

Periods ended September 30, 2020



**Alabama County & Municipal  
Government Capital  
Improvement Trust Fund**

**Third Quarter Executive Summary**

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**Annoesjka West**  
Senior Vice President



**Market Environment**

Third Quarter 2020

# Stunning Recovery in Global Equity Markets in 3Q20

V-shaped equity rebound, ahead of the global economy

Global equity continued the rally in 3Q after March market bottom

- S&P -33.5% from peak (02/19/20) to low on 3/23/20
- Rebound since March puts S&P 500 even with February peak, suggesting broad-based recovery, but YTD results are concentrated in a few stocks.
- Fed cut rates to zero, commenced QE, instituted multiple facilities to backstop money markets, credit markets, and economy.
  - *Fed expects to get paid back.*
  - *Further fiscal stimulus expected*
- Congress passed fiscal stimulus (CARES) to carry the economy through the crisis.
- Economic recovery will be uncertain as COVID-19 infections surge anew; re-openings may be reversed.

## Returns for Periods ended 9/30/20

	1 Quarter	1 Year	5 Years	10 Years	25 Years
<b>U.S. Equity</b>					
Russell 3000	9.21	15.00	13.69	13.48	9.29
S&P 500	8.93	15.15	14.15	13.74	9.31
Russell 2000	4.93	0.39	8.00	9.85	7.96
<b>Global ex-U.S. Equity</b>					
MSCI World ex USA	4.92	0.16	5.32	4.37	4.71
MSCI Emerging Markets	9.56	10.54	8.97	2.51	--
MSCI ACWI ex USA Small Cap	10.50	6.97	6.80	5.31	5.82
<b>Fixed Income</b>					
Bloomberg Barclays Aggregate	0.62	6.98	4.18	3.64	5.30
90-day T-Bill	0.04	1.10	1.20	0.64	2.32
Bloomberg Barclays Long Gov/Credit	1.22	12.92	8.78	7.36	7.66
Bloomberg Barclays Global Agg ex-US	4.14	5.48	3.60	1.35	3.90
<b>Real Estate</b>					
NCREIF Property	-0.99	0.25	5.91	9.18	9.01
FTSE Nareit Equity	1.44	-18.16	3.95	7.90	9.34
<b>Alternatives</b>					
CS Hedge Fund	3.44	2.41	2.76	3.64	7.25
Cambridge Private Equity*	9.89	7.67	11.36	13.38	14.86
Bloomberg Commodity	9.07	-8.20	-3.09	-6.03	0.91
Gold Spot Price	5.28	28.69	11.19	3.77	6.57
<b>Inflation - CPI-U</b>	0.96	1.37	1.81	1.77	2.14

\*Cambridge PE data through 06/30/20

Sources: Bloomberg, Bloomberg Barclays, Callan, Cambridge, Credit Suisse, FTSE Russell, MSCI, NCREIF, S&P Dow Jones Indices

# U.S. Equity Continues to Shine Amid Pandemic

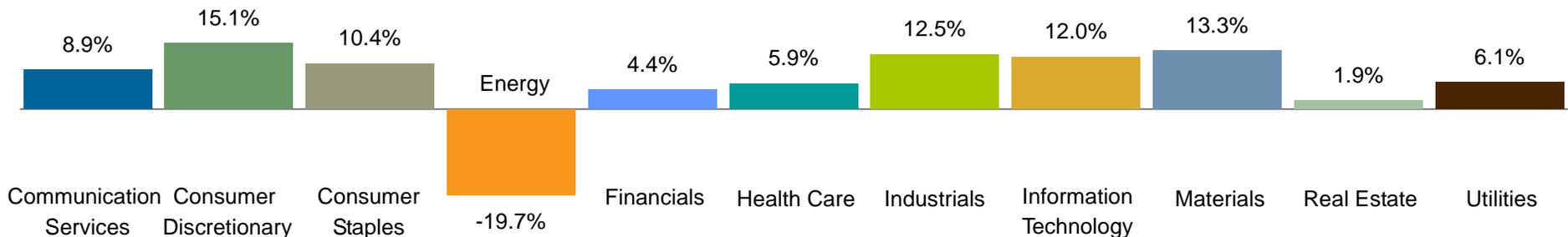
## Gains YTD

- S&P +8.9% for the quarter, bringing YTD to +5.6%
  - Consumer Discretionary (+15%) and Industrials (+13%) dominated, with Tech (+12%) a close third in risk-on market.
  - S&P 500 YTD would be negative if not for Facebook, Microsoft, Amazon, Alphabet, and Apple, representing 33% of the return.
- YTD, pandemic punishing some sectors while rewarding others
  - Tech +29% YTD; Cons. Disc. +23% (online retailers +60%)
  - Energy -48% amid declining crude and natural gas prices
  - Demand from hotels/cruise lines/airlines down as industries have dropped 40%+

## Small cap reverses to trail large cap

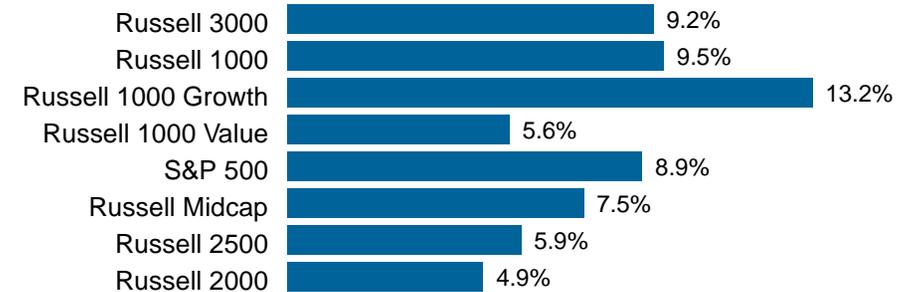
- Following a stellar 2Q20 recovery, small cap trailed large.
  - Remains behind large cap by a wide margin over last 12 months
- Growth continues to outpace value across market caps
- Growth, value dispersion near all-time high driven by Tech
  - YTD RUS1G +25% vs. RUS1V -12%
- Growth stock P/E near 2x historical average across market caps

## Industry Sector Quarterly Performance (S&P 500)

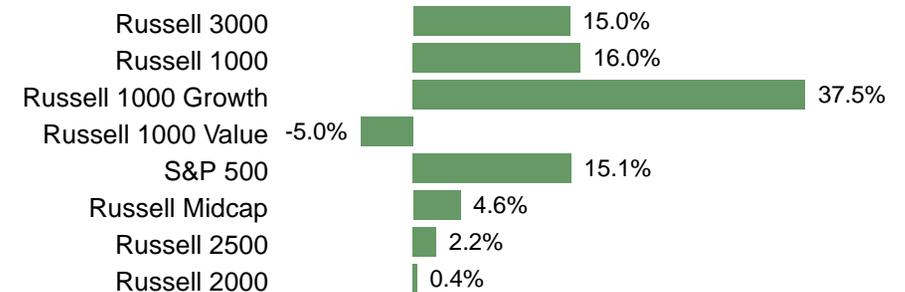


Sources: FTSE Russell, S&P Dow Jones Indices

## U.S. Equity: Quarterly Returns



## U.S. Equity: One-Year Returns



# Global ex-U.S. Equity Performance

## Continued recovery into 3Q20

- Returns broadly positive across developed and emerging markets but muted YTD
- Recent support from ultra-low interest rates and upward earnings revisions
- EM recovery driven by global risk-on environment; key countries within EM (China and South Korea) have better managed the pandemic
- Small cap continued to outperform large as lockdowns eased and business confidence improved.

## Rebound for cyclicals

- Materials, Industrials, and Consumer Discretionary outperformed as consumption and production resumed.
- Factor performance led by momentum (rebound) and volatility (risk-on market mentality)

## U.S. dollar vs. other currencies

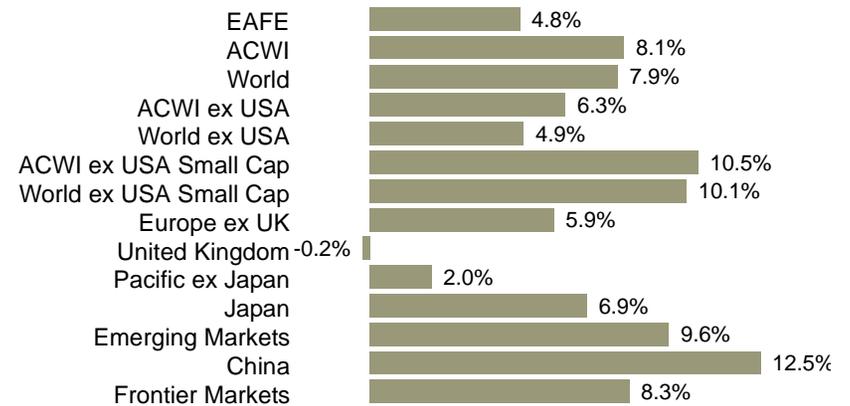
- U.S. dollar lost ground versus every developed market currency on expectation of lower-for-longer U.S. rates due to Fed's shift in approach toward inflation and employment.

## Growth vs. value

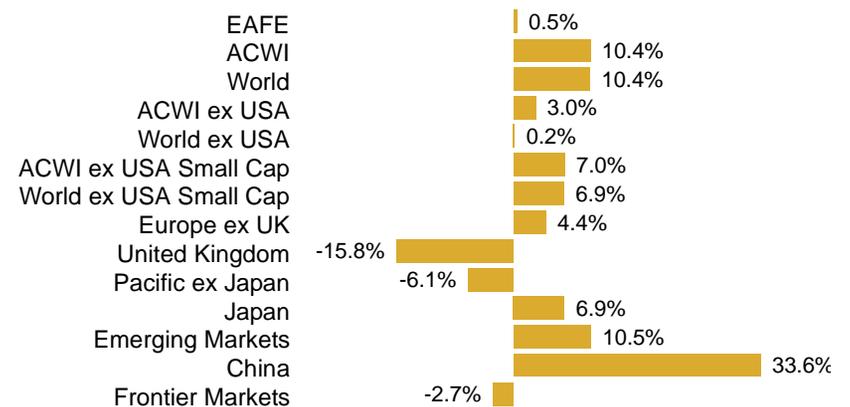
- Growth continued to outperform value.
- Extremely narrow market with performance dominated by Tech

Source: MSCI

## Global Equity: Quarterly Returns



## Global Equity: Annual Returns



# U.S. Fixed Income Performance: 3Q20

## Treasury yields largely unchanged

- 10-year UST yield at 0.69% in 3Q20, up 3 bps from 2Q20 but off sharply from year-end level of 1.92%
- TIPS did well as inflation expectations rose from 1.34% to 1.63%.
- No rate hikes expected until at least 2023

## Bloomberg Barclays Aggregate roughly flat

- Corporate and CMBS the strongest investment grade sectors as investors hunted for yield
- Corporate supply (\$1 trillion YTD) at a record as companies rushed to take advantage of ultra-low interest rates

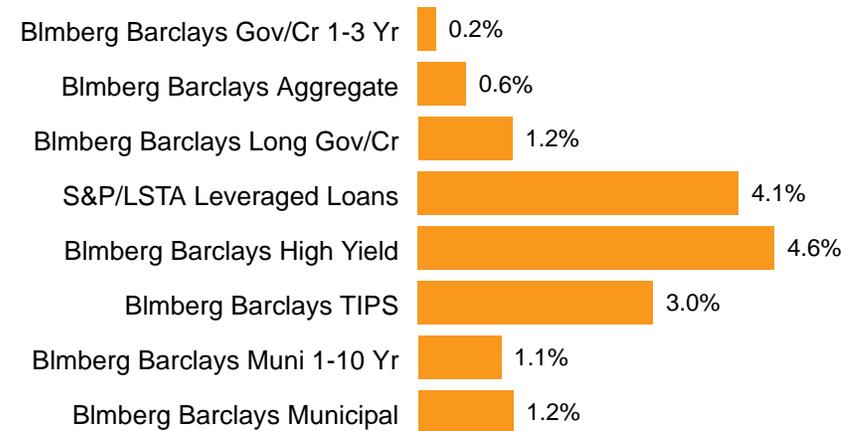
## Risk-on sentiment helped high yield and loans

- Non-investment grade sectors rallied, but remain roughly flat YTD.
- The high yield bond market also experienced high levels of net new issuance (over \$120 billion YTD).

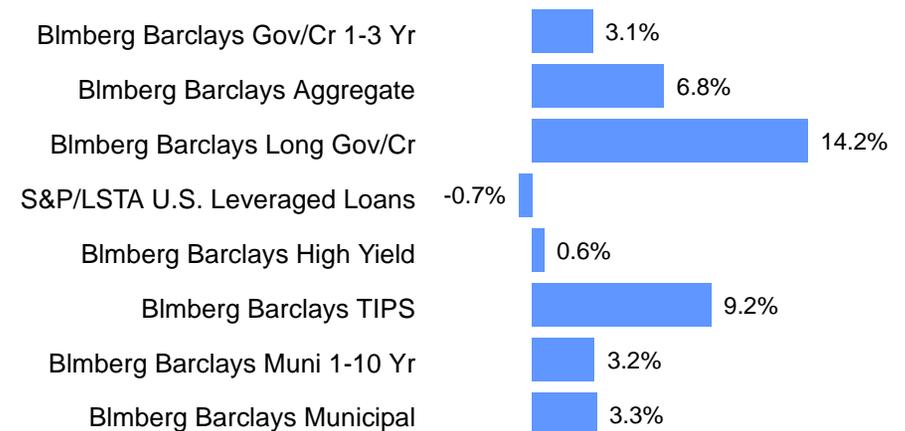
## Munis boosted by favorable supply/demand dynamics

- Robust demand and muted supply of tax-exempt municipals
- Issuance in taxable municipals sharply higher
- Tax revenues better than expected, but challenges remain and stimulus uncertain (but needed)

## U.S. Fixed Income: Quarterly Returns



## U.S. Fixed Income: Nine Month Returns



# Style Performance Ranking

Periods Ended September 30, 2020

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last Quarter	Year to Date	Last 10 Years	Last 20 Years
Barclays Agg	Barclays Agg	MSCI:EM Gross	S&P:Dev x US Sm Cap	MSCI:EM Gross	MSCI:EM Gross	MSCI:EM Gross	Barclays Agg	MSCI:EM Gross	Russell 2000	Barclays Agg	MSCI:EM Gross	Russell 2000	S&P 500	S&P:Dev x US Sm Cap	Russell 2000	MSCI:EM Gross	Barclays Agg	S&P 500	S&P:Dev x US Sm Cap	Barclays Agg	S&P:500	Russell:Midcap Index
8.43%	10.26%	56.28%	28.75%	34.54%	32.59%	39.78%	5.24%	79.02%	26.85%	7.84%	18.63%	38.82%	13.69%	5.92%	21.31%	37.75%	0.01%	31.49%	10.53%	6.79%	13.74%	8.25%
Bimbg:HY Corp	Bimbg:HY Corp	S&P:Dev x US Sm Cap	MSCI:EM Gross	S&P:Dev x US Sm Cap	S&P:Dev x US Sm Cap	MSCI EAFE	Bimbg:HY Corp	Bimbg:HY Corp	Russell Mid Cap Index	Bimbg:HY Corp	S&P:Dev x US Sm Cap	Russell Mid Cap Index	Russell Mid Cap Index	S&P 500	Bimbg:HY Corp	S&P:Dev x US Sm Cap	Bimbg:HY Corp	Russell Mid Cap Index	MSCI:EM Gross	S&P:500	Russell:Midcap Index	MSCI:EM Gross
5.28%	-1.37%	53.73%	25.95%	22.10%	29.43%	11.17%	-26.16%	58.21%	25.48%	4.98%	18.56%	34.76%	13.22%	1.38%	17.13%	32.38%	-2.08%	30.54%	9.70%	5.57%	11.76%	8.18%
Russell 2000	MSCI:EM Gross	Russell 2000	MSCI EAFE	MSCI EAFE	MSCI EAFE	S&P:Dev x US Sm Cap	Russell 2000	S&P:Dev x US Sm Cap	S&P:Dev x US Sm Cap	S&P 500	MSCI EAFE	S&P 500	Barclays Agg	Barclays Agg	Russell Mid Cap Index	MSCI EAFE	S&P 500	Russell 2000	S&P:500	Bimbg:HY Corp	Russell:2000 Index	S&P:Dev x US Sm Cap
2.49%	-6.00%	47.25%	20.25%	13.54%	26.34%	7.32%	-33.79%	45.07%	21.96%	2.11%	17.32%	32.39%	5.97%	0.55%	13.80%	25.03%	-4.38%	25.52%	8.93%	0.62%	9.85%	7.24%
MSCI:EM Gross	S&P:Dev x US Sm Cap	Russell Mid Cap Index	Russell Mid Cap Index	Russell Mid Cap Index	Russell 2000	Barclays Agg	S&P 500	Russell Mid Cap Index	MSCI:EM Gross	Russell Mid Cap Index	Russell Mid Cap Index	S&P:Dev x US Sm Cap	Russell 2000	MSCI EAFE	S&P 500	S&P 500	Russell Mid Cap Index	S&P:Dev x US Sm Cap	Russell:Midcap Index	MSCI:EM Gross	S&P:Dev x US Sm Cap	Bimbg:HY Corp
-2.37%	-7.28%	40.06%	20.22%	12.65%	18.37%	6.97%	-37.00%	40.48%	19.20%	-1.55%	17.28%	26.06%	4.89%	-0.81%	11.96%	21.83%	-9.06%	24.66%	7.46%	-0.91%	7.00%	7.21%
Russell Mid Cap Index	MSCI EAFE	MSCI EAFE	Russell 2000	S&P 500	S&P 500	Russell Mid Cap Index	Russell Mid Cap Index	MSCI EAFE	Bimbg:HY Corp	Russell 2000	Russell 2000	MSCI EAFE	Bimbg:HY Corp	Russell Mid Cap Index	MSCI:EM Gross	Russell Mid Cap Index	Russell 2000	MSCI EAFE	Russell:2000 Index	Russell:Midcap Index	Bimbg:HY Corp	Russell:2000 Index
-5.62%	-15.94%	38.59%	18.33%	4.91%	15.79%	5.60%	-41.46%	31.78%	15.12%	-4.18%	16.35%	22.78%	2.45%	-2.44%	11.60%	18.52%	-11.01%	22.01%	4.93%	-2.35%	6.47%	6.88%
S&P 500	Russell Mid Cap Index	Bimbg:HY Corp	Bimbg:HY Corp	Russell 2000	Russell Mid Cap Index	S&P 500	MSCI EAFE	Russell 2000	S&P 500	MSCI EAFE	S&P 500	Bimbg:HY Corp	MSCI:EM Gross	Russell 2000	S&P:Dev x US Sm Cap	Russell 2000	MSCI EAFE	MSCI:EM Gross	MSCI:EAFE	S&P:Dev x US Sm Cap	MSCI:EAFE	S&P:500
-11.89%	-16.19%	28.97%	11.13%	4.55%	15.26%	5.49%	-43.38%	27.17%	15.06%	-12.14%	16.00%	7.44%	-1.82%	-4.41%	3.78%	14.65%	-13.79%	18.90%	4.80%	-3.33%	4.62%	6.42%
S&P:Dev x US Sm Cap	Russell 2000	S&P 500	S&P 500	Bimbg:HY Corp	Bimbg:HY Corp	Bimbg:HY Corp	S&P:Dev x US Sm Cap	S&P 500	MSCI EAFE	S&P:Dev x US Sm Cap	Bimbg:HY Corp	Barclays Agg	S&P:Dev x US Sm Cap	Bimbg:HY Corp	Barclays Agg	Bimbg:HY Corp	MSCI:EM Gross	Bimbg:HY Corp	Bimbg:HY Corp	MSCI:EAFE	Barclays Agg	Barclays Agg
-15.70%	-20.48%	28.68%	10.88%	2.74%	11.85%	1.87%	-47.67%	26.47%	7.75%	-14.49%	15.81%	-2.02%	-3.42%	-4.47%	2.65%	7.50%	-14.24%	14.32%	4.60%	-7.09%	3.64%	5.01%
MSCI EAFE	S&P 500	Barclays Agg	Barclays Agg	Barclays Agg	Barclays Agg	Russell 2000	MSCI:EM Gross	Barclays Agg	Barclays Agg	MSCI:EM Gross	Barclays Agg	MSCI:EM Gross	MSCI EAFE	MSCI:EM Gross	MSCI EAFE	Barclays Agg	S&P:Dev x US Sm Cap	Barclays Agg	Barclays Agg	Russell:2000 Index	MSCI:EM Gross	MSCI:EAFE
-21.44%	-22.10%	4.10%	4.34%	2.43%	4.33%	-1.57%	-53.18%	5.93%	6.54%	-18.17%	4.21%	-2.27%	-4.90%	-14.60%	1.00%	3.54%	-18.41%	8.72%	0.62%	-8.69%	2.87%	3.58%

Source: Callan, Bloomberg



# CMT Executive Summary

## Executive Summary - 3Q 2020

### County & Municipal Government Capital Improvement Trust Fund As of 09/30/2020

Total Fund Assets		Quarter	1 Year	3 Years	5 Years	Since Inception
Current Assets:	\$524,083,380	4.98%	8.21%	6.41%	8.03%	6.04%
Total Fund Net Return						
Previous Quarter:	\$499,142,729	4.49%	7.87%	6.12%	7.94%	-
Target Benchmark*						

**Comments:** The total fund outperformed the benchmark for the quarter, one-, three-, and five-year periods. The Fund ranked in the 63rd percentile for the quarter, the 22nd percentile for the one-year period, the 28th percentile for the three-year period, and in the 36th percentile for the trailing five-year period in the Callan Endowment and Foundation - Mid peer group. Performance in the third quarter was a result of asset allocation contributing 18 bps and manager effect contributing 32 bps. The positive asset allocation in the quarter came from across the portfolio as overweights to large and small cap equity and underweights to domestic fixed income and real estate outweighed the negative effect from underweighting international equity. Within manager effect, outperformance in domestic fixed income was the primary driver of portfolio outperformance, with international equity providing a boost as well. For the one-year period, manager effect contributed 31 bps and asset allocation added 3 bps.

\*Current Target Benchmark: 35.0% Barclays Aggregate Index, 25.0% S&P 500 Index, 24.0% MSCI ACWI ex-US IMI Index, 9.0% NFI-ODCE Equal Weight Net Index and 7.0% Russell 2000 Index

#### Relative Attribution Effects for Quarter ended September 30, 2020

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity - Net	28%	25%	8.92%	8.93%	(0.00%)	0.11%	0.10%
Small Cap Equity - Net	8%	7%	4.93%	4.93%	(0.00%)	0.01%	0.00%
Domestic Fixed - Net	32%	35%	1.73%	0.62%	0.36%	0.08%	0.44%
Real Estate - Net	8%	9%	(1.73%)	0.37%	(0.17%)	0.03%	(0.14%)
Intl Equity - Net	23%	24%	7.38%	6.80%	0.13%	(0.03%)	0.10%
Cash Account - Net	0%	0%	0.01%	0.01%	0.00%	(0.01%)	(0.01%)
<b>Total</b>			<b>4.98%</b>	<b>4.49%</b>	<b>+ 0.32%</b>	<b>+ 0.18%</b>	<b>0.49%</b>

#### One Year Relative Attribution Effects

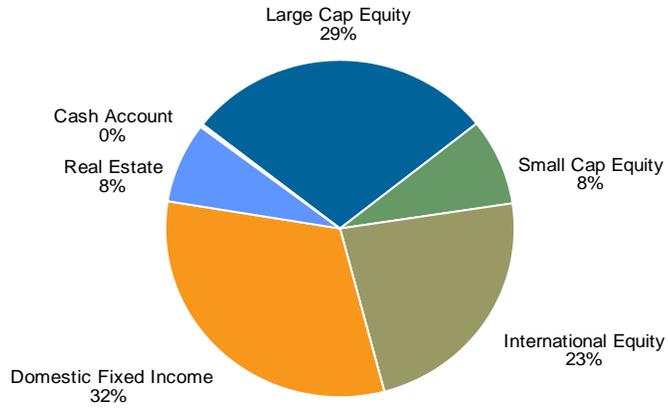
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity - Net	27%	25%	15.24%	15.15%	0.02%	0.11%	0.13%
Small Cap Equity - Net	8%	7%	7.48%	0.39%	0.51%	(0.05%)	0.46%
Domestic Fixed - Net	33%	35%	6.98%	6.98%	(0.20%)	(0.00%)	(0.20%)
Real Estate - Net	8%	9%	(3.18%)	0.89%	(0.36%)	(0.06%)	(0.43%)
Intl Equity - Net	23%	24%	4.93%	3.51%	0.34%	0.04%	0.38%
Cash Account - Net	0%	0%	0.76%	0.76%	0.00%	0.00%	0.00%
<b>Total</b>			<b>8.21%</b>	<b>7.87%</b>	<b>+ 0.31%</b>	<b>+ 0.03%</b>	<b>0.34%</b>

#### Five and Three-Quarter Year Annualized Relative Attribution Effects

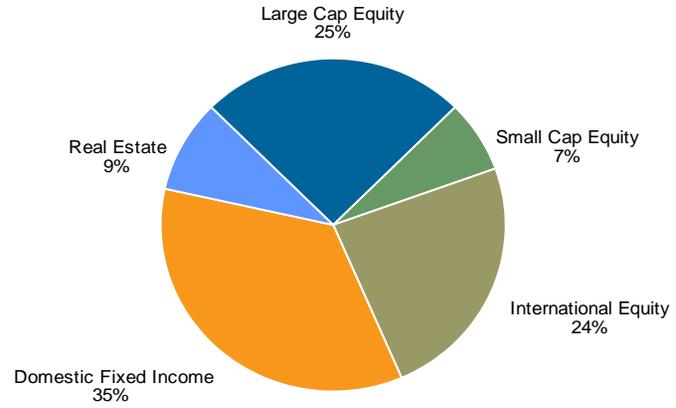
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity - Net	26%	25%	11.11%	11.14%	(0.01%)	0.03%	0.02%
Small Cap Equity - Net	8%	7%	9.45%	5.44%	0.29%	(0.04%)	0.25%
Domestic Fixed - Net	34%	35%	4.20%	3.82%	0.08%	(0.02%)	0.06%
Real Estate - Net	8%	9%	6.02%	7.14%	(0.09%)	(0.05%)	(0.14%)
Intl Equity - Net	24%	24%	3.77%	3.98%	(0.06%)	(0.02%)	(0.08%)
Cash Account - Net	0%	0%	0.92%	0.92%	0.00%	(0.02%)	(0.02%)
<b>Total</b>			<b>6.52%</b>	<b>6.43%</b>	<b>+ 0.22%</b>	<b>+ (0.12%)</b>	<b>0.10%</b>

# Executive Summary - 3Q 2020

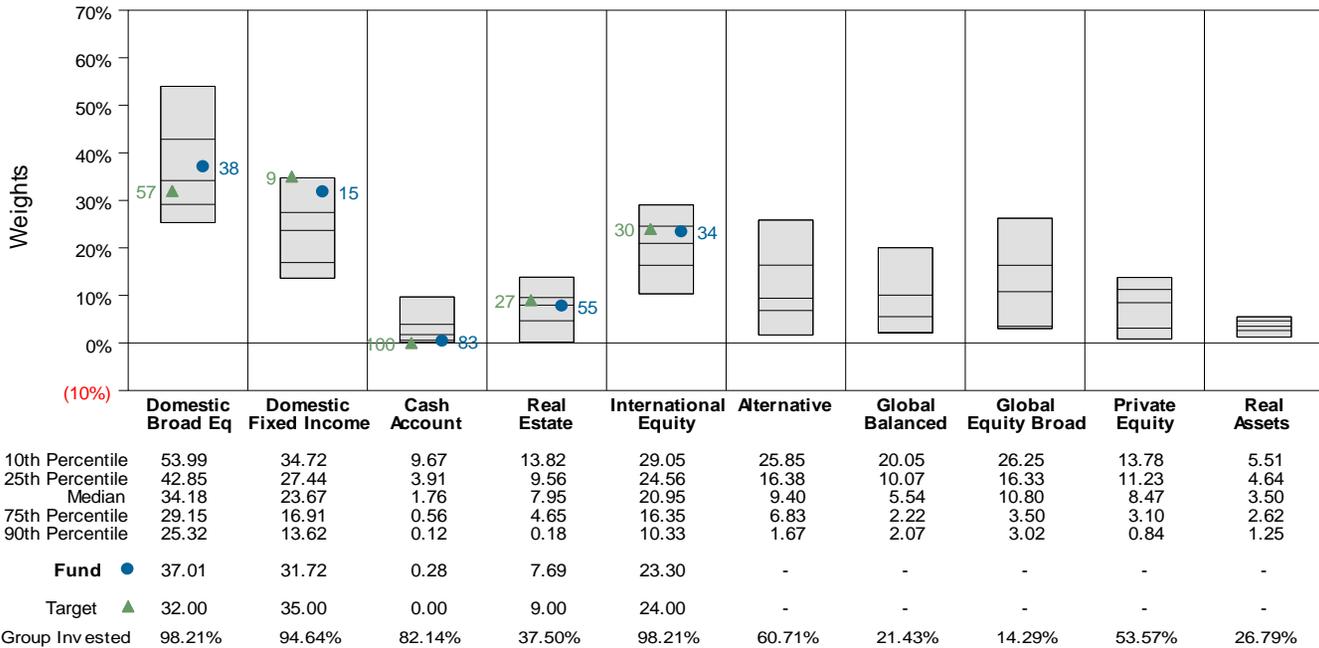
**Actual Asset Allocation**



**Target Asset Allocation**



**Asset Class Weights vs Callan Endow/Foundation - Mid (100M-1B)**



## Executive Summary - 3Q 2020

### Detailed Manager Review County & Municipal Government Capital Improvement Trust Fund Third Quarter 2020

Manager	Philosophy	Performance						Quarterly Review
<p><b>RSA Equity</b> Large Cap Core Fund</p> <p><b>Management Fee:</b> 1.5 bps of total assets</p>	<p>RSA manages this portfolio similar to that of the broader market as represented by the Standard &amp; Poor's 500 Index. Their objective is to match the total return of the S&amp;P 500 Index while minimizing tracking error.</p>	<b>Asset (\$M)</b>	<b>QTR</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<p>The fund returned 8.93% for the quarter and 15.26% over the past year. The fund tracks the index with a somewhat high level of tracking error compared to peers.</p>
		Fund	\$150.3	8.9%	15.3%	9.6%	12.3%	14.1%
		Benchmark		8.9%	15.2%	9.6%	12.3%	14.2%
		Peer Rank		52	1	56	21	71
		<b>Benchmark:</b> S&P 500 Index						
<p><b>Atlanta Capital</b> Small Cap Fund</p> <p><b>Management Fee:</b> 80 bps: First \$50M 70 bps: Thereafter</p>	<p>Atlanta believes that high quality Small Cap companies produce consistently increasing earnings and dividends, thereby providing attractive returns with moderate risk over the long-term.</p>	<b>Asset (\$M)</b>	<b>QTR</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<p>The fund returned 3.15% for the quarter, underperforming the index by 178 bps and ranking in the 67th percentile among Small Cap peers. Underperformance relative to the benchmark was largely driven by stock selection within the consumer discretionary and industrials sectors. The fund outperformed its benchmark and ranked above the peer group median over the trailing three- and five-year periods.</p>
		Fund	\$20.5	3.2%	(2.4%)	1.3%	8.3%	11.5%
		Benchmark		4.9%	0.4%	(4.4%)	1.8%	8.0%
		Peer Rank		67	48	31	28	29
		<b>Benchmark:</b> Russell 2000 Index						
<p><b>Wasatch Advisors</b> Small Cap Growth Fund</p> <p><b>Management Fee:</b> 85 bps: First \$50M 75 bps: Thereafter</p>	<p>Wasatch believes in long-term growth of capital through investments in a blend of stable, "Core" companies and more aggressive, "High Growth" holdings. The characteristics of "Core" companies include a minimum of 15% annual earnings growth, a stable demand for products and services, a sustainable competitive advantage and an ability to grow earnings despite economic concerns or market fluctuations. High growth company characteristics consist of annual earnings growth in excess of 25%, fast-growing industries, high operating margins, proprietary products, and the potential to become a market leader.</p>	<b>Asset (\$M)</b>	<b>QTR</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<p>The fund returned 6.98% for the quarter, underperforming the index by 18 bps and ranking in the 75th percentile among small cap growth peers. Weak stock selection within the industrials, financials, and consumer discretionary sectors detracted from relative performance. For the trailing year, the Fund returned 20.13% outperforming the benchmark by 442 bps and ranking in the 61st percentile among peers.</p>
		Fund	\$23.1	7.0%	20.1%	-	-	-
		Benchmark		7.2%	15.7%	-	-	-
		Peer Rank		75	61	-	-	-
		<b>Benchmark:</b> Russell 2000 Growth Index						

## Executive Summary - 3Q 2020

### Detailed Manager Review County & Municipal Government Capital Improvement Trust Fund Third Quarter 2020

Manager	Philosophy	Performance	Quarterly Review																												
<p style="text-align: center;"><b>Invesco</b> International Growth</p> <p><b>Management Fee:</b> 68 bps: First \$50M 51 bps: Next \$50M 42.5 bps: Thereafter</p>	<p>The Fund's investment process primarily focuses on bottom-up stock selection as opposed to top-down allocation decisions. When the team selects individual stocks for the portfolio they seek to identify those that offer attractive combinations of Earnings growth, Quality &amp; Valuation (EQV) characteristics. The EQV investment philosophy is built around the following core principles and beliefs: stock selection; active management (with generally low benchmark overlap and a benchmark agnostic approach); long-term focus (two-three year investment horizon); earnings; quality; and valuation.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Asset (\$M)</th> <th style="text-align: center;">QTR</th> <th style="text-align: center;">1 Year</th> <th style="text-align: center;">2 Years</th> <th style="text-align: center;">3 Years</th> <th style="text-align: center;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td style="text-align: center;">\$49.8</td> <td style="text-align: center;">8.9%</td> <td style="text-align: center;">6.8%</td> <td style="text-align: center;">6.2%</td> <td style="text-align: center;">3.9%</td> <td style="text-align: center;">7.0%</td> </tr> <tr> <td>Benchmark</td> <td></td> <td style="text-align: center;">4.8%</td> <td style="text-align: center;">0.5%</td> <td style="text-align: center;">(0.4%)</td> <td style="text-align: center;">0.6%</td> <td style="text-align: center;">5.3%</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td style="text-align: center;">64</td> <td style="text-align: center;">89</td> <td style="text-align: center;">62</td> <td style="text-align: center;">80</td> <td style="text-align: center;">87</td> </tr> </tbody> </table> <p><b>Benchmark:</b> MSCI EAFE Index</p>		Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$49.8	8.9%	6.8%	6.2%	3.9%	7.0%	Benchmark		4.8%	0.5%	(0.4%)	0.6%	5.3%	Peer Rank		64	89	62	80	87	<p>The fund returned 8.88% for the quarter, outperforming the benchmark by 408 bps and ranked in the 64th percentile among International Growth peers. Country selection and security selection across the portfolio aided relative returns. The fund outperformed the benchmark but ranked below the median peer over the trailing one-, three-, and five-year periods.</p>
	Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
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<p style="text-align: center;"><b>Thompson, Siegel &amp; Walmsley</b> International Value</p> <p><b>Management Fee:</b> 65 bps: First \$100M 50 bps: Thereafter</p>	<p>The Fund employs an investment philosophy based on concepts of fundamental value. TS&amp;W believes value investing wins over time. TS&amp;W's definition of value is a stock that is inexpensive on a cash flow basis where positive change is also underway. Independent fundamental research adds value. All stocks in TS&amp;W portfolios are internally generated ideas. Portfolio Managers seek to hold stocks where they have a divergent view from the market. It is imperative to manage risk/return tradeoffs. TS&amp;W constructs portfolios from the bottom-up using fundamental research on individual stocks. Each stock-specific return opportunity is evaluated in terms of the risk undertaken to realize it. TS&amp;W monitors and manages portfolio risk with a strong set of tools and controls.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Asset (\$M)</th> <th style="text-align: center;">QTR</th> <th style="text-align: center;">1 Year</th> <th style="text-align: center;">2 Years</th> <th style="text-align: center;">3 Years</th> <th style="text-align: center;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td style="text-align: center;">\$43.7</td> <td style="text-align: center;">5.5%</td> <td style="text-align: center;">0.8%</td> <td style="text-align: center;">(2.0%)</td> <td style="text-align: center;">(0.2%)</td> <td style="text-align: center;">4.6%</td> </tr> <tr> <td>Benchmark</td> <td></td> <td style="text-align: center;">4.8%</td> <td style="text-align: center;">0.5%</td> <td style="text-align: center;">(0.4%)</td> <td style="text-align: center;">0.6%</td> <td style="text-align: center;">5.3%</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td style="text-align: center;">27</td> <td style="text-align: center;">15</td> <td style="text-align: center;">16</td> <td style="text-align: center;">10</td> <td style="text-align: center;">20</td> </tr> </tbody> </table> <p><b>Benchmark:</b> MSCI EAFE Index</p>		Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$43.7	5.5%	0.8%	(2.0%)	(0.2%)	4.6%	Benchmark		4.8%	0.5%	(0.4%)	0.6%	5.3%	Peer Rank		27	15	16	10	20	<p>The fund returned 5.51% for the quarter, outperforming the benchmark by 71 bps and ranking in the 27th percentile among International Value Equity peers. Strong stock selection in the United Kingdom and within the information technology sector contributed the most to relative performance. The fund underperformed the benchmark but ranked in the top quartile relative to peers for the trailing three- and five-year periods. The fund outperformed the benchmark and ranked in the 15th percentile over the last year.</p>
	Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
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Peer Rank		27	15	16	10	20																									
<p style="text-align: center;"><b>Algert</b> International Small Cap</p> <p><b>Management Fee:</b> 80 bps of total assets</p>	<p>The Fund believes there are mispricing's in equity markets due to well-documented behavioral and cognitive biases. They seek to identify undervalued and overvalued stocks utilizing systematic models derived from fundamental data. Drawing on academic work in accounting and behavioral finance as well internal research, they combine these models with measures of sentiment to focus risk taking on mispricing's that they believe will be corrected during the holding period. Team members use a highly automated quantitative process to test and implement these ideas, allowing them to model and trade a broad universe of stocks.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Asset (\$M)</th> <th style="text-align: center;">QTR</th> <th style="text-align: center;">1 Year</th> <th style="text-align: center;">2 Years</th> <th style="text-align: center;">3 Years</th> <th style="text-align: center;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td style="text-align: center;">\$13.3</td> <td style="text-align: center;">10.9%</td> <td style="text-align: center;">9.1%</td> <td style="text-align: center;">(1.4%)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Benchmark</td> <td></td> <td style="text-align: center;">10.3%</td> <td style="text-align: center;">6.8%</td> <td style="text-align: center;">0.3%</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td style="text-align: center;">41</td> <td style="text-align: center;">40</td> <td style="text-align: center;">64</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p><b>Benchmark:</b> MSCI EAFE Small Cap Index</p>		Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$13.3	10.9%	9.1%	(1.4%)	-	-	Benchmark		10.3%	6.8%	0.3%	-	-	Peer Rank		41	40	64	-	-	<p>The fund returned 10.85% for the quarter, outperforming the benchmark by 60 bps and ranking in the 41st percentile among International Small Cap Equity peers. During the third quarter, stock selection across the portfolio as well as catalyst related exposures contributed to relative performance. For the trailing one-year period, the fund outperformed its benchmark and ranked above the median peer.</p>
	Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
Fund	\$13.3	10.9%	9.1%	(1.4%)	-	-																									
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## Executive Summary - 3Q 2020

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Manager	Philosophy	Performance						Quarterly Review	
<p><b>Wells Capital</b> Berkeley Street Emerging Markets Equity</p> <p><b>Management Fee:</b> 131 bps of total assets</p>	<p>The Fund applies a disciplined process of buying quality companies at compelling prices with the belief that this can provide investors with returns in excess of the benchmark index with controlled levels of risk.</p>	<b>Asset (\$M)</b>	<b>QTR</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<p>The fund returned 6.36% for the quarter, underperforming the Index by 320 bps and ranking in the 86th percentile among Emerging Markets Style peers. Weak stock selection in the consumer discretionary and consumer staples sectors detracted the most from relative performance. For the trailing one-, three-, and five-year periods, the fund outperformed the benchmark and ranked above the median peer.</p>	
		Fund	\$15.4	6.4%	13.2%	9.2%	4.0%	11.0%	
		Benchmark		9.6%	10.5%	4.1%	2.4%	9.0%	
		Peer Rank		86	34	30	28	32	
		<b>Benchmark:</b> MSCI Emerging Markets Index							
<p><b>FIAM (Pyramis)</b> Core Bond Plus Fund</p> <p><b>Management Fee:</b> 22.5 bps: First \$100M 16 bps: Next \$150M 15 bps: Next \$250M 12 bps: Thereafter</p>	<p>The Core Plus strategy is designed to provide value-added performance by adhering to the following principles: team structure that facilitates multi-dimensional investment perspectives resulting in broader and higher quality idea generation; fundamental, research-based strategies, issuer and sector valuation, and individual security selection; consideration of top-down, macro views; independent quantitative understanding of all benchmark and portfolio risk and return characteristics, with an explicit understanding of all active exposures relative to the investment benchmark; and de-emphasis on interest rate anticipation.</p>	<b>(\$M)</b>	<b>QTR</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<p>The fund returned 1.86% for the quarter, outperforming the Index by 124 bps and ranking in the 39th percentile among Core Bond Plus peers. Security selection within investment grade corporates aided relative returns, as did underweighting U.S. Treasuries. The fund outperformed the benchmark and ranked above median peer over the trailing five-year period.</p>	
		Fund	\$85.3	1.9%	6.7%	8.7%	5.6%	5.5%	
		Benchmark		0.6%	7.0%	8.6%	5.2%	4.2%	
		Peer Rank		39	76	71	66	24	
		<b>Benchmark:</b> Bloomberg Barclays Aggregate Index							
<p><b>Manulife Asset Management</b> Core Bond Plus Fund</p> <p><b>Management Fee:</b> 25 bps: First \$50M 21 bps: Next \$50M 19 bps: Thereafter</p>	<p>The Core Plus Fixed Income investment team seeks to add value by anticipating shifts in the business cycle and moderating risk relative to the direction of interest rates. They capitalize on these shifts by using a research-driven process to identify attractive sectors as well as mispriced securities within those sectors.</p>	<b>(\$M)</b>	<b>QTR</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<p>The fund returned 1.70% for the quarter, outperforming the Index by 108 bps and ranking in the 52nd percentile among Core Bond Plus peers. An overweight position in investment-grade corporate bonds and an out-of-index position in high-yield corporate bonds added the most value. For the one-year period, the fund outperformed the benchmark and ranked above the median peer in the 45th percentile.</p>	
		Fund	\$80.9	1.7%	7.8%	9.3%	-	-	
		Benchmark		0.6%	7.0%	8.6%	-	-	
		Peer Rank		52	45	38	-	-	
		<b>Benchmark:</b> Bloomberg Barclays Aggregate Index							
<p><b>Heitman</b> Real Estate</p> <p><b>Management Fee:</b> 110 bps: First \$10M 100 bps: Next \$15M 90 bps: Next \$25M 80 bps: Next \$50M 70 bps: Thereafter</p>	<p>The Fund seeks to deliver to its investors a combination of current income return and moderate appreciation. In acquiring individual assets for HART, Heitman adheres to the following principles: Buy in major markets and build a portfolio that is diversified by property type, economic exposure and geography. Buy assets with strong site attributes, such as proximity to amenities, complementary land uses and transportation networks. Buy well-constructed assets with features that will continue to appeal to tenants over long periods of time.</p>	<b>(\$M)</b>	<b>QTR</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<p>The fund returned -1.73% for the quarter, underperforming the benchmark by 210 bps and ranking in the 91st percentile among Open-End Real Estate Style peers. The fund underperformed the Index for the trailing one-, three- and five-year periods and ranked below the median peer.</p>	
		Fund	\$40.3	(1.7%)	(3.2%)	0.1%	2.6%	5.2%	
		Benchmark		0.4%	0.9%	3.1%	4.6%	6.1%	
		Peer Rank		91	89	92	90	68	
		<b>Benchmark:</b> NFI-ODCE Equal Weight Net Index							

## Executive Summary - 3Q 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 17 Years
<b>Domestic Equity</b>					
Gross	8.05%	13.72%	11.89%	13.79%	-
Net	8.00%	13.49%	11.69%	13.60%	-
Domestic Equity Benchmark	8.05%	11.89%	9.98%	12.86%	-
Russell 3000 Index	9.21%	15.00%	11.65%	13.69%	9.74%
<b>Large Cap</b>					
Gross	8.93%	15.26%	12.33%	14.13%	-
Net	8.92%	15.24%	12.31%	14.11%	-
S&P 500 Index	8.93%	15.15%	12.28%	14.15%	9.64%
RSA Equity - Gross	8.93%	15.26%	12.33%	14.13%	-
RSA Equity - Net	8.92%	15.24%	12.31%	14.11%	-
S&P 500 Index	8.93%	15.15%	12.28%	14.15%	9.64%
<b>Small Cap</b>					
Gross	5.15%	8.37%	10.33%	12.58%	-
Net	4.93%	7.48%	9.52%	11.79%	-
Russell 2000 Index	4.93%	0.39%	1.77%	8.00%	8.31%
Atlanta Capital - Gross	3.15%	(2.41%)	8.32%	11.50%	-
Atlanta Capital - Net	2.95%	(3.19%)	7.46%	10.62%	-
Russell 2000 Index	4.93%	0.39%	1.77%	8.00%	8.31%
Wasatch Advisors - Gross	6.98%	20.14%	-	-	-
Wasatch Advisors - Net	6.75%	19.13%	-	-	-
Russell 2000 Growth Index	7.16%	15.71%	8.18%	11.42%	9.59%
<b>International Equity</b>					
Gross	7.54%	5.56%	1.84%	6.19%	-
Net	7.38%	4.93%	1.25%	5.61%	-
International Equity Benchmark	6.80%	3.51%	1.13%	6.31%	-
<b>Intl Large Cap</b>					
Invesco - Gross	8.88%	6.84%	3.89%	7.00%	-
Invesco - Net	8.70%	6.12%	3.19%	6.28%	-
MSCI EAFE Index	4.80%	0.49%	0.62%	5.26%	5.92%
Thompson, Siegel - Gross	5.51%	0.84%	(0.22%)	4.55%	-
Thompson, Siegel - Net	5.34%	0.18%	(0.86%)	3.88%	-
MSCI EAFE Index	4.80%	0.49%	0.62%	5.26%	5.92%
<b>Intl Small Cap</b>					
Algert Intl Small Cap Fd - Gross	10.85%	9.12%	-	-	-
Algert Intl Small Cap Fd - Net	10.63%	8.25%	-	-	-
MSCI EAFE Small Cap	10.25%	6.84%	1.40%	7.37%	8.38%
<b>Emerging Markets</b>					
Wells Fargo Emerging Markets**	6.36%	13.15%	4.03%	11.01%	-
Emerging Mkts - Net	9.56%	10.54%	2.42%	8.97%	8.98%
<b>Domestic Fixed Income</b>					
Gross	1.78%	7.22%	5.69%	5.01%	4.67%
Net	1.73%	6.98%	5.46%	4.81%	-
Domestic Fixed Income Benchmark	0.62%	6.98%	5.24%	4.18%	-
FIAM - Gross	1.86%	6.70%	5.56%	5.45%	-
FIAM - Net	1.80%	6.46%	5.32%	5.21%	-
Bimbg Aggregate	0.62%	6.98%	5.24%	4.18%	4.34%
Manulife Asset Mgmt. - Gross	1.70%	7.78%	-	-	-
Manulife Asset Mgmt. - Net	1.65%	7.52%	-	-	-
Bimbg Aggregate	0.62%	6.98%	5.24%	4.18%	4.34%
<b>Real Estate</b>					
Heitman***	(1.73%)	(3.18%)	2.60%	5.23%	-
NFI-ODCE Equal Weight Net	(1.73%)	(3.18%)	2.60%	5.23%	-
NFI-ODCE Equal Weight Net	0.37%	0.89%	4.64%	6.09%	6.60%
<b>Total Fund</b>					
Gross	5.05%	8.52%	6.70%	8.30%	6.04%
Net	4.98%	8.21%	6.41%	8.03%	-
Total Fund Target*	4.49%	7.87%	6.12%	7.94%	-