

City of Torrington Pension Plans

Executive Summary - Second Quarter 2020

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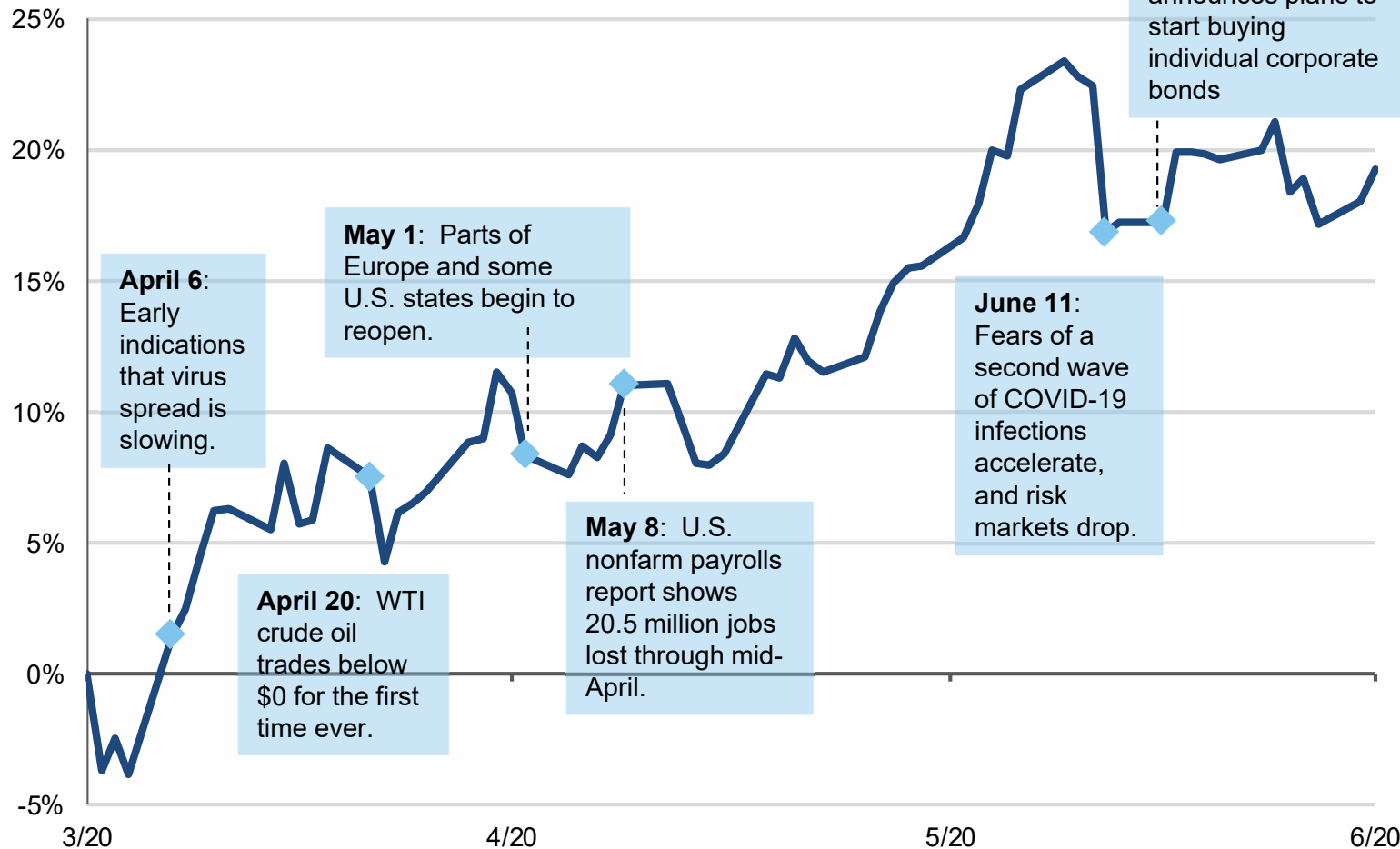
Detailed Summary – Police and Fire Pension Plan

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Fiduciary Governance Calender

2Q 2020 Market Events

Global Equity Total Return (3/31/20 - 6/30/20)



Key 3Q 2020 Dates

July

28-29: FOMC Meeting

30: U.S. Q2 GDP report (first estimate)

31: Tentative end to extra \$600/week of unemployment benefits

August

17-20: Democratic national convention

24-27: Republican national convention

September

29: First presidential debate

Source: Bloomberg as of 6/30/20. Global Equity represented by MSCI ACWI Net Total Return USD Index.

Financial Market Performance

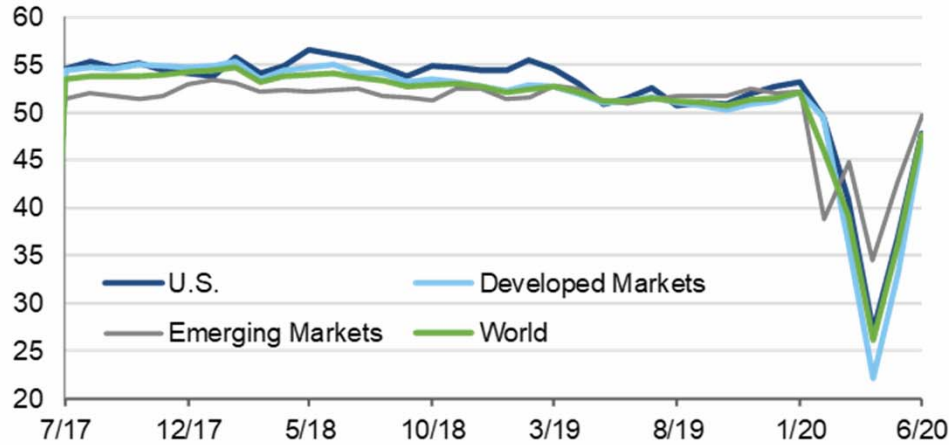
Global Fixed Income Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg Barclays 1-3-Month T-Bill	0.0%	0.5%	1.5%	1.7%	1.1%	0.8%	0.6%	1.3%
Bloomberg Barclays U.S. TIPS	4.2%	6.0%	8.3%	5.0%	3.7%	3.0%	3.5%	4.0%
Bloomberg Barclays Municipal Bond (5 Year)	3.3%	2.2%	3.8%	3.1%	2.8%	2.8%	2.9%	3.6%
Bloomberg Barclays High Yield Municipal Bond	4.6%	-2.6%	1.0%	5.3%	5.8%	5.2%	6.1%	5.0%
Bloomberg Barclays U.S. Aggregate	2.9%	6.1%	8.7%	5.3%	4.3%	4.0%	3.8%	4.4%
Bloomberg Barclays U.S. Corporate High Yield	10.2%	-3.8%	0.0%	3.3%	4.8%	5.0%	6.7%	6.8%
Bloomberg Barclays Global Aggregate ex-U.S. Hedged	1.8%	2.3%	4.0%	4.9%	4.5%	4.5%	4.2%	4.3%
Bloomberg Barclays Global Aggregate ex-U.S. Unhedged	3.4%	0.6%	0.7%	2.5%	2.9%	1.3%	2.0%	2.8%
Bloomberg Barclays U.S. Long Gov / Credit	6.2%	12.8%	18.9%	10.3%	9.0%	8.2%	7.8%	7.1%
JPMorgan GBI-EM Global Diversified	9.8%	-6.9%	-2.8%	1.1%	2.3%	-0.2%	1.6%	4.7%
Global Equity Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	20.5%	-3.1%	7.5%	10.7%	10.7%	12.1%	14.0%	8.8%
Dow Jones Industrial Average	18.5%	-8.4%	-0.5%	9.1%	10.6%	10.8%	13.0%	9.1%
NASDAQ Composite	30.9%	12.7%	27.0%	19.2%	16.4%	18.2%	18.4%	12.4%
Russell 3000	22.0%	-3.5%	6.5%	10.0%	10.0%	11.7%	13.7%	8.8%
Russell 1000	21.8%	-2.8%	7.5%	10.6%	10.5%	12.0%	14.0%	8.9%
Russell 1000 Growth	27.8%	9.8%	23.3%	19.0%	15.9%	16.6%	17.2%	11.3%
Russell 1000 Value	14.3%	-16.3%	-8.9%	1.8%	4.6%	7.1%	10.4%	6.2%
Russell Mid Cap	24.6%	-9.1%	-2.3%	5.8%	6.7%	9.4%	12.3%	8.5%
Russell Mid Cap Growth	30.3%	4.2%	11.9%	14.8%	11.6%	13.2%	15.1%	10.3%
Russell Mid Cap Value	19.9%	-18.1%	-11.8%	-0.6%	3.3%	6.5%	10.3%	7.0%
Russell 2000	25.4%	-13.0%	-6.7%	2.0%	4.3%	7.2%	10.5%	7.0%
Russell 2000 Growth	30.6%	-3.1%	3.5%	7.8%	6.8%	10.0%	12.9%	8.8%
Russell 2000 Value	18.9%	-23.5%	-17.5%	-4.4%	1.2%	4.0%	7.8%	4.9%
MSCI ACWI	19.2%	-6.3%	2.1%	6.1%	6.5%	7.8%	9.2%	6.4%
MSCI ACWI ex. U.S.	16.1%	-11.0%	-4.8%	1.1%	2.3%	3.7%	5.0%	4.4%
MSCI EAFE	14.9%	-11.3%	-5.1%	0.8%	2.1%	3.9%	5.7%	4.1%
MSCI EAFE Growth	16.9%	-3.5%	4.2%	5.9%	5.5%	6.5%	7.8%	5.7%
MSCI EAFE Value	12.4%	-19.3%	-14.5%	-4.4%	-1.6%	1.2%	3.5%	2.3%
MSCI EAFE Small Cap	19.9%	-13.1%	-3.5%	0.5%	3.8%	6.4%	8.0%	5.7%
MSCI Emerging Markets	18.1%	-9.8%	-3.4%	1.9%	2.9%	3.2%	3.3%	6.3%
Alternatives	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	-0.8%	-1.0%	0.1%	1.6%	1.5%	1.4%	1.6%	1.9%
FTSE NAREIT Equity REITs	11.8%	-18.7%	-13.0%	0.0%	4.1%	5.4%	9.1%	6.0%
S&P Developed World Property x U.S.	9.2%	-20.5%	-14.4%	-0.8%	1.5%	3.1%	6.7%	4.6%
S&P Developed World Property	10.5%	-19.5%	-13.8%	-0.4%	2.6%	4.1%	7.7%	5.1%
Bloomberg Commodity Total Return	5.1%	-19.4%	-17.4%	-6.1%	-7.7%	-8.1%	-5.8%	-4.3%
HFRI Fund of Funds Composite*	5.8%	-3.5%	-1.5%	1.6%	1.1%	2.4%	2.6%	2.5%
HFRI Fund Weighted Composite*	7.1%	-5.2%	-2.3%	1.5%	2.0%	3.0%	3.5%	4.1%
Alerian MLP	50.2%	-35.7%	-41.4%	-16.8%	-12.9%	-9.7%	-1.4%	2.6%

Source: Bloomberg as of 6/30/20. Total returns as of 6/30/20. Periods greater than one year are annualized. All returns are in U.S. dollar terms. *One-month lag.

Economic Review

PMI Composites

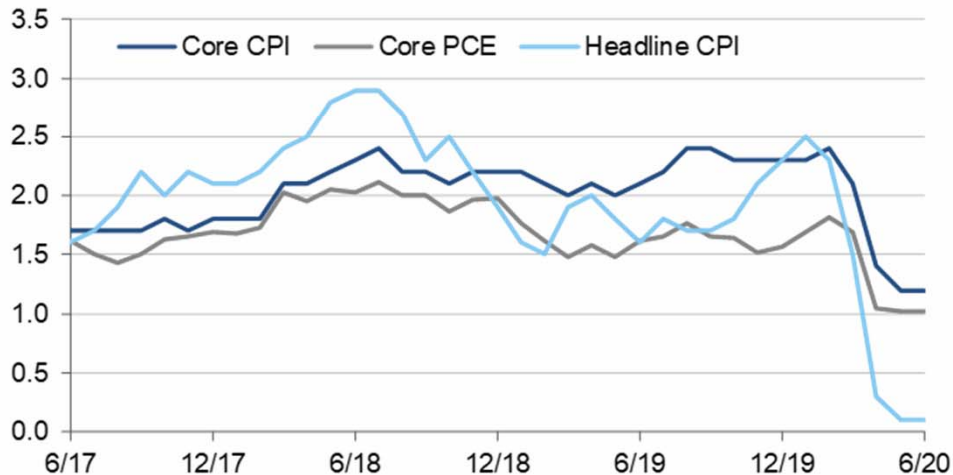
PMI data revealed progress toward more normal economic activity; however, all indices remain below 50, indicating economic contraction.



Sources: Markit, JPMorgan. Subject to one-month lag.

U.S Inflation

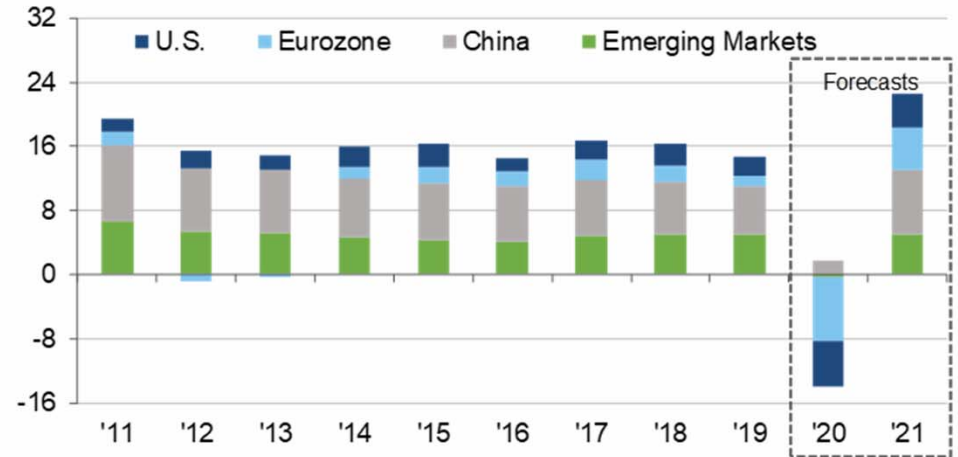
Core inflation dropped off amid the decline in demand, given the shutdown. Headline CPI fell even further with the drop in oil prices.



Sources: Bureau of Labor Statistics (BLS), Bureau of Economic Analysis (BEA)

Real GDP Growth (YoY)

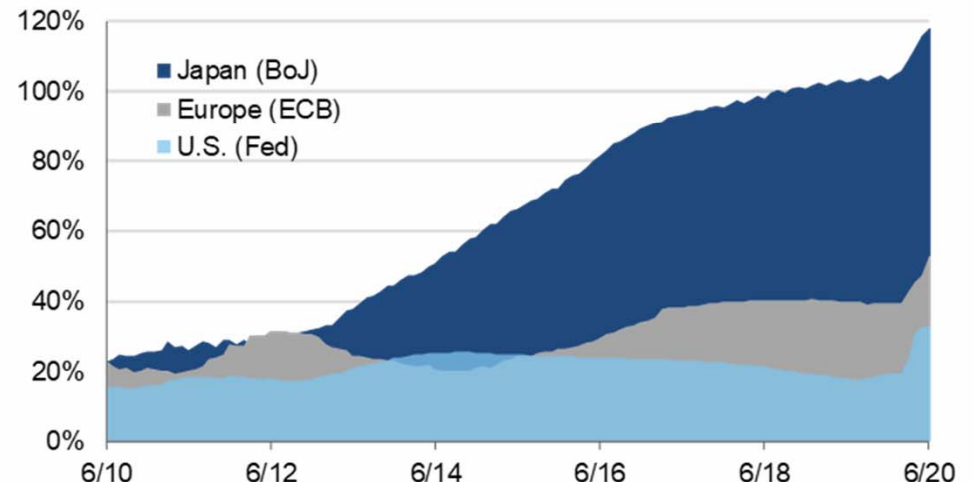
GDP growth forecasts for 2020 are negative for most of the world except China; however, 2021 estimates are more optimistic.



Source: Bloomberg. Forecasts based on Bloomberg survey.

Central Bank Balance Sheets as a Percent of GDP

Despite unprecedented levels of monetary easing, the Fed has a lot more policy room to support economic activity.

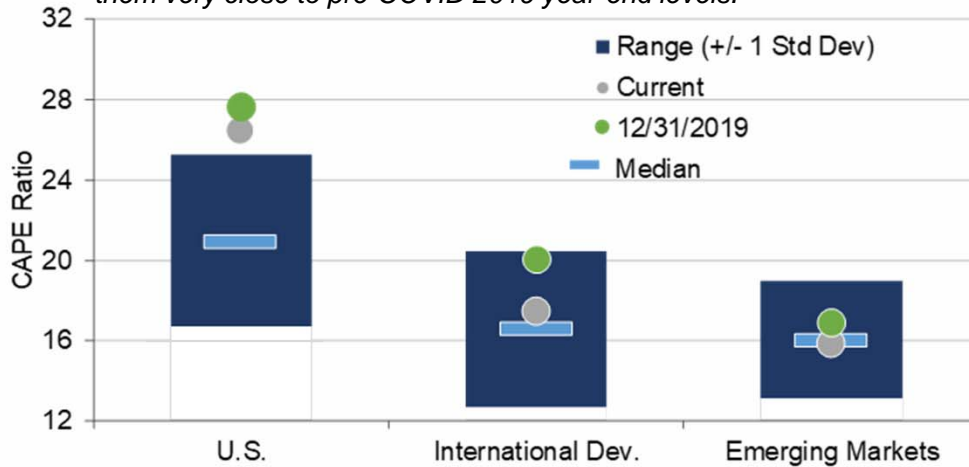


Source: Bloomberg

Equity Market Update

Equity Valuations (Trailing 15 Years)

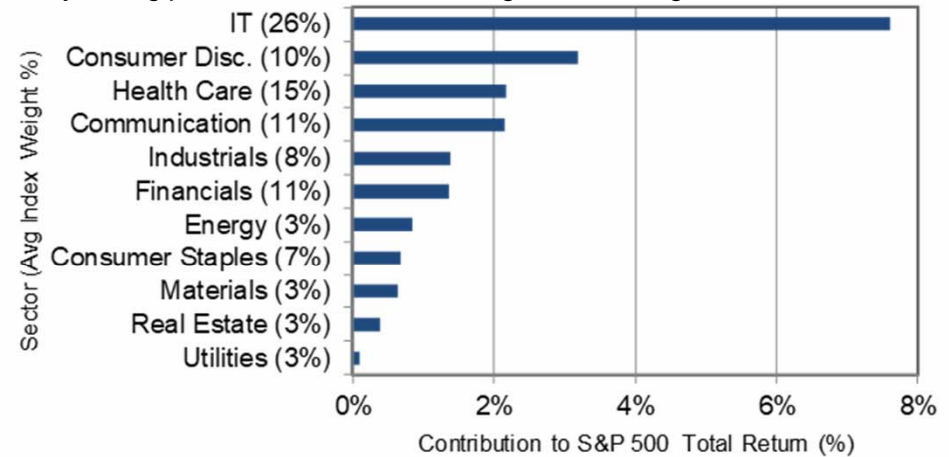
The second quarter equity rally pushed up valuations globally, bringing them very close to pre-COVID 2019 year-end levels.



Source: MSCI as of 6/30/20.

U.S. Equities – Contribution to Return by Sector (2Q20)

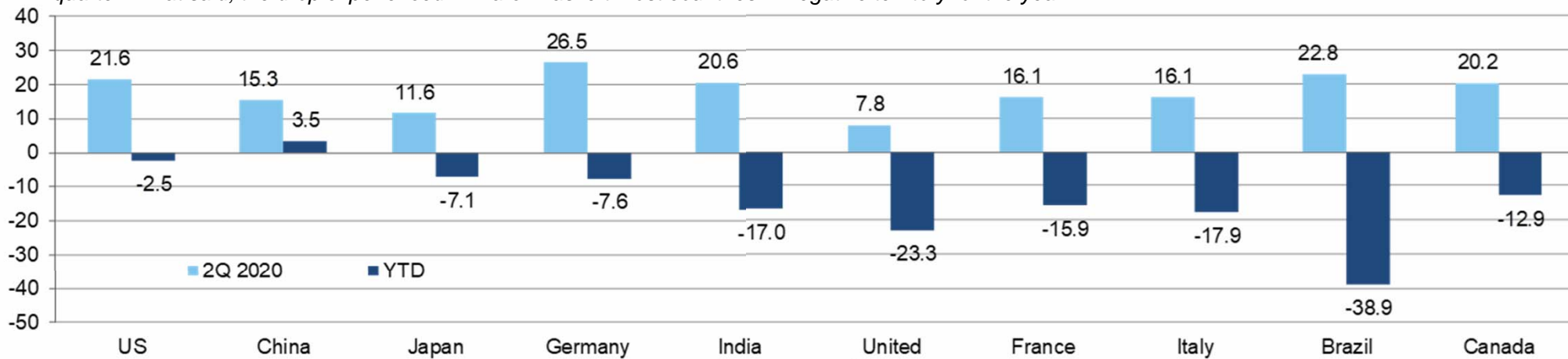
Technology contributed nearly half of the quarterly total return, driven by very strong performance and a meaningful index weight of 26%.



Source: S&P.

Country Total Returns (%) – Top 10 Largest Economies

Optimism about containment of the virus and reopening was expressed in equity returns across the world, which were all positive in the second quarter. That said, the drop experienced in March has left most countries in negative territory for the year.



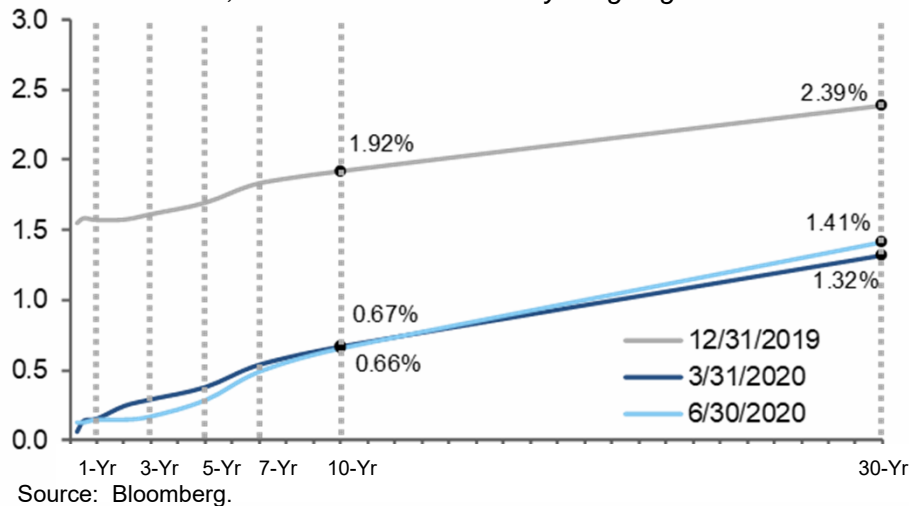
Source: MSCI.

See disclosures for list of indices representing each asset class, region or country. CAPE = cyclically adjusted price/earnings ratio.

Fixed Income Market Update

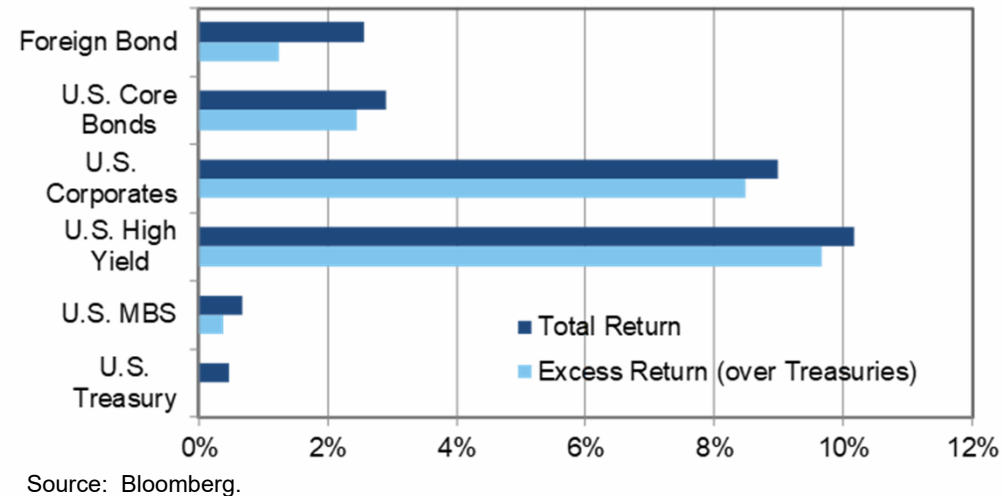
U.S. Treasury Curve

U.S. Treasury yields traded relatively flat, with the Fed keeping the front-end anchored, and economic uncertainty weighing on the back-end.



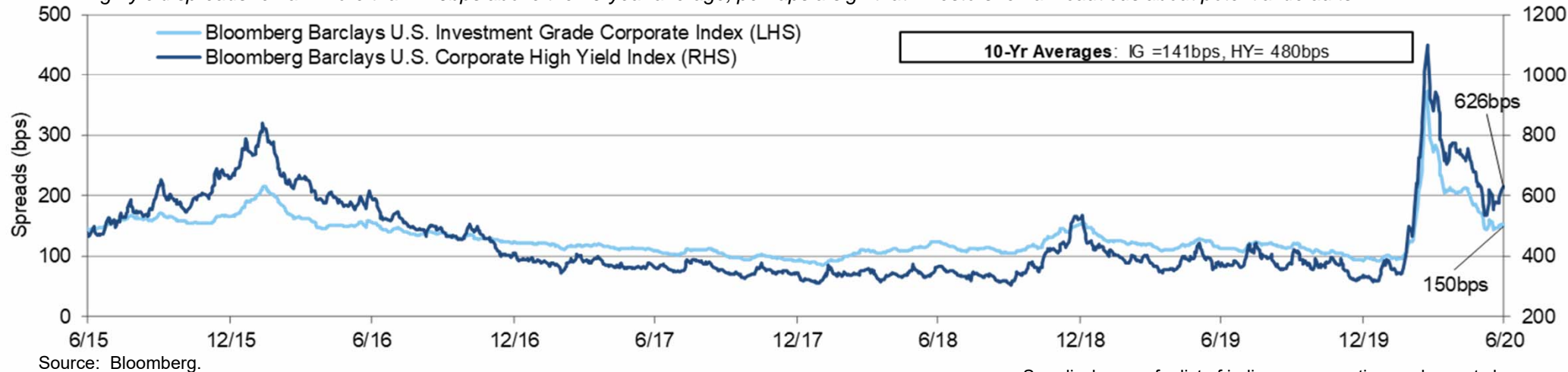
Index Performance Attribution (2Q20)

Positive performance was driven by spread compression – notably different from the first quarter when risk-free rates fell and spreads widened.



Credit Market Spreads – Trailing Five Years

The late-March spread rally carried over into the second quarter, with investment grade and high yield spreads tightening 122bps and 254bps, respectively. High-yield spreads remain more than 140bps above the 10-year average, perhaps a sign that investors remain cautious about potential defaults.

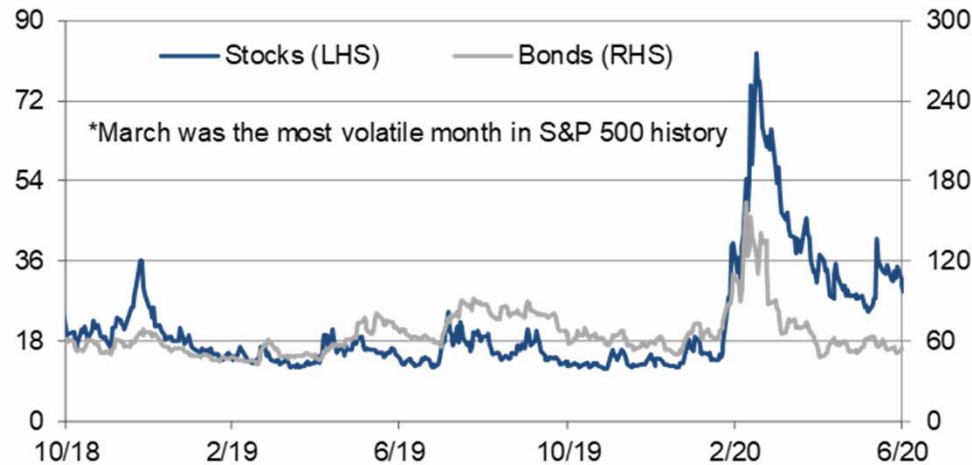


See disclosures for list of indices representing each asset class.

Market Themes

Volatility – Stocks (VIX) and Bonds (MOVE)

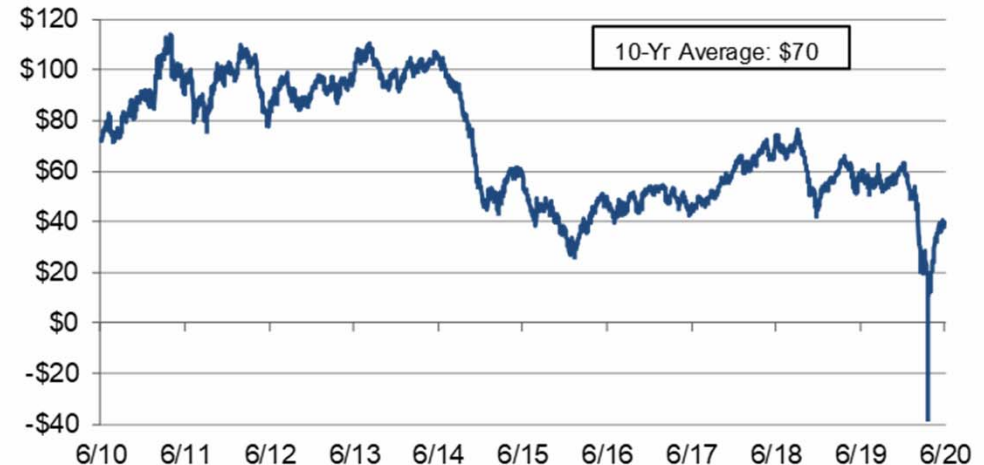
Volatility levels fell from March peaks but remain elevated for equities amid continued COVID-19 uncertainty.



Source: Bloomberg.

WTI Crude Oil Prices

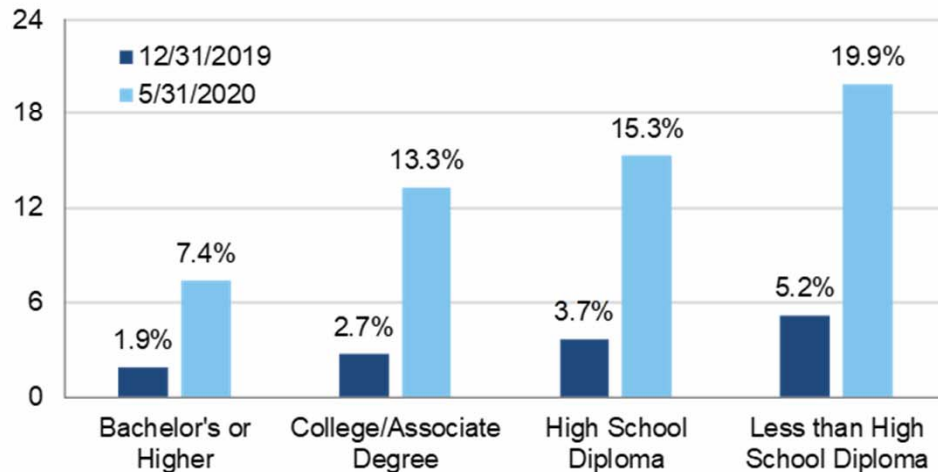
Oil futures contracts fell to an all-time low of -\$38 on April 20th but rallied back to a positive but still depressed level of around \$40 per barrel.



Source: Bloomberg

U.S. Unemployment Rate by Education Level (%)

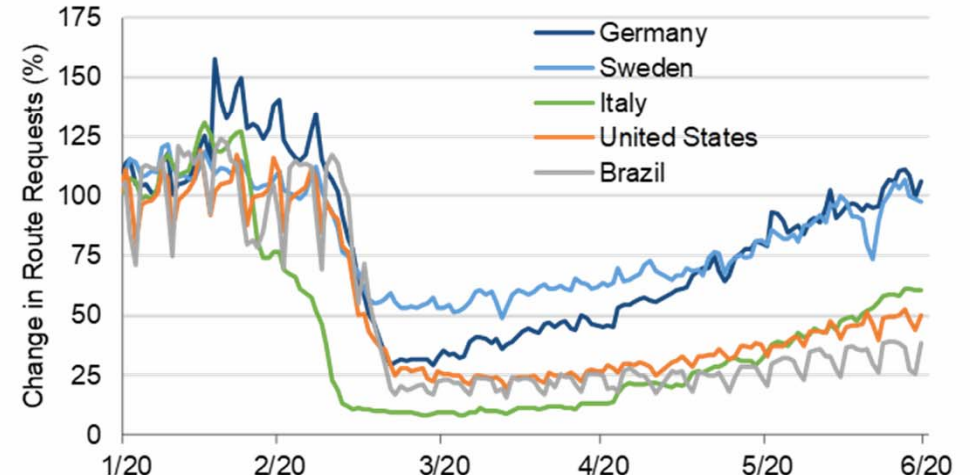
Job losses spiked in the second quarter, notably for those less-educated who comprise a majority of the service-related industry workforce.



Source: U.S. Bureau of Labor Statistics (BLS)

Change in Apple Maps Route Requests (Public Transit)

Reopening measures and the implications on economic activity remain a key focus, with several European countries leading the way.

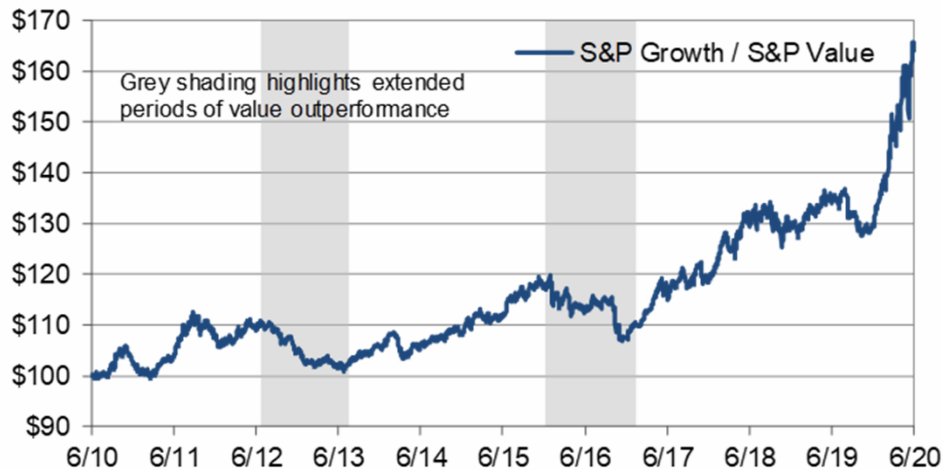


Source: Apple Mobility Trends Report

Market Themes (Cont.)

Equity – Growth vs. Value

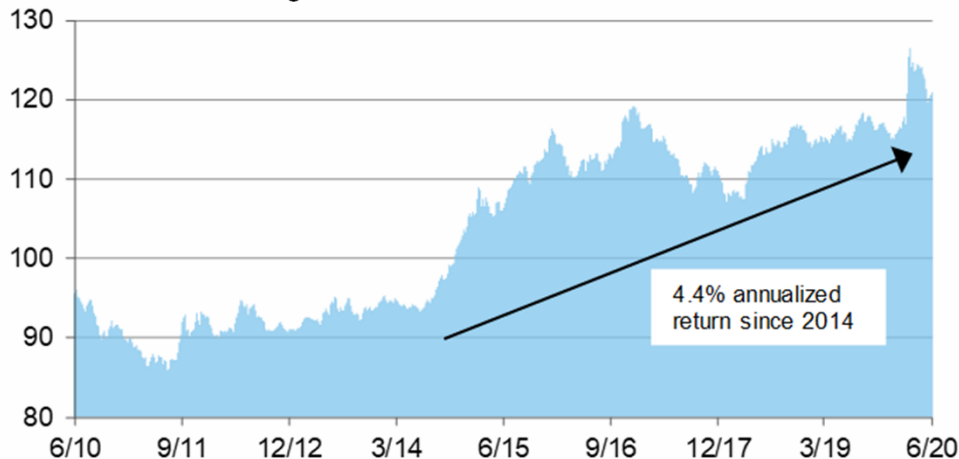
The rally in growth stocks continued for much of the second quarter, with the exception of a couple weeks in early June.



Source: S&P.

Trade Weighted U.S. Dollar

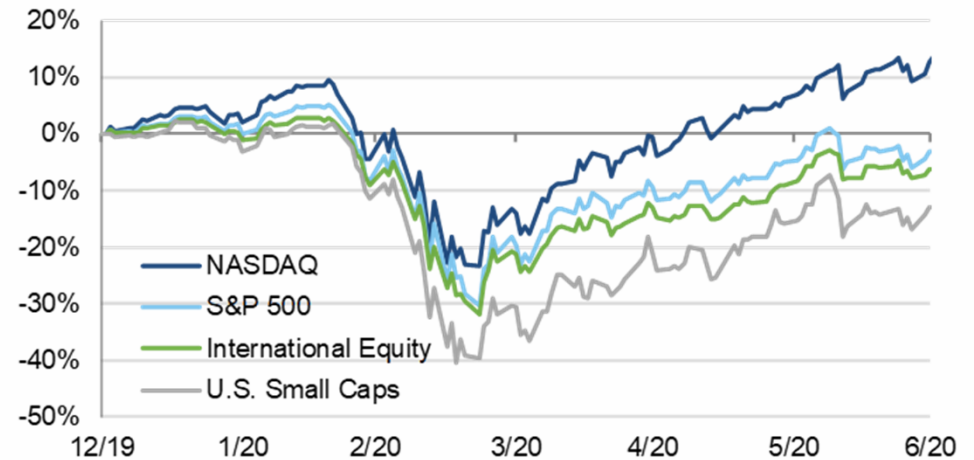
U.S. dollar weakness emerged amid increased monetary accommodation and the Fed's willingness to do whatever it takes.



Source: Federal Reserve based on H.10 exchange rate data.

Equity Performance – Sector, Region, Market Cap

Technology-heavy NASDAQ was the clear outperformer, whereas U.S. small caps have struggled to recover from a 40% drop in late March.



Sources: NASDAQ, S&P, MSCI, Russell.

Monetary Policy Rates

Central bank policy rates remain low and have been cut even further toward the zero bound in the U.S. and U.K.

Country / Region	Policy Rate	Latest Rate Change
China	3.85%	▼ 20bps cut on 4/20/20
U.S.	0.25%	▼ 100bps cut on 3/15/20
United Kingdom	0.10%	▼ 15bps cut on 3/19/20
Europe	-0.50%	▼ 10bps cut on 9/12/19
Japan	-0.10%	▼ 10bps cut on 1/28/16

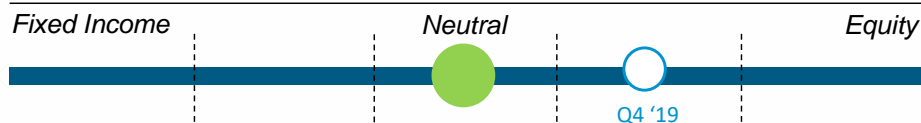
Sources: Chinese Central Bank, Federal Reserve, UK Central Bank, European Central Bank, Japanese Central Bank.

Investing Viewpoints

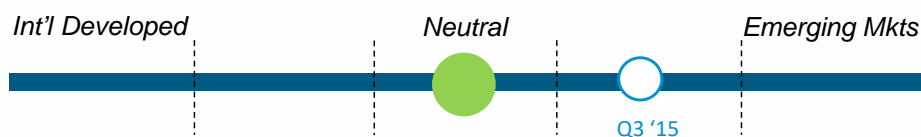
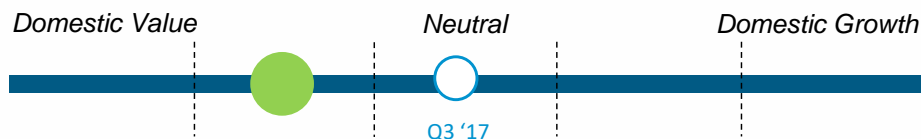
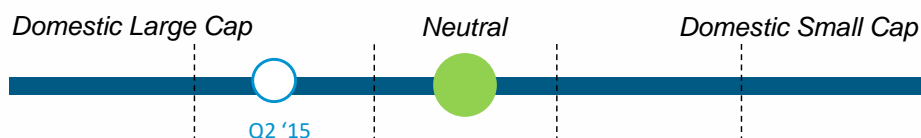
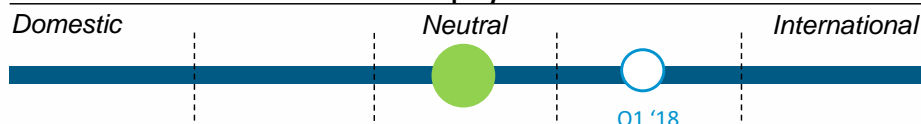
● Current Stance

○ Previous Stance (date indicates when we last changed our stance)

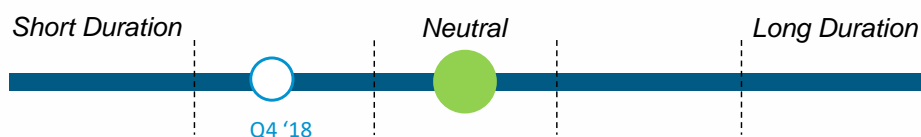
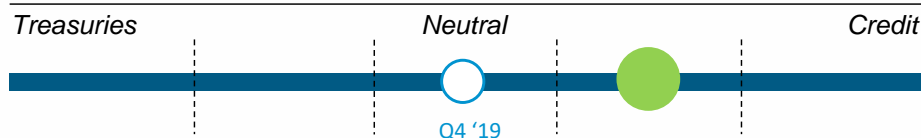
Asset Allocation



Equity



Fixed Income



Rationale

Abundant monetary and fiscal stimulus alongside periodic hints of stabilizing economic data support equity markets. However, a recent surge of cases around the country and uncertainty as to the true and ultimate economic impact of the virus tempers this support.

While non-U.S. stocks command a valuation advantage over domestic equities, the lingering uncertainty surrounding which regions around the globe are best poised to recover from the COVID-19 pandemic informs our neutral view.

Large cap companies are generally better equipped financially and operationally to circumvent the most acute effects of the crisis. Small-cap companies typically advance more rapidly as an economic recovery takes hold, but the path and pace of recovery remains highly uncertain. As such, we retain our neutral stance on the market capitalization front.

Relative valuations of value stocks versus growth stocks remain tilted in favor of value, and a sustained and large performance differential also provides a legitimate path to mean reversion tilting in favor of value. Moreover, value-oriented areas of the market have historically fared well in economic recoveries, although we must also acknowledge the uncertainty surrounding the current economic climate.

Certain valuation metrics (and longer-term demographic trends) lean in favor of emerging markets, but the segment remains particularly exposed to still vulnerable global trade and export activity. Increasingly coordinated fiscal and monetary stimulus among developed market countries supports this cohort. These factors merge into a neutral stance.

Corporate credit continues to offer reasonable spread accommodations over Treasuries despite the rally in the second quarter. We retain a modest preference for credit, as a continued economic recovery (even stability) should bode well for the asset class. Our preference is further bolstered by the existence of very low base rates.

Interest rates remain near all-time low levels, and central bank signaling has indicated that the policy will likely be lower for longer. We acknowledge the larger forces for pent-up long-term inflation potential are present, but our near-term concern on this front is low. As such, retaining some duration in portfolios can serve as a "hedge" to risk assets.

These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next 18 months. These opinions are subject to modification as conditions in the markets or forecasting periods change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.

Asset Allocation - City of Torrington Pension Plans

As of June 30, 2020

Investment		Employees Pension Plan		Police & Fire Pension Plan		Target Ranges (%)
		Market Value (\$)	Allocation (%)	Market Value (\$)	Allocation (%)	
<u>Asset Class</u>						
Money Market	Wells Fargo Advantage Money Market	\$60,520	0.1%	38,778	0.1%	0.0%
<u>Fixed Income</u>						
Core	Vanguard Total Bond Mkt	3,145,292	7.6%	4,907,937	7.7%	8.0%
Core Plus	Met West Total Return PI	7,186,238	17.4%	11,108,347	17.4%	18.0%
	Bank of America Fixed Income	167	0.0%	-	0.0%	0.0%
Bank Loan	Eaton Vance Senior Floating Rate	2,162,558	5.2%	3,478,927	5.5%	5.5%
Global Bond	Templeton Global Bond R6	2,122,452	5.2%	3,292,860	5.2%	5.5%
	Total Fixed Income	14,616,706	35.5%	22,788,071	35.7%	27.5 - 42.5%
<u>Domestic Equity</u>						
Large Blend	Vanguard Institutional Index Fund	5,592,584	13.6%	8,610,258	13.5%	13.0%
Large Value	MFS Value Fund R6	4,418,390	10.7%	6,877,902	10.8%	11.0%
Large Growth	MainStay Lg Growth	4,387,431	10.7%	6,860,405	10.8%	10.0%
Small Blend	Boston Trust Small Cap Fund	1,999,533	4.9%	3,145,307	4.9%	5.0%
	Total Domestic Equity	16,397,938	39.8%	25,493,872	40.0%	32.5 - 52.5%
<u>International Equity</u>						
Int'l Large Value	Dodge & Cox International	3,436,024	8.3%	5,161,989	8.1%	8.0%
Int'l Large Growth	Artisan International	3,399,690	8.3%	5,184,994	8.1%	8.0%
Int'l Mid Growth	Vanguard International Explorer Inv	1,311,855	3.2%	2,079,417	3.3%	3.0%
	Total International Equity	8,147,570	19.8%	12,426,399	19.5%	12.5 - 22.5%
<u>Inflation Protection</u>						
Real Assets	Principal Diversified Real Asset R6	1,968,963	4.8%	3,059,429	4.8%	5.0%
	Total Inflation Protection	1,968,963	4.8%	3,059,429	4.8%	0.0 - 10.0%
Total Plan Assets		41,191,697	100.0%	63,806,549	100.0%	

City of Torrington Pension Plans

Total Performance Summary & Manager Status Summary

As of June 30, 2020

Total Performance Summary						
	<u>QTR</u>	<u>YTD</u>	<u>1-Yr</u>	<u>3-Year</u>	<u>5-Year</u>	<u>Since 10/01/2008</u>
Employees Pension Plan	12.9%	-3.0%	3.0%	5.9%	5.8%	7.0%
Police & Fire Pension Plan	12.8%	-2.9%	3.0%	5.8%	5.7%	7.1%
Blended Benchmark*	13.5%	-1.5%	5.4%	6.9%	6.7%	7.6%

*Blended Benchmark: 35% Barclays Aggregate / 42.5% Russell 3000 / 17.5% MSCI AC World ex US / 5% Principal Diversified Real Asset Strategic Index

Manager Status Summary			
<u>Mandate</u>	<u>Manager/Fund</u>	<u>Status</u>	<u>Note</u>
Fixed Income	Vanguard Total Bond Market Index	Maintain	N/A
Fixed Income	MetWest Total Return PI	Maintain	N/A
Fixed Income	Bank of America Fixed Income	Liquidation in process	Account holds residual positions from terminated Bank of America separate account. Account value is less than \$200.
Fixed Income	Eaton Vance Floating Rate Bond R6	Maintain	N/A
Fixed Income	Templeton Global Bond R6	Maintain	N/A
Equity - Large Cap	Vanguard Institutional Index	Maintain	N/A
Equity - Large Cap	MFS Value R6	Watch	The Fund was placed on watch due to upcoming changes to the investment team that manages the Fund.
Equity - Large Cap	MainStay Large Cap Growth I	Maintain	N/A
Equity - Sm/Mid Cap	Boston Trust Small Cap	Maintain	N/A
International Equity	Dodge & Cox International Stock	Maintain	N/A
International Equity	Artisan International I	Maintain	N/A
International Equity	Vanguard International Explorer Inv	Watch	The fund was placed on watch due to longer-term underperformance concerns related to stock selection by the Schroders and Wellington teams as well as a change to the underlying Schroders team.
Real Assets	Principal Diversified Real Assets R6	Maintain	N/A

Manager Performance Overview

As of June 30, 2020

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<u>Short Term Liquidity</u>									
Wells Fargo Advantage Money Market	0.0	0.3	1.3	1.5	1.0	0.7	0.5	0.5	10/01/2008
<i>90 Day U.S. Treasury Bill</i>	<i>0.0</i>	<i>0.6</i>	<i>1.6</i>	<i>1.8</i>	<i>1.2</i>	<i>0.8</i>	<i>0.6</i>	<i>0.6</i>	
<u>Fixed Income</u>									
Vanguard Total Bond Market Index Adm	3.0 (88)	6.4 (23)	9.0 (21)	5.3 (24)	4.3 (30)	3.9 (37)	3.8 (56)	4.5 (69)	10/01/2008
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>2.9</i>	<i>6.1</i>	<i>8.7</i>	<i>5.3</i>	<i>4.3</i>	<i>4.0</i>	<i>3.8</i>	<i>4.6</i>	
IM U.S. Broad Market Core Fixed Income (MF) Median	5.0	5.6	8.1	4.9	4.1	3.8	3.8	4.8	
Metropolitan West Total Return Bond PI	4.1 (84)	6.5 (17)	9.2 (17)	5.7 (13)	4.4 (37)	N/A	N/A	3.9 (32)	12/01/2014
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>2.9</i>	<i>6.1</i>	<i>8.7</i>	<i>5.3</i>	<i>4.3</i>	<i>4.0</i>	<i>3.8</i>	<i>3.8</i>	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	6.1	4.8	7.5	4.9	4.2	4.0	4.2	3.7	
Eaton Vance Floating Rate R6	8.4 (46)	-4.6 (21)	-2.3 (27)	1.6 (20)	2.8 (8)	2.8 (15)	N/A	3.2 (19)	06/01/2011
<i>S&P/LSTA Leveraged Loan Index</i>	<i>9.7</i>	<i>-4.6</i>	<i>-2.0</i>	<i>2.1</i>	<i>2.9</i>	<i>3.1</i>	<i>4.2</i>	<i>3.5</i>	
IM U.S. Bank Loans (MF) Median	8.2	-5.5	-3.1	1.1	2.0	2.3	3.4	2.7	
Templeton Global Bond R6	0.1 (100)	-4.3 (100)	-6.0 (100)	-0.8 (100)	0.6 (100)	1.3 (95)	N/A	1.7 (78)	06/01/2011
<i>FTSE World Government Bond Index</i>	<i>2.0</i>	<i>4.1</i>	<i>4.6</i>	<i>4.0</i>	<i>3.7</i>	<i>2.2</i>	<i>2.4</i>	<i>1.5</i>	
IM Global Fixed Income (MF) Median	5.6	1.9	3.2	3.4	3.3	2.6	3.0	2.3	
<u>Domestic Equity</u>									
Vanguard Institutional Index	20.5 (37)	-3.1 (42)	7.5 (30)	10.7 (26)	10.7 (14)	12.1 (14)	14.0 (13)	11.0 (20)	10/01/2008
<i>S&P 500 Index</i>	<i>20.5</i>	<i>-3.1</i>	<i>7.5</i>	<i>10.7</i>	<i>10.7</i>	<i>12.1</i>	<i>14.0</i>	<i>11.0</i>	
IM U.S. Large Cap Core Equity (MF) Median	19.4	-4.0	5.7	9.0	9.0	10.7	12.5	9.9	
MFS Value Fund R6	14.3 (66)	-12.8 (21)	-4.3 (14)	3.4 (27)	6.3 (13)	8.5 (7)	N/A	10.5 (6)	07/01/2012
<i>Russell 1000 Value Index</i>	<i>14.3</i>	<i>-16.3</i>	<i>-8.8</i>	<i>1.8</i>	<i>4.6</i>	<i>7.1</i>	<i>10.4</i>	<i>9.2</i>	
IM U.S. Large Cap Value Equity (MF) Median	15.4	-15.3	-7.7	2.1	4.3	6.7	9.7	8.7	
Mainstay Large Cap Growth Instl	28.3 (39)	12.2 (31)	21.9 (41)	20.3 (22)	15.4 (32)	16.5 (31)	N/A	14.2 (38)	03/01/2011
<i>Russell 1000 Growth Index</i>	<i>27.8</i>	<i>9.8</i>	<i>23.3</i>	<i>19.0</i>	<i>15.9</i>	<i>16.6</i>	<i>17.2</i>	<i>14.9</i>	
IM U.S. Large Cap Growth Equity (MF) Median	27.7	10.2	21.1	18.0	14.5	15.7	16.0	13.7	
Boston Trust Walden Small Cap	14.7 (93)	-15.1 (33)	-8.6 (29)	3.9 (7)	6.3 (4)	7.1 (21)	9.7 (35)	9.8 (28)	02/01/2010
<i>Russell 2000 Index</i>	<i>25.4</i>	<i>-13.0</i>	<i>-6.6</i>	<i>2.0</i>	<i>4.3</i>	<i>7.2</i>	<i>10.5</i>	<i>10.2</i>	
IM U.S. Small Cap Core Equity (MF) Median	22.4	-17.7	-11.8	-0.9	2.3	5.4	9.0	8.8	

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

Manager Performance Overview

As of June 30, 2020

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
International Equity									
Dodge & Cox International Stock Fund	17.4 (14)	-18.4 (58)	-11.3 (54)	-3.8 (40)	-1.2 (36)	2.3 (1)	4.8 (1)	3.9 (1)	10/01/2008
<i>MSCI AC World ex USA Value (net)</i>	12.8	-19.4	-15.3	-4.0	-1.2	0.9	2.8	2.2	
IM International Large Cap Value Equity (MF) Median	15.4	-16.0	-10.9	-3.9	-1.5	0.7	3.4	1.5	
Artisan International Instl	16.9 (78)	-7.9 (72)	-0.2 (67)	5.3 (35)	3.1 (52)	5.1 (46)	8.0 (13)	6.2 (22)	10/01/2008
<i>MSCI AC World ex USA Growth (Net)</i>	19.1	-2.6	5.8	6.1	5.6	6.3	7.0	5.7	
IM International Large Cap Growth Equity (MF) Median	18.1	-5.1	2.0	4.0	3.3	5.0	6.4	5.2	
Vanguard International Explorer Inv	23.4 (23)	-11.6 (12)	-4.0 (26)	-1.9 (38)	N/A	N/A	N/A	5.1 (52)	03/01/2016
<i>MSCI EAFE Small Cap (net) Index</i>	19.9	-13.1	-3.5	0.5	3.8	6.4	8.0	6.6	
IM International SMID Cap Core Equity (MF) Median	18.3	-15.8	-8.8	-3.0	1.5	3.5	6.1	5.2	
Inflation Protection									
Principal Diversified Real Asset R6	11.2 (52)	-10.5 (80)	N/A	N/A	N/A	N/A	N/A	-7.6 (78)	12/01/2019
<i>Diversified Real Asset Blended Index</i>	10.0	-10.8	-7.7	0.6	1.1	1.3	2.7	-8.1	
IM Flexible Portfolio (MF) Median	11.3	-5.6	-0.5	2.6	3.6	4.5	5.9	-3.9	

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

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

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

Manager Performance Overview

As of June 30, 2020

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Torrington Employee Plan	12.9	-3.0	3.0	5.9	5.8	6.6	7.9	7.0	10/01/2008
<i>Torrington Benchmark</i>	<i>13.5</i>	<i>-1.5</i>	<i>5.4</i>	<i>6.9</i>	<i>6.7</i>	<i>7.5</i>	<i>8.7</i>	<i>7.6</i>	
<i>Torrington Benchmark (Secondary)</i>	<i>12.9</i>	<i>-2.5</i>	<i>3.7</i>	<i>6.0</i>	<i>5.9</i>	<i>6.6</i>	<i>7.9</i>	<i>6.9</i>	
Torrington Police & Fire Plan	12.8	-2.9	3.0	5.8	5.7	6.7	7.9	7.1	10/01/2008
<i>Torrington Police & Fire Blended Benchmark</i>	<i>13.5</i>	<i>-1.5</i>	<i>5.4</i>	<i>6.9</i>	<i>6.7</i>	<i>7.5</i>	<i>8.7</i>	<i>7.6</i>	
<i>Torrington Police & Fire Blended Benchmark (Secondary)</i>	<i>12.9</i>	<i>-2.5</i>	<i>3.7</i>	<i>6.0</i>	<i>5.9</i>	<i>6.6</i>	<i>7.9</i>	<i>6.9</i>	
Fixed Income - Police & Fire	3.9	3.2	5.1	4.1	3.6	3.4	3.7	4.8	03/01/2009
Fixed Income - Employees	3.8	3.3	5.3	4.1	3.7	3.4	3.7	4.8	03/01/2009
<i>Blmbg. Barc. U.S. Aggregate Index</i>	<i>2.9</i>	<i>6.1</i>	<i>8.7</i>	<i>5.3</i>	<i>4.3</i>	<i>4.0</i>	<i>3.8</i>	<i>4.5</i>	
Domestic Equity - Police & Fire	20.0	-3.7	5.4	10.3	10.2	11.7	13.3	15.2	03/01/2009
Domestic Equity - Employees	20.0	-3.7	5.5	10.3	10.2	11.6	13.2	15.1	03/01/2009
<i>Russell 3000 Index</i>	<i>22.0</i>	<i>-3.5</i>	<i>6.5</i>	<i>10.0</i>	<i>10.0</i>	<i>11.7</i>	<i>13.7</i>	<i>15.9</i>	
International Equity - Police & Fire	18.1	-12.9	-5.5	0.4	1.2	3.7	6.4	10.0	03/01/2009
International Equity - Employees	18.1	-12.9	-5.4	0.5	1.2	3.8	6.5	10.0	03/01/2009
<i>MSCI AC World ex USA (Net)</i>	<i>16.1</i>	<i>-11.0</i>	<i>-4.8</i>	<i>1.1</i>	<i>2.3</i>	<i>3.7</i>	<i>5.0</i>	<i>8.3</i>	
Inflation Protection - Police & Fire	11.2	-10.5	-10.5	-4.1	-4.5	-4.3	N/A	-4.7	06/01/2011
Inflation Protection - Employees	11.2	-10.5	-10.5	-4.0	-4.5	-4.3	N/A	-4.6	06/01/2011
<i>Short Term Inflation Protection Index</i>	<i>13.1</i>	<i>-13.8</i>	<i>-11.8</i>	<i>-3.0</i>	<i>-3.4</i>	<i>-3.3</i>	<i>N/A</i>	<i>-3.8</i>	

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

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

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

Manager Commentary

As of June 30, 2020

Manager	Manager Status	Comments
Fixed Income		
Vanguard Total Bond Market Index Instl (VBTIX)	Maintain	In accordance with its objective, the Vanguard Total Bond Market Index Fund sufficiently tracked its index during the quarter.
Metropolitan West Total Return Bond PI (MWT SX)	Maintain	2Q 2020 – The MetWest Total Return Bond Fund produced a positive absolute return during the second quarter, outperforming the Bloomberg Barclays U.S. Aggregate Bond Index. Interest rates remained rangebound during the quarter while corporate bonds and other spread sectors rallied in the risk-on market. Market volatility and spread widening in late March provided an opportunity for the team to add to corporate credit early in the quarter. This proved to be beneficial as investment grade corporate spreads compressed in the second quarter and was one of the main drivers of performance. An underweight to Treasuries was also beneficial. Issue selection also had a positive impact on relative returns during the quarter. Having a modest exposure to TIPS instead of nominal Treasuries had a positive impact as breakevens pushed higher. The team at MetWest continues to have a cautious view on the market. As such, the team trimmed the corporate exposure in the back half of the quarter, taking profits on the back of tightening credit spreads. As a result, the portfolio is approximately neutral to corporate credit and maintains a modest allocation to high yield. The portfolio is underweight duration by approximately 0.6 years as rates remain near all-time lows.
Eaton Vance Floating Rate R6 (ESBLX)	Maintain	2Q 2020 - The Eaton Vance portfolio lagged its benchmark during the second quarter. In a reversal from the first quarter, lower quality CCC and B-rated securities outperformed the higher quality BB-rated securities in the market. Security selection in structured products added to relative performance during the quarter. Overweight allocations to drug companies detracted from relative returns as did a higher quality posture, with underweight allocations to CCC-rated securities.
Templeton Global Bond R6 (FBNRX)	Maintain	2Q 2020 – The Templeton Global Bond Fund produced a modest positive return during the second quarter but trailed the FTSE World Government Bond Index. The portfolio's currency and duration postures were the key drivers of performance for the quarter. On the FX front, the U.S. dollar generally lost ground to many major currencies but select currencies within Latin America declined. This had mixed results on the portfolio as exposures to the Indonesian Rupiah, Swedish Krona and Norwegian Krone had a positive impact. However, a short position in the Australian dollar and long exposure to the Argentine Peso detracted. Interest rate positioning generally had a positive impact on absolute returns as sovereign rates generally moved lower. Interest rate exposure in Argentina, Mexico and Indonesia were key contributors.
Domestic Equity		
Vanguard Institutional Index (VINIX)	Maintain	In accordance with its objective, the Vanguard Institutional Index Fund sufficiently tracked its index during the quarter.

Manager Commentary

As of June 30, 2020

Manager	Manager Status	Comments
MFS Value Fund R6 (MEIKX)	Watch 3Q 2019	<p>2Q 2020 - The MFS Value fund gained during the quarter and underperformed the Russell 1000 Value Index. Absolute returns for the quarter were strong, but both the large cap and value segments of U.S. markets lagged others in the second quarter. An underweight in consumer discretionary (-0.7%) and in energy (-0.5%) were the two most impactful performance detractors for the second quarter. Effective stock selection in financials was the principal contributor to performance (+1.5%) during the second quarter. A 2% position in cash had an undesirable impact (-0.3%) during the quarter as well. Year-to-date to June 30, good stock selection in financials (+1.8%) and in industrials (+1.1%) had the two largest positive impacts on performance. For the past 3 years, strong stock selection in industrials was the largest contributor to performance (+1.3%). Over 5 years, stock selection in industrials (+1.1%) and sector selection in energy (+1.1%) gave the biggest boosts to performance.</p> <p>As of 5/31/2020, the three biggest sector or country overweights (versus the Russell 1000 Value Index) were in financials (+6%), health care (+6%), and industrials (+5%). The three largest underweights were in The United States (-8%), consumer discretionary (-6%), and energy (-3%). The cash weight was 1.9%.</p> <p>The Fund is on watch due to an upcoming portfolio manager change. Katherine Cannan, an MFS Equity Research Analyst with more than 10 years of experience, joined Nevin Chitkara and Steve Gorham on the portfolio management team of the MFS Value Fund, effective December 31, 2019. Steve Gorham will relinquish his portfolio management responsibilities on the strategy effective December 31, 2020.</p>
Mainstay Large Cap Growth Instl (MLAIX)	Maintain	<p>2Q 2020 - The MainStay Winslow Large Cap Growth I Fund gained during the quarter and outperformed the Russell 1000 Growth Index. US stocks rose sharply for the quarter across styles and market capitalizations. Absolute returns for the quarter were very strong following the rally of a handful of technology stocks that propelled U.S. large cap indexes higher. An overweight in Israel (+0.9%) and an underweight in consumer staples (+0.8%) were the two most significant contributors to performance during the second quarter. Stock selection in health care enhanced performance (+0.7%) for the quarterly period as well. Unfavorable stock selection in consumer discretionary had the most damaging impact on performance (-2.1%) throughout the second quarter. Year-to-date through June 30, sector selection in industrials (+1.2%) and in consumer staples (+0.7%) had the two largest positive impacts on performance. Over 3 years, stock selection in health care (+1.1%) and country selection in Israel (+1%) were the largest contributors to performance. Over 5 years, detrimental stock selection in consumer discretionary was the largest performance detractor (-1.2%).</p>

Manager Commentary

As of June 30, 2020

Manager	Manager Status	Comments
Boston Trust Walden Small Cap (BOSOX)	Maintain	2Q 2020 - The BTW Small Cap Equity fund gained during the quarter and underperformed the Russell 2000 Growth Index. Small cap growth, the leading style segment over the second quarter, recovered substantially from first quarter lows as technology, health care, and consumer discretionary stocks moved higher. Poor stock selection in health care (-3.5%) and in consumer discretionary (-2%) were the two biggest drags on performance during the second quarter. Stock selection in industrials had a negative impact (-1.7%) in the quarter as well. An overweight in utilities also hindered performance (-1.5%). Year-to-date through June 30, detrimental stock selection in health care (-3.7%) and in financials (-1.8%) were the biggest drags on performance. During the 3-year period, stock selection in consumer discretionary (-1%) and sector selection in health care (-0.9%) were the primary performance obstacles. For the last 5 years, ineffective stock selection in consumer discretionary hampered performance the most (-1%).
International Equity		
Dodge & Cox International Stock Fund (DODFX)	Maintain	2Q 2020 - The Dodge & Cox International Stock Fund gained during the quarter and outperformed the MSCI ACWI Ex USA Value Index. US, developed foreign and emerging market stocks posted strong returns for the quarter. International value stocks underperformed international growth stocks for the quarter. An overweight in The United States was the most important positive performance factor (+17.9%) for the second quarter. Stock selection in energy was also beneficial adding another 1% over the quarter. Stock selection in financials enhanced value (+1%) during the quarter as well. Year-to-date to June 30, country selection in The United States had the most advantageous impact on performance (+5.1%). During the 3-year period, country selection in The United States gave the biggest boost to performance (+1.2%). For 5 years, country selection in The United States gave the biggest boost to performance (+1.3%).
Artisan International Instl (APHIX)	Maintain	2Q 2020 - The Artisan International Institutional Fund gained during the quarter and underperformed the MSCI ACWI Ex USA Growth Index. US, developed foreign and emerging market stocks posted strong returns for the quarter. International equity markets surged in the second quarter as investors were optimistic that the global economy would rebound quickly from the COVID-19 induced shut downs that were enacted across the world. Despite a short-lived, mid-quarter rally for value stocks, growth stocks led by technology and emerging markets continued to significantly outperform in the period. Weak stock selection in The United States had the most damaging impact on performance (-4.3%) throughout the second quarter. Stock selection in information technology also diminished performance -3.5% during the most recent quarterly period. Stock selection in Germany had an undesirable performance impact (-2.3%) for the quarterly period as well. Between January 1 and June 30, sector selection in financials (-3.3%) and stock selection in information technology (-2.4%) were the biggest hindrances to performance. For the past 3 years, sector selection in financials had the biggest drag on performance (-1.3%). Over 5 years, detrimental stock selection in Japan (-1.5%) and in The United States (-0.8%) were the most meaningful performance impediments.

Manager Commentary

As of June 30, 2020

Manager	Manager Status	Comments
Vanguard International Explorer Inv (VINEX)	Watch 3Q 2019	<p>2Q 2020 - The Vanguard International Explorer Inv Fund gained during the quarter and outperformed the MSCI ACWI Ex USA Small Index. Small cap foreign equities generally outperformed within broader international equities. Good stock selection in Japan was the principal contributor to performance (+1.9%) for the second quarter. Stock selection in financials was also positive adding another 0.8% during the quarter. An underweight in Canada had the most harmful performance impact (-1.3%) within the second quarter. Year-to-date to June 30, opportune timing in cash had the most advantageous impact on performance (+1.6%). During the 3-year period, weak stock selection in materials (-0.6%) and in consumer discretionary (-0.6%) were the biggest drags on performance. For 5 years, ineffective stock selection in materials was the primary source of lagging performance (-0.5%).</p> <p>The fund remains on Watch due to longer-term underperformance concerns related to stock selection by the Schroders and Wellington teams, as well as a change to the underlying Schroders team. The fund is sub-advised by Schroders, Wellington, and TimesSquare.</p>
Inflation Protection		
Principal Diversified Real Asset R6 (PDARX)	Maintain	<p>2Q 2020 – The Principal Diversified Real Assets Fund produced a positive return during the second quarter and outpaced its blended index. Similar to broader risk assets, real assets experienced a period of recovery following a tumultuous start to the year. Natural resource equities led the complex higher, while commodities, despite positive aggregate results, experienced more muted gains, hampered by negative roll yields in highly contangoed markets. TIPS also moved higher in the quarter, lifted by rising inflation expectations. Against this backdrop, excess gains were largely driven by strong manager results, with added value across all but three underlying sub-advisors to their respective indices. RARE, within infrastructure, and Mellon, within natural resources, were notable outperformers. An overweight to infrastructure was also additive, as the group outperformed the broader index. On the negative side, an overweight to the real return bucket served as a headwind, as did an overall underweight to resource equities, the strongest performing segment for the period. The portfolio added exposure to resource equities in the period, funded by a decrease in water equities and infrastructure. In addition, they rotated into real estate due to attractive relative valuations and out of floating rate, which recovered much of their losses earlier in the year during the second quarter.</p>

Estimated Fee Analysis

As of June 30, 2020

Manager	Current Target %	Fee Schedule
Vanguard Total Bond Market Index Adm	8.0%	0.05%
Metropolitan West Total Return Bond Pl	18.0%	0.37%
Eaton Vance Floating Rate R6	5.5%	0.72%
Templeton Global Bond R6	5.5%	0.56%
Vanguard Institutional Index	13.0%	0.04%
MFS Value Fund R6	11.0%	0.47%
Mainstay Large Cap Growth Instl	10.0%	0.74%
Boston Trust Walden Small Cap	5.0%	1.00%
Dodge & Cox International Stock Fund	8.0%	0.63%
Artisan International Instl	8.0%	0.97%
Vanguard International Explorer Inv	3.0%	0.39%
Principal Diversified Real Asset R6	5.0%	0.78%
Weighted Average Investment Management Fee		0.50%

DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable, including Morningstar. FIA has not independently verified this information.

Asset Allocation - Employees Pension

As of June 30, 2020

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	41,191,697	100.0	100.0	0.0
Short Term Liquidity	60,520	0.1	0.0	0.1
Wells Fargo Advantage Money Market	60,520	0.1	0.0	0.1
Fixed Income	14,616,706	35.5	37.0	-1.5
Vanguard Total Bond Market Index Adm	3,145,292	7.6	8.0	-0.4
Metropolitan West Total Return Bond Pl	7,186,238	17.4	18.0	-0.6
Bank of America Fixed Income	167	0.0	0.0	0.0
Eaton Vance Floating Rate R6	2,162,558	5.2	5.5	-0.3
Templeton Global Bond R6	2,122,452	5.2	5.5	-0.3
Domestic Equity	16,397,938	39.8	39.0	0.8
Vanguard Institutional Index	5,592,584	13.6	13.0	0.6
MFS Value Fund R6	4,418,390	10.7	11.0	-0.3
Mainstay Large Cap Growth Instl	4,387,431	10.7	10.0	0.7
Boston Trust Walden Small Cap	1,999,533	4.9	5.0	-0.1
International Equity	8,147,570	19.8	19.0	0.8
Dodge & Cox International Stock Fund	3,436,024	8.3	8.0	0.3
Artisan International Instl	3,399,690	8.3	8.0	0.3
Vanguard International Explorer Inv	1,311,855	3.2	3.0	0.2
Inflation Protection	1,968,963	4.8	5.0	-0.2
Principal Diversified Real Asset R6	1,968,963	4.8	5.0	-0.2

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

Total Portfolio Performance Summary

Employee Pension

As of June 30, 2020

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Total Plan				10/01/2008
Beginning Market Value	37,155,042	43,832,708	22,570,251	
Net Contributions	-726,607	-1,328,607	-7,536,754	
Total Gain/Loss	4,763,262	-1,312,405	26,158,201	
Ending Market Value	41,191,697	41,191,697	41,191,697	

Torrington Benchmark Composition

Allocation Mandate	Weight (%)
Dec-2019	
Blmbg. Barc. U.S. Aggregate Index	35.00
Russell 3000 Index	42.50
MSCI AC World ex USA (Net)	17.50
Principal Diversified Real Asset Strategic Index	5.00

Trailing Performance Summary

	QTR	YTD	Jul-2019 To Jun-2020	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Plan	12.9	-3.0	3.0	3.0	5.9	5.8	6.6	7.9	7.0	10/01/2008
<i>Torrington Benchmark</i>	<i>13.5</i>	<i>-1.5</i>	<i>5.4</i>	<i>5.4</i>	<i>6.9</i>	<i>6.7</i>	<i>7.5</i>	<i>8.7</i>	<i>7.6</i>	
Difference	-0.6	-1.5	-2.4	-2.4	-1.0	-0.9	-0.9	-0.8	-0.6	

Calendar Year Performance Summary

	2019	2018	2017	2016	2015	2014	2013	2012
Total Plan	20.1	-4.8	15.9	6.2	-1.4	4.9	16.6	14.2
<i>Torrington Benchmark</i>	<i>21.2</i>	<i>-4.8</i>	<i>15.2</i>	<i>7.5</i>	<i>-0.4</i>	<i>7.4</i>	<i>15.6</i>	<i>12.9</i>
Difference	-1.1	0.0	0.7	-1.3	-1.0	-2.5	1.0	1.3

Manager Investment Gain/Loss Summary - Employees Pension

Quarter Ending June 30, 2020

	Market Value As of 04/01/2020	Net Flows	Return On Investment	Market Value As of 06/30/2020
<u>Short Term Liquidity</u>				
Wells Fargo Advantage Money Market	62,101	-1,598	16	60,520
Total Short Term Liquidity	62,101	-1,598	16	60,520
<u>Fixed Income</u>				
Vanguard Total Bond Market Index Adm	3,478,038	-425,000	92,254	3,145,292
Metropolitan West Total Return Bond Pl	7,869,917	-975,000	291,320	7,186,238
Bank of America Fixed Income	172	-9	3	167
Eaton Vance Floating Rate R6	1,994,908	-	167,650	2,162,558
Templeton Global Bond R6	2,119,689	-	2,763	2,122,452
Total Fixed Income	15,462,725	-1,400,009	553,990	14,616,706
<u>Domestic Equity</u>				
Vanguard Institutional Index	4,568,957	75,000	948,627	5,592,584
MFS Value Fund R6	3,700,766	175,000	542,624	4,418,390
Mainstay Large Cap Growth Instl	3,800,065	-450,000	1,037,365	4,387,431
Boston Trust Walden Small Cap	1,648,455	100,000	251,079	1,999,533
Total Domestic Equity	13,718,242	-100,000	2,779,696	16,397,938
<u>International Equity</u>				
Dodge & Cox International Stock Fund	2,411,462	525,000	499,563	3,436,024
Artisan International Instl	2,811,717	100,000	487,973	3,399,690
Vanguard International Explorer Inv	942,540	125,000	244,316	1,311,855
Total International Equity	6,165,718	750,000	1,231,852	8,147,570
<u>Inflation Protection</u>				
Principal Diversified Real Asset R6	1,746,255	25,000	197,708	1,968,963
Total Inflation Protection	1,746,255	25,000	197,708	1,968,963
Total Plan	37,155,042	-726,607	4,763,262	41,191,697

Market Value & Flow Summary - Employees Pension

Since Inception Ending June 30, 2020

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Sep-2008	-	-	-	22,570,251	N/A
Dec-2008	22,570,251	8,527	-3,012,529	19,566,249	-13.3
Mar-2009	19,566,249	1,021	-1,250,184	18,317,086	-6.5
Jun-2009	18,317,086	-2,601	2,346,974	20,661,458	12.8
Sep-2009	20,661,458	499,855	2,626,182	23,787,495	12.6
Dec-2009	23,787,495	-1,594	804,909	24,590,810	3.4
Mar-2010	24,590,810	-4,145	874,772	25,461,437	3.6
Jun-2010	25,461,437	-1,778	-1,600,716	23,858,944	-6.3
Sep-2010	23,858,944	-1,248	2,228,850	26,086,545	9.3
Dec-2010	26,086,545	-584	1,543,564	27,629,525	5.9
Mar-2011	27,629,525	-1,782	864,697	28,492,441	3.1
Jun-2011	28,492,441	-2,152	302,575	28,792,864	1.1
Sep-2011	28,792,864	-2,058	-3,398,663	25,392,142	-11.8
Dec-2011	25,392,142	-1,958	1,670,861	27,061,046	6.6
Mar-2012	27,061,046	-2,103	2,489,993	29,548,935	9.2
Jun-2012	29,548,935	-2,018	-698,619	28,848,297	-2.4
Sep-2012	28,848,297	786	1,524,964	30,374,047	5.3
Dec-2012	30,374,047	-2,190	531,660	30,903,517	1.8
Mar-2013	30,903,517	-2,202	1,647,444	32,548,759	5.3
Jun-2013	32,548,759	-1,007	-98,266	32,449,487	-0.3
Sep-2013	32,449,487	-902,135	1,656,237	33,203,589	5.2
Dec-2013	33,203,589	-1,493	1,867,654	35,069,750	5.6
Mar-2014	35,069,750	-1,311	279,260	35,347,699	0.8
Jun-2014	35,347,699	-1,251,462	1,230,609	35,326,846	3.6
Sep-2014	35,326,846	-1,818	-523,302	34,801,726	-1.5
Dec-2014	34,801,726	1,911	682,656	35,486,293	2.0
Mar-2015	35,486,293	348,549	733,326	36,568,168	2.0
Jun-2015	36,568,168	-301,558	-182,086	36,084,524	-0.5
Sep-2015	36,084,524	498,460	-2,221,816	34,361,169	-6.1
Dec-2015	34,361,169	-1,528	1,161,391	35,521,032	3.4
Mar-2016	35,521,032	-1,001,519	202,510	34,722,024	0.7

Market Value & Flow Summary - Employees Pension

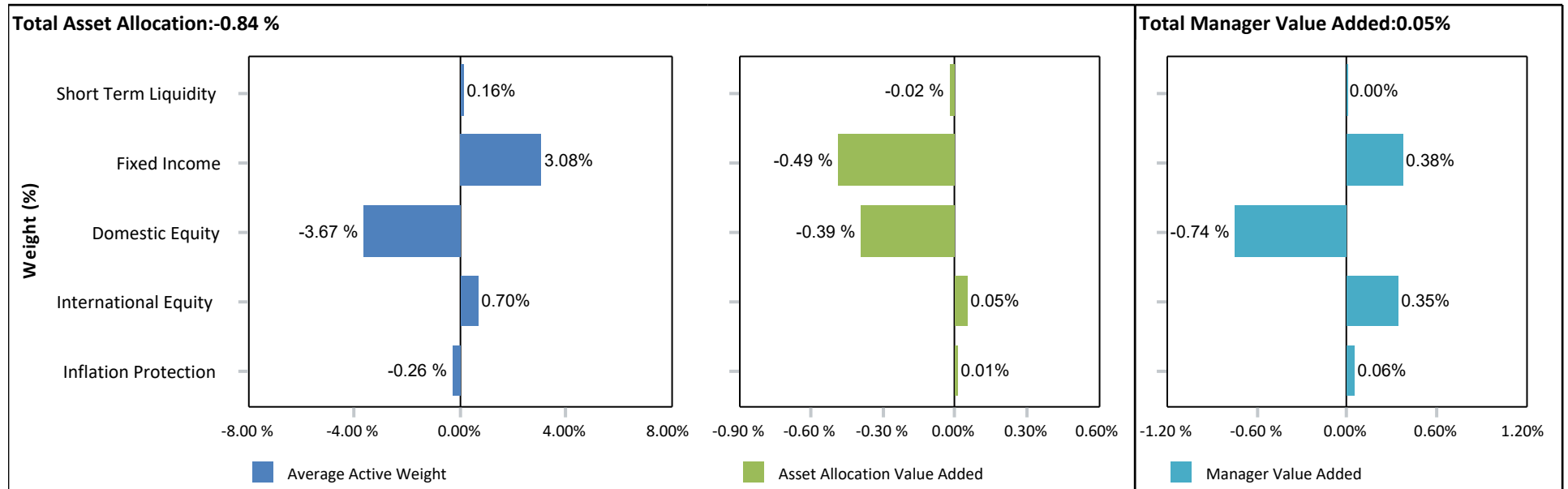
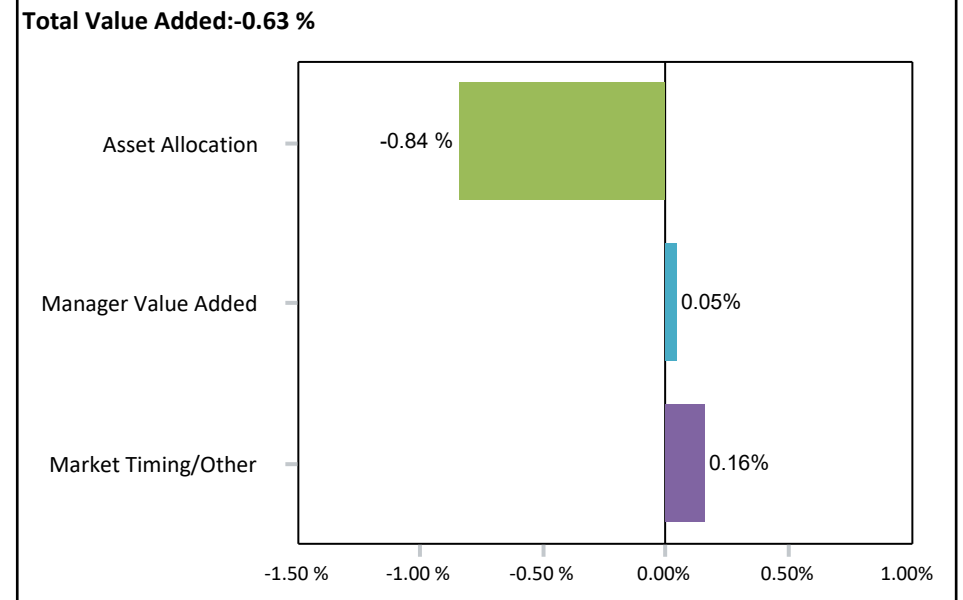
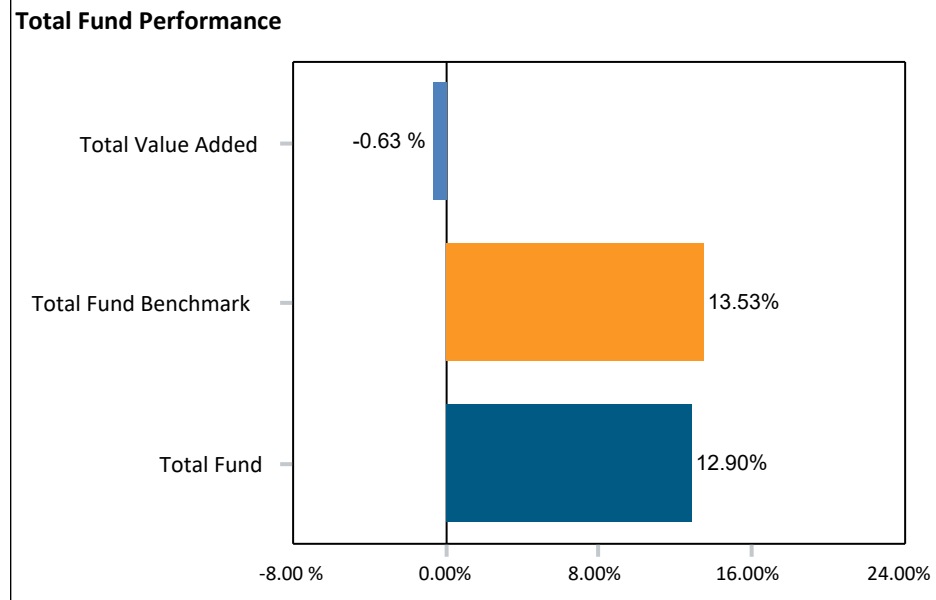
Since Inception Ending June 30, 2020

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Jun-2016	34,722,024	-101,539	616,511	35,236,996	1.8
Sep-2016	35,236,996	-1,518	1,146,426	36,381,903	3.3
Dec-2016	36,381,903	-1,551	128,108	36,508,460	0.4
Mar-2017	36,508,460	-1,544	1,746,399	38,253,315	4.8
Jun-2017	38,253,315	-1,001,621	1,242,839	38,494,533	3.3
Sep-2017	38,494,533	-1,639	1,312,982	39,805,877	3.4
Dec-2017	39,805,877	-1,698	1,404,351	41,208,530	3.5
Mar-2018	41,208,530	-851,742	-73,078	40,283,711	-0.2
Jun-2018	40,283,711	-1,857	407,320	40,689,173	1.0
Sep-2018	40,689,173	-1,712	1,221,910	41,909,371	3.0
Dec-2018	41,909,371	-601,758	-3,463,326	37,844,287	-8.3
Mar-2019	37,844,287	-1,685	3,526,896	41,369,497	9.3
Jun-2019	41,369,497	-1,301,563	1,416,812	41,484,747	3.5
Sep-2019	41,484,747	198,198	329,658	42,012,603	0.8
Dec-2019	42,012,603	-401,784	2,221,889	43,832,708	5.3
Mar-2020	43,832,708	-602,000	-6,075,667	37,155,042	-14.1
Jun-2020	37,155,042	-726,607	4,763,262	41,191,697	12.9

Total Portfolio Attribution

Total Plan vs. Employee Attribution

1 Quarter Ending June 30, 2020

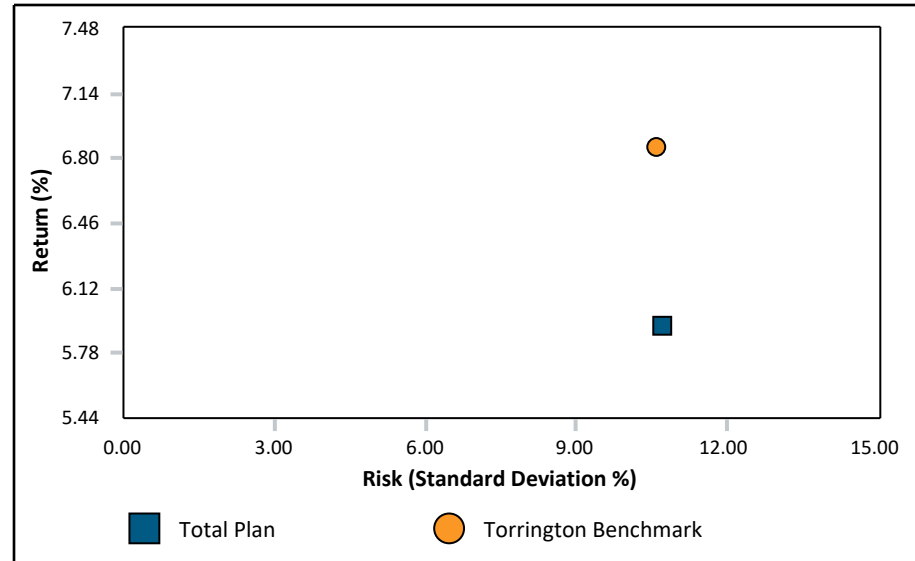


Returns are net of fees unless otherwise noted.

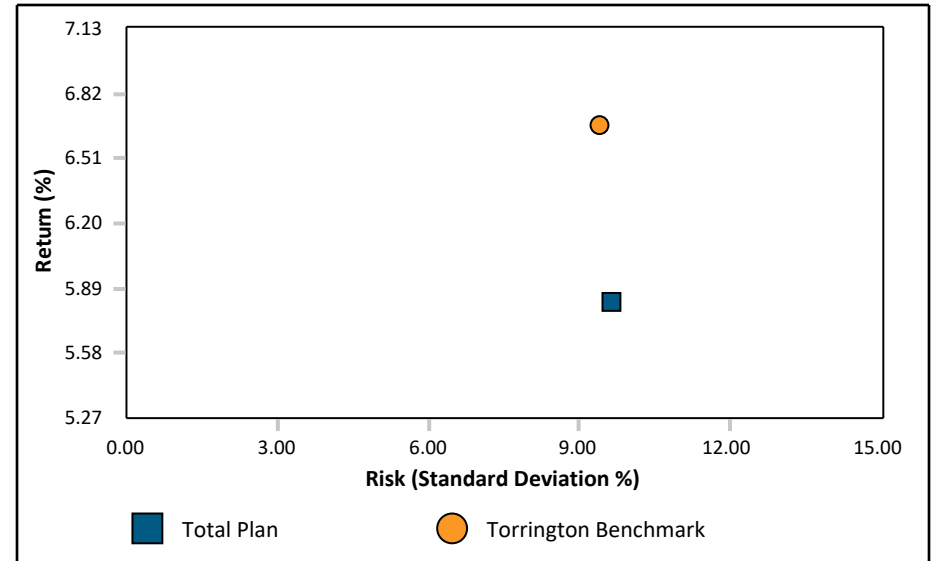
Risk vs. Return - Employees Pension

As of June 30, 2020

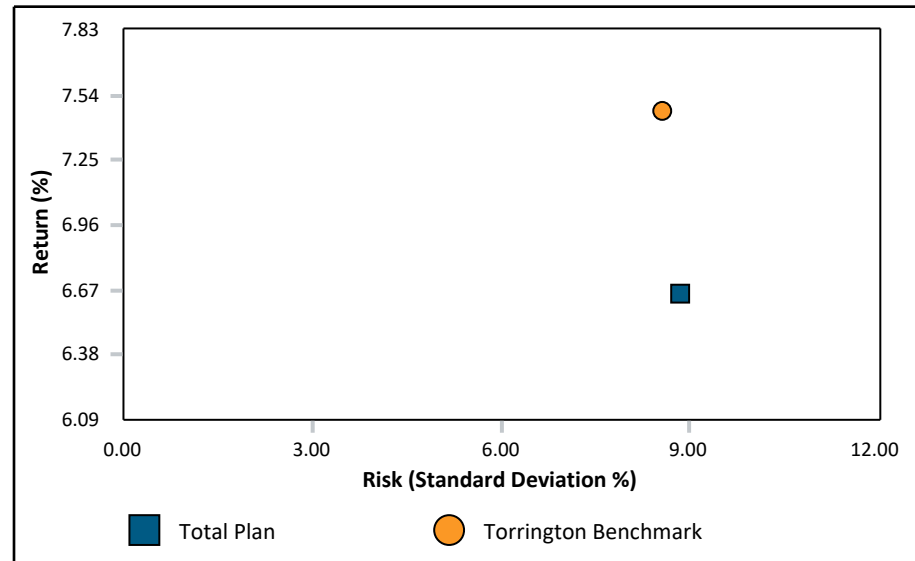
3 Year Risk and Return



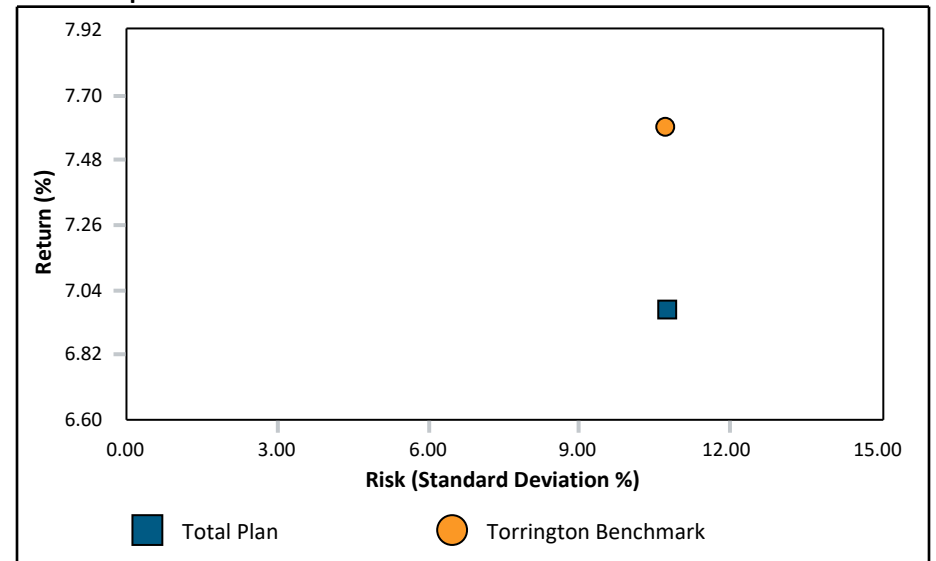
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



MPT Statistical Data - Employees Pension

As of June 30, 2020

3 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Total Plan	5.92	10.74	7.81	0.42	-0.69	1.26	0.99	1.01	-0.92
Torrington Benchmark	6.85	10.59	7.52	0.51	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	1.77	0.22	0.00	N/A	-0.51	10.68	0.18	-0.01	1.83

5 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Total Plan	5.82	9.66	6.78	0.51	-0.65	1.19	0.99	1.02	-0.90
Torrington Benchmark	6.66	9.41	6.43	0.61	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	1.17	0.27	0.01	N/A	-0.61	9.47	0.04	-0.01	1.21

7 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Total Plan	6.65	8.87	5.98	0.67	-0.63	1.17	0.98	1.03	-0.93
Torrington Benchmark	7.46	8.58	5.64	0.78	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.85	0.27	0.01	N/A	-0.78	8.63	0.03	-0.01	0.89

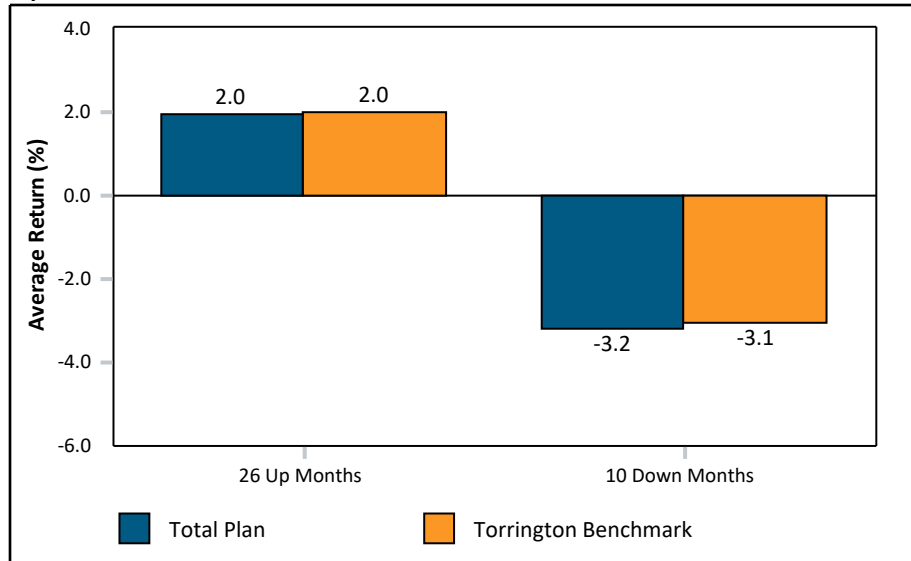
Since Inception Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha	Inception Date
Total Plan	6.97	10.78	7.42	0.63	-0.43	1.35	0.98	1.00	-0.55	10/01/2008
Torrington Benchmark	7.59	10.73	7.33	0.68	N/A	0.00	1.00	1.00	0.00	10/01/2008
90 Day U.S. Treasury Bill	0.57	0.24	0.01	N/A	-0.68	10.78	0.03	0.00	0.60	10/01/2008

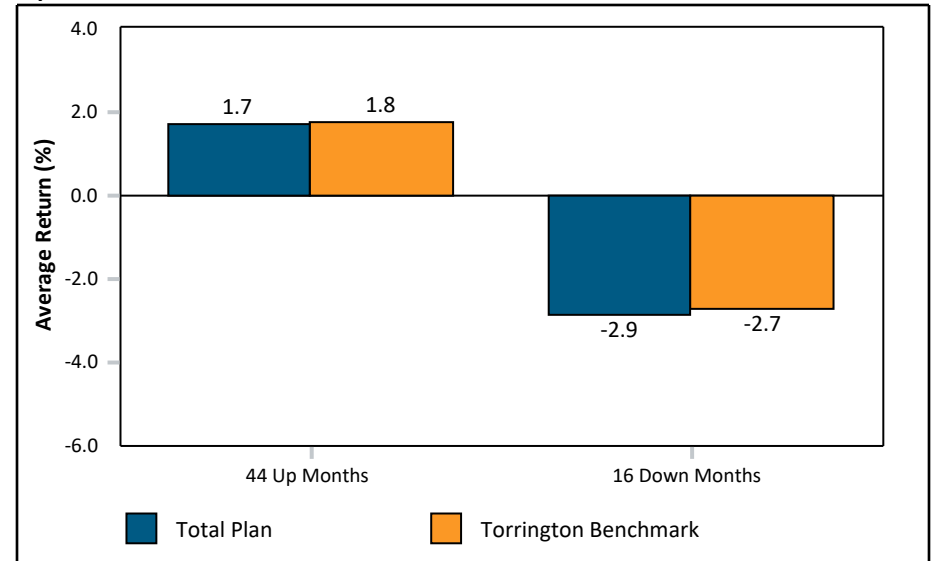
Market Capture Report - Employees Pension

As of June 30, 2020

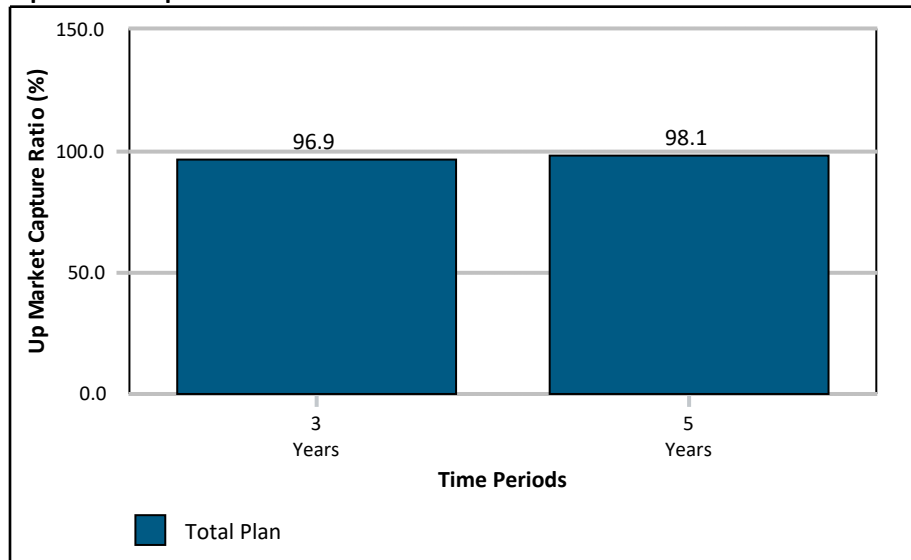
Up/Down Markets - 3 Years



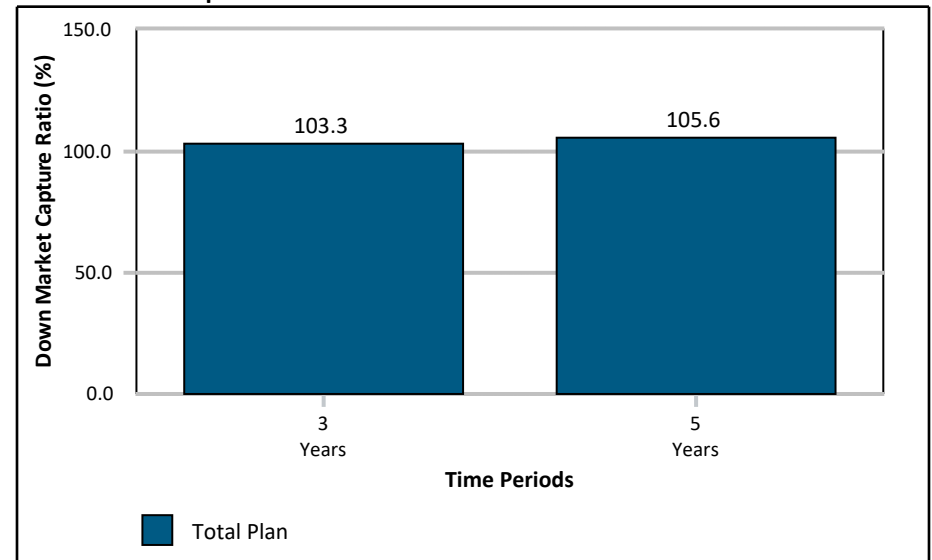
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



Asset Allocation - Police & Fire Pension

As of June 30, 2020

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	63,812,034	100.0	100.0	0.0
Short Term Liquidity	38,778	0.1	0.0	0.1
Wells Fargo Advantage Money Market	38,778	0.1	0.0	0.1
Fixed Income	22,793,557	35.7	37.0	-1.3
Vanguard Total Bond Market Index Instl	4,907,937	7.7	8.0	-0.3
Metropolitan West Total Return Bond Pl	11,108,347	17.4	18.0	-0.6
Eaton Vance Floating Rate R6	3,484,413	5.5	5.5	0.0
Templeton Global Bond R6	3,292,860	5.2	5.5	-0.3
Domestic Equity	25,493,872	40.0	39.0	1.0
Vanguard Institutional Index	8,610,258	13.5	13.0	0.5
MFS Value Fund R6	6,877,902	10.8	11.0	-0.2
Mainstay Large Cap Growth Instl	6,860,405	10.8	10.0	0.8
Boston Trust Walden Small Cap	3,145,307	4.9	5.0	-0.1
International Equity	12,426,399	19.5	19.0	0.5
Dodge & Cox International Stock Fund	5,161,989	8.1	8.0	0.1
Artisan International Instl	5,184,994	8.1	8.0	0.1
Vanguard International Explorer Inv	2,079,417	3.3	3.0	0.3
Inflation Protection	3,059,429	4.8	5.0	-0.2
Principal Diversified Real Asset R6	3,059,429	4.8	5.0	-0.2

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

Total Portfolio Performance Summary

Police & Fire Pension

As of June 30, 2020

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Total Plan				10/01/2008
Beginning Market Value	57,851,312	68,554,830	32,361,482	
Net Contributions	-1,402,277	-2,705,284	-7,242,618	
Total Gain/Loss	7,363,000	-2,037,513	38,693,171	
Ending Market Value	63,812,034	63,812,034	63,812,034	

Torrington Police & Fire Blended Benchmark

Allocation Mandate	Weight (%)
Dec-2019	
Blmbg. Barc. U.S. Aggregate Index	35.00
Russell 3000 Index	42.50
MSCI AC World ex USA (Net)	17.50
Principal Diversified Real Asset Strategic Index	5.00

Trailing Performance Summary

	QTR	YTD	Jul-2019 To Jun-2020	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Plan	12.8	-2.9	3.0	3.0	5.8	5.7	6.7	7.9	7.1	10/01/2008
<i>Torrington Police & Fire Blended Benchmark</i>	<i>13.5</i>	<i>-1.5</i>	<i>5.4</i>	<i>5.4</i>	<i>6.9</i>	<i>6.7</i>	<i>7.5</i>	<i>8.7</i>	<i>7.6</i>	
Difference	-0.7	-1.4	-2.4	-2.4	-1.1	-1.0	-0.8	-0.8	-0.5	

Calendar Year Performance Summary

	2019	2018	2017	2016	2015	2014	2013	2012
Total Plan	20.0	-4.9	15.7	6.2	-1.4	5.0	17.4	14.2
<i>Torrington Police & Fire Blended Benchmark</i>	<i>21.2</i>	<i>-4.8</i>	<i>15.2</i>	<i>7.5</i>	<i>-0.4</i>	<i>7.4</i>	<i>15.6</i>	<i>12.9</i>
Difference	-1.2	-0.1	0.5	-1.3	-1.0	-2.4	1.8	1.3

Manager Investment Gain/Loss Summary - Police & Fire Pension

Quarter Ending June 30, 2020

	Market Value As of 04/01/2020	Net Flows	Return On Investment	Market Value As of 06/30/2020
<u>Short Term Liquidity</u>				
Wells Fargo Advantage Money Market	41,044	-2,277	11	38,778
Total Short Term Liquidity	41,044	-2,277	11	38,778
<u>Fixed Income</u>				
Vanguard Total Bond Market Index Instl	5,462,994	-700,000	144,943	4,907,937
Metropolitan West Total Return Bond Pl	12,230,458	-1,575,000	452,889	11,108,347
Eaton Vance Floating Rate R6	3,262,444	-50,000	271,969	3,484,413
Templeton Global Bond R6	3,514,612	-225,000	3,248	3,292,860
Total Fixed Income	24,470,507	-2,550,000	873,049	22,793,557
<u>Domestic Equity</u>				
Vanguard Institutional Index	7,072,310	75,000	1,462,948	8,610,258
MFS Value Fund R6	5,688,226	350,000	839,675	6,877,902
Mainstay Large Cap Growth Instl	5,854,569	-600,000	1,605,836	6,860,405
Boston Trust Walden Small Cap	2,528,352	225,000	391,955	3,145,307
Total Domestic Equity	21,143,458	50,000	4,300,415	25,493,872
<u>International Equity</u>				
Dodge & Cox International Stock Fund	3,759,192	650,000	752,797	5,161,989
Artisan International Instl	4,290,702	150,000	744,291	5,184,994
Vanguard International Explorer Inv	1,443,871	250,000	385,546	2,079,417
Total International Equity	9,493,765	1,050,000	1,882,634	12,426,399
<u>Inflation Protection</u>				
Principal Diversified Real Asset R6	2,702,537	50,000	306,891	3,059,429
Total Inflation Protection	2,702,537	50,000	306,891	3,059,429
Total Plan	57,851,312	-1,402,277	7,363,000	63,812,034

Market Value & Flow Summary - Police & Fire Pension

Since Inception Ending June 30, 2020

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Sep-2008	-	-	-	32,361,482	N/A
Dec-2008	32,361,482	11,754	-4,302,377	28,070,858	-13.3
Mar-2009	28,070,858	95,703	-1,781,918	26,384,643	-6.3
Jun-2009	26,384,643	-3,715	3,456,520	29,837,448	13.1
Sep-2009	29,837,448	4,778	3,817,679	33,659,905	12.8
Dec-2009	33,659,905	11,989	1,162,505	34,834,399	3.5
Mar-2010	34,834,399	-8,365	1,277,310	36,103,344	3.7
Jun-2010	36,103,344	-2,389	-2,316,719	33,784,236	-6.4
Sep-2010	33,784,236	-812	3,159,918	36,943,342	9.4
Dec-2010	36,943,342	-2,440	2,173,988	39,114,890	5.9
Mar-2011	39,114,890	19,895	1,222,906	40,357,691	3.1
Jun-2011	40,357,691	-2,914	431,717	40,786,494	1.1
Sep-2011	40,786,494	13,174	-4,788,673	36,010,995	-11.7
Dec-2011	36,010,995	-353	2,364,010	38,374,652	6.6
Mar-2012	38,374,652	-678	3,530,323	41,904,297	9.2
Jun-2012	41,904,297	-321	-982,820	40,921,155	-2.3
Sep-2012	40,921,155	11,798	2,162,686	43,095,639	5.3
Dec-2012	43,095,639	-490	742,311	43,837,461	1.7
Mar-2013	43,837,461	485	2,421,059	46,259,005	5.5
Jun-2013	46,259,005	1,090	-76,250	46,183,845	-0.2
Sep-2013	46,183,845	2,301,503	2,530,241	51,015,589	5.3
Dec-2013	51,015,589	4,108	2,977,375	53,997,071	5.8
Mar-2014	53,997,071	2,038	451,835	54,450,944	0.8
Jun-2014	54,450,944	-2,748,442	1,841,931	53,544,433	3.5
Sep-2014	53,544,433	4,660	-758,611	52,790,481	-1.4
Dec-2014	52,790,481	-4,425	1,065,199	53,851,255	2.0
Mar-2015	53,851,255	349,679	1,108,721	55,309,656	2.0
Jun-2015	55,309,656	-1,502,261	-263,939	53,543,456	-0.5
Sep-2015	53,543,456	2,497,806	-3,383,145	52,658,117	-6.0
Dec-2015	52,658,117	-2,056	1,774,110	54,430,171	3.4
Mar-2016	54,430,171	-2,502,227	246,441	52,174,385	0.8

Market Value & Flow Summary - Police & Fire Pension

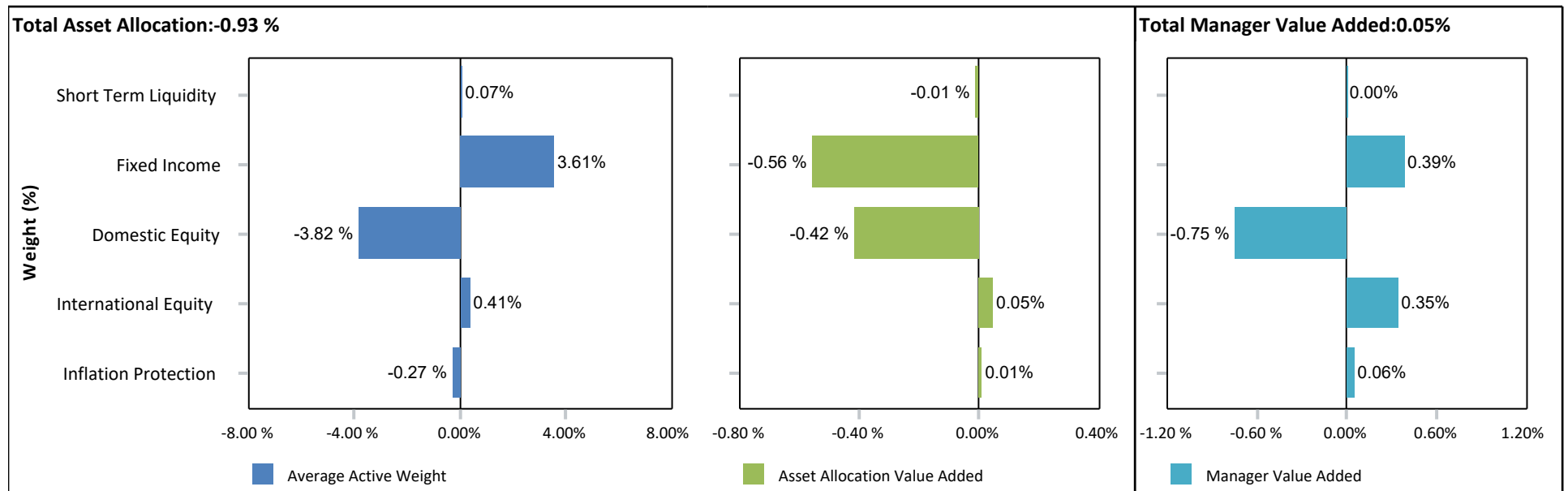
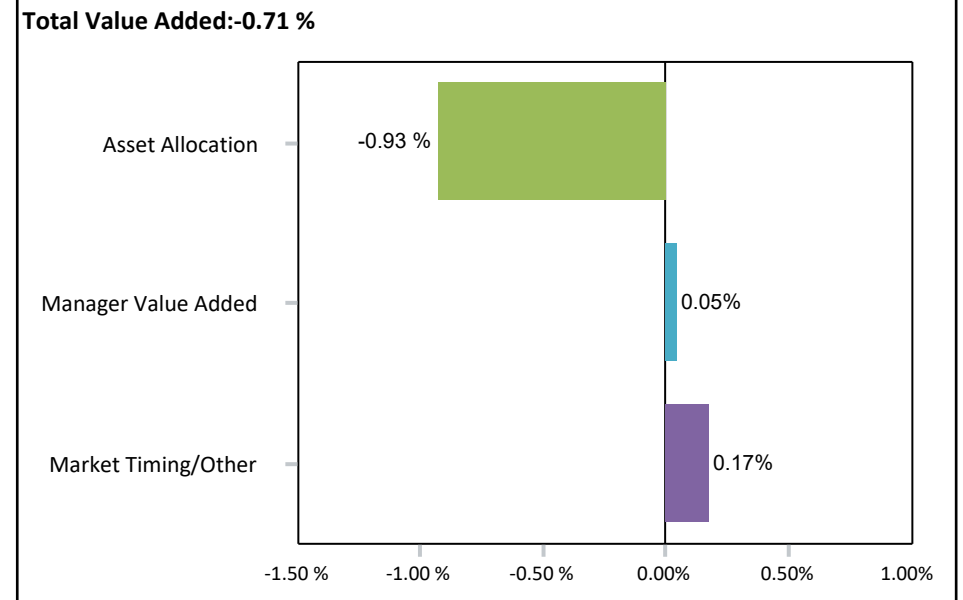
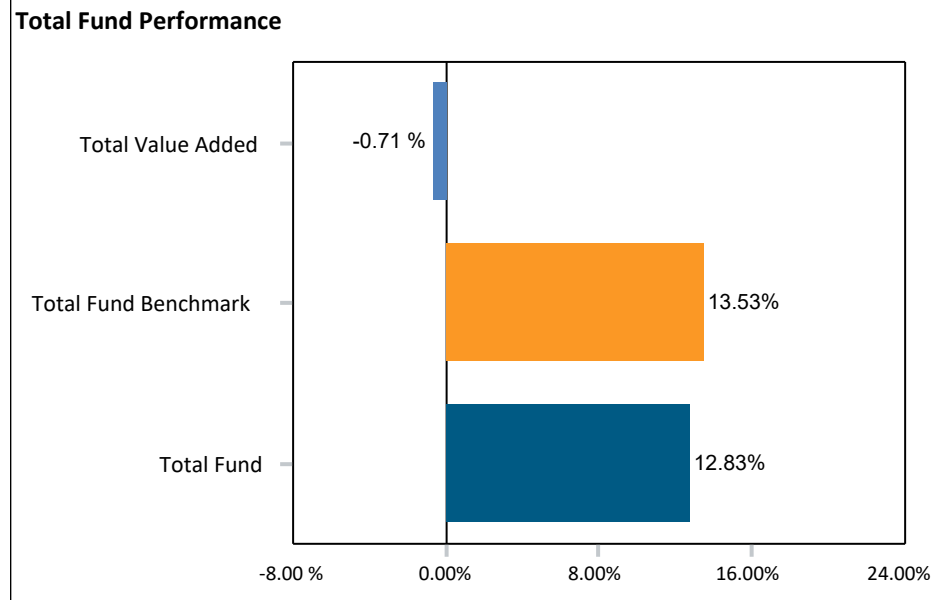
Since Inception Ending June 30, 2020

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Jun-2016	52,174,385	-1,302,213	898,872	51,771,045	1.7
Sep-2016	51,771,045	-2,061	1,696,251	53,465,235	3.3
Dec-2016	53,465,235	-2,201	153,596	53,616,629	0.3
Mar-2017	53,616,629	-2,197	2,555,633	56,170,066	4.8
Jun-2017	56,170,066	-1,352,293	1,812,502	56,630,275	3.3
Sep-2017	56,630,275	-1,828	1,922,942	58,551,389	3.4
Dec-2017	58,551,389	-2,402	2,009,378	60,558,366	3.4
Mar-2018	60,558,366	-2,467	-148,123	60,407,776	-0.2
Jun-2018	60,407,776	-2,621	608,800	61,013,955	1.0
Sep-2018	61,013,955	1,997,526	1,819,311	64,830,793	2.9
Dec-2018	64,830,793	-1,502,706	-5,339,820	57,988,267	-8.3
Mar-2019	57,988,267	-2,425	5,402,416	63,388,258	9.3
Jun-2019	63,388,258	-2,602,535	2,134,646	62,920,369	3.5
Sep-2019	62,920,369	2,997,365	462,142	66,379,876	0.7
Dec-2019	66,379,876	-1,302,846	3,477,801	68,554,830	5.3
Mar-2020	68,554,830	-1,303,006	-9,400,512	57,851,312	-14.0
Jun-2020	57,851,312	-1,402,277	7,363,000	63,812,034	12.8

Total Portfolio Attribution

Total Plan vs. Police & Fire Attribution

1 Quarter Ending June 30, 2020

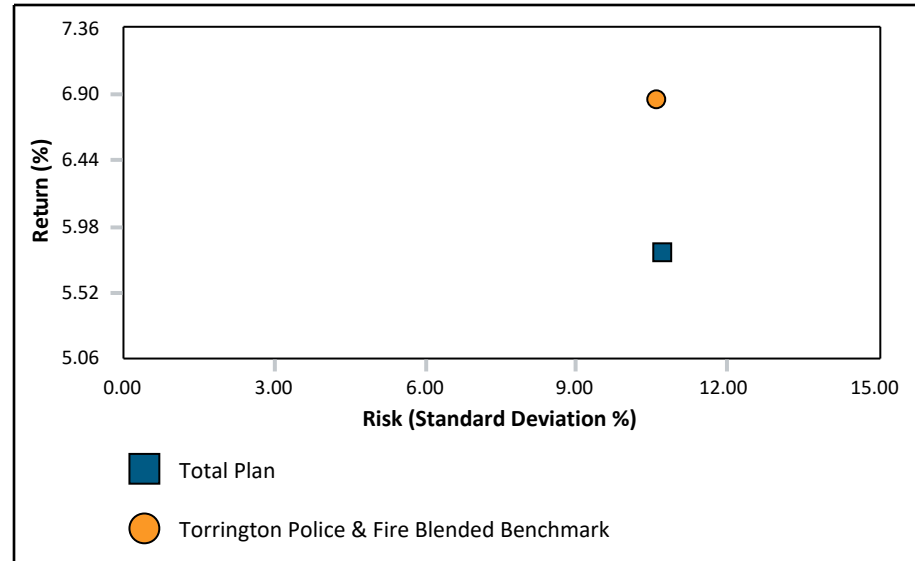


Returns are net of fees unless otherwise noted.

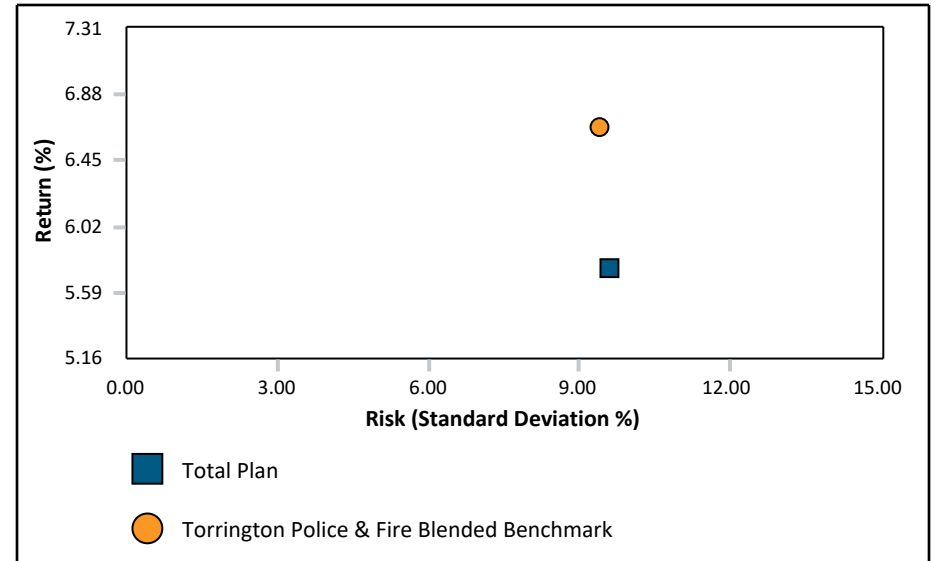
Risk vs. Return - Police & Fire Pension

As of June 30, 2020

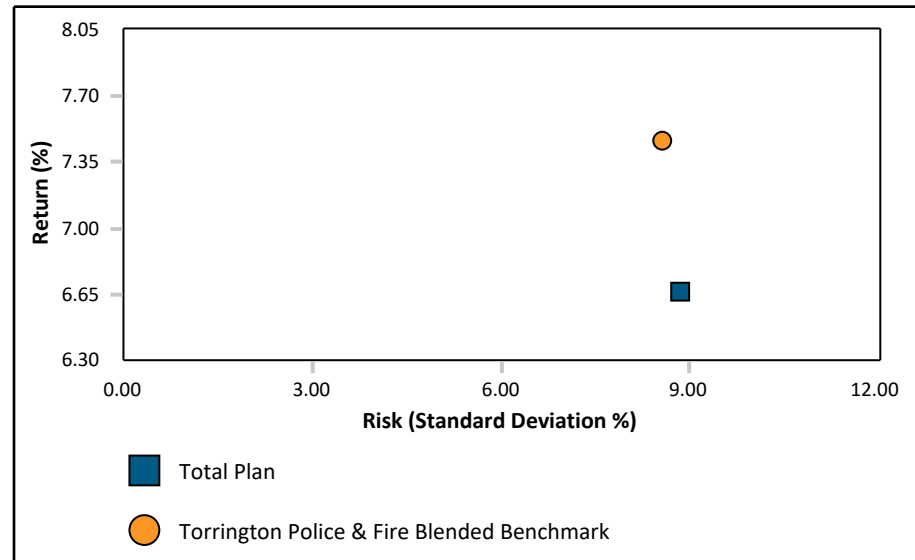
3 Year Risk and Return



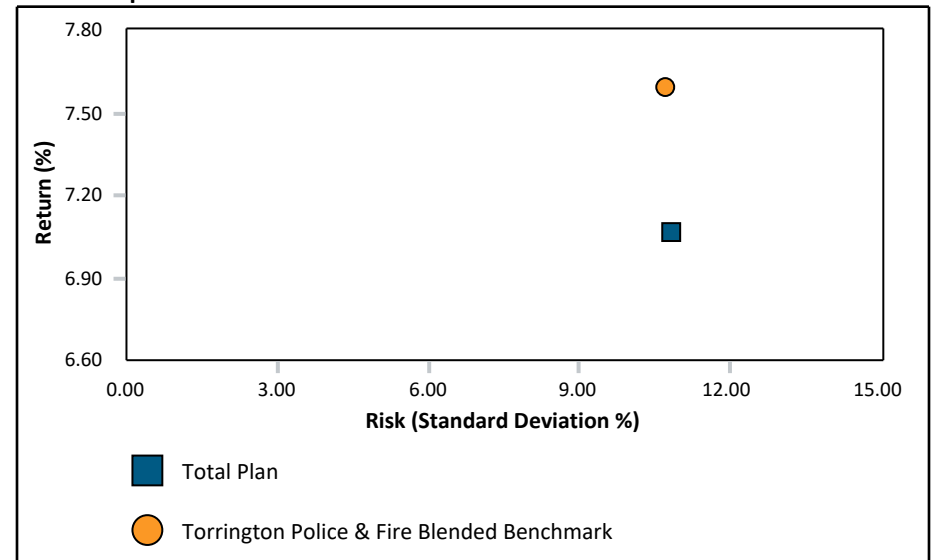
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



MPT Statistical Data - Police & Fire Pension

As of June 30, 2020

3 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Total Plan	5.79	10.71	7.79	0.41	-0.79	1.25	0.99	1.00	-1.01
Torrington Police & Fire Blended Benchmark	6.85	10.59	7.52	0.51	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	1.77	0.22	0.00	N/A	-0.51	10.68	0.18	-0.01	1.83

5 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Total Plan	5.74	9.63	6.76	0.51	-0.72	1.18	0.99	1.02	-0.96
Torrington Police & Fire Blended Benchmark	6.66	9.41	6.43	0.61	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	1.17	0.27	0.01	N/A	-0.61	9.47	0.04	-0.01	1.21

7 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
Total Plan	6.66	8.87	5.96	0.67	-0.61	1.19	0.98	1.03	-0.92
Torrington Police & Fire Blended Benchmark	7.46	8.58	5.64	0.78	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.85	0.27	0.01	N/A	-0.78	8.63	0.03	-0.01	0.89

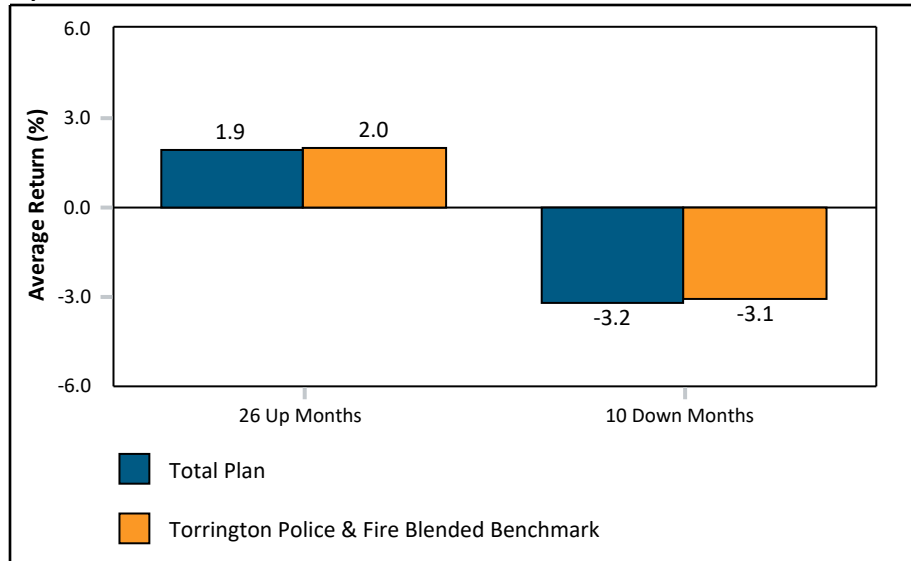
Since Inception Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha	Inception Date
Total Plan	7.06	10.83	7.43	0.63	-0.36	1.33	0.98	1.00	-0.49	10/01/2008
Torrington Police & Fire Blended Benchmark	7.59	10.73	7.33	0.68	N/A	0.00	1.00	1.00	0.00	10/01/2008
90 Day U.S. Treasury Bill	0.57	0.24	0.01	N/A	-0.68	10.78	0.03	0.00	0.60	10/01/2008

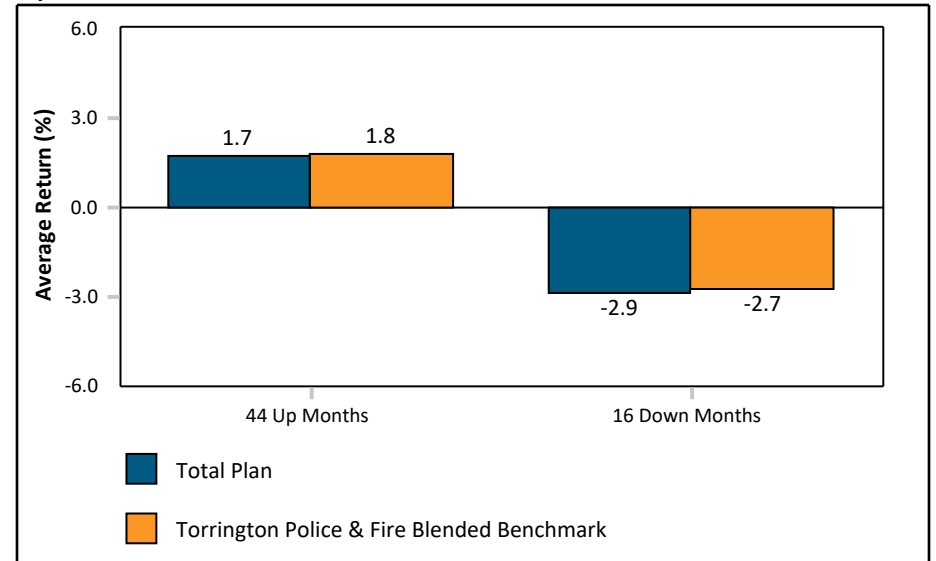
Market Capture Report - Police & Fire Pension

As of June 30, 2020

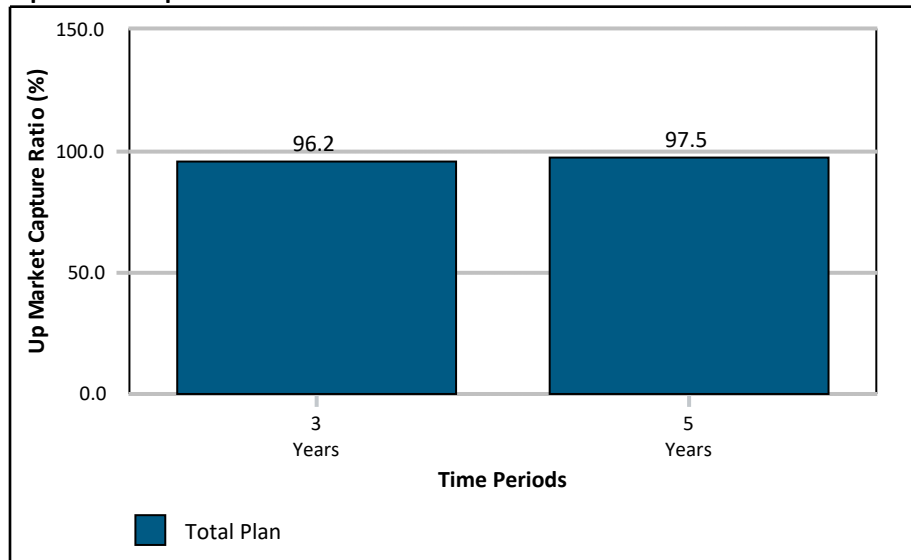
Up/Down Markets - 3 Years



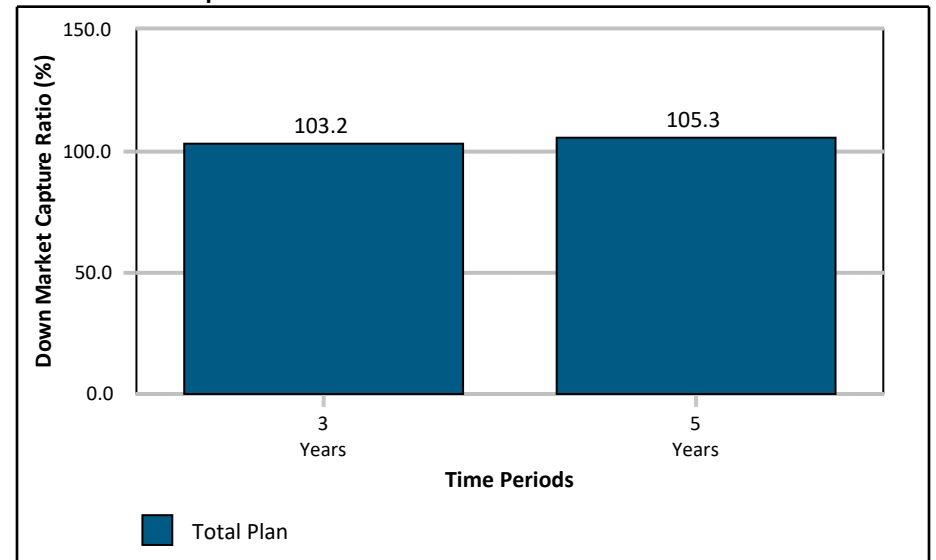
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



Historical Hybrid Composition

As of June 30, 2020

Allocation Mandate	Weight (%)
Dec-2019	
Blmbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	42.5
MSCI AC World ex USA (Net)	17.5
Principal Diversified Real Asset Strategic Index	5.0
Oct-2009	
Blmbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	42.5
MSCI AC World ex USA (Net)	17.5
FTSE EPRA/NAREIT Developed Index (Net)	5.0
Oct-2008	
Blmbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	42.5
MSCI AC World ex USA (Net)	17.5
FTSE EPRA/NAREIT Developed Index (Net)	5.0

Historical Hybrid Composition

Torrington Benchmark (Secondary)

As of June 30, 2020

Allocation Mandate	Weight (%)
Dec-2019	
Blmbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	37.5
MSCI AC World ex USA (Net)	17.5
FTSE EPRA/NAREIT Developed Index (Net)	5.0
Principal Diversified Real Asset Strategic Index	5.0
May-2011	
Blmbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	37.5
MSCI AC World ex USA (Net)	17.5
FTSE EPRA/NAREIT Developed Index (Net)	5.0
Short Term Inflation Protection Index	5.0
Oct-2009	
Blmbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	42.5
MSCI AC World ex USA (Net)	17.5
FTSE EPRA/NAREIT Developed Index (Net)	5.0
Oct-2008	
Blmbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	42.5
MSCI AC World ex USA (Net)	17.5
FTSE EPRA/NAREIT Developed Index (Net)	5.0

Historical Hybrid Composition

Inflation Protection Benchmark

As of June 30, 2020

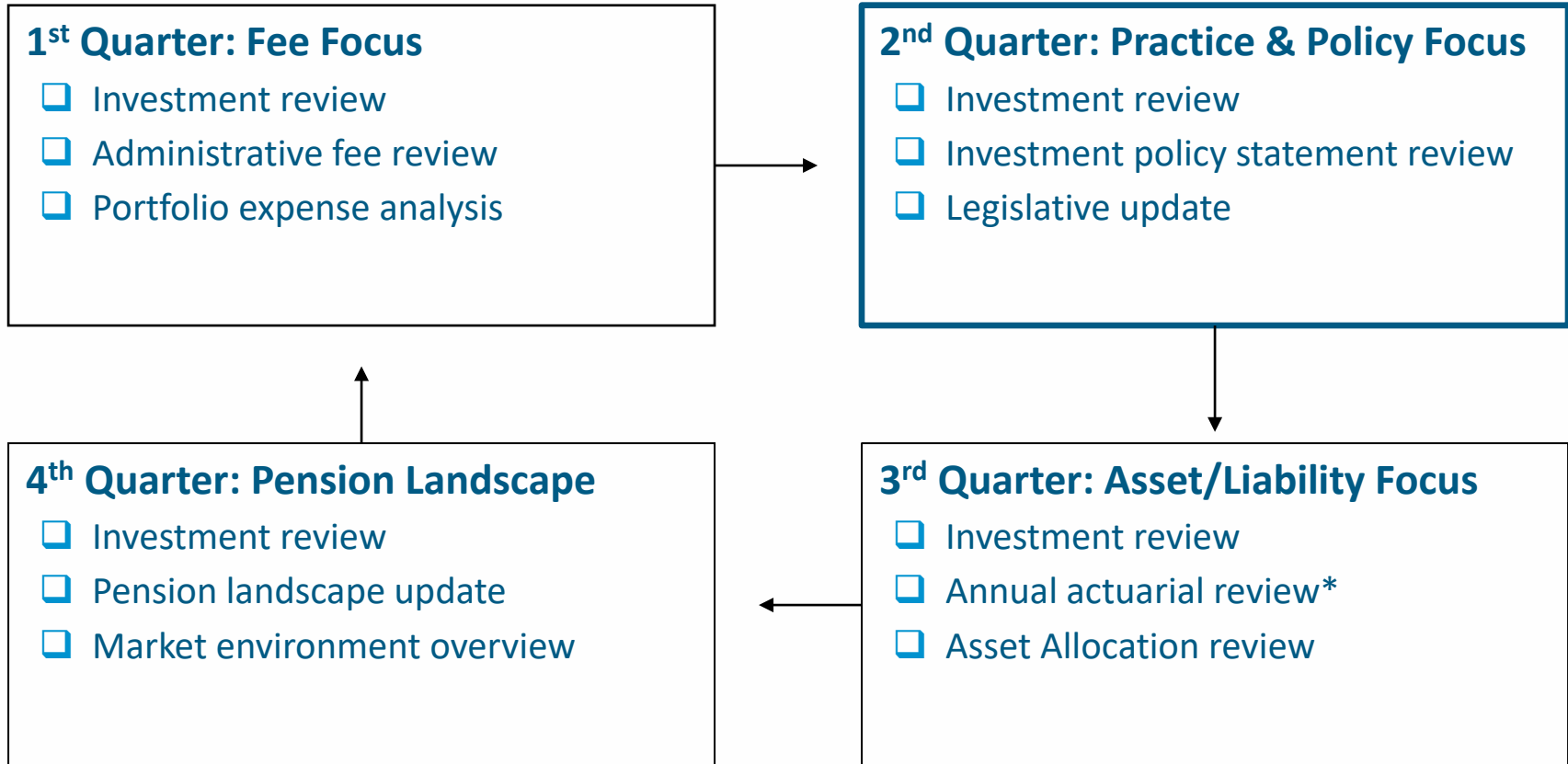
Allocation Mandate	Weight (%)
Dec-2019	
Principal Diversified Real Asset Strategic Index	100.0
Jun-2011	
Short Term Inflation Protection Index	100.0

Prospectus Links

As of June 30, 2020

<u>FUND FAMILY</u>	<u>WEB SITE</u>
Artisan Funds	www.artisanfunds.com
Boston Trust	www.bostontrust.com
Dodge & Cox	www.dodgeandcox.com
Eaton Vance	www.eatonvance.com
MainStay Funds	www.nylinvestments.com/mainstay
Met West	www.mwamllc.com
MFS	www.mfs.com
Principal	www.principalfunds.com
Templeton	www.franklintempleton.com
Vanguard	www.vanguard.com

Defined Benefit Fiduciary Governance Calendar



* Timing of actuarial and liability review dependent on client's individual plan and /or fiscal year and actuarial input.

Investment Policy Statement Considerations

An Investment Policy Statement provides the first step in establishing the FIDUCIARY TRAIL™.

- A well-written IPS is broad enough to allow flexibility but detailed enough to provide appropriate oversight.
- The essential components of an effective IPS are outlined below:

Component	Included in the City of Torrington's Investment Policy Statement?
Contains the detail to define, implement and manage a specific investment strategy.	Yes
Defines the duties and responsibilities of <u>all</u> parties involved.	Yes
Defines diversification and rebalancing guidelines consistent with the client's risk profile and time horizon.	Yes
Defines due diligence criteria for selecting investment options.	Yes
Defines monitoring criteria for investment options.	Yes

In the following pages, you will find the most recent IPS on file for the City of Torrington Employee and Police & Fire Pension Plans. The body of the IPS and asset allocation tables in Appendix A for both plans are as of October 2015. There are no recommendations for change at this point in time.

**City of Torrington
Employees Pension Plan**

INVESTMENT POLICY STATEMENT

Approved October 2015

Introduction & Purpose

The City of Torrington Employees Pension Plan (the “Plan”) has been established to provide retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Plan. This document is also intended to provide guidelines for managing the Plan, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Plan;
- Describes an appropriate risk posture for the investment of the Plan’s assets;
- Defines the responsibilities of the Pension Committee and other parties responsible for the management of the Plan;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Plan as a whole.

Investment Objective

The Plan’s 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 Pension Committee (the “Committee”) has taken into account the financial needs and circumstances of the Plan, the time horizon available for investment, the nature of the Plan’s cash flows and liabilities, and other factors that effect their risk tolerance. Consistent with this, the Committee has determined that the investment of these assets shall be guided by the following underlying goals:

- To achieve the stated actuarial target of the Plan;
- To maintain sufficient liquidity to meet the obligations of the Plan;
- To diversify the assets of the Plan in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that could occur from concentrated positions;
- To achieve investment results over the long-term that compare favorably with those of other municipal pension plans, professionally managed portfolios and appropriate market indexes.

Volatility Objectives

- Diversification will be employed to reduce risk. The Plan's assets will be diversified by employing multiple investment firms engaging in distinct styles of investment.
- The volatility of the total portfolio, in aggregate, should be reasonably close to the volatility of a weighted composite of market indices of the target portfolio, which currently is comprised of: 35% Barclays Capital Aggregate Bond Index, 42.5% Russell 3000 Index, 17.5% MSCI ACWI ex US Index, and 5% FTSE EPRA/NAREIT Developed Index.

Assignment of Responsibilities

Pension Committee - The Committee is charged with the responsibility of managing the assets of the Plan. To that end, the Committee's responsibilities include: establishing and maintaining the Plan's investment policy, selecting the investments, and periodically monitoring the performance of the investments. The Committee shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing.

Investment Consultant - The Committee may engage the services of an investment consultant. The investment consultant's role is that of a non-discretionary advisor to the Committee. The Investment Consultant will assist in the development and periodic review of an Investment Policy Statement and the Plan's asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Plan.

Investment Managers - Several investment managers will be appointed to manage a portion of the Plan's assets in a particular manner. Investment managers are given discretion to manage funds entrusted in accordance with the style for which they are employed provided they comply with the restrictions and limitations as may be determined by the Committee from time to time.

Custodian - The custodian is responsible for the safekeeping and custody of assets. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan (for example, to accommodate payments to eligible Plan participants).

Asset Allocation

The asset allocation target ranges set forth in Appendix A represent a long-term view. Short-term market volatility may cause the asset mix to fall outside the targeted range.

Rebalancing

The Pension Committee, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

Selection Criteria for Investment Managers

Investment managers retained by the Plan shall be chosen using the following criteria:

- Past performance, considered relative to other investments having similar investment objectives with consideration granted to both consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the Plan;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund;
- An assessment of the likelihood of future investment success, relative to other opportunities.

The Plan utilizes a multi-manager structure of complementary investment styles and asset classes to invest the Plan's assets.

Should additional contributions and/or market value growth permit, the Committee may retain additional investment managers to invest the assets of the Plan. Additional managers would be expected to diversify the Plan by investment style, asset class, and management structure and thereby enhance the probability of the Plan achieving its long-term investment objectives.

Securities Guidelines

The Plan's investments may include separately managed accounts and/or mutual funds/co-mingled funds. The Committee understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the investment policy statement of each of the Plan's separately managed accounts or in

the prospectus/offering memorandum for each mutual fund/co-mingled fund in the portfolio.

With respect to separately managed accounts, any securities and transactions that are not permitted in the Plan without prior written Committee approval will be detailed in the investment policy statement of each separate account manager, which is included as an attachment to this policy.

With respect to mutual/co-mingled funds, the Committee will consider the following to insure proper diversification and function for each of the funds:

1. The mutual fund/co-mingled pool organizations selected should demonstrate:
(a) a clearly defined investment philosophy; (b) a consistent investment process;
(c) an experienced and stable organization; (d) cost-effectiveness; and (e) responsiveness to evolving investor requirements.
2. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
3. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
4. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

Proxy Voting

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies according to their established proxy voting guidelines. A copy of those guidelines, and/or summary of proxy votes shall be provided to the Committee upon request.

Investment Monitoring and Reporting

The Committee will periodically review performance of the investments in the Plan. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain in tact and that an investment continues to be appropriate for the Plan. While

frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision. In addition, a set of “watch list criteria” may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Committee on potential areas of concern.

Watch list criteria may include the following:

- Behind benchmark performance over a specified period of time;
- Deterioration of risk-adjusted performance;
- Notable style drift / change in investment objective;
- Investment management fees not competitive in marketplace;
- Significant organizational or manager change.

Termination of an Investment Manager or Fund

A manager/fund may be terminated when the Committee has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions, it is reasonable to presume a lack of adherence going forward. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable time, may be grounds for termination.

Any recommendation to terminate a manager/fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include professional or client turnover, or material change to investment processes. Considerable judgment must be exercised in the termination decision process.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

Approval

It is understood that this investment policy is to be reviewed periodically by the Committee to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers.

Appendix A

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Cash & Equivalents	0.0%	0.0%	5.0%	Citigroup 3Mo T-Bill Index
<i>Fixed Income:</i>	<i>27.5%</i>	<i>35.0%</i>	<i>42.5%</i>	<i>Barclays Aggregate Index</i>
Core Fixed Income		30.0%		Barclays Aggregate Index
Global Fixed Income		5.0%		Citigroup World Government Bond Index
<i>Domestic Equities:</i>	<i>32.5%</i>	<i>37.5%</i>	<i>52.5%</i>	<i>Russell 3000 Index</i>
Large Cap Blend		12.5%		S&P 500 Index
Large Cap Value		10.0%		Russell 1000 Value Index
Large Cap Growth		10.0%		Russell 1000 Growth Index
Small/Mid Cap Blend		5.0%		Russell 2000 Index
<i>International Equities</i>	<i>12.5%</i>	<i>17.5%</i>	<i>22.5%</i>	<i>MSCI ACWI ex US Index</i>
Large Cap Value		7.5%		MSCI ACWI ex US Value
Large Cap Growth		7.5%		MSCI ACWI ex US Growth
Small/Mid Cap		2.5%		MSCI ACWI ex US Small Cap
<i>Global REIT</i>	<i>0.0%</i>	<i>5.0%</i>	<i>10.0%</i>	<i>FTSE EPRA/NAREIT Developed Index</i>
<i>Inflation Protection</i>	<i>0.0%</i>	<i>5.0%</i>	<i>10.0%</i>	<i>Custom Benchmark*</i>

*The custom benchmark includes the Bloomberg Commodity Index, S&P North American Natural Resources Index, and the Barclays US 0-5 Year TIPS Index.

**City of Torrington
Police & Fire Pension Plan**

INVESTMENT POLICY STATEMENT

Approved October 2015

Introduction & Purpose

The City of Torrington Police & Fire Pension Plan (the “Plan”) has been established to provide retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Plan. This document is also intended to provide guidelines for managing the Plan, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

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Appendix A

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Small/Mid Cap Blend		5.0%		Russell 2000 Index
<i>International Equities</i>	<i>12.5%</i>	<i>17.5%</i>	<i>22.5%</i>	<i>MSCI ACWI ex US Index</i>
Large Cap Value		7.5%		MSCI ACWI ex US Value
Large Cap Growth		7.5%		MSCI ACWI ex US Growth
Small/Mid Cap		2.5%		MSCI ACWI ex US Small Cap
<i>Global REIT</i>	<i>0.0%</i>	<i>5.0%</i>	<i>10.0%</i>	<i>FTSE EPRA/NAREIT Developed Index</i>
<i>Inflation Protection</i>	<i>0.0%</i>	<i>5.0%</i>	<i>10.0%</i>	<i>Custom Benchmark*</i>

*The custom benchmark includes the Bloomberg Commodity Index, S&P North American Natural Resources Index, and the Barclays US 0-5 Year TIPS Index.

On April 9, 2020, the Federal Reserve announced the establishment of the **Municipal Liquidity Facility (MLF)**, to help state and local governments better manage the cash flow pressures they are facing as a result of the increase in state and local government expenditures related to the COVID-19 pandemic and the delay and decrease of certain tax and other revenues.

- Under the program, the Fed will buy up to \$500 billion short term municipal notes directly from states, the District of Columbia, and eligible local governments. Program would allow all 50 states to designate two cities or counties to sell debts directly to the central bank's program, creating an option for states with less populous municipalities to participate.
- The municipal debt instruments eligible for purchase by the facility include tax anticipation notes (TANs), revenue anticipation notes (RANs), and bond anticipation notes (BANs) as well as other similar notes. Eligible debt securities must have terms to maturity of no more than 36 months from their dates of issuance.
- To date, few have shown interest in borrowing through the Fed which has positioned itself as a **high-interest** lender of last resort. In addition, many state and local governments whose ability to borrow for operating costs is limited by local law or state constitution.

Actuarial Review

City of Torrington Police & Fire Pension Plan

Hooker & Holcombe Actuarial Valuation Report June 30, 2019		
	6/30/19	6/30/18
Actuarial Value of Assets	\$62,989,305	\$60,148,364
Total Accrued Liability	\$100,248,318	\$98,259,752
Funded Ratio	62.83%	61.2%
Actuarial Return Assumption	7.0%	7.25%

Source: Hooker & Holcombe, 2019 Valuation Report

Actuarial Review

City of Torrington Employee Pension Plan

Hooker & Holcombe Actuarial Valuation Report June 30, 2019		
	6/30/19	6/30/18
Actuarial Value of Assets	\$41,607,860	\$40,372,588
Total Accrued Liability	\$50,424,464	\$49,161,237
Funded Ratio	82.52%	82.1%
Actuarial Return Assumption	7.0%	7.25%

Source: Hooker & Holcombe, 2019 Valuation Report

Timeline:

- *December 2019 – January 2020:* Service continuity *packets* and consent letters will be sent to clients
 - Clients have 6 months to complete and return documentation.
- *June 2021:* System integration expected to be complete
- *Late 2021:* Migration of client assets
 - Asset migration will occur on a bank holiday weekend in order to minimize disruption.

Contracts:

- Principal Financial will accept all existing contracts in place with Wells Fargo Institutional Retirement Trust clients.
 - Importantly, this will include **continuation of all current fee schedules**.
 - The only change in the documentation will be the legal entity of the contract issuer (from Wells Fargo to Principal).

Benefit Payments:

- For clients who use Wells Fargo Institutional Retirement Trust to issue benefit payments, an Institutional Retirement Trust representative will proactively reach out to provide guidance and assistance with regard to the change in payment services.
 - Wells Fargo/Principal is **willing and able to prepare all beneficiary communications** to inform beneficiaries of the change.
 - Clients who wish to maintain control over beneficiary communications rather than having Wells Fargo/Principal handle communications may do so. Wells Fargo/Principal will be as involved (or uninvolved) in the communication efforts as each client desires.

Investment Statistics – Descriptions

Statistic	Description
Active Return	Arithmetic difference between the manager's return and the benchmark return over a specified period.
Excess Return	Arithmetic difference between the manager's return and the risk-free return over a specified period.
Standard Deviation	Represents the degree of variation, or dispersion, of a portfolio's return in relation to its mean return. It is a measure of volatility or investment risk.
Downside Risk	A measure of the standard deviation, or volatility, of a portfolio's negative returns in relation to the mean of the negative returns over a specified period. The higher the figure, the riskier the portfolio in negative performance environments.
Sharpe Ratio	Represents the excess return over the risk-free return divided by the standard deviation of the portfolio's return. The ratio shows how well a portfolio performs versus a risk-free investment. The higher the value, the better the portfolio's historical risk-adjusted performance.
Tracking Error	A measure of the standard deviation of a portfolio's excess return over the return of appropriate market benchmark. Tracking error measures how closely a portfolio follows or tracks the index to which it is benchmarked.
Information Ratio	A measure of a portfolio's active return over its benchmark divided by the tracking error. A higher ratio indicates a manager's ability to consistently add active return relative to a benchmark.
Beta	A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk. A beta of 1.0 implies a portfolio is perfectly correlated to the market.
Alpha	A measure of the portfolio's value added relative to a benchmark, given its level of systematic risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Consistency	Also known as batting average, the percentage of quarters that a portfolio achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the portfolio's active performance.
R-Squared	Also known as the coefficient of determination, R-Squared (R^2) represents the percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. A high R^2 means a higher correlation of the portfolio's performance to that of the appropriate benchmark.
Up Market Capture	The ratio of a portfolio's average return over the benchmark during periods of positive benchmark return. Higher values indicate better performance in positive markets compared to the benchmark.
Down Market Capture	The ratio of a portfolio's average return over the benchmark during periods of negative benchmark return. Lower values indicate better performance (and better protection of capital) in down markets compared to the benchmark.
Style Map	Using returns-based style analysis, the style map gauges the adherence of a portfolio to its style mandate. The trend of the style plots identifies style drift, or lack thereof.
Private Equity Investments	
Internal Rate of Return (IRR)	An annualized money weighted return used primarily to measure performance of private equity investments. It represents the discount rate that makes the present value of the since inception paid-in capital and distributions associated with an investment equal to zero.
Investment Multiple (TVPI)	Also known as the total value paid-in capital. Multiple is calculated by dividing the fund's cumulative distributions and net asset value by the paid-in capital. The TVPI shows an investor the fund's total value as a multiple of its cost basis since inception.
Realization Multiple (DPI)	Also known as the distributions to paid-in capital (DPI) multiple. This is calculated by dividing the cumulative distributions by paid-in capital. It represents how much of an investor's invested capital has been returned to investors. A fund has broken even when multiple is greater than 1.0.
RVPI Multiple (RVPI)	Calculated by dividing residual value, or net asset value, by paid-in capital including fees paid and other expenses incurred. It measures how much of the fund's return is unrealized and dependent on the market value of its investments.
PIC Multiple (PIC)	Calculated by dividing paid-in capital by committed capital. This ratio allows a potential investor to see the percentage of a fund's committed capital that has been drawn down to date.

Data Source Acknowledgements, Links and Disclaimers

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