



**PENSION FUND TRUSTEES MEETING  
LANSING BOARD OF WATER AND LIGHT BOARD OF COMMISSIONERS  
November 14, 2023  
5:00 P.M. – 1201 S. Washington Ave., Lansing, MI 48910**

The BWL full meeting packet and public notice/agenda is located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

**AGENDA**

Call to Order

Roll Call

Public Comments

- 1. Approval of Minutes .....**TAB 1**
  - a. Pension Fund Trustees Meeting (November 15, 2022) – Semone James, Chairperson
- 2. Table of Contents.....**TAB 2**
- 3. Pension Memo with Review of External Investment Management .....**TAB 3**
- 4. Pension Dashboard .....**TAB 4**
- 5. Defined Benefit Plan (DB) .....**TAB 5-8**
- 6. Post-Employment Benefit Plan (VEBA) .....**TAB 9-12**
- 7. Defined Contribution and Deferred Compensation Plans (DC) .....**TAB 13-14**
- 8. Resolution – Acknowledgment/Accept of FY 2023 Audited Financial Statements.....**TAB 15**

Other

Adjourn

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**POSTED 11-09-23**  
LaVella J. Todd  
Corporate Secretary  
(517) 702-6080

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Outside Agenda Recipients	City Attorney



**LANSING BOARD OF WATER & LIGHT  
PENSION FUND TRUSTEES MEETING MINUTES  
November 15, 2022**

The Pension Fund Trustees of the Lansing Board of Water & Light (BWL) met at the BWL Headquarters in the REO Town Depot located at 1201 S. Washington Ave., Lansing, MI) at 5:00 P.M. on Tuesday, November 15, 2022.

Trustee and Board Chairperson Semone James called the meeting to order at 4:30 p.m.

Corporate Secretary LaVella Todd called the Roll:

The following Trustees were present: Beth Graham, Dusty Horwitt, Semone James, Tony Mullen, David Price, Tracy Thomas, and Sandra Zerkle.

Absent: Commissioner DeShon Leek

The Corporate Secretary declared a quorum.

**Public Comments**

There were no public comments.

**Approval of Minutes**

**Motion** by Trustee Price and **Seconded** by Trustee Thomas to approve the minutes from the November 16, 2021 Pension Fund Trustees Meeting.

**Action:** Motion Carried.

**Pension Fund**

Chief Financial Officer (CFO) Heather Shawa provided an overview of the information from the Pension Memo and Pension Dashboard.

Mr. Scott Taylor, BWL Director of Finance, introduced the financial advisory panel. The Panel provided financial plan information followed by a question and answer session.

- 1) Nathan Burk, Director with Asset Consulting Group (ACG); ACG assists in investment allocation, evaluation of investment managers, reporting of investment performance and investment policy statements for the DB and VEBA plans.
- 2) Mark Miller, Principal Consultant with Benassist Retirement Consulting, LLC; Mr. Miller provides actuarial evaluation reports, assists with required annual state filing requirements, and performs calculations for DB employee benefits at retirement.

- 3) Dori Drayton, Principal Financial Advisor with CAPTRUST; CAPTRUST assists with fund line up selection and monitoring, investment performance reporting, fee benchmarking and fiduciary compliance for the DC plans.
- 4) Michael Burkhart, Executive Relationship Manager with Nationwide; Nationwide is the 401 and 457 Plans administrator and provides personalized resources to help employees and retirees reach their financial goals.

Mr. Nathan Burk gave a capital market update for 2022. Mr. Burke stated that interest rates have increased and created volatility; there were strong equities in the fiscal year period but low returns. Mr. Burke noted that the VEBA plan has a 6.5% target return on assets for FY 2022, with a performance of -7.9%; and the DB plan had a target return of 6% with a performance of -10.5%. BWL outperformed about 90% of investors across the country for the VEBA plan and 50% of investors across the country for the DB plan.

Chairperson James asked about the investment fees for the VEBA Plan. Mr. Burk responded the rate fee was 0.5% of total assets and is in the lower quartile of the industry standard for active investing.

Mr. Mark Miller spoke about the actuarial work for the DB and VEBA plans funding. He noted that the funded status for the DB plan is 106% which is about 21% lower than 2021. The funded status for the VEBA plan is 146% which is about 22% lower than 2021. BWL is in the top 6% out of 865 Michigan plans.

Ms. Dori Drayton spoke about the roles of CAPTRUST in investment management, fiduciary process, plan fees, and participant choices for the 401(a) and 457(b) plans.

Mr. Michael Burkhart provided information about the retirement services that Nationwide furnishes.

Commissioner Zerkle asked about the process of borrowing from a retirement fund and the amount in losses. Mr. Burkhart responded that it depends on the investments. The amount borrowed is set aside as a receivable, a loan interest rate is assumed, and the borrowers pay themselves back. Commissioner Thomas asked about the number of loans taken out annually. Mr. Burkhart responded that there are 224 loans outstanding and the number of loans declined by 35 over the course of the year. Mr. Taylor added that there is a cap of \$50,000 on the loan amounts.

**RESOLUTION #2022-11-01**  
**ACCEPTANCE OF 2022 AUDITED FINANCIAL STATEMENTS FOR DEFINED BENEFIT PENSION PLAN, DEFINED CONTRIBUTION PENSION PLAN, AND RETIREE BENEFIT PLAN**

Resolved, that the Corporate Secretary receive and place on file the Defined Benefit, Defined Contribution, and Retiree Benefit Plan reports presented during the Pension Trustee Meeting.

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*Staff comments:* All three Plans received clean audit reports.

**Motion** by Commissioner Zerkle, **Seconded** by Commissioner Price to approve the Resolution for the Acceptance of 2022 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan at a Board meeting held on November 15, 2022.

**Action:** Motion Carried.

**Other**

There was no other business.

**Excused Absence**

**Motion** by Trustee Zerkle, **Seconded** by Trustee Price, for an excused absence for Trustee DeShon Leek.

**Action:** Motion Carried.

**Adjourn**

There being no further business, the Pension Fund Trustees meeting adjourned at 5:18 p.m.

**Approved by the Trustees on November \_\_, 2023**





**Lansing Board of Water and Light  
FY 2023 Pension Trustee Packet for 11-14-2023**

**TABLE OF CONTENTS**

Pension Fund Trustees, Meeting Minutes (11-15-2022).....1  
Table of Contents.....2  
Pension Memo with Review of External Investment Management.....3  
Pension Dashboard .....4

*Defined Benefit Plan (DB)*

    Audited Financial Statements (Baker Tilly).....5  
    Actuarial Valuation Report (Benassist) .....6  
    Financial Performance Report (ACG) .....7  
    System Summary Data (Form 5572 – PA 202).....8

*Post-Employment Benefit Plan (VEBA)*

    Audited Financial Statements (Baker Tilly).....9  
    Actuarial Valuation Report (Benassist) .....10  
    Financial Performance Report (ACG) .....11  
    System Summary Data (Form 5572 – PA 202).....12

*Defined Contribution & Deferred Compensation Plans (DC)*

    Audited Financial Statements (Baker Tilly).....13  
    Investment Report (Captrust) .....14

*Supplemental Information*

    Resolution – Accept Audited Financial Statements (FY 2023).....15



## M E M O R A N D U M

**From: Heather Shawa – Chair, Retirement Plan Committee (RPC)**

**To: Board of Water and Light Trustees**

**Date: November 8, 2023**

**Subject: Annual Trustee Meeting – November 14, 2023**

At the Annual Trustee Meeting to be held November 14, 2023, staff will summarize FY 2023 performance of the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions ("DB"), the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light ("VEBA"), and the participant-directed 401(a) Defined Contribution & 457(b) Deferred Compensation Plans and Trusts ("DC"). Representatives from Asset Consulting Group ("ACG") and Benassist Retirement Consulting ("Benassist") will be present to address DB and VEBA. Representatives from Nationwide and CapTrust will be present to address DC.

Audited financial reports are included in the meeting packet. BWL's external auditor, Baker Tilly, has issued each report with an unmodified opinion. This indicates that the financial statements present fairly, in all material respects, the fiduciary position as of June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

The RPC held monthly meetings with members and staff to conduct RPC business as well as quarterly meetings with ACG, Captrust, and Nationwide to discuss plan performance, legislative activity and other matters pertaining to the plans.

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### *DB & VEBA UPDATES*

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During the fiscal year 2023, the RPC completed the following notable actions:

- Addition of four members to the RPC (3 voting and 1 alternate/non-voting Commissioner).
- Replaced Vanguard Russell 1000 Value and Loomis Sayles Large Cap US Equity with Northern Trust S&P 500 Index for both DB and VEBA.
- Extended ACG contract for investment advisory services for the DB and VEBA plans to 3/31/2028.
- VEBA investment returns and funded status were sufficient to reimburse full benefits paid by BWL in FY2023.
- Made changes for DB and VEBA administrative compliance requirements which included a dedicated pension disbursement account and new substantiation requirement.

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## Actuarial Reports Overview

Included in the packet are the actuarial reports for DB and VEBA. These reports were prepared by Benassist using census data as of February 28, 2023, and financial data as of June 30, 2023. Benassist calculated the funding status and actuarially determined contribution ("ADC") for each plan. ADC is the amount BWL is required to contribute to the Trust annually to provide adequate funding for payment of future benefits. The ADC for both the VEBA and DB remained at \$0 for FY 2023 unchanged from \$0 in FY 2022.

<b>DB</b>	As of 6/30/2022	As of 6/30/2023
Actuarially Determined Contribution	\$0	\$0
Total Pension Liability	\$47.9 million	\$44.5 million
Fiduciary Net Position	\$50.7 million	\$49.5 million
Funded Status	105.8%	111.3%
Net Pension (Asset) / Liability	(\$2.8 million)	(\$5.0 million)

<b>VEBA</b>	As of 06/30/2022	As of 06/30/2023
Actuarially Determined Contribution	\$0	\$0
Total OPEB Liability	\$156.4 million	\$163.8 million
Fiduciary Net Position	\$228.1 million	\$238.5 million
Funded Status	145.9%	145.6%
Net OPEB (Asset) / Liability	(\$71.7) million	(\$74.6) million

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## Asset Class Allocation

Investments for DB and VEBA are directed by the plan sponsor, BWL, under the guidance of the Statement of Investment Policies, Procedures and Objectives (“IPS”) for each plan.

Listed below are the asset class allocations for DB and VEBA. All investment allocations fell within target ranges at fiscal year-end.

<b><u>Asset Class:</u></b>	<b><u>Fund Allocation as of 06/30/2023</u></b>	
	<b><u>DB</u></b>	<b><u>VEBA</u></b>
<b><u>US Large Cap Equity:</u></b>		
Northern Trust S&P 500 Index	25.74%	31.26%
<b><u>US Small/Mid Cap Equity:</u></b>		
Atlanta Capital	9.58%	10.48%
<b><u>Non-US Equity:</u></b>		
Harding Loevner Int'l Equity	9.68%	9.59%
Lazard Int'l Equity	10.00%	8.87%
<b><u>Fixed Income:</u></b>		
JPMorgan Core Bond	18.64%	12.30%
Fidelity Tactical Bond	8.99%	4.89%
BlackRock Strategic Income	9.00%	5.02%
<b><u>Real Estate Assets:</u></b>		
AEW Core Property Trust	7.81%	9.15%
Blackstone Property Partners	0.00%	8.30%
<b><u>Cash &amp; Cash Equivalents:</u></b>		
Cash & Cash Equivalents	0.56%	0.15%

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## Management Fees

The IPS prescribes that consideration will be given to fees prior to retaining professionals. The following table lists all fees associated with DB and VEBA funds as of June 30, 2023.

	<b>Manager Fee</b>	<b>Custodial Fee</b>	<b>ACG Fee*</b>	<b>Total Fees</b>
<b>US Large Cap Equity</b>				
Northern Trust S&P 500 Index	0.01 %	0.02 %	0.04 %	0.07%
<b>US Small/Mid Cap Equity</b>				
Atlanta Capital	0.82%	0.02 %	0.04 %	0.88 %
<b>Non-US Equity</b>				
Harding Loevner Int'l Equity	0.71 %	0.02 %	0.04 %	0.77 %
Lazard Int'l Equity	0.83 %	0.02 %	0.04 %	0.89 %
<b>Fixed Income</b>				
JP Morgan Fixed Income	0.30 %	0.02 %	0.04 %	0.36 %
Fidelity Tactical Bond	0.36 %	0.02 %	0.04 %	0.42 %
BlackRock Strategic Income	0.52 %	0.02 %	0.04 %	0.58%
<b>Real Estate Assets</b>				
AEW Core Property Trust	1.10 %	0.02 %	0.04 %	1.16 %
Blackstone Property	1.00 %	0.02 %	0.04 %	1.06 %

\*ACG advisory fee is a flat dollar cost. For purposes of this report, this fee is shown as a weighted average of total assets under management. For FY2023, ACG fees were \$60,000 per plan.

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## Performance of Investment Managers

These charts show DB and VEBA investment returns from inception of BWL investment through June 30, 2023. The charts reflect investment managers employed by the BWL as of June 30, 2023. These returns are compared to the market index that most closely resembles each investment manager's style as described in the current IPS documents for DB and VEBA, respectively. Note that due to differing individual portfolio start dates and investment sectors, the comparative market index will vary between managers.

<b>DB</b>	<b>Inception Date</b>	<b>Return</b>	<b>Index</b>
Northern Trust S&P 500	05/23	7.07%	7.07%
Atlanta Capital	08/18	9.09%	6.25%
Harding Loevner Int'l Equity	09/17	5.19%	4.02%
Lazard Int'l Equity	09/17	3.74%	4.95%
JP Morgan	01/09	3.03%	2.54%
Fidelity Tactical Bond	09/18	2.71%	0.65%
BlackRock Strategic Income	09/17	2.25%	0.36%
AEW Core Property Trust	01/19	5.51%	5.42%

<b>VEBA</b>	<b>Inception Date</b>	<b>Return</b>	<b>Index</b>
Northern Trust S&P 500	05/23	7.08%	7.07%
Atlanta Capital	04/21	3.52%	(2.43%)
Harding Loevner Int'l Equity	09/17	5.19%	4.02%
Lazard Int'l Equity	09/17	3.74%	4.95%
JP Morgan	01/09	3.07%	2.54%
Fidelity Tactical Bond	09/18	2.46%	0.65%
BlackRock Strategic Income	09/17	2.24%	0.36%
AEW Core Property Trust	01/19	5.51%	5.42%
Blackstone Property Partners	10/19	4.37%	5.68%

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## *DC UPDATES*

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The BWL continues to sponsor three DC Plans whose participants elect their own investments from a menu designed by the Plan Sponsor:

- The Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (“DC Plan 1”)
- The Lansing Board of Water and Light Defined Contribution Plan and Trust 2 (“DC Plan 2”)
- The Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust (“457 Plan”)

During fiscal year 2023, the RPC completed the following notable actions:

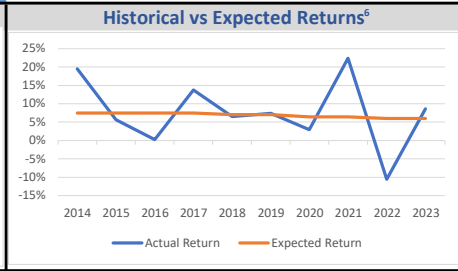
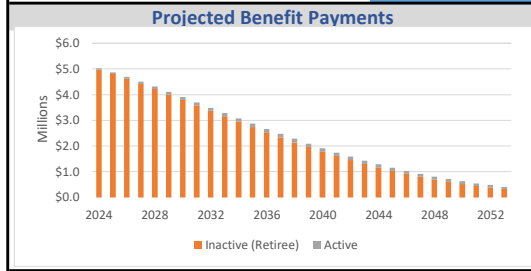
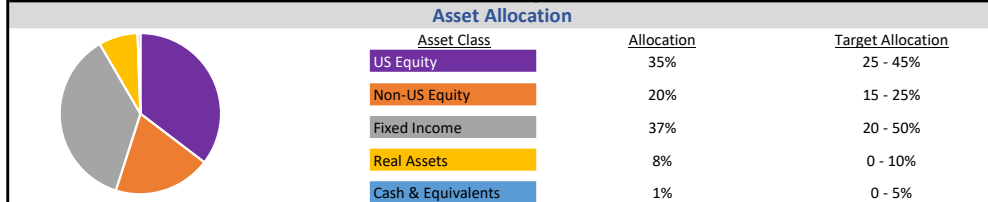
- Executed restated 401(a) documents per the IRS 6-year restatement requirement.
- Completed three fund share class changes resulting in fee reductions for participants.
- Extended CapTrust contract for retirement advisory services on the 401(a) and 457 plans to 5/31/2025.

# Retirement Plans Dashboard: FY 2023



Lansing Board of Water & Light: Defined Benefit Plan - 06/30/2023			
Funding Status		Returns	
Fiduciary Net Position	\$ 49,523,234	FY 2023 Return on Assets	8.59%
Total Pension Liability	\$ 44,514,136	Expected Return	6.00%
Funding Status	111%	Median Expected Return <sup>2</sup>	7.00%
Average Funding Percentage <sup>1</sup>	77%	% Over/Under Median	-1.00%
Actuarially Determined Contribution (ADC)	\$ -		
FY 2023 Total Revenues	\$ 448,876,759		
ADC as % of Revenues	0.00%		

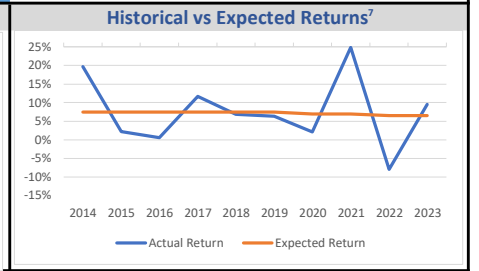
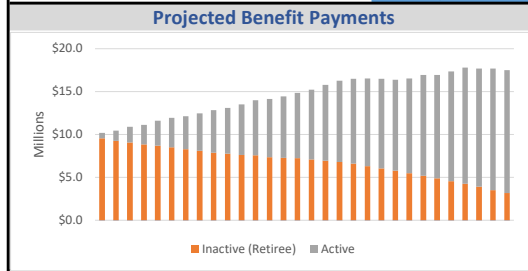
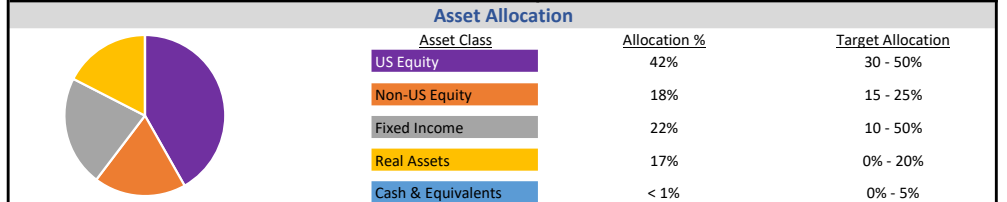
Change in Assets		Participants <sup>3</sup>	
FY 2023 Beginning Market Value	\$ 50,658,774	Total Active Participants	3
FY 2023 Contributions	\$ -	Total Inactive Participants	1
FY 2023 Net Investment Income	\$ 4,133,847	Total Retiree Participants	265
FY 2023 Distributions	\$ (5,269,386)	Total Participants	269
FY 2023 Ending Market Value	\$ 49,523,235		
FY 2023 Inc/(Dec) in Market Value	\$ (1,135,539)		



Approximate Plan Fees			
Type	Annual Fees Paid	% of Assets	
Investment Fees <sup>4</sup>	\$ 217,042	0.43%	
Custodial Fees	\$ 7,225	0.01%	
Advisory Fees <sup>5</sup>	\$ 60,000	0.12%	
<b>Total</b>	<b>\$ 284,267</b>	<b>0.56%</b>	

Lansing Board of Water & Light: VEBA Plan - 06/30/2023			
Funding Status		Returns	
Fiduciary Net Position	\$ 238,470,571	FY 2023 Return on Assets	9.52%
Total OPEB Liability	\$ 163,828,911	Expected Return	6.5%
Funding Status	146%		
Prior Year Funding Percentage	146%		
Actuarially Determined Contribution (ADC)	\$ -		
FY 2023 Total Revenues	\$ 448,876,759		
ADC as % of Revenues	0.00%		

Change in Assets		Participants <sup>3</sup>	
FY 2023 Beginning Market Value	\$ 228,140,094	Total Active Participants	731
FY 2023 Contributions	\$ 68,076	Total Retiree Participants	753
FY 2023 Net Investment Income	\$ 21,225,769	Total Participants	1,484
FY 2023 Distributions	\$ (10,963,368)		
FY 2023 Ending Market Value	\$ 238,470,571		
FY 2023 Inc/(Dec) in Market Value	\$ 10,330,477		



Approximate Plan Fees			
Type	Annual Fees Paid	% of Assets	
Investment Fees <sup>4</sup>	\$ 1,273,532	0.56%	
Custodial Fees	\$ 34,428	0.02%	
Advisory Fees <sup>5</sup>	\$ 60,000	0.03%	
<b>Total</b>	<b>\$ 1,367,960</b>	<b>0.60%</b>	

1 Average funding for state and local pensions nationwide as published Sept. 2023. Data obtained from Public Plans Database and PENDAT as provided by BWL's external advisor, ACG.

2 Median investment return assumption for public pensions from 2023 data obtained from NASRA Public Fund Survey Summary of Findings as provided by BWL's external advisor, ACG.

3 Participant data from actuarial census date of February 28, 2023.

4 Aggregate of explicit payments as well as underlying expense ratios. Certain investment fees are charged on a "% of Assets" basis and have been converted to an estimated dollar amount for purposes of this comparison.

5 Advisory fees are a flat dollar amount and have been converted to a "% of Assets" basis for purposes of this comparison.

6 In FY 2022, the expected return for the DB plan was reduced from 6.5% to 6.00%.

7 In FY 2022, the expected return for the VEBA plan was reduced from 7.00% to 6.50%.

Investment manager and advisory fees are accounted for on an accrual basis for purposes of this dashboard, but on a cash basis for purposes of external audit.

Due to rounding, sums and percentages in this dashboard may not precisely reflect absolute figures or those found in other reports.



# Retirement Plans Dashboard: FY 2023

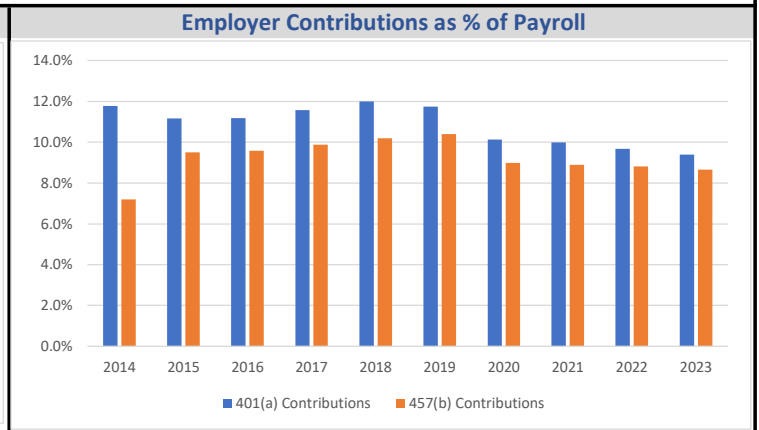
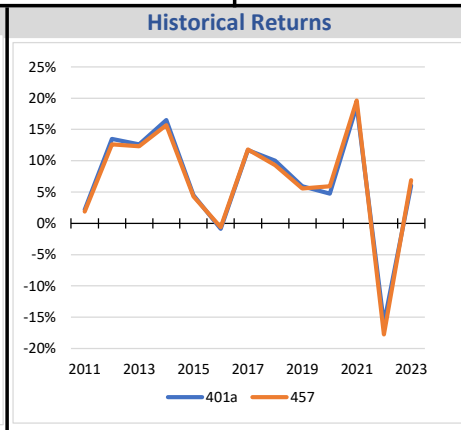
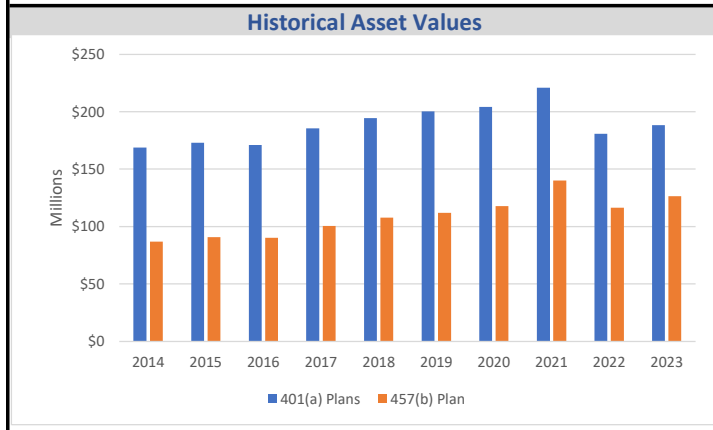
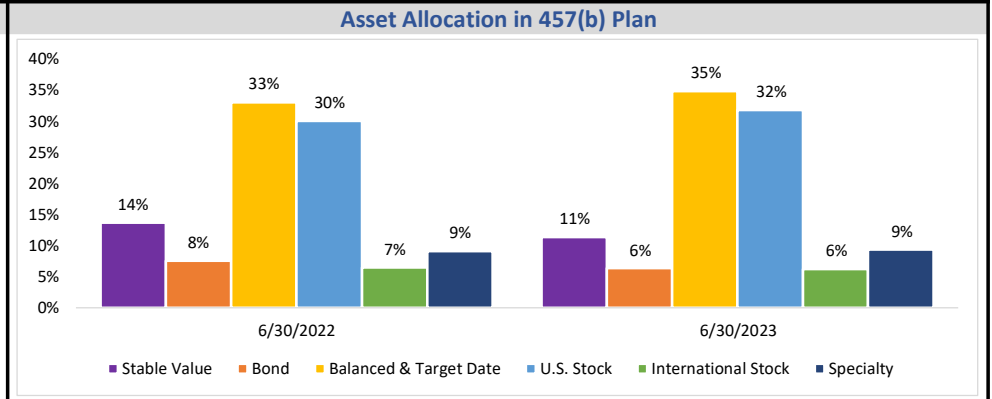
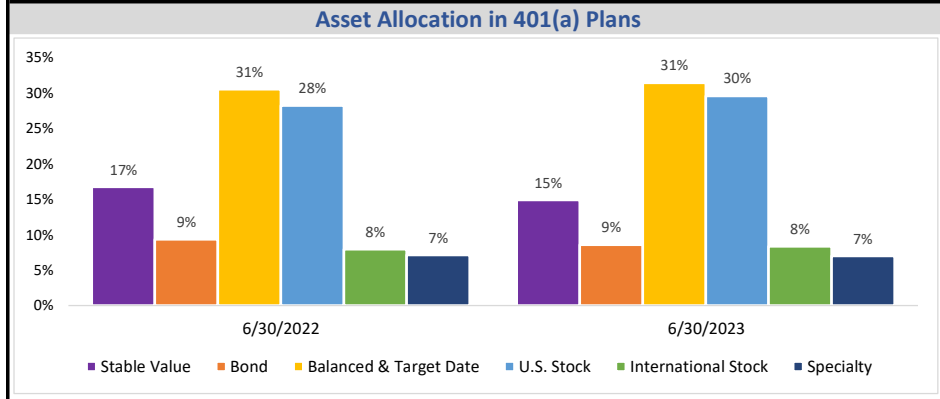


## Lansing Board of Water & Light: Defined Contribution 401(a) Plans & Deferred Compensation 457(b) Plan

Total Participants		401(a) Loan Statistics		Aggregate Education Statistics		
<b>Plan Type</b>	<b>Participants</b>	Active Loans		<b>Retirement Specialists</b>	<b>Certified Financial Planner</b>	<b>Seminars</b>
401 Plans <sup>1</sup>	1,056	Total Loan Balance	\$ 237	52 days in service		30 Seminars On Site
457 Plan <sup>2</sup>	974	Avg Active Loan Balance	\$ 12,838	455 attendees	32 Attendees	163 Attendees

Participants & Assets by Age Group: 401(a) Plans			
Age Group	Average Balance	Total Participants	Total Assets
Under 30	\$ 22,323	71	\$ 1,584,968
30 - 39	\$ 58,554	179	\$ 10,481,233
40 - 49	\$ 113,656	225	\$ 25,572,595
50 - 59	\$ 204,305	272	\$ 55,571,012
60 - 69	\$ 316,927	209	\$ 66,237,685
70 & Up	\$ 292,576	96	\$ 28,087,254
N/A	\$ 203,907	4	\$ 815,629
<b>Total</b>		<b>1,056</b>	<b>\$ 188,350,376</b>

Participants and Assets by Age Group: 457(b) Plan			
Age Group	Average Balance	Total Participants	Total Assets
Under 30	\$ 23,169	79	\$ 1,830,341
30 - 39	\$ 58,229	185	\$ 10,772,298
40 - 49	\$ 111,369	213	\$ 23,721,632
50 - 59	\$ 167,142	261	\$ 43,624,069
60 - 69	\$ 191,705	181	\$ 34,698,595
70 & Up	\$ 219,380	53	\$ 11,627,155
N/A	\$ 151	2	\$ 302
<b>Total</b>		<b>974</b>	<b>\$ 126,274,392</b>



<sup>1</sup> 401(a) Plans are employer contribution only.  
<sup>2</sup> 457(b) Plan is employee contribution with an employer contribution of \$1,000 and an additional employer match up to \$1,500 per calendar year.

*Due to rounding, sums and percentages in this dashboard may not precisely reflect absolute figures or those found in other reports*

# **Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions**

Financial Statements and  
Required Supplementary Information

June 30, 2023 and 2022

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Table of Contents  
June 30, 2023 and 2022

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Required Supplementary Information (Unaudited)</b>	
Management's Discussion and Analysis	3
<b>Financial Statements</b>	
Statements of Plan Fiduciary Net Position	5
Statements of Changes in Plan Fiduciary Net Position	6
Notes to Financial Statements	7
<b>Required Supplementary Information (Unaudited)</b>	
Schedule of Changes in the BWL's Net Pension Asset and Related Ratios	16
Schedule of Employer Contributions	17
Notes to Required Supplementary Information	18
Schedule of Investment Returns	21

## **Independent Auditors' Report**

To the Honorable Mayor, Members of the City Council, and Commissioners of the  
Lansing Board of Water and Light

### **Opinion**

We have audited the accompanying financial statements of the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions (the Plan), a fiduciary fund of the Lansing Board of Water & Light, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2023 and 2022 and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the Plan is presenting only the financial statements of the Plan and do not purport to, and do not, present fairly the financial position of the Lansing Board of Water and Light, as of June 30, 2023 and 2022, and the changes in financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
September 22, 2023

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Management's Discussion and Analysis  
June 30, 2023 and 2022  
(Unaudited)

## Using this Annual Report

The annual report consists of two parts: (1) Management's Discussion and Analysis (this section) and (2) the financial statements. The financial statements include notes that explain information in the statements and provide more detail.

## Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior two years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 778,163	\$ 1,308,877	\$ 1,401,780
Mutual funds	31,282,941	30,178,912	37,143,930
Common collective funds	13,544,502	14,578,119	19,776,148
Real estate fund investment	3,932,003	4,093,767	3,334,160
Trade receivable due from broker	-	500,000	20,550
Interest and dividend receivables	1,100	1,171	1,964
	<u>\$ 49,538,709</u>	<u>\$ 50,660,846</u>	<u>\$ 61,678,532</u>
<b>Liabilities, accrued liabilities</b>	<b>\$ 15,476</b>	<b>\$ 2,072</b>	<b>\$ 20,433</b>
<b>Net position restricted for pension</b>	<u>49,523,233</u>	<u>50,658,774</u>	<u>61,658,099</u>
	<u>\$ 49,538,709</u>	<u>\$ 50,660,846</u>	<u>\$ 61,678,532</u>
<b>Changes in net position:</b>			
Net investment income (loss)	\$ 4,133,847	\$ (5,398,557)	\$ 11,852,724
Benefits payments	(5,142,408)	(5,466,158)	(5,658,372)
Administrative fees	(126,978)	(134,610)	(123,148)
	<u>\$ (1,135,539)</u>	<u>\$ (10,999,325)</u>	<u>\$ 6,071,204</u>

## Investment Results

The fiscal year ended June 30, 2023 saw a net investment gain of \$4.1 million. The fiscal year 2022 had a net investment loss of (\$5.4) million, fiscal year 2021 had a net investment gain of \$11.9 million. We believe this performance is consistent with the experience of similarly situated employee benefit funds.

The Lansing Board of Water & Light's ("BWL") actuarially determined contribution (ADC) as determined by the BWL's actuary was \$0 in fiscal year 2023, 2022 and 2021, therefore no employer contributions were required.

The discount rate was 6.5% in fiscal year 2021, 6.0% in fiscal year 2022 and 2023.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Management's Discussion and Analysis  
June 30, 2023 and 2022  
(Unaudited)

## Investment Objectives and Asset Allocation

The Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions (Plan) assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Plan, the BWL has considered the time horizon available for investment, the nature of the Plan's cash flows and liabilities and other factors that affect the Plan's risk tolerance.

The investment of Plan assets is intended to result in moderate, long-term capital appreciation through moderate risk-taking. The Plan's overall investment objective is to earn an average, annual return of 6.0% over five-year rolling periods. Achievement of this objective is likely to result in stable contribution rates and ensure its ability to pay retirement benefits for all plan participants.

Consistent with the advice of the investment advisor, the BWL has selected the following target asset allocation strategy:

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Core bonds	20 %
Multi-sector	10
Liquid absolute return fixed income	10
U.S. large cap equity	25
U.S. small/mid cap equity	10
Non-U.S. Equity	20
Core real estate	5
	<hr/>
Total	100 %

## Future Events

The Plan is currently overfunded, with a funded ratio (fiduciary net position divided by total pension liability) of 111%. This funding level results in an actuarially determined contribution of \$0 for fiscal year 2024. As a result, the BWL does not expect to make contributions to the trust in fiscal year 2024.

The Plan expects to make an annual withdrawal of approximately \$5,000,000 to cover participant benefits in fiscal year 2024.

## Contacting the Plan's Management

The financial report is intended to provide a general overview of the Plan's finances and to demonstrate accountability for the funds it administers. Questions about this report should be submitted to Lansing Board of Water & Light Defined Benefit Plan and Trust for Employees' Pensions, Attn: Retirement Plan Committee, P.O. Box 13007, Lansing, Michigan 48901-3007.

**Lansing Board of Water and Light  
Defined Benefit Plan and Trust for Employees' Pensions**

Statements of Plan Fiduciary Net Position  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 778,163	\$ 1,308,877
Investments at fair value:		
Mutual funds, bonds	18,695,086	24,919,695
Mutual funds, equities	12,587,855	5,259,217
Common collective funds	13,544,502	14,578,119
Real estate fund investment	3,932,003	4,093,767
Total investments at fair value	<u>48,759,446</u>	<u>48,850,798</u>
Trade receivable, due from broker	-	500,000
Receivable, investment interest receivable	1,100	1,171
Total receivables	<u>1,100</u>	<u>501,171</u>
 Total assets	 49,538,709	 50,660,846
<b>Liabilities</b>		
Trade payable, due to broker/other	<u>15,476</u>	<u>2,072</u>
 Net position restricted for pensions	 <u>\$ 49,523,233</u>	 <u>\$ 50,658,774</u>

See notes to financial statements



**Lansing Board of Water and Light  
Defined Benefit Plan and Trust for Employees' Pensions**

Statements of Changes in Plan Fiduciary Net Position  
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Additions</b>		
Investment income:		
Net appreciation in fair value of investments	\$ 2,662,472	\$ -
Interest and dividend income	1,471,375	2,102,005
	<u>4,133,847</u>	<u>2,102,005</u>
Total investment income		
	<u>4,133,847</u>	<u>2,102,005</u>
<b>Deductions</b>		
Net depreciation in fair value of investments	-	7,500,562
Retiree benefits paid	5,142,408	5,466,158
Administrative expenses	126,980	134,610
	<u>5,269,388</u>	<u>13,101,330</u>
Total deductions		
	<u>5,269,388</u>	<u>13,101,330</u>
Net increase (decrease) in net position	(1,135,541)	(10,999,325)
<b>Net Position Restricted for Pensions</b>		
Beginning	<u>50,658,774</u>	<u>61,658,099</u>
Ending	<u>\$ 49,523,233</u>	<u>\$ 50,658,774</u>

See notes to financial statements

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Financial Statements  
June 30, 2023 and 2022

## 1. Summary of Significant Accounting Policies

### Reporting Entity

The Lansing Board of Water & Light (BWL) sponsors the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions (Plan), which is a noncontributory single-employer defined benefit, public employee retirement system established and administered by the BWL under Section 5-203.10 of the City Charter. A participant's interest shall be fully vested when the participant has been credited with seven years of vesting service. The Plan was established in 1939 and has been amended several times, with the latest amendment effective July 1, 2010. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

### Accounting and Reporting Principles

The Plan follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

### Basis of Accounting

Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Employer contributions to the Plan are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

### Report Presentation

This report includes the fund-based statements of the Plan.

**Investment Valuation and Income Recognition** – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales prices. Investments that do not have an established market are reported at estimated fair value.

Purchases and sales of securities are recorded on a trade-date basis.

Appreciation or depreciation of investments is calculated based on the beginning of year fair value of investments.

### Expenses

Substantially all Plan expenses are paid by the Plan.

### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

### Regulatory Status

The Plan is not subject to the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as it has been established for the benefit of a governmental unit.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Notes to Financial Statements  
June 30, 2023 and 2022

## 2. Plan Description

### Plan Administration

The BWL administers the Plan – a noncontributory single-employer defined benefit pension plan for employees of the BWL. The benefit terms were established by the BWL and may be amended by future BWL actions.

Management of the Plan is vested in the BWL Board of Commissioners, which consists of eight members appointed by the mayor of the City of Lansing, Michigan. Board members have by resolution delegated administrative and investment duties to the BWL's Retirement Plan Committee (RPC).

### Plan Membership

At February 28, 2023 and February 28, 2022 (the most recent actuarial valuation for funding purposes), Plan membership consisted of the following:

	<u>2023</u>	<u>2022</u>
Inactive Plan members or beneficiaries currently receiving benefits	265	284
Inactive Plan members entitled to but not yet receiving benefits	1	2
Active Plan members	<u>3</u>	<u>3</u>
Total	<u>269</u>	<u>289</u>

The Plan, by resolution of the Board of Commissioners, was closed to employees hired subsequent to December 31, 1996, and a defined contribution retirement savings plan was established for employees hired after December 31, 1996. Effective December 1, 1997, all active participants in this Plan were required to make an irrevocable choice to either remain in this Plan (defined benefit) or move to the newly established defined contribution plan. Those participants who elected to move to the defined contribution plan received lump-sum distributions from this Plan that were rolled into their accounts in the newly established defined contribution plan. Of the 760 employees who were required to make this election, 602 elected to convert their retirement benefits to the newly established defined contribution plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred \$75,116,470 to the newly established defined contribution plan, reflecting the Plan participants' accumulated benefits as of said date.

### Benefits Provided

The Plan provides retirement, early retirement, disability, termination and death benefits. The Plan provides for an annual benefit upon normal retirement age equal to the product of the employee's pension service credit (service credited on an elapsed time basis) multiplied by a percentage equal to 1.80% of the employee's annual pay (base pay plus bonus received during the year in which the base pay was the highest within the last ten years of employment), paid in equal monthly installments.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Financial Statements  
June 30, 2023 and 2022

Payments will either be nonincreasing or increase only as follows: (a) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics; (b) to the extent of the reduction in the amount of the employee's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 9 of the Plan document dies or is no longer the employee's beneficiary pursuant to a qualified domestic relations order within the meaning of Internal Revenue Code Section 414(p); (c) to provide cash refunds of employee contributions upon the employee's death; or (d) to pay increased benefits that result from a Plan amendment.

## Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the BWL retains an independent, external actuary to determine the annual contribution. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. There was no contribution required for the years ended June 30, 2023 and 2022. Plan documents do not require participant contributions.

## Plan Termination

Although the BWL has not expressed any intent to terminate the Plan, the BWL has the right to do so at any time. If the Plan is terminated, each employee who has a pension benefit under the Plan will be fully vested in that benefit. Those benefits shall be calculated on Plan termination as though each person had elected to receive his or her accrued benefit as a lump sum amount, although no employee would be required to accept his or her Plan termination distribution in the form of a lump sum. The lump sum amount to be paid to each individual in any of the forms permitted by the Plan would be calculated in accordance with the Plan document. On termination of the Plan, each employee would have recourse toward satisfaction of his or her nonforfeitable benefit from the Plan assets and from the general assets of the BWL and its successor, if any.

The Plan is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, bonds, mutual funds, collective investment funds, diversified investment companies, annuity investment contracts, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles.

## 3. Cash and Cash Equivalents, Investments and Fair Value Disclosure

The Plan's deposits and investment policies are in accordance with PA 196 of 1997; the Plan has authorized the investments according to Michigan PA 314 of 1965, as amended. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and noninterest bearing).

### Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan requires that financial institutions must meet minimum criteria to offer adequate safety to the Plan. At June 30, 2023 and 2022, the BWL had \$254,761 and \$0, respectively, of bank deposits that were uninsured and uncollateralized. The Plan evaluates each financial institution with which it deposits funds and only those institutions meeting minimum established criteria are used as depositories.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Notes to Financial Statements  
June 30, 2023 and 2022

## Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan does not have a policy for custodial credit risk. At year end, all investments of the Plan were held in the name of the Plan and are therefore not subject to custodial credit risk.

## Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Plan's investment policy does not restrict investment maturities, other than commercial paper, which can only be purchased with maturities 270 days or less.

At June 30, 2023, the average maturities of investments are as follows:

Investment	Fair Value	Less Than 1 Year
Mutual funds, bonds	\$ 18,695,086	\$ 18,695,086
Common collective funds	13,544,502	13,544,502
Total	\$ 32,239,588	\$ 32,239,588

At June 30, 2022, the average maturities of investments are as follows:

Investment	Fair Value	Less Than 1 Year
Mutual funds, bonds	\$ 24,919,695	\$ 24,919,695
Common collective funds	14,578,119	14,578,119
Total	\$ 39,497,814	\$ 39,497,814

## Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of June 30, 2023, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bonds	\$ 18,695,086	Not rated	Not rated
Common collective funds	13,544,502	Not rated	Not rated

As of June 30, 2022, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bonds	\$ 24,919,695	Not rated	Not rated
Common collective funds	14,578,119	Not rated	Not rated

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Notes to Financial Statements  
June 30, 2023 and 2022

## Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Plan has no investments subject to concentration of credit risk as of June 30, 2023 and June 30, 2022.

## 4. 401(h) Account

Effective July 1, 1999, the Plan was amended to include a medical-benefit component, in addition to the normal retirement benefits, to fund a portion of the postretirement obligations for certain retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code (IRC). A separate account has been established and maintained in the Plan for the net assets related to the medical-benefit component 401(h) account. In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of the Plan sponsor. At June 30, 2023 and 2022, there were no excess Plan assets available for transfer.

## 5. Tax Status

The Plan obtained, from the Internal Revenue Service, a determination letter dated November 4, 2011. The letter affirmed that the Plan complied with the requirements of Internal Revenue Code section 401(a). The Plan continues to operate as a qualified plan.

## 6. Plan Investments – Policy and Rate of Return

*Investment Policy* – The Plan's policy in regard to the allocation of invested assets is established and may be amended by the BWL by a majority vote of its members. It is the policy of the board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the BWL's adopted asset allocation policy as of June 30, 2023 and 2022:

Asset Class	2023 Target Allocation	2022 Target Allocation
Global fixed income	40 %	40 %
U.S. equities	35	35
Non-U.S. equities	20	20
Commercial real estate	5	5

*Rate of Return* – For the year ended June 30, 2023, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 8.59%. For the year ended June 30, 2022, the annual money-weighted rate of return on plan investments, net of plan investment expense, was -9.18%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Notes to Financial Statements  
June 30, 2023 and 2022

## 7. Net Pension Asset of the BWL

The components of the net pension asset of the BWL at June 30, 2023 and 2022 were as follows (in thousands):

	<u>2023</u>	<u>2022</u>
Total pension liability	\$ 44,514	\$ 47,887
Plan fiduciary net position	<u>49,523</u>	<u>50,659</u>
Plan's net pension asset	<u>\$ (5,009)</u>	<u>\$ (2,772)</u>
Plan fiduciary net position as a percentage of the total pension liability	111.25 %	105.79 %

*Actuarial Assumptions* – The June 30, 2023 total pension liability was determined by an actuarial valuation as of February 28, 2023, which used updated procedures to roll forward the estimated liability to June 30, 2023. The June 30, 2022 total pension liability was determined by an actuarial valuation as of February 28, 2022, which used updated procedures to roll forward the estimated liability to June 30, 2022. The total pension liability is determined by the Plan's independent actuary and is that amount that results from applying actuarial assumptions to adjust the total pension liability to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. Benassist Retirement Consulting, LLC was the actuary for the February 28, 2023 and February 28, 2022 valuations, respectively. The inflation rate used was 2.25% for the February 28, 2023 and February 28, 2022 valuations. Salary increase used was 3.5% for both the February 28, 2023 and February 28, 2022 valuations, respectively. The most recent experience review was completed in 2014. Since the Plan only covered 17 active participants in fiscal year 2014, assumptions like termination, retirement and disability have an immaterial impact on the results and have not been changed.

The mortality table was based on the PUB-2010 General Mortality Table, Male and Female, projected generationally using the MP-2021 projection scale for the June 30, 2023 valuation. The June 30, 2022 valuation used the PUB-2010 General Mortality Table, Male and Female, projected generationally using the MP-2019 projection scale.

*Discount Rate* – The discount rate used to measure the total pension liability was 6.0% for June 30, 2023 and June 30, 2022. The projection of cash flows used to determine the discount rate in both years assumed that BWL contributions will be made at rates equal to the actuarially determined contribution rates.

*Projected Cash Flows Section* – Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Notes to Financial Statements  
June 30, 2023 and 2022

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of June 30, 2023 and 2022 for each major asset class included in the Plan's target asset allocation, as disclosed in Note 6, are summarized in the following table:

Asset Class	2023 Long-Term Expected Real Rate of Return	2022 Long-Term Expected Real Rate of Return
Core bonds	2.58 %	2.58 %
Multi-sector	3.54	3.53
Liquid absolute return	3.25	3.25
U.S. large cap equity	7.17	7.13
U.S. small/mid cap equity	8.61	8.53
Non-U.S. equity	8.29	8.22
Core real estate	6.54	6.60

*Sensitivity of the Net Pension Asset to Changes in the Discount Rate* - The following presents the net pension asset of the BWL at June 30, 2023, calculated using the discount rate of 6.00%, as well as what the BWL's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net pension liability (asset) of the BWL	\$ (836,993)	\$ (5,009,098)	\$ (7,108,925)

The following presents the net pension asset of the BWL at June 30, 2022, calculated using the discount rate of 6.00%, as well as what the BWL's net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net pension liability (asset) of the BWL	\$ 1,749,379	\$ (2,772,080)	\$ (5,093,794)

## 8. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three Levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Plan has the ability to access.



## Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Financial Statements  
June 30, 2023 and 2022

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022:

*Real estate fund investment:* Valued by a certified independent appraiser and an internal expert group. There is also another level of verification by an independent valuation advisor to audit and review both the external and internal valuations performed.

*Mutual and common collective funds:* Valued at the daily closing price as reported by the fund. Mutual and common collective funds held by the Plan are open-end mutual and common collective funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily fair value and to transact at that price. The mutual and common collective funds held by the Plan are deemed to be actively traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

Notes to Financial Statements  
June 30, 2023 and 2022

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2023 and 2022:

Investment Type	2023			
	Level 1	Level 2	Level 3	Total
Mutual funds, bonds	\$ -	\$ 18,695,086	\$ -	\$ 18,695,086
Common collective funds	-	13,544,502	-	13,544,502
Real estate fund investment	3,932,003	-	-	3,932,003
Mutual funds, equity	12,587,855	-	-	12,587,855
Total	\$ 16,519,858	\$ 32,239,588	\$ -	\$ 48,759,446

Investment Type	2022			
	Level 1	Level 2	Level 3	Total
Mutual funds, bonds	\$ -	\$ 24,919,695	\$ -	\$ 24,919,695
Common collective funds	-	14,578,119	-	14,578,119
Real estate fund investment	4,093,767	-	-	4,093,767
Mutual funds, equity	5,259,217	-	-	5,259,217
Total	\$ 9,352,984	\$ 39,497,814	\$ -	\$ 48,850,798

## 9. Risks and Uncertainties

The total pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

In addition, the Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Plan Fiduciary Net Position.

## 10. Subsequent Events

The Plan has evaluated subsequent events occurring through September 22, 2023, the date that the Plan's financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements. There are no subsequent events warranting disclosures.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Lansing Board of Water and Light  
Defined Benefit Plan and Trust for Employees' Pensions**

Required Supplementary Information (Unaudited)

Schedule of Changes in the BWL's

Net Pension Asset and Related Ratios

Last Ten Fiscal Years

(In Thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 29	\$ 26	\$ 26	\$ 42	\$ 60	\$ 50	\$ 113	\$ 223	\$ 274	\$ 349
Interest	2,721	2,974	3,212	3,566	3,691	4,031	4,317	4,625	4,919	4,751
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(981)	179	(968)	(919)	(743)	(230)	(383)	299	(1,093)	964
Changes in assumptions	-	1,730	(366)	1,555	1,210	1,419	(857)	(1,468)	-	4,538
Benefit payments, including refunds	(5,142)	(5,466)	(5,658)	(5,872)	(6,143)	(6,414)	(7,473)	(7,896)	(8,046)	(8,541)
<b>Net Change in Total Pension Liability</b>	<b>(3,373)</b>	<b>(557)</b>	<b>(3,754)</b>	<b>(1,628)</b>	<b>(1,925)</b>	<b>(1,144)</b>	<b>(4,283)</b>	<b>(4,217)</b>	<b>(3,946)</b>	<b>2,061</b>
<b>Total Pension Liability, Beginning</b>	<b>47,887</b>	<b>48,444</b>	<b>52,198</b>	<b>53,826</b>	<b>55,751</b>	<b>56,895</b>	<b>61,178</b>	<b>65,395</b>	<b>69,341</b>	<b>67,280</b>
<b>Total Pension Liability, Ending</b>	<b>44,514</b>	<b>47,887</b>	<b>48,444</b>	<b>52,198</b>	<b>53,826</b>	<b>55,751</b>	<b>56,895</b>	<b>61,178</b>	<b>65,395</b>	<b>69,341</b>
<b>Plan Net Position</b>										
Contributions, employer	-	-	-	-	-	-	-	-	-	-
Contributions, member	-	-	-	-	-	-	-	-	-	-
Net investment income	4,134	(5,399)	11,853	1,658	4,381	3,112	8,272	47	1,771	14,243
Administrative expenses	(127)	(134)	(123)	(145)	(183)	(255)	(317)	(388)	(576)	(596)
Benefit payments, including refunds	(5,142)	(5,466)	(5,658)	(5,872)	(6,143)	(6,414)	(7,473)	(7,896)	(8,045)	(8,541)
Other	-	-	-	(477)	-	-	-	-	-	-
<b>Net change in Net Position Held in Trust</b>	<b>(1,136)</b>	<b>(10,999)</b>	<b>6,072</b>	<b>(4,836)</b>	<b>(1,945)</b>	<b>(3,557)</b>	<b>482</b>	<b>(8,237)</b>	<b>(6,850)</b>	<b>5,106</b>
<b>Net Position Restricted for Pensions, Beginning</b>	<b>50,659</b>	<b>61,658</b>	<b>55,586</b>	<b>60,422</b>	<b>62,367</b>	<b>65,924</b>	<b>65,442</b>	<b>73,679</b>	<b>80,529</b>	<b>75,424</b>
<b>Net Position Restricted for Pensions, Ending</b>	<b>49,523</b>	<b>50,659</b>	<b>61,658</b>	<b>55,586</b>	<b>60,422</b>	<b>62,367</b>	<b>65,924</b>	<b>65,442</b>	<b>73,679</b>	<b>80,530</b>
<b>BWL Net Pension Asset, Ending</b>	<b>\$ (5,009)</b>	<b>\$ (2,772)</b>	<b>\$ (13,214)</b>	<b>\$ (3,388)</b>	<b>\$ (6,596)</b>	<b>\$ (6,616)</b>	<b>\$ (9,029)</b>	<b>\$ (4,264)</b>	<b>\$ (8,284)</b>	<b>\$ (11,189)</b>
<b>Plan Net Position as a % of Total Pension Liability</b>	<b>111%</b>	<b>106%</b>	<b>127%</b>	<b>106%</b>	<b>112%</b>	<b>112%</b>	<b>116%</b>	<b>107%</b>	<b>113%</b>	<b>116%</b>
<b>Covered Employee Payroll</b>	<b>\$ 248</b>	<b>\$ 238</b>	<b>\$ 237</b>	<b>\$ 240</b>	<b>\$ 406</b>	<b>\$ 603</b>	<b>\$ 586</b>	<b>\$ 772</b>	<b>\$ 1,018</b>	<b>\$ 1,225</b>
<b>BWL's Net Pension Asset as a % of Covered Employee Payroll</b>	<b>(2,020%)</b>	<b>(1,165%)</b>	<b>(5,576%)</b>	<b>(1,412%)</b>	<b>(1,625%)</b>	<b>(1,097%)</b>	<b>(1,541%)</b>	<b>(552%)</b>	<b>(814%)</b>	<b>(913%)</b>

See notes to required supplementary information

**Lansing Board of Water and Light  
Defined Benefit Plan and Trust for Employees' Pensions**

Required Supplementary Information (Unaudited)

Schedule of Employer Contributions

Last Ten Fiscal Years

(In Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contrib	-	-	-	-	-	-	-	-	-	-
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Employee Payroll</b>	<b>\$ 248</b>	<b>\$ 238</b>	<b>\$ 237</b>	<b>\$ 240</b>	<b>\$ 406</b>	<b>\$ 603</b>	<b>\$ 586</b>	<b>\$ 772</b>	<b>\$ 1,018</b>	<b>\$ 1,225</b>
<b>Contributions as a Percentage of Covered Employee Pa</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

See notes to required supplementary information

## Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Required Supplementary Information (Unaudited)  
June 30, 2023 and 2022

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2023, based on roll-forward of February 28, 2023 valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
Amortization method	Level dollar over a 15-year period
Remaining amortization period	15 years
Asset valuation method	Market value of the assets
Inflation	2.25%
Salary increases	3.5% per year
Investment rate of return	6.0% per year compounded annually
Mortality	PUB-2010 General Mortality Table with MP-2021 Improvement Scale

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2022, based on roll-forward of February 28, 2022 valuation

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
Amortization method	Level dollar over a 15-year period
Remaining amortization period	15 years
Asset valuation method	Market value of the assets
Inflation	2.25%
Salary increases	3.5% per year
Investment rate of return	6.0% per year compounded annually
Mortality	PUB-2010 General Mortality Table with MP-2021 Improvement Scale

# Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Required Supplementary Information (Unaudited)  
June 30, 2023 and 2022

## Significant Changes

### June 30, 2023

- *Difference Between Actual and Expected Experience* - The \$981K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2023 is primarily attributable to participant deaths.
- *Assumption Change* - None.

### June 30, 2022

- *Difference Between Actual and Expected Experience* - The \$179K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2022 is primarily attributable to the difference between actual experience and demographic assumptions.
- *Assumption Change* - The plan experienced a \$1.73MM actuarial loss due to the change in the mortality improvement scale and the decrease in the discount rate from 6.50% to 6.00%. Updating the mortality improvement scale to the MP-2021 scale resulted in a \$120K actuarial loss and decreasing the discount rate resulted in a \$1.61MM actuarial loss. The combination of these two changes resulted in an overall actuarial loss of \$1.73MM.

### June 30, 2021

- *Difference Between Actual and Expected Experience* - The \$968K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2021 is primarily attributable to participant deaths.
- *Assumption Change* - The plan experienced a \$366K actuarial gain due to the change in the mortality improvement scale.

### June 30, 2020

- *Difference Between Actual and Expected Experience* - The \$.92MM actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2020 is primarily attributable to participant deaths.
- *Assumption Change* - The plan experienced a \$1.55MM actuarial loss due to the change in the mortality improvement scale and decrease in the discount rate from 7.00% to 6.50%. Updating the mortality improvement scale to the MP-2019 scale resulted in a \$.22MM actuarial gain and decreasing the discount rate resulted in a \$1.77MM actuarial loss. The combination of these two changes resulted in an overall actuarial loss of \$1.55MM.

### June 30, 2019

- *Difference Between Actual and Expected Experience* - The \$.74MM gain on the Total Pension Liability for the fiscal year ending June 30, 2019 is primarily attributable to participant deaths.
- *Assumption Change* - The plan experienced a \$1.21MM loss due to the change of the mortality assumption from the RP-2014 Total Dataset Mortality adjusted to 2006 and projected generationally using the MP-2017 improvement scale to the PUB-2010 General Employees Mortality, projected generationally using the MP-2018 improvement scale.

## Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions

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Notes to Required Supplementary Information (Unaudited)

June 30, 2023 and 2022

### June 30, 2018

- *Difference Between Actual and Expected Experience* - The \$230,000 gain on the Total Pension Liability for the fiscal year ending June 30, 2018 is primarily attributable to participant deaths.
- *Assumption Change* - Assumptions for the discount rate and expected return on assets were decreased from 7.50% to 7.00% to reflect the expected long term rate of return on the trust.

### June 30, 2017

- *Difference Between Actual and Expected Experience* - The \$383,000 gain on the Total Pension Liability for the fiscal year ending June 30, 2017 is primarily attributable to participant deaths.
- *Assumption Change* - The plan experienced a \$.86MM gain due to the change of the mortality assumption from the RP-2014 table projected generationally with Scale MP-2014 with MP-2016 Improvement Scale.

### June 30, 2016

- *Difference Between Actual and Expected Experience* - The \$299,000 loss on the Total Pension Liability for the fiscal year ending June 30, 2016 is primarily attributable to participant deaths.
- *Assumption Change* - The plan experienced a \$1.47MM gain due to the change of the mortality assumption from the RP-2014 table projected generationally with Scale MP-2014 with MP-2015 Improvement Scale.

### June 30, 2015

- *Difference Between Actual and Expected Experience* - The \$1.01MM gain on the Total Pension Liability for the fiscal year ending June 30, 2015 is primarily attributable to participant deaths.
- *Assumption Change* – There were no impacts associated with assumption changes.

### June 30, 2014

- *Difference Between Actual and Expected Experience* - The \$964,000 loss on the Total Pension Liability for the fiscal year ending June 30, 2014 is primarily attributable to participant deaths.
- *Assumption Change* - The plan experienced a \$4.54MM loss due to the change of the mortality assumption from the RP2000CH table projected to 2018 with Scale AA to the RP-2014 table projected generationally with Scale MP-2014.



**Lansing Board of Water and Light**

**Defined Benefit Plan and Trust for Employees' Pensions**

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Required Supplementary Information (Unaudited)

Schedule of Investment Returns

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return net of investment expense	9%	(9.18%)	22.42%	2.90%	7.39%	4.97%	12.10%	(0.49%)	2%	19%

*See notes to required supplementary information*



**Lansing Board of Water and Light**

**Defined Benefit Plan for Employees' Pensions**

**June 30, 2023 GASB 67/68 Report**

**July 20, 2023**

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Table of Contents**

<b>Executive Summary</b>	3
<b>Actuarial Certification</b>	5
<b>Summary of Key Results</b>	6
<b>GASB 67/68 Exhibits</b>	
Present Value of Future Benefits	7
Total Pension Liability	8
Statement of Fiduciary Net Position	9
Statement of Changes in Fiduciary Net Position	10
Changes in the Net Pension Liability	11
Schedule of Changes in the Net Pension Liability	12
Development of Net Pension Liability (Gain) / Loss	14
Notes to Schedule of Changes in the Net Pension Liability	15
Sensitivity Analysis	16
Pension Expense	17
Deferred Inflows and Outflows	18
Amortization Schedule	19
Rate of Return	20
Actuarially Determined Contribution	21
Schedule of Contributions	22
Actuarial Assumptions and Methods Used for Funding Policy	23
<b>Expected Benefit Disbursements</b>	24
<b>Valuation Data</b>	
Census Data Summary	25
Age & Service Distribution - Active Participants	26
Census Data Reconciliation	27
<b>Summary of Assumptions and Methods</b>	28
<b>Summary of Plan Provisions</b>	31
<b>Glossary</b>	33

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Executive Summary**

**Governmental accounting requirements and purpose of this report**

The Governmental Accounting Standards Board Statements No. 67 and No. 68 require trusts (GASB 67) and employers (GASB 68) to accrue the cost associated with pension benefits while eligible employees are providing services to the employer. The purpose of this actuarial valuation report is to provide the Lansing Board of Water and Light (the "Board") with:

- 1) The amount of accrued liability related to the Board's pension plan (Total Pension Liability) using the most recent census data and discount rate;
- 2) The funded status of the plan;
- 3) The actuarial determined contribution; and
- 4) The GASB 67/68 expense and disclosure information needed to fulfill the Board's financial reporting requirements for the current fiscal year.

<b>Key measures for the prior and current fiscal years</b>	<b>6/30/2022</b>	<b>6/30/2023</b>
Active participants	3	3
Terminated vested participants	2	1
Retired, disabled and surviving participants	<u>284</u>	<u>265</u>
Total	289	269
Present value of future benefits (PVFB)	\$ 47,977,152	\$ 44,590,810
Total pension liability (TPL)	\$ 47,886,693	\$ 44,514,136
Fiduciary net position (FNP)	\$ 50,658,773	\$ 49,523,234
Net pension liability (NPL)	\$ (2,772,080)	\$ (5,009,098)
Funded status	105.79%	111.25%
Pension expense	\$ 2,115,980	\$ (653,301)
Actuarially determined contribution	\$ 0	\$ 0

**Key assumptions**

Census date	2/28/2022	2/28/2023
Valuation date	2/28/2022	2/28/2023
Measurement date	6/30/2022	6/30/2023
Discount rate	6.00%	6.00%
Expected long term rate of return on plan assets	6.00%	6.00%
Actuarial cost method	Entry Age Normal	Entry Age Normal

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Executive Summary (continued)**

**Discount rate**

Pursuant to GASB 67/68, projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on plan investments is 6.00%; the municipal bond rate is 3.65% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Bond GO Index"); and the resulting Single Discount Rate is 6.00%.

The plan's projected fiduciary net position covers all future pension benefit payments. Therefore, the discount rate is equal to the long-term expected rate of return on plan investments.

**Assumption and method changes from the prior year** - None.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Actuarial Certification**

July 20, 2023

This report presents actuarial and accounting results related to the Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions (the "Plan"). The results herein were prepared pursuant to Governmental Accounting Standards Board Statements 67 and 68 ("GASB 67/68").

The primary purpose of this report is to provide financial statement information pursuant to GASB 67/68 for the fiscal year ending June 30, 2023. The results of our calculations are set forth in this report, as are the actuarial assumptions and methods and a brief summary of the eligibility criteria and benefits for retirees.

To the best of our knowledge, the information supplied in this report is complete and accurate. The analysis and calculations were conducted in a manner consistent with the Standards of Professional Conduct, Qualifications, and Practice of the American Academy of Actuaries and consistent with the standards of practice of the Actuarial Standards Board.

All costs, liabilities, rates of interest, and other factors under the Plan have been determined on the basis of actuarial assumptions and methods which are reasonable and consistent with our understanding of GASB 67/68. All assumptions have been discussed with Lansing Board of Water and Light and appear to represent the best estimate of anticipated experience under the Plan. In preparing this report we relied on the census data, plan provisions, and other plan financial information provided by the Lansing Board of Water and Light. Actuarial computations under GASB 67/68 are for purposes of fulfilling employer financial accounting requirements. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results contained in this report.

Respectfully Submitted,

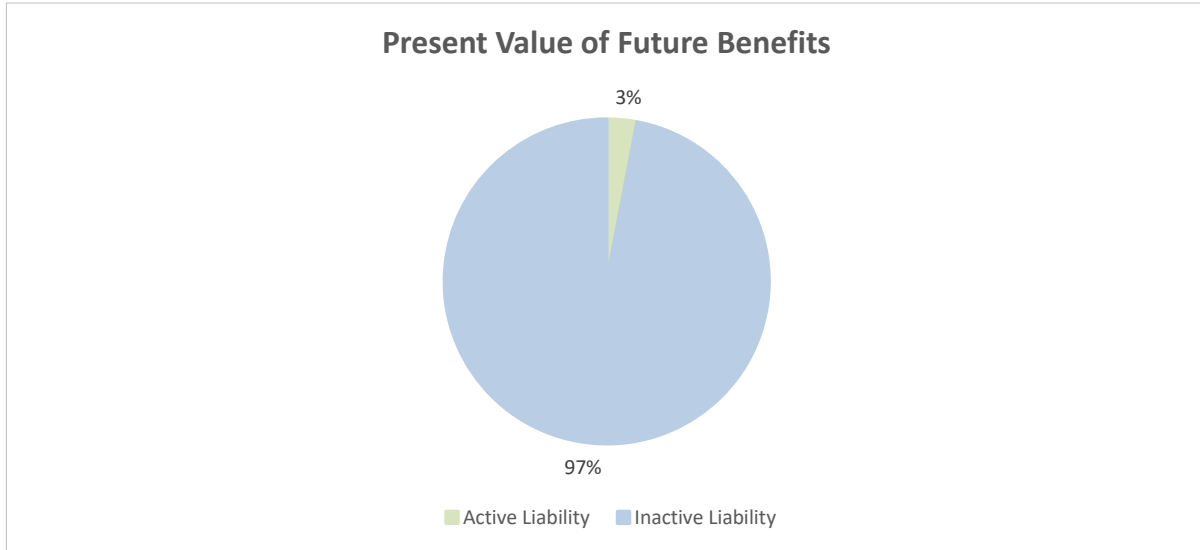


Mark W. Miller, FCA, EA, ASA, MAAA  
Benassist Retirement Consulting, LLC

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2023 GASB 67/68 Report  
Summary of Key Results**

	6/30/2022	6/30/2023
<b>Census data summary</b>		
Active participants	3	3
Terminated vested participants	2	1
Retired, disabled and surviving participants	<u>284</u>	<u>265</u>
Total	289	269
Covered payroll	\$ 237,506	\$ 248,070
<b>Present value of future benefits (PVFB)</b>		
Active participants	\$ 1,428,355	\$ 1,537,238
Terminated vested participants	\$ 163,565	89,267
Retired, disabled and surviving participants	<u>46,385,232</u>	<u>42,964,305</u>
Total	<u>\$ 47,977,152</u>	<u>\$ 44,590,810</u>
<b>Present value of future normal costs (PVFNC)</b>	\$ 90,459	\$ 76,674
<b>Total pension liability (TPL)</b>		
Active participants	\$ 1,337,896	\$ 1,460,564
Terminated vested participants	\$ 163,565	89,267
Retired, disabled and surviving participants	<u>46,385,232</u>	<u>42,964,305</u>
Total	<u>\$ 47,886,693</u>	<u>\$ 44,514,136</u>
<b>Fiduciary net position (FNP)</b>	\$ 50,658,773	\$ 49,523,234
<b>Net pension liability (NPL)</b>	\$ (2,772,080)	\$ (5,009,098)
<b>Funded status</b>	105.79%	111.25%
<b>Pension expense</b>	\$ 2,115,980	\$ (653,301)
<b>Contribution</b>		
Actuarially determined contribution	\$ 0	\$ 0
Actuarially determined contribution as a % of covered payroll	0.00%	0.00%

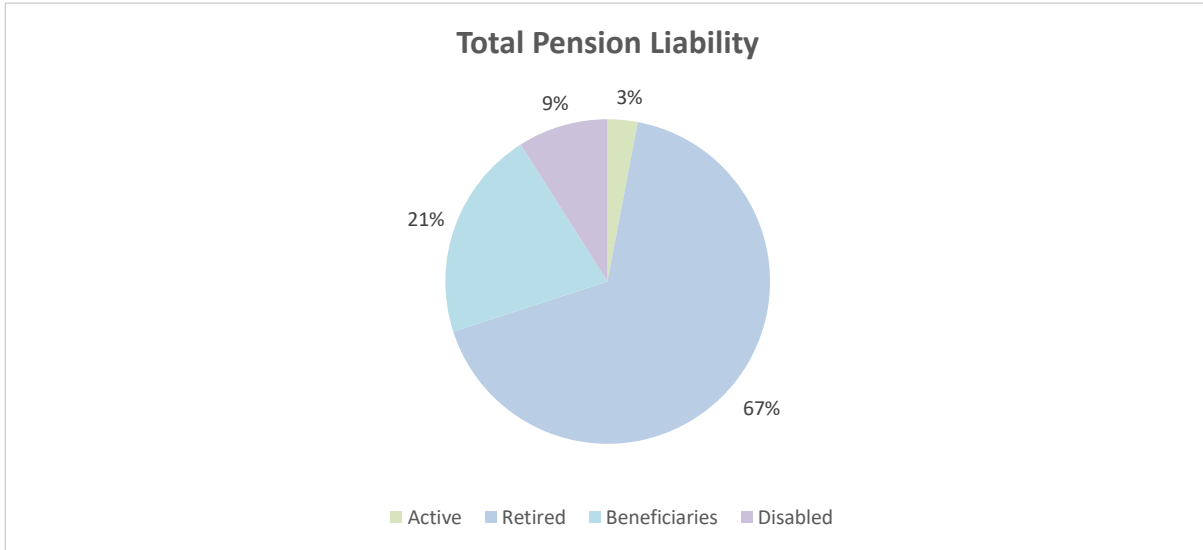
**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Present Value of Future Benefits**



	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Present value of future benefits</b>		
Active participants	\$ 1,428,355	\$ 1,537,238
Inactive participants		
Retired	\$ 33,165,468	\$ 29,976,686
Beneficiaries	9,187,812	9,138,793
Disabled	4,031,952	3,848,826
Terminated vested	<u>163,565</u>	<u>89,267</u>
Total inactive	46,548,797	43,053,572
Total	<u>\$ 47,977,152</u>	<u>\$ 44,590,810</u>
<b>Fiduciary net position (FNP)</b>	\$ 50,658,773	\$ 49,523,234
<b>Unfunded present value of future benefits (surplus)</b>	\$ (2,681,621)	\$ (4,932,424)



**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Total Pension Liability**



	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Total pension liability</b>		
Active participants	\$ 1,337,896	\$ 1,460,564
Inactive participants		
Retired	\$ 33,165,468	\$ 29,976,686
Beneficiaries	9,187,812	9,138,793
Disabled	4,031,952	3,848,826
Terminated vested	<u>163,565</u>	<u>89,267</u>
Total inactive	46,548,797	43,053,572
Total	<u>\$ 47,886,693</u>	<u>\$ 44,514,136</u>
<b>Fiduciary net position (FNP)</b>	\$ 50,658,773	\$ 49,523,234
<b>Net pension liability (NPL)</b>	\$ (2,772,080)	\$ (5,009,098)
<b>Service cost</b>	\$ 27,609	\$ 28,799

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Statement of Fiduciary Net Position**

	6/30/2022	6/30/2023
<b>Assets</b>		
Cash and deposits	\$ 1,806,805	\$ 778,163
Receivables		
Contributions	0	0
Due from broker for investments sold	0	0
Net receivable on investments	<u>1,169</u>	<u>1,100</u>
Total receivables	\$ 1,169	\$ 1,100
Investments		
U.S. government and agencies	0	0
Corporate bonds and notes	0	0
U.S. common stocks	5,259,218	12,587,856
Common collective fund - other	14,578,119	13,544,502
Mutual funds	24,919,695	18,695,086
Real estate	<u>4,093,767</u>	<u>3,932,003</u>
Total investments	\$ 48,850,799	\$ 48,759,447
 Total assets	 \$ 50,658,773	 \$ 49,538,710
<b>Liabilities</b>		
Payables:		
Investment management fees	\$ 0	\$ 0
Due to broker for investments purchased	<u>0</u>	<u>(15,476)</u>
Total payables	\$ 0	\$ (15,476)
 Total liabilities	 \$ 0	 \$ (15,476)
 <b>Net position restricted for pensions</b>	 <u>\$ 50,658,773</u>	 <u>\$ 49,523,234</u>

*Investment Policy* - A detailed description of the investment policy for the plan can be found in the Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions Statement of Investment Policies, Procedures and Objectives.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Statement of Changes in Fiduciary Net Position**

	6/30/2022	6/30/2023
<b>Additions</b>		
Contributions		
Employer	\$ 0	\$ 0
Employee	<u>0</u>	<u>0</u>
Total contributions	\$ 0	\$ 0
Investment income		
Net increase in fair value of investments	\$ (7,500,563)	\$ 2,662,472
Interest and dividends	2,102,005	1,471,375
Less investment expense	<u>0</u>	<u>0</u>
Net investment income	\$ (5,398,558)	\$ 4,133,847
Total additions	\$ (5,398,558)	\$ 4,133,847
<b>Deductions</b>		
Benefit payments	\$ (5,466,158)	\$ (5,142,408)
Administrative expenses	<u>(134,610)</u>	<u>(126,978)</u>
Total deductions	\$ (5,600,768)	\$ (5,269,386)
<b>Net increase in net position</b>	<b>\$ (10,999,326)</b>	<b>\$ (1,135,539)</b>
<b>Net position restricted for pensions</b>		
Beginning of year	\$ 61,658,099	\$ 50,658,773
End of year	<u>\$ 50,658,773</u>	<u>\$ 49,523,234</u>

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Balances at 6/30/2022</b>	\$ 47,886,693	\$ 50,658,773	\$ (2,772,080)
<b>Changes for the year</b>			
Service cost	29,266	0	29,266
Interest	2,721,176	0	2,721,176
Change of benefit terms	0	0	0
Differences between expected and actual experience	(980,591)	0	(980,591)
Change in assumptions and other inputs	0	0	0
Contributions - employer	0	0	0
Contributions - retiree	0	0	0
Net investment income	0	4,133,847	(4,133,847)
Benefit payments and refunds of employee contributions	(5,142,408)	(5,142,408)	0
Administrative expense	0	(126,978)	126,978
Other changes	0	0	0
<b>Net changes</b>	\$ (3,372,557)	\$ (1,135,539)	\$ (2,237,018)
<b>Balances at 6/30/2023</b>	\$ 44,514,136	\$ 49,523,234	\$ (5,009,098)

Notes

The Net Pension Liability (NPL) is equal to the Total Pension Liability (TPL) minus the Fiduciary Net Position (FNP), or market value of assets. Pension Expense includes amounts for: service cost, interest on the TPL, changes in the benefit structure, recognition of increases/decreases in liability due to actual vs. expected experience, actuarial assumption changes, investment gains/losses on the market value of assets and expected return on plan assets. The impact of actual experience and assumption changes are recognized over the average expected remaining service life of the plan participants, while investment gains/losses are recognized equally over five years.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Schedule of Changes in the Net Pension Liability**

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Total pension liability</b>							
Service cost	\$ 29,266	\$ 25,631	\$ 26,036	\$ 42,363	\$ 60,468	\$ 50,072	\$ 112,672
Interest	2,721,176	2,973,995	3,211,895	3,565,796	3,691,180	4,030,924	4,316,565
Change of benefit terms	0	0	0	0	0	0	0
Difference between expected and actual experience	(980,591)	178,944	(967,935)	(918,913)	(743,020)	(229,751)	(383,137)
Change in assumptions and other inputs	0	1,730,457	(366,222)	1,554,711	1,209,610	1,418,554	(856,662)
Benefit payments	(5,142,408)	(5,466,158)	(5,658,372)	(5,871,654)	(6,142,622)	(6,413,954)	(7,472,625)
Refunds of contributions	0	0	0	0	0	0	0
<b>Net change in total pension liability</b>	<b>\$ (3,372,557)</b>	<b>\$ (557,131)</b>	<b>\$ (3,754,598)</b>	<b>\$ (1,627,697)</b>	<b>\$ (1,924,384)</b>	<b>\$ (1,144,155)</b>	<b>\$ (4,283,187)</b>
<b>Total pension liability - beginning</b>	<b>47,886,693</b>	<b>48,443,824</b>	<b>52,198,422</b>	<b>53,826,119</b>	<b>55,750,503</b>	<b>56,894,658</b>	<b>61,177,845</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 44,514,136</b>	<b>\$ 47,886,693</b>	<b>\$ 48,443,824</b>	<b>\$ 52,198,422</b>	<b>\$ 53,826,119</b>	<b>\$ 55,750,503</b>	<b>\$ 56,894,658</b>
<b>Fiduciary net position</b>							
Contributions - employer	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - non-employer	0	0	0	0	0	0	0
Contributions - member	0	0	0	0	0	0	0
Net investment income	4,133,847	(5,398,558)	11,852,723	1,657,912	4,380,721	3,112,090	8,271,674
Benefit payments	(5,142,408)	(5,466,158)	(5,658,372)	(5,871,654)	(6,142,622)	(6,413,954)	(7,472,625)
Administrative expense	(126,978)	(134,610)	(123,147)	(145,084)	(183,238)	(254,964)	(317,071)
Refunds of contributions	0	0	0	0	0	0	0
Other - 2/29/2020 COLA	0	0	0	(476,125)	0	0	0
<b>Net change in fiduciary net position</b>	<b>(1,135,539)</b>	<b>(10,999,326)</b>	<b>6,071,204</b>	<b>(4,834,951)</b>	<b>(1,945,139)</b>	<b>(3,556,828)</b>	<b>481,978</b>
<b>Fiduciary net position - beginning</b>	<b>50,658,773</b>	<b>61,658,099</b>	<b>55,586,895</b>	<b>60,421,846</b>	<b>62,366,985</b>	<b>65,923,813</b>	<b>65,441,835</b>
<b>Fiduciary net position - ending (b)</b>	<b>\$ 49,523,234</b>	<b>\$ 50,658,773</b>	<b>\$ 61,658,099</b>	<b>\$ 55,586,895</b>	<b>\$ 60,421,846</b>	<b>\$ 62,366,985</b>	<b>\$ 65,923,813</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ (5,009,098)</b>	<b>\$ (2,772,080)</b>	<b>\$ (13,214,275)</b>	<b>\$ (3,388,473)</b>	<b>\$ (6,595,727)</b>	<b>\$ (6,616,482)</b>	<b>\$ (9,029,155)</b>
Plan fiduciary net position as a percentage of the total pension liability	111.25%	105.79%	127.28%	106.49%	112.25%	111.87%	115.87%
Covered payroll	248,070	237,506	236,973	240,482	405,694	603,382	586,181
Net pension liability as a percentage of covered payroll	-2019.23%	-1167.16%	-5576.28%	-1409.03%	-1625.79%	-1096.57%	-1540.34%
Census date	2/28/2023	2/28/2022	2/28/2021	2/29/2020	2/28/2019	2/28/2018	2/28/2017
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Reporting date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Schedule of Changes in the Net Pension Liability (continued)**

	6/30/2016	6/30/2015	6/30/2014
<b>Total pension liability</b>			
Service cost	\$ 223,219	\$ 274,052	\$ 348,952
Interest	4,625,283	4,919,427	4,751,843
Change of benefit terms	0	0	0
Difference between expected and actual experience	299,179	(1,093,705)	964,016
Change in assumptions and other inputs	(1,469,174)	0	4,538,152
Benefit payments	(7,895,767)	(8,045,948)	(8,541,275)
Refunds of contributions	0	0	0
<b>Net change in total pension liability</b>	<b>\$ (4,217,260)</b>	<b>\$ (3,946,174)</b>	<b>\$ 2,061,688</b>
<b>Total pension liability - beginning</b>	<b>65,395,105</b>	<b>69,341,279</b>	<b>67,279,591</b>
<b>Total pension liability - ending (a)</b>	<b><u>\$ 61,177,845</u></b>	<b><u>\$ 65,395,105</u></b>	<b><u>\$ 69,341,279</u></b>
<b>Fiduciary net position</b>			
Contributions - employer	\$ 0	\$ 0	\$ 0
Contributions - non-employer	0	0	0
Contributions - member	0	0	0
Net investment income	46,762	1,771,424	14,243,164
Benefit payments	(7,895,767)	(8,045,948)	(8,541,275)
Administrative expense	(388,495)	(576,122)	(595,925)
Refunds of contributions	0	0	0
Other - 2/29/2020 COLA	0	0	0
<b>Net change in fiduciary net position</b>	<b>(8,237,500)</b>	<b>(6,850,646)</b>	<b>5,105,964</b>
<b>Fiduciary net position - beginning</b>	<b>73,679,335</b>	<b>80,529,981</b>	<b>75,424,017</b>
<b>Fiduciary net position - ending (b)</b>	<b><u>\$ 65,441,835</u></b>	<b><u>\$ 73,679,335</u></b>	<b><u>\$ 80,529,981</u></b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ (4,263,990)</b>	<b>\$ (8,284,230)</b>	<b>\$ (11,188,702)</b>
Plan fiduciary net position as a percentage of the total pension liability	106.97%	112.67%	116.14%
Covered payroll	771,810	1,017,849	1,224,727
Net pension liability as a percentage of covered payroll	-552.47%	-813.90%	-913.57%
Census date	2/28/2016	2/28/2015	2/28/2014
Measurement date	6/30/2016	6/30/2015	6/30/2014
Reporting date	6/30/2016	6/30/2015	6/30/2014

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Development of Net Pension Liability (Gain) / Loss**

	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Total pension liability</b>		
Total pension liability at BOY	\$ 48,443,824	\$ 47,886,693
Service cost	25,631	29,266
Benefit payments	(5,466,158)	(5,142,408)
Expected interest	2,973,995	2,721,176
Assumption change	1,730,457	0
Expected total pension liability at EOY	47,707,749	45,494,727
Actual total pension liability at EOY	47,886,693	44,514,136
Total pension liability (gain) / loss	<u>\$ 178,944</u>	<u>\$ (980,591)</u>
 <b>Fiduciary net position</b>		
Fiduciary net position at BOY	\$ 61,658,099	\$ 50,658,773
Employer contributions	0	0
Employee contributions	0	0
Benefit payments	(5,466,158)	(5,142,408)
Administrative expenses	(134,610)	(126,978)
Expected net investment income	3,828,617	2,883,747
Expected fiduciary net position at EOY	59,885,948	48,273,134
Actual fiduciary net position at EOY	\$ 50,658,773	49,523,234
Fiduciary net position (gain) / loss	<u>\$ 9,227,175</u>	<u>\$ (1,250,100)</u>
 <b>Net pension liability (gain) / loss</b>	 <u>\$ 9,406,119</u>	 <u>\$ (2,230,691)</u>

**Note**

Notes for the fiscal years shown above are provided on page 15.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Notes to Schedule of Changes in the Net Pension Liability**

**June 30, 2023**

- Difference between actual and expected experience - The \$981K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2023 is primarily attributable to participant deaths.
- Assumption change - None.
- Investment gain - The plan experienced a \$1.25M gain on plan assets during the fiscal year ending June 30, 2023 due to the actual return on assets equaling 8.59% vs. an expected return of 6.00%.

**June 30, 2022**

- Difference between actual and expected experience - The \$179K actuarial loss on the Total Pension Liability for the fiscal year ending June 30, 2022 is primarily attributable to the difference between actual experience and demographic assumptions.
- Assumption change - The plan experienced a \$1.73MM actuarial loss due to the change in the mortality improvement scale and the decrease in the discount rate from 6.50% to 6.00%. Updating the mortality improvement scale to the MP-2021 scale resulted in a \$120K actuarial loss and decreasing the discount rate resulted in a \$1.61MM actuarial loss. The combination of these two changes resulted in an overall actuarial loss of \$1.73MM.
- Investment loss - The plan experienced a \$9.23MM loss on plan assets during the fiscal year ending June 30, 2022 due to the actual return on assets equaling -9.18% vs. an expected return of 6.50%.

**June 30, 2021**

- Difference between actual and expected experience - The \$968K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2021 is primarily attributable to participant deaths.
- Assumption change - The plan experienced a \$366K actuarial gain due to the change in the mortality improvement scale.
- Investment gain - The plan experienced a \$8.42MM gain on plan assets during the fiscal year ending June 30, 2021 due to the actual return on assets equaling 22.42% vs. an expected return of 6.50%.

**June 30, 2020**

- Difference between actual and expected experience - The \$.92MM actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2020 is primarily attributable to participant deaths.
- Assumption change - The plan experienced a \$1.55MM actuarial loss due to the change in the mortality improvement scale and the decrease in the discount rate from 7.00% to 6.50%. Updating the mortality improvement scale to the MP-2019 scale resulted in a \$.22MM actuarial gain and decreasing the discount rate resulted in a \$1.77MM actuarial loss. The combination of these two changes resulted in an overall actuarial loss of \$1.55MM.
- Investment loss - The plan experienced a \$2.35MM loss on plan assets during the fiscal year ending June 30, 2020 due to the actual return on assets equaling 2.90% vs. an expected return of 7.00%.



**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Sensitivity Analysis**

**Sensitivity of the net pension liability to changes in the discount rate** - The following presents the net pension liability, calculated using the discount rate of 6.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.00%) or 1-percentage point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net pension liability (asset)	\$ (836,993)	\$ (5,009,098)	\$ (7,108,925)

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2023 GASB 67/68 Report  
Pension Expense**

	<b>6/30/2022</b>	<b>6/30/2023</b>
Service cost with interest	\$ 25,631	\$ 29,266
Interest on the total pension liability	2,973,995	2,721,176
Change of benefit terms	0	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	178,944	(980,591)
Expensed portion of current-period changes in assumptions	1,730,457	0
Expensed portion of current-period difference between expected and actual earnings on plan investments	1,845,435	(250,020)
Employee contributions	0	0
Expected earnings on pension plan investments	(3,828,617)	(2,883,747)
Administrative expenses	134,610	126,978
Recognition of deferred inflows	(1,731,442)	(1,731,440)
Recognition of deferred outflows	<u>786,967</u>	<u>2,315,077</u>
<b>Pension expense</b>	<b><u>\$ 2,115,980</u></b>	<b><u>\$ (653,301)</u></b>
Census date	2/28/2022	2/28/2023
Measurement date	6/30/2022	6/30/2023
Reporting date	6/30/2022	6/30/2023
Discount rate	6.00%	6.00%
Expected return on assets	6.00%	6.00%

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2023 GASB 67/68 Report  
Deferred Inflows and Outflows**

The following table provides a summary of the deferred inflows and outflows as of 6/30/2023.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions or other inputs	0	0
Net difference between projected and actual earnings on plan investments	<u>6,005,948</u>	<u>(4,369,887)</u>
Total	\$ 6,005,948	\$ (4,369,887)

Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ended June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	\$ 2,315,078	\$ (1,934,923)
2025	1,845,435	(1,934,924)
2026	1,845,435	(250,020)
2027	0	(250,020)
2028	0	0
Thereafter	0	0

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2023 GASB 67/68 Report  
Amortization Schedule**

<b>Date Established</b>	<b>Description</b>	<b>Initial Amount</b>	<b>Outstanding Balance</b>	<b>Years Remaining</b>	<b>2023 Installment</b>
6/30/2017	Actuarial (Gain)/Loss	\$ (383,137)	\$ 0	0.00	\$ 0
6/30/2018	Actuarial (Gain)/Loss	(229,751)	0	0.00	0
6/30/2019	Actuarial (Gain)/Loss	(743,020)	0	0.00	0
6/30/2020	Actuarial (Gain)/Loss	(918,913)	0	0.00	0
6/30/2021	Actuarial (Gain)/Loss	(967,935)	0	0.00	0
6/30/2022	Actuarial (Gain)/Loss	178,944	0	0.00	0
6/30/2023	Actuarial (Gain)/Loss	(980,591)	0	0.00	(980,591)
<b>Total</b>			<b>\$ 0</b>		<b>\$ (980,591)</b>
6/30/2017	Assumption Change	\$ (856,662)	\$ 0	0.00	\$ 0
6/30/2018	Assumption Change	1,418,554	0	0.00	0
6/30/2019	Assumption Change	1,209,610	0	0.00	0
6/30/2020	Assumption Change	1,554,711	0	0.00	0
6/30/2021	Assumption Change	(366,222)	0	0.00	0
6/30/2022	Assumption Change	1,730,457	0	0.00	0
6/30/2023	Assumption Change	0	0	0.00	0
<b>Total</b>			<b>\$ 0</b>		<b>\$ 0</b>
6/30/2017	Investment (Gain)/Loss	\$ (3,655,650)	\$ 0	0.00	\$ 0
6/30/2018	Investment (Gain)/Loss	1,586,633	0	0.00	0
6/30/2019	Investment (Gain)/Loss	(232,693)	0	0.00	(46,537)
6/30/2020	Investment (Gain)/Loss	2,348,211	469,643	1.00	469,642
6/30/2021	Investment (Gain)/Loss	(8,424,516)	(3,369,807)	2.00	(1,684,903)
6/30/2022	Investment (Gain)/Loss	9,227,175	5,536,305	3.00	1,845,435
6/30/2023	Investment (Gain)/Loss	(1,250,100)	(1,000,080)	4.00	(250,020)
<b>Total</b>			<b>\$ 1,636,061</b>		<b>\$ 333,617</b>

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Rate of Return**

The long-term expected rate of return on plan investments was determined using a building-block method where expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core bonds	20.00%	2.58%
Multi-sector	10.00%	3.54%
Liquid absolute return	10.00%	3.25%
U.S. large cap equity	25.00%	7.17%
U.S. small cap equity	10.00%	8.61%
Non-U.S. equity	20.00%	8.29%
Core real estate	5.00%	6.54%
Total	100.00%	

Notes

- (1) The amounts shown above were provided ACG Asset Consulting Group.
- (2) The Long-Term Expected Real Rate of Return equals the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.
- (3) The long-term expected rate of return for the June 30, 2023 measurement date is 6.00%.

**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2023 GASB 67/68 Report  
Actuarially Determined Contribution**

	<b>FYE 6/30/2023</b>	<b>FYE 6/30/2024</b>
Normal cost	\$ 39,183	\$ 36,983
Actuarial accrued liability (beginning of year)	48,721,703	45,304,912
Actuarial value of assets (beginning of year)	55,019,948	51,887,054
Unfunded actuarial accrued liability	(6,298,245)	(6,582,142)
Net amortization charges / (credits)	(611,778)	(639,354)
Administrative expenses	159,000	131,000
Actuarially determined contribution (beginning of year)	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 237,506	\$ 248,070
Percentage of covered payroll	0.00%	0.00%
Discount rate	6.00%	6.00%
Amortization period	15 Years	15 Years
	Closed	Closed

**Notes**

(1) Administrative expenses are assumed to equal the expenses for the prior year rounded up to the next \$1,000.

(2) Disclosure of the actuarial methods and assumptions to develop the Actuarially Determined Contribution for the fiscal year ending June 30, 2024 can be found in the Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions February 28, 2023 Actuarial Valuation for Funding Purposes dated June 23, 2023.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Schedule of Contributions**

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Actuarially determined employer contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Actual employer contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 248,070	\$ 237,506	\$ 236,973	\$ 240,482	\$ 603,382	\$ 586,181	\$ 771,810	\$ 1,017,849	\$ 1,224,727	\$ 1,683,696
Actual contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Actuarial Assumptions and Methods Used for Funding Policy**

The following actuarial methods and assumptions were used in the February 28, 2023 funding valuation. Please see that valuation report dated June 23, 2023 for further details.

**Actuarial Cost Method** - Projected unit credit.

**Amortization Method** - 15 year closed level dollar amortization of Unfunded Actuarial Accrued Liability.

**Asset Valuation Method** - The Actuarial Value of Assets is equal to the Market Value of Assets plus a five year smoothing of gains and losses on the Market Value of Assets, subject to a 20% corridor around the Market Value of Assets.

**Inflation Rate** - 2.25% per year.

**Salary Increase Rate** - 3.50% per year.

**Discount Rate and Expected Long-Term Rate of Return on Investments** - 6.00% per year.

**Retirement Rates** - See Table A on page 30.

**Mortality Rates** - PUB-2010 General Mortality, male and female, projected generationally using the MP-2021 improvement scale.

**Disability Rates** - 1985 Pension Disability Incident Class 1 rates for males and females. See table of sample rates in Table B on page 30.

**Termination Rates** - None assumed.

**Expenses** - Administrative expenses are assumed to equal the expenses for the prior year rounded up to the next \$1,000.

**Benefit Commencement Age for Deferred Vested Participants** - Age 65.

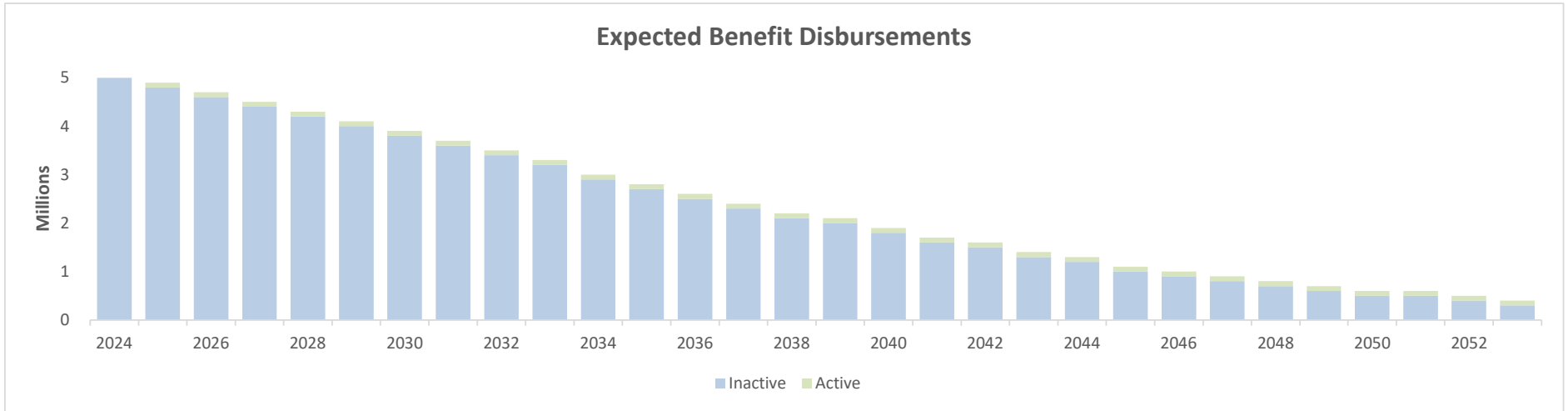
**Spouse Assumptions** - (1) 100% of the male participants are assumed to be married with the spouse assumed to be 3 years younger; (2) 100% of the female participants are assumed to be married with the spouse assumed to be 3 years older.

**Form of Payment** - All active participants are assumed to elect a 100% joint and survivor annuity.

**Assumption and Method Changes from Prior Year** - None.



**Lansing Board of Water and Light  
Defined Benefit Plan for Employees' Pensions  
June 30, 2023 GASB 67/68 Report  
Expected Benefit Disbursements**



FYE	Inactive	Active	Total	FYE	Inactive	Active	Total	FYE	Inactive	Active	Total
<b>2024</b>	\$ 4,973,370	\$ 57,552	\$ 5,030,922	<b>2034</b>	\$ 2,944,633	\$ 128,212	\$ 3,072,845	<b>2044</b>	\$ 1,164,424	\$ 124,379	\$ 1,288,803
<b>2025</b>	4,798,483	65,131	4,863,614	<b>2035</b>	2,736,809	131,291	2,868,100	<b>2045</b>	1,033,675	121,419	1,155,094
<b>2026</b>	4,617,080	72,526	4,689,606	<b>2036</b>	2,533,440	134,425	2,667,865	<b>2046</b>	912,774	118,102	1,030,876
<b>2027</b>	4,424,879	78,928	4,503,807	<b>2037</b>	2,335,517	136,223	2,471,740	<b>2047</b>	801,686	114,443	916,129
<b>2028</b>	4,220,062	87,971	4,308,033	<b>2038</b>	2,143,925	135,300	2,279,225	<b>2048</b>	700,264	110,472	810,736
<b>2029</b>	4,010,626	99,125	4,109,751	<b>2039</b>	1,959,446	134,173	2,093,619	<b>2049</b>	608,262	106,225	714,487
<b>2030</b>	3,798,081	107,542	3,905,623	<b>2040</b>	1,782,763	132,807	1,915,570	<b>2050</b>	525,332	101,740	627,072
<b>2031</b>	3,583,861	113,769	3,697,630	<b>2041</b>	1,614,467	131,171	1,745,638	<b>2051</b>	451,055	97,053	548,108
<b>2032</b>	3,369,359	119,545	3,488,904	<b>2042</b>	1,455,065	129,239	1,584,304	<b>2052</b>	384,939	92,189	477,128
<b>2033</b>	3,155,866	124,111	3,279,977	<b>2043</b>	1,304,955	126,983	1,431,938	<b>2053</b>	326,433	87,162	413,595

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Census Data Summary**

	<b>2/28/2022</b>	<b>2/28/2023</b>
<b>Number of participants</b>		
Active	3	3
Terminated vested	2	1
Retired	155	140
Beneficiaries	104	101
Disabled	25	24
Total	289	269
<b>Active demographics</b>		
Average age	60.3	61.3
Average past service	32.2	33.2
Average future service	3.6	3.1
Average compensation	\$ 79,169	\$ 82,690
Covered payroll	\$ 237,506	\$ 248,070
Average monthly accrued benefit	\$ 3,675	\$ 3,954
Total monthly accrued benefits	\$ 11,026	\$ 11,863
<b>Terminated vested demographics</b>		
Average age	58.8	59.2
Average monthly accrued benefit	\$ 589	\$ 629
Total monthly accrued benefits	\$ 1,179	\$ 629
<b>Retiree demographics</b>		
Average age	78.6	78.7
Average monthly accrued benefit	\$ 2,027	\$ 2,048
Total monthly accrued benefits	\$ 314,131	\$ 286,665
<b>Beneficiary demographics</b>		
Average age	82.6	82.7
Average monthly accrued benefit	\$ 1,046	\$ 1,080
Total monthly accrued benefits	\$ 108,828	\$ 109,118
<b>Disabled demographics</b>		
Average age	73.9	74.8
Average monthly accrued benefit	\$ 1,296	\$ 1,317
Total monthly accrued benefits	\$ 32,388	\$ 31,619

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Age & Service Distribution - Active Participants**

Attained Age	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over	
Under 25											0
25 to 29											0
30 to 34											0
35 to 39											0
40 to 44											0
45 to 49											0
50 to 54											0
55 to 59							1	1			2
60 to 64											0
65 to 69											0
70+										1	1
<b>Total</b>	0	0	0	0	0	0	1	1	0	1	3

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Census Data Reconciliation**

	<u>Active</u>	<u>Term Vested</u>	<u>Retired</u>	<u>Benef</u>	<u>Disabled</u>	<u>Total</u>
February 28, 2022	3	2	155	104	25	289
Vested terminations	0	0	0	0	0	0
Retirements	0	(1)	1	0	0	0
Disabled	0	0	0	0	0	0
Death with survivor	0	0	(7)	7	0	0
Death without survivor	0	0	(9)	(10)	(1)	(20)
New entrants	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Data corrections	0	0	0	0	0	0
February 28, 2023	3	1	140	101	24	269

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Summary of Assumptions and Methods**

**Cost Method** - Individual entry age normal level percent of salary.

**Dates of Calculations**

Actuarial valuation date: February 28, 2023

Census date: February 28, 2023

Measurement date GASB 67 and GASB 68: June 30, 2023

Reporting date GASB 67 and GASB 68: June 30, 2023

**Employees Included in the Calculations** - All active employees who are eligible to receive pension benefits as a retiree. Retired, disabled, beneficiaries and terminated vested participants who are receiving benefits or entitled to receive benefits in the future.

**Source of Data** - Data is as of the valuation date and was supplied by the Lansing Board of Water and Light. While we have not audited this data, we believe the census data and financial information to be accurate and complete.

**Discount Rate** - Pursuant to GASB 67/68, projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on plan investments is 6.00%; the municipal bond rate is 3.65% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Bond GO Index"); and the resulting Single Discount Rate is 6.00%.

The plan's fiduciary net position was projected to cover all future pension benefit payments. Therefore, the discount rate is equal to the long-term expected rate of return on plan investments.

**Inflation Rate** - 2.25% per year.

**Salary Increase Rate** - 3.50% per year.

**Mortality Rates** - Pre and Post retirement - PUB-2010 General Mortality, male and female, projected generationally using the MP-2021 improvement scale.

**Retirement Rates** - Sample rates are listed on Table A herein.

**Termination Rates** - None assumed.

**Disability Rates** - The 1985 Pension Disability Incidence Class 1 rates for males and females. Sample rates are listed on Table B herein.

**Expenses** - Administrative expenses are assumed to equal the expenses for the prior year rounded up to the next \$1,000.

**Benefit Commencement Age for Deferred Vested Participants** - Age 65.

**Spouse Assumptions** - (1) 100% of the male participants are assumed to be married with the spouse assumed to be 3 years younger; (2) 100% of the female participants are assumed to be married with the spouse assumed to be 3 years older.

**Form of Payment** - All active participants are assumed to elect a 100% joint and survivor annuity.

**Assumption and Method Changes from Prior Year** - None.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Summary of Actuarial Assumptions and Methods (continued)**

**Benefits Not Valued** - All benefits described in the Plan Provisions section of this report were valued. Benassist Retirement Consulting has reviewed the plan provisions with the Lansing Board of Water and Light and based on that review, is not aware of any significant benefits that were not valued.

**Rationale for Significant Economic Assumptions**

Discount rates - As required by GASB 67 and 68, the discount rate was chosen by the plan sponsor based on market information on the measurement date.

Expected return on plan assets – It is our understanding that the expected return on assets assumption reflects the plan sponsor's estimate of future returns based on: (a) the plan's current asset allocation and any upcoming changes; and (b) current and expected market conditions. We have relied on capital market projections provided by Asset Consulting Group, the Plan's investment consultant, to evaluate the investment return assumption.

**Rationale for Significant Demographic Assumptions**

Mortality - This assumption was selected by the plan sponsor and represents a best estimate of future experience.

Retirement rates - Professional judgement along with (a) employer-specific or job-related factors such as occupation, employment policies, work environment and location of employment; (b) the plan design, where specific incentives may influence when participants retire; (c) the design of, and date of anticipated payment from Social Security and Medicare; (d) the availability of other employer-sponsored postretirement benefit programs; and (e) plan experience. Analysis of the experience (gain)/loss is conducted on an annual basis to identify any unusual trends in demographic assumptions.

**ASOP 56 - Model Disclosure**

Benassist Retirement Consulting uses a proprietary actuarial valuation system to perform actuarial valuations of defined benefit and OPEB plans. The system processes census data, calculates benefit amounts and develops associated actuarial liabilities. The system has the flexibility to accommodate various populations, plan designs, demographic, economic and benefit related assumptions. Actuarial liabilities are calculated using standard actuarial techniques. The actuarial liabilities generated by the system rely on the assumptions selected and entered by the user. The system does not evaluate any assumptions for reasonableness, consistency or probability of occurrence. The system is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuary signing this report has performed a limited review of results to ensure that system has been set up appropriately and the plan provisions have been coded correctly.

Certain demographic tables described above are standard published tables.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Summary of Assumptions and Methods (continued)**

**Table A - Retirement Rates**

Age	Rate	Age	Rate
50	4.00%	61	14.00%
51	4.00%	62	25.00%
52	8.00%	63	25.00%
53	4.00%	64	20.00%
54	10.00%	65	25.00%
55	5.00%	66	25.00%
56	8.00%	67	33.00%
57	10.00%	68	33.00%
58	12.00%	69	50.00%
59	14.00%	70	100.00%
60	10.00%		

**Table B - Disability Rates**

Age	Male	Female
20	0.03%	0.03%
25	0.04%	0.05%
30	0.05%	0.08%
40	0.12%	0.21%
50	0.36%	0.53%
55	0.72%	0.95%
60	1.26%	1.16%

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Summary of Plan Provisions**

**Effective Date and Plan Year** – The most recent effective date is July 1, 2010. The plan year is from July 1 through June 30.

**Participation and Eligibility** - Eligible employees are those who were participating in the plan on December 31, 1996 and who elected to remain in the plan as of December 1, 1997.

**Employer Contributions** - The employer contributes the entire cost of the Plan. Participant contributions are not required.

**Pension Service Credit** - Service is credited on an elapsed time basis.

**Annual Pay** - Annual pay equals the base pay plus bonus received during the year in which the base pay was the highest within the last ten years of employment.

**Normal Retirement Date** - The normal retirement date for employees hired prior to July 1, 1990 is the earlier of (1) the first day of the month on or after attainment of age 60, and (2) the first day of the month on or after completion of 30 years of Pension Service Credit and attainment of age 55. If an employee who was hired before July 1, 1990 terminates employment after attainment of age 45 and completion of 25 years of Pension Service Credit, the normal retirement date is the first day of the month on or after the date he has attained age 55 and would have completed 30 years of Pension Service Credit if he had remained employed.

For employees hired after July 1, 1990, the normal retirement date is the first day of the month on or after attainment of age 65.

**Normal Retirement Benefit** - 1.8% of Annual Pay multiplied by the Pension Service Credit and payable as a life annuity.

**Early Retirement Date** - A reduced early retirement benefit is payable during the 10 years prior to a participant's Normal Retirement Date upon completion of 25 years of Pension Service Credit or 5 years prior to a participant's normal retirement date upon completion of 15 years of Pension Service Credit.

**Early Retirement Benefit** - The Normal Retirement Benefit is reduced 0.25% per month for the first 60 months and then reduced 0.4167% per month for the next 60 months.

**Disability Retirement Benefit** - A disability benefit is payable upon disability after completion of at least 10 years of service. The disability benefit is equal to the Normal Retirement Benefit accrued as of the date of disability and is payable immediately. The disability benefit is offset for any workers' compensation payments.

**Deferred Vested Benefit** - If a participant terminates employment for any reason other than death or disability prior to his or her Normal or Early Retirement Date, and if the participant has completed at least three (3) years service on his or her date of termination of employment, then the participant will become vested in his or her accrued Normal Retirement Benefit subject to a 7 year graded vesting schedule.



**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Summary of Plan Provisions (continued)**

**Death in Service Benefit** - If a vested employee dies while still an employee and has a spouse, the Board will assume that the employee retired on the day preceding his or her death on a disability pension and elected a 100% Joint and Survivor form of payment.

**Forms of Payment** - The following actuarially equivalent forms of payment are available under the plan:

- a) a monthly benefit payable for the participant's lifetime;
- b) a monthly benefit payable for the participant's lifetime with 15% up to 100% of such benefit continued to a surviving contingent annuitant following the participant's death;
- c) a monthly benefit payable for the participant's lifetime with 15% up to 100% of such benefit continued to a surviving contingent annuitant following the participant's death. If the beneficiary dies first, the pension amount will revert back to the life annuity amount;
- d) a lump sum payment

**Cost of Living Increases** - None

**Actuarial Equivalence** - The plan's definition of Actuarial Equivalence is as follows:

- a) Non-decreasing annuities: Actuarial Equivalence is computed using the 1983 Group Annuity Mortality Table applied on a unisex basis and 7.50% interest.
- b) Accelerated forms of payments: Actuarial Equivalence is computed using the 1983 Group Annuity Mortality Table applied on a unisex basis and the annual rate of interest on a 30 year constant maturity U.S. Treasury securities for the month of December immediately preceding the start of the calendar year in which distribution occurs.

**Maximum Compensation** - Annual Pay for any 12-month period used to determine a participant's accrued benefit may not exceed the limits in IRC Section 401(a)(17) for the calendar year in which the 12-month period begins.

**Maximum Benefit** - Annual benefit amounts payable under the plan may not exceed the limits in IRC Section 415.

**Changes in Plan Provisions Since Last Valuation** - None.

# Lansing Board of Water and Light

## Defined Benefit Plan for Employees' Pensions

June 30, 2023 GASB 67/68 Report

### Glossary

**Actuarial Assumptions** - Assumptions relating to future experience under the plan. These include assumptions about the occurrence of future events affecting costs or liabilities, such as:

- mortality, withdrawal, disablement, and retirement;
- future increases in salary;
- future rates of investment earnings and future investment and administrative expenses;
- characteristics of members not specified in the data, such as marital status;
- characteristics of future members;
- future elections made by members; and
- other relevant items.

**Actuarial Cost Method** - A procedure for allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Total Pension Liability (TPL).

**Actuarial (Gain) or Loss** - A measure of the difference between actual experience and experience expected under a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings that have been forecasted. To the extent that actual experience differs from that assumed, actuarial accrued liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., the plan's assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results that produce actuarial liabilities which are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.

**Actuarially Equivalent** - Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.

**Actuarial Present Value (APV)** - The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:

- adjusted for the probable financial effect of certain intervening events (such as changes in marital status, etc.)
- multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
- discounted according to an assumed rate (or rates) of return to reflect the time value of money.

**Actuarial Present Value of Future Benefits** - The Actuarial Present Value of those benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future benefit increases. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members and spouses receiving benefits. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.

**Actuarial Present Value of Future Earnings** - The Actuarial Present Value of a participant's expected future earnings.

**Actuarial Present Value of Future Normal Costs** - The portion of the Actuarial Present Value of Future Benefits allocated to future years.

**Lansing Board of Water and Light**  
**Defined Benefit Plan for Employees' Pensions**  
**June 30, 2023 GASB 67/68 Report**  
**Glossary (continued)**

**Actuarial Valuation** - The determination, as of a valuation date, of the Normal Cost, Total Pension Liability (TPL), Fiduciary Net Position (FNP), and related Actuarial Present Values for a plan. An Actuarial valuation for a retirement system typically includes calculations that provide financial information for the plan, such as the funded status, unfunded actuarial accrued liability and the contribution amounts.

**Actuarially Determined** - Values which have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.

**Covered Payroll** - Payroll as of the valuation date for active participants who have not attained normal retirement age.

**Decrements** - Those causes/events due to which a member's status (active-inactive-retiree-spouse) changes, that is: death, retirement, disability, or termination.

**Entry Age Normal Cost Method** - The EAN cost method is a standard actuarial funding method. The annual cost of benefits under EAN cost method is comprised of two components:

- Normal cost
- Amortization of the unfunded liability

The normal cost is determined on an individual basis, from a member's age at plan entry, and is designed to be a level percentage of pay throughout a member's career.

**Fiduciary Net Position** - The value of the plan's assets as of a given date, used by the actuary for valuation purposes. This usually equals the market value of plan assets.

**Funded Status** - The ratio of the Fiduciary Net Position (FNP) to the Total Pension Liability (TPL).

**Net Pension Liability (NPL)** - The excess of the Total Pension Liability (TPL) over the Fiduciary Net Position (FNP). This value may be negative in which case it may be expressed as a negative Fiduciary Net Position, also called the funding surplus.

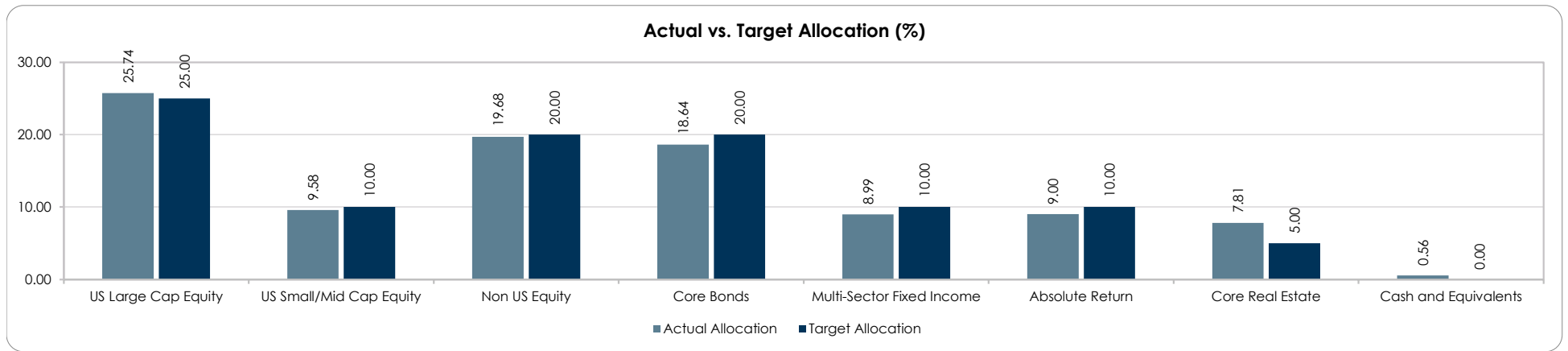
**Normal Cost** - The portion of the Actuarial Present Value of Future Benefits allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an unfunded actuarial accrued liability is not part of Normal Cost. Under the entry age normal cost method, the Normal Cost is intended to be the level cost (when expressed as a percentage of pay) needed to fund the benefits of a member from hire until ultimate termination, death, disability or retirement.

**Total Pension Liability (TPL)** - The portion of the Actuarial Present Value of Future Benefits which is not provided for by future Normal Costs. It is equal to the Actuarial Present Value of Future Benefits minus the actuarial present value of future Normal Costs.

**Valuation Date or Actuarial Valuation Date** - The date on which the value of plan assets, the Actuarial Present Value of Future Benefits, the Total Pension Liability (TPL) and Normal Cost are determined. The expected future benefits are discounted to this date.

## LBWL Defined Benefit Plan and Trust for Employees' Pensions

For the Periods Ending June 30, 2023



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)	Range Min - Max (%)
<b>Total Portfolio</b>	<b>48,905</b>	<b>100.00</b>	<b>100.00</b>		
<b>Equity</b>	<b>26,898</b>	<b>55.00</b>	<b>55.00</b>	<b>0.00</b>	<b>40.00 70.00</b>
US Large Cap Equity	12,588	25.74	25.00	0.74	20.00 30.00
US Small/Mid Cap Equity	4,685	9.58	10.00	-0.42	5.00 15.00
Non US Equity	9,626	19.68	20.00	-0.32	15.00 25.00
<b>Fixed Income</b>	<b>17,913</b>	<b>36.63</b>	<b>40.00</b>	<b>-3.37</b>	<b>20.00 50.00</b>
Core Bonds	9,116	18.64	20.00	-1.36	10.00 30.00
Multi-Sector Fixed Income	4,395	8.99	10.00	-1.01	5.00 15.00
Absolute Return	4,402	9.00	10.00	-1.00	5.00 15.00
<b>Real Assets</b>	<b>3,819</b>	<b>7.81</b>	<b>5.00</b>	<b>2.81</b>	<b>0.00 10.00</b>
Core Real Estate	3,819	7.81	5.00	2.81	0.00 10.00
<b>Cash and Equivalents</b>	<b>274</b>	<b>0.56</b>	<b>0.00</b>	<b>0.56</b>	<b>0.00 5.00</b>

	Mar 2023 Market Value (\$000s)	Jun 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/17) *	48,639	48,905	100.00	3.11	2.69	7.75	9.43	6.13	5.76	--	6.44
Total Portfolio (07/04)				3.16	2.80	8.01	9.98	6.68	6.31	7.11	6.13
Policy Index <sup>1</sup>				3.13	2.68	7.45	7.93	5.17	5.40	6.98	6.68

## LBWL Defined Benefit Plan and Trust for Employees' Pensions

For the Periods Ending June 30, 2023

	Mar 2023 Market Value (\$000s)	Jun 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
<b>Total Portfolio (01/17) *</b>	<b>48,639</b>	<b>48,905</b>	<b>100.00</b>	<b>3.11</b>	<b>2.69</b>	<b>7.75</b>	<b>9.43</b>	<b>6.13</b>	<b>5.76</b>	<b>--</b>	<b>6.44</b>
<b>Total Portfolio (07/04)</b>				<b>3.16</b>	<b>2.80</b>	<b>8.01</b>	<b>9.98</b>	<b>6.68</b>	<b>6.31</b>	<b>7.11</b>	<b>6.13</b>
<i>Policy Index</i> <sup>1</sup>				3.13	2.68	7.45	7.93	5.17	5.40	6.98	6.68
<b>US Large Cap Equity (01/17) *</b>	<b>12,205</b>	<b>12,588</b>	<b>25.74</b>	<b>6.60</b>	<b>8.30</b>	<b>19.49</b>	<b>24.17</b>	<b>13.39</b>	<b>11.36</b>	<b>--</b>	<b>12.88</b>
<i>Russell 1000</i>				6.75	8.58	16.68	19.36	14.09	11.92	12.64	12.88
<b>US Small/Mid Cap Equity (01/17) *</b>	<b>4,504</b>	<b>4,685</b>	<b>9.58</b>	<b>7.47</b>	<b>4.02</b>	<b>5.04</b>	<b>14.01</b>	<b>13.66</b>	<b>9.36</b>	<b>--</b>	<b>8.70</b>
<i>Blended Benchmark</i> <sup>2</sup>				8.52	5.22	8.79	13.58	12.29	6.56	--	7.10
<b>Non US Equity (01/17) *</b>	<b>9,785</b>	<b>9,626</b>	<b>19.68</b>	<b>5.59</b>	<b>3.57</b>	<b>12.14</b>	<b>16.76</b>	<b>7.45</b>	<b>4.19</b>	<b>--</b>	<b>6.17</b>
<i>MSCI EAFE</i>				4.58	3.22	12.13	19.41	9.48	4.90	5.91	7.06
<b>Fixed Income (01/17) *</b>	<b>17,979</b>	<b>17,913</b>	<b>36.63</b>	<b>0.03</b>	<b>-0.39</b>	<b>2.60</b>	<b>0.91</b>	<b>-1.19</b>	<b>1.85</b>	<b>--</b>	<b>1.82</b>
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	0.88
<b>Real Assets (01/19) *<sup>3</sup></b>	<b>3,966</b>	<b>3,819</b>	<b>7.81</b>	<b>-3.71</b>	<b>-3.71</b>	<b>-7.36</b>	<b>-10.46</b>	<b>7.06</b>	<b>--</b>	<b>--</b>	<b>5.51</b>
<i>NFI ODCE Net</i>				-2.84	-2.84	-6.12	-10.70	7.06	5.57	7.78	5.42
<b>Cash and Equivalents (01/17)</b>	<b>200</b>	<b>274</b>	<b>0.56</b>	<b>0.40</b>	<b>1.18</b>	<b>2.26</b>	<b>3.67</b>	<b>1.28</b>	<b>1.43</b>	<b>--</b>	<b>1.32</b>
<i>US T-Bills 90 Day</i>				0.46	1.17	2.25	3.59	1.27	1.55	0.98	1.45

## LBWL Defined Benefit Plan and Trust for Employees' Pensions

For the Periods Ending June 30, 2023

	Mar 2023 Market Value (\$000s)	Jun 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
<b>Equity (01/17) *</b>	<b>26,494</b>	<b>26,898</b>	<b>55.00</b>	<b>6.39</b>	<b>5.87</b>	<b>14.16</b>	<b>19.71</b>	<b>11.40</b>	<b>8.48</b>	<b>--</b>	<b>9.88</b>
<b>US Large Cap Equity</b>											
Loomis Sayles (01/13)	6,318	0	0.00	--	--	--	--	--	--	--	--
Vanguard Russell 1000 Value Fund (05/17) *	5,887	0	0.00	--	--	--	--	--	--	--	--
Northern Trust S&P 500 (05/23) *	0	12,588	25.74	6.60	--	--	--	--	--	--	7.07
<i>S&amp;P 500</i>				6.61	8.74	16.89	19.59	14.60	12.31	12.86	7.07
<b>US Small/Mid Cap Equity</b>											
Atlanta Capital (08/18) *	4,504	4,685	9.58	7.47	4.02	5.04	14.01	13.66	--	--	9.09
<i>Russell 2500</i>				8.52	5.22	8.79	13.58	12.29	6.55	9.38	6.25
<b>Non US Equity</b>											
Harding Loevner Int'l Equity (09/17) *	4,838	4,733	9.68	4.63	3.05	11.06	16.91	6.73	4.65	--	5.19
<i>MSCI ACWI ex US</i>				4.54	2.67	9.86	13.33	7.75	4.01	5.24	4.02
Lazard Int'l Equity (09/17) *	4,947	4,893	10.00	6.53	4.08	13.19	16.64	8.13	3.64	--	3.74
<i>MSCI EAFE</i>				4.58	3.22	12.13	19.41	9.48	4.90	5.91	4.95
<b>Fixed Income (01/17) *</b>	<b>17,979</b>	<b>17,913</b>	<b>36.63</b>	<b>0.03</b>	<b>-0.39</b>	<b>2.60</b>	<b>0.91</b>	<b>-1.19</b>	<b>1.85</b>	<b>--</b>	<b>1.82</b>
<b>Core Bonds</b>											
JP Morgan Fixed Income (01/09)	9,202	9,116	18.64	-0.36	-0.90	2.71	-0.33	-2.86	1.29	1.94	3.03
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	2.54
<b>Multi-Sector Fixed Income</b>											
Fidelity Tactical Bond (09/18) *	4,398	4,395	8.99	0.49	-0.17	3.10	3.02	-0.14	--	--	2.71
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	0.65
<b>Absolute Return</b>											
BlackRock Strategic Income Opp (09/17) *	4,379	4,402	9.00	0.40	0.53	2.07	1.92	1.42	2.43	--	2.25
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	0.36
<i>US T-Bills 90 Day + 3.0%</i>				0.70	1.92	3.77	6.69	4.31	4.59	4.01	4.57
<b>Real Assets (01/19) *<sup>3</sup></b>	<b>3,966</b>	<b>3,819</b>	<b>7.81</b>	<b>-3.71</b>	<b>-3.71</b>	<b>-7.36</b>	<b>-10.46</b>	<b>7.06</b>	<b>--</b>	<b>--</b>	<b>5.51</b>
<b>Core Real Estate</b>											
AEW Core Property Trust (01/19) * <sup>3</sup>	3,966	3,819	7.81	-3.71	-3.71	-7.36	-10.46	7.06	--	--	5.51
<i>NFI ODCE Net</i>				-2.84	-2.84	-6.12	-10.70	7.06	5.57	7.78	5.42
<b>Cash &amp; Equivalents (01/17)</b>	<b>200</b>	<b>274</b>	<b>0.56</b>	<b>0.40</b>	<b>1.18</b>	<b>2.26</b>	<b>3.67</b>	<b>1.28</b>	<b>1.43</b>	<b>--</b>	<b>1.32</b>
Cash & Equivalents (01/17)	200	274	0.56	0.40	1.18	2.26	3.67	1.28	1.43	--	1.32
<i>US T-Bills 90 Day</i>				0.46	1.17	2.25	3.59	1.27	1.55	0.98	1.45

All returns prior to 12/31/2016 were calculated by the prior consultant.

\* Net of Fee return data.

<sup>1</sup> Policy Index: Effective May 2023, the index consists of 25.00% S&P 500, 10.00% Russell 2500, 20.00% MSCI ACWI ex US, 40.00% Bloomberg US Aggregate, 5.00% NFI ODCE Net.

<sup>2</sup> Blended Benchmark: Effective August 2018, the index consists of 100.0% Russell 2500.

<sup>3</sup> Valuation and performance are assessed quarterly.

The Fiscal Year End is June.

**Total Portfolio**

**Dollar Reconciliation (\$000s)**

*For the Periods Ending June 30, 2023*

	<b>3 Months</b>	<b>FYTD</b>
<b>Beginning Market Value</b>	<b>48,639</b>	<b>50,209</b>
Net Additions	-1,069	-5,953
Return on Investment	1,335	4,649
<b>Ending Market Value</b>	<b>48,905</b>	<b>48,905</b>

## Market Overview

For the Periods Ending June 30, 2023

	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)
<b>Equity Markets - Core</b>							
S&P 500	6.61	8.74	16.89	19.59	14.60	12.31	12.86
Russell 1000	6.75	8.58	16.68	19.36	14.09	11.92	12.64
Russell 2000	8.13	5.21	8.09	12.31	10.82	4.21	8.26
Russell 2500	8.52	5.22	8.79	13.58	12.29	6.55	9.38
<b>Equity Markets - Growth</b>							
S&P 500 Growth	6.38	10.59	21.25	18.25	11.80	13.01	14.49
Russell 1000 Growth	6.84	12.81	29.02	27.11	13.73	15.14	15.75
Russell 2000 Growth	8.29	7.05	13.55	18.53	6.10	4.22	8.83
Russell 2500 Growth	7.89	6.42	13.38	18.58	6.56	7.00	10.38
<b>Equity Markets - Value</b>							
S&P 500 Value	6.88	6.64	12.15	19.99	16.79	10.58	10.51
Russell 1000 Value	6.64	4.07	5.12	11.54	14.30	8.11	9.22
Russell 2000 Value	7.94	3.18	2.50	6.01	15.43	3.54	7.29
Russell 2500 Value	8.89	4.37	5.83	10.37	16.07	5.32	8.02
<b>International Markets</b>							
MSCI ACWI	5.85	6.35	14.26	17.13	11.51	8.64	9.31
MSCI ACWI ex US	4.54	2.67	9.86	13.33	7.75	4.01	5.24
MSCI EAFE	4.58	3.22	12.13	19.41	9.48	4.90	5.91
MSCI EAFE Growth	3.54	2.94	14.47	20.61	6.62	5.80	6.81
MSCI EAFE Value	5.67	3.54	9.89	18.25	12.08	3.59	4.76
MSCI Emerging Markets	3.89	1.04	5.10	2.22	2.72	1.32	3.33
MSCI World	6.09	7.00	15.43	19.13	12.71	9.63	10.09
MSCI World ex US	4.79	3.30	11.75	18.09	9.88	5.12	5.93
<b>Fixed Income</b>							
ICE BofA ML 1 Yr Treasury Note	0.23	0.42	1.67	1.93	0.23	1.30	0.89
ICE BofA ML High Yield Master II	1.63	1.63	5.42	8.87	3.21	3.19	4.34
Bloomberg US Aggregate	-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52
Bloomberg Intermediate G/C	-0.68	-0.81	1.50	-0.10	-2.46	1.23	1.41
Bloomberg 10 Yr Municipal	0.75	-0.59	2.16	4.03	-0.23	2.29	2.92
Bloomberg US Credit	0.31	-0.31	3.13	1.39	-3.38	1.65	2.51
<b>Real Assets</b>							
NFI ODCE Net	-2.84	-2.84	-6.12	-10.70	7.06	5.57	7.78



## Disclosures and Legal Notice

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This report was prepared by ACG using information from sources that may include the following: client's custodian(s); client's investment manager(s); ACG Investment Manager Database and Client Reporting Tool; third party data vendors; and other outside sources as may be directed by the client. Index Characteristics utilized in this report are obtained from third party data providers and may be different than index characteristics reported by investment managers/funds due to varied calculation methodologies and data sources. Although the information presented herein has been obtained from and is based upon sources ACG believes to be reliable, no representation or warranty, express or implied, is made as to the accuracy or completeness of that information. Accordingly, ACG does not itself endorse or guarantee, and does not itself assume liability whatsoever for, the accuracy or reliability of any third party data or the financial information contained herein.

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**The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) & Public Act 530 of 2016 Pension Report**

Enter Local Government Name	LANSING CITY BOARD OF WATER & LIGHT	Instructions: For a list of detailed instructions on how to complete and submit this form, visit <a href="http://michigan.gov/LocalRetirementReporting">michigan.gov/LocalRetirementReporting</a> .
Enter Six-Digit Municode	337537	
Unit Type	Authority	
Fiscal Year End Month	June	
Fiscal Year (four-digit year only, e.g. 2019)	2023	Questions: For questions, please email <a href="mailto:LocalRetirementReporting@michigan.gov">LocalRetirementReporting@michigan.gov</a> . Return this original Excel file. Do not submit a scanned image or PDF.
Contact Name (Chief Administrative Officer)	Scott Taylor	
Title if not CAO	Director, Accounting, Finance, and Planning	
CAO (or designee) Email Address	<a href="mailto:SCOTT.TAYLOR@LBWL.COM">SCOTT.TAYLOR@LBWL.COM</a>	
Contact Telephone Number	517-702-6104	
Pension System Name (not division) 1	and Trust for Employees' Pensions	If your pension system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
Pension System Name (not division) 2		
Pension System Name (not division) 3		
Pension System Name (not division) 4		
Pension System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	NO	NO	NO	NO	NO
2	Provide the name of your retirement pension system	Calculated from above	Lansing Board of Water and Light Defined Benefit				
<b>3 Financial Information</b>							
4	Enter retirement pension system's assets (system fiduciary net position ending)	Most Recent Audit Report	49,523,234				
5	Enter retirement pension system's liabilities (total pension liability ending)	Most Recent Audit Report	44,514,136				
6	Funded ratio	Calculated	111.3%				
7	Actuarially Determined Contribution (ADC)	Most Recent Audit Report	-				
8	Governmental Fund Revenues	Most Recent Audit Report	448,876,759				
9	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
<b>10 Membership</b>							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	3				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report	1				
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	265				
<b>14 Investment Performance</b>							
15	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	9.43%				
16	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	5.76%				
17	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	7.11%				
<b>18 Actuarial Assumptions</b>							
19	Actuarial assumed rate of investment return	Actuarial Funding Valuation used in Most Recent Audit Report	6.00%				
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report					
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report					
22	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	Yes				
<b>23 Uniform Assumptions</b>							
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	51,887,054				
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	45,304,912				
26	Funded ratio using uniform assumptions	Calculated	114.5%				
27	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	-				
28	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
<b>29 Pension Trigger Summary</b>							
30	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	<b>Primary government triggers:</b> Less than 60% funded <b>AND</b> greater than 10% ADC/Governmental fund revenues. <b>Non-Primary government triggers:</b> Less than 60% funded	NO	NO	NO	NO	NO

**Requirements (For your information, the following are requirements of P.A. 202 of 2017)**  
 Local governments must post the current year report on their website or in a public place.  
 The local government must electronically submit the form to its governing body.  
 Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.  
 Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.

# **Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light**

Financial Statements and  
Supplementary Information

June 30, 2023 and 2022

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Table of Contents  
June 30, 2023 and 2022

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Required Supplementary Information (Unaudited)</b>	
Management's Discussion and Analysis	3
<b>Financial Statements</b>	
Statements of Fiduciary Net Position	5
Statements of Changes in Fiduciary Net Position	6
Notes to Financial Statements	7
<b>Required Supplementary Information (Unaudited)</b>	
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios	17
Schedule of Employer Contributions	18
Schedule of Investment Returns	19
Notes to Required Supplementary Information	20

## **Independent Auditors' Report**

To the Honorable Mayor, Members of the City Council, and Commissioners of the  
Lansing Board of Water and Light

### **Opinion**

We have audited the accompanying financial statements of the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (the Plan), a fiduciary fund of the Lansing Board of Water & Light, as of and for the years ended June 30, 2023 and 2022 and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2023 and 2022 and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the Plan is presenting only the financial statements of the Plan and do not purport to, and do not, present fairly the financial position of the Lansing Board of Water and Light, as of June 30, 2023 and 2022 and the changes in financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
September 22, 2023

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Management's Discussion and Analysis  
June 30, 2023 and 2022  
(Unaudited)

## Using this Annual Report

The annual report consists of two parts: (1) Management's Discussion and Analysis (this section) and (2) the financial statements. The financial statements include notes that explain information in the statements and provide more detail.

## Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior two years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 338,130	\$ 957,009	\$ 1,042,711
Fixed income securities	-	-	286
Mutual funds	156,666,884	138,313,141	170,648,688
Common collective funds	41,345,355	41,956,442	42,010,838
Real estate fund investment	42,471,497	46,922,667	34,030,243
Interest and dividend receivable	13,772	3,091	12,481
Trade receivable, due from broker	-	-	135,656
	<hr/>	<hr/>	<hr/>
Total plan assets	240,835,638	228,152,350	247,880,903
<b>Liabilities:</b>			
Trade payable, due to broker	2,365,067	12,256	137,676
	<hr/>	<hr/>	<hr/>
Net position restricted for pensions	<u>\$ 238,470,571</u>	<u>\$ 228,140,094</u>	<u>\$ 247,743,227</u>
<b>Changes in net position:</b>			
Net investment income (loss)	\$ 21,225,768	\$ (19,249,317)	\$ 49,388,725
Employer contributions	68,076	13,492,757	8,343,977
Retiree benefits paid	(10,627,788)	(13,492,757)	(8,343,977)
Administrative fees	(335,579)	(353,816)	(450,300)
	<hr/>	<hr/>	<hr/>
Net change in net position	<u>\$ 10,330,477</u>	<u>\$ (19,603,133)</u>	<u>\$ 48,938,425</u>

## Investment Results

The fiscal year ended June 30, 2023 saw a net investment gain of \$21.3million. The fiscal year 2022 had a net investment loss of (\$19.2) million, fiscal year 2021 had a net investment gain of \$49.4 million. We believe this performance is consistent with the experience of similarly situated employee benefit funds.

The Lansing Board of Water & Light ("BWL") actuarially determined contribution ("ADC") as determined by the BWL's actuary was \$ 0 in fiscal years 2023 and 2022, and \$220,026 in 2021.

The discount rate was 7.0% in fiscal year 2021, 6.5% in fiscal year 2022 and 2023.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Management's Discussion and Analysis  
June 30, 2023 and 2022  
(Unaudited)

## Investment Objectives and Asset Allocation

The Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (Plan) assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Plan, the BWL has considered the time horizon available for investment, the nature of the Plan's cash flows and liabilities and other factors that affect the Plan's risk tolerance.

The investment of Plan assets is intended to result in moderate, long-term capital appreciation through moderate risk-taking. The Plan's overall investment objective is to earn an average, annual return of 6.5% over five-year rolling periods. Achievement of this objective is likely to result in stable to declining future contribution rates and ensure the ability to pay retirement benefits for all plan participants.

Consistent with the advice of its investment advisor, the BWL has selected the following target asset allocation strategy:

<u>Asset Class</u>	<u>Target Asset Allocation</u>
Core bonds	15 %
Multi-sector	5
Liquid absolute return	5
U.S. large cap equity	30
U.S. small/mid cap equity	10
Non-U.S. Equity	20
Core real estate	8
Value add real estate	7
	<hr/>
Total	100 %

## Future Events

The Plan is currently overfunded, with a funded status (fiduciary net position divided by total pension liability) of 146%. This funding level results in an actuarially determined contribution of \$0 for fiscal year 2024. As a result, the BWL does not expect to make contributions to the trust in fiscal year 2024.

## Contacting the Plan's Management

The financial report is intended to provide a general overview of the Plan's finances and to demonstrate accountability for the funds it administers. Questions about this report should be submitted to Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light, Attn: Retirement Plan Committee, P.O. Box 13007, Lansing, Michigan 48901-3007.



**Post-Retirement Benefit Plan and Trust for  
Eligible Employees of Lansing Board of Water and Light**

Statements of Fiduciary Net Position  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 338,130	\$ 957,009
Investments, fair value:		
Mutual funds, bonds	12,008,494	14,424,432
Mutual funds, equities	144,658,390	123,888,709
Common collective funds	41,345,355	41,956,442
Real estate fund investment	42,471,497	46,922,667
Total investments at fair value	<u>240,483,736</u>	<u>227,192,250</u>
Investment interest and dividend receivable	<u>13,772</u>	<u>3,091</u>
Total assets	<u>240,835,638</u>	<u>228,152,350</u>
<b>Liabilities</b>		
Trade payable, due to broker/other	<u>2,365,067</u>	<u>12,256</u>
Net position restricted for retiree benefits	<u>\$ 238,470,571</u>	<u>\$ 228,140,094</u>

See notes to financial statements



# **Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light**

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Notes to Financial Statements  
June 30, 2023 and 2022

## **1. Summary of Significant Accounting Policies**

### **Reporting Entity**

The Lansing Board of Water & Light (BWL) sponsors the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (Plan), which is a single-employer retiree benefit plan. The Plan was established on October 20, 1999, effective as of July 1, 1999, for the purpose of accumulating assets to fund retiree healthcare insurance costs in future years.

### **Accounting and Reporting Principles**

The Plan follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

### **Basis of Accounting**

Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Employer contributions to the Plan are recognized when due pursuant to legal requirements.

Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

### **Report Presentation**

This report includes the fund-based statements of the Plan.

### **Investment Valuation and Income Recognition**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price.

Purchases and sales of investments are recorded on a trade-date basis.

Appreciation or depreciation of investments is calculated based on the beginning of the period's fair value of investments.

### **Expenses**

Substantially all Plan expenses are paid by the Plan.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Financial Statements  
June 30, 2023 and 2022

## 2. Plan Description

The following description of the Plan provides only general information. Participants should refer to the Plan and Trust Documents for a more complete description of the Plan's provisions.

### General

The Plan was established by the Lansing Board of Water & Light on October 20, 1999 under Section 5-203 of the City Charter. The Plan became effective July 1, 1999. Eligible Participants of the Plan may include BWL employees, former BWL employees and their spouses, dependents or beneficiaries.

The Plan provides medical, dental and life insurance benefits to eligible Participants. Substantially all BWL employees may become eligible Participants of the Plan if they reach normal retirement age while actively employed full-time by the BWL. There were 753 participants eligible to receive benefits at June 30, 2023 and 761 participants eligible at June 30, 2022.

### Trustees

Each voting member of the BWL Board of Commissioners is a Trustee during the term of office as a commissioner. The Trustees have appointed Fifth Third Bank as custodian of the Plan's assets.

### Agreement

The Lansing Board of Water & Light (the Employer) entered into an Administrative Services Agreement (the Agreement) with the Trust for Post-Retirement Benefit Plan for Eligible Employees of Lansing Board of Water & Light (the VEBA or Trust) effective January 1, 2022. The Agreement obligates the Employer to provide the administrative services necessary to pay Plan benefits. The Agreement also governs the conditions related to Trust contributions and disbursements.

### Benefits

Plan benefits shall not be paid to participants or their beneficiaries during a plan year in which there has been a "qualified transfer" pursuant to Internal Revenue Code Section 420(e)(1)(8) from the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pensions, except that once the "qualified transfer" has been exhausted for the purpose of paying qualified current retiree health liabilities, benefit payments may be made under this Plan consistent with Internal Revenue Code Section 420(e)(1)(B). After "qualified transfers" have been exhausted, benefits paid under the Plan shall be those benefits described in the Plan Document.

### Contributions

Section 5-203 of the City Charter grants the authority to establish and amend the contribution requirement of the City and Plan members to BWL. The retiree benefits are paid by BWL's general cash flow to the third party administrators who process participant claims. These payments represent contributions to the Plan. Employer contribution amounts are quantified in the statement of changes in net position. During the years ended June 30, 2023 and 2022, BWL incurred \$68,076 and \$13,492,757 in contributions to the Plan, respectively.

The BWL may make additional contributions in such a manner and at such times as appropriate per the Plan and Trust documents. All contributions received, together with the income thereon, are held, invested, reinvested and administered by the Trustees pursuant to the terms of the Plan. No employee contributions are allowed under this Plan.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Financial Statements  
June 30, 2023 and 2022

Contributions are recognized when due and when the amount to be contributed is committed by the BWL. For the years ended June 30, 2023 and 2022, the contribution rates of the employer were 0.1% and 21.4% of covered-employee payroll, respectively.

## Participation

Participation is determined in accordance with the terms of the Plan. At June 30, 2023, there were 731 active participants (not yet eligible to receive benefits), 69 disabled participants, 534 retired participants and 150 surviving spouses participating in the Plan. At June 30, 2022, there were 696 active participants (not eligible to receive benefits), 71 disabled participants, 537 retired participants and 153 surviving spouses participating in the Plan.

## Vesting

Benefits become payable in accordance with the terms of the Plan. At no time will benefits of the Plan be vested. The BWL may reduce or eliminate any or all Plan benefits at any time, subject to the requirements of any collective bargaining agreement.

## Termination

In the event of Plan termination, all Plan assets shall be used to purchase additional eligible benefits in accordance with the terms of the Plan. In the event of dissolution, merger, consolidation or reorganization of the BWL, the Plan shall terminate and liquidate in a manner consistent with the Plan agreement unless the Plan is continued by a successor to the BWL.

### 3. Cash, Investments and Fair Value Disclosure

The Plan is authorized through Public Act 149 of 1999 to invest in accordance with Public Act 314. Public Act 314 of 1965, as amended, allows the Plan to invest in certain reverse repurchase agreements, stocks, bonds, mutual funds, collective investment funds, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and noninterest bearing).

The Plan's deposits and investment policies are in accordance with PA 196 of 1997 and have authorized the investments according to Michigan PA 314 of 1965, as amended.

The Plan's cash and investments are subject to several types of risk, which are examined in more detail below:

#### Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan requires that financial institutions must meet minimum criteria to offer adequate safety to the Plan. At June 30, 2023 and 2022, the Plan had \$88,130 and \$700,008, respectively, of bank deposits that were uninsured and uncollateralized. The Plan evaluates each financial institution with which it deposits funds and only those institutions meeting minimum established criteria are used as depositories.

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Notes to Financial Statements  
June 30, 2023 and 2022

## Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan does not have a policy for custodial credit risk. At year-end, all investments of the Plan were held in the name of the Plan and are therefore not subject to custodial credit risk.

## Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Plan's investment policy does not restrict investment maturities.

At June 30, 2023, the average maturities of investments are as follows:

Investment	Fair Value	Less Than 1 Year
Mutual funds, bonds	\$ 12,008,494	\$ 12,008,494
Common collective funds	41,345,355	41,345,355
Total	<u>\$ 53,353,849</u>	<u>\$ 53,353,849</u>

At June 30, 2022, the average maturities of investments are as follows:

Investment	Fair Value	Less Than 1 Year
Mutual funds, bonds	\$ 14,424,432	\$ 14,424,432
Common collective funds	41,956,442	41,956,442
Total	<u>\$ 56,380,874</u>	<u>\$ 56,380,874</u>

## Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of June 30, 2023, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bonds	\$ 12,008,494	Not rated	Not rated
Common collective fund	41,345,355	Not rated	Not rated

As of June 30, 2022, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bonds	\$ 14,424,432	Not rated	Not rated
Common collective fund	41,956,442	Not rated	Not rated

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Notes to Financial Statements  
June 30, 2023 and 2022

## Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Plan has no investments subject to concentration of credit risk as of June 30, 2023 and June 30, 2022.

## 4. Tax Status

The Plan is exempt under Internal Revenue Code Section 501(c)(9) and received an exemption letter as of February 9, 2000. The Plan has since been amended. Management believes the Plan continues to operate as a qualified plan.

## 5. Plan Investments - Policy and Rate of Return

BWL's policy regarding the allocation of invested assets is established and may be amended by the BWL Board by a majority vote of its members. It is the policy of the BWL Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2023 and 2022:

Asset Class	2023 Target Allocation	2022 Target Allocation
Core bonds	15.00 %	15.00 %
Multi-sector	5.00	5.00
Liquid absolute return	5.00	5.00
U.S. large cap equity	30.00	30.00
U.S. small/mid cap equity	10.00	10.00
Non-U.S. equity	20.00	20.00
Core real estate	8.00	8.00
Value add real estate	7.00	7.00

*Rate of Return* - For the years ended June 30, 2023 and 2022 the annual money-weighted rate of return on investments, net of investment expense, was 9.52% and (7.77%), respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## 6. Net OPEB Liability (Asset) of BWL

*Net OPEB Liability (Asset) of BWL* - The components of the net OPEB liability (asset) for BWL at June 30, 2023 and 2022 were as follows:

	2023	2022
Total OPEB liability	\$ 163,828,911	\$ 156,408,876
Plan fiduciary net position	238,470,571	228,140,094
BWL's net OPEB liability (asset)	\$ (74,641,660)	\$ (71,731,218)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	145.56 %	145.86 %

## Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Notes to Financial Statements  
June 30, 2023 and 2022

*Actuarial Assumptions* - The June 30, 2023 total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Payroll growth	9.0% growth at age 25 and decreases to 5.3% for ages 60+. This percentage includes general wage inflation and merit / productivity increases
Long-term expected rate of return	6.5%
Healthcare cost trend rates	7.25% for 2023, decreasing 0.25% per year to an ultimate rate of 4.50% in 2034 and later years

*Actuarial Assumptions* - The June 30, 2022 total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Payroll growth	9.0% growth at age 25 and decreases to 5.3% for ages 60+. This percentage includes general wage inflation and merit / productivity increases
Long-term expected rate of return	6.5%
Healthcare cost trend rates	7.25% for 2022, decreasing 0.25% per year to an ultimate rate of 4.50% in 2033 and later years

For the June 30, 2023 and 2022 valuation, mortality rates were based on the PUBH-2010 General Mortality Table projected generationally using MP-2021 scale, respectively.

Best actuarial practices call for a periodic assumption review and BWL had completed a performance study in 2022.

For the June 30, 2023 valuation, the long-term expected rate of return was 6.5%. The rate was determined using a building-block method where expected future real rates of return are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core bonds	2.58 %
Multi-sector	3.54
Liquid absolute return	3.25
U.S. large cap equity	7.17
U.S. small/mid cap equity	8.61
Non-U.S. equity	8.29
Core real estate	6.54
Value add real estate	8.04



## Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Notes to Financial Statements  
June 30, 2023 and 2022

For the June 30, 2022 valuation, the long-term expected rate of return was 6.5%. The rate was determined using a building-block method where expected future real rates of return are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core bonds	2.58 %
Multi-sector	3.53
Liquid absolute return	3.25
U.S. large cap equity	7.13
U.S. small/mid cap equity	8.53
Non-U.S. equity	8.22
Core real estate	6.60
Value add real estate	8.10

**Discount Rate** - The discount rate used to measure the total OPEB liability was 6.5% for June 30, 2023 and 2022, respectively. The discount rate is based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that (a) they are sufficient to pay for the projected benefit payments and (b) the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale) must be used.

**Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate** – The following presents the net OPEB liability (asset) of BWL, as well as what BWL’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current discount rate (6.5%) as of June 30, 2023:

	<u>2023</u>		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ (56,224,193)	\$ (74,641,660)	\$ (90,173,785)

The following presents the net OPEB liability (asset) of BWL, as well as what BWL’s net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current discount rate (6.0%) as of June 30, 2022:

	<u>2022</u>		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ (53,297,418)	\$ (71,731,218)	\$ (87,189,127)

## Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Notes to Financial Statements  
June 30, 2023 and 2022

*Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates* - The following presents the net OPEB liability (asset) of BWL, as well as what BWL's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates as of June 30, 2023 and 2022:

	<b>2023</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Net OPEB liability (asset)	\$ (91,718,544)	\$ (74,641,660)	\$ (53,961,790)
	<b>2022</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Net OPEB liability (asset)	\$ (88,432,330)	\$ (71,731,218)	\$ (51,458,308)

### 7. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022:

## Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

Notes to Financial Statements  
June 30, 2023 and 2022

*Real estate fund investment:* Valued by a certified independent appraiser and an internal expert group. There is also another level of verification by an independent valuation advisor to audit and review both the external and internal valuations performed.

*Mutual and Common Collective Funds -* Valued at the daily closing price as reported by the fund. Mutual and common collective funds held by the Plan are open-end mutual and common collective funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily fair value and to transact at that price. The mutual and common collective funds held by the Plan are deemed to be actively traded.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2023 and 2022:

Investment Type	2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ -	\$ 338,130	\$ -	\$ 338,130
Mutual funds, bonds	-	12,008,494	-	12,008,494
Mutual funds, equities	75,112,945	69,545,445	-	144,658,390
Common collective funds	-	41,345,355	-	41,345,355
Real estate trust investment	42,471,497	-	-	42,471,491
Total	<u>\$ 117,584,442</u>	<u>\$ 123,237,424</u>	<u>\$ -</u>	<u>\$ 240,821,866</u>

Investment Type	2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ -	\$ 957,009	\$ -	\$ 957,009
Mutual funds, bonds	-	14,424,432	-	14,424,432
Mutual funds, equities	29,852,049	94,036,660	-	123,888,709
Common collective funds	-	41,956,442	-	41,956,442
Real estate trust investment	46,922,667	-	-	46,922,667
Total	<u>\$ 76,774,716</u>	<u>\$ 151,374,543</u>	<u>\$ -</u>	<u>\$ 228,149,259</u>

### 8. Risks and Uncertainties

Plan contributions are made and the accrued actuarial liability is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

In addition, the Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

# **Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light**

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Notes to Financial Statements

June 30, 2023 and 2022

## **9. Subsequent Events**

The Plan has evaluated subsequent events occurring through September 22, 2023, the date that the Plan's financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements. There are no subsequent events warranting disclosures.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Post-Retirement Benefit Plan and Trust for  
Eligible Employees of Lansing Board of Water and Light**

Required Supplemental Information (Unaudited)

Schedule of Changes in BWL's -

Net OPEB Liability (Asset) and Related Ratios

Last Ten Fiscal Years

	(In Thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016*	2015*	2014*
<b>Total OPEB Liability</b>										
Service cost	\$ 3,452	\$ 3,299	\$ 3,396	\$ 3,245	\$ 4,403	\$ 4,827	\$ 3,130	\$ -	\$ -	\$ -
Interest	9,827	9,871	10,535	10,804	14,920	15,039	14,226	-	-	-
Changes in benefit terms	-	-	-	-	(415)	-	-	-	-	-
Differences between expected and actual experience	4,770	(1,084)	(8,794)	(6,093)	(5,231)	(9,880)	5,281	-	-	-
Changes in assumptions	-	10,173	(3,752)	7,254	(59,336)	(1,728)	(2,027)	-	-	-
Benefit payments, including refunds	(10,628)	(13,493)	(8,344)	(9,157)	(9,278)	(10,395)	(9,574)	-	-	-
<b>Net Change in Total OPEB Liability</b>	7,421	8,766	(6,959)	6,053	(54,937)	(2,137)	11,036	-	-	-
<b>Total OPEB Liability, Beginning</b>	156,410	147,644	154,603	148,550	203,487	205,624	194,588	-	-	-
<b>Total OPEB Liability, Ending</b>	163,831	156,410	147,644	154,603	148,550	203,487	205,624	-	-	-
<b>Trust Net Position</b>										
Contributions, employer	68	13,493	8,344	9,157	9,278	10,395	9,574	-	-	-
Contributions, member	-	-	-	-	-	-	-	-	-	-
Net investment income	21,226	(19,247)	49,387	4,158	11,688	11,039	18,040	-	-	-
Administrative expenses	(336)	(354)	(449)	(512)	(569)	(634)	(705)	-	-	-
Benefit payments, including refunds	(10,628)	(13,493)	(8,344)	(9,157)	(9,278)	(10,395)	(9,574)	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Net change in Net Position Held in Trust</b>	10,330	(19,601)	48,938	3,646	11,119	10,405	17,335	-	-	-
<b>Trust Fiduciary Net Position, Beginning</b>	228,142	247,743	198,805	195,159	184,040	173,635	156,300	-	-	-
<b>Trust Fiduciary Net Position, Ending</b>	238,472	228,142	247,743	198,805	195,159	184,040	173,635	-	-	-
<b>BWL Net OPEB Liability (Asset), Ending</b>	\$ (74,641)	\$ (71,732)	\$ (100,099)	\$ (44,202)	\$ (46,609)	\$ 19,447	\$ 31,989	\$ -	\$ -	\$ -
<b>Trust Fiduciary Net Position as a % of Total OPEB Liability (Asset)</b>	145.56%	145.86%	167.80%	128.59%	131.38%	90.44%	84.44%	- %	- %	- %
<b>Covered Employee Payroll</b>	\$ 69,744	\$ 62,976	\$ 60,269	\$ 58,198	\$ 56,785	\$ 55,650	\$ 54,383	\$ -	\$ -	\$ -
<b>BWL's Net OPEB Liability (Asset) as a % of Covered Employee Payroll</b>	(107.02%)	(113.90%)	(166.09%)	(75.95%)	(82.08%)	34.95%	58.82%	- %	- %	- %

\*GASB Statement No. 74 was implemented as of June 30, 2017. Information from 2014 - 2016 is not available and this schedule will be presented on a prospective basis.

See notes to required supplementary information

**Post-Retirement Benefit Plan and Trust for  
Eligible Employees of Lansing Board of Water and Light**

Required Supplemental Information (Unaudited)  
Schedule of Employer Contributions  
Last Ten Fiscal Years  
(In Thousands)

Fiscal Year Ended	Employer Contributions		Difference of Required to Actual Contributions	Covered Employee Payroll	Percentage of Actual Contributions to Covered
	Required	Actual			
6/30/2014	\$ 9,200	\$ 9,268	\$ 68	\$ 46,971	20%
6/30/2015	5,762	9,671	3,909	50,885	19%
6/30/2016	5,788	9,423	3,635	53,893	17%
6/30/2017	7,508	9,574	2,066	54,383	18%
6/30/2018	7,535	10,395	2,860	55,650	19%
6/30/2019	7,031	9,278	2,247	56,785	16%
6/30/2020	-	9,157	9,157	58,198	16%
6/30/2021	220	8,344	8,124	60,269	14%
6/30/2022	-	13,493	13,493	62,976	21%
6/30/2023	-	68	68	69,744	0.10%

**Post-Retirement Benefit Plan and Trust for  
Eligible Employees of Lansing Board of Water and Light**

Required Supplemental Information (Unaudited)

Schedule of Investment Returns

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>	<u>2014*</u>
Annual money-weighted rate of return, net of investment expense	9.52%	-7.77%	24.87%	2.13%	6.36%	6.37%	10.01%	0.32%	- %	- %

\*GASB Statement No. 74 was implemented as of June 30, 2017. Information from 2014 - 2015 is not available and this schedule will be presented on a prospective basis.



## Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Required Supplementary Information  
June 30, 2023 and 2022  
(Unaudited)

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2023, based on roll-forward of February 28, 2023 valuation
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal level % of salary method
Amortization method	Level dollar over a 30-year closed period
Remaining amortization period	25 years
Inflation	2.25%
Salary increases	9.0% growth at age 25 and decreases to 5.3% for ages 60+. This percentage includes general wage inflation and merit / productivity increases.
Investment rate of return	6.5% per year compounded annually
Mortality	PUBH-2010 General Mortality Table projected generationally using MP-2021 scale

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2022, based on roll-forward of February 28, 2022 valuation
----------------	---

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal level % of salary method
Amortization method	Level dollar over a 30-year closed period
Remaining amortization period	26 years
Inflation	2.25%
Salary increases	9.0% growth at age 25 and decreases to 5.3% for ages 60+. This percentage includes general wage inflation and merit / productivity increases.
Investment rate of return	6.5% per year compounded annually
Mortality	PUBH-2010 General Mortality Table projected generationally using MP-2021 scale

# Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Required Supplementary Information  
June 30, 2023 and 2022  
(Unaudited)

## Significant Changes

### June 30, 2023

- *Difference Between Actual and Expected Experience* - The \$4.77M actuarial loss on the Total OPEB Liability for the fiscal year ending June 30, 2023 is attributable to the combination of unfavorable demographic experience and unfavorable claims experience for the pre-Medicare retirees. \$1.86M of the actuarial loss is associated with demographic experience. The remaining \$2.91M of the actuarial loss is due to higher than expected 2023 per capita claims cost.
- *Assumption Change* - None.
- *Investment Gain* - The \$6.75M investment gain during the fiscal year ending June 30, 2023 is attributable an actual return on assets of 9.52% vs. an expected return of 6.50%.

### June 30, 2022

- *Difference Between Actual and Expected Experience* - The \$1.08MM actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2022 is attributable to favorable demographic experience. The favorable demographic experience is mainly attributable to deaths (25 participants), termination of active participants and changes in coverage elections.
- *Assumption Change* - The \$10.17MM actuarial loss on the Total OPEB liability for the fiscal year ending June 30, 2022 is attributable to updating the mortality improvement scale to the MP-2022 scale, updating the demographic assumptions to reflect the results of the 2022 experience analysis and decreasing the discount rate from 7.0% to 6.5%. Updating the mortality improvement scale resulted in a \$.38MM actuarial loss. Updating the demographic assumptions resulted in a \$1.73MM actuarial loss. The remaining \$8.06MM of actuarial loss is attributable to decreasing the discount rate from 7.0% to 6.5%.

### June 30, 2021

- *Difference Between Actual and Expected Experience* - The \$8.79MM actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2021 is attributable to the combination of favorable demographic experience and lower than expected 2021 per capita claims cost. \$3.94MM of the actuarial gain is associated with demographic experience and is mainly attributable to deaths (37 participants), termination of active participants and changes in coverage elections. The remaining \$4.85MM of the actuarial gain is due to less than expected 2021 per capita claims cost. The 2021 Humana premiums are slightly lower than what was expected for 2021 (\$321.92 per month vs. \$347.80 per month)
- *Assumption Change* - The \$3.75MM actuarial gain on the Total OPEB liability for the fiscal year ending June 30, 2021 is attributable to updating the mortality improvement scale to the MP-2021 scale and reflecting the updated healthcare trend assumptions set forth in the Michigan Uniform Assumptions memo for the 2021 fiscal year. Updating the mortality improvement scale resulted in a \$1.18MM actuarial gain. The remaining \$2.57MM of the actuarial gain is attributable to reflecting the updated trend assumptions.

## Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Required Supplementary Information  
June 30, 2023 and 2022  
(Unaudited)

### June 30, 2020

- *Difference Between Actual and Expected Experience* - The \$6.09MM gain on the Total OPEB Liability for the fiscal year ending June 30, 2020 is attributable to the combination of unfavorable demographic experience and a reduction in the per capita claims cost used in the June 30, 2020 valuation. The \$1.13MM loss associated with demographic experience is mainly attributable to active participant retirements. The \$7.22MM gain due to a reduction in per capita claims cost is attributable a decrease in the Pre-65 medical and prescription drug premiums for 2020. The 2019 Pre-65 medical and Rx monthly premium for a retiree was \$1,073.13. For 2020, the Pre-65 medical and Rx monthly premium for a retiree is \$957.99, an 11% reduction in monthly premium. The combination of the demographic loss and the reduction in monthly premiums resulted in the overall \$6.09MM actuarial gain.
- *Assumption Change* - The \$7.25MM loss on the Total OPEB liability for the fiscal year ending June 30, 2020 is attributable to updating the mortality improvement scale to the MP-2019 scale and decreasing the discount rate from 7.50% to 7.00%. Updating the mortality improvement scale resulted in a \$.53MM actuarial gain. Whereas, decreasing the discount rate resulted in a \$7.78MM actuarial loss. The combination of these changes resulted in the overall \$7.25MM actuarial loss.

### June 30, 2019

- *Difference Between Actual and Expected Experience* - The \$5.2 million gain on the Total OPEB Liability for the fiscal year ending June 30, 2019 is primarily due to favorable demographic experience. The favorable experience is mainly attributable to terminations of active participants and deaths of participants with and without beneficiaries.
- *Assumption Changes* - (1) The plan experienced a \$54.4 million gain on the Total OPEB Liability due to a change of the assumed per capita claims cost. The Board changed the Plan's insurance provider for Medicare eligible participants from The Hartford and Envision Insurance to Humana. Doing so resulted in a dramatic decrease in both the medical and prescription drug monthly premiums from the prior fiscal year (\$98.99 per month vs. \$219.54 per month for medical coverage and \$213.47 per month vs. \$305.00 per month for prescription drug coverage); (2) The Plan experienced a \$3.8 million loss on the mortality assumption change. The mortality assumption was updated from the RPH-2014 Total Dataset mortality, adjusted to 2006 and projected generationally using the MP-2017 improvement scale to the PUBH-2010 General Employees Mortality, projected generationally using the MP-2018 improvement scale; and (3) The Plan experienced a \$8.7 million gain on a change to the medical and prescription drug trend assumptions. The trend assumptions were changed to those prescribed under the Michigan Uniform Assumptions for the 2019 fiscal year.
- *Change in Benefit Terms* - The Plan experienced a \$.4 million gain due to an expected increase in the retiree contribution percentage for employees hired on or after January 1, 2009. The expected contribution percentage was increased from 14% to 20% of the premium charged to active employees.

## Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light

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Notes to Required Supplementary Information  
June 30, 2023 and 2022  
(Unaudited)

### June 30, 2018

- *Difference Between Actual and Expected Experience* - The \$9.9 million gain on the Total OPEB Liability for the fiscal year ending June 30, 2018 is attributable to a reduction in the per capita claims cost used in the 6/30/2018 valuation. Better than expected claims experience during the fiscal year resulted in a decrease in the projected claims when compared to those used in the 6/30/2017 valuation.
- *Assumption Change* - The mortality improvement scale was updated to the MP-2017 scale.



**Lansing Board of Water and Light**

**Post-Retirement Benefit Plan for Eligible Employees**

**June 30, 2023 GASB 74/75 Actuarial Valuation Report**

**July 19, 2023**

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Table of Contents**

<b>Executive Summary</b>	3
<b>Actuarial Certification</b>	5
<b>GASB 74/75 Exhibits</b>	
Summary of Key Results	6
Present Value of Future Benefits	7
Total OPEB Liability	8
Statement of Fiduciary Net Position	9
Statement of Changes in Fiduciary Net Position	10
Changes in the Net OPEB Liability	11
Schedule of Changes in the Net OPEB Liability	12
Development of Net OPEB Liability (Gain)/Loss	14
Notes to Schedule of Changes in the Net OPEB Liability	15
Sensitivity Analysis	16
OPEB Expense	17
Deferred Inflows and Outflows	18
Amortization Schedule	19
Rate of Return	20
Actuarially Determined Contribution	21
Schedule of Contributions	22
Historical Contributions	23
Expected Employer Pay As You Go Cost	24
<b>Valuation Data</b>	
Data Summary - Active Participants	25
Age & Service Distribution - Active Participants	26
Data Summary - Inactive Participants	27
Age Distribution - Inactive Participants	28
Census Data Reconciliation	29
<b>Summary of Assumptions and Methods</b>	30
<b>Summary of Plan Provisions</b>	36
<b>Glossary</b>	38

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Executive Summary**

**Governmental accounting requirements and purpose of this report**

The Governmental Accounting Standards Board Statements No. 74 and No. 75 require trusts (GASB 74) and employers (GASB 75) to accrue the cost associated with other post-employment benefits ("OPEB") while eligible employees are providing services to the employer. Lansing Board of Water and Light (the "Board") adopted GASB 74/75 for the fiscal year ending June 30, 2018.

The purpose of this actuarial valuation report is to provide the Board with:

- 1) The amount of accrued liability related to the Board's OPEB plan (Net OPEB Liability) using the most recent census data, discount rate and healthcare trend rates;
- 2) Projected cash contributions (pay-as-you-go costs); and
- 3) The GASB 74/75 expense and disclosure information needed to fulfill the Board's financial reporting requirements for the current fiscal year.

<b>Key measures for the prior and current fiscal years</b>	<b>6/30/2022</b>	<b>6/30/2023</b>
Active participants	696	731
Retired participants	<u>761</u>	<u>753</u>
Total	1,457	1,484
Present value of future benefits (PVFB)	\$ 191,421,650	\$ 208,397,501
Total OPEB liability (TOL)	\$ 156,408,876	\$ 163,828,911
Fiduciary net position (FNP)	228,140,094	238,470,571
Net OPEB liability (NOL)	(71,731,218)	(74,641,660)
Funded ratio	145.86%	145.56%
OPEB expense	\$ (12,431,882)	\$ (10,727,622)
Expected contributions in upcoming fiscal year	\$ 9,208,733	\$ 68,000

**Key assumptions**

Census date	2/28/2022	2/28/2023
Valuation date	6/30/2022	6/30/2023
Measurement date	6/30/2022	6/30/2023
Discount rate	6.50%	6.50%
Healthcare trend rates		
Year 1	7.25%	7.25%
Year 2	7.00%	7.00%
Ultimate	4.50%	4.50%
Year ultimate trend rate is achieved	2033	2034
Actuarial cost method	Entry Age Normal	Entry Age Normal

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Executive Summary (continued)**

**Discount rate**

Projected benefit payments are required to be discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 3.65% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Bond GO Index"); and the resulting Single Discount Rate is 6.50%.

The projection of cash flows used to determine the discount rate assumes that Lansing Board of Water and Light will make contributions based on its VEBA Funding Policy. Based on this policy, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate is equal to long-term expected rate of return on OPEB plan investments.

**Assumption and method changes since the prior valuation**

The assumed Medicare Part B premium reimbursement was decreased from \$1,837 per year to \$1,781 per year.

**Plan provision changes since the prior valuation** - None.

**Funding policy**

The Board funds the plan in accordance with the provisions of the Lansing Board of Water and Light VEBA Funding Policy.



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Actuarial Certification**

July 19, 2023

This report presents actuarial and accounting results related to the Lansing Board of Water and Light Post-Retirement Benefit Plan for Eligible Employees (the "Plan"). Results herein were prepared pursuant to Governmental Accounting Standards Board Statements 74 and 75 ("GASB 74/75").

The primary purpose of this report is to provide financial statement information pursuant to GASB 74/75 for the fiscal year ending June 30, 2023. The results of our calculations are set forth in this report, as are the actuarial assumptions and methods and a brief summary of the eligibility criteria and benefits for retirees.

To the best of our knowledge, the information supplied in this report is complete and accurate. The analysis and calculations were conducted in a manner consistent with the Standards of Professional Conduct, Qualifications, and Practice of the American Academy of Actuaries and consistent with the standards of practice of the Actuarial Standards Board.

All costs, liabilities, rates of interest, and other factors under the Plan have been determined on the basis of actuarial assumptions and methods which are reasonable and consistent with our understanding of GASB 74/75. All assumptions have been discussed with the Lansing Board of Water and Light and appear to represent the best estimate of anticipated experience under the Plan. In preparing this report we relied on the census data, plan provisions, and other plan financial information provided by the Lansing Board of Water and Light. Actuarial computations under GASB 74/75 are for purposes of fulfilling employer financial accounting requirements. Determinations for purposes other than meeting employer financial accounting requirements may be significantly different from the results contained in this report.

Respectfully Submitted,

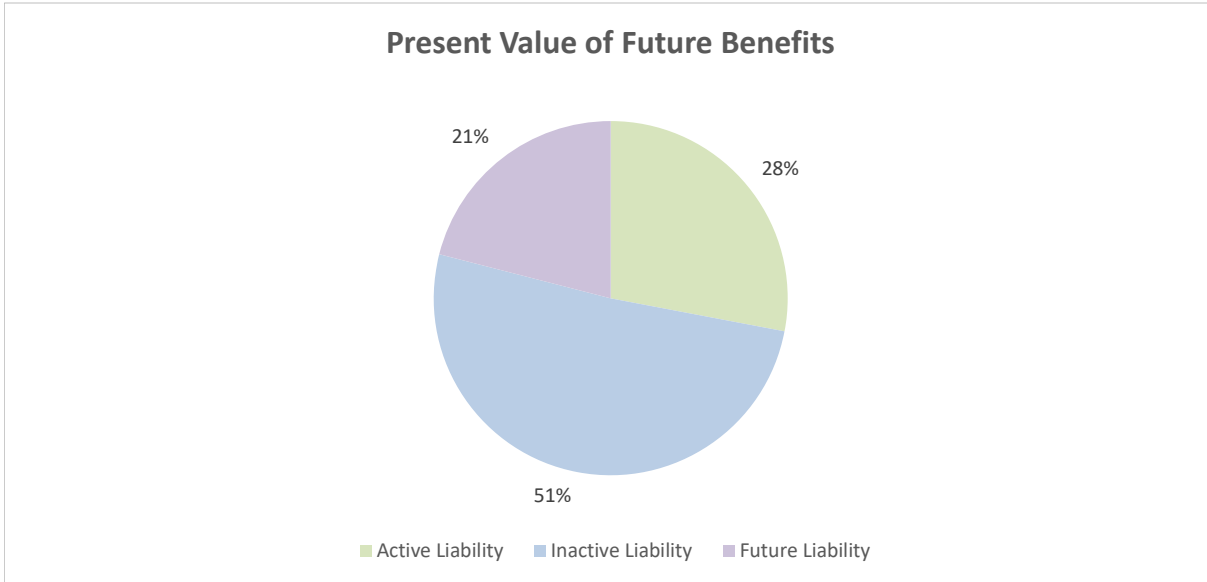


Mark W. Miller, FCA, EA, ASA, MAAA  
Benassist Retirement Consulting, LLC

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Key Results**

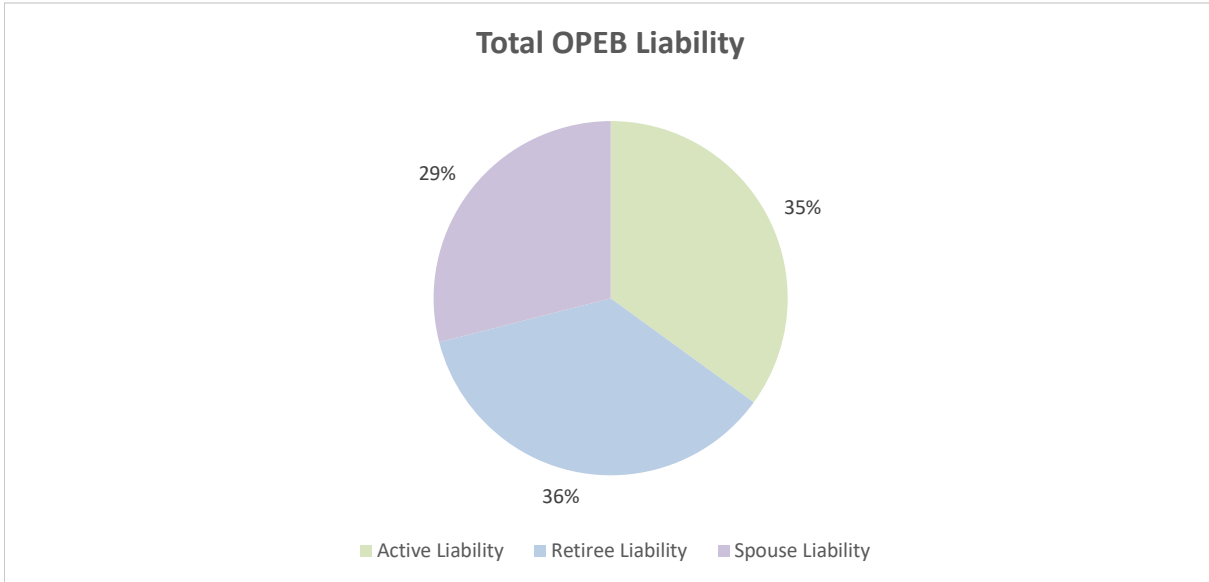
	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Census data summary</b>		
Active participants	696	731
Retired participants	<u>761</u>	<u>753</u>
Total	1,457	1,484
Covered payroll	\$ 62,975,762	\$ 69,744,202
<b>Present value of future benefits (PVFB)</b>		
Active participants	\$ 85,799,208	\$ 102,484,637
Retired participants	<u>105,622,442</u>	<u>105,912,864</u>
Total	<u>\$ 191,421,650</u>	<u>\$ 208,397,501</u>
<b>Present value of future normal costs (PVFNC)</b>	\$ 35,012,774	\$ 44,568,590
<b>Total OPEB Liability (TOL)</b>		
Active participants	\$ 50,786,434	\$ 57,916,047
Retired participants	<u>105,622,442</u>	<u>105,912,864</u>
Total	<u>\$ 156,408,876</u>	<u>\$ 163,828,911</u>
<b>Fiduciary net position (FNP)</b>	\$ 228,140,094	\$ 238,470,571
<b>Net OPEB liability (NOL)</b>	\$ (71,731,218)	\$ (74,641,660)
<b>Funded status</b>	145.86%	145.56%
<b>OPEB expense</b>	\$ (12,431,882)	\$ (10,727,622)
<b>Contribution</b>		
Actuarially determined contribution	\$ 0	\$ 0
Actuarially determined contribution as a % payroll	0.00%	0.00%

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Present Value of Future Benefits**



	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Present value of future benefits</b>		
Active participants	\$ 85,799,208	\$ 102,484,637
Inactive participants		
Retirees	\$ 60,316,588	\$ 59,195,236
Spouses	<u>45,305,854</u>	<u>46,717,628</u>
Total inactive	105,622,442	105,912,864
Total	<u>\$ 191,421,650</u>	<u>\$ 208,397,501</u>
<b>Fiduciary net position (FNP)</b>	\$ 228,140,094	\$ 238,470,571
<b>Unfunded present value of future benefits (surplus)</b>	\$ (36,718,444)	\$ (30,073,070)
<b>Funded ratio</b>	119.18%	114.43%
<b>Discount rate</b>	6.50%	6.50%

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Total OPEB Liability**



	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Total OPEB liability</b>		
Active participants	\$ 50,786,434	\$ 57,916,047
Inactive participants		
Retirees	\$ 60,316,588	\$ 59,195,236
Spouses	<u>45,305,854</u>	<u>46,717,628</u>
Total inactive	105,622,442	105,912,864
Total	<u>\$ 156,408,876</u>	<u>\$ 163,828,911</u>
<b>Fiduciary net position (FNP)</b>	\$ 228,140,094	\$ 238,470,571
<b>Net OPEB liability (NOL)</b>	\$ (71,731,218)	\$ (74,641,660)
<b>Funded ratio</b>	145.86%	145.56%
<b>Service cost</b>	\$ 3,240,889	\$ 3,944,491
<b>Discount rate</b>	6.50%	6.50%

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Statement of Fiduciary Net Position**

	6/30/2022	6/30/2023
<b>Assets</b>		
Cash and deposits	\$ 944,753	\$ 338,130
Receivables		
Contributions	0	0
Due from broker for investments sold	0	0
Net receivable on investments	<u>3,091</u>	<u>13,772</u>
Total receivables	\$ 3,091	\$ 13,772
Investments		
U.S. government and agencies	0	0
Corporate bonds and notes	0	0
U.S. common stocks	29,852,049	75,112,945
Common collective fund - other	41,956,442	41,345,355
Mutual funds	108,461,092	81,553,939
Real estate	<u>46,922,667</u>	<u>42,471,497</u>
Total investments	\$ 227,192,250	\$ 240,483,736
 Total assets	 \$ 228,140,094	 \$ 240,835,638
<b>Liabilities</b>		
Payables:		
Investment management fees	\$ 0	\$ 0
Reimbursement for benefits paid directly by employer	0	\$ (2,365,067)
Due to broker for investments purchased	<u>0</u>	<u>0</u>
Total payables	\$ 0	\$ (2,365,067)
 Total liabilities	 \$ 0	 \$ (2,365,067)
 <b>Net position restricted for OPEBs</b>	 <u>\$ 228,140,094</u>	 <u>\$ 238,470,571</u>

*Investment Policy* - A detailed description of the investment policy for the plan can be found in the Trust Agreement for Post-Retirement Benefit Plan for Eligible Employees of Lansing Board of Water and Light.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Statement of Changes in Fiduciary Net Position**

	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Additions</b>		
Contributions		
Employer	\$ 13,492,757	\$ 68,076
Employee	<u>0</u>	<u>0</u>
Total contributions	\$ 13,492,757	\$ 68,076
Investment income		
Net increase in fair value of investments	\$ (27,119,327)	\$ 15,226,433
Interest and dividends	7,872,032	5,999,336
Less investment expense	<u>0</u>	<u>0</u>
Net investment income	\$ (19,247,295)	\$ 21,225,769
Total additions	\$ (5,754,538)	\$ 21,293,845
<b>Deductions</b>		
Benefit payments	\$ (13,492,757)	\$ (10,627,788)
Administrative expenses	<u>(353,816)</u>	<u>(335,580)</u>
Total deductions	\$ (13,846,573)	\$ (10,963,368)
<b>Net increase in net position</b>	\$ (19,601,111)	\$ 10,330,477
<b>Net position restricted for OPEBs</b>		
Beginning of year	\$ 247,741,205	\$ 228,140,094
End of year	<u>\$ 228,140,094</u>	<u>\$ 238,470,571</u>

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>Balances at 6/30/2022</b>	\$ 156,408,876	\$ 228,140,094	\$ (71,731,218)
<b>Changes for the year</b>			
Service cost	3,451,547	0	3,451,547
Interest	9,826,611	0	9,826,611
Change of benefit terms	0	0	0
Differences between expected and actual experience	4,769,665	0	4,769,665
Changes in assumptions or other inputs	0	0	0
Contributions - employer	0	68,076	(68,076)
Contributions - retiree	0	0	0
Net investment income	0	21,225,769	(21,225,769)
Benefit payments and refunds of employee contributions	(10,627,788)	(10,627,788)	0
Administrative expense	0	(335,580)	335,580
Other changes	0	0	0
<b>Net changes</b>	<u>\$ 7,420,035</u>	<u>\$ 10,330,477</u>	<u>\$ (2,910,442)</u>
<b>Balances at 6/30/2023</b>	\$ 163,828,911	\$ 238,470,571	\$ (74,641,660)

Note

The Net OPEB Liability (NOL) is equal to the Total OPEB Liability (TOL) minus the Fiduciary Net Position (FNP), or market value of assets. OPEB Expense includes amounts for: service cost, interest on the TOL, changes in the benefit structure, recognition of increases/decreases in liability due to actual vs. expected experience, actuarial assumption changes, investment gains/losses on the market value of assets and expected return on plan assets. The impact of actual experience and assumption changes are recognized over the average expected remaining service life of the plan participants, while investment gains/losses are recognized equally over five years.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Schedule of Changes in the Net OPEB Liability**

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
<b>Total OPEB liability</b>					
Service cost	\$ 3,451,547	\$ 3,299,279	\$ 3,394,619	\$ 3,244,596	\$ 4,402,631
Interest	9,826,611	9,870,713	10,535,088	10,804,062	14,919,912
Change of benefit terms	0	0	0	0	(414,594)
Differences between expected and actual experience	4,769,665	(1,083,990)	(8,793,909)	(6,092,830)	(5,231,311)
Change in assumptions or other inputs	0	10,173,162	(3,752,038)	7,253,746	(59,336,488)
Benefit payments	(10,627,788)	(13,492,757)	(8,343,977)	(9,156,565)	(9,277,538)
Refunds of contributions	0	0	0	0	0
<b>Net change in total OPEB liability</b>	<u>\$ 7,420,035</u>	<u>\$ 8,766,407</u>	<u>\$ (6,960,217)</u>	<u>\$ 6,053,009</u>	<u>\$ (54,937,388)</u>
<b>Total OPEB liability - beginning</b>	<u>156,408,876</u>	<u>147,642,469</u>	<u>154,602,686</u>	<u>148,549,677</u>	<u>203,487,065</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 163,828,911</u>	<u>\$ 156,408,876</u>	<u>\$ 147,642,469</u>	<u>\$ 154,602,686</u>	<u>\$ 148,549,677</u>
<b>Fiduciary net position</b>					
Contributions - employer	\$ 68,076	\$ 13,492,757	\$ 8,343,977	\$ 9,156,565	\$ 9,277,538
Contributions - non-employer	0	0	0	0	0
Contributions - member	0	0	0	0	0
Net investment income	21,225,769	(19,247,295)	49,386,703	4,158,328	11,687,551
Benefit payments	(10,627,788)	(13,492,757)	(8,343,977)	(9,156,565)	(9,277,538)
Administrative expense	(335,580)	(353,816)	(450,300)	(512,101)	(568,600)
Refunds of contributions	0	0	0	0	0
Other	0	0	0	0	0
<b>Net change in fiduciary net position</b>	<u>10,330,477</u>	<u>(19,601,111)</u>	<u>48,936,403</u>	<u>3,646,227</u>	<u>11,118,951</u>
<b>Fiduciary net position - beginning</b>	<u>228,140,094</u>	<u>247,741,205</u>	<u>198,804,802</u>	<u>195,158,575</u>	<u>184,039,624</u>
<b>Fiduciary net position - ending (b)</b>	<u>\$ 238,470,571</u>	<u>\$ 228,140,094</u>	<u>\$ 247,741,205</u>	<u>\$ 198,804,802</u>	<u>\$ 195,158,575</u>
<b>Net OPEB liability - ending (a)-(b)</b>	<u>\$ (74,641,660)</u>	<u>\$ (71,731,218)</u>	<u>\$ (100,098,736)</u>	<u>\$ (44,202,116)</u>	<u>\$ (46,608,898)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	145.56%	145.86%	167.80%	128.59%	131.38%
Covered payroll	69,744,202	62,975,762	60,269,205	58,198,143	56,785,166
Net OPEB liability as a percentage of covered payroll	-107.02%	-113.90%	-166.09%	-75.95%	-82.08%



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Schedule of Changes in the Net OPEB Liability (continued)**

	6/30/2018	6/30/2017
<b>Total OPEB liability</b>		
Service cost	\$ 4,826,401	\$ 3,130,487
Interest	15,039,052	14,226,364
Change of benefit terms	0	0
Differences between expected and actual experience	(9,879,514)	5,280,548
Change in assumptions or other inputs	(1,727,939)	(2,027,643)
Benefit payments	(10,395,327)	(9,573,671)
Refunds of contributions	0	0
<b>Net change in total OPEB liability</b>	<u>\$ (2,137,327)</u>	<u>\$ 11,036,085</u>
<b>Total OPEB liability - beginning</b>	<u>205,624,392</u>	<u>194,588,307</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 203,487,065</u>	<u>\$ 205,624,392</u>
<b>Fiduciary net position</b>		
Contributions - employer	\$ 10,395,327	\$ 9,573,671
Contributions - non-employer	0	0
Contributions - member	0	0
Net investment income	11,038,903	18,039,508
Benefit payments	(10,395,327)	(9,573,671)
Administrative expense	(634,336)	(704,793)
Refunds of contributions	0	0
Other	0	0
<b>Net change in fiduciary net position</b>	<u>10,404,567</u>	<u>17,334,715</u>
<b>Fiduciary net position - beginning</b>	<u>173,635,057</u>	<u>156,300,342</u>
<b>Fiduciary net position - ending (b)</b>	<u>\$ 184,039,624</u>	<u>\$ 173,635,057</u>
<b>Net OPEB liability - ending (a)-(b)</b>	<u>\$ 19,447,441</u>	<u>\$ 31,989,335</u>
Plan fiduciary net position as a percentage of the total OPEB liability	90.44%	84.44%
Covered payroll	55,650,345	54,382,507
Net OPEB liability as a percentage of covered payroll	34.95%	58.82%

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Development of Net OPEB Liability (Gain)/Loss**

	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Total OPEB liability</b>		
Total OPEB liability at BOY	\$ 147,642,469	\$ 156,408,876
Service cost	3,299,279	3,451,547
Benefit payments	(13,492,757)	(10,627,788)
Expected interest	9,870,713	9,826,611
Assumption change	10,173,162	0
Plan change	<u>0</u>	<u>0</u>
Expected total OPEB liability at EOY	157,492,866	159,059,246
Actual total OPEB liability at EOY	156,408,876	163,828,911
Total OPEB liability (gain)/loss	<u>\$ (1,083,990)</u>	<u>\$ 4,769,665</u>
<b>Fiduciary net position</b>		
Fiduciary net position at BOY	\$ 247,741,205	\$ 228,140,094
Employer contributions	13,492,757	68,076
Employee contributions	0	0
Benefit payments	(13,492,757)	(10,627,788)
Administrative expenses	(353,816)	(335,580)
Expected net investment income	<u>17,329,710</u>	<u>14,480,583</u>
Expected fiduciary net position at EOY	264,717,099	231,725,385
Actual fiduciary net position at EOY	228,140,094	238,470,571
Fiduciary net position (gain)/loss	<u>\$ 36,577,005</u>	<u>\$ (6,745,186)</u>
<b>Net OPEB liability (gain)/loss</b>	<u>\$ 35,493,015</u>	<u>\$ (1,975,521)</u>

Note

Notes for the FYE June 30, 2023 shown above are provided on page 15.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Notes to Schedule of Changes in the Net OPEB Liability**

**June 30, 2023**

- Difference between actual and expected experience - The \$4.77M actuarial loss on the Total OPEB Liability for the fiscal year ending June 30, 2023 is attributable to the combination of unfavorable demographic experience and unfavorable claims experience for the pre-Medicare retirees. \$1.86M of the actuarial loss is associated with demographic experience. The remaining \$2.91M of the actuarial loss is due to higher than expected 2023 per capita claims cost.
- Assumption change - None.
- Investment gain - The \$6.75M investment gain during the fiscal year ending June 30, 2023 is attributable an actual return on assets of 9.52% vs. an expected return of 6.50%.

**June 30, 2022**

- Difference between actual and expected experience - The \$1.08MM actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2022 is attributable to favorable demographic experience. The favorable demographic experience is mainly attributable to deaths (25 participants), termination of active participants and changes in coverage elections.
- Assumption change - The \$10.17MM actuarial loss on the Total OPEB liability for the fiscal year ending June 30, 2022 is attributable to updating the mortality improvement scale to the MP-2021 scale, updating the demographic assumptions to reflect the results of the 2022 experience analysis and decreasing the discount rate from 7.00% to 6.50%. Updating the mortality improvement scale resulted in a \$.38MM actuarial loss. Updating the demographic assumptions resulted in a \$1.73MM actuarial loss. The remaining \$8.06MM of the actuarial loss is attributable decreasing the discount rate from 7.00% to 6.50%.
- Investment loss - The \$36.58MM investment loss during the fiscal year ending June 30, 2022 is attributable an actual return on assets of -7.77% vs. an expected return of 7.00%.

**June 30, 2021**

- Difference between actual and expected experience - The \$8.79MM actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2021 is attributable to the combination of favorable demographic experience and lower than expected 2021 per capita claims cost. \$3.94MM of the actuarial gain is associated with demographic experience and is mainly attributable to deaths (37 participants), termination of active participants and changes in coverage elections. The remaining \$4.85MM of the actuarial gain is due to less than expected 2021 per capita claims cost. The 2021 Humana premiums are slightly lower than what was expected for 2021 (\$321.92 per month vs. \$347.80 per month)
- Assumption change - The \$3.75MM actuarial gain on the Total OPEB liability for the fiscal year ending June 30, 2021 is attributable to updating the mortality improvement scale to the MP-2020 scale and reflecting the updated healthcare trend assumptions set forth in the Michigan Uniform Assumptions memo for the 2021 fiscal year. Updating the mortality improvement scale resulted in a \$1.18MM actuarial gain. The remaining \$2.57MM of the actuarial gain is attributable to reflecting the updated trend assumptions.
- Investment gain - The \$35.49MM investment gain during the fiscal year ending June 30, 2021 is attributable an actual return on assets of 24.87% vs. an expected return of 7.00%.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Sensitivity Analysis**

**Sensitivity of the net OPEB liability to changes in the discount rate** - The following presents the net OPEB liability, calculated using the discount rate of 6.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	<b>1% Decrease (5.5%)</b>	<b>Current Discount Rate (6.5%)</b>	<b>1% Increase (7.5%)</b>
Net OPEB liability (asset)	\$ (56,224,193)	\$ (74,641,660)	\$ (90,173,785)

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates** - The following presents the net OPEB liability as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Rates</b>	<b>1% Increase</b>
Net OPEB liability (asset)	\$ (91,718,544)	\$ (74,641,660)	\$ (53,961,790)

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**

**OPEB Expense**

	<b>6/30/2022</b>	<b>6/30/2023</b>
Service cost with interest	\$ 3,299,279	\$ 3,451,547
Interest on the total OPEB liability	9,870,713	9,826,611
Change of benefit terms	0	0
Expensed portion of current-period difference between expected and actual experience in the total OPEB liability	(177,572)	756,537
Expensed portion of current-period changes in assumptions	1,666,502	0
Expensed portion of current-period difference between expected and actual earnings on plan investments	7,315,401	(1,349,037)
Employee contributions	0	0
Expected earnings on OPEB plan investments	(17,329,710)	(14,480,583)
Administrative expenses	353,816	335,580
Recognition of deferred inflows	(22,306,029)	(22,327,629)
Recognition of deferred outflows	<u>4,875,718</u>	<u>13,059,352</u>
<b>OPEB Expense</b>	<b><u>\$ (12,431,882)</u></b>	<b><u>\$ (10,727,622)</u></b>
Census date	2/28/2022	2/28/2023
Measurement date	6/30/2022	6/30/2023
Reporting date	6/30/2022	6/30/2023
Discount rate	6.50%	6.50%
Expected return on assets	6.50%	6.50%

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Deferred Inflows and Outflows**

The following table provides a summary of the deferred inflows and outflows as of 6/30/2023.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,013,128	\$ (9,327,630)
Changes of assumptions or other inputs	9,452,248	(14,780,716)
Net difference between projected and actual earnings on plan investments	<u>24,038,144</u>	<u>(19,590,494)</u>
Total	\$ 37,503,520	\$ (43,698,840)

Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future years as follows:

Year Ended June 30	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2024	\$ 12,990,795	\$ (22,392,696)
2025	10,898,854	(15,180,482)
2026	10,029,702	(3,718,599)
2027	2,423,039	(2,388,505)
2028	930,687	(18,558)
Thereafter	230,443	0

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Amortization Schedule**

<b>Date Established</b>	<b>Description</b>	<b>Initial Amount</b>	<b>Outstanding Balance</b>	<b>Years Remaining</b>	<b>2023 Installment</b>
6/30/2017	Actuarial (Gain)/Loss	\$ 5,280,548	\$ 0	0.00	\$ 406,196
6/30/2018	Actuarial (Gain)/Loss	(9,879,514)	(588,436)	0.38	(1,548,513)
6/30/2019	Actuarial (Gain)/Loss	(5,231,311)	(1,117,286)	1.36	(822,805)
6/30/2020	Actuarial (Gain)/Loss	(6,092,830)	(2,194,042)	2.25	(974,697)
6/30/2021	Actuarial (Gain)/Loss	(8,793,909)	(4,699,020)	3.44	(1,364,963)
6/30/2022	Actuarial (Gain)/Loss	(1,083,990)	(728,846)	4.10	(177,572)
6/30/2023	Actuarial (Gain)/Loss	4,769,665	<u>4,013,128</u>	5.30	<u>756,537</u>
Total			\$ (5,314,502)		\$ (3,725,817)
6/30/2017	Assumption Change	\$ (2,027,643)	\$ 0	0.00	\$ (155,973)
6/30/2018	Assumption Change	(1,727,939)	(102,917)	0.38	(270,837)
6/30/2019	Assumption Change	(59,336,488)	(12,672,898)	1.36	(9,332,718)
6/30/2020	Assumption Change	7,253,746	2,612,090	2.25	1,160,414
6/30/2021	Assumption Change	(3,752,038)	(2,004,901)	3.44	(582,379)
6/30/2022	Assumption Change	10,173,162	6,840,158	4.10	1,666,502
6/30/2023	Assumption Change	0	<u>0</u>	5.30	<u>0</u>
Total			\$ (5,328,468)		\$ (7,514,991)
6/30/2017	Investment (Gain)/Loss	\$ (6,286,361)	\$ 0	0.00	\$ 0
6/30/2018	Investment (Gain)/Loss	1,960,369	0	0.00	0
6/30/2019	Investment (Gain)/Loss	2,094,485	0	0.00	418,897
6/30/2020	Investment (Gain)/Loss	10,459,709	2,091,941	1.00	2,091,942
6/30/2021	Investment (Gain)/Loss	(35,485,861)	(14,194,345)	2.00	(7,097,172)
6/30/2022	Investment (Gain)/Loss	36,577,005	21,946,203	3.00	7,315,401
6/30/2023	Investment (Gain)/Loss	(6,745,186)	<u>(5,396,149)</u>	4.00	<u>(1,349,037)</u>
Total			\$ 4,447,650		\$ 1,380,031

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Rate of Return**

The long-term expected rate of return on plan investments was determined using a building-block method where expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the VEBA plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core bonds	15.00%	2.58%
Multi-sector	5.00%	3.54%
Liquid absolute return	5.00%	3.25%
U.S. large cap equity	30.00%	7.17%
U.S. small cap equity	10.00%	8.61%
Non-U.S. equity	20.00%	8.29%
Core real estate	8.00%	6.54%
Value add real estate	7.00%	8.04%
Total	100.00%	

Notes

- (1) The amounts shown above were provided ACG Asset Consulting Group.
- (2) The Long-Term Expected Real Rate of Return equals the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.
- (3) The long-term expected rate of return for the June 30, 2023 measurement date is 6.50%.



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Actuarially Determined Contribution**

	<b>FYE 6/30/2023</b>	<b>FYE 6/30/2024</b>
Normal cost	\$ 3,451,547	\$ 4,200,883
Actuarial accrued liability (beginning of year)	156,408,876	163,828,911
Market value of assets (beginning of year)	228,140,094	238,470,571
Unfunded actuarial accrued liability	(71,731,218)	(74,641,660)
Net amortization charges / (credits)	(5,521,720)	(5,845,017)
Interest to the end of year	(358,912)	(379,926)
Administrative expenses	<u>354,000</u>	<u>336,000</u>
Actuarially determined contribution	<u>\$ 0</u>	<u>\$ 0</u>
Expected benefit disbursements	\$ 9,208,733	\$ 10,176,053
Covered payroll	\$ 62,975,762	\$ 69,744,202
Percentage of covered payroll	0.00%	0.00%
Discount rate	6.50%	6.50%
Amortization period	25 Years	24 Years
	Closed	Closed

**Note**

For the FYE June 30, 2023, administrative expenses are assumed to equal the expenses for the prior year rounded up to the next \$1,000.

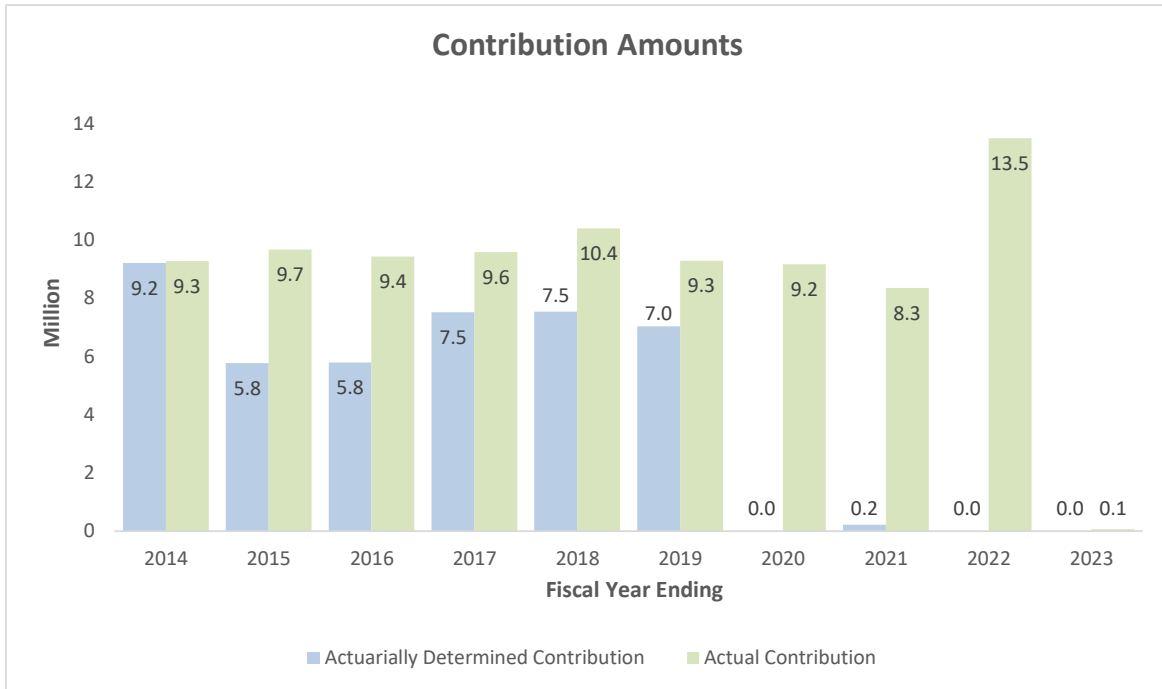
**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Schedule of Contributions**

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Actuarially determined employer contribution	\$ 0	\$ 0	\$ 220,026	\$ 0	\$ 7,030,548	\$ 7,534,978	\$ 7,507,689	\$ 5,787,960	\$ 5,762,462	\$ 9,199,669
Actual employer contributions	\$ 68,076	\$ 13,492,757	\$ 8,343,977	\$ 9,156,565	\$ 9,277,538	\$ 10,395,327	\$ 9,573,671	\$ 9,423,081	\$ 9,670,794	\$ 9,268,334
Annual contribution deficiency (excess)	\$ (68,076)	\$ (13,492,757)	\$ (8,123,951)	\$ (9,156,565)	\$ (2,246,990)	\$ (2,860,349)	\$ (2,065,982)	\$ (3,635,121)	\$ (3,908,332)	\$ (68,665)
Covered payroll	\$ 69,744,202	\$ 62,975,762	\$ 60,269,205	\$ 58,198,143	\$ 56,785,166	\$ 55,650,345	\$ 54,382,507	\$ 53,892,858	\$ 50,885,058	\$ 46,971,463
Actual contributions as a percentage of covered payroll	0.10%	21.43%	13.84%	15.73%	16.34%	18.68%	17.60%	17.48%	19.01%	19.73%

Note

The actual employer contributions for fiscal years 2017 through 2023 include employer contributions for pay as you go cost paid from the General Fund and pre-funding contributions deposited into the OPEB Trust.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Historical Contributions**

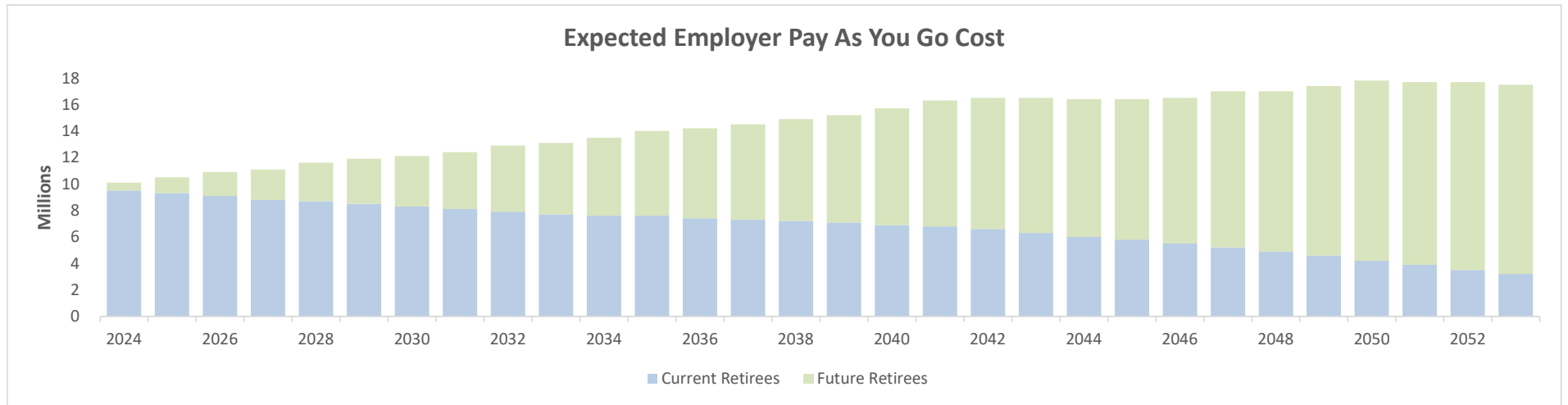


<b>Fiscal Year Ending</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>
2014	\$ 9,199,669	\$ 9,268,334	\$ (68,665)
2015	5,762,462	9,670,794	(3,908,332)
2016	5,787,960	9,423,081	(3,635,121)
2017	7,507,689	9,573,671	(2,065,982)
2018	7,534,978	10,395,327	(2,860,349)
2019	7,030,548	9,277,538	(2,246,990)
2020	0	9,156,565	(9,156,565)
2021	220,026	8,343,977	(8,123,951)
2022	0	13,492,757	(13,492,757)
2023	0	68,076	(68,076)

**Note**

The actual employer contributions for fiscal years 2017 through 2023 include employer contributions for pay as you go cost paid from the General Fund and pre-funding contributions deposited into the OPEB Trust.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Expected Employer Pay As You Go Cost**



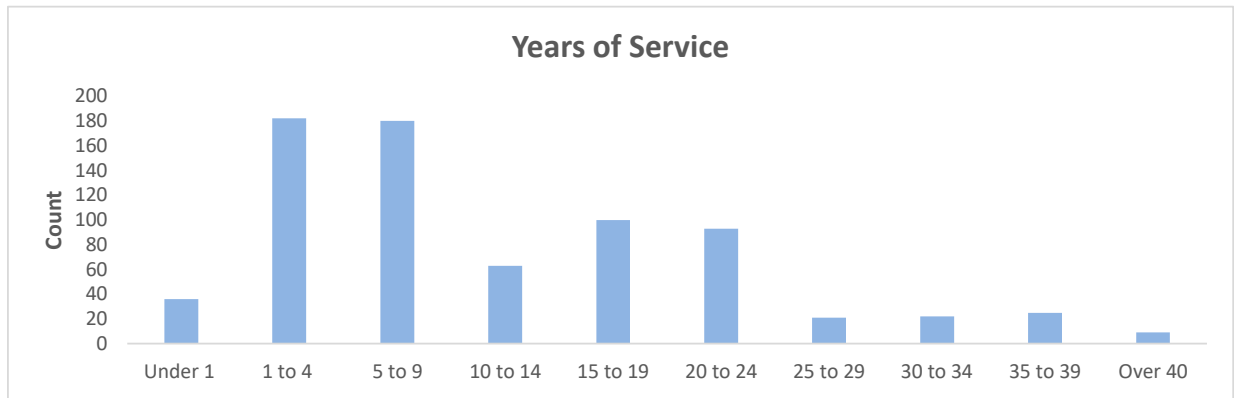
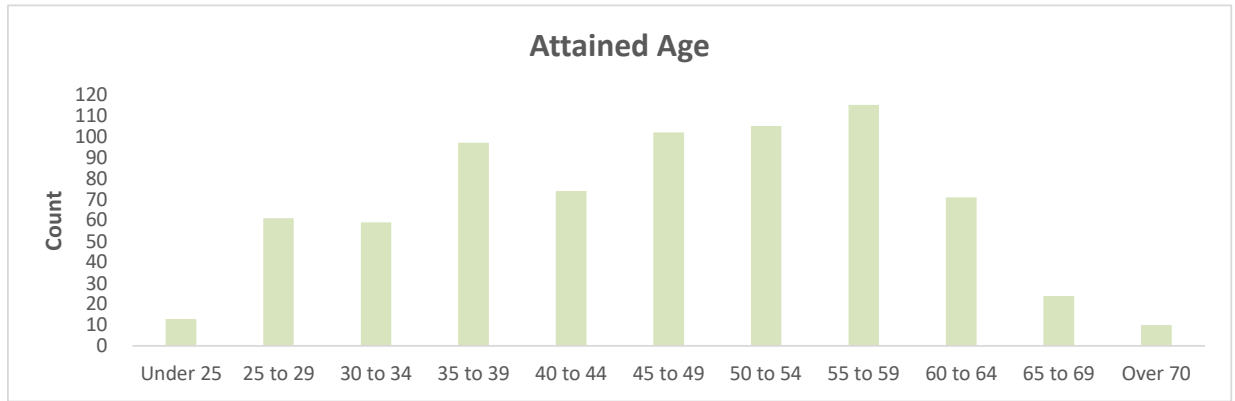
FYE	Current Retirees	Future Retirees	Total	FYE	Current Retirees	Future Retirees	Total	FYE	Current Retirees	Future Retirees	Total
<b>2024</b>	\$ 9,549,979	\$ 626,074	\$ 10,176,053	<b>2034</b>	\$ 7,624,942	\$ 5,854,952	\$ 13,479,894	<b>2044</b>	\$ 6,028,435	\$ 10,449,680	\$ 16,478,115
<b>2025</b>	9,256,383	1,208,892	10,465,275	<b>2035</b>	7,583,110	6,408,469	13,991,579	<b>2045</b>	5,768,814	10,603,393	16,372,207
<b>2026</b>	9,086,044	1,792,285	10,878,329	<b>2036</b>	7,363,355	6,787,895	14,151,250	<b>2046</b>	5,490,018	11,048,405	16,538,423
<b>2027</b>	8,823,022	2,304,542	11,127,564	<b>2037</b>	7,283,071	7,150,879	14,433,950	<b>2047</b>	5,194,712	11,763,366	16,958,078
<b>2028</b>	8,701,443	2,879,017	11,580,460	<b>2038</b>	7,213,189	7,651,271	14,864,460	<b>2048</b>	4,885,949	12,080,668	16,966,617
<b>2029</b>	8,491,767	3,443,547	11,935,314	<b>2039</b>	7,072,075	8,148,332	15,220,407	<b>2049</b>	4,567,569	12,782,097	17,349,666
<b>2030</b>	8,256,365	3,842,314	12,098,679	<b>2040</b>	6,944,987	8,832,764	15,777,751	<b>2050</b>	4,243,334	13,562,269	17,805,603
<b>2031</b>	8,096,473	4,342,917	12,439,390	<b>2041</b>	6,791,162	9,476,108	16,267,270	<b>2051</b>	3,917,481	13,762,815	17,680,296
<b>2032</b>	7,861,433	4,980,386	12,841,819	<b>2042</b>	6,611,388	9,855,530	16,466,918	<b>2052</b>	3,514,741	14,165,905	17,680,646
<b>2033</b>	7,737,251	5,371,452	13,108,703	<b>2043</b>	6,301,794	10,226,838	16,528,632	<b>2053</b>	3,189,846	14,301,523	17,491,369

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Data Summary - Active Participants**

	<b>6/30/2022</b>	<b>6/30/2023</b>
<b>Medical coverage</b>		
Participant count - single coverage	153	161
Participant count - non-single coverage	479	508
Total	632	669
Average age	47.1	46.7
Average past service	13.0	12.3
Average future service	14.3	14.7
Covered payroll	\$ 57,229,893	\$ 63,828,201
Average compensation	\$ 90,554	\$ 95,408
<b>Cash in lieu</b>		
Participant count	52	52
Average age	46.6	46.0
Average past service	10.8	8.9
Average future service	15.8	16.3
Covered payroll	\$ 4,730,527	\$ 5,087,576
Average compensation	\$ 90,972	\$ 97,838
<b>Waived coverage</b>		
Participant count	12	10
Average age	40.5	40.5
Average past service	10.1	9.4
Average future service	18.5	18.2
Covered payroll	\$ 1,015,342	\$ 828,425
Average compensation	\$ 84,612	\$ 82,843
<b>Total</b>		
Participant count	696	731
Average age	47.0	46.6
Average past service	12.8	12.0
Average future service	14.4	14.8
Covered payroll	\$ 62,975,762	\$ 69,744,202
Average compensation	\$ 90,482	\$ 95,409

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Age & Service Distribution - Active Participants**

Attained Age	Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Over		
Under 25	6	5	2									13
25 to 29	6	38	17									61
30 to 34	6	25	19	9								59
35 to 39	7	32	42	10	6							97
40 to 44		21	21	7	16	9						74
45 to 49	3	24	26	8	21	20						102
50 to 54	6	13	18	15	15	28	7	3				105
55 to 59	2	16	25	5	19	21	10	9	8			115
60 to 64		8	7	7	16	11	1	8	12	1		71
65 to 69			3	2	3	4	2	2	5	3		24
70+					4		1			5		10
<b>Total</b>	<b>36</b>	<b>182</b>	<b>180</b>	<b>63</b>	<b>100</b>	<b>93</b>	<b>21</b>	<b>22</b>	<b>25</b>	<b>9</b>		<b>731</b>



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Data Summary - Inactive Participants**

	6/30/2022	6/30/2023
<b>Medical coverage</b>		
Retirees		
Participant count - single coverage	145	149
Participant count - non-single coverage	<u>351</u>	<u>349</u>
Total	496	498
Average age	72.2	72.5
Disabled		
Participant count - single coverage	26	25
Participant count - non-single coverage	<u>44</u>	<u>43</u>
Total	70	68
Average age	69.5	70.2
Surviving spouses		
Participant count - single coverage	127	125
Participant count - non-single coverage	<u>7</u>	<u>6</u>
Total	134	131
Average age	78.0	78.1
Total		
Participant count - single coverage	298	299
Participant count - non-single coverage	<u>402</u>	<u>398</u>
Total	700	697
Average age	73.0	73.3
<b>Cash in lieu</b>		
Participant count	32	29
Average age	74.9	74.6
<b>Waived coverage</b>		
Retirees		
Participant count	9	7
Average age	70.4	70.1
Disabled		
Participant count	1	1
Average age	59.0	60.0
Surviving spouses		
Participant count	19	19
Average age	79.8	80.8
Total		
Participant count	29	27
Average age	76.2	77.3

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Age Distribution - Inactive Participants**

<b>Attained Age</b>	<b>Retired</b>	<b>Disabled</b>	<b>Surviving Spouse</b>	<b>Total</b>
<b>Under 50</b>		1		1
<b>50 to 54</b>	1	1	1	3
<b>55 to 59</b>	9	3	4	16
<b>60 to 64</b>	61	9	5	75
<b>65 to 69</b>	137	23	18	178
<b>70 to 74</b>	127	15	21	163
<b>75 to 79</b>	97	8	32	137
<b>80 to 84</b>	57	5	30	92
<b>85 to 89</b>	33	3	13	49
<b>90 &amp; Over</b>	12	1	26	39
<b>Total</b>	534	69	150	753



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Census Data Reconciliation**

	<u>Active</u>	<u>Retired</u>	<u>Surviving Spouse</u>	<u>Disabled</u>	<u>Total</u>
February 28, 2022	696	537	153	71	1,457
Terminations	(39)	0	0	0	(39)
Part time - not eligible	0	0	0	0	0
Retirements	(19)	19	0	0	0
Disabled	0	0	0	0	0
Deceased with beneficiary	0	(8)	9	(1)	0
Deceased without beneficiary	0	(15)	(13)	(1)	(29)
New entrants	93	0	0	0	93
Rehires	0	0	0	0	0
Data corrections	0	1	1	0	2
February 28, 2023	731	534	150	69	1,484

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods**

**Cost Method** - Individual entry age normal level percent of salary.

**Dates of Calculations**

Actuarial valuation date: June 30, 2023

Census date: February 28, 2023

Measurement date GASB 74 and GASB 75: June 30, 2023

Reporting date GASB 74 and GASB 75: June 30, 2023

**Employees Included in the Calculations** - All active employees who are potentially eligible to receive healthcare benefits as a retiree. Retirees (healthy and disabled) and their spouses or their survivors who are receiving benefits.

**Source of Data** - Data was supplied by the Lansing Board of Water and Light. While we have not audited this data, we believe the census data and financial information to be accurate and complete.

**Discount Rate** - Pursuant to GASB 74/75, projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA/Aa credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 3.65% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Bond GO Index"); and the resulting Single Discount Rate is 6.50%.

The projection of cash flows used to determine the discount rate assumes that the Lansing Board of Water and Light will make contributions in accordance with the VEBA Funding Policy. Based on this assumption, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate is equal to long-term expected rate of return on OPEB plan investments.

**Inflation Rate** - 2.25% per year.

**Salary Increase Rates** - Sample rates are listed on Table A herein. The rates include general wage inflation and merit / productivity increases.

**Mortality Rates** - Pre and Post retirement - PUBH-2010 General Employees Mortality Table, Male and Female, projected generationally using the MP-2021 improvement scale.

**Retirement Rates** - Sample rates are listed on Table B herein.

**Termination Rates** - Sample rates are listed on Tables C and D herein.

**Disability Rates** - The 1985 Pension Disability Incidence Class 1 rates for males and females. Sample rates are listed on Table E herein.

**Per Capita Claims Costs** - Annual per capita costs are based on the premiums in effect on January 1, 2023 and are actuarially increased using current enrollment and aging factors. In addition, these costs are assumed to increase with medical, prescription drug and dental trend rates. Aging factors and sample per capita claims costs are shown on Tables F and G herein.

**Healthcare Trend** - Sample healthcare trend rates are shown on Table H herein.

**Retiree Contributions** - The 2023 retiree contributions shown in the plan provisions of this report are assumed to increase according to the healthcare trend rates.

**Medicare Part B Reimbursement** - It is assumed that the annual Medicare Part B reimbursement amount is \$1,781 for the current valuation. This amount is assumed to increase with the Medicare Part B trend rates.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Election Percentage** - Ninety five percent (95%) of active employees who currently have healthcare coverage are assumed to elect coverage at retirement. Ninety five percent (95%) of active employees who currently elect cash in lieu of healthcare coverage are assumed to make the same election at retirement. All active employees who currently waive coverage are assumed to waive coverage at retirement. One hundred percent (100%) of retirees who currently have healthcare coverage are assumed to continue coverage until death. One hundred percent (100%) of retirees who currently elect cash in lieu of healthcare coverage are assumed to make the same election until death. All retirees who currently waive coverage are assumed to never elect coverage with the Lansing Board of Water and Light. All employees who currently have \$10,000 of life insurance coverage are assumed to never purchase additional insurance and thus are not eligible for retiree life insurance coverage.

**Marriage Percentage** - It is assumed that 65% of active employees are married upon retirement. Husbands are assumed to be three years older than wives.

**Assumption Changes** - (1) The assumed Medicare Part B premium reimbursement was decreased from \$1,837 per year to \$1,781 per year; (2) The healthcare trend assumption was updated to reflect the rates set forth in the Michigan Uniform Assumptions memo for the 2023 fiscal year.

**Benefits Not Valued** - All benefits described in the Plan Provisions section of this report were valued. Benassist Retirement Consulting has reviewed the plan provisions with by the Lansing Board of Water and Light and based on that review, is not aware of any significant benefits that were not valued.

**Rationale for Significant Economic Assumptions**

**Discount rate** - As required by GASB 75, the discount rate was chosen by the plan sponsor based on market information on the measurement date.

**Expected return on plan assets** – It is our understanding that the expected return on assets assumption reflects the plan sponsor’s estimate of future returns based on: (a) the plan’s current asset allocation and any upcoming changes; and (b) current and expected market conditions. We have relied on capital market projections provided by Asset Consulting Group, the Plan’s investment consultant, to evaluate the investment return assumption.

**Healthcare trend** - Trend rates are those required by the Michigan Uniform Assumptions for the 2023 fiscal year.

**Rationale for Significant Demographic Assumptions**

All assumptions herein have been discussed in detail with management and have been deemed to be reasonable both individually and collectively. In general, the assumptions have been deemed to: (1) be appropriate for the purposes of this measurement, (2) take into account historical and current demographic data, (3) reflect the best estimate of future experience, and (4) have no significant bias.

The factors outlined below were considered in selecting assumptions:

**Salary Increases:** The salary increase rates are based on the Lansing Board of Water and Light historical experience from 2017 to 2021 that was used in the 2022 experience analysis.

**Retirement:** The retirement rates are based on the Lansing Board of Water and Light historical experience from 2017 to 2021 that was used in the 2022 experience analysis.

**Mortality:** The mortality assumption reflects the most recent published tables from the Society of Actuaries. A fully generational mortality approach was used to model expected mortality improvement after the measurement date.

**Disability:** (a) the retirement plan’s definition of disability; (b) the potential for recovery; and (c) plan experience.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Withdrawal:** The termination rates are based on the Lansing Board of Water and Light historical experience from 2017 to 2021 that was used in the 2022 experience analysis.

**ASOP 56 - Model disclosure**

Benassist Retirement Consulting uses a proprietary actuarial valuation system to perform actuarial valuations of defined benefit and OPEB plans. The system processes census data, calculates benefit amounts and develops associated actuarial liabilities. The system has the flexibility to accommodate various populations, plan designs, demographic, economic and benefit related assumptions. Actuarial liabilities are calculated using standard actuarial techniques. The actuarial liabilities generated by the system rely on the assumptions selected and entered by the user. The system does not evaluate any assumptions for reasonableness, consistency or probability of occurrence. The system is designed specifically for these purposes, and we know of no material limitations that would prevent the system from being suitable for these intended purposes. The actuary signing this report has performed a limited review of results to ensure that system has been set up appropriately and the plan provisions have been coded correctly.

Certain demographic tables described above are standard published tables.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Table A - Salary Increase Rates**

Age	Rate	Age	Rate
25	9.00%	45	6.75%
30	8.50%	50	6.35%
35	8.00%	55	6.00%
40	7.30%	60+	5.30%

**Table B - Retirement Rates**

Age	Rate	Age	Rate	Age	Rate
50	5.00%	57	7.00%	64	20.00%
51	3.00%	58	7.00%	65	25.00%
52	3.00%	59	15.00%	66	50.00%
53	3.00%	60	17.00%	67	25.00%
54	9.00%	61	23.00%	68	25.00%
55	10.00%	62	30.00%	69	25.00%
56	7.00%	63	15.00%	70	100.00%

**Table C - Termination Rates - Males**

Age	Years of Service					
	0	1	2	3	4	5+
20	10.64%	10.39%	8.89%	6.89%	5.64%	6.00%
30	9.20%	7.75%	6.25%	4.25%	3.00%	4.25%
40	7.12%	6.87%	5.37%	3.37%	2.12%	3.25%
50	6.32%	6.07%	4.57%	2.73%	1.64%	1.50%
60	5.56%	5.51%	4.17%	2.33%	1.24%	1.16%
70+	5.16%	5.11%	3.77%	1.93%	0.84%	0.88%

**Table D - Termination Rates - Females**

Age	Years of Service					
	0	1	2	3	4	5+
20	15.82%	13.87%	12.37%	11.37%	10.87%	2.80%
30	11.20%	9.25%	7.75%	6.75%	6.25%	2.30%
40	9.66%	7.71%	6.21%	5.21%	4.71%	2.00%
50	8.26%	6.31%	4.81%	4.09%	3.87%	1.80%
60	6.93%	5.33%	4.11%	3.39%	3.17%	1.40%
70+	6.23%	4.63%	3.41%	2.69%	2.47%	0.60%

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Table E - Disability Rates**

Age	Male	Female
20	0.03%	0.03%
30	0.05%	0.08%
40	0.12%	0.21%
50	0.36%	0.53%
60	1.26%	1.16%

**Table F - Aging Factors**

Age	Medical	Rx
35 – 39	2.00%	5.00%
40 – 44	2.00%	4.50%
45 – 49	2.00%	4.00%
50 – 54	2.00%	3.50%
55 – 59	4.00%	3.00%
60 – 64	4.00%	2.50%
65 – 69	3.00%	1.50%
70 – 74	2.00%	1.00%
75 – 79	1.00%	0.00%
80+	0.00%	0.00%

**Table G - Per Capita Claims Cost**

Age	Healthy Retirees			Disabled Retirees		
	Medical	Rx	Dental	Medical	Rx	Dental
50	\$ 13,370	\$ 2,091	\$ 516	\$ 28,049	\$ 4,388	\$ 516
55	14,761	2,484	516	30,967	5,211	516
60	17,958	2,880	516	37,674	6,041	516
65	2,870	N/A	516	2,720	N/A	516
70	3,327	N/A	516	3,154	N/A	516
75	3,674	N/A	516	3,482	N/A	516
80+	3,861	N/A	516	3,660	N/A	516

Notes

(1) Post-65 per capita claims cost for Rx coverage are included in the in medical per capita claims cost amounts shown above.

(2) The annual per capita claims shown above are for disabled retirees that are not Medicare primary due to disability. For disabled retirees who are Medicare primary due to disability, the pre-65 annual per capita costs are \$2,720 for medical and Rx coverages. 70% of disabled retirees are assumed to be Medicare primary due to disability.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Assumptions and Methods (continued)**

**Table H - Healthcare Trend Rates**

FYE	Medical & Rx		Part B	Dental
	Pre-65	Post-65		
2023	7.25%	5.50%	3.75%	4.25%
2024	7.00%	5.25%	4.00%	4.00%
2025	6.75%	5.00%	4.25%	4.00%
2026	6.50%	4.75%	4.50%	4.00%
2027	6.25%	4.50%	4.75%	4.00%
2028	6.00%	4.50%	5.00%	4.00%
2029	5.75%	4.50%	5.00%	4.00%
2030	5.50%	4.50%	5.00%	4.00%
2031	5.25%	4.50%	5.00%	4.00%
2032	5.00%	4.50%	5.00%	4.00%
2033	4.75%	4.50%	5.00%	4.00%
2034+	4.50%	4.50%	5.00%	4.00%

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Plan Provisions**

**Effective Date** - Initial effective date was July 1, 1999. The plan was restated on March 27, 2007.

**Eligibility** - Employees who satisfy the eligibility requirements for either normal retirement, early retirement, or disability are eligible for lifetime health benefits under the plan.

**Normal Retirement Date** - The normal retirement date for employees hired prior to July 1, 1990 is the earlier of (1) the first day of the month on or after attainment of age 60 and the completion of at least 10 years of Benefit Service Credit, and (2) the first day of the month on or after completion of 30 years of Benefit Service Credit and attainment of age 55. If an employee who was hired before July 1, 1990 terminates employment after attainment of age 45 and completion of 25 years of Benefit Service Credit, the normal retirement date is the first day of the month on or after the date he has attained age 55 and would have completed 30 years of Benefit Service Credit if he had remained employed.

For employees hired on or after July 1, 1990, the normal retirement date is the first day of the month on or after attainment of age 65 and completion of 10 years of Benefit Service Credit.

**Early Retirement Date** - The date that is 10 years prior to an employee's Normal Retirement Date upon completion of 25 years of Benefit Service Credit or 5 years prior to an employee's normal retirement date upon completion of 15 years of Benefit Service Credit.

**Disability Retirement Date** - The date that the employee is determined to be disabled, provided the employee has completed at least 10 years of Years of Service.

**Healthcare Coverage** - The healthcare coverage (medical, prescription drug and dental) provided under the plan is substantially the same coverage (based on the cost per retiree to the employer for providing said health coverage) that is available to active employees. All health plans are self-insured except for the Medicare plan that is fully-insured with Humana. Dental benefits are fully insured with Delta Dental. Spousal and family coverage is available. In addition, coverage will continue to a surviving spouse upon the death of a retiree or an active employee who is eligible to retire. If an employee with at least ten years of service dies while in employment, the surviving spouse will qualify for retiree healthcare benefits under the disability retirement status. Surviving spouse contributions are the same as the member's prior to the member's death.

**Retiree Premiums** - The monthly retiree premium rates effective on January 1, 2023 are shown below:

<u>Non-Medicare</u>	<u>Medical Only</u>	<u>Medical &amp; Rx</u>	<u>Dental</u>
Single	\$ 2,146.67	\$ 2,376.01	\$ 41.27
2 Person	\$ 4,830.06	\$ 5,346.07	\$ 75.86
Family	\$ 6,010.72	\$ 6,652.86	\$ 132.24
 <u>Medicare Eligible</u>		<u>Medical &amp; Rx</u>	<u>Dental</u>
1 Person Humana		\$ 290.17	\$ 41.27
2 Person Humana		\$ 580.34	\$ 75.86
Family Humana		\$ 870.51	\$ 132.24



**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Summary of Plan Provisions (continued)**

**Retiree Contributions** - Retiree healthcare benefits are non-contributory for employees who were hired prior to January 1, 2009. Retiree healthcare benefits for employees hired on or after January 1, 2009 are contributory. Future retiree contributions for this group will be equal to the current employees' healthcare premium sharing arrangement in effect immediately prior to retirement. Currently, Union and Non-Union employees contribute 20% of the active medical and prescription drug coverage premium and do not contribute for dental coverage. The monthly premiums in effect on January 1, 2023 are shown below:

<u>Coverage</u>	<u>Medical Only</u>	<u>Medical &amp; Rx</u>	<u>Dental</u>
Single	\$ 392.82	\$ 573.39	\$ 41.27
2 Person	\$ 883.86	\$ 1,290.14	\$ 75.86
Family	\$ 1,099.91	\$ 1,605.50	\$ 132.24

**Medicare Part B Reimbursement** - The Lansing Board of Water and Light reimburses retirees and spouses for 90% of the Medicare Part B premium (standard premium prior to income-related adjustment). As of June 30, 2023 the amount of reimbursement is \$148.41 per month.

**Cash in Lieu of Coverage** - Retirees may elect to receive cash in lieu of healthcare benefits. Currently, retirees electing this option receive \$2,232 per year.

**Life Insurance** - Employees that have life insurance coverage equal to 1.5 times of their salary immediately prior to retirement may continue this coverage at one-third of the amount in effect immediately prior to retirement rounded to the next higher \$500. Bargaining unit retirees contribute 50% of the premium for retiree life insurance coverage. Contributions are not required for non-bargaining unit retirees. A closed group of disabled retirees receive retiree life insurance coverage at no cost. Retiree life insurance coverage is not provided for employees who have \$10,000 of life insurance coverage immediately prior to retirement. The monthly retiree life insurance premium in effect on January 1, 2023 is 44.2 cents per thousand dollars of coverage.

**Changes in Plan Provisions since the Prior Valuation** - None.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**

**Glossary**

**Actuarial Assumptions** - Assumptions relating to future experience under the plan. These include assumptions about the occurrence of future events affecting costs or liabilities, such as:

- mortality, withdrawal, disablement, and retirement;
- future increases in salary;
- future rates of investment earnings and future investment and administrative expenses;
- characteristics of members not specified in the data, such as marital status;
- characteristics of future members;
- future elections made by members; and
- other relevant items.

**Actuarial Cost Method** - A procedure for allocating the Actuarial Present Value of Future Benefits to various time periods; a method used to determine the Normal Cost and the Total OPEB Liability (TOL).

**Actuarial (Gain) or Loss** - A measure of the difference between actual experience and experience expected under a set of Actuarial Assumptions, during the period between two Actuarial Valuation dates. Through the actuarial assumptions, rates of decrements, rates of salary increases, and rates of fund earnings that have been forecasted. To the extent that actual experience differs from that assumed, actuarial accrued liabilities emerge which may be the same as forecasted, or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., the plan's assets earn more than projected, healthcare trend does not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results that produce actuarial liabilities which are larger than projected. Actuarial gains will shorten the time required for funding of the actuarial balance sheet deficiency while actuarial losses will lengthen the funding period.

**Actuarially Equivalent** - Of equal actuarial present value, determined as of a given date and based on a given set of Actuarial Assumptions.

**Actuarial Present Value (APV)** - The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:

- adjusted for the probable financial effect of certain intervening events (such as changes in marital status, etc.)
- multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned, and
- discounted according to an assumed rate (or rates) of return to reflect the time value of money.

**Actuarial Present Value of Future Benefits** - The Actuarial Present Value of those benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future benefit increases. The Actuarial Present Value of Future Benefits includes the liabilities for active members, retired members and spouses receiving benefits. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.

**Actuarial Present Value of Future Earnings** - The Actuarial Present Value of a participant's expected future earnings.

**Actuarial Present Value of Future Normal Costs** - The portion of the Actuarial Present Value of Future Benefits allocated to future years.

**Lansing Board of Water and Light**  
**Post-Retirement Benefit Plan for Eligible Employees**  
**June 30, 2023 GASB 74/75 Actuarial Valuation Report**  
**Glossary (continued)**

**Actuarial Valuation** - The determination, as of a valuation date, of the Normal Cost, Total OPEB Liability (TOL), Fiduciary Net Position (FNP), and related Actuarial Present Values for a plan. An Actuarial valuation for a healthcare arrangement typically also includes calculations that provide the financial information of the plan, such as the funded status, unfunded actuarial accrued liability and the contribution amounts.

**Actuarially Determined** - Values which have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the law.

**Covered Payroll** - Payroll as of the valuation date for active participants who have not attained normal retirement age.

**Decrements** - Those causes/events due to which a member's status (active-inactive-retiree-spouse) changes, that is: death, retirement, disability, or termination.

**Entry Age Normal Cost Method** - The EAN cost method is a standard actuarial funding method. The annual cost of benefits under EAN cost method is comprised of two components:

- Normal cost
- Amortization of the unfunded liability

The normal cost is determined on an individual basis, from a member's age at plan entry, and is designed to be a level percentage of pay throughout a member's career.

**Fiduciary Net Position** - The value of the plan's assets as of a given date, used by the actuary for valuation purposes. This usually equals the market value of plan assets.

**Funded Status** - The ratio of the Fiduciary Net Position (FNP) to the Total OPEB Liability (TOL).

**Net OPEB Liability (NOL)** - The excess of the Total OPEB Liability (TOL) over the Fiduciary Net Position (FNP). This value may be negative in which case it may be expressed as a negative Fiduciary Net Position, also called the funding surplus.

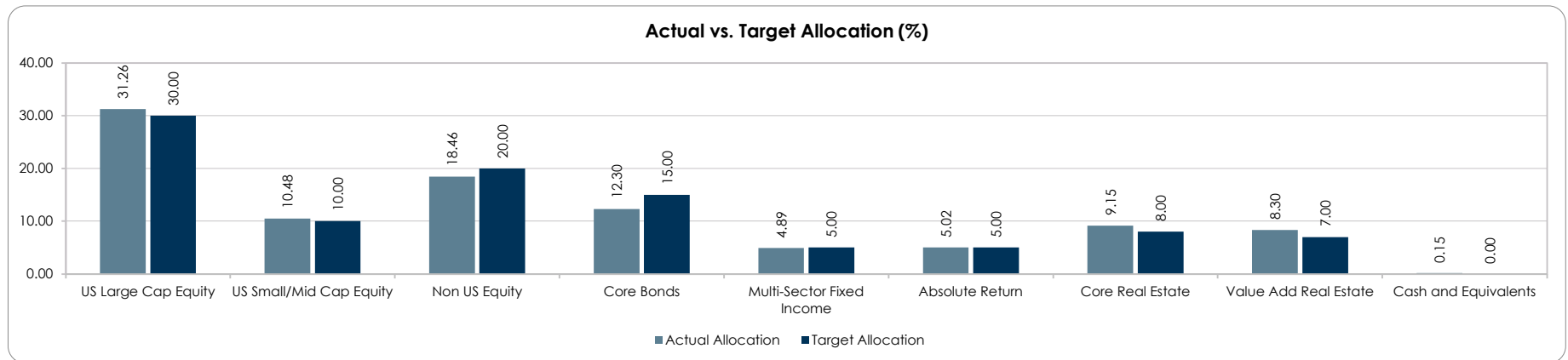
**Normal Cost** - The portion of the Actuarial Present Value of Future Benefits allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an unfunded actuarial accrued liability is not part of Normal Cost. Under the entry age normal cost method, the Normal Cost is intended to be the level cost (when expressed as a percentage of pay) needed to fund the benefits of a member from hire until ultimate termination, death, disability or retirement.

**Total OPEB Liability (TOL)** - The portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits which is not provided for by future Normal Costs. It is equal to the Actuarial Present Value of Future Benefits minus the actuarial present value of future Normal Costs.

**Valuation Date or Actuarial Valuation Date** - The date on which the value of plan assets, the Actuarial Present Value of Future Benefits, the Total OPEB Liability (TOL) and Normal Cost are determined. The expected future benefits are discounted to this date.

## Post-Retirement Benefit Plan and Trust for Eligible Employees of LBWL

For the Periods Ending June 30, 2023



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)	Range Min - Max (%)
<b>Total Portfolio</b>	<b>240,310</b>	<b>100.00</b>	<b>100.00</b>		
<b>Equity</b>	<b>144,659</b>	<b>60.20</b>	<b>60.00</b>	<b>0.20</b>	<b>45.00 - 70.00</b>
US Large Cap Equity	75,114	31.26	30.00	1.26	25.00 - 35.00
US Small/Mid Cap Equity	25,194	10.48	10.00	0.48	5.00 - 15.00
Non US Equity	44,351	18.46	20.00	-1.54	15.00 - 25.00
<b>Fixed Income</b>	<b>53,364</b>	<b>22.21</b>	<b>25.00</b>	<b>-2.79</b>	<b>10.00 - 50.00</b>
Core Bonds	29,559	12.30	15.00	-2.70	10.00 - 35.00
Multi-Sector Fixed Income	11,749	4.89	5.00	-0.11	0.00 - 10.00
Absolute Return	12,056	5.02	5.00	0.02	0.00 - 10.00
<b>Real Assets</b>	<b>41,935</b>	<b>17.45</b>	<b>15.00</b>	<b>2.45</b>	<b>0.00 - 20.00</b>
Core Real Estate	21,989	9.15	8.00	1.15	-- --
Value Add Real Estate	19,947	8.30	7.00	1.30	-- --
<b>Cash and Equivalents</b>	<b>352</b>	<b>0.15</b>	<b>0.00</b>	<b>0.15</b>	<b>0.00 - 5.00</b>

	Mar 2023 Market Value (\$000s)	Jun 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/17) *	239,159	240,310	100.00	3.53	3.28	7.52	8.76	7.79	6.24	--	6.96
Total Portfolio (07/04)				3.58	3.38	7.74	9.29	8.47	6.86	7.39	6.42
Policy Index <sup>1</sup>				3.23	2.94	7.30	7.90	7.30	6.53	7.59	7.05

<sup>1</sup>The range for real estate outlined in the investment policy statement is at the asset class level.

## Post-Retirement Benefit Plan and Trust for Eligible Employees of LBWL

For the Periods Ending June 30, 2023

	Mar 2023 Market Value (\$000s)	Jun 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
<b>Total Portfolio (01/17) *</b>	<b>239,159</b>	<b>240,310</b>	<b>100.00</b>	<b>3.53</b>	<b>3.28</b>	<b>7.52</b>	<b>8.76</b>	<b>7.79</b>	<b>6.24</b>	<b>--</b>	<b>6.96</b>
<b>Total Portfolio (07/04)</b>				<b>3.58</b>	<b>3.38</b>	<b>7.74</b>	<b>9.29</b>	<b>8.47</b>	<b>6.86</b>	<b>7.39</b>	<b>6.42</b>
<i>Policy Index</i> <sup>1</sup>				3.23	2.94	7.30	7.90	7.30	6.53	7.59	7.05
<b>US Large Cap Equity (01/17) *</b>	<b>75,317</b>	<b>75,114</b>	<b>31.26</b>	<b>6.63</b>	<b>8.35</b>	<b>18.91</b>	<b>23.68</b>	<b>12.94</b>	<b>11.32</b>	<b>--</b>	<b>12.80</b>
<i>Russell 1000</i>				6.75	8.58	16.68	19.36	14.09	11.92	12.64	12.88
<b>US Small/Mid Cap Equity (01/17) *</b>	<b>24,221</b>	<b>25,194</b>	<b>10.48</b>	<b>7.47</b>	<b>4.02</b>	<b>5.04</b>	<b>14.01</b>	<b>14.97</b>	<b>4.86</b>	<b>--</b>	<b>5.20</b>
<i>Blended Benchmark</i> <sup>2</sup>				8.52	5.22	8.79	13.58	12.29	6.56	--	7.10
<b>Non US Equity (01/17) *</b>	<b>42,833</b>	<b>44,351</b>	<b>18.46</b>	<b>5.53</b>	<b>3.55</b>	<b>12.07</b>	<b>16.78</b>	<b>7.39</b>	<b>4.15</b>	<b>--</b>	<b>6.14</b>
<i>MSCI EAFE</i>				4.58	3.22	12.13	19.41	9.48	4.90	5.91	7.06
<b>Fixed Income (01/17) *</b>	<b>53,579</b>	<b>53,364</b>	<b>22.21</b>	<b>0.00</b>	<b>-0.42</b>	<b>2.61</b>	<b>0.84</b>	<b>-1.58</b>	<b>1.76</b>	<b>--</b>	<b>1.69</b>
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	0.88
<b>Real Assets (01/19) * <sup>3</sup></b>	<b>42,652</b>	<b>41,935</b>	<b>17.45</b>	<b>-1.16</b>	<b>-1.16</b>	<b>-6.31</b>	<b>-11.34</b>	<b>6.70</b>	<b>--</b>	<b>--</b>	<b>4.92</b>
<i>NFI ODCE Net</i>				-2.84	-2.84	-6.12	-10.70	7.06	5.57	7.78	5.42
<b>Cash and Equivalents (01/17)</b>	<b>557</b>	<b>352</b>	<b>0.15</b>	<b>0.40</b>	<b>1.23</b>	<b>2.34</b>	<b>3.74</b>	<b>1.30</b>	<b>1.47</b>	<b>--</b>	<b>1.37</b>
<i>US T-Bills 90 Day</i>				0.46	1.17	2.25	3.59	1.27	1.55	0.98	1.45

## Post-Retirement Benefit Plan and Trust for Eligible Employees of LBWL

For the Periods Ending June 30, 2023

	Mar 2023 Market Value (\$000s)	Jun 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
<b>Equity (01/17) *</b>	<b>142,371</b>	<b>144,659</b>	<b>60.20</b>	<b>6.44</b>	<b>6.12</b>	<b>14.30</b>	<b>19.86</b>	<b>11.51</b>	<b>8.03</b>	<b>--</b>	<b>9.51</b>
<b>US Large Cap Equity</b>											
Loomis Sayles (01/13)	37,279	0	0.00	--	--	--	--	--	--	--	--
Vanguard Russell 1000 Value Fund (05/17) *	38,037	0	0.00	--	--	--	--	--	--	--	--
Northern Trust S&P 500 (05/23) *	0	75,114	31.26	6.62	--	--	--	--	--	--	7.08
<i>S&amp;P 500</i>				6.61	8.74	16.89	19.59	14.60	12.31	12.86	7.07
<b>US Small/Mid Cap Equity</b>											
Atlanta Capital (04/21) *	24,221	25,194	10.48	7.47	4.02	5.04	14.01	--	--	--	3.52
<i>Russell 2500</i>				8.52	5.22	8.79	13.58	12.29	6.55	9.38	-2.43
<b>Non US Equity</b>											
Harding Loevner Int'l Equity (09/17) *	22,363	23,045	9.59	4.63	3.05	11.06	16.91	6.73	4.64	--	5.19
<i>MSCI ACWI ex US</i>				4.54	2.67	9.86	13.33	7.75	4.01	5.24	4.02
Lazard Int'l Equity (09/17) *	20,470	21,306	8.87	6.53	4.08	13.19	16.64	8.13	3.64	--	3.74
<i>MSCI EAFE</i>				4.58	3.22	12.13	19.41	9.48	4.90	5.91	4.95
<b>Fixed Income (01/17) *</b>	<b>53,579</b>	<b>53,364</b>	<b>22.21</b>	<b>0.00</b>	<b>-0.42</b>	<b>2.61</b>	<b>0.84</b>	<b>-1.58</b>	<b>1.76</b>	<b>--</b>	<b>1.69</b>
<b>Core Bonds</b>											
JP Morgan Fixed Income (01/09)	29,838	29,559	12.30	-0.36	-0.90	2.71	-0.34	-2.86	1.35	2.02	3.07
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	2.54
<b>Multi-Sector Fixed Income</b>											
Fidelity Tactical Bond (09/18) *	11,749	11,749	4.89	0.53	-0.09	3.20	3.09	-0.66	--	--	2.46
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	0.65
<b>Absolute Return</b>											
BlackRock Strategic Income Opp (09/17) *	11,993	12,056	5.02	0.40	0.53	2.10	1.93	1.41	2.41	--	2.24
<i>Bloomberg US Aggregate</i>				-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52	0.36
<i>US T-Bills 90 Day + 3.0%</i>				0.70	1.92	3.77	6.69	4.31	4.59	4.01	4.57

## Post-Retirement Benefit Plan and Trust for Eligible Employees of LBWL

For the Periods Ending June 30, 2023

	Mar 2023 Market Value (\$000s)	Jun 2023 Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
<b>Real Assets (01/19) *<sup>3</sup></b>	<b>42,652</b>	<b>41,935</b>	<b>17.45</b>	<b>-1.16</b>	<b>-1.16</b>	<b>-6.31</b>	<b>-11.34</b>	<b>6.70</b>	<b>--</b>	<b>--</b>	<b>4.92</b>
<b>Core Real Estate</b>											
<b>AEW Core Property Trust (01/19) *<sup>3</sup></b>	<b>23,059</b>	<b>21,989</b>	<b>9.15</b>	<b>-3.71</b>	<b>-3.71</b>	<b>-7.36</b>	<b>-10.46</b>	<b>7.06</b>	<b>--</b>	<b>--</b>	<b>5.51</b>
<i>NFI ODCE Net</i>				<i>-2.84</i>	<i>-2.84</i>	<i>-6.12</i>	<i>-10.70</i>	<i>7.06</i>	<i>5.57</i>	<i>7.78</i>	<i>5.42</i>
<b>Value Add Real Estate</b>											
<b>Blackstone Property Partners (10/19) *<sup>3</sup></b>	<b>19,594</b>	<b>19,947</b>	<b>8.30</b>	<b>1.80</b>	<b>1.80</b>	<b>-5.14</b>	<b>-12.34</b>	<b>6.29</b>	<b>--</b>	<b>--</b>	<b>4.37</b>
<i>NFI ODCE Net</i>				<i>-2.84</i>	<i>-2.84</i>	<i>-6.12</i>	<i>-10.70</i>	<i>7.06</i>	<i>5.57</i>	<i>7.78</i>	<i>5.68</i>
<b>Cash &amp; Equivalents (01/17)</b>	<b>557</b>	<b>352</b>	<b>0.15</b>	<b>0.40</b>	<b>1.23</b>	<b>2.34</b>	<b>3.74</b>	<b>1.30</b>	<b>1.47</b>	<b>--</b>	<b>1.37</b>
<b>Cash &amp; Equivalents (01/17)</b>	<b>557</b>	<b>352</b>	<b>0.15</b>	<b>0.40</b>	<b>1.23</b>	<b>2.34</b>	<b>3.74</b>	<b>1.30</b>	<b>1.47</b>	<b>--</b>	<b>1.37</b>
<i>US T-Bills 90 Day</i>				<i>0.46</i>	<i>1.17</i>	<i>2.25</i>	<i>3.59</i>	<i>1.27</i>	<i>1.55</i>	<i>0.98</i>	<i>1.45</i>

All returns prior to 12/31/2016 were calculated by the prior consultant.

\* Net of Fee return data.

<sup>1</sup> Policy Index: Effective May 2023, the index consists of 30.00% S&P 500, 10.00% Russell 2500, 20.00% MSCI ACWI ex US, 25.00% Bloomberg US Aggregate, 15.00% NFI ODCE Net.

<sup>2</sup> Blended Benchmark: Effective August 2018, the index consists of 100.0% Russell 2500.

<sup>3</sup> Valuation and performance are assessed quarterly.

The Fiscal Year End is June.

**Total Portfolio**

**Dollar Reconciliation (\$000s)**

*For the Periods Ending June 30, 2023*

	<b>3 Months</b>	<b>FYTD</b>
<b>Beginning Market Value</b>	<b>239,159</b>	<b>228,732</b>
Net Additions	-6,863	-9,463
Return on Investment	8,015	21,041
<b>Ending Market Value</b>	<b>240,310</b>	<b>240,310</b>



## Market Overview

For the Periods Ending June 30, 2023

	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)
<b>Equity Markets - Core</b>							
S&P 500	6.61	8.74	16.89	19.59	14.60	12.31	12.86
Russell 1000	6.75	8.58	16.68	19.36	14.09	11.92	12.64
Russell 2000	8.13	5.21	8.09	12.31	10.82	4.21	8.26
Russell 2500	8.52	5.22	8.79	13.58	12.29	6.55	9.38
<b>Equity Markets - Growth</b>							
S&P 500 Growth	6.38	10.59	21.25	18.25	11.80	13.01	14.49
Russell 1000 Growth	6.84	12.81	29.02	27.11	13.73	15.14	15.75
Russell 2000 Growth	8.29	7.05	13.55	18.53	6.10	4.22	8.83
Russell 2500 Growth	7.89	6.42	13.38	18.58	6.56	7.00	10.38
<b>Equity Markets - Value</b>							
S&P 500 Value	6.88	6.64	12.15	19.99	16.79	10.58	10.51
Russell 1000 Value	6.64	4.07	5.12	11.54	14.30	8.11	9.22
Russell 2000 Value	7.94	3.18	2.50	6.01	15.43	3.54	7.29
Russell 2500 Value	8.89	4.37	5.83	10.37	16.07	5.32	8.02
<b>International Markets</b>							
MSCI ACWI	5.85	6.35	14.26	17.13	11.51	8.64	9.31
MSCI ACWI ex US	4.54	2.67	9.86	13.33	7.75	4.01	5.24
MSCI EAFE	4.58	3.22	12.13	19.41	9.48	4.90	5.91
MSCI EAFE Growth	3.54	2.94	14.47	20.61	6.62	5.80	6.81
MSCI EAFE Value	5.67	3.54	9.89	18.25	12.08	3.59	4.76
MSCI Emerging Markets	3.89	1.04	5.10	2.22	2.72	1.32	3.33
MSCI World	6.09	7.00	15.43	19.13	12.71	9.63	10.09
MSCI World ex US	4.79	3.30	11.75	18.09	9.88	5.12	5.93
<b>Fixed Income</b>							
ICE BofA ML 1 Yr Treasury Note	0.23	0.42	1.67	1.93	0.23	1.30	0.89
ICE BofA ML High Yield Master II	1.63	1.63	5.42	8.87	3.21	3.19	4.34
Bloomberg US Aggregate	-0.36	-0.84	2.09	-0.94	-3.96	0.77	1.52
Bloomberg Intermediate G/C	-0.68	-0.81	1.50	-0.10	-2.46	1.23	1.41
Bloomberg 10 Yr Municipal	0.75	-0.59	2.16	4.03	-0.23	2.29	2.92
Bloomberg US Credit	0.31	-0.31	3.13	1.39	-3.38	1.65	2.51
<b>Real Assets</b>							
NFI ODCE Net	-2.84	-2.84	-6.12	-10.70	7.06	5.57	7.78

## Disclosures and Legal Notice

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The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) Health Care (OPEB) Report

Enter Local Government Name	LANSING CITY BOARD OF WATER & LIGHT	Instructions: For a list of detailed instructions on how to complete and submit this form, visit <a href="http://michigan.gov/LocalRetirementReporting">michigan.gov/LocalRetirementReporting</a> .
Enter Six-Digit Municode	337537	
Unit Type	Authority	
Fiscal Year End Month	June	
Fiscal Year (four-digit year only, e.g. 2019)	2023	
Contact Name (Chief Administrative Officer)	Scott Taylor	Questions: For questions, please email <a href="mailto:LocalRetirementReporting@michigan.gov">LocalRetirementReporting@michigan.gov</a> . Return this original Excel file. Do not submit a scanned image or PDF.
Title if not CAO	Director, Accounting, Finance, and Planning	
CAO (or designee) Email Address	SCOTT.TAYLOR@LBWL.COM	
Contact Telephone Number	517-702-6104	
OPEB System Name (not division) 1	Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light	If your OPEB system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
OPEB System Name (not division) 2		
OPEB System Name (not division) 3		
OPEB System Name (not division) 4		
OPEB System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	NO	NO	NO	NO	NO
2	Provide the name of your retirement health care system	Calculated from above	Post-Retirement Benefit Plan and Trust				
<b>3 Financial Information</b>							
4	Enter retirement health care system's assets (system fiduciary net position ending)	Most Recent Audit Report	238,470,571				
5	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report	163,828,911				
6	Funded ratio	Calculated	145.6%				
7	Actuarially determined contribution (ADC)	Most Recent Audit Report	-				
7a	Do the financial statements include an ADC calculated in compliance with <a href="#">Numbered Letter 2018-3?</a>	Most Recent Audit Report	YES				
8	Governmental Fund Revenues	Most Recent Audit Report	448,876,759				
9	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
<b>10 Membership</b>							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	731				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report					
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	753				
14	Provide the amount of premiums paid on behalf of the retirants	Most Recent Audit Report or Accounting Records	10,627,788				
<b>15 Investment Performance</b>							
16	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	8.76%				
17	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	6.24%				
18	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	7.39%				
<b>19 Actuarial Assumptions</b>							
20	Assumed Rate of Investment Return	Actuarial Funding Valuation used in Most Recent Audit Report	6.50%				
21	Enter discount rate	Actuarial Funding Valuation used in Most Recent Audit Report	6.50%				
22	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report					
23	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report					
24	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	No				
25	Health care inflation assumption for the next year	Actuarial Funding Valuation used in Most Recent Audit Report	7.00%				
26	Health care inflation assumption - Long-Term Trend Rate	Actuarial Funding Valuation used in Most Recent Audit Report	4.50%				
<b>27 Uniform Assumptions</b>							
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	238,470,571				
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	163,828,911				
30	Funded ratio using uniform assumptions	Calculated	145.6%				
31	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	-				
32	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
<b>33 Summary Report</b>							
34	Did the local government pay the retiree insurance premiums for the year?	Accounting Records	YES				
35	Did the local government pay the normal cost for employees hired after June 30, 2018?	Accounting Records	YES				
36	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	<b>Primary government triggers:</b> Less than 40% funded AND greater than 12% ARC/governmental fund revenues. <b>Non-Primary government triggers:</b> Less than 40% funded	NO	NO	NO	NO	NO

<b>Requirements (For your information, the following are requirements of P.A. 202 of 2017)</b>
Local governments must post the current year report on their website or in a public place
The local government must electronically submit the form to its governing body.
Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years
Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.

# **Lansing Board of Water and Light Defined Contribution Plan and Trust 1**

Financial Statements and  
Required Supplementary Information

June 30, 2023 and 2022

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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Table of Contents  
June 30, 2023 and 2022

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Required Supplementary Information (Unaudited)</b>	
Management's Discussion and Analysis	3
<b>Financial Statements</b>	
Statements of Fiduciary Net Position	5
Statements of Changes in Fiduciary Net Position	6
Notes to Financial Statements	7

## **Independent Auditors' Report**

To the Honorable Mayor, Members of the City Council, and Commissioners of the  
Lansing Board of Water and Light

### **Opinion**

We have audited the accompanying financial statements of the Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (the Plan), a fiduciary fund of the Lansing Board of Water & Light, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2023 and 2022 and the respective changes in the Plan's fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the Plan is presenting only the financial statements of the Plan and do not purport to, and do not, present fairly the financial position of the Lansing Board of Water and Light, as of June 30, 2023 and 2022, and the changes in financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Baker Tilly US, LLP*

Madison, Wisconsin  
September 22, 2023

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

Management's Discussion and Analysis  
June 30, 2023 and 2022  
(Unaudited)

## Using this Annual Report

The annual report consists of two parts: (1) Management's Discussion and Analysis (this section) and (2) the financial statements. The financial statements include notes that explain information in the statements and provide more detail.

## Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior three fiscal years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Assets:</b>			
Mutual funds	\$ 148,520,087	\$ 139,302,720	\$ 159,281,467
Stable value	27,332,984	29,720,419	35,542,619
Guaranteed income fund	-	-	-
Self-directed brokerage account	11,663,916	11,157,807	12,317,950
Participant notes receivable and other	<u>3,439,525</u>	<u>3,302,591</u>	<u>3,424,144</u>
Net position	<u>\$ 190,956,512</u>	<u>\$ 183,483,537</u>	<u>\$ 210,566,180</u>
<b>Changes in plan assets:</b>			
Net investment income (loss)	\$ 18,054,588	\$ (17,658,093)	\$ 39,694,089
Employer and participant contributions	11,864,174	11,864,174	8,679,314
Benefits paid to participants	(21,900,248)	(20,560,553)	(41,414,977)
Loan defaults and other changes	<u>(546,425)</u>	<u>(728,171)</u>	<u>(397,455)</u>
Changes in net position	<u>\$ 7,472,089</u>	<u>\$ (27,082,643)</u>	<u>\$ 6,560,971</u>

## Investment Objectives

The principal purpose of the Lansing Board of Water & Light Defined Contribution Plan and Trust 1 (Plan) is to provide eligible Plan participants with a retirement income benefit at a normal retirement age. The Plan's investment funds are selected to optimize return on a risk-adjusted basis within each asset class, to provide an opportunity to create a well-diversified portfolio, to control administrative and management cost and to comply with applicable Michigan and federal law.

Pursuant to the Plan's Investment Policy Statement, each participant may direct the investment of funds in their Plan account across various investment options. The plan is sponsored by the Lansing Board of Water & Light (BWL). The Retirement Plan Committee on behalf of the Trustee periodically reviews the performance of investment options available to participants to ensure that each option is meeting its investment objectives.

## Investment Results

The fiscal year ended June 30, 2023 saw a net investment gain of \$18.1 million. Fiscal year 2022 had a net investment loss of (\$17.7) million, fiscal year 2021 had a net investment gain of \$36.7 million. Total assets held in trust were \$191 million at the end of fiscal year 2023, \$183 million at the end of fiscal year 2022, and \$211 million at the end of fiscal year 2021.

## Future Events

The BWL has no plan to materially revise the terms of its Plan.



# **Lansing Board of Water and Light Defined Contribution Plan and Trust 1**

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Management's Discussion and Analysis  
June 30, 2023 and 2022  
(Unaudited)

## **Contacting the Plan's Management**

The financial report is intended to provide a general overview of the Plan's finances and to demonstrate accountability for the funds it administers. Questions about this report should be submitted to Lansing Board of Water and Light Defined Contribution Plan and Trust 1, Attn: Retirement Plan Committee, P.O. Box 13007, Lansing, Michigan 48901-3007.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

Statements of Fiduciary Net Position  
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	862,865	1,662,131
Participant-directed investments (Note 1):		
Mutual funds	\$ 148,520,087	\$ 139,302,720
Stable value	27,332,984	29,720,419
Self-directed brokerage account:		
Equities	9,997,083	8,979,962
Fixed income	349,683	-
Mutual funds	<u>454,285</u>	<u>515,714</u>
Total participant-directed investments	186,654,122	178,518,815
Participant notes receivable	<u>3,439,525</u>	<u>3,302,591</u>
Net position restricted for pensions	<u>\$ 190,956,512</u>	<u>\$ 183,483,537</u>

See notes to financial statements

**Lansing Board of Water and Light  
Defined Contribution Plan and Trust 1**

Statements of Changes in Fiduciary Net Position  
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Additions</b>		
Investment income:		
Net appreciation in fair value of investments	\$ 14,923,330	\$ -
Interest and dividend income	<u>3,131,258</u>	<u>2,665,738</u>
Total investment income	18,054,588	2,665,738
Employer contributions (Note 1)	11,648,704	11,134,555
Interest from participant notes receivable	131,862	729,619
Other	<u>84,494</u>	<u>-</u>
Total additions	<u>29,919,648</u>	<u>14,529,912</u>
<b>Deductions</b>		
Investment loss:		
Net depreciation in fair value of investments	-	20,323,831
Benefits paid to participants	21,900,248	20,560,553
Loan defaults	396,895	577,197
Participants' note and administrative fees	<u>149,530</u>	<u>150,974</u>
Total deductions	<u>22,446,673</u>	<u>41,612,555</u>
Net increase (decrease) in net position	7,472,975	(27,082,643)
<b>Net Position Restricted for Pensions</b>		
Beginning	<u>183,483,537</u>	<u>210,566,180</u>
Ending	<u>\$ 190,956,512</u>	<u>\$ 183,483,537</u>

See notes to financial statements

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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Notes to Financial Statements  
June 30, 2023 and 2022

## 1. Plan Description

The following description of Lansing Board of Water and Light Defined Contribution Plan and Trust 1 (Plan) provides only general information. Participants should refer to the Plan Documents, in conjunction with the Plan Adoption Agreement, for a more complete description of the Plan's provisions.

### General

The Plan was established by the Lansing Board of Water & Light (BWL) in 1997 under Section 5-203.10 of the City Charter. Prior to its establishment, the BWL sponsored a defined benefit plan (Lansing Board of Water & Light Defined Benefit Plan and Trust for Employees' Pensions) in which substantially all employees of the BWL were participants. Effective December 1, 1997, all active participants of the defined benefit plan were required to make an irrevocable choice to either remain in the defined benefit plan or move to the newly established Plan. Those participants who elected to move to the Plan received lump-sum distributions from the defined benefit plan, which were rolled into their accounts in the Plan. Of the 760 active participants who were required to make this election, 602 elected to convert their retirement benefits to the Plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred \$75,116,470 to the Plan, reflecting the plan participants' accumulated benefits as of said date.

For a portion of FY 2022, ICMA-RC served as Plan recordkeeper and was responsible for Plan administration and processing of participant investments. During FY 2022, this role was transitioned to Nationwide Retirement Solutions (Nationwide).

### Contributions

For eligible employees hired before January 1, 1997, the BWL is required to contribute 15% of the employees' eligible compensation. For employees hired on or after January 1, 1997, the BWL is required to contribute 9.5% of the employees' compensation. In addition, the BWL is required to contribute an additional 3.0% of the employees' compensation for all employees who are not eligible to receive overtime pay and 0.5% of the employees' compensation for all nonbargaining employees. As part of the transition to Nationwide, effective April 25, 2021, the Lansing Board of Water & Light adopted Nationwide's prototype plan documents.

### Participant Accounts

Each participant's account is credited with the participant's rollover contributions and withdrawals, as applicable, and allocations of the BWL's contributions and Plan earnings. Allocations are based on participants' earnings or account balances, as defined in the Plan document. Forfeited balances of terminated participants' nonvested accounts are used to reduce future BWL contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

As of June 30, 2023, there were 858 participants in the Plan, of which 733 were active employees. As of June 30, 2022, there were 1,030 participants in the Plan, of which 639 were active employees.

### Vesting

The portion of employer contribution which is subject to vesting is vested on the following schedule: 25% vested after three years and an additional 25% after each subsequent completed year of service.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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Notes to Financial Statements  
June 30, 2023 and 2022

## Investment Options

Participants may direct contributions to any of the following investment options, some of which are administered by subsidiaries (or related parties) of Nationwide. Since Nationwide is a service provider to the Plan, transactions in the Nationwide Stable Value Account qualify as party-in-interest transactions.

### Stable Value

Seeks safety of principal, adequate liquidity and returns superior to shorter maturity alternatives by actively managing a diversified portfolio of assets issued by highly rated financial institutions and corporations as well as obligations of the U.S. government or its agencies.

### Balanced

Seeks both current income and capital appreciation by investing in a combination of stocks, bonds and money market instruments.

### Growth

Seeks long-term capital appreciation by investing primarily in equity securities of companies with above-average growth prospects. Current income is a secondary concern.

### International

Seeks long-term capital appreciation by investing primarily in equity securities of issuers located outside of the U.S.

### Stock Funds

Seeks long-term growth through capital gains, although historically dividends have been an important source of total return. These funds primarily invest in the common stocks of companies based in the United States. There are many options for diversification within this category.

### Bond and Equity Funds

Seeks to maximize current income with capital appreciation as a secondary consideration by investing primarily in debt securities issued by the U.S. government or its agencies and domestic and foreign corporations. They are not fixed-income investments. Even when a mutual fund's portfolio is composed entirely of bonds, the fund itself has neither a fixed yield nor a contractual obligation to give investors back their principal at some later maturity date - the two key fixed characteristics of individual bonds.

### Self-Directed Brokerage Account

Participants meeting minimum balance and transaction requirements may transfer funds to a self-directed brokerage account providing access to additional investment options including a large selection of mutual funds.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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Notes to Financial Statements  
June 30, 2023 and 2022

## **Participant Notes Receivable**

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of their vested account balances. Notes receivables are treated as transfers between the investment fund and the notes receivable fund. Note terms range from one to five years or up to 20 years for the purchase of a primary residence. The notes receivable is secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates as determined periodically by the Plan administrator. Principal and interest are paid ratably through payroll deductions.

## **Payment of Benefits**

Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account or choose from a variety of periodic payment options. Upon reaching normal retirement age, a participant may elect to receive in service distributions.

## **2. Summary of Significant Accounting Policies**

### **Basis of Accounting**

Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Plan participant contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

### **Valuation of Investments and Income Recognition**

The investments are stated at fair value based on closing sales prices reported on recognized securities exchanges on the last business day of the year, or for listed securities having no sales reported and for unlisted securities, upon the last reported bid prices on that date. The mutual funds are valued at quoted market prices, which represent the fair market values of shares held by the Plan at year-end.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

### **Participant Notes Receivable**

Participant notes receivable are recorded at their unpaid principal balances plus any accrued interest. Participant notes receivable are written off when deemed uncollectible.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

Notes to Financial Statements  
June 30, 2023 and 2022

## Expenses

Substantially all Plan expenses are paid by Plan participants.

## Regulatory Status

The Plan is not subject to the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as it has been established for the benefit of a governmental unit.

### 3. Cash and Cash Equivalents, Investments and Fair Value Disclosure

The Plan is authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, bonds, mutual funds, collective investment funds, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and noninterest bearing).

The Plan's deposits and investment policies are in accordance with PA 196 of 1997 and have authorized the investments according to Michigan PA 314 of 1965, as amended.

#### Custodial Credit Risk of Bank Deposits

As of June 30, 2023 and 2022, the Plan has \$612,865 and \$0, respectively, of bank deposits that were uninsured and uncollateralized.

#### Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan does not have a policy for custodial credit risk. At year end, all investments of the Plan were held in the name of the Plan and are therefore not subject to custodial credit risk.

#### Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2023, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bond funds	\$ 18,095,280	Not rated	Not rated

As of June 30, 2022, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bond funds	\$ 16,900,960	Not rated	Not rated

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

Notes to Financial Statements  
June 30, 2023 and 2022

## Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Plan's investment policy does not address this risk. At June 30, 2023, the average maturities of investments subject to interest rate risk are as follows:

<b>Investment</b>	<b>Fair Value</b>	<b>Weighted Average Maturity</b>
Mutual funds, bond funds	\$ 18,095,280	6.9 years

At June 30, 2022, the average maturities of investments subject to interest rate risk are as follows:

<b>Investment</b>	<b>Fair Value</b>	<b>Weighted Average Maturity</b>
Mutual funds, bond funds	\$ 16,900,960	6.7 years

## Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Plan has no investments subject to concentration of credit risk as of June 30, 2023 and June 30, 2022.

## 4. Plan Termination

Although it has not expressed any intention to terminate the Plan, the BWL has the right to do so at any time. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, the accounts of each affected participant shall become fully vested.

## 5. Tax Status

The Plan utilizes Nationwide's prototype plan document. The prototype plan has received a favorable opinion letter from the Internal Revenue Service (IRS) that the prototype plan, as designed, is qualified for federal income tax-exempt status. The Plan has not individually sought its own determination letter.

## 6. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under authoritative guidance are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Plan has the ability to access.



# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

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Notes to Financial Statements  
June 30, 2023 and 2022

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- if the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observables and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022:

*Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily fair value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Stable Value Fund* - The Vantagepoint PLUS Fund is a collective fund that seeks to maintain a stable net asset value. It invests primarily in a diversified portfolio of stable-value investments, including traditional guaranteed investment contracts (traditional GICs), separate account GICs, synthetic GICs backed by fixed income securities or investments and short-term investment funds, including money market mutual funds. The Nationwide Stable Value Account (Account) is a Separate Account Product that seeks to provide a low-risk, stable investment option offering consistently competitive returns for retirement plan investors. The Account invests in a diversified portfolio of fixed income securities. Nationwide Life Insurance Company provides a crediting rate guarantee each quarter, which is backed by the assets in the Account and the claims paying ability of Nationwide Life Insurance Company. Assets in the Account are not part of the General

*Self-Directed Brokerage Account* - The self-directed brokerage account allows participants of the Plan the option of selecting a more personalized and broad range of investment choices. The investments within the account consist of corporate stocks, which are valued at the most recent closing price reported on the market on which individual securities are traded, and mutual funds (see above).

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# Lansing Board of Water and Light Defined Contribution Plan and Trust 1

Notes to Financial Statements  
June 30, 2023 and 2022

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2023 and 2022:

Investment Type	2023			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Bond funds	\$ 16,229,547	\$ -	\$ -	\$ 16,229,547
Stock funds	57,275,219	-	-	57,275,219
Balanced funds	59,241,776	-	-	59,241,776
International funds	15,773,545	-	-	15,773,545
Self-directed brokerage account:				
Equities	9,997,083	-	-	9,997,083
Mutual funds	454,285	-	-	454,285
Total investments by fair value level	<u>\$ 158,971,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,971,455</u>
Investments measured at the net asset value (NAV) or amortized cost				
Stable value				27,332,984
Fixed income				349,683
Total investments				<u>\$ 186,654,122</u>
Investment Type	2022			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Bond funds	\$ 16,900,960	\$ -	\$ -	\$ 16,900,960
Stock funds	52,769,642	-	-	52,769,642
Balanced funds	55,251,321	-	-	55,251,321
International funds	14,380,797	-	-	14,380,797
Self-directed brokerage account:				
Equities	8,979,962	-	-	8,979,962
Mutual funds	515,714	-	-	515,714
Total investments by fair value level	<u>\$ 148,798,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,798,396</u>
Investments measured at the net asset value (NAV)				
Stable value				29,720,419
Total investments				<u>\$ 178,518,815</u>

*Investments Measured Using NAV per Share Practical Expedient* - The stable value fund uses NAV per share as a practical expedient to measuring fair value. The stable value fund had a fair value of \$27,332,984 and \$29,720,419 as of June 30, 2023 and 2022, respectively. This fund has no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

# **Lansing Board of Water and Light Defined Contribution Plan and Trust 1**

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Notes to Financial Statements  
June 30, 2023 and 2022

## **7. Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

## **8. Subsequent Events**

The Plan has evaluated subsequent events occurring through September 22, 2023, the date that the Plan's financial statements were approved and available to be issued, for events requiring recording or disclosure in the Plan's financial statements. There are no subsequent events warranting disclosures.

LANSING BOARD OF WATER & LIGHT  
2ND QUARTER, 2023

**DEFINED CONTRIBUTION  
QUARTERLY REVIEW**

**CAPTRUST**

3000 Town Center Boulevard, Suite 2650, Southfield, MI, 48075  
99 Monroe Avenue, N.W., Suite 901, Grand Rapids, MI 49503

Our mission is to enrich the lives of our clients, colleagues and communities through sound financial advice, integrity, and a commitment to service beyond expectation.



Lansing Board of Water and Light Defined Contribution Plan and Trust 1

Lansing Board of Water & Light Defined Contribution Plan and Trust 2

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

2nd Quarter, 2023 Quarterly Review

Section 1

RETIREMENT INDUSTRY UPDATES

Section 2

MARKET COMMENTARY AND REVIEW

Section 3

PLAN INVESTMENT REVIEW

Section 4

FUND FACT SHEETS

Appendix

SECTION 1: RETIREMENT INDUSTRY UPDATES	
Industry Updates.....	



## FIDUCIARY UPDATE

Retirement plan fiduciaries should be mindful of recent compliance issues that may be relevant to their plans.



### SECURE ACT 2.0 CORRECTION

On May 23, congressional leaders wrote an open letter to the Treasury and IRS expressing their intent to correct the following technical errors involving SECURE 2.0:

- The provision regarding the increase to age 75 for required minimum distributions (effective in 2033) could be interpreted to apply to people who turn 74 after December 31, 2032. It is meant to apply to those turning 73 after that date.
- The provision mandating that catch-up contributions in retirement plans be designated as Roth starting in 2024 for those with more than \$145,000 in prior-year earnings could be read as a ban on catch-up contributions entirely, which is not the intent.



### 403(b) DETERMINATION LETTER

On May 24, the IRS issued a newsletter on its new 403(b) determination letter program.

- This program is available for individually designed plans only, not preapproved plans that use prototype or volume-submitter documents.
- The program is open to submissions beginning on different dates, based on the last digit of the sponsor's EIN.
- It opened on June 1, 2023, for sponsors whose EINs end in the number 1, 2, or 3.



### IRS GUIDANCE ON EPCRS

On May 25, the IRS issued guidance on its formal procedure for correcting plan defects, known as the Employee Plans Compliance Resolution System (EPCRS), as updated by SECURE 2.0.

- Even though EPCRS has yet to be amended, the SECURE 2.0 provisions are effective immediately, which means many defects can now be self-corrected, regardless of time frame.
- The correction process can also be used to correct defects that occurred before SECURE 2.0 was enacted.

## BACK TO BASICS: ROTH CONTRIBUTIONS



### HOW IT WORKS

Unlike pre-tax contributions, Roth contributions are made on an after-tax basis and treated as wages for federal, state, and other applicable tax purposes. Although Roth contributions are made with after-tax money, they differ from after-tax contributions that may also be allowed in a retirement plan.

Roth contributions in a retirement plan have the same contribution limits as pre-tax contributions. Also, they are combined with pre-tax contributions for purposes of the 402(g) limit, which sits at \$22,500 for 2023.

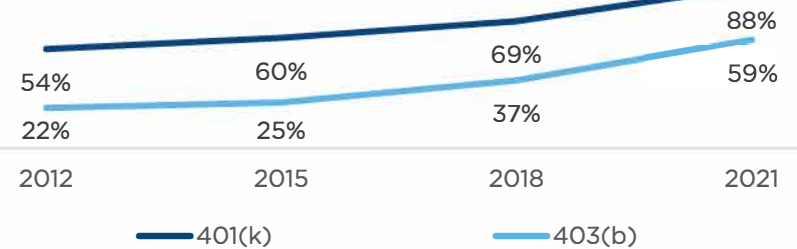
Contributions and earnings are not taxed at withdrawal if they remain in the plan for at least five years and the participant is at least 59 1/2 years old, dies, or becomes disabled before starting payments.

Unlike Roth IRAs, Roth retirement plan contributions are not subject to income restrictions. All participants are eligible to use this feature.

Roth contributions can only be rolled over to another qualified plan that allows for Roth contributions or to a Roth IRA.

Lastly, Roth contributions will not be subject to required minimum distribution (RMD) rules starting in 2024.

PERCENTAGE OF PLANS OFFERING ROTH CONTRIBUTIONS



### BENEFITS

Roth contributions in a retirement plan allow employees who may have lower earnings—and therefore lower tax rates—to pay less taxes now than they might pay in retirement, when their income could be higher.

They also allow high earners who are not otherwise able to contribute to a Roth IRA to build Roth savings through their retirement plans and diversify the taxability of their incomes in retirement or delay RMDs.

These contributions allow optionality to employees who believe their tax rates will increase over time and would prefer to pay taxes now instead of in retirement.

Source: Plan Sponsor Council of America 401(k) and 403(b) survey data





## SECURE SERIES: ROTH PROVISIONS

The SECURE 2.0 Act introduced several updates and policy changes specifically for Roth money in qualified retirement plans. This is an overview of three of the most impactful changes. Note that the Roth updates in SECURE 2.0 focus on expanding and enhancing Roth usage. They do not restrict any existing Roth functionality.










No RMDs for Roth Contributions (Mandatory)	Roth Employer Contribution (Optional)	Catch-up Contributions for High Earners (Mandatory)
<p><b>Who:</b> Participants in qualified retirement plans.</p> <p><b>What:</b> Roth contributions in retirement plans will no longer be subject to required minimum distributions (RMDs). This aligns employer-sponsored plans with Roth IRAs.</p> <p><b>When:</b> Effective January 1, 2024.</p> <p><b>Why:</b> This provision eliminates an incentive for participants to roll existing Roth assets in an employer-sponsored plan into a Roth IRA.</p>	<p><b>Who:</b> Plan sponsors with qualified retirement plans.</p> <p><b>What:</b> Employers will have the ability to make matching and nonelective contributions to Roth accounts for their participants.</p> <p><b>When:</b> Effective immediately.</p> <p><b>Why:</b> This change allows greater flexibility for plan sponsors to align with participants' preferences.</p>	<p><b>Who:</b> Participants in qualified retirement plans with prior-year wages exceeding \$145,000. The \$145,000 will be adjusted for inflation in the future.</p> <p><b>What:</b> Any catch-up contributions made by participants who meet the wage qualification must be made as Roth contributions.</p> <p><b>When:</b> Effective January 1, 2024</p> <p><b>Why:</b> Increasing Roth contributions will increase tax revenue to cover the cost of other SECURE 2.0 provisions.</p>
<p><b>Considerations:</b> Sponsors should consider the implications of Roth money remaining in the plan for a longer period after retirement.</p>	<p><b>Considerations:</b> Plan sponsors should consider the following: Is Roth currently offered in the plan? Are in-plan Roth conversions available? What are the administrative and tax implications of offering Roth employer contributions? Would this conflict with the current vesting schedule for employer contributions?</p>	<p><b>Considerations:</b> Starting in 2024, unless Roth is available, participants will not be able to make catch-up contributions. This is a meaningful consideration for plans that do not offer Roth today.</p>



## SECURE SERIES: QUALIFIED STUDENT LOAN PAYMENTS

SECURE 2.0 contains an optional provision designed to help participants pay down student debt and take full advantage of their employer’s match contribution through qualified student loan payments (QSLPs). Section 110 allows employers to treat qualifying student loan payments as elective deferrals for purposes of matching contributions. It is effective for contributions made for plan years beginning after December 31, 2023.

- A QSLP is a matching contribution that must be available for all employees who are otherwise eligible for matching contributions. Vesting and match rates must be the same for QSLPs as for other matching contributions.
- Employees receiving QSLPs may be disaggregated for purposes of actual deferral percentage (ADP) testing.
- There are specific definitions for qualified higher education expenses, eligible student, eligible expenses, and qualified student loan payments. To qualify, the employee must meet these definitions.
- Employee self-certification is allowed. Certification must be performed annually.
- Employees can make elective deferrals in addition to student loan payments.
- The frequency of QSLPs may be the same as the match on elective deferrals or at a different frequency, with a minimum of once per year.

	NO STUDENT LOAN MATCH	STUDENT LOAN MATCH NO DEFERRAL	STUDENT LOAN MATCH SOME DEFERRAL
Student Loan Payments	 \$2,500	 \$2,500	 \$2,500
Employee Deferral	 \$0	 \$0	 \$500
Employer Match	 \$0	 \$2,500	 \$3,000

Scenarios assume a dollar-for-dollar match up to 5% and a \$60,000 employee salary. There are many outstanding questions regarding QSLP administration, including when model plan amendment language will be available, how payments will be tracked, and how the timing of QSLPs will work with plan testing. Plan sponsors that are interested in adding this option should ask their recordkeepers about timing, cost, and administration.



## FIDUCIARY TRAINING: ERISA EXPENSE ACCOUNTS

Fiduciary training is a critical part of being a fiduciary, and it's a way to minimize risk through education and governance. As a fiduciary, it is important to understand what an ERISA expense account is and ensure that a prudent process is followed when using this type of account. It is also a fiduciary's responsibility to evaluate the impact this type of arrangement can have on overall plan costs.



### WHAT IS AN ERISA EXPENSE ACCOUNT?

This is an account used to pay eligible plan expenses. The account is funded by rebates from certain investments in the plan lineup. This type of arrangement is known as *revenue sharing*, and there are options for how a plan sponsor can allocate the funds. If the credits are not allocated directly back to participants, they will be deposited within the plan to an ERISA expense or spending account.

### USES

These accounts can be used to pay ERISA-approved plan expenses, including:

- Audit fees
- Third-party administrative and compliance fees
- Recordkeeping fees
- Advisory fees
- Required plan amendment costs



As a reminder, business or settlor plan expenses cannot be paid from plan assets. Funds not used by the end of the plan year in which they occur should be allocated to plan participants.

### ERISA EXPENSE ACCOUNT VS. FORFEITURE ACCOUNT



ERISA expense accounts hold accumulated revenue credits from the investments held in a plan. A forfeiture account holds the unvested portion of an employer contribution that remains after a terminated participant's account is distributed. Forfeitures may be used to pay eligible plan expenses but may also be used to reduce or offset future employer contributions. An expense account may only be used toward applicable fees and as additional income, if allocated to participants.

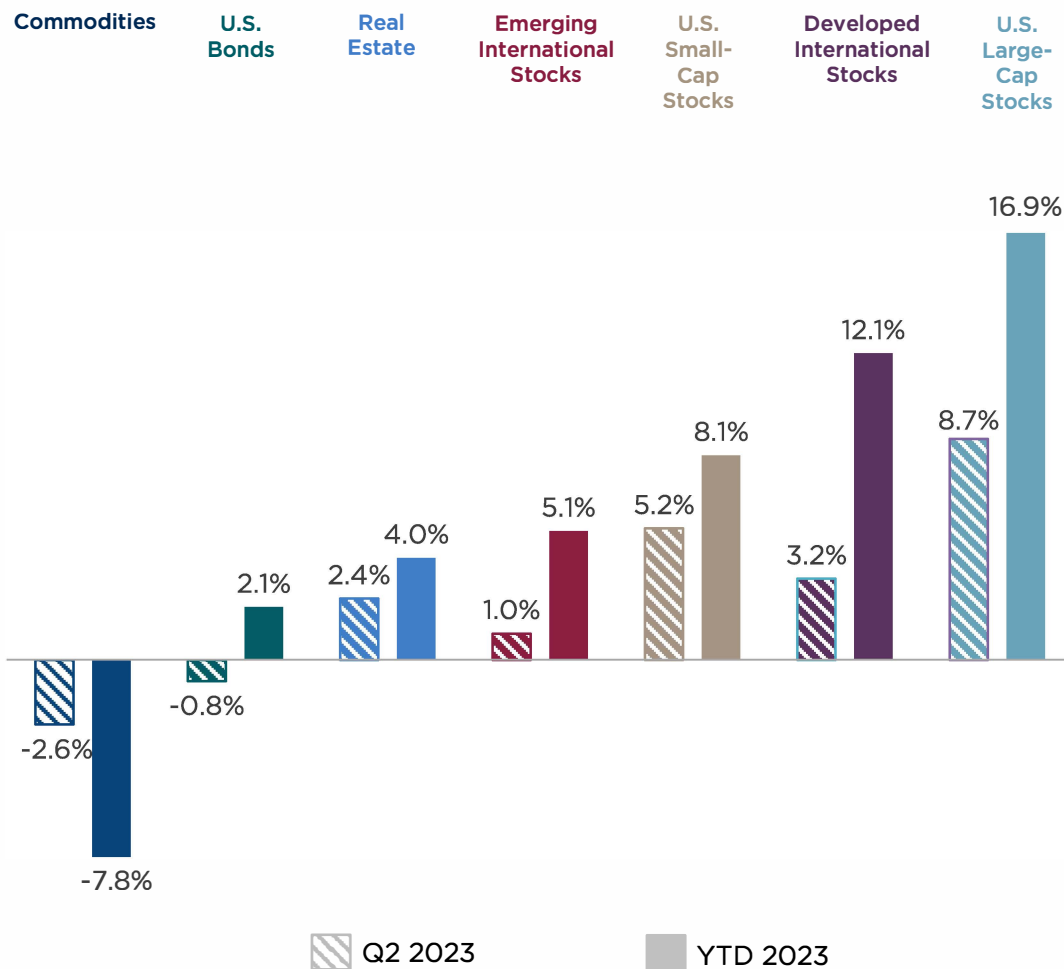
SECTION 2: MARKET COMMENTARY AND REVIEW	
Market Commentary.....	
Market Review.....	
Asset Class Returns.....	
Index Performance.....	



## MARKET RESILIENCE

Over the past year, labor markets have remained strong despite the Fed’s actions to slow the economy to combat inflation. This labor market strength has given consumers the confidence to continue spending, and the economy has continued expanding in response. In the second quarter, this economic resilience received an artificial-intelligence-fueled tailwind, sending stocks upward.

- While large- and small-cap U.S. stock indexes posted strong results, extreme dispersion exists among sectors. The technology sector soared ahead, while four sectors sit in negative territory for the year.
- Bond investors have been forced to raise their interest-rate expectations, putting downward pressure on bond prices.
- Outside the U.S., developed international stocks enjoyed strong results.
- Meanwhile, emerging market stocks have underperformed, weighed down by disappointing economic activity in China.
- Despite modest gains for the year, real estate uncertainty remains high, especially in the office and retail sectors.
- Commodities posted a second consecutive quarterly decline, with both oil and precious metals prices sinking.



Asset class returns are represented by the following indexes: Bloomberg U.S. Aggregate Bond Index (U.S. bonds), S&P 500 Index (U.S. large-cap stocks), Russell 2000® (U.S. small-cap stocks), MSCI EAFE Index (international developed market stocks), MSCI Emerging Market Index (emerging market stocks), Dow Jones U.S. Real Estate Index (real estate), and Bloomberg Commodity Index (commodities).



## DIGGING DEEPER: STOCKS AND BONDS

### Equities

	Q2 2023	YTD 2023	Last 12 Months
U.S. Stocks	8.7%	16.9%	19.6%
• Q2 Best Sector: Technology	17.2%	42.8%	40.3%
• Q2 Worst Sector: Utilities	-2.5%	-5.7%	-3.7%
International Stocks	3.2%	12.1%	19.4%
Emerging Markets Stocks	1.0%	5.1%	2.2%

### Fixed Income

	6.30.23	3.31.23	6.30.22
1-Year U.S. Treasury Yield	5.42%	4.62%	2.78%
10-Year U.S. Treasury Yield	3.84%	3.47%	3.02%
	QTD 2023	YTD 2023	Last 12 Months
10-Year U.S. Treasury Total Return	-1.91%	1.78%	-3.55%

### Equities - Relative Performance by Market Capitalization and Style

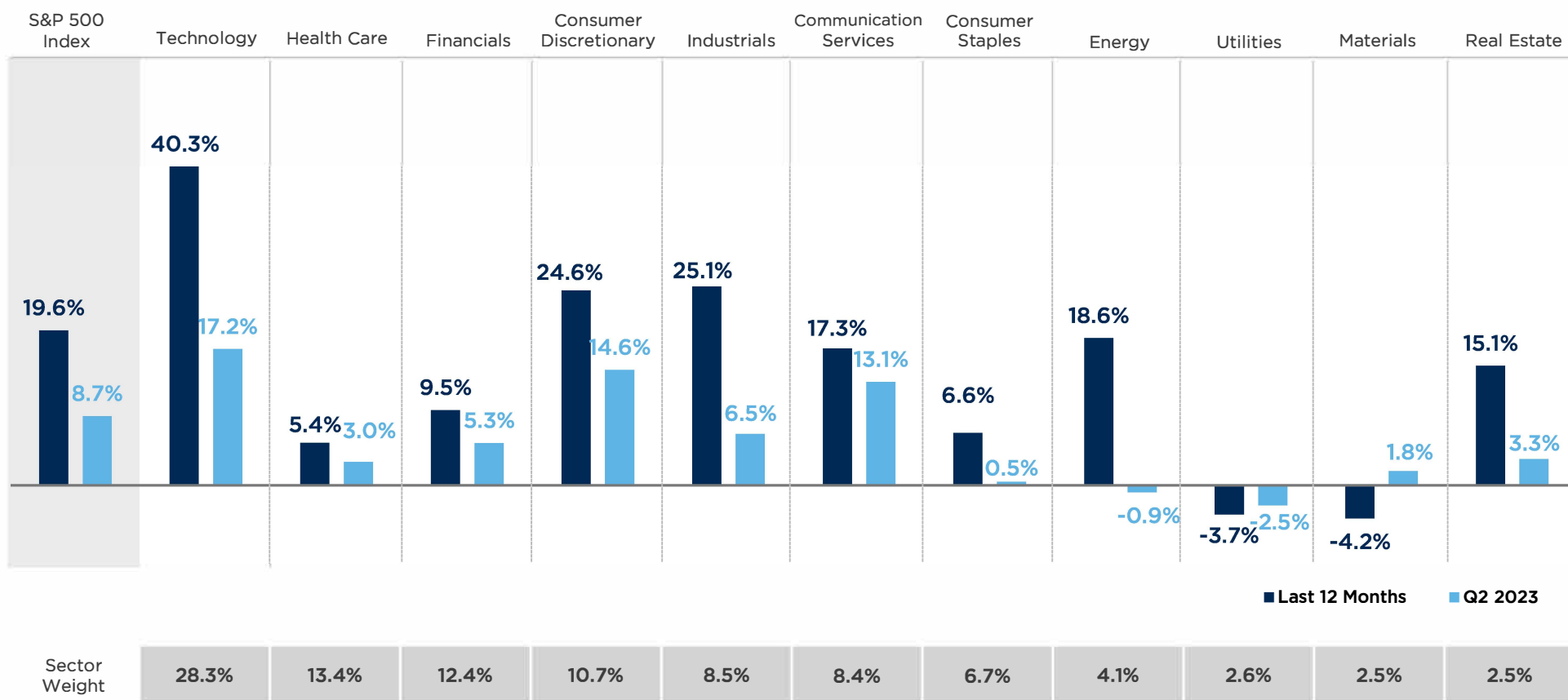
	Q2 2023			YTD 2023			Last 12 Months				
	Value	Blend	Growth	Value	Blend	Growth	Value	Blend	Growth		
Large	4.1%	8.7%	12.8%	Large	5.1%	16.9%	29.0%	Large	11.5%	19.6%	27.1%
Mid	3.9%	4.8%	6.2%	Mid	5.2%	9.0%	15.9%	Mid	10.5%	14.9%	23.1%
Small	3.2%	5.2%	7.1%	Small	2.5%	8.1%	13.6%	Small	6.0%	12.3%	18.5%

Sources: Bloomberg, U.S. Treasury. Asset class returns are represented by the following indexes: S&P 500 Index (U.S. stocks), MSCI EAFE Index (international developed market stocks), and MSCI Emerging Markets Index (emerging market stocks). Relative performance by market capitalization and style is based upon the Russell US Style Indexes except for large-cap blend, which is based upon the S&P 500 Index.

## DIGGING DEEPER: U.S. EQUITY MARKETS

The S&P 500 Index is a market-capitalization-weighted index of U.S. large-cap stocks across a diverse set of industry sectors. The stocks represented in these 11 sectors generated a range of returns for the last 12 months and the most recent quarter.

Returns by S&P 500 Sector



Source: Bloomberg. All calculations are cumulative total return, not annualized, including dividends for the stated period. Past performance is not indicative of future returns.



## DIGGING DEEPER: FIXED INCOME MARKET

Interest Rates	3 Months	2 Years	5 Years	10 Years	30 Years	Mortgage Rate
March 2023	4.75%	4.03%	3.58%	3.47%	3.65%	6.81%
June 2023	5.30%	4.90%	4.16%	3.84%	3.86%	7.15%
Change	0.55%	0.87%	0.58%	0.37%	0.21%	0.34%

U.S. Treasury yields moved higher this quarter as economic growth left investors with the expectation of Fed rate hikes to continue. Though mortgage rates remain exceptionally high, new home sales have driven purchase activity in the housing market.

Bloomberg U.S. Aggregate Bond Index	Yield to Worst	Duration	Total Return Q2 2023	Spread	Treasury Rate	AA Spread	BBB Spread
March 2023	4.40%	6.33	-0.84%	0.57%	3.83%	0.75%	1.67%
June 2023	4.81%	6.31		0.49%	4.32%	0.67%	1.51%
Change	0.41%	-0.02		-0.08%	0.49%	-0.08%	-0.17%

Performance for core bonds was negative for the quarter as yields rose. Yields moved higher for core fixed income, while credit spreads narrowed slightly.

Bloomberg U.S. Long Credit Index	Yield to Worst	Duration	Total Return Q2 2023	Spread	Treasury Rate	AA Spread	BBB Spread
March 2023	5.28%	13.05	-0.42%	1.59%	3.69%	1.06%	1.93%
June 2023	5.42%	12.88		1.48%	3.94%	0.97%	1.83%
Change	0.14%	-0.17		-0.10%	0.24%	-0.09%	-0.10%

Performance for longer-maturity bonds was negatively impacted this quarter by higher yields and narrower credit spreads.

Sources: Bloomberg, U.S. Treasury, CAPTRUST Research



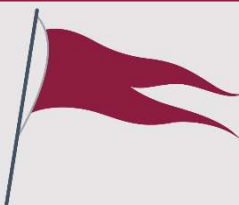
## ECONOMIC OUTLOOK

Uncertainty is likely to endure as key data points remain polarized. 2023 recession predictions have failed to materialize, with labor markets and consumer strength expanding the economy instead. Looking forward, tighter lending standards, higher debt burdens, and a Fed committed to 2% inflation may present the hard-landing potholes the country has avoided so far.

### HEADWINDS

#### The Rising Cost of Debt

- As interest rates have climbed from near-zero levels, public debt burden may reach a record.
- With savings declining, many consumers face the added burden of higher interest payments on home, auto, and student loans.
- Higher interest costs may also squeeze profitability for corporations that need to refinance debt.
- With a significant portion of government debt maturing soon, refinancing at higher rates could require fiscal constraint and reinvigorate the debt ceiling debate.



#### Liquidity Constraints

- Liquidity fuels the economy. Yet money supply is contracting as the Fed reduces its balance sheet, the Treasury refills its reserves, and commercial banks impose stricter lending standards.

#### Sticky Inflation and Fed Determination

- Core inflation remains stubbornly elevated, likely resulting in additional Fed restrictions.

### TAILWINDS

#### The Consumer

- Labor participation has not returned to pre-pandemic levels, creating historically low unemployment and steady wage growth—two underpinnings of consumer strength.
- As inflation falls from its June 2022 peak, real wage growth has supported consumer spending. Combined with excess savings and higher interest income, wage growth has partially insulated consumers from rising debt costs.



#### Debt Ceiling Resolution

- A debt ceiling deal reduced uncertainty and helped the U.S. avoid default, but the agreement lacked notable spending changes. The stage is set for another showdown in 2025.

#### Artificial Intelligence and Productivity

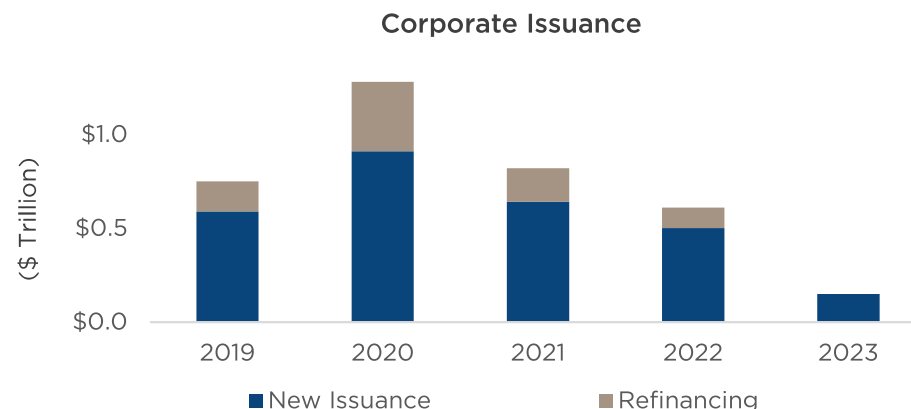
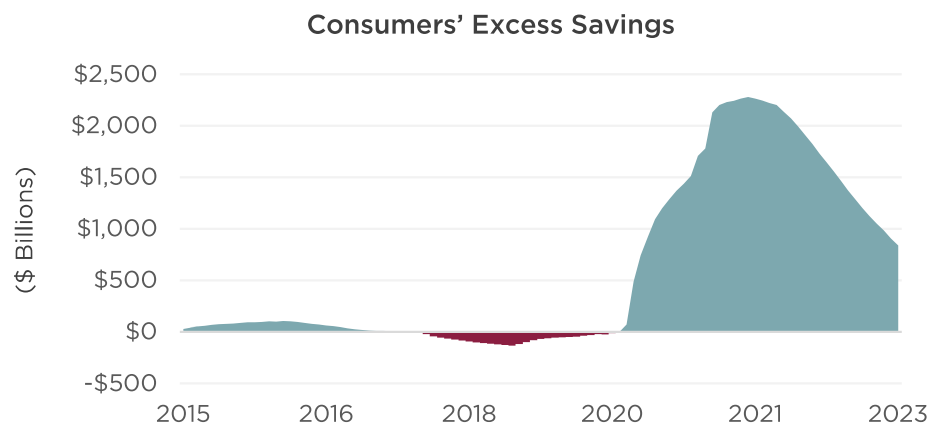
- In 2022, the technology sector saw a breakthrough in artificial intelligence (AI), creating AI models that interpret, learn, and provide human-like responses faster than ever.
- AI has tremendous potential but will require significant capital to develop necessary infrastructure.

Despite consumer-driven economic resilience year-to-date, the impact of Fed policy changes does not seem fully absorbed. Given economic uncertainty, investors should remain vigilant, diversified, and prepared for ongoing volatility.



## INTEREST INCOME VS. INTEREST EXPENSE

The Fed is aggressively raising interest rates to slow the economy and ease inflation. In theory, these moves encourage saving by paying people and institutions higher returns on unspent balances, and they discourage borrowing by raising the cost of debt. However, these measures can also support short-term economic activity, depending on the balance sheets of various savers and borrowers.



### BENEFITS AND CHALLENGES FOR CONSUMERS

- **Excess savings.** Due to limited spending and fiscal support, consumers accumulated nearly \$2.3 trillion in excess savings after the pandemic. Although these balances have been declining, nearly \$800 billion remains. If invested in safe, liquid securities, these savings can earn more than 5 percent thanks to the Fed's rate-hiking program.
- **Demographics.** Nearly 70 percent of household net worth is held by individuals age 55 or older. These consumers generally have more assets that benefit from higher interest income, less debt subject to higher interest expense, and less need to save.

### BENEFITS AND CHALLENGES FOR CORPORATIONS

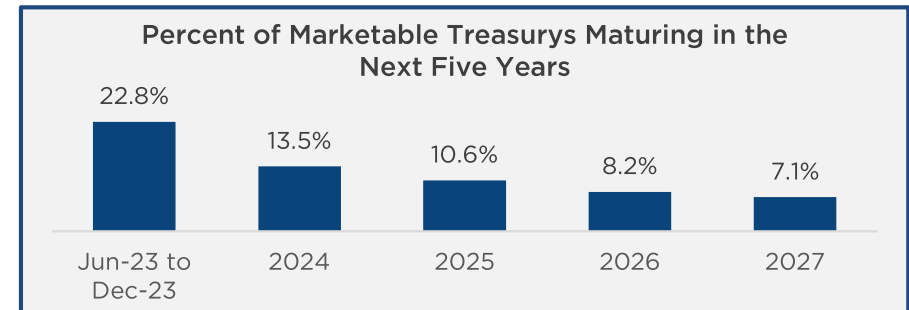
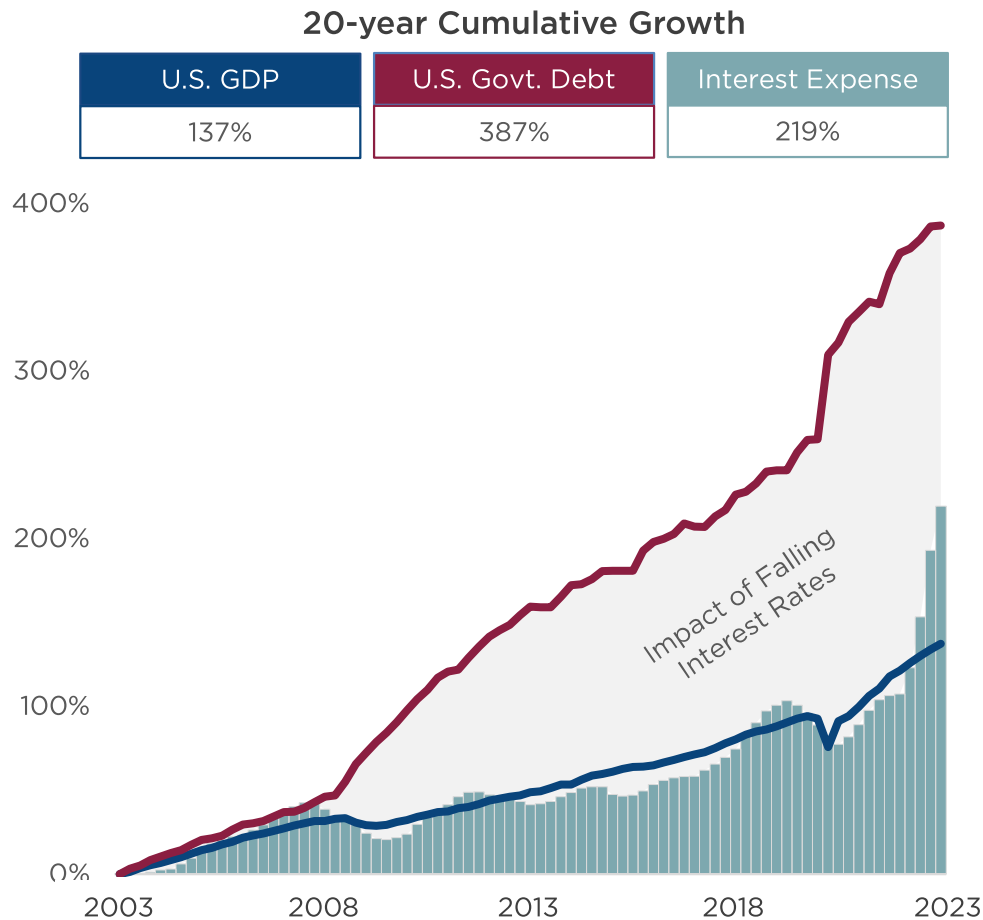
- **Corporate debt issuance.** Companies issued a record \$1 trillion in debt at near-zero rates in 2020. Issuance accelerated in early 2022 before rate hikes began. Corporate balance sheets have been buoyed by elevated cash balances and cheap debt, partially insulating them from the rising cost of debt capital.
- **Maturing corporate debt.** This insulation may be short-lived for some, with nearly \$3.5 trillion in debt maturing by 2024. Assuming interest rates remain elevated, corporate interest expenses will rise, creating a more difficult environment for companies that have depended on cheap capital.

Sources: U.S. Bureau of Economic Analysis, Bloomberg, Dealogic, CAPTRUST Research. Data as of June 30, 2023.



## RISING GOVERNMENT INTEREST EXPENSE

Government spending composed more than 17% of first-quarter gross domestic product (GDP). Discretionary spending was already under pressure with the passage of the Fiscal Responsibility Act of 2023. However, a more significant headwind could come from rising interest rate costs, further reducing the impact of government spending on future GDP.



### OBSERVATIONS

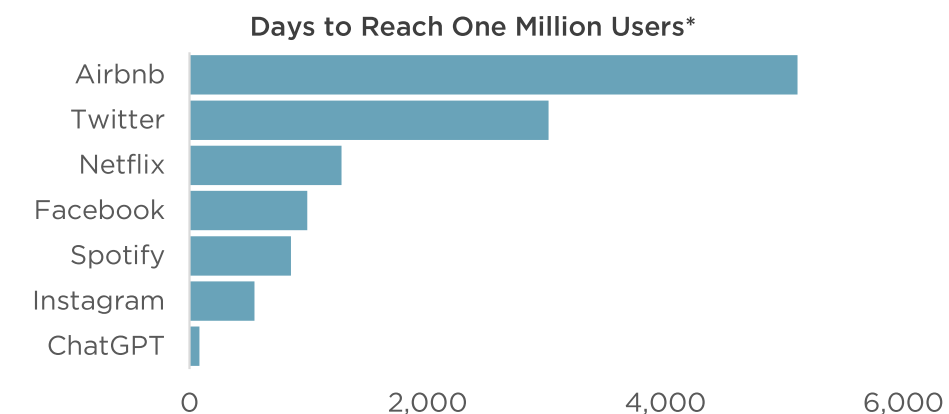
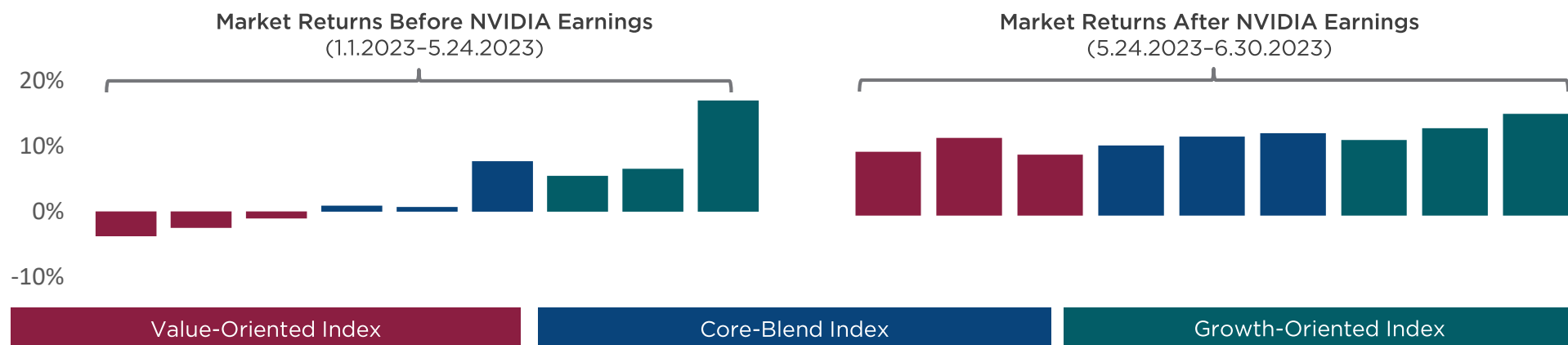
- Since 2003, government debt has increased nearly three times as fast as GDP. However, due to falling interest rates, growth in interest expense has generally aligned with growth in GDP.
- Recently, rising rates have driven interest expense significantly above GDP growth, a trend that is likely to continue with more than 60% of marketable Treasuries maturing in the next five years.
- As interest expense on historical debt continues to take a bigger bite out of the government’s budget, additional fiscal responsibility will be required elsewhere, creating headwinds for future economic activity.

Sources: U.S. Bureau of Economic Analysis, U.S. Department of the Treasury, CAPTRUST Research. Data as of June 30, 2023.



## THE POWER OF ARTIFICIAL INTELLIGENCE

In late 2022, the technology sector saw a breakthrough in large language models (LLMs). LLMs allow artificial intelligence (AI) to learn and respond in conversational language. On May 24, NVIDIA, which makes processors that power AI technology, reported second-quarter sales 57% higher than expectations, unleashing a fervor of AI-related excitement. Although mass adoption is distant, the potential of AI has companies across sectors investing in related technology and infrastructure, providing support for economic growth.



**OBSERVATIONS**

- NVIDIA's second-quarter earnings revealed exceptional demand for AI-related processors. In the days after, market tenor shifted as investors adjusted to the broader impact of AI across industries.
- ChatGPT, a chatbot released to the public in November 2022, reached mass adoption faster than any technology in recent history. Its natural language abilities have wide-ranging application in education, content creation, information synthesis, information analysis, and decision support.

Sources: Bloomberg, Statista, Our World in Data, CAPTRUST Research. Data as of June 30, 2023. Indexes represented include the Russell 2000, Russell Mid-Cap, and Russell 1000 Value, Core, and Growth, respectively.

\*Days to Reach One Million Users is adjusted for number of internet users using a base year of 1999.



# ASSET CLASS RETURNS

Period Ending 6.30.23 | Q2 23

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Q2 2023
Small-Cap Growth 29.09%	Fixed Income 7.84%	Mid-Cap Value 18.51%	Small-Cap Growth 43.30%	Mid-Cap Value 14.75%	Large-Cap Growth 5.67%	Small-Cap Value 31.74%	Large-Cap Growth 30.21%	Cash 1.87%	Large-Cap Growth 36.39%	Large-Cap Growth 38.49%	Mid-Cap Value 28.34%	Cash 1.46%	Large-Cap Growth 29.02%
Mid-Cap Growth 26.38%	Large-Cap Growth 2.64%	Small-Cap Value 18.05%	Mid-Cap Growth 35.74%	Large-Cap Value 13.45%	Fixed Income 0.55%	Mid-Cap Value 20.00%	International Equities 25.62%	Fixed Income 0.01%	Mid-Cap Growth 35.47%	Mid-Cap Growth 35.59%	Small-Cap Value 28.27%	Large-Cap Value -7.54%	Mid-Cap Growth 15.94%
Mid-Cap Value 24.75%	Large-Cap Value 0.39%	International Equities 17.90%	Small-Cap Value 34.52%	Large-Cap Growth 13.05%	Cash 0.05%	Large-Cap Value 17.34%	Mid-Cap Growth 25.27%	Large-Cap Growth -1.51%	Small-Cap Growth 28.48%	Small-Cap Growth 34.63%	Large-Cap Growth 27.60%	Mid-Cap Value -12.03%	Small-Cap Growth 13.55%
Small-Cap Value 24.50%	Cash 0.10%	Large-Cap Value 17.51%	Large-Cap Growth 33.48%	Mid-Cap Growth 11.90%	Mid-Cap Growth -0.20%	Small-Cap Growth 11.32%	Small-Cap Growth 22.17%	Mid-Cap Growth -4.75%	Mid-Cap Value 27.06%	International Equities 8.28%	Large-Cap Value 25.16%	Fixed Income -13.01%	International Equities 12.13%
Large-Cap Growth 16.71%	Mid-Cap Value -1.38%	Mid-Cap Growth 15.81%	Mid-Cap Value 33.46%	Fixed Income 5.97%	International Equities -0.39%	Mid-Cap Growth 7.33%	Large-Cap Value 13.66%	Large-Cap Value -8.27%	Large-Cap Value 26.54%	Fixed Income 7.51%	Mid-Cap Growth 12.73%	International Equities -14.01%	Mid-Cap Value 5.23%
Large-Cap Value 15.51%	Mid-Cap Growth -1.65%	Large-Cap Growth 15.26%	Large-Cap Value 32.53%	Small-Cap Growth 5.60%	Small-Cap Growth -1.38%	Large-Cap Growth 7.08%	Mid-Cap Value 13.34%	Small-Cap Growth -9.31%	International Equities 22.66%	Mid-Cap Value 4.96%	International Equities 11.78%	Small-Cap Value -14.48%	Large-Cap Value 5.12%
International Equities 8.21%	Small-Cap Growth -2.91%	Small-Cap Growth 14.59%	International Equities 23.29%	Small-Cap Value 4.22%	Large-Cap Value -3.83%	Fixed Income 2.65%	Small-Cap Value 7.84%	Mid-Cap Value -12.29%	Small-Cap Value 22.39%	Small-Cap Value 4.63%	Small-Cap Growth 2.83%	Small-Cap Growth -26.36%	Small-Cap Value 2.50%
Fixed Income 5.89%	Small-Cap Value -5.50%	Fixed Income 4.22%	Cash 0.07%	Cash 0.03%	Mid-Cap Value -4.78%	International Equities 1.51%	Fixed Income 3.54%	Small-Cap Value -12.86%	Fixed Income 8.72%	Large-Cap Value 2.80%	Cash 0.05%	Mid-Cap Growth -26.72%	Cash 2.25%
Cash 0.13%	International Equities -11.73%	Cash 0.11%	Fixed Income -2.02%	International Equities -4.48%	Small-Cap Value -7.47%	Cash 0.33%	Cash 0.86%	International Equities -13.36%	Cash 2.28%	Cash 0.67%	Fixed Income -1.54%	Large-Cap Growth -29.14%	Fixed Income 2.09%

- Small-Cap Value Stocks (Russell 2000 Value)
- Large-Cap Value Stocks (Russell 1000 Value)
- International Equities (MSCI EAFE)
- Small-Cap Growth Stocks (Russell 2000 Growth)
- Mid-Cap Growth Stocks (Russell Mid-Cap Growth)
- Fixed Income (Bloomberg U.S. Aggregate Bond)
- Large-Cap Growth Stocks (Russell 1000 Growth)
- Mid-Cap Value Stocks (Russell Mid-Cap Value)
- Cash (Merrill Lynch 3-Month Treasury Bill)

The information contained in this report is from sources believed to be reliable but is not warranted by CAPTRUST to be accurate or complete.



Source: Markov Processes, Inc., Bloomberg, Mobius



# INDEX PERFORMANCE

Period Ending 6.30.23 | Q2 23

INDEXES	Q2 2023	YTD	2022	2021	2020	2019	2018	1 YEAR	3 YEARS	5 YEARS	10 YEARS
90-Day U.S. Treasury	1.17%	2.25%	1.46%	0.05%	0.67%	2.28%	1.87%	3.59%	1.27%	1.55%	0.98%
Bloomberg Government 1-3 Year	-0.58%	1.00%	-3.81%	-0.60%	3.14%	3.59%	1.58%	0.17%	-1.11%	0.93%	0.76%
Bloomberg Intermediate Govt	-1.12%	1.11%	-7.73%	-1.69%	5.73%	5.20%	1.43%	-0.99%	-2.85%	0.82%	0.93%
Bloomberg Muni Bond	-0.10%	2.67%	-8.53%	1.52%	5.21%	7.54%	1.28%	3.19%	-0.58%	1.84%	2.68%
Bloomberg Intermediate Govt/Credit	-0.81%	1.50%	-8.23%	-1.44%	6.43%	6.80%	0.88%	-0.10%	-2.46%	1.23%	1.41%
Bloomberg Intermediate Credit	-0.26%	2.21%	-9.10%	-1.03%	7.08%	9.52%	0.01%	1.56%	-1.86%	1.82%	2.17%
Bloomberg Aggregate Bond	-0.84%	2.09%	-13.01%	-1.54%	7.51%	8.72%	0.01%	-0.94%	-3.97%	0.77%	1.52%
Bloomberg Corporate IG Bond	-0.29%	3.21%	-15.76%	-1.04%	9.89%	14.54%	-2.51%	1.55%	-3.45%	1.76%	2.63%
Bloomberg High Yield	1.75%	5.38%	-11.19%	5.28%	7.11%	14.32%	-2.08%	9.06%	3.14%	3.35%	4.43%
Bloomberg Global Aggregate	-1.53%	1.43%	-16.25%	-4.71%	9.20%	6.84%	-1.20%	-1.32%	-4.97%	-1.08%	0.20%
Bloomberg U.S. Long Corporate	-0.54%	4.88%	-25.62%	-1.13%	13.94%	23.89%	-7.24%	0.98%	-6.16%	1.61%	3.52%
S&P 500	8.74%	16.89%	-18.11%	28.71%	18.40%	31.49%	-4.38%	19.59%	14.61%	12.30%	12.86%
Dow Jones Industrial Average	3.97%	4.94%	-6.86%	20.95%	9.72%	25.34%	-3.48%	14.23%	12.31%	9.58%	11.25%
NASDAQ Composite	12.81%	31.73%	-33.10%	21.39%	43.64%	35.23%	-3.88%	25.02%	11.09%	12.91%	15.01%
Russell 1000 Value	4.07%	5.12%	-7.54%	25.16%	2.80%	26.54%	-8.27%	11.54%	14.31%	8.10%	9.21%
Russell 1000	8.58%	16.68%	-19.13%	26.45%	20.96%	31.43%	-4.78%	19.36%	14.10%	11.91%	12.64%
Russell 1000 Growth	12.81%	29.02%	-29.14%	27.60%	38.49%	36.39%	-1.51%	27.11%	13.74%	15.13%	15.74%
Russell Mid-Cap Value Index	3.86%	5.23%	-12.03%	28.34%	4.96%	27.06%	-12.29%	10.50%	15.05%	6.83%	9.03%
Russell Mid-Cap Index	4.76%	9.01%	-17.32%	22.58%	17.10%	30.54%	-9.06%	14.92%	12.51%	8.45%	10.32%
Russell Mid-Cap Growth Index	6.23%	15.94%	-26.72%	12.73%	35.59%	35.47%	-4.75%	23.13%	7.63%	9.71%	11.52%
MSCI EAFE	3.22%	12.13%	-14.01%	11.78%	8.28%	22.66%	-13.36%	19.41%	9.48%	4.90%	5.91%
MSCI ACWI ex U.S.	2.67%	9.86%	-15.57%	8.29%	11.13%	22.13%	-13.78%	13.33%	7.75%	4.01%	5.24%
Russell 2000 Value	3.18%	2.50%	-14.48%	28.27%	4.63%	22.39%	-12.86%	6.01%	15.44%	3.54%	7.29%
Russell 2000	5.21%	8.09%	-20.44%	14.82%	19.96%	25.52%	-11.01%	12.31%	10.83%	4.21%	8.25%
Russell 2000 Growth	7.05%	13.55%	-26.36%	2.83%	34.63%	28.48%	-9.31%	18.53%	6.10%	4.22%	8.83%
MSCI Emerging Markets	1.04%	5.10%	-19.74%	-2.22%	18.69%	18.90%	-14.25%	2.22%	2.72%	1.32%	3.33%
Dow Jones U.S. Real Estate Index	2.43%	4.04%	-25.17%	38.99%	-5.29%	28.92%	-4.03%	-2.65%	5.97%	4.57%	6.57%
HFRX Absolute Return Index	0.46%	0.26%	0.85%	2.10%	2.72%	4.37%	-0.49%	2.09%	2.42%	1.74%	1.89%
Consumer Price Index (Inflation)	0.67%	1.62%	6.44%	7.19%	1.32%	2.31%	2.00%	3.09%	5.74%	3.89%	2.71%
BLENDING BENCHMARKS	Q2 2023	YTD	2022	2021	2020	2019	2018	1 YEAR	3 YEARS	5 YEARS	10 YEARS
25% S&P 500/5% MSCI EAFE/70% BB Agg	1.73%	6.17%	-14.08%	6.13%	10.87%	14.96%	-1.55%	5.08%	1.30%	4.08%	4.70%
30% S&P 500/10% MSCI EAFE/60% BB Agg	2.41%	7.41%	-14.35%	8.27%	11.56%	16.79%	-2.44%	7.12%	2.91%	4.90%	5.51%
35% S&P 500/15% MSCI EAFE/50% BB Agg	3.10%	8.65%	-14.64%	10.44%	12.18%	18.63%	-3.34%	9.17%	4.53%	5.71%	6.32%
40% S&P 500/20% MSCI EAFE/40% BB Agg	3.78%	9.91%	-14.96%	12.64%	12.75%	20.48%	-4.25%	11.24%	6.15%	6.49%	7.11%
45% S&P 500/25% MSCI EAFE/30% BB Agg	4.47%	11.17%	-15.28%	14.87%	13.25%	22.33%	-5.17%	13.32%	7.77%	7.25%	7.88%
60% S&P 500/40% Bloomberg Barclays Agg	4.86%	10.81%	-15.79%	15.86%	14.73%	22.18%	-2.35%	11.24%	7.10%	7.94%	8.45%

Sources: Morningstar Direct, MPI. The opinions expressed in this report are subject to change without notice. This material has been prepared or is distributed solely for informational purposes and is not a solicitation or an offer to buy any security or to participate in any investment strategy. The performance data quoted represents past performance and does not guarantee future results. Index averages are provided for comparison purposes only. The information and statistics in this report are from sources believed to be reliable but are not guaranteed to be accurate or complete. CAPTRUST is an investment adviser registered under the Investment Advisers Act of 1940.



SECTION 3: PLAN INVESTMENT REVIEW	
Plan Investment Menu Review.....	
Plan Assets.....	
Investment Policy Monitor.....	
Investment Review Select Commentary.....	
Investment Performance Summary.....	





Lansing Board of Water and Light Defined Contribution Plans



# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.23 | Q2 23

Lansing Board of Water and Light Defined Contribution Plan and Trust 1

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2022	(%)	CURRENT	(%)
Money Market	Vanguard Federal Money Market Investor	\$0	0.00%	-	-
Stable Value	Nationwide Fixed Account	\$29,494,883	15.98%	\$27,332,984	14.34%
Inflation Protected Bond	PIMCO Real Return Instl	\$4,781,464	2.59%	\$4,865,439	2.55%
Intermediate Core Bond	Fidelity US Bond Index	\$2,839,145	1.54%	\$2,817,485	1.48%
Intermediate Core-Plus Bond	PIMCO Total Return Instl	\$4,076,861	2.21%	\$4,238,417	2.22%
Multisector Bond	PIMCO Income Instl	\$4,422,663	2.40%	\$4,308,205	2.26%
Moderate Allocation	Fidelity Balanced	\$4,367,284	2.37%	\$4,890,261	2.57%
Target Date Ret Income Moderate	Vanguard Target Retirement Income Fund	\$5,639,937	3.06%	\$6,157,457	3.23%
Target Date 2020 Moderate	Vanguard Target Retirement 2020 Fund	\$5,370,348	2.91%	\$4,834,152	2.54%
Target Date 2025 Moderate	Vanguard Target Retirement 2025 Fund	\$8,994,120	4.87%	\$9,302,667	4.88%
Target Date 2030 Moderate	Vanguard Target Retirement 2030 Fund	\$7,365,246	3.99%	\$8,432,854	4.43%
Target Date 2035 Moderate	Vanguard Target Retirement 2035 Fund	\$7,643,849	4.14%	\$8,379,143	4.40%
Target Date 2040 Moderate	Vanguard Target Retirement 2040 Fund	\$6,142,431	3.33%	\$6,634,170	3.48%
Target Date 2045 Moderate	Vanguard Target Retirement 2045 Fund	\$5,111,475	2.77%	\$5,601,375	2.94%
Target Date 2050 Moderate	Vanguard Target Retirement 2050 Fund	\$2,677,023	1.45%	\$3,318,123	1.74%
Target Date 2055 Moderate	Vanguard Target Retirement 2055 Fund	\$563,432	0.31%	\$736,607	0.39%
Target Date 2060 Moderate	Vanguard Target Retirement 2060 Fund	\$519,906	0.28%	\$731,333	0.38%
Target Date 2065+ Moderate	Vanguard Target Retirement 2065 Fund	\$131,949	0.07%	\$223,632	0.12%

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.23 | Q2 23

Lansing Board of Water and Light Defined Contribution Plan and Trust 1

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2022	(%)	CURRENT	(%)
Large Company Value	MFS Value R3	\$8,321,839	4.51%	\$8,284,957	4.35%
Large Company Blend	Fidelity 500 Index	\$12,469,748	6.76%	\$13,874,574	7.28%
Large Company Blend	Fidelity Contrafund K6	\$7,636,432	4.14%	\$8,774,619	4.60%
Large Company Growth	MainStay Winslow Large Cap Growth I	\$6,236,515	3.38%	\$6,812,050	3.57%
Medium Company Value	JPMorgan Mid Cap Value R6	\$1,396,276	0.76%	\$1,321,417	0.69%
Medium Company Blend	Fidelity Mid Cap Index	\$2,224,274	1.21%	\$2,362,045	1.24%
Medium Company Growth	T Rowe Price Instl Mid-Cap Equity Gr	\$7,971,331	4.32%	\$7,952,984	4.17%
Global Large Stock Blend	American Funds Capital World Gr&Inc R6	\$6,553,051	3.55%	\$6,812,743	3.58%
Foreign Large Blend	American Funds Europacific Growth R6	\$1,008,475	0.55%	\$1,239,218	0.65%
Foreign Large Blend	Vanguard Total Intl Stock Index Admiral	\$5,276,472	2.86%	\$5,381,884	2.82%
Foreign Large Growth	Vanguard International Growth Adm	\$2,157,954	1.17%	\$2,339,700	1.23%
Small Company Value	American Beacon Small Cap Value R6	\$2,539,893	1.38%	\$2,492,668	1.31%
Small Company Blend	Fidelity Small Cap Index	\$2,488,263	1.35%	\$2,392,503	1.26%
Small Company Growth	MassMutual Small Cap Gr Eq I	\$1,664,333	0.90%	\$1,491,352	0.78%
Specialty-Real Estate	Nuveen Real Estate Securities I	\$1,680,563	0.91%	\$1,516,050	0.80%
Self-Directed Brokerage	Self-Directed Brokerage	\$11,483,963	6.22%	\$11,663,916	6.12%
Loan	Loan Balance	\$3,279,507	1.78%	\$3,042,630	1.60%
<b>TOTALS</b>		\$184,530,907	100%	\$190,559,616	100%

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.23 | Q2 23

Lansing Board of Water & Light Defined Contribution Plan and Trust 2

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2022	(%)	CURRENT	(%)
Money Market	Vanguard Federal Money Market Investor	\$0	0.00%	-	-
Stable Value	Nationwide Fixed Account	\$9,902	14.03%	\$9,635	12.75%
Inflation Protected Bond	PIMCO Real Return Instl	\$9,882	14.00%	\$11,784	15.59%
Intermediate Core Bond	Fidelity US Bond Index	\$0	0.00%	\$0	0.00%
Intermediate Core-Plus Bond	PIMCO Total Return Instl	\$4,909	6.95%	\$5,920	7.83%
Multisector Bond	PIMCO Income Instl	\$8,445	11.96%	\$8,214	10.87%
Moderate Allocation	Fidelity Balanced	\$0	0.00%	\$0	0.00%
Target Date Ret Income Moderate	Vanguard Target Retirement Income Fund	\$0	0.00%	\$0	0.00%
Target Date 2020 Moderate	Vanguard Target Retirement 2020 Fund	\$0	0.00%	\$0	0.00%
Target Date 2025 Moderate	Vanguard Target Retirement 2025 Fund	\$0	0.00%	\$0	0.00%
Target Date 2030 Moderate	Vanguard Target Retirement 2030 Fund	\$0	0.00%	\$0	0.00%
Target Date 2035 Moderate	Vanguard Target Retirement 2035 Fund	\$0	0.00%	\$0	0.00%
Target Date 2040 Moderate	Vanguard Target Retirement 2040 Fund	\$0	0.00%	\$0	0.00%
Target Date 2045 Moderate	Vanguard Target Retirement 2045 Fund	\$0	0.00%	\$0	0.00%
Target Date 2050 Moderate	Vanguard Target Retirement 2050 Fund	\$0	0.00%	\$0	0.00%
Target Date 2055 Moderate	Vanguard Target Retirement 2055 Fund	\$0	0.00%	\$0	0.00%
Target Date 2060 Moderate	Vanguard Target Retirement 2060 Fund	\$0	0.00%	\$0	0.00%
Target Date 2065+ Moderate	Vanguard Target Retirement 2065 Fund	\$0	0.00%	\$0	0.00%

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.23 | Q2 23

Lansing Board of Water & Light Defined Contribution Plan and Trust 2

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2022	(%)	CURRENT	(%)
Large Company Value	MFS Value R3	\$6,366	9.02%	\$6,091	8.06%
Large Company Blend	Fidelity 500 Index	\$5,650	8.00%	\$7,864	10.41%
Large Company Blend	Fidelity Contrafund K6	\$2,825	4.00%	\$2,371	3.14%
Large Company Growth	MainStay Winslow Large Cap Growth I	\$3,535	5.01%	\$3,950	5.23%
Medium Company Value	JPMorgan Mid Cap Value R6	\$1,414	2.00%	\$1,565	2.07%
Medium Company Blend	Fidelity Mid Cap Index	\$0	0.00%	\$0	0.00%
Medium Company Growth	T Rowe Price Instl Mid-Cap Equity Gr	\$1,413	2.00%	\$1,558	2.06%
Global Large Stock Blend	American Funds Capital World Gr&Inc R6	\$0	0.00%	\$0	0.00%
Foreign Large Blend	American Funds Europacific Growth R6	\$0	0.00%	\$0	0.00%
Foreign Large Blend	Vanguard Total Intl Stock Index Admiral	\$8,496	12.04%	\$8,963	11.86%
Foreign Large Growth	Vanguard International Growth Adm	\$3,521	4.99%	\$3,750	4.96%
Small Company Value	American Beacon Small Cap Value R6	\$709	1.00%	\$796	1.05%
Small Company Blend	Fidelity Small Cap Index	\$0	0.00%	\$0	0.00%
Small Company Growth	MassMutual Small Cap Gr Eq I	\$705	1.00%	\$791	1.05%
Specialty-Real Estate	Nuveen Real Estate Securities I	\$2,822	4.00%	\$2,313	3.06%
Self-Directed Brokerage	Self-Directed Brokerage	\$0	0.00%	\$0	0.00%
<b>TOTALS</b>		<b>\$70,592</b>	<b>100%</b>	<b>\$75,567</b>	<b>100%</b>

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.23 | Q2 23

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2022	(%)	CURRENT	(%)
Money Market	Vanguard Federal Money Market Investor	\$0	0.00%	-	-
Stable Value	Nationwide Fixed Account	\$15,056,931	13.03%	\$14,384,227	11.39%
Inflation Protected Bond	PIMCO Real Return Instl	\$2,430,882	2.10%	\$2,496,666	1.98%
Intermediate Core Bond	Fidelity US Bond Index	\$1,320,451	1.14%	\$1,318,217	1.04%
Intermediate Core-Plus Bond	PIMCO Total Return Instl	\$1,601,020	1.39%	\$1,562,733	1.24%
Multisector Bond	PIMCO Income Instl	\$2,563,579	2.22%	\$2,654,328	2.10%
Moderate Allocation	Fidelity Balanced	\$2,469,897	2.14%	\$2,896,980	2.29%
Target Date Ret Income Moderate	Vanguard Target Retirement Income Fund	\$1,772,515	1.53%	\$2,074,157	1.64%
Target Date 2020 Moderate	Vanguard Target Retirement 2020 Fund	\$3,394,686	2.94%	\$3,429,285	2.72%
Target Date 2025 Moderate	Vanguard Target Retirement 2025 Fund	\$4,816,826	4.17%	\$5,106,898	4.04%
Target Date 2030 Moderate	Vanguard Target Retirement 2030 Fund	\$6,671,893	5.77%	\$7,938,476	6.29%
Target Date 2035 Moderate	Vanguard Target Retirement 2035 Fund	\$5,461,488	4.73%	\$5,926,225	4.69%
Target Date 2040 Moderate	Vanguard Target Retirement 2040 Fund	\$6,342,617	5.49%	\$6,652,562	5.27%
Target Date 2045 Moderate	Vanguard Target Retirement 2045 Fund	\$4,393,081	3.80%	\$5,085,052	4.03%
Target Date 2050 Moderate	Vanguard Target Retirement 2050 Fund	\$2,703,866	2.34%	\$3,306,093	2.62%
Target Date 2055 Moderate	Vanguard Target Retirement 2055 Fund	\$532,220	0.46%	\$681,542	0.54%
Target Date 2060 Moderate	Vanguard Target Retirement 2060 Fund	\$342,200	0.30%	\$693,014	0.55%
Target Date 2065+ Moderate	Vanguard Target Retirement 2065 Fund	\$54,116	0.05%	\$183,038	0.14%

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# PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.23 | Q2 23

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2022	(%)	CURRENT	(%)
Large Company Value	MFS Value R3	\$3,560,271	3.08%	\$3,684,720	2.92%
Large Company Blend	Fidelity 500 Index	\$9,340,324	8.08%	\$11,183,680	8.86%
Large Company Blend	Fidelity Contrafund K6	\$6,322,020	5.47%	\$7,203,385	5.70%
Large Company Growth	MainStay Winslow Large Cap Growth I	\$6,620,835	5.73%	\$7,790,684	6.17%
Medium Company Value	JPMorgan Mid Cap Value R6	\$852,892	0.74%	\$959,329	0.76%
Medium Company Blend	Fidelity Mid Cap Index	\$1,630,556	1.41%	\$1,781,299	1.41%
Medium Company Growth	T Rowe Price Instl Mid-Cap Equity Gr	\$3,503,609	3.03%	\$4,011,559	3.18%
Global Large Stock Blend	American Funds Capital World Gr&Inc R6	\$807,826	0.70%	\$726,854	0.58%
Foreign Large Blend	American Funds Europacific Growth R6	\$726,681	0.63%	\$719,381	0.57%
Foreign Large Blend	Vanguard Total Intl Stock Index Admiral	\$3,519,357	3.04%	\$3,781,398	2.99%
Foreign Large Growth	Vanguard International Growth Adm	\$2,494,635	2.16%	\$2,660,482	2.11%
Small Company Value	American Beacon Small Cap Value R6	\$804,013	0.70%	\$867,232	0.69%
Small Company Blend	Fidelity Small Cap Index	\$1,815,915	1.57%	\$1,886,961	1.49%
Small Company Growth	MassMutual Small Cap Gr Eq I	\$690,423	0.60%	\$807,468	0.64%
Specialty-Real Estate	Nuveen Real Estate Securities I	\$1,376,902	1.19%	\$1,341,999	1.06%
Self-Directed Brokerage	Self-Directed Brokerage	\$9,588,729	8.30%	\$10,478,279	8.30%
<b>TOTALS</b>		<b>\$115,583,257</b>	<b>100%</b>	<b>\$126,274,204</b>	<b>100%</b>

Information provided by Record Keeper. For informational purposes. Not a substitute for official statements produced by the plan custodian. Information has been obtained from sources considered reliable, but its accuracy and completeness are not guaranteed. This report is not an illustration of investment performance, but rather a historical illustration of asset allocation.



Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT	QUANTITATIVE								QUALITATIVE		TOTALS	
	Risk-Adjusted Performance		vs. Peers Performance		Style		Confidence		Fund Management	Fund Firm	Overall	Total Score
	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr				
Inflation Protected Bond PIMCO Real Return Instl	●	●	●	●	●	●	●	●	●	●	●	95
Intermediate Core-Plus Bond PIMCO Total Return Instl	▼	▼	▼	▼	●	●	▼	●	●	●	▼	77
Moderate Allocation Fidelity Balanced	●	●	●	●	●	●	●	●	●	●	●	100
Large Company Value MFS Value R3	▼	●	▼	●	●	●	▼	●	●	●	●	84
Large Company Blend Fidelity Contrafund K6	▼	●	▼	●	●	●	▼	●	●	●	●	82
Large Company Growth MainStay Winslow Large Cap Growth I	▼	●	▼	●	●	●	▼	●	●	▼	●	85
Medium Company Value JPMorgan Mid Cap Value R6	●	●	▼	●	●	●	▼	▼	●	●	●	86
Medium Company Growth T Rowe Price Instl Mid-Cap Equity Gr	●	●	●	●	●	●	●	▼	●	●	●	89

LEGEND

●	IN GOOD STANDING	▼	MARKED FOR REVIEW	●	CONSIDER FOR TERMINATION
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The CAPTRUST Investment Policy Monitor ("Scorecard") is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields for actively managed investment options. Quantitative scoring areas include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; Style Attribution; and Confidence. Qualitative Scoring Areas measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. This material is for institutional investor use only and is not intended to be shared with individual investors.





Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT	QUANTITATIVE								QUALITATIVE		TOTALS	
	Risk-Adjusted Performance		vs. Peers Performance		Style		Confidence		Fund Management	Fund Firm	Overall	Total Score
	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr	3 Yr	5 Yr				
Global Large Stock Blend American Funds Capital World Gr&Inc R6	▼	▼	▼	▼	●	●	▼	▼	●	▼	▼	77
Foreign Large Blend American Funds Europacific Growth R6	▼	●	▼	●	●	●	▼	●	●	▼	▼	77
Foreign Large Growth Vanguard International Growth Adm	▼	●	▼	●	▼	▼	●	●	●	●	●	88
Small Company Value American Beacon Small Cap Value R6	●	●	●	●	●	●	●	●	●	●	●	95
Small Company Growth MassMutual Small Cap Gr Eq I	●	●	●	●	●	●	●	●	●	●	●	97
Specialty-Real Estate Nuveen Real Estate Securities I	●	▼	●	▼	●	●	●	▼	●	●	●	83

LEGEND

●	IN GOOD STANDING	▼	MARKED FOR REVIEW	●	CONSIDER FOR TERMINATION
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Lansing Board of Water and Light Defined Contribution Plans

TARGET DATE INVESTMENTS

INVESTMENT	QUANTITATIVE						QUALITATIVE				TOTALS	
	Risk-Adjusted Performance		vs. Peers Performance		Glidepath		Portfolio Construct.	Underlying Inv. Vehicles	Fund Mgmt	Fund Firm	Overall	Total Score
	3 Yr	5 Yr	3 Yr	5 Yr	% of Equities	Beta to Equities						
Vanguard Target Retirement	●	●	●	●	●	●	●	●	●	●	●	90

CAPITAL PRESERVATION INVESTMENTS

INVESTMENT	Overall	Commentary
Nationwide Fixed Account	●	This Capital Preservation option is in good standing per the guidelines as established by the Investment Policy Statement.






CONTINUED...

The CAPTRUST Financial Advisors Investment Scorecard is an illustration of our monitoring system and is designed to assist our clients in their efforts to provide fiduciary oversight to investment assets. It is not intended as a solicitation to buy any security. The scoring system measures quantitative areas as well as qualitative (or subjective) fields. Quantitative scoring areas for target date funds include Risk Adjusted Performance (3 & 5 yr.); Performance vs. Relevant Peer Group; and Glidepath. Qualitative Scoring Areas for target date funds measure the quality of the Management Team while also considering the stewardship of the investment option's parent company under Investment Family Items. Qualitative areas of analysis are subjective in nature. Qualitative Scoring for Target Date funds also includes a score for Portfolio Construction and Underlying Investment vehicles to express CAPTRUST's views on the manager or strategy. CAPTRUST typically requires at least 3 months of monitoring before including an investment in this report. Investments that have been added to our system less than 3 months prior to a report being generated may have a Fund Management assessment of '25' as a default, but will be updated, if necessary, after the first quarter of monitoring to more accurately reflect our system. Investments that are not mutual funds or have less than 3 years of performance history may not be scored. Capital Preservation options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics, depending on the type of capital preservation option being evaluated, and may include quantitative criteria such as: Crediting Rate/Yield, Market to Book Ratio, Average Crediting Quality, Insurer Quality/Diversification, Duration, and Sector Allocations, and/or qualitative criteria such as quality and experience of the Management Team and stewardship of the investment option's parent company. Passively Managed options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics and may include quantitative criteria such as: Tracking Error, Fees, and Performance versus relevant peer group, and/or qualitative criteria such as index replication strategy, securities lending practices, and fair value pricing methodology. Distinct investment options are evaluated using a comprehensive scoring methodology proprietary to the Investment Consultant. This methodology incorporates both qualitative and quantitative metrics. This material is for institutional investor use only and is not intended to be shared with individual investors.



Lansing Board of Water and Light Defined Contribution Plans

PASSIVE INVESTMENTS

INVESTMENT	Overall	Commentary
<a href="#">Fidelity US Bond Index</a>		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
<a href="#">Fidelity 500 Index</a>		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
<a href="#">Fidelity Mid Cap Index</a>		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
<a href="#">Vanguard Total Intl Stock Index Admiral</a>		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.
<a href="#">Fidelity Small Cap Index</a>		This fund currently meets the guidelines set forth by CAPTRUST for passively managed investments. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, tracking error, and cost.

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Lansing Board of Water and Light Defined Contribution Plans

INVESTMENTS IN DISTINCT ASSET CLASSES

INVESTMENT	Overall	Commentary
PIMCO Income Instl	●	This fund currently meets the guidelines set forth by CAPTRUST for distinct investments in the Investment Policy Statement. This assessment is based on both quantitative and qualitative data. Examples of quantitative and qualitative items considered include, but are not limited to, quality of management, excess return, and risk-adjusted performance.

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FUND MANAGEMENT ITEMS	COMMENTARY
<p>American Funds EuroPacific Growth</p>	<p>Tomonori Tani has been added as a disclosed portfolio manager to the EuroPacific Growth strategy. Tomonori has been an undisclosed portfolio manager on the strategy for the past five years and is responsible for 3% of the fund's assets. His allocation will not be changing, nor should this result in any changes to the overall portfolio structure. Tomonori has been with Capital Group for 18 years and has worked as a disclosed portfolio manager on the New World strategy since 2019.</p> <p>Capital Group has updated the net expense ratio for all EuroPacific Growth Fund share classes. Most R and F share classes will see an increase of 1-2 basis points, while A and C share classes will see an increase between 4-7 basis points. The expense ratio is increasing due to the daily average asset levels for the fund having declined from the prior year when the expense ratios were last updated.</p>
<p>American Funds Capital World Growth and Income</p>	<p>Like all American Funds strategies, the fund is managed under the Capital System, in which a team of portfolio managers each run their own sleeve of the portfolio. Some of the team members are newer to the group, but several have long standing tenures. The team focuses on both growth and dividend income, targeting a portfolio yield greater than that of the MSCI All Country World Index. The yield objective has resulted in a portfolio that is overweight international stocks relative to the index and peer group. This positioning has been a persistent headwind in recent years and resulted in slightly lagging results relative to the global benchmark from 2018 through 2020 as U.S. markets have soundly outperformed those overseas. However, the strategy has generally been consistent historically and has rarely experienced a significant disappointment during a calendar year. Given the strategy's competitive longer-term returns and signs of improvement more recently, we believe clients currently holding this strategy should continue to do so. However, we look for a continuation of improved results in the coming quarters to maintain that conviction.</p>
<p>MassMutual Small Cap Growth Equity</p>	<p>Steven Angeli no longer serves as lead portfolio manager on the 30% strategic allocation of the MassMutual Small Cap Growth Equity strategy sub-advised by Wellington Management. He remains with Wellington and has transitioned to the Quality Growth team, but will continue to collaborate with the Growth Opportunities team. Subsequently, Ranjit Ramachandran has assumed Mr. Angeli's role. Additionally, two analysts, Mario Abularach and Stephen Mortimer, have been removed as named portfolio managers for the strategy but their responsibilities remain the same.</p> <p>John Schneider left his role as co-portfolio manager on the MassMutual Small Cap Growth Equity strategy and analyst on the Wellington Small Cap Growth portfolio. His coverage has been picked up by Peter Blain and Julia Karl.</p>



Lansing Board of Water and Light Defined Contribution Plans

FUND MANAGEMENT ITEMS	COMMENTARY
<p><b>MainStay Winslow Large Cap Growth</b></p>	<p>Steven Hamill was promoted to portfolio manager for Winslow Capital's U.S. Large Cap Growth strategies.</p>
<p><b>PIMCO Total Return</b></p>	<p>While performance has been middling as portfolio exposures have moderated in recent years with a focus on liquidity, the fund has a solid record of performance relative to peers over the long term. Although the recent departure of Scott Mather, CIO, is noteworthy, our expectation is the firm will ably manage the transition given the team oriented investment approach and robust fixed income resources at PIMCO. We maintain our hold recommendation.</p>
<p><b>Vanguard Target Retirement</b></p>	<p>Michael Roach has been named the head of Multi-Asset Portfolio Management, a newly created role at Vanguard. In this role he is responsible for portfolio management oversight of Vanguard's Multi-Asset funds. Mr. Roach has also been added as a co-portfolio manager on Vanguard's Target Retirement series and LifeStrategy funds. In addition, Roger Aliaga-Díaz and Aurélie Denis have been added as co-portfolio managers of the Target Retirement and LifeStrategy funds. They join Michael Roach and existing co-portfolio manager, Walter Nejman. Michael, Roger, and Aurélie replace William Coleman, who previously served as a co-portfolio manager on the strategies. Mr. Coleman remains with Vanguard, but he has taken on a new leadership role within the firm as head of U.S. ETF Capital Markets and relinquished his portfolio management responsibilities.</p>



Lansing Board of Water and Light Defined Contribution Plans

FUND FIRM ITEMS	COMMENTARY
New York Life Investment Management LLC	<p>New York Life Investment Management (NYLIM) entered into a new strategic partnership with Fiera Capital Corporation to expand their mutual fund and separately managed account offerings. Fiera is an independent asset management firm with approximately \$117 billion in AUM across traditional and alternative strategies. Pending shareholder approval, NYLIM will adopt the Fiera Capital International Equity, Fiera Capital U.S. Equity Long-Term Quality, and Fiera Capital Global Equity strategies and incorporate them into the MainStay Funds effective August 28, 2023.</p> <p>Naim Abou-Jaoudé has been named chief executive officer of New York Life Investment Management, succeeding Yie-Hsin Hung, who left the firm. Mr. Abou-Jaoudé was previously the CEO of Candriam, one of New York Life’s investment subsidiaries.</p>
Capital Group	<p>Chairman and Chief Executive Officer Tim Armour will retire effective October 24, 2023 and will be stepping down from the firm’s management committee and his leadership roles at that time. At this same time, Mike Gitlin will become president and chief executive officer of Capital Group and chair of the Management Committee.</p> <p>Effective October 24, 2023, Jody Jonsson will become vice chair of Capital Group and will continue as president of Capital Research Management Company (CRMC) and chair of the CRMC Executive Committee.</p> <p>Effective October 24, 2023, Martin Romo will become chairman of Capital Group and chief investment officer, a new role for the firm.</p> <p>Vice Chair and Portfolio Manager Rob Lovelace will step down from the firm’s Management Committee effective October 24, 2023. He will stay on at Capital Group and continue his portfolio management responsibilities.</p>
PIMCO	<p>PIMCO’s Global Head of Sustainability Ryan Korinke retired at the end of June 2023.</p>
MFS Family of Funds	<p>Effective April 30, 2024, Barnaby Wiener, chief sustainability officer of MFS, will retire from the firm.</p> <p>Christopher Jennings and Simon Gresham have relinquished their roles as co-CIOs of the Multi-Asset Investment Group (MAIG) team. Simon continues to focus on multi-asset research and analysis, while Chris has retired from the firm. Additionally, Kevin Dawn and Robert Almeida, investment team members, joined the MAIG.</p>



# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.23 | Q2 '23

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '23	YTD '23	2022	2021	2020	2019	2018	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>STABLE VALUE</b>											
<b>Nationwide Fixed Account</b>	-	-	-	-	-	-	-	-	-	-	-
ICE BofA ML US Treasury Bill 3 Mon USD	1.17%	2.25%	1.46%	0.05%	0.67%	2.28%	1.87%	3.59%	1.27%	1.55%	0.98%
Morningstar US Stable Value GR USD	0.70%	1.35%	1.89%	1.74%	2.26%	2.52%	2.26%	2.40%	2.02%	2.19%	2.01%
<b>INFLATION PROTECTED BOND</b>											
<b>PIMCO Real Return Instl</b>	<b>-1.39%</b>	<b>1.57%</b>	<b>-11.86%</b>	<b>5.67%</b>	<b>12.09%</b>	<b>8.52%</b>	<b>-1.97%</b>	<b>-1.35%</b>	<b>-0.05%</b>	<b>2.49%</b>	<b>2.07%</b>
Bloomberg US Treasury US TIPS TR USD	-1.42%	1.87%	-11.85%	5.96%	10.99%	8.43%	-1.26%	-1.40%	-0.12%	2.49%	2.08%
Inflation Protected Bond Universe	-1.49%	1.53%	-11.69%	5.25%	9.70%	7.51%	-1.62%	-1.47%	-0.15%	2.21%	1.68%
<b>INTERMEDIATE CORE BOND</b>											
<b>Fidelity US Bond Index</b>	<b>-0.83%</b>	<b>2.20%</b>	<b>-13.03%</b>	<b>-1.79%</b>	<b>7.80%</b>	<b>8.48%</b>	<b>0.01%</b>	<b>-0.95%</b>	<b>-4.05%</b>	<b>0.77%</b>	<b>1.49%</b>
Bloomberg US Agg Bond TR USD	-0.84%	2.09%	-13.01%	-1.55%	7.51%	8.72%	0.01%	-0.94%	-3.97%	0.77%	1.52%
Intermediate Core Bond Universe	-0.88%	2.21%	-13.45%	-1.56%	7.85%	8.42%	-0.43%	-1.03%	-3.84%	0.66%	1.41%
<b>INTERMEDIATE CORE-PLUS BOND</b>											
<b>PIMCO Total Return Instl</b>	<b>-0.64%</b>	<b>2.26%</b>	<b>-14.09%</b>	<b>-0.84%</b>	<b>8.88%</b>	<b>8.26%</b>	<b>-0.26%</b>	<b>-0.94%</b>	<b>-3.69%</b>	<b>0.82%</b>	<b>1.65%</b>
Bloomberg US Agg Bond TR USD	-0.84%	2.09%	-13.01%	-1.55%	7.51%	8.72%	0.01%	-0.94%	-3.97%	0.77%	1.52%
Intermediate Core Plus Bond Universe	-0.69%	2.44%	-13.84%	-0.82%	8.33%	9.24%	-0.80%	-0.41%	-3.29%	0.86%	1.69%
<b>MULTISECTOR BOND</b>											
<b>PIMCO Income Instl</b>	<b>1.21%</b>	<b>3.80%</b>	<b>-7.81%</b>	<b>2.61%</b>	<b>5.80%</b>	<b>8.05%</b>	<b>0.58%</b>	<b>5.34%</b>	<b>1.85%</b>	<b>2.60%</b>	<b>4.24%</b>
Bloomberg US Agg Bond TR USD	-0.84%	2.09%	-13.01%	-1.55%	7.51%	8.72%	0.01%	-0.94%	-3.97%	0.77%	1.52%
Multisector Bond Universe	0.60%	3.22%	-10.84%	2.44%	6.32%	10.35%	-1.89%	3.75%	0.64%	1.92%	2.71%

\*ANNUALIZED

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This summary is intended for "Institutional (Plan Sponsor) Use Only" and only includes historical performance of the funds currently in the plan's fund lineup as compared to the peer group (universe) maintained/developed by CAPTRUST (using Morningstar open-end mutual fund data), which may include other investment types such as collective investment trusts. Fund and peer group returns are shown net of investment management fees, unless otherwise indicated, but gross of CAPTRUST advisory fees. The plan's overall performance will be reduced by CAPTRUST's advisory fees and other plan level fees not contemplated in this summary. Therefore, each participant's account performance will differ substantially. Past performance is not indicative of future results. Information from sources believed to be reliable, but not warranted by CAPTRUST to be accurate or complete.





# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.23 | Q2 '23

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '23	YTD '23	2022	2021	2020	2019	2018	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>MODERATE ALLOCATION</b>											
<b>Fidelity Balanced</b>	<b>5.94%</b>	<b>13.94%</b>	<b>-18.19%</b>	<b>18.28%</b>	<b>22.43%</b>	<b>24.39%</b>	<b>-4.02%</b>	<b>13.78%</b>	<b>9.81%</b>	<b>9.30%</b>	<b>9.64%</b>
60% S&P 500, 40% Bloomberg Agg	4.86%	10.81%	-15.79%	15.86%	14.73%	22.18%	-2.35%	11.24%	7.09%	7.94%	8.45%
Moderate Allocation Universe	3.21%	7.36%	-14.98%	13.13%	12.41%	19.33%	-5.88%	8.79%	6.25%	5.53%	6.47%
<b>TARGET DATE RET INCOME MODERATE</b>											
<b>Vanguard Target Retirement Income Fund</b>	<b>1.36%</b>	<b>5.65%</b>	<b>-12.74%</b>	<b>5.25%</b>	<b>10.02%</b>	<b>13.16%</b>	<b>-1.99%</b>	<b>4.51%</b>	<b>1.70%</b>	<b>3.45%</b>	<b>4.12%</b>
Morningstar Lifetime Moderate Income Index	1.38%	5.00%	-12.24%	7.62%	10.53%	13.27%	-2.20%	5.12%	3.03%	3.88%	4.21%
Retirement Income Moderate	1.62%	5.74%	-12.74%	6.28%	9.77%	13.20%	-3.39%	5.00%	2.21%	3.36%	3.78%
<b>TARGET DATE 2020 MODERATE</b>											
<b>Vanguard Target Retirement 2020 Fund</b>	<b>2.15%</b>	<b>7.02%</b>	<b>-14.15%</b>	<b>8.17%</b>	<b>12.04%</b>	<b>17.63%</b>	<b>-4.24%</b>	<b>6.58%</b>	<b>3.85%</b>	<b>4.62%</b>	<b>6.02%</b>
Morningstar Lifetime Moderate 2020 Index	1.78%	6.18%	-16.77%	9.04%	13.26%	17.73%	-4.16%	6.10%	2.95%	4.27%	5.38%
2020 Moderate	2.06%	6.65%	-13.88%	8.75%	11.21%	16.30%	-4.50%	6.65%	3.94%	4.43%	5.56%
<b>TARGET DATE 2025 MODERATE</b>											
<b>Vanguard Target Retirement 2025 Fund</b>	<b>3.02%</b>	<b>8.45%</b>	<b>-15.55%</b>	<b>9.80%</b>	<b>13.30%</b>	<b>19.63%</b>	<b>-5.15%</b>	<b>8.56%</b>	<b>4.96%</b>	<b>5.26%</b>	<b>6.68%</b>
Morningstar Lifetime Moderate 2025 Index	2.09%	6.77%	-17.58%	10.10%	13.61%	19.36%	-4.90%	6.99%	3.60%	4.56%	5.93%
2025 Moderate	2.42%	7.17%	-15.17%	9.93%	12.20%	18.40%	-5.25%	7.36%	4.63%	4.73%	6.04%
<b>TARGET DATE 2030 MODERATE</b>											
<b>Vanguard Target Retirement 2030 Fund</b>	<b>3.56%</b>	<b>9.44%</b>	<b>-16.27%</b>	<b>11.38%</b>	<b>14.10%</b>	<b>21.07%</b>	<b>-5.86%</b>	<b>9.95%</b>	<b>6.04%</b>	<b>5.78%</b>	<b>7.24%</b>
Morningstar Lifetime Moderate 2030 Index	2.55%	7.51%	-17.94%	11.69%	13.65%	21.24%	-5.82%	8.34%	4.82%	5.01%	6.59%
2030 Moderate	3.16%	8.60%	-16.08%	11.59%	13.41%	20.59%	-6.27%	9.22%	5.99%	5.49%	6.78%

\*ANNUALIZED

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.23 | Q2 '23

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '23	YTD '23	2022	2021	2020	2019	2018	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>TARGET DATE 2035 MODERATE</b>											
Vanguard Target Retirement 2035 Fund	4.10%	10.28%	-16.62%	12.96%	14.79%	22.44%	-6.58%	11.28%	7.21%	6.35%	7.82%
Morningstar Lifetime Moderate 2035 Index	3.14%	8.39%	-17.75%	13.63%	13.36%	23.04%	-6.82%	10.16%	6.52%	5.59%	7.24%
2035 Moderate	3.94%	9.80%	-16.73%	14.03%	14.04%	22.33%	-7.25%	11.14%	7.47%	6.18%	7.44%
<b>TARGET DATE 2040 MODERATE</b>											
Vanguard Target Retirement 2040 Fund	4.57%	11.06%	-16.98%	14.56%	15.47%	23.86%	-7.32%	12.56%	8.35%	6.88%	8.33%
Morningstar Lifetime Moderate 2040 Index	3.71%	9.22%	-17.37%	15.35%	13.09%	24.35%	-7.65%	11.97%	8.15%	6.13%	7.70%
2040 Moderate	4.65%	11.02%	-17.44%	15.97%	14.96%	23.69%	-7.90%	12.77%	8.74%	6.70%	7.95%
<b>TARGET DATE 2045 MODERATE</b>											
Vanguard Target Retirement 2045 Fund	5.10%	11.92%	-17.36%	16.16%	16.30%	24.94%	-7.90%	13.93%	9.53%	7.46%	8.69%
Morningstar Lifetime Moderate 2045 Index	4.09%	9.78%	-17.06%	16.35%	12.95%	24.97%	-8.17%	13.21%	9.20%	6.46%	7.92%
2045 Moderate	5.17%	11.86%	-17.99%	17.12%	15.27%	24.65%	-8.36%	14.02%	9.53%	7.11%	8.28%
<b>TARGET DATE 2050 MODERATE</b>											
Vanguard Target Retirement 2050 Fund	5.36%	12.35%	-17.46%	16.41%	16.39%	24.98%	-7.90%	14.58%	9.73%	7.58%	8.76%
Morningstar Lifetime Moderate 2050 Index	4.24%	10.00%	-16.91%	16.60%	12.91%	25.09%	-8.41%	13.72%	9.58%	6.56%	7.94%
2050 Moderate	5.33%	12.15%	-18.20%	17.27%	15.62%	24.90%	-8.47%	14.64%	9.83%	7.25%	8.40%
<b>TARGET DATE 2055 MODERATE</b>											
Vanguard Target Retirement 2055 Fund	5.36%	12.35%	-17.46%	16.44%	16.32%	24.98%	-7.89%	14.60%	9.74%	7.57%	8.74%
Morningstar Lifetime Moderate 2055 Index	4.23%	10.01%	-16.93%	16.51%	12.91%	25.05%	-8.57%	13.74%	9.61%	6.51%	7.88%
2055 Moderate	5.36%	12.35%	-18.29%	17.40%	15.61%	24.99%	-8.55%	14.71%	9.92%	7.29%	8.44%

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.23 | Q2 '23

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '23	YTD '23	2022	2021	2020	2019	2018	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>TARGET DATE 2060 MODERATE</b>											
Vanguard Target Retirement 2060 Fund	5.39%	12.39%	-17.46%	16.44%	16.32%	24.96%	-7.87%	14.62%	9.75%	7.58%	8.74%
Morningstar Lifetime Moderate 2060 Index	4.19%	9.98%	-16.98%	16.32%	12.89%	24.96%	-8.69%	13.66%	9.56%	6.42%	7.80%
2060 Moderate	5.30%	12.18%	-18.20%	17.39%	15.90%	25.12%	-8.62%	14.68%	9.90%	7.28%	8.68%
<b>TARGET DATE 2065+ MODERATE</b>											
Vanguard Target Retirement 2065 Fund	5.34%	12.34%	-17.39%	16.45%	16.17%	24.96%	-7.94%	14.62%	9.75%	7.55%	-
Morningstar Lifetime Moderate 2065 Index	4.14%	9.91%	-17.00%	16.10%	12.88%	24.74%	-9.25%	13.53%	9.48%	6.32%	7.71%
2065+ Moderate	5.33%	12.52%	-18.59%	16.84%	16.48%	26.30%	-9.69%	14.75%	9.83%	7.59%	-
<b>LARGE COMPANY VALUE</b>											
MFS Value R3	3.51%	1.95%	-6.14%	25.08%	3.65%	29.74%	-10.09%	10.36%	12.55%	8.49%	9.44%
Russell 1000 Value	4.07%	5.12%	-7.54%	25.16%	2.80%	26.54%	-8.27%	11.54%	14.30%	8.11%	9.22%
Large Value Universe	3.69%	3.90%	-5.50%	26.02%	2.82%	25.48%	-8.89%	10.72%	14.61%	8.12%	9.09%
<b>LARGE COMPANY BLEND</b>											
Fidelity 500 Index	8.73%	16.89%	-18.13%	28.69%	18.40%	31.47%	-4.40%	19.57%	14.59%	12.29%	12.85%
Fidelity Contrafund K6	11.68%	23.99%	-27.12%	24.14%	30.83%	31.00%	-2.15%	25.33%	10.54%	11.41%	-
S&P 500 Index	8.74%	16.89%	-18.11%	28.71%	18.40%	31.49%	-4.38%	19.59%	14.60%	12.31%	12.86%
Large Blend Universe	7.96%	15.14%	-18.15%	26.68%	17.18%	29.77%	-5.65%	18.26%	13.72%	10.96%	11.59%
<b>LARGE COMPANY GROWTH</b>											
MainStay Winslow Large Cap Growth I	12.94%	25.46%	-31.25%	24.81%	37.38%	33.67%	3.74%	27.44%	9.64%	12.44%	14.39%
Russell 1000 Growth	12.81%	29.02%	-29.14%	27.60%	38.49%	36.39%	-1.51%	27.11%	13.73%	15.14%	15.74%
Large Growth Universe	11.83%	26.00%	-30.85%	21.97%	34.85%	32.81%	-1.63%	23.27%	9.81%	11.61%	13.26%

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.23 | Q2 '23

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '23	YTD '23	2022	2021	2020	2019	2018	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>MEDIUM COMPANY VALUE</b>											
JPMorgan Mid Cap Value R6	4.06%	4.00%	-8.03%	30.11%	0.43%	26.67%	-11.66%	10.20%	15.77%	6.98%	8.90%
Russell Mid Cap Value	3.86%	5.23%	-12.03%	28.34%	4.96%	27.06%	-12.29%	10.50%	15.04%	6.84%	9.03%
Mid Value Universe	4.22%	5.31%	-8.16%	28.56%	2.77%	26.77%	-13.59%	12.25%	16.45%	6.85%	8.57%
<b>MEDIUM COMPANY BLEND</b>											
Fidelity Mid Cap Index	4.75%	8.99%	-17.28%	22.56%	17.11%	30.51%	-9.05%	14.97%	12.51%	8.47%	10.32%
Russell Mid Cap	4.76%	9.01%	-17.32%	22.58%	17.10%	30.54%	-9.06%	14.92%	12.50%	8.46%	10.32%
Mid Blend Universe	4.75%	8.44%	-15.19%	24.16%	12.93%	26.87%	-11.30%	14.12%	13.47%	7.38%	9.22%
<b>MEDIUM COMPANY GROWTH</b>											
T Rowe Price Instl Mid-Cap Equity Gr	5.40%	13.21%	-23.17%	15.52%	23.87%	33.09%	-2.23%	17.77%	8.45%	9.03%	12.25%
Russell Mid Cap Growth	6.23%	15.94%	-26.72%	12.73%	35.59%	35.47%	-4.75%	23.13%	7.63%	9.71%	11.53%
Mid Growth Universe	5.81%	14.76%	-28.34%	11.92%	35.93%	33.40%	-5.53%	18.53%	6.92%	8.73%	10.74%
<b>GLOBAL LARGE STOCK BLEND</b>											
American Funds Capital World Gr&Inc R6	5.89%	12.58%	-17.01%	15.15%	15.78%	25.74%	-9.97%	18.38%	9.72%	6.99%	8.44%
MSCI ACWI NR USD	6.35%	14.26%	-17.96%	19.04%	16.82%	27.30%	-8.93%	17.13%	11.51%	8.64%	9.31%
Global Large Stock Blend	5.04%	12.24%	-17.43%	18.08%	14.15%	26.06%	-9.99%	15.46%	10.43%	7.38%	8.38%
<b>FOREIGN LARGE BLEND</b>											
American Funds Europacific Growth R6	2.16%	12.25%	-22.72%	2.84%	25.27%	27.40%	-14.91%	15.80%	5.47%	4.29%	6.30%
Vanguard Total Intl Stock Index Admiral	2.61%	9.44%	-16.01%	8.62%	11.28%	21.51%	-14.43%	12.31%	7.51%	3.69%	5.05%
MSCI EAFE	3.22%	12.13%	-14.01%	11.78%	8.28%	22.66%	-13.36%	19.41%	9.48%	4.90%	5.91%
Foreign Large Blend Universe	2.88%	11.18%	-15.92%	10.07%	9.73%	22.04%	-15.23%	16.21%	7.97%	3.90%	5.10%

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# PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.23 | Q2 '23

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '23	YTD '23	2022	2021	2020	2019	2018	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
<b>FOREIGN LARGE GROWTH</b>											
Vanguard International Growth Adm	0.88%	13.50%	-30.79%	-0.74%	59.74%	31.48%	-12.58%	14.83%	3.49%	6.57%	9.12%
MSCI EAFE	3.22%	12.13%	-14.01%	11.78%	8.28%	22.66%	-13.36%	19.41%	9.48%	4.90%	5.91%
Foreign Large Growth Universe	2.45%	12.65%	-25.10%	8.66%	22.29%	27.95%	-14.46%	16.11%	4.61%	4.20%	5.94%
<b>SMALL COMPANY VALUE</b>											
American Beacon Small Cap Value R6	4.38%	6.33%	-7.72%	28.21%	4.03%	23.50%	-15.59%	15.83%	20.26%	5.51%	8.43%
Russell 2000 Value	3.18%	2.50%	-14.48%	28.27%	4.63%	22.39%	-12.86%	6.01%	15.43%	3.54%	7.29%
Small Value Universe	3.74%	5.05%	-11.46%	31.17%	3.39%	21.79%	-15.42%	10.77%	17.67%	5.03%	7.77%
<b>SMALL COMPANY BLEND</b>											
Fidelity Small Cap Index	5.24%	8.19%	-20.27%	14.71%	19.99%	25.71%	-10.88%	12.56%	10.89%	4.31%	8.42%
Russell 2000	5.21%	8.09%	-20.44%	14.82%	19.96%	25.53%	-11.01%	12.31%	10.82%	4.21%	8.26%
Small Blend Universe	4.47%	7.70%	-16.68%	22.92%	12.23%	24.51%	-12.28%	12.60%	13.58%	5.08%	8.41%
<b>SMALL COMPANY GROWTH</b>											
MassMutual Small Cap Gr Eq I	6.27%	11.02%	-25.85%	10.60%	40.66%	34.99%	-4.09%	16.55%	8.31%	8.32%	10.87%
Russell 2000 Growth	7.05%	13.55%	-26.36%	2.83%	34.63%	28.48%	-9.31%	18.53%	6.10%	4.22%	8.83%
Small Growth Universe	5.03%	11.80%	-28.23%	9.55%	37.84%	28.42%	-5.12%	14.45%	6.92%	6.24%	9.65%
<b>SPECIALTY-REAL ESTATE</b>											
Nuveen Real Estate Securities I	1.71%	4.41%	-24.70%	41.32%	-6.12%	25.56%	-5.51%	-2.18%	6.99%	4.25%	6.22%
Dow Jones US Select REIT	2.92%	5.77%	-25.96%	45.91%	-11.20%	23.10%	-4.22%	-0.69%	9.17%	3.28%	5.75%
Specialty-Real Estate Universe	1.77%	4.34%	-26.33%	41.45%	-4.43%	27.87%	-5.92%	-2.96%	6.98%	4.61%	6.21%

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SECTION 4: FUND FACT SHEETS	
Fund Fact Sheets.....	



Lansing Board of Water and Light Defined Contribution Plans

**INDUSTRY ANALYSIS**

Inflation levels continue to decline overall in the first half of 2023, but market uncertainty remains with industry professionals concerned about a potential economic recession. The Federal Reserve, in its sole hike of the second quarter, increased the overnight lending rate by 25 basis points in May and rates were unchanged following the FOMC June meeting. Following the Federal Reserve's 10th rate increase since beginning its monetary tightening program, as of quarter-end, the target range was set between 5.00%- 5.25%. When determining potential guaranteed crediting rates, issuers rely on forward-looking methodology and the outlook of the interest rate environment. As such, potential new money guaranteed crediting rates remain appealing and guaranteed stable value providers continue to operate as expected in the second quarter. With the Federal Reserve announcing plans to continue its monetary tightening in 2023, we can expect guaranteed crediting rates to continue increasing. As a reminder, rising interest rates present negative pressure on existing general account underlying portfolios in the short-term, as the value of current portfolio holdings decline, but give contract issuers comfort that higher yields will support the ability to offer higher guaranteed rates in future quarters.

**CAPTRUST ANALYSIS**

The Nationwide Fixed Account is a group annuity contract issued and guaranteed by Nationwide Life Insurance Company. It invests in the general account of Nationwide Life Insurance Company. It seeks to provide a low-risk, stable investment option that offers participants competitive yields and limited volatility with a guarantee of principal and accumulated interest for retirement investors. Contributions are invested in a diversified fixed income portfolio within Nationwide's general account.

The crediting rate of the Fixed Account is subject to change every three months following the initial contract. Participants may transfer or reallocate account balances out of the Nationwide Fixed Account up to four times per calendar year.

NEW CLIENT GROSS CREDITING RATES				
4/1/22 – 6/30/22	7/1/22 – 9/30/22	10/1/22 – 12/31/22	1/1/23 – 3/31/23	4/1/23 – 6/30/23
1.55%	1.70%	1.94%	2.00%	2.20%

INVESTMENT DETAILS	
<b>Crediting Rate Details:</b>	Crediting rates are quoted quarterly and reset quarterly.
<b>Competing Options:</b>	Allowed, with 90 day equity wash.
<b>Minimum Rate:</b>	0.50%

LIQUIDITY PROVISIONS	
Plan Sponsor	Participant
Five-year book value payout OR Subject to MVA	Fully liquid or, for a higher crediting rate, limited to either 20% per participant per year or 12% of total assets in the product per year.

Important Disclosures: This slide is intended solely for institutional use. The opinions expressed in this report are subject to change without notice. The statistics and data have been compiled from sources believed to be reliable but are not guaranteed to be accurate or complete. Any performance quoted represents past performance and does not guarantee future results. Bloomberg Index averages are derived from Morningstar. This material is not a solicitation or an offer to buy any security or to participate in any investment strategy. Any such solicitation must be made by prospectus only. For more information or to obtain a prospectus, please contact your financial advisor at 800.216.0645. CAPTRUST Financial Advisors.

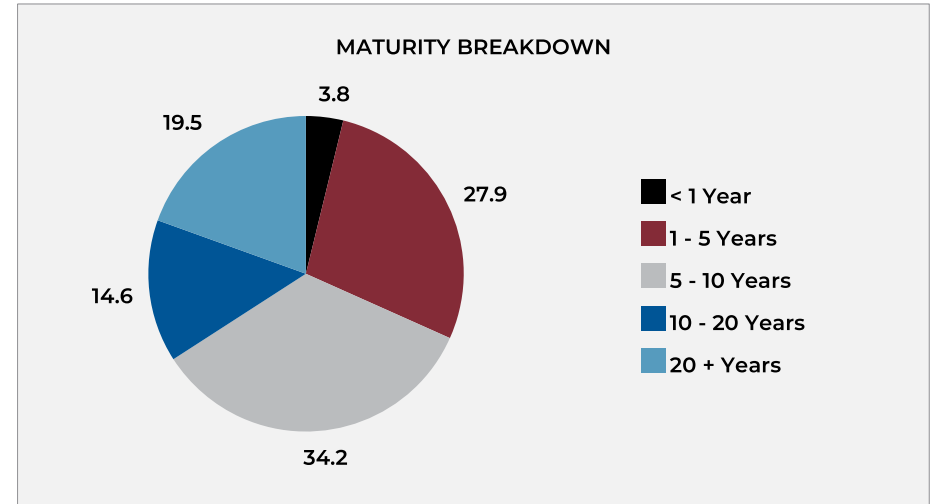


Lansing Board of Water and Light Defined Contribution Plans

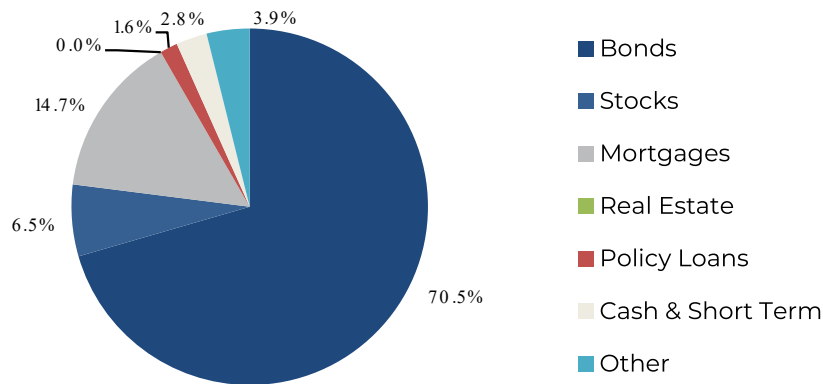
AGENCY RATINGS\*

A.M. Best (15 ratings)	A+ (2/15)
Standard & Pooors (20)	A+ (5)
Moody's (21)	A1 (5)
Fitch (21)	B- (6)
Com dex Ranking (Percentile Rank)	90

Comdex Ranking: Insurers are assigned a percentile rank, per agency, based on their ratings relative to peers. Percentiles are then averaged to arrive at one Comdex Ranking; over 1,100 companies are currently ranked.

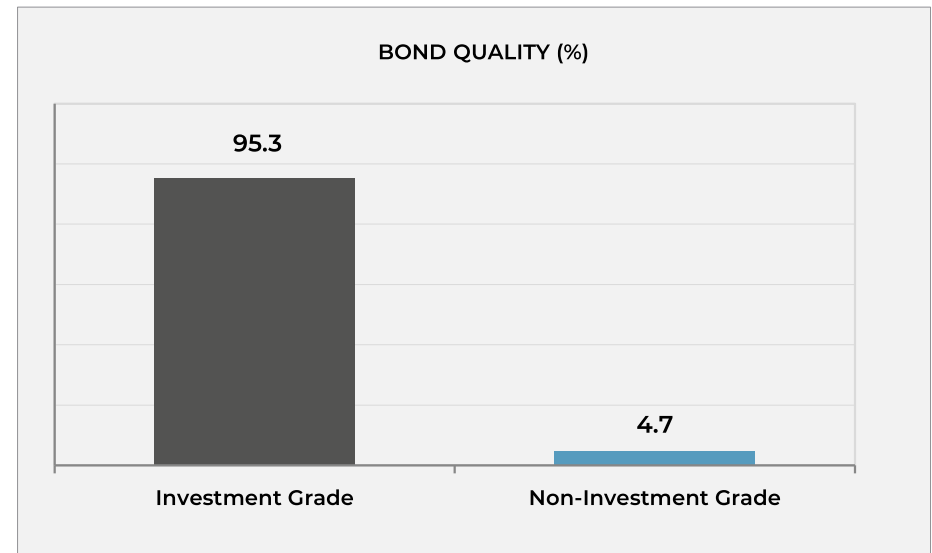


GENERAL ACCOUNT INVESTMENTS



Total Surplus & Asset Valuation Reserve (as % of GA Assets): 18.6%

Source: Vital Signs \*Agency ratings as of most recent quarter-end, all other data as of most recent year end.



Performance Disclosure: The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800.216.0645. Agency ratings are sourced from Bloomberg. Index averages are derived from Morningstar. The opinions expressed in this report are subject to change without notice. This material is not a solicitation or an offer to buy any security or to participate in any investment strategy and is not guaranteed as to accuracy. Any such solicitation must be made by prospectus only. To obtain a prospectus, please contact your financial advisor. CAPTRUST Financial Advisors. Member FINRA/SIPC.





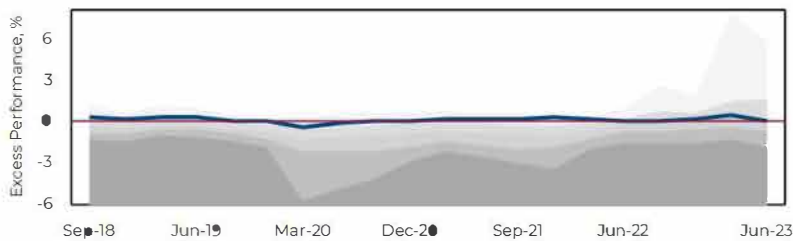
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
PIMCO Real Return Instl	-1.39	1.57	-1.35	-0.05	2.49	2.07	-11.86	5.67	12.09	8.52	-1.97
Blmbg. U.S. TIPS Index	-1.42	1.87	-1.40	-0.12	2.49	2.08	-11.85	5.96	10.99	8.43	-1.26
Inflation-Protected Bond Median	-1.49	1.53	-1.47	-0.15	2.21	1.68	-11.69	5.25	9.70	7.51	-1.62
Rank (%)	37	47	47	47	25	15	57	34	14	16	64
Population	192	192	192	187	187	172	193	197	198	214	222

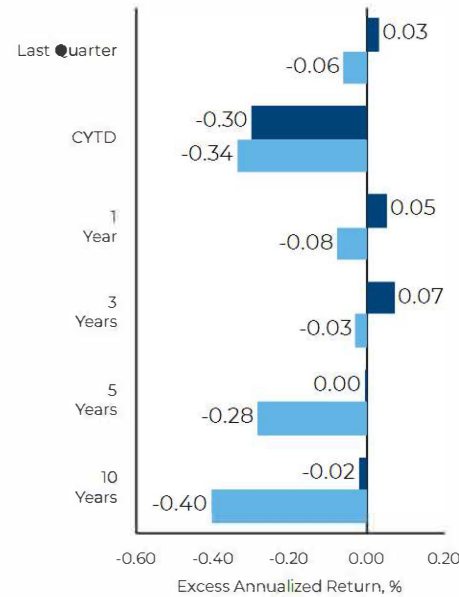
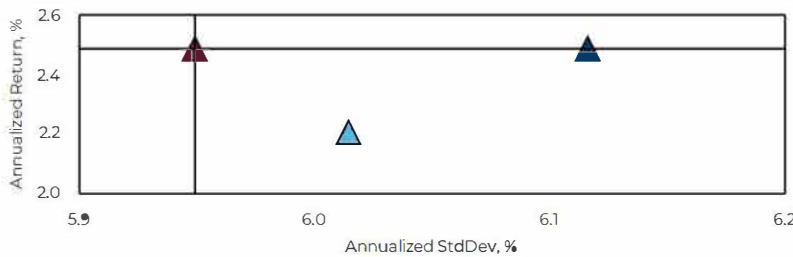
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
PIMCO Real Return Instl	0.18	-0.04	1.02	0.98	100.88	101.11	0.01
Blmbg. U.S. TIPS Index	0.18	0.00	1.00	1.00	100.00	100.00	-
Inflation-Protected Bond Median	0.14	-0.18	0.98	0.92	92.31	97.76	-0.18

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	PRRIX
Portfolio Manager	He,D/Rodosky,S
Portfolio Assets	\$6,456 Million
PM Tenure	4 Years 5 Months
Net Expense(%)	0.47 %
Fund Inception	1997
Category Expense Median	0.57
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	-24.42 %
Number of Holdings	948
Turnover	71.00 %
Avg. Effective Duration	6.15 Years
SEC Yield	5.02 %

▲ PIMCO Real Return Instl  
▲ Blmbg. U.S. TIPS Index  
▲ Inflation-Protected Bond Median

■ PIMCO Real Return Instl  
■ Inflation-Protected Bond Median

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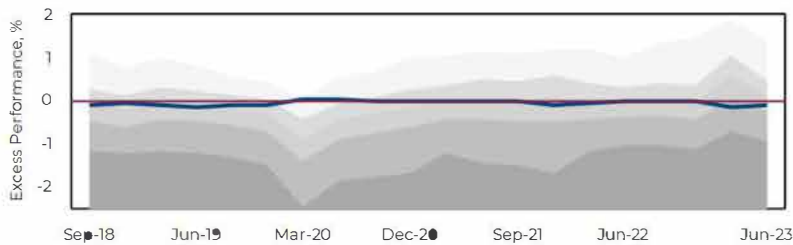
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Fidelity® US Bond Index	-0.83	2.20	-0.95	-4.05	0.77	1.49	-13.03	-1.79	7.80	8.48	0.01
Blmbg. U.S. Aggregate Index	-0.84	2.09	-0.94	-3.97	0.77	1.52	-13.01	-1.55	7.51	8.72	0.01
Intermediate Core Bond Median	-0.88	2.21	-1.03	-3.84	0.66	1.41	-13.45	-1.56	7.85	8.42	-0.43
Rank (%)	45	51	44	64	40	41	29	64	52	49	27
Population	433	433	433	409	401	357	428	430	432	450	451

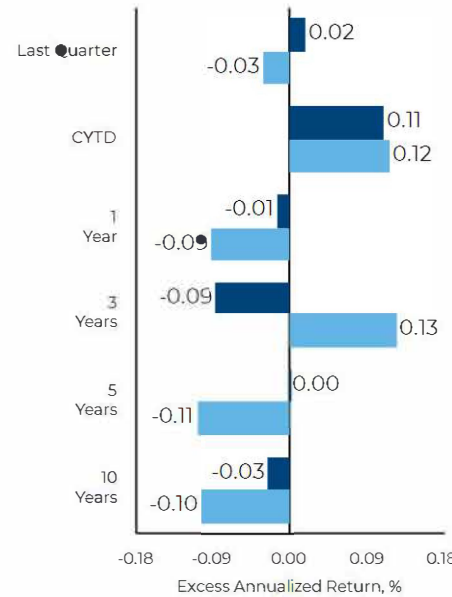
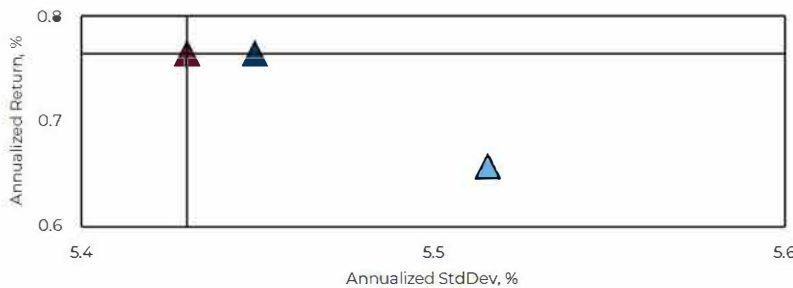
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity® US Bond Index	-0.12	0.00	1.00	1.00	100.50	100.55	0.00
Blmbg. U.S. Aggregate Index	-0.12	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core Bond Median	-0.13	-0.10	1.00	0.96	101.68	102.72	-0.07

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	FXNA
Portfolio Manager	Bettencourt, B/Munclinger, R
Portfolio Assets	\$59,823 Million
PM Tenure	9 Years 1 Month
Net Expense(%)	0.03 %
Fund Inception	2011
Category Expense Median	0.55
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	9.04 %
Number of Holdings	9398
Turnover	50.00 %
Avg. Effective Duration	6.18 Years
SEC Yield	4.28 %

▲ Fidelity® US Bond Index ▲ Intermediate Core Bond Median ▲ Blmbg. U.S. Aggregate Index

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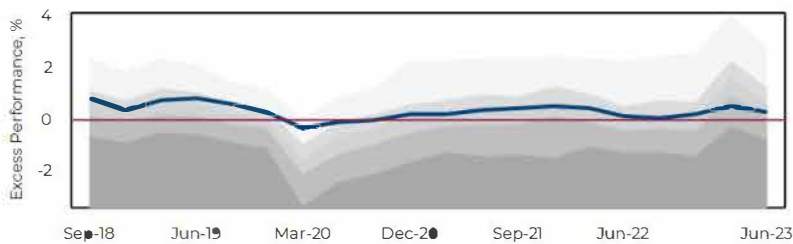
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
PIMCO Total Return Instl	-0.64	2.26	-0.94	-3.69	0.82	1.65	-14.09	-0.84	8.88	8.26	-0.26
Blmbg. U.S. Aggregate Index	-0.84	2.09	-0.94	-3.97	0.77	1.52	-13.01	-1.55	7.51	8.72	0.01
Intermediate Core-Plus Bond Median	-0.69	2.44	-0.41	-3.29	0.86	1.69	-13.84	-0.82	8.33	9.24	-0.80
Rank (%)	45	62	65	70	53	54	59	51	36	76	27
Population	612	612	609	561	548	472	604	602	599	619	605

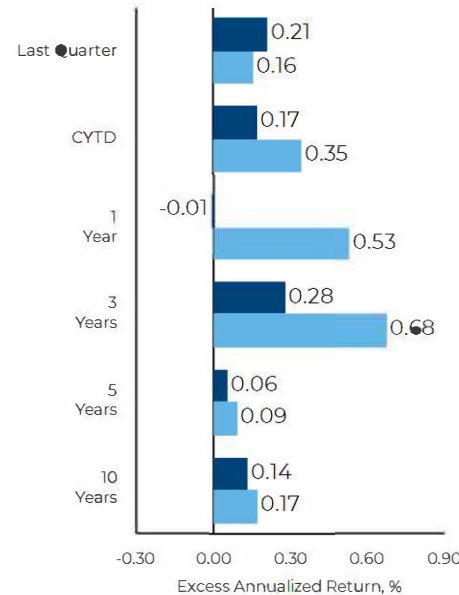
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
PIMCO Total Return Instl	-0.10	0.06	1.00	0.96	101.19	100.40	0.06
Blmbg. U.S. Aggregate Index	-0.12	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core-Plus Bond Median	-0.09	0.11	1.01	0.86	106.79	105.51	0.06

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	PTTRX
Portfolio Manager	Team Managed
Portfolio Assets	\$43,527 Million
PM Tenure	8 Years 9 Months
Net Expense(%)	0.46 %
Fund Inception	1987
Category Expense Median	0.65
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	21.47 %
Number of Holdings	7718
Turnover	377.00 %
Avg. Effective Duration	5.61 Years
SEC Yield	4.80 %

▲ PIMCO Total Return Instl ▲ Intermediate Core-Plus Bond Median  
 ▼ Blmbg. U.S. Aggregate Index

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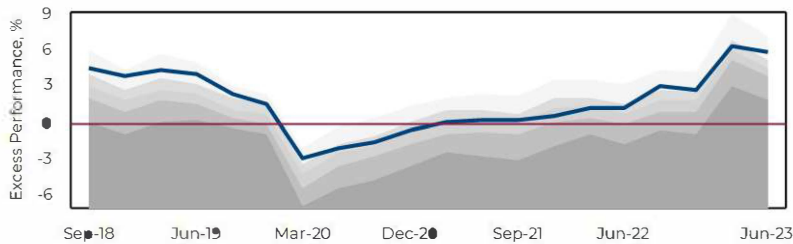
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
PIMCO Income Instl	1.21	3.80	5.34	1.85	2.60	4.24	-7.81	2.61	5.80	8.05	0.58
Blmbg. U.S. Aggregate Index	-0.84	2.09	-0.94	-3.97	0.77	1.52	-13.01	-1.55	7.51	8.72	0.01
Multisector Bond Median	0.60	3.22	3.75	0.64	1.92	2.71	-10.84	2.44	6.32	10.35	-1.89
Rank (%)	20	26	21	16	14	1	19	44	56	79	14
Population	336	336	335	310	266	196	333	337	335	312	336

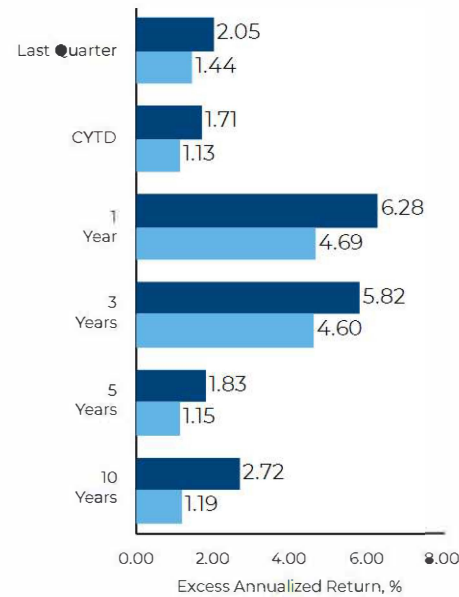
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
PIMCO Income Instl	0.20	2.16	0.68	0.37	85.98	56.20	0.36
Blmbg. U.S. Aggregate Index	-0.12	0.00	1.00	1.00	100.00	100.00	-
Multisector Bond Median	0.09	1.47	0.78	0.33	95.17	78.92	0.20

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	PIMIX
Portfolio Manager	Anderson, J/IVascyn, D/Murata, A
Portfolio Assets	\$73,622 Million
PM Tenure	16 Years 3 Months
Net Expense(%)	0.51 %
Fund Inception	2007
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	9.37 %
Number of Holdings	7858
Turnover	426.00 %
Avg. Effective Duration	3.03 Years
SEC Yield	5.45 %

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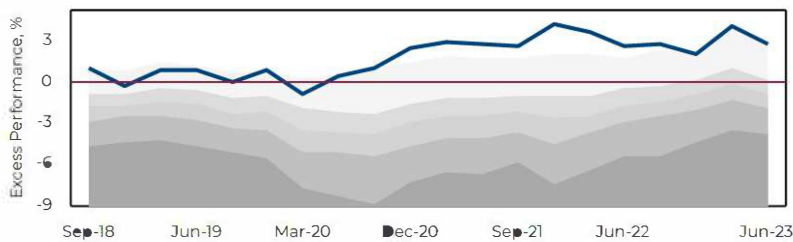
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Fidelity® Balanced	5.94	13.94	13.78	9.81	9.30	9.64	-18.19	18.28	22.43	24.39	-4.02
60% S&P 500, 40% Bloomberg Agg	4.86	10.81	11.24	7.09	7.94	8.45	-15.79	15.86	14.73	22.18	-2.35
Moderate Allocation Median	3.23	7.36	8.79	6.25	5.53	6.47	-14.98	13.13	12.41	19.33	-5.88
Rank (%)	5	2	5	5	3	2	93	5	3	3	23
Population	749	749	744	720	704	606	758	766	769	801	837

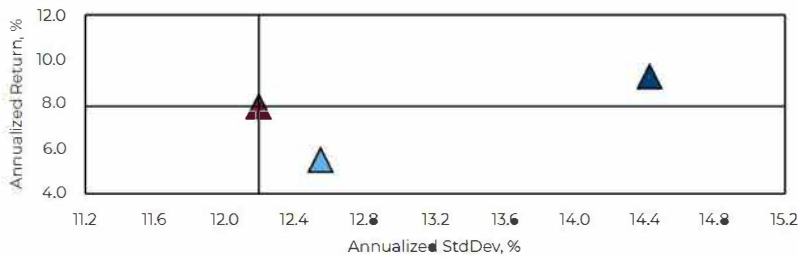
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity® Balanced	0.58	0.13	1.17	0.98	115.92	114.27	0.54
60% S&P 500, 40% Bloomberg Agg	0.56	0.00	1.00	1.00	100.00	100.00	-
Moderate Allocation Median	0.37	-1.96	1.00	0.95	92.64	103.07	-0.65

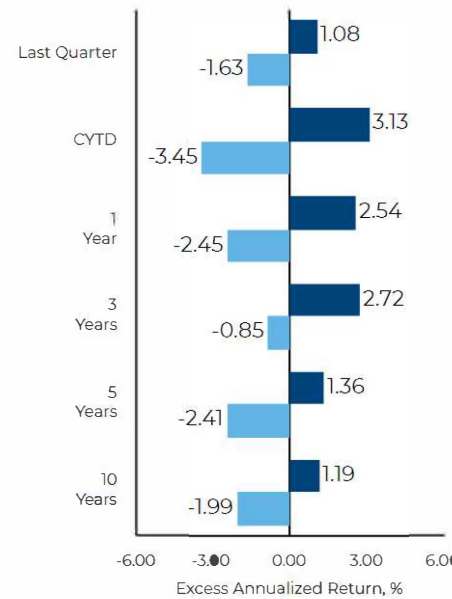
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ Fidelity® Balanced  
▲ 60% S&P 500, 40% Bloomberg Agg  
▲ Moderate Allocation Median



■ Fidelity® Balanced  
■ Moderate Allocation Median

INVESTMENT PROFILE

Ticker	FBALX
Portfolio Manager	Team Managed
Portfolio Assets	\$32,732 Million
PM Tenure	14 Years 9 Months
Net Expense(%)	0.50 %
Fund Inception	1986
Category Expense Median	0.99
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	21.24 %
Number of Holdings	5038
Turnover	36.00 %
Avg. Market Cap	\$145,456 Million
Dividend Yield	1.42 %
Avg. Effective Duration	5.48 Years
SEC Yield	2.07 %

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## Investor Assumptions/Glidepath Methodology

Glidepath Management	• Through retirement (assumed at age 65) ending 7 years after retirement
Assumed Investor Savings Rate	• Contributions start at 7.3% at age 25 and increase to 13% at age 65. Also includes a \$0.50 on the dollar employer match up to 3% of salary.
Assumed Investor Income Growth Rate	• 1.1% annual salary growth
Income Replacement	• The portfolios are designed to provide withdrawals in retirement based on multiples of an investor's age 65 salary.
Assumed Accumulated Savings at Retirement	• N/A
Life Expectancy	• Through age 95
Asset Allocation Flexibility	• Strict targets with narrow ranges.
Other Assumptions	• Glidepath was tested against 10,000 potential lifetime return outcomes

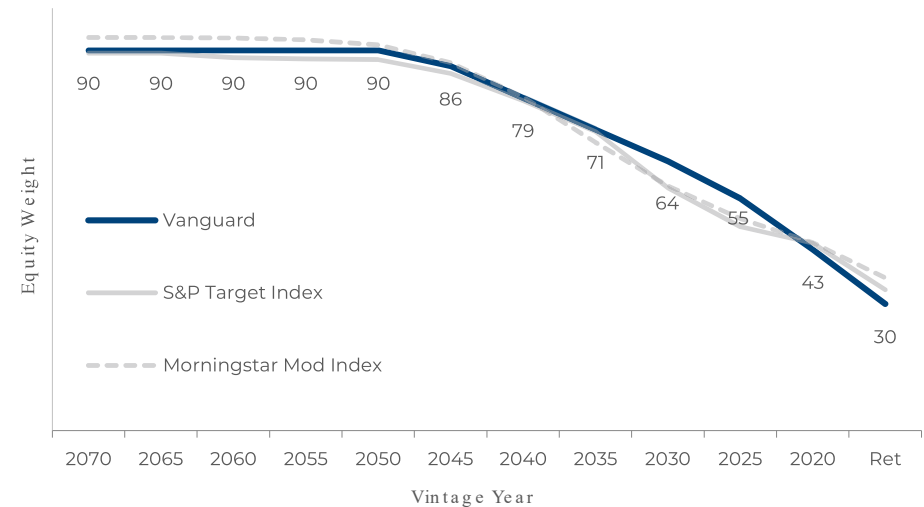
Vanguard uses a proprietary capital markets modeling tool to statistically analyze historical data, including interest rates, inflation, and other risk factors for global equities, fixed income, and commodity markets. This tool is used to generate forward-looking distributions of expected returns. Then, by combining these figures with their investor assumptions, Vanguard constructs target portfolios with asset allocations that seek to provide the highest probability of a successful outcome (not outliving retirement savings).

## Investment Profile

% Open Architecture:	0%	Active/Passive:	Passive
Inception Date:	10-27-2003	% Active:	0%
Net Assets \$MM:	\$585,374	Manager Tenure:	10.42 years (longest)
Manager Name:	Nejman, Coleman	Expense Range:	0.08%
Avg # of Holdings:	5	Investment Structure:	Mutual Fund

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## Target Asset Allocation Glidepath per Vintage Year



## Dedicated Asset Class Granularity/Diversification

Emerging Market Equities	No
International/Global Debt	Yes
Inflation-Protected Securities	Yes
High Yield Fixed Income	No
Real Estate	No
Commodities	No

The Vanguard Target Retirement funds allocate to five broad index funds that provide comprehensive exposure to U.S. and non-U.S. equity and bond markets. Using index funds allows Vanguard to provide investment diversification at a low cost while also producing returns in line with equity and fixed income markets. Through its five index funds, the strategies gain exposure to over 25 sub-asset classes, capturing over 90% of the world's investable market.



## Material Changes to the Series

2006:

- Increased minimum equity allocation from 20% to 30%

2010:

- Collapsed three international equity index funds (Europe, Pacific, and Emerging Markets) with Vanguard Total International Stock Index

2013:

- Replaced the broad TIPs fund with a short-term TIPs allocation
- Eliminated the Prime Money Market fund
- Added a 20% International Bond Index Allocation

2015:

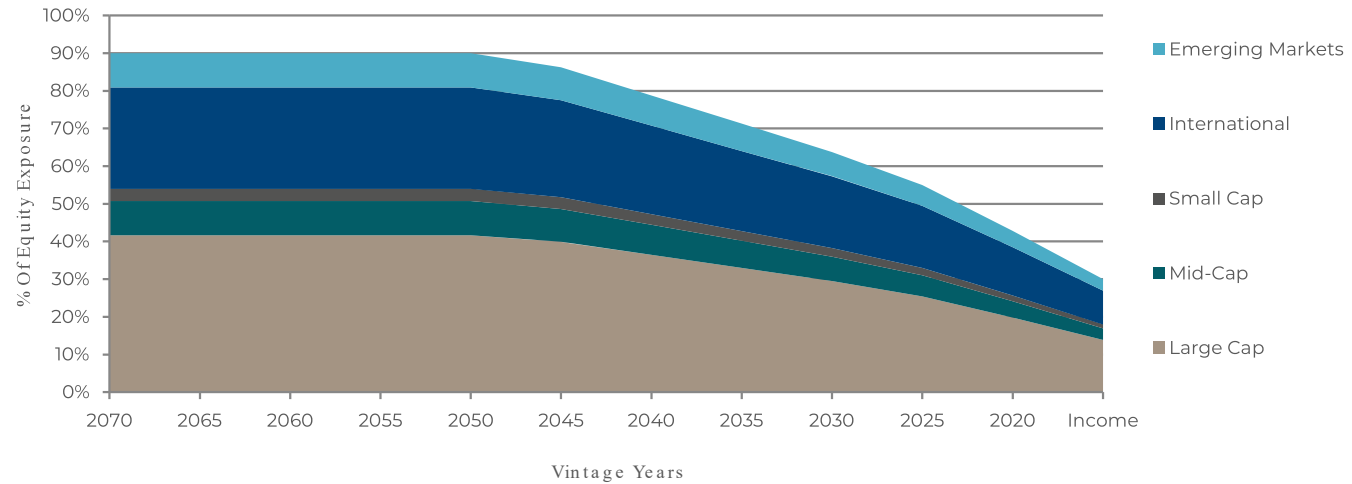
- Increased international stock allocation from 30% to 40%
- Increased International bond allocation from 20% to 30%

2021:

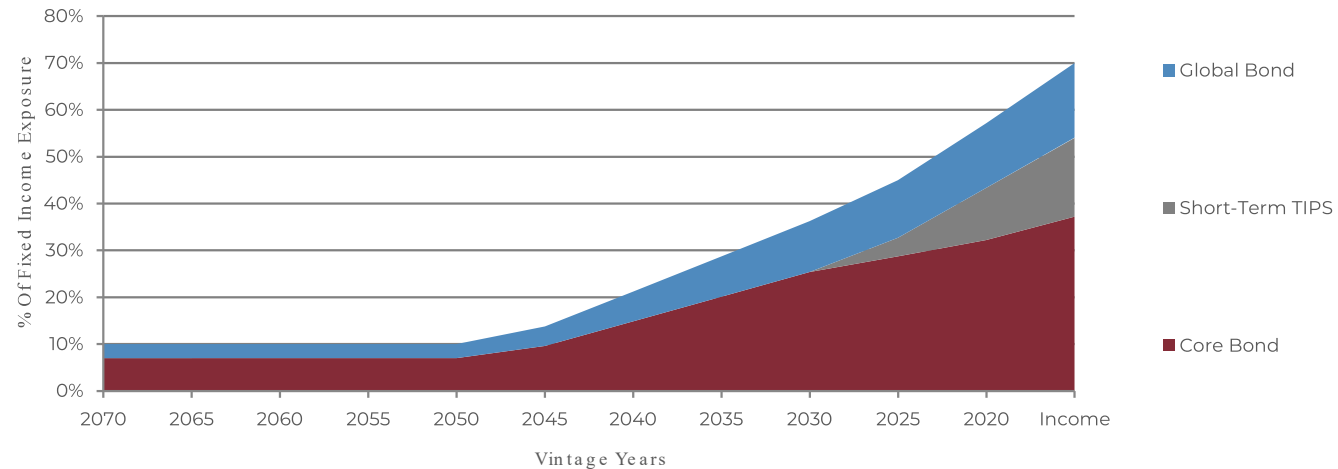
- The firm announced that in February 2022 the Institutional share class will merge into the Investor share class. Following this merger, expense ratio for the combined series will be 0.08%. The series will be available for all clients with no asset minimum.

\*All information provided by the asset manager, as of 12/31/22. Asset allocations shown are static in nature and do not incorporate any tactical views implemented by the manager.

## Equity Exposure



## Fixed Income Exposure



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# TARGET DATE ANALYSIS

	3 Years Beta	3 Years Sharpe	3 Years Up Capture	3 Years Down Capture	5 Years Beta	5 Years Sharpe	5 Years Up Capture	5 Years Down Capture
Vanguard Target Retirement 2020 Fund	1.02	0.30	101.89	104.73	1.03	0.35	103.10	103.09
S&P Target Date 2020 Index	1.00	0.34	100.00	100.00	1.00	0.34	100.00	100.00
Target-Date 2020 Median	1.05	0.29	105.32	107.19	1.04	0.31	102.55	105.96
Vanguard Target Retirement 2025 Fund	1.08	0.37	105.57	111.68	1.06	0.36	105.28	106.38
S&P Target Date 2025 Index	1.00	0.44	100.00	100.00	1.00	0.37	100.00	100.00
Target-Date 2025 Median	1.04	0.34	101.13	107.93	1.03	0.33	99.31	103.92
Vanguard Target Retirement 2030 Fund	1.05	0.43	101.94	108.11	1.02	0.38	101.63	102.23
S&P Target Date 2030 Index	1.00	0.51	100.00	100.00	1.00	0.39	100.00	100.00
Target-Date 2030 Median	1.04	0.42	100.42	107.76	1.01	0.35	100.52	102.76
Vanguard Target Retirement 2035 Fund	0.99	0.49	97.12	102.41	0.98	0.40	97.92	97.97
S&P Target Date 2035 Index	1.00	0.57	100.00	100.00	1.00	0.40	100.00	100.00
Target-Date 2035 Median	1.02	0.49	100.34	105.83	1.01	0.37	99.72	101.26
Vanguard Target Retirement 2040 Fund	0.98	0.54	96.60	101.04	0.98	0.41	98.30	98.42
S&P Target Date 2040 Index	1.00	0.60	100.00	100.00	1.00	0.41	100.00	100.00
Target-Date 2040 Median	1.02	0.54	100.70	105.86	1.02	0.39	100.66	102.35
Vanguard Target Retirement 2045 Fund	1.00	0.58	99.51	102.75	1.01	0.43	101.28	101.09
S&P Target Date 2045 Index	1.00	0.62	100.00	100.00	1.00	0.42	100.00	100.00
Target-Date 2045 Median	1.02	0.57	101.44	105.72	1.02	0.40	101.58	103.11
Vanguard Target Retirement 2050 Fund	1.00	0.59	99.05	102.65	0.99	0.43	100.31	99.96
S&P Target Date 2050 Index	1.00	0.63	100.00	100.00	1.00	0.42	100.00	100.00
Target-Date 2050 Median	1.02	0.58	100.54	105.25	1.02	0.40	100.90	101.95
Vanguard Target Retirement 2055 Fund	0.99	0.59	98.26	102.16	0.99	0.43	99.50	99.18
S&P Target Date 2055 Index	1.00	0.64	100.00	100.00	1.00	0.43	100.00	100.00
Target-Date 2055 Median	1.01	0.58	100.47	104.84	1.01	0.40	100.34	101.57

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# TARGET DATE ANALYSIS

Period Ending 6.30.23 | Q2 23

	3 Years Beta	3 Years Sharpe	3 Years Up Capture	3 Years Down Capture	5 Years Beta	5 Years Sharpe	5 Years Up Capture	5 Years Down Capture
Vanguard Target Retirement 2060 Fund	0.99	0.59	98.20	101.89	0.98	0.43	99.09	98.84
S&P Target Date 2060 Index	1.00	0.64	100.00	100.00	1.00	0.43	100.00	100.00
Target-Date 2060 Median	1.02	0.58	100.45	104.82	1.01	0.41	100.47	101.33
Vanguard Target Retirement 2065 Fund	0.99	0.59	98.13	102.10	0.98	0.43	98.97	98.98
S&P Target Date 2065+ Index	1.00	0.64	100.00	100.00	1.00	0.43	100.00	100.00
Target-Date 2065+ Median	1.03	0.55	99.94	106.84	1.07	0.41	105.70	108.48
Vanguard Target Retirement 2070 Fund	0.99	0.59	98.13	102.10	0.98	0.43	98.97	98.98
S&P Target Date 2065+ Index	1.00	0.64	100.00	100.00	1.00	0.43	100.00	100.00
Target-Date 2065+ Median	1.03	0.55	99.94	106.84	1.07	0.41	105.70	108.48
Vanguard Target Retirement Income Fund	1.06	0.09	104.86	108.98	1.01	0.29	101.25	101.78
S&P Target Date Retirement Income Index	1.00	0.14	100.00	100.00	1.00	0.29	100.00	100.00
Target-Date Retirement Median	1.13	0.09	112.34	116.35	1.11	0.23	108.41	112.62

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VANGUARD TARGET RETIREMENT

MEETING DATE: JULY 21, 2023

FOCUS AREA

Organizational Update

COMMENTARY

As we previously communicated, Michael Roach was recently named head of Multi-Asset Portfolio Management, a newly created role at Vanguard, and will be responsible for portfolio management oversight of Vanguard’s Multi-Asset funds. Mr. Roach has also been added as a co-portfolio manager on Vanguard’s Target Retirement portfolios. In addition, Roger Aliaga-Díaz and Aurélie Denis have been added as co-portfolio managers of the Target Retirement funds. They join Mr. Roach and existing co-portfolio manager, Walter Nejman. Michael, Roger, and Aurélie replace William Coleman, who previously served as a co-portfolio manager on the series. William Coleman, who was a co-portfolio manager for the series, has taken on a new role as head of U.S. ETF Capital Markets and relinquished his portfolio management responsibilities.

Vanguard made these changes to align its named portfolio managers with how it researches, constructs, implements, and oversees the target date series.

- Michael Roach oversees the implementation of Target Retirement’s underlying portfolios as head of Multi-Asset Portfolio Management. He was previously the head of U.S. Equity Operational Risk, and he has a similar risk management function in his new role.
- Roger Aliaga-Díaz is chief economist and head of Multi-Asset Portfolio Construction. He leads glidepath and asset allocation research. His team is responsible for the design of Target Retirement.
- Aurelie Denis is a portfolio manager and trader within Vanguard’s Equity Index Group. She replaces Mr. Coleman. Ms. Denis and Mr. Nejman are responsible for the daily trading and implementation of the series’s underlying holdings.

We are comfortable with these personnel changes as they are not resulting in any changes to Target Retirement’s investment strategy or process. In addition, the added named portfolio managers better reflect the individuals responsible for the series.

Investments Update

COMMENTARY

There were no changes to the underlying investments of the Target Retirement series during the quarter.

*Note: Benchmark relative performance refers to fund performance compared to the S&P Target Date Indexes.*



VANGUARD TARGET RETIREMENT

MEETING DATE: JULY 21, 2023

FOCUS AREA

Performance and Positioning Update

COMMENTARY

**Vanguard Target Retirement Performance Update:**

The Vanguard Target Retirement series posted mixed results relative to peers and the benchmark in the second quarter.

- Most vintages were in-line with the peer group median with some outperformance from the near-retirement vintages, and all vintages, excluding the in-retirement (Income and 2020) vintages, outperformed the benchmark.
- From a strategic asset allocation perspective, Target Retirement's larger exposure to international equities weighed on relative performance as the U.S. outperformed international markets in the quarter.
- In addition, Vanguard's total market, style neutral portfolio construction held the series back given that large-cap stocks outperformed mid-cap and small-cap stocks and growth outperformed value again in the second quarter.
- Offsetting some of this in the near-dated vintages was Target Retirement's glidepath design.
- With equity markets continuing to rally in the second quarter, Target Retirement's vintages approaching retirement (2025 - 2035) benefitted from a slightly larger equity allocation compared to peers and the benchmark.
- However, Vanguard's glidepath is slightly more conservative at the beginning and in retirement compared to peers. As a result, the series's further-dated and in-retirement vintages' relative results were more muted.

There were no changes made to the series's strategic asset allocation during the quarter.

*Note: Benchmark relative performance refers to fund performance compared to the S&P Target Date Indexes.*



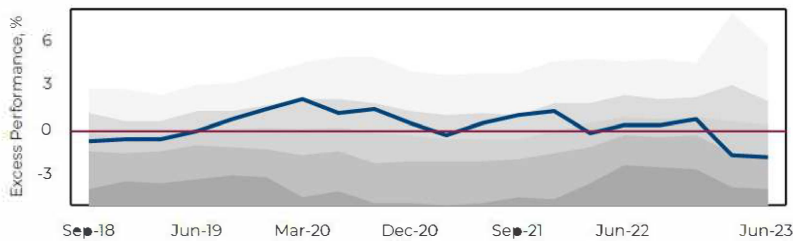
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
MFS Value R3	3.51	1.95	10.36	12.55	8.49	9.44	-6.14	25.08	3.65	29.74	-10.09
Russell 1000 Value Index	4.07	5.12	11.54	14.30	8.11	9.22	-7.54	25.16	2.80	26.54	-8.27
Large Value Median	3.69	3.90	10.72	14.61	8.12	9.09	-5.50	26.02	2.82	25.48	-8.89
Rank (%)	56	78	54	76	40	37	56	64	42	11	69
Population	1,124	1,124	1,121	1,086	1,073	994	1,121	1,126	1,179	1,229	1,304

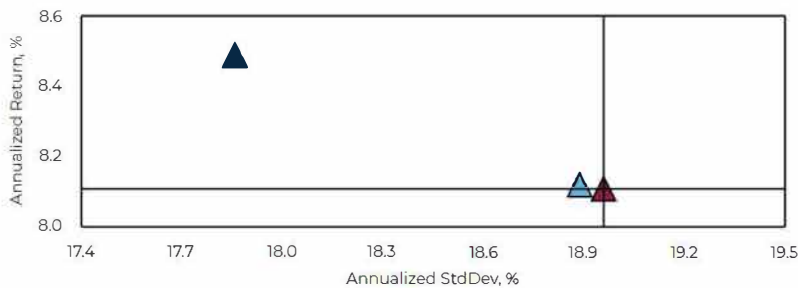
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
MFS Value R3	0.46	0.82	0.93	0.98	97.88	96.27	0.05
Russell 1000 Value Index	0.43	0.00	1.00	1.00	100.00	100.00	-
Large Value Median	0.43	0.27	0.98	0.96	99.02	98.42	0.01

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	MEIHX
Portfolio Manager	Cannan, K/Chitkara, N
Portfolio Assets	\$2,591 Million
PM Tenure	17 Years 1 Month
Net Expense(%)	0.80 %
Fund Inception	2005
Category Expense Median	0.85
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	26.78 %
Number of Holdings	74
Turnover	12.00 %
Avg. Market Cap	\$92,233 Million
Dividend Yield	3.30 %

▲ MFS Value R3    ▲ Large Value Median    ▲ Russell 1000 Value Index    ■ MFS Value R3    ■ Large Value Median

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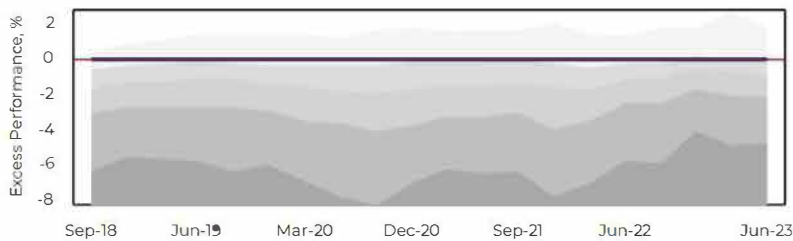
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Fidelity® 500 Index	8.73	16.89	19.57	14.59	12.29	12.85	-18.13	28.69	18.40	31.47	-4.40
S&P 500 Index	8.74	16.89	19.59	14.60	12.31	12.86	-18.11	28.71	18.40	31.49	-4.38
Large Blend Median	7.96	15.14	18.26	13.72	10.96	11.59	-18.15	26.68	17.18	29.77	-5.65
Rank (%)	22	19	25	23	15	9	50	21	36	22	23
Population	1,192	1,192	1,182	1,134	1,093	974	1,175	1,188	1,220	1,264	1,297

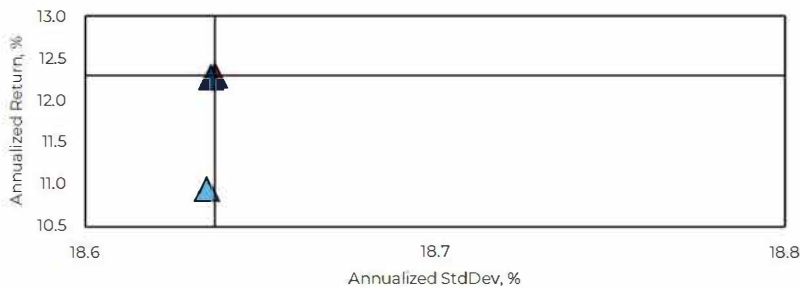
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity® 500 Index	0.63	-0.01	1.00	1.00	99.97	100.01	-1.02
S&P 500 Index	0.64	0.00	1.00	1.00	100.00	100.00	-
Large Blend Median	0.57	-0.95	1.00	0.97	96.84	100.22	-0.48

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ Fidelity® 500 Index ▲ Large Blend Median ▲ S&P 500 Index



■ Fidelity® 500 Index ■ Large Blend Median

INVESTMENT PROFILE

Ticker	FXAIX
Portfolio Manager	Team Managed
Portfolio Assets	\$420,610 Million
PM Tenure	14 Years 5 Months
Net Expense(%)	0.02 %
Fund Inception	2011
Category Expense Median	0.76
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	30.34 %
Number of Holdings	507
Turnover	3.00 %
Avg. Market Cap	\$211,084 Million
Dividend Yield	1.87 %

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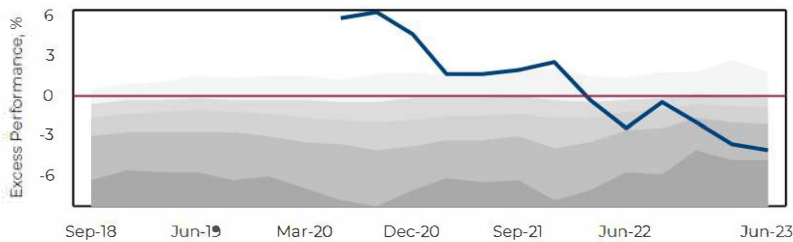
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Fidelity® Contrafund® K6	11.68	23.99	25.33	10.54	11.41	-	-27.12	24.14	30.83	31.00	-2.15
S&P 500 Index	8.74	16.89	19.59	14.60	12.31	12.86	-18.11	28.71	18.40	31.49	-4.38
Large Blend Median	7.96	15.14	18.26	13.72	10.96	11.59	-18.15	26.68	17.18	29.77	-5.65
Rank (%)	1	1	2	93	38	-	100	79	1	33	8
Population	1,192	1,192	1,182	1,134	1,093	974	1,175	1,188	1,220	1,264	1,297

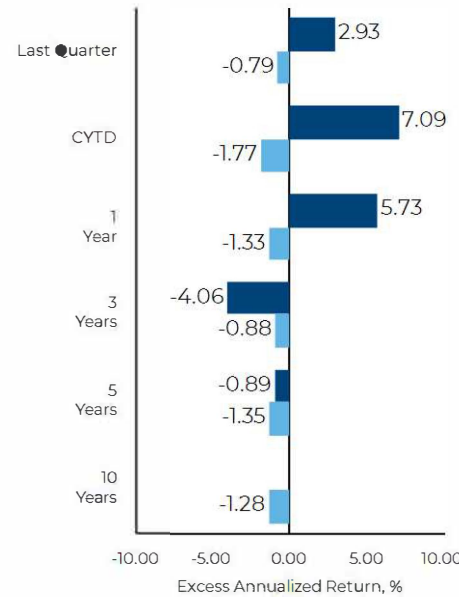
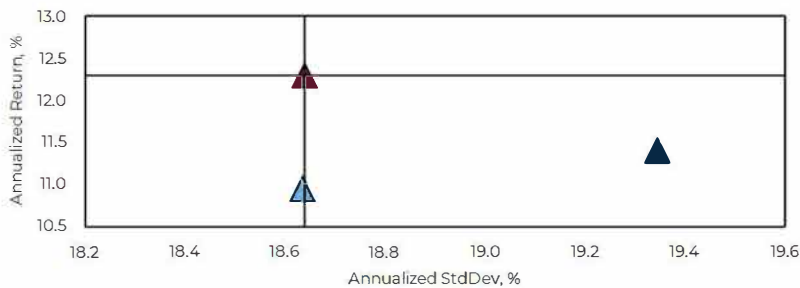
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity® Contrafund® K6	0.58	-0.64	1.00	0.92	99.58	102.56	-0.13
S&P 500 Index	0.64	0.00	1.00	1.00	100.00	100.00	-
Large Blend Median	0.57	-0.95	1.00	0.97	96.84	100.22	-0.48

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	FLCNX
Portfolio Manager	Danoff,W
Portfolio Assets	\$24,813 Million
PM Tenure	6 Years 1 Month
Net Expense(%)	0.45 %
Fund Inception	2017
Category Expense Median	0.92
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	51.91 %
Number of Holdings	339
Turnover	38.00 %
Avg. Market Cap	\$315,308 Million
Dividend Yield	0.97 %

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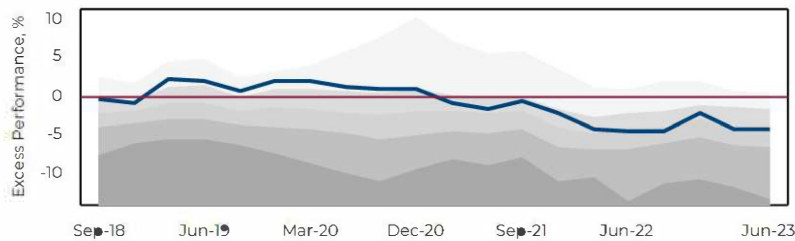
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
MainStay Winslow Large Cap Growth I	12.94	25.46	27.44	9.64	12.44	14.39	-31.25	24.81	37.38	33.67	3.74
Russell 1000 Growth Index	12.81	29.02	27.11	13.73	15.14	15.74	-29.14	27.60	38.49	36.39	-1.51
Large Growth Median	11.83	26.00	23.27	9.81	11.61	13.26	-30.85	21.97	34.85	32.81	-1.63
Rank (%)	32	54	21	53	34	24	55	30	41	42	9
Population	1,152	1,152	1,150	1,122	1,085	1,009	1,153	1,185	1,195	1,229	1,304

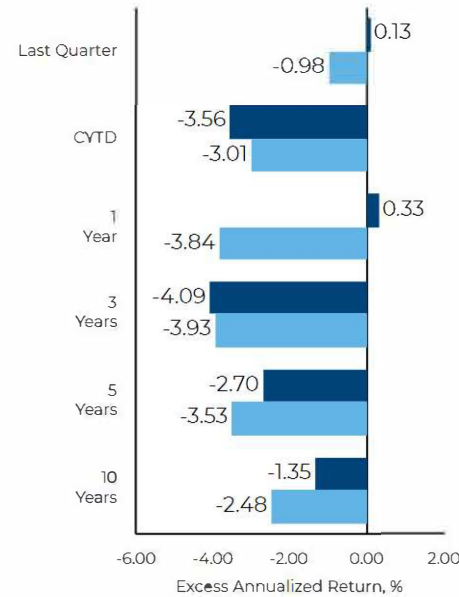
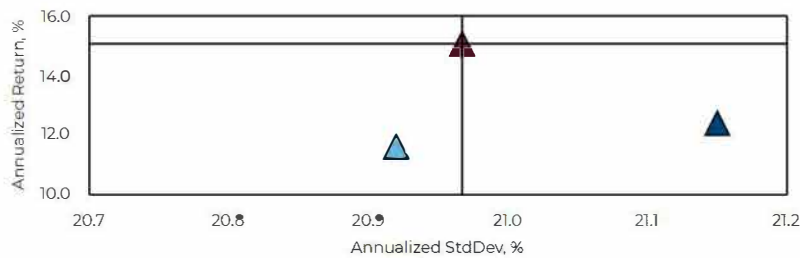
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
MainStay Winslow Large Cap Growth I	0.59	-2.18	0.99	0.97	95.40	102.32	-0.59
Russell 1000 Growth Index	0.71	0.00	1.00	1.00	100.00	100.00	-
Large Growth Median	0.56	-2.59	0.98	0.95	91.27	99.67	-0.67

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	MLAIX
Portfolio Manager	Team Managed
Portfolio Assets	\$6,854 Million
PM Tenure	17 Years 8 Months
Net Expense(%)	0.71 %
Fund Inception	2005
Category Expense Median	0.92
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	52.73 %
Number of Holdings	43
Turnover	77.00 %
Avg. Market Cap	\$334,941 Million
Dividend Yield	0.56 %

▲ MainStay Winslow Large Cap Growth I ▲ Large Growth Median  
 ▲ Russell 1000 Growth Index

■ MainStay Winslow Large Cap Growth I  
 ■ Large Growth Median

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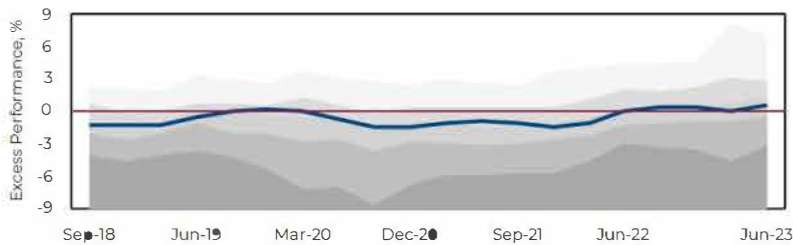
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
JPMorgan Mid Cap Value R6	4.06	4.00	10.20	15.77	6.98	8.90	-8.03	30.11	0.43	26.67	-11.66
Russell Midcap Value Index	3.86	5.23	10.50	15.04	6.84	9.03	-12.03	28.34	4.96	27.06	-12.29
Mid-Cap Value Median	4.22	5.31	12.25	16.45	6.85	8.57	-8.16	28.56	2.77	26.77	-13.59
Rank (%)	55	61	71	59	48	38	48	35	72	53	27
Population	362	362	362	359	356	315	371	387	398	418	452

KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
JPMorgan Mid Cap Value R6	0.35	0.34	0.96	0.98	96.02	94.67	-0.01
Russell Midcap Value Index	0.34	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Value Median	0.35	0.25	0.98	0.97	99.15	97.66	0.01

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	JMVYX
Portfolio Manager	Playford,L/Simon,J
Portfolio Assets	\$4,086 Million
PM Tenure	25 Years 7 Months
Net Expense(%)	0.65 %
Fund Inception	2016
Category Expense Median	0.96
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	18.00 %
Number of Holdings	105
Turnover	16.00 %
Avg. Market Cap	\$14,987 Million
Dividend Yield	2.77 %

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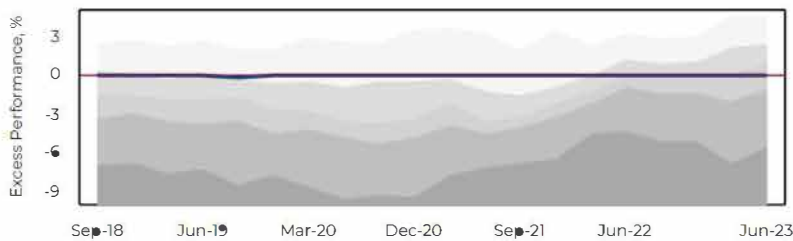
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Fidelity® Mid Cap Index	4.75	8.99	14.97	12.51	8.47	10.32	-17.28	22.56	17.11	30.51	-9.05
Russell Midcap Index	4.76	9.01	14.92	12.50	8.46	10.32	-17.32	22.58	17.10	30.54	-9.06
Mid-Cap Blend Median	4.75	8.44	14.12	13.47	7.38	9.22	-15.19	24.16	12.93	26.87	-11.30
Rank (%)	50	32	42	63	26	18	68	64	25	25	25
Population	352	352	349	337	321	261	351	352	364	386	401

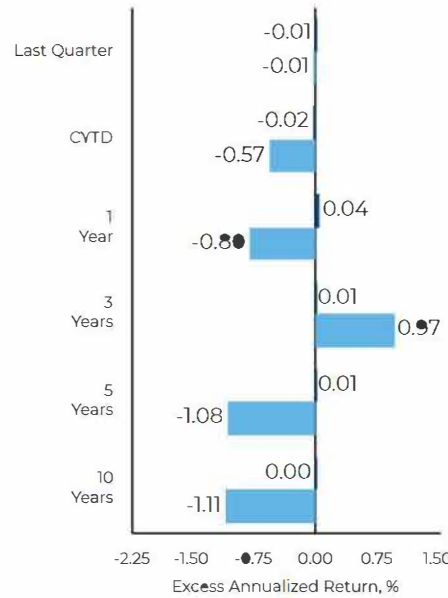
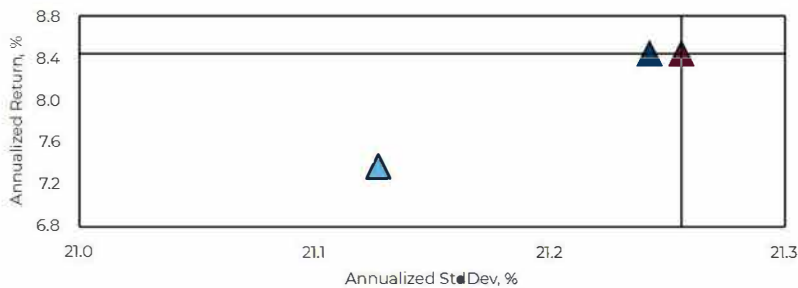
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity® Mid Cap Index	0.42	0.01	1.00	1.00	99.92	99.88	0.06
Russell Midcap Index	0.42	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Blend Median	0.37	-0.99	0.98	0.96	96.41	99.06	-0.24

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	FSMDX
Portfolio Manager	Team Managed
Portfolio Assets	\$28,031 Million
PM Tenure	11 Years 9 Months
Net Expense(%)	0.03 %
Fund Inception	2011
Category Expense Median	0.92
Subadvisor	-

HOLDINGS OVERVIEW

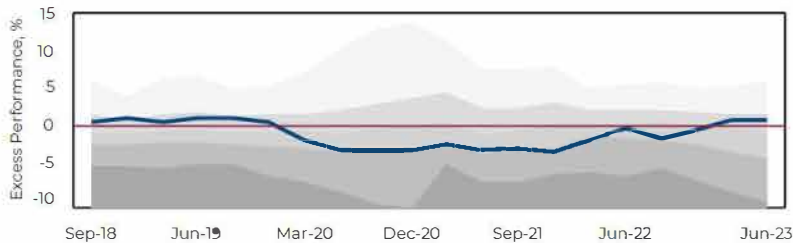
% Assets in Top 10 Holdings	5.48 %
Number of Holdings	819
Turnover	9.00 %
Avg. Market Cap	\$17,519 Million
Dividend Yield	2.05 %

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TRAILING AND CALENDAR RETURNS											
	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
T. Rowe Price Instl Mid-Cap Equity Gr	5.40	13.21	17.77	8.45	9.03	12.25	-23.17	15.52	23.87	33.09	-2.23
Russell Midcap Growth Index	6.23	15.94	23.13	7.63	9.71	11.53	-26.72	12.73	35.59	35.47	-4.75
Mid-Cap Growth Median	5.81	14.76	18.53	6.92	8.73	10.74	-28.34	11.92	35.93	33.40	-5.53
Rank (%)	62	62	54	33	45	14	16	31	87	53	24
Population	543	543	543	531	513	485	551	566	575	588	599

KEY MEASURES/5 YEAR								
	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio	
T. Rowe Price Instl Mid-Cap Equity Gr	0.45	0.11	0.91	0.95	90.23	89.33	-0.19	
Russell Midcap Growth Index	0.46	0.00	1.00	1.00	100.00	100.00	-	
Mid-Cap Growth Median	0.42	-0.38	0.98	0.94	97.96	101.39	-0.15	

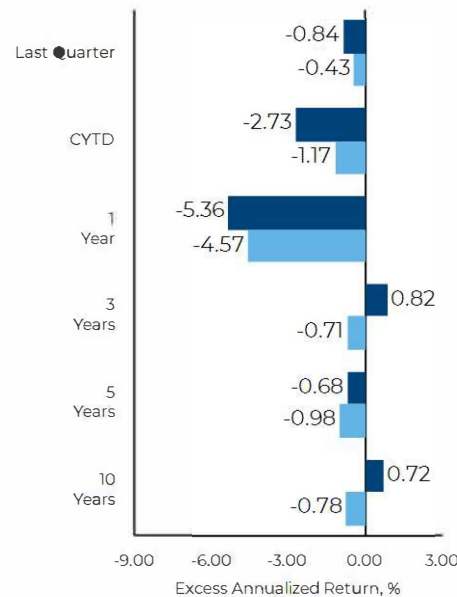
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ T. Rowe Price Instl Mid-Cap Equity Gr ▲ Mid-Cap Growth Median  
▲ Russell Midcap Growth Index



■ T. Rowe Price Instl Mid-Cap Equity Gr ■ Mid-Cap Growth Median

INVESTMENT PROFILE

Ticker	PMEGX
Portfolio Manager	Berghuis,B
Portfolio Assets	\$5,288 Million
PM Tenure	26 Years 11 Months
Net Expense(%)	0.61 %
Fund Inception	1996
Category Expense Median	1.04
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	23.07 %
Number of Holdings	123
Turnover	24.10 %
Avg. Market Cap	\$19,180 Million
Dividend Yield	1.44 %

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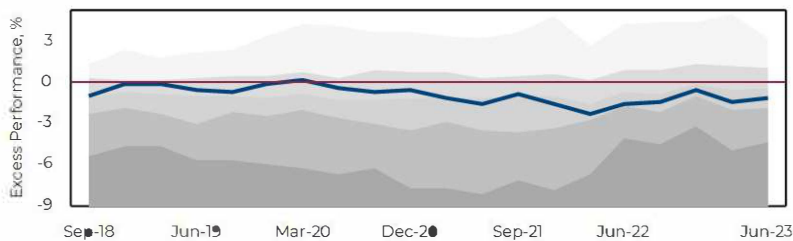
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
American Funds Capital World Gr&Inc R6	5.89	12.58	18.38	9.72	6.99	8.44	-17.01	15.15	15.78	25.74	-9.97
MSCI AC World Index (Net)	6.18	13.93	16.53	10.99	8.10	8.75	-18.36	18.54	16.25	26.60	-9.42
Global Large-Stock Blend Median	5.04	12.24	15.46	10.43	7.38	8.38	-17.43	18.08	14.15	26.06	-9.99
Rank (%)	28	41	18	63	60	46	44	75	31	53	49
Population	340	340	336	325	300	227	335	351	347	337	327

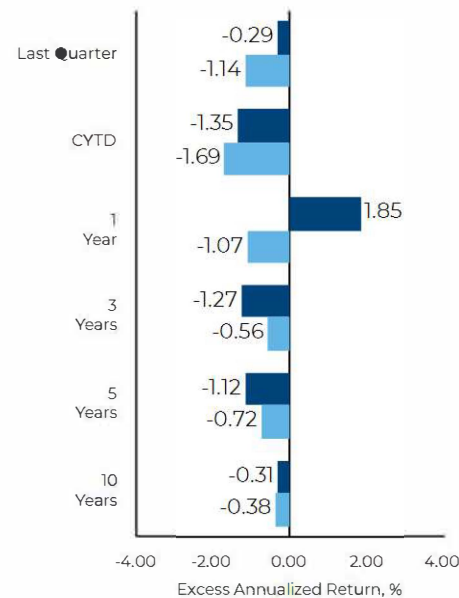
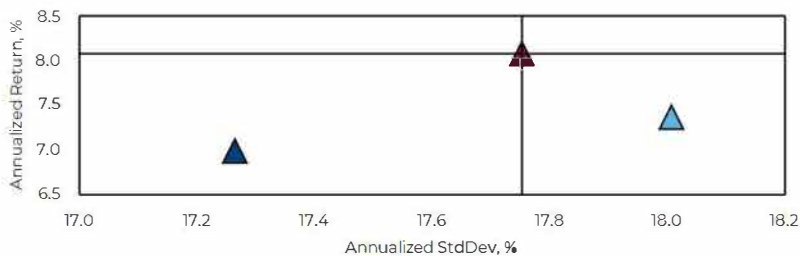
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
American Funds Capital World Gr&Inc R6	0.39	-0.75	0.96	0.97	94.64	97.70	-0.39
MSCI AC World Index (Net)	0.44	0.00	1.00	1.00	100.00	100.00	-
Global Large-Stock Blend Median	0.41	-0.38	0.99	0.96	98.60	100.60	-0.18

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	RWICX
Portfolio Manager	Team Managed
Portfolio Assets	\$30,864 Million
PM Tenure	17 Years 4 Months
Net Expense(%)	0.42 %
Fund Inception	2009
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	19.74 %
Number of Holdings	355
Turnover	32.00 %
Avg. Market Cap	\$96,087 Million
Dividend Yield	2.75 %
Avg. Effective Duration	-
SEC Yield	1.25 %

▲ American Funds Capital World Gr&Inc R6 ▲ Global Large-Stock Blend Median  
▲ MSCI AC World Index (Net)

■ American Funds Capital World Gr&Inc R6 ■ Global Large-Stock Blend Median

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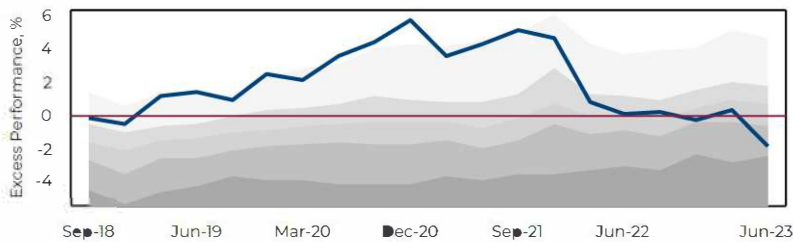
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
American Funds Europacific Growth R6	2.16	12.25	15.80	5.47	4.29	6.30	-22.72	2.84	25.27	27.40	-14.91
MSCI AC World ex USA (Net)	2.44	9.47	12.72	7.22	3.52	4.75	-16.00	7.82	10.65	21.51	-14.20
Foreign Large Blend Median	2.88	11.18	16.21	7.97	3.90	5.09	-15.92	10.07	9.73	22.04	-15.23
Rank (%)	80	30	54	91	37	10	96	95	3	10	46
Population	665	665	664	634	610	504	678	711	747	755	751

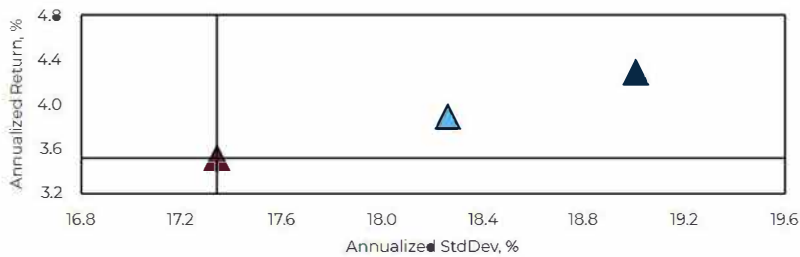
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
American Funds Europacific Growth R6	0.24	0.71	1.07	0.95	111.09	108.75	0.24
MSCI AC World ex USA (Net)	0.20	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.22	0.44	1.03	0.95	105.52	104.17	0.13

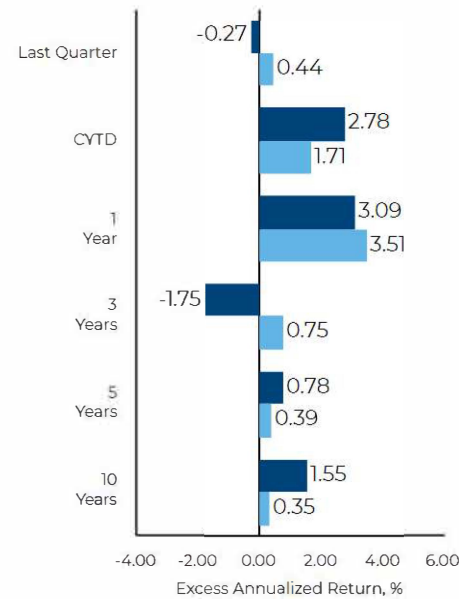
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ American Funds Europacific Growth R6 ▲ Foreign Large Blend Median  
 ▲ MSCI AC World ex USA (Net)



INVESTMENT PROFILE

Ticker	RERCX
Portfolio Manager	Team Managed
Portfolio Assets	\$67,401 Million
PM Tenure	22 Years
Net Expense(%)	0.47 %
Fund Inception	2009
Category Expense Median	0.99
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	25.07 %
Number of Holdings	377
Turnover	34.00 %
Avg. Market Cap	\$59,238 Million
Dividend Yield	2.35 %

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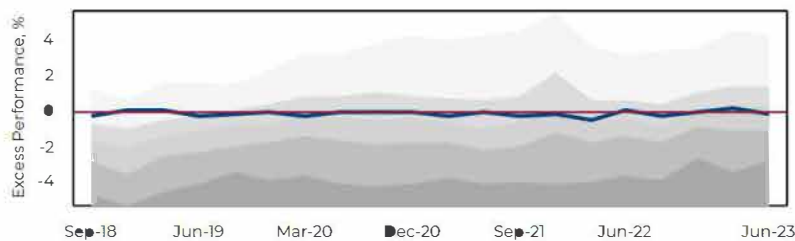
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Vanguard Total Intl Stock Index Admiral	2.61	9.44	12.31	7.51	3.69	5.05	-16.01	8.62	11.28	21.51	-14.43
FTSE Global ex USA All Cap Index (Net)	2.53	9.12	12.51	7.61	3.66	5.09	-16.10	8.84	11.24	21.80	-14.61
Foreign Large Blend Median	2.88	11.18	16.21	7.97	3.90	5.09	-15.92	10.07	9.73	22.04	-15.23
Rank (%)	60	78	86	59	57	54	52	65	41	60	39
Population	665	665	664	634	610	504	678	711	747	755	751

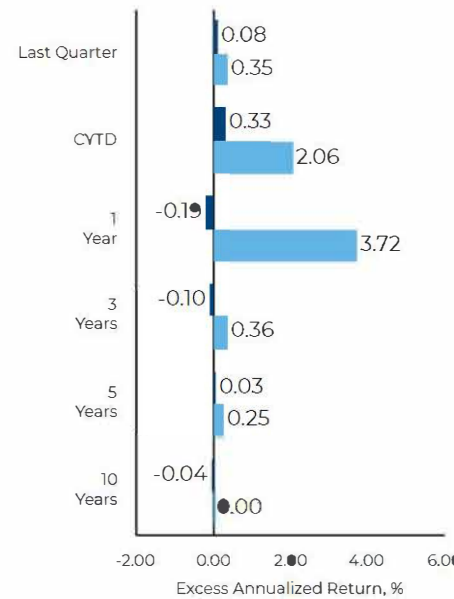
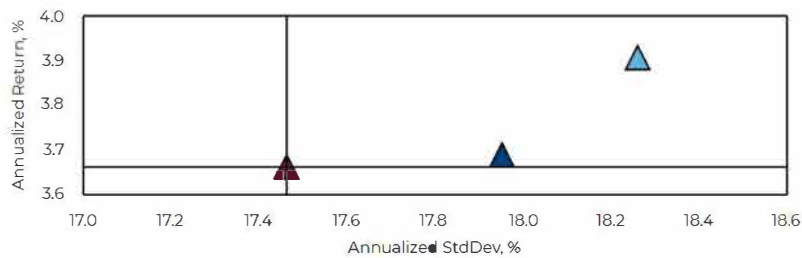
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Vanguard Total Intl Stock Index Admiral	0.21	0.01	1.02	0.99	103.41	103.69	0.06
FTSE Global ex USA All Cap Index (Net)	0.21	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.22	0.30	1.02	0.95	105.17	104.56	0.09

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	VTIAX
Portfolio Manager	Franquin,C/Perre,M
Portfolio Assets	\$70,215 Million
PM Tenure	14 Years 10 Months
Net Expense(%)	0.11 %
Fund Inception	2010
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	9.55 %
Number of Holdings	7990
Turnover	5.00 %
Avg. Market Cap	\$26,466 Million
Dividend Yield	3.80 %

▲ Vanguard Total Intl Stock Index Admiral ▲ Foreign Large Blend Median  
 ▲ FTSE Global ex USA All Cap Index (Net)

■ Vanguard Total Intl Stock Index Admiral ■ Foreign Large Blend Median

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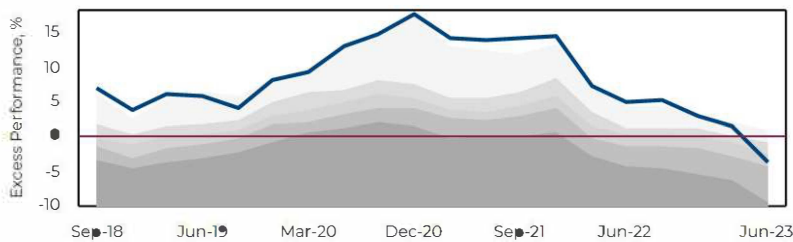
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Vanguard International Growth Adm	0.88	13.50	14.83	3.49	6.57	9.12	-30.79	-0.74	59.74	31.48	-12.58
MSCI AC World ex USA (Net)	2.44	9.47	12.72	7.22	3.52	4.75	-16.00	7.82	10.65	21.51	-14.20
Foreign Large Growth Median	2.45	12.65	16.11	4.61	4.20	5.94	-25.10	8.66	22.29	27.95	-14.46
Rank (%)	88	36	64	67	17	5	82	89	2	22	34
Population	425	425	425	400	379	326	426	434	425	430	443

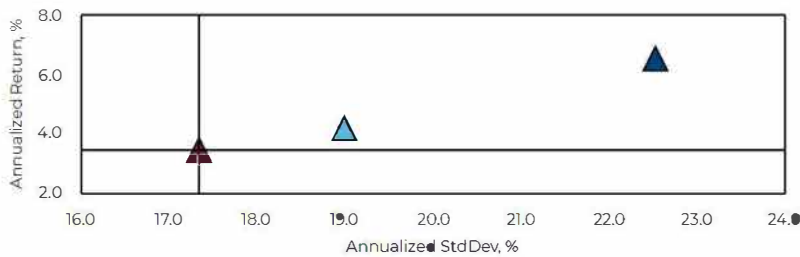
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Vanguard International Growth Adm	0.33	3.10	1.17	0.82	127.48	115.43	0.39
MSCI AC World ex USA (Net)	0.20	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Growth Median	0.23	0.79	1.02	0.87	109.58	105.13	0.16

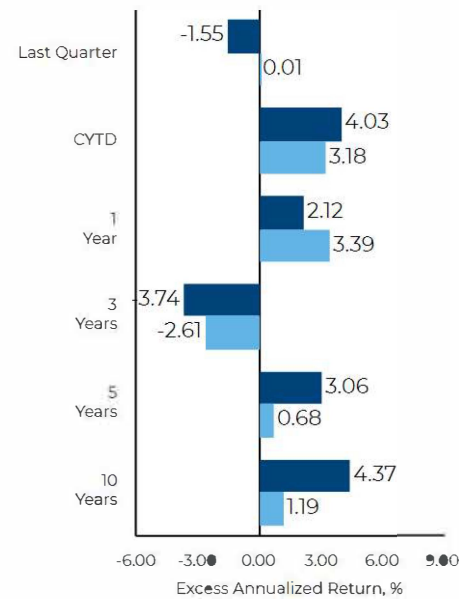
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ Vanguard International Growth Adm ▲ Foreign Large Growth Median  
 ▲ MSCI AC World ex USA (Net)



■ Vanguard International Growth Adm ■ Foreign Large Growth Median

INVESTMENT PROFILE

Ticker	VWILX
Portfolio Manager	Team Managed
Portfolio Assets	\$38,439 Million
PM Tenure	13 Years 6 Months
Net Expense(%)	0.34 %
Fund Inception	2001
Category Expense Median	0.99
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	33.77 %
Number of Holdings	154
Turnover	15.00 %
Avg. Market Cap	\$58,206 Million
Dividend Yield	1.21 %

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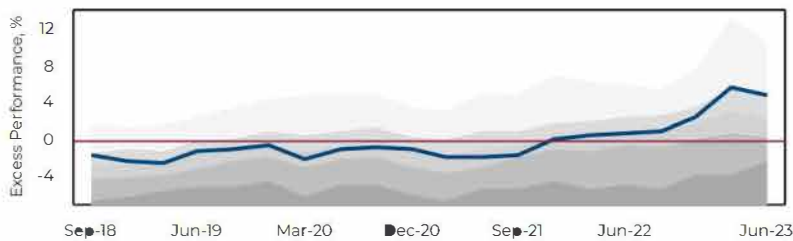
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
American Beacon Small Cap Value R6	4.38	6.33	15.83	20.26	5.51	8.43	-7.72	28.21	4.03	23.50	-15.59
Russell 2000 Value Index	3.18	2.50	6.01	15.43	3.54	7.29	-14.48	28.27	4.63	22.39	-12.86
Small Value Median	3.74	5.05	10.77	17.67	5.03	7.77	-11.46	31.17	3.39	21.79	-15.42
Rank (%)	35	37	21	26	41	30	22	64	43	33	52
Population	447	447	442	426	413	384	449	451	458	489	506

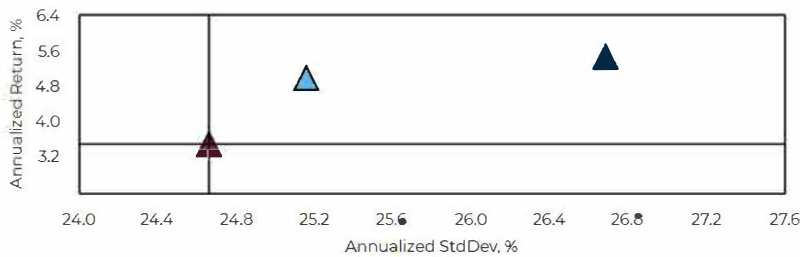
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
American Beacon Small Cap Value R6	0.28	2.01	1.07	0.98	110.23	104.37	0.58
Russell 2000 Value Index	0.20	0.00	1.00	1.00	100.00	100.00	-
Small Value Median	0.26	1.59	1.00	0.96	101.74	96.71	0.30

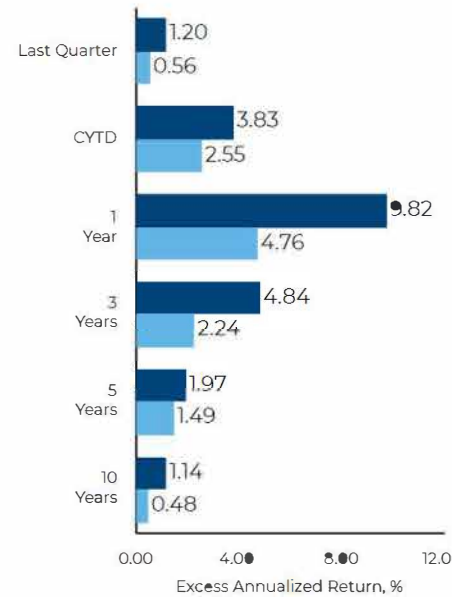
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ American Beacon Small Cap Value R6 ▲ Small Value Median  
▲ Russell 2000 Value Index



INVESTMENT PROFILE

Ticker	AASRX
Portfolio Manager	Team Managed
Portfolio Assets	\$1,701 Million
PM Tenure	24 Years 6 Months
Net Expense(%)	0.77 %
Fund Inception	2017
Category Expense Median	1.11
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	14.42 %
Number of Holdings	506
Turnover	72.00 %
Avg. Market Cap	\$2,626 Million
Dividend Yield	2.31 %

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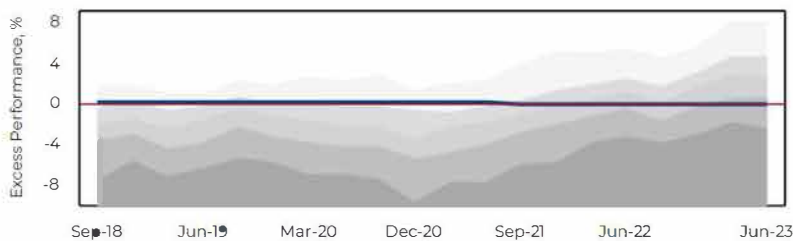
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Fidelity® Small Cap Index	5.24	8.19	12.56	10.89	4.31	8.42	-20.27	14.71	19.99	25.71	-10.88
Russell 2000 Index	5.21	8.09	12.31	10.82	4.21	8.26	-20.44	14.82	19.96	25.53	-11.01
Small Blend Median	4.47	7.70	12.60	13.58	5.08	8.41	-16.68	22.92	12.23	24.51	-12.28
Rank (%)	27	41	51	83	67	50	80	90	13	34	33
Population	559	559	555	550	541	479	559	584	619	658	709

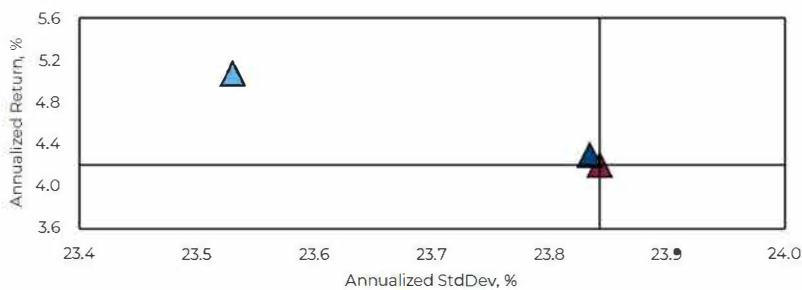
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity® Small Cap Index	0.23	0.09	1.00	1.00	100.12	99.83	0.98
Russell 2000 Index	0.23	0.00	1.00	1.00	100.00	100.00	-
Small Blend Median	0.26	1.04	0.97	0.96	99.32	96.94	0.17

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	FSSNX
Portfolio Manager	Team Managed
Portfolio Assets	\$21,250 Million
PM Tenure	11 Years 9 Months
Net Expense(%)	0.03 %
Fund Inception	2011
Category Expense Median	1.01
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	4.54 %
Number of Holdings	1922
Turnover	9.00 %
Avg. Market Cap	\$2,264 Million
Dividend Yield	1.87 %

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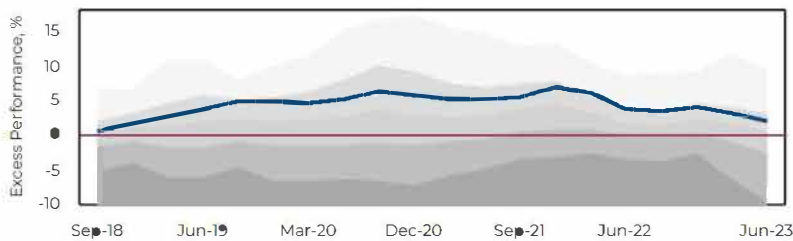
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
MassMutual Small Cap Gr Eq I	6.27	11.02	16.55	8.31	8.32	10.87	-25.85	10.60	40.66	34.99	-4.09
Russell 2000 Growth Index	7.05	13.55	18.53	6.10	4.22	8.83	-26.36	2.83	34.63	28.48	-9.31
Small Growth Median	5.03	11.80	14.45	6.92	6.24	9.65	-28.23	9.55	37.84	28.42	-5.12
Rank (%)	27	57	35	35	21	23	35	46	43	23	39
Population	589	589	589	576	558	517	597	610	624	641	670

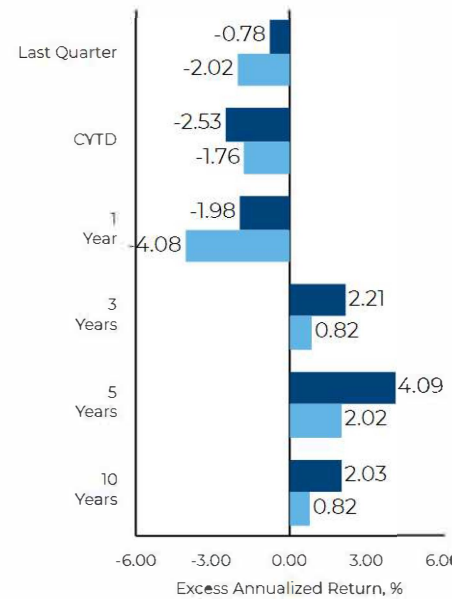
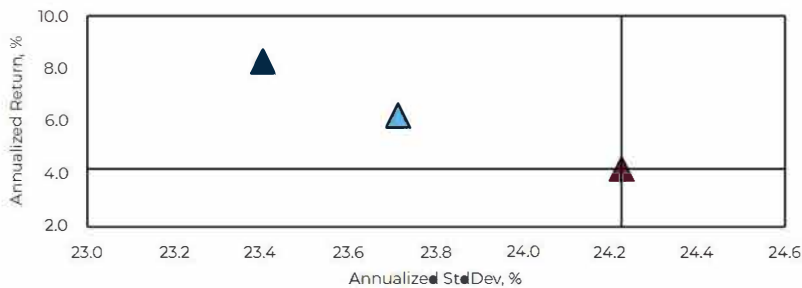
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
MassMutual Small Cap Gr Eq I	0.39	4.13	0.95	0.96	103.38	91.41	0.76
Russell 2000 Growth Index	0.23	0.00	1.00	1.00	100.00	100.00	-
Small Growth Median	0.31	2.28	0.95	0.93	99.36	93.62	0.28

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	MSGZX
Portfolio Manager	Team Managec
Portfolio Assets	\$596 Million
PM Tenure	21 Years 7 Months
Net Expense(%)	0.87 %
Fund Inception	2010
Category Expense Median	1.15
Subadvisor	Wellington Manage Company LLP

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	13.85 %
Number of Holdings	249
Turnover	47.00 %
Avg. Market Cap	\$4,521 Million
Dividend Yield	1.13 %

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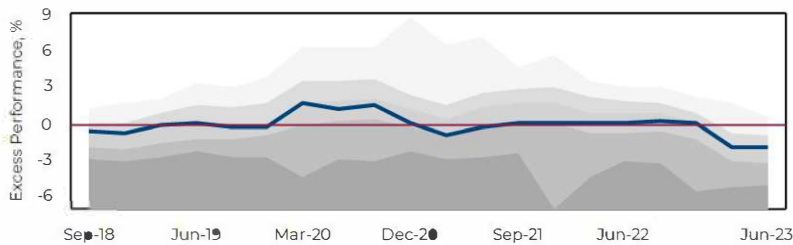
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2022	2021	2020	2019	2018
Nuveen Real Estate Securities I	1.71	4.41	-2.18	6.99	4.25	6.22	-24.70	41.32	-6.12	25.56	-5.51
MSCI U.S. REIT Index	2.66	5.46	-0.09	8.88	4.55	6.39	-24.51	43.06	-7.57	25.84	-4.57
Real Estate Median	1.77	4.34	-2.96	6.98	4.61	6.21	-26.33	41.45	-4.43	27.87	-5.92
Rank (%)	53	49	40	50	61	50	13	54	68	74	44
Population	216	216	216	212	207	184	221	229	233	251	249

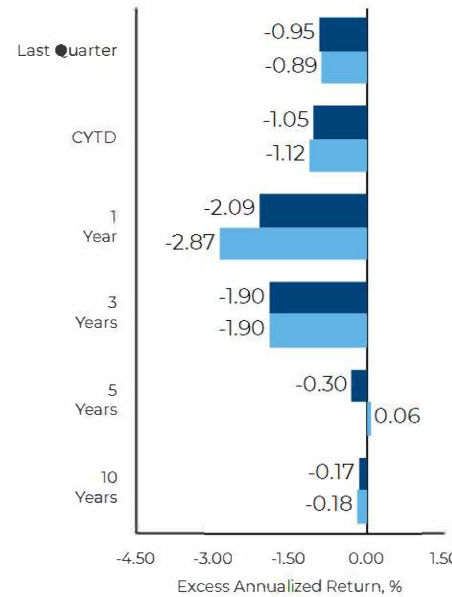
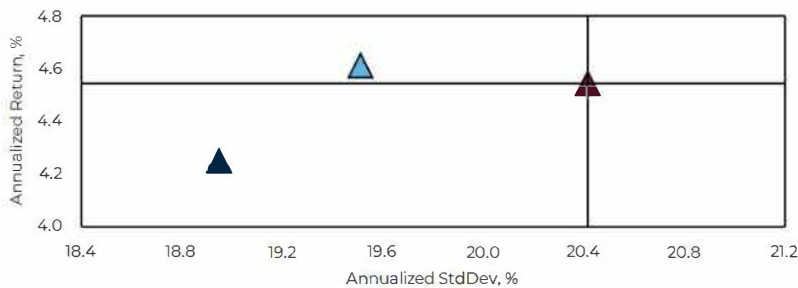
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Nuveen Real Estate Securities I	0.23	-0.07	0.92	0.98	94.11	95.03	-0.19
MSCI U.S. REIT Index	0.25	0.00	1.00	1.00	100.00	100.00	-
Real Estate Median	0.25	0.36	0.94	0.97	96.98	97.10	-0.04

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	FARCX
Portfolio Manager	Team Managed
Portfolio Assets	\$574 Million
PM Tenure	18 Years 1 Month
Net Expense(%)	0.97 %
Fund Inception	1995
Category Expense Median	1.00
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	46.56 %
Number of Holdings	62
Turnover	78.00 %
Avg. Market Cap	\$20,976 Million
Dividend Yield	3.94 %

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APPENDIX	
Your CAPTRUST Service Team.....	
Glossary of Terms.....	
Evaluation Methodology.....	



TEAM MEMBERS	RESPONSIBILITIES
<p><b>Dori Drayton, CPA ,CFP®</b> Principal   Financial Advisor Dori.Drayton@captrust.com</p>	<p><b>Account Role: Lead Consultant</b> Our Lead Consultants serve as the primary relationship manager for the fiduciaries of corporate retirement plans. They oversee and ensure quality delivery of comprehensive investment advisory services. They are available to assist with any aspect of clients’ accounts, or put them in contact with the appropriate resources here at CAPTRUST.</p>
<p><b>Lisa Mason</b> Senior Client Management Associate   Institutional Client Service Lisa.Mason@captrust.com</p>	<p><b>Account Role: Client Management Consultant</b> The Client Management Consultants are focused on overall client management from initial conversion of new plans to CAPTRUST throughout their ‘life’ at CAPTRUST. As the primary contact for day-to-day client service needs, the main goal of the Client Management Consultant is to deliver exceptional proactive client service. On a daily basis, the Client Management Consultants are available to assist employees with questions related to plan enrollment and education, available investment options, and other areas.</p>
<p><b>Maxwell M. Gates</b> Client Management Associate II   Institutional Client Service Maxwell.Gates@captrust.com</p>	<p><b>Account Role: Client Management Consultant</b> The Client Management Consultants are focused on overall client management from initial conversion of new plans to CAPTRUST throughout their ‘life’ at CAPTRUST. As the primary contact for day-to-day client service needs, the main goal of the Client Management Consultant is to deliver exceptional proactive client service. On a daily basis, the Client Management Consultants are available to assist employees with questions related to plan enrollment and education, available investment options, and other areas.</p>



**ALPHA**

Alpha measures a manager's rate of return in excess of that which can be explained by its systematic risk, or Beta. It is a result of regressing a manager's returns against those of a benchmark index. A positive alpha implies that a manager has added value relative to its benchmark on a risk-adjusted basis.

**BATTING AVERAGE**

Batting Average, an indicator of consistency, measures the percentage of time an active manager outperformed the benchmark.

**BETA**

Beta measures a manager's sensitivity to systematic, or market risk. Beta is a result of the analysis regressing a manager's returns against those of a benchmark Index. A manager with a Beta of 1 should move perfectly with a benchmark. A Beta of less than 1 implies that a manager's returns are less volatile than the market's (i.e., selected benchmarks). A Beta of greater than 1 implies that a manager exhibits greater volatility than the market (i.e., selected benchmark).

**CAPTURE RATIO**

Up Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was positive. Down Market Capture is the average return of a manager relative to a benchmark index using only periods where the benchmark return was negative. An Up Market Capture of greater than 100% and a Down Market Capture of less than 100% is considered desirable.

**INFORMATION RATIO**

The Information Ratio measures a manager's excess return over the passive index divided by the volatility of that excess return, or Tracking Error. To obtain a higher Information Ratio, which is preferable, a manager must demonstrate the ability to generate returns above its benchmark while avoiding large performance swings relative to that same benchmark.

**PERCENTILE RANK**

Percentile Rankings are based on a manager's performance relative to all other available funds in its universe. Percentiles range from 1, being the best, to 100 being the worst. A ranking in the 50th percentile or above demonstrates that the manager has performed better on a relative basis than at least 50% of its peers.

**RISK-ADJUSTED PERFORMANCE**

Risk-adjusted Performance, or RAP, measures the level of return that an investment option would generate given a level of risk equivalent to the benchmark index.

**R-SQUARED**

R-squared measures the portion of a manager's movements that are explained by movements in a benchmark index. R-squared values range from 0 to 100. An R-squared of 100 means that all movements of a manager are completely explained by movements in the index. This measurement is identified as the coefficient of determination from a regression equation. A high R-squared value supports the validity of the Alpha and Beta measures, and it can be used as a measure of style consistency.

**SHARPE RATIO**

Sharpe ratio measures a manager's return per unit of risk, or standard deviation. It is the ratio of a manager's excess return above the risk-free rate divided by a manager's standard deviation. A higher Sharpe ratio implies greater manager efficiency.

**STANDARD DEVIATION**


Standard Deviation is a measure of the extent to which observations in a series vary from the arithmetic mean of the series. This measure of volatility or risk allows the estimation of a range of values for a manager's returns. The wider the range, the more uncertainty, and, therefore, the riskier a manager is assumed to be.

**TRACKING ERROR**

Tracking Error is the standard deviation of the portfolio's residual (i.e. excess) returns. The lower the tracking error, the closer the portfolio returns have been to its risk index. Aggressively managed portfolios would be expected to have higher tracking errors than portfolios with a more conservative investment style.

**TREYNOR RATIO**

The Treynor Ratio is a measure of reward per unit of risk. With Treynor, the numerator (i.e. reward) is defined as the excess return of the portfolio versus the risk-free rate. The denominator (i.e. risk) is defined as the portfolio beta. The result is a measure of excess return per unit of portfolio systematic risk. As with Sharpe and Sortino ratios, the Treynor Ratio only has value when it is used as the basis of comparison between portfolios. The higher the Treynor Ratio, the better.

	QUANTITATIVE EVALUATION ITEMS	QUALITATIVE EVALUATION ITEMS
<p data-bbox="235 397 577 446">  <b>MARKED FOR REVIEW</b> </p> <p data-bbox="121 487 577 609"> <b>The following categories of the Investment Policy Monitor appear “Marked For Review” when:</b> </p> <p data-bbox="121 771 577 836"> <b>CAPTRUST’s Investment Policy Monitoring Methodology</b> </p> <p data-bbox="121 844 577 1015">                     The Investment Policy Monitoring Methodology document describes the systems and procedures CAPTRUST uses to monitor and evaluate the investment vehicles in your plan/account on a quarterly basis.                 </p> <p data-bbox="121 1047 577 1136">                     Our current Investment Policy Monitoring Methodology document can be accessed through the following link:                 </p> <p data-bbox="121 1161 577 1193"> <a href="https://captrust.com/investmentmonitoring">captrust.com/investmentmonitoring</a> </p>	<p data-bbox="751 341 1144 365"> <b>3/5 Year Risk- adjusted Performance</b> </p> <p data-bbox="751 381 1323 470">                     The investment option’s 3 or 5 Year Annualized Risk Adjusted Performance falls below the 50th percentile of the peer group.                 </p> <p data-bbox="751 527 1092 552"> <b>3/5 Year Performance vs. Peers</b> </p> <p data-bbox="751 568 1312 657">                     The investment option’s 3 or 5 Year Annualized Peer Relative Performance falls below the 50th percentile of the peer group.                 </p> <p data-bbox="751 730 913 755"> <b>3/5 Year Style</b> </p> <p data-bbox="751 771 1291 860">                     The investment option’s 3 or 5 Year R-Squared measure falls below the absolute threshold set per asset class.                 </p> <p data-bbox="751 909 976 933"> <b>3/5 Year Confidence</b> </p> <p data-bbox="751 941 1270 1031">                     The investment option’s 3 or 5 Year Confidence Rating falls below the 50<sup>th</sup> percentile of the peer group.                 </p> <p data-bbox="751 1079 997 1104"> <b>Glidepath Assessment</b> </p> <p data-bbox="751 1120 1312 1242">                     % of Equity Exposure: The combined percentage of an investment option’s equity exposure ranks in the top 20th percentile or bottom 20th percentile of the peer group.                 </p> <p data-bbox="751 1266 1312 1356">                     Regression to the Benchmark: The investment option’s sensitivity to market risk - as measured by beta relative to a Global Equity Index - is above 0.89.                 </p>	<p data-bbox="1407 341 1617 365"> <b>Fund Management</b> </p> <p data-bbox="1407 381 1942 438">                     A significant disruption to the investment option’s management team has been discovered.                 </p> <p data-bbox="1407 503 1543 527"> <b>Fund Family</b> </p> <p data-bbox="1407 544 1942 609">                     A significant disruption to the investment option’s parent company has been discovered.                 </p> <p data-bbox="1407 690 1648 714"> <b>Portfolio Construction</b> </p> <p data-bbox="1407 730 1963 812">                     The investment option’s combined Portfolio Construction score is 6 or below out of a possible 15 points.                 </p> <p data-bbox="1407 885 1753 909"> <b>Underlying Investment Vehicles</b> </p> <p data-bbox="1407 933 1921 1015">                     The investment option’s combined Underlying Investment Vehicles score is 6 or below out of a possible 15 points.                 </p>

**RESOLUTION 2023-XX-XX**

**Acceptance of 2023 Audited Financial Statements for Defined Benefit Pension Plan,  
Defined Contribution Pension Plan, and Retiree Benefit Plan**

Resolved, that the Corporate Secretary receive and place on file the Defined Benefit, Defined Contribution, and Retiree Benefit Plan reports presented during the Pension Trustee Meeting.

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*Staff comments:* All three Plans received clean audit reports.

Motion by Commissioner \_\_\_\_\_, Seconded by Commissioner \_\_\_\_\_ to approve the Resolution at a Board meeting held on November 14, 2023