OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND

Lansing, Michigan

FINANCIAL STATEMENTS

December 31, 2023

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BENDA, GRACE, STULZ & COMPANY, P.C.
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Member Of:
Employee Benefit Plan
Audit Quality Center
AICPA

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Outstate Michigan Trowel Trades Pension Fund
6525 Centurion Drive
Lansing, MI 48917

Trustees:

Opinion

We have audited the accompanying financial statements of Outstate Michigan Trowel Trades 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 December 31, 2023 and 2022, 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 December 31, 2022 and 2021, 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 Outstate Michigan Trowel Trades Pension Fund as of December 31, 2023 and 2022, and the changes in its net assets available for benefits for the years then ended, and the accumulated plan benefits as of December 31, 2022 and 2021, 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 Outstate Michigan Trowel Trades 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 Outstate Michigan Trowel Trades 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 Outstate Michigan Trowel Trades 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 Outstate Michigan Trowel Trades 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.

Sterling Heights, Michigan
October 3, 2024

OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2023	2022
ASSETS		
Investments at fair value (Notes B, D and E):		
Common stocks	$ -	$ 1,928,074
Real estate funds	6,877,170	9,104,212
Common collective trusts	38,582,624	32,562,112
Mutual funds	14,609,800	11,102,587
Hedge fund of funds	1,358,103	2,020,849
Limited partnerships (Note F)	15,968,239	15,140,455
Total investments	77,395,936	71,858,289
Receivables:		
Employer contributions (Note B)	262,633	218,310
Accrued interest and dividends	2,082	3,056
Unsettled investment transactions	2,887,190	1,261,133
Other	100	100
Total receivables	3,152,005	1,482,599
Other assets:		
Prepaid expenses	15,362	15,267
Unexpired insurance premiums	5,703	6,593
Cash	972,235	805,924
Total other assets	993,300	827,784
Total assets	81,541,241	74,168,672
LIABILITIES		
Accounts payable	67,087	61,801
Employer net variances	129,617	110,968
Unsettled investment transactions	151,072	3,977
Total liabilities	347,776	176,746
NET ASSETS AVAILABLE FOR BENEFITS	$ 81,193,465	$ 73,991,926

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

OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years ended December 31, 2023	2022
ADDITIONS		
Net investment income (loss) (Note G)	$ 9,206,279	$ (8,302,584)
Employer contributions	3,962,843	3,490,177
Employer withdrawal assessment	44,325	25,553
Liquidated damages collected	2,180	561
Total additions	13,215,627	(4,786,293)
DEDUCTIONS		
Benefit payments	5,773,417	5,342,208
Administrative expenses:		
Administrative manager's fees	57,069	57,069
Premiums paid Pension Benefit Guaranty Corporation	46,340	42,752
Actuarial fees	23,300	23,000
Payroll audit fees	21,986	9,750
Audit fee	19,400	19,150
Trustee and fiduciary liability insurance and bonding	16,817	16,635
Legal fees	15,244	7,143
Member communications	13,507	8,130
Printing and miscellaneous	12,879	14,264
Education and affiliation dues	5,600	4,978
Lockbox and bank service charges	2,706	9,611
Form 5500 preparation	2,500	2,000
Legal fees - collection	1,869	2,677
Trustee meeting expense	1,454	5,118
Conference and meetings	-	2,125
Total administrative expenses	240,671	224,402
Total deductions	6,014,088	5,566,610
NET INCREASE (DECREASE)	7,201,539	(10,352,903)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	73,991,926	84,344,829
End of year	$ 81,193,465	$ 73,991,926

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

OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND

STATEMENT OF ACCUMULATED PLAN BENEFITS

	December 31, 2022	December 31, 2021
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS		
Vested benefits:		
Partcipants currently receiving payments	$ 52,816,829	$ 49,934,232
Expenses on participants currently receiving benefits	2376757	2,247,040
Other participants	36,259,477	35,852,409
Expenses on other participants	1,631,676	1,613,358
	93,084,739	89,647,039
Nonvested benefits:		
Noninvested accumulated benefits	2,358,099	2,382,671
Expenses on nonvested benefits	106,114	107,220
	2,464,213	2,489,891
TOTAL ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS	$ 95,548,952	$ 92,136,930

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

OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS

	Years ended December 31, 2022	2021
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENFITS AT BEGINNING OF YEAR	$ 92,136,930	$ 87,403,374
Increase (decrease) during the period attributable to:		
Change in actuarial assumptions	-	1,421,780
Benefits accumulated and actuarial experience gain or loss	2,068,362	1,817,923
Interest due to decrease in discount period	6,910,270	6,773,761
Benefits paid	(5,342,208)	(5,054,305)
Operational expenses paid	(224,402)	(225,603)
Net increase	3,412,022	4,733,556
ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS AT END OF YEAR	$ 95,548,952	$ 92,136,930

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

OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND

NOTES TO FINANCIAL STATEMENTS

Note A: Description of the Plan

The following brief description of the Outstate Michigan Trowel Trades Pension Fund, as in effect on December 31, 2023, 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 January 1, 1972 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 the 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. Basis of Accounting – The accounting records of the plan are maintained on the accrual basis of accounting. Contributions received subsequent to December 31, 2023, attributed to hours worked prior to January 1, 2024, have been reflected as contributions due from employers as of December 31, 2023, in accordance with the consistent policy of the Fund.

2. Use of Estimates – The preparation of financial statements in accordance with accounting principles general accepted in the United States of America requires administrator to make estimates and assumptions that affect the 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 and changes therein. Actual results could differ from those estimates.

3. Investment Valuation and Income Recognition – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note D for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan’s gains and losses on investments bought and sold as well as held during the year.

Note B: **<u>Summary of Significant Accounting Policies</u>** (Continued)

4. <u>Actuarial Present Value of Accumulated Plan Benefits</u> – 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. The accumulated plan benefits for active participants are based on their service credit on the date as of which the benefit information is presented December 31, 2022 and 2021. Benefits payable under all circumstances (retirement, death, disability and termination of employment) are included, to the extent they are deemed attributable to participants' 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, withdrawals or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of December 31, 2022 and 2021 were (a) life expectancy of participants (The PRI-2012 Blue Collar Mortality Tables for employees and healthy annuitants projected forward using the MP-2021 projection scale. For male annuitants, A 105% multiplier and for female annuitants, a 95% multiplier) was used for 2022 and 2021, (b) retirement age assumptions (the assumed average retirement age is based on a graduated scale depending on retirement probabilities) and (c) investment return. The 2022 and 2021 valuations included the assumed average rate of return of 7.50%. The administrative expenses associated with providing benefits were assumed at $230,000 and 240,000 for 2022 and 2021, respectively. 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: **<u>Funding Policy</u>**

Contributions are obtained directly from participating employers. These contributions are based on hours worked by plan participants and at hourly rates specified in the collective bargaining agreements. The contributions received for the years ended December 31, 2023 and 2022 exceeded the minimum funding requirements of ERISA.

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 whereby 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 factors specific to each asset.

Note D: <u>Fair Value Measurements</u> (Continued)

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

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.

The method 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.

Real estate funds– Real estate is valued at market data approach, then computing properties for sale and current market conditions.

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

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.

Note D: <u>Fair Value Measurements</u> (Continued)

The following table sets forth by level, the fair value hierarchy, the Plan's assets at fair value as of:

Fair Value Measurement at December 31, 2023

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Real estate investment funds	$ 6,877,170	$ -	$ 6,877,170	$ -
Mutual funds	14,609,800	14,609,800	-	-
	21,486,970	$ 14,609,800	$ 6,877,170	$ -
Investment measured at NAV:				
Common collective trusts	38,582,624			
Hedge fund of funds	1,358,103			
Limited partnerships	15,968,239			
Total	$ 77,395,936			

Fair Value Measurement at December 31, 2022

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stocks	$ 1,928,074	$ 1,928,074	$ -	$ -
Real estate investment funds	9,104,212	-	9,104,212	-
Mutual funds	11,102,587	11,102,587	-	-
	22,134,873	$ 13,030,661	$ 9,104,212	$ -
Investment measured at NAV:				
Common collective trusts	32,562,112			
Hedge fund of funds	2,020,849			
Limited partnerships	15,140,455			
Total	$ 71,858,289			

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 December 31, 2023	Fair Value December 31, 2022	Unfunded Commitments	Redemption Frequency, If Eligible	Redemption Notice Period
Common collective trust:					
Short Term Investment Fund	$ 254,252	$ 243,304	$ -	Daily	N/A
N.T. Collective All Country World Ex US Fund-Lending	11,507,414	10,372,689	-	Daily	N/A
N.T. Collective Russell 3000 Index Fund-Lending	26,820,959	21,946,119	-	Daily	N/A
Hedge funds of funds					
Entrust Capital Diversified Fund, Ltd	14,567	235,457	-	Montly	N/A
Entrust Special Opprrtunities Fund III, Ltd	1,343,536	1,785,392	-	Montly	N/A
Limited Partnerships:					
Goldman Sachs Vintage VI Manager, L.P.	602,708	699,104	834,928	Quarterly	N/A
McMorgan Infrastructure Fund I, L.P.	5,662,946	4,270,519	1,659,821	Quarterly	N/A
Winslow International Fund, L.P.	-	1,983,545	-	Quarterly	N/A
RCP Multi Strategy Cayman Feeder, L.P.	2,209,084	1,252,895	2,104,753	Quarterly	N/A
IFM Global Infrastructure (US), L.P.	7,493,500	6,934,392	-	Quarterly	N/A
	$ 55,908,966	$ 49,723,416	$ 4,599,502		

Note E: **Investments**

The Plan's investments are held by the trust department of Comerica Bank as custodian and managed by several investment management companies.

During the Plan years ended December 31, 2023, and 2022, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value by $8,629,098 and $(9,166,581), respectively.

	Years ended December 31, 2023	Years ended December 31, 2022
Net appreciation (depreciation) in fair value:		
Common stocks	$ 48,703	$ (52,397)
Real estate funds	(1,546,237)	423,156
Common collective trusts	7,069,564	(7,090,851)
Mutual funds	412,913	(2,406,077)
Hedge fund of funds	(23,993)	(257,172)
Limited partnerships (Note F)	2,668,148	216,760
	$ 8,629,098	$ (9,166,581)

The following is a comparison of cost to market value of investments other than cash at December 31, 2023:

	Market Value	Cost	Market Value Over (Under)
Real estate funds	$ 6,877,170	$ 5,021,220	$ 1,855,950
Common collective trusts	38,582,624	36,594,525	1,988,099
Mutual funds	14,609,800	14,197,162	412,638
Hedge fund of funds	1,358,103	1,220,213	137,890
Limited partnerships (Note F)	15,968,239	9,752,405	6,215,834
	$ 77,395,936	$ 66,785,525	$ 10,610,411

Note F: **Investments in Limited Partnerships**

The Plan's investments include ownership interests in Limited Partnerships as follows:

Vintage VI Mgr., 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 pooled investment vehicles that invest both domestically and internationally across all sectors of the private equity market.

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 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.

McMorgan Infra Structure 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 invests directly or indirectly through one or more subsidiaries, to (a) acquire, improve, maintain, own, operate, manage, finance, refinance, hold, divide, aggregate, grant options with respect to, sell, reposition, exchange and otherwise deal in and with Portfolio Investments, (b) acquire, hold and dispose of Interim Investments, and (c) engage in any other activities necessary, related or incidental thereto.

Note F: **Investments in Limited Partnerships** (Continued)

McMorgan Infra Structure Fund I, L.P. (Continued)

The Partnership is a dedicated vehicle used to participate in the Global Strategic Investment Alliance (the "GSIA" or the "Alliance") as a direct member of the Alliance. The GSIA is a co-investment program established by OMERS Strategic Investments Limited ("OMERS Strategic Investments"), an affiliate of OMERS Administration Corporation ("OMERS"), and others to bring together a limited number of sophisticated institutional investors to jointly invest up to $20 billion large-scale infrastructure "Alpha Assets," which are generally defined as large scale, capital-intensive assets with enterprise values in excess of $2 billion. The GSIA intends to bring strategic and competitive advantages to Alliance Members through a substantial pool of institutional equity capital and an experienced asset originator and asset manager. All GSIA investments are identified, pursued and managed by Borealis Infrastructure Management, Inc. ("Borealis"), the infrastructure investment arm of OMERS, or its designated subsidiaries. Administrative support services to the GSIA are provided by Rosewater Global Limited, an affiliate of OMERS (the "Alliance Administrator").

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 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.

Note F: Investments in Limited Partnerships (Continued)

International Fund, LLC

The Plan 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 equity securities of companies headquartered outside the United States, including emerging markets.

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 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.

Note G: Net Investment Income

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

	2023	2022
Investment income (loss)		
Interest and dividends	$ 772,267	$ 1,072,765
Class action settlement	215	1,527
Net appreciation (depreciation) in fair value of investments	8,629,098	(9,166,581)
	9,401,580	(8,092,289)
Less - investment expense	195,301	210,295
	$ 9,206,279	$ (8,302,584)

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.

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: 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 L: Party-in-Interest Transactions

Plan investments are held at Comerica Bank (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 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 allocate unfunded vested benefits to employers that withdraw. This is the method required by statute for use by construction industry plans.

During 2023 and 2022, The Fund recognized withdrawal liability income of $44,325 and $25,553, respectively.

Note N: Derivative Financial Instruments

The Board of Trustees has established an investment policy which permits the use of derivative instruments by investment managers. The investment policy identifies the permissible uses of derivative instruments, and also expressly identifies those types of derivatives to be avoided. The Fund has entered into contractual arrangements classified as derivatives in carrying out its investment strategy, principally to hedge a portion of the Fund's portfolio to limit or minimize exposure to certain risks.

Note O: Subsequent Events

The date to which events occurring after December 31, 2023, the date of the most recent Statement of Net Assets Available for Benefits, have been evaluated for possible adjustments to the financial statements or disclosure is October 3, 2024, which is the date in which the financial statements were available to be issued.

OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND

SUPPLEMENTAL SCHEDULES

BENDA, GRACE, STULZ & COMPANY, P.C.
Certified Public Accountants

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

INDEPENDENT AUDITOR'S
REPORT ON SUPPLEMENTAL INFORMATION

Board of Trustees
Outstate Michigan Trowel Trades Pension Fund
6525 Centurion Drive
Lansing, MI 48917

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 December 31, 2023, 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
October 3, 2024

OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS HELD FOR INVESTMENT
EIN 38-6222545 Plan No. 001
December 31, 2023

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			
	Goldman Sachs	Vintage VI Mgr, L.P.	$ -	$ 602,708
	McMorgan & Company	McMorgan Infrastructure Fund, I L.P.	1,851,167	5,662,947
	RCP Advisors	RCP Multi-Strategy Cayman Feeder, L.P.	1,801,238	2,209,084
	IFM Investors Investment Co.	IFM Global Infrastructure(US), L.P.	6,100,000	7,493,500
	TOTAL LIMITED PARTNERSHIPS		9,752,405	15,968,239
	REAL ESTATE FUNDS			
	Rreef of America REIT II	Real Estate Investment Fund	5,021,220	6,877,170
	COMMON COLLECTIVE TRUSTS			
*	Comerica Bank	Goldman Sachs Financial Square Funds	254,252	254,252
*	Northern Trust	NT Collective All CountRY World Index ex-US Invest Fund	11,842,606	11,507,413
*	Northern Trust	NT Collective Russel 3000 Index Fund-Lending	24,497,667	26,820,959
	TOTAL COMMON COLLECTIVE TRUSTS		36,594,525	38,582,624
	MUTUAL FUNDS			
	Baird	Aggregate Bond Fund	14,197,162	14,609,800
	HEDGE FUNDS			
	Entrust Capital	Entrust Capital Diversified Fund Ltd	22,214	14,567
	Entrust Capital	Entrust Special Opportunities Fund III Ltd	1,197,999	1,343,536
	TOTAL HEDGE FUNDS		1,220,213	1,358,103
	TOTAL ASSETS HELD FOR INVESTMENT		$ 66,785,525	$ 77,395,936

OUTSTATE MICHIGAN TROWEL TRADES PENSION FUND
SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
EIN 38-6222545 Plan No. 001
Year Ended December 31, 2023

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	Goldman Sachs FS Government Fund							
	181 Purchases	6,886,237				6,886,237	6,886,237	
	174 Sales		6,835,576			6,835,576	6,835,576	-

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