



Fulton County Schools Employees' Pension Plan

Investment Portfolio Review - Public Session 3rd Quarter 2020

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The SEI logo consists of the letters 'SEI' in a large, white, bold, sans-serif font. To the right of the logo, the tagline 'New ways. New answers.®' is written in a smaller, white, sans-serif font. The background for this text is a dark green triangle that points towards the bottom right of the slide.

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November 12, 2020

Agenda

- Executive Summary Economic & Capital Markets Review
- Investment Governance & Performance Review
- Peer Group Review
- Appendix



Executive Summary

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Fulton County Schools Employees' Pension Plan Executive Summary – September 30, 2020

Plan Assets (9/30/2020)	3 rd Quarter 2020 Return	YTD Return (9/30/2020)	Since Inception (12/31/15)
\$456,434,016	6.1%	3.9%	8.4%

Portfolio Objectives

- The objective of the investment program is to improve the funded status of the Plan to ensure sufficient resources to meet or exceed benefit obligations by achieving the highest rate of return at the most appropriate level of risk with minimal annual pension expense volatility.

Portfolio Highlights

- In Q3, the Plan had both strong absolute and relative performance of 6.1% versus its Blended Benchmark of 5.4%. Assets increased \$23.4 million in the last 3 months.
- This rebound can be primarily attributed to maintaining SEI's recommended long-term strategic asset allocation strategy and diversification across high-quality active managers, passive mandates, and asset classes.
- Similar to Q2, global equities were a significant driver of Plan performance, returning 8.6%; bonds continued to rebounded as investors "flight to safety" abated with the higher yielding bond strategies posting positive absolute returns.
- There were no manager changes in Q3 2020.

Economic Outlook

- Global economic activity is continues to rebound but the pace of improvement is slowing. Economies are unlikely to rebound fully to pre-pandemic levels anytime soon.
- Monetary and fiscal support remains generally favorable for riskier assets, with interest rates likely to remain pegged at very low levels for the next two or three years.
- Overall, we anticipate that investor concerns will remain high as economic progress and the fight against a resurgence of COVID-19 ebb and flow, resulting in elevated levels of volatility in financial markets in the months ahead.

Please refer to the important disclosures accompanying your portfolio performance in this presentation for information on performance calculations.

The outlook: Regime change

The good news

- The global economy continues to recover, but the pace of improvement is slowing.
- Although the virus remains quite infectious, hospitalization and death rates have declined significantly relative to new cases.
- Vaccine development is proceeding at a record-setting pace, providing hope that one or more will be available for broad distribution beginning in early 2021.
- Monetary and fiscal support remains generally favorable for riskier assets, with interest rates likely to remain pegged at very low levels for the next two or three years.
- A major rotation into lagging market sectors seems likely to occur when investors become confident that consumers and businesses are reverting to pre-pandemic behaviors.

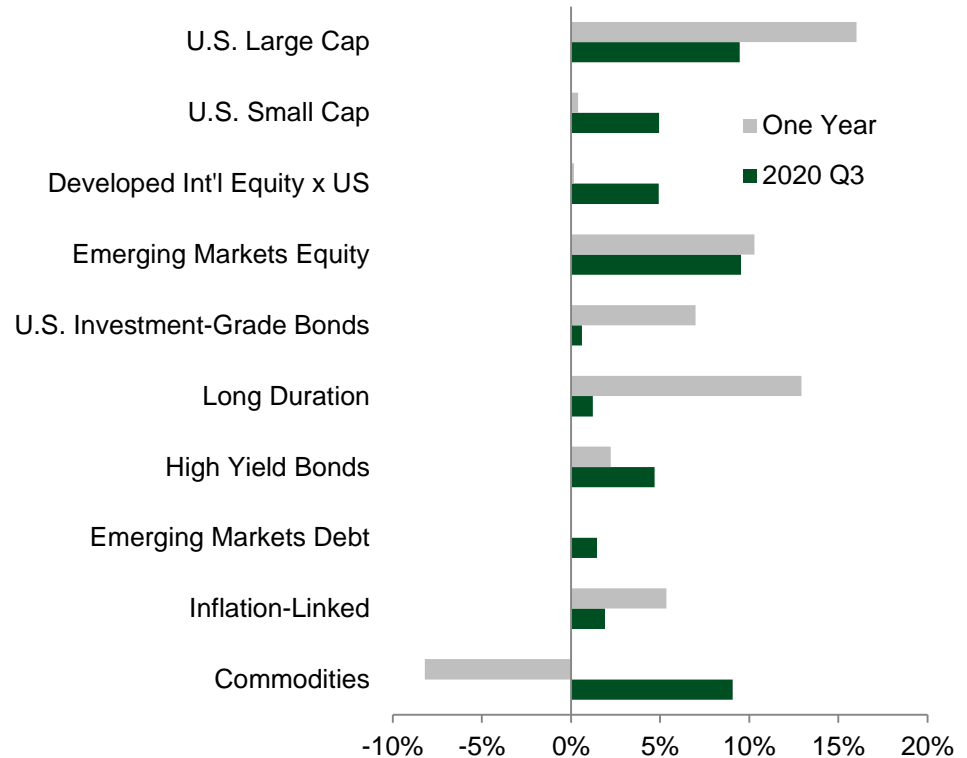
The bad news

- SEI expects to see the second wave of infections in the northern hemisphere result in targeted lockdowns during the winter months. This should be less disruptive than the broad shelter-in-place orders issued earlier this year.
- Safety and efficacy profiles for vaccines are still being established, and there is uncertainty regarding the speed of public acceptance.
- Stock-market valuations appear extended in the U.S., especially for the relatively few companies that have been leading the charge and account for an unusually high percentage of the market's total capitalization.
- Policy uncertainty is likely to remain at a high level well past Election Day in the U.S.—even if the winner is known that day and there is no attempt to contest the outcome.

Market performance overview

- It was another positive quarter for risk assets, thanks to continued (though still partial) economic reopenings, ongoing fiscal and monetary support, and encouraging rebounds in economic activity.
- US large cap and emerging markets equities led the way, the former driven by megacap technology and work-from-home names, the latter by China's ongoing recovery. Developed ex-U.S. and U.S. small cap equities lagged a bit but still turned in solid returns for the full quarter.
- Bond returns were modest with the exceptions of high yield debt (thanks to continued improvement in default expectations) and, to a lesser extent, inflation-linked bonds, as consumer prices rebounded from the shock of COVID19.
- Commodities had a very strong quarter. Gains were broad-based, with only two subcomponents (Brent crude oil and heating oil) of the Bloomberg Commodity Index down for the full quarter. Silver, industrial metals, and agricultural goods led the way, although month-to-month performance was volatile.

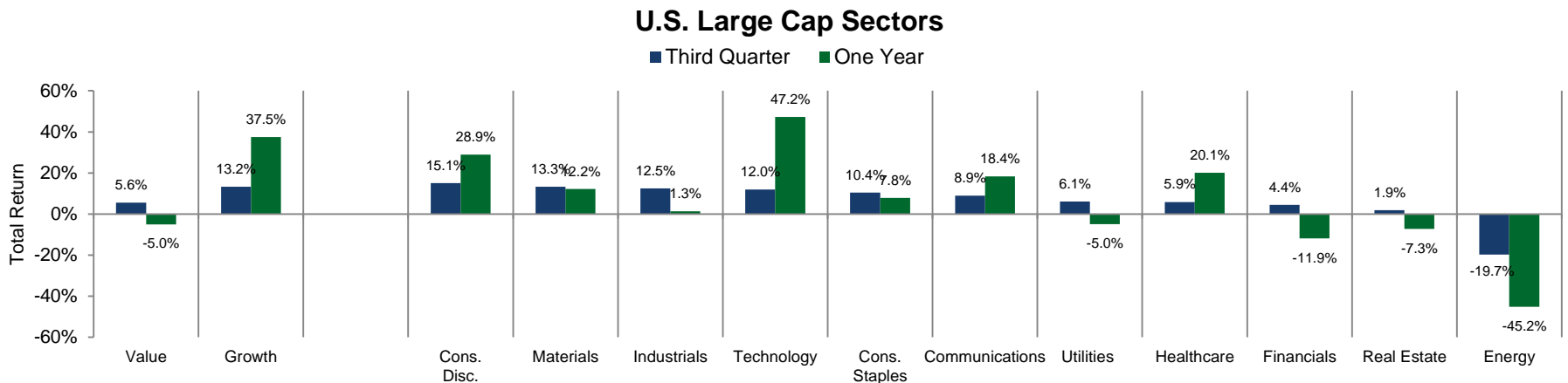
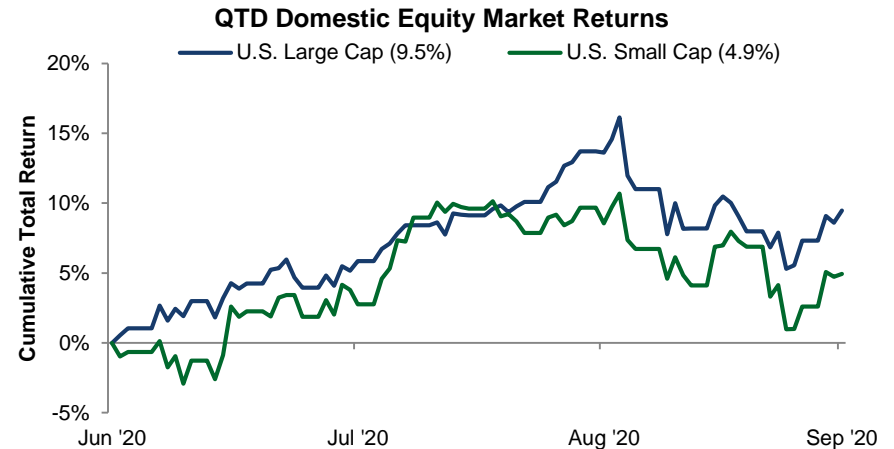
Financial Markets Review



Commodities = Bloomberg Commodity Total Return Index (USD), Inflation-Linked = Bloomberg Barclays 1-5 Year US TIPS Index (USD), Emerging Markets Debt = 50/50 JPM EMBI Global Div & JPM GBI EM Global Div, High Yield Bonds = ICE BofAML US High Yield Constrained Index (USD), Long Duration = Bloomberg Barclays Long US Government/Credit Index (USD), U.S. Investment-Grade Bonds = Bloomberg Barclays US Aggregate Bond Index (USD), Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets) Index (Net) (USD), Developed Int'l Equity x US = MSCI World ex-USA Index (Net) (USD), U.S. Small Cap = Russell 2000 Index (USD), U.S. Large Cap = Russell 1000 Index (USD). Sources: SEI, index providers. Past performance is no guarantee of future results. As of 09/30/2020.

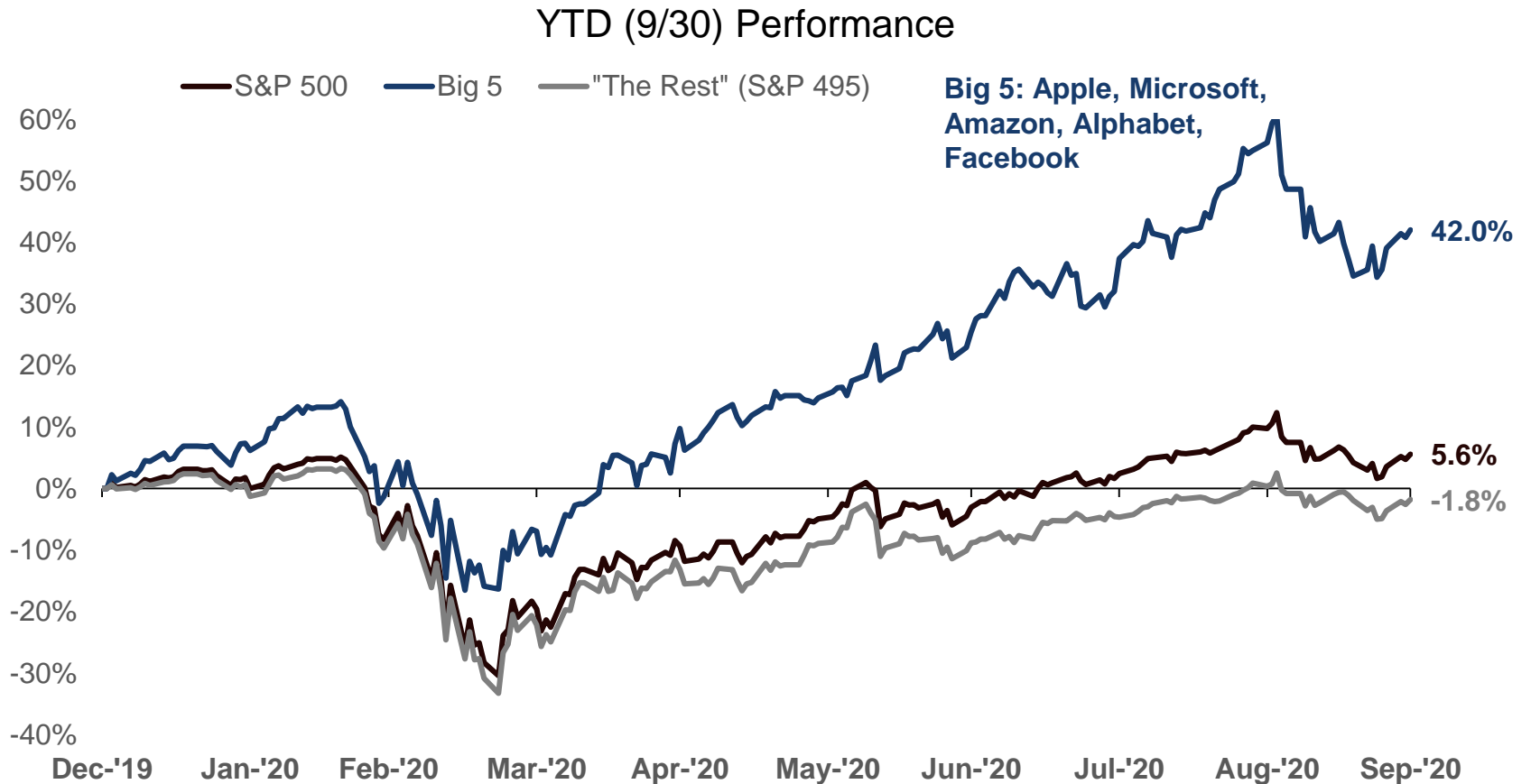
U.S. equity market review

- Equities turned in another solid quarter. Gains through the end of August were especially robust but were unwound to some extent in September as concerns arose around further fiscal support.
- The Russell large cap growth index outperformed its value counterpart once again, as large growth sectors such as technology and communications outperformed more value-oriented sectors like financials and energy.
- The Consumer discretionary, materials, industrials, and technology sectors returned 12% or better for the quarter, reflecting confidence that economic activity would continue to recover from the initial shock of COVID19-associated lockdowns.



Sources: Bloomberg, Russell, Standard & Poor's. US Large Cap = Russell 1000 Index, US Small Cap = Russell 2000 Index. Value and Growth represented by Russell 1000 Value Index and Russell 1000 Growth Index, respectively. Sectors represented by respective S&P 500 sector indexes. As of 09/30/2020. Past performance is not a guarantee of future results.

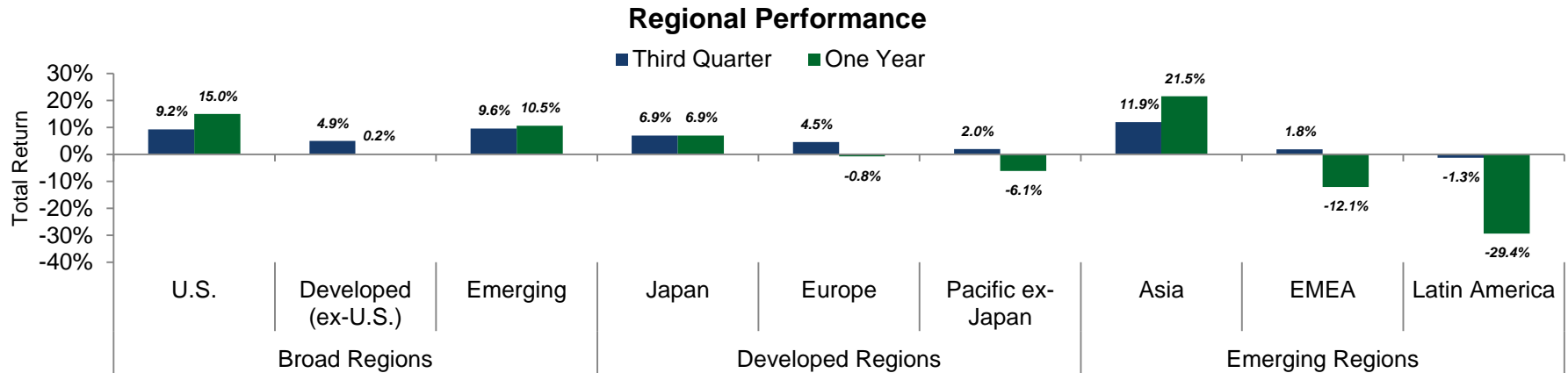
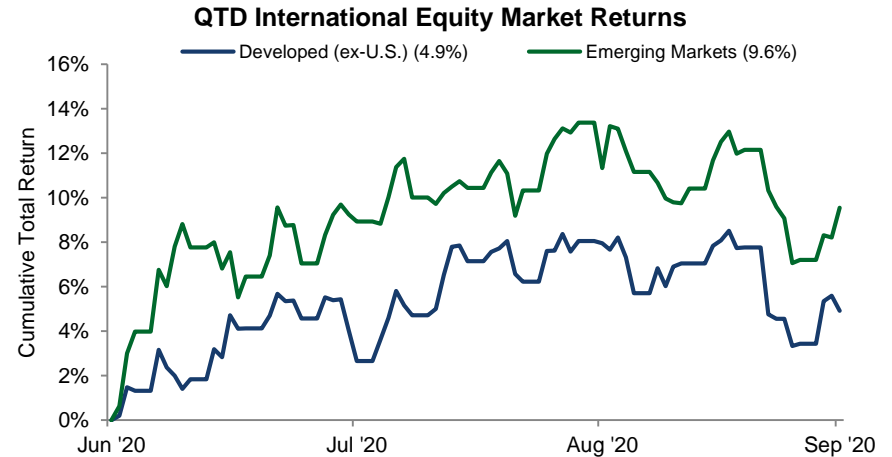
Big 5 vs “the rest”



Source: FactSet, Standard & Poor's. Big 5 represents the five largest U.S. companies by market capitalization. Year to date as of 9/30/2020. Past performance is not a guarantee of future results.

International equity market review

- Stock markets outside the U.S. performed well again this quarter, with China leading emerging markets and Japan leading developed markets.
- Japan led developed ex-US despite the surprise resignation of Prime Minister Shinzo Abe and the underperformance of other Pacific developed markets. Europe performed reasonably well thanks to ongoing fiscal and monetary support and a recovery of exports thanks to a rebound in global activity.
- On the heels of strong second quarter rebounds, EMEA (especially Russia and Turkey) and Latin America (primarily Brazil) struggled, and both indexes remained down substantially from a year ago.

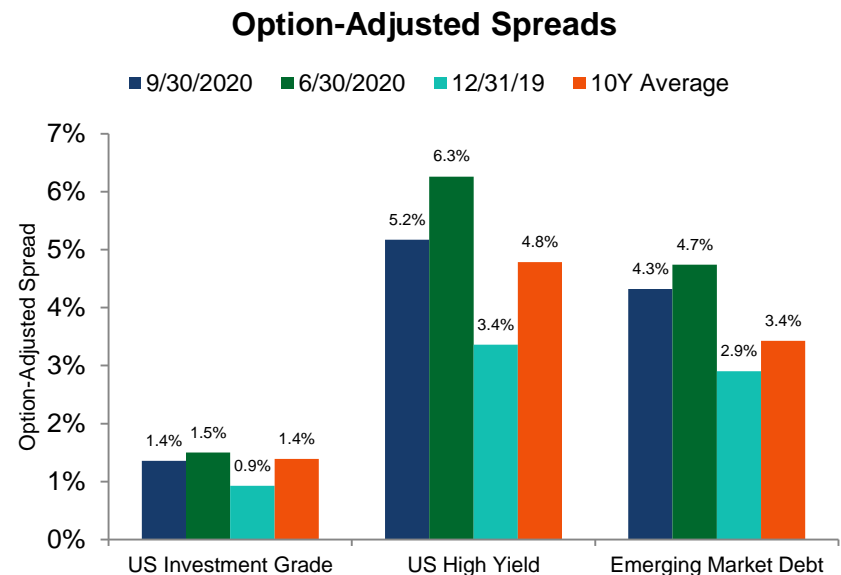
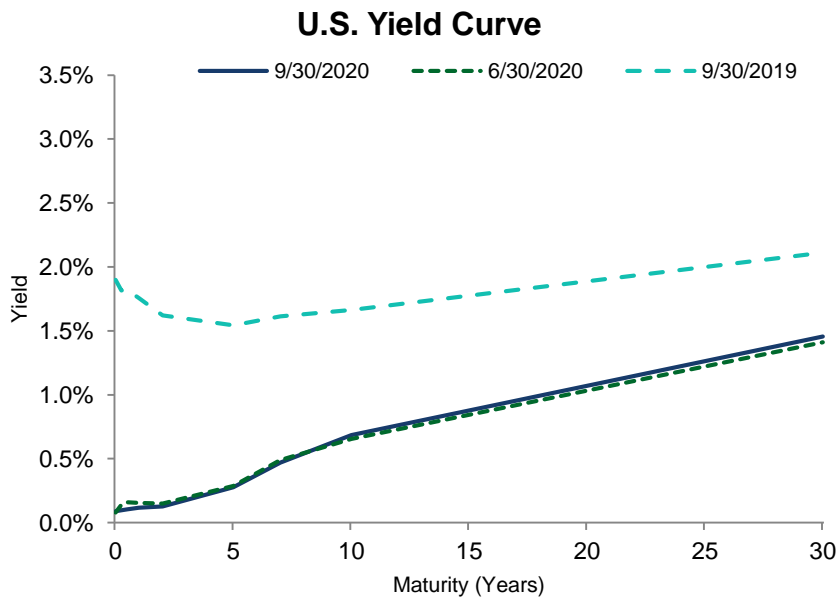


Source: Bloomberg, Russell, MSCI, SEI. U.S. = Russell 3000 Total Return Index, Developed (ex-US) = MSCI World ex-U.S Net Total Return Index, Emerging = MSCI Emerging Markets Net Total Return Index, Europe = MSCI Europe Net Total Return Index, Japan = MSCI Japan Net Total Return Index, Pacific ex-Japan = MSCI Pacific Ex Japan Net Total Return Index, EMEA = MSCI Emerging Markets Europe Middle East & Africa Net Total Return Index, Latin America = MSCI EM Latin America Net Total Return Index, Asia = MSCI EM Asia Net Total Return Index. All returns in USD. As of 09/30/2020. Past performance is not a guarantee of future results.

Fixed income review

- The Treasury curve was largely unchanged, although some steepening was observed due to slightly lower short rates and slightly higher rates at the long end.
- The curve remained at a level that reflects expectations of persistently easy interest rate policy in the years ahead, as Fed officials continued to emphasize a commitment to accommodative measures.

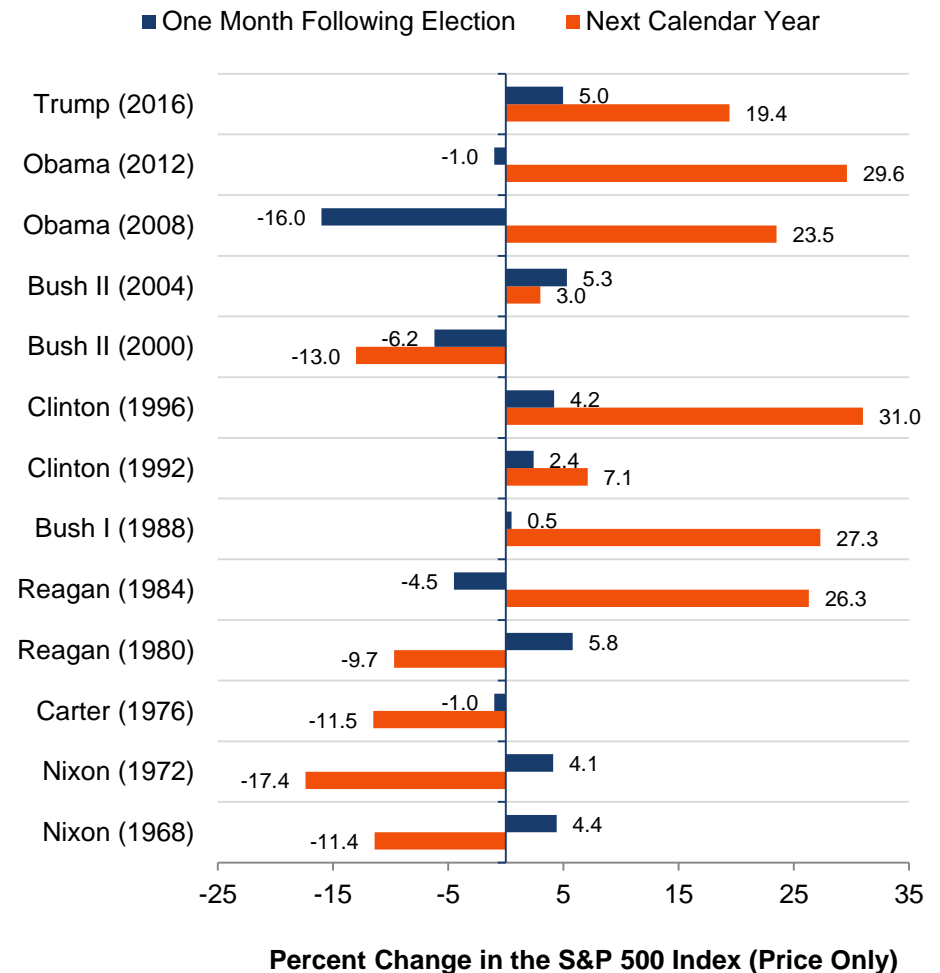
- Risk appetite continued to improve on still-supportive fiscal and monetary policies, some improvement in the numbers of new COVID19 cases, and initial economic-reopening measures.
- Spreads on high yield and emerging market debt continued to narrow but were still wider than long-term averages, indicating that some degree of COVID19-induced risk aversion persists.



Sources: Bloomberg, JP Morgan, SEI. Option-adjusted spreads over US Treasuries US Investment Grade = Bloomberg Barclays U.S. Corporate Index, US High Yield = Bloomberg Barclays U.S. Corporate High Yield Index, and Emerging Market Debt = JP Morgan EMBI Diversified Sovereign Index. As of 09/30/2020. Past performance is not a guarantee of future results.

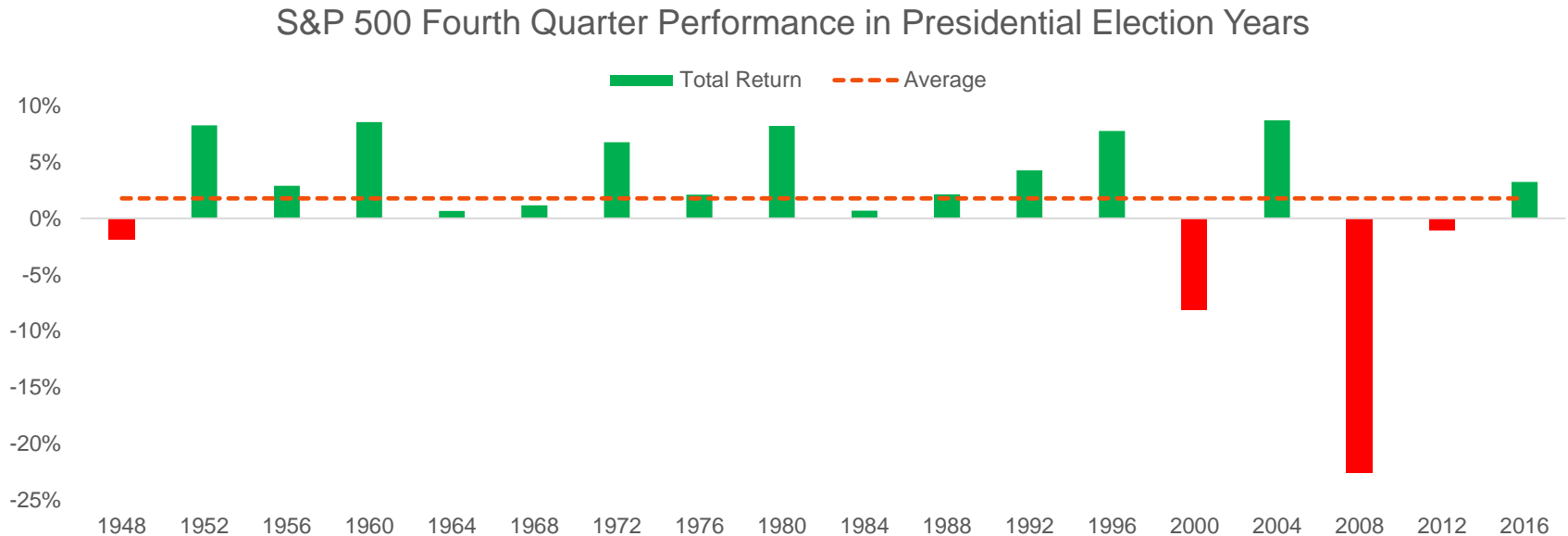
What do presidential elections tell us about market performance?

- ▶ Investors are understandably starting to turn their attention to US elections in early November.
- ▶ Currently, the Republican Party controls the White House and the Senate, while the Democratic Party holds a majority in the House of Representatives.
- ▶ Historically, in the calendar year following an election, the average return is higher when the incumbent president wins.
- ▶ On the other hand, the average return in the following calendar year has also been higher when a Democrat won.
- ▶ However, there are too many confounding factors and too few observations to draw any definitive conclusions.
- ▶ It's impossible to forecast market performance in late 2020 and in 2021 with any meaningful degree of confidence.



Sources: Macro Risk Advisors, Ned Davis Research, Standard & Poor's, SEI.

What can past market performance tell us about election years?



- Overall, the fourth quarter has been favorable in presidential election years, producing positive returns 78% of the time since 1948.
- Notable exceptions occurred in 2000 and 2008 – years that preceded, or coincided with, the onset of US recessions.
- In 2000, the outcome of the election was not determined until mid-December by a 5-4 vote in the US Supreme Court. A contested election would be very likely to cause heightened market volatility.

Quarterly price return on S&P 500 Index in the fourth quarter of presidential election years. Sources: Factset, Standard & Poor's, SEI.

The S&P 500 index launched on 3/4/1957. Prior performance is based upon back-tested index calculations. Back-tested performance, which is hypothetical and not actual performance, is subject to inherent limitations because it reflects application of an index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns

Performance Review

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Important information: Asset valuation and portfolio returns

Inception date 12/31/2015 Historical Total Index can be provided upon request.

The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using a true time-weighted performance method (prior to 6/30/2012, the Modified Dietz method of calculation was used). Gross Fund Performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross Fund Performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable, are used to offset the account level investment management fees the client pays to SIMC. Gross Fund Performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the Gross Fund Performance of the mutual funds. For additional information about how performance is calculated, please see your monthly performance report.

If applicable, alternative, property and private assets performance and valuations may be reported on a monthly or quarterly lag. Alternative, property and private assets performance is calculated gross of investment management fees and net of administrative expenses and underlying fund expenses. However: Structured Credit Fund performance is calculated gross of investment management fees and net of administrative expenses; SEI Offshore Opportunity Fund II Ltd. Class A performance is calculated net of investment management and administrative expenses; and Energy Debt Fund performance is calculated net of management fees, performance fees, as applicable, and operating expenses.

Net Portfolio Returns since 6/30/12 reflect the deduction of SIMC's investment management fee and the impact that fee had on the client's portfolio performance. Prior to 6/30/12, Net Portfolio Returns deduct a proxy annual fee for all periods to demonstrate the impact that SIMC's investment management fee had on the portfolio performance. However, this is a hypothetical calculation, as it does not reflect the actual fees paid by the client during the period. Please see your client invoice for actual fees paid.

The current composition of the "Total Portfolio Index" is as follows. This composition went into effect at the close of business on 7/31/2019.

24.6 %	MSCI All Country World ex US Index (Net)
23.6 %	Bloomberg Barclays US Agg Bond Index
18.5 %	S&P 500 Index
8.2 %	Russell Small Cap Completeness Index
7.1 %	Hist Blnd: Dynamic Asset Allocation Index
5.1 %	Hist Blnd: High Yield Bond Index
4.1 %	Hist Blnd: Emerging Markets Debt Index
3.1 %	ICE BofA ML 3 Mth Cons Mat LIBOR Index
3.1 %	MSCI Emerging + Frontier Mkts Index (Net)
2.6 %	Hist Blnd: Core Property Index

The Alternatives allocation listed on the following Investment Returns slide is a non SEI investment asset that is a legacy holding from the previous portfolio implementation. The Invesco Partnership Fund VI, LP, is a private equity fund. Future allocations, if any, to the Alternative asset class will be determined by the Board.

Fulton County Schools Employees' Pension Plan

IPS compliance: allocation vs. permitted ranges

Strategy	Market Value	Allocation	IPS Permitted Ranges	Compliance Verification
Return Enhancement				
S&P 500 INDEX FUND	\$84,303,647	18.5%		
EXTENDED MARKETS INDEX FUND	\$37,653,519	8.2%		
DYNAMIC ASSET ALLOCATION FUND	\$32,845,835	7.2%		
WORLD EQUITY EX-US FUND	\$111,432,428	24.4%		
EMERGING MARKETS EQUITY FUND	\$13,928,784	3.1%		
HIGH YIELD BOND FUND	\$23,249,284	5.1%		
OPPORTUNISTIC INCOME FUND	\$13,809,842	3.0%		
EMERGING MARKETS DEBT FUND	\$18,250,160	4.0%		
Subtotal	\$335,473,499	73.5%	50% - 90%	<input checked="" type="checkbox"/>
Risk Management				
CORE FIXED INCOME FUND	\$105,868,747	23.2%		
Subtotal	\$105,868,747	23.2%	10% - 50%	<input checked="" type="checkbox"/>
Alternatives				
CORE PROPERTY FUND	\$10,918,930	2.4%		
PRIVATE EQUITY - Invesco, GPA V (new vintage)	\$4,172,839	0.9%		
Subtotal	\$15,091,769	3.3%	0% - 5%	<input checked="" type="checkbox"/>
Cash				
CASH	\$1	0.0%		
Grand Total	\$456,434,015	100.0%		

As of 9/30/2020

Fulton County Schools Employees' Pension Plan

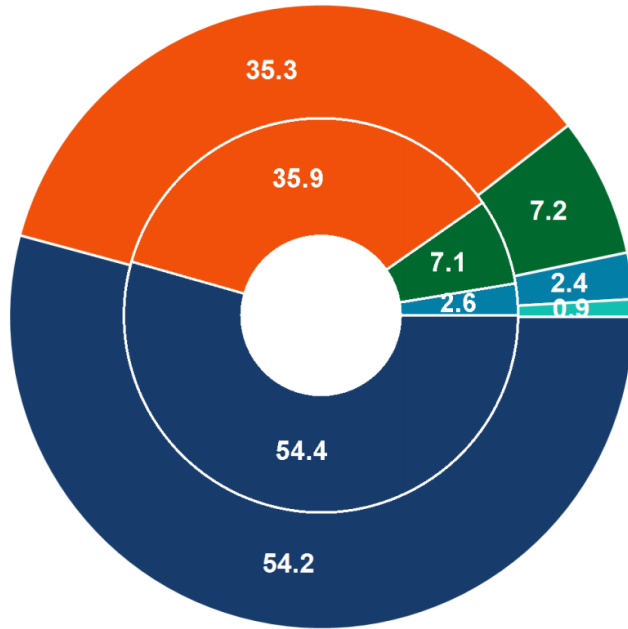
IMA compliance: allocation vs. strategic targets

Strategy	Market Value	Allocation	IMA Targets	Compliance Verification
Equity				
S&P 500 INDEX FUND	\$84,303,647	18.5%	18.0%	✓
EXTENDED MARKETS INDEX FUND	\$37,653,519	8.2%	8.0%	✓
DYNAMIC ASSET ALLOCATION FUND	\$32,845,835	7.2%	7.0%	✓
WORLD EQUITY EX-US FUND	\$111,432,428	24.4%	24.0%	✓
EMERGING MARKETS EQUITY FUND	\$13,928,784	3.1%	3.0%	✓
Subtotal	\$280,164,213	61.4%	60%	
Fixed Income				
CORE FIXED INCOME FUND	\$105,868,747	23.2%	23.0%	✓
HIGH YIELD BOND FUND	\$23,249,284	5.1%	5.0%	✓
OPPORTUNISTIC INCOME FUND	\$13,809,842	3.0%	3.0%	✓
EMERGING MARKETS DEBT FUND	\$18,250,160	4.0%	4.0%	✓
Subtotal	\$161,178,033	35.3%	35%	
Inflation/Real Asset				
CORE PROPERTY FUND	\$10,918,930	2.4%	2.5%	✓
Subtotal	\$10,918,930	2.4%	2.5%	
Alternatives				
PRIVATE EQUITY - Invesco, GPA V (new vintage)	\$4,172,839	0.9%	2.5%	✓
Subtotal	\$4,172,839	0.9%	2.5%	
Cash				
CASH	\$1	0.0%	0.0%	✓
Grand Total	\$456,434,016	100.0%	100.0%	

As of 9/30/2020

Fulton County: Portfolio summary – September 30, 2020

Asset Allocation (%)
Actual (Outer Ring) vs. Target (Inner Ring)



■ Total Equity
 ■ Other
 ■ Alternatives
■ Total Fixed
 ■ Real Estate/Property

Summary for periods ending 9/30/2020

	One Month	Three Month	Year To Date	1 Year
Beginning Portfolio Value	\$465,425,940	\$433,094,715	\$447,226,625	\$425,000,806
Net Cash Flows	(\$765,092)	(\$2,767,676)	(\$7,215,982)	(\$10,511,068)
Gain / Loss	(\$8,226,833)	\$26,106,977	\$16,423,373	\$41,944,278
Ending Portfolio Value	\$456,434,016	\$456,434,016	\$456,434,016	\$456,434,016

Alternative, Property and Private Assets valuations and performance may be reported on a monthly or quarterly lag.

Fulton County: Investment returns – September 30, 2020

Returns for periods ending 9/30/2020

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception 12/31/2015
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	
Total Portfolio Return	456,434,016	100	-1.75	6.05	3.90	10.20	6.75	-	-	8.40
<i>Standard Deviation Portfolio</i>							11.98	-		
Total Portfolio Index			-1.99	5.44	2.43	8.52	6.41	-	-	8.20
<i>Standard Deviation Index</i>							11.52	-		
60% MSCI World/ 40% Bloomberg Barclays Agg			-2.09	5.04	4.30	9.68	7.12	-	-	7.96

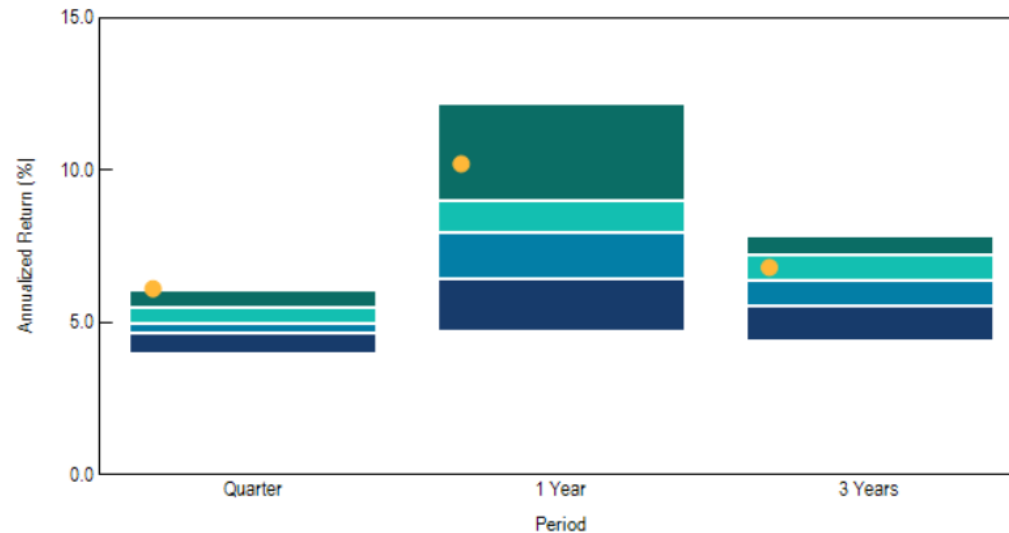
	Total Assets (\$)	Actual Alloc (%)	(%)	Calendar Years (%)						
			ITD	2019	2018	2017	2016	2015	2014	2013
Total Portfolio Return	456,434,016	100	8.40	20.03	-6.18	16.58	7.51	-	-	-
Total Portfolio Index			8.20	19.64	-5.18	15.84	7.99	-	-	-
60% MSCI World/ 40% Bloomberg Barclays Agg			7.96	20.01	-5.07	14.52	5.71	-	-	-

Peer Group Performance and Allocation Review

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MSCI peer universe data: Portfolio returns

InvMetrics Public DB \$250mm-\$1B Gross Return Comparison
Ending September 30, 2020



	Return (Rank)		
	Quarter	1 Year	3 Years
5th Percentile	6.0	12.1	7.8
25th Percentile	5.5	9.0	7.2
Median	5.0	8.0	6.4
75th Percentile	4.6	6.5	5.5
95th Percentile	4.0	4.7	4.4
# of Portfolios	61	61	60
● Fulton Portfolio	6.1 (4)	10.2 (9)	6.8 (42)

Source: SEI, MSCI Investor Force, as of September 30, 2020. If applicable, please see the portfolio performance page for specific information about the gross fund performance calculation. The MSCI Universe is a custom universe created by Investor Force, Inc. Investor Force Data is provided "AS-IS" without warranty or liability. No further distribution or dissemination is permitted. Investor Force does not make any representation regarding the advisability of any investment and does not sponsor, promote, issue, sell or otherwise recommend or endorse any investment (including any financial products based on, tracking or otherwise utilizing any Investor Force data, models, analytics or other materials or information. *The performance data quoted represents past performance. Past performance does not guarantee future results.*

Appendix

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Important information

This presentation is provided by SEI Investments Management Corporation (SIMC), a registered investment adviser and wholly owned subsidiary of SEI Investments Company. The material included herein is based on the views of SIMC. Statements that are not factual in nature, including opinions, projections and estimates, assume certain economic conditions and industry developments and constitute only current opinions that are subject to change without notice. Nothing herein is intended to be a forecast of future events, or a guarantee of future results. This presentation should not be relied upon by the reader as research or investment advice (unless SIMC has otherwise separately entered into a written agreement for the provision of investment advice).

There are risks involved with investing including loss of principal. There is no assurance that the objectives of any strategy or fund will be achieved or will be successful. No investment strategy, including diversification, can protect against market risk or loss. Current and future portfolio holdings are subject to risk. Past performance does not guarantee future results.

For those SEI products which employ a multi-manager structure, SIMC is responsible for overseeing the sub-advisers and recommending their hiring, termination, and replacement. References to specific securities, if any, are provided solely to illustrate SIMC's investment advisory services and do not constitute an offer or recommendation to buy, sell or hold such securities.

Any presentation of gross mutual fund performance of underlying mutual fund investments or gross account level performance is only intended for one-on-one presentations with clients and may not be duplicated in any form by any means or redistributed without SIMC's prior written consent.

Through September 30, 2012, annual performance is calculated based on monthly return streams, geometrically linked. From September 30, 2012 onward, annual performance is based upon daily return streams, geometrically linked as of the specific month end.

Performance results do not reflect the effect of certain account level advisory fees. The inclusion of such fees would reduce account level performance, particularly when compounded over a period of years. The following hypothetical illustration shows the compound effect fees have on investment return: For an account charged 1% with a stated annual return of 10%, the net total return before taxes would be reduced from 10% to 9%. A ten year investment of \$100,000 at 10% would grow to \$259,374, and at 9%, to \$236,736 before taxes. For a complete description of all fees and expenses, please refer to SIMC's Form ADV Part 2A, the investment management agreement between SIMC and each client, and quarterly client invoices.

Certain economic and market information contained herein has been obtained from published sources prepared by other parties, which in certain cases have not been updated through the date hereof. While such sources are believed to be reliable, neither SEI nor its affiliates assumes any responsibility for the accuracy or completeness of such information and such information has not been independently verified by SEI.

Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs, or expenses, which would reduce returns. Indexes are unmanaged and one cannot invest directly in an index.

Important information

As identified in the presentation, certain funds are collective trust funds, not mutual funds. A collective trust fund is an investment fund that is maintained by a bank or trust company for the collective investment of qualified retirement plans and governmental plans, and that is exempt from SEC registration as an investment company under Section 3(c)(11) of the Investment Company Act of 1940. Collective trust funds eliminate many of the administrative costs associated with institutional and retail mutual funds.

For more information on the collective trust funds, including fees and expenses, please read the disclosure document for the trust.

There is no guarantee that the investment objective will be fulfilled. If the fund is a target date fund, the principal balance of the portfolio may be depleted prior to a portfolio's target end-date and, therefore, distributions may end earlier than expected. This risk increases if the distribution amount chosen is a significant portion of the starting principal. The target date represents the respective date when an investor intends to retire. Principal of any target date fund is not guaranteed at any time, including the target date. The projected time periods do not take into account the payment of fees to the advisor out of the portfolio or any other additional distribution from the account.

For those SEI collective trust funds that may be held in the account, the SEI collective trust fund is part of a Collective Investment Trust (the "Trust") operated by SEI Trust Company ("STC"). STC manages the Trust based on the advice of one or more third party managers, which may include SIMC. Additionally, STC serves as the trustee of the collective trust funds and maintains ultimate fiduciary authority over the management of, and the investments made, in the funds. STC is also a wholly owned subsidiary of SEI Investments Company.