large Blend    | Vanguard Total Intl Stock Index Admiral | VTIAX  | \$3,377,500         | 2.91%         | 0.11%         | \$3,715        | 0.00%         | \$0        |
| Small Company Blend    | Fidelity Small Cap Index                | FSSNX  | \$2,567,622         | 2.21%         | 0.03%         | \$770          | 0.00%         | \$0        |
| <b>Passive Total</b>   |   |        | <b>\$20,314,060</b> | <b>17.49%</b> | <b>0.03%</b>  | <b>\$6,729</b> | <b>0.00%</b>  | <b>\$0</b> |

| <u>Active Tier</u> |  |        |       |          |               |     |               |     |
|--------------------|--|--------|-------|----------|---------------|-----|---------------|-----|
| Asset Class        | Investment Name                        | Ticker | Value | % Assets | Expense Ratio |     | Revenue Share |     |
|                    |  |        |       |          | %             | \$  | %             | \$  |
| Money Market       | Vanguard Federal Money Market Investor | VMFXX  | \$0   | 0.00%    | 0.11%         | \$0 | 0.00%         | \$0 |

Information shown has been obtained from sources deemed to be reliable but is not guaranteed to be accurate or complete. Target date expenses and revenue sharing shown are a weighted average based on plan assets. Expense ratios are rounded to two decimal places.





# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 2/3)

Period Ending 6.30.21 | Q2 21

## Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| Active Tier                 |  |        |                     |               |               |                  |               |                 |
|-----------------------------|--|--------|---------------------|---------------|---------------|------------------|---------------|-----------------|
| Asset Class                 | Investment Name                        | Ticker | Value               | % Assets      | Expense Ratio |                  | Revenue Share |                 |
|                             |  |        |                     |               | %             | \$               | %             | \$              |
| Stable Value                | Nationwide Fixed Account               | -      | \$2,028,901         | 1.75%         | 0.00%         | \$0              | 0.00%         | \$0             |
| Inflation Protected Bond    | PIMCO Real Return Instl                | PRRIX  | \$1,251,907         | 1.08%         | 0.53%         | \$6,635          | 0.00%         | \$0             |
| Intermediate Core-Plus Bond | PIMCO Total Return Instl               | PTTRX  | \$3,061,438         | 2.64%         | 0.70%         | \$21,430         | 0.00%         | \$0             |
| Multisector Bond            | PIMCO Income Instl                     | PIMIX  | \$2,175,125         | 1.87%         | 1.09%         | \$23,709         | 0.00%         | \$0             |
| Large Company Value         | MFS Value R6                           | MEIKX  | \$4,186,921         | 3.61%         | 0.47%         | \$19,679         | 0.00%         | \$0             |
| Large Company Blend         | Fidelity Contrafund                    | FCNTX  | \$8,854,298         | 7.62%         | 0.86%         | \$76,147         | 0.25%         | \$22,136        |
| Large Company Growth        | MainStay Winslow Large Cap Growth I    | MLAIX  | \$9,874,203         | 8.50%         | 0.72%         | \$71,094         | 0.15%         | \$14,811        |
| Medium Company Value        | JPMorgan Mid Cap Value R6              | JMVYX  | \$1,146,801         | 0.99%         | 0.73%         | \$8,372          | 0.00%         | \$0             |
| Medium Company Growth       | T Rowe Price Instl Mid-Cap Equity Gr   | PMEGX  | \$4,980,017         | 4.29%         | 0.61%         | \$30,378         | 0.00%         | \$0             |
| World Large Stock Blend     | American Funds Capital World Gr&Inc R6 | RWIGX  | \$1,101,155         | 0.95%         | 0.42%         | \$4,625          | 0.00%         | \$0             |
| Foreign Large Blend         | American Funds Europacific Growth R6   | REGRX  | \$785,114           | 0.68%         | 0.46%         | \$3,612          | 0.00%         | \$0             |
| Foreign Large Growth        | Vanguard International Growth Adm      | VWILX  | \$4,028,720         | 3.47%         | 0.33%         | \$13,295         | 0.00%         | \$0             |
| Small Company Value         | American Beacon Small Cap Value R6     | AASRX  | \$1,113,415         | 0.96%         | 0.80%         | \$8,907          | 0.00%         | \$0             |
| Small Company Growth        | AMG TimesSquare Small Cap Growth N     | TSCPX  | \$903,161           | 0.78%         | 1.19%         | \$10,748         | 0.40%         | \$3,613         |
| Specialty-Real Estate       | Nuveen Real Estate Securities I        | FARCX  | \$1,483,377         | 1.28%         | 0.97%         | \$14,389         | 0.25%         | \$3,708         |
| <b>Active Total</b>         |  |        | <b>\$46,974,553</b> | <b>40.45%</b> | <b>0.67%</b>  | <b>\$313,018</b> | <b>0.09%</b>  | <b>\$44,268</b> |

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# EXPENSE REVIEW | EXPENSE ANALYSIS (PART 3/3)

Period Ending 6.30.21 | Q2 21

## Lansing Board of Water and Light Defined Contribution Plan and Trust 1

| Other Tier              |                         |        |                      |                |               |                          |               |                  |
|-------------------------|-------------------------|--------|----------------------|----------------|---------------|--------------------------|---------------|------------------|
| Asset Class             | Investment Name         | Ticker | Value                | % Assets       | Expense Ratio |                          | Revenue Share |                  |
|                         |                         |        |                      |                | %             | \$                       | %             | \$               |
| Self-Directed Brokerage | Self-Directed Brokerage | -      | \$2,028,901          | 1.75%          | -             | \$0                      | -             | \$0              |
| <b>Other Total</b>      |                         |        | <b>\$2,028,901</b>   | <b>1.75%</b>   | <b>0.00%</b>  | <b>\$0</b>               | <b>0.00%</b>  | <b>\$0</b>       |
| <b>Plan Totals</b>      |                         |        | <b>\$295,422,224</b> | <b>100.00%</b> | <b>0.32%</b>  | <b>\$949,432</b>         | <b>0.04%</b>  | <b>\$119,988</b> |
|                         |                         |        |                      |                |               | Revenue Credit           | (0.04%)       | (\$119,988)      |
|                         |                         |        |                      |                |               | Per Head Additional Cost | 0.01%         | \$36,680         |
|                         |                         |        |                      |                |               | Total Recordkeeper Cost  |               | 0.01%            |
|                         |                         |        |                      |                |               | Total Plan Cost:         | 0.29%         | \$833,124        |

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# FEE COMPARISON

Period Ending 6.30.21 | Q2 21

Lansing Board of Water and Light Defined Contribution Plan and Trust 1

From continuous analysis of the data, we have derived multiple fee ranges for a wide variety of retirement plans. The ranges are broken down into segments driven by average account balance and total plan assets, which are two main factors used by administrators when pricing their services.

|                         |             | Average Account Balance (in \$ thousands) |             |             |              |               |        |      |      |      |      |      |      |      |      |      |      |      |      |      |
|-------------------------|-------------|---|-------------|-------------|--------------|---------------|--------|------|------|------|------|------|------|------|------|------|------|------|------|------|
|                         |             | \$10 - \$25                               | \$25 - \$50 | \$50 - \$75 | \$75 - \$100 | \$100 - \$150 | \$150+ |      |      |      |      |      |      |      |      |      |      |      |      |      |
| Total Assets (millions) | Range       | Plan Size (in \$ millions)                | Hi          | Avg         | Low          | Hi            | Avg    | Low  | Hi   | Avg  | Low  | Hi   | Avg  | Low  |      |      |      |      |      |      |
|                         |             | \$295.0                                   | <\$5        |             | .68%         | .53%          | .36%   | .42% | .32% | .23% | .38% | .29% | .21% | .31% | .23% | .15% | .29% | .22% | .15% | .36% |
| \$152,534               | \$5 - \$15  |   | .60%        | .49%        | .39%         | .37%          | .30%   | .24% | .27% | .21% | .16% | .25% | .18% | .12% | .24% | .18% | .13% | .23% | .17% | .12% |
|                         |             |   | .52%        | .39%        | .29%         | .32%          | .25%   | .20% | .25% | .21% | .17% | .19% | .16% | .13% | .20% | .15% | .10% | .17% | .13% | .09% |
|                         |             |   | .41%        | .32%        | .25%         | .26%          | .22%   | .17% | .16% | .14% | .13% | .14% | .11% | .11% | .17% | .14% | .11% | .14% | .11% | .07% |
| 0.01%                   | \$15 - \$25 |   | .39%        | .32%        | .24%         | .27%          | .21%   | .16% | .17% | .14% | .11% | .15% | .12% | .09% | .12% | .10% | .08% | .11% | .08% | .05% |
|                         |             |   | .31%        | .25%        | .18%         | .21%          | .17%   | .13% | .14% | .12% | .11% | .11% | .09% | .08% | .09% | .07% | .07% | .08% | .06% | .04% |
|                         |             |   | .26%        | .21%        | .15%         | .16%          | .13%   | .10% | .08% | .08% | .07% | .06% | .08% | .06% | .05% | .08% | .06% | .05% | .08% | .04% |

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## SHARE CLASS ANALYSIS LINEUP

| Asset Class                   | Investment Name                      | Ticker | Expense Ratio % | Revenue Share % | Net Cost % |
|-------------------------------|--------------------------------------|--------|-----------------|-----------------|------------|
| Inflation-Protected Bond      | PIMCO Real Return Instl              | PRRIX* | 0.53%           | 0.00%           | 0.53%      |
| Inflation-Protected Bond      | PIMCO Real Return Admin              | PARRX  | 0.78%           | 0.25%           | 0.53%      |
| Intermediate Core Bond        | Fidelity® US Bond Index              | FXNAX* | 0.03%           | 0.00%           | 0.03%      |
| Intermediate Core-Plus Bond   | PIMCO Total Return Instl             | PTTRX* | 0.70%           | 0.00%           | 0.70%      |
| Intermediate Core-Plus Bond   | PIMCO Total Return Admin             | PTRAX  | 0.95%           | 0.25%           | 0.70%      |
| Multisector Bond              | PIMCO Income Instl                   | PIMIX* | 1.09%           | 0.00%           | 1.09%      |
| Multisector Bond              | PIMCO Income Adm                     | PIINX  | 1.34%           | 0.25%           | 1.09%      |
| Allocation--50% to 70% Equity | Fidelity® Balanced K                 | FBAKX  | 0.45%           | 0.00%           | 0.45%      |
| Allocation--50% to 70% Equity | Fidelity® Balanced                   | FBALX* | 0.52%           | 0.25%           | 0.27%      |
| Large Value                   | MFS Value R6                         | MEIKX* | 0.47%           | 0.00%           | 0.47%      |
| Large Value                   | MFS Value R4                         | MEIJX  | 0.58%           | 0.10%           | 0.48%      |
| Large Blend                   | Fidelity® 500 Index                  | FXAIX* | 0.02%           | 0.00%           | 0.02%      |
| Large Growth                  | Fidelity® Contrafund® K6             | FLCNX  | 0.45%           | 0.00%           | 0.45%      |
| Large Growth                  | Fidelity® Contrafund® K              | FCNKX  | 0.78%           | 0.00%           | 0.78%      |
| Large Growth                  | Fidelity® Contrafund®                | FCNTX* | 0.86%           | 0.25%           | 0.61%      |
| Large Growth                  | MainStay Winslow Large Cap Growth R6 | MLRSX  | 0.64%           | 0.00%           | 0.64%      |
| Large Growth                  | MainStay Winslow Large Cap Growth I  | MLAIX* | 0.72%           | 0.15%           | 0.57%      |
| Large Growth                  | MainStay Winslow Large Cap Growth R1 | MLRRX  | 0.82%           | 0.25%           | 0.57%      |
| Large Growth                  | MainStay Winslow Large Cap Growth R2 | MLRTX  | 1.07%           | 0.50%           | 0.57%      |

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## SHARE CLASS ANALYSIS LINEUP

| Asset Class          | Investment Name                         | Ticker | Expense Ratio % | Revenue Share % | Net Cost % |
|----------------------|---|--------|-----------------|-----------------|------------|
| Mid-Cap Value        | JPMorgan Mid Cap Value R6               | JMVYX* | 0.73%           | 0.00%           | 0.73%      |
| Mid-Cap Value        | JPMorgan Mid Cap Value R5               | JMVRX  | 0.83%           | 0.10%           | 0.73%      |
| Mid-Cap Value        | JPMorgan Mid Cap Value I                | JMV SX | 0.99%           | 0.25%           | 0.74%      |
| Mid-Cap Value        | JPMorgan Mid Cap Value R4               | JMVQX  | 0.99%           | 0.25%           | 0.74%      |
| Mid-Cap Value        | JPMorgan Mid Cap Value A                | JAMCX  | 1.24%           | 0.50%           | 0.74%      |
| Mid-Cap Value        | JPMorgan Mid Cap Value R3               | JMVPX  | 1.24%           | 0.50%           | 0.74%      |
| Mid-Cap Blend        | Fidelity® Mid Cap Index                 | FSMDX* | 0.03%           | 0.00%           | 0.03%      |
| Mid-Cap Growth       | T. Rowe Price Instl Mid-Cap Equity Gr   | PMEGX* | 0.61%           | 0.00%           | 0.61%      |
| World Large Stock    | American Funds Capital World Gr&Inc R6  | RWIGX* | 0.42%           | 0.00%           | 0.42%      |
| World Large Stock    | American Funds Capital World Gr&Inc R5  | RWIFX  | 0.47%           | 0.05%           | 0.42%      |
| World Large Stock    | American Funds Capital World Gr&Inc R5E | RWIHX  | 0.56%           | 0.15%           | 0.41%      |
| World Large Stock    | American Funds Capital World Gr&Inc R4  | RWIEX  | 0.77%           | 0.35%           | 0.42%      |
| World Large Stock    | American Funds Capital World Gr&Inc R3  | RWICX  | 1.07%           | 0.65%           | 0.42%      |
| Foreign Large Growth | American Funds Europacific Growth R6    | RERGX* | 0.46%           | 0.00%           | 0.46%      |
| Foreign Large Growth | American Funds Europacific Growth R5    | RERFX  | 0.51%           | 0.05%           | 0.46%      |
| Foreign Large Growth | American Funds Europacific Growth R5E   | RERHX  | 0.61%           | 0.15%           | 0.46%      |
| Foreign Large Growth | American Funds Europacific Growth R4    | REREX  | 0.81%           | 0.35%           | 0.46%      |
| Foreign Large Growth | American Funds Europacific Growth R3    | RERCX  | 1.12%           | 0.65%           | 0.47%      |
| Foreign Large Growth | American Funds Europacific Growth R2E   | REEBX  | 1.27%           | 0.80%           | 0.47%      |
| Foreign Large Growth | American Funds Europacific Growth R2    | RERBX  | 1.56%           | 1.10%           | 0.46%      |

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## SHARE CLASS ANALYSIS LINEUP

| Asset Class          | Investment Name                         | Ticker | Expense Ratio % | Revenue Share % | Net Cost % |
|----------------------|---|--------|-----------------|-----------------|------------|
| Foreign Large Blend  | Vanguard Total Intl Stock Index Admiral | VTIAX* | 0.11%           | 0.00%           | 0.11%      |
| Foreign Large Blend  | Vanguard Total Intl Stock Index Inv     | VGTSX  | 0.17%           | 0.00%           | 0.17%      |
| Foreign Large Growth | Vanguard International Growth Adm       | VWILX* | 0.33%           | 0.00%           | 0.33%      |
| Foreign Large Growth | Vanguard International Growth Inv       | VWIGX  | 0.44%           | 0.00%           | 0.44%      |
| Small Value          | American Beacon Small Cap Value R6      | AASRX* | 0.80%           | 0.00%           | 0.80%      |
| Small Value          | American Beacon Small Cp Val R5         | AVFIX  | 0.83%           | 0.00%           | 0.83%      |
| Small Value          | American Beacon Small Cp Val Y          | ABSIX  | 0.90%           | 0.10%           | 0.80%      |
| Small Value          | American Beacon Small Cp Val Inv        | AVPAX  | 1.16%           | 0.35%           | 0.81%      |
| Small Blend          | Fidelity® Small Cap Index               | FSSNX* | 0.03%           | 0.00%           | 0.03%      |
| Small Growth         | AMG TimesSquare Small Cap Growth Z      | TSCIX  | 0.99%           | 0.00%           | 0.99%      |
| Small Growth         | AMG TimesSquare Small Cap Growth N      | TSCPX* | 1.19%           | 0.40%           | 0.79%      |
| Real Estate          | Nuveen Real Estate Securities R6        | FREGX  | 0.88%           | 0.00%           | 0.88%      |
| Real Estate          | Nuveen Real Estate Securities I         | FARCX* | 1.06%           | 0.25%           | 0.81%      |
| Real Estate          | Nuveen Real Estate Securities A         | FREAX  | 1.30%           | 0.40%           | 0.90%      |
| Target-Date 2035     | Vanguard Instl Trgt Retire 2035 Instl   | VITFX* | 0.09%           | 0.00%           | 0.09%      |
| Target-Date 2035     | Vanguard Target Retirement 2035 Inv     | VTTHX  | 0.14%           | 0.00%           | 0.14%      |

|                                |
|--------------------------------|
| Cheapest Prospectus Net        |
| Alternative Share Class        |
| Net Cheapest Share Class       |
| *Indicates Current Share Class |

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Proposed Resolution  
Acceptance of 2021 Audited Financial Statements for Defined Benefit Pension Plan,  
Defined Contribution Plan, and Retiree Benefit Plan

Resolved, that the Corporate Secretary receive and place on file the Defined Benefit, Defined Contribution, and Retiree Benefit Plan reports presented during the Pension Trustee Meeting.

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