



**PENSION FUND TRUSTEES MEETING
LANSING BOARD OF WATER AND LIGHT BOARD OF COMMISSIONERS
November 19, 2024
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 14, 2023) – 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) Information **TAB 5-8**
- 6. Post-Employment Benefit Plan (VEBA) **TAB 9-12**
- 7. Defined Contribution and Deferred Compensation Plans (DC) **TAB 13-14**
- 8. Acceptance of FY 2024 Audited Financial Statements Resolution..... **TAB 15**

Other

Adjourn

POSTED 11-14-24
LaVella J. Todd
Corporate Secretary
(517) 702-6080

Electronic Distribution:

Commissioners	City Clerk’s Office
Exec. Staff & Security	City Council Office
Lobby/Depot	Mayor’s Office
Outside Agenda Recipients	City Attorney



**LANSING BOARD OF WATER & LIGHT
PENSION FUND TRUSTEES MEETING MINUTES
November 14, 2023**

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 14, 2023.

Trustee and Board Chairperson Semone James called the meeting to order at 5:00 p.m.

Corporate Secretary LaVella Todd called the Roll:

The following Trustees were present: Chairperson Semone James, Commissioners DeShon Leek, Tony Mullen, David Price, Dale Schrader, Tracy Thomas, and Sandra Zerkle. Also present: Commissioners Brian Pillar (Meridian Township) and Bob Worthy (Delta Township) (arrived @5:09 p.m.)

Absent: Trustee Beth Graham

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Trustee David Price and **Seconded** by Trustee Tracy Thomas to approve the minutes from the November 15, 2022 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 Accounting, Finance and Planning Director, introduced the financial advisory panel. The Panel provided financial plan information followed by a question and answer session.

- 1) Nathan Burk, Director and Senior Consultant 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, Founder and 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 2023. Mr. Burke stated that interest rates have been increased by the Federal Reserve Bank to keep inflation in check and there was a positive effect on risk asset equities in the fiscal year period. Mr. Burke noted that bonds and real estate were affected by decreasing modestly. The portfolio for VEBA plan was up almost 10% which was better than the policy index and the 6.5% target rate of return. The portfolio for the DB plan was up 8.6% which was better than the policy index and the 6% target rate of return. BWL outperformed a majority of its peers and with less fees.

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 111% which is 5% higher than 2022. The average for DB funded plans in Michigan is 74% and BWL is in the top 5% out of 672 Michigan plans. The funded status for the VEBA plan is 146% which is the same as 2022. The average for VEBA funded plans in Michigan is 48% and BWL is in the top 9% out of 340 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 and Commissioner Price expressed appreciation for the presentations.

RESOLUTION #2023-11-01

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.

Staff comments: All three Plans received clean audit reports.

Motion by Trustee David Price, **Seconded** by Trustee Tony Mullen to approve the Resolution for the Acceptance of 2023 Audited Financial Statements for Defined Benefit Pension Plan, Defined Contribution Pension Plan, and Retiree Benefit Plan at a Board meeting held on November 14, 2023.

Action: Motion Carried.

Other

There was no other business.

Excused Absence

Motion by Trustee Semone James, **Seconded** by Trustee Tony Mullen, for an excused absence for Trustee Beth Graham.

Action: Motion Carried.

Adjourn

There being no further business, the Pension Fund Trustees meeting adjourned at 5:39 p.m.

Approved by the Trustees on November __, 2024

UNOFFICIAL



**Lansing Board of Water and Light
FY 2024 Pension Trustee Packet for 11-19-2024**

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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 13, 2024

Subject: Annual Trustee Meeting – November 19, 2024

At the Annual Trustee Meeting to be held November 19, 2024, staff will summarize FY 2024 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, 2024, in accordance with accounting principles generally accepted in the United States of America.

DB & VEBA UPDATES

During the fiscal year 2024, the RPC completed the following notable actions:

- Transitioned from Fifth Third to Northern Trust as our custodian in March 2024.
- VEBA ASA - VEBA investment returns and funded status were sufficient to reimburse full benefits paid by BWL in FY2024.
- RPC Charter established by committee.
- RPC Compliance Assessment – no significant compliance concerns, however recommendations implemented include:
 - Developed summary plan descriptions
 - Restated DB plan documents to incorporate plan amendments
 - Restated VEBA plan documents to incorporate plan amendments to simplify plan administration and reduce risk of errors or inconsistencies

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 29, 2024, and financial data as of June 30, 2024. 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 2024 unchanged from \$0 in FY 2023.

DB	As of 6/30/2023	As of 6/30/2024
Actuarially Determined Contribution	\$0	\$0
Total Pension Liability	\$44.5 million	\$42.1 million
Fiduciary Net Position	\$49.5 million	\$48.5 million
Funded Status	111.3%	115%
Net Pension (Asset) / Liability	(\$5.0 million)	(\$5.1 million)

VEBA	As of 6/30/2023	As of 6/30/2024
Actuarially Determined Contribution	\$0	\$0
Total OPEB Liability	\$163.8 million	\$163.4 million
Fiduciary Net Position	\$238.5 million	\$253.4 million
Funded Status	145.6%	150%
Net OPEB (Asset) / Liability	(\$74.6) million	(\$85.0) million

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.

<u>Asset Class:</u>	<u>Fund Allocation as of 06/30/2024</u>	
	<u>DB</u>	<u>VEBA</u>
<u>US Large Cap Equity:</u>		
Northern Trust S&P 500 Index	20.20%	32.72%
<u>US Small/Mid Cap Equity:</u>		
Atlanta Capital	9.31%	11.39%
<u>Non-US Equity:</u>		

Harding Loevner Int'l Equity	6.88%	9.50%
Marathon Int'l Equity	7.77%	8.88%
<u>Fixed Income:</u>		
JPMorgan Core Bond	24.31%	11.94%
Fidelity Tactical Bond	14.29%	4.80%
BlackRock Strategic Income	9.19%	5.04%
<u>Real Estate Assets:</u>		
AEW Core Property Trust	7.58%	7.72%
Blackstone Property Partners	0.00%	7.29%
<u>Cash & Cash Equivalents:</u>		
Cash & Cash Equivalents	0.48%	0.73%

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, 2024.

	Manager Fee	Custodial Fee	ACG Fee*	Total Fees
US Large Cap Equity				
Northern Trust S&P 500 Index	0.01 %	0.01 %	0.05 %	0.07%
US Small/Mid Cap Equity				
Atlanta Capital	0.82%	0.01 %	0.05 %	0.88 %
Non-US Equity				
Harding Loevner Int'l Equity	0.73 %	0.01 %	0.05 %	0.79 %
Marathon Int'l Equity	0.35 %	0.01 %	0.05 %	0.41 %
Fixed Income				
JP Morgan Fixed Income	0.30 %	0.01 %	0.05 %	0.36 %
Fidelity Tactical Bond	0.36 %	0.01 %	0.05 %	0.42 %
BlackRock Strategic Income	0.65 %	0.01 %	0.05 %	0.71 %
Real Estate Assets				
AEW Core Property Trust	1.10 %	0.01 %	0.05 %	1.16 %
Blackstone Property Partners	1.00 %	0.01 %	0.05 %	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.

Performance of Investment Managers

These charts show DB and VEBA net of fee investment returns from inception of BWL investment through June 30, 2024. The charts reflect investment managers employed by the BWL as of June 30, 2024. 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.

DB	Inception Date	Return	Index
Northern Trust S&P 500	05/23	27.96%	27.99%
Atlanta Capital	08/18	10.15%	6.95%
Harding Loevner Int'l Equity	09/17	5.21%	4.67%
Marathon Int'l Equity	04/24	(1.26%)	(0.42%)
JP Morgan	01/09	3.05%	2.54%
Fidelity Tactical Bond	09/18	2.85%	0.99%
BlackRock Strategic Income	09/17	2.93%	0.69%
AEW Core Property Trust	01/19	3.66%	2.42%

VEBA	Inception Date	Return	Index
Northern Trust S&P 500	05/23	27.98%	27.99%
Atlanta Capital	04/21	7.08%	1.37%
Harding Loevner Int'l Equity	09/17	5.21%	4.67%
Marathon Int'l Equity	04/24	(1.26%)	(0.42%)
JP Morgan	01/09	3.09%	2.54%
Fidelity Tactical Bond	09/18	2.73%	0.99%
BlackRock Strategic Income	09/17	2.91%	0.69%
AEW Core Property Trust	01/19	3.66%	2.42%
Blackstone Property Partners	10/19	1.88%	2.15%

DC UPDATES

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 2024, the RPC completed the following notable actions:

- RPC Charter established by committee.
- RPC Voted to add the Vanguard 2070 Target Date Fund.
- RPC voted to move two funds (Mainstay Winslow Large Cap Growth and MassMutual Small Cap Growth) to Collective Investment Trusts (CITs), resulting in lower fees.
- RPC voted to move to a lower cost share class for the Vanguard Total International Stock Index, resulting in lower fees.
- RPC voted to approve a change in investment fee policy from the “Best Net Method” to the new approved fee policy which utilizes the “Institutional Lineup Method”.
- RPC voted to approve reducing the Normal Retirement Age (NRA) for the 457 plan from 65 to 55, allowing more participants to take advantage of the three-year catch up. The 457 plan documents will be updated to reflect and effectuate these changes.

Retirement Plans Dashboard: FY 2024



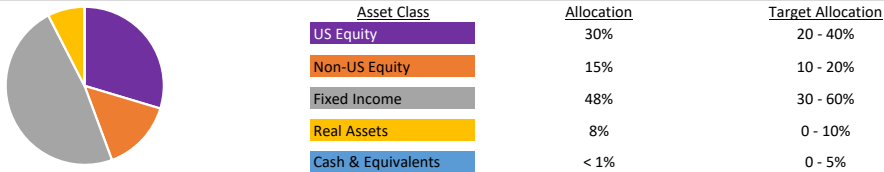
Lansing Board of Water & Light: Defined Benefit Plan - 06/30/2024

Funding Status		Returns	
Fiduciary Net Position	\$ 48,533,776	FY 2024 Return on Assets	8.79%
Total Pension Liability	\$ 42,054,177	Expected Return	6.00%
Funding Status	115%	Median Expected Return ²	7.00%
Average Funding Percentage ¹	74%	% Over/Under Median	-1.00%
Actuarially Determined Contribution (ADC)	\$ -		
FY 2024 Total Revenues	\$ 417,434,840		
ADC as % of Revenues	0.00%		

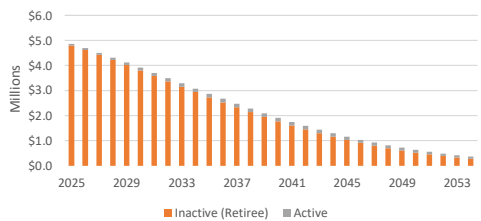
Change in Assets

FY 2024 Beginning Market Value	\$ 49,523,234	Total Active Participants	3
FY 2024 Contributions	\$ -	Total Inactive Participants	1
FY 2024 Net Investment Income	\$ 4,133,682	Total Retiree Participants	255
FY 2024 Distributions	\$ (5,123,140)	Total Participants	259
FY 2024 Ending Market Value	\$ 48,533,776		
FY 2024 Inc/(Dec) in Market Value	\$ (989,458)		

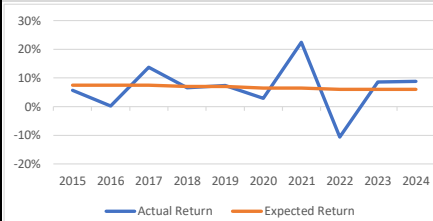
Asset Allocation



Projected Benefit Payments



Historical vs Expected Returns⁶



Approximate Plan Fees

Type	Annual Fees Paid	% of Assets
Investment Fees ⁴	\$ 204,576	0.41%
Custodial Fees	\$ 7,899	0.02%
Advisory Fees ⁵	\$ 65,000	0.13%
Total	\$ 277,474	0.56%

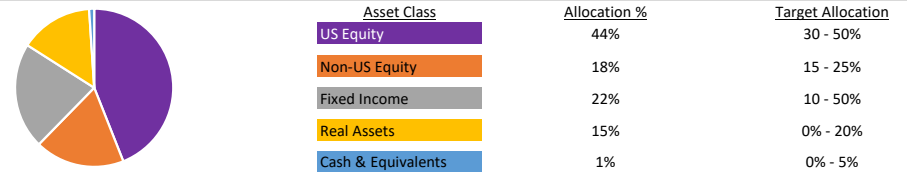
Lansing Board of Water & Light: VEBA Plan - 06/30/2024

Funding Status		Returns	
Fiduciary Net Position	\$ 253,395,981	FY 2024 Return on Assets	10.39%
Total OPEB Liability	\$ 168,403,443	Expected Return	6.5%
Funding Status	150%		
Prior Year Funding Percentage	146%		
Actuarially Determined Contribution (ADC)	\$ -		
FY 2024 Total Revenues	\$ 417,434,840		
ADC as % of Revenues	0.00%		

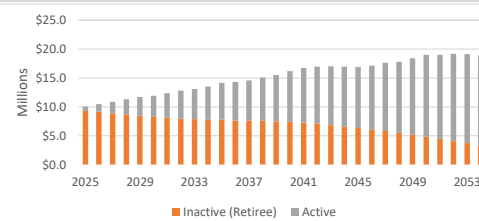
Change in Assets

FY 2024 Beginning Market Value	\$ 238,470,571	Total Active Participants	778
FY 2024 Contributions	\$ 65,286	Total Retiree Participants	755
FY 2024 Net Investment Income	\$ 24,300,005	Total Participants	1,533
FY 2024 Distributions	\$ (9,439,881)		
FY 2024 Ending Market Value	\$ 253,395,981		
FY 2024 Inc/(Dec) in Market Value	\$ 14,925,410		

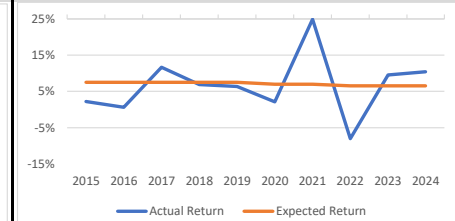
Asset Allocation



Projected Benefit Payments



Historical vs Expected Returns⁷



Approximate Plan Fees

Type	Annual Fees Paid	% of Assets
Investment Fees ⁴	\$ 949,743	0.40%
Custodial Fees	\$ 36,427	0.02%
Advisory Fees ⁵	\$ 65,000	0.03%
Total	\$ 1,051,170	0.44%

1 Average funding for state and local pensions nationwide as published May 2024. 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 2024 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 29, 2024.

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 2024



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

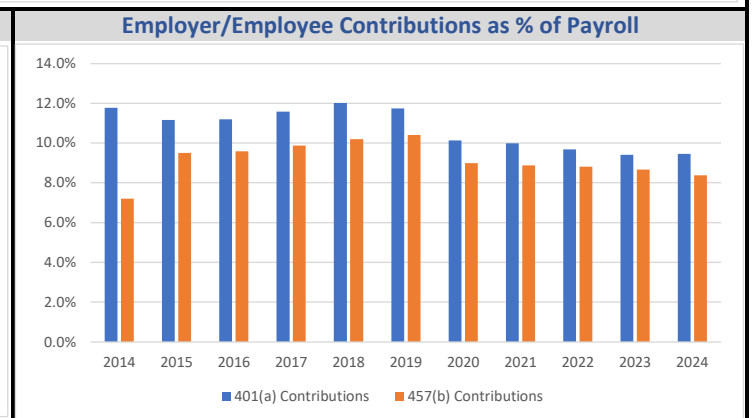
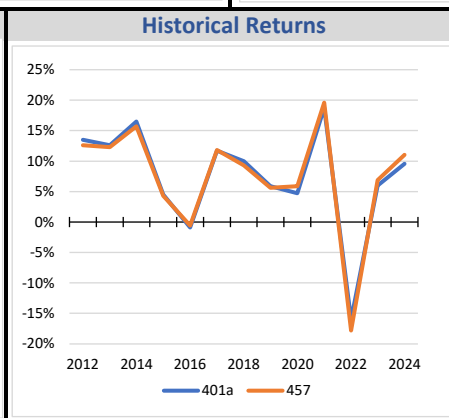
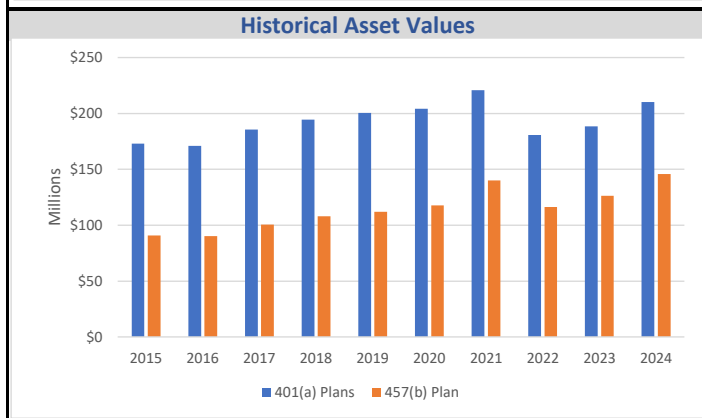
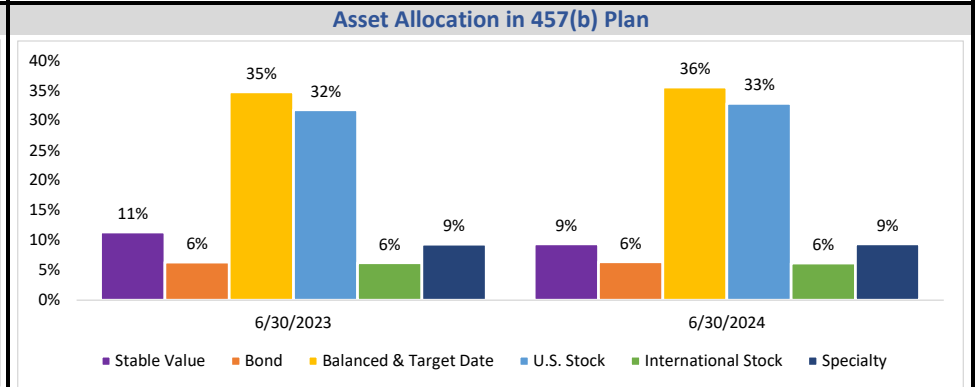
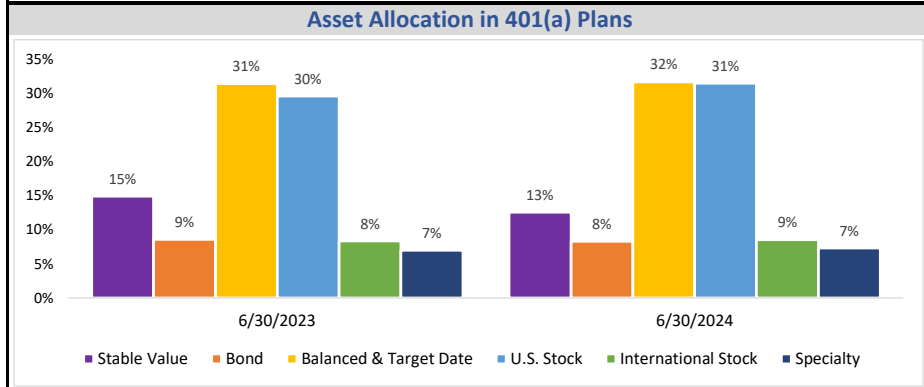
Total Participants		401(a) Loan Statistics		Aggregate Education Statistics		
Plan Type	Participants	Active Loans		257	Retirement Specialists	Seminars
401 Plans ¹	1,104	Total Loan Balance	\$	3,201,030	63 days in service	25 Seminars On Site
457 Plan ²	1,017	Avg Active Loan Balance	\$	12,455	417 attendees	98 Attendees
					Certified Financial Planner	34 Attendees

Participants & Assets by Age Group: 401(a) Plans

Age Group	Average Balance	Total Participants	Total Assets
Under 30	\$ 25,485	93	\$ 2,370,111
30 - 39	\$ 61,314	205	\$ 12,569,273
40 - 49	\$ 128,300	222	\$ 28,482,520
50 - 59	\$ 218,168	267	\$ 58,250,978
60 - 69	\$ 339,536	214	\$ 72,660,605
70 & Up	\$ 345,258	101	\$ 34,871,076
N/A	\$ 488,609	2	\$ 977,218
Total		1,104	\$ 210,181,782

Participants and Assets by Age Group: 457(b) Plan

Age Group	Average Balance	Total Participants	Total Assets
Under 30	\$ 25,065	104	\$ 2,606,714
30 - 39	\$ 62,998	205	\$ 12,914,579
40 - 49	\$ 132,453	211	\$ 27,947,565
50 - 59	\$ 187,687	255	\$ 47,860,277
60 - 69	\$ 220,864	186	\$ 41,080,707
70 & Up	\$ 243,960	55	\$ 13,417,799
N/A	\$ 199	1	\$ 199
Total		1,017	\$ 145,827,840



1 401(a) Plans are employer contribution only.
 2 457(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, 2024 and 2023

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

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June 30, 2024 and 2023

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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 financial statements of the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees' Pension (the Plan), a fiduciary fund of the Lansing Board of Water and Light, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2024 and 2023, 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 does not purport to, and does not, present fairly the financial position of the Lansing Board of Water and Light, as of June 30, 2024 and 2023, 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.



Madison, Wisconsin
October 7, 2024

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

Management's Discussion and Analysis
June 30, 2024 and 2023
(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>2024</u>	<u>2023</u>	<u>2022</u>
Assets:			
Cash and cash equivalents	\$ 437,821	\$ 778,163	\$ 1,308,877
Mutual funds, bonds	23,149,441	18,695,086	19,182,825
Mutual funds, equities	21,335,946	26,132,357	25,574,206
Real estate fund investment	3,668,689	3,932,003	4,093,767
Trade receivable due from broker	-	-	500,000
Interest and dividend receivables	-	1,100	1,171
	<u>\$ 48,591,897</u>	<u>\$ 49,538,709</u>	<u>\$ 50,660,846</u>
Liabilities, accrued liabilities	\$ 58,122	\$ 15,476	\$ 2,072
Net position restricted for pension	48,533,775	49,523,233	50,658,774
	<u>\$ 48,591,897</u>	<u>\$ 49,538,709</u>	<u>\$ 50,660,846</u>
Changes in net position:			
Net investment income (loss)	\$ 4,133,681	\$ 4,133,847	\$ (5,398,557)
Benefits payments	(4,995,541)	(5,142,408)	(5,466,158)
Administrative fees	(127,599)	(126,978)	(134,610)
	<u>\$ (989,459)</u>	<u>\$ (1,135,539)</u>	<u>\$ (10,999,325)</u>

Investment Results

The fiscal year ended June 30, 2024 saw a net investment gain of \$4.1 million. The fiscal year 2023 had a net investment gain of \$4.1 million, fiscal year 2022 had a net investment loss of \$(5.4) 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 years 2024, 2023, and 2022.

The discount rate was 6.0% in fiscal years 2024, 2023 and 2022.

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

Management's Discussion and Analysis
June 30, 2024 and 2023
(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	25 %
Multi-sector	15
Liquid absolute return fixed income	10
U.S. large cap equity	20
U.S. small/mid cap equity	10
Non-U.S. Equity	15
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 115.41%. This funding level results in an actuarially determined contribution of \$0 for fiscal year 2025. As a result, the BWL does not expect to make contributions to the trust in fiscal year 2025.

The Plan expects to make an annual withdrawal of approximately \$4,900,000 to cover participant benefits in fiscal year 2025.

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 437,821	\$ 778,163
Investments at fair value:		
Mutual funds, bonds	23,149,441	18,695,086
Mutual funds, equities	21,335,946	26,132,357
Real estate fund investment	3,668,689	3,932,003
	<u>48,154,076</u>	<u>48,759,446</u>
Receivable, investment interest receivable	-	1,100
	<u>48,591,897</u>	<u>49,538,709</u>
Liabilities		
Trade payable, due to broker/other	58,122	15,476
	<u>58,122</u>	<u>15,476</u>
Net position restricted for pensions	<u>\$ 48,533,775</u>	<u>\$ 49,523,233</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Investment income:		
Net appreciation in fair value of investments	\$ 2,980,011	\$ 2,662,472
Interest and dividend income	1,153,670	1,471,375
	<u>4,133,681</u>	<u>4,133,847</u>
Total investment income		
Deductions		
Retiree benefits paid	4,995,541	5,142,408
Administrative expenses	127,598	126,980
	<u>5,123,139</u>	<u>5,269,388</u>
Total deductions		
Net decrease in net position	(989,458)	(1,135,541)
Net Position Restricted for Pensions, Beginning	<u>49,523,233</u>	<u>50,658,774</u>
Net Position Restricted for Pensions, Ending	<u><u>\$ 48,533,775</u></u>	<u><u>\$ 49,523,233</u></u>

See notes to financial statements

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

Notes to Financial Statements
June 30, 2024 and 2023

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 and restated several times, with the latest amendment and restatement 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 (U.S. 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 U.S. 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, 2024 and 2023

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

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 29, 2024 and February 28, 2023 (the most recent actuarial valuation for funding purposes), Plan membership consisted of the following:

	<u>2024</u>	<u>2023</u>
Inactive Plan members or beneficiaries currently receiving benefits	255	265
Inactive Plan members entitled to but not yet receiving benefits	1	1
Active Plan members	<u>3</u>	<u>3</u>
Total	<u>259</u>	<u>269</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

Notes to Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023. 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.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

3. Cash and Cash Equivalents, Investments

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).

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

Notes to Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023, the BWL had \$324,269 and \$254,761, 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.

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, 2024, the average maturities of investments are as follows:

Investment	Fair Value	Weighted Average Maturity
Mutual funds, bonds	\$ 23,149,441	9.8 years

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

Investment	Fair Value	Weighted Average Maturity
Mutual funds, bonds	\$ 18,695,086	10.0 years

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, 2024, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bonds	\$ 23,149,441	Not rated	Not rated

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

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

Notes to Financial Statements
June 30, 2024 and 2023

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, 2024 and June 30, 2023. The Plan's investment policy does not address concentration of credit risk.

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, 2024 and 2023, 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, 2024 and 2023:

Asset Class	2024 Target Allocation	2023 Target Allocation
Core bonds	25 %	20 %
Multi-sector	15	10
Liquid absolute return	10	10
U.S. large cap equity	20	25
U.S. small cap equity	10	10
Non-U.S. equity	15	20
Core real estate	5	5

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

Notes to Financial Statements
June 30, 2024 and 2023

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 8.79%. 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%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

7. Net Pension Asset of the BWL

The components of the net pension asset of the BWL at June 30, 2024 and 2023 were as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Total pension liability	\$ 42,054	\$ 44,514
Plan fiduciary net position	<u>48,534</u>	<u>49,523</u>
Plan's net pension asset	<u>\$ (6,480)</u>	<u>\$ (5,009)</u>
Plan fiduciary net position as a percentage of the total pension liability	115.41 %	111.25 %

Actuarial Assumptions

The June 30, 2024 total pension liability was determined by an actuarial valuation as of February 29, 2024, which used updated procedures to roll forward the estimated liability to June 30, 2024. 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 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 29, 2024 and February 28, 2023 valuations, respectively. The inflation rate used was 2.25% for the February 29, 2024 and February 28, 2023 valuations. Salary increase used was 3.5% for both the February 29, 2024 and February 28, 2023 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, 2023 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, 2024 and June 30, 2023. 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.

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

Notes to Financial Statements
June 30, 2024 and 2023

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.

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, 2024 and 2023 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	2024 Long-Term Expected Real Rate of Return	2023 Long-Term Expected Real Rate of Return
Core bonds	2.56 %	2.58 %
Multi-sector	3.50	3.54
Liquid absolute return	3.25	3.25
U.S. large cap equity	7.15	7.17
U.S. small/mid cap equity	8.58	8.61
Non-U.S. equity	8.26	8.29
Core real estate	6.49	6.54

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, 2024, 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	\$ (2,557,349)	\$ (6,479,599)	\$ (8,368,884)

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)

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

Notes to Financial Statements
June 30, 2024 and 2023

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.

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, 2024 and 2023:

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 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.

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, 2024 and 2023

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2024 and 2023:

Investment Type	2024			
	Level 1	Level 2	Level 3	Total
Mutual funds, bonds	\$ -	\$ 23,149,441	\$ -	\$ 23,149,441
Real estate fund investment	3,668,689	-	-	3,668,689
Mutual funds, equity	14,259,485	7,076,461	-	21,335,946
Total	<u>\$ 17,928,174</u>	<u>\$ 30,225,902</u>	<u>\$ -</u>	<u>\$ 48,154,076</u>

Investment Type	2023			
	Level 1	Level 2	Level 3	Total
Mutual funds, bonds	\$ -	\$ 18,695,086	\$ -	\$ 18,695,086
Real estate fund investment	3,932,003	-	-	3,932,003
Mutual funds, equity	12,587,855	13,544,502	-	26,132,357
Total	<u>\$ 16,519,858</u>	<u>\$ 32,239,588</u>	<u>\$ -</u>	<u>\$ 48,759,446</u>

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 October 7, 2024, 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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 31	\$ 29	\$ 26	\$ 26	\$ 42	\$ 60	\$ 50	\$ 113	\$ 223	\$ 274
Interest	2,523	2,721	2,974	3,212	3,566	3,691	4,031	4,317	4,625	4,919
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(18)	(981)	179	(968)	(919)	(743)	(230)	(383)	299	(1,093)
Changes in assumptions	-	-	1,730	(366)	1,555	1,210	1,419	(857)	(1,468)	-
Benefit payments, including refunds	(4,996)	(5,142)	(5,466)	(5,658)	(5,872)	(6,143)	(6,414)	(7,473)	(7,896)	(8,046)
Net Change in Total Pension Liability	(2,460)	(3,373)	(557)	(3,754)	(1,628)	(1,925)	(1,144)	(4,283)	(4,217)	(3,946)
Total Pension Liability, Beginning	44,514	47,887	48,444	52,198	53,826	55,751	56,895	61,178	65,395	69,341
Total Pension Liability, Ending	42,054	44,514	47,887	48,444	52,198	53,826	55,751	56,895	61,178	65,395
Plan Net Position										
Contributions, employer	-	-	-	-	-	-	-	-	-	-
Contributions, member	-	-	-	-	-	-	-	-	-	-
Net investment income	4,134	4,134	(5,399)	11,853	1,658	4,381	3,112	8,272	47	1,771
Administrative expenses	(128)	(127)	(134)	(123)	(145)	(183)	(255)	(317)	(388)	(576)
Benefit payments, including refunds	(4,996)	(5,142)	(5,466)	(5,658)	(5,872)	(6,143)	(6,414)	(7,473)	(7,896)	(8,045)
Other	-	-	-	-	(477)	-	-	-	-	-
Net change in Net Position Held in Trust	(989)	(1,136)	(10,999)	6,072	(4,836)	(1,945)	(3,557)	482	(8,237)	(6,850)
Net Position Restricted for Pensions, Beginning	49,523	50,659	61,658	55,586	60,422	62,367	65,924	65,442	73,679	80,529
Net Position Restricted for Pensions, Ending	48,534	49,523	50,659	61,658	55,586	60,422	62,367	65,924	65,442	73,679
BWL Net Pension Asset, Ending	\$ (6,480)	\$ (5,009)	\$ (2,772)	\$ (13,214)	\$ (3,388)	\$ (6,596)	\$ (6,616)	\$ (9,029)	\$ (4,264)	\$ (8,284)
Plan Net Position as a % of Total Pension Liability	115%	111%	106%	127%	106%	112%	112%	116%	107%	113%
Covered Employee Payroll	\$ 262	\$ 248	\$ 238	\$ 237	\$ 240	\$ 406	\$ 603	\$ 586	\$ 772	\$ 1,018
BWL's Net Pension Asset as a % of Covered Employee Payroll	(2,473%)	(2,020%)	(1,165%)	(5,576%)	(1,412%)	(1,625%)	(1,097%)	(1,541%)	(552%)	(814%)

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>2024</u>	<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>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 262	\$ 248	\$ 238	\$ 237	\$ 240	\$ 406	\$ 603	\$ 586	\$ 772	\$ 1,018
Contributions as a Percentage of Covered Employee Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

See notes to required supplementary information

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

Notes to Required Supplementary Information (Unaudited)

June 30, 2024 and 2023

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2024, based on roll-forward of February 29, 2024 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	14 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, 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

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

Notes to Required Supplementary Information (Unaudited)
June 30, 2024 and 2023

Significant Changes

June 30, 2024

- *Difference Between Actual and Expected Experience* - The \$18.1K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2024 is attributable to favorable demographic experience.
- *Assumption Change* - None.

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 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.

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.

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

Notes to Required Supplementary Information (Unaudited)

June 30, 2024 and 2023

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.

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.

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

Required Supplementary Information (Unaudited)

Schedule of Investment Returns

Last Ten Fiscal Years

	<u>2024</u>	<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>
Annual money-weighted rate of return net of investment expense	8.79%	8.59%	(9.18%)	22.42%	2.90%	7.39%	4.97%	12.10%	(0.49%)	1.55%

See notes to required supplementary information



Lansing Board of Water and Light

Defined Benefit Plan for Employees' Pensions

June 30, 2024 GASB 67/68 Report

August 2, 2024

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
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Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 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.

Key measures for the prior and current fiscal years	6/30/2023	6/30/2024
Active participants	3	3
Terminated vested participants	1	1
Retired, disabled and surviving participants	<u>265</u>	<u>255</u>
Total	269	259
Present value of future benefits (PVFB)	\$ 44,590,810	\$ 42,130,047
Total pension liability (TPL)	\$ 44,514,136	\$ 42,054,177
Fiduciary net position (FNP)	\$ 49,523,234	\$ 48,533,776
Net pension liability (NPL)	\$ (5,009,098)	\$ (6,479,599)
Funded status	111.25%	115.41%
Pension expense	\$ (653,301)	\$ (39,352)
Actuarially determined contribution	\$ 0	\$ 0

Key assumptions

Census date	2/28/2023	2/29/2024
Valuation date	2/28/2023	2/29/2024
Measurement date	6/30/2023	6/30/2024
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, 2024 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 3.97% (based on the daily rate closest to but not later than the measurement date of the "Fidelity Municipal GO AA 20 Year 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

The municipal bond index was changed from the Bond Buyer 20-Bond GO Index to the Fidelity Municipal GO AA 20 Year Index. Since the yield of the of Bond Buyer 20-Bond GO Index is no longer readily available, the Fidelity Municipal GO AA 20 Year Index was chosen as a replacement.

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Actuarial Certification

August 2, 2024


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, 2024. 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,

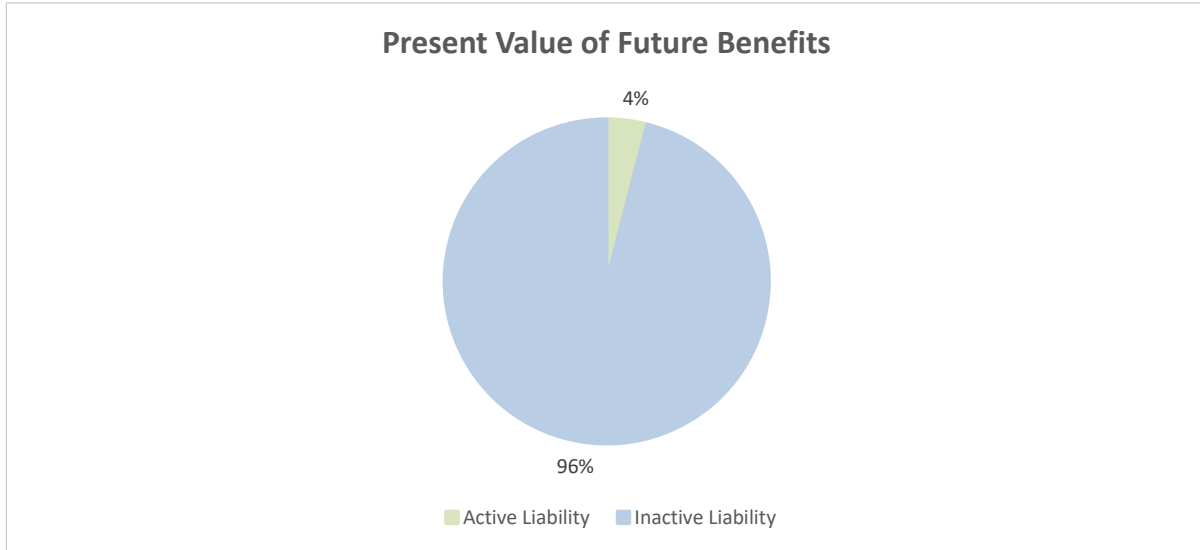


Mark W. Miller, FCA, EA, ASA, MAAA
Benassist Retirement Consulting, LLC

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Summary of Key Results

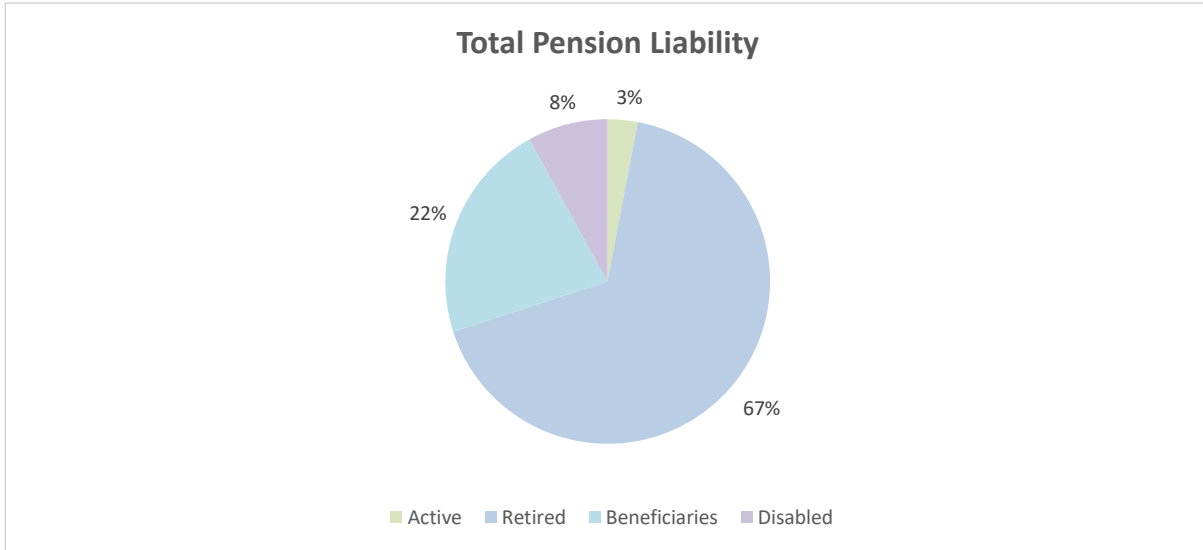
	6/30/2023	6/30/2024
Census data summary		
Active participants	3	3
Terminated vested participants	1	1
Retired, disabled and surviving participants	<u>265</u>	<u>255</u>
Total	269	259
Covered payroll	\$ 248,070	\$ 261,551
Present value of future benefits (PVFB)		
Active participants	\$ 1,537,238	\$ 1,653,742
Terminated vested participants	\$ 89,267	93,615
Retired, disabled and surviving participants	<u>42,964,305</u>	<u>40,382,690</u>
Total	<u>\$ 44,590,810</u>	<u>\$ 42,130,047</u>
Present value of future normal costs (PVFNC)	\$ 76,674	\$ 75,870
Total pension liability (TPL)		
Active participants	\$ 1,460,564	\$ 1,577,872
Terminated vested participants	\$ 89,267	93,615
Retired, disabled and surviving participants	<u>42,964,305</u>	<u>40,382,690</u>
Total	<u>\$ 44,514,136</u>	<u>\$ 42,054,177</u>
Fiduciary net position (FNP)	\$ 49,523,234	\$ 48,533,776
Net pension liability (NPL)	\$ (5,009,098)	\$ (6,479,599)
Funded status	111.25%	115.41%
Pension expense	\$ (653,301)	\$ (39,352)
Contribution		
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, 2024 GASB 67/68 Report
Present Value of Future Benefits



	6/30/2023	6/30/2024
Present value of future benefits		
Active participants	\$ 1,537,238	\$ 1,653,742
Inactive participants		
Retired	\$ 29,976,686	\$ 27,975,990
Beneficiaries	9,138,793	9,064,270
Disabled	3,848,826	3,342,430
Terminated vested	<u>89,267</u>	<u>93,615</u>
Total inactive	43,053,572	40,476,305
Total	<u>\$ 44,590,810</u>	<u>\$ 42,130,047</u>
Fiduciary net position (FNP)	\$ 49,523,234	\$ 48,533,776
Unfunded present value of future benefits (surplus)	\$ (4,932,424)	\$ (6,403,729)

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Total Pension Liability



	6/30/2023	6/30/2024
Total pension liability		
Active participants	\$ 1,460,564	\$ 1,577,872
Inactive participants		
Retired	\$ 29,976,686	\$ 27,975,990
Beneficiaries	9,138,793	9,064,270
Disabled	3,848,826	3,342,430
Terminated vested	<u>89,267</u>	<u>93,615</u>
Total inactive	43,053,572	40,476,305
Total	<u>\$ 44,514,136</u>	<u>\$ 42,054,177</u>
Fiduciary net position (FNP)	\$ 49,523,234	\$ 48,533,776
Net pension liability (NPL)	\$ (5,009,098)	\$ (6,479,599)
Service cost	\$ 28,799	\$ 30,251

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Statement of Fiduciary Net Position

	6/30/2023	6/30/2024
Assets		
Cash and deposits	\$ 778,163	\$ 437,821
Receivables		
Contributions	0	0
Due from broker for investments sold	0	0
Net receivable on investments	<u>1,100</u>	<u>0</u>
Total receivables	\$ 1,100	\$ 0
Investments		
U.S. government and agencies	0	0
Corporate bonds and notes	0	0
U.S. common stocks	12,587,856	14,259,485
Common collective fund - other	13,544,502	7,076,461
Mutual funds	18,695,086	23,149,441
Real estate	<u>3,932,003</u>	<u>3,668,689</u>
Total investments	\$ 48,759,447	\$ 48,154,076
 Total assets	 \$ 49,538,710	 \$ 48,591,897
Liabilities		
Payables:		
Investment management fees	\$ 0	\$ 0
Due to broker for investments purchased	0	(58,121)
Other	<u>(15,476)</u>	<u>0</u>
Total payables	\$ (15,476)	\$ (58,121)
 Total liabilities	 \$ (15,476)	 \$ (58,121)
 Net position restricted for pensions	 <u>\$ 49,523,234</u>	 <u>\$ 48,533,776</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, 2024 GASB 67/68 Report
Statement of Changes in Fiduciary Net Position

	6/30/2023	6/30/2024
Additions		
Contributions		
Employer	\$ 0	\$ 0
Employee	<u>0</u>	<u>0</u>
Total contributions	\$ 0	\$ 0
Investment income		
Net increase in fair value of investments	\$ 2,662,472	\$ 2,980,012
Interest and dividends	1,471,375	1,153,670
Less investment expense	<u>0</u>	<u>0</u>
Net investment income	\$ 4,133,847	\$ 4,133,682
Total additions	\$ 4,133,847	\$ 4,133,682
Deductions		
Benefit payments	\$ (5,142,408)	\$ (4,995,541)
Administrative expenses	<u>(126,978)</u>	<u>(127,599)</u>
Total deductions	\$ (5,269,386)	\$ (5,123,140)
Net increase in net position	\$ (1,135,539)	\$ (989,458)
Net position restricted for pensions		
Beginning of year	\$ 50,658,773	\$ 49,523,234
End of year	<u>\$ 49,523,234</u>	<u>\$ 48,533,776</u>

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 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)
Balances at 6/30/2023	\$ 44,514,136	\$ 49,523,234	\$ (5,009,098)
Changes for the year			
Service cost	30,527	0	30,527
Interest	2,523,165	0	2,523,165
Change of benefit terms	0	0	0
Differences between expected and actual experience	(18,110)	0	(18,110)
Change in assumptions and other inputs	0	0	0
Contributions - employer	0	0	0
Contributions - retiree	0	0	0
Net investment income	0	4,133,682	(4,133,682)
Benefit payments and refunds of employee contributions	(4,995,541)	(4,995,541)	0
Administrative expense	0	(127,599)	127,599
Other changes	0	0	0
Net changes	\$ (2,459,959)	\$ (989,458)	\$ (1,470,501)
Balances at 6/30/2024	\$ 42,054,177	\$ 48,533,776	\$ (6,479,599)

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, 2024 GASB 67/68 Report
Schedule of Changes in the Net Pension Liability

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total pension liability							
Service cost	\$ 30,527	\$ 29,266	\$ 25,631	\$ 26,036	\$ 42,363	\$ 60,468	\$ 50,072
Interest	2,523,165	2,721,176	2,973,995	3,211,895	3,565,796	3,691,180	4,030,924
Change of benefit terms	0	0	0	0	0	0	0
Difference between expected and actual experience	(18,110)	(980,591)	178,944	(967,935)	(918,913)	(743,020)	(229,751)
Change in assumptions and other inputs	0	0	1,730,457	(366,222)	1,554,711	1,209,610	1,418,554
Benefit payments	(4,995,541)	(5,142,408)	(5,466,158)	(5,658,372)	(5,871,654)	(6,142,622)	(6,413,954)
Refunds of contributions	0	0	0	0	0	0	0
Net change in total pension liability	<u>\$ (2,459,959)</u>	<u>\$ (3,372,557)</u>	<u>\$ (557,131)</u>	<u>\$ (3,754,598)</u>	<u>\$ (1,627,697)</u>	<u>\$ (1,924,384)</u>	<u>\$ (1,144,155)</u>
Total pension liability - beginning	<u>44,514,136</u>	<u>47,886,693</u>	<u>48,443,824</u>	<u>52,198,422</u>	<u>53,826,119</u>	<u>55,750,503</u>	<u>56,894,658</u>
Total pension liability - ending (a)	<u>\$ 42,054,177</u>	<u>\$ 44,514,136</u>	<u>\$ 47,886,693</u>	<u>\$ 48,443,824</u>	<u>\$ 52,198,422</u>	<u>\$ 53,826,119</u>	<u>\$ 55,750,503</u>
Fiduciary net position							
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	4,133,682	4,133,847	(5,398,558)	11,852,723	1,657,912	4,380,721	3,112,090
Benefit payments	(4,995,541)	(5,142,408)	(5,466,158)	(5,658,372)	(5,871,654)	(6,142,622)	(6,413,954)
Administrative expense	(127,599)	(126,978)	(134,610)	(123,147)	(145,084)	(183,238)	(254,964)
Refunds of contributions	0	0	0	0	0	0	0
Other - 2/29/2020 COLA	0	0	0	0	(476,125)	0	0
Net change in fiduciary net position	<u>(989,458)</u>	<u>(1,135,539)</u>	<u>(10,999,326)</u>	<u>6,071,204</u>	<u>(4,834,951)</u>	<u>(1,945,139)</u>	<u>(3,556,828)</u>
Fiduciary net position - beginning	<u>49,523,234</u>	<u>50,658,773</u>	<u>61,658,099</u>	<u>55,586,895</u>	<u>60,421,846</u>	<u>62,366,985</u>	<u>65,923,813</u>
Fiduciary net position - ending (b)	<u>\$ 48,533,776</u>	<u>\$ 49,523,234</u>	<u>\$ 50,658,773</u>	<u>\$ 61,658,099</u>	<u>\$ 55,586,895</u>	<u>\$ 60,421,846</u>	<u>\$ 62,366,985</u>
Net pension liability - ending (a)-(b)	<u>\$ (6,479,599)</u>	<u>\$ (5,009,098)</u>	<u>\$ (2,772,080)</u>	<u>\$ (13,214,275)</u>	<u>\$ (3,388,473)</u>	<u>\$ (6,595,727)</u>	<u>\$ (6,616,482)</u>
Plan fiduciary net position as a percentage of the total pension liability	115.41%	111.25%	105.79%	127.28%	106.49%	112.25%	111.87%
Covered payroll	261,551	248,070	237,506	236,973	240,482	405,694	603,382
Net pension liability as a percentage of covered payroll	-2477.37%	-2019.23%	-1167.16%	-5576.28%	-1409.03%	-1625.79%	-1096.57%
Census date	2/29/2024	2/28/2023	2/28/2022	2/28/2021	2/29/2020	2/28/2019	2/28/2018
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Reporting date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Schedule of Changes in the Net Pension Liability (continued)

	6/30/2017	6/30/2016	6/30/2015
Total pension liability			
Service cost	\$ 112,672	\$ 223,219	\$ 274,052
Interest	4,316,565	4,625,283	4,919,427
Change of benefit terms	0	0	0
Difference between expected and actual experience	(383,137)	299,179	(1,093,705)
Change in assumptions and other inputs	(856,662)	(1,469,174)	0
Benefit payments	(7,472,625)	(7,895,767)	(8,045,948)
Refunds of contributions	0	0	0
Net change in total pension liability	\$ (4,283,187)	\$ (4,217,260)	\$ (3,946,174)
Total pension liability - beginning	61,177,845	65,395,105	69,341,279
Total pension liability - ending (a)	<u>\$ 56,894,658</u>	<u>\$ 61,177,845</u>	<u>\$ 65,395,105</u>
Fiduciary net position			
Contributions - employer	\$ 0	\$ 0	\$ 0
Contributions - non-employer	0	0	0
Contributions - member	0	0	0
Net investment income	8,271,674	46,762	1,771,424
Benefit payments	(7,472,625)	(7,895,767)	(8,045,948)
Administrative expense	(317,071)	(388,495)	(576,122)
Refunds of contributions	0	0	0
Other - 2/29/2020 COLA	0	0	0
Net change in fiduciary net position	481,978	(8,237,500)	(6,850,646)
Fiduciary net position - beginning	65,441,835	73,679,335	80,529,981
Fiduciary net position - ending (b)	<u>\$ 65,923,813</u>	<u>\$ 65,441,835</u>	<u>\$ 73,679,335</u>
Net pension liability - ending (a)-(b)	<u>\$ (9,029,155)</u>	<u>\$ (4,263,990)</u>	<u>\$ (8,284,230)</u>
Plan fiduciary net position as a percentage of the total pension liability	115.87%	106.97%	112.67%
Covered payroll	586,181	771,810	1,017,849
Net pension liability as a percentage of covered payroll	-1540.34%	-552.47%	-813.90%
Census date	2/28/2017	2/28/2016	2/28/2015
Measurement date	6/30/2017	6/30/2016	6/30/2015
Reporting date	6/30/2017	6/30/2016	6/30/2015

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Development of Net Pension Liability (Gain) / Loss

	6/30/2023	6/30/2024
Total pension liability		
Total pension liability at BOY	\$ 47,886,693	\$ 44,514,136
Service cost	29,266	30,527
Benefit payments	(5,142,408)	(4,995,541)
Expected interest	2,721,176	2,523,165
Assumption change	<u>0</u>	<u>0</u>
Expected total pension liability at EOY	45,494,727	42,072,287
Actual total pension liability at EOY	44,514,136	42,054,177
Total pension liability (gain) / loss	<u>\$ (980,591)</u>	<u>\$ (18,110)</u>
 Fiduciary net position		
Fiduciary net position at BOY	\$ 50,658,773	\$ 49,523,234
Employer contributions	0	0
Employee contributions	0	0
Benefit payments	(5,142,408)	(4,995,541)
Administrative expenses	(126,978)	(127,599)
Expected net investment income	<u>2,883,747</u>	<u>2,819,939</u>
Expected fiduciary net position at EOY	48,273,134	47,220,033
Actual fiduciary net position at EOY	\$ 49,523,234	48,533,776
Fiduciary net position (gain) / loss	<u>\$ (1,250,100)</u>	<u>\$ (1,313,743)</u>
 Net pension liability (gain) / loss	 <u>\$ (2,230,691)</u>	 <u>\$ (1,331,853)</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, 2024 GASB 67/68 Report
Notes to Schedule of Changes in the Net Pension Liability

June 30, 2024

- Difference between actual and expected experience - The \$18.1K actuarial gain on the Total Pension Liability for the fiscal year ending June 30, 2024 is attributable to favorable demographic experience.
- Assumption change - None.
- Investment gain - The plan experienced a \$1.31M gain on plan assets during the fiscal year ending June 30, 2024 due to the actual return on assets equaling 8.79% vs. an expected return of 6.00%.

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%.

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 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)	\$ (2,557,349)	\$ (6,479,599)	\$ (8,368,884)

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Pension Expense

	6/30/2023	6/30/2024
Service cost with interest	\$ 29,266	\$ 30,527
Interest on the total pension liability	2,721,176	2,523,165
Change of benefit terms	0	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(980,591)	(18,110)
Expensed portion of current-period changes in assumptions	0	0
Expensed portion of current-period difference between expected and actual earnings on plan investments	(250,020)	(262,749)
Employee contributions	0	0
Expected earnings on pension plan investments	(2,883,747)	(2,819,939)
Administrative expenses	126,978	127,599
Recognition of deferred inflows	(1,731,440)	(1,934,923)
Recognition of deferred outflows	<u>2,315,077</u>	<u>2,315,078</u>
Pension expense	<u>\$ (653,301)</u>	<u>\$ (39,352)</u>
Census date	2/28/2023	2/29/2024
Measurement date	6/30/2023	6/30/2024
Reporting date	6/30/2023	6/30/2024
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, 2024 GASB 67/68 Report
Deferred Inflows and Outflows**

The following table provides a summary of the deferred inflows and outflows as of 6/30/2024.

	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>3,690,870</u>	<u>(3,485,958)</u>
Total	\$ 3,690,870	\$ (3,485,958)

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
2025	\$ 1,845,435	\$ (2,197,673)
2026	1,845,435	(512,769)
2027	0	(512,769)
2028	0	(262,747)
2029	0	0
Thereafter	0	0

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Amortization Schedule

Date Established	Description	Initial Amount	Outstanding Balance	Years Remaining	2024 Installment
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	0
6/30/2024	Actuarial (Gain)/Loss	(18,110)	0	0.00	(18,110)
Total			\$ 0		\$ (18,110)
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
6/30/2024	Assumption Change	0	0	0.00	0
Total			\$ 0		\$ 0
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	0
6/30/2020	Investment (Gain)/Loss	2,348,211	0	0.00	469,643
6/30/2021	Investment (Gain)/Loss	(8,424,516)	(1,684,904)	1.00	(1,684,903)
6/30/2022	Investment (Gain)/Loss	9,227,175	3,690,870	2.00	1,845,435
6/30/2023	Investment (Gain)/Loss	(1,250,100)	(750,060)	3.00	(250,020)
6/30/2024	Investment (Gain)/Loss	(1,313,743)	(1,050,994)	4.00	(262,749)
Total			\$ 204,912		\$ 117,406

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 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, 2024 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	25.00%	2.56%
Multi-sector	15.00%	3.50%
Liquid absolute return	10.00%	3.25%
U.S. large cap equity	20.00%	7.15%
U.S. small cap equity	10.00%	8.58%
Non-U.S. equity	15.00%	8.26%
Core real estate	5.00%	6.49%
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, 2024 measurement date is 6.00%.

**Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Actuarially Determined Contribution**

	FYE 6/30/2024	FYE 6/30/2025
Normal cost	\$ 36,983	\$ 29,669
Actuarial accrued liability (beginning of year)	45,304,912	42,884,439
Actuarial value of assets (beginning of year)	51,887,054	49,797,465
Unfunded actuarial accrued liability	(6,582,142)	(6,913,026)
Net amortization charges / (credits)	(639,354)	(671,495)
Administrative expenses	131,000	128,000
Actuarially determined contribution (beginning of year)	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 248,070	\$ 261,551
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, 2025 can be found in the Lansing Board of Water and Light Defined Benefit Plan for Employees' Pensions February 29, 2024 Actuarial Valuation for Funding Purposes dated June 26, 2024.

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Schedule of Contributions

	FYE 2024	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015
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	\$ 261,551	\$ 248,070	\$ 237,506	\$ 236,973	\$ 240,482	\$ 603,382	\$ 586,181	\$ 771,810	\$ 1,017,849	\$ 1,224,727
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, 2024 GASB 67/68 Report
Actuarial Assumptions and Methods Used for Funding Policy

The following actuarial methods and assumptions were used in the February 29, 2024 funding valuation. Please see that valuation report dated June 26, 2024 for further details.

Actuarial Cost Method - Individual Entry Age Normal

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.

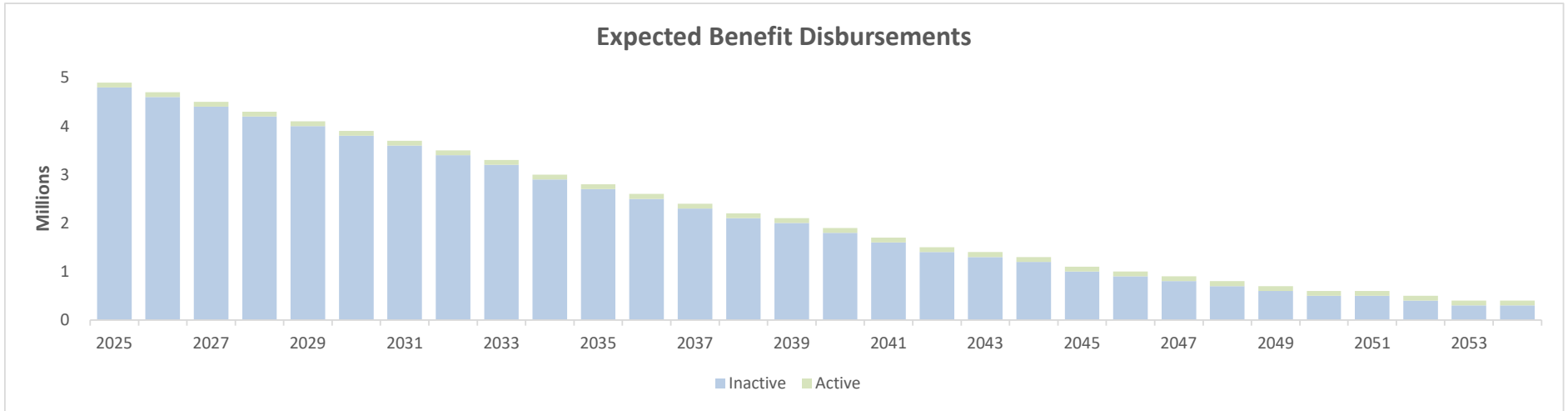
Benefit Commencement Age for Deferred Vested Participants - Age 65.

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 - The actuarial cost method was changed from projected unit credit to individual entry age normal.

**Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Expected Benefit Disbursements**



FYE	Inactive	Active	Total	FYE	Inactive	Active	Total	FYE	Inactive	Active	Total
2025	\$ 4,798,076	\$ 62,445	\$ 4,860,521	2035	\$ 2,732,237	\$ 140,058	\$ 2,872,295	2045	\$ 1,028,085	\$ 130,603	\$ 1,158,688
2026	4,619,899	71,091	4,690,990	2036	2,527,439	143,808	2,671,247	2046	908,198	127,123	1,035,321
2027	4,429,405	78,580	4,507,985	2037	2,328,340	146,016	2,474,356	2047	798,093	123,277	921,370
2028	4,225,087	89,156	4,314,243	2038	2,135,883	145,066	2,280,949	2048	697,589	119,093	816,682
2029	4,015,267	102,202	4,117,469	2039	1,950,878	143,902	2,094,780	2049	606,399	114,608	721,007
2030	3,801,697	112,058	3,913,755	2040	1,774,017	142,488	1,916,505	2050	524,153	109,861	634,014
2031	3,586,059	119,364	3,705,423	2041	1,605,874	140,791	1,746,665	2051	450,407	104,885	555,292
2032	3,369,894	126,150	3,496,044	2042	1,446,921	138,779	1,585,700	2052	384,695	99,707	484,402
2033	3,154,651	131,533	3,286,184	2043	1,297,508	136,425	1,433,933	2053	326,479	94,339	420,818
2034	2,941,689	136,386	3,078,075	2044	1,157,859	133,704	1,291,563	2054	275,205	88,785	363,990

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 GASB 67/68 Report
Census Data Summary

	2/28/2023	2/29/2024
Number of participants		
Active	3	3
Terminated vested	1	1
Retired	140	133
Beneficiaries	101	100
Disabled	24	22
Total	269	259
Active demographics		
Average age	61.3	62.3
Average past service	33.2	34.2
Average future service	3.1	4.8
Average compensation	\$ 82,690	\$ 87,184
Covered payroll	\$ 248,070	\$ 261,551
Average monthly accrued benefit	\$ 3,954	\$ 4,280
Total monthly accrued benefits	\$ 11,863	\$ 12,840
Terminated vested demographics		
Average age	59.2	60.2
Average monthly accrued benefit	\$ 629	\$ 629
Total monthly accrued benefits	\$ 629	\$ 629
Retiree demographics		
Average age	78.7	79.3
Average monthly accrued benefit	\$ 2,048	\$ 2,062
Total monthly accrued benefits	\$ 286,665	\$ 274,246
Beneficiary demographics		
Average age	82.7	83.3
Average monthly accrued benefit	\$ 1,080	\$ 1,100
Total monthly accrued benefits	\$ 109,118	\$ 109,958
Disabled demographics		
Average age	74.8	75.3
Average monthly accrued benefit	\$ 1,317	\$ 1,287
Total monthly accrued benefits	\$ 31,619	\$ 28,316

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 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
Total	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, 2024 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, 2023	3	1	140	101	24	269
Vested terminations	0	0	0	0	0	0
Retirements	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Death with survivor	0	0	(5)	6	(1)	0
Death without survivor	0	0	(2)	(7)	(1)	(10)
New entrants	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Data corrections	0	0	0	0	0	0
February 29, 2024	3	1	133	100	22	259

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
June 30, 2024 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 29, 2024

Census date: February 29, 2024

Measurement date GASB 67 and GASB 68: June 30, 2024

Reporting date GASB 67 and GASB 68: June 30, 2024

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 3.97% (based on the daily rate closest to but not later than the measurement date of the "Fidelity Municipal GO AA 20 Year 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 - The municipal bond index was changed from the Bond Buyer 20-Bond GO Index to the Fidelity Municipal GO AA 20 Year Index. Since the Bond Buyer 20-Bond GO Index is no longer readily available, the Fidelity Municipal GO AA 20 Year Index was chosen as a replacement.

Lansing Board of Water and Light
Defined Benefit Plan for Employees' Pensions
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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 the system has been set up appropriately and the plan provisions have been coded correctly.

Certain demographic tables described above are standard published tables.

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Defined Benefit Plan for Employees' Pensions
June 30, 2024 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%

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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
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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
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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
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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.

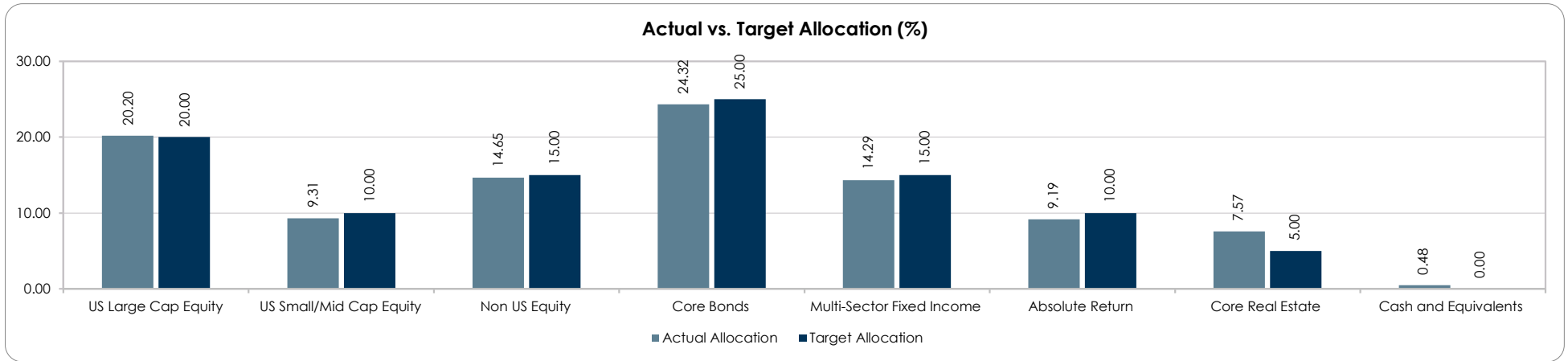
Normal Cost - The portion of the Actuarial Present Value of Future Benefits allocated to a valuation year by the Actuarial Cost Method. Any payment in respect of an unfunded actuarial accrued liability is not part of Normal Cost. Under the entry age normal cost method, the Normal Cost is intended to 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, 2024



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)	Range Min - Max (%)
Total Portfolio	48,313	100.00	100.00		
Equity	21,336	44.16	45.00	-0.84	30.00 60.00
US Large Cap Equity	9,760	20.20	20.00	0.20	15.00 25.00
US Small/Mid Cap Equity	4,499	9.31	10.00	-0.69	5.00 15.00
Non US Equity	7,076	14.65	15.00	-0.35	10.00 20.00
Fixed Income	23,091	47.80	50.00	-2.20	30.00 60.00
Core Bonds	11,748	24.32	25.00	-0.68	15.00 35.00
Multi-Sector Fixed Income	6,905	14.29	15.00	-0.71	10.00 20.00
Absolute Return	4,439	9.19	10.00	-0.81	5.00 15.00
Real Assets	3,655	7.57	5.00	2.57	0.00 10.00
Core Real Estate	3,655	7.57	5.00	2.57	0.00 10.00
Cash and Equivalents	231	0.48	0.00	0.48	0.00 5.00

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/17) *	48,313	100.00	0.74	0.54	4.46	9.26	2.27	6.11	--	6.81
Total Portfolio (07/04)			0.78	0.64	4.66	9.72	2.76	6.64	6.20	6.31
Policy Index ¹			0.99	0.58	3.61	8.79	1.01	5.71	6.00	6.72

LBWL Defined Benefit Plan and Trust for Employees' Pensions

For the Periods Ending June 30, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/17) *	48,313	100.00	0.74	0.54	4.46	9.26	2.27	6.11	--	6.81
Total Portfolio (07/04)			0.78	0.64	4.66	9.72	2.76	6.64	6.20	6.31
<i>Policy Index</i> ¹			0.99	0.58	3.61	8.79	1.01	5.71	6.00	6.72
US Large Cap Equity (01/17) *	9,760	20.20	3.58	4.27	15.27	24.53	8.92	13.82	--	14.37
<i>Blended US LC Benchmark</i> ²			3.59	4.28	15.29	24.56	8.88	14.70	--	14.35
US Small/Mid Cap Equity (01/17) *	4,499	9.31	-0.95	-2.98	6.38	15.53	5.85	9.96	--	9.59
<i>Blended US SMID Benchmark</i> ³			-1.50	-4.27	2.35	10.47	-0.29	8.31	--	7.54
Non US Equity (01/17) *	7,076	14.65	-1.83	-0.74	3.30	6.65	-0.01	5.19	--	6.23
<i>MSCI EAFE NetDiv</i>			-1.61	-0.42	5.34	11.54	2.89	6.46	4.33	7.17
Fixed Income (01/17) *	23,091	47.80	0.89	0.33	0.32	4.18	-1.35	1.26	--	2.13
<i>Bloomberg US Aggregate</i>			0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35	1.11
Real Assets (01/19) * ⁴	3,655	7.57	-0.37	-0.37	-1.37	-4.37	2.89	3.48	--	3.66
<i>NFI ODCE Net</i>			-0.67	-0.67	-3.23	-10.00	1.02	2.27	5.46	2.42
Cash and Equivalents (01/17)	231	0.48	0.44	1.33	2.52	5.22	3.00	2.05	--	1.83
<i>US T-Bills 90 Day</i>			0.41	1.32	2.63	5.40	3.03	2.16	1.51	1.97

LBWL Defined Benefit Plan and Trust for Employees' Pensions

For the Periods Ending June 30, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity (01/17) *	21,336	44.16	0.77	0.93	9.05	16.06	5.16	10.05	--	10.68
US Large Cap Equity										
Northern Trust S&P 500 (05/23) *	9,760	20.20	3.58	4.27	15.27	24.53	--	--	--	27.96
<i>S&P 500</i>			3.59	4.28	15.29	24.56	10.01	15.05	12.86	27.99
US Small/Mid Cap Equity										
Atlanta Capital (08/18) *	4,499	9.31	-0.95	-2.98	6.38	15.53	5.85	9.94	--	10.15
<i>Russell 2500</i>			-1.50	-4.27	2.35	10.47	-0.29	8.31	7.99	6.95
Non US Equity										
Harding Loevner Int'l Equity (09/17) *	3,324	6.88	-1.57	0.00	1.62	5.33	-1.55	5.59	--	5.21
<i>MSCI ACWI ex US NetDiv</i>			-0.10	0.96	5.69	11.62	0.46	5.55	3.84	4.67
Marathon International Equity (04/24) *	3,752	7.77	-2.06	-1.26	--	--	--	--	--	-1.26
<i>MSCI EAFE NetDiv</i>			-1.61	-0.42	5.34	11.54	2.89	6.46	4.33	-0.42
Fixed Income (01/17) *	23,091	47.80	0.89	0.33	0.32	4.18	-1.35	1.26	--	2.13
Core Bonds										
JP Morgan Fixed Income (01/09)	11,748	24.32	0.91	0.42	0.09	3.41	-2.25	0.44	1.82	3.05
<i>Bloomberg US Aggregate</i>			0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35	2.54
Multi-Sector Fixed Income										
Fidelity Tactical Bond (09/18) *	6,905	14.29	0.81	-0.01	-0.17	3.56	-1.34	1.78	--	2.85
<i>Bloomberg US Aggregate</i>			0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35	0.99
Absolute Return										
BlackRock Strategic Income Opp (09/17) *	4,439	9.19	0.95	0.73	1.65	6.94	0.95	2.77	--	2.93
<i>Bloomberg US Aggregate</i>			0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35	0.69
Real Assets (01/19) * 4	3,655	7.57	-0.37	-0.37	-1.37	-4.37	2.89	3.48	--	3.66
Core Real Estate										
AEW Core Property Trust (01/19) * 4	3,655	7.57	-0.37	-0.37	-1.37	-4.37	2.89	3.48	--	3.66
<i>NFI ODCE Net</i>			-0.67	-0.67	-3.23	-10.00	1.02	2.27	5.46	2.42
Cash & Equivalents (01/17)	231	0.48	0.44	1.33	2.52	5.22	3.00	2.05	--	1.83
Cash & Equivalents (01/17)	231	0.48	0.44	1.33	2.52	5.22	3.00	2.05	--	1.83
<i>US T-Bills 90 Day</i>			0.41	1.32	2.63	5.40	3.03	2.16	1.51	1.97

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

* Net of Fee return data.

1 Policy Index: Effective February 2024, the index consists of 20.00% S&P 500, 10.00% Russell 2500, 15.00% MSCI ACWI ex US NetDiv, 50.00% Bloomberg US Aggregate, 5.00% NFI ODCE Net.

2 Blended US LC Benchmark: Effective May 2023, the index consists of 100.0% S&P 500.

3 Blended US SMID Benchmark: Effective August 2018, the index consists of 100.0% Russell 2500.

4 Valuation and performance are assessed quarterly.

The Fiscal Year End is June.

Market Overview

For the Periods Ending June 30, 2024

	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core							
S&P 500	3.59	4.28	15.29	24.56	10.01	15.05	12.86
Russell 1000	3.31	3.57	14.24	23.88	8.74	14.61	12.51
Russell 2000	-0.93	-3.28	1.73	10.06	-2.58	6.94	7.00
Russell 2500	-1.50	-4.27	2.35	10.47	-0.29	8.31	7.99
Equity Markets - Growth							
S&P 500 Growth	6.98	9.59	23.56	32.52	9.42	16.87	14.97
Russell 1000 Growth	6.74	8.33	20.70	33.48	11.28	19.34	16.33
Russell 2000 Growth	-0.17	-2.92	4.44	9.14	-4.86	6.17	7.39
Russell 2500 Growth	-0.54	-4.22	3.93	9.02	-4.11	7.58	8.77
Equity Markets - Value							
S&P 500 Value	-0.65	-2.10	5.79	15.29	9.59	11.89	9.89
Russell 1000 Value	-0.94	-2.17	6.63	13.06	5.52	9.01	8.23
Russell 2000 Value	-1.69	-3.64	-0.85	10.90	-0.53	7.07	6.23
Russell 2500 Value	-2.01	-4.31	1.50	11.24	2.15	8.01	6.77
International Markets							
MSCI ACWI NetDiv	2.23	2.87	11.30	19.38	5.43	10.76	8.43
MSCI ACWI ex US NetDiv	-0.10	0.96	5.69	11.62	0.46	5.55	3.84
MSCI EAFE NetDiv	-1.61	-0.42	5.34	11.54	2.89	6.46	4.33
MSCI EAFE Growth NetDiv	-0.45	-0.75	6.23	9.39	0.08	6.46	5.42
MSCI EAFE Value NetDiv	-2.78	0.01	4.49	13.75	5.55	6.07	3.02
MSCI EM NetDiv	3.94	5.00	7.49	12.55	-5.07	3.10	2.79
MSCI World NetDiv	2.03	2.63	11.75	20.19	6.86	11.78	9.16
MSCI World ex US NetDiv	-1.66	-0.60	4.96	11.22	2.82	6.56	4.27
Fixed Income							
ICE BofA 1 Yr Treasury Note	0.40	1.12	1.95	5.00	1.80	1.69	1.36
ICE BofA High Yield Master II	0.93	1.09	2.60	10.41	1.63	3.73	4.21
Bloomberg US Aggregate	0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35
Bloomberg Intermediate G/C	0.80	0.64	0.49	4.19	-1.18	0.71	1.55
Bloomberg 10 Yr Municipal	1.51	-1.04	-1.57	1.92	-0.79	1.18	2.48
Bloomberg US Credit	0.67	-0.05	-0.46	4.42	-2.94	0.54	2.21
Real Assets							
NFI ODCE Net	-0.67	-0.67	-3.23	-10.00	1.02	2.27	5.46

Disclaimer and Legal Notice

Information Disclaimer:

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Past performance is not indicative of future results. Any comparison to an index is for comparative purposes only. An investment cannot be made directly into an index. Indices are unmanaged and do not reflect the deduction of advisory fees.

This report is distributed with the understanding that it is not rendering accounting, legal or tax advice. Please consult your legal or tax advisor concerning such matters. No assurance can be given that the investment objectives described herein will be achieved and investment results may vary substantially on a quarterly, annual or other periodic basis. There is no representation or warranty as to the current accuracy of, nor liability for, decisions based on such information.

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 michigan.gov/LocalRetirementReporting .
Enter Six-Digit Municode	337537	
Unit Type	Authority	
Fiscal Year End Month	June	
Fiscal Year (four-digit year only, e.g. 2019)	2024	Questions: For questions, please email LocalRetirementReporting@michigan.gov . 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	SCOTT.TAYLOR@LBWL.COM	
Contact Telephone Number	517-702-6104	
Pension System Name (not division) 1	Plan 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				
3 Financial Information							
4	Enter retirement pension system's assets (system fiduciary net position ending)	Most Recent Audit Report	48,533,776				
5	Enter retirement pension system's liabilities (total pension liability ending)	Most Recent Audit Report	42,054,177				
6	Funded ratio	Calculated	115.4%				
7	Actuarially Determined Contribution (ADC)	Most Recent Audit Report					
8	Governmental Fund Revenues	Most Recent Audit Report	417,434,840				
9	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
10 Membership							
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	255				
14 Investment Performance							
15	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	9.26%				
16	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	6.11%				
17	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	6.20%				
18 Actuarial Assumptions							
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				
23 Uniform Assumptions							
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	49,797,465				
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	42,884,439				
26	Funded ratio using uniform assumptions	Calculated	116.1%				
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%				
29 Pension Trigger Summary							
30	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: Less than 60% funded AND greater than 10% ADC/Governmental fund revenues. Non-Primary government triggers: 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
Required Supplementary Information

June 30, 2024 and 2023

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

Table of Contents
June 30, 2024 and 2023

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Independent Auditors' Report

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

Opinion

We have audited the 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 and Light, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2024 and 2023, 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 to the Plan is presenting only the financial statements of the Plan and does not purport to, and does not, present fairly the financial position of the Lansing Board of Water and Light, as of June 30, 2024 and 2023, 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
October 7, 2024

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

Management's Discussion and Analysis
June 30, 2024 and 2023
(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>2024</u>	<u>2023</u>	<u>2022</u>
Assets:			
Cash and cash equivalents	\$ 1,857,276	\$ 338,130	\$ 957,009
Mutual funds, bonds	55,835,109	53,353,849	54,547,228
Mutual funds, equity	159,831,296	144,658,390	125,722,355
Real estate fund investment	38,565,204	42,471,497	46,922,667
Interest and dividend receivable	14,641	13,772	3,091
	<u>256,103,526</u>	<u>240,835,638</u>	<u>228,152,350</u>
Liabilities:			
Trade payable, due to broker	259,187	-	12,256
Reimbursement for benefits paid by employer	2,448,357	2,365,067	-
	<u>2,707,544</u>	<u>2,365,067</u>	<u>12,256</u>
Net position restricted for pensions	<u>\$ 253,395,982</u>	<u>\$ 238,470,571</u>	<u>\$ 228,140,094</u>
Changes in net position:			
Net investment income	\$ 24,300,066	\$ 21,225,768	\$ (19,249,317)
Employer contributions	65,286	68,076	13,492,757
Retiree benefits paid	(9,180,680)	(10,627,788)	(13,492,757)
Administrative fees	(259,200)	(335,579)	(353,816)
	<u>14,925,412</u>	<u>10,330,477</u>	<u>(19,603,133)</u>
Net change in net position	<u>\$ 14,925,412</u>	<u>\$ 10,330,477</u>	<u>\$ (19,603,133)</u>

Investment Results

The fiscal year ended June 30, 2024 saw a net investment gain of \$24.3 million. The fiscal year 2023 had a net investment gain of \$21.2 million, fiscal year 2022 had a net investment loss of \$(19.2) 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 2024, 2023, and 2022.

The discount rate was 6.5% in fiscal year 2024, 2023 and 2022.

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

Management's Discussion and Analysis
 June 30, 2024 and 2023
 (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 fixed income	15 %
Multi-sector	5
Liquid absolute return	5
U.S. large cap equity	25
U.S. small/mid cap equity	15
Non-U.S. equity	20
Real estate	15
	<hr/>
Total	<u>100 %</u>

Future Events

The Plan is currently overfunded, with a funded status (fiduciary net position divided by total pension liability) of 150%. This funding level results in an actuarially determined contribution of \$0 for fiscal year 2025. As a result, the BWL does not expect to make contributions to the trust in fiscal year 2025.

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, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	\$ 1,857,276	\$ 338,130
Investments, fair value:		
Mutual funds, bonds	55,835,109	53,353,849
Mutual funds, equities	159,831,296	144,658,390
Real estate fund investment	38,565,204	42,471,497
	<hr/>	<hr/>
Total investments at fair value	254,231,609	240,483,736
Investment interest and dividend receivable	14,641	13,772
	<hr/>	<hr/>
Total assets	256,103,526	240,835,638
	<hr/>	<hr/>
Liabilities		
Trade payable, due to broker/other	259,187	-
Reimbursement for benefits paid by employer	2,448,357	2,365,067
	<hr/>	<hr/>
Total liabilities	2,707,544	2,365,067
	<hr/>	<hr/>
Net position restricted for retiree benefits	\$ 253,395,982	\$ 238,470,571
	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements

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

Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Investment income:		
Net appreciation in fair value of investments	\$ 19,047,703	\$ 15,226,432
Interest and dividend income	5,252,303	5,999,336
	<u>24,300,006</u>	<u>21,225,768</u>
Employer contributions	65,286	68,076
	<u>24,365,292</u>	<u>21,293,844</u>
Deductions		
Retiree benefits paid	9,180,680	10,627,788
Administrative expenses	259,200	335,579
	<u>9,439,880</u>	<u>10,963,367</u>
Net increase in net position	14,925,412	10,330,477
Net Position Restricted for Retiree Benefits, Beginning	<u>238,470,571</u>	<u>228,140,094</u>
Net Position Restricted for Retiree Benefits, Ending	<u>\$ 253,395,982</u>	<u>\$ 238,470,571</u>

See notes to financial statements

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

Notes to Financial Statements
June 30, 2024 and 2023

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.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

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

Notes to Financial Statements
June 30, 2024 and 2023

Reimbursement for Benefits Paid by Employer

This balance represents amounts due from the Plan to the Lansing Board of Water & Light (BWL) to reimburse the BWL for benefits paid on behalf of the Plan.

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 755 participants eligible to receive benefits at June 30, 2024 and 753 participants eligible at June 30, 2023.

Trustees

Each voting member of the BWL Board of Commissioners is a Trustee during the term of office as a commissioner. The Trustees had appointed Fifth Third Bank as custodian of the Plan's assets for FY 2023 and a portion of FY 2024. Effective March 1, 2024, this role was transitioned to the Northern Trust Company.

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.

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

Notes to Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023, BWL incurred \$65,286 and \$68,076 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.

Contributions are recognized when due and when the amount to be contributed is committed by the BWL. For the years ended June 30, 2024 and 2023, the contribution rates of the employer were .08% and 0.10% of covered-employee payroll, respectively.

Participation

Participation is determined in accordance with the terms of the Plan. At June 30, 2024, there were 778 active participants (not yet eligible to receive benefits), 67 disabled participants, 532 retired participants and 156 surviving spouses participating in 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.

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.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

3. Cash, Cash Equivalents and Investments

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).

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

Notes to Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023, the Plan had \$1,607,276 and \$88,130, 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.

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. The Plan's investment policy does not address interest rate risk.

At June 30, 2024, the average maturities of investments are as follows:

Investment	Fair Value	Average Weighted Maturity
Mutual funds, bonds	\$ 55,835,109	9.1 years

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

Investment	Fair Value	Average Weighted Maturity
Mutual funds, bonds	\$ 53,353,849	9.3 years

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, 2024, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bonds	\$ 55,835,109	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, 2024 and 2023

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	\$ 53,353,849	Not rated	Not rated

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, 2024 and June 30, 2023.

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, 2024 and 2023:

Asset Class	2024 Target Allocation	2023 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	25.00	30.00
U.S. small/mid cap equity	15.00	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, 2024 and 2023 the annual money-weighted rate of return on investments, net of investment expense, was 10.39% and 9.52%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Notes to Financial Statements
June 30, 2024 and 2023

6. Net OPEB Liability (Asset) of BWL

The components of the net OPEB liability (asset) for BWL at June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Total OPEB liability	\$ 168,403,443	\$ 163,828,911
Plan fiduciary net position	<u>253,395,981</u>	<u>238,470,571</u>
BWL's net OPEB liability (asset)	<u>\$ (84,992,538)</u>	<u>\$ (74,641,660)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	150.47 %	145.56 %

Actuarial Assumptions

The June 30, 2024 total OPEB liability was determined by an actuarial valuation as of June 30, 2024, 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, 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

For the June 30, 2024 and 2023 valuation, mortality rates were based on the PUBH-2010 General Mortality Table projected generationally using MP-2021 scale.

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

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

Notes to Financial Statements
June 30, 2024 and 2023

For the June 30, 2024 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, 2024 are as follows:

Asset Class	Long-Term Expected Real Rate of Return
Core bonds	2.56 %
Multi-sector	3.50
Liquid absolute return	3.25
U.S. large cap equity	7.15
U.S. small/mid cap equity	8.58
Non-U.S. equity	8.26
Core real estate	6.49
Value add real estate	7.99

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:

Asset Class	Long-Term Expected Real Rate of Return
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

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5% for June 30, 2024 and 2023. 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.

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

Notes to Financial Statements
June 30, 2024 and 2023

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, 2024:

	2024		
	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability (asset)	\$ (65,718,636)	\$ (84,992,538)	\$ (101,207,086)

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:

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

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, 2024 and 2023:

	2024		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability (asset)	\$ (102,871,148)	\$ (84,992,538)	\$ (63,323,723)

	2023		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability (asset)	\$ (91,718,544)	\$ (74,641,660)	\$ (53,961,790)

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.

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

Notes to Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023:

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 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.

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, 2024 and 2023:

Investment Type	2024			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 1,857,276	\$ -	\$ -	\$ 1,857,276
Mutual funds, bonds	55,835,109	-	-	55,835,109
Mutual funds, equities	112,847,988	46,983,308	-	159,831,296
Real estate trust investment	38,565,204	-	-	38,565,204
Total	<u>\$ 209,105,577</u>	<u>\$ 56,983,308</u>	<u>\$ -</u>	<u>\$ 256,088,885</u>

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

Notes to Financial Statements
June 30, 2024 and 2023

Investment Type	2023			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 338,130	\$ -	\$ -	\$ 338,130
Mutual funds, bonds	53,353,849	-	-	53,353,849
Mutual funds, equities	75,112,945	69,545,445	-	144,658,390
Real estate trust investment	42,471,497	-	-	42,471,497
Total	<u>\$ 171,276,421</u>	<u>\$ 69,545,445</u>	<u>\$ -</u>	<u>\$ 240,821,866</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.

9. Subsequent Events

The Plan has evaluated subsequent events occurring through October 7, 2024, 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)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 4,201	\$ 3,452	\$ 3,299	\$ 3,396	\$ 3,245	\$ 4,403	\$ 4,827	\$ 3,130
Interest	10,355	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	(801)	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	(9,181)	(10,628)	(13,493)	(8,344)	(9,157)	(9,278)	(10,395)	(9,574)
Net Change in Total OPEB Liability	4,574	7,421	8,766	(6,959)	6,053	(54,937)	(2,137)	11,036
Total OPEB Liability, Beginning	163,829	156,410	147,644	154,603	148,550	203,487	205,624	194,588
Total OPEB Liability, Ending	168,403	163,831	156,410	147,644	154,603	148,550	203,487	205,624
Trust Net Position								
Contributions, employer	65	68	13,493	8,344	9,157	9,278	10,395	9,574
Contributions, member	-	-	-	-	-	-	-	-
Net investment income	24,300	21,226	(19,247)	49,387	4,158	11,688	11,039	18,040
Administrative expenses	(259)	(336)	(354)	(449)	(512)	(569)	(634)	(705)
Benefit payments, including refunds	(9,181)	(10,628)	(13,493)	(8,344)	(9,157)	(9,278)	(10,395)	(9,574)
Other	-	-	-	-	-	-	-	-
Net Change in Net Position Held in Trust	14,925	10,330	(19,601)	48,938	3,646	11,119	10,405	17,335
Trust Fiduciary Net Position, Beginning	238,471	228,142	247,743	198,805	195,159	184,040	173,635	156,300
Trust Fiduciary Net Position, Ending	253,396	238,472	228,142	247,743	198,805	195,159	184,040	173,635
BWL Net OPEB Liability (Asset), Ending	<u>\$ (84,993)</u>	<u>\$ (74,641)</u>	<u>\$ (71,732)</u>	<u>\$ (100,099)</u>	<u>\$ (44,202)</u>	<u>\$ (46,609)</u>	<u>\$ 19,447</u>	<u>\$ 31,989</u>
Trust Fiduciary Net Position as a % of Total OPEB Liability (Asset)	150.47%	145.56%	145.86%	167.80%	128.59%	131.38%	90.44%	84.44%
Covered Employee Payroll	\$ 77,109	\$ 69,744	\$ 62,976	\$ 60,269	\$ 58,198	\$ 56,785	\$ 55,650	\$ 54,383
BWL's Net OPEB Liability (Asset) as a % of Covered Employee Payroll	(110.22%)	(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 2015 - 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			
6/30/2015	\$ 5,762	\$ 9,671	\$ 3,909	\$ 50,885	19.01%
6/30/2016	5,788	9,423	3,635	53,893	17.48%
6/30/2017	7,508	9,574	2,066	54,383	17.60%
6/30/2018	7,535	10,395	2,860	55,650	18.68%
6/30/2019	7,031	9,278	2,247	56,785	16.34%
6/30/2020	-	9,157	9,157	58,198	15.73%
6/30/2021	220	8,344	8,124	60,269	13.84%
6/30/2022	-	13,493	13,493	62,976	21.43%
6/30/2023	-	68	68	69,744	0.10%
6/30/2024	-	65	65	77,109	0.08%

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 Investment Returns
Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	10.39%	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 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

Notes to Required Supplementary Information
June 30, 2024 and 2023
(Unaudited)

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2024, based on roll-forward of February 29, 2024 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	24 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, 2023, based on roll-forward of February 28, 2023 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	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

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

Notes to Required Supplementary Information
June 30, 2024 and 2023
(Unaudited)

Significant Changes

June 30, 2024

- *Difference between actual and expected experience* - The \$800.9K actuarial gain on the Total OPEB Liability for the fiscal year ending June 30, 2024 is attributable to the combination of favorable demographic experience and lower than expected 2024 per capita claims cost.
- *Assumption Change* - None.
- *Investment gain* - The \$9.1M investment gain during the fiscal year ending June 30, 2024 is attributable an actual return on assets of 10.39% vs. an expected return of 6.50%.

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)

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

Notes to Required Supplementary Information
June 30, 2024 and 2023
(Unaudited)

- *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.

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

Notes to Required Supplementary Information
June 30, 2024 and 2023
(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
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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.

Key measures for the prior and current fiscal years	6/30/2022	6/30/2023
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

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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,

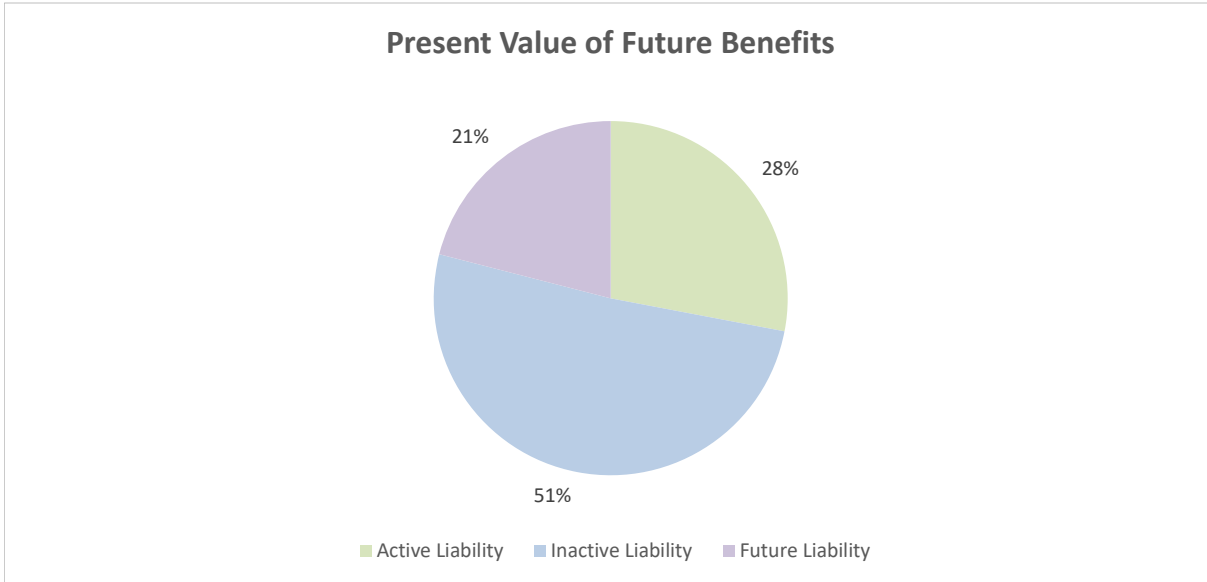


Mark W. Miller, FCA, EA, ASA, MAAA
Benassist Retirement Consulting, LLC

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

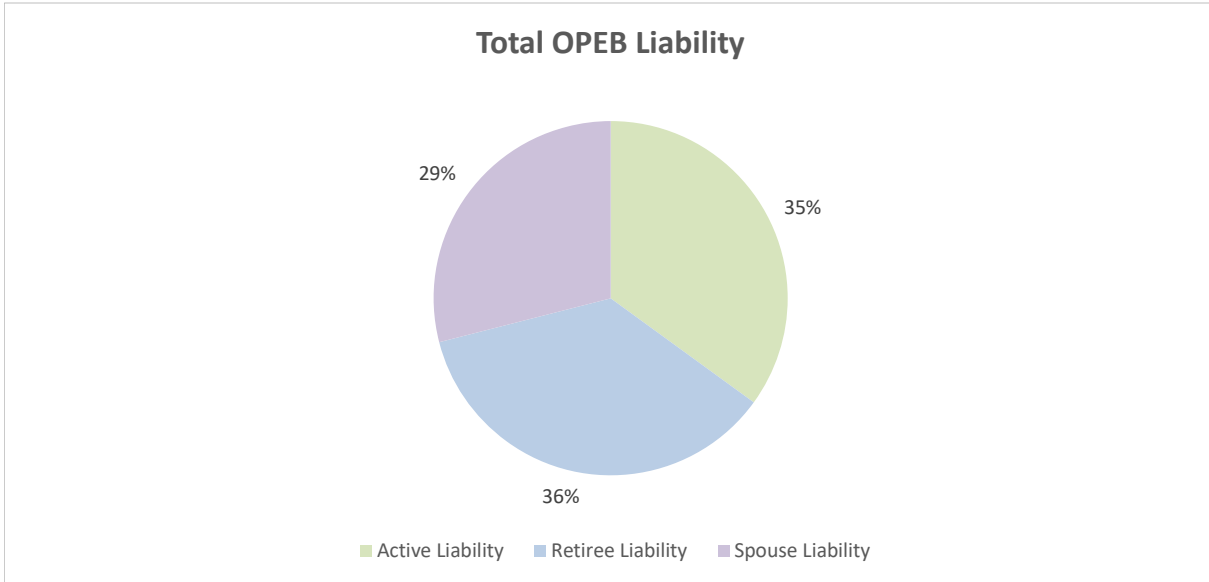
	6/30/2022	6/30/2023
Census data summary		
Active participants	696	731
Retired participants	<u>761</u>	<u>753</u>
Total	1,457	1,484
Covered payroll	\$ 62,975,762	\$ 69,744,202
Present value of future benefits (PVFB)		
Active participants	\$ 85,799,208	\$ 102,484,637
Retired participants	<u>105,622,442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

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Present Value of Future Benefits



	6/30/2022	6/30/2023
Present value of future benefits		
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>
Fiduciary net position (FNP)	\$ 228,140,094	\$ 238,470,571
Unfunded present value of future benefits (surplus)	\$ (36,718,444)	\$ (30,073,070)
Funded ratio	119.18%	114.43%
Discount rate	6.50%	6.50%

Lansing Board of Water and Light
Post-Retirement Benefit Plan for Eligible Employees
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Total OPEB Liability



	6/30/2022	6/30/2023
Total OPEB liability		
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>
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%
Service cost	\$ 3,240,889	\$ 3,944,491
Discount rate	6.50%	6.50%

Lansing Board of Water and Light
Post-Retirement Benefit Plan for Eligible Employees
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Statement of Fiduciary Net Position

	6/30/2022	6/30/2023
Assets		
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
Liabilities		
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)
 Net position restricted for OPEBs	 <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

	6/30/2022	6/30/2023
Additions		
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
 Deductions		
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)
Net increase in net position	\$ (19,601,111)	\$ 10,330,477
 Net position restricted for OPEBs		
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)
Balances at 6/30/2022	\$ 156,408,876	\$ 228,140,094	\$ (71,731,218)
Changes for the year			
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
Net changes	<u>\$ 7,420,035</u>	<u>\$ 10,330,477</u>	<u>\$ (2,910,442)</u>
Balances at 6/30/2023	\$ 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
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Schedule of Changes in the Net OPEB Liability

	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total OPEB liability					
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
Net change in total OPEB liability	<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>
Total OPEB liability - beginning	<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>
Total OPEB liability - ending (a)	<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>
Fiduciary net position					
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
Net change in fiduciary net position	<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>
Fiduciary net position - beginning	<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>
Fiduciary net position - ending (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>
Net OPEB liability - ending (a)-(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
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Schedule of Changes in the Net OPEB Liability (continued)

	6/30/2018	6/30/2017
Total OPEB liability		
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
Net change in total OPEB liability	<u>\$ (2,137,327)</u>	<u>\$ 11,036,085</u>
Total OPEB liability - beginning	<u>205,624,392</u>	<u>194,588,307</u>
Total OPEB liability - ending (a)	<u>\$ 203,487,065</u>	<u>\$ 205,624,392</u>
Fiduciary net position		
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
Net change in fiduciary net position	<u>10,404,567</u>	<u>17,334,715</u>
Fiduciary net position - beginning	<u>173,635,057</u>	<u>156,300,342</u>
Fiduciary net position - ending (b)	<u>\$ 184,039,624</u>	<u>\$ 173,635,057</u>
Net OPEB liability - ending (a)-(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
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Development of Net OPEB Liability (Gain)/Loss

	6/30/2022	6/30/2023
Total OPEB liability		
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>
Fiduciary net position		
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>
Net OPEB liability (gain)/loss	<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
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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
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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:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
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:

	1% Decrease	Current Rates	1% Increase
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
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OPEB Expense

	6/30/2022	6/30/2023
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>
OPEB Expense	<u>\$ (12,431,882)</u>	<u>\$ (10,727,622)</u>
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
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Amortization Schedule

Date Established	Description	Initial Amount	Outstanding Balance	Years Remaining	2023 Installment
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

	FYE 6/30/2023	FYE 6/30/2024
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.

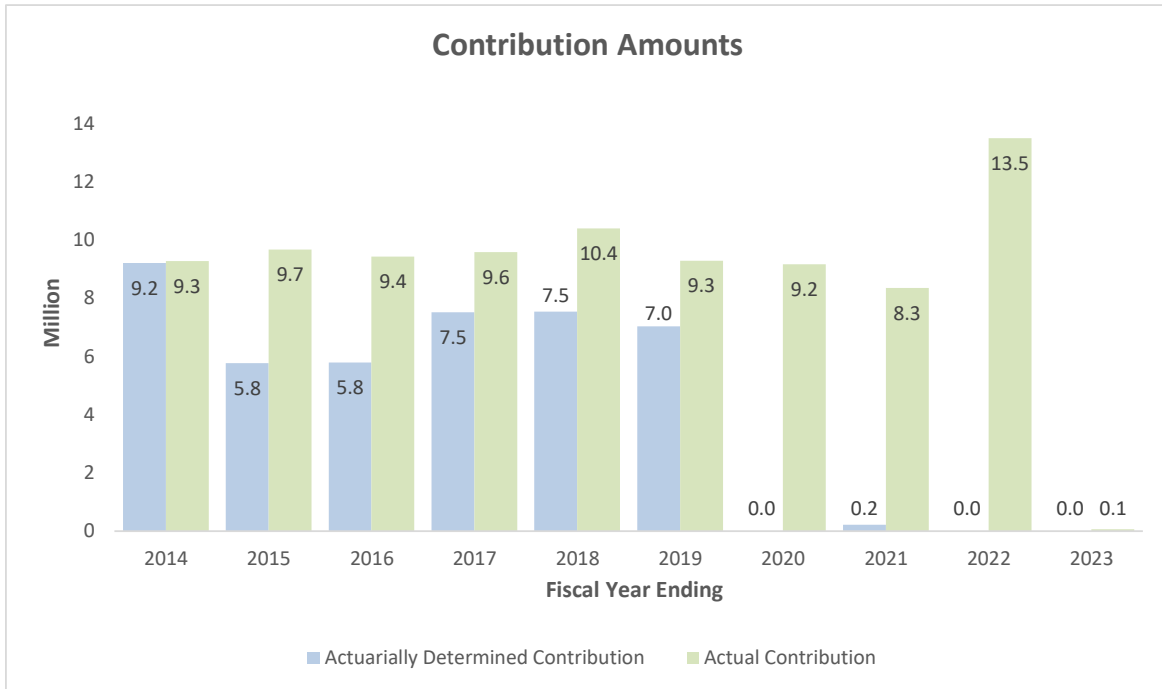
Lansing Board of Water and Light
Post-Retirement Benefit Plan for Eligible Employees
June 30, 2023 GASB 74/75 Actuarial Valuation Report
Schedule of Contributions

	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**

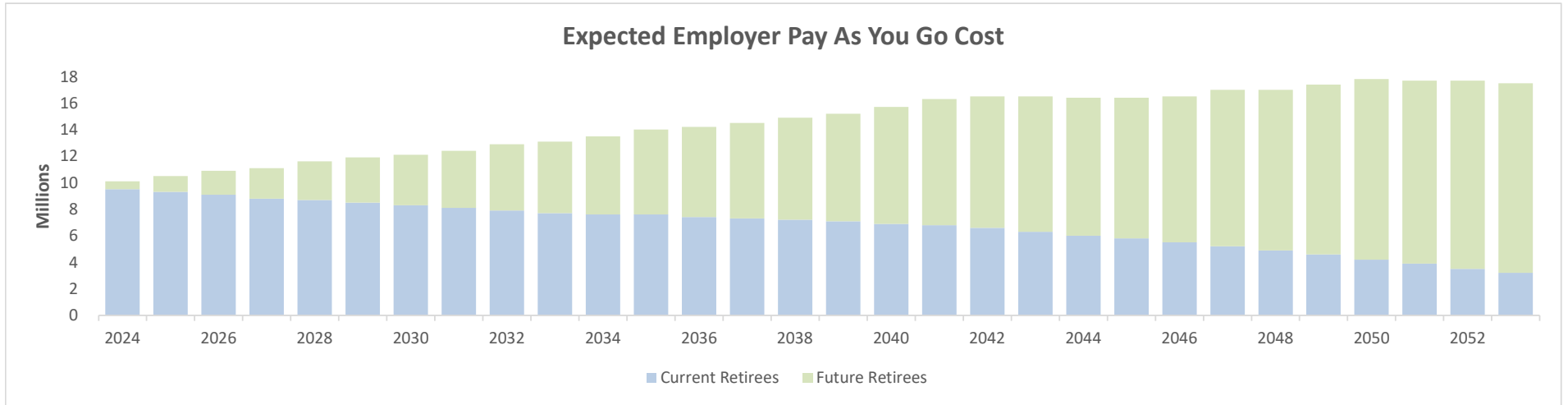


Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)
2014	\$ 9,199,669	\$ 9,268,334	\$ (68,665)
2015	5,762,462	9,670,794	(3,908,332)
2016	5,787,960	9,423,081	(3,635,121)
2017	7,507,689	9,573,671	(2,065,982)
2018	7,534,978	10,395,327	(2,860,349)
2019	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



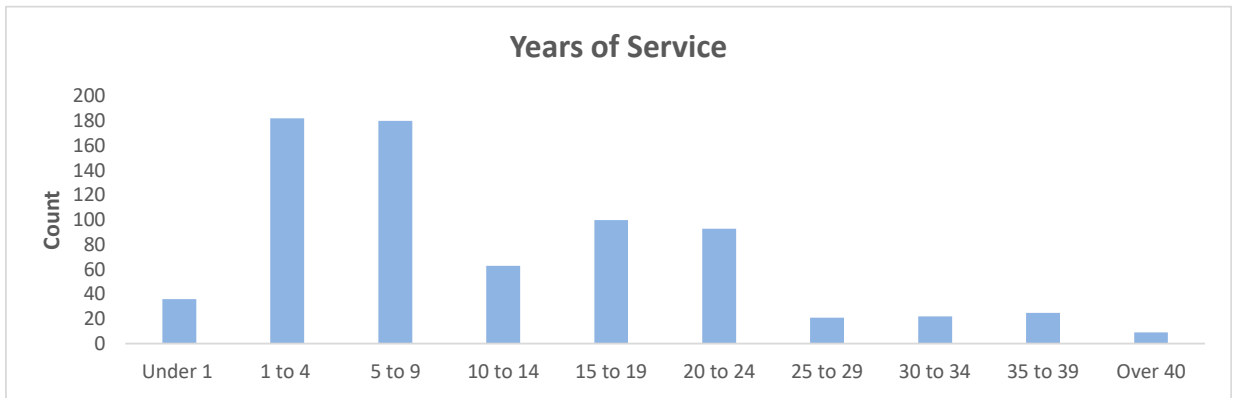
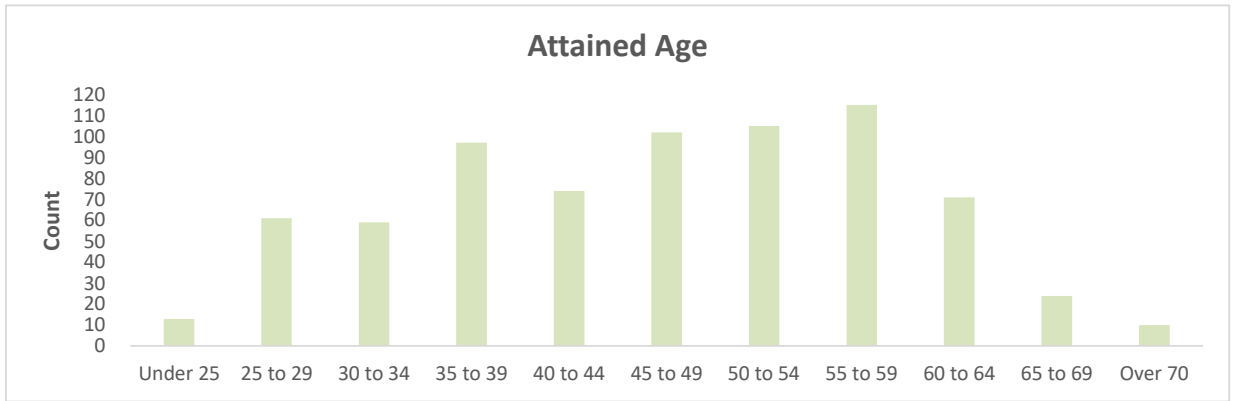
FYE	Current Retirees	Future Retirees	Total	FYE	Current Retirees	Future Retirees	Total	FYE	Current Retirees	Future Retirees	Total
2024	\$ 9,549,979	\$ 626,074	\$ 10,176,053	2034	\$ 7,624,942	\$ 5,854,952	\$ 13,479,894	2044	\$ 6,028,435	\$ 10,449,680	\$ 16,478,115
2025	9,256,383	1,208,892	10,465,275	2035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

	6/30/2022	6/30/2023
Medical coverage		
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
Cash in lieu		
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
Waived coverage		
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
Total		
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
Total	36	182	180	63	100	93	21	22	25	9	731



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
Medical coverage		
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
Cash in lieu		
Participant count	32	29
Average age	74.9	74.6
Waived coverage		
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

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

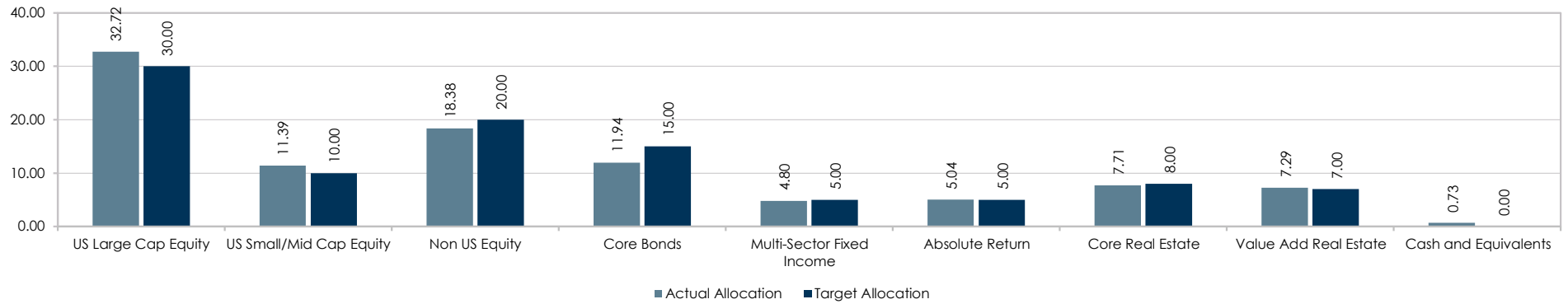
Total OPEB Liability (TOL) - The portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits which is not provided for by future Normal Costs. It is equal to the Actuarial Present Value of Future Benefits minus the actuarial present value of future 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, 2024

Actual vs. Target Allocation (%)



Asset Class	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under (%)	Range Min - Max (%)	
Total Portfolio	255,601	100.00	100.00			
Equity	159,728	62.49	60.00	2.49	45.00	70.00
US Large Cap Equity	83,638	32.72	30.00	2.72	25.00	35.00
US Small/Mid Cap Equity	29,107	11.39	10.00	1.39	5.00	15.00
Non US Equity	46,983	18.38	20.00	-1.62	15.00	25.00
Fixed Income	55,678	21.78	25.00	-3.22	10.00	50.00
Core Bonds	30,520	11.94	15.00	-3.06	10.00	35.00
Multi-Sector Fixed Income	12,269	4.80	5.00	-0.20	0.00	10.00
Absolute Return	12,890	5.04	5.00	0.04	0.00	10.00
Real Assets	38,322	14.99	15.00	-0.01	0.00	20.00
Core Real Estate	19,698	7.71	8.00	-0.29	--	--
Value Add Real Estate	18,624	7.29	7.00	0.29	--	--
Cash and Equivalents	1,872	0.73	0.00	0.73	0.00	5.00

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/17) *	255,601	100.00	0.77	0.86	6.03	10.30	3.35	7.04	--	7.40
Total Portfolio (07/04)			0.83	0.97	6.26	10.79	3.97	7.66	6.57	6.63
<i>Policy Index ¹</i>			1.04	0.98	5.18	9.59	2.45	7.00	6.69	7.11

¹The 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, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Total Portfolio (01/17) *	255,601	100.00	0.77	0.86	6.03	10.30	3.35	7.04	--	7.40
Total Portfolio (07/04)			0.83	0.97	6.26	10.79	3.97	7.66	6.57	6.63
<i>Policy Index ¹</i>			1.04	0.98	5.18	9.59	2.45	7.00	6.69	7.11
US Large Cap Equity (01/17) *	83,638	32.72	3.58	4.27	15.27	24.54	8.81	13.73	--	14.30
<i>Blended US LC Benchmark ²</i>			3.59	4.28	15.29	24.56	8.88	14.70	--	14.35
US Small/Mid Cap Equity (01/17) *	29,107	11.39	-0.95	-2.98	6.38	15.53	5.85	8.56	--	6.52
<i>Blended US SMID Benchmark ³</i>			-1.50	-4.27	2.35	10.47	-0.29	8.31	--	7.54
Non US Equity (01/17) *	46,983	18.38	-1.80	-0.61	3.32	6.70	-0.07	5.17	--	6.21
<i>MSCI EAFE NetDiv</i>			-1.61	-0.42	5.34	11.54	2.89	6.46	4.33	7.17
Fixed Income (01/17) *	55,678	21.78	0.90	0.37	0.36	4.26	-1.39	1.16	--	2.03
<i>Bloomberg US Aggregate</i>			0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35	1.11
Real Assets (01/19) * ⁴	38,322	14.99	-0.78	-0.78	-0.83	-5.59	1.95	2.68	--	2.93
<i>NFI ODCE Net</i>			-0.67	-0.67	-3.23	-10.00	1.02	2.27	5.46	2.42
Cash and Equivalents (01/17)	1,872	0.73	0.42	1.29	2.60	5.31	3.05	2.09	--	1.89
<i>US T-Bills 90 Day</i>			0.41	1.32	2.63	5.40	3.03	2.16	1.51	1.97

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

For the Periods Ending June 30, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Equity (01/17) *	159,728	62.49	1.11	1.43	9.92	17.24	5.52	10.23	--	10.51
US Large Cap Equity										
Northern Trust S&P 500 (05/23) *	83,638	32.72	3.58	4.27	15.27	24.54	--	--	--	27.98
<i>S&P 500</i>			3.59	4.28	15.29	24.56	10.01	15.05	12.86	27.99
US Small/Mid Cap Equity										
Atlanta Capital (04/21) *	29,107	11.39	-0.95	-2.98	6.38	15.53	5.85	--	--	7.08
<i>Russell 2500</i>			-1.50	-4.27	2.35	10.47	-0.29	8.31	7.99	1.37
Non US Equity										
Harding Loevner Int'l Equity (09/17) *	24,273	9.50	-1.57	0.00	1.62	5.33	-1.55	5.59	--	5.21
<i>MSCI ACWI ex US NetDiv</i>			-0.10	0.96	5.69	11.62	0.46	5.55	3.84	4.67
Marathon International Equity (04/24) *	22,710	8.88	-2.06	-1.26	--	--	--	--	--	-1.26
<i>MSCI EAFE NetDiv</i>			-1.61	-0.42	5.34	11.54	2.89	6.46	4.33	-0.42
Fixed Income (01/17) *	55,678	21.78	0.90	0.37	0.36	4.26	-1.39	1.16	--	2.03
Core Bonds										
JP Morgan Fixed Income (01/09)	30,520	11.94	0.91	0.42	0.08	3.41	-2.26	0.49	1.90	3.09
<i>Bloomberg US Aggregate</i>			0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35	2.54
Multi-Sector Fixed Income										
Fidelity Tactical Bond (09/18) *	12,269	4.80	0.80	-0.02	-0.11	4.05	-1.25	1.64	--	2.73
<i>Bloomberg US Aggregate</i>			0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35	0.99
Absolute Return										
BlackRock Strategic Income Opp (09/17) *	12,890	5.04	0.95	0.73	1.65	6.91	0.93	2.76	--	2.91
<i>Bloomberg US Aggregate</i>			0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35	0.69

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

For the Periods Ending June 30, 2024

	Market Value (\$000s)	Actual Allocation (%)	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
Real Assets (01/19) * 4	38,322	14.99	-0.78	-0.78	-0.83	-5.59	1.95	2.68	--	2.93
Core Real Estate										
AEW Core Property Trust (01/19) * 4	19,698	7.71	-0.37	-0.37	-1.37	-4.37	2.89	3.48	--	3.66
<i>NFI ODCE Net</i>			<i>-0.67</i>	<i>-0.67</i>	<i>-3.23</i>	<i>-10.00</i>	<i>1.02</i>	<i>2.27</i>	<i>5.46</i>	<i>2.42</i>
Value Add Real Estate										
Blackstone Property Partners (10/19) * 4	18,624	7.29	-1.20	-1.20	-0.21	-6.90	0.92	--	--	1.88
<i>NFI ODCE Net</i>			<i>-0.67</i>	<i>-0.67</i>	<i>-3.23</i>	<i>-10.00</i>	<i>1.02</i>	<i>2.27</i>	<i>5.46</i>	<i>2.15</i>
Cash & Equivalents (01/17)	1,872	0.73	0.42	1.29	2.60	5.31	3.05	2.09	--	1.89
Cash & Equivalents (01/17)	1,872	0.73	0.42	1.29	2.60	5.31	3.05	2.09	--	1.89
<i>US T-Bills 90 Day</i>			<i>0.41</i>	<i>1.32</i>	<i>2.63</i>	<i>5.40</i>	<i>3.03</i>	<i>2.16</i>	<i>1.51</i>	<i>1.97</i>

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

* Net of Fee return data.

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

2 Blended US LC Benchmark: Effective May 2023, the index consists of 100.0% S&P 500.

3 Blended US SMID Benchmark: Effective August 2018, the index consists of 100.0% Russell 2500.

4 Valuation and performance are assessed quarterly.

The Fiscal Year End is June.

Market Overview

For the Periods Ending June 30, 2024

	1 Month (%)	3 Months (%)	YTD (%)	FYTD (%)	3 Years (%)	5 Years (%)	10 Years (%)
Equity Markets - Core							
S&P 500	3.59	4.28	15.29	24.56	10.01	15.05	12.86
Russell 1000	3.31	3.57	14.24	23.88	8.74	14.61	12.51
Russell 2000	-0.93	-3.28	1.73	10.06	-2.58	6.94	7.00
Russell 2500	-1.50	-4.27	2.35	10.47	-0.29	8.31	7.99
Equity Markets - Growth							
S&P 500 Growth	6.98	9.59	23.56	32.52	9.42	16.87	14.97
Russell 1000 Growth	6.74	8.33	20.70	33.48	11.28	19.34	16.33
Russell 2000 Growth	-0.17	-2.92	4.44	9.14	-4.86	6.17	7.39
Russell 2500 Growth	-0.54	-4.22	3.93	9.02	-4.11	7.58	8.77
Equity Markets - Value							
S&P 500 Value	-0.65	-2.10	5.79	15.29	9.59	11.89	9.89
Russell 1000 Value	-0.94	-2.17	6.63	13.06	5.52	9.01	8.23
Russell 2000 Value	-1.69	-3.64	-0.85	10.90	-0.53	7.07	6.23
Russell 2500 Value	-2.01	-4.31	1.50	11.24	2.15	8.01	6.77
International Markets							
MSCI ACWI NetDiv	2.23	2.87	11.30	19.38	5.43	10.76	8.43
MSCI ACWI ex US NetDiv	-0.10	0.96	5.69	11.62	0.46	5.55	3.84
MSCI EAFE NetDiv	-1.61	-0.42	5.34	11.54	2.89	6.46	4.33
MSCI EAFE Growth NetDiv	-0.45	-0.75	6.23	9.39	0.08	6.46	5.42
MSCI EAFE Value NetDiv	-2.78	0.01	4.49	13.75	5.55	6.07	3.02
MSCI EM NetDiv	3.94	5.00	7.49	12.55	-5.07	3.10	2.79
MSCI World NetDiv	2.03	2.63	11.75	20.19	6.86	11.78	9.16
MSCI World ex US NetDiv	-1.66	-0.60	4.96	11.22	2.82	6.56	4.27
Fixed Income							
ICE BofA 1 Yr Treasury Note	0.40	1.12	1.95	5.00	1.80	1.69	1.36
ICE BofA High Yield Master II	0.93	1.09	2.60	10.41	1.63	3.73	4.21
Bloomberg US Aggregate	0.95	0.07	-0.71	2.63	-3.02	-0.23	1.35
Bloomberg Intermediate G/C	0.80	0.64	0.49	4.19	-1.18	0.71	1.55
Bloomberg 10 Yr Municipal	1.51	-1.04	-1.57	1.92	-0.79	1.18	2.48
Bloomberg US Credit	0.67	-0.05	-0.46	4.42	-2.94	0.54	2.21
Real Assets							
NFI ODCE Net	-0.67	-0.67	-3.23	-10.00	1.02	2.27	5.46

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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 michigan.gov/LocalRetirementReporting .
Enter Six-Digit Municode	337537	
Unit Type	Authority	
Fiscal Year End Month	June	
Fiscal Year (four-digit year only, e.g., 2019)	2024	
Contact Name (Chief Administrative Officer)	Scott Taylor	Questions: For questions, please email LocalRetirementReporting@michigan.gov . 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 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				
3 Financial Information							
4	Enter retirement health care system's assets (system fiduciary net position ending)	Most Recent Audit Report	253,395,981				
5	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report	168,403,443				
6	Funded ratio	Calculated	150.5%				
7	Actuarially determined contribution (ADC)	Most Recent Audit Report	-				
7a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2018-3?	Most Recent Audit Report	YES				
8	Governmental Fund Revenues	Most Recent Audit Report	417,434,840				
9	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
10 Membership							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	778				
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	755				
14	Provide the amount of premiums paid on behalf of the retirants	Most Recent Audit Report or Accounting Records	9,180,680				
15 Investment Performance							
16	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	10.30%				
17	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	7.04%				
18	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	6.57%				
19 Actuarial Assumptions							
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%				
27 Uniform Assumptions							
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	253,395,981				
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	168,403,443				
30	Funded ratio using uniform assumptions	Calculated	150.5%				
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%				
33 Summary Report							
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?	Primary government triggers: Less than 40% funded AND greater than 12% ARC/Governmental fund revenues. Non-Primary government triggers: Less than 40% 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.

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

Financial Statements

June 30, 2024 and 2023

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

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June 30, 2024 and 2023

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Independent Auditors' Report

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

Opinion

We have audited the 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 and Light, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2024 and 2023, 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 does not purport to, and does not, present fairly the financial position of the Lansing Board of Water and Light, as of June 30, 2024 and 2023, 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
October 7, 2024

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

Management's Discussion and Analysis
June 30, 2024 and 2023
(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>2024</u>	<u>2023</u>	<u>2022</u>
Assets held in trust:			
Cash & cash equivalents	\$ 26,073,272	\$ 28,195,849	\$ 31,382,550
Participant-directed investments (Note 1):			
Mutual funds, bonds	17,497,649	17,745,597	16,900,960
Mutual funds, equity	152,413,555	130,774,490	122,401,760
Self-directed brokerage account:			
Equity securities/stocks	12,507,716	9,997,083	8,979,962
Mutual funds, equity	598,099	454,285	515,714
Certificates of deposit (negotiable)	100,039	349,683	-
Participant notes receivable and other	<u>3,532,182</u>	<u>3,439,525</u>	<u>3,302,591</u>
Net position	<u>\$ 212,722,512</u>	<u>\$ 190,956,512</u>	<u>\$ 183,483,537</u>
Changes in plan assets:			
Net investment income (loss)	\$ 25,881,631	\$ 18,054,588	\$ (17,658,093)
Employer and participant contributions	9,894,164	11,864,060	11,864,174
Benefits paid to participants	(13,525,681)	(21,900,248)	(20,560,553)
Loan defaults and other changes	<u>(484,114)</u>	<u>(546,425)</u>	<u>(728,171)</u>
Changes in net position	<u>\$ 21,766,000</u>	<u>\$ 7,472,975</u>	<u>\$ (27,082,643)</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.

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

Management's Discussion and Analysis
June 30, 2024 and 2023
(Unaudited)

Investment Results

The fiscal year ended June 30, 2024 saw a net investment gain of \$25.9 million. Fiscal year 2023 had a net investment gain of \$18.1 million, fiscal year 2022 had a net investment loss of \$(17.7) million. Total assets held in trust were \$213 million at the end of fiscal year 2024, \$191 million at the end of fiscal year 2023, \$183 million at the end of fiscal year 2022.

Future Events

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

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 26,073,272	\$ 28,195,849
Participant-directed investments (Note 1):		
Mutual funds, bonds	17,497,649	17,745,597
Mutual funds, equity	152,413,555	130,774,490
Self-directed brokerage account:		
Equity securities/stocks	12,507,716	9,997,083
Mutual funds, equity	598,099	454,285
Certificates of deposit (negotiable)	<u>100,039</u>	<u>349,683</u>
Total participant-directed investments	183,117,058	159,321,138
Participant notes receivable	<u>3,532,182</u>	<u>3,439,525</u>
Net position restricted for pensions	<u>\$ 212,722,512</u>	<u>\$ 190,956,512</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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Investment income:		
Net appreciation in fair value of investments	\$ 22,518,517	\$ 14,923,330
Interest and dividend income	<u>3,363,114</u>	<u>3,131,258</u>
Total investment income	25,881,631	18,054,588
Employer contributions (Note 1)	9,435,006	11,648,704
Interest from participant notes receivable	189,210	131,862
Other	<u>269,948</u>	<u>84,494</u>
Total additions	<u>35,775,795</u>	<u>29,919,648</u>
Deductions		
Benefits paid to participants	13,525,681	21,900,248
Loan defaults	331,152	396,895
Participants' note and administrative fees	<u>152,962</u>	<u>149,530</u>
Total deductions	<u>14,009,795</u>	<u>22,446,673</u>
Net increase in net position	21,766,000	7,472,975
Net Position Restricted for Pensions, Beginning	<u>190,956,512</u>	<u>183,483,537</u>
Net Position Restricted for Pensions, Ending	<u>\$ 212,722,512</u>	<u>\$ 190,956,512</u>

See notes to financial statements

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

Notes to Financial Statements
June 30, 2024 and 2023

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 and 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.

Nationwide Retirement Solutions (Nationwide) serves as the Plan recordkeeper, administrator and processor of participant investments.

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 BWL 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, 2024, there were 921 participants in the Plan, of which 821 were active employees. As of June 30, 2023, there were 858 participants in the Plan, of which 733 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

Notes to Financial Statements
June 30, 2024 and 2023

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

Notes to Financial Statements
June 30, 2024 and 2023

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.

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

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.

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

Notes to Financial Statements
June 30, 2024 and 2023

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.

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.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

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

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. As of June 30, 2024 and 2023, the Plan has \$314,227 and \$612,865, 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.

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.

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

Notes to Financial Statements
June 30, 2024 and 2023

Credit Risk

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2024, the credit quality ratings of investments subject to credit risk are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds, bond funds	\$ 17,497,649	Not rated	Not rated
Certificates of deposit (negotiable)	100,039	Not rated	Not rated

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	\$ 17,745,597	Not rated	Not rated
Certificates of deposit (negotiable)	349,683	Not rated	Not rated

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, 2024, the average maturities of investments subject to interest rate risk are as follows:

Investment	Fair Value	Weighted Average Maturity
Mutual funds, bond funds	\$ 17,497,649	6.7 years
Certificates of deposit (negotiable)	100,039	0.6 years

At June 30, 2023, the average maturities of investments subject to interest rate risk are as follows:

Investment	Fair Value	Weighted Average Maturity
Mutual funds, bond funds	\$ 17,745,597	6.9 years
Certificates of deposit (negotiable)	349,683	0.6 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, 2024 and June 30, 2023. The Plan's investment policy does not address concentration of credit risk.

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.

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

Notes to Financial Statements
June 30, 2024 and 2023

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.

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, 2024 and 2023:

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.

Deposits (Stable Value Fund) - The Vantagepoint PLUS Fund is a collective fund that seeks to maintain a stable net asset value (NAV). 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.

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

Notes to Financial Statements
June 30, 2024 and 2023

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, certificates of deposits (negotiable), valued at cost 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.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2024 and 2023:

Investment Type	2024			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Bond funds	\$ 17,497,649	\$ -	\$ -	\$ 17,497,649
Equity funds	152,413,555	-	-	152,413,555
Self-directed brokerage account:				
Equity securities/stocks	12,507,716	-	-	12,507,716
Mutual funds, equity	598,099	-	-	598,099
Certificates of deposit (negotiable)	-	100,039	-	100,039
Total investments by fair value level	\$ 183,017,019	\$ 100,039	\$ -	\$ 183,117,058

Investment Type	2023			Total
	Level 1	Level 2	Level 3	
Mutual funds:				
Bond funds	\$ 17,745,597	\$ -	\$ -	\$ 17,745,597
Equity funds	130,774,490	-	-	130,774,490
Self-directed brokerage account:				
Equities	9,997,083	-	-	9,997,083
Mutual funds	454,285	-	-	454,285
Certificates of deposit (negotiable)	-	349,683	-	349,683
Total investments by fair value level	\$ 158,971,455	\$ 349,683	\$ -	\$ 159,321,138

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

Notes to Financial Statements
June 30, 2024 and 2023

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 October 7, 2024, 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, 2024

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, 2024 Quarterly Review

Section 1
RETIREMENT INDUSTRY UPDATES

Section 2
MARKET COMMENTARY AND REVIEW

Section 3
PLAN INVESTMENT REVIEW

Section 4
FUND FACT SHEETS

Appendix

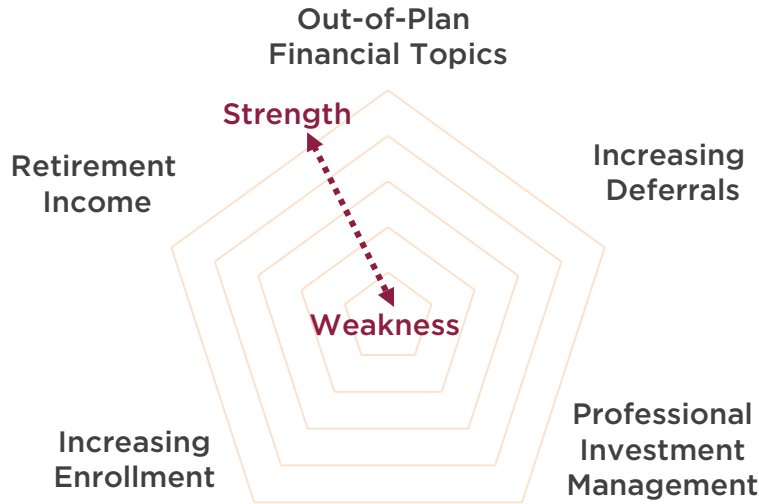


SECTION 1: RETIREMENT INDUSTRY UPDATES

Industry Updates.....

THE PARTICIPANT WELLNESS CONTINUUM

With an increased focus on employee well-being, plan sponsors are now addressing a broader range of financial needs beyond retirement readiness. When considering potential solutions, sponsors should evaluate the strengths, weaknesses, and overall objectives of each option, since improving well-being may require multiple, combined solutions. Here, we assess four of the most talked-about: investment education, investment advice, managed accounts, and financial wellness solutions.



ADDITIONAL CONSIDERATIONS:

- Availability of one-on-one support
- Advice and education delivered in person or virtually
- Digital capabilities
- In-plan vs. out-of-plan coverage
- Discretionary vs. nondiscretionary
- Additional cost to participants or plan sponsor
- Communication campaigns and strategy
- Fiduciary role and conflicts of interest

Investment Education



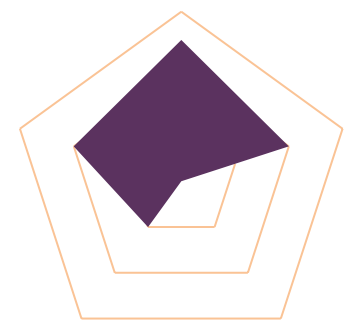
Investment Advice



Managed Accounts



Wellness Solutions



SECOND QUARTER IN REVIEW

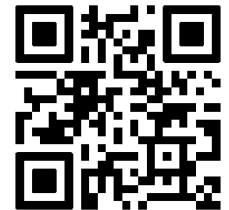
Below is a recap of some of the other great content for retirement plan sponsors this quarter.

REVAMPING RETIREMENT PODCAST

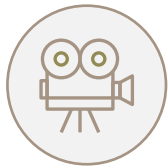


Hosted by CAPTRUST’s defined contribution leaders, *Revamping Retirement* breaks down the opportunities and challenges facing plan sponsors and fiduciaries to provide actionable insights and best practices.

- **April:** Artificial Intelligence for Plan Sponsors
Guest: Mike Allen | Morningstar
- **May:** The Fiduciary Rule, Expiring Tax Cuts, and the Jobs Act
Guest: Brian Graff | American Retirement Association
- **June:** Exploring Employee Advice Solutions
Guest: Laura Varas | Hearts & Wallets



VIDEOS



Visit our library of short videos from CAPTRUST financial experts. Topics covered include financial planning, quarterly market recaps, and retirement plan design.

- What is a Nonqualified Plan?
- Market Update | April 2024



WEBINARS



CAPTRUST hosts regular webinars and live panel discussions, including our quarterly fiduciary training series and our annual RFP guide for organization leaders.

- Advisor RFPs: The Ultimate Guide
- 2024 Fiduciary Training: Plan Governance



FIDUCIARY TRAINING: CONTRIBUTION TIMING

Fiduciary training is a critical part of being a fiduciary, helping to minimize risk through education and governance. A good fiduciary curriculum covers a range of topics, from an overview of ERISA to best practices for monitoring investments. Here, we review timing requirements for submitting employee contributions to your recordkeeper to confirm you are meeting DOL requirements.

FOR PLANS WITH MORE THAN 100 EMPLOYEES

Contributions, including employee deferrals and loan repayments, must be deposited into participant accounts on the earliest date that they can reasonably be segregated from the employer's general assets, but no later than the 15th business day following the end of the month of withholding.

It is important to note that the time frame of 15 business days following the end of the month is not a safe harbor for depositing deferrals.

In general, the DOL would expect contributions to be deposited as soon as administratively or operationally feasible. For plans with more than 100 employees, this is typically within seven business days.



FOR PLANS WITH FEWER THAN 100 EMPLOYEES

Contributions, including employee deferrals and loan repayments, must be deposited into plan accounts as soon as they can reasonably be segregated from the employer's general assets.

The DOL has established a safe harbor stipulation that contributions should be deposited no later than the seventh business day after withholding.

HOW TO CORRECT LATE EMPLOYEE CONTRIBUTIONS

- Start by determining which deferral or loan repayments are late, per the guidance above.
- Late contributions and loan repayments to the plan must be reported on your Form 5500 and on the Supplemental Schedule of Delinquent Participant Contributions.
- Late contributions can be corrected in a few ways, including self-correction or via the DOL's voluntary fiduciary correction program.
- Resources such as your plan provider, 5500 auditor, or legal counsel may provide guidance on the best course of action for your particular circumstances.
- Most importantly, review procedures and correct deficiencies that led to the late deposits.

SECTION 2: MARKET COMMENTARY AND REVIEW

Market Commentary.....

Market Review.....

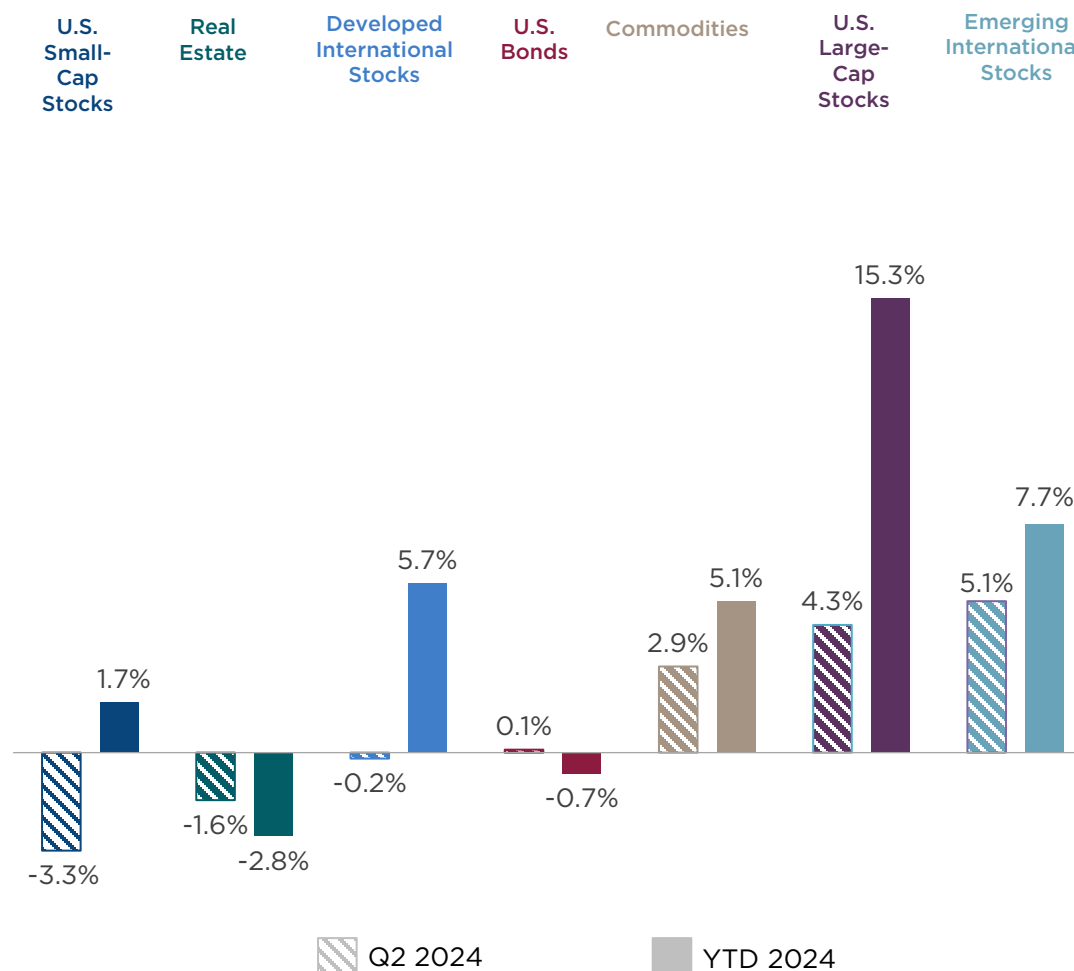
Asset Class Returns.....

Index Performance.....

UNCERTAINTY CONTINUES AMID SHIFTING NARRATIVE

In the second quarter, a solid global economic backdrop supported equities, although euphoria around big tech and artificial intelligence continued to drive relative performance in U.S. favor. The disinflation narrative gained momentum, with many central banks starting to reduce policy rates, a positive for markets, especially those most rate sensitive. Now, political and geopolitical challenges seem poised to capture the narrative and drive volatility, given the number of elections this year.

- U.S. equity results were mixed with large tech stocks driving outsized returns. Interest rate- sensitive small-cap stocks felt the most pressure.
- Bond yields moved moderately higher as expectations eased for multiple 2024 Fed interest rate cuts.
- Commodities advanced. Long-term significant infrastructure needs and the ongoing renewable energy transition are expected to drive demand.
- Real estate sagged, although relative valuations and rate cut expectations drove improvement.
- Outside the U.S., performance varied by region. Currency weakness weighed on Japan, and political uncertainty hampered Europe. Conversely, emerging market stocks kept pace with U.S. equities. China was a top performer, although potential trade and geopolitical tensions remain a key risk.



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 2024	YTD 2024	Last 12 Months
U.S. Stocks	4.3%	15.3%	24.6%
• Q2 Best Sector: Technology	13.8%	28.2%	41.8%
• Q2 Worst Sector: Materials	-4.5%	4.0%	8.7%
International Stocks	-0.2%	5.7%	12.1%
Emerging Markets Stocks	5.1%	7.7%	13.0%

Fixed Income

	6.30.24	3.31.24	6.30.23
1-Year U.S. Treasury Yield	5.09%	5.03%	5.40%
10-Year U.S. Treasury Yield	4.36%	4.20%	3.81%
	QTD 2024	YTD 2024	Last 12 Months
10-Year U.S. Treasury Total Return	-0.36%	-2.03%	-0.66%

Equities - Relative Performance by Market Capitalization and Style

	Q2 2024			YTD 2024			Last 12 Months				
	Value	Blend	Growth	Value	Blend	Growth	Value	Blend	Growth		
Large	-2.2%	4.3%	8.3%	Large	6.6%	15.3%	20.7%	Large	13.1%	24.6%	33.5%
Mid	-3.4%	-3.3%	-3.2%	Mid	4.5%	5.0%	6.0%	Mid	12.0%	12.9%	15.1%
Small	-3.6%	-3.3%	-2.9%	Small	-0.8%	1.7%	4.4%	Small	10.9%	10.1%	9.1%

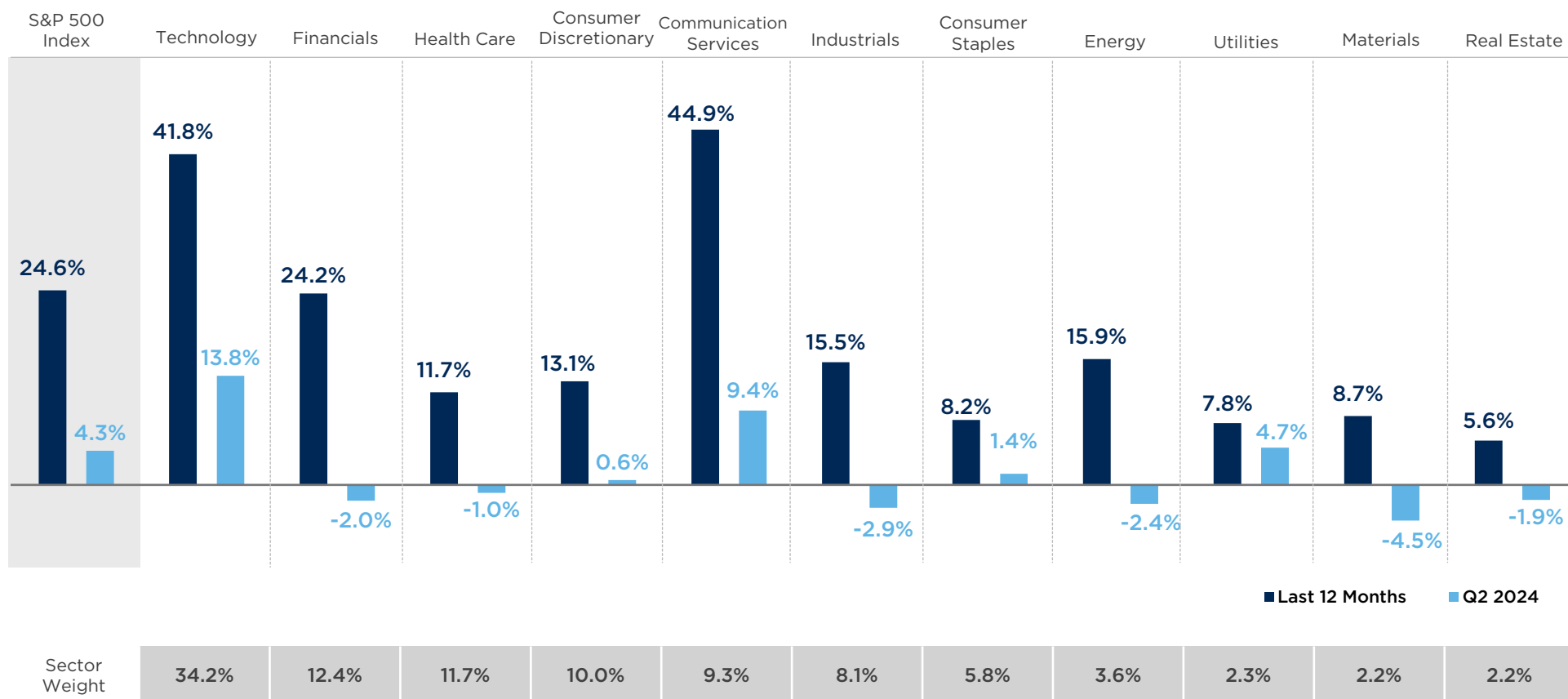
Sources: Bloomberg, U.S. Treasury. Asset class returns are represented by the following indexes: S&P 500 Index (U.S. stocks), MSCI EAFE Index (international developed market stocks), and MSCI Emerging Markets Index (emerging market stocks). Relative performance by market capitalization and style is based 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: Morningstar, S&P Global. 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 2024	5.46%	4.59%	4.21%	4.20%	4.34%	6.79%
June 2024	5.48%	4.71%	4.33%	4.36%	4.51%	6.86%
Change	0.02%	0.12%	0.12%	0.16%	0.17%	0.07%

U.S. Treasury yields moved modestly higher as expectations for multiple rate cuts eased. Mortgage rates surged to a five-month high early in the quarter before easing to end the quarter nearly flat. The housing sector slump continues.

Core Fixed Income	Yield to Worst	Duration	Total Return Q2 2024	Spread	Treasury Rate	AA Spread	BBB Spread
March 2024	4.84%	6.08	0.07	0.38	4.46%	0.36%	1.06%
June 2024	5.00%	6.13		0.39	4.61%	0.39%	1.07%
Change	0.16%	0.05		0.01%	0.15%	0.03%	0.01%

Performance for core bonds was moderately positive for the quarter as yields moved higher. Credit spreads widened slightly.

Long Credit	Yield to Worst	Duration	Total Return Q2 2024	Spread	Treasury Rate	AA Spread	BBB Spread
March 2024	5.48%	12.92	-1.68%	1.10%	4.38%	0.71%	1.42%
June 2024	5.71%	12.56		1.15%	4.56%	0.76%	1.47%
Change	0.23%	-0.36		0.05%	0.18%	0.05%	0.05%

Declines for longer maturity bonds were more pronounced this quarter due to higher yields. Spreads remained nearly unchanged.

Sources: Morningstar, FactSet, U.S. Treasury, Federal Reserve Bank of St. Louis, CAPTRUST Research



ECONOMIC OUTLOOK

The economy's resilience continues to surprise amid a robust labor market, ongoing consumer and business spending, and a favorable fiscal backdrop. However, there are early signs of small cracks that could derail the no-landing economic outcome the Federal Reserve has been able to deliver so far. Higher interest burdens, election uncertainty, and an increasingly narrow stock market landscape could limit future economic activity. Attempting to fill these cracks will be continued liquidity infusions by the U.S. Treasury, artificial intelligence (AI)-led productivity gains and expectations for an eventual Fed pivot to reduce today's monetary policy headwinds.

HEADWINDS

Rising Real Rates Create Uncertainty

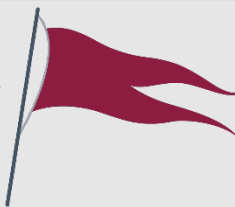
- Real yields are the primary measure of the Fed's policy actions. Today, they're at levels that have proven restrictive over the past 25 years.

Post-Election Reality Check

- The amount of stimulus required to support markets during election years can cause a hangover in inauguration years with an increasingly wide range of historical market outcomes. The next administration will face immediate fiscal, geopolitical, and monetary policy challenges.

Pressure Mounting from Higher Rates

- Borrowing costs on government debt have nearly doubled in the last three years, mostly due to rising interest rates and higher issuance. With a majority of debt maturing in the next three years, refinancing costs will be a key variable in future fiscal activity.



TAILWINDS

Fed Progress on Inflation

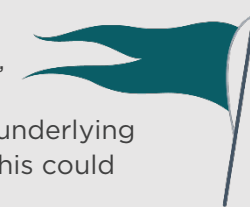
- While official measures remain above targets, the Fed continues to make progress in its fight against inflation with nearly 70% of the underlying components below the Fed's 2% threshold. This could support a year-end Fed pivot.

Election Year Momentum

- Election years are usually good for markets, especially when incumbents are running for reelection. The U.S. Treasury tends to keep liquidity flowing, while the administration uses all the tools at its disposal to stimulate consumer spending.

Broader Corporate Profitability

- Like consumers, corporations have been surprisingly resilient in the face of higher interest rates. While initial strength has been concentrated with the mega-cap cash-flow giants, market strength is expected to broaden out over the coming quarters.

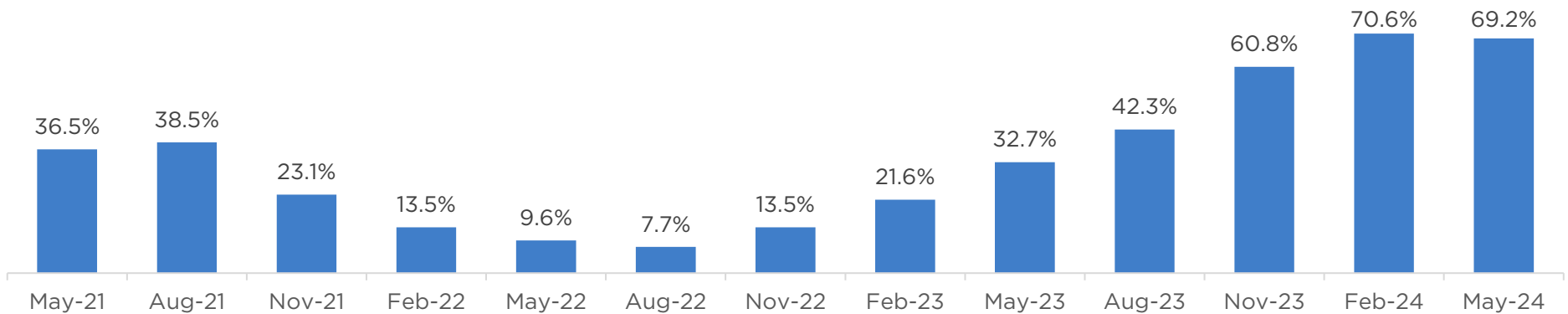


Although the economic seas remain calm, there are increasing signs of chop in the water.
It would be prudent to move forward with caution.

FADING INFLATION SUPPORTS CENTRAL BANK EASING

Inflation has gradually waned since its June 2022 peak, easing the price burden felt by consumers and businesses alike. Although some global central banks have begun easing or lowering interest rates, a resilient U.S. economy and moderately higher-than-targeted inflation have led to an extended Fed rate pause. While core inflation remains above the Fed’s 2% target, prices for most components that factor into the consumer basket have already fallen below that threshold.

Percent of Consumer Price Index (CPI) Components with Less than 2% Year-over-Year Growth



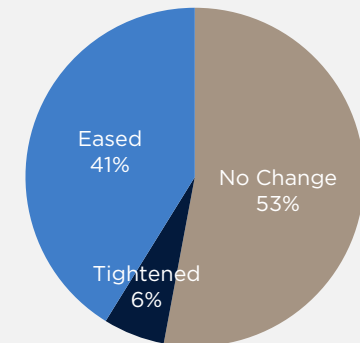
The CPI is comprised of more than 300 components which can be grouped into 52 categories. Of these categories, 69% have already seen inflation fall below the Fed’s target, compared to only 8% at the peak of inflation in 2022.

The magnitude of price increases has also dwindled. At the height of inflation, prices for key food items were up more than 20% from the prior year. Now, those price increases have waned to only 1%.

While the Fed continues to hold interest rates steady, several global central banks have already begun to ease their monetary policies to stimulate economic growth.

Of 34 central banks examined, 14 (or 41%) are currently lowering rates.

Global Central Bank Rate Moves in 2024



Sources: U.S. Bureau of Labor Statistics, CAPTRUST Research



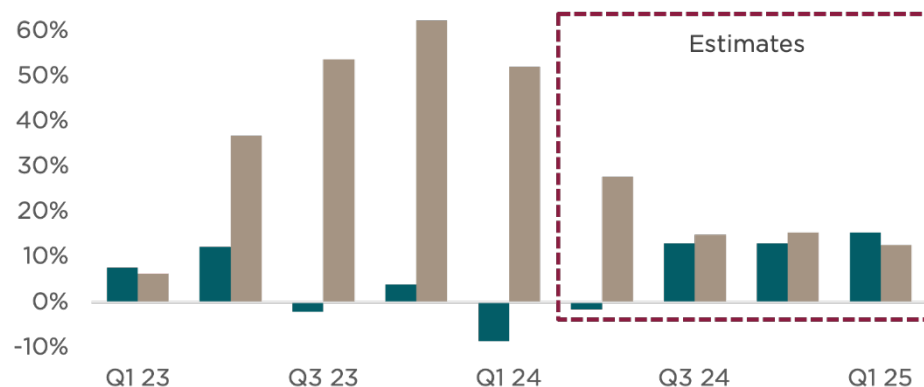
CORPORATE PROFITABILITY BOLSTERS EQUITIES

Equity gains in 2023 could be attributed to two primary factors: resilient economic activity despite restrictive monetary policy and artificial intelligence-led productivity growth optimism. With these elements priced into markets, the next wave of equity returns will likely need to come from corporate earnings growth. Fortunately, analysts are projecting double-digit growth across the market landscape in 2024 and 2025.

**Analysts' S&P 500 Earnings Growth Estimates
2024 and 2025**



**Broadening Earnings Expectations
(Year-over-Year Recurring Income Growth %)**



2024

2025

S&P 500 ex. Mag 7

Magnificent 7

2024 earnings estimates for the S&P 500, first introduced in January 2022, were originally lofty, with analysts projecting nearly 30% growth over 2023 profits. Following a normal pattern, 2024 expectations fell initially, troughing in May 2023. However, a renewed surge in optimism has sent both 2024 and 2025 earnings growth expectations sharply higher, with double-digit gains now expected for both years.

Over the past four quarters, S&P 500 earnings growth has been heavily concentrated, with the Magnificent Seven stocks posting outsized profitability increases while the remainder of the index has seen muted growth, and a few quarters of declines. Analysts expect this to reverse in the second half of 2024, with the remainder of the S&P 500 also projected to grow earnings at double-digit rates.

Unfortunately, the broadening of earnings expectations may face resistance at the lower end of the capitalization spectrum. Higher-for-longer interest rate expectations have repeatedly pressured analysts' earnings projections for small-cap companies. Falling rates could be the catalyst for broader market strength, but predicting the forward path of interest rates has been nearly impossible, even for policymakers.

Sources: FactSet, S&P 500 Earnings Estimates as of 6.30.2024; Strategas Research, Estimates as of 6.25.2024; CAPTRUST Research

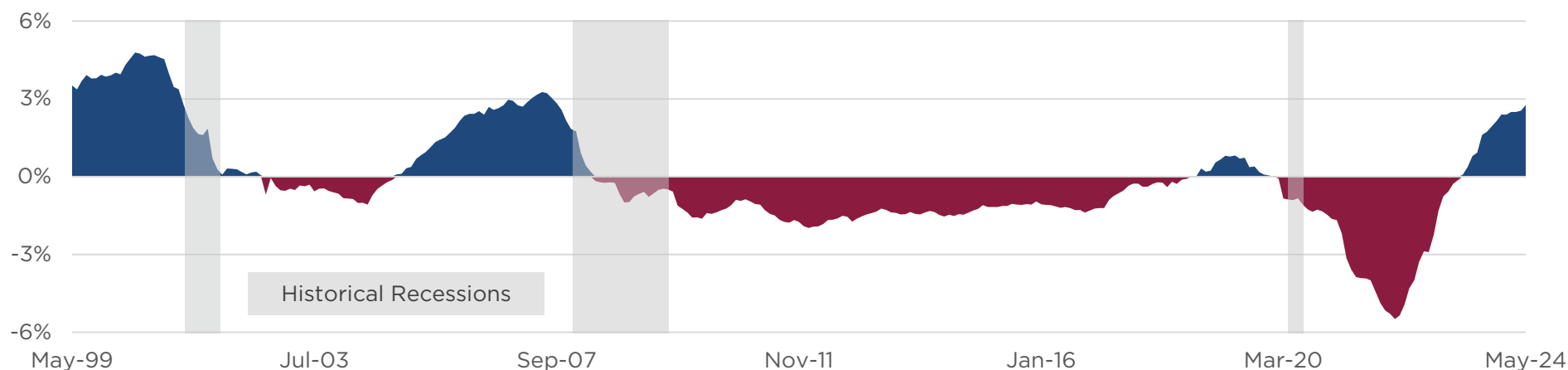


WALKING A MONETARY POLICY TIGHTROPE

The *natural rate of interest* refers to the level of interest rates that policymakers believe to be neither stimulative nor restrictive. This provides the baseline for policymakers to manage economic activity. Many believe this hypothetical neutral rate has been declining for nearly 25 years, requiring policymakers to keep rates artificially low. However, many are now questioning whether we are in the early stages of a rising natural interest-rate regime. A new regime would have a profound impact on the pace and scale of future Fed policy moves.

Real Federal Funds Rate

Current Federal Funds Rate Minus 12-Month Change in Core Personal Consumption Expenditures



ECONOMIC CAPACITY FOR HIGHER INTEREST RATES

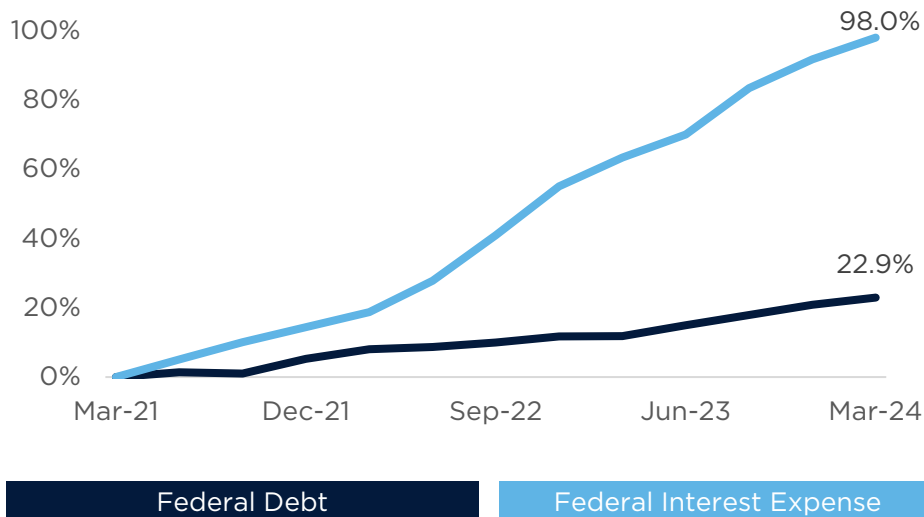
For much of the past 25 years, the U.S. economy has seemed unable to withstand elevated interest rates with even modestly positive real yields straining economic growth. The result is U.S. policymakers setting the fed funds rate below inflation for more than 60% of this period. If the U.S. is indeed entering a rising natural interest-rate regime, like the 1990s, economic activity should be able to withstand the recent higher fed funds rate. However, markets may need to recalibrate toward a higher terminal fed funds rate. Conversely, if the economy's recent lack of interest rate sensitivity proves temporary, policymakers may be stuck trying to battle renewed recessionary pressures. Potential leadership changes are always a source of uncertainty and volatility.

Sources: Board of Governors of the Federal Reserve System, U.S. Bureau of Economic Analysis, CAPTRUST Research

FISCAL FIRE DRILL

On June 2, 2023, Congress suspended the U.S. debt ceiling, removing limitations on government spending. This suspension ends on January 1, 2025, requiring Congress to return to the negotiation table, likely starting the next installment in the ongoing fiscal default cliffhanger series. The U.S. fiscal landscape remains one of the largest sources of uncertainty for investors. These headwinds appear to be strengthening as the cost of debt continues to soar.

Cumulative Three-Year Growth Rate

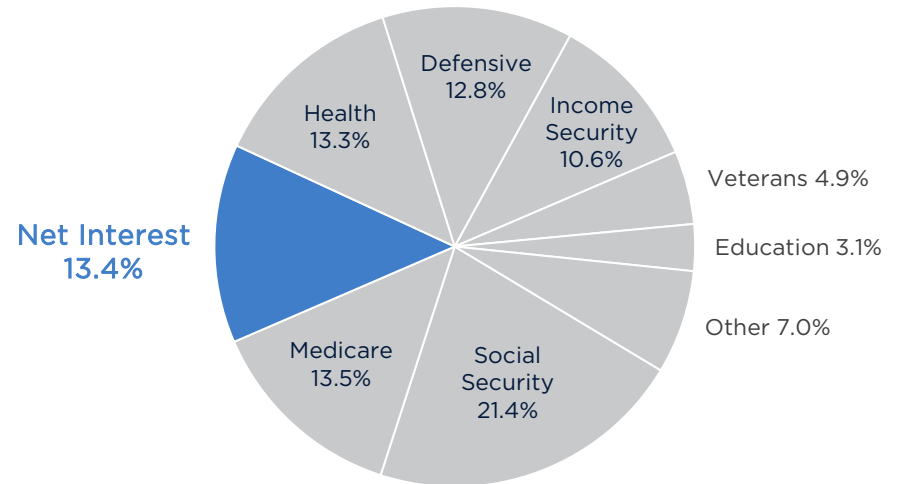


DOUBLE DOSE OF DEBT DRAG

Federal debt has experienced a 22.9% cumulative increase over the last three years as the government has added more than \$6 trillion in new debt. In isolation, this pace of debt growth is unsustainable. However, what's more alarming is the steady increase in the cost of debt, also called the *interest expense*, which has nearly doubled over this period.

% of Federal Spending Outlays

Fiscal YTD as of 5.31.2024



INTEREST EXPENSES SQUEEZE DISCRETION

Net interest expense now accounts for a higher percentage of government expenditures than national defense. Today's interest expense is projected to continue moving higher as the average interest rate on outstanding Treasuries is approximately 3.2% and roughly 55% of outstanding marketable Treasury debt is set to mature over the next three years.

Sources: Monthly Treasury Statement 5.31.2024, U.S. Department of Treasury; Strategas Research; CAPTRUST Research



ASSET CLASS RETURNS

Period Ending 6.30.24 | Q2 24

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q2 2024
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 42.68%	Large-Cap Growth 20.70%
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%	Mid-Cap Growth 25.27%	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 25.87%	Large-Cap Value 6.62%
Large-Cap Value 0.39%	International Equities 17.32%	Small-Cap Value 34.52%	Large-Cap Growth 13.05%	Cash 0.05%	Large-Cap Value 17.34%	International Equities 25.03%	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%	International Equities 18.24%	Mid-Cap Growth 5.98%
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 7.82%	Large-Cap Value 25.16%	Fixed Income -13.01%	Small-Cap Growth 18.66%	International Equities 5.34%
Mid-Cap Value -1.38%	Mid-Cap Growth 15.81%	Mid-Cap Value 33.46%	Fixed Income 5.97%	International Equities -0.81%	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 -14.45%	Small-Cap Value 14.65%	Mid-Cap Value 4.54%
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 22.01%	Mid-Cap Value 4.96%	International Equities 11.26%	Small-Cap Value -14.48%	Mid-Cap Value 12.71%	Small-Cap Growth 4.44%
Small-Cap Growth -2.91%	Small-Cap Growth 14.59%	International Equities 22.78%	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%	Large-Cap Value 11.46%	Cash 2.63%
Small-Cap Value -5.50%	Fixed Income 4.22%	Cash 0.07%	Cash 0.03%	Mid-Cap Value -4.78%	International Equities 1.00%	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%	Fixed Income 5.53%	Fixed Income -0.71%
International Equities -12.14%	Cash 0.11%	Fixed Income -2.02%	International Equities -4.90%	Small-Cap Value -7.47%	Cash 0.33%	Cash 0.86%	International Equities -13.79%	Cash 2.28%	Cash 0.67%	Fixed Income -1.54%	Large-Cap Growth -29.14%	Cash 5.01%	Small-Cap Value -0.85%

Source: Markov Processes, Inc., Bloomberg, Mobius

- 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.



INDEX PERFORMANCE

Period Ending 6.30.24 | Q2 24

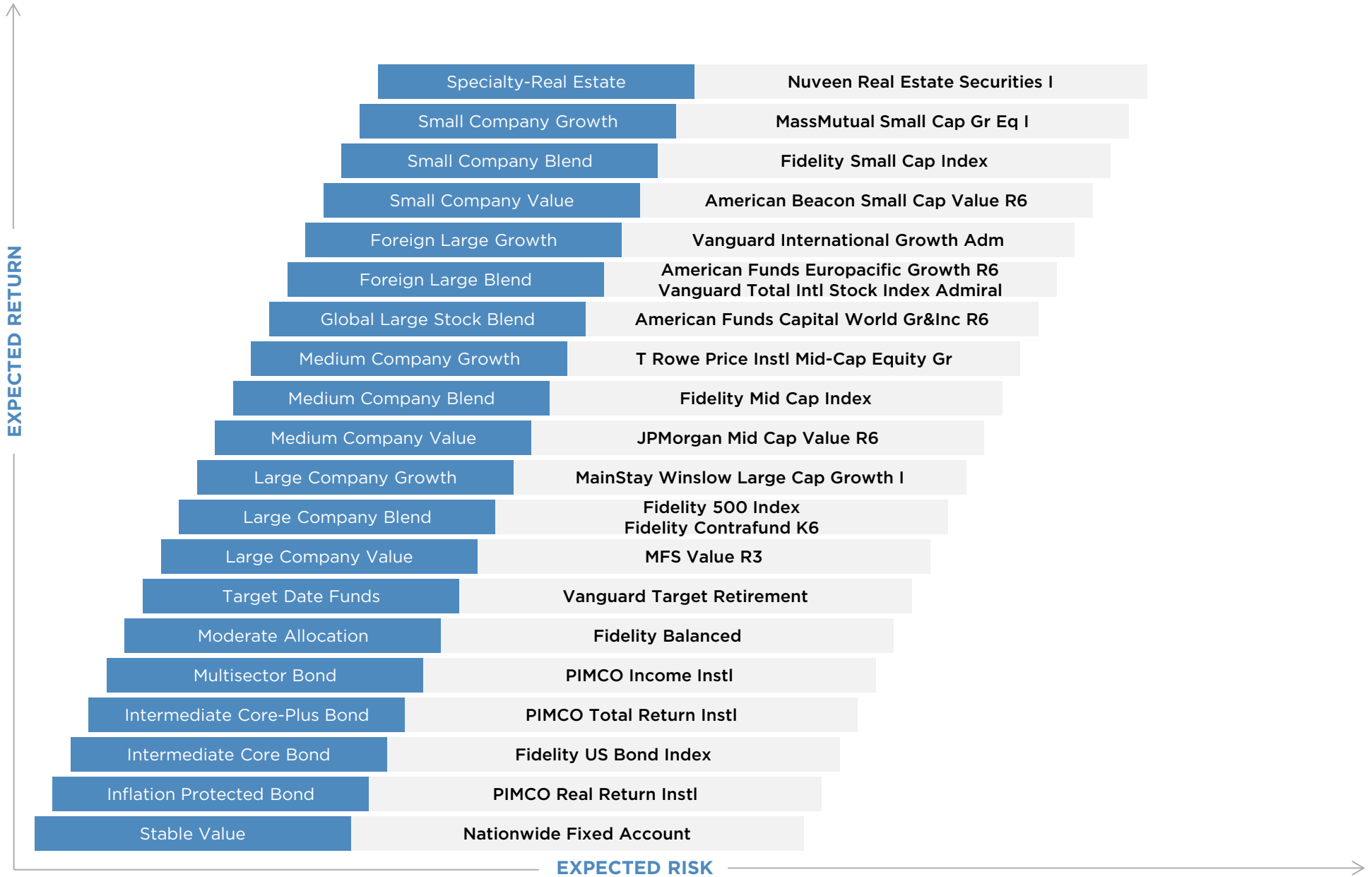
INDEXES	Q2 2024	YTD	2023	2022	2021	2020	2019	1 YEAR	3 YEARS	5 YEARS	10 YEARS
90-Day U.S. Treasury	1.32%	2.63%	5.01%	1.46%	0.05%	0.67%	2.28%	5.40%	3.03%	2.15%	1.51%
Bloomberg Government 1-3 Year	0.91%	1.20%	4.32%	-3.81%	-0.60%	3.14%	3.59%	4.53%	0.34%	1.03%	1.13%
Bloomberg Intermediate Govt	0.58%	0.23%	4.30%	-7.73%	-1.69%	5.73%	5.20%	3.40%	-1.38%	0.29%	1.11%
Bloomberg Muni Bond	-0.02%	-0.40%	6.40%	-8.53%	1.52%	5.21%	7.54%	3.21%	-0.88%	1.16%	2.39%
Bloomberg Intermediate Govt/Credit	0.64%	0.49%	5.24%	-8.23%	-1.44%	6.43%	6.80%	4.19%	-1.18%	0.71%	1.54%
Bloomberg Intermediate Credit	0.73%	0.93%	6.94%	-9.10%	-1.03%	7.08%	9.52%	5.60%	-0.80%	1.32%	2.20%
Bloomberg Aggregate Bond	0.07%	-0.71%	5.53%	-13.01%	-1.54%	7.51%	8.72%	2.63%	-3.02%	-0.23%	1.34%
Bloomberg Corporate IG Bond	-0.09%	-0.49%	8.52%	-15.76%	-1.04%	9.89%	14.54%	4.63%	-3.03%	0.62%	2.33%
Bloomberg High Yield	1.09%	2.58%	13.44%	-11.19%	5.28%	7.11%	14.32%	10.44%	1.64%	3.91%	4.30%
Bloomberg Global Aggregate	-1.10%	-3.16%	5.72%	-16.25%	-4.71%	9.20%	6.84%	0.93%	-5.49%	-2.02%	-0.42%
Bloomberg U.S. Long Corporate	-1.74%	-3.39%	10.93%	-25.62%	-1.13%	13.94%	23.89%	2.18%	-6.87%	-0.79%	2.45%
S&P 500	4.28%	15.29%	26.29%	-18.11%	28.71%	18.40%	31.49%	24.56%	10.01%	15.03%	12.85%
Dow Jones Industrial Average	-1.27%	4.79%	16.18%	-6.86%	20.95%	9.72%	25.34%	16.02%	6.42%	10.31%	11.29%
NASDAQ Composite	8.26%	18.13%	43.42%	-33.10%	21.39%	43.64%	35.23%	28.61%	6.93%	17.22%	14.92%
Russell 1000 Value	-2.17%	6.62%	11.46%	-7.54%	25.16%	2.80%	26.54%	13.06%	5.52%	9.00%	8.22%
Russell 1000	3.57%	14.24%	26.53%	-19.13%	26.45%	20.96%	31.43%	23.88%	8.74%	14.59%	12.50%
Russell 1000 Growth	8.33%	20.70%	42.68%	-29.14%	27.60%	38.49%	36.39%	33.48%	11.28%	19.32%	16.32%
Russell Mid-Cap Value Index	-3.40%	4.54%	12.71%	-12.03%	28.34%	4.96%	27.06%	11.98%	3.65%	8.49%	7.60%
Russell Mid-Cap Index	-3.35%	4.96%	17.23%	-17.32%	22.58%	17.10%	30.54%	12.88%	2.37%	9.45%	9.04%
Russell Mid-Cap Growth Index	-3.21%	5.98%	25.87%	-26.72%	12.73%	35.59%	35.47%	15.05%	-0.08%	9.92%	10.51%
MSCI EAFE	-0.42%	5.34%	18.24%	-14.45%	11.26%	7.82%	22.01%	11.54%	2.89%	6.46%	4.33%
MSCI ACWI ex U.S.	0.96%	5.69%	15.62%	-16.00%	7.82%	10.65%	21.51%	11.62%	0.46%	5.54%	3.84%
Russell 2000 Value	-3.64%	-0.85%	14.65%	-14.48%	28.27%	4.63%	22.39%	10.90%	-0.53%	7.07%	6.22%
Russell 2000	-3.28%	1.73%	16.93%	-20.44%	14.82%	19.96%	25.52%	10.06%	-2.58%	6.93%	7.00%
Russell 2000 Growth	-2.92%	4.44%	18.66%	-26.36%	2.83%	34.63%	28.48%	9.14%	-4.86%	6.16%	7.38%
MSCI Emerging Markets	5.00%	7.49%	9.83%	-20.09%	-2.54%	18.31%	18.44%	12.55%	-5.06%	3.09%	2.79%
Dow Jones U.S. Real Estate Index	-1.73%	-2.87%	12.25%	-25.17%	38.99%	-5.29%	28.92%	4.79%	-1.95%	3.04%	5.76%
HFRI Absolute Return Index	0.92%	2.78%	2.95%	0.85%	2.10%	2.72%	4.37%	5.54%	2.07%	2.81%	2.07%
Consumer Price Index (Inflation)	0.26%	1.40%	3.32%	6.41%	7.18%	1.30%	2.32%	2.98%	4.97%	4.17%	2.81%
BLENDING BENCHMARKS	Q2 2024	YTD	2023	2022	2021	2020	2019	1 YEAR	3 YEARS	5 YEARS	10 YEARS
25% S&P 500/5% MSCI EAFE/70% BB Agg	1.10%	3.45%	11.12%	-14.11%	6.10%	10.85%	14.93%	8.29%	0.58%	4.00%	4.49%
30% S&P 500/10% MSCI EAFE/60% BB Agg	1.29%	4.54%	12.79%	-14.40%	8.22%	11.51%	16.73%	9.82%	1.55%	5.13%	5.24%
35% S&P 500/15% MSCI EAFE/50% BB Agg	1.48%	5.64%	14.46%	-14.71%	10.36%	12.11%	18.54%	11.36%	2.51%	6.25%	5.98%
40% S&P 500/20% MSCI EAFE/40% BB Agg	1.67%	6.75%	16.16%	-15.04%	12.54%	12.65%	20.35%	12.91%	3.46%	7.35%	6.71%
45% S&P 500/25% MSCI EAFE/30% BB Agg	1.85%	7.87%	17.86%	-15.39%	14.74%	13.13%	22.17%	14.48%	4.41%	8.44%	7.42%
60% S&P 500/40% Bloomberg Barclays Agg	2.60%	8.70%	17.67%	-15.79%	15.86%	14.73%	22.18%	15.42%	4.84%	9.01%	8.38%

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.



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Investment Review Select Commentary.....	
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Lansing Board of Water and Light Defined Contribution Plans



PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

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

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Stable Value	Nationwide Fixed Account	\$25,107,032	12.56%	\$25,512,310	12.20%
Inflation Protected Bond	PIMCO Real Return Instl	\$3,832,905	1.92%	\$4,145,016	1.98%
Intermediate Core Bond	Fidelity US Bond Index	\$2,779,107	1.39%	\$2,809,588	1.34%
Intermediate Core-Plus Bond	PIMCO Total Return Instl	\$5,610,893	2.81%	\$5,544,750	2.65%
Multisector Bond	PIMCO Income Instl	\$5,109,998	2.56%	\$4,998,295	2.39%
Moderate Allocation	Fidelity Balanced	\$5,168,534	2.58%	\$5,665,647	2.71%
Target Date Retirement Income	Vanguard Target Retirement Income Fund	\$6,204,407	3.10%	\$6,252,639	2.99%
Target Date 2020	Vanguard Target Retirement 2020 Fund	\$4,689,184	2.35%	\$4,679,863	2.24%
Target Date 2025	Vanguard Target Retirement 2025 Fund	\$9,502,137	4.75%	\$8,689,298	4.15%
Target Date 2030	Vanguard Target Retirement 2030 Fund	\$8,923,871	4.46%	\$9,199,240	4.40%
Target Date 2035	Vanguard Target Retirement 2035 Fund	\$9,168,070	4.59%	\$9,376,192	4.48%
Target Date 2040	Vanguard Target Retirement 2040 Fund	\$7,549,639	3.78%	\$8,250,328	3.94%
Target Date 2045	Vanguard Target Retirement 2045 Fund	\$6,286,668	3.14%	\$6,805,807	3.25%
Target Date 2050	Vanguard Target Retirement 2050 Fund	\$3,897,638	1.95%	\$4,656,797	2.23%
Target Date 2055	Vanguard Target Retirement 2055 Fund	\$877,643	0.44%	\$1,141,533	0.55%
Target Date 2060	Vanguard Target Retirement 2060 Fund	\$1,008,290	0.50%	\$1,343,644	0.64%
Target Date 2065+	Vanguard Target Retirement 2065 Fund	\$376,554	0.19%	\$591,878	0.28%
Large Company Value	MFS Value R3	\$8,680,046	4.34%	\$9,051,017	4.33%

CONTINUED...

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PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

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

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Large Company Blend	Fidelity 500 Index	\$15,172,909	7.59%	\$17,726,379	8.47%
Large Company Blend	Fidelity Contrafund K6	\$9,238,081	4.62%	\$11,677,704	5.58%
Large Company Growth	MainStay Winslow Large Cap Growth I	\$7,276,774	3.64%	\$8,550,247	4.09%
Medium Company Value	JPMorgan Mid Cap Value R6	\$1,408,772	0.70%	\$1,414,343	0.68%
Medium Company Blend	Fidelity Mid Cap Index	\$2,703,905	1.35%	\$2,825,720	1.35%
Medium Company Growth	T Rowe Price Instl Mid-Cap Equity Gr	\$8,267,810	4.14%	\$8,153,555	3.90%
Global Large Stock Blend	American Funds Capital World Gr&Inc R6	\$7,051,090	3.53%	\$7,718,757	3.69%
Foreign Large Blend	American Funds Europacific Growth R6	\$1,049,088	0.52%	\$1,175,106	0.56%
Foreign Large Blend	Vanguard Total Intl Stock Index Admiral	\$6,162,092	3.08%	\$6,374,740	3.05%
Foreign Large Growth	Vanguard International Growth Adm	\$2,626,926	1.31%	\$2,738,967	1.31%
Small Company Value	American Beacon Small Cap Value R6	\$2,643,885	1.32%	\$2,644,195	1.26%
Small Company Blend	Fidelity Small Cap Index	\$2,476,474	1.24%	\$2,538,172	1.21%
Small Company Growth	MassMutual Small Cap Gr Eq I	\$1,475,534	0.74%	\$1,560,223	0.75%
Specialty-Real Estate	Nuveen Real Estate Securities I	\$1,789,415	0.89%	\$1,608,301	0.77%
Self-Directed Brokerage	Self-Directed Brokerage	\$12,194,153	6.10%	\$13,770,081	6.58%
Loan	Loan Balance	\$3,637,109	1.82%	-	-
TOTALS		\$199,946,634	100%	\$209,190,330	100%

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PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

Lansing Board of Water & Light Defined Contribution Plan and Trust 2

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Stable Value	Nationwide Fixed Account	\$5,278	12.41%	\$6,276	13.99%
Inflation Protected Bond	PIMCO Real Return Instl	\$5,008	11.77%	\$5,412	12.06%
Intermediate Core Bond	Fidelity US Bond Index	\$0	0.00%	\$0	0.00%
Intermediate Core-Plus Bond	PIMCO Total Return Instl	\$5,523	12.98%	\$5,851	13.04%
Multisector Bond	PIMCO Income Instl	\$4,639	10.90%	\$4,478	9.98%
Moderate Allocation	Fidelity Balanced	\$0	0.00%	\$0	0.00%
Target Date Retirement Income	Vanguard Target Retirement Income Fund	\$0	0.00%	\$0	0.00%
Target Date 2020	Vanguard Target Retirement 2020 Fund	\$0	0.00%	\$0	0.00%
Target Date 2025	Vanguard Target Retirement 2025 Fund	\$0	0.00%	\$0	0.00%
Target Date 2030	Vanguard Target Retirement 2030 Fund	\$0	0.00%	\$0	0.00%
Target Date 2035	Vanguard Target Retirement 2035 Fund	\$0	0.00%	\$0	0.00%
Target Date 2040	Vanguard Target Retirement 2040 Fund	\$0	0.00%	\$0	0.00%
Target Date 2045	Vanguard Target Retirement 2045 Fund	\$0	0.00%	\$0	0.00%
Target Date 2050	Vanguard Target Retirement 2050 Fund	\$0	0.00%	\$0	0.00%
Target Date 2055	Vanguard Target Retirement 2055 Fund	\$0	0.00%	\$0	0.00%
Target Date 2060	Vanguard Target Retirement 2060 Fund	\$0	0.00%	\$0	0.00%
Target Date 2065+	Vanguard Target Retirement 2065 Fund	\$0	0.00%	\$0	0.00%
Large Company Value	MFS Value R3	\$3,440	8.09%	\$3,487	7.77%

CONTINUED...

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PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

Lansing Board of Water & Light Defined Contribution Plan and Trust 2

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Large Company Blend	Fidelity 500 Index	\$3,858	9.07%	\$5,071	11.30%
Large Company Blend	Fidelity Contrafund K6	\$1,269	2.98%	\$1,406	3.13%
Large Company Growth	MainStay Winslow Large Cap Growth I	\$2,167	5.09%	\$2,376	5.30%
Medium Company Value	JPMorgan Mid Cap Value R6	\$878	2.06%	\$864	1.92%
Medium Company Blend	Fidelity Mid Cap Index	\$0	0.00%	\$0	0.00%
Medium Company Growth	T Rowe Price Instl Mid-Cap Equity Gr	\$895	2.10%	\$869	1.94%
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	\$5,155	12.12%	\$5,239	11.68%
Foreign Large Growth	Vanguard International Growth Adm	\$2,150	5.05%	\$1,760	3.92%
Small Company Value	American Beacon Small Cap Value R6	\$451	1.06%	\$430	0.96%
Small Company Blend	Fidelity Small Cap Index	\$0	0.00%	\$0	0.00%
Small Company Growth	MassMutual Small Cap Gr Eq I	\$454	1.07%	\$448	1.00%
Specialty-Real Estate	Nuveen Real Estate Securities I	\$1,372	3.22%	\$903	2.01%
Self-Directed Brokerage	Self-Directed Brokerage	\$0	0.00%	\$0	0.00%
TOTALS		\$42,536	100%	\$44,870	100%

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PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Stable Value	Nationwide Fixed Account	\$13,300,699	10.07%	\$13,730,797	9.42%
Inflation Protected Bond	PIMCO Real Return Instl	\$2,248,550	1.70%	\$2,611,907	1.79%
Intermediate Core Bond	Fidelity US Bond Index	\$1,246,981	0.94%	\$1,211,626	0.83%
Intermediate Core-Plus Bond	PIMCO Total Return Instl	\$2,594,700	1.96%	\$2,824,508	1.94%
Multisector Bond	PIMCO Income Instl	\$2,655,808	2.01%	\$2,712,417	1.86%
Moderate Allocation	Fidelity Balanced	\$3,066,814	2.32%	\$3,347,299	2.30%
Target Date Retirement Income	Vanguard Target Retirement Income Fund	\$2,310,340	1.75%	\$2,107,945	1.45%
Target Date 2020	Vanguard Target Retirement 2020 Fund	\$2,521,292	1.91%	\$2,275,323	1.56%
Target Date 2025	Vanguard Target Retirement 2025 Fund	\$5,496,985	4.16%	\$5,845,988	4.01%
Target Date 2030	Vanguard Target Retirement 2030 Fund	\$8,298,152	6.28%	\$9,308,885	6.38%
Target Date 2035	Vanguard Target Retirement 2035 Fund	\$6,646,302	5.03%	\$6,965,831	4.78%
Target Date 2040	Vanguard Target Retirement 2040 Fund	\$7,287,515	5.52%	\$8,059,167	5.53%
Target Date 2045	Vanguard Target Retirement 2045 Fund	\$5,852,767	4.43%	\$6,319,552	4.33%
Target Date 2050	Vanguard Target Retirement 2050 Fund	\$3,743,402	2.83%	\$4,387,166	3.01%
Target Date 2055	Vanguard Target Retirement 2055 Fund	\$814,232	0.62%	\$1,526,145	1.05%
Target Date 2060	Vanguard Target Retirement 2060 Fund	\$936,820	0.71%	\$1,300,546	0.89%
Target Date 2065+	Vanguard Target Retirement 2065 Fund	\$274,833	0.21%	\$513,444	0.35%
Large Company Value	MFS Value R3	\$3,988,963	3.02%	\$4,317,857	2.96%

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PLAN INVESTMENT REVIEW | ASSET SUMMARY

Period Ending 6.30.24 | Q2 24

Lansing Board of Water and Light 457 Deferred Compensation Plan and Trust

FUND OPTION	CURRENT INVESTMENT NAME	— MARKET VALUE —			
		12.31.2023	(%)	CURRENT	(%)
Large Company Blend	Fidelity 500 Index	\$11,446,878	8.67%	\$13,240,819	9.08%
Large Company Blend	Fidelity Contrafund K6	\$7,629,989	5.78%	\$9,652,130	6.62%
Large Company Growth	MainStay Winslow Large Cap Growth I	\$8,304,643	6.29%	\$9,728,825	6.67%
Medium Company Value	JPMorgan Mid Cap Value R6	\$1,025,148	0.78%	\$1,090,178	0.75%
Medium Company Blend	Fidelity Mid Cap Index	\$1,864,170	1.41%	\$1,948,525	1.34%
Medium Company Growth	T Rowe Price Instl Mid-Cap Equity Gr	\$4,125,453	3.12%	\$4,289,766	2.94%
Global Large Stock Blend	American Funds Capital World Gr&Inc R6	\$834,251	0.63%	\$966,622	0.66%
Foreign Large Blend	American Funds Europacific Growth R6	\$750,105	0.57%	\$838,695	0.58%
Foreign Large Blend	Vanguard Total Intl Stock Index Admiral	\$4,266,016	3.23%	\$4,612,168	3.16%
Foreign Large Growth	Vanguard International Growth Adm	\$2,479,109	1.88%	\$2,686,304	1.84%
Small Company Value	American Beacon Small Cap Value R6	\$783,666	0.59%	\$796,582	0.55%
Small Company Blend	Fidelity Small Cap Index	\$1,907,020	1.44%	\$1,953,186	1.34%
Small Company Growth	MassMutual Small Cap Gr Eq I	\$814,737	0.62%	\$942,786	0.65%
Specialty-Real Estate	Nuveen Real Estate Securities I	\$1,476,693	1.12%	\$1,406,727	0.96%
Self-Directed Brokerage	Self-Directed Brokerage	\$11,079,805	8.39%	\$12,307,924	8.44%
TOTALS		\$132,072,836	100%	\$145,827,641	100%

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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	●	●	●	●	●	●	●	●	●	●	●	93
Intermediate Core-Plus Bond PIMCO Total Return Instl	●	▼	●	●	●	●	●	●	●	●	●	90
Moderate Allocation Fidelity Balanced	●	●	●	●	●	●	●	●	●	●	●	100
Large Company Value MFS Value R3	▼	●	▼	▼	●	●	▼	▼	●	●	●	81
Large Company Blend Fidelity Contrafund K6	●	●	●	●	●	●	●	●	●	●	●	100
Large Company Growth MainStay Winslow Large Cap Growth I	●	●	●	●	●	●	●	●	●	●	●	98
Medium Company Value JPMorgan Mid Cap Value R6	▼	▼	▼	▼	●	●	▼	▼	▼	●	▼	73
Medium Company Growth T Rowe Price Instl Mid-Cap Equity Gr	●	▼	●	▼	●	●	●	▼	●	●	●	83

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	●	●	●	●	●	●	●	●	●	●	●	91
Foreign Large Blend American Funds Europacific Growth R6	▼	▼	▼	▼	●	●	▼	●	●	●	▼	72
Foreign Large Growth Vanguard International Growth Adm	▼	●	▼	●	●	▼	▼	●	●	●	●	82
Small Company Value American Beacon Small Cap Value R6	●	●	●	●	●	●	●	●	●	▼	●	93
Small Company Growth MassMutual Small Cap Gr Eq I	●	●	●	●	●	●	●	●	●	●	●	98
Specialty-Real Estate Nuveen Real Estate Securities I	●	▼	●	▼	●	●	●	▼	●	▼	●	83

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

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	●	●	●	●	●	●	●	●	●	●	●	87

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.



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PASSIVE INVESTMENTS

INVESTMENT	Overall	Commentary
Fidelity US Bond Index		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.
Fidelity 500 Index		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.
Fidelity Mid Cap Index		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.
Vanguard Total Intl Stock Index Admiral		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.
Fidelity Small Cap Index		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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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.

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.



FUND MANAGEMENT ITEMS	COMMENTARY
American Funds EuroPacific Growth	<p>Jonathan Knowles, former portfolio manager, retired from Capital Group after 31 years with the firm. An experienced team of 12 portfolio managers continue to direct the management of the strategy.</p> <p>The strategy is managed by an experienced team of 12 portfolio managers who have an average tenure at the firm of 26 years. Each PM independently manages their sleeve of assets based on their own investment ideology, which are diverse and complementary. The fundamental, research driven process focusses on identifying companies that are positioned to benefit from innovation, global economic growth, increasing consumer demand, or a turnaround in business conditions. While the strategy is designed to be a core international equity offering, it does have a growth stylistic tilt overall which has been a headwind for much of the past three years, resulting in a weak relative ranking over that period. 2022 was particularly challenging as interest rates rose sharply and growth stock multiples collapsed. This stylistic headwind has started to subside more recently as global interest rates have pulled in and performance has generally improved for the strategy over the past two years. Given the stable team and a disciplined process that has worked well over the longer-term, we would recommend clients that are currently using the strategy continue to do so.</p>
JPMorgan Mid Cap Value	<p>Effective early 2025, Lead Portfolio Manager Jonathan Simon will retire. Lawrence Playford, who has co-managed the strategy with Simon for 20 years, will take over the role of lead portfolio manager. The firm also promoted Portfolio Analysts Ryan Jones and Jeremy Miller as co-portfolio managers. Mr. Jones and Mr. Miller have supported the team as portfolio analysts for the past eight years on the firm's mid-cap and small-cap value strategies. As a portfolio manager, Mr. Jones will continue covering the technology sector, while Mr. Miller will continue covering the industrial sector.</p> <p>The strategy seeks companies with a competitive advantage, low cyclicity, significant free cash flow, strong management, and attractive valuation. Longtime Lead PM Jonathan Simon announced plans to retire in early 2025. Co-PM Lawrence Playford will take over Lead PM duties, supported by Ryan Jones and Jeremy Miller, whom the firm promoted from portfolio analyst to portfolio manager in Q1 2024. The portfolio is primarily sector-neutral but does tend to favor lower volatility stocks with an above-average dividend yield. Performance over the trailing 3- and 5- year periods ranks in the bottom half of the category. However, over the trailing 10- and 15-year period, the strategy ranks in the top half. We believe clients holding this strategy should continue to do so.</p>



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FUND MANAGEMENT ITEMS	COMMENTARY
<p>MainStay Winslow Large Cap Growth</p>	<p>Winslow has added Don Porter as the industrials and materials sector portfolio manager on the Large Cap Growth strategy. Before joining the firm in 2023, Mr. Porter served as a research analyst at Wellington for four years.</p> <p>MainStay Epoch US Equity Yield Fund changed its regulatory benchmark from Russell 1000 Value to Russell 3000, while MainStay Winslow Large Cap Growth Fund changed its regulatory benchmark from Russell 1000 Growth to Russell 3000.</p>
<p>Vanguard Target Retirement</p>	<p>Vanguard has changed the rebalance policy for Target Retirement. Previously, when a fund’s actual asset allocation deviated from the strategic asset allocation target by more than 200 basis points, the fund rebalanced to within 100 basis points of the target. Vanguard will now rebalance the strategy to within 175 basis points of the target once the 200 basis points threshold is reached. Vanguard also changed the rebalancing policy of the composite benchmarks from daily rebalancing to the same threshold rebalancing as the funds.</p>
FUND FIRM ITEMS	COMMENTARY
<p>T. Rowe Price</p>	<p>William Stromberg, non-executive chair, and Dr. Freeman Hrabowski, chair of the Nominating and Corporate Governance Committee, retired during the firm’s annual meeting of stockholders. Robert Sharps has become chair of the Board, and continues as chief executive officer and president.</p> <p>Eric Veiel, head of Global Equity, has assumed the position of head of Global Investments. The role was previously held by Rob Sharps prior to his appointment to CEO and president. Head of Fixed Income Arif Husain and Head of Global Multi-Asset Sebastien Page will now report to Mr. Veiel.</p>



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FUND FIRM ITEMS	COMMENTARY
Nuveen/TIAA-CREF	<p>Nuveen has appointed William Huffman as Chief Executive Officer. Mr. Huffman succeeds Jose Minaya who recently the firm to pursue other opportunities. Mr. Huffman most recently served as president of Nuveen Asset Management and head of Equities and Fixed Income.</p> <p>The TIAA-CREF Funds and Nuveen Funds now operate under one consolidated fund board. In addition, the TIAA-CREF mutual fund family has been rebranded as Nuveen. In addition, the Institutional, Advisor, and Retail share classes were renamed to align with the existing Nuveen Funds. The Institutional share class are now R6, the Advisor share class are now I, and the Retail share class are now class A.</p>
Vanguard Group, Inc.	<p>Vanguard has named Salim Ramji as the firm's next CEO. Mr. Ramji assumed the role on July 8, 2024 from current CEO Tim Buckley ahead of his retirement at the end of 2024. Mr. Ramji previously led BlackRock's ETF and index investing. Vanguard's Board of Directors has also named Mr. Ramji as a member of the Board along with President and CIO Greg Davis.</p>
American Beacon Advisors, Inc.	<p>CEO Jeffrey Ringdahl left the firm. Following Mr. Ringdahl's departure, Greg Stumm was appointed president and chief executive officer, and Rebecca Harris was named chief operating officer for Resolute Investment Managers and its affiliate American Beacon Advisors. Mr. Stumm has been with the firm since 2012 and previously served as Resolute's head of Distribution. Ms. Harris has been with the firm 30 years and previously served as the head of Product Management, Corporate Development and Affiliate Relations for Resolute and American Beacon.</p>
MFS Family of Funds	<p>Effective January 1, 2025, CIO Ted Maloney will assume the role of CEO of MFS, succeeding Mike Roberge, who will become executive chair. At that time, Alison O'Neil will be named the chief investment officer of MFS. Alison will retain her co-CIO of Equity and portfolio manager responsibilities.</p> <p>Effective September 30, 2024, Bill Adams, co-CIO of Fixed Income, will retire. Co-CIOs Pilar Gomez-Bravo and Alexander Mackey will continue to serve in their roles.</p>



Lansing Board of Water and Light Defined Contribution Plans

FUND FIRM ITEMS	COMMENTARY
New York Life Investment Management LLC	Effective August 28, 2024, several MainStay funds will be renamed to better reflect their parent company, New York Life Investment Management, with "NYLI" replacing "MainStay" in the funds' naming conventions. None of the funds' objectives, philosophy or allocations will change.



PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
STABLE VALUE											
Nationwide Fixed Account	-	-	-	-	-	-	-	-	-	-	-
ICE BofA ML US Treasury Bill 3 Mon USD	1.32%	2.63%	5.02%	1.46%	0.05%	0.67%	2.28%	5.40%	3.03%	2.16%	1.51%
Morningstar US Stable Value GR USD	0.74%	1.48%	2.85%	1.89%	1.74%	2.26%	2.52%	2.98%	2.35%	2.30%	2.14%
INFLATION PROTECTED BOND											
PIMCO Real Return Instl	0.91%	1.25%	3.74%	-11.86%	5.67%	12.09%	8.52%	3.41%	-1.33%	2.28%	1.86%
Bloomberg US Treasury US TIPS TR USD	0.79%	0.70%	3.90%	-11.85%	5.96%	10.99%	8.43%	2.71%	-1.33%	2.07%	1.91%
Inflation Protected Bond Universe	0.84%	0.81%	3.74%	-11.70%	5.22%	9.69%	7.61%	2.91%	-1.42%	1.94%	1.62%
INTERMEDIATE CORE BOND											
Fidelity US Bond Index	0.18%	-0.55%	5.54%	-13.03%	-1.79%	7.80%	8.48%	2.70%	-3.03%	-0.22%	1.33%
Bloomberg US Agg Bond TR USD	0.07%	-0.71%	5.53%	-13.01%	-1.55%	7.51%	8.72%	2.63%	-3.02%	-0.23%	1.35%
Intermediate Core Bond Universe	0.18%	-0.44%	5.58%	-13.41%	-1.55%	7.80%	8.45%	2.90%	-3.12%	-0.19%	1.26%
INTERMEDIATE CORE-PLUS BOND											
PIMCO Total Return Instl	0.38%	0.37%	6.30%	-14.09%	-0.84%	8.88%	8.26%	4.33%	-2.79%	0.20%	1.60%
Bloomberg US Agg Bond TR USD	0.07%	-0.71%	5.53%	-13.01%	-1.55%	7.51%	8.72%	2.63%	-3.02%	-0.23%	1.35%
Intermediate Core Plus Bond Universe	0.28%	-0.02%	6.17%	-13.89%	-0.83%	8.41%	9.24%	3.66%	-3.06%	0.10%	1.46%
MULTISECTOR BOND											
PIMCO Income Instl	0.44%	1.82%	9.32%	-7.81%	2.61%	5.80%	8.05%	7.24%	1.12%	2.67%	3.98%
Bloomberg US Agg Bond TR USD	0.07%	-0.71%	5.53%	-13.01%	-1.55%	7.51%	8.72%	2.63%	-3.02%	-0.23%	1.35%
Multisector Bond Universe	0.80%	2.15%	8.59%	-10.77%	2.53%	6.32%	10.49%	7.68%	-0.17%	2.16%	2.68%

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PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
MODERATE ALLOCATION											
Fidelity Balanced	2.82%	10.15%	21.60%	-18.19%	18.28%	22.43%	24.39%	17.56%	5.26%	11.46%	9.44%
60% S&P 500, 40% Bloomberg Agg	2.60%	8.70%	17.67%	-15.79%	15.86%	14.73%	22.18%	15.42%	4.84%	9.01%	8.38%
Moderate Allocation Universe	1.11%	6.34%	13.81%	-15.05%	13.18%	12.52%	19.45%	12.63%	2.50%	6.97%	6.19%
TARGET DATE RETIREMENT INCOME											
Vanguard Target Retirement Income Fund	0.89%	3.00%	10.74%	-12.74%	5.25%	10.02%	13.16%	7.96%	0.46%	3.72%	3.95%
S&P Target Date Retirement Income Index	1.12%	3.48%	10.35%	-11.17%	5.11%	8.81%	13.33%	8.22%	1.12%	3.90%	3.92%
Target Date Retirement Income	0.91%	3.53%	10.47%	-12.73%	6.43%	9.91%	13.30%	8.27%	0.51%	3.84%	3.64%
TARGET DATE 2020											
Vanguard Target Retirement 2020 Fund	1.05%	3.91%	12.51%	-14.15%	8.17%	12.04%	17.63%	9.24%	0.94%	5.15%	5.35%
S&P Target Date 2020 Index	1.28%	4.52%	12.32%	-12.81%	8.76%	10.24%	16.52%	9.84%	1.83%	5.28%	5.22%
Target Date 2020	1.05%	4.42%	11.80%	-14.13%	8.91%	11.71%	16.90%	9.54%	1.10%	5.19%	5.05%
TARGET DATE 2025											
Vanguard Target Retirement 2025 Fund	1.26%	5.11%	14.55%	-15.55%	9.80%	13.30%	19.63%	11.02%	1.51%	6.12%	6.03%
S&P Target Date 2025 Index	1.31%	4.79%	12.99%	-13.13%	10.67%	11.22%	18.38%	10.29%	2.11%	6.07%	5.80%
Target Date 2025	1.06%	4.83%	12.54%	-15.04%	9.98%	12.16%	18.53%	10.19%	1.27%	5.67%	5.45%
TARGET DATE 2030											
Vanguard Target Retirement 2030 Fund	1.37%	6.00%	16.03%	-16.27%	11.38%	14.10%	21.07%	12.39%	2.07%	6.95%	6.58%
S&P Target Date 2030 Index	1.43%	5.75%	14.80%	-13.96%	12.61%	11.91%	20.38%	11.85%	2.78%	7.03%	6.46%
Target Date 2030	1.19%	5.93%	14.50%	-16.04%	11.70%	13.48%	20.69%	11.81%	1.77%	6.65%	6.27%

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PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
TARGET DATE 2035											
Vanguard Target Retirement 2035 Fund	1.55%	6.87%	17.14%	-16.62%	12.96%	14.79%	22.44%	13.52%	2.65%	7.77%	7.12%
S&P Target Date 2035 Index	1.58%	6.89%	16.63%	-14.99%	14.93%	12.79%	22.18%	13.55%	3.49%	8.09%	7.16%
Target Date 2035	1.38%	6.96%	16.37%	-16.70%	14.09%	14.05%	22.43%	13.26%	2.43%	7.76%	6.97%
TARGET DATE 2040											
Vanguard Target Retirement 2040 Fund	1.73%	7.68%	18.34%	-16.98%	14.56%	15.47%	23.86%	14.74%	3.23%	8.59%	7.65%
S&P Target Date 2040 Index	1.77%	7.90%	18.16%	-15.56%	16.55%	13.37%	23.37%	15.05%	4.17%	8.92%	7.69%
Target Date 2040	1.55%	8.23%	18.11%	-17.41%	15.99%	15.08%	23.85%	14.99%	3.28%	8.62%	7.51%
TARGET DATE 2045											
Vanguard Target Retirement 2045 Fund	1.90%	8.48%	19.48%	-17.36%	16.16%	16.30%	24.94%	15.81%	3.78%	9.40%	8.12%
S&P Target Date 2045 Index	1.83%	8.51%	19.14%	-15.84%	17.52%	13.66%	24.02%	15.94%	4.62%	9.44%	8.02%
Target Date 2045	1.68%	8.94%	19.42%	-17.95%	17.20%	15.19%	24.78%	16.20%	3.85%	9.36%	7.92%
TARGET DATE 2050											
Vanguard Target Retirement 2050 Fund	2.02%	9.05%	20.17%	-17.46%	16.41%	16.39%	24.98%	16.63%	4.15%	9.68%	8.26%
S&P Target Date 2050 Index	1.95%	8.90%	19.59%	-15.97%	17.99%	13.86%	24.35%	16.50%	4.86%	9.72%	8.22%
Target Date 2050	1.72%	9.41%	19.93%	-18.16%	17.35%	15.83%	25.00%	16.85%	4.09%	9.58%	8.12%
TARGET DATE 2055											
Vanguard Target Retirement 2055 Fund	2.02%	9.03%	20.16%	-17.46%	16.44%	16.32%	24.98%	16.61%	4.15%	9.67%	8.24%
S&P Target Date 2055 Index	1.95%	8.92%	19.62%	-15.97%	18.19%	13.86%	24.48%	16.53%	4.88%	9.78%	8.28%
Target Date 2055	1.85%	9.62%	20.25%	-18.29%	17.82%	15.41%	25.34%	17.12%	4.23%	9.68%	8.21%

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PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
TARGET DATE 2060											
Vanguard Target Retirement 2060 Fund	2.03%	9.04%	20.18%	-17.46%	16.44%	16.32%	24.96%	16.60%	4.16%	9.68%	8.23%
S&P Target Date 2060 Index	1.95%	8.93%	19.74%	-16.01%	18.05%	13.99%	24.73%	16.55%	4.89%	9.81%	8.33%
Target Date 2060	1.72%	9.56%	20.02%	-18.23%	17.62%	16.01%	25.30%	16.98%	4.13%	9.71%	8.33%
TARGET DATE 2065+											
Vanguard Target Retirement 2065 Fund	2.03%	9.05%	20.15%	-17.39%	16.45%	16.17%	24.96%	16.63%	4.19%	9.66%	-
S&P Target Date 2065+ Index	2.06%	9.21%	19.84%	-15.95%	18.17%	13.98%	24.73%	16.93%	5.05%	9.92%	-
Target Date 2065+	1.83%	9.68%	20.50%	-18.34%	17.74%	16.47%	26.24%	17.26%	4.09%	9.78%	-
LARGE COMPANY VALUE											
MFS Value R3	-2.15%	6.40%	7.92%	-6.14%	25.08%	3.65%	29.74%	12.62%	5.55%	8.90%	8.59%
Russell 1000 Value	-2.17%	6.62%	11.46%	-7.54%	25.16%	2.80%	26.54%	13.06%	5.52%	9.01%	8.23%
Large Value Universe	-1.51%	7.33%	11.05%	-5.50%	26.11%	2.86%	25.50%	14.45%	6.54%	9.74%	8.32%
LARGE COMPANY BLEND											
Fidelity 500 Index	4.28%	15.28%	26.29%	-18.13%	28.69%	18.40%	31.47%	24.56%	10.00%	15.03%	12.85%
Fidelity Contrafund K6	6.68%	25.59%	37.67%	-27.12%	24.14%	30.83%	31.00%	39.45%	11.13%	17.22%	-
S&P 500 Index	4.28%	15.29%	26.29%	-18.11%	28.71%	18.40%	31.49%	24.56%	10.01%	15.05%	12.86%
Large Blend Universe	3.18%	14.22%	24.27%	-18.12%	26.54%	17.23%	29.99%	23.25%	8.53%	13.83%	11.42%
LARGE COMPANY GROWTH											
MainStay Winslow Large Cap Growth I	6.92%	20.97%	42.99%	-31.25%	24.81%	37.38%	33.67%	37.87%	9.58%	17.24%	15.33%
Russell 1000 Growth	8.33%	20.70%	42.68%	-29.14%	27.60%	38.49%	36.39%	33.48%	11.28%	19.34%	16.33%
Large Growth Universe	5.69%	18.97%	38.88%	-30.93%	22.07%	35.21%	33.09%	30.70%	6.91%	15.34%	13.73%

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PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
MEDIUM COMPANY VALUE											
JPMorgan Mid Cap Value R6	-4.97%	3.93%	11.38%	-8.03%	30.11%	0.43%	26.67%	11.30%	4.39%	8.31%	7.74%
Russell Mid Cap Value	-3.40%	4.54%	12.71%	-12.03%	28.34%	4.96%	27.06%	11.98%	3.65%	8.49%	7.60%
Mid Value Universe	-3.99%	3.80%	12.28%	-8.13%	28.56%	2.81%	26.91%	11.36%	5.14%	8.64%	7.27%
MEDIUM COMPANY BLEND											
Fidelity Mid Cap Index	-3.34%	4.98%	17.21%	-17.28%	22.56%	17.11%	30.51%	12.90%	2.39%	9.46%	9.05%
Russell Mid Cap	-3.35%	4.96%	17.23%	-17.32%	22.58%	17.10%	30.54%	12.88%	2.37%	9.46%	9.04%
Mid Blend Universe	-3.66%	4.96%	15.92%	-15.48%	24.08%	13.06%	28.00%	12.74%	3.13%	9.21%	7.98%
MEDIUM COMPANY GROWTH											
T Rowe Price Instl Mid-Cap Equity Gr	-4.66%	3.51%	20.62%	-23.17%	15.52%	23.87%	33.09%	10.29%	0.22%	7.81%	10.65%
Russell Mid Cap Growth	-3.21%	5.98%	25.87%	-26.72%	12.73%	35.59%	35.47%	15.05%	-0.08%	9.93%	10.51%
Mid Growth Universe	-3.78%	5.02%	20.57%	-28.53%	11.81%	38.98%	33.86%	11.42%	-1.96%	8.71%	9.63%
GLOBAL LARGE STOCK BLEND											
American Funds Capital World Gr&Inc R6	1.62%	10.02%	21.22%	-17.01%	15.15%	15.78%	25.74%	18.47%	4.88%	9.92%	7.96%
MSCI ACWI NR USD	2.87%	11.30%	22.20%	-18.36%	18.54%	16.25%	26.60%	19.38%	5.43%	10.76%	8.43%
Global Large Stock Blend	1.44%	8.95%	19.07%	-17.38%	18.05%	14.16%	26.20%	15.65%	4.53%	9.23%	7.82%
FOREIGN LARGE BLEND											
American Funds Europacific Growth R6	-0.23%	7.19%	16.05%	-22.72%	2.84%	25.27%	27.40%	10.82%	-2.46%	6.05%	5.25%
Vanguard Total Intl Stock Index Admiral	0.80%	5.13%	15.52%	-16.01%	8.62%	11.28%	21.51%	10.96%	0.34%	5.75%	4.02%
MSCI EAFE NR	-0.42%	5.34%	18.24%	-14.45%	11.26%	7.82%	22.01%	11.54%	2.89%	6.46%	4.33%
Foreign Large Blend Universe	0.18%	5.53%	16.12%	-15.92%	10.15%	10.23%	22.31%	10.73%	1.14%	6.12%	4.07%

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PLAN INVESTMENT REVIEW | PERFORMANCE SUMMARY

Period Ending 6.30.24 | Q2 '24

Lansing Board of Water and Light Defined Contribution Plans

INVESTMENT NAME	Q2 '24	YTD '24	2023	2022	2021	2020	2019	1 YEAR*	3 YEAR*	5 YEAR*	10 YEAR*
FOREIGN LARGE GROWTH											
Vanguard International Growth Adm	2.36%	7.77%	14.81%	-30.79%	-0.74%	59.74%	31.48%	9.02%	-7.21%	8.52%	7.64%
MSCI EAFE NR	-0.42%	5.34%	18.24%	-14.45%	11.26%	7.82%	22.01%	11.54%	2.89%	6.46%	4.33%
Foreign Large Growth Universe	-0.27%	6.00%	15.97%	-25.10%	8.62%	22.39%	28.14%	8.88%	-2.55%	5.82%	5.03%
SMALL COMPANY VALUE											
American Beacon Small Cap Value R6	-4.07%	0.28%	16.68%	-7.72%	28.21%	4.03%	23.50%	10.04%	4.13%	9.26%	6.99%
Russell 2000 Value	-3.64%	-0.85%	14.65%	-14.48%	28.27%	4.63%	22.39%	10.90%	-0.53%	7.07%	6.23%
Small Value Universe	-3.61%	1.04%	15.91%	-11.43%	30.87%	3.54%	22.13%	10.96%	2.59%	8.59%	6.59%
SMALL COMPANY BLEND											
Fidelity Small Cap Index	-3.25%	1.77%	17.12%	-20.27%	14.71%	19.99%	25.71%	10.17%	-2.48%	7.04%	7.16%
Russell 2000	-3.28%	1.73%	16.93%	-20.44%	14.82%	19.96%	25.53%	10.06%	-2.58%	6.94%	7.00%
Small Blend Universe	-3.37%	2.19%	16.19%	-16.74%	22.92%	12.73%	24.88%	9.96%	0.41%	7.93%	7.27%
SMALL COMPANY GROWTH											
MassMutual Small Cap Gr Eq I	-1.64%	6.83%	16.93%	-25.85%	10.60%	40.66%	34.99%	12.52%	-1.91%	8.95%	9.58%
Russell 2000 Growth	-2.92%	4.44%	18.66%	-26.36%	2.83%	34.63%	28.48%	9.14%	-4.86%	6.17%	7.39%
Small Growth Universe	-2.57%	4.88%	16.34%	-28.30%	9.34%	38.39%	29.04%	9.03%	-3.90%	6.77%	8.19%
SPECIALTY-REAL ESTATE											
Nuveen Real Estate Securities I	0.02%	-1.76%	11.51%	-24.70%	41.32%	-6.12%	25.56%	4.93%	-0.92%	3.03%	5.31%
Dow Jones US Select REIT	-0.16%	-0.55%	13.96%	-25.96%	45.91%	-11.20%	23.10%	7.15%	-0.14%	2.78%	5.17%
Specialty-Real Estate Universe	-0.66%	-1.65%	12.02%	-26.30%	41.45%	-4.38%	28.10%	5.75%	-1.58%	3.38%	5.45%

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SECTION 4: FUND FACT SHEETS	
Fund Fact Sheets.....	

Lansing Board of Water and Light Defined Contribution Plans

INDUSTRY ANALYSIS

In the second quarter, interest rates across the yield curve have increased while the curve remains inverted. The Federal Reserve's efforts to stabilize the economy resulted in the first reported slowing of inflation this year. The federal overnight lending rate is set within a target range of 5.25% to 5.50%, with industry professionals anticipating one-to-two federal rate cuts by year-end. Given recent changes in fixed income markets, investors can expect crediting rates to continue benefitting from the high-yielding fixed income environment. The near-term interest rate environment will depend on whether the Federal Reserve maintains higher rates or shifts to a monetary easing policy.

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				
6/30/23	9/30/23	12/31/23	3/31/24	6/30/24
2.20%	2.15%	2.29%	2.37%	2.98%

INVESTMENT DETAILS	
Crediting Rate Details:	Crediting rates are quoted quarterly and reset quarterly.
Competing Options:	Allowed, w/ 90-day equity wash enforced on transfers to competing options.
Minimum Rate:	The minimum crediting rate is 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.

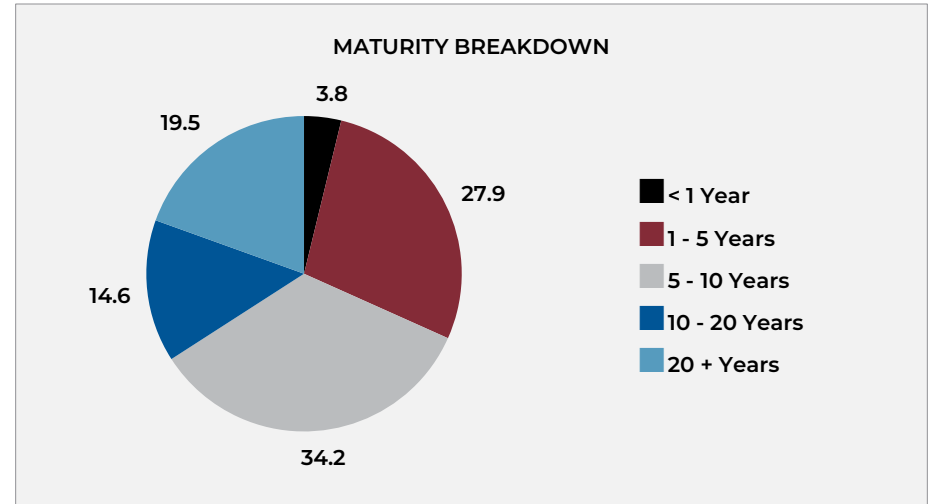


Lansing Board of Water and Light Defined Contribution Plans

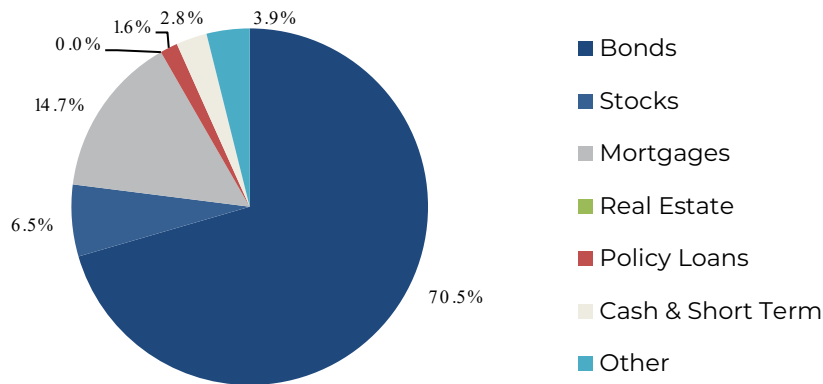
AGENCY RATINGS*

A.M. Best (15 ratings)	A+ (2/15)
Standard & Poors (20)	A+ (5)
Moody's (21)	A1 (5)
Fitch (21)	B- (6)
Comdex 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.

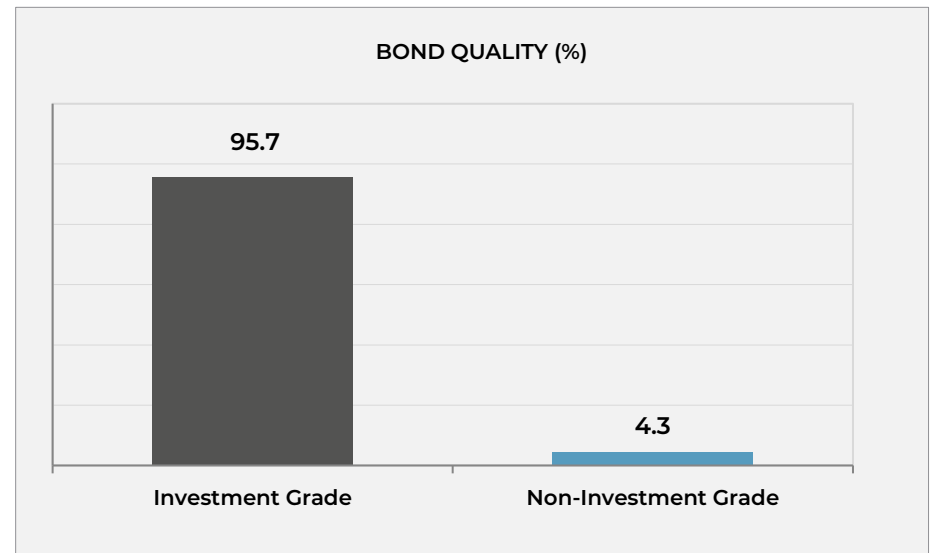


GENERAL ACCOUNT INVESTMENTS



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.



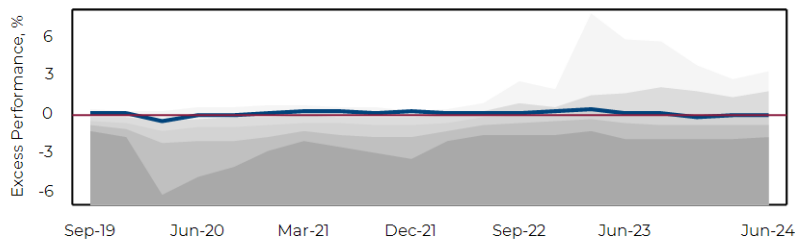
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
PIMCO Real Return Instl	0.91	1.25	3.41	-1.33	2.28	1.86	3.74	-11.86	5.67	12.09	8.52
Blmbg. U.S. TIPS Index	0.79	0.70	2.71	-1.33	2.07	1.91	3.90	-11.85	5.96	10.99	8.43
Inflation-Protected Bond Median	0.84	0.80	2.91	-1.43	1.94	1.62	3.74	-11.70	5.22	9.69	7.61
Rank (%)	36	33	45	46	36	26	50	56	34	14	15
Population	189	189	189	186	183	176	194	196	200	198	198

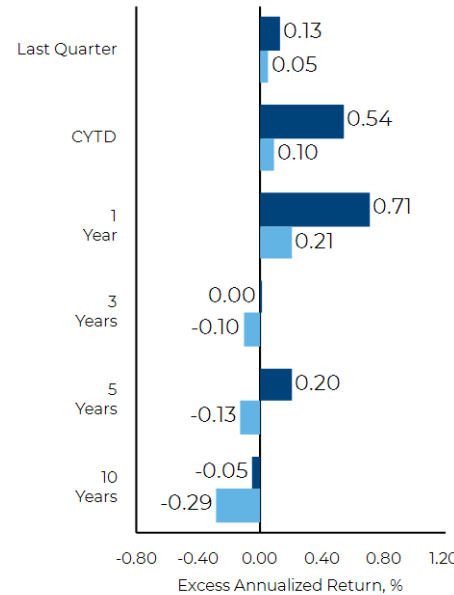
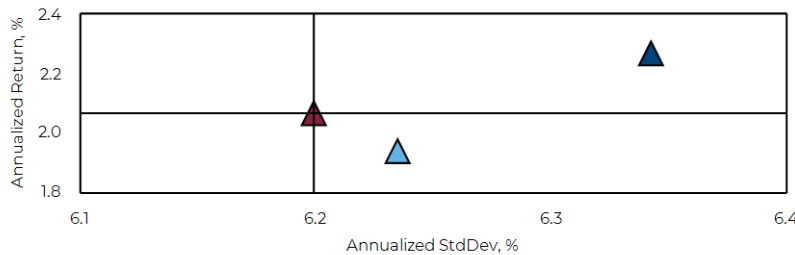
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
PIMCO Real Return Instl	0.05	0.18	1.01	0.98	102.70	100.66	0.26
Blmbg. U.S. TIPS Index	0.02	0.00	1.00	1.00	100.00	100.00	-
Inflation-Protected Bond Median	0.00	-0.07	0.97	0.93	93.90	98.94	-0.12

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	PRRIX
Portfolio Manager	He,D/Rodosky,S
Portfolio Assets	\$5,447 Million
PM Tenure	5 Years 5 Months
Net Expense(%)	0.67 %
Fund Inception	1997
Category Expense Median	0.66
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	-27.48 %
Number of Holdings	974
Turnover	71.00 %
Avg. Effective Duration	6.72 Years
SEC Yield	1.17 %

▲ 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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<https://www.captrust.com/important-disclosures/>



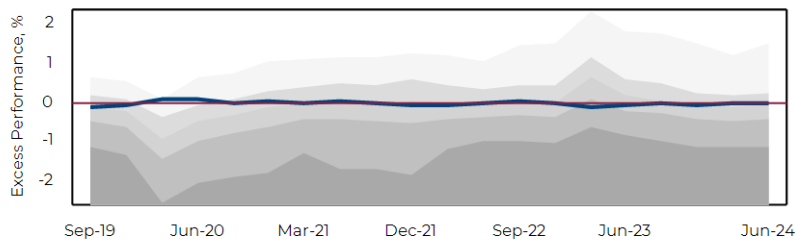
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Fidelity U.S. Bond Index	0.18	-0.55	2.70	-3.03	-0.22	1.33	5.54	-13.03	-1.79	7.80	8.48
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	5.53	-13.01	-1.55	7.51	8.72
Intermediate Core Bond Median	0.18	-0.44	2.90	-3.12	-0.19	1.26	5.58	-13.41	-1.55	7.80	8.45
Rank (%)	49	59	63	40	53	45	54	31	65	50	49
Population	440	439	436	419	402	352	445	442	443	434	427

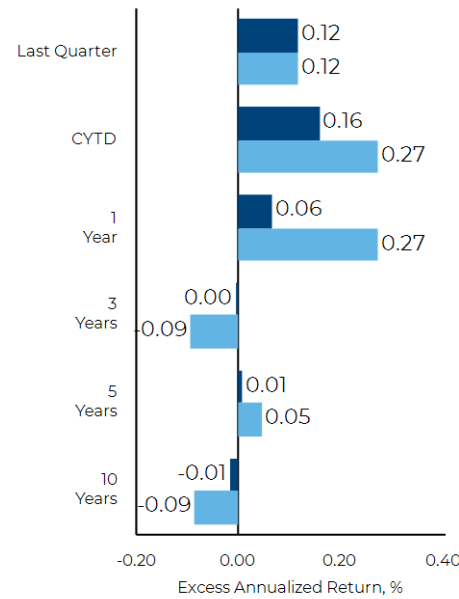
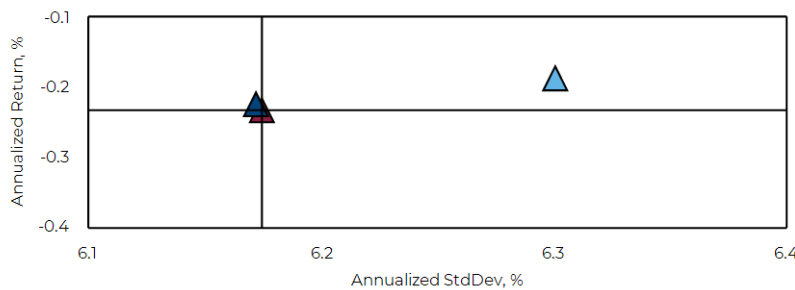
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity U.S. Bond Index	-0.35	0.01	1.00	1.00	100.26	100.15	0.03
Blmbg. U.S. Aggregate Index	-0.36	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core Bond Median	-0.34	0.05	1.01	0.96	102.17	101.57	0.05

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	FXNAX
Portfolio Manager	Bettencourt, B/Munclinger,R
Portfolio Assets	\$56,656 Million
PM Tenure	10 Years 1 Month
Net Expense(%)	0.03 %
Fund Inception	2011
Category Expense Median	0.55
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	9.26 %
Number of Holdings	9354
Turnover	34.00 %
Avg. Effective Duration	5.93 Years
SEC Yield	4.50 %

▲ Fidelity U.S. Bond Index ▲ Intermediate Core Bond Median ▲ Blmbg. U.S. Aggregate Index

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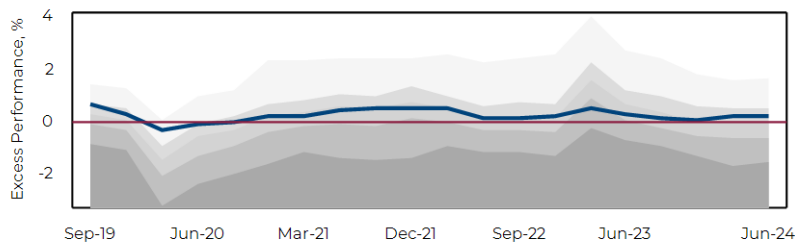
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
PIMCO Total Return Instl	0.38	0.37	4.33	-2.79	0.20	1.60	6.30	-14.09	-0.84	8.88	8.26
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	5.53	-13.01	-1.55	7.51	8.72
Intermediate Core-Plus Bond Median	0.28	-0.02	3.66	-3.06	0.10	1.46	6.17	-13.89	-0.83	8.41	9.24
Rank (%)	32	28	28	38	46	40	45	57	51	37	76
Population	598	598	591	550	532	459	609	598	592	581	581

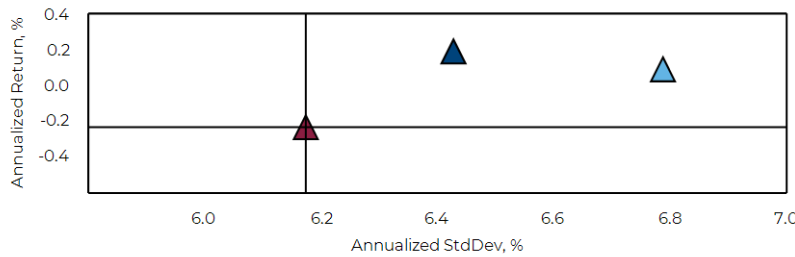
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
PIMCO Total Return Instl	-0.27	0.45	1.03	0.97	105.60	100.10	0.43
Blmbg. U.S. Aggregate Index	-0.36	0.00	1.00	1.00	100.00	100.00	-
Intermediate Core-Plus Bond Median	-0.27	0.38	1.03	0.89	109.05	104.08	0.16

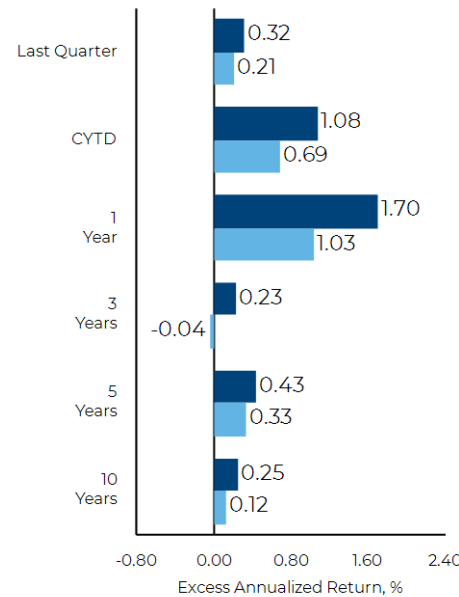
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ PIMCO Total Return Instl
▲ Blmbg. U.S. Aggregate Index
▲ Intermediate Core-Plus Bond Median



■ PIMCO Total Return Instl
■ Intermediate Core-Plus Bond Median

INVESTMENT PROFILE

Ticker	PITRX
Portfolio Manager	Team Managed
Portfolio Assets	\$40,466 Million
PM Tenure	9 Years 9 Months
Net Expense(%)	0.49 %
Fund Inception	1987
Category Expense Median	0.66
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	38.04 %
Number of Holdings	7940
Turnover	377.00 %
Avg. Effective Duration	5.54 Years
SEC Yield	5.50 %

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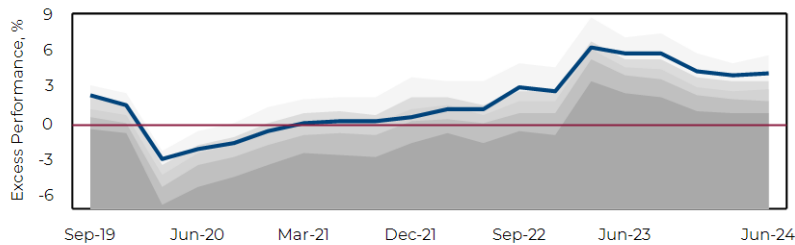
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
PIMCO Income Instl	0.44	1.82	7.24	1.12	2.67	3.98	9.32	-7.81	2.61	5.80	8.05
Blmbg. U.S. Aggregate Index	0.07	-0.71	2.63	-3.02	-0.23	1.35	5.53	-13.01	-1.55	7.51	8.72
Multisector Bond Median	0.80	2.15	7.68	-0.17	2.16	2.68	8.59	-10.77	2.53	6.32	10.49
Rank (%)	77	62	59	16	28	2	37	20	47	57	78
Population	335	335	335	314	286	214	347	343	344	329	296

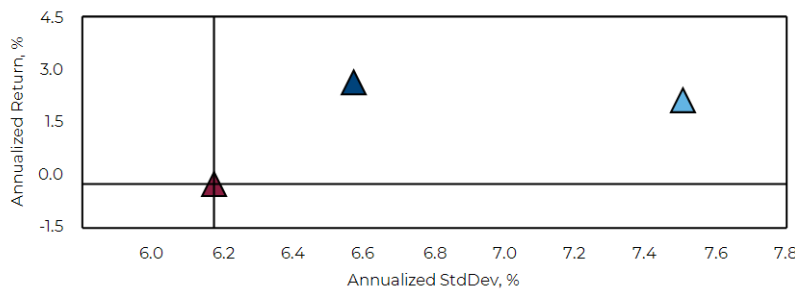
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
PIMCO Income Instl	0.11	2.93	0.73	0.47	90.99	55.39	0.57
Blmbg. U.S. Aggregate Index	-0.36	0.00	1.00	1.00	100.00	100.00	-
Multisector Bond Median	0.04	2.49	0.82	0.46	101.39	74.38	0.42

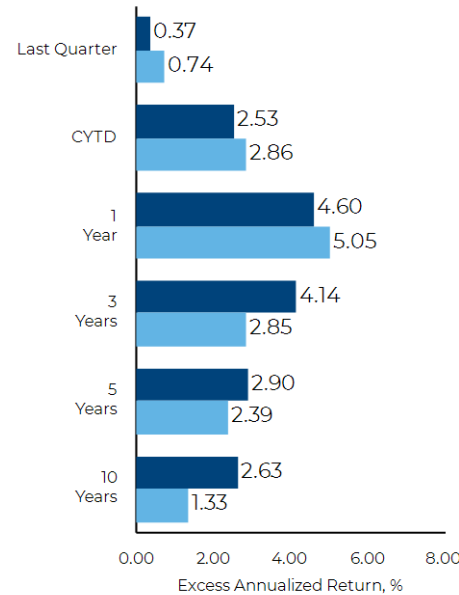
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ PIMCO Income Instl ▲ Multisector Bond Median ▲ Blmbg. U.S. Aggregate Index



■ PIMCO Income Instl
■ Multisector Bond Median

INVESTMENT PROFILE

Ticker	PIMIX
Portfolio Manager	Anderson,J/IVascyn, D/Murata,A
Portfolio Assets	\$91,915 Million
PM Tenure	17 Years 3 Months
Net Expense(%)	0.62 %
Fund Inception	2007
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	44.44 %
Number of Holdings	9489
Turnover	426.00 %
Avg. Effective Duration	3.73 Years
SEC Yield	6.34 %

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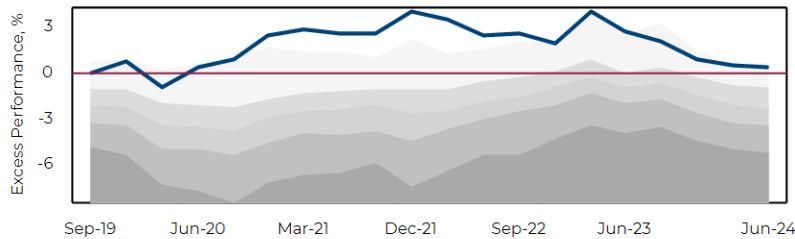
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Fidelity Balanced	2.82	10.15	17.56	5.26	11.46	9.44	21.60	-18.19	18.28	22.43	24.39
60% S&P 500, 40% Bloomberg Agg	2.60	8.70	15.42	4.84	9.01	8.38	17.67	-15.79	15.86	14.73	22.18
Moderate Allocation Median	1.11	6.34	12.63	2.50	6.95	6.18	13.81	-15.05	13.18	12.52	19.45
Rank (%)	10	9	10	8	2	3	3	93	6	4	4
Population	730	730	724	701	683	602	743	753	752	739	732

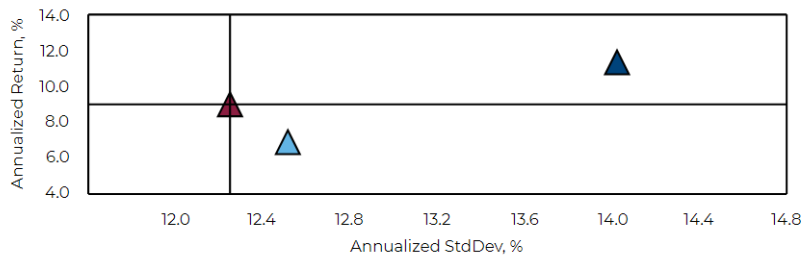
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity Balanced	0.69	1.22	1.13	0.98	115.54	107.91	0.96
60% S&P 500, 40% Bloomberg Agg	0.59	0.00	1.00	1.00	100.00	100.00	-
Moderate Allocation Median	0.42	-1.68	0.99	0.95	94.11	102.56	-0.59

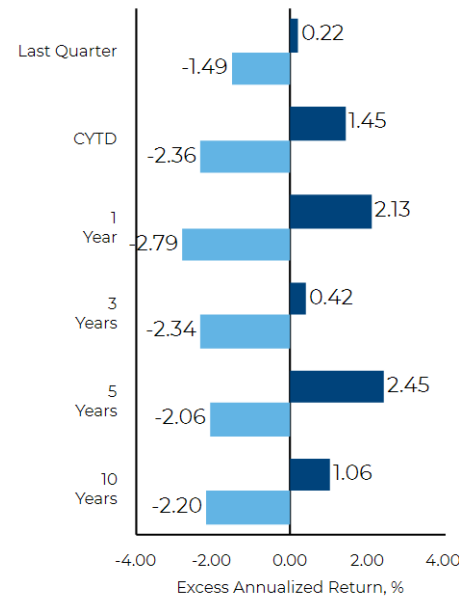
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ Fidelity Balanced
▲ Moderate Allocation Median
▲ 60% S&P 500, 40% Bloomberg Agg



■ Fidelity Balanced
■ Moderate Allocation Median

INVESTMENT PROFILE

Ticker	FBALX
Portfolio Manager	Team Managed
Portfolio Assets	\$38,009 Million
PM Tenure	15 Years 9 Months
Net Expense(%)	0.47 %
Fund Inception	1986
Category Expense Median	0.94
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	23.82 %
Number of Holdings	5174
Turnover	29.00 %
Avg. Market Cap	\$231,268 Million
Dividend Yield	1.24 %
Avg. Effective Duration	5.61 Years
SEC Yield	2.05 %

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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

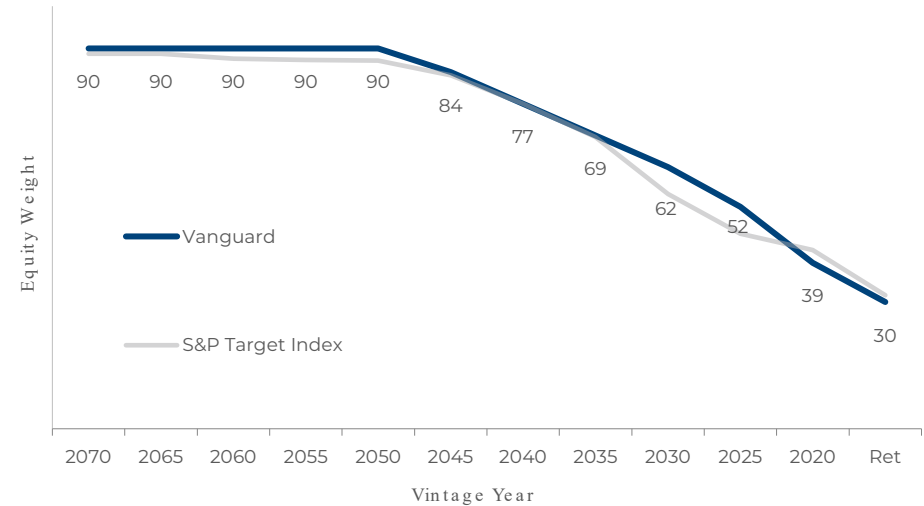
Vanguard uses a proprietary capital markets modeling tool to statistically analyze historical data, including interest rates, inflation, and other risk factors for global equities, fixed income, and commodity markets. This tool is used to generate forward-looking distributions of expected returns. Then, 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:	\$669,336	Manager Tenure:	11.42 years (longest)
Manager Name:	Nejman, Denis; Roach; Diaz	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

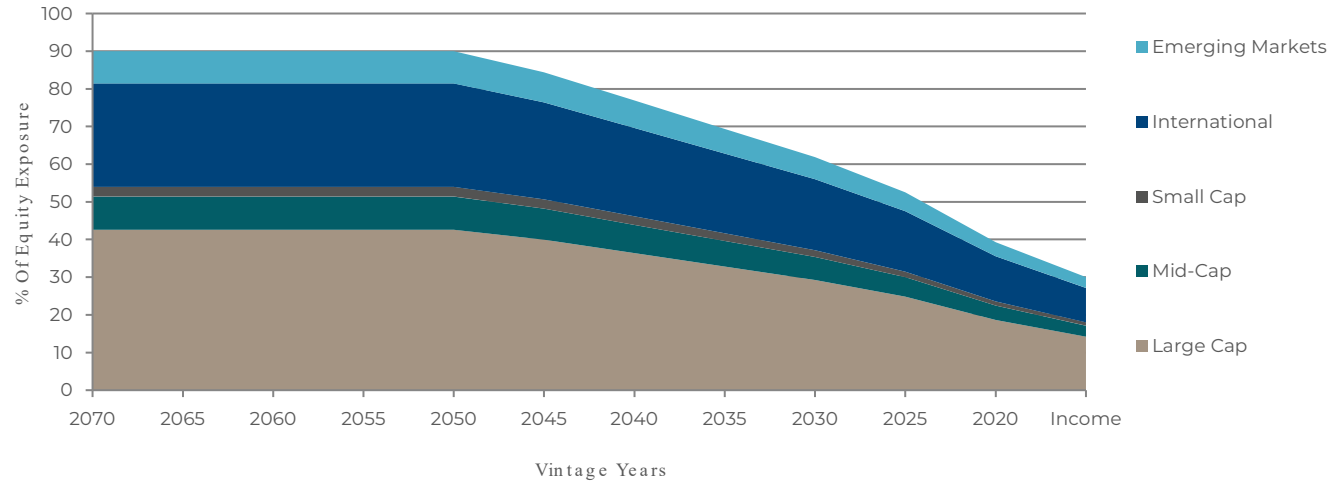
The Vanguard Target Retirement funds allocate to five broad index funds that provide comprehensive exposure to U.S. and non-U.S. equity and bond markets. Using index funds allows Vanguard to provide investment diversification at a low cost while also producing returns in line with equity and fixed income 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.



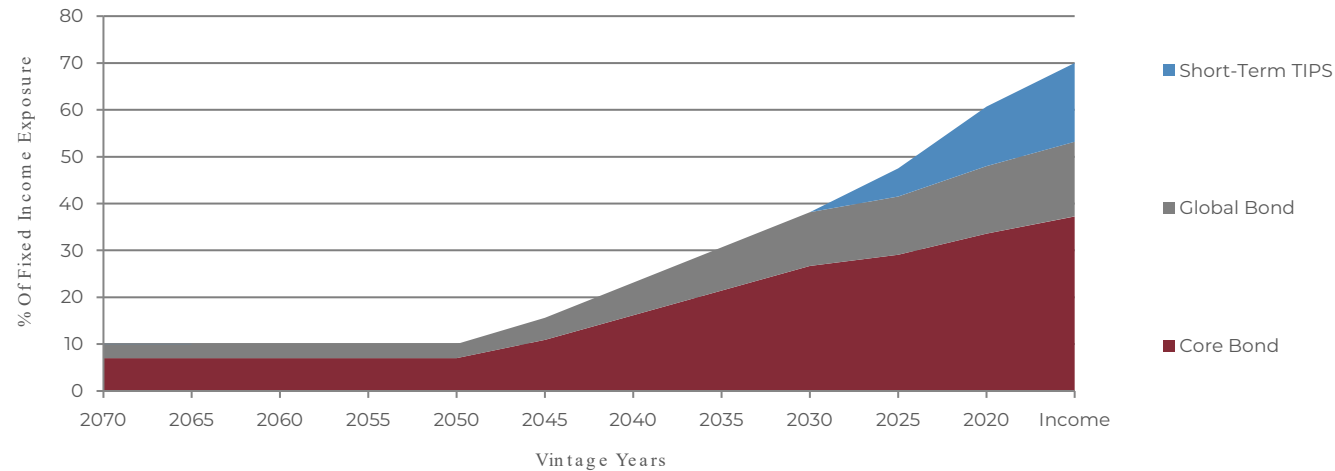
Material Changes to the Series

- 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.

Equity Exposure



Fixed Income Exposure



*All information provided by the asset manager, as of 12/31/23. Asset allocations shown are static in nature and do not incorporate any tactical views implemented by the manager.

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TARGET DATE ANALYSIS

Period Ending 6.30.24 | Q2 24

	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	0.99	-0.16	96.39	102.28	1.01	0.34	100.77	102.13
S&P Target Date 2020 Index	1.00	-0.07	100.00	100.00	1.00	0.36	100.00	100.00
Target Date 2020 Median	1.02	-0.15	100.93	105.15	1.04	0.33	103.10	104.35
Vanguard Target Retirement 2025 Fund	1.08	-0.07	106.24	110.77	1.06	0.39	105.69	107.70
S&P Target Date 2025 Index	1.00	-0.03	100.00	100.00	1.00	0.40	100.00	100.00
Target Date 2025 Median	1.03	-0.11	101.43	107.42	1.02	0.35	100.99	105.06
Vanguard Target Retirement 2030 Fund	1.05	-0.01	103.32	107.88	1.03	0.42	102.52	104.14
S&P Target Date 2030 Index	1.00	0.04	100.00	100.00	1.00	0.44	100.00	100.00
Target Date 2030 Median	1.04	-0.04	101.83	107.78	1.03	0.40	101.65	105.20
Vanguard Target Retirement 2035 Fund	1.00	0.04	98.27	102.34	0.99	0.46	98.33	99.40
S&P Target Date 2035 Index	1.00	0.10	100.00	100.00	1.00	0.47	100.00	100.00
Target Date 2035 Median	1.02	0.03	100.04	105.40	1.02	0.45	100.37	103.05
Vanguard Target Retirement 2040 Fund	0.98	0.09	96.46	100.43	0.98	0.49	97.83	98.66
S&P Target Date 2040 Index	1.00	0.15	100.00	100.00	1.00	0.50	100.00	100.00
Target Date 2040 Median	1.02	0.09	100.75	105.22	1.02	0.48	101.06	103.15
Vanguard Target Retirement 2045 Fund	0.99	0.12	97.99	101.53	1.00	0.51	100.41	100.83
S&P Target Date 2045 Index	1.00	0.18	100.00	100.00	1.00	0.51	100.00	100.00
Target Date 2045 Median	1.03	0.13	101.13	105.42	1.03	0.50	102.26	103.66
Vanguard Target Retirement 2050 Fund	1.00	0.15	98.83	101.82	1.00	0.52	100.05	100.29
S&P Target Date 2050 Index	1.00	0.19	100.00	100.00	1.00	0.52	100.00	100.00
Target Date 2050 Median	1.02	0.15	100.16	104.69	1.02	0.51	101.33	103.13
Vanguard Target Retirement 2055 Fund	0.99	0.15	98.53	101.56	0.99	0.52	99.35	99.66
S&P Target Date 2055 Index	1.00	0.19	100.00	100.00	1.00	0.52	100.00	100.00
Target Date 2055 Median	1.03	0.15	100.78	105.75	1.02	0.51	102.19	103.06

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	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	0.15	98.18	101.14	0.99	0.52	99.03	99.29
S&P Target Date 2060 Index	1.00	0.19	100.00	100.00	1.00	0.52	100.00	100.00
Target Date 2060 Median	1.02	0.15	100.27	104.64	1.02	0.51	101.67	102.41
Vanguard Target Retirement 2065 Fund	0.99	0.15	97.74	101.24	0.99	0.52	98.71	99.45
S&P Target Date 2065+ Index	1.00	0.20	100.00	100.00	1.00	0.53	100.00	100.00
Target Date 2065 Median	1.03	0.15	100.32	105.38	1.02	0.52	102.42	103.87
Vanguard Target Retirement 2070 Fund	-	-	-	-	-	-	-	-
S&P Target Date 2065+ Index	1.00	0.20	100.00	100.00	1.00	0.53	100.00	100.00
Target Date 2065 Median	1.03	0.15	100.32	105.38	1.02	0.52	102.42	103.87
Vanguard Target Retirement Income Fund	1.02	-0.26	99.91	105.55	1.01	0.23	100.65	102.89
S&P Target Date Retirement Income Index	1.00	-0.19	100.00	100.00	1.00	0.26	100.00	100.00
Target Date Retirement Income Median	1.09	-0.22	106.02	112.86	1.06	0.23	106.80	109.98

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VANGUARD TARGET RETIREMENT

MEETING DATE: JULY 19, 2024

FOCUS AREA

Organizational Update

COMMENTARY

There were no changes to the target date portfolio management team during the quarter.

Investments Update

COMMENTARY

There were no changes to the underlying investments of the Target Retirement series during the quarter.

Performance and Positioning Update

COMMENTARY

Vanguard Target Retirement Performance Update:

The Vanguard Target Retirement series posted solid results in the second quarter, mostly outperforming peers and posting results in-line with the benchmark.

- The main driver of performance was the series's passive portfolio construction.
- During the quarter, market gains were concentrated within large-cap stocks, while mid- and small-cap stocks posted negative returns.
- Relative to peers, Vanguard's passive investment approach within the Target Retirement portfolios added value as market benchmarks benefitted from this narrow leadership.
- Offsetting some of this positive impact in the series's in-retirement vintages (2020 and Income) was Vanguard's more conservative glidepath design.
- A lower equity allocation in these vintages compared to peers and the benchmark weighed on their results as equity markets outperformed fixed income during the quarter.

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.



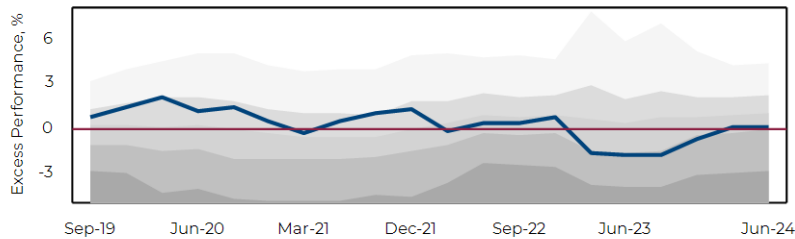
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
MFS Value R3	-2.15	6.40	12.62	5.55	8.90	8.59	7.92	-6.14	25.08	3.65	29.74
Russell 1000 Value Index	-2.17	6.62	13.06	5.52	9.01	8.23	11.46	-7.54	25.16	2.80	26.54
Large Value Median	-1.51	7.33	14.45	6.54	9.74	8.32	11.05	-5.50	26.11	2.86	25.50
Rank (%)	67	66	71	73	68	41	78	56	64	43	10
Population	1,074	1,074	1,067	1,031	1,006	926	1,109	1,114	1,114	1,112	1,098

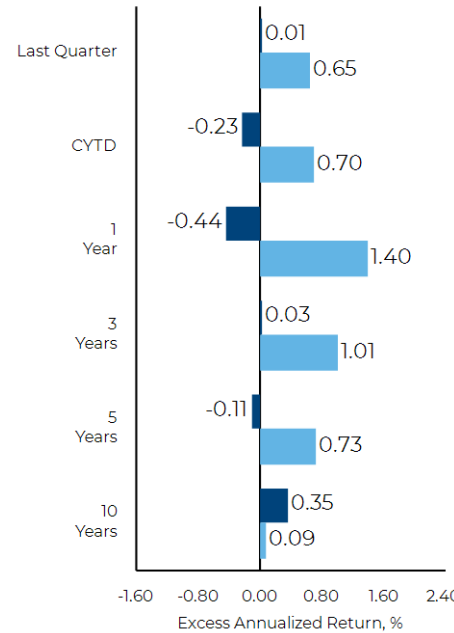
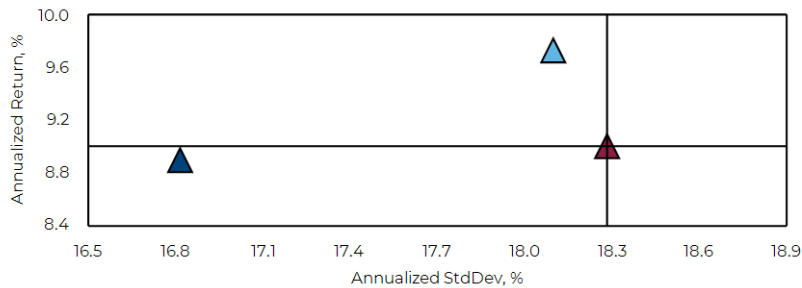
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
MFS Value R3	0.46	0.57	0.91	0.98	95.00	94.27	-0.12
Russell 1000 Value Index	0.45	0.00	1.00	1.00	100.00	100.00	-
Large Value Median	0.49	0.93	0.97	0.96	99.89	95.52	0.18

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	MEIHX
Portfolio Manager	Cannan,K/Chitkara,N
Portfolio Assets	\$2,629 Million
PM Tenure	18 Years 1 Month
Net Expense(%)	0.79 %
Fund Inception	2005
Category Expense Median	0.85
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	27.85 %
Number of Holdings	73
Turnover	12.00 %
Avg. Market Cap	\$112,913 Million
Dividend Yield	2.48 %

▲ MFS Value R3 ▲ Large Value Median ▲ Russell 1000 Value Index ■ MFS Value R3 ■ Large Value Median

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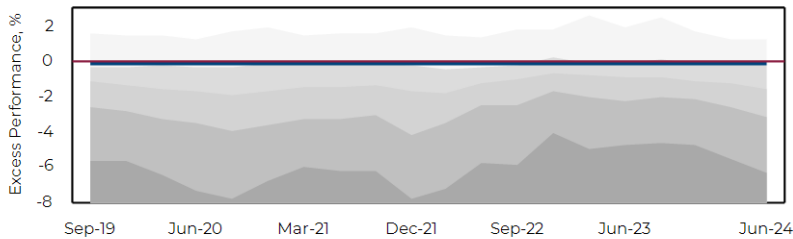
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Fidelity 500 Index	4.28	15.28	24.56	10.00	15.03	12.85	26.29	-18.13	28.69	18.40	31.47
S&P 500 Index	4.28	15.29	24.56	10.01	15.05	12.86	26.29	-18.11	28.71	18.40	31.49
Large Blend Median	3.18	14.22	23.25	8.53	13.83	11.42	24.27	-18.12	26.54	17.23	29.99
Rank (%)	18	30	34	22	18	8	24	51	21	36	24
Population	1,224	1,224	1,215	1,168	1,127	1,012	1,234	1,245	1,253	1,226	1,196

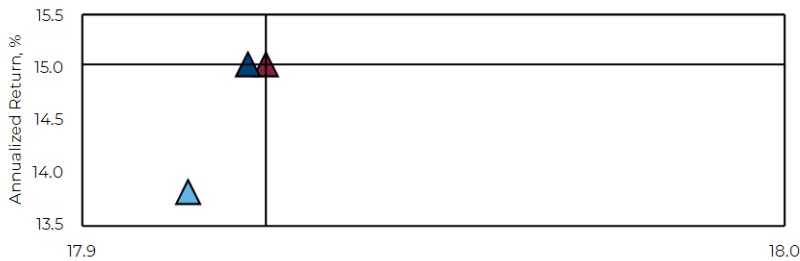
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity 500 Index	0.76	-0.01	1.00	1.00	99.96	99.99	-0.83
S&P 500 Index	0.76	0.00	1.00	1.00	100.00	100.00	-
Large Blend Median	0.69	-0.95	0.99	0.97	97.39	100.11	-0.50

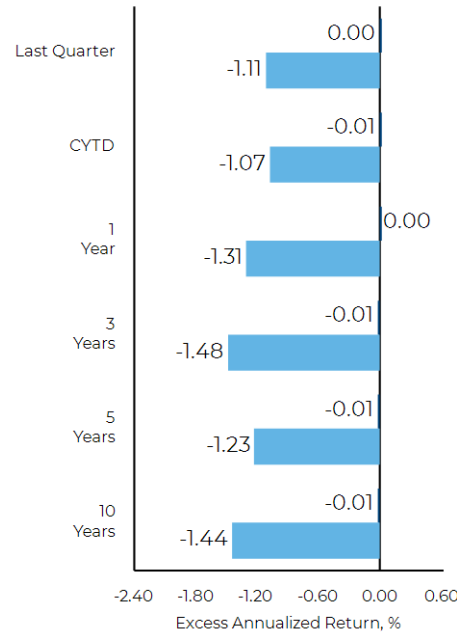
Rolling 3 Year Annualized Excess Return



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	\$561,294 Million
PM Tenure	15 Years 5 Months
Net Expense(%)	0.02 %
Fund Inception	2011
Category Expense Median	0.75
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	34.01 %
Number of Holdings	507
Turnover	2.00 %
Avg. Market Cap	\$293,434 Million
Dividend Yield	1.49 %

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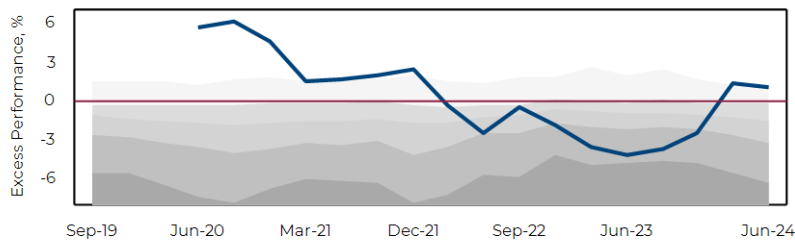
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Fidelity Contrafund K6	6.68	25.59	39.45	11.13	17.22	-	37.67	-27.12	24.14	30.83	31.00
S&P 500 Index	4.28	15.29	24.56	10.01	15.05	12.86	26.29	-18.11	28.71	18.40	31.49
Large Blend Median	3.18	14.22	23.25	8.53	13.83	11.42	24.27	-18.12	26.54	17.23	29.99
Rank (%)	1	1	1	7	2	-	1	100	78	1	35
Population	1,224	1,224	1,215	1,168	1,127	1,012	1,234	1,245	1,253	1,226	1,196

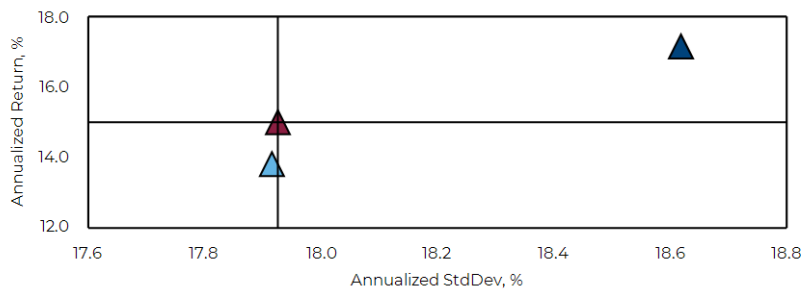
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity Contrafund K6	0.84	2.18	0.99	0.91	105.03	98.50	0.37
S&P 500 Index	0.76	0.00	1.00	1.00	100.00	100.00	-
Large Blend Median	0.69	-0.95	0.99	0.97	97.39	100.11	-0.50

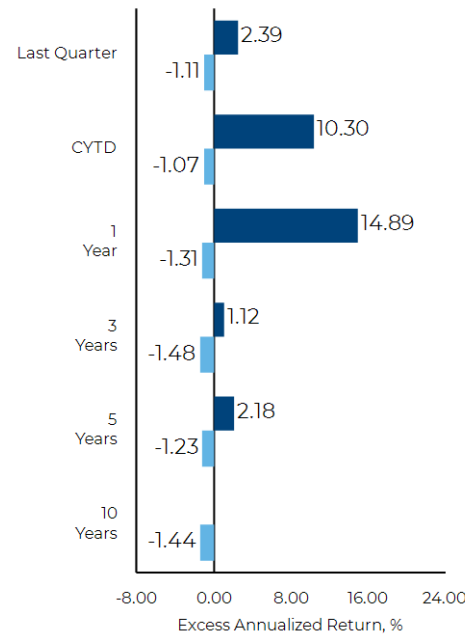
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ Fidelity Contrafund K6 ▲ Large Blend Median ▲ S&P 500 Index



■ Fidelity Contrafund K6 ■ Large Blend Median

INVESTMENT PROFILE

Ticker	FLCNX
Portfolio Manager	Danoff,W
Portfolio Assets	\$35,367 Million
PM Tenure	7 Years 1 Month
Net Expense(%)	0.45 %
Fund Inception	2017
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	53.06 %
Number of Holdings	378
Turnover	25.00 %
Avg. Market Cap	\$466,610 Million
Dividend Yield	0.71 %

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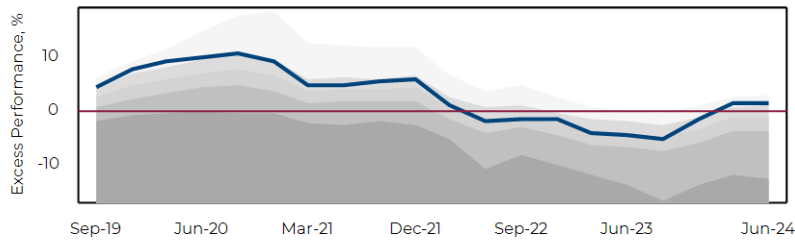
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
MainStay Winslow Large Cap Growth I	6.92	20.97	37.87	9.58	17.24	15.33	42.99	-31.25	24.81	37.38	33.67
Russell 3000 Index	3.22	13.56	23.12	8.05	14.14	12.15	25.96	-19.21	25.66	20.89	31.02
Large Growth Median	5.69	18.97	30.70	6.91	15.34	13.73	38.88	-30.93	22.07	35.21	33.09
Rank (%)	36	35	9	20	24	17	28	54	30	42	45
Population	1,072	1,072	1,068	1,043	1,029	942	1,113	1,131	1,154	1,137	1,107

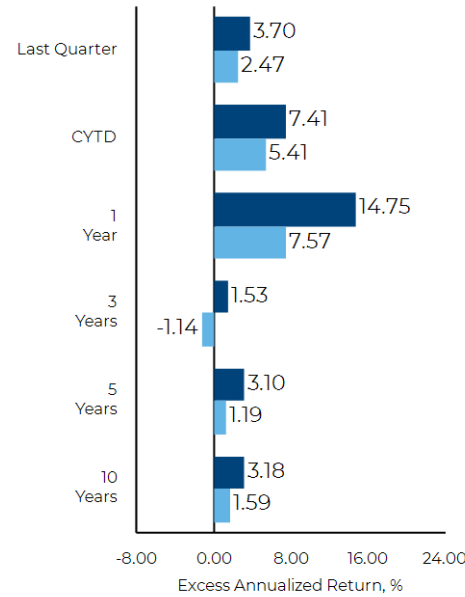
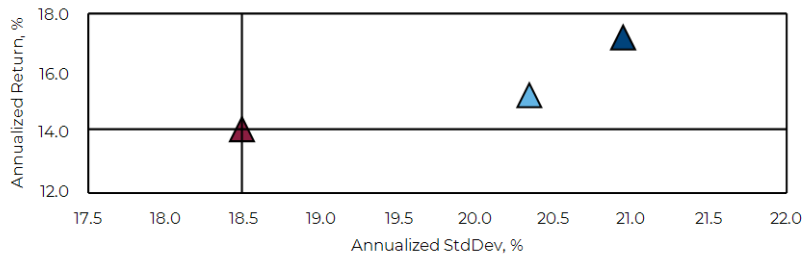
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
MainStay Winslow Large Cap Growth I	0.77	2.53	1.05	0.85	114.64	109.57	0.39
Russell 3000 Index	0.70	0.00	1.00	1.00	100.00	100.00	-
Large Growth Median	0.71	1.04	1.04	0.88	108.77	106.09	0.20

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	MLAIX
Portfolio Manager	Team Managed
Portfolio Assets	\$8,057 Million
PM Tenure	18 Years 8 Months
Net Expense(%)	0.73 %
Fund Inception	2005
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	50.90 %
Number of Holdings	44
Turnover	81.00 %
Avg. Market Cap	\$483,999 Million
Dividend Yield	0.42 %

▲ MainStay Winslow Large Cap Growth I ▲ Large Growth Median
 ▲ Russell 3000 Index

■ MainStay Winslow Large Cap Growth I
 ■ Large Growth Median

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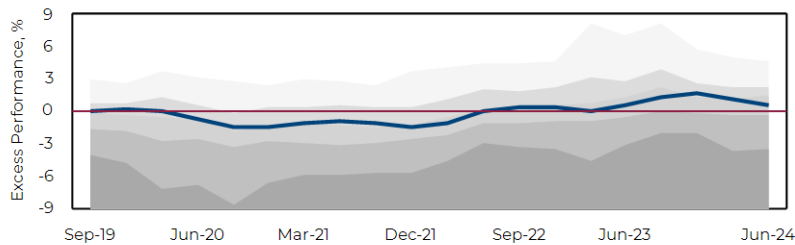
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
JPMorgan Mid Cap Value R6	-4.97	3.93	11.30	4.39	8.31	7.74	11.38	-8.03	30.11	0.43	26.67
Russell Midcap Value Index	-3.40	4.54	11.98	3.65	8.49	7.60	12.71	-12.03	28.34	4.96	27.06
Mid-Cap Value Median	-3.99	3.80	11.36	5.14	8.64	7.27	12.28	-8.13	28.56	2.81	26.91
Rank (%)	74	48	51	60	56	35	58	49	35	71	54
Population	354	354	353	347	344	323	361	371	384	383	381

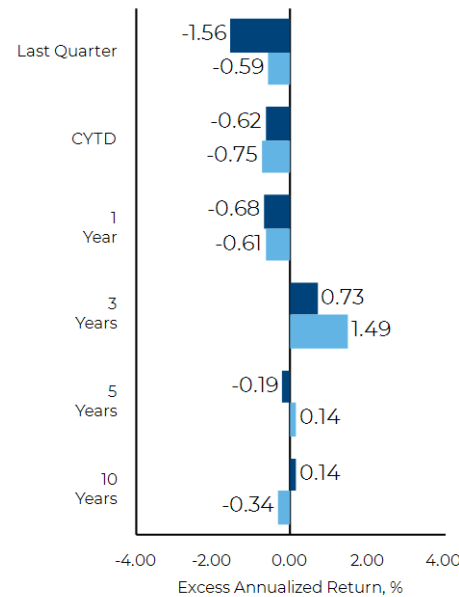
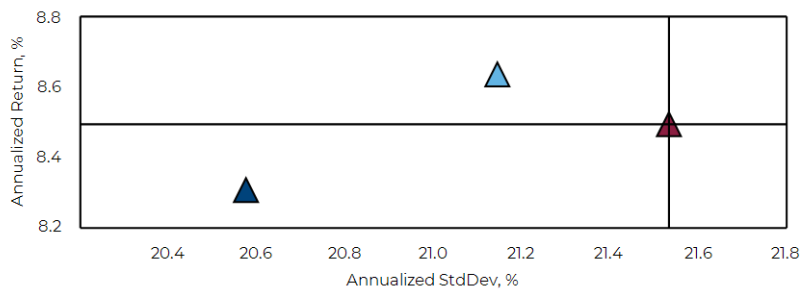
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
JPMorgan Mid Cap Value R6	0.39	0.18	0.95	0.98	93.25	91.88	-0.13
Russell Midcap Value Index	0.39	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Value Median	0.41	0.66	0.96	0.97	96.99	94.36	0.01

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	JMVMX
Portfolio Manager	Team Managed
Portfolio Assets	\$4,301 Million
PM Tenure	26 Years 7 Months
Net Expense(%)	0.65 %
Fund Inception	2016
Category Expense Median	0.94
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	16.95 %
Number of Holdings	108
Turnover	12.00 %
Avg. Market Cap	\$18,229 Million
Dividend Yield	2.18 %

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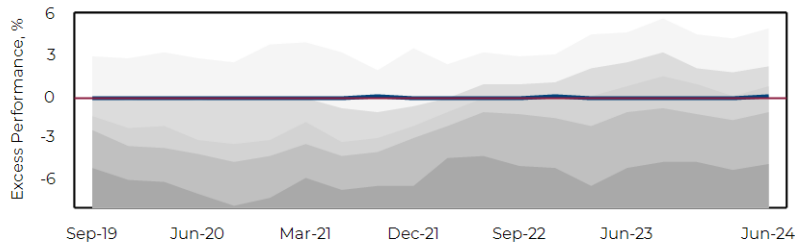
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Fidelity Mid Cap Index	-3.34	4.98	12.90	2.39	9.46	9.05	17.21	-17.28	22.56	17.11	30.51
Russell Midcap Index	-3.35	4.96	12.88	2.37	9.46	9.04	17.23	-17.32	22.58	17.10	30.54
Mid-Cap Blend Median	-3.66	4.96	12.74	3.13	9.21	7.99	15.92	-15.48	24.08	13.06	28.00
Rank (%)	32	50	47	57	43	17	29	66	63	28	30
Population	351	351	347	339	328	276	354	362	362	360	353

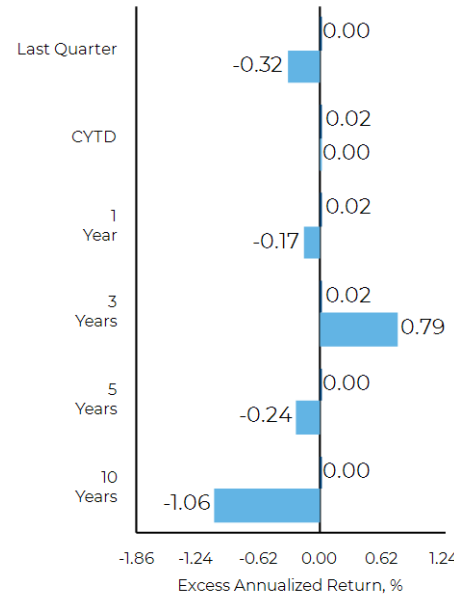
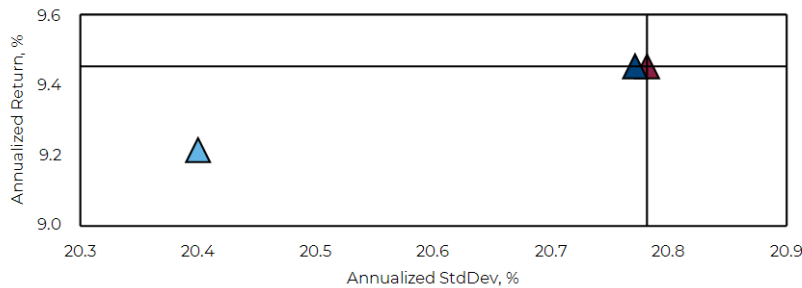
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity Mid Cap Index	0.44	0.00	1.00	1.00	99.92	99.88	-0.04
Russell Midcap Index	0.44	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Blend Median	0.43	0.04	0.96	0.95	97.95	98.93	-0.03

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	FSMDX
Portfolio Manager	Team Managed
Portfolio Assets	\$34,110 Million
PM Tenure	12 Years 9 Months
Net Expense(%)	0.03 %
Fund Inception	2011
Category Expense Median	0.86
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	6.08 %
Number of Holdings	812
Turnover	8.00 %
Avg. Market Cap	\$21,310 Million
Dividend Yield	1.70 %

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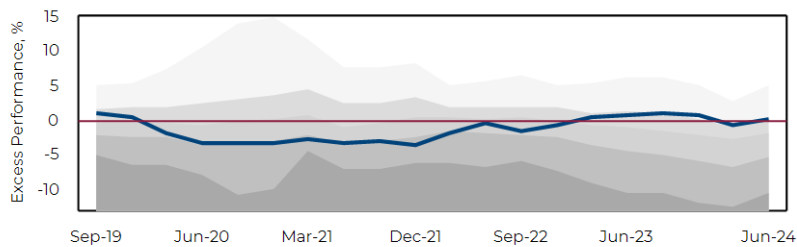
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
T. Rowe Price Instl Mid-Cap Equity Gr	-4.66	3.51	10.29	0.22	7.81	10.65	20.62	-23.17	15.52	23.87	33.09
Russell Midcap Growth Index	-3.21	5.98	15.05	-0.08	9.93	10.51	25.87	-26.72	12.73	35.59	35.47
Mid-Cap Growth Median	-3.78	5.02	11.42	-1.96	8.71	9.63	20.57	-28.53	11.81	38.98	33.86
Rank (%)	66	63	60	23	64	23	50	16	31	89	56
Population	501	501	501	498	476	445	526	538	547	525	515

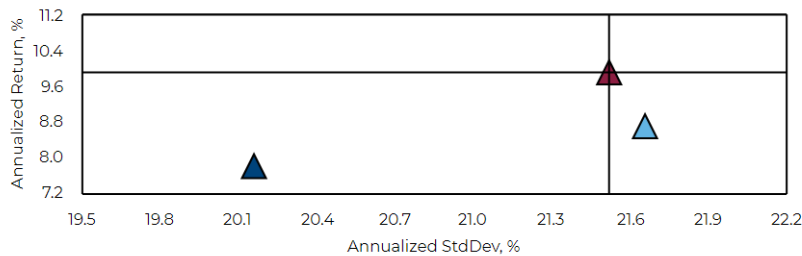
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
T. Rowe Price Instl Mid-Cap Equity Gr	0.37	-1.22	0.92	0.96	88.49	92.20	-0.48
Russell Midcap Growth Index	0.45	0.00	1.00	1.00	100.00	100.00	-
Mid-Cap Growth Median	0.39	-0.79	0.98	0.94	97.38	101.17	-0.19

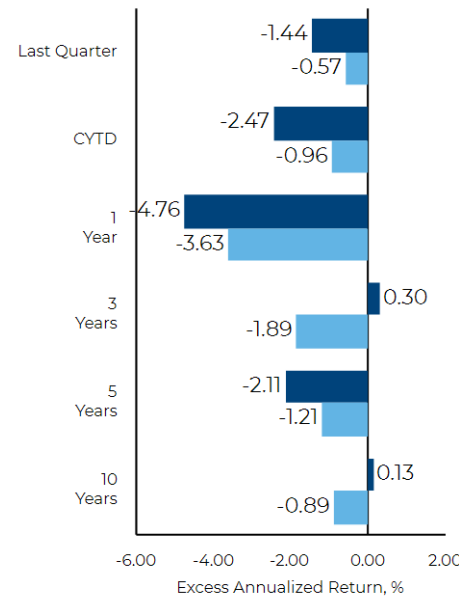
Rolling 3 Year Annualized Excess Return



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	\$4,997 Million
PM Tenure	27 Years 11 Months
Net Expense(%)	0.61 %
Fund Inception	1996
Category Expense Median	1.03
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	22.14 %
Number of Holdings	121
Turnover	28.60 %
Avg. Market Cap	\$22,625 Million
Dividend Yield	0.64 %

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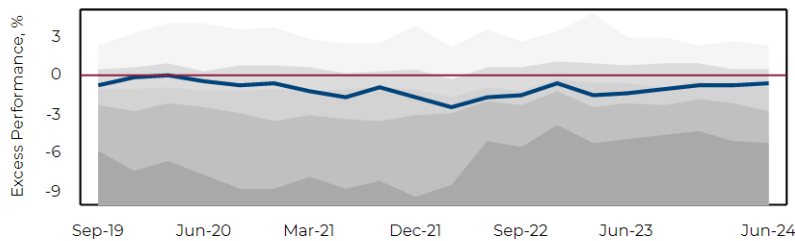
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
American Funds Capital World Gr&Inc R6	1.62	10.02	18.47	4.88	9.92	7.96	21.22	-17.01	15.15	15.78	25.74
MSCI AC World Index (Net)	2.87	11.30	19.38	5.43	10.76	8.43	22.20	-18.36	18.54	16.25	26.60
Global Large-Stock Blend Median	1.44	8.91	15.65	4.53	9.23	7.82	19.07	-17.38	18.05	14.16	26.20
Rank (%)	42	39	33	43	37	44	29	45	75	31	56
Population	319	319	315	311	307	240	325	336	336	331	321

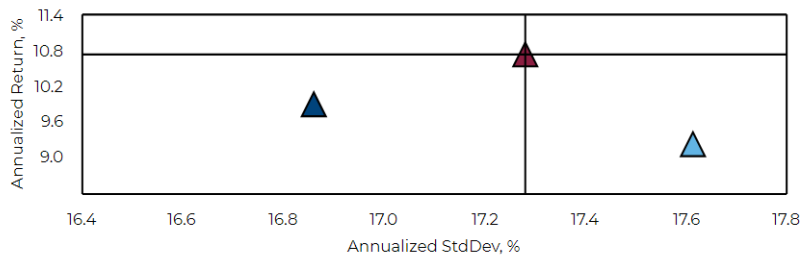
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
American Funds Capital World Gr&Inc R6	0.52	-0.41	0.96	0.98	95.99	97.89	-0.31
MSCI AC World Index (Net)	0.56	0.00	1.00	1.00	100.00	100.00	-
Global Large-Stock Blend Median	0.49	-0.73	0.99	0.95	96.01	100.24	-0.38

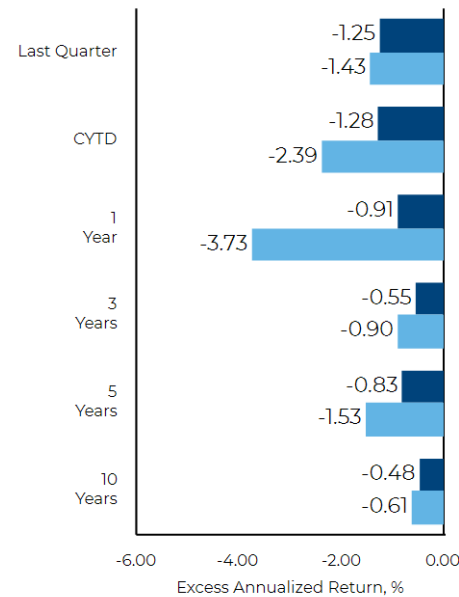
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ 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

INVESTMENT PROFILE

Ticker	RWIGX
Portfolio Manager	Team Managed
Portfolio Assets	\$34,598 Million
PM Tenure	18 Years 4 Months
Net Expense(%)	0.41 %
Fund Inception	2009
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	22.56 %
Number of Holdings	336
Turnover	27.00 %
Avg. Market Cap	\$132,868 Million
Dividend Yield	2.22 %
Avg. Effective Duration	-
SEC Yield	1.84 %

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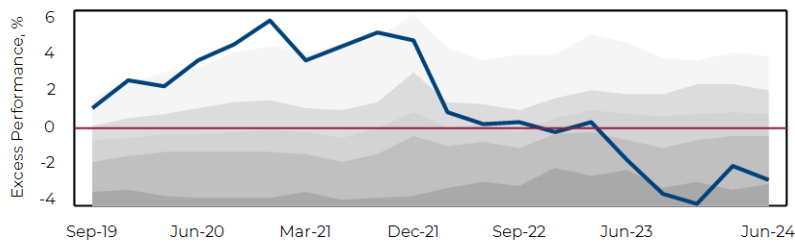
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
American Funds Europacific Growth R6	-0.23	7.19	10.82	-2.46	6.05	5.25	16.05	-22.72	2.84	25.27	27.40
MSCI AC World ex USA (Net)	0.96	5.69	11.62	0.46	5.55	3.84	15.62	-16.00	7.82	10.65	21.51
Foreign Large Blend Median	0.18	5.53	10.73	1.14	6.12	4.07	16.12	-15.92	10.15	10.23	22.31
Rank (%)	65	26	49	95	52	15	52	96	95	3	12
Population	657	657	657	627	612	497	683	703	732	719	700

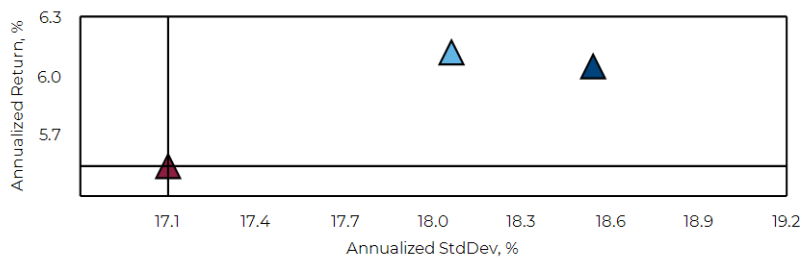
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
American Funds Europacific Growth R6	0.30	0.37	1.05	0.94	109.09	108.54	0.16
MSCI AC World ex USA (Net)	0.28	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.30	0.57	1.03	0.94	106.59	104.81	0.17

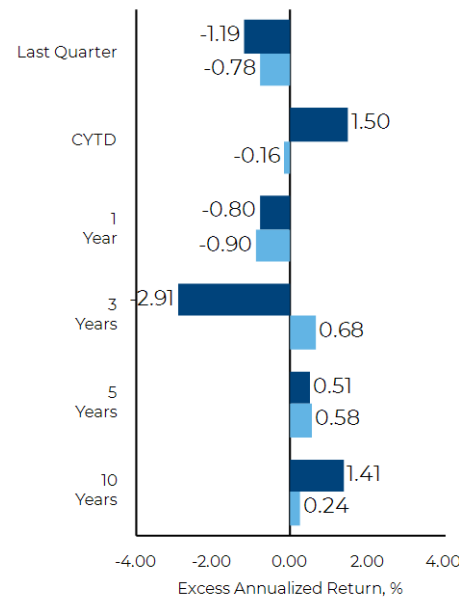
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ American Funds Europacific Growth R6 ▲ Foreign Large Blend Median
 ▲ MSCI AC World ex USA (Net)



■ American Funds Europacific Growth R6
 ■ Foreign Large Blend Median

INVESTMENT PROFILE

Ticker	RERGX
Portfolio Manager	Team Managed
Portfolio Assets	\$66,317 Million
PM Tenure	23 Years
Net Expense(%)	0.47 %
Fund Inception	2009
Category Expense Median	0.98
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	24.14 %
Number of Holdings	341
Turnover	34.00 %
Avg. Market Cap	\$71,064 Million
Dividend Yield	2.05 %

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AMERICAN FUNDS EUROPACIFIC GROWTH

Topic	<p>Performance for the fund was slightly soft during the second quarter, but the environment for this growth tilted strategy has generally improved since interest rates peaked in October last year. Despite the Q2 miss, the strategy's year-to-date results are attractive due to a strong first quarter, ranking in the upper quartile of the foreign large blend peer group. The three-year trailing return continues to be weighed down by the challenging environment for the growth style from late 2021 through 2022, but returns over the past two years are nicely ahead of the core MSCI ACWI ex-U.S. Index and are slightly ahead of the foreign large blend peer group median. Five-year and longer trailing returns remain compelling, near or within the upper half of the peer group and ahead of the core benchmark.</p>
Attribution	<p>During the second quarter, the strategy declined -0.23% versus 0.96% for the core benchmark. At the country level, portfolio positioning was a modest detractor due to an overweight to France and an underweight to China, but stock selection was more impactful. Selection in Japan (Daiichi Sankyo, Recruit Holdings, NEC Corp) and South Korea (SK Hynix, Coupang) benefited the strategy, but was offset by weakness in Australia (Fortescue), China (Kweichow Moutai, NetEase), and the United Kingdom (Flutter Entertainment, Melrose Industries). At the sector level, positioning had a muted effect, leaving stock selection as the primary driver of the quarterly miss. Selection was attractive in healthcare (Novo Nordisk, Daiichi Sankyo), but was offset by weakness in industrial (Airbus, Safran, Melrose Industries) and financial (Banco Bilbao, Edenred, Aon PLC) holdings.</p>
Our View	<p>We continue to have a high degree of conviction in the strategy due to its experienced team, disciplined process, and generally consistent results. The investment team has a deep and experienced bench (12 PMs plus an analyst research sleeve) to help smooth out disruptions from the inevitable retirements and departures that occur from time to time. While the strategy's growth tilted style has been out of favor for much of the past three years, this stylistic dynamic has started to shift back in the fund's favor more recently and relative performance has started to improve again.</p>

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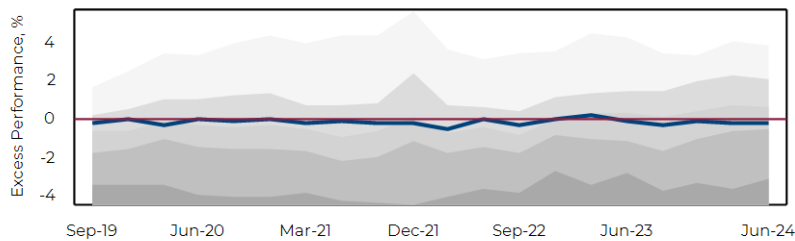
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Vanguard Total Intl Stock Index Admiral	0.80	5.13	10.96	0.34	5.75	4.02	15.52	-16.01	8.62	11.28	21.51
FTSE Global ex USA All Cap Index (Net)	0.86	5.24	11.68	0.48	5.87	4.12	15.79	-16.10	8.84	11.24	21.80
Foreign Large Blend Median	0.18	5.53	10.73	1.14	6.12	4.07	16.12	-15.92	10.15	10.23	22.31
Rank (%)	38	62	46	66	62	54	60	52	66	43	63
Population	657	657	657	627	612	497	683	703	732	719	700

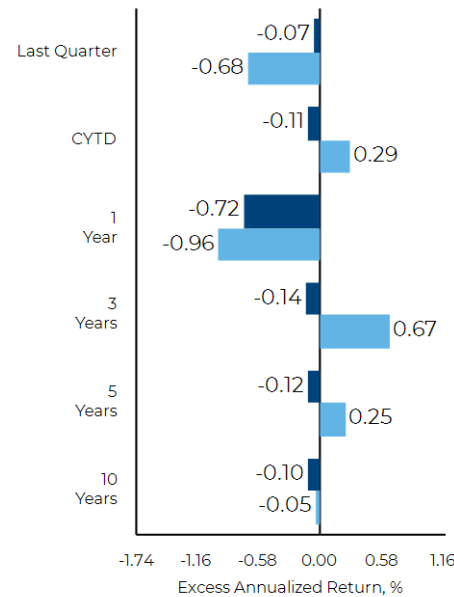
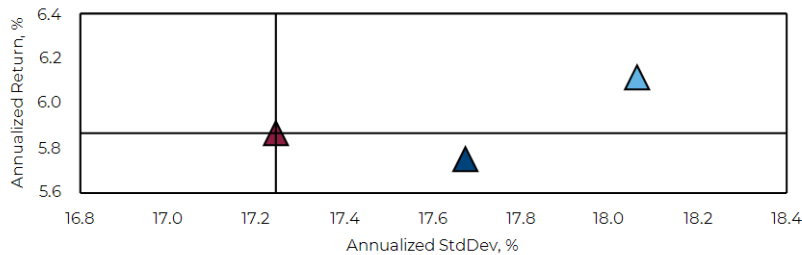
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Vanguard Total Intl Stock Index Admiral	0.28	-0.16	1.02	0.98	103.21	104.56	-0.02
FTSE Global ex USA All Cap Index (Net)	0.29	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Blend Median	0.30	0.31	1.02	0.94	105.53	105.15	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	\$75,606 Million
PM Tenure	15 Years 10 Months
Net Expense(%)	0.12 %
Fund Inception	2010
Category Expense Median	0.90
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	10.06 %
Number of Holdings	8621
Turnover	4.00 %
Avg. Market Cap	\$31,200 Million
Dividend Yield	3.35 %

▲ 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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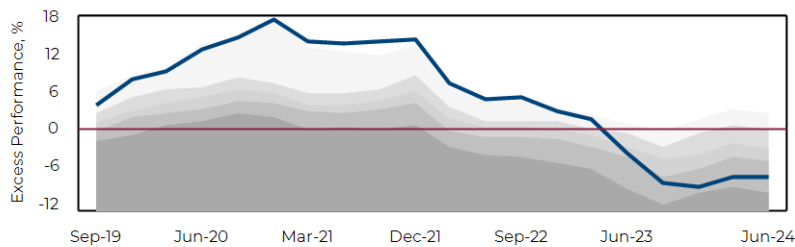
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Vanguard International Growth Adm	2.36	7.77	9.02	-7.21	8.52	7.64	14.81	-30.79	-0.74	59.74	31.48
MSCI AC World ex USA (Net)	0.96	5.69	11.62	0.46	5.55	3.84	15.62	-16.00	7.82	10.65	21.51
Foreign Large Growth Median	-0.27	6.00	8.88	-2.55	5.82	5.03	15.97	-25.10	8.62	22.39	28.14
Rank (%)	6	29	49	89	13	8	70	82	89	2	24
Population	387	387	384	379	356	301	406	426	434	419	405

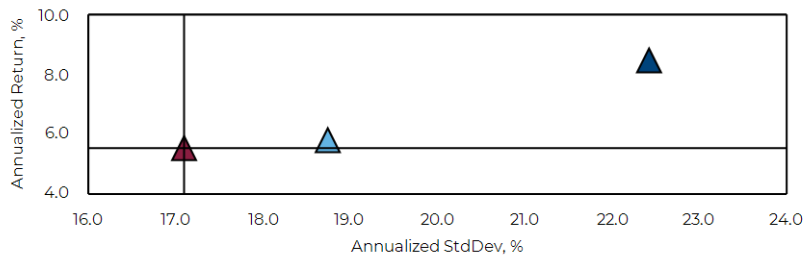
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Vanguard International Growth Adm	0.38	2.61	1.18	0.81	128.70	119.63	0.37
MSCI AC World ex USA (Net)	0.28	0.00	1.00	1.00	100.00	100.00	-
Foreign Large Growth Median	0.29	0.43	1.03	0.86	109.25	106.54	0.09

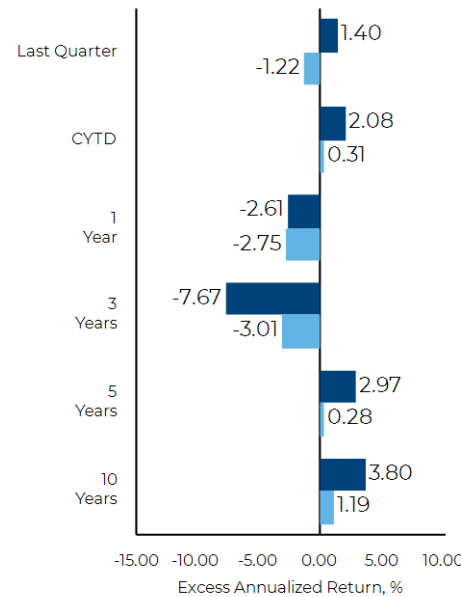
Rolling 3 Year Annualized Excess Return



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	\$38,106 Million
PM Tenure	14 Years 6 Months
Net Expense(%)	0.31 %
Fund Inception	2001
Category Expense Median	0.98
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	33.72 %
Number of Holdings	168
Turnover	14.00 %
Avg. Market Cap	\$67,065 Million
Dividend Yield	1.18 %

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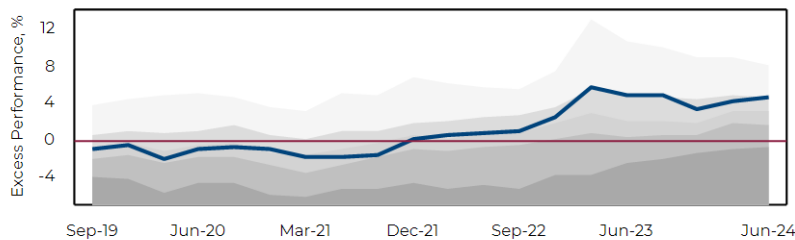
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
American Beacon Small Cap Value R6	-4.07	0.28	10.04	4.13	9.26	6.99	16.68	-7.72	28.21	4.03	23.50
Russell 2000 Value Index	-3.64	-0.85	10.90	-0.53	7.07	6.23	14.65	-14.48	28.27	4.63	22.39
Small Value Median	-3.61	1.04	10.96	2.59	8.59	6.59	15.91	-11.43	30.87	3.54	22.13
Rank (%)	61	63	60	25	34	38	42	22	62	45	35
Population	450	450	448	433	416	380	458	462	461	457	446

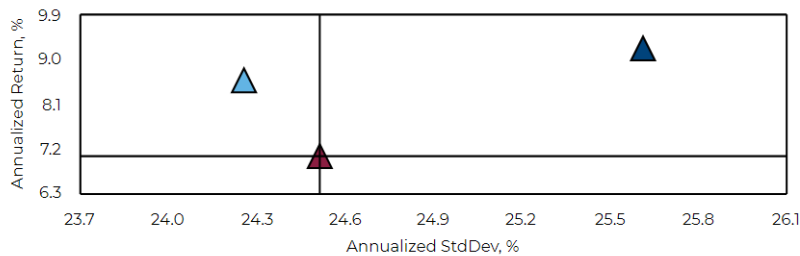
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
American Beacon Small Cap Value R6	0.39	2.06	1.03	0.98	105.80	99.69	0.57
Russell 2000 Value Index	0.32	0.00	1.00	1.00	100.00	100.00	-
Small Value Median	0.38	1.74	0.97	0.95	98.83	93.51	0.25

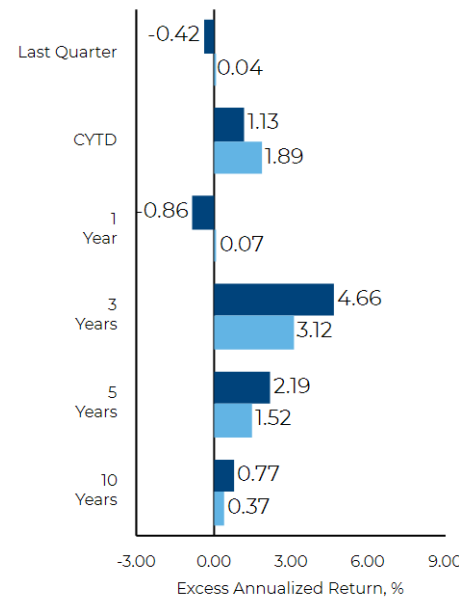
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ American Beacon Small Cap Value R6 ▲ Small Value Median
▲ Russell 2000 Value Index



■ American Beacon Small Cap Value R6
■ Small Value Median

INVESTMENT PROFILE

Ticker	AASRX
Portfolio Manager	Team Managed
Portfolio Assets	\$1,832 Million
PM Tenure	25 Years 6 Months
Net Expense(%)	0.77 %
Fund Inception	2017
Category Expense Median	1.09
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	14.58 %
Number of Holdings	477
Turnover	52.00 %
Avg. Market Cap	\$2,944 Million
Dividend Yield	2.14 %

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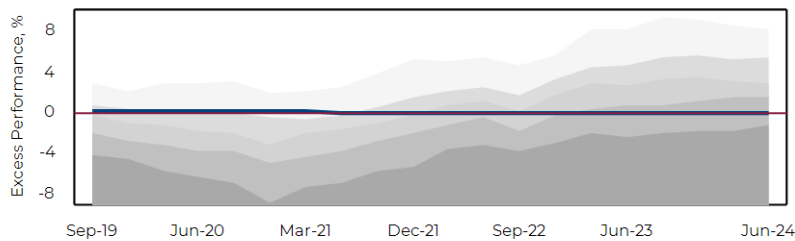
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Fidelity Small Cap Index	-3.25	1.77	10.17	-2.48	7.04	7.16	17.12	-20.27	14.71	19.99	25.71
Russell 2000 Index	-3.28	1.73	10.06	-2.58	6.94	7.00	16.93	-20.44	14.82	19.96	25.53
Small Blend Median	-3.37	2.19	9.96	0.41	7.93	7.27	16.19	-16.74	22.92	12.73	24.88
Rank (%)	45	56	48	88	68	54	38	79	89	16	39
Population	548	546	542	528	523	465	567	573	592	592	587

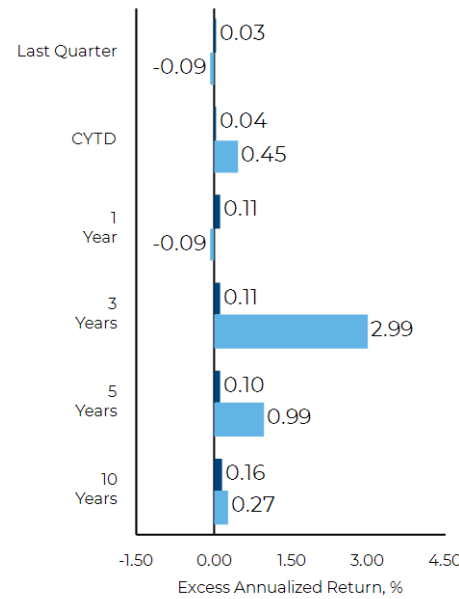
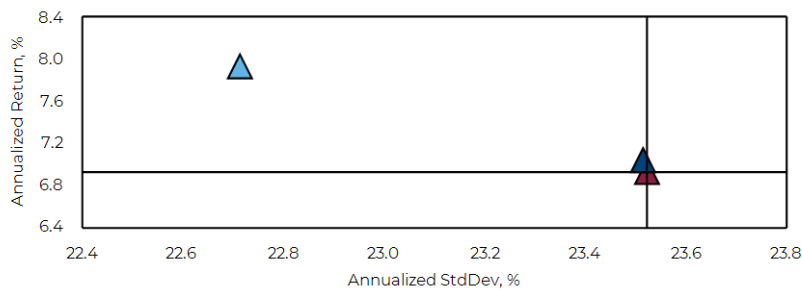
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Fidelity Small Cap Index	0.32	0.10	1.00	1.00	100.12	99.82	1.05
Russell 2000 Index	0.31	0.00	1.00	1.00	100.00	100.00	-
Small Blend Median	0.36	1.33	0.94	0.95	97.13	92.74	0.17

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	FSSNX
Portfolio Manager	Team Managed
Portfolio Assets	\$26,863 Million
PM Tenure	12 Years 9 Months
Net Expense(%)	0.03 %
Fund Inception	2011
Category Expense Median	1.00
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	5.96 %
Number of Holdings	1949
Turnover	9.00 %
Avg. Market Cap	\$2,680 Million
Dividend Yield	1.86 %

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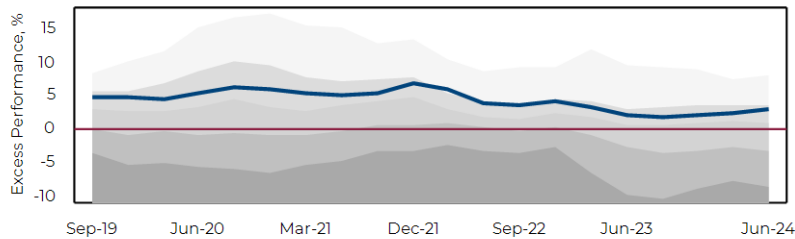
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
MassMutual Small Cap Gr Eq I	-1.64	6.83	12.52	-1.91	8.95	9.58	16.93	-25.85	10.60	40.66	34.99
Russell 2000 Growth Index	-2.92	4.44	9.14	-4.86	6.17	7.39	18.66	-26.36	2.83	34.63	28.48
Small Growth Median	-2.57	4.88	9.03	-3.90	6.77	8.19	16.34	-28.30	9.34	38.39	29.04
Rank (%)	34	32	25	31	24	24	45	34	46	44	25
Population	557	557	557	542	525	505	578	586	598	597	580

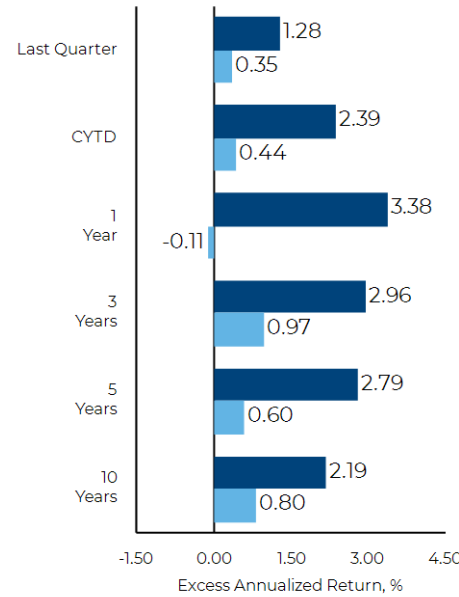
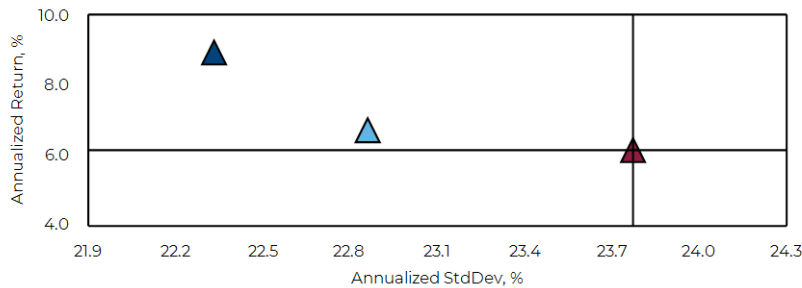
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
MassMutual Small Cap Gr Eq I	0.40	3.04	0.92	0.96	98.09	89.26	0.45
Russell 2000 Growth Index	0.28	0.00	1.00	1.00	100.00	100.00	-
Small Growth Median	0.31	1.01	0.93	0.92	96.71	92.21	0.07

Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



INVESTMENT PROFILE

Ticker	MSGZX
Portfolio Manager	Team Managed
Portfolio Assets	\$565 Million
PM Tenure	22 Years 7 Months
Net Expense(%)	0.87 %
Fund Inception	2010
Category Expense Median	1.12
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	12.86 %
Number of Holdings	250
Turnover	64.00 %
Avg. Market Cap	\$5,241 Million
Dividend Yield	0.91 %

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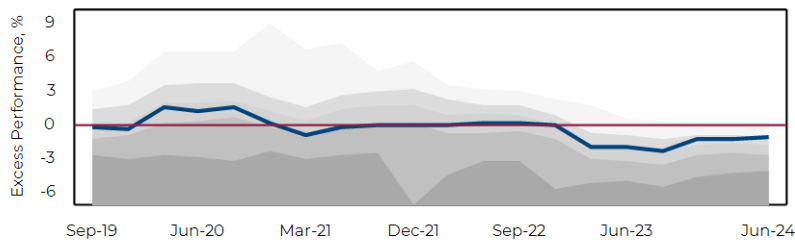
TRAILING AND CALENDAR RETURNS

	Last Quarter	CYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021	2020	2019
Nuveen Real Estate Securities I	0.02	-1.76	4.93	-0.92	3.03	5.31	11.51	-24.70	41.32	-6.12	25.56
MSCI U.S. REIT Index	0.08	-0.24	7.60	0.20	3.89	5.83	13.74	-24.51	43.06	-7.57	25.84
Real Estate Median	-0.66	-1.65	5.75	-1.58	3.38	5.45	12.02	-26.30	41.45	-4.38	28.10
Rank (%)	34	57	68	31	63	54	62	15	54	68	75
Population	210	210	210	206	202	186	215	224	228	228	227

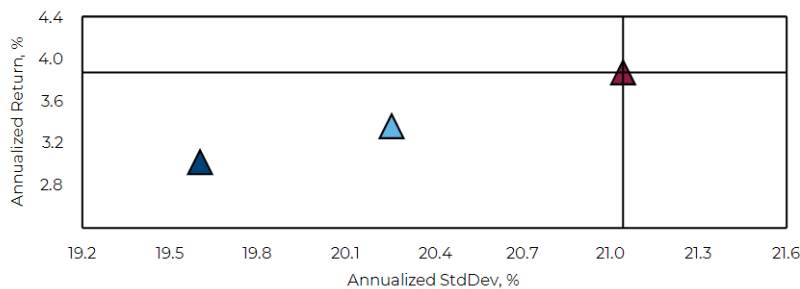
KEY MEASURES/5 YEAR

	Sharpe Ratio	Alpha	Beta	R-Squared	Up Capture	Down Capture	Information Ratio
Nuveen Real Estate Securities I	0.14	-0.67	0.92	0.98	92.70	95.41	-0.35
MSCI U.S. REIT Index	0.19	0.00	1.00	1.00	100.00	100.00	-
Real Estate Median	0.16	-0.28	0.94	0.97	95.66	97.36	-0.18

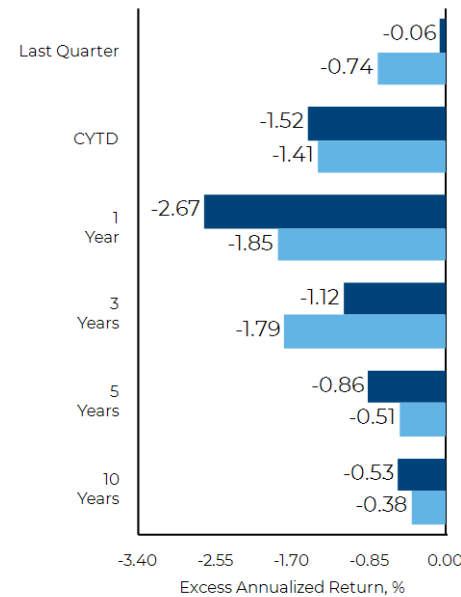
Rolling 3 Year Annualized Excess Return



Performance vs Risk 5 Year



▲ Nuveen Real Estate Securities I ▲ Real Estate Median ▲ MSCI U.S. REIT Index



■ Nuveen Real Estate Securities I ■ Real Estate Median

INVESTMENT PROFILE

Ticker	FARCX
Portfolio Manager	Keri,B/Sedlak,S/Wade,S
Portfolio Assets	\$586 Million
PM Tenure	13 Years 3 Months
Net Expense(%)	0.97 %
Fund Inception	1995
Category Expense Median	1.00
Subadvisor	-

HOLDINGS OVERVIEW

% Assets in Top 10 Holdings	47.00 %
Number of Holdings	58
Turnover	72.00 %
Avg. Market Cap	\$21,407 Million
Dividend Yield	4.52 %

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APPENDIX	
Advisory Services Review.....	
Plan Administration Review.....	
Action Items/Notes.....	
Your CAPTRUST Service Team.....	
Glossary of Terms.....	
Evaluation Methodology.....	

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">  MARKED FOR REVIEW </p> <p data-bbox="121 490 577 604"> The following categories of the Investment Policy Monitor appear “Marked For Review” when: </p> <p data-bbox="121 773 583 831"> CAPTRUST’s Investment Policy Monitoring Methodology </p> <p data-bbox="121 844 592 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 562 1133"> Our current Investment Policy Monitoring Methodology document can be accessed through the following link: </p> <p data-bbox="121 1166 508 1190"> captrust.com/investmentmonitoring </p>	<p data-bbox="751 344 1150 368"> 3/5 Year Risk- adjusted Performance </p> <p data-bbox="751 386 1323 467"> 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="751 532 1096 557"> 3/5 Year Performance vs. Peers </p> <p data-bbox="751 574 1312 656"> 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="751 737 919 761"> 3/5 Year Style </p> <p data-bbox="751 779 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="751 915 982 940"> 3/5 Year Confidence </p> <p data-bbox="751 948 1270 1029"> The investment option’s 3 or 5 Year Confidence Rating falls below the 50th percentile of the peer group. </p> <p data-bbox="751 1084 997 1109"> Glidepath Assessment </p> <p data-bbox="751 1127 1312 1240"> % 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 1273 1312 1354"> 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="1411 344 1621 368"> Fund Management </p> <p data-bbox="1411 386 1942 435"> A significant disruption to the investment option’s management team has been discovered. </p> <p data-bbox="1411 506 1549 531"> Fund Family </p> <p data-bbox="1411 555 1942 604"> A significant disruption to the investment option’s parent company has been discovered. </p> <p data-bbox="1411 695 1654 719"> Portfolio Construction </p> <p data-bbox="1411 737 1963 818"> The investment option’s combined Portfolio Construction score is 6 or below out of a possible 15 points. </p> <p data-bbox="1411 889 1753 914"> Underlying Investment Vehicles </p> <p data-bbox="1411 948 1921 1029"> The investment option’s combined Underlying Investment Vehicles score is 6 or below out of a possible 15 points. </p>

RESOLUTION 2024-XX-XX

Acceptance of FY2024 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.

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 19, 2024