

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

Meeting of the Trustees Finance and Audit Committee

Tuesday, November 9, 2021 at 8:30 a.m.

Via Zoom: <https://boston-public-library.zoom.us/j/81454538644>

AGENDA

I. **Welcome**

Evelyn Arana-Ortiz, Committee Chair

- A. Welcome Remarks
- B. Roll Call
- C. Review and Approval of Meeting Minutes from September 21, 2021.

II. **Votes for Contracts**

Evelyn Arana-Ortiz, Committee Chair

- A. Citymail, Inc. contract

VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed twenty thousand dollars and zero cents (\$20,000) to be entered into with Citymail, Inc., 77 Walnut St, Peabody MA to provide bulk mailing services.”

- B. Brooks Custom Apparel contract

VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed thirty thousand dollars and zero cents (\$30,000) to be entered into with Brooks Custom Apparel, 56 Leonard Street, Foxborough, MA to provide certain articles of clothing.”

- C. Manager Tools, LLC contract

VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed thirty thousand dollars and zero cents (\$30,000) to be entered into with Manager Tools, LLC of 5765-F Burke Centre Parkway, #152, Burke VA 22015 to provide management training to library supervisors.”

III. **Update on Performance of Financial Portfolio**

Sebastian Grzejka, NEPC

IV. **New Business**

Evelyn Arana-Ortiz, Committee Chair

- A. Discussion of Auditor’s Contract

V. **Public Comment**

“Please sign up for public comment the first 30 minutes of the meeting to support effective time management. On occasion, additional public comments on matters formally on the agenda may be allowed at the discretion of the Chair, and time allowing. Members of the public are also reminded that comments may alternatively be submitted in writing to the Clerk of the Board for distribution to the Trustees.”

VI. Adjournment

Next meeting is Tuesday, January 11, 2022 at 8:30 a.m. via Zoom
Meeting is subject to change

Trustees of the Public Library of the City of Boston

Priscilla H. Douglas, Chair; Evelyn Arana-Ortiz, Vice Chair
Zamawa Arenas, Jabari Asim, Navjeet Bal, Joseph Berman, Ben Bradlee, Jr,
Cheryl Cronin, Linda Dorcena Forry, John Hailer, Jeff Hawkins,
Joyce Linehan, Sen. Mike Rush, Rep. Chynah Tyler, and Christian Westra

President, David Leonard
Clerk of the Board, Pamela Carver

This is an open meeting; the public is welcome to attend; for information: www.bpl.org

Zoom: <https://boston-public-library.zoom.us/j/81454538644>

Meeting ID: 814 5453 8644

Call in option: 646 558 8656, or 301 715 8592, or 312 626 6799, or 669 900 9128

International numbers available: <https://boston-public-library.zoom.us/u/kv6TDqQ9C>

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

Meeting of the Trustees Finance and Audit Committee Tuesday, September 21, 2021, 8:30 a.m. Held via Zoom

DRAFT MINUTES

A meeting of the Boston Public Library Trustees Finance and Audit Committee was held virtually on Tuesday, September 21, 2021 via Zoom.

Present at the meeting included: Committee Chair Evelyn Arana-Ortiz and Committee members: Zamawa Arenas, Navjeet Ball, John Hailer, Mike Rush, and President David Leonard. Jeff Hawkins was absent due to a conflict.

Also present were Boston Public Library staff including Chief Financial Officer Ellen Donaghey, Clerk of the Board Pamela Carver, and other BPL staff members along with members of the public. Ms. Arana-Ortiz presiding, called the Meeting of the Trustees Finance and Audit Committee (“Committee”) to order at 8:31 a.m. Roll call was taken and determined there was a quorum. Everyone was reminded that the meeting was being recorded.

The Chair read the welcoming statement, which stated, “The Trustees of the Boston Public Library reaffirm our commitment to racial equity and to principles of diversity, equity, and inclusion, more broadly. The Library is formally committed to becoming an anti-racist organization in response to systemic racism, inequity, and injustice prevalent in our society. We acknowledge also that the Boston Public Library’s Central Library stands on land that was once a water-based ecosystem providing sustenance for the indigenous Massachusetts people *and is a place which has long served as a site of meeting and exchange among nations.* We are committed to land acknowledgements for all locations at which we operate. *We reaffirm this commitment to set the context for our planning, deliberations and public engagement will take place from the spirit of welcome and respect, found in our motto ‘free to all.’”*

First matter of business was approval of meeting minutes of August 24, 2021. With no comments or edits, the minutes were approved via a roll call vote.

Next, Matthew Hunt from CliftonLarsonAllen (“CLA”) reviewed a summary of the draft FY21 Financial Statements. Mr. Hunt noted that Covid prompted them to do most of the audit remotely with some in person field procedures. There were no disagreements with management and it went smoothly. The auditor’s opinion was unmodified which is highest opinion available; essentially this means that based on their audit work, that the financial statements are free of any material misstatements. He explained that the BPLF, which is a component of the BPL, is audited separately.

Mr. Hunt noted key highlights of the fund balances that carry over to FY2022. The funds are broken into four categories. The General Fund balance increased approximately 6.4% or by \$318,000. Restricted Funds which are funds with external restrictions (ex. Endowed with specific purpose) had a balance of \$1.3 million. He noted that the committed funds (used for neighborhood outreach) was \$37,000 and assigned funds was at \$2.2 million (for IT, salaries, furniture, and operating fund) These funds are determined by trustee vote or management intent or decision.

The remaining unassigned funds was at \$1,690,388 which had increased by 26% or \$348,000.

Non- major funds balances represent the principal of the BPL’s trust funds. The principal (our invested funds held by the City Treasurer) cannot be expended and had a balance of \$77.9 million. For the

spendable portion of funds: the restricted trust funds were at \$11.0 million, -non-restricted funds were at \$9.0 million, and general trust (various restricted grants/gifts) had a balance of \$1.6 million.

Mr. Hunt noted revenues performed very well despite the Covid-19 pandemic. He noted one significant decrease due to the pandemic was reflected in event revenue, which was only \$43,000 in FY21. He highlighted contributions and gifts were up significantly to \$3.9 million and investment markets had done very well.

Mr. Hunt reviewed Trends/Fluctuations over past 5 years in revenue, which have been relatively consistent. He pointed out two significant fluctuations. The first was a significant decrease in Fund revenue from FY17 to FY18 due to changes at the Fund and the FY21 fluctuation in event revenue due to the pandemic.

He also noted that the audit only reviews Trustee funds, and does not include the Library's City funding, which is included in the City's audit.

A few questions were asked clarifying the BPL's budget breakdown of Trustees Funds vs. City and state funding, and how it was separated.

Ms. Arana-Ortiz explained that each year there is a special project or initiative that is funded, but there was not one selected in past year. However, open to discuss if there was one that wanted to tackle.

A motion was duly made, seconded, and voted to recommend to approve to the Full Board via a roll call vote:

VOTED: "that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston recommend the Board of Trustees approve the Boston Public Library's Audited Financial Statements for the Fiscal Year ending June 30, 2021."

Next, Michael Colford, reviewed the program partner contracts. Ms. Donaghey explained that the process for identifying program partners includes putting out a public call for partners to submit proposals, which are then reviewed and recommended by Mr. Colford and members of Library Services and then presented to the Trustees for approval.

Mr. Colford explained the first partner is New England Blacks in Philanthropy. This is part of a \$30,000 grant the BPL Fund received from the Highland Foundation. We have contracted with this group to do \$10,000 worth of work on G Code skill development training for adult learners. The training focuses on in-depth coding and financial literacy

Next, Mr. Colford discussed a \$100,000 partnership with Tech Goes Home. This will focus on digital literacy skills through instructional classes. At the end of the program, students will be given a laptop and hot spot. Mr. Colford noted that the program had a fairly high cost of \$700 per participant. During the pandemic, the Library agreed to let Tech Goes Home flip the process and give out the equipment to students at the beginning of the program. He explained this was a wonderful way to provide access to technology to those who did not have it. We will also be doing training with children focusing on early literacy. This contract would be funded through three different funding sources: the distributions from the Dr. Samuel Abbot Green Memorial Fund, which is used to fund literacy programs, City of Boston funding for returning citizens, and a Fidelity Trust for Library youth programming.

Next was the Jewish Vocational Services ("JVS"). This \$100,000 contract will provide a series of employment focused workshops and coaching for individuals enrolled in ESOL services. It will include development of curriculum for non-English speakers and provide 1 on 1 career coaching to those who need assistance. This funding comes from a gift from the Highland Street Foundation through the BPL Fund.

American Programs Bureau is an agency that represents numerous authors and speakers. The Library has used them in the past and is now seeking to fund up to \$125,000 for several programs throughout the year. This will include the marquee speaking series, the Lowell Lectures, various author events, and other "Joy Agenda" programming at multiple branches throughout the City. Mr. Colford used the example of the contracting with Maria from Sesame Street as part of Hispanic Heritage Month. There are two funding sources for this contract, a \$75,000 grant from the Nord Family Foundation and Janey's Joy Agenda funding.

Company One Theatre is a returning partner. They conducted both the Library's first theatrical production in 2018, which was a great success, and a second in 2019. The cost of the spring 2022 production will be approximately \$100,000 both for direct and in kind costs, such as custodial costs. In addition to the production, Company One will conduct several workshops for the public throughout the year with the BPL. Funding comes from the Lowell Foundation, trust funds and the City's Joy Agenda funding.

Grub Street is another long term partner. They run two very successful programs for the Library, "Write Down the Street" for adults and a young adult writing program. These programs are currently being offered virtually but we are hoping to return to in person work later this year. These programs help develop cultural identities and memoir projects. Grub Street has a similar target audience as the Library and their mission aligns very well with the BPL. Funding would come from a Fidelity Youth trust fund and other Library program trust funds.

The Trustees discussed some of their own experiences working with these partners and expressed how pleased they were with the work being done. With no questions, Ms. Arana Ortiz made a motion that was duly made, seconded and, voted to approve each of the contracts via a roll call vote for each contract:

VOTED: "that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed twenty-five thousand dollars and zero cents (\$25,000) of direct costs to be entered into with New England Blacks in Philanthropy, 101 Federal St #1900, Boston, MA 02110, to present their G-CODE and other skills development training at the Boston Public Library."

VOTED: "that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed one hundred thousand dollars and zero cents (\$100,000) of direct costs to be entered into with Tech Goes Home, 867 Boylston St 5th floor, Boston, MA 02116, to support the library staff in running digital literacy skills training classes that provides a laptop and hotspot, or other means of providing internet access in multiple branches throughout the City of Boston."

VOTED: "that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed twenty-five thousand dollars and zero cents (\$25,000) of direct costs to be entered into with Jewish Vocational Service in Boston ('JVS'), 75 Federal St, Boston, MA 02110 to provide a series of employment-focused workshops, office hours sessions, and individualized coaching for individuals enrolled in BPL's ESOL services."

VOTED: "that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed one hundred twenty-five thousand dollars (\$125,000) to be entered into with American Program Bureau, One Gateway Center, Suite 751, Newton, MA 02458, to support the marquee speaking series including the Lowell Lecture, select author events, and other "Joy Agenda" programming in multiple branches throughout the City of Boston."

VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed one hundred thousand dollars (\$100,000) of direct and in-kind costs to be entered into with Company One Theatre of 539 Tremont Street, Boston, MA 02116 to conduct a 5-week public theatrical production, and other programming throughout the year.”

VOTED: "that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed one hundred thousand dollars (\$100,000) of direct costs to be entered into with Grub Street to present their Write Down the Street and Young Adult writing programs, as well as select workshops in collaboration with the Community Learning Department in multiple branches and other neighborhood locations throughout the City of Boston.”

Ellen Donaghey moved onto the employment agreement with former Chief Technology Officer, Kurt Mansperger. She noted this was a transition position to help assist with the completion of several ongoing IT projects and initiatives until his replacement is hired. They were currently interviewing applicants and hope to find his replacement soon. Ms. Donaghey explained that the City has approved this employment agreement but that we also felt we should have Trustee approval. Ms. Arana-Ortiz made a motion that was duly made, seconded, and voted to approve via a roll call vote:

VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve an employee agreement with Kurt Mansperger of 86 Lake Attitash Road, Amesbury, MA 01913, formerly Chief Technology Officer for the Boston Public Library, to assist in ensuring the continued effective and efficient delivery of technology-dependent library services, to both staff and patrons, not to exceed fifty thousand dollars and zero cents (\$50,000).”

Next, Ms. Laura Irmischer, reviewed a contract with BiblioTemps, a service through the Massachusetts Library System. BiblioTemps provides temporary workers who specialize in library services. By way of background, Ms. Irmischer explained there was a backlog of work that had been deferred during Covid, along with a number of key vacancies that were affecting the cataloging team. Catalog records are the information the public uses to search for items in the library’s collection. The library continues to work on filling permanent positions, this contract is merely a bridge to manage the workload until positions are filled.

Mr. Leonard explained that one of the Library’s challenges over the coming six months is to get back to full-staffing. As of last week, approximately 20% of the Library’s positions are empty. While we are moving aggressively to fill these vacancies, many of our vacancies are filled through internal transfers so it can be a long process to have net new employees. He also noted that this vote was not to replace full time positions, but merely to supplement expertise or bridge vacancies in the interim.

Ms. Arana-Ortiz called for a motion that was duly made, seconded, and voted to approve via a roll call vote:

VOTED: “that, the Trustees Finance and Audit Committee of the Public Library of the City of Boston approve a contract not to exceed one hundred thousand dollars and zero cents (\$100,000) to be entered into with BiblioTemps, a program of the Massachusetts Library System, 33 Boston Post Road West, Suite 400, Marlborough, MA 01752 for temporary library services.”

Ellen Donaghey reviewed the gift report for the Fiscal Year 2021. She explained that the BPL reports on gifts received annually in lieu of asking for permission to accept each gift individually. This year, most donations were given to the Fund. The exceptions were primarily those gifts received from the Friend

groups, gifts received through estate planning and the marathon team donations. The gift report totaled 3,859,260. She noted that City-Wide Friends donation came in just after the close of the fiscal year and so will be reported next year.

Ms. Arana-Ortiz asked for any New Business for which there was none. Ms. Arana-Ortiz asked for Public comment.

Elissa Cadillic, President of the AFSCME 1526, commented on the Kurt Mansperger contract. She noted that AFSCME 1526 protests this contract, pointing out that Mr. Mansperger chose to leave the BPL management and the City of Boston. They are required to live in the city as part of being an employee and have under 10 years of service in their bargaining unit. She added that the city was holding residency hearings for individuals and union members who make significantly less than Mr. Mansperger. She understood someone was needed to handle technology, but felt this was a way for Mr. Mansperger to avoid the residency clause as indicated that his contract states he lives in Amesbury.

With no further discussion, the meeting was adjourned at 9:35 a.m.

Respectfully Submitted,

Pamela R. Carver, Clerk of the Board



**BOSTON
PUBLIC
LIBRARY**

Q3 2021 PORTFOLIO UPDATE

BOSTON PUBLIC LIBRARY FUND

Sebastian Grzejka, Principal, CAIA
Zoe Heyman, Sr. Analyst



PROPRIETARY & CONFIDENTIAL

MARKET OUTLOOK



PROPRIETARY & CONFIDENTIAL

TRAILING ANNUAL INDEX PERFORMANCE

Equity						
	Oct-21	YTD	1 YR	3 YR	5 YR	10 YR
MSCI ACWI	5.1%	16.8%	37.3%	17.5%	14.7%	11.3%
S&P 500	7.0%	24.0%	42.9%	21.5%	18.9%	16.2%
Russell 1000	6.9%	23.2%	43.5%	22.0%	19.2%	16.3%
Russell 2000	4.3%	17.2%	50.8%	16.5%	15.5%	13.5%
Russell 2500	4.9%	19.4%	49.4%	18.4%	16.3%	14.2%
MSCI EAFE	2.5%	11.0%	34.2%	11.5%	9.8%	7.4%
MSCI EM	1.0%	-0.3%	17.0%	12.3%	9.4%	4.9%

Credit						
	Oct-21	YTD	1 YR	3 YR	5 YR	10 YR
BBG Global Agg	-0.2%	-4.3%	-1.2%	4.5%	2.5%	1.7%
BBG US Agg	0.0%	-1.6%	-0.5%	5.6%	3.1%	3.0%
BBG Credit	0.2%	-1.1%	1.9%	7.7%	4.6%	4.5%
BBG US HY	-0.2%	4.4%	10.5%	7.4%	6.4%	6.8%
BBG Muni	-0.3%	0.5%	2.6%	5.2%	3.4%	3.9%
BBG Muni HY	-0.4%	6.1%	10.7%	7.7%	6.2%	6.7%
BBG TIPS	1.1%	4.7%	7.1%	8.4%	4.7%	3.1%
BBG 20+ STRIPS	3.9%	-6.6%	-6.4%	15.6%	6.3%	7.0%
BBG Long Treasuries	1.9%	-5.8%	-5.8%	11.0%	4.6%	5.0%
BBG Long Credit	1.5%	-1.2%	4.3%	12.1%	6.9%	6.5%
BBG Govt/Credit 1-3 Yr	-0.3%	-0.2%	0.0%	2.7%	1.8%	1.4%
JPM EMBI Glob Div	0.0%	-1.3%	4.4%	6.4%	4.2%	5.4%
JPM GBI-EM Glob Div	-1.3%	-7.6%	0.8%	3.9%	2.0%	0.4%

Real Assets						
	Oct-21	YTD	1 YR	3 YR	5 YR	10 YR
BBG Commodity	2.6%	32.5%	43.9%	8.6%	5.2%	-3.0%
Alerian Midstream Index	6.1%	47.4%	76.2%	#N/A	#N/A	-
FTSE NAREIT Equity REITs	7.6%	32.5%	51.8%	13.9%	9.7%	10.6%



Source: S&P, MSCI, Russell, Bloomberg, JPM, Alerian, FTSE, FactSet

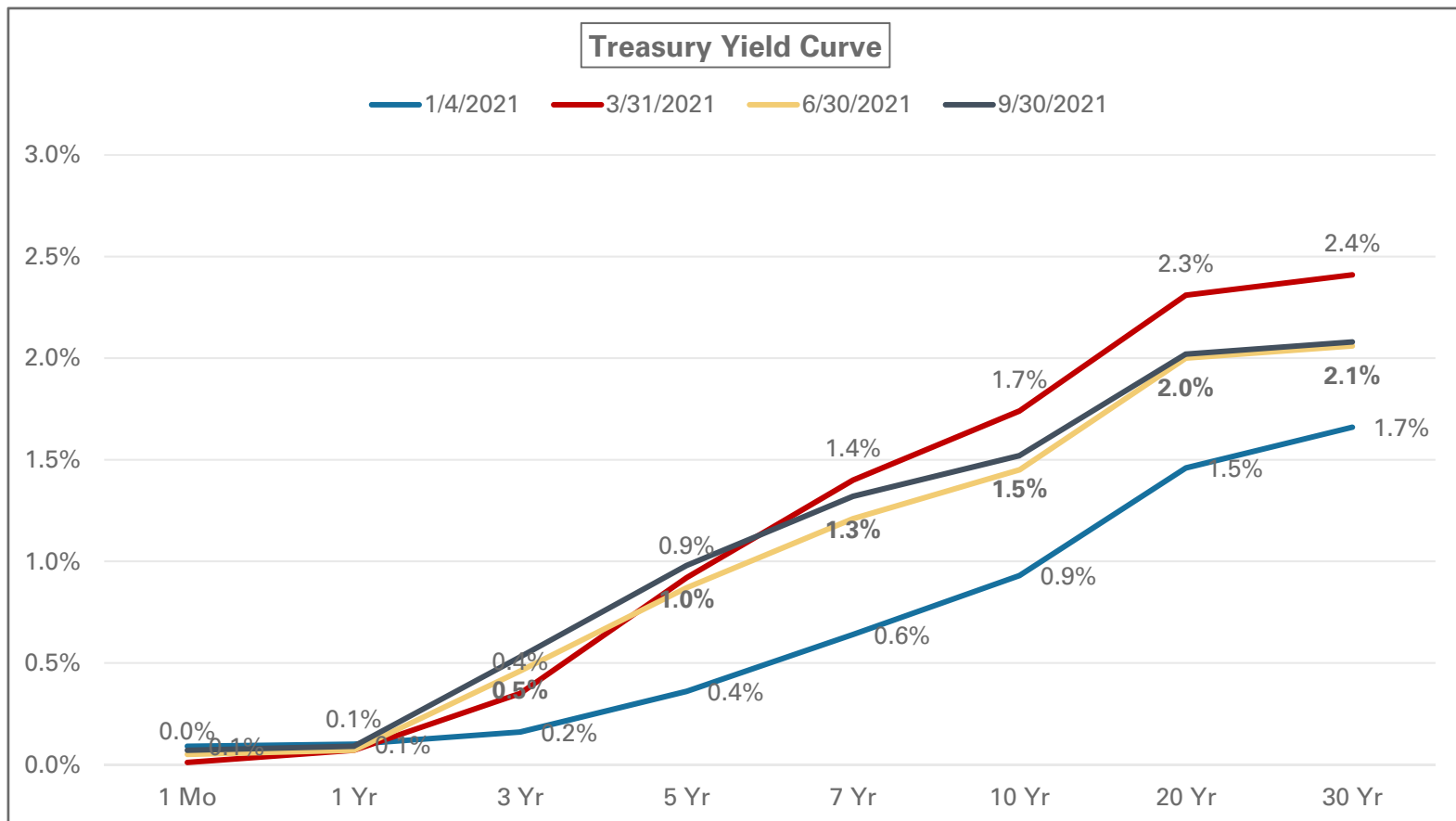
CHINESE EQUITIES HAVE WEIGHED ON MARKETS

YEAR-TO-DATE CUMULATIVE INDEX RETURNS



US TREASURY YIELD CURVE

- Treasury yields remained relatively flat during Q3 2021, following a significant increase in Q1 2021 and subsequent reversal in Q2 2021

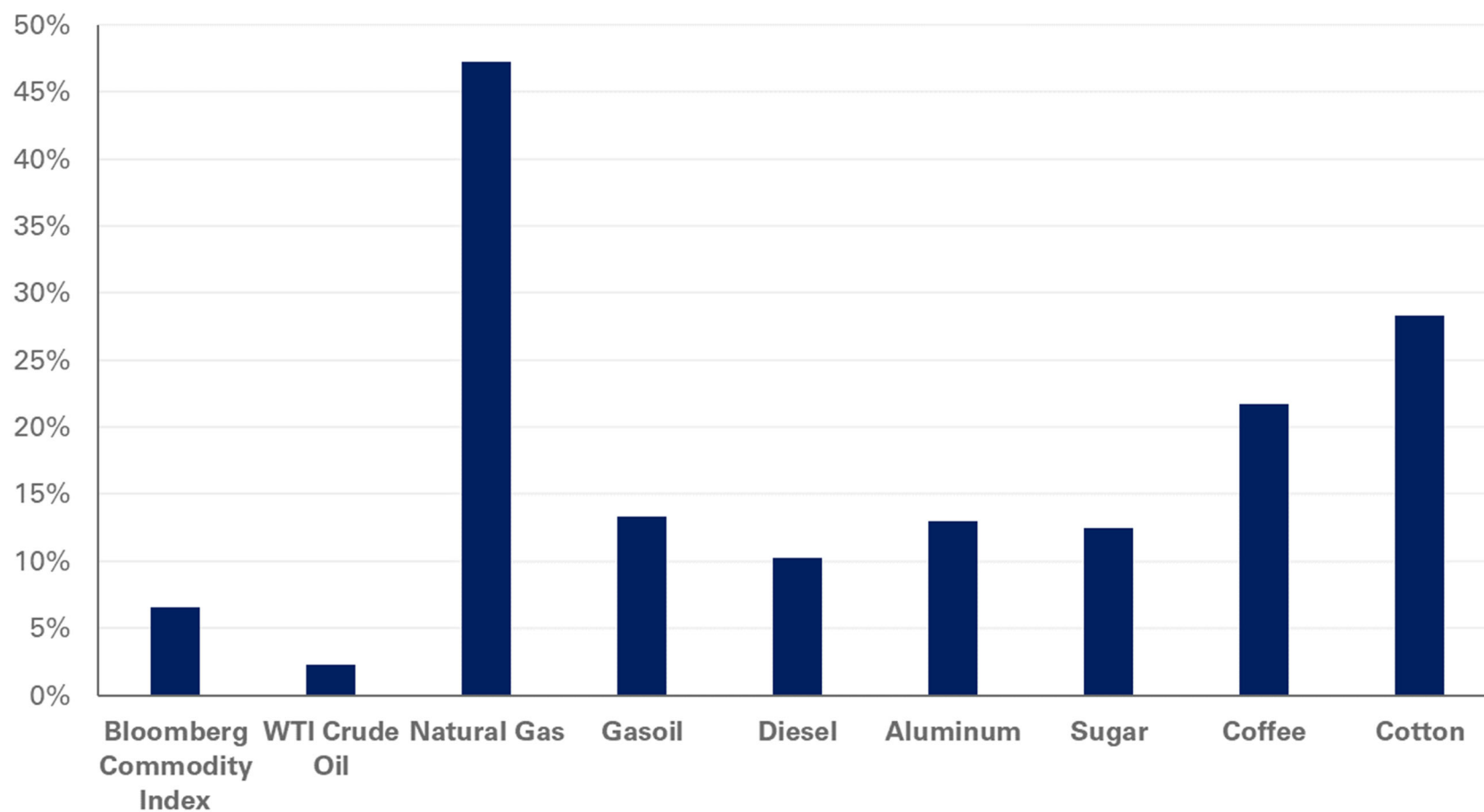


Source: US Department of the Treasury



COMMODITY PRICES INCREASED

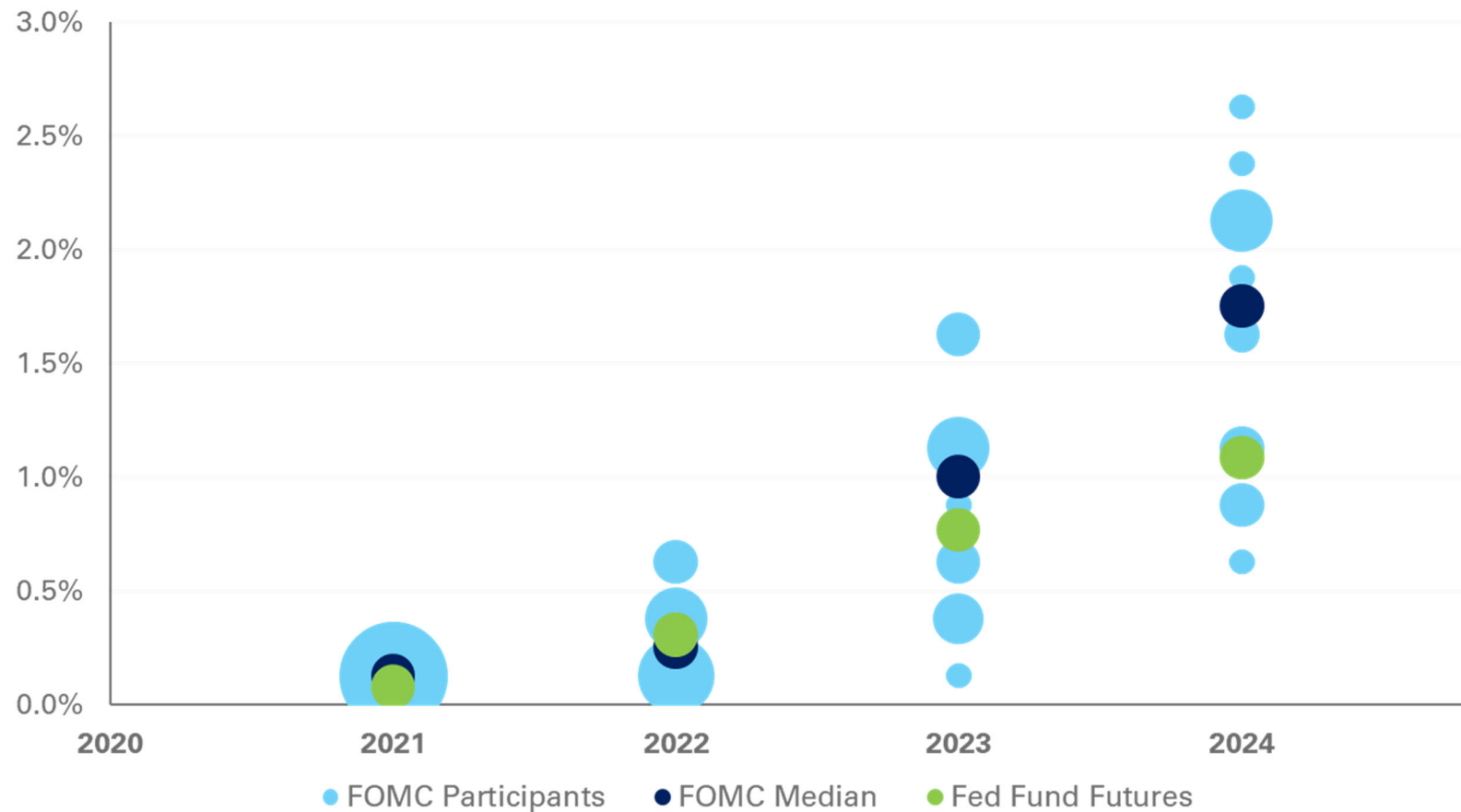
QUARTERLY CHANGES IN SPOT PRICE



Source: Bloomberg, FactSet

FED PROJECTING THREE RATE HIKES IN 2023

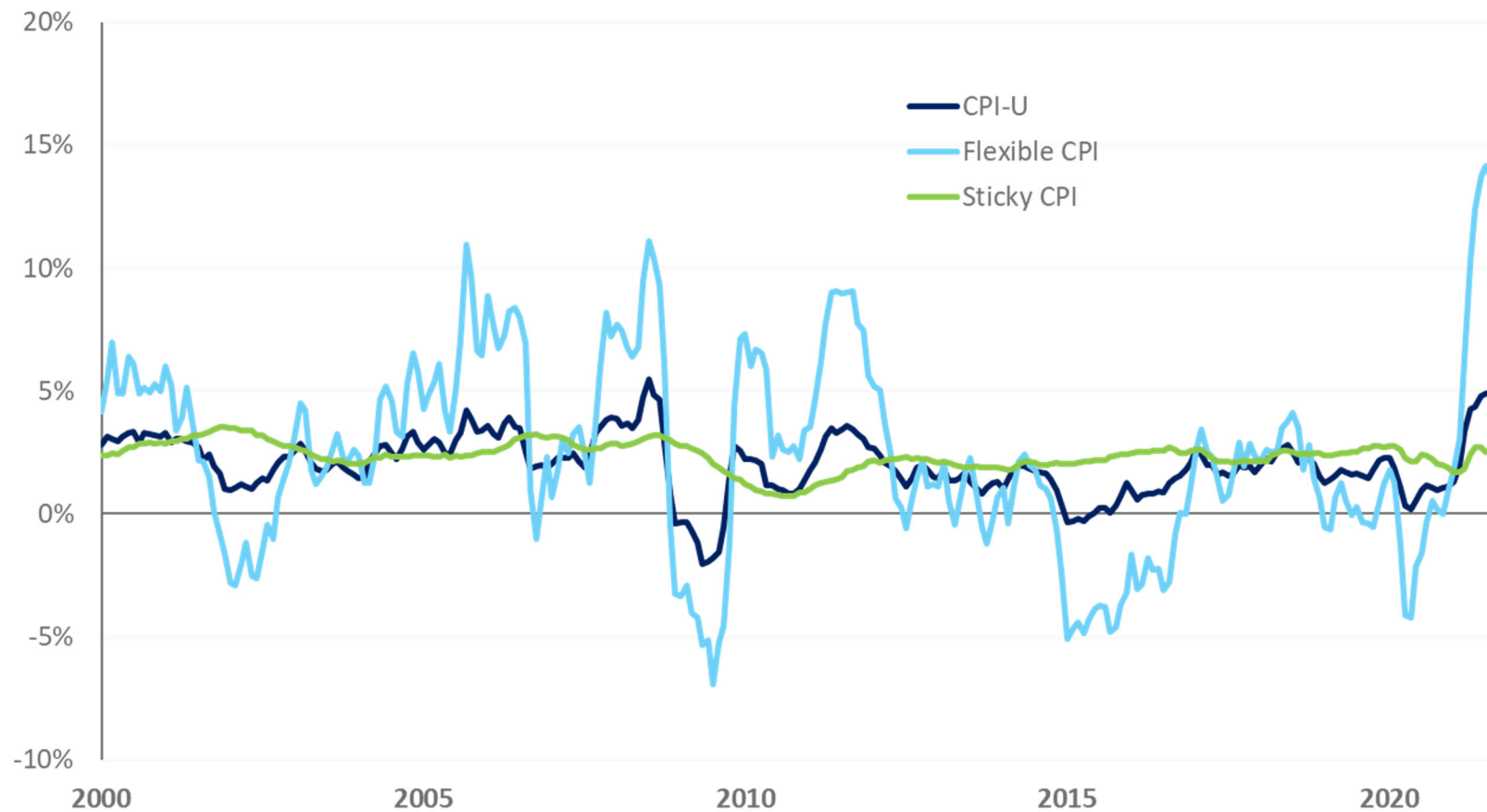
FED DOT PLOT VERSUS FED FUND FUTURES



FOMC Participant dot size reflects the number of policymakers forecasts of federal fund rate at the end of each calendar year
Source: FOMC, FactSet

U.S. CPI IS ELEVATED FROM FLEXIBLE FACTORS

TRAILING 12-MONTH CPI METRICS



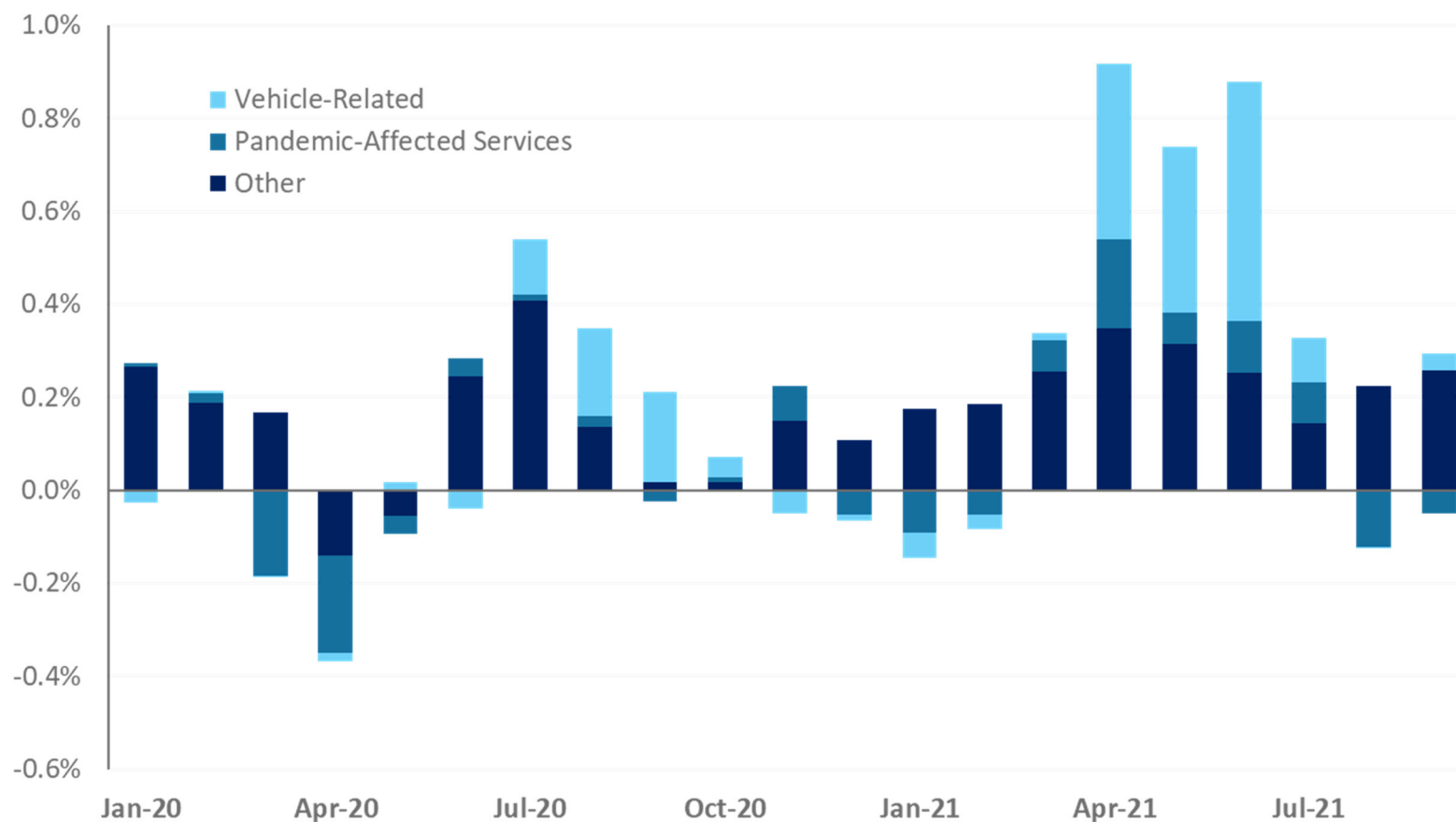
Notes: Flexible CPI represents a weighted basket of items that change price relatively frequently. Sticky CPI represents a weighted basket of items that change price relatively slowly. Data as of 09/30/2021.

Sources: Atlanta Fed, Bureau of Labor Statistics, FactSet



TRANSITORY FACTORS HAVE WANED...

CONTRIBUTION TO MONTHLY CORE CPI-U



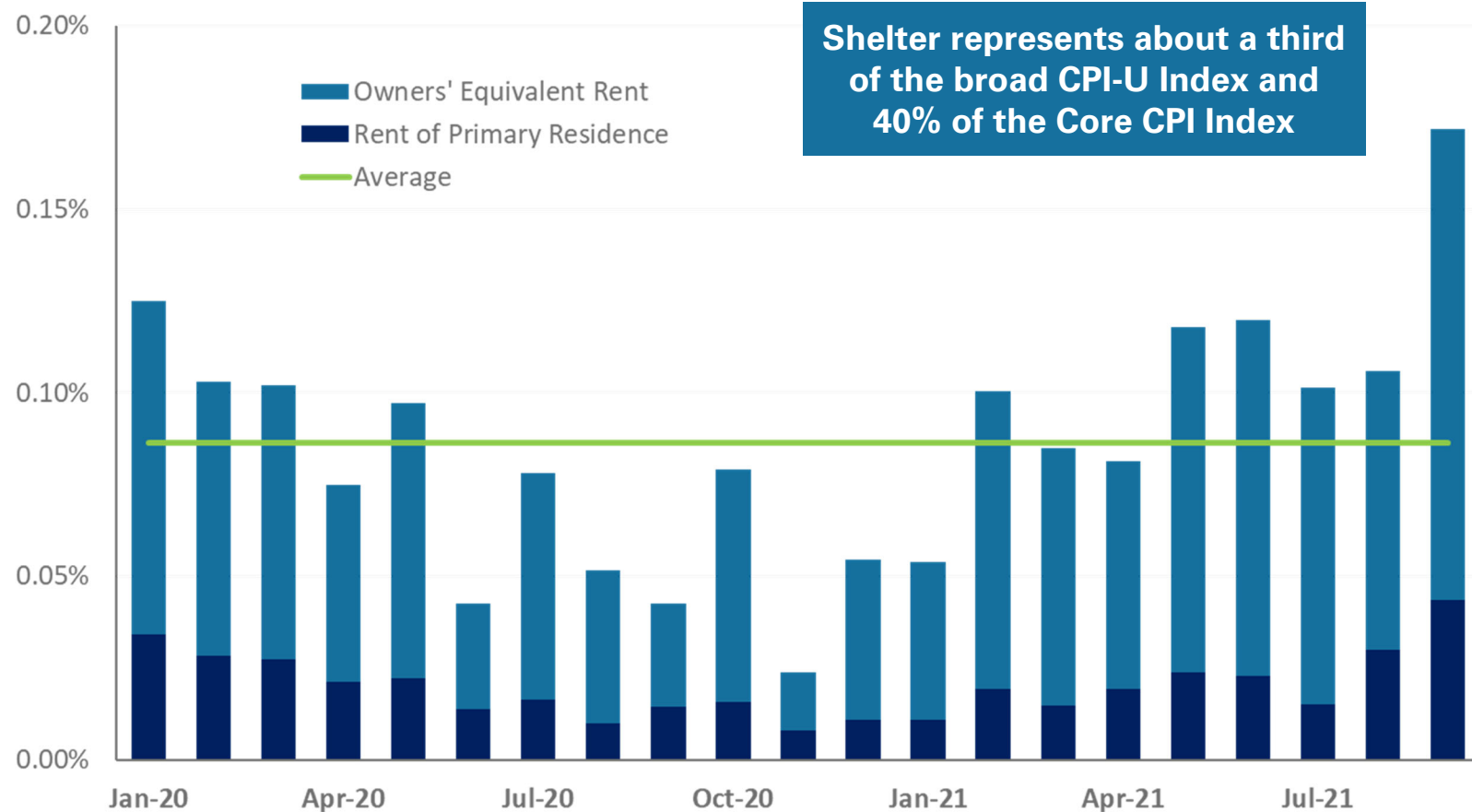
Notes: Vehicle-Related includes New Vehicles, Used Cars & Trucks, and Motor Vehicle Parts. Pandemic-Affected Services includes Airfare, Hotels, and Admissions to Events.

Source: Bureau of Labor Statistics, FactSet, NEPC



...STICKIER FACTORS MAY BE ON THE RISE

CONTRIBUTION OF SHELTER TO MONTHLY CORE CPI-U



Notes: Average calculated 01/31/2019-09/30/2021
Sources: Bureau of Labor Statistics, FactSet, NEPC



STRATEGIC ASSET ALLOCATION OUTLOOK

NEPC's Key Market Theme of Permanent Interventions **sustains positive risk asset sentiment** and elevated valuation levels for equity

Consider **higher strategic equity targets** as the long-term forward return differential relative to fixed income remains elevated

We continue to support a **strategic overweight to emerging market equities** relative to MSCI ACWI IMI, but expect a volatile path

Be mindful of adding public real assets, as inflation-sensitivity and portfolio objectives inform an investor's strategic allocation

Maintain adequate portfolio liquidity levels as market stress can inject bouts of illiquidity across public assets

NEPC CURRENT OPPORTUNITIES

	RATIONALE	IMPLEMENTATION VIEW
Reduce Lower Quality Credit Exposure <i>Shift exposure equally to U.S. equity and safe-haven fixed income</i>	<ul style="list-style-type: none"> Credit spreads, particularly in the lower-quality space, are near cyclical lows 	Return-Seeking Credit Portfolio Tilt: Shift exposure to U.S. equity/safe-haven FI Opportunity Cost: Bloomberg U.S. High Yield
Reduce U.S. TIPS Exposure <i>Disperse TIPS proceeds to safe-haven fixed income and/or the portfolio</i>	<ul style="list-style-type: none"> We are concerned TIPS will be negatively impacted relative to nominal Treasuries should real rates increase due to a surprise in the speed the Fed tightens monetary policy 	Safe-Haven Fixed Income Portfolio Tilt: 75% U.S. Treasuries, 25% TIPS Opportunity Cost: 50% U.S. Treasuries, 50% TIPS
Add U.S. Large-Cap Value Exposure <i>Add large-cap value exposure to U.S. equity, while maintaining overall equity exposure</i>	<ul style="list-style-type: none"> U.S. large-cap value exposure can help mitigate the portfolio impact relative to the S&P 500 of heightened inflation levels normalizing above market expectations and interest rates rising 	U.S. Large Cap Equity Portfolio Tilt: 70% S&P 500, 30% Russell 1000 Value Opportunity Cost: S&P 500



EXECUTIVE SUMMARY



PROPRIETARY & CONFIDENTIAL

GOALS & OBJECTIVES

Investment Return Objective

“Total return, consistent with prudent investment management, is the primary goal of the Fund. Total return, as used herein, includes income plus realized and unrealized gains and losses on Fund assets.”

“Assets of the Fund shall be invested to ensure that principal is preserved and enhanced over time, both in real and nominal terms.”

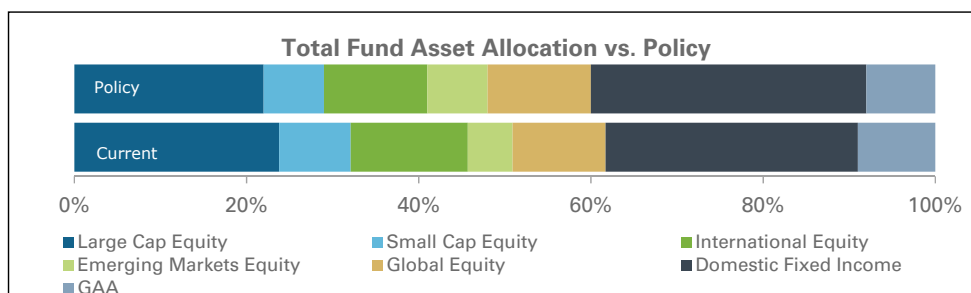
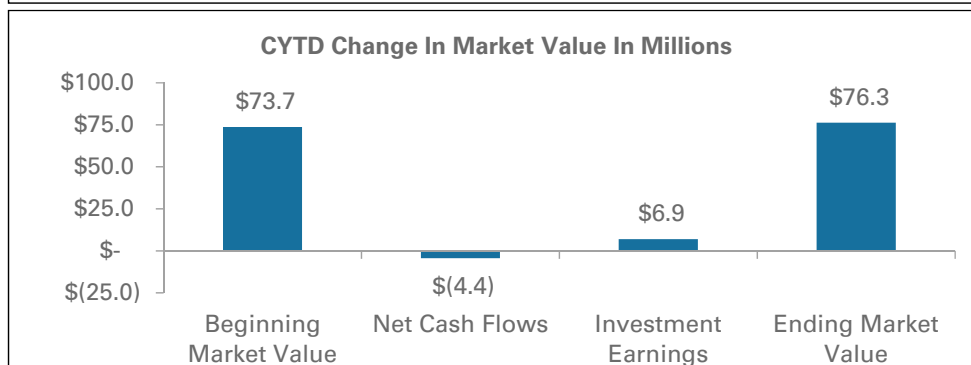
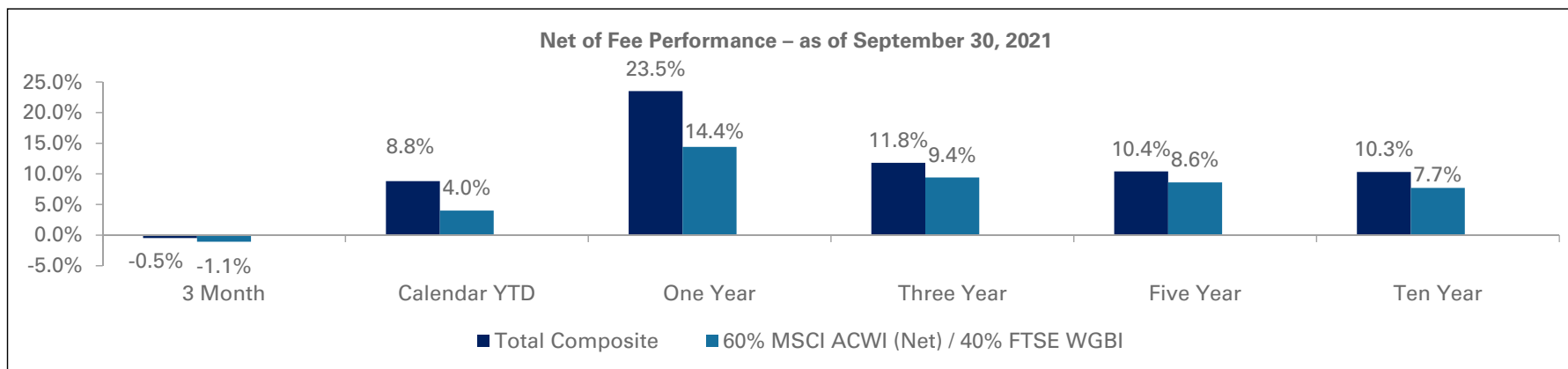
Risk Tolerance

- **Time Horizon:** The Fund has a long-term time horizon; results are evaluated over a three to five year time horizon. Shorter term results will be regularly reviewed and corrective action will be taken if in the best interest of the Fund.
- **Liquidity Needs and Cash Flows:** Cash flows are relatively infrequent, but funds are occasionally drawn to meet operational needs
- **Capital Preservation:** In order to meet the Fund’s goals and objectives, the portfolio has been structured with a conservative total return approach, which provides some exposure to growth assets, but also provides some protection in stressed environments



TOTAL FUND EXECUTIVE SUMMARY

Boston Public Library



• Top Contributors to Performance

- Global Equity manager Impax, was the strongest contributor with a Q3 return of +1.6%, outperforming the ACWI by 270 bps
- The allocation to TIPS also contributed on an absolute basis, as the exposure returned 1.8% for the quarter
- Earnest provided sound downside protection, outperforming its index by 160 bps during Q3

• Top Detractors from Performance

- Emerging Markets were the largest detractor of performance for Q3, as Chinese stocks declined 18.2% due to regulatory risk and contagion from a potential default by struggling Chinese real estate conglomerate Evergrande
- UBS EME Halo was the largest detractor from performance in Q3, with a return of -9.0%, underperforming the index by 90 bps



REBALANCE RECOMMENDATION

BOSTON PUBLIC LIBRARY

	Market Value	Current Weight in Fund	Target Weight	Over/Under%	Recommendation	New Market Value	New Weight
Composite	\$ 78,201,939	100.0%	100.0%	0.0%	\$ -	\$ 78,201,939	100.0%
Total US Equity	\$ 26,199,658	33.5%	29.0%	4.5%	\$ (2,000,000)	\$ 24,199,658	30.9%
SSgA SRI S&P 500	\$ 10,753,044	13.8%	12.0%	1.8%	\$ (1,000,000)	\$ 9,753,044	12.5%
Diamond Hill Large Cap	\$ 8,630,997	11.0%	10.0%	1.0%	\$ -	\$ 8,630,997	11.0%
Segall Bryant Small Cap	\$ 6,815,617	8.7%	7.0%	1.7%	\$ (1,000,000)	\$ 5,815,617	7.4%
Total Non US Equity	\$ 22,698,054	29.0%	31.0%	-2.0%	\$ 2,000,000	\$ 24,698,054	31.6%
Earnest International Equity	\$ 10,373,649	13.3%	12.0%	1.3%	\$ -	\$ 10,373,649	13.3%
UBS Emerging Markets HALO	\$ 4,059,491	5.2%	7.0%	-1.8%	\$ 1,000,000	\$ 5,059,491	6.5%
IMPAX Specialists	\$ 8,264,914	10.6%	12.0%	-1.4%	\$ 1,000,000	\$ 9,264,914	11.8%
Total Fixed Income	\$ 22,315,862	28.5%	32.0%	-3.5%	\$ 500,000	\$ 22,815,862	29.2%
IRM Core Bond	\$ 4,440,156	5.7%	10.0%	-4.3%	\$ 1,750,000	\$ 6,190,156	7.9%
SSgA TIPS	\$ 5,559,798	7.1%	7.0%	0.1%	\$ (1,250,000)	\$ 4,309,798	5.5%
SSgA Treasuries	\$ 5,357,301	6.9%	7.0%	-0.1%	\$ 1,000,000	\$ 6,357,301	8.1%
Manulife	\$ 6,958,607	8.9%	8.0%	0.9%	\$ (1,000,000)	\$ 5,958,607	7.6%
Total Multi Asset	\$ 6,988,365	8.9%	8.0%	0.9%	\$ (500,000)	\$ 6,488,365	8.3%
PIMCO All Asset	\$ 6,988,365	8.9%	8.0%	0.9%	\$ (500,000)	\$ 6,488,365	8.3%


Estimate as of November 1, 2021



DIVERSITY, EQUITY AND INCLUSION AT NEPC

- This quarter, during the annual Equitable Manager Participation Workshop, NEPC [announced the Explorer Program](#), a platform to identify, meaningfully explore and engage with diverse-owned and -led investment management firms who are not currently 1- or 2-rated by NEPC. The Explorer Program eases the path for diverse managers to be evaluated by NEPC's Research team for potential inclusion in client portfolios and for future inclusion on the firm's Focused Placement Lists (FPL).
- You can read more in [FundFire](#), [Alternatives Watch](#), and [PLANSPONSOR](#), and learn more at [NEPC.com](#).





Q3 2021 QUARTERLY PERFORMANCE

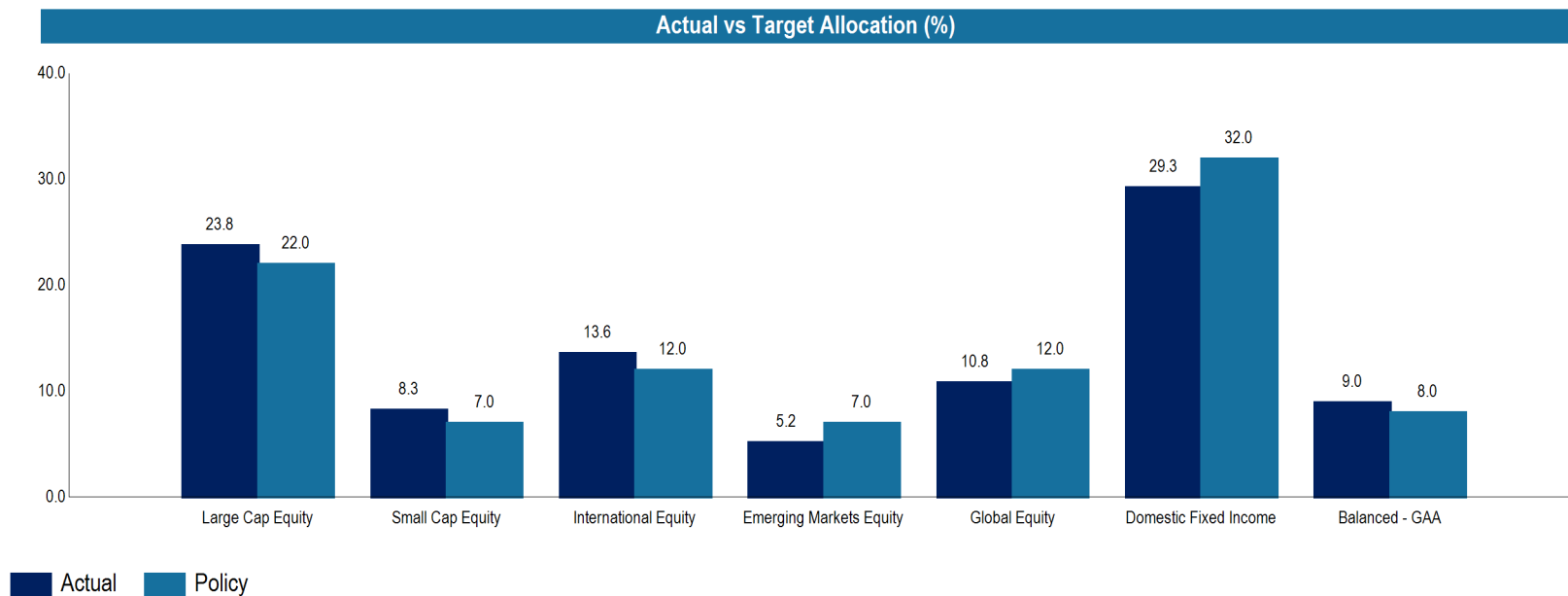


PROPRIETARY & CONFIDENTIAL

City of Boston Pool 4: Boston Public Library

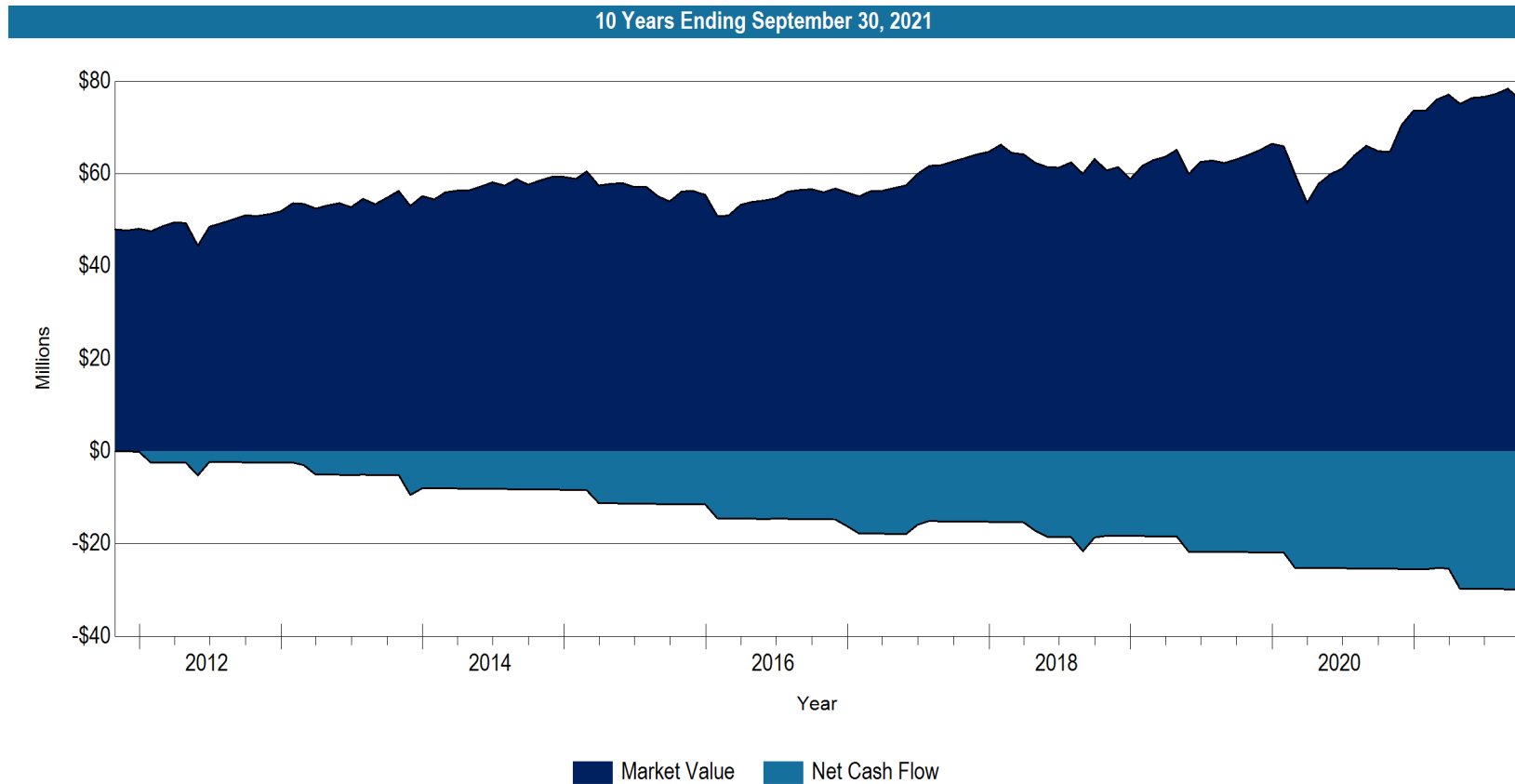
TOTAL FUND PERFORMANCE SUMMARY

	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank
Composite	\$76,252,895	-0.5%	53	8.8%	43	23.5%	19	11.8%	15	10.4%	31	8.6%	22	10.3%	16
60% MSCI ACWI (Net) / 40% FTSE WGBI		-1.1%	88	4.0%	93	14.4%	88	9.4%	66	8.6%	79	6.9%	77	7.7%	85
Allocation Index		-1.2%	93	6.8%	78	19.0%	63	10.1%	50	9.0%	71	7.7%	49	9.3%	47
InvMetrics All E&F Net Median		-0.4%		8.4%		20.2%		10.1%		9.8%		7.7%		9.1%	



City of Boston Pool 4: Boston Public Library

TOTAL FUND ASSET GROWTH SUMMARY

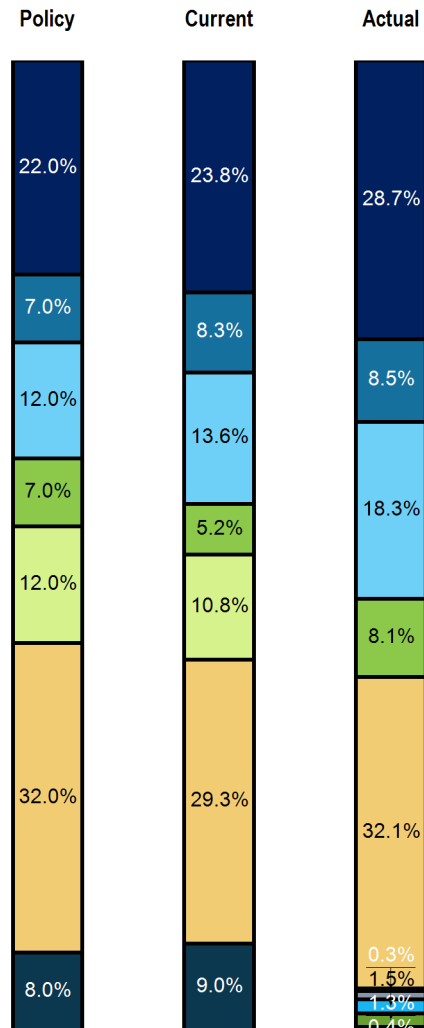


	Last Three Months	Year-To-Date	One Year	Three Years	Five Years	Seven Years	Ten Years
Beginning Market Value	\$76,631,530	\$73,686,455	\$64,893,702	\$63,226,715	\$56,670,820	\$57,663,226	\$44,647,319
Net Cash Flow	-\$20,845	-\$4,098,666	-\$4,113,185	-\$10,247,508	-\$13,598,450	-\$19,543,715	-\$27,153,512
Net Investment Change	-\$357,790	\$6,665,106	\$15,472,378	\$23,273,687	\$33,180,525	\$38,133,384	\$58,759,088
Ending Market Value	\$76,252,895	\$76,252,895	\$76,252,895	\$76,252,895	\$76,252,895	\$76,252,895	\$76,252,895



City of Boston Pool 4: Boston Public Library

TOTAL FUND ASSET ALLOCATION VS. POLICY TARGETS

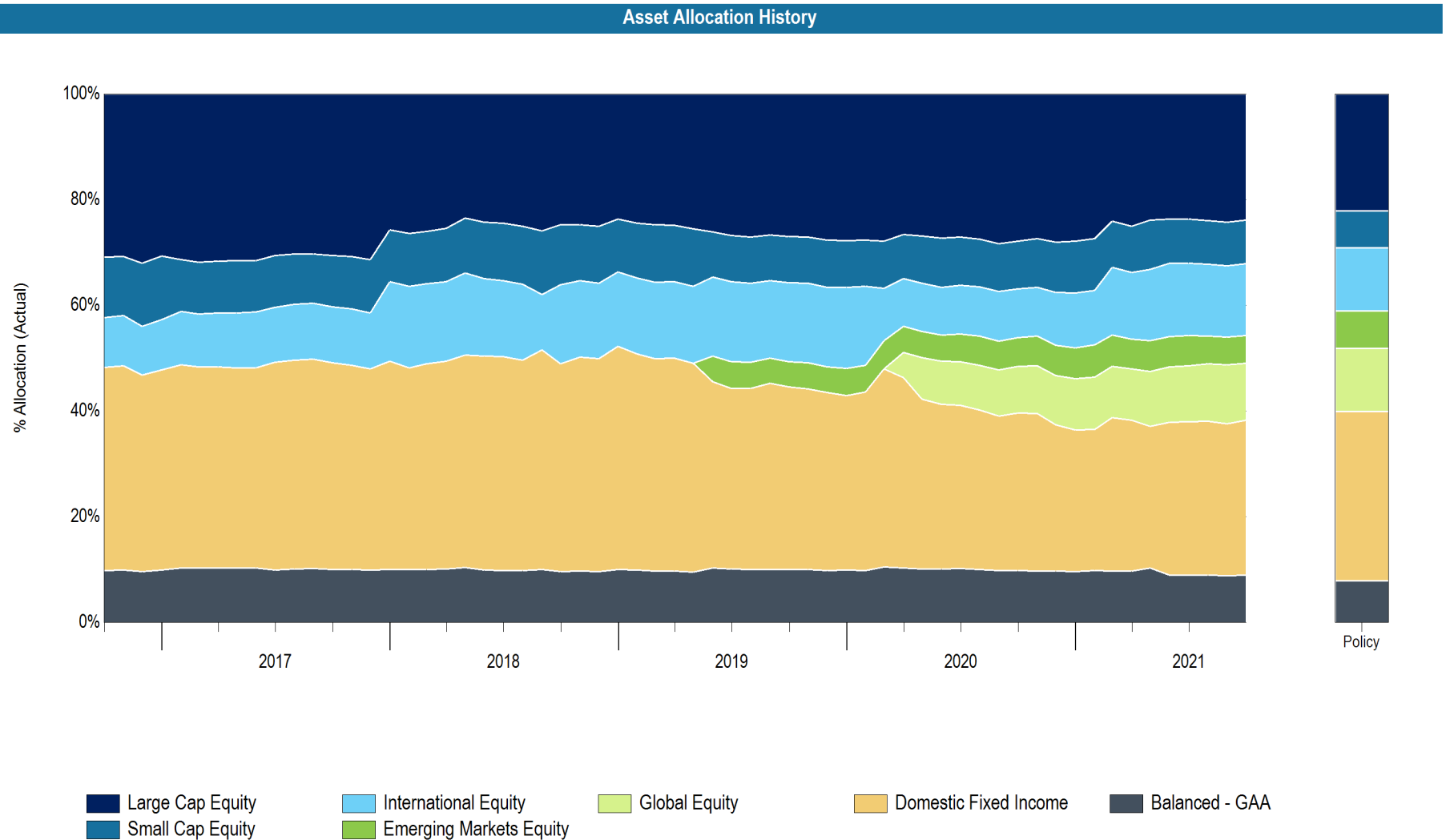


Allocation vs. Targets and Policy				
	Current Balance	Policy	Current Allocation	Actual
Large Cap Equity	\$18,163,300	22.0%	23.8%	28.7%
Small Cap Equity	\$6,303,752	7.0%	8.3%	8.5%
International Equity	\$10,373,649	12.0%	13.6%	18.3%
Emerging Markets Equity	\$3,978,333	7.0%	5.2%	8.1%
Global Equity	\$8,264,914	12.0%	10.8%	--
Domestic Fixed Income	\$22,330,346	32.0%	29.3%	32.1%
High Yield	--	--	--	0.3%
Fixed Income - Emerging	--	--	--	0.9%
Global Bonds	--	--	--	0.0%
Balanced - GAA	\$6,838,600	8.0%	9.0%	--
Hedge Funds	--	--	--	1.5%
Real Assets	--	--	--	1.3%
Cash	--	--	--	0.4%
Total	\$76,252,895	100.0%	100.0%	100.0%

PIMCO All Asset Fund and IMPAX Global Resource Optimization Fund are broken out by allocation.

City of Boston Pool 4: Boston Public Library

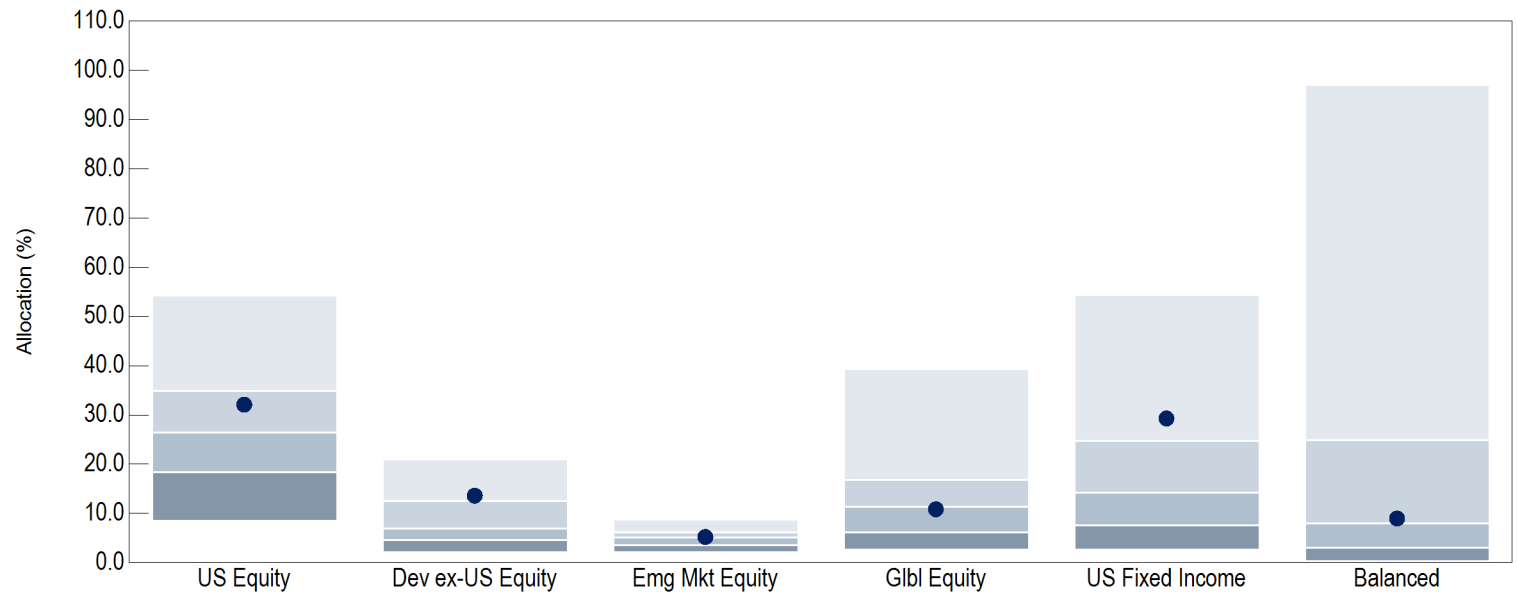
TOTAL FUND ASSET ALLOCATION HISTORY



City of Boston Pool 4: Boston Public Library

TOTAL FUND ALLOCATION VS. PEER UNIVERSE

Total Plan Allocation vs. InvMetrics All E&F Net
As of September 30, 2021



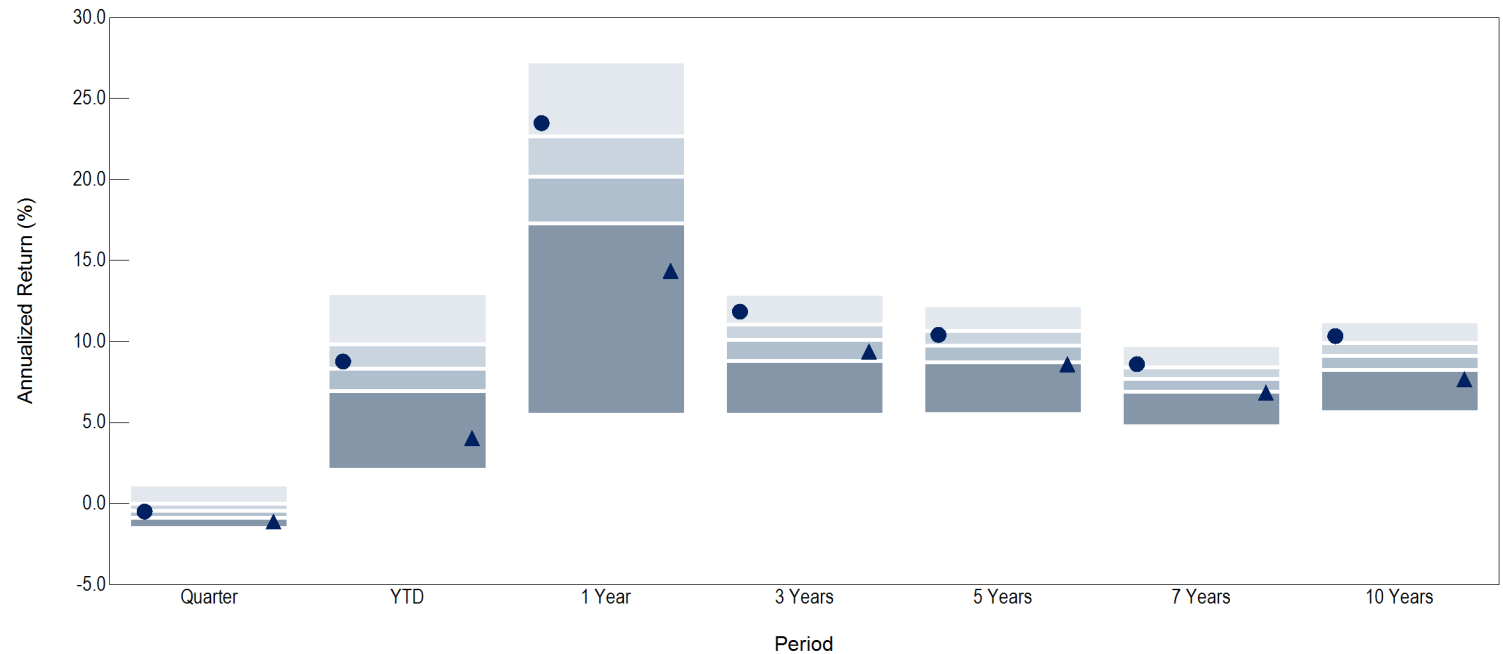
	US Equity		Dev ex-US Equity		Emg Mkt Equity		Gbl Equity		US Fixed Income		Balanced	
Allocation (Rank)	54.2		21.0		8.8		39.3		54.4		97.0	
5th Percentile	34.9		12.6		6.2		16.9		24.8		25.0	
25th Percentile	26.6		7.1		5.2		11.5		14.3		8.1	
Median	18.5		4.7		3.7		6.2		7.7		3.1	
75th Percentile	8.6		2.3		2.3		2.8		2.8		0.4	
95th Percentile	310		199		264		146		239		23	
# of Portfolios	32.1	(34)	13.6	(22)	5.2	(51)	10.8	(54)	29.3	(20)	9.0	(49)
● Composite												



City of Boston Pool 4: Boston Public Library

TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE

Composite vs. InvMetrics All E&F Net



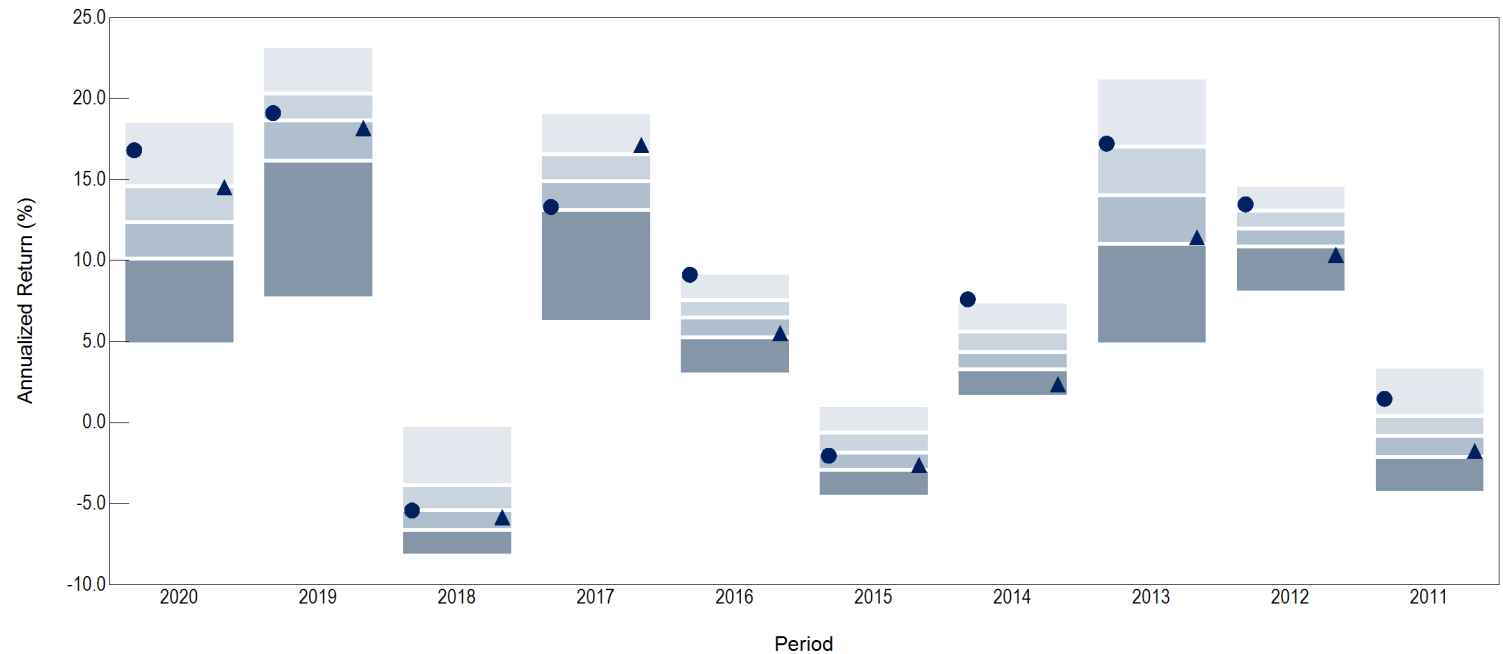
		Return (Rank)													
5th Percentile		1.1		12.9		27.2		12.9		12.2		9.8		11.2	
25th Percentile		0.0		9.8		22.7		11.1		10.7		8.4		9.9	
Median		-0.4		8.4		20.2		10.1		9.8		7.7		9.1	
75th Percentile		-0.8		6.9		17.3		8.8		8.8		6.9		8.3	
95th Percentile		-1.5		2.1		5.5		5.5		5.5		4.8		5.7	
# of Portfolios		917		908		899		827		767		679		539	
●	Composite	-0.5	(53)	8.8	(43)	23.5	(19)	11.8	(15)	10.4	(31)	8.6	(22)	10.3	(16)
▲	60% MSCI ACWI (Net) / 40% FTSE WGBI	-1.1	(88)	4.0	(93)	14.4	(88)	9.4	(66)	8.6	(79)	6.9	(77)	7.7	(85)



City of Boston Pool 4: Boston Public Library

TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE

Composite vs. InvMetrics All E&F Net

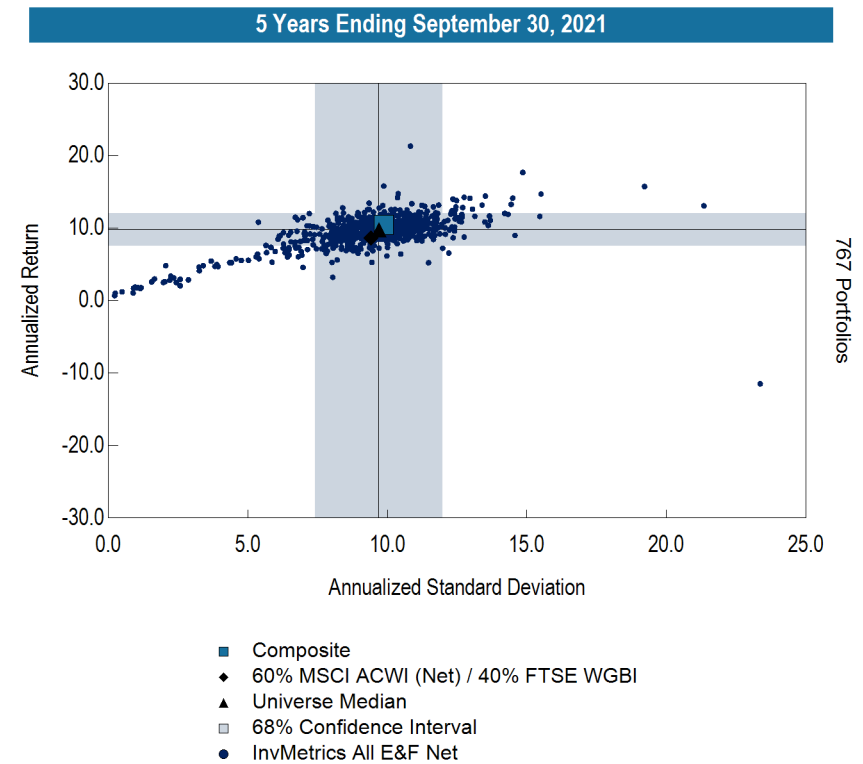
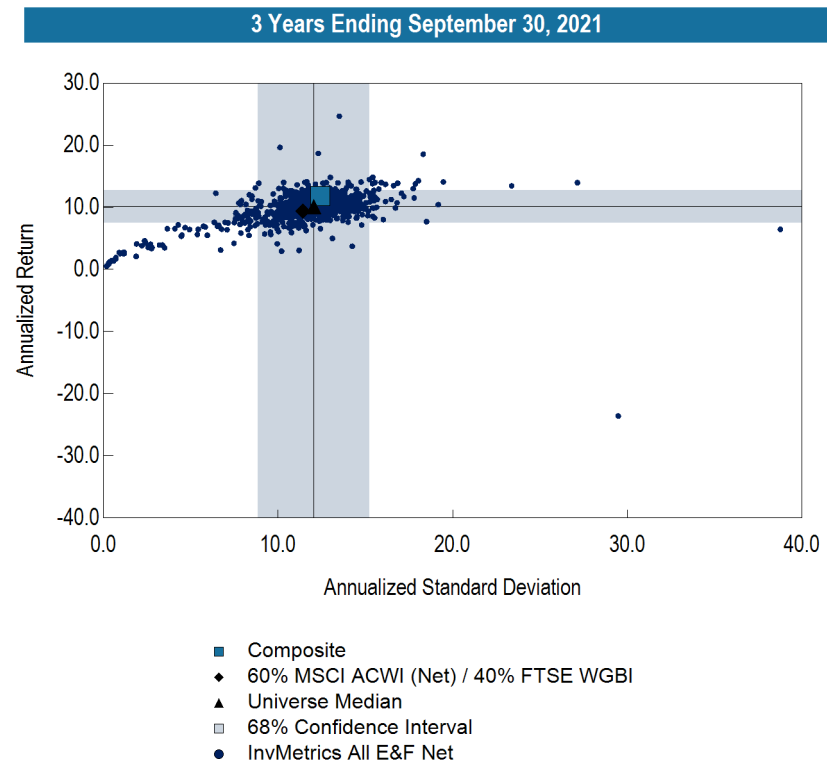


		Return (Rank)																			
5th Percentile		18.6	23.2	-0.2	19.1	9.2	1.0	7.5	21.3	14.6	3.4										
25th Percentile		14.6	20.3	-3.8	16.6	7.6	-0.6	5.6	17.0	13.1	0.4										
Median		12.4	18.7	-5.4	14.9	6.5	-1.8	4.4	14.0	12.0	-0.8										
75th Percentile		10.1	16.2	-6.6	13.1	5.3	-2.9	3.3	11.0	10.9	-2.1										
95th Percentile		4.8	7.7	-8.2	6.2	3.0	-4.6	1.6	4.8	8.0	-4.3										
# of Portfolios		1,151	908	1,146	848	863	768	655	472	459	411										
●	Composite	16.8	(12)	19.1	(44)	-5.4	(51)	13.3	(74)	9.1	(6)	-2.1	(56)	7.6	(5)	17.2	(24)	13.5	(19)	1.5	(16)
▲	60% MSCI ACWI (Net) / 40% FTSE WGBI	14.5	(26)	18.2	(56)	-5.8	(59)	17.1	(18)	5.5	(71)	-2.6	(70)	2.3	(89)	11.4	(72)	10.3	(81)	-1.8	(70)



City of Boston Pool 4: Boston Public Library

TOTAL FUND RISK/RETURN - 3 AND 5 YEARS



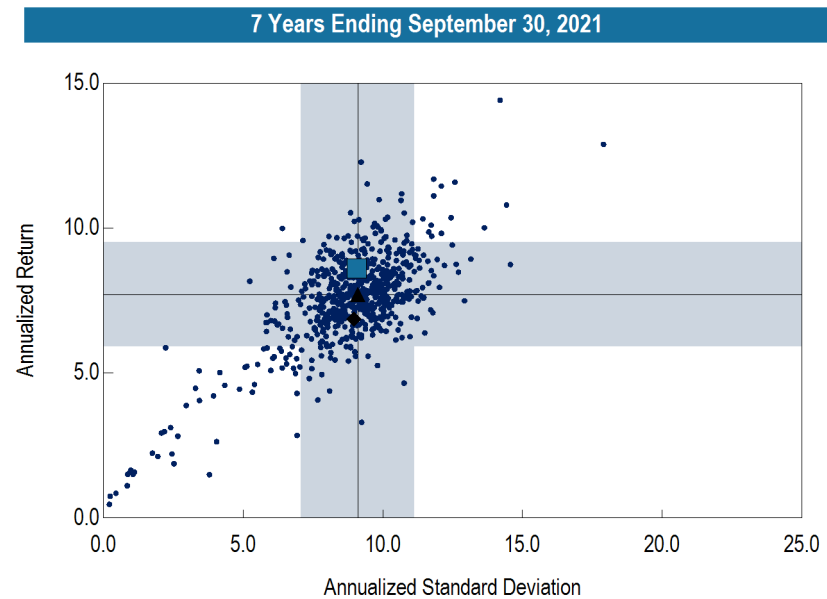
3 Years Ending September 30, 2021						
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Composite	11.84%	15	12.42%	59	0.87	25
60% MSCI ACWI (Net) / 40% FTSE WGBI	9.38%	66	11.43%	37	0.73	56

5 Years Ending September 30, 2021						
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Composite	10.41%	31	9.87%	55	0.94	33
60% MSCI ACWI (Net) / 40% FTSE WGBI	8.59%	79	9.41%	42	0.80	76

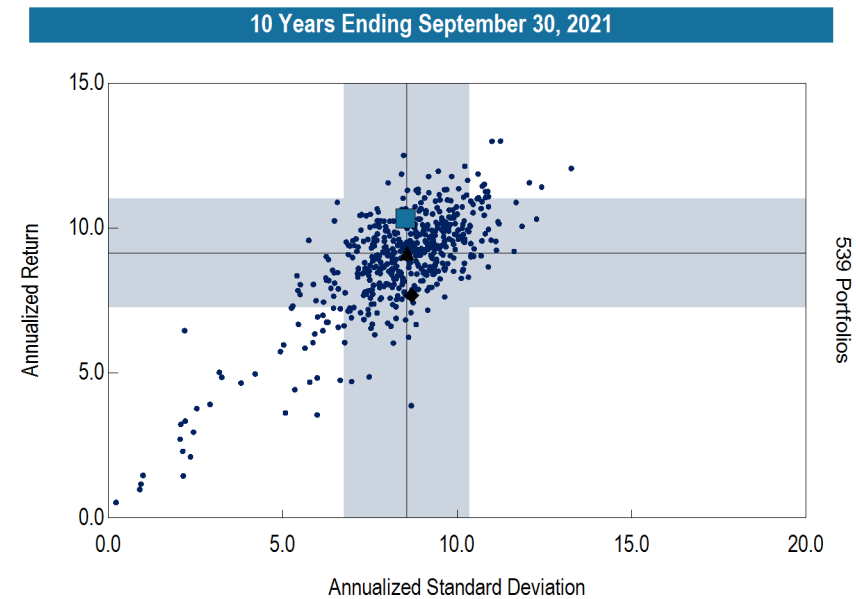


City of Boston Pool 4: Boston Public Library

TOTAL FUND RISK/RETURN - 7 AND 10 YEARS



- Composite
- ◆ 60% MSCI ACWI (Net) / 40% FTSE WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F Net



- Composite
- ◆ 60% MSCI ACWI (Net) / 40% FTSE WGBI
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics All E&F Net

7 Years Ending September 30, 2021						
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Composite	8.60%	22	9.07%	50	0.86	24
60% MSCI ACWI (Net) / 40% FTSE WGBI	6.85%	77	8.97%	46	0.67	77

10 Years Ending September 30, 2021						
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Composite	10.33%	16	8.52%	50	1.14	17
60% MSCI ACWI (Net) / 40% FTSE WGBI	7.68%	85	8.69%	56	0.82	91



City of Boston Pool 4: Boston Public Library

TOTAL FUND PERFORMANCE DETAIL (NET)

				Ending September 30, 2021										
	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date		
Composite	76,252,895	100.0	100.0	-0.5	8.8	23.5	11.8	10.4	8.6	10.3	9.6	Jan-81		
60% MSCI ACWI (Net) / 40% FTSE WGBI				-1.1	4.0	14.4	9.4	8.6	6.9	7.7	--	Jan-81		
Total Domestic Equity	24,467,052	32.1	29.0											
SSgA SRI S&P 500	10,030,824	13.2		0.3	15.3	29.4	16.2	17.2	14.2	16.8	15.5	Jan-09		
S&P 500				0.6	15.9	30.0	16.0	16.9	14.0	16.6	15.4	Jan-09		
Diamond Hill Large Cap Class Y Shares	8,132,476	10.7		-0.2	15.2	32.4	12.8	--	--	--	12.6	May-17		
Russell 1000 Value				-0.8	16.1	35.0	10.1	10.9	9.3	13.5	10.1	May-17		
Segall Bryant & Hamill Small Cap	6,303,752	8.3		-0.8	14.5	42.3	13.7	15.3	--	--	11.8	Jan-15		
Russell 2000				-4.4	12.4	47.7	10.5	13.4	11.9	14.6	10.8	Jan-15		
Total Non-US Equity	14,351,982	18.8	31.0											
Total International Equity	10,373,649	13.6	12.0											
Earnest International Investment Trust Fund	10,373,649	13.6		-1.4	10.8	41.5	10.1	10.8	6.9	--	6.4	May-14		
MSCI ACWI ex USA				-3.0	5.9	23.9	8.0	8.9	5.7	7.5	5.1	May-14		
Total Emerging Markets Equity	3,978,333	5.2	7.0											
UBS EME HALO	3,978,333	5.2		-9.0	-7.2	13.8	--	--	--	--	14.4	Jun-19		
MSCI Emerging Markets				-8.1	-1.2	18.2	8.6	9.2	5.6	6.1	13.0	Jun-19		
Total Global Equity	8,264,914	10.8	12.0											
Impax Global Resource Optimization Fund	8,264,914	10.8		1.6	15.6	43.0	--	--	--	--	58.9	Apr-20		
MSCI ACWI				-1.1	11.1	27.4	12.6	13.2	9.9	11.9	39.2	Apr-20		
Total Domestic Fixed Income	22,330,346	29.3	32.0											
IR&M Core Bond Fund II	4,440,156	5.8		0.0	-0.9	-0.6	4.2	2.3	2.8	3.1	4.2	Mar-07		
Bloomberg US Aggregate TR				0.1	-1.6	-0.9	5.4	2.9	3.3	3.0	4.1	Mar-07		
SSgA Treasury Inflation Protected Securities	5,521,698	7.2		1.8	3.4	5.1	7.4	--	--	--	5.6	Jan-18		
Bloomberg US TIPS TR				1.8	3.5	5.2	7.4	4.3	3.9	3.1	5.7	Jan-18		
Manulife Asset Management	7,011,191	9.2		0.0	0.1	4.0	5.7	--	--	--	4.5	Mar-18		
Bloomberg Global Aggregate TR				-0.9	-4.1	-0.9	4.2	2.0	2.2	1.9	2.8	Mar-18		
State Street U.S. Treasury Index Non-Lending Common Trust Fund	5,357,301	7.0		0.1	--	--	--	--	--	--	0.7	Jun-21		
Bloomberg US Treasury TR				0.1	-2.5	-3.3	4.9	2.2	2.7	2.2	0.7	Jun-21		
Total Balanced - GAA	6,838,600	9.0	8.0											
PIMCO All Asset	6,838,600	9.0		-0.5	11.7	24.8	9.4	7.8	5.7	--	5.8	Jul-12		
PIMCO All Asset Index				0.6	2.1	5.4	7.0	5.0	4.8	4.9	4.5	Jul-12		

-PIMCO All Asset Index consists of 40% Bloomberg Aggregate / 30% Bloomberg US TIPS Index/ 10% S&P 500 / 10% HY / 10% JPM EMBI + TR.

-Diamond Hill Large Cap Class Y Shares Cash: \$841,850; Impax Multi Asset Fund Cash: \$48,630; IR&M Core Bond Fund II Cash: \$148,139; Manulife Cash: \$840,043; PIMCO Cash: \$683,838; Segall Bryant & Hamill SC Cash: \$1,045,794; SSgA SRI S&P 500 Cash: \$48,922

-New Policy % targets as of 4/1/2020; Returns are net of fees.



DUE DILIGENCE UPDATES

Investment Options	Commentary	DD Status	NEPC Rating
Manulife Strategic Fixed Income	Manulife was recently downgraded from a 1-rating to a 2-rating after the review of the multi sector universe. NEPC maintains a high degree of conviction in the firm and strategy and the fund remains on NEPC's preferred list. No Action is required.	1. No Action	2



INVESTMENT MANAGER - DUE DILIGENCE KEY

NEPC Due Diligence Status Key	
No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot be in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with a manager; manager cannot be in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot be in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

NEPC Due Diligence Rating Key	
1	A high conviction investment product. Product has a clear and economically-grounded investment thesis, and is managed by an investment team that is sufficiently resourced and incented to execute on the thesis.
2	NEPC has a positive view of the strategy. Strategy has a compelling and sound investment thesis. The manager is sufficiently resourced and incented to execute on the thesis. Strengths outweigh the weaknesses, but the strategy does not meet all requirements for a 1 rating.
3	A satisfactory investment product. The strategy lacks a compelling investment thesis, however there are no significant concerns around the manager's viability.
4	The strategy may have an unclear or ambiguous investment thesis or the manager may lack the ability to execute on the stated thesis. The strategy likely has strengths and weaknesses and the weaknesses may outweigh the strengths.
5	A strategy that lacks an investment thesis or NEPC has no confidence in the manager's ability to execute on the thesis, and/or the investment firm may not be viable. Serious issues have been identified with an investment manager or product. This rating aligns with a Terminate Due Diligence status for client-owned products.
NR	Due diligence has not been sufficiently completed on the product or manager.



APPENDIX



PROPRIETARY & CONFIDENTIAL

DISCLAIMERS & DISCLOSURES

- Past performance is no guarantee of future results.
- Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.
- A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.
- NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

