

# INVESTMENT SECTION

Custodian Report

Investment Consultant Report

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BNY MELLON

June 8, 2023

To the Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund:

The Bank of New York Mellon as custodian of the assets of the Metropolitan Water Reclamation District Retirement Fund (fund) held by it in a custodial account has provided annual accounting statements to the fund which represents The Bank of New York Mellon's record of investments, receipts, disbursements, purchases and sales of securities and other transactions pertinent to the custody accounts for the period of January 1, 2022 through December 31, 2022.

In addition to the custody of assets in the custody accounts, and pursuant to the Master Custody Agreement among the Board of Trustees and The Bank of New York Mellon dated May 2, 2107 and the securities lending contract dated June 27, 2007 the Bank of New York Mellon provides the following services:

- Maintain safe custody of the assets owned by MWRD Retirement Fund.
- Settle trades in accordance with manager instructions.
- Collect dividends and registered interest payments.
- Provide proxy processing and corporate action services.
- Sweep cash balances of manager accounts in end of day sweep vehicle.
- Provide MWRD with monthly and annual audited investment accounting statements.
- Provide Periodic reports summarizing the investment activity of the Fund's assets.
- Administer a securities lending program for MWRD Retirement Fund's assets and invest cash collateral received from such loans.

Sincerely,

A handwritten signature in black ink that reads "Jon Bangor".

Jon Bangor  
Relationship Manager  
412-234-8544

BNY Mellon Center, 500 Grant Street Suite 151-4040, Pittsburgh, PA 15258  
bnymellon.com



June 16, 2023

Board of Trustees  
Metropolitan Water Reclamation District Retirement Fund  
100 East Erie Street  
Chicago, IL 60611

To the Board of Trustees:

Marquette Associates ("Marquette") is the independent investment consultant for the Metropolitan Water Reclamation District Retirement Fund ("MWRDRF"). Marquette is responsible for the implementation of the MWRDRF's allocation, trustee education, the selection and monitoring of investment managers as well as investment performance analysis. Marquette follows the CFA® Institute's Performance Presentation Standards for calculating and reporting performance returns.

The assumed actuarial rate of return for the MWRDRF is 7.25%. In 2022, the MWRDRF returned -14.4% net of fees. Over the same period, the policy index returned -14.0%.

Decades-high inflation levels were persistent in 2022, peaking in June, accelerating to 9.1% year-over-year. After originally labeling inflation as a "transitory" phenomenon, the Fed was forced to double-back and retract its sentiment by raising rates aggressively. Russia's invasion of Ukraine and subsequent sanctions from the West added to inflationary pressures and macro uncertainties, with a more direct impact on Non-U.S. markets.

Russia's hostilities against Ukraine, drove volatility in the energy sector and a scramble for Europe to conserve and store energy for the winter. Recession concerns increased in 2022 as 2Q GDP, marked the second quarter of negative GDP growth in the U.S. Layoffs in the technology and housing sectors caught headlines but the labor market remained resilient, with job growth above the historical average and low unemployment rate.

The Aggregate Index returned -13.0% in 2022 as bank loans returned +5.4%, high yield returned -1.1%, and emerging markets debt returned -17.8%. At the end of 2022, the MWRDRF had approximately 26% allocated to Fixed Income. The composite returned -13.1% versus the benchmark which returned -13.0%.

Many U.S. equity indices began 2022 with their biggest quarterly decline in two years, as inflation and the prospect of increasingly restrictive monetary policy hit growth-oriented stocks. The second quarter saw domestic equities post their worst first half in over 50 years. Declines were felt across the market spectrum and continued through the end of the third quarter. Despite the decline that steadily continued throughout the year, all major domestic equity indices were able to post gains in the fourth quarter.

The MWRDRF ended 2022 with approximately 37% allocated to domestic equities. Domestic equity composite returned -18.4% versus the benchmark which returned -17.9%.

Similar to domestic equities, Global equities ended a tough year with a strong fourth quarter. Emerging markets concluded the year with a return of -20.1%, while their developed markets' counterparts, as measured by the MSCI EAFE Index returned -14.5%. MSCI EAFE in Local Currency terms returned -7.0%, highlighting how a strong U.S. dollar was a headwind for Non-U.S. equities.



To conclude 2022, the MWRDRF had approximately 25% allocated to international equities, with 5% allocated to Global Low Volatility and the remaining 20% allocated to non-US equities. The non-US equity composite returned -16.9% versus the benchmark which returned -16.0%. Global Low Volatility composite performed in-line with its benchmark, returning -10.3%.

Real estate returns continued to slow in the fourth quarter, driven by declines in capital value growth in the office and industrial sectors. Rent growth, rather than capital value appreciation, is expected to drive returns across core sectors through 2026. Dating back to the late 1970s, during stretches of interest rate increases, core real estate has consistently earned positive returns. The Retirement Fund ended 2022 with approximately 11% allocated to open-end real estate. The real estate composite returned +6.7% versus the benchmark which returned +6.5%.

This January, we saw 2023 commence on a positive note, with both fixed income and equity markets posting strong performance for the month. With that being said, uncertainty fueled by Fed action, inflation, continued strength in the labor market (amidst the Fed's hawkish approach to controlling inflation), and repercussions from Russia's war with Ukraine highlight some of the headwinds facing the market in the new year.

The Retirement Fund's diversification, liquidity and transparency are expected to help the portfolio traverse through today's market volatility, protect on the downside and capture the subsequent market rebound.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kweku Obed', written over a light blue horizontal line.

Kweku Obed, CFA, CAIA

## INVESTMENT PREFACE

### INVESTMENT AUTHORITY

The Metropolitan Water Reclamation District Retirement Fund's (Fund) investment authority is established by and subject to the provisions of the Illinois Compiled Statutes, Chapter 40, Act 5, Articles 1 and 13.

The Retirement Fund Board of Trustees (Board) invests the Fund's reserves according to the Prudent Person Rule. This rule requires a Trustee, who is a fiduciary by way of title, to discharge their duties with the care, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in a similar situation.

### INVESTMENT RESPONSIBILITY

The duties of the Board include the appointment and review of investment managers as fiduciaries to manage the investment assets of the Fund. The investment managers are granted discretionary authority to manage stated assets and vote all proxies for the Board. The investment managers must discharge their duties with respect to the Fund solely in the interest of the Fund's contributors and beneficiaries.

### INVESTMENT POLICY & OBJECTIVES

The Fund's asset allocation strategy is based on a combination of long-term investment return expectations and the Fund's expected cash requirements for payments of benefits and expenses. The investment objective of the total portfolio is to maximize the rate of return within a prudent level of risk.

The Fund is expected to meet or exceed the actuarial return assumption on average over 5-year rolling quarterly periods. During 2022, the Fund's actuarial return assumption was 7.25%. The Fund's policy index since November 2021 is as follows:

15%	S&P 500 Index	Domestic Large Cap Core
5%	Russell 1000 Growth Index	Domestic Large Cap Growth
4%	S&P 400 Index	Domestic Mid Cap Core
5%	Russell 2500 Value Index	Domestic SMID Cap Value
9%	Russell 2000 Value Index	Domestic Small Cap Value
9%	MSCI ACWI ex-US Index	International Large Cap Core
6%	S&P Developed Small Cap ex-U.S.	International Small Cap Core
5%	MSCI ACWI Minimum Volatility Index	Global Large Cap Core
5%	MSCI Emerging Markets Index	Emerging Markets Core
27%	Bloomberg Barclays US Aggregate Index	Domestic Fixed Income
10%	NFI-ODCE Index	Domestic Real Estate

Individual goals are established for each investment manager and incorporated into the contracts with those managers. The Board hires and reviews investment managers based on an evaluation of their investment philosophy, long-term performance, and ability to complement existing portfolio styles. Investment managers must adhere to their stated investment philosophy and strive to attain their performance goals. The formal investment policy is reviewed annually.

**INVESTMENT ALLOCATION**

The Investment Policy of the Fund establishes asset allocation targets and ranges for each asset class to achieve risk and return objectives. Fund staff, in collaboration with the Fund's investment consultant, monitors the investment allocation monthly. Rebalancing is normally recommended by the consultant when variances approach 5% over or under the targets. In addition, strategic withdrawals for payment of benefits are used to fine-tune the allocations.

**INVESTMENT MANAGEMENT**

The Fund's stated investment objective is to maximize the rate of return within a prudent level of risk. During 2022, the Board of Trustees, with the assistance of the Fund's investment consultant, Marquette Associates, undertook the following investment activities related to the Fund's stated investment objective:

- In January, April, July, and October the Fund received partial redemptions from the UBS Trumbull Property Fund; total redeemed during the year was \$12.5 million.
- The Fund received a \$30.0 million special contribution from the District in March, which was invested with Ramirez Asset Management and Garcia Hamilton & Associates.
- Subsequent to a RFP issued in late 2021, the Fund terminated the International Small Cap mandate with LSV Asset Management and funded two new managers in April. The mandate was split between Driehaus Capital Management and Kayne Anderson Rudnick Investment Management.
- The Fund interviewed finalists for the Developed International Large Cap mandate. Two firms, Aristotle Capital Management and Earnest Partners were selected by the Board. Funding of the mandate occurred in early 2023.
- Due to the District receiving some of the 2<sup>nd</sup> installment of 2021 property tax receipts after year end, investment withdrawals for benefit payments were higher than usual, totaling \$117.2 million. Withdrawals for 2023 are expected to be lower than usual as a result.

**INVESTMENT PERFORMANCE**

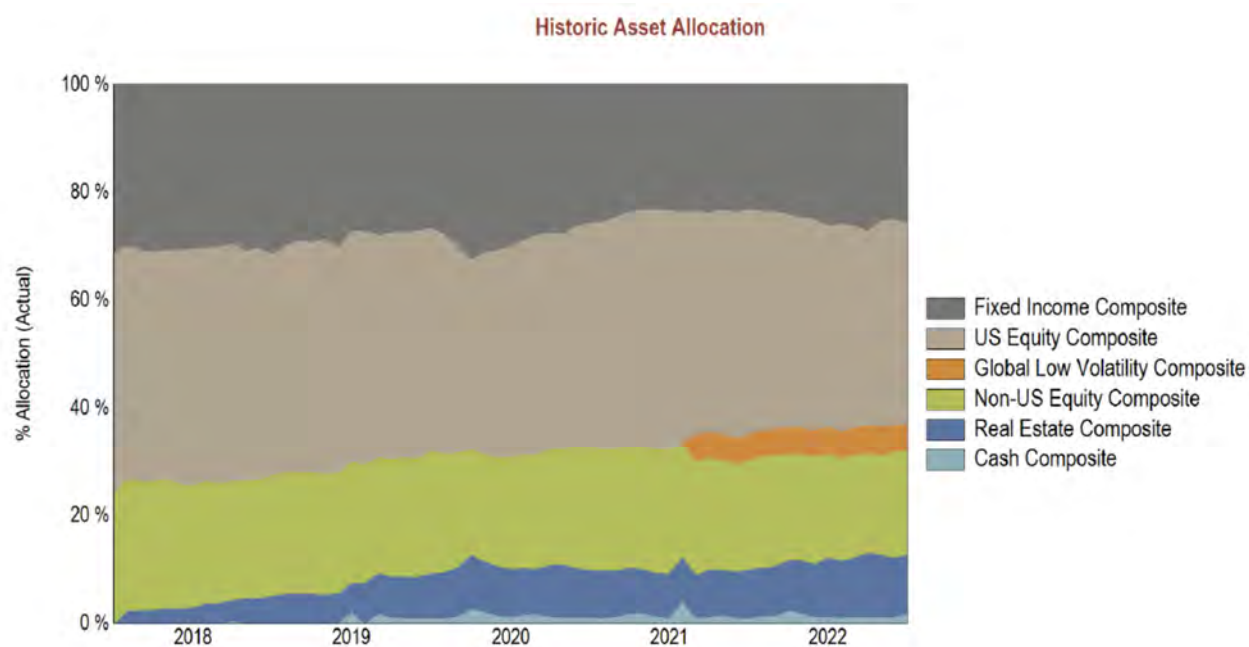
Marquette Associates evaluates investment manager performance as well as overall performance on a monthly and quarterly basis and presents their reports to the Trustees at the monthly Board meetings. Investment returns are calculated based on a time-weighted rate of return, in compliance with industry accepted reporting standards. Rates of returns are reported net of investment fees. The Fund's investment managers report performance in compliance with Global Investment Performance Standards. This reporting requirement is also included in the managers' contractual agreements with the Fund.

The time weighted rate of return on invested assets for the year ending December 31, 2022 was -14.4% net of fees. The Fund's performance over the long term against the actuarial rate of return assumption, the various component indices, and the Policy Index is an important indicator of how well the Fund is accomplishing its investment objectives. Data for trend analysis is also included in this section.

**PORTFOLIO ASSET ALLOCATION**

**By Manager Type**

	December 31, 2022			December 31, 2021		
	Fair Value	Actual	Policy	Fair Value	Actual	Policy
Fixed Income	341,082,982	25.6 %	27.0 %	376,584,570	23.0 %	27.0 %
U.S. Equity	496,721,035	37.3	38.0	682,323,158	41.6	38.0
Non-U.S. Equity	259,185,878	19.4	20.0	331,924,364	20.3	20.0
Global Equity	66,943,456	5.0	5.0	83,213,179	5.1	5.0
Real Assets	144,550,890	10.8	10.0	147,473,400	9.0	10.0
Cash	<u>25,327,642</u>	<u>1.9</u>	<u>-</u>	<u>16,726,933</u>	<u>1.0</u>	<u>-</u>
<b>Total Investments</b>	<b><u>\$1,333,811,883</u></b>	<b><u>100.0 %</u></b>	<b><u>100.0 %</u></b>	<b><u>\$1,638,245,604</u></b>	<b><u>100.0 %</u></b>	<b><u>100.0 %</u></b>



Note: Investment balances in the Investment Section of this report refer to balances per Marquette’s Q4 2022 Performance Book, unless otherwise noted.

Source: Marquette Associates



## PORTFOLIO PERFORMANCE

	Year ending 12/31/22 <sup>1,2</sup>	3-Year Annualized	5-Year Annualized	10-Year Annualized
<b>Total Fund Composite</b>	<b>-14.4%</b>	<b>2.5%</b>	<b>3.4%</b>	<b>6.8%</b>
<i>Policy Index</i>	-14.0%	2.6%	3.6%	6.9%
<i>Actuarial Rate 7.25%</i>	7.3%	7.3%	7.3%	7.4%
<b>Fixed Income Composite</b>	<b>-13.1%</b>	<b>-2.5%</b>	<b>0.2%</b>	<b>1.3%</b>
<i>Bloomberg US Aggregate TR</i>	-13.0%	-2.7%	0.0%	1.1%
<b>US Equity Composite</b>	<b>-18.4%</b>	<b>5.6%</b>	<b>6.2%</b>	<b>10.7%</b>
<i>US Equity Custom Benchmark</i>	-17.9%	5.9%	6.8%	10.6%
<b>Large Cap Core Composite</b>	<b>-18.1%</b>	<b>8.8%</b>	<b>10.5%</b>	<b>--</b>
<i>S&amp;P 500</i>	-18.1%	7.7%	9.4%	12.6%
<b>Large Cap Growth Composite</b>	<b>-29.1%</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Russell 1000 Growth</i>	-29.1%	7.8%	11.0%	14.1%
<b>Mid Cap Composite</b>	<b>-13.1%</b>	<b>6.3%</b>	<b>5.7%</b>	<b>--</b>
<i>S&amp;P 400 MidCap</i>	-13.1%	7.2%	6.7%	10.8%
<b>Smid Cap Composite</b>	<b>-20.4%</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Russell 2500 Value</i>	-13.1%	5.2%	4.8%	8.9%
<b>Small Cap Composite</b>	<b>-14.1%</b>	<b>6.2%</b>	<b>5.3%</b>	<b>--</b>
<i>Small Cap Benchmark</i>	-14.5%	4.7%	4.1%	--
<b>Global Low Volatility Composite</b>	<b>-10.3%</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>MSCI ACWI Minimum Volatility Index</i>	-10.3%	1.6%	4.6%	7.8%
<i>MSCI World</i>	-18.1%	4.9%	6.1%	8.9%
<b>Non-US Equity Composite</b>	<b>-16.9%</b>	<b>-1.0%</b>	<b>-0.2%</b>	<b>4.5%</b>
<i>MSCI ACWI ex USA</i>	-16.0%	0.1%	0.9%	3.8%
<b>Real Estate Composite</b>	<b>6.7%</b>	<b>7.9%</b>	<b>--</b>	<b>--</b>
<i>NFI-ODCE</i>	6.5%	9.0%	7.7%	9.1%

<sup>1</sup> See current Policy Index on p.59. Policy index has been modified over time based on changes to the Fund's asset allocation.

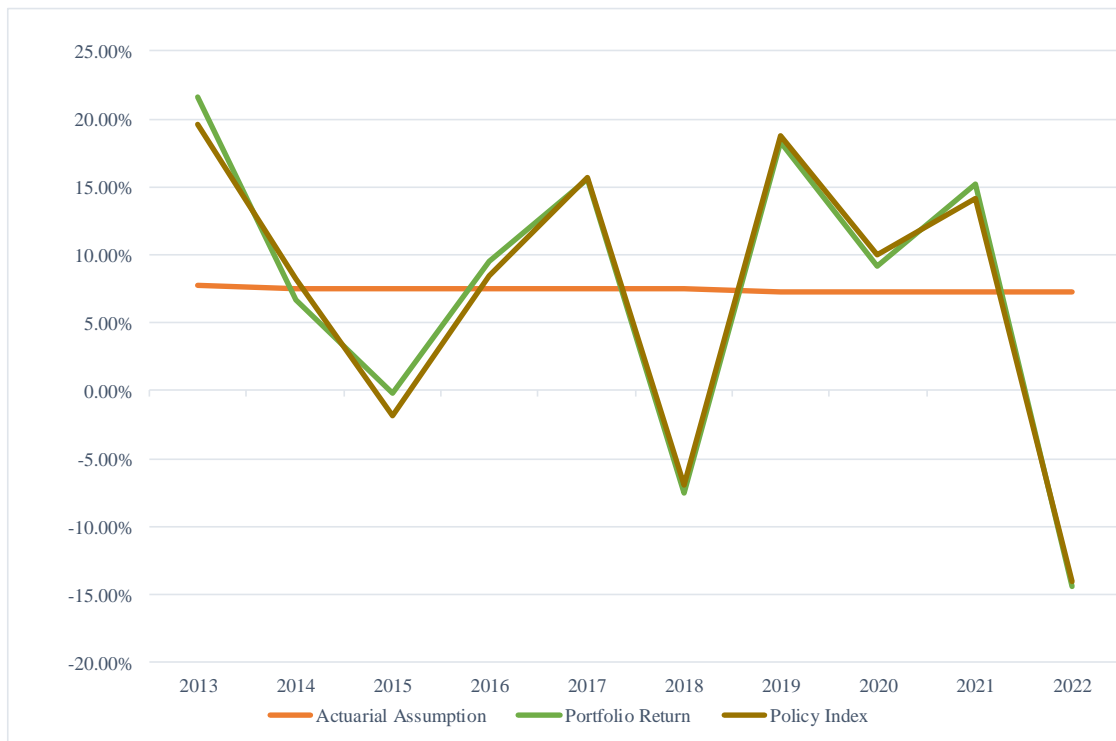
<sup>2</sup> Investment returns are reported net of investment fees. The calculation is based on a time-weighted rate of return and is in compliance with industry accepted reporting standards. Quarterly reports of the Fund's Investment Consultant can be obtained upon request.

Source: Marquette Associates

**INVESTMENT RETURNS**

**Last Ten Years**

December 31 <sup>st</sup>	Investment Assets <sup>1</sup>	Actuarial Assumption	Portfolio Return <sup>2</sup>	Policy Index <sup>3</sup>
2013	\$ 1,246,898,339	7.75%	21.7%	19.6%
2014	1,281,356,457	7.50%	6.7%	8.2%
2015	1,221,831,791	7.50%	-0.2%	-1.8%
2016	1,271,792,170	7.50%	9.5%	8.5%
2017	1,383,772,856	7.50%	15.6%	15.7%
2018	1,242,672,493	7.50%	-7.5%	-6.9%
2019	1,422,895,959	7.25%	18.3%	18.8%
2020	1,498,905,113	7.25%	9.2%	10.0%
2021	1,645,660,326	7.25%	15.2%	14.2%
2022	1,335,858,090	7.25%	-14.4%	-14.0%



<sup>1</sup> Investment Assets balances shown in this table are from the audited Financial Statements.

<sup>2</sup> Time weighted investment returns are reported net of investment fees.

<sup>3</sup> See current Policy Index in Investment Preface. Policy index has been modified over time based on changes to the Fund’s asset allocation.

**EQUITY DIVERSIFICATION**  
as of December 31, 2022

	US Equity		Non-US Equity		Global Equity	
	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total
Communication Services	\$ 32,783,588	6.6	\$ 18,402,197	7.1	\$ 5,957,968	8.9
Consumer Discretionary	62,586,850	12.6	26,696,145	10.3	5,690,194	8.5
Consumer Staples	22,849,168	4.6	20,216,498	7.8	7,096,006	10.6
Energy	20,365,562	4.1	14,773,595	5.7	1,673,586	2.5
Financials	74,508,155	15.0	43,284,042	16.7	9,104,310	13.6
Healthcare	63,083,571	12.7	19,698,127	7.6	10,710,953	16.0
Industrials	57,122,919	11.5	38,877,882	15.0	5,957,968	8.9
Information Technology	97,854,044	19.7	33,953,350	13.1	12,719,257	19.0
Materials	22,352,447	4.5	20,994,056	8.1	2,276,078	3.4
Real Estate	12,914,747	2.6	5,183,718	2.0	1,606,643	2.4
Utilities	21,359,005	4.3	6,220,461	2.4	3,548,003	5.3
Unclassified	8,940,979	1.8	10,885,807	4.2	602,491	0.9
	<u>\$ 496,721,035</u>	<u>100.0</u>	<u>\$ 259,185,878</u>	<u>100.0</u>	<u>\$ 66,943,456</u>	<u>100.0</u>

Note: Fair Value per sector on this schedule is approximate and is calculated based on the Industry Sector distribution percentages applied to the asset class balance at 12/31/22, provided by Marquette Associates.

**TOP 10 HOLDINGS - EQUITIES**  
as of December 31, 2022

**US EQUITY**

<b>Company Name</b>	<b>Industry</b>	<b>Portfolio Weight %</b>
APPLE INC	Information Technology	3.7
MICROSOFT CORP	Information Technology	3.4
AMAZON.COM INC	Consumer Discretionary	1.4
ALPHABET INC	Telecommunication Services	1.9
UNITEDHEALTH GROUP INC	Health Care	0.9
AFFILIATED MANAGERS GROUP INC.	Financials	0.8
NVIDIA CORPORATION	Information Technology	0.7
BERKSHIRE HATHAWAY INC	Financials	0.7
BOYD GAMING CORP	Consumer Discretionary	0.7
VISA INC	Information Technology	0.6

**NON-US EQUITY**

<b>Company Name</b>	<b>Industry</b>	<b>Portfolio Weight %</b>
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Information Technology	1.4
TENCENT HOLDINGS LTD	Telecommunication Services	1.3
SAMSUNG ELECTRONICS CO LTD	Information Technology	1.2
NESTLE SA, CHAM UND VEVEY	Consumer Staples	0.6
GUINNESS ANCHOR	Consumer Staples	0.5
HAITIAN INTERNATIONAL HOLDINGS LTD	Industrials	0.5
MERCARI INC	Consumer Discretionary	0.5
AJ BELL PLC	Financials	0.5
HAW PAR CORP LTD	Health Care	0.5
GRUPPO MUTUIONLINE SPA	Financials	0.5

**GLOBAL EQUITY**

<b>Company Name</b>	<b>Industry</b>	<b>Portfolio Weight %</b>
MICROSOFT CORP	Information Technology	2.8
JOHNSON & JOHNSON	Health Care	2.6
ROCHE HOLDING AG	Health Care	1.9
APPLE INC	Information Technology	1.8
DBS GROUP HOLDINGS LTD	Financials	1.6
AMDOCS LTD	Information Technology	1.6
KDDI CORP	Telecommunication Services	1.5
PEPSICO INC	Consumer Staples	1.4
GENERAL MILLS INC.	Consumer Staples	1.4
ALPHABET INC	Telecommunication Services	1.4

Source: Marquette Associates

**FIXED INCOME DIVERSIFICATION**  
**as of December 31, 2022**

Sector	Fair Value <sup>1</sup>	% of Total
U.S Treasuries/Agency	\$ 108,123,305	31.7
Corporate	84,588,580	24.8
Mortgage-Backed	108,123,305	31.7
Asset-Backed	10,573,572	3.1
Foreign	6,821,660	2.0
Municipals	24,216,892	7.1
Other	(1,364,332)	-0.4
Total Fixed Income	\$ 341,082,982	100.0

<sup>1</sup> Negative fair value in the “Other” sector represents net unsettled positions at year end.

Note: Fair Value per sector on this schedule is approximate and is calculated based on the Industry Sector distribution percentages applied to the asset class balance at 12/31/22, provided by Marquette Associates.

**TOP 10 HOLDINGS - FIXED INCOME**  
**as of December 31, 2022**

Security Name	Portfolio Weight %
UST 3.75% SNR 15/08/2041 USD100	2.24
UST 2.5% SNR 15/05/2024 USD100	1.64
UST 0% NTS 31/07/24 USDBE-2024	1.60
UST 2.375% SNR 15/08/24 USD100	1.45
UST 0% NTS 15/02/32 USDB-2032	0.95
UST 2.5% SNR 15/05/2046 USD1000	0.95
UST BDS USD	0.94
UST 0% NTS 15/05/25 USDAN-2025	0.94
UST 2.375% SNR 15/05/27 USD1000	0.70
FN 2.500 2051-05-01 USD	0.69

*Source: Marquette Associates*

## Investment Portfolio Analytics

## Investment Section

### ASSETS UNDER MANAGEMENT

#### By Asset Type and Manager

	December 31, 2022		December 31, 2021	
	Fair Value	% of Total	Fair Value	% of Total
<u>Fixed Income Managers</u>				
Neuberger Berman	\$ 92,806,292	7.0	\$ 111,889,993	6.8
Ramirez Asset Management	67,150,172	5.0	59,885,906	3.7
State Street Global Advisors	129,372,378	9.7	148,964,377	9.1
Garcia Hamilton & Associates	51,754,140	3.9	55,844,294	3.4
Total Fixed Income	341,082,982	25.6	376,584,570	23.0
<u>Equity Managers</u>				
U.S. Equity				
Ariel Investments	65,226,490	4.9	102,557,792	6.3
Mesirow Financial Management	53,020,907	4.0	65,577,526	4.0
State Street Global Advisors S&P500	197,305,005	14.8	273,099,725	16.7
State Street Global Advisors S&P400	53,567,514	4.0	66,695,258	4.0
State Street Global Advisors Russell1KG	59,278,354	4.4	83,624,134	5.1
Wasatch Advisors	68,322,765	5.1	90,768,723	5.5
Subtotal	496,721,035	37.2	682,323,158	41.6
Non-U.S. Equity				
Dimensional Fund Advisors	66,876,172	5.0	89,718,116	5.5
Driehaus Capital Management	37,254,475	2.8	-	-
Kayne Anderson Rudnick	35,355,349	2.7	-	-
LSV Asset Management	870,766	0.0	91,830,806	5.6
State Street Global Advisors MSCI-ACWI	118,829,116	8.9	150,375,442	9.2
Subtotal	259,185,878	19.4	331,924,364	20.3
Global Equity				
MFS Investment Management	34,723,256	2.6	41,778,265	2.6
Northern Trust Asset Management	32,220,200	2.4	41,434,914	2.5
Subtotal	66,943,456	5.0	83,213,179	5.1
Total Equities	822,850,369	61.6	1,097,460,701	67.0
<u>Real Estate Managers</u>				
DWS RREEF America II	91,665,759	6.9	85,150,130	5.2
UBS Trumbull Property Fund	52,885,131	4.0	62,323,270	3.8
Total Real Estate	144,550,890	10.9	147,473,400	9.0
Cash	25,327,642	1.9	16,726,933	1.0
Total Investments	\$ 1,333,811,883	100.0	\$ 1,638,245,604	100.0

Source: Marquette Associates

**INVESTMENT MANAGER COMPENSATION**

<u>Investment Managers:</u> <sup>1</sup>	2022	2021
Ariel Investments	\$ 351,410	\$ 480,202
DWS RREEF	876,984	698,539
Decatur Capital Management	-	267,875
Driehaus Capital Management	199,860	-
Garcia Hamilton & Associates	108,705	106,347
Kayne Anderson Rudnick Investment Management	192,914	-
LSV Asset Management	196,088	829,667
MFS Investment Management	113,397	49,863
Mesirow Financial Management	341,038	362,850
Neuberger Berman	248,111	266,982
Northern Trust Asset Management	97,759	44,930
Ramirez Asset Management	126,907	110,869
State Street Global Advisors	169,672	190,688
UBS Realty Investors	476,361	509,761
Wasatch Advisors	542,043	788,109
Total	<u>\$ 4,041,249</u>	<u>\$ 4,706,683</u>

**CUSTODIAL FEES**<sup>2</sup>

<u>Institution</u>		
Bank of New York Mellon Co.	\$ 230,062	\$ 165,344

**INVESTMENT CONSULTANT FEES**

<u>Consulting Firm</u>		
Marquette Associates	<u>\$ 180,000</u>	<u>\$ 180,000</u>
Total Investment Expenses	<u>\$ 4,451,311</u>	<u>\$ 5,052,027</u>

<sup>1</sup> Investment manager compensation is reflected in the financial statements along with other direct investment expenses as an offset to investment income and is so described within the notes to the financial statements.

<sup>2</sup> Custodial fees paid to BNYM do not include management fees related to the Fund's commingled assets custodied by State Street and Dimensional Fund Advisors.

Note: Pro rata management fees and other expenses estimated at \$296,000 for the Dimensional Fund Advisors mutual fund allocation are not recorded in the Financial Statements in accordance with GAAP.



**U.S. BROKERAGE COMMISSIONS**  
**Year Ended December 31, 2022**

<u>Broker Name</u>	<u>Commissions</u> <sup>1</sup>	<u>% of Total</u>
Loop Capital Markets LLC <sup>2</sup>	\$ 32,158	17.1
Robert W Baird & Co. Incorporated	20,903	11.1
Penserra Securities LLC <sup>2</sup>	19,895	10.6
Drexel Hamilton LLC <sup>2</sup>	15,205	8.1
CastleOak Securities LP <sup>2</sup>	11,681	6.2
Stifel, Nicolaus & Company, Incorporated	9,320	5.0
Jeffries & Co	6,743	3.6
Raymond James & Associates Inc	6,541	3.5
Virtu Financial Inc	6,300	3.4
Siebert Williams Shank & Co LLC <sup>2</sup>	5,971	3.2
Cabrera Capital Markets LLC <sup>2</sup>	5,744	3.1
Academy Securities Inc. <sup>2</sup>	5,720	3.0
Piper Sandler Companies	4,793	2.5
Goldman Sachs & Co. LLC	4,642	2.5
Jones Trading	3,590	1.9
Wolfe Research LLC	3,583	1.9
Liquidnet Inc	3,515	1.9
Blaylock Van LLC <sup>2</sup>	2,657	1.4
CL King & Associates Inc <sup>2</sup>	2,631	1.4
BTIG LLC	2,066	1.1
Subtotal	<u>173,656</u>	<u>92.5</u>
All Others <sup>3</sup>	<u>14,337</u>	<u>7.5</u>
Total	<u>\$ 187,993</u>	<u>100.0</u>

<sup>1</sup> Investment brokerage commissions are accounted for as an additional cost to a security when the security is purchased, and as a reduction to the cash amount received when the security is sold.

<sup>2</sup> Brokerage for stock trades executed by Minority/Women/Disabled/Veteran – Owned Business Enterprises.

<sup>3</sup> Brokerage firms that each received less than 1.0% of the total commissions.

**NON-U.S. BROKERAGE COMMISSIONS****Year Ended December 31, 2022**

<u>Broker Name</u>	<u>Commissions</u> <sup>1</sup>	<u>% of Total</u>
Citigroup Global Markets Inc	\$ 46,539	38.0
Cabrera Capital Markets LLC <sup>2</sup>	8,801	7.2
State Street Global Advisors LLC	5,408	4.4
Goldman Sachs & Co LLC	4,892	4.0
Liquidnet Inc	4,876	4.0
Loop Capital Markets LLC <sup>2</sup>	3,585	2.9
BofA Securities Inc	3,297	2.7
RBC Capital Markets LLC	3,137	2.6
Macquarie Capital Markets LTD	2,935	2.4
Jeffries & Co	2,629	2.1
Sanford C Bernstein & Co LLC	2,581	2.1
Credit Suisse Securities LLC	2,427	2.0
National Bank of Canada Financial Inc	2,311	1.9
Scotia International Inc	2,166	1.8
Daiwa Capital Markets Inc	2,068	1.7
Credit Lyonnais	2,051	1.7
UBS Securities LLC	1,934	1.6
J.P. Morgan Securities LLC	1,786	1.5
Auerbach Grayson	1,777	1.5
Virtu Financial Inc	1,683	1.4
Kepler Capital Markets Inc	1,511	1.2
Morgan Stanley & Co LLC	1,338	1.1
Subtotal	<u>109,731</u>	<u>89.8</u>
All Others <sup>3</sup>	<u>12,700</u>	<u>10.2</u>
Total	<u>\$ 122,431</u>	<u>100.0</u>

<sup>1</sup> Investment brokerage commissions are accounted for as an additional cost to a security when the security is purchased, and as a reduction to the cash amount received when the security is sold.

<sup>2</sup> Brokerage for stock trades executed by Minority/Women/Disabled/Veteran - Owned Business Enterprises.

<sup>3</sup> Brokerage firms that each received less than 1.0% of the total commissions.