South Central Connecticut Regional Water Authority
Via Remote Access**

AGENDA

Regular Meeting of Thursday, October 27, 2022 at 12:30 p.m.

A. Safety Moment

B. Public Comment: Statements limited to the legislative function of the Authority. The time limit granted to each speaker shall be three (3) minutes. Residents may address the Board.

C. Meet as Pension and Benefit Committee: S. Sack

1. Approve Minutes – July 28, 2022 meeting
2. Quarterly Investment Performance Review: S. Kelliher, J. McLaughlin, and A. Kantapin

D. Act on matters arising from committee meetings

E. Consent Agenda

1. Approve Minutes – September 22, 2022 meeting
2. Capital Budget Authorization - November 2022
3. Capital Budget Transfer Notifications (no action required) – November 2022
4. Monthly Financial Report – September 2022
5. Accounts Receivable Update – September 2022

F. Reports on RPB Committee meetings

G. Finance: R. Kowalski

1. *Lead & Copper Rule Revision Briefing: S. Lakshminarayanan - *Upon 2/3 vote, convene in executive session pursuant to G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210 subsection b #'s 5 B, pertaining to commercial and financial information.*

2. Ten Year Model - *Upon 2/3 vote, convene in executive session pursuant to G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210 subsection b #'s 5 B, pertaining to commercial and financial information.*

H. Business Updates: L. Bingaman

1. COVID-19: L. Calo
2. *Monthly Business Highlights: L. Bingaman - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(D) to discuss matters concerning strategy pertinent to real estate matters.*

** Members of the public may attend the meeting via conference call. For information on attending the meeting and to view meeting documents, please visit https://tinyurl.com/bvaurs6j. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

**RPB member (M. Levine) will be excused at Item G1 and H2*

South Central Connecticut Regional Water Authority

October 27, 2022 at 12:30 p.m.

Remote Meeting Instructions**:**

Call in (audio only)

+1 469-965-2517,,931025567#   United States, Dallas

Phone Conference ID: 931 025 567#

For more information contact the board office at 203-401-2515 or by email at jslubowski@rwater.com

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SAFETY MOMENT

Tap Into Safety

Regional Water Authority

OCTOBER – SAFETY CULTURE

What is Safety Culture? It is a culture of shared beliefs, practices and attitudes. We are always trying to improve our safety culture at the RWA. If you notice a hazardous condition, please report it or correct it before someone gets injured.

The two basic causes of accidents and injuries:

1. Unsafe conditions
2. Unsafe acts

In a positive Safety Culture:

- Nothing takes precedent over safe work under any circumstances.
- All employees, from the front line to the senior leadership, share the same responsibility for safe work.
- The safety system is informed by the entire workforce, not designed and enforced only by management.
- Existing safety systems are constantly developed and improved.
- Communication occurs openly between departments, members of the workforce and management. Communication is always open and encouraged.

Service – Teamwork – Accountability – Respect – Safety

Safety is a core company value at the RWA. It is our goal to reduce workplace injuries to zero.

Regional Water Authority

UNAPPROVED DRAFT

South Central Connecticut Regional Water Authority
Pension & Benefit Committee

Minutes of the July 28, 2022 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority ("RWA") Pension & Benefit Committee took place on Thursday, July 28, 2022, via remote access. Chair Sack presided.

Present: Committee – Mss. Sack and LaMarr and Messrs. Borowy and DiSalvo
RPB – Ms. Campbell
Management – Mss. Kowalski and Verdisco, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan and Singh
Morgan Stanley – Messrs. Kelliher, McLaughlin, Kantapin, and Snyder and two CFA analysts
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:32 p.m.

On motion made by Mr. DiSalvo, seconded by Ms. LaMarr, and unanimously carried, the Committee approved the minutes its April 28, 2022 meeting.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Mr. McLaughlin, of Morgan Stanley, the RWA's investment advisor provided an annual update of the RWA's 401K Plan. The updated included the investment menu, structure and balances, and the RWA's 401K plan governance and associated process.

Mr. Kelliher, the RWA's investment advisor, reported on the Authority's Pension Investment Performance for RWA's Salaried and Union Pension Plans and its Voluntary Employees' Beneficiary Association Plan (VEBA), for the period ended June 30, 2022, which included market commentary, asset allocations, and investments results.

Mr. Kelliher stated that although performance for the pension and VEBA plans were reported to be negative as of June 30, 2022, there were positive returns through July 28, 2022.

Mr. Kelliher highlighted that information regarding the Environmental, Social and Governance was provided to Authority members prior to the meeting but due to time constraints members should review the materials and questions submitted to Morgan Stanley.

At 1:53 p.m., on motion made by Mr. Borowy, seconded by Mr. DiSalvo, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

____
Suzanne Sack, Chair

Morgan Stanley

Barron's 2022 Top 100 Institutional Consulting Teams

THE KELLIHER CORBETT GROUP AT MORGAN STANLEY

141 Longwater Drive, Suite 102
Norwell, MA. 02061
877.535.4437

Stephen Kelliher
Managing Director
Senior Portfolio Management Director
Senior Institutional Consultant
Corporate Client Group Director

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EXPERIENCE THAT MAKES A DIFFERENCE KELLIHERCORBETTGROUP.COM OCTOBER 27, 2022

Discussion Outline & Agenda

	Section
Market Commentary	I.
Asset Allocation & Investment Matrices	II.
Investment Results	III.
Investment Holdings Analysis	IV.
Appendix	V.

Morgan Stanley

Barron’s 2022 Top 100 Institutional Consulting Teams

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Market Commentary

Regional Water Authority
Tapping the Possibilities

S&P 500 Index at inflection points

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Equities

S&P 500 Price Index

Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	9/30/2022
Index Level	1,527	1,565	3,386	4,797	3,586
P/E Ratio (fwd.)	25.2x	15.1x	19.2x	21.4x	15.1x
Dividend Yield	1.4%	1.9%	1.9%	1.3%	1.9%
10-yr. Treasury	6.2%	4.7%	1.6%	1.6%	3.8%

Source: Compustat, FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.
Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on IBES estimates and FactSet estimates since January 2022. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.
Guide to the Markets – U.S. Data are as of September 30, 2022.

J.P.Morgan
ASSET MANAGEMENT

S&P 500 Corrections Are Very Common

10%+ Corrections (Intra-Day Pricing) Since 1971

Current bear market S&P 500 Index low: January 4, 2022 - September 30, 2022

Peak Date	Trough Date	Peak to Trough Decline	Type	Date Returns to Past Peak	# Months Recover from Trough to Peak	% Change 3-months after trough	% Change 6-months after trough	% Change 12-months after trough	P/E Peak	P/E Trough	P/B Peak	P/B Trough
4/28/1971	11/23/1971	-13.9%	Bull Correction	2/4/1972	2.4	17%	22%	30%				
1/11/1973	10/3/1974	-48.2%	Bear Market	7/17/1980	69.5	14%	31%	38%				
7/15/1975	9/16/1975	-14.1%	Bull Correction	1/12/1976	3.9	8%	23%	28%				
9/21/1976	3/6/1978	-19.4%	Correction	8/15/1979	17.3	15%	21%	13%				
9/12/1978	11/14/1978	-13.6%	Bull Correction	8/13/1979	9.0	7%	6%	12%				
10/5/1979	11/7/1979	-10.2%	Bull Correction	1/21/1980	2.5	16%	7%	29%				
2/13/1980	3/27/1980	-17.1%	Bull Correction	7/14/1980	3.6	18%	29%	37%				
11/28/1980	8/12/1982	-27.1%	Bear Market	11/9/1982	2.9	36%	44%	58%				
10/10/1983	7/24/1984	-14.4%	Correction	1/21/1985	5.9	13%	20%	30%				
8/25/1987	12/4/1987	-34.5%	Bear Market	7/26/1989	19.7	19%	19%	21%				
10/9/1989	1/30/1990	-11.1%	Correction	5/29/1990	4.0	2%	10%	6%				
7/16/1990	10/11/1990	-20.4%	Bear Market	2/13/1991	4.1	7%	28%	29%	16.0	13.5	2.1	1.7
2/19/1997	4/14/1997	-10.3%	Bull Correction	5/5/1997	0.7	23%	30%	50%	20.9	19.2	3.5	3.2
10/7/1997	10/27/1997	-10.8%	Bull Correction	12/5/1997	1.3	10%	24%	21%	23.5	21.2	4.0	3.6
7/17/1998	8/31/1998	-19.4%	Bull Correction	11/23/1998	2.8	22%	29%	38%	27.1	21.8	4.6	3.7
7/16/1999	10/15/1999	-12.2%	Bull Correction	11/16/1999	1.0	17%	9%	10%	30.7	26.1	5.0	4.4
3/24/2000	10/9/2002	-50.0%	Bear Market	5/30/2007	55.7	19%	11%	34%	30.6	17.0	5.2	2.3
12/2/2002	3/12/2003	-17.3%	Bull Correction	5/27/2003	2.5	24%	27%	39%	20.3	17.5	2.8	2.5
10/9/2007	3/9/2009	-57.0%	Bear Market	3/28/2013	48.6	39%	53%	69%	17.5	11.1	3.0	1.5
4/23/2010	7/2/2010	-16.5%	Bull Correction	11/4/2010	4.1	12%	23%	31%	18.6	14.2	2.3	1.9
4/29/2011	10/3/2011	-19.5%	Bull Correction	2/21/2012	4.6	16%	29%	32%	16.0	12.5	2.3	1.8
10/28/2011	11/25/2011	-10.0%	Bull Correction	2/24/2012	3.0	18%	14%	22%	14.6	13.2	2.1	1.9
4/2/2012	6/1/2012	-10.2%	Bull Correction	8/21/2012	2.7	10%	11%	28%	15.1	13.5	2.2	2.0
5/21/2015	2/11/2016	-15.2%	Correction	7/8/2016	4.9	13%	20%	27%	18.9	16.8	2.9	2.5
1/26/2018	2/8/2018	-10.2%	Correction	8/24/2018	6.5	4%	11%	5%	23.1	20.7	3.5	3.2
9/20/2018	12/24/2018	-19.9%	Bear Market	4/23/2019	4.0	19%	25%	37%	21.1	16.0	3.5	2.8
2/19/2020	3/23/2020	-35.4%	Bear Market	8/12/2020	4.6	40%	45%	75%	21.8	14.5	3.6	2.4
9/2/2020	9/24/2020	-10.6%	Bull Correction	11/9/2020	1.5	14%	20%	37%	27.2	24.7	4.0	3.6
1/4/2022	9/30/2022	-25.6%	Bear Market	-	-				24.8	17.6	4.8	3.6
Bear Market		-35%			26.1	24%	32%	45%	21.4	14.4	3.5	2.2
Bull Correction		-14%			3.0	16%	20%	30%	21.4	18.4	3.3	2.9
Correction		-14%			7.7	9%	16%	16%	21.0	18.7	3.2	2.8
Average		-20%			10.5	17.0%	22.8%	31.6%	21.6	17.3	3.4	2.7

Bull correction: equity market has seen a 10% or greater drawdown, but recovers to the prior peak within 12 months of prior peak. Bear market: stocks sell off 20%+.

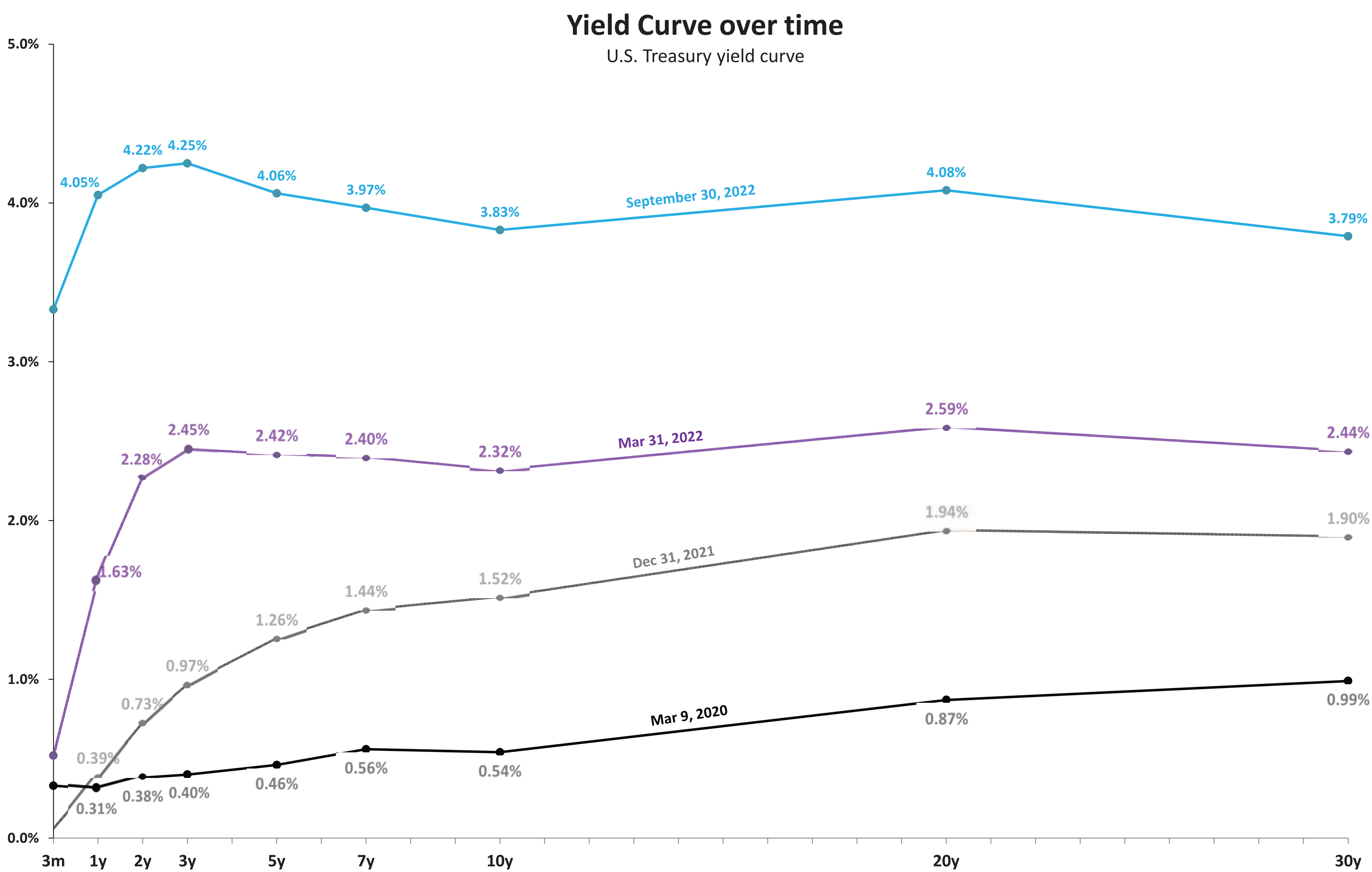
Correction: stocks down 10% - 20% and do not recover to the prior peak in 12 months

Source: Bloomberg, Morgan Stanley Wealth Management GIC.

Worst US 60/40* Year-To-Date Returns Through September

2022: -20.1%	• Restrictive Federal Reserve, persistent inflation, Covid case spikes in China, global supply chain disruptions, Russia/Ukraine war
2002: -14.8%	• Part of a correction that began in 2000 after a decade-long bull market had led to unusually high stock valuations
2008: -11.6%	• The Financial Crisis, caused by a collapse in the housing market. From peak to trough, US GDP fell by 4.3%, making this the deepest recession since WW2
2001: -9.5%	• The “Dot Com” Crash, caused by excess speculation of tech companies
1981: -8.2%	• Tight monetary policy to fight mounting inflation worries. Fed Funds Rate reaches highest level at over 19%
1990: -5.2%	• The 1990 Recession, caused by continual rise of the unemployment rate as well as restrictive monetary policy
2011: -2.7%	• Black Monday: credit rating downgrade by S&P of the U.S. sovereign debt from AAA to AA+, the first time in history the United States was downgraded
2015: -2.6%	• A broad market sell off as a result of slowing GDP growth in China, a fall in petroleum prices, and the Greek debt default
1994: -0.5%	• The Fed begins hiking cycle, Leading to the “Great Bond Massacre”, which has been described as “the worst financial event for bond investors since 1927”
2000: 2.1%	• The “Dot Com” bubble began to burst in February 2000. The “Tech Wreck” had begun and 2000 would end with the Nasdaq down over 50% from its high

*60/40 = 60% S&P 500/40% Barclays U.S. Aggregate Bond Index (total returns). Barclays U.S. Aggregate Bond Index was incepted on 1/1/1976.

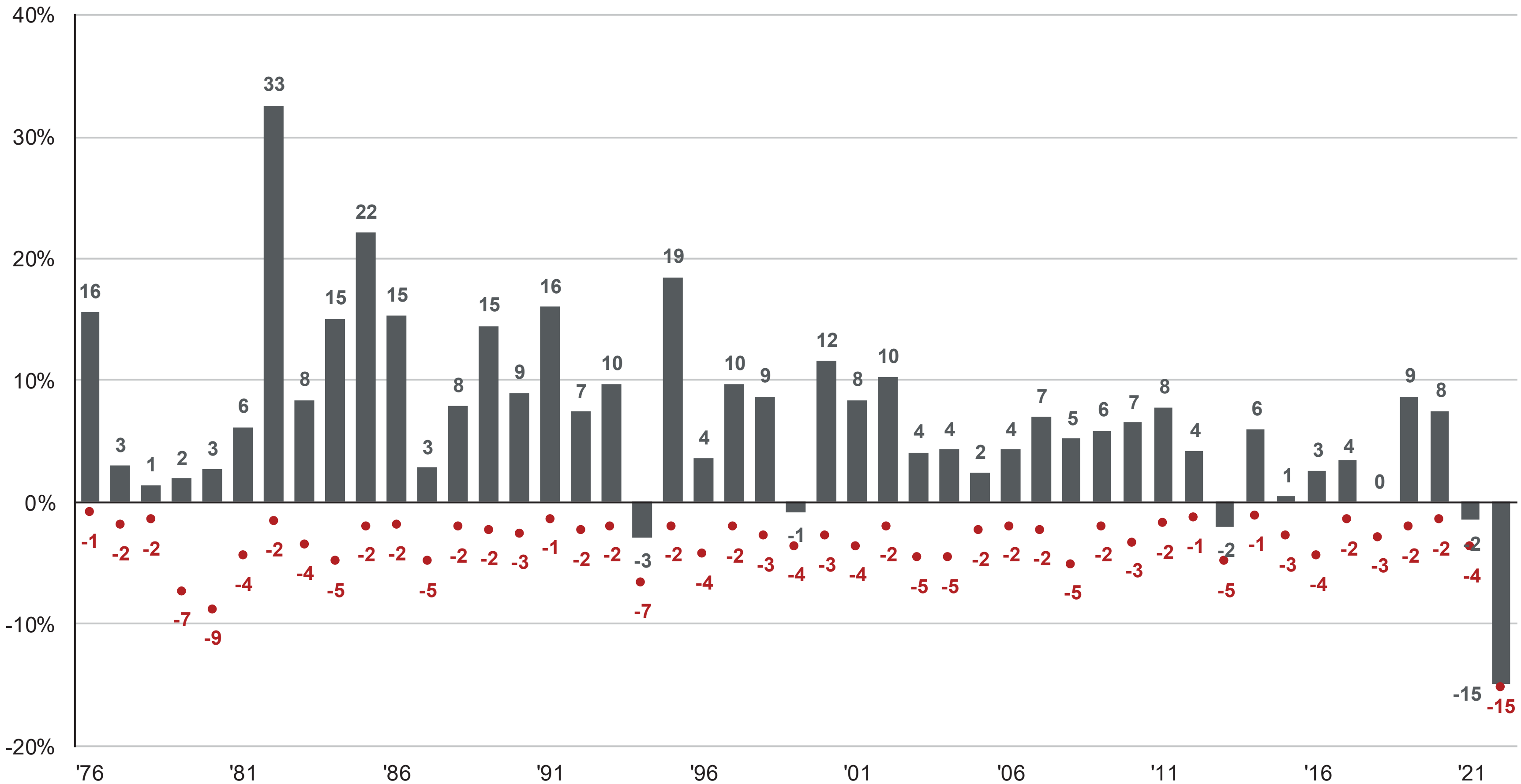


Source: Federal Reserve. Data as of September 30, 2022

Bloomberg U.S. Agg. annual returns and intra-year declines

Bloomberg U.S. Aggregate intra-year declines vs. calendar year returns

Despite average intra-year drops of 3.1%, annual returns positive in 42 of 46 years



Source: Bloomberg, FactSet, J.P. Morgan Asset Management.
Returns are based on total return. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1976 to 2021, over which time period the average annual return was 7.1%. Returns from 1976 to 1989 are calculated on a monthly basis; daily data are used afterwards.
Guide to the Markets – U.S. Data are as of September 30, 2022.

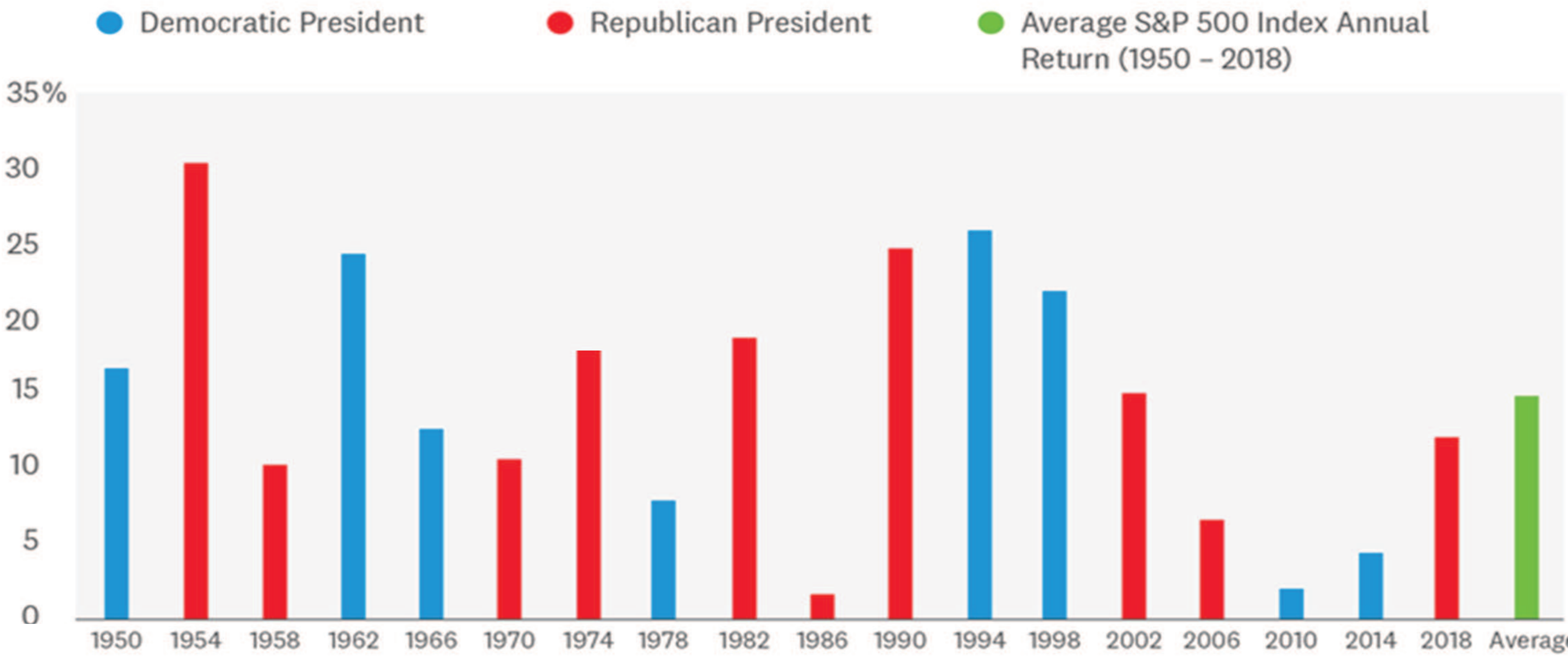
J.P.Morgan
ASSET MANAGEMENT

Year to Date Corporate Fixed Income Analysis
December 31, 2021 - September 30, 2022

	Citigroup Inc.
Face/Maturity Value	250,000
Coupon	3.300%
Purchase Date	May 10, 2018
Purchase Price	240,185
Yield to Maturity at Purchase	3.951%
Beg. Market Value (1/1/2022)	$265,628 *(+10.59% Return since purchase)*
Beg. Yield to Maturity (1/1/2022)	1.369%
End Market Value (9/30/2022)	$238,636 *(-10.16% Return since 1/1/2022)*
End Yield to Maturity (9/30/2022)	5.208%
Maturity Date	April 27, 2025

STOCKS HAVE GAINED A YEAR AFTER MIDTERMS EVERY TIME

S&P 500 Index Returns 1-Year After Midterm Elections (1950 to Current)



Source: LPL Research, FactSet 06/30/22

All indexes are unmanaged and cannot be invested into directly.

The modern design of the S&P 500 stock index was first launched in 1957.

Performance back to 1950 incorporates the performance of predecessor index, the S&P 90.

Past performance is no guarantee of future results.

Current Indicators: Equity Valuation

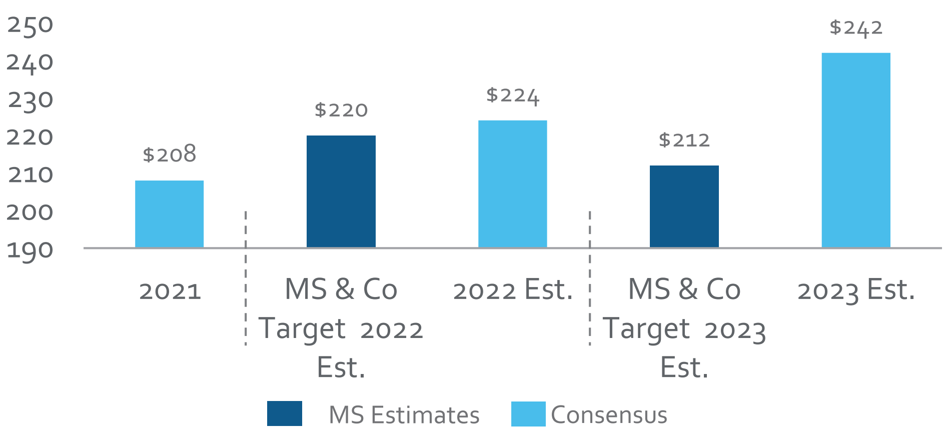
Morgan Stanley & Co. 12M Forward S&P 500 Target

As of September 30, 2022

EPS Landscape	MS & Co Target 2023 EPS Est.	Multiple	Price Target	Upside / (Downside)
Bull Case	$244	18.20	4,450	24.1%
Base Case	$220	17.70	3,900	8.8%
Bear Case	$205	16.30	3,350	(6.6%)
Current S&P 500 Price			3,586	

Morgan Stanley & Co. and Consensus S&P 500 Earnings Estimates

As of September 30, 2022



S&P 500 Current and Historical Valuation

As of September 30, 2022

	Sep 30, 2022	Tech Bubble	Financial Crisis	20-Year Average	Current Relative to Average
S&P 500 Trailing P/E	**17.6**	28.9	12.1	18.8	0.94
S&P 500 Forward P/E	**16.1**	26.6	11.2	15.3	1.05
Technology	**19.5**	53.6	13.1	22.3	0.87
Consumer Discretionary	**25.7**	22.7	33.0	19.9	1.29
Communication Services	**13.9**	31.5	11.3	17.1	0.81
Industrials	**17.1**	20.5	8.5	17.4	0.98
Real Estate	**30.3**	-	-	-	-
Financials	**12.4**	12.5	9.6	14.5	0.86
Consumer Staples	**19.3**	16.0	11.7	17.4	1.11
Energy	**7.1**	20.3	11.6	20.6	-
Utilities	**18.8**	13.3	9.8	14.9	1.26
Materials	**11.7**	12.3	14.2	17.8	0.66
Health Care	**14.9**	24.2	9.3	17.8	0.84

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

Morgan Stanley

Barron's 2022 Top 100 Institutional Consulting Teams

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

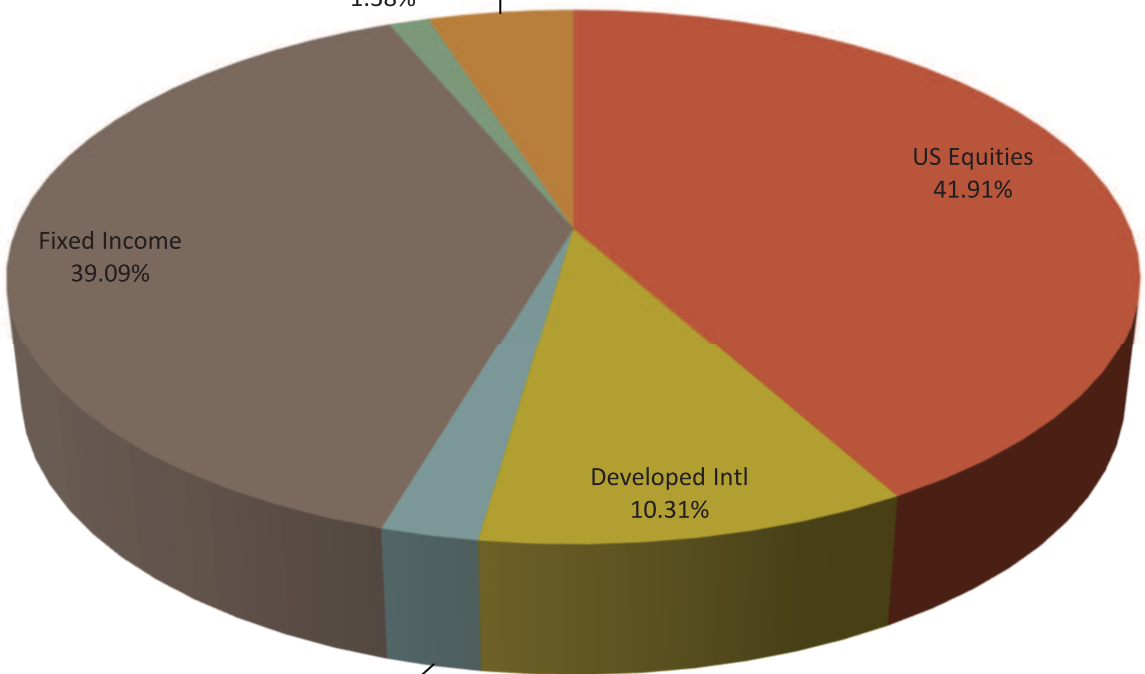
Asset Allocation & Investment Matrices

Regional Water Authority
Tapping the Possibilities

SCCT Regional Water Authority - Salary & Union Plans

Current Allocation

Portfolio Value: $60,078,663



Total Equity

54.57%

<u>% of Total Equity</u>

US Equity	= 76.80%
Intl Equity	= 23.20%

<u>% of Intl Equity</u>

Developed Intl	= 81.46%
Emerging Markets	= 18.54%

<u>Overall Equity Style Analysis*</u>

Value	= 22.65%
Core	= 48.84%
Growth	= 28.51%

<u>US Equity Style Analysis*</u>

Value	= 24.79%
Core	= 49.13%
Growth	= 26.08%

Assets as of 9/30/2022

Asset Allocation does not assure a profit or protect against loss in declining financial markets
The information and data contained in this report are from sources considered reliable,
but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only
and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis
from Morgan Stanley & Co. Incorporated Please compare the data on this document carefully with your monthly statements
to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other
advisors with respect to any tax questions."

*Equity Style Analysis provided by Morningstar "Asset Scan"

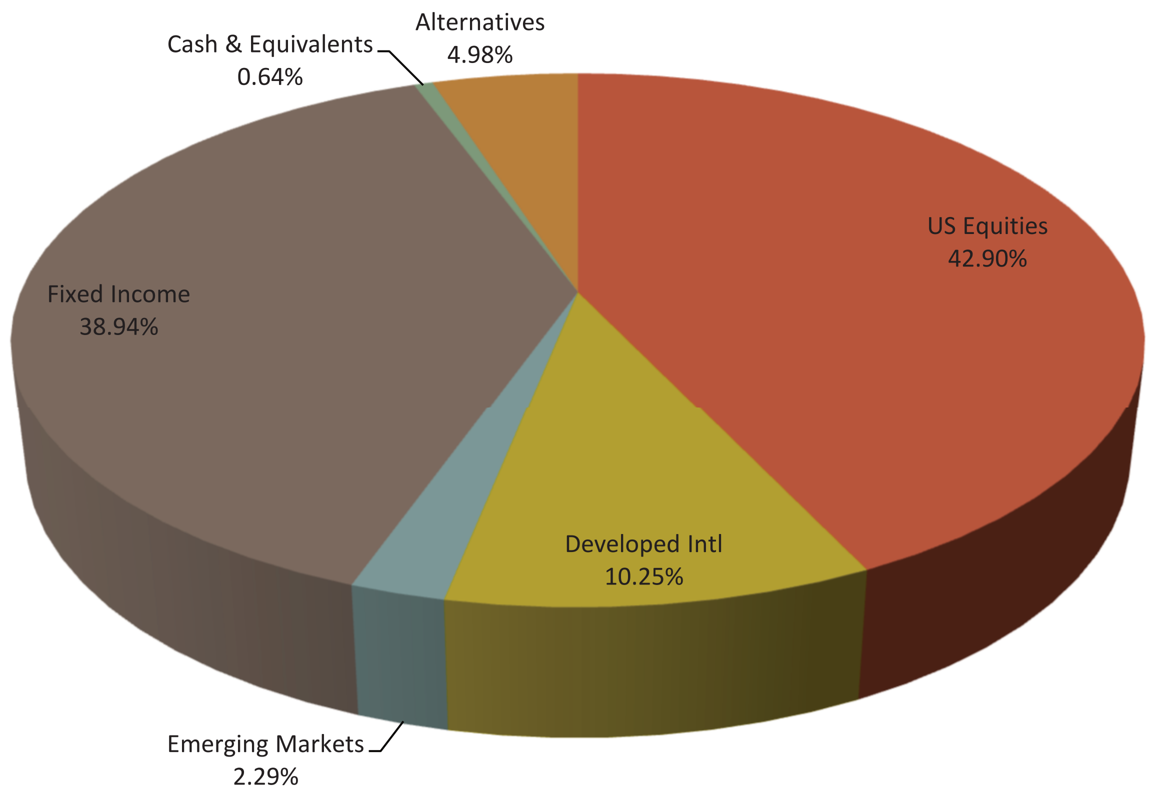
SCCT Regional Water Authority - Salary & Union Plans
Asset Allocation Matrix Summary
As of 9/30/2022

Benchmark vs Actual

	Benchmark	Actual	+/-
Russell 3000	42.00%	41.79%	-0.21%
MSCI ACWI ex US	15.00%	12.37%	-2.63%
BBgBarc US Aggregate	31.00%	40.12%	9.12%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	3.87%	-1.13%
Global Real Estate	2.00%	1.09%	-0.91%
Cash & Equivalents/T-Bills	2.00%	0.76%	-1.24%
Total	100.00%	100.00%	0.00%

SCCT Regional Water Authority - VEBA Plan

Current Allocation
Portfolio Value: $7,909,163



Total Equity
55.44%

% of Total Equity		
US Equity	=	77.38%
Intl Equity	=	22.62%
% of Intl Equity		
Developed Intl	=	81.70%
Emerging Markets	=	18.30%
Overall Equity Style Analysis*		
Value	=	22.62%
Core	=	48.92%
Growth	=	28.46%
US Equity Style Analysis*		
Value	=	24.80%
Core	=	49.31%
Growth	=	25.89%

Assets as of 9/30/2022

Asset Allocation does not assure a profit or protect against loss in declining financial markets
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to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other
advisors with respect to any tax questions."
*Equity Style Analysis provided by Morningstar "Asset Scan"

SCCT Regional Water Authority - VEBA Plan
Asset Allocation Matrix Summary
As of 9/30/2022

Benchmark vs Actual

	Benchmark	Actual	+/-
Russell 3000	42.00%	42.77%	0.77%
MSCI ACWI ex US	15.00%	12.18%	-2.82%
Bloomberg US Aggregate	31.00%	39.16%	8.16%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	4.10%	-0.90%
Global Real Estate	2.00%	0.88%	-1.12%
Cash & Equivalents/T-Bills	2.00%	0.92%	-1.08%
Total	100.00%	100.00%	0.00%

This information and data is being provided at your request and is from sources considered reliable, but their accuracy and completeness is not guaranteed. It has been prepared for illustrative purposes only and is not intended to be used as a substitute for the transaction statements you receive from Morgan Stanley Smith Barney LLC. Please compare the data on this document carefully with your transaction statements to verify its accuracy.

Morgan Stanley

Barron's 2022 Top 100 Institutional Consulting Teams

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Investment Results

Regional Water Authority
Tapping the Possibilities

SCCT Regional Water Authority
Third Quarter Investment Results
June 30, 2022 - September 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Jun-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Sep-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$39,469,859	$0	$43,769	$39,513,628	$37,633,448	($1,880,180)	-4.76%	-4.67%
447-xxx451	Union	$23,720,112	$0	($169,653)	$23,550,459	$22,445,216	($1,105,243)	-4.74%	-4.65%
447-xxx456	VEBA	$8,321,614	$0	$0	$8,321,614	$7,909,163	($412,451)	-4.96%	-4.87%
447-xxx626*	Skybridge (Salaried)	$0	$0	$0	$0	$0	$0	0.00%	0.00%
447-xxx627*	Skybridge (Union)	$0	$0	$0	$0	$0	$0	0.00%	0.00%
axx15a	Matrix Trust (Salaried)	$100,906	$6,873	$0	$107,779	$107,779	$0	-	-
axx15b	Matrix Trust (Union)	$41,842	($217,814)	$200,000	$24,028	$24,028	$0	-	-
axx16	Matrix Trust(VEBA)	$459,895	$113,411	($74,116)	$499,190	$499,190	$0	-	-
Consolidated		$72,114,228	($97,530)	$0	$72,016,698	$68,618,823	($3,397,875)	-4.78%	-4.69%

June 30, 2022 - September 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75% x (3/12)	1.69%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00% x (3/12)	1.75%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	-4.81%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-5.26%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-4.95%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	-4.92%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-5.40%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-5.09%

Russell 3000	-4.46%
S&P 500	-4.88%
S&P 500 Equal Weight	-4.79%
Russell 1000 Value	-5.62%
Russell 1000	-4.61%
Russell 1000 Growth	-3.60%
Russell 2000	-2.19%
MSCI All Country World ex. US	-9.91%
MSCI EAFE	-9.36%
MSCI EM	-11.57%
Bloomberg Aggregate	-4.75%
Bloomberg Govt/Credit Intermediate	-3.06%
Bloomberg US Corp Bond	-5.06%
HFRI Fund of Funds Index	0.71%
DJ Global World Real Estate	-12.02%
Morningstar Real Asset	-6.27%
FTSE WGBI Index	-7.61%
30 Day T-Bill	0.45%

Performance for accounts held outside of Morgan Stanley are calculated using simple math *447-xxx626 closed May 2022 *447-xxx627 closed July 2022

SCCT Regional Water Authority
Year to Date Investment Results
December 31, 2021 - September 30, 2022

Account Number	Account Type	Beg. Asset Value 31-Dec-2021	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Sep-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$46,007,698	$425,945	($412,815)	$46,020,828	$37,633,448	($8,387,381)	-18.31%	-18.09%
447-xxx451	Union	$28,054,594	($187,617)	($343,037)	$27,523,939	$22,445,216	($5,078,724)	-18.33%	-18.11%
447-xxx456	VEBA	$9,761,507	$0	$0	$9,761,507	$7,909,163	($1,852,345)	-18.98%	-18.75%
447-xxx626*	Skybridge (Salaried)	$34,474	$0	($34,478)	($4)	$0	$4	0.00%	0.00%
447-xxx627*	Skybridge (Union)	$23,135	$0	($23,137)	($2)	$0	$2	0.00%	0.00%
axx15a	Matrix Trust (Salaried)	$245	($438,666)	$546,200	$107,779	$107,779	$0	-	-
axx15b	Matrix Trust (Union)	$55	($411,028)	$435,000	$24,028	$24,028	$0	-	-
axx16	Matrix Trust(VEBA)	$125,243	$541,678	($167,732)	$499,190	$499,190	$0	-	-
Consolidated		$84,006,953	($69,687)	$0	$83,937,266	$68,618,823	($15,318,443)	-18.39%	-18.17%

December 31, 2021 - September 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75% x (9/12)	5.06%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00% x (9/12)	5.25%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	-18.65%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-20.35%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-20.16%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	-17.31%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-18.69%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-18.43%

Russell 3000	-24.62%
S&P 500	-23.87%
S&P 500 Equal Weight	-20.68%
Russell 1000 Value	-17.75%
Russell 1000	-24.59%
Russell 1000 Growth	-30.66%
Russell 2000	-25.10%
MSCI All Country World ex. US	-26.50%
MSCI EAFE	-27.09%
MSCI EM	-27.16%
Bloomberg Aggregate	-14.61%
Bloomberg Govt/Credit Intermediate	-9.62%
Bloomberg US Corp Bond	-18.72%
HFRI Fund of Funds Index	-5.92%
DJ Global World Real Estate	-29.07%
Morningstar Real Asset	-13.85%
FTSE WGBI Index	-21.27%
30 Day T-Bill	0.62%

Performance for accounts held outside of Morgan Stanley are calculated using simple math *447-xxx626 closed May 2022 *447-xxx627 closed July 2022

SCCT Regional Water Authority
Fiscal Year Investment Results
May 31, 2022 - September 30, 2022

Account Number	Account Type	Beg. Asset Value 31-May-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Sep-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$41,653,250	$0	$43,769	$41,697,019	$37,633,448	($4,063,571)	-9.75%	-9.64%
447-xxx451	Union	$25,056,535	$0	($169,653)	$24,886,882	$22,445,216	($2,441,666)	-9.82%	-9.71%
447-xxx456	VEBA	$8,798,758	$0	$0	$8,798,758	$7,909,163	($889,596)	-10.11%	-10.00%
447-xxx626*	Skybridge (Salaried)	$0	$0	$0	$0	$0	$0	0.00%	0.00%
447-xxx627*	Skybridge (Union)	$1	$0	$0	$1	$0	($1)	0.00%	0.00%
axx15a	Matrix Trust (Salaried)	$450,006	($342,227)	$0	$107,779	$107,779	$0	-	-
axx15b	Matrix Trust (Union)	$235,584	($411,556)	$200,000	$24,028	$24,028	$0	-	-
axx16	Matrix Trust(VEBA)	$297,597	$275,709	($74,116)	$499,190	$499,190	$0	-	-
Consolidated		$76,491,731	($478,074)	$0	$76,013,657	$68,618,823	($7,394,834)	-9.82%	-9.71%

May 31, 2022 - September 30, 2022

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (4/12)	2.25%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00% x (4/12)	2.33%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	-9.23%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-10.50%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-10.46%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	-9.67%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-11.04%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-11.03%

Russell 3000	-12.46%
S&P 500	-12.73%
S&P 500 Equal Weight	-13.74%
Russell 1000 Value	-13.86%
Russell 1000	-12.60%
Russell 1000 Growth	-11.23%
Russell 2000	-10.23%
MSCI All Country World ex. US	-17.66%
MSCI EAFE	-17.77%
MSCI EM	-17.45%
Bloomberg Aggregate	-6.25%
Bloomberg Govt/Credit Intermediate	-4.14%
Bloomberg US Corp Bond	-7.72%
HFRI Fund of Funds Index	-0.22%
DJ Global World Real Estate	-18.45%
Morningstar Real Asset	-12.50%
FTSE WGBI Index	-10.52%
30 Day T-Bill	0.52%

Performance for accounts held outside of Morgan Stanley are calculated using simple math *447-xxx626 closed May 2022 *447-xxx627 closed July 2022

SCCT Regional Water Authority
Trailing Twelve Month Investment Results
September 30, 2021 - September 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Sep-2021	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Sep-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$43,368,454	$425,945	$276,079	$44,070,478	$37,633,448	($6,437,030)	-14.64%	-14.33%
447-xxx451	Union	$26,406,255	($187,617)	$102,639	$26,321,277	$22,445,216	($3,876,061)	-14.62%	-14.31%
447-xxx456	VEBA	$9,343,476	$0	$0	$9,343,476	$7,909,163	($1,434,314)	-15.35%	-15.04%
447-xxx626*	Skybridge (Salaried)	$703,953	$0	($704,240)	($287)	$0	$287	0.05%	0.05%
447-xxx627*	Skybridge (Union)	$472,660	$0	($472,852)	($192)	$0	$192	0.05%	0.05%
axx15a	Matrix Trust (Salaried)	($79,473)	($403,947)	$591,200	$107,779	$107,779	$0	-	-
axx15b	Matrix Trust (Union)	($99,177)	($361,795)	$485,000	$24,028	$24,028	$0	-	-
axx16	Matrix Trust(VEBA)	$270,033	$506,983	($277,826)	$499,190	$499,190	$0	-	-
Consolidated		$80,386,181	($20,432)	$0	$80,365,750	$68,618,823	($11,746,927)	-14.76%	-14.45%

September 30, 2021 - September 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	-16.06%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-17.10%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-16.54%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	-14.66%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-15.38%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-14.74%

Russell 3000	-17.63%
S&P 500	-15.47%
S&P 500 Equal Weight	-13.53%
Russell 1000 Value	-11.36%
Russell 1000	-17.22%
Russell 1000 Growth	-22.59%
Russell 2000	-23.50%
MSCI All Country World ex. US	-25.17%
MSCI EAFE	-25.13%
MSCI EM	-28.11%
Bloomberg Aggregate	-14.60%
Bloomberg Govt/Credit Intermediate	-10.14%
Bloomberg US Corp Bond	-18.53%
HFRI Fund of Funds Index	-5.51%
DJ Global World Real Estate	-23.31%
Morningstar Real Asset	-7.99%
FTSE WGBI Index	-22.14%
30 Day T-Bill	0.63%

Performance for accounts held outside of Morgan Stanley are calculated using simple math   *447-xxx626 closed May 2022   *447-xxx627 closed July 2022

SCCT Regional Water Authority
Trailing Three Year Investment Results
September 30, 2019 - September 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Sep-2019	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Sep-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$35,443,944	$425,945	($185,081)	$35,684,808	$37,633,448	$1,948,639	1.87%	2.24%
447-xxx451	Union	$22,137,724	($187,617)	($822,461)	$21,127,646	$22,445,216	$1,317,570	1.86%	2.24%
447-xxx456	VEBA	$7,377,600	$0	$237,532	$7,615,132	$7,909,163	$294,030	1.59%	1.96%
447-xxx626*	Skybridge (Salaried)	$658,768	$0	($704,240)	($45,472)	$0	$45,472	2.25%	2.25%
447-xxx627*	Skybridge (Union)	$442,336	$0	($472,852)	($30,516)	$0	$30,516	2.22%	2.22%
axx15a	Matrix Trust (Salaried)	$496,043	($1,744,160)	$1,355,896	$107,779	$107,779	$0	-	-
axx15b	Matrix Trust (Union)	$187,186	($1,819,766)	$1,656,608	$24,028	$24,028	$0	-	-
axx16	Matrix Trust(VEBA)	$303,795	$1,260,796	($1,065,402)	$499,190	$499,190	$0	-	-
Consolidated		$67,047,398	($2,064,802)	$0	$64,982,596	$68,618,823	$3,636,227	1.74%	2.10%

September 30, 2019 - September 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	1.26%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	1.91%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	2.88%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	1.25%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	1.90%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	2.88%

Russell 3000	7.70%
S&P 500	8.16%
S&P 500 Equal Weight	7.68%
Russell 1000 Value	4.36%
Russell 1000	7.95%
Russell 1000 Growth	10.67%
Russell 2000	4.29%
MSCI All Country World ex. US	-1.52%
MSCI EAFE	-1.83%
MSCI EM	-2.07%
Bloomberg Aggregate	-3.26%
Bloomberg Govt/Credit Intermediate	-1.64%
Bloomberg US Corp Bond	-3.65%
HFRI Fund of Funds Index	4.52%
DJ Global World Real Estate	-5.75%
Morningstar Real Asset	2.34%
FTSE WGBI Index	-7.03%
30 Day T-Bill	0.57%

Performance for accounts held outside of Morgan Stanley are calculated using simple math *447-xxx626 closed May 2022 *447-xxx627 closed July 2022

SCCT Regional Water Authority
Trailing Five Year Investment Results
September 30, 2017 - September 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Sep-2017	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Sep-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$29,165,378	$425,945	$2,528,633	$32,119,956	$37,633,448	$5,513,491	3.35%	3.74%
447-xxx451	Union	$20,156,033	($187,617)	($1,121,483)	$18,846,933	$22,445,216	$3,598,283	3.33%	3.72%
447-xxx456	VEBA	$5,653,663	$0	$1,251,608	$6,905,270	$7,909,163	$1,003,892	3.13%	3.53%
447-xxx626*	Skybridge (Salaried)	$500,927	$0	($604,240)	($103,313)	$0	$103,313	3.41%	3.41%
447-xxx627*	Skybridge (Union)	$361,781	$0	($432,852)	($71,071)	$0	$71,071	3.42%	3.42%
axx15a	Matrix Trust (Salaried)	$287,012	$987,031	($1,166,263)	$107,779	$107,779	$0	-	-
axx15b	Matrix Trust (Union)	$85,090	($2,224,416)	$2,163,354	$24,028	$24,028	$0	-	-
axx16	Matrix Trust(VEBA)	$246,098	$2,871,848	($2,618,756)	$499,190	$499,190	$0	-	-
Consolidated		$56,455,982	$1,872,791	$0	$58,328,772	$68,618,823	$10,290,051	3.26%	3.64%

September 30, 2017 - September 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	2.93%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	3.50%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	4.06%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	2.73%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	3.25%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	3.79%

Russell 3000	8.62%
S&P 500	9.24%
S&P 500 Equal Weight	8.02%
Russell 1000 Value	5.29%
Russell 1000	9.00%
Russell 1000 Growth	12.17%
Russell 2000	3.55%
MSCI All Country World ex. US	-0.81%
MSCI EAFE	-0.84%
MSCI EM	-1.81%
Bloomberg Aggregate	-0.27%
Bloomberg Govt/Credit Intermediate	0.38%
Bloomberg US Corp Bond	-0.03%
HFRI Fund of Funds Index	3.30%
DJ Global World Real Estate	-0.36%
Morningstar Real Asset	3.05%
FTSE WGBI Index	-3.07%
30 Day T-Bill	1.13%

Performance for accounts held outside of Morgan Stanley are calculated using simple math — *447-xxx626 closed May 2022 — *447-xxx627 closed July 2022

SCCT Regional Water Authority
Trailing Six Year Investment Results
September 30, 2016 - September 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Sep-2016	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Sep-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$24,328,661	$425,945	$4,456,622	$29,211,228	$37,633,448	$8,422,219	4.68%	5.09%
447-xxx451	Union	$17,476,209	($187,617)	($512,408)	$16,776,184	$22,445,216	$5,669,032	4.67%	5.07%
447-xxx456	VEBA	$4,191,667	$0	$2,167,279	$6,358,946	$7,909,163	$1,550,216	4.50%	4.90%
447-xxx626*	Skybridge (Salaried)	$461,205	$0	($604,240)	($143,036)	$0	$143,036	4.26%	4.26%
447-xxx627*	Skybridge (Union)	$333,092	$0	($432,852)	($99,760)	$0	$99,760	4.27%	4.27%
axx15a	Matrix Trust (Salaried)	$277,398	$2,734,619	($2,904,238)	$107,779	$107,779	$0	-	-
axx15b	Matrix Trust (Union)	$109,186	($1,776,092)	$1,690,934	$24,028	$24,028	$0	-	-
axx16	Matrix Trust(VEBA)	$301,603	$4,058,683	($3,861,096)	$499,190	$499,190	$0	-	-
Consolidated		$47,479,021	$5,255,539	$0	$52,734,560	$68,618,823	$15,884,263	4.60%	4.99%

September 30, 2016 - September 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	3.91%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	4.72%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	5.42%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	3.61%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	4.35%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	5.03%

Russell 3000	10.24%
S&P 500	10.75%
S&P 500 Equal Weight	9.35%
Russell 1000 Value	6.86%
Russell 1000	10.53%
Russell 1000 Growth	13.74%
Russell 2000	6.24%
MSCI All Country World ex. US	2.33%
MSCI EAFE	2.24%
MSCI EM	1.87%
Bloomberg Aggregate	-0.21%
Bloomberg Govt/Credit Intermediate	0.36%
Bloomberg US Corp Bond	0.34%
HFRI Fund of Funds Index	3.83%
DJ Global World Real Estate	0.74%
Morningstar Real Asset	2.17%
FTSE WGBI Index	-3.01%
30 Day T-Bill	1.05%

Performance for accounts held outside of Morgan Stanley are calculated using simple math   *447-xxx626 closed May 2022   *447-xxx627 closed July 2022

SCCT Regional Water Authority
Trailing Seven Year Investment Results
September 30, 2015 - September 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Sep-2015	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Sep-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$21,058,465	$425,945	$5,643,219	$27,127,628	$37,633,448	$10,505,819	5.36%	5.77%
447-xxx451	Union	$15,465,737	($187,617)	($14,109)	$15,264,011	$22,445,216	$7,181,205	5.35%	5.75%
447-xxx456	VEBA	$2,932,568	$0	$3,090,986	$6,023,554	$7,909,163	$1,885,609	5.08%	5.48%
447-xxx626*	Skybridge (Salaried)	$0	$0	($153,806)	($153,806)	$0	$153,806	4.36%	4.36%
447-xxx627*	Skybridge (Union)	$0	$0	($107,539)	($107,539)	$0	$107,539	4.37%	4.37%
axx15a	Matrix Trust (Salaried)	($31,527)	$4,714,583	($4,575,276)	$107,779	$107,779	$0	-	-
axx15b	Matrix Trust (Union)	($59,679)	($776,221)	$859,927	$24,028	$24,028	$0	-	-
axx16	Matrix Trust(VEBA)	$43,097	$5,199,495	($4,743,402)	$499,190	$499,190	$0	-	-
Consolidated		$39,408,660	$9,376,186	$0	$48,784,845	$68,618,823	$19,833,978	5.27%	5.67%

September 30, 2015 - September 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	4.57%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	5.44%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	6.04%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	4.37%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	5.19%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	5.78%

Russell 3000	10.90%
S&P 500	11.40%
S&P 500 Equal Weight	10.30%
Russell 1000 Value	8.15%
Russell 1000	11.15%
Russell 1000 Growth	13.74%
Russell 2000	7.51%
MSCI All Country World ex. US	3.29%
MSCI EAFE	2.84%
MSCI EM	3.88%
Bloomberg Aggregate	0.54%
Bloomberg Govt/Credit Intermediate	0.80%
Bloomberg US Corp Bond	1.48%
HFRI Fund of Funds Index	3.32%
DJ Global World Real Estate	2.80%
Morningstar Real Asset	3.12%
FTSE WGBI Index	-1.29%
30 Day T-Bill	0.92%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

*447-xxx626 open from April 2016 to May 2022

*447-xxx627 open from April 2016 to July 2022

Morgan Stanley

Barron's 2022 Top 100 Institutional Consulting Teams

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Investment Holdings Analysis

Regional Water Authority
Tapping the Possibilities

Mutual Funds/ETFs

Results

Data as of 9/30/2022	Morningstar Category	Market Returns (%) 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	$ Assets	% of Total
Cash & Equivalents									
Cash & Equivalents		-	-	-	-	-	-	$ 998,163	1.47%
Fixed Income									
Guggenheim Limited Duration Instl	Short-Term Bond	-1.33	-5.87	-6.19	0.29	1.07	-	$ 290,930	0.43%
PIMCO Low Duration Income I2	Short-Term Bond	-0.61	-7.33	-7.10	0.41	1.54	2.69	$ 2,181,714	3.21%
Vanguard Short-Term Bond ETF	Short-Term Bond	-2.17	-6.60	-7.29	-0.94	0.51	0.81	$ 269,713	0.40%
Cat: Short-Term Bond	**Short-Term Bond**	**-1.58**	**-6.35**	**-6.80**	**-0.61**	**0.66**	**0.94**		
American Funds Bond Fund of Amer F2	Intermediate Core Bond	-4.52	-14.24	-13.99	-1.73	0.48	1.38	$ 2,357,833	3.47%
Cat: Intermediate Core Bond	**Intermediate Core Bond**	**-4.64**	**-14.67**	**-14.86**	**-3.22**	**-0.40**	**0.77**		
American Funds Strategic Bond F-2	Intermediate Core-Plus Bond	-5.78	-14.24	-15.02	0.53	1.81	-	$ 2,837,104	4.17%
DoubleLine Core Fixed Income I	Intermediate Core-Plus Bond	-4.08	-13.77	-13.96	-3.08	-0.31	1.36	$ 1,178,318	1.73%
DoubleLine Total Return Bond I	Intermediate Core-Plus Bond	-4.22	-12.46	-12.61	-3.03	-0.28	1.39	$ 1,167,431	1.72%
Janus Henderson Flexible Bond I	Intermediate Core-Plus Bond	-4.43	-14.89	-14.90	-1.99	0.38	1.36	$ 215,788	0.32%
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	-4.22	-14.79	-15.03	-2.31	0.26	1.64	$ 2,034,466	2.99%
Cat: Intermediate Core-Plus Bond	**Intermediate Core-Plus Bond**	**-4.34**	**-14.76**	**-15.09**	**-2.86**	**-0.15**	**1.15**		
Idx: Bloomberg US Agg Bond TR USD	-	**-4.75**	**-14.61**	**-14.60**	**-3.26**	**-0.27**	**0.89**		
Idx: Bloomberg US Govt/Credit Interm TR USD	-	**-3.06**	**-9.62**	**-10.14**	**-1.64**	**0.38**	**1.00**		
Idx: FTSE WGBI USD	-	**-7.61**	**-21.27**	**-22.14**	**-7.03**	**-3.07**	**-1.76**		
Sub-Total Fixed Income								$ 12,533,296	18.43%
US Equity									
Columbia Dividend Income Inst	Large Value	-5.27	-16.44	-7.48	6.63	8.30	10.62	$ 3,752,090	5.52%
Vanguard Value ETF	Large Value	-5.72	-14.58	-6.61	6.14	7.06	10.49	$ 4,895,982	7.20%
Cat: Large Value	**Large Value**	**-5.91**	**-16.64**	**-9.64**	**5.27**	**5.75**	**8.98**		
Invesco S&P 500® Equal Weight ETF	Large Blend	-4.83	-20.77	-13.68	7.51	7.84	11.16	$ 3,105,632	4.57%
Vanguard Total Stock Market ETF	Large Blend	-4.44	-24.87	-18.00	7.58	8.55	11.33	$ 5,638,050	8.29%
Cat: Large Blend	**Large Blend**	**-4.99**	**-23.28**	**-15.83**	**6.77**	**7.74**	**10.38**		
MFS Massachusetts Inv Gr Stk I	Large Growth	-7.44	-26.09	-17.83	7.86	11.83	12.65	$ 2,901,527	4.27%
Vanguard Russell 1000 Growth ETF	Large Growth	-3.62	-30.70	-22.64	10.57	12.07	13.58	$ 1,781,132	2.62%
Cat: Large Growth	**Large Growth**	**-4.09**	**-32.09**	**-27.10**	**6.77**	**8.95**	**11.36**		
Schwab US Mid-Cap ETF™	Mid-Cap Blend	-3.15	-23.96	-19.85	3.83	5.39	10.04	$ 1,292,316	1.90%
Cat: Mid-Cap Blend	**Mid-Cap Blend**	**-3.84**	**-21.64**	**-15.64**	**5.27**	**5.43**	**9.09**		
Idx: Russell 3000 TR USD	-	**-4.46**	**-24.62**	**-17.63**	**7.70**	**8.62**	**11.39**		
Idx: S&P 500 TR USD	-	**-4.88**	**-23.87**	**-15.47**	**8.16**	**9.24**	**11.70**		
Idx: Russell 1000 Value TR USD	-	**-5.62**	**-17.75**	**-11.36**	**4.36**	**5.29**	**9.17**		
Idx: Russell 1000 TR USD	-	**-4.61**	**-24.59**	**-17.22**	**7.95**	**9.00**	**11.60**		
Idx: Russell 1000 Growth TR USD	-	**-3.60**	**-30.66**	**-22.59**	**10.67**	**12.17**	**13.70**		
Idx: Morningstar DYF TR USD	-	**-7.86**	**-7.20**	**0.50**	**2.92**	**5.11**	**8.07**		
Sub-Total US Equity								$ 23,366,728	34.37%

Green = exceeds peer group
Yellow = trails peer group
Red = fails to meet criteria (on watch/remove and/or replacement)

Orange = Fund position only held in VEBA

Assets as of 9/30/2022

See last page for important disclosure/disclaimer

For financial professional and qualified plan sponsor use only

Mutual Funds/ETFs

Results

Data as of 9/30/2022	Morningstar Category	Market Returns (%) 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	$ Assets	% of Total
Global/International Equity									
Vanguard FTSE Developed Markets ETF	Foreign Large Blend	-10.47	-27.72	-25.55	-1.25	-0.62	4.04	$ 1,461,672	2.15%
Cat: Foreign Large Blend	**Foreign Large Blend**	**-10.10**	**-27.41**	**-25.51**	**-1.79**	**-1.12**	**3.31**		
American Funds Europacific Growth F2	Foreign Large Growth	-9.38	-32.16	-32.94	-1.36	-0.34	4.41	$ 2,220,112	3.27%
Vs. Index (MSCI ACWI Ex USA NR USD)	-	-9.38	-32.16	-32.94	-1.36	-0.34	4.41		
MFS International Intrinsic Value I	Foreign Large Growth	-7.16	-31.50	-26.79	-0.66	2.05	6.99	$ 2,294,199	3.37%
Cat: Foreign Large Growth	**Foreign Large Growth**	**-9.43**	**-34.43**	**-32.91**	**-1.18**	**0.28**	**4.40**		
Invesco Developing Markets Y	Diversified Emerging Mkts	-9.79	-32.62	-35.38	-6.36	-3.32	0.85	$ 1,030,368	1.52%
Cat: Diversified Emerging Mkts	**Diversified Emerging Mkts**	**-10.19**	**-27.86**	**-28.59**	**-1.92**	**-1.81**	**1.13**		
First Eagle Global I	Global Allocation	-7.99	-17.31	-14.10	1.88	2.89	5.54	$ 2,777,954	4.09%
Cat: Global Allocation	**Global Allocation**	**-6.05**	**-18.54**	**-15.70**	**0.46**	**1.32**	**3.45**		
Idx: MSCI ACWI Ex USA NR USD	-	**-9.91**	**-26.50**	**-25.17**	**-1.52**	**-0.81**	**3.01**		
Idx: MSCI ACWI NR USD	-	**-6.82**	**-25.63**	**-20.66**	**3.75**	**4.44**	**7.28**		
Idx: MSCI EAFE NR USD	-	**-9.36**	**-27.09**	**-25.13**	**-1.83**	**-0.84**	**3.67**		
Idx: MSCI EM NR USD	-	**-11.57**	**-27.16**	**-28.11**	**-2.07**	**-1.81**	**1.05**		
Sub-Total Global/International Equity								$ 9,784,305	14.39%
Balanced									
American Funds American Balanced F2	Allocation--50% to 70% Equity	-5.90	-18.53	-13.21	3.62	5.03	7.78	$ 3,124,624	4.60%
Janus Henderson Balanced I	Allocation--50% to 70% Equity	-4.47	-20.92	-14.93	3.78	6.63	7.93	$ 3,098,757	4.56%
Cat: Allocation--50% to 70% Equity	**Allocation--50% to 70% Equity**	**-4.48**	**-18.29**	**-14.80**	**2.49**	**3.60**	**5.64**		
Idx: Bloomberg US Agg Bond TR USD	-	**-4.75**	**-14.61**	**-14.60**	**-3.26**	**-0.27**	**0.89**		
Idx: S&P 500 TR USD	-	**-4.88**	**-23.87**	**-15.47**	**8.16**	**9.24**	**11.70**		
Sub-Total Balanced								$ 6,223,381	9.15%
Alternative									
BlackRock Event Driven Equity Instl	Event Driven	0.38	-1.64	-0.94	2.63	3.63	6.89	$ 1,228,829	1.81%
Cat: Event Driven	**Event Driven**	**-0.06**	**-3.31**	**-2.83**	**3.00**	**3.14**	**3.34**		
Calamos Market Neutral Income I	Relative Value Arbitrage	-0.19	-7.16	-5.63	1.29	2.44	2.98	$ 1,158,391	1.70%
Cat: Relative Value Arbitrage	**Relative Value Arbitrage**	**0.13**	**-5.45**	**-5.06**	**3.63**	**3.55**	**2.92**		
JPMorgan Hedged Equity 3 I	Options Trading	-4.32	-18.48	-12.59	-	-	-	$ -	0.00%
JPMorgan Hedged Equity I	Options Trading	-4.72	-13.94	-10.08	5.12	5.23	-	$ 85,816	0.13%
Cat: Options Trading	**Options Trading**	**-2.99**	**-13.67**	**-9.96**	**2.27**	**2.68**	**2.98**		
Cohen & Steers Global Realty I	Global Real Estate	-11.93	-29.70	-22.32	-3.90	1.63	4.75	$ 901,065	1.33%
Cat: Global Real Estate	**Global Real Estate**	**-12.24**	**-30.25**	**-24.15**	**-5.58**	**-0.47**	**2.96**		
Idx: S&P 500 TR USD	-	**-4.88**	**-23.87**	**-15.47**	**8.16**	**9.24**	**11.70**		
Idx: Bloomberg US Agg Bond TR USD	-	**-4.75**	**-14.61**	**-14.60**	**-3.26**	**-0.27**	**0.89**		
Idx: Russell 3000 TR USD	-	**-4.46**	**-24.62**	**-17.63**	**7.70**	**8.62**	**11.39**		
Idx: MSCI ACWI NR USD	-	**-6.82**	**-25.63**	**-20.66**	**3.75**	**4.44**	**7.28**		
Idx: DJ Global World Real Estate TR USD	-	**-12.02**	**-29.07**	**-23.31**	**-5.75**	**-0.36**	**3.61**		
Sub-Total Alternative								$ 3,374,101	4.96%
Total								$ 56,279,974	82.78%

Green = exceeds peer group
Yellow = trails peer group
Red = fails to meet criteria (on watch/remove and/or replacement)

Red = Fund removed in Q3

Assets as of 9/30/2022

Mutual Funds/ETFs

Statistics

Data as of 9/30/2022	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Fixed Income										
Guggenheim Limited Duration Instl	0.49	0.48	0.43	1.33	2.81	65	28.9	1.6	3136	Average
PIMCO Low Duration Income I2	0.60	0.60	0.57	2.10	5.57	30	-	-	-	High
Vanguard Short-Term Bond ETF	0.04	0.04	0.42	0.06	2.43	85	-	-	-	Below Avg
Cat: Short-Term Bond	**0.67**	**0.00**	**0.44**	**0.50**	**3.62**	**51**	**21.7**	**1.9**	**14419**	**-**
American Funds Bond Fund of Amer F2	0.31	0.31	1.02	1.65	5.51	98	-	-	-	Average
Cat: Intermediate Core Bond	**0.59**	**0.00**	**0.99**	**0.02**	**5.55**	**92**	**-**	**-**	**-**	**-**
American Funds Strategic Bond F-2	0.43	0.43	1.15	4.51	6.80	83	-	-	-	Above Avg
DoubleLine Core Fixed Income I	0.47	0.47	0.92	-0.08	6.09	66	-	-	-	Below Avg
DoubleLine Total Return Bond I	0.48	0.48	0.80	-0.57	4.85	77	-	-	-	Low
Janus Henderson Flexible Bond I	0.45	0.45	1.09	1.69	6.23	88	-	-	-	Average
Loomis Sayles Core Plus Bond Y	0.46	0.46	1.06	1.22	5.90	93	-	-	-	Below Avg
Cat: Intermediate Core-Plus Bond	**0.74**	**0.00**	**1.02**	**0.55**	**6.29**	**79**	**-**	**-**	**-**	**-**
US Equity										
Columbia Dividend Income Inst	0.66	0.66	0.82	-0.31	17.20	93	17.6	3.6	133485	Low
Vanguard Value ETF	0.04	0.04	0.88	-1.00	19.14	87	15.4	2.5	97039	Below Avg
Cat: Large Value	**0.91**	**0.00**	**0.93**	**-1.95**	**20.59**	**84**	**13.6**	**2.3**	**101344**	**-**
Invesco S&P 500® Equal Weight ETF	0.20	0.20	1.05	-0.65	22.12	93	14.8	2.4	31107	High
Vanguard Total Stock Market ETF	0.03	0.03	1.03	-0.67	20.97	99	18.6	3.4	106735	Above Avg
Cat: Large Blend	**0.80**	**0.00**	**0.98**	**-1.08**	**20.32**	**95**	**18.9**	**4.3**	**220770**	**-**
MFS Massachusetts Inv Gr Stk I	0.45	0.45	0.97	-0.07	20.03	97	27.3	5.4	163919	Below Avg
Vanguard Russell 1000 Growth ETF	0.08	0.08	1.09	1.93	23.13	92	26.2	9.2	269718	Average
Cat: Large Growth	**0.97**	**0.00**	**1.06**	**-1.31**	**23.11**	**89**	**25.3**	**6.9**	**307217**	**-**
Schwab US Mid-Cap ETF™	0.04	0.04	1.12	-4.28	24.24	88	12.1	2.2	8034	Above Avg
Cat: Mid-Cap Blend	**0.94**	**0.00**	**1.04**	**-2.47**	**23.01**	**85**	**13.8**	**2.5**	**9820**	**-**

See last page for important disclosure/disclaimer Orange = Fund position only held in VEBA

For financial professional and qualified plan sponsor use only

The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

Mutual Funds/ETFs

Statistics

Data as of 9/30/2022	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Global/International Equity										
Vanguard FTSE Developed Markets ETF	0.05	0.05	1.06	0.58	19.92	97	11.8	1.5	25355	Above Avg
Cat: Foreign Large Blend	**0.93**	**0.00**	**1.00**	**-0.15**	**19.20**	**93**	**12.3**	**1.7**	**46045**	**-**
American Funds Europacific Growth F2	0.57	0.57	1.06	0.52	20.22	94	17.0	2.7	49526	Average
MFS International Intrinsic Value I	0.72	0.72	0.80	0.51	17.08	74	22.2	2.9	30902	Low
Cat: Foreign Large Growth	**1.05**	**0.00**	**1.00**	**0.71**	**20.46**	**83**	**18.9**	**2.9**	**46920**	**-**
Invesco Developing Markets Y	0.95	0.95	0.96	-4.81	19.66	82	17.4	3.0	51152	Below Avg
Cat: Diversified Emerging Mkts	**1.16**	**0.00**	**0.98**	**-0.03**	**20.53**	**78**	**11.6**	**1.9**	**43402**	**-**
First Eagle Global I	0.86	0.86	1.13	0.90	15.57	91	14.8	1.7	48143	Above Avg
Cat: Global Allocation	**1.15**	**0.00**	**1.04**	**-0.50**	**14.72**	**87**	**15.4**	**2.3**	**66922**	**-**
Balanced/Hedged Equity										
American Funds American Balanced F2	0.35	0.35	0.94	2.43	12.60	97	15.5	3.1	129386	Below Avg
Janus Henderson Balanced I	0.65	0.65	1.00	2.64	13.67	93	22.0	4.9	232869	Average
Cat: Allocation--50% to 70% Equity	**1.04**	**0.00**	**1.02**	**1.40**	**13.97**	**93**	**17.0**	**2.9**	**112454**	**-**
Alternative										
BlackRock Event Driven Equity Instl	1.26	1.26	0.19	1.13	4.78	61	28.0	3.5	14189	Average
Cat: Event Driven	**1.79**	**0.00**	**0.29**	**1.26**	**7.44**	**52**	**17.1**	**2.0**	**5699**	**-**
Calamos Market Neutral Income I	0.90	0.79	0.22	-0.34	4.49	88	18.2	3.4	165455	-
Cat: Relative Value Arbitrage	**1.52**	**0.00**	**0.22**	**2.02**	**5.86**	**56**	**-**	**1.4**	**765**	**-**
JPMorgan Hedged Equity 3 I	0.60	0.60	-	-	-	-	20.5	4.0	199807	-
JPMorgan Hedged Equity I	0.58	0.58	0.41	2.77	8.96	77	20.5	4.0	199942	Average
Cat: Options Trading	**1.02**	**0.00**	**0.46**	**-0.09**	**10.39**	**77**	**20.4**	**4.1**	**263480**	**-**
Cohen & Steers Global Realty I	0.90	0.90	1.00	-7.26	21.01	85	15.6	1.5	15319	Below Avg
Cat: Global Real Estate	**1.16**	**0.00**	**1.03**	**-9.06**	**21.69**	**86**	**13.1**	**1.3**	**12504**	**-**

See last page for important disclosure/disclaimer Red = Fund removed in Q3

For financial professional and qualified plan sponsor use only

The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

The performance shown in the preceding pages represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above. Investment returns, yields and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns of less than a year are cumulative and are not annualized and are calculated from January 1 of the reporting year. Average annual total returns are annualized and assume the reinvestment of all distributions at net asset value and the deductions of fund expenses. Data is from sources deemed reliable, however no guarantee may be made to their accuracy.

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The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis from Morgan Stanley Smith Barney LLC. Please compare the data on this document carefully with your monthly statements to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other advisors with respect to any tax questions.

Assets as of 9/30/2022
Data Source: Morningstar; as of 9/30/2022

Morgan Stanley

Barron’s 2022 Top 100 Institutional Consulting Teams

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Appendix

Regional Water Authority
Tapping the Possibilities

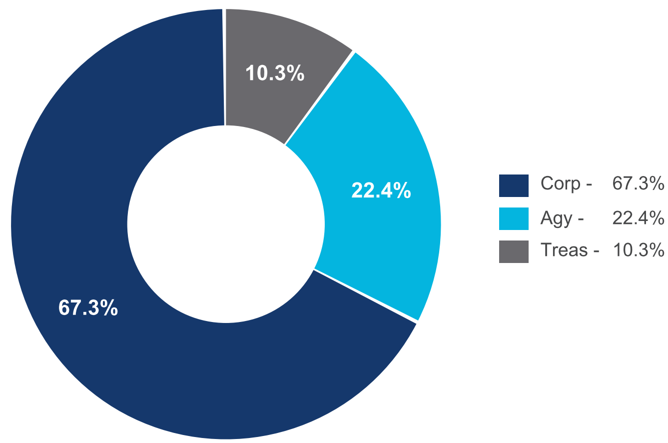
Totals & Averages @ Market

Summary Totals	
Original Face	$6,925,000
Current Face (Par)	$6,925,000
Market Principal	$6,616,368
Accrued Interest	$61,865
Cash & Cash Alternatives	$0
Fixed Income Funds	$0
Equity Balance	$0
Total Portfolio Value	$6,678,233
Next 12mo Cpn Cash Flow	$220,401
Generic Annual Cpn Cash Flow	$227,876

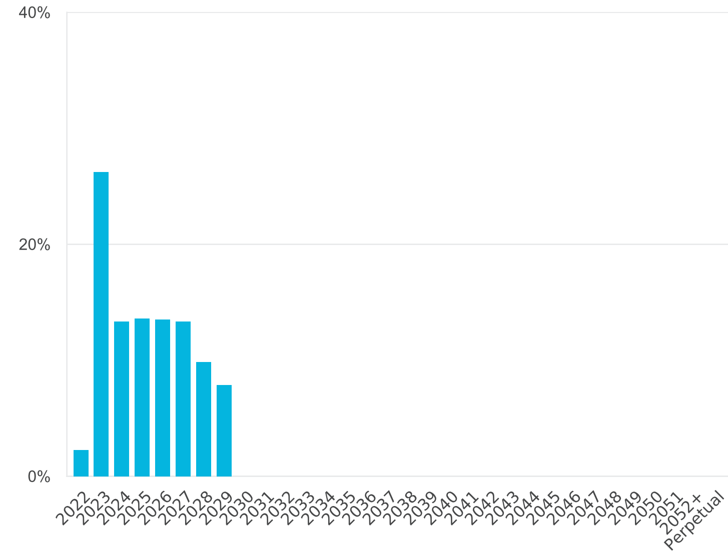
Weighted Averages	
Coupon*	3.291%
Maturity**	3.02 yrs
Duration	2.72
Yield to Worst	4.939%
Yield to Maturity	4.945%
Market Price*	95.543
Tax Lots Holdings Included	36 of 36

**Par-Wtd, all else Mkt-Wtd.*
***Avg life used for principal paydowns, and perpetual securities are assigned a 40 year maturity.*

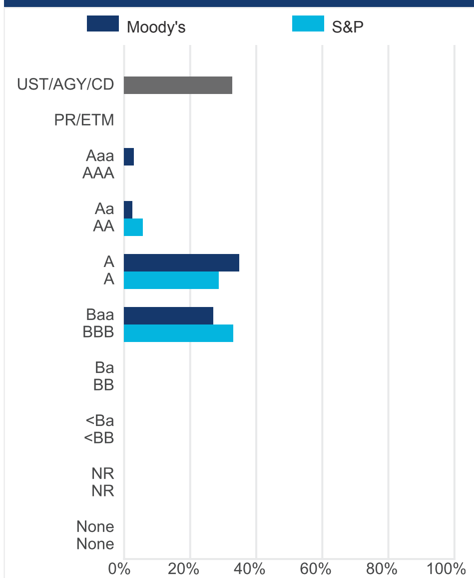
Asset Class



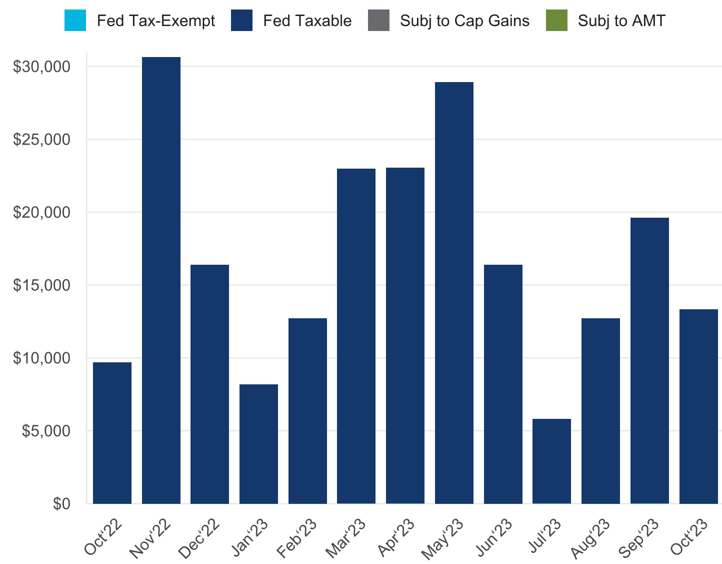
Maturity



Ratings - Both

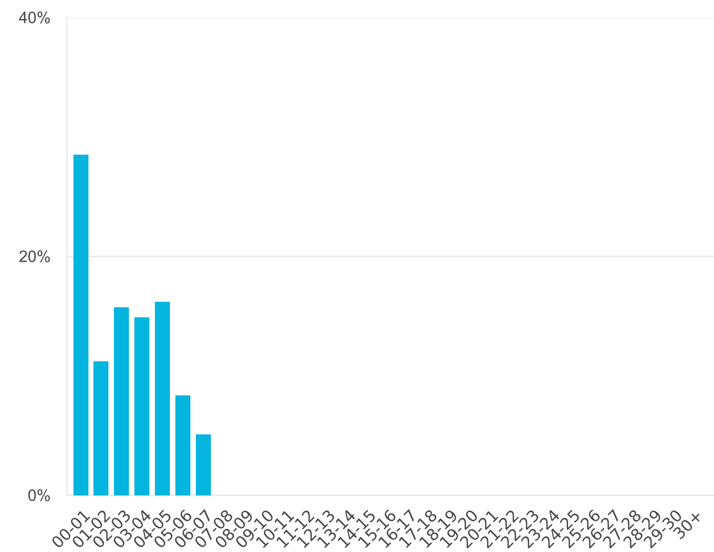


Coupon Cash Flow



Includes coupon cash flows for the next 12 months, from 10/17/2022 to 10/16/2023.

Duration



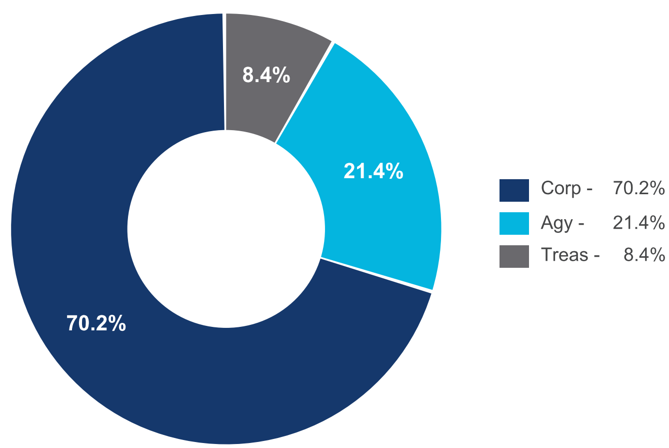
Includes all tax lot holdings with recognized CUSIP, quantity, market price and full analytical calculations on reporting date. Includes coupon cash flows for the next 12 months, from 10/17/2022 to 10/16/2023. Projected Principal Paydowns for CMOs are produced by applying current pool speeds which are updated weekly. Assuming similar market conditions going forward, Projected Principal Paydowns for Pass-Thru securities are produced by calculating and applying concurrent historical speeds to future paydown schedules.

Totals & Averages @ Market

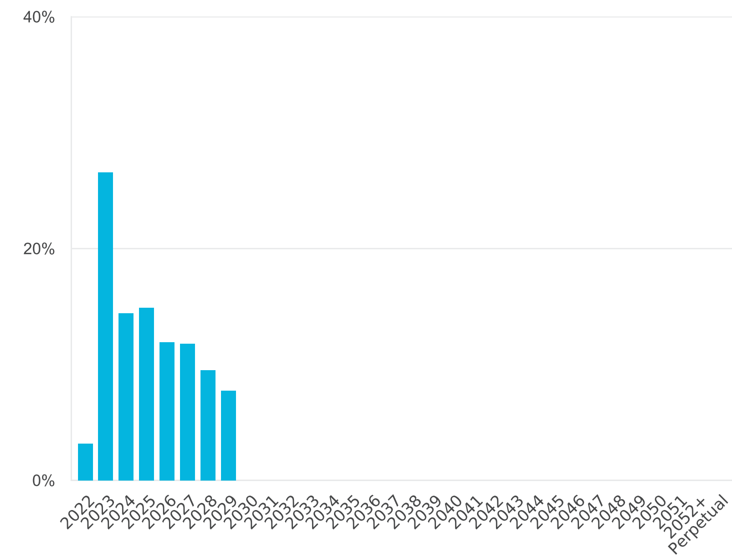
Summary Totals	
Original Face	$4,100,000
Current Face (Par)	$4,100,000
Market Principal	$3,919,490
Accrued Interest	$39,343
Cash & Cash Alternatives	$0
Fixed Income Funds	$0
Equity Balance	$0
Total Portfolio Value	$3,958,833
Next 12mo Cpn Cash Flow	$131,783
Generic Annual Cpn Cash Flow	$137,111
Weighted Averages	
Coupon*	3.344%
Maturity**	2.93 yrs
Duration	2.64
Yield to Worst	4.956%
Yield to Maturity	4.960%
Market Price*	95.597
Tax Lots Holdings Included	39 of 39

**Par-Wtd, all else Mkt-Wtd.*
***Avg life used for principal paydowns, and perpetual securities are assigned a 40 year maturity.*

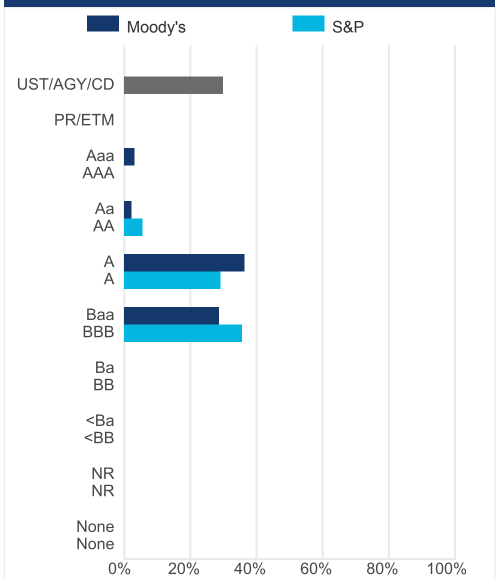
Asset Class



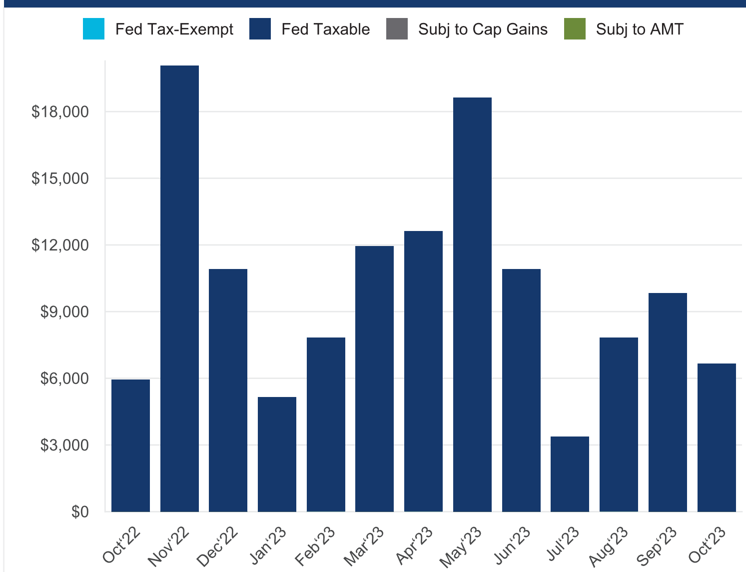
Maturity



Ratings - Both

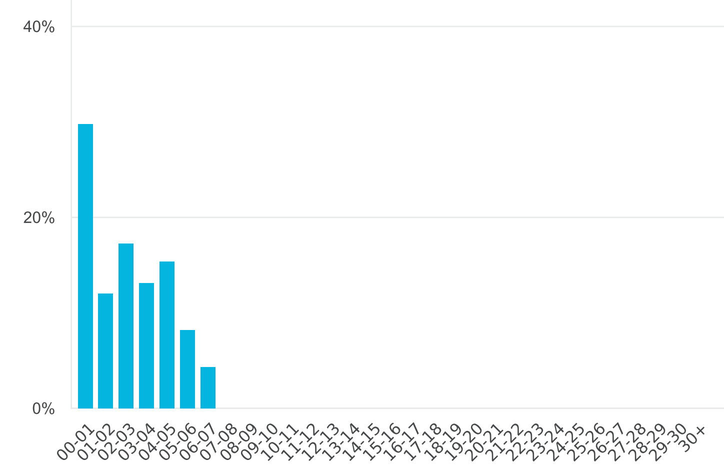


Coupon Cash Flow



Includes coupon cash flows for the next 12 months, from 10/17/2022 to 10/16/2023.

Duration



Includes all tax lot holdings with recognized CUSIP, quantity, market price and full analytical calculations on reporting date. Includes coupon cash flows for the next 12 months, from 10/17/2022 to 10/16/2023. Projected Principal Paydowns for CMOs are produced by applying current pool speeds which are updated weekly. Assuming similar market conditions going forward, Projected Principal Paydowns for Pass-Thru securities are produced by calculating and applying concurrent historical speeds to future paydown schedules.

SCCT Regional Water Authority - Salary Plan
Asset Allocation Matrix
As of 9/30/2022

	IPS Target %	Target $	Target %	% of Cat	Actual $	Actual %	% of Cat	+/- $	+/- %
Fixed Income		$ 12,513,121	33.25%	100.00%	$ 14,165,112	37.64%	100.00%	$ (1,651,990)	-4.39%
Cash		$ 282,251	0.75%	2.26%	$ 570,636	1.52%	4.03%	$ (288,385)	-0.77%
Individual Bond Ladder		$ 6,209,519	16.50%	49.62%	$ 7,439,435	19.77%	52.52%	$ (1,229,916)	-3.27%
American Funds Bond Fund of Amer		$ 1,129,003	3.00%	9.02%	$ 1,140,471	3.03%	8.05%	$ (11,468)	-0.03%
DoubleLine Core Fixed Income		$ 564,502	1.50%	4.51%	$ 565,940	1.50%	4.00%	$ (1,438)	0.00%
DoubleLine Total Return	30.00%	$ 564,502	1.50%	4.51%	$ 560,638	1.49%	3.96%	$ 3,864	0.01%
Total Core				**78.95%**			**80.81%**		
PIMCO Low Duration (1/2 Core)		$ 1,129,003	3.00%	9.02%	$ 1,208,719	3.21%	8.53%	$ (79,716)	-0.21%
Loomis Sayles Core Plus (1/2 Core)		$ 1,129,003	3.00%	9.02%	$ 1,129,352	3.00%	7.97%	$ (348)	0.00%
American Funds Strategic Bond		$ 1,505,338	4.00%	12.03%	$ 1,549,920	4.12%	10.94%	$ (44,583)	-0.12%
Total Plus				**21.05%**			**19.19%**		
US Equity		$ 13,265,790	35.25%	100.00%	$ 12,843,017	34.13%	100.00%	$ 422,773	1.12%
Columbia Dividend Income		$ 1,975,756	5.25%	14.89%	$ 2,037,720	5.41%	15.87%	$ (61,964)	-0.16%
MFS Massachusetts Investors Gr Stk		$ 1,693,505	4.50%	12.77%	$ 1,584,151	4.21%	12.33%	$ 109,354	0.29%
Total Active				**27.66%**			**28.20%**		
Vanguard Value ETF		$ 2,634,341	7.00%	19.86%	$ 2,741,256	7.28%	21.34%	$ (106,915)	-0.28%
Invesco S&P 500 Equal Weight		$ 1,693,505	4.50%	12.77%	$ 1,724,644	4.58%	13.43%	$ (31,139)	-0.08%
Vanguard Total Stk Mkt ETF		$ 3,387,010	9.00%	25.53%	$ 3,077,911	8.18%	23.97%	$ 309,100	0.82%
Vanguard Russell 1000 Growth Index		$ 1,129,003	3.00%	8.51%	$ 967,622	2.57%	7.53%	$ 161,381	0.43%
Schwab Mid Cap ETF		$ 752,669	2.00%	5.67%	$ 709,714	1.89%	5.53%	$ 42,955	0.11%
Total Passive	55.00%			**72.34%**			**71.80%**		
Global		$ 1,505,338	4.00%	100.00%	$ 1,522,381	4.05%	100.00%	$ (17,043)	-0.05%
First Eagle Global		$ 1,505,338	4.00%	100.00%	$ 1,522,381	4.05%	100.00%	$ (17,043)	-0.05%
Int'l Equity		$ 4,704,181	12.50%	100.00%	$ 3,851,910	10.24%	100.00%	$ 852,271	2.26%
American Funds EuroPacific Gr		$ 1,505,338	4.00%	32.00%	$ 1,223,466	3.25%	31.76%	$ 281,872	0.75%
MFS Intl Intrinsic Value		$ 1,505,338	4.00%	32.00%	$ 1,249,134	3.32%	32.43%	$ 256,204	0.68%
Invesco Developing Markets		$ 752,669	2.00%	16.00%	$ 572,118	1.52%	14.85%	$ 180,551	0.48%
Total Active				**80.00%**			**79.04%**		
Vanguard FTSE Developed Markets		$ 940,836	2.50%	20.00%	$ 807,192	2.14%	20.96%	$ 133,644	0.36%
Total Passive				**20.00%**			**20.96%**		
Balanced		$ 3,387,010	9.00%	100.00%	$ 3,399,930	9.03%	100.00%	$ (12,919)	-0.03%
American Funds American Balanced		$ 1,693,505	4.50%	50.00%	$ 1,708,926	4.54%	50.26%	$ (15,421)	-0.04%
Janus Henderson Balanced		$ 1,693,505	4.50%	50.00%	$ 1,691,004	4.49%	49.74%	$ 2,501	0.01%
Alternative		$ 2,258,007	6.00%	100.00%	$ 1,851,098	4.92%	100.00%	$ 406,909	1.08%
BlackRock Event Driven Equity	15.00%	$ 564,502	1.50%	25.00%	$ 674,084	1.79%	36.42%	$ (109,582)	-0.29%
Calamos Market Neutral		$ 564,502	1.50%	25.00%	$ 635,195	1.69%	34.31%	$ (70,694)	-0.19%
Cohen & Steers Global Realty		$ 564,502	1.50%	25.00%	$ 496,202	1.32%	26.81%	$ 68,300	0.18%
JPMorgan Hedged Equity		$ 564,502	1.50%	25.00%	$ 45,617	0.12%	2.46%	$ 518,885	1.38%
JPMorgan Hedged Equity 3		$ -	0.00%	0.00%	$ -	0.00%	0.00%	$ -	0.00%
Total	100.00%	$ 37,633,448	100.00%		$ 37,633,448	100.00%		$ (0)	0.00%

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Red = Fund removed in Q3

SCCT Regional Water Authority - Union Plan
Asset Allocation Matrix
As of 9/30/2022

	IPS Target %	Target $	Target %	% of Cat	Actual $	Actual %	% of Cat	+/- $	+/- %
Fixed Income		$ 7,463,034	33.25%	100.00%	$ 8,198,194	36.53%	100.00%	$ (735,160)	-3.28%
Cash		$ 168,339	0.75%	2.26%	$ 252,498	1.12%	3.08%	$ (84,159)	-0.37%
Individual Bond Ladder		$ 3,703,461	16.50%	49.62%	$ 4,268,417	19.02%	52.07%	$ (564,956)	-2.52%
American Funds Bond Fund of Amer		$ 673,356	3.00%	9.02%	$ 686,866	3.06%	8.38%	$ (13,509)	-0.06%
DoubleLine Core Fixed Income		$ 336,678	1.50%	4.51%	$ 330,598	1.47%	4.03%	$ 6,080	0.03%
DoubleLine Total Return		$ 336,678	1.50%	4.51%	$ 327,501	1.46%	3.99%	$ 9,177	0.04%
Total Core	30.00%			**78.95%**			**79.93%**		
PIMCO Low Duration (1/2 Core)		$ 673,356	3.00%	9.02%	$ 712,447	3.17%	8.69%	$ (39,090)	-0.17%
Loomis Sayles Core Plus (1/2 Core)		$ 673,356	3.00%	9.02%	$ 660,969	2.94%	8.06%	$ 12,387	0.06%
American Funds Strategic Bond		$ 897,809	4.00%	12.03%	$ 958,897	4.27%	11.70%	$ (61,089)	-0.27%
Total Plus				**21.05%**			**20.07%**		
US Equity		$ 7,911,939	35.25%	100.00%	$ 7,739,013	34.48%	100.00%	$ 172,926	0.77%
Columbia Dividend Income		$ 1,178,374	5.25%	14.89%	$ 1,259,836	5.61%	16.28%	$ (81,462)	-0.36%
MFS Massachusetts Investors Gr Stk		$ 1,010,035	4.50%	12.77%	$ 968,301	4.31%	12.51%	$ 41,733	0.19%
Total Active				**27.66%**			**28.79%**		
Vanguard Value ETF		$ 1,571,165	7.00%	19.86%	$ 1,574,370	7.01%	20.34%	$ (3,205)	-0.01%
Invesco S&P 500 Equal Weight		$ 1,010,035	4.50%	12.77%	$ 1,011,876	4.51%	13.08%	$ (1,841)	-0.01%
Vanguard Total Stk Mkt ETF		$ 2,020,069	9.00%	25.53%	$ 1,893,409	8.44%	24.47%	$ 126,661	0.56%
Vanguard Russell 1000 Growth Index		$ 673,356	3.00%	8.51%	$ 593,892	2.65%	7.67%	$ 79,465	0.35%
Schwab Mid Cap ETF		$ 448,904	2.00%	5.67%	$ 437,329	1.95%	5.65%	$ 11,575	0.05%
Total Passive	55.00%			**72.34%**			**71.21%**		
Global		$ 897,809	4.00%	100.00%	$ 939,887	4.19%	100.00%	$ (42,078)	-0.19%
First Eagle Global		$ 897,809	4.00%	100.00%	$ 939,887	4.19%	100.00%	$ (42,078)	-0.19%
Int'l Equity		$ 2,805,652	12.50%	100.00%	$ 2,349,282	10.47%	100.00%	$ 456,371	2.03%
American Funds EuroPacific Gr		$ 897,809	4.00%	32.00%	$ 744,965	3.32%	31.71%	$ 152,844	0.68%
MFS Intl Intrinsic Value		$ 897,809	4.00%	32.00%	$ 767,826	3.42%	32.68%	$ 129,983	0.58%
Invesco Developing Markets		$ 448,904	2.00%	16.00%	$ 345,631	1.54%	14.71%	$ 103,273	0.46%
Total Active				**80.00%**			**79.11%**		
Vanguard FTSE Developed Markets		$ 561,130	2.50%	20.00%	$ 490,860	2.19%	20.89%	$ 70,270	0.31%
Total Passive				**20.00%**			**20.89%**		
Balanced		$ 2,020,069	9.00%	100.00%	$ 2,089,371	9.31%	100.00%	$ (69,302)	-0.31%
American Funds American Balanced		$ 1,010,035	4.50%	50.00%	$ 1,049,671	4.68%	50.24%	$ (39,636)	-0.18%
Janus Henderson Balanced		$ 1,010,035	4.50%	50.00%	$ 1,039,700	4.63%	49.76%	$ (29,666)	-0.13%
Alternative		$ 1,346,713	6.00%	100.00%	$ 1,129,470	5.03%	100.00%	$ 217,243	0.97%
BlackRock Event Driven Equity	15.00%	$ 336,678	1.50%	25.00%	$ 411,861	1.83%	36.47%	$ (75,183)	-0.33%
Calamos Market Neutral		$ 336,678	1.50%	25.00%	$ 387,539	1.73%	34.31%	$ (50,860)	-0.23%
Cohen & Steers Global Realty		$ 336,678	1.50%	25.00%	$ 302,405	1.35%	26.77%	$ 34,273	0.15%
JPMorgan Hedged Equity		$ 336,678	1.50%	25.00%	$ 27,664	0.12%	2.45%	$ 309,014	1.38%
JPMorgan Hedged Equity 3		$ -	0.00%	0.00%	$ -	0.00%	0.00%	$ -	0.00%
Total	100.00%	$ 22,445,216	100.00%		$ 22,445,216	100.00%		$ (0)	0.00%

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Red = Fund removed in Q3

SCCT Regional Water Authority - VEBA Plan
Asset Allocation Matrix
As of 9/30/2022

	IPS Target %	Target $	Target %	% of Cat	Actual $	Actual %	% of Cat	+/- $	+/- %
Fixed Income		$ 2,629,797	33.25%	100.00%	$ 2,876,005	36.36%	100.00%	$ (246,209)	-3.11%
Cash/T-Bills		$ 59,319	0.75%	2.26%	$ 175,029	2.21%	6.09%	$ (115,710)	-1.46%
Guggenheim Limited Duration		$ 276,821	3.50%	10.53%	$ 290,930	3.68%	10.12%	$ (14,110)	-0.18%
Vanguard Short-Term Bond ETF		$ 237,275	3.00%	9.02%	$ 269,713	3.41%	9.38%	$ (32,438)	-0.41%
American Funds Bond Fund of Amer		$ 474,550	6.00%	18.05%	$ 530,495	6.71%	18.45%	$ (55,945)	-0.71%
DoubleLine Core Fixed Income		$ 276,821	3.50%	10.53%	$ 281,780	3.56%	9.80%	$ (4,960)	-0.06%
DoubleLine Total Return		$ 276,821	3.50%	10.53%	$ 279,292	3.53%	9.71%	$ (2,471)	-0.03%
Janus Henderson Flexible Bond	30.00%	$ 237,275	3.00%	9.02%	$ 215,788	2.73%	7.50%	$ 21,487	0.27%
Total Core				**78.95%**			**79.81%**		
PIMCO Low Duration (1/2 Core)		$ 237,275	3.00%	9.02%	$ 260,548	3.29%	9.06%	$ (23,273)	-0.29%
Loomis Sayles Core Plus (1/2 Core)		$ 237,275	3.00%	9.02%	$ 244,144	3.09%	8.49%	$ (6,870)	-0.09%
American Funds Stratetgic Bond		$ 316,367	4.00%	12.03%	$ 328,286	4.15%	11.41%	$ (11,920)	-0.15%
Total Plus				**21.05%**			**20.19%**		
US Equity		$ 2,787,980	35.25%	100.00%	$ 2,784,698	35.21%	100.00%	$ 3,282	0.04%
Columbia Dividend Income		$ 415,231	5.25%	14.89%	$ 454,534	5.75%	16.32%	$ (39,303)	-0.50%
MFS Massachusetts Investors Gr Stk		$ 355,912	4.50%	12.77%	$ 349,075	4.41%	12.54%	$ 6,837	0.09%
Total Active				**27.66%**			**28.86%**		
Vanguard Value ETF		$ 553,641	7.00%	19.86%	$ 580,356	7.34%	20.84%	$ (26,715)	-0.34%
Invesco S&P 500 Equal Weight		$ 355,912	4.50%	12.77%	$ 369,112	4.67%	13.26%	$ (13,200)	-0.17%
Vanguard Total Stk Mkt ETF		$ 711,825	9.00%	25.53%	$ 666,731	8.43%	23.94%	$ 45,094	0.57%
Vanguard Russell 1000 Growth Index		$ 237,275	3.00%	8.51%	$ 219,618	2.78%	7.89%	$ 17,657	0.22%
Schwab Mid Cap ETF		$ 158,183	2.00%	5.67%	$ 145,272	1.84%	5.22%	$ 12,911	0.16%
Total Passive	55.00%			**72.34%**			**71.14%**		
Global		$ 316,367	4.00%	100.00%	$ 315,686	3.99%	100.00%	$ 681	0.01%
First Eagle Global		$ 316,367	4.00%	100.00%	$ 315,686	3.99%	100.00%	$ 681	0.01%
Int'l Equity		$ 988,645	12.50%	100.00%	$ 805,160	10.18%	100.00%	$ 183,485	2.32%
American Funds EuroPacific Gr		$ 316,367	4.00%	32.00%	$ 251,682	3.18%	31.26%	$ 64,684	0.82%
MFS Intl Intrinsic Value		$ 316,367	4.00%	32.00%	$ 277,239	3.51%	34.43%	$ 39,127	0.49%
Invesco Developing Markets		$ 158,183	2.00%	16.00%	$ 112,619	1.42%	13.99%	$ 45,565	0.58%
Total Active				**80.00%**			**79.68%**		
Vanguard FTSE Developed Markets		$ 197,729	2.50%	20.00%	$ 163,620	2.07%	20.32%	$ 34,109	0.43%
Total Passive				**20.00%**			**20.32%**		
Balanced		$ 711,825	9.00%	100.00%	$ 734,080	9.28%	100.00%	$ (22,255)	-0.28%
American Funds American Balanced		$ 355,912	4.50%	50.00%	$ 366,027	4.63%	49.86%	$ (10,115)	-0.13%
Janus Henderson Balanced		$ 355,912	4.50%	50.00%	$ 368,053	4.65%	50.14%	$ (12,141)	-0.15%
Alternative		$ 474,550	6.00%	100.00%	$ 393,534	4.98%	100.00%	$ 81,016	1.02%
BlackRock Event Driven Equity	15.00%	$ 118,637	1.50%	25.00%	$ 142,884	1.81%	36.31%	$ (24,247)	-0.31%
Calamos Market Neutral		$ 118,637	1.50%	25.00%	$ 135,657	1.72%	34.47%	$ (17,019)	-0.22%
Cohen & Steers Global Realty		$ 118,637	1.50%	25.00%	$ 102,458	1.30%	26.04%	$ 16,180	0.20%
JPMorgan Hedged Equity		$ 118,637	1.50%	25.00%	$ 12,535	0.16%	3.19%	$ 106,102	1.34%
JPMorgan Hedged Equity 3		$ -	0.00%	0.00%	$ -	0.00%	0.00%	$ -	0.00%
Total	100.00%	$ 7,909,163	100.00%		$ 7,909,163	100.00%		$ (0)	0.00%

Disclaimer: The information contained herein was prepared by your Financial Advisor and does not represent an official statement of your account at the Firm (or other outside custodians, if applicable). Please refer to your monthly statement for a complete record of your transactions, holdings and balances.

Red = Fund removed in Q3

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Glossary of Terms

Accrued Income: The dividends and interest earned but not yet received at both the beginning and end of each reporting period.

Advisory Account: An investment advisory relationship is designed for clients who prefer that their Financial Advisor act as an investment consultant, with their assets invested in a mutual fund asset allocation program or in a Advisory account that is directed by a professional money manager either at Morgan Stanley or at an external money management firm. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at http://www.morganstanley.com/ourcommitment

Annualized Standard Deviation: A measure of volatility, it quantifies how much a series of numbers, such as portfolio returns, deviates around its average. Since it measures the portfolio's investment volatility, the account's gross rate of return is used.

Brokerage Account: In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at http://www.morganstanley.com/ourcommitment

Comparative Indices: A complete description of the comparative indices included in this Performance Report is available upon request.

Dollar-Weighted Return: Rate of return calculation methodology that reflects both the timing and magnitude of external contributions and withdrawals and measures the portfolio's performance. The return for each month is calculated as the average return on all dollars invested.

Gross Return: The return of the portfolio before the deduction of fees/commissions and other expenses.

Net Contributions/Withdrawals: The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

Net Invested Capital: The sum of the Total Beginning Value and the net of additional capital Contributions and Withdrawals for each reporting period.

Net Portfolio Appreciation: The total dollar gain/loss of the portfolio for each reporting period. The Net Portfolio Appreciation includes the impact of income received and is calculated as the difference between Net Invested Capital and Total Ending Value.

Net Return: The return of the portfolio for the period reduced by the amount of fees/commissions paid. The net of fees return is calculated gross of certain custody fees.

Time-Weighted Return: Rate of return calculation methodology that eliminates the impact of external contributions and withdrawals to the portfolio value and measures the manager's performance. Portfolio returns are calculated at least monthly and individual monthly returns are geometrically linked to calculate total cumulative return.

Total Beginning Value: The total market value of the portfolio, valued on a trade date basis, at the beginning of each reporting period. The Total Beginning Value includes Accrued Income.

Total Ending Value: The total market value of the portfolio, valued on a trade date basis, at the end of each reporting period. The Total Ending Value includes Accrued Income.

Weighted Average: The average in which each yield to be averaged is assigned a weight. These weightings determine the relative importance or frequency of each yield on the average.

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The **Global Investment Committee** is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.

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Adverse Active AlphaSM 2.0 is a patented screening and scoring process designed to help identify high-quality equity and fixed income managers with characteristics that may lead to future outperformance relative to index and peers. While highly ranked managers performed well as a group in our Adverse Active Alpha model back tests, not all of the managers will outperform. Please note that this data may be derived from back-testing, which has the benefit of hindsight. In addition, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

The proprietary **Value Score** methodology considers an active investment strategies' value proposition relative to its costs. From a historical quantitative study of several quantitative markers, Value Score measures perceived forward-looking benefit and computes (1) "fair value" expense ratios for most traditional investment managers across 40 categories and (2) managers' perceived "excess value" by comparing the fair value expense ratios to actual expense ratios. Managers are then ranked within each category by their excess value to assign a Value Score. Our analysis suggests that greater levels of excess value have historically corresponded to attractive subsequent performance.

For more information on the ranking models, please see Adverse Active AlphaSM 2.0: Scoring Active Managers According to Potential Alpha and Value Score: Scoring Fee Efficiency by Comparing Managers' "Fair Value" and Actual Expense Ratios. The whitepapers are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

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An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals;(2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual fund or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund's essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or "leverage."

The Morgan Stanley Digital Vault ("Digital Vault") is accessible to clients with dedicated Financial Advisors. Documents shared via the Digital Vault should be limited to those relevant to your Morgan Stanley account relationship. Uploading a document to the Digital Vault does not obligate us to review or take any action on it, and we will not be liable for any failure to act upon the contents of such document. Please contact your Financial Advisor or Branch Management to discuss the appropriate process for providing the document to us for review. If you maintain a Trust or entity account with us, only our certification form will govern our obligations for such account. Please refer to the Morgan Stanley Digital Vault terms and conditions for more information.

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Electronic payments arrive to the payee within 1-2 business days, check payments arrive to the payee within 5 business days. Same-day and overnight payments are available for an additional fee within the available payment timeframes.

KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not appropriate for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount from their NAV which may increase investors' risk of loss. The risk of loss due to this discount may be greater for investors expecting to sell their shares in a relatively short period after completion of the public offering. This characteristic is a risk separate and distinct from the risk that a closed-end fund's net asset value may decrease as a result of investment activities. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases or sells shares of a closed-end fund, shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; Risks associated with the operations, personnel, and processes of the manager; and Risks associated with cybersecurity. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management. This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates. Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum , are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank. 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Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short -selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative investments are not appropriate for all investors. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund.

Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, "blow ups," or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial "lift" or upwards bias.

Hedge Funds of Funds and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are appropriate only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

Virtual Currency Products (Cryptocurrencies)

Buying, selling, and transacting in Bitcoin, Ethereum or other digital assets ("Digital Assets"), and related funds and products, is highly speculative and may result in a loss of the entire investment. Risks and considerations include but are not limited to:

- Digital Assets have only been in existence for a short period of time and historical trading prices for Digital Assets have been highly volatile. The price of Digital Assets could decline rapidly, and **investors could lose their entire investment.**

- Certain Digital Asset funds and products, allow investors to invest on a more frequent basis than investors may withdraw from the fund or product, and interests in such funds or products are generally not freely transferrable. This means that, particularly given the volatility of Digital Assets, an investor will have to bear any losses with respect to its investment for an extended period of time and will not be able to react to changes in the price of the Digital Asset once invested (for example, by seeking to withdraw) as quickly as when making the decision to invest. Such Digital Asset funds and products, are intended only for persons who are able to bear the economic risk of investment and who do not need liquidity with respect to their investments.

- Given the volatility in the price of Digital Assets, the net asset value of a fund or product that invests in such assets at the time an investor's subscription for interests in the fund or product is accepted may be significantly below or above the net asset value of the product or fund at the time the investor submitted subscription materials.

- Certain Digital Assets are not intended to function as currencies but are intended to have other use cases. These other Digital Assets may be subject to some or all of the risks and considerations set forth herein, as well as additional risks applicable to such Digital Assets. Buyers, sellers and users of such Digital Assets should thoroughly familiarize themselves with such risks and considerations before transacting in such Digital Assets.

- The value of Digital Assets may be negatively impacted by future legal and regulatory developments, including but not limited to increased regulation of such Digital Assets. Any such developments may make such Digital Assets less valuable, impose additional burdens and expenses on a fund or product investing in such assets or impact the ability of such a fund or product to continue to operate, which may materially decrease the value of an investment therein.

- Due to the new and evolving nature of digital currencies and the absence of comprehensive guidance, many significant aspects of the tax treatment of Digital Assets are uncertain. Prospective investors should consult their own tax advisors concerning the tax consequences to them of the purchase, ownership and disposition of Digital Assets, directly or indirectly through a fund or product, under U.S. federal income tax law, as well as the tax law of any relevant state, local or other jurisdiction.

- Over the past several years, certain Digital Asset exchanges have experienced failures or interruptions in service due to fraud, security breaches, operational problems or business failure. Such events in the future could impact any fund's or product's ability to transact in Digital Assets if the fund or product relies on an impacted exchange and may also materially decrease the price of Digital Assets, thereby impacting the value of your investment, regardless of whether the fund or product relies on such an impacted exchange.

- Although any Digital Asset product and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's Digital Asset could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's Digital Asset.

- Investors in funds or products investing or transacting in Digital Assets may not benefit to the same extent (or at all) from "airdrops" with respect to, or "forks" in, a Digital Asset's blockchain, compared to investors who hold Digital Assets directly instead of through a fund or product. Additionally, a "fork" in the Digital Asset blockchain could materially decrease the price of such Digital Asset.

- Digital Assets are not legal tender, and are not backed by any government, corporation or other identified body, other than with respect to certain digital currencies that certain governments are or may be developing now or in the future. No law requires companies or individuals to accept digital currency as a form of payment (except, potentially, with respect to digital currencies developed by certain governments where such acceptance may be mandated). Instead, other than as described in the preceding sentences, Digital Asset products' use is limited to businesses and individuals that are willing to accept them. If no one were to accept digital currencies, virtual currency products would very likely become worthless.

- Platforms that buy and sell Digital Assets can be hacked, and some have failed. In addition, like the platforms themselves, digital wallets can be hacked, and are subject to theft and fraud. As a result, like other investors have, you can lose some or all of your holdings of Digital Assets.

- Unlike US banks and credit unions that provide certain guarantees of safety to depositors, there are no such safeguards provided to Digital Assets held in digital wallets by their providers or by regulators.

- Due to the anonymity Digital Assets offer, they have known use in illegal activity, including drug dealing, money laundering, human trafficking, sanction evasion and other forms of illegal commerce. Abuses could impact legitimate consumers and speculators; for instance, law enforcement agencies could shut down or restrict the use of platforms and exchanges, limiting or shutting off entirely the ability to use or trade Digital Asset products.

- Digital Assets may not have an established track record of credibility and trust. Further, any performance data relating to Digital Asset products may not be verifiable as pricing models are not uniform.

- Investors should be aware of the potentially increased risks of transacting in Digital Assets relating to the risks and considerations, including fraud, theft, and lack of legitimacy, and other aspects and qualities of Digital Assets, before transacting in such assets.

- The exchange rate of virtual currency products versus the USD historically has been very volatile and the exchange rate could drastically decline. For example, the exchange rate of certain Digital Assets versus the USD has in the past dropped more than 50% in a single day. Other Digital Assets may be affected by such volatility as well.

- Digital Asset exchanges have limited operating and performance histories and are not regulated with the same controls or customer protections available to more traditional exchanges transacting equity, debt, and other assets and securities. There is no assurance that a person/exchange who currently accepts a Digital Asset as payment will continue to do so in the future.

- The regulatory framework of Digital Assets is evolving, and in some cases is uncertain, and Digital Assets themselves may not be governed and protected by applicable securities regulators and securities laws, including, but not limited to, Securities Investor Protection Corporation coverage, or other regulatory regimes.

- Morgan Stanley Smith Barney LLC or its affiliates (collectively, "Morgan Stanley") may currently, or in the future, offer or invest in Digital Asset products, services or platforms. The proprietary interests of Morgan Stanley may conflict with your interests.

- The foregoing list of considerations and risks are not and do not purport to be a complete enumeration or explanation of the risks involved in an investment in any product or fund investing or trading in Digital Assets.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

Annuities and insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

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We may act in the capacity of a broker or that of an advisor. As your broker, we are not your fiduciary and our interests may not always be identical to yours. Please consult with your Private Wealth Advisor to discuss our obligations to disclose to you any conflicts we may from time to time have and our duty to act in your best interest. We may be paid both by you and by others who compensate us based on what you buy. Our compensation, including that of your Private Wealth Advisor, may vary by product and over time.

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For index, indicator and survey definitions referenced in this report please visit the following: https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS: The Asset Allocation Models are created by Morgan Stanley Wealth Management's GIC.

HYPOTHETICAL MODEL PERFORMANCE (GROSS): Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC's strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight. Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated. Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products. Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

FEES REDUCE THE PERFORMANCE OF ACTUAL ACCOUNTS: None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at www.morganstanley.com/adv. The following hypothetical illustrates the compound effect fees have on investment returns: For example, if a portfolio's annual rate of return is 15% for 5 years and the account pays 50 basis points in fees per annum, the gross cumulative five-year return would be 101.1% and the five-year return net of fees would be 96.8%. Fees and/or expenses would apply to clients who invest in investments in an account based on these asset allocations, and would reduce clients' returns. The impact of fees and/or expenses can be material.

Variable annuities are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options. Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract. If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection. Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment. **Ultrashort-term fixed income** asset class is comprised of fixed income securities with high quality, very short maturities. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. MLP funds accrue deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments; this deferred tax liability is reflected in the daily NAV, and, as a result, the MLP fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be appropriate for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor.

REITs investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions. Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency; volatility (risk of loss); and leverage. Principal is returned on a monthly basis over the life of a **mortgage-backed security.** Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds. **Asset-backed securities** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.
Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to change. **Duration**, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. The majority of $25 and $1000 par **preferred securities** are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per $25 or $1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price. The initial interest rate on a **floating-rate security** may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. The market value of **convertible bonds** and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable bonds may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Some $25 or $1000 **par preferred securities** are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional 'dividend paying' perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period – 91 days during a 180 day window period, beginning 90 days before the ex-dividend date.
Companies paying **dividends** can reduce or cut payouts at any time.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time. Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.
Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels.
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J.P. Morgan Asset Management – Index definitions

All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

Equities:

The **Dow Jones Industrial Average** is a price-weighted average of 30 actively traded blue-chip U.S. stocks.

The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI EAFE Index(Europe, Australasia, Far East)**is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The **MSCI Pacific Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region.

The **Russell 1000 Index**® measures the performance of the 1,000 largest companies in the Russell 3000.

The **Russell 1000 Growth Index**® measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index**® measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index**® measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The **Russell 2000 Growth Index**® measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000 Value Index**® measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 3000 Index**® measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell Midcap Index**® measures the performance of the 800 smallest companies in the Russell 1000 Index.

The **Russell Midcap Growth Index** ® measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The **Russell Midcap Value Index** ® measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The **S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The **S&P 500 Index** focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

Fixed income:

The **Bloomberg 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have $250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

The **Bloomberg Global High Yield Index** is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

The **Bloomberg Municipal Index**: consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

The **Bloomberg US Dollar Floating Rate Note (FRN) Index** provides a measure of the U.S. dollar denominated floating rate note market.

The **Bloomberg US Corporate Investment Grade Index** is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least $250 million par amount outstanding. To qualify, bonds must be SEC-registered.

The **Bloomberg US High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

The **Bloomberg US Mortgage Backed Securities Index** is an unmanaged index that measures the performance of investment grade fixed-rate mortgage backed pass-through securities of GNMA, FNMA and FHLMC.

The **Bloomberg US TIPS Index** consists of Inflation-Protection securities issued by the U.S. Treasury.

The **J.P. Morgan Emerging Market Bond Global Index(EMBI)**includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

The **J.P. Morgan Domestic High Yield Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market.

The **J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified)**is an expansion of the **J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI)**. The CEMBI is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

The **J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified)** tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The index limits the exposure of some of the larger countries.

The **J.P. Morgan GBI EM Global Diversified** tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.

The **U.S. Treasury Index** is a component of the U.S. Government index.

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J.P. Morgan Asset Management – Definitions

Other asset classes:

The **Alerian MLP Index** is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc

The **Cambridge Associates U.S. Global Buyout and Growth Index®** is based on data compiled from 1,768 global (U.S. & ex –U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

The **CS/Tremont Hedge Fund Index** is compiled by Credit Suisse Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis, and shown net of all performance fees and expenses. It is the exclusive property of Credit Suisse Tremont Index, LLC.

The **HFRI Monthly Indices (HFRI)** are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

The **NAREIT EQUITY REIT Index** is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List.

The **NFI-ODCE**, short for NCREIF Fund Index -Open End Diversified Core Equity, is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.

Definitions:

Investing in **alternative assets** involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments and should not be deemed a complete investment program. They are not tax efficient and an investor should consult with his/her tax advisor prior to investing. Alternative investments have higher fees than traditional investments and they may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.

Bonds are subject to interest rate risks. Bond prices generally fall when interest rates rise.

Investments in **commodities** may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.

Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

Investments in **emerging markets** can be more volatile. The normal risks of investing in foreign countries are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

The price of **equity** securities may rise, or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.

Equity market neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

Global macro strategies trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some overseas markets may not be as politically and economically stable as the United States and other nations.

There is no guarantee that the use of **long and short positions** will succeed in limiting an investor's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Using long and short selling strategies may have higher portfolio turnover rates. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

Merger arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

Mid-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies. Historically, mid-cap companies' stock has experienced a greater degree of market volatility than the average stock.

Price to forward earnings is a measure of the price-to-earnings ratio (P/E) using forecasted earnings. **Price to book value** compares a stock's market value to its book value. **Price to cash flow** is a measure of the market's expectations of a firm's future financial health. **Price to dividends** is the ratio of the price of a share on a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

Real estate investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investments may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

Relative Value Strategies maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

Small-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.

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J.P. Morgan Asset Management – Risks & disclosures

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Unless otherwise stated, all data are as of September 30, 2022 or most recently available.

Guide to the Markets – U.S.

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Brokered CDs

CDs are insured by the FDIC, an independent agency of the U.S. Government, up to a maximum amount of $250,000 (including principal and accrued interest) for all deposits held in the same insurable capacity (e.g. individual account, joint account, IRA etc.) per CD depository. FAs/PWAs should inform investors that they are responsible for monitoring the total amount held with each CD depository. All deposits at a single depository held in the same insurable capacity will be aggregated for purposes of the $250,000 federal deposit insurance limit, including deposits (such as bank accounts) maintained directly with the depository and CDs of the depository held through Morgan Stanley Wealth Management.

Contingent Return CDs

Contingent return (e.g. index-linked) CDs are treated as having original issue discount (OID) for tax purposes. Although interest is not received until maturity, the CD is assumed to pay a pre-determined interest rate that will be treated as current income for tax purposes if held in a taxable account. Investors should be made aware that contingent returns CDs generally feature an "averaging" method of return calculation, which averages the changes in value of the relevant index as measured on predetermined dates over the life of the CD. Therefore, the CD's return will not mirror the actual index value or return. If the measured index return using the averaging method is zero or negative, the investor receives no interest. Some contingent return CDs also have a participation rate (the degree to which an investor participates in the measured return of the index) that is less than 100%. Interest on contingent return CDs is not eligible for FDIC insurance before the final valuation date.

CDs: Maximum Applicable Deposit Insurance Amount

For the purposes of the Maximum Applicable Deposit Insurance Amount, you must aggregate all deposits that you maintain with a particular bank in the same insurable capacity, including deposits you hold directly with a particular bank and deposits you hold through Morgan Stanley Wealth Management and other intermediaries. This means, for example, that any funds swept through the Bank Deposit Program into deposit accounts at Morgan Stanley Bank, or Morgan Stanley Trust bank will be aggregated with any CDs (including equity-linked or market-linked CDs) you hold from these banks, or any deposit accounts you maintain directly with these banks, in the same insurable capacity. You are responsible for monitoring the total amount of deposits that you have at each particular bank for purposes of the Maximum Applicable Deposit Insurance Amount. For more information about FDIC insurance, please visit the FDIC website at https://www.fdic.gov/deposit/deposits.

Corporate Bonds

Corporate bonds are debt obligations issued by private and public corporations.

Investment Grade (IG): refers to corporate bonds rated in the top four rating categories by Moody's Investors Service (Baa3 and above), Standard & Poor's (BBB- or above).

High-Yield Bonds

Bonds rated below investment grade may have speculative characteristics and present significant risks beyond those of investment grade securities, including greater credit risk, price volatility, and limited liquidity in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives and risk tolerance before investing in high-yield bonds. High yield bonds should comprise only a limited portion of a balanced portfolio.

Fixed Income Risk Considerations

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

- Dividends: Companies paying dividends can reduce their payout at any time.
- Diversification: Diversification does not guarantee a profit or protect against a loss in a declining financial market.
- Asset Allocation: Asset allocation does not guarantee a profit or protect against a loss in a declining financial market. There may be a potential tax implication with a rebalancing strategy.
- Indexes: Indices are unmanaged. Investors cannot invest directly in an index.
- Future Performance Assumptions: Estimates of future performance are based on assumptions that may not be realized.
- Guarantees: Guarantees do not eliminate market risk.

- Sector Investments: Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.
- Value Investing: Value investing seeks underpriced stocks, but there is no guarantee that a stock's price will rise.
- Small/Mid-Cap Investing: Investing in smaller/mid-cap companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.
- Growth Investing: Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations

Federal Agency Securities

Federal agency securities - or 'agencies' are debt instruments issued by US Government Agencies Sponsored Enterprises (GSEs). Many GSEs maintain a direct line of credit with the US Government. However, GSEs are federally sponsored, not government guaranteed; the debt issued is a liability of the GSE, not of the US Government.

Floating Rate Securities

The initial interest rate on a floating rate or index-linked preferred security is often lower than that of a fixed-rate security of the same maturity because the issuer may be required to pay a higher rate of interest over time, if the security's reference rate increases. However, there can be no assurance that increases in the reference rate will occur. Some floating rate/index-linked securities may be subject to call risk.

Foreign/ Emerging Market Debt

Investing in foreign and emerging markets entails risks other than those normally associated with domestic markets, such as political, currency, economic and market risks. Emerging market debt should comprise only a limited portion of a balanced portfolio. Certain FX products may require a client to be an Eligible Contract Participant (ECP) as defined by the Commodity Futures Trading Commission (CFTC), and may be subject to additional eligibility requirements.

MBS/CMO

MBS/CMO principal is returned on a monthly basis over the life of the security. Yield and average life are estimated based on prepayment assumptions and are subject to change based on actual prepayment of the mortgages in the underlying pools. Principal prepayment can significantly affect monthly income stream and maturity. The level of predictability of an MBS/CMO's average life, and its market price, depends on the type of MBS/CMO class purchased and interest rate movements. In general, as interest rates fall, prepayment speeds are likely to increase, thus shortening the MBS/CMO's average life and likely causing its market price to rise. Conversely, as interest rates rise, prepayment speeds are likely to decrease, thus lengthening average life and likely causing the MBS/CMO's market price to fall. If a Planned Amortization Class (PAC) is designated in a CMO issue, the predictability of the remaining classes, known as support classes, is reduced, because they absorb any cash flow shortage or excess. Support classes therefore tend to experience greater changes in average life than PAC classes. Some MBS/CMOs may have original issue discount (OID). OID occurs if the MBS/CMO's original issue price is below its stated redemption price at maturity, and results in "imputed interest" that must be reported annually for tax purposes, resulting in a tax liability even though interest was not received. The terms of outstanding MBS/CMO's may be affected by changes to the underlying loans due to legislative process or other reasons.

Avg Life = Average Life: Approx. number of years it takes for investors to receive 50% of their principal back.

Municipal Bonds

Interest on municipal bonds is generally exempt from federal income tax; however, some municipal bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence. The tax-exempt status of municipal securities may be changed by legislative process, which could affect their value and marketability. Please be advised that bonds escrowed to maturity may or may not be callable. Insurance does not pertain to yield quotations or market values, which will fluctuate over the life of the bond. Insurance covers only prompt payment of principal and interest when due. Credit ratings shown may be the higher of the 'underlying' rating of the issuer or the rating of any insurer providing credit enhancement to the bonds. It is important that you obtain the underlying credit rating of the issuer and consider it as a factor in any investment decision. Information on the underlying credit rating of the issuer can be obtained from your FA/PWA.

Municipal insurance/Credit Ratings where applicable

Insurance does not pertain to market values, which will fluctuate over the life of the bonds; FAs/PWAs should inform clients that insurance covers only the timely payment of interest and principal when due. Credit ratings shown may be the higher of the 'underlying' rating of the issuer or the rating of any insurer providing credit enhancement to the bonds. It is important that you obtain the underlying credit rating of the issuer and consider it as a factor in any investment decision.

Tax Equivalent Yield

When quoting a taxable equivalent yield (TEY) remind investors that the TEY is only one of many factors that should be considered when making an investment decision. FAs/PWAs should inform investors that Morgan Stanley Wealth Management does not offer tax advice and that investors should consult their tax advisors before making any tax-related investment decisions.

Build America Bonds (BABs)

Build America Bonds described herein are backed by the credit quality of the issuer, and not the Federal Government. These Build America Bonds are structured as direct payment bonds, in which a direct Federal subsidy is paid to the state or local government issuer. Please encourage your clients to read the relevant offering document.

Zero Coupon Municipals

Zero coupon bonds may also experience greater price volatility than interest bearing fixed income securities because of their comparatively longer duration. Municipal zero coupon bonds are generally tax-exempt; however, for taxpayers subject to the AMT, the accreted interest on some municipal bonds may be included in the AMT calculation. Municipal bonds are subject to rules regarding the treatment of any market discount if such bonds are purchased in the secondary market below the bond's original issue or accreted price.

Non-Traditional Bonds

Non-Traditional Municipal Bonds are securities which are generally not backed by either a tax levied by a state or local unit of government or revenues generated by a public enterprise. Such securities could be investment grade, non-investment grade or unrated. These bonds do not carry a repayment obligation of the issuing (conduit) entity and upon the occurrence of certain events or circumstances may not return full principal at maturity. Non-traditional municipal bonds can be complex instruments and may include structured and/or securitized products. FAs and PWAs must explain to clients the structure of the particular investment, the source from which the issuer will make both interest payments and principal repayments, the availability of funds to make such payments, and the conditions under which the bonds could result in a loss of principal. Non-traditional municipal bonds encompass diverse municipal issues, each with unique investment risks.

Preferred Products

$25 Par Preferred

The majority of $25 par preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest payments on certain issues may be deferred by the issuer for periods of up to 5 years. The investor would still have income tax liability even though payments would not have been received. Price quoted is per $25 share and may not include sales commissions.

$1000 Par Preferred

The majority of preferred securities are 'callable' meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per $1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price.

Floating Rate Preferreds

The initial interest rate on a floating rate or index-linked preferred security is often lower than that of a fixed-rate security of the same maturity because the issuer may be required to pay a higher rate of interest over time, if the security's reference rate increases. However, there can be no assurance that increases in the reference rate will occur. Some floating rate/index-linked securities may be subject to call risk. The initial interest rate on a floating rate or index-linked preferred security is often lower than that of a fixed-rate security of the same maturity because the issuer may be required to pay a higher rate of interest over time, due to increases in the floating/linked index. However, there can be no assurance that increases in the floating/linked index will occur. Some floating/linked indexes may be subject to call risk.

QDI Preferreds

Some $25 Par Preferred securities are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional 'dividend paying' perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period - 91 days during a 180 day window period, beginning 90 days before the ex-dividend date.

Zero Coupon Bonds, including Corporates, Agencies, Treasury STRIPS

Zero coupon bonds may experience greater price volatility than interest bearing fixed income securities because of their comparatively longer duration. Taxable zero coupon bonds are treated as having original issue discount (OID) for tax purposes. Although interest is not received until maturity, the zero coupon bond is assumed to pay a pre-determined interest rate that will be treated as current income for tax purposes if held in a taxable account. Taxable bonds are subject to rules regarding the treatment of any market discount if such bonds are purchased in the secondary market below the bond's original issue or accreted price. Please consult your tax advisor regarding the consequences of owning zero coupon bonds, as well as the applicable rules that apply to such bonds.

We offer these securities and/or deposits subject to availability. Market price, yield and credit ratings are subject to change. If securities and/or deposits are sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable securities and/or deposits may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Please consult your Financial Advisor or Private Wealth Advisor regarding applicable call provisions prior to investing. Some issue information is based on data obtained by the firm from external sources deemed to be reliable. However, Morgan Stanley Wealth Management has not independently verified such information and makes no warranty, express or implied, regarding its accuracy or completeness. Investors should match credit ratings to their portfolio risk profiles. Price quoted may not include sales commissions. For additional information on any of the highlighted securities and/or deposits, please contact your Financial Advisor or Private Wealth Advisor. We not provide tax advice. You should consult with your own tax advisor prior to making an investment decision.

UNAPPROVED DRAFT

South Central Connecticut Regional Water Authority
Minutes of the September 22, 2022 Meeting

The regular meeting of the South Central Connecticut Regional Water Authority took place on Thursday, September 22, 2022, via remote access. Chairman Borowy presided.

Present: Authority Members Present – Messrs. Borowy, Curseaden, DiSalvo and Mss. LaMarr and Sack
Management – Mss. Kowalski, Verdisco, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, and Singh
Staff – Mrs. Slubowski

Chair Borowy called the meeting to order at 12:31 p.m.

Ms. Verdisco, the RWA's Chief Human Resources Officer & Vice President of Corporate Services, reviewed the safety moment distributed to members.

Chair Borowy reported on the process for executive session items specific to the Authority, RPB, and relevance to protected information and matters of security. To keep language up to date with recent legislative changes, verbiage to executive session items on the Authority's agenda has been updated.

At 12:36 p.m., on motion made by Mr. Curseaden, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Audit-Risk Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 1:00 p.m., the Authority reconvened.

On motion made by Ms. Sack, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to approve, adopt, or receive, as appropriate the following items in the Consent Agenda:

1. Minutes of the August 25, 2022 meeting.
2. Capital budget authorization for October 2022.

    RESOLVED, that the Vice President & Chief Financial Officer is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed $4,800,000 for the month of October 2022 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budged for fiscal year 2023 for all Capital Improvements Projects to be exceeded.

3. Capital Budget Transfer Notifications.
4. Accounts Receivable Update for August 2022.
5. Key Performance Indicators

6. RPB Dashboard Report.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski, the RWA's Vice President & Chief Financial Officer, reviewed the first quarter 2023 financial report, including the:

- Balance sheet
- Statement of revenues, expenses, and changes in net position
- Maintenance test year-end projections
- Operating and maintenance key variances
- Capital budget
- Investment earnings report

Discussion took place regarding monthly billing, changes, and concerns.

Authority members reported on recent RPB committee meetings and assignments were made for attendance at the second quarter 2023 RPB committee meetings.

Ms. LaMarr provided the Authority with an update of a recent New Haven Environmental Advisory Council meeting. She reported concerns related to public education of RWA regulatory oversight and governance, protected resources, water use, and rates. Discussion ensued regarding the cost of service study and preparation for the council's next meeting in November.

Mr. Bingaman, the RWA's President and Chief Executive Officer, provided on update on the status of COVID at the RWA.

Mr. Bingaman:

- Reported on a Good to Great session with the leadership team that took place last week. Going forward, the meetings will take place quarterly and is expected to build better engagement, communications and community among the executive team. The program is also designed to teach leadership how to work effectively within the organization, hold each other accountable, and provide support. The leadership team presented their FY 2023 goals and objectives and discussed metrics.

- Highlighted site visits in the past month, which included a visit to the West River Treatment Plant to view the progress of the dissolved air floatation and sodium hypochlorite onsite generation. He also viewed an exercise to increase water quality to reduce algae and improve filter runtime. Mr. Bingaman also watched a cross functional team from treatment and distribution perform an engineering exercise, and a construction crew change a service from1913 in Milford.

At 1:53 p.m., on motion made by Mr. DiSalvo, seconded by Ms. Sack, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Commercial Business Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye

LaMarr	Aye
Sack	Aye

At 2:40 p.m., the Authority reconvened.

There were no actions arising from committee meetings.

At 2:41 p.m., on motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to adjourn the meeting.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Respectfully submitted,

____
Catherine LaMarr, Secretary

RegionalWaterAuthority

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020
http://www.rwater.com

MEMORANDUM

TO: David J. Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine E. LaMarr
Suzanne C. Sack

FROM: Rochelle Kowalski
Vice President & Chief Financial Officer

DATE: October 21, 2022

SUBJECT: Capital budget authorization request for November 2022

Attached for your meeting on October 27, 2022 is a copy of the resolution authorizing expenditures against the capital improvement budget for November 2022. The amount of the requested authorization, for funds held by the trustee, is $3,800,000.

In addition, from the Growth Fund, approximately $40,000 is expected to be used for the Commercial Billing (Non-Core) project.

This would result in projected expenditures through November 2022 of $16,979,428 or 29.3% of the total 2023 fiscal year capital budget, including State and Redevelopment.

Attachment

RESOLVED That the Vice President & Chief Financial Officer is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed $3,800,000 for the month of November 2022 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2023 for all Capital Improvement Projects to be exceeded.

≈Regional**Water**Authority

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
http://www.rwater.com

TO:

David J. Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine E. LaMarr
Suzanne C. Sack

FROM: Rochelle Kowalski

DATE: October 20, 2022

SUBJECT: Capital Budget Transfers

The status of all capital projects are reviewed on a monthly basis. In an effort to obtain efficiencies in our capital program, any anticipated unspent funds are reallocated to support reprioritized projects or existing projects. Below is a summary of the attached capital budget transfers and amendments.

	Available Funds	Reallocation of Project/Funds
Raynham Hill Pump Station Improvements	$270,000	Trucks, Autos & Portable Equipment
Raynham Hill Pump Station Improvements	$33,000	Police Equipment

CAPITAL BUDGET AMENDMENT REQUEST

		Type	Log	Mo/Yr
Request Date:	10/13/2022			
Requesting Division:	Operations	B2	23-14	Oct 22
Requested By:	Adam Cox			

Transfer From: Account Number:			
Project Description:	Raynham Hill Pump Station Improvements		
A) Original Budget		$	350,000
B) Total Previous Transfers (In or Out)		$	-
C) This Transfer		$	270,000
D) Revised Budget (A+/-B-C)		$	80,000
E) Estimated Project Costs		$	25,000
F) Remaining Funds Available for Transfer, if any (D-E)		$	55,000

Explanation why funds are available:

Project schedule has been shifted as a result outside developer work.

Transfer To: Account Number:	001-000-107192-104087		
Project Description:	Trucks, Autos & Portable Equipment		
A) Original Budget		$	885,000
B) Previous Transfers (In or Out)		$	114,000
C) Revised Budget (A+/-B)		$	999,000
D) Amount to be Transferred		$	270,000
E) Proposed Revised Budget (C+D)		$	1,269,000

Explanation why funds are needed:

This amendment is to fund the purchase of five police vehicles. Total cost is estimated at $270,000.

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	***approved at CMC***	***10/13/2022***
2) Donor Vice President/Director	***approved at CMC***	***10/13/2022***
3) Vice President - Finance	***approved at CMC***	***10/13/2022***
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	***approved at CMC***	***10/13/2022***
6) Authority Members	Copy of minutes attached if required	

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CAPITAL BUDGET AMENDMENT REQUEST

		Type	Log	Mo/Yr
Request Date:	10/13/2022			
Requesting Division:	Corporate Services	B1	23-15	Oct 22
Requested By:	Paul Ruggerio			

Transfer From: Account Number:			
Project Description:	Raynham Hill Pump Station Improvements		
A) Original Budget		$	350,000
B) Total Previous Transfers (In or Out)		$	270,000
C) This Transfer		$	33,000
D) Revised Budget (A+/-B-C)		$	47,000
E) Estimated Project Costs		$	25,000
F) Remaining Funds Available for Transfer, if any (D-E)		$	22,000

Explanation why funds are available:
Project schedule has been shifted as a result outside developer work.

Transfer To: Account Number:	001-000-107198-100434		
Project Description:	Police Equipment		
A) Original Budget		$	37,000
B) Previous Transfers (In or Out)		$	-
C) Revised Budget (A+/-B)		$	37,000
D) Amount to be Transferred		$	33,000
E) Proposed Revised Budget (C+D)		$	70,000

Explanation why funds are needed:
This amendment will fund the purchase of body and vehicle cameras, as required by the Connecticut Police Reform Act passed in July of 2020. Total cost of the equipment is estimated at $33,000.

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	*approved at CMC*	*10/13/2022*
2) Donor Vice President/Director	*approved at CMC*	*10/13/2022*
3) Vice President - Finance	*approved at CMC*	*10/13/2022*
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	*approved at CMC*	*10/13/2022*
6) Authority Members	Copy of minutes attached if required	

Rev 6/02

REGIONAL WATER AUTHORITY

REVIEW OF FINANCIAL DATA
September 30, 2022 (FY 2023)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues
FY23 revenue for water, including wholesale and fire service, is over budget by $4,214k (approx. 9.5%).
Metered water revenue is over budget by $4,092k (approx. 10.2%).

Total net other revenue is $273k over budget due to both other water and other proprietary revenues being higher than budget and expenses for both being under budget.

Operating Expenses
Operating and Maintenance Expenses are currently under budget due to the following:

Payroll is under budget primarily due to head count under runs.	$	(311,000)
Employee Benefits are under budget primarily due to lower medical and dental benefits		(485,000)
General & Admin is under budget primarily due to timing of expenses.		(87,000)
Transportation is under budget primarily due to timing.		(101,000)
Utilities & Fuel is over budget due to the timing associated with a sewer use charge.		60,000
Pump Power is under budget due to lower usage and timing.		(146,000)
Road Repairs are under budget due to year-to-date payment restoration costs being less than anticipated.		(85,000)
Collection Expense is under budget primarily due to lower year-to-date bank fees.		(235,000)
Business Improvement is under budget primarily due to accelerating certain expenses into fiscal 2022		(103,000)
Public/Customer Information is under budget primarily due to timing.		(107,000)
Outside Services are under budget across multiple areas.		(353,000)
Insurance is under budget due to timing and reserve requirements.		(129,000)
Training and continued education is under budget across multiple areas.		(57,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services and timing.		(89,000)
Info. Technology Licensing & Maintenance Fees are over budget primarily due to timing.		87,000
Maintenance & Repairs are under budget due to the timing of certain expenses budgeted early in the fiscal year.		(440,000)
All Other		(182,000)
		(2,763,000)

Interest Income
Interest Income is above budget due to higher investment earnings.

PROJECTED MAINTENANCE TEST
The projected coverage is 1.18 with no shortfall.

REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING SEPTEMBER 30, 2022

Operating revenues	**FY 2022 Actual**	**FY 2023 Budget**	**FY 2023 Actual**	**(Under)Over Budget**
Metered water revenues	$ 39,273	$ 39,956	$ 44,048	$ 4,092
Fire service	4,049	4,302	4,316	14
Wholesale	321	322	430	109
Other revenue - water	1,365	1,310	1,357	47
Other revenue - proprietary	3,362	3,153	3,233	80
Total operating revenues	48,370	49,043	53,383	4,341
Operating expenses				
Operating and maintenance expense	17,844	21,732	18,969	(2,763)
Expense associated with other revenue - water	682	755	667	(88)
Expense associated with other revenue - proprietary	1,503	1,415	1,356	(59)
Provision for uncollectible accounts	248	220	41	(179)
Depreciation	8,200	7,745	7,745	-
Payment in lieu of taxes	2,973	2,976	2,911	(65)
Amortization Pension Outflows/Inflows	283	815	815	0
Amortization OPEB Outflows/Inflows	(209)	(199)	(199)	(0)
Total operating expenses	31,523	35,459	32,305	(3,154)
Operating income	16,847	13,584	21,078	7,495
Nonoperating income and (expense)				
Interest income	23	724	1,707	984
(Loss) Gain on disposal of assets			-	-
Realized and unrealized (losses) gains on investments			-	-
Interest expense	(7,241)	(7,542)	(7,531)	11
Amortization of bond discount, premium, issuance cost and deferred losses	830	1,059	1,048	(11)
Amortization of Goodwill			-	-
Intergovernmental revenue	-	-	490	490
Contributions to related entities			-	-
Total nonoperating income and (expense) before captial contributions	(6,388)	(5,760)	(4,287)	1,473
Income (expense) before contributions	10,459	$ 7,824	16,791	$ 8,968
Capital contributions	740		400	
Change in net assets	11,199		17,191	
Total net assets - beginning of fiscal year	233,214		252,019	
Total net assets - end of reporting month	$ 244,413		$ 269,211	

FY 2023 MAINTENANCE TEST **(Budget vs. Projected)**	**Budget** FY 2023 @114%	**Projected** FY 2023 @114%	**(Under)Over** FY 2023 @114%
Revenue Collected:			
Water sales	124,093	124,093	-
Interest Income	213	1,800	1,587
BABs Subsidy	657	657	-
Other Net	6,946	7,046	100
Common Non-Core	(300)	(300)	-
Total	131,609	133,295	1,687
Less:			
Operating and maintenance expenses	(63,492)	(63,492)	-
Depreciation	(7,500)	(7,500)	-
PILOT (A)	(8,901)	(8,756)	145
Net Avail for Debt Service (B)	$ 51,718	$ 53,548	$ 1,830
Debt Service Payments (C)	$ 45,366	45,314	$ (52)
Debt Service @ 114% (D)	$ 51,717	51,658	$ (60)
Difference (B-D)	$ 0	$ 1,890	
RSF, Growth and/or General Fund (D)	-		
Coverage	114%	118%	

REGIONAL WATER AUTHORITY
OPERATING AND MAINTENANCE EXPENSE
SEPTEMBER 30, 2022

PERIOD ENDING SEPTEMBER 30, 2022

		FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	(Under) Over
1	Payroll	$ 7,422	$ 8,193	$ 7,883	$ (311)
2	Employee Benefits	2,090	2,586	2,101	(485)
	Pension Contributions	901	889	889	0
3	Administrative Building	310	352	314	(38)
4	General & Administrative	427	495	407	(87)
5	Transportation	196	287	186	(101)
6	Tools & Stores	103	108	76	(32)
7	Utilities & Fuel	477	496	556	60
8	Material From Inventory	90	103	89	(14)
9	Pump Power Purchased	1,044	1,205	1,059	(146)
10	Chemicals	781	1,047	1,003	(43)
11	Road Repairs	98	150	65	(85)
14	Postage	57	158	115	(43)
15	Printing & Forms	21	22	11	(11)
17	Collection Expense	212	558	323	(235)
18	Business Improvement	15	114	12	(103)
19	Public/Customer Information	36	158	51	(107)
20	Outside Services	911	1,231	879	(353)
21	Insurance Premiums	508	577	448	(129)
22	Worker's Compensation, pre-Churchill	(7)	16	23	7
23	Damages	13	22	5	(17)
24	Training & Cont. Education	23	99	42	(57)
25	Authority Fees	46	55	45	(10)
26	Consumer Counsel	4	20	22	2
27	RPB Fees	39	56	40	(16)
28	Organizational Dues	46	35	76	41
29	Donations	2	12	9	(3)
34	Central Lab/Water Quality	29	146	57	(89)
40	Environmental Affairs	25	31	23	(8)
44	Info. Technology Licensing & Maintenance Fees	827	825	912	87
45	Maintenance and Repairs	958	1,596	1,155	(440)
46	Regulatory Asset Amortization	141	91	91	0
		$ 17,844	$ 21,732	$ 18,969	$ (2,763)

South Central Regional Water Authority

Analysis of Accounts Receivable ("A/R")
($000 omitted)
Denotes City of New Haven Invoicing (pre-monthly billing)

Total Accounts Receivable Aging (in days)

	Sept 2022	Aug 2022	July 2022	June 2022	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021
Under 30	$ 8,082	$ 7,220	$ 8,465	$ 6,543	$ 5,880	$ 6,441	$ 4,820	$ 6,617	$ 10,706	$ 6,974	$ 8,276	$ 7,638	$ 8,164
31-60	2,403	2,481	2,216	1,620	1,819	1,493	1,855	3,164	2,930	3,312	2,042	2,743	1,990
61-90	1,222	882	731	1,002	737	1,002	1,573	1,501	919	1,093	1,436	686	842
91-180	1,603	1,476	1,714	1,737	2,062	1,965	1,756	1,589	1,561	1,652	1,775	1,881	1,946
181-360	2,014	2,201	1,889	1,606	1,531	1,644	1,918	1,891	2,179	2,145	2,071	2,120	2,149
More than 1 year	5,181	4,991	5,085	5,169	5,123	5,311	5,368	5,217	5,255	5,238	5,111	5,341	5,388
Sub Total	20,505	19,251	20,100	17,677	17,152	17,856	17,290	19,979	23,550	20,414	20,711	20,409	20,479
Interest due	1,629	1,561	1,502	1,458	1,464	1,430	1,433	1,388	1,337	1,224	1,112	1,014	1,026
Total Gross A/R plus interest	$ 22,134	$ 20,812	$ 21,602	$ 19,135	$ 18,616	$ 19,286	$ 18,723	$ 21,367	$ 24,887	$ 21,638	$ 21,823	$ 21,423	$ 21,505

Aged Accounts Receivable Focus of Collection Efforts

Greater than 60 days:	Sept 2022	Aug 2022	July 2022	June 2022	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021
A/R	$ 11,378	$ 10,956	$ 10,666	$ 10,702	$ 10,643	$ 11,067	$ 11,724	$ 11,281	$ 10,927	$ 11,093	$ 11,360	$ 11,012	$ 11,334
Less: Multi-Tenants	(2,812)	(2,762)	(2,690)	(2,496)	(2,508)	(2,694)	(2,640)	(3,052)	(2,799)	(2,981)	(3,104)	(2,569)	(2,831)
Receiverships	(1,976)	(1,952)	(1,962)	(1,900)	(1,962)	(1,704)	(1,983)	(1,992)	(2,029)	(1,995)	(1,971)	(1,985)	(2,008)
Liens	(2,069)	(2,105)	(2,210)	(2,455)	(2,435)	(2,545)	(2,469)	(2,370)	(2,212)	(2,220)	(2,189)	(2,196)	(2,281)
Total	$ 4,521	$ 4,137	$ 3,804	$ 3,851	$ 3,738	$ 4,124	$ 4,632	$ 3,867	$ 3,887	$ 3,897	$ 4,096	$ 4,262	$ 4,214
	40%	38%	36%	36%	35%	37%	40%	34%	36%	35%	36%	39%	37%

Collection Efforts

	Sept 2022	Aug 2022	July 2022	June 2022	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021
Shuts *	$ 1	$ 2	$ 1	$ 6	$ 2	$ -	$ -	$ -	$ -	$ 76	$ 113	$ 15	$ -
Red Tags **	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	47	27	17	30	41	22	14	27	12	35	8	33	6
Top 100 Collection Calls	119	834	385	683	496	726	649	588	98	78	38	257	334
Other (1)	1,227	576	1,441	922	1,204	1,496	1,082	1,310	1,573	1,091	1,576	1,404	1,217
Total	$ 1,394	$ 1,439	$ 1,844	$ 1,641	$ 1,743	$ 2,244	$ 1,745	$ 1,925	$ 1,683	$ 1,280	$ 1,735	$ 1,709	$ 1,557
* Number of shuts	3	1	1	3	4	-	-	-	-	155	211	24	-
** Number of Red tags	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) Includes: Notices and letters and legal initiatives.