



## **University of Wisconsin System Trust Funds**



### **Quarterly Investment Review June 30, 2022**

## UW System Trust Funds: Overview and Investment Summary

Quarter Ended June 30, 2022

### **Investment Objective**

To achieve, net of administrative and investment expenses, reasonable, attainable and sustainable returns over and above the rate of inflation. SWIB seeks to achieve this objective through the use of passive, externally-managed, public markets funds.

### **Market Values as of June 30, 2022**

Total Public Market Assets <sup>1</sup>	\$434,453,726
Total Legacy Private Market Assets <sup>1</sup>	\$88,869,601
Other Cash and Accruals <sup>2</sup>	\$119
<b>Total UW System Long Term Fund<sup>3</sup></b>	<b>\$523,323,445</b>
<b>Income Cash Fund (State Investment Fund 'SIF')<sup>4</sup></b>	<b>\$38,902,000</b>

<sup>1</sup> Market values are net of accrued external investment management fees, and internal UW fees.

<sup>2</sup> Other Cash and Accruals include custody & middle office fees, SWIB internal management fees, fund-level STIF cash, STIF interest and other pass through fees that either accrue until paid or are pre-paid. Balances vary intra-month and can cross into new quarters.

<sup>3</sup> Market values are net of SWIB internal and external investment management fees, custody & middle office fees, other pass through fees accrued and paid, and internal UW fees.

<sup>4</sup> Data is sourced from the Quarter End Pool Sheets provided by the DOA and represents the monies available in UW Funds 161 and 162 (STAR account(s) 51100 and 51200).

### **Performance for Quarter Ended June 30, 2022**

	Apr-22	May-22	Jun-22	3 Months
UW System Long Term Fund (Gross of Fees)	-4.67%	-0.13%	-4.51%	-9.09%
UW System Long Term Fund (Net of All Fees) <sup>5</sup>	-4.67%	-0.14%	-4.52%	-9.11%
UW Fund Custom Benchmark	-4.62%	-0.18%	-4.52%	-9.09%

<sup>5</sup> Returns are net of SWIB internal and external investment management fees, custody & middle office fees, and other pass through fees accrued and paid. Returns are gross of internal UW fees.

### **Contributions/Withdrawals for Quarter Ended June 30, 2022**

UW System Long Term Fund - Public Markets <sup>6</sup>	(\$2,317,225)
UW System Long Term Fund - Private Markets <sup>7</sup>	(\$2,612,071)
UW System Long Term Fund Contributions for Fees	\$27,696
UW System Long Term Fund Fees Expensed <sup>8</sup>	(\$202,805)

<sup>6</sup> Amount represents the net of new contributions and withdrawals by UWS, including endowment spending distributions, assessment of UWS internal fees, as well as reallocations among the public and private market portfolios.

<sup>7</sup> Distributions from StepStone and other private market underlying funds are net of external investment management fees paid.

<sup>8</sup> Fees expensed can include external and internal management fees, custody & middle office fees, and other pass through fees accrued and paid from both the public and private market accounts.

## **Performance and Market Discussion**

For the quarter ended June 30th, the UW investment portfolio returned -9.09%, performing in-line with its benchmark.

Global growth and inflation concerns dominated investor sentiment within developed equity markets over the second quarter. Global geopolitical tensions intensified as the war in Ukraine continued with no sign of resolution. European countries were directly impacted by the reduction in gas supplies from Russia and increased gas prices which peaked in the first half of June 2022. Fears of a recession increased over the quarter on the back of the hawkish tone of central banks across developed markets as they continued to grapple with high inflation.

The U.S. Federal Reserve (Fed) announced that they would not hesitate to raise interest rates beyond neutral to achieve its inflation target and is willing to accept an increase in unemployment rate. As risks to growth and recession fears increased, the level of future rate hikes beyond July remained unclear. The Fed lifted rates to a range of 1.5%-1.75% over the quarter.

## **Equity Performance**

The UW System's combined equity portfolio returned -14.64% during the quarter versus the combined equity benchmark return of -14.69%.

The U.S. broad-market Russell 3000 Index increased -16.70% in the second quarter.

Concerns about high inflation, growth outlook and recession fears increased in the U.S. this quarter. While the unemployment rate remained low and wage growth strong, consumer sentiment went down as consumers struggled with higher prices and borrowing costs. The increase in expectation of an interest rate hike weighed down on U.S. equity market valuations.

From a sector perspective, Utilities (-5.28%), Consumer Staples (-5.34%), and Energy (-7.27%) were among the best performers. While Consumer Discretionary (-27.25%), Information Technology (-22.54%), and Communication Services (-22.50%) were among the worst performers.

The MSCI World ex-U.S. Index returned -14.66% during the quarter.

As a result of the ongoing elevated inflation, the Bank of England (BoE) raised the UK base rate to 1.25% in June 2022 while the European Central Bank (ECB) indicated a first-rate hike will likely be in July 2022 along with an end to asset purchase plan early in Q3 2022. In Japan, the Yen weakened against the U.S. dollar breaching the 130 level for the first time in the last two decades as Bank of Japan (BoJ) kept its accommodative monetary policy unchanged.

From a sector perspective, Energy (-4.86%), Consumer Staples (-9.01%), and Health Care (-10.04%) were among the best performers. While Information Technology (-24.38%), Materials (-21.10%), and Industrials (-19.15%) were among the worst performers.

Emerging markets equities, as represented by the MSCI Emerging Market Index, posted a quarterly return of -11.33%.

Geopolitical tension, rising inflation rates and a strengthening U.S. dollar weighed down on emerging markets performance over the quarter. China was the only emerging market to finish the quarter with a positive return as the government lifted Covid-19 lockdowns. In addition, the softened tone on regulatory crackdowns boosted investor sentiment toward Chinese markets. Senior officials vowed to support capital markets and economic growth. In other parts of Asia, the global trade outlook weighed down on Taiwanese and South Korean markets.

The emerging European markets were directly impacted by intensified geopolitical tensions stemming from Russia's invasion of Ukraine, and the shortage of Russian gas supply to some European markets. Across the continent, political uncertainties and growing recession fears weighed down on Latin American countries like Peru, Colombia and Brazil that were among the worst performers.

### **Fixed Income Performance**

The UW System's Government/Credit index fund returned -5.00% for the quarter, while the Bloomberg Barclays U.S. Government/Credit Index posted a return of -5.03%.

The month of June saw a resurgence in volatility after a brief reprieve, as the market's focus toggled between persistently high inflation prints and growing fears around a potential recession. Bond markets witnessed substantial volatility over the quarter – notably in June, the US 10Y yield moved higher by 57 bps in the middle of the month, and then fell by 61 bps over the final 2 weeks to close the quarter 69bps higher at 3.01%. With respect to monetary policy, Fed speakers at the beginning of June suggested 50 bp hikes in June and July would create sufficient near-term tightening under the assumption that monthly inflation prints would decelerate. However, a surprisingly strong June CPI which indicated that headline inflation is back at a 40 year high of 8.6% with strength coming from food, energy, goods, and services. This strong print forced the Fed to accelerate its hiking path, raising rates by 75 bps. While the committee "does not expect moves of this size to be common," they have raised guidance for the path of hikes for the rest of the year – potentially into restrictive territory in 2022 – and will be looking for compelling evidence that inflation pressures are abating before considering a pause. Importantly, the Summary of Economic Projections revealed an acknowledgment that restoring price stability will require some economic pain, likely in the form of higher unemployment.

Elsewhere on the economic data front, we received a solid jobs report in the form of 390,000 jobs gained in May, albeit a slowdown from the 516,000 gained in April. Unemployment remained little changed at 3.62% for the third month in a row as the pace of recovery continues to slow since the start of the year. Other parts of the economy also showed moderation, namely weak retail sales figures, a decline in housing starts, and weaker PMI data. Additionally, consumer confidence has fallen precipitously over the course of the quarter as inflation takes its toll on household spending and sentiment. In the second half of the year, we anticipate additional uncertainty and a challenging investment environment. The Fed has become a single mandate institution aimed at fighting entrenched inflation, even if it's against slower growth with markets highly sensitive to data prints, particularly inflation, and the forward evolution of monetary policy.

Against this backdrop, credit spreads moved to the widest levels of the year with the Bloomberg US Credit Index widening to 143bps in June, resulting in a monthly excess return of -151bps. Over the quarter the Bloomberg US Credit Index posted a total return of -6.90% which marks the second consecutive quarter of negative returns. Ahead of earnings season, with more companies providing negative guidance, analysts have lowered their 2Q YoY earnings growth estimates from 5.9% at the start of the quarter to 4.3%. Six sectors are projected to report YoY earnings growth led by the energy and materials sectors while five sectors are expected to report YoY earnings declines led by financials. In the primary market issuance printed at \$91.2bn in June which is much lower than the ~\$125bn expected by the street. Similar to May, tumultuous markets kept many issuers on the sidelines.

### **Inflation Sensitive Performance**

The Bloomberg Barclays U.S. TIPS Index returned -6.08% for the quarter ended June 30th. The UW System's TIPS portfolio returned -6.07%.

In Q2, breakeven levels in the US stirred lower. Investors primarily focused on the continuing tensions between Russia and Ukraine and on the Federal Reserve's (Fed) hiking path. Over the quarter, 10-year real rates sold off a massive ~116 bps while 10-year nominal rates increased ~67 bps. The movement contributed to a ~49 bps compression in 10-year inflation expectations to ~2.34%. April's Core CPI increased by ~0.6% MoM or ~6.2 % YoY, while headline CPI decelerated from its March pace, increasing 0.3% MoM or 8.3% YoY, as energy prices declined, and food price gains moderated slightly. The May CPI report showed another robust gain in core and headline series. Core CPI increased by ~0.6% MoM or ~6.0 % YoY. Details showed new vehicles, shelter and airfare prices contributed to the strong monthly gain. Taken together with the strong core print, headline CPI increased 1.0% in May, moving the YoY rate to 8.6%, as energy and food prices continued to move higher. Headline CPI printed at its highest level in 40 years. Labor market recovery was strong for the months of April and May. The April nonfarm payroll report added 428k jobs, above market expectations of 380k, pointing to a tight labor market. Details showed private employment led the gains with a 406k increase across most sectors over the month.

Hiring in May also increased as the headline number printed above the consensus, adding 390k jobs vs. the estimated 318k, indicating the labor market remains strong. In data, labor force participation edged higher to 62.3% MoM, remaining below the pre-pandemic level of 63.4% in February 2020. Taken together, the unemployment rate staying at 3.6% MoM for the third month in a row. Average hourly earnings increased in 0.31% in May, moving the YoY rate down to 5.24%.

The Federal Open Market Committee (FOMC), on Wednesday, June 15th, raised its policy interest rate by 75bps to continue its path of normalization. That followed a 50bps rate hike on May 4, 2022. Chair Powell stated that the committee is "determined, resolved, but flexible" in this highly uncertain environment to bring inflation down. The Summary of Economic Projections revealed a committee that acknowledges the process to restoring price stability will be painful. The committee will continue to remain focused on fighting inflation and preventing higher inflation from getting entrenched as the labor market is now extremely tight.

The UW System's REIT portfolio returned -17.27% during the quarter. The FTSE EPRA NAREIT Developed Index returned -17.45% in Q2.

Infrastructure (-2.4%) and Free-Standing Retail (-3.1%) REITs fared the best in Q2. The previously mentioned positive growth outlook for Infrastructure REITs continues to be strong as they are an integral part of companies deploying 5G to consumers and are benefitting from the Infrastructure Investment and Jobs Act passed last fall. Free-Standing Retail REITs have benefitted from the opportunity from the pandemic to occupy better-located spaces which is reflected in lower-than-average retail vacancy as well as move-outs declining<sup>1</sup>.

Real Estate holds a weight of 2.9% in the MSCI World Index, and while every sector contributed to negative performance in Q2, Real Estate was among the lowest contributors to negative returns for the index accounting for just -0.41% of the -16.2% return. Utilities, Energy, and Real Estate were the lowest contributors to negative returns in Q2 for the index. In global REITs, at the country level, the US was the main contributor to negative returns, with European countries like Germany, Sweden and the UK also drawing down returns in Q2.

### **Asset Allocation**

Public Markets allocations ended the quarter with 56.0% in equities, versus a target of 57%; 20.3% in fixed income versus a target of 20%; and 23.7% in inflation sensitive assets versus a target of 23%.

## UW System Trust Funds: Market Overview

Quarter Ended June 30, 2022

Economic Indicators	Quarter Ending	YTD	1 Year	3 Year	5 Year	10 Year
US CPI - U All Urban Consumers Index	3.06%	6.28%	9.06%	4.98%	3.88%	2.59%

\* All returns and growth rates greater than 1 year are annualized.

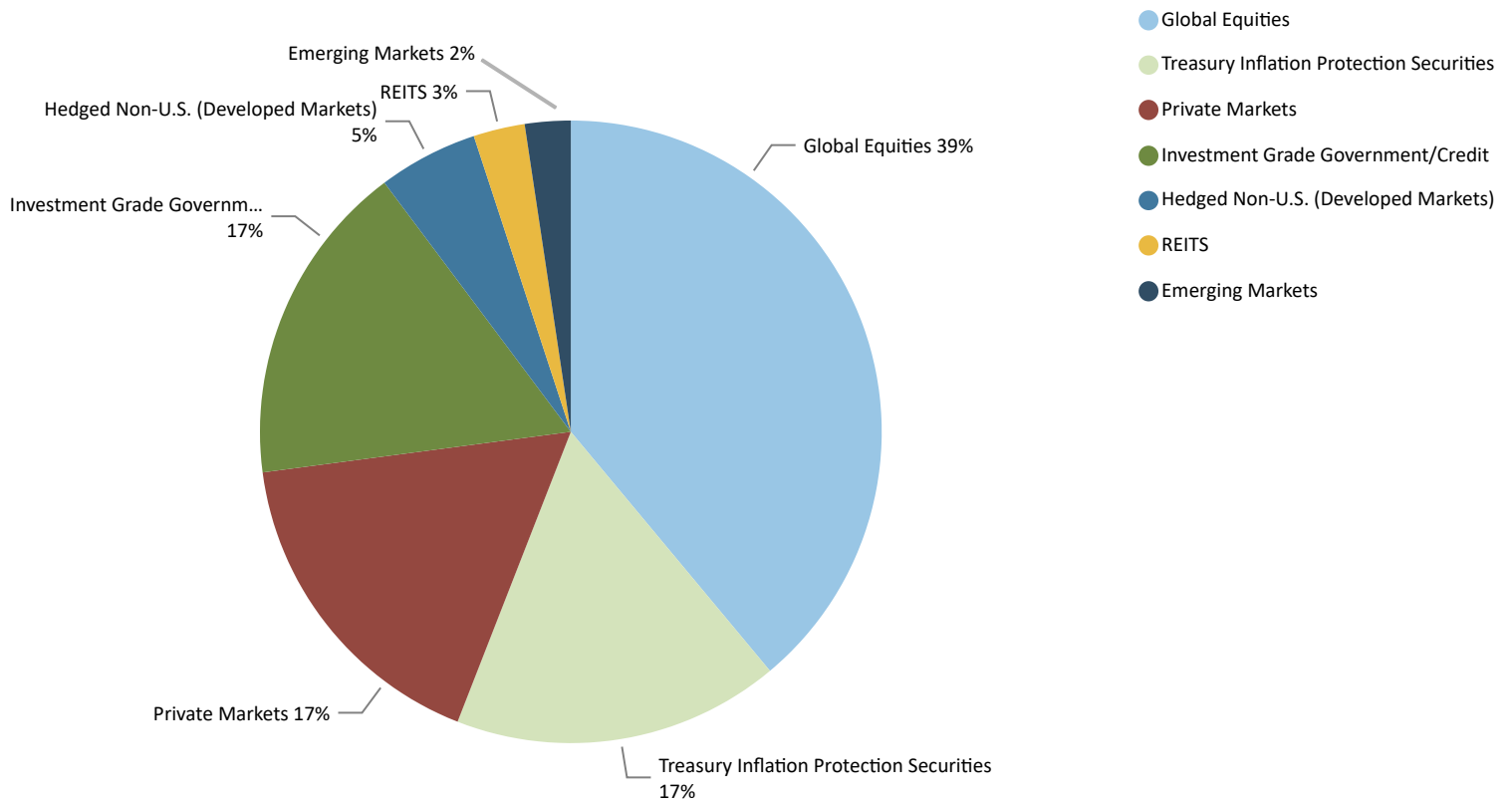
Market Indicators	Quarter Ending	YTD	1 Year	3 Year	5 Year	10 Year
U.S. Large Cap Stocks (S&P 500 Index)	-16.10%	-19.96%	-10.62%	10.60%	11.31%	12.96%
U.S. Small Cap Stocks (Russell 2000 Index)	-17.20%	-23.43%	-25.20%	4.21%	5.17%	9.35%
U.S. Broad Market Stocks (Russell 3000 Index)	-16.70%	-21.10%	-13.87%	9.77%	10.60%	12.57%
International Stocks (MSCI World ex US Index)	-14.66%	-18.76%	-16.76%	1.70%	2.66%	5.37%
International Stocks - Local Currency (MSCI World ex US Index)	-8.45%	-11.18%	-6.37%	4.59%	4.49%	8.22%
Emerging Markets Stocks (MSCI EM Net Index)	-11.45%	-17.63%	-25.28%	0.57%	2.18%	3.06%
Global Stocks (MSCI ACWI Net Index)	-15.83%	-20.44%	-16.52%	5.98%	6.70%	8.71%
Government/Credit (Bloomberg Barclays Capital Gov/Credit)	-5.03%	-11.05%	-10.85%	-0.77%	1.05%	1.67%
U.S. TIPS (Bloomberg Barclays U.S. TIPS Index)	-6.08%	-8.92%	-5.14%	3.04%	3.21%	1.73%
Real Estate (FTSE EPRA/NAREIT Developed Net Index)	-17.45%	-20.71%	-13.44%	-1.07%	1.95%	4.69%

\* All returns and growth rates greater than 1 year are annualized.

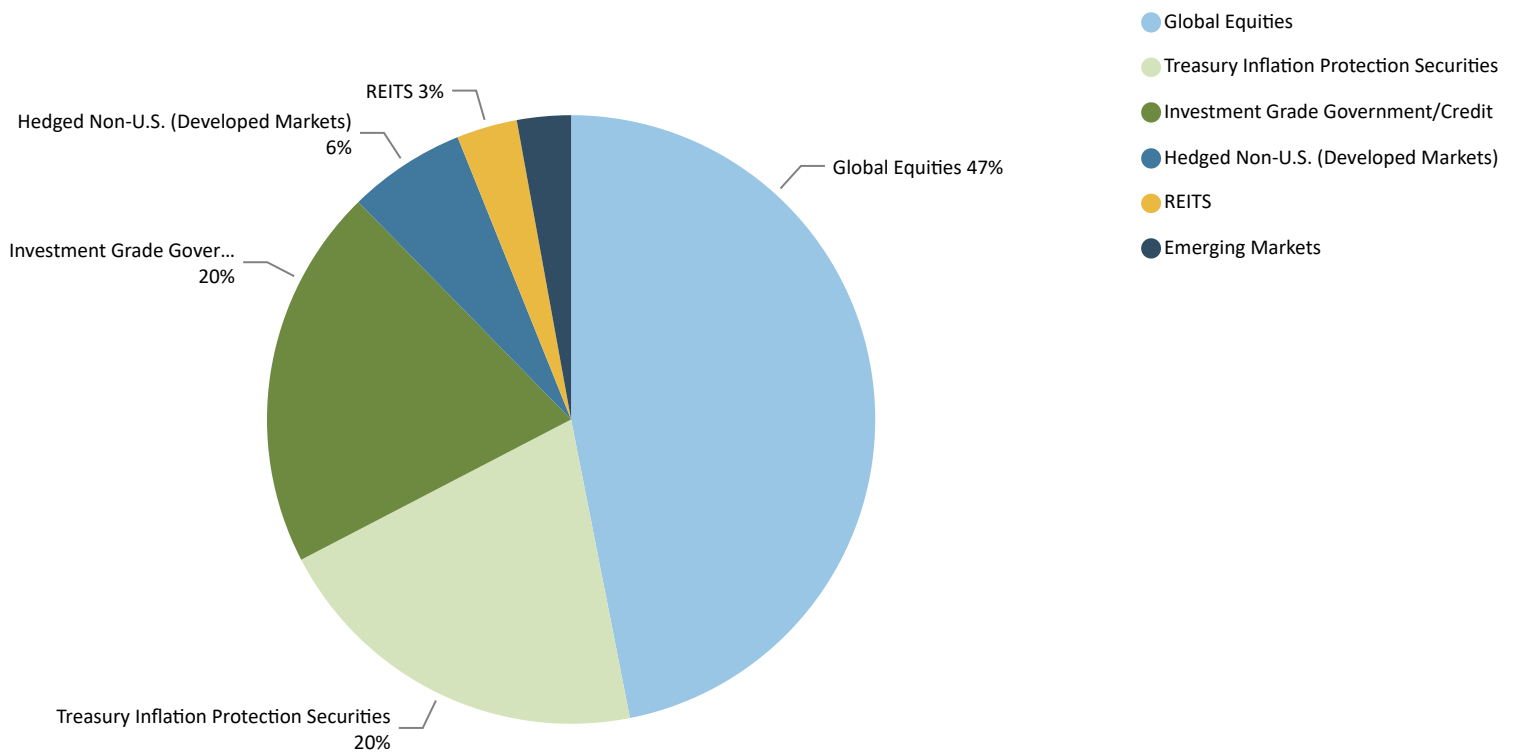
## UW System Trust Funds: Asset Allocation

Quarter Ended June 30, 2022

### UW System Long Term Fund



### UW System Long Term Fund - Public Markets Only



\* Asset Class Allocation percentages are derived using the Net of Fee market value. Sum of asset class market values may not equal total level Net of Fee market value due to the exclusion of fund level other cash and accruals. Excluded amount is immaterial.

## UW System Trust Funds: Actual Versus Target Asset Allocation

Quarter Ended June 30, 2022

Asset Class/Strategy	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Min./Max. Guidelines
<b>Total Public Markets</b>	<b>\$434,453,726</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>Public Equities</b> <sup>1</sup>	<b>\$243,316,957</b>	<b>56.0%</b>	<b>57.0%</b>	<b>51-63%</b>
<b>Global Equities</b>	<b>\$203,753,360</b>	<b>46.9%</b>	<b>48.0%</b>	<b>44-52%</b>
<b>Hedged Non-U.S. Equities (Developed Markets)</b>	<b>\$27,125,018</b>	<b>6.2%</b>	<b>6.0%</b>	<b>5-7%</b>
<b>Emerging Markets Equities</b>	<b>\$12,438,579</b>	<b>2.9%</b>	<b>3.0%</b>	<b>2-4%</b>
<b>Fixed Income</b>	<b>\$88,158,414</b>	<b>20.3%</b>	<b>20.0%</b>	<b>18-22%</b>
<b>Investment Grade Government/Credit</b>	<b>\$88,158,414</b>	<b>20.3%</b>	<b>20.0%</b>	<b>18-22%</b>
<b>Inflation Sensitive</b>	<b>\$102,978,354</b>	<b>23.7%</b>	<b>23.0%</b>	<b>20-26%</b>
<b>TIPS (Treasury Inflation Protection Securities)</b>	<b>\$88,969,132</b>	<b>20.5%</b>	<b>20.0%</b>	<b>18-22%</b>
<b>REITS (Real Estate Investment Trusts)</b>	<b>\$14,009,222</b>	<b>3.2%</b>	<b>3.0%</b>	<b>2-4%</b>
<b>Private Markets</b> <sup>2</sup>	<b>\$88,869,601</b>			
Terrace Holdings II	\$88,869,601			
<b>Other Cash and Accruals</b> <sup>3</sup>	<b>\$119</b>			
<b>Long Term Fund Total Assets</b> <sup>4</sup>	<b>\$523,323,445</b>			

<sup>1</sup> There is a statutory limitation of 85% maximum exposure to public equities. (§36.29)

<sup>2</sup> Private Markets is not included in the target allocation. The Terrace Holdings II Fund comprises private equity funds of J.P. Morgan, Adams Street Partners, and a TRG Forestry Fund.

<sup>3</sup> Other Cash and Accruals include custody & middle office fees, SWIB internal management fees, fund-level STIF cash, STIF interest and other pass through fees that either accrue until paid or are pre-paid. Balances vary intra-month and can cross into new quarters.

<sup>4</sup> Market values are net of SWIB internal and external investment management fees, custody & middle office fees, other pass through fees accrued and paid, and internal UW fees.

### Rebalancing Policy:

The asset allocation of fund investments shall be reviewed at the end of each quarter. Quarterly net capital flows to/from the UW System shall be utilized to rebalance toward the target allocations. If the allocation by asset class falls outside the rebalance range following quarterly cash flows, assets will be systematically rebalanced back to the target allocation as soon as practicable and in any event prior to the next quarterly net capital flows. Only the Public Markets allocations will be included in any rebalancing. The legacy Private Markets investments will receive additional inflows based only upon past commitments. No new commitments will be made to private markets. Eventually the legacy Private Markets investments will self-liquidate as distributions are made from existing funds without any new commitments.

### Guidelines

Current SWIB Guidelines for UW can be found at <https://www.swib.state.wi.us/statutes-guidelines> under Board of Trustees State Investment Fund & Separately Managed Funds Investment Guidelines.

## UW System Trust Funds: Investment Performance Analysis

Quarter Ended June 30, 2022

Performance results for the UW System Long Term Fund are shown below, both graphically and in table format.

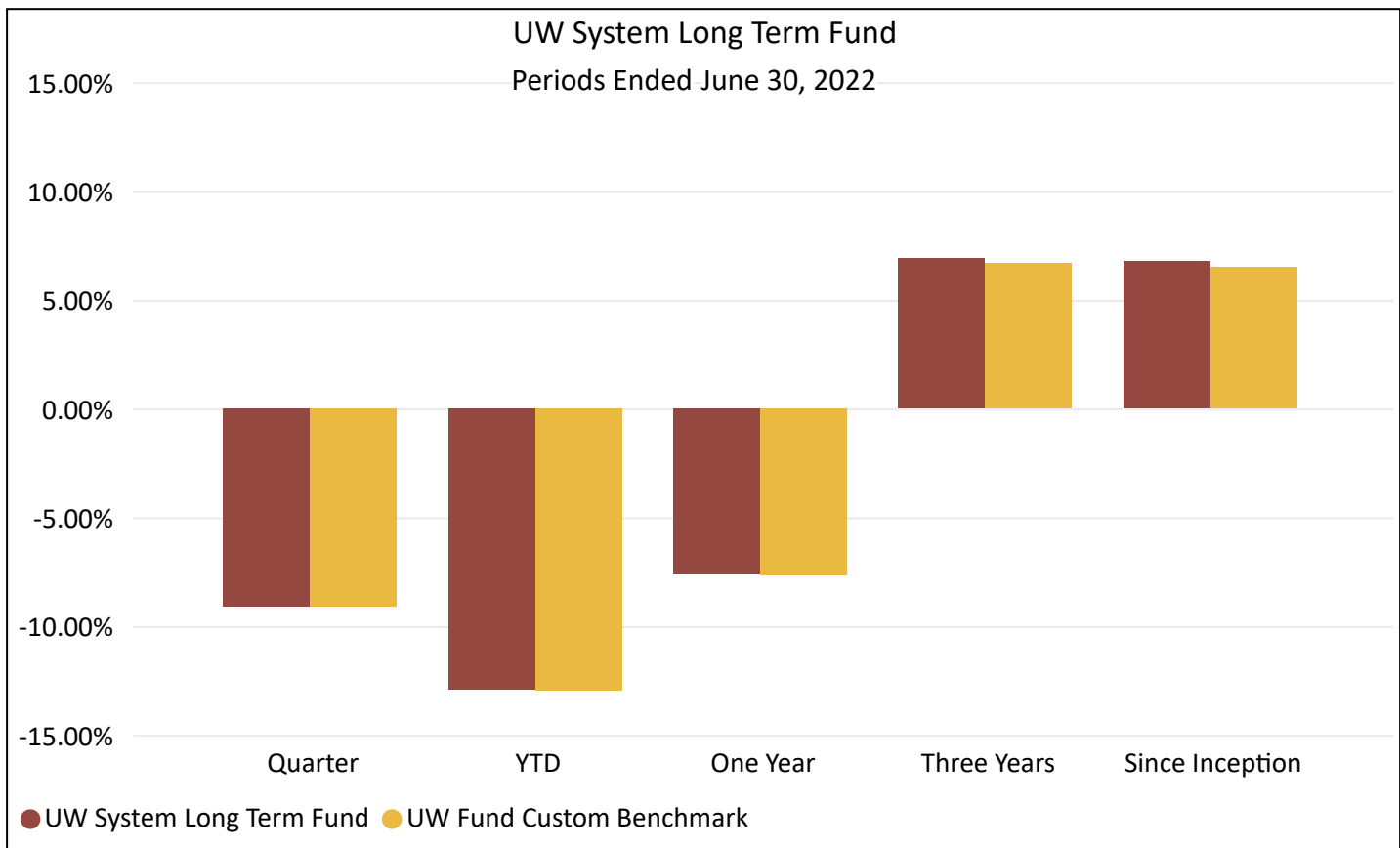
Fund and Benchmark Performance Data	Quarter Ending	Year to Date	One Year	Three Years	Five Years	Since Inception
UW System Long Term Fund	-9.09%	-12.92%	-7.61%	6.90%	↓	6.77%
UW Fund Custom Benchmark	-9.09%	-12.96%	-7.67%	6.66%	↓	6.50%
CPI + Spending Rate <sup>3</sup>	4.07%	8.36%	13.39%	9.16%	8.02%	8.27%
Income Cash Fund (SIF) <sup>4</sup>	0.16%	0.18%	0.21%	0.59%	1.08%	1.06%

*1 The UW System Long Term Fund's return is a gross of fees return. Inception date is 4/1/2018.*

*2 The "UW Fund Custom Benchmark" is asset weighted using the UW Public Equity Benchmark, the Bloomberg U.S. Gov't/Credit Index, the Inflation Sensitive Benchmark, and the net Terrace Holdings II returns. The Bloomberg U.S. Gov't/Credit Index, and the Bloomberg Barclays U.S. TIPS Index are gross returns. All other benchmark components are net returns (net of fees or tax withholdings on dividends). The Private Markets Benchmark change has been approved by both the Investment and Benchmark Committees.*

*3 The annual spending rate is 4.0% and the change in CPI is used as the inflation indicator.*

*4 Relevant to the extent recipients have allocated a portion of their funds to the Income Cash Fund (SIF). The Income Cash Fund (SIF) is used for receiving spending distributions from the Long Term Fund. UW investment account holders may also allocate a portion of their expendable principal to this fund.*



## UW System Trust Funds: Fund and Benchmark Performance Data by Asset Class

Quarter Ended June 30, 2022

Asset Class/Strategy	Quarter	YTD	One Year	Three Years	Since Inception
<b>UW System Long Term Fund</b>					
Gross of Fees	-9.09%	-12.92%	-7.61%	6.90%	6.77%
Net of Fees	-9.10%	-12.92%	-7.63%	6.87%	6.72%
Net of All Fees	-9.11%	-12.95%	-7.68%	6.81%	6.66%
<b>UW Fund Custom Benchmark<sup>1</sup></b>	<b>-9.09%</b>	<b>-12.96%</b>	<b>-7.67%</b>	<b>6.66%</b>	<b>6.50%</b>
<b>Public Equities</b>					
Gross of Fees	-14.64%	-19.17%	-15.69%	5.89%	5.47%
Net of Fees	-14.65%	-19.18%	-15.71%	5.86%	5.44%
<b>UW Public Equity Benchmark<sup>2</sup></b>	<b>-14.69%</b>	<b>-19.23%</b>	<b>-15.78%</b>	<b>5.74%</b>	<b>5.25%</b>
<b>Blackrock MSCI ACWI Index Fund B<sup>3</sup></b>					
Gross of Fees	-15.73%	-20.29%	-16.27%	6.29%	5.83%
Net of Fees	-15.73%	-20.29%	-16.29%	6.27%	5.81%
<b>MSCI ACWI IM Net Index</b>	<b>-15.83%</b>	<b>-20.44%</b>	<b>-16.52%</b>	<b>5.98%</b>	<b>5.46%</b>
<b>Blackrock EAFE Currency Hedged Equity Index Fund B<sup>3</sup></b>					
Gross of Fees	-7.18%	-10.43%	-5.24%	5.86%	6.30%
Net of Fees	-7.19%	-10.45%	-5.28%	5.81%	6.26%
<b>MSCI EAFE Net 100% USD Hedged Index</b>	<b>-7.28%</b>	<b>-10.53%</b>	<b>-5.39%</b>	<b>5.83%</b>	<b>6.20%</b>
<b>Blackrock Emerging Markets Free Fund B<sup>3</sup></b>					
Gross of Fees	-11.33%	-17.62%	-25.36%	0.37%	-1.39%
Net of Fees	-11.35%	-17.65%	-25.41%	0.31%	-1.45%
<b>MSCI Emerging Markets Net Dividend Index</b>	<b>-11.45%</b>	<b>-17.63%</b>	<b>-25.28%</b>	<b>0.57%</b>	<b>-1.26%</b>
<b>Fixed Income</b>					
<b>Blackrock Government/Credit Bond Index Fund B<sup>3</sup></b>					
Gross of Fees	-5.00%	-10.87%	-10.70%	-0.62%	1.46%
Net of Fees	-5.00%	-10.88%	-10.72%	-0.64%	1.44%
<b>Bloomberg Barclays U.S. Government/Credit Bond Index</b>	<b>-5.03%</b>	<b>-11.05%</b>	<b>-10.85%</b>	<b>-0.77%</b>	<b>1.31%</b>
<b>Inflation Sensitive</b>					
Gross of Fees	-7.77%	-10.60%	-6.23%	3.02%	3.77%
Net of Fees	-7.78%	-10.61%	-6.26%	2.99%	3.75%
<b>Inflation Sensitive Benchmark<sup>4</sup></b>	<b>-7.62%</b>	<b>-10.49%</b>	<b>-6.14%</b>	<b>2.71%</b>	<b>3.47%</b>
<b>Blackrock U.S. Treasury Inflation Protected Securities Fund B<sup>3</sup></b>					
Gross of Fees	-6.07%	-8.84%	-5.10%	3.21%	3.65%
Net of Fees	-6.08%	-8.84%	-5.11%	3.20%	3.64%
<b>Bloomberg Barclays U.S. TIPS Index, Series L</b>	<b>-6.08%</b>	<b>-8.92%</b>	<b>-5.14%</b>	<b>3.04%</b>	<b>3.47%</b>
<b>Blackrock Developed Real Estate Index Fund B<sup>3</sup></b>					
Gross of Fees	-17.27%	-20.39%	-12.89%	-0.43%	2.95%
Net of Fees	-17.29%	-20.42%	-12.96%	-0.51%	2.86%
<b>FTSE EPRA/NAREIT Developed Net Index</b>	<b>-17.45%</b>	<b>-20.71%</b>	<b>-13.44%</b>	<b>-1.07%</b>	<b>2.18%</b>
<b>Private Markets</b>					
<b>Terrace Holdings II<sup>5</sup></b>					
Gross of Fees	3.06%	3.06%	24.47%	22.06%	19.51%
Net of Fees	3.06%	3.06%	24.47%	21.93%	19.34%
<b>UW Private Equity Benchmark<sup>6</sup></b>	<b>3.06%</b>	<b>3.06%</b>	<b>24.47%</b>	<b>21.93%</b>	<b>19.34%</b>

\* Net of Fee Returns are net of accrued external manager fees (e.g. BlackRock fees). Net of All Returns are net of SWIB internal and external investment management fees, custody & middle office fees, and other pass through fees accrued and paid. Returns are gross of internal UW fees. All Funds have an inception date of 04/01/2018.

1 The "UW Fund Custom Benchmark" is asset weighted using the UW Public Equity Benchmark, the Bloomberg U.S. Gov't/Credit Index, the Inflation Sensitive Benchmark, and the net Terrace Holdings II returns. The Bloomberg U.S. Gov't/Credit Index, and the Bloomberg Barclays U.S. TIPS Index are gross returns. All other benchmark components are net returns (net of fees or tax withholdings on dividends).

2 The "UW Public Equity Benchmark" is comprised of 84% MSCI ACW IM Net Index, 11% MSCI EAFE Net 100% USD Hedged Index, and 5% MSCI Emerging Markets Net Index.

3 Effective 3Q 2021, the valuation frequency for Blackrock mutual funds has been modified from monthly to daily. To correct for the impact of large cash flows, the performance was restated from April 2020 to July 2021 and the revised numbers are included in the 9/30/2021 performance. Note that no impact to performance occurred at the mandate level.

4 The "Inflation Sensitive Benchmark" is comprised of 87% Bloomberg Barclays U.S. TIPS Index, Series L and 13% FTSE EPRA/NAREIT Developed Net Index.

5 The Private Markets valuation update occurs on a lag. The portfolio's performance is updated when SWIB receives an updated quarterly statement, which may not occur in every quarter. The net of fees and net of all returns are net of StepStone manager fees.

6 The "Private Equity Benchmark" is comprised of the net of fees return of Terrace Holdings II, a Private Equity fund of funds being administered by StepStone.

## **APPENDIX**

## MSCI ACWI IMI Index Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

### Investment objective and strategy

The MSCI ACWI IMI Index Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund invests primarily in U.S. and non-U.S. equity securities with the objective of approximating as closely as practicable the capitalization weighted rates of return of the markets in certain countries for publicly traded equity securities. The primary criterion for selection of investments in the Fund shall be the Benchmark listed herein.

### Performance

Total Return % as of 06/30/2022 (return percentages are annualized as of period end)

	Q2*	YTD*	1 Year*	3 Year	5 Year	10 Year	Since Inception
Fund return %	-15.73	-20.29	-16.29	6.26	7.01	9.07	8.05
Benchmark return %	-15.83	-20.44	-16.52	5.98	6.70	8.71	7.69
<b>Difference</b>	<b>0.10</b>	<b>0.15</b>	<b>0.23</b>	<b>0.28</b>	<b>0.31</b>	<b>0.36</b>	<b>0.36</b>

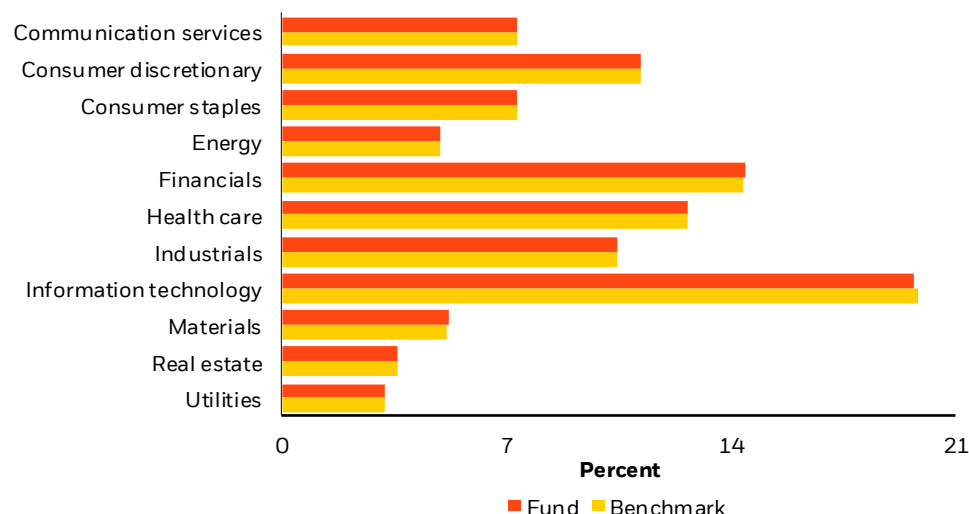
#### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

### Sector allocation

% of Fund or Benchmark as of 06/30/2022



Sources: BlackRock, MSCI Inc.

Data is used for analytical purposes only. Index data may differ to those published by the Index due to calculation methods. Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

### Investment details (as of 06/30/2022)

<b>Benchmark</b>	MSCI ACWI IMI Net Dividend Return Index
<b>Total fund assets</b>	\$4.00 billion
<b>Fund inception date</b>	03/23/2010

### Characteristics (as of 06/30/2022)

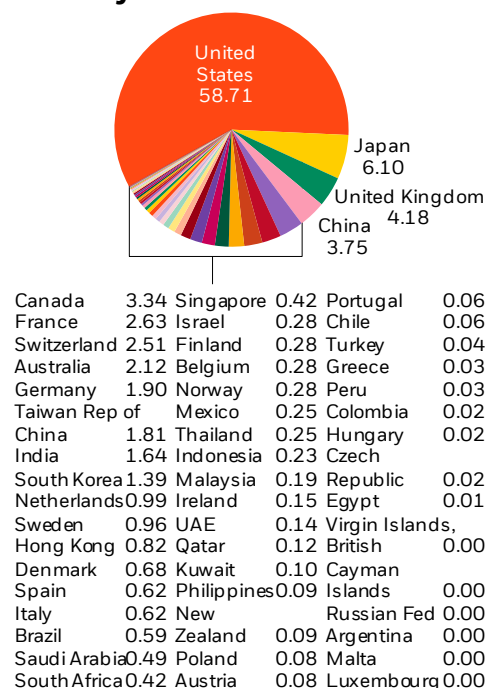
	Fund	Benchmark
Number of securities	9,361	9,298
Dividend yield	2.20	2.18

### Top 10 holdings (as of 06/30/2022)

	Country	Fund (% assets)
Apple Inc	United States	3.52
Microsoft Corp	United States	2.89
Amazon Com Inc	United States	1.53
Alphabet Inc Class A	United States	1.03
Alphabet Inc Class C	United States	0.98
Tesla Inc	United States	0.93
UnitedHealth Group Inc	United States	0.76
Johnson & Johnson	United States	0.74
Taiwan Semiconductor Manufacturing	Taiwan Rep of China	0.64
Nvidia Corp	United States	0.60

Portfolio holdings are subject to change and are not intended as a recommendation of individual securities.

### Country allocation (% as of 06/30/2022)



### Important Notes

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Prospectus contains a more detailed description of the limited relationship MSCI has with BlackRock and any related funds.

BlackRock Institutional Trust Company, N.A. ("BTC") is a wholly-owned subsidiary of BlackRock, Inc. For ease of reference, "BlackRock" may be used to refer to BlackRock, Inc. and its affiliates, including BTC. Any strategy referred to herein does not give rise to a deposit or other obligation of BlackRock, Inc. or its subsidiaries and affiliates, is not guaranteed by BlackRock, Inc. or its subsidiaries and affiliates, is not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency, and may involve investment risks, including possible loss of principal invested.

The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

**Past performance does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original cost. Any opinions expressed in this publication reflect our judgment at this date and are subject to change. No part of this publication may be reproduced in any manner without the prior written permission of BTC. The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. Risk controls, asset allocation models and proprietary technology do not promise any level of performance or guarantee against loss of principal.

The Fund, a common trust fund maintained and managed by BTC for investment of fiduciary client assets held by BTC in its capacity as trustee, is available only to certain eligible investors and not offered or available to the general public. In the event of a conflict between this summary description of the Fund and the trust document under which the Fund was established, the trust document will govern. For more information related to the Fund, please see the Fund's trust document, Collective Investment Fund Profile and most recent audited financial statements. BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services discussed in this publication and provides fiduciary and custody services to various institutional investors. A collective investment fund is privately offered. Accordingly, prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

None of the information constitutes a recommendation by BTC or a solicitation of any offer to buy or sell any securities. The information is not intended to provide be relied upon as a forecast, research or investment advice. Neither BTC nor BlackRock, Inc. guarantees the suitability or potential value of any particular investment. The information contained herein may not be relied upon by you in evaluating the merits of investing in any investment.

This material is intended for Canadian permitted clients only.

It is not possible to directly invest in an unmanaged index.

**THIS MATERIAL IS HIGHLY CONFIDENTIAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.**

© 2022 BlackRock, Inc. All rights reserved. BLACKROCK is a trademark of BlackRock, Inc. in the United States and elsewhere. All other trademarks are the property of their respective owners.

**NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE**

BES-0161

## Government/Credit Bond Index Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

### Investment objective and strategy

The Government/Credit Bond Index Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund shall be invested and reinvested primarily in a portfolio of debt securities with the objective of closely approximating the total rate of return of the Benchmark listed herein.

### Performance

Total return % as of 06/30/2022 (Return percentages are annualized as of period end. Returns for periods less than one year are cumulative.)

	Month*	Q2*	YTD*	1 Year*	3 Year	5 Year	10 Year	Since Inception
Fund return %	-1.57	-5.01	-10.89	-10.74	-0.67	1.15	1.78	5.25
Benchmark return %	-1.58	-5.03	-11.05	-10.85	-0.77	1.05	1.67	5.20
<b>Difference</b>	<b>0.01</b>	<b>0.02</b>	<b>0.16</b>	<b>0.11</b>	<b>0.10</b>	<b>0.10</b>	<b>0.11</b>	<b>0.05</b>

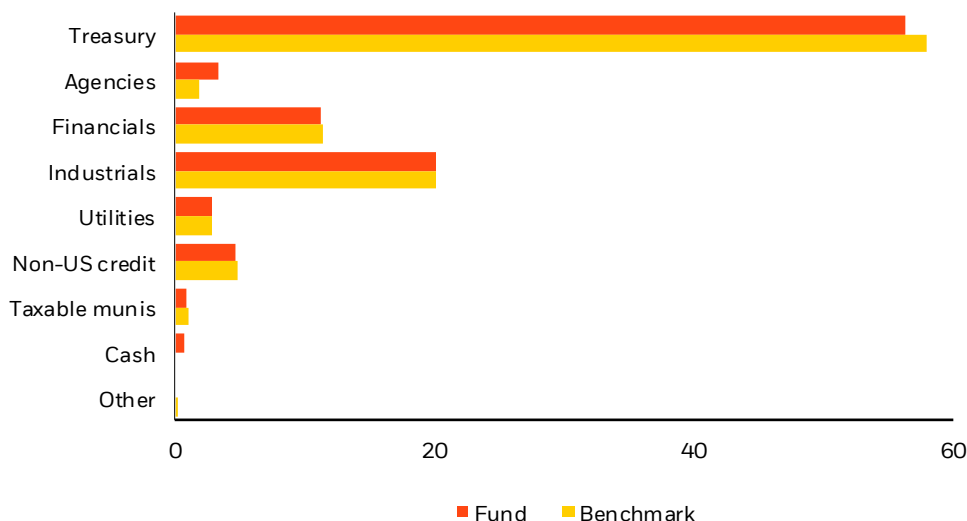
#### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

### Sector allocation

% of Fund or Benchmark as of 06/30/2022



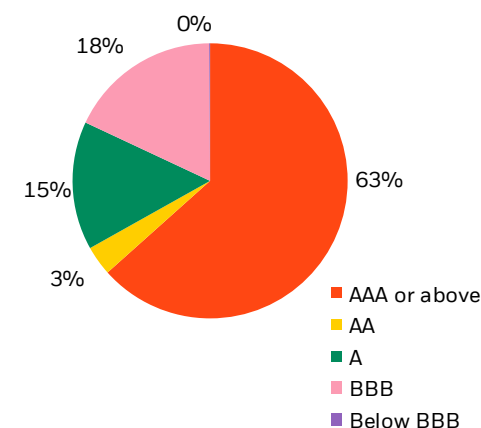
### Investment details (as of 06/30/2022)

<b>Benchmark</b>	Bloomberg U.S. Government/Credit Bond Index
<b>Total fund assets</b>	\$0.35 billion
<b>Fund inception date</b>	03/31/1991

### Characteristics (as of 06/30/2022)

	Fund	Benchmark
Number of securities	6,712	8,737
Market value (B)	\$0.35	\$17,367.82
Coupon (%)	2.58	2.43
Yield to maturity (YTM) (%)	3.67	3.68
Weighted avg life (yrs)	9.07	9.11
Effective duration (yrs)	6.67	6.69
Spread duration (yrs)	3.14	3.08
Option adjusted spread (bps)	58	57
Convexity (yrs)	0.94	0.93

### Quality breakdown (as of 06/30/2022)



The credit quality of a particular security or group of securities may be based upon a rating from a nationally recognized statistical rating organization or, if unrated by a ratings organization, assigned an internal rating by BlackRock, neither of which ensures the stability or safety of an overall portfolio.

Sources: BlackRock, Bloomberg Finance L.P.

Data is used for analytical purposes only. Index data may differ to those published by the Index due to calculation methods. Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

### Important Notes

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors, own all proprietary rights in the Bloomberg Indices. Bloomberg is not affiliated with BlackRock and neither approves, endorses, reviews or recommends Government/Credit Bond Index Fund B. Bloomberg does not guarantee the timeliness, accurateness or completeness of any data or information relating to Bloomberg U.S. Government/Credit Bond Index, and neither shall be liable in any way to BlackRock, investors in Government/Credit Bond Index Fund B or other third parties in respect of the use or accuracy of the Bloomberg U.S. Government/Credit Bond Index or any data included therein.

BlackRock Institutional Trust Company, N.A. ("BTC") is a wholly-owned subsidiary of BlackRock, Inc. For ease of reference, "BlackRock" may be used to refer to BlackRock, Inc. and its affiliates, including BTC. Any strategy referred to herein does not give rise to a deposit or other obligation of BlackRock, Inc. or its subsidiaries and affiliates, is not guaranteed by BlackRock, Inc. or its subsidiaries and affiliates, is not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency, and may involve investment risks, including possible loss of principal invested.

The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

**Past performance does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Any opinions expressed in this publication reflect our judgment at this date and are subject to change. No part of this publication may be reproduced in any manner without the prior written permission of BTC. Common Trust fund performance assumes reinvestment of income and does not reflect management fees and certain transaction costs and expenses charged to the fund. Risk controls, asset allocation models and proprietary technology do not promise any level of performance or guarantee against loss of principal.

The Fund, a collective investment fund maintained and managed by BTC, is available only to certain eligible investors and not offered or available to the general public. In the event of a conflict between this summary description of the Fund and the trust document under which the Fund was established, the trust document will govern. For more information related to the Fund, please see the Fund's trust document, Collective Investment Fund Profile and most recent audited financial statements. BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services discussed in this publication and provides fiduciary and custody services to various institutional investors. A collective investment fund is privately offered. Accordingly, prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

None of the information constitutes a recommendation by BTC or a solicitation of any offer to buy or sell any securities. The information is not intended to provide investment advice. Neither BTC nor BlackRock, Inc. guarantees the suitability or potential value of any particular investment. The information contained herein may not be relied upon by you in evaluating the merits of investing in any investment.

This material is intended for Canadian permitted clients only.

It is not possible to directly invest in an unmanaged index.

**THIS MATERIAL IS HIGHLY CONFIDENTIAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.**

© 2022 BlackRock, Inc. All rights reserved. BLACKROCK is a trademark of BlackRock, Inc. in the United States and elsewhere. All other trademarks are the property of their respective owners.

**NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE**

FIRate-0088

# U.S. Treasury Inflation Protected Securities Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

## Investment objective and strategy

The U.S. Treasury Inflation Protected Securities Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund shall be invested and reinvested primarily in a portfolio of debt securities with the objective of closely approximating the total rate of return for all outstanding U.S. Treasury Inflation Protected Securities with a maturity of one year or greater, as defined by the Benchmark listed herein.

## Performance

Total return % as of 06/30/2022 (Return percentages are annualized as of period end. Returns for periods less than one year are cumulative.)

	Month*	Q2*	YTD*	1 Year*	3 Year	5 Year	10 Year	Since Inception
Fund return %	-3.17	-6.10	-8.88	-5.12	3.13	3.33	1.85	4.74
Benchmark return %	-3.16	-6.08	-8.92	-5.14	3.04	3.21	1.73	4.65
<b>Difference</b>	<b>-0.01</b>	<b>-0.02</b>	<b>0.04</b>	<b>0.02</b>	<b>0.09</b>	<b>0.12</b>	<b>0.12</b>	<b>0.09</b>

### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

## Investment details (as of 06/30/2022)

<b>Benchmark</b>	Bloomberg U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L)
<b>Total fund assets</b>	\$4.76 billion
<b>Fund inception date</b>	03/05/2002

## Characteristics (as of 06/30/2022)

	Fund	Benchmark
Number of securities	46	46
Market value (B)	\$4.76	\$1,197.77
Coupon (%)	0.63	0.63
Yield to maturity (YTM) (%)	3.02	3.03
Weighted avg life (yrs)	7.38	7.38
Effective duration (yrs)	6.89	6.88
Convexity (yrs)	0.93	0.93

Sources: BlackRock, Bloomberg Finance L.P.

Data is used for analytical purposes only. Index data may differ to those published by the Index due to calculation methods. Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

### Important Notes

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors, own all proprietary rights in the Bloomberg Indices. Bloomberg is not affiliated with BlackRock and neither approves, endorses, reviews or recommends U.S. Treasury Inflation Protected Securities Fund B. Bloomberg does not guarantee the timeliness, accurateness or completeness of any data or information relating to Bloomberg U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L), and neither shall be liable in any way to BlackRock, investors in U.S. Treasury Inflation Protected Securities Fund B or other third parties in respect of the use or accuracy of the Bloomberg U.S. Treasury Inflation Protected Securities (TIPS) Index (Series-L) or any data included therein.

BlackRock Institutional Trust Company, N.A. ("BTC") is a wholly-owned subsidiary of BlackRock, Inc. For ease of reference, "BlackRock" may be used to refer to BlackRock, Inc. and its affiliates, including BTC. Any strategy referred to herein does not give rise to a deposit or other obligation of BlackRock, Inc. or its subsidiaries and affiliates, is not guaranteed by BlackRock, Inc. or its subsidiaries and affiliates, is not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency, and may involve investment risks, including possible loss of principal invested.

The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

**Past performance does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Any opinions expressed in this publication reflect our judgment at this date and are subject to change. No part of this publication may be reproduced in any manner without the prior written permission of BTC. Common Trust fund performance assumes reinvestment of income and does not reflect management fees and certain transaction costs and expenses charged to the fund. Risk controls, asset allocation models and proprietary technology do not promise any level of performance or guarantee against loss of principal.

The Fund, a collective investment fund maintained and managed by BTC, is available only to certain eligible investors and not offered or available to the general public. In the event of a conflict between this summary description of the Fund and the trust document under which the Fund was established, the trust document will govern. For more information related to the Fund, please see the Fund's trust document, Collective Investment Fund Profile and most recent audited financial statements. BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services discussed in this publication and provides fiduciary and custody services to various institutional investors. A collective investment fund is privately offered. Accordingly, prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

None of the information constitutes a recommendation by BTC or a solicitation of any offer to buy or sell any securities. The information is not intended to provide investment advice. Neither BTC nor BlackRock, Inc. guarantees the suitability or potential value of any particular investment. The information contained herein may not be relied upon by you in evaluating the merits of investing in any investment.

This material is intended for Canadian permitted clients only.

It is not possible to directly invest in an unmanaged index.

**THIS MATERIAL IS HIGHLY CONFIDENTIAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.**

© 2022 BlackRock, Inc. All rights reserved. BLACKROCK is a trademark of BlackRock, Inc. in the United States and elsewhere. All other trademarks are the property of their respective owners.

**NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE**

FIRate-0088

## Developed Real Estate Index Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

### Investment objective and strategy

The Developed Real Estate Index Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund invests in US and non-US equity securities whose total return will approximate as closely as practicable the capitalization weighted total return net of dividend withholding taxes of the Benchmark listed herein. The investment universe consists of publicly traded real estate equity securities of issuers whose principal business is the ownership and operation of real estate as defined by the Benchmark listed herein.

### Performance

Total return % as of 06/30/2022 (return percentages are annualized as of period end)

	Q2*	YTD*	1 Year*	3 Year	5 Year	Since Inception
Fund return %	-17.27	-20.39	-12.90	-0.47	2.67	3.24
Benchmark return %	-17.45	-20.71	-13.44	-1.07	1.95	2.52
<b>Difference</b>	<b>0.18</b>	<b>0.32</b>	<b>0.54</b>	<b>0.60</b>	<b>0.72</b>	<b>0.72</b>

#### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

### Investment details (as of 06/30/2022)

<b>Benchmark</b>	FTSE EPRA/NAREIT Developed Index
<b>Total fund assets</b>	\$0.41 billion
<b>Fund inception date</b>	11/18/2014

### Characteristics (as of 06/30/2022)

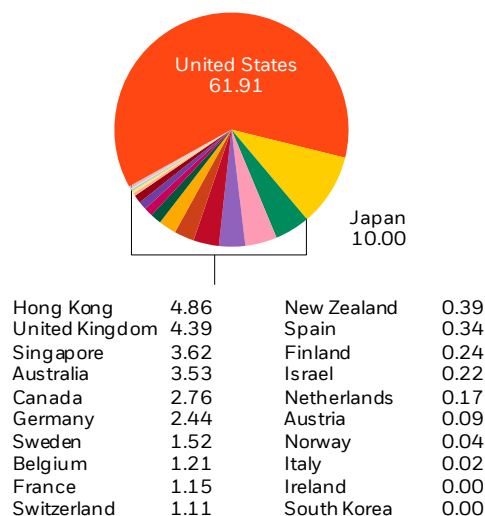
	Fund	Benchmark
Number of securities	352	376
Dividend yield	3.63	3.63

### Top 10 holdings (as of 06/30/2022)

	Country	Fund (% assets)
Prologis REIT Inc	United States	5.33
Equinix REIT Inc	United States	3.59
Public Storage REIT	United States	2.97
Realty Income REIT Corp	United States	2.51
Welltower Inc	United States	2.23
Digital Realty Trust REIT Inc	United States	2.23
Simon Property Group REIT Inc	United States	1.89
Vici Pptys Inc	United States	1.72
AvalonBay Communities REIT Inc	United States	1.65
Equity Residential REIT	United States	1.63

Portfolio holdings are subject to change and are not intended as a recommendation of individual securities.

### Country allocation (% as of 06/30/2022)



Sources: BlackRock, FTSE International Ltd

Data is used for analytical purposes only. Index data may differ to those published by the Index due to calculation methods. Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

### Important Notes

The Developed Real Estate Index Fund B is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"), European Public Real Estate Association ("EPRA"), or National Association of Real Estate Investments Trusts ("NAREIT") (together, the "Licensor Parties"). The Licensor Parties do not accept any liability whatsoever to any person arising out of the use of Developed Real Estate Index Fund B or the underlying data.

BlackRock Institutional Trust Company, N.A. ("BTC") is a wholly-owned subsidiary of BlackRock, Inc. For ease of reference, "BlackRock" may be used to refer to BlackRock, Inc. and its affiliates, including BTC. Any strategy referred to herein does not give rise to a deposit or other obligation of BlackRock, Inc. or its subsidiaries and affiliates, is not guaranteed by BlackRock, Inc. or its subsidiaries and affiliates, is not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency, and may involve investment risks, including possible loss of principal invested.

The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

**Past performance does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original cost. Any opinions expressed in this publication reflect our judgment at this date and are subject to change. No part of this publication may be reproduced in any manner without the prior written permission of BTC. The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. Risk controls, asset allocation models and proprietary technology do not promise any level of performance or guarantee against loss of principal.

The Fund, a common trust fund maintained and managed by BTC for investment of fiduciary client assets held by BTC in its capacity as trustee, is available only to certain eligible investors and not offered or available to the general public. In the event of a conflict between this summary description of the Fund and the trust document under which the Fund was established, the trust document will govern. For more information related to the Fund, please see the Fund's trust document, Collective Investment Fund Profile and most recent audited financial statements. BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services discussed in this publication and provides fiduciary and custody services to various institutional investors. A collective investment fund is privately offered. Accordingly, prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

None of the information constitutes a recommendation by BTC or a solicitation of any offer to buy or sell any securities. The information is not intended to provide be relied upon as a forecast, research or investment advice. Neither BTC nor BlackRock, Inc. guarantees the suitability or potential value of any particular investment. The information contained herein may not be relied upon by you in evaluating the merits of investing in any investment.

This material is intended for Canadian permitted clients only.

It is not possible to directly invest in an unmanaged index.

**THIS MATERIAL IS HIGHLY CONFIDENTIAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.**

© 2022 BlackRock, Inc. All rights reserved. BLACKROCK is a trademark of BlackRock, Inc. in the United States and elsewhere. All other trademarks are the property of their respective owners.

**NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE.**

BES-0161

# MSCI EAFE Currency Hedged Equity Index Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

## Investment objective and strategy

The MSCI EAFE Currency Hedged Equity Index Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund invests primarily in international equity securities whose total return will approximate as closely as practicable the cap weighted total return of the markets in certain countries for equity securities outside the US, while seeking to eliminate variations based solely on the value of the currencies in the Fund as compared to the US dollar. The primary criterion for selection of investments in the Fund is the Benchmark listed herein.

## Performance

Total return % as of 06/30/2022 (return percentages are annualized as of period end)

	Q2*	YTD*	1 Year*	3 Year	5 Year	Since Inception
Fund return %	-7.19	-10.44	-5.25	5.84	6.08	8.21
Benchmark return %	-7.28	-10.53	-5.39	5.83	6.05	8.17
<b>Difference</b>	<b>0.09</b>	<b>0.09</b>	<b>0.14</b>	<b>0.01</b>	<b>0.03</b>	<b>0.04</b>

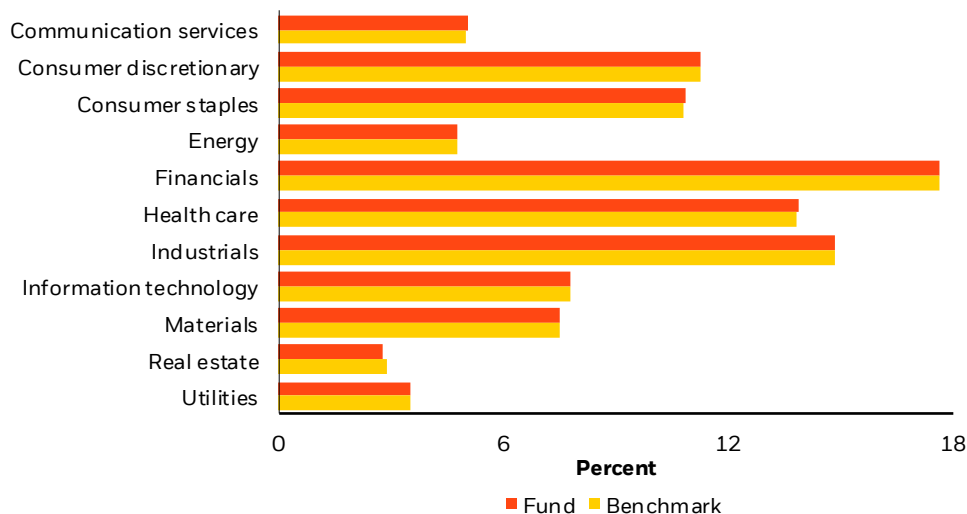
### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

## Sector allocation

% of Fund or Benchmark as of 06/30/2022



Sources: BlackRock, MSCI Inc.

Data is used for analytical purposes only. Index data may differ to those published by the Index due to calculation methods. Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

## Investment details (as of 06/30/2022)

<b>Benchmark</b>	MSCI EAFE 100% Hedged to USD Net Dividend Return Index
<b>Total fund assets</b>	\$0.13 billion
<b>Fund inception date</b>	04/30/2016

## Characteristics (as of 06/30/2022)

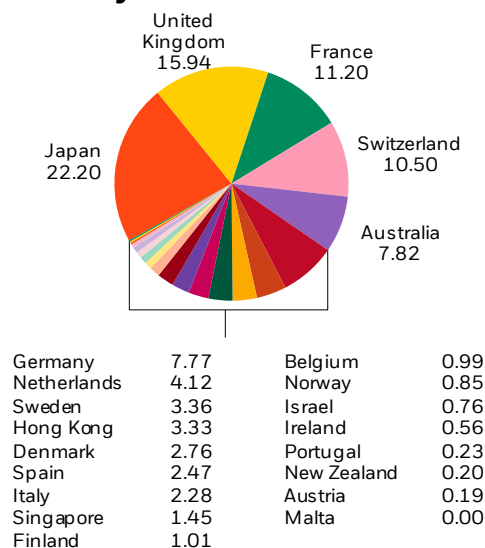
	Fund	Benchmark
Number of securities	800	799
Dividend yield	3.32	3.32

## Top 10 holdings (as of 06/30/2022)

	Country	Fund (% assets)
Nestle SA	Switzerland	2.33
Roche Holding Par AG	Switzerland	1.66
AstraZeneca PLC	United Kingdom	1.44
Shell PLC	United Kingdom	1.40
ASML Holding NV	Netherlands	1.38
Novo Nordisk Class B	Denmark	1.33
Novartis AG	Switzerland	1.32
LVMH	France	1.20
Toyota Motor Corp	Japan	1.16
BHP Group Ltd	Australia	1.02

Portfolio holdings are subject to change and are not intended as a recommendation of individual securities.

## Country allocation (% as of 06/30/2022)



### Important Notes

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Prospectus contains a more detailed description of the limited relationship MSCI has with BlackRock and any related funds.

BlackRock Institutional Trust Company, N.A. ("BTC") is a wholly-owned subsidiary of BlackRock, Inc. For ease of reference, "BlackRock" may be used to refer to BlackRock, Inc. and its affiliates, including BTC. Any strategy referred to herein does not give rise to a deposit or other obligation of BlackRock, Inc. or its subsidiaries and affiliates, is not guaranteed by BlackRock, Inc. or its subsidiaries and affiliates, is not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency, and may involve investment risks, including possible loss of principal invested.

The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

**Past performance does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original cost. Any opinions expressed in this publication reflect our judgment at this date and are subject to change. No part of this publication may be reproduced in any manner without the prior written permission of BTC. The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. Risk controls, asset allocation models and proprietary technology do not promise any level of performance or guarantee against loss of principal.

The Fund, a common trust fund maintained and managed by BTC for investment of fiduciary client assets held by BTC in its capacity as trustee, is available only to certain eligible investors and not offered or available to the general public. In the event of a conflict between this summary description of the Fund and the trust document under which the Fund was established, the trust document will govern. For more information related to the Fund, please see the Fund's trust document, Collective Investment Fund Profile and most recent audited financial statements. BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services discussed in this publication and provides fiduciary and custody services to various institutional investors. A collective investment fund is privately offered. Accordingly, prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

None of the information constitutes a recommendation by BTC or a solicitation of any offer to buy or sell any securities. The information is not intended to provide be relied upon as a forecast, research or investment advice. Neither BTC nor BlackRock, Inc. guarantees the suitability or potential value of any particular investment. The information contained herein may not be relied upon by you in evaluating the merits of investing in any investment.

This material is intended for Canadian permitted clients only.

It is not possible to directly invest in an unmanaged index.

**THIS MATERIAL IS HIGHLY CONFIDENTIAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.**

© 2022 BlackRock, Inc. All rights reserved. BLACKROCK is a trademark of BlackRock, Inc. in the United States and elsewhere. All other trademarks are the property of their respective owners.

**NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE**

BES-0161

## MSCI Emerging Markets Free Fund B

A common trust fund maintained by BlackRock Institutional Trust Company, N.A. ("BTC") for investment of fiduciary client assets held by BTC in its capacity as trustee

### Investment objective and strategy

The MSCI Emerging Markets Free Fund B (the "Fund") is an index fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of a particular index. The Fund invests primarily in international equity securities of issuers in emerging markets, with the objective of providing returns which approximate as closely as practicable the capitalization weighted total rates of return of the markets in certain countries for equity securities traded outside of the United States. The primary criterion for selection of investments in the Fund shall be the Benchmark listed herein.

### Performance

Total Return % as of 06/30/2022 (return percentages are annualized as of period end)

	Q2*	YTD*	1 Year*	3 Year	5 Year	10 Year	Since Inception
Fund return %	-11.34	-17.63	-25.38	0.36	2.02	2.94	6.52
Benchmark return %	-11.45	-17.63	-25.28	0.57	2.18	3.06	6.62
<b>Difference</b>	<b>0.11</b>	<b>0.00</b>	<b>-0.10</b>	<b>-0.21</b>	<b>-0.16</b>	<b>-0.12</b>	<b>-0.10</b>

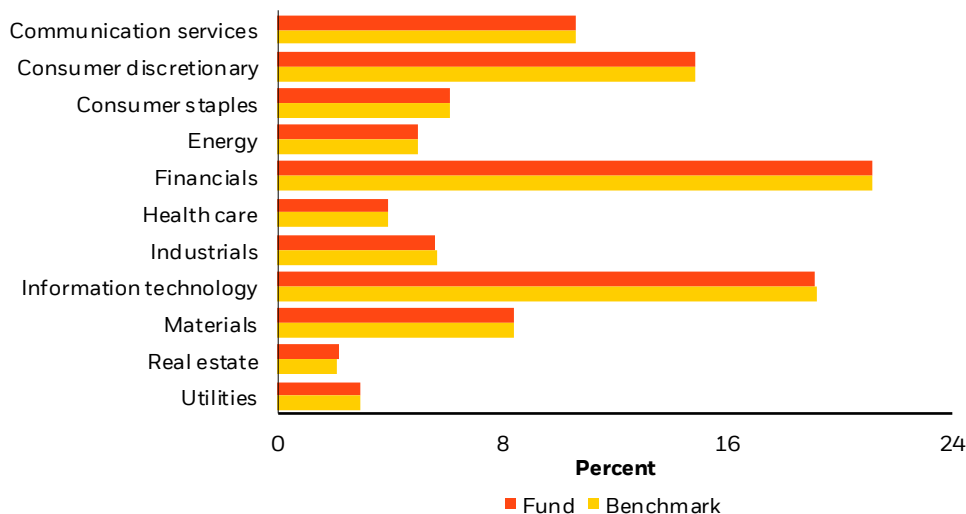
#### Performance disclosure:

The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

\* Period returns for less than one year are cumulative

### Sector allocation

% of Fund or Benchmark as of 06/30/2022



Sources: BlackRock, MSCI Inc.

Data is used for analytical purposes only. Index data may differ to those published by the Index due to calculation methods. Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

### Investment details (as of 06/30/2022)

<b>Benchmark</b>	MSCI Emerging Markets Net Dividend Return Index
<b>Total fund assets</b>	\$3.50 billion
<b>Fund inception date</b>	07/31/2000

### Characteristics (as of 06/30/2022)

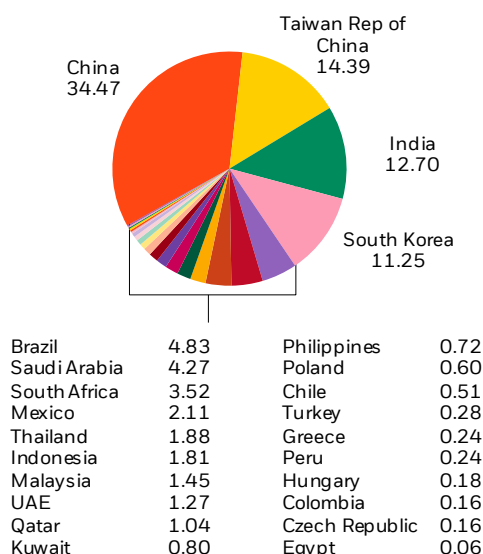
	Fund	Benchmark
Number of securities	1,400	1,382
Dividend yield	3.03	3.02

### Top 10 holdings (as of 06/30/2022)

	Country	Fund (% assets)
Taiwan Semiconductor Manufacturing	Taiwan Rep of China	6.03
Tencent Holdings Ltd	China	4.33
Alibaba Group Holding Ltd	China	3.33
Samsung Electronics Ltd	South Korea	3.21
Meituan	China	1.56
Reliance Industries Ltd	India	1.54
China Construction Bank Corp H	China	0.99
JD.com Class A Inc	China	0.99
Infosys Ltd	India	0.96
CIA Vale do Rio Doce SH	Brazil	0.89

Portfolio holdings are subject to change and are not intended as a recommendation of individual securities.

### Country allocation (% as of 06/30/2022)



## Important Notes

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Prospectus contains a more detailed description of the limited relationship MSCI has with BlackRock and any related funds.

BlackRock Institutional Trust Company, N.A. ("BTC") is a wholly-owned subsidiary of BlackRock, Inc. For ease of reference, "BlackRock" may be used to refer to BlackRock, Inc. and its affiliates, including BTC. Any strategy referred to herein does not give rise to a deposit or other obligation of BlackRock, Inc. or its subsidiaries and affiliates, is not guaranteed by BlackRock, Inc. or its subsidiaries and affiliates, is not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency, and may involve investment risks, including possible loss of principal invested.

The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

**Past performance does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's units, when redeemed, may be worth more or less than the original cost. Any opinions expressed in this publication reflect our judgment at this date and are subject to change. No part of this publication may be reproduced in any manner without the prior written permission of BTC. The Fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the Fund's net asset value did include an accrual for the investment management fee, the Fund's returns would be lower. Risk controls, asset allocation models and proprietary technology do not promise any level of performance or guarantee against loss of principal.

The Fund, a common trust fund maintained and managed by BTC for investment of fiduciary client assets held by BTC in its capacity as trustee, is available only to certain eligible investors and not offered or available to the general public. In the event of a conflict between this summary description of the Fund and the trust document under which the Fund was established, the trust document will govern. For more information related to the Fund, please see the Fund's trust document, Collective Investment Fund Profile and most recent audited financial statements. BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services discussed in this publication and provides fiduciary and custody services to various institutional investors. A collective investment fund is privately offered. Accordingly, prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

None of the information constitutes a recommendation by BTC or a solicitation of any offer to buy or sell any securities. The information is not intended to provide be relied upon as a forecast, research or investment advice. Neither BTC nor BlackRock, Inc. guarantees the suitability or potential value of any particular investment. The information contained herein may not be relied upon by you in evaluating the merits of investing in any investment.

This material is intended for Canadian permitted clients only.

It is not possible to directly invest in an unmanaged index.

**THIS MATERIAL IS HIGHLY CONFIDENTIAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED TO PERSONS OTHER THAN THE RECIPIENT.**

© 2022 BlackRock, Inc. All rights reserved. BLACKROCK is a trademark of BlackRock, Inc. in the United States and elsewhere. All other trademarks are the property of their respective owners.

**NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE**

BES-0161