

Investment Performance Review  
Period Ending December 31, 2020

# The Woodlands Firefighters' Retirement System

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As we start this new year, and on behalf of our entire AndCo family, Thank You for the opportunity to continue to serve you! I'm sure most of us are ready to turn the page on 2020 and all of the unique "firsts" we had to deal with – social distancing, masks, quarantining, and virtual meetings just to name a few. While 2020 definitely introduced new features into our daily routines, one constant remained the same at AndCo, our unwavering commitment to serve you within a model that is independent, singularly focused, customized, and passionately delivered. We take our role as your consultant and trusted advisor earnestly and will continue to work hard to maintain your trust and confidence in this unique and dynamic time. We are honored and privileged you have chosen AndCo as your consultant and we wanted to provide a brief update on the firm.

As we start 2021, we are 91 team members strong advising approximately \$100 billion in client assets – both around record highs. All departments within AndCo have grown over the years as we thoughtfully invest in our firm to provide the services you expect and we demand from our team.

Looking back at 2020, it represented another year of significant investment in the organization. We made personnel and technology investments within consulting, research, client solutions, compliance, finance, IT and marketing. We created an intranet for our team members to efficiently and effectively stay connected within the organization to collectively serve you, our valued clients, and our team members better. We continued enhancing our research team with two new hires in the department who have significant experience and tailored skillsets in certain asset classes. We added additional management within our client solutions department to provide more support and structure to the team. We also restructured our marketing department to enhance the quality of our deliverables and further promote the AndCo brand. While 2020 was a busy year for AndCo in terms of reinvesting and enhancing our structure, please know we are not done. We are strong believers that if you are not evolving, adapting and moving forward, you will get left behind. In the service business, that would mean our clients would not get the service they expect or deserve and that does not work for AndCo. As we budget for 2021 and continue to reinvest in our organization, you'll likely see additional hires made firmwide along with continued investments in technologies. All of these efforts are to better serve you!

Every January our firm hosts our firmwide retreat in Central Florida. It is a great time for everyone in the firm to spend time with one another. Along with this valuable time together we also review how the firm did strategically the previous year, renew our goals and initiatives for the upcoming year, and conduct activities and discussions to strengthen our culture. Due to the pandemic, we did not hold our firmwide retreat in person this year.

However, we did utilize our new intranet to provide a series of virtual firm updates where we covered many of the topics we normally present in person. While we cannot replace being physically together for several days, we were thrilled to have a virtual venue to provide this valuable information to our team and demonstrate new ways for us to stay connected during this unique time.

At the beginning of each year we also discuss the AndCo partnership, and when earned, announce new partners. This year I am happy to report two new team members made partner at AndCo - Jacob Peacock and Dan Osika. Jacob has been with the firm for almost 9 years and is currently a Consulting Director. Dan has been with AndCo for 6 years and has held multiple roles at the firm. Today Dan serves as a Marketing Consultant in our marketing department. We are extremely happy for both Jacob and Dan and are very lucky to have them as valuable team members. With the additions of Jacob and Dan, we now have 11 partners at AndCo with the majority of departments represented. We are looking to create a multigeneration employee-owned and employee-managed organization with our equity program. This will allow us to protect our mission, vision and values going forward as well as our commitment to serve you the best we possibly can.

In closing, our name, AndCo, reminds us who we work for every day - "Our Client" &Co. You, our clients, will always be our first priority. As we continue to discuss strategic decisions and reinvestments regarding our firm, please know that our decisions are filtered through the following question: "How does this benefit our clients?" If it doesn't benefit you, we don't do it, it's that simple. We said this last year and we'll say it again next year. If this commitment ever falters, you need to find a new consultant.

We know that each of our clients is facing many challenges and we will be there to help support you through all environments. We are honored and humbled that you have chosen AndCo as your partner. We do not take that relationship for granted and will continue to work tirelessly to exceed your expectations.

Thank you again for your valued partnership and the opportunity to serve you. Happy New Year!



Mike Welker, CFA  
CEO

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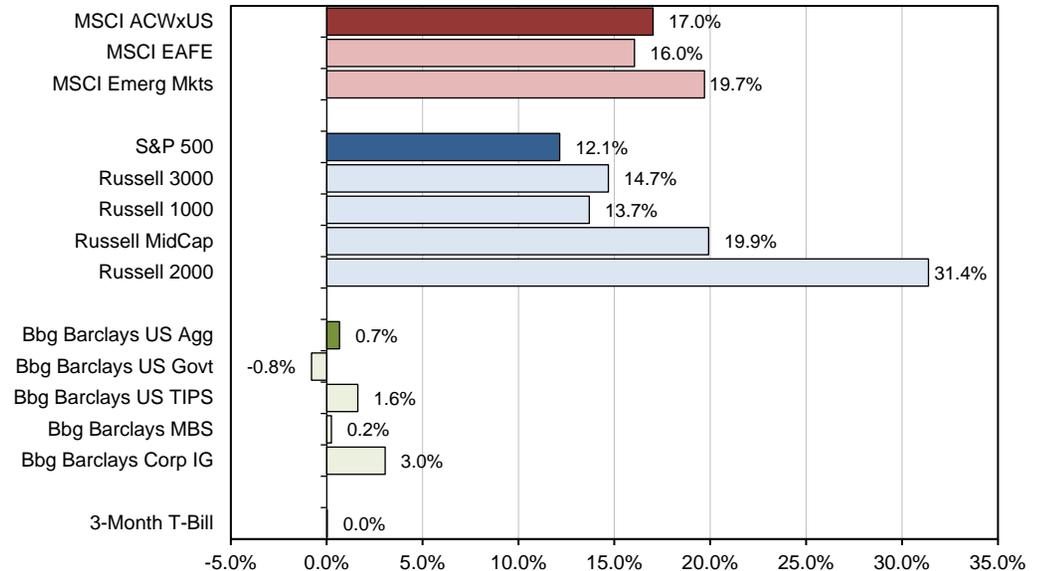


## 4th Quarter 2020 Market Environment

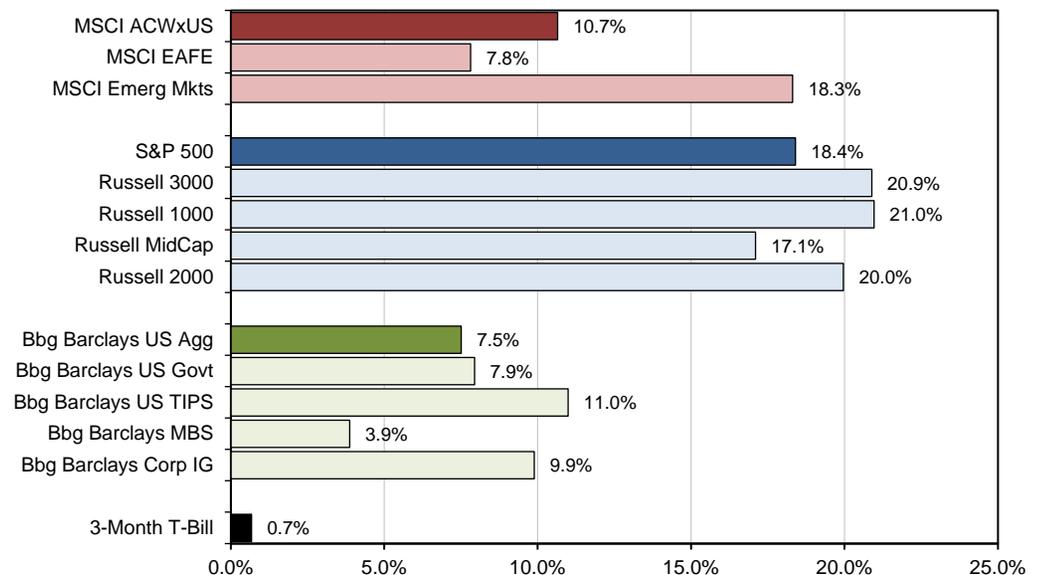


- Investment market index returns were broadly positive during the 4<sup>th</sup> quarter of 2020 except for the US Government bond benchmark. Performance during the period was largely driven by expectations related to the rollout of vaccines to treat the pandemic, the resolution of the US Presidential election, and the potential for additional government stimulus. Within domestic equity markets, there was a reversal in a recent trend with small cap stocks outperforming large cap issues. The Russell 2000 returned 31.4% compared to a 12.1% return for the S&P 500. This was the small cap benchmark's single strongest quarterly return since its inception in 1979. US equity markets ended 2020 with robust positive performance despite continued uncertainty associated with pandemic and slower than expected vaccine rollouts. For the full year, performance for domestic equities was strong across the capitalization spectrum with large cap stocks returning 18.4%, mid-caps 17.1%, and small caps 20.0%.
- Similar to domestic stocks, international equity returns were strong during the 4<sup>th</sup> quarter of 2020. International markets also benefited from the release of vaccines in addition to monetary policy relief from the European Central Bank. International returns were also amplified by a weakening US dollar which continued its decline against most major currencies. Emerging markets outperformed developed markets for the period with the MSCI Emerging Markets Index returning 19.7% compared to a return of 16.0% for the MSCI EAFE Index. Developed markets posted a modest return of 7.8% over the 1-year period while emerging markets returned a stronger 18.3%.
- Fixed income index performance was disparate during the 4<sup>th</sup> quarter. Corporate bonds performed well during the period as evidenced by the 3.0% return of the Bloomberg Barclays Corporate Investment Grade Index. In contrast, the Bloomberg Barclays US Government Bond Index returned -0.8% and was negatively affected by rising US interest rates. TIPS continued to outpace nominal bonds over concerns about rising US inflation and posted a return of 1.6% for the period. For the year, bonds posted solid returns across most sectors led by TIPS and Corporate bonds which returned 11.0% and 9.9%, respectively. For the year, the benchmark Bloomberg Barclays US Aggregate Bond Index returned a solid 7.5%.

### Quarter Performance



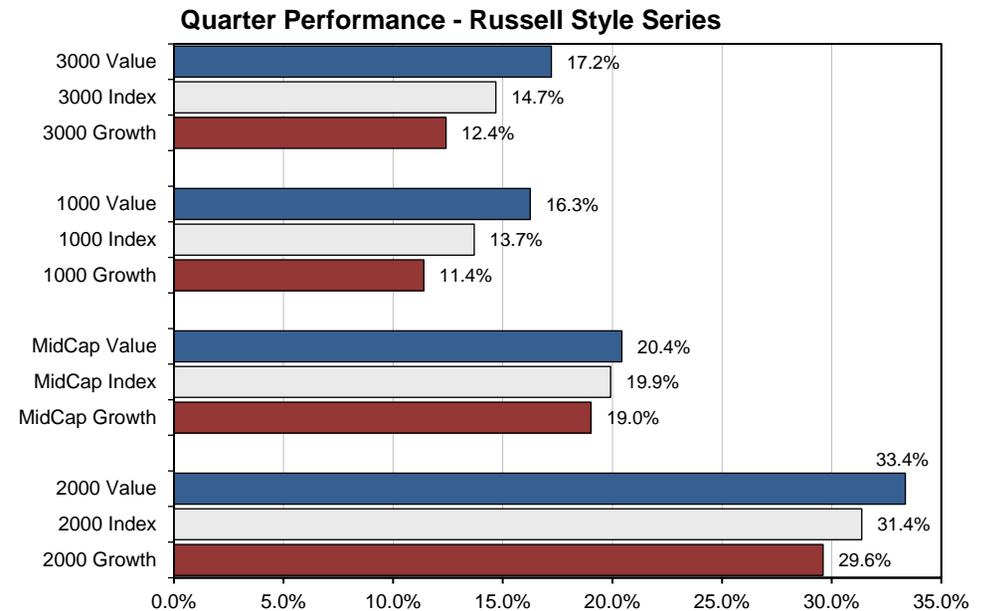
### 1-Year Performance



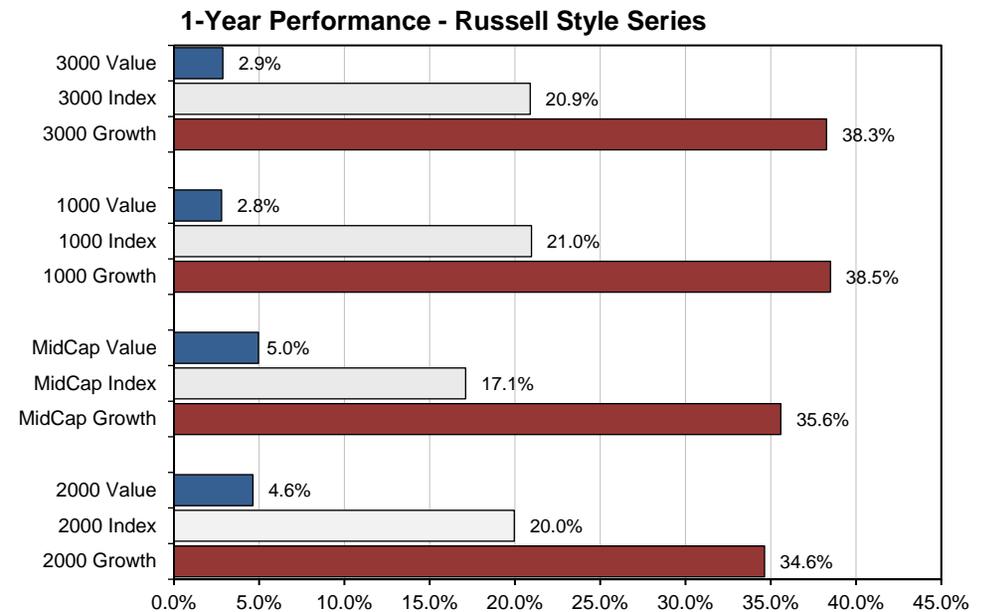
Source: Investment Metrics



- Despite 2020 experiencing one of the most dramatic drawdowns in history, US equities managed to recover all of their losses and closed the year delivering three straight quarters of strong gains across the capitalization and style spectrum. During the 4<sup>th</sup> quarter, value stocks reversed the recent trend and outperformed growth stocks across the full capitalization spectrum. It is important to note, value indexes contain large exposures to sectors like energy and financials which performed well during the 4<sup>th</sup> quarter. For the period, the Russell 2000 Value Index was the best performing style index with a return of 33.4% (also a record for the index). This performance was followed by mid and large cap value index returns of 20.4% and 16.3%, respectively. While slightly lower relative to their value counterparts, growth style benchmarks were also strong for the quarter with the small cap growth index returning 29.6% while mid and large cap growth stocks posted returns of 19.0% and 11.4%, respectively.



- Despite the 4<sup>th</sup> quarter's trend reversal, for the full year, growth-oriented stocks significantly outperformed value stocks across all market capitalizations with each growth benchmark posting returns in excess of 30.0%. The widest performance dispersion between growth and value for the year was in the large cap space with the Russell 1000 Growth Index returning 38.5%, which outpaced the large cap value benchmark by more than 35.0%. A combination of factors drove the performance of growth stocks during the year including investors seeking companies with the ability to growth revenues, structural shifts in the economy related to technologies, and momentum.

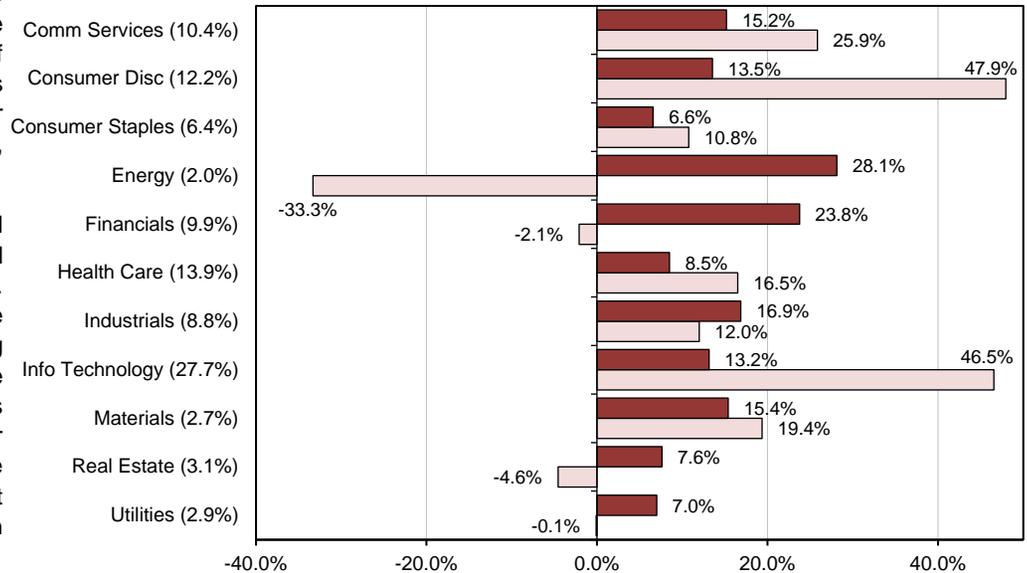


Source: Investment Metrics

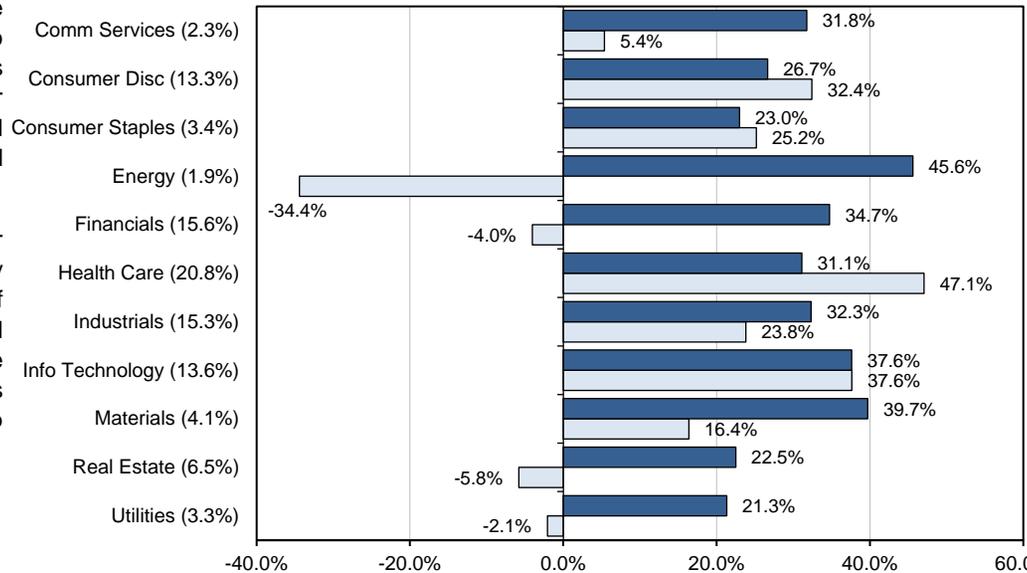


- Sector performance was positive across all eleven large cap economic sectors for the 4<sup>th</sup> quarter. However, only five sectors outpaced the return of the broader Russell 1000 Index. The positive news surrounding the release of COVID-19 vaccines provided the catalyst for cyclical sectors to rebound as expectations for economic growth improved. The best performing sectors for the quarter were energy, financials, and industrials with returns of 28.1%, 23.8%, and 16.9%, respectively.
- Over the trailing 1-year period, seven of the eleven large cap sectors produced positive results. Performance was led by the consumer discretionary and technology sectors which delivered returns of 47.9% and 46.5%, respectively. In a sign of narrow leadership, only three of the eleven sectors exceeded the return of the broad benchmark over the full year. In contrast to the strong positive performance in some sectors, four sectors that disappointed for the year were energy (-33.3%), real estate (-4.6%), financials (-2.1%), and utilities (-0.1%). The significant drawdown in energy prices earlier in the year combined with declining commercial real estate prices put downward pressure on these sectors. Finally, the staggering dispersion between the best performing (consumer discretionary) and worst-performing (energy) sectors in the large cap benchmark was in excess of 81.0% for the year.
- Quarterly results for small cap sectors were higher than their respective large capitalization counterparts. All eleven sectors posted positive returns for the period with six of eleven outpacing the Russell 2000 Index return. Similar to large caps, economically sensitive sectors such as energy (45.6%), materials (39.7%), technology (37.6%), and financials (34.7%) drove results. Sector performance was largely attributable to rising commodity prices, a continued decline in the US dollar, and expectations that global economic growth would accelerate following the rollout of vaccines.
- Over the trailing 1-year period, despite the strong broad market results, sector returns were more mixed. Negative sector performance was realized in energy (-34.4%), real estate (-5.8%), financials (-4.0%), and utilities (-2.1%). Much of the year's negative results were seen following the drawdown experienced during the 1<sup>st</sup> quarter in the initial reaction to the pandemic. In contrast, the healthcare sector delivered strong results (47.1%) for the period as investors looked for opportunities to invest in companies with the potential to develop therapeutics and treatments for COVID-19.

**Russell 1000** ■ Quarter □ 1-Year



**Russell 2000** ■ Quarter □ 1-Year



Source: Morningstar Direct  
 As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of December 31, 2020

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.03%	14.8%	82.3%	Information Technology
Microsoft Corp	4.69%	6.0%	42.5%	Information Technology
Amazon.com Inc	3.89%	3.4%	76.3%	Consumer Discretionary
Facebook Inc A	1.85%	4.3%	33.1%	Communication Services
Tesla Inc	1.50%	64.5%	743.4%	Consumer Discretionary
Alphabet Inc A	1.48%	19.6%	30.9%	Communication Services
Alphabet Inc Class C	1.43%	19.2%	31.0%	Communication Services
Berkshire Hathaway Inc Class B	1.23%	8.9%	2.4%	Financials
Johnson & Johnson	1.17%	6.5%	10.9%	Health Care
JPMorgan Chase & Co	1.08%	33.2%	-5.5%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Nordstrom Inc	0.01%	161.8%	-22.7%	Consumer Discretionary
Coty Inc Class A	0.01%	160.0%	-36.9%	Consumer Staples
Lemonade Inc Ordinary Shares	0.00%	146.4%	N/A	Financials
Capri Holdings Ltd	0.02%	133.3%	10.1%	Consumer Discretionary
Kohl's Corp	0.02%	119.6%	-16.8%	Consumer Discretionary
Enphase Energy Inc	0.05%	112.5%	571.5%	Information Technology
Spirit AeroSystems Hldgs Inc Class A	0.01%	106.8%	-46.3%	Industrials
Olin Corp	0.01%	100.3%	50.6%	Materials
Tapestry Inc	0.02%	98.8%	17.0%	Consumer Discretionary
Eaton Vance Corp	0.02%	90.9%	60.5%	Financials

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Zoom Video Communications Inc	0.16%	-28.2%	395.8%	Information Technology
SolarWinds Corp Ordinary Shares	0.00%	-26.5%	-19.4%	Information Technology
Beyond Meat Inc	0.02%	-24.7%	65.3%	Consumer Staples
BigCommerce Hldgs Inc Ord. Series 1	0.00%	-23.0%	N/A	Information Technology
Wayfair Inc Class A	0.04%	-22.4%	149.9%	Consumer Discretionary
Global Blood Therapeutics Inc	0.01%	-21.5%	-45.5%	Health Care
Vroom Inc Ordinary Shares	0.00%	-20.9%	N/A	Consumer Discretionary
Jamf Holding Corp Ordinary Shares	0.00%	-20.4%	N/A	Information Technology
bluebird bio Inc	0.01%	-19.8%	-50.7%	Health Care
Quidel Corp	0.02%	-18.1%	139.4%	Health Care

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Penn National Gaming Inc	0.54%	18.8%	237.9%	Consumer Discretionary
Caesars Entertainment Inc	0.54%	32.5%	24.5%	Consumer Discretionary
Plug Power Inc	0.51%	152.9%	973.1%	Industrials
Sunrun Inc	0.42%	-10.0%	402.4%	Industrials
Mirati Therapeutics Inc	0.38%	32.3%	70.4%	Health Care
Darling Ingredients Inc	0.37%	60.1%	105.4%	Consumer Staples
Ultragenyx Pharmaceutical Inc	0.35%	68.4%	224.1%	Health Care
Deckers Outdoor Corp	0.32%	30.3%	69.8%	Consumer Discretionary
II-VI Inc	0.31%	87.3%	125.6%	Information Technology
Arrowhead Pharmaceuticals Inc	0.31%	78.2%	21.0%	Health Care

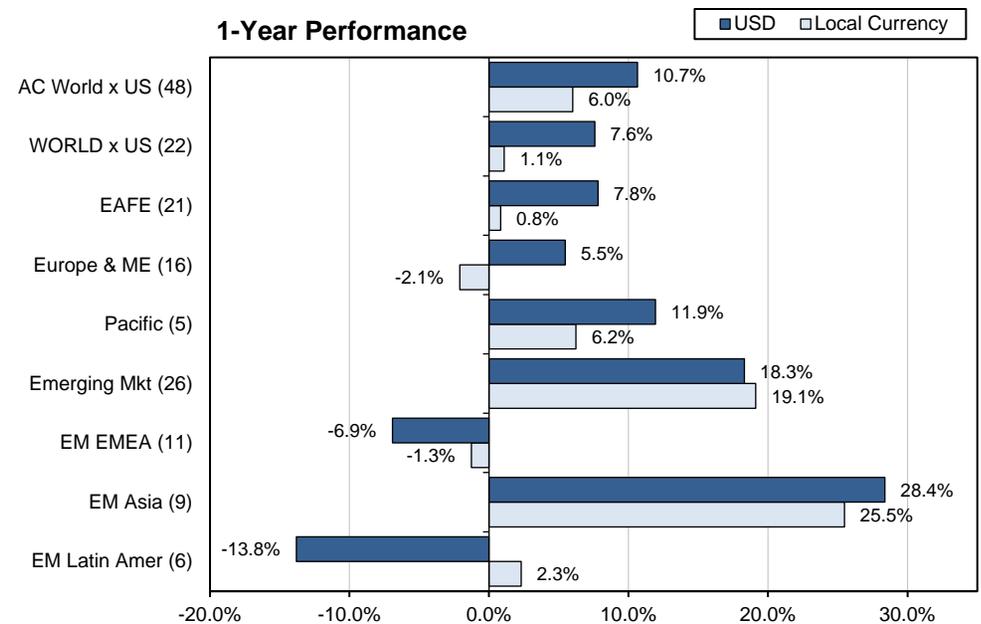
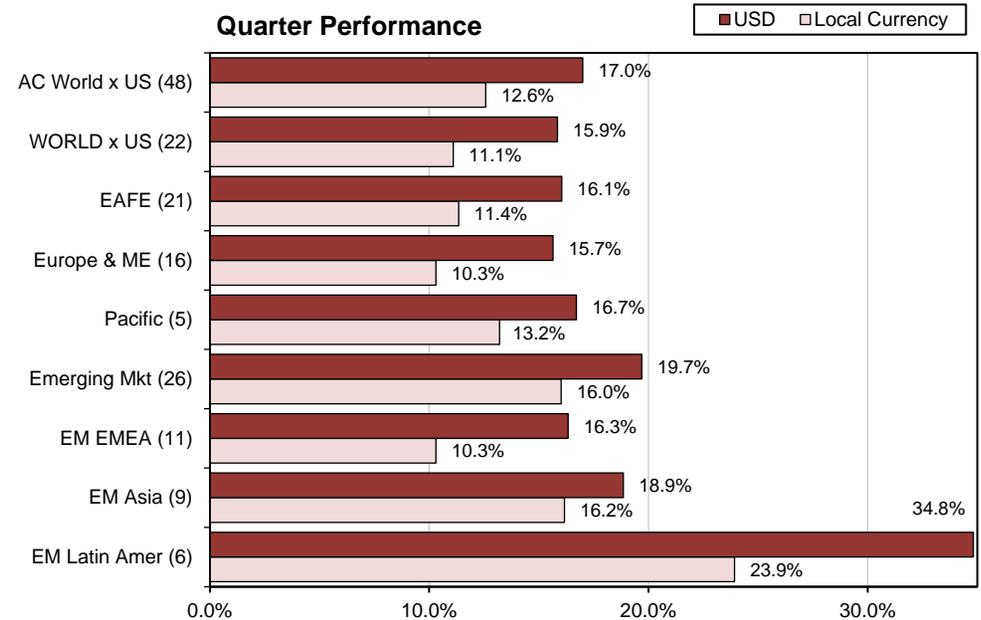
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
FuelCell Energy Inc	0.13%	422.0%	345.0%	Industrials
Silvergate Capital Corp Class A	0.05%	416.0%	367.1%	Financials
Magnite Inc	0.13%	342.2%	276.3%	Consumer Discretionary
SM Energy Co	0.03%	287.3%	-44.9%	Energy
Solid Biosciences Inc	0.01%	273.4%	70.3%	Health Care
Five Prime Therapeutics Inc	0.02%	261.9%	270.6%	Health Care
Arvinas Inc	0.12%	259.7%	106.7%	Health Care
Beam Therapeutics Inc	0.13%	231.6%	N/A	Health Care
Veru Inc	0.02%	230.2%	158.2%	Consumer Staples
Clean Energy Fuels Corp	0.04%	216.9%	235.9%	Energy

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Aprea Therapeutics Inc	0.00%	-79.6%	-89.3%	Health Care
Brainstorm Cell Therapeutics Inc	0.00%	-73.3%	5.7%	Health Care
Catabasis Pharmaceuticals Inc	0.00%	-65.4%	-63.8%	Health Care
Assembly Biosciences Inc	0.01%	-63.2%	-70.4%	Health Care
Ovid Therapeutics Inc	0.00%	-59.8%	-44.3%	Health Care
AMC Entertainment Hldgs Inc Class A	0.01%	-55.0%	-70.5%	Communication Services
Aytu BioScience Inc	0.00%	-49.7%	-38.5%	Health Care
Cyclerion Therapeutics Inc Ord. Shrs.	0.00%	-49.7%	12.5%	Health Care
iBio Inc	0.01%	-48.3%	321.7%	Health Care
Vaxcyte Inc Ordinary Shares	0.02%	-46.2%	N/A	Health Care

Source: Morningstar Direct



- Broad international equity returns were positive in both local currency and USD terms for the 4<sup>th</sup> quarter. Much like US equity markets, the international markets were positively impacted by the announcement and release of COVID-19 vaccines and benefited from additional monetary stimulus. The US dollar continued its year-to-date decline against most major currencies through the period which acted as a tailwind for US investor returns.
- For the 4<sup>th</sup> quarter, developed market equities were positive in both USD and local currency terms with the MSCI EAFE Index returning 16.1% and 11.4%, respectively. Despite several European countries reporting rising infection rates, expectations for continued economic growth and continued coordinated central bank policies, drove markets higher. In particular, the European Union approved a 1.8 trillion-euro financial package while the European Central Bank increased its asset purchases from 500 billion euros to 1.85 trillion euros with the goal of providing support to the markets and stimulating growth.
- Relative to developed markets, emerging markets significantly outperformed during the quarter as investors anticipated future economic growth would benefit companies in these markets. The MSCI Emerging Market Index returned 19.7% in USD and 16.0% in local currency terms. The relative outperformance in emerging markets was largely driven by Latin American countries, specifically Colombia, which posted an outsized return of 48.7% during the quarter. The recovery in oil prices also contributed to the region's outperformance as several Latin American countries (Brazil, Mexico, and Columbia) are highly sensitive to commodity price fluctuations.
- The trailing 1-year returns for international developed market equities were broadly positive across regions and currencies. Returns were higher in US dollar terms as the currency weakened against most major developed market currencies on concerns surrounding monetary stimulus, growth in the US debt, and uncertainty regarding the contested US election. For the period, the MSCI EAFE Index returned 7.8% in US dollar terms and 0.8% in local currency terms.
- During the trailing 1-year period, emerging markets posted strong returns in both US dollar and local currency terms. The MSCI Emerging Markets Index rose 18.3% in US dollar and 19.1% in local currency terms. Within the index, Asian countries outperformed as evidenced by the EM Asia component, which rose 28.4% US dollar terms. These countries have excelled in containing the pandemic which has led to faster local recoveries.



Source: MSCI Global Index Monitor (Returns are Net)



**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of December 31, 2020

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.2%	16.4%	12.6%
Consumer Discretionary	12.5%	22.4%	15.8%
Consumer Staples	10.9%	6.9%	5.7%
Energy	3.1%	31.2%	-27.5%
Financials	16.3%	25.4%	-3.9%
Health Care	12.9%	4.0%	11.4%
Industrials	15.2%	15.8%	10.9%
Information Technology	8.9%	16.9%	28.4%
Materials	7.9%	20.1%	20.6%
Real Estate	3.1%	14.9%	-6.9%
Utilities	3.9%	13.6%	14.2%
<b>Total</b>	<b>100.0%</b>	<b>16.1%</b>	<b>7.8%</b>

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.1%	13.7%	18.9%
Consumer Discretionary	13.8%	15.9%	22.9%
Consumer Staples	8.9%	8.5%	6.7%
Energy	4.3%	22.5%	-23.5%
Financials	18.0%	24.7%	-4.5%
Health Care	9.6%	6.2%	15.4%
Industrials	11.6%	16.2%	10.8%
Information Technology	12.7%	24.7%	45.4%
Materials	8.1%	20.0%	21.2%
Real Estate	2.6%	12.6%	-9.8%
Utilities	3.3%	14.4%	9.4%
<b>Total</b>	<b>100.0%</b>	<b>17.0%</b>	<b>10.7%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	11.6%	11.6%	27.5%
Consumer Discretionary	18.3%	7.6%	36.7%
Consumer Staples	5.9%	16.7%	10.7%
Energy	5.0%	14.9%	-15.4%
Financials	18.0%	24.4%	-8.2%
Health Care	4.7%	19.2%	52.8%
Industrials	4.3%	21.3%	5.0%
Information Technology	20.5%	34.2%	60.1%
Materials	7.6%	29.8%	24.8%
Real Estate	2.1%	6.1%	-16.9%
Utilities	2.0%	21.1%	-5.2%
<b>Total</b>	<b>100.0%</b>	<b>19.7%</b>	<b>18.3%</b>

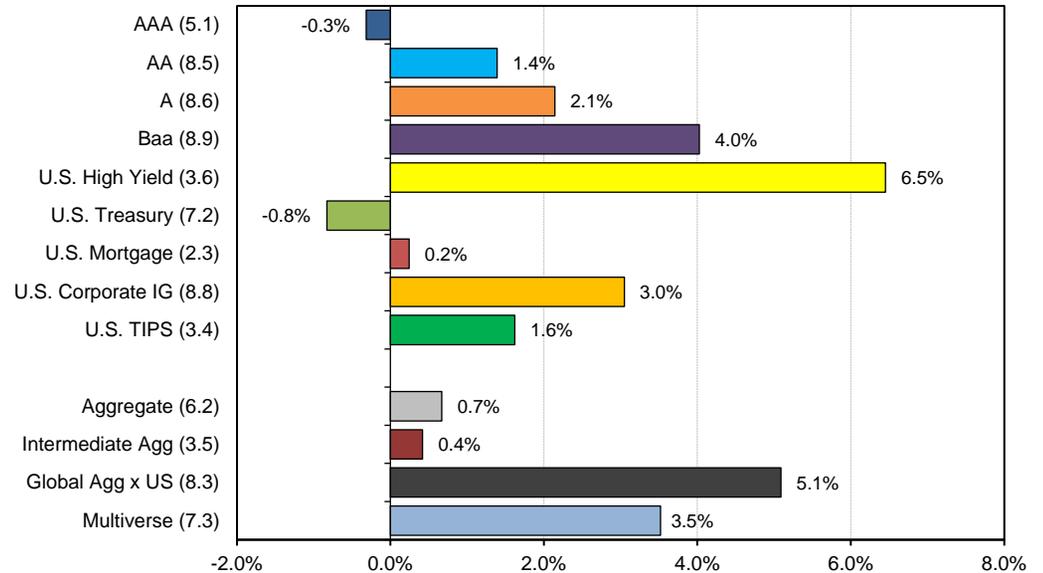
Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1- Year Return
Japan	25.3%	15.8%	15.3%	14.5%
United Kingdom	14.0%	8.8%	16.9%	-10.5%
France	11.1%	6.9%	20.4%	4.1%
Switzerland	9.7%	6.0%	8.2%	11.6%
Germany	9.4%	5.9%	11.5%	11.6%
Australia	7.1%	4.4%	22.9%	8.7%
Netherlands	3.9%	2.4%	18.4%	24.2%
Sweden	3.4%	2.1%	14.4%	23.9%
Hong Kong	3.3%	2.0%	15.5%	5.8%
Denmark	2.5%	1.6%	14.0%	43.7%
Spain	2.4%	1.5%	27.7%	-4.8%
Italy	2.4%	1.5%	22.4%	1.8%
Finland	1.1%	0.7%	10.1%	20.4%
Singapore	1.1%	0.7%	18.8%	-7.5%
Belgium	1.0%	0.6%	18.3%	-8.1%
Ireland	0.7%	0.4%	13.0%	15.1%
Israel	0.6%	0.4%	19.3%	15.0%
Norway	0.6%	0.4%	18.8%	-1.8%
New Zealand	0.3%	0.2%	13.2%	19.9%
Austria	0.2%	0.1%	47.3%	-3.3%
Portugal	0.2%	0.1%	21.6%	14.4%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>62.5%</b>	<b>16.1%</b>	<b>7.8%</b>
Canada		6.3%	13.9%	5.3%
<b>Total Developed Countries</b>		<b>68.8%</b>	<b>15.9%</b>	<b>7.6%</b>
China		12.2%	11.2%	29.5%
Korea		4.2%	38.3%	44.6%
Taiwan		4.0%	23.2%	41.0%
India		2.9%	21.0%	15.6%
Brazil		1.6%	37.0%	-19.0%
South Africa		1.1%	22.1%	-4.0%
Russia		0.9%	21.6%	-12.5%
Saudi Arabia		0.8%	6.5%	0.7%
Thailand		0.6%	25.5%	-11.7%
Mexico		0.5%	31.0%	-1.9%
Malaysia		0.5%	10.1%	3.7%
Indonesia		0.4%	31.8%	-8.1%
Philippines		0.2%	22.2%	-3.4%
Qatar		0.2%	2.4%	-2.4%
Poland		0.2%	16.5%	-11.4%
Chile		0.2%	28.5%	-5.6%
United Arab Emirates		0.2%	10.6%	-0.9%
Turkey		0.1%	30.3%	-8.8%
Peru		0.1%	29.9%	-4.7%
Hungary		0.1%	39.2%	-11.7%
Colombia		0.1%	48.7%	-19.0%
Argentina		0.0%	21.2%	12.7%
Czech Republic		0.0%	34.1%	-4.0%
Greece		0.0%	16.4%	-26.9%
Egypt		0.0%	-5.0%	-22.5%
Pakistan		0.0%	7.7%	-17.1%
<b>Total Emerging Countries</b>		<b>31.0%</b>	<b>19.7%</b>	<b>18.3%</b>
<b>Total ACWixUS Countries</b>		<b>100.0%</b>	<b>17.0%</b>	<b>10.7%</b>

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)  
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

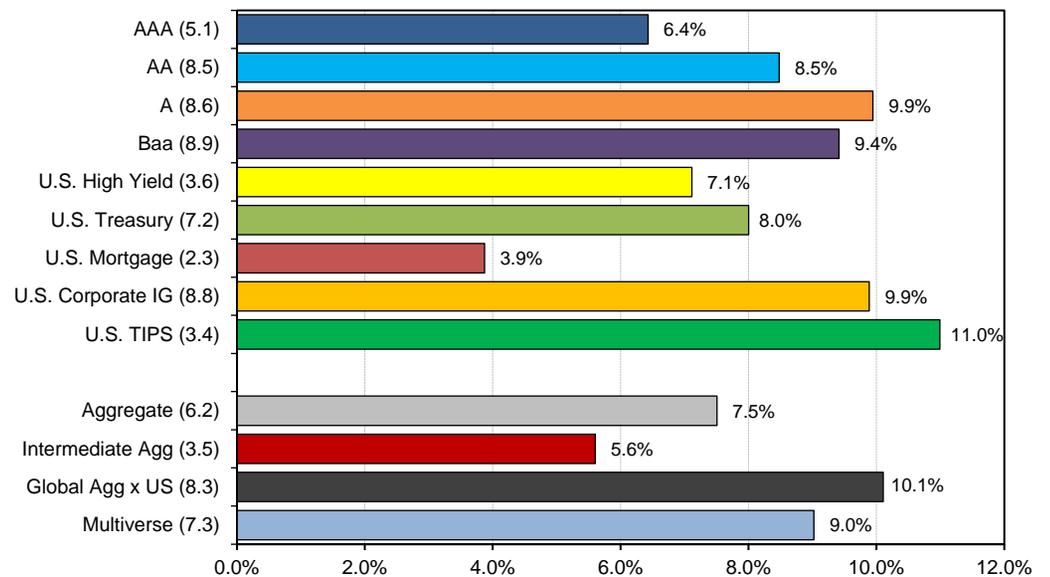


- During the 4<sup>th</sup> quarter, lower-quality bonds significantly outpaced higher-quality issues as investors continued to search for higher-yielding assets and became more comfortable accepting higher risk. For the quarter, the best performing category was high yield bonds which returned 6.5% and the laggard was US Treasury bonds which declined -0.8%. Returns of both US High Yield and Investment Grade Corporate bonds were driven by rising expectations of future US economic growth. Global bonds delivered a solid quarter returning 5.1% with results primarily attributable to a weakening US dollar. Finally, US TIPS increased 1.6% as inflation expectations rose during the period. During the quarter, the broad Bloomberg Barclays US Aggregate Index returned a slim 0.7%. While the return of the index was positive for the period, the performance of both US Treasury and mortgage bonds were a drag on results. US interest rates also began to rise during the period which acted as a general headwind to bond performance. With the duration of the broad index now over six years, any meaningful rise in interest rates will likely have a negative impact on future performance.
- Similar to stocks, over the trailing 1-year period bond markets experienced strong results despite some indices suffering significant drawdowns during the 1<sup>st</sup> quarter. Generally, lower-quality bonds outperformed higher-quality issues for the period, US Corporate Investment Grade bonds still delivered an equity-like 9.9% return for the year and US Treasury bonds managed a solid return of 8.0%. While High Yield bonds also delivered positive results, the benchmark lagged higher-quality issues due to the 1<sup>st</sup> quarter's selloff. For the year, both Investment Grade and High Yield spreads relative to US Treasury bonds narrowed, which provided a boost to non-Treasury results. Finally, US TIPS were the best performing segment of the market rising 11.0% for the year on expectations of future inflation resulting from accelerating economic growth.
- For the year, global bonds also performed well. The Bloomberg Barclays Global Aggregate Bond Index returned 10.1%, outpacing the domestic Bloomberg Barclays US Aggregate Index's return of 7.5%. Some of the relative outperformance of global bonds can be attributed to the decline in the US dollar relative to other currencies. Additionally, US interest rates began to rise later in the year which negatively contributed to performance while global Treasury bond rates remained largely steady.

**Quarter Performance**



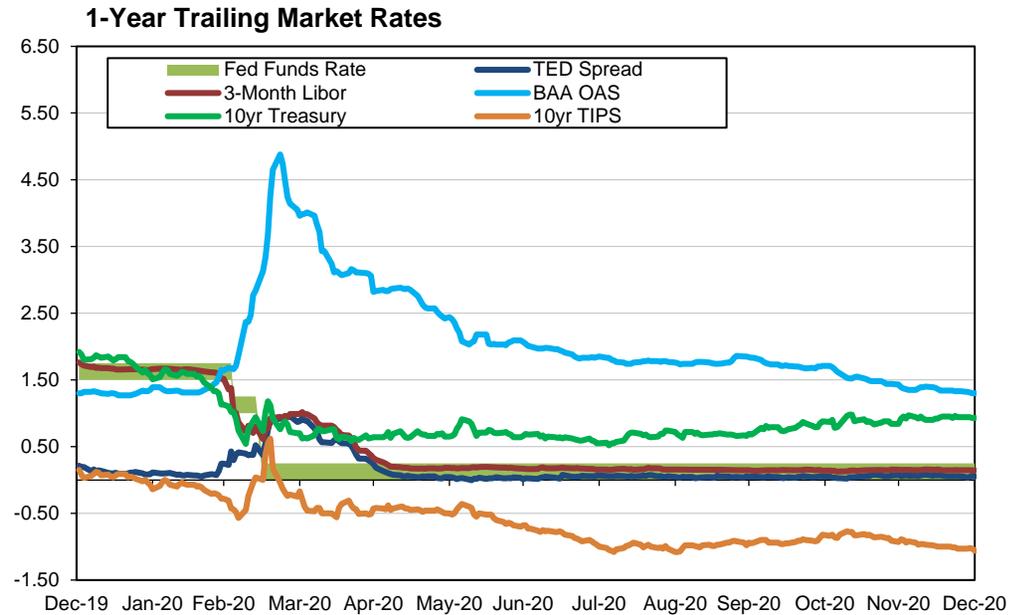
**1-Year Performance**



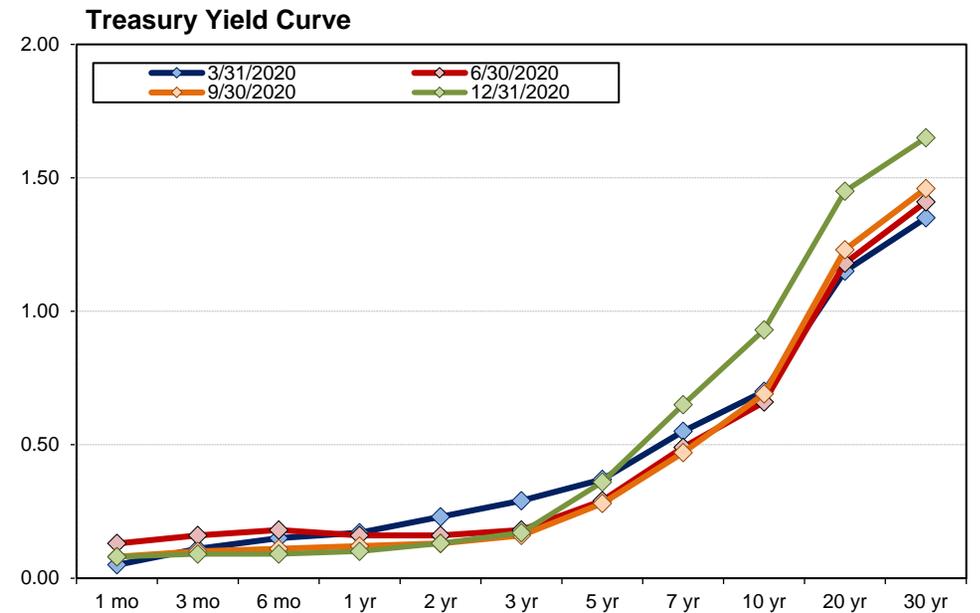
Source: Bloomberg



- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the yield graph to the right. The "1-Year Trailing Market Rates" chart illustrates that over the last year, the US 10-year Treasury (green line) fell from yields of greater than 1.5% to a low of roughly 0.5%, before ending the year slightly higher than 0.9%. During the year, US interest rates declined significantly following the onset of the pandemic and the response from the US Federal Reserve Bank (Fed) to lower rates back near zero. During the 4<sup>th</sup> quarter, US interest rates began to rise in anticipation of higher US economic growth. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury investment grade issues. The line illustrates the dramatic increase in credit spreads during the 1<sup>st</sup> quarter as global economic growth collapsed. Since that time, credit spreads have steadily declined as concerns over potential widespread defaults have subsided. The green band across the graph illustrates the Fed Fund Rate. At the beginning of 2020 the rate range was 1.50%-1.75% however, as a result of the pandemic, the Fed cut the range to 0.00%-0.25%, where it remained at the end of the 4<sup>th</sup> quarter. The Fed has indicated a willingness to keep US interest rates lower in an effort to supply the market with liquidity and help stimulate growth.



- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. While short-term US interest rates have remained largely unchanged throughout the year, longer-term interest rates began moving higher during the 4<sup>th</sup> quarter. The combination of additional fiscal stimulus, increased US Treasury issuance, and expectations for increasing inflation, all contributed to higher long-term rates. Importantly, the Fed has stated that it is comfortable allowing US inflation to exceed its 2% target in the near-term in an effort to achieve a long-term average of 2% inflation. This approach, combined with the need to dramatically increase debt issuance to supply fiscal stimulus, could result in higher US interest rates as markets normalize.

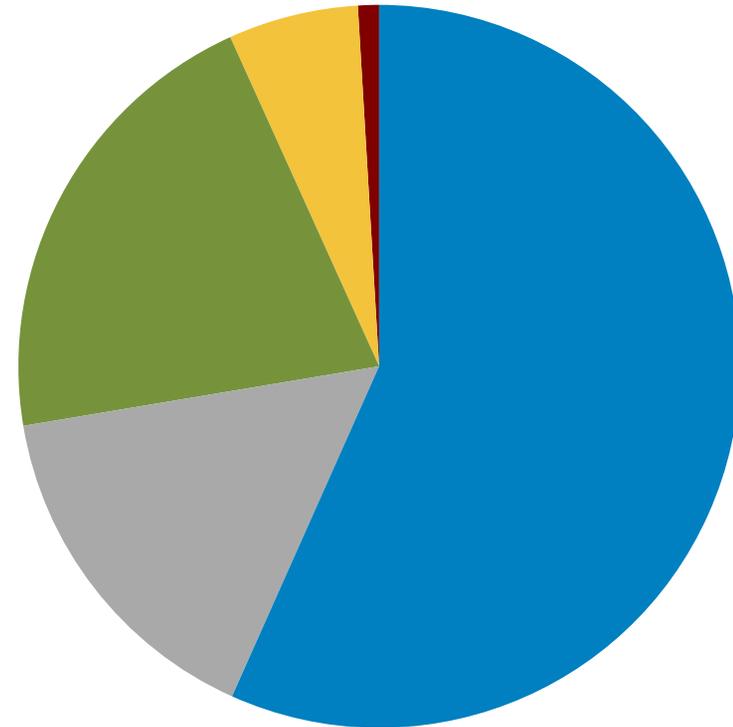
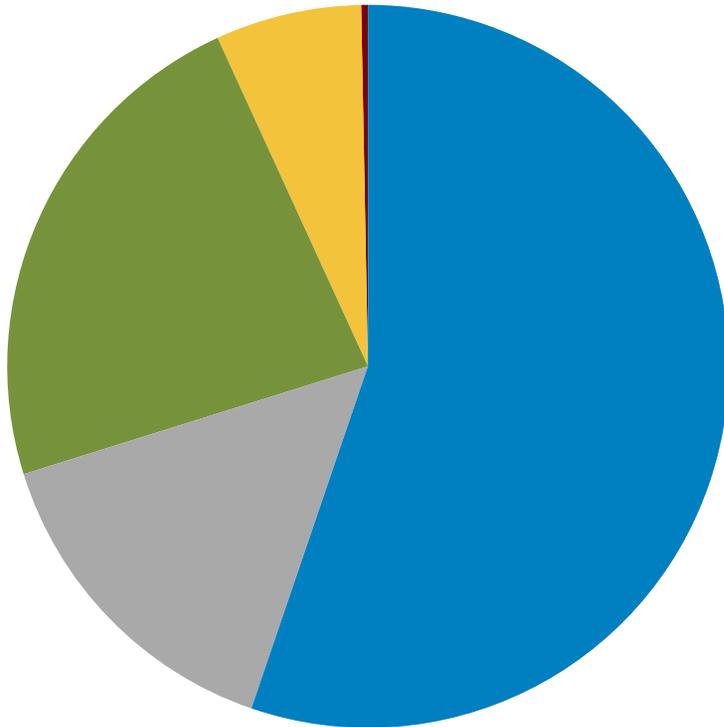


Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



Asset Allocation By Segment as of  
September 30, 2020 : \$46,044,204

Asset Allocation By Segment as of  
December 31, 2020 : \$52,620,818

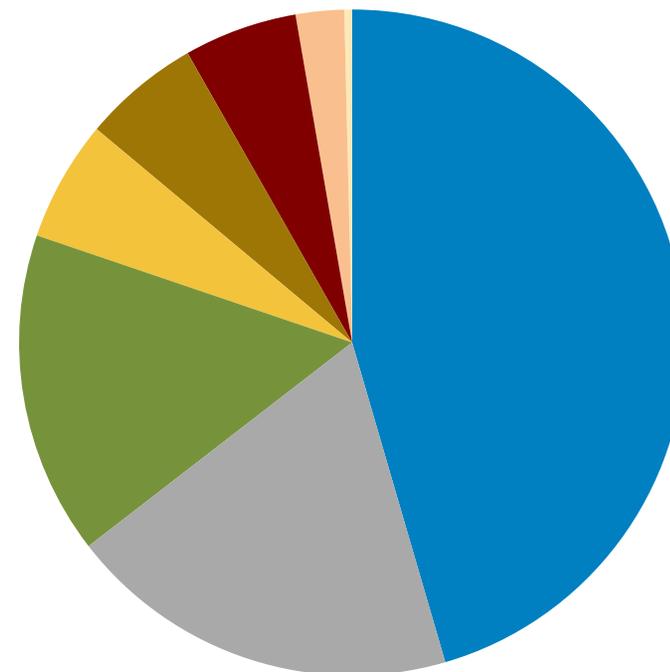
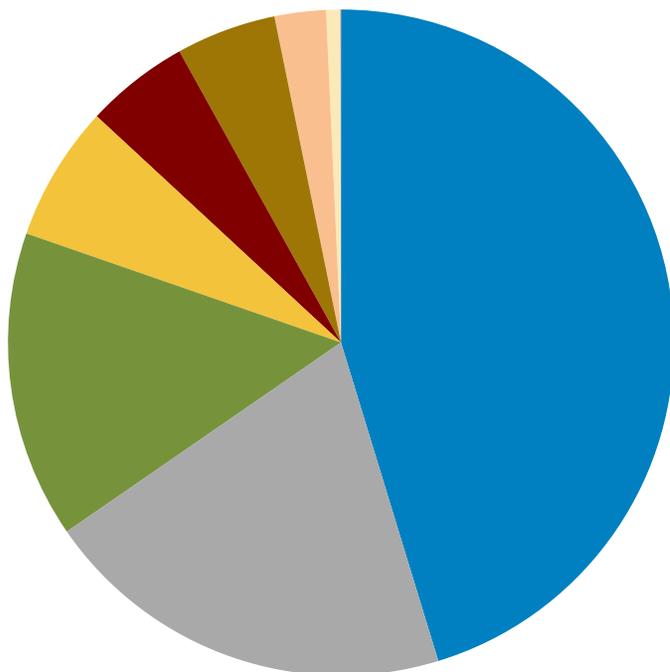


Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
■ Domestic Equity	25,434,284	55.2	■ Domestic Equity	29,827,782	56.7
■ International Equity	6,879,104	14.9	■ International Equity	8,251,697	15.7
■ Domestic Fixed Income	10,576,854	23.0	■ Domestic Fixed Income	10,977,751	20.9
■ Real Estate	3,013,823	6.5	■ Real Estate	3,066,737	5.8
■ Cash Equivalent	140,139	0.3	■ Cash Equivalent	496,851	0.9



Asset Allocation By Manager as of  
September 30, 2020 : \$46,044,204

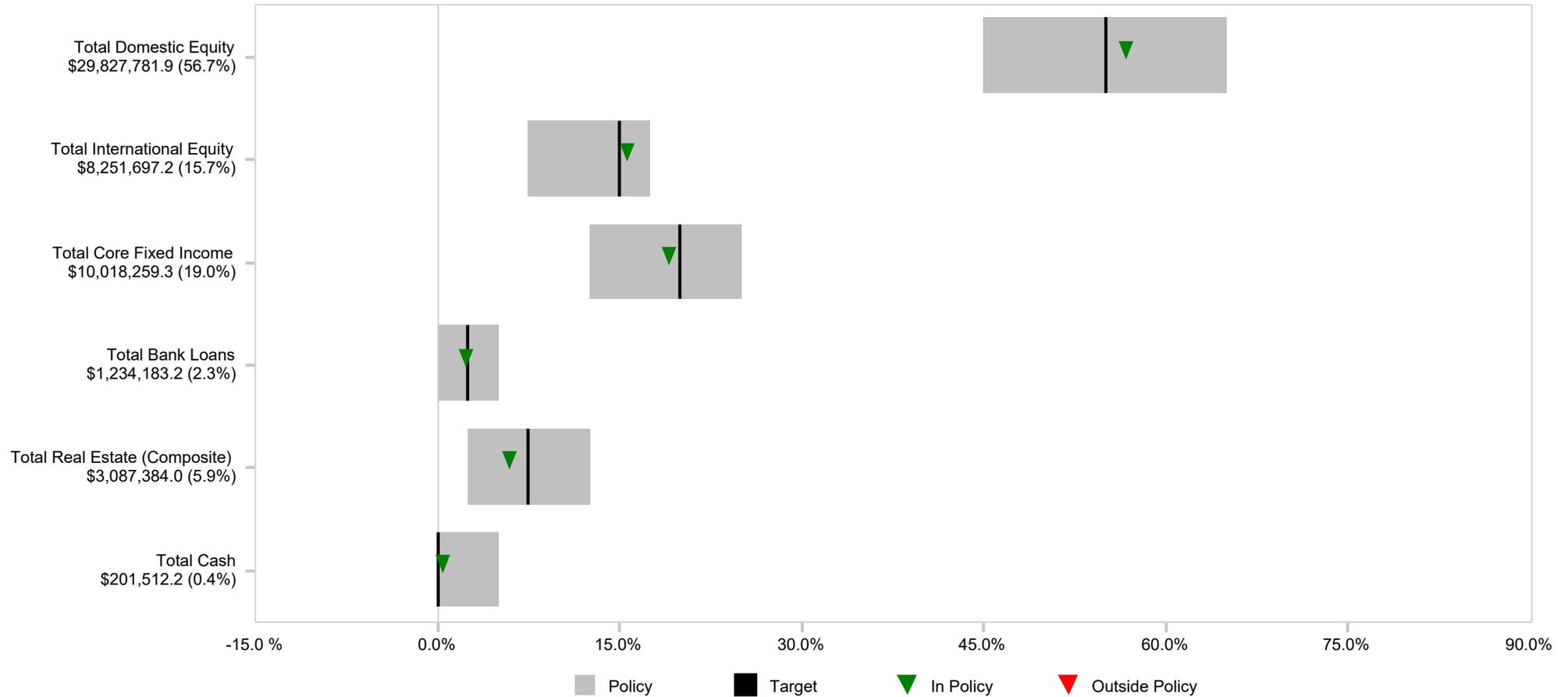
Asset Allocation By Manager as of  
December 31, 2020 : \$52,620,818



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Vanguard Total Stock Index (VITSX)	20,872,538	45.3	Vanguard Total Stock Index (VITSX)	23,938,560	45.5
Garcia Hamilton	9,270,124	20.1	Garcia Hamilton	10,018,259	19.0
EuroPacific Growth R6 (REGX)	6,879,104	14.9	EuroPacific Growth R6 (REGX)	8,251,697	15.7
Clarion (Core Real Estate)	3,033,979	6.6	Clarion (Core Real Estate)	3,087,384	5.9
Conestoga Small Cap I (CCALX)	2,324,540	5.0	American Beacon SC Value R6 (AASRX)	2,994,858	5.7
American Beacon SC Value R6 (AASRX)	2,237,206	4.9	Conestoga Small Cap I (CCALX)	2,894,364	5.5
Pacific Funds Floating Rate (PLFRX)	1,148,227	2.5	Pacific Funds Floating Rate (PLFRX)	1,234,183	2.3
Mutual Fund Cash	305,666	0.7	Mutual Fund Cash	189,735	0.4
Frost Bank Cash Account	-27,180	-0.1	Frost Bank Cash Account	11,777	0.0



**Executive Summary**



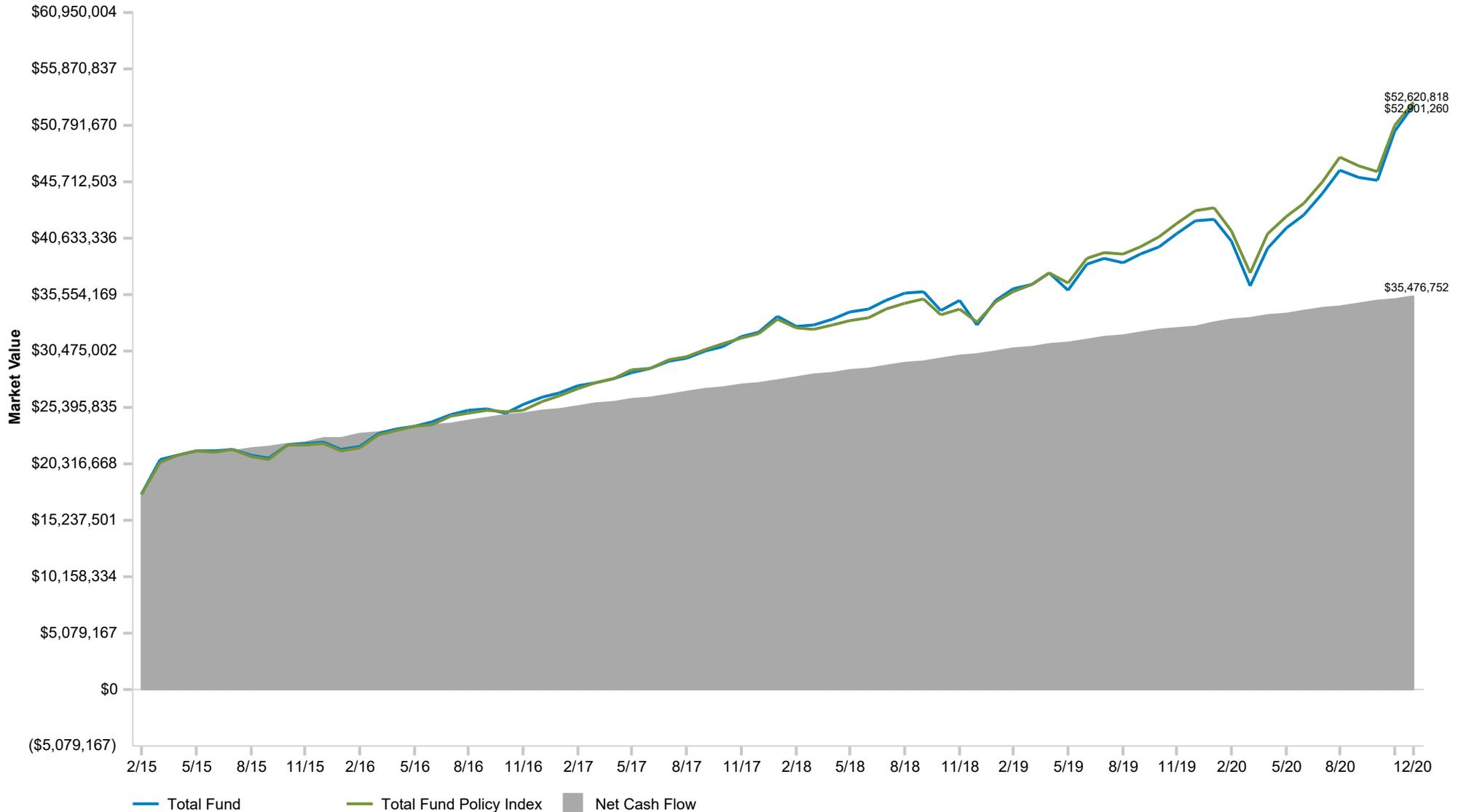
**Asset Allocation Compliance**

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebal. (\$000)
<b>Total Fund</b>	<b>52,620,818</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>	<b>100.0</b>	<b>-</b>
Total Domestic Equity	29,827,782	56.7	45.0	65.0	55.0	-886,332
Total International Equity	8,251,697	15.7	7.5	17.5	15.0	-358,575
Total Core Fixed Income	10,018,259	19.0	12.5	25.0	20.0	505,904
Total Bank Loans	1,234,183	2.3	0.0	5.0	2.5	81,337
Total Real Estate (Composite)	3,087,384	5.9	2.5	12.5	7.5	859,177
Total Cash	201,512	0.4	0.0	5.0	0.0	-201,512



**Schedule of Investable Assets**  
**Total Fund**  
 Since Inception Ending December 31, 2020

**Schedule of Investable Assets**



**Schedule of Investable Assets**

Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Ending Market Value \$
Inception	17,541,325	17,935,427	52,620,818



The Woodlands Firefighters' Retirement System  
Financial Reconciliation

1 Quarter Ending December 31, 2020

Financial Reconciliation One Quarter									
	Market Value 10/01/2020	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2020
<b>Total Fund</b>	<b>46,044,204</b>	-	<b>748,391</b>	<b>-44,765</b>	<b>-24,761</b>	<b>-31,312</b>	<b>234,434</b>	<b>5,694,626</b>	<b>52,620,818</b>
<b>Total Domestic Equity</b>	<b>25,434,284</b>	-	-	-	-	-	<b>122,589</b>	<b>4,270,909</b>	<b>29,827,782</b>
Vanguard Total Stock Index (VITSX)	20,872,538	-	-	-	-	-	95,719	2,970,303	23,938,560
American Beacon SC Value R6 (AASRX)	2,237,206	-	-	-	-	-	26,870	730,783	2,994,858
Conestoga Small Cap I (CCALX)	2,324,540	-	-	-	-	-	-	569,823	2,894,364
<b>Total International Developed Equity</b>	<b>6,879,104</b>	-	-	-	-	-	<b>33,322</b>	<b>1,339,271</b>	<b>8,251,697</b>
EuroPacific Growth R6 (RERGX)	6,879,104	-	-	-	-	-	33,322	1,339,271	8,251,697
<b>Total Core Fixed Income</b>	<b>9,270,124</b>	<b>700,000</b>	-	-	<b>-16,864</b>	<b>-702</b>	<b>40,044</b>	<b>25,658</b>	<b>10,018,259</b>
Garcia Hamilton	9,270,124	700,000	-	-	-16,864	-702	40,044	25,658	10,018,259
<b>Total Bank Loans</b>	<b>1,148,227</b>	<b>50,000</b>	-	-	-	-	<b>12,052</b>	<b>23,904</b>	<b>1,234,183</b>
Pacific Funds Floating Rate (PLFRX)	1,148,227	50,000	-	-	-	-	12,052	23,904	1,234,183
<b>Total Real Estate</b>	<b>3,033,979</b>	-	-	-	<b>-7,897</b>	-	<b>26,420</b>	<b>34,882</b>	<b>3,087,384</b>
Clarion	3,033,979	-	-	-	-7,897	-	26,420	34,882	3,087,384
<b>Total Cash</b>	<b>278,486</b>	<b>-750,000</b>	<b>748,391</b>	<b>-44,765</b>	-	<b>-30,610</b>	<b>7</b>	<b>3</b>	<b>201,512</b>
Frost Bank Cash Account	-27,180	85,000	-	-44,765	-	-1,280	1	-	11,777
Mutual Fund Cash	305,666	-835,000	748,391	-	-	-29,330	6	2	189,735



**The Woodlands Firefighters' Retirement System**  
**Financial Reconciliation**  
Year To Date Ending December 31, 2020

<b>Financial Reconciliation Year to Date</b>									
	<b>Market Value 01/01/2020</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Income</b>	<b>Apprec./ Deprec.</b>	<b>Market Value 12/31/2020</b>
<b>Total Fund</b>	<b>42,170,963</b>	<b>-</b>	<b>3,093,066</b>	<b>-187,409</b>	<b>-53,903</b>	<b>-113,614</b>	<b>564,193</b>	<b>7,147,521</b>	<b>52,620,818</b>
<b>Total Domestic Equity</b>	<b>23,369,775</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>279,390</b>	<b>4,978,617</b>	<b>29,827,782</b>
Vanguard Total Stock Index (VITSX)	19,195,004	500,000	-	-	-	-	252,520	3,991,035	23,938,560
American Beacon SC Value R6 (AASRX)	2,153,209	500,000	-	-	-	-	26,870	314,780	2,994,858
Conestoga Small Cap I (CCALX)	2,021,562	200,000	-	-	-	-	-	672,802	2,894,364
<b>Total International Developed Equity</b>	<b>6,413,175</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,322</b>	<b>1,655,200</b>	<b>8,251,697</b>
EuroPacific Growth R6 (RERGX)	6,413,175	150,000	-	-	-	-	33,322	1,655,200	8,251,697
<b>Total Core Fixed Income</b>	<b>8,219,146</b>	<b>1,150,000</b>	<b>-</b>	<b>-</b>	<b>-22,000</b>	<b>-2,463</b>	<b>179,416</b>	<b>494,160</b>	<b>10,018,259</b>
Garcia Hamilton	8,219,146	1,150,000	-	-	-22,000	-2,463	179,416	494,160	10,018,259
<b>Total Bank Loans</b>	<b>1,036,835</b>	<b>175,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,924</b>	<b>-17,575</b>	<b>1,234,183</b>
Pacific Funds Floating Rate (PLFRX)	1,036,835	175,000	-	-	-	-	39,924	-17,575	1,234,183
<b>Total Real Estate</b>	<b>3,051,667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-31,903</b>	<b>-</b>	<b>26,420</b>	<b>41,200</b>	<b>3,087,384</b>
Clarion	3,051,667	-	-	-	-31,903	-	26,420	41,200	3,087,384
<b>Total Cash</b>	<b>80,365</b>	<b>-2,675,000</b>	<b>3,093,066</b>	<b>-187,409</b>	<b>-</b>	<b>-111,150</b>	<b>5,720</b>	<b>-4,080</b>	<b>201,512</b>
Frost Bank Cash Account	64,029	125,000	-	-172,409	-	-5,171	277	52	11,777
Mutual Fund Cash	16,337	-2,800,000	3,093,066	-15,000	-	-105,979	5,443	-4,131	189,735



The Woodlands Firefighters' Retirement System  
Asset Allocation & Performance Trailing Returns

As of December 31, 2020

Asset Allocation & Performance	Allocation		All Performance Data is Net of Fees(%)														
	Market Value	%	QTR		YTD		1 YR		2 YR		3 YR		5 YR		Inception	Inception Date	
<b>Total Fund (Net)</b>	<b>52,620,818</b>	<b>100.0</b>	<b>12.72</b>	<b>(6)</b>	<b>17.00</b>	<b>(9)</b>	<b>17.00</b>	<b>(9)</b>	<b>18.58</b>	<b>(18)</b>	<b>9.90</b>	<b>(28)</b>	<b>9.72</b>	<b>(49)</b>	<b>7.93</b>	<b>(41)</b>	<b>03/01/2015</b>
Total Fund Policy Index			10.84	(30)	15.53	(22)	15.53	(22)	18.73	(15)	10.32	(20)	10.04	(40)	8.05	(35)	
All Public Plans-Total Fund (Net)			10.03		12.82		12.82		16.29		8.93		9.65		7.66		
<b>New Portfolio Structure 10/1/19</b>	<b>52,620,818</b>	<b>100.0</b>	<b>12.72</b>		<b>17.00</b>		<b>17.00</b>		-		-		-		<b>18.92</b>		<b>10/01/2019</b>
Total Fund Policy Index			10.84		15.53		15.53		18.73		10.32		10.04		18.00		
<b>Total Equity</b>	<b>38,079,479</b>	<b>72.4</b>	<b>17.84</b>		<b>21.83</b>		<b>21.83</b>		<b>24.10</b>		<b>12.46</b>		<b>12.97</b>		<b>10.58</b>		<b>03/01/2015</b>
<b>Total Domestic Equity</b>	<b>29,827,782</b>	<b>56.7</b>	<b>17.27</b>		<b>20.87</b>		<b>20.87</b>		-		-		-		<b>20.00</b>		<b>07/01/2019</b>
Vanguard Total Stock Index (VITSX)	23,938,560	45.5	14.69	(39)	21.03	(23)	21.03	(23)	-		-		-		21.17	(18)	07/01/2019
CRSP U.S. Total Market TR Index			14.70	(38)	20.99	(23)	20.99	(23)	25.82	(-)	14.50	(-)	15.44	(-)	21.15	(19)	
IM U.S. Multi-Cap Core Equity (MF) Median			13.84		15.43		15.43		-		-		-		16.57		
American Beacon SC Value R6 (AASRX)	2,994,858	5.7	33.87	(30)	4.03	(48)	4.03	(48)	-		-		-		8.16	(42)	07/01/2019
Russell 2000 Value Index			33.36	(38)	4.63	(42)	4.63	(42)	13.17	(-)	3.72	(-)	9.65	(-)	8.40	(39)	
IM U.S. Small Cap Value Equity (MF) Median			32.34		3.84		3.84		-		-		-		7.80		
Conestoga Small Cap I (CCALX)	2,894,364	5.5	24.51	(85)	30.59	(70)	30.59	(70)	-		-		-		20.71	(83)	07/01/2019
Russell 2000 Growth Index			29.61	(27)	34.63	(59)	34.63	(59)	31.52	(-)	16.20	(-)	16.36	(-)	27.35	(48)	
IM U.S. Small Cap Growth Equity (MF) Median			26.97		37.18		37.18		-		-		-		26.99		
<b>Total International Developed Equity</b>	<b>8,251,697</b>	<b>15.7</b>	<b>19.95</b>		<b>25.38</b>		<b>25.38</b>		-		-		-		<b>22.66</b>		<b>07/01/2019</b>
EuroPacific Growth R6 (RERGX)	8,251,697	15.7	19.95	(28)	25.27	(8)	25.27	(8)	-		-		-		22.58	(8)	07/01/2019
MSCI AC World ex USA (Net)			17.01	(37)	10.65	(27)	10.65	(27)	15.96	(-)	4.88	(-)	8.93	(-)	11.89	(32)	
IM International Large Cap Core Equity (MF) Median			16.08		8.50		8.50		-		-		-		9.80		

Returns for periods greater than one year are annualized. Returns are expressed as percentages.



The Woodlands Firefighters' Retirement System  
Asset Allocation & Performance Trailing Returns

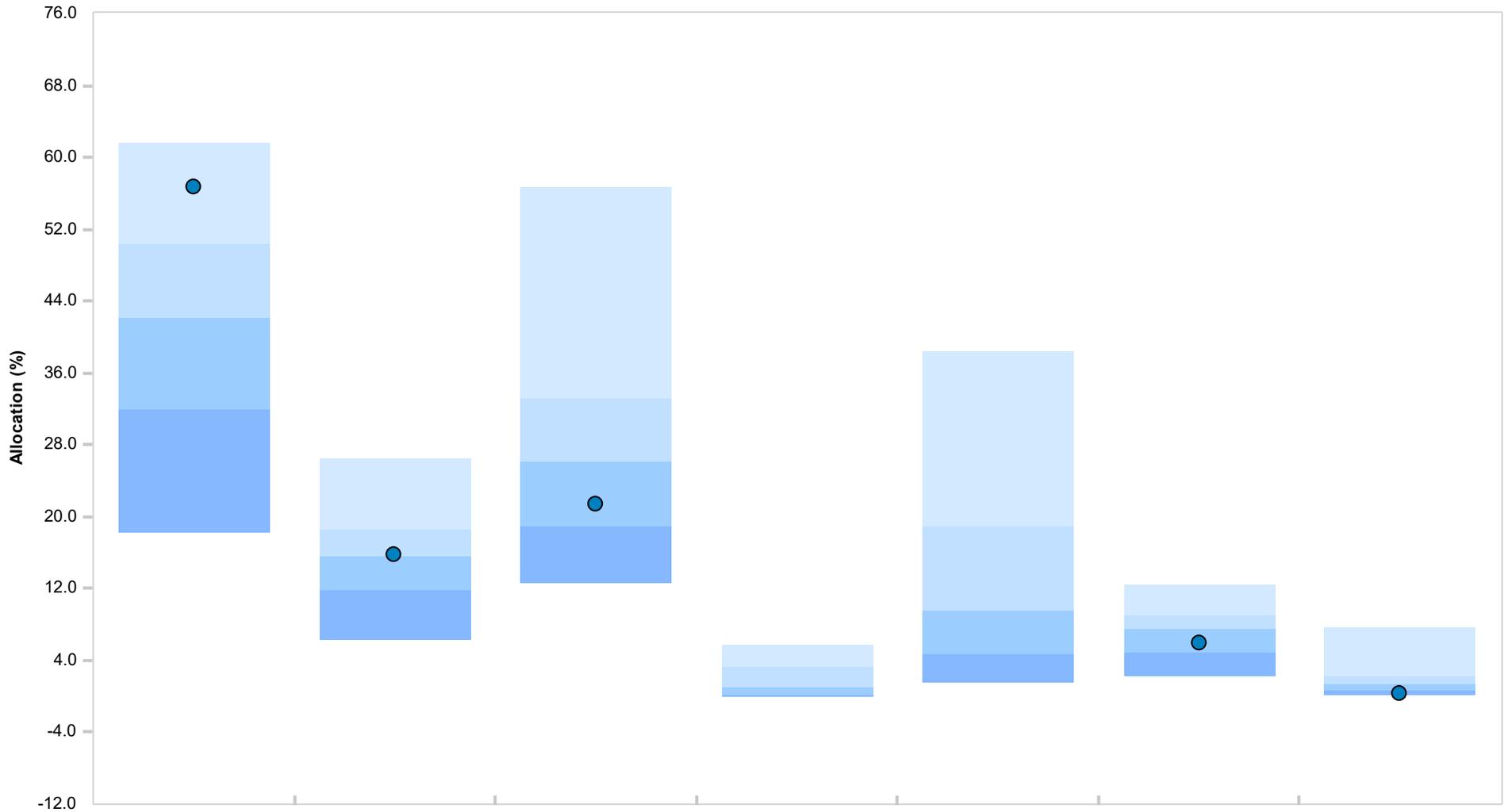
As of December 31, 2020

	Allocation		All Performance Data is Net of Fees(%)							
	Market Value	%	QTR	YTD	1 YR	2 YR	3 YR	5 YR	Inception	Inception Date
<b>Total Fixed Income</b>	<b>11,252,442</b>	<b>21.4</b>	<b>0.78</b>	<b>7.03</b>	<b>7.03</b>	<b>5.90</b>	<b>4.56</b>	<b>3.45</b>	<b>3.05</b>	<b>03/01/2015</b>
<b>Total Core Fixed Income</b>	<b>10,018,259</b>	<b>19.0</b>	<b>0.50</b>	<b>7.66</b>	<b>7.66</b>	-	-	-	<b>6.61</b>	<b>07/01/2019</b>
Garcia Hamilton	10,018,259	19.0	0.68 (81)	7.92 (68)	7.92 (68)	-	-	-	6.83 (75)	07/01/2019
Blmbg. Barc. U.S. Aggregate Index			0.67 (83)	7.51 (89)	7.51 (89)	8.11 (-)	5.34 (-)	4.44 (-)	6.65 (86)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			1.13	8.60	8.60	-	-	-	7.40	
<b>Total Bank Loans</b>	<b>1,234,183</b>	<b>2.3</b>	<b>3.00</b>	<b>1.59</b>	<b>1.59</b>	-	-	-	<b>2.83</b>	<b>07/01/2019</b>
Pacific Funds Floating Rate (PLFRX)	1,234,183	2.3	3.00 (82)	1.59 (43)	1.59 (43)	-	-	-	2.85 (41)	07/01/2019
Credit Suisse Leveraged Loan Index			3.63 (47)	2.78 (12)	2.78 (12)	5.44 (-)	3.99 (-)	5.19 (-)	3.60 (16)	
IM U.S. Bank Loans (MF) Median			3.52	1.39	1.39	-	-	-	2.62	
<b>Total Real Estate</b>	<b>3,087,384</b>	<b>5.9</b>	<b>2.02 (37)</b>	<b>2.23 (37)</b>	<b>2.23 (37)</b>	-	-	-	<b>3.39 (37)</b>	<b>10/01/2019</b>
NCREIF Fund Index-Open End Diversified Core (EW)			1.36 (65)	1.57 (55)	1.57 (55)	3.80 (-)	5.26 (-)	6.56 (-)	2.49 (64)	
IM U.S. Open End Private Real Estate (SA+CF) Median			1.71	1.86	1.86	-	-	-	3.00	
Clarion	3,087,384	5.9	2.02 (37)	2.23 (37)	2.23 (37)	-	-	-	3.39 (37)	10/01/2019
NCREIF Fund Index-Open End Diversified Core (EW)			1.36 (65)	1.57 (55)	1.57 (55)	3.80 (-)	5.26 (-)	6.56 (-)	2.49 (64)	
IM U.S. Open End Private Real Estate (SA+CF) Median			1.71	1.86	1.86	-	-	-	3.00	
<b>Total Cash</b>	<b>201,512</b>	<b>0.4</b>	<b>0.00</b>	<b>0.67</b>	<b>0.67</b>	-	-	-	<b>1.08</b>	<b>07/01/2019</b>
Frost Bank Cash Account	11,777	0.0	0.00	0.70	0.70	-	-	-	1.01	07/01/2019
Mutual Fund Cash	189,735	0.4	0.00	0.61	0.61	-	-	-	1.08	07/01/2019

Returns for periods greater than one year are annualized. Returns are expressed as percentages.



Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund



	US Equity	Global ex-US Equity	US Fixed	Global ex-US Fixed	Alternatives	Total Real Estate	Cash & Equivalents
● Total Fund	56.68 (10)	15.68 (49)	21.38 (65)	N/A	N/A	5.87 (67)	0.38 (87)
5th Percentile	61.54	26.42	56.69	5.82	38.33	12.35	7.65
1st Quartile	50.41	18.53	33.18	3.28	18.86	9.02	2.25
Median	42.06	15.51	26.13	0.97	9.58	7.46	1.29
3rd Quartile	31.99	11.83	18.98	0.16	4.68	4.84	0.67
95th Percentile	18.19	6.21	12.58	0.01	1.55	2.20	0.10

Parentheses contain percentile rankings.  
Calculation based on <Periodicity> periodicity.



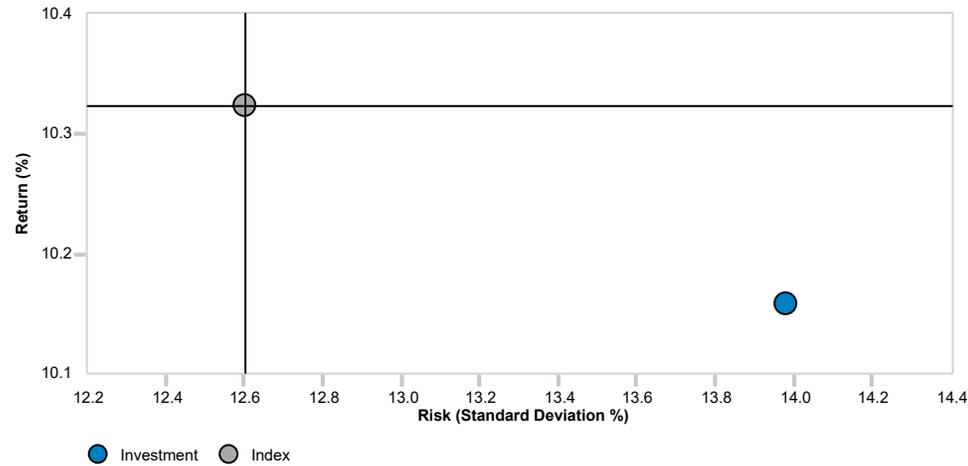
**Historical Statistics 3 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.16	13.98	0.65	107.91	9	114.70	3
Index	10.32	12.61	0.71	100.00	9	100.00	3

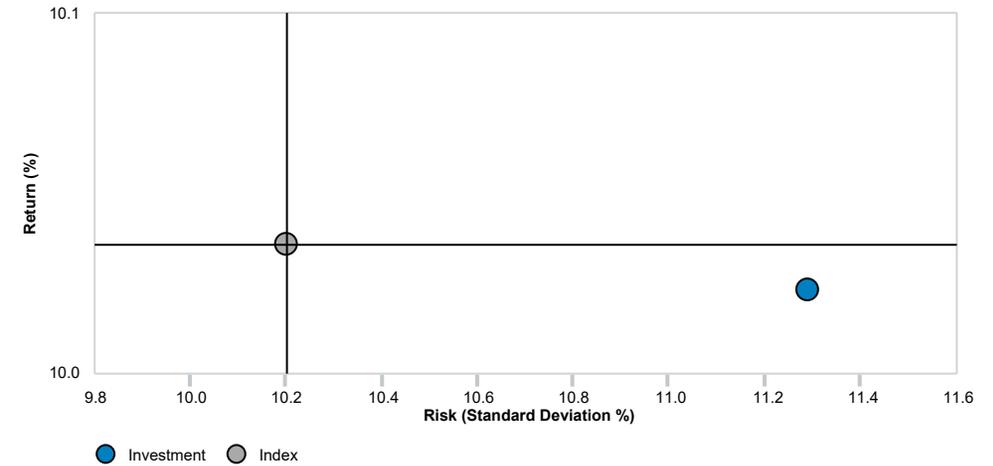
**Historical Statistics 5 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.02	11.29	0.80	105.79	17	111.70	3
Index	10.04	10.20	0.87	100.00	17	100.00	3

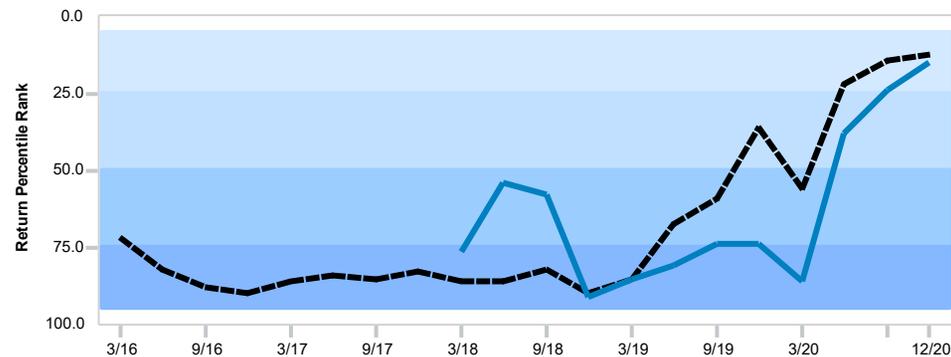
**Risk and Return 3 Years**



**Risk and Return 5 Years**

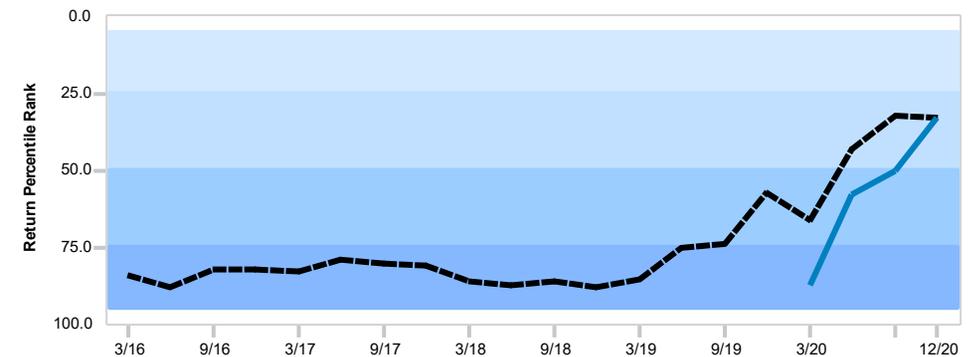


**3 Year Rolling Percentile Rank All Public Plans-Total Fund**



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	12	2 (17%)	1 (8%)	4 (33%)	5 (42%)
Index	20	3 (15%)	1 (5%)	4 (20%)	12 (60%)

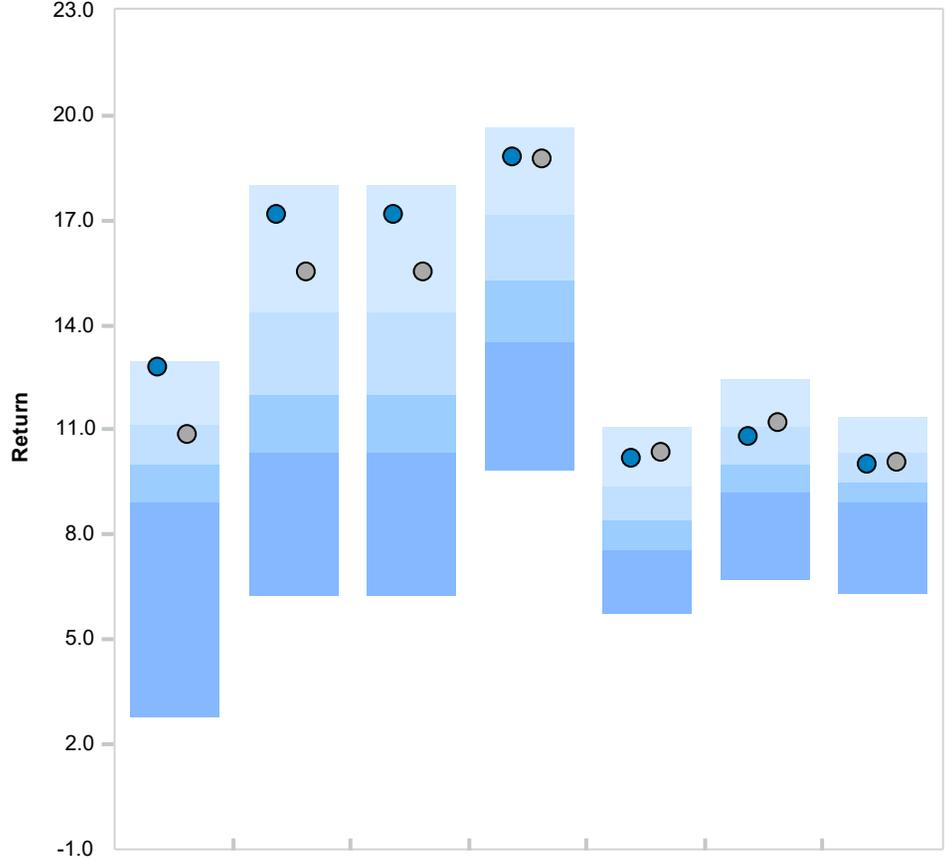
**5 Year Rolling Percentile Rank All Public Plans-Total Fund**



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	4	0 (0%)	2 (50%)	1 (25%)	1 (25%)
Index	20	0 (0%)	3 (15%)	4 (20%)	13 (65%)

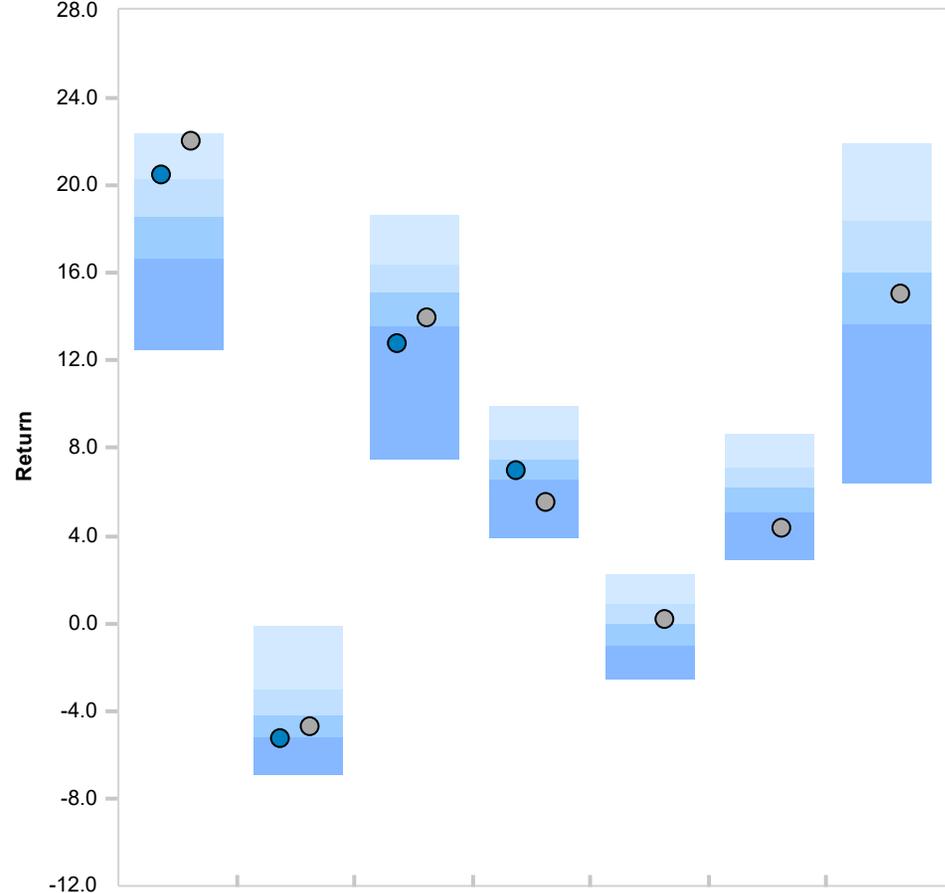


**Peer Group Analysis - All Public Plans-Total Fund**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Investment	12.77 (7)	17.15 (8)	17.15 (8)	18.79 (9)	10.16 (15)	10.79 (30)	10.02 (33)
● Index	10.84 (29)	15.53 (17)	15.53 (17)	18.73 (10)	10.32 (12)	11.21 (22)	10.04 (33)
Median	9.99	11.97	11.97	15.27	8.42	10.03	9.52

**Peer Group Analysis - All Public Plans-Total Fund**



	2019	2018	2017	2016	2015	2014	2013
● Investment	20.46 (23)	-5.28 (76)	12.72 (82)	7.00 (66)	N/A	N/A	N/A
● Index	22.02 (7)	-4.75 (64)	13.90 (71)	5.47 (88)	0.13 (47)	4.29 (86)	14.99 (60)
Median	18.59	-4.16	15.10	7.48	-0.02	6.23	16.00

**Comparative Performance**

	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020	1 Qtr Ending Dec-2019	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019
Investment	6.11 (14)	15.83 (8)	-15.48 (83)	6.17 (14)	0.65 (64)	3.43 (29)
Index	6.21 (12)	14.90 (12)	-14.59 (72)	6.46 (9)	0.99 (37)	4.73 (1)
Median	5.20	12.24	-13.21	5.23	0.84	3.25



**Historical Statistics 3 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	14.50	19.40	0.71	99.97	9	99.97	3
Index	14.50	19.41	0.71	100.00	9	100.00	3

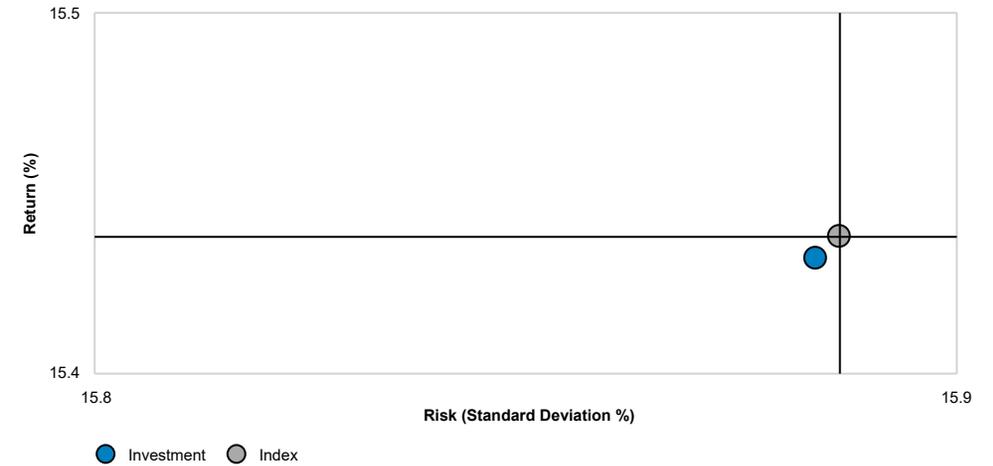
**Historical Statistics 5 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	15.43	15.88	0.91	99.97	17	99.98	3
Index	15.44	15.89	0.91	100.00	17	100.00	3

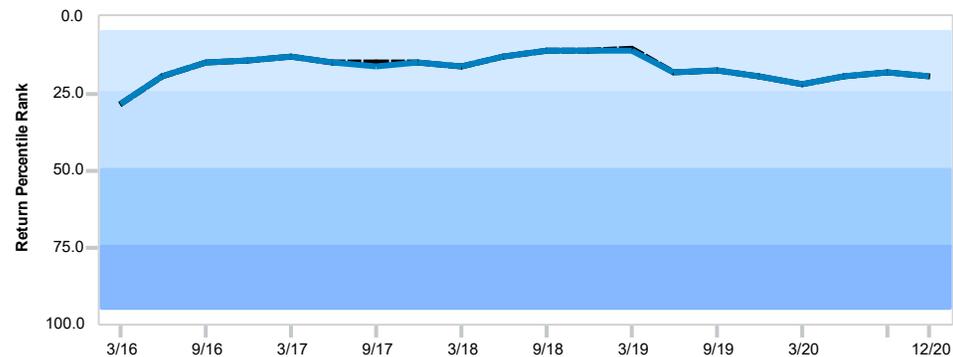
**Risk and Return 3 Years**



**Risk and Return 5 Years**

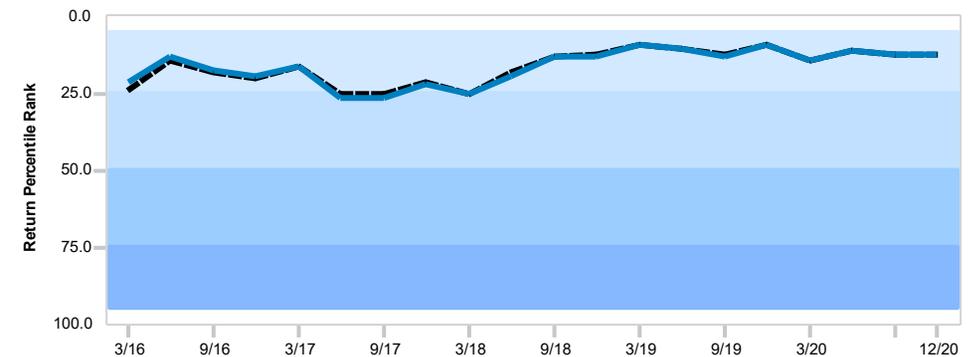


**3 Year Rolling Percentile Rank IM U.S. Multi-Cap Core Equity (MF)**



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)
Index	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)

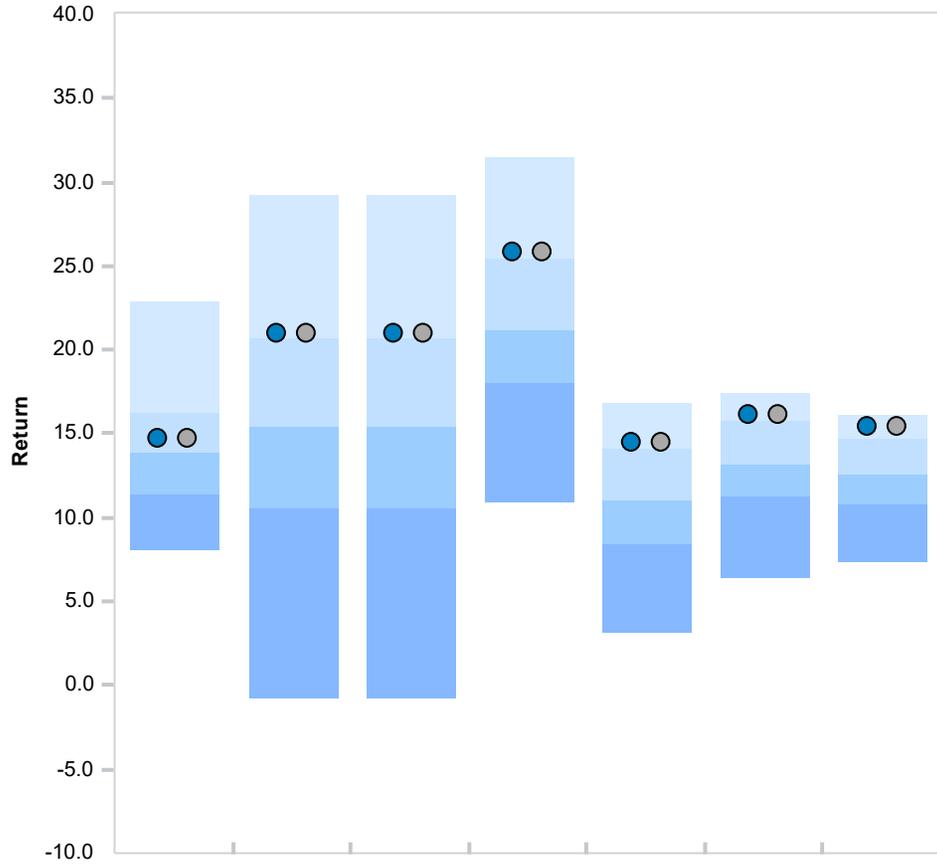
**5 Year Rolling Percentile Rank IM U.S. Multi-Cap Core Equity (MF)**



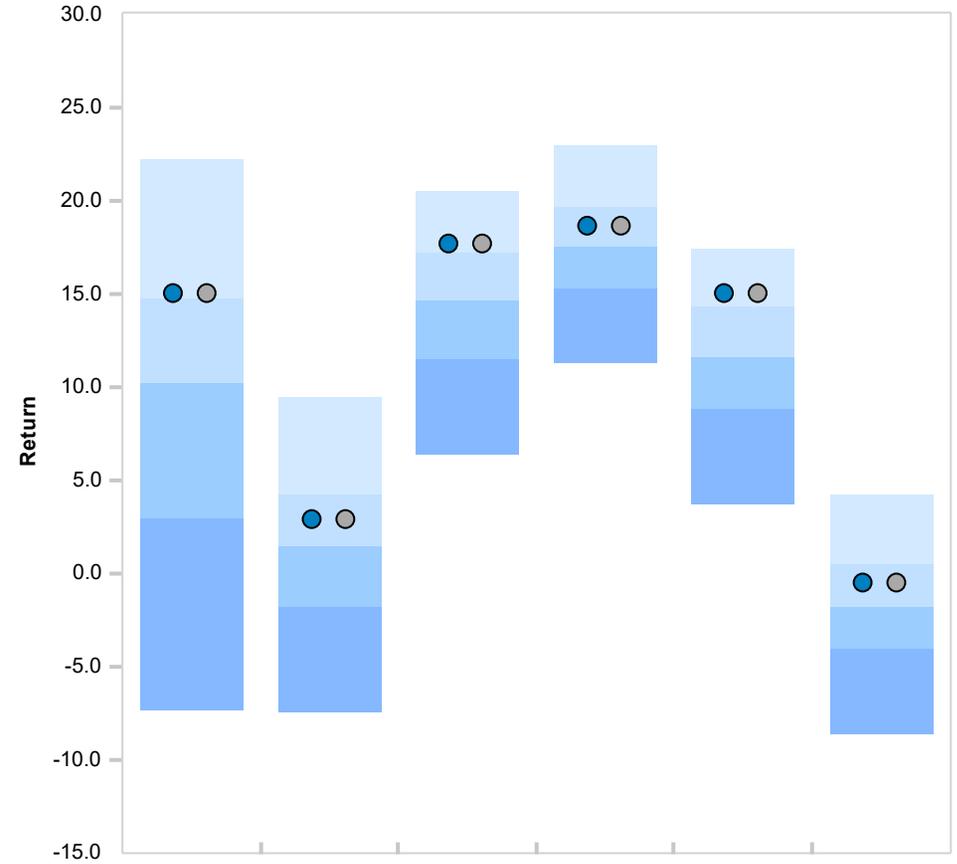
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)
Index	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)



**Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)**



**Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)**



**Comparative Performance**

	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020	1 Qtr Ending Dec-2019	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019
Investment	9.19 (30)	22.10 (38)	-20.86 (38)	9.01 (29)	1.09 (47)	4.09 (41)
Index	9.20 (29)	22.09 (38)	-20.88 (39)	9.00 (30)	1.11 (45)	4.08 (43)
Median	7.96	21.51	-21.69	8.07	1.00	3.87



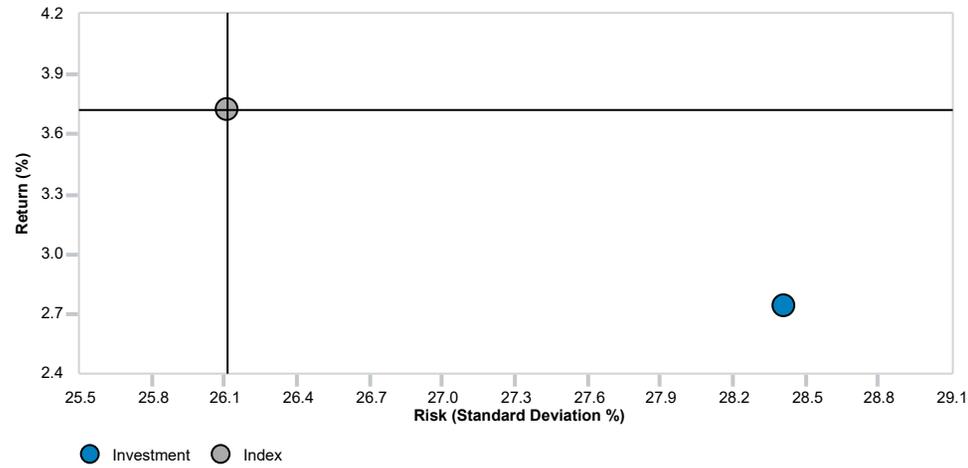
**Historical Statistics 3 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.74	28.41	0.19	108.96	8	111.94	4
Index	3.72	26.12	0.21	100.00	8	100.00	4

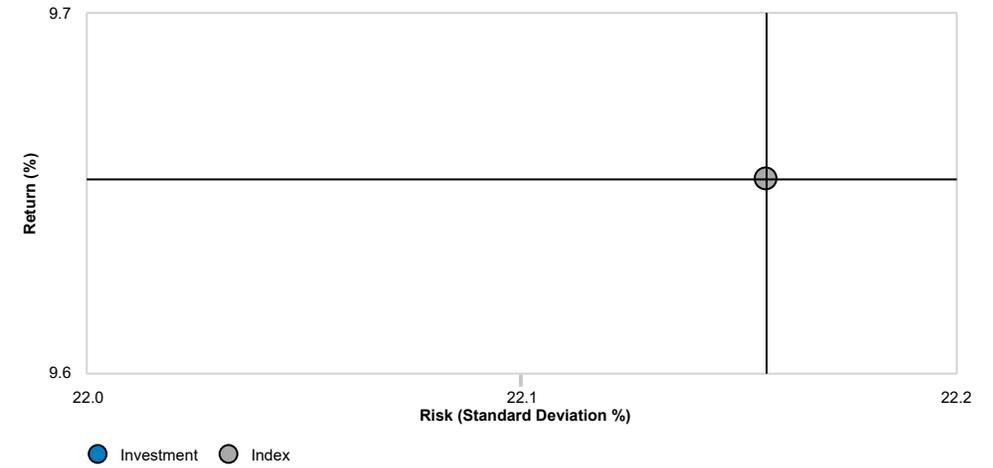
**Historical Statistics 5 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	9.65	22.16	0.48	100.00	15	100.00	5

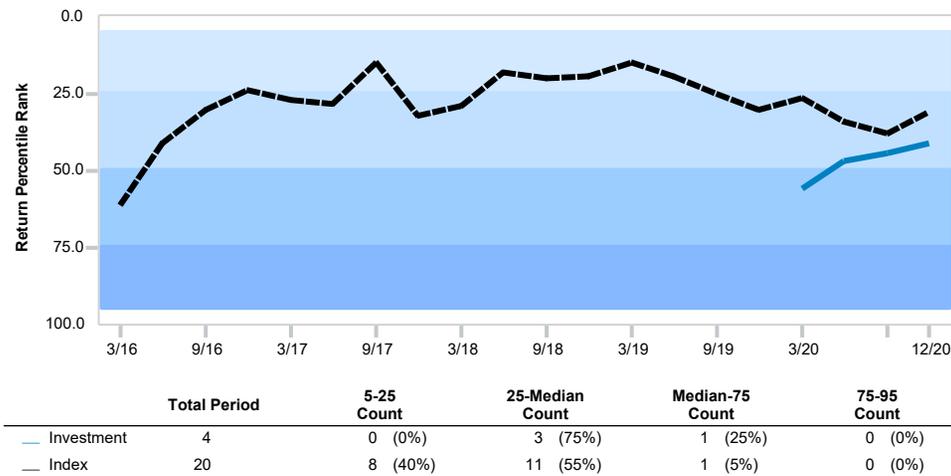
**Risk and Return 3 Years**



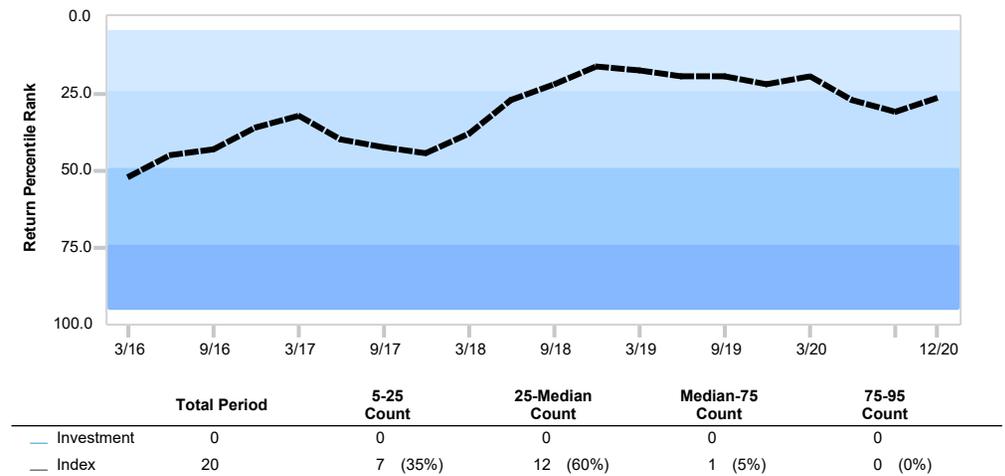
**Risk and Return 5 Years**



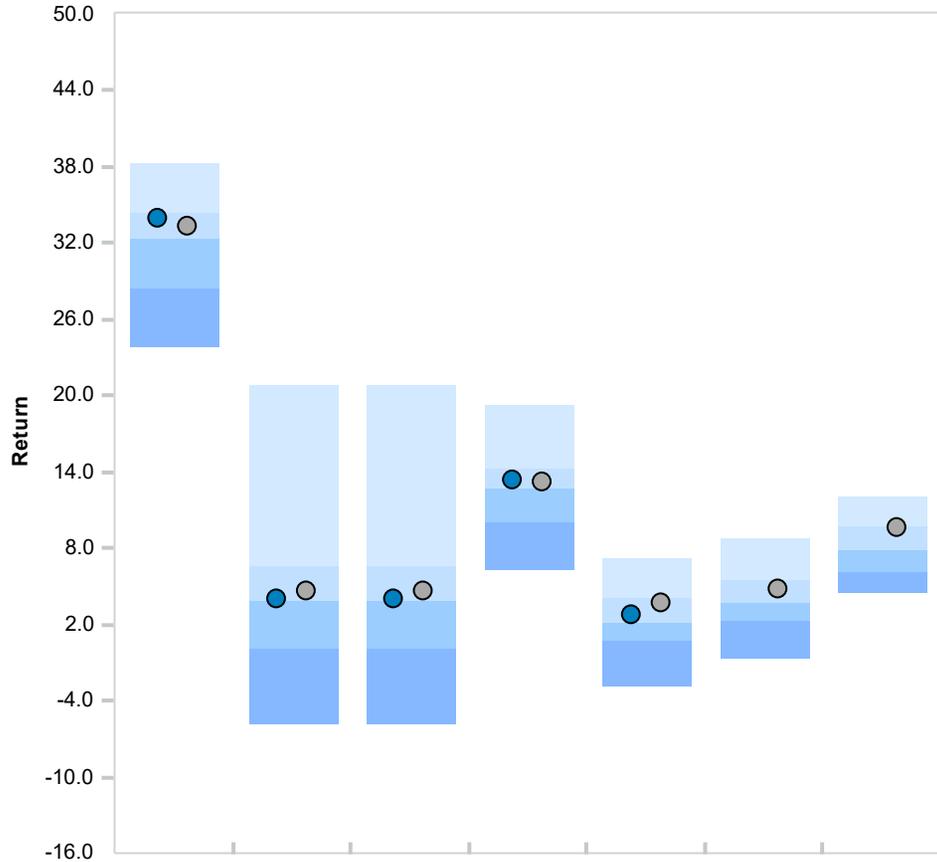
**3 Year Rolling Percentile Rank IM U.S. Small Cap Value Equity (MF)**



**5 Year Rolling Percentile Rank IM U.S. Small Cap Value Equity (MF)**

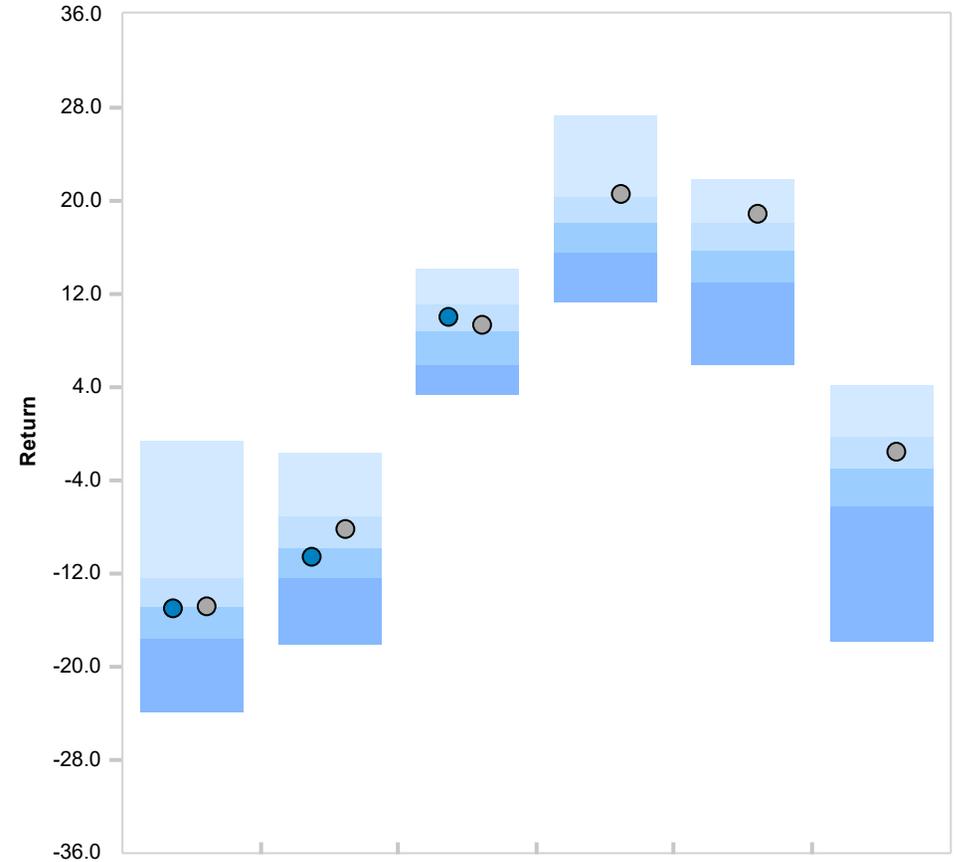


**Peer Group Analysis - IM U.S. Small Cap Value Equity (MF)**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Investment	33.87 (30)	4.03 (48)	4.03 (48)	13.35 (37)	2.74 (41)	N/A	N/A
● Index	33.36 (38)	4.63 (42)	4.63 (42)	13.17 (42)	3.72 (31)	4.74 (35)	9.65 (26)
Median	32.34	3.84	3.84	12.75	2.15	3.60	7.82

**Peer Group Analysis - IM U.S. Small Cap Value Equity (MF)**



	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015
● Investment	-15.04 (52)	-10.56 (57)	10.00 (36)	N/A	N/A	N/A
● Index	-14.88 (50)	-8.24 (31)	9.33 (45)	20.55 (23)	18.81 (15)	-1.60 (38)
Median	-14.93	-9.75	8.75	18.07	15.73	-3.02

**Comparative Performance**

	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020	1 Qtr Ending Dec-2019	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019
Investment	3.28 (36)	22.16 (48)	-38.40 (62)	9.33 (17)	-1.09 (63)	1.78 (26)
Index	2.56 (48)	18.91 (82)	-35.66 (38)	8.49 (37)	-0.57 (50)	1.38 (37)
Median	2.48	21.79	-37.33	8.16	-0.60	0.75



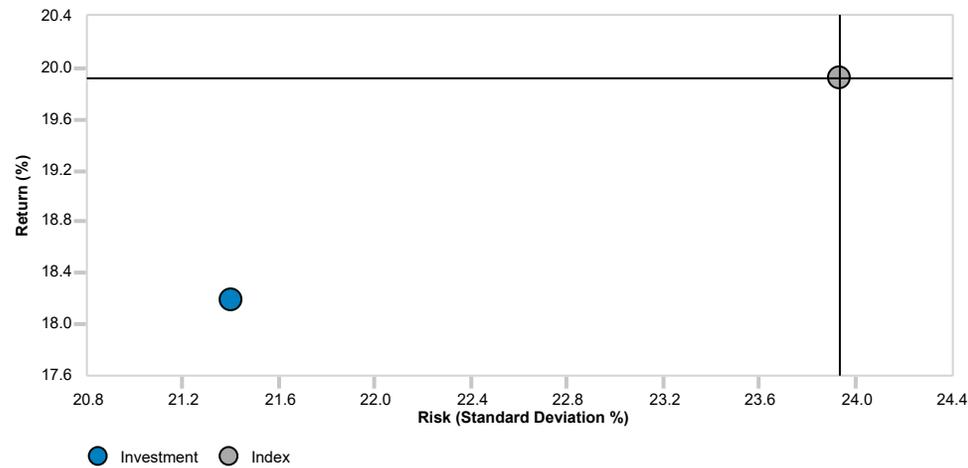
**Historical Statistics 3 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	18.19	21.40	0.82	93.55	9	96.69	3
Index	19.91	23.93	0.81	100.00	9	100.00	3

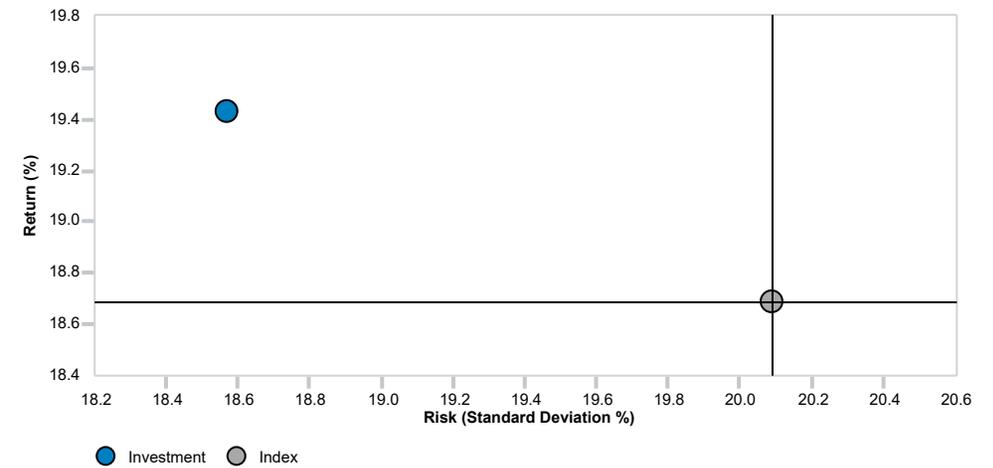
**Historical Statistics 5 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	19.43	18.57	0.99	96.94	16	91.24	4
Index	18.68	20.09	0.90	100.00	16	100.00	4

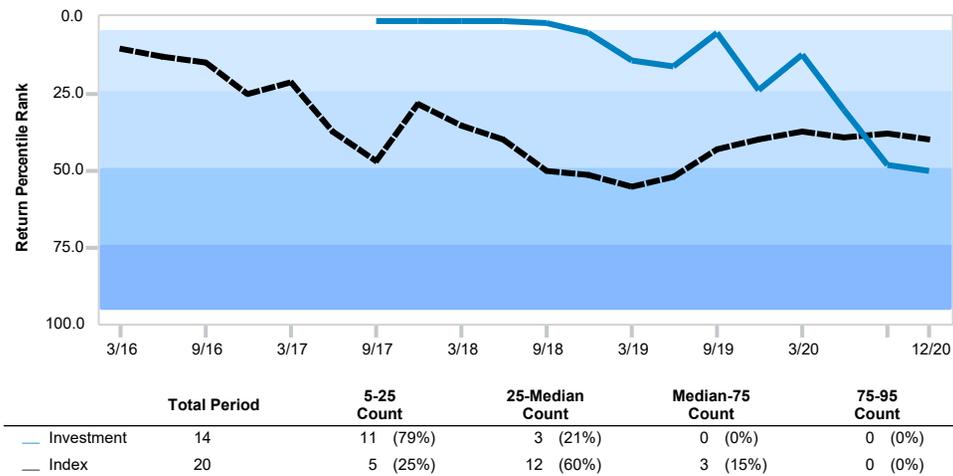
**Risk and Return 3 Years**



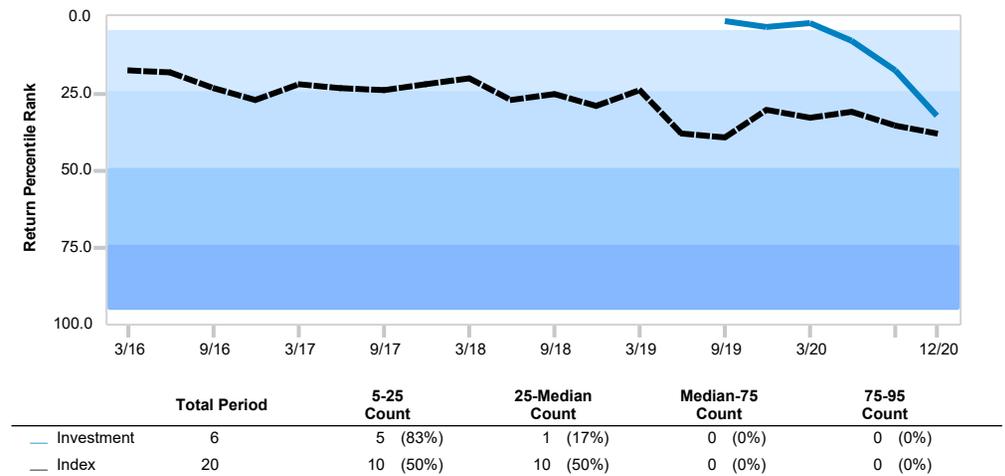
**Risk and Return 5 Years**



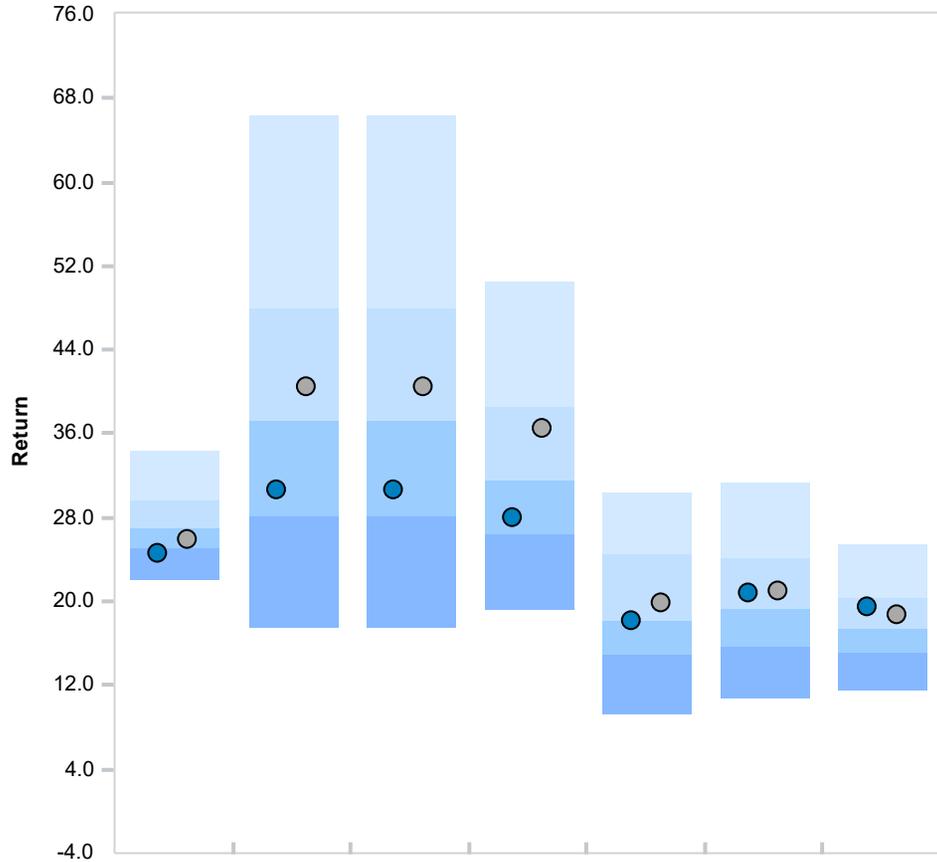
**3 Year Rolling Percentile Rank IM U.S. Small Cap Growth Equity (MF)**



**5 Year Rolling Percentile Rank IM U.S. Small Cap Growth Equity (MF)**

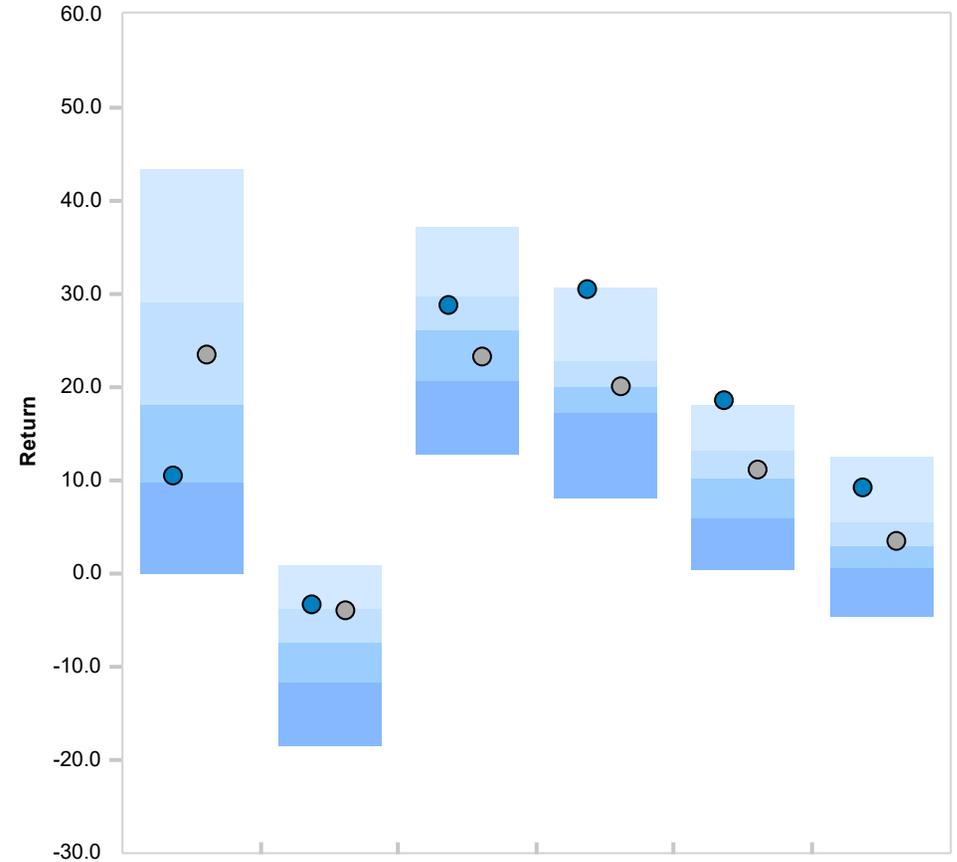


**Peer Group Analysis - IM U.S. Small Cap Growth Equity (MF)**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
Investment	24.51 (85)	30.59 (70)	30.59 (70)	27.98 (69)	18.19 (50)	20.75 (40)	19.43 (32)
Index	25.89 (71)	40.47 (36)	40.47 (36)	36.51 (35)	19.91 (40)	21.03 (39)	18.68 (38)
Median	26.97	37.18	37.18	31.58	18.11	19.22	17.35

**Peer Group Analysis - IM U.S. Small Cap Growth Equity (MF)**



	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015
Investment	10.53 (73)	-3.39 (22)	28.75 (33)	30.43 (6)	18.44 (4)	9.18 (11)
Index	23.37 (36)	-4.11 (27)	23.13 (64)	20.07 (50)	11.02 (45)	3.35 (48)
Median	18.09	-7.55	26.09	20.02	10.27	3.07

**Comparative Performance**

	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020	1 Qtr Ending Dec-2019	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019
Investment	2.73 (98)	26.46 (87)	-19.27 (11)	5.39 (97)	-3.63 (39)	9.39 (3)
Index	9.37 (35)	32.87 (39)	-23.22 (39)	10.57 (43)	-3.18 (32)	4.14 (45)
Median	8.49	31.19	-24.19	9.92	-4.47	3.74



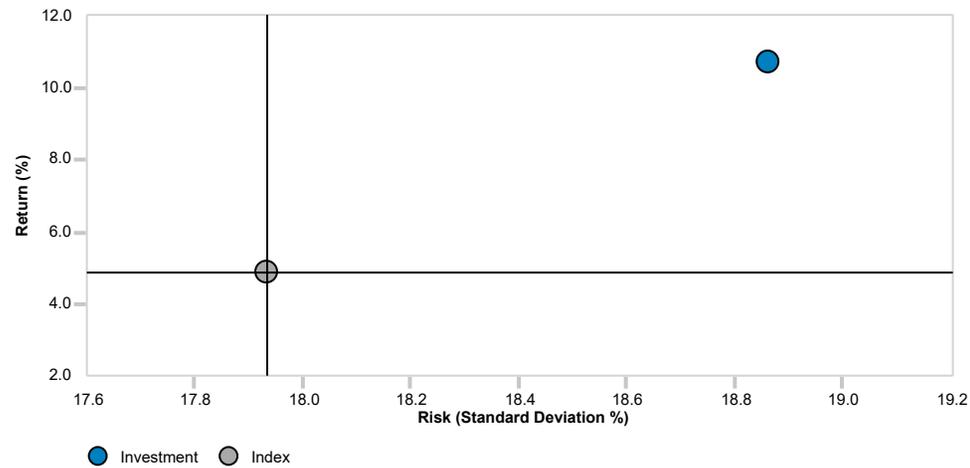
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.74	18.86	0.55	114.48	7	92.67	5
Index	4.88	17.94	0.27	100.00	7	100.00	5

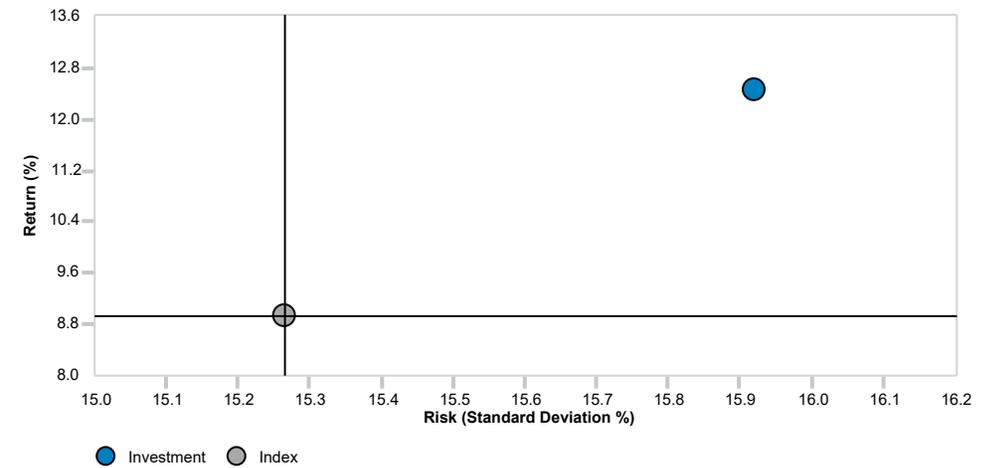
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	12.47	15.92	0.74	109.52	12	94.47	8
Index	8.93	15.26	0.56	100.00	12	100.00	8

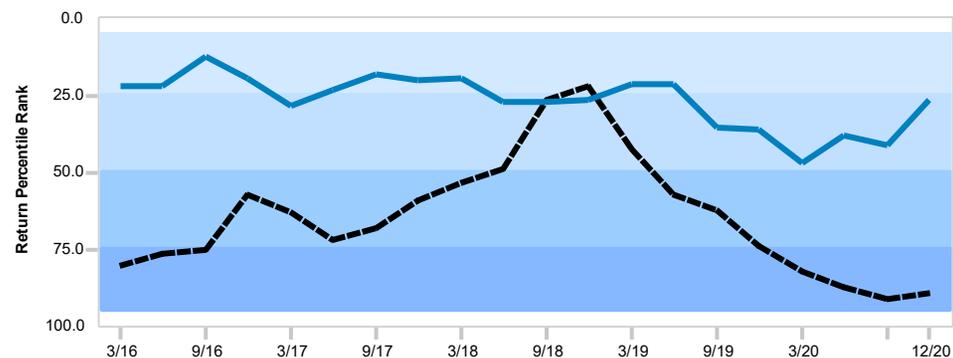
Risk and Return 3 Years



Risk and Return 5 Years

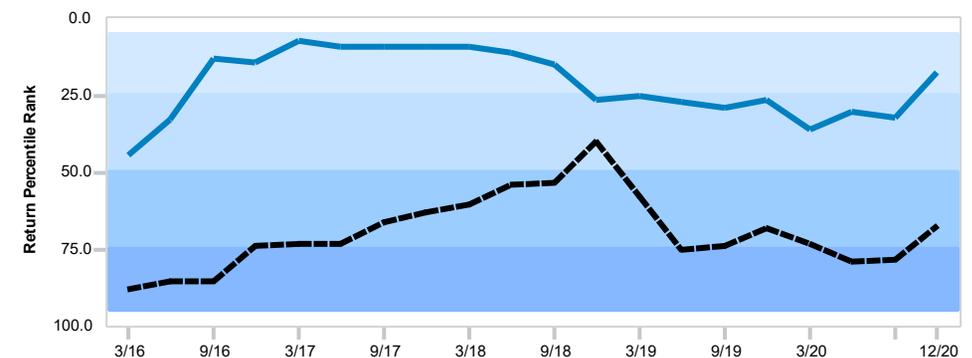


3 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	10 (50%)	10 (50%)	0 (0%)	0 (0%)
Index	20	1 (5%)	3 (15%)	10 (50%)	6 (30%)

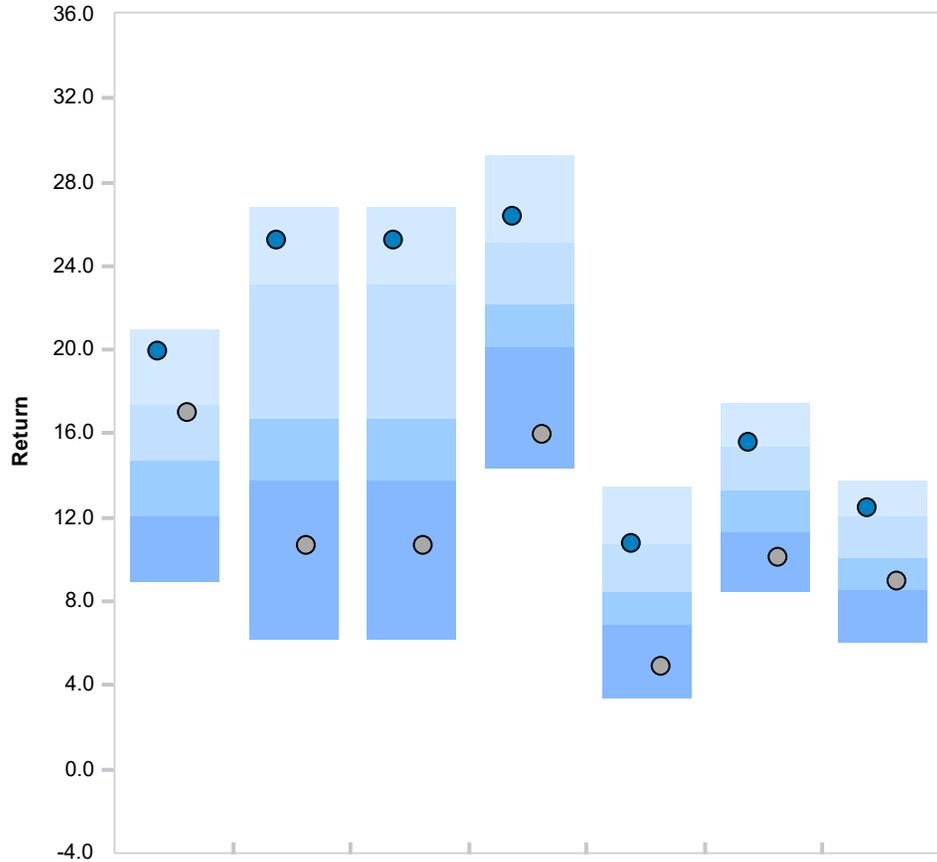
5 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)
Index	20	0 (0%)	1 (5%)	14 (70%)	5 (25%)

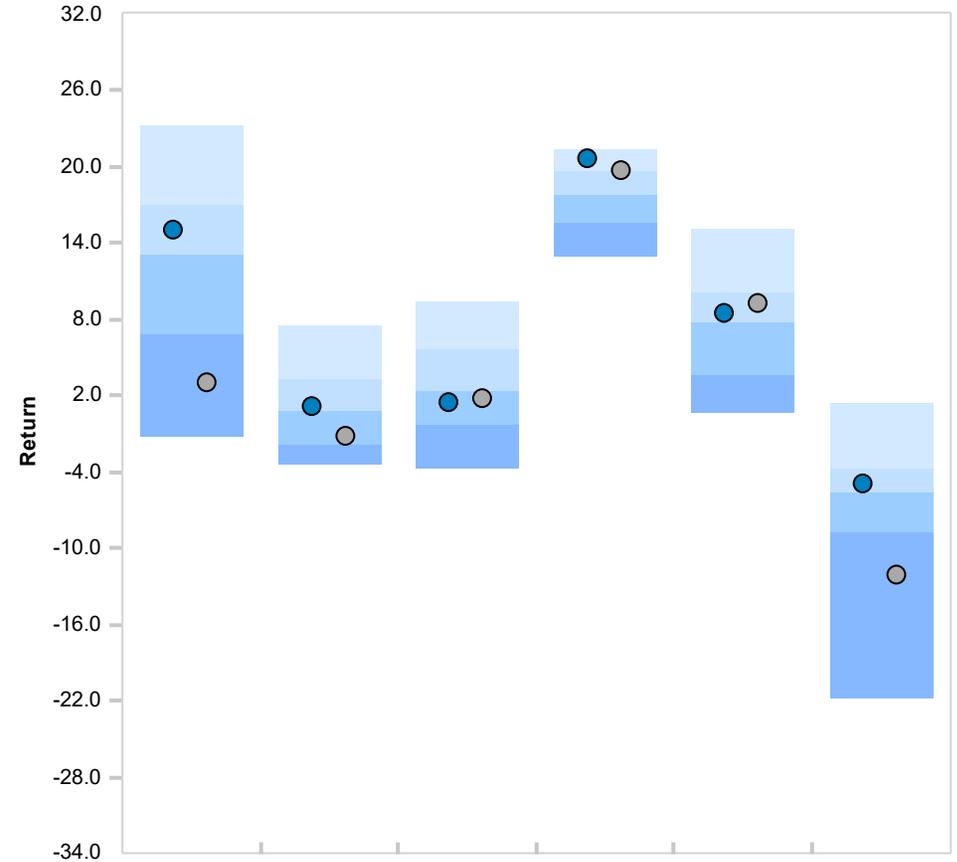


**Peer Group Analysis - IM International Large Cap Growth Equity (MF)**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Investment	19.95 (7)	25.27 (10)	25.27 (10)	26.33 (11)	10.74 (26)	15.53 (22)	12.47 (17)
● Index	17.01 (31)	10.65 (86)	10.65 (86)	15.96 (87)	4.88 (89)	10.06 (87)	8.93 (67)
Median	14.75	16.70	16.70	22.17	8.45	13.34	10.11

**Peer Group Analysis - IM International Large Cap Growth Equity (MF)**



	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015
● Investment	14.97 (35)	1.14 (44)	1.47 (60)	20.63 (8)	8.52 (38)	-4.93 (34)
● Index	3.00 (88)	-1.23 (68)	1.76 (57)	19.61 (26)	9.26 (33)	-12.16 (89)
Median	13.05	0.81	2.28	17.85	7.77	-5.68

**Comparative Performance**

	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020	1 Qtr Ending Dec-2019	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019
Investment	9.66 (25)	22.77 (5)	-22.43 (80)	10.09 (24)	-1.59 (57)	3.87 (72)
Index	6.25 (90)	16.12 (80)	-23.36 (90)	8.92 (53)	-1.80 (72)	2.98 (93)
Median	8.76	18.02	-20.42	9.00	-1.46	4.44



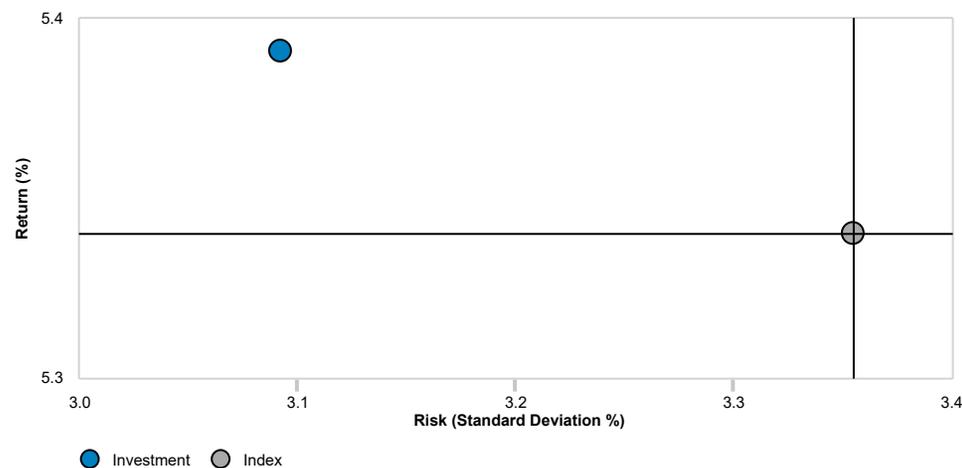
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.39	3.09	1.19	93.48	9	77.05	3
Index	5.34	3.36	1.10	100.00	10	100.00	2

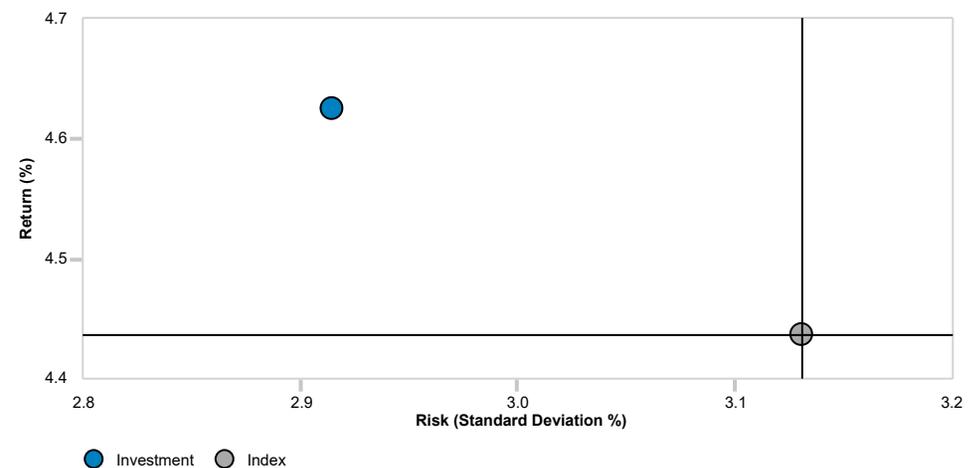
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	4.62	2.92	1.16	94.78	16	76.52	4
Index	4.44	3.13	1.04	100.00	17	100.00	3

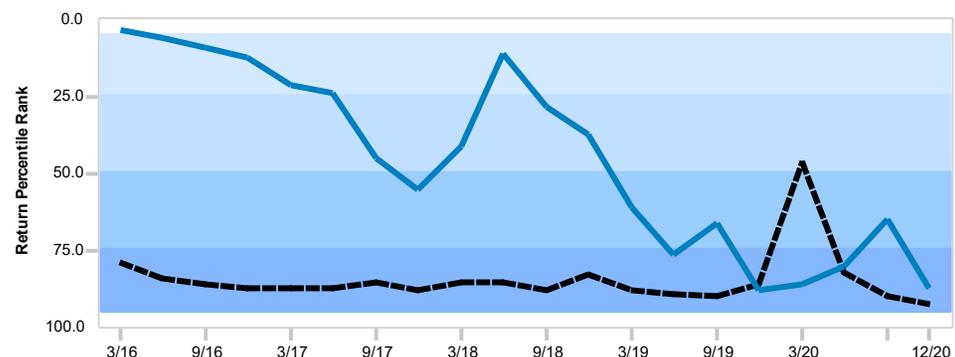
Risk and Return 3 Years



Risk and Return 5 Years



3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	7 (35%)	4 (20%)	4 (20%)	5 (25%)
Index	20	0 (0%)	1 (5%)	0 (0%)	19 (95%)

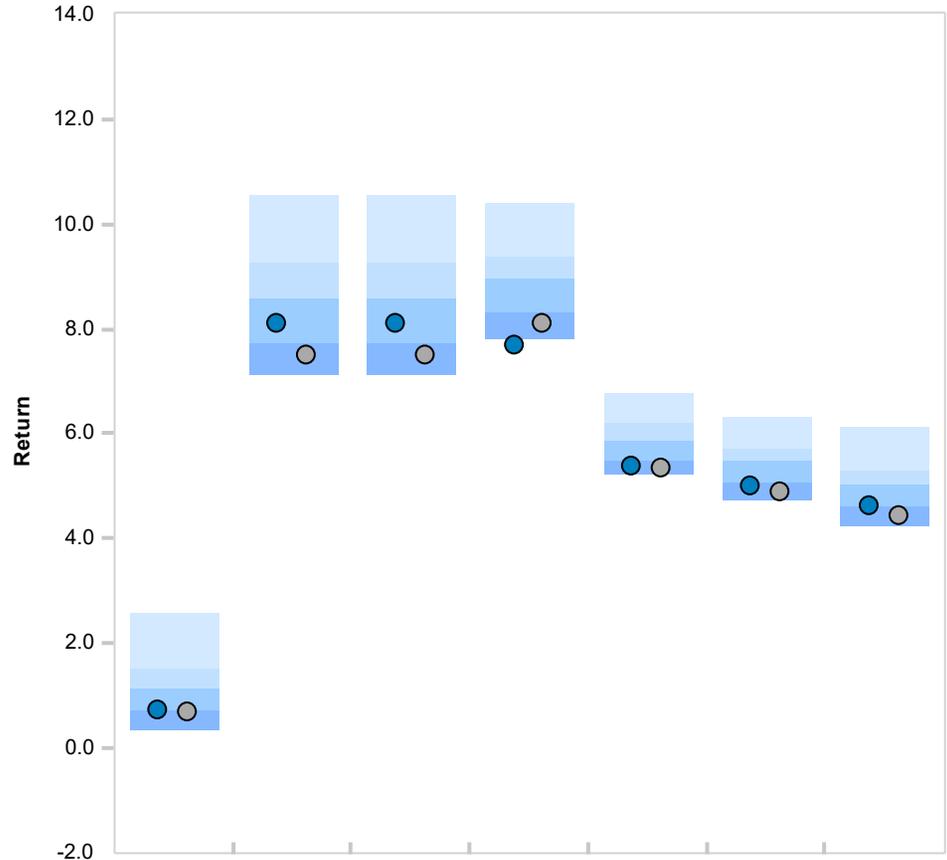
5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	12 (60%)	3 (15%)	4 (20%)	1 (5%)
Index	20	0 (0%)	0 (0%)	1 (5%)	19 (95%)

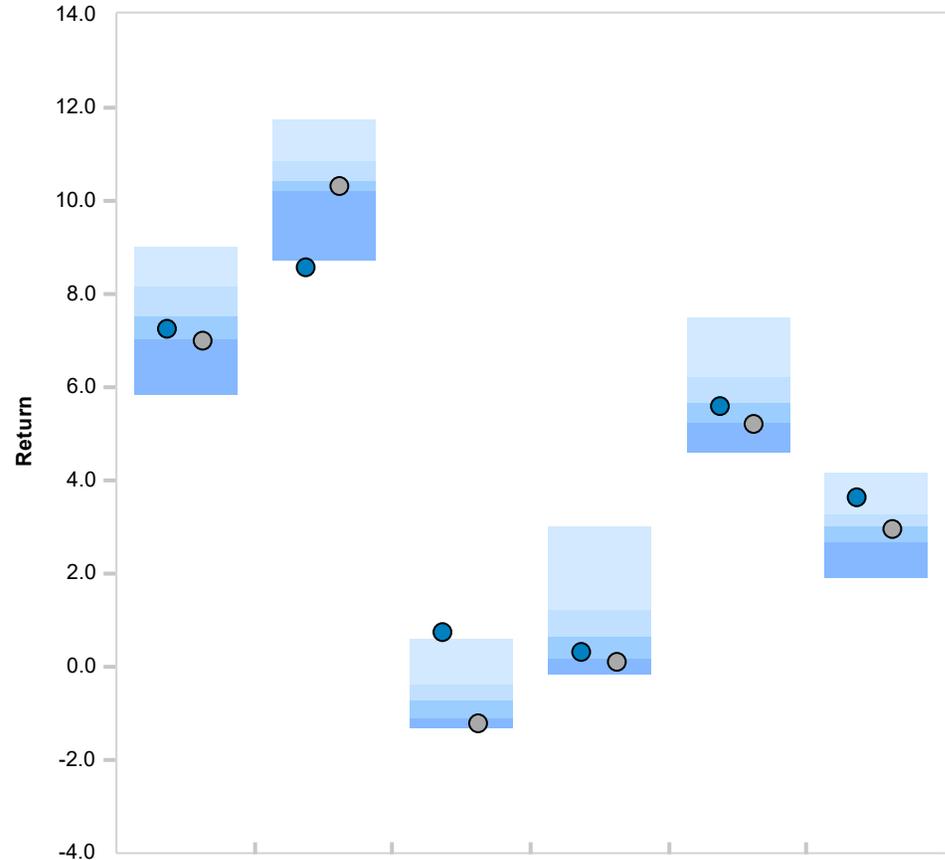


**Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Investment	0.74 (75)	8.10 (63)	8.10 (63)	7.67 (98)	5.39 (87)	4.99 (83)	4.62 (75)
● Index	0.67 (83)	7.51 (89)	7.51 (89)	8.11 (91)	5.34 (92)	4.89 (93)	4.44 (92)
Median	1.13	8.60	8.60	8.95	5.88	5.48	5.04

**Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)**



	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015
● Investment	7.25 (58)	8.54 (96)	0.73 (4)	0.31 (68)	5.58 (57)	3.63 (10)
● Index	6.98 (77)	10.30 (69)	-1.22 (88)	0.07 (84)	5.19 (80)	2.94 (62)
Median	7.52	10.43	-0.74	0.63	5.66	3.02

**Comparative Performance**

	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020	1 Qtr Ending Dec-2019	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019
Investment	0.80 (71)	4.85 (33)	1.53 (60)	-0.05 (89)	2.39 (36)	2.31 (96)
Index	0.62 (85)	2.90 (89)	3.15 (24)	0.18 (57)	2.27 (69)	3.08 (70)
Median	1.10	4.36	1.95	0.22	2.32	3.12



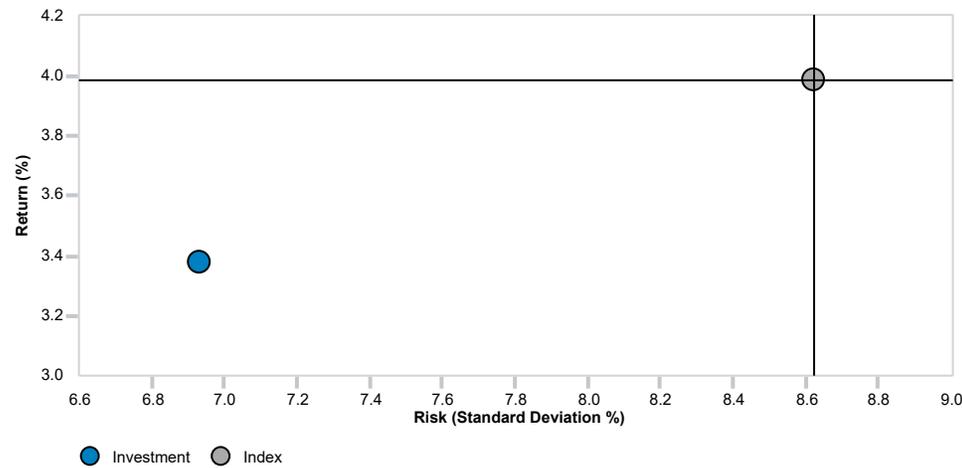
**Historical Statistics 3 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	3.38	6.93	0.28	82.69	10	82.47	2
Index	3.99	8.62	0.31	100.00	10	100.00	2

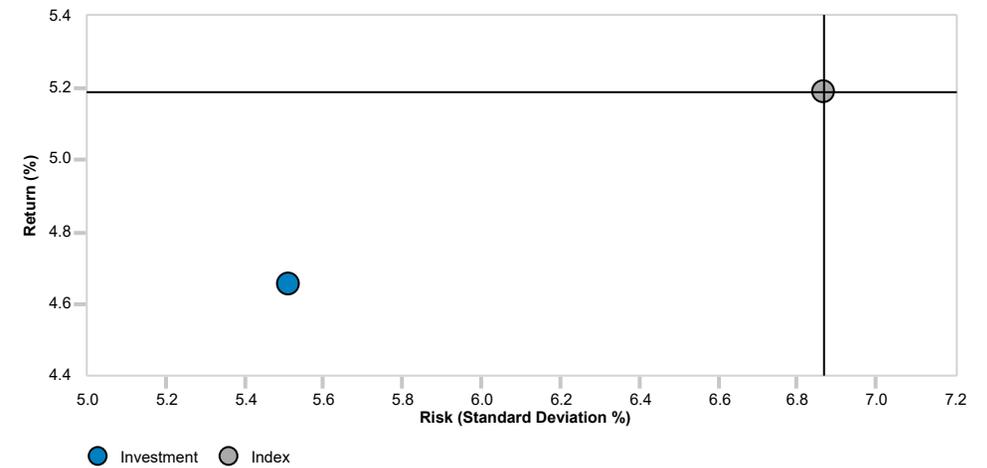
**Historical Statistics 5 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	4.65	5.51	0.63	84.26	18	78.33	2
Index	5.19	6.87	0.59	100.00	18	100.00	2

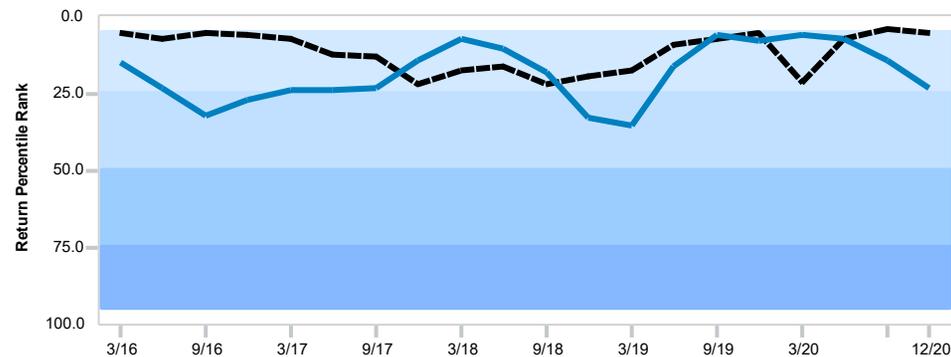
**Risk and Return 3 Years**



**Risk and Return 5 Years**

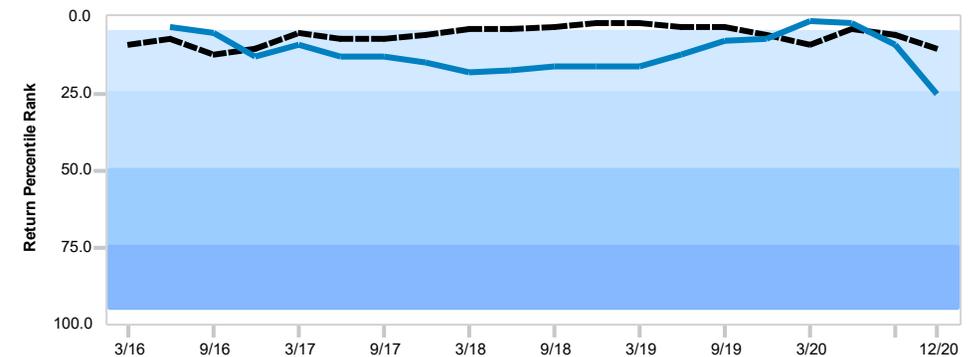


**3 Year Rolling Percentile Rank IM U.S. Bank Loans (MF)**



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	16 (80%)	4 (20%)	0 (0%)	0 (0%)
Index	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)

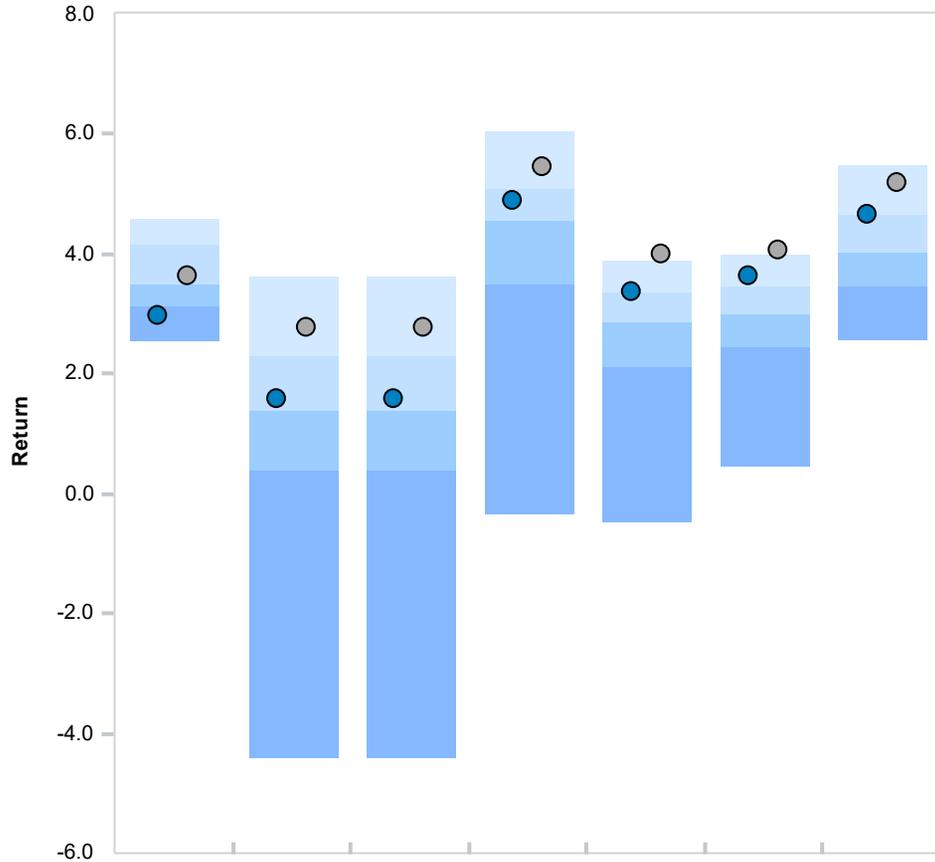
**5 Year Rolling Percentile Rank IM U.S. Bank Loans (MF)**



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	19	19 (100%)	0 (0%)	0 (0%)	0 (0%)
Index	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)

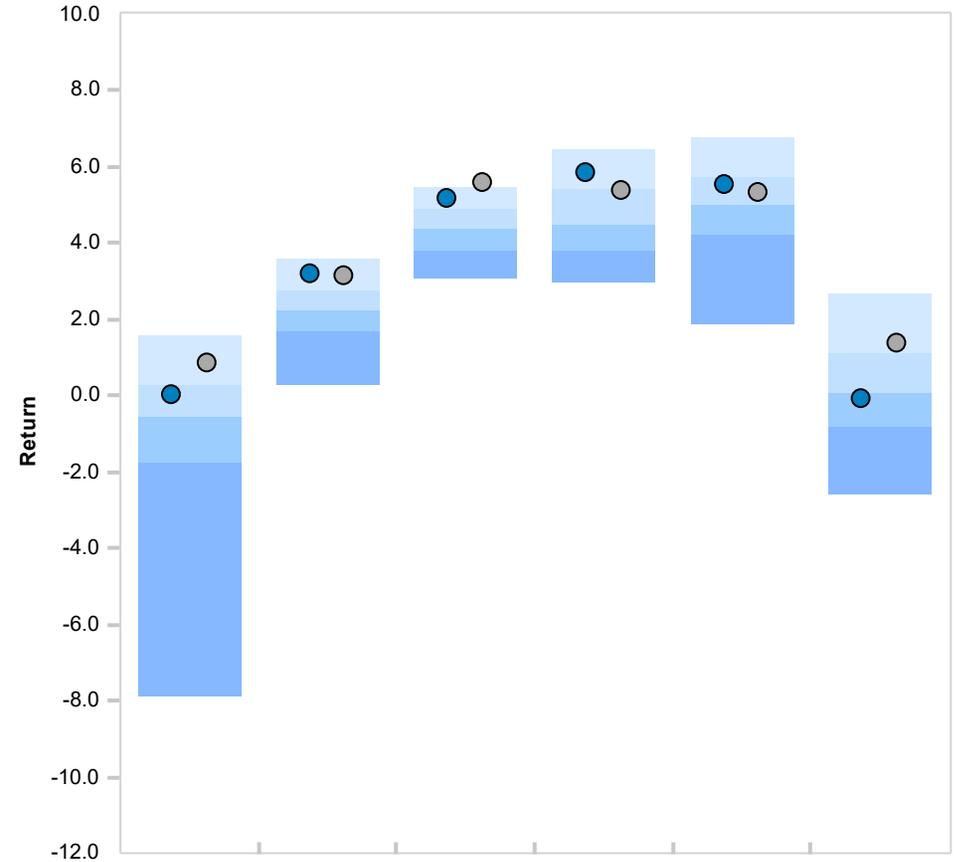


**Peer Group Analysis - IM U.S. Bank Loans (MF)**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Investment	2.98 (83)	1.59 (43)	1.59 (43)	4.89 (35)	3.38 (23)	3.61 (18)	4.65 (25)
● Index	3.63 (47)	2.78 (12)	2.78 (12)	5.44 (16)	3.99 (5)	4.05 (5)	5.19 (10)
Median	3.52	1.39	1.39	4.55	2.85	3.01	4.03

**Peer Group Analysis - IM U.S. Bank Loans (MF)**



	Oct-2019 To Sep-2020	Oct-2018 To Sep-2019	Oct-2017 To Sep-2018	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015
● Investment	0.01 (32)	3.21 (15)	5.18 (13)	5.81 (17)	5.53 (33)	-0.10 (59)
● Index	0.83 (15)	3.11 (18)	5.58 (5)	5.36 (26)	5.34 (38)	1.34 (22)
Median	-0.58	2.24	4.37	4.48	5.01	0.08

**Comparative Performance**

	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020	1 Qtr Ending Dec-2019	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019
Investment	3.03 (80)	6.84 (79)	-10.39 (10)	1.38 (65)	1.26 (11)	1.64 (20)
Index	4.12 (14)	9.71 (23)	-13.18 (54)	1.67 (29)	0.92 (41)	1.58 (25)
Median	3.54	8.22	-13.10	1.51	0.81	1.34



**Historical Statistics 3 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	5.26	1.80	2.26	100.00	11	100.00	1

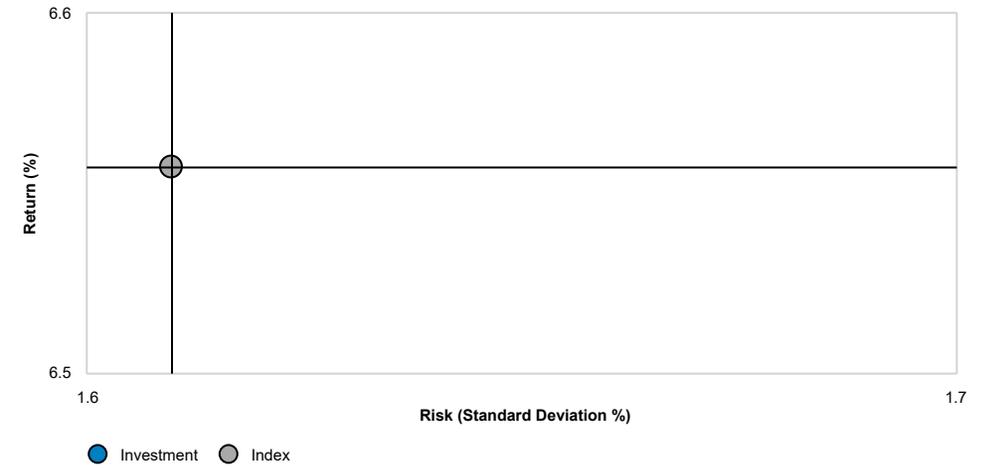
**Historical Statistics 5 Years**

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	6.56	1.61	3.21	100.00	19	100.00	1

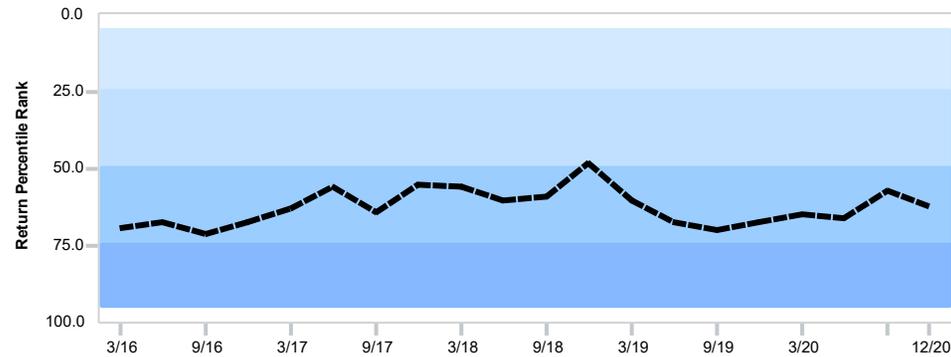
**Risk and Return 3 Years**



**Risk and Return 5 Years**

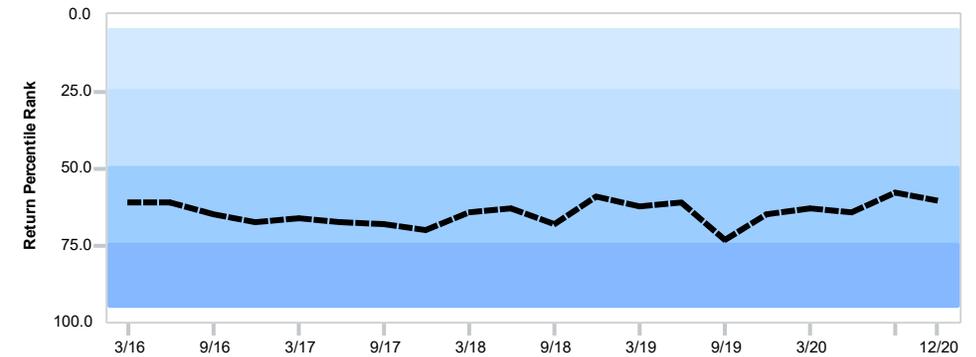


**3 Year Rolling Percentile Rank IM U.S. Open End Private Real Estate (SA+CF)**



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	1 (5%)	19 (95%)	0 (0%)

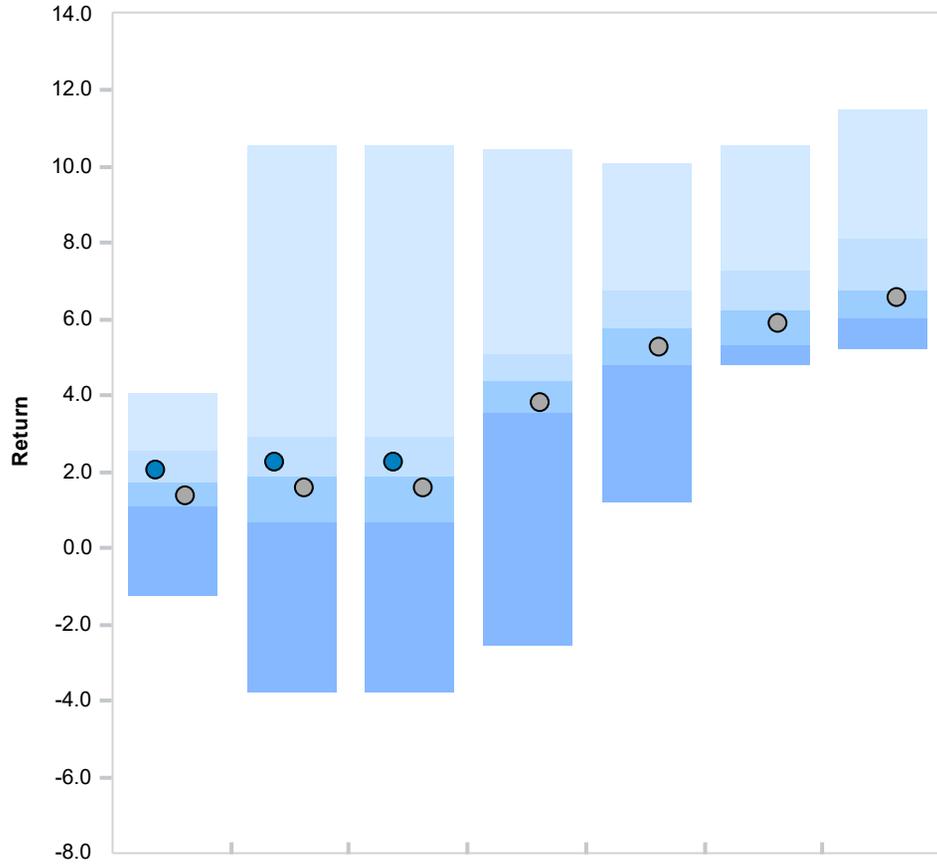
**5 Year Rolling Percentile Rank IM U.S. Open End Private Real Estate (SA+CF)**



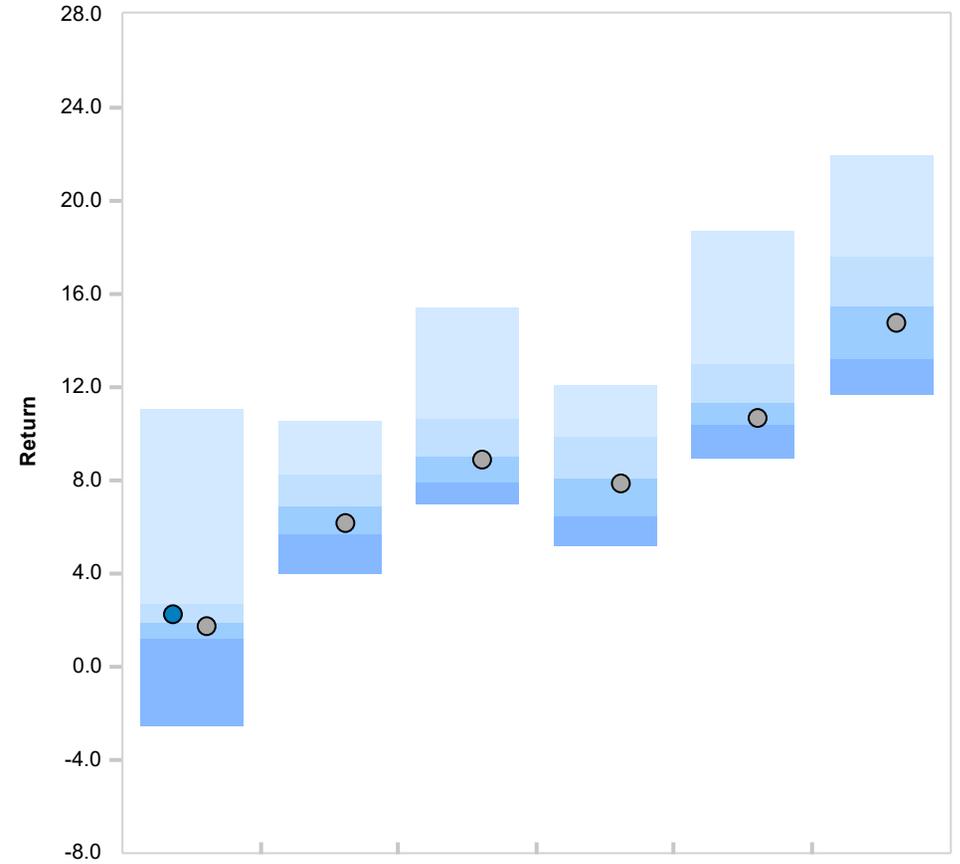
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	0 (0%)	20 (100%)	0 (0%)



**Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)**



**Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)**



**Comparative Performance**

	1 Qtr Ending Sep-2020	1 Qtr Ending Jun-2020	1 Qtr Ending Mar-2020	1 Qtr Ending Dec-2019	1 Qtr Ending Sep-2019	1 Qtr Ending Jun-2019
Investment	0.67 (42)	-1.82 (67)	1.39 (47)	1.99 (35)	N/A	N/A
Index	0.57 (48)	-1.27 (59)	0.92 (67)	1.53 (58)	1.39 (75)	1.34 (61)
Median	0.49	-1.22	1.31	1.61	1.75	1.44



**The Woodlands Firefighters' Retirement System**  
**Comparative Performance Trailing Performance Composite Returns**  
As of December 31, 2020

Comparative Performance	QTR	YTD	1 YR	2 YR	3 YR	5 YR	Inception	Inception Date
<b>Domestic Equity</b>								
<b>Vanguard Total Stock Index (VITSX)</b>	<b>14.69</b>	<b>21.00</b>	<b>21.00</b>	<b>25.81</b>	<b>14.50</b>	<b>15.43</b>	<b>8.42</b>	<b>08/01/1997</b>
CRSP U.S. Total Market TR Index	14.70	20.99	20.99	25.82	14.50	15.44	N/A	
<b>American Beacon SC Value R6 (AASRX)</b>	<b>33.87</b>	<b>4.03</b>	<b>4.03</b>	<b>13.35</b>	<b>2.74</b>	<b>N/A</b>	<b>4.00</b>	<b>03/01/2017</b>
Russell 2000 Value Index	33.36	4.63	4.63	13.17	3.72	9.65	4.75	
<b>Conestoga Small Cap I (CCALX)</b>	<b>24.51</b>	<b>30.59</b>	<b>30.59</b>	<b>27.98</b>	<b>18.19</b>	<b>19.43</b>	<b>17.13</b>	<b>09/01/2014</b>
Russell 2000 Growth Index	29.61	34.63	34.63	31.52	16.20	16.36	13.19	
<b>International Developed Equity</b>								
<b>EuroPacific Growth R6 (RERGX)</b>	<b>19.95</b>	<b>25.27</b>	<b>25.27</b>	<b>26.33</b>	<b>10.74</b>	<b>12.47</b>	<b>9.71</b>	<b>06/01/2009</b>
MSCI AC World ex USA (Net)	17.01	10.65	10.65	15.96	4.88	8.93	7.07	
<b>Core Fixed Income</b>								
<b>Garcia Hamilton (Gross of Fees)</b>	<b>0.74</b>	<b>8.10</b>	<b>8.10</b>	<b>7.67</b>	<b>5.39</b>	<b>4.62</b>	<b>6.26</b>	<b>01/01/1992</b>
Blmbg. Barc. U.S. Aggregate Index	0.67	7.51	7.51	8.11	5.34	4.44	5.53	
<b>Bank Loans</b>								
<b>Pacific Funds Floating Rate (PLFRX)</b>	<b>2.98</b>	<b>1.59</b>	<b>1.59</b>	<b>4.89</b>	<b>3.38</b>	<b>4.65</b>	<b>4.34</b>	<b>07/01/2011</b>
Credit Suisse Leveraged Loan Index	3.63	2.78	2.78	5.44	3.99	5.19	4.40	
<b>Real Estate</b>								
<b>Clarion Lion Properties Fund</b>	<b>2.02</b>	<b>2.24</b>	<b>2.24</b>	<b>4.72</b>	<b>6.34</b>	<b>7.41</b>	<b>7.48</b>	<b>04/01/2000</b>
NCREIF Fund Index-Open End Diversified Core (EW)	1.36	1.57	1.57	3.80	5.26	6.56	7.61	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.



**The Woodlands Firefighters' Retirement System**  
**Comparative Performance Calendar Year Composite Returns**  
As of December 31, 2020

Comparative Performance	2020	2019	2018	2017	2016	2015	2014	2013
<b>Domestic Equity</b>								
<b>Vanguard Total Stock Index (VITSX)</b>	<b>21.00</b>	<b>30.81</b>	<b>-5.16</b>	<b>21.17</b>	<b>12.67</b>	<b>0.42</b>	<b>12.56</b>	<b>33.49</b>
CRSP U.S. Total Market TR Index	20.99	30.84	-5.17	21.19	12.68	0.40	12.58	33.64
<b>American Beacon SC Value R6 (AASRX)</b>	<b>4.03</b>	<b>23.50</b>	<b>-15.59</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000 Value Index	4.63	22.39	-12.86	7.84	31.74	-7.47	4.22	34.52
<b>Conestoga Small Cap I (CCALX)</b>	<b>30.59</b>	<b>25.42</b>	<b>0.81</b>	<b>28.74</b>	<b>14.30</b>	<b>8.26</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000 Growth Index	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60	43.30
<b>International Developed Equity</b>								
<b>EuroPacific Growth R6 (RERGX)</b>	<b>25.27</b>	<b>27.40</b>	<b>-14.91</b>	<b>31.17</b>	<b>1.01</b>	<b>-0.48</b>	<b>-2.29</b>	<b>20.58</b>
MSCI AC World ex USA (Net)	10.65	21.51	-14.20	27.19	4.50	-5.66	-3.87	15.29
<b>Core Fixed Income</b>								
<b>Garcia Hamilton (Gross of Fees)</b>	<b>8.10</b>	<b>7.25</b>	<b>0.97</b>	<b>3.81</b>	<b>3.17</b>	<b>0.84</b>	<b>8.01</b>	<b>0.08</b>
Blmbg. Barc. U.S. Aggregate Index	7.51	8.72	0.01	3.54	2.65	0.55	5.97	-2.02
<b>Bank Loans</b>								
<b>Pacific Funds Floating Rate (PLFRX)</b>	<b>1.59</b>	<b>8.30</b>	<b>0.41</b>	<b>4.33</b>	<b>8.91</b>	<b>0.75</b>	<b>0.31</b>	<b>6.22</b>
Credit Suisse Leveraged Loan Index	2.78	8.16	1.14	4.25	9.87	-0.41	2.18	6.16
<b>Real Estate</b>								
<b>Clarion Lion Properties Fund</b>	<b>2.24</b>	<b>7.26</b>	<b>9.66</b>	<b>8.99</b>	<b>9.09</b>	<b>15.71</b>	<b>13.17</b>	<b>12.77</b>
NCREIF Fund Index-Open End Diversified Core (EW)	1.57	6.08	8.25	7.80	9.27	15.17	12.28	13.34

Returns for periods greater than one year are annualized. Returns are expressed as percentages.



**Woodlands Fire Retirement System  
Fee Analysis**

As of December 31, 2020

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Vanguard Total Stock Index (VITSX)	0.03	23,938,560	7,182	0.03 % of Assets
American Beacon SC Value R6 (AASRX)	0.78	2,994,858	23,360	0.78 % of Assets
Conestoga Small Cap I (CCALX)	0.90	2,894,364	26,049	0.90 % of Assets
<b>Total Domestic Equity</b>	<b>0.19</b>	<b>29,827,782</b>	<b>56,591</b>	
EuroPacific Growth R6 (RERGX)	0.49	8,251,697	40,433	0.49 % of Assets
<b>Total International Equity</b>	<b>0.49</b>	<b>8,251,697</b>	<b>40,433</b>	
Garcia Hamilton	0.25	10,018,259	25,046	0.25 % of First \$25 M 0.20 % of Next \$25 M 0.18 % of Next \$50 M 0.15 % of Next \$100 M 0.12 % Thereafter
Pacific Funds Floating Rate (PLFRX)	0.72	1,234,183	8,886	0.72 % of Assets
<b>Total Fixed Income</b>	<b>0.30</b>	<b>11,252,442</b>	<b>33,932</b>	
Clarion (Core Real Estate)	1.25	3,087,384	38,592	1.25 % of Assets
<b>Total Real Estate</b>	<b>1.25</b>	<b>3,087,384</b>	<b>38,592</b>	
Frost Bank Cash Account		11,777	-	
Mutual Fund Cash		189,735	-	
<b>Total Cash</b>		<b>201,512</b>	<b>-</b>	
<b>Total Fund</b>	<b>0.32</b>	<b>52,620,818</b>	<b>169,548</b>	

AndCo Consulting fees are \$45,000/year (10 bps as of 3/31/2019).



Total Fund Compliance:	Yes	No	N/A
1. The Total Plan return equaled or exceeded the 7% actuarial earnings assumption over the trailing three year period.	✓		
2. The Total Plan return equaled or exceeded the 7% actuarial earnings assumption over the trailing five year period.	✓		
3. The Total Plan return equaled or exceeded the 7% actuarial earnings assumption over the trailing ten year period.			✓
4. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period.		✓	
5. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period.		✓	
6. The Total Plan return equaled or exceeded the total plan benchmark over the trailing ten year period.			✓
7. The Total Plan return ranked within the top 50th percentile of its peer group over the trailing three year period.	✓		
8. The Total Plan return ranked within the top 50th percentile of its peer group over the trailing five year period.	✓		
9. The Total Plan return ranked within the top 50th percentile of its peer group over the trailing ten year period.			✓

Equity Compliance:	Yes	No	N/A
1. All investments are U.S. dollar denominated except for certain equities and sovereign foreign bonds as delineated in Permitted Asset Classes.	✓		
2. Less than or equal to 5% of the voting securities of any corporation are owned.	✓		
3. Securities have not been purchased on margin or leverage excluding alternative investments.	✓		
4. Short sale transactions have not been executed except by approved alternative investment managers.	✓		
5. Transactions in financial futures have not been executed unless used to equitize cash, reduce risk, or by approved alternative investment managers.	✓		
6. Less than or equal to 30% of the aggregated equity portfolio is invested in any one sector of the MSCI World at market.	✓		
7. Less than or equal to 5% of the aggregated equity portfolio is invested in securities of any one company at market.	✓		
8. Privately held securities are not included in the Plan except by approved alternative investment managers.	✓		
9. Options have not been traded except for covered calls or put hedges on a one to one ratio.	✓		

Fixed Income Compliance:	Yes	No	N/A
1. All investments are U.S. dollar denominated except for certain equities and sovereign foreign bonds as delineated in Permitted Asset Classes.	✓		
2. Commercial paper rated P1 by Moody's or A1 or A2 by Standard & Poor's.			✓
3. Privately held securities are not included in the Plan except by approved alternative investment managers.	✓		

Manager Compliance*:	Vang. Total Stk**			Am. Beacon			Conestoga			EuroPacific			Garcia Hamilton			Pacific Funds		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three year period.			✓	✓				✓		✓			✓					✓
2. Manager outperformed the index over the trailing five year period.			✓			✓	✓			✓			✓					✓
3. Manager ranked above the 50th percentile over the trailing three year period.			✓	✓				✓		✓				✓				✓
4. Manager ranked above the 50th percentile over the trailing five year period.			✓			✓	✓			✓				✓				✓
5. Less than four consecutive quarters of under performance relative to the benchmark.			✓	✓			✓			✓			✓					✓
6. Three year volatility less than the index, as measured by standard deviation.			✓		✓		✓				✓		✓					✓
7. Five year volatility less than the index, as measured by standard deviation.			✓			✓	✓				✓			✓				✓

\*Historical manager data was used to complete this portion of the questionnaire being that funds have performance history of less than 3 years.

\*\* Index Fund



Manager Compliance:	Clarion			Yes	No	N/A													
	Yes	No	N/A																
1. Manager outperformed the index over the trailing three year period.			✓																
2. Manager outperformed the index over the trailing five year period.			✓																
3. Manager ranked above the 50th percentile over the trailing three year period.			✓																
4. Manager ranked above the 50th percentile over the trailing five year period.			✓																
5. Less than four consecutive quarters of under performance relative to the benchmark.	✓																		
6. Three year volatility less than the index, as measured by standard deviation.			✓																
7. Five year volatility less than the index, as measured by standard deviation.			✓																

\*Historical manager data was used to complete this portion of the questionnaire being that funds have performance history of less than 3 years.

\*\* Index Fund



**Historical Hybrid Composition**

Allocation Mandate	Weight (%)
<b>Jan-1973</b>	
MSCI World (net)	60.00
Bloomberg Barclays Intermediate US Govt/Credit Idx	40.00
<b>Jun-2019</b>	
Russell 3000 Index	62.50
MSCI AC World ex USA (Net)	15.00
Blmbg. Barc. U.S. Aggregate Index	22.50
NCREIF Fund Index-Open End Diversified Core (EW)	0.00
<b>Oct-2019</b>	
Russell 3000 Index	55.00
MSCI AC World ex USA (Net)	15.00
Blmbg. Barc. U.S. Aggregate Index	22.50
NCREIF Fund Index-Open End Diversified Core (EW)	7.50



- Historical data through April 2019 was provided by South Texas Money Management.
- Assets were transferred to Frost Bank as the new custodian in the months of May, June and July 2019.
- Performance and cash flow data as of May 2019 is calculated by AndCo using custodial statements from Pershing and Frost Bank.

<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
<b>Distributed to Paid In (DPI)</b>	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
<b>Public Market Equivalent (PME)</b>	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
<b>R-Squared</b>	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
<b>Standard Deviation</b>	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
<b>Total Value to Paid In (TVPI)</b>	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



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AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

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