

Virginia Board for the Blind and Vision Impaired

September 26, 2023

11:00 am – 2:00 pm

Location: DBVI – Main Conference Room D16
397 Azalea Avenue
Richmond, VA 23227

AGENDA

- 11:00 am **Call to Order and Welcome**
Chairman D'Addario
- 11:05 am **Business Items**
Chairman D'Addario
1. Introductions
 2. Consent of Agenda
 3. Consent of Meeting Minutes – June 27, 2023
- 11:10 am **Investment Report**
Optimal Services Group
- 11:40 am **Public Comment**
- 11:50 am **Agency Reports**
Commissioner Rick Mitchell & Staff
- 12:10 pm **Working Lunch**

12:30 pm

New Business

1. Reports from Grantees on June 1 instead of June 30 – (10 min)
2. Review of DBVI's College Sponsorship for Instate and Out of State – Pam Cato (10 min)

12:50 pm

Unfinished Business

1. Electronic Participation Policy – Wallica Gaines (7 min)
2. By-Laws Amendment – Wallica Gaines (8 min)
3. Status of Grant Disbursements – Wallica Gaines (10 min)
4. Legislative Event – Budget Proposal - Ken Jessup (15 mins)
5. Location of December 2023 Meeting (5 mins)

1:35 pm

Headshots of Board Members – Jessica Collette

2:00 pm

Adjournment

DRAFT MINUTES

Virginia Board for the Blind and Vision Impaired
Quarterly Board Meeting
DBVI Headquarters
397 Azalea Avenue, Richmond VA 23227
June 27, 2023

Board Attendees

Bonnie Atwood, Robert Bartolotta, Mazen Basrawi, Paul D'Addario, Deborah Helms (attended virtually from Roanoke, VA, due to medical reason), Ken Jessup

Guests Attending Virtually

Bryce Lee, The Optimal Service Group
David Ward, Goodwill Industries of the Valleys
Donna Cox, DBVI, LRC
Neely Oplinger, Metropolitan Washington Ear Inc.
Nora Hart, Metropolitan Washington Ear Inc.
Olu Rosanwo, The Optimal Service Group
Sandy Halverson, National Federation of the Blind of Virginia
Tracy Soforenko, National Federation of the Blind of Virginia

Guests Attending in Person

Jeff Rakes, The Optimal Service Group
Karen Logan, The Optimal Service Group
Yvonne Mastromano, Virginia Voice

Members of the Public Attending Virtually

Matt Reed
Max Berckmueller
Talisa Thomas-Hall
Vinetta Freeman

Members of the Public Attending in Person

Gary Besosa

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

Call to Order & Welcome

Vice Chair D'Addario called the meeting to order and welcomed the members in attendance. A quorum was met.

Business Items

Introductions

A roundtable of introductions was conducted.

Consent of Agenda

Mr. D'Addario moved to approve the agenda as presented, and the motion passed unanimously.

Consent of December 13, 2022, and March 21, 2023, Minutes

The Minutes were approved without objection. 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

Grant Proposal Presentations & Reports

New Vision

This application is for a total of \$20,000 to be allocated as follows: \$10,000 to develop a YouTube Channel, \$1,250 for Amazon Echoes for the Radio Reading Service, \$4,780 for Echo Tips podcast and monthly newsletter production, and a \$2,670 new Podcast. Discussion took place around the application submitted by New Vision. Mr. Jessup moved to approve \$10,000 of the application from New Vision, not to be used for the development of a YouTube Channel; motion passed.

Metropolitan Washington Ear

This application is for a total of \$64,524 for programming expenses. Discussion took place around the application submitted by the Metropolitan Washington Ear. Ms. Helms moved to approve the application from Metropolitan Washington Ear; motion passed.

National Federation of the Blind (NFB)

This application is for a total of \$100,000 for the Silver BELLS program. Discussion took place around the application submitted by the National Federation of the Blind. Mr. Jessup moved to approve the application from NFB for the Silver BELLS program supplementing the grant NFB receives from the State; motion passed.

Super Summer Camp

This application is for a total of \$53,727 for the Super Summer Camp FY25 program. Discussion took place around the application submitted by the Virginia Department for the Blind and Vision Impaired (DBVI). Mr. Bartolotta moved to approve the application from DBVI for the Super Summer Camp program for FY25; motion passed.

Virginia Voice

This application is for a total of \$50,000 for programmatic expenses, Discussion took place around the application submitted by Virginia Voice which was submitted past submission deadline due to a misunderstanding of the proposal process. Mr. D'Addario moved to accept the late submission with the understanding that this acceptance is an exception and will not be permitted in the future.

The motion was passed, with some reluctance from the Board, to accept the late submission so as not to keep this programming from the organization's listeners. Mr. D'Addario moved to approve the application from Virginia Voice; motion passed by majority vote.

Agency Reports

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

Commissioner Mitchell reported that the Secretary's Office hopes to finalize the new Board seat appointments soon. Ms. Helms' term on the Board will expire June 29, 2023.

Senator Ghazala F. Hashmi visited DBVI June 26. Commissioner Mitchell and the three Deputy Commissioner's provided an overview of the Agency's mission and how it is accomplished within the three divisions. Senator Hashmi had the opportunity to see firsthand DBVI's Leap into Linux and Cyber Security Academy. She also spoke with several of the students.

DBVI recently had two employees retire. Norton Richman retired with 50 years of service, and Jim Vest retired with 49 years of service. The end of June, employee Dennis Helms will be retiring with 40 years of service.

Deputy Commissioner Gaines reported on the upcoming legislative session and the requests that have been submitted.

Deputy Commissioner Koch reported that DBVI was awarded a full food service contract at Ft. Gregg-Adams (previously named Ft. Lee) near Petersburg. This comes after several years and two arbitration cases against the Army for not following federal law in procuring these services in the recent past. The five-year, \$136 million contract will allow a private citizen and certified Vendor who is blind to manage these operations under the auspices of the Virginia Enterprises for the Blind (VEB) program. The operations cover five cafeterias serving up to 4 meals a day for all uniformed personnel on Ft. Gregg-Adams

Virginia Industries for the Blind (VIB) signed the short-term contract with the Defense Logistics Agency (DLA) for the manufacture and delivery of 6,180 Shipboard Innerspring Mattresses.

Deputy Commissioner Cato reported on the Leap into Linux program that is occurring this week which is a partnership with CYBER.ORG and Palo Alto Networks. Several other programs are scheduled over the summer months. Ms. Cato reported on the NICE conference that staff attended in Seattle, WA, in June. This year's conference Theme "Resetting Expectations: Creating Accessible Cybersecurity Career Pathways" was about reimagining what it takes to be a cybersecurity professional. By resetting the expectations, cybersecurity will be an accessible career path through various, nontraditional avenues. Much networking was done.

New Business

FOIA Amendment – Vote

Deputy Commissioner Gaines reviewed the FOIA amendment regarding Meeting Participation by Electronic Means. ***The Board requested that DBVI's attorney review the proposed policy regarding meeting participation by electronic means.* Previously, the Board amended its By-laws on March 22, 2022, to include Section 4: Member Participation by

Electronic Means in Article VI: Conduct of Business. This change to the By-laws was made to allow electronic participation as permitted in [§ 2.2-3708.2](#) of the Code of Virginia. At that time this section required the body to adopt a written policy allowing for and governing participation of its members by electronic means. The Board amended the By-laws to establish the policy. Since that time the Code of Virginia has changed regarding electronic participation in meetings. Instead of changing the By-laws this time, the Board wishes to adopt a policy outside of its By-laws. Since the Board meets only 4 times a year, making these changes through policy instead of updating the By-laws will allow the board to enact changes quicker and be better aligned with the Code of Virginia.

2023-2024 Board Officers

Mazen Basrawi nominated Paul D’Addario for Chairman; Mr. Jessup seconded, and the motion passed. Mr. D’Addario nominated Ken Jessup for Vice-Chairman; Mr. Basrawi seconded, and motion passed. Mr. D’Addario nominated Bonnie Atwood for Secretary; Mr. Jessup seconded, and motion passed.

Parliamentary Procedure

Ms. Atwood reviewed the role of the Chair and reminded Board that Chair is not to vote unless there is a tie. She stated that quorum is the majority of all members.

Bylaws Committee

The Board agreed that a Bylaws Committee is not needed at this time.

Dates for 2023-2024 Board Meetings

September 26, 2023	March 26, 2024
December 12, 2023	June 25, 2024

Unfinished Business

Status of Reestablishment of Finance

The Board agreed this Committee is not needed at this time as Wells Fargo provides an overview of the Endowment fund each meeting.

Location of September 2023 Meeting

By September the Charlottesville location will have had new video equipment installed. ***The Board agreed to have the September 26 Quarterly Board Meeting at that location.*

Legislative Event

Mr. Jessup recommended the name of Champion of Virginia’s Blind Award in recognition of those Legislative members who support the citizens of the Commonwealth of Virginia who are blind and vision impaired. He envisions inviting Legislative guests to the Azalea campus. The logistics of these Legislative visits will be discussed at the next Quarterly Board Meeting which will include an outline of costs for plaques and reception. ***Mr. Jessup and Ms. Atwood will create budget proposal to be voted on at the next Board Meeting.*

Closed Session

A motion to hold a Closed Session regarding discussion of a Vote of Confidence on Commissioner Mitchell's behalf was made by Mr. Basrawi; motion passed.

Open Session

Ms. Atwood certified that during the Board's Closed Session nothing else was discussed other than the discussion of a Vote of Confidence on Commissioner Mitchell's behalf which was a personal matter, and no action was taken; Mr. Jessup seconded. All were in favor, and the motion was passed.

Adjournment

Mr. Basrawi motioned to adjourn the meeting; motion passed unanimously.

Next Meeting: September 26, 2023.

By-Laws

Virginia Board for the Blind and Vision Impaired

ARTICLE I. NAME

The name of this body is the Virginia Board for the Blind and Vision Impaired, hereinafter to be referred to as the Board.

ARTICLE II. LEGAL BASE/PURPOSE

Section 1: Legal Base

Code of Virginia, [Title 51.5, Chapter 12](#) (External Site), Section [51.5-61](#) (External Site), [51.5-62](#) (External Site), and [51.5-63](#) (External Site) provides the legal base for the composition and duties of the Board.

Section 2: Purpose

The Board shall perform the following duties:

1. Advise the Governor, the Secretary of Health and Human Resources, the Commissioner, and the General Assembly on the delivery of public services to and the protection of the rights of blind, visually impaired, deafblind and other persons with disabilities.
2. Review and comment on policies, budgets and requests for appropriations for the Department and applications for federal funds.
3. Create and hold an institutional fund into which it deposits any gift, grant, bequest, allotment, or devise of any nature received from private sources. Authorize use of the proceeds of the fund in accordance with the wishes of the donors and to strengthen the services rendered to the visually handicapped of the Commonwealth.

ARTICLE III. MEMBERSHIP/TERMS OF OFFICE

Section 1: Membership/Terms of Office

The Board shall consist of seven members appointed by the Governor for terms of four years each. No person may serve more than two successive terms, unless filling an unexpired term. Members on the Board shall at all times include four persons who are blind. Also, a majority of Board members shall constitute a quorum for transaction of any legal business.

ARTICLE IV. ORGANIZATION

Section 1: Officers

The officers of the Board shall consist of the Chairman, Vice-Chairman, and Secretary. The Chairman shall preside at Board meetings; in the Chairman's absence, the Vice-Chairman shall preside.

Section 2: Terms of Office

The Board shall elect its officers each year with term of office beginning July 1. The Chairman shall be selected from among its blind members. Officers may be eligible for re-nomination and reelection to successive terms not to exceed four total terms.

Section 3: Meetings

The Board shall meet on a quarterly basis, except as otherwise deemed necessary by the Chairman or a majority of the Board members. All meetings shall be open to the public.

By-Laws

Virginia Board for the Blind and Vision Impaired

Section 4: Staffing

The Board shall be staffed by a Board Administrator appointed by the Commissioner.

ARTICLE V. SPECIAL COMMITTEES

Special committees may be constituted at any time by action of the full Board or the Chairman. Members shall be appointed by the Chairman. The Chairman may appoint non-Board members to serve on special committees if deemed necessary or appropriate. At the time a special committee is created, its mission shall be specifically established by action of the full Board or by the Chairman. In creating such special committees, the Chairman shall specify the time within which the committee is to make its report to the Board.

ARTICLE VI. CONDUCT OF BUSINESS

Section 1: Procedures

Proceedings of Board meetings shall be as prescribed by Robert's Rules of Order.

The Board may hold a work session preceding regular or special Board meetings when deemed appropriate. A work session agenda, stating the time and place of the session shall be included with the agenda for the regular and/or special meetings of the Board.

Section 2: Executive Sessions

Prior to meeting in an executive session, the Board must adopt a motion to go into executive session. The motion must include specific reference to the substance of the matters to be discussed. The minutes shall reflect the specific Code of Virginia cite for allowable exemption from an open meeting. Matters which may be discussed in an executive session are specified by the Virginia Freedom of Information Act and include:

1. Consideration of employment, assignment, appointment, promotion, demotion, and salaries, disciplining, or resignation of appointees or employees of the Department for the Blind and Vision Impaired.
2. Protection of the privacy of individuals in personnel matters not related to public business.
3. Consultation with legal counsel and briefings by staff members, consultants, or attorneys pertaining to actual or probable litigation or other specific legal matters within the jurisdiction of the Board.

At the conclusion of the executive session, the Board shall reconvene in open session and certify by recorded vote that only matters lawfully exempted from open session, as indicated in the motion for executive session, were discussed. Action taken in executive session must be confirmed in public session.

Section 3: Reimbursement of Expenses

The members of the Board may receive reimbursement for reasonable expenses, as governed by the Virginia State Travel Regulations, incurred while attending meetings of the Board or assigned committee meetings or in performing duties as a member of the Board as authorized by the Chairman.

By-Laws
Virginia Board for the Blind and Vision Impaired

Section 4: Member Participation by Electronic Means

Individual Board members may participate in meetings of the Board for the Blind and Vision Impaired by electronic means as permitted by the Code of Virginia and Board policy. “

ARTICLE VII. REPORTS

The Board shall provide reports to the Governor, Secretary of Health and Human Resources and the General Assembly upon request.

ARTICLE VIII. OFFICIAL PAPERS

Official records of the Board, except records of executive sessions, shall be kept on file in the Department for the Blind and Vision Impaired and shall be open to inspection. Records of executive sessions will be maintained separately and are not open to the public. All records will be maintained for five years.

ARTICLE IX. PUBLIC PARTICIPATION

Major presentations before the Board shall be limited to ten minutes each, with additional or supportive speakers being allowed two minutes. Members of the public who attend Board meetings should notify the Department in advance if special accommodations are needed. Speakers before the Board are encouraged to provide written copies of their presentations. Written comments supporting a position are strongly encouraged.

ARTICLE X. PRESENTATION AND ACTION ON RESOLUTIONS

Resolutions to be acted upon by the Board shall be included in the agenda materials distributed prior to a regular meeting or mailed directly to Board members prior to such distribution of agenda materials.

Unless otherwise specified by the Board Chairman, resolutions that are not included in the agenda materials distributed prior to a regular meeting shall be presented in writing and given to each member of the Board on the day of the meeting. Such resolutions shall be considered only with the consent of a majority of the Board members present and shall be discussed at a time designated on the agenda. Actions may be taken by a minimum of four affirmative votes.

ARTICLE XI. AMENDMENTS

The by-laws of the Board may be amended at any meeting of the Board by an affirmative vote of the majority of the Board membership, provided that the proposed amendment has been approved by the Board at a previous regular meeting.

Approved: March 22, 2022

Virginia Board for the Blind and Vision Impaired

Policy Area: Governance	
Title of Policy: Meeting Participation by Electronic Means	Number: 2023-01
Effective Date: September 2023	Review by Date: September 30, 2024
Approved Date:	Revision History:

I. Purpose

This issuance provides guidance for member participation by electronic means instead of attending a public meeting in-person and guidance for holding all-virtual public meetings.

II. References

Virginia Freedom of Information Act; Virginia Code § 2.2-3708.2. Virginia Freedom of Information Act; Virginia Code § 2.2-3708.3. Virginia Freedom of Information Act; Virginia Code § 2.2-3707. Virginia Freedom of Information Act; Virginia Code § 2.2-3701.

Emergency Services and Disaster Law; Virginia Code § 44-146.16.

Emergency Services and Disaster Law: Virginia Code §44-146.21.

III. Policy

- a. The Virginia Board for the Blind and Vision Impaired (Board) – Meetings Held Through Electronic Communication Means **During Declared States of Emergency** (Virginia Code § 2.2-3708.2)

It is the policy of the Virginia Board for the Blind and Vision Impaired that it may meet by electronic communication without a quorum of the public body physically assembled at one location when the Governor has declared a state of emergency in accordance with Virginia Code § 44-146.17 or the locality in which the public body is located has declared a local state of emergency pursuant to Virginia Code § 44-146.21, provided that:

- (i) The catastrophic nature of the declared emergency makes it impractical or unsafe to assemble a quorum in a single location, and
- (ii) The purpose of the meeting is to provide for the continuity of operations of the public body or the discharge of its lawful purposes, duties, and responsibilities.

The Virginia Board for the Blind and Vision Impaired meeting in accordance with Virginia Code § 2.2- 3708.2 shall provide public notice, make arrangements for public access, provide opportunity for public comment, and otherwise comply with the provisions of this chapter. The nature of the emergency, the fact that the meeting was held by electronic means, and the type of

Virginia Board for the Blind and Vision Impaired

electronic communication means by which the meeting was held shall be stated in the minutes.

b. **Virginia Board for the Blind and Vision Impaired - Individual Member's Remote Participation Instead of Attending an Public Meeting In Person**
(Virginia Code § 2.2- 3708.3 B)

It is the policy of the Virginia Board for the Blind and Vision Impaired that members may participate in meetings of the Board by electronic means as permitted by Virginia Code § 2.2- 3708.3. This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting. This policy applies to all committees and subcommittees of the Board.

The member requesting remote participation must notify the Board's Liaison and Chair in writing, prior to the meeting, of the need to participate remotely due to one of the following reasons.

- i. The member has a temporary or permanent disability or other medical condition that prevent the member's physical attendance.
- ii. A medical condition of a member of the member's family requires the member to provide care that prevents the member's physical attendance.
- iii. The member's principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting; or
- iv. The member is unable to attend the meeting due to a personal matter and identifies with specificity the nature of the personal matter. No member may use remote participation due to personal matters more than two meetings per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater.

The decision and justification to approve or disapprove remote participation, shall be communicated in writing by the Board's Chair and shall be documented in the meeting minutes with the level of specificity described in Virginia Code § 2.2-3708.3 B.

c. **Virginia Board for the Blind and Vision Impaired - All -Virtual Public Meetings** (Virginia Code § 2.2-3708.3 C)

The Board may hold all-virtual public meetings. The decision to hold an all-virtual public meeting shall be made by the Board's Chair in consultation with the Commissioner of the Department for the Blind and Vision Impaired. The basis for the decision to hold an all-virtual public meeting shall be documented in the minutes. This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

An all-virtual public meeting must adhere to the requirements of Virginia Code § 2.2-3708.3 C.

- i. The required meeting notice must identify that the meeting will be all-virtual and includes a statement that the meeting method will not change unless the public body provides a new meeting notice in accordance with the provision of Virginia Code § 2.2-3707.

Virginia Board for the Blind and Vision Impaired

- ii. Public access to the all-virtual public meeting is provided via electronic communication means.
 - iii. The electronic communication means used allows the public to hear all members of the public body participating in the all-virtual public meeting and when audio-visual technology is available, to see the members of the public body as well.
 - iv. A phone number or other live contact information is provided to alert the public body if the audio or video transmission of the meeting provided by the public body fails, the public body monitors such designated means of communication during the meeting, and the public body take a recess until public access is restored if the transmission fails for the public.
 - v. A copy of the proposed agenda and all agenda packets and, unless exempt, all materials furnished to members of a public body for a meeting is made available to the public in electronic format at the same time that such materials are provided to members of the public body.
 - vi. The public is afforded the opportunity to comment through electronic means, including by way of written comments, at those public meetings when public comment is customarily received.
 - vii. No more than two members of the public body are together in any one remote location unless that remote location is open to the public to physically access it.
 - viii. If a closed session is held during an all-virtual public meeting, transmission of the meeting to the public resumes before the public body votes to certify the closed meeting as required by subsection D of Virginia Code § 2.2-3712.
 - ix. The public body does not convene an all-virtual public meeting
 - (a) more than two times per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater, or
 - (b) consecutively with another all-virtual public meeting; and
 - x. Minutes of all-virtual public meetings held by electronic communication means are taken as required by Virginia Code §2.2-3707 and include the fact that the meeting was held by electronic communication means and the type of electronic communication means by which the meeting was held. If a member's participation from a remote location is disapproved the disapproval shall be record in the minutes with specificity.
- d. The Virginia Board for the Blind and Vision Impaired meetings, including all-virtual meetings, will comply with Public Meeting and Notice Requirements in Virginia Code § 2.2-3707 to include:
- i. For in-person meetings a quorum is physically assembled at one primary or central meeting location (Virginia Code § 2.2-3701); for all-virtual meetings members do not need to be assembled at one primary or central location to establish a quorum.
 - ii. Appropriate notice of the meeting has been provided at least three working days in advance of the date scheduled for the meeting and the notice identifies the meeting as in-person or all-virtual.
 - iii. A copy of the proposed agenda and agenda packets and, unless exempt, all materials that will be distributed to members of the public body and that have been made available to the staff of the public body in sufficient time for duplication and forwarding to all locations where public access will be provided shall be made available to the public at the time of the meeting.
 - iv. Minutes of all meetings shall be recorded as required by Virginia Code § 2.2-

Virginia Board for the Blind and Vision Impaired

3707. Votes taken during any meeting conducted through electronic communication means shall be recorded by name in roll-call fashion and included in the minutes.

Revision History

Approval Date	Revision Description	Author	Code Reference or Rationale

Signatures

Board Chair (Printed)

Board Secretary (Printed)

Signature & Date

Signature & Date



The Private Bank

Investment Performance Statement for Virginia Dept for the Blind & Vision Impaired August 31, 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**

Table of Contents

Investment Performance Statement for Virginia Dept for the Blind & Vision Impaired August 31, 2023	1
Market Commentary.....	3
As of August 31, 2023	3
U.S. economic overview.....	4
Unbalanced economic growth, increasing household strain.....	4
International economic overview	5
Weaker Europe and China weighing on global economy	5
Stock market review and strategy	6
Good news was bad news for U.S. equities	6
Bond market review and strategy.....	7
Resilient economy and weaker dollar.....	7
Real Assets review and strategy	8
Tightening supply and fears of recession.....	8
Alternatives review and strategy	9
Asset Allocation.....	10
Actual Versus Target Asset Allocation as of August 31, 2023.....	11
Cash Flow Summary	12
Portfolio Statement of Changes Periods Ended August 31, 2023.....	13
Investment Performance.....	14
Consolidated Performance Summary	15
Policy Benchmark Over Time	16
Disclosures	17
Index definitions.....	21

Market Commentary

As of August 31, 2023

U.S. economic overview

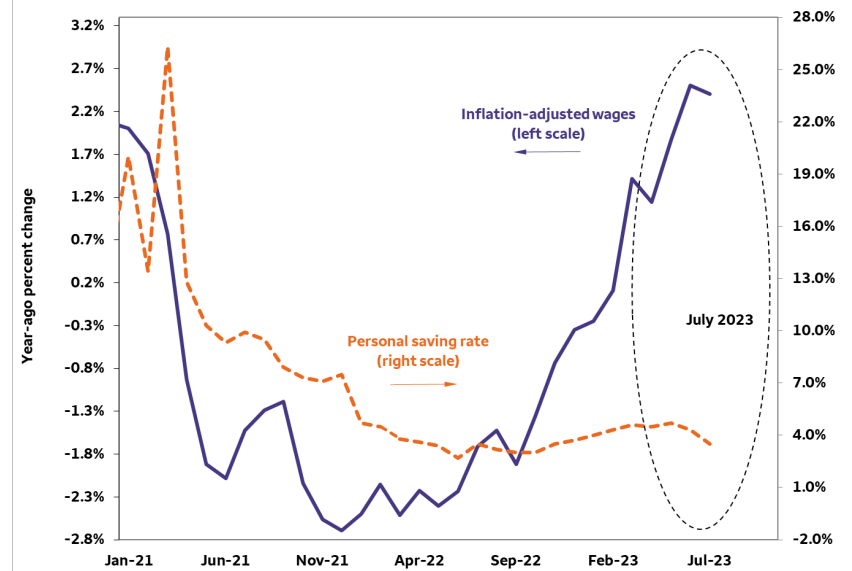
Unbalanced economic growth, increasing household strain

Moderate growth continued to characterize economic activity in August, though as the summer ended, signs of a looming slowdown were becoming increasingly apparent. Preliminary August surveys from S&P Global showed the manufacturing sector slipped deeper into contractionary territory, while service-sector activity decelerated. Consumer purchasing power remained bolstered by real (inflation-adjusted) incomes, benefiting from elevated wage increases and job gains above the historical norm. However, a drop in the savings rate to a November low of 3.5%, combined with households being increasingly reliant on credit, suggest to us that current consumer strength is unlikely to persist.

Rising food, energy, and rental costs — along with the resumption of student loan payments this fall — pose additional threats to household budgets. Importantly, the still-tight labor market — a key source of strength during this economic cycle — has displayed signs of cooling as post-pandemic demand for workers has dissipated. Job vacancies declined to the lowest level in over two years, while the proportion of the workforce voluntarily quitting fell to a level not seen since the beginning of 2021. Additionally, the Conference Board’s July consumer confidence survey indicated a more cautious labor market outlook as the headline reading erased most of its summer advance.

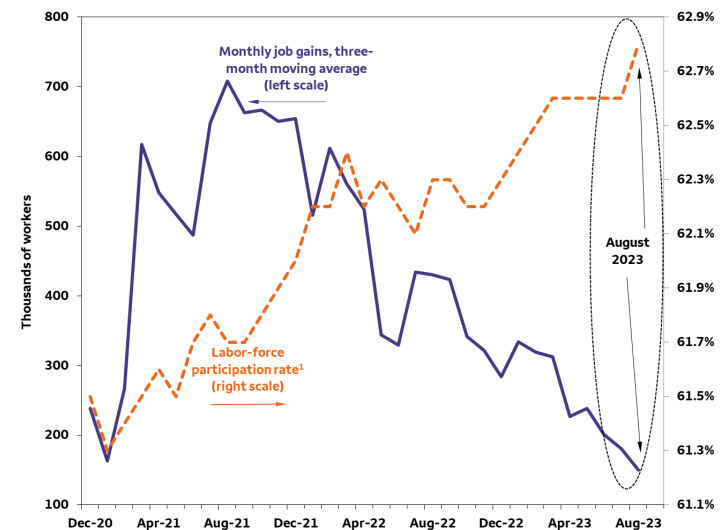
Although inflation has slowed drastically from its peak in mid-2022, resistance to further disinflation persisted in August. The Consumer Price Index (CPI) rose 3.7% on a 12-month basis in August, still firmly above the Federal Reserve’s (Fed’s) 2% target and up from July’s 3.2% annual reading. “Stickier” core inflation (excluding food and energy costs) eased to 4.3% year-over-year in August.

Consumer spending supported by reduced savings and higher real incomes



Sources: Wells Fargo Investment Institute, U.S. Commerce Department, Federal Reserve Bank of Atlanta. Data as of August 31, 2023.

Labor-market rebalancing still on track



Labor Force Participation rate: Employed and actively looking for work as a percent of the working age population.

Sources: Wells Fargo Investment Institute, U.S. Labor Department, Bureau of Labor Statistics. Data as of September 1, 2023.

International economic overview

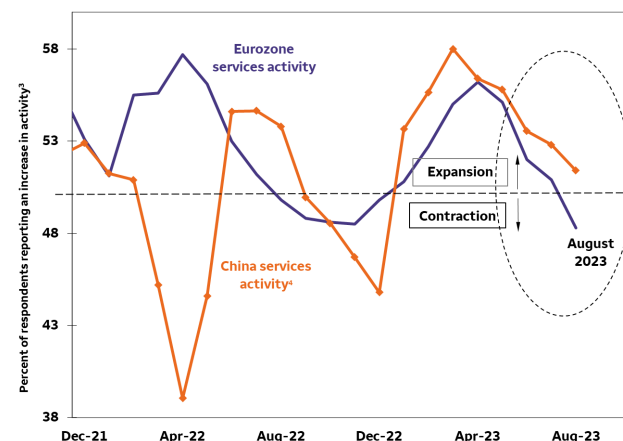
Weaker Europe and China weighing on global economy

Europe

Europe's economic slowdown intensified in August as its service sector contracted for the first time this year. Service-sector weakness overshadowed early signs of an approaching bottom to a regional manufacturing slump still pressured by weakening global trade. Europe's downturn has been led by a noticeable deterioration in Germany — which saw overall business activity slide to its worst level since the first pandemic wave in May 2020. Although eurozone CPI inflation has eased significantly from its double-digit peak last year, the headline figure remains stubbornly high at 5.3%² on a 12-month basis and has reaccelerated in certain countries, such as France and Spain. This is hampering consumer purchasing power and forcing the European Central Bank (ECB) to mull a 10th consecutive rate hike in September despite sluggish growth. In our view, a eurozone recession appears probable in the coming months, likely preceding a downturn in the U.S..

(A) Measured by Eurostat Eurozone Euro Area Monetary Union Index of Consumer Prices All Items year over year, not seasonally adjusted.

Deteriorating service-sector activity pressures global growth



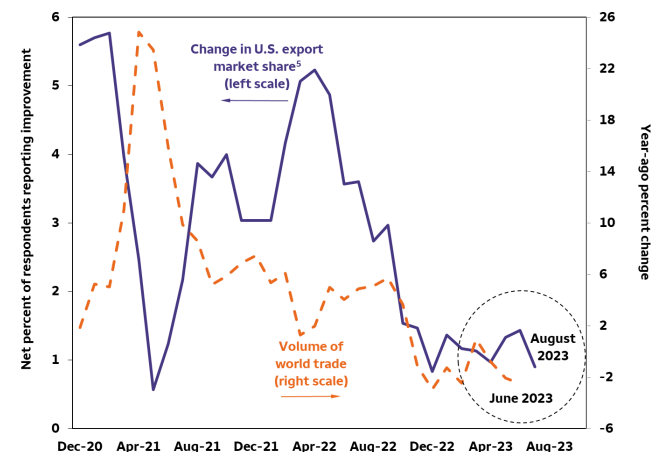
China services activity: Average of China's public and private services indexes.

Sources: S&P Global, China Federation of Logistics & Purchasing, Caixin Global. Data as of September 4, 2023.

Asia

China's economy grew modestly again in August in a role reversal between weakening travel and other consumer-driven service-sector activity and the first uptick in manufacturing since March. A deepening property market rout, record youth unemployment, and a shrinking work force due to demographic trends are among the notable headwinds contributing to the country's fragile economic outlook. Incremental stimulus measures have largely underwhelmed — unable to meaningfully restore consumer confidence or business sentiment — as government officials remain constrained by a substantial debt burden. Regionally, China's slowdown has most negatively impacted Taiwan and South Korea, adding to pressure from the global tech slump. South and southeast Asian economies continue to fare better on gains in tourism, paced by strong growth in Indian services and manufacturing and resilient activity in Indonesia.

Falling world trade compounded for U.S. exporters by dwindling gains in market share



Sources: Wells Fargo Investment Institute, JPMorgan Chase, Inc., Bloomberg Financial News, Inc. Data as of August 31, 2023..

Stock market review and strategy

Good news was bad news for U.S. equities

U.S. equities:

The string of five consecutive months of S&P 500 Index gains came to an end in August, ironically, on better-than-expected economic data. The upside macro surprises shifted interest rates higher across the curve, with many surpassing the levels reached in the fall of 2022. Stock weakness was broad based as all S&P 500 Index, Russell Midcap Index, and Russell 2000 Index sectors outside of Energy posted negative August returns. While the 2023 stock rally took a breather last month, the S&P 500 Index year-to-date (YTD) return remains impressive at 18.7% and has been driven by artificial intelligence (AI) optimism, the expectation that the end of the Fed tightening cycle is near, and that a soft economic landing may be achieved.

U.S. large caps (-1.6%) outperformed mid caps (-3.5%), which in turn outperformed small caps (-5.0%) as investors emphasized quality during the pull back. Energy (+1.8%) outperformed the other S&P 500 Index sectors as oil and natural gas prices rose. More rate-sensitive sectors underperformed with Utilities (-6.2%) and Consumer Staples (-3.6%) the worst offenders.

Energy outperformed across the mid-cap and small-cap equity space as well. The Russell 2000 Index and Russell Midcap Index Energy sectors posted 0.8% and 0.3% monthly returns, respectively. The Russell Midcap Consumer Discretionary and Utilities sectors were the worst performers in August with -6.1% and -6.0% returns, respectively, while the Russell 2000 Health Care (-8.5%) and Utilities (-7.5%) sectors underperformed the small cap index to the greatest extent.

International equities:

U.S. dollar-denominated developed market (DM) equities (-3.8%) underperformed their U.S. large cap counterparts, while U.S. dollar-denominated emerging market (EM) equities (-6.1%) was the worst performing of the five equity asset classes in August. A stronger U.S. dollar was a headwind to both.

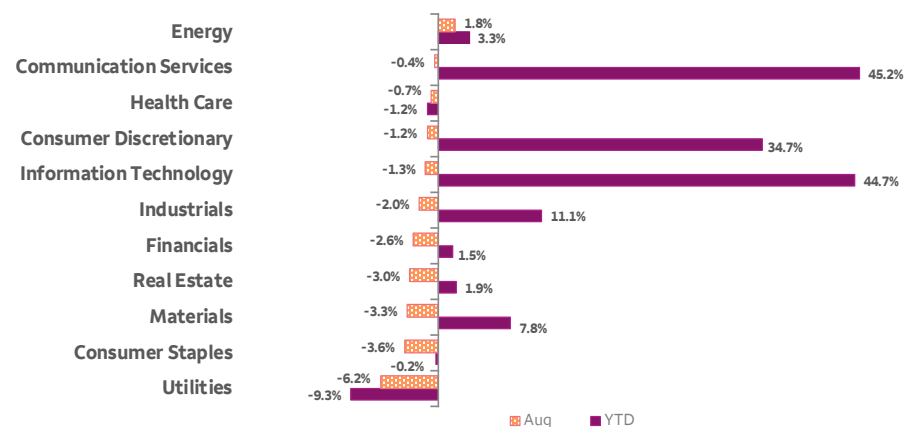
Regarding DM performance, the Pacific (-3.6%) and Europe region (-4.0%) performed similarly in August. In the Pacific, Japan (-2.4%) outperformed, while New Zealand (-9.3%) underperformed. In Europe, Denmark (+4.6%) and Finland (-0.9%) outperformed, while the Netherlands (-8.5%) underperformed.

Within EM, Latin America (-7.2%), Europe, Middle East, and Africa (-5.3%), and Asia (-6.1%) regions performed similarly in August. Turkey (+7.6%), Indonesia (-1.4%), and India (-1.9%) outperformed, while South Africa (-12.3%), Chile (-9.4%), and China (-9.0%) underperformed on the month.

Stock market total returns** Period ending August 31, 2023

Equity indexes	August	QTD	YTD	1 Year	3 Year*	5 Year*
Global Market	-2.8%	0.8%	15.2%	14.5%	7.7%	8.0%
Large Cap	-1.6%	1.6%	18.7%	15.9%	10.5%	11.1%
Large Cap Growth	-0.9%	2.4%	32.2%	21.9%	8.3%	13.8%
Large Cap Value	-2.7%	0.7%	5.9%	8.6%	11.6%	7.1%
Mid Cap	-3.5%	0.4%	9.4%	8.4%	9.2%	7.3%
Small Cap	-5.0%	0.8%	9.0%	4.7%	8.1%	3.1%
Developed ex. U.S. (USD)	-3.8%	-0.7%	11.3%	18.6%	6.6%	4.6%
Developed Small Cap (USD)	-3.3%	1.0%	6.9%	9.7%	2.8%	1.9%
Emerging Markets (USD)	-6.1%	-0.2%	4.9%	1.7%	-1.0%	1.4%
Frontier Markets (USD)	-0.9%	6.1%	12.0%	0.9%	3.7%	2.7%

S&P 500 Index sector returns



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of August 31, 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.

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

Bond market review and strategy

Resilient economy and weaker dollar

U.S. fixed income:

Economic indicators around inflation, unemployment, and growth continued to influence U.S. Treasury yield movements during August, but a resilient U.S. economy enabled yields to move higher throughout the month. Still, the U.S. Treasury yield curve remained inverted, with few signs of reversing in the near term. We remain favorable duration (a measure of interest-rate sensitivity) and believe investors could consider additional duration exposure whenever the 10-year U.S. Treasury yield rises above 4% or 4.25%.

Investor appetite for credit exposure continued during August. High yield (HY) taxable fixed income (+0.3%) outperformed U.S. investment-grade (IG) corporate fixed income (-0.8%). Also, credit spreads for HY narrowed further and traded below long-term averages while spreads for IG moved higher. We recommend maintaining a neutral position to IG corporates for investors seeking income potential; however, we are unfavorable on HY as we expect financial conditions to eventually tighten, making it more difficult for these issuers to access capital.

Municipal bond yields increased substantially across the curve, being the main contributor to the negative performance (-1.4%) for municipals during August. The municipal yield curve has also managed to invert (10-year minus 1-year) following the inversion of the U.S. Treasury yield curve. We remain favorable on municipals, especially as they have historically been resilient during a recession. For investors in higher effective tax brackets, we think municipal securities are an important part of fixed-income positioning.

International fixed income:

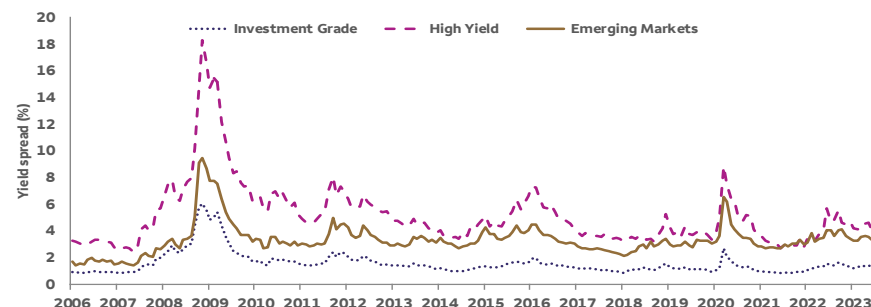
With the euro and pound weakening in August, unhedged DM returns (-2.2%) declined and were one of the worst performers in fixed income. On the other hand, hedged DM bonds remained relatively flat (+0.1%). Swedish and New Zealand bonds were the worst performers over the month, mostly a function of the decline of their currencies against the U.S. dollar. Japanese and U.K. bonds also had negative performance as yields increased.

The stronger dollar harmed local-currency-denominated EM bonds⁸, which fell by 2.0% in August. An increase in dollar-denominated sovereign debt spreads, along with higher U.S. Treasury yields caused negative returns (-1.4%) for the month. The negative performance was broad across multiple EM countries like Mexico, Indonesia, Egypt, and Chile.

Fixed Income market total returns** Period ending August 31, 2023

Fixed Income indexes	August	QTD	YTD	1 Year	3 Year*	5 Year*
Global Multiverse	-1.4%	-0.6%	1.0%	0.3%	-5.8%	-1.1%
U.S. Inv Grade Taxable	-0.6%	-0.7%	1.4%	-1.2%	-4.4%	0.5%
U.S. Treasury Bills	0.5%	0.9%	3.2%	4.4%	1.6%	1.7%
U.S. Short-Term Taxable	0.4%	0.8%	2.0%	1.6%	-0.7%	1.2%
U.S. Inter-Term Taxable	-0.4%	-0.3%	1.4%	-0.7%	-3.8%	0.8%
U.S Long-Term Taxable	-2.2%	-3.1%	0.8%	-5.2%	-10.1%	-0.2%
U.S. Treasury	-0.5%	-0.9%	0.7%	-2.1%	-5.1%	0.2%
U.S. Corporate	-0.8%	-0.4%	2.8%	0.9%	-4.2%	1.4%
U.S. Municipal	-1.4%	-1.0%	1.6%	1.7%	-1.3%	1.5%
U.S. TIPS	-0.9%	-0.8%	1.1%	-3.7%	-1.5%	2.3%
U.S. High Yield	0.3%	1.7%	7.1%	7.2%	1.8%	3.3%
Developed ex. U.S. (unhedged)	-2.2%	-1.5%	-1.4%	-1.3%	-10.1%	-4.0%
Emerging Market (USD)	-1.4%	0.2%	4.0%	5.0%	-3.9%	0.8%

Credit spreads to Treasury Securities



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of August 31, 2023.

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Real Assets review and strategy

Tightening supply and fears of recession

Master limited partnerships (MLPs):

MLPs outperformed the broader market in August, with a 0.5% total return (as measured by the Alerian MLP Index) versus a -1.6% return for the S&P 500 Index.

Commodities:

Energy: The Bloomberg Commodity Energy Subindex experienced a 2.4% return in August, outperforming the broader Bloomberg Commodity Index. West Texas Intermediate (WTI) and Brent crude prices were both up in August with 2.2% and 1.5% returns, respectively. As of August 31, both WTI (\$83) and Brent crude (\$86) ended the month just above the low end of our 2023 year-end targets. Performance among energy commodities was positive, driven by the re-tightening of global supply sparked by Organization of the Petroleum Exporting Countries (OPEC) supply cuts and market optimism. Over the coming months, though, we expect performance to moderate as supply concerns are weighed against the possibility of an upcoming recession.

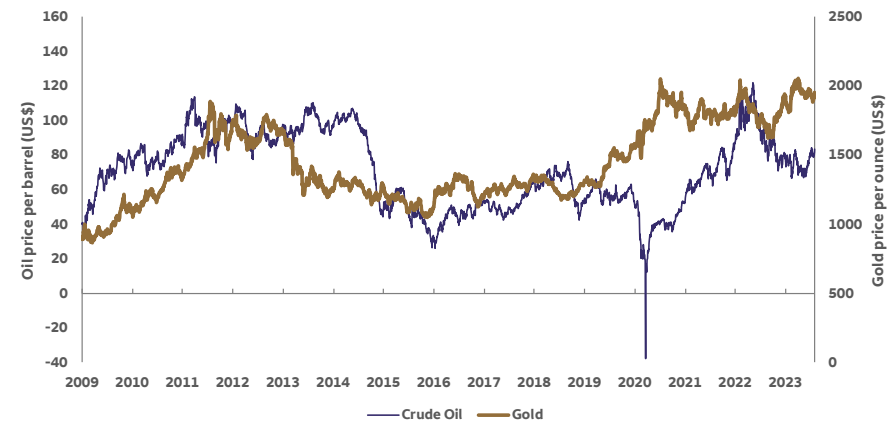
Metals: Precious metals underperformed the broader Bloomberg Commodity Index with a -1.7% return in August. Gold was the top performer with a -1.2% monthly return, while silver prices were down 2% for the month. Gold has outperformed the Bloomberg Commodity Index YTD, and we suspect that its performance will improve as economic conditions weaken. Positive trends for precious metals include rising global debt, central bank purchases, a range-bound U.S. dollar, and a favorable supply-demand balance. Industrial metals underperformed the Bloomberg Commodity Index, with a -4.7% return in August. Aluminum was the top performer with a -3.7% return, while Nickel was the worst performer with a -9.1% return. We suspect that industrial metals will continue to face headwinds until the depth of the global recession is revealed, and as China's property sector faces headwinds. If the slowdown is shallower than expected, we believe base metals could revert and become strong performers.

Agriculture: Agricultural commodity prices were down 1.5% in August, underperforming the Bloomberg Commodity Index, but there was still a wide dispersion in individual performance. Sugar (+3.9%) was the top performer, while wheat (-13.9%) was the worst performer. YTD agricultural commodities continue to outperform the broader commodity index. Though, we caution that adequate supply growth and an easing of supply chain disruptions appear to be strong headwinds for agricultural prices.

Real Assets total returns* Period ending August 31, 2023

REIT/Commodity indexes	August	QTD	YTD	1 Year	3 Year*	5 Year*
Public Real Estate	-3.3%	0.4%	2.0%	-4.2%	2.6%	0.5%
U.S. REITs	-3.3%	-1.4%	1.5%	-7.7%	4.3%	3.8%
International REITs	-3.6%	1.8%	-2.5%	-6.0%	-3.6%	-2.9%
S&P Goldman Sachs Commodity (GSCI)	0.6%	11.4%	3.0%	-1.8%	26.2%	5.5%
Bloomberg Commodity	-0.8%	5.4%	-2.8%	-8.7%	15.2%	6.7%
Commodities (RICI)	0.1%	8.1%	0.5%	-1.5%	23.3%	9.2%
Global Infrastructure	-4.7%	-2.7%	1.0%	-1.1%	8.0%	4.9%
MLPs	0.5%	6.5%	16.8%	18.8%	34.8%	5.8%

Crude oil versus gold



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of August 31, 2023. REITs = real estate investment trusts.

*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. Note: Super-cycle = If you look at commodity prices over the very long term (hundreds of years), it becomes evident that they tend to move in overall bull and bear cycles, some lasting decades.

Alternatives review and strategy

Equities, dollar, and weak international growth

Relative Value:

Relative Value strategies registered a modest gain of 0.3% for the month, largely driven by arbitrage and structured credit. These sub-strategies benefited from elevated credit dispersions.

Macro:

Macro strategies retreated by 0.5% in August. Systematic strategies were the primary driver and marched down by 0.9% for the month. Specifically, long positions in global equity indices and emerging market currencies resulted in losses. Worries about Chinese and European growth, elevated interest rates globally, and a stronger dollar led to lower prices for precious metals and detracted from returns. Long U.S. dollars against major developed country currencies and short U.S. bond positions were profitable and partially offset the losses. During the month, the strategies reduced long positions in equities and short holdings in bonds. Systematic strategies also re-established long positions in the U.S. dollar and maintained long holdings in energy and agricultural commodities. For the month, Discretionary strategies had a more muted, yet positive, return of 0.3%.

Event Driven:

Event Driven strategies advanced by 0.4% for the month, continuing the positive performance of the past two months. Merger arbitrage and distressed credit strategies recorded 2.0% and 0.5% gains in August, respectively. Merger Arbitrage return was boosted by a more deal-friendly regulatory environment, tightened spreads, and a stable supply of new deals. The pricing of distressed credit has continued to recover this month, driven by positive restructuring developments. Activist strategies recorded a loss of 2.2%, driven by broader equity market declines.

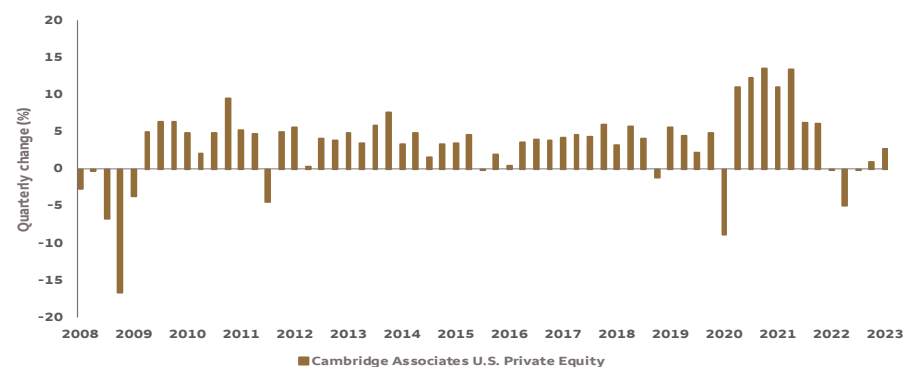
Equity Hedge:

Equity Hedge strategies achieved a -1.2% return in August but outperformed the MSCI All Country World Index. The negative return was largely driven by equity market impact. Throughout the month, the strategies reduced positions in Europe, Asian emerging markets, and select sectors, including Technology, Consumer Discretionary, and Financials. Conversely, the managers increased holdings in Consumer Staples, Communication Services, and Health Care sectors. Equity market neutral strategies ended the month higher by 0.2%, benefited from positive security selection impact.

Alternatives total returns** Period ending August 31, 2023

Alternative indexes	August	QTD	YTD	1 Year	3 Year*	5 Year*
Global Hedge Fund	-0.5%	1.3%	4.7%	4.5%	6.7%	5.1%
Relative Value	0.3%	1.3%	3.8%	3.6%	5.3%	3.6%
Arbitrage	0.5%	0.9%	2.7%	1.2%	4.5%	3.7%
Long/Short Credit	0.0%	1.3%	4.4%	4.3%	4.2%	3.9%
Structure Credit/Asset Backed	0.6%	1.6%	4.8%	3.7%	5.8%	3.4%
Macro	-0.5%	0.2%	-0.7%	-0.7%	6.3%	5.0%
Systematic	-0.9%	-0.9%	-1.6%	-3.7%	6.6%	4.4%
Discretionary	0.3%	1.7%	1.7%	3.8%	3.9%	4.8%
Event Driven	0.4%	2.7%	5.2%	5.0%	8.0%	4.8%
Activist	-2.2%	1.7%	12.1%	10.7%	7.9%	4.1%
Distressed Securities	0.5%	1.3%	3.6%	1.7%	8.9%	4.7%
Merger Arbitrage	2.0%	4.2%	1.3%	2.9%	8.3%	5.4%
Equity Hedge	-1.2%	1.2%	7.0%	6.8%	6.8%	5.5%
Directional Equity	1.1%	0.7%	6.8%	5.5%	6.7%	6.3%
Equity Market Neutral	0.2%	0.3%	1.7%	2.6%	3.6%	2.0%

Private Capital Index Returns



Sources: 2023 – Morningstar Direct, All Rights Reserved1, Cambridge Associates, and Wells Fargo Investment Institute. Data as of August 31, 2023. Cambridge Associates data through March 31, 2023.

*Annualized returns. **Index returns do not reflect the deduction of fees, expenses or taxes. Performances for the most recent month are preliminary from HFR. 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.

Asset Allocation

Actual Versus Target Asset Allocation as of August 31, 2023

Asset Class	Actual Market Value	Target Market Value	\$ Difference	Actual Percent	Target Percent	% Difference
Global Equities	3,062,758	3,069,729	-6,971	55%	55%	0%
Global Fixed Income	2,093,628	2,288,343	-194,715	38%	41%	-3%
Real Assets	118,849	111,627	7,222	2%	2%	0%
Cash and Equivalents	306,090	111,627	194,464	5%	2%	3%
Total Portfolio	5,581,325	5,581,325	0	100%	100%	0%

Cash Flow Summary

Portfolio Statement of Changes Periods Ended August 31, 2023

Portfolio Categories	Year To Date	Since Inception (12/08/2021)
Beginning Portfolio Value	5,437,986	0
Income	88,543	232,027
Net Contribution	-250,000	6,000,000
Fees And Expenses	-19,881	-47,841
Change In Market Value	<u>324,677</u>	<u>-602,861</u>
Ending Portfolio Value	5,581,325	5,581,325
Investment Gain	393,339	-418,675

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	Last 3 Months	Year to Date	1 Year	Since Inception
Global Equities	-2.91%	7.37%	13.27%	12.90%	-3.91%
<i>MSCI ACWI NR</i>	<i>-2.79</i>	<i>6.61</i>	<i>14.8</i>	<i>13.95</i>	<i>-3.82</i>
Global Fixed Income	-0.35	-0.22	1.62	-0.1	-6.35
<i>BB US Agg Bond TR</i>	<i>-0.64</i>	<i>-1.06</i>	<i>1.37</i>	<i>-1.19</i>	<i>-7.27</i>
Real Assets	-1.02	9.69	-3.54	-9.13	5.99
<i>67%REIT NR/33% Comm</i>	<i>-2.5</i>	<i>5.38</i>	<i>0.07</i>	<i>-6.2</i>	<i>-7.93</i>
Cash and Equivalents	0.41	1.18	2.82	3.7	2.34
<i>USTREAS T-Bill Cnst</i>	<i>0.46</i>	<i>1.36</i>	<i>3.18</i>	<i>4.22</i>	<i>2.59</i>
Total Portfolio	-1.78%	4.01%	7.41%	6.22%	-4.41%
<i>Client Custom Benchmark</i>	<i>-1.84%</i>	<i>3.34%</i>	<i>8.66%</i>	<i>7.12%</i>	<i>-4.98%</i>

*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

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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 commissions. You cannot purchase an index.

Forecasts are not guaranteed and based on certain assumptions and on views of market and economic conditions which are subject to change.

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. Small- and mid-cap stocks are generally more volatile, subject to greater risks and are less liquid than large company stocks. Growth stocks may be more volatile than other stocks and there is no guarantee growth will be realized. There are no guarantees that value stocks will increase in value or that their intrinsic values will eventually be recognized by the overall market. Both growth and value types of investing tend to shift in and out of favor.

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.

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.

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Index definitions

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

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

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.

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Fixed income

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.

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

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

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

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.

Equities

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 Belgium Index is designed to measure the performance of the large and mid cap segments of the Belgium equity market.

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

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 Japan Index is a free-float weighted equity index composed of companies domiciled in Japan.

MSCI Korea Index is designed to measure the performance of the large and mid cap segments of the South Korean 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 South Africa Index is designed to measure the performance of the large and mid cap segments of the South African market.

MSCI Taiwan Index is designed to measure the performance of the large and mid cap segments of the Taiwan market

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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

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.

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

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 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 CTR. 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 CTR. 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). **Bloomberg Precious Metals Subindex Index** reflects the returns that are potentially available through an unleveraged investment in the futures contracts on precious metals commodities. **Bloomberg Agriculture Subindex** is a commodity group subindex of the Bloomberg Commodity Index. It is composed of futures contracts on coffee, corn, cotton, soybeans, soybean oil, soybean meal, sugar and wheat. It reflects the return of the underlying commodity futures and is quoted in USD.

Alternative Assets

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.

Alternative Assets

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.

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Board for the Blind and Vision Impaired
Financial Report - FY2024
July 1, 2023 - August 31, 2023

Available Funds (As of August 31, 2023)

5,844,893

Available Funds by Source

	Beginning Balance (July 1, 2023)	Ending Balance (August 31, 2023)	Variance
Wells Fargo Checking	212,441.55	212,441.55	-
Wells Fargo Investment Account	5,555,485.80	5,579,330.96	23,845
Local Government Investment Pool (LGIP)	38,234.05	53,120.25	14,886
Total	5,806,161.40	5,844,892.76	38,731

Approved Giving

278,251

Giving & Disbursements by Grantee

Grantee	Approved Amount	Disbursements (August 31, 2023)	Variance
Metropolitan Washington Ear	64,524	-	64,524
Virginia Voice	50,000	-	50,000
Super Summer Camp	53,727	-	53,727
NFBV Silver Bells	100,000	-	100,000
Goodwill of the Valley (New Vision)	10,000	-	10,000
Grand Total	278,251	-	278,251

Administrative Budget

4,000

Expenditures YTD

Food & Dietary Services	211.2
Travel: Personal Vehicle	420.19
Travel; Subsistence & Lodging	223.44

By-Laws

Virginia Board for the Blind and Vision Impaired

ARTICLE I. NAME

The name of this body is the Virginia Board for the Blind and Vision Impaired, hereinafter to be referred to as the Board.

ARTICLE II. LEGAL BASE/PURPOSE

Section 1: Legal Base

Code of Virginia, [§ Title 51.5, Chapter 12](#) (External Site), Section [§ 51.5-61](#) (External Site), [§ 51.5-62](#) (External Site), and [§ 51.5-63](#) (External Site) provides the legal base for the composition and duties of the Board.

Section 2: Purpose

The Board shall perform the following duties:

1. Advise the Governor, the Secretary of Health and Human Resources, the Commissioner, and the General Assembly on the delivery of public services to and the protection of the rights of blind, visually impaired, deafblind and other persons with disabilities.
2. Review and comment on policies, budgets and requests for appropriations for the Department and applications for federal funds.
3. Create and hold an institutional fund into which it deposits any gift, grant, bequest, allotment, or devise of any nature received from private sources. Authorize use of the proceeds of the fund in accordance with the wishes of the donors and to strengthen the services rendered to the visually handicapped of the Commonwealth.

ARTICLE III. MEMBERSHIP/TERMS OF OFFICE

Section 1: Membership/Terms of Office

The Board shall consist of seven members appointed by the Governor for terms of four years each. No person may serve more than two successive terms, unless filling an unexpired term. Members on the Board shall at all times include four persons who are blind. Also, a majority of Board members shall constitute a quorum for transaction of any legal business.

ARTICLE IV. ORGANIZATION

Section 1: Officers

The officers of the Board shall consist of the Chairman, Vice-Chairman, and Secretary. The Chairman shall preside at Board meetings; in the Chairman's absence, the Vice-Chairman shall preside.

Section 2: Terms of Office

The Board shall elect its officers each year with term of office beginning July 1. The Chairman shall be selected from among its blind members. Officers may be eligible for re-nomination and reelection to successive terms not to exceed four total terms.

Section 3: Meetings

The Board shall meet on a quarterly basis, except as otherwise deemed necessary by the Chairman or a majority of the Board members. All meetings shall be open to the public.

By-Laws

Virginia Board for the Blind and Vision Impaired

Section 4: Staffing

The Board shall be staffed by a Board Administrator appointed by the Commissioner.

ARTICLE V. SPECIAL COMMITTEES

Special committees may be constituted at any time by action of the full Board or the Chairman. Members shall be appointed by the Chairman. The Chairman may appoint non-Board members to serve on special committees if deemed necessary or appropriate. At the time a special committee is created, its mission shall be specifically established by action of the full Board or by the Chairman. In creating such special committees, the Chairman shall specify the time within which the committee is to make its report to the Board.

ARTICLE VI. CONDUCT OF BUSINESS

Section 1: Procedures

Proceedings of Board meetings shall be as prescribed by Robert's Rules of Order.

The Board may hold a work session preceding regular or special Board meetings when deemed appropriate. A work session agenda, stating the time and place of the session shall be included with the agenda for the regular and/or special meetings of the Board.

Section 2: Executive Sessions

Prior to meeting in an executive session, the Board must adopt a motion to go into executive session. The motion must include specific reference to the substance of the matters to be discussed. The minutes shall reflect the specific Code of Virginia cite for allowable exemption from an open meeting. Matters which may be discussed in an executive session are specified by the Virginia Freedom of Information Act and include:

1. Consideration of employment, assignment, appointment, promotion, demotion, and salaries, disciplining, or resignation of appointees or employees of the Department for the Blind and Vision Impaired.
2. Protection of the privacy of individuals in personnel matters not related to public business.
3. Consultation with legal counsel and briefings by staff members, consultants, or attorneys pertaining to actual or probable litigation or other specific legal matters within the jurisdiction of the Board.

At the conclusion of the executive session, the Board shall reconvene in open session and certify by recorded vote that only matters lawfully exempted from open session, as indicated in the motion for executive session, were discussed. Action taken in executive session must be confirmed in public session.

Section 3: Reimbursement of Expenses

The members of the Board may receive reimbursement for reasonable expenses, as governed by the Virginia State Travel Regulations, incurred while attending meetings of the Board or assigned committee meetings or in performing duties as a member of the Board as authorized by the Chairman.

By-Laws

Virginia Board for the Blind and Vision Impaired

Section 4: Member Participation by Electronic Means

Individual Board members may participate in meetings of the Board for the Blind and Vision Impaired by electronic means as permitted by the Code of Virginia and Board policy. “

~~It is the policy of the Board for the Blind and Vision Impaired that individual Board members may participate in meetings of the Board by electronic means as permitted by § 2.2-3708.2 of the Code of Virginia.~~

~~This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.~~

~~Electronic Member Participation Permission #1: Disability, Medical Condition or Caregiving Obligations— If notified on or before the day of the meeting, it shall be the policy of the Board to allow a member to participate electronically. At the beginning of the meeting, the Chair shall state the member’s electronic participation and the general reason (specifics are not required). A quorum of Board members must be physically assembled at the primary or central meeting location, and there must be arrangements for the voice of the remote participant (or other forms of communication for members who rely on communication other than speech) to be heard by all persons at the primary or central meeting location. The Board shall record in its minutes the remote location from which the member participated and the fact that the member participated through electronic means due to a disability, medical condition or caregiving obligation.~~

~~Electronic Member Participation Permission #2: Personal Matters — If notified on or before the day of the meeting, it shall be the policy of the Board to allow a member to participate electronically. At the beginning of the meeting, the Chair shall state the member’s electronic participation and the general reason (specifics are not required). Each Board member may only use this permission one time per year, or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater. A quorum of the Board members must be physically assembled at the primary or central meeting location, and there must be arrangements for the voice of the remote participant (or other forms of communication for members who rely on communication other than speech) to be heard by all persons at the primary or central meeting location. The Board shall record in its minutes the remote location from which the member participated and the nature of the personal matter cited by the member.~~

~~Individual participation from a remote location shall be approved unless such participation would violate this policy or the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq. of the Code of Virginia).~~

~~If a member's participation from a remote location is challenged, then the Board shall vote on whether to allow such participation. If the Board votes to disapprove of the member's participation because such participation would violate this policy, such disapproval shall be recorded in the minutes with specificity.~~

~~The Board may meet without a quorum physically assembled at one location if the meeting is being held solely to receive presentations, updates, public comment, or conduct other forms of information gathering. If a quorum is not physically assembled, the Board shall not take any~~

By-Laws

Virginia Board for the Blind and Vision Impaired

~~votes or make any formal recommendations at the meeting. The meeting notice shall include the electronic communication means by which members of the public may witness the meeting.~~

ARTICLE VII. REPORTS

The Board shall provide reports to the Governor, Secretary of Health and Human Resources and the General Assembly upon request.

ARTICLE VIII. OFFICIAL PAPERS

Official records of the Board, except records of executive sessions, shall be kept on file in the Department for the Blind and Vision Impaired and shall be open to inspection. Records of executive sessions will be maintained separately and are not open to the public. All records will be maintained for five years.

ARTICLE IX. PUBLIC PARTICIPATION

Major presentations before the Board shall be limited to ten minutes each, with additional or supportive speakers being allowed two minutes. Members of the public who attend Board meetings should notify the Department in advance if special accommodations are needed. Speakers before the Board are encouraged to provide written copies of their presentations. Written comments supporting a position are strongly encouraged.

ARTICLE X. PRESENTATION AND ACTION ON RESOLUTIONS

Resolutions to be acted upon by the Board shall be included in the agenda materials distributed prior to a regular meeting or mailed directly to Board members prior to such distribution of agenda materials.

Unless otherwise specified by the Board Chairman, resolutions that are not included in the agenda materials distributed prior to a regular meeting shall be presented in writing and given to each member of the Board on the day of the meeting. Such resolutions shall be considered only with the consent of a majority of the Board members present and shall be discussed at a time designated on the agenda. Actions may be taken by a minimum of four affirmative votes.

ARTICLE XI. AMENDMENTS

The by-laws of the Board may be amended at any meeting of the Board by an affirmative vote of the majority of the Board membership, provided that the proposed amendment has been approved by the Board at a previous regular meeting.

Approved: March 22, 2022