Call to Order
Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item .............................................................. CHAIRMAN RANDY MILLER

   - Request for approval of the minutes for the meeting of December 8, 2022

2. **SRP Employees’ Retirement Plan – Cost of Living Adjustment (COLA)**
   .................................................................................................................. JASON OVERSTREET

   Request for approval to implement a COLA in the SRP Employees' Retirement Plan for certain retirees in the plan.

3. **SRP Employees’ Retirement Plan – Opportunistic Investment Manager Removal**
   .................................................................................................................. CHALESE HARALDSEN

   Request for approval to remove Miura Global from the Opportunistic platform and reallocate assets to other open investment managers within the platform.

4. **SRP Employees’ Retirement Plan – Manager Presentation by Legal and General Investment Management America**
   ............................................................................................................. TIM EGAN, CAPTRUST; CHRISS WITTEMANN, and GRANT PODOLSKI,
   LEGAL AND GENERAL INVESTMENT MANAGEMENT AMERICA (LGIMA)

   Informational presentation by LGIMA, a fixed income manager in the SRP Employees’ Retirement Plan. Discussion will include current performance, portfolio positioning, and market outlook relative to the Plan.

5. **Executive Session, Pursuant to A.R.S. §38-431.03(A)(5), for Discussion with and to Instruct its Representatives Regarding Negotiations with the Internal Brotherhood of Electrical Workers (IBEW) Union Local 266 Regarding the Wage Reopener** .............................................................. GERI MINGURA

6. **Report on Current Events by the General Manager and Chief Executive Officer or Designees** ................................................................. MIKE HUMMEL

7. **Future Agenda Topics** .......................................................... CHAIRMAN RANDY MILLER
The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.
A meeting of the Compensation Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 10:20 a.m. on Thursday, December 8, 2022, from the Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were M.V. Pace, Vice Chairman; and A.G. McAfee, P.E. Rovey, and J.M. White Jr.

Committee Member absent at roll call was L.C. Williams.


In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Compensation Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Tuesday, December 6, 2022.

Vice Chairman M.V. Pace called the meeting to order.

Consent Agenda

Vice Chairman M.V. Pace requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member J.M. White Jr., and seconded by Board Member A.G. McAfee, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Compensation Committee meeting on November 15, 2022, as presented
Corporate Secretary J.M. Felty polled the Committee Members on Board Member J.M. White Jr.'s motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES: Board Members M.V. Pace, Vice Chairman; and A.G. McAfee, P.E. Rovey, and J.M. White Jr. (4)
NO: None (0)
ABSTAINED: None (0)
ABSENT: Board Member L.C Williams (1)

SRP Employees' Retirement Plan

Wellington Management

Using a PowerPoint presentation, Chalese Haraldsen, SRP Assistant Treasurer of Financial Trusts and Investments, said that Wellington Management, a hedge fund manager, was hired in September 2013 to manage assets in the SRP Employees’ Retirement Plan (the Plan). She said that the current market value of the Plan is $2.49 billion. Ms. C. Haraldsen introduced Mike Trovato of Wellington Management.

Mr. M. Trovato reviewed the materials distributed to the Members relative to the Plan investments as of October 31, 2022, and introduced Christopher Tsai of Wellington Management.

Continuing, Mr. C. Tsai reviewed the details of SRP’s investment in Archipelago Holdings, Ltd. (Archipelago), including cash flow contributions and investment returns. He reviewed the portfolio returns, performance, characteristics, and 2022 performance attribution; and said that as of October 31, 2023, the market value of the Plan assets managed by Archipelago was $90.8 million.

Ms. C. Haraldsen; and Messrs. M. Trovato and C. Tsai of Wellington Management responded to questions from the Committee.

Copies of the handouts distributed and PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Board Member K.L. Mohr-Almeida left the meeting during the presentation. Ada Lin of Wellington Management entered the meeting during the presentation.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

Geri A. Mingura, SRP Associate General Manager and Chief Executive of Human Resources, reported on a variety of federal, state, and local topics of interest to the Committee.
Future Agenda Topics

Vice Chairman M.V. Pace asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Compensation Committee, the meeting adjourned at 10:36 a.m.

John M. Felty
Corporate Secretary
SRP Employees’ Retirement Plan
Proposed Cost-of-Living Adjustment

Compensation Committee | January 17, 2023
Jason Overstreet, Director Total Rewards and HR Operations
Objective

To discuss and recommend a Cost-of-Living-Adjustment (COLA) for certain retirees in the Salt River Project Employees’ Retirement Plan

Agenda

- Background
- Considerations
- Proposal
- Approval
Background

- Plan does not have an automatic COLA feature/requirement
- Periodically, Management reviews cumulative inflation and other considerations to determine if a COLA is appropriate

Pre 1992

2001
- Increase range of 0.5% to 30% based on years of retirement for those retired prior to 1999

2017
- Increase range of 3% for 2006 terms to 36% for 1987 terms
- 401(k) match part of rationale for extending to 2006 and prior terms

2022
- Current high inflation rates have prompted review

(1) 36% represented cumulative trend since 2001
Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

47.9% cumulative since 2007 (for those who did not receive a COLA in 2017)

23.3% cumulative inflation since 2017 COLA (through July)
Design Considerations

• Who receives an adjustment and how much is the adjustment?
  – All retirees? Based on time since retirement? Based on time since last COLA?
• Annual Social Security COLA offsets some inflation impacts
• More recent retirees receiving greater 401(k) match
  – 401(k) balances can afford some inflation protection
• Most retirees have experienced increased copays/deductibles on medical
• Retiree costs shift from “lifestyle” to “life” as retirement continues
Additional Design Information

Recent SRP COLAs have restored a greater portion of CPI for those with most years in retirement

Why provide varying levels of COLA based on years in retirement?
- Elderly population is least able to make lifestyle adjustments based on inflation (lifestyle vs. life)
- Cost containment – more liability for recent retirees due to larger benefits and more years of future payment
- 401(k) match has increased over time, which benefits more recent retirees

Conclusion: Provide a COLA to those retired in 2012 and earlier
Recommendation

COLA similar to 2017 approach; adjustment provided to only those retired > 10 years

- Graded more for older retirees\(^{(1)}\)
- Max out at 27.2% (full inflation)
- Minimum adjustment of 2.7% (retired in 2012)
- Increase in the following
  - April 2023 liability by ~$34.5M
  - Fiscal year-end April 2024 pension expense by ~$4.5M
  - 2023 Annual Retiree Payments by ~$4.9M

(1) Participants currently in receipt of a benefit who were not retirement eligible on termination are excluded
Implementation Timeline

- **Oct to Dec**: Discussion, analysis and modeling with Plan actuary and Treasury / HR
- **Jan**: Proposed COLA presented to Compensation Committee
- **Apr**: Plan amended
- **May**: COLA included in Retiree payments

Communication to Retirees
Management requests approval to implement a Cost-of-Living Adjustment (COLA) in the SRP Employees’ Retirement Plan as recommended in the presentation – Effective May 1, 2023.
Questions
SRP Employees’ Retirement Plan

Miura Removal Recommendation

January 17, 2023
Board Compensation Committee
MIURA GLOBAL MANAGEMENT, LLC BACKGROUND

- Initial investment 2015
- Long-short strategy investing in global equities
- 1 of 5 managers that comprise Opportunistic Platform
- Current concerns:
  - Process modifications
  - Firm and team turnover
  - SRP assets represent growing percentage of total firm AUM
  - Mixed performance
- CAPTRUST is proactively recommending clients remove Miura Global

Miura Global^ 3.0% Target | 2.8% Actual
$70,046,537 million
Fee: 1.05% management fee + 20% profit incentive fee

^ As of 11-30-2022
## DRIVERS FOR RECOMMENDATION

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Current Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>People/Firm</strong></td>
<td>▪ Recent turnover amongst key employees; junior team</td>
</tr>
<tr>
<td></td>
<td>▪ SRP represents sizeable portion of assets under management</td>
</tr>
<tr>
<td></td>
<td>▪ Outsourced trading and relocating offices to reduce expenses</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>▪ Firm has deployed varying techniques over time</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>▪ Mixed performance</td>
</tr>
<tr>
<td></td>
<td>▪ Trails broader hedge fund universe over short and long-term</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>As of 11/30/2022</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miura Global</td>
<td>(15.6)%</td>
<td>(22.1)%</td>
<td>2.3%</td>
<td>2.2%</td>
<td>4.4%</td>
</tr>
<tr>
<td>HFRI Equity Hedge Index</td>
<td>(9.0)%</td>
<td>(7.6)%</td>
<td>7.1%</td>
<td>5.1%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>
Management requests the Compensation Committee approve the following:

- Remove Miura in the SRP Employees’ Retirement Plan
- Reallocate assets to existing “open” opportunistic equity managers in the platform:
  - Equalize allocations between Wellington Archipelago, Select Equity Group, and Southpoint
- Authorize the Treasurer or his designee to amend any investment management agreements and other necessary documents, as needed, reallocation of assets
- The Compensation Committee is the named Fiduciary of the SRP Employees’ Retirement Plan and is authorized to make this change
## TIMELINE

<table>
<thead>
<tr>
<th>Timing</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January</strong></td>
<td>- Recommend Miura removal from the SRP Employees’ Retirement Plan and seek approval to reallocate assets to other open investment managers within the Opportunistic Platform</td>
</tr>
<tr>
<td><strong>January / February</strong></td>
<td>- Notify Miura Global of redemption – 60 day required notification</td>
</tr>
<tr>
<td></td>
<td>- Reallocation plan</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td>- Reallocation complete</td>
</tr>
</tbody>
</table>
APPENDIX
### OPPORTUNISTIC PLATFORM – AS OF NOVEMBER 30, 2022

<table>
<thead>
<tr>
<th>Fund</th>
<th>Market Value</th>
<th>Target %</th>
<th>% of Portfolio</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>10 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miura Global</td>
<td>$70,046,537</td>
<td>3.0%</td>
<td>2.8%</td>
<td>(15.6)%</td>
<td>2.3%</td>
<td>2.2%</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>Wellington Archipelago</td>
<td>$91,778,666</td>
<td>3.0%</td>
<td>3.6%</td>
<td>0.2%</td>
<td>2.8%</td>
<td>6.0%</td>
<td>5.8%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Select Equity Group</td>
<td>$114,504,351</td>
<td>3.0%</td>
<td>4.5%</td>
<td>(8.4)%</td>
<td>11.9%</td>
<td>12.5%</td>
<td>12.3%</td>
<td></td>
</tr>
<tr>
<td>Southpoint</td>
<td>$85,977,968</td>
<td>3.0%</td>
<td>3.4%</td>
<td>(2.7)%</td>
<td>9.8%</td>
<td>9.5%</td>
<td>9.9%</td>
<td></td>
</tr>
<tr>
<td>Marshall Wace</td>
<td>$65,935,661</td>
<td>3.0%</td>
<td>2.6%</td>
<td>1.7%</td>
<td>2.5%</td>
<td>9.2%</td>
<td>8.0%</td>
<td>9.7%</td>
</tr>
<tr>
<td>HFRI Equity Hedge Index</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(9.0)%</td>
<td>(7.6)%</td>
<td>7.1%</td>
<td>5.1%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

January 17, 2023
Compensation Committee
Presenter: Chalese Haraldsen
SRP Employees’ Retirement Plan

January 17, 2023
Board Compensation Committee
PRESENTING INVESTMENT MANAGER: LEGAL & GENERAL RETIREMENT PLAN MARKET VALUE: $2.54 BILLION^ 

- Hired April 2015
- LDI manager; unique focus is liability hedge
- Seeks to manage portfolio’s overall interest rate & credit spread exposure
- Tight tracking error; matches all key rate exposures of liability profile
- Focus on investment grade segment; performance driven by sector & individual issuer selection

Legal & General^  
25.0% Target | 22.4% Actual  
$568.8 million  
Mgmt. Fee: 18 bps

US Equity  
30%  
4 Mgrs

Fixed Income  
25%  
1 Mgr

Opportunistic  
15%  
5 Mgrs

Non-US Eq Dev  
15%  
4 Mgrs

Non-US Eq EM  
10%  
2 Mgrs

Real Estate  
10%  
2 Mgrs

^ As of 11-30-2022

January 17, 2023
Compensation Committee
Presenter: T. Egan / E. Martel
SRP Pension Liability Change

SRP’s Liability Fluctuates by Approximately $297 million or by 12.2% if Interest Rates Move by 1%

Current Liability 11/30/22
- $2,436 million

Liability if Interest Rates Decline by 1%
- $2,734 million

Liability if Interest Rates Rise by 1%
- $2,139 million

Note: Duration, a measure of interest rate sensitivity, for the SRP plan was 12.2 years as of November 30, 2022.
SRP’s Fixed Income Segment Market Value Fluctuates by Approximately $69 million if Interest Rates Move by 1%

L&G Market Value 11/30/22

$569 million

Market Value if Interest Rates Decline by 1%

$638 million

Market Value if Interest Rates Rise by 1%

$499 million

Note: Duration, a measure of interest rate sensitivity, for the SRP plan was 12.2 years as of November 30, 2022.
Presentation to
Salt River Project Compensation Committee

January 17, 2023
Background on LGIM America

Experience

- 25+ person Investment Grade Credit team with six senior portfolio managers averaging 24 years of experience.
- Eleven investment grade credit research analysts averaging 16 years of experience.
- Senior portfolio managers are not only connected to the market activity, but they are actively involved in managing portfolios as well as assessing sector risk.

Performance

- Flagship Long Duration US Credit strategy has the top-rated information ratio since inception (2007).  
- 15-year Long Duration US Credit track record outperforming the benchmark on a gross basis every year, and on a net basis since inception (2007).
- Successfully avoided 91% of downgrades to high yield in the Long Credit benchmark since inception.

Client-driven

- 32 Solutions and LDI team members dedicated to supporting clients to shape outcomes and help achieve their goals.
- An independent client survey ranked LGIM America’s client service experience at 95% in 2021.
- Has actively managed fixed income and custom solutions mandates tailored to unique client objectives for 16 years.

As of September 30, 2022.

1 Inception date is June 30, 2007. Benchmark is Bloomberg Long Duration Credit Index. Peer ranking against eVestment’s US Long Duration Credit universe of 43 members generated November 1, 2022 using LGIMA September 30, 2022 data. Please see the attached GIPS Composite Report for detailed gross and net of fees performance.

2 Downgrade percentage is based on the representative account which was selected for best depicting the strategy offered by LGIMA during the period. Various deviations can trigger a change in the representative account to another account that better exemplifies the strategy. Accordingly, multiple representative accounts may exist over time and will differ from any actual client experience historically or in the future. Past downgrade results are for illustrative purposes only and are not indicative of future outcomes. LGIMA representative account downgrades: 2008: Lehman; 2009: Continental Airlines; 2012: Rockies Express Pipeline; 2016: Kinross Gold, Ensco, FirstEnergy; 2019: Pacific Gas & Electric; 2020: Kraft Heinz, Occidental Petroleum, Petroleos Mexicanos, Huntington Bancshares Inc.; 2021: Colombia.

3 Penhurst Associates is a research consultancy, focused on delivering strategic market and client insight to asset managers and other organizations in the financial sector. LGIM America compensated Penhurst for its research services, but did not direct or limit Penhurst’s research process or engagement with LGIM America clients. Clients responding to the Penhurst survey were not compensated by either LGIM America or Penhurst. Nineteen clients responded to the survey.

Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)
Mandate overview

- Mandate began in April 2015 with funding of $488 million in cash and securities.

- Objective is to manage a high quality fixed income portfolio to:
  1) Reduce **funded status volatility** of the Plan
  2) Provide **consistent income** to help pay pension benefits
  3) Actively manage the **credit selection** to avoid downgrade and defaults and take advantage of market opportunities

- Over the last year, $55mm was contributed to the mandate, and the market value of the account is $570 million as of November 30, 2022.

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>11/30/21</th>
<th>11/30/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custom Credit Sub-Portfolio</td>
<td>$655,322,402</td>
<td>$517,479,241</td>
</tr>
<tr>
<td>Custom Treasury Sub-Portfolio</td>
<td>$35,924,297</td>
<td>$52,441,851</td>
</tr>
<tr>
<td>Total</td>
<td>$691,246,699</td>
<td>$569,921,092</td>
</tr>
</tbody>
</table>
Review: Rates, Bonds, and Liabilities characteristics

Asset allocation solutions and implementation services customized to client needs

- Pension liabilities are similar to bonds in their exposure to interest rates
  - As interest rates rise, values fall (and vice versa)

Pension plan sensitivities

- Liabilities are not investable
  - Pensions are not allowed to pay less than 100 cents on the dollar when a bond defaults
  - Pension discount rates include an “actuarial” credit spread
Review: How a change in the discount rate impacts the liability

- The plan’s liability value will increase as the liability discount rate decreases
- The plan’s liability value will decrease as the liability discount rate increases
- This can occur through either a change in treasury rates or a change in spreads.

The liability value **declined by $769m** over the last 12 months due to a higher discount rate (~ -25%)!
Asset and Liability Exposure Summary, 11/30/2022

- The Fixed Income asset allocation is designed to match the interest rate and credit spread sensitivity of the liability pro-rata to the dollars invested in fixed income vs the liability value.

- Effectively, we have been hedging close to ~20% to 25% of the overall liability return due to discount rates over the last few years (asset allocation % x funded status):
  - 25% as of 11/30/22
  - 25% means that if the liability return is $100m, our portfolio’s benchmark return is $25m (25% of $100m)

---

Overall Asset Allocation

- LGIMA Fixed Income 23%
- Return Seeking Assets (RSA) 77%

---

Overall Assets and Liabilities

<table>
<thead>
<tr>
<th></th>
<th>$ Millions</th>
<th>LGIMA Portfolio as %</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGIMA Assets</td>
<td>570</td>
<td>100%</td>
</tr>
<tr>
<td>Total Plan Assets</td>
<td>2,527</td>
<td>23%</td>
</tr>
<tr>
<td>SRP Liability Value</td>
<td>2,303</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: LGIMA, CAPTRUST, Salt River Project. Data as of 11/30/22.
Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)
Assets vs Liabilities in the Pension

- The fixed income portfolio delivered ~23% of the dollar return of the liability due to rates and spreads (i.e. delivered a 23% hedge), as designed.

As of November 30, 2022 using a one year period.

Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)
Change in Funded Status Over the Last Year

- Despite very volatile markets and a large loss in asset value, the funded status of the SRP plan increased significantly over the last year.
- Due to the large increase in discount rates, the liability fell in value by more than the assets.
- Being under-hedged to rates and spreads (20-25% vs 100%) benefitted the funded status.

Source: LGIMA, CAPTRUST, Salt River Project
Data from 11/30/2021 to 11/30/2022.
Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)
## Overall strategy performance summary as of November 30, 2022

<table>
<thead>
<tr>
<th>Performance Summary - Net of Fees</th>
<th>1 Year</th>
<th>2 Year</th>
<th>3 Year</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Fixed Income Portfolio</td>
<td>-25.58%</td>
<td>-14.53%</td>
<td>-5.39%</td>
<td>1.70%</td>
</tr>
<tr>
<td>Bloomberg US Long Corporate A or Better Index</td>
<td>-25.58%</td>
<td>-14.65%</td>
<td>-5.96%</td>
<td>1.34%</td>
</tr>
<tr>
<td>Relative Return of Credit Portfolio (NOF)</td>
<td>0.00%</td>
<td>0.11%</td>
<td>0.57%</td>
<td>0.36%</td>
</tr>
<tr>
<td>SRP Total Hedging Strategy Return (NOF)</td>
<td>-24.15%</td>
<td>-13.71%</td>
<td>-4.96%</td>
<td>1.66%</td>
</tr>
<tr>
<td>Custom Actuarial Liability Benchmark</td>
<td>-24.63%</td>
<td>-13.29%</td>
<td>-5.12%</td>
<td>1.82%</td>
</tr>
<tr>
<td>Relative Return of Overall Strategy (NOF)</td>
<td>0.48%</td>
<td>-0.42%</td>
<td>0.16%</td>
<td>-0.16%</td>
</tr>
</tbody>
</table>

+25 bps of out-performance due to Active management (e.g. credit selection), +37 bps due to tracking error relative to actuarial liability, and -22 bps of fees.

Fees are 0.22% for the first $100mm; 0.19% for the next $150mm; 0.17% on next $250mm; and 0.14% thereafter.
Numbers may not foot due to rounding.
Inception date April 30, 2015. Returns numbers are annualized.
Liability benchmark is defined as the changes in the present value of the liability cashflows, discounted using the BofA Merrill Lynch A-AAA discount curve.
- Custom Investable Benchmark uses a blend of US Credit and US Treasury indices that most closely proxy the rate and credit spread exposure of the liability and is shown to illustrate performance vs an investable benchmark rather than an uninvestable liability.

Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)
Overall Fixed Income Portfolio Characteristics

### Characteristics

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value ($mm)</td>
<td>570</td>
</tr>
<tr>
<td>Number of holdings</td>
<td>376</td>
</tr>
<tr>
<td>Number of Issuers</td>
<td>145</td>
</tr>
<tr>
<td>Duration (OAD)</td>
<td>12.41</td>
</tr>
<tr>
<td>Average rating</td>
<td>Aa3/A1</td>
</tr>
<tr>
<td>Yield to worst</td>
<td>4.99</td>
</tr>
</tbody>
</table>

### Top ten issuer names

<table>
<thead>
<tr>
<th>Issuer name</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
<td>16.1</td>
</tr>
<tr>
<td>UnitedHealth Group Inc</td>
<td>2.7</td>
</tr>
<tr>
<td>JPMorgan Chase &amp; Co</td>
<td>2.4</td>
</tr>
<tr>
<td>Duke Energy Corp</td>
<td>2.4</td>
</tr>
<tr>
<td>Apple Inc</td>
<td>2.3</td>
</tr>
<tr>
<td>Berkshire Hathaway Inc</td>
<td>2.3</td>
</tr>
<tr>
<td>Home Depot Inc/The</td>
<td>2.3</td>
</tr>
<tr>
<td>Comcast Corp</td>
<td>2.1</td>
</tr>
<tr>
<td>Microsoft Corp</td>
<td>1.9</td>
</tr>
<tr>
<td>Bank of America Corp</td>
<td>1.8</td>
</tr>
</tbody>
</table>

### Sector Allocation

- **Financial Institutions**
- **Industrial**
- **Utility**
- **Government-related**

### Portfolio Quality (%)

- **AAA** 20.3
- **AA1** 2.6
- **AA2** 2.2
- **AA3** 9.5
- **A2** 23.9
- **A1** 16.5
- **A3** 18.9

As of November 30, 2022

Source: Bloomberg. Duration statistics from Bloomberg will differ from LDI duration statistics due to quantitative methodology differences.

Date of Meeting: 01/17/2023

Name of Meeting: SRP Compensation Committee

Presenter: LGIM America (Chris Wittemann and Grant Podolski)
Supplementary Appendix Material
## Overview of Salt River Project’s solution

**Objective (in aggregate) is to track the performance of the Client's liabilities**, recognizing some excess return is necessary to offset the negative impact of downgrades and defaults on Client's funded status.

### LGIMA Overall Strategy (with two building block portfolios)

<table>
<thead>
<tr>
<th>Long Corporate A or better (~95%)</th>
<th>LDI/Treasury Hedging Account (~5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives:</strong> Manage credit issuer selection (downgrades and defaults implicit in liabilities)</td>
<td><strong>Objectives:</strong> Manage overall interest rate risk relative to strategic hedge targets</td>
</tr>
<tr>
<td><strong>Benchmark:</strong> Bloomberg Barclays US Long Corporate A or better Index (~1000 holdings)</td>
<td><strong>Benchmark:</strong> Uninvestable on a stand-alone basis; responsible for making the overall solution track the liability</td>
</tr>
<tr>
<td><strong>Performance target:</strong> Exceed the benchmark by basis points net of fees</td>
<td><strong>Performance target:</strong> Match the interest rate return of the liability (no excess performance target)</td>
</tr>
</tbody>
</table>
How Discount Rates Changed Since Last Year

Discount rate Summary

<table>
<thead>
<tr>
<th>Percentage (%)</th>
<th>11/30/21</th>
<th>11/30/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Yield</td>
<td>1.07%</td>
<td>1.70%</td>
</tr>
<tr>
<td>Credit Spread</td>
<td>2.78%</td>
<td>5.19%</td>
</tr>
<tr>
<td>Total</td>
<td>3.81%</td>
<td>6.89%</td>
</tr>
</tbody>
</table>

Market summary

<table>
<thead>
<tr>
<th>Description</th>
<th>11/30/2021</th>
<th>11/30/2022</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
<td>2.78%</td>
<td>5.19%</td>
<td>2.42%</td>
</tr>
<tr>
<td>Treasury Yield</td>
<td>1.70%</td>
<td>3.81%</td>
<td>2.10%</td>
</tr>
<tr>
<td>Credit Spread</td>
<td>1.07%</td>
<td>1.39%</td>
<td>0.31%</td>
</tr>
<tr>
<td>Treasury Indices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10yr Treasury Yield</td>
<td>1.42%</td>
<td>3.57%</td>
<td>2.15%</td>
</tr>
<tr>
<td>30yr Treasury Yield</td>
<td>1.72%</td>
<td>3.60%</td>
<td>1.88%</td>
</tr>
<tr>
<td>Credit Spreads</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Credit</td>
<td>0.94%</td>
<td>1.24%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Long Credit</td>
<td>1.35%</td>
<td>1.59%</td>
<td>0.23%</td>
</tr>
<tr>
<td>Liability Aware</td>
<td>1.07%</td>
<td>1.28%</td>
<td>0.22%</td>
</tr>
<tr>
<td>US Long Credit AA</td>
<td>0.94%</td>
<td>1.08%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Equity Market Values</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>4,567</td>
<td>4,080</td>
<td>-10.66%</td>
</tr>
</tbody>
</table>

Yield curve

Based on Merrill A-AAA Curve

Changes in interest rates and credit spreads

Source: Bloomberg, ICE BofA, LGIMA Calculations.
Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)
Credit portfolio overview

- **What credit portfolio does LGIMA manage for SRP?**
  - LGIMA manages a long duration corporate bond portfolio for SRP, benchmarked against the Bloomberg Long Duration Corporate A or better bond index
  
  - The benchmark consists of bonds rated A or better and have a maturity of 10 years and longer

- **Why was this benchmark chosen?**
  - It reflects the maturity range for and quality level of bonds that are used in the corporate discount rate determined by the IRS to calculate the present value of pension obligations

- **Will this market-based benchmark mirror the returns of the liability?**
  - No. The bonds held in the portfolio are different than the bonds that make up the basket of securities used to create the discount curve. However, over time, the two will behave similarly.
Credit Portfolio Positioning: 11/30/22

Characteristics

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Portfolio</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of holdings</td>
<td>357</td>
<td>1509</td>
</tr>
<tr>
<td>Number of Issuers</td>
<td>144</td>
<td>277</td>
</tr>
<tr>
<td>Duration (OAD)</td>
<td>13.73</td>
<td>13.71</td>
</tr>
<tr>
<td>Average rating</td>
<td>A1/A2</td>
<td>A1/A2</td>
</tr>
<tr>
<td>Yield to worst</td>
<td>5.10</td>
<td>5.14</td>
</tr>
</tbody>
</table>

Credit Quality Comparison

Largest ten issuer overweights - duration contribution

<table>
<thead>
<tr>
<th>Issuer name</th>
<th>Portfolio</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
<td>1.12</td>
<td>0.00</td>
</tr>
<tr>
<td>AbbVie Inc</td>
<td>0.13</td>
<td>0.00</td>
</tr>
<tr>
<td>Sempra Energy</td>
<td>0.26</td>
<td>0.15</td>
</tr>
<tr>
<td>Home Depot Inc/The</td>
<td>0.36</td>
<td>0.25</td>
</tr>
<tr>
<td>Oglethorpe Power Corp</td>
<td>0.11</td>
<td>0.00</td>
</tr>
<tr>
<td>Oracle Corp</td>
<td>0.09</td>
<td>0.00</td>
</tr>
<tr>
<td>Avista Corp</td>
<td>0.10</td>
<td>0.01</td>
</tr>
<tr>
<td>Roche Holding AG</td>
<td>0.09</td>
<td>0.00</td>
</tr>
<tr>
<td>Xcel Energy Inc</td>
<td>0.22</td>
<td>0.13</td>
</tr>
<tr>
<td>Duke Energy Corp</td>
<td>0.31</td>
<td>0.22</td>
</tr>
</tbody>
</table>

Largest ten issuer underweights - duration contribution

<table>
<thead>
<tr>
<th>Issuer name</th>
<th>Portfolio</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkshire Hathaway Inc</td>
<td>0.32</td>
<td>0.63</td>
</tr>
<tr>
<td>Consolidated Edison Inc</td>
<td>0.02</td>
<td>0.17</td>
</tr>
<tr>
<td>Comcast Corp</td>
<td>0.39</td>
<td>0.53</td>
</tr>
<tr>
<td>Merck &amp; Co Inc</td>
<td>0.04</td>
<td>0.15</td>
</tr>
<tr>
<td>Wells Fargo &amp; Co</td>
<td>0.25</td>
<td>0.35</td>
</tr>
<tr>
<td>Apple Inc</td>
<td>0.37</td>
<td>0.47</td>
</tr>
<tr>
<td>Coca-Cola Co/The</td>
<td>0.00</td>
<td>0.09</td>
</tr>
<tr>
<td>Dominion Energy Inc</td>
<td>0.04</td>
<td>0.12</td>
</tr>
<tr>
<td>Bank of America Corp</td>
<td>0.26</td>
<td>0.35</td>
</tr>
<tr>
<td>AstraZeneca PLC</td>
<td>0.00</td>
<td>0.08</td>
</tr>
</tbody>
</table>
## Current credit strategy outlook

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec</th>
<th>Nov</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Valuations</strong></td>
<td></td>
<td></td>
<td>Credit markets have rallied strongly since the November CPI report. US IG credit now trades at the 72nd percentile on a 5-year lookback, while long credit is below the 5-year median at the 39th percentile. Most strategists expect spreads to widen next year after forecasting a credit rally in Q4. In terms of performance, A-rated credit outperformed BBBs as the market decompressed. The energy sector underperformed over the past month with WTI now down on the year.</td>
</tr>
<tr>
<td><strong>Macro fundamentals</strong></td>
<td></td>
<td></td>
<td>Recession and sticky inflation continue to be the base case for most investors in 2023, with economic contraction expected to start in 2Q23. November inflation data has shown sign that price pressures have peaked in the US. Core CPI rose 0.2% m/m and 6% y/y. With inflation moderating, the labor market remains key to the Fed’s ability to engineer a soft-landing. However, strong demand from small businesses has kept the US job market stubbornly resilient.</td>
</tr>
<tr>
<td><strong>Liquidity / monetary policy</strong></td>
<td></td>
<td></td>
<td>The rally in risky assets, lower yields, and a weaker dollar have all contributed to a substantial easing of financial conditions in the past few weeks. The Fed raised rates by 50 basis points, to a range of 4.25%-4.5% at the November FOMC meeting. The latest economic projections showed a revision of the terminal rate to 5.1% to be reached next year. Outside of the US, the BoJ may back away from yield curve control as the governor’s term ends in 1Q23.</td>
</tr>
<tr>
<td><strong>Corporate strength (fins/corp)</strong></td>
<td></td>
<td></td>
<td>Earnings, EBITDA, and revenue remained strong in 3Q while profit margins deteriorated with rising cost of labor/energy. Gross debt decreased broadly, but net debt remained flat as cash continued to be drawn down for capex spending and share buybacks. On ratings momentum, fallen angel and rising star projections vary widely between sell-side forecasts, though consensus agrees on numerous energy companies being upgraded to investment grade in 2023.</td>
</tr>
<tr>
<td><strong>Supply / demand</strong></td>
<td></td>
<td></td>
<td>IG supply continues to disappoint in 2022 with non-financial A-rated and BBB-rated supply down 23% and 40% respectively. Market consensus is for supply to remain depressed in 2023 close to 2022 levels. On the demand front, mutual fund outflows continued in November despite a remarkable rally in corporate credit spreads. New issue concessions declined while oversubscriptions surged to multi year highs in November.</td>
</tr>
</tbody>
</table>

As of December 13, 2022 and subject to change.

Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)
What this means for the portfolio

During the month of December, our strategy ranking was -1 short term and -1 long term

- We carefully monitor duration, keeping it close to the benchmark
- Avoiding downgrades and event risk is vital at this point in the cycle
- Our best ideas are where bondholders’ interests are with equity owners’
- The challenging liquidity environment requires high investment conviction

In terms of strategic asset allocation, our current positions are:

<table>
<thead>
<tr>
<th>Strategic overweight</th>
<th>Strategic underweight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midstream</td>
<td>Sovereigns</td>
</tr>
<tr>
<td>REITs</td>
<td>P&amp;C</td>
</tr>
<tr>
<td>Food &amp; Bev</td>
<td>Technology</td>
</tr>
<tr>
<td>Utilities (OpCo)</td>
<td>Pharma</td>
</tr>
</tbody>
</table>

- In terms of issuer selection, our strategic overweights include:
  - Boeing Airlines, Energy Transfer, AbbVie Inc., and Oncor Electric

As of December 13, 2022.
1 Corporate strength presents two ratings: financials/non-financials.
2 The issuer overweights herein are based on the top 4 overweights in the representative account for the composite. These are not to be construed as a recommendation.
LGIMA rankings are based on a -3 (maximum underweight) to +3 (maximum overweight) scale.

Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
Presenter: LGIM America (Chris Wittemann and Grant Podolski)
Appendix: ESG at LGIM America
ESG at LGIMA

- Credit analysts explicitly incorporate ESG considerations into their fundamental analysis, particularly as the importance of sustainability increases in the marketplace.
- Risk factors are not weighted equally in each investment decision and can be influenced by security-specific features (maturity, covenants, etc.) as well as issuer specific characteristics (industry, country of domicile, etc.).

**Example**
Glencore bond investment rejected primarily due to ESG considerations

**Environment**
One of the world’s largest producers and exporters of thermal and coking coal

**Social**
Ongoing investigation of financial reporting of DRC subsidiary and SFO investigation of related party

**Governance**
Lack of transparency of financial reporting for marketing business
ESG at LGIMA – Focused on three basic fundamentals

Stewardship
• Engaging with some of the world’s largest companies, driving change and raising standards
• Embracing positive corporate stewardship by actively voting proxies to promote sustainable business activities

Solutions
• Designing solutions that reflect clients’ investment goals and values
• Using LGIM’s analytical expertise to construct portfolios that reflect a client’s preference for certain investment themes

Integration
• Incorporating ESG factors into company and security valuation
• Ensuring a security’s value adequately compensates for ESG risks/opportunities as they relate to the probability of default
### Investment grade fixed income ESG integration

Credit analysts explicitly incorporate ESG considerations into their fundamental analysis, particularly as the importance of sustainability increases in the marketplace.

Risk factors are not weighted equally in each investment decision and can be influenced by security-specific features (maturity, covenants, etc.) as well as issuer specific characteristics (industry, country of domicile, etc.).

#### Research example

<table>
<thead>
<tr>
<th>Rating considerations</th>
<th>Bond rating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Risks</strong></td>
<td></td>
</tr>
<tr>
<td>Industry analysis</td>
<td>AAA</td>
</tr>
<tr>
<td>Competitive position</td>
<td>AA+</td>
</tr>
<tr>
<td>Country risk</td>
<td>AA</td>
</tr>
<tr>
<td>ESG factors</td>
<td>AA-</td>
</tr>
<tr>
<td>Financial Risks</td>
<td>A+</td>
</tr>
<tr>
<td>Cash flow analysis</td>
<td>A</td>
</tr>
<tr>
<td>Leverage forecasts</td>
<td>A-</td>
</tr>
<tr>
<td>Profitability outlook</td>
<td>BBB</td>
</tr>
<tr>
<td>Liquidity assessment</td>
<td>BBB+</td>
</tr>
<tr>
<td></td>
<td>BBB-</td>
</tr>
<tr>
<td></td>
<td>BB+</td>
</tr>
<tr>
<td></td>
<td>BB</td>
</tr>
</tbody>
</table>

**Fundamental recommendations**
- Strongly improving
- Improving
- Stable
- Deteriorating
- Sharply deteriorating

**Analyst scores and ratings**
- Relative value scores: +3, +2, 0, -3

Absent client investment guidelines to the contrary, ESG considerations are not dispositive to the investment recommendations and decisions of fixed income credit and research analysts and portfolio managers. Different analysts and portfolio managers may take different views on, and/or differently integrate, ESG considerations within the portfolios they manage.

Date of Meeting: 01/17/2023
Name of Meeting: SRP Compensation Committee
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ESG research integration
LGIM’s ESG view is a proprietary tool that collates and synthesizes ESG-related data

1. Gather and synthesize data from both external data providers and LGIM proprietary analysis
2. Enrich investment analysis and utilize findings for more impactful issuer engagement
3. Disseminate high conviction recommendation across the investment team via the Active View Tool
Team Biographies and Disclosures
Biographies

Chris Wittemann, CFA, FSA, CERA, Head of Client Strategy – West Region

Chris Wittemann is the Head of Client Strategy – West Region at LGIM America. In his role, he focuses on ensuring the firm’s solutions continue to successfully achieve clients’ long-term objectives. He also focuses on investment research and thought leadership to enhance LGIM America’s ability to provide innovative solutions to our clients into the future.

Chris joined LGIM America in 2012 and has played a key role in implementing our customized client solutions and developing our Client Relationship team. In 2015, Chris took a new role as a Solutions Strategist. In 2018, Chris took an additional role leading client engagement for all of our clients in the West region. Prior to joining LGIM America, Chris was a Senior Investment Consultant at Towers Watson, where he helped his clients implement their investment strategy within their context. Prior to Towers Watson, Chris worked at Gofen & Glossberg and Thomas White International.

Chris earned a BA in Mathematics from Cornell University and an MA in Applied Mathematics from The University of Chicago. He is a CFA charterholder, Fellow of the Society of Actuaries and Chartered Enterprise Risk Analyst.

Grant Podolski, CFA, CAIA, Client Strategist

Grant Podolski is a Client Strategist at LGIM America. In his role, he focuses on client engagement and ensuring our solutions continue to successfully achieve clients’ long-term objectives.

Grant joined LGIM America in 2020 as a Senior Investment Associate. Prior to LGIM America, Grant was a Manager, Client Services at NISA Investment Advisors, LLC. During his tenure, he specialized in conducting analysis, pitching, implementing and managing derivative overlay strategies (e.g., cash securitization, portable alpha, synthetic rebalancing, and LDI) for Public and ERISA DB pension clients. In addition, he’s held various Analyst positions at the firm.

Grant earned a BS in Business Administration, Magna Cum Laude, from Saint Louis University. He holds the Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) charters in addition to a FINRA Series 3 securities license.
## Legal & General Investment Management America, Inc. (LGIMA) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. LGIMA has been independently verified for the period February 1, 2007 to December 31, 2020. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

### Notes

**Definition of the firm**

LGIMA (the Firm) is a registered investment advisor and a wholly owned subsidiary of Legal & General Investment Management United States (Holdings) Inc. (LGIMUS(H)). LGIMA was established in 2006 with offices in Chicago and managers US dollar fixed income, equity and derivative investments across a variety of strategies for a range of principally institutional clients.

**Composite description**

The composite comprises all segregated accounts, pooled funds, and mutual funds that invest in a diversified pool of long duration US Investment grade predominantly credit assets, derivatives (primarily bond futures) and cash, with the aim to outperform the benchmark annually over a trailing 3-year period.

**Benchmark**

The Bloomberg Barclays US Long Credit Index measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with at least ten years to maturity. It is composed of a corporate and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities.

**Composite performance**

Performance results presented are total time-weighted returns. Gross-of-fee performance results are presented before management fees, subscription charges by pooled funds, and extraordinary expenses but after trading costs, non-reclaimable foreign withholding taxes and pooled fund operating expenses. Composite performance includes reinvestment of income and other earnings. Valuations and performance are reported in USD. Composites are created based on strategies and benchmarks and include all fee-paying, discretionary accounts/pooled funds with similar objectives and risk profiles. Accounts and pooled funds may be included or excluded from composites under systematic and consistent processes which are outlined in the LGIMA Policies & Procedures.

**Composite information**

The Long Duration US Credit composite was created on 06/01/2009 with an inception date of 06/30/2007.

**Composite volatility**

Dispersion is calculated using the asset-weighted standard deviation of all constituent gross return deviations from the overall composite return for the time period. Dispersion is not calculated where there are less than six portfolios in the composite at any point within the period. The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period. If 36 consecutive monthly periods for the composite and/or benchmark are not available then the three-year annualized standard deviation is not presented.

**Model fee/net returns**

Net returns are calculated by deducting the Model Fee from the gross composite return, applied monthly. The Model Fee is the maximum potential management fee charged to an account in the composite for the respective period. Net returns are not further reduced by operating expenses because (1) the gross-of-fee performance is already net of the pooled fund operating expenses; and (2) segregated accounts clients pay custodial fees directly to their selected custodian. The Model Fee is as follows:

*From June 30, 2011 to present: 0.30% per annum; and
*From June 30, 2007 to June 30, 2011: 0.35% per annum

**Standard fee schedule**

The maximum standard fee schedule in effect is 0.30% per annum. In addition, pooled funds are subject to operating expenses, which include custodial and trustee fees (as described in the offering documents), capped as noted below. Segregated accounts clients pay custodial fees directly to their selected custodian. The fee schedule is provided for information only as fees are negotiable and vary by client. The pooled funds in the composite and the maximum annual operating expenses are listed below:

*LGIMA Long Duration US Credit Collective Investment Trust Fund: Max Operating Expense Cap: 0.05%
*LGIMA Long Duration US Credit Fund, LLC; Max Operating Expense Cap: 0.05%

### Composite Performance Table

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Gross of fees return %</th>
<th>Net of fees return %</th>
<th>Benchmark return %</th>
<th>Accounts at end of period</th>
<th>Dispersion</th>
<th>Composite statistics</th>
<th>Benchmark statistics</th>
<th>Total composites assets (m)</th>
<th>Total firm assets (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>18.32</td>
<td>17.94</td>
<td>17.13</td>
<td>6</td>
<td>n/a</td>
<td>8.85</td>
<td>8.41</td>
<td>$3,740.21</td>
<td>$23,760.84</td>
</tr>
<tr>
<td>2013</td>
<td>-4.72</td>
<td>-5.00</td>
<td>-6.62</td>
<td>13</td>
<td>0.22</td>
<td>8.40</td>
<td>8.28</td>
<td>$4,392.13</td>
<td>$37,690.68</td>
</tr>
<tr>
<td>2014</td>
<td>16.65</td>
<td>16.31</td>
<td>16.39</td>
<td>19</td>
<td>0.08</td>
<td>7.87</td>
<td>7.71</td>
<td>$10,261.75</td>
<td>$110,530.23</td>
</tr>
<tr>
<td>2015</td>
<td>-4.08</td>
<td>-4.37</td>
<td>-4.56</td>
<td>27</td>
<td>0.09</td>
<td>8.02</td>
<td>8.02</td>
<td>$11,733.46</td>
<td>$118,904.90</td>
</tr>
<tr>
<td>2016</td>
<td>11.00</td>
<td>10.67</td>
<td>10.22</td>
<td>31</td>
<td>0.15</td>
<td>7.95</td>
<td>7.86</td>
<td>$8,613.97</td>
<td>$140,028.29</td>
</tr>
<tr>
<td>2017</td>
<td>12.28</td>
<td>11.94</td>
<td>12.21</td>
<td>46</td>
<td>0.09</td>
<td>7.37</td>
<td>7.28</td>
<td>$19,640.02</td>
<td>$174,804.49</td>
</tr>
<tr>
<td>2018</td>
<td>-6.53</td>
<td>-6.81</td>
<td>-6.76</td>
<td>48</td>
<td>0.16</td>
<td>6.95</td>
<td>6.88</td>
<td>$20,686.53</td>
<td>$175,058.41</td>
</tr>
<tr>
<td>2019</td>
<td>23.86</td>
<td>23.50</td>
<td>23.36</td>
<td>58</td>
<td>0.08</td>
<td>6.76</td>
<td>6.65</td>
<td>$26,300.21</td>
<td>$218,803.87</td>
</tr>
</tbody>
</table>

**Legal & General Investment Management America, Inc.**

Significant cashflow policy

Where a portfolio has a significant cash flow, it will be removed from the composite in that month and any subsequent month until the flow is fully invested. Pooled funds are not considered during significant calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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**Date of Meeting:** 01/17/2023

**Name of Meeting:** SRP Compensation Committee

**Presenter:** LGIM America (Chris Wittemann and Grant Podolski)
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