

# Pension Trust

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(805) 781-5465 Phone  
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www.SLOPensionTrust.org



## AGENDA

**Monday, August 23, 2021 9:30 AM**

### **PENSION TRUST BOARD OF TRUSTEES**

**\* Online only**

#### MEETING MATERIALS

Materials for the meeting may be found at

<http://www.slocounty.ca.gov/Departments/Pension-Trust/Board-of-Trustees>

Any supporting documentation that relates to an agenda item for open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available at this location.

#### AMERICANS WITH DISABILITIES ACT (Government Code §54953.2)

Disabled individuals who need special assistance to listen to and/or participate in any meeting of the Board of Trustees may request assistance by calling 805/781-5465, or sending an email to [SLOCPT@co.slo.ca.us](mailto:SLOCPT@co.slo.ca.us). Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials and access available in alternative formats. Requests for assistance should be made at least two days in advance of a meeting whenever possible.

#### **\* TELE-CONFERENCE / VIDEO-CONFERENCE**

**Due to the current pandemic Board of Trustees meetings are closed to the public attending in person until further notice.**

This meeting of the Board of Trustees will be held via teleconference and/or videoconference pursuant to Executive Order N-25-20, issued by Governor Newsom on March 12, 2020, Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, and Executive Order N-35-20, issued by Governor Newsom on March 21, 2020. Items of business will be limited to the matters shown on the agenda.

If you wish to view the videoconference of the meeting please access

<https://zoom.us/j/95772464373?pwd=ZldhVjRMQ1VUSFBEd3VlNkFISk1iZz09>

If you wish to listen to the teleconference meeting, please dial 669/900-6833 (Meeting ID 957 7246 4373). If you have any questions or require additional service, please contact SLOCPT at 805/781-5465.

**A) PUBLIC COMMENT**

1. Public Comment: Members of the public wishing to address the Board on matters other than scheduled items may do so when recognized by the Chair. Presentations are limited to three minutes per individual.

**B) ORGANIZATIONAL**

2. Elected Trustee – new Trustee – David Grim
3. Committees – appointment of members by President.
  - i. Audit Committee (standing committee)
  - ii. Personnel Committee (standing committee)
  - iii. Private Markets Investments Committee (ad hoc committee)

**C) CONSENT**

4. Minutes of the Regular Meeting of June 28, 2021 (Approve Without Correction).
5. Reports of Deposits and Contributions for the months of June and July 2021 (Receive and File).
6. Reports of Service Retirements, Disability Retirements and DROP Participants for the months of June and July 2021 (Receive, Approve and File).
7. Monthly Investment Report – June 2021 (Receive and File).
8. Reinstatement from Retirement – one member (Recommend Approval).

**D) APPLICATIONS FOR DISABILITY RETIREMENT**

None

**E) OLD BUSINESS**

None

**F) NEW BUSINESS**

9. June 30, 2021 Mid-Year Financial Statements and Fiscal Year (FY) 2020-2021 Final Administrative Budget Status (Receive and File).
10. Operational Risk Assessment Presentation (Receive and File).

**G) INVESTMENTS**

11. Quarterly Investment Report for the 2nd Quarter of 2021 – Verus (Receive and File).
12. Monthly Investment Report for July 2021 (Receive and File).
13. Private Markets Discretionary Advisor Search Update – Semi-Finalists (Review, Discuss, Direct Staff as necessary).
14. Asset Allocation - (Review, Discuss, and Direct Staff as necessary).

**H) OPERATIONS**

15. Staff Reports
16. General Counsel Reports
17. Committee Reports:
  - i. Audit Committee No Report
  - ii. Personnel Committee No Report
  - iii. Private Markets Investments Report
18. Upcoming Board Topics (subject to change)
  - i. September 27, 2021
    - a. Executive Director Evaluation
    - b. Disability Case
    - c. Private Markets Discretionary Advisor – Selection
    - d. Annual Strategic Planning session
      - (a) Funding Policy Update and Projections
      - (b) Benefits Administration briefing
      - (c) Cybersecurity Update (closed session)
      - (d) Policy Updates
        - (i) Governance
        - (ii) Ethical and Fiduciary Conduct
        - (iii) Trustee Competencies

(iv) Personnel Policy

- ii. October 25, 2021 – planned as a non-meeting month
- iii. November 15, 2021
  - a. Disability Case
  - b. Interest Crediting Rates and PEPRAs Compensation limits
  - c. Fiduciary Refresher Briefing
  - d. Quarterly Investment Report
  - e. Strategic Asset Allocation – 2022 Interim Benchmark
  - f. Private Markets Discretionary Advisor – Selected Advisor Implementation
- iv. December 20, 2021 – planned as a non-meeting month
- v. January 24, 2022
  - a. Election of Officers
  - b. Committee Appointments
  - c. Disability Case
  - d. Annual Policies Review
  - e. Annual Cashflow Analysis
  - f. Private Markets Discretionary Advisor – Selected Advisor Implementation

19. Trustee Comments

**I) CLOSED SESSION**

None

**J) ADJOURNMENT**



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BOARD OF TRUSTEES**

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**MINUTES**

**PENSION TRUST  
BOARD OF TRUSTEES**

**Monday, June 28, 2021 \***  
Regular Meeting of the Pension Trust  
Board of Trustees

*\* Note – all attendees participated via videoconference as noticed on the agenda for the meeting. Public access was available via videoconference or an audio-only phone-in line.*

**Board Members Present:** Gere Sibbach  
Jeff Hamm (presiding)  
Taylor Dacus  
Jim Hamilton  
Lisa Howe  
(Note – one elected Trustee position vacant at 6/28/2021 –  
However, Trustee-Elect David Grim attended as an observer)

**Board Members Absent:** Michelle Shoresman

**Pension Trust Staff:** Carl Nelson Executive Director  
Amy Burke Deputy Director  
Jennifer Alderete Accountant

**General Counsel:** Chris Waddell Olson | Remcho  
Kristen Rogers Olson | Remcho

**Consultants:** Rosalva Flores Brown Armstrong  
Alaina Vandermade Brown Armstrong  
Anne Harper Cheiron  
Alice Alsberghe Cheiron

**Others:** Michael Hobbs SLO County HR  
Larry Batchelder SLOCREA  
Lauren Albanese Financial Investment News  
Anna Bastidos SLOOPT



**F) NEW BUSINESS**

5. Audited Financial Statements for the period ended December 31, 2020 – Annual Comprehensive Financial Report – presentation by Rosalva Flores and Alaina Vandermade, CPAs of Brown Armstrong Accountancy (Recommend Receive, File and Direct Staff to Distribute in accordance with the Retirement Plan).

**Motion:** To receive and file the 2020 audited financial statements, approve the 2020 Annual Comprehensive Financial Report, and direct Staff to distribute in accordance with the Retirement Plan.

**Discussion:** Deputy Director Burke introduced the annual financial statements, report and the Audit Partner & Manager from Brown Armstrong. Ms. Flores and Ms. Vandermade discussed the results of the 2020 audit including Brown Armstrong’s unqualified “clean” audit opinion. They also reported no findings of material weakness or deficiencies in internal control as well as no recommendations to management.

**Public Comment:** None

**Motion Made:** Mr. Hamilton

**Motion Seconded:** Ms. Howe

**Carried:** Unanimous (roll call vote)

6. January 1, 2021, Actuarial Valuation and Pension Contribution Rates - Presentation by Anne Harper and Alice Alsberghe, Cheiron - Plan Actuary (Approve, Receive and File, Approve Pension Contribution Rates).

**Motion:**

- 1) Approve the January 1, 2021, Actuarial Valuation, incorporating a number of actuarial assumption changes approved at the May 24, 2021, Board of Trustees meeting including the use of a 6.75% Discount Rate.
- 2) Approve the transfer of \$41,409,542 from the Current Reserve to the Retiree Reserve as recommended by Cheiron in the Reserves Comment of the Valuation.
- 3) Approve the recommendation of the Plan Actuary to increase the current level of County Appropriation and Employee Contribution rates such that a **Total Contribution Rate of 50.34% effective January 1, 2021, is received - an increase of 2.16% over the current Charged Rate of contributions as of 1/1/21** as recommended by Cheiron in the Contribution Rate Comment of the Valuation. This increase is subject to delayed implementation as may be requested by the Plan Sponsor, with adjustments to the rate calculated by Cheiron to account for the deferred implementation. In addition, this rate increase is the aggregate pension contribution rate increase for all classes of Members. Different contribution rate increases are recommended for Miscellaneous, Probation, and Safety classes of Members due to their differing benefit formulas as shown on the Deferred Implementation Date exhibit.

**Discussion:** The Executive Director and the Plan Actuary(s) from Cheiron discussed the results of the 2021 Actuarial Valuation at length with the Trustees.

**Public Comment:** None

**Motion Made:** Mr. Hamilton      **Motion Seconded:** Ms. Howe

**Carried:** Unanimous (roll call vote)

7. Employer Contributions FY21-22 Prefunding Amount (Recommend Approval)

**Motion:** Approve Staff Recommendation.

**Discussion:** Deputy Director Burke presented the recommendation to approve the amount calculated for FY21-22 by SLOCPT's actuary, Cheiron, for the prefunding of Employer Contributions and Employer for Employee Contributions ("pick up") for the County and APCD.

**Public Comment:** None

**Motion Made:** Mr. Hamilton      **Motion Seconded:** Mr. Dacus

**Carried:** Unanimous (roll call vote)

## G) INVESTMENTS

8. Monthly Investment Report for May 2021 (Receive and File)

Discussion: Monthly investment performance report by Staff and Verus.

**Motion:** To Receive and File the monthly investment report.

**Discussion:** Executive Director Nelson presented the report.

**Public Comment:** None

**Motion Made:** Mr. Hamilton      **Motion Seconded:** Mr. Hamm

**Carried:** Unanimous (roll call vote)

9. Private Markets Discretionary Advisor Search Update - Staff - (Review, Discuss, Direct Consultant and Staff as necessary).

**Discussion:** Executive Director Nelson updated the Board on the progress of this search. The ad hoc Private Markets Investment Committee of the Board also commented and reported on their meetings thus far.



15. Trustee Comments

Trustee Howe reported on an NCPERS new Trustee training program she and Trustees Dacus and Grim attended in early June.

**I) CLOSED SESSION**

None

**J) ADJOURNMENT**

There being no further business, the meeting was adjourned at 11:10 AM. The next Regular Meeting was set for August 23, 2021, at 9:30 AM, to be a virtual online meeting.

Respectfully submitted,

Carl Nelson  
Executive Director

**REPORT OF DEPOSITS AND CONTRIBUTIONS FOR THE MONTH OF  
JUNE 2021**

PP 11 6/4/2021 By Employer and Tier:	Pensionable	Employer	Employer	Employee	Employer for	Employee	Combined	Additional	Buy	TOTAL
	Salary	Contributions	Rate	Contributions	Employee Contributions	Rate	Rate	Contributions	Backs	Contributions
County Tier 1	2,973,647.16	807,117.20	27.14%	390,168.00	253,111.73	21.63%	48.78%	1,137.50	591.48	1,452,125.91
County Tier 2	987,433.45	279,684.86	28.32%	60,285.35	83,309.56	14.54%	42.87%	-	176.75	423,456.52
County Tier 3	3,780,756.55	1,006,611.53	26.62%	511,013.45	-	13.52%	40.14%	-	645.23	1,518,270.21
Superior Court Tier 1	224,081.51	62,382.19	27.84%	41,839.54	-	18.67%	46.51%	-	-	104,221.73
Superior Court Tier 3	118,417.91	31,420.75	26.53%	15,678.02	-	13.24%	39.77%	-	54.54	47,153.31
APCD Tier 1	47,918.75	12,830.37	26.78%	7,615.88	3,733.32	23.68%	50.46%	-	-	24,179.57
APCD Tier 3	31,407.20	8,072.20	25.70%	4,757.98	-	15.15%	40.85%	-	-	12,830.18
SLOCPT Tier 1	7,715.87	1,969.86	25.53%	1,135.78	716.80	24.01%	49.54%	-	-	3,822.44
SLOCPT Tier 2	9,347.20	2,386.34	25.53%	485.12	868.36	14.48%	40.01%	-	-	3,739.82
SLOCPT Tier 3	12,342.77	3,090.62	25.04%	1,774.43	-	14.38%	39.42%	250.00	-	5,115.05
LAFCO Tier 3	5,454.80	1,587.35	29.10%	641.42	-	11.76%	40.86%	-	-	2,228.77
RTA Tier 2	26,464.25	6,743.10	25.48%	551.16	3,440.36	15.08%	40.56%	-	-	10,734.62
RTA Tier 3	16,310.40	4,489.12	27.52%	1,889.55	-	11.58%	39.11%	-	-	6,378.67
	8,241,297.82	2,228,385.49	27.04%	1,037,835.68	345,180.13	16.78%	43.82%	1,387.50	1,468.00	\$ 3,614,256.80

PP 12 6/18/2021 By Employer and Tier:	Pensionable	Employer	Employer	Employee	Employer for	Employee	Combined	Additional	Buy	TOTAL
	Salary	Contributions	Rate	Contributions	Employee Contributions	Rate	Rate	Contributions	Backs	Contributions
County Tier 1	2,957,559.53	803,089.63	27.15%	388,067.12	251,845.05	21.64%	48.79%	1,137.50	119,925.29	1,564,064.59
County Tier 2	991,109.38	280,665.92	28.32%	60,460.68	83,666.47	14.54%	42.86%	-	176.75	424,969.82
County Tier 3	3,786,429.39	1,007,833.63	26.62%	512,066.70	-	13.52%	40.14%	-	589.29	1,520,489.62
Superior Court Tier 1	225,427.01	62,736.39	27.83%	42,086.61	-	18.67%	46.50%	-	-	104,823.00
Superior Court Tier 3	120,596.77	32,109.36	26.63%	15,870.76	-	13.16%	39.79%	-	54.54	48,034.66
APCD Tier 1	44,635.67	11,986.78	26.85%	6,957.73	3,573.36	23.59%	50.45%	-	-	22,517.87
APCD Tier 3	31,221.61	8,024.81	25.70%	4,721.32	-	15.12%	40.82%	-	-	12,746.13
SLOCPT Tier 1	7,715.87	1,969.86	25.53%	1,135.78	716.80	24.01%	49.54%	-	-	3,822.44
SLOCPT Tier 2	9,347.20	2,386.34	25.53%	485.12	868.36	14.48%	40.01%	-	-	3,739.82
SLOCPT Tier 3	12,342.76	3,090.62	25.04%	1,774.43	-	14.38%	39.42%	250.00	-	5,115.05
LAFCO Tier 3	8,661.60	2,520.53	29.10%	1,041.63	-	12.03%	41.13%	-	-	3,562.16
RTA Tier 2	26,464.25	6,743.10	25.48%	551.16	3,440.36	15.08%	40.56%	-	-	10,734.62
RTA Tier 3	16,310.40	4,489.12	27.52%	1,889.55	-	11.58%	39.11%	-	-	6,378.67
	8,237,821.44	2,227,646.09	27.04%	1,037,108.59	344,110.40	16.77%	43.81%	1,387.50	120,745.87	\$ 3,730,998.45

<b>TOTAL FOR THE MONTH</b>	<b>16,479,119.26</b>	<b>4,456,031.58</b>	<b>27.04%</b>	<b>2,074,944.27</b>	<b>689,290.53</b>	<b>16.77%</b>	<b>43.81%</b>	<b>2,775.00</b>	<b>122,213.87</b>	<b>\$ 7,345,255.25</b>
<b>TOTAL YEAR TO DATE</b>	<b>98,022,145.50</b>	<b>26,492,222.46</b>	<b>27.03%</b>	<b>12,336,031.85</b>	<b>4,173,940.89</b>	<b>16.84%</b>	<b>43.87%</b>	<b>16,725.00</b>	<b>168,154.04</b>	<b>\$ 43,187,074.24</b>

**REPORT OF DEPOSITS AND CONTRIBUTIONS FOR THE MONTH OF  
JULY 2021**

PP 13 7/2/2021	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for		Combined Rate	Additional Contributions	Buy Backs	TOTAL Contributions
					Employee Contributions	Employee Rate				
<b>By Employer and Tier:</b>										
County Tier 1	2,940,689.76	798,683.07	27.16%	385,953.56	250,207.64	21.63%	48.79%	1,137.50	591.48	1,436,573.25
County Tier 2	984,667.38	279,038.70	28.34%	60,186.25	83,075.19	14.55%	42.89%	-	176.75	422,476.89
County Tier 3	3,785,838.72	1,007,547.59	26.61%	511,411.26	-	13.51%	40.12%	-	652.83	1,519,611.68
Superior Court Tier 1	224,085.60	62,384.22	27.84%	41,795.16	-	18.65%	46.49%	-	-	104,179.38
Superior Court Tier 3	119,656.07	31,996.63	26.74%	15,778.18	-	13.19%	39.93%	-	54.54	47,829.35
APCD Tier 1	44,635.70	11,986.79	26.85%	6,957.74	3,573.35	23.59%	50.45%	-	-	22,517.88
APCD Tier 3	31,221.63	8,024.81	25.70%	4,721.32	-	15.12%	40.82%	-	-	12,746.13
SLOCPT Tier 1	7,715.87	1,969.86	25.53%	1,135.78	716.80	24.01%	49.54%	-	-	3,822.44
SLOCPT Tier 2	9,347.20	2,386.34	25.53%	485.12	868.36	14.48%	40.01%	-	-	3,739.82
SLOCPT Tier 3	12,342.76	3,090.62	25.04%	1,774.43	-	14.38%	39.42%	250.00	-	5,115.05
LAFCO Tier 3	4,939.60	1,437.43	29.10%	577.13	-	11.68%	40.78%	-	-	2,014.56
RTA Tier 2	26,464.25	6,743.10	25.48%	551.16	3,440.36	15.08%	40.56%	-	-	10,734.62
RTA Tier 3	16,310.40	4,489.12	27.52%	1,889.55	-	11.58%	39.11%	-	-	6,378.67
	8,207,914.94	2,219,778.28	27.04%	1,033,216.64	341,881.70	16.75%	43.80%	1,387.50	1,475.60	\$ 3,597,739.72

PP 14 7/16/2021	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for		Combined Rate	Additional Contributions	Buy Backs	TOTAL Contributions
					Employee Contributions	Employee Rate				
<b>By Employer and Tier:</b>										
County Tier 1	2,989,329.36	913,855.69	30.57%	413,458.05	254,999.54	22.36%	52.93%	1,137.50	591.48	1,584,042.26
County Tier 2	1,017,990.53	322,795.51	31.71%	68,271.70	86,099.61	15.16%	46.87%	-	1,511.97	478,678.79
County Tier 3	3,870,162.44	1,167,823.53	30.18%	543,366.80	-	14.04%	44.21%	-	653.50	1,711,843.83
Superior Court Tier 1	222,891.04	66,440.66	29.81%	45,855.76	-	20.57%	50.38%	-	-	112,296.42
Superior Court Tier 3	122,710.30	35,200.40	28.69%	18,589.95	-	15.15%	43.84%	-	54.54	53,844.89
APCD Tier 1	44,635.67	11,986.77	26.85%	6,957.73	3,573.36	23.59%	50.45%	-	-	22,517.86
APCD Tier 3	31,398.41	8,069.95	25.70%	4,746.96	-	15.12%	40.82%	-	-	12,816.91
SLOCPT Tier 1	7,715.87	2,236.06	28.98%	1,171.27	716.80	24.47%	53.45%	-	-	4,124.13
SLOCPT Tier 2	9,347.20	2,708.82	28.98%	528.11	868.36	14.94%	43.92%	-	-	4,105.29
SLOCPT Tier 3	12,547.76	3,632.57	28.95%	1,803.74	-	14.37%	43.32%	250.00	-	5,686.31
LAFCO Tier 3	7,443.20	2,311.86	31.06%	1,029.98	-	13.84%	44.90%	-	-	3,341.84
RTA Tier 2	26,464.25	7,777.85	29.39%	551.16	3,440.36	15.08%	44.47%	-	-	11,769.37
RTA Tier 3	16,310.40	5,126.86	31.43%	1,889.55	-	11.58%	43.02%	-	-	7,016.41
	8,378,946.43	2,549,966.53	30.43%	1,108,220.76	349,698.03	17.40%	47.83%	1,387.50	2,811.49	\$ 4,012,084.31

PP 15 7/30/2021	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for		Combined Rate	Additional Contributions	Buy Backs	TOTAL Contributions
					Employee Contributions	Employee Rate				
<b>By Employer and Tier:</b>										
County Tier 1	2,959,146.06	905,789.76	30.61%	409,501.06	251,874.05	22.35%	52.96%	1,137.50	591.48	1,568,893.85
County Tier 2	1,001,436.97	318,357.10	31.79%	67,706.87	84,570.35	15.21%	47.00%	-	1,511.97	472,146.29
County Tier 3	3,872,352.36	1,167,554.81	30.15%	543,691.87	-	14.04%	44.19%	-	765.76	1,712,012.44
Superior Court Tier 1	220,760.06	65,823.77	29.82%	45,495.07	-	20.61%	50.43%	-	-	111,318.84
Superior Court Tier 3	123,175.09	35,297.79	28.66%	18,676.96	-	15.16%	43.82%	-	54.54	54,029.29
APCD Tier 1	44,635.62	11,986.75	26.85%	6,957.73	3,573.34	23.59%	50.45%	-	-	22,517.82
APCD Tier 3	31,398.40	8,069.94	25.70%	4,746.96	-	15.12%	40.82%	-	-	12,816.90
SLOCPT Tier 1	7,715.87	2,236.06	28.98%	1,171.27	716.80	24.47%	53.45%	-	-	4,124.13
SLOCPT Tier 2	9,347.20	2,708.82	28.98%	528.11	868.36	14.94%	43.92%	-	-	4,105.29
SLOCPT Tier 3	12,547.77	3,632.58	28.95%	1,803.74	-	14.37%	43.32%	250.00	-	5,686.32
LAFCO Tier 3	7,443.20	2,311.86	31.06%	1,029.98	-	13.84%	44.90%	-	-	3,341.84
RTA Tier 2	27,366.40	8,042.99	29.39%	565.36	3,557.63	15.07%	44.46%	-	-	12,165.98
RTA Tier 3	15,021.60	4,689.53	31.22%	1,812.89	-	12.07%	43.29%	-	-	6,502.42
	8,332,346.60	2,536,501.76	30.44%	1,103,687.87	345,160.53	17.39%	47.83%	1,387.50	2,923.75	\$ 3,989,661.41

<b>TOTAL FOR THE MONTH</b>	<b>24,919,207.97</b>	<b>7,306,246.57</b>	<b>29.32%</b>	<b>3,245,125.27</b>	<b>1,036,740.26</b>	<b>17.18%</b>	<b>46.50%</b>	<b>4,162.50</b>	<b>7,210.84</b>	<b>\$ 11,599,485.44</b>
<b>TOTAL YEAR TO DATE</b>	<b>122,941,353.47</b>	<b>33,798,469.03</b>	<b>27.49%</b>	<b>15,581,157.12</b>	<b>5,210,681.15</b>	<b>16.91%</b>	<b>44.40%</b>	<b>20,887.50</b>	<b>175,364.88</b>	<b>\$ 54,786,559.68</b>



**REPORT OF RETIREMENTS****June 2021**

<b>RETIREE NAME</b>	<b>DEPARTMENT</b>	<b>BENEFIT TYPE *</b>	<b>EFFECTIVE DATE</b>	<b>MONTHLY BENEFIT</b>	<b>SS TEMP ANNUITY**</b>
Arcemont, Gary J	Air Pollution Control District	Service Retirement	05/29/2021	3,493.47	False
Edmonston, Barbara Ann	Department of Social Services	Service Retirement	06/02/2021	1,932.39	False
Fernandez, Rosa E	Department of Social Services	DROP	06/01/2021	5,668.95	False
Hansen, Beverley A	Department of Social Services	Service Retirement	05/01/2021	1,444.33	False
Hansen, Beverley A	Department of Social Services	Additional Annuity	05/01/2021	75.45	False
Trigueros, Hilda	Department of Social Services	DROP	06/01/2021	2,393.07	False
Werst, Jeff B	Public Works ISF	Service Retirement	05/31/2021	6,085.28	False

*\* Additional Annuity Benefits are calculated based on the Additional Contribution and associated Interest balance of the Retiree at the point of retirement (per Sections 5.07, 27.12, 28.12, 29.12, 30.12, and 31.12 of the Plan)*

*\*\* If "True" Retiree has elected an optional Social Security Coordinated Temporary Annuity (per Section 13.06 of the Plan), actual monthly allowance will be increased until age 62 and then actuarially reduced going forward*

**REPORT OF RETIREMENTS****July 2021**

<b>RETIREE NAME</b>	<b>DEPARTMENT</b>	<b>BENEFIT TYPE *</b>	<b>EFFECTIVE DATE</b>	<b>MONTHLY BENEFIT</b>	<b>SS TEMP ANNUITY**</b>
Bechtel, Leslie Kay	Probation Department	Service Retirement	06/26/2021	2,074.52	False
Hoier, Michael H	District Attorney	DROP	07/01/2021	6,760.59	True
Ley, Charles B	Public Works ISF	Service Retirement	07/10/2021	4,609.22	False
Ley, Charles B	Public Works ISF	Additional Annuity	07/10/2021	102.04	False
Ravalin, Dayna L	UC Cooperative Extension	Service Retirement	07/10/2021	3,713.03	False
Ravalin, Dayna L	UC Cooperative Extension	Additional Annuity	07/10/2021	44.05	False
Savage, Guy W	Administrative Office	Service Retirement	07/01/2021	8,095.67	False
Stratford, Christine	Public Health Department	Service Retirement	07/02/2021	5,112.33	False

\* *Additional Annuity Benefits are calculated based on the Additional Contribution and associated Interest balance of the Retiree at the point of retirement (per Sections 5.07, 27.12, 28.12, 29.12, 30.12, and 31.12 of the Plan)*

\*\* *If "True" Retiree has elected an optional Social Security Coordinated Temporary Annuity (per Section 13.06 of the Plan), actual monthly allowance will be increased until age 62 and then actuarially reduced going forward*

# Board of Trustees

1000 Mill Street  
 San Luis Obispo, CA 93408  
 Phone: (805) 781-5465  
 Fax: (805) 781-5697  
 www.SLOPensionTrust.org



Date: July 26, 2021

To: Board of Trustees

From: Carl Nelson – Executive Director  
 Amy Burke – Deputy Director

## Agenda Item 7: Monthly Investment Report for June 2021

	June	Year to Date 2021	2020	2019	2018	2017	2016
Total Trust Investments (\$ millions)	\$1,672		\$1,552 year end	\$1,446 year end	\$1,285 year end	\$1,351 year end	\$1,196 year end
<b>Total Fund Return</b>	0.5% Gross	<b>8.3% Gross</b> <i>Staff est.</i>	8.9 % Gross	16.3 % Gross	-3.2 % Gross	15.5 % Gross	6.6 % Gross
Policy Index Return (r)	0.6%	7.1%	10.0 %	16.4 %	-3.2 %	13.4 %	7.7 %

June 30<sup>th</sup> note - Many pension systems are on a June 30<sup>th</sup> ending fiscal year so the investment return for the July-June fiscal year is of great importance to their actuarial valuations. The SLOOPT is on a December 31<sup>st</sup> ending fiscal year so the one-year trailing rate of return as of June 30<sup>th</sup> is just a milestone on the way towards December 31<sup>st</sup>. However, for a point of comparison to other retirement systems who are anxiously reporting their June 30<sup>th</sup> returns, we estimate the SLOOPT gross return for the 4 quarters ending June 30<sup>th</sup> to be +23.2%.

- (r) Policy index as of Sept. 2020 Strategic Asset Allocation Policy with 2021 Interim targets:
  - Public Mkt Equity- 20% Russell 3000, 20% MSCI ACWI ex-US
  - Public Mkt Debt- 11% Barclays US Aggregate,
  - Risk Diversifying 10% Barclays US Aggregate,
  - 3% Barclays 7-10yr Treasury, 2% Barclays 5-10yr US TIPS
  - Real Estate & Infrastructure- 12% NCREIF Index, 3% Private RE/Infrastructure actual returns
  - Private Equity- 8% actual private equity returns
  - Private Credit- 7% actual private credit returns
  - Liquidity- 2% 90 day T-Bills, 2% Barclays 1-3yr Gov/Credit
  - Pending annual updates to interim targets.

## SLOCPT Investment Returns:

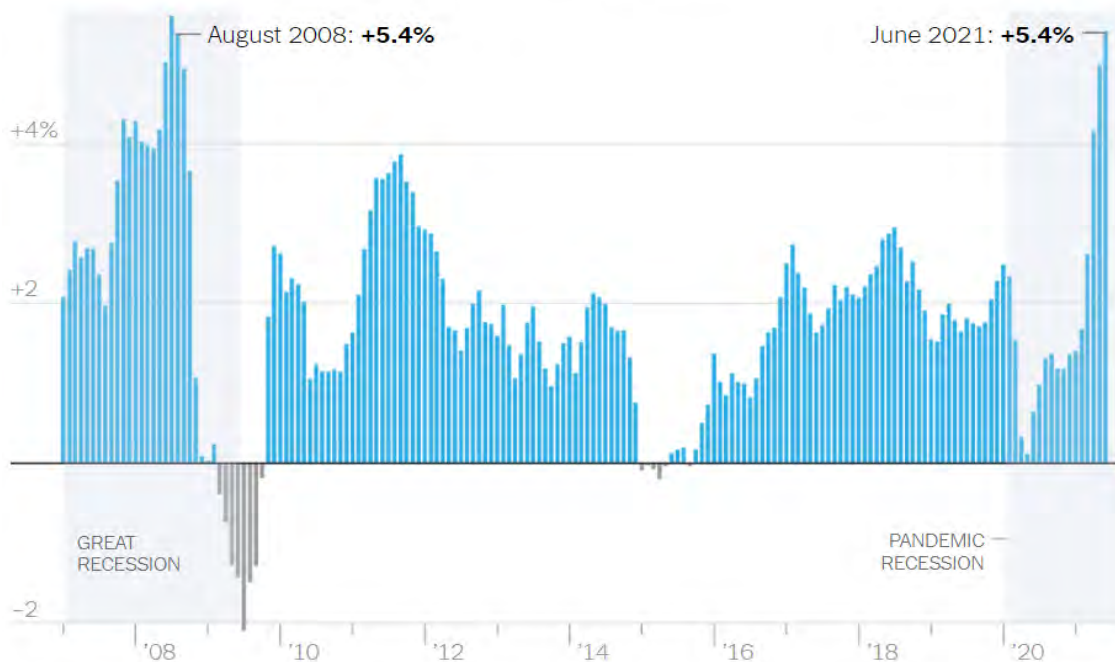
The attached report from Verus covers the preliminary investment returns of the SLOCPT portfolio and general market conditions through the end of June. The attached market commentary from Verus details market conditions in June, but subsequent activity in July is not yet factored into these numbers.

## The Economy and Capital Markets:

### ➤ The Economy

- **Inflation** – Concerns over increasing inflation continue to dominate economic news. The June CPI increase in the US came in at a +5.4% increase reflecting the base effect of the unusually low CPI base of 12 months ago. The Fed and many economists expect the current surge in CPI inflation to be transitory as the pent up demands from over a year of pandemic-slowed economic activity works through consumer spending patterns. The following graph from the New York Times shows CPI increase history.

Percent change in Consumer Price Index from a year prior



Note: The current recession's end date is undetermined. Sources: Bureau of Labor Statistics By Ella Koeze

### ➤ Economic Policy

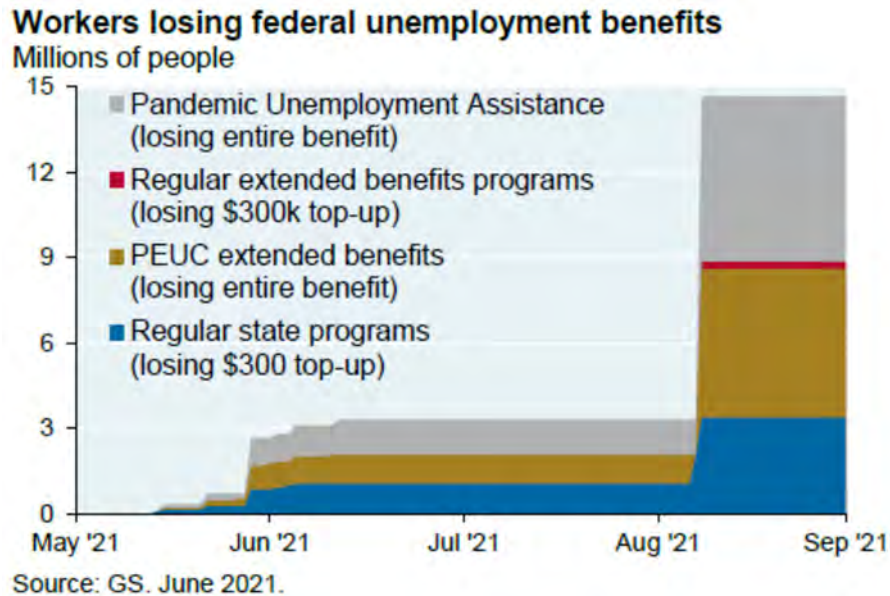
#### ▪ Monetary Policy –

- At its June meeting the Fed kept short term interest rates unchanged at 0-0.25% and indicated it would continue with asset purchases at the present \$120b monthly pace.

- Importantly, Fed expectations for eventual tightening of monetary policy moved forward to 2023. Prior to June, the Fed “dot plot” of opinions on changes from the 18 Fed policy makers indicated rates likely to increase in 2024. The latest Fed expectation released after the June meeting is now for two rate hikes in 2023.
- The Fed forecast for 2021 inflation rose to 3.4%, up from the prior forecast of 2.4%. However, the Fed continues to maintain that current CPI inflation levels are transitory as the economy reopens after the pandemic induced pullback of 2020.

➤ **Employment and Wages –**

- **New Jobs** - The June jobs report from the BLS on nonfarm showed a gain of 850k new jobs. This above-expectations report is viewed as a sign that the labor market’s recovery may be accelerating.
- **Wages** – The BLS reported for June that average hourly wages for the trailing 12 months showed a strong uptick to +3.6%. The increase in wages from June 2019 was at a 2.3% annual rate.
- **Unemployment** - The unemployment rate in June rose slightly to 5.9%. The Congressional Budget Office now forecasts the US economy to recover all the jobs lost during the pandemic by mid-2022.
- **Labor Shortages** – Employers continue to report difficulty in hiring enough staff. The winding down of enhanced unemployment benefits (that will expire in September) may motivate a large group of the unemployed to return to the job market as shown on the graph below from JP Morgan. However, many other factors play into worker hesitancy including availability of daycare, concerns over Covid infection for the unvaccinated, and the low level of wages in much of the service economy.

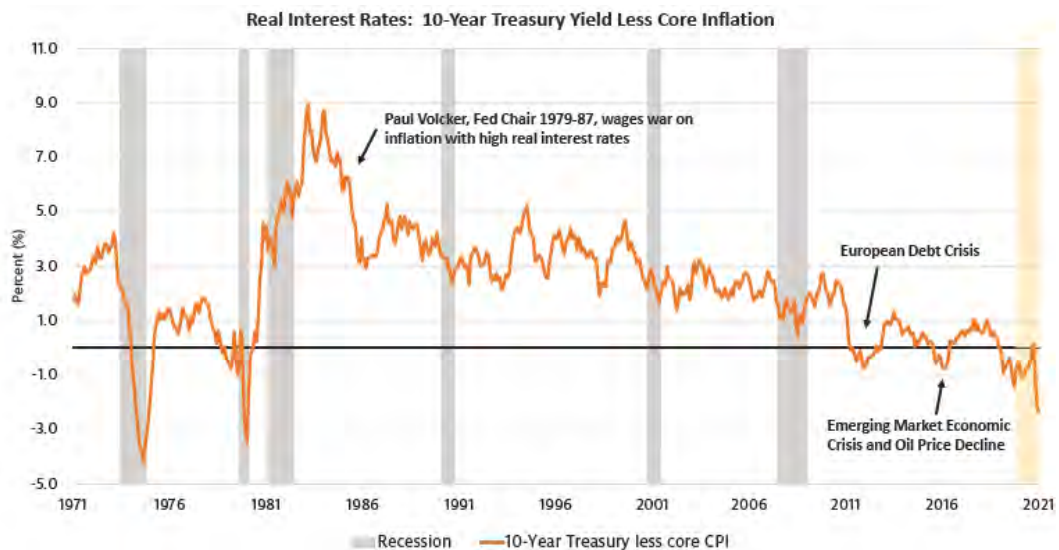


➤ **Market Outlook –**

- **Equity Markets** – Atlanta Capital Management is the investment manager for the SLOCPT’s mid/small capitalization domestic equity allocation. In Atlanta Capital’s June quarterly market commentary titled “Something’s Gotta Give”, the firm continues its reporting on the risks of high equity valuation levels. With the S&P 500 stock index currently priced at 30x trailing 4 quarter earnings levels, there is ample room for concern about over-stretched stock values. The Atlanta Capital commentary includes the following chart of the “Buffet Indicator” favored by Warren Buffet that compares the total market capitalization of the Wilshire 5000 broad stock index to the US GDP. The chart well illustrates the soaring stock market.



- **Bond Markets** – In Atlanta Capital’s June commentary there is also a succinct graph of Real Interest Rates (10-year Treasury bond yield minus the core rate of inflation from the Fed). This graph makes the point that the last decade of artificially low interest rates held down by Fed policy is inconsistent with long-term history and the logical rate of interest needed to induce investors to buy bonds.



Respectfully Submitted,

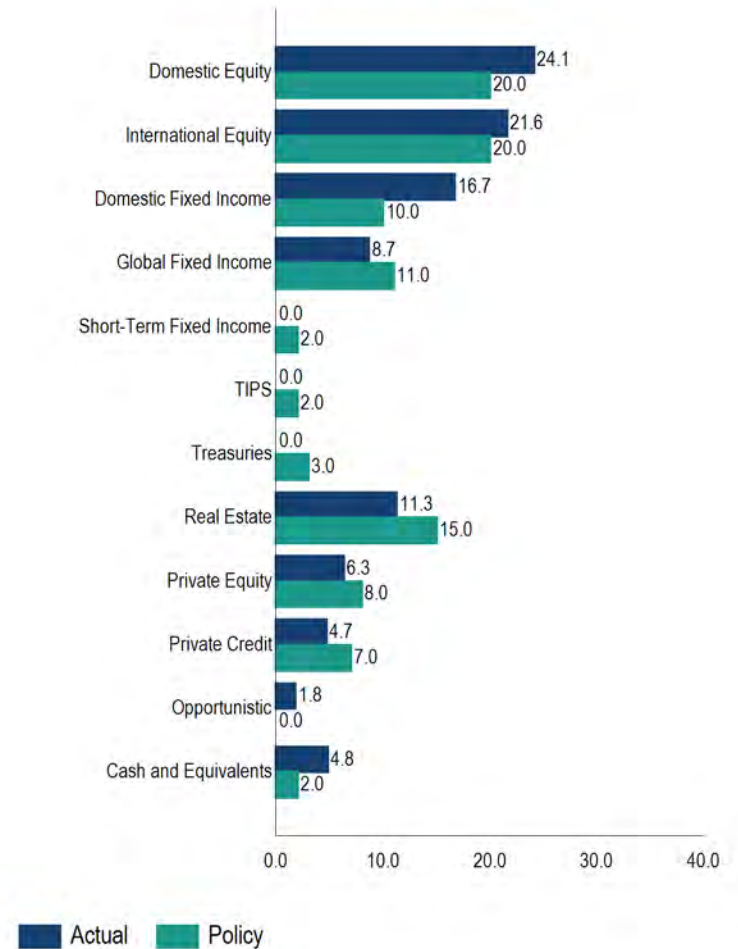
# San Luis Obispo County Pension Trust

## Executive Summary - Preliminary (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	% of Portfolio	1 Mo	YTD
<b>Total Fund</b>	<b>1,671,783,923</b>	<b>100.0</b>	<b>0.5</b>	<b>9.8</b>
<i>Interim Policy Index</i>			0.6	7.1
<i>FFP SAA Index</i>			1.0	11.3
<b>Total Domestic Equity</b>	<b>403,171,547</b>	<b>24.1</b>	<b>0.5</b>	<b>17.4</b>
<i>Russell 3000</i>			2.5	15.1
PIMCO RAE US	98,000,384	5.9	0.2	20.5
<i>S&amp;P 500</i>			2.3	15.3
Loomis Sayles Large Cap Growth	114,013,665	6.8	4.0	14.0
<i>Russell 1000 Growth</i>			6.3	13.0
Boston Partners Large Cap Value	109,833,412	6.6	-1.7	21.5
<i>Russell 1000 Value</i>			-1.1	17.0
Atlanta Capital Mgmt	81,324,086	4.9	-0.8	14.1
<i>Russell 2500</i>			1.2	17.0
<b>Total International Equity</b>	<b>361,184,523</b>	<b>21.6</b>	<b>0.2</b>	<b>11.8</b>
<i>MSCI ACWI ex USA Gross</i>			-0.6	9.4
Dodge & Cox Intl Stock	178,978,877	10.7	-1.6	12.5
<i>MSCI ACWI ex USA Value Gross</i>			-1.7	12.1
WCM International Growth	182,205,646	10.9	2.0	11.3
<i>MSCI ACWI ex USA Growth Gross</i>			0.4	6.7
<b>Total Domestic Fixed Income</b>	<b>279,311,144</b>	<b>16.7</b>	<b>0.7</b>	<b>0.3</b>
<i>BBgBarc US Aggregate TR</i>			0.7	-1.6
BlackRock Core Bond	98,493,802	5.9	0.9	-1.1
<i>BBgBarc US Aggregate TR</i>			0.7	-1.6
Dodge & Cox Income Fund	103,485,085	6.2	0.8	-0.4
<i>BBgBarc US Aggregate TR</i>			0.7	-1.6
Pacific Asset Corporate Loan	77,332,256	4.6	0.5	3.3
<i>S&amp;P/LSTA Leveraged Loan Index</i>			0.4	3.3
<b>Total Global Fixed</b>	<b>145,218,965</b>	<b>8.7</b>	<b>-0.6</b>	<b>-1.1</b>
<i>FTSE World Govt Bond Index</i>			-1.1	-4.8
Brandywine Global Fixed Income	71,182,116	4.3	-0.7	-1.2
<i>FTSE WGBI ex US TR</i>			-2.1	-6.0
Ashmore EM Blended Debt Fund	74,036,849	4.4	-0.5	-0.9
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELM+</i>			-0.1	-1.3

Actual vs Interim Target Allocation (%)



New Policy Index as of 1/1/2021 23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 23% BBgBarc U.S. Aggregate, 3% BbgBarc US Treasury 7-10 yr, 2% BBgBarc US TIPS, 15% NCREIF Property Index, 5% Actual Private Equity Return, 5% Actual Private Credit Return, 2% 91 day T-Bills, 2% BBgBarc 1-3 yr Gov/Credit. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter. All returns are (G) Gross of fees. Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. (e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income, private real estate to public real estate). Investment Cash market value includes proceeds from Clifton liquidation. All data is preliminary



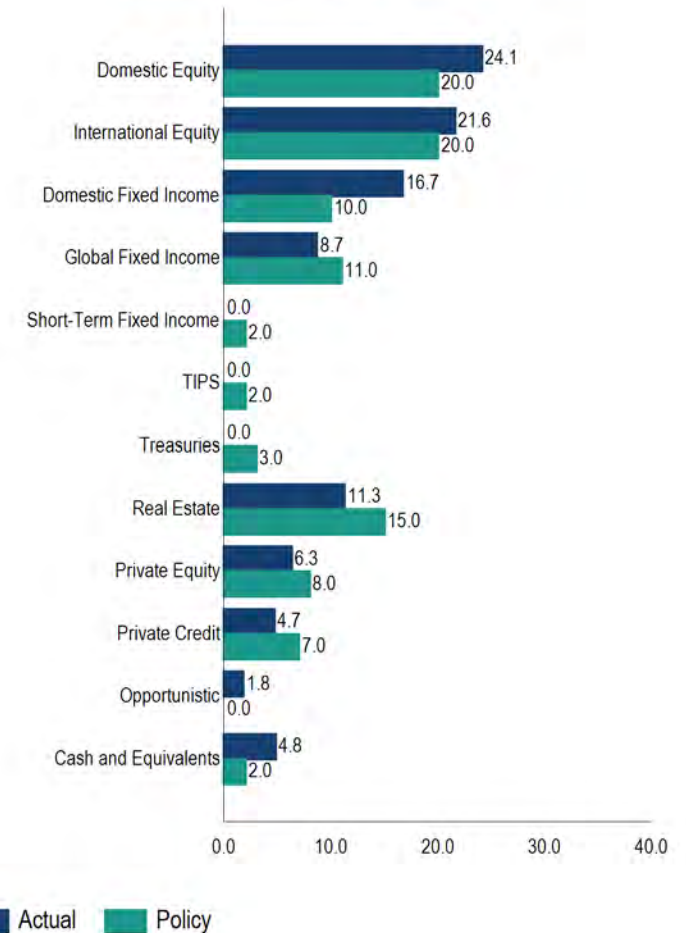
# San Luis Obispo County Pension Trust

## Executive Summary - Preliminary (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	% of Portfolio	1 Mo	YTD
<b>Total Real Estate</b>	<b>188,160,329</b>	<b>11.3</b>	<b>1.0</b>	<b>4.1</b>
NCREIF Property Index			0.0	1.7
JP Morgan Core Real Estate	144,602,271	8.6	1.3	4.3
NCREIF-ODCE			0.0	2.1
NCREIF Property Index			0.0	1.7
ARA American Strategic Value Realty	43,558,058	2.6	0.0	3.2
NCREIF-ODCE			0.0	2.1
NCREIF Property Index			0.0	1.7
<b>Total Private Equity</b>	<b>105,816,220</b>	<b>6.3</b>		
Harbourvest Partners IX Buyout Fund L.P.	16,712,202	1.0		
Pathway Private Equity Fund Investors 9 L.P.	69,518,872	4.2		
Harbourvest 2018 Global Fund L.P.	14,809,895	0.9		
Pathway Private Equity Fund Investors 10 L.P.	4,775,251	0.3		
<b>Total Private Credit</b>	<b>78,801,880</b>	<b>4.7</b>		
Sixth Street Partners DCP	78,801,880	4.7		
<b>Total Cash</b>	<b>80,273,265</b>	<b>4.8</b>	<b>0.0</b>	<b>0.3</b>
91 Day T-Bills			0.0	0.0
Cash Account	32,380,462	1.9	0.2	0.6
91 Day T-Bills			0.0	0.0
Investment Cash	47,892,803	2.9	0.0	--
91 Day T-Bills			0.0	--
<b>Total Opportunistic</b>	<b>29,846,049</b>	<b>1.8</b>		
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	4,776,399	0.3		
Sixth Street Partners TAO	25,069,650	1.5		

Actual vs Interim Target Allocation (%)



New Policy Index as of 1/1/2021 23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 23% BBgBarc U.S. Aggregate, 3% BbgBarc US Treasury 7-10 yr, 2% BBgBarc US TIPS, 15% NCREIF Property Index, 5% Actual Private Equity Return, 5% Actual Private Credit Return, 2% 91 day T-Bills, 2% BBgBarc 1-3 yr Gov/Credit. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter. All returns are (G) Gross of fees. Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. (e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income, private real estate to public real estate). Investment Cash market value includes proceeds from Clifton liquidation. All data is preliminary





**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

JUNE 2021  
Capital Markets Update



# Market commentary

## U.S. ECONOMICS

- U.S. non-farm payroll growth trended upward in June and 850,000 jobs were added. However, the unemployment rate ticked up from 5.8% to 5.9% as a result of a large increase in the number of people actively seeking work. The question remains whether those new job seekers will help to ameliorate the labor market shortages dealt with by employers, who have had a hard time finding qualified workers.
- The ISM Manufacturing PMI dipped from 61.2 to 60.6 in June, below analysts' projections of 60.9, but still well above the neutral level of 50, indicating expansion in manufacturing sector activity. Within the index, the Prices Paid component increased to 92.1, a level not seen since 1979. Logistical bottlenecks, rising commodity prices and skilled labor shortages continued to weigh on manufacturers.
- The Conference Board Consumer Confidence Index edged up to 127.3 in June, just 5.3 points below its pre-pandemic level. The rise in the index was driven by expectations from survey-takers that business conditions broadly, as well as their own financial prospects will continue to brighten in the months ahead.

## U.S. EQUITIES

- The S&P 500 Price Index closed the month at a new high level of 4298 following a mid-month Federal Reserve meeting which contributed to a sell-off in cyclical stocks and commodities.
- The S&P 500 has surged 15.3% since the beginning of the year. The S&P has only had 11 better starts to begin the year since 1970 and on average gained another 5.4% in the next six months.
- Per FactSet, the bottom-up 12-month price target for the S&P 500 Index based on company-level earnings estimates and an assumption of steady valuations, representing an 11.6% gain over the next year.

## U.S. FIXED INCOME

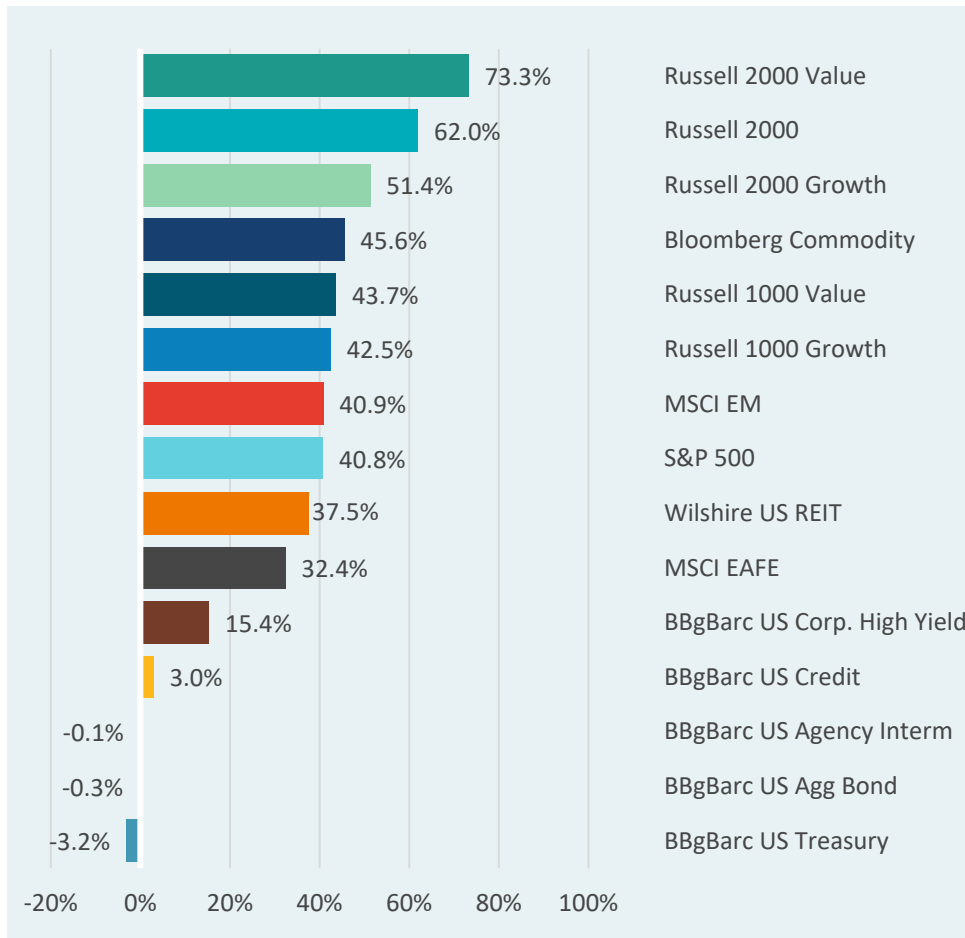
- Various participants from the June FOMC meeting felt that conditions to reduce asset purchases would be “met earlier than anticipated” while others were still wanting to take a more patient approach. A “substantial majority” of the officials agreed that the Fed needs to be prepared to act if inflation risks materialize.
- Long-duration Treasuries outperformed (BBgBarc US Treasury Long +3.6%) following the Fed’s hawkish pivot in June. Expectations for shorter-term rate hikes increased, resulting in a rerating of longer-term growth and inflation expectations.
- President Biden announced that he expects a vote on his Bipartisan Infrastructure agreement in September, a bill which includes \$579 billion of proposed spending. Some members of Congress have expressed openness to deficit-spending to finance the bill. Increased spending would be contingent on an increase to the debt ceiling that would open the door for additional Treasury supply in the global bond market.

## INTERNATIONAL MARKETS

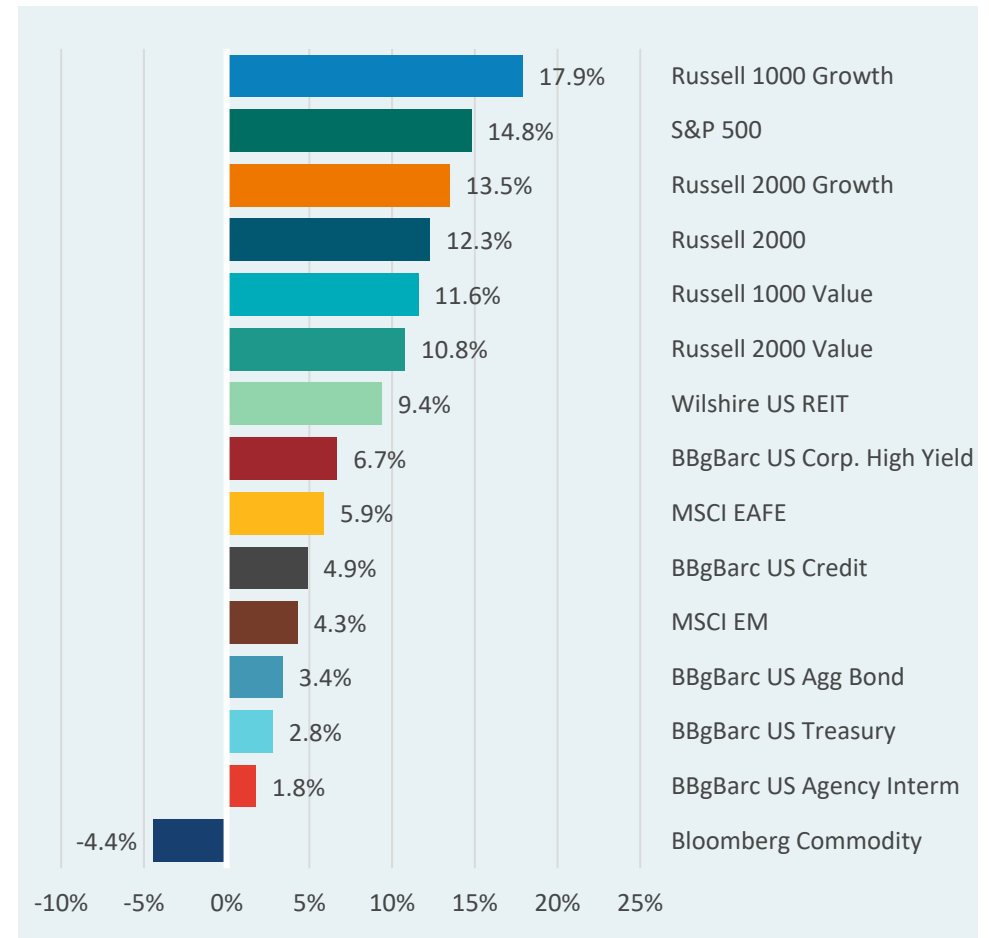
- The Bloomberg Dollar Spot Index advanced 2.3% in part due to less hawkish than expected stances from the Bank of England and the European Central Bank.
- European equities (MSCI Europe +0.7%) outperformed the neighboring United Kingdom equities (MSCI UK -2.4%) in June.
- Latin American equities (MSCI EM Latin American +2.7%) posted strong performance in June and were a bright spot within the emerging market equity (MSCI EM +0.2%) opportunity set. The rebound in emerging countries has been slowed by a lackluster rollout of vaccines.

# Major asset class returns

ONE YEAR ENDING JUNE



TEN YEARS ENDING JUNE



\*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 6/30/21

Source: Morningstar, as of 6/30/21

# U.S. large cap equities

- The S&P 500 Index posted a positive 2.3% return, marking its fifth consecutive positive monthly gain. The Information Technology (+7.0%) and Energy (+4.6%) sectors helped to move the index higher while Materials (-5.3%) and Financials (-3.0%) lagged.
- Implied volatility levels have remained subdued, although equity market skew – a measure of how expensive bearish bets are relative to bullish bets – has been hovering at all time highs indicating that the relative price of downside insurance relative to upside participation has never been higher.
- The Federal Reserve’s language around the timetable for tapering and rate hikes spurred a rotation out of the ‘reflation’ trade and back to long-duration Treasuries, large-cap stocks, and the growth factor. The S&P 500 Index is showing unusually narrow breadth with less than 50% of stocks trading above their 50-day moving average, the lowest level since 1999.
- Per FactSet, Q2 earnings estimates for companies in the S&P 500 have been more optimistic than normal. At month-end, 64% of companies issued positive EPS guidance, well above the five-year average of 37%.

## S&P 500 PRICE INDEX



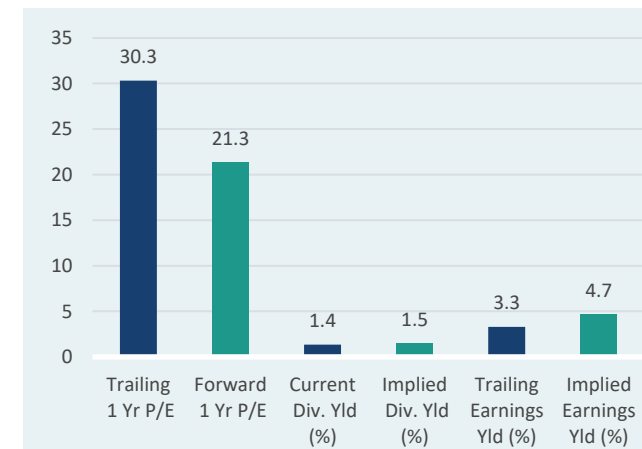
Source: Bloomberg, as of 6/30/21

## IMPLIED VOLATILITY (VIX INDEX)



Source: CBOE, as of 6/30/21

## S&P 500 VALUATION SNAPSHOT

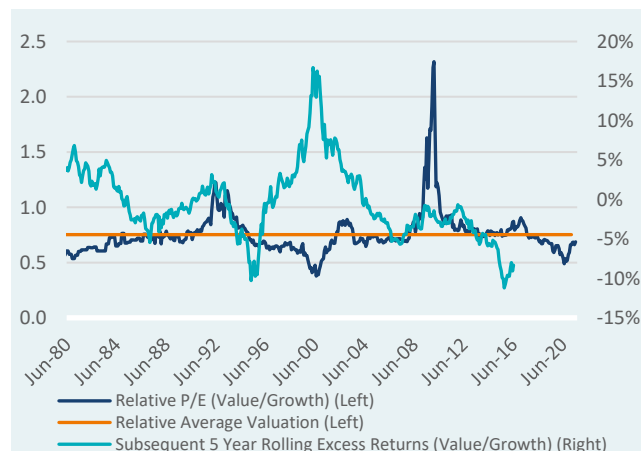


Source: Bloomberg, as of 6/30/21

# Domestic equity size and style

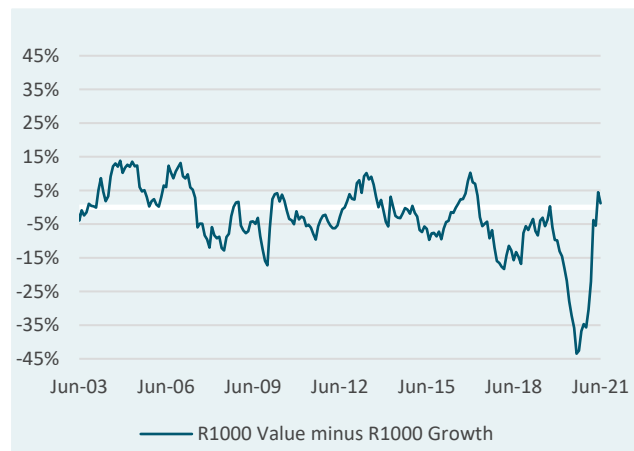
- Growth stocks (Russell 3000 Growth +6.2%) outperformed value stocks (Russell 3000 Value -1.1%) in June. The growth-oriented sectors such as Information Technology posted strong returns and value-tilted sectors such as Materials gave back recent gains which weighed on relative performance.
- Large-cap equities (Russell 1000 Index 2.5%) outperformed small-cap equities (Russell 2000 Index +1.9%) for the fourth consecutive month. Small-cap equities' continued underperformance has largely been attributed to relatively poor performance of small companies within the Health Care sector.
- Large cap stock performance was dominated by a narrower group of mega-cap tech stocks, such as Facebook, Amazon, Apple and Google (NYSE FANG +5.9%).
- High dividend-paying sectors such as Materials (-5.7%), Financials (-3.1%), and Utilities (-1.5%) lagged the broader market (Russell 3000 +2.5%). Companies that have higher dividend yields tend to carry heavier debt loads and as a result, they are often more sensitive to expectations for increases in interest rates which could increase their respective debt service burdens.

**VALUE VS. GROWTH RELATIVE VALUATIONS**



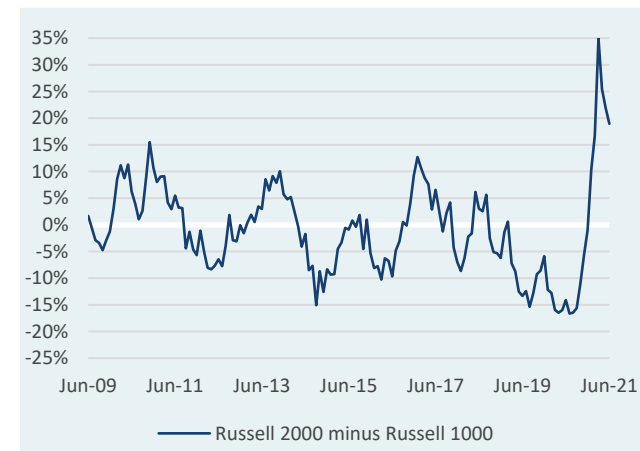
Source: FTSE, Bloomberg, as of 6/30/21

**VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE**



Source: FTSE, Bloomberg, as of 6/30/21

**SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE**

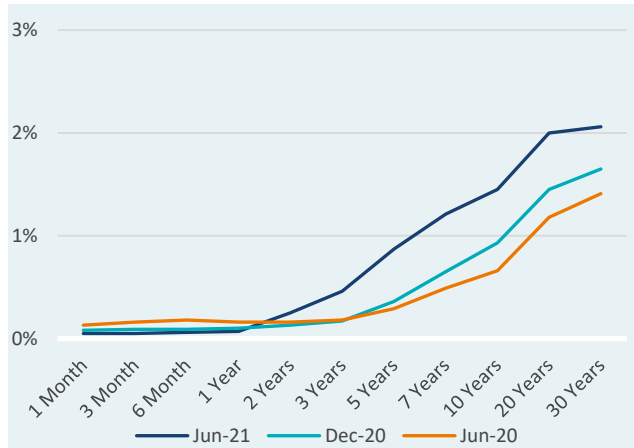


Source: FTSE, Bloomberg, as of 6/30/21

# Fixed income

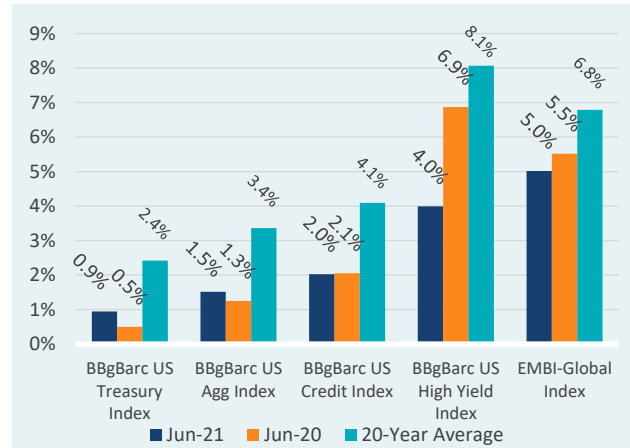
- Junk bond yield spreads relative to Treasuries tightened 30 basis points to 3.04%. High-yield spreads touched their lowest level in 10 years and shrugged off both climbing price pressures as well as the Fed’s hawkish pivot in the most recent June meeting.
- The spread between the 30- and 5-year Treasury yields fell 28 basis points to 1.20%, the lowest level since November 2020. The compression in the term spread was supported not only by falling longer-term yields, but also increasing shorter-term yields.
- The Federal Open Market Committee kept the fed funds range steady at 0.00% - 0.25%, in line with expectations. The committee affirmed that they were now “talking about talking about tapering”, but are not expected to introduce a potential reduction in the pace of asset purchases until perhaps the fourth quarter.
- The June edition of the Federal Open Market Committee’s dot plot indicated a shift in the median expectation for the number of fed funds rate hikes by the end of 2023 from zero to two. Of the 18 members on the committee, seven members are now calling for at least one hike next year, up from four back in March.

**U.S. TREASURY YIELD CURVE**



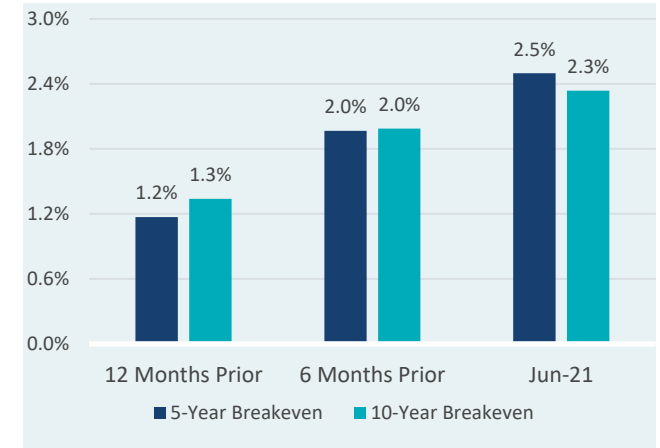
Source: Bloomberg, as of 6/30/21

**NOMINAL YIELDS**



Source: Morningstar, as of 6/30/21

**BREAKEVEN INFLATION RATES**

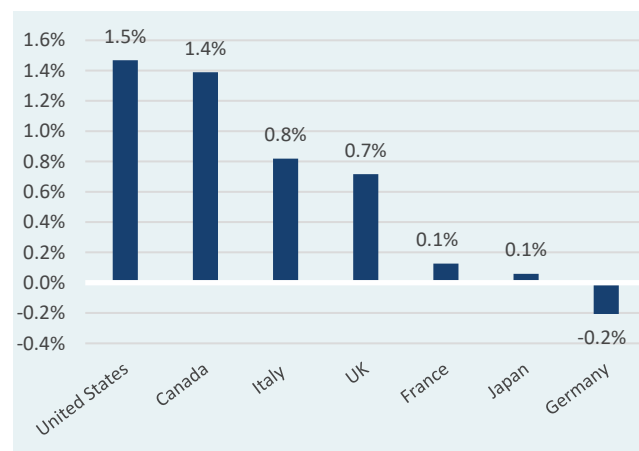


Source: Bloomberg, as of 6/30/21

# Global markets

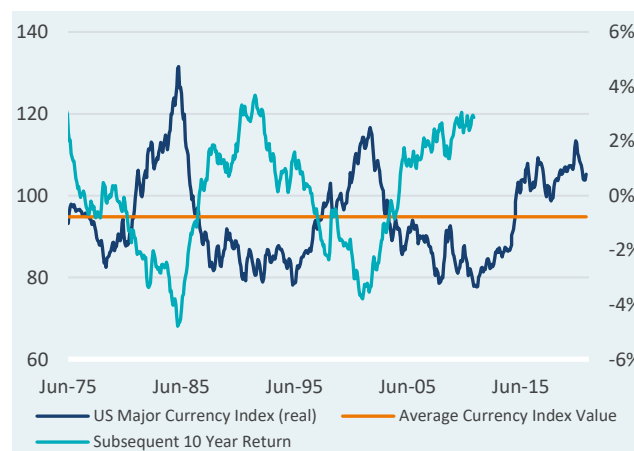
- Global equities (MSCI ACWI +1.3%) advanced in June, primarily driven by U.S. large caps (S&P 500 +2.3%). Emerging market equities (MSCI EM +0.2%) edged higher and international developed equities (MSCI EAFE -1.1%) fell in U.S. dollar terms.
- Developed market currencies broadly depreciated relative to the U.S. dollar, bolstering U.S. equity (S&P 500 +2.3%) outperformance of world indices in U.S. dollar-terms. The Pound Sterling (-2.8%) and the Euro (-3.0%) depreciated significantly against the greenback.
- Hard-currency denominated emerging market debt (JPM EMBI Global Diversified Index +0.7%) outperformed local-currency denominated emerging market debt (J.P. Morgan GBI-EM -1.2%).
- The Organization for Economic Co-operation and Development reported that as many as 22 million jobs have been lost in advanced economies due to the Covid-19 pandemic. The OECD expects overall employment across member countries to recover by Q3 2023 but warned that low skilled workers displaced by the pandemic may struggle to find new jobs.

**GLOBAL SOVEREIGN 10-YEAR YIELDS**



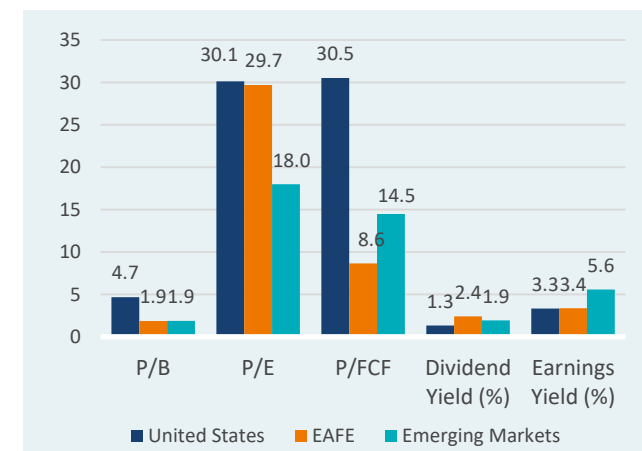
Source: Bloomberg, as of 6/30/21

**U.S. DOLLAR MAJOR CURRENCY INDEX**



Source: Federal Reserve, as of 6/30/21

**MSCI VALUATION METRICS (3-MONTH AVG)**



Source: Bloomberg, as of 6/30/21

# Commodities

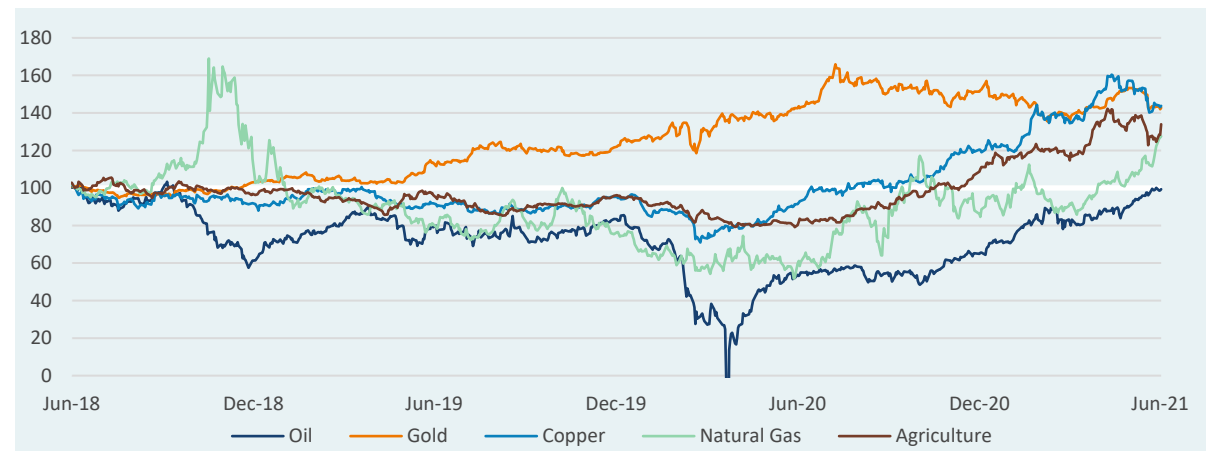
- The Bloomberg Commodity Index rose 1.9% in June. The largest weighted component of the index, Energy, rose 11.4% and carried the overall commodity index higher. The Precious Metals and Industrials Metals sub-indexes presented headwinds and declined -6.9% and -3.2% respectively.
- Oil prices rose due to strong demand from the continued reopening of the economy, as well as a sixth consecutive week of U.S. crude stockpile declines. WTI crude oil climbed to \$73.47 per barrel, up +10.2% from the prior month, bringing its year-to-date return to +51.4%.
- The Bloomberg Precious Metals Sub-Index fell -6.9% as gold posted its worst month since November 2016 and closed June at \$1,778 per ounce. Investors were likely concerned over the Federal Reserve’s hawkish shift, which could mean higher interest rates, translating to a higher opportunity cost of holding non-yielding assets like gold.
- The Bloomberg Industrial Metals Sub-Index fell -3.2% as metals including copper and aluminum faced headwinds from tightening U.S. monetary policy. China also said it would begin to sell some of its industrial metals from stockpiles in an effort to curb rising prices which are stoking fears of global inflation.

## INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	1.9	13.3	21.1	45.6	3.9	2.4	(4.4)
Bloomberg Agriculture	(0.2)	12.8	20.4	63.6	10.6	0.4	(3.1)
Bloomberg Energy	11.4	23.2	44.6	54.2	(10.5)	(3.8)	(12.2)
Bloomberg Grains	(0.1)	11.3	20.5	65.3	11.6	0.9	(2.7)
Bloomberg Industrial Metals	(3.2)	9.4	17.6	49.4	7.6	11.0	(1.6)
Bloomberg Livestock	(2.8)	(1.5)	8.8	26.9	(6.7)	(4.9)	(4.0)
Bloomberg Petroleum	8.4	20.9	48.4	76.5	(6.8)	2.2	(7.7)
Bloomberg Precious Metals	(6.9)	3.9	(5.7)	4.1	11.6	4.8	(0.5)
Bloomberg Softs	0.2	18.7	16.9	43.8	3.4	(4.6)	(8.3)

Source: Morningstar, as of 6/30/21

## COMMODITY PERFORMANCE



Source: Bloomberg, as of 6/30/21



# Appendix

# Periodic table of returns

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	5-Year	10-Year
Small Cap Value	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	26.7	23.7	17.9
Commodities	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	21.1	18.8	14.9
Small Cap Equity	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	17.5	18.0	13.5
Large Cap Value	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	17.0	16.5	12.3
Large Cap Equity	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	15.0	13.6	11.6
Large Cap Growth	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.4	14.0	13.0	13.0	10.8
Small Cap Growth	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.0	10.3	9.0	11.9	8.8
International Equity	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	8.8	10.3	6.9
Emerging Markets Equity	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	7.4	9.8	5.9
60/40 Global Portfolio	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	6.0	6.1	4.3
Hedge Funds of Funds	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	4.7	5.8	3.8
Real Estate	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	1.7	3.0	3.4
Cash	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	0.0	2.4	0.6
US Bonds	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-1.6	1.1	-4.4

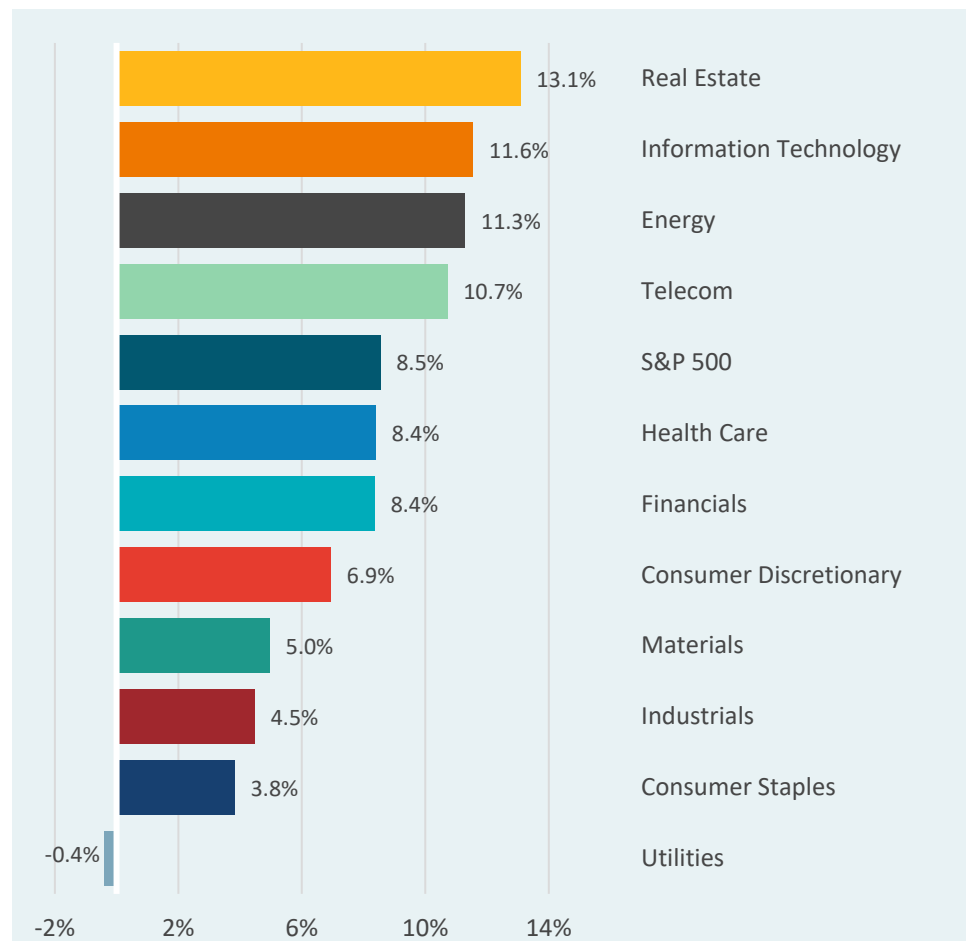
BEST  
↑  
↓  
WORST

- Large Cap Equity
- Small Cap Growth
- Commodities
- Large Cap Value
- International Equity
- Real Estate
- Large Cap Growth
- Emerging Markets Equity
- Hedge Funds of Funds
- US Bonds
- 60% MSCI ACWI/40% BBgBarc Global Bond
- Cash

Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BBgBarc US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BBgBarc Global Bond. NCREIF Property Index performance data as of 3/31/21.

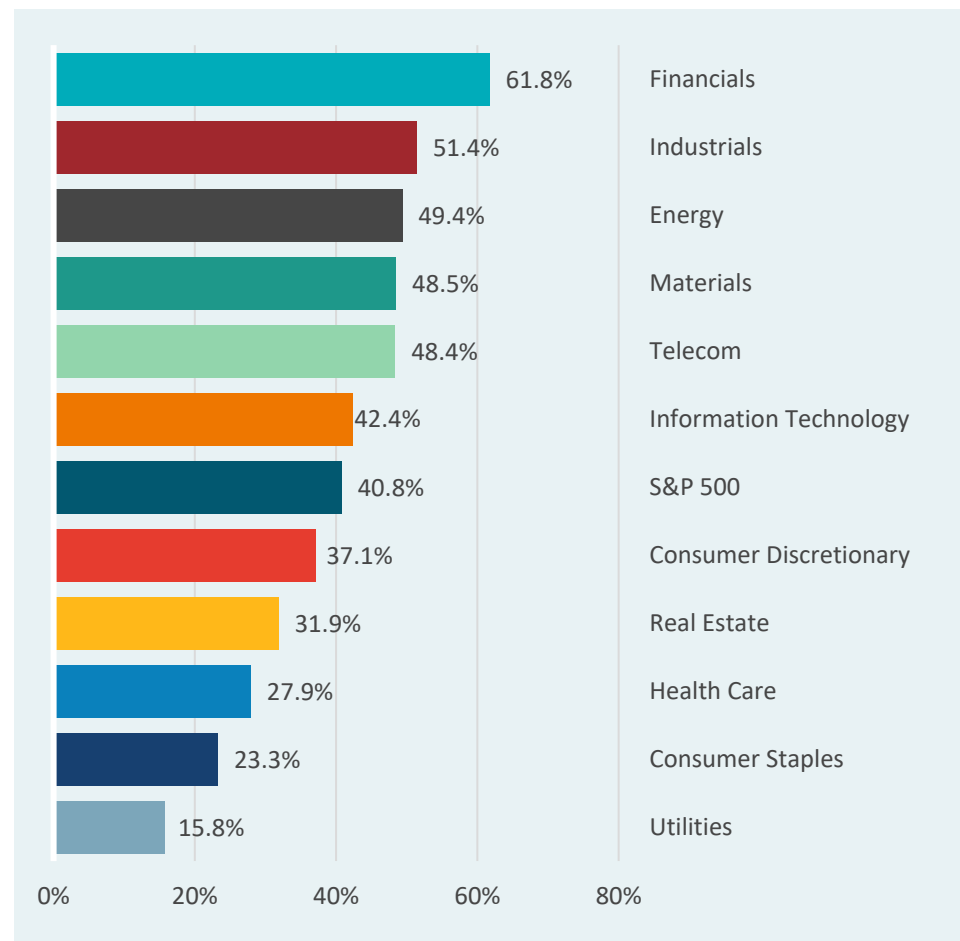
# S&P 500 sector returns

Q2 2021



Source: Morningstar, as of 6/30/21

ONE YEAR ENDING JUNE



Source: Morningstar, as of 6/30/21

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	2.3	8.5	15.3	40.8	18.7	17.6	14.8
S&P 500 Equal Weighted	0.1	6.9	19.2	50.7	16.4	15.7	13.8
DJ Industrial Average	0.0	5.1	13.8	36.3	15.0	16.7	13.5
Russell Top 200	2.9	8.9	14.5	40.8	20.2	18.9	15.6
Russell 1000	2.5	8.5	15.0	43.1	19.2	18.0	14.9
Russell 2000	1.9	4.3	17.5	62.0	13.5	16.5	12.3
Russell 3000	2.5	8.2	15.1	44.2	18.7	17.9	14.7
Russell Mid Cap	1.5	7.5	16.2	49.8	16.4	15.6	13.2
<b>Style Index</b>							
Russell 1000 Growth	6.3	11.9	13.0	42.5	25.1	23.7	17.9
Russell 1000 Value	(1.1)	5.2	17.0	43.7	12.4	11.9	11.6
Russell 2000 Growth	4.7	3.9	9.0	51.4	15.9	18.8	13.5
Russell 2000 Value	(0.6)	4.6	26.7	73.3	10.3	13.6	10.8

## INTERNATIONAL EQUITY

<b>Broad Index</b>							
MSCI ACWI	1.3	7.4	12.3	39.3	14.6	14.6	9.9
MSCI ACWI ex US	(0.6)	5.5	9.2	35.7	9.4	11.1	5.4
MSCI EAFE	(1.1)	5.2	8.8	32.4	8.3	10.3	5.9
MSCI EM	0.2	5.0	7.4	40.9	11.3	13.0	4.3
MSCI EAFE Small Cap	(1.7)	4.3	9.0	41.0	8.4	12.0	8.4
<b>Style Index</b>							
MSCI EAFE Growth	0.0	7.4	6.8	31.0	12.5	12.5	7.8
MSCI EAFE Value	(2.3)	3.0	10.7	33.5	3.8	7.8	3.9
<b>Regional Index</b>							
MSCI UK	(2.4)	6.0	12.5	31.3	1.9	5.7	3.7
MSCI Japan	(0.3)	(0.3)	1.3	24.8	7.2	10.2	7.2
MSCI Europe	0.7	6.7	(1.1)	1.1	5.6	3.5	3.7
MSCI EM Asia	0.1	3.8	6.0	41.0	13.1	15.3	7.0
MSCI EM Latin American	2.7	15.0	8.9	44.9	5.1	5.9	(2.5)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
BBgBarc US TIPS	0.6	3.2	1.7	6.5	6.5	4.2	3.4
BBgBarc US Treasury Bills	(0.0)	0.0	0.0	0.1	1.4	1.2	0.7
BBgBarc US Agg Bond	0.7	1.8	(1.6)	(0.3)	5.3	3.0	3.4
BBgBarc US Universal	0.7	2.0	(1.1)	1.1	5.6	3.5	3.7
<b>Duration</b>							
BBgBarc US Treasury 1-3 Yr	(0.2)	(0.0)	(0.1)	0.1	2.7	1.6	1.2
BBgBarc US Treasury Long	3.6	6.5	(7.9)	(10.6)	8.0	3.1	6.7
BBgBarc US Treasury	0.6	1.7	(2.6)	(3.2)	4.7	2.2	2.8
<b>Issuer</b>							
BBgBarc US MBS	(0.0)	0.3	(0.8)	(0.4)	3.8	2.3	2.6
BBgBarc US Corp. High Yield	1.3	2.7	3.6	15.4	7.4	7.5	6.7
BBgBarc US Agency Interim	(0.1)	0.5	(0.6)	(0.1)	3.3	1.9	1.8
BBgBarc US Credit	1.5	3.3	(1.3)	3.0	7.4	4.6	4.9

## OTHER

<b>Index</b>							
Bloomberg Commodity	1.9	13.3	21.1	45.6	3.9	2.4	(4.4)
Wilshire US REIT	3.1	12.8	22.8	37.5	10.1	6.4	9.4
CS Leveraged Loans	0.4	1.4	3.5	11.7	4.4	5.0	4.5
Alerian MLP	5.2	21.2	47.8	64.0	(1.1)	(2.0)	1.3
<b>Regional Index</b>							
JPM EMBI Global Div	0.7	4.1	(0.7)	7.5	6.7	4.9	5.7
JPM GBI-EM Global Div	(1.2)	3.5	(3.4)	6.6	4.1	3.2	0.5
<b>Hedge Funds</b>							
HFRI Composite	0.4	4.0	10.0	27.4	8.7	7.9	5.1
HFRI FOF Composite	0.3	2.7	4.7	18.1	6.2	6.1	3.8
<b>Currency (Spot)</b>							
Euro	(3.0)	0.9	(3.1)	5.6	0.5	1.3	(2.0)
Pound Sterling	(2.8)	0.1	1.1	11.8	1.5	0.7	(1.5)
Yen	(1.4)	(0.4)	(7.0)	(2.8)	(0.1)	(1.6)	(3.1)

Source: Morningstar, HFRI, as of 6/30/21

# Detailed private market returns

## Comparison to public market index returns

Private Equity Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	24.5	15.6	13.1	12.1
Global Private Equity Direct Funds *	32.2	19.9	17.5	14.8
U.S. Private Equity Direct Funds *	33.5	21.6	17.9	16.1
Europe Private Equity Direct Funds *	30.8	19.1	20.1	13.2
Asia Private Equity Direct Funds *	28.1	14.8	14.1	12.9

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
MSCI World	15.9	10.5	12.2	9.9
S&P 500	18.4	14.2	15.2	13.9
MSCI Europe	5.4	3.6	6.8	5.3
MSCI AC Asia Pacific	19.7	7.3	11.3	6.4

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	1.6	6.6	8.0	11.8

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
FTSE NAREIT Equity REIT	(8.0)	3.4	4.8	8.3

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt **	9.7	8.3	10.0	10.2

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
S&P / LSTA U.S. Leveraged Loan 100 Index	2.8	4.2	5.3	4.0

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ***	(13.4)	(6.9)	(0.2)	(0.0)
Global Infrastructure	10.0	9.4	11.5	10.0

Public Index Time-weighted Returns	1 Year	3 Year	5 Year	10 Year
S&P Global Natural Resources	0.7	1.0	10.9	0.6
S&P Global Infrastructure	(5.8)	2.7	7.9	6.5

Source: Pooled IRRs are from Thompson Reuters C/A and Time-weighted Returns are from Investment Metrics, as of December 31<sup>st</sup>, 2020. All returns in U.S. Dollars.

\* Includes Buyout, Growth Equity and Venture Capital.

\*\* Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.

\*\*\* Includes Private Equity Energy, Timber and Upstream Energy & Royalties.

# Notices & disclosures

**Past performance is no guarantee of future results.** This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other “forward-looking statements.” No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Verus Advisory Inc. (“Verus”) file a single form ADV under the United States Investment Advisors Act of 1940, as amended. Additional information about Verus Advisory, Inc. available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Board of Trustees

1000 Mill Street  
San Luis Obispo, CA 93408  
Phone: (805) 781-5465  
Fax: (805) 781-5697  
www.SLOPensionTrust.org



Date: August 23, 2021

To: Board of Trustees

From: Carl Nelson – Executive Director  
Amy Burke – Deputy Director

### **Agenda Item Number 8: Request for Reinstatement from Service Retirement**

#### **Recommendation:**

It is recommended that the Board approve the attached request for reinstatement from Regular Service Retirement submitted by retired participant, Margarita Alita.

#### **Discussion:**

Article 11 of the Retirement Plan provides that, “Section 11.01: Reinstatement. A Retired Participant may be reinstated from retirement by the Board of Trustees, and thereafter may become a County Employee in accordance with the provisions governing such service, in the same manner as a person who has not been so retired.” The Plan is silent on criteria for approving a reinstatement from retirement, and as currently written, requires Board of Trustees approval.

Ms. Alita’s past service and retirement can be summarized as:

- 2004-2020 – SLO County employment (14.3 years) – Miscellaneous
- 11/6/2020 – SLOOPT Service retirement – based on PTSC, benefit formula and average final compensation from her 2020 separation from SLO County
- 9/5/2021 – Planned return to SLO County employment

Ms. Alita has complied with the Plan’s requirement by submitting:

- A request for reinstatement letter dated July 5, 2021
- A letter from the SLO County Social Services Department dated July 8, 2021, confirming the offer of employment to Ms. Alita

Upon reinstatement:

- The reinstated Member's Service Retirement Benefit will be canceled (last benefit payment on 8/1/2021)
- The reinstated Member will become an active Member of the Plan and their individual accrual account will be adjusted
- The reinstated Member
  - Accrues new PTSC as a **Miscellaneous Tier 3 Member**
  - Pays Employee contributions at their current age-at-entry rate based on the reinstatement date. Employer contributions are made as well.
- Upon subsequent retirement for the second time, the reinstated Member receives a revised Service Retirement benefit based on the blend of their Prior and Reinstated service:
  - **Prior service** (14.3 years, Tier 1 Miscellaneous) is recalculated with the same amount of PTSC and benefit formula, including the updated one-year Final Average Compensation based on the amount either from their prior service or their reinstated service, whichever is higher
  - **Reinstated service** – new PTSCs earned, Tier 3 Miscellaneous with a three-year Final Average Compensation amount from either their prior service or their reinstated service, whichever is higher. If Reciprocity with another retirement system was established (not applicable in this case), it would apply only to the Reinstated Service component of the Service Retirement Benefit, and only for the purposes of recognizing highest average Final Compensation.

The net result may be a higher benefit for the Prior service component of their total service retirement if the Final Average Compensation from the Reinstated Service is at a higher rate. However, the Reinstated Service is under the new Tier 3 benefit level and contribution rates are at a higher, age-related rate. Retirement benefits that would have been paid are suspended during the period of Reinstated employment. Due to a combination of these factors, the net financial impact of reinstating an employee from Retirement is subjective to estimate and could be more expensive or less expensive depending on each individual case.

Respectfully Submitted



July 5, 2021

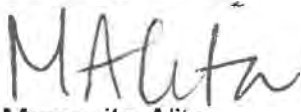
San Luis Obispo County Pension Trust  
1000 Mill Street  
San Luis Obispo, CA 93408

Re: Reinstatement to County Employment

Dear Sir or Madam:

I am writing to request that the SLOCPT Board reinstate me from retirement. I have been offered the position of Child Welfare Administrative Assistant with the Department of Social Services effective September 5, 2021. I would greatly appreciate the chance to work for the County once again. Thank you for your attention in this matter.

Best regards,



Margarita Alita

San Luis Obispo County

JUL 13 2021

Pension Trust



**COUNTY OF SAN LUIS OBISPO**  
**Department of Social Services**  
Devin Drake *Director*

To: San Luis Obispo County Pension Trust

From: Devin Drake  
Director, Social Services

Date: July 8, 2021

Subject: Request for Reinstatement After Separation for Margarita Alita EE#12734

Margarita Alita, a former full-time Administrative Assistant III employed by the County of San Luis between April 11, 2005, and September 9, 2020, would like to reinstate with the Department of Social Services effective as early as September 5, 2021. Margie resigned in September of 2020 due to medical issues and relocation to Texas. She now has a concrete plan to move back to the Central Coast so she can work full time. She has been formally selected for an Administrative Assistant III vacancy and an offer has been made. She has accepted the offer to reinstate at step 5.

Thank You,

A handwritten signature in blue ink, appearing to read "Devin Drake".

Devin Drake  
Director of Social Services

Pc: Mark McKibben  
Wendy Lin  
Linda Belch

## Board of Trustees

1000 Mill Street  
San Luis Obispo, CA 93408  
Phone: (805) 781-5465  
Fax: (805) 781-5697  
www.SLOPensionTrust.org



Date: August 23, 2021

To: Board of Trustees

From: Amy Burke – Deputy Director  
Jennifer Alderete – Accountant  
Carl Nelson – Executive Director

### **Agenda Item 9: June 30, 2021 Mid-Year Financial Statements and Fiscal Year (FY) 2020-2021 Final Administrative Budget Status**

#### **Recommendation:**

It is recommended by Staff that the Board of Trustees –

- Receive and file the unaudited June 30, 2021, mid-year financial statements
- Receive and file the final FY20-21 Final Administrative Budget status report

#### **Discussion:**

Attached for your review are the following reports issued for the San Luis Obispo County Pension Trust:

- Statements of Fiduciary Net Position as of June 30, 2021 (unaudited) and December 31, 2020
- Statements of Changes in Fiduciary Net Position for the six months ended June 30, 2021 (unaudited) and the year ended December 31, 2020
- Final Administrative Budget Status – FY20-21

SLOCPT produces audited financial statements in a full Annual Comprehensive Financial Report (ACFR) format at the end of each calendar year. As a further accounting report to the Board of Trustees, Staff has maintained the practice of closing its books mid-year as well and producing a set of basic unaudited financial statements as of June 30<sup>th</sup>. For comparison purposes, figures for the prior year end have been included.

SLOCPT's FY20-21 Administrative Budget was adopted by the Board of Trustees. The total expense budget for FY20-21 was \$2,892,500. Actual expenses were \$2,593,352 for FY20-21, which is \$299,148 or 10.35% under the approved budget. Actual expenses for FY19-20 and FY21-22 adopted budget amounts have been shown for comparison.

Respectfully Submitted,

**SAN LUIS OBISPO COUNTY PENSION TRUST  
STATEMENTS OF FIDUCIARY NET POSITION  
JUNE 30, 2021 AND DECEMBER 31, 2020**

	Unaudited 6/30/2021	12/31/2020
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 97,888,871	\$ 61,481,889
Receivables		
Accrued Interest and Dividends Receivable	513,404	585,293
Accounts Receivable	9,727	25,130
Contributions Receivable	1,272,067	1,272,067
Securities Sold	1,027,764	1,171,266
Total Receivables	2,822,962	3,053,756
Investments, at Fair Value		
Bonds and Notes	267,096,695	268,620,994
International Fixed Income	151,656,093	153,501,562
Collateralized Mortgage Obligations	10,063,347	7,365,200
Domestic Equities	399,172,010	359,290,852
International Equities	361,184,518	370,824,211
Alternative Investments	213,064,707	172,467,326
Real Estate	188,168,058	206,417,084
Total Investments	1,590,405,428	1,538,487,229
Other Assets		
Prepaid Expenses	165,238	164,166
Capital Assets - Net of Accumulated Depreciation	6,439,944	6,758,432
Total Other Assets	6,605,182	6,922,598
Total Assets	\$ 1,697,722,443	\$ 1,609,945,472
<b>LIABILITIES</b>		
Securities Purchased	\$ 10,018,192	\$ 12,590,983
Accrued Liabilities	1,226,134	1,265,982
Prefunded Contributions	(990,116)	29,762,312
Total Liabilities	\$ 10,254,210	\$ 43,619,277
<b>FIDUCIARY NET POSITION</b>		
Fiduciary Net Position Restricted for Pension Benefits	\$ 1,687,468,233	\$ 1,566,326,195

**SAN LUIS OBISPO COUNTY PENSION TRUST**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**SIX MONTHS ENDED JUNE 30, 2021 AND YEAR ENDED DECEMBER 31, 2020**

	Unaudited 6/30/2021	12/31/2020
<b>ADDITIONS</b>		
Contributions		
Employer Contributions	\$ 28,712,001	\$ 56,305,770
Plan Member Contributions	18,072,813	35,888,642
Total Contributions	<u>46,784,814</u>	<u>92,194,412</u>
Investment Income (Loss)		
Realized and Unrealized Gains and Losses, Net	137,422,596	144,465,689
Interest	1,415,992	3,405,925
Dividends	(571,369)	7,907,996
Investment Expenses	(1,908,227)	(3,529,059)
Net Investment Income	<u>136,358,992</u>	<u>152,250,551</u>
Other Income, Net	14,061	35,607
Total Additions	<u>183,157,867</u>	<u>244,480,570</u>
<b>DEDUCTIONS</b>		
Benefits		
Monthly Benefit Payments	57,921,967	109,135,137
Refund of Contributions	1,519,882	3,167,517
Death Benefits	192,798	864,963
Total Benefits	<u>59,634,647</u>	<u>113,167,617</u>
Other Deductions		
Administration and Actuarial	1,414,744	2,569,774
Prefunded Discount Amortization	966,438	1,421,187
Total Other Deductions	<u>2,381,182</u>	<u>3,990,961</u>
Total Deductions	<u>62,015,829</u>	<u>117,158,578</u>
Net Increase in Fiduciary Net Position	<u>\$ 121,142,038</u>	<u>\$ 127,321,992</u>
Fiduciary Net Position Restricted for Pension Benefits - December 31, 2020 and December 31, 2019	<u>\$ 1,566,326,195</u>	<u>\$ 1,439,004,203</u>
Fiduciary Net Position Restricted for Pension Benefits - June 30, 2021 and December 31, 2020	<u><b>\$ 1,687,468,233</b></u>	<u><b>\$ 1,566,326,195</b></u>

**San Luis Obispo County Pension Trust**  
**BUDGET STATUS UPDATE**  
**Fiscal Year 2020-2021**  
*as of 6/30/2021*

	FY19-20 Actual Expenses	FY20-21 Adopted Budget	FY20-21 Actual Expenses	Budget Variance	FY21-22 Adopted Budget
<b>INVESTMENT EXPENSE (discretionary):</b>					
<b>Custody &amp; Consultant</b>	<b>\$ 486,383</b>	<b>\$ 511,000</b>	<b>\$ 550,579</b>	<b>\$ 39,579</b>	<b>\$ 664,000</b>
<b>ADMINISTRATIVE EXPENSE:</b>					
<b>Personnel Services</b>	<b>\$ 1,097,470</b>	<b>\$ 1,197,000</b>	<b>\$ 1,193,398</b>	<b>\$ (3,602)</b>	<b>\$ 1,239,000</b>
<b>Professional Service</b>					
Accounting & Auditing	59,657	60,000	58,632	(1,368)	60,000
Actuarial	109,352	87,500	98,789	11,289	114,000
Legal	177,332	220,000	185,504	(34,496)	220,000
Medical Evaluations - Disabilities	17,625	25,000	22,575	(2,425)	25,000
Human Resources Consulting	5,000	5,000	5,000	-	5,000
Information Technology Services	65,418	253,000	194,624	(58,376)	267,500
Banking and Payroll	19,536	21,000	17,989	(3,011)	21,000
Other Professional Services	1,518	2,000	1,601	(399)	2,000
<b>Total Professional Services</b>	<b>\$ 455,438</b>	<b>\$ 673,500</b>	<b>\$ 584,714</b>	<b>\$ (88,786)</b>	<b>\$ 714,500</b>
<b>Other Expenses</b>					
Trustee Election Expenses	-	6,000	-	(6,000)	6,000
Property Taxes	-	3,000	-	(3,000)	-
Insurance	115,839	126,000	136,445	10,445	145,000
Building Maintenance	42,064	74,000	48,219	(25,781)	58,000
Office Expense	21,260	28,000	17,243	(10,757)	28,000
Memberships & Publications	6,234	6,500	5,531	(969)	6,500
Postage	33,609	32,000	28,019	(3,981)	30,000
Communications	2,605	3,500	2,853	(647)	4,500
Training & Travel	13,576	47,500	7,330	(40,170)	47,000
Information Technology	24,550	36,500	16,146	(20,354)	30,500
Equipment	3,597	10,000	2,875	(7,125)	10,000
<b>Total Other Expenses</b>	<b>\$ 263,334</b>	<b>\$ 373,000</b>	<b>\$ 264,661</b>	<b>\$ (108,339)</b>	<b>\$ 365,500</b>
<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 1,816,242</b>	<b>\$ 2,243,500</b>	<b>\$ 2,042,773</b>	<b>\$ (200,727)</b>	<b>\$ 2,319,000</b>
<b>TOTAL ADMIN. + INVEST.</b>	<b>\$ 2,302,625</b>	<b>\$ 2,754,500</b>	<b>\$ 2,593,352</b>	<b>\$ (161,148)</b>	<b>\$ 2,983,000</b>
<b>Contingencies</b>	<b>\$ -</b>	<b>\$ 138,000</b>	<b>\$ -</b>	<b>\$ (138,000)</b>	<b>\$ 149,000</b>
<b>TOTAL</b>	<b>\$ 2,302,625</b>	<b>\$ 2,892,500</b>	<b>\$ 2,593,352</b>	<b>\$ (299,148)</b>	<b>\$ 3,132,000</b>

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## Board of Trustees

1000 Mill Street  
San Luis Obispo, CA 93408  
Phone: (805) 781-5465  
Fax: (805) 781-5697  
www.SLOPensionTrust.org



Date: August 23, 2021

To: Board of Trustees

From: Amy Burke – Deputy Director  
Jennifer Alderete – Accountant  
Carl Nelson – Executive Director

### **Agenda Item 10: Operational Risk Assessment Presentation**

#### **Recommendation:**

It is recommended by Staff that the Board of Trustees receive and file the attached presentation on SLOCPT's Operational Internal Controls.

#### **Discussion:**

Similar to how a Plan's Investment Policy is put in place to maximize returns within an acceptable level of investment risk, Plan Administrators also have a Fiduciary responsibility to mitigate Operational Risks while minimizing associated Plan costs. This presentation is intended to demonstrate to the Board, other Plan stake holders, members, and the public, that SLOCPT has a robust process and practices to manage Operational Risks. These include appropriate internal control practices.

Respectfully Submitted,

# SLOCPT Operational Risk Assessment

2021

# Risk Assessment Process

Identification

Analysis

Evaluation

Control

# What are some Pension Plan known Risk Categories?



INVESTMENT RISK



FUNDING RISK



LEGAL  
REFORM/PLAN  
CHANGE RISK

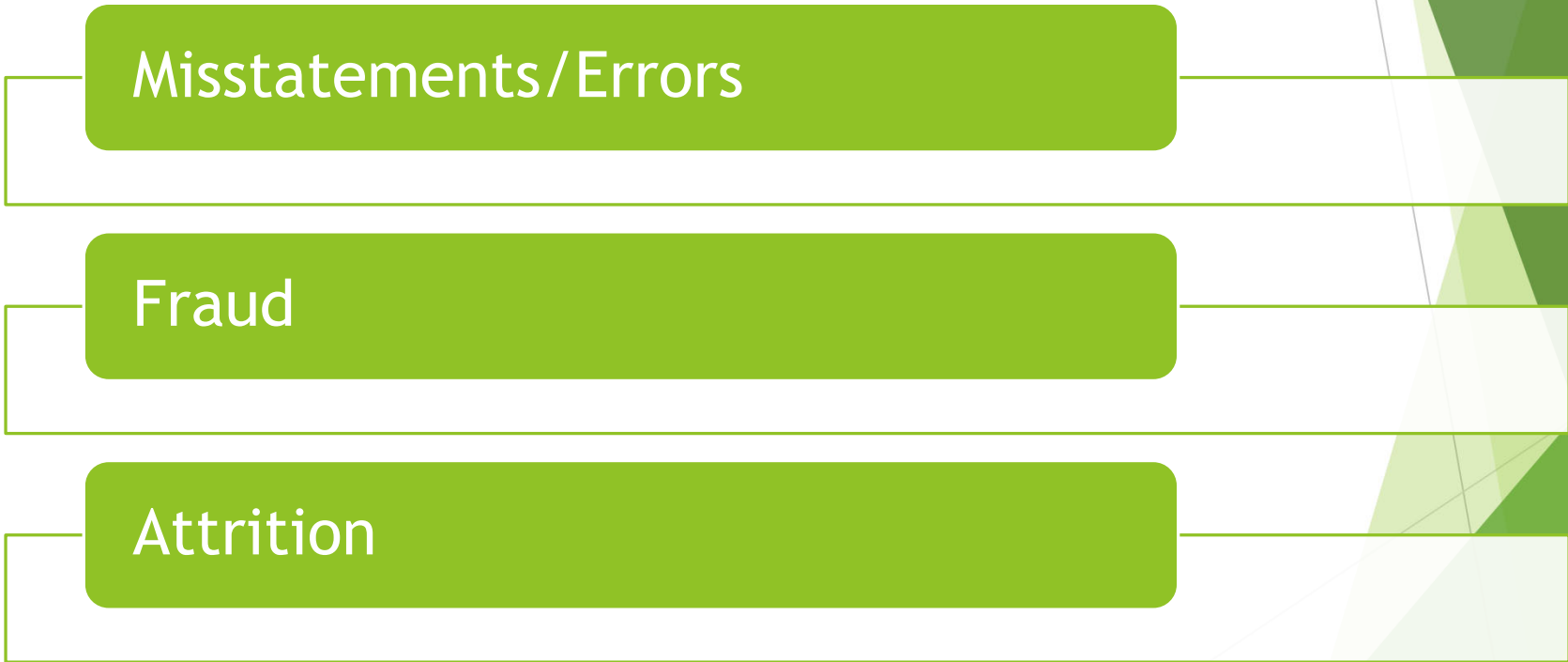


IT/CYBER SECURITY  
RISK



OPERATIONAL RISK

# Identified Major Operational Risks



## Analyzed the Identified Risks

- ▶ What operational processes are subject to the identified risks?
- ▶ Who would be harmed if these risks were to occur?
- ▶ What is the probability of these risks occurring?
- ▶ What is the potential magnitude or ultimate cost of these risks?

# Evaluated Risk Mitigation Efforts

- ▶ Organizational Structure
- ▶ Automated Internal Control
- ▶ Procedural Internal Control
- ▶ Reconciliation
- ▶ Verification
- ▶ Process Documentation
- ▶ Cross Training

# Implement Risk Mitigation that Controls exposure to known Risks while minimizing costs to the Plan

- ▶ External Audits (Financial/Actuarial)
- ▶ Separation of Duties
- ▶ Automated Internal Controls wherever possible
- ▶ Procedural Internal Controls where automation is currently not possible
- ▶ Minimize manual entries
- ▶ Detailed procedure documents
- ▶ Organizational Structure with emphasis on succession planning
- ▶ All cash transactions reconciled using source documents



## Board of Trustees

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Date: August 23, 2021

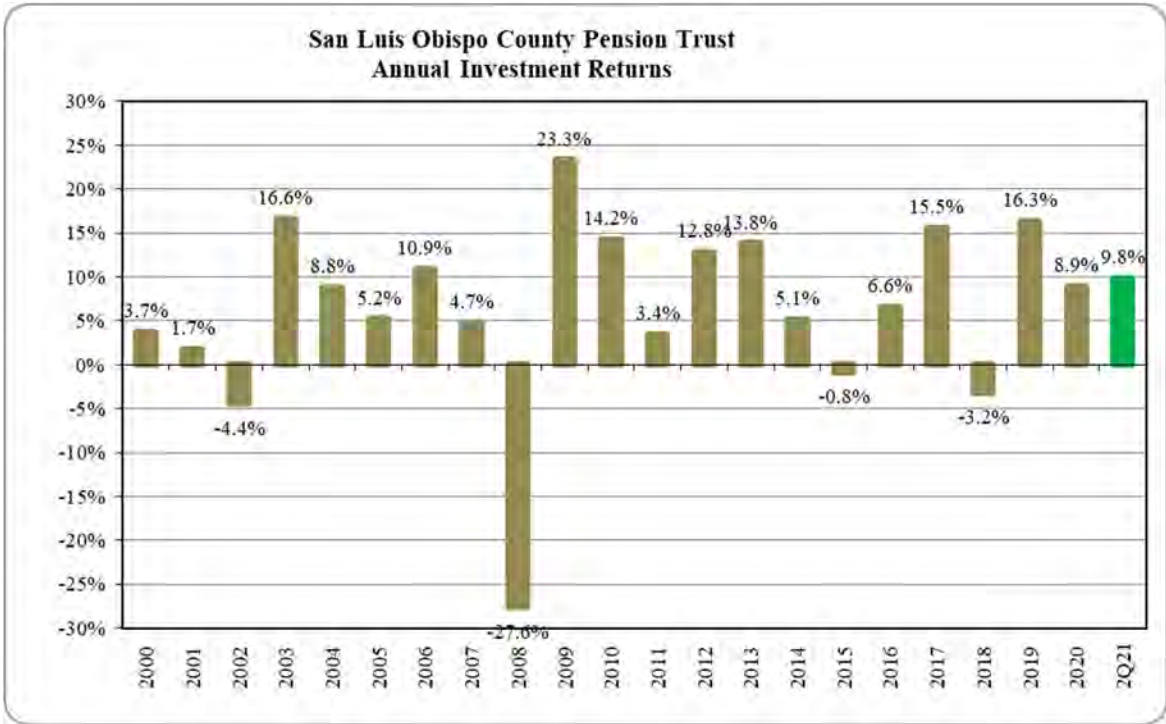
To: Board of Trustees

From: Carl Nelson – Executive Director  
Amy Burke – Deputy Director

### **Agenda Item 11: Quarterly Investment Report for the 2nd Quarter of 2021**

Attached to this memo is the 2Q21 quarterly investment report prepared by the Trust's investment consultant Verus. Scott Whalen of Verus will make a detailed presentation and discuss the quarterly report. The history of the rates of return gross of fees of the Pension Trust are shown below as an extension of the data in the Verus report.

June 30<sup>th</sup> note - Many pension systems are on a June 30<sup>th</sup> ending fiscal year so the investment return for the July-June fiscal year is of great importance to their actuarial valuations. The SLOCPT is on a December 31<sup>st</sup> ending fiscal year so the one-year trailing rate of return as of June 30<sup>th</sup> is just a milestone on the way towards December 31<sup>st</sup>. However, for a point of comparison to other retirement systems who are anxiously reporting their June 30<sup>th</sup> returns, we estimate the SLOCPT gross return for the 4 quarters ending June 30<sup>th</sup> to be +24.6%.



Respectfully submitted,



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**



**PERIOD ENDING: JUNE 30, 2021**

Investment Performance Review for

**San Luis Obispo County Pension Trust**

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[VERUSINVESTMENTS.COM](https://www.verusinvestments.com)

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Investment Landscape

TAB I

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Investment Performance  
Review

TAB II





**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

**3<sup>RD</sup> QUARTER 2021  
Investment Landscape**



# Recent Verus research

Visit: <https://www.verusinvestments.com/insights/>

## Topics of interest

### MEASURING & BUDGETING ACTIVE RISK

Active risk budgeting is valuable in the construction, monitoring, and overall governance of the investment portfolio. An active risk budget identifies how much risk an investor wants to take in the portfolio and where the investor plans to allocate that risk. In this paper we provide an introduction to active risk and demonstrate how to measure and budget that risk. We also discuss the individual sources that drive active risk and why they're important to identify. Last, we review a practical example of how active risk can inform portfolio construction and demonstrate how the Verus active management environment research can be used to inform active/passive allocations throughout the portfolio.

## Sound thinking

### THINKING SKEPTICALLY

Risk markets are currently trading at all-time highs, cryptocurrencies are soaring, and investment markets are looking forward to a broadly positive post-COVID future. At times like these it can be valuable to consider the role that skepticism plays in the investment process. This short paper is designed to help clarify the role that skepticism can play, and also to clarify how investors can use it as a tool without being captured by it, because excessive skepticism may lead to missed opportunities.

## Annual research

### 2021 REAL ASSETS OUTLOOK

In last year's outlook, COVID-19 was front and center in our views and outlooks across all asset classes. A year later, we are beginning to return to a more normalized pre-COVID lifestyle and with that, a recovery in many of the sectors impacted in 2020. One of the topics being debated among investors is the potential for inflationary pressure, a portfolio risk that hasn't emerged in several decades. That discussion has reignited interest in real assets and capital flows into the asset class.

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Economic environment 6

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Fixed income rates & credit 22

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Equity 27

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Other assets 37

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Appendix 39

# 2<sup>nd</sup> quarter summary

## THE ECONOMIC CLIMATE

- Real GDP grew at a 0.4% rate year-over-year in the first quarter (+6.4% quarterly annualized rate) as the U.S. recovery continued at a quicker-than-expected pace. It appears that GDP will fully recover in Q2. **p. 12**
- The U.S. unemployment rate has been slow to rebound, despite a full recovery in economic activity. This might suggest that government spending has had an outsized impact, and raises risks around a stimulus “hangover” when spending programs end. **p. 14**
- Economies around the world continued to recover as life began moving back to normal. This description does not apply to all economies, as Brazil, Japan, and much of Africa and Southeast Asia still grapple with effects of COVID and new variants of the virus. **p. 20**

## PORTFOLIO IMPACTS

- Credit spreads grew even tighter during Q2, driven by investor demand and improvements in economic fundamentals. High yield spreads tightened to 2.68%—a new cycle low. Investment grade tightened 11 basis points to end the quarter at 0.80%. **p. 25**
- Inflation surprised on the upside in Q2, adding to investor fears. U.S. core CPI rose 4.5% year-over-year, while headline came in at 5.4%. The jump in prices has been concentrated in a few areas, including energy (+24.5% YoY) and used car & truck prices (+45.2% YoY). **p. 13**

## THE INVESTMENT CLIMATE

- The Biden Administration’s Infrastructure Plan continues to be up in the air in terms of size and composition. As of mid-July, Democrat legislators had reached an agreement for \$4.1 trillion in spending, comprised of \$3.5 trillion in “human infrastructure” and \$600 billion towards “traditional infrastructure” It is unclear whether this proposal will gain sufficient support from Democrats. **p. 12**
- It seems that investors have put the 2020 pandemic-induced recession behind them. Implied volatility, realized market volatility, and the risks reflected in asset prices are very low. This data suggests that investors perceive a strong economy, a healthy business environment, and very few threats on the horizon. **p. 35**

## ASSET ALLOCATION ISSUES

- U.S. equities were a top performer again in Q2 (S&P 500 +8.5%). International equities (+5.2% MSCI EAFE Index) were on par with emerging markets (+5.1% MSCI Emerging Markets Index) on an unhedged currency basis. **p. 28**
- Factor performance suffered during Q2, reversing much of the gains from the prior quarter. Large capitalization stocks beat small (Russell 1000 +8.5%, Russell 2000 +4.3%) and growth stocks beat value (Russell 1000 Growth +11.9%, Russell 1000 Value +5.2%). **p. 30**

Economic progress continues to exceed expectations, though strong optimism may already be reflected in asset prices

We believe a neutral risk stance is warranted in the current environment



# What drove the market in Q2?

**“Delta Covid variant first found in India spreads to 62 countries, hot spots form in Asia and Africa, WHO says”**

## GLOBAL COVID-19 CASES (MILLIONS)

Jan	Feb	Mar	Apr	May	Jun
26.3	28.7	30.5	32.3	33.3	33.7

Article Source: CNBC, as of June 2<sup>nd</sup>, 2021

**“Inflation: Is it transitory or not?”**

## CORE CPI GROWTH (YEAR-OVER-YEAR)

Jan	Feb	Mar	Apr	May	Jun
1.4%	1.3%	1.6%	3.0%	3.8%	4.5%

Article Source: Yahoo Finance, June 15<sup>th</sup>, 2021

**“TREASURIES-U.S. Treasury yield curve flattens as Fed seen more proactive on inflation”**

## IMPLIED EFFECTIVE FED FUNDS RATE IN DECEMBER 2023

Jan	Feb	Mar	Apr	May	Jun
0.15%	0.30%	0.40%	0.47%	0.49%	0.80%

Article Source: Reuters, June 18<sup>th</sup>, 2021

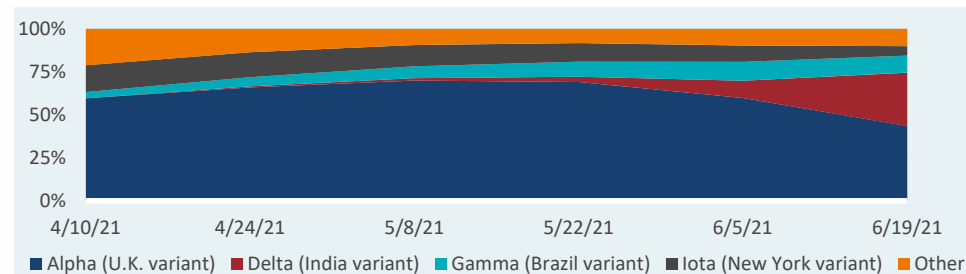
**“Is the reflation trade over? What stock-market investors need to watch”**

## TEN-YEAR U.S. TREASURY YIELD

Jan	Feb	Mar	Apr	May	Jun
1.07%	1.40%	1.74%	1.63%	1.59%	1.47%

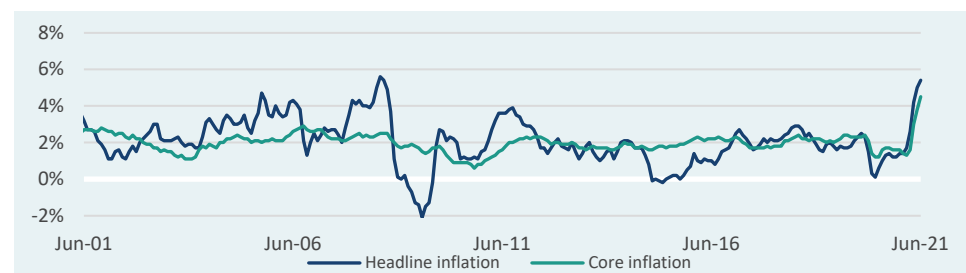
Article Source: MarketWatch, June 21<sup>st</sup>, 2021

## SHARE OF U.S. COVID-19 CASE GROWTH BY VIRUS VARIANT



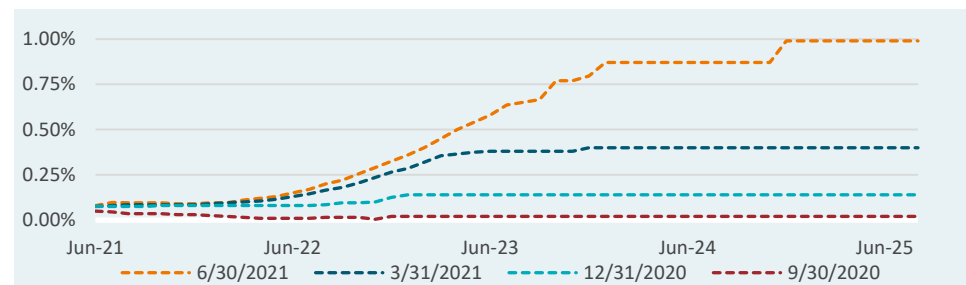
Source: U.S. Center for Disease Control, as of 6/19/21

## U.S. INFLATION RATES (YEAR-OVER-YEAR)



Source: Bloomberg, as of 6/30/21

## IMPLIED EFFECTIVE FED FUNDS RATE



Source: Bloomberg, as of 6/30/21

# Economic environment

# U.S. economics summary

— Real GDP grew at a 0.4% rate year-over-year in the first quarter (+6.4% quarterly annualized rate) as the U.S. recovery continued at a quicker-than-expected pace. It appears that gross domestic product (GDP) will fully recover in Q2.

— The U.S. unemployment rate has been slow to improve, falling very slightly from 6.0% in March to 5.9% in June. The labor market remains materially weaker relative to pre-pandemic conditions. This might suggest that a significant portion of the economic recovery has been fueled by government spending, and raises concerns about whether recent strength may prove fleeting when government intervention slows.

— The Biden Administration’s Infrastructure Plan continues to be up in the air in terms of size and composition. As of mid-July, Democrat legislators had reached

an agreement for \$4.1 trillion in spending, comprised of \$3.5 trillion in “human infrastructure” and \$600 billion towards “traditional infrastructure” It is unclear whether this proposal will garner sufficient support from Democrats.

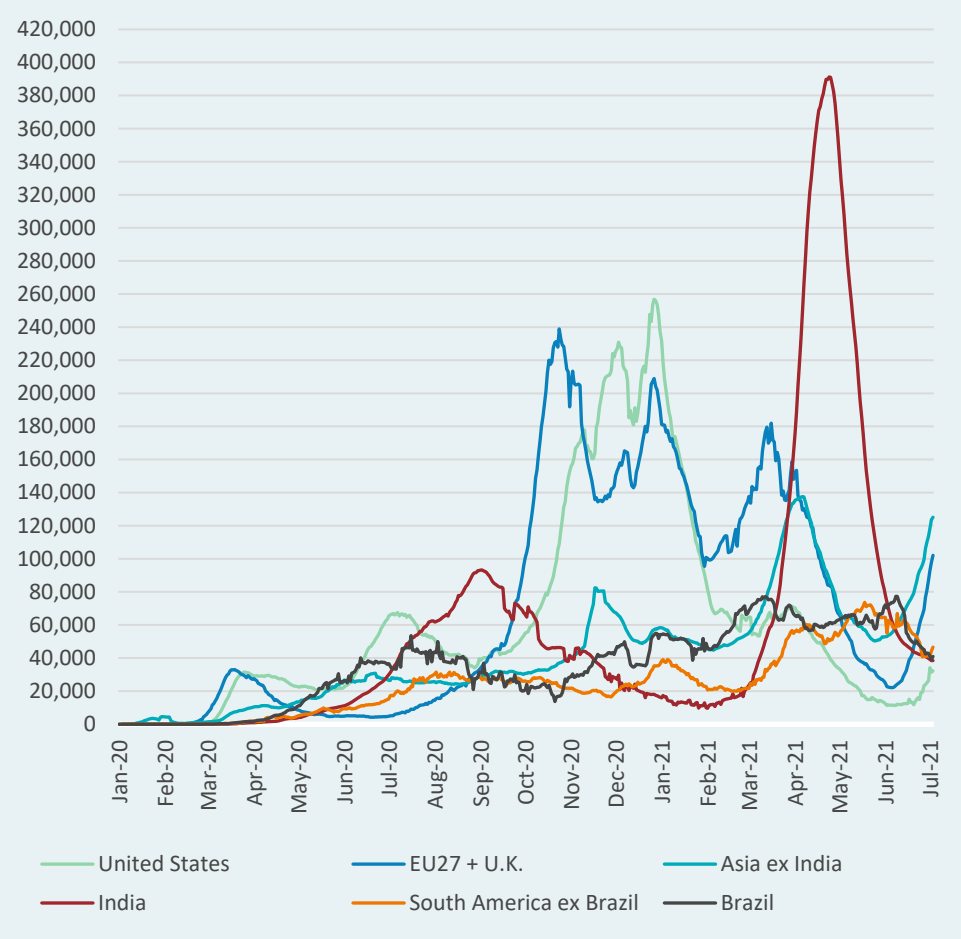
— Inflation surprised on the upside in Q2, adding to investor concerns around a potential sustained rise. U.S. core inflation, which excludes food & energy prices, rose 4.5% year-over-year in June. U.S. headline inflation came in at 5.4%. The rise in prices has so far been concentrated in a few specific areas, including energy (+24.5% YoY) and used car and truck prices (+45.2% YoY).

— Consumer sentiment further improved over the quarter, but has only regained roughly half of the deterioration post-pandemic.

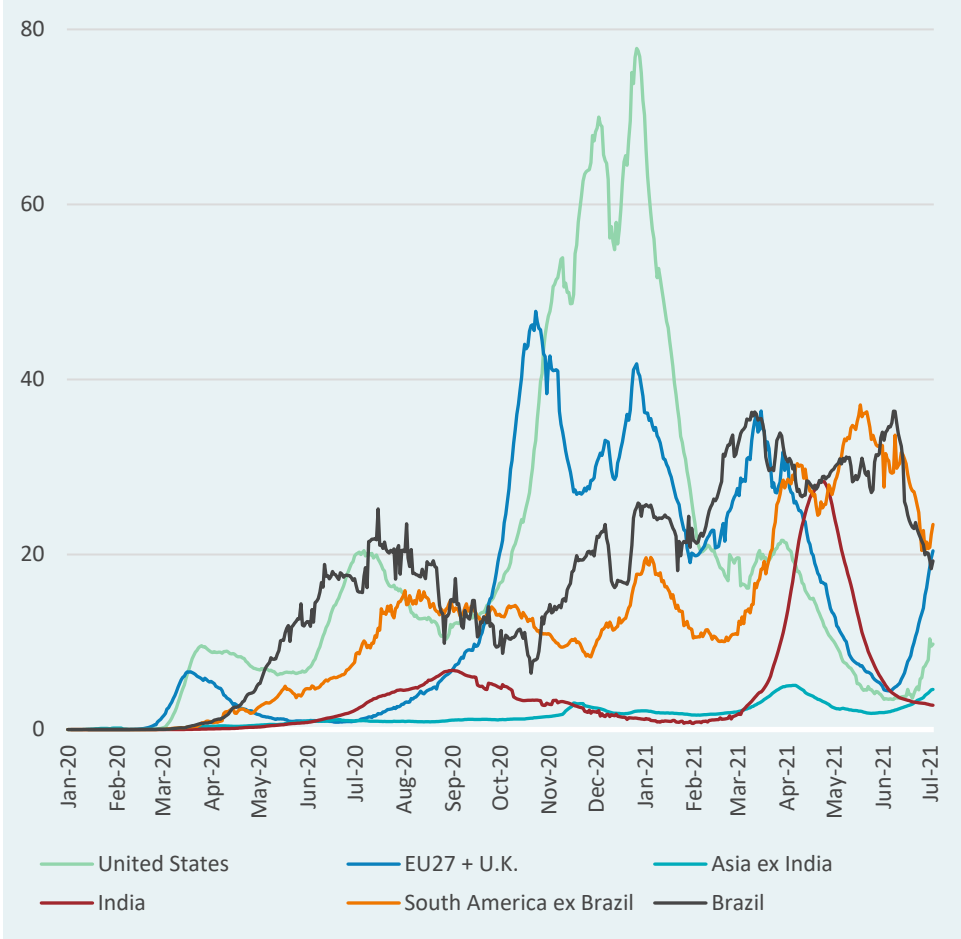
	Most Recent	12 Months Prior
GDP (YoY)	0.4% 3/31/21	0.3% 3/31/20
Inflation (CPI YoY, Core)	4.5% 6/30/21	1.2% 6/30/20
Expected Inflation (5yr-5yr forward)	2.20% 6/30/21	1.5% 6/30/20
Fed Funds Target Range	0% – 0.25% 6/30/21	0% – 0.25% 6/30/20
10-Year Rate	1.47% 6/30/21	0.66% 6/30/20
U-3 Unemployment	5.9% 6/30/21	11.1% 6/30/20
U-6 Unemployment	9.8% 6/30/21	18.0% 6/30/20

# COVID-19 case growth

SEVEN-DAY AVERAGE DAILY CASE GROWTH



SEVEN-DAY AVERAGE DAILY CASE GROWTH – PER 100,000 RESIDENTS

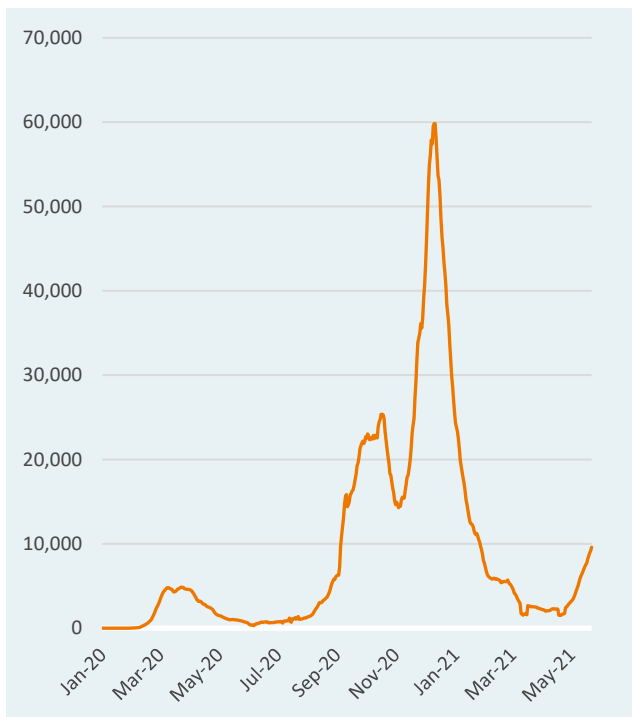


Source: Bloomberg, as of 7/18/21

# Delta variant

Spread of the more virulent delta variant (which originated in India) of the coronavirus within the U.K. led officials to push back the date for reopening from mid-June to mid-July, and has sparked concerns in recent months that material spread outside of the U.K. could lead to a reintroduction of social distancing controls.

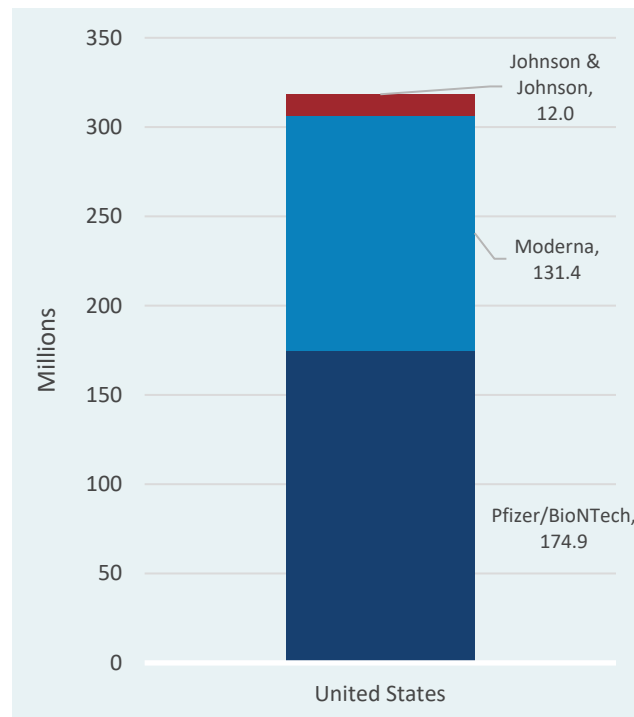
U.K. – SEVEN-DAY AVERAGE CASE GROWTH



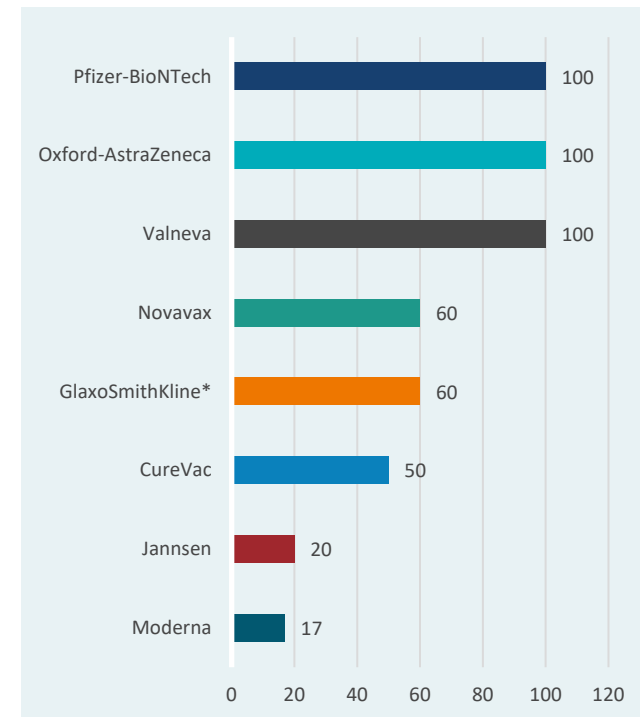
Source: Bloomberg, BBC, U.K. government, as of 6/21/21

\*Joint project with Sanofi Pasteur.

U.S. – VACCINE DOSES ADMINISTERED BY TYPE



U.K. VACCINE DOSE ORDERS (MILLIONS)

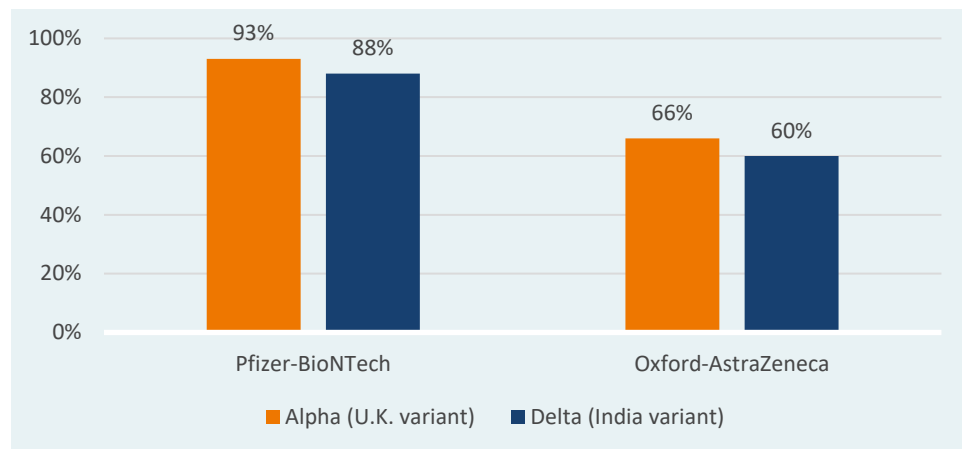


# Public Health England (PHE) findings

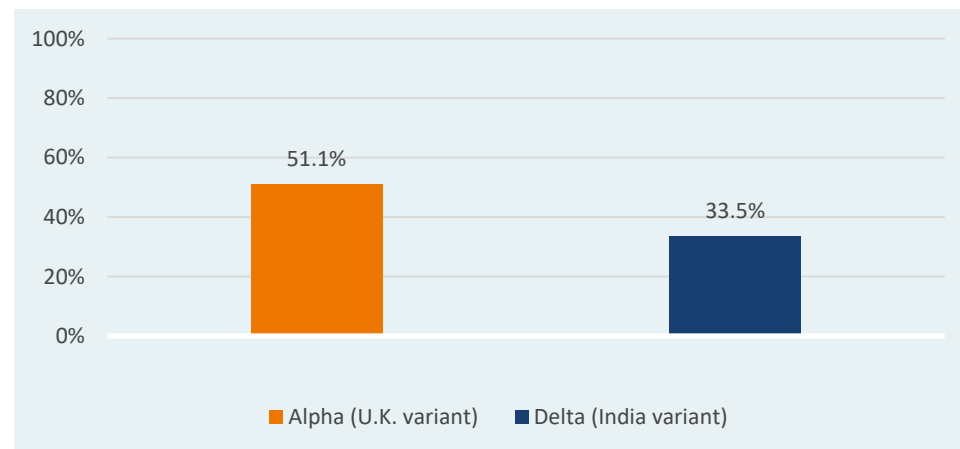
While case growth has picked up from very low levels within the U.K., there are several factors in play which probably reduce the likelihood that delta case growth picks up materially in the U.S.

1. The U.K. has a much higher exposure to the Astra vaccine, which is significantly less effective at preventing symptomatic infection.
2. Early prioritization of the one-dose vaccine regimen in the U.K. resulted in lower levels of protection.

**TWO-DOSE REGIMEN EFFECTIVENESS FOR PFIZER AND ASTRAZENECA**



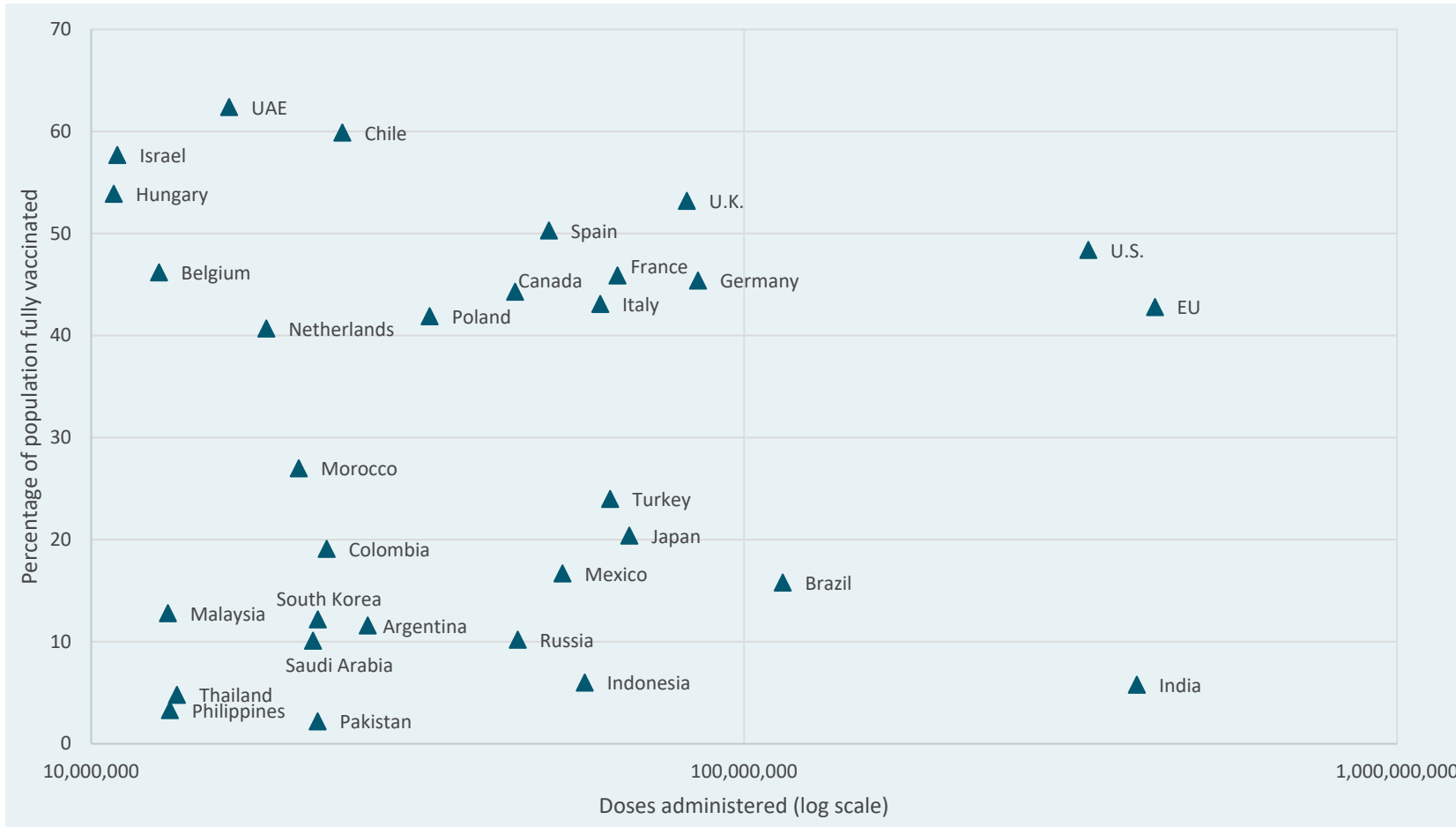
**ONE-DOSE REGIMEN EFFECTIVENESS FOR PFIZER AND ASTRAZENECA**



Source: <https://www.medrxiv.org/content/10.1101/2021.05.22.21257658v1>

# Global vaccination campaign

DOSES ADMINISTERED RELATIVE TO PERCENTAGE OF POPULATION FULLY VACCINATED



The EU has closed the vaccine gap relative to the U.S. and the U.K., led by a pickup in administration in Germany

Source: Bloomberg, as of 7/16/21

# GDP growth

Real GDP grew at a 0.4% rate year-over-year in Q1 (+6.4% quarterly annualized rate) as the U.S. recovery continued at a quicker-than-expected pace. It appears that real gross domestic product (GDP) will once again reach its pre-pandemic level in Q2. The Atlanta Fed GDPNow estimate suggests a 7.9% Q2 growth rate as of July 9<sup>th</sup> (seasonally-adjusted quarterly annualized rate).

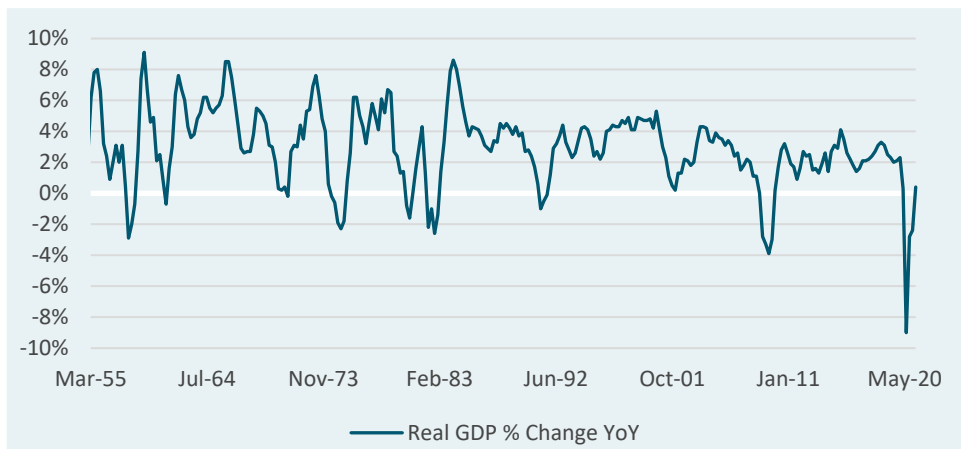
The Biden Administration's Infrastructure Plan continues to be up in the air in terms of size and composition. As of mid-July, Democrat legislators had reached an agreement for \$4.1 trillion in spending, comprised of \$3.5 trillion in "human infrastructure" (Medicare funding, childcare, government-funded college, and energy transition), and \$600 billion towards "traditional

infrastructure" (roads, bridges, power infrastructure, rail, broadband internet, and water infrastructure). It is unclear whether this proposal will garner adequate buy-in, and it is also unclear whether Republicans will withdraw support, now that Democrats appear ready to proceed with many of the more controversial spending items that the RNC negotiated against.

The Biden Administration has held strong in its push for further government spending, despite an arguably speedy economic recovery. These efforts have been met with opposition, as some view these proposals as excessive, given the stronger state of the economy. Additional government spending may increase the risk of economic overheating and inflation.

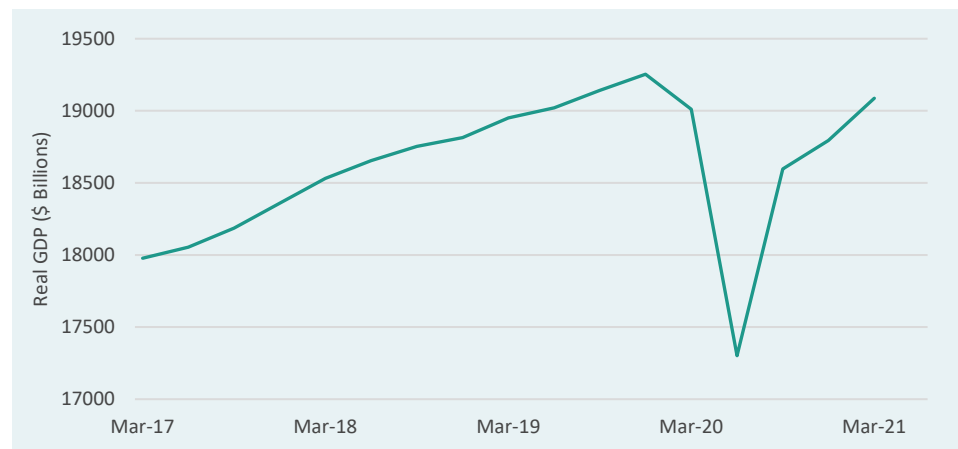
The U.S. economy likely fully recovered during Q2 2021

U.S. REAL GDP GROWTH (YOY)



Source: Bloomberg, as of 3/31/21

U.S. REAL GROSS DOMESTIC PRODUCT



Source: FRED, as of 3/31/21



# Inflation

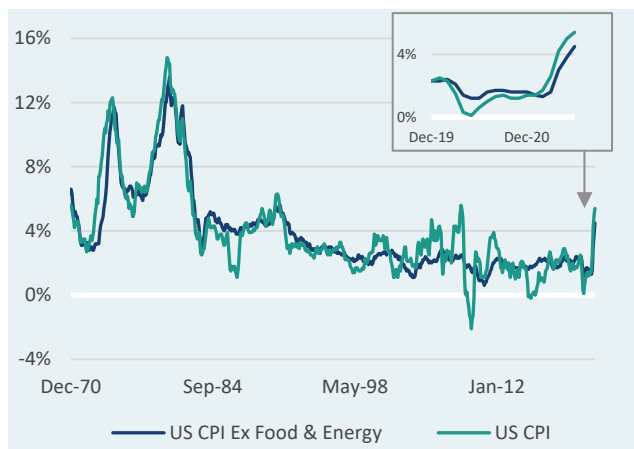
Inflation surprised on the upside in Q2, adding to investor concerns around a sustained rise. U.S. core CPI, which excludes food & energy prices, rose 4.5% YoY in June. U.S. headline inflation came in at 5.4%. The rise in prices has so far been concentrated in a few areas. Energy prices (+24.5% YoY) have had the most significant impact, with extreme gasoline price rises (+45.1% YoY) being very noticeable at the pump. Used automobile prices (+45.2% YoY) have also seen large gains.

We maintain our belief that recent price rises will generally prove transitory as most increases can be explained either by base effects or one-time effects from pandemic supply and spending dynamics. Energy price growth is an example of 'base effects',

where prices fell dramatically in spring 2020 and then recovered by spring 2021, creating the mirage of high inflation (inflation is a 12-month price change measurement). Higher used car prices is likely an example of 'one-time effects' from supply issues (chip shortages led to decreased supply of new cars) and also consumer spending habit changes during COVID (fear of public transportation led to auto purchases, and stimulus checks provided funds for purchases). As auto sales slow, we believe this will mitigate high prices. However, there are also some signs of more structural price rises, such as owner's equivalent rent (OER) which is much slower moving due to the impact of lease arrangements and the longer time it takes for home price increases to impact household budgets more broadly.

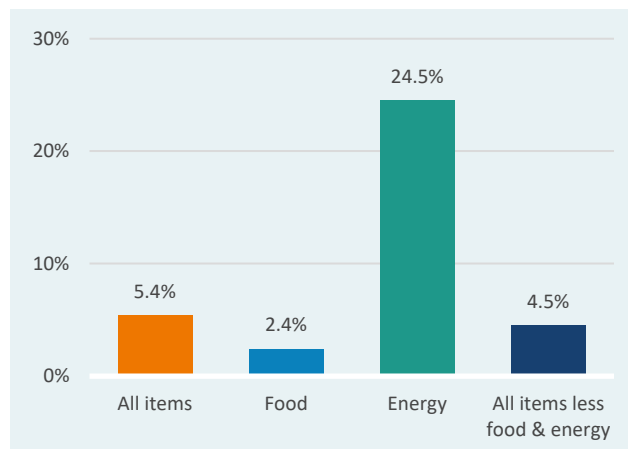
It is important to distinguish between *one-time* and *transitory* price rises in the current environment

U.S. CPI (YOY)



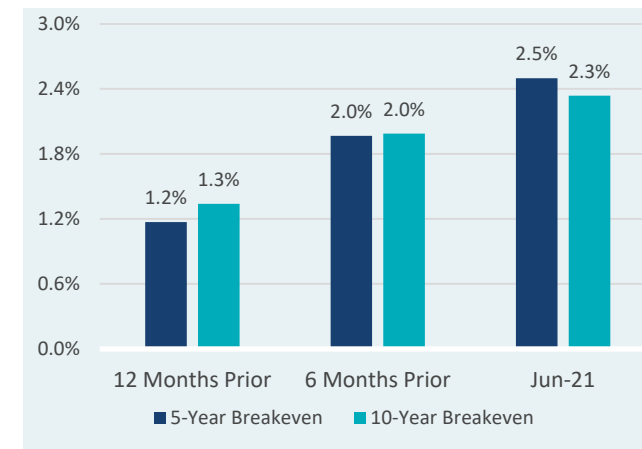
Source: Bloomberg, as of 6/30/21

U.S. CPI (YOY)



Source: BLS, as of 6/30/21

BREAKEVEN INFLATION RATES



Source: Bloomberg, as of 6/30/21

# Labor market

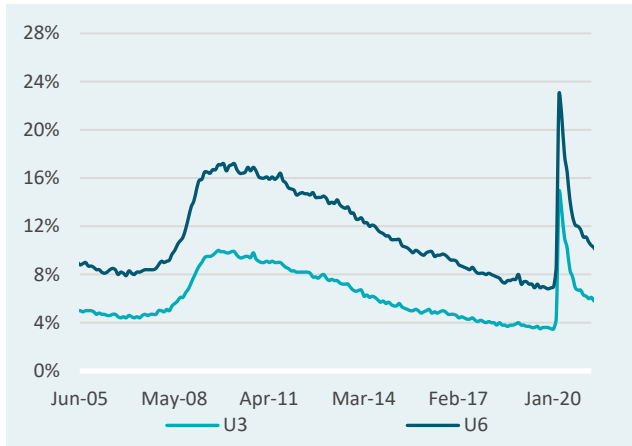
The U.S. labor market rate has been slow to recover, as unemployment fell only slightly from 6.0% in March to 5.9% in June. Labor participation also paints a lukewarm picture, rising from 61.5% to 61.6% during the quarter. The labor market remains materially weaker relative to pre-pandemic conditions. This might suggest that a significant portion of the economic recovery has been fueled by government spending and raises concerns about whether recent strength may prove fleeting once government spending slows.

Beginning mid-June, a few U.S. states decided to stop accepting Federal emergency unemployment benefits. Among the benefits were a \$300 weekly unemployment add-on, expanded eligibility,

and an extension of the duration of benefits overall. Research regarding the impacts of these programs on joblessness are mixed. Based on one study from the Federal Reserve Bank of St. Louis, states that have stopped these programs have seen unemployment fall by 5% more than states that have continued offering expanded benefits (12% unemployment vs. 7%). This study suggests that many unemployed workers may come back into the workforce as government subsidies roll off. It is worth mentioning that other factors are in play regarding the timid labor market recovery, including parents declining work to care for children, fears of workplace safety, and early retirements. These labor dynamics are complex and it may be overly simplistic to attribute problems to a single cause.

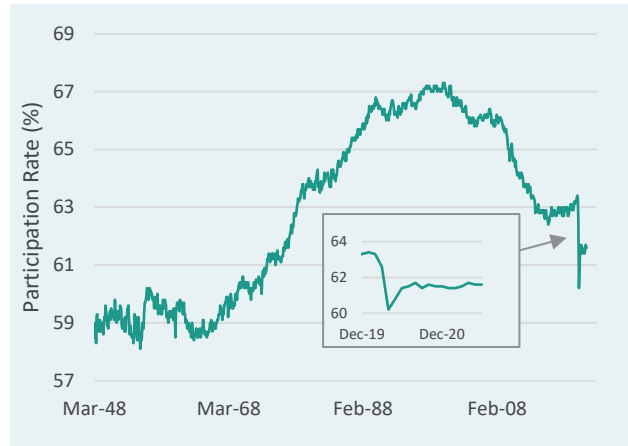
A large portion of the U.S. labor force remains neither employed nor seeking work

## U.S. UNEMPLOYMENT



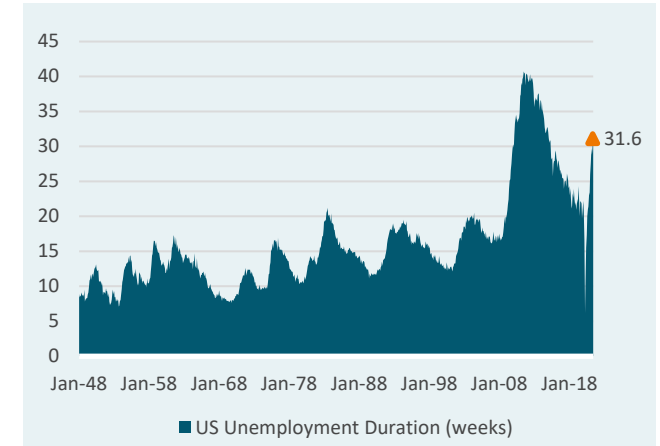
Source: FRED, as of 6/30/21

## LABOR PARTICIPATION RATE



Source: FRED, as of 6/30/21

## UNEMPLOYMENT DURATION



Source: FRED, as of 6/30/21

# Employment conditions

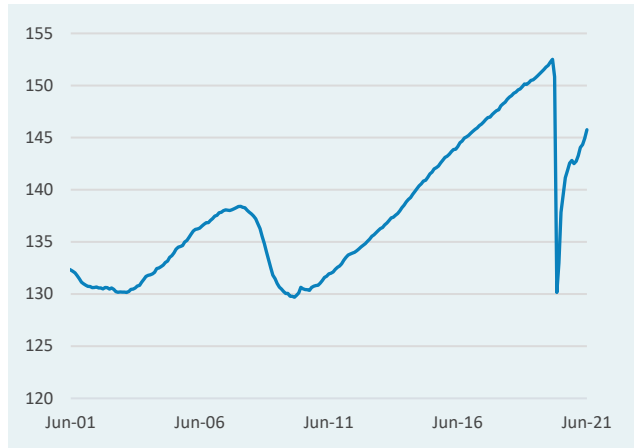
Nonfarm payrolls expanded by 567,000 per month on average in the second quarter, reaching a total of 145.8 million by quarter-end. This number was 6.8 million below the pre-pandemic peak of February 2020. Labor market conditions have been improving overall, but the road has been bumpy, given the ebb and flow of virus cases and the impact on individual state and city policy decisions.

Job openings rose to a fresh record of 9.2 million in May, underscoring the fact that the recent bounce back in consumer demand has outpaced the ability of business owners to hire to meet that demand. In order to address that shortfall, many business owners have begun to raise wages,

offer signing bonuses, offer more flexible work hours, and offer the ability to work from home. Said another way, the sellers have the upper hand in the labor market at present. The number of people who quit their jobs in May (3.6 million) remained near record levels, reflecting workers' confidence in their ability to find other employment.

While employers are struggling to find qualified employees in the current environment, the expiration of a litany of additional unemployment insurance programs through the end of the year could push up labor market supply. Whether the skills of the currently not-working contingent matches up with current labor demand remains to be seen.

**U.S. EMPLOYEES ON NONFARM PAYROLLS**



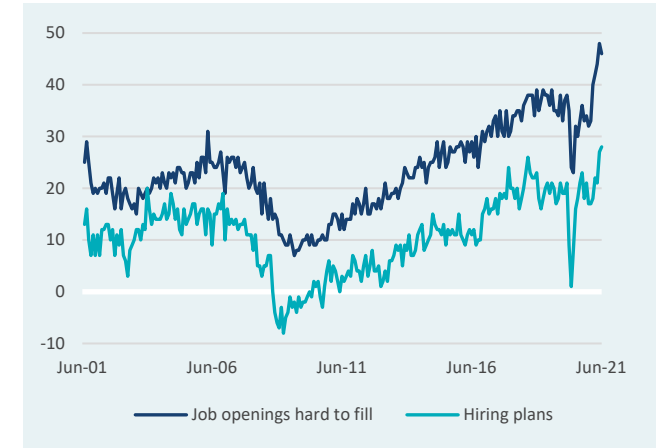
Source: BLS, as of 6/30/21

**U.S. JOB OPENINGS (MILLIONS)**



Source: BLS, as of 5/31/21

**SMALL BUSINESS OWNERS' HIRING CONDITIONS**



Source: NFIB, as of 6/30/21

# The consumer

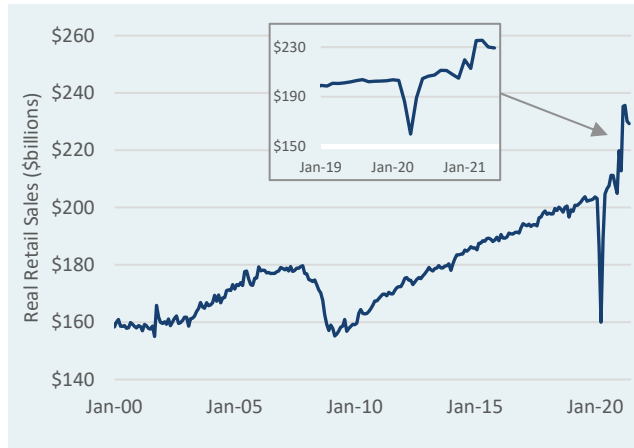
U.S. retail sales would appear red hot if defined on a year-over-year growth basis (+12%). But, as we have mentioned during past quarters, year-over-year numbers are skewed due to the events of early-2020. In reality, retail sales fell -2.5% from Q1 to Q2.

As vast government stimulus translated to hot consumer spending, it might be reasonable to ask what will happen to recent trends as government spending slows and once stimulus money has been spent. This effect might in part explain the recent drop in U.S. auto sales, which have fallen to the lowest level since 2014. We remain cautious about assuming a clean economic turnaround, as much of the recent rebound has been due to government spending rather

than a natural rebound in jobs, spending, and household economic/financial security. This effect may tie closely with the more muted improvement in consumer sentiment and comfort indicators, as illustrated on slide 18.

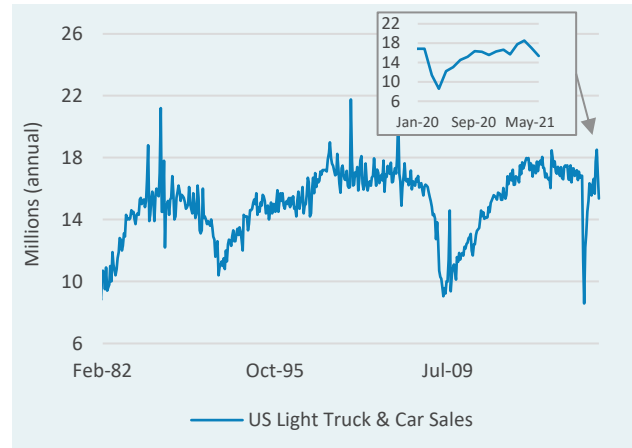
According to anonymized cellular phone data collected by Google for COVID-19 public health research, Americans appear to have returned to normal life in most respects. Travel to the workplace and transit usage, however, remain notably depressed relative to pre-COVID activity. If work-from-home policies are extended or even made permanent at many businesses, it is likely that this type of travel remains lower.

## REAL RETAIL SALES



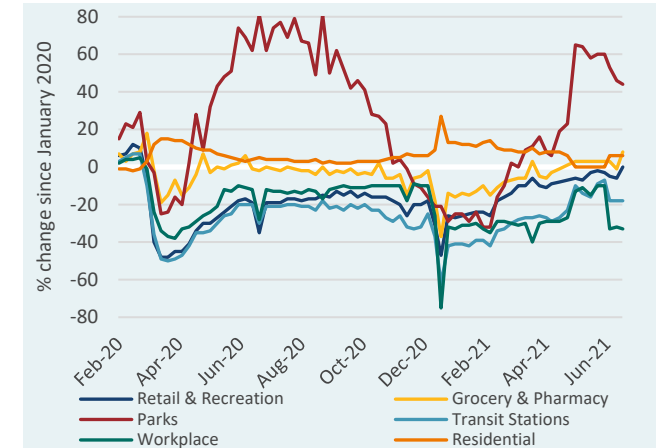
Source: FRED, as of 6/30/21

## AUTO SALES



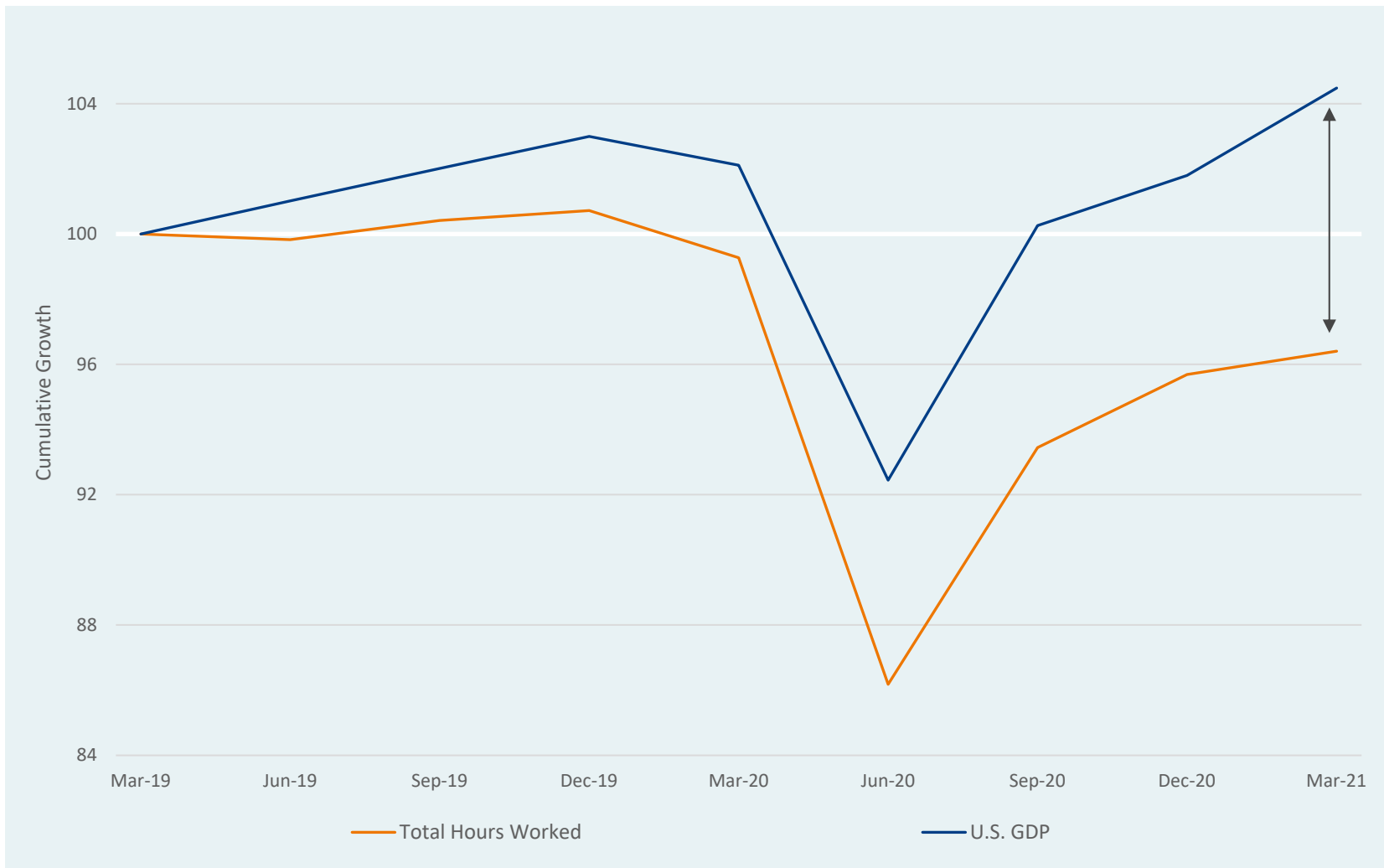
Source: Federal Reserve, as of 6/30/21

## GOOGLE U.S. ACTIVITY TRACKER



Source: Google anonymized U.S. citizen mobility, as of 6/30/21

# An unbalanced recovery



Despite the strong recovery in U.S. GDP, the labor market remains depressed

The stark contrast between GDP and the total number of hours worked by Americans illustrates this divide

Source: Fred, Verus, as of 3/31/21 – Nonfarm business sector total hours worked, nominal U.S. gross domestic product (GDP)

# Sentiment

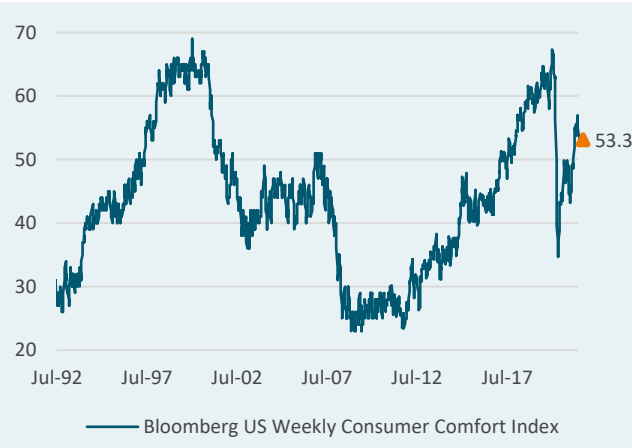
Consumer sentiment further improved over the quarter but has only recovered roughly half of the deterioration post-COVID, according to the indices below.

The Bloomberg Consumer Comfort Index attempts to gauge Americans’ views on the economy, their personal financial situations, and buying conditions. The index rose from 50.0 to 53.3. The University of Michigan Consumer Sentiment Survey attempts to gauge attitudes about the business climate, personal finances, and spending conditions. The index jumped from 84.9 to 85.5. As reported by the university, “...consumers’ complaints about rising prices on

homes, vehicles, and household durables reached an all-time record.” The survey surmised that Americans have accumulated significant savings, and a critical issue going forward will be whether these savings are held for safety or are spent.

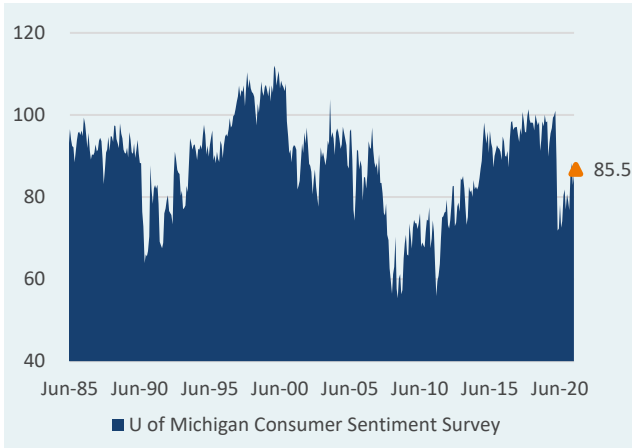
Small business optimism improved over the quarter but remained below pre-pandemic levels. Business owners are optimistic on the outlook, supported by expectations for gradual economic reopening, but continue to struggle to fill open positions due to a shortage of qualified employees in the labor pool.

**CONSUMER COMFORT**



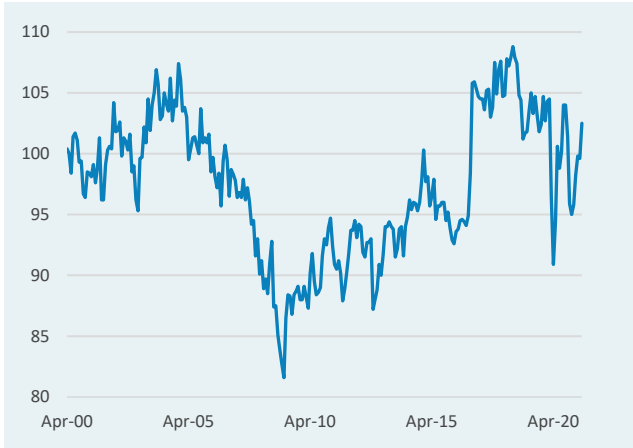
Source: Bloomberg, as of 6/30/21

**CONSUMER SENTIMENT**



Source: University of Michigan, as of 6/30/21

**SMALL BUSINESS OPTIMISM**



Source: NFIB, as of 6/30/21

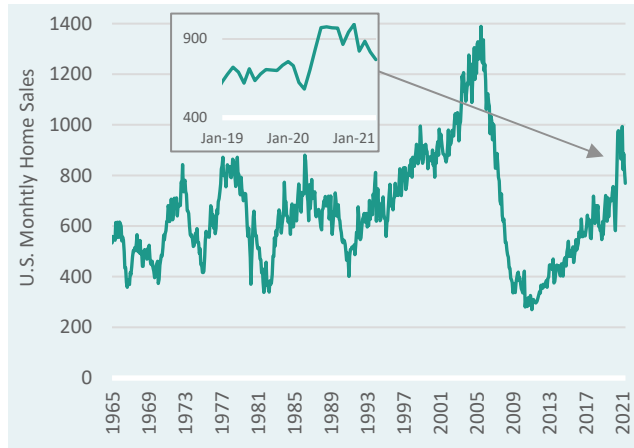
# Housing

Home sales activity surged considerably in late 2020, but has slowed year-to-date, closer to pre-COVID levels in May. The median home sales price in May was 23.6% higher than one year prior, pushed upward by very low inventory and very high demand. Recent price rises have been some of the strongest on record, generating wealth for many Americans, but also hurting affordability and diminishing the chance of homeownership for prospective future homeowners.

The strength of the recent housing boom has been surprising. It is not yet clear whether the current upward

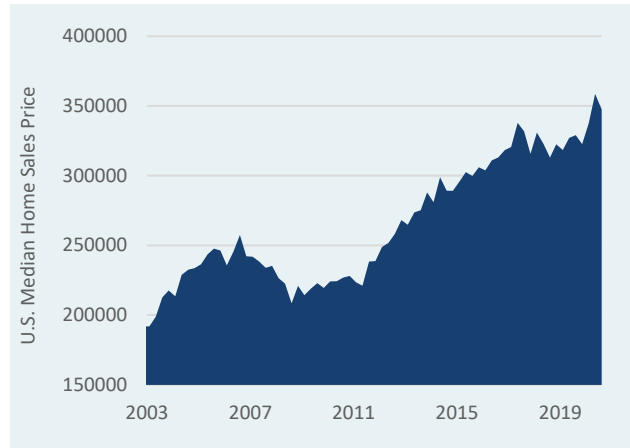
trend will persist. Housing inventory has improved, now standing at 5.1 months of supply, which is closer to pre-pandemic levels. This likely eases some price pressure. Earlier in the year it appeared that mortgage interest rates were rebounding towards prior levels, beginning the year at 2.67% and reaching 3.18% by the end of March. However, this trend reversed course during the second quarter, as rates fell back to 2.98%. An increasing volume of new home construction is likely easing tight inventories, as demonstrated below.

**U.S. MONTHLY HOME SALES**



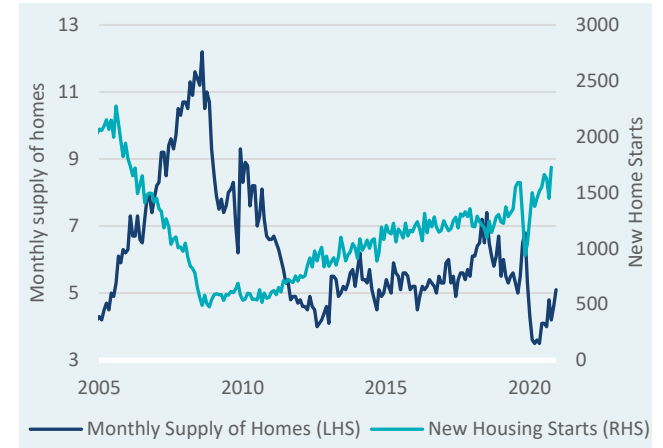
Source: U.S. Census Bureau, as of 5/31/21

**U.S. MEDIAN HOME SALES PRICE**



Source: FRED, as of 6/30/21

**HOUSING SUPPLY VS NEW CONSTRUCTION**



Source: FRED, as of 5/31/21

# International economics summary

- Economies around the world continued to recover as COVID-19 fears eased, government shutdown orders were removed, and life began moving back to normal. This description of course does not apply to all economies, as Brazil, Japan, and much of Africa and Southeast Asia still grapple with effects of COVID and new variants of the virus.
- While expanding access to quality vaccines enabled mainland Europe to close the gap relative to the U.K. and the U.S. regarding vaccination rates, many countries in Asia, Africa, and Central Europe continued to face procurement issues, which has led public policymakers to respond more forcefully to pickups in case growth.
- Inflation has risen around the world, with the U.S. experiencing one of the largest rises. This will likely be a key theme for markets in the coming months.
- The U.S. trade balance of goods and services remained at a near all-time-low level of \$75B per month, perhaps indicating that the relative strength of the U.S. consumer has pushed up domestic imports to levels above exports. The U.S. trade deficit might be primed to recede if the global recovery were to broaden.
- The pace of global manufacturing sector activity growth remained high, while services sector activity in many countries began to expand.
- Chinese GDP growth reportedly moderated from a year-over-year pace of 18.3% in Q1 to 7.9% in Q2—slightly missing expectations (+8.0%), but keeping the 6% annual target in range. Retail sales (+12.1%) and industrial production (+8.3%) both grew by more than forecast, but policymakers continue to worry that the economic recovery has been uneven in composition, which could weigh on future growth.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	0.4% 3/31/21	5.4% 6/30/21	5.9% 6/30/21
Eurozone	(1.3%) 3/31/21	1.9% 6/30/21	7.9% 5/31/21
Japan	(1.6%) 3/31/21	0.0% 6/30/21	3.1% 5/31/21
BRICS Nations	13.3% 3/31/21	2.5% 6/30/21	5.7% 12/31/20
Brazil	1.0% 3/31/21	8.4% 6/30/21	14.7% 4/30/21
Russia	(0.7%) 3/31/21	6.5% 6/30/21	4.9% 5/31/21
India	1.6% 3/31/21	6.3% 6/30/21	9.2% 6/30/21
China	7.9% 6/30/21	1.1% 6/30/21	5.0% 5/31/21

*NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.*



# International economics

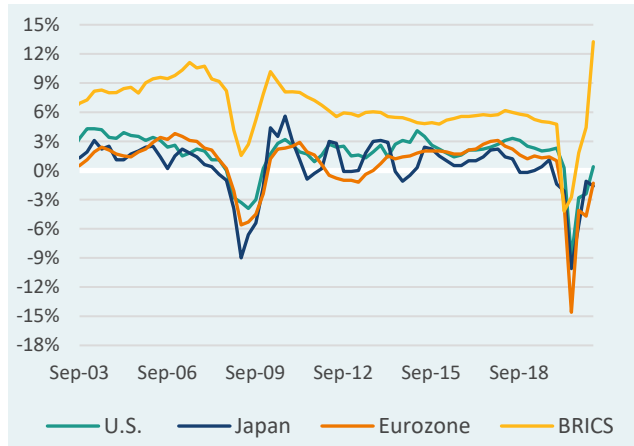
Economies around the world continued to recover, as COVID-19 fears eased, government shutdown orders were removed, and life began moving back to normal. This description of course does not apply to all economies, as Brazil, Japan, and much of Africa and Southeast Asia still grapple with effects of COVID and new variants of the virus.

A third wave of COVID has hit the Asia-Pacific region, as the Delta variant triggered economic restrictions in the area. Slower vaccination rollouts in many countries has resulted in greater vulnerability to new variants.

Inflation has jumped nearly everywhere across the globe, though the U.S. has seen one of the largest rises. This will likely be a key theme for markets and central banks in the coming months.

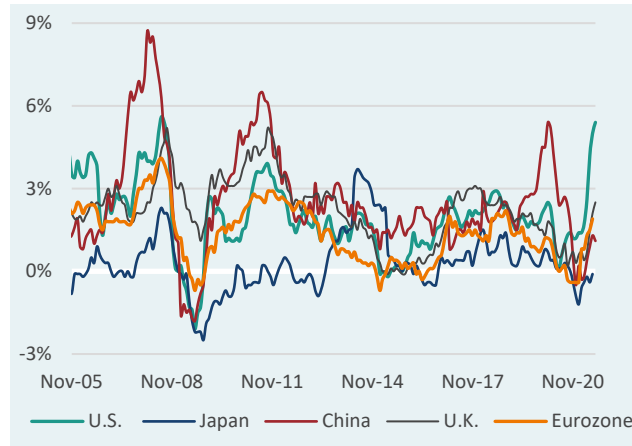
The rate of unemployment was mixed during the second quarter. The U.S. and Eurozone labor markets improved moderately over the quarter, while Japan saw a rise in joblessness. As we have described in prior quarters, governments have taken very different approaches to supporting workers, which has made global labor market trends difficult to compare.

**REAL GDP GROWTH (YOY)**



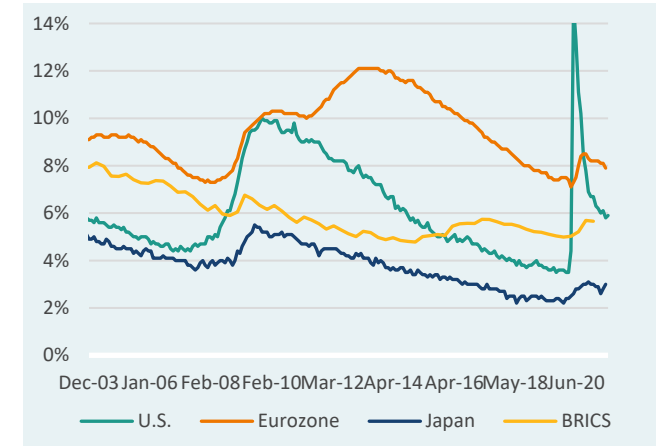
Source: Bloomberg, as of 3/31/21

**INFLATION (CPI YOY)**



Source: Bloomberg, as of 6/30/21 – or most recent release

**UNEMPLOYMENT**



Source: Bloomberg, as of 6/30/21 – or most recent release

# Fixed income rates & credit

# Fixed income environment

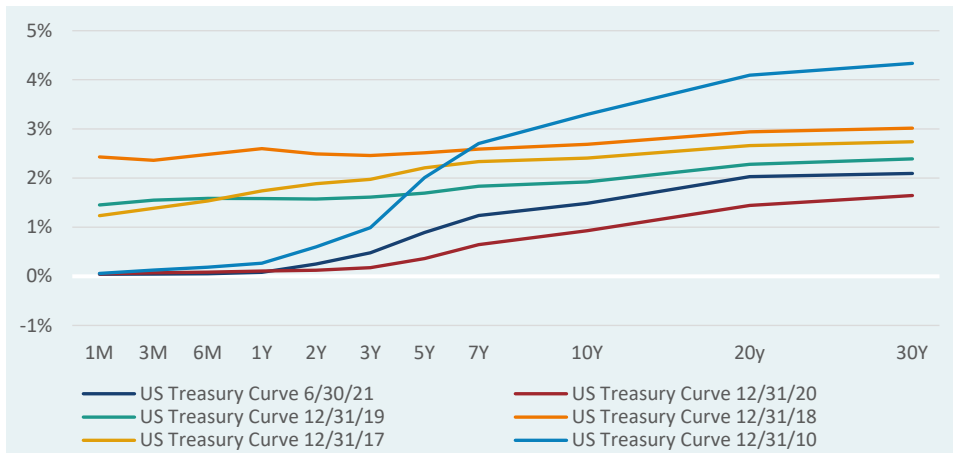
- The 10-year U.S. Treasury yield moved lower during Q2, from 1.75% to 1.44%. Many have attributed this trend to the Federal Reserve’s recent indications that monetary policy will be kept very easy for the medium term. “Lower-for-longer” interest rates may act as a support to risk asset prices.
- Despite very dovish communication from central banks, derivative markets suggest investors are pricing between a 0-0.4% rise in interest rates over the next year in most developed countries.
- Headline Inflation in Brazil has risen to 8.4%, double the pre-pandemic level. Brazil has hiked their central bank rate from 2.00% to 4.25% to battle rising prices. Inflation in Russia has also jumped, now at 6.5%. Russia has hiked their key rate from 4.25 to 5.5%. This might suggest that central banks around the world have different views regarding how “transitory” the recent inflation rise will be.
- Risky credit outperformed over the quarter as spread levels compressed to decade-lows in the United States, and emerging markets debt bounced back. Hard-currency denominated emerging market debt returned 4.1% and high yield credit in the U.S. returned 2.7%.
- Policy shifts from the People’s Bank of China resulted in a drawdown of liquidity across Asian markets over most of the quarter, which weighed on valuations for larger tech companies across the region. More recent concerns over the pace of the economic recovery in China may lead the government to withdraw liquidity more gradually.
- While some developed market central banks (Bank of Canada, Bank of Korea, Norges Bank) have started to marginally tighten (or signal tighter) policy, the Federal Reserve and the European Central Bank are expected to keep policies accommodative for at least the next year to 18 months.

	QTD Total Return	1 Year Total Return
Core Fixed Income (BBgBarc U.S. Aggregate)	1.8%	(0.3%)
Core Plus Fixed Income (BBgBarc U.S. Universal)	2.0%	1.1%
U.S. Treasuries (BBgBarc U.S. Treasury)	1.7%	(3.2%)
U.S. High Yield (BBgBarc U.S. Corporate HY)	2.7%	15.4%
Bank Loans (S&P/LSTA Leveraged Loan)	1.4%	11.7%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	3.5%	6.6%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	4.1%	7.5%
Mortgage-Backed Securities (BBgBarc MBS)	0.3%	(0.4%)

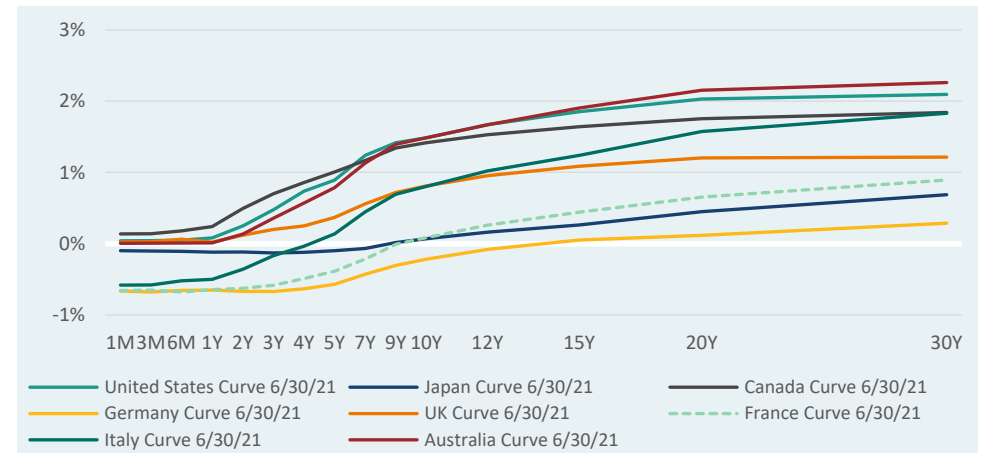
Source: Bloomberg, as of 6/30/21

# Yield environment

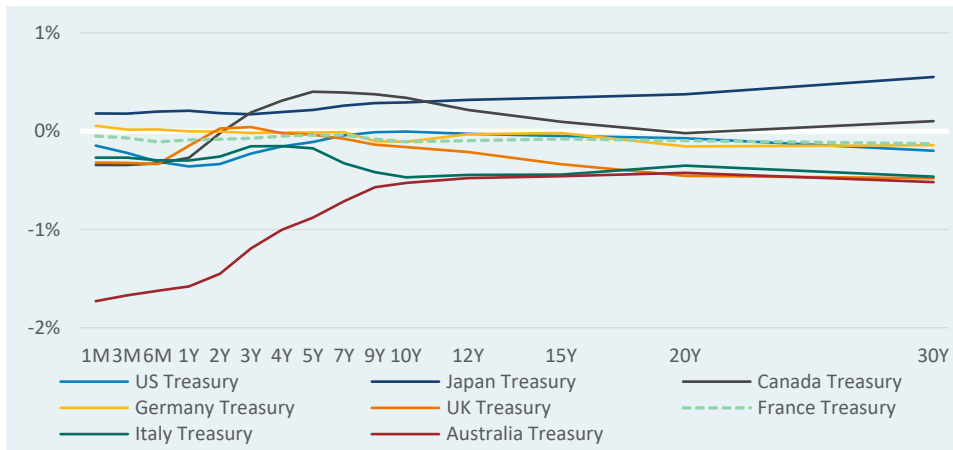
## U.S. YIELD CURVE



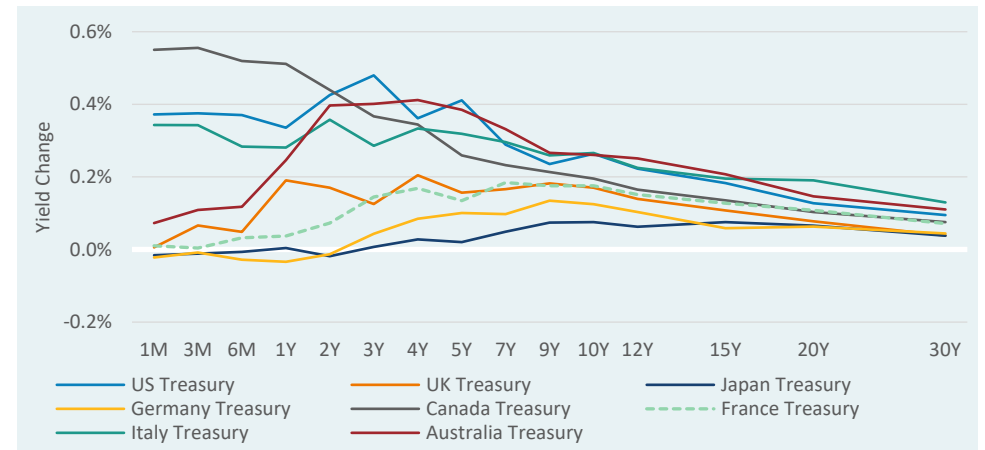
## GLOBAL GOVERNMENT YIELD CURVES



## YIELD CURVE CHANGES OVER LAST FIVE YEARS



## IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 6/30/21

# Credit environment

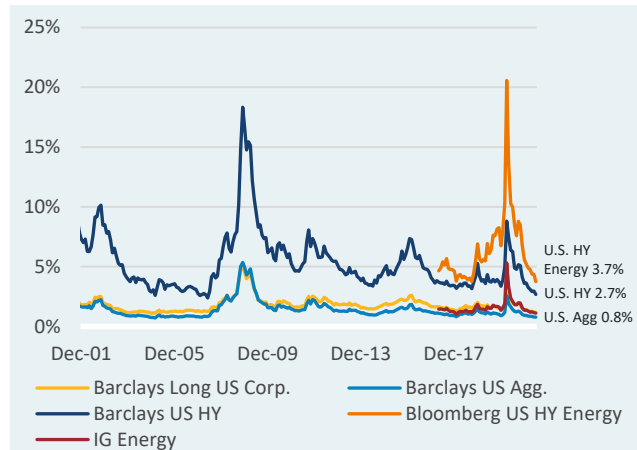
Credit markets performed positively in the second quarter, supported by strong corporate earnings, strong inflows and the expectation that supply will moderate in the second half of the year. Interest rates, specifically on the long-end of the curve, fell over the quarter, providing further duration tailwinds for fixed income securities. Corporate investment grade credit returned +3.6% over the quarter while high yield and leverage loans returned +2.7% and +1.4%, respectively.

Credit spreads grew tighter during the quarter, driven by strong investor demand and continued improvements in

economic fundamentals. High yield spreads tightened 42 basis points to 268 basis points, a new cycle low. Investment grade tightened a more modest 11 basis points to end the quarter at 80 basis points.

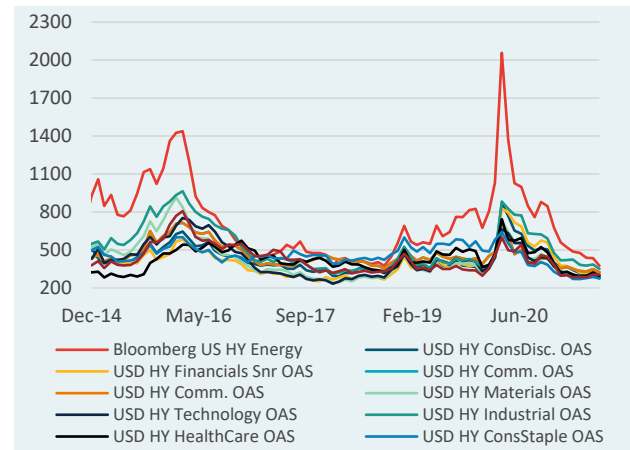
Lower quality bonds continue to outperform within both high yield and leverage loans. CCC bonds have now outperformed the broad high yield bond index in 10 of the past 11 months while split B/CCC loans have outperformed in 11 consecutive months.

## SPREADS



Source: Barclays, Bloomberg, as of 6/30/21

## HIGH YIELD SECTOR SPREADS (BPS)



Source: Bloomberg, as of 6/30/21

Market	Credit Spread (OAS)	
	6/30/21	6/30/20
Long U.S. Corp	1.2%	2.0%
U.S. Inv Grade Corp	0.8%	1.5%
U.S. High Yield	2.7%	6.3%
U.S. Bank Loans*	4.3%	6.2%

Source: Barclays, Credit Suisse, Bloomberg, as of 6/30/21

\*Discount margin (4-year life)

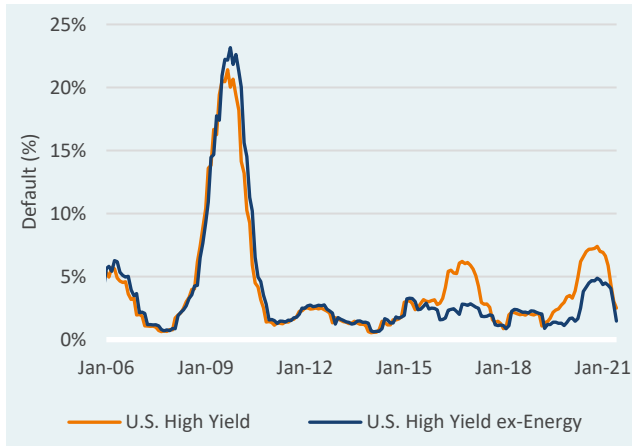
# Default & issuance

Default activity remained modest over the quarter, with defaults totaling \$3.5 billion on bonds and loans. Notably, fewer defaults occurred during the past two quarters than at any time in the past two years—an impressive development, given that the U.S. economy is still recovering from the pandemic. In addition, rolling twelve-month defaults have fallen as larger default volumes experienced last June exited the rolling window. This brought the par-weighted U.S. high yield default rate down 3.4% to end the quarter at 2.5%. Similarly, the loan par-weighted default rate ended the quarter at 1.9%, down 1.9% since March and down 2.5% year-to-date.

High yield bond issuance remains elevated, but has slowed from the record-setting levels experienced last quarter. Gross issuance for the quarter was \$160.8 billion, bringing the year-to-date total to \$338.4 billion. This was notably greater than the \$238.0 billion issued in the first half of 2020. Leveraged loan issuance also slowed to \$119.3, down from \$163.9 billion issued in the first quarter.

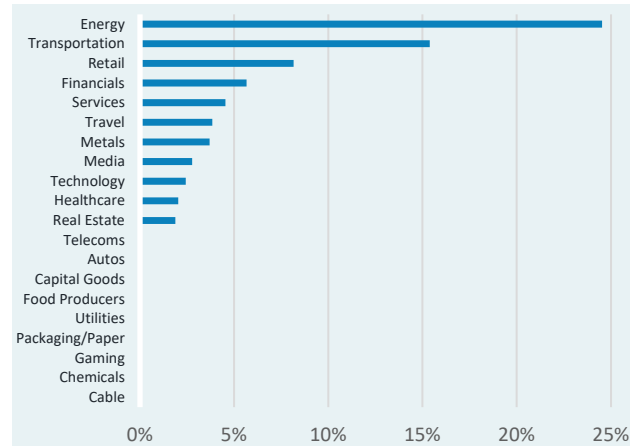
Investment grade issuance for the quarter totaled \$350 billion, below the four-year average second quarter issuance of \$401, and less than the \$423 billion issued in Q1.

**HY DEFAULT RATE (ROLLING 1-YEAR)**



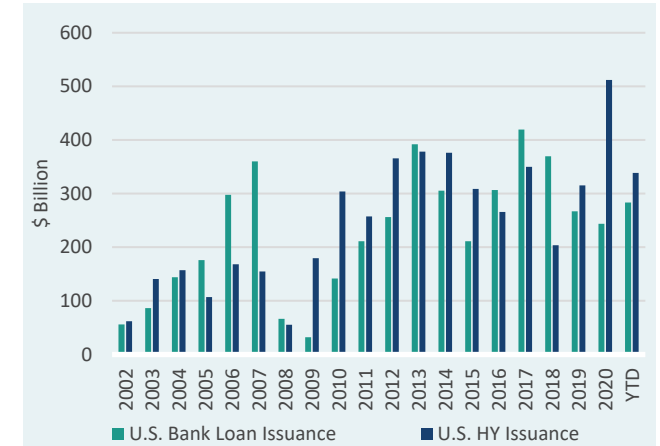
Source: BofA Merrill Lynch, as of 6/30/21

**U.S. HY SECTOR DEFAULTS (LAST 12 MONTHS)**



Source: BofA Merrill Lynch, as of 6/30/21 – par weighted

**U.S. ISSUANCE (\$ BILLIONS)**



Source: BofA Merrill Lynch, as of 6/30/21

# Equity

# Equity environment

- U.S. equities were a top performer again in Q2, returning +8.5%. International equities (+5.2% MSCI EAFE Index) were on par with emerging markets (+5.0% MSCI Emerging Markets Index) on an unhedged currency basis.
- Following the notable turnaround in value stock performance during Q1, growth stocks once again took the lead in Q2. Growth stocks beat value by 6.7% during the quarter, dampening excitement for a value comeback.
- U.S. small-cap stocks (+4.3%) lagged large-cap stocks (+8.5%) as the reflation trade lost steam, but have still outperformed by 21.2% over the last year.
- It seems that investors have put the 2020 pandemic-induced recession behind them. Implied volatility, actual market volatility, and the risk reflected in asset prices is very low. This data suggests that investors perceive a strong economy, a healthy business environment, and very few risks on the horizon.
- Per FactSet, the estimated year-over-year earnings growth for the S&P 500 Index as of Q2 2021 is 64.0%. If that rate were to materialize, it would mark the highest year-over-year growth rate reported by the index since Q4 2009 (109.1%).
- Global equities have marched higher without many hiccups over the last six months. The MSCI ACWI Index has not closed more than 5% below its prior peak level since November 2<sup>nd</sup>, 2020. In the second quarter, the furthest the ACWI ever closed below its prior high-water-mark was 3.3%.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
US Large Cap (S&P 500)	8.5%		40.8%	
US Small Cap (Russell 2000)	4.3%		62.0%	
US Large Value (Russell 1000 Value)	5.2%		43.7%	
US Large Growth (Russell 1000 Growth)	11.9%		42.5%	
International Large (MSCI EAFE)	5.2%	4.9%	32.4%	28.0%
Eurozone (Euro Stoxx 50)	5.8%	5.1%	35.4%	29.7%
U.K. (FTSE 100)	5.8%	5.7%	31.9%	18.5%
Japan (NIKKEI 225)	(1.6%)	(1.0%)	27.0%	31.7%
Emerging Markets (MSCI Emerging Markets)	5.0%	3.5%	40.9%	35.1%

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 6/30/21



# Domestic equity

U.S. equities were a top performer again in Q2, returning +8.5%. Per FactSet, the estimated year-over-year earnings growth for the S&P 500 Index as of June 30<sup>th</sup> was 64.0%. If that rate were to materialize, it would mark the highest year-over-year rate reported by the index since Q4 2009 (109.1%).

Concerns over the potential of the coronavirus delta variant to crimp the growth outlook helped to drive a rotation away from the more cyclical sectors that had driven the advance in U.S. equities since last August. Interest rates fell substantially, supporting outperformance of the Real Estate (+13.1%), IT

(+11.6%), and Telecom (+10.7%) sectors. The shift in sentiment towards more cautious risk positioning led the quality factor (+10.6%) to outperform relative to MSCI's suite of long-only factor indices.

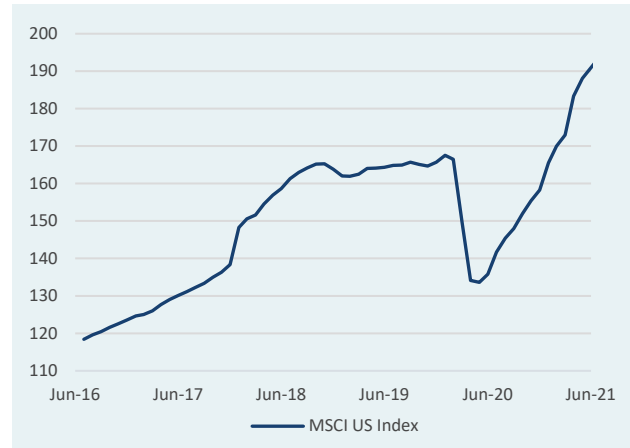
While it appears possible that equities could continue rallying into next year, the road could well become bumpier from here, given high valuations and the level of optimism baked into prices. We retain a cautiously optimistic view, given the uncertainty which shrouds the outlook.

**S&P 500 INDEX**



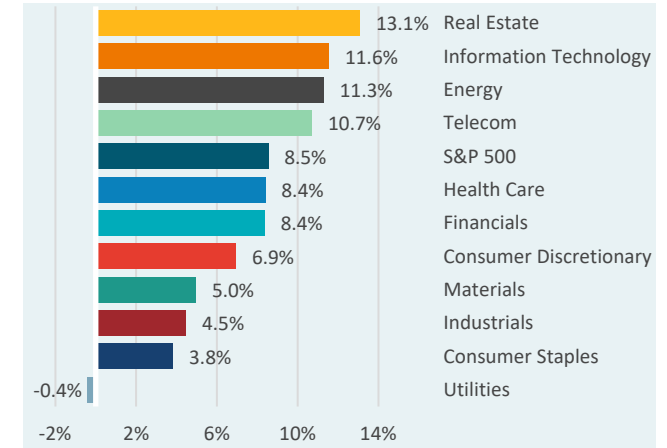
Source: Standard & Poor's, as of 6/30/21

**FORWARD 12-MONTH EARNINGS PER SHARE**



Source: MSCI, as of 6/30/21

**Q2 SECTOR PERFORMANCE**



Source: Standard & Poor's, as of 6/30/21

# Domestic equity size & style

Large capitalization stocks beat small (Russell 1000 +8.5%, Russell 2000 +4.3%) and growth stocks beat value (Russell 1000 Growth +11.9%, Russell 1000 Value +5.2%), as investors rotated portfolios away from riskier exposures to larger, more quality names amid a more cautious risk outlook.

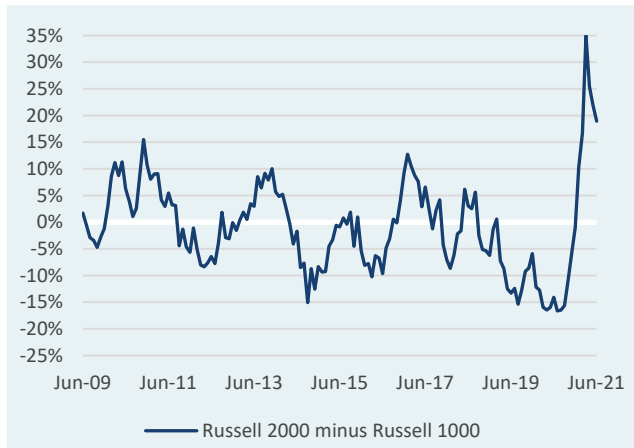
Following the notable turnaround in value stock performance during Q1, growth stocks once again took the lead in Q2, dampening excitement for a value comeback. As we have noted recently, sector trends can have large impacts on

factor behavior. This may have been the case with value in the first quarter. Small capitalization stocks have exhibited a spectacular run over the past year, outperforming large cap stocks by 21.2% (Russell 2000 +62.0, Russell 1000 +43.1%).

In general, factor performance tends to be noisy and difficult to predict, which suggests that style investing should in most cases involve a longer-term focus.

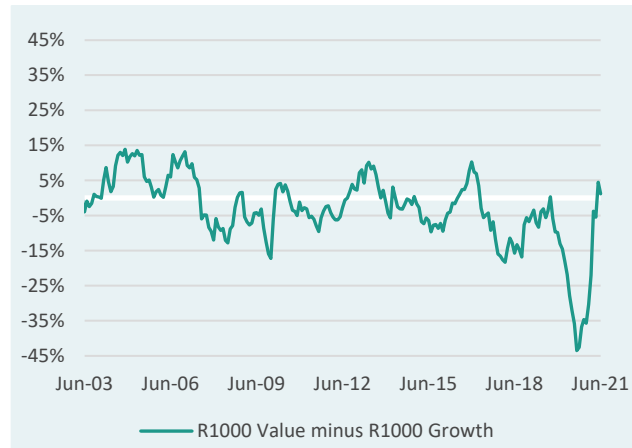
Small cap and value stocks delivered strong relative performance during Q1

SMALL CAP VS LARGE CAP (YOY)



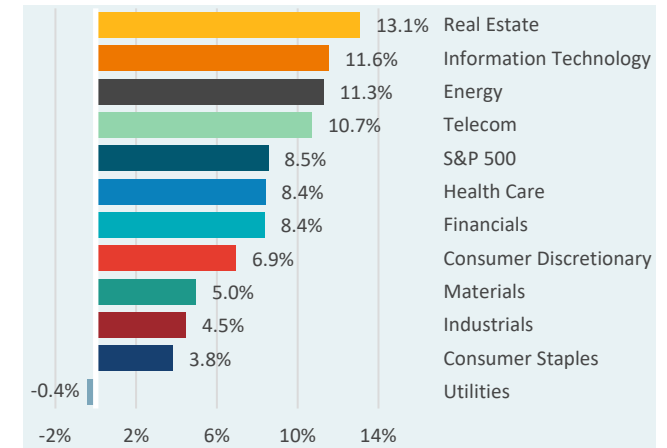
Source: FTSE, as of 6/30/21

VALUE VS GROWTH (YOY)



Source: FTSE, as of 6/30/21

Q2 SECTOR PERFORMANCE



Source: Standard & Poor's, as of 6/30/21

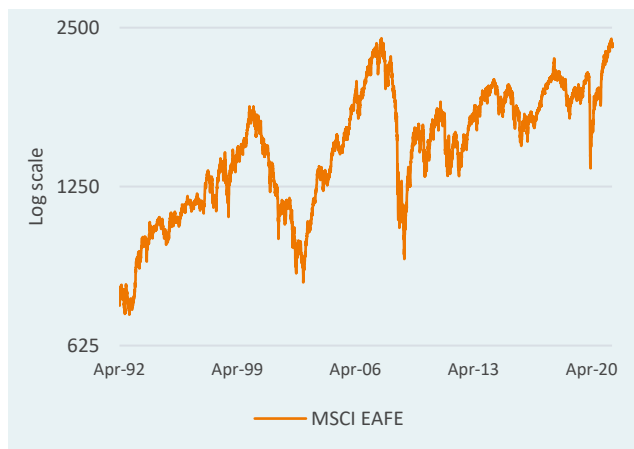
# International developed equity

International equities delivered +5.2% (MSCI EAFE Index) during the quarter on an unhedged currency basis, lagging U.S. equities but in line with emerging market equities (MSCI Emerging Markets +5.0%). Broad dollar weakness over most of the quarter boosted returns for unhedged investors in international developed equities by 0.3%, European equities by 0.7%, and emerging markets by 1.5%. The Japanese yen depreciated slightly relative to the U.S. dollar, which presented headwinds for unhedged investors in Japanese equities. Fading of risk-on sentiment in June helped to spur a turnaround in the U.S. dollar late in the quarter, though short

covering dynamics also played a factor.

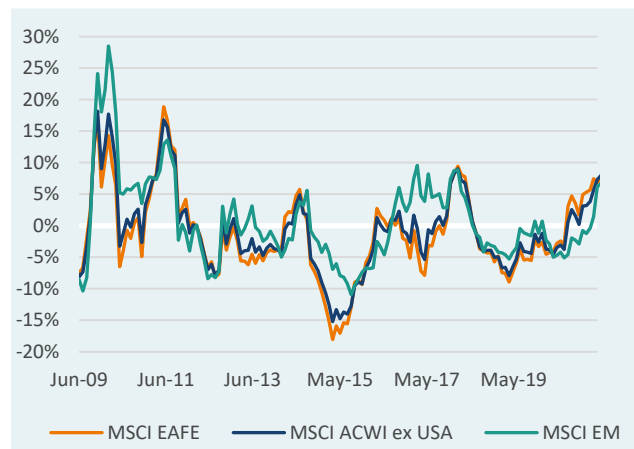
Fresh concerns over the growth outlook following the emergence of the new, more virulent delta strain of the coronavirus pushed ECB policymakers to accelerate the pace of weekly asset purchases within the Pandemic Emergency Purchase Programme slightly, with the goal being to preserve financial conditions supporting a strong recovery. The commitment to easier policy over the short-to-intermediate term helped to keep interest rates at relatively low levels, which buoyed the valuation of European equities.

**INTERNATIONAL DEVELOPED EQUITIES**



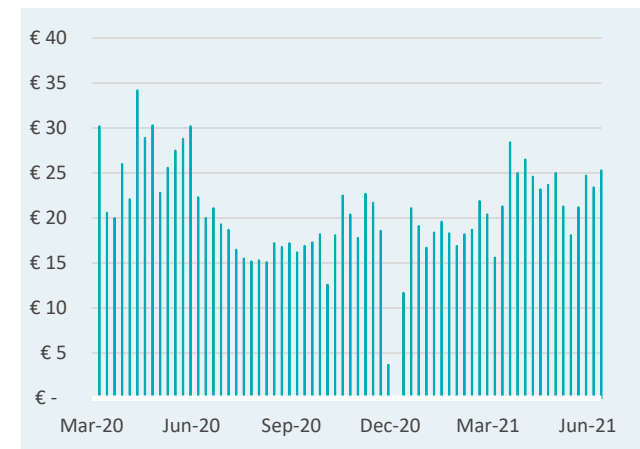
Source: MSCI, as of 6/30/21

**EFFECT OF CURRENCY (1-YEAR ROLLING)**



Source: MSCI, as of 6/30/21

**ECB WEEKLY PEPP PURCHASES (BILLIONS)**



Source: Bloomberg, ECB, as of 7/9/21

# Emerging market equity

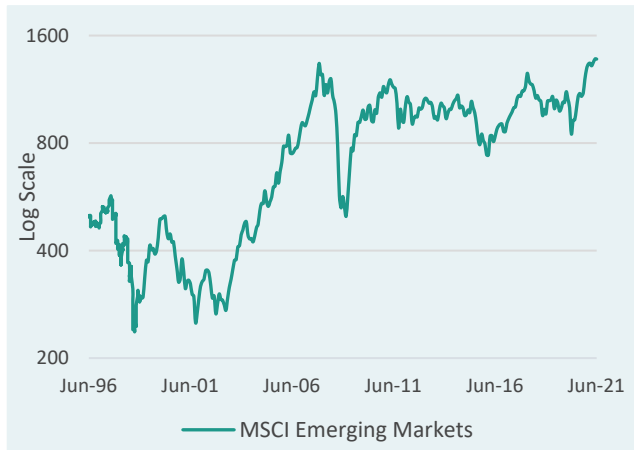
Emerging market equities (MSCI EM +5.0%) underperformed U.S. (S&P 500 +8.6%) and were in line with international developed equities (MSCI EAFE +5.2%) during the second quarter.

Latin American equities once again took the lead during the second quarter, outperforming the broader index by 10% (MSCI Latin America 15.0%, MSCI Emerging Markets +5.0%). Much of this performance was due to the notable underperformance of Chinese equities, which lagged the overall index by -2.8% during Q2 and -14.4% over the past year. Single countries in the emerging markets complex often

display high volatility. In other words, large idiosyncratic moves such as the one witnessed recently by Chinese equities are not unusual.

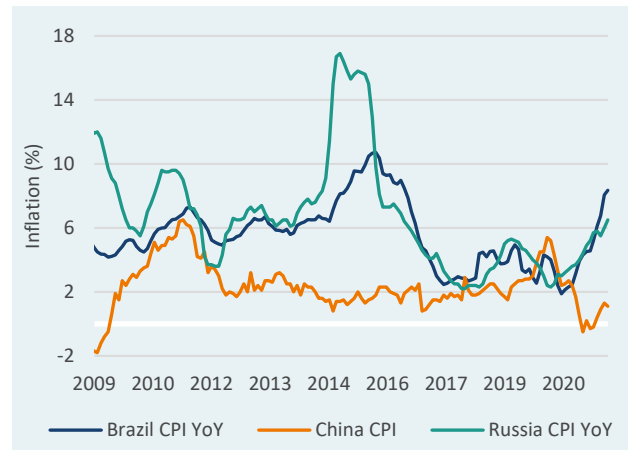
Headline Inflation in Brazil has risen to 8.4%, which is double the pre-pandemic level. Brazil has hiked their central bank rate from 2.00% to 4.25% to battle rising prices. Inflation in Russia has also jumped, now at 6.5%. Russia has hiked their key rate from 4.25% to 5.50%. This might suggest that central banks around the world have different views regarding how “transitory” the recent inflation rise will be, although volatile rates of inflation are common in the emerging markets.

## EMERGING MARKET EQUITY



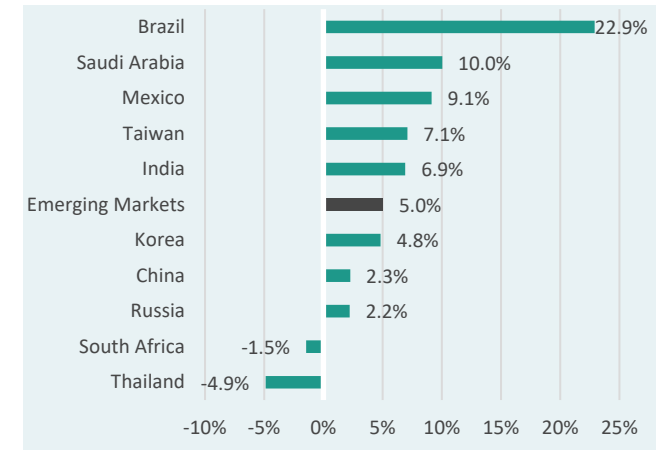
Source: MSCI, as of 6/30/21

## INFLATION (YOY)



Source: Bloomberg, as of 6/30/21 or most recent data

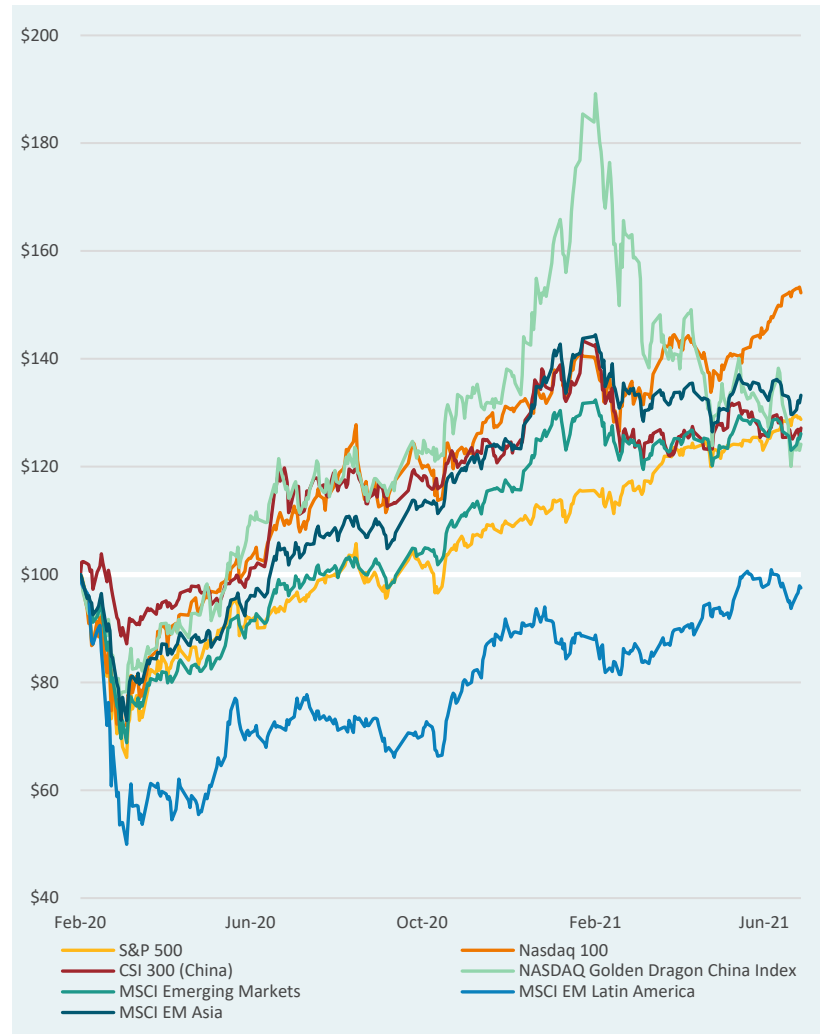
## Q2 PERFORMANCE – TOP 10 EM CONSTITUENTS



Source: Bloomberg, MSCI, as of 6/30/21, performance in USD terms

# Chinese markets

- The Chinese equity market has now lagged the broader emerging markets by -1.1% on a 3-year annualized basis, -13.8% on a 1-year basis, and -5.7% year-to-date (MSCI China, MSCI Emerging Markets).
- Chinese equities began to sell off in late February, with the initial catalyst appearing to be a decision by the People's Bank of China to shift its focus away from an accommodative financial stance towards tightening, with the aim of limiting the risks that excessive leverage within certain segments of the economy poses to the economy.
- This shift in focus from ensuring economic recovery to managing the risks of financial excesses came in the form of a marginal tightening of liquidity across the country, which sparked a sell-off in some of the high-flying tech companies that had driven outperformance in the early days of the pandemic. Losses in China accelerated in the second quarter of 2021 when regulators cracked down on some national champions in the IT industry, reportedly over concerns around the risks of the data gathered by those companies falling into the wrong hands, which could undermine the position of the Communist Party of China. While it appears that both general liquidity conditions have begun to improve and the tech crackdown has showed signs of easing, these issues remain front and center for the broader emerging market universe.
- Recent larger idiosyncratic moves in the Chinese market highlight the benefits of gaining diversified exposure to the asset class.



Chinese tech companies listed in the U.S. but whose business is primarily conducted in China have sold off significantly since late February 2021

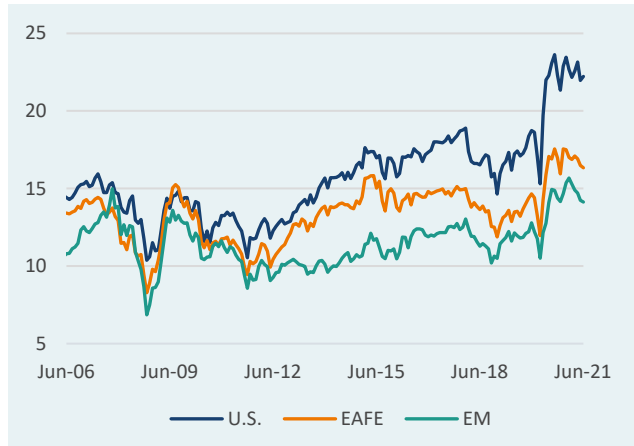
# Equity valuations

Industry analysts forecast a 11.2% gain over the next 12 months for the S&P 500, according to FactSet, despite record-high valuations.

Valuations remain at very high levels relative to history, supported by extremely low interest rates, central bank accommodation, and unprecedented government spending. As is often the case when valuations rise, opinions differ regarding whether: a) valuations are supported by the environment and will stay elevated for the long-term, resulting in lower expected returns, or b) valuations are

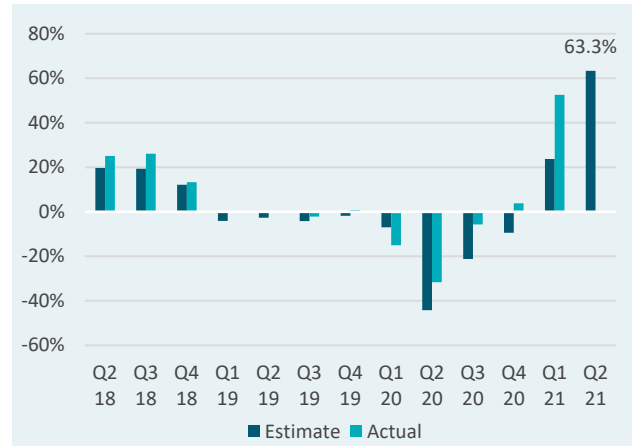
excessive and will come back down due to a market correction. Some investors might question the possibility of a third scenario – that future earnings growth will be strong enough to naturally bring down valuations. However, this third scenario is not currently supported by earnings forecasts. Our view on these conditions continues to be somewhat aligned with scenario “a”—that valuations are indeed high, but that unusual conditions and a potentially synchronized global economic comeback may support these high prices for the medium term. Nonetheless, with such optimism baked into risk asset prices, it will be important to watch closely for any disruptions to the market’s optimistic outlook.

## FORWARD P/E RATIOS



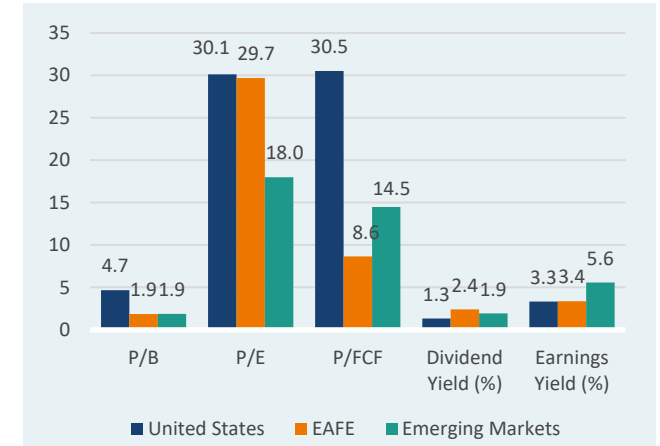
Source: MSCI, 12m forward P/E, as of 6/30/21

## S&P 500 EARNINGS GROWTH VS. FORECASTS



Source: Bloomberg, as of 6/30/21

## VALUATION METRICS (3-MONTH AVERAGE)



Source: Bloomberg, MSCI as of 6/30/21 - trailing P/E

# Equity volatility

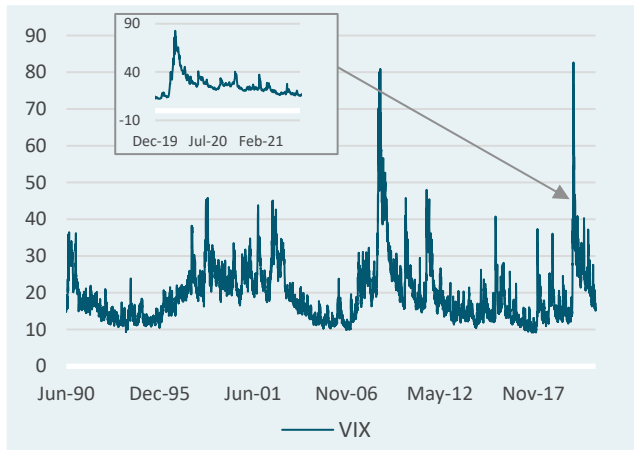
The Cboe VIX Index has fallen further year-to-date, reaching 15 in June. This compares to the longer-term average of 19. One-year trailing realized volatility has now returned to pre-COVID levels.

It seems that investors have put the 2020 pandemic-induced recession behind them. Implied volatility, actual market volatility, and the risk reflected in asset prices is very low. This data suggests that investors perceive a strong economy, a healthy business environment, and very few risks on the horizon. However, it is reasonable to question the degree to

which unprecedented government stimulus and easy money has influenced markets as of late.

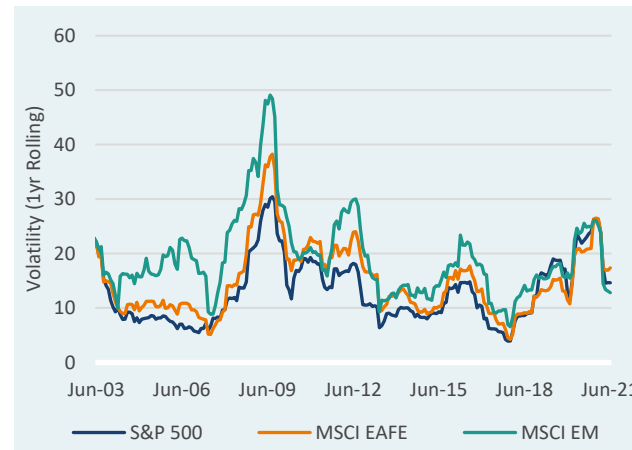
The Cboe Skew Index, which measures the perceived tail risk of the distribution of S&P 500 Index returns over a 30-day horizon, rose to 161.9, 35% above its average level since inception in 1990. The high level of the skew index indicates a steep implied volatility curve, which could be interpreted as more bearish bears, more bullish bulls, or both. In any case, disagreement among investors appears to be wide at present, which could allow for larger short-term price swings.

**U.S. IMPLIED VOLATILITY (VIX)**



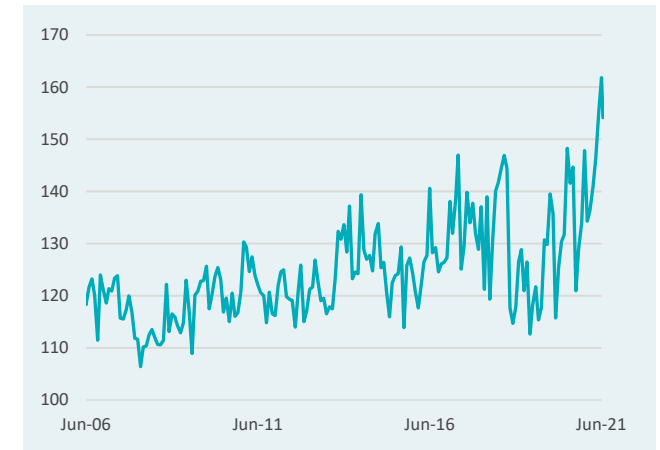
Source: Cboe, as of 6/30/21

**REALIZED VOLATILITY**



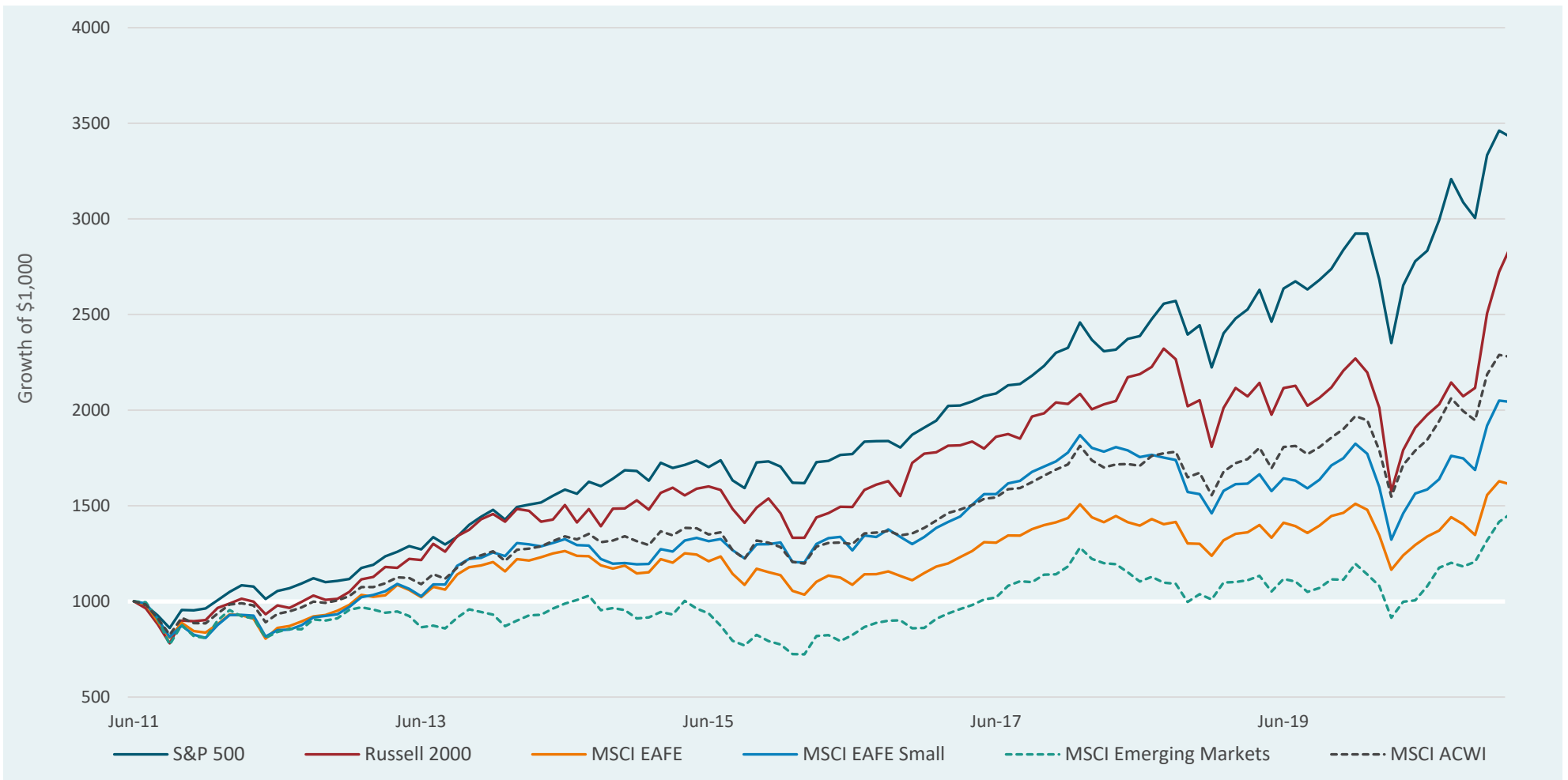
Source: Standard & Poor's, MSCI, as of 6/30/21

**CBOE SKEW INDEX**



Source: Cboe, Bloomberg, as of 6/30/21

# Long-term equity performance



Source: Morningstar, as of 6/30/21



# Other assets

# Currency

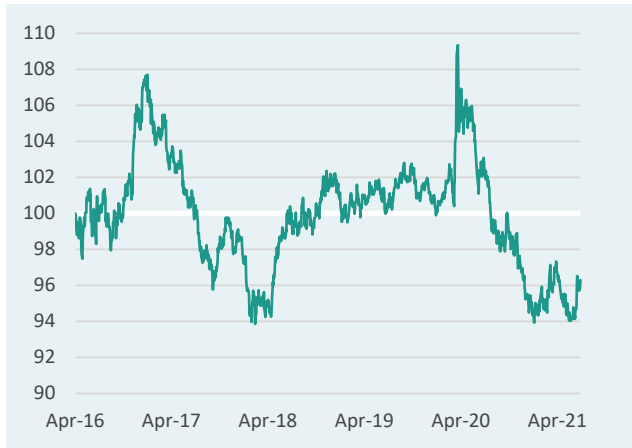
The stabilization in the U.S. dollar that took place in the first quarter as Treasury yields rose began to fade as longer-term interest rates declined from pandemic-era high levels. The dollar sold off relative to major currencies in April and May, before finding a bid in June on the back of slightly more cautious sentiment. Investors remain quite polarized over the medium-to-long term path of the dollar, which might increase the probability of more volatility in the future.

Despite U.S. dollar weakness relative to the euro and British pound over the quarter, those two European currencies remain relatively cheap on a purchasing power parity basis. The

Japanese yen became even cheaper relative to the dollar over the period, while the Swiss franc and Norwegian Krone remained at relatively expensive valuations.

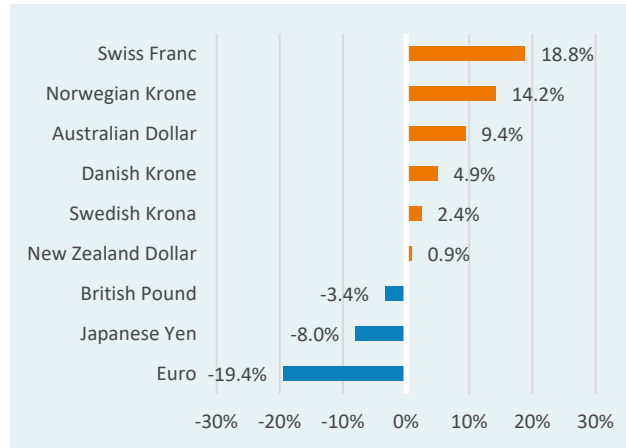
The embedded currency portfolio of the MSCI EAFE Index returned 0.3% over the quarter, but returned 4.4% over the trailing year on the back of a weakening U.S. dollar. Within Verus' preferred currency beta benchmark, the momentum factor (-6.8%) contributed significant headwinds to one-year trailing returns, as frequent shifts in market risk sentiment limited the capacity of risk-on and risk-off currencies from sustaining trends in one direction or the other.

## BLOOMBERG DOLLAR SPOT INDEX



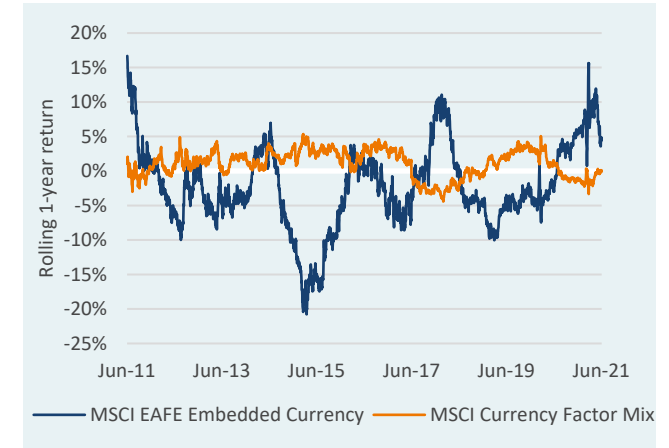
Source: Bloomberg, as of 6/30/21

## PURCHASING POWER PARITY VALUATIONS VS. U.S. DOLLAR (OECD)



Source: Bloomberg, as of 6/30/21

## CURRENCY BETA RELATIVE PERFORMANCE



Source: Bloomberg, MSCI, as of 6/30/21

# Appendix

# Periodic table of returns

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	5-Year	10-Year
Small Cap Value	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	26.7	23.7	17.9
Commodities	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	21.1	18.8	14.9
Small Cap Equity	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	17.5	18.0	13.5
Large Cap Value	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	17.0	16.5	12.3
Large Cap Equity	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	15.0	13.6	11.6
Large Cap Growth	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.4	14.0	13.0	13.0	10.8
Small Cap Growth	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.0	10.3	9.0	11.9	8.8
International Equity	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	8.8	10.3	6.9
Emerging Markets Equity	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	7.4	9.8	5.9
60/40 Global Portfolio	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	6.0	6.1	4.3
Hedge Funds of Funds	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	4.7	5.8	3.8
Real Estate	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	1.7	3.0	3.4
Cash	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	0.0	2.4	0.6
US Bonds	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-1.6	1.1	-4.4

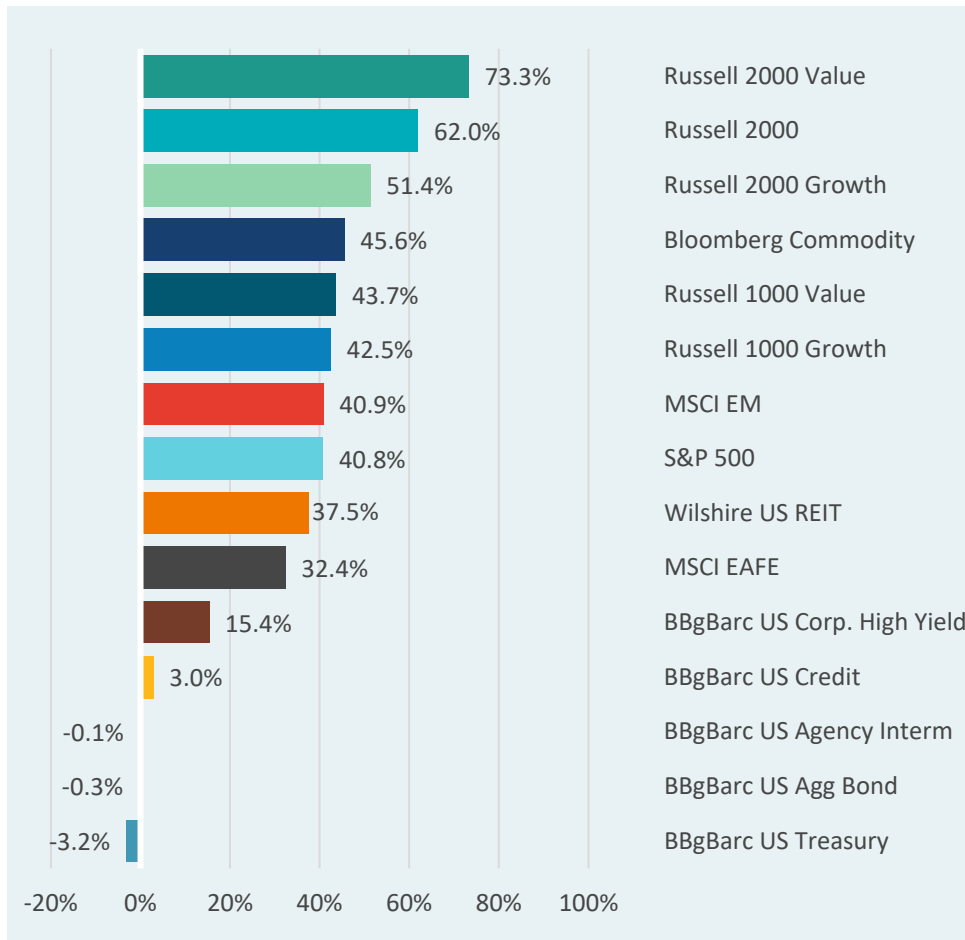
BEST  
↑  
↓  
WORST

- Large Cap Equity
- Small Cap Growth
- Commodities
- Large Cap Value
- International Equity
- Real Estate
- Large Cap Growth
- Emerging Markets Equity
- Hedge Funds of Funds
- US Bonds
- 60% MSCI ACWI/40% BBgBarc Global Bond
- Cash

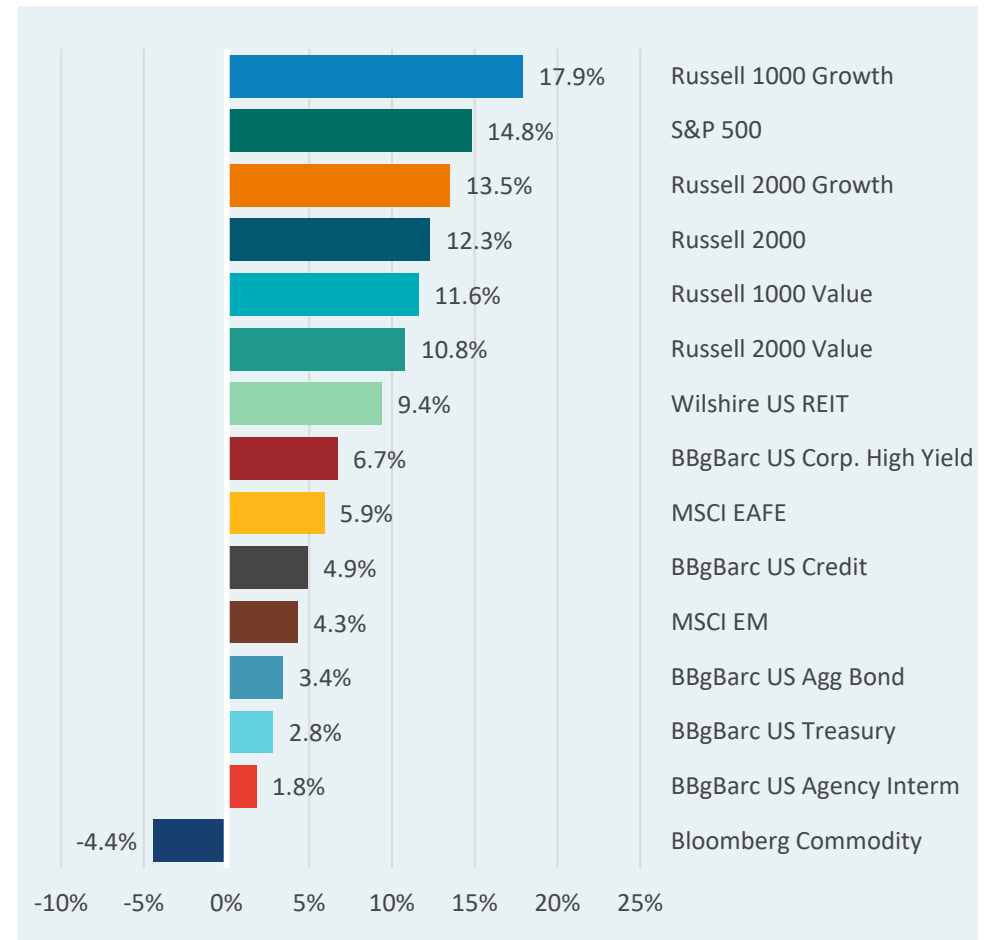
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BBgBarc US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BBgBarc Global Bond. NCREIF Property Index performance data as of 3/31/21.

# Major asset class returns

ONE YEAR ENDING JUNE



TEN YEARS ENDING JUNE



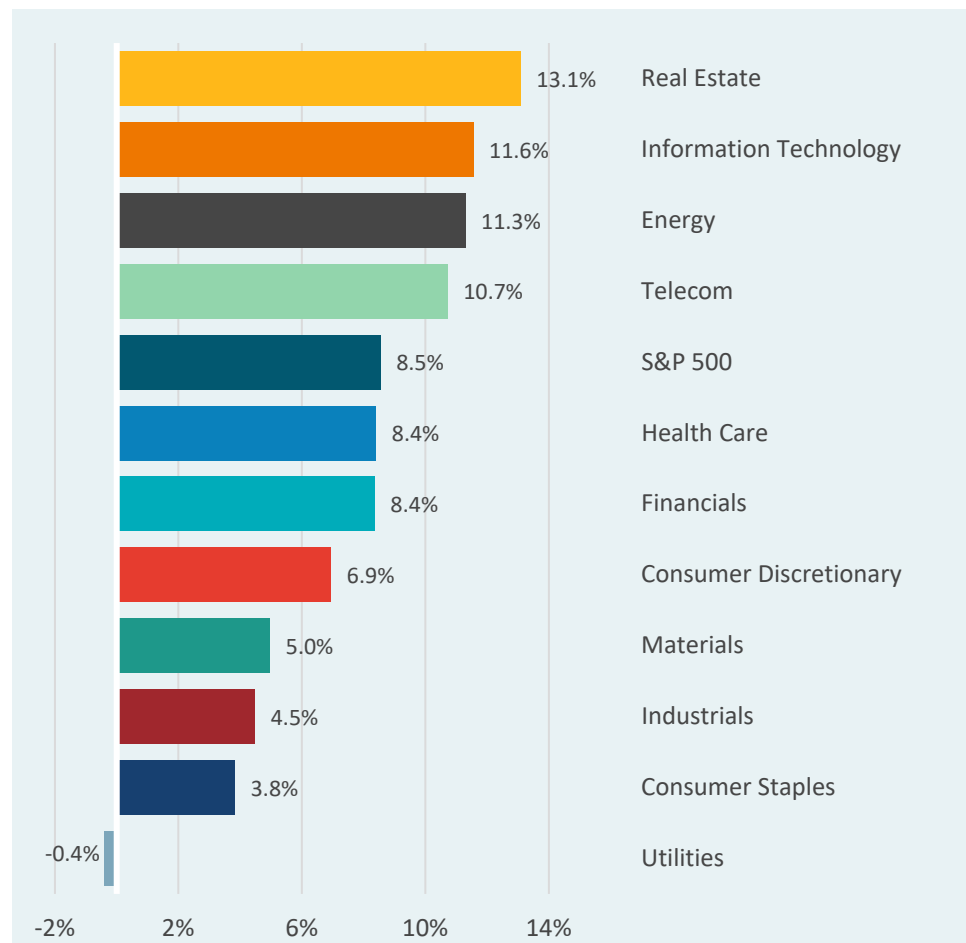
\*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 6/30/21

Source: Morningstar, as of 6/30/21

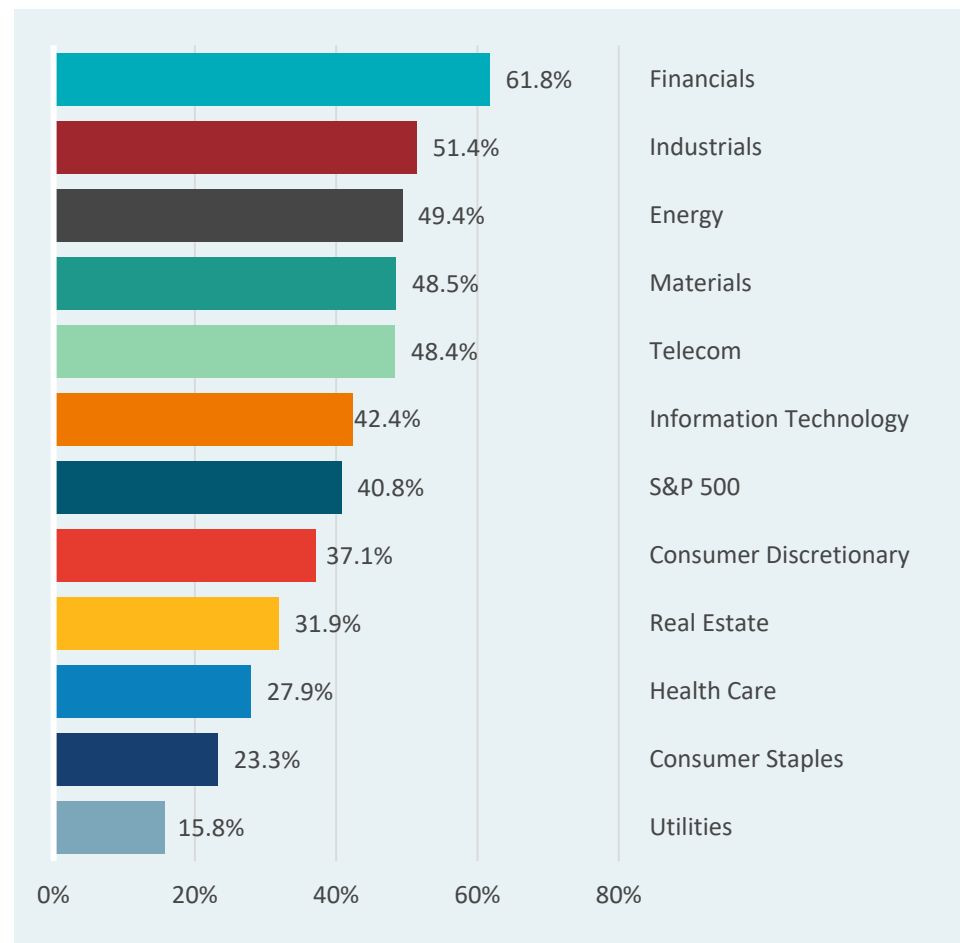
# S&P 500 sector returns

Q2 2021



Source: Morningstar, as of 6/30/21

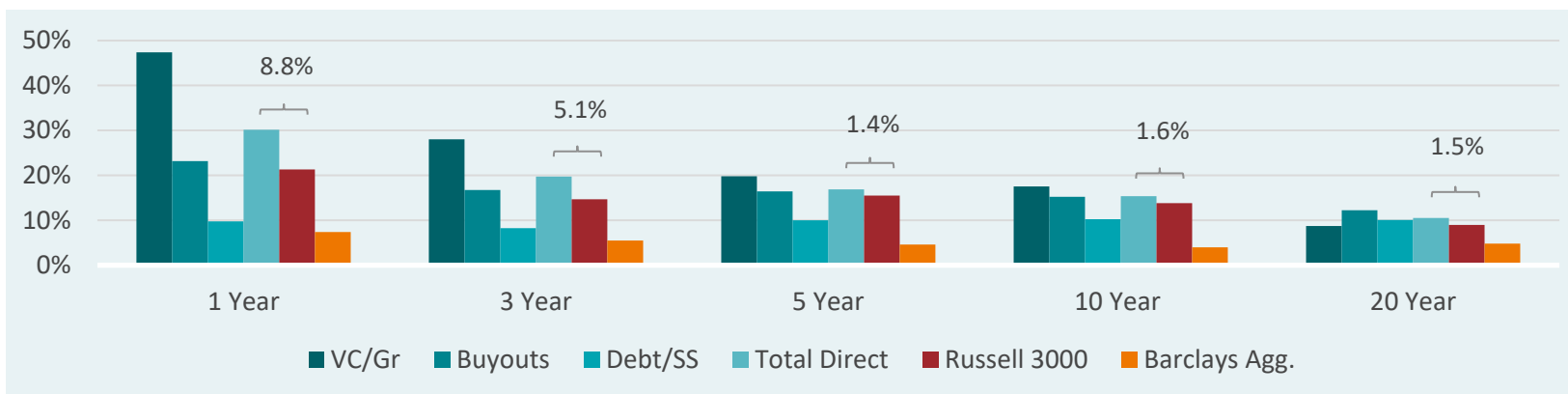
ONE YEAR ENDING JUNE



Source: Morningstar, as of 6/30/21

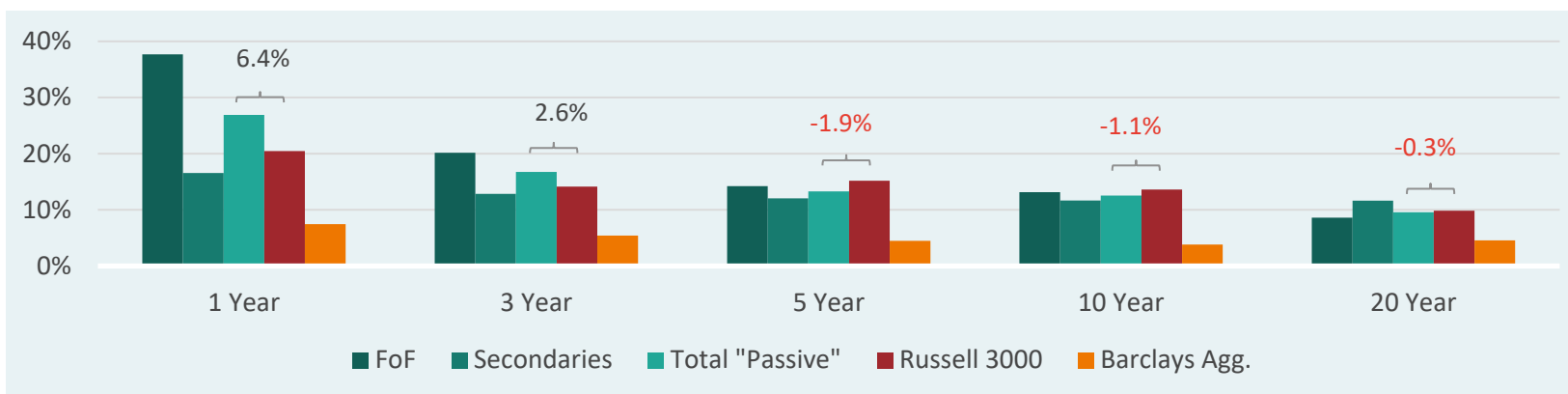
# Private equity vs. traditional assets performance

## DIRECT PRIVATE EQUITY FUND INVESTMENTS



Direct P.E Fund Investments outperformed comparable public equities across all time periods.

## “PASSIVE” STRATEGIES

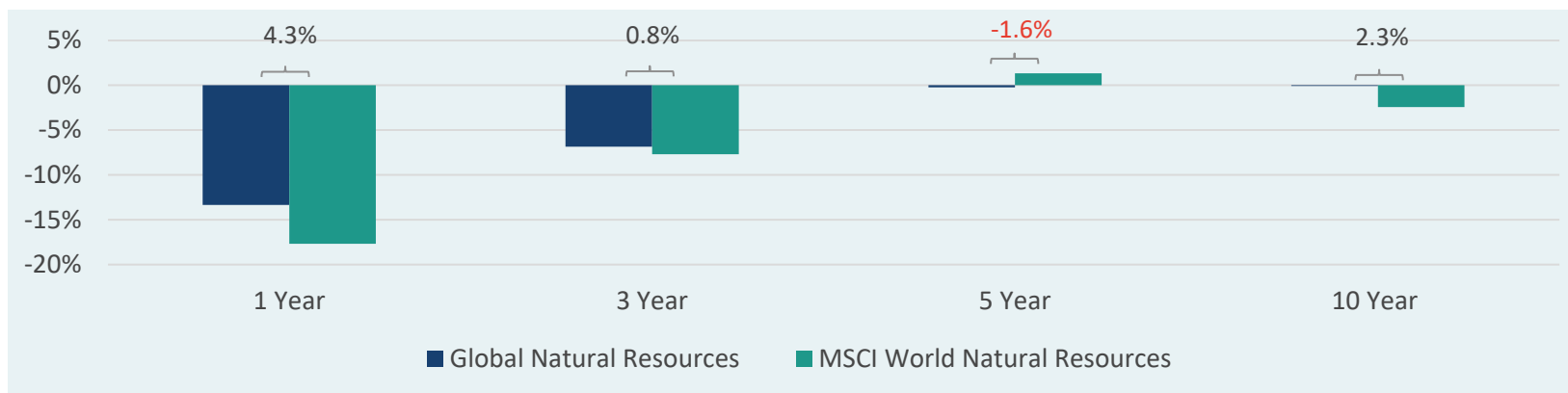


“Passive” strategies underperformed comparable public equities across all time periods, aside from the 1 and 3-year basis.

Sources: Thomson Reuters Cambridge Universe’s PME Module: U.S. Private Equity Funds sub asset classes as of December 31, 2020. Public Market Equivalent returns resulted from “Total Passive” and Total Direct’s identical cash flows invested into and distributed from respective traditional asset comparable.

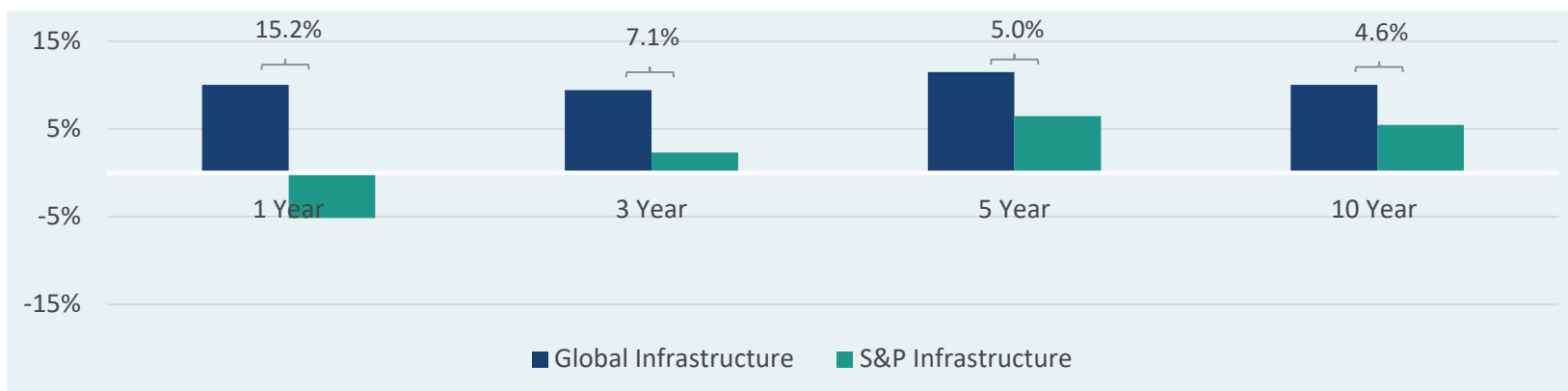
# Private vs. liquid real assets performance

## GLOBAL NATURAL RESOURCES FUNDS



N.R. funds outperformed the MSCI World Natural Resources benchmark across all time periods, aside on a 5-year basis.

## GLOBAL INFRASTRUCTURE FUNDS



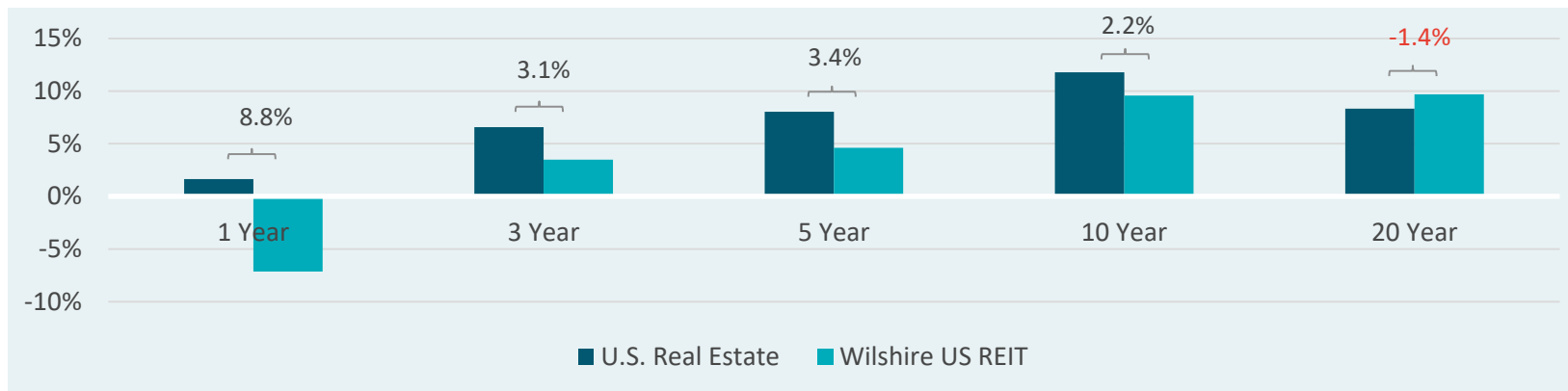
Infra. funds outperformed the S&P Infra. across all periods.

Sources: Thomson Reuters C|A PME: Global Natural Resources (vintage 1999 and later, inception of MSCI World Natural Resources benchmark) and Global Infrastructure (vintage 2002 and later, inception of S&P Infrastructure benchmark) universes as of December 31, 2020. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.



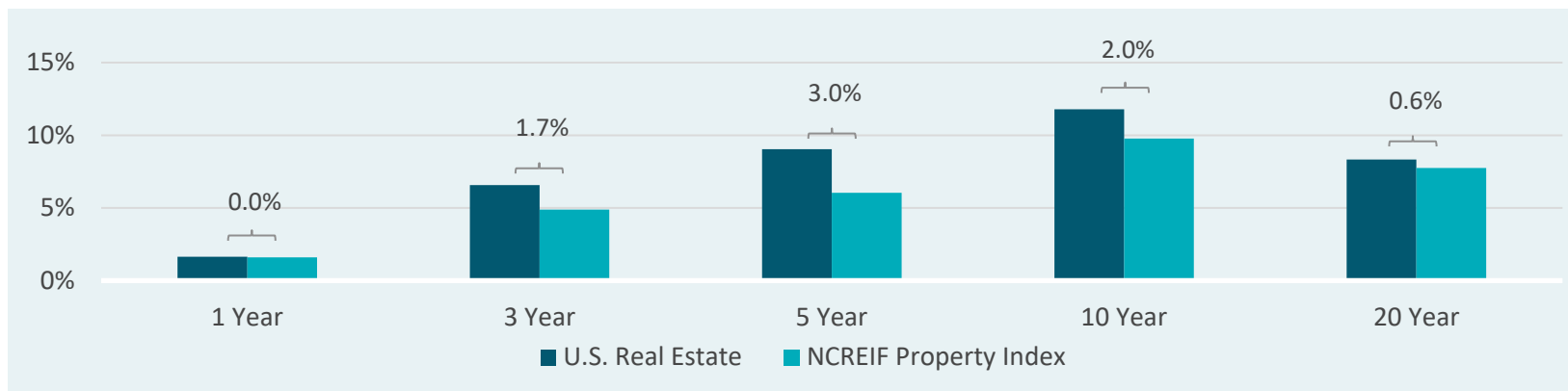
# Private vs. liquid and core real estate performance

## U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. Private R.E. funds outperformed the Wilshire U.S. REIT Index over the past 10 years, but have lagged on a 20-year basis.

## U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



U.S. Private R.E. Funds outperformed the NCREIF Property Index across all time periods, besides the past year.

Sources: Thomson Reuters C|A PME: Global and U.S. Real Estate universes as of December 31, 2020. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real estate universes.

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	2.3	8.5	15.3	40.8	18.7	17.6	14.8
S&P 500 Equal Weighted	0.1	6.9	19.2	50.7	16.4	15.7	13.8
DJ Industrial Average	0.0	5.1	13.8	36.3	15.0	16.7	13.5
Russell Top 200	2.9	8.9	14.5	40.8	20.2	18.9	15.6
Russell 1000	2.5	8.5	15.0	43.1	19.2	18.0	14.9
Russell 2000	1.9	4.3	17.5	62.0	13.5	16.5	12.3
Russell 3000	2.5	8.2	15.1	44.2	18.7	17.9	14.7
Russell Mid Cap	1.5	7.5	16.2	49.8	16.4	15.6	13.2
<b>Style Index</b>							
Russell 1000 Growth	6.3	11.9	13.0	42.5	25.1	23.7	17.9
Russell 1000 Value	(1.1)	5.2	17.0	43.7	12.4	11.9	11.6
Russell 2000 Growth	4.7	3.9	9.0	51.4	15.9	18.8	13.5
Russell 2000 Value	(0.6)	4.6	26.7	73.3	10.3	13.6	10.8

## INTERNATIONAL EQUITY

<b>Broad Index</b>							
MSCI ACWI	1.3	7.4	12.3	39.3	14.6	14.6	9.9
MSCI ACWI ex US	(0.6)	5.5	9.2	35.7	9.4	11.1	5.4
MSCI EAFE	(1.1)	5.2	8.8	32.4	8.3	10.3	5.9
MSCI EM	0.2	5.0	7.4	40.9	11.3	13.0	4.3
MSCI EAFE Small Cap	(1.7)	4.3	9.0	41.0	8.4	12.0	8.4
<b>Style Index</b>							
MSCI EAFE Growth	0.0	7.4	6.8	31.0	12.5	12.5	7.8
MSCI EAFE Value	(2.3)	3.0	10.7	33.5	3.8	7.8	3.9
<b>Regional Index</b>							
MSCI UK	(2.4)	6.0	12.5	31.3	1.9	5.7	3.7
MSCI Japan	(0.3)	(0.3)	1.3	24.8	7.2	10.2	7.2
MSCI Europe	0.7	6.7	(1.1)	1.1	5.6	3.5	3.7
MSCI EM Asia	0.1	3.8	6.0	41.0	13.1	15.3	7.0
MSCI EM Latin American	2.7	15.0	8.9	44.9	5.1	5.9	(2.5)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
BBgBarc US TIPS	0.6	3.2	1.7	6.5	6.5	4.2	3.4
BBgBarc US Treasury Bills	(0.0)	0.0	0.0	0.1	1.4	1.2	0.7
BBgBarc US Agg Bond	0.7	1.8	(1.6)	(0.3)	5.3	3.0	3.4
BBgBarc US Universal	0.7	2.0	(1.1)	1.1	5.6	3.5	3.7
<b>Duration</b>							
BBgBarc US Treasury 1-3 Yr	(0.2)	(0.0)	(0.1)	0.1	2.7	1.6	1.2
BBgBarc US Treasury Long	3.6	6.5	(7.9)	(10.6)	8.0	3.1	6.7
BBgBarc US Treasury	0.6	1.7	(2.6)	(3.2)	4.7	2.2	2.8
<b>Issuer</b>							
BBgBarc US MBS	(0.0)	0.3	(0.8)	(0.4)	3.8	2.3	2.6
BBgBarc US Corp. High Yield	1.3	2.7	3.6	15.4	7.4	7.5	6.7
BBgBarc US Agency Interm	(0.1)	0.5	(0.6)	(0.1)	3.3	1.9	1.8
BBgBarc US Credit	1.5	3.3	(1.3)	3.0	7.4	4.6	4.9

## OTHER

<b>Index</b>							
Bloomberg Commodity	1.9	13.3	21.1	45.6	3.9	2.4	(4.4)
Wilshire US REIT	3.1	12.8	22.8	37.5	10.1	6.4	9.4
CS Leveraged Loans	0.4	1.4	3.5	11.7	4.4	5.0	4.5
Alerian MLP	5.2	21.2	47.8	64.0	(1.1)	(2.0)	1.3
<b>Regional Index</b>							
JPM EMBI Global Div	0.7	4.1	(0.7)	7.5	6.7	4.9	5.7
JPM GBI-EM Global Div	(1.2)	3.5	(3.4)	6.6	4.1	3.2	0.5
<b>Hedge Funds</b>							
HFRI Composite	0.4	4.0	10.0	27.4	8.7	7.9	5.1
HFRI FOF Composite	0.3	2.7	4.7	18.1	6.2	6.1	3.8
<b>Currency (Spot)</b>							
Euro	(3.0)	0.9	(3.1)	5.6	0.5	1.3	(2.0)
Pound Sterling	(2.8)	0.1	1.1	11.8	1.5	0.7	(1.5)
Yen	(1.4)	(0.4)	(7.0)	(2.8)	(0.1)	(1.6)	(3.1)

Source: Morningstar, HFRI, as of 6/30/21

# Definitions

**Bloomberg US Weekly Consumer Comfort Index** - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. ([www.lanqerresearch.com](http://www.lanqerresearch.com))

**University of Michigan Consumer Sentiment Index** - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. ([www.Bloomberg.com](http://www.Bloomberg.com))

**NFIB Small Business Outlook** - Small Business Economic Trends (SBET) is a monthly assessment of the U.S. small-business economy and its near-term prospects. Its data are collected through mail surveys to random samples of the National Federal of Independent Business (NFIB) membership. The survey contains three broad question types: recent performance, near-term forecasts, and demographics. The topics addressed include: outlook, sales, earnings, employment, employee compensation, investment, inventories, credit conditions, and single most important problem. (<http://www.nfib-sbet.org/about/>)

**NAHB Housing Market Index** – the housing market index is a weighted average of separate diffusion indices for three key single-family indices: market conditions for the sale of new homes at the present time, market conditions for the sale of new homes in the next six months, and the traffic of prospective buyers of new homes. The first two series are rated on a scale of Good, Fair, and Poor and the last is rated on a scale of High/Very High, Average, and Low/Very Low. A diffusion index is calculated for each series by applying the formula  $(\text{Good-Poor} + 100)/2$  to the present and future sales series and  $(\text{High/Very High-Low/Very Low} + 100)/2$  to the traffic series. Each resulting index is then seasonally adjusted and weighted to produce the HMI. Based on this calculation, the HMI can range between 0 and 100.

# Notices & disclosures

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# San Luis Obispo County Pension Trust

Investment Performance Review

Period Ending: June 30, 2021



[VERUSINVESTMENTS.COM](https://www.verusinvestments.com)

SEATTLE 206-622-3700

LOS ANGELES 310-297-1777

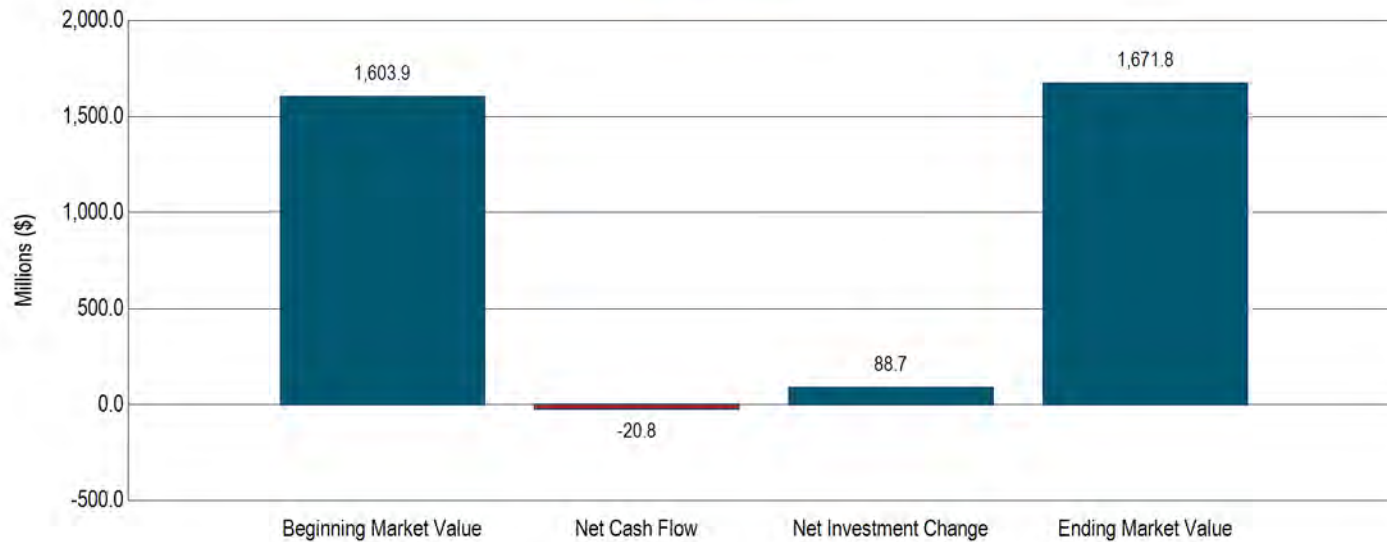
SAN FRANCISCO 415-362-3484

PITTSBURGH 412-784-6678

Portfolio Reconciliation

	Last Three Months	One Year
Beginning Market Value	\$1,603,908,224	\$1,347,948,352
Net Cash Flow	-\$20,781,183	-\$23,365,908
Net Investment Change	\$88,654,841	\$347,199,438
Ending Market Value	\$1,671,781,882	\$1,671,781,882

Change in Market Value  
Last Three Months



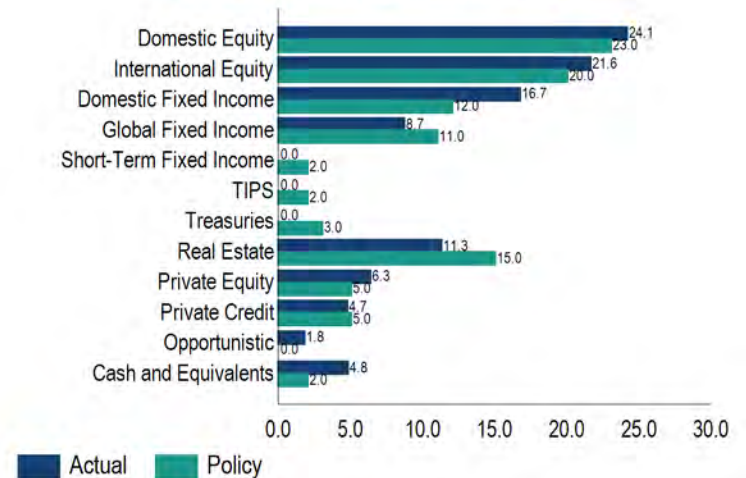
Contributions and withdrawals may include intra-account transfers between managers/funds.

# Total Fund Executive Summary (Gross of Fees)

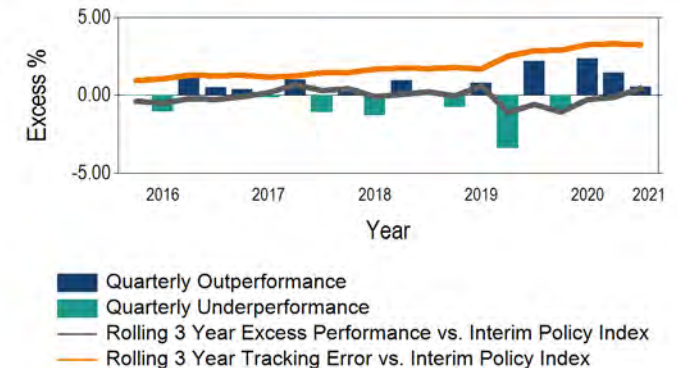
Period Ending: June 30, 2021

	QTD	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Total Fund</b>	<b>5.6</b>	<b>35</b>	<b>9.8</b>	<b>27</b>	<b>25.8</b>	<b>69</b>	<b>10.6</b>	<b>67</b>	<b>9.9</b>	<b>85</b>
Interim Policy Index	5.1	52	7.7	88	21.9	95	10.1	80	9.5	93
FFP SAA Index	6.7	8	11.9	3	--	--	--	--	--	--
<b>Total Growth</b>	<b>7.2</b>	<b>--</b>	<b>14.3</b>	<b>--</b>	<b>35.7</b>	<b>--</b>	<b>13.2</b>	<b>--</b>	<b>13.1</b>	<b>--</b>
Custom Growth Benchmark	6.0	--	10.2	--	29.3	--	11.6	--	11.3	--
<b>Total Public Equity</b>	<b>7.4</b>	<b>33</b>	<b>14.6</b>	<b>14</b>	<b>43.4</b>	<b>20</b>	<b>16.5</b>	<b>5</b>	<b>16.0</b>	<b>15</b>
Russell 3000	8.2	1	15.1	4	44.2	12	18.7	1	17.9	1
<b>Total Domestic Equity</b>	<b>6.9</b>	<b>77</b>	<b>17.4</b>	<b>8</b>	<b>44.7</b>	<b>44</b>	<b>17.0</b>	<b>64</b>	<b>17.1</b>	<b>49</b>
Russell 3000	8.2	7	15.1	71	44.2	60	18.7	8	17.9	23
<b>Total International Equity</b>	<b>8.1</b>	<b>3</b>	<b>11.8</b>	<b>3</b>	<b>42.2</b>	<b>9</b>	<b>15.9</b>	<b>2</b>	<b>15.0</b>	<b>5</b>
MSCI ACWI ex USA Gross	5.6	51	9.4	44	36.3	71	9.9	51	11.6	50
<b>Total Private Equity</b>	<b>17.1</b>	<b>--</b>	<b>30.4</b>	<b>--</b>	<b>65.3</b>	<b>--</b>	<b>23.4</b>	<b>--</b>	<b>21.8</b>	<b>--</b>
Private Equity Benchmark	17.1	--	30.4	--	--	--	--	--	--	--
<b>Total Private Credit</b>	<b>4.1</b>	<b>--</b>	<b>19.9</b>	<b>--</b>	<b>28.2</b>	<b>--</b>	<b>9.8</b>	<b>--</b>	<b>--</b>	<b>--</b>
Private Credit Benchmark	4.1	--	19.9	--	--	--	--	--	--	--
<b>Total Real Estate</b>	<b>2.6</b>	<b>--</b>	<b>4.1</b>	<b>--</b>	<b>5.4</b>	<b>--</b>	<b>4.3</b>	<b>--</b>	<b>5.8</b>	<b>--</b>
NCREIF Property Index	3.6	--	5.4	--	7.4	--	5.5	--	6.1	--

Actual vs Interim Target Allocation (%)



Rolling Annualized Excess Performance and Tracking Error  
Total Fund vs. Interim Policy Index



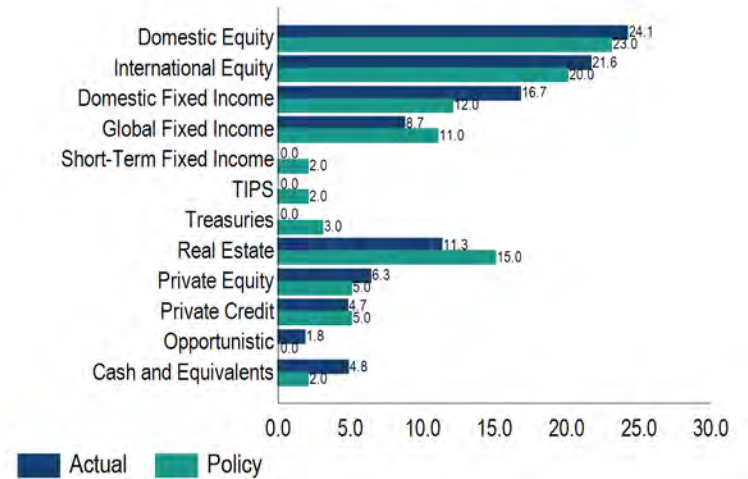
Interim Policy Index as of 1/1/2021: 23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 12% BBgBarc U.S. Aggregate, 3% BBgBarc US Treasury 7-10 yr, 2% BBgBarc US TIPS, 11% FTSE World Govt Bond Index, 15% NCREIF Property Index, 5% Actual Private Equity Return, 5% Actual Private Credit Bench Return, 2% 91 day T-Bills, 2% BBgBarc 1-3 yr Gov/Credit. FFP SAA Index as of 1/1/2021: 30% MSCI ACWI, 8% BBgBarc U.S. Treasury 7-10 yr, 7% BBgBarc U.S. TIPS, 4% 91 day T-Bills, 6% BBgBarc U.S. Govt/Credit 1-3 yr, 18% Actual Private Equity Return, 12% Actual Private Credit Return, 15% NCREIF Property Index. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter. All returns are (G) Gross of fees. Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. (e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income).

# Total Fund Executive Summary (Gross of Fees)

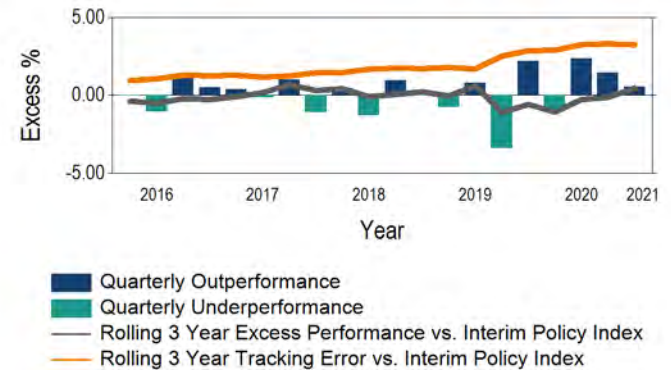
Period Ending: June 30, 2021

	QTD	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Total Risk Diversifying</b>	2.6	11	-0.1	12	7.1	2	4.8	76	3.7	42
<i>Custom Risk Diversifying Benchmark</i>	1.6	61	-2.6	99	-1.4	99	5.0	68	2.8	80
<b>Total Domestic Fixed Income</b>	2.0	40	0.3	7	4.5	10	6.2	28	4.4	20
<i>BBgBarc US Aggregate TR</i>	1.8	53	-1.6	96	-0.3	98	5.3	48	3.0	60
<b>Total Global Fixed</b>	3.7	--	-1.1	--	12.6	--	3.6	--	3.2	--
<i>FTSE World Govt Bond Index</i>	1.0	--	-4.8	--	0.8	--	3.6	--	1.7	--
<b>Total Liquidity</b>	0.1	--	0.3	--	0.6	--	1.6	--	3.0	--
<i>91 Day T-Bills</i>	0.0	--	0.0	--	0.1	--	1.2	--	1.1	--
<b>Total Cash</b>	0.1	--	0.3	--	0.6	--	1.6	--	3.0	--
<i>91 Day T-Bills</i>	0.0	--	0.0	--	0.1	--	1.2	--	1.1	--
<b>Total Opportunistic</b>	5.7	--	19.8	--	22.5	--	7.3	--	10.0	--
<i>Russell 3000 + 3%</i>	9.0	--	16.8	--	48.4	--	22.2	--	21.4	--

Actual vs Interim Target Allocation (%)



Rolling Annualized Excess Performance and Tracking Error  
Total Fund vs. Interim Policy Index



Interim Policy Index as of 1/1/2021: 23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 12% BBgBarc U.S. Aggregate, 3% BBgBarc US Treasury 7-10 yr, 2% BBgBarc US TIPS, 11% FTSE World Govt Bond Index, 15% NCREIF Property Index, 5% Actual Private Equity Return, 5% Actual Private Credit Bench Return, 2% 91 day T-Bills, 2% BBgBarc 1-3 yr Gov/Credit. FFP SAA Index as of 1/1/2021: 30% MSCI ACWI, 8% BBgBarc U.S. Treasury 7-10 yr, 7% BBgBarc U.S. TIPS, 4% 91 day T-Bills, 6% BBgBarc U.S. Govt/Credit 1-3 yr, 18% Actual Private Equity Return, 12% Actual Private Credit Return, 15% NCREIF Property Index. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter. All returns are (G) Gross of fees. Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. (e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income).

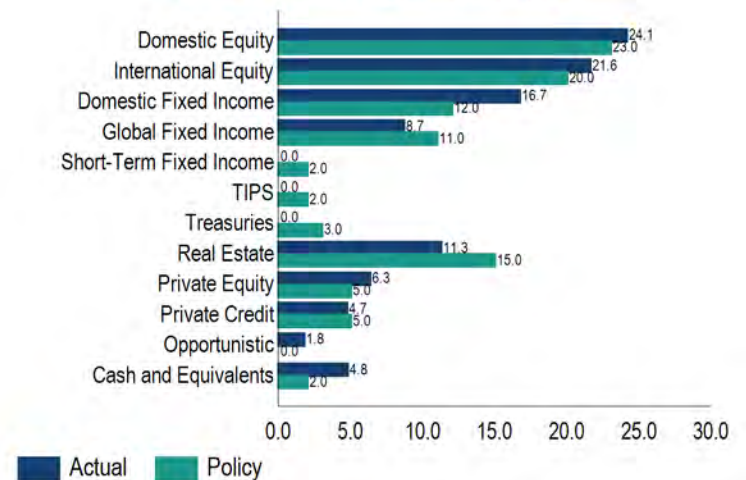


# Total Fund Executive Summary (Net of Fees)

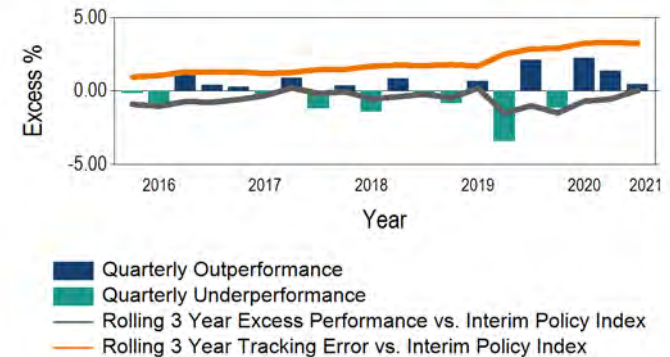
Period Ending: June 30, 2021

	QTD	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Total Fund</b>	<b>5.5</b>	<b>40</b>	<b>9.6</b>	<b>34</b>	<b>25.3</b>	<b>71</b>	<b>10.1</b>	<b>78</b>	<b>9.5</b>	<b>93</b>
Interim Policy Index	5.1	52	7.7	88	21.9	95	10.1	80	9.5	93
FFP SAA Index	6.7	8	11.9	3	--	--	--	--	--	--
<b>Total Growth</b>	<b>7.1</b>	<b>--</b>	<b>14.0</b>	<b>--</b>	<b>35.2</b>	<b>--</b>	<b>12.8</b>	<b>--</b>	<b>12.7</b>	<b>--</b>
Custom Growth Benchmark	6.0	--	10.2	--	29.3	--	11.6	--	11.3	--
<b>Total Public Equity</b>	<b>7.3</b>	<b>42</b>	<b>14.3</b>	<b>26</b>	<b>42.6</b>	<b>31</b>	<b>15.8</b>	<b>18</b>	<b>15.3</b>	<b>39</b>
Russell 3000	8.2	1	15.1	4	44.2	12	18.7	1	17.9	1
<b>Total Domestic Equity</b>	<b>6.8</b>	<b>80</b>	<b>17.2</b>	<b>9</b>	<b>44.0</b>	<b>65</b>	<b>16.5</b>	<b>76</b>	<b>16.6</b>	<b>66</b>
Russell 3000	8.2	7	15.1	71	44.2	60	18.7	8	17.9	23
<b>Total International Equity</b>	<b>7.9</b>	<b>3</b>	<b>11.5</b>	<b>8</b>	<b>41.3</b>	<b>15</b>	<b>15.2</b>	<b>3</b>	<b>14.3</b>	<b>8</b>
MSCI ACWI ex USA Gross	5.6	51	9.4	44	36.3	71	9.9	51	11.6	50
<b>Total Private Equity</b>	<b>17.1</b>	<b>--</b>	<b>30.4</b>	<b>--</b>	<b>65.3</b>	<b>--</b>	<b>23.4</b>	<b>--</b>	<b>21.6</b>	<b>--</b>
Private Equity Benchmark	17.1	--	30.4	--	--	--	--	--	--	--
<b>Total Private Credit</b>	<b>4.1</b>	<b>--</b>	<b>19.9</b>	<b>--</b>	<b>28.2</b>	<b>--</b>	<b>9.8</b>	<b>--</b>	<b>--</b>	<b>--</b>
Private Credit Benchmark	4.1	--	19.9	--	--	--	--	--	--	--
<b>Total Real Estate</b>	<b>2.6</b>	<b>--</b>	<b>4.1</b>	<b>--</b>	<b>5.4</b>	<b>--</b>	<b>4.3</b>	<b>--</b>	<b>5.7</b>	<b>--</b>
NCREIF Property Index	3.6	--	5.4	--	7.4	--	5.5	--	6.1	--

Actual vs Interim Target Allocation (%)



Rolling Annualized Excess Performance and Tracking Error  
Total Fund vs. Interim Policy Index



Interim Policy Index as of 1/1/2021: 23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 12% BBgBarc U.S. Aggregate, 3% BBgBarc US Treasury 7-10 yr, 2% BBgBarc US TIPS, 11% FTSE World Govt Bond Index, 15% NCREIF Property Index, 5% Actual Private Equity Return, 5% Actual Private Credit Bench Return, 2% 91 day T-Bills, 2% BBgBarc 1-3 yr Gov/Credit. FFP SAA Index as of 1/1/2021: 30% MSCI ACWI, 8% BBgBarc U.S. Treasury 7-10 yr, 7% BBgBarc U.S. TIPS, 4% 91 day T-Bills, 6% BBgBarc U.S. Govt/Credit 1-3 yr, 18% Actual Private Equity Return, 12% Actual Private Credit Return, 15% NCREIF Property Index. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter. All returns are (G) Gross of fees. Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. (e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income).

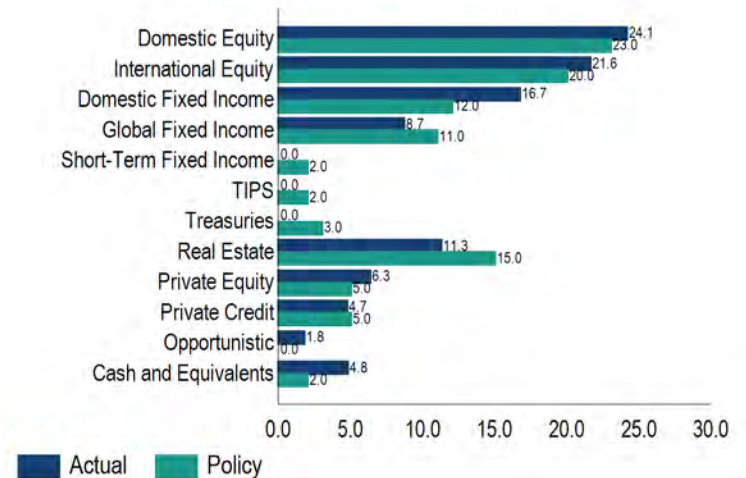


# Total Fund Executive Summary (Net of Fees)

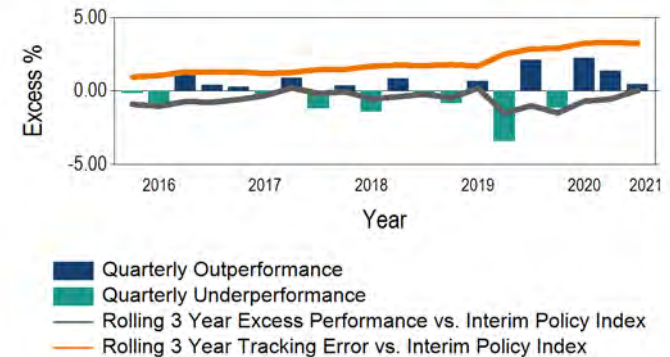
Period Ending: June 30, 2021

	QTD	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank
<b>Total Risk Diversifying</b>	2.4	14	-0.4	24	6.6	3	4.4	99	3.3	50
<i>Custom Risk Diversifying Benchmark</i>	1.6	61	-2.6	99	-1.4	99	5.0	68	2.8	80
<b>Total Domestic Fixed Income</b>	1.9	51	0.2	8	4.1	15	5.9	36	4.1	28
<i>BBgBarc US Aggregate TR</i>	1.8	53	-1.6	96	-0.3	98	5.3	48	3.0	60
<b>Total Global Fixed</b>	3.5	--	-1.4	--	11.7	--	3.0	--	2.7	--
<i>FTSE World Govt Bond Index</i>	1.0	--	-4.8	--	0.8	--	3.6	--	1.7	--
<b>Total Liquidity</b>	0.1	--	0.3	--	0.6	--	1.6	--	3.0	--
<i>91 Day T-Bills</i>	0.0	--	0.0	--	0.1	--	1.2	--	1.1	--
<b>Total Cash</b>	0.1	--	0.3	--	0.6	--	1.6	--	3.0	--
<i>91 Day T-Bills</i>	0.0	--	0.0	--	0.1	--	1.2	--	1.1	--
<b>Total Opportunistic</b>	5.7	--	19.8	--	22.5	--	7.3	--	9.9	--
<i>Russell 3000 + 3%</i>	9.0	--	16.8	--	48.4	--	22.2	--	21.4	--

Actual vs Interim Target Allocation (%)



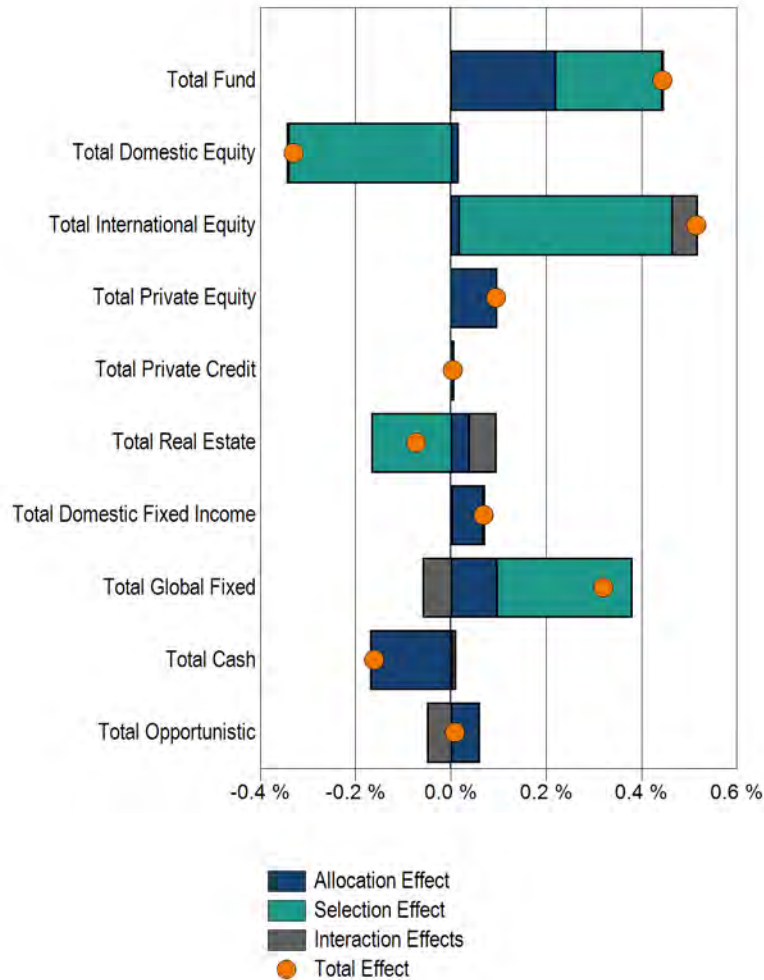
Rolling Annualized Excess Performance and Tracking Error  
Total Fund vs. Interim Policy Index



Interim Policy Index as of 1/1/2021: 23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 12% BBgBarc U.S. Aggregate, 3% BBgBarc US Treasury 7-10 yr, 2% BBgBarc US TIPS, 11% FTSE World Govt Bond Index, 15% NCREIF Property Index, 5% Actual Private Equity Return, 5% Actual Private Credit Bench Return, 2% 91 day T-Bills, 2% BBgBarc 1-3 yr Govt/Credit. FFP SAA Index as of 1/1/2021: 30% MSCI ACWI, 8% BBgBarc U.S. Treasury 7-10 yr, 7% BBgBarc U.S. TIPS, 4% 91 day T-Bills, 6% BBgBarc U.S. Govt/Credit 1-3 yr, 18% Actual Private Equity Return, 12% Actual Private Credit Return, 15% NCREIF Property Index. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter. All returns are (G) Gross of fees. Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. (e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income).

Performance Attribution

Attribution Effects  
3 Months Ending June 30, 2021



	Last 3 Mo.
Wtd. Actual Return	5.52%
Wtd. Index Return *	5.07%
<b>Excess Return</b>	<b>0.44%</b>
Selection Effect	0.22%
Allocation Effect	0.22%
Interaction Effect	0.00%

\*Calculated from policy benchmark returns and policy weightings of each component of the policy benchmark.

Attribution Summary  
3 Months Ending June 30, 2021

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Domestic Equity	6.77%	8.24%	-1.47%	-0.34%	0.01%	0.00%	-0.33%
Total International Equity	7.90%	5.64%	2.26%	0.45%	0.02%	0.05%	0.51%
Total Private Equity	17.07%	17.07%	0.00%	0.00%	0.09%	0.00%	0.09%
Total Private Credit	4.07%	4.07%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Real Estate	2.57%	3.59%	-1.02%	-0.17%	0.04%	0.05%	-0.07%
Total Domestic Fixed Income	1.91%	1.90%	0.01%	0.00%	0.07%	0.00%	0.07%
Total Global Fixed	3.47%	0.98%	2.49%	0.28%	0.10%	-0.06%	0.32%
Total Cash	0.13%	0.00%	0.14%	0.00%	-0.17%	0.00%	-0.16%
Total Opportunistic	5.72%	9.02%	-3.30%	0.00%	0.06%	-0.05%	0.01%
<b>Total</b>	<b>5.52%</b>	<b>5.07%</b>	<b>0.44%</b>	<b>0.22%</b>	<b>0.22%</b>	<b>0.00%</b>	<b>0.44%</b>

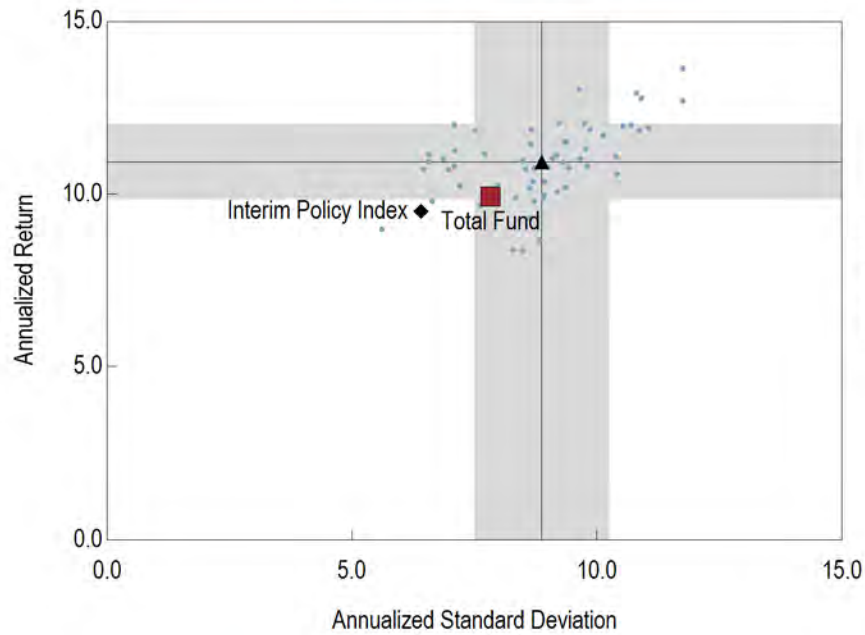
Attribution does not account for effects of overlay program. Weighted returns shown in attribution analysis may differ from actual returns. Wtd. Actual Return is the sum of the products of each group's return and its respective weight at the beginning of the period.

Total Fund  
Risk Analysis - 5 Years (Gross of Fees)

Period Ending: June 30, 2021

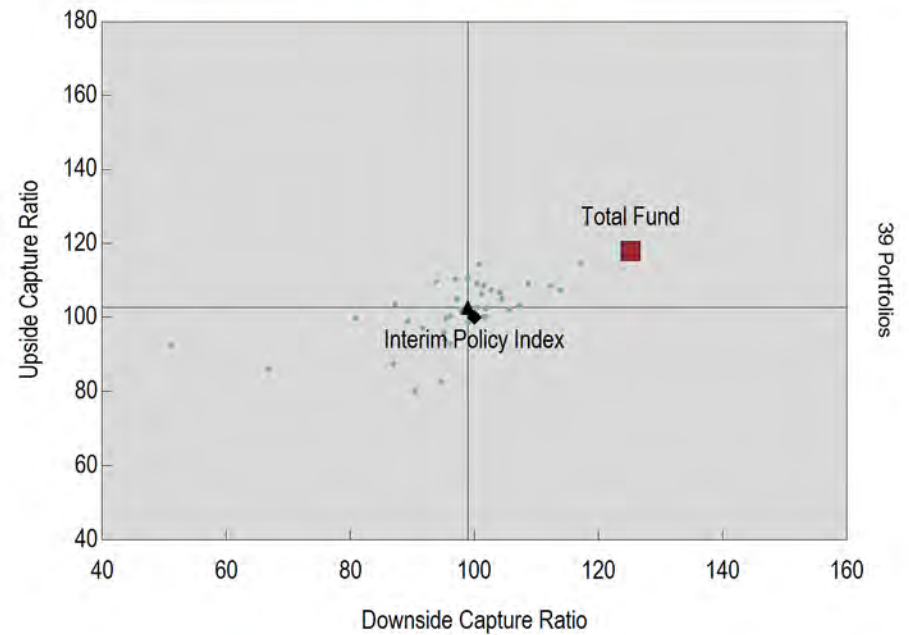
	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Total Fund	9.92%	0.43%	7.82%	-1.24%	1.17	2.40%	0.93	1.12	0.18	117.98%	125.14%

Annualized Return vs. Annualized Standard Deviation



- Total Fund
- ◆ Interim Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics Public DB > \$1B Gross

Upside Capture Ratio vs. Downside Capture Ratio

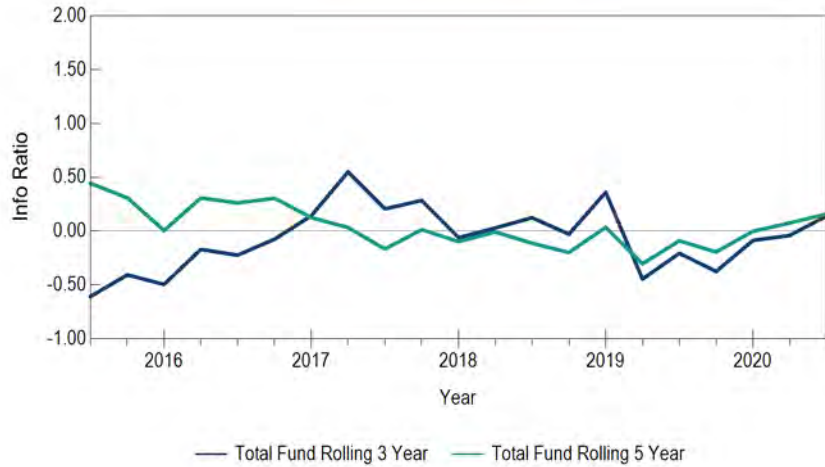


- Total Fund
- ◆ Interim Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvMetrics Public DB > \$1B Gross

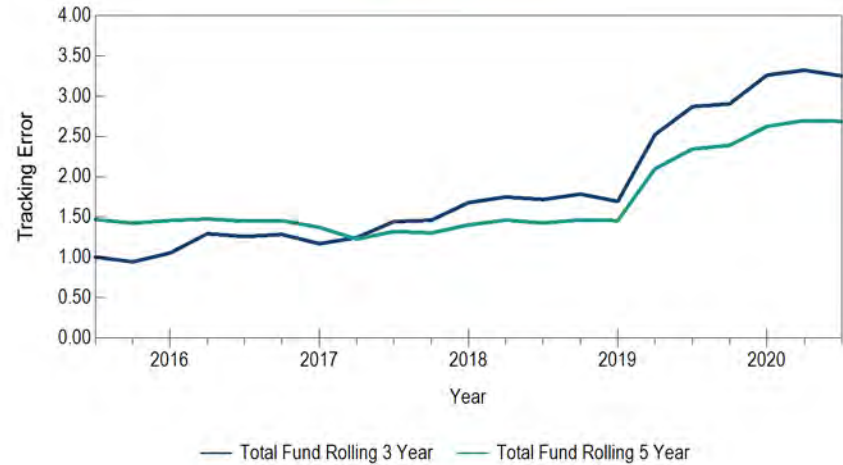
Total Fund  
Rolling Risk Statistics (Gross of Fees)

Period Ending: June 30, 2021

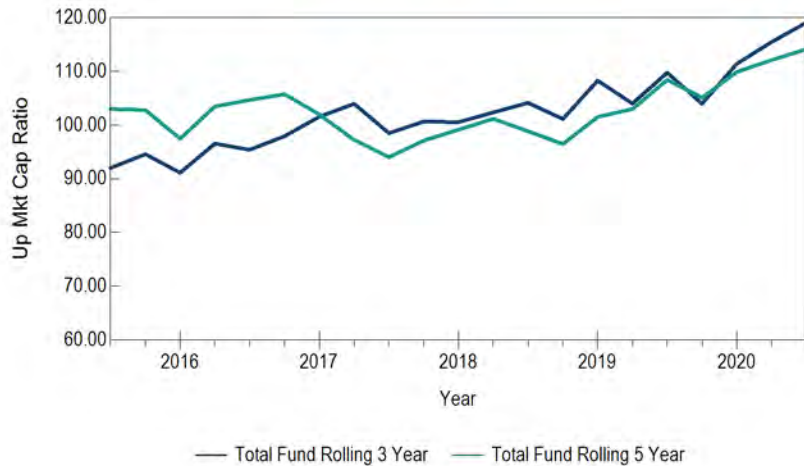
Rolling Information Ratio



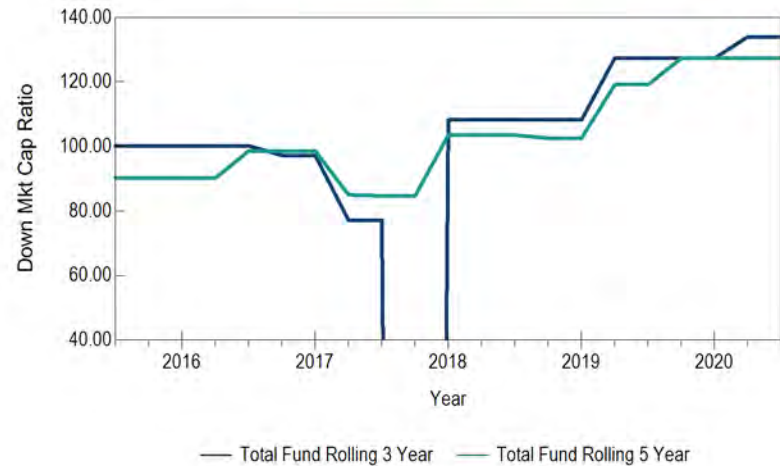
Rolling Tracking Error



Rolling Up Market Capture Ratio (%)



Rolling Down Market Capture Ratio (%)



# Total Fund Performance Summary (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
<b>Total Fund</b>	<b>1,671,781,882</b>	<b>100.0</b>	<b>5.6</b>	<b>9.8</b>	<b>25.8</b>	<b>10.6</b>	<b>9.9</b>	<b>8.1</b>	<b>9.6</b>	<b>16.3</b>	<b>-3.1</b>	<b>15.5</b>	<b>6.6</b>	--	Feb-07
Interim Policy Index			5.1	7.7	21.9	10.1	9.5	7.6	10.3	15.3	-2.1	13.3	7.8	--	Feb-07
FFP SAA Index			6.7	11.9	--	--	--	--	--	--	--	--	--		
InvMetrics Public DB > \$1B Gross Rank			35	27	69	67	85	77	74	60	36	69	91		
<b>Total Growth</b>	<b>1,137,132,459</b>	<b>68.0</b>	<b>7.2</b>	<b>14.3</b>	<b>35.7</b>	<b>13.2</b>	<b>13.1</b>	<b>10.5</b>	<b>11.2</b>	<b>20.3</b>	<b>-4.0</b>	<b>20.2</b>	<b>7.6</b>		
Custom Growth Benchmark			6.0	10.2	29.3	11.6	11.3	--	12.3	16.6	-2.8	16.4	9.0		
<b>Total Public Equity</b>	<b>764,354,030</b>	<b>45.7</b>	<b>7.4</b>	<b>14.6</b>	<b>43.4</b>	<b>16.5</b>	<b>16.0</b>	<b>11.9</b>	<b>16.5</b>	<b>29.8</b>	<b>-9.0</b>	<b>25.9</b>	<b>7.4</b>		
Russell 3000			8.2	15.1	44.2	18.7	17.9	14.7	20.9	31.0	-5.2	21.1	12.7		
InvMetrics Public DB Total Eq Gross Rank			33	14	20	5	15	16	31	5	67	14	78		
<b>Total Domestic Equity</b>	<b>403,169,506</b>	<b>24.1</b>	<b>6.9</b>	<b>17.4</b>	<b>44.7</b>	<b>17.0</b>	<b>17.1</b>	<b>14.3</b>	<b>13.7</b>	<b>29.4</b>	<b>-5.2</b>	<b>25.1</b>	<b>13.0</b>		
Russell 3000			8.2	15.1	44.2	18.7	17.9	14.7	20.9	31.0	-5.2	21.1	12.7		
InvMetrics Public DB US Eq Gross Rank			77	8	44	64	49	40	91	66	36	4	48		
PIMCO RAE US	98,000,384	5.9	5.4	20.5	49.6	13.3	13.5	12.8	4.4	25.5	-6.6	17.0	15.9	9.3	Nov-07
S&P 500			8.5	15.3	40.8	18.7	17.6	14.8	18.4	31.5	-4.4	21.8	12.0	10.4	Nov-07
eV US Large Cap Core Equity Gross Rank			93	4	8	91	89	89	96	83	72	89	6		
Loomis Sayles Large Cap Growth	114,011,624	6.8	10.6	14.0	37.3	23.9	--	--	32.8	32.7	-1.7	34.1	--	24.2	Dec-16
Russell 1000 Growth			11.9	13.0	42.5	25.1	--	--	38.5	36.4	-1.5	30.2	--	25.1	Dec-16
eV US Large Cap Growth Equity Gross Rank			60	39	81	52	--	--	61	68	58	16	--		
Boston Partners Large Cap Value	109,833,412	6.6	5.6	21.5	50.2	12.9	--	--	2.4	24.3	-8.5	--	--	12.5	Jan-17
Russell 1000 Value			5.2	17.0	43.7	12.4	--	--	2.8	26.5	-8.3	--	--	10.9	Jan-17
eV US Large Cap Value Equity Gross Rank			54	19	26	55	--	--	64	77	54	--	--		
Atlanta Capital Mgmt	81,324,086	4.9	5.4	14.1	42.6	16.0	16.8	15.5	11.4	35.1	-4.5	26.6	12.6	18.0	Aug-10
Russell 2500			5.4	17.0	57.8	15.2	16.3	12.9	20.0	27.8	-10.0	16.8	17.6	15.2	Aug-10
eV US Small-Mid Cap Equity Gross Rank			47	71	87	42	47	18	62	14	25	15	62		
<b>Total International Equity</b>	<b>361,184,523</b>	<b>21.6</b>	<b>8.1</b>	<b>11.8</b>	<b>42.2</b>	<b>15.9</b>	<b>15.0</b>	<b>9.4</b>	<b>19.4</b>	<b>30.2</b>	<b>-12.2</b>	<b>26.6</b>	<b>2.2</b>		
MSCI ACWI ex USA Gross			5.6	9.4	36.3	9.9	11.6	5.9	11.1	22.1	-13.8	27.8	5.0		
InvMetrics Public DB ex-US Eq Gross Rank			3	3	9	2	5	4	12	1	9	81	82		
Dodge & Cox Intl Stock	178,978,877	10.7	4.8	12.5	41.2	8.2	10.9	6.2	2.8	23.6	-17.5	24.7	9.0	3.9	Dec-07
MSCI ACWI ex USA Value Gross			4.5	12.1	38.3	5.8	9.2	4.1	-0.2	16.5	-13.4	23.3	9.6	2.1	Dec-07
eV ACWI ex-US All Cap Value Eq Gross Rank			49	40	43	24	26	34	33	35	84	71	31		
WCM International Growth	182,205,646	10.9	11.0	11.3	42.6	22.8	--	--	34.0	36.7	-6.7	--	--	21.9	Feb-17
MSCI ACWI ex USA Growth Gross			6.7	6.7	34.1	13.6	--	--	22.6	27.8	-14.1	--	--	14.4	Feb-17
eV ACWI ex-US All Cap Growth Eq Gross Rank			10	13	40	14	--	--	28	11	1	--	--		

Since Inception ranking is from the beginning of the first complete month of performance. Stone Harbor Local Markets terminated 3/22/2019. Ashmore EM Blended Debt funded 3/31/2019. Direct RE liquidated as of 12/19/2019. Pathway Private Equity Fund Investors 10 L.P. funded 3/25/2020. TPG Adjacent Opportunities Partners funded 4/16/2020.



# Total Fund Performance Summary (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
<b>Total Private Equity</b>	<b>105,816,220</b>	<b>6.3</b>													
Harbourvest Partners IX Buyout Fund L.P.	16,712,202	1.0													
Pathway Private Equity Fund Investors 9 L.P.	69,518,872	4.2													
Harbourvest 2018 Global Fund L.P.	14,809,895	0.9													
Pathway Private Equity Fund Investors 10 L.P.	4,775,251	0.3													
<b>Total Private Credit</b>	<b>78,801,880</b>	<b>4.7</b>													
Sixth Street Partners DCP	78,801,880	4.7													
<b>Total Real Estate</b>	<b>188,160,329</b>	<b>11.3</b>	<b>2.6</b>	<b>4.1</b>	<b>5.4</b>	<b>4.3</b>	<b>5.8</b>	<b>8.7</b>	<b>1.1</b>	<b>4.3</b>	<b>7.5</b>	<b>7.8</b>	<b>7.8</b>		
NCREIF Property Index			3.6	5.4	7.4	5.5	6.1	8.8	1.6	6.4	6.7	7.0	8.0		
JP Morgan Core Real Estate	144,602,271	8.6	2.7	4.3	5.9	3.8	5.1	9.0	0.5	3.4	7.0	6.1	8.4	5.2	Mar-08
NCREIF-ODCE			3.9	6.1	8.0	5.5	6.6	9.6	1.2	5.3	8.3	7.6	8.8	5.3	Mar-08
NCREIF Property Index			3.6	5.4	7.4	5.5	6.1	8.8	1.6	6.4	6.7	7.0	8.0		
ARA American Strategic Value Realty	43,558,058	2.6	2.3	3.2	3.4	6.3	7.3	--	3.8	7.3	9.1	7.4	--	7.3	Jun-16
NCREIF-ODCE			3.9	6.1	8.0	5.5	6.6	--	1.2	5.3	8.3	7.6	--	6.6	Jun-16
NCREIF Property Index			3.6	5.4	7.4	5.5	6.1	--	1.6	6.4	6.7	7.0	--		
<b>Total Risk Diversifying</b>	<b>424,530,108</b>	<b>25.4</b>	<b>2.6</b>	<b>-0.1</b>	<b>7.1</b>	<b>4.8</b>	<b>3.7</b>	<b>3.6</b>	<b>6.6</b>	<b>8.8</b>	<b>-1.8</b>	<b>7.9</b>	<b>4.4</b>		
Custom Risk Diversifying Benchmark			1.6	-2.6	-1.4	5.0	2.8	3.3	7.5	8.7	0.0	3.5	2.6		
InvMetrics Public DB US Fix Inc Gross Rank			11	12	2	76	42	59	75	32	99	4	50		
<b>Total Domestic Fixed Income</b>	<b>279,311,144</b>	<b>16.7</b>	<b>2.0</b>	<b>0.3</b>	<b>4.5</b>	<b>6.2</b>	<b>4.4</b>	<b>4.2</b>	<b>8.1</b>	<b>9.9</b>	<b>0.4</b>	<b>4.3</b>	<b>4.5</b>		
BBgBarc US Aggregate TR			1.8	-1.6	-0.3	5.3	3.0	3.4	7.5	8.7	0.0	3.5	2.6		
InvMetrics Public DB US Fix Inc Gross Rank			40	7	10	28	20	39	46	11	55	50	49		
BlackRock Core Bond	98,493,802	5.9	2.2	-1.1	1.4	6.6	--	--	9.4	10.2	0.3	--	--	4.8	Jan-17
BBgBarc US Aggregate TR			1.8	-1.6	-0.3	5.3	--	--	7.5	8.7	0.0	--	--	4.0	Jan-17
eV US Core Fixed Inc Gross Rank			36	43	36	18	--	--	23	10	27	--	--		

Since Inception ranking is from the beginning of the first complete month of performance. Stone Harbor Local Markets terminated 3/22/2019. Ashmore EM Blended Debt funded 3/31/2019. Direct RE liquidated as of 12/19/2019. Pathway Private Equity Fund Investors 10 L.P. funded 3/25/2020. TPG Adjacent Opportunities Partners funded 4/16/2020. Brandywine has changed its strategy from Global Fixed Income to International Fixed Income as of 6/30/2020.

# Total Fund Performance Summary (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
Dodge & Cox Income Fund	103,485,085	6.2	2.1	-0.4	3.8	6.9	--	--	9.9	10.2	0.1	--	--	5.4	Jan-17
<i>BbgBarc US Aggregate TR</i>			1.8	-1.6	-0.3	5.3	--	--	7.5	8.7	0.0	--	--	4.0	Jan-17
<i>eV US Core Fixed Inc Gross Rank</i>			47	10	6	9	--	--	14	11	43	--	--		
Pacific Asset Corporate Loan	77,332,256	4.6	1.6	3.3	9.8	4.6	5.3	--	3.0	9.1	1.0	4.9	9.2	4.6	Sep-14
<i>S&amp;P/LSTA Leveraged Loan Index</i>			1.5	3.3	11.7	4.4	5.0	--	3.1	8.6	0.4	4.1	10.2	4.0	Sep-14
<i>eV US Float-Rate Bank Loan Fixed Inc Gross Rank</i>			41	47	78	44	24	--	42	36	29	26	51		
<b>Total Global Fixed</b>	<b>145,218,965</b>	<b>8.7</b>	<b>3.7</b>	<b>-1.1</b>	<b>12.6</b>	<b>3.6</b>	<b>3.2</b>	<b>2.1</b>	<b>6.7</b>	<b>7.4</b>	<b>-4.3</b>	<b>13.8</b>	<b>4.6</b>		
<i>FTSE World Govt Bond Index</i>			1.0	-4.8	0.8	3.6	1.7	1.4	10.1	5.9	-0.8	7.5	1.6		
Brandywine Global Fixed Income	71,182,116	4.3	1.6	-1.2	11.9	--	--	--	--	--	--	--	--	11.9	Jun-20
<i>FTSE WGBI ex US TR</i>			0.5	-6.0	3.1	--	--	--	--	--	--	--	--	3.1	Jun-20
<i>eV All Global Fixed Inc Gross Rank</i>			64	65	28	--	--	--	--	--	--	--	--		
Ashmore EM Blended Debt Fund	74,036,849	4.4	5.8	-0.9	13.2	--	--	--	3.2	--	--	--	--	3.3	Mar-19
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>			3.4	-1.3	7.1	--	--	--	3.9	--	--	--	--	4.3	Mar-19
<i>eV All Emg Mkts Fixed Inc Gross Rank</i>			3	57	11	--	--	--	85	--	--	--	--		
<b>Total Liquidity</b>	<b>80,273,265</b>	<b>4.8</b>	<b>0.1</b>	<b>0.3</b>	<b>0.6</b>	<b>1.6</b>	<b>3.0</b>	<b>1.7</b>	<b>1.5</b>	<b>2.1</b>	<b>1.6</b>	<b>8.4</b>	<b>1.6</b>		
<i>91 Day T-Bills</i>			0.0	0.0	0.1	1.2	1.1	0.6	0.5	2.1	1.9	0.9	0.3		
<b>Total Cash</b>	<b>80,273,265</b>	<b>4.8</b>	<b>0.1</b>	<b>0.3</b>	<b>0.6</b>	<b>1.6</b>	<b>3.0</b>	<b>1.7</b>	<b>1.5</b>	<b>2.1</b>	<b>1.6</b>	<b>8.4</b>	<b>1.6</b>		
<i>91 Day T-Bills</i>			0.0	0.0	0.1	1.2	1.1	0.6	0.5	2.1	1.9	0.9	0.3		
Cash Account	32,380,462	1.9	0.4	0.6	1.1	1.8	1.5	0.9	1.9	2.2	1.5	1.0	0.5		
<i>91 Day T-Bills</i>			0.0	0.0	0.1	1.2	1.1	0.6	0.5	2.1	1.9	0.9	0.3		
Investment Cash	47,892,803	2.9	--	--	--	--	--	--	--	--	--	--	--	0.0	Jun-21
<i>91 Day T-Bills</i>			--	--	--	--	--	--	--	--	--	--	--	0.0	Jun-21
<b>Total Opportunistic</b>	<b>29,846,049</b>	<b>1.8</b>													
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	4,776,399	0.3													
Sixth Street Partners TAO	25,069,650	1.5													

Since Inception ranking is from the beginning of the first complete month of performance. Stone Harbor Local Markets terminated 3/22/2019. Ashmore EM Blended Debt funded 3/31/2019. Direct RE liquidated as of 12/19/2019. Pathway Private Equity Fund Investors 10 L.P. funded 3/25/2020. TPG Adjacent Opportunities Partners funded 4/16/2020. Gresham liquidated as of 9/30/2020.

# Total Fund Performance Summary (Net of Fees)

Period Ending: June 30, 2021

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Fund</b>	<b>1,671,781,882</b>	<b>100.0</b>	<b>5.5</b>	<b>9.6</b>	<b>25.3</b>	<b>10.1</b>	<b>9.5</b>	<b>7.6</b>	<b>9.2</b>	<b>15.8</b>	<b>-3.5</b>	<b>15.0</b>	<b>6.0</b>
<i>Interim Policy Index</i>			5.1	7.7	21.9	10.1	9.5	7.6	10.3	15.3	-2.1	13.3	7.8
<i>FFP SAA Index</i>			6.7	11.9	--	--	--	--	--	--	--	--	--
<b>Total Growth</b>	<b>1,137,132,459</b>	<b>68.0</b>	<b>7.1</b>	<b>14.0</b>	<b>35.2</b>	<b>12.8</b>	<b>12.7</b>	<b>10.0</b>	<b>10.8</b>	<b>19.9</b>	<b>-4.4</b>	<b>19.7</b>	<b>7.0</b>
<i>Custom Growth Benchmark</i>			6.0	10.2	29.3	11.6	11.3	--	12.3	16.6	-2.8	16.4	9.0
<b>Total Public Equity</b>	<b>764,354,030</b>	<b>45.7</b>	<b>7.3</b>	<b>14.3</b>	<b>42.6</b>	<b>15.8</b>	<b>15.3</b>	<b>11.3</b>	<b>15.9</b>	<b>29.1</b>	<b>-9.5</b>	<b>25.2</b>	<b>6.9</b>
<i>Russell 3000</i>			8.2	15.1	44.2	18.7	17.9	14.7	20.9	31.0	-5.2	21.1	12.7
<b>Total Domestic Equity</b>	<b>403,169,506</b>	<b>24.1</b>	<b>6.8</b>	<b>17.2</b>	<b>44.0</b>	<b>16.5</b>	<b>16.6</b>	<b>13.8</b>	<b>13.1</b>	<b>28.7</b>	<b>-5.7</b>	<b>24.5</b>	<b>12.7</b>
<i>Russell 3000</i>			8.2	15.1	44.2	18.7	17.9	14.7	20.9	31.0	-5.2	21.1	12.7
PIMCO RAE US	98,000,384	5.9	5.3	20.2	49.0	12.8	13.0	12.4	3.9	25.0	-7.0	16.5	15.4
<i>S&amp;P 500</i>			8.5	15.3	40.8	18.7	17.6	14.8	18.4	31.5	-4.4	21.8	12.0
Loomis Sayles Large Cap Growth	114,011,624	6.8	10.5	13.7	36.7	23.3	--	--	32.3	32.1	-2.1	33.5	--
<i>Russell 1000 Growth</i>			11.9	13.0	42.5	25.1	--	--	38.5	36.4	-1.5	30.2	--
Boston Partners Large Cap Value	109,833,412	6.6	5.5	21.2	49.6	12.4	--	--	2.0	23.8	-8.9	--	--
<i>Russell 1000 Value</i>			5.2	17.0	43.7	12.4	--	--	2.8	26.5	-8.3	--	--
Atlanta Capital Mgmt	81,324,086	4.9	5.2	13.6	41.5	15.1	15.9	14.7	10.5	34.1	-5.3	25.6	11.7
<i>Russell 2500</i>			5.4	17.0	57.8	15.2	16.3	12.9	20.0	27.8	-10.0	16.8	17.6
<b>Total International Equity</b>	<b>361,184,523</b>	<b>21.6</b>	<b>7.9</b>	<b>11.5</b>	<b>41.3</b>	<b>15.2</b>	<b>14.3</b>	<b>8.6</b>	<b>18.6</b>	<b>29.3</b>	<b>-12.8</b>	<b>25.8</b>	<b>1.6</b>
<i>MSCI ACWI ex USA Gross</i>			5.6	9.4	36.3	9.9	11.6	5.9	11.1	22.1	-13.8	27.8	5.0
Dodge & Cox Intl Stock	178,978,877	10.7	4.7	12.1	40.3	7.5	10.2	5.5	2.1	22.8	-18.0	23.9	8.3
<i>MSCI ACWI ex USA Value Gross</i>			4.5	12.1	38.3	5.8	9.2	4.1	-0.2	16.5	-13.4	23.3	9.6
WCM International Growth	182,205,646	10.9	10.8	11.0	41.6	21.9	--	--	33.1	35.8	-7.4	--	--
<i>MSCI ACWI ex USA Growth Gross</i>			6.7	6.7	34.1	13.6	--	--	22.6	27.8	-14.1	--	--
<b>Total Private Equity</b>	<b>105,816,220</b>	<b>6.3</b>											
Harbourvest Partners IX Buyout Fund L.P.	16,712,202	1.0											
Pathway Private Equity Fund Investors 9 L.P.	69,518,872	4.2											
Harbourvest 2018 Global Fund L.P.	14,809,895	0.9											
Pathway Private Equity Fund Investors 10 L.P.	4,775,251	0.3											

Global Fund L.P. funded 12/14/2018. Stone Harbor Local Markets terminated 3/22/2019. Ashmore EM Blended Debt funded 3/31/2019. Direct RE liquidatrf as of 12/19/2019. Pathway Private Equity Fund Investors 10 L.P. funded 3/25/2020. TPG Adjacent Opportunities Partners funded 4/16/2020. Brandywine has changed its strategy from Global Fixed Income to International Fixed Income as of 6/30/2020.



Total Fund  
Performance Summary (Net of Fees)

Period Ending: June 30, 2021

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Private Credit</b>	<b>78,801,880</b>	<b>4.7</b>											
Sixth Street Partners DCP	78,801,880	4.7											
<b>Total Real Estate</b>	<b>188,160,329</b>	<b>11.3</b>	<b>2.6</b>	<b>4.1</b>	<b>5.4</b>	<b>4.3</b>	<b>5.7</b>	<b>8.3</b>	<b>1.1</b>	<b>4.3</b>	<b>7.5</b>	<b>7.8</b>	<b>6.8</b>
NCREIF Property Index			3.6	5.4	7.4	5.5	6.1	8.8	1.6	6.4	6.7	7.0	8.0
JP Morgan Core Real Estate	144,602,271	8.6	2.7	4.3	5.9	3.8	5.0	8.4	0.5	3.4	7.0	6.1	7.3
NCREIF-ODCE			3.9	6.1	8.0	5.5	6.6	9.6	1.2	5.3	8.3	7.6	8.8
NCREIF Property Index			3.6	5.4	7.4	5.5	6.1	8.8	1.6	6.4	6.7	7.0	8.0
ARA American Strategic Value Realty	43,558,058	2.6	2.3	3.2	3.4	6.3	7.1	--	3.8	7.3	9.1	7.4	--
NCREIF-ODCE			3.9	6.1	8.0	5.5	6.6	--	1.2	5.3	8.3	7.6	--
NCREIF Property Index			3.6	5.4	7.4	5.5	6.1	--	1.6	6.4	6.7	7.0	--
<b>Total Risk Diversifying</b>	<b>424,530,108</b>	<b>25.4</b>	<b>2.4</b>	<b>-0.4</b>	<b>6.6</b>	<b>4.4</b>	<b>3.3</b>	<b>3.2</b>	<b>6.1</b>	<b>8.4</b>	<b>-2.2</b>	<b>7.5</b>	<b>4.1</b>
Custom Risk Diversifying Benchmark			1.6	-2.6	-1.4	5.0	2.8	3.3	7.5	8.7	0.0	3.5	2.6
<b>Total Domestic Fixed Income</b>	<b>279,311,144</b>	<b>16.7</b>	<b>1.9</b>	<b>0.2</b>	<b>4.1</b>	<b>5.9</b>	<b>4.1</b>	<b>3.9</b>	<b>7.7</b>	<b>9.5</b>	<b>0.0</b>	<b>3.9</b>	<b>4.2</b>
BBgBarc US Aggregate TR			1.8	-1.6	-0.3	5.3	3.0	3.4	7.5	8.7	0.0	3.5	2.6
BlackRock Core Bond	98,493,802	5.9	2.1	-1.2	1.1	6.3	--	--	9.1	9.9	0.1	--	--
BBgBarc US Aggregate TR			1.8	-1.6	-0.3	5.3	--	--	7.5	8.7	0.0	--	--
Dodge & Cox Income Fund	103,485,085	6.2	2.0	-0.6	3.4	6.4	--	--	9.4	9.7	-0.3	--	--
BBgBarc US Aggregate TR			1.8	-1.6	-0.3	5.3	--	--	7.5	8.7	0.0	--	--
Pacific Asset Corporate Loan	77,332,256	4.6	1.5	3.1	9.4	4.3	5.0	--	2.6	8.7	0.7	4.6	8.8
S&P/LSTA Leveraged Loan Index			1.5	3.3	11.7	4.4	5.0	--	3.1	8.6	0.4	4.1	10.2
<b>Total Global Fixed</b>	<b>145,218,965</b>	<b>8.7</b>	<b>3.5</b>	<b>-1.4</b>	<b>11.7</b>	<b>3.0</b>	<b>2.7</b>	<b>1.6</b>	<b>6.0</b>	<b>6.9</b>	<b>-4.7</b>	<b>13.3</b>	<b>4.1</b>
FTSE World Govt Bond Index			1.0	-4.8	0.8	3.6	1.7	1.4	10.1	5.9	-0.8	7.5	1.6
Brandywine Global Fixed Income	71,182,116	4.3	1.4	-1.4	11.4	--	--	--	--	--	--	--	--
FTSE WGBI ex US TR			0.5	-6.0	3.1	--	--	--	--	--	--	--	--
Ashmore EM Blended Debt Fund	74,036,849	4.4	5.5	-1.4	12.1	--	--	--	2.1	--	--	--	--
50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMH+			3.4	-1.3	7.1	--	--	--	3.9	--	--	--	--

Stone Harbor Local Markets terminated 3/22/2019. Ashmore EM Blended Debt funded 3/31/2019. Direct RE liquidatrf as of 12/19/2019. Pathway Private Equity Fund Investors 10 L.P. funded 3/25/2020. TPG Adjacent Opportunities Partners funded 4/16/2020. Gresham liquidated as of 9/30/2020.

Total Fund  
Performance Summary (Net of Fees)

Period Ending: June 30, 2021

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Liquidity</b>	<b>80,273,265</b>	<b>4.8</b>	<b>0.1</b>	<b>0.3</b>	<b>0.6</b>	<b>1.6</b>	<b>3.0</b>	<b>1.7</b>	<b>1.5</b>	<b>2.1</b>	<b>1.6</b>	<b>8.4</b>	<b>1.6</b>
91 Day T-Bills			0.0	0.0	0.1	1.2	1.1	0.6	0.5	2.1	1.9	0.9	0.3
<b>Total Cash</b>	<b>80,273,265</b>	<b>4.8</b>	<b>0.1</b>	<b>0.3</b>	<b>0.6</b>	<b>1.6</b>	<b>3.0</b>	<b>1.7</b>	<b>1.5</b>	<b>2.1</b>	<b>1.6</b>	<b>8.4</b>	<b>1.6</b>
91 Day T-Bills			0.0	0.0	0.1	1.2	1.1	0.6	0.5	2.1	1.9	0.9	0.3
Cash Account	32,380,462	1.9	0.4	0.6	1.1	1.8	1.5	0.9	1.9	2.2	1.5	1.0	0.5
91 Day T-Bills			0.0	0.0	0.1	1.2	1.1	0.6	0.5	2.1	1.9	0.9	0.3
Investment Cash	47,892,803	2.9	--	--	--	--	--	--	--	--	--	--	--
91 Day T-Bills			--	--	--	--	--	--	--	--	--	--	--
<b>Total Opportunistic</b>	<b>29,846,049</b>	<b>1.8</b>											
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	4,776,399	0.3											
Sixth Street Partners TAO	25,069,650	1.5											

Stone Harbor Local Markets terminated 3/22/2019. Ashmore EM Blended Debt funded 3/31/2019. Direct RE liquidatrf as of 12/19/2019. Pathway Private Equity Fund Investors 10 L.P. funded 3/25/2020. TPG Adjacent Opportunities Partners funded 4/16/2020. Gresham liquidated as of 9/30/2020.

Investment Manager  
Performance Analysis - 3 & 5 Years (Net of Fees)

Period Ending: June 30, 2021

3 Years

	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
PIMCO RAE US	12.82%	-5.85%	20.92%	-7.29%	1.08	6.48%	0.91	0.55	-0.90	89.26%	110.61%
Loomis Sayles Large Cap Growth	23.33%	-1.81%	17.72%	1.55%	0.87	5.19%	0.94	1.25	-0.35	83.84%	88.75%
Boston Partners Large Cap Value	12.43%	0.01%	21.54%	-0.78%	1.06	2.97%	0.98	0.52	0.00	107.67%	105.21%
Atlanta Capital Mgmt	15.06%	-0.18%	21.96%	2.08%	0.85	7.77%	0.90	0.63	-0.02	79.71%	85.69%
Dodge & Cox Intl Stock	7.48%	1.65%	23.36%	0.81%	1.14	4.97%	0.97	0.26	0.33	125.56%	108.72%
WCM International Growth	21.94%	8.35%	16.36%	8.77%	0.97	4.69%	0.92	1.27	1.78	115.11%	76.86%
BlackRock Core Bond	6.29%	0.94%	4.44%	0.12%	1.15	1.95%	0.82	1.14	0.48	124.59%	128.99%
Dodge & Cox Income Fund	6.42%	1.07%	3.82%	1.85%	0.85	2.45%	0.61	1.36	0.44	109.67%	86.27%
Pacific Asset Corporate Loan	4.28%	-0.11%	6.54%	1.06%	0.73	2.57%	0.97	0.47	-0.04	80.97%	75.48%
JP Morgan Core Real Estate	3.82%	-1.70%	1.77%	2.29%	0.28	2.84%	0.27	1.42	-0.60	26.67%	109.22%
ARA American Strategic Value Realty	6.34%	0.81%	3.09%	7.78%	-0.26	5.14%	0.08	1.66	0.16	--	--

5 Years

	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
PIMCO RAE US	13.00%	-4.65%	16.82%	-5.83%	1.07	5.32%	0.90	0.70	-0.87	85.22%	109.11%
Atlanta Capital Mgmt	15.86%	-0.49%	17.76%	2.09%	0.84	6.88%	0.88	0.83	-0.07	78.50%	86.26%
Dodge & Cox Intl Stock	10.22%	1.05%	19.19%	-0.25%	1.14	4.40%	0.96	0.47	0.24	123.28%	107.77%
Pacific Asset Corporate Loan	4.95%	-0.03%	5.10%	1.28%	0.74	2.00%	0.97	0.75	-0.02	85.64%	75.63%
JP Morgan Core Real Estate	5.02%	-1.55%	1.50%	3.66%	0.21	2.94%	0.21	2.60	-0.53	27.38%	109.22%

Private Markets  
Non Marketable Securities Overview

Period Ending: June 30, 2021

Vintage	Manager & Fund Name	Estimated 6/30 Market Value <sup>3</sup>	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI) <sup>1</sup>	Tot. Value/ Paid-In (TVPI) <sup>2</sup>	Net IRR Since Inception <sup>5</sup>	IRR Date
2011	HarbourVest Partners IX-Buyout Fund L.P.	\$16,712,202	\$20,000,000	\$17,050,000	85%	\$2,950,000	\$18,197,970	\$17,781,634	106.7%	204.8%	19.2%	12/31/20
2018	HarbourVest Partners 2018 Global Fund L.P.	\$14,809,895	\$20,000,000	\$11,800,000	58%	\$8,400,000	\$1,022,070	\$14,601,734	-	-	28.8%	12/31/20
2010	KKR Mezzanine Partners I L.P.	\$4,776,399	\$20,000,000	\$20,000,000	100%	\$0	\$29,632,339	\$4,817,716	148.2%	172.0%	6.6%	3/31/21
2016	TPG Diversified Credit Program	\$78,801,880	\$113,750,000	\$81,085,536	71%	\$32,664,464	\$23,498,734	\$79,561,015	29.0%	126.2%	10.9%	3/31/21
2017	Pathway Private Equity Fund Investors 9 L.P.	\$69,518,872	\$65,000,000	\$37,005,356	57%	\$27,994,644	\$394,145	-	1.1%	188.9%	-	-
2020	Pathway Private Equity Fund Investors 10 L.P.	\$4,775,251	\$20,000,000	\$1,100,678	6%	\$18,899,322	\$46,848	-	4.3%	438.1%	-	-
2020	TPG Adjacent Opportunities Partners	\$25,069,650	\$60,000,000	\$22,344,691	37%	\$37,655,309	\$2,338,171	\$8,254,667	10.5%	122.7%	11.0%	3/31/21
<b>Total Alternative Illiquids</b>		<b>\$214,464,149</b>	\$338,750,000	\$210,186,261	62%	\$128,563,739	\$103,175,452	\$125,117,394	59.5%	108.6%		
<b>% of Portfolio (Market Value)</b>		<b>12.8%</b>										

	Management Fee	Admin Fee	Interest Expense	Other Expense	Total Expense <sup>7</sup>
HarbourVest Partners IX-Buyout Fund L.P.	\$49,831	\$0	\$0	\$5,545	\$55,376
HarbourVest Partners 2018 Global Fund L.P.	\$38,993	\$0	\$0	\$15,637	\$54,630
KKR Mezzanine Partners I L.P.	\$7,753	\$0	\$0	\$399	\$8,152
TPG Diversified Credit Program	\$0	\$0	\$0	\$23,209	\$23,209
Pathway Private Equity Fund Investors 9 L.P.	\$0	\$0	\$0	\$0	\$0
Pathway Private Equity Fund Investors 10 L.P.	\$0	\$0	\$0	\$0	\$0
TPG Adjacent Opportunities Partners*	\$126,725	\$0	\$265,521	\$22,615	\$414,861
	\$223,302	\$0	\$265,521	\$67,405	<b>\$556,228</b>

<sup>1</sup>(DPI) is equal to (capital returned / capital called)

<sup>2</sup>(TVPI) is equal to (market value + capital returned) / capital called

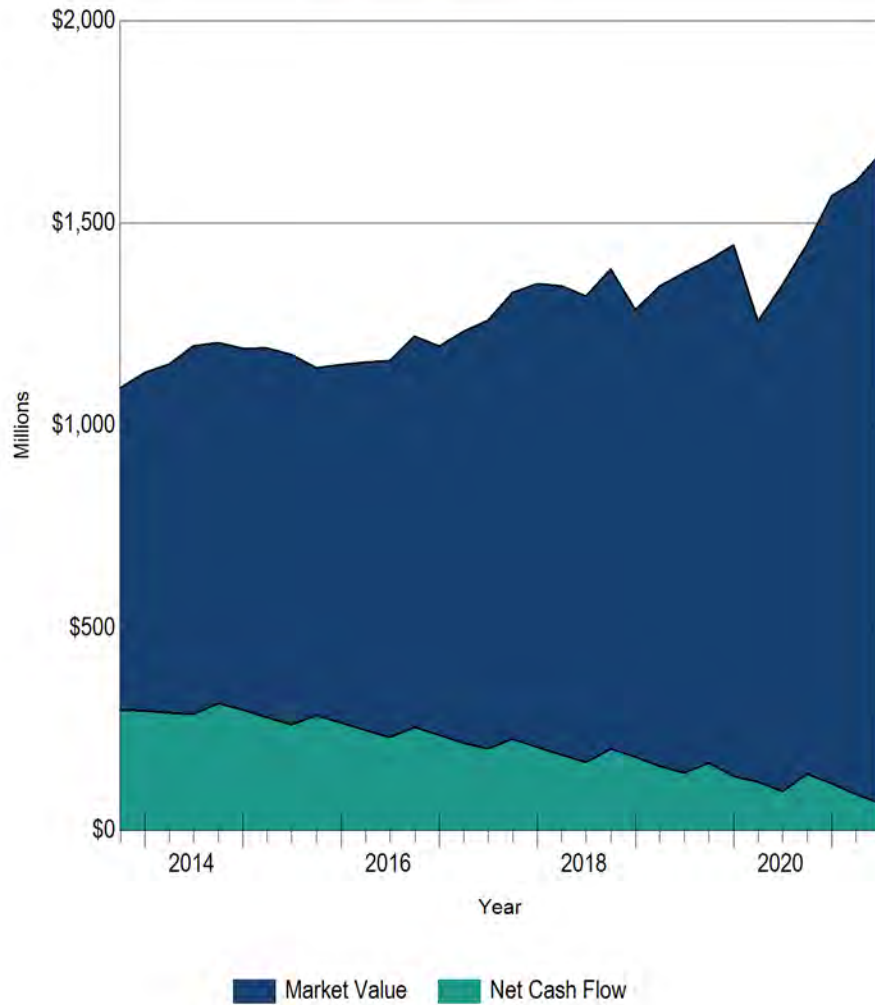
<sup>3</sup>Last known market value + capital calls - distributions

<sup>4</sup>Investment period ended, no further capital to be called, Liquidated as of June 2020

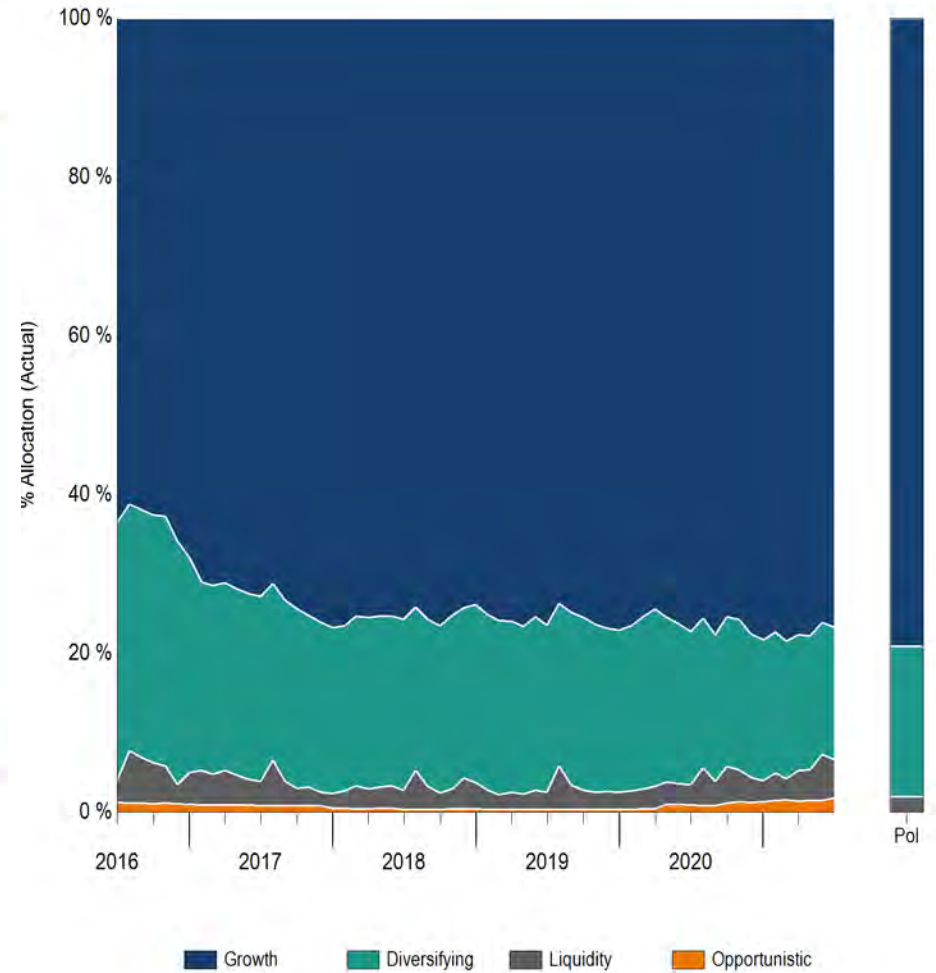
<sup>5</sup>Net IRR is calculated on the cash flows of the underlying investments of the fund and is net of the underlying fund fees and carried interest

<sup>6</sup>All fees and expenses are for 1Q 2021.

Market Value History



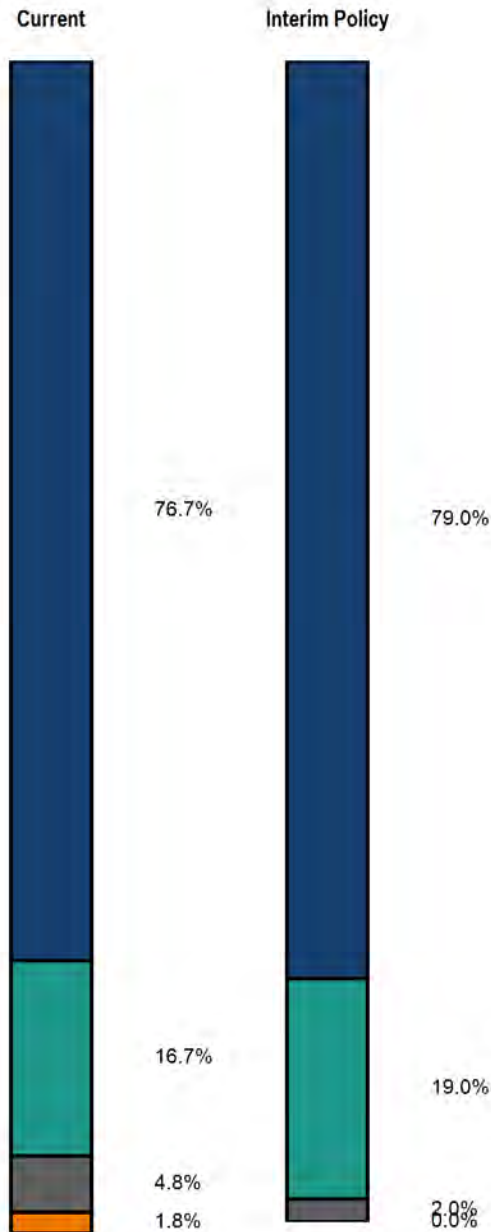
Asset Allocation History



Total Fund

Asset Allocation vs. Interim Policy

Period Ending: June 30, 2021



	Current Balance	Current Allocation	Interim Policy	Difference	Interim Policy Range	Within IPS Range?
Growth	\$1,282,351,423	76.7%	79.0%	-\$38,356,263	0.0% - 100.0%	Yes
Diversifying	\$279,311,144	16.7%	19.0%	-\$38,327,414	10.0% - 30.0%	Yes
Liquidity	\$80,273,265	4.8%	2.0%	\$46,837,627	0.0% - 5.0%	Yes
Opportunistic	\$29,846,049	1.8%	0.0%	\$29,846,049	0.0% - 10.0%	Yes
<b>Total</b>	<b>\$1,671,781,882</b>	<b>100.0%</b>	<b>100.0%</b>			

# Total Fund Investment Fund Fee Analysis

Period Ending: June 30, 2021

Account	Fee Schedule	Market Value As of 6/30/2021	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
ARA American Strategic Value Realty	1.25% of First 10.0 Mil, 1.20% of Next 15.0 Mil, 1.10% of Next 25.0 Mil, 1.00% Thereafter	\$43,558,058	2.6%	\$509,139	1.17%
Ashmore EM Blended Debt Fund	1.00% of Assets	\$74,036,849	4.4%	\$740,368	1.00%
Atlanta Capital Mgmt	0.80% of First 50.0 Mil, 0.70% of Next 100.0 Mil, 0.60% Thereafter	\$81,324,086	4.9%	\$619,269	0.76%
BlackRock Core Bond	0.28% of First 100.0 Mil, 0.26% Thereafter	\$98,493,802	5.9%	\$275,783	0.28%
Boston Partners Large Cap Value	0.40% of Assets	\$109,833,412	6.6%	\$439,334	0.40%
Brandywine Global Fixed Income	0.45% of First 50.0 Mil, 0.40% of Next 50.0 Mil, 0.35% Thereafter	\$71,182,116	4.3%	\$309,728	0.44%
Cash Account	No Fee	\$32,380,462	1.9%	--	--
Dodge & Cox Income Fund	0.42% of Assets	\$103,485,085	6.2%	\$434,637	0.42%
Dodge & Cox Intl Stock	0.64% of Assets	\$178,978,877	10.7%	\$1,145,465	0.64%
Harbourvest 2018 Global Fund L.P.	282,000 Annually	\$14,809,895	0.9%	\$282,000	1.90%
Harbourvest Partners IX Buyout Fund L.P.	200,000 Annually	\$16,712,202	1.0%	\$200,000	1.20%
Investment Cash	No Fee	\$47,892,803	2.9%	--	--
JP Morgan Core Real Estate	0.92% of First 100.0 Mil, 0.80% of Next 150.0 Mil, 0.70% of Next 250.0 Mil, 0.50% Thereafter	\$144,602,271	8.6%	\$1,276,818	0.88%
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	300,000 Annually	\$4,776,399	0.3%	\$300,000	6.28%
Loomis Sayles Large Cap Growth	0.45% of First 100.0 Mil, 0.40% Thereafter	\$114,011,624	6.8%	\$506,046	0.44%
Pacific Asset Corporate Loan	0.37% of Assets	\$77,332,256	4.6%	\$286,129	0.37%
Pathway Private Equity Fund Investors 10 L.P.	Please see footnote	\$4,775,251	0.3%	--	--
Pathway Private Equity Fund Investors 9 L.P.	Please see footnote	\$69,518,872	4.2%	--	--
PIMCO RAE US	0.40% of Assets	\$98,000,384	5.9%	\$392,002	0.40%
Sixth Street Partners DCP	Please see footnote	\$78,801,880	4.7%	--	--
Sixth Street Partners TAO	Please see footnote	\$25,069,650	1.5%	--	--
WCM International Growth	0.70% of Assets	\$182,205,646	10.9%	\$1,275,440	0.70%
<b>Investment Management Fee</b>		<b>\$1,671,781,882</b>	<b>100.0%</b>	<b>\$8,992,158</b>	<b>0.54%</b>

HarbourVest, KKR and PIMCO Distressed Credit fees are estimated gross management fees only and do not include incentive allocations or offsetting cash flows received by the fund. Pathway fee steps up and down over time, with an effective average of 0.71% up to \$25m, 0.67% up to \$50m, 0.63% up to \$75m, and 0.40% above \$75m.

Clifton Group fee schedule represents contractual minimum fee. Actual fee charged is \$1,500 per month through at least 6/30/2015.

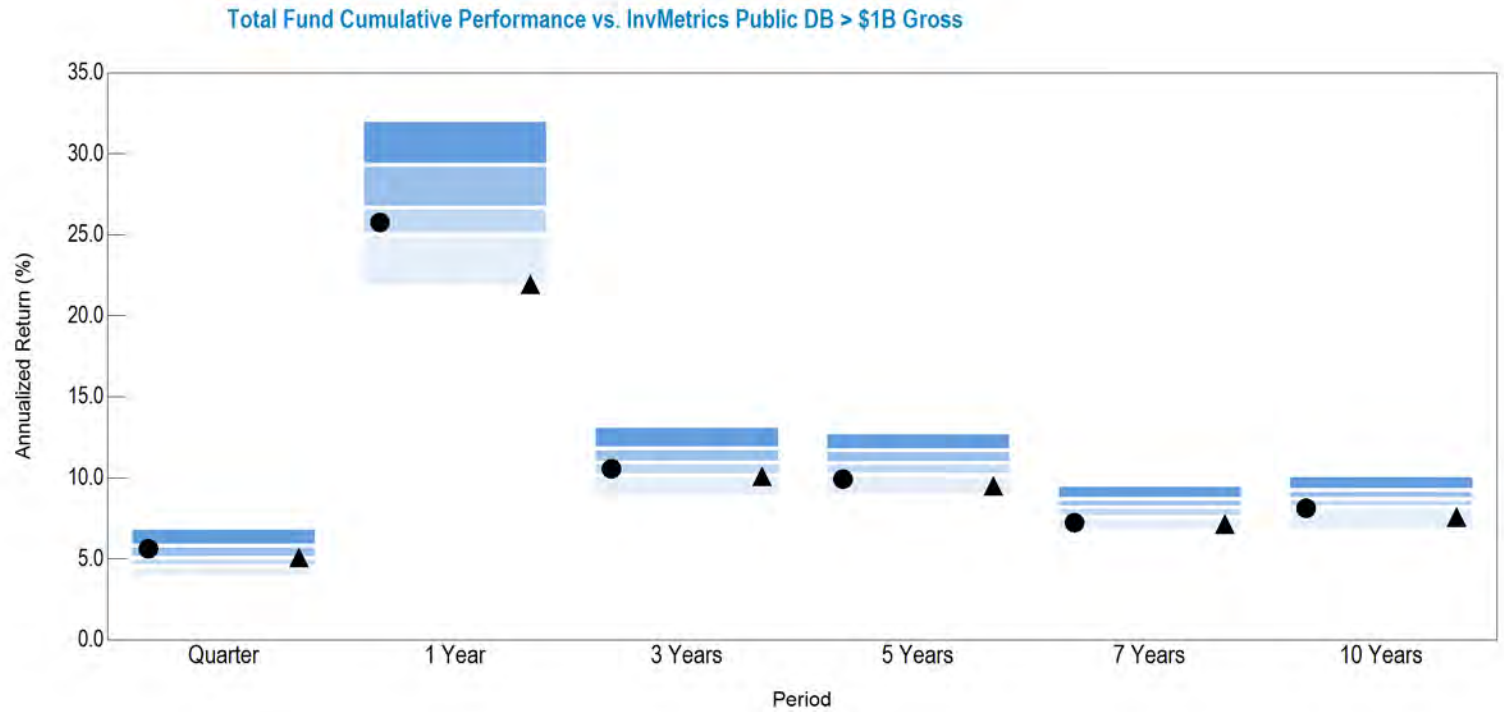
TPG: No management fee at SMA level. Subject to the annual fees of each of the underlying TSSP funds. (1) TAO 65bps on unfunded commitments and 1.35% on remaining capital contributions (long-term designation) (2) TSLE 1.5% on commitments, 1.25% on remaining capital contributions post commitment period (3) TIPC 30bps on remaining capital contributions (4) TCS 1.0% on unfunded commitments, 1.5% on remaining capital contributions.



Total Fund

Peer Universe Comparison: Cumulative Performance (Gross of Fees)

Period Ending: June 30, 2021



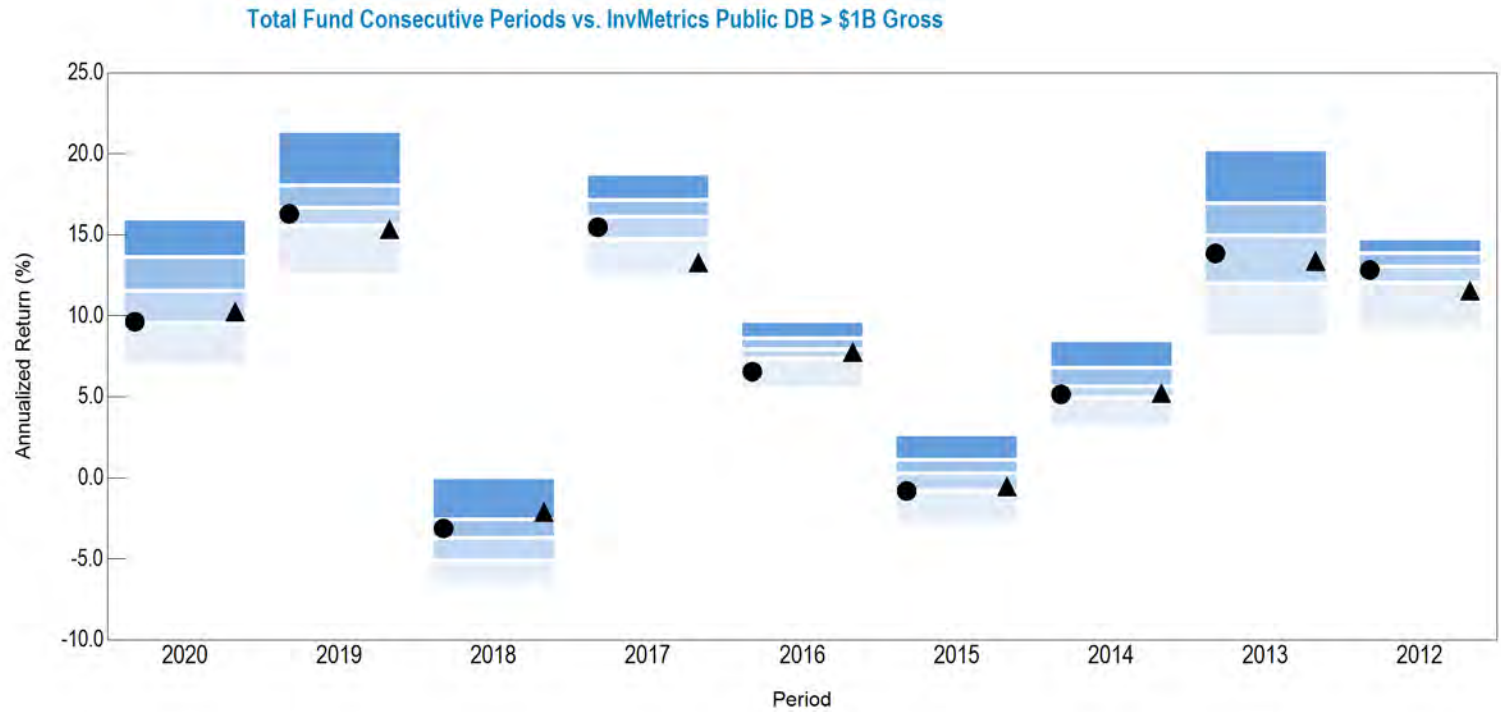
	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	6.9		32.1		13.2		12.8		9.6		10.1	
25th Percentile	5.9		29.3		11.8		11.7		8.7		9.3	
Median	5.1		26.7		11.0		10.9		8.2		8.7	
75th Percentile	4.6		25.1		10.2		10.2		7.6		8.2	
95th Percentile	3.9		21.8		8.9		9.0		6.7		6.8	
# of Portfolios	60		60		60		60		60		58	
● Total Fund	5.6	(35)	25.8	(69)	10.6	(67)	9.9	(85)	7.2	(88)	8.1	(77)
▲ Interim Policy Index	5.1	(52)	21.9	(95)	10.1	(80)	9.5	(93)	7.1	(90)	7.6	(89)



Total Fund

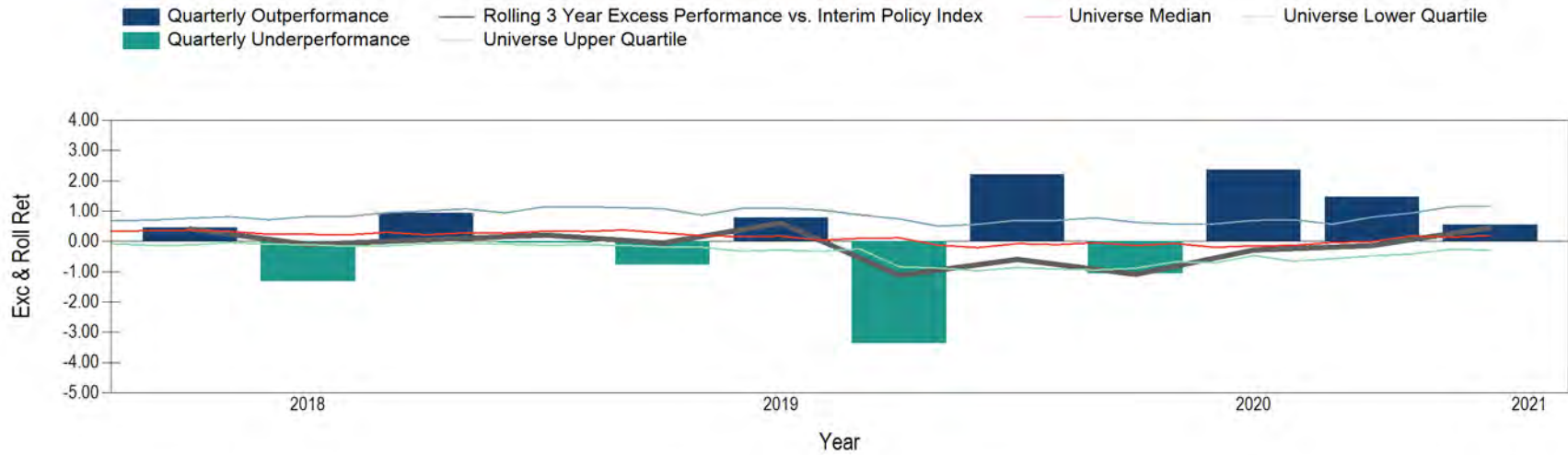
Peer Universe Comparison: Consecutive Periods (Gross of Fees)

Period Ending: June 30, 2021

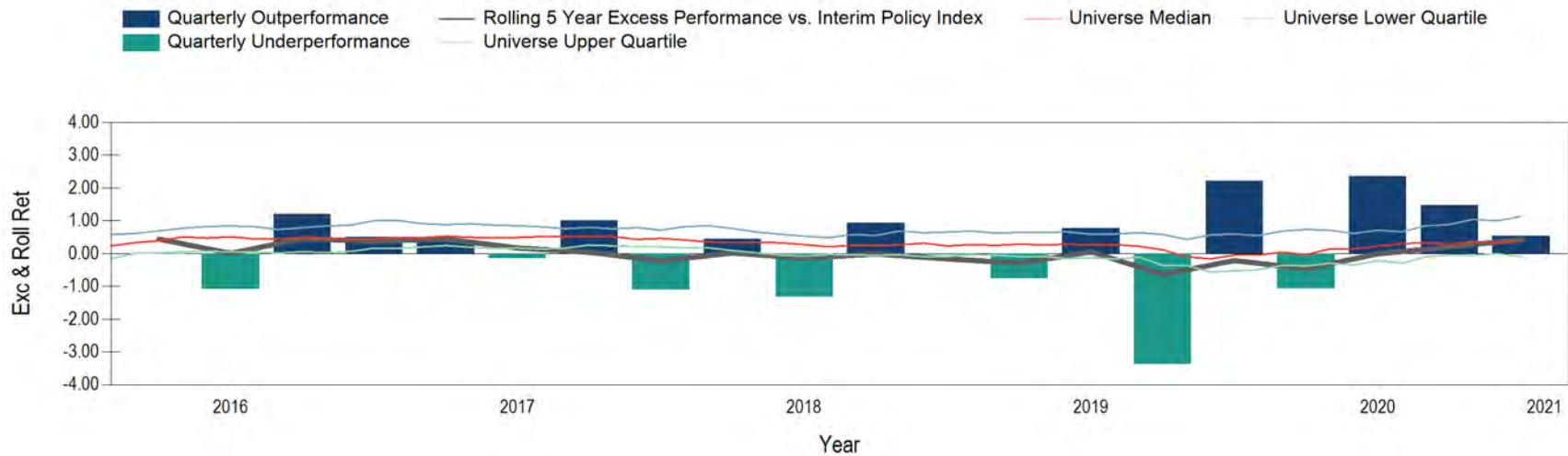


	2020		2019		2018		2017		2016		2015		2014		2013		2012	
<b>5th Percentile</b>	16.0	21.4	0.0	18.8	9.7	2.7	8.5	20.2	14.7	16.0	21.4	0.0	18.8	9.7	2.7	8.5	20.2	14.7
<b>25th Percentile</b>	13.6	18.1	-2.6	17.2	8.6	1.1	6.8	17.0	13.9	13.6	18.1	-2.6	17.2	8.6	1.1	6.8	17.0	13.9
<b>Median</b>	11.5	16.7	-3.7	16.2	8.0	0.3	5.7	15.0	13.0	11.5	16.7	-3.7	16.2	8.0	0.3	5.7	15.0	13.0
<b>75th Percentile</b>	9.6	15.6	-5.1	14.8	7.4	-0.7	4.9	12.0	12.1	9.6	15.6	-5.1	14.8	7.4	-0.7	4.9	12.0	12.1
<b>95th Percentile</b>	6.9	12.5	-6.6	12.4	5.5	-2.8	3.1	8.7	9.2	6.9	12.5	-6.6	12.4	5.5	-2.8	3.1	8.7	9.2
<b># of Portfolios</b>	94	81	71	98	92	98	79	67	74	94	81	71	98	92	98	79	67	74
<b>● Total Fund</b>	9.6 (74)	16.3 (60)	-3.1 (36)	15.5 (69)	6.6 (91)	-0.8 (80)	5.1 (69)	13.8 (69)	12.8 (58)	9.6 (74)	16.3 (60)	-3.1 (36)	15.5 (69)	6.6 (91)	-0.8 (80)	5.1 (69)	13.8 (69)	12.8 (58)
<b>▲ Interim Policy Index</b>	10.3 (69)	15.3 (81)	-2.1 (20)	13.3 (90)	7.8 (62)	-0.5 (70)	5.2 (67)	13.4 (70)	11.6 (88)	10.3 (69)	15.3 (81)	-2.1 (20)	13.3 (90)	7.8 (62)	-0.5 (70)	5.2 (67)	13.4 (70)	11.6 (88)

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



Total Domestic Equity  
Asset Class Overview (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Domestic Equity</b>	<b>403,169,506</b>	<b>6.9</b>	<b>17.4</b>	<b>44.7</b>	<b>17.0</b>	<b>17.1</b>	<b>14.3</b>	<b>13.7</b>	<b>29.4</b>	<b>-5.2</b>	<b>25.1</b>	<b>13.0</b>
<i>Russell 3000</i>		8.2	15.1	44.2	18.7	17.9	14.7	20.9	31.0	-5.2	21.1	12.7
<i>InvMetrics Public DB US Eq Gross Rank</i>		77	8	44	64	49	40	91	66	36	4	48
PIMCO RAE US	98,000,384	5.4	20.5	49.6	13.3	13.5	12.8	4.4	25.5	-6.6	17.0	15.9
<i>S&amp;P 500</i>		8.5	15.3	40.8	18.7	17.6	14.8	18.4	31.5	-4.4	21.8	12.0
<i>eV US Large Cap Core Equity Gross Rank</i>		93	4	8	91	89	89	96	83	72	89	6
Loomis Sayles Large Cap Growth	114,011,624	10.6	14.0	37.3	23.9	--	--	32.8	32.7	-1.7	34.1	--
<i>Russell 1000 Growth</i>		11.9	13.0	42.5	25.1	--	--	38.5	36.4	-1.5	30.2	--
<i>eV US Large Cap Growth Equity Gross Rank</i>		60	39	81	52	--	--	61	68	58	16	--
Boston Partners Large Cap Value	109,833,412	5.6	21.5	50.2	12.9	--	--	2.4	24.3	-8.5	--	--
<i>Russell 1000 Value</i>		5.2	17.0	43.7	12.4	--	--	2.8	26.5	-8.3	--	--
<i>eV US Large Cap Value Equity Gross Rank</i>		54	19	26	55	--	--	64	77	54	--	--
Atlanta Capital Mgmt	81,324,086	5.4	14.1	42.6	16.0	16.8	15.5	11.4	35.1	-4.5	26.6	12.6
<i>Russell 2500</i>		5.4	17.0	57.8	15.2	16.3	12.9	20.0	27.8	-10.0	16.8	17.6
<i>eV US Small-Mid Cap Equity Gross Rank</i>		47	71	87	42	47	18	62	14	25	15	62

U.S. Effective Style Map  
3 Years Ending June 30, 2021



U.S. Effective Style Map  
5 Years Ending June 30, 2021



Total Domestic Equity  
 Asset Class Overview (Net of Fees)

Period Ending: June 30, 2021

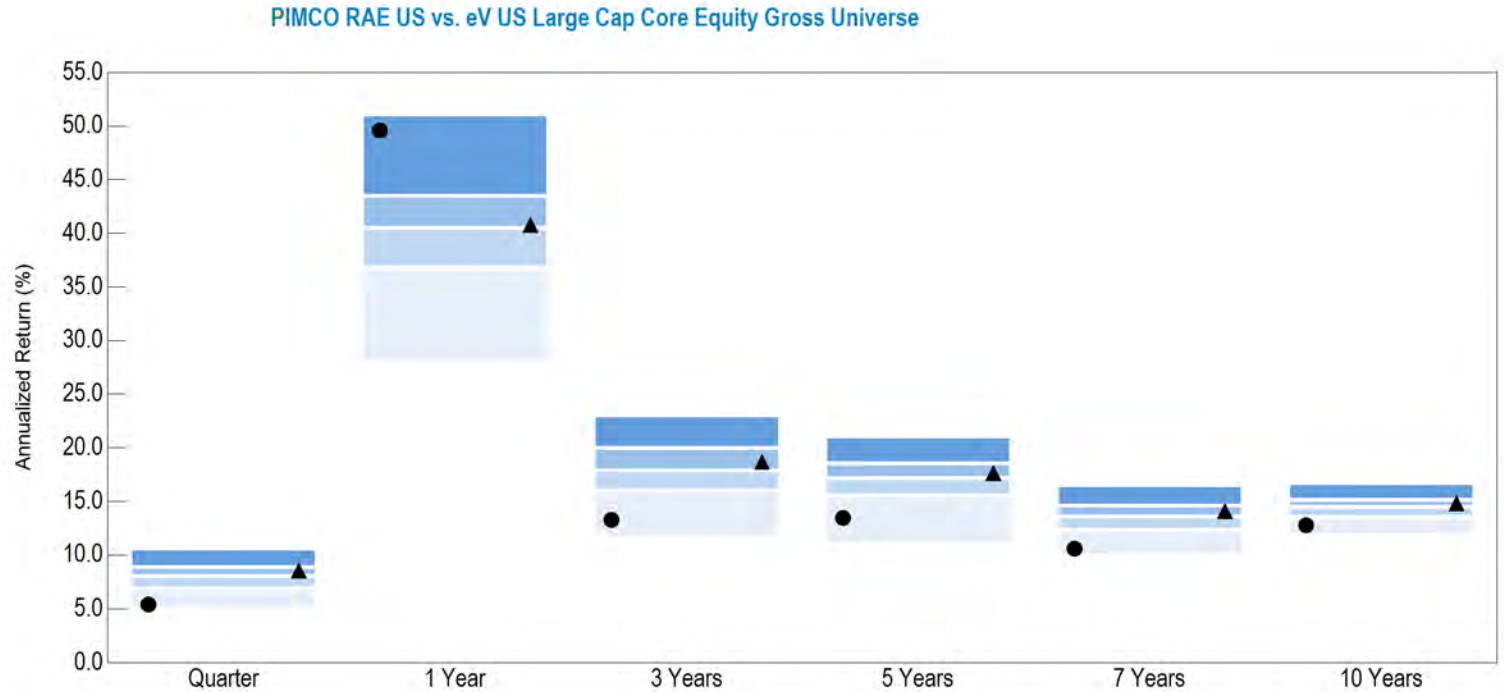
	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Domestic Equity</b>	<b>403,169,506</b>	<b>6.8</b>	<b>17.2</b>	<b>44.0</b>	<b>16.5</b>	<b>16.6</b>	<b>13.8</b>	<b>13.1</b>	<b>28.7</b>	<b>-5.7</b>	<b>24.5</b>	<b>12.7</b>
<i>Russell 3000</i>		8.2	15.1	44.2	18.7	17.9	14.7	20.9	31.0	-5.2	21.1	12.7
PIMCO RAE US	98,000,384	5.3	20.2	49.0	12.8	13.0	12.4	3.9	25.0	-7.0	16.5	15.4
<i>S&amp;P 500</i>		8.5	15.3	40.8	18.7	17.6	14.8	18.4	31.5	-4.4	21.8	12.0
Loomis Sayles Large Cap Growth	114,011,624	10.5	13.7	36.7	23.3	--	--	32.3	32.1	-2.1	33.5	--
<i>Russell 1000 Growth</i>		11.9	13.0	42.5	25.1	--	--	38.5	36.4	-1.5	30.2	--
Boston Partners Large Cap Value	109,833,412	5.5	21.2	49.6	12.4	--	--	2.0	23.8	-8.9	--	--
<i>Russell 1000 Value</i>		5.2	17.0	43.7	12.4	--	--	2.8	26.5	-8.3	--	--
Atlanta Capital Mgmt	81,324,086	5.2	13.6	41.5	15.1	15.9	14.7	10.5	34.1	-5.3	25.6	11.7
<i>Russell 2500</i>		5.4	17.0	57.8	15.2	16.3	12.9	20.0	27.8	-10.0	16.8	17.6

Total Domestic Equity  
 Asset Class Overview (Net of Fees)

Period Ending: June 30, 2021

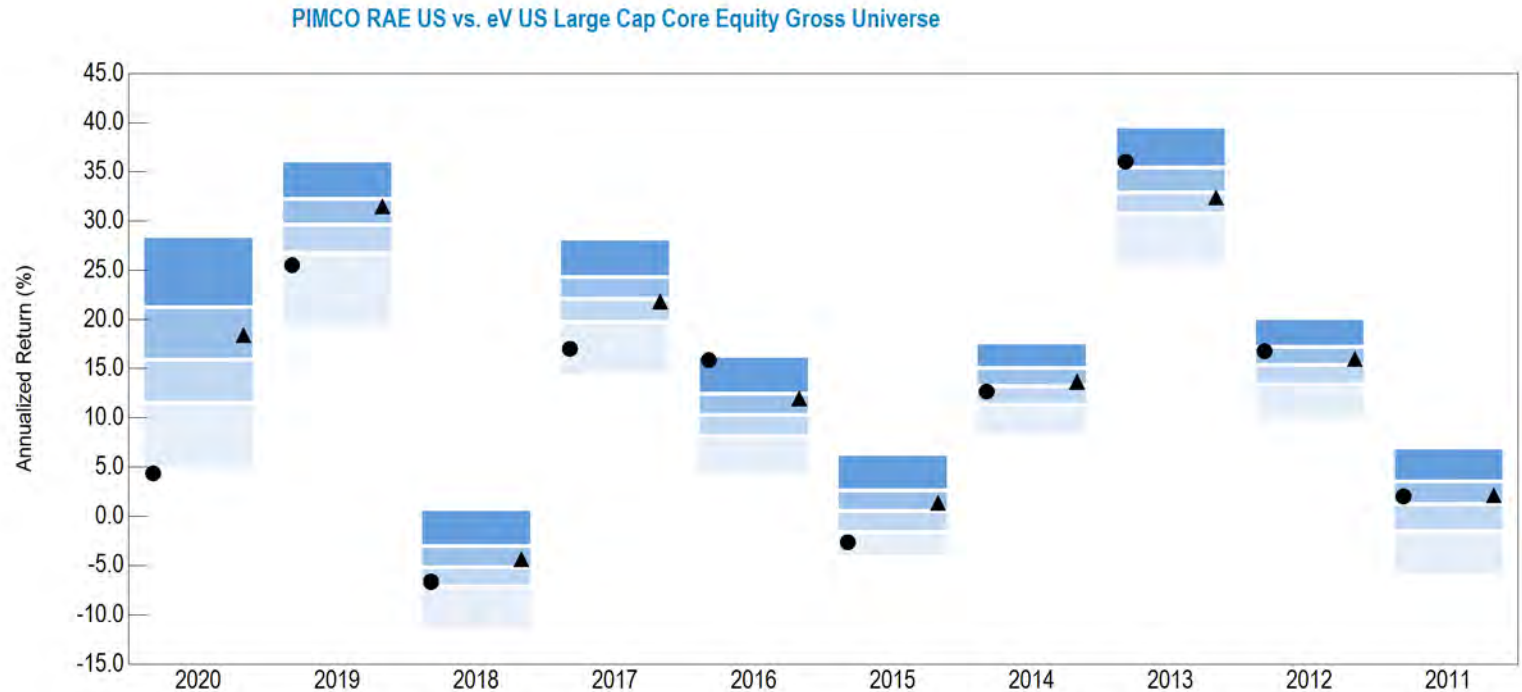
Correlation Matrix  
 Last 1 Year

	Total Domestic Equity	PIMCO RAE US	Loomis Sayles Large Cap Growth	Boston Partners Large Cap Value	Atlanta Capital Mgmt	Russell 3000
Total Domestic Equity	1.00	--	--	--	--	--
PIMCO RAE US	0.92	1.00	--	--	--	--
Loomis Sayles Large Cap Growth	-0.28	-0.62	1.00	--	--	--
Boston Partners Large Cap Value	0.93	0.99	-0.61	1.00	--	--
Atlanta Capital Mgmt	0.99	0.86	-0.15	0.88	1.00	--
Russell 3000	0.77	0.48	0.39	0.48	0.83	1.00



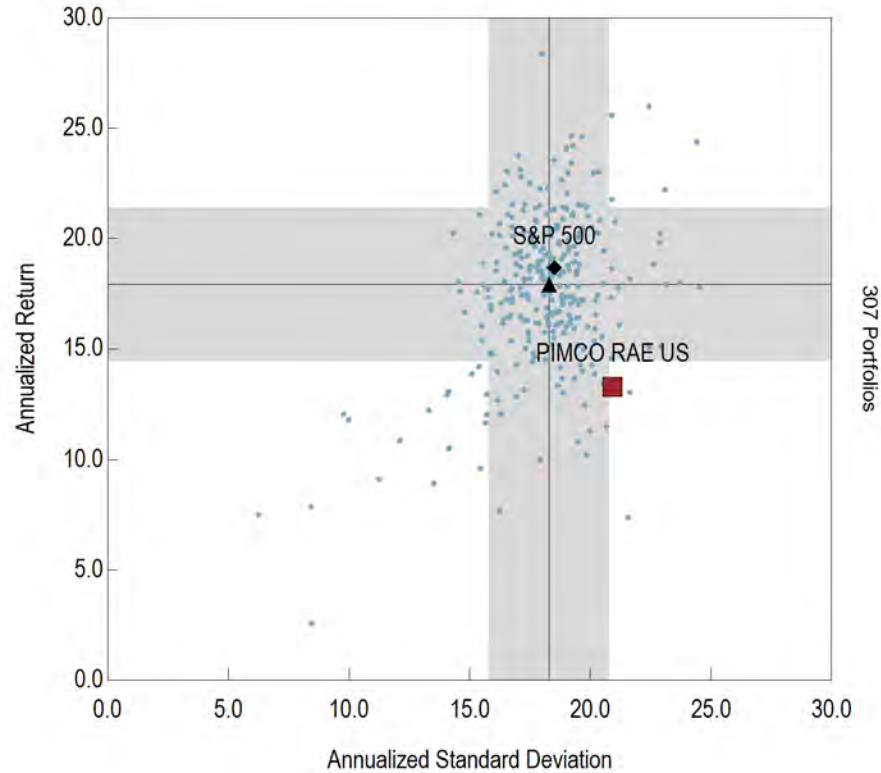
	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	10.6		51.1		23.0		21.0		16.5		16.7	
25th Percentile	8.9		43.5		20.0		18.6		14.6		15.2	
Median	8.1		40.6		17.9		17.2		13.6		14.5	
75th Percentile	7.0		36.9		16.1		15.6		12.4		13.6	
95th Percentile	5.0		28.1		11.7		11.1		9.9		11.9	
# of Portfolios	316		316		307		285		266		225	
● PIMCO RAE US	5.4	(93)	49.6	(8)	13.3	(91)	13.5	(89)	10.6	(94)	12.8	(89)
▲ S&P 500	8.5	(36)	40.8	(49)	18.7	(40)	17.6	(41)	14.1	(38)	14.8	(36)





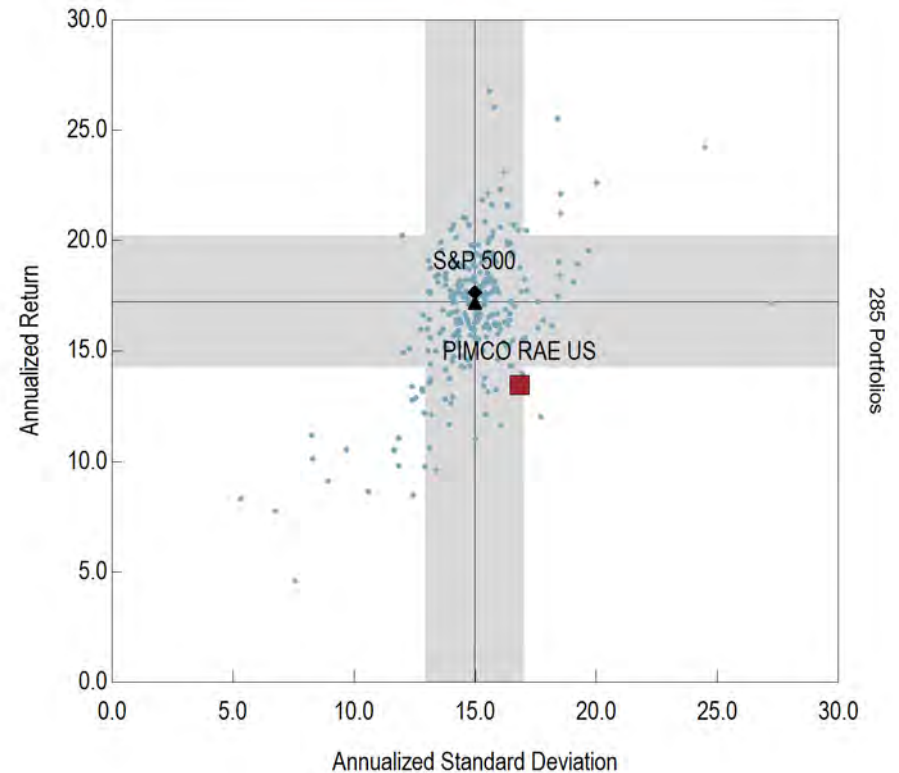
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Return (Rank)</b>										
5th Percentile	28.5	36.1	0.7	28.2	16.3	6.3	17.7	39.6	20.1	7.0
25th Percentile	21.3	32.3	-3.0	24.3	12.5	2.7	15.1	35.5	17.2	3.6
Median	15.9	29.7	-5.1	22.1	10.4	0.6	13.3	32.9	15.4	1.3
75th Percentile	11.6	26.8	-7.1	19.8	8.2	-1.6	11.4	30.8	13.4	-1.5
95th Percentile	4.8	19.2	-11.4	14.4	4.3	-4.1	8.2	25.4	9.8	-5.9
# of Portfolios	323	318	316	318	308	267	267	261	254	259
● PIMCO RAE US	4.4 (96)	25.5 (83)	-6.6 (72)	17.0 (89)	15.9 (6)	-2.7 (86)	12.7 (58)	36.0 (22)	16.8 (29)	2.0 (41)
▲ S&P 500	18.4 (41)	31.5 (33)	-4.4 (40)	21.8 (53)	12.0 (31)	1.4 (42)	13.7 (42)	32.4 (58)	16.0 (41)	2.1 (40)

Annualized Return vs. Annualized Standard Deviation  
 3 Years Ending June 30, 2021



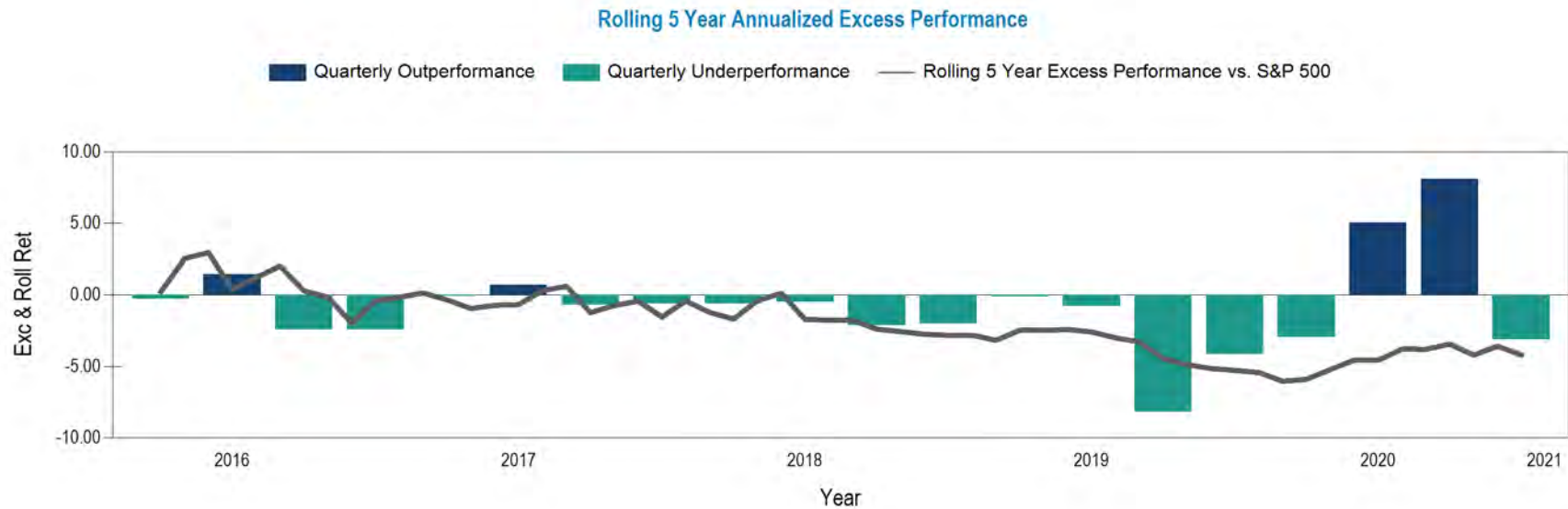
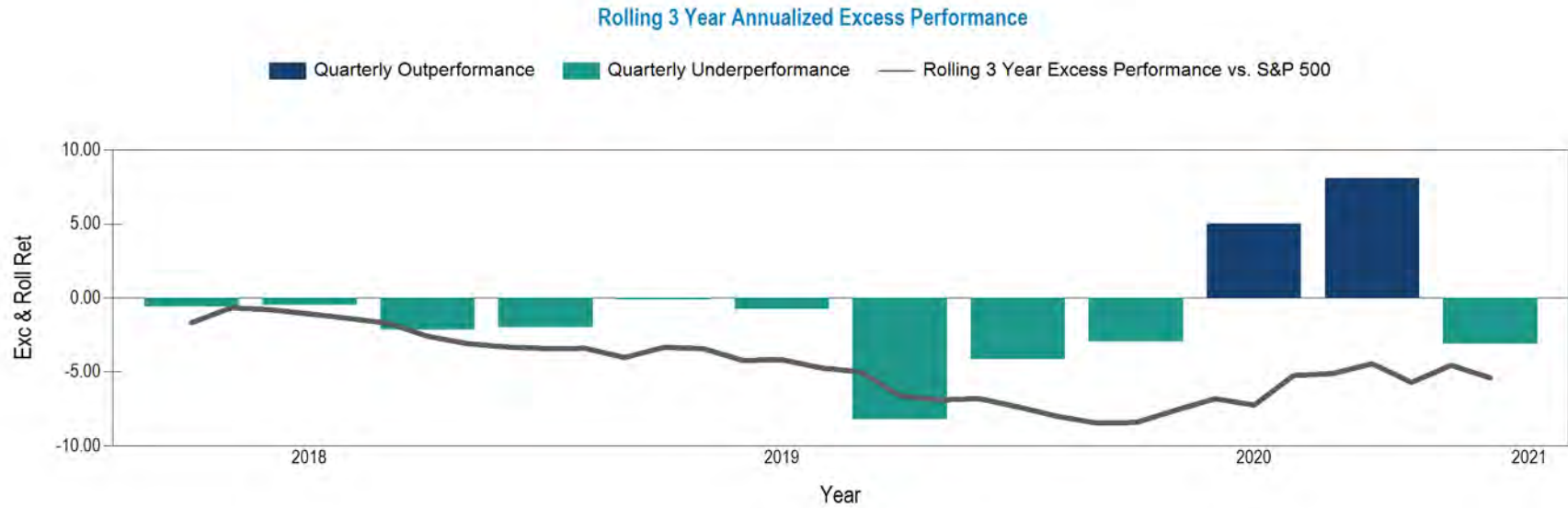
- PIMCO RAE US
- ◆ S&P 500
- ▲ Universe Median
- ▣ 68% Confidence Interval
- eV US Large Cap Core Equity Gross

Annualized Return vs. Annualized Standard Deviation  
 5 Years Ending June 30, 2021



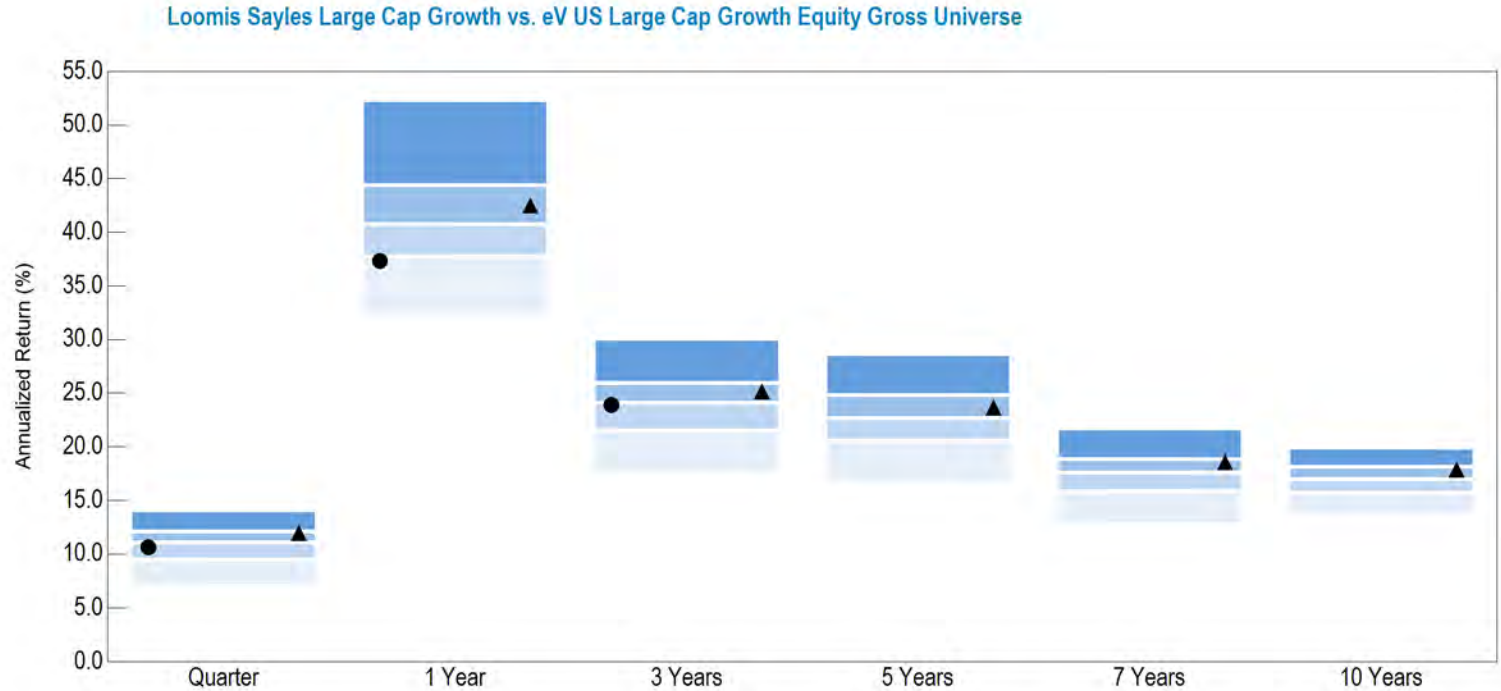
- PIMCO RAE US
- ◆ S&P 500
- ▲ Universe Median
- ▣ 68% Confidence Interval
- eV US Large Cap Core Equity Gross





Loomis Sayles Large Cap Growth  
 Cumulative Performance Comparison (Gross of Fees)

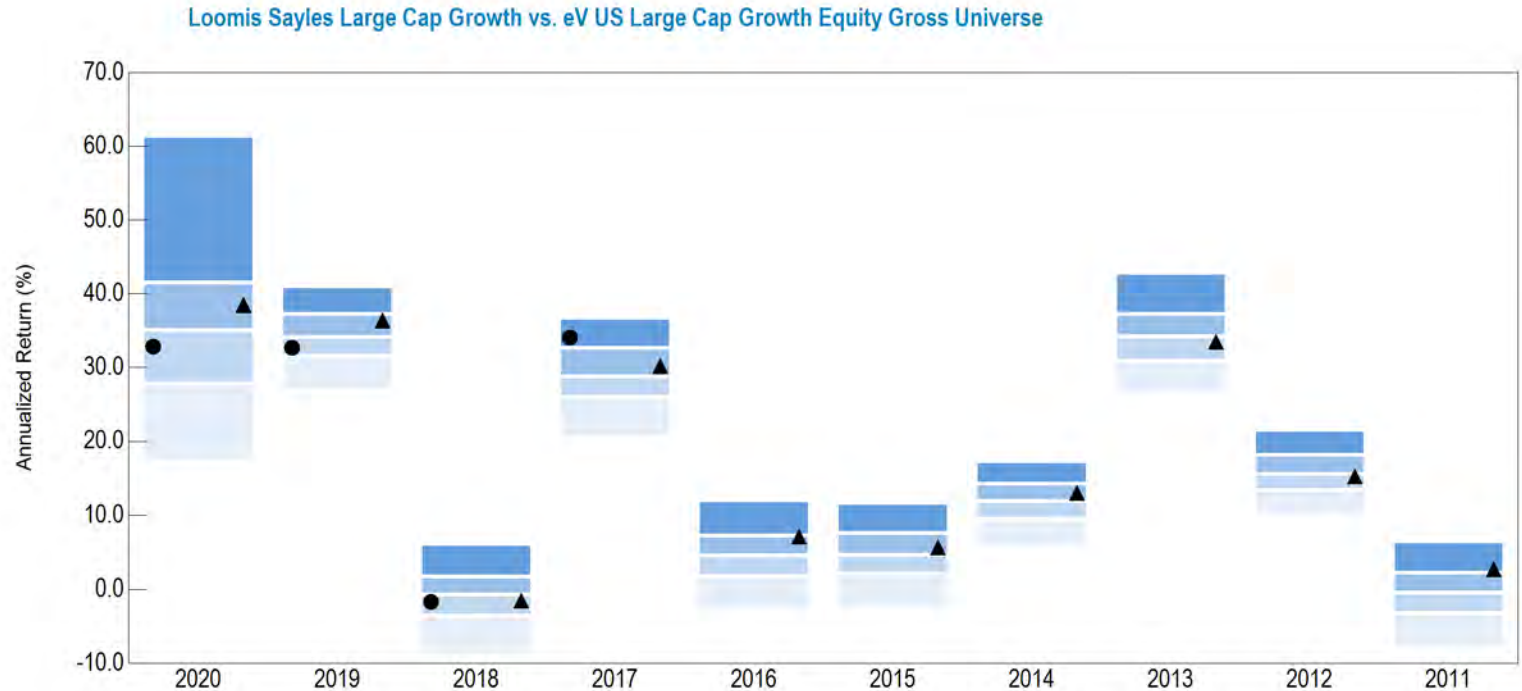
Period Ending: June 30, 2021



	Return (Rank)											
	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	14.0		52.3		30.0		28.6		21.7		19.9	
25th Percentile	12.1		44.4		26.0		24.8		18.9		18.1	
Median	11.1		40.8		24.1		22.7		17.6		17.0	
75th Percentile	9.5		37.8		21.6		20.6		15.9		15.8	
95th Percentile	7.1		32.3		17.5		16.7		12.9		13.6	
# of Portfolios	244		244		238		220		212		195	
● Loomis Sayles Large Cap Growth	10.6	(60)	37.3	(81)	23.9	(52)	--	(--)	--	(--)	--	(--)
▲ Russell 1000 Growth	11.9	(30)	42.5	(38)	25.1	(35)	23.7	(41)	18.6	(35)	17.9	(29)

Loomis Sayles Large Cap Growth  
 Consecutive Performance Comparison (Gross of Fees)

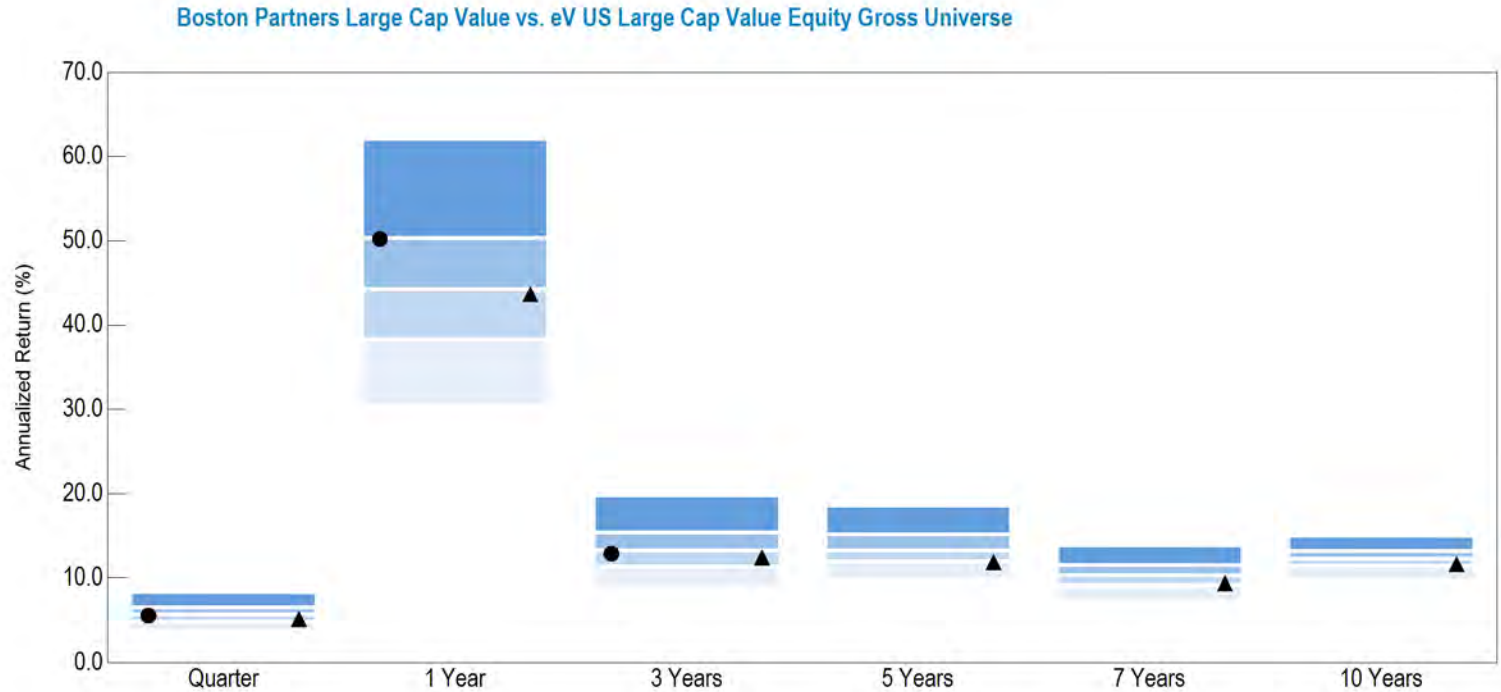
Period Ending: June 30, 2021



	Return (Rank)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
5th Percentile	61.4	41.0	6.1	36.7	12.0	11.6	17.3	42.8	21.6	6.4
25th Percentile	41.6	37.3	1.7	32.7	7.3	7.6	14.3	37.3	18.2	2.2
Median	35.2	34.2	-0.6	28.8	4.6	4.7	12.0	34.3	15.7	-0.3
75th Percentile	27.9	31.7	-3.5	26.2	1.8	2.1	9.5	31.0	13.4	-3.2
95th Percentile	17.4	26.9	-8.8	20.5	-2.7	-2.4	5.8	26.6	10.2	-8.0
# of Portfolios	263	253	255	265	282	270	291	274	274	294
● Loomis Sayles Large Cap Growth	32.8 (61)	32.7 (68)	-1.7 (58)	34.1 (16)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Russell 1000 Growth	38.5 (34)	36.4 (32)	-1.5 (57)	30.2 (42)	7.1 (26)	5.7 (42)	13.0 (38)	33.5 (56)	15.3 (55)	2.6 (22)

Boston Partners Large Cap Value  
 Cumulative Performance Comparison (Gross of Fees)

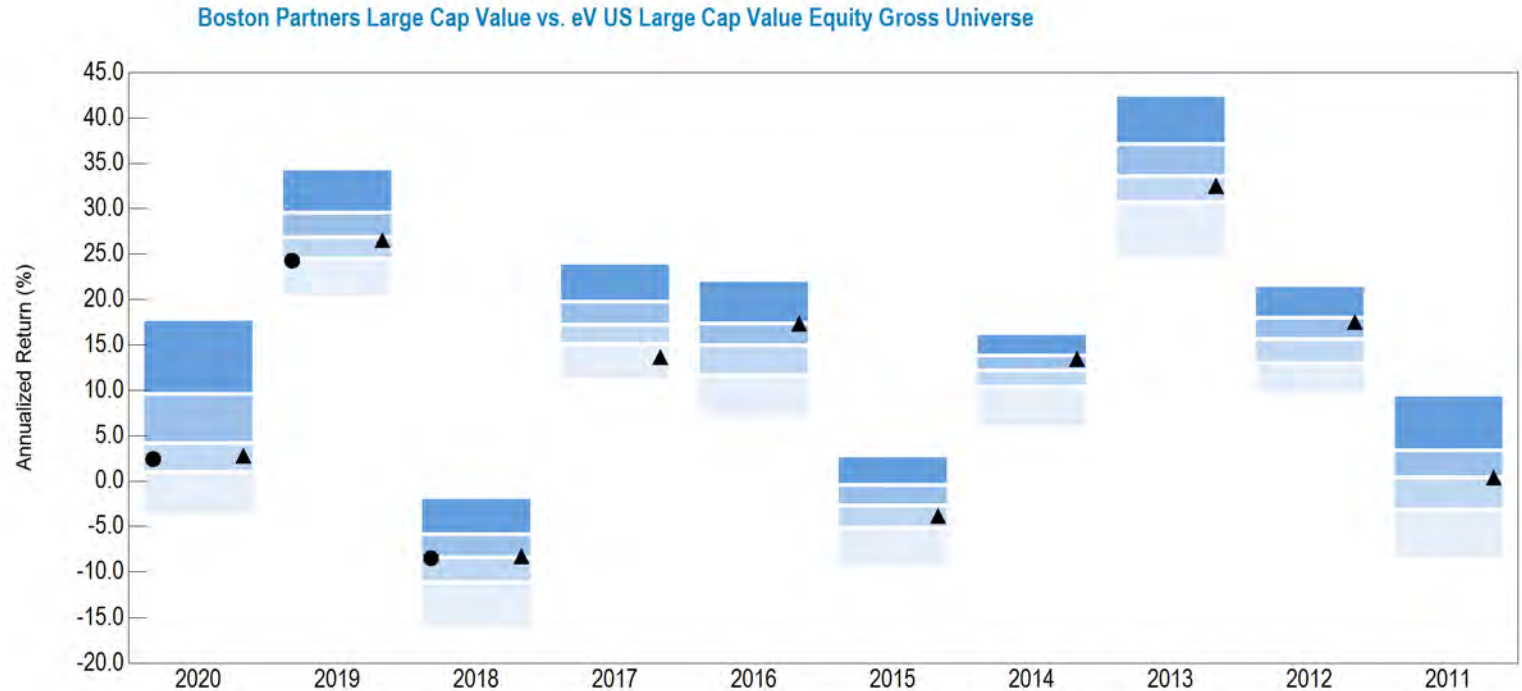
Period Ending: June 30, 2021



	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	8.3		62.1		19.7		18.5		13.8		15.0	
25th Percentile	6.6		50.4		15.5		15.2		11.6		13.2	
Median	5.7		44.3		13.3		13.3		10.4		12.3	
75th Percentile	4.9		38.3		11.4		12.0		9.3		11.5	
95th Percentile	3.9		30.5		9.0		9.9		7.2		9.8	
# of Portfolios	320		320		311		296		283		254	
● Boston Partners Large Cap Value	5.6	(54)	50.2	(26)	12.9	(55)	--	(--)	--	(--)	--	(--)
▲ Russell 1000 Value	5.2	(64)	43.7	(53)	12.4	(62)	11.9	(79)	9.4	(73)	11.6	(71)

Boston Partners Large Cap Value  
 Consecutive Performance Comparison (Gross of Fees)

Period Ending: June 30, 2021



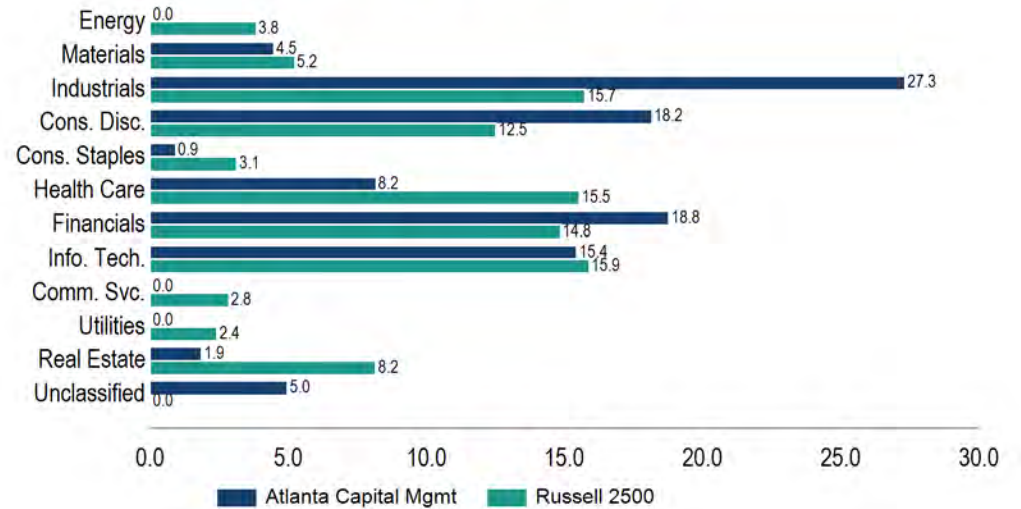
	Return (Rank)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
5th Percentile	17.8	34.4	-1.8	24.0	22.1	2.8	16.3	42.5	21.5	9.5
25th Percentile	9.6	29.6	-5.8	19.8	17.4	-0.4	13.9	37.2	18.0	3.4
Median	4.2	26.9	-8.3	17.2	15.0	-2.6	12.2	33.6	15.7	0.5
75th Percentile	1.1	24.5	-11.1	15.1	11.8	-5.1	10.4	30.8	13.0	-3.1
95th Percentile	-3.8	20.3	-16.1	11.2	7.0	-9.4	5.9	24.6	9.6	-8.6
# of Portfolios	326	331	336	342	346	312	307	310	303	310
● Boston Partners Large Cap Value	2.4 (64)	24.3 (77)	-8.5 (54)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Russell 1000 Value	2.8 (62)	26.5 (54)	-8.3 (50)	13.7 (87)	17.3 (26)	-3.8 (64)	13.5 (33)	32.5 (60)	17.5 (30)	0.4 (51)



Characteristics

	Portfolio	Russell 2500
Number of Holdings	57	2,400
Weighted Avg. Market Cap. (\$B)	10.91	7.21
Median Market Cap. (\$B)	10.23	1.89
Price To Earnings	30.79	21.81
Price To Book	3.80	3.11
Price To Sales	2.62	2.14
Return on Equity (%)	21.03	2.87
Yield (%)	0.64	1.09
Beta	0.84	1.00

Sector Allocation (%) vs Russell 2500



\*Unclassified includes Cash

Top Holdings  
Ending Period Weight

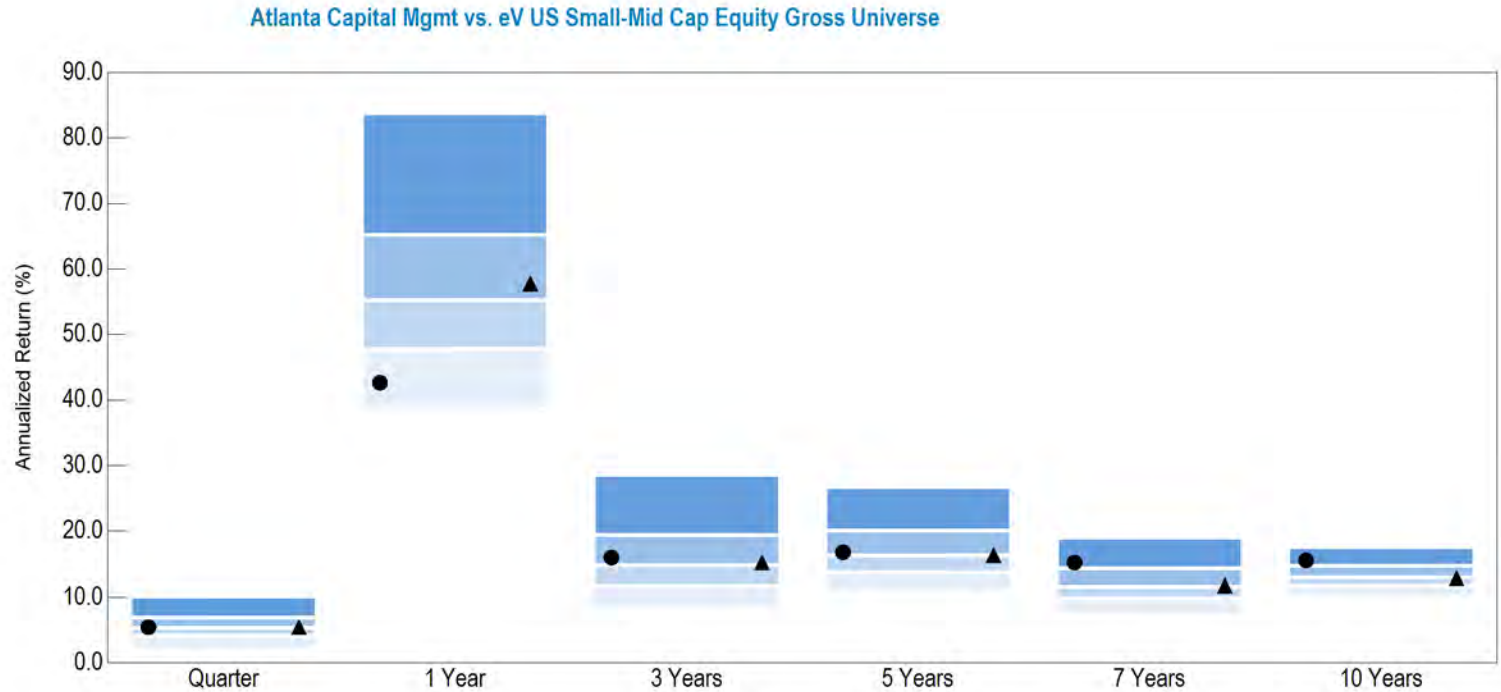
CASH - USD	4.96%
BERKLEY (W.R.) CORP	4.59%
CARLISLE COS INC	3.94%
ARAMARK	3.39%
J.B. HUNT TRANSPORT SERVICES INC.	3.25%
ENVISTA HOLDINGS CORP	3.14%
WEX INC	3.04%
TERMINIX GLOBAL HOLDINGS INC	3.01%
SEI INVESTMENTS CO	2.63%
APTARGROUP INC.	2.58%
<b>Total</b>	<b>34.54%</b>

Top Contributors

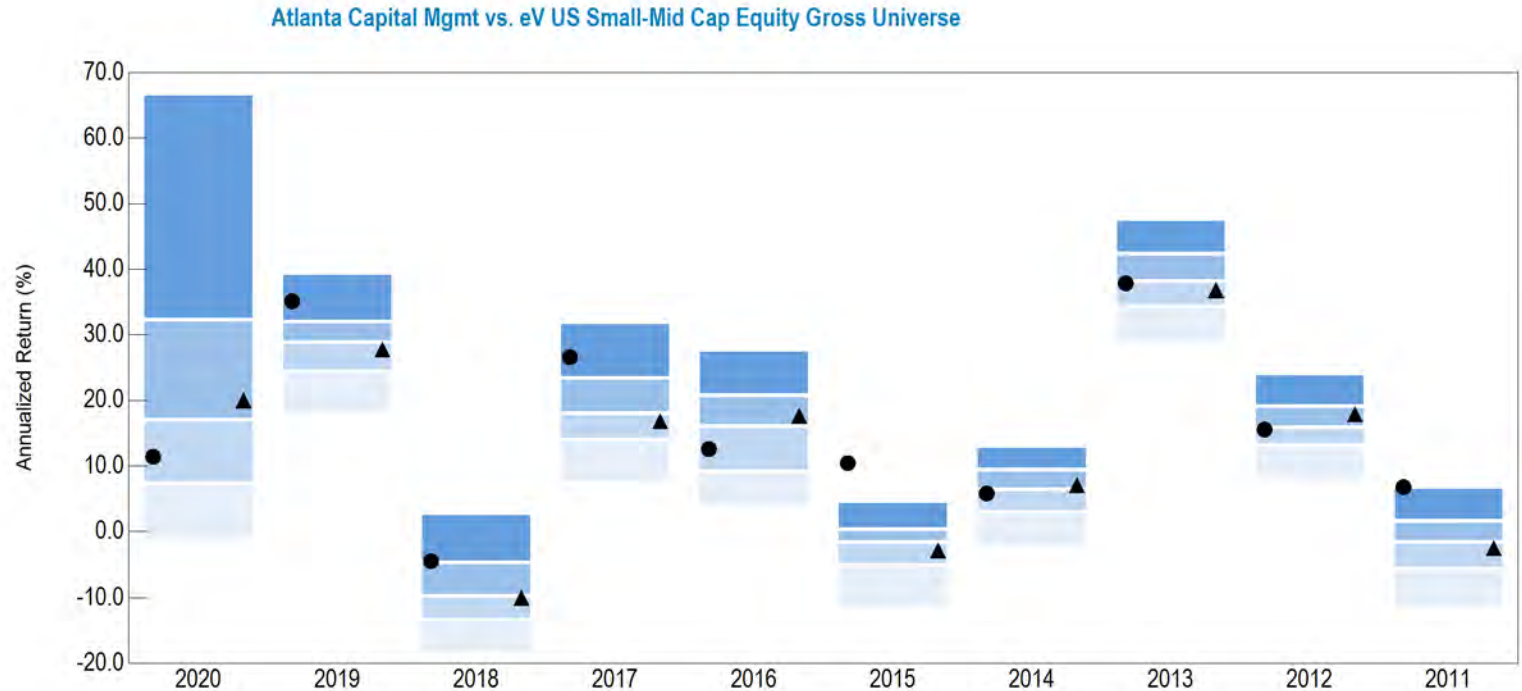
	Avg Wgt	Return	Contribution
GARTNER INC	2.53	32.68	0.83
CARLISLE COS INC	3.57	16.59	0.59
MANHATTAN ASSOCIATES INC	1.61	23.39	0.38
BROWN & BROWN INC	1.99	16.46	0.33
POOL CORP	0.86	33.09	0.28
MORNINGSTAR INC	1.89	14.40	0.27
BIO-TECHNE CORP	1.48	17.98	0.27
LENNOX INTERNATIONAL INC.	1.97	12.88	0.25
LKQ CORP	1.39	16.28	0.23
HEXCEL CORP	1.98	11.43	0.23

Bottom Contributors

	Avg Wgt	Return	Contribution
WEX INC	3.46	-7.32	-0.25
COLUMBIA SPORTSWEAR CO	1.72	-6.65	-0.11
CASEY'S GENERAL STORES INC.	1.06	-9.83	-0.10
J.B. HUNT TRANSPORT SERVICES INC.	3.54	-2.88	-0.10
LANDSTAR SYSTEM INC	1.76	-4.15	-0.07
FRONTDOOR INC	0.94	-7.31	-0.07
RPM INTERNATIONAL INC	2.06	-3.05	-0.06
ARAMARK	3.63	-1.11	-0.04
PROSPERITY BANCSHARES INC	1.09	-3.49	-0.04
TELEFLEX INC	0.71	-3.21	-0.02



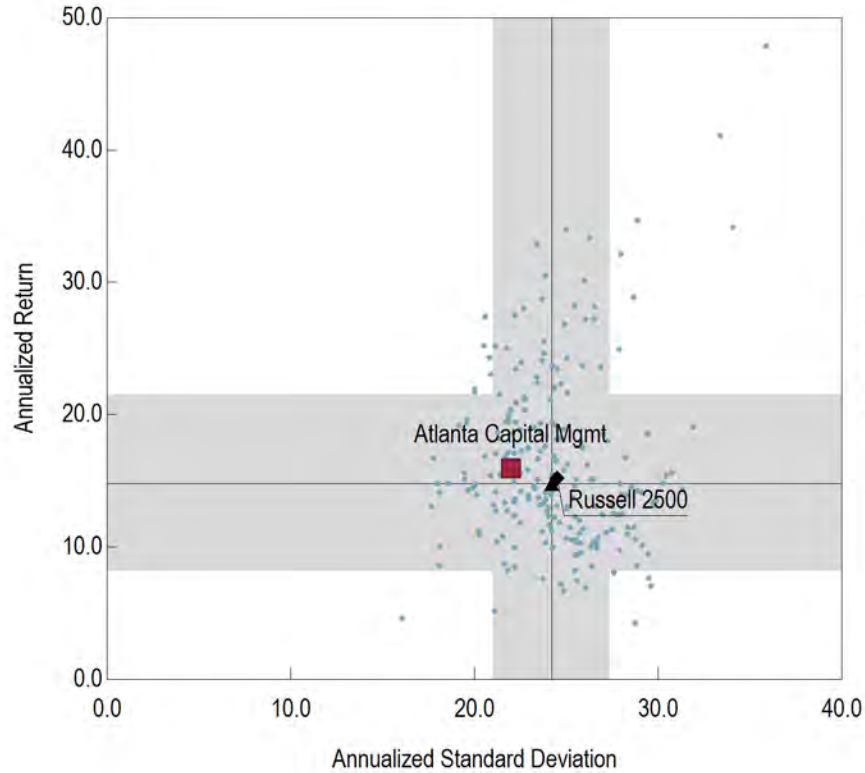
	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	10.1		83.8		28.6		26.7		18.9		17.5	
25th Percentile	7.0		65.3		19.4		20.2		14.4		14.8	
Median	5.3		55.3		14.8		16.4		11.7		13.0	
75th Percentile	4.2		47.9		11.7		13.8		9.9		11.8	
95th Percentile	2.1		38.8		8.3		10.9		7.3		10.1	
# of Portfolios	237		237		228		201		181		148	
● Atlanta Capital Mgmt	5.4	(47)	42.6	(87)	16.0	(42)	16.8	(47)	15.2	(20)	15.5	(18)
▲ Russell 2500	5.4	(47)	57.8	(45)	15.2	(47)	16.3	(51)	11.7	(49)	12.9	(54)



	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Return (Rank)</b>										
5th Percentile	66.8	39.4	2.8	31.9	27.6	4.6	13.0	47.6	24.1	6.8
25th Percentile	32.3	32.1	-4.6	23.5	20.8	0.4	9.6	42.5	19.2	1.7
Median	17.2	29.0	-9.6	18.1	16.1	-1.5	6.5	38.2	16.0	-1.5
75th Percentile	7.4	24.5	-13.3	14.1	9.2	-5.0	3.1	34.4	13.3	-5.6
95th Percentile	-1.4	18.1	-18.5	7.5	3.8	-11.6	-2.3	28.7	7.8	-11.6
# of Portfolios	238	237	236	233	238	215	210	210	216	211
● Atlanta Capital Mgmt	11.4 (62)	35.1 (14)	-4.5 (25)	26.6 (15)	12.6 (62)	10.4 (1)	5.8 (56)	37.8 (52)	15.5 (55)	6.8 (5)
▲ Russell 2500	20.0 (45)	27.8 (58)	-10.0 (53)	16.8 (61)	17.6 (38)	-2.9 (64)	7.1 (46)	36.8 (58)	17.9 (36)	-2.5 (56)

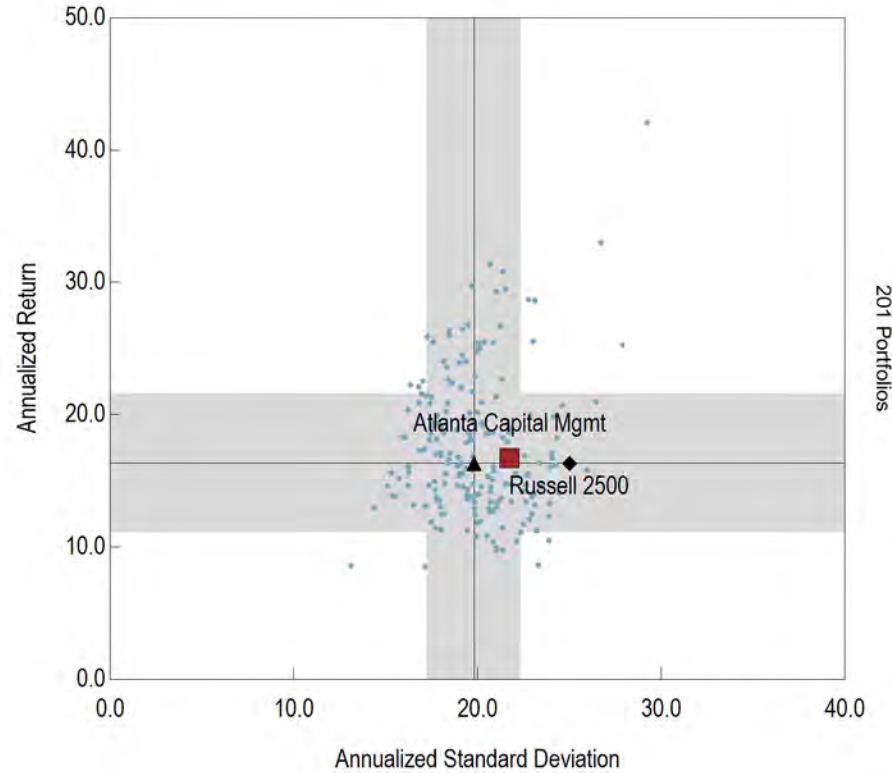


Annualized Return vs. Annualized Standard Deviation  
 3 Years Ending June 30, 2021

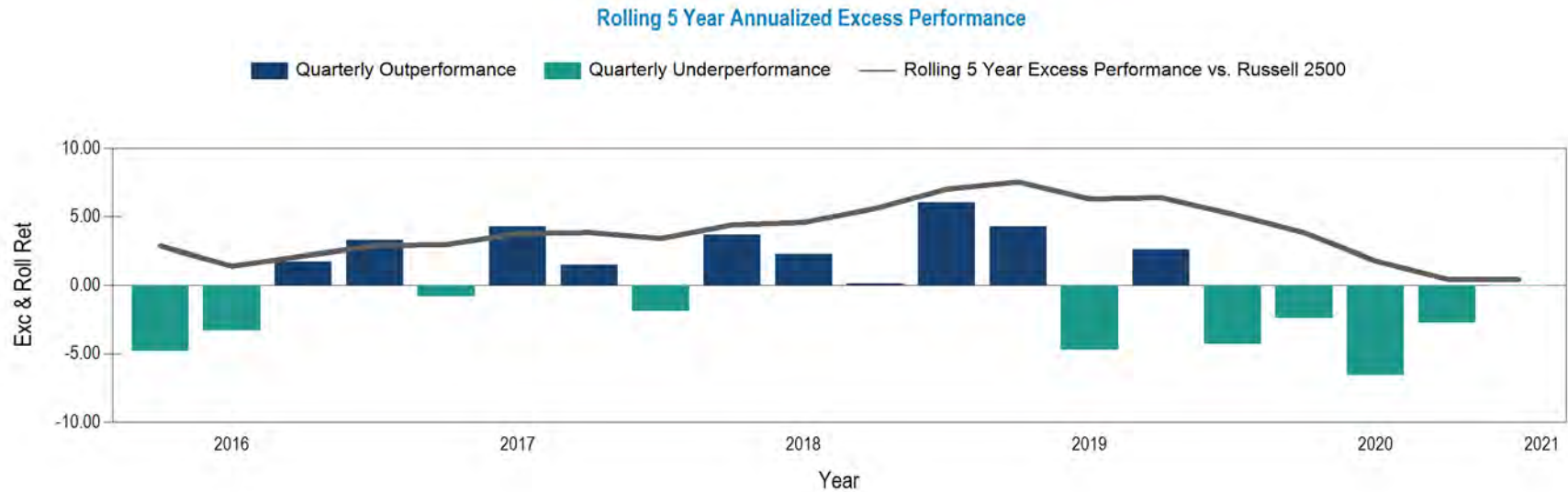
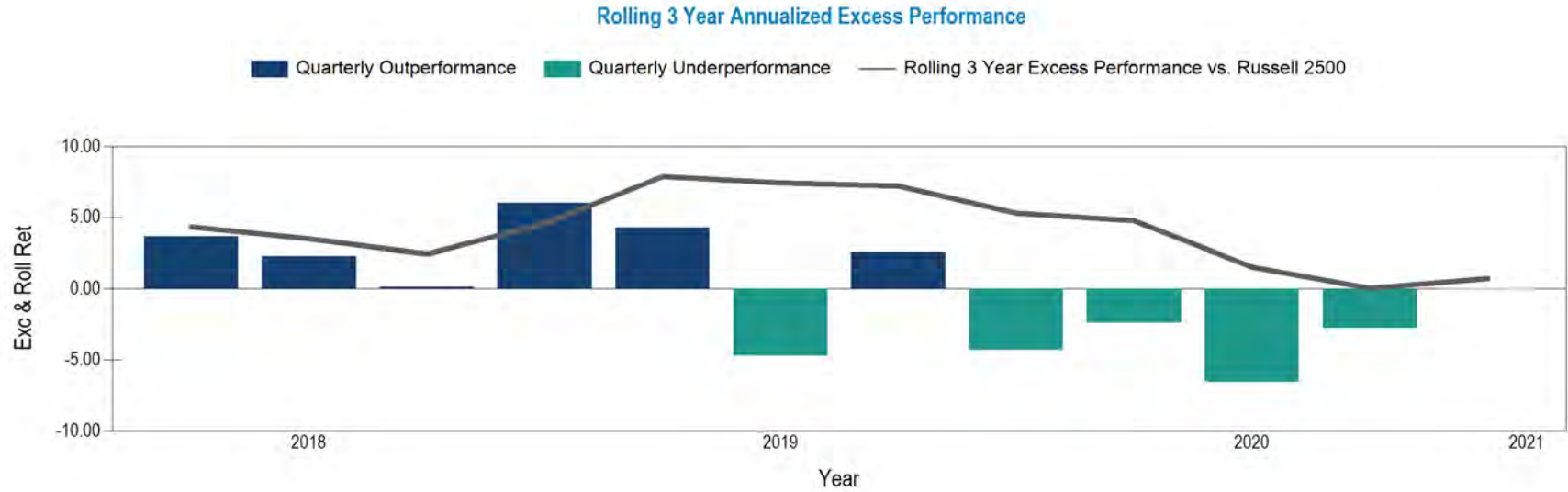


- Atlanta Capital Mgmt
- ◆ Russell 2500
- ▲ Universe Median
- 68% Confidence Interval
- eV US Small-Mid Cap Equity Gross

Annualized Return vs. Annualized Standard Deviation  
 5 Years Ending June 30, 2021



- Atlanta Capital Mgmt
- ◆ Russell 2500
- ▲ Universe Median
- 68% Confidence Interval
- eV US Small-Mid Cap Equity Gross



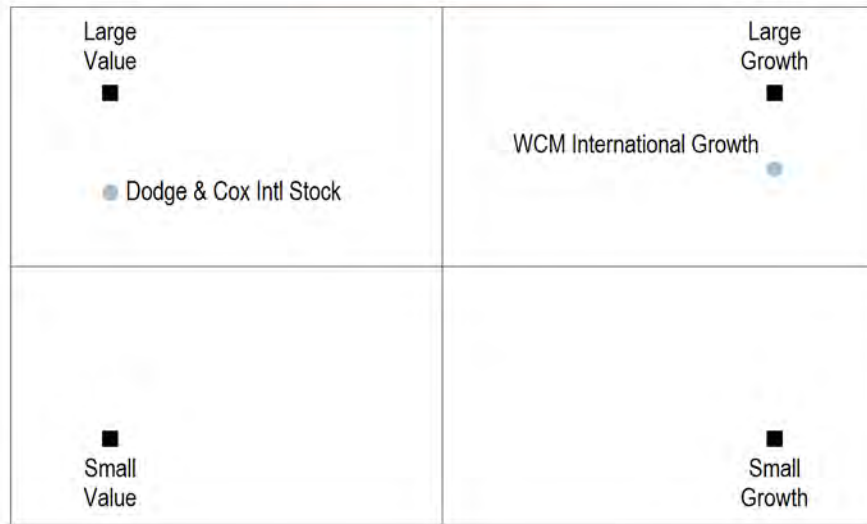
# Total International Equity

## Asset Class Overview (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total International Equity</b>	<b>361,184,523</b>	<b>8.1</b>	<b>11.8</b>	<b>42.2</b>	<b>15.9</b>	<b>15.0</b>	<b>9.4</b>	<b>19.4</b>	<b>30.2</b>	<b>-12.2</b>	<b>26.6</b>	<b>2.2</b>
<i>MSCI ACWI ex USA Gross</i>		5.6	9.4	36.3	9.9	11.6	5.9	11.1	22.1	-13.8	27.8	5.0
<i>InvMetrics Public DB ex-US Eq Gross Rank</i>		3	3	9	2	5	4	12	1	9	81	82
Dodge & Cox Intl Stock	178,978,877	4.8	12.5	41.2	8.2	10.9	6.2	2.8	23.6	-17.5	24.7	9.0
<i>MSCI ACWI ex USA Value Gross</i>		4.5	12.1	38.3	5.8	9.2	4.1	-0.2	16.5	-13.4	23.3	9.6
<i>eV ACWI ex-US All Cap Value Eq Gross Rank</i>		49	40	43	24	26	34	33	35	84	71	31
WCM International Growth	182,205,646	11.0	11.3	42.6	22.8	--	--	34.0	36.7	-6.7	--	--
<i>MSCI ACWI ex USA Growth Gross</i>		6.7	6.7	34.1	13.6	--	--	22.6	27.8	-14.1	--	--
<i>eV ACWI ex-US All Cap Growth Eq Gross Rank</i>		10	13	40	14	--	--	28	11	1	--	--

EAFE Effective Style Map  
3 Years Ending June 30, 2021



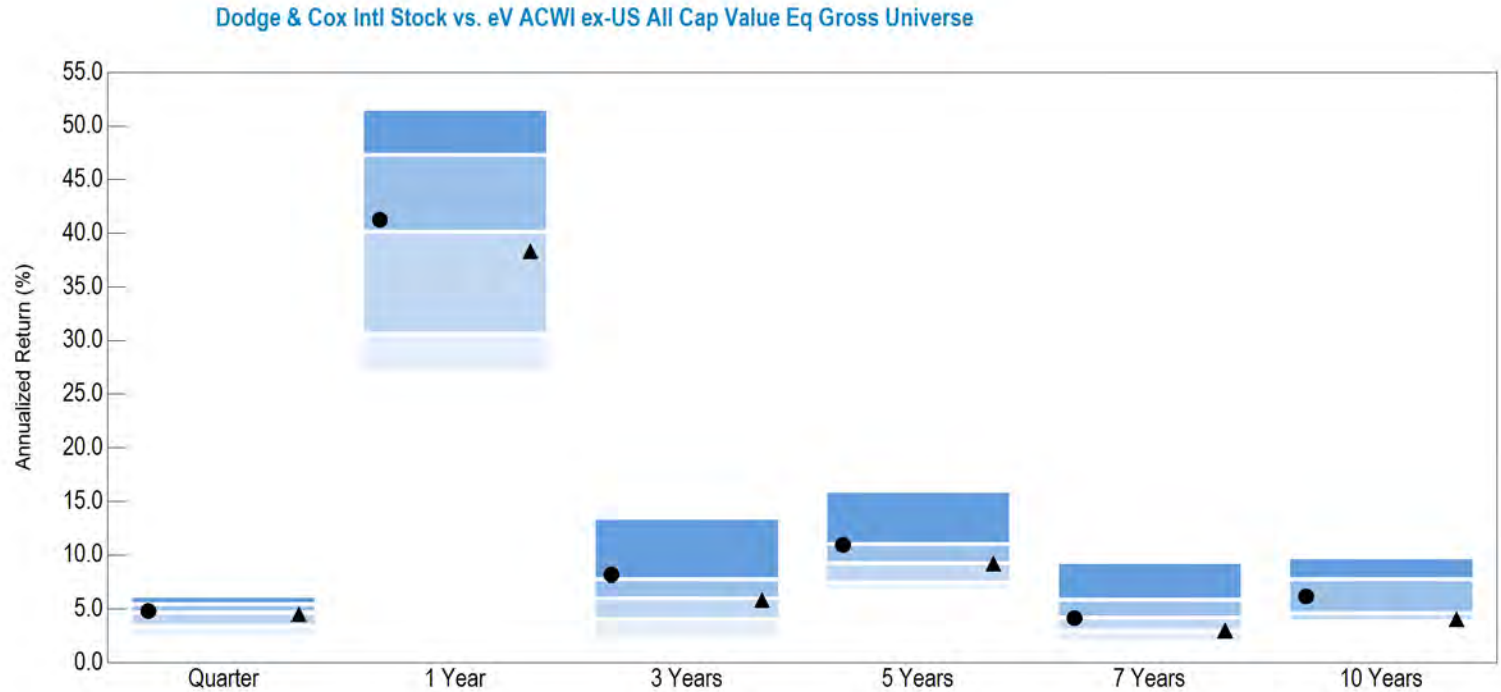
EAFE Effective Style Map  
5 Years Ending June 30, 2021



Total International Equity  
 Asset Class Overview (Net of Fees)

Period Ending: June 30, 2021

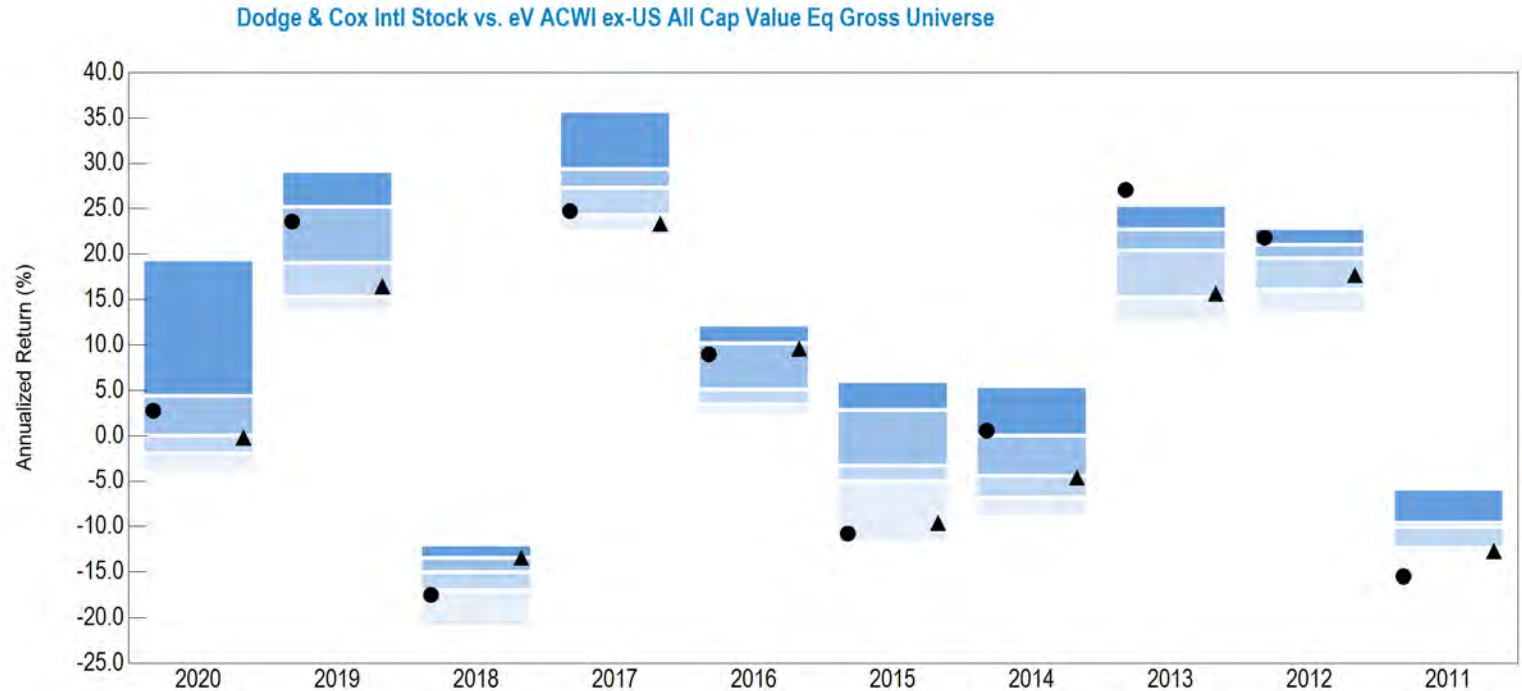
	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total International Equity</b>	<b>361,184,523</b>	<b>7.9</b>	<b>11.5</b>	<b>41.3</b>	<b>15.2</b>	<b>14.3</b>	<b>8.6</b>	<b>18.6</b>	<b>29.3</b>	<b>-12.8</b>	<b>25.8</b>	<b>1.6</b>
<i>MSCI ACWI ex USA Gross</i>		5.6	9.4	36.3	9.9	11.6	5.9	11.1	22.1	-13.8	27.8	5.0
Dodge & Cox Intl Stock	178,978,877	4.7	12.1	40.3	7.5	10.2	5.5	2.1	22.8	-18.0	23.9	8.3
<i>MSCI ACWI ex USA Value Gross</i>		4.5	12.1	38.3	5.8	9.2	4.1	-0.2	16.5	-13.4	23.3	9.6
WCM International Growth	182,205,646	10.8	11.0	41.6	21.9	--	--	33.1	35.8	-7.4	--	--
<i>MSCI ACWI ex USA Growth Gross</i>		6.7	6.7	34.1	13.6	--	--	22.6	27.8	-14.1	--	--



	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
<b>5th Percentile</b>	6.2		51.6		13.4		15.9		9.3		9.7	
<b>25th Percentile</b>	5.5		47.3		7.8		11.0		5.9		7.8	
<b>Median</b>	4.7		40.2		6.1		9.3		4.2		4.7	
<b>75th Percentile</b>	3.4		30.7		4.1		7.5		3.0		4.0	
<b>95th Percentile</b>	2.6		27.1		2.3		6.8		1.9		3.9	
<b># of Portfolios</b>	18		18		18		18		14		10	
<b>● Dodge &amp; Cox Intl Stock</b>	4.8	(49)	41.2	(43)	8.2	(24)	10.9	(26)	4.2	(52)	6.2	(34)
<b>▲ MSCI ACWI ex USA Value Gross</b>	4.5	(54)	38.3	(62)	5.8	(57)	9.2	(54)	3.0	(76)	4.1	(64)

Dodge & Cox Intl Stock  
 Consecutive Performance Comparison (Gross of Fees)

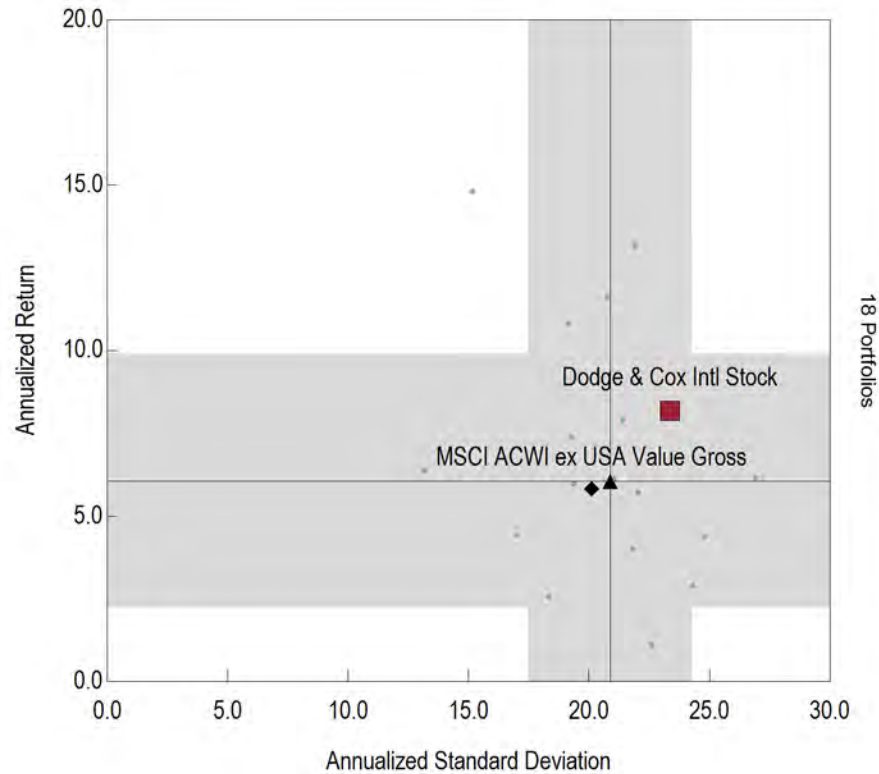
Period Ending: June 30, 2021



	Return (Rank)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
5th Percentile	19.4	29.1	-12.0	35.8	12.2	6.0	5.4	25.4	22.9	-5.9
25th Percentile	4.4	25.2	-13.4	29.4	10.2	2.9	0.0	22.8	21.1	-9.6
Median	0.1	19.1	-15.0	27.3	5.1	-3.3	-4.4	20.5	19.6	-10.1
75th Percentile	-1.9	15.4	-16.9	24.3	3.5	-4.9	-6.8	15.3	16.1	-12.3
95th Percentile	-3.7	13.8	-21.0	22.6	2.4	-11.7	-8.9	12.5	13.5	-12.9
# of Portfolios	21	21	24	23	21	13	13	12	11	9
● Dodge & Cox Intl Stock	2.8 (33)	23.6 (35)	-17.5 (84)	24.7 (71)	9.0 (31)	-10.8 (92)	0.6 (16)	27.1 (2)	21.8 (18)	-15.5 (99)
▲ MSCI ACWI ex USA Value Gross	-0.2 (52)	16.5 (71)	-13.4 (26)	23.3 (81)	9.6 (30)	-9.6 (89)	-4.6 (52)	15.7 (74)	17.7 (66)	-12.7 (93)

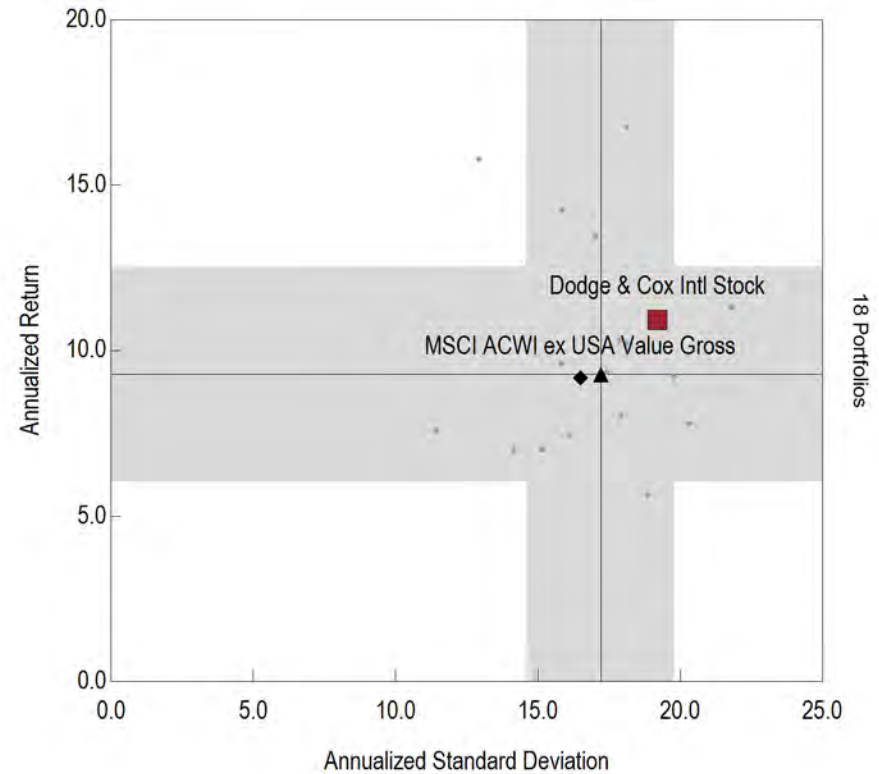


Annualized Return vs. Annualized Standard Deviation  
 3 Years Ending June 30, 2021



- Dodge & Cox Intl Stock
- ◆ MSCI ACWI ex USA Value Gross
- ▲ Universe Median
- 68% Confidence Interval
- eV ACWI ex-US All Cap Value Eq Gross

Annualized Return vs. Annualized Standard Deviation  
 5 Years Ending June 30, 2021



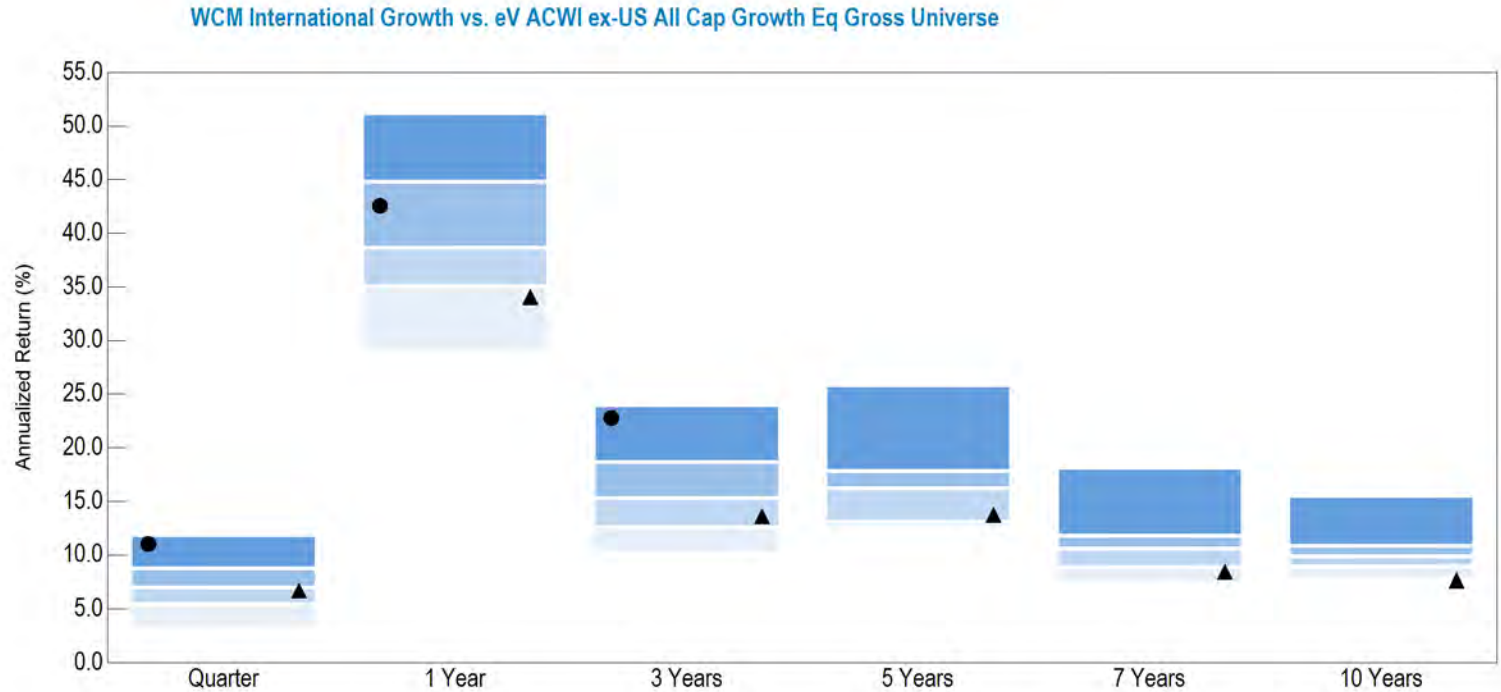
- Dodge & Cox Intl Stock
- ◆ MSCI ACWI ex USA Value Gross
- ▲ Universe Median
- 68% Confidence Interval
- eV ACWI ex-US All Cap Value Eq Gross





WCM International Growth  
 Cumulative Performance Comparison (Gross of Fees)

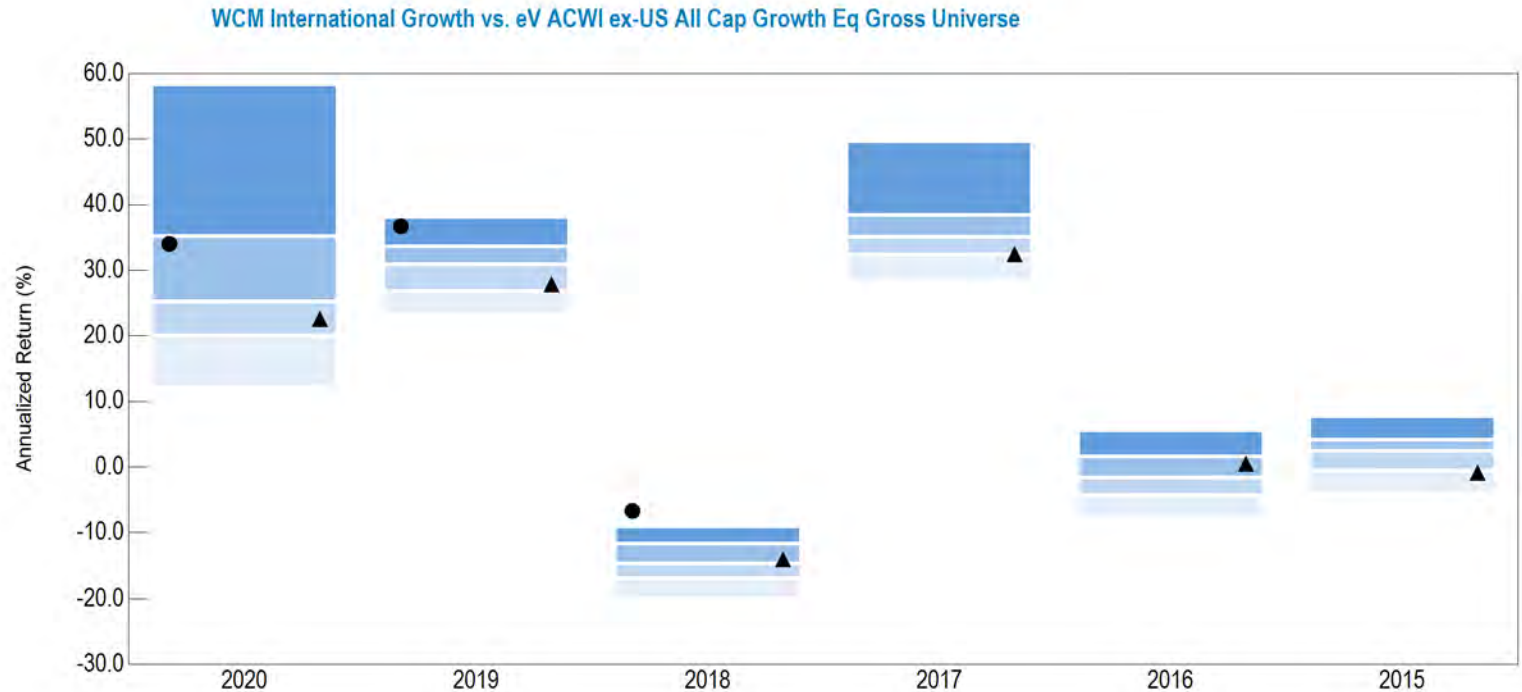
Period Ending: June 30, 2021



	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	11.8		51.2		24.0		25.8		18.1		15.4	
25th Percentile	8.8		44.9		18.7		17.9		11.8		10.9	
Median	7.1		38.7		15.4		16.2		10.6		9.9	
75th Percentile	5.5		35.1		12.6		13.2		8.9		8.9	
95th Percentile	3.3		29.1		10.3		12.6		7.5		7.8	
# of Portfolios	34		34		34		31		29		25	
● WCM International Growth	11.0	(10)	42.6	(40)	22.8	(14)	--	(--)	--	(--)	--	(--)
▲ MSCI ACWI ex USA Growth Gross	6.7	(54)	34.1	(79)	13.6	(58)	13.8	(71)	8.4	(83)	7.6	(97)

WCM International Growth  
 Consecutive Performance Comparison (Gross of Fees)

Period Ending: June 30, 2021



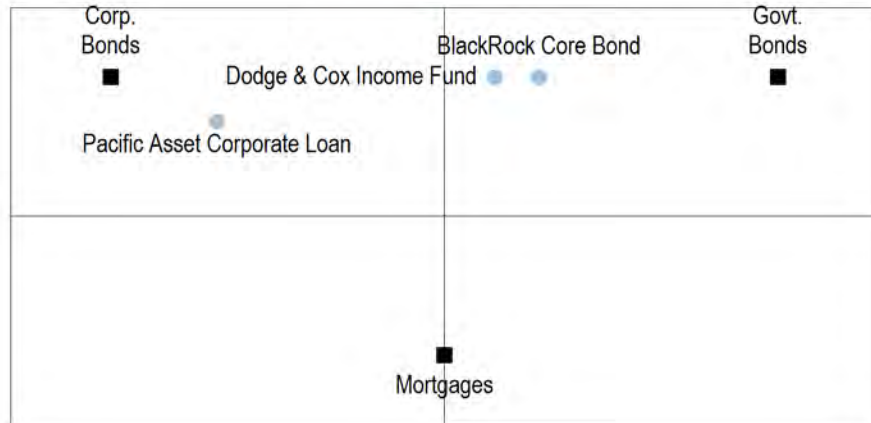
	Return (Rank)											
	2020		2019		2018		2017		2016		2015	
5th Percentile	58.3		38.1		-9.1		49.7		5.5		7.7	
25th Percentile	35.2		33.7		-11.6		38.5		1.7		4.2	
Median	25.3		31.0		-14.6		35.2		-1.6		2.5	
75th Percentile	20.1		26.9		-16.9		32.4		-4.2		-0.5	
95th Percentile	12.2		23.3		-19.8		28.5		-7.7		-3.9	
# of Portfolios	38		35		28		29		28		25	
● WCM International Growth	34.0	(28)	36.7	(11)	-6.7	(1)	--	(--)	--	(--)	--	(--)
▲ MSCI ACWI ex USA Growth Gross	22.6	(62)	27.8	(71)	-14.1	(50)	32.5	(70)	0.5	(37)	-0.9	(86)

# Total Domestic Fixed Income Asset Class Overview (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Domestic Fixed Income</b>	<b>279,311,144</b>	<b>2.0</b>	<b>0.3</b>	<b>4.5</b>	<b>6.2</b>	<b>4.4</b>	<b>4.2</b>	<b>8.1</b>	<b>9.9</b>	<b>0.4</b>	<b>4.3</b>	<b>4.5</b>
<i>BBgBarc US Aggregate TR</i>		1.8	-1.6	-0.3	5.3	3.0	3.4	7.5	8.7	0.0	3.5	2.6
<i>InvMetrics Public DB US Fix Inc Gross Rank</i>		40	7	10	28	20	39	46	11	55	50	49
<b>BlackRock Core Bond</b>	<b>98,493,802</b>	<b>2.2</b>	<b>-1.1</b>	<b>1.4</b>	<b>6.6</b>	<b>--</b>	<b>--</b>	<b>9.4</b>	<b>10.2</b>	<b>0.3</b>	<b>--</b>	<b>--</b>
<i>BBgBarc US Aggregate TR</i>		1.8	-1.6	-0.3	5.3	--	--	7.5	8.7	0.0	--	--
<i>eV US Core Fixed Inc Gross Rank</i>		36	43	36	18	--	--	23	10	27	--	--
<b>Dodge &amp; Cox Income Fund</b>	<b>103,485,085</b>	<b>2.1</b>	<b>-0.4</b>	<b>3.8</b>	<b>6.9</b>	<b>--</b>	<b>--</b>	<b>9.9</b>	<b>10.2</b>	<b>0.1</b>	<b>--</b>	<b>--</b>
<i>BBgBarc US Aggregate TR</i>		1.8	-1.6	-0.3	5.3	--	--	7.5	8.7	0.0	--	--
<i>eV US Core Fixed Inc Gross Rank</i>		47	10	6	9	--	--	14	11	43	--	--
<b>Pacific Asset Corporate Loan</b>	<b>77,332,256</b>	<b>1.6</b>	<b>3.3</b>	<b>9.8</b>	<b>4.6</b>	<b>5.3</b>	<b>--</b>	<b>3.0</b>	<b>9.1</b>	<b>1.0</b>	<b>4.9</b>	<b>9.2</b>
<i>S&amp;P/LSTA Leveraged Loan Index</i>		1.5	3.3	11.7	4.4	5.0	--	3.1	8.6	0.4	4.1	10.2
<i>eV US Float-Rate Bank Loan Fixed Inc Gross Rank</i>		41	47	78	44	24	--	42	36	29	26	51

Fixed Income Effective Style Map  
3 Years Ending June 30, 2021



Fixed Income Effective Style Map  
5 Years Ending June 30, 2021



Total Domestic Fixed Income  
Asset Class Overview (Net of Fees)

Period Ending: June 30, 2021

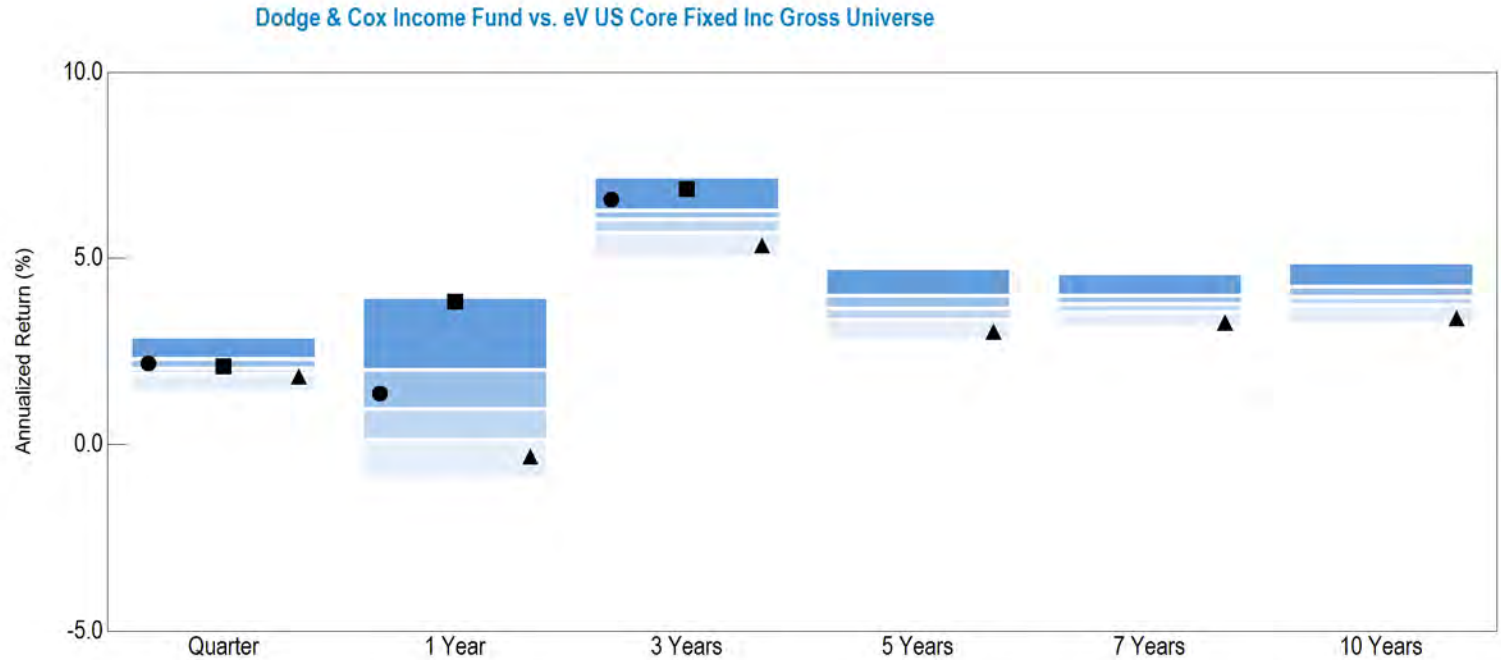
	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Domestic Fixed Income</b>	<b>279,311,144</b>	<b>1.9</b>	<b>0.2</b>	<b>4.1</b>	<b>5.9</b>	<b>4.1</b>	<b>3.9</b>	<b>7.7</b>	<b>9.5</b>	<b>0.0</b>	<b>3.9</b>	<b>4.2</b>
<i>BBgBarc US Aggregate TR</i>		1.8	-1.6	-0.3	5.3	3.0	3.4	7.5	8.7	0.0	3.5	2.6
BlackRock Core Bond	98,493,802	2.1	-1.2	1.1	6.3	--	--	9.1	9.9	0.1	--	--
<i>BBgBarc US Aggregate TR</i>		1.8	-1.6	-0.3	5.3	--	--	7.5	8.7	0.0	--	--
Dodge & Cox Income Fund	103,485,085	2.0	-0.6	3.4	6.4	--	--	9.4	9.7	-0.3	--	--
<i>BBgBarc US Aggregate TR</i>		1.8	-1.6	-0.3	5.3	--	--	7.5	8.7	0.0	--	--
Pacific Asset Corporate Loan	77,332,256	1.5	3.1	9.4	4.3	5.0	--	2.6	8.7	0.7	4.6	8.8
<i>S&amp;P/LSTA Leveraged Loan Index</i>		1.5	3.3	11.7	4.4	5.0	--	3.1	8.6	0.4	4.1	10.2

Correlation Matrix  
Last 1 Year

	Total Domestic Fixed Income	BlackRock Core Bond	Dodge & Cox Income Fund	Pacific Asset Corporate Loan	BBgBarc US Aggregate TR
Total Domestic Fixed Income	1.00	--	--	--	--
BlackRock Core Bond	0.98	1.00	--	--	--
Dodge & Cox Income Fund	0.99	0.97	1.00	--	--
Pacific Asset Corporate Loan	0.59	0.43	0.56	1.00	--
BBgBarc US Aggregate TR	0.96	1.00	0.96	0.36	1.00

US Core Fixed Income  
 Cumulative Performance Comparison (Gross of Fees)

Period Ending: June 30, 2021

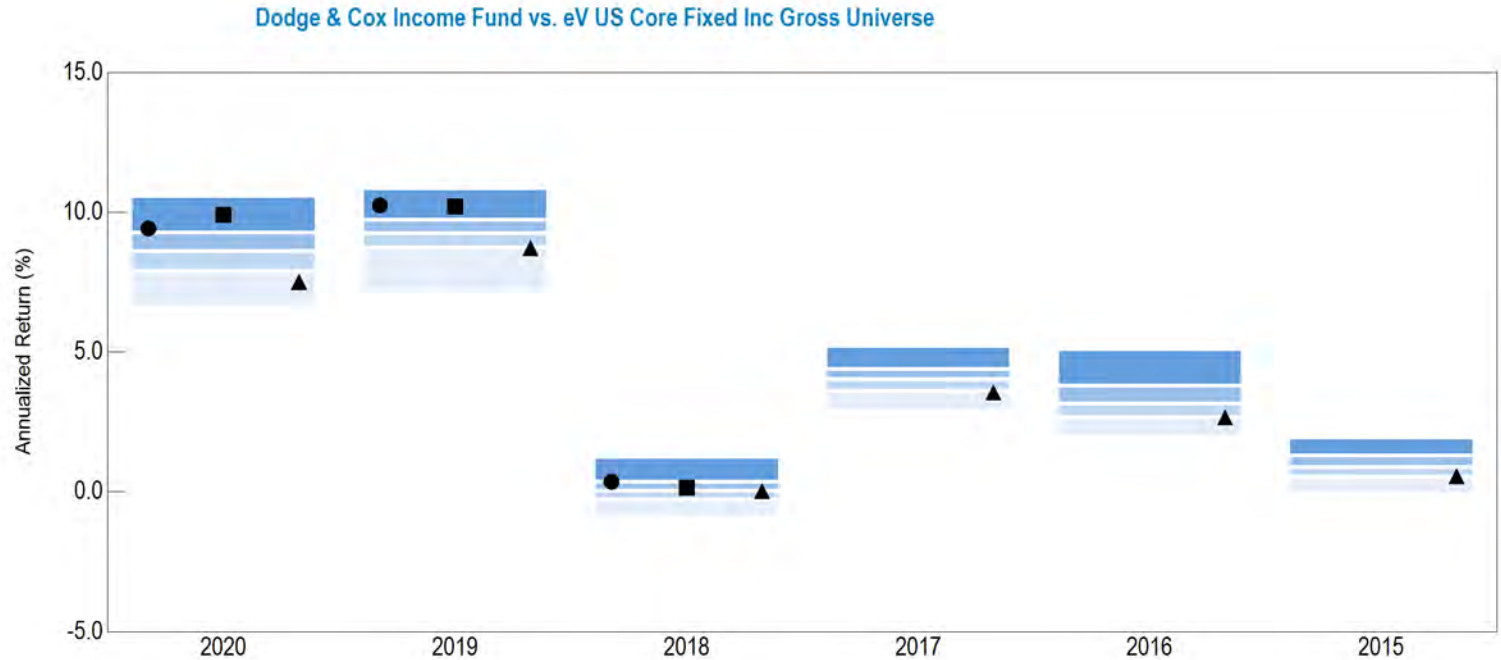


	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	2.9		4.0		7.2		4.7		4.6		4.9	
25th Percentile	2.3		2.0		6.3		4.0		4.0		4.3	
Median	2.1		1.0		6.0		3.7		3.8		4.0	
75th Percentile	1.9		0.1		5.7		3.3		3.6		3.8	
95th Percentile	1.4		-0.9		5.0		2.8		3.2		3.3	
# of Portfolios	207		207		206		202		198		195	
● BlackRock Core Bond	2.2	(36)	1.4	(36)	6.6	(18)	--	(--)	--	(--)	--	(--)
■ Dodge & Cox Income Fund	2.1	(47)	3.8	(6)	6.9	(9)	--	(--)	--	(--)	--	(--)
▲ BBgBarc US Aggregate TR	1.8	(86)	-0.3	(88)	5.3	(90)	3.0	(92)	3.3	(93)	3.4	(93)



US Core Fixed Income  
 Consecutive Performance Comparison (Gross of Fees)

Period Ending: June 30, 2021

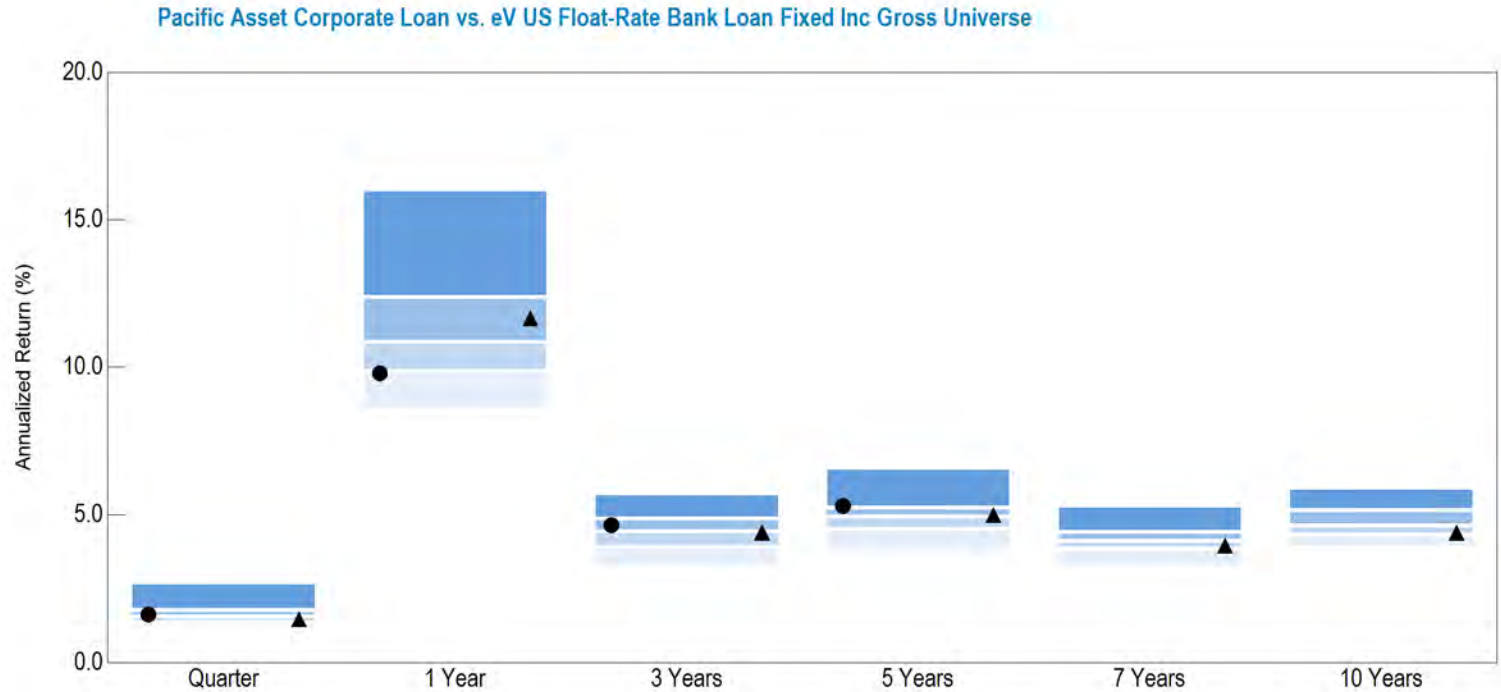


	2020		2019		2018		2017		2016		2015	
<b>5th Percentile</b>	10.6		10.9		1.2		5.2		5.1		1.9	
<b>25th Percentile</b>	9.3		9.8		0.4		4.4		3.8		1.3	
<b>Median</b>	8.6		9.3		0.0		4.0		3.2		0.9	
<b>75th Percentile</b>	7.9		8.7		-0.3		3.6		2.7		0.5	
<b>95th Percentile</b>	6.6		7.2		-0.9		2.9		2.0		-0.1	
<b># of Portfolios</b>	225		228		240		233		223		196	
<b>● BlackRock Core Bond</b>	9.4	(23)	10.2	(10)	0.3	(27)	--	(--)	--	(--)	--	(--)
<b>■ Dodge &amp; Cox Income Fund</b>	9.9	(14)	10.2	(11)	0.1	(43)	--	(--)	--	(--)	--	(--)
<b>▲ BBgBarc US Aggregate TR</b>	7.5	(85)	8.7	(77)	0.0	(54)	3.5	(79)	2.6	(77)	0.6	(75)



Pacific Asset Corporate Loan  
 Cumulative Performance Comparison (Gross of Fees)

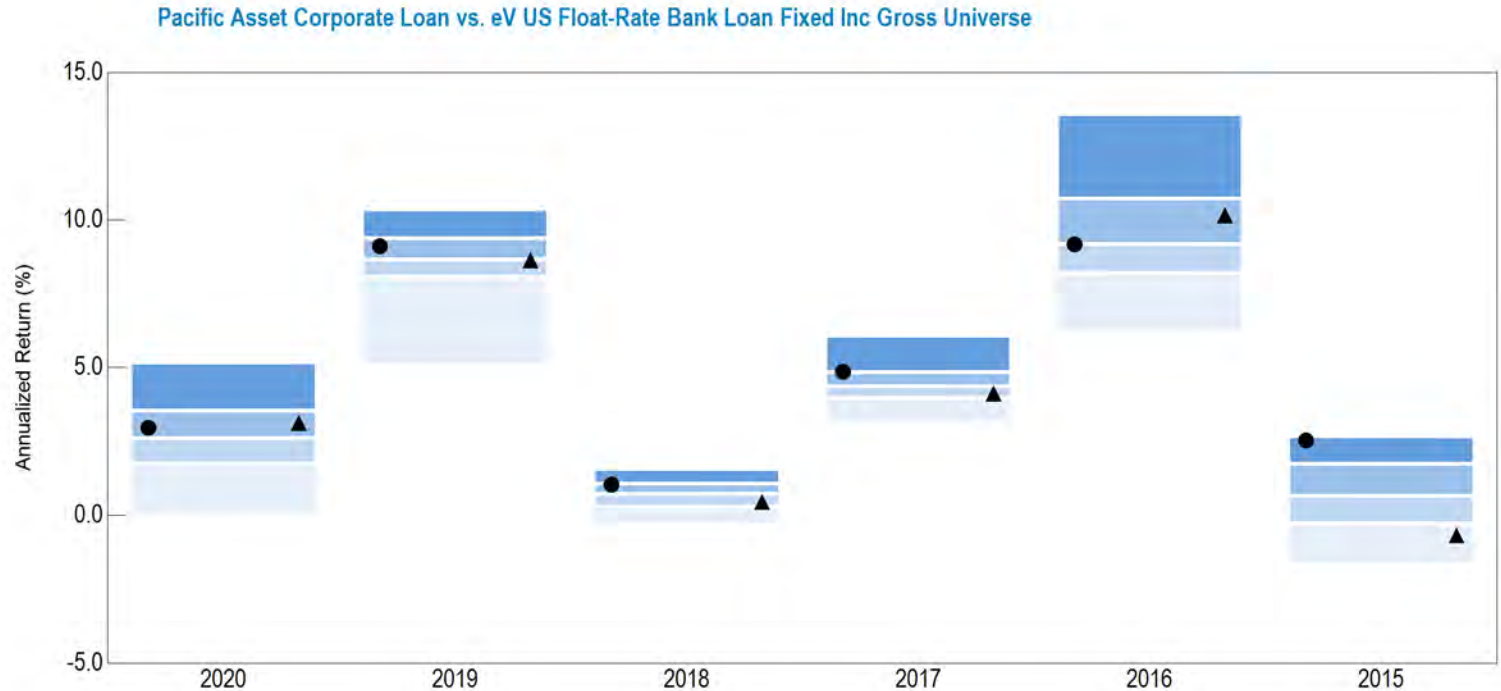
Period Ending: June 30, 2021



	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	2.7		16.0		5.7		6.6		5.3		5.9	
25th Percentile	1.8		12.4		4.9		5.3		4.4		5.2	
Median	1.6		10.9		4.5		4.9		4.1		4.6	
75th Percentile	1.4		9.9		3.9		4.5		3.9		4.3	
95th Percentile	1.2		8.6		3.3		3.8		3.2		3.9	
# of Portfolios	73		73		73		67		67		58	
● Pacific Asset Corporate Loan	1.6	(41)	9.8	(78)	4.6	(44)	5.3	(24)	--	(--)	--	(--)
▲ S&P/LSTA Leveraged Loan Index	1.5	(66)	11.7	(36)	4.4	(53)	5.0	(46)	3.9	(65)	4.4	(71)

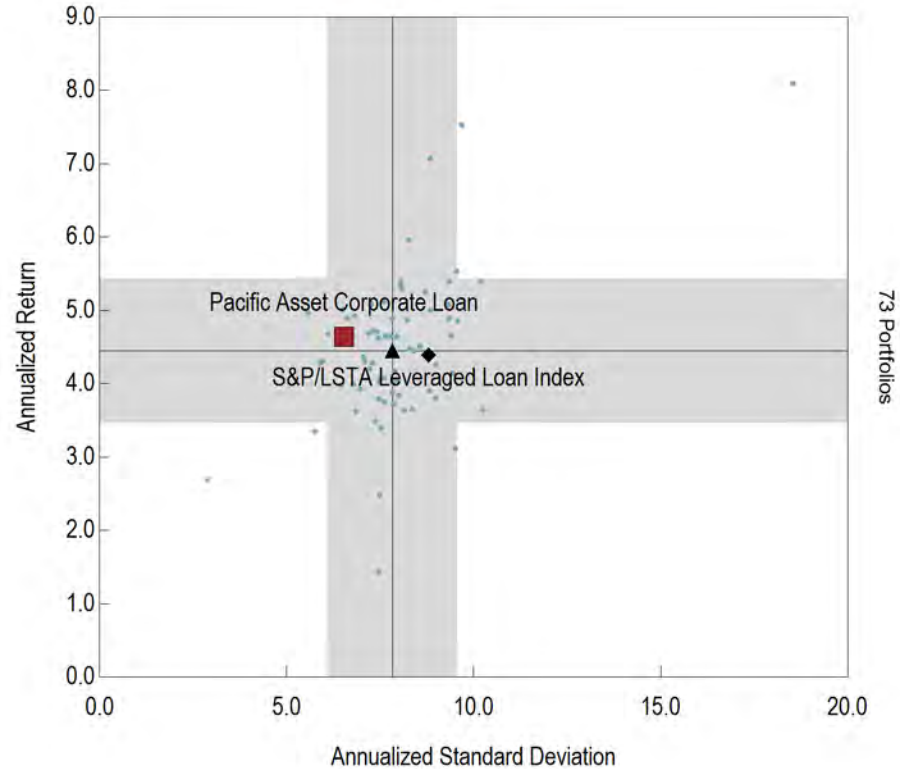
Pacific Asset Corporate Loan  
 Consecutive Performance Comparison (Gross of Fees)

Period Ending: June 30, 2021



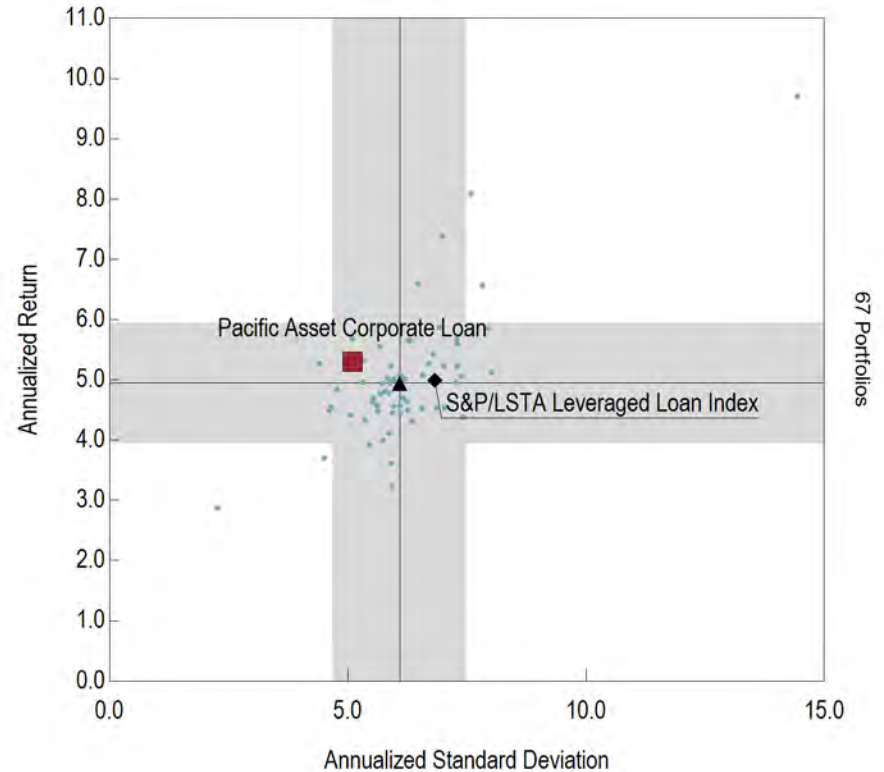
	2020		2019		2018		2017		2016		2015	
<b>Return (Rank)</b>	5.2	(42)	10.3	(36)	1.6	(29)	6.1	(26)	13.6	(51)	2.7	(9)
5th Percentile	3.6		9.4		1.1		4.9		10.7		1.8	
25th Percentile	2.6		8.7		0.7		4.4		9.2		0.7	
Median	1.7		8.1		0.3		4.0		8.2		-0.3	
75th Percentile	0.0		5.1		-0.3		3.1		6.2		-1.7	
95th Percentile	82		76		76		75		69		54	
# of Portfolios	3.0	(42)	9.1	(36)	1.0	(29)	4.9	(26)	9.2	(51)	2.5	(9)
● Pacific Asset Corporate Loan	3.1	(36)	8.6	(52)	0.4	(68)	4.1	(71)	10.2	(35)	-0.7	(82)
▲ S&P/LSTA Leveraged Loan Index												

Annualized Return vs. Annualized Standard Deviation  
 3 Years Ending June 30, 2021

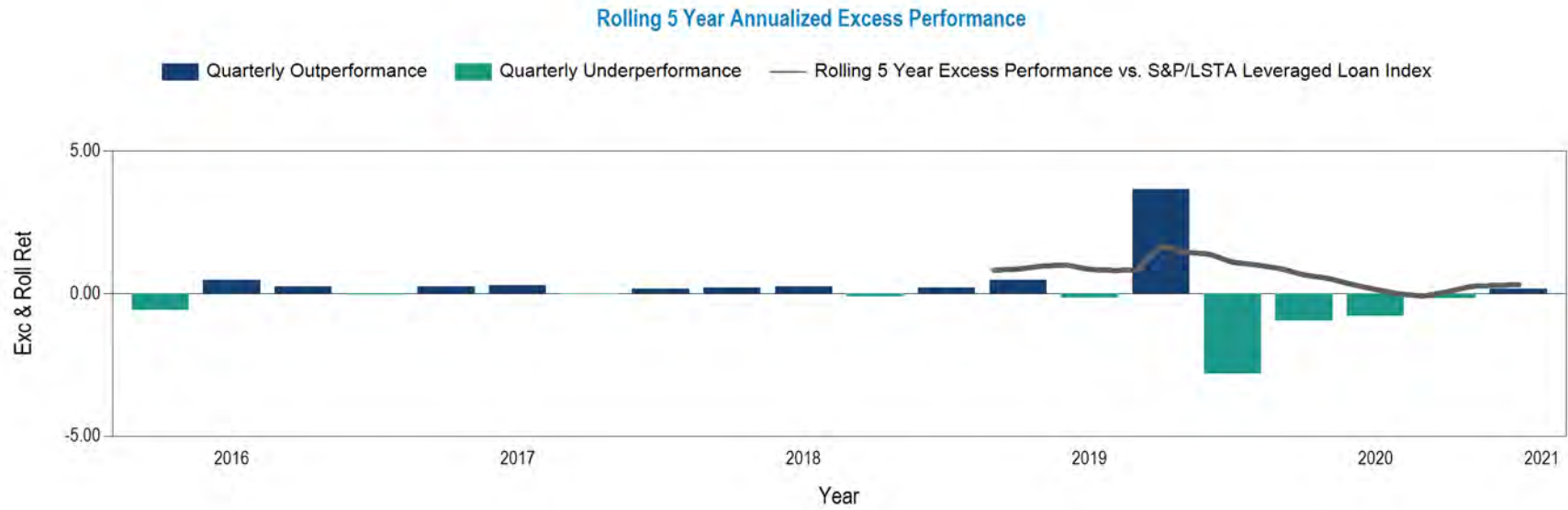
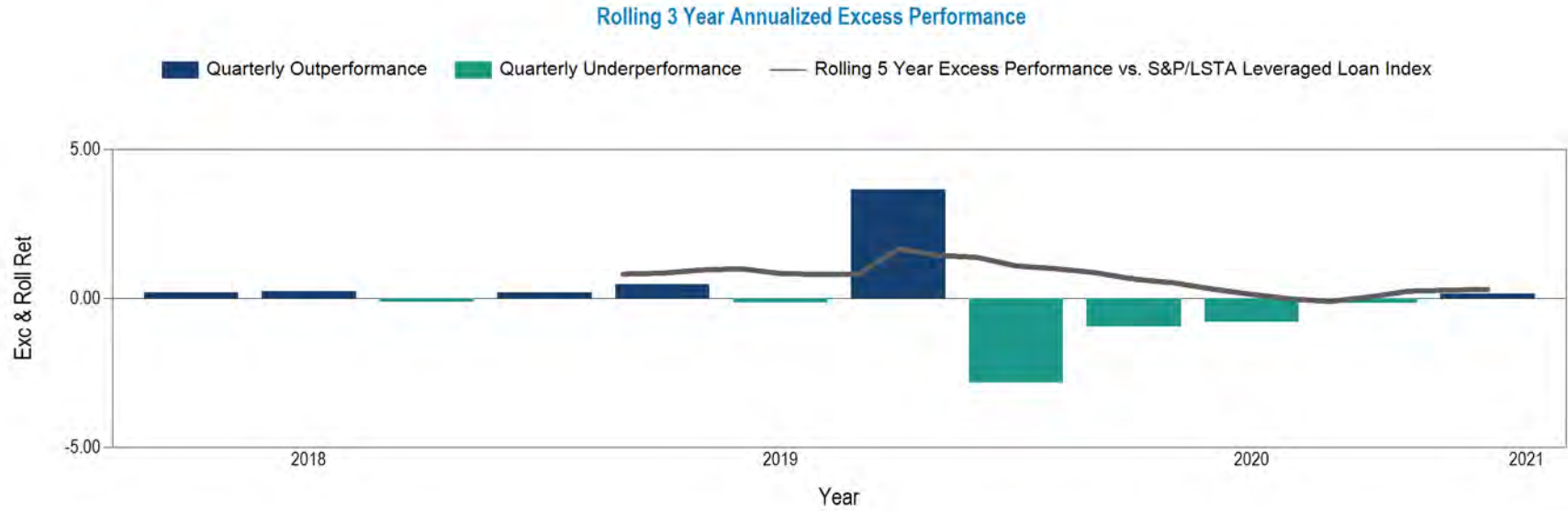


- Pacific Asset Corporate Loan
- ◆ S&P/LSTA Leveraged Loan Index
- ▲ Universe Median
- 68% Confidence Interval
- eV US Float-Rate Bank Loan Fixed Inc Gross

Annualized Return vs. Annualized Standard Deviation  
 5 Years Ending June 30, 2021



- Pacific Asset Corporate Loan
- ◆ S&P/LSTA Leveraged Loan Index
- ▲ Universe Median
- 68% Confidence Interval
- eV US Float-Rate Bank Loan Fixed Inc Gross



Total Global Fixed  
Asset Class Overview (Gross of Fees)

Period Ending: June 30, 2021

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Global Fixed</b>	<b>145,218,965</b>	<b>3.7</b>	<b>-1.1</b>	<b>12.6</b>	<b>3.6</b>	<b>3.2</b>	<b>2.1</b>	<b>6.7</b>	<b>7.4</b>	<b>-4.3</b>	<b>13.8</b>	<b>4.6</b>
<i>FTSE World Govt Bond Index</i>		1.0	-4.8	0.8	3.6	1.7	1.4	10.1	5.9	-0.8	7.5	1.6
Brandywine Global Fixed Income	71,182,116	1.6	-1.2	11.9	--	--	--	--	--	--	--	--
<i>FTSE WGBI ex US TR</i>		0.5	-6.0	3.1	--	--	--	--	--	--	--	--
<i>eV All Global Fixed Inc Gross Rank</i>		64	65	28	--	--	--	--	--	--	--	--
Ashmore EM Blended Debt Fund	74,036,849	5.8	-0.9	13.2	--	--	--	3.2	--	--	--	--
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>		3.4	-1.3	7.1	--	--	--	3.9	--	--	--	--
<i>eV All Emg Mkts Fixed Inc Gross Rank</i>		3	57	11	--	--	--	85	--	--	--	--

Total Global Fixed  
Asset Class Overview (Net of Fees)

Period Ending: June 30, 2021

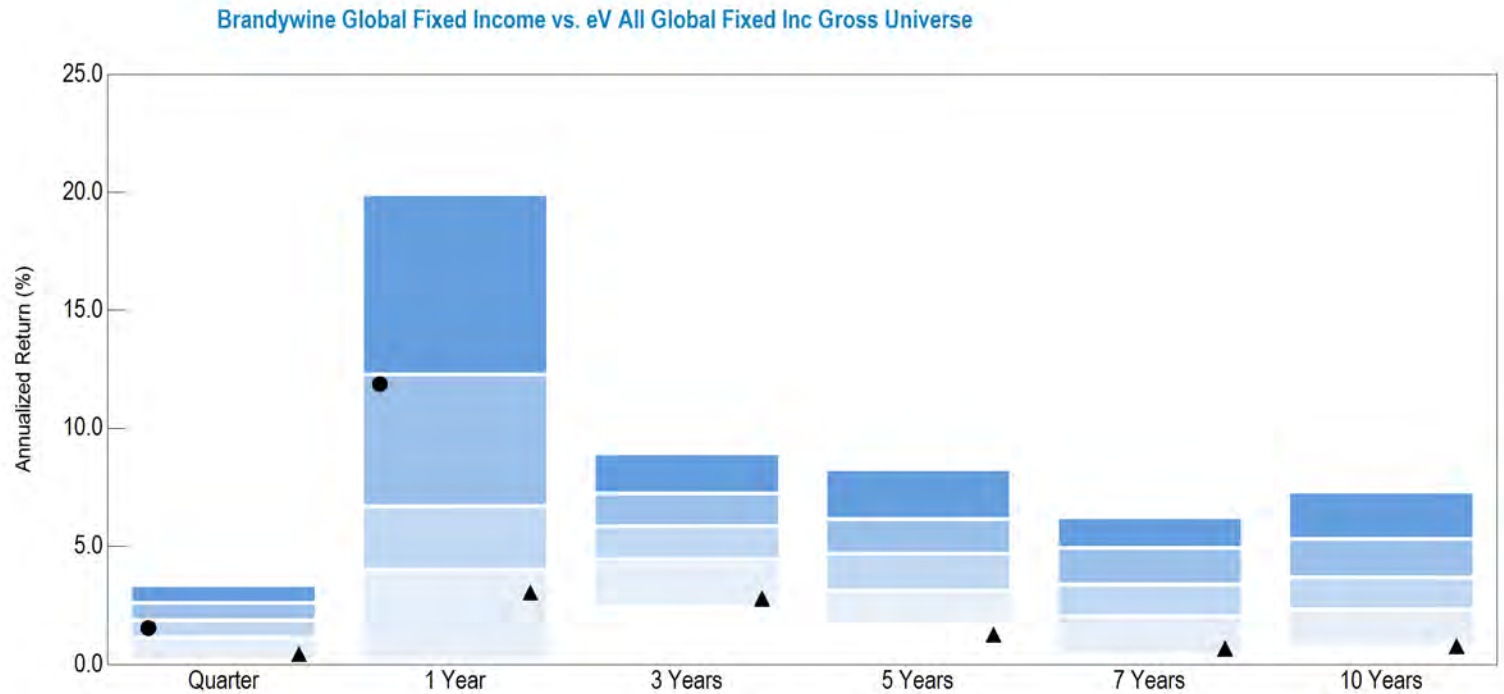
	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Global Fixed</b>	<b>145,218,965</b>	<b>3.5</b>	<b>-1.4</b>	<b>11.7</b>	<b>3.0</b>	<b>2.7</b>	<b>1.6</b>	<b>6.0</b>	<b>6.9</b>	<b>-4.7</b>	<b>13.3</b>	<b>4.1</b>
<i>FTSE World Govt Bond Index</i>		1.0	-4.8	0.8	3.6	1.7	1.4	10.1	5.9	-0.8	7.5	1.6
Brandywine Global Fixed Income	71,182,116	1.4	-1.4	11.4	--	--	--	--	--	--	--	--
<i>FTSE WGBI ex US TR</i>		0.5	-6.0	3.1	--	--	--	--	--	--	--	--
Ashmore EM Blended Debt Fund	74,036,849	5.5	-1.4	12.1	--	--	--	2.1	--	--	--	--
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>		3.4	-1.3	7.1	--	--	--	3.9	--	--	--	--

Correlation Matrix  
Last 1 Year

	Total Global Fixed	Brandywine Global Fixed Income	Ashmore EM Blended Debt Fund	FTSE World Govt Bond Index
Total Global Fixed	1.00	--	--	--
Brandywine Global Fixed Income	0.97	1.00	--	--
Ashmore EM Blended Debt Fund	0.99	0.91	1.00	--
FTSE World Govt Bond Index	0.91	0.87	0.90	1.00

Brandywine Global Fixed Income  
 Cumulative Performance Comparison (Gross of Fees)

Period Ending: June 30, 2021

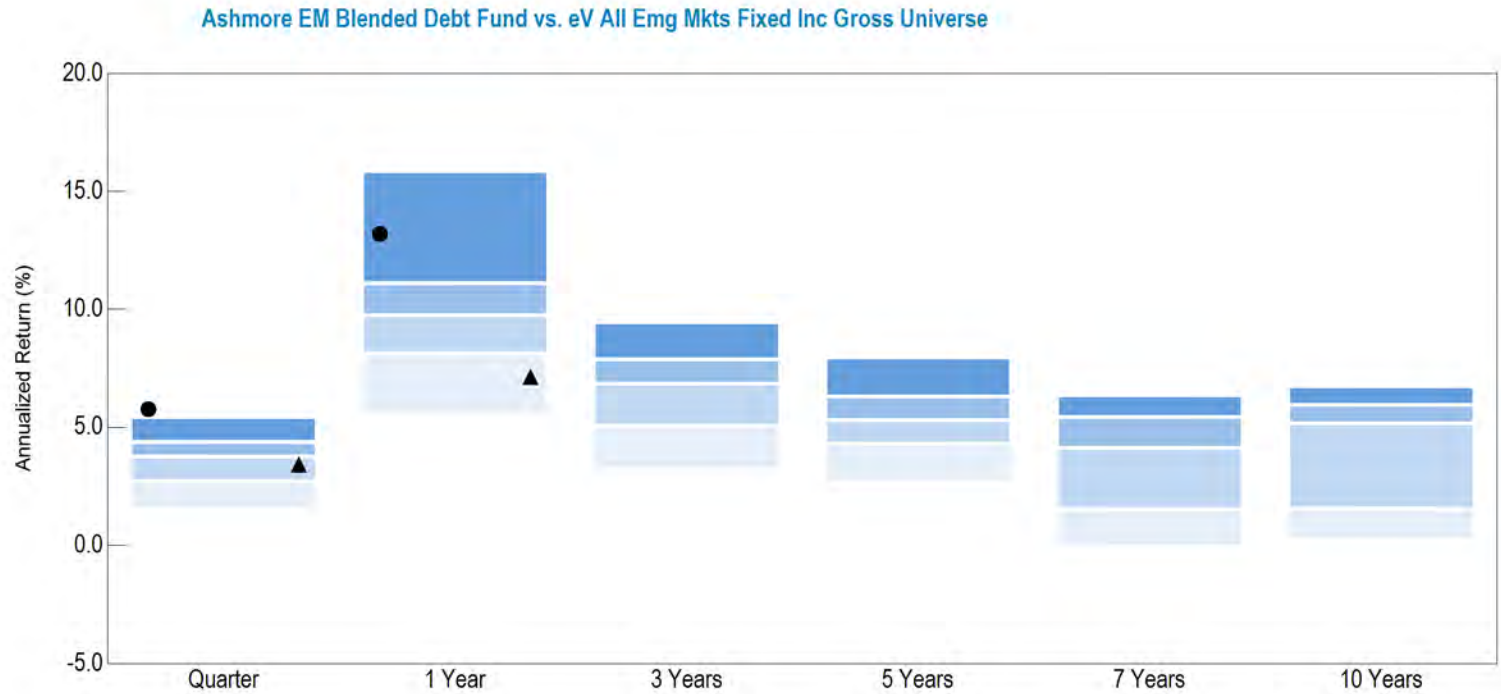


	Return (Rank)											
	Quarter		1 Year		3 Years		5 Years		7 Years		10 Years	
5th Percentile	3.4		19.9		8.9		8.3		6.2		7.3	
25th Percentile	2.6		12.3		7.3		6.2		4.9		5.3	
Median	1.9		6.7		5.9		4.7		3.4		3.7	
75th Percentile	1.2		4.0		4.5		3.2		2.1		2.4	
95th Percentile	0.2		0.2		2.5		1.7		0.4		0.8	
# of Portfolios	483		483		463		428		380		282	
● Brandywine Global Fixed Income	1.6	(64)	11.9	(28)	--	(--)	--	(--)	--	(--)	--	(--)
▲ FTSE WGBI ex US TR	0.5	(92)	3.1	(82)	2.8	(94)	1.3	(98)	0.7	(95)	0.8	(96)



Ashmore EM Blended Debt Fund  
 Cumulative Performance Comparison (Gross of Fees)

Period Ending: June 30, 2021



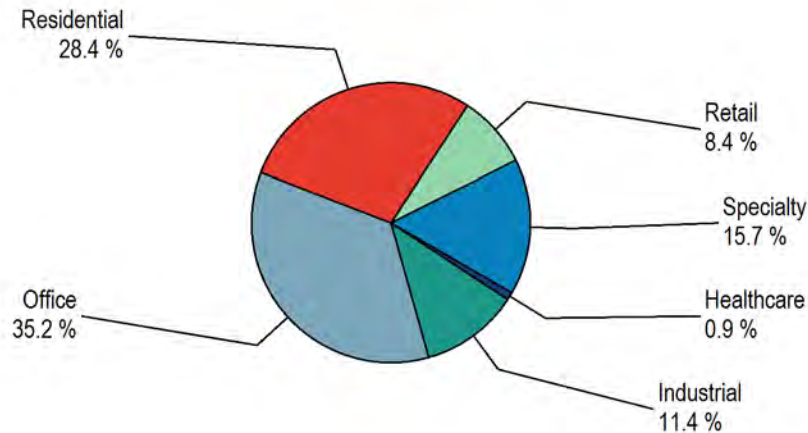
	Return (Rank)											
5th Percentile	5.4	15.8	9.4	7.9	6.4	6.7						
25th Percentile	4.4	11.1	7.9	6.3	5.4	6.0						
Median	3.8	9.8	6.9	5.3	4.2	5.2						
75th Percentile	2.7	8.1	5.1	4.3	1.5	1.6						
95th Percentile	1.6	5.5	3.2	2.7	0.0	0.2						
# of Portfolios	289	289	270	249	220	150						
● Ashmore EM Blended Debt Fund	5.8	(3)	13.2	(11)	--	(--)	--	(--)	--	(--)	--	(--)
▲ 50% JPM EMBI GD/25% JPM GBI EM GD/25%	3.4	(63)	7.1	(85)	--	(--)	--	(--)	--	(--)	--	(--)

Total Real Estate  
Asset Class Overview (Gross of Fees)

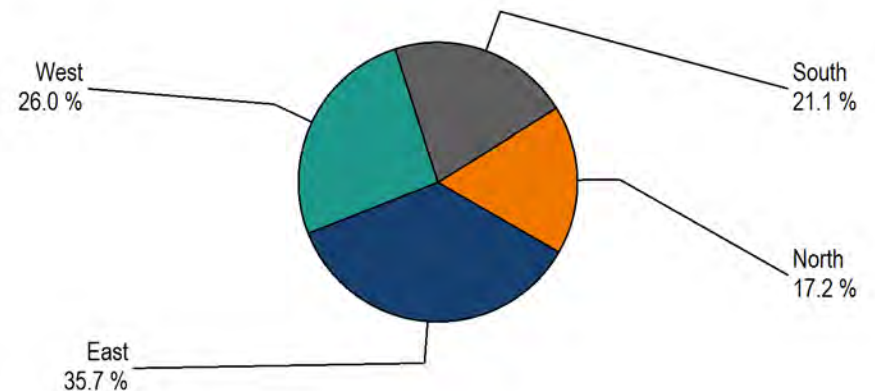
Period Ending: June 30, 2021

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Real Estate</b>	<b>188,160,329</b>	<b>2.6</b>	<b>4.1</b>	<b>5.4</b>	<b>4.3</b>	<b>5.8</b>	<b>8.7</b>	<b>1.1</b>	<b>4.3</b>	<b>7.5</b>	<b>7.8</b>	<b>7.8</b>
<i>NCREIF Property Index</i>		3.6	5.4	7.4	5.5	6.1	8.8	1.6	6.4	6.7	7.0	8.0
JP Morgan Core Real Estate	144,602,271	2.7	4.3	5.9	3.8	5.1	9.0	0.5	3.4	7.0	6.1	8.4
<i>NCREIF-ODCE</i>		3.9	6.1	8.0	5.5	6.6	9.6	1.2	5.3	8.3	7.6	8.8
<i>NCREIF Property Index</i>		3.6	5.4	7.4	5.5	6.1	8.8	1.6	6.4	6.7	7.0	8.0
ARA American Strategic Value Realty	43,558,058	2.3	3.2	3.4	6.3	7.3	--	3.8	7.3	9.1	7.4	--
<i>NCREIF-ODCE</i>		3.9	6.1	8.0	5.5	6.6	--	1.2	5.3	8.3	7.6	--
<i>NCREIF Property Index</i>		3.6	5.4	7.4	5.5	6.1	--	1.6	6.4	6.7	7.0	--

Property Type Allocation  
Allocation as of June 30, 2021



Geographic Diversification  
Allocation as of June 30, 2021



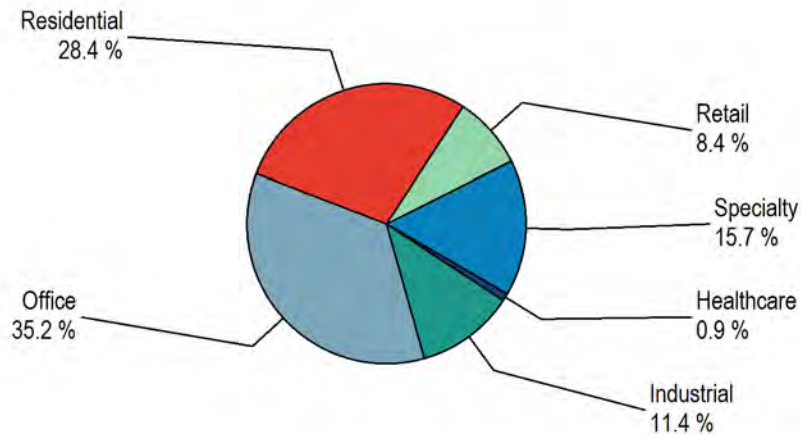
ARA American Strategic Value Realty is lagged one quarter.

Total Real Estate  
Asset Class Overview (Net of Fees)

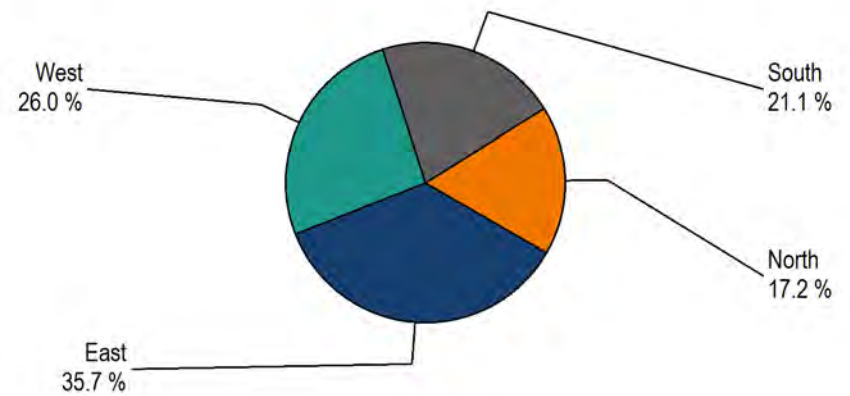
Period Ending: June 30, 2021

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2020	2019	2018	2017	2016
<b>Total Real Estate</b>	<b>188,160,329</b>	<b>2.6</b>	<b>4.1</b>	<b>5.4</b>	<b>4.3</b>	<b>5.7</b>	<b>8.3</b>	<b>1.1</b>	<b>4.3</b>	<b>7.5</b>	<b>7.8</b>	<b>6.8</b>
<i>NCREIF Property Index</i>		3.6	5.4	7.4	5.5	6.1	8.8	1.6	6.4	6.7	7.0	8.0
JP Morgan Core Real Estate	144,602,271	2.7	4.3	5.9	3.8	5.0	8.4	0.5	3.4	7.0	6.1	7.3
<i>NCREIF-ODCE</i>		3.9	6.1	8.0	5.5	6.6	9.6	1.2	5.3	8.3	7.6	8.8
<i>NCREIF Property Index</i>		3.6	5.4	7.4	5.5	6.1	8.8	1.6	6.4	6.7	7.0	8.0
ARA American Strategic Value Realty	43,558,058	2.3	3.2	3.4	6.3	7.1	--	3.8	7.3	9.1	7.4	--
<i>NCREIF-ODCE</i>		3.9	6.1	8.0	5.5	6.6	--	1.2	5.3	8.3	7.6	--
<i>NCREIF Property Index</i>		3.6	5.4	7.4	5.5	6.1	--	1.6	6.4	6.7	7.0	--

Property Type Allocation  
Allocation as of June 30, 2021



Geographic Diversification  
Allocation as of June 30, 2021



ARA American Strategic Value Realty is lagged one quarter.

**Performance Return Calculations**

Performance is calculated using Time Weighted Rates of Return (TWRR) methodologies. Monthly returns are geometrically linked and annualized for periods longer than one year.

**Data Source**

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

**Illiquid Alternatives**

Due to the inability to receive final valuation prior to report production, closed end funds (including but are not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit) performance is typically reported at a one-quarter lag. Valuation is reported at a one-quarter lag, adjusted for current quarter flow (cash flows are captured real time). Closed end fund performance is calculated using a time-weighted return methodology consistent with all portfolio and total fund performance calculations. For Private Markets, performance reports also include Verus-calculated multiples based on flows and valuations (e.g. DPI and TVPI) and manager-provided IRRs.

**Manager Line Up**

Manager	Inception Date	Data Source	Manager	Inception Date	Data Source
PIMCO RAE Fundamental PLUS	11/30/2007	J.P. Morgan	JP Morgan Core Real Estate	3/6/2008	J.P. Morgan
Loomis Sayles Large Cap Growth	12/31/2016	J.P. Morgan	Gresham MTAP Commodity	8/31/2013	BNY Mellon
Boston Partners Large Cap Value	1/31/2017	Boston Partners	Cash Account	-	SLOCPT
Atlanta Capital Management	8/31/2010	J.P. Morgan	HarbourVest Partners IX-Buyout	2011 <sup>1</sup>	HarbourVest
Dodge & Cox Intl Stock	12/6/2007	J.P. Morgan	HarbourVest 2018 Global Fund L.P.	-	HarbourVest
WCM International Growth	2/15/2017	WCM	KKR Mezzanine Partners	2010 <sup>1</sup>	KKR
BlackRock Core Bond	1/19/2017	J.P. Morgan	PIMCO Distressed Credit Fund	2010 <sup>1</sup>	Brown Brothers Harriman
Dodge & Cox Income	1/19/2017	Deutsche Bank	ARA American Strategic Value	6/22/2016	American Realty Adv
Pacific Asset Corporate Loan	9/1/2014	Deutsche Bank	Sixth Street Partners DCP	2016 <sup>1</sup>	TPG
Brandywine Global Fixed	6/24/2020	J.P. Morgan	Pathway Private Equity Fund 9	2017 <sup>1</sup>	Pathway
Ashmore EM Blended Debt Fund	3/31/2019	Ashmore	Pathway Private Equity Fund 10	3/25/2020	Pathway
			Sixth Street Partners TAO	4/16/2020	TPG

<sup>1</sup>Represents fund vintage year.

**Policy & Custom Index Composition**

Policy Index (1/1/2021-Current)	20% Russell 3000, 20% MSCI ACWI ex-US (Gross), 12% BBgBarc U.S. Aggregate, 11% FTSE World Govt Bond Index, 3% BBgBarc US Treasury 7-10 yr, 2% BBgBarc US TIPS, 15% NCREIF Property Index, 3% Russell 3000, 5% Private Equity Benchmark, 5% Private Credit Benchmark, 2% BBgBarc US Govt/Credit 1-3 yr, 2% 91 Day T-Bill.
Policy Index (10/1/2020-12/31/2020)	21% Russell 3000, 21% MSCI ACWI ex-US (Gross), 31% BBgBarc U.S. Aggregate, 17% NCREIF Property Index, 1% Russell 3000, 4 Private Equity Benchmark, 5% Private Credit Benchmark.
Policy Index (4/1/2020-9/30/2020)	21% Russell 3000, 21% MSCI ACWI ex-US (Gross), 31% BBgBarc U.S. Aggregate, 17% NCREIF Property Index, 5% Russell 3000+300 bps (lagged), 5% BBgBarc High Yield +2% (lagged).
Policy Index (1/1/2017-3/31/2020)	20% Russell 3000, 20% MSCI ACWI ex-US (Gross), 30% BBgBarc U.S. Aggregate, 15% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+300 bps (lagged), 5% BBgBarc High Yield +2% (lagged).
Policy Index (10/1/2016-12/31/2016)	20% Russell 3000, 20% MSCI ACWI ex-US (Gross), 30% BBgBarc U.S. Aggregate, 15% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+300 bps, 5% BBgBarc High Yield +2% (lagged).
Policy Index (7/1/2014-9/30/2016)	23% Russell 3000, 22% MSCI ACWI ex-US (Gross), 35% BBgBarc U.S. Aggregate, 10% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+300 bps.
Policy Index (7/1/2013-6/30/2014)	27% Russell 3000, 23% MSCI ACWI ex-US (Gross), 30% BBgBarc U.S. Aggregate, 10% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+300 bps.
Policy Index (4/1/2011-6/30/2013)	27% Russell 3000, 23% MSCI ACWI ex-US (Gross), 20% BBgBarc U.S. Aggregate, 5% Citi World Govt Bond, 5% Barclays US TIPS, 10% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+300 bps.
Private Equity Index (1/1/2017-10/1/2020)	Russell 3000 +3% (Lagged)
Private Equity Index (6/1/2011-12/31/2016)	Russell 3000 +3%
Private Equity Benchmark and Private Credit Benchmarks are equal to the actual private equity and private credit returns, respectively.	
Custom Growth Benchmark (1/1/2021-Present)	29.11% Russell 3000, 25.32% MSCI ACWI Gross, 6.35% Private Equity Benchmark, 6.33% Private Credit Benchmark, 13.92% FTSE World Govt Bond Index, 18.99% NCREIF Property Index.
Custom Fixed Income Benchmark (1/1/2021-Present)	63.15% BBgBarc U.S. Aggregate, 15.79% BBgBarc US Treasury 7-10 yr, 10.53% BBgBarc US TIPS, 10.53% BBgBarc US Govt/Credit 1-3 yr.
Custom Risk Diversifying Benchmark (1/1/2021-Present)	63.33% Custom Fixed Income Benchmark, 36.67% FTSE World Govt Bond Index.



# Glossary

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**Allocation Effect:** An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

**Alpha:** The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as:  $\text{Portfolio Return} - [\text{Risk-free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk-free Rate})]$ .

**Benchmark R-squared:** Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

**Beta:** A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

**Book-to-Market:** The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios.

**Capture Ratio:** A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

**Correlation:** A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

**Excess Return:** A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

**Information Ratio:** A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

**Interaction Effect:** An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

**Portfolio Turnover:** The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

**Price-to-Earnings Ratio (P/E):** Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

**R-Squared:** Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

**Selection Effect:** An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

**Sharpe Ratio:** A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as:  $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$ .

**Sortino Ratio:** Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

**Standard Deviation:** A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

**Style Analysis:** A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

**Style Map:** A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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## San Luis Obispo County Pension Trust *SLOCPT*

Date: August 23, 2021

To: Board of Trustees

From: Carl Nelson – Executive Director  
Amy Burke – Deputy Director

### **Agenda Item 12: Monthly Investment Report for July 2021**

	July	Year to Date 2021	2020	2019	2018	2017	2016
Total Trust Investments (\$ millions)	\$1,743		\$1,552 year end	\$1,446 year end	\$1,285 year end	\$1,351 year end	\$1,196 year end
<b>Total Fund Return</b>	0.5% Gross	<b>10.4% Gross</b>	8.9 % Gross	16.3 % Gross	-3.2 % Gross	15.5 % Gross	6.6 % Gross
Policy Index Return (r)	0.5%	8.2%	10.0 %	16.4 %	-3.2 %	13.4 %	7.7 %

- (r) Policy index as of Sept. 2020 Strategic Asset Allocation Policy with 2021 Interim targets:
- Public Mkt Equity- 20% Russell 3000, 20% MSCI ACWI ex-US
  - Public Mkt Debt- 11% Barclays US Aggregate,
  - Risk Diversifying 10% Barclays US Aggregate, 3% Barclays 7-10yr Treasury, 2% Barclays 5-10yr US TIPS
  - Real Estate & Infrastructure- 12% NCREIF Index, 3% Private RE/Infrastructure actual returns
  - Private Equity- 8% actual private equity returns
  - Private Credit- 7% actual private credit returns
  - Liquidity- 2% 90 day T-Bills, 2% Barclays 1-3yr Gov/Credit
- Pending annual updates to interim targets.

### **SLOCPT Investment Returns:**

The attached report from Verus covers the preliminary investment returns of the SLOCPT portfolio and general market conditions through the end of July. The attached market commentary from Verus details market conditions in July, but subsequent activity in August is not yet factored into these numbers.

## The Economy and Capital Markets:

### ➤ The Economy

- **GDP Growth** – The preliminary measure of 2Q21 US GDP growth came in at a 6.5% annual rate. While the GDP growth number came in below market expectations of an 8.4% gain, it still indicates significant recovery from early 2020. Consumer spending and final sales increased more than expected. The overall GDP growth was held back by a large amount of inventory contraction (companies not buying as much product to hold for future sale) and slowing in government spending.
- **Inflation** – The July report on CPI inflation held at a higher-than-preferred year over year increase of 5.4%. The July pace was slightly lower than the June increase, but is still dominated by the base effects of the mid 2020 starting point of lower prices during the pandemic.
- **Growth and Inflation** – PIMCO in their July 2021 Asset Allocation Outlook publication include the following comments -

“While inflation has surprised higher and sparked some fears, we maintain that the world is witnessing a transitory spike, driven by year-over-year base effects, supply bottlenecks, and temporary shortages, that should also moderate into 2022.”

“The removal of both fiscal and monetary policy support will serve as a drag on economic growth over the next year, even as the easy gains from reopening are realized. We expect developed market real GDP will grow 6% in 2021 (measured by 4Q over 4Q) and moderate to below 3% in 2022. Slower vaccination rates have delayed the recovery in emerging markets, and we expect EM GDP growth to accelerate up to 5% in 2022 (4Q/4Q), after growing 3.5% in 2021.

Although growth rates are expected to peak this year in DM and moderate from current levels, the absolute level of growth will remain high over the cyclical horizon. Pent-up demand, high levels of consumer saving, and healthy corporate leverage ratios create a runway for private-sector-led growth. This provides an attractive backdrop for growth-oriented assets.”

### ➤ Economic Policy

- **Monetary Policy** –
  - At its July meeting the Fed left interest rates unchanged and reiterated that the economy has made progress towards goals needed before significant tapering in monetary accommodation would take place.
  - Fed Chair Powell remained non-committal. By remaining upbeat on labor market conditions, less dovish on inflation, and promising ample advance notice of any monetary tightening Powell maintains considerable maneuverability for future policy choices.

➤ **Employment and Wages –**

- **New Jobs** - The July jobs report from the BLS on nonfarm employment showed a gain of 943k new jobs. This above-expectations report is a clear sign that the labor market's recovery is accelerating. One cloud on the horizon for job growth is that the July new job numbers were from the first part of the month – since that time concerns are growing over the impact of the Delta variant of the Covid virus on hiring. This is especially of concern in the leisure and hospitality sectors where much of the July job growth took place.
- **Wages** – The BLS reported for July that average hourly wages for the trailing 12 months showed a well above-trend growth of +4.0% off of the mid 2020 impacted base.
- **Unemployment** - The unemployment rate in July declined by 0.5% to 5.4% - its lowest rate since the pandemic began.
- **SLO County Unemployment** – For July, the US national unemployment rate stood at 5.4%, California's rate was 7.6% while SLO County's June unemployment rate was 5.7%.
- **Labor Force Participation Rate** – The proportion of working-age population in the labor force (working, temporary layoff, or unemployed and looking for a job) improved slightly to 61.7%. The participant rate had been about 63% pre-pandemic.
- **Labor Shortages** – The July BLS report on employment was eagerly watched as the first jobs report following the winding down of enhanced unemployment benefits by about half of the states. The overall funding for the \$300/week federal supplement to unemployment expires in September and is unlikely to be extended given the robust jobs market. Early data seemed to indicate indeterminate effects on job-seekers. The effect of expiring enhanced unemployment benefits may not be a panacea for labor shortages. The New York Times in an August 5<sup>th</sup> article quoted Deutsche Bank analysts –

“Deutsche Bank analysts have said that the role of unemployment insurance benefits in discouraging people from returning to work seems limited.

“There is limited evidence that U.I. benefits have been a primary factor weighing on employment,” Matthew Luzzetti and his colleagues wrote in a recent analysis, pointing out that job growth has been strong in low-wage sectors where employers should be competing with the benefit, and that those sectors have similar patterns in job openings relative to new hires that other sectors have shown and that he did not expect the early cutoff of federal benefits in some states to have a meaningful effect on the July jobs figures.”

➤ **Market Outlook –**

- **The Economy and the Markets** – PIMCO in their July 2021 Asset Allocation Outlook publication include the following comments -

“The global economy is in a mid-cycle expansion, following peaks in policy support and growth, and what is likely a transitory spike in inflation. We expect global growth to moderate to a still above-trend pace in 2022.

“The dramatic and uneven rebound in growth across countries this year is likely to ease to synchronized moderation in 2022, though to a still above-trend pace.

We expect not only a peak in growth, but also in inflation and policy support. The global pandemic also appears to be waning... “

“We believe the global economy, as it moves beyond these peaks, is now in mid-cycle. From an asset allocation perspective, this means growth-oriented assets, such as equities and credit, may still offer relatively attractive returns. But we expect greater dispersion across sectors and regions. Moreover, elevated valuations and lower yields portend lower beta returns. Bottom-up differentiation within asset classes – such as country, sector, and issuer selection – will likely be key to driving returns in the current environment.”

Respectfully Submitted,

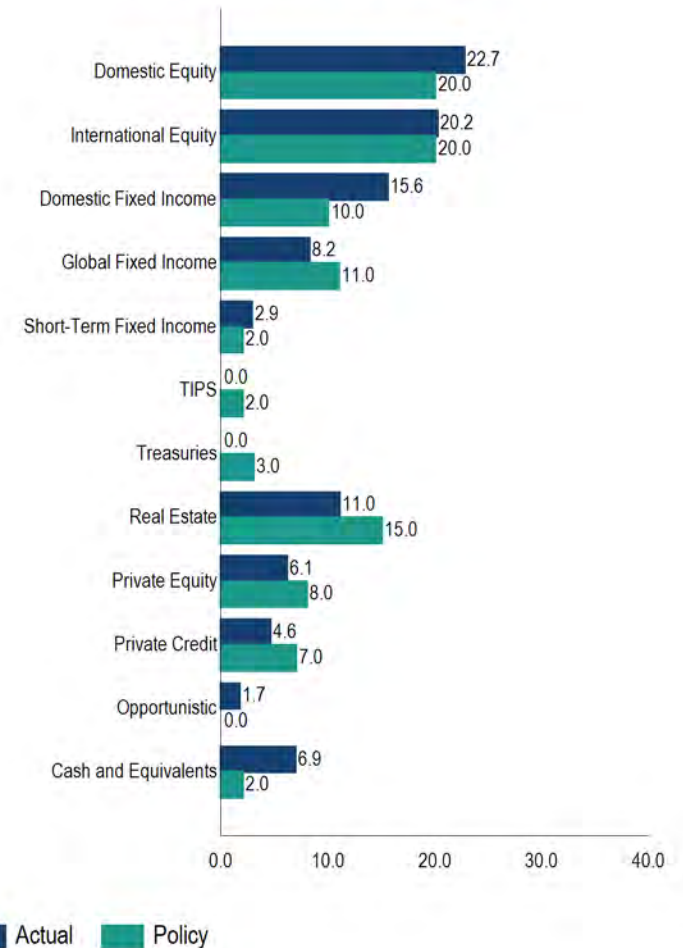
# San Luis Obispo County Pension Trust

## Executive Summary - Preliminary (Gross of Fees)

Period Ending: July 31, 2021

	Market Value	% of Portfolio	1 Mo	YTD
<b>Total Fund</b>	<b>1,742,894,846</b>	<b>100.0</b>	<b>0.5</b>	<b>10.4</b>
Interim Policy Index			0.5	8.2
FFP SAA Index			0.6	12.6
<b>Total Growth</b>	<b>1,127,492,935</b>	<b>64.7</b>	<b>0.8</b>	<b>15.2</b>
Custom Growth Benchmark			0.3	10.5
<b>Total Public Equity</b>	<b>748,194,710</b>	<b>42.9</b>	<b>0.6</b>	<b>15.2</b>
Russell 3000			1.7	17.1
<b>Total Domestic Equity</b>	<b>395,758,650</b>	<b>22.7</b>	<b>0.7</b>	<b>18.3</b>
Russell 3000			1.7	17.1
PIMCO RAE US	97,162,177	5.6	-0.8	19.5
S&P 500			2.4	18.0
Loomis Sayles Large Cap Growth	111,253,637	6.4	2.1	16.4
Russell 1000 Growth			3.3	16.7
Boston Partners Large Cap Value	104,811,273	6.0	0.1	21.6
Russell 1000 Value			0.8	18.0
Atlanta Capital Mgmt	82,531,563	4.7	1.5	15.8
Russell 2500			-1.8	14.9
<b>Total International Equity</b>	<b>352,436,060</b>	<b>20.2</b>	<b>0.4</b>	<b>12.3</b>
MSCI ACWI ex USA Gross			-1.6	7.7
Dodge & Cox Intl Stock	165,324,648	9.5	-2.0	10.2
MSCI ACWI ex USA Value Gross			-1.7	10.1
WCM International Growth	187,111,412	10.7	2.8	14.4
MSCI ACWI ex USA Growth Gross			-1.5	5.1
<b>Total Private Equity</b>	<b>107,026,832</b>	<b>6.1</b>		
Harbourvest Partners IX Buyout Fund L.P.	16,712,202	1.0		
Pathway Private Equity Fund Investors 9 L.P.	70,042,785	4.0		
Harbourvest 2018 Global Fund L.P.	14,809,895	0.8		
Pathway Private Equity Fund Investors 10 L.P.	5,461,950	0.3		
<b>Total Private Credit</b>	<b>79,721,695</b>	<b>4.6</b>		
Sixth Street Partners DCP	79,721,695	4.6		

Actual vs Interim Target Allocation (%)



New Policy Index as of 1/1/2021 23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 23% BBgBarc U.S. Aggregate, 3% BbgBarc US Treasury 7-10 yr, 2% BBgBarc US TIPS, 15% NCREIF Property Index, 5% Actual Private Equity Return, 5% Actual Private Credit Return, 2% 91 day T-Bills, 2% BBgBarc 1-3 yr Gov/Credit. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter. All returns are (G) Gross of fees. Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. (e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income, private real estate to public real estate). Investment Cash market value includes proceeds from Loomis and Boston partners withdrawals. All data is preliminary

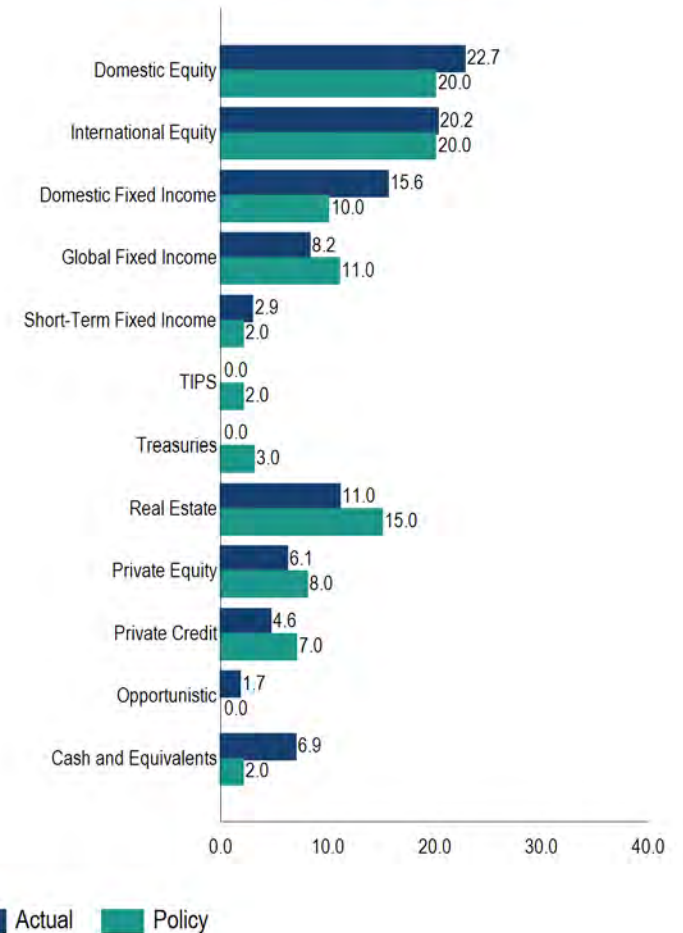
# San Luis Obispo County Pension Trust

## Executive Summary - Preliminary (Gross of Fees)

Period Ending: July 31, 2021

	Market Value	% of Portfolio	1 Mo	YTD
<b>Total Real Estate</b>	<b>192,549,699</b>	<b>11.0</b>	<b>2.3</b>	<b>6.5</b>
NCREIF Property Index			0.0	5.4
JP Morgan Core Real Estate	147,266,451	8.4	1.8	6.2
NCREIF-ODCE			0.0	6.1
NCREIF Property Index			0.0	5.4
ARA American Strategic Value Realty	45,283,248	2.6	4.3	7.6
NCREIF-ODCE			0.0	6.1
NCREIF Property Index			0.0	5.4
<b>Total Risk Diversifying</b>	<b>464,687,039</b>	<b>26.7</b>	<b>0.0</b>	<b>-0.1</b>
Custom Risk Diversifying Benchmark			1.4	-1.2
<b>Total Domestic Fixed Income</b>	<b>321,277,375</b>	<b>18.4</b>	<b>0.7</b>	<b>1.0</b>
BBgBarc US Aggregate TR			1.1	-0.5
BlackRock Core Bond	99,461,935	5.7	1.0	-0.1
BBgBarc US Aggregate TR			1.1	-0.5
Dodge & Cox Income Fund	94,302,995	5.4	0.9	0.5
BBgBarc US Aggregate TR			1.1	-0.5
Pacific Asset Corporate Loan	77,359,935	4.4	0.1	3.4
S&P/LSTA Leveraged Loan Index			0.0	3.3
PIMCO Short Duration Fund	20,021,102	1.1	0.3	0.2
BBgBarc US Govt/Credit 1-3 Yr. TR			0.2	0.2
SSGA U.S. Govt Bond Index	30,131,408	1.7	0.4	--
BBgBarc US Govt/Credit 1-3 Yr. TR			0.2	--
<b>Total Global Fixed</b>	<b>143,409,664</b>	<b>8.2</b>	<b>-1.2</b>	<b>-2.3</b>
FTSE World Govt Bond Index			1.6	-3.2
Brandywine Global Fixed Income	70,716,677	4.1	-0.7	-1.9
FTSE WGBI ex US TR			1.8	-4.3
Ashmore EM Blended Debt Fund	72,692,987	4.2	-1.8	-2.7
50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELM1+			0.0	-1.3

Actual vs Interim Target Allocation (%)



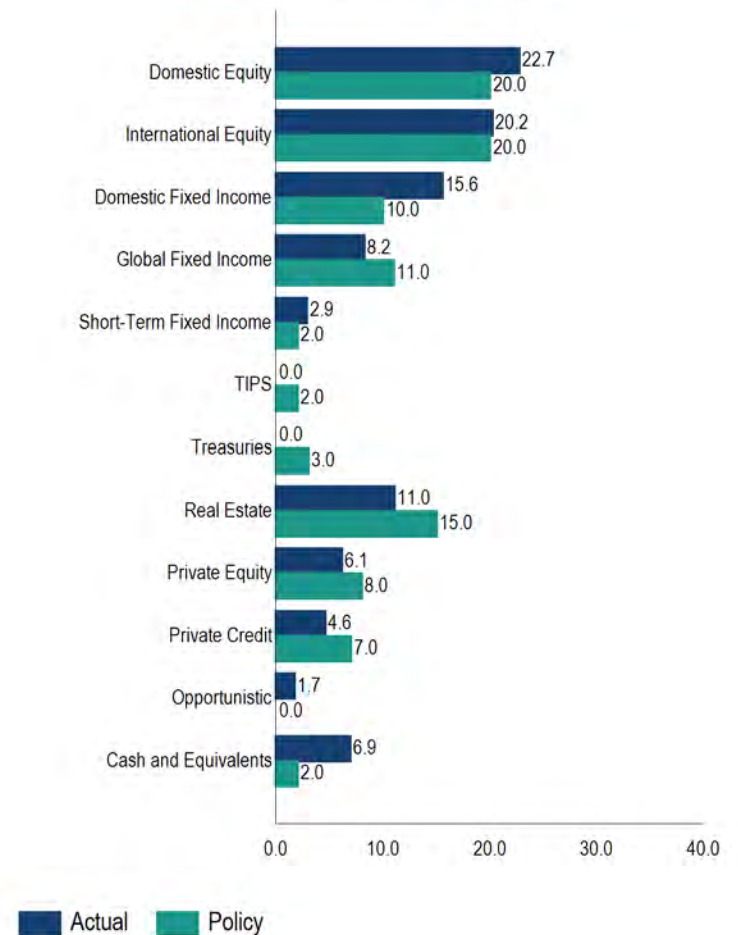
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San Luis Obispo County Pension Trust  
 Executive Summary - Preliminary (Gross of Fees)

Period Ending: July 31, 2021

	Market Value	% of Portfolio	1 Mo	YTD
<b>Total Liquidity</b>	<b>120,795,433</b>	<b>6.9</b>	<b>0.0</b>	<b>0.3</b>
91 Day T-Bills			0.0	0.0
<b>Total Cash</b>	<b>120,795,433</b>	<b>6.9</b>	<b>0.0</b>	<b>0.3</b>
91 Day T-Bills			0.0	0.0
Cash Account	94,626,996	5.4	0.0	0.6
91 Day T-Bills			0.0	0.0
Investment Cash	26,168,436	1.5	0.0	--
91 Day T-Bills			0.0	--
<b>Total Opportunistic</b>	<b>29,919,439</b>	<b>1.7</b>		
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	4,934,776	0.3		
Sixth Street Partners TAO	24,984,663	1.4		

Actual vs Interim Target Allocation (%)



New Policy Index as of 1/1/2021 23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 23% BbgBarc U.S. Aggregate, 3% BbgBarc US Treasury 7-10 yr, 2% BbgBarc US TIPS, 15% NCREIF Property Index, 5% Actual Private Equity Return, 5% Actual Private Credit Return, 2% 91 day T-Bills, 2% BbgBarc 1-3 yr Gov/Credit. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter. All returns are (G) Gross of fees. Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. (e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income, private real estate to public real estate). Investment Cash market value includes proceeds from Loomis and Boston Partners withdrawals. All data is preliminary



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**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

JULY 2021  
Capital Markets Update



# Market commentary

## U.S. ECONOMICS

- U.S. GDP rose at an annualized quarterly rate of 6.5% in Q2 (+12.2% YoY), bringing it past the high-water mark set before the pandemic. The overall increase was bolstered by the consumer, as personal expenditures rose 11.8%, and the personal savings rate dipped from 20.8% to 10.9%. This indicates Americans are likely spending cash saved during the pandemic.
- The July jobs report surprised to the upside and added 943,000 non-farm payrolls, exceeding economists' forecasts by roughly 73,000. Average hourly earnings also increased by 0.4% for the month, up 4% year-over-year as inflationary pressures continue to be a concern.
- The headline unemployment rate dropped to 5.4% in July and the labor force participation rate ticked up to 61.7%. The U.S. Job market remains a key barometer on economic recovery as the Fed monitors whether "substantial further progress" in the labor market might warrant changes to monetary policy.

## U.S. EQUITIES

- The S&P 500 (+2.4%) outperformed the NASDAQ (+1.9%) with tailwinds from real estate, and healthcare. Almost half of the relative outperformance can be explained by the S&P 500 having a large relative underweight to Amazon stock which posted a lackluster return of -3.3% for the month.
- In July, the S&P 500 posted seven new daily highs. The index has managed to post at least one new daily high in every month since November of 2020.
- All 11 S&P 500 major GICS sectors have reported positive earnings growth year-over-year, led by the sectors hit hardest by the pandemic such as industrials and energy.

## U.S. FIXED INCOME

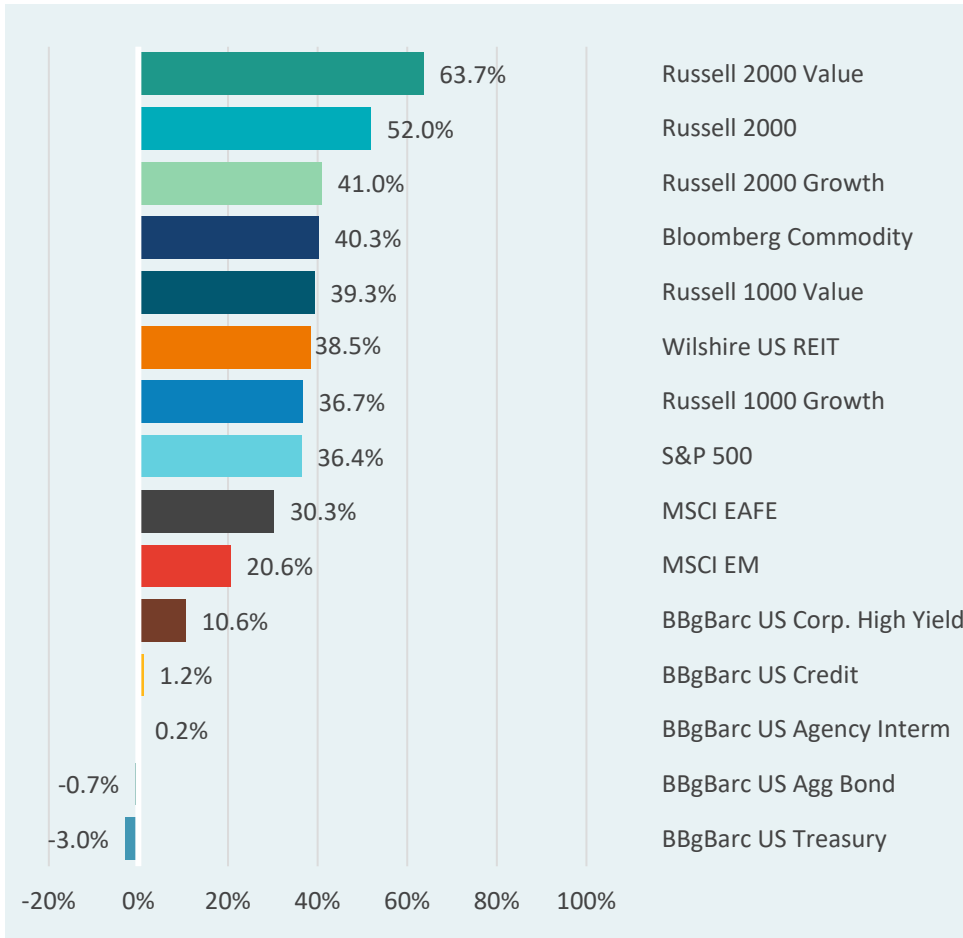
- The Federal Open Market Committee held the fed funds range at 0.00% - 0.25%, as expected. Chairman Jerome Powell reiterated that the economic recovery has been strong, but that "substantial further progress" is needed before the Fed will begin to tighten policy.
- The long end of the curve flattened and the yield on the 30-year Treasury fell 17 basis points. This move came as a surprise for many because positive labor market data tends to place upward pressure on interest rates. Uncertainty surrounding the increased spread of the Delta variant might have played a role in the move.
- As yields dropped, longer duration bond indexes outperformed most risk assets over the month (BBgBarc US Treasury Long +3.6%).

## INTERNATIONAL MARKETS

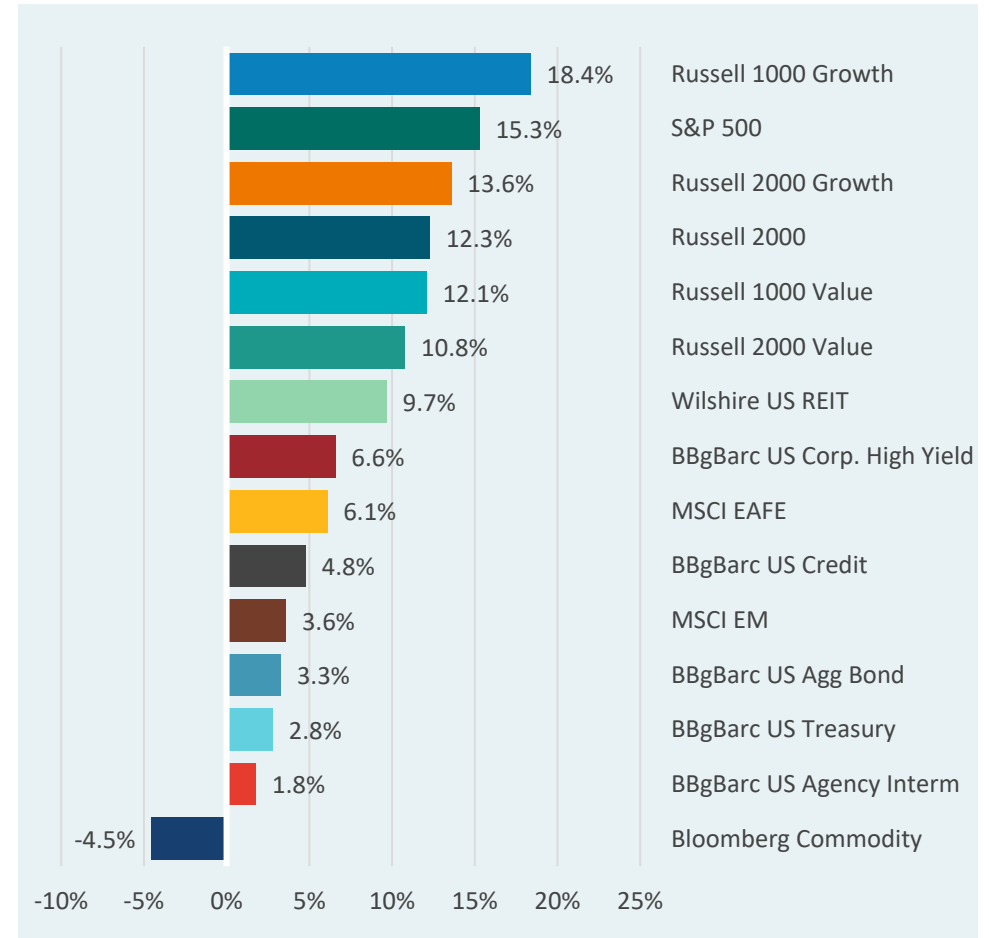
- The Covid-19 Delta variant has spread quickly around the world. The CDC has warned that this new strain is more contagious and may pose greater risks. A report from the Israeli Health Ministry found that the Pfizer vaccine is just 39% effective at preventing infection, though it remains 88% effective against hospitalization and 91% effective against severe virus illnesses.
- For the month of July, the Shanghai Composite Index fell -5.4%. The Hong Kong market experienced even sharper losses, at -9.9% during the month.
- The slide in Chinese markets was likely fueled by economic measures to curb Delta variant spread, as well as the potential for new government regulation which has led many U.S. funds to offload their China holdings.

# Major asset class returns

ONE YEAR ENDING JULY



TEN YEARS ENDING JULY



\*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 7/31/21

Source: Morningstar, as of 7/31/21

# U.S. large cap equities

- The S&P 500 rose +2.4% as earnings continued to rebound. With 59% of companies reporting as of July, blended earnings grew 85.1% year-over-year. The industrial sector was a big contributor to S&P 500 profits as airlines, hotels and restaurants began to report positive year-over-year earnings numbers.
- The forward one-year P/E ratio fell over the month from 21.3 to 21.0. The S&P 500 price multiple has fallen every month for the last four months. Higher stock prices have been backed by earnings gains. As earnings rise faster than prices, this has resulted in a moderation of price-to-earnings multiples.
- Only two of the 11 S&P 500 GICS sectors posted negative performance in July. The top contributors to overall index performance were the healthcare (+4.9%) and information technology (+3.9%) sectors. The energy (-8.3%) and financials (-0.4%) sectors lagged the overall index.
- The Cboe VIX Index started the month hitting year-to-date lows of 15.1, before rising to 22.5, coinciding with a mid-month selloff surrounding uncertainty over increases in Delta variant cases. The index closed the month elevated and closely in line with the 100-day moving average of 18.3.

## S&P 500 PRICE INDEX



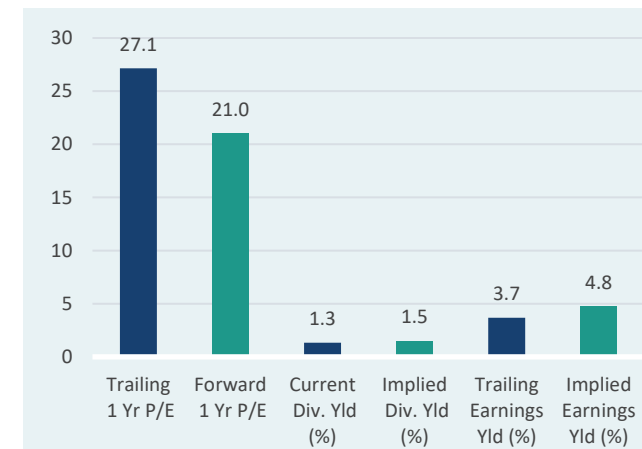
Source: Bloomberg, as of 7/31/21

## IMPLIED VOLATILITY (VIX INDEX)



Source: CBOE, as of 7/31/21

## S&P 500 VALUATION SNAPSHOT

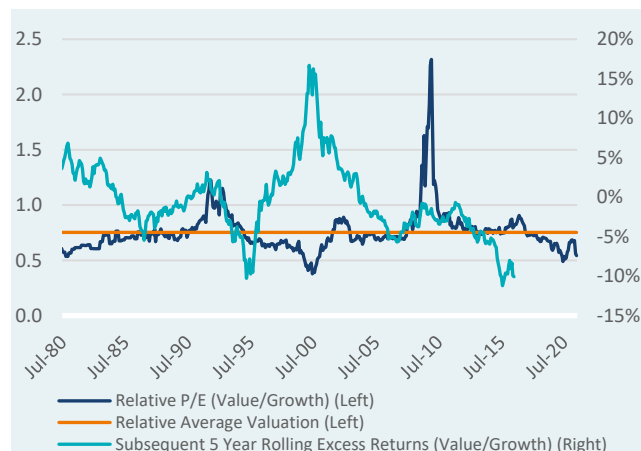


Source: Bloomberg, as of 7/31/21

# Domestic equity size and style

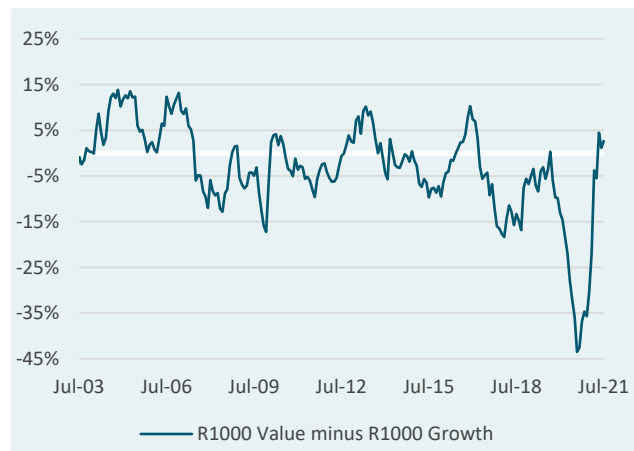
- Large-cap equities (Russell 1000 +2.1%) outperformed small-cap stocks (Russell 2000 -3.6%). Large-caps have outperformed small-caps for four consecutive months. Despite every sector in the Russell 1000 outperforming the Russell 2000, outperformance was concentrated in the larger health care companies, which posted 11.9% outperformance over small-cap peers.
- Large-cap stocks delivered a Sharpe Ratio 45% higher than small-cap stocks over the 3-year period, meaning large-cap stocks have provided superior risk-adjusted returns over the period.
- Growth stocks (Russell 3000 Growth +2.8%) outperformed value stocks (Russell 3000 Value +0.5%) in July. Growth's outsized rise in price was reflective of a poor month for value-tilted sectors such as energy and financials, which acted as a headwind.
- The S&P 500 Low Volatility Index includes one hundred of the least volatile stocks over the past 12-month period and is weighted by the volatility of each stock. The S&P 500 Low Volatility Index outperformed the S&P 500 by 1.2% in July, as investors were not as compensated for holding riskier stocks.

**VALUE VS. GROWTH RELATIVE VALUATIONS**



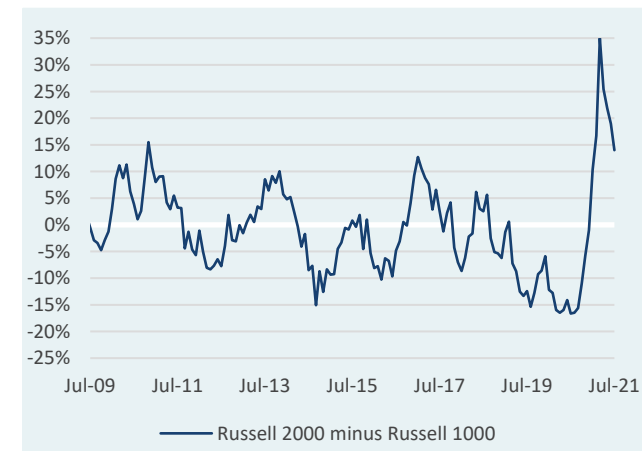
Source: FTSE, Bloomberg, as of 7/31/21

**VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE**



Source: FTSE, Bloomberg, as of 7/31/21

**SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE**

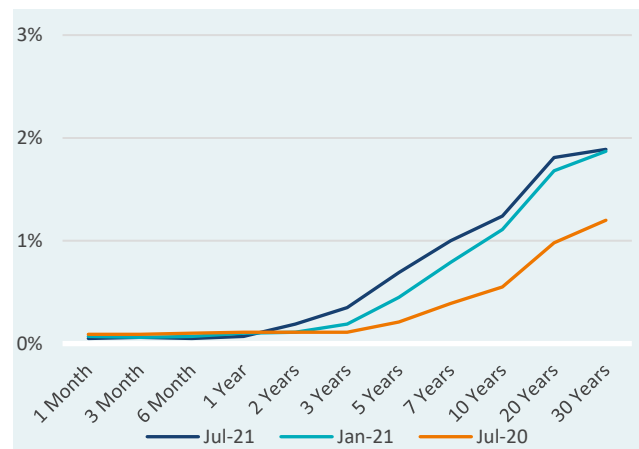


Source: FTSE, Bloomberg, as of 7/31/21

# Fixed income

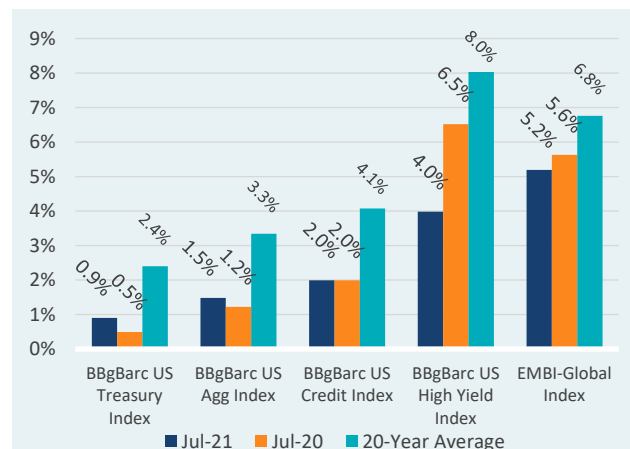
- 10-year TIPS breakeven inflation rate rose 10 basis points over the month, while the yield on the 10-year Treasury fell 21 basis points. Both movements boosted the performance of U.S. Treasury Inflation-Protected Securities (BBgBarc US TIPS +2.7%), which outperformed most other fixed income asset classes over the month.
- In July, the dollar rose +0.5% against a basket of emerging market currencies, which was a slight reversal from the 10.5% depreciation that occurred from March through mid-June.
- The European Central Bank set a new inflation target in its most recent policy review to a symmetric 2%, which will allow for overshoots when deemed necessary. In a recent statement, the ECB reiterated that it expects to keep interest rates “at their present or lower levels until it sees inflation reaching 2%, with a transitional period above 2% allowed”.
- The Bank of England left its monetary policy unchanged at a historically low rate of 0.1%. Policymakers also voted to keep the quantitative easing program in place despite inflation forecasts of 4% by year end considerably above its 2% target.

**U.S. TREASURY YIELD CURVE**



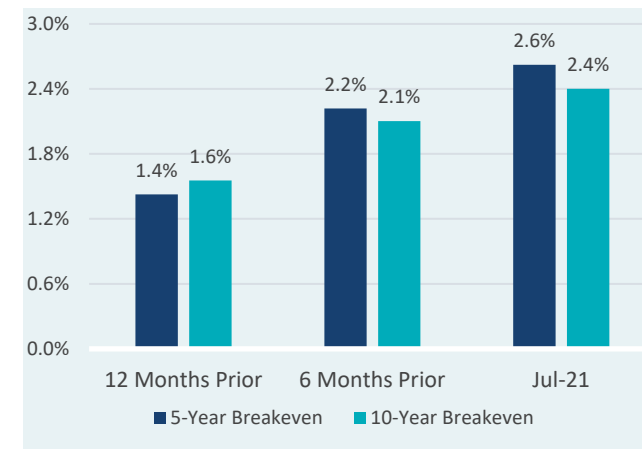
Source: Bloomberg, as of 7/31/21

**NOMINAL YIELDS**



Source: Morningstar, as of 7/31/21

**BREAKEVEN INFLATION RATES**



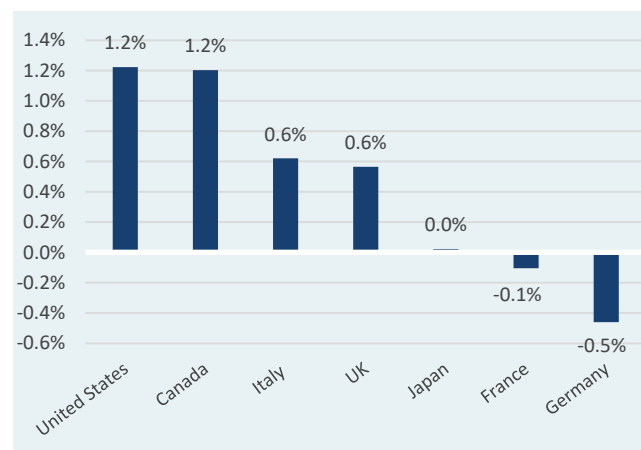
Source: Bloomberg, as of 7/31/21



# Global markets

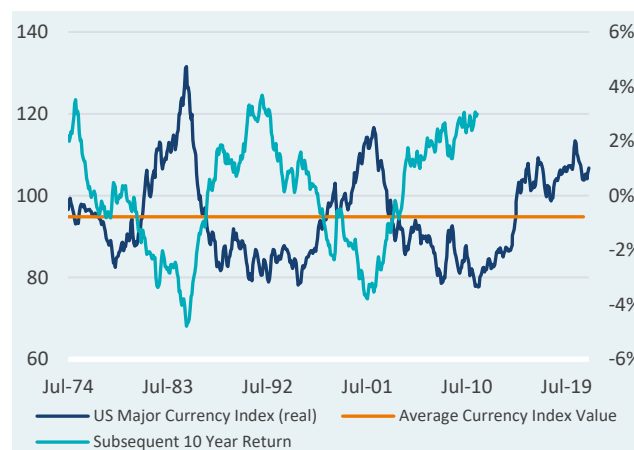
- Developed market equities (MSCI EAFE +0.8%) performed similarly to global equities (MSCI ACWI +0.7%) over the month. Global equities were weighed down by the material underperformance of emerging market equities (MSCI EM -6.7%).
- Within the MSCI EM Index, Asian companies (MSCI EM Asia -6.7%) underperformed Latin American companies in U.S. dollar terms (MSCI EM Latin American -4.1%). Asian equities sold off over the month following the delisting of several Chinese tech companies.
- According to a survey by the International Monetary Fund, world GDP is expected to grow 6.0% in 2021, and 4.9% in 2022, revised upward from the October 2020 report 0.8% and 0.2%, respectively.
- The U.S. and China met for the first time since March. The meeting concluded with criticisms from both sides as Chinese officials stated that the U.S.-China relationship is “in a stalemate and faces serious difficulties”. The Biden administration has broadly maintained the previous administration’s tough stance and is working with U.S. allies to put pressure on China.

**GLOBAL SOVEREIGN 10-YEAR YIELDS**



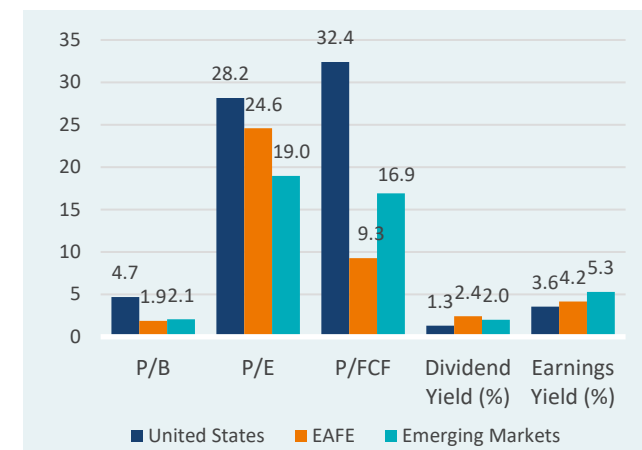
Source: Bloomberg, as of 7/31/21

**U.S. DOLLAR MAJOR CURRENCY INDEX**



Source: Federal Reserve, as of 7/31/21

**MSCI VALUATION METRICS (3-MONTH AVG)**



Source: Bloomberg, as of 7/31/21

# Commodities

- The Bloomberg Commodity Index rose +1.8% over the month of July. The index was helped higher by the heavily weighted energy (+3.8%) and industrial metals (+4.0%) sectors, while the grains (-3.7%) component weighed on the performance of the overall commodity index.
- The Bloomberg Energy Sub-Index (+3.8%) finished the month higher, supported by natural gas (+10.7%). WTI Crude Oil saw a -8.9% sell off mid-month, surrounded by concerns over a Delta variant that may weigh on demand. Prices were likely pressured further by Saudi Arabia which reached agreement with the UAE to allow monthly supply hikes of 400,000 barrels per day.

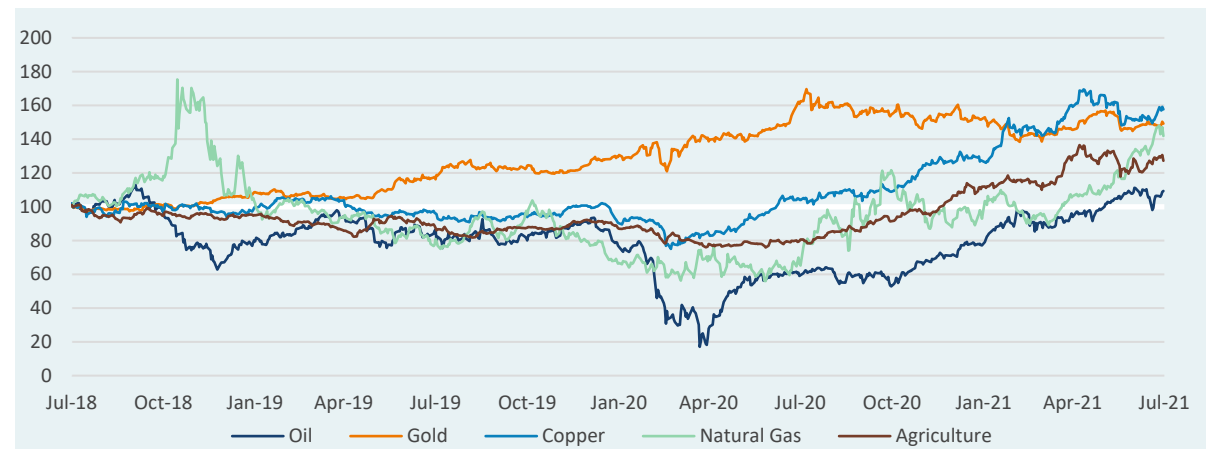
- The Industrial Metals Sub-Index (+4.0%) was the top performing sub-index within the commodities basket. The biggest component of the sub-index, copper (+4.5%) contributed most to returns. The smallest weighted component of the sub-index, nickel (+7.3%), was the second largest contributor to overall returns.
- The Grains Sub-Index (-3.7%) was weighed down by falling corn prices (-12.2%). The U.S. Court of Appeals ruled in favor of a lawsuit from an oil refining group that challenged a trump-era rule that let the EPA lift its ban on summertime sales of corn-based fuels like ethanol. Corn farmers could experience \$1 billion in lost sales revenues.

## INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	1.8	1.8	23.4	40.3	5.3	3.9	(4.5)
Bloomberg Agriculture	(1.0)	(1.0)	19.3	58.0	9.2	1.7	(3.5)
Bloomberg Energy	3.8	3.8	50.1	56.9	(8.0)	(0.9)	(11.8)
Bloomberg Grains	(3.7)	(3.7)	16.0	60.2	7.9	2.2	(3.5)
Bloomberg Industrial Metals	4.0	4.0	22.2	45.2	10.7	11.2	(1.7)
Bloomberg Livestock	(0.3)	(0.3)	8.5	20.0	(5.4)	(3.1)	(4.3)
Bloomberg Petroleum	2.4	2.4	51.9	75.8	(4.6)	5.8	(7.6)
Bloomberg Precious Metals	1.2	1.2	(4.6)	(6.5)	13.1	4.2	(1.3)
Bloomberg Softs	6.2	6.2	24.2	39.5	7.6	(3.3)	(7.6)

Source: Morningstar, as of 7/31/21

## COMMODITY PERFORMANCE



Source: Bloomberg, as of 7/31/21

# Appendix

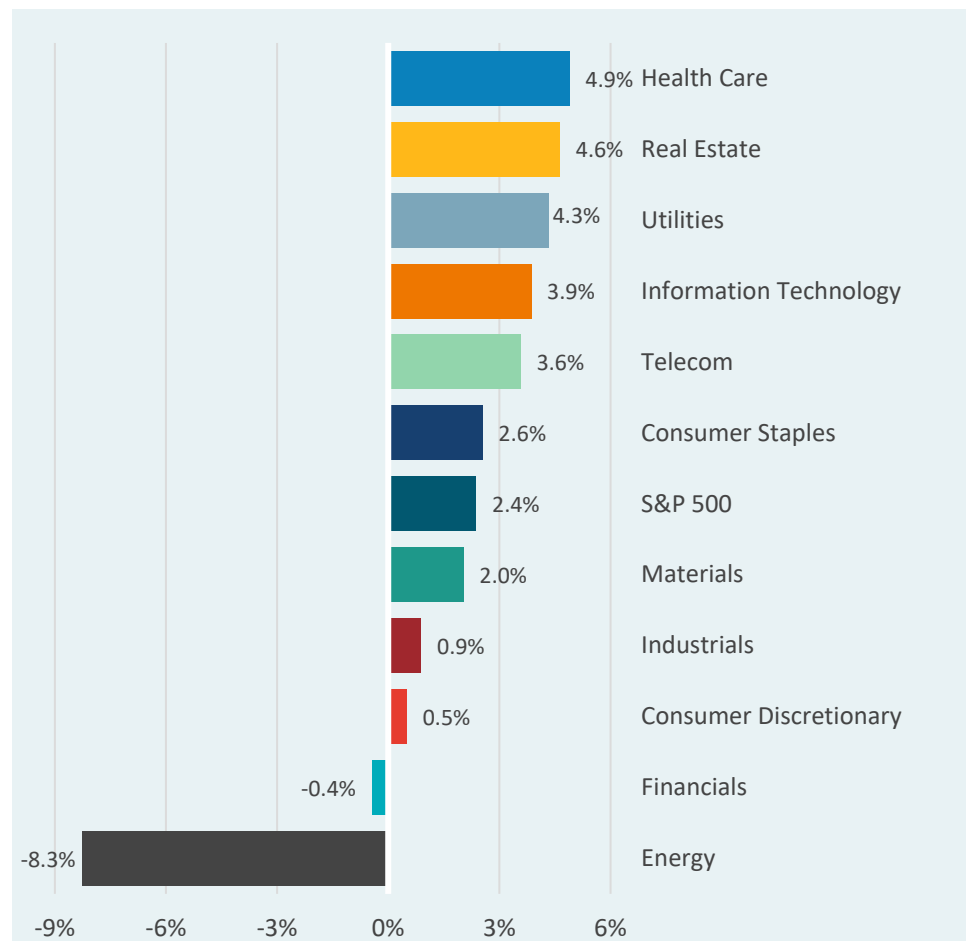
# Periodic table of returns



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BBgBarc US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BBgBarc Global Bond. NCREIF Property Index performance data as of 6/30/21.

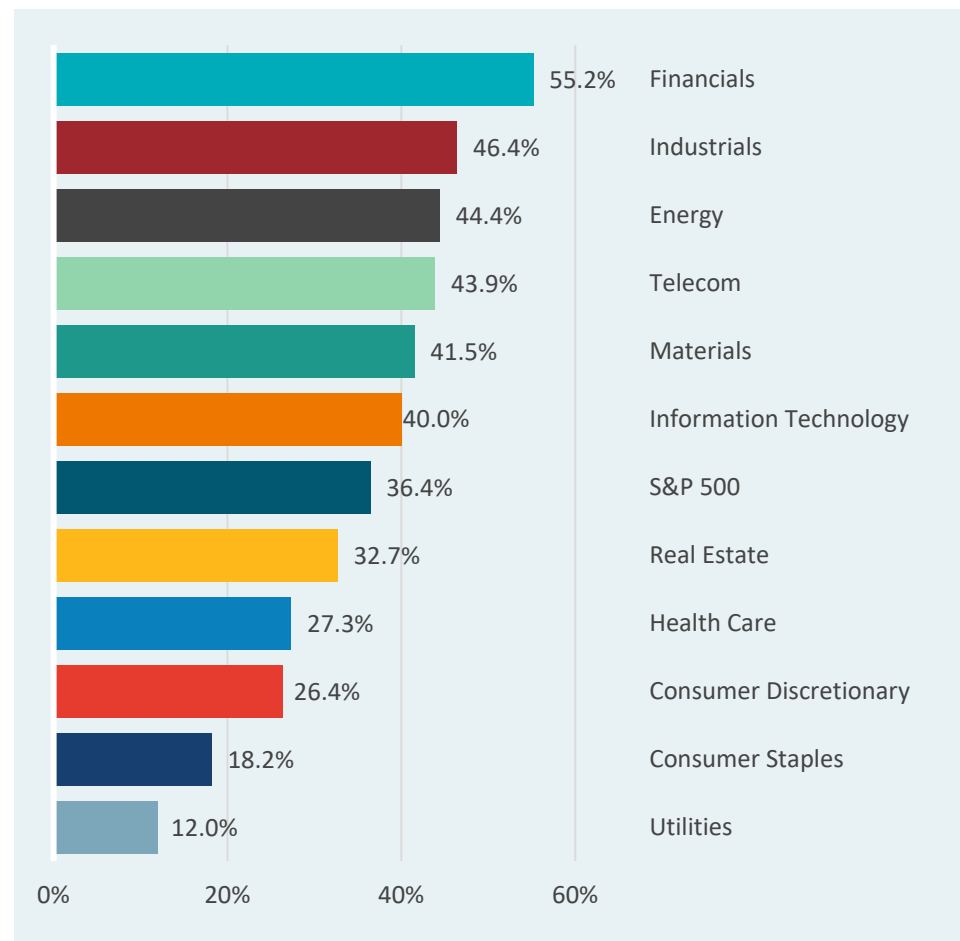
# S&P 500 sector returns

QTD



Source: Morningstar, as of 7/31/21

ONE YEAR ENDING JULY



Source: Morningstar, as of 7/31/21

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	2.4	2.4	18.0	36.4	18.2	17.3	15.3
S&P 500 Equal Weighted	1.3	1.3	20.7	45.6	15.7	15.0	14.3
DJ Industrial Average	1.3	1.3	15.3	34.8	13.7	16.3	13.9
Russell Top 200	2.6	2.6	17.4	36.4	19.7	18.7	16.0
Russell 1000	2.1	2.1	17.3	38.0	18.6	17.6	15.4
Russell 2000	(3.6)	(3.6)	13.3	52.0	11.5	14.3	12.3
Russell 3000	1.7	1.7	17.1	38.7	18.1	17.4	15.2
Russell Mid Cap	0.8	0.8	17.1	42.6	15.8	14.8	13.7
<b>Style Index</b>							
Russell 1000 Growth	3.3	3.3	16.7	36.7	25.3	23.3	18.4
Russell 1000 Value	0.8	0.8	18.0	39.3	11.3	11.4	12.1
Russell 2000 Growth	(3.6)	(3.6)	5.0	41.0	13.9	16.4	13.6
Russell 2000 Value	(3.6)	(3.6)	22.2	63.7	8.3	11.6	10.8

## INTERNATIONAL EQUITY

<b>Broad Index</b>							
MSCI ACWI	0.7	0.7	13.1	33.2	13.7	13.8	10.2
MSCI ACWI ex US	(1.6)	(1.6)	7.4	27.8	7.9	9.6	5.4
MSCI EAFE	0.8	0.8	9.7	30.3	7.7	9.4	6.1
MSCI EM	(6.7)	(6.7)	0.2	20.6	7.9	10.4	3.6
MSCI EAFE Small Cap	1.7	1.7	10.9	38.7	8.8	11.1	8.7
<b>Style Index</b>							
MSCI EAFE Growth	1.7	1.7	8.6	27.5	12.3	11.8	8.0
MSCI EAFE Value	(0.2)	(0.2)	10.4	32.9	2.7	6.7	4.1
<b>Regional Index</b>							
MSCI UK	0.9	0.9	13.5	30.6	1.9	5.3	3.8
MSCI Japan	(1.3)	(1.3)	(0.0)	25.2	6.6	8.5	6.6
MSCI Europe	1.0	1.0	(0.2)	0.4	5.9	3.5	3.7
MSCI EM Asia	(8.1)	(8.1)	(2.6)	18.2	9.7	12.3	6.1
MSCI EM Latin American	(4.1)	(4.1)	4.5	25.3	0.6	3.9	(2.5)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
BBgBarc US TIPS	2.7	2.7	4.4	6.9	7.6	4.5	3.3
BBgBarc US Treasury Bills	0.0	0.0	0.0	0.1	1.3	1.2	0.7
BBgBarc US Agg Bond	1.1	1.1	(0.5)	(0.7)	5.7	3.1	3.3
BBgBarc US Universal	1.0	1.0	(0.2)	0.4	5.9	3.5	3.7
<b>Duration</b>							
BBgBarc US Treasury 1-3 Yr	0.2	0.2	0.1	0.1	2.8	1.7	1.2
BBgBarc US Treasury Long	3.6	3.6	(4.6)	(11.1)	9.8	3.4	6.6
BBgBarc US Treasury	1.4	1.4	(1.3)	(3.0)	5.3	2.3	2.8
<b>Issuer</b>							
BBgBarc US MBS	0.6	0.6	(0.1)	0.0	4.0	2.4	2.6
BBgBarc US Corp. High Yield	0.4	0.4	4.0	10.6	7.2	7.0	6.6
BBgBarc US Agency Interm	0.5	0.5	(0.0)	0.2	3.5	2.0	1.8
BBgBarc US Credit	1.3	1.3	0.0	1.2	7.6	4.6	4.8

## OTHER

<b>Index</b>							
Bloomberg Commodity	1.8	1.8	23.4	40.3	5.3	3.9	(4.5)
Wilshire US REIT	5.1	5.1	29.0	38.5	11.7	6.5	9.7
CS Leveraged Loans	(0.0)	(0.0)	3.5	9.6	4.1	4.7	4.5
Alerian MLP	(6.3)	(6.3)	38.5	59.3	(5.3)	(3.4)	0.8
<b>Regional Index</b>							
JPM EMBI Global Div	0.4	0.4	(0.3)	4.1	6.0	4.6	5.5
JPM GBI-EM Global Div	(0.4)	(0.4)	(3.8)	3.0	3.3	3.0	0.3
<b>Hedge Funds</b>							
HFRI Composite	0.4	0.4	10.5	24.3	8.7	7.6	5.1
HFRI FOF Composite	0.2	0.2	5.1	15.9	6.3	5.8	3.8
<b>Currency (Spot)</b>							
Euro	(0.0)	(0.0)	(3.1)	0.3	0.4	1.2	(1.9)
Pound Sterling	0.6	0.6	1.7	5.9	2.0	0.9	(1.6)
Yen	1.1	1.1	(5.9)	(3.7)	0.7	(1.4)	(3.5)

Source: Morningstar, HFRI, as of 7/31/21

# Detailed private market returns

## Comparison to public market index returns

### Private Equity Pooled IRRs

	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	48.2	19.3	15.9	12.6
Global Private Equity Direct Funds *	58.5	22.9	20.0	15.2
U.S. Private Equity Direct Funds *	61.1	25.1	20.9	16.6
Europe Private Equity Direct Funds *	51.8	19.5	20.0	12.7
Asia Private Equity Direct Funds *	54.3	20.0	17.9	14.6

### Public Index Time-weighted Returns

	1 Year	3 Year	5 Year	10 Year
MSCI World	54.0	12.8	13.4	9.9
S&P 500	56.4	16.8	16.3	13.9
MSCI Europe	44.9	5.6	8.2	5.1
MSCI AC Asia Pacific	51.8	8.2	12.2	6.7

### Private Real Estate Pooled IRRs

	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	13.1	7.0	8.5	11.7

### Public Index Time-weighted Returns

	1 Year	3 Year	5 Year	10 Year
FTSE NAREIT Equity REIT	37.8	9.5	5.3	8.6

### Private Credit Pooled IRRs

	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt **	32.0	10.4	11.5	10.4

### Public Index Time-weighted Returns

	1 Year	3 Year	5 Year	10 Year
S&P / LSTA U.S. Leveraged Loan 100 Index	15.3	4.1	5.0	3.9

### Private Real Assets Pooled IRRs

	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ***	19.6	(4.7)	1.7	0.6
Global Infrastructure	16.9	9.1	10.9	9.7

### Public Index Time-weighted Returns

	1 Year	3 Year	5 Year	10 Year
S&P Global Natural Resources	67.7	5.5	11.4	1.1
S&P Global Infrastructure	37.0	5.7	6.8	6.3

Source: Pooled IRRs are from Thompson Reuters C/A and Time-weighted Returns are from Investment Metrics, as of March 31<sup>st</sup>, 2021. All returns in U.S. dollars.

\* Includes Buyout, Growth Equity and Venture Capital.

\*\* Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.

\*\*\* Includes Private Equity Energy, Timber and Upstream Energy & Royalties.



# Notices & disclosures

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## Board of Trustees

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Date: August 23, 2021

To: Board of Trustees

From: Carl Nelson – Executive Director  
Amy Burke – Deputy Director

### **Agenda Item 13: Private Markets Discretionary Advisor Search Update - NEPC**

The search for a Private Markets Discretionary Advisor is being conducted by NEPC. Don Stracke of NEPC will present a brief update on the process being followed to select an advisor to manage this complex and expanded allocation to private equity, private credit and infrastructure.

The ad hoc Private Markets Investment Committee – Trustees Hamilton, Dacus and Hamm – have had multiple meetings with NEPC. The RFI for this advisor search received 12 high quality responses. After extensive analysis by NEPC and discussion with staff and the Investment Committee four semi-finalist firms were selected. Presentations to the Investment Committee by the semi-finalists were held on August 20<sup>th</sup>. The four semi-finalists in alphabetical order are –

- Adams Street
- Harbourvest \*
- Pantheon
- Pathway \*

\* The SLOCPT has existing fund-of-funds investments with Harbourvest and Pathway.

It is positive to note that NEPC's initial opinion is that all of the semi-finalist firms are very well qualified, experienced at managing Fund-of-One private equity/credit programs, and propose competitive fee structures. Any one of the semi-finalist firms could ably manage the planned SLOCPT private markets program.

The plan for the selection of a Private Markets Discretionary Advisor is to have the Investment Committee recommend a Finalist to make a presentation at the September 28<sup>th</sup> Board of Trustees meeting. Should that Finalist be approved by the Board, subsequent operational and investment due-diligence and contract negotiations would take place.

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## Board of Trustees

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Date: August 23, 2021

To: Board of Trustees

From: Carl Nelson – Executive Director  
Amy Burke – Deputy Director

### **Agenda Item 14: Asset Allocation - July 2021**

This item on the agenda provides a properly noticed opportunity for the Board of Trustees to discuss and take action, if necessary, regarding asset allocation and related investment matters.

As a report on current asset allocation relative to the 2021 Interim SAA Target Allocation the following table provides details. Asset values may differ slightly from those shown in the Monthly Investment report due to when the report was run as various market values are finalized for month-end.

Three added investment portfolios that have been previously approved –

- Short Duration bond portfolio – Liquidity – PIMCO
- Treasury Bonds - Risk Diversifying – State Street
- TIPS - Risk Diversifying - BlackRock

The Short Duration and Treasury Bond accounts are operational and have received their initial funding. The TIPS portfolio is in the final step of document execution and will be initially funded near the end of August.

Note that the \$70 million prefunding of SLO County employed contributions took place during July. The bulk of these funds are being retained in the Liquidity portfolios for payment of retirement benefits over the remainder of 2021. This accounts for the higher than typical allocation to the Treasury portfolio in the Liquidity area.

FFP Asset Mix	Est. Market Value (\$000s) 07/30/21	% Allocation	SAA Target Allocation 2021 Interim	Variance
Bank (operating)	1,410	0.1%	-	0.1%
SLOC Treasury	93,132	5.4%	1.6%	3.7%
JPM short term	16,045	0.9%	0.4%	0.6%
Short Duration	20,021	1.2%	2.0%	-0.8%
<b>LIQUIDITY</b>	130,609	7.5%	4.0%	3.5%
Equity- Public Mkt US	400,755	23.0%	22.0%	1.0%
Equity- Public Mkt Intl	352,436	20.3%	18.0%	2.3%
Equity- Public Mkt Global	-	0.0%	0.0%	0.0%
Bank Loans	77,360	4.4%	4.0%	0.4%
Bonds- Intl.	70,717	4.1%	3.0%	1.1%
Bonds- Emerging Mkts	72,693	4.2%	4.0%	0.2%
Real Estate- Core	147,266	8.5%	12.0%	-3.5%
Real Estate- Value Add	47,179	2.7%	1.5%	1.2%
Infrastructure	-	0.0%	1.5%	-1.5%
Private Equity	107,027	6.2%	8.0%	-1.8%
Private Credit	79,722	4.6%	7.0%	-2.4%
Opportunistic	29,846	1.7%	0.0%	1.7%
<b>GROWTH</b>	1,385,001	79.6%	81.0%	-1.4%
Bonds- Core	193,785	11.1%	10.0%	1.1%
Long Treasuries	30,000	1.7%	3.0%	-1.3%
TIPS	-	0.0%	2.0%	-2.0%
<b>RISK DIVERSFYING</b>	223,785	12.9%	15.0%	-2.1%
<b>TOTAL</b>	1,739,395	100.0%	100.0%	

Respectfully submitted,