Virginia Board for the Blind and Vision Impaired
Tuesday, March 21, 2023
11:00 AM – 2:00 PM
DBVI Headquarters – Main Conference Room D16
397 Azalea Avenue, Richmond VA 23227

Join from PC, Mac, Linux, iOS or
Android: https://vadars.zoom.us/j/84106495318?pwd=UnJ2cC9WUVV1ZWxvaUkzQzRsYUdJQT09
Password: 693942

Or Telephone:
Dial:
+1 786 635 1003 (US Toll)
Meeting ID: 841 0649 5318
Password: 693942

AGENDA

11:00 a.m. **Call to Order & Welcome**
Chairman Mazen Basrawi

11:05 a.m. **Business Items**
Chairman Mazen Basrawi
1. Introductions
2. Consent of Agenda
3. Consent of Dec. 13, 2022, Meeting Minutes

11:15 a.m. **Investment Report**
Optimal Services Group

11:45 a.m. **Public Comment**

12:00 p.m. **Working Lunch**

12:30 p.m. **Agency Reports**
Commissioner Rick Mitchell & Staff

1:00 p.m. **Unfinished Business**
1. Status of Reestablishment of Finance

Committee - Ken Jessup (5 min)
2. Next Meeting – June 27, 2023 – Location (10 min)

1.15 p.m. **New Business**

1. Proposal for Legislative Event
   Ken Jessup & Bonnie Atwood (20 min)
2. FOIA Amendment - Vote
   Wallica Gaines (10 min)
3. Grant Proposals Start Discussion (15 min)

2:00 p.m. **Adjournment**

Draft Minutes
Virginia Board for the Blind and Vision Impaired
DBVI Headquarters
397 Azalea Avenue Richmond, VA 23227
December 13, 2022

Board Attendees
Bonnie Atwood; Mazen Basrawi – *Chair;* Ken Jessup
Robert Bartolotta (attended virtually from Falls Church, VA, due to caregiving obligations)
Deborah Helms (attended virtually from Roanoke, VA, due to medical condition)

Members of the Public
Paul D'Addario
Barbara McCarthy

DBVI Staff to the Board
Pam Cato, Deputy Commissioner for Services; Wallica Gaines, Deputy Commissioner for Administration; Matt Koch, Deputy Commissioner of Enterprises; Maggie Mills, Executive Assistant to the Commissioner; Dr. Rick Mitchell, Commissioner

Guests
R. Bryce Lee, Managing Director – Investments – The Optimal Service Group
Karen Logan, Vice President – Investments – The Optimal Service Group
Jeff Rakes - Investments – The Optimal Service Group

Call to Order & Welcome
Chair Basrawi called the meeting to order and welcomed the members in attendance.

Business Items
Introductions
A roundtable of introductions was conducted.

Consent of Agenda
Mr. Bartolotta moved to approve the agenda as presented, and the motion passed unanimously.

Consent of Sept. 27, 2022, Meeting Minutes
The Minutes with Ms. Atwood's minor amendments were approved without objections. Minutes were accepted for filing.

Investment Report

The Optimal Service Group (OSG) reviewed DBVI's investment portfolio to date which has been in a long-term asset allocation since December 2021.

Public Comment
None.

Unfinished Business

Appointments to the Board

No announcements have been made yet from the Governor's Office as to Appointments or Reappointments to the Board.

Grant Status

Deputy Commissioner Gaines gave a status on the grant payments. Originally there was not enough funds appropriated to pay the grants, but due to administrative adjustments recently made, the Board was able proceed with making the payments.

Finance Committee Member Discussion

Deputy Commissioner Gaines suggested the Board reestablish a Finance Committee. Chair Basrawi appointed Mr. Jessup as Lead. ***Mr. Jessup will discuss with Deputy Commissioner Gaines and Barbara McCarthy.*

New Business

FOIA for Meetings

Deputy Commissioner Gaines reported on the Amendment to FOIA that became effective September 1, 2022 – Code of Virginia 2.2-3708.3 Meetings held through electronic communication means; situations other than declared states of emergency. ***Ms. Gaines will present a policy regarding this Amendment to be voted on at the next Board Meeting.*

VIB Advisory Board Nomination

Deputy Commissioner Koch presented a request to the Board for nomination of Sharon Ernest to the VIB Advisory Board. Mr. Jessup moved to nominate Ms. Ernest. All were in favor.

Events Involving Members of the Legislature

It was suggested that a reception be planned to take place on Campus possibly in August of 2023 with Legislators to meet VRCBVI students receiving services. ***A subcommittee was created with Mr. Jessup and Ms. Atwood who will bring a proposal of such a reception to the next Board Meeting.*

Alternative Locations Future Meetings

A discussion took place as to holding future Board Meetings at various DBVI locations which would also include a tour of the facilities and meeting of staff. Mr. Bartolotta moved to hold the March 2023 Board Meeting at the Charlottesville facility. All were in favor of holding the March 2023 Board Meeting in Charlottesville.

Working Lunch – Presentation by Enterprise Division

Kent McCurley, Retail Division Manager for VIB, gave a presentation on his relationship with his employees and educating customers about the AbilityOne Program and interacting with individuals who are blind and vision impaired.

Agency Reports

Commissioner Mitchell and the Deputy Commissioners gave a report on highlights in their Divisions.

An offer has been made to a new position, Executive Assistant to the Deputy Commissioners.

A new Capital Project Manager will start in January 2023.

The DBVI campus will be hiring five Classified Security positions in lieu of contracted Security.

The Library Resource Center has experienced mold in the building on books and is working on resolving these issues.

The Charlottesville facility has received funding for renovations and is doing a facility assessment now. The DBVI campus has a GRTC Bus Station on site which wears down the Campus asphalt. DBVI has received funding to renovate the roads on Campus, as well as to create an outdoor Pavilion and ventilation upgrades.

October was National Disability Employment Awareness Month, and DBVI offices were involved in many events. The theme was Disability: Part of the Equity Equation.

The Virginia Rehabilitation Center for the Blind and Vision Impaired hosted its annual Family and Friends Day event using the theme, *What If THIS Actually Works* on October 15.

November 18-20 saw a new pilot, Careers in Action-Bridge to Success, take place in Natural Bridge, Virginia. Twenty-one students, their parents and DBVI staff all came together for an incredible weekend of growth where they learned about various employment opportunities at the Natural Bridge Safari and Hotel and Conference Center. The speaker at the event was Kendal Swartzentruber, who is the state Co-Coordinator of VDOE's I'm Determined Program and the Region 5 Training and Technical Assistance Center (TTAC) Coordinator.
Plan to replicate this event in other parts of the state.

The many DBVI vacancies were reviewed, and a status of recruitment was given.

Deputy Commissioner Koch reported that Enterprise Division staff count has decreased to 150 from 188 a few years ago due to pandemic and employees being hired by the Federal Government. Enterprise is exploring new recruitment avenues such as NSITE, VSDB and Virginia Voice.

The Enterprise Division is doing strong financially but has fallen short in getting vendors paid in a timely manner due to the increase in invoices and staff shortages.

The Enterprise Division is planning a Strategic Planning Meeting early 2023 to revisit expanding operations in Southeast, VA.

Adjournment
Ms. Atwood moved to adjourn the Board Meeting. All were in favor.

Next Meeting
March 21, 2023

WELLS FARGO

The Private Bank

Investment Performance Statement for Virginia Dept for the Blind & Vision Impaired February 28, 2023

Investment and Insurance Products are:

- **Not Insured by the FDIC or Any Federal Government Agency**
- **Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

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Market Commentary

As of February 28, 2023

Capital market summary

as of 02/28/2023

Equity Market	February	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Dow Jones Industrial Average	-3.94%	-1.13%	-1.13%	-1.59%	10.96%	7.77%	11.34%
NASDAQ Composite Index	-1.01%	9.61%	9.61%	-15.96%	11.04%	10.50%	14.94%
S&P 500 Index	-2.44%	3.69%	3.69%	-7.69%	12.15%	9.82%	12.25%
Russell 1000 Index	-2.38%	4.17%	4.17%	-8.21%	11.92%	9.68%	12.09%
Russell 1000 Growth Index	-1.19%	7.05%	7.05%	-13.34%	12.06%	11.54%	14.26%
Russell 1000 Value Index	-3.53%	1.47%	1.47%	-2.81%	10.96%	7.22%	9.60%
Russell MidCap Index	-2.43%	5.68%	5.68%	-4.99%	11.46%	8.40%	10.68%
Russell MidCap Growth Index	-0.99%	7.65%	7.65%	-8.31%	8.66%	8.74%	11.45%
Russell MidCap Value Index	-3.20%	4.62%	4.62%	-3.42%	11.96%	7.27%	9.62%
Russell 2000 Index	-1.69%	7.89%	7.89%	-6.02%	10.08%	6.01%	9.06%
Russell 2000 Growth Index	-1.08%	8.76%	8.76%	-7.92%	6.51%	5.06%	9.31%
Russell 2000 Value Index	-2.31%	7.02%	7.02%	-4.40%	12.87%	6.38%	8.46%
Russell 3000 Index	-2.34%	4.39%	4.39%	-8.07%	11.79%	9.42%	11.87%
MSCI EAFE Index (U.S Dollar)	-2.08%	5.87%	5.87%	-2.64%	7.34%	3.14%	5.32%
MSCI Emerging Markets Index (U.S. Dollar)	-6.48%	0.92%	0.92%	-14.91%	1.34%	-1.50%	1.89%
Fixed Income Market	**February**	**QTD**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Bloomberg U.S. Aggregate Bond Index	-2.59%	0.41%	0.41%	-9.72%	-3.77%	0.53%	1.12%
Bloomberg U.S. Treasury Bills (1-3 Month) Index	0.35%	0.69%	0.69%	2.21%	0.84%	1.32%	0.80%
Bloomberg U.S. Aggregate 5-7 Year Bond Index	-2.52%	0.19%	0.19%	-8.47%	-2.90%	0.75%	1.12%
Bloomberg U.S. Intermediate Government/Credit Bond Index	-1.80%	0.04%	0.04%	-6.22%	-2.17%	1.01%	1.11%
Bloomberg U.S. Government/Credit Bond Index	-2.59%	0.34%	0.34%	-10.06%	-3.89%	0.73%	1.22%
Bloomberg U.S. Municipal Bond Index	-2.26%	0.55%	0.55%	-5.10%	-1.60%	1.66%	2.11%
Bloomberg U.S. Corporate High Yield Bond Index	-1.29%	2.47%	2.47%	-5.46%	1.34%	2.87%	4.09%
J.P. Morgan GBI Global ex -U.S. (Unhedged)	-4.14%	-1.07%	-1.07%	-20.04%	-8.58%	-4.84%	-1.98%
J.P. Morgan EMBI Global (U.S. Dollar)	-2.20%	0.84%	0.84%	-8.20%	-4.52%	-0.40%	1.59%
Real Assets & Hedge Funds	**February**	**QTD**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
HFRI Fund Weighted Composite Index	-0.49%	2.16%	2.16%	0.10%	6.61%	4.79%	4.64%
FTSE/EPRA NAREIT Developed Index	-4.37%	4.25%	4.25%	-14.33%	-0.20%	2.93%	3.93%
Bloomberg Commodity Index	-4.70%	-5.17%	-5.17%	-4.72%	15.51%	5.27%	-1.63%
Liquid Allocations	**February**	**QTD**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Moderate Income	-2.41%	1.71%	1.71%	-8.16%	0.74%	2.76%	3.43%
Moderate Growth & Income	-2.56%	2.56%	2.56%	-7.53%	4.78%	4.85%	5.79%
Moderate Growth	-2.83%	3.43%	3.43%	-7.48%	7.64%	5.86%	7.53%

Sources: Bloomberg, © 2023 – Morningstar Direct, All Rights Reserved[1], and Wells Fargo Investment Institute. Data as of February 28, 2023 . **Past performance is no guarantee of future results.** *Performance results for the Liquid Allocations are calculated based on blended index returns and are for illustrative purposes only. Please see slide 11 for index and allocation compositions.* An index is unmanaged and not available for direct investment. QTD = quarter to date, starting January 1, 2023 through February 28, 2023. YTD = year to date starting January 1, 2023 through February 28, 2023.

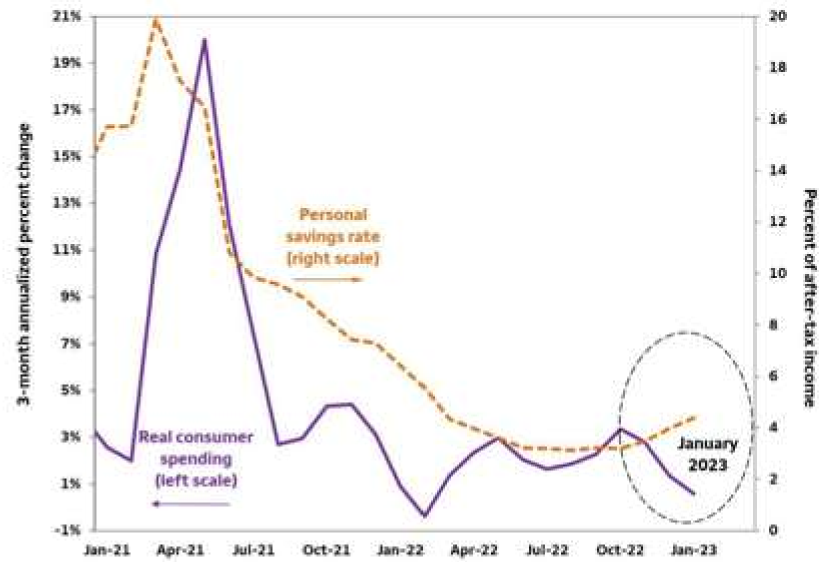
U.S. economic overview

Rebound in economic data and stubborn inflation

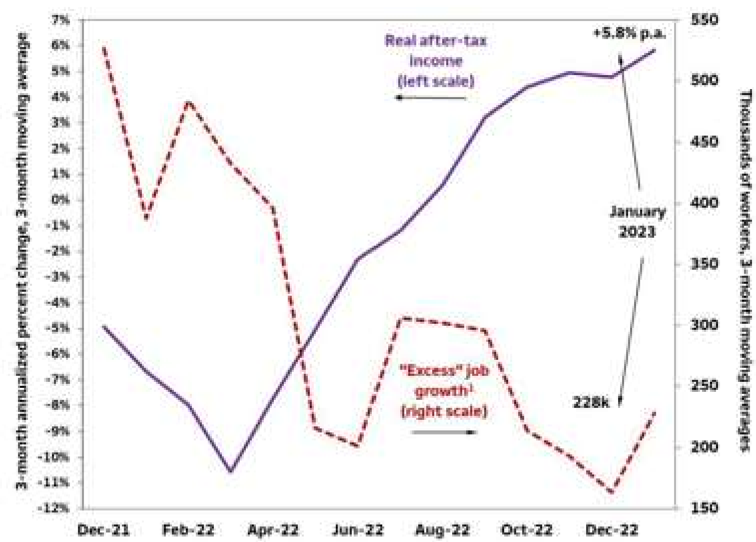
- In our view, strong economic data in February reflected a rebound from 2022's weak finish, rather than a supercharged start to 2023. Consumer spending climbed the most in two years in January. Real incomes found support from a resilient labor market, with the unemployment rate falling to nearly a 54-year low. Business surveys reinforced improving manufacturing activity and showed the dominant services sector held firmly in expansionary territory in February. Still, we anticipate a moderate recession later this year as several warning signs remain prevalent. Inflation-adjusted spending in the three months to January slowed to an annualized 0.6% on a rolling three-month basis, partly a response to increased distressed borrowing and rising household debt. Also signaling caution was an uptick in January's personal savings rate and an unexpected drop in February consumer confidence to a three-month low amid heightened uncertainty around the economic outlook — particularly due to a rebound in inflation expectations.

- The Consumer Price Index (CPI) increased by the most in three months in January, a prelude to a choppier disinflationary path until our forecasted recession takes hold. This left the 12-month inflation rate at 6.4%, disappointing expectations for a steeper drop. There was little relief further up the pipeline, with a larger-than-anticipated rise in January wholesale prices atop an upward revision to December's 12-month increase. Among the glimmers in the latest inflation reports: a fourth straight decline in February — to a two-year low — in the price component of the Institute for Supply Management's (ISM) purchasing managers' survey of services industries. Labor-intensive services prices have been among the most visible hot spots in recent U.S. CPI inflation.

Consumers turning cautious despite solid income growth[1]



1. Three-month moving-average data.
Source: U.S. Commerce Department, data as of February 28, 2023.



1. Monthly job gains above their 1994-2019 average of 128K.
Sources: U.S. Commerce Department, U.S. Labor Department, data as of February 28, 2023.

International economic overview

Europe showing resilience, improvement in Asia

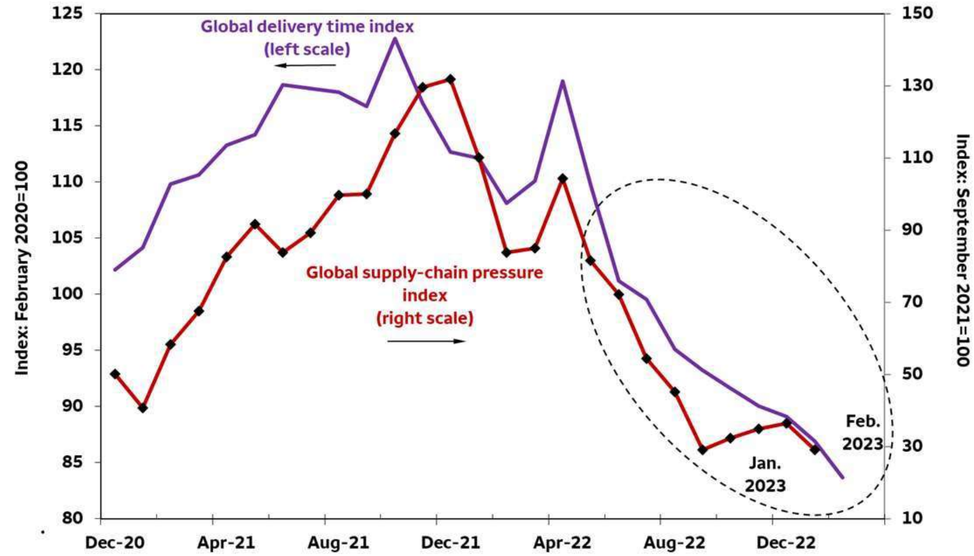
Europe

- The eurozone economy continued surprising to the upside, with a February business survey from S&P Global showing composite activity rebounding to the highest level since May 2022. China's reopening has provided notable support as the nation serves as a key export market for the region. The avoidance of an energy shortage during an unseasonably warm winter kept a lid on fuel costs, cushioning consumer pocketbooks. However, we still anticipate a eurozone recession this year as the region grapples with record core inflation, heightening the risk of too-aggressive interest rate hikes by the European Central Bank (ECB). Recent credit data already points to a decline in business and household lending. Also worrisome is the fact that Germany and France — the eurozone's two largest economies — are proving to be relative weak spots in the export recovery. Adding another layer of geopolitical risk is the eurozone's proximity to the now year-long Russia-Ukraine war.

Asia

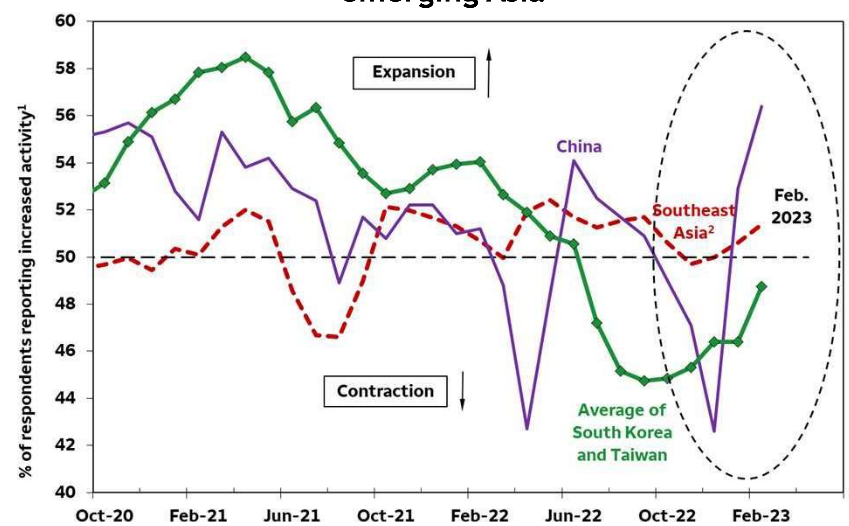
- February business surveys displayed a "V-shaped" consumer-led recovery in China in the aftermath of December's abrupt pivot away from its zero-COVID policy that may limit the extent of future government stimulus. Even China's beaten-down property sector could be poised for renewed growth, as indicated by the first increase in housing sales in 20 months. Modest growth in trade-oriented — and dependent — manufacturing had a more muted impact on other economies in the region. Slight gains in manufacturing activity across much of southeast Asia contrasted with ongoing contraction in emerging northern Asian economies keyed to technology and, in the case of South Korea, interest-sensitive consumer goods activity. In Japan, economic activity stagnated as weakness in manufacturing's technology and auto industries offset service-sector strength.

Global supply-chains still on the mend, with room for further improvement



Sources: S&P Global, Inc., Federal Reserve Bank of New York, data as of March 1, 2023.

So far, a split decision on China's reopening from neighboring emerging Asia



1. Purchasing managers' composite index of manufacturing activity.
2. Average of manufacturing indexes in Malaysia, South Korea, Taiwan and Vietnam.

Sources: S&P Global, Inc., China Federation of Logistics & Purchasing, data as of March 1, 2023.

Stock market review and strategy

Inflation and earnings weighed on markets

U.S. equities:

- The rebound which equities enjoyed to start the year continued through the first part of February before losing steam and turning lower. The S&P 500 Index dropped 2.4% in February yet is still up 3.7% year-to-date (YTD). Doubts over how quickly inflation would subside and the realization that the Federal Reserve (Fed) would likely hike more and hold rates higher for longer than markets had previously expected were the main downside catalysts. An earnings season characterized by deteriorating margins, cautious outlooks, and the first S&P 500 Index earnings contraction since 2020 certainly did not help.
- U.S. equity asset classes were all down around 2% as U.S. small-cap, mid-cap, and large-cap equities posted February returns of -1.7%, -2.4%, and -2.4%, respectively. The strongest S&P 500 Index sector performance in February came from Information Technology and was a paltry 0.4%. All other sectors posted negative returns on the month. The worst offenders were the rate-sensitive Utilities (-5.9%) and Real Estate (-5.9%) sectors, as well as Energy (-7.1%), which has given back some of its spectacular 2022 gains in 2023 on the back of relatively weak energy commodity prices.
- Energy and Real Estate were also two of the worst-performing sectors across mid and small caps as well. The Russell 2000 Energy and Real Estate sectors posted -5.3% and -6.3% monthly returns, respectively, while those same sectors in the Russell Midcap Index returned -5.6% and -5.0%. The best-performing sector in the Russell 2000 Index was Industrials (1.6%), while the Russell Midcap Technology sector bested its peers with a 0.7% return in February.

International equities:

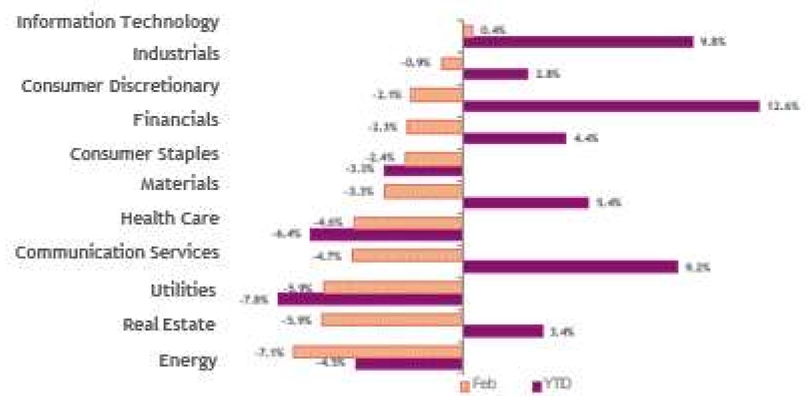
- U.S. dollar-denominated developed market (DM) equities performed in line with their U.S. peers with a -2.1% return, while U.S. dollar-denominated emerging market (EM) equities underperformed with a -6.5% February return. A stronger U.S. dollar weighed on international equities' performance for the month.
- In regard to DM performance, Europe again outperformed the Pacific region in February with returns of -0.6% and -4.8%, respectively. In the Pacific, New Zealand (-3.1%) outperformed, while Hong Kong (-7.1%) underperformed. In Europe, Spain (2.7%) and Denmark (2.6%) were notable outperformers, while Switzerland (-3.4%) and Netherlands (-3.2%) underperformed.
- Within EM, both Latin America (-6.2%) and EM Europe Middle East and Africa (-4.3%) outperformed, while EM Asia lagged (-6.9%). Turkey and the UAE (5.8% and 1.4%) turned in rare positive performances in February, while China's recent equity rally made an abrupt about face and posted a -10.4% monthly return.

Regional and country returns are measured using the total U.S. dollar returns of their respective MSCI Index.

Stock market total returns** Period ending February 28, 2023

Equity indexes	February	QTD	YTD	1 Year	3 Year*	5 Year*
Global Market	-2.8%	4.2%	4.2%	-7.8%	9.3%	6.3%
Large Cap	-2.4%	3.7%	3.7%	-7.7%	12.1%	9.8%
Large Cap Growth	-1.2%	7.0%	7.0%	-13.3%	12.1%	11.5%
Large Cap Value	-3.5%	1.5%	1.5%	-2.8%	11.0%	7.2%
Mid Cap	-2.4%	5.7%	5.7%	-5.0%	11.5%	8.4%
Small Cap	-1.7%	7.9%	7.9%	-6.0%	10.1%	6.0%
Developed ex. U.S. (USD)	-2.1%	5.9%	5.9%	-2.6%	7.3%	3.1%
Developed Small Cap (USD)	-2.2%	5.2%	5.2%	-9.2%	5.7%	1.1%
Emerging Markets (USD)	-6.5%	0.9%	0.9%	-14.9%	1.3%	-1.5%
Frontier Markets (USD)	-2.5%	1.9%	1.9%	-18.3%	-0.7%	-2.6%

S&P 500 sector returns



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of February 28, 2023.
*Annualized returns **Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see disclosures at the end of the report for index definitions (slide 12-13).

Bond market review and strategy

Inflation and unemployment affected fixed income

U.S. market:

- Economic indicators around inflation, unemployment, and growth continued to influence U.S. Treasury yield volatility during February. The U.S. Treasury yield curve remained inverted, with few signs of reversing in the near term. The Fed has made it clear to the markets that its priority is to bring inflation under control. Longer-term U.S. Treasury yields resumed their upward trend and are now hovering near the upper range of our year-end target.
- Investor appetite for credit exposure diminished in February. U.S. investment-grade (IG) corporate fixed income (-3.2%) underperformed high yield (HY) taxable fixed income (-1.3%) during the month. In February, credit spreads for IG and HY widened slightly but still traded below long-term averages.
- Municipal bond yields also increased across the curve, being the main contributor to the negative performance for municipals during February (-2.3%).

Developed markets:

- As the dollar recovered January's losses, unhedged developed market (DM) bonds gave back all their gains in February, -4.1% on the month, leaving them -1.1% YTD. Hedged bonds did somewhat better, falling 0.8% in February but still in positive territory over the two-month period. Eurozone debt suffered as persistent inflation continued to raise expectations of higher rates from the European Central Bank. Australia and New Zealand underperformed, as did many China-linked markets, on a rapid reversal of January's euphoria over that country's post-lockdown reopening.

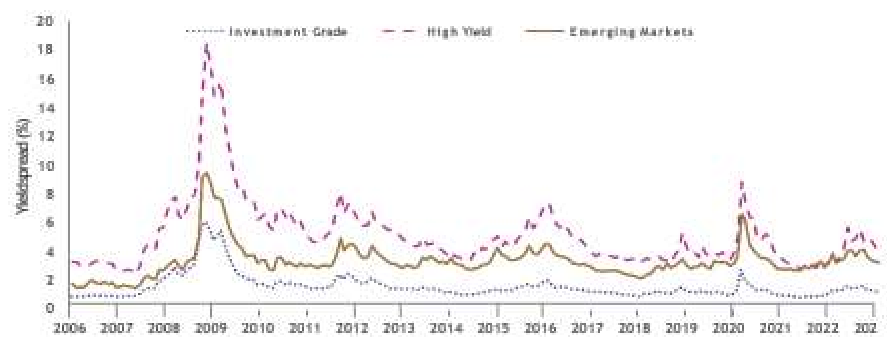
Emerging markets:

- The mood quickly darkened in February for emerging market (EM) bonds also, with local-currency-denominated bonds -2.8% and dollar-denominated sovereign debt -2.2% (although both markets are still up 0.8% year to date). The quick fade in China optimism and the dollar's recovery were the main drivers, this fact illustrated by the clear under-performance of Thai baht bonds (Thailand had surged early in the year as an expected recipient of Chinese tourist spending). With the oil price failing to respond to recovery hopes, most commodities exporters underperformed also, including Middle-Eastern exporters in the dollar-denominated sector.

Fixed Income market total returns** Period ending February 28, 2023

Fixed Income indexes	February	QTD	YTD	1 Year	3 Year*	5 Year*
Global Multiverse	-3.3%	-0.1%	-0.1%	-13.2%	-4.9%	-1.6%
U.S. Inv Grade Taxable	-2.6%	0.4%	0.4%	-9.7%	-3.8%	0.5%
U.S. Treasury Bills	0.4%	0.7%	0.7%	2.2%	0.8%	1.3%
U.S. Short-Term Taxable	-0.7%	0.1%	0.1%	-2.5%	-0.9%	0.9%
U.S. Interm-Term Taxable	-2.5%	0.2%	0.2%	-8.5%	-2.9%	0.8%
U.S Long-Term Taxable	-4.9%	1.2%	1.2%	-20.4%	-8.6%	0.1%
U.S. Treasury	-2.3%	0.1%	0.1%	-10.1%	-4.2%	0.4%
U.S. Corporate	-3.2%	0.7%	0.7%	-10.4%	-3.8%	1.1%
U.S. Municipal	-2.3%	0.5%	0.5%	-5.1%	-1.6%	1.7%
U.S. TIPS	-1.4%	0.4%	0.4%	-10.4%	0.2%	2.6%
U.S. High Yield	-1.3%	2.5%	2.5%	-5.5%	1.3%	2.9%
Developed ex.U.S. (unhedged)	-4.1%	-1.1%	-1.1%	-20.0%	-8.6%	-4.8%
Emerging Market (USD)	-2.2%	0.8%	0.8%	-8.2%	-4.5%	-0.4%

Credit spreads to Treasury Securities



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of February 28, 2023.
*Annualized return. **Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see disclosures at the end of the report for index definitions (slide 13-14).

Real Assets review and strategy

Volatile energy markets, Chinese demand

Master limited partnerships (MLPs):

- MLPs outperformed the broader market in February, with a -1.2% total return (as measured by the Alerian MLP Index) versus a -2.4% return for the S&P 500 Index. West Texas Intermediate (WTI) crude oil prices were volatile during the month but ended slightly down 2.3%.

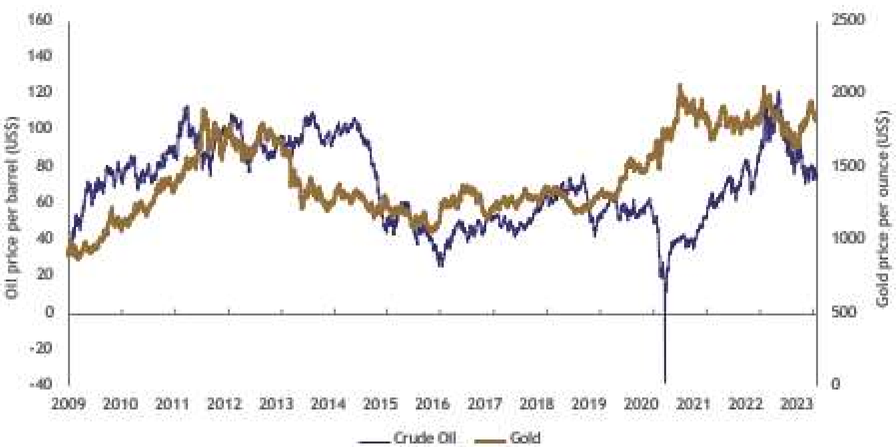
Commodities:

- **Energy**: The Bloomberg Commodity Energy Subindex experienced a -3.3% return in February, slightly outperforming the broader Bloomberg Commodity Index. Natural gas prices increased by 2.3%, marking the first positive month since November. While Brent crude and WTI crude oil both ended the month slightly negative with -0.7% and -2.3% returns, respectively.
- **Metals**: The Bloomberg Precious Metals Subindex experienced a -6.8% return in February, driven by a 4.8% decline in gold prices and a steeper 12.6% decline in silver. Base metals also underperformed the Bloomberg Commodity Index, with a -9.1% monthly return in February. Copper prices, though, started to gain toward the end of the month, driven by improving industrial activity and expectations for a demand recovery in China. Despite this, we suspect that base metals will continue to face headwinds until the depth of the global recession is revealed. If shallower than expected, and China's demand comes in strong, we believe that base metals could revert and become strong performers.
- **Agriculture**: Agriculture commodity prices were down 3.2% in February, slightly outperforming the Bloomberg Commodity Index. Coffee and sugar were top performers for the second consecutive month, while wheat was the worst performer for the second consecutive month, down 9.2%. Expectations for an extension of the Black Sea Grain Initiative in March, and adequate supply growth appeared to be strongest headwinds for wheat prices this month. Food prices continue to retreat from all-time highs in 2022, but geopolitical uncertainty and volatile energy markets continue to be a concern for higher prices.

Real Assets total returns** Period ending February 28, 2023

REIT/Commodity indexes	February	QTD	YTD	1 Year	3 Year*	5 Year*
Public Real Estate	-4.4%	4.3%	4.3%	-14.3%	-0.2%	2.9%
U.S. REITs	-5.9%	3.5%	3.5%	-12.2%	3.4%	7.4%
International REITs	-3.7%	2.6%	2.6%	-17.8%	-4.9%	-1.5%
S&P Goldman Sachs Commodity (GSCI)	-3.8%	-3.9%	-3.9%	-0.3%	16.6%	5.6%
Bloomberg Commodity	-4.7%	-5.2%	-5.2%	-4.7%	15.5%	5.3%
Commodities (RICI)	-4.1%	-4.0%	-4.0%	-1.9%	20.3%	8.4%
Global Infrastructure	-3.4%	1.5%	1.5%	-0.1%	5.1%	5.4%
MLPs	-1.2%	5.3%	5.3%	18.5%	19.3%	6.1%

Crude oil versus gold



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of February 28, 2023.
REITs=real estate investment trusts.
*Annualized return. **Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see disclosures at the end of the report for index definitions (slide 14).

Asset Allocation

Actual Versus Target Asset Allocation as of February 28, 2023

Asset Class	Actual Market Value	Target Market Value	$ Difference	Actual Percent	Target Percent	% Difference
Global Equities	2,945,092	3,061,502	-116,410	53%	55%	-2%
Global Fixed Income	2,228,589	2,282,211	-53,622	40%	41%	-1%
Real Assets	116,056	111,327	4,729	2%	2%	0%
Cash and Equivalents	276,630	111,327	165,302	5%	2%	3%
Total Portfolio	**5,566,367**	**5,566,367**	**0**	**100%**	**100%**	**0%**

Cash Flow Summary

Portfolio Statement of Changes
Periods Ended February 28, 2023

Portfolio Categories		Year To Date		Since Inception (12/08/2021)
Beginning Portfolio Value		**$5,437,986**		**$0**
Income		15,775		159,259
Net Contribution		0		6,250,000
Fees And Expenses	$	(5,232.00)	$	(33,193.00)
Change In Market Value	$	117,839.00	$	(809,699.00)
Ending Portfolio Value		**$5,566,367**		**$5,566,367**
Investment Gain	**$**	**128,381.00**	**$**	**(683,633.00)**

Investment Gain equals the sum of Income, Management Fees, Other Expenses, and Change In Market Value.
Income is reported net of foreign withholding taxes.

Investment Performance

Consolidated Performance Summary

Asset Classes	Current Month	Year to Date	1 Year	Since Inception
Global Equities	**-2.60%**	**4.35%**	**-6.62%**	**-11.95%**
MSCI ACWI NR	*-2.87*	*4.1*	*-8.26*	*-13.02*
Global Fixed Income	**-2.23**	**0.66**	**-8.14**	**-9.69**
BB US Agg Bond TR	*-2.59*	*0.41*	*-9.72*	*-10.95*
Real Assets	**-4.98**	**-5.8**	**-6.15**	**6.47**
67%REIT NR/33% Comm	*-4.51*	*1.08*	*-11.49*	*-10.36*
Cash and Equivalents	**0.34**	**0.56**	**1.63**	**1.41**
USTREAS T-Bill Cnst	*0.33*	*0.66*	*1.83*	*1.54*
Total Portfolio	**-2.38%**	**2.36%**	**-7.29%**	**-10.03%**
Client Custom Benchmark	*-2.72%*	*2.46%*	*-8.45%*	*-11.60%*

*Market Values and performance for illiquid assets may lag up to 90 days.

Policy Benchmark Over Time

Total Portfolio Client Custom Benchmark
12/31/2021 - Present

55%	MSCI AC World NR USD
41%	Bloomberg US Agg Bond TR USD
2%	67% FTSE E/N Dev NR/33% BB Commodity TR
2%	USTREAS T-Bill Cnst Mat Rate 3 Mon

Disclosures

Disclosures

The Private Bank ("The Bank") offers products and services through Wells Fargo Bank, N.A., Member FDIC, and its various affiliates and subsidiaries. Wells Fargo Bank, N.A. is a bank affiliate of Wells Fargo & Company.

The information and opinions in this report were prepared by the investment management division within The Bank. Information and opinions have been obtained or derived from sources we consider reliable, but we cannot guarantee their accuracy or completeness. Opinions represent The Bank's opinion as of the date of this report and are for general information purposes only. The Bank does not undertake to advise you of any change in its opinions or the information contained in this report. Wells Fargo & Company affiliates may issue reports or have opinions that are inconsistent with, and reach different conclusions from, this report.

Asset allocation does not assure or guarantee better performance and cannot eliminate the risk of investment losses. Past performance does not indicate future results. The value or income associated with a security or an investment may fluctuate. There is always the potential for loss as well as gain. Investments discussed in this presentation are not insured by the Federal Deposit Insurance Corporation (FDIC) and may be unsuitable for some investors depending on their specific investment objectives and financial position.

Fixed income securities are subject to availability and market fluctuation. These securities may be worth less than the original cost upon redemption. Certain high-yield/high-risk bonds carry particular market risks and may experience greater volatility in market value than investment-grade corporate bonds. Government bonds and Treasury bills are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and fixed principal value. Interest from certain municipal bonds may be subject to state and/or local taxes and in some instances, the alternative minimum tax.

Real estate investments carry a certain degree of risk and may not be suitable for all investors.

Hedge fund valuations are based on estimates provided by the manager. Valuations are verified annually based on your K-1 and any adjustments that may be necessary will be reflected on your statement.

Investing in foreign securities presents certain risks that may not be present in domestic securities, including currency fluctuation, the potential for diplomatic and political instability, regulatory and liquidity risks, foreign taxation, and differences in auditing and other financial standards. These risks are generally intensified in emerging markets.

The "Performance" sections show performance for the portfolio and for your individual accounts. Performance for the portfolio is shown as net of fees. The Bank fees charged to accounts are stated in your Terms and Condition and Fee Schedule. Performance "net of fees" is lower than performance gross of fees. It is lower because it reflects the deduction of the fees actually charged to each account. Results are unaudited. Performance returns greater than one year are annualized.

The indices and benchmarks shown for comparison purposes are unmanaged. Their performance returns do not reflect the deduction of any advisory fees or commisions. You cannot purchase an index.

Disclosures

Asset class risks

Alternative Investments, such as hedge funds and private capital funds, are not appropriate for all investors. They are speculative and involve a high degree of risk that is only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program.

Hedge funds trade in diverse complex strategies that are affected in different ways and at different times by changing market conditions. Strategies may, at times, be out of market favor for considerable periods with adverse consequences for the investor. **Arbitrage strategies** expose a fund to the risk that the anticipated arbitrage opportunities will not develop as anticipated, resulting in potentially reduced returns or losses to the fund. . **Relative Value** strategies seek to make profits by arbitrage opportunities between two related securities. These arbitrage opportunities might come in the way of pricing discrepancies between two securities or between securities and derivative instruments. **Event Driven** strategies involve investing in opportunities created by significant transactional events, such as spinoffs, mergers and acquisitions, bankruptcy reorganization, recapitalization and share buybacks. Managers who use such strategies may invest in, and might sell short, the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation. **Equity Hedge** strategies maintain positions both long and short in primarily equity and equity derivative securities. Investing in **Distressed companies** is speculative and subject to greater levels of credit, issuer and liquidity risks and the repayment of default obligations contains significant uncertainties such companies may be engaged in restructurings or bankruptcy proceedings. **Macro** strategies base their investment decisions on the anticipated price movement of stock markets, interest rates, foreign exchange, and physical commodities. These price movements result from many factors including forecasted shifts in world economies. Exchange-traded and over-the-counter derivatives are often used to magnify these price movements. The fixed income securities used in the structured credit relative value strategy may include CMBS, RMBS, ABS CLOs and other debt securities. They are subject to security-specific risks in addition to the risks associated with fluctuations in interest rates, credit/default, liquidity and forced deleveraging. **Long/short credit** strategies invest in the global credit markets which may be volatile. The risks associated with this strategy include investments in debt securities and the use of short selling and derivatives.

Private capital investments are complex, speculative investment vehicles that are not appropriate for all investors. The funds use complex trading strategies, including hedging and leveraging through derivatives and short selling and other aggressive investment practices. It is possible to lose your entire investment investing in these funds. Leverage can significantly increase return potential but create greater risk of loss. Derivatives generally have implied leverage which can magnify volatility and may entail other risks such as market, interest rate, credit, counterparty and management risks. Short selling involves leverage and theoretically unlimited loss potential since the market price of securities sold short may continuously increase.

Equity securities are subject to market risk which means their value may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. Investments in equity securities are generally more volatile than other types of securities. Small and Mid-cap stocks are generally more volatile, subject to greater risks and are less liquid than large company stocks.

Investments in fixed-income securities are subject to interest rate, credit/default, liquidity, inflation and other risks. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond's price. Credit risk is the risk that an issuer will default on payments of interest and/or principal. This risk is heightened in lower rated bonds. If sold prior to maturity, fixed income securities are subject to market risk. All fixed income investments may be worth less than their original cost upon redemption or maturity.

U.S. government securities are backed by the full faith and credit of the federal government as to payment of principal and interest. Unlike U.S. government securities, agency securities carry the implicit guarantee of the U.S. government but are not direct obligations. Payment of principal and interest is solely the obligation of the issuer. If sold prior to maturity, both types of debt securities are subject to market risk.
Although Treasuries are considered free from credit risk they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate.

Municipal bonds offer interest payments exempt from federal taxes, and potentially state and local income taxes. These bonds are subject to interest rate and credit/default risk. Quality varies widely depending on the specific issuer. Municipal securities may also be subject to the alternative minimum tax and legislative and regulatory risk which is the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.

Mortgage- and asset-backed securities are subject to the risks associated with debt securities and to prepayment, extension and call risks. Changes in prepayments may significantly affect yield, average life and expected maturity. Extension risk is the risk that rising interest rates will slow the rate at which mortgages are prepaid. Call risk is the risk that If called prior to maturity, similar yielding investments may not be available for the Fund to purchase. These risks may be heightened for longer maturity and duration securities.

Treasury Inflation-Protected Securities (TIPS) are subject to interest rate risk, especially when real interest rates rise. This may cause the underlying value of the bond to fluctuate more than other fixed income securities.

Disclosures

Asset class risks (continued)

Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging and frontier markets.

Exposure to the commodities markets may subject an investment to greater share price volatility than an investment in traditional equity or debt securities. Investments in commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. Investing in precious metals involves special risk considerations such as severe price fluctuations and adverse economic and regulatory developments which could materially and adversely affect an investment.

Investing in physical commodities, such as gold, silver, palladium and other precious metals, exposes a portfolio to material risk considerations such as potentially severe price fluctuations over short periods of time and storage costs that exceed the custodial and/or brokerage costs associated with a portfolio's other holdings.

Investment in securities of Master Limited Partnerships (MLPs) involves certain risks which differ from an investment in the securities of a corporation. MLPs may be sensitive to price changes in oil, natural gas, etc., regulatory risk, and rising interest rates. A change in the current tax law regarding MLPs could result in the MLP being treated as a corporation for federal income tax purposes which would reduce the amount of cash flows distributed by the MLP. Other risks include the volatility associated with the use of leverage; volatility of the commodities markets; market risks; supply and demand; natural and man-made catastrophes; competition; liquidity; market price discount from Net Asset Value and other material risks.

Currency risk is the risk that foreign currencies will decline in value relative to that of the U.S. dollar. Exchange rate movement between the U.S. dollar and foreign currencies may cause the value of a portfolio's investments to decline.

Sector risks

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility. Risks associated with the **Consumer Discretionary** sector include, among others, apparel price deflation due to low-cost entries, high inventory levels and pressure from e-commerce players; reduction in traditional advertising dollars, increasing household debt levels that could limit consumer appetite for discretionary purchases, declining consumer acceptance of new product introductions, and geopolitical uncertainty that could affect consumer sentiment. **Consumer Staples** industries can be significantly affected by competitive pricing particularly with respect to the growth of low-cost emerging market production, regulation, the performance of the overall economy, interest rates, and consumer confidence. **Communication Services** companies are vulnerable to their products and services becoming outdated because of technological advancement and the innovation of competitors. Companies in the communication services sector may also be affected by rapid technology changes; pricing competition, large equipment upgrades, substantial capital requirements and government regulation and approval of products and services. In addition, companies within the industry may invest heavily in research and development which is not guaranteed to lead to successful implementation of the proposed product. **Energy** sector may be adversely affected by changes in worldwide energy prices, exploration, production spending, government regulation, and changes in exchange rates, depletion of natural resources, and risks that arise from extreme weather conditions. Investing in the **Financial** services companies will subject an investment to adverse economic or regulatory occurrences affecting the sector. Some of the risks associated with investment in the **Health Care** sector include competition on branded products, sales erosion due to cheaper alternatives, research and development risk, government regulations and government approval of products anticipated to enter the market. There is increased risk investing in the **Industrials** sector. The industries within the sector can be significantly affected by general market and economic conditions, competition, technological innovation, legislation and government regulations, among other things, all of which can significantly affect a portfolio's performance. **Materials** industries can be significantly affected by the volatility of commodity prices, the exchange rate between foreign currency and the dollar, export/import concerns, worldwide competition, procurement and manufacturing and cost containment issues. **Real estate** investments have special risks, including possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions. Risks associated with the **Technology** sector include increased competition from domestic and international companies, unexpected changes in demand, regulatory actions, technical problems with key products, and the departure of key members of management. Technology and Internet-related stocks, especially smaller, less-seasoned companies, tend to be more volatile than the overall market. **Utilities** are sensitive to changes in interest rates, and the securities within the sector can be volatile and may underperform in a slow economy.

Index definitions

Broad-based indexes are unmanaged and not available for direct investment.

Allocation Compositions (Slide 2)
Moderate Income Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 58% Bloomberg U.S. Aggregate Bond Index, 4% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 16% S&P 500 Index, 5% Russell Midcap Index, 4% Russell 2000 Index, 4% MSCI EAFE Index, 2% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Moderate Growth & Income Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 30% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 24% S&P 500 Index, 10% Russell Midcap Index, 6% Russell 2000 Index, 8% MSCI EAFE Index, 5% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Moderate Growth Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 8% Bloomberg U.S. Aggregate Bond Index, 3% Bloomberg U.S. Corporate High Yield Bond Index, 3% JPM EMBI Global Index, 31% S&P 500 Index, 14% Russell Midcap Index, 10% Russell 2000 Index, 12% MSCI EAFE Index, 12% MSCI Emerging Markets Index, 5% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Equities (Slide 2)
Dow Jones Industrial Average is an unweighted index of 30 "blue-chip" industrial U.S. stocks.
NASDAQ Composite Index measures the market value of all domestic and foreign common stocks, representing a wide array of more than 5,000 companies.
S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.
Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index.
Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell MidCap Index measures the performance of the 800 smallest companies in the Russell 1000 Index.
Russell MidCap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.
Russell MidCap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.
Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.
Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.
MSCI EAFE Index (U.S Dollar) is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.
MSCI Emerging Market Index (U.S. Dollar) is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.
MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

Fixed income (Slide 2)
Bloomberg U.S. Aggregate Bond Index is a broad-based measure of the investment grade, US dollar-denominated, fixed-rate taxable bond market.
Bloomberg U.S. Treasury Bills (1–3 Month) Index includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.
Bloomberg U.S. Aggregate 5–7 Year Bond Index is composed of the Bloomberg U.S. Government/Credit Index and the Bloomberg U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities with maturities of 5-7 years.
Bloomberg U.S. Intermediate Government/Credit Bond Index is the intermediate component of the Bloomberg U.S. Government/Credit Index which is generally representative of government and investment grade corporate debt securities.
Bloomberg U.S. Government/Credit Bond Index is a market-weighted index generally representative of intermediate and long-term government and investment grade corporate debt securities having maturities of greater than one year.

Index definitions (continued)

Fixed income (Slide 2)

Bloomberg U.S. Municipal Bond Index is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa.

Bloomberg U.S. Corporate High Yield Bond Index covers the universe of fixed-rate, noninvestment-grade debt.

J.P. Morgan GBI (Global Bond Index) Global ex -U.S. (Unhedged) in USD is a representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

J.P. Morgan EMBI (Emerging Market Bond Index) Global (U.S. Dollar) currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

Real assets and hedge funds (Slide 2)

HFRI Fund Weighted Composite Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

FTSE/EPRA NAREIT Developed Index is designed to track the performance of listed real-estate companies and REITs in developed countries worldwide.

Bloomberg Commodity Index is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

Economic indexes (Slides 3-4)

Consumer Price Index (CPI) produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

The Institute of Supply Management (ISM) Manufacturing Index® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries (seasonally adjusted), and Inventories. An Index values over 50 indicate expansion; below 50 indicates contraction. The values for the index can be between 0 and 100.

The Institute of Supply Management (ISM) Non-Manufacturing Index® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries. An Index values over 50 indicate expansion; below 50 indicates contraction. The values for the index can be between 0 and 100.

PMI Surveys, such as the **Eurozone, China, and Japan Manufacturing PMIs** track sentiment among purchasing managers at manufacturing, construction and/or services firms. An overall sentiment index is generally calculated from the results of queries on production, orders, inventories, employment, prices, etc.

Caixin China General Manufacturing Purchasing Managers' Index (PMI), sponsored by Caixin and compiled by international information and data analytics provider IHS Markit, is closely watched by investors as one of the first available indicators every month of the strength of the Chinese economy.

Equities (Slide 5)

Global Market Equity: **MSCI AC World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed and 23 emerging markets.

Large Cap Equity: **S&P 500 Index** is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market. Returns assume reinvestment of dividends and capital gain distributions.

Large Cap Growth Equity: **Russell 1000® Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. **Russell 1000® Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index. The **Russell 3000® Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Large Cap Value Equity: **Russell 1000® Value Index** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Mid Cap Equity: **Russell Midcap® Index** measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000® Index.

Small Cap Equity: **Russell 2000® Index** measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Developed Market ex. U.S. Equity: **MSCI EAFE Index** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of 21 developed markets, excluding the US & Canada.

Index definitions (continued)

Equities (Slide 5)

Developed Small Cap Equities: The **MSCI EAFE Small Cap Index** is an equity index which captures small cap representation across Developed Markets countries around the world, excluding the US and Canada. With 2,282 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country.

Emerging Markets: **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of 23 emerging market countries.

Frontier Market Equity: **MSCI Frontier Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets. The MSCI Frontier Markets Index consists of 24 frontier market country indexes.

MSCI China Index *captures large and mid-cap representation across China H shares, B shares, Red Chips and P Chips.*

MSCI Denmark Index *is designed to measure the performance of the large and mid cap segments of the Danish market.*

MSCI Emerging Markets (EM) Asia Index *captures large and mid cap representation across 8 Emerging Markets countries**

MSCI Emerging Markets EMEA Index *captures large and mid cap representation across 11 Emerging Markets (EM) countries* in Europe, the Middle East and Africa (EMEA)*

MSCI Emerging Markets (EM) Latin America Index *captures large and mid cap representation across 5 Emerging Markets (EM) countries* in Latin America.*

MSCI Europe Index *captures large and mid cap representation across 15 Developed Markets (DM) countries in Europe.*

MSCI Hong Kong Index *is designed to measure the performance of the large and mid-cap segments of the Hong Kong market.*

MSCI Netherlands Index *is designed to measure the performance of the large and mid cap segments of the Netherlands market.*

MSCI Pacific Index *captures large and mid cap representation across 5 Developed Markets (DM) countries in the Pacific region.*

MSCI Spain Index *is designed to measure the performance of the large and mid cap segments of the Spanish market.*

MSCI Switzerland Index *is designed to measure the performance of the large and mid cap segments of the Swiss market.*

MSCI Turkey Index *is designed to measure the performance of the large and mid cap segments of the Turkish market.*

MSCI United Arab Emirates (UAE) Index *is designed to measure the performance of the large and mid cap segments of the UAE market*

MSCI New Zealand Index *is designed to measure the performance of the large and mid cap segments of the New Zealand market.*

S&P 500 Communication Services Index comprises those companies included in the S&P 500 that are classified as members of the GICS® communication services sector.

S&P 500 Consumer Discretionary Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy Index comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector.

S&P 500 Health Care Index comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 Industrials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

S&P 500 Information Technology Index comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Materials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Real Estate Index comprises those companies included in the S&P 500 that are classified as members of the GICS® real estate sector.

S&P 500 Utilities Index comprises those companies included in the S&P 500 that are classified as members of the GICS utilities sector.

Fixed Income (Slide 6)

Global Multiverse Fixed Income: **Bloomberg Multiverse Index** provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies.

U.S. Inv Grade Taxable Fixed Income: **Bloomberg U.S. Aggregate Bond Index** is composed of the Bloomberg Capital U.S. Government/Credit Index and the Bloomberg Capital U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities.

Index definitions (continued)

Fixed Income (Slide 6)

U.S. Treasury Bills Fixed Income: **Bloomberg U.S. Treasury Bills Index** includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have $250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

Short, Intermediate and Long Term Fixed Income: **Bloomberg U.S. Aggregate Bond Index** is made up of the Bloomberg U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $100 million.

U.S. Treasury Fixed Income: **Bloomberg U.S. Treasury Index** includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.

U.S. Corporate Fixed Income: **Bloomberg U.S. Corporate Bond Index** includes publicly issued U.S. corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

U.S. Municipal Fixed Income: **Bloomberg U.S. Municipal Bond Index** represents municipal bonds with a minimum credit rating of at least Baa, an outstanding par value of at least $3 million, and a remaining maturity of at least one year. The Index excludes taxable municipal bonds, bonds with floating rates, derivatives, and certificates of participation.

U.S. TIPS Fixed Income: **Bloomberg Treasury Inflation Protected Securities (TIPS) Index** includes all publicly issued, investment-grade U.S. TIPS with an outstanding face value of more than $250 million and that have at least one year to maturity.

U.S. High Yield Fixed Income: **Bloomberg U.S. High Yield Bond Index** is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Developed ex. U.S. Fixed Income: **JPMorgan GBI Global ex-U.S. (Unhedged)** in USD is an unmanaged index market representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

Emerging Market Fixed Income: **JP Morgan Emerging Markets Bond Index Global (EMBI Global),** which currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

Emerging Market Spread: **Bloomberg EM USD Aggregate Index** is a flagship hard currency Emerging Markets debt benchmark that includes USD denominated debt from sovereign, quasi-sovereign, and corporate EM issuers. The index is broad-based in its coverage by sector and by country, and reflects the evolution of EM benchmarking from traditional sovereign bond indices to Aggregate-style benchmarks that are more representative of the EM investment choice set. Country eligibility and classification as an Emerging Market is rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications. This index was previously called the Bloomberg US EM Index and history is available back to 1993.

Hedged DM Fixed Income: **JPMorgan Non-U.S. Global Government Bond Index (Hedged)** is a representative of the total return performance, on a hedged basis, of major non-U.S. bond markets. It is calculated in U.S. dollars.

Real Assets (Slide 7)

Public Real Estate: **FTSE/EPRA NAREIT Developed Index** is designed to track the performance of listed real estate companies and REITs worldwide.

U.S. REITs: **FTSE NAREIT U.S. All Equity REITs Index** is designed to track the performance of REITs representing equity interests in (as opposed to mortgages) on properties. It represents all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets, other than mortgages secured by real property that also meet minimum size and liquidity criteria.

International REITs: **FTSE EPRA/NAREIT Developed ex U.S. Index** is designed to track the performance of listed real estate companies in developed countries worldwide other than the U.S.

S&P Goldman Sachs Commodity Index (GSCI) is a composite index of commodity sector returns representing unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The index is includes futures contracts on 24 physical commodities of which Energy represents nearly 70%.

Bloomberg Commodity Index is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

Bloomberg Commodity Energy Subindex is a commodity group subindex of the Bloomberg CITR. The index is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return on fully collateralized futures positions and is quoted in USD.

Bloomberg Precious Metals Subindex is a commodity group subindex of the Bloomberg CITR. It is composed of futures contracts on gold and silver. It reflects the return on underlying commodity future price movements only and is quoted in USD.

Commodities (RICI): **The Rogers International Commodity Index** is a U.S. dollar based index representing the value of a basket of commodities consumed in the global economy. Representing futures contracts on 37 physical commodities, it is designed to track prices of raw materials not just in the U.S. but around the world.

Global Infrastructure: **S&P Global Infrastructure Index** provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.

MLPs: **Alerian MLP Index** is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

Index definitions (continued)

Alternative Assets (Slide 8)

Unlike most asset class indices, HFR Index returns reflect deduction for fees. Because the HFR indices are calculated based on information that is voluntarily provided actual returns may be lower than those reported. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways.

***Global Hedge Funds:* The HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net-of-all-fees performance in U.S. dollars and have a minimum of $50 million under management or a 12-month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

***Relative Value:* The HFRI Relative Value Index:** maintains positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.

***Arbitrage:* HFRI RV: Multi-Strategy Index:** multi-strategies employ an investment thesis predicated on realization of a spread between related yield instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

***Long/Short Credit:* HFRI Relative Value Fixed Income—Corporate Index.** Includes strategies predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed-income instrument. Strategies are designed to isolate attractive opportunities between a variety of fixed income instruments, typically realizing an attractive spread between multiple corporate bonds or between a corporate and risk free government bond. They typically involve arbitrage positions with little or no net credit market exposure, but are predicated on specific, anticipated idiosyncratic developments.

Structured Credit/Asset Backed: HFRI Relative Value Fixed Income-Asset Backed Index includes strategies predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed-income instrument backed by physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. Strategies are designed to isolate attractive opportunities between a variety of fixed income instruments specifically securitized by collateral commitments, which frequently include loans, pools and portfolios of loans, receivables, real estate, machinery or other tangible financial commitments. Investment thesis may be predicated on an attractive spread given the nature and quality of the collateral, the liquidity characteristics of the underlying instruments and on issuance and trends in collateralized fixed-income instruments, broadly speaking. In many cases, investment managers hedge, limit, or offset interest-rate exposure in the interest of isolating the risk of the position to strictly the disparity between the yield of the instrument and that of the lower-risk instruments.

***Macro:* HFRI Macro Index:** Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ RV techniques, Macro strategies are distinct from RV strategies in that the primary investment thesis is predicated on predicted or future movements in the underlying instruments, rather than realization of a valuation discrepancy between securities. In a similar way, while both Macro and equity hedge managers may hold equity securities, the overriding investment thesis is predicated on the impact movements in underlying macroeconomic variables may have on security prices, as opposes to EH, in which the fundamental characteristics on the company are the most significant are integral to investment thesis.

***Systematic Macro:* HFRI Macro Systematic Diversified Index**: Diversified strategies employing mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. Strategies are designed to identify opportunities in markets exhibiting trending or momentum characteristics across individual instruments or asset classes. Strategies typically employ quantitative processes which focus on statistically robust or technical patterns in the return series of the asset, and they typically focus on highly liquid instruments and maintain shorter holding periods than either discretionary or mean-reverting strategies. Although some strategies seek to employ counter-trend models, strategies benefit most from an environment characterized by persistent, discernible trending behavior. Typically have no greater than 35 percent of portfolio in either dedicated currency or commodity exposures over a given market cycle.

***Discretionary Macro:* HFRI Macro Discretionary Thematic Index**: Strategies primarily rely on the evaluation of market data, relationships and influences, as interpreted by individuals who make decisions on portfolio positions; strategies employ an investment process most heavily influenced by top-down analysis of macroeconomic variables. Investment Managers may trade actively in developed and emerging markets, focusing on both absolute and relative levels on equity markets, interest rates/fixed income markets, currency and commodity markets; they frequently employ spread trades to isolate a differential between instrument identified by the Investment Manager as being inconsistent with expected value. Portfolio positions typically are predicated on the evolution of investment themes the Manager expects to develop over a relevant time frame, which in many cases contain contrarian or volatility-focused components.

Index definitions (continued)

Alternative Assets (Slide 8)

***Event Driven:* HFRI Event Driven Index:** Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

***Activist:* HFRI Event Driven Activist Index**: Strategies may obtain or attempt to obtain representation on the company's board of directors in an effort to impact the firm's policies or strategic direction and in some cases may advocate activities such as division or asset sales, partial or complete corporate divestiture, dividends or share buybacks, and changes in management. Strategies employ an investment process primarily focused on opportunities in equity and equity-related instruments of companies that are currently or prospectively engaged in a corporate transaction, security issuance/repurchase, asset sales, division spin-off or other catalyst-oriented situation. These involve both announced transactions and situations in which no formal announcement is expected to occur. Activist strategies would expect to have greater than 50 percent of the portfolio in activist positions, as described.

***Distressed Credit:* HFRI Event Driven Distressed/Restructuring Index**: Strategies focus on corporate fixed-income instruments, primarily corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceedings or financial-market perception of near-term proceedings. Managers are typically actively involved with the management of these companies; they are frequently involved on creditors' committees in negotiating the exchange of securities for alternative obligations, either swaps of debt, equity or hybrid securities. Managers employ fundamental credit processes focused on valuation and asset coverage of securities of distressed firms; in most cases portfolio exposures are concentrated in instruments that are publicly traded, in some cases actively and in others under reduced liquidity but in general for which a reasonable public market exists. Strategies employ primarily debt (greater than 60 percent) but also may maintain related equity exposure.

***Merger Arbitrage:* HFRI Event Driven Merger Arbitrage Index:** Strategies primarily focus on opportunities in equity and equity-related instruments of companies that are currently engaged in a corporate transaction. Merger Arbitrage involves primarily announced transactions, typically with limited or no exposure to situations in which no formal announcement is expected to occur. Opportunities are frequently presented in cross-border, collared, and international transactions that incorporate multiple geographic regulatory institutions, typically with minimal exposure to corporate credits. Strategies typically have over 75 percent of positions in announced transactions over a given market cycle.

***Equity Hedge:* HFRI Equity Hedge (Total) Index**: Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50 percent exposure to, and may in some cases be entirely invested in, equities, both long and short.

***Directional Equity:* HFRX Equity Hedge Multi-Strategy Index**: Managers maintain positions both long and short in primarily equity and equity-derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage, holding period, concentrations of market capitalizations, and valuation ranges of typical portfolios. Managers typically do not maintain more than 50 percent exposure to any one Equity Hedge sub-strategy.

***Equity Market Neutral:* HFRI Equity Hedge Equity Market Neutral Index:** Strategies employ sophisticated quantitative techniques to analyze price data to ascertain information about future price movement and relationships between securities. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Factor-based investment strategies include strategies predicated on the systematic analysis of common relationships between securities. In many cases, portfolios are constructed to be neutral to one or multiple variables, such as broader equity markets in dollar or beta terms, and leverage is frequently employed to enhance the return profile of the positions identified. Statistical Arbitrage/Trading strategies consist of strategies predicated on exploiting pricing anomalies which may occur as a function of expected mean reversion inherent in security prices; high-frequency techniques may be employed; trading strategies may also be based on technical analysis or designed opportunistically to exploit new information that the investment manager believes has not been fully, completely, or accurately discounted into current security prices. Strategies typically maintain characteristic net equity market exposure no greater than 10 percent long or short.

The **Cambridge Associates LLC U.S. Private Equity Index®** uses a horizon calculation based on data compiled from more than 1,400 institutional-quality buyout, growth equity, private equity energy, and subordinated capital funds formed between 1986 and 2021. The funds included in the index report their performance voluntarily and therefore the index may reflect a bias towards funds with records of success. Funds report unaudited quarterly data to Cambridge Associates when calculating the index. The index is not transparent and cannot be independently verified because Cambridge Associates does not identify the funds included in the index. Because Cambridge Associates recalculates the index each time a new fund is added, the historical performance of the index is not fixed, can't be replicated and will differ over time from the day presented. The returns shown are net of fees, expenses and carried interest. Index returns do not represent fund performance.

CAR-0323-01473

M E M O R A N D O M

TO: DBVI Board

FROM: Ken Jessup, Bonnie Atwood

DATE: March 21, 2023

RE: Legislative Event

What do legislators want? Good press. How do you get good press? Become a *“DBVI Champion.”*

Over the course of the next year, we invite each legislator to become a DBVI Champion. Here’s what they have to do:

1. Take a tour of the DBVI campus.
2. Make a positive statement about DBVI. This could be on the floor of the Capitol, or in a newsletter.

3. Proudly use a product from DBVI.

What happens then? The Champions receive a plaque and a photo of the presentation.

They are all invited to a summer reception, with V.I.P. treatment and publicity about the legislative bills they support.

What are out next steps?

1. Approve the idea, with a budget.
2. Compose a letter to distribute. (We will have the complete list this November.)
3. Select dates and guides for the tours.
4. Select and assemble products for Champions.
5. Set a date and exact location for the reception.

6. Plan refreshments.
7. Plan program.

These tasks can be distributed throughout the board membership.

Let’s start making some Champions!

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