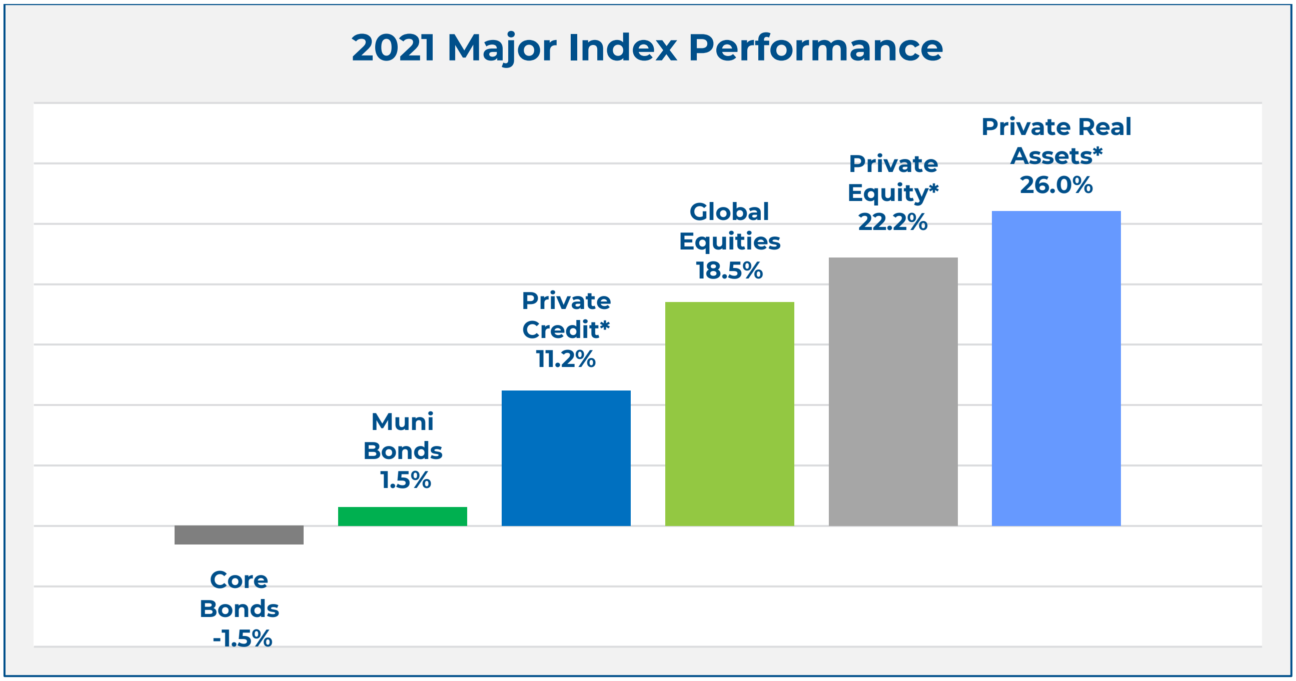
2021 YEAR-END LETTER

2021 Year in Review

Exceptionally Strong Portfolio Returns

Investors enjoyed another incredible year of returns, continuing the strong recovery from 2020 lows. Equities, Real Assets and Private Markets all posted exceptional performance, while traditional core bonds and municipal bonds had an underwhelming twelve months.



*Private Credit and Real Asset Through 11/30/2021. Private Equity Through 10/30/2021. GSIS Calculations.

GSIS 2021 Allocation Shifts

One of the pillars of our investment approach is active strategic asset allocation. We have developed a rigorous process that incorporates valuation, sentiment, momentum and technical factors that generated significant excess returns. In 2020, we began to position the portfolio towards attractively priced assets and introduced strategies to hedge against inflation and higher interest assets as the economy recovered from Covid.

In 2021, we shifted sizable portions of client portfolios from traditional equities and fixed income to a series of semi-liquid private market strategies (private credit, private equity, private real assets). This shift not only improved income yield and total return, but also provided critical protection against higher interest rates and inflation pressures.

- The private credit portfolios predominately feature floating rate securities and shorter-term loan agreements that provide protection against higher interest rates.

- The private real assets income streams benefit from higher inflation through contractual step-up provisions and provide much higher distribution yields than traditional core fixed income. The private credit and private real assets allocations were sourced mainly from U.S. Core Bond and generated double digit excess performance over the past 12 months.

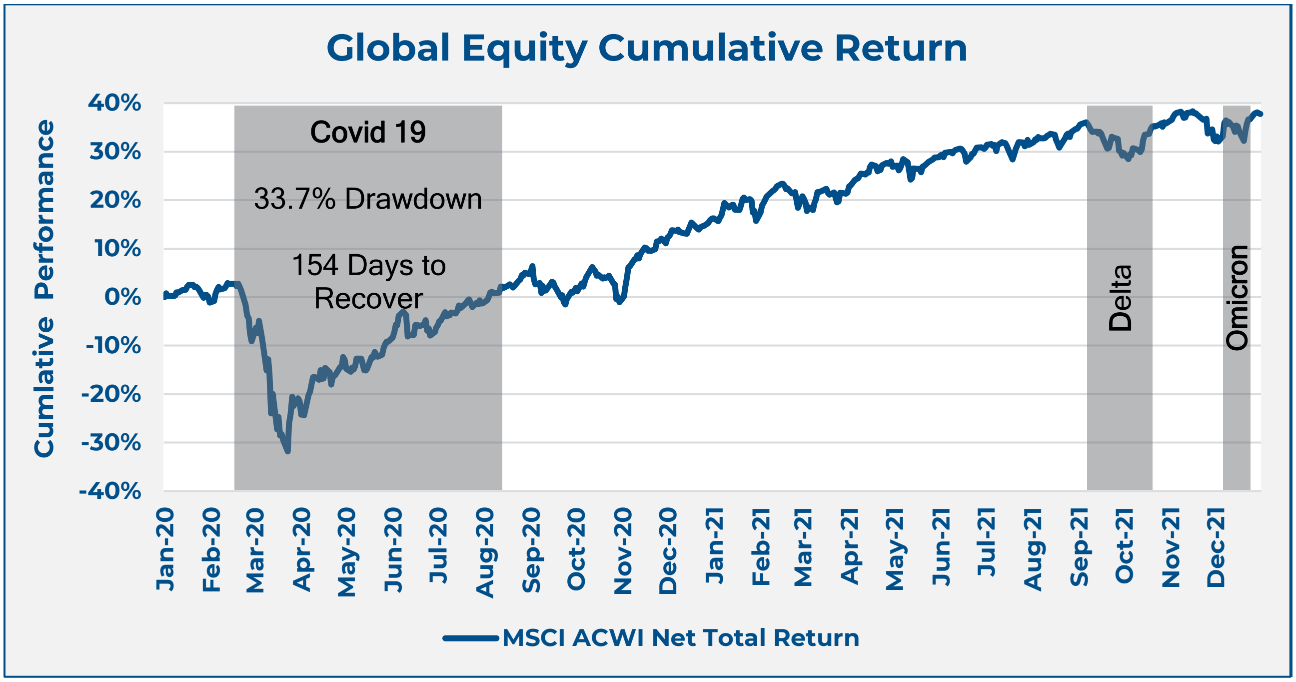
- We also shifted assets from public global equities into two discrete private equity strategies that focus on secondary and direct/co-investments to enhance risk-adjusted return. Our two preferred private equity managers both significantly outperformed the MSCI ACWI public global equity index.

Within public fixed income, we maintained a short duration posture. We also took profits from the high yield corporate bond exposure that was established in the spring of 2020 and reallocated to a floating rate bond ETF to obtain protection against higher interest rates.

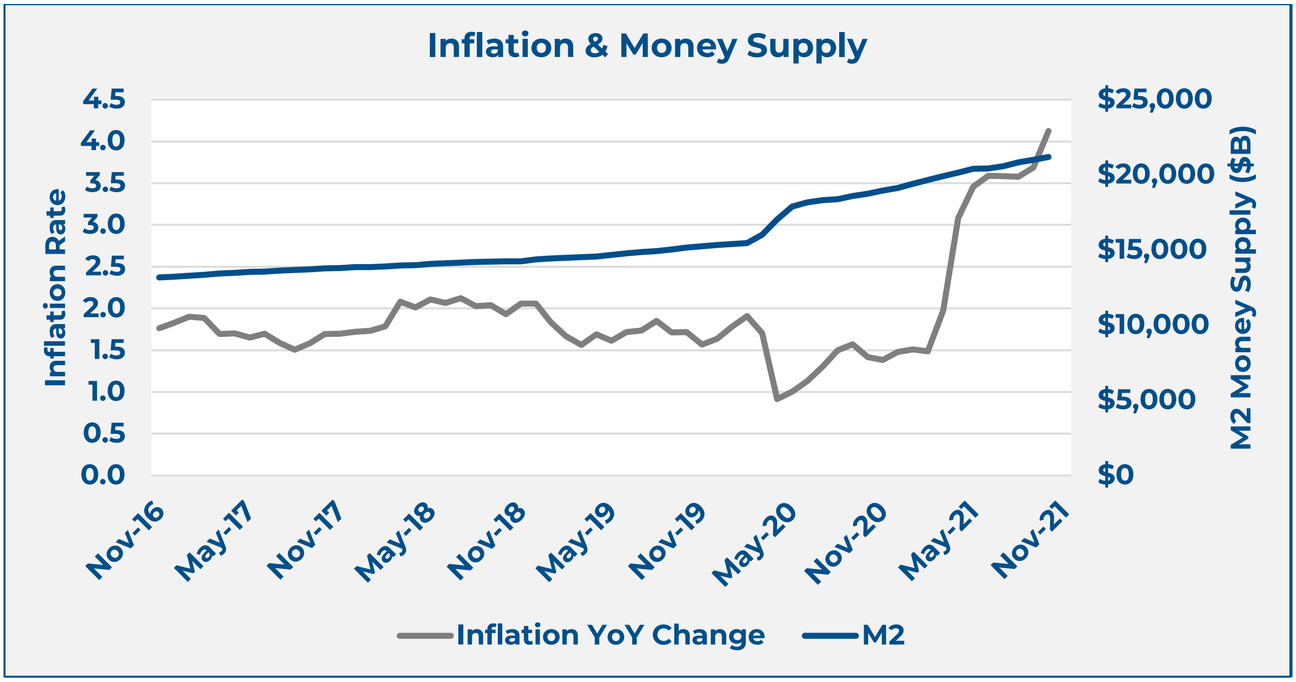
In global public equities, we shifted assets from International Emerging Markets into U.S. Small Cap. We also executed a rebalance within U.S. Large Cap to implement a modest U.S. value tilt due to more compelling valuations. Growth style stocks have surged since March 2020 and are now trading at much higher valuations relative to their long-term history.

2021 Headlines – COVID, Inflation and the federal reserve

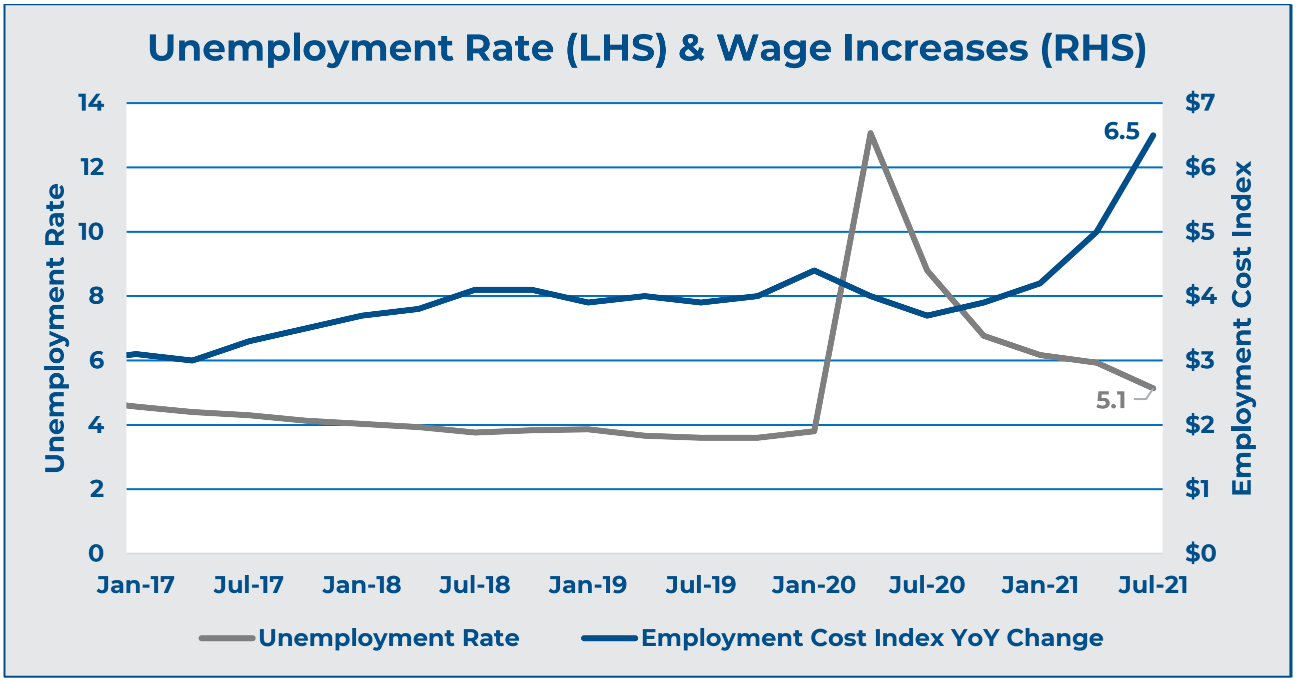
COVID-19 continues to occupy headlines as new variants, Delta and Omicron, popped up throughout the year causing bouts of market volatility. The economy and investors are adapting to the emerging news on viruses, vaccines, and natural immunity more quickly. This adjustment in investor behavior has allowed certain equity markets to hit all-time highs in the fourth quarter.



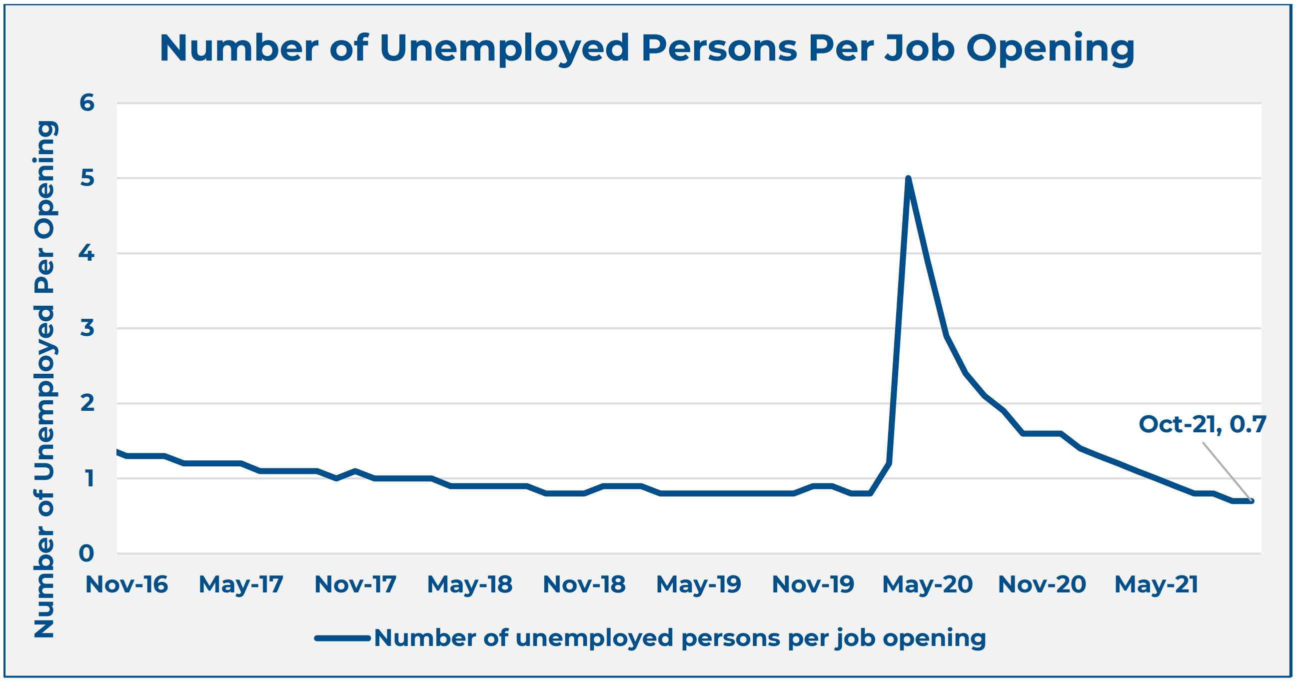
Inflation chatter began heating up in the spring as the prices of goods and services spiked due to a combination of supply chain issues, increase in money supply (M2) and higher labor costs. The Fed has now confirmed that inflationary pressures are no longer as transitory as previously stated and may remain persistent for the intermediate term. Economists are forecasting that this trend may continue through 2022 and into 2023.



The Federal Reserve began unwinding stimulus during 2021 by decreasing the amount of monthly bond purchases. During the most recent December 2021 meeting, the Fed announced it will terminate its asset purchase program in the first half of 2022. In addition, the Fed announced its intentions to begin to raise the Fed Funds rate in 2022 due to concern over rising costs and the improvements in the labor market. The expected net result is higher interest rates.



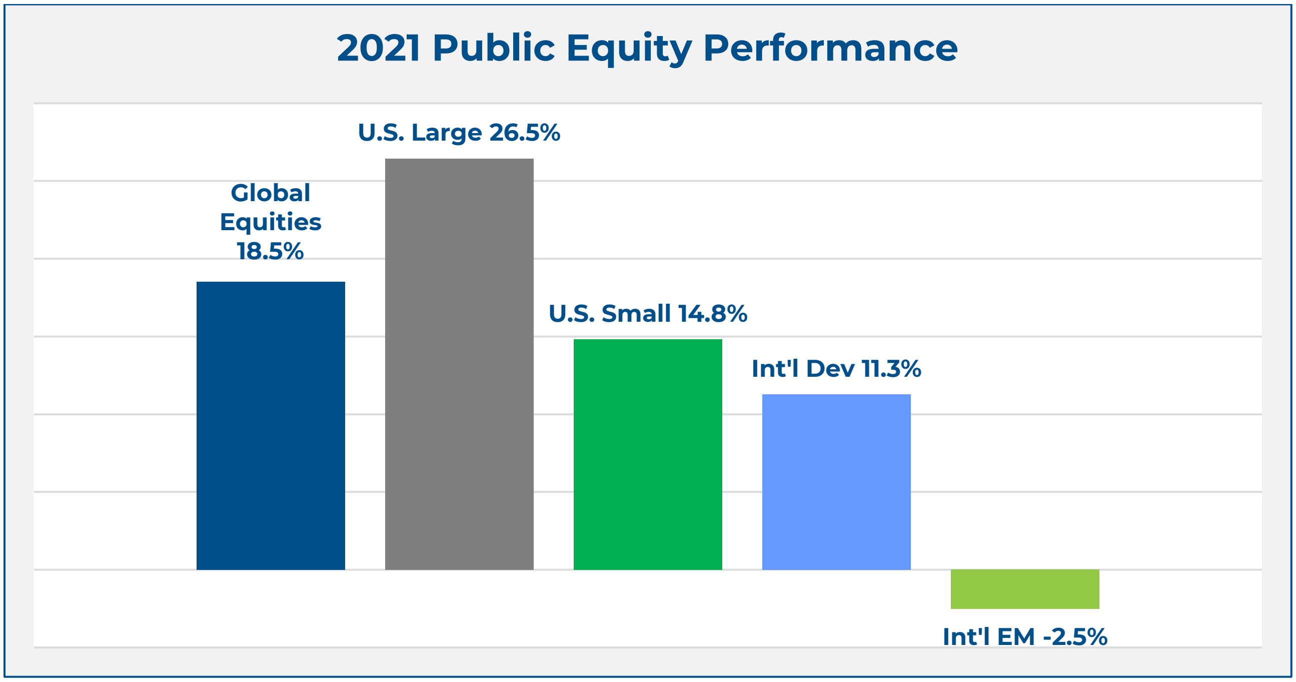
The labor market is extremely tight with more employers seeking to add employees than people considering employment. According to the recent U.S. Bureau of Labor Statistics (BLS) report, there are only 0.7 unemployed persons per job opening - the lowest reading over the last 15 years. This relationship should continue to add upward pressure on wages.



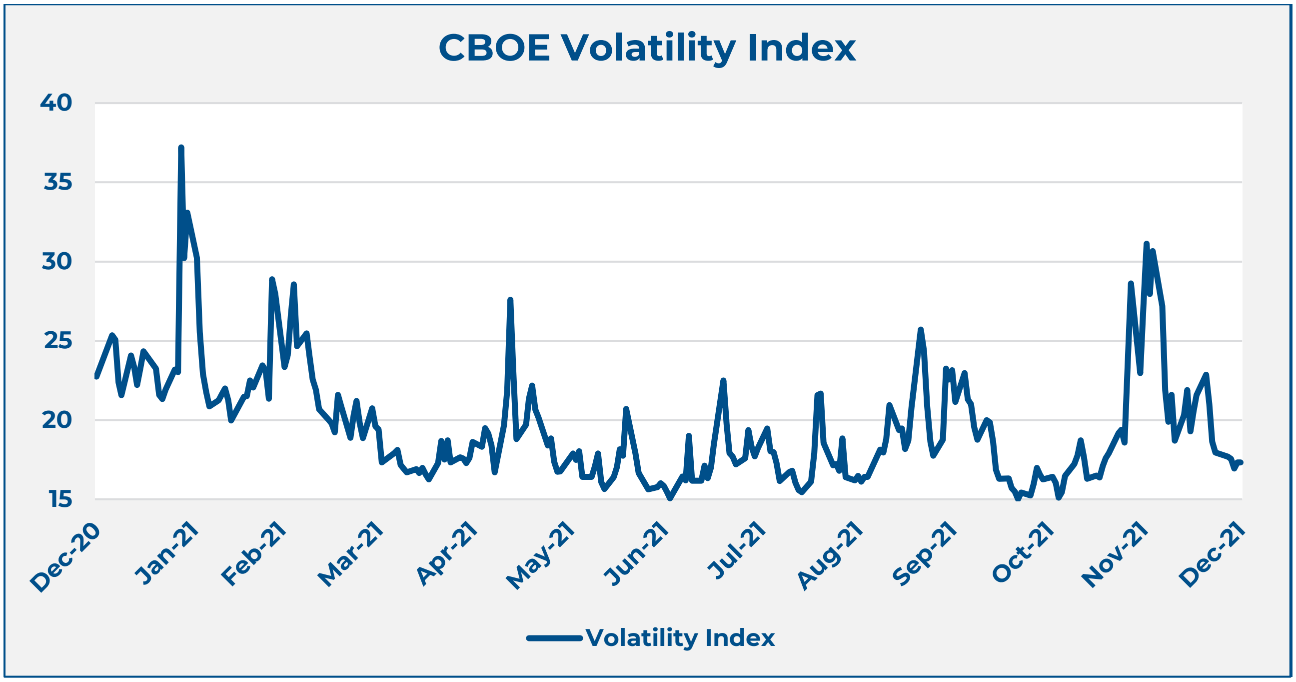
While we don't explicitly make interest rate or inflation forecasts, we have been concerned about the impact of inflation and higher interest rates given the large amount of stimulus and expected economic recovery from COVID. Two key asset classes that have historically benefitted from higher inflation with higher expected returns are direct lending/private credit and core real estate. As previously referenced, we shifted allocations from U.S. core fixed income to private credit and core real estate starting in late 2020. This shift has provided protection in an uncertain inflationary economic landscape while increasing the total return profile of investor portfolios.

2021 ASSET CLASS PERFORMANCE

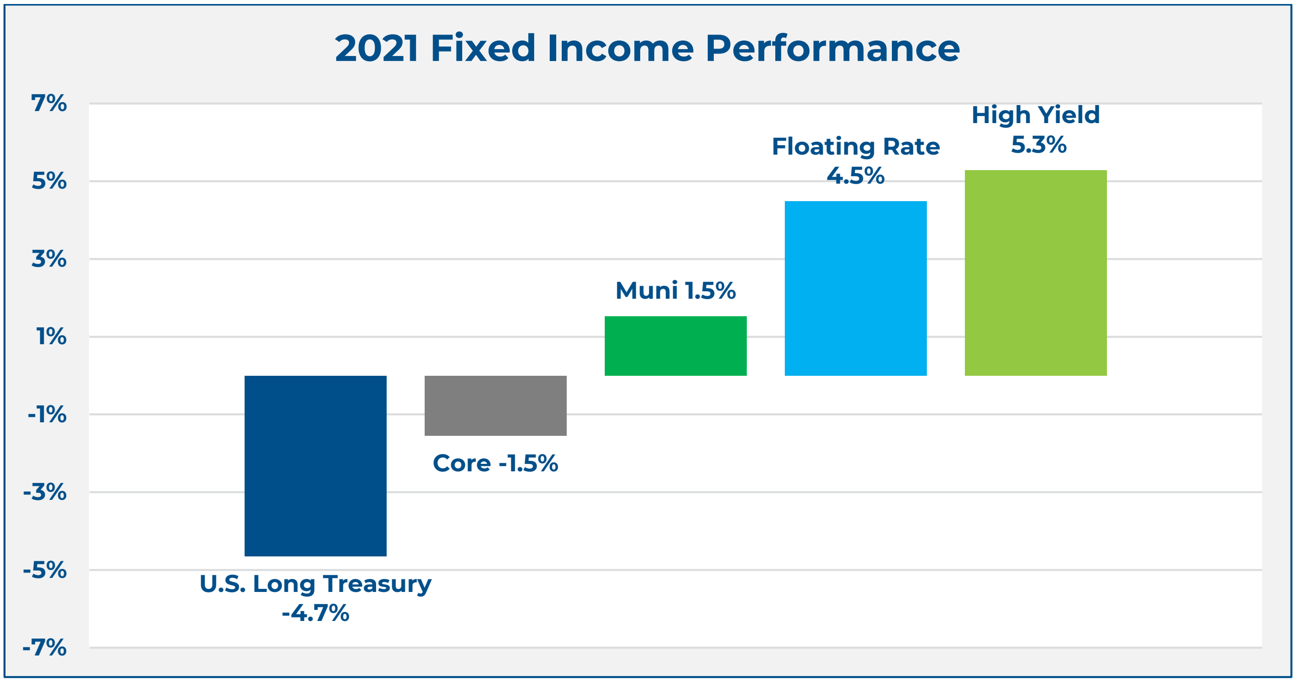
Global Equities bounced back from the COVID-19 variant news, inflation, and the Federal Reserve's accelerated taper announcement during the year. Global equities returned 18.5% for 2021, driven by U.S. Large Cap Equities. A large portion of the U.S. Large Cap return is attributed to Microsoft, Alphabet, Apple, Nvidia and Tesla. US stocks have been the most consistent equity asset class in their ascent from the pandemic bottom as the U.S. continues to lead most other countries in their economic recovery.



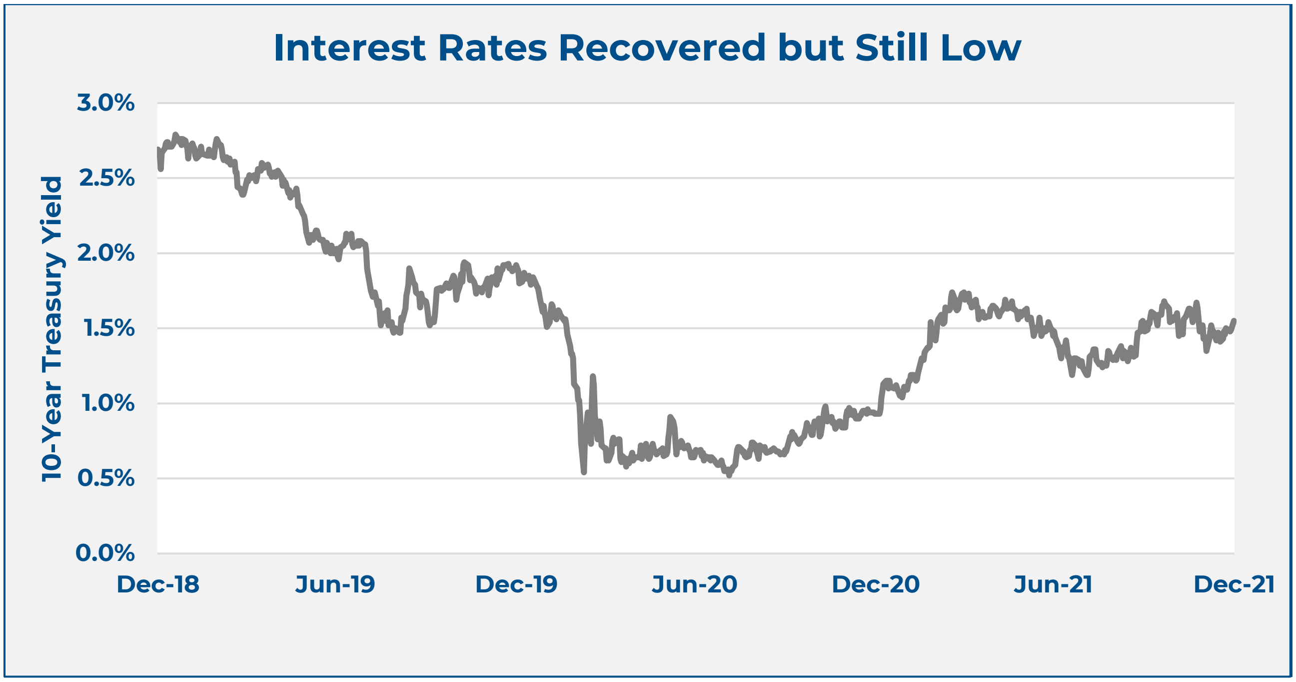
Masked in the strong performance has been increased volatility in the stock markets. The below chart plots the VIX, which is the measurement of the market expectation of near-term volatility conveyed by stock index option prices. This metric spent 73% of the year higher than its 10-year average. Bouts of volatility should continue as the Federal Reserve terminates its asset purchase program and as inflation continues to persist. Semi-liquid private equity investments have been a suitable return surrogate while providing much less realized volatility due to asset valuation procedures and fewer marks to market. This relationship of higher realized volatility in the public markets and lower realized volatility in private markets is expected to continue.



Bond returns were muted during 2021. The Barclays Aggregate, a benchmark of US core fixed income, was slightly negative for the year. Municipal bonds were able to eke out a modest positive return. Floating rate bonds benefitted from investor concerns about pending higher interest rates. High yield was the best performing public fixed income as investors continued to shift from core fixed income and US Treasuries to reach for yield in a low-rate environment.



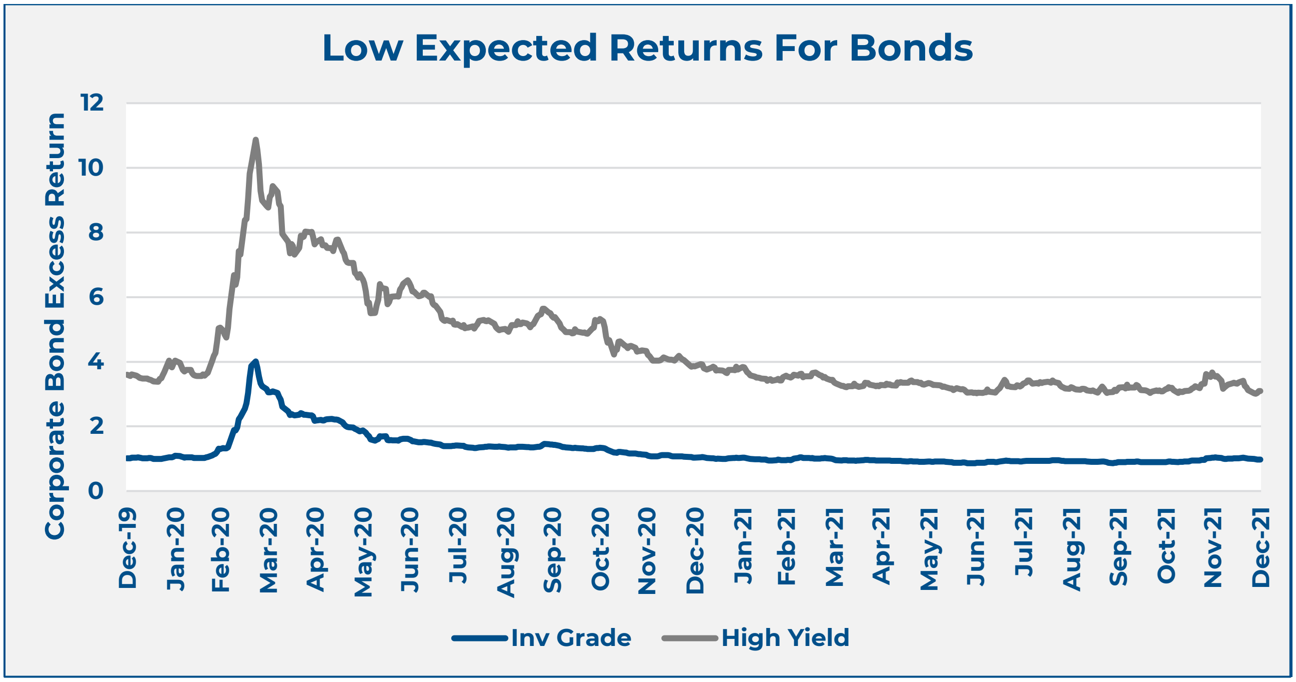
The 10-year U.S. Treasury yield was very volatile during 2021, ending the year at 1.55%. The Yield rose 0.62% in 2021 but still remains well below the post Global Financial Crisis average of 2.3% and three years ago.



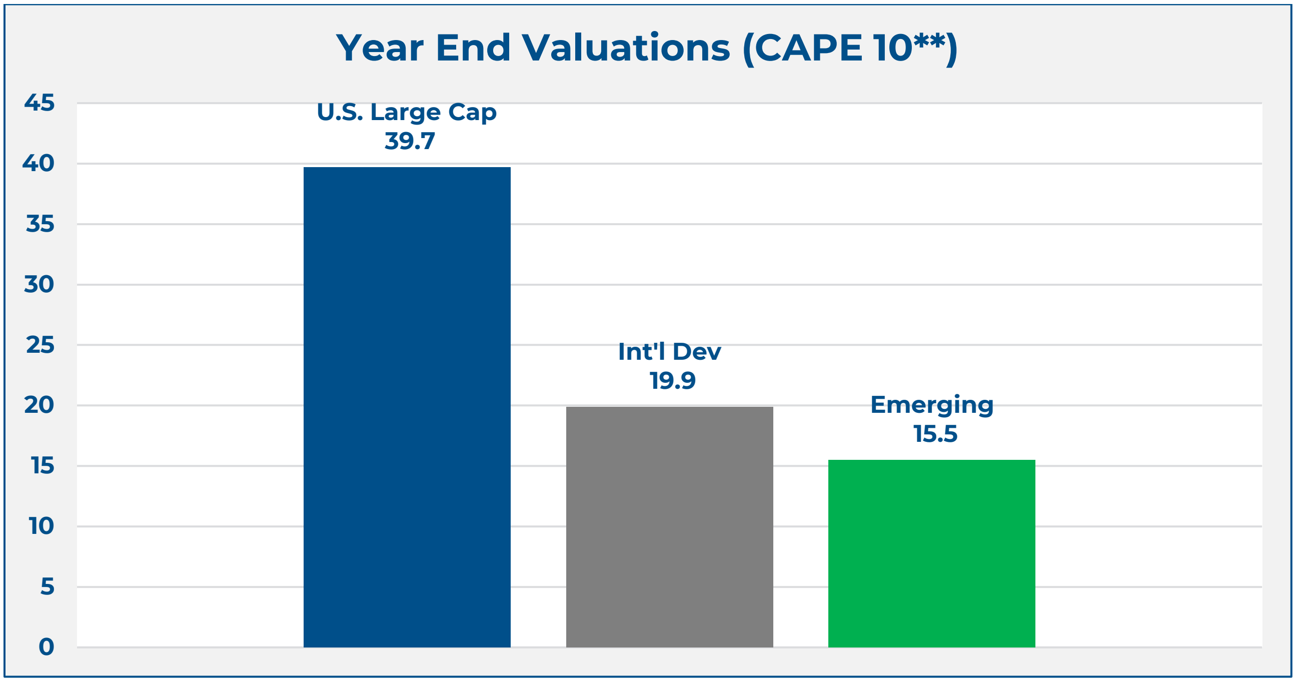
LOOKING AHEAD

Core & High Yield Bonds expected returns continue to be low both in absolute and relative terms. We favor shorter duration exposure in core bonds and senior secure floating rate exposure in opportunistic bonds.

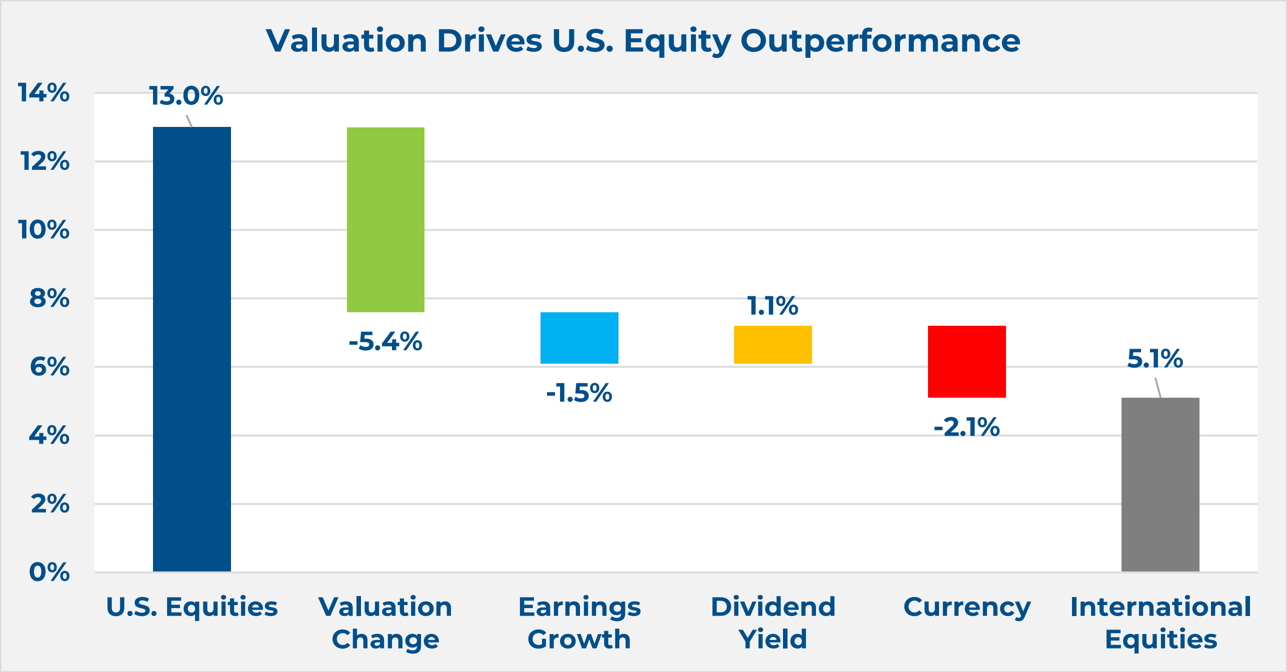
Heading into 2021, Fixed Income assets had provided strong returns over the long term. That robust performance leaves the forward return outlook extremely low compared to historic returns. This was a catalyst in our firm's decision to shift client assets from public fixed income to semi-liquid private credit and real estate.



U.S. Equities were the best performer in 2021. The U.S. economy fared better than its overseas peers after the initial Covid 19 business slowdown largely due to the Fed's aggressive stimulus programs. U.S. performance was driven by the large technology sector weight within the US stock market. By contrast the foreign stock markets feature more cyclically focused companies. U.S. Stock market valuations remain elevated relative to non-U.S. markets. Based on this metric, non-U.S. markets are better priced to provide excess future returns relative to the U.S market. We slightly favor non-U.S. stocks over U.S. equities.



U.S. Equities exceeded return expectations in 2021 due primarily from price multiple expansion as the growth in prices outpaced the growth in earnings. Over the past 10 years, US equities have outperformed international equities by 7.9% annually. Increased U.S. valuations accounted for 5.4% of the 7.9% excess returns (source: Vanguard. 10 years ending December 31, 2020). We do not believe this trend is sustainable.



Although U.S. stocks are rich relative to non-U.S. stocks, they remain fairly priced when compared to core and municipal bonds, which have low forward expected returns due to similar high valuations.

Private Market expected returns and yields remain the most attractive asset category looking ahead. With increasing demand for private market exposures, we have avoided the riskier aspects of private markets in favor of higher quality segments (i.e. first-lien senior secure loans over distressed debt). We continue to diligence new opportunities in the private market space to complement current exposures.

Thank you for your Trust and Confidence.

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GLOBAL INDEX PERFORMANCE & KEY INDICATORS AS OF 12/31/2021

Asset Class	Index	Q4 2021	YTD	1 Year	3 Years	5 Years
Global Equity	**MSCI ACWI**	**6.7%**	**18.5%**	**18.5%**	**20.4%**	**14.4%**
US Large Cap	S&P 500	11.0%	28.7%	28.7%	26.1%	18.5%
US Large Cap Growth	Russell 1000 Growth	11.6%	27.6%	27.6%	34.1%	25.3%
US Large Cap Value	Russell 1000 Value	7.8%	25.2%	25.2%	17.6%	11.2%
US Small Cap	Russell 2000	2.1%	14.8%	14.8%	20.0%	12.0%
International	MSCI EAFE	2.7%	11.3%	11.3%	13.5%	9.5%
Emerging Markets	MSCI Emerging Markets	-1.3%	-2.5%	-2.5%	10.9%	9.9%
Commodities	S&P Global Natural Resources	7.4%	24.7%	24.7%	13.2%	9.1%
Real Estate	CRSP US REIT TR	14.3%	37.3%	37.3%	19.9%	12.6%
Muni Bonds	BarCap 1-5 Year Muni	0.0%	0.4%	0.4%	2.3%	2.0%
Taxable Bonds	BarCap 1-5 Year Gov/Credit	-0.7%	-1.0%	-1.0%	2.9%	2.3%
High Yield Bonds	BarCap Aggregate HY	0.7%	5.3%	5.3%	8.8%	6.3%

Indicator	Metric	Q4 2021	1Y Ago	3Y Ago	5Y Ago
Yield	10 Year U.S. Treasury Bond	1.6%	0.9%	2.7%	2.5%
Fed Funds Rate	U.S. Fed Funds Rate	0.25%	0.25%	2.50%	0.75%
Unemployment Rate	U.S. Unemployment Rate	4.2%	6.7%	3.9%	4.7%
Inflation	Personal Cons. Expenditures	5.7%	1.3%	1.9%	1.7%

SOURCES:

Economic Research Division
Federal Reserve Bank of St. Louis
Link: https://fred.stlouisfed.org

- **PCEPILFE_PC1** - Personal Consumption Expenditures Excluding Food and Energy (Chain-Type Price Index), Percent Change from Year Ago, Monthly, Seasonally Adjusted
- **UNRATE** - Unemployment Rate, Percent, Monthly, Seasonally Adjusted
- **M2SL** - M2, Billions of Dollars, Monthly, Seasonally Adjusted
- **ECIWAG_PC1** - Employment Cost Index: Wages and Salaries: Private Industry Workers, Percent Change from Year Ago, Quarterly, Seasonally Adjusted
- **VIXCLS** - CBOE Volatility Index: VIX, Index, Daily, Not Seasonally Adjusted
- **BAMLH0A0HYM2 -** ICE BofA US High Yield Index Option-Adjusted Spread, Percent, Daily, Not Seasonally Adjusted
- **BAMLC0A0CM -** ICE BofA US Corporate Index Option-Adjusted Spread, Percent, Daily, Not Seasonally Adjusted

U.S. BUREAU OF LABOR STATISTICS
Link: https://www.bls.gov/charts/job-openings-and-labor-turnover/unemp-per-job-opening.htm

- Number of unemployed persons per job opening, seasonally adjusted

Slide 2: * Private market returns calculated by GSIS using the preferred semi-liquid private investments.

Slide 11: ** The CAPE Ratio, also known as the Cyclically Adjusted Price-Earnings ratio, is the ratio of the current price for a given index divided by the 10-year moving average of inflation-adjusted earnings for that index.

INDICES:

- MSCI All Country World
- Russell 1000
- Russell 2000
- MSCI EAFE
- MSCI Emerging Markets
- Bloomberg Barclays US Agg Gov't-Treasury-Long
- Bloomberg Barclays Municipal Bond
- Bloomberg Barclays US Aggregate
- Bloomberg Barclays US Agg Corporate High Yield
- SSGA Active Trust - SPDR Blackstone Senior Loan ETF