Sacramento Regional Transit District

Agenda

SPECIAL COMBINED MEETING OF THE
RETIREMENT BOARDS FOR THE EMPLOYEES AND RETIREES OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT
WEDNESDAY, APRIL 23, 2025 AT 1:00 P.M.
SACRAMENTO REGIONAL TRANSIT Q STREET AUDITORIUM
1102 Q STREET, 4TH FLOOR, SUITE 4600
(13th Street Light Rail Station)

Website Address: www.sacrt.com

MEETING NOTE: ***This is a joint and concurrent meeting of the five independent Retirement Boards for the pension plans for the employees and retirees of the Sacramento Regional Transit District. This single, combined agenda designates which items will be subject to action by which board(s). Members of each board may be present for the other boards' discussions and actions, except during individual closed sessions.***

ROLL CALL

ATU Retirement Board:	Directors: Li, Valenton, McGee Lee, Scott Alternates: Selenis, Smith
IBEW Retirement Board:	Directors: Li, Valenton, Pickering, D. Thompson Alternates: Selenis, Williams
AEA Retirement Board:	Directors: Li, Valenton, Devorak, McGoldrick Alternates: Selenis, Santhanakrishnan
AFSCME Retirement Board:	Directors: Li, Valenton, Guimond, L. Thompson Alternates: Selenis, Elder
MCEG Retirement Board:	Directors: Li, Valenton, Bobek, Hinz Alternates: Selenis, Flores

CONSENT CALENDAR

		ATU	IBEW	AEA	AFSCME	MCEG
1. Motion:	Approving the Minutes for the March 19, 2025 Quarterly Retirement Board Meeting (ATU). (Gobel)	☒	☐	☐	☐	☐
2. Motion:	Approving the Minutes for the March 19, 2025 Quarterly Retirement Board Meeting (IBEW). (Gobel)	☐	☒	☐	☐	☐
3. Motion:	Approving the Minutes for the March 19, 2025 Quarterly Retirement Board Meeting (AEA). (Gobel)	☐	☐	☒	☐	☐
4. Motion:	Approving the Minutes for the March 19, 2025 Quarterly Retirement Board Meeting (AFSCME). (Gobel)	☐	☐	☐	☒	☐
5. Motion:	Approving the Minutes for the March 19, 2025 Quarterly Retirement Board Meeting (MCEG). (Gobel)	☐	☐	☐	☐	☒

AGENDA FOR 4/23/2025 SPECIAL MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES AND RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT

NEW BUSINESS

		ATU	IBEW	AEA	AFSCME	MCEG
6. Resolution:	Authorize Execution of Amendment to Extend Term of the Contract with Cheiron LLC for Actuarial Services for the Retirement Boards (ALL). (Gobel)	☒	☒	☒	☒	☒
7. Information:	Fixed Income Manager Search – Finalist Presentation by Fidelity Institutional Asset Management (ALL). (Gobel and Johnson)	☒	☒	☒	☒	☒
8. Information:	Fixed Income Manager Search – Finalist Presentation by JP Morgan Asset Management (ALL). (Gobel and Johnson)	☒	☒	☒	☒	☒

REPORTS, IDEAS AND COMMUNICATIONS

		ATU	IBEW	AEA	AFSCME	MCEG
9. Information:	Senior Manager, Pension & Retirement Services, Verbal Update (ALL). (Gobel)	☒	☒	☒	☒	☒

ADJOURN

NOTICE TO THE PUBLIC

It is the policy of the Boards of Directors of the Sacramento Regional Transit District Retirement Plans to encourage participation in the meetings of the Boards of Directors. At each open meeting, members of the public shall be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Boards.

This agenda may be amended up to 72 hours prior to the meeting. An agenda, in final form, is posted to SacRT's website at www.sacrt.com and at the front of the Sacramento Regional Transit District's administration building on 1102 Q Street. Persons requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Retirement Services Administrator at (916) 556-0296 (voice) or (916) 483-4327 (TDD) at least 72 business hours in advance of the Board meeting.

Any staff reports or other documentation submitted for items on the agenda are available online at www.sacrt.com, on file with the Retirement Services Administrator and the Clerk to the Board of Directors of the Sacramento Regional Transit District, and available for public inspection at 1400 29th Street, Sacramento, CA. Persons with questions regarding those materials should contact the Retirement Services Administrator (916) 556-0296.

Sacramento Regional Transit District
Quarterly Retirement Board Meeting (MCEG)
Wednesday, March 19, 2025
Meeting Minutes

This meeting was held as a common meeting of the Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

The Retirement Board was brought to order at 1:11 p.m. A quorum was present and comprised as follows: Director Li, Director Valenton, Director Bobek, and Director Hinz. Alternate Flores also attended the meeting but could not and did not vote on any items before the Retirement Board. Alternate Selenis was absent.

Director Li presided over this meeting as Common Chair of the Retirement Boards.

John Gobel, Senior Manager of Pension and Retirement Services, noted the resignation of Connie Bibbs from the IBEW Retirement Board last year and reported that prior Alternate Director David Thompson had been appointed to succeed Ms. Bibbs as Director of the IBEW Retirement Board. Mr. Gobel also introduced Kenneth Williams as the new Alternate Director of the IBEW Retirement Board.

PUBLIC COMMENT

Mr. Gobel asked if there were any comments from the public regarding items on the consent calendar or matters not on the agenda. There were none.

CONSENT CALENDAR

5. Motion: Approving the Minutes for the February 26, 2025 Special Retirement Board Meeting (MCEG). (Gobel)

8. Motion: Receive and File Administrative Reports for the Quarter Ended December 31, 2024 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Johnson)

11. Motion: Receive and File the Fiscal Year 2024 State Controller's Report for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Johnson)

12. Motion: Receive and File the Financial Statements with Independent Auditor’s Report for the Twelve-Month Period Ended June 30, 2024 (ALL). (Johnson)

13. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Gobel)

Director Li moved to adopt Agenda Items 5, 8, 11, 12, and 13. The motion was seconded by Director Valenton. Agenda Items 5, 8, 11, 12, and 13 were carried unanimously by roll call vote: Ayes – Bobek, Hinz, Li, and Valenton; Noes – None.

NEW BUSINESS

14. Information: Investment Performance Review of the Real Estate Asset Class by Clarion Partners for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended December 31, 2024 (ALL). (Johnson)

Jason Johnson, Vice President, Finance/CFO, authored the staff report on the Retirement Plan's Real Estate investment with the Clarion Lion Properties Fund, one of the Retirement Plans' Real Estate investments, and Mr. Gobel introduced relationship manager Reza Basharzad and portfolio manager Janet Lee from Clarion Partners.

Mr. Basharzad began the presentation by providing an organizational overview of Clarion Partners. In doing so, he noted that the firm is focused solely on real estate, manages $70 billion in assets, and is 18% employee-owned (with the remainder owned by Franklin Templeton). Regarding the Retirement Boards' investment in the Lion Properties Fund (LPF), Mr. Basharzad noted that Jon Gelb is lead portfolio manager of the core fund, assets are allocated across five property types (industrial, apartments, alternatives, office/retail, and other), and the total return for the quarter ended December 31, 2024 was 1.9% (versus 1.2% for the NFI-ODCE benchmark).

Ms. Lee then provided further information regarding the investment approach of the LPF. While discussing the $18.7 billion exposure to different property types, Ms. Lee noted that LPF is significantly underweight to the office sector and overweight to industrial, with approximately 10% of the portfolio committed to building and developing new industrial properties. She also mentioned that the fund's allocation to alternative properties (which include life sciences, storage, and student housing) is twice that of the NFI-ODCE benchmark, retail holdings are tilted toward properties anchored by grocery tenants, and office holdings have been reduced by selling $900 million of properties over the last two years. From a regional perspective, Ms. Lee explained that 35% of all properties are located in the Sun Belt (in contrast to 30% for the benchmark) and referenced investments in the innovation hubs of Boston, Seattle, and Austin.

In response to a question from MCEG Director Bobek regarding the Clarion Partners Real Estate Income Fund (CPREX), Ms. Lee indicated that CPREX is a fund open to retail investors – rather than institutional investors -- and invests separately from LPF.

In response to a question from MCEG Director Hinz regarding the relevancy of public transit to the investment process at Clarion Partners, Ms. Lee indicated that it can be a factor for certain properties, such as live-work spaces. Ms. Lee also noted that transit adjacency is a more significant factor for Clarion's properties in the San Francisco Bay Area, as compared to Clarion's properties in Sacramento.

In response to a comment from Director Li regarding the decrease in office property values and the impact of potential recessionary pressures, Ms. Lee noted that Clarion is still projecting NOI (net operating income) growth of five percent this year. Ms. Lee also mentioned that, on a long-term basis, total returns for private real estate compare favorably to other asset classes and that private real estate can deliver returns with less volatility than stocks.

15. Motion: Receive and File Investment Performance Results for the ATU, IBEW, and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2024 (ALL). (Johnson)

Mr. Johnson authored the staff report on the Retirement Plans' investment performance and Mr. Gobel introduced the Retirement Boards' investment consultants, Anne Heaphy and Uvan Tseng from Callan.

During the capital market update, Mr. Tseng provided a brief a discussion of the fourth quarter of 2024. In doing so, he referenced a rally in the U.S. dollar and post-election bullishness for U.S. large cap stocks, in comparison to declines for fixed income and international equity. For contrast, Mr. Tseng indicated the current quarter in progress has seen positive returns for international stocks, emerging markets, and bonds -- versus a negative 4.3% return for the S&P 500.

During the performance review, Ms. Heaphy reported that the Retirement Plans held approximately $427 million in assets as of December 31, 2024. While the Retirement Plans' quarterly return of -2.5% trailed the -1.8% return reported for the policy target, Ms. Heaphy reminded the Retirement Boards of the portfolio's value bias and explained that aggregate returns still exceeded the policy target for all periods of more than one year.

In anticipation of next month's presentations by fixed income managers, Ms. Heaphy reviewed the placement of TCW on the Watch List, discussed differences between core and core-plus strategies, and reported that the two finalists identified during the search process, J.P. Morgan Asset Management and Fidelity Institutional Asset Management, will appear before the Retirement Boards during the special meeting on April 23rd.

In response to Director Li's observation that a number of the Retirement Boards' active managers underperformed their benchmark during the quarter ended December 31, 2024, Mr. Tseng explained that it is challenging for active managers to outperform their respective benchmarks when returns are concentrated in a small number of U.S. stocks.

With regard to the role and value of active managers within the portfolio, AEA Director Devorak reminded the Retirement Boards of the downside protection afforded by many of their active managers and cited the value added to the Retirement Plans over time by Boston Partners (relative to the Russell 1000 Value Index) and Atlanta Capital (relative to the Russell 2000 Index).

Director Li moved to approve Agenda Item 15. The motion was seconded by Director Valenton. The motion carried unanimously by roll call vote: Ayes – Bobek, Hinz, Li, and Valenton; Noes – None.

16. Resolution: Accept Actuarial Valuation and Approve Actuarially Determined Contribution Rates for Fiscal Year 2025-26 (ATU). (Gobel)

17. Resolution: Accept Actuarial Valuation and Approve Actuarially Determined Contribution Rates for Fiscal Year 2025-26 (IBEW). (Gobel)

18. Resolution: Accept Actuarial Valuation and Approve Actuarially Determined Contribution Rates for Fiscal Year 2025-26 (AEA/AFSCME/MCEG). (Gobel)

Mr. Gobel introduced the Retirement Plans' consulting actuary, Graham Schmidt of Cheiron, and reminded the Retirement Boards that Mr. Schmidt had shared preliminary results of the actuarial valuation reports (AVRs) at the Retirement Boards' special meeting on February 26, 2025. As with last year's presentation, Mr. Gobel indicated that Mr. Schmidt would review the July 1, 2024 AVRs for the three Retirement Plans (the ATU Plan, the IBEW Plan, and the Salaried Plan) as part of a single presentation. Thereafter, Mr. Gobel explained that each of the five Retirement Boards would be asked to adopt the AVR and accept the recommended contribution rates for their particular plan or membership group.

Mr. Schmidt began his presentation by confirming that none of the actuarial measures, trends, or contribution rates reported to the Retirement Boards last month had changed with the finalization of the AVRs. He also explained that he would the discuss components of each AVR separately, but utilize the AVR prepared for the ATU Plan to illustrate common elements of the valuation process for all five Retirement Boards.

For the ATU Plan, Mr. Schmidt cited page 3, Table I-1 and walked the Retirement Boards through the summary of plan results. While discussing this data, he highlighted the greater-than-projected increase in active member payroll and explained that was a key factor in reducing the blended rate for the actuarially determined contribution from 25.86% of payroll for Fiscal Year 2025 to 24.55% for Fiscal Year 2026. Mr. Schmidt also noted the funded ratio of the ATU Plan, which improved from 76.1% as of July 1, 2023 to 78.3% as of July 1, 2024.

- In response to a question from Director Li regarding the progress of the Retirement Plans, Mr. Schmidt directed the Retirement Boards to page 6 of the AVR for the ATU Plan, which charts asset and liabilities for the past ten years. Mr. Schmidt noted that the employer's commitment to making the actuarially determined contributions has served to increase funded ratios over time, even as the assumed rate of return or discount rate used for the valuation process has become more conservative.

In addition to reviewing the year-over-year reduction in contribution rates and the improvement in funded ratios, Mr. Schmidt discussed the projection of employer contribution rates provided on page 8 of the AVR for the ATU Plan and the stochastic projections provided on page 18 – both of which anticipated a significant reduction in unfunded actuarial liability (UAL) as of June 30, 2032 and a corresponding reduction in employer contribution rates for Fiscal Year 2034. As Mr. Schmidt explained, the anticipated progress was predicated on the plan achieving annual investment returns of 6.75% and the employer continuing to pay a portion of the amortized UAL as part of the actuarially determined contribution rate.

- In response to a question from MCEG Director Hinz regarding the rationale for some plans to avoid setting a 100% funding target, Mr. Schmidt noted the practice is unusual for governmental defined benefit plans and opined that plans without a 100% funding target were less likely to become over-funded over time.

For the Salaried Plan, Mr. Schmidt addressed the same key variables and reviewed similar sections of the separate AVR, including pages 3, 8, and 11. While discussing Table I-1, Mr. Schmidt reported a decrease in the blended rate for the actuarially determined contribution from 37.21% to 36.54%. For context, Mr. Schmidt cited the beneficial effect of an expanding payroll and the detrimental effect of certain demographic changes within the Salaried Plan, such as retirees living longer than projected. Mr. Schmidt also noted that the funded ratio of the Salaried Plan (at 71.8%) had improved but was the lowest of all three Retirement Plans.

For the IBEW Plan, Mr. Schmidt addressed the same key variables and reviewed similar areas of the separate AVR. In doing so, he reported a blended rate for the actuarially determined contribution of 29.54% and a funded ratio of 77.6%. While discussing the small rate decrease for the IBEW Plan, Mr. Schmidt referenced Table I-1 and observed that the payroll increase was muted.

Votes were taken out of order to ensure a quorum for all Boards as Director Valenton needed to leave early, with votes on Item 18 preceding votes on Items 16 and 17.

Director Li moved to approve Agenda Item 18 to accept the AVR and approve the Actuarially-Determined Contribution Rates set forth in the AVR and associated resolution. The motion was seconded by Director Valenton. The motion carried unanimously by roll call vote: Ayes – Bobek, Hinz, Li, and Valenton; Noes – None.

REPORTS, IDEAS AND COMMUNICATION

19. Information: Senior Manager, Pension & Retirement Services, Verbal Update (ALL). (Gobel)

Mr. Gobel reminded the Retirement Boards that Statements of Economic Interests (Form 700) were distributed electronically at the end of February and of the April 1st filing deadline. Mr. Gobel also reported that Shayna van Hoften, Legal Counsel to the

Retirement Boards, is available to assist Directors and Alternate Directors who have questions regarding completion of Form 700.

Mr. Gobel noted that a Special Retirement Board Meeting is scheduled and planned for April 23rd. Mr. Gobel explained that the Retirement Boards will meet with the two investment firms identified by an informal committee of members from each Retirement Board, with assistance from Callan, as finalists for the fixed income search. Mr. Gobel also explained that the Retirement Boards will be asked to consider hiring one of those fixed income core-plus managers to complement or replace the Retirement Boards' current manager, TCW.

Mr. Gobel referenced the May 6th renewal date for the Retirement Boards' fiduciary liability insurance policy. Mr. Gobel also noted that he would be requesting $25 waiver of recourse payments from members and alternate members of the Retirement Boards who are interested in securing personal coverage under the policy.

ADJOURN

With no further business to discuss and no public comment on matters not on the agenda, the Retirement Board meeting was adjourned at 2:59 p.m.

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Sandra Bobek, Board Chair

ATTEST:

Henry Li, Secretary

By: ________________________________
John Gobel, Assistant Secretary

RETIREMENT BOARD STAFF REPORT

DATE:	April 23, 2025
TO:	Sacramento Regional Transit Retirement Boards - All
FROM:	John Gobel - Senior Manager, Pension and Retirement Services
SUBJ:	Authorize Execution of Amendment to Extend Term of the Contract with Cheiron LLC for Actuarial Services for the Retirement Boards

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Authorize execution of an amendment to the Retirement Boards' contract with Cheiron Inc. (Cheiron) for actuarial services, to extend the contract for two additional years and increase the total contract amount by $276,000.

FISCAL IMPACT

Approval of the recommended action will increase the contract capacity by $276,000, from $1,027,000 to $1,303,000. As with other costs required for plan administration, these administrative expenses will be paid from the trust for the three Retirement Plans (which are commonly referred to as the ATU Plan, the IBEW Plan, and the Salaried Plan).

The proposed contract extension covers (1) completion of the actuarial experience study for the five-year period ended July 1, 2025 and (2) preparation of the actuarial valuation reports (AVRs) for the July 1, 2025 and July 1, 2026 valuation dates and delivery of other actuarial services through June 30, 2027. As with previous quotes from Cheiron, the current proposal distinguishes routine costs (like completion of the AVRs) from additional services (like the preparation of benefit calculations) and presents the cost of the experience study as a single sum. [See Attachment 1.]

DISCUSSION

Cheiron provides actuarial and pension administration services for the Retirement Plans under a contact approved by the Retirement Boards on June 15, 2016 and extended by the Retirement Boards on subsequent occasions. Charges for the services are invoiced monthly, allocated among the Retirement Plans, and paid directly from the trust.

The Retirement Boards have plenary authority to assess and retain subject matter experts required for administration of the Retirement Plans. This authority is affirmed in the Sacramento Regional Transit District Retirement Boards Procurement Policies and Procedures ("Retirement Boards Procurement Policies and Procedures"), which the Retirement Boards adopted on December 16, 2025.

The Retirement Boards Procurement Policies and Procedures acknowledge that services required for administration of the Retirement Plans are technical in nature and require a highly specialized set of skills and experience:

> PROFESSIONAL SERVICES means and includes services that involve labor and skills that are predominantly mental or intellectual rather than physical or manual, where the providers of the service are members of disciplines requiring special knowledge or the attainment of a high level of learning or skill, including, without limitation, services rendered by accountants, actuaries, appraisers, architects, attorneys, consultants, doctors, and engineers.
> [Sacramento Regional Transit District Retirement Boards Procurement Policies and Procedures, p. 2]

Given that these services can be highly specialized, the Retirement Boards Procurement Policies and Procedures contemplate and permit instances of sole source procurements (in lieu of competitive bidding):

> 5. <u>Noncompetitive and Sole Source Procurement</u>
>
> A noncompetitive PROCUREMENT is permitted if one of the following circumstances exist…
>
> B. For SERVICE CONTRACTS, when the RETIREMENT BOARD(S), GENERAL MANAGER or DIRECTOR OF HUMAN RESOURCES determine that it is in the best interests of the PENSION PLANS to solicit only one consultant or to amend an existing SERVICE CONTRACT without compliance with the competitive SOLICITATION procedures set forth in Article Ill.
>
> [Id., p. 16]

Per the Article cited above, the Retirement Boards may dispense with the standard solicitation process if they determine that it is in the best interest of the Retirement Plans to do so.

As reviewed in the past, the Sacramento Regional Transit District (SacRT) implemented the California Public Employees' Pension Reform Act (PEPRA) retirement formula and other provisions for new members enrolling in (i) the IBEW Plan and the Salaried Plan on and after January 1, 2015, and (ii) the ATU Plan on and after January 1, 2016. The retirement provisions for PEPRA members are codified in the California Government Code and the application of those provisions to employees who enroll in the Retirement Plans is memorialized for the Retirement Boards in materials prepared by Staff and for the plan sponsor in materials prepared by SacRT Labor Relations. That being said, the plan sponsor has not yet restated plan documents for the Retirement Plans to reflect the benefit changes mandated by PEPRA.

Absent restated plan documents, Staff submits that applying the standard procurement process to solicit a new actuarial services provider would not be competitive or productive. Accordingly, Staff also submits that extending the current actuarial services agreement, subject to the nominal fee increases proposed by Cheiron, is in the best interests of the Retirement Plans.

At the next Retirement Board meeting on June 11th, Staff will provide further information regarding the longstanding arrangement between the Retirement Boards and the plan sponsor for preparing and amending the plan documents. In doing so, Staff will also provide an update on the restatement of the Retirement Plans and solicit feedback on opportunities for communication and related process improvements.

RESOLUTION NO. 2025-04-363

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of ATU Local Union 256 on this date:

April 23, 2025

Authorize Amendment to
Actuarial Services Contract with Cheiron, Inc.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF ATU LOCAL 256 AS FOLLOWS:

THAT the Sacramento Regional Transit District General Manager/CEO, or designee, is authorized to execute an amendment to the Retirement Boards' contract with Cheiron, Inc. for actuarial services to increase the aggregate not-to-exceed compensation by $273,000 and extend the contract for an additional two years (including completion of the experience study for the five-year period ended July 1, 2025; preparation of actuarial valuation reports for July 1, 2025 and July 1, 2026; and delivery of other actuarial services through June 30, 2027), subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution. Pursuant to this amendment, the contract capacity will increase to $1,303,000 in the aggregate.

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Crystal McGee Lee, Chair

ATTEST:

Henry Li, Secretary

By: ______________________________
John Gobel, Assistant Secretary

RESOLUTION NO. 2025-04-247

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of IBEW Local Union 1245 on this date:

April 23, 2025

Authorize Amendment to
Actuarial Services Contract with Cheiron, Inc.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF IBEW LOCAL 1245 AS FOLLOWS:

THAT the Sacramento Regional Transit District General Manager/CEO, or designee, is authorized to execute an amendment to the Retirement Boards' contract with Cheiron, Inc. for actuarial services to increase the aggregate not-to-exceed compensation by $273,000 and extend the contract for an additional two years (including completion of the experience study for the five-year period ended July 1, 2025; preparation of actuarial valuation reports for July 1, 2025 and July 1, 2026; and delivery of other actuarial services through June 30, 2027), subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution. Pursuant to this amendment, the contract capacity will increase to $1,303,000 in the aggregate.

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Neal Pickering, Vice Chair

ATTEST:

Henry Li, Secretary

By: ________________________________
John Gobel, Assistant Secretary

RESOLUTION NO. 2025-04-243

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of AEA on this date:

April 23, 2025

Authorize Amendment to Actuarial Services Contract with Cheiron, Inc.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF AEA AS FOLLOWS:

THAT the Sacramento Regional Transit District General Manager/CEO, or designee, is authorized to execute an amendment to the Retirement Boards' contract with Cheiron, Inc. for actuarial services to increase the aggregate not-to-exceed compensation by $273,000 and extend the contract for an additional two years (including completion of the experience study for the five-year period ended July 1, 2025; preparation of actuarial valuation reports for July 1, 2025 and July 1, 2026; and delivery of other actuarial services through June 30, 2027), subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution. Pursuant to this amendment, the contract capacity will increase to $1,303,000 in the aggregate.

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Russel Devorak, Chair

ATTEST:

Henry Li, Secretary

By: ____________________________________
John Gobel, Assistant Secretary

RESOLUTION NO. 2025-04-210

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of AFSCME on this date:

April 23, 2025

Authorize Amendment to Actuarial Services Contract with Cheiron, Inc.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF AFSCME AS FOLLOWS:

THAT the Sacramento Regional Transit District General Manager/CEO, or designee, is authorized to execute an amendment to the Retirement Boards' contract with Cheiron, Inc. for actuarial services to increase the aggregate not-to-exceed compensation by $273,000 and extend the contract for an additional two years (including completion of the experience study for the five-year period ended July 1, 2025; preparation of actuarial valuation reports for July 1, 2025 and July 1, 2026; and delivery of other actuarial services through June 30, 2027), subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution. Pursuant to this amendment, the contract capacity will increase to $1,303,000 in the aggregate.

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Peter Guimond, Chair

ATTEST:

Henry Li, Secretary

By: ________________________________
John Gobel, Assistant Secretary

RESOLUTION NO. 2025-04-247

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of MCEG on this date:

April 23, 2025

Authorize Amendment to Actuarial Services Contract with Cheiron, Inc.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF MCEG AS FOLLOWS:

THAT the Sacramento Regional Transit District General Manager/CEO, or designee, is authorized to execute an amendment to the Retirement Boards' contract with Cheiron, Inc. for actuarial services to increase the aggregate not-to-exceed compensation by $273,000 and extend the contract for an additional two years (including completion of the experience study for the five-year period ended July 1, 2025; preparation of actuarial valuation reports for July 1, 2025 and July 1, 2026; and delivery of other actuarial services through June 30, 2027), subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution. Pursuant to this amendment, the contract capacity will increase to $1,303,000 in the aggregate.

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Sandra Bobek, Chair

ATTEST:

Henry Li, Secretary

By: ______________________________
John Gobel, Assistant Secretary

ATTACHMENT 1

Component 1: Actuarial Services Routine (Core) Tasks 1-8			**Year Ten (July 1, 2025 – June 30, 2026) $11,184 x 12 = $134,208**		
	Task	Unit of Frequency	Unit Cost	Units Per Year	Annual Cost
Task 1	Assistance as Required	Monthly	$112	12	$1,344
Task 2	Assistance as Required	Monthly	N/A	12	N/A
Task 3	3 reports	Annually	$46,584	1	$46,584
Task 4	3 reports	Annually	$16,416	1	$16,416
Task 5	Board presentation on actuarial studies	Twice Annually	$4,026	2	$8,052
Task 6	Board presentation on actuarial studies	At Least Annually	$3,324	1	$3,324
Task 7	Notice of Changes and Corresponding Advice	Monthly	$274	12	$3,288
Task 8	Experience Study	Every 5 Years	$55,200	1	$55,200

Component 1: Additional Routine Actuarial Services (Non-Core Routine) Tasks A1-A2: Fixed Fee Proposal			**Year Ten (Extension Year)**		
	Task	Unit of Frequency	Unit Cost	Estimated Quantity	Estimated Cost
Task A1	Standard Benefit Calculation	As Needed	$400	65	$26,000
Task A2	QDRO	As Needed	$1,320	3	$ 3,960

Component 1: Potential Additional Non-Routine Actuarial Services (Non-Core Special): Hourly Billing Rates	
Position	Year Ten (Extension Year)
Principal Consulting Actuary	$441 - $564
Consulting Actuary	$319 - $541
Associate Actuary	$232 - $354
Senior Actuarial Analyst	$212 - $273
Actuarial Analyst	$176 - $232
Administrative Assistant	$132 - $174

Component 1 (Non-Core Special): Core Team Hourly Billing Rates	
Team Member	Year Ten (Extension Year)
Anne Harper	$495
Graham Schmidt	$505
Leighann Maloney	$260
Jack Erikson	$210
Sandy Bucher	$140
Kari Fredrickson	$250
Sarah Lavoie	$230

Component 2: Pension Calculation System	
Cost to Operate for Year Ten (Extension Year)	$4,584 ($382 / month)

ATTACHMENT 1 (continued)

Component 1: Actuarial Services Routine (Core) Tasks 1-8			**Year Eleven (July 1, 2026 – June 30, 2027) $6,749 x 12 = $80,988**		
	Task	Unit of Frequency	Unit Cost	Units Per Year	Annual Cost
Task 1	Assistance as Required	Monthly	$115	12	$1,380
Task 2	Assistance as Required	Monthly	N/A	12	N/A
Task 3	3 reports	Annually	$47,748	1	$47,748
Task 4	3 reports	Annually	$16,824	1	$16,824
Task 5	Board presentation on actuarial studies	Twice Annually	$4,128	2	$8,256
Task 6	Board presentation on actuarial studies	At Least Annually	$3,408	1	$3,408
Task 7	Notice of Changes and Corresponding Advice	Monthly	$281	12	$3,372
Task 8	Experience Study	Every 5 Years	N / A	N / A	N / A

Component 1: Additional Routine Actuarial Services (Non-Core Routine) Tasks A1-A2: Fixed Fee Proposal			**Year Eleven (Extension Year)**		
	Task	Unit of Frequency	Unit Cost	Estimated Quantity	Estimated Cost
Task A1	Standard Benefit Calculation	As Needed	$410	65	$26,650
Task A2	QDRO	As Needed	$1,355	3	$ 3,960

Component 1: Potential Additional Non-Routine Actuarial Services (Non-Core Special): Hourly Billing Rates	
Position	Year Eleven (Extension Year)
Principal Consulting Actuary	$452 - $578
Consulting Actuary	$327 - $555
Associate Actuary	$238 - $363
Senior Actuarial Analyst	$217 - $280
Actuarial Analyst	$180 - $238
Administrative Assistant	$135 - $178

Component 1 (Non-Core Special): Core Team Hourly Billing Rates	
Team Member	Year Eleven (Extension Year)
Anne Harper	$505
Graham Schmidt	$520
Leighann Maloney	$265
Jack Erikson	$215
Sandy Bucher	$145
Kari Fredrickson	$255
Sarah Lavoie	$235

Component 2: Pension Calculation System	
Cost to Operate for Year Eleven (Extension Year)	$4,704 ($392 / month)

RETIREMENT BOARD STAFF REPORT

DATE:	April 23, 2025
TO:	Sacramento Regional Transit Retirement Boards - All
FROM:	Jason Johnson - VP, Finance/CFO John Gobel - Senior Manager, Pension and Retirement Services
SUBJ:	Fixed Income Manager Search – Finalist Presentation by Fidelity Institutional Asset Management

RECOMMENDATION

No Recommendation - For Information Only.

RESULT OF RECOMMENDED ACTION

No action is recommended at this meeting.

FISCAL IMPACT

There is no fiscal impact associated with this informational item.

DISCUSSION

BACKGROUND

The Retirement Boards selected MetWest to manage their fixed income portfolio in 2001 and key personnel from MetWest have continued to manage the portfolio since the firm was acquired by TCW in 2010. As noted in the latest performance report presented by the Retirement Boards' investment consultant, Callan, TCW manages a $96.9 million domestic fixed income portfolio for the Retirement Boards, which represents approximately 23% of the $427.6 million in assets held by the Retirement Plans on December 31, 2024. TCW is the Retirement Boards' only fixed income manager at this time and TCW invests more of the Retirement Plans' assets than any other manager.

Due to qualitative factors like the planned retirement of two Generalist Portfolio Managers (on top of other senior level retirements), Callan recommended and the Retirement Boards concurred with placing TCW on the Watch List as of June 30, 2023. TCW has remained on the Watch List, and during the quarterly performance report for June 30, 2024, Callan recommended that the Retirement Boards consider a manager search and contemplate hiring another fixed income manager to complement or replace TCW.

In response to Callan's suggestion, the Retirement Boards scheduled a special, investment-focused meeting for October 23, 2024. During that meeting, the Retirement Boards received additional information from Callan regarding TCW and voted to approve a fixed income manager search for a core-plus strategy. The Retirement Boards also selected an ad hoc group of Directors to work with Callan during the search process: ATU Director Scott, IBEW Director Pickering, AEA Director McGoldrick, AFSCME Director Guimond, and MCEG Director Bobek.

The ad hoc group of Directors met with the search team from Callan right before a special meeting of the Retirement Boards on February 26, 2025. During the special meeting of the Retirement Boards on February 26th, John Gobel (Senior Manager of Pension and Retirement Services) reported that the ad hoc group met with Callan to review information on three core-plus managers within the fixed income space, the ad hoc group had selected two finalists to present to all five Retirement Boards, and staff would be working with Callan to arrange finalist presentations at an upcoming meeting. During the regular meeting of the Retirement Boards on March 19th, Mr. Gobel reported that teams from the two finalists identified during the fixed income search, Fidelity Institutional Asset Management (Fidelity) and JP Morgan Asset Management (JP Morgan), would present to the Retirement Boards at the next special meeting.

Comments from Callan regarding Fidelity are provided in the box at the end of this staff report. Following the presentation to the Retirement Boards, representatives from Callan will be available to offer additional input and respond to Directors' questions. The Retirement Boards will then have the opportunity to share their assessment of the manager's presentation in anticipation of taking action at their next meeting on June 11th.

CALLAN'S ANALYSIS OF INCUMBENT FIXED INCOME MANAGER

Callan has prepared the following text to assist the Retirement Boards:

TCW has been on watch for nearly two years due to senior level retirements and performance challenges. There was a team of four generalist portfolio managers that came over from MetWest to TCW in 2010 and oversaw this strategy. Over the last few years (2021-2024), three of those portfolio managers have retired. The one remaining, Bryan Whalen, is now the Chief Investment Officer and oversees the team. There are two other generalist portfolio managers on the team, Ruben Hovhannisyan and Jerry Cudzil, both of whom were promoted from within to replace the team members that retired.

The strategy has also experienced some relative performance challenges. Although it has generally outperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, over various time periods, performance versus the core-plus bond fixed income peer group has lagged. As of December 31, 2024, this strategy has generally ranked in the bottom *quartile of the domestic core plus bond fixed income peer group over all major trailing periods.*

The Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District establishes the following expectation for the Retirement Boards' domestic fixed income investments:

> *For Core Plus Bond Fixed-Income Investment Managers, achieve net of fee returns greater than the Bloomberg U.S. Aggregate Bond Index and rank in the top half of a comparative universe of domestic core plus bond fixed-income managers, gross of fees.*

Given TCW's investment process and positioning, this peer group underperformance is not too surprising as they are a more conservative, higher-quality, value-oriented manager. This style has not been rewarded within the fixed income markets over the past few years. Lower quality investments, such as high yield or leveraged loans where TCW has little exposure, have experienced stronger returns.

Additionally, TCW incorporates a top-down component in their process. On a quarterly basis, the generalist portfolio managers develop a long-term economic outlook that identifies such items as the stage of the business cycle and prospects for growth, inflation, and Fed policy. This is used to set the duration, yield curve, and sector positioning of the portfolio. Working within the framework of these top-down strategies, the research specialists then analyze and select securities for the portfolio through a fundamental, bottom-up process.

This top-down component, particularly the duration strategy, has been a headwind to performance. Duration measures the sensitivity of the price of a fixed income investment to a change in interest rates. Duration is expressed as a number of years, representing the weighted average time it takes to receive a bond's cash flows. Bond prices have an inverse relationship to interest rates. Therefore, rising interest rates result in falling bond prices, while declining interest rates cause bond prices to rise. For example, a bond with a duration of 5 years would lose approximately 5% in value for every 1% increase in interest rates, while a bond with a duration of 7 years would lose approximately 7% in value for every 1% increase in rates. In a rising rate environment like what we experienced from 2022 – 2024, a higher duration has been a headwind. That has been TCW's positioning, with duration exceeding the index and among the highest in the peer group. If rates fall, this positioning would be expected to benefit performance. For example, if bond prices go up as investors flee equity volatility and seek the safe haven of bonds, that would likely push rates down and be a tailwind for the portfolio.

CALLAN'S RECOMMENDATION TO CONSIDER ALLOCATING FIXED INCOME INVESTMENT TO MULTIPLE MANAGERS

Callan has prepared the following text to assist the Retirement Boards:

Turnover within the generalist portfolio manager team (which sets the strategy) and the concurrent underperformance has led them to being placed on watch and prompted the search. At this time, we recommend the fixed income allocation be split between two managers. This reduces any single manager risk and is consistent with your structure in other asset classes. The managers that will be interviewed, Fidelity and JP Morgan, are viewed as complements to TCW. The idea is to retain TCW for now and continue to monitor, split the allocation, and hire one of these managers as the second fixed income manager. Fidelity and JP Morgan are somewhat similar in their approach. They generally keep their duration position close to that of the benchmark, often have greater corporate exposure, allocate more to non-investment grade securities, and maintain higher exposure to sectors outside of the benchmark than TCW. For these reasons, they serve as a good complement to TCW, exhibiting lower correlation and providing better diversification.

CALLAN'S OVERVIEW OF FINALIST IDENTIFIED DURING SEARCH – FIDELITY (FIAM CORE PLUS)

Callan has prepared the following text to assist the Retirement Boards:

Fidelity is a stable organization and has a long-tenured team. While there was a portfolio manager retirement last year, we have no concerns, as three other long-standing portfolio managers remain in place, and two additional team members were recently promoted to the portfolio management team. They use fundamental, bottom-up research to drive their process through security selection, sector rotation, and yield curve positioning. They tend to have a larger focus on corporate credit and will often overweight investment grade credit and high yield. This may result in heightened volatility during periods of market dislocation. Fidelity keeps duration relatively close to the benchmark with minimal variation.

FIAM Core Plus

April 23, 2025

Presentation to: Sacramento Regional Transit

Celso Muñoz, CFA
Portfolio Manager

Beau Coash
IPM Team Lead, Fixed Income

Marissa Solomon
Senior Vice President, Business Development

Table of Contents

See "Important Information" for a discussion of performance data, some of the principal risks related to any of the investment strategies referred to in this presentation, professional designations and how they are obtained, and other information related to this presentation.

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202503-35132

FIAM Overview

Fidelity Asset Management

Over 50 years of experience serving fixed income clients worldwide

History

Fidelity founded in 1946

Fidelity has been managing Fixed Income since 1971

Global multi-asset class solutions provider

People

Global Investment Professionals:	**964**
Fixed Income Professionals:	**299**
Division Management:	29
Portfolio Management:	53
Research:	137
Trading:	38
Other:	42

Assets

Fidelity Total Discretionary Assets:	**$5.9T**
Fixed Income Assets:	**$2,323.4B**
Bond Assets:	$736.5B
High Income Assets:	$124.1B
Money Market Assets:	$1,462.8B

Source: Fidelity Investments as of 12/31/24. Data is unaudited. Fidelity fixed income assets include investment grade and high income products, bond sub-portfolios of multi-asset class strategies, and money market cash management vehicles. Assets outside of money market do not include cash holdings. Research professionals include both analysts and associates.

What Distinguishes Fidelity Fixed Income?

Team Approach

- Stable and experienced team
- Team has been managing portfolios since 1992 and asset allocation strategies since 2000
- A history of competitive results through a variety of market environments

Commitment to Research

- Independent and proprietary
- Spans the capital structure
- Fundamental research complemented by macro insights

- **Over 135 research professionals**
- Research analysts average **16 years** of industry experience
- Coordination with **over 200 equity research professionals**

Annually:

- **18,000+** company meetings globally*
- **13,000+** company contacts**
- **40,000+** research notes

Risk Management

- Focused on delivering competitive risk-adjusted returns that are consistent with client expectations
- Integrated and empowered risk professionals
- Multiple layers of oversight and risk infrastructure
- Long-term commitment to risk infrastructure via technology (i.e., Risk Model)

*Includes meetings with brokers, AART, shareholders, analyst days, site visits, strategist meetings, calls, private meetings and prospects.

**Based on the 2023 calendar year.

Past performance is no guarantee of future results.

Source: Fidelity Investments as of 12/31/24. Data is unaudited.

Research professionals include both analysts and associates.

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202503-35132

Active Diversified Strategies Across the Risk Spectrum

Managing strategies that seek to meet clients' unique needs

BENCHMARK ORIENTED ⟷ HIGHLY FLEXIBLE

	BROAD MARKET DURATION	CORE PLUS	TACTICAL BOND
Tracking Error[1]	1.00%–1.50%	1.50%–2.50%	2.50%–5.00%
5-Year Standard Deviation[1] (Benchmark[2]: 6.39)	6.72%	6.73%	7.43%
5-Year Annualized Return (Gross) (Benchmark[2] :(0.52)%)	0.72%	1.28%	1.98%
5-Year Annualized Return (Net) (Benchmark[2]: (0.52)%)	0.43%	0.95%	1.57%
Plus Sector Typical Range[3]	0-5% (Max N/A)	15-30%	30-50%
Duration (Benchmark[2]: 5.89)	+/- 0.3 years rel. to benchmark (6.10)	+/- 0.3 years rel. to benchmark (6.02)	+/- 2 years rel. to benchmark (6.53)
Peer Universe Rank 5-Year Total as of December 31, 2024*	14th percentile	28th percentile	67th percentile
eVestment Peer Universe	U.S. Core Fixed Income	U.S. Core Plus Fixed Income	Global Unconstrained Fixed Income
1-Year Net Annualized Returns	**6.26**	**6.78**	**6.06**
Bloomberg U.S. Aggregate Bond Index	5.81	5.81	5.81
Relative Return	0.45	0.97	0.25
5-Year Net Annualized Returns	**0.43**	**0.95**	**1.57**
Bloomberg U.S. Aggregate Bond Index	(0.52)	(0.52)	(0.52)
Relative Return	0.95	1.47	2.09
10-Year Net Annualized Returns	**2.19**	**2.52**	**3.11**
Bloomberg U.S. Aggregate Bond Index	**1.51**	**1.51**	1.51
Relative Return	**0.68**	**1.01**	1.60

Indices may not be representative of the types of investments made by the strategy and there can be no assurance any such historical trends will continue in the future. All indices are unmanaged, and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted.
As of 2/28/25. If shown, gross returns do not reflect the deduction of investment advisory ("IA"), performance, administrative or custodial fees, but do include trading expenses. Deduction of all fees will reduce returns. Net composite performance is shown less the highest advisory fee applicable to any FIAM client employing this strategy; other fees and expenses may reduce returns. Please see the GIPS Composite Report for composite performance that is net of the highest advisory fee applicable to any account in the composite, which includes accounts managed by FIAM and its affiliates, as permitted. The net performance in the GIPS Composite Report will be lower than the net performance shown above if the composite includes an account of a FIAM affiliate that charges a higher fee. Historical performance shown may have been achieved by a different investment adviser in the GIPS Firm definition than the investment adviser presenting the performance, and the investment team responsible for the performance shown may have changed over the course of the composite's performance time-period shown. Past performance is no guarantee of future results.
[1]Risk metrics shown are provided for illustrative purposes. Risk metrics are not intended to represent performance of the strategy. They are presented gross of any fees and expenses that would apply to an investment in the strategy. Historical risk metrics do not necessarily guarantee future risk profile of the strategy. Please see the Performance section for net composite performance which includes accounts managed by FIAM and other affiliated advisers, as permitted.
[2]Bloomberg U.S. Aggregate Bond Index.[3]Broad Market Duration Max is not applicable since purchasing below investment-grade securities is not permitted at time of trade. Below investment-grade holdings are due to securities that have been downgraded subsequent to purchase. Core Plus non-IG max limit is 30%. Tactical Bond non-IG max limit is 70%.
*Ranking source eVestment Alliance 4Q24. FIAM has not verified and cannot verify the accuracy of information from outside sources, which are self-reported by participating investment managers. FIAM pays a subscription fee to eVestment for use of the database. Rankings data for all the time periods shown were retrieved on 1/23/25 with at least 80% of managers in U.S. Core Fixed Income, U.S. Core Plus Fixed Income and Global Unconstrained Fixed Income, universe reporting and based on 189, 123, and 61 investment products respectively. The universe that the products are shown against is defined by eVestment Alliance. Rankings shown are based on net risk adjusted performance. FIAM strategy performance is provided to eVestment Alliance less the highest advisory fee applicable to any FIAM client employing this strategy; other fees and expenses may reduce returns.
For FIAM strategy performance over standard periods please see the Performance section. Please see the Important Information for information regarding third party databases and rankings. Past performance is no guarantee of future results.

Core Plus

Team Experience

An experienced portfolio management team

			EXPERIENCE	
Team Member	**Role**	**Sectors**	**Industry**	**Fidelity**
Ford O’Neil	Portfolio Manager	Active Diversified Strategies	39 Years	1990
Celso Muñoz	Portfolio Manager	Active Diversified Strategies	25 years	2005
Michael Plage	Portfolio Manager	Active Diversified Strategies	27 years	2005
Stacie Ware	Portfolio Manager	Active Diversified Strategies	10 years	2018
Brian Day	Portfolio Manager	Active Diversified Strategies	12 years	2012
Paul Sanders	Quantitative Analyst	Active Diversified Strategies	3 years	2021
Alan Jao	Portfolio Analyst	Active Diversified Strategies	18 years	2010
Christine Thorpe	Institutional Portfolio Manager	Active Diversified Strategies	13 years	2011
Beau Coash	Institutional Portfolio Manager, Team Lead	Active Diversified Strategies	31 years	2005

Resources depicted as of 12/31/24.

Investment Philosophy

OUR OBJECTIVES

- Seek consistent competitive risk-adjusted total returns
- Aim to mitigate unexpected downside risk

HOW WE EXPECT TO DELIVER FOR OUR CLIENTS

- Leverage a repeatable team-based investment process
- Use multiple alpha levers including sector allocation, security selection, and yield curve positioning
- Rely on our competitive advantage in the fundamental, macro, and quantitative research process

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Investment Process

Disciplined process helps uncover global risk-adjusted return opportunities

MACRO ASSESSMENT	SECTOR ANALYSIS	ASSET ALLOCATION	SECURITY SELECTION	PORTFOLIO CONSTRUCTION
• Formulate macro views • Evaluate tail risks • Assess risk	• Evaluate fundamentals by sector • Identify relative value • Monitor market technicals	• Allocate risk across investable universe • Size positions and key rate exposures • Iterative model-driven sector analysis	• Select idiosyncratic exposures • Assess fundamentals, relative value and technicals by security • Manage liquidity	• Customize portfolio based on clients' objectives • Manage and monitor risk through proprietary tools and oversight

- **Leverage a repeatable** team-based investment process
- **Use multiple alpha levers** including sector allocation, security selection, and yield curve positioning
- **Rely on our competitive advantage** in the fundamental, macro, and quantitative research process

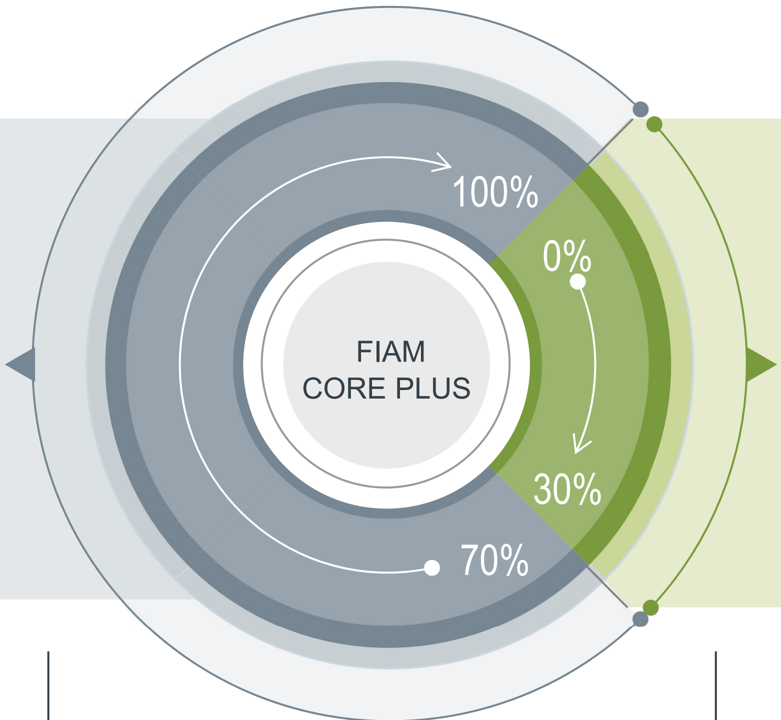
For illustrative purposes only.

Core Plus Investment Universe

Allocating across a broad array of fixed income sectors

Core Investment-Grade Exposure

- U.S. Treasuries
- Agency Debt
- Emerging-Market Debt (Inv. Grade)
- Corporates
- MBS
- CMBS
- ABS
- Global Bonds



Additional Sector Exposure

- High Yield
- Emerging-Market Debt (Non-Inv. Grade)
- Leveraged Loans
- High Yield CMBS

Employs strategic and tactical positioning

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202503-35132

Core Plus Performance Review

As of February 28, 2025

	Cumulative		Annualized		
	YTD	1-Year	3-Year	5-Year	10-Year
Core Plus Composite (Gross) %	**2.93**	**7.13**	**0.94**	**1.28**	**2.86**
Core Plus Composite (Net) %	**2.88**	**6.78**	**0.61**	**0.95**	**2.52**
BBg U.S. Agg Bond Index%	2.74	5.81	(0.44)	(0.52)	1.51
Relative Return (Gross) %	*0.19*	*1.32*	*1.38*	*1.80*	*1.35*
Relative Return (Net) %	*0.14*	*0.97*	*1.05*	*1.47*	*1.01*
***Standard Deviation**	**–**	**–**	**7.78**	**6.73**	**5.18**
BBg U.S. Agg Bond Index	–	–	7.84	6.39	5.02
***Information Ratio**	–	–	**0.96**	**0.78**	**0.61**

Peer Universe Performance Ranking					
	4Q24	1-Year	3-Year	5-Year	10-Year
****eVestment Universe Percentile as of December 31, 2024**	**38th**	**38th**	**24th**	**28th**	**28th**

Indices may not be representative of the types of investments made by the strategy and there can be no assurance any such historical trends will continue in the future. All indices are unmanaged, and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted.

*Risk metrics shown are provided for illustrative purposes. Risk metrics are not intended to represent performance of the strategy. They are presented gross of any fees and expenses that would apply to an investment in the strategy. Historical risk metrics do not necessarily guarantee future risk profile of the strategy.

Composite information is shown.

If shown, gross returns do not reflect the deduction of investment advisory ("IA"), performance, administrative or custodial fees, but do include trading expenses. Deduction of all fees will reduce returns. Net composite performance is shown less the highest advisory fee applicable to any FIAM client employing this strategy; other fees and expenses may reduce returns. Please see the GIPS Composite Report for composite performance that is net of the highest advisory fee applicable to any account in the composite, which includes accounts managed by FIAM and its affiliates, as permitted. The net performance in the GIPS Composite Report will be lower than the net performance shown above if the composite includes an account of a FIAM affiliate that charges a higher fee. Historical performance shown may have been achieved by a different investment adviser in the GIPS Firm definition than the investment adviser presenting the performance, and the investment team responsible for the performance shown may have changed over the course of the composite's performance time-period shown. Past performance is no guarantee of future results.

**Ranking source eVestment Alliance 4Q24. FIAM has not verified and cannot verify the accuracy of information from outside sources, which are self-reported by participating investment managers. FIAM pays a subscription fee to eVestment for use of the database. Rankings data for all the time periods shown were retrieved on 1/23/25 with at least 80% of managers in U.S. Core Plus Fixed Income universe reporting and based on 135, 135, 131, 123, and 108 investment products respectively. The universe that the products are shown against is defined by eVestment Alliance. Rankings shown are based on net risk adjusted performance. FIAM strategy performance is provided to eVestment Alliance less the highest advisory fee applicable to any FIAM client employing this strategy; other fees and expenses may reduce returns.

Core Plus Portfolio Positioning

As of February 28, 2025

Characteristics	FIAM Core Plus	Bloomberg U.S. Aggregate Index	Difference
YTW%	5.67%	4.58%	1.09%
Duration (yrs)	6.02	5.89	0.13

Sector Allocation (%)	FIAM Core Plus	Bloomberg U.S. Aggregate Index	Difference
U.S. Treasuries	39.76	44.24	(4.49)
TIPS	0.00	0.00	0.00
Gov't Related	0.68	4.35	(3.67)
Agency	0.01	0.66	(0.65)
Local Authorities	0.00	0.49	(0.49)
Sovereigns	0.67	3.20	(2.53)
Investment Grade Corporates	17.55	24.05	(6.51)
Financials	11.45	8.09	3.36
Industrials	5.24	13.74	(8.50)
Utilities	0.86	2.23	(1.37)
Securitized	21.14	26.71	(5.57)
Agency MBS	12.20	24.77	(12.57)
Non-Agency MBS	0.15	0.00	0.15
CMBS	3.59	1.49	2.10
ABS	1.80	0.45	1.35
CLO's	3.41	0.00	3.41
Plus Sectors	20.81	0.00	20.81
High Yield	7.12	0.00	7.12
Emerging Market Debt	3.08	0.00	3.08
Leveraged Loans	6.93	0.00	6.93
Global Credit	2.06	0.00	2.06
High Yield CMBS	1.61	0.00	1.61
Cash/Other	0.08	0.64	(0.57)
Total	**100.00%**	**100.00%**	

Investment Grade Corporate Allocation (%)	FIAM Core Plus	Bloomberg U.S. Aggregate Index	Difference
Banking	7.28	5.54	1.74
Finance	1.19	0.34	0.85
REITS	1.50	0.65	0.85
Insurance	1.42	1.18	0.24
Natural Gas Utility	0.06	0.16	(0.10)
Other	0.01	0.17	(0.16)
Brokerage	0.06	0.37	(0.31)
Energy	1.29	1.71	(0.42)
Transportation	0.01	0.49	(0.48)
Basic Industry	0.08	0.60	(0.52)
Communications	1.29	1.92	(0.63)
Consumer Cyclical	0.59	1.68	(1.09)
Capital Goods	0.22	1.34	(1.11)
Electric Utility	0.79	2.02	(1.22)
Technology	0.61	2.25	(1.64)
Consumer Noncyclical	1.16	3.65	(2.49)
Total	**17.55%**	**24.05%**	

Ratings Allocation (%)	FIAM Core Plus	Bloomberg U.S. Aggregate Index	Difference
AAA	60.34	74.12	(13.78)
AA	2.52	4.49	(1.97)
A	7.41	11.13	(3.71)
BBB	14.27	10.27	4.00
BB	7.02	0.00	7.02
B	6.78	0.00	6.78
CCC	1.65	0.00	1.65
NR/Other	0.00	0.00	0.00
Total	**100.00%**	**100.00%**	

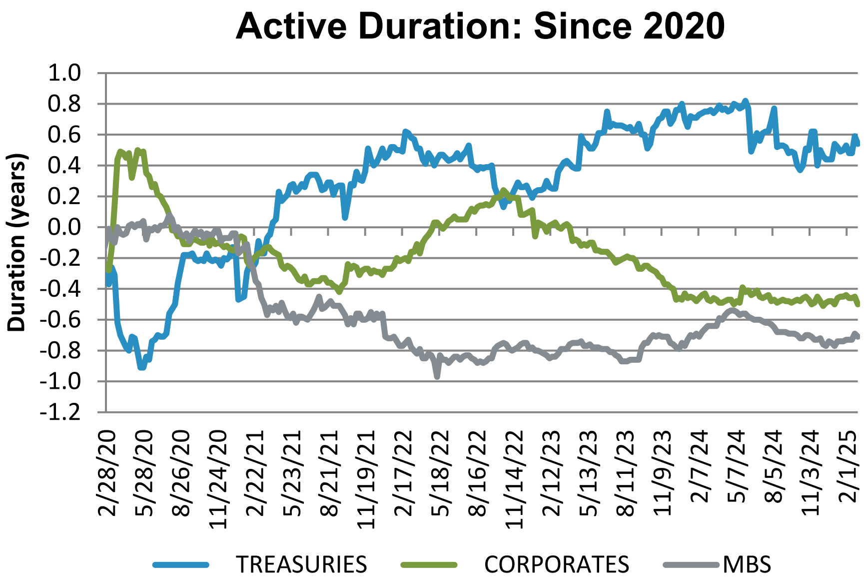
Representative account information is shown.

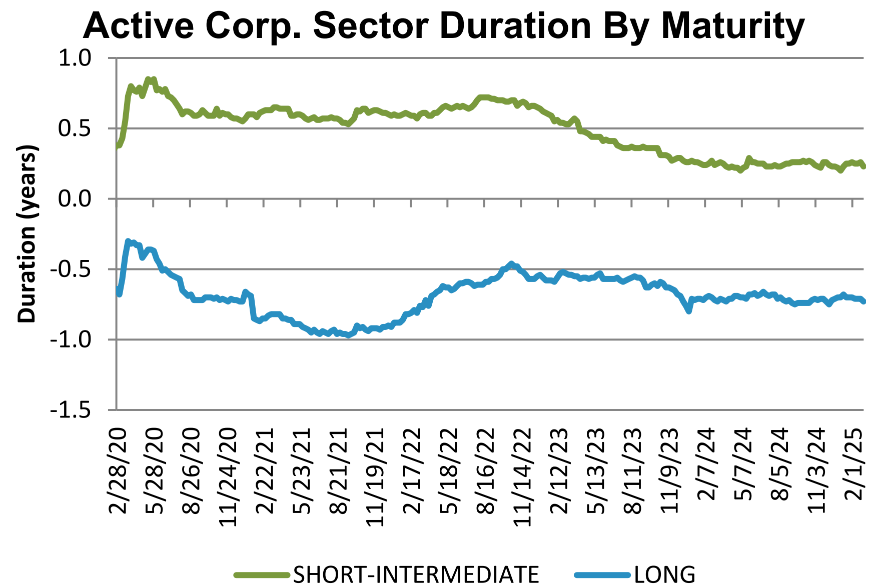
Cash/Other may include cash and derivatives.

Ratings are based on highest of Moody's, S&P, and Fitch ratings.

Asset Allocation Core Plus

As of February 28, 2025





Representative account information is shown.

Source: Fidelity Investments, Bloomberg.

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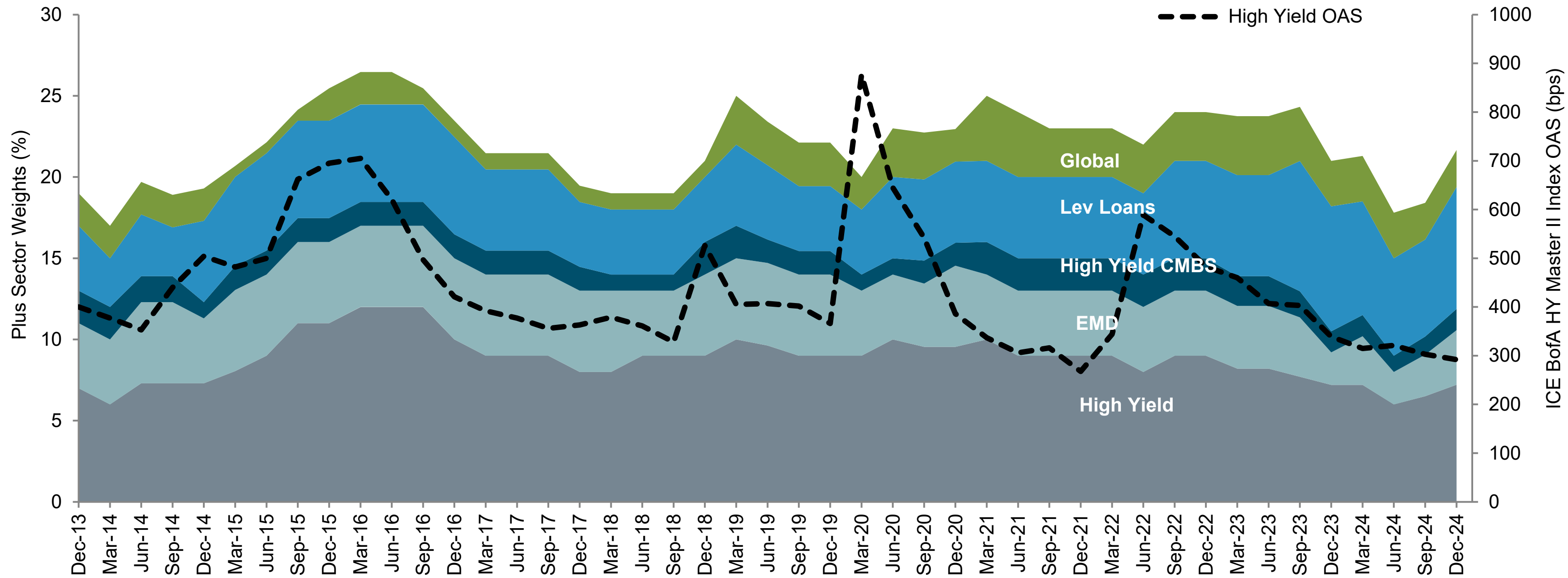
Historical Plus Sector Allocations

Tactically allocating supported by fundamental sector analysis with top down macro perspectives



PLUS SECTOR ALLOCATIONS

	Dec-13	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
High Yield	7	7	8	9	11	11	12	12	12	10	9	9	9	8	8	9	9	9	10	10	9
EMD	4	4	5	5	5	5	5	5	5	5	5	5	5	5	5	4	4	5	5	5	5
HY CMBS	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	1	1
Lev Loans	4	5	5	6	6	6	6	6	6	6	5	5	5	4	4	4	4	4	5	5	4
Global	2	2	1	1	1	2	2	2	1	1	1	1	1	1	1	1	1	1	3	3	3
Total	**19**	**19**	**20**	**22**	**24**	**25**	**26**	**26**	**25**	**23**	**21**	**21**	**21**	**19**	**19**	**19**	**19**	**21**	**25**	**24**	**22**
Below BBB- %	**11**	**14**	**15**	**16**	**19**	**20**	**22**	**22**	**21**	**20**	**17**	**17**	**17**	**15**	**15**	**15**	**16**	**15**	**18**	**18**	**17**
HY OAS	**483**	**504**	**482**	**500**	**662**	**695**	**705**	**621**	**497**	**422**	**392**	**377**	**356**	**363**	**379**	**361**	**328**	**533**	**405**	**407**	**402**

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
High Yield	9	9	10	10	10	10	9	9	9	9	8	9	9	8	8	8	7	7	6	7	7
EMD	5	4	4	4	5	4	4	4	4	4	4	4	4	4	4	4	2	3	2	3	3
HY CMBS	1	1	1	1	1	2	2	2	2	2	2	2	2	2	2	2	1	1	1	1	1
Lev Loans	4	4	5	5	5	5	5	5	5	5	5	6	6	6	6	8	8	7	6	6	7
Global	3	2	3	3	2	4	4	3	3	3	3	3	3	4	4	3	3	3	3	2	2
Total	**22**	**20**	**23**	**23**	**23**	**25**	**24**	**23**	**23**	**23**	**22**	**24**	**24**	**24**	**24**	**25**	**21**	**21**	**18**	**19**	**22**
Below BBB- %	**16**	**15**	**17**	**17**	**18**	**18**	**17**	**17**	**17**	**16**	**16**	**17**	**17**	**16**	**16**	**17**	**16**	**15**	**13**	**13**	**16**
HY OAS	**366**	**877**	**645**	**542**	**386**	**337**	**306**	**316**	**268**	**344**	**589**	**545**	**483**	**460**	**407**	**403**	**339**	**315**	**321**	**303**	**292**

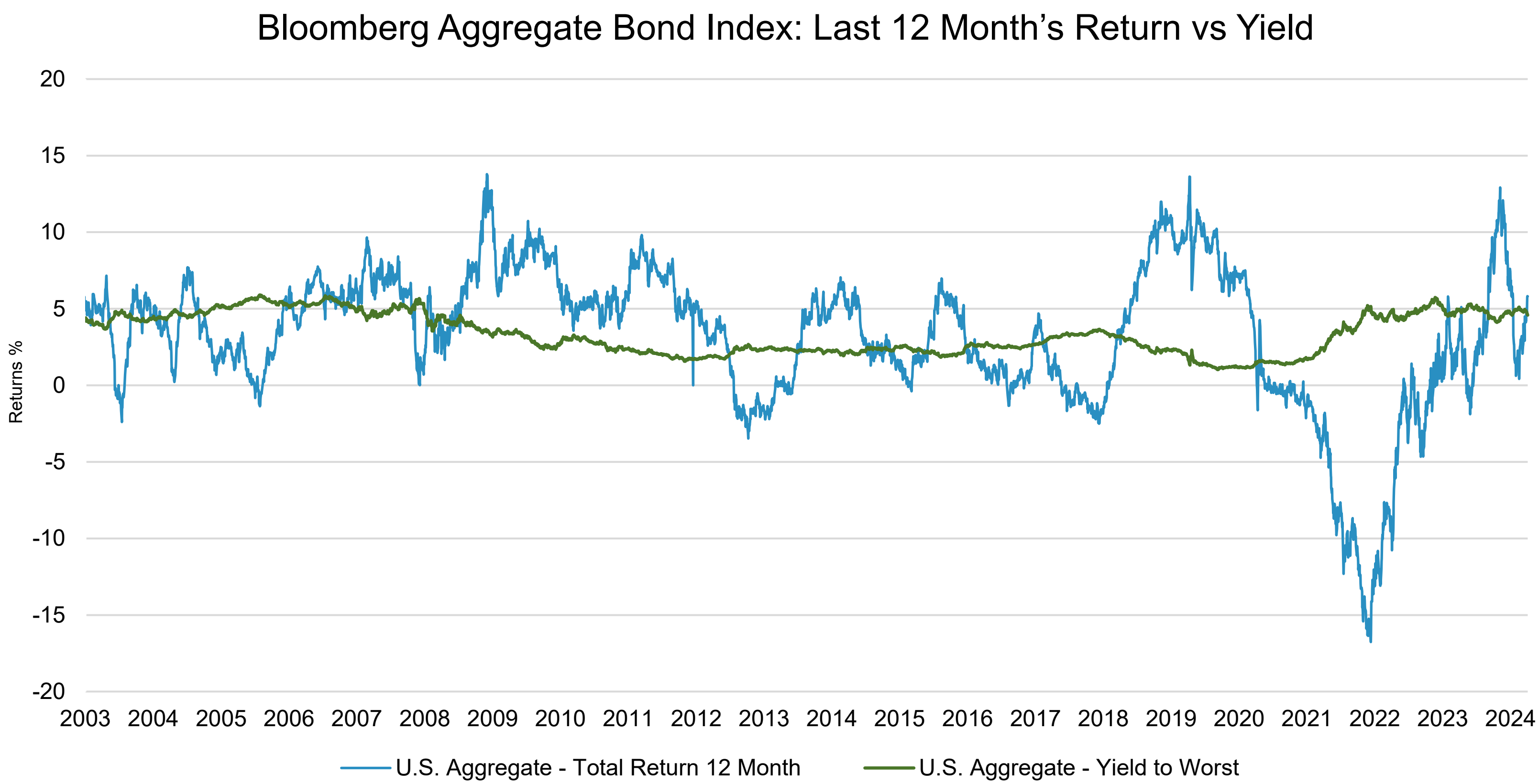
Representative account information is shown. Totals may vary due to rounding.

Source: Bloomberg, Fidelity Investments as of 12/31/24.

202503-35132

Market Environment

Bond Returns vs Yield

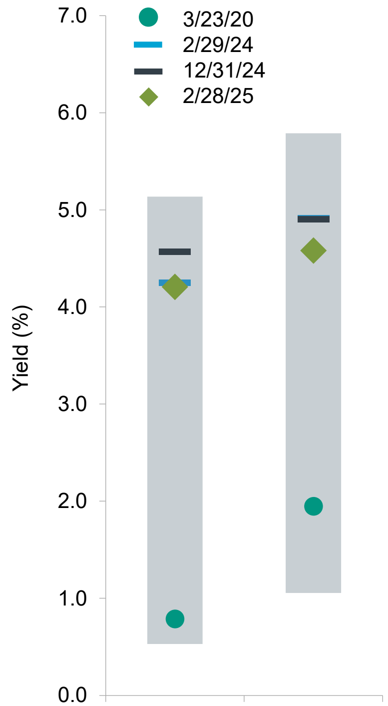


Sources: Bloomberg, as of 2/28/25.

Fixed Income Yields and Spreads

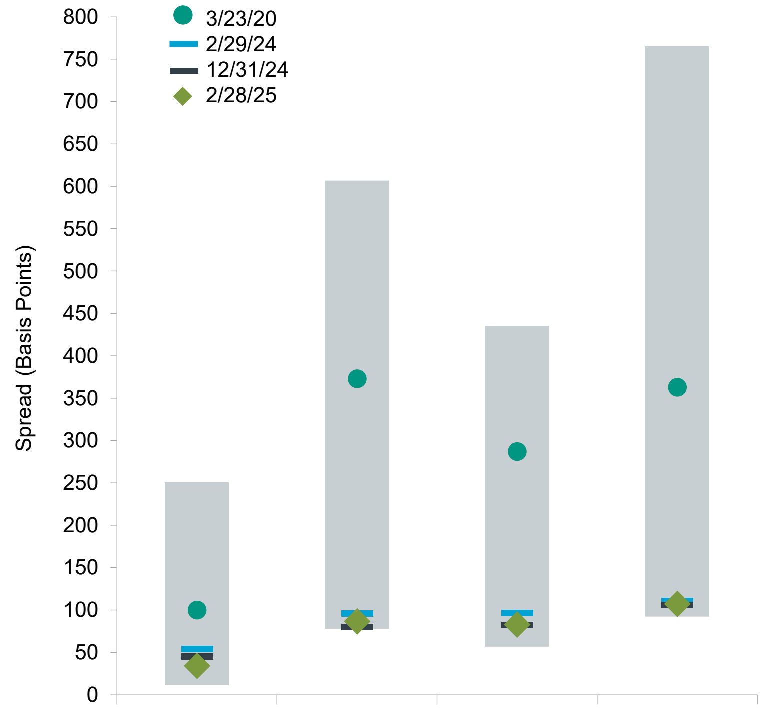
20-year rate and spread ranges

10-YR TREASURY / U.S. AGG



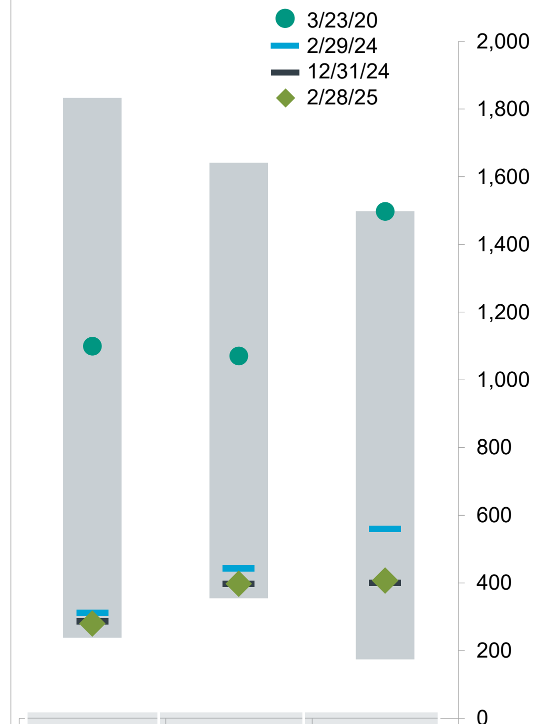
Asset Class	10-Year Treasury	U.S. Aggregate
Percentile Rank	84	74

INVESTMENT GRADE SECTORS



Asset Class	Securitized	U.S. Corporate IG	International Credit	Emerging Market Debt-Investment Grade
Percentile Rank	26	6	14	8

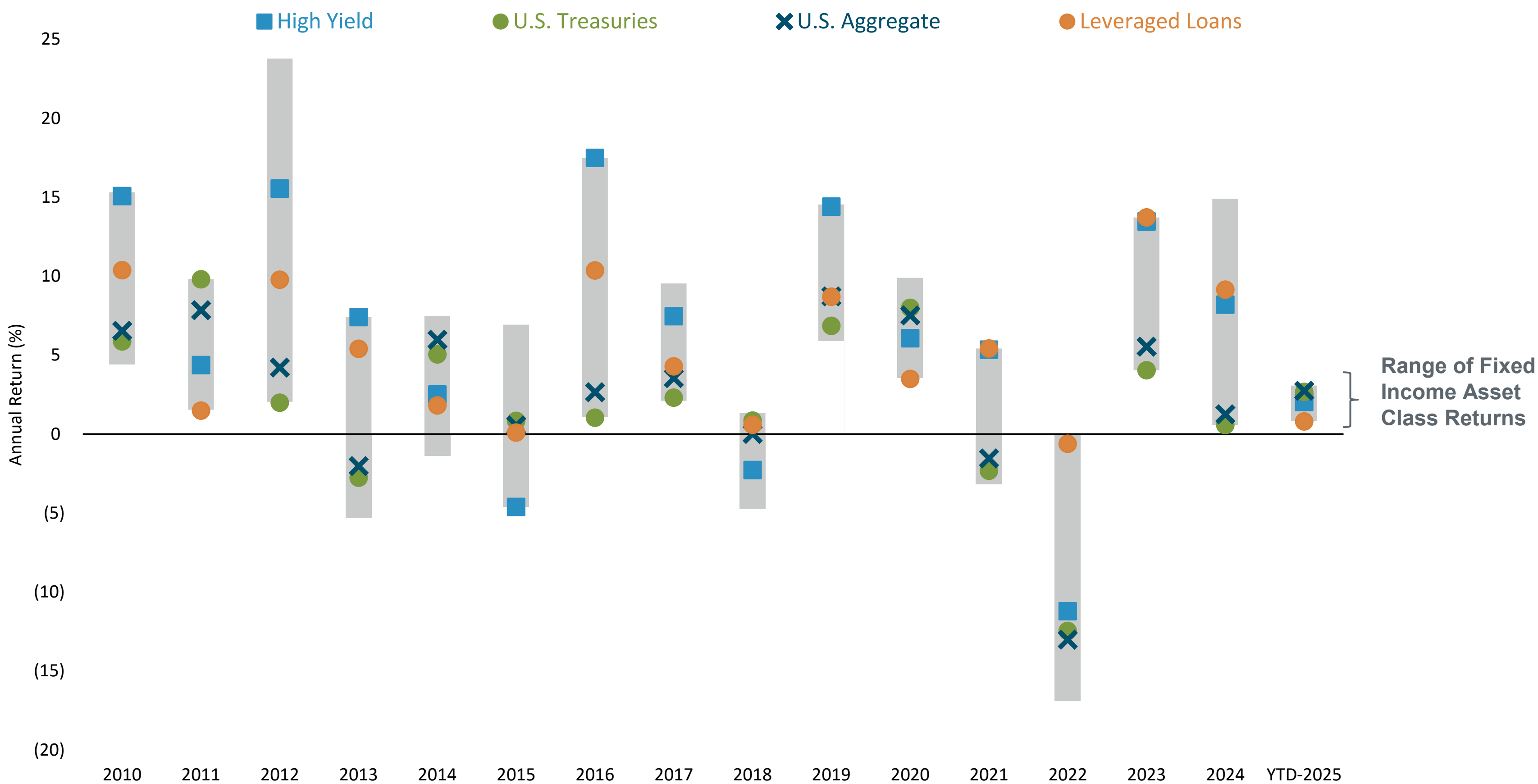
HIGH YIELD SECTORS



	U.S. Corporate High Yield	Leveraged Loans	Emerging Market Debt-High Yield
	4	23	22

Spread data are based on option-adjusted spread except for Leveraged Loans which is based on spread to maturity. Sources: Bloomberg and S&P as of 2/28/25.
Note: Leveraged Loan is based on YTM (yield to maturity) and Spread to Maturity. The green portion of leveraged loan represents London Interbank Offered Rate (LIBOR). All others use YTW (yield-to-worst) and OAS (option-adjusted-spread). Yields and spreads are represented by the Bloomberg U.S. Aggregate Bond Index, Bloomberg U.S. Securitized Index, Bloomberg U.S. Aggregate Local Authorities Index, Bloomberg Corporate Investment Grade Index, Bloomberg Global Credit Index, Bloomberg U.S. Corporate High Yield Index, S&P/LSTA Leveraged Performing Loan Index, and Bloomberg Emerging Markets USD Aggregate Index. It is not possible to invest directly in an index. All market indices are unmanaged. Not intended to represent the performance of any Fidelity portfolio. Notes: Data is for the month-end periods March 2005 – February 2025. Spread data are based on option-adjusted spread except for Leveraged Loans which is based on spread to maturity.

Bonds Offer Diverse Opportunity Set



Source: Bloomberg and Fidelity Investments, as of 2/28/25.

Range of bond returns are represented by the Bloomberg U.S. Aggregate Bond Index, Bloomberg U.S. Treasury Index, Bloomberg U.S. Agency Index, Bloomberg Emerging Markets USD Aggregate-Investment Grade Index, Bloomberg Emerging Markets USD Aggregate-High Yield Index, Bloomberg U.S. Corporate Investment Grade Index, Bloomberg U.S. Mortgage Backed Securities Index, Morningstar LSTA U.S. Performing Loan Index and ICE BofA U.S. High Yield Constrained Index.

Calendar year performance from 2010 to 2025.

Past performance is no guarantee of future results. It is not possible to invest directly in an index. All market indices are unmanaged. Not intended to represent the performance of any Fidelity fund.

Appendix

Depth and Breadth of Fidelity Research

Dynamic multi-sector approach: utilizes firm-wide research capabilities

*Includes research associates and sector specialists.

[1]Includes equity and fixed income research analysts.

As of 12/31/24.

202503-35132

Emphasis on Strong Fundamental Research

Head of Fixed Income Research
Matt Bartlett (32-yrs)

Managing Director
London Office
Mark Flaherty (28-yrs)

- UK/European Media, Telecom, Technology, European Utilities — **Shaunn Griffiths (29-yrs)**
- UK/European Industrials, Property, Retail — **Richard Kehoe (23-yrs)**
- UK, Italian, Aussie Banks — **Matthew Hegarty (28-yrs)**
- Nordic, Dutch, Belgian Banks — **Katherine MacDonald (6-yrs)**
- German, Swiss, French, Spanish Banks — **Michael Steinbarth (26-yrs)**
- UK/European Sovereigns, Macro — **Tom Nolan (16-yrs)**
- Transportation, Infrastructure, European Consumer Sector, European Insurance, Tobacco — **Paul Dew (9-yrs)**

Managing Director
Financials and Structured
Thomas Chistolini (32-yrs)

- Regional Banks, Finance Cos, Japan Banks — **Kevin Flynn (7-yrs)**
- Insurance Companies — **Matthew Healey (32-yrs)**
- Canadian Banks & Asset Mgrs, Credit Card Banks — **Colin Keenan (22-yrs)**
- Money Center Banks, Asset Mgrs, Home Builders — **Mohak Rao (19-yrs)**
- ABS/CLO's — **Yami Baker (29-yrs)**
- RMBS — **Rick Zhang (16-yrs)**
- REITs — **James Gallant (17-yrs)**
- CMBS — **Conor Timmins (8-yrs)**

Macro, Sovereigns,
Industrials and Utilities*

- Retail, Restaurants, Canadian Media, Infrastructure — **Payal Agarwal (20-yrs)**
- Paper & Packaging, Consumer — **Nick Arco (4-yrs)**
- Macro Generalist — **Aditi Balachandar (11-yrs)**
- Autos, Transportation, Manufacturing — **Catherine Bush (22-yrs)**
- Energy, Pipelines — **John Cassidy (34-yrs)**
- U.S. Media, Telecom, Cable — **Kristina Clark (26-yrs)**
- Utilities, Pharma., Medical Equipment — **Carrie Saint Louis (29-yrs)**
- Sovereigns — **Heather Hagerty (27-yrs)**
- Macro Generalist — **Kana Norimoto (29-yrs)**
- Refiners, Chemicals — **Liam Quinn (5-yrs)**
- Aerospace & Defense, Airlines — **Wes Trowbridge (14-yrs)**
- Metals/Mining, Energy Services, BB Corporates — **Andrew Wigren (27-yrs)**
- Technology, Health Care Svcs — **Katie Wong (8-yrs)**

Managing Director
Municipals
James Richardson (11-yrs)

- Tax-Backed — **John Beardmore (21-yrs)`**
- Tax-Backed — **Ben Garfield (4-yrs)**
- Revenue — **Eric Bringardner (13-yrs)**
- Tax-Backed — **Bradley Garcia (14-yrs)**
- Revenue — **Amy Johonnett (20-yrs)**
- Revenue — **John Mitchell (17-yrs)**
- Revenue — **Mark Ryan (13-yrs)**
- Tax-Backed — **Chase Savage (7-yrs)**
- Revenue — **Hannah Sullivan (23-yrs)**
- Tax-Backed — **Sarah Thompson (17-yrs)**
- Structured, ABCP — **John Vetter (36-yrs)**
- Revenue — **Chris Grimble (5-yrs)**

- Broad-based research approach:
  - Macro/Sovereign
  - Finance
  - Industrial
  - Municipal
- Experienced team:
  - Many with 15–25+ years
  - Career analysts
  - Heavily influence process
- Deep financial coverage:
  - MNC, Regional, Non-U.S.
  - Macro benefit
- Macro/Muni broadens universe:
  - Expand beyond corporates
  - Requires deep analysis
  - Critical in long duration
- Leverage equity platform:
  - Attend company visits
  - Evaluate equity/debt perspectives

Note: Years of experience is in parentheses. *Matt Bartlett, in addition to being Head of Fixed Income Research, also manages the macro, sovereigns, industrials and utilities teams. Includes managing directors and analysts. Source: FMR LLC., as of January 2025.

Credit Research Process

Analysts select securities by creating a mosaic from various inputs and analysis

Analyst Resources

Leverage Global Research Platform
- Over 460 research professionals worldwide

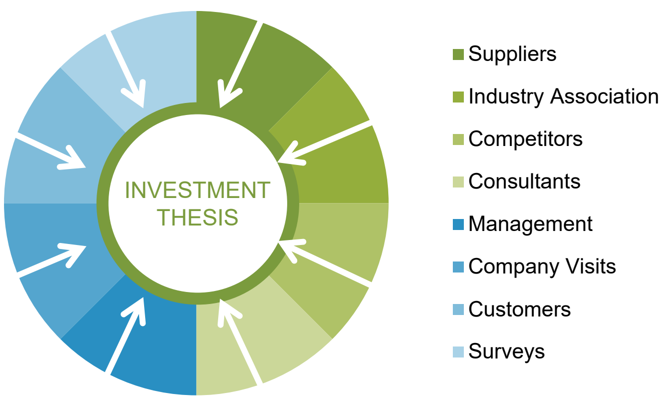
Access to key industry contacts
- 3,000+ management visits per year

Team Environment
- Incorporate Analysis from Traders, Macro, and Quant Analysts
- Research associates help synthesize data, allowing analyst to focus on thesis development

Credit Analyst Ratings

- **FMR Rating:** AAA–CCC, reflects overall creditworthiness of the issuer
- **Performance Rating:** 1–6, reflects performance expectations over next 6–12 months incorporating current valuation
- **Fundamental Strength:** Strong–Fair–Weak, reflects overall business health (a default indicator)

Fundamental Inputs



Analyst Accountability

- Analyst assigns each rating
- Ratings Reviewed and Challenged by MDR
- Ongoing Feedback Loop
- MDR and Analyst both ultimately accountable

For illustrative purposes only.

Source: Fidelity Investments as of 12/31/24.

Oversight and Risk Management Platform

Driven by a focused and empowered team

1	2	3
Integrated Risk Professionals	**Multiple Layers of Oversight**	**Risk Infrastructure**
• Extensive industry and investment experience • Ability to influence the investment process • Dedicated to risk monitoring and measurement	• Transparent investment portfolios • Systematic risk reviews with senior management and functional experts • Counterparty risk team	• Multi-dimensional risk management system • Provides real-time access to risk measures and exposures • Integrates multiple risk models

Focused on the achievement of consistent risk-adjusted returns

For illustrative purposes only.

 For institutional use only.

202503-35132

Fixed Income Assets Under Management (In Billions)

Active Diversified	Institutional $38.3	Retail $244.2	Total $282.5
Core Constrained	5.1	2.4	7.5
Core	12.7	156.3	169.0
Core Plus	12.9	80.7	93.6
Tactical Bond	7.6	4.8	12.3

Limited Term	Institutional $44.0	Retail $30.3	Total $72.9
Low Duration Solutions	5.0	14.8	19.8
Short/Stable Value	33.9	7.0	40.9
Short-Intermediate	0.8	2.0	2.8
Intermediate	2.9	6.5	9.4

LDI	Institutional $13.6	Retail $0.0	Total $33.3B[1]
Long Corporate	10.8	0.0	10.8
Long Gov't/Credit	2.8	0.0	2.8

Gov't/Mortgage	Institutional $3.2	Retail $52.1	Total $55.3
Government	0.1	7.1	7.2
Mortgage	3.1	44.9	48.1

Municipal	Institutional $5.6	Retail $42.3	Total $47.9
Municipal	5.6	42.3	47.9

Global Bond	Institutional $3.8	Retail $10.1	Total $13.9
Global	0.0	2.6	2.6
Canada	3.8	7.5	11.3

Credit/Global Credit	Institutional $9.2	Retail $8.9	Total $18.1
Credit	8.3	6.3	14.6
Global Credit	0.9	2.7	3.5

Passive	Institutional $32.9	Retail $199.4	Total $232.3
U.S. Multisector Bond	15.0	94.2	109.2
U.S. Treasury	12.8	88.0	100.8
Municipal	0.0	0.3	0.3
Global Bond	4.7	15.2	19.9
Canada	0.3	1.8	2.1

High Income	Institutional $22.7	Retail $101.4	Total $124.1
High Yield	4.1	53.1	57.2
Leveraged Loan	11.9	22.4	34.4
Equity	0.5	7.1	7.6
Emerging Markets	3.1	10.8	13.9
HY CMBS	2.4	6.5	8.9
Direct Lending	0.6	1.5	2.2

Total Fixed Income AUM	Institutional ($ Billions)	Retail ($ Billions)	Total ($ Billions)
Bonds	**$149.2**	**$587.3**	**$736.5**
High Income	**$22.7**	**$101.4**	**$124.1**
Money Market	**$525.2**	**$937.6**	**$1,462.8**
Total	**$697.1**	**$1,626.3**	**$2,323.4**

Data as of 12/31/24. Includes sub-portfolios. Totals may vary due to rounding.

[1]Total also includes Canadian LDI, Intermediate Duration LDI, and Long Term Treasury Bond Index LDI assets.

Fidelity Fixed Income Assets under management include accounts managed by FIAM and its affiliates, not all of which may be part of the FIAM firm for GIPS purposes.

Broad Market Duration Performance Review

As of December 31, 2024

	Cumulative		Annualized		
	3-Month	1-Year	3-Year	5-Year	10-Year
Broad Market Duration Core Composite (Gross) %	**(2.94)**	**2.11**	**(1.69)**	**0.82**	**2.31**
Broad Market Duration Core Composite (Net) %	**(3.01)**	**1.82**	**(1.96)**	**0.54**	**2.03**
BBg U.S. Agg Bond Index%	(3.06)	1.25	(2.41)	(0.33)	1.35
Relative Return (Gross) %	*0.12*	*0.86*	*0.72*	*1.15*	*0.96*
Relative Return (Net) %	*0.05*	*0.57*	*0.45*	*0.87*	*0.68*
***Standard Deviation**	**–**	**–**	**7.86**	**6.73**	**5.21**
BBg U.S. Agg Bond Index	**–**	**–**	7.83	6.42	5.03
***Information Ratio**	–	–	**1.38**	**0.78**	**0.78**

Peer Universe Performance Ranking					
	4Q24	1-Year	3-Year	5-Year	10-Year
****eVestment Universe Percentile as of December 31, 2024**	**59th**	**49th**	**35th**	**14th**	**9th**

Indices may not be representative of the types of investments made by the strategy and there can be no assurance any such historical trends will continue in the future. All indices are unmanaged, and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted.

*Risk metrics shown are provided for illustrative purposes. Risk metrics are not intended to represent performance of the strategy. They are presented gross of any fees and expenses that would apply to an investment in the strategy. Historical risk metrics do not necessarily guarantee future risk profile of the strategy.

Composite information is shown.

If shown, gross returns do not reflect the deduction of investment advisory ("IA"), performance, administrative or custodial fees, but do include trading expenses. Deduction of all fees will reduce returns. Net composite performance is shown less the highest advisory fee applicable to any FIAM client employing this strategy; other fees and expenses may reduce returns. Please see the GIPS Composite Report for composite performance that is net of the highest advisory fee applicable to any account in the composite, which includes accounts managed by FIAM and its affiliates, as permitted. The net performance in the GIPS Composite Report will be lower than the net performance shown above if the composite includes an account of a FIAM affiliate that charges a higher fee. Historical performance shown may have been achieved by a different investment adviser in the GIPS Firm definition than the investment adviser presenting the performance, and the investment team responsible for the performance shown may have changed over the course of the composite's performance time-period shown. Past performance is no guarantee of future results.

**Ranking source eVestment Alliance 4Q24. FIAM has not verified and cannot verify the accuracy of information from outside sources, which are self-reported by participating investment managers. FIAM pays a subscription fee to eVestment for use of the database. Rankings data for all the time periods shown were retrieved on 1/23/25 with at least 80% of managers U.S. Core Fixed Income universe reporting and based on 203, 203, 198, 189, and 172 investment products respectively. The universe that the products are shown against is defined by eVestment Alliance. Rankings shown are based on net risk adjusted performance. FIAM strategy performance is provided to eVestment Alliance less the highest advisory fee applicable to any FIAM client employing this strategy; other fees and expenses may reduce returns.

Core Plus Performance Review

As of December 31, 2024

	Cumulative		Annualized		
	3-Month	1-Year	3-Year	5-Year	10-Year
Core Plus Composite (Gross) %	**(2.60)**	**2.95**	**(1.02)**	**1.31**	**2.73**
Core Plus Composite (Net) %	**(2.68)**	**2.61**	**(1.35)**	**0.98**	**2.39**
BBg U.S. Agg Bond Index%	(3.06)	1.25	(2.41)	(0.33)	1.35
Relative Return (Gross) %	*0.46*	*1.70*	*1.39*	*1.64*	*1.38*
Relative Return (Net) %	*0.38*	*1.36*	*1.06*	*1.31*	*1.04*
***Standard Deviation**	**–**	**–**	**7.77**	**6.72**	**5.17**
BBg U.S. Agg Bond Index	–	–	7.83	6.42	5.03
***Information Ratio**	–	–	**1.28**	**0.85**	**0.83**

Peer Universe Performance Ranking					
	4Q24	1-Year	3-Year	5-Year	10-Year
****eVestment Universe Percentile as of December 31, 2024**	**38th**	**38th**	**24th**	**28th**	**28th**

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Tactical Bond Performance Review

As of December 31, 2024

		Annualized			
	3-Month	1-Year	3-Year	5-Year	10-Year
Tactical Bond Composite (Gross)%	**(3.00)**	**2.21**	**(0.56)**	**1.73**	**3.46**
Tactical Bond Composite (Net) %	**(3.09)**	**1.80**	**(0.96)**	**1.32**	**3.04**
BBg U.S. Agg Bond%	(3.06)	1.25	(2.41)	(0.33)	1.35
Relative Return (Gross)%	*0.06*	*0.96*	*1.85*	*2.06*	*2.11*
Relative Return (Net)%	*(0.03)*	*0.55*	*1.45*	*1.65*	*1.69*
***Standard Deviation**	**–**	**–**	**7.63**	**7.39**	**5.77**
BBg U.S. Agg Bond Index	–	–	7.83	6.42	5.03
***Information Ratio**	**–**	**–**	**0.85**	**0.52**	**0.61**

Peer Universe Performance Ranking					
	4Q24	1-Year	3-Year	5-Year	10-Year
****eVestment Universe Percentile as of December 31, 2024**	**66th**	**74th**	**72nd**	**67th**	**41st**

Indices may not be representative of the types of investments made by the strategy and there can be no assurance any such historical trends will continue in the future. All indices are unmanaged, and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted.

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Fidelity Investments GIPS® Composite Report

Broad Market Duration Core Composite (USD) Versus Bloomberg US Aggregate Bond Index

As of December 31, 2024

	Annual											Annualized		
Period	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**1 Year**	**5 Year**	**10 Year**
Composite Return (Gross%)	2.11	6.72	(12.80)	(0.30)	9.93	9.98	(0.04)	4.53	5.16	(0.15)	6.26	2.11	0.82	2.31
Composite Return (Net%)	1.72	6.40	(13.06)	(0.65)	9.63	9.67	(0.32)	4.24	4.87	(0.43)	5.97	1.72	0.49	2.00
Benchmark Return (%)	1.25	5.53	(13.01)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	1.25	(0.33)	1.35
Number of Portfolios	17	17	15	14	12	10	10	10	12	12	15			
Total Composite Assets End of Period ($M)	129,855	124,357	109,520	118,412	108,026	94,067	62,228	65,389	55,102	53,671	54,139			
Composite 3 Year Standard Deviation (Gross%)	7.86	7.26	6.36	4.09	4.07	2.70	2.87	2.95	3.20	3.10	2.91			
Benchmark 3 Year Standard Deviation (%)	7.83	7.24	5.85	3.40	3.40	2.91	2.88	2.81	3.02	2.92	2.67			
Asset Weighted Standard Deviation (Gross%)	0.20	0.23	0.17	0.16	0.37	0.21	0.12	0.14	0.77	0.61	0.20			
Total Firm Assets ($B)	5,350	4,454	3,558	1,239	1,088	960	705	613	552	603	742			

Basis of Presentation
The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The firm has been independently verified for the periods January 1, 1990 through December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The Firm's list of composite descriptions, pooled fund descriptions for limited distribution pooled funds, and names of broad distribution pooled Funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.
Definition of the "Firm"
For GIPS standards purposes, the "Firm" includes all portfolios managed by the following Fidelity Investments entities: (1) FIAM LLC; (2) Fidelity Institutional Asset Management Trust Company (together, "FIAM"); (3) Fidelity Management & Research Company LLC and its subsidiaries (FMRCO) (4) Fidelity Management Trust Company (FMTC); and (5) Fidelity Diversifying Solutions LLC (FDS). The firm excludes certain portfolios managed by those entities that primarily invest in real property; collateralized loan obligation ("CLO") portfolios; taxable wealth management accounts for which FMRCO provides sub-advisory services; and portfolios managed by the Private Equity Multi-Strategy team.
Changes to Definition of the "Firm"
Effective January 1, 2024, the firm was redefined to exclude collateralized loan obligation ("CLO") portfolios. Effective January 1, 2022, the firm was redefined to include all portfolios managed by FMRCO, FMTC, and FDS in addition to FIAM as described in the Definition of the Firm, excluding taxable wealth management accounts for which FMRCO provides sub-advisory services and portfolios managed by the Private Equity Multi-Strategy team. Effective January 1, 2021 the firm was redefined to exclude FIAM's management of certain portfolios that primarily invest in real property. Effective January 1, 2020, certain Fidelity investment advisers were re-organized, however, there was no impact to firm or composite assets. Effective January 1, 2016, the definition of the Firm was revised to include substantially similar fixed income investment strategies managed by FMTC and the same portfolio management team. Effective November 20, 2015, the Firm name was changed from Pyramis Global Advisors to Fidelity Institutional Asset Management (FIAM).
Returns
Gross composite returns do not reflect the deduction of investment advisory ("IA"), performance, administrative or custodial fees, but do include trading expenses. Net composite returns are calculated by deducting the maximum standard IA fee that could have been charged to any client employing this strategy during the time period shown and applicable performances fee (if any), exclusive of minimum fee arrangements. IA fees paid by a client vary depending upon a variety of factors, including portfolio size and the use of any performance fee or minimum fee arrangement. Actual returns will be reduced by these fees and any administrative, custodial, or other fees and expenses incurred. Returns could be higher or lower than those shown. A client's fees are generally calculated based on the average month-end assets at market value during the quarter as calculated by the Firm and are billed quarterly in arrears. More information regarding fees is available upon request. These investment performance statistics were calculated without a provision for any income taxes. Historical performance shown may have been achieved by a different investment adviser in the Firm definition than the investment adviser presenting the performance, and the investment team responsible for the performance shown may have changed over the course of the composite's performance time period shown.

Composite Description
The investment objective of this sub-composite is to achieve total returns in excess of the Bloomberg US Aggregate Bond Index (the "Index") through investments in U.S. investment-grade bonds, including U.S. Treasuries, U.S. Agencies, U.S. investment-grade corporates, and securitized fixed income instruments, including mortgage-backed securities. The portfolios in this sub-composite make only moderate use of interest-rate anticipation methods as a way of earning excess returns versus the Index; hence, the duration of these portfolios tends to lie within +/- 0.3 years of the Index's duration. This sub-composite is composed of all fee-paying, discretionary accounts managed by the Firm in this style. This sub-composite, along with one or more other sub-composites, combine to create an aggregate composite.
Composite Inception and Creation Date
The inception date of this composite is June 30, 1988. This composite was created in September 2019.
Limited Distribution Pooled Funds
The composite contains one or more limited distribution pooled funds ("LDPF") whose performance is presented net of custody, audit, and other administrative fees. Investment securities transactions for the pool portfolio are accounted for on trade date-plus-one. LDPF names are not included in order to comply with law and regulation which restricts the offer of the LDPF to certain eligible investors or prohibits any offer. Fees and expenses of each LDPF are described in each LDPF's offering and account opening documents and financial statements.
Composite Model Fee
This composite contains one or more broad distribution pooled funds whose highest management fee is 41 basis points and is used to calculate the net returns of this composite. Broad Distribution Pooled Fund fees are described in the fund's prospectus. More information regarding model fees are available upon request.
Institutional Fee Schedule
The maximum scheduled investment advisory fee for this strategy is 28 basis points, which may be subject to certain decreases as assets under management increase. The investment advisory fee applicable to a portfolio depends on a variety of factors, including but not limited to portfolio size, the level of committed assets, service levels, the use of a performance fee or minimum fee arrangement, and other factors.
Limited Distribution Pooled Fund Fee Schedule
This composite includes a limited distribution pooled fund, whose maximum scheduled investment advisory fee is 25 basis points.

Past performance is no guarantee of future results.

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Fidelity Investments GIPS® Composite Report

Core Plus Composite (USD) Versus Bloomberg US Aggregate Bond Index

As of December 31, 2024

	Annual											Annualized		
Period	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**1 Year**	**5 Year**	**10 Year**
Composite Return (Gross%)	2.95	7.61	(12.47)	0.38	9.64	10.35	(0.24)	4.71	6.35	0.00	6.04	2.95	1.31	2.73
Composite Return (Net%)	2.58	7.23	(12.79)	0.02	9.28	9.99	(0.57)	4.37	6.00	(0.33)	5.69	2.58	0.95	2.37
Benchmark Return (%)	1.25	5.53	(13.01)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	1.25	(0.33)	1.35
Number of Portfolios	14	13	13	14	14	14	12	11	10	10	9			
Total Composite Assets End of Period ($M)	91,241	71,622	57,188	63,851	58,573	48,489	37,285	36,486	29,293	24,816	19,941			
Composite 3 Year Standard Deviation (Gross%)	7.77	7.22	6.49	4.19	4.15	2.49	2.76	2.93	3.18	3.12	2.92			
Benchmark 3 Year Standard Deviation (%)	7.83	7.24	5.85	3.40	3.40	2.91	2.88	2.81	3.02	2.92	2.67			
Asset Weighted Standard Deviation (Gross%)	0.20	0.16	0.14	0.12	0.31	0.19	0.07	0.12	0.18	0.12	0.07			
Total Firm Assets ($B)	5,350	4,454	3,558	1,239	1,088	960	705	613	552	603	742			

Basis of Presentation
The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The firm has been independently verified for the periods January 1, 1990 through December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The Firm's list of composite descriptions, pooled fund descriptions for limited distribution pooled funds, and names of broad distribution pooled Funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.
Definition of the "Firm"
For GIPS standards purposes, the "Firm" includes all portfolios managed by the following Fidelity Investments entities: (1) FIAM LLC; (2) Fidelity Institutional Asset Management Trust Company (together, "FIAM"); (3) Fidelity Management & Research Company LLC and its subsidiaries (FMRCO) (4) Fidelity Management Trust Company (FMTC); and (5) Fidelity Diversifying Solutions LLC (FDS). The firm excludes certain portfolios managed by those entities that primarily invest in real property; collateralized loan obligation ("CLO") portfolios; taxable wealth management accounts for which FMRCO provides sub-advisory services; and portfolios managed by the Private Equity Multi-Strategy team.
Changes to Definition of the "Firm"
Effective January 1, 2024, the firm was redefined to exclude collateralized loan obligation ("CLO") portfolios. Effective January 1, 2022, the firm was redefined to include all portfolios managed by FMRCO, FMTC, and FDS in addition to FIAM as described in the Definition of the Firm, excluding taxable wealth management accounts for which FMRCO provides sub-advisory services and portfolios managed by the Private Equity Multi-Strategy team. Effective January 1, 2021 the firm was redefined to exclude FIAM's management of certain portfolios that primarily invest in real property. Effective January 1, 2020, certain Fidelity investment advisers were re-organized, however, there was no impact to firm or composite assets. Effective January 1, 2016, the definition of the Firm was revised to include substantially similar fixed income investment strategies managed by FMTC and the same portfolio management team. Effective November 20, 2015, the Firm name was changed from Pyramis Global Advisors to Fidelity Institutional Asset Management (FIAM).
Returns
Gross composite returns do not reflect the deduction of investment advisory ("IA"), performance, administrative or custodial fees, but do include trading expenses. Net composite returns are calculated by deducting the maximum standard IA fee that could have been charged to any client employing this strategy during the time period shown and applicable performances fee (if any), exclusive of minimum fee arrangements. IA fees paid by a client vary depending upon a variety of factors, including portfolio size and the use of any performance fee or minimum fee arrangement. Actual returns will be reduced by these fees and any administrative, custodial, or other fees and expenses incurred. Returns could be higher or lower than those shown. A client's fees are generally calculated based on the average month-end assets at market value during the quarter as calculated by the Firm and are billed quarterly in arrears. More information regarding fees is available upon request. These investment performance statistics were calculated without a provision for any income taxes. Historical performance shown may have been achieved by a different investment adviser in the Firm definition than the investment adviser presenting the performance, and the investment team responsible for the performance shown may have changed over the course of the composite's performance time period shown.

Composite Description
The investment objective of this composite is to achieve absolute and risk-adjusted returns in excess of the Bloomberg US Aggregate Bond Index by combining U.S. investment-grade fixed income securities (i.e., U.S. Treasuries, U.S. Government-Related Securities, U.S. Investment-Grade Corporates, U.S. Mortgage-Backed Securities, U.S. Asset-Backed Securities) with securities drawn from sectors that lie outside of the benchmark Index (i.e., "Plus sectors"), which may include all or some combination of the following: U.S. high-yield corporate bonds, U.S. leveraged loans, Developed Market ex-U.S. debt, and Emerging Market debt. Core Plus accounts invest primarily in U.S. investment-grade fixed income securities and may invest tactically in the Plus sectors up to 30% of the portfolio's net market capitalization. This composite is composed of all fee-paying discretionary accounts that are managed by the Firm in this style.
Composite Inception and Creation Date
The inception date of this composite is November 30, 2000. This composite was created in March 2021.
Composite Name Change
In 2024 the name of this composite changed from Core Plus Composite to Core Plus Composite.
Limited Distribution Pooled Funds
The composite contains one or more limited distribution pooled funds ("LDPF") whose performance is presented net of custody, audit, and other administrative fees. Investment securities transactions for the pool portfolio are accounted for on trade date-plus-one. LDPF names are not included in order to comply with law and regulation which restricts the offer of the LDPF to certain eligible investors or prohibits any offer. Fees and expenses of each LDPF are described in each LDPF's offering and account opening documents and financial statements.
Composite Model Fee
This composite contains one or more broad distribution pooled funds whose highest management fee is 36 basis points and is used to calculate the net returns of this composite. Broad Distribution Pooled Fund fees are described in the fund's prospectus. More information regarding model fees are available upon request.
Institutional Fee Schedule
The maximum scheduled investment advisory fee for this strategy is 33 basis points, which may be subject to certain decreases as assets under management increase. The investment advisory fee applicable to a portfolio depends on a variety of factors, including but not limited to portfolio size, the level of committed assets, service levels, the use of a performance fee or minimum fee arrangement, and other factors.
Limited Distribution Pooled Fund Fee Schedule
This composite includes a limited distribution pooled fund, whose maximum scheduled investment advisory fee is 30 basis points.

Past performance is no guarantee of future results.

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Fidelity Investments GIPS® Composite Report

Tactical Bond Composite (USD) Versus Bloomberg US Aggregate Bond Index

As of December 31, 2024

	Annual											Annualized		
Period	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**1 Year**	**5 Year**	**10 Year**
Composite Return (Gross%)	2.21	7.66	(10.64)	1.70	8.95	13.36	(0.76)	6.14	9.95	(1.80)	6.05	2.21	1.73	3.46
Composite Return (Net%)	1.51	7.02	(11.15)	1.29	8.51	12.90	(1.16)	5.72	9.51	(2.19)	5.62	1.51	1.19	2.97
Benchmark Return (%)	1.25	5.53	(13.01)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	1.25	(0.33)	1.35
Number of Portfolios	13	14	12	11	12	12	10	9	8	8	6			
Total Composite Assets End of Period ($M)	12,081	10,670	8,432	9,061	18,559	11,158	8,454	6,895	5,741	4,719	1,370			
Composite 3 Year Standard Deviation (Gross%)	7.63	7.09	7.60	5.98	5.97	2.56	3.26	3.76	4.05	3.73	3.33			
Benchmark 3 Year Standard Deviation (%)	7.83	7.24	5.85	3.40	3.40	2.91	2.88	2.81	3.02	2.92	2.67			
Asset Weighted Standard Deviation (Gross%)	0.17	0.26	0.30	0.57	0.57	0.34	0.30	0.14	0.54	0.28	N/A			
Total Firm Assets ($B)	5,350	4,454	3,558	1,239	1,088	960	705	613	552	603	742			

Basis of Presentation
The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The firm has been independently verified for the periods January 1, 1990 through December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The Firm's list of composite descriptions, pooled fund descriptions for limited distribution pooled funds, and names of broad distribution pooled Funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.
Definition of the "Firm"
For GIPS standards purposes, the "Firm" includes all portfolios managed by the following Fidelity Investments entities: (1) FIAM LLC; (2) Fidelity Institutional Asset Management Trust Company (together, "FIAM"); (3) Fidelity Management & Research Company LLC and its subsidiaries (FMRCO) (4) Fidelity Management Trust Company (FMTC); and (5) Fidelity Diversifying Solutions LLC (FDS). The firm excludes certain portfolios managed by those entities that primarily invest in real property; collateralized loan obligation ("CLO") portfolios; taxable wealth management accounts for which FMRCO provides sub-advisory services; and portfolios managed by the Private Equity Multi-Strategy team.
Changes to Definition of the "Firm"
Effective January 1, 2024, the firm was redefined to exclude collateralized loan obligation ("CLO") portfolios. Effective January 1, 2022, the firm was redefined to include all portfolios managed by FMRCO, FMTC, and FDS in addition to FIAM as described in the Definition of the Firm, excluding taxable wealth management accounts for which FMRCO provides sub-advisory services and portfolios managed by the Private Equity Multi-Strategy team. Effective January 1, 2021 the firm was redefined to exclude FIAM's management of certain portfolios that primarily invest in real property. Effective January 1, 2020, certain Fidelity investment advisers were re-organized, however, there was no impact to firm or composite assets. Effective January 1, 2016, the definition of the Firm was revised to include substantially similar fixed income investment strategies managed by FMTC and the same portfolio management team. Effective November 20, 2015, the Firm name was changed from Pyramis Global Advisors to Fidelity Institutional Asset Management (FIAM).
Returns
Gross composite returns do not reflect the deduction of investment advisory ("IA"), performance, administrative or custodial fees, but do include trading expenses. Net composite returns are calculated by deducting the maximum standard IA fee that could have been charged to any client employing this strategy during the time period shown and applicable performances fee (if any), exclusive of minimum fee arrangements. IA fees paid by a client vary depending upon a variety of factors, including portfolio size and the use of any performance fee or minimum fee arrangement. Actual returns will be reduced by these fees and any administrative, custodial, or other fees and expenses incurred. Returns could be higher or lower than those shown. A client's fees are generally calculated based on the average month-end assets at market value during the quarter as calculated by the Firm and are billed quarterly in arrears. More information regarding fees is available upon request. These investment performance statistics were calculated without a provision for any income taxes. Historical performance shown may have been achieved by a different investment adviser in the Firm definition than the investment adviser presenting the performance, and the investment team responsible for the performance shown may have changed over the course of the composite's performance time period shown.

Composite Description
The investment objective of this composite is to achieve competitive total returns by exercising broad flexibility to invest in a broad set of fixed income sectors. The strategy will seek to generate returns from the allocation among a full suite of global fixed income investments including high yield corporates, emerging market debt (hard and local currency), leveraged loans, non-agency mortgages, high yield CMBS, convertible bonds, preferred stock and hybrid securities. The strategy seeks to generate returns from asset allocation, sector rotation, security selection, duration management, yield curve positioning and foreign currency exposures. The composite is composed of all fee-paying discretionary accounts that are managed by the Firm in this style.
Composite Inception and Creation Date
The inception date of this composite is January 31, 2006. This composite was created in July 2017.
Composite Name Change
In 2024 the name of this composite changed from Tactical Bond Total Composite to Tactical Bond Composite.
Limited Distribution Pooled Funds
The composite contains one or more limited distribution pooled funds ("LDPF") whose performance is presented net of custody, audit, and other administrative fees. Investment securities transactions for the pool portfolio are accounted for on trade date-plus-one. LDPF names are not included in order to comply with law and regulation which restricts the offer of the LDPF to certain eligible investors or prohibits any offer. Fees and expenses of each LDPF are described in each LDPF's offering and account opening documents and financial statements.
Composite Model Fee
This composite contains one or more broad distribution pooled funds whose highest management fee is 71 basis points and is used to calculate the net returns of this composite. Broad Distribution Pooled Fund fees are described in the fund's prospectus. More information regarding model fees are available upon request.
Institutional Fee Schedule
The maximum scheduled investment advisory fee for this strategy is 40 basis points, which may be subject to certain decreases as assets under management increase. The investment advisory fee applicable to a portfolio depends on a variety of factors, including but not limited to portfolio size, the level of committed assets, service levels, the use of a performance fee or minimum fee arrangement, and other factors.
Limited Distribution Pooled Fund Fee Schedule
This composite includes a limited distribution pooled fund, whose maximum scheduled investment advisory fee is 36 basis points.

Past performance is no guarantee of future results.

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Biographies

Celso Muñoz, CFA

Portfolio Manager

Celso Muñoz is a portfolio manager in the Fixed Income division at Fidelity Investments. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In this role, Mr. Muñoz is a member of the Bond division's Core/Core Plus team. He serves as the co-lead manager for the Fidelity and Fidelity Advisor Total Bond Funds. He also co-manages the Fidelity and Fidelity Advisor Sustainable Core Plus Bond Funds, Fidelity Sustainable Core Plus Bond ETF, Fidelity Total Bond ETF, Fidelity VIP Investment Grade Bond Portfolio, and various institutional taxable bond portfolios.

Prior to assuming his current position, Mr. Muñoz was a research analyst responsible for covering the insurance and government-sponsored enterprise (GSE) industries. Previously, he served as a research analyst in the Equity division, where he most recently covered life insurance stocks and previously covered specialty pharmaceuticals, generic pharmaceuticals, and drug wholesaler stocks.

Before joining Fidelity in 2005, Mr. Muñoz was an associate at Deutsche Bank. In this capacity, he was a member of the Mergers & Acquisitions group within the firm's investment banking practice. He has been in the financial industry since 1999.

Mr. Muñoz earned his bachelor of science degree in economics, with a concentration in finance as well as public policy management, from the University of Pennsylvania and his master of business administration degree from Harvard Business School. He is also a CFA® charterholder.

Biographies

Marissa Solomon

Senior Vice President, Business Development

Marissa Solomon is a senior vice president of business development in the Institutional Client Group at Fidelity Institutional® (FI). Fidelity Institutional is a division of Fidelity Investments that offers investment insights, strategies, and solutions, as well as trading services to a wide range of wealth management firms and institutional investors. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In this role, Ms. Solomon is responsible for new business development and relationship management activities, primarily focused on corporate and public plans sponsors in the mid- market. She primarily works with defined benefit and other institutional investors on various initiatives, such as managing pension risk, liability driven investing, and multi-asset class portfolios.

Prior to re-joining Fidelity in 2022, Ms. Solomon was the head of national accounts for the DCIO channel supporting Schwab Asset Management™. Ms. Solomon was responsible for introducing the organization's investment products to retirement platforms and consultants in the defined contribution and defined benefit arenas. Prior to joining Schwab in 2016, Ms. Solomon was vice president of platform sales at Goldman Sachs Asset Management where she was responsible for supporting and enhancing the firm's strategic defined contribution and sub-advisory partnerships. She was responsible for relationship management and business development of defined contribution consultants and institutional recordkeeping platforms. Prior to Goldman Sachs in 2011, she spent nearly 12 years at Fidelity Investments in a variety of positions in research and product management. She has been in the financial industry since 1999.

Ms. Solomon earned her bachelor of arts degree in economics and mathematics from Hamilton College and her master of business administration degree from the F.W. Olin Graduate School of Business at Babson College. She also holds the Financial Industry Regulatory Authority (FINRA) Series 7 and 63 licenses.

Beau Coash

IPM Team Lead, Fixed Income

Beau Coash is a fixed income IPM team lead on the Institutional Portfolio Management team at Fidelity Institutional®. Fidelity Institutional is a division of Fidelity Investments that offers investment insights, strategies, and solutions, as well as trading services to a wide range of wealth management firms and institutional investors. Fidelity Investments is a leading provider of investment management, retirement planning, portfolio guidance, brokerage, benefits outsourcing, and other financial products and services to institutions, financial intermediaries, and individuals.

In this role, Mr. Coash is an active part of the portfolio management team and represents the team's capabilities, thought processes, and views to clients and consultants. He is also the fixed income relationship partner for the Asset Allocation, Strategic Advisers, and Global Asset Allocation divisions.

Prior to joining Fidelity as global head of syndicate and primary trading in Fidelity's Equity Trading division in 2005, Mr. Coash served as senior vice president in corporate bond sales at Lehman Brothers. Previously, he held leadership positions in development and national sales in start-up companies.

Mr. Coash was also a professional football player for the New England Patriots and Boston Breakers. He has been in the financial industry since 1993.

Mr. Coash earned his bachelor of arts degree in history from Middlebury College and his master of business administration degree in entrepreneurship studies from Harvard Business School. He also holds the Financial Industry Regulatory Authority (FINRA) Series 7 and 63 licenses.

Important Information

Please read this information carefully. Speak with your relationship manager if you have any questions.

Unless otherwise expressly disclosed to you in writing, the information provided in this material is for educational purposes only. Any viewpoints expressed by Fidelity are not intended to be used as a primary basis for your investment decisions and are based on facts and circumstances at the point in time they are made and are not particular to you. Accordingly, nothing in this material constitutes impartial investment advice or advice in a fiduciary capacity, as defined or under the Employee Retirement Income Security Act of 1974 or the Internal Revenue Code of 1986, both as amended. Fidelity and its representatives may have a conflict of interest in the products or services mentioned in this material because they have a financial interest in the products or services and may receive compensation, directly or indirectly, in connection with the management, distribution, and/or servicing of these products or services, including Fidelity funds, certain third-party funds and products, and certain investment services. Before making any investment decisions, you should take into account all of the particular facts and circumstances of your or your client's individual situation and reach out to an investment professional, if applicable.

Risks

Past performance is no guarantee of future results. Investors should be aware that an investment's value may be volatile and involves the risk that you may lose money. Performance for individual accounts will differ from performance for composites and representative accounts due to factors, including but not limited to, portfolio size, trading restrictions, account objectives and restrictions fees and expenses and factors specific to a particular investment structure. Representative account information is based on an account in that strategy's composite that generally reflects that strategy's management and is not based on performance of that account.

The value of a strategy's investments will vary in response to many factors, including adverse issuer, political, regulatory, market or economic developments. The value of an individual security or a particular type of security can be more volatile than and perform differently from the market as a whole. Nearly all accounts are subject to volatility in non-U.S. markets, either through direct exposure or indirect effects on U.S. markets from events abroad, including fluctuations in foreign currency exchanges rates and, in the case of less developed markets, currency illiquidity. Developments that disrupt global economies and financial markets, such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions or other events may magnify factors that affect performance. In addition, some countries experience low or negative interest rates, from time to time, which may magnify interest rate risk for the markets as a whole and for the funds or accounts. Additionally, funds or accounts that pursue debt investments are subject to risks of prepayment or default, as well as changes to bankruptcy or debtor relief laws, which may impede collection efforts or alter timing and amount of collections.

The performance of fixed income strategies will change daily based on changes in interest rates and market conditions and in response to other economic, political, or financial developments. Debt securities are sensitive to changes in interest rates depending on their maturity and may involve the risk that their prices may decline if interest rates rise or, conversely, if interest rates decline, their prices may increase. Debt securities carry the risk of default, prepayment risk, and inflation risk. Changes specific to an issuer, such as its financial condition or its economic environment, can affect the credit quality or value of an issuer's securities. Lower-quality debt securities (those rated or considered below investment-grade quality, also referred to as high-yield debt securities) and certain types of other securities are more volatile, speculative and involve greater risk due to increased sensitivity to adverse issuer, political, regulatory, and market developments, especially in periods of general economic difficulty. The value of mortgage securities may change due to shifts in the market's perception of issuers and changes in interest rates, regulatory, or tax changes.

Derivatives may be volatile and involve significant risk, including but not limited to credit risk, currency risk, leverage risk, counterparty risk, leverage risk, valuation risk, and liquidity risk. Using derivatives can disproportionately increase losses and reduce opportunities for gains in certain circumstances. Derivatives involve leverage because they can provide investment exposure in an amount exceeding the initial investment. Leverage can magnify investment risks and cause losses to be realized more quickly. A small change in the underlying asset, instrument, or index can lead to a significant loss. Assets segregated to cover these transactions may decline in value and are not available to meet redemptions. Government legislation or regulation could affect the use of these transactions and could limit the ability to pursue such investment strategies.

The securities, derivatives, and currency markets of emerging-market countries are generally smaller, less developed, less liquid, and more volatile than those of the United States and other developed markets, and disclosure and regulatory standards in many respects are less stringent. There also may be a lower level of monitoring and regulation of markets in emerging-market countries and the activities of investors in such markets and enforcement of existing regulations may be extremely limited and arbitrary. Emerging-market countries are more likely to experience political uncertainty and instability, including the risk of war, terrorism, nationalization, limitations on the removal of funds or other assets, impacts of the spread of infectious diseases, or diplomatic developments that affect investments in these countries. In many cases, there is a heightened possibility of government control of the economy, expropriation or confiscatory taxation, imposition of withholding taxes on interest payments, or other similar developments.

Important Information, continued

Risks – Continued
Index comparisons are presented for illustrative purposes only. Indices are not investments, are not professionally managed and do not reflect deductions for fees or expenses.

Assets and securities contained within this these indices are different than the assets and securities contained in the strategy and will therefore have different risk and reward profiles. There can be no assurance any such correlations or trends would persist in the future.

Offered by Fidelity Distributors Company LLC.

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These materials contain statements that are “forward-looking statements,” which are based on certain assumptions of future events. FIAM and its affiliated advisory entities do not assume any duty to update any forward-looking statement. Actual events may differ from those assumed. There can be no assurance that forward-looking statements, including any projected returns, will materialize or that actual market conditions and/or performance results will not be materially different or worse than those presented.

Performance Data
Gross composite returns do not reflect the deduction of investment advisory ("IA"), performance, administrative or custodial fees, but do include trading expenses. Deduction of all fees will reduce returns. Net composite returns are calculated by deducting the highest advisory fee applicable to any account employing this strategy during the time period shown and applicable performance fee (if any), exclusive of minimum fee arrangements. Other fees and expenses may reduce returns. See the GIPS Composite Report for performance figures that are net of the highest advisory fee (including performance fee, if any) applicable to any account in the Composite, which includes accounts managed by FIAM LLC and its affiliated advisory entities, as permitted, including Fidelity Diversifying Solutions LLC (FDS). Historical performance shown may have been achieved by a different investment adviser in the GIPS Firm definition than the investment adviser presenting the performance, and the investment team responsible for the performance shown may have changed over the course of the composite's performance time period shown. See FIAM LLC's Form ADV for more information about advisory fees if FIAM LLC is the investment manager for the account. See FDS' Form ADV for more information about advisory fees if FDS is the investment manager for the account. For additional information about advisory fees related to other affiliated advisory entities of FIAM LLC, speak with your relationship manager. All results reflect realized and unrealized appreciation and the reinvestment of dividends and investment income, if applicable. Taxes have not been deducted. FIAM LLC and its affiliated advisory entities claim compliance with the Global Investment Performance Standards (GIPS) as part of the Fidelity Investments firm.

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Important Information, continued

Performance Data - Continued
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RETIREMENT BOARD STAFF REPORT

DATE: April 23, 2025

TO: Sacramento Regional Transit Retirement Boards - All

FROM: Jason Johnson - VP, Finance/CFO
John Gobel - Senior Manager, Pension and Retirement Services

SUBJ: Fixed Income Manager Search – Finalist Presentation by JP Morgan Asset Management

RECOMMENDATION

No Recommendation - For Information Only.

RESULT OF RECOMMENDED ACTION

No action is recommended at this meeting.

FISCAL IMPACT

There is no fiscal impact associated with this informational item.

DISCUSSION

BACKGROUND

The Retirement Boards selected MetWest to manage their fixed income portfolio in 2001 and key personnel from MetWest have continued to manage the portfolio since the firm was acquired by TCW in 2010. As noted in the latest performance report presented by the Retirement Boards' investment consultant, Callan, TCW manages a $96.9 million domestic fixed income portfolio for the Retirement Boards, which represents approximately 23% of the $427.6 million in assets held by the Retirement Plans on December 31, 2024. TCW is the Retirement Boards' only fixed income manager at this time and TCW invests more of the Retirement Plans' assets than any other manager.

Due to qualitative factors like the planned retirement of two Generalist Portfolio Managers (on top of other senior level retirements), Callan recommended and the Retirement Boards concurred with placing TCW on the Watch List as of June 30, 2023. TCW has remained on the Watch List, and during the quarterly performance report for June 30, 2024, Callan recommended that the Retirement Boards consider a manager search and contemplate hiring another fixed income manager to complement or replace TCW.

In response to Callan's suggestion, the Retirement Boards scheduled a special, investment-focused meeting for October 23, 2024. During that meeting, the Retirement Boards received additional information from Callan regarding TCW and voted to approve a fixed income manager search for a core-plus strategy. The Retirement Boards also selected an ad hoc group of Directors to work with Callan during the search process: ATU Director Scott, IBEW Director Pickering, AEA Director McGoldrick, AFSCME Director Guimond, and MCEG Director Bobek.

The ad hoc group of Directors met with the search team from Callan right before a special meeting of the Retirement Boards on February 26, 2025. During the special meeting of the Retirement Boards on February 26th, John Gobel (Senior Manager of Pension and Retirement Services) reported that the ad hoc group met with Callan to review information on three core-plus managers within the fixed income space, the ad hoc group had selected two finalists to present to all five Retirement Boards, and staff would be working with Callan to arrange finalist presentations at an upcoming meeting. During the regular meeting of the Retirement Boards on March 19th, Mr. Gobel reported that teams from the two finalists identified during the fixed income search, Fidelity Institutional Asset Management (Fidelity) and JP Morgan Asset Management (JP Morgan), would present to the Retirement Boards at the next special meeting.

Comments from Callan regarding JP Morgan are provided in the box at the end of this staff report. Following the presentation to the Retirement Boards, representatives from Callan will be available to offer additional input and respond to Directors' questions. The Retirement Boards will then have the opportunity to share their assessment of the manager's presentation in anticipation of taking action at their next meeting on June 11th.

CALLAN'S ANALYSIS OF INCUMBENT FIXED INCOME MANAGER

Callan has prepared the following text to assist the Retirement Boards:

TCW has been on watch for nearly two years due to senior level retirements and performance challenges. There was a team of four generalist portfolio managers that came over from MetWest to TCW in 2010 and oversaw this strategy. Over the last few years (2021-2024), three of those portfolio managers have retired. The one remaining, Bryan Whalen, is now the Chief Investment Officer and oversees the team. There are two other generalist portfolio managers on the team, Ruben Hovhannisyan and Jerry Cudzil, both of whom were promoted from within to replace the team members that retired.

The strategy has also experienced some relative performance challenges. Although it has generally outperformed its benchmark, the Bloomberg U.S. Aggregate Bond Index, over various time periods, performance versus the core-plus bond fixed income peer group has lagged. As of December 31, 2024, this strategy has generally ranked in the bottom *quartile of the domestic core plus bond fixed income peer group over all major trailing periods.*

The Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District establishes the following expectation for the Retirement Boards' domestic fixed income investments:

> *For Core Plus Bond Fixed-Income Investment Managers, achieve net of fee returns greater than the Bloomberg U.S. Aggregate Bond Index and rank in the top half of a comparative universe of domestic core plus bond fixed-income managers, gross of fees.*

Given TCW's investment process and positioning, this peer group underperformance is not too surprising as they are a more conservative, higher-quality, value-oriented manager. This style has not been rewarded within the fixed income markets over the past few years. Lower quality investments, such as high yield or leveraged loans where TCW has little exposure, have experienced stronger returns.

Additionally, TCW incorporates a top-down component in their process. On a quarterly basis, the generalist portfolio managers develop a long-term economic outlook that identifies such items as the stage of the business cycle and prospects for growth, inflation, and Fed policy. This is used to set the duration, yield curve, and sector positioning of the portfolio. Working within the framework of these top-down strategies, the research specialists then analyze and select securities for the portfolio through a fundamental, bottom-up process.

This top-down component, particularly the duration strategy, has been a headwind to performance. Duration measures the sensitivity of the price of a fixed income investment to a change in interest rates. Duration is expressed as a number of years, representing the weighted average time it takes to receive a bond's cash flows. Bond prices have an inverse relationship to interest rates. Therefore, rising interest rates result in falling bond prices, while declining interest rates cause bond prices to rise. For example, a bond with a duration of 5 years would lose approximately 5% in value for every 1% increase in interest rates, while a bond with a duration of 7 years would lose approximately 7% in value for every 1% increase in rates. In a rising rate environment like what we experienced from 2022 – 2024, a higher duration has been a headwind. That has been TCW's positioning, with duration exceeding the index and among the highest in the peer group. If rates fall, this positioning would be expected to benefit performance. For example, if bond prices go up as investors flee equity volatility and seek the safe haven of bonds, that would likely push rates down and be a tailwind for the portfolio.

CALLAN'S RECOMMENDATION TO CONSIDER ALLOCATING FIXED INCOME INVESTMENT TO MULTIPLE MANAGERS

Callan has prepared the following text to assist the Retirement Boards:

Turnover within the generalist portfolio manager team (which sets the strategy) and the concurrent underperformance has led them to being placed on watch and prompted the search. At this time, we recommend the fixed income allocation be split between two managers. This reduces any single manager risk and is consistent with your structure in other asset classes. The managers that will be interviewed, Fidelity and JP Morgan, are viewed as complements to TCW. The idea is to retain TCW for now and continue to monitor, split the allocation, and hire one of these managers as the second fixed income manager. Fidelity and JP Morgan are somewhat similar in their approach. They generally keep their duration position close to that of the benchmark, often have greater corporate exposure, allocate more to non-investment grade securities, and maintain higher exposure to sectors outside of the benchmark than TCW. For these reasons, they serve as a good complement to TCW, exhibiting lower correlation and providing better diversification.

CALLAN'S OVERVIEW OF FINALIST IDENTIFIED DURING SEARCH – JP Morgan (JP MORGAN CORE PLUS BOND)

Callan has prepared the following text to assist the Retirement Boards:

JP Morgan is also a stable organization with a well-resourced team. They did have a recent retirement last year, but we are comfortable with the depth of the team and the resources across the entire fixed income platform. While they will also tend to have a bit more corporate exposure than TCW, JP Morgan will also focus more on securitized sectors which include non-agency residential mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities (bonds secured by a pool of assets such as auto loans, student loans, and credit card receivables). They generally manage duration within a narrow band but do have the ability to deviate if there is high conviction in a duration trade.

April 23, 2025

JPMorgan Core Plus Bond

Sacramento Regional Transit District

Yonas Shiferaw
Client Advisor

Bob Fields
Investment Specialist

Priya Misra
Core Plus Portfolio Manager

J.P.Morgan
ASSET MANAGEMENT

Supporting California for more than 130 years[1]

California is more than a place where we do business.[5] It is home to our customers, clients, employees and community partners. The strength of our company allows us to leverage our resources, expertise, and data insights to help bolster communities and create a more inclusive economy for all.

JPMORGAN CHASE & CO.

$158M in philanthropic contributions from 2019-2024[2]

875+ branches

3.1K+ ATMs

18.1K employees

1.3M+ small business clients[3]

13.5M Consumer banking customers[4]

Business Growth and Entrepreneurship

Committed more than **$5.3M** to the **Entrepreneurs of Color Fund** to provide minority-owned small business and real estate projects with flexible, low-interest loans, technical assistance and other critical resources.

Committed **$5M** to the **Open Air Economy Collaborative** to catalyze economic growth for Black and Latina women street vendors and other micro-entrepreneurs across Los Angeles County.

Provided **$565K** in philanthropic capital to **Accessity** to increase access to capital for minority small business owners in greater San Diego.

Committed **$100K** to **Founder's First** to help entrepreneurs of color at different stages of growth scale their companies through accelerator programs in Riverside County.

Community Development

Committed **$5M** to **Mission Economic Development Agency's** partnership with the **San Francisco Housing Development Corporation** to support affordable housing capacity and anti-displacement strategies.

Committed **$4M** to **Genesis LA** to support local collaboratives to address the housing affordability crisis by increasing their capacity in housing production and preservation.

$3.2M new markets tax credit equity investment to support **KIPP San Diego charter school's** new facility, which will be a better location and provide room to increase capacity to 480 students

Careers and Skills

$12.3M new markets tax credit equity invested in **The Seed School of Los Angeles County** to support the development of a new college-prep boarding school for career readiness in transportation infrastructure, STEM and humanities, located in South LA.

Committed **$1.5M** to **Bay Area Tech Equity Collective** to support programs the remove entry barriers into the tech industry and create opportunities for underrepresented groups.

160 fellows sponsored since 2014 as part of **The Fellowship Initiative (TFI),** a program that supports young men of color through high school and college.

JPMorgan Chase is committed to honoring those who have served. We have hired more than more than **970** veterans in California since 2014. [6]

Financial Health and Wealth Creation

Deepening relationships and expanding our presence with **77** community branches, including the **Crenshaw Community Center and Oakland Community Center branches**, where we host events, financial health workshops, skills training and small business pop-ups.

Hosted more than **6.2K** free financial health events supporting customers, community members, and employees since 2021.[7]

Sustainability

Provided **$2M** in philanthropic capital for community resiliency efforts addressing drought, wildfires and other natural disasters in California. As part of our Sustainable Development Target, JPMorgan Chase aims to facilitate **$2.5T** to address climate change and contribute to sustainable development, including $1T for green initiatives over 10 years – from 2021 through the end of 2030.

(1) In 1935, Central Federal Savings and Loan Association opens in San Diego. (2) Philanthropic contributions include charitable contributions either made or committed to be made by a JPMorgan Chase legal entity between 2019-YTD. Pillar narratives include philanthropic contributions from 2019-YTD. (3) Small business clients are an aggregate of active business checking and savings customers. (4) Consumer banking customers are an aggregate of active personal checking and savings customers. (5) Greater San Diego represents San Diego-Carlsbad, CA MSA. (6) Veterans data is aggregated at the state level and is based on self-identification through December 31, 2023. (7) Financial health events include student and employee events through June 2024. Data provided is from 2019 to the last update and approximated. Employee, ATM, and Branch count is reflective of the recent acquisition of First Republic Bank. JPMorgan Chase & Co. (NYSE: JPM) is a leading financial services firm based in the United States of America ("U.S."), with operations worldwide JPMorgan Chase & Co. (NYSE: JPM) is a leading financial services firm based in the United States of America ("U.S."), with operations worldwide. JPMorganChase had $4.2 trillion in assets and $346 billion in stockholders' equity as of September 30, 2024. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. Under the J.P. Morgan and Chase brands, the Firm serves millions of customers in the U.S., and many of the world's most prominent corporate, institutional and government clients globally. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com. Content last updated December 2024.

J.P. Morgan Asset Management
Global Fixed Income, Currency & Commodities (GFICC) Platform

300+
Investment professionals* in 5 countries globally

19 years
Average industry tenure of 300+ investment professionals

80%
of flagship strategies outperforming benchmark over 5- and 10-year periods

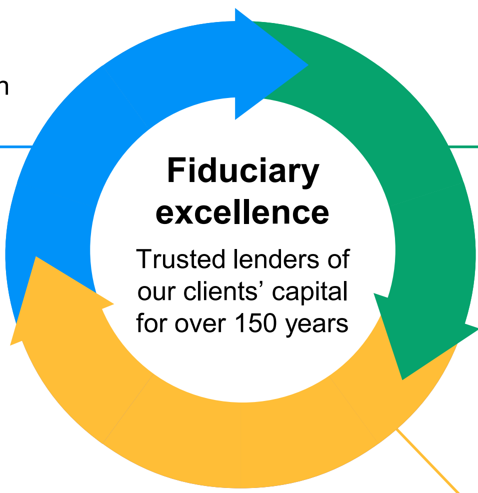
$850Bn+
AUM Globally across 75+ strategies

A **globally integrated**, **research-driven** fixed income organization

As lenders of our clients' capital, we prioritize our **fiduciary duty** and **active management** to drive alpha while managing risk

Unrivaled research
67 career research analysts connected across a common global platform

Information advantage
Proprietary JPMC banking data provides real-time insights into the economy



Culture of risk management
A proven track record of providing stability in the midst of market volatility

"

We harness the power of our diverse perspectives to deliver solutions that solve our clients' needs.

Bob Michele
Head of Global Fixed Income, Currency & Commodities

Source: J.P. Morgan Chase & Co., J.P. Morgan Asset Management. The manager seeks to achieve the stated objectives. There can be no guarantees those objectives will be met.
As of December 31, 2024; AUM as of February 2025.

Executive Summary: JPMorgan Core Plus Bond Strategy

Executive Summary	
Philosophy	Deliver portfolio ballast, with disciplined yield advantage
Team	Portfolio management team with 30 years of average experience, leveraging insights from 300+ JPMorgan fixed income professionals
Process	Multi-dimensional approach combines bottom-up security selection and top-down macro positioning
Performance	Strategy outperformed the benchmark (net of fees) 98% of rolling 5-year periods over past 15 years
Fees	**JPMCB Core Plus Bond Fund** (commingled fund) 0.25% for $47.5m investment

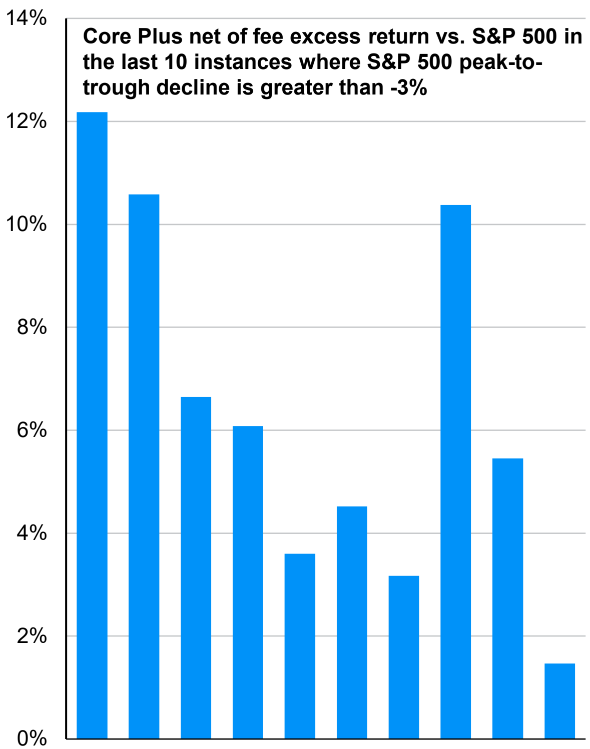
Key Characteristics	
Alpha target[1]	50-100 bps (net of fees, over market cycle)
Quality	Maximum 25% below investment grade
Duration range	Typically +/- 10% vs. benchmark
Strategy AUM **Commingled Fund**	$39.6 billion $6.9 billion
Strategy Inception **Commingled Fund Inception**	March 1993 July 2016

As of December 31, 2024. The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met. [1]Over a typical market cycle, defined as three to five years. Benchmark is the Bloomberg US Aggregate Index. The target returns are for illustrative purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the target returns shown above. Because of the inherent limitations of the target returns, potential investors should not rely on them when making a decision on whether or not to invest in the Fund.

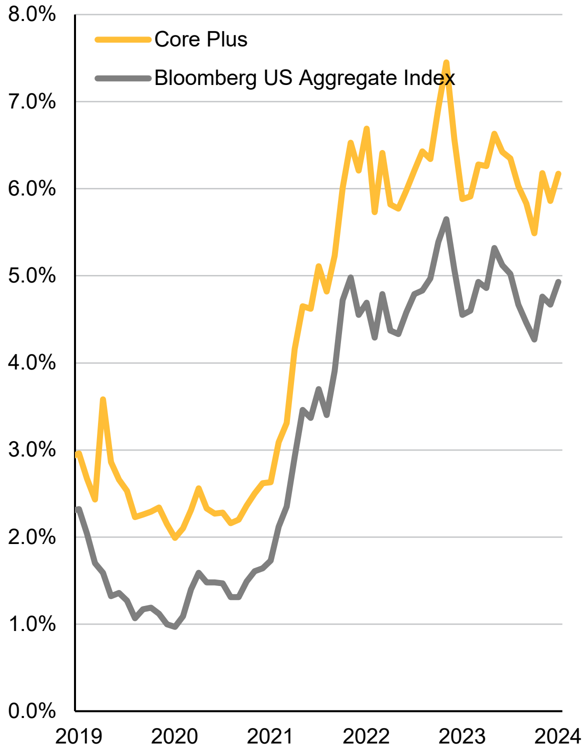
Our philosophy has delivered strong risk-adjusted returns through a variety of environments

1 Deliver portfolio "Ballast" | 2 Disciplined yield enhancement | 3 Seeks to produce strong risk-adjusted returns

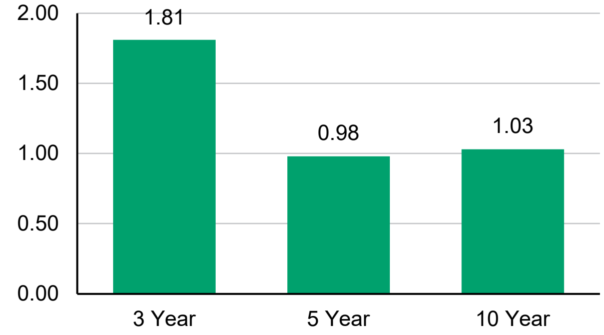
Portfolio Diversification



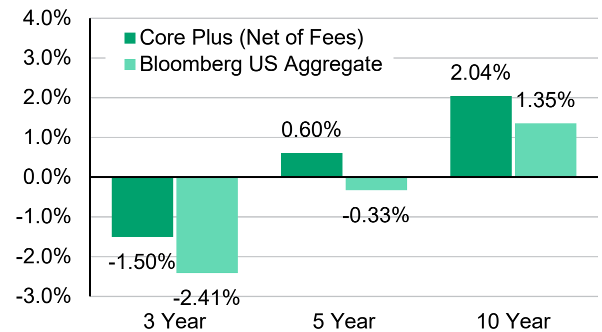
Yield Advantage



Information Ratio



Returns



Past performance is not indicative of future returns. The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met. Source: J.P. Morgan, Bloomberg, Morningstar. Data as of 12/31/2024. Core Plus representative account used for portfolio diversification and yield chart. Net of fees performance for J.P. Morgan Core Plus Bond composite is shown for all other charts. Information ratio reflects gross of fee excess returns vs. the benchmark relative to the volatility of the excess return.

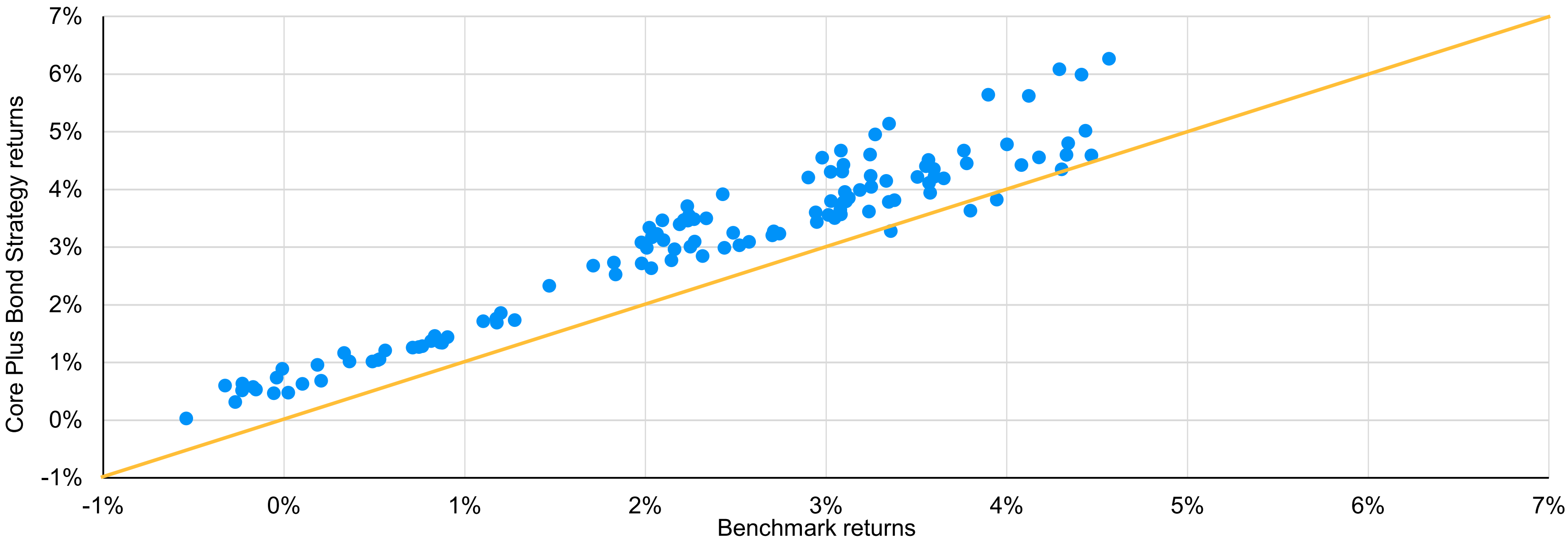
J.P.Morgan
ASSET MANAGEMENT

JPMorgan Core Plus Bond Strategy: Rolling performance

Consistent outperformance

- The Strategy has outperformed the index (net of fees) in 98% of rolling 5-year periods over the past 15 years
- Consistency is driven by the ability to:
    - Actively navigate a variety of market environments
    - Draw from multiple alpha drivers
    - Capitalize on a well-resourced, global investment team
    - Blend bottom-up security selection with top-down macro positioning

5-year rolling performance on a monthly basis (December 2009 – December 2024, net of fees)



Past performance is not a reliable indicator of current and future results. Source J.P. Morgan Asset Management, Bloomberg. Data as of 12/31/2024. Shown for a representative account in the strategy. Please see performance slide for performance versus benchmark.

Core Plus Bond portfolio managers leverage our broad global investment platform

Core Plus Bond Portfolio Managers

Top-down asset allocation

Kay Herr, CFA [1]
US CIO
Portfolio Manager
30 years experience
New York

Andrew Norelli [1]
Portfolio Manager
23 years experience
Columbus

Priya Misra [1]
Portfolio Manager
23 years experience
New York

Brandon Merrill, CFA
Portfolio Manager
19 years experience
Columbus

Jan Ho
Portfolio Manager
27 years experience
New York

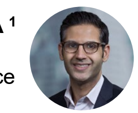
Evan Olonoff
Portfolio Manager
12 years experience
New York

Bottom-up security selection

Rick Figuly [1]
Securitized
31 years experience
Columbus

Lisa Coleman, CFA [1,2]
Investment Grade
42 years experience
New York

Tom Hauser, CFA [1]
High Yield
31 years experience
Indianapolis



Vikas Pathani [1]
Investment Grade
20 years experience
New York

SUPPORTED BY A BROAD PLATFORM OF INVESTORS

Currency	Global Rates	Investment Grade	High Yield	Municipals	Securitized	Emerging Markets
15 investors	16 investors	36 investors	33 investors	35 investors	26 investors	38 investors

Common platform

Shayan Hussain
Head of US Investment Specialists

Samrawrit Soquar
Head of Research

Vincent Kumaradjaja
Head of Risk

Brian Lysiak
Head of Trading

[1]Listed portfolio managers for J.P. Morgan Core Plus Bond Funds. [2]Lisa Coleman will retire in March 2026; she remains a named portfolio manager on the Funds until her retirement date.
Source: J.P. Morgan Asset Management. As of April 1, 2025. Number of years indicate years of industry experience as of February 28, 2025.

A multi-dimensional approach facilitates diversified sources of returns

JPMorgan Core Plus Bond Strategy: Benchmark-aware, pursuing a wider opportunity set

Bloomberg US Aggregate benchmark

US-focused fixed income securities and sectors
- High quality investment grade portfolio

1

Expanded "core" security selection
- ABS/CMBS: pursues wider opportunity set for risk-adjusted returns via Senior and Junior tranches
- MBS: pursues securities with greater cash flow certainty in addition to generic pass-throughs

Notable OAS pickup in ABS sleeve vs Agg ABS
- Similar duration profile (~2.5 yrs)

MBS holdings are better positioned for rate volatility

Example, during the first six months of 2022:
- 10-year Treasury rates rose +147 bps
- Agg MBS duration extended 2.3 years
- Core Plus Bond MBS duration extended 0.6 years

2

Extended sector investments
- High Yield
- Emerging Market Debt

Up in quality High Yield, select Emerging Market Debt
- HY is deliberately constructed to pair with IG holdings
- Considers yield per unit of risk through cycle

3

Employs **top-down macro positioning**, using global platform insight
- Active sector allocation decisions
- Curve positioning
- Duration positioning

Navigate market risk intelligently
- Macro process and global insights inform sector allocations
- Manage duration at portfolio level to maintain desired risk profile (keep underlying security selection intact)

Data as of 12/31/2024. J.P. Morgan Core Plus composite. (ABS) Asset-backed security, (CMBS) Commercial Mortgage-backed security, (MBS) Mortgage-backed security. The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met.

Core Plus Bond heat map translates sector views into strategy positioning

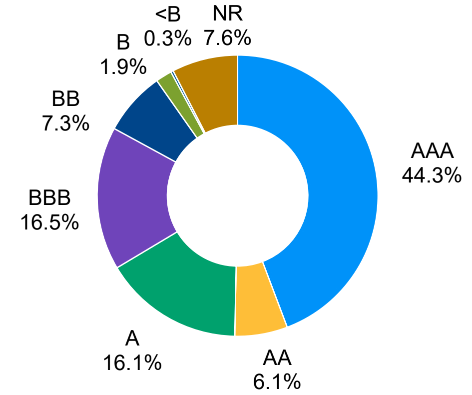
		Sector Team Views			Strategic Positioning Relative to Agg Index	Current Positioning vs. Strategic Neutral		
		Fundamental	Quantitative Valuation	Technical		Underweight	Neutral	Overweight
Macro	Duration	Positive	Positive	Negative	Neutral	○ ○ ○	○	● ○ ○
Macro	Curve Steepener	Positive	Positive	Negative	Neutral	○ ○ ○	○	● ○ ○
Macro	Spread Duration	Positive	Negative	Positive	Overweight	○ ○ ○	○	● ○ ○
Sector Allocation	Agency RMBS	Neutral	Neutral	Neutral	Underweight	○ ○ ○	○	● ● ○
Sector Allocation	Agency CMBS	Positive	Neutral	Neutral	Overweight	○ ○ ●	○	○ ○ ○
Sector Allocation	Non-Agency MBS	Positive	Neutral	Neutral	Overweight	○ ○ ●	○	○ ○ ○
Sector Allocation	ABS	Positive	Neutral	Neutral	Overweight	○ ○ ○	●	○ ○ ○
Sector Allocation	CMBS	Negative	Positive	Neutral	Overweight	○ ○ ○	○	● ● ●
Sector Allocation	IG Corporates	Neutral	Neutral	Positive	Underweight	○ ○ ○	○	● ○ ○
Sector Allocation	High Yield	Neutral	Neutral	Neutral	Overweight	○ ○ ●	○	○ ○ ○
Sector Allocation	Emerging Markets	Neutral	Neutral	Neutral	Neutral	○ ○ ○	●	○ ○ ○

Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met. As of March 2025. RMBS: Residential mortgage-backed securities; CMBS: Commercial mortgage-backed securities; IG: Investment grade; ABS: Asset-backed securities.

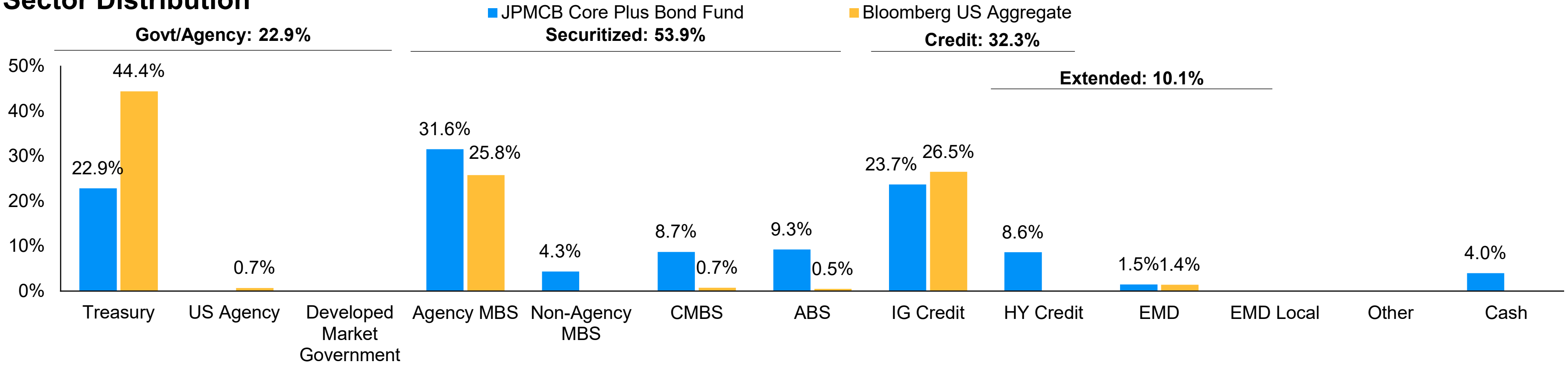
JPMCB Core Plus Bond Fund: Characteristics

Portfolio statistics	JPMCB Core Plus Bond Fund	Bloomberg US Aggregate	Difference
Yield (%)	5.42%	4.63%	+0.79%
Duration (yrs)	5.98	6.04	-0.06
Spread Duration (yrs)	4.20	3.33	+0.87
Weighted Avg. Life (yrs)	8.42	8.28	+0.14
Convexity (yrs)	0.37	0.47	-0.10
OAS (bps)	110	34	+76

Quality distribution



Sector Distribution

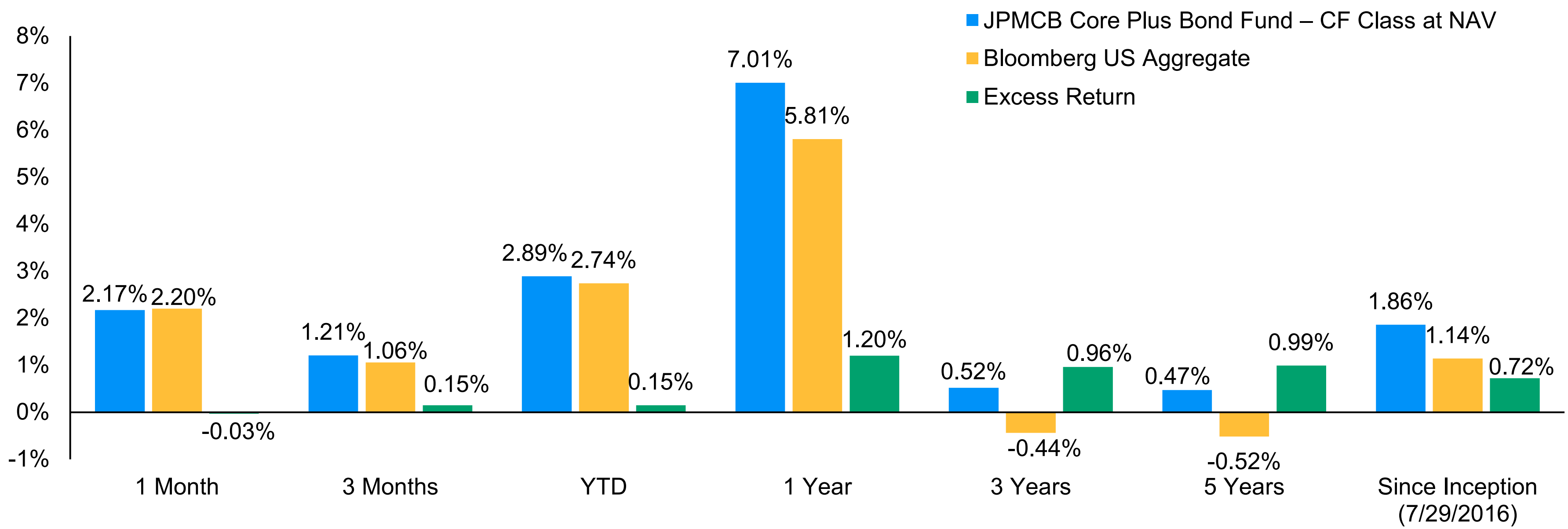


Commingled Pension Trust Fund (Core Plus Bond) of JPMorgan Chase Bank, N.A. All data as 02/28/2025. The manager uses credit quality ratings on underlying securities of the portfolio from five major ratings agencies - S&P, Moody's, Fitch, Kroll and DBRS Morningstar. When calculating the credit quality breakdown, the manager selects the highest rating of the agencies that have provided a securities rating. Securities that are not rated by any of the five agencies are reflected as not rated. Sectors may not sum to 100% as market values reflect notional value exposure of Treasury futures and other derivatives. Source: J.P. Morgan Investment Management Inc. and Bloomberg. Index statistics compiled by running index constituents through Yield Book models. Please see performance disclosures which accompany this presentation. **Past performance is no guarantee of future results.** The information is taken from a representative account. Actual account information may differ. Portfolio characteristic shown above are subject to change without notice. Any companies highlighted above have been selected based on their significance and are shown for illustrative purposes only. They are not recommendations. Portfolio characteristics are gross of all fees.

JPMCB Core Plus Bond Fund: Performance

As of February 28, 2025

Investment Performance



The performance quoted is past performance and is not a guarantee of future results. Collective investment funds are subject to certain market risks. Investment returns and principal value of an investment will fluctuate so that an investor's units of participation, when redeemed, may be worth more or less than original cost. Current performance may be higher or lower than the performance data shown.

Contingent deferred sales charge ("CDSC") is applied to redemption of fund shares within the time period specified in the prospectus. *Fund performance inception: 7/29/2016. Benchmark since inception returns are as of month-end. The quoted performance of the Fund includes performance of a predecessor fund/share class prior to the Fund's commencement of operations. Please refer to the current prospectus for further information. Commingled funds have fees and expenses that reduce their performance: indexes do not. You cannot invest directly in an index.

As of 02/28/2025	
Investment Management Fee	0.25%
Other Expenses	0.00%
Net Expenses	0.25%

JPMorgan Core Plus Bond Strategy: Performance attribution

As of December 31, 2024

	2020	2021	2022	2023	2024[1]
Duration, curve & cash	-10	-21	86	16	-24
US agency	2	1	0	0	0
IG credit	-10	-8	2	-21	15
HY credit	31	89	-31	62	44
Emerging markets debt	-14	0	-7	4	7
Agency MBS	33	33	42	-7	29
Non-agency MBS	12	15	-11	29	24
CMBS	2	58	-6	22	67
ABS	14	25	10	1	30
Residual[2]	27	-22	-7	10	7
Excess return (gross of fees)	**87**	**170**	**78**	**116**	**199**
Fees[3]	-46	-46	-46	-46	-46
Excess return (net of fees)	**41**	**124**	**32**	**70**	**153**

Source: J.P. Morgan Asset Management. Benchmark: Bloomberg US Aggregate Index. [1]In 2024, attribution calculations shifted to the Hybrid Performance Attribution methodology. [2]Residual includes the impact of benchmark pricing, trading, compounding and rounding. [3]Fees shown are for the I share class of the mutual fund vehicle; fees for the commingled fund vehicle will differ. Attribution is for unofficial performance and is to be used for illustrative purposes only. Shown for a representative account in the strategy. Past performance is not indicative of future returns. Investment returns will fluctuate so that the redemption amount may be worth more or less than the original investment. Performance includes the reinvestment of interest when applicable. The net of fee performance return is calculated using a model investment management fee based on a representative fee applicable to institutional clients looking to invest in the strategy and it is higher or equal to the weighted average investment management fee of the underlying accounts. Actual fees may be lower based on assets under management and other factors. Where fees are lower, “net of fees” performance returns will be higher. Net of fees performance for actual accounts may differ significantly from the net of fees performance shown above. Information about fees is available upon request by contacting a J.P. Morgan representative.

Additional Information

Regular interactions and a common research language are key to driving alpha

We emphasize collaboration, leveraging global connections and research-driven insights to foster a repeatable process

Regular interactions

1 Investment Quarterly (IQ) Meeting	Establish forward-looking investment themes and identify best ideas across various economic scenarios
2 Weekly Global Strategy Meeting	Evaluate evolving market factors to reassess conviction in our outlook
3 Weekly Sector Team Meetings	In-depth analysis of bottom-up opportunities within each sector
4 Weekly Portfolio Team Meetings	Formal forum for portfolio decision-making

Common research language

Fundamentals

- Macroeconomic data (growth, inflation)
- Corporate health metrics (defaults, earnings)

Quantitative (valuations)

- Rich / cheapness of sector or security
- Yields & spreads on absolute, relative, historical basis

Technicals

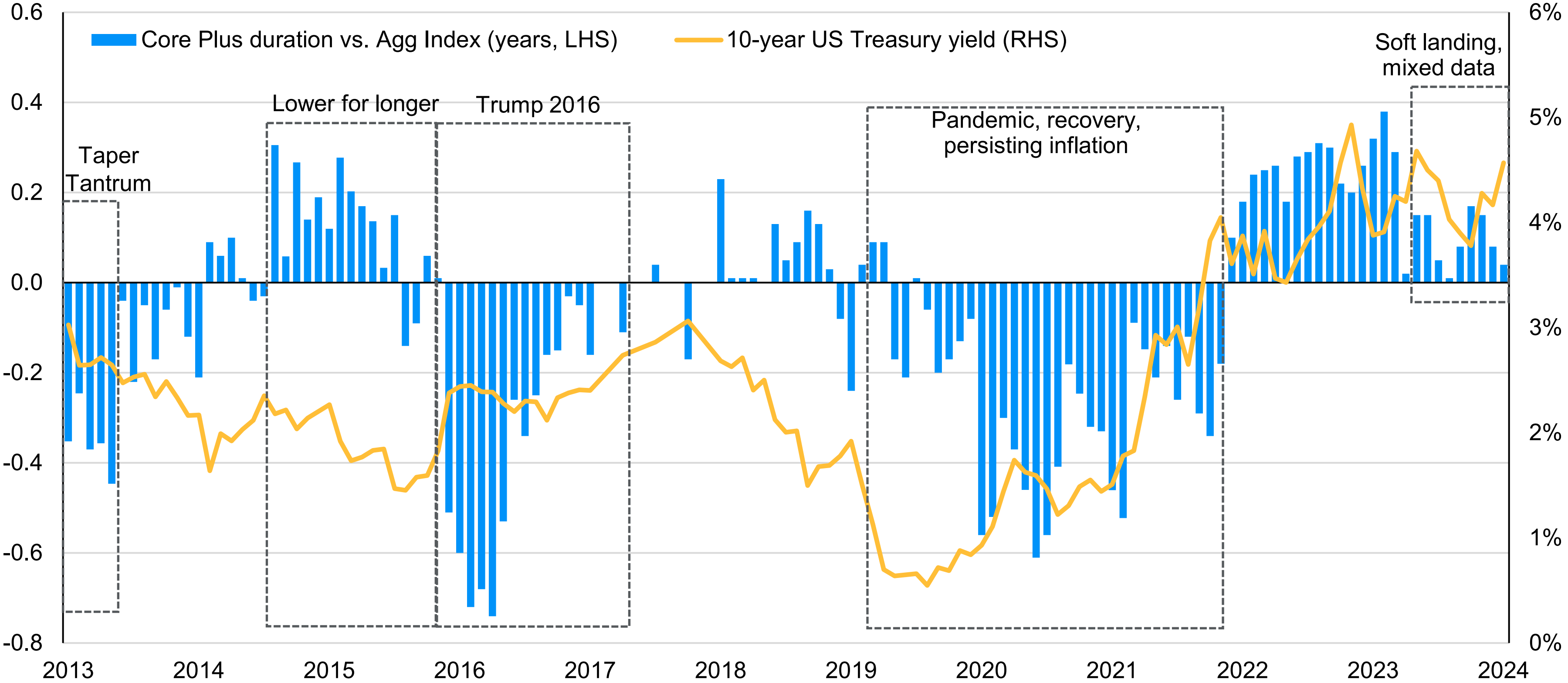
- Supply / demand (issuance and flows)
- Investor positioning, momentum

The manager seeks to achieve the stated objective. There can be no guarantee the objective will be met. As of December 31, 2024.

Macro insights help inform active duration management

Dynamic duration positioning can help drive alpha generation during periods of interest rate volatility

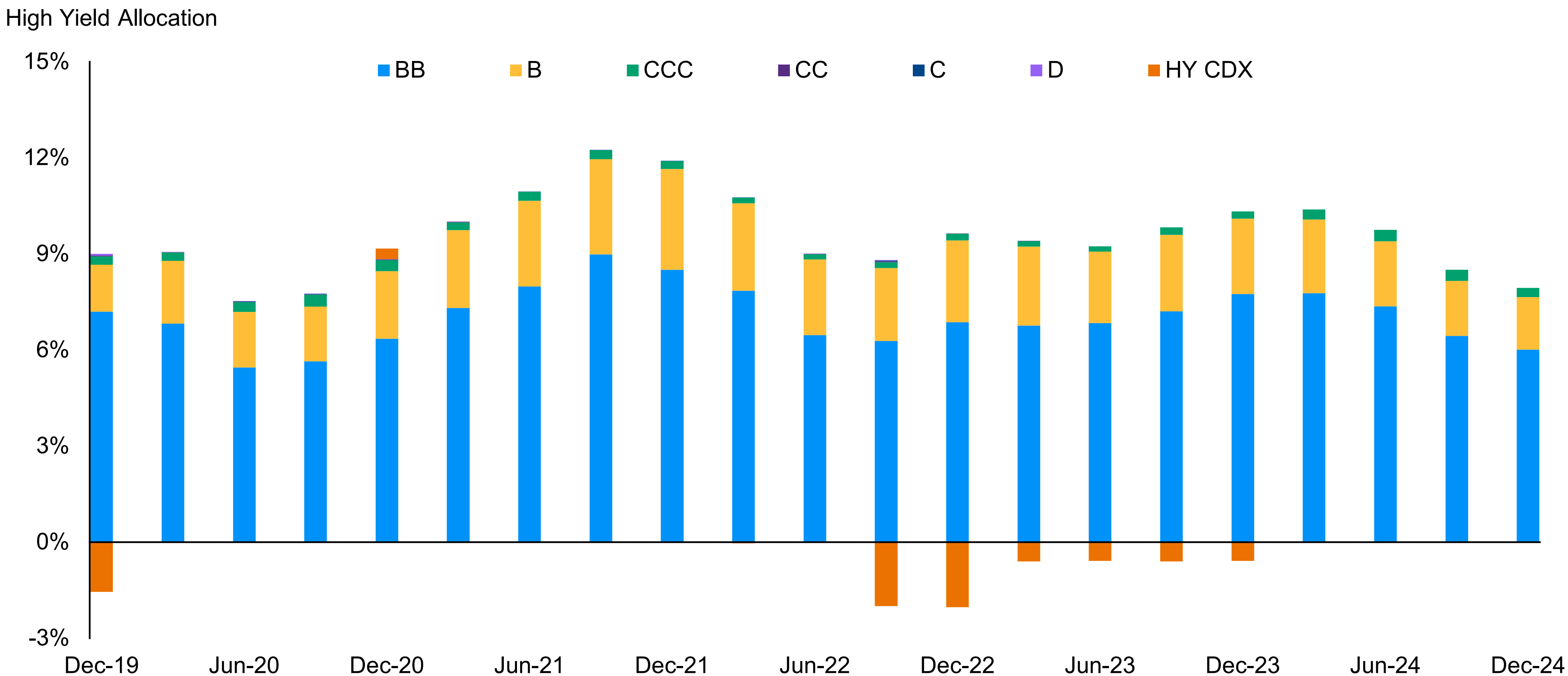
Duration positioning vs. benchmark



Source: J.P. Morgan Asset Management, Bloomberg. As of December 31, 2024

Majority of high yield corporate allocation is in the upper tier market segment

High yield corporate allocation by rating

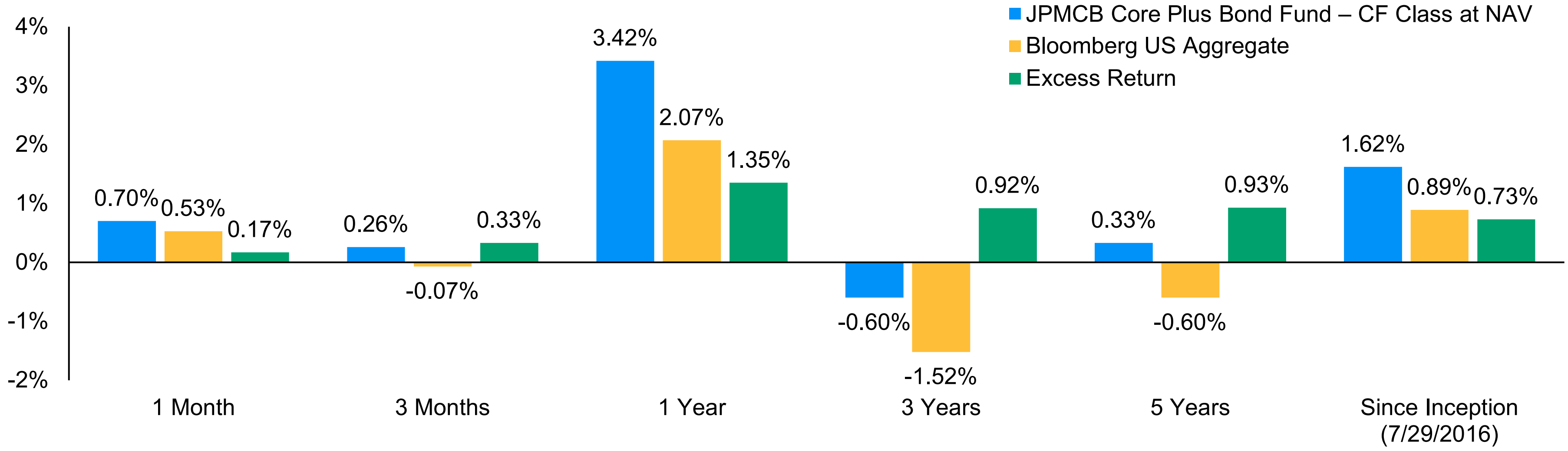


Source: J.P. Morgan Asset Management, Barclays. As of December 31, 2024. Quarterly data.

JPMCB Core Plus Bond Fund: Quarter-end performance

As of December 31, 2024

Investment Performance



The performance quoted is past performance and is not a guarantee of future results. Collective investment funds are subject to certain market risks. Investment returns and principal value of an investment will fluctuate so that an investor's units of participation, when redeemed, may be worth more or less than original cost. Current performance may be higher or lower than the performance data shown. Contingent deferred sales charge ("CDSC") is applied to redemption of fund shares within the time period specified in the prospectus. *Fund performance inception: 7/29/2016. Benchmark since inception returns are as of month-end. The quoted performance of the Fund includes performance of a predecessor fund/share class prior to the Fund's commencement of operations. Please refer to the current prospectus for further information. Commingled funds have fees and expenses that reduce their performance: indexes do not. You cannot invest directly in an index.

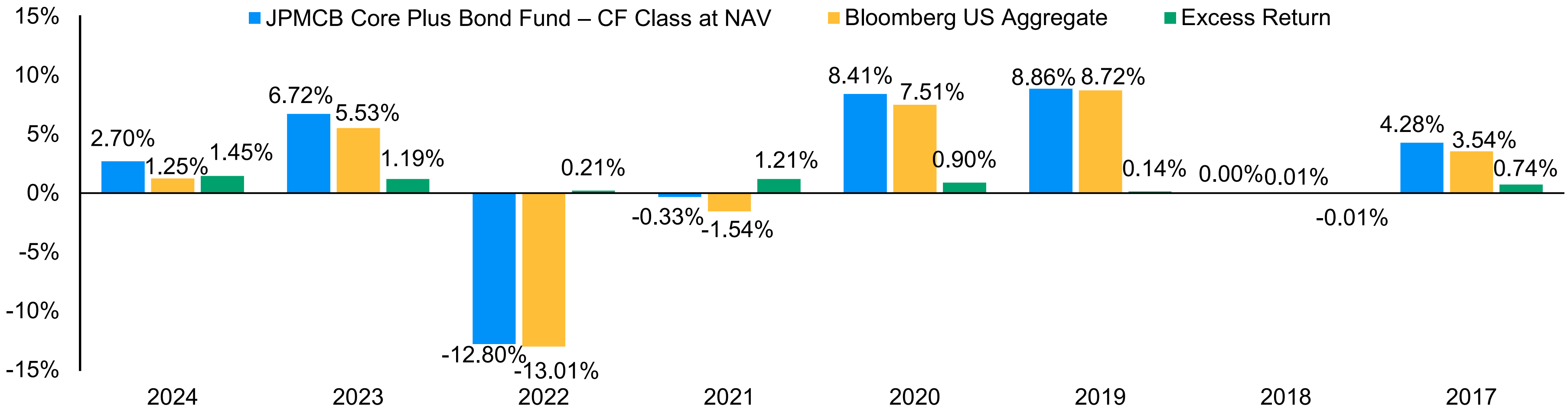
As of 12/31/2024	
Investment Management Fee	0.25%
Other Expenses	0.00%
Net Expenses	0.25%

*Other Expenses reflects the operating expenses incurred from the most recent fiscal year.

JPMCB Core Plus Bond Fund: Calendar year performance

As of December 31, 2024

Investment Performance



Data as of December 31, 2022. Source: J.P. Morgan Asset Management, Morningstar, Barclays.

The performance quoted is past performance and is not a guarantee of future results. Collective investment funds are subject to certain market risks. Investment returns and principal value of an investment will fluctuate so that an investor's units of participation, when redeemed, may be worth more or less than original cost. Current performance may be higher or lower than the performance data shown.

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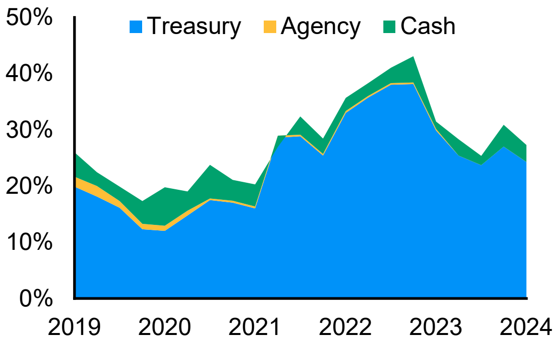
As of 12/31/24	
Investment Management Fee	0.25%
Other Expenses*	0.00%
Net Expenses	0.25%

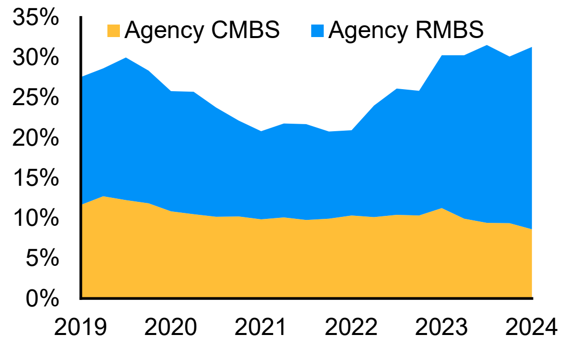
*Other Expenses reflects the operating expenses incurred from the most recent fiscal year.

JPMorgan Core Plus Bond Strategy: Sector allocation history

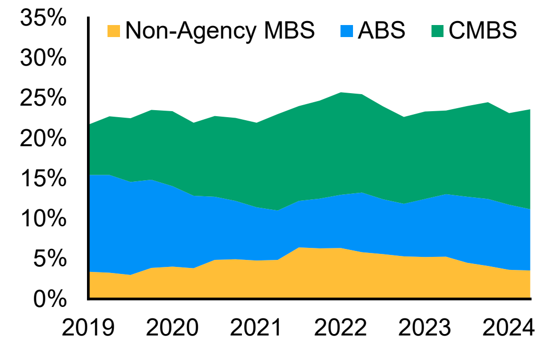
Treasury, Agency, Cash



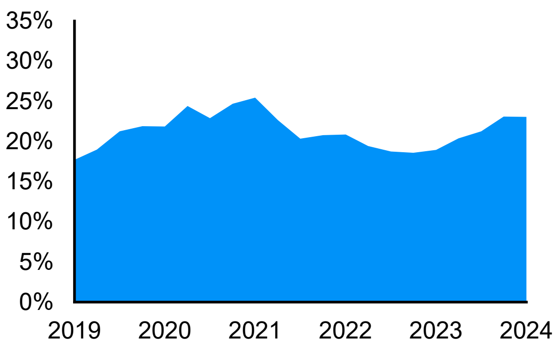
Agency MBS



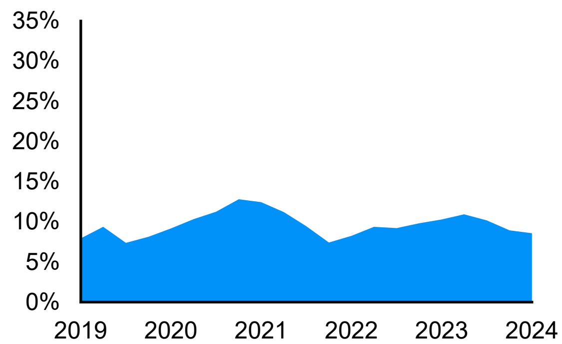
Securitized Credit



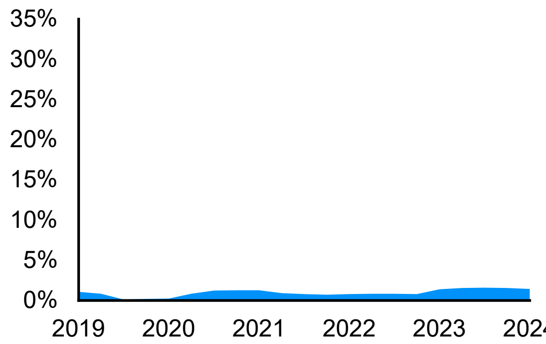
Investment Grade Credit*



High Yield Corporate



Emerging Markets Debt



Source: J.P. Morgan Investment Management . Updated through 12/31/2024. Effective 9/30/2015, certain securities previously categorized as ABS are categorized as CMBS. Effective 6/30/2016, market values reflect notional value exposure of Treasury futures and other derivatives. Measurements in rounded percents. *Includes non-taxable municipals. Effective 3/31/2017, certain securities are categorized differently due to system migration.

JPMorgan Core Plus Bond Strategy: Dynamic, market-driven asset allocation

As of February 28, 2025

Sector	Typical Allocation Range [1]	Current Market Value %	
		JPMorgan Core Plus	Bloomberg US Aggregate
Government	**5-25%**	**22.8%**	**45.1%**
Treasury		22.8%	44.4%
Agency		0.0%	0.7%
Securitized	**35-50%**	**54.9%**	**27.0%**
Agency MBS	20-35%	31.2%	25.8%
Non-Agency MBS	0-10%	3.5%	0.0%
ABS	0-10%	7.4%	0.5%
CMBS	0-15%	12.8%	0.7%
Credit	**25-55%**	**31.4%**	**26.5%**
Investment Grade	15-35%	23.2%	26.5%
Non-Taxable Muni	0-5%	0.0%	0.0%
High Yield	5-20%	8.2%	0.0%
Emerging Market Debt	**0-10%**	**1.5%**	**1.4%**

Figures are rounded and for illustrative purposes only [1]Typical allocation range for JPMorgan Core Plus strategy. These are not stipulated boundaries and allocations will change over time with market conditions (and may be more or less than the levels listed)

Selected Risks

Interest Rate Risk. The Strategy mainly invests in bonds and other debt securities. These securities will increase or decrease in value based on changes in interest rates. If rates increase, the value of the Strategy's investments generally declines. On the other hand, if rates fall, the value of the investments generally increases. Your investment will decline in value if the value of the investments decreases. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value. Usually, the changes in the value of fixed income securities will not affect cash income generated, but may affect the value of your investment.

Mortgage-related and asset-backed securities are subject to certain other risks. The value of these securities will be influenced by the factors affecting the housing market and the assets underlying such securities. As a result, during periods of declining asset value, difficult or frozen credit markets, swings in interest rates, or deteriorating economic conditions, mortgage-related and asset-backed securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. Additionally, during such periods and also under normal conditions, these securities are also subject to prepayment and call risk. When mortgages and other obligations are prepaid and when securities are called, the strategy may have to reinvest in securities with a lower yield or fail to recover additional amounts (i.e., premiums) paid for securities with higher interest rates, resulting in an unexpected capital loss. Some of these securities may receive little or no collateral protection from the underlying assets and are thus subject to the risk of default described under “Credit Risk”. The risk of such defaults is generally higher in the case of mortgage-backed investments that include so-called “sub-prime” mortgages. The structure of some of these securities may be complex and there may be less available information than other types of debt securities.

Credit Risk. There is a risk that issuers and counterparties will not make payments on securities and investments held by the portfolio. Such default could result in losses to an investment in the portfolio. In addition, the credit quality of securities held by a portfolio may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security. Lower credit quality also may affect liquidity and make it difficult for the portfolio to sell the security. The portfolio may invest in securities that are rated in the lowest investment grade category. Such securities are considered to have speculative characteristics similar to high yield securities, and issuers of such securities are more vulnerable to changes in economic conditions than issuers of higher grade securities.

Quality Rating Methodology. J.P. Morgan Investment Management Inc. (JPMIM) receives credit quality ratings on underlying securities of the portfolio from the five major ratings agencies – S&P, Moody's, Fitch, Kroll and DBRS Morningstar. When calculating the credit quality breakdown, JPMIM selects the highest rating of the agencies when all five agencies rate a security. Securities that are not rated by all six agencies are reflected as such.

There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

The Bloomberg U.S.. Aggregate Index (formerly Bloomberg Barclays U.S. Aggregate Index) is an unmanaged index that represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The performance of the index does not reflect the deduction of expenses associated with a mutual fund, such as investment management fees. By contrast, the performance of the Fund reflects the deduction of the mutual fund expenses, including sales charges if applicable. An individual cannot invest directly in an index.

The target returns discussed herein have been established as of the date of this presentation. The target returns have been established by each investment adviser based on its assumptions and calculations using data available to it and available investment opportunities and is subject to the risks set forth herein and set forth more fully in the applicable Fund's Memorandum. A more detailed explanation along with the data supporting the target returns is on file with the applicable investment adviser and is available for inspection upon request. The target returns are for illustration/discussion purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the target returns shown above. The target returns are the investment advisor's estimate based on the investment adviser's assumptions, as well as past and current market conditions, which are subject to change. Each investment adviser has the discretion to change the target returns for the Fund at any time. Because of the inherent limitations of the target returns, potential investors should not rely on them when making a decision on whether or not to invest in any Fund. The target returns cannot account for the impact that economic and market factors have on the implementation of an actual investment program. Unlike actual performance, the target returns do not reflect actual trading, liquidity constraints, fees, expenses, and other factors that could impact the future returns of a Fund. Any investment adviser's ability to achieve the target returns is subject to risk factors over which such investment adviser may have no or limited control. No representation is made that a Fund will achieve the target return or its investment objective. Actual returns could be higher or lower than the target returns. The data supporting the Target Return is on file with J.P. Morgan and is available for inspection upon request.

J.P. Morgan Asset Management

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