

# Northwest Carpenters Retirement Trust

## Asset Allocation and Investment Manager Assignments

The assets of the Northwest Carpenters Retirement Plan are currently valued at approximately \$3.005 billion as of March 31, 2023. The chart below outlines the present asset allocation for the Northwest Carpenters Retirement Plan.

Asset Category	% of Assets
Public Domestic Equity	29.9%
Public International Equity	11.9%
Fixed Income	17.6%
Real Estate/Infrastructure	19.2%
Private Debt	2.5%
Private Equity	6.2%
Cash & Cash Equivalents	12.7%
<b>Total</b>	<b>100%</b>

Listed below are the money manager assignments by asset category.

### Public Domestic Equity

The Domestic Equity portfolio has been consolidated into Invesco's UBC Russell 3000 Index Fund. The UBC Russell 3000 Index Fund uses a passively managed investment strategy that invests in the 3,000 largest U.S. publicly traded companies.

### Public International Equity

International stocks were added to the Trust's portfolio to improve its diversification and long-term expected rate of return. Investment Managers focus on fundamental research-driven and quantitative strategies to create stable portfolios. The following assets make up the International Equity portfolio:

- Arrowstreet International Equity ACWI EX-US Fund
- Bank New York Mellon DB SL ACWI EX-US Fund
- William Blair International Leaders Collective Investment Fund

### Fixed Income

The Fixed Income portfolio is a combination of Core, Core Plus, and Multi-Sector investments. Core investments are comprised of US debt instruments and investment grade corporate bonds. Core Plus investments include below investment grade corporate bonds, mortgage-backed securities, and structured credit. International bonds and non-agency securities make up Multi-Sector investments. The following assets make up the Fixed Income portfolio:

- Guggenheim Core Plus CIT
- JP Morgan Chase Bank Core Bond Fund
- Neuberger Berman Strategic Multi-Sector Fixed Income Trust
- Washington Capital JMT Mortgage Fund
- Western Asset Core Plus Income Fund

## **Real Estate/Infrastructure**

The Trust's Real Estate/Infrastructure holdings are comprised of commingled funds which acquire and develop high quality core office, retail, industrial, and multifamily properties throughout the United States and Canada. Some of the funds' development projects provide union construction jobs. The following assets makeup the Real Estate/Infrastructure portfolio:

- American Realty Building for America Fund III
- ASB Allegiance Real Estate Fund
- Blackstone Infrastructure V Feeder LP
- Blackstone Real Estate Partners X LP
- Invesco Core Real Estate USA LP
- Quest Group Trust 3
- Quest Group Trust 6
- UBS Trumbull Property Fund
- Ullico Infrastructure Tax-exempt LP
- Washington Capital JMT Real Estate Fund

## **Private Debt**

The Trust's Private Debt portfolio is designed to take advantage of periodic dislocations in the market. The managers invest in global, residential, and commercial real estate debt opportunities as well as structured credit investments consisting of mortgage-backed securities, collateralized loan obligations, and other asset-backed securities. The following assets makeup the Private Debt portfolio:

- Audax Senior Loan IDF Fund LP
- CarVal CVI Credit Value Fund B LP
- Heitman Core Real Estate Debt Income Trust LP
- HPS Specialty Loan International Fund LP
- Invesco Mortgage Recovery Feeder Fund
- Pimco Bravo Fund Onshore Feeder II LP

## **Private Equity**

The Trust's Private Equity portfolio consists of investments in direct private equity, venture capital, mezzanine financing, corporate finance, infrastructure, and buyouts. The following assets makeup the Private Equity portfolio:

- General Atlantic Investment Partners 2021 UDFI LP
- Harvest Partners IX LP
- Pantheon Europe Fund VI LP
- Pantheon Global Secondary IV LP
- Pantheon Multi-Strategy 2014 LP
- Pantheon USA IV LP
- Pantheon USA VI LP
- Pantheon USA VIII LP
- Summit Partners Growth Equity XI-B LP
- Thoma Bravo XV-A LP

## **Cash and Cash Equivalents**

The Trust retains a balance of Cash and Cash Equivalents in order to fund operating expenses pertaining to the investment managers and to aid in monthly retirement disbursements. Cash held at the Trust's custodian bank is automatically converted into a US Treasury short term investment fund to earn interest.

## Returns

Listed below are the annual returns for the Northwest Carpenters Retirement Trust for the past ten years.

Year	Rate of Return
2013	15.00%
2014	7.50%
2015	2.40%
2016	6.60%
2017	15.40%
2018	-2.10%
2019	18.50%
2020	-2.90%
2021	4.20%
2022	-0.04%

The 10-year total fund standard deviations of returns is 7.24%.

## Plan Expenses

Total expenses for the plan, including custodial, money manager fees, and administration average just under 0.7% of assets.

As you may know, the Northwest Carpenters Retirement Plan has a three-year vesting requirement. This means that contributions for individuals who leave the trade prior to becoming vested may eventually be forfeited. Forfeitures are used first to provide benefits for carpenters who work for delinquent employers who fail to make the required contributions. A second use of forfeitures is to pay plan administrative expenses.

## Ongoing Investment Activities

The Trustees meet quarterly to review each money manager's performance in relation to benchmarked expectations. The Trustees are assisted in investment matters by a national consulting firm specializing in the retirement plan investment process. This plan's asset strategy is moderately conservative when compared to other plans of its type.

## Questions?

Please contact Retirement Services at Northwest Carpenters Trusts if you have questions about the Northwest Carpenters Retirement Plan: (800) 552-0635. If you have questions about the Northwest Carpenters Individual Account Pension Plan, please contact the Milliman Service Center: (866) 767-1212 or [www.MillimanBenefits.com](http://www.MillimanBenefits.com).