

**MICHIGAN CARPENTERS'
PENSION FUND**

Lansing, Michigan

FINANCIAL STATEMENTS

August 31, 2022

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John M. Grace, CPA
Bryan D. Stulz, CPA
George Benda, CPA
(1941-2007)



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Michigan Carpenters' Pension Fund
6525 Centurion Drive
Lansing, MI 48917

Gentlemen:

Opinion

We have audited the accompanying financial statements of Michigan Carpenters' Pension Fund, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of August 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the years then ended, the statement of accumulated plan benefits as of August 31, 2021 and 2020, the related statement of changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Michigan Carpenters' Pension Fund as of August 31, 2022 and 2021, and the changes in its net assets available for benefits for the years then ended, and the accumulated plan benefits as of August 31, 2021 and 2020, and changes in its accumulated plan benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Michigan Carpenters' Pension Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Michigan Carpenters' Pension Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Michigan Carpenters' Pension Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Michigan Carpenters' Pension Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Bender, Gura, Stel & Company, P.C.

Sterling Heights, Michigan
March 21, 2023

MICHIGAN CARPENTERS' PENSION FUND
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	August 31,	
	2022	2021
<u>ASSETS</u>		
Investments at fair value (Notes B and E):		
Common stock	\$ 56,564,365	\$ 61,946,330
Mutual funds	209,156,869	276,249,771
Common collective trusts	21,363,080	20,542,185
Insurance company separate accounts	3,294,390	3,263,153
Real estate common collective trusts	3,429,956	3,877,580
Hedge fund of funds	82,093,876	89,550,345
Limited partnerships	<u>259,228,447</u>	<u>249,869,703</u>
Total investments	<u>635,130,983</u>	<u>705,299,067</u>
Receivables:		
Employer contributions (Note B)	4,955,973	4,488,263
Accrued interest and dividends	30,111	52,400
Unsettled investment transactions	66,619	52,114
Other	<u>40,858</u>	<u>45,822</u>
Total receivables	<u>5,093,561</u>	<u>4,638,599</u>
Other assets:		
Unexpired insurance premiums	21,543	20,679
Cash	<u>7,202,994</u>	<u>8,145,667</u>
Total other assets	<u>7,224,537</u>	<u>8,166,346</u>
Total assets	<u>647,449,081</u>	<u>718,104,012</u>
<u>LIABILITIES</u>		
Accounts payable	1,527,204	1,563,731
Unsettled investment transactions	<u>994,425</u>	<u>501,193</u>
Total liabilities	<u>2,521,629</u>	<u>2,064,924</u>
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>	<u>\$644,927,452</u>	<u>\$716,039,088</u>

The accompanying notes are an integral part of these financial statements.

MICHIGAN CARPENTERS' PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years ended August 31,	
	2022	2021
<u>ADDITIONS</u>		
Net investment income (loss) (Note F)	\$ (54,030,600)	\$ 128,243,961
Employer contributions	54,471,887	52,732,966
Liquidated damages collected	7,870	8,405
Other	1,258	-
Total additions	450,415	180,985,332
<u>DEDUCTIONS</u>		
Benefit payments	70,235,879	68,377,243
Administrative expenses:		
Administrative manager's fee	351,459	343,597
Payroll audit fees	262,425	202,568
Premiums paid Pension Benefit Guaranty Corporation	251,007	243,390
Collection fees and expenses	109,106	100,832
Trustee and fiduciary liability insurance and bonding	62,505	60,487
Actuarial fees	49,333	57,972
Computer processing	43,456	43,456
Printing and miscellaneous	41,103	54,613
Legal fees	35,099	34,746
Postage	32,808	34,407
Audit fee	27,000	26,750
Bank service charges	18,957	16,005
Member communication	18,891	36,445
Conference and meeting expenses	9,287	3,634
Dues and subscriptions	6,000	6,965
Participant notices	4,716	5,393
Medical examinations	3,020	-
Total administrative expenses	1,326,172	1,271,260
Total deductions	71,562,051	69,648,503
<u>NET INCREASE (DECREASE)</u>	(71,111,636)	111,336,829
<u>NET ASSETS AVAILABLE FOR BENEFITS</u>		
Beginning of year	716,039,088	604,702,259
End of year	\$ 644,927,452	\$ 716,039,088

The accompanying notes are an integral part of these financial statements.

MICHIGAN CARPENTERS' PENSION FUND
STATEMENT OF ACCUMULATED PLAN BENEFITS

	Years ended August 31,	
	2021	2020
<u>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</u>		
Vested benefits:		
Participants currently receiving payments	\$ 624,769,441	\$ 612,153,376
Expenses on participants currently receiving benefits	12,495,389	12,243,068
Other participants	345,699,432	349,570,871
Expenses on other participants	<u>6,913,989</u>	<u>6,991,417</u>
	<u>989,878,251</u>	<u>980,958,732</u>
Non-vested benefits:		
Non-vested accumulated benefits	14,402,535	9,221,286
Expenses on non-vested benefits	<u>288,051</u>	<u>184,426</u>
	<u>14,690,586</u>	<u>9,405,712</u>
<u>TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS</u>	<u>\$1,004,568,837</u>	<u>\$ 990,364,444</u>

The accompanying notes are an integral part of these financial statements.

MICHIGAN CARPENTERS' PENSION FUND
STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

	Years ended August 31,	
	2021	2020
<u>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT BEGINNING OF YEAR</u>	\$ 990,364,444	\$972,911,375
Increase (decrease) during the year attributable to:		
Change in actuarial assumption	1,236,608	1,238,907
Benefits accumulated and experience gain or loss	8,338,955	11,280,882
Interest due to decrease in discount period	74,277,333	72,968,353
Benefits paid	(68,377,243)	(66,734,116)
Operational expenses paid	(1,271,260)	(1,300,957)
Net increase	14,204,393	17,453,069
<u>ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF YEAR</u>	\$1,004,568,837	\$990,364,444
	=====	=====

The accompanying notes are an integral part of these financial statements.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS

Note A: **Description of the Plan**

The following brief description of the Michigan Carpenters' Pension Fund, as in effect on August 31, 2022 is provided for general purposes only. For more complete information, refer to the amended and restated Plan document.

1. **General** – The Pension Fund was established effective August 6, 1963 as a result of collective bargaining. The Plan is a defined benefit pension plan covering all employees working under collective bargaining agreements which require contributions to the Fund. It is a multi-employer fund subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.
2. **Retirement Benefits** – Information about the Plan, the vesting and benefit provisions is contained in the Summary Plan Description. Copies are available at the offices of each participating Local Union or the Fund Office.

Note B: **Summary of Significant Accounting Policies**

1. **General** – The accounting records of the Plan are maintained on the accrual basis of accounting. Contributions received subsequent to August 31, 2022, attributed to hours worked prior to September 1, 2022, have been reflected as contributions due from employers as of August 31, 2022, in accordance with the consistent policy of the Fund.
2. **Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.
3. **Valuation of Investments** – Quoted market prices, where available, are used to value investments at fair value. The change in the difference between cost and fair value from the beginning of the year to the end of the year, as well as the realized gains and losses during the year, is reflected as net appreciation (depreciation) in fair value of investments. Investments with no quoted market price represent estimated fair value.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Note B: **Summary of Significant Accounting Policies (Continued)**

4. Actuarial Present Value of Accumulated Plan Benefits – Accumulated plan benefits are those future periodic payments, including lump sum distributions, that are attributable under the Plan provisions to the service participants have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of participants who have died and (c) present participants or their beneficiaries. Benefits under the plan are based on participants' service credit as described in the Summary Plan Description. The accumulated plan benefits for active participants are based on their service credit on the dates as of which the benefit information is presented August 31, 2021 and 2020. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included, to the extent they are deemed attributable to participant service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from plan assets are excluded from accumulated plan benefits.

The actuarial present value of accumulated plan benefits is determined by an actuary from United Actuarial Services, Inc. and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of August 31, 2021 and 2020 were (a) life expectancy of participants; 120% of the PRI-2012 Blue Collar Mortality Table for Employees and Healthy Annuitants and 90% of the PRI-2012 Blue Collar Mortality Tables for female employees and healthy annuitants projected forward using the MP-2021 projection scale was used for 2021 and 110% of the PRI-2012 Blue Collar Mortality Table for Employees and Healthy Annuitants projected forward using the MP-2020 Projection Scale and for female annuitants the contingent survivor table was used for 2020, (b) retirement age (based upon certain retirement probabilities) and (c) investment return. The 2021 and 2020 valuations included the assumed average rate of return of 7.5%. Administrative expenses associated with providing benefits for the 2021 and 2020 valuations were assumed at \$1,350,000. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

Note C: **Funding Policy**

The Plan is funded entirely by employer contributions as specified in the collection bargaining agreements. Contributions for the years ended August 31, 2022 and 2021 exceeded the minimum funding requirements of ERISA.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Note D: Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These level 3 fair value measurements are based primarily on management's own estimates, using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the assets. Significant level 3 inputs include information provided by fund managers, third-party appraisals, year-end audited financial statements, projected discounted cash flows, and net asset value with adjustments related to certain restrictions. Management assesses the valuation of these investments through the engagement of a third-party investment advisor and periodic meetings to review these investments.

In instances where by inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Fund's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factor specific to each asset.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Note D: Fair Value Measurements (Continued)

The following valuation methodologies have been used to value the Fund's investments:

Corporate bonds and notes – These investments are valued using quoted market prices and/or other market data for the same or comparable instruments and transactions in establishing the prices, discounted cash flow models, and other pricing models. These models are primarily industry-standard models that consider various assumptions, including time value and yield curve as well as other relevant economic measures.

Common stocks – Common stocks, which are primarily comprised of U.S. common stocks, are valued at closing quoted prices reported in active markets.

Mutual funds – Mutual funds are valued at closing quoted prices reported in active markets.

Common collective trust funds – Common collective trust funds are valued at net asset value per shares (or its equivalent) of the funds, which is based on the fair value of the Fund's underlying net assets.

Limited partnerships – Limited partnerships are valued based on the Fund's percentage ownership of the net assets of each entity or at net asset value per share (or its equivalent) based on audited investee financial statements, with adjustments to account for partnership activity and other applicable valuation adjustments, where applicable.

Insurance company separate accounts – Insurance company separate accounts are valued at net asset value per share (or its equivalent) of the investment, which is based on the fair value of insurance company's underlying net asset.

Real estate common collective trusts – Real estate common collective trusts are valued at net assets value per share (or its equivalent) of the real estate, which is based on the fair value of the real estate's underlying net assets.

Hedge fund of funds – Hedge fund of funds are valued at net assets value per share (or its equivalent) of the Hedge funds which is based on the fair value of Hedge funds underlying net asset.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to estimate fair value could result in a different fair value measurement at the reporting date.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note D: Fair Value Measurements (Continued)

The following table sets forth by level, the fair value hierarchy:

Fair Value Measurement at August 31, 2022

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	\$ 56,564,365	\$ 56,564,365	\$ -	\$ -
Mutual funds	<u>209,721,234</u>	<u>209,156,869</u>	<u>-</u>	<u>-</u>
Total	265,721,234	<u>\$265,721,234</u>	<u>\$ -</u>	<u>\$ -</u>
Investment measured at NAV:				
Common collective trusts	21,363,080			
Insurance company separate accounts	3,294,390			
Real estate common collective trusts	3,429,956			
Hedge fund of funds	82,093,876			
Limited partnerships	<u>259,228,447</u>			
	<u>\$635,130,983</u>			

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note D: Fair Value Measurements (Continued)

Fair Value Measurement at August 31, 2021

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	\$ 61,946,330	\$ 61,946,330	\$ -	\$ -
Mutual funds	<u>276,249,771</u>	<u>276,249,771</u>	<u>-</u>	<u>-</u>
Total	338,196,101	\$338,196,101	\$ -	\$ -
 Investment measured at NAV:				
Common collective trusts	20,542,185			
Insurance company separate accounts	3,263,153			
Real estate common collective trusts	3,877,580			
Hedge fund of funds	89,550,345			
Limited partnerships	<u>249,869,703</u>			
	<u>\$705,299,067</u>			

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note D: Fair Value Measurements (Continued)

At year end, the fair value, unfunded commitments, and redemption limitations of those investments are as follows:

	Fair Value		Unfunded Commitments	Redemption	
	August 31,			Frequency, If Eligible	Redemption Notice Period
	2022	2021			
Common collective trust:					
Short Term Investment Fund	6,226,820	4,713,259	\$ -	Daily	N/A
MEPT	7,213,655	5,634,094	-	Daily	N/A
William Blair Emerging Small Cap Growth CIT	7,922,605	10,194,832	-	Daily	N/A
Real estate common collective trusts					
Real Estate Trust	3,429,956	3,877,580	-	Daily	N/A
Insurance company separate accounts					
Separate Account J	3,294,390	3,263,153	-	Monthly	N/A
Hedge funds of funds					
Global Equity, L.P.	24,926,111	27,343,757	-	Monthly	N/A
Lighthouse Global Long/Short Fund, L.P.	15,978,224	16,000,321	-	Monthly	N/A
Entrust Special Opportunities Fund IV, Ltd	8,619,940	10,832,484	-	Monthly	N/A
Entrust Capital Diversified Fund, Ltd	976,746	1,317,086	4,023,222	Monthly	N/A
Grosvenor Special Opportunities Fund, Ltd.	25,408,061	29,817,314	-	Monthly	N/A
Entrust Special Opportunities Fund III, Ltd	1,000,343	1,759,025	-	Monthly	N/A
Labor Impact feeder Fund, L.P.	5,062,293	2,068,336	2,529,334	Quarterly	N/A
Entrust Special Opportunities Fund II, Ltd	122,158	412,022	-	Monthly	N/A
Limited Partnerships:					
Goldpoint Mezzanine Partners IV, L.P.	5,363,495	5,154,445	330,322	Quarterly	N/A
Ullico Infrastructure Tax-Exempt Fund, L.P.	6,770,177	6,192,255	-	Quarterly	N/A
Harrison Street Core Property Fund, L.P.	12,136,315	10,873,141	-	Quarterly	N/A
AG Core Plus Realty Fund III, L.P.	614,774	787,902	463,581	Quarterly	N/A
Core Fixed Income Fund, LLC	32,703,786	36,401,951	-	Quarterly	N/A
High Yield Corporate Funds, LLC	3,136,847	3,491,564	-	Quarterly	N/A
Total Absolute Return Funds, LLC	4,576,246	5,093,731	-	Quarterly	N/A
Preferred Stock Fund II, LLC	3,505,026	3,901,375	-	Quarterly	N/A
Dover Street VIII Cayman Fund, L.P.	1,259,446	2,243,000	-	Quarterly	N/A
Small Company Private Equity Fund VI, LP	6,114,960	8,485,700	1,245,644	Quarterly	N/A
Riverstone Credit Partners, L.P.	2,313,723	2,254,275	257,417	Quarterly	N/A
Alcentra Multi-Strategy European Credit, L.P.	3,465,962	3,045,130	-	Quarterly	N/A
Alcentra European Credit Opportunities Fund	3,607,430	3,154,305	-	Quarterly	N/A
Alliance Fund II, L.P.	4,533,361	5,253,377	-	Quarterly	N/A
TCW Capital, L.P.	27,159	33,061	-	Quarterly	N/A
Clarent EDL (Levered) II USD Feeder SCSp	5,053,048	6,967,646	890,667	Quarterly	N/A
Kabouter International Opportunities Fund II, LLC	561,782	15,387,297	-	Quarterly	N/A
Goldentree Distressed Fund III (Cayman), L.P.	3,183,875	4,987,268	906,291	Quarterly	N/A
Intercontinental U.S. Real Estate Investment Fund, LLC	14,513,317	11,416,959	-	Quarterly	N/A
Kayne Private Energy Income Fund II, L.P.	1,996,197	1,852,750	4,158,096	Quarterly	N/A
Crescent Capital Trust II Levered, L.P.	4,188,396	3,434,773	-	Quarterly	N/A

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note D: Fair Value Measurements (Continued)

	Fair Value		Unfunded Commitments	Redemption	
	August 31,			Frequency, If Eligible	Redemption Notice Period
	2022	2021			
Limited Partnerships:					
Private Advisors Small Company Private Equity Fund VIII, L.P.	5,441,160	4,421,005	1,693,898	Quarterly	N/A
U.S. Bancorp Emerging Markets Equities Series, L.P.	28,503,976	22,591,651	-	Quarterly	N/A
Blue Rock Plus Fund, L.P.	52,997,955	59,023,770	-	Quarterly	N/A
Backcast Credit Opportunities Fund, L.P.	4,012,096	4,560,046	1,524,790	Quarterly	N/A
Schroder Taft-Hatley Income Fund, L.P.	9,517,775	6,979,366	1,544,559	Quarterly	N/A
NB Strategic Investment Cayman Partners IV, L.P.	3,573,437	1,866,317	463,194	Quarterly	N/A
Raintree Credit Opportunity Fund, L.P.	8,422,271	10,015,643	-	Quarterly	N/A
Washington Capital RE Opp VIII, L.P.	1,917,686	-	-	Quarterly	N/A
Mesirow Floating Rate Fund I, L.P.	7,402,200	-	-	Quarterly	N/A
Mesirow Private Equity Fund VIII, L.P.	2,440,754	-	-	Quarterly	N/A
BPEA Strategic Healthcare I-B, L.P.	4,284,821	-	-	Quarterly	N/A
Lindsell Train Global Equity, L.P.	10,848,994	-	-	Quarterly	N/A
Siguler Guff Small Buyout Opportunities Fund V, L.P.	240,000	-	9,760,000	Quarterly	N/A
	<u>\$ 339,913,134</u>	<u>\$ 323,056,273</u>	<u>\$ 29,791,015</u>		

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note E: Investments

Except for the real estate common collective trust with AmeriServe, the common collective trusts with The Boston Asset Management Company and NewTower Trust, the mutual funds, insurance company separate accounts and the Hedge Fund of Funds and limited partnerships, the Plan's investments are held by Comerica Bank as custodian and managed by several investment management companies.

The following is a comparison of cost to market value of investments, other than cash, held at August 31, 2022:

	<u>Market Value</u>	<u>Cost</u>	<u>Market Value Over (Under)</u>
Common stock	\$ 56,564,365	47,338,557	9,225,808
Mutual funds	209,156,869	115,553,856	93,603,013
Common collective trusts	21,363,080	18,514,909	2,848,171
Insurance company separate accounts	3,294,390	3,247,520	46,870
Real estate common collective trust	3,429,956	3,841,370	(411,414)
Hedge funds of funds	82,093,876	69,854,722	12,239,154
Limited partnerships	<u>259,228,447</u>	<u>214,257,259</u>	<u>44,944,029</u>
	<u>\$635,130,983</u>	<u>\$472,608,193</u>	<u>\$162,522,790</u>

During the Plan years ended August 31, 2022 and 2021 the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value by \$(63,292,726) and \$122,430,330, respectively, as follows:

	<u>Years ended August 31,</u>	
	<u>2022</u>	<u>2021</u>
Common stock	\$ (2,218,238)	\$ 20,052,483
Corporate bonds and notes	-	(2)
Mutual funds	(20,319,005)	55,794,469
Real estate common collective trust	(537,914)	6,444
Insurance company separate accounts	(61,079)	(1,143,411)
Common collective trusts	(698,568)	603,434
Hedge funds of funds	(9,611,457)	15,427,916
Limited partnerships	<u>(29,846,465)</u>	<u>31,686,997</u>
	<u>\$ (63,292,726)</u>	<u>\$122,430,330</u>

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note F: Net Investment Income

Following is a summary of investment income earned for the years ended August 31,

	2022	2021
Investment income:		
Interest	\$ 24,062	\$ 131,241
Dividends	897,580	1,040,697
Other	10,506,586	6,796,729
Net appreciation (depreciation) in fair value of investments	(63,292,726)	122,430,330
	(51,864,498)	130,399,297
less – investment expenses	2,166,102	2,155,336
	\$ (54,030,600)	\$ 128,243,961

Note G: Investment in Limited Partnerships

The Plan's investment include ownership interest in limited partnerships as follows:

AG Core Plus Realty Fund III, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in real estate.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note F(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note G: **Investment in Limited Partnerships** (Continued)

Harbor Vest Partners, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in equity-oriented investments in venture capital, management buy-in, management buy-out, leveraged buy-out, mezzanine, special situation, and recapitalization transactions.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Private Advisors Small Company Private Equity Fund VI, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in lower middle market partnerships that will target companies of less than \$150 million of enterprise value that generate \$10 million - \$15 million of EBITDA.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Private Advisors Small Company Private Equity Fund VI, L.P.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note F(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note F(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Riverstone Credit Partners, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in the global energy sector with a particular focus on opportunities in the global exploration and production and midstream energy subsectors.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note G: **Investment in Limited Partnerships** (Continued)

Riverstone Credit Partners, L.P. (Continued)

- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the “non-allocable net loss”) shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Alcentra European Credit Opportunities

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in European senior secured loans, structured credit and special situations.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the “non-allocable net loss”) shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

North Sky Alliance Fund II, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in finance and construct clean energy and water infrastructure in the United States.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Clareant EDL (Levered) II USD Feeder SCSP, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in secured debt of borrowers in the higher quality category of the European sub-investment grade corporate debt market.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Clareant EDL (Levered) II USD Feeder SCSP, L.P (Continued)

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

Kabouter International Opportunities Fund II, LLC

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in the global energy sector with a particular focus on opportunities in the global exploration and production and midstream energy subsectors.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: **Investment in Limited Partnerships** (Continued)

Goldpoint Mezzanine Partners IV, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in cash pay subordinated debt and associated equity securities or warrants in conjunction with middle market buyouts.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note F(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note F(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Ullico Infrastructure Tax-Exempt Fund, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in a diverse portfolio of quality infrastructure businesses, focusing on underserved and growing markets of the U.S. and Canada.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Ullico Infrastructure Tax-Exempt Fund, L.P. (Continued)

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Harrison Street Core Property Fund, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in real estate investments, directly or indirectly through joint ventures, co-ownerships, or any capacity.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Harrison Street Core Property Fund, L.P.

- a) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

NIS Core Fixed Income Fund, LLC

The Plan has invested in this limited liability company and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited liability company invests in diverse portfolio of fixed income security consisting primarily of U.S. government, corporate and mortgage-backed securities.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

NIS High Yield Fund, LLC

The Plan has invested in this limited liability company and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited liability company invests in diverse portfolio of high yield fixed income corporate securities by emphasizing securities of companies with improving credit ratings in recovering industries.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note F(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note F(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

NIS Total Absolute Return Fund, LLC

The Plan has invested in this limited liability company and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited liability company invests in fixed-income securities consisting primarily of the Bloomberg Barclays Aggregate 1-3 Year Index and similar securities.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: **Investment in Limited Partnerships** (Continued)

NIS Total Absolute Return Fund, LLC

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

NIS Preferred Stock Fund II, LLC

The Plan has invested in this limited liability company and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited liability company invests in a diverse portfolio consisting primarily of domestic corporate preferred stocks and preferred-like fixed income securities.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

NIS Preferred Stock Fund II, LLC (Continued)

- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Alcentra Multi-Strategy European Credit Fund

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in European senior secured loans, structured credit, and special situations.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- a) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Goldentree Distressed Fund III (Cayman), L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in global distressed opportunities in mid-cap and large-cap companies.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Intercontinental U.S. Real Estate Investment Fund, LLC

The Plan has invested in this limited liability company and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited liability company acquires yield-driven assets consisting of all property types.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Intercontinental U.S. Real Estate Investment Fund, LLC (Continued)

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Kayne Private Energy Income Fund II, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to acquire and develop large, long-life producing oil and gas assets in North America.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note G: **Investment in Limited Partnerships** (Continued)

Kayne Private Energy Income Fund II, L.P.

- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Crescent Capital Trust II Levered, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in multi-asset class diversified portfolios of primarily below investment grade debt securities.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Private Advisors Small Company Private Equity Fund VIII, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership invests in lower middle market partnerships that will target companies of less than \$150 million of enterprise value that generate \$10 million - \$15 million of EBITDA.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

U.S. Bancorp Emerging Market Equities Series, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to invest in middle-market companies in the U.S.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

U.S. Bancorp Emerging Market Equities Series, L.P. (Continued)

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Blue Rock Plus Fund, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to provide capital appreciation while limiting exposure to market risk through a liquid "multi-manager" investment manager.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note G: **Investment in Limited Partnerships** (Continued)

Blue Rock Plus Fund, L.P. (Continued)

- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the “non-allocable net loss”) shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Backcast Credit Opportunities Fund I, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership was organized for the purpose of constructing a diversified portfolio of largely credit-based investments primarily in U.S. traditional middle-market securities.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the “non-allocable net loss”) shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note G: **Investment in Limited Partnerships** (Continued)

Schroder Taft-Hartley Income Fund, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to maximize risk-adjusted income by dynamically investing across a diversified portfolio of equities, fixed income aiming to generate an attractive level of income.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

NB Strategic Co-Investment Cayman Partners IV, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to build a diversified portfolio of direct co-investments in buyout and growth equity transactions alongside high quality private equity sponsors.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note G: **Investment in Limited Partnerships** (Continued)

NB Strategic Co-Investment Cayman Partners IV, L.P. (Continued)

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Raintree Credit Opportunity Fund, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to maximize risk-adjusted income by dynamically investing across a diversified portfolio of equities, fixed income aiming to generate an attractive level of income.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Raintree Credit Opportunity Fund, L.P. (Continued)

- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the “non-allocable net loss”) shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Washington Capital Real Estate Opportunities VIII Fund, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to invest in core and non-core real estate across the United States.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the “non-allocable net loss”) shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: **Investment in Limited Partnerships** (Continued)

Mesirow Private Equity Fund VIII, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to invest in across the private equity asset class through diversified portfolios of highly sought after managers and co-investment opportunities.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

BPEA Strategic Healthcare I-B, L.P.

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to invest in private healthcare companies, both directly and through specialist healthcare private equity firms.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS

(Continued)

Note G: Investment in Limited Partnerships (Continued)

BPEA Strategic Healthcare I-B, L.P. (Continued)

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Lindsell Train Global Equity, L.P.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.

MICHIGAN CARPENTERS' PENSION FUND

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

Note G: Investment in Limited Partnerships (Continued)

Lindsell Train Global Equity, L.P. (Continued)

- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

Sigular Guff Small Buyout Opportunities V Fund, L.P. (Continued)

The Plan has invested in this limited partnership and holds an ownership interest proportionate to the ratio of its capital contribution to total capital contributed by all partners.

The limited partnership looks to invest in small and lower middle market companies through commitments to private equity funds and equity co-investments alongside fund managers and deal sponsors.

The methodology by which gains and losses, net of expenses of the partnership are to be allocated is as follows:

- a) Net gain - Net profits shall be first allocated to the General Partner if net losses were allocated to the general partner pursuant to Note G(b) below with respect to the non-allocable net loss of the limited partners, until the cumulative amount of net profits allocated to the general partner pursuant to this Note G(a) for the then current and all previous accounting periods is equal to the cumulative amount of net losses allocated to the general partner pursuant to Note G(b) with respect to the non-allocable net loss of the limited partners for all previous accounting periods.
- b) Net loss - Net losses, if any, for an accounting period shall be allocated to the Partners in proportion to their respective percentage interest as of the first day of that accounting period except that, to the extent that such an allocation of net losses to a limited partner would result in such limited partner having an adjusted capital account deficit at the end of any accounting period, such allocation of net losses (the "non-allocable net loss") shall not be made but instead the non-allocable net loss shall be reallocated to the general partner. In the event any limited partner has an adjusted capital account deficit at the end of any fiscal year, such limited partner shall be specially allocated items of partnership income and gain in the amount of such excess as soon as practicable.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note H: **Plan Termination**

In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivors' pension benefits. However, PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations.

Whether all participants receive their benefits should the Plan terminate at some time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the Pension Benefit Guaranty Corporation.

Note I: **Tax Status**

The trust established under the Plan to hold the Plan's assets is qualified and exempt from income taxes pursuant to Sections 401(a) and 501(a) respectively, of the Internal Revenue Code. The Plan has obtained a favorable tax determination letter from the Internal Revenue Service and the Plan sponsor believes the Plan, as amended, continues to qualify and to operate as designed.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Fund and recognize a tax liability (or asset) if the Fund has taken an uncertain position that more likely than not would not be sustained upon examination by the taxing authorities. The Fund is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note J: **Risks and Uncertainties**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Note J: Risks and Uncertainties (Continued)

In addition to investments and cash equivalents, financial instruments which potentially subject the Plan to concentrations of credit risk consist principally of cash. The Plan places its cash with tier I financial institutions. At times, the amount of cash on deposit in banks may be in excess of the respective financial institution's FDIC insurance limit.

Note K: Securities Lending

The Trustees of the Plan have an agreement with the custodial bank for the Plan authorizing the bank to lend securities held in the Plan account to third parties. The bank must obtain collateral from the borrower in the form of cash, letters of credit issued by an entity other than the borrower, or acceptable securities. Both the collateral and the securities loaned are marked-to-market on a daily basis so that all loaned securities are fully collateralized at all times. In the event that the loaned securities are not returned by the borrower, the bank will at its own expense either replace the loaned securities or, if unable to purchase those securities on the open market, credit the Plan account with cash equal to the fair value of the loaned securities.

The Plan and the bank each receive a percentage of the net income derived from securities lending activities based on the type of securities. Income earned during year ended August 31, 2022 was \$303 net of bank fees of \$100.

Although the Plan's securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrowers of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities or the collateral. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

The fair value of securities loaned by the plan is \$1,145,588 at August 31, 2022.

Note L: Securities Lending Deficiency

During the year ended August 31, 2010, the Fund was notified by Comerica Bank about an unrealized loss in the securities lending collateral pool. The Fund recognized a loss in the amount of \$698,998 as a result. During the year ended August 31, 2014, \$106,476 was credited against the deficiency as a result of a class action settlement and recognized as income. The remaining deficiency of \$501,193 is carried on the books as a liability but is not required to be paid at this time.

Note M: Employer Withdrawal Liability

The Fund complies with provisions of the Multi-Employer Pension Plan Amendments Act of 1980 that require imposition of "withdrawal liability" on a contributing employer that partially or totally withdraws from the Fund. The Fund uses the presumptive method, as described in ERISA 4211(b), to allocated unfunded vested benefits to employers that withdraw. This is the method by statute for use by construction industry plans.

MICHIGAN CARPENTERS' PENSION FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

Note N: **Reportable Transactions**

The United States Department of Labor requires all transactions in excess of 5% of the current value of the Plan's net assets for non-participant-directed investments to be disclosed separately in the financial statements as a reportable transaction.

Note O: **Party-in-Interest Transactions**

Plan investments, with exception of the mutual funds, certain common collective trust, insurance company separate accounts, real estate common collective trusts and hedge fund of funds are held at Comerica (the Custodian). The transactions of the Custodian qualify as party-in-interest transactions.

Fees paid during the year for legal, auditing, investment manager, investment advisor, and other professional services rendered by parties-in-interest were based on customary and reasonable rates for such services.

Note P: **Subsequent Events**

The date to which events occurring after August 31, 2022, the date of the most recent Statement of Net Assets Available for Benefits, have been evaluated for possible adjustment to the financial statements or disclosures is March 21, 2023, which is the date on which the financial statements were available to be issued.

Note Q: **Joint Delinquency Committee**

A joint delinquency committee was established in March, 2012 by common resolution of the Michigan Carpenters' Funds. It is authorized to act on behalf of all Michigan Carpenters' Funds. It is authorized to act on behalf of all Michigan Carpenters' Funds in the duties of collecting contributions and arranging and evaluating audits of contributing employers. Pursuant to an amendment adopted on March 27, 2012, Michigan Carpenters' Funds contribute a pro-rata share of the cost of performing the previously mentioned duties.

Expenses incurred in connection with collection of delinquent employer contributions for the various Michigan Carpenters' Funds are being paid from the Michigan Carpenters' Pension Fund. Net additions and deductions are reported as net collection program expenses on the statement of changes in net assets available for benefits. The Pension Fund is reimbursed by the Michigan Carpenters' Health Care Fund, Michigan Carpenters' and Millwrights' Statewide Joint Apprenticeship and Training Fund, Michigan Carpenters' Annuity Fund, and Carpenters' International Training Center for a pro-rated share of these expenses. The Fund incurred collective expenses of \$134,322 related to other Funds' pro-rated share of the aforementioned expenses for the year ended August 31, 2022. Approximately \$40,858 and \$45,822 of reimbursements are due from various fringe benefit funds at August 31, 2022 and 2021, respectively.

MICHIGAN CARPENTERS' PENSION FUND
SUPPLEMENTAL SCHEDULES



John M. Grace, CPA
Bryan D. Stulz, CPA
George Benda, CPA
(1941-2007)



**INDEPENDENT AUDITOR'S
REPORT ON SUPPLEMENTAL INFORMATION**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held for investments and schedule of reportable transactions for the year ended August 31, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Benda, Grace, Stulz & Company, P.C.

Sterling Heights, Michigan
March 21, 2023

MICHIGAN CARPENTERS' PENSION FUND
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT
Employer I.D. No. 38-6233978 Plan No. 001
August 31, 2022

Party-in Interest	Identity of Issue, Borrower, Lessor, Or Similar Party	Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
COMMON STOCK				
	ACI Worldwide Inc	Common stock	\$ 1,353,405	\$ 1,177,890
	Adapthealth Corp	Common stock	193,617	233,610
	Aerojet Rocketdyne Hldgs Inc	Common stock	878,982	1,012,145
	Air Lease Corp	Common stock	1,060,031	1,106,798
	Alexander & Baldwin Inc	Common stock	1,343,972	1,102,673
	Amerco Inc	Common stock	708,842	1,077,623
	Carters Inc	Common stock	505,461	450,485
	Change Healthcare Inc	Common stock	374,413	717,444
	Evo Pmts Inc	Common stock	169,081	226,576
	Element Solutions Inc	Common stock	677,517	625,445
	Emcor Group Inc	Common stock	467,887	639,790
	Encompass Health Corp	Common stock	443,277	574,097
	Enhabit Inc	Common stock	136,980	123,006
	First Amern Fino Corp	Common stock	382,858	395,900
	1st Ctzn Bancshares Inc	Common stock	410,623	1,243,111
	First Hawaiian Inc	Common stock	873,944	997,034
	First Source Corp	Common stock	153,344	283,140
	FrontDoor Inc	Common stock	1,183,531	744,316
	GMS Inc	Common stock	403,472	631,420
	Gentex Corp	Common stock	231,529	275,629
	Grand Canyon	Common stock	1,184,726	1,041,664
	Hillman Solutions Corp	Common stock	1,140,044	906,120
	IAA Spinco Inc	Common stock	241,296	242,525
	Insperity Inc	Common stock	787,328	1,514,288
	International Bancshares Corp	Common stock	427,821	523,294
	LPL Financial Holdings Inc	Common stock	177,997	575,458
	Lantheus Holdings Inc	Common stock	181,444	788,000
	Marcus & Millchap Inc	Common stock	857,250	1,149,435
	Maxar Technologies Inc	Common stock	1,583,000	1,286,820
	Maximus Inc	Common stock	529,310	448,366
	Par Technology Corp	Common stock	778,027	510,752
	Premier Inc	Common stock	660,375	715,372
	Sotera Health Company	Common stock	821,172	574,940
	Syneos Health Inc	Common stock	560,996	504,924
	Thor Ind Inc	Common stock	617,201	596,234
	Trinet Group Inc	Common stock	667,145	824,000
	Wintrust Financial Corp	Common stock	766,636	1,012,080
	Assured Guaranty Ltd	Common stock	789,190	755,836
	White Mountains Insurance	Common stock	569,247	965,850
	Ryman Hospitality Pptys Inc	Common stock	531,430	857,966
	Affiliated Managers Group Inc	Common stock	1,158,487	1,617,472

MICHIGAN CARPENTERS' PENSION FUND
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT
Employer I.D. No. 38-6233978 Plan No. 001
August 31, 2022

Party-in Interest	Identity of Issue, Borrower, Lessor, Or Similar Party	Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
COMMON STOCK - Continued				
	Altice USA Inc	Common stock	3,814,441	1,855,140
	Artisan Partners Asset Management Inc	Common stock	448,709	590,800
	Brown & Brown Inc	Common stock	419,850	1,103,200
	C H Robinson Worldwide Inc	Common stock	442,292	662,070
	Change Healthcare Inc	Common stock	1,297,184	2,776,410
	Enerpac Tool Group Corp	Common stock	827,394	731,496
	Franklin Resource Inc	Common stock	676,633	782,100
	HillenBrand Inc	Common stock	1,046,115	1,583,460
	IAA Spincor Inc	Common stock	602,357	633,420
	LPL Financial Holdings Inc	Common stock	624,449	2,700,226
	Molson Coors Brewing Co	Common stock	1,252,671	1,446,760
	Post Holdings Inc	Common stock	896,418	1,331,400
	Stericycle Inc	Common stock	1,795,828	1,753,150
	Sysco	Common stock	298,416	822,200
	US Foods Holdings Corp	Common stock	472,630	979,840
	Wiley John & Sons Inc	Common stock	915,638	989,645
	Clarivate Analytics Plc	Common stock	2,114,455	1,773,840
	Nielson Holdings Plc	Common stock	1,252,694	1,675,968
	Willis Towers Watson Plc	Common stock	1,157,495	1,323,712
	TOTAL COMMON STOCK		47,338,557	56,564,365
COMMON COLLECTIVE TRUSTS				
*	Comerica	Short Term Investment Fund	6,226,820	6,226,820
	New Tower Trust	MEPT	2,288,089	7,213,655
	William Blair	Emerging Markert Small Cap Growth CIT	10,000,000	7,922,605
	AFL-CIO Housing Investment Trust	Real Estate Trust	3,841,370	3,429,956
	TOTAL COMMON COLLECTIVE TRUSTS		22,356,279	24,793,036
HEDGE FUND OF FUNDS				
	ABS Investment Management	Global Equity, L.P.	21,834,513	24,926,111
	Lighthouse Partners	Lighthouse Global Long/Short Fund, L.P	10,500,000	15,978,224
	Maitland Administration Limited	Entrust Special Opportunities Fund IV Ltd	9,000,000	8,619,939
	Grosvenor Capital Management	Grosvenor Special Opportunities Fund, Ltd	20,697,735	25,408,061
	Maitland Administration Limited	Entrust Capital Diversified Fund Ltd	2,218,414	976,746
	Maitland Administration Limited	Labor Impact Fund	4,270,666	5,062,293

MICHIGAN CARPENTERS' PENSION FUND
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT
Employer I.D. No. 38-6233978 Plan No. 001
August 31, 2022

Party-in Interest	Identity of Issue, Borrower, Lessor, Or Similar Party	Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
<u>HEDGE FUND OF FUNDS - Continued</u>				
	Maitland Administration Limited	Entrust Special Opportunities Fund II Ltd	-	122,159
	Maitland Administration Limited	Entrust Special Opportunities Fund III Ltd	1,333,394	1,000,343
	TOTAL HEDGE FUND OF FUNDS		69,854,722	82,093,876
<u>MUTUAL FUNDS</u>				
	JP Morgan Investment Management Inc.	JP Morgan Special Situation Property Fund	3,505,215	8,160,495
	Mellon Capital	EB DV Global Alpha I Fund	9,638,216	13,619,447
	SEI Trust Company	Artisan Global Opportunities Trust Fund	4,900,000	40,751,462
	Loomis Sayles	Dynamic Fixed Income Fund	29,148,409	39,523,342
	Jennison Associates, LLC	Jennison Growth Equity Fund	7,400,806	22,346,979
	Walter Scott	NCS Group Trust Global Fund	32,443,210	49,470,072
	BNY Mellon	Beach Point Toral Return Offshore Fund	7,500,000	7,423,039
	SEI Trust Company	Aristotle Value Equity Fund	21,000,000	27,862,033
	TOTAL MUTUAL FUNDS		115,535,856	209,156,869
<u>POOLED SEPARATE ACCOUNTS</u>				
	The Union Labor Life Insurance Co.	Separate Account J	3,247,520	3,294,390
<u>LIMITED PARTNERSHIPS</u>				
	Goldpoint Partners	Goldpoint Mezzanine Partners IV, L.P.	3,639,050	5,363,495
	Ullico	Ullico Infrastructure Tax-Exempt Fund, L.P.	5,237,085	6,770,177
	Harrison	Harrison Street Core Property Fund, L.P.	10,000,000	12,136,315
	Agnelo, Gordon & Co.	AG Core Plus Realty Fund III, L.P.	612,838	614,774
	National Investment Services	Core Fixed Income Fund, LLC	32,765,505	32,703,786
	National Investment Services	High Yied Corporate Funds, LLC	3,142,767	3,136,847
	National Investment Services	Total Absolute Return Funds, LLC	4,584,882	4,576,246
	National Investment Services	Preferred Stock Fund, LLC	3,511,641	3,505,026
	HabourVest Partners, LLC	Dover Street VIII Cayman Fund, L.P.	378,567	1,259,446
	Private Advisors	Small Company Private Equity Fund VI, LP	2,473,659	6,114,960
	Riverstone	Riverstone Credit Partners, L.P.	2,660,069	2,313,723
	BNY Mellon	Alcenta Multi-Strategy European Credit, L.P.	3,299,155	3,465,962
	BNY Mellon	Alcentra European Credit Opportunities Fund, L.P.	525,364	3,607,430
	North Sky Capital, LLC	Alliance Fund II, L.P.	3,109,401	4,533,361

MICHIGAN CARPENTERS' PENSION FUND
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT
Employer I.D. No. 38-6233978 Plan No. 001
August 31, 2022

Party-in Interest	Identity of Issue, Borrower, Lessor, Or Similar Party	Description of Investments Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
LIMITED PARTNERSHIPS - Continued				
	Trust Company of the West	TCW Capital Trust	-	27,159
	Macfarlanes, LLP	Clarent EDL (Levered) II USD Feeder SCSp	6,776,712	5,053,048
	Kabouter Management, LLC	Kabouter International Opportunities Fund II, LLC	561,782	561,782
	GoldenTree	Distressed Fund III (Cayman), L.P.	1,470,993	3,183,875
	Intercontinental	U.S. Real Estate Investment Fund, LLC	10,000,000	14,513,317
	Kayne Anderson	Private Energy Income Fund II, L.P.	921,744	1,996,197
	Crescent Capital Group, L.P.	Crescent Capital Trust II Levered, LP	4,448,156	4,188,396
	Private Advisors	Small Company Private Equity Fund VIII, LP	2,874,093	5,441,160
	US Bancorp	Emerging Markets Equity Series, L.P.	22,500,000	28,503,976
	Blue Rock Advisors	Blue Rock Plus Fund, L.P.	36,020,575	52,997,955
	Backcast Partners Management, LLC	Backcast Credit Opportunities Fund I, L.P.	4,263,281	4,012,096
	Schroder Fund Advisors, LLC	Taft-Hartley Income Fund, L.P.	9,390,196	9,517,775
	Neuberger Berman	NB Strategic Co-Investment Cayman Partners IV, L.P.	2,638,558	3,573,437
	Apex	Raintree Credit Opportunity Fund L.P.	10,000,000	8,422,271
	Washington Capital	Real Estate Opportunity VIII Fund, L.P.	1,476,328	1,917,686
	Mesirow Private Equity	Floating Rate Fund I, L.P.	7,390,551	7,402,200
	Mesirow Private Equity	Private Equity Fund VIII, L.P.	2,436,914	2,440,754
	BPEA Private Equity	Strategic Healthcare I-B Fund, L.P.	2,907,391	4,284,821
	Lindsell Train	Global Equity Fund, L.P.	12,000,000	10,848,994
	Sigular Guff	Small Buyout Opportunities Fund V, L.P.	240,000	240,000
	TOTAL LIMITED PARTNERSHIPS		<u>214,257,257</u>	<u>259,228,447</u>
	TOTAL ASSETS HELD FOR INVESTMENT		<u>\$ 472,590,191</u>	<u>\$ 635,130,983</u>

MICHIGAN CARPENTERS' PENSION FUND
 SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
 Employer I.D. No. 38-6233978 Plan No. 001
 Year ended August 31, 2022

Identity of Party Involved	Description of Asset (Include Rate of Return and Maturity in Case of Loan)	Purchase Price	Selling Price	Lease Rental	Expense Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
iii) SERIES OF TRANSACTIONS IN EXCESS OF 5% OF THE CURRENT VALUE OF PLAN ASSETS								
Comerica Bank	Short-Term Fund C 280 purchases 161 sales	54,085,523	52,915,441			54,085,523 52,915,441	54,085,523 52,915,441	-

There were no reportable transactions under categories (i), (ii), and (iv).