

# Carmel Area Wastewater District Defined Benefit Plan



**H F G** Hastie Financial Group

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4<sup>th</sup> Quarter and 2020 Performance Review

1<sup>st</sup> Quarter 2021 Action Plan

January 7, 2021

## Change in Market Value Register

From 10/1/2020 to 12/31/2020

### Carmel Area Wastewater

| Account Name  | Performance Start Date | Beginning Value with Accrued Interest (\$) | Net Contributions/ Withdrawals (\$) | Total Gains/Losses (\$) | Net Income (\$)    | Ending Balance with Accrued Interest (\$) | Net Change (\$)     | Performance Stop Date | TWR (%)     |
|---|------------------------|--|-------------------------------------|-------------------------|--------------------|---|---------------------|-----------------------|-------------|
| Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110) | 10/01/2020             | 5,853,535.75                               | (45,944.24)                         | 478,985.90              | 98,824.50          | 6,375,161.37                              | 567,569.85          | 12/31/2020            | 9.72        |
| <b>Total</b>  | <b>10/1/2020</b>       | <b>\$5,853,535.75</b>                      | <b>(\$45,944.24)</b>                | <b>\$478,985.90</b>     | <b>\$98,824.50</b> | <b>\$6,375,161.37</b>                     | <b>\$567,569.85</b> | <b>12/31/2020</b>     | <b>9.72</b> |

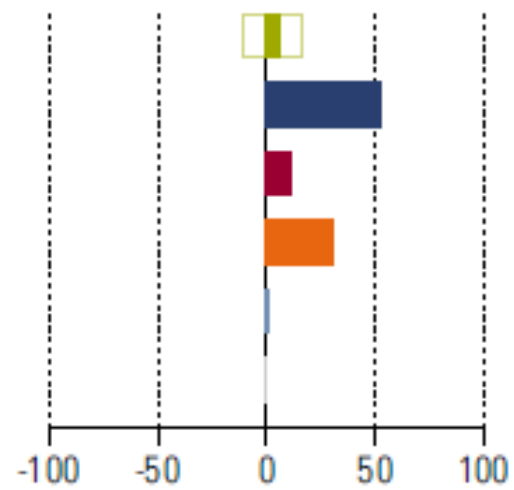
## Change in Market Value Register

From 1/1/2020 to 12/31/2020

### Carmel Area Wastewater

| Account Name  | Performance Start Date | Beginning Value with Accrued Interest (\$) | Net Contributions/ Withdrawals (\$) | Total Gains/Losses (\$) | Net Income (\$)     | Ending Balance with Accrued Interest (\$) | Net Change (\$)     | Performance Stop Date | TWR (%)      |
|---|------------------------|--|-------------------------------------|-------------------------|---------------------|---|---------------------|-----------------------|--------------|
| Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110) | 01/01/2020             | 5,604,131.07                               | (183,776.96)                        | 825,601.54              | 167,186.06          | 6,375,161.37                              | 954,807.26          | 12/31/2020            | 17.55        |
| <b>Total</b>  | <b>1/1/2020</b>        | <b>\$5,604,131.07</b>                      | <b>(\$183,776.96)</b>               | <b>\$825,601.54</b>     | <b>\$167,186.06</b> | <b>\$6,375,161.37</b>                     | <b>\$954,807.26</b> | <b>12/31/2020</b>     | <b>17.55</b> |

## Asset Allocation



|                | Portfolio Long | Portfolio Short | Portfolio Net | Bmark Net     |
|----------------|----------------|-----------------|---------------|---------------|
| Cash           | 16.39          | 10.72           | 5.67          | 0.00          |
| US Stock       | 52.16          | 0.00            | 52.16         | 99.09         |
| Non US Stock   | 11.24          | 0.00            | 11.24         | 0.91          |
| Bond           | 30.88          | 0.13            | 30.75         | 0.00          |
| Other          | 0.48           | 0.30            | 0.17          | 0.00          |
| Not Classified | 0.00           | 0.00            | 0.00          | 0.00          |
| <b>Total</b>   | <b>111.15</b>  | <b>11.15</b>    | <b>100.00</b> | <b>100.00</b> |

## Equity Investment Style %

|       | Value | Core  | Growth |  |
|-------|-------|-------|--------|--|
| Large | 9     | 26    | 38     | Total Stock Holdings<br>879<br>-----<br>Not Classified %<br>0.00 |
| Mid   | 3     | 8     | 12     |  |
| Small | 1     | 1     | 3      |  |
|       | 0-10  | 10-25 | 25-50  | >50  |

## Fixed-Income Investment Style %

|      | Ltd  | Mod   | Ext   |  |
|------|------|-------|-------|--|
| High | 12   | 0     | 20    | Total Bond Holdings<br>3698<br>-----<br>Not Classified %<br>0.00 |
| Med  | 0    | 20    | 0     |  |
| Low  | 34   | 0     | 14    |  |
|      | 0-10 | 10-25 | 25-50 | >50  |

| Stocks/Bonds | 4 <sup>th</sup> Quarter 2020 | 2020  | Annual Risk Premium/Add. 5% Equities |
|--------------|------------------------------|-------|--------------------------------------|
| 60/40        | 9.72                         | 17.55 |                                      |
| 80/20        | 11.44                        | 20.50 | 0.74                                 |
| 100/0        | 12.98                        | 21.71 | 0.30                                 |

# Performance by Security

From 10/1/2020 to 12/31/2020

Carmel Area Wastewater

## Holdings by Account and Asset Class (Primary)

| Description  | Market Value<br>(10/1/2020) | Purchases /<br>Sales | Interest<br>Dividends<br>Cap. Gains | Market Value<br>(12/31/2020) | Annualized<br>Return %<br>(IRR Net of<br>Fees) |
|--|-----------------------------|----------------------|-------------------------------------|------------------------------|--|
| <b>Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)</b> |                             |                      |                                     |                              |  |
| <b>Domestic Equity</b>   |                             |                      |                                     |                              |  |
| iShares Core S&P 500 ETF   | 654,216.40                  | 149,914.52           | 3,783.58                            | 885,906.89                   | 11.84  |
| JPMorgan Large-Cap Growth Fund Cl I  | 1,059,986.25                | (319,542.73)         | 39,701.19                           | 793,951.20                   | 10.86  |
| Federated Hermes Kaufmann Small-Cap Fund Institutional Shares                        | 470,358.98                  | (62,362.11)          | 613.84                              | 509,426.56                   | 24.50  |
| Columbia Dividend Income Fund Advisor Cl   | 291,410.20                  | 113,461.65           | 1,861.31                            | 438,746.15                   | 10.39  |
| Columbia Contrarian Core Fund Advisor Cl   | 319,781.36                  | 25,528.24            | 25,528.24                           | 365,125.65                   | 14.18  |
| iShares Morningstar Mid-Cap Growth ETF   | 297,774.00                  | 37.14                | 37.14                               | 355,452.43                   | 19.37  |
| <b>International Equity</b>  |                             |                      |                                     |                              |  |
| PGIM Jennison International Opportunities Fund-Cl Z                                  | 613,470.25                  | .00                  | .00                                 | 717,701.69                   | 16.99  |

# Performance by Security

From 10/1/2020 to 12/31/2020

| Description   | Market Value<br>(10/1/2020) | Purchases /<br>Sales | Interest<br>Dividends<br>Cap. Gains | Market Value<br>(12/31/2020) | Annualized<br>Return %<br>(IRR Net of<br>Fees) |
|---|-----------------------------|----------------------|-------------------------------------|------------------------------|--|
| <b>Domestic Bond</b>                                    |                             |                      |                                     |                              |  |
| PGIM High-Yield Fund- CI Z                              | 508,924.34                  | 7,844.70             | 7,844.70                            | 536,034.68                   | 5.33   |
| Guggenheim Total Return Bond Fund Institutional<br>CI   | 408,043.51                  | 11,939.20            | 11,939.20                           | 418,923.94                   | 2.67   |
| BlackRock Inflation-Protected Bond Inv<br>Institutional | .00                         | 304,756.64           | 1,434.05                            | 307,859.88                   | 1.50   |
| American Funds U.S. Government Securities CI<br>F-2     | 559,034.99                  | (253,616.42)         | 1,045.60                            | 293,291.21                   | -3.28  |
| <b>International Bond</b>                               |                             |                      |                                     |                              |  |
| PGIM Global Total Return Fund CI Z                      | 454,099.01                  | 5,028.58             | 5,028.58                            | 476,654.34                   | 4.97   |

# Performance by Security

From 1/1/2020 to 12/31/2020

Carmel Area Wastewater

## Holdings by Account and Asset Class (Primary)

| Description  | Market Value<br>(1/1/2020) | Purchases /<br>Sales | Interest<br>Dividends<br>Cap. Gains | Market Value<br>(12/31/2020) | Annualized<br>Return %<br>(IRR Net of<br>Fees) |
|--|----------------------------|----------------------|-------------------------------------|------------------------------|--|
| <b>Carmel Area Wastewater District Ppt Non Prototype NFS - PPS Custom (xxxx4110)</b> |                            |                      |                                     |                              |  |
| <b>Domestic Equity</b>   |                            |                      |                                     |                              |  |
| iShares Core S&P 500 ETF   | 806,707.16                 | (25,165.75)          | 13,688.92                           | 885,906.89                   | 16.02  |
| JPMorgan Large-Cap Growth Fund CI I  | 467,141.43                 | 26,180.90            | 39,701.19                           | 793,951.20                   | 54.81  |
| Federated Hermes Kaufmann Small-Cap Fund Institutional Shares                        | 403,975.82                 | (62,362.11)          | 613.84                              | 509,426.56                   | 42.95  |
| Columbia Dividend Income Fund Advisor CI   | 569,911.33                 | (126,960.73)         | 8,510.89                            | 438,746.15                   | 0.93   |
| Columbia Contrarian Core Fund Advisor CI   | 298,571.37                 | 25,528.24            | 25,528.24                           | 365,125.65                   | 22.29  |
| iShares Morningstar Mid-Cap Growth ETF   | .00                        | 282,119.46           | 110.99                              | 355,452.43                   | 26.04  |
| BlackRock Real Estate Securities Fund Institutional Shares                           | 212,334.85                 | (214,565.25)         | .00                                 | .00                          | 1.05   |
| Vanguard Mid-Cap Index Fund Admiral Shares   | 286,439.19                 | (273,202.50)         | 2,401.02                            | .00                          | -3.57  |
| <b>International Equity</b>  |                            |                      |                                     |                              |  |
| PGIM Jennison International Opportunities Fund-CI Z                                  | .00                        | 543,483.28           | .00                                 | 717,701.69                   | 35.84  |
| Invesco Emerging Markets All Capital Fund CI Y                                       | 417,784.65                 | (343,222.27)         | .00                                 | .00                          | -18.18   |

# Performance by Security

From 1/1/2020 to 12/31/2020

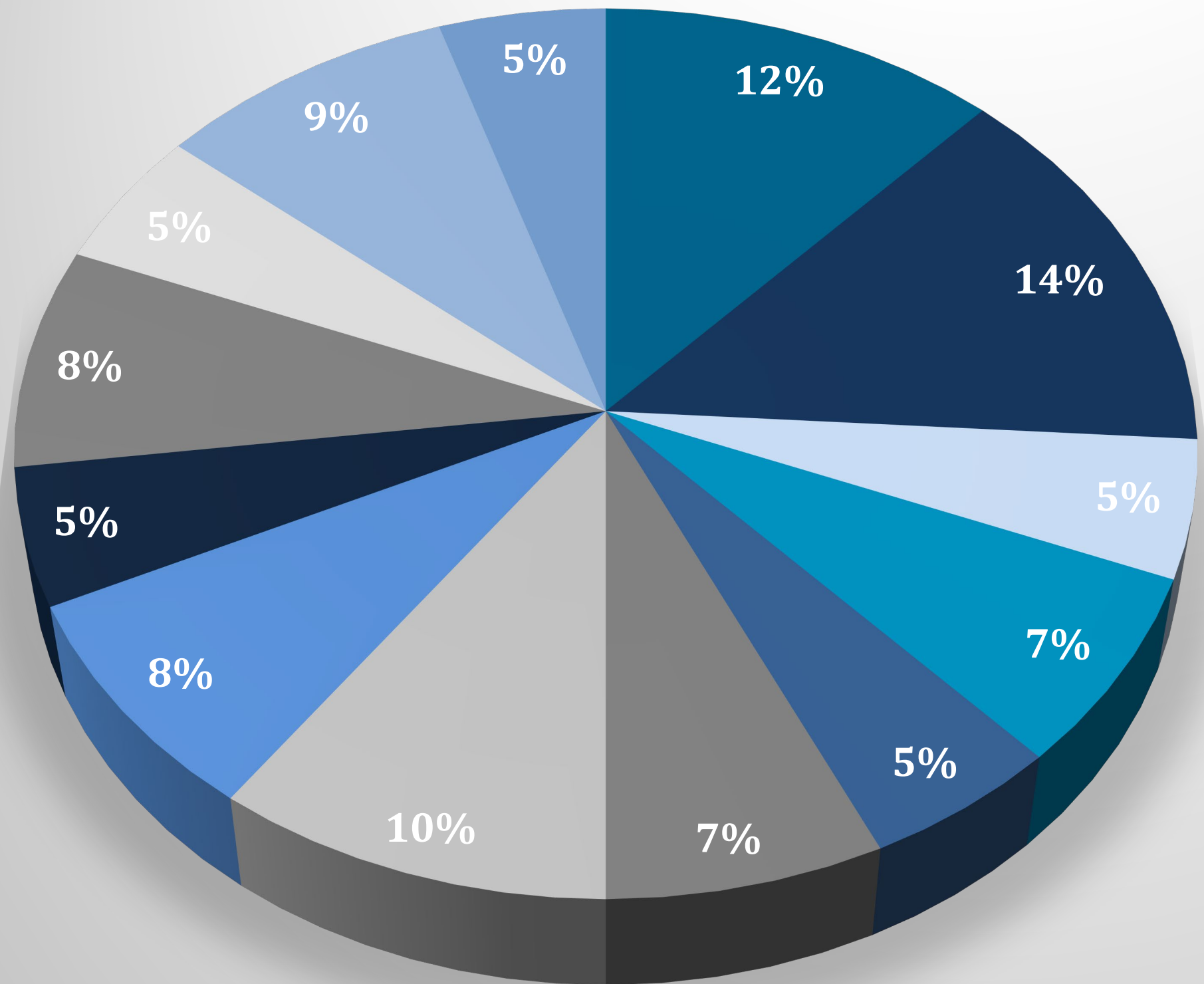
| Description  | Market Value<br>(1/1/2020) | Purchases /<br>Sales | Interest<br>Dividends<br>Cap. Gains | Market Value<br>(12/31/2020) | Annualized<br>Return %<br>(IRR Net of<br>Fees) |
|--|----------------------------|----------------------|-------------------------------------|------------------------------|--|
| <b>Domestic Bond</b>   |                            |                      |                                     |                              |  |
| PGIM High-Yield Fund- CI Z                                   | 510,048.71                 | 33,325.37            | 33,325.37                           | 538,547.66                   | 5.59   |
| Guggenheim Total Return Bond Fund Institutional<br>CI        | .00                        | 393,989.74           | 18,301.83                           | 420,061.50                   | 11.81  |
| BlackRock Inflation-Protected Bond Inv<br>Institutional      | .00                        | 304,858.29           | 1,535.70                            | 307,961.53                   | 1.53   |
| American Funds U.S. Government Securities CI<br>F-2          | .00                        | 302,141.34           | 3,306.60                            | 293,291.21                   | -1.23  |
| Schwab U.S. Aggregate Bond ETF                               | 432,921.12                 | (441,618.92)         | 2,997.40                            | .00                          | 2.76   |
| Vanguard Intermediate-Term Bond Index Fund<br>Admiral Shares | 554,448.95                 | (566,594.81)         | 3,807.47                            | .00                          | 3.61   |
| <b>International Bond</b>                                    |                            |                      |                                     |                              |  |
| PGIM Global Total Return Fund CI Z                           | 434,448.31                 | 17,995.78            | 17,995.78                           | 477,850.23                   | 9.99   |
| <b>Alternative</b>   |                            |                      |                                     |                              |  |
| Guggenheim Market Neutral Real Estate Fund CI<br>A           | .00                        | 7,779.81             | .00                                 | .00                          | -3.31  |



|                                  | 3 Month | 1 Year | 3 Year | 5 Year |
|----------------------------------|---------|--------|--------|--------|
| S&P 500 TR                       | 12.15   | 18.40  | 14.18  | 15.22  |
| Russell 1000                     | 13.69   | 20.96  | 14.82  | 15.60  |
| Russell Mid Cap                  | 19.91   | 17.10  | 11.61  | 13.40  |
| Russell 2000 Growth              | 31.37   | 19.96  | 10.25  | 13.26  |
| MSCI EAFE                        | 16.05   | 7.82   | 4.28   | 7.45   |
| MSCI Emerging Markets            | 19.70   | 18.31  | 6.17   | 12.81  |
| Barclays Capital US<br>Aggregate | 0.67    | 7.51   | 5.34   | 4.44   |

- No Changes
- Rebalance the rest of the portfolio

# 1<sup>ST</sup> QUARTER 2021 OVERALL PORTFOLIO



- JP Morgan Large Cap Growth - 12%
- iShares Core S&P 500 - 14%
- Columbia Contrarian Core - 5%
- Columbia Dividend Income - 7%
- iShares Morningstar Mid Cap - 5%
- Federated Kaufmann Small Cap - 7%
- PGIM International Opportunities - 10%
- PGIM Global Total Return - 8%
- American Funds Govt Securities - 5%
- Guggenheim Total Return - 8%
- BlackRock Inflation Protected Bond - 5%
- PGIM High Yield - 9%
- Cash - 5%

**BETA:**

A measure of volatility (risk) relative to the Standard & Poor's 500 Index. Beta of 1.0 indicates risk equal to that of the Standard & Poor's 500 Index over a given period of time, usually 3, 5 and 10 years. Beta of less than 1.0 indicates risk less than that of the S&P 500 Index.

|                | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> |
|----------------|---------------|---------------|----------------|
| CAWD Portfolio | 0.66          | 0.67          | 0.67           |

| Mutual Fund/ETF                    | 3 Year Beta | Net Expense Ratio |
|------------------------------------|-------------|-------------------|
| JPMorgan Large Cap Growth          | 1.06        | 0.69              |
| iShares Core S&P 500               | 1.00        | 0.04              |
| Columbia Contrarian Core           | 1.03        | 0.77              |
| Columbia Dividend Income           | 0.86        | 0.71              |
| Vanguard Mid Cap                   | 1.05        | 0.04              |
| Federated Kaufmann Small Cap       | 1.09        | 0.91              |
| PGIM International Opportunities   | 0.90        | 0.90              |
| PGIM Global Total Return           | 1.28        | 0.63              |
| American Funds Govt. Securities    | 0.76        | 0.36              |
| Guggenheim Total Return            | 0.74        | 0.52              |
| PGIM High Yield                    | 0.29        | 0.55              |
| BlackRock Inflation Protected Bond | 0.97        | 0.65              |

**STANDARD DEVIATION:**

Another measure of volatility (risk). A higher Standard Deviation indicates a higher degree of volatility (risk) over a given period of time, usually 3, 5 and 10 years. We will compare the CAWD Portfolio with the S&P 500 Index.

|                             | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> |
|-----------------------------|---------------|---------------|----------------|
| CAWD Portfolio              | 12.75         | 10.61         | 9.52           |
| Standard & Poor's 500 Index | 18.73         | 15.26         | 13.63          |

**MEAN:**

Mean return over a given period of time, usually 3, 5 and 10 years. We will compare the CAWD Portfolio with the S&P 500 Index.

|                             | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> |
|-----------------------------|---------------|---------------|----------------|
| CAWD Portfolio              | 13.97         | 12.94         | 11.22          |
| Standard & Poor's 500 Index | 13.17         | 13.99         | 14.19          |

**ALPHA:**

A measure of risk-adjusted returns. An Alpha of 0 indicates a return proportionate to the degree of risk taken. A positive Alpha indicates a return generated in excess of the degree of risk taken.

|                | <u>3 Year</u> | <u>5 Year</u> | <u>10 Year</u> |
|----------------|---------------|---------------|----------------|
| CAWD Portfolio | 4.06          | 2.85          | 1.38           |