

**CITY OF GROSSE POINTE WOODS
NOTICE OF REGULAR MEETING
Retiree Health Care Plan and Trust Fund
Thursday, February 2, 2023
Immediately following Pension Board Meeting**

City Hall Conference Rom at 20025 Mack Plaza, Grosse Pointe Woods, MI

AGENDA

1. Call to order
2. Roll call
3. Acceptance of the meeting agenda
4. Meeting minutes dated November 3, 2022
5. Trial Balance through December 31, 2022
6. June 30, 2022 Actuarial Reports-Foster & Foster Actuaries and Consultants
 - a. GASB 74/75 Disclosure Report-Plan/Fiscal Year Ending June 30, 2022
 - b. OPEB PA 202 Uniform Assumptions
7. Excerpt from the City of Grosse Pointe Woods Annual Comprehensive Financial Report for Fiscal Year End June 30, 2022. Required Supplemental Information-Net OPEB Liability
8. 4th Quarter Fund Evaluation Group Report
 - a. December Performance Review
9. Payment of Invoices –
 - a. FEG Invoice \$ 575.00
10. New Business/Public Comment.
11. Adjournment

Submitted by: Shawn Murphy, Pension Administrator

Next Regular Board Meeting –May 4, 2023 Immediately following Pension Board Meeting

In accordance with Public Act 267 of 1976 (Open Meetings Act), all members of the above Commission/Committee, as well as the general public, are invited to attend this meeting.

Necessary, reasonable auxiliary aids and services to aid individuals with disabilities will be provided. All such requests must be made at least five (5) days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the Pension Administrator at (313) 343-2604 or Telecommunications Device for the Deaf (TDD) (313) 343-9249.

RETIREE HEALTH CARE BENEFIT PLAN & TRUST

11/03/2022

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES FOR THE RETIREE HEALTH CARE BENEFIT PLAN & TRUST (i.e. The Board) OF THE CITY OF GROSSE POINTE WOODS, HELD ON THURSDAY NOVEMBER 3, 2022 IN THE CONFERENCE ROOM OF THE MUNICIPAL BUILDING, 20025 MACK PLAZA, GROSSE POINTE WOODS, MICHIGAN.

The meeting was called to order at 6:50 pm by Chairperson Mayor Arthur Bryant.

The following members were present:

Chairperson Mayor Arthur Bryant
Council Representative Victoria Granger
Citizen Representative Gary Zarb
General Employee Representative Matt Crook
Public Safety Representative Brian Conigliaro

Also present:

Pension Administrator, Shawn Murphy
Fund Evaluation Group (FEG), Jeffrey Davis
Recording Secretary, Tina Hoenicke

Motion by Granger, supported by Crook that all items on today's agenda be received and placed on file.

Motion CARRIED by the following vote:

YES: Bryant, Granger, Zarb, Crook, Conigliaro,
NO: None
ABSENT: None

Motion by Granger, supported by Crook to accept and place on file the minutes of the Retiree Health Care Benefit Plan and Trust meeting dated August 4, 2022 as presented.

Motion CARRIED by the following vote:

YES: Bryant, Granger, Zarb, Crook, Conigliaro,
NO: None
ABSENT: None

Motion by Granger, supported by Crook to receive and place on file the trial balance as presented through September 30, 2022.

Motion CARRIED by the following vote:

YES: Bryant, Granger, Zarb, Crook, Conigliaro,
NO: None
ABSENT: None

RETIREE HEALTH CARE BENEFIT PLAN & TRUST

11/03/2022

PAGE 2

Motion by Granger, supported by Conigliaro, to receive and place on file the 3rd Quarter Fund Evaluation Group Report for period ending September 30, 2022.

Motion CARRIED by the following vote:

YES: Bryant, Granger, Zarb, Crook, Conigliaro,

NO: None

ABSENT: None

Motion by Granger, supported by Zarb to pay the FEG invoice in the amount of \$567.00.

Motion CARRIED by the following vote:

YES: Bryant, Granger, Zarb, Crook, Conigliaro,

NO: None

ABSENT: None

New Business/Public Comment: None

Motion by Granger, supported by Zarb to adjourn the meeting at 6:53 p.m.

Motion CARRIED by the following vote:

YES: Bryant, Granger, Zarb, Crook, Conigliaro,

NO: None

ABSENT: None

Minutes recorded by: Tina Hoenicke

Approved by the Pension Board:

Shawn Murphy, Pension Administrator

Fund 737 OPEB

| GL Number | Description | Balance |
|---|------------------------------|---------------------|
| *** Assets *** | | |
| 737-000-001.000 | CASH | 0.00 |
| 737-000-005.001 | SCHWAB CASH | 1,825,852.10 |
| 737-000-006.000 | CASH-TRUST | 0.00 |
| 737-000-050.100 | CONTRIBUTION RECEIVABLE-EE | 0.00 |
| 737-000-056.000 | INTEREST RECEIVABLE | 0.00 |
| 737-000-058.000 | CONTRIBUTIONS RECEIVABLE | 0.00 |
| 737-000-084.101 | DUE F/GENERAL FD | 0.00 |
| 737-000-120.000 | US GOVT SEC | 0.00 |
| 737-000-121.000 | DISCOUNT | 0.00 |
| Total Assets | | 1,825,852.10 |
| *** Liabilities *** | | |
| 737-000-202.100 | WEEKLY A/P | 0.00 |
| Total Liabilities | | 0.00 |
| *** Fund Balance *** | | |
| 737-000-390.000 | CURRENT FUND BALANCE | 1,581,106.10 |
| 737-000-390.100 | PRIOR FUND BALANCE | 0.00 |
| 737-000-390.300 | SUPPLEMENTAL ANNUITY RESERVE | 0.00 |
| Total Fund Balance | | 1,581,106.10 |
| Beginning Fund Balance | | 1,581,106.10 |
| Net of Revenues VS Expenditures | | 244,746.00 |
| Ending Fund Balance | | 1,825,852.10 |
| Total Liabilities And Fund Balance | | 1,825,852.10 |

CITY OF GROSSE POINTE WOODS
OTHER POSTEMPLOYMENT BENEFITS PLAN

ACTUARIAL VALUATION AS OF JUNE 30, 2022

GASB 74 / 75 DISCLOSURES FOR THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2022

Valuation Date: June 30, 2022
Measurement Date: June 30, 2022
Fiscal Year End Date: June 30, 2022



October 27, 2022

Ms. Shawn Murphy
Treasurer/Comptroller
City of Grosse Pointe Woods
20025 Mack Plaza Drive
Grosse Pointe Woods, MI 48236

Re: GASB 74/75 Valuation for Fiscal Year Ending June 30, 2022

Dear Ms. Murphy:

We are pleased to present to the City of Grosse Pointe Woods this report of the annual actuarial valuation of the City's Other Postemployment Benefits (OPEB) Program. This valuation was performed to determine annual expenses associated with providing OPEB benefits, the current funded status of the Plan, and to provide all necessary schedules required to comply with the Governmental Accounting Standards Board No. 75. The schedules related to the Governmental Accounting Standards Board No. 74 can be found in Appendix 1.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. Due to the limited scope of this report, we did not provide an analysis of these potential differences.

The funded status measurements included in this report are based on the assumptions and methods used to determine the Plan's obligations and asset values as of the Measurement Date. Funded status measurements for financial accounting purposes may not be appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. Likewise, funded status measurements for financial accounting purposes may not be appropriate for assessing the need for or the amount of future actuarially determined contributions.

Foster & Foster does not provide legal, investment or accounting advice. Thus, the information in this report is not intended to supersede or supplant the advice or the interpretations of the City or its affiliated legal, investing or accounting partners.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects all applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the City, represent reasonable expectations of anticipated plan experience.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

In conducting the valuation, we have relied on personnel and plan design information supplied by the City, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. Because of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The Total OPEB liability, Net OPEB Liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2022. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 74 and GASB No. 75.

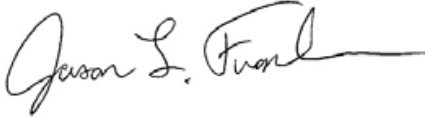
The undersigned are familiar with the immediate and long-term aspects of OPEB valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Grosse Pointe Woods, nor does anyone at Foster & Foster, Inc. act as a member of the Board of the City of Grosse Pointe Woods. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 248-399-8760.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Jason L. Franken, FSA, EA, MAAA


By: 
Colleen M. Atchison, FSA, MAAA

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SECTION 1 – Executive Summary

SECTION 1 – EXECUTIVE SUMMARY

The valuation results presented in this report have been prepared in accordance with the Government Accounting Standards Board Statement 75 (GASB 75) for the City of Grosse Pointe Woods' Other Postemployment Benefits (OPEB) Program, based on the actuarial valuation performed as of June 30, 2022.

The results of this valuation are based on a Valuation Date of June 30, 2022, a Measurement Date of June 30, 2022, and are applicable to the fiscal year ending June 30, 2022. The following table shows the key components of the City's OPEB valuation for FY 2022 under GASB 75:

| | | |
|--|----|-------------------|
| Total OPEB Liability as of the Measurement Date | \$ | 26,826,424 |
| Plan Fiduciary Net Position as of the Measurement Date | | 1,581,106 |
| Sponsor's Net OPEB Liability as of the Measurement Date | \$ | <u>25,245,318</u> |
| | | |
| OPEB Expense/(Revenue) For the Fiscal Year ending June 30, 2022 | \$ | (4,993,318) |
| | | |
| Covered Employee Payroll | \$ | 3,029,307 |
| | | |
| Sponsor's Net OPEB Liability as a percentage of Covered Employee Payroll | | 833.37% |
| | | |
| Actuarially Determined Contribution as of June 30, 2022 | \$ | 2,208,802 |
| | | |
| Census Information as of June 30, 2022 | | |
| Active Participants | | 36 |
| Retirees, Beneficiaries, and Disabled Members | | 97 |
| Inactive Vested Members | | 0 |
| Total Participants | | <u>133</u> |

SECTION 1 – Executive Summary

Notes on the Valuation:

The following changes have been made since the prior valuation:

- The census data was collected as of June 30, 2022 and is representative of the population as of that date.
- The annual per capita claims costs have been updated to reflect current age-adjusted health care premiums. The premium rates have been updated to use those effective during the 2022 fiscal year.
- The mortality improvement scale has been updated from Scale MP-2019 to Scale MP-2020, in accordance with the 2022 Uniform Assumptions of Michigan Public Act 202.
- The long-term rate of return on investments was decreased from 7.00% to 6.85% per year, in accordance with the 2022 Uniform Assumptions of Michigan Public Act 202.
- The GASB 75 discount rate as of the measurement date is 6.85%. The discount rate is based on the long-term rate of return on plan assets. For more information, see the Crossover Test in Appendix 2.
- The termination benefits and inactive vested pension participants have been excluded from the results based on our understanding of the OPEB plan provisions. This is reflected as a Change in Benefit Terms since these benefits were included in previous valuations.

City's Funding Policy:

The numbers shown above reflect a decision to fund the program. The board intends to contribute an amount equal to the actuarially determined contribution each year until the plan is fully funded.

SECTION 1 – Executive Summary

Governmental Accounting Standard No. 75:

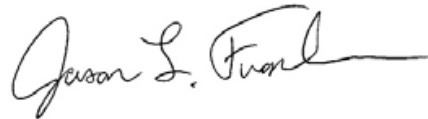
GASB 75 requires governmental employers to recognize the Net OPEB Liability and the OPEB expense in their financial statements, along with the related deferred outflows and inflows of resources. GASB 75 is similar to GASB 68 for pensions. Under GASB 75, the Net OPEB Liability is the difference between the Total OPEB Liability (i.e. Actuarial Accrued Liability) and the Plan's Fiduciary Net Position (i.e. assets). For unfunded plans, the OPEB liability recorded on the employer's balance sheet is equal to the Total OPEB Liability.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board in order to discuss the Report and any pending questions concerning its contents.

Respectfully submitted,

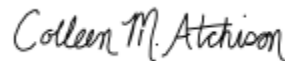
FOSTER & FOSTER, INC.

By:



Jason L. Franken, FSA, EA, MAAA

By:



Colleen M. Atchison, FSA, MAAA

SECTION 2 – Notes to Financial Statements

SECTION 2 – NOTES TO THE FINANCIAL STATEMENTS (For the Year Ended June 30, 2022)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Postemployment Benefits Other Than Pensions (OPEB):

For purposes of measuring the net OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Grosse Pointe Woods' post-retirement health benefits plan (Plan) and additions to/ deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan Description:

The City of Grosse Pointe Woods' post-retirement health benefits plan (Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees and their spouses. The Plan allows employees who retire or become disabled and meet retirement eligibility requirements under the Plan to continue medical coverage as a participant in the plan.

Employees covered by benefit terms. At June 30, 2022, the following employees were covered by the benefit terms:

| | |
|--|-------------|
| Inactive Plan Members, or Beneficiaries Currently Receiving Benefits | 97 |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits | - |
| Active Plan Members | 36 |
| | <hr/> |
| | 133 |
| | <hr/> <hr/> |

Benefits Provided:

Retirees hired prior to 2011 and their spouses are eligible for post-retirement health insurance. The portion of the benefits payable by the City depend on the retiree's service credits.

SECTION 2 – Notes to Financial Statements

NET OPEB LIABILITY

The measurement date for GASB 75 reporting is June 30, 2022.

The measurement period for the OPEB expense was July 1, 2021 to June 30, 2022.

The reporting period is July 1, 2021 to June 30, 2022.

The City's Net OPEB Liability was measured as of June 30, 2022. The Total OPEB Liability used to calculate the Net OPEB Liability was determined as of that date.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions:

| | |
|---------------------------|-------|
| Inflation Rate | 2.50% |
| Salary Increase Rate(s) | 3.50% |
| Discount Rate | 6.85% |
| Initial Trend Rate | 6.00% |
| Ultimate Trend Rate | 5.00% |
| Years to Ultimate | 10 |
| Investment Rate of Return | 6.85% |

All mortality rates were based on the Pub-2010 mortality tables, projected generationally using mortality improvement scale MP-2020.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that Plan contributions will be made equal to the Actuarially Determined Contribution. Based on these assumptions, the 6.85% discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined in conformity with GASB Statements No. 74/75. Please refer to Appendix II for further details.

SECTION 2 – Notes to Financial Statements

CHANGES IN NET OPEB LIABILITY

| | Increase (Decrease) | | |
|--|----------------------|---------------------|----------------------|
| | Total OPEB | Plan Fiduciary | Net OPEB |
| | Liability | Net Position | Liability |
| | (a) | (b) | (a)-(b) |
| Reporting Period Ending June 30, 2021 | \$ 37,613,261 | \$ 1,584,642 | \$ 36,028,619 |
| Changes for the Year: | | | |
| Service Cost | 512,421 | - | 512,421 |
| Interest | 2,617,900 | - | 2,617,900 |
| Differences Between Expected and Actual Experience | (377,814) | - | (377,814) |
| Changes of Assumptions | (8,679,086) | - | (8,679,086) |
| Changes of Benefit Terms | (3,381,046) | - | (3,381,046) |
| Explicit Contributions - Employer | - | 1,679,212 | (1,679,212) |
| Explicit Contributions - Employee | - | 57,134 | (57,134) |
| Net Investment Income | - | (260,670) | 260,670 |
| Benefit Payments | (1,479,212) | (1,479,212) | - |
| Administrative Expense | - | - | - |
| Other Changes | - | - | - |
| Net Changes | (10,786,837) | (3,536) | (10,783,301) |
| Reporting Period Ending June 30, 2022 | <u>\$ 26,826,424</u> | <u>\$ 1,581,106</u> | <u>\$ 25,245,318</u> |

Differences Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of June 30, 2022.

Changes of Benefit Terms reflects the exclusion of inactive vested pension participants and the removal of termination benefits for current active employees under the OPEB plan.

SECTION 2 – Notes to Financial Statements

Changes of Assumptions reflects a change in the discount rate from 7.00% for the reporting period ending June 30, 2021, to 6.85% for the reporting period ending June 30, 2022. Also reflected as assumption changes are updated retiree health care, vision, and dental costs and an updated mortality improvement scale. A detailed breakdown of the impact of each assumption change is shown in the table below.

| <u>Impact from Assumption Changes</u> | <u>Total OPEB Liability</u> |
|---|---------------------------------|
| Update to medical plan assumed for future retirees from Plan 0039 to Plan 0106 for pre-65 retirees and Medicare Advantage plan for post-65 retirees | \$ (7,688,641) |
| Update to medical aging factors, current year premiums, and coverage tier elections | (1,883,312) |
| Health care trend rate reset | 432,415 |
| Mortality improvement scale updated from MP-2019 to MP-2020 | (224,848) |
| Decrease in Discount Rate from 7.00% to 6.85% | <u>685,300</u> |
| <u>Total Impact from Assumption Changes</u> | <u>\$ (8,679,086)</u> |

SECTION 2 – Notes to Financial Statements

Sensitivity of the Net OPEB Liability to changes in the Discount Rate:

The following presents the Net OPEB Liability of the City, as well as what the City’s Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

| | 1% Decrease 5.85% | Current Discount Rate 6.85% | 1% Increase 7.85% |
|----------------------------|----------------------|-----------------------------------|----------------------|
| Net OPEB Liability (asset) | \$ 29,064,427 | \$ 25,245,318 | \$ 22,138,991 |

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates:

The following presents the Net OPEB Liability of the City, as well as what the City’s Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease 4.00% - 5.00% | Healthcare Cost Trend Rates 5.00% - 6.00% | 1% Increase 6.00% - 7.00% |
|----------------------------|------------------------------|---|------------------------------|
| Net OPEB Liability (asset) | \$ 21,998,276 | \$ 25,245,318 | \$ 29,243,979 |

OPEB Plan Fiduciary Net Position:

Detailed information about the OPEB Plan’s Fiduciary Net Position is available in a separately issued Plan financial report.

SECTION 3 – GASB 75 Disclosure Schedules

SECTION 3 – GASB 75 DISCLOSURE SCHEDULES

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2022, the City will recognize OPEB Expense/(Revenue) of \$(4,993,318).

On June 30, 2022, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| | <u> </u> | <u> </u> |
| Differences Between Expected and Actual Experience | \$ - | \$ 188,907 |
| Changes of Assumptions | - | 4,435,846 |
| Net difference between Projected and Actual Earnings on OPEB Plan investments | \$ 170,599 | \$ - |
| Total | <u>\$ 170,599</u> | <u>\$ 4,624,753</u> |

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

| | |
|---------------------|----------------|
| Year ended June 30: | |
| 2023 | \$ (4,591,699) |
| 2024 | \$ 34,180 |
| 2025 | \$ 27,246 |
| 2026 | \$ 76,119 |
| 2027 | \$ - |
| Thereafter | \$ - |

SECTION 3 – GASB 75 Disclosure Schedules

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS

| Reporting Period Ending Measurement Date | 06/30/2022 | 06/30/2021 |
|--|----------------------|----------------------|
| | <u>06/30/2022</u> | <u>06/30/2021</u> |
| Total OPEB Liability | | |
| Service Cost | \$ 512,421 | \$ 431,244 |
| Interest | 2,617,900 | 2,527,585 |
| Changes of benefit terms | (3,381,046) | - |
| Differences between Expected and Actual Experience | (377,814) | - |
| Changes of assumptions | (8,679,086) | (288,911) |
| Benefit Payments | <u>(1,479,212)</u> | <u>(1,443,135)</u> |
| Net Change in Total OPEB Liability | (10,786,837) | 1,226,783 |
| Total OPEB Liability - Beginning | <u>37,613,261</u> | <u>36,386,478</u> |
| Total OPEB Liability - Ending (a) | <u>\$ 26,826,424</u> | <u>\$ 37,613,261</u> |
| Plan Fiduciary Net Position | | |
| Contributions - Employer | \$ 1,679,212 | \$ 1,643,135 |
| Contributions - Employee | 57,134 | 59,723 |
| Net Investment Income | (260,670) | 323,547 |
| Benefit Payments | (1,479,212) | (1,443,135) |
| Administrative Expense | - | - |
| Other | - | - |
| Net Change in Plan Fiduciary Net Position | <u>(3,536)</u> | <u>583,270</u> |
| Plan Fiduciary Net Position - Beginning | <u>1,584,642</u> | <u>1,001,372</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 1,581,106</u> | <u>\$ 1,584,642</u> |
| Sponsor's Net OPEB Liability - Ending (a) - (b) | <u>\$ 25,245,318</u> | <u>\$ 36,028,619</u> |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 5.89% | 4.21% |
| Covered Employee Payroll | \$ 3,029,307 | \$ 3,361,323 |
| Sponsor's Net OPEB Liability as a percentage of Covered Employee Payroll | 833.37% | 1071.86% |

SECTION 3 – GASB 75 Disclosure Schedules

SCHEDULE OF CITY CONTRIBUTIONS

| | 2022 | 2021 | 2020 |
|---|---------------------|---------------------|-----------------------|
| Actuarially Determined Contribution | \$ 2,227,338 | \$ 2,458,964 | \$ 3,125,991 |
| Contributions in relation to the Actuarially Determined Contributions | 1,736,346 | 1,702,858 | 1,401,986 |
| Contribution (Deficiency)/Excess | <u>\$ (490,992)</u> | <u>\$ (756,106)</u> | <u>\$ (1,724,005)</u> |
| Covered Employee Payroll | \$ 3,029,307 | \$ 3,361,323 | \$ 3,247,655 |
| Contributions as a percentage of Covered Employee Payroll | 57.32% | 50.66% | 43.17% |
| Valuation Date | 6/30/2022 | 6/30/2020 | 6/30/2018 |

Notes to Schedule:

Actuarially determined contribution rates shown above are calculated as of June 30 of the plan/fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates are the same as those found in Section 8 of this report.

SECTION 4 – GASB 75 Expense

SECTION 4 – GASB 75 OPEB EXPENSE

COMPONENTS OF OPEB EXPENSE

Fiscal Year Ending June 30, 2022

| | Net OPEB Liability | Deferred Inflows | Deferred Outflows | OPEB Expense |
|---|------------------------|---------------------|----------------------|-----------------------|
| Beginning balance | \$ 36,028,619 | \$ 462,303 | \$ 61,786 | \$ - |
| Total OPEB Liability Factors: | | | | |
| Service Cost | 512,421 | - | - | 512,421 |
| Interest | 2,617,900 | - | - | 2,617,900 |
| Changes in benefit terms | (3,381,046) | - | - | (3,381,046) |
| Differences between Expected and Actual Experience with regard to economic or demographic assumptions | (377,814) | 377,814 | - | - |
| Current year amortization of experience difference | - | (260,864) | - | (260,864) |
| Change in assumptions about future economic or demographic factors or other inputs | (8,679,086) | 8,679,086 | - | - |
| Current year amortization of change in assumptions | - | (4,435,847) | (37,903) | (4,397,944) |
| Explicit Benefit Payments | (1,479,212) | - | - | - |
| Net change | <u>\$ (10,786,837)</u> | <u>\$ 4,360,189</u> | <u>\$ (37,903)</u> | <u>\$ (4,909,533)</u> |
| Plan Fiduciary Net Position: | | | | |
| Explicit Contributions - Employer | 1,679,212 | \$ - | \$ - | \$ - |
| Explicit Contributions - Employee | 57,134 | - | - | - |
| Expected Net Investment Income | 119,925 | - | - | (119,925) |
| Difference between projected and actual earnings on OPEB | | | | |
| Plan investments | (380,595) | - | 380,595 | - |
| Current year amortization | - | (49,996) | (86,136) | 36,140 |
| Explicit Benefit Payments | (1,479,212) | - | - | - |
| Administrative Expenses | - | - | - | - |
| Other | - | - | - | - |
| Net change | <u>(3,536)</u> | <u>(49,996)</u> | <u>294,459</u> | <u>(83,785)</u> |
| Ending Balance | <u>\$ 25,245,318</u> | <u>\$ 4,772,496</u> | <u>\$ 318,342</u> | <u>\$ (4,993,318)</u> |

SECTION 5 – GASB 75 Amortization Schedules

SECTION 5 – GASB 75 AMORTIZATION SCHEDULES

AMORTIZATION SCHEDULE – DUE TO RECOGNITION OF THE DIFFERENCES BETWEEN PROJECTED AND ACTUAL EARNINGS ON TRUST INVESTMENTS

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on OPEB Plan Investments

| Measurement Year | Differences Between Projected and Actual Earnings on OPEB Plan Investments | Recognition Period (Years) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|--|----------------------------|-----------|-----------|-----------|-----------|-----------|------|------|------|------|
| 2018 | \$ 15,428 | 5 | \$ 3,084 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2019 | \$ (5,622) | 5 | (1,124) | (1,126) | - | - | - | - | - | - | - |
| 2020 | \$ 34,665 | 5 | 6,933 | 6,933 | 6,933 | - | - | - | - | - | - |
| 2021 | \$ (244,361) | 5 | (48,872) | (48,872) | (48,872) | (48,873) | - | - | - | - | - |
| 2022 | \$ 380,595 | 5 | 76,119 | 76,119 | 76,119 | 76,119 | 76,119 | - | - | - | - |
| Net Increase (Decrease) in OPEB Expense | | | \$ 36,140 | \$ 33,054 | \$ 34,180 | \$ 27,246 | \$ 76,119 | \$ - | \$ - | \$ - | \$ - |

SECTION 5 – GASB 75 Amortization Schedules

AMORTIZATION SCHEDULE – DUE TO RECOGNITION OF THE EFFECTS OF ASSUMPTION CHANGES

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Changes of Assumptions

| Measurement Year | Assumption Changes | Recognition Period (Years) | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|--------------------|----------------------------|----------------|----------------|------|------|------|------|------|------|------|
| 2018 | \$ (25,133,680) | 2.9 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2019 | \$ (1,046,230) | 2.5 | - | - | - | - | - | - | - | - | - |
| 2020 | \$ 290,589 | 2.3 | 37,903 | - | - | - | - | - | - | - | - |
| 2021 | \$ (288,911) | 3 | (96,304) | (96,303) | - | - | - | - | - | - | - |
| 2022 | \$ (8,679,086) | 2 | (4,339,543) | (4,339,543) | - | - | - | - | - | - | - |
| Net Increase (Decrease) in OPEB Expense | | | \$ (4,397,944) | \$ (4,435,846) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

SECTION 5 – GASB 75 Amortization Schedules

AMORTIZATION SCHEDULE – DUE TO DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE

Increase (Decrease) in OPEB Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

| Measurement Year | Differences Between | | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|-----------------------------------|-------------------------------|--------------|--------------|------|------|------|------|------|------|------|
| | Expected and Actual Experience | Recognition Period (Years) | | | | | | | | | |
| 2018 | \$ (3,809,187) | 2.9 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2019 | \$ (1,375,107) | 2.5 | - | - | - | - | - | - | - | - | - |
| 2020 | \$ (551,667) | 2.3 | (71,957) | - | - | - | - | - | - | - | - |
| 2021 | \$ - | 3 | - | - | - | - | - | - | - | - | - |
| 2022 | \$ (377,814) | 2 | (188,907) | (188,907) | - | - | - | - | - | - | - |
| Net Increase (Decrease) in OPEB Expense | | | \$ (260,864) | \$ (188,907) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

SECTION 6 – Actuarial Funding Calculations

SECTION 6 – ACTUARIAL FUNDING CALCULATIONS

Participants by Group

As of June 30, 2022, the following participants were represented in the actuarial valuation:

| | <u>General</u> | <u>Public Safety</u> | <u>Total</u> |
|------------------------------|----------------|----------------------|--------------|
| Active Participants | 16 | 20 | 36 |
| Vested Inactive Participants | 0 | 0 | 0 |
| Retirees and Beneficiaries | 44 | 53 | 97 |
| Total | 60 | 73 | 133 |

Actuarial Accrued Liabilities by Group

The actuarial accrued liabilities as of June 30, 2022 by group and status are as follows:

| | <u>General</u> | <u>Public Safety</u> | <u>Total</u> |
|--------------------------------------|----------------|----------------------|---------------|
| Active Participants | \$ 3,436,488 | \$ 4,612,336 | \$ 8,048,824 |
| Vested Inactive Participants | 0 | 0 | 0 |
| Retirees and Beneficiaries | 7,302,821 | 11,474,779 | 18,777,600 |
| Total | \$ 10,739,309 | \$ 16,087,115 | \$ 26,826,424 |
| Less: Valuation Assets | 790,553 | 790,553 | 1,581,106 |
| Unfunded Actuarial Accrued Liability | \$ 9,948,756 | \$ 15,296,562 | \$ 25,245,318 |

Actuarially Determined Contribution by Group

The computed contribution rate consists of two components: normal cost and amortization of unfunded actuarial accrued liability. Normal cost was computed to be a level percent of payroll from date of hire to date of termination. The normal cost can be considered to be the ongoing cost of the Plan.

The portion of the total present value of future benefits allocated to service already rendered is the actuarial accrued liability. Deducting the valuation assets produces the unfunded actuarial accrued liability. We have amortized the unfunded actuarial accrued liability (UAAL) over 30 years. The amortization payments were computed to remain level as percents of payroll.

| | <u>General</u> | <u>Public Safety</u> | <u>Total</u> |
|-------------------------------------|----------------|----------------------|--------------|
| Normal Cost | \$ 101,490 | \$ 187,637 | \$ 289,128 |
| Amortization of UAAL | 763,816 | 1,174,394 | 1,938,210 |
| Actuarially Determined Contribution | \$ 865,306 | \$ 1,362,031 | \$ 2,227,338 |

SECTION 6 – Actuarial Funding Calculations

Development of Actuarially Determined Contribution (ADC)

| Valuation Date | 6/30/2022 | |
|--|-----------|------------------|
| <i>Unfunded Actuarial Accrued Liability</i> | | |
| Actuarial Accrued Liability | \$ | 26,826,424 |
| Actuarial Value of Assets | | 1,581,106 |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ | 25,245,318 |
| <i>Amortization Amount</i> | | |
| Amortization Period | | 30 |
| Amortization Method | | Open |
| Discount Rate | | 6.85% |
| Payroll Growth Rate | | 0.00% |
| Total Amortization Amount | \$ | 1,938,210 |
| <i>Development of Actuarially Determined Contribution (ADC)</i> | | |
| Covered Employee Payroll | \$ | 3,029,307 |
| Normal Cost | \$ | 289,128 |
| As of Percent of Covered Employee Payroll | | 9.54% |
| UAAL Amortization Component | \$ | 1,938,210 |
| As of Percent of Covered Employee Payroll | | 63.98% |
| Total Annual Required Contribution | \$ | 2,227,338 |
| As of Percent of Covered Employee Payroll | | 73.53% |

SECTION 7 – Per Capita Claims Cost and Contribution Amount

SECTION 7 – PER CAPITA CLAIMS COSTS AND CONTRIBUTION AMOUNTS

The retiree medical, prescription, dental, and vision insurance premium rates used were effective for calendar year 2022. The following monthly premium rates were used, adjusted with medical trend rates as applicable.

Monthly Premium Rates

| | <u>Pre-65 Retiree</u> | <u>Post-65 Retiree</u> |
|--------------|-----------------------|------------------------|
| Medical | \$ 547.07 | \$ 217.70 |
| Prescription | 122.97 | 258.46 |
| Dental | 38.02 | 38.02 |
| Vision | <u>7.95</u> | <u>7.95</u> |
| Total | \$ 716.01 | \$ 522.13 |

Per Capita Claims Costs were developed using premium rates, with 4.0% per year age-grading prior to age 65 for medical and prescription claims. Dental and vision claims were not age-graded. The claims costs were trended to the valuation date using applicable medical trend rates, and adjusted for expected coverage tier elections. A sample of claims costs for various ages are shown below.

| | Annual Claims |
|------------|----------------------|
| Age | Cost |
| 55 | 15,520.06 |
| 60 | 18,763.01 |
| 64 | 21,856.37 |
| 65+ | 11,222.07 |

SECTION 8 – Member Statistics

SECTION 8 – MEMBER STATISTICS

STATISTICAL DATA

| | <u>6/30/2022</u> |
|---|------------------|
| Number of Active Participants | |
| Eligible for Retiree Health Benefits | 4 |
| Not Yet Eligible for Retiree Health benefits | 32 |
| Total | <u>36</u> |
| | |
| Average Current Age | 47.9 |
| Average Age at Employment | 28.0 |
| Average Past Service | 19.9 |
| | |
| Covered Employee Payroll at Valuation Date | \$ 3,029,307 |
| Average Salary | \$ 84,147 |
| | |
| Number of Inactives | |
| Retirees, Beneficiaries, and Disabled Members | 97 |
| Inactive Vested Members | 0 |
| Total | <u>97</u> |
| | |
| Average Current Ages | |
| Retirees, Beneficiaries, and Disabled Members | 70.1 |
| Inactive Vested Members | N/A |
| All Inactives | 70.1 |

SECTION 8 – Member Statistics

ACTIVE AGE AND SERVICE DISTRIBUTION

| AGE | TOTAL PAST SERVICE | | | | | | | | | | Total |
|--------------|-----------------------|----------|----------|----------|-----------|-----------|----------|----------|----------|----------|-----------|
| | <1 | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ | |
| <25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 - 29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 - 34 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 - 39 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 40 - 44 | 0 | 0 | 0 | 1 | 10 | 1 | 0 | 0 | 0 | 0 | 12 |
| 45 - 49 | 0 | 0 | 0 | 0 | 3 | 8 | 0 | 0 | 0 | 0 | 11 |
| 50 - 54 | 0 | 0 | 0 | 0 | 2 | 5 | 0 | 0 | 0 | 0 | 7 |
| 55 - 59 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| 60 - 64 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| 65+ | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| Total | 0 | 0 | 0 | 3 | 16 | 17 | 0 | 0 | 0 | 0 | 36 |

SECTION 9 – Actuarial Assumptions and Funding Methods

SECTION 9 – ACTUARIAL ASSUMPTIONS AND FUNDING METHODS

ACTUARIAL ASSUMPTIONS

| | |
|---|--|
| <u>Valuation Date</u> | June 30, 2022. |
| <u>Measurement Date</u> | June 30, 2022. |
| <u>Reporting Period Fiscal Year End</u> | June 30, 2022. |
| <u>Actuarial Value of Assets</u> | Market Value. |
| <u>Discount Rate</u> | 6.85%. (previously 7.00%) |
| <u>Mortality Rates</u> | Pub-2010 Mortality Tables, General and Public Safety, as applicable, with fully generational mortality improvements using Scale MP-2020. |
| <u>Average Remaining Service Lives</u> | 2 years |
| <u>Medical Inflation</u> | 6.0%, graded down to 5.0% in 0.1% increments. |
| <u>Salary Increase Rates</u> | 3.50% per year, plus merit-based rates below: |

| Age | General | Public Safety |
|-----|---------|---------------|
| 20 | 3.8% | 3.0% |
| 25 | 3.1% | 3.0% |
| 30 | 2.7% | 2.6% |
| 35 | 2.4% | 1.1% |
| 40 | 2.1% | 0.2% |
| 45 | 1.7% | 0.2% |
| 50 | 1.1% | 0.2% |
| 55 | 0.7% | 0.1% |
| 60 | 0.2% | 0.0% |

SECTION 9 – Actuarial Assumptions and Funding Methods

Retirement Rates

| Age | General | Public Safety |
|-----|---------|---------------|
| 50 | 30% | 40% |
| 51 | 25% | 40% |
| 52 | 20% | 30% |
| 53 | 20% | 30% |
| 54 | 20% | 30% |
| 55 | 30% | 40% |
| 56 | 30% | 30% |
| 57 | 25% | 30% |
| 58 | 25% | 30% |
| 59 | 25% | 30% |
| 60 | 30% | 40% |
| 61 | 15% | 15% |
| 62 | 35% | 20% |
| 63 | 15% | 15% |
| 64 | 15% | 15% |
| 65 | 60% | 60% |
| 66 | 30% | 30% |
| 67 | 40% | 40% |
| 68 | 50% | 50% |
| 69 | 90% | 70% |
| 70+ | 100% | 100% |

SECTION 9 – Actuarial Assumptions and Funding Methods

Termination Rates

Service-related rates for the first five years of employment; age-related rates thereafter.

| Age | Years of Service | General | Public Safety |
|-----|------------------|---------|---------------|
| All | 0 | 20.00% | 12.00% |
| | 1 | 15.00% | 9.00% |
| | 2 | 12.00% | 8.00% |
| | 3 | 10.00% | 7.00% |
| | 4 | 8.00% | 6.00% |
| 25 | 5 & Over | 6.00% | 4.50% |
| 30 | | 6.00% | 3.90% |
| 35 | | 5.00% | 2.30% |
| 40 | | 3.00% | 0.90% |
| 45 | | 2.00% | 0.50% |
| 50 | | 2.00% | 0.50% |
| 55 | | 1.30% | 0.50% |
| 60 | | 1.30% | 0.50% |

Disability Rates

| Age | General | Public Safety |
|-----|---------|---------------|
| 20 | 0.04% | 0.08% |
| 25 | 0.04% | 0.15% |
| 30 | 0.04% | 0.30% |
| 35 | 0.04% | 0.49% |
| 40 | 0.10% | 0.68% |
| 45 | 0.15% | 0.87% |
| 50 | 0.25% | 1.06% |
| 55 | 0.49% | 1.26% |
| 60+ | 1.20% | 1.46% |

Actuarial Cost Method

Entry Age Normal (Level Percentage of Pay).

SECTION 10 – Summary of Plan Provisions

SECTION 10 – SUMMARY OF PLAN PROVISIONS

Eligibility

Retirees and spouses of retirees are eligible for coverage. Surviving spouses of deceased retirees are also eligible for coverage.

Employees hired after 2011 are not eligible for coverage.

Benefits

Medical, prescription drug, dental, and vision benefits are payable for life to eligible participants, subject to plan documents and collective bargaining agreements.

The portion of the benefits payable by the City depends upon the retiree's service credit. The following table is a brief summary of the city contribution for Normal Retirement and Non-Duty Death. For Duty Disability and Duty Death, the city contribution is 100%.

| Years of Service at Retirement | City Contribution | |
|-----------------------------------|-------------------|--------|
| | Retiree | Spouse |
| 10-14 | 25% | 0% |
| 15-19 | 50% | 0%* |
| 20-24 | 100% | 75% |
| 25+ | 100% | 100% |

*25% for Public Safety and Fire Specialists

APPENDIX 1 – Additional Disclosures for GASB 74

APPENDIX 1 – ADDITIONAL DISCLOSURES FOR GASB 74

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2022

| <u>ASSETS</u> | MARKET VALUE |
|--|--------------|
| Total Cash and Investments | 1,581,106 |
| Total Assets | 1,581,106 |
| <u>LIABILITIES</u> | |
| Payables: | |
| Accrued Liabilities | - |
| Total Liabilities | - |
| NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS | 1,581,106 |

APPENDIX 1 – Additional Disclosures for GASB 74

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022
Market Value Basis

ADDITIONS

Contributions:

| | | |
|------------------------|-----------|--|
| Member Contributions | 57,134 | |
| Employer Contributions | 1,679,212 | |

Total Contributions 1,736,346

Investment Income:

| | | |
|--|-----------|--|
| Net appreciation/(depreciation) in fair value of investments | 35,392 | |
| Less Investment Expense | (296,062) | |

Net Investment Income (260,670)

Total Additions 1,475,676

DEDUCTIONS

Distributions to Members:

| | | |
|----------------------------|-----------|--|
| Insurance Premiums | 1,479,212 | |
| Refunds | - | |
| Consultant Management Fees | - | |
| Administration | - | |

Total Deductions 1,479,212

Net Increase in Net Position (3,536)

NET POSITION RESTRICTED FOR POSTEMPLOYMENT
BENEFITS OTHER THAN PENSIONS

Beginning of the Year 1,584,642

End of the Year 1,581,106

APPENDIX 2 – GASB 74/75 Crossover Test

APPENDIX 2 – GASB 74/75 CROSSOVER TEST

Grosse Pointe Woods - GASB Statement 74/75 Crossover Projection

Projection of the Plan's Fiduciary Net Position

Based on the June 30, 2022 Measurement Date. 6.85% Asset Return; 2.16% Index Rate

| Year | Projected Beginning Fiduciary Net Position | Projected Total Contributions | Projected Benefit Payments | Projected Administrative Expense | Projected Investment Earnings | Projected Ending Fiduciary Net Position |
|------|--|-------------------------------|----------------------------|----------------------------------|-------------------------------|---|
| 2022 | 1,581,106 | 2,227,338 | 1,292,394 | 0 | 140,328 | 2,656,377 |
| 2023 | 2,656,377 | 2,317,170 | 1,345,726 | 0 | 215,234 | 3,843,055 |
| 2024 | 3,843,055 | 2,305,775 | 1,400,545 | 0 | 294,253 | 5,042,538 |
| 2025 | 5,042,538 | 2,288,010 | 1,438,541 | 0 | 374,508 | 6,266,515 |
| 2026 | 6,266,515 | 2,272,742 | 1,530,877 | 0 | 454,665 | 7,463,045 |
| 2027 | 7,463,045 | 2,240,117 | 1,620,940 | 0 | 532,425 | 8,614,647 |
| 2028 | 8,614,647 | 2,207,303 | 1,712,868 | 0 | 607,038 | 9,716,120 |
| 2029 | 9,716,120 | 2,179,694 | 1,785,809 | 0 | 679,045 | 10,789,050 |
| 2030 | 10,789,050 | 2,148,809 | 1,908,306 | 0 | 747,287 | 11,776,840 |
| 2031 | 11,776,840 | 2,116,809 | 2,029,364 | 0 | 809,709 | 12,673,993 |
| 2032 | 12,673,993 | 2,073,745 | 2,148,644 | 0 | 865,603 | 13,464,698 |
| 2033 | 13,464,698 | 2,034,944 | 2,261,782 | 0 | 914,563 | 14,152,423 |
| 2034 | 14,152,423 | 2,006,245 | 2,333,140 | 0 | 958,245 | 14,783,772 |
| 2035 | 14,783,772 | 1,975,632 | 2,432,581 | 0 | 997,038 | 15,323,861 |
| 2036 | 15,323,861 | 1,949,506 | 2,479,188 | 0 | 1,031,543 | 15,825,722 |
| 2037 | 15,825,722 | 1,928,245 | 2,514,527 | 0 | 1,063,982 | 16,303,422 |
| 2038 | 16,303,422 | 1,909,659 | 2,558,950 | 0 | 1,094,546 | 16,748,677 |
| 2039 | 16,748,677 | 1,893,174 | 2,644,753 | 0 | 1,121,543 | 17,118,641 |
| 2040 | 17,118,641 | 1,877,285 | 2,647,766 | 0 | 1,146,238 | 17,494,398 |
| 2041 | 17,494,398 | 1,862,172 | 2,576,233 | 0 | 1,173,910 | 17,954,247 |
| 2042 | 17,954,247 | 1,847,990 | 2,612,476 | 0 | 1,203,682 | 18,393,442 |
| 2043 | 18,393,442 | 1,833,816 | 2,638,721 | 0 | 1,232,383 | 18,820,920 |
| 2044 | 18,820,920 | 1,819,488 | 2,628,564 | 0 | 1,261,522 | 19,273,366 |
| 2045 | 19,273,366 | 1,803,880 | 2,547,031 | 0 | 1,294,773 | 19,824,988 |
| 2046 | 19,824,988 | 1,787,360 | 2,505,761 | 0 | 1,333,406 | 20,439,993 |
| 2047 | 20,439,993 | 1,769,011 | 2,449,516 | 0 | 1,376,832 | 21,136,321 |
| 2048 | 21,136,321 | 1,747,968 | 2,451,102 | 0 | 1,423,756 | 21,856,942 |
| 2049 | 21,856,942 | 1,722,059 | 2,392,943 | 0 | 1,474,223 | 22,660,281 |
| 2050 | 22,660,281 | 1,686,058 | 2,380,479 | 0 | 1,528,445 | 23,494,305 |
| 2051 | 23,494,305 | 1,620,735 | 2,365,344 | 0 | 1,583,857 | 24,333,553 |
| 2052 | 24,333,553 | 87 | 2,344,861 | 0 | 1,586,540 | 23,575,319 |
| 2053 | 23,575,319 | 44 | 2,322,018 | 0 | 1,535,382 | 22,788,727 |
| 2054 | 22,788,727 | 0 | 2,295,734 | 0 | 1,482,399 | 21,975,392 |
| 2055 | 21,975,392 | 0 | 2,266,272 | 0 | 1,427,695 | 21,136,814 |
| 2056 | 21,136,814 | 0 | 2,233,823 | 0 | 1,371,363 | 20,274,354 |
| 2057 | 20,274,354 | 0 | 2,198,429 | 0 | 1,313,497 | 19,389,422 |
| 2058 | 19,389,422 | 0 | 2,160,031 | 0 | 1,254,194 | 18,483,586 |

APPENDIX 2 – GASB 74/75 Crossover Test

| Year | Projected Beginning Fiduciary Net Position | Projected Total Contributions | Projected Benefit Payments | Projected Administrative Expense | Projected Investment Earnings | Projected Ending Fiduciary Net Position |
|------|--|-------------------------------|----------------------------|----------------------------------|-------------------------------|---|
| 2059 | 18,483,586 | 0 | 2,118,477 | 0 | 1,193,568 | 17,558,677 |
| 2060 | 17,558,677 | 0 | 2,073,544 | 0 | 1,131,750 | 16,616,883 |
| 2061 | 16,616,883 | 0 | 2,024,972 | 0 | 1,068,901 | 15,660,812 |
| 2062 | 15,660,812 | 0 | 1,972,311 | 0 | 1,005,214 | 14,693,715 |
| 2063 | 14,693,715 | 0 | 1,915,130 | 0 | 940,926 | 13,719,512 |
| 2064 | 13,719,512 | 0 | 1,853,016 | 0 | 876,321 | 12,742,816 |
| 2065 | 12,742,816 | 0 | 1,785,663 | 0 | 811,724 | 11,768,877 |
| 2066 | 11,768,877 | 0 | 1,712,740 | 0 | 747,507 | 10,803,644 |
| 2067 | 10,803,644 | 0 | 1,634,102 | 0 | 684,082 | 9,853,624 |
| 2068 | 9,853,624 | 0 | 1,549,920 | 0 | 621,888 | 8,925,592 |
| 2069 | 8,925,592 | 0 | 1,460,434 | 0 | 561,383 | 8,026,541 |
| 2070 | 8,026,541 | 0 | 1,366,206 | 0 | 503,026 | 7,163,361 |
| 2071 | 7,163,361 | 0 | 1,267,949 | 0 | 447,263 | 6,342,675 |
| 2072 | 6,342,675 | 0 | 1,166,642 | 0 | 394,516 | 5,570,548 |
| 2073 | 5,570,548 | 0 | 1,063,627 | 0 | 345,153 | 4,852,075 |
| 2074 | 4,852,075 | 0 | 960,279 | 0 | 299,478 | 4,191,273 |
| 2075 | 4,191,273 | 0 | 858,022 | 0 | 257,715 | 3,590,966 |
| 2076 | 3,590,966 | 0 | 758,321 | 0 | 220,009 | 3,052,654 |
| 2077 | 3,052,654 | 0 | 662,528 | 0 | 186,415 | 2,576,541 |
| 2078 | 2,576,541 | 0 | 571,773 | 0 | 156,910 | 2,161,678 |
| 2079 | 2,161,678 | 0 | 487,076 | 0 | 131,393 | 1,805,995 |
| 2080 | 1,805,995 | 0 | 409,122 | 0 | 109,698 | 1,506,571 |
| 2081 | 1,506,571 | 0 | 338,534 | 0 | 91,605 | 1,259,642 |
| 2082 | 1,259,642 | 0 | 275,687 | 0 | 76,843 | 1,060,798 |
| 2083 | 1,060,798 | 0 | 220,695 | 0 | 65,106 | 905,209 |
| 2084 | 905,209 | 0 | 173,515 | 0 | 56,064 | 787,758 |
| 2085 | 787,758 | 0 | 133,854 | 0 | 49,377 | 703,281 |
| 2086 | 703,281 | 0 | 101,222 | 0 | 44,708 | 646,767 |
| 2087 | 646,767 | 0 | 74,964 | 0 | 41,736 | 613,539 |
| 2088 | 613,539 | 0 | 54,321 | 0 | 40,167 | 599,385 |
| 2089 | 599,385 | 0 | 38,476 | 0 | 39,740 | 600,649 |
| 2090 | 600,649 | 0 | 26,614 | 0 | 40,233 | 614,268 |
| 2091 | 614,268 | 0 | 17,963 | 0 | 41,462 | 637,767 |
| 2092 | 637,767 | 0 | 11,824 | 0 | 43,282 | 669,225 |
| 2093 | 669,225 | 0 | 7,583 | 0 | 45,582 | 707,225 |
| 2094 | 707,225 | 0 | 4,737 | 0 | 48,283 | 750,770 |
| 2095 | 750,770 | 0 | 2,879 | 0 | 51,329 | 799,220 |
| 2096 | 799,220 | 0 | 1,705 | 0 | 54,688 | 852,204 |
| 2097 | 852,204 | 0 | 983 | 0 | 58,342 | 909,563 |
| 2098 | 909,563 | 0 | 554 | 0 | 62,286 | 971,295 |

APPENDIX 2 – GASB 74/75 Crossover Test

| Year | Projected Beginning Fiduciary Net Position | Projected Total Contributions | Projected Benefit Payments | Projected Administrative Expense | Projected Investment Earnings | Projected Ending Fiduciary Net Position |
|------|--|-------------------------------|----------------------------|----------------------------------|-------------------------------|---|
| 2099 | 971,295 | 0 | 305 | 0 | 66,523 | 1,037,513 |
| 2100 | 1,037,513 | 0 | 164 | 0 | 71,064 | 1,108,413 |
| 2101 | 1,108,413 | 0 | 86 | 0 | 75,923 | 1,184,250 |
| 2102 | 1,184,250 | 0 | 45 | 0 | 81,120 | 1,265,325 |
| 2103 | 1,265,325 | 0 | 23 | 0 | 86,674 | 1,351,976 |
| 2104 | 1,351,976 | 0 | 11 | 0 | 92,610 | 1,444,575 |
| 2105 | 1,444,575 | 0 | 5 | 0 | 98,953 | 1,543,523 |
| 2106 | 1,543,523 | 0 | 2 | 0 | 105,731 | 1,649,253 |
| 2107 | 1,649,253 | 0 | 1 | 0 | 112,974 | 1,762,225 |
| 2108 | 1,762,225 | 0 | 0 | 0 | 120,712 | 1,882,938 |
| 2109 | 1,882,938 | 0 | 0 | 0 | 128,981 | 2,011,919 |
| 2110 | 2,011,919 | 0 | 0 | 0 | 137,816 | 2,149,735 |
| 2111 | 2,149,735 | 0 | 0 | 0 | 147,257 | 2,296,992 |
| 2112 | 2,296,992 | 0 | 0 | 0 | 157,344 | 2,454,336 |
| 2113 | 2,454,336 | 0 | 0 | 0 | 168,122 | 2,622,458 |
| 2114 | 2,622,458 | 0 | 0 | 0 | 179,638 | 2,802,097 |
| 2115 | 2,802,097 | 0 | 0 | 0 | 191,944 | 2,994,040 |
| 2116 | 2,994,040 | 0 | 0 | 0 | 205,092 | 3,199,132 |
| 2117 | 3,199,132 | 0 | 0 | 0 | 219,141 | 3,418,273 |
| 2118 | 3,418,273 | 0 | 0 | 0 | 234,152 | 3,652,424 |
| 2119 | 3,652,424 | 0 | 0 | 0 | 250,191 | 3,902,615 |
| 2120 | 3,902,615 | 0 | 0 | 0 | 267,329 | 4,169,945 |

CITY OF GROSSE POINTE WOODS
OTHER POSTEMPLOYMENT BENEFITS PROGRAM

SUPPLEMENTAL ACTUARIAL VALUATION
AS OF JUNE 30, 2022

BASED ON UNIFORM ASSUMPTIONS
FOR REPORTING PURPOSES PURSUANT TO P.A. 202



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

November 23, 2022

Shawn Murphy
Treasurer/Comptroller
City of Grosse Pointe Woods
20025 Mack Plaza Drive
Grosse Pointe Woods, MI 48236

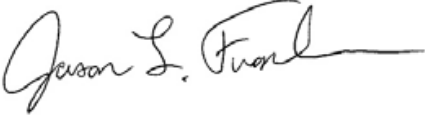
Dear Ms. Murphy:

Re: City of Grosse Pointe Woods Post-Retirement Health Insurance Benefits


This document contains the actuarial information required for Plan reporting purposes pursuant to Public Act 202 of 2017 for the fiscal year ending June 30, 2022.

Respectfully submitted,

Foster & Foster, Inc.

By: 

Jason L. Franken, FSA, EA, MAAA

By: 

Colleen M. Atchison, FSA, MAAA

P.A. 202 ACTUARIAL VALUATION RESULTS

Michigan Public Act 202 of 2017 requires municipal retirement systems in the state to submit information concerning their actuarial accrued liabilities and funded status based on Uniform Assumptions. The information is to be furnished by the municipality on Form 5572.

The information in this report concerning the City of Grosse Pointe Woods' Post-Retirement Health Insurance Benefits as of June 30, 2022 is based on the following assumptions, in compliance with the Uniform Assumptions pursuant to P.A. 202 for Fiscal Year 2022:

| | |
|--|--|
| Investment Rate of Return | 6.85% |
| Discount Rate | Blended Rate of 6.85% based on 6.85% for periods in which projected plan assets are sufficient to make Projected Benefit Payments and 2.16% for periods when projected assets are not sufficient to make projected benefit payments. |
| Salary Increase | 3.50% |
| Mortality Table | Pub-2010 Mortality Tables for General and Public Safety employees, as applicable, with fully generational mortality improvements using Scale MP-2020 |
| Healthcare Inflation | Non-Medicare: Initial rate of 7.25% decreasing 0.25% per year to a 4.50% long-term rate. Medicare: Initial rate of 5.50% decreasing 0.25% per year to a 4.50% long-term rate. |
| Amortization Period for Unfunded Actuarial Accrued Liability | 27 years |
| Amortization Method | Level Percent of Pay |

The remaining actuarial assumptions are the same as those used for the most recent annual actuarial valuation of the Plan as of June 30, 2022.

P.A. 202 ACTUARIAL VALUATION RESULTS

We have performed an actuarial valuation based on the Uniform Assumptions outlined on the previous page, together with the assumptions concerning rates of withdrawal, retirement, and disability used for the most recent actuarial valuation of the Post-Employment Health Benefits Plan as of June 30, 2022. The valuation was based on the same data and plan provisions as used for the actuarial valuation of the Plan as of June 30, 2022.

The results of the valuation based on the Uniform Assumptions to be used for P.A. 202 reporting on Form 5572 are as follows:

| | | Form 5572 Line |
|-------------------------------------|------------|----------------|
| Actuarial Value of Assets | 1,581,106 | 28 |
| Actuarial Accrued Liabilities | 25,250,230 | 29 |
| Funded Ratio | 6.26% | 30 |
| Actuarially Determined Contribution | 2,153,592 | 31 |

City of Grosse Pointe Woods, Michigan

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios

Last Five Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | |
| Service cost | \$ 512,420 | \$ 431,244 | \$ 416,661 | \$ 448,946 | \$ 1,861,554 |
| Interest | 2,617,900 | 2,527,585 | 2,428,098 | 2,426,171 | 1,973,036 |
| Differences between expected and actual experience | (377,814) | - | (551,667) | (1,375,107) | (3,809,187) |
| Changes in assumptions | (990,445) | (288,910) | 290,589 | (1,046,230) | (25,133,680) |
| Benefit payments, including refunds | (1,479,212) | (1,443,135) | (1,351,986) | (1,507,028) | (1,578,411) |
| Net Change in Total OPEB Liability | 282,849 | 1,226,784 | 1,231,695 | (1,053,248) | (26,686,688) |
| Total OPEB Liability - Beginning of year, as restated (Note 2) | 26,543,575 | 36,386,477 | 35,154,782 | 36,208,030 | 62,894,718 |
| Total OPEB Liability - End of year | \$ 26,826,424 | \$ 37,613,261 | \$ 36,386,477 | \$ 35,154,782 | \$ 36,208,030 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - Employer | \$ 1,679,212 | \$ 1,643,135 | \$ 1,401,986 | \$ 1,557,027 | \$ 1,628,411 |
| Contributions - Active and inactive plan members not yet receiving benefits | 57,134 | 59,723 | 58,919 | 54,911 | 63,942 |
| Net investment (loss) income | (260,670) | 323,547 | 29,551 | 56,866 | 4,590 |
| Benefit payments, including refunds | (1,479,212) | (1,443,135) | (1,351,986) | (1,507,028) | (1,578,411) |
| Net Change in Plan Fiduciary Net Position | (3,536) | 583,270 | 138,470 | 161,776 | 118,532 |
| Plan Fiduciary Net Position - Beginning of year | 1,584,642 | 1,001,372 | 862,902 | 701,126 | 582,594 |
| Plan Fiduciary Net Position - End of year | \$ 1,581,106 | \$ 1,584,642 | \$ 1,001,372 | \$ 862,902 | \$ 701,126 |
| Net OPEB Liability - Ending | \$ 25,245,318 | \$ 36,028,619 | \$ 35,385,105 | \$ 34,291,880 | \$ 35,506,904 |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 5.89 % | 4.21 % | 2.75 % | 2.45 % | 1.94 % |
| Covered Payroll | \$ 3,029,307 | \$ 3,361,323 | \$ 3,247,655 | \$ 3,618,888 | \$ 3,333,571 |
| Net OPEB Liability as a Percentage of Covered Payroll | 833.37 % | 1,071.86 % | 1,089.56 % | 947.58 % | 1,065.13 % |

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Restatement

The total OPEB liability as of the beginning of the year for the year ended June 30, 2022 was restated as the result of an error in prior periods. The net OPEB liability had been overstated as a result of including deferred retirees in the calculation who were ineligible for the benefit, as well as using the incorrect benefits for certain participants in the plan. The effect of the restatement was to decrease the total OPEB liability by \$11,069,686 as of the beginning of the year.

Required Supplemental Information

Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)

Last Five Fiscal Years

Assumption Changes

2018: Changed the mortality assumptions to the RP-2014 fully generational mortality using projection scale MP-2017; the health care trend rate to 6.0 percent, graded down to 5.0 percent in 0.1 percent increments; and the long-term rate of return and the discount rate from 3.50 percent to 6.80 percent due to a change in investment portfolio

2019: Changed the long-term rate of return and the discount rate to 7.00 percent

2020: Changed the mortality table to the Pub-2010 Mortality Table with MP-2018 improvement scale

2021: Changed the mortality table to the Pub-2010 Mortality Table with MP-2019 improvement scale

2022: Changed the mortality table to the Pub-2010 Mortality Table with MP-2020 improvement scale and changed the discount rate to 6.85 percent

City of Grosse Pointe Woods, Michigan

**Required Supplemental Information
Schedule of OPEB Contributions**

**Last Ten Fiscal Years
Years Ended June 30**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Actuarially determined contribution | \$ 2,227,338 | \$ 3,509,525 | \$ 3,125,991 | \$ 3,125,991 | \$ 3,083,916 | \$ 3,230,383 | \$ 3,767,017 | \$ 3,622,132 | \$ 3,482,819 | \$ 4,192,613 |
| Contributions in relation to the actuarially determined contribution | 1,679,212 | 1,643,135 | 1,401,986 | 1,557,027 | 1,628,411 | 1,472,713 | 1,675,660 | 1,618,057 | 1,332,162 | 1,457,623 |
| Contribution Deficiency | \$ (548,126) | \$ (1,866,390) | \$ (1,724,005) | \$ (1,568,964) | \$ (1,455,505) | \$ (1,757,670) | \$ (2,091,357) | \$ (2,004,075) | \$ (2,150,657) | \$ (2,734,990) |
| Covered Payroll | \$ 3,029,307 | \$ 3,361,323 | \$ 3,247,655 | \$ 3,618,888 | \$ 3,333,571 | \$ 4,493,845 | \$ 4,592,000 | \$ 4,652,000 | \$ 5,210,000 | \$ 5,249,000 |
| Contributions as a Percentage of Covered Payroll | 55.43 % | 48.88 % | 43.17 % | 43.03 % | 48.85 % | 32.77 % | 36.49 % | 34.78 % | 25.57 % | 27.77 % |

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of June 30, one to two years prior to the end of the fiscal year in which the contributions are reported. Covered payroll is as June 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age |
| Amortization method | Level percentage of payroll - Open |
| Remaining amortization period | 30 years |
| Asset valuation method | Market |
| Health care cost trend rates | 6.0 percent, graded down to 5.0 percent in 0.1 percent increments |
| Investment rate of return | 6.85 percent |
| Mortality | Pub-2010 Mortality Table with MP-2020 |

City of Grosse Pointe Woods, Michigan

Required Supplemental Information
Schedule of OPEB Investment Returns

| | Last Five Fiscal Years Years Ended June 30 | | | | |
|---|---|-------------|-------------|-------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
| Annual money-weighted rate of return - Net of investment expense | (15.20)% | 24.76 % | 3.10 % | 6.68 % | 0.68 % |



COMPOSITE PERFORMANCE REVIEW

Report for Periods Ending December 31, 2022

The City of Grosse Pointe Woods Health Care Trust



Presented by:

Jeffrey A. Davis, CFA, CAIA
Senior Vice President



The City of Grosse Pointe Woods Health Care Trust

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| Small Cap Equity | 6-6 |
| International Equity | 7-10 |
| Fixed Income | 11-14 |

FOURTH QUARTER 2022 MARKET SUMMARY

The remarkably strong fourth quarter rebound witnessed through November, in which most major asset classes and categories enjoyed positive performance, reversed course in the year's final month, resembling much of the same weakness investors endured throughout 2022. Cooling inflationary data, moderating interest rates, a declining U.S. dollar (USD), and the potential for a slower pace of Federal Reserve (Fed) tightening helped underpin the rally across the financial markets during the entire quarter. Evidence of the "stickiness" of the current inflationary regime, however, helped weigh on performance in December.

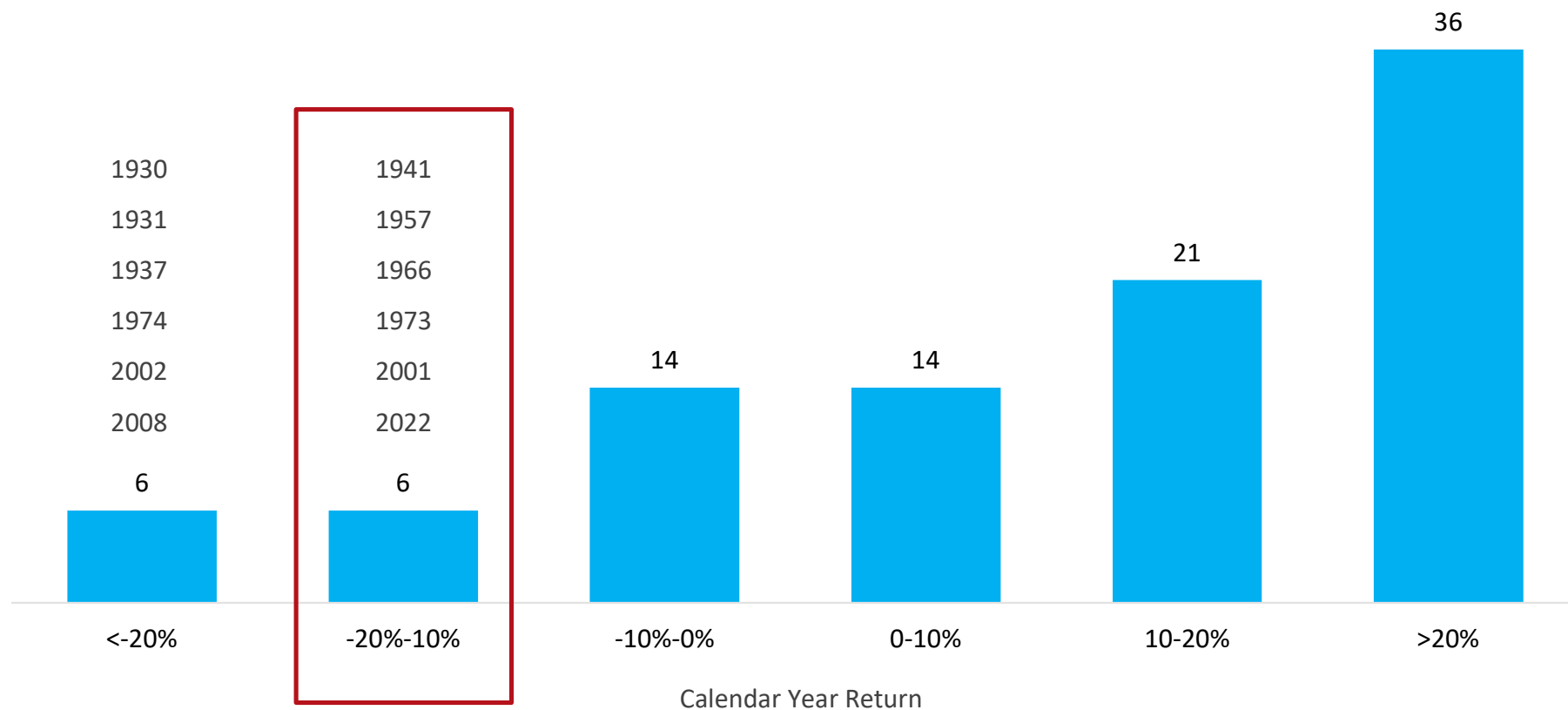
International developed stocks – as measured by the MSCI EAFE Index – materially outperformed U.S. equities for both the quarter and the year. Emerging market equities also enjoyed a solid rally in the fourth quarter, outperforming domestic equities. Bond returns were positive in the fourth quarter, as increased interest rates were predominantly at the short end of the yield curve, and credit-sensitive sectors benefited from the risk rally. Performance across real assets was similarly positive for the quarter, although headwinds such as deteriorating global economic fundamentals and rising interest rates weighed on the asset category at the end of the year.

MARKET INSIGHTS

- Although many years have periods of negative performance, profoundly negative calendar year performance has been the exception. There have been only six years in correction territory (-10% to -20%) and only six instances of performance in bear market territory, lower than -20%, with half of those associated with the Great Depression.
- The only periods of concurrent years with severely negative performance have been in the early 1970s and following the bursting of the technology bubble.

THE S&P 500 HAS ONLY SEEN DOUBLE-DIGIT NEGATIVE PERFORMANCE IN 12 YEARS, INCLUDING 2022

Number of Years with S&P 500 Index Annual Returns by Cohort



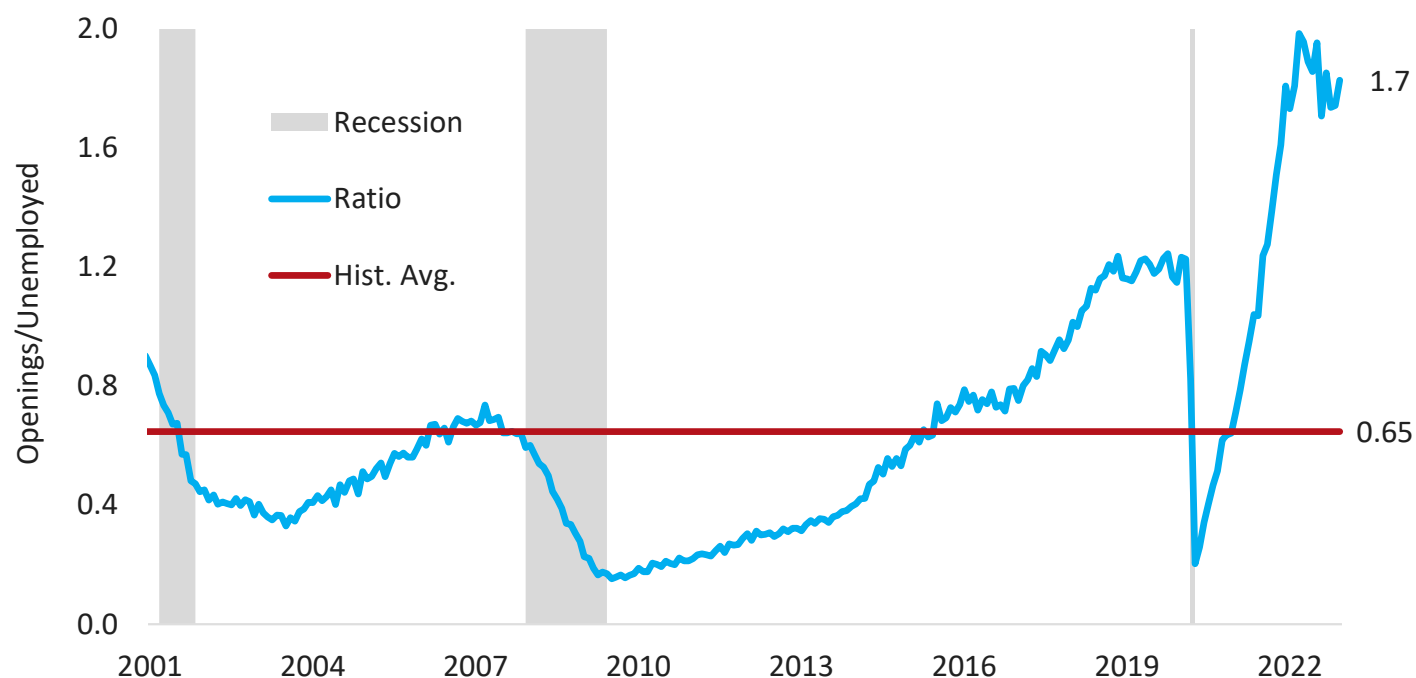
Data source: Strategas

ECONOMIC INSIGHTS

- A persistent complicating factor in the Fed's efforts to combat inflation remains the resilience of the U.S. labor market, which ended 2022 with the lowest unemployment rate (3.5%) in more than 50 years.
- The number of job openings, measuring just under 10.5 million, continues to exceed available labor, with less than 6 million unemployed. Consequently, nominal wages have been increasing at an elevated pace but still below the rate of inflation, which adds to inflationary pressures as employers attempt to add to and maintain their labor force.
- Until this labor market imbalance approaches a state of equilibrium, the Fed may find its job of engineering a soft landing a difficult procedure, resulting in further financial market volatility and economic hardship for a broad swath of the general populace.

THE LABOR MARKET ILLUSTRATES INFLATIONARY PRESSURE CONCERNS

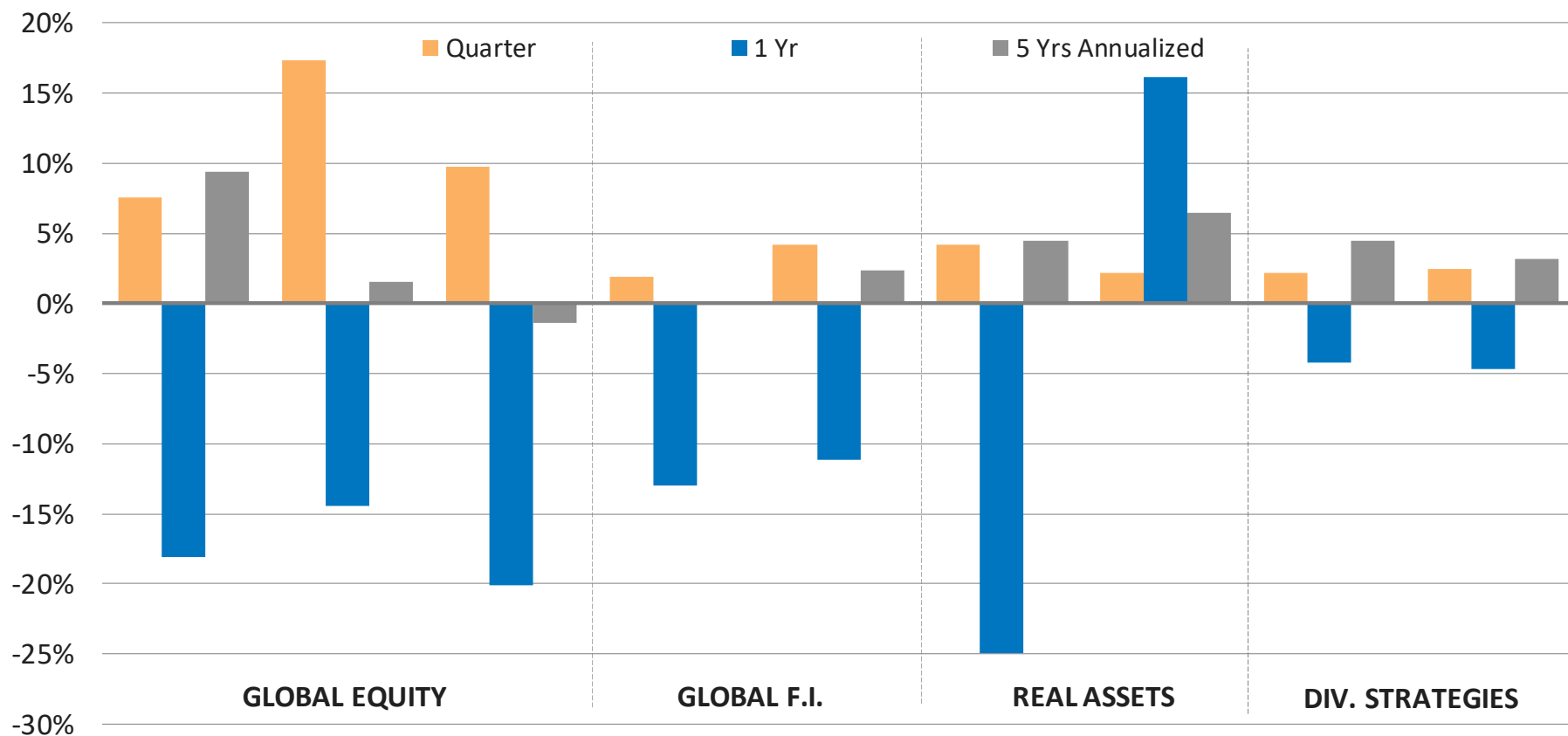
Number of Job Openings per Unemployed Persons



Data sources: Bureau of Labor Statistics and NBER; Data as of November 2022

MARKET RETURNS

MAJOR ASSET CLASS RETURNS



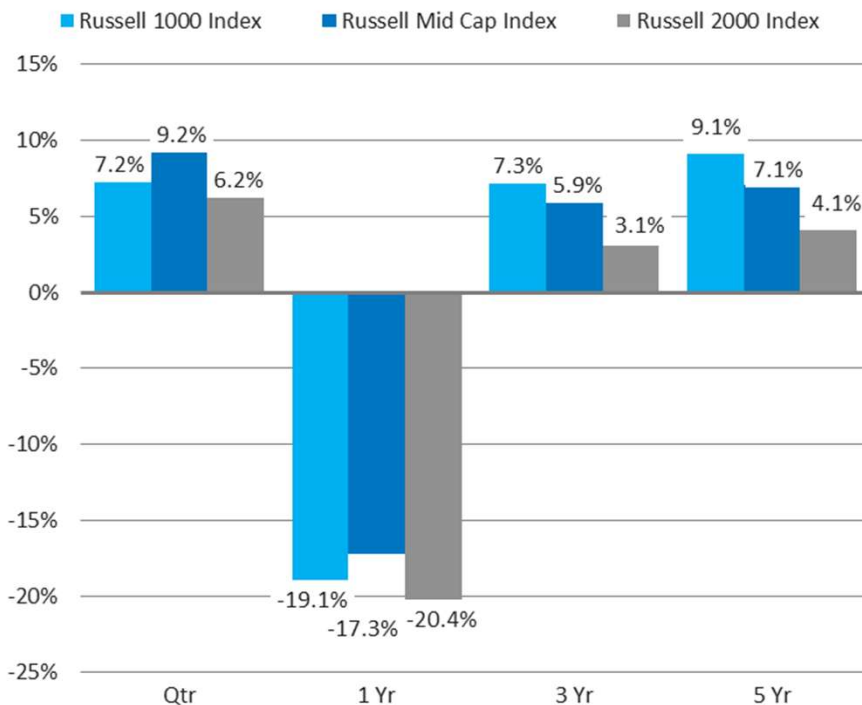
| | S&P 500 Index | MSCI EAFE Index | MSCI Emerging Mkts Index | Blmbrg U.S. Agg Index | Blmbrg HY Index | FTSE NAREIT All Equity Index | Blmbrg Cmnty Index | HFRI Fund Wtd Comp. Index | HFRI Fund of Fund Index |
|------------------|---------------|-----------------|--------------------------|-----------------------|-----------------|------------------------------|--------------------|---------------------------|-------------------------|
| Quarter | 7.6% | 17.3% | 9.7% | 1.9% | 4.2% | 4.1% | 2.2% | 2.2% | 2.4% |
| 1 Yr | -18.1% | -14.5% | -20.1% | -13.0% | -11.2% | -24.9% | 16.1% | -4.3% | -4.7% |
| 5 Yrs Annualized | 9.4% | 1.5% | -1.4% | 0.0% | 2.3% | 4.4% | 6.4% | 4.4% | 3.2% |

Data sources: Lipper and Hedge Fund Research, data as of 5th business day following quarter-end

GLOBAL EQUITY, U.S.

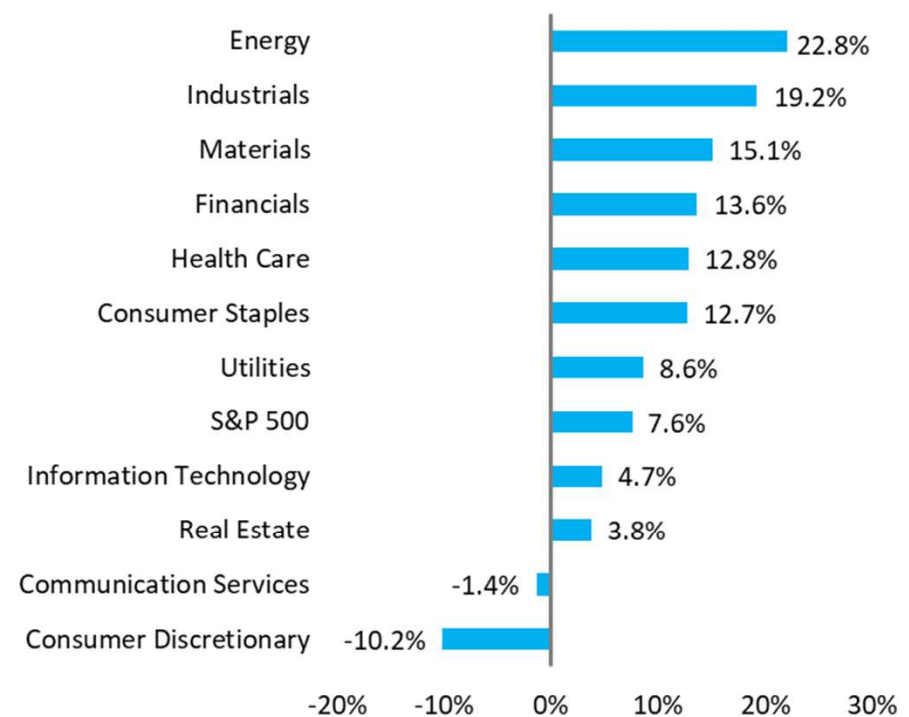
- U.S. equities finished a volatile year with positive returns in the fourth quarter, yet still provided the worst calendar year performance since 2008. U.S. equities rallied to start the quarter but sold off in December in response to the Fed's steadfast positioning to curb inflation.
- A repricing of assets amid rising interest rates and inflation levels not witnessed in four decades drove the year's declines. Corporate earnings have been steady and have yet to reflect deterioration as economic indicators have weakened, although forward guidance has resulted in lowered earnings estimates for 2023.
- Value equity returns outperformed growth equity returns across all market capitalizations for the quarter and substantially for the entire year. Cyclical sectors like energy, industrials, materials, and financials led the market's fourth-quarter rally. Communication services and consumer discretionary sectors lagged in the quarter.

LARGE CAP, MID CAP, AND SMALL CAP



Data source: Russell

S&P 500 SECTOR PERFORMANCE

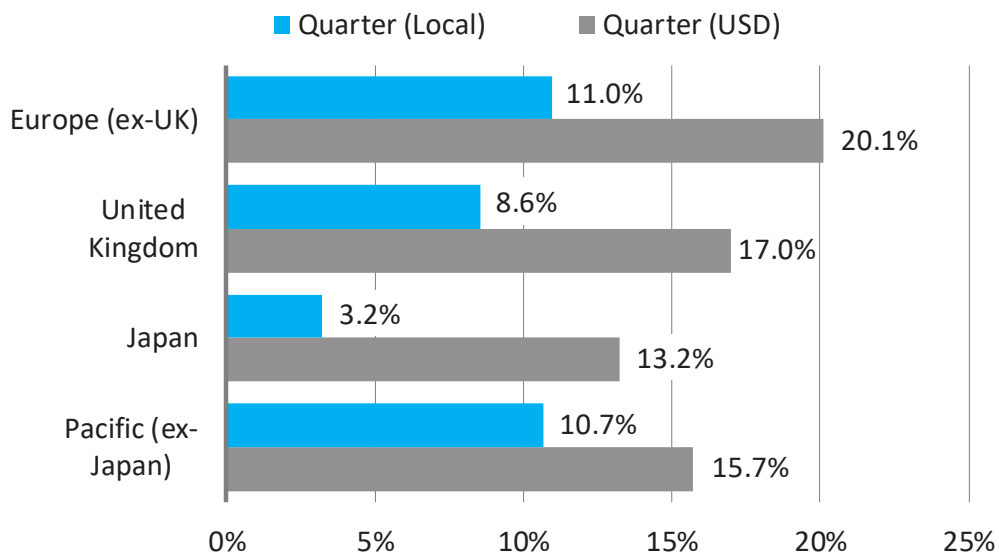


Data source: Factset

GLOBAL EQUITY, NON-U.S.

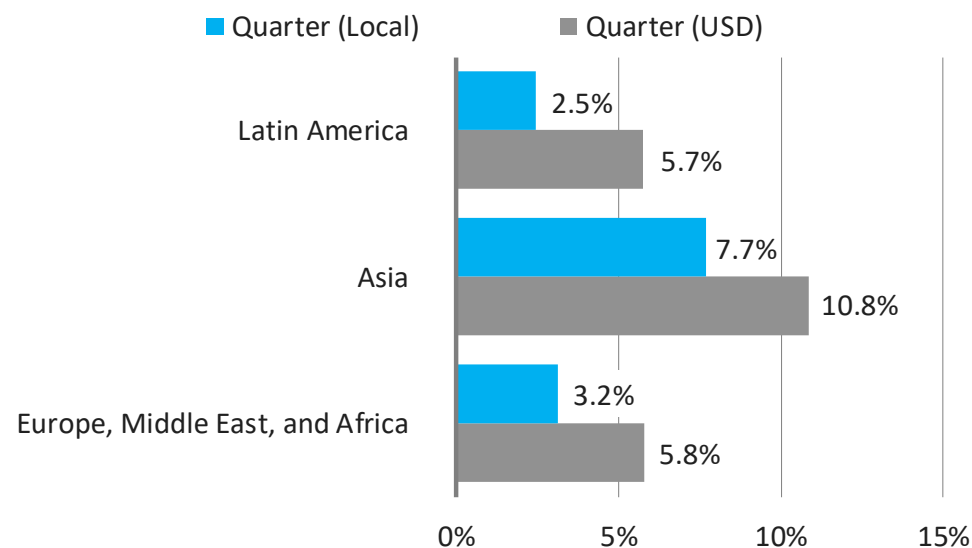
- European (ex-UK) equities, followed closely by Pacific (ex-Japan) equities, were the strongest-performing in local currency terms. The U.S. dollar sell-off augmented those returns and aided U.S. investors in all international equity markets. European markets benefited as cold weather subsided, partially alleviating consumers' burden of steep energy prices.
- Cyclical sectors, like energy and consumer discretionary, drove the European equity market in the year's final quarter. U.K. equities were the best-performing region in 2022, declining only 4.8% in U.S. dollar terms, driven by the significant weight of value industries like oil and gas and pharmaceuticals.
- Japanese equities rallied in the fourth quarter as companies reported another round of strong earnings. Large exporting companies continue to benefit from the yen's weakness. The record level of share buybacks announced this year also helped to boost Japanese equities.
- Emerging market (EM) equities posted positive returns aided by a weakening U.S. dollar. The region struggled throughout the year as China sold off and the Russia-Ukraine War wreaked havoc on the surrounding developing countries. However, Chinese equity returns rebounded in Q4 amid government plans to relax zero COVID policies.

MSCI EAFE REGIONAL QUARTERLY RETURNS



Data source: MSCI Barra

MSCI EM REGIONAL QUARTERLY RETURNS



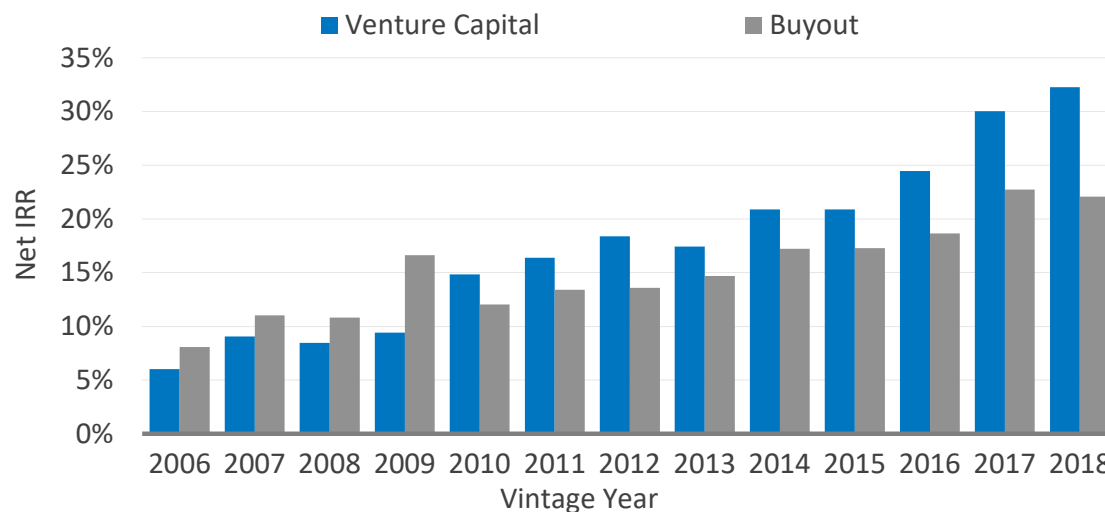
Data source: MSCI Barra

GLOBAL EQUITY, PRIVATE

- Private equity reports performance on a lag; the latest data available are through June 30, 2022.
- The public market volatility during 2022 has not yet been fully reflected in private equity return data. We expect industry performance to return to more normalized levels if public market valuations remain under pressure.
- Median private equity returns for venture capital and buyout funds have generally been 15% or better since the 2013 vintage year, with venture returns for recent vintage years over 25%.
- Median buyout fund performance exceeded that of venture funds for most of the 2000s through the 2009 vintage year. This dynamic reversed in the subsequent decade's vintage years, with venture funds generally performing better than buyout funds.
- Fundraising activity for venture capital and buyout funds was strong to start the year. Fundraising is expected to moderate if performance remains under pressure.

MEDIAN VENTURE CAPITAL AND BUYOUT VINTAGE YEAR IRR

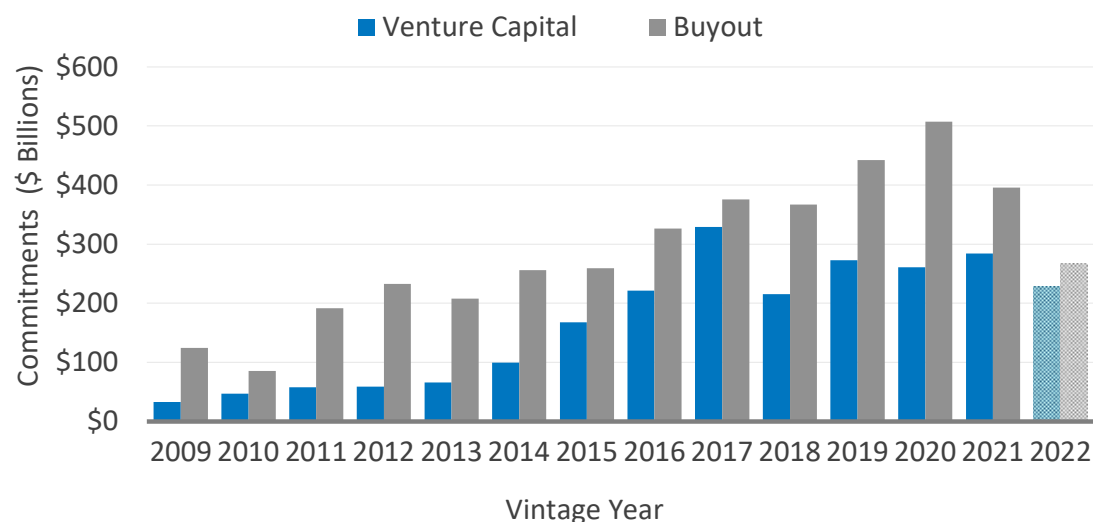
As of June 30, 2022



Data source: Thomson One; the most recent private equity return information available is through June 30, 2022

VENTURE CAPITAL AND BUYOUT FUNDRAISING ACTIVITY

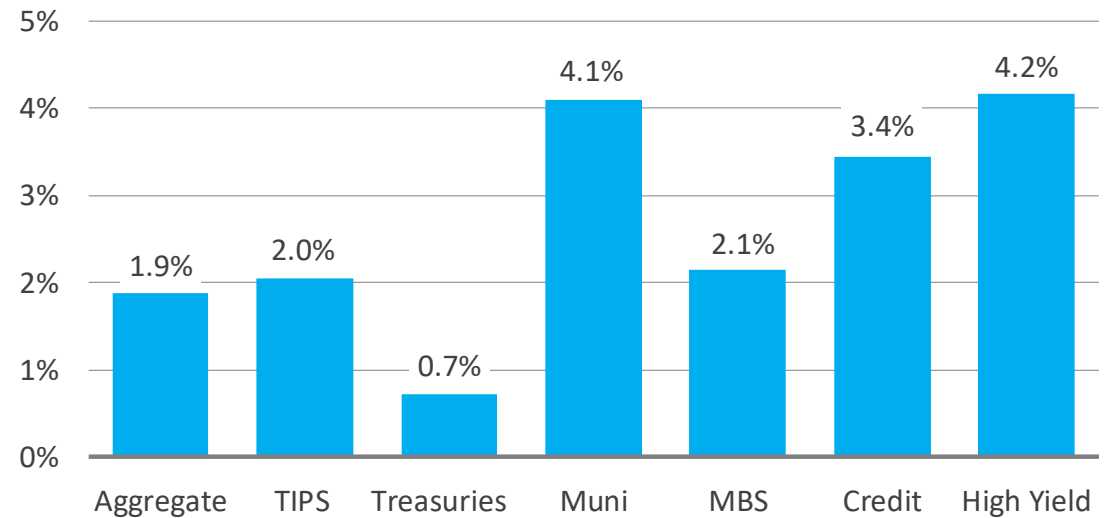
As of December 31, 2022



Data source: Pitchbook

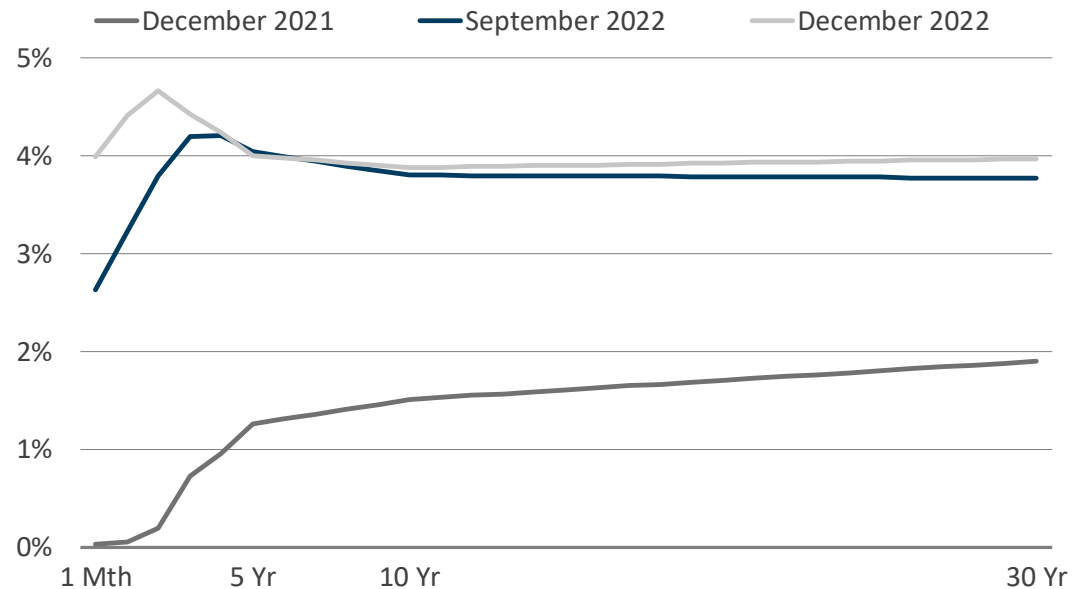
- 2022 ended with another volatile quarter for rates, with rate volatility persisting across the curve.
- The yield curve remained inverted across nearly all term structures as investors balanced hawkish Fed rhetoric against cooling inflation prints.
- Corporate credit participated in the broader risk rally as investment grade and below investment grade sectors outperformed Treasuries.
- The Fed's December Summary of Economic Projections (SEP) showed the median expectation for the terminal rate of over 5%; however, the market is pricing in rate cuts in 2023. Elsewhere, the SEP showed an upwardly revised 2023 expectation for both core inflation and the unemployment rate as rate hikes impact the economy.
- Mortgage rates continued to rise during the quarter, putting pressure on prepayment rates and affordability.

BLOOMBERG U.S. FIXED INCOME INDEX RETURNS



Data source: FactSet

U.S. TREASURY YIELD CURVE

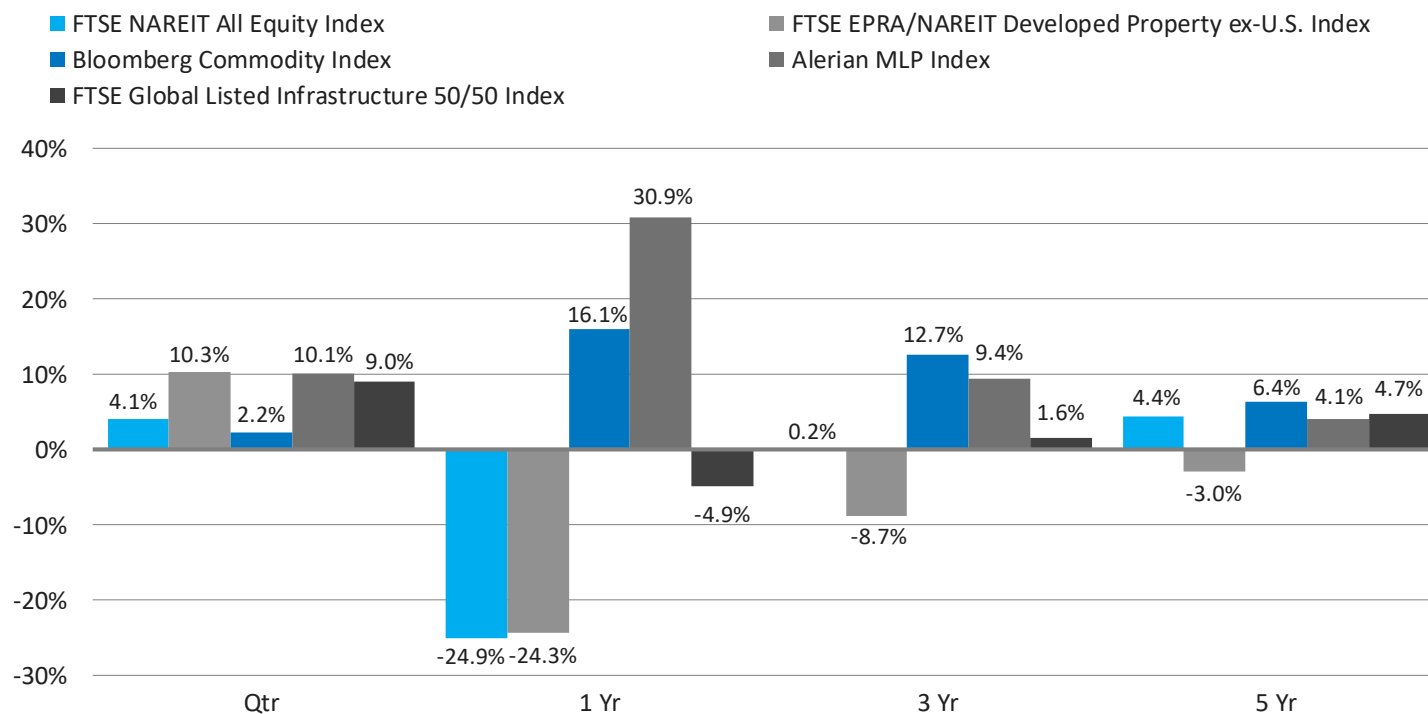


Data source: FactSet

REAL ASSETS

- Although real estate investment trusts (REITs) performance improved in the fourth quarter of 2022, U.S. REITs underperformed the broad equity market, with 2022 being the worst year for REITs since 2008. Underperformance was driven primarily by the rising interest rates, leading to higher borrowing costs and decreasing demand from investors.
- The energy markets declined in the fourth quarter and were nearly flat for 2022. While volatility and global energy insecurity drove pricing to decade-long highs due to several factors, including the Russian Ukrainian War, a lack of capital spending, and rising inflation, prices fell near year-end as recession concerns materialized and the U.S. and Europe experienced warmer than anticipated winter weather.
- Infrastructure ended the quarter modestly positive after a strong performance in November gave way to negative performance in December. As a result, only energy-related infrastructure returned positive performance during 2022 as energy prices and strong balance sheets helped face the headwind of rising rates that pressured infrastructure broadly.

PUBLIC REAL ASSETS – REAL ESTATE, COMMODITIES, MLPs, AND INFRASTRUCTURE

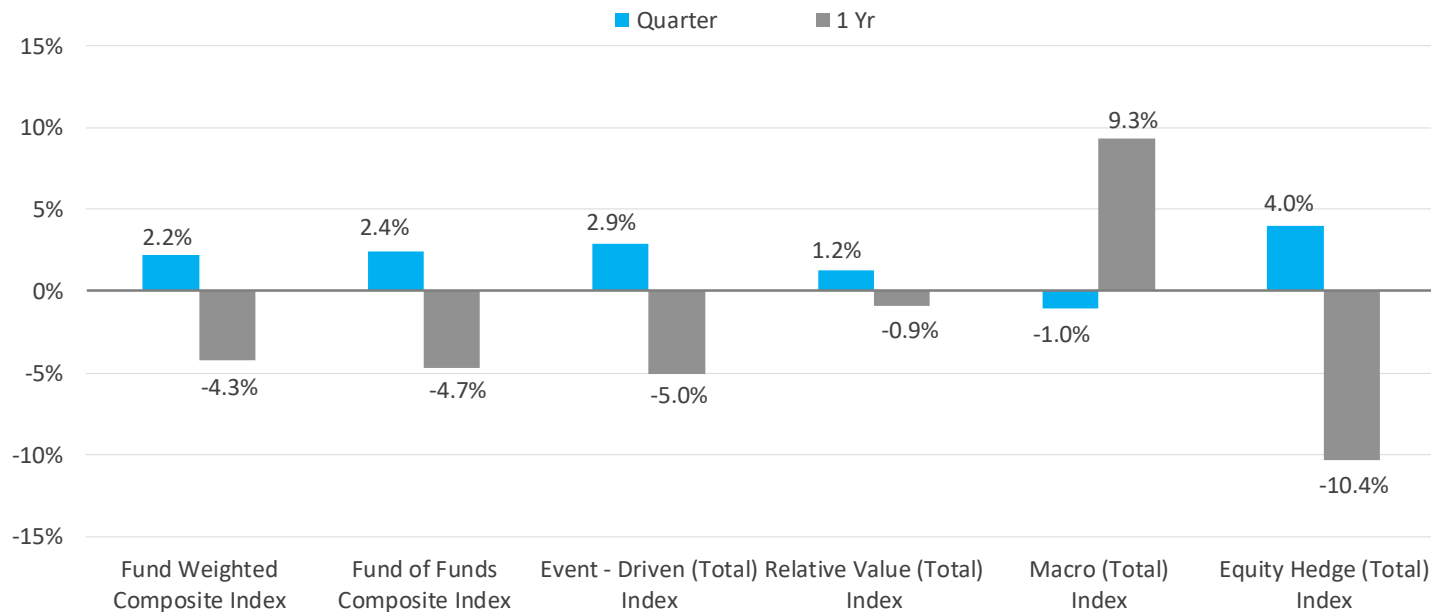


Data sources: NAREIT, FactSet, and Alerian

DIVERSIFYING STRATEGIES, HEDGE FUNDS

- Hedge funds slightly outperformed traditional equity and fixed income markets, which continued to face headwinds and heightened volatility. The HFRI Fund Weighted Index gained 2.2%, which was the first positive quarter for the index since the first quarter of 2022. Global macro was the only strategy with performance in negative territory over the quarter, following two consecutive quarters being the only strategy in positive territory.
- Hedged equity performed well in the last quarter of 2022, up 4%, rebounding from losses in previous quarters. Event-driven and relative value strategies ended the fourth quarter on a solid note, with gains of 2.9% and 1.2%, respectively. Within hedged equity, fundamental value and energy/basic materials were the best-performing strategies. Equity market neutral and fundamental growth strategies finished 2022 with strong performance.
- The common themes across hedged equity of de-levering portfolios and remaining bearishly positioned persisted throughout the fourth quarter. The themes that changed included an increase in investment in China, decreases in long and increases in short positions in energy, and a sell-off in aerospace and defense. Many strategies became net buyers of health care and staples.

HFRI INDICES PERFORMANCE RETURNS IN U.S. DOLLARS



Data source: HFRI

The City of Grosse Pointe Woods Health Care Trust

Summary of Investment Performance

Report for Periods Ending December 31, 2022

| | Annualized | | | | | | Date | Market Value |
|---|-------------|-------------|---------------|-------------|-------------|-----------------|------|--------------|
| | Qtr | FYTD | 1Yr | 3Yr | 5Yr | Since Inception | | |
| Total Composite | 7.3% | 1.2% | -15.7% | 3.2% | 4.8% | 6.9% | 5/16 | \$1,825,852 |
| 70/30 Index ¹ | 7.4 | 0.8 | -16.6 | 2.3 | 3.9 | 6.1 | | |
| Domestic Equity | | | | | | | | |
| Schwab U.S. Large Cap ETF | 7.1 | 2.1 | -19.4 | 7.3 | 9.1 | 11.5 | 5/16 | 455,609 |
| DJ U.S. LC Total Stock Market Index | 7.1 | 2.1 | -19.4 | 7.3 | 9.2 | 11.5 | | |
| Schwab U.S. Mid Cap ETF | 9.0 | 5.6 | -17.1 | 4.5 | 5.8 | 8.6 | 5/16 | 274,709 |
| DJ U.S. MC Total Stock Market Index | 9.0 | 5.6 | -17.1 | 4.5 | 5.9 | 8.6 | | |
| Small Cap Equity | | | | | | | | |
| Vanguard S&P Small Cap 600 Index | 9.2 | 3.5 | -16.2 | 5.8 | - | 8.7 | 8/19 | 182,495 |
| S&P SmallCap 600 Index | 9.2 | 3.5 | -16.1 | 5.8 | - | 8.8 | | |
| International Equity | | | | | | | | |
| Schwab International Equity ETF | 16.4 | 5.3 | -14.9 | 1.4 | 1.7 | 5.4 | 5/16 | 272,046 |
| FTSE Developed ex U.S. Index | 16.4 | 5.3 | -15.0 | 1.2 | 1.6 | 5.2 | | |
| Schwab Emerging Markets ETF | 8.4 | -3.0 | -17.1 | -1.9 | -0.4 | 5.5 | 5/16 | 90,656 |
| FTSE All Emerging Index | 8.6 | -2.4 | -16.9 | -1.3 | 0.1 | 6.0 | | |
| Fixed Income | | | | | | | | |
| Schwab U.S. Aggregate Bond ETF | 1.7 | -3.1 | -13.1 | -2.8 | -0.1 | 0.3 | 5/16 | 448,100 |
| Bloomberg U.S. Aggregate Index | 1.9 | -3.0 | -13.0 | -2.7 | 0.0 | 0.4 | | |
| Schwab U.S. TIPS ETF | 1.8 | -3.4 | -12.0 | 1.1 | 2.0 | 2.1 | 5/16 | 90,115 |
| Bloomberg U.S. TIPS Index | 2.0 | -3.2 | -11.8 | 1.2 | 2.1 | 2.1 | | |

Footnotes:

* Performance returns are net of investment management fees.

* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.

* Manager and index data represent the most current available at the time of report publication.

* For managers and indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.

* The fiscal year ends in June.

¹ 70/30 Index is comprised of: 70.0% MSCI AC World Index and 30.0% Bloomberg U.S. Aggregate Index.

The City of Grosse Pointe Woods Health Care Trust

Schedule of Asset and Style Allocation

| Asset Class | Current Weight | Target Weight | Target Range |
|----------------------|----------------|---------------|---------------|
| Large Cap Equity | 25.1% | 25.0% | 5.0% - 35.0% |
| Mid Cap Equity | 15.1% | 15.0% | 0.0% - 30.0% |
| Small Cap Equity | 10.1% | 10.0% | 5.0% - 30.0% |
| International Equity | 15.0% | 15.0% | 5.0% - 25.0% |
| Emerging Markets | 5.0% | 5.0% | 0.0% - 10.0% |
| Fixed Income | 29.7% | 30.0% | 25.0% - 35.0% |
| Cash | 0.0% | 0.0% | |
| Total | 100.0% | 100.0% | |

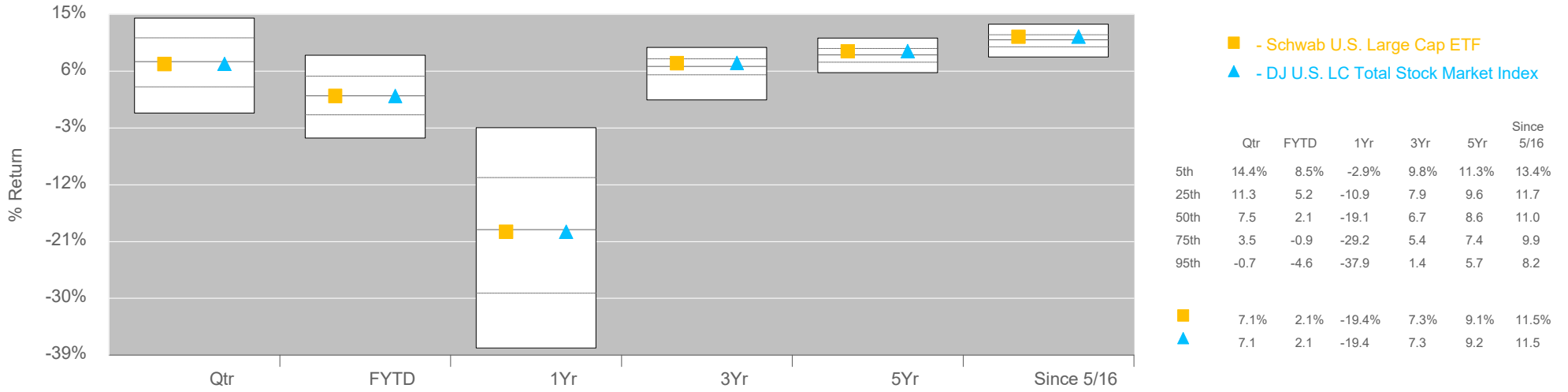
| Asset Class - Style | Manager | Portfolio Invested | Portfolio Cash | Market Value | Current Weight |
|-----------------------------|----------------------------------|--------------------|----------------|--------------------|----------------|
| Large Cap Equity - Broad | Schwab U.S. Large Cap ETF | 100.0% | 0.0% | \$455,609 | 25.1% |
| Mid Cap Equity - Broad | Schwab U.S. Mid Cap ETF | 100.0% | 0.0% | \$274,709 | 15.1% |
| Small Cap Equity - Broad | Vanguard S&P Small Cap 600 Index | 100.0% | 0.0% | \$182,495 | 10.1% |
| International Equity - Core | Schwab International Equity ETF | 100.0% | 0.0% | \$272,046 | 15.0% |
| Emerging Markets - Core | Schwab Emerging Markets ETF | 100.0% | 0.0% | \$90,656 | 5.0% |
| Fixed Income - Core | Schwab U.S. Aggregate Bond ETF | 100.0% | 0.0% | \$448,100 | 24.7% |
| Fixed Income - TIPS | Schwab U.S. TIPS ETF | 100.0% | 0.0% | \$90,115 | 5.0% |
| Sub-Total | | | | \$1,813,730 | 100.0% |
| Cash - Cash | Cash | | | \$12,122 | |
| Total | | | | \$1,825,852 | |

The City of Grosse Pointe Woods Health Care Trust

Schwab U.S. Large Cap ETF

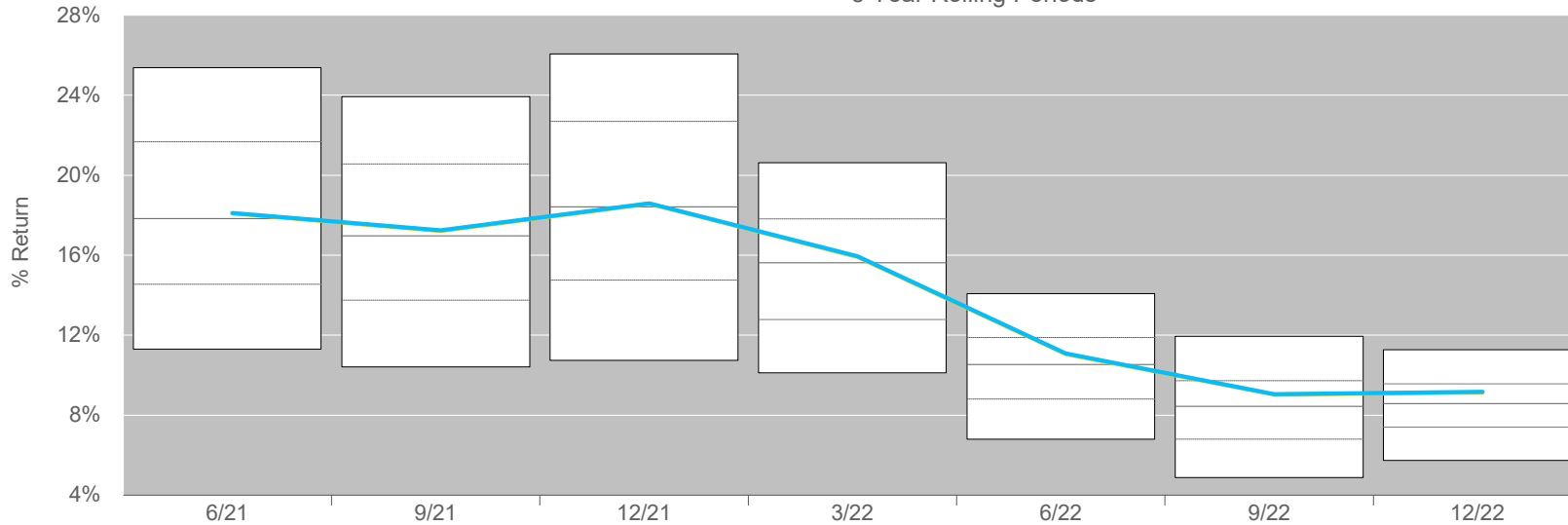
Broad Large Cap Universe

For Report Periods Ending December 31, 2022



Report From June 30, 2016 to December 31, 2022

5 Year Rolling Periods

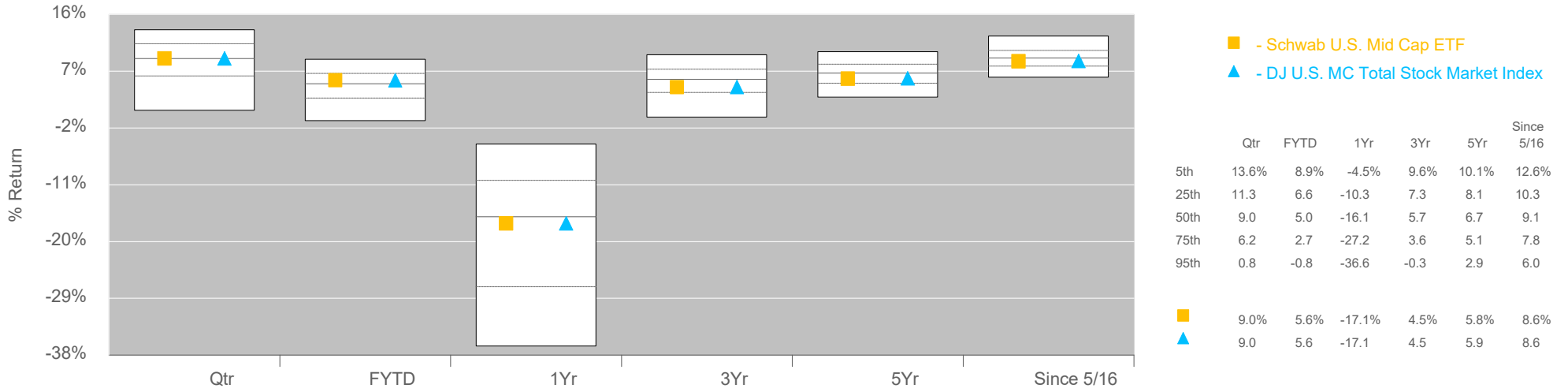


The City of Grosse Pointe Woods Health Care Trust

Schwab U.S. Mid Cap ETF

Broad Mid Cap Universe

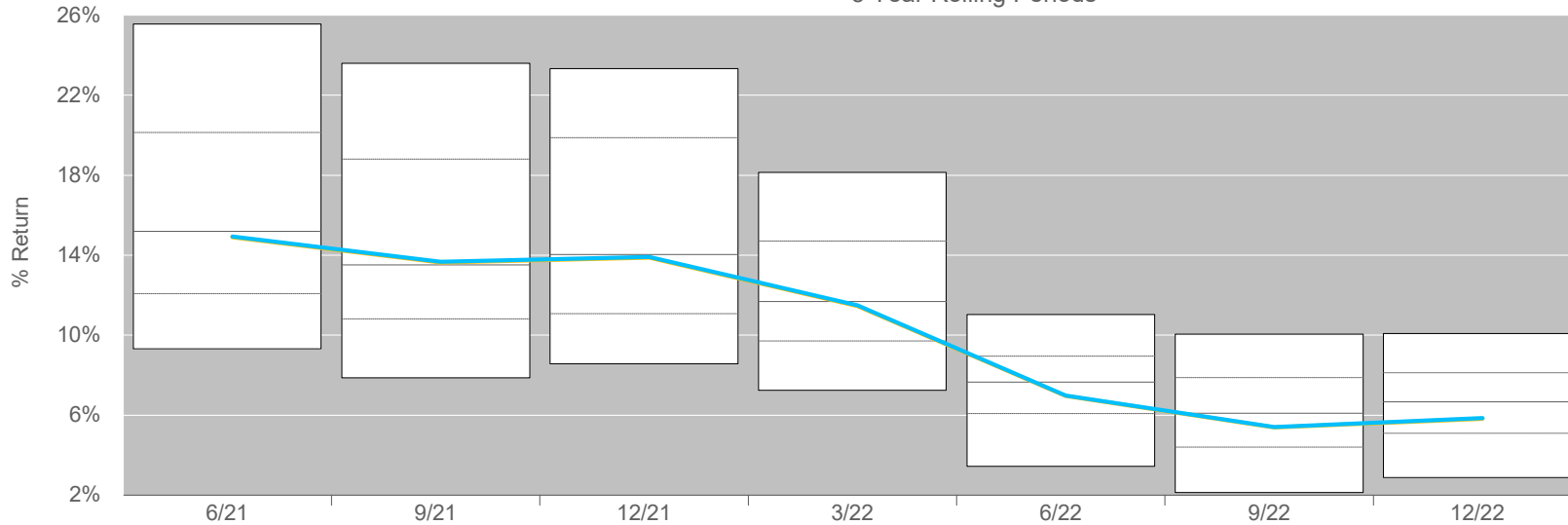
For Report Periods Ending December 31, 2022



| | Qtr | FYTD | 1Yr | 3Yr | 5Yr | Since 5/16 |
|------|-------|------|-------|------|-------|------------|
| 5th | 13.6% | 8.9% | -4.5% | 9.6% | 10.1% | 12.6% |
| 25th | 11.3 | 6.6 | -10.3 | 7.3 | 8.1 | 10.3 |
| 50th | 9.0 | 5.0 | -16.1 | 5.7 | 6.7 | 9.1 |
| 75th | 6.2 | 2.7 | -27.2 | 3.6 | 5.1 | 7.8 |
| 95th | 0.8 | -0.8 | -36.6 | -0.3 | 2.9 | 6.0 |

Report From June 30, 2016 to December 31, 2022

5 Year Rolling Periods

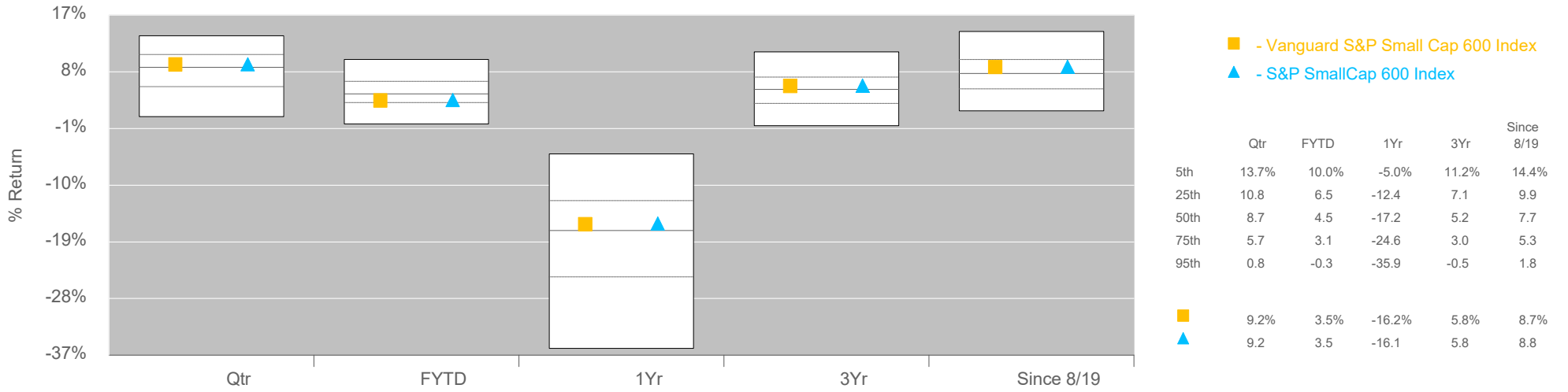


The City of Grosse Pointe Woods Health Care Trust

Vanguard S&P Small Cap 600 Index

Broad Small Cap Universe

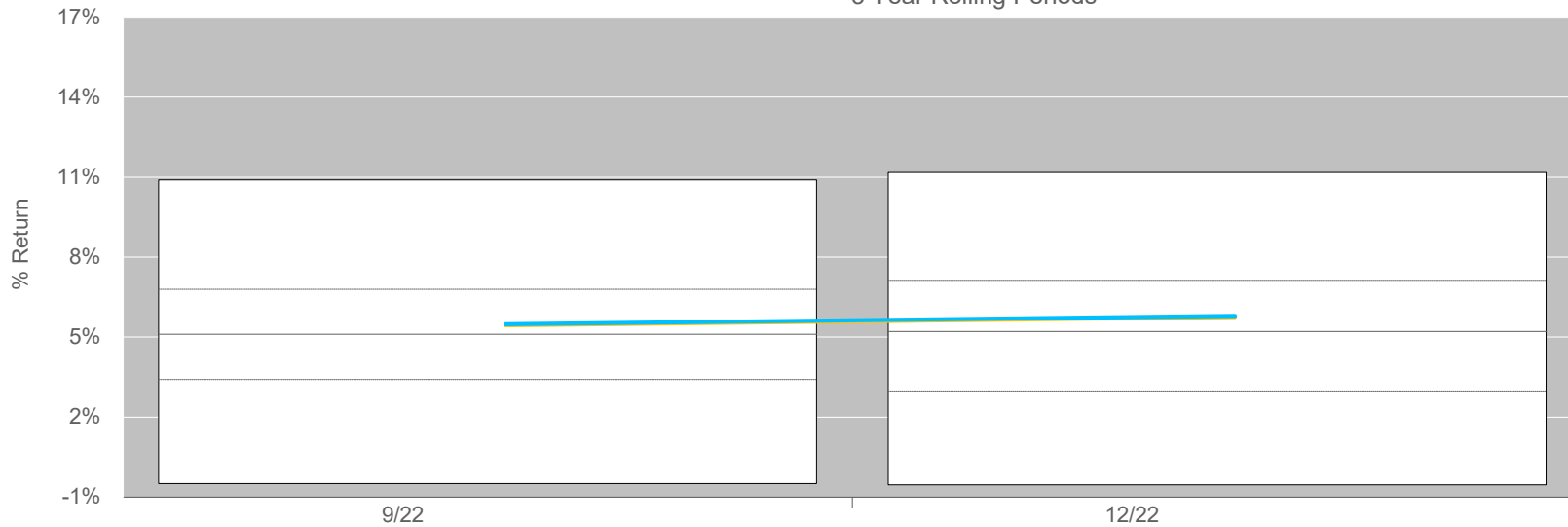
For Report Periods Ending December 31, 2022



| | Qtr | FYTD | 1Yr | 3Yr | Since 8/19 |
|------|-------|-------|--------|-------|------------|
| 5th | 13.7% | 10.0% | -5.0% | 11.2% | 14.4% |
| 25th | 10.8 | 6.5 | -12.4 | 7.1 | 9.9 |
| 50th | 8.7 | 4.5 | -17.2 | 5.2 | 7.7 |
| 75th | 5.7 | 3.1 | -24.6 | 3.0 | 5.3 |
| 95th | 0.8 | -0.3 | -35.9 | -0.5 | 1.8 |
| ■ | 9.2% | 3.5% | -16.2% | 5.8% | 8.7% |
| ▲ | 9.2 | 3.5 | -16.1 | 5.8 | 8.8 |

Report From September 30, 2019 to December 31, 2022

3 Year Rolling Periods



The City of Grosse Pointe Woods Health Care Trust

Schwab International Equity ETF

Summary of Performance and Statistics

Report For Periods Ending December 31, 2022

| Performance Results | Qtr | FYTD | 1Yr | 3Yr | 5Yr | Since Inception | Inception Date |
|--|--------------|-------------|---------------|-------------|-------------|------------------------|-----------------------|
| Schwab International Equity ETF | 16.4% | 5.3% | -14.9% | 1.4% | 1.7% | 5.4% | 5/16 |
| FTSE Developed ex U.S. Index | 16.4 | 5.3 | -15.0 | 1.2 | 1.6 | 5.2 | |

| Risk Statistics (5 years) | Beta | Alpha | R² | Standard Deviation | Tracking Error | Information Ratio |
|--|-------------|--------------|----------------------|---------------------------|-----------------------|--------------------------|
| Schwab International Equity ETF | 1.00 | 0.1% | 1.00 | 18.5% | 0.1% | 1.3 |
| FTSE Developed ex U.S. Index | 1.00 | 0.0 | 1.00 | 18.5 | 0.0 | -- |

| Portfolio Statistics | Trailing P/E | Trailing P/B | Wtd Avg Mkt Cap | Current Yield | Equity Annual Turnover |
|--|---------------------|---------------------|------------------------|----------------------|-------------------------------|
| Schwab International Equity ETF | 14.3 | 1.5 | 58,845.0 M | 2.8% | 7.1% |
| FTSE Developed ex U.S. Index | -- | -- | -- | -- | -- |

* Risk Statistics are based on monthly data.

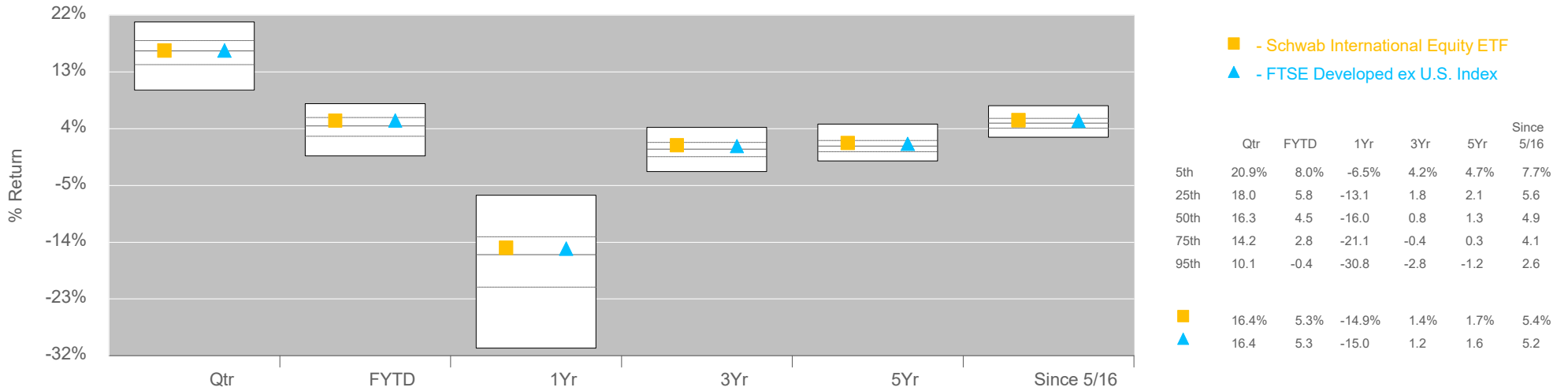
* Manager data represents the most current available at the time of report publication.

The City of Grosse Pointe Woods Health Care Trust

Schwab International Equity ETF

International Equity Universe

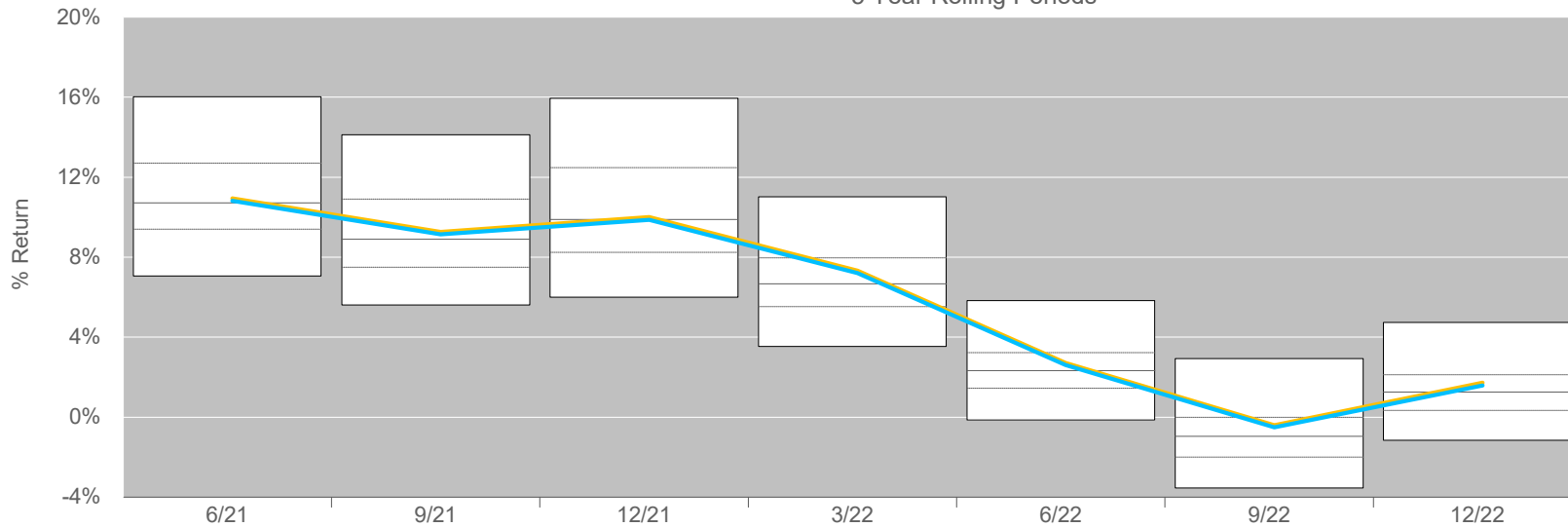
For Report Periods Ending December 31, 2022



| | Qtr | FYTD | 1Yr | 3Yr | 5Yr | Since 5/16 |
|------|-------|------|--------|------|------|------------|
| 5th | 20.9% | 8.0% | -6.5% | 4.2% | 4.7% | 7.7% |
| 25th | 18.0 | 5.8 | -13.1 | 1.8 | 2.1 | 5.6 |
| 50th | 16.3 | 4.5 | -16.0 | 0.8 | 1.3 | 4.9 |
| 75th | 14.2 | 2.8 | -21.1 | -0.4 | 0.3 | 4.1 |
| 95th | 10.1 | -0.4 | -30.8 | -2.8 | -1.2 | 2.6 |
| ■ | 16.4% | 5.3% | -14.9% | 1.4% | 1.7% | 5.4% |
| ▲ | 16.4 | 5.3 | -15.0 | 1.2 | 1.6 | 5.2 |

Report From June 30, 2016 to December 31, 2022

5 Year Rolling Periods



The City of Grosse Pointe Woods Health Care Trust

Schwab Emerging Markets ETF

Summary of Performance and Statistics

Report For Periods Ending December 31, 2022

| Performance Results | Qtr | FYTD | 1Yr | 3Yr | 5Yr | Since Inception | Inception Date |
|------------------------------------|-------------|--------------|---------------|--------------|--------------|------------------------|-----------------------|
| Schwab Emerging Markets ETF | 8.4% | -3.0% | -17.1% | -1.9% | -0.4% | 5.5% | <i>5/16</i> |
| FTSE All Emerging Index | 8.6 | -2.4 | -16.9 | -1.3 | 0.1 | 6.0 | |

| Risk Statistics (5 years) | Beta | Alpha | R² | Standard Deviation | Tracking Error | Information Ratio |
|------------------------------------|-------------|--------------|----------------------|---------------------------|-----------------------|--------------------------|
| Schwab Emerging Markets ETF | 1.00 | -0.5% | 1.00 | 18.5% | 0.6% | -0.9 |
| FTSE All Emerging Index | 1.00 | 0.0 | 1.00 | 18.6 | 0.0 | -- |

| Portfolio Statistics | Trailing P/E | Trailing P/B | Wtd Avg Mkt Cap | Current Yield | Equity Annual Turnover |
|------------------------------------|---------------------|---------------------|------------------------|----------------------|-------------------------------|
| Schwab Emerging Markets ETF | 12.5 | 1.7 | 76,393.0 M | 2.4% | 10.6% |
| FTSE All Emerging Index | -- | -- | -- | -- | -- |

* Risk Statistics are based on monthly data.

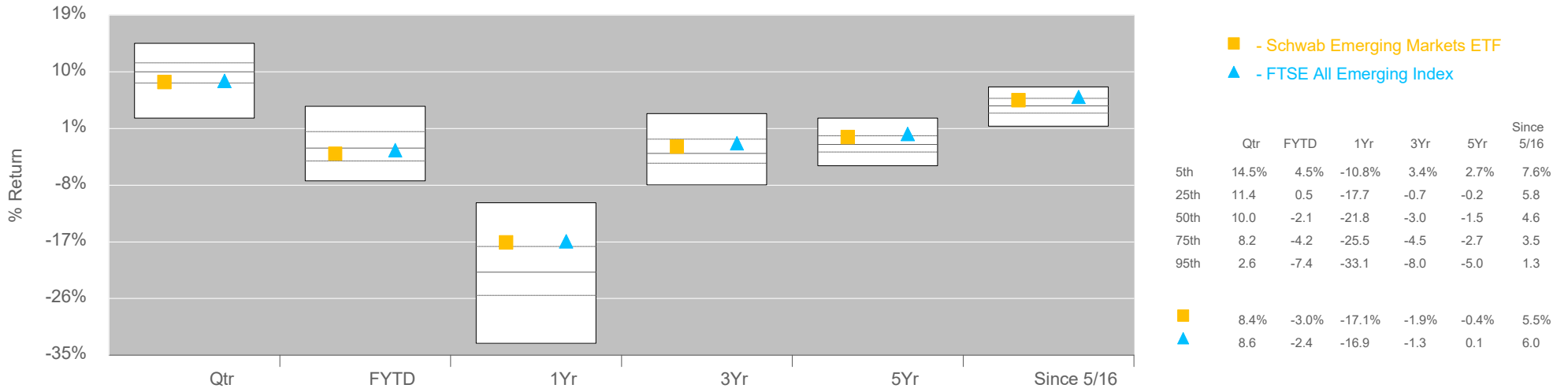
* Manager data represents the most current available at the time of report publication.

The City of Grosse Pointe Woods Health Care Trust

Schwab Emerging Markets ETF

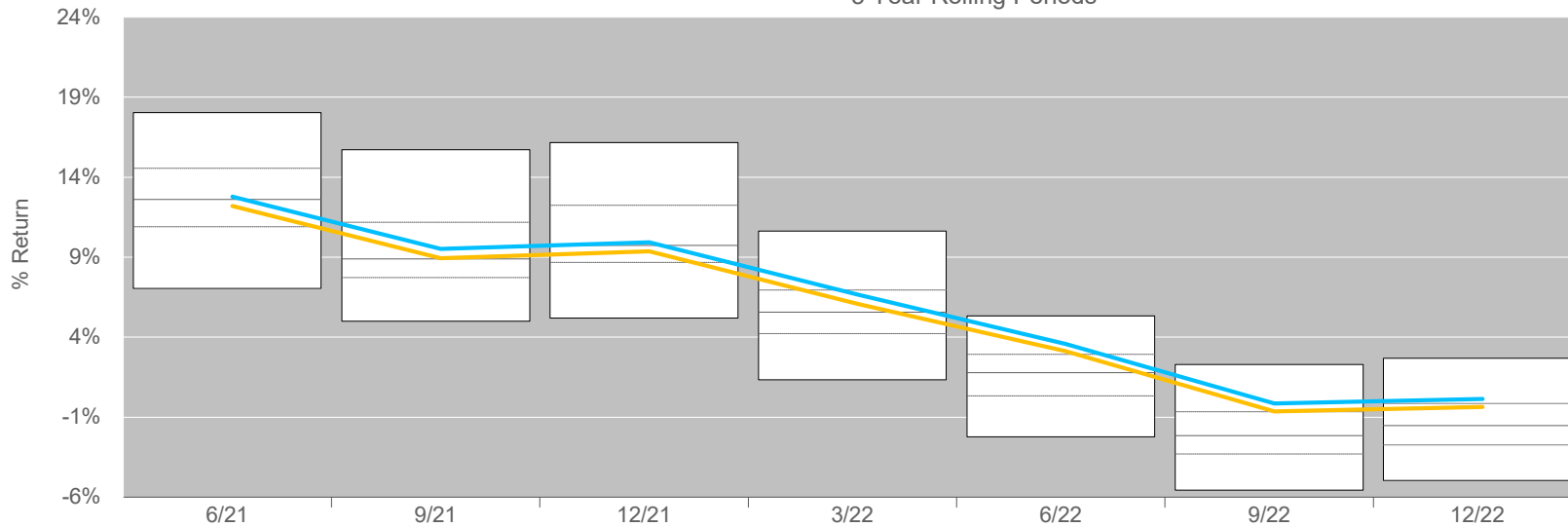
Emerging Markets Universe

For Report Periods Ending December 31, 2022



Report From June 30, 2016 to December 31, 2022

5 Year Rolling Periods



The City of Grosse Pointe Woods Health Care Trust

Schwab U.S. Aggregate Bond ETF

Summary of Performance and Statistics

Report For Periods Ending December 31, 2022

| Performance Results | Qtr | FYTD | 1Yr | 3Yr | 5Yr | Since Inception | Inception Date |
|---------------------------------------|-------------|--------------|---------------|--------------|--------------|------------------------|-----------------------|
| Schwab U.S. Aggregate Bond ETF | 1.7% | -3.1% | -13.1% | -2.8% | -0.1% | 0.3% | <i>5/16</i> |
| Bloomberg U.S. Aggregate Index | 1.9 | -3.0 | -13.0 | -2.7 | 0.0 | 0.4 | |

| Risk Statistics (5 years) | Beta | Alpha | R² | Standard Deviation | Tracking Error | Information Ratio |
|---------------------------------------|-------------|--------------|----------------------|---------------------------|-----------------------|--------------------------|
| Schwab U.S. Aggregate Bond ETF | 1.00 | -0.1% | 1.00 | 5.1% | 0.1% | -0.7 |
| Bloomberg U.S. Aggregate Index | 1.00 | 0.0 | 1.00 | 5.1 | 0.0 | -- |

| Portfolio Statistics | Effective Duration | Wtd Avg Maturity | Wtd Avg Credit | Yield to Worst | FI Annl Turnover |
|---------------------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|
| Schwab U.S. Aggregate Bond ETF | 6.2yrs | 8.4yrs | AA | 4.7% | --% |
| Bloomberg U.S. Aggregate Index | 6.2 | 8.4 | AA | 4.7 | -- |

* Risk Statistics are based on monthly data.

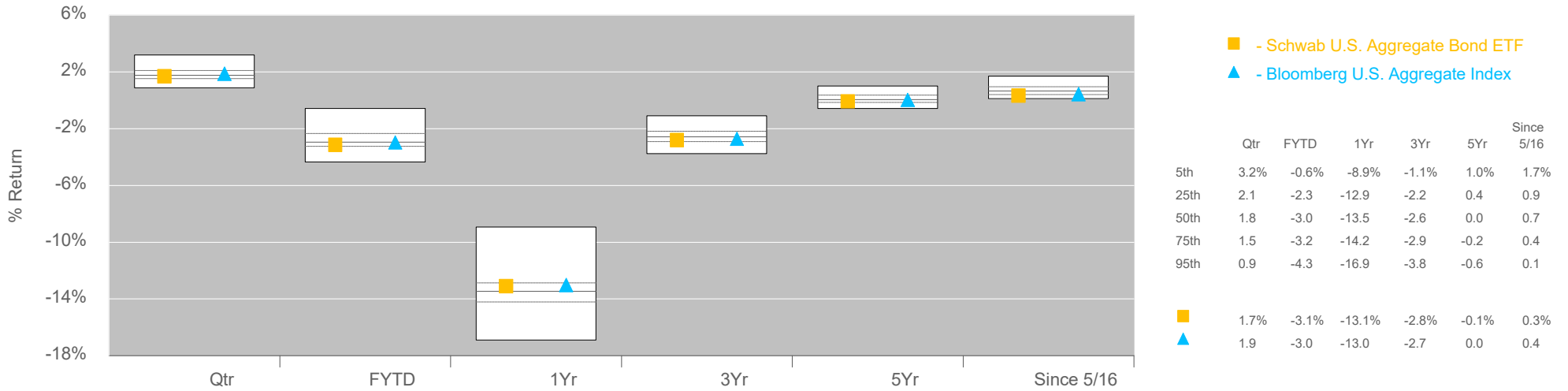
* Manager data represents the most current available at the time of report publication.

The City of Grosse Pointe Woods Health Care Trust

Schwab U.S. Aggregate Bond ETF

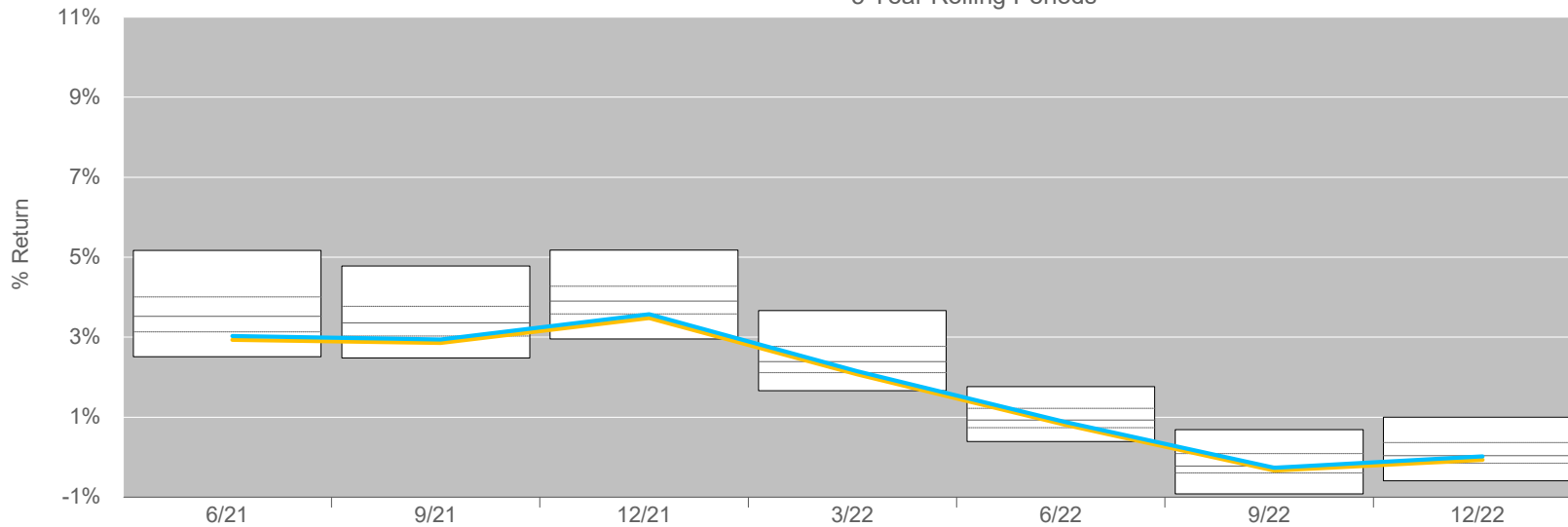
Core Fixed Income Universe

For Report Periods Ending December 31, 2022



Report From June 30, 2016 to December 31, 2022

5 Year Rolling Periods



The City of Grosse Pointe Woods Health Care Trust

Schwab U.S. TIPS ETF

Summary of Performance and Statistics

Report For Periods Ending December 31, 2022

| Performance Results | Qtr | FYTD | 1Yr | 3Yr | 5Yr | Since Inception | Inception Date |
|-----------------------------|-------------|--------------|---------------|-------------|-------------|------------------------|-----------------------|
| Schwab U.S. TIPS ETF | 1.8% | -3.4% | -12.0% | 1.1% | 2.0% | 2.1% | 5/16 |
| Bloomberg U.S. TIPS Index | 2.0 | -3.2 | -11.8 | 1.2 | 2.1 | 2.1 | |

| Risk Statistics (5 years) | Beta | Alpha | R² | Standard Deviation | Tracking Error | Information Ratio |
|----------------------------------|-------------|--------------|----------------------|---------------------------|-----------------------|--------------------------|
| Schwab U.S. TIPS ETF | 1.00 | -0.1% | 1.00 | 5.9% | 0.1% | -0.9 |
| Bloomberg U.S. TIPS Index | 1.00 | 0.0 | 1.00 | 5.9 | 0.0 | -- |

| Portfolio Statistics | Effective Duration | Wtd Avg Maturity | Wtd Avg Credit | Yield to Worst | FI Annl Turnover |
|-----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|
| Schwab U.S. TIPS ETF | 5.6yrs | 7.2yrs | AAA | 4.3% | --% |
| Bloomberg U.S. TIPS Index | 5.6 | 7.2 | AAA | 4.3 | -- |

* Risk Statistics are based on monthly data.

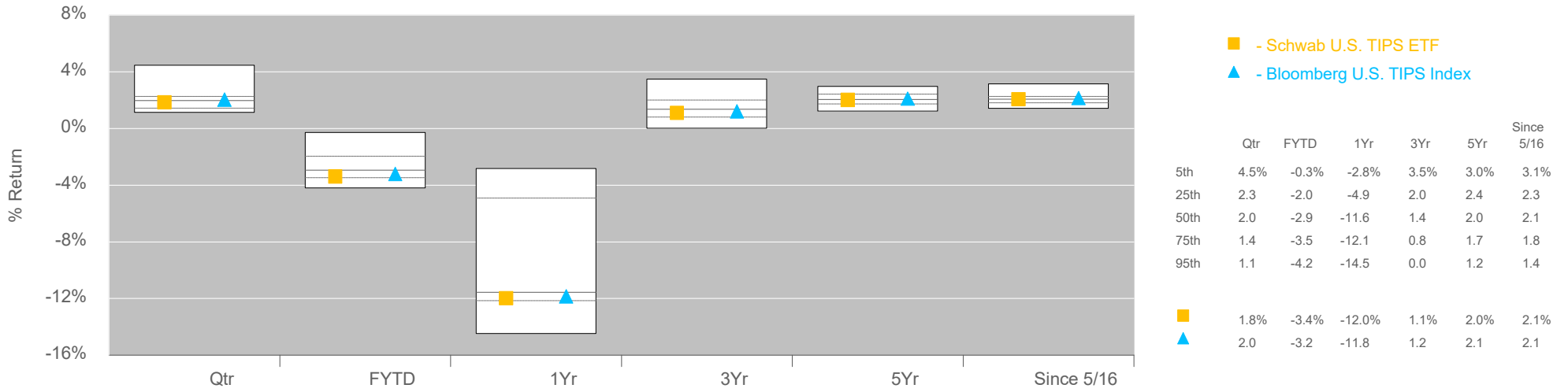
* Manager data represents the most current available at the time of report publication.

The City of Grosse Pointe Woods Health Care Trust

Schwab U.S. TIPS ETF

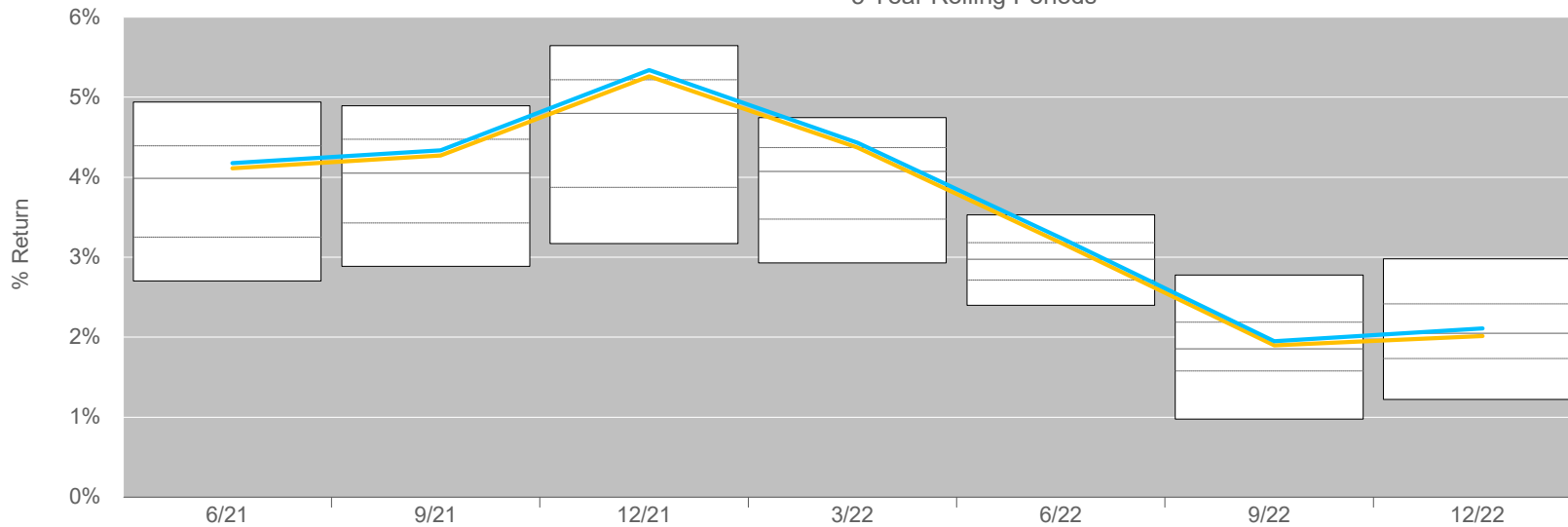
TIPS Universe

For Report Periods Ending December 31, 2022



Report From June 30, 2016 to December 31, 2022

5 Year Rolling Periods



Index Summary Sheet for Periods Ending December 31, 2022

| | Qtr | YTD | 1 Yr | Annualized | | |
|---------------------------------------|------|--------|--------|------------|------|-------|
| | | | | 3 Yr | 5 Yr | 10 Yr |
| Global Equity | | | | | | |
| MSCI AC World Index | 9.8% | -18.4% | -18.4% | 4.0% | 5.2% | 8.0% |
| MSCI World Index | 9.8 | -18.1 | -18.1 | 4.9 | 6.1 | 8.9 |
| S&P 500 Index | 7.6 | -18.1 | -18.1 | 7.7 | 9.4 | 12.6 |
| Russell 3000 Index | 7.2 | -19.2 | -19.2 | 7.1 | 8.8 | 12.1 |
| Russell 1000 Index | 7.2 | -19.1 | -19.1 | 7.3 | 9.1 | 12.4 |
| Russell 1000 Growth Index | 2.2 | -29.1 | -29.1 | 7.8 | 11.0 | 14.1 |
| Russell 1000 Value Index | 12.4 | -7.5 | -7.5 | 6.0 | 6.7 | 10.3 |
| Russell Midcap Index | 9.2 | -17.3 | -17.3 | 5.9 | 7.1 | 11.0 |
| Russell Midcap Growth Index | 6.9 | -26.7 | -26.7 | 3.9 | 7.6 | 11.4 |
| Russell Midcap Value Index | 10.5 | -12.0 | -12.0 | 5.8 | 5.7 | 10.1 |
| Russell 2000 Index | 6.2 | -20.4 | -20.4 | 3.1 | 4.1 | 9.0 |
| Russell 2000 Growth Index | 4.1 | -26.4 | -26.4 | 0.6 | 3.5 | 9.2 |
| Russell 2000 Value Index | 8.4 | -14.5 | -14.5 | 4.7 | 4.1 | 8.5 |
| Russell Microcap Index | 4.7 | -22.0 | -22.0 | 4.1 | 3.7 | 8.9 |
| MSCI AC World Index ex-U.S. | 14.3 | -16.0 | -16.0 | 0.1 | 0.9 | 3.8 |
| MSCI EAFE Index | 17.3 | -14.5 | -14.5 | 0.9 | 1.5 | 4.7 |
| MSCI EAFE Growth Index | 15.0 | -22.9 | -22.9 | 0.5 | 2.5 | 5.6 |
| MSCI EAFE Value Index | 19.6 | -5.6 | -5.6 | 0.6 | 0.2 | 3.5 |
| MSCI Small Cap EAFE Index | 15.8 | -21.4 | -21.4 | -0.9 | 0.0 | 6.2 |
| MSCI Emerging Markets Index | 9.7 | -20.1 | -20.1 | -2.7 | -1.4 | 1.4 |
| MSCI Emerging Markets Small Cap Index | 8.2 | -18.0 | -18.0 | 5.1 | 1.1 | 3.2 |
| MSCI Frontier Markets Index | -0.8 | -26.3 | -26.3 | -3.6 | -2.5 | 3.2 |
| HFRI Equity Hedge Index | 4.2 | -10.2 | -10.2 | 5.7 | 4.5 | 5.6 |
| HFRI Emerging Markets | 5.1 | -12.7 | -12.7 | 1.7 | 0.9 | 2.9 |
| HFRI FOF: Strategic Index | 3.1 | -11.5 | -11.5 | 2.5 | 2.1 | 3.4 |
| Thomson One All Private Capital Index | 0.0 | -6.8 | -6.8 | 16.6 | 14.6 | 13.7 |
| Thomson One Buyout Index | 0.0 | -7.7 | -7.7 | 16.2 | 15.1 | 15.1 |
| Thomson One Fund of Funds Index | 0.0 | -12.5 | -12.5 | 19.8 | 16.9 | 14.6 |
| Thomson One Venture Capital Index | 0.0 | -14.8 | -14.8 | 26.2 | 23.9 | 19.8 |
| Global Fixed Income | | | | | | |
| Bloomberg U.S. Aggregate Index | 1.9 | -13.0 | -13.0 | -2.7 | 0.0 | 1.1 |
| Bloomberg U.S. TIPS Index | 2.0 | -11.8 | -11.8 | 1.2 | 2.1 | 1.1 |
| Bloomberg Government Bond Index | 0.7 | -12.3 | -12.3 | -2.6 | -0.1 | 0.6 |
| Bloomberg Municipals Index | 4.1 | -8.5 | -8.5 | -0.8 | 1.3 | 2.1 |
| Bloomberg Asset Backed Index | 0.8 | -4.3 | -4.3 | -0.1 | 1.2 | 1.2 |

Index Summary Sheet for Periods Ending December 31, 2022

| | Qtr | YTD | 1 Yr | Annualized | | |
|---|------|--------|--------|------------|-------|-------|
| | | | | 3 Yr | 5 Yr | 10 Yr |
| Global Fixed Income (continued) | | | | | | |
| Bloomberg US MBS Index | 2.1% | -11.8% | -11.8% | -3.2% | -0.5% | 0.7% |
| Bloomberg IG CMBS Index | 1.0 | -10.9 | -10.9 | -1.7 | 0.8 | 1.6 |
| Bloomberg U.S. Credit Index | 3.4 | -15.3 | -15.3 | -2.9 | 0.4 | 1.8 |
| Bloomberg U.S. Corporate HY Index | 4.2 | -11.2 | -11.2 | 0.0 | 2.3 | 4.0 |
| Bloomberg Intermediate U.S. G/C Index | 1.5 | -8.2 | -8.2 | -1.3 | 0.7 | 1.1 |
| ICE BofA 1-3 Yr. Govt. Bond Index | 0.7 | -3.7 | -3.7 | -0.4 | 0.8 | 0.7 |
| U.S. 91-Day Treasury Bills | 1.0 | 2.0 | 2.0 | 0.8 | 1.3 | 0.8 |
| CS Leveraged Loan Index | 2.3 | -1.1 | -1.1 | 2.3 | 3.2 | 3.8 |
| JPMorgan Non-U.S. GBI Hedged Index | -0.8 | -12.1 | -12.1 | -3.5 | -0.3 | 1.8 |
| JPMorgan Non-U.S. GBI Index | 7.0 | -21.9 | -21.9 | -7.9 | -4.2 | -2.2 |
| JPMorgan EMBI Plus Index | 8.7 | -24.7 | -24.7 | -8.3 | -3.9 | -0.3 |
| JPMorgan EMBI Global Index | 7.4 | -16.5 | -16.5 | -4.5 | -1.0 | 1.3 |
| HFRI RV: Fixed Income - Corporate Index | 2.1 | -4.6 | -4.6 | 3.0 | 3.4 | 4.0 |
| HFRI ED: Distressed/Restructuring Index | 2.0 | -3.1 | -3.1 | 7.8 | 4.9 | 4.8 |
| Thomson One Distressed Index | 0.0 | 1.7 | 1.7 | 12.1 | 8.8 | 9.6 |
| Real Assets | | | | | | |
| FTSE NAREIT All Equity Index | 4.1 | -24.9 | -24.9 | 0.2 | 4.4 | 7.1 |
| S&P Developed BMI Property Index | 7.1 | -25.0 | -25.0 | -4.3 | -0.2 | 3.4 |
| S&P Developed ex-U.S. Property Index | 10.2 | -24.1 | -24.1 | -7.5 | -2.4 | 2.2 |
| NCREIF Property Index | 0.0 | 9.4 | 9.4 | 9.4 | 8.2 | 9.2 |
| Bloomberg Commodity Index | 2.2 | 16.1 | 16.1 | 12.7 | 6.4 | -1.3 |
| Alerian MLP Index | 10.1 | 30.9 | 30.9 | 9.4 | 4.1 | 2.0 |
| NCREIF Timberland Index | 0.0 | 7.6 | 7.6 | 5.8 | 4.4 | 5.3 |
| Thomson One Private Real Estate Index | 0.0 | 3.8 | 3.8 | 10.8 | 10.0 | 11.3 |
| S&P Real Assets Equity Total Return Index | 9.1 | -11.5 | -11.5 | 1.0 | 3.0 | 4.8 |
| Diversifying Strategies | | | | | | |
| HFRI Fund of Funds Index | 1.8 | -5.2 | -5.2 | 3.7 | 3.0 | 3.5 |
| HFRI Fund Weighted Composite Index | 2.3 | -4.2 | -4.2 | 5.7 | 4.4 | 4.7 |
| HFRI FOF: Conservative Index | 1.8 | 0.5 | 0.5 | 4.8 | 3.9 | 3.7 |
| HFRI Event Driven | 3.3 | -4.6 | -4.6 | 5.4 | 4.3 | 4.9 |
| HFRI Relative Value Total Index | 1.3 | -0.8 | -0.8 | 3.3 | 3.4 | 4.0 |
| HFRI Macro Index | -1.3 | 9.0 | 9.0 | 7.3 | 4.8 | 3.1 |
| Other | | | | | | |
| Consumer Price Index - U.S. | 0.4 | 6.3 | 6.3 | 4.9 | 3.8 | 2.6 |
| U.S. Dollar Index | -7.7 | 7.9 | 7.9 | 2.4 | 2.3 | 2.6 |

* For indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.

Definitions

Alpha – Measures how well a portfolio performed versus its benchmark after factoring in the amount of risk (as measured by beta) taken. Technically, alpha is the difference between the excess return of a portfolio and the excess return of the benchmark multiplied by beta. Excess return is simply the actual return minus the return of the risk-free asset, U.S. Treasury Bill. A positive alpha indicates the portfolio has performed better than the benchmark on a risk-adjusted basis.

Annual Standard Deviation – A measure of variability in returns. The annual standard deviation measures the dispersion of annual returns around the average annualized return.

Beta – A coefficient measuring a portfolio's relative volatility with respect to its market. Technically, beta is the covariance of a portfolio's return with the benchmark portfolio's return divided by the variance of the benchmark portfolio's return. Thus, a portfolio with a beta greater than 1.00, indicates the portfolio experienced greater volatility than the benchmark, whereas a portfolio with a beta less than 1.00, indicates the portfolio experienced less volatility than the benchmark.

Consumer Price Index – Measures the change in consumer prices, as determined by a monthly survey of the U.S. Bureau of Labor Statistics. CPI components include housing costs, food, transportation and electricity.

Duration – A measure of the price sensitivity of a bond or bond portfolio to a change in interest rates.

Information Ratio – Describes the risk / reward trade-off of alpha and tracking error. Because the formula for calculating information ratio is Alpha divided by Tracking Error, the larger the information ratio, the more attractive the portfolio is from an overall risk return profile.

Max Drawdown – The maximum loss incurred by a portfolio during a specified time period.

R² – Also called the coefficient of determination. On the detail page, R² measures how much of the variation in the investment manager's returns can be explained by movements in the market (benchmark).

Sharpe Ratio – A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the manager's historical risk-adjusted performance.

Tracking Error – A measure that describes the volatility of the expected excess return (alpha) achieved through active management. Since excess return can only be achieved through a portfolio that actively differs from the benchmark, the level of tracking error is indicative of how different the portfolio will perform relative to any given benchmark.

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Index performance results do not represent any managed portfolio returns. An investor cannot invest directly in a presented index, as an investment vehicle replicating an index would be required. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.

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