

Pension Trust

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



AGENDA

PENSION TRUST BOARD OF TRUSTEES

Monday, Nov. 27, 2023 9:30 AM
Board of Supervisors Chambers
Katcho Achadjian Government Center
San Luis Obispo, CA 93408

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. 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.

IN-PERSON MEETING

This meeting of the Board of Trustees will be held as an in-person meeting at the place shown above. The meeting may be available for online viewing by accessing -

<https://us06web.zoom.us/j/86107792711?pwd=VjlGYVBjVExXSFlwaFRWbDNPdWpVZz09>

Webinar ID: [861 0779 2711](#) Passcode: [276415](#)

If you wish to listen via phone to the meeting, please dial 669/900-6833. If you have any questions or require additional service, please contact SLOOPT at 805/781-5465.

Note: During the Closed Session portion of the meeting the online access will be turned off.

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

None

C) CONSENT

2. Minutes of the Regular Meeting of Sept 25, 2023 (Approve Without Correction).
3. Minutes of the Special Meeting of October 10, 2023 (Approve Without Correction).
4. Reports of Deposits and Contributions for the months of September and October 2023 (Receive and File).
5. Reports of Service Retirements, Disability Retirements and DROP Participants for the months of September and October 2023 (Receive, Approve and File).
6. Monthly Investment Report for September 2023 (Receive and File)
7. Resolution Modifying and Affirming Investment and Banking authority - Resolution 2023-02 (Recommend Approval).
8. Annual Pensionable Compensation Limit for 2024 pursuant to the Public Employees Pension Reform Act (Tier 3) (Recommend Approval).
9. Stipulation for the Division of Pension Benefits – Option Four Pension Benefit Election (Recommend Approval).

D) APPLICATIONS FOR DISABILITY RETIREMENT

10. Application for Ordinary Disability Retirement – Case 2023-03 (Recommend Approval)
11. Application for Industrial Disability Retirement – Case 2023-04 (Recommend Approval)
12. *Reserved*
13. *Reserved*

E) OLD BUSINESS

None

F) NEW BUSINESS

14. Resolution Number 2023–03: A Resolution Establishing the Rate of Interest to be Paid on the Normal Contributions of Members (Recommend Approval).
15. Resolution Number 2023–04: A Resolution Establishing the Rate of Interest to be Paid on the Additional Contributions of Members (Recommend Approval).
16. *Reserved*

G) INVESTMENTS

17. Quarterly Investment Report for the 3rd Quarter of 2023 – Verus (Receive and File).
18. Monthly Investment Report for October 2023 (Receive and File).
19. Asset Allocation – Implementation – Interim 2024 Policy Targets (Review, Discuss, and Recommend Approval).
20. Capital Market Assumptions Update - Verus (Review, Discuss).
21. Private Markets Program Review - Verus (Review, Discuss).
22. Asset Allocation - (Review, Discuss, and Direct Staff as necessary)

H) OPERATIONS

23. Staff Reports
24. General Counsel Reports
25. Committee Reports:
 - i. Audit Committee No Report
 - ii. Personnel Committee Report
26. Upcoming Board Topics (subject to change)
 - i. January 23, 2024
 - a. Election of Officers
 - b. Committee Appointments
 - c. Disability (TBD)

- d. Annual Policies Review
- e. TBD

- ii. February 26, 2024
 - a. 2024 Retiree COLA
 - b. Quarterly Investment Report
 - c. Capital Market Assumptions / Asset Allocation Review
 - d. Investment Policy Statement review
 - e. TBD

- iii. March 25, 2023
 - a. 2024 Actuarial Valuation and Experience Study Planning
 - b. Employer Prefunding
 - c. SLOCPT Administrative Budget FY24-25 proposed
 - d. TBD

27. Trustee Comments

I) ORGANIZATIONAL

28. Resolution Number 2023–05: Executive Director Retirement (Recommend Approval).

J) CLOSED SESSION

29. Closed session minutes of the Special Meeting of October 10, 2023 (Approve without correction)

30. PUBLIC EMPLOYEE EVALUATION. The Board will convene in closed session pursuant to Gov. Code section 54957(b)(1) to conduct the annual employee evaluation of the Executive Director.

K) ADJOURNMENT

Pension Trust

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MINUTES

Monday, September 25, 2023 9:30 AM

PENSION TRUST BOARD OF TRUSTEES

Regular Meeting of the Pension Trust
Board of Trustees

Board Members Present: Jeff Hamm
Jim Hamilton
Lisa Howe
David Grim
Michelle Shoresman
Gere Sibbach

Board Members Absent: Geoff O'Quest

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

General Counsel:	Chris Waddell	Olson Remcho
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Others:	Cindy Farrow	Local resident
	Miki Gillman (online)	SLOCREA
	Joe Ebisa (online)	Journalist – With Intelligence
	Teresa McCarthy-White (online)	SLO County HR
	Lisa Winter (online)	SLOOPT

Call to Order: 9:33 AM by President Hamm

A) PUBLIC COMMENT

1. None

B) ORGANIZATIONAL

See below

C) CONSENT

2. Minutes of the Regular Meeting of August 28, 2023 (Approve Without Correction).
3. Report of Deposits and Contributions for the month of August 2023 (Receive and File).
4. Report of Service Retirements, Disability Retirements and DROP Participants for the month of August 2023 (Receive, Approve and File).
5. *Reserved*

Motion: Approve the Consent items

Discussion: None

Public Comment: None

Motion Made: Shoresman

Motion Seconded: Grim

Carried: Unanimous

D) APPLICATIONS FOR DISABILITY RETIREMENT

6. *Reserved*
7. *Reserved*

E) OLD BUSINESS

None

F) NEW BUSINESS

8. Financial Auditor Engagement Renewal for 2023-2025 Audits

Motion: Consistent with Audit Committee recommendation, retain Brown Armstrong for a three-year financial statement audit contract.

Discussion: Deputy Director Burke presented the item on behalf of the Audit Committee.

Public Comment: None

Motion Made: Sibbach

Motion Seconded: Shoresman

Carried: Unanimous

9. Disability Retirements Process, Plan Provisions Update

Discussion: Executive Director Nelson provided answers to various questions asked by Trustees at previous meetings. Trustees asked additional questions and had a robust discussion regarding disability retirements. Discussion indicated interest in having a Board policy document on disability cases included in the January 2024 Board Policy Review session already planned.

Public Comment: None

No Action Necessary

10. *Reserved*

G) INVESTMENTS

11. Monthly Investment Report for August 2023

Motion: Receive and file the monthly investment report.

Discussion: Executive Director Nelson presented the report.

Public Comment: None

Motion Made: Grim

Motion Seconded: Howe

Carried: Unanimous

12. Alternative Investments Fee Disclosure – CA Code 7514.7 and AB2833

Motion: Receive and file the fee disclosure.

Discussion: Executive Director Nelson presented the 2022 Fee Disclosure as required by CA Code Section 7514.7. Trustees asked several questions.

Public Comment: None

Motion Made: Hamm

Motion Seconded: Shoresman

Carried: Unanimous

13. Asset Allocation

Discussion: Routine item included should asset allocation changes be necessary.

Public Comment: None

No Action Necessary

14. *Reserved*

11:05 AM - President Hamm called for a 10-minute break.

11:15 AM – Back in session

H) OPERATIONS

15. Staff Reports

- i. Staff presented the Member and Retiree Survey results to Trustees.

16. General Counsel Reports

None

17. Committee Reports:

- i. Audit Committee No Report
- ii. Personnel Committee Report – Covered in Agenda Item #20

18. Upcoming Board Topics – published on meeting agenda

19. Trustee Comments

None

I) CLOSED SESSION

11:56 AM – entered Closed Session

20. EXECUTIVE DIRECTOR RECRUITMENT. The Board convened in closed session pursuant to Gov. Code section 54957(b)(1) to discuss the status of the recruitment and candidates, and to direct Staff.

1:16 PM – exited Closed Session

Report – General Counsel Waddell reported that the Board received an update on the Executive Director recruitment and there were no reportable actions.

J) STRATEGIC PLANNING SESSION

Items Deferred – due to the press of time, agenda items 21 and 22 were deferred to future meetings to be determined.

21. Funding Policy Projections - (Review, Discuss, and Direct Staff as necessary).
22. 2024-2026 Goal Setting Discussion – (Review, Discuss, and Direct Staff as necessary).
23. *Reserved*

K) ADJOURNMENT

There being no further business, the meeting was adjourned at 1:29 PM. The next Regular Meeting was set for November 27, 2023, at 9:30 AM, in the Board of Supervisors chambers, County Government Center, San Luis Obispo, California 93408.

Respectfully submitted,

Carl Nelson
Executive Director

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MINUTES

PENSION TRUST BOARD OF TRUSTEES

Tuesday, October 10, 2023 9:30 AM
Special Meeting of the Pension Trust
Board of Trustees

Board Members Present: Jeff Hamm
Jim Hamilton
Lisa Howe
David Grim
Michelle Shoresman
Geoff O'Quest
Gere Sibbach (via Zoom)

Board Members Absent:

Pension Trust Staff:	Carl Nelson	Executive Director
General Counsel:	Chris Waddell	Olson Remcho (Via Zoom)
Consultants:	Cindy Krebs Stephenie Nute	Alliance Resource Consulting SLO County Human Resources
Others:	Finalist candidate for Executive Director Recruitment	
Call to Order:	9:32 AM by President Hamm	

A) PUBLIC COMMENT

1. None

B) NEW BUSINESS

2. *Reserved*
3. *Reserved*

C) CLOSED SESSION

4. EXECUTIVE DIRECTOR RECRUITMENT: The Board convened in closed session pursuant to Gov. Code section 54957(b)(1) to consider the appointment and employment of an Executive Director.

9:34 AM – entered Closed Session

12:00 PM – exited Closed Session

Report – General Counsel Waddell reported that the Board voted unanimously to extend a conditional offer of employment for the position of Executive Director to one candidate.

D) ORGANIZATIONAL

5. *Reserved*

E) ADJOURNMENT

There being no further business, the meeting was adjourned at 12:02 PM. The next Regular Meeting has been set for November 27, 2023, at 9:30 AM, in the Board of Supervisors chambers, County Government Center, San Luis Obispo, California 93408.

Respectfully submitted,

Carl Nelson
Executive Director

**REPORT OF DEPOSITS AND CONTRIBUTIONS FOR THE MONTH OF
SEPTEMBER 2023**

PP 18 9/8/2023	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for			Combined Rate	Additional Contributions	Service Purchases	TOTAL Contributions
					Employee Contributions	Employee Rate	Employee Rate				
By Employer and Tier:											
County Tier 1	2,624,255.77	933,256.48	35.56%	362,739.27	224,740.64	22.39%	57.95%	2,487.50	1,313.37		1,524,537.26
County Tier 2	979,598.23	361,317.08	36.88%	66,244.26	82,339.79	15.17%	52.05%	-	-		509,901.13
County Tier 3	5,337,477.73	1,884,296.71	35.30%	727,235.45	-	13.63%	48.93%	-	1,137.65		2,612,669.81
Superior Court Tier 1	223,145.94	74,883.92	33.56%	48,069.58	-	21.54%	55.10%	-	5,607.90		128,561.40
Superior Court Tier 3	219,835.94	70,728.84	32.17%	36,316.25	-	16.52%	48.69%	-	4.34		107,049.43
APCD Tier 1	48,444.97	15,110.43	31.19%	7,580.85	3,886.42	23.67%	54.86%	-	-		26,577.70
APCD Tier 2	8,180.00	2,537.64	31.02%	728.97	619.01	16.48%	47.50%	-	-		3,885.62
APCD Tier 3	25,992.01	8,021.13	30.86%	3,556.70	-	13.68%	44.54%	-	-		11,577.83
SLOCPT Tier 1	8,506.26	2,851.30	33.52%	1,291.25	790.23	24.47%	57.99%	-	-		4,932.78
SLOCPT Tier 2	10,583.20	3,547.49	33.52%	597.95	983.18	14.94%	48.46%	-	-		5,128.62
SLOCPT Tier 3	14,722.09	5,077.64	34.49%	1,965.79	-	13.35%	47.84%	250.00	-		7,293.43
LAFCO Tier 3	11,462.96	3,957.02	34.52%	1,675.60	-	14.62%	49.14%	-	-		5,632.62
RTA Tier 2	31,451.20	10,671.39	33.93%	644.19	4,088.66	15.05%	48.98%	-	-		15,404.24
RTA Tier 3	16,536.80	5,698.07	34.46%	2,170.07	-	13.12%	47.58%	-	-		7,868.14
	9,560,193.10	3,381,955.14	35.38%	1,260,816.18	317,447.93	16.51%	51.88%	2,737.50	8,063.26		\$ 4,971,020.01

PP 19 9/22/2023	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for			Combined Rate	Additional Contributions	Service Purchases	TOTAL Contributions
					Employee Contributions	Employee Rate	Employee Rate				
By Employer and Tier:											
County Tier 1	2,628,512.36	934,780.11	35.56%	363,265.99	225,252.50	22.39%	57.95%	2,487.50	1,216.04		1,527,002.14
County Tier 2	968,562.56	357,675.35	36.93%	64,604.29	82,147.75	15.15%	52.08%	-	-		504,427.39
County Tier 3	5,358,506.04	1,890,315.84	35.28%	730,540.27	-	13.63%	48.91%	-	1,073.72		2,621,929.83
Superior Court Tier 1	223,959.09	75,158.92	33.56%	48,255.81	-	21.55%	55.11%	-	-		123,414.73
Superior Court Tier 3	222,199.02	71,454.58	32.16%	36,781.49	-	16.55%	48.71%	-	-		108,236.07
APCD Tier 1	48,444.94	15,110.43	31.19%	7,580.84	3,886.42	23.67%	54.86%	-	-		26,577.69
APCD Tier 2	8,180.00	2,537.64	31.02%	728.97	619.01	16.48%	47.50%	-	-		3,885.62
APCD Tier 3	23,797.63	7,343.95	30.86%	3,144.37	-	13.21%	44.07%	-	-		10,488.32
SLOCPT Tier 1	8,506.26	2,851.30	33.52%	1,291.25	790.23	24.47%	57.99%	-	-		4,932.78
SLOCPT Tier 2	10,583.20	3,547.49	33.52%	597.95	983.18	14.94%	48.46%	-	-		5,128.62
SLOCPT Tier 3	14,722.09	5,077.64	34.49%	1,965.79	-	13.35%	47.84%	250.00	-		7,293.43
LAFCO Tier 3	11,462.96	3,957.02	34.52%	1,675.60	-	14.62%	49.14%	-	-		5,632.62
RTA Tier 2	31,451.20	10,671.39	33.93%	644.19	4,088.66	15.05%	48.98%	-	-		15,404.24
RTA Tier 3	16,536.80	5,698.07	34.46%	2,170.07	-	13.12%	47.58%	-	-		7,868.14
	9,575,424.15	3,386,179.73	35.36%	1,263,246.88	317,767.75	16.51%	51.87%	2,737.50	2,289.76		\$ 4,972,221.62

TOTAL FOR THE MONTH	19,135,617.25	6,768,134.87	35.37%	2,524,063.06	635,215.68	16.51%	51.88%	5,475.00	10,353.02		\$ 9,943,241.63
TOTAL YEAR TO DATE	177,899,866.34	60,065,791.39	33.76%	23,491,526.04	6,089,454.27	16.63%	50.39%	51,814.16	99,092.54		\$ 89,797,678.40

**REPORT OF DEPOSITS AND CONTRIBUTIONS FOR THE MONTH OF
OCTOBER 2023**

PP 20 10/6/2023	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for	Employee Rate	Combined Rate	Additional Contributions	Service Purchases	TOTAL Contributions
					Employee Contributions					
By Employer and Tier:										
County Tier 1	2,615,124.59	931,463.73	35.62%	360,433.03	223,993.58	22.35%	57.97%	2,487.50	1,129.99	1,519,507.83
County Tier 2	973,975.30	359,345.71	36.89%	65,563.58	81,951.35	15.15%	52.04%	-	-	506,860.64
County Tier 3	5,385,924.37	1,898,639.06	35.25%	734,040.16	-	13.63%	48.88%	-	1,084.67	2,633,763.89
Superior Court Tier 1	223,321.49	74,968.93	33.57%	48,142.03	-	21.56%	55.13%	-	-	123,110.96
Superior Court Tier 3	224,963.96	72,320.93	32.15%	37,151.27	-	16.51%	48.66%	-	-	109,472.20
APCD Tier 1	48,444.95	15,110.43	31.19%	7,580.84	3,886.42	23.67%	54.86%	-	-	26,577.69
APCD Tier 2	8,180.00	2,537.64	31.02%	728.97	619.01	16.48%	47.50%	-	-	3,885.62
APCD Tier 3	25,960.02	8,011.28	30.86%	3,464.19	-	13.34%	44.20%	-	-	11,475.47
SLOCPT Tier 1	8,506.26	2,851.30	33.52%	1,291.25	790.23	24.47%	57.99%	-	-	4,932.78
SLOCPT Tier 2	10,583.20	3,547.49	33.52%	597.95	983.18	14.94%	48.46%	-	-	5,128.62
SLOCPT Tier 3	14,722.08	5,077.64	34.49%	1,965.79	-	13.35%	47.84%	250.00	-	7,293.43
LAFCO Tier 3	11,462.96	3,957.02	34.52%	1,675.60	-	14.62%	49.14%	-	-	5,632.62
RTA Tier 2	31,451.20	10,671.39	33.93%	644.19	4,088.66	15.05%	48.98%	-	-	15,404.24
RTA Tier 3	16,536.80	5,698.07	34.46%	2,170.07	-	13.12%	47.58%	-	-	7,868.14
	9,599,157.18	3,394,200.62	35.36%	1,265,448.92	316,312.43	16.48%	51.84%	2,737.50	2,214.66	\$ 4,980,914.13

PP 21 10/20/2023	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for	Employee Rate	Combined Rate	Additional Contributions	Service Purchases	TOTAL Contributions
					Employee Contributions					
By Employer and Tier:										
County Tier 1	2,634,337.08	935,965.44	35.53%	362,222.26	226,023.97	22.33%	57.86%	2,487.50	1,129.99	1,527,829.16
County Tier 2	976,524.54	360,333.25	36.90%	65,818.74	82,180.73	15.16%	52.06%	-	-	508,332.72
County Tier 3	5,424,236.63	1,912,412.01	35.26%	740,585.23	-	13.65%	48.91%	-	731.51	2,653,728.75
Superior Court Tier 1	226,137.18	75,935.48	33.58%	48,731.54	-	21.55%	55.13%	-	-	124,667.02
Superior Court Tier 3	225,758.31	72,593.40	32.16%	37,306.87	-	16.53%	48.68%	-	-	109,900.27
APCD Tier 1	48,444.94	15,110.43	31.19%	7,580.84	3,886.42	23.67%	54.86%	-	-	26,577.69
APCD Tier 2	8,180.01	2,537.64	31.02%	728.98	619.01	16.48%	47.50%	-	-	3,885.63
APCD Tier 3	28,019.22	8,646.75	30.86%	3,727.56	-	13.30%	44.16%	-	-	12,374.31
SLOCPT Tier 1	9,781.89	3,278.89	33.52%	1,484.89	908.74	24.47%	57.99%	-	-	5,672.52
SLOCPT Tier 2	11,517.60	3,860.70	33.52%	650.74	1,069.98	14.94%	48.46%	-	-	5,581.42
SLOCPT Tier 3	14,722.08	5,077.64	34.49%	1,965.79	-	13.35%	47.84%	250.00	-	7,293.43
LAFCO Tier 3	11,462.96	3,957.02	34.52%	1,675.60	-	14.62%	49.14%	-	-	5,632.62
RTA Tier 2	31,451.20	10,671.39	33.93%	644.19	4,088.66	15.05%	48.98%	-	-	15,404.24
RTA Tier 3	15,686.16	5,413.61	34.51%	2,077.18	-	13.24%	47.75%	-	-	7,490.79
	9,666,259.80	3,415,793.65	35.34%	1,275,200.41	318,777.51	16.49%	51.83%	2,737.50	1,861.50	\$ 5,014,370.57

TOTAL FOR THE MONTH	19,265,416.98	6,809,994.27	35.35%	2,540,649.33	635,089.94	16.48%	51.83%	5,475.00	4,076.16	\$ 9,995,284.70
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TOTAL YEAR TO DATE	197,165,283.32	66,875,785.66	33.92%	26,032,175.37	6,724,544.21	16.61%	50.53%	57,289.16	103,168.70	\$ 99,792,963.10
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REPORT OF RETIREMENTS**September 2023**

RETIREE NAME	DEPARTMENT	BENEFIT TYPE *	EFFECTIVE DATE	MONTHLY BENEFIT	SS TEMP ANNUITY**
Butler, Monica	Behavioral Health	Service Retirement	09/02/2023	2,458.83	False
Heriford, Julie Elizabeth	Behavioral Health	Service Retirement	09/16/2023	990.01	False
Hopkins, Denise Leslie	Public Health Department	Service Retirement	09/02/2023	1,024.89	False
Kaloi-Pettit, Deborah Ileana	Public Health Department	Service Retirement	09/07/2023	1,005.53	False
Kirkhuff, Vincent James	Air Pollution Control District	Service Retirement	08/26/2023	1,651.57	False
Richardson, Julia Danes	Behavioral Health	Service Retirement	09/14/2023	1,417.39	False
Robin, Anne Marilyn	Behavioral Health	Service Retirement	08/26/2023	3,688.85	False
Shay, Jennifer	Public Health Department	Service Retirement	09/02/2023	2,262.87	False
Wleklinski, Linda Marie	Assessor	Service Retirement	09/09/2023	7,613.12	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**October 2023**

RETIREE NAME	DEPARTMENT	BENEFIT TYPE *	EFFECTIVE DATE	MONTHLY BENEFIT	SS TEMP ANNUITY**
Benedicto, Raymond V.	Central Services	Service Retirement	05/01/2023	1,777.68	False
Davis, Peter B	Sheriff-Coroner	Service Retirement	10/14/2023	7,517.39	False
Hall, Jason M	Sheriff-Coroner	DROP	10/01/2023	8,500.42	False
Jaime-Cather, Armida	Public Health Department	Service Retirement	09/21/2023	303.39	False
Jambor, Nancy-Ann Keon	Behavioral Health	Service Retirement	10/07/2023	1,888.04	False
Mills, Brenda D	Agricultural Commissioner	Service Retirement	09/01/2023	1,023.35	False
Neer, Stephen P	Public Works ISF	Service Retirement	10/22/2023	4,019.60	False
Phillips, Joseph F	Public Works ISF	DROP	10/01/2023	7,146.76	False
Puser, Daniel R	Information Services	Service Retirement	10/24/2023	833.87	False
Puser, Daniel R	Information Services	Additional Annuity	10/24/2023	32.62	False
Sosa, Olivia	Public Health Department	DROP	10/01/2023	3,253.00	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

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Date: October 23, 2023

To: Board of Trustees

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

Agenda Item 6: Monthly Investment Report for September 2023

	September	Year to Date 2023	2022	2021	2020	2019	2018
Total Trust Investments (\$ millions)	\$1,627		\$1,614 year end	\$1,775 year end	\$1,552 year end	\$1,446 year end	\$1,285 year end
Total Fund Return	-1.9% Gross	+4.1% Gross	-8.0% Gross	15.2% Gross	8.9 % Gross	16.3 % Gross	-3.2 % Gross
Policy Index Return (r)	-2.2%	+3.7%	-9.7%	12.8%	10.0 %	16.4 %	-3.2 %

- (r) Policy index as of Nov. 2021 Strategic Asset Allocation Policy with 2023 Interim targets:
- Public Mkt Equity- 21% Russell 3000, 17% MSCI ACWI ex-US
 - Public Mkt Debt- 10% Barclays US Aggregate,
 - Risk Diversifying 4% Barclays US Aggregate, 5% Barclays 7-10yr Treasury, 4% Barclays 5-10yr US TIPS
 - Real Estate & Infrastructure- 15% NCREIF Index (inc. Infrastructure)
 - Private Equity- 10% actual private equity returns
 - Private Credit- 8% actual private credit returns
 - Liquidity- 6% 90 day T-Bills
- 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 September. The attached market commentary from Verus details market conditions in September, but subsequent activity in October is not yet factored into these numbers. As of October 17th, the month has had positive returns for equities and small negative returns for bonds.

SLOCPT Investments:

The attached Verus Capital Markets Update details the investment results for the month and Verus' capital market commentary.

Capital Markets:

- **Investment Markets** – September saw falling markets in equities and bonds. For September, equity markets were generally negative throughout the month. Bond returns were negative as longer-term rates rose –
 - US stocks S&P 500 -4.6%
 - International stocks MSCI ACWI ex-US -3.3%
 - Bonds; Bloomberg US Aggregate bonds -2.5%
- **Interest Rates** – Of significance in September and into October was the increase in longer term interest rates which reduced the inverted slope of the yield curve. For example, 10-year Treasury yields rose from 4.09% at September 1st to 4.7% in mid-October. Much of the investment commentary on the rise in long term bond rates centered around the bond market “giving up” on the prospect of imminent Fed rate decreases. The thesis of short-term rates staying elevated for longer is influencing bond market expectations.

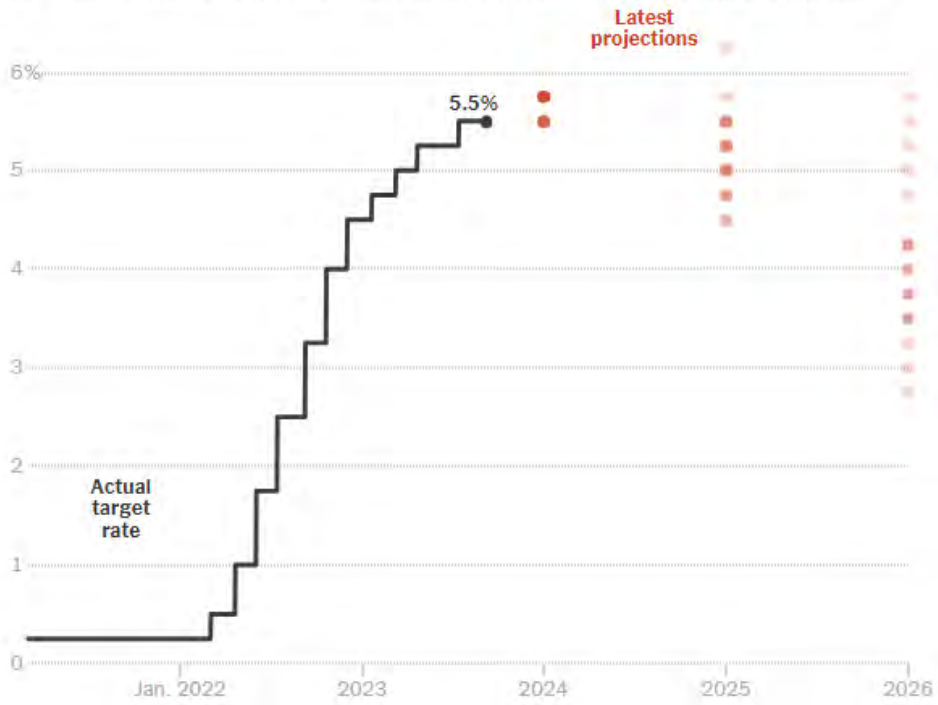
The Economy:

- **Inflation** –
 - The September US CPI inflation report, as expected, continued its slowdown in the trailing 12-month rate of CPI inflation. **The inflation rate remained unchanged at a +3.7% year-over-year increase.**
 - Social Security benefits are fully indexed to inflation and will increase 3.2% in 2024. The average Social Security benefit is \$1,907/month. With inflation declining, the 2024 SS increase is above the long-term average of 2.6%, but below the 8.7% increase in 2023 and the 5.9% increase in 2022.
- **New Jobs, Unemployment, Wages** –
 - The September jobs report from the BLS on nonfarm employment surprised economists with a substantial increase in hiring in the economy with **a gain of 336k new jobs – nearly double what was expected.** The new jobs data indicates an economy that is still growing despite significantly tightened monetary policy by the Fed. Fears of an imminent recession appear to have eased, allowing businesses to have increased confidence and unfreeze hiring plans that may have been held in check.

- **The unemployment rate in September was steady at 3.8%.**
 - The August report on California Central Coast unemployment showed San Luis Obispo County to be the lowest in the region at a 3.7% unemployment rate versus 4.6% for California as a whole.
 - **Wage growth in September came in at a 4.2%** year-over-year increase which was smaller than anticipated. This helped assuage market fears of a theoretical wage-price spiral in future inflation.
- **Monetary Policy –**
 - **The Fed, in its September 20th FOMC meeting left interest rates unchanged as was widely expected** with a target range for Fed Funds of 5.25% to 5.50%. The Fed reserved the expectation of another 0.25% rate increase at its early November or mid-December meetings.
 - Fed Chair Powell’s comments included “We want to see convincing evidence, really, that we have reached the appropriate level” said, suggesting that would require further evidence that inflation was coming down. “We’ve seen progress, and we welcome that.” We’re taking advantage of the fact that we have moved quickly to move a little more carefully now,”
 - Calibrating monetary policy is difficult, because it takes months for the full effect of rate increases to trickle through the economy. Adjusting interest rates slowly by pausing along the way gives policymakers more time to assess incoming data, allowing them to make better-informed decisions.
 - The Fed is trying to figure out how to thread a needle. The goal is to slow the economy enough so that inflation comes firmly and fully back under control. But the Fed does not want to overdo it, cooling demand too much in the interests of taming inflation but pushing the economy into a recession and increasing unemployment.
 - **The Fed forecasts released with the September 20th FOMC meeting reflected an implicit expectation for a “soft landing” for the US economy.** The Fed forecast for short term interest rates is for approximately a 5.6% rate by year end, but with the prospect of two rate cuts in 2024. The compilation of Fed expectations for the Fed Funds rate is shown in the following graph from the New York Times.

Fed officials project another rate increase this year

Circles represent where officials project the target rate to be by the beginning of each year. Darker, overlapping circles indicate multiple officials predicting the same rate.



Note: The actual target rate shows the upper limit of the federal funds target range. - Source: Federal Reserve - By Lazaro Gamio and Christine Zhang

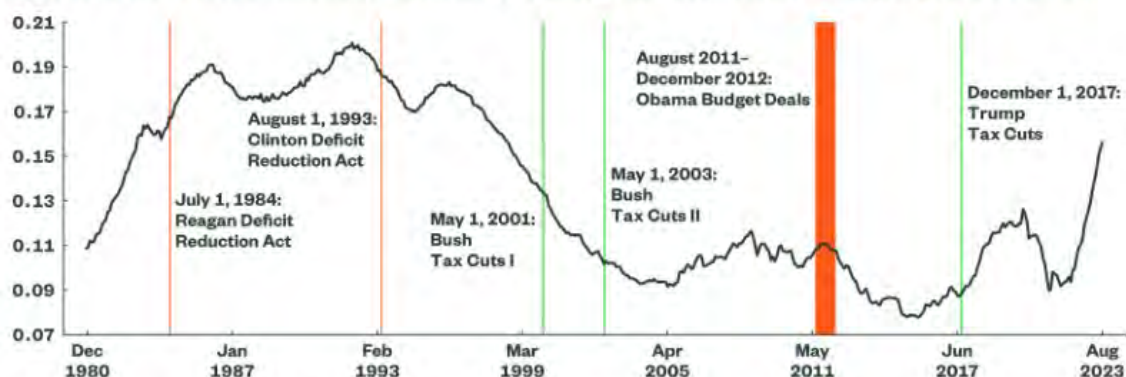
- **Recession Probability and Unemployment –**

- **Fed Forecasts:** From the Fed’s September 20th meeting’s policy statement and economic projections, the Federal Open Market Committee sees very little chance of a downturn. The median growth forecast for 2023 went up to +2.1%, from the forecast of +1.0% in June. The forecast for 2024 increased to +1.5%, from +1.1% in June.
- **Federal Government Shutdown:** State Street Global Advisors in their September 26, 2023 “insights” publication included the items shown below. With the Federal Government shutdown temporarily averted, it is looming again on the near-term horizon.

“The impending US government shutdown should not have significant macroeconomic implications. The debt ceiling agreement from mid-2022 would kick in by year-end and restore normal operations at similar levels. In this regard, it will mirror most previous shutdowns, with consumption and investment patterns largely unaffected. Government shutdowns began and were frequent during the Carter and Reagan eras, though most lasted only a few days before the US government passed a budget to ensure regular government operations resumed. The most recent shutdown in late 2018 lasted 34 days, but only a fraction of the government was closed in practice.”

The SSGA article further comments on the rise in cost of servicing the Federal government’s debt and the impacts this could have on the ability to apply stimulative Fiscal Policy during a future economic downturn.

Figure 1: US Federal Government Interest Payments as a Share of Total Revenues (Net Interest/Tax Receipts 12M MA)



Source: Macrobond, US Department of Treasury, State Street Global Advisors, as of August 1, 2023.

“Unsurprisingly, as Figure 1 also shows, major deficit reduction measures have occurred during times of divided government. The Reagan and Clinton budget deals were struck at a time when debt servicing costs were historically high. In comparison, similar measures during the Obama administration took place when interest payments were modest in absolute terms but still near ten-year highs. Similarly, major tax cuts typically have

been enacted during periods of low debt servicing costs and unified government.

The risks here are that this weak fiscal position and election politics would limit fiscal support for any US downturn ahead of the 2024 election, thereby making any downturn longer and deeper. Election analysis suggests a unified government is improbable albeit not impossible — so major deficit reduction, i.e., fiscal austerity, beckons in 2025.”

SLOCPT Asset Allocation:

October is a non-meeting month for the Board of Trustees. As a result, the normal reporting to the Board on the Pension Trust's asset allocation would be delayed until November. Because September is a quarter end, it is timelier if we include the typical table reporting on asset allocation in this document.

FFP Asset Mix	Est. Market Value (\$000s)	% Allocation	SAA Target Allocation	Variance	Strategic Asset Allocation
	09/30/23		2023 Revised Interim		Long Term
Bank (operating)	1,341	0.1%	0.1%	0.0%	0.1%
SLOC Treasury	34,567	2.1%	2.0%	0.1%	1.7%
JPM short term	39,026	2.4%	1.4%	1.0%	2.3%
Short Duration	33,832	2.1%	2.5%	-0.4%	6.0%
LIQUIDITY	108,765	6.7%	6.0%	0.7%	10.0%
Equity- Public Mkt US	314,051	19.3%	21.0%	-1.7%	16.0%
Equity- Public Mkt Intl	236,888	14.6%	17.0%	-2.4%	14.0%
Equity- Public Mkt Global	-	0.0%		0.0%	
Bank Loans	65,258	4.0%	4.0%	0.0%	
Bonds- Intl.	34,217	2.1%	3.0%	-0.9%	
Bonds- Emerging Mkts	37,384	2.3%	3.0%	-0.7%	
Real Estate- Core	148,938	9.2%	9.0%	0.2%	5.0%
Real Estate- Value Add	80,054	4.9%	4.0%	0.9%	5.0%
Infrastructure	4,169	0.3%	2.0%	-1.7%	5.0%
Private Equity	190,711	11.7%	10.0%	1.7%	18.0%
Private Credit	166,874	10.3%	8.0%	2.3%	12.0%
Opportunistic	42,731	2.6%	0.0%	2.6%	
GROWTH	1,321,277	81.2%	81.0%	0.2%	75.0%
Bonds- Core	59,190	3.6%	4.0%	-0.4%	
Treasuries - Intermediate	76,402	4.7%	5.0%	-0.3%	8.0%
TIPS	61,156	3.8%	4.0%	-0.2%	7.0%
RISK DIVERSIFYING	196,749	12.1%	13.0%	-0.9%	15.0%
TOTAL	1,626,791	100.0%	100.0%		100.0%
Liquidity + Risk Diversifying		18.8%	19.0%	-0.2%	25.0%

Respectfully Submitted,

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A decorative geometric pattern of overlapping triangles in shades of blue and green is overlaid on the left side of the image. A large white triangle is positioned to the left of the main title text.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

SEPTEMBER 2023
Capital Markets Update

Market commentary

U.S. ECONOMICS

- Nonfarm payrolls surprised to the upside by almost double the consensus estimate of 170,000. The unexpected increase of 336,000 is yet another sign of a resilient U.S. economy. Gains in the leisure and hospitality segment (+96,000) and government (+73,000) led the print while most other segments saw more modest increases.
- The ISM Manufacturing PMI Index rose to 49 from the August reading of 47.6. While all other sub-indexes remain below 50, the Production and the Employment sub-indexes measured 52.5 and 51.2, respectively. Per ISM, this signals a more positive economic outlook for the manufacturing sector.
- The housing market is showing signs of weakness, with new and existing home sales falling 8.7% and 0.7% month-over-month, respectively. This comes as the median sales price increased 3.9% year-over-year, and 30-year mortgage rates ticked up to 7.31%. Home-building is also slowing down, with housing starts declining -11.3% over the same period.

U.S. EQUITIES

- Another difficult month for U.S equities brought the S&P 500 down -4.8%, a total of -3.3% for the quarter. Optimism fell as another potential government shutdown loomed and investors faced a *higher for longer* interest rate environment.
- One of the few bright spots during the month was the Energy sector. Sector performance was influenced by increases in the price of oil and natural gas driven in part by higher demand, limited refining capacity, and production cuts. U.S. rig count alone is down nearly 20% over the 1-year period. The sustained rally in oil and natural gas contributed to the sector posting +2.6% on the month, bringing performance to +12.2% for the quarter.

U.S. FIXED INCOME

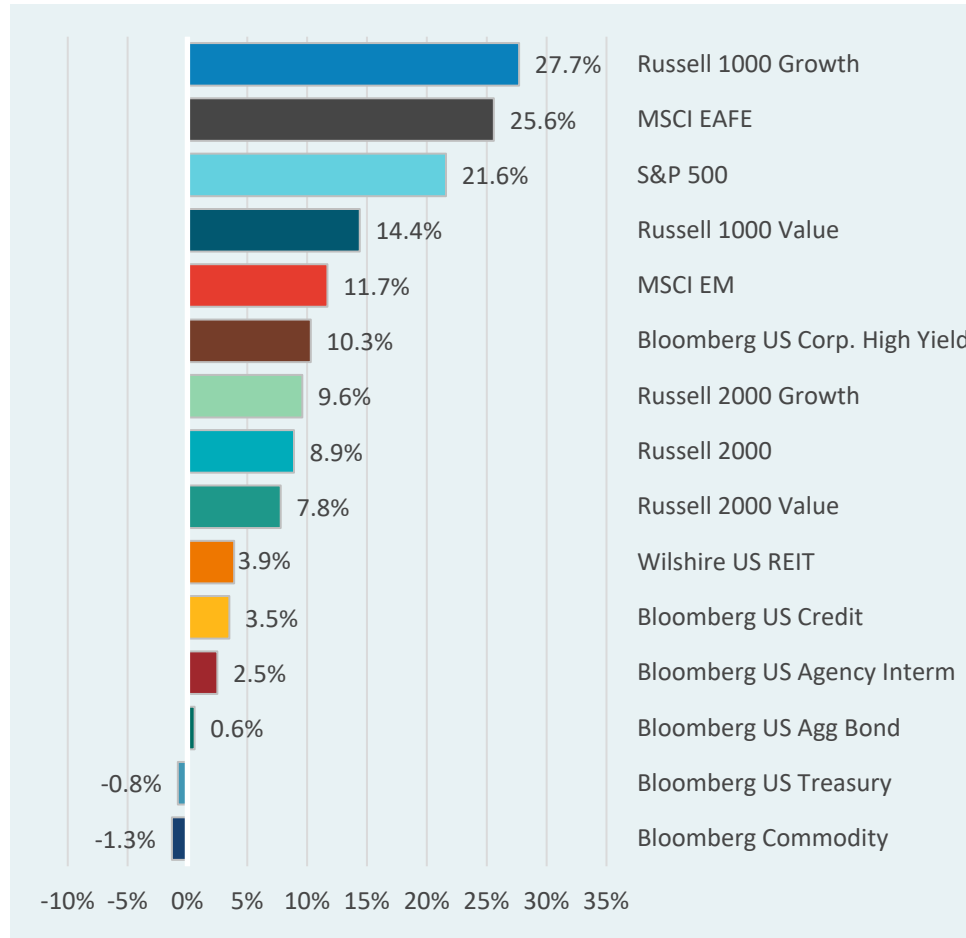
- Federal Reserve officials voted to maintain a target range of 5.25% to 5.50% - in line with expectations. Investors interpreted Chairman Powell's commentary as hawkish, and markets mostly fell on the news after Powell stated that policymakers forecast one more hike in 2023. The *higher for longer* scenario seems to now be the predominant theme, with expectations for a first interest rate cut being pushed out to late 2024.
- Driven in part by the *higher for longer* sentiment, U.S. Treasury yields moved broadly higher, with the largest moves seen in 30-year yields (+53 bps). The latest rate peak brought the 10-year to its highest (4.59%) since October 2007, and the 30-year (4.73%) to its highest since February 2011.
- Rising yields remained a headwind for the bond market. The Bloomberg U.S. Aggregate Bond Index, which broadly measures the U.S. investment grade bond market, fell -2.5%.

INTERNATIONAL MARKETS

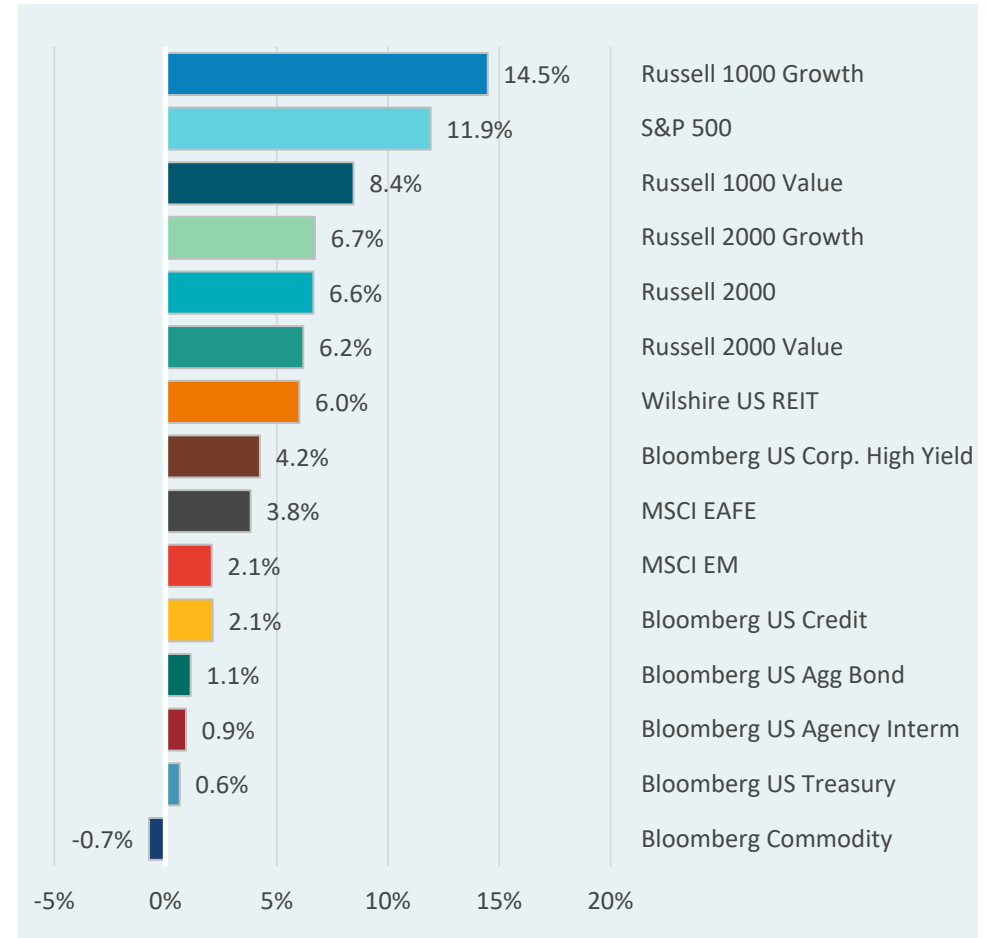
- The MSCI China Index fell -2.7% and erased the last of its July gains to finish the quarter -1.8%. A struggling property sector, which once made up a quarter of the Chinese economy, continues to have rippling effects. Per the China Beige Book survey, retail spending fell, particularly in food and luxuries. Corporate borrowing also slowed while loan rejections and average loan rates spiked.
- The Bank of Japan maintained its loose fiscal policy and left rates unchanged at -0.1%. This stance remains an outlier among central banks and has likely been a source of pressure for the yen, which fell another -2.4% against the dollar. Many investors maintain hope that the BOJ could have enough data to justify an end to its negative rate policy by mid-2024.

Major asset class returns

ONE YEAR ENDING SEPTEMBER



TEN YEARS ENDING SEPTEMBER



*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 9/30/23

Source: Morningstar, as of 9/30/23

U.S. large cap equities

- The S&P 500 Index (-4.8%) continued its slide with the worst month of the year, bringing the year-to-date return to 13.1%. An upside surprise inflation print in August, hawkish Fed comments, and persistent consumer spending have solidified expectations of higher interest rates for longer.
- 10 out of 11 S&P 500 sectors declined in September, though Energy (+2.6%) continued to rally on higher fuel prices. Rate-sensitive sectors were hit the hardest, with Real Estate (-7.2%), Technology (-6.9%), and Consumer Discretionary (-6.0%) showing the worst performance.
- The 1-Year Forward P/E ratio is down to 18, from 19.4 in the previous quarter. Per FactSet, earnings are expected to decrease -0.3% in Q3 2023, which would be the fourth consecutive quarter of earnings declines.
- U.S. equity implied volatility was higher, increasing +3.9 points to end the month at 17.5, with the VIX peaking at 19 on September 26th. The increase in volatility followed a sharp jump in bond yields, comments from the Federal Reserve, and a potential government shutdown.

S&P 500 PRICE INDEX



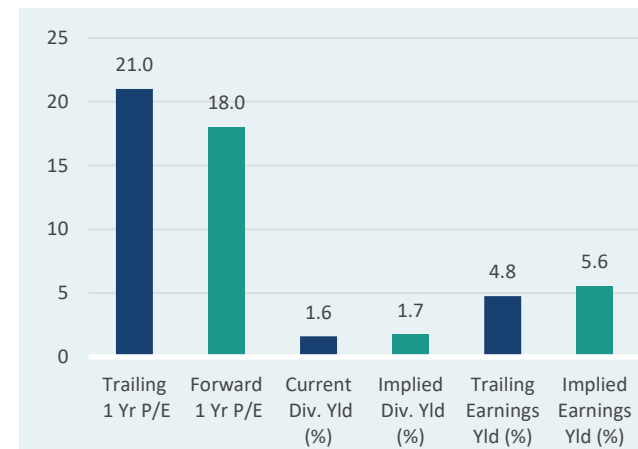
Source: Bloomberg, as of 9/30/23

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, as 9/30/23

S&P 500 VALUATION SNAPSHOT

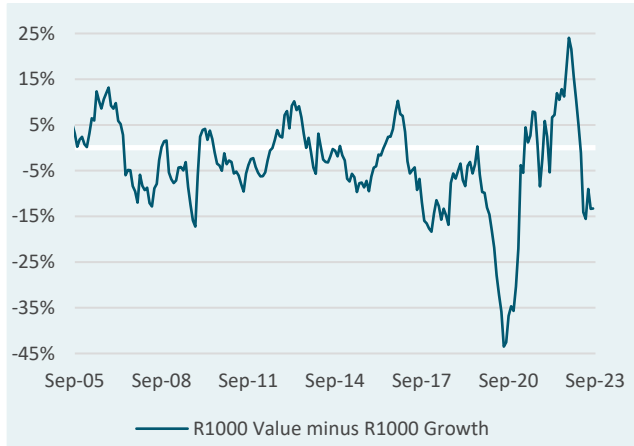


Source: Bloomberg, as of 9/30/23

Domestic equity size and style

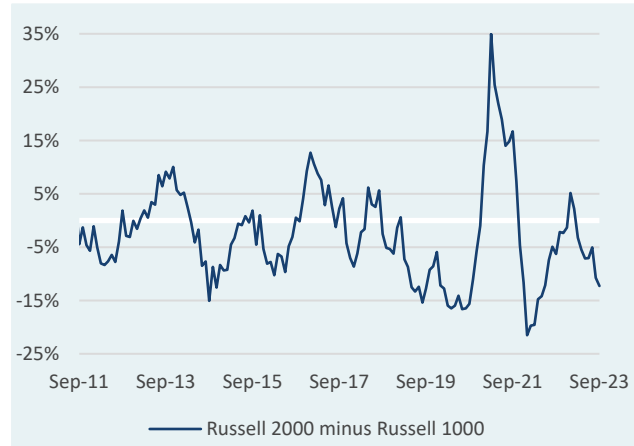
- September saw a trend reversal in which Value (Russell 1000 Value -3.9%) outperformed Growth (Russell 1000 Growth -5.4%). *Higher for longer* rate expectations likely led to a move away from growth-focused assets that are more sensitive to interest rates.
- Large-cap equities (Russell 1000 -4.7%) continued to outperform small-cap (Russell 2000 -5.9%) during the month, widening the performance gap on a year-to-date basis (+13% vs. +2.5%). This difference was most pronounced in Health Care, where small-cap declined -9%, while large-cap Health Care fell just -3.5%.
- Despite this month’s pullback from the growth stock rally seen so far this year, the Russell 1000 Growth is trading at 24.4x forward earnings, a 12% premium over the 10-year average. Value stocks are showing the opposite trend, with the Russell 1000 Value trading at 13.7x forward earnings, a -13.2% discount to the 10-year average.
- While large-cap growth underperformed in September, the outsized impact of the mega-cap tech stocks has driven large-cap growth to dominate style investing. Year-to-date, large-cap growth has outperformed large-cap value by 13.3%.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 9/30/23

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 9/30/23

1-YEAR SIZE & STYLE PERFORMANCE

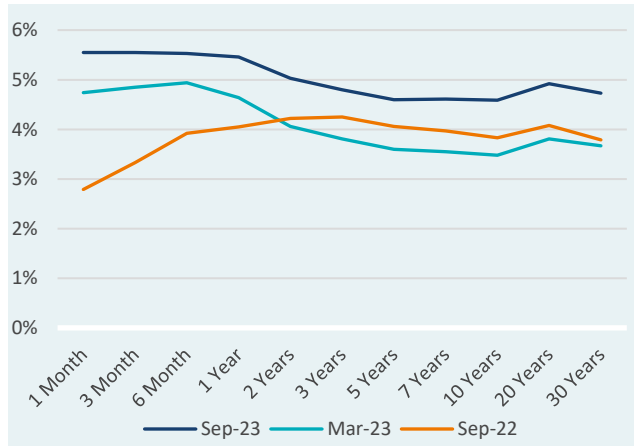
	Value	Core	Growth
Large Cap	14.4%	21.2%	27.7%
Mid Cap	11.0%	13.4%	17.5%
Small Cap	7.8%	8.9%	9.6%

Source: FTSE, Bloomberg, as of 9/30/23

Fixed income

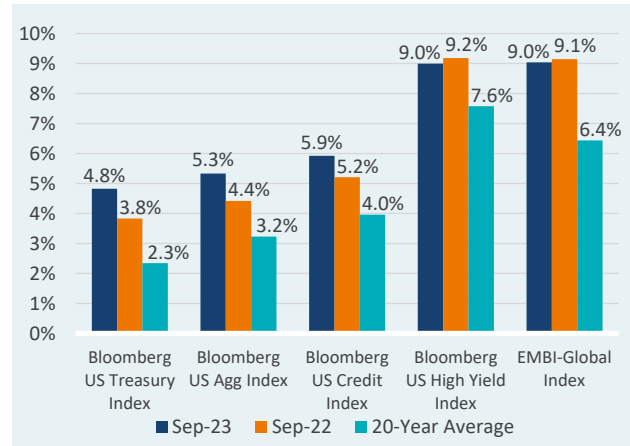
- The recent rise in yields combined with decelerating inflation has brought real 10- and 30-year Treasury yields to the highest levels in over a decade. Real yields for 10- and 30-year Treasuries finished the month at 2.24% and 2.33%, respectively. By comparison, in March of 2022, both of these rates were in the negative.
- Bank Loans (CS Leveraged Loan Index +0.9%) continued a run of strong performance, as spreads decreased -6bps to 514bps, and the annual default rate decreased -0.28% to 1.27%. High Yield (Bloomberg U.S. High Yield -1.2%) declined for the first time in 4 months, following a +18bps increase in spread to 403bps.
- Long Treasuries (-7.3%) were the worst performing index, following the +53bps increase in 30-year Treasury Yields to 4.7%. However, the 10yr/2yr yield curve inversion benefitted from these moves and flattened from -76bps on August 31st to -44bps at month end – a level not seen since May of this year.
- The U.S. dollar has continued its rally that began in mid-July when it briefly broke below 100. Since then, the DXY Index is up +5.9%, ending the month at 106.17. Dollar strength has likely been fueled by foreign inflows as international investors take advantage of higher U.S. yields.

U.S. TREASURY YIELD CURVE



Source: Bloomberg, as of 9/30/23

NOMINAL YIELDS



Source: Morningstar, as of 9/30/23

U.S. TREASURY IMPLIED VOL (“MOVE” INDEX)

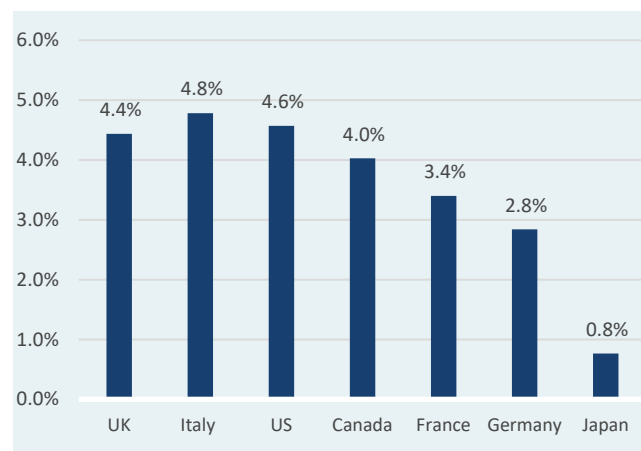


Source: Bloomberg, as of 9/30/23

Global markets

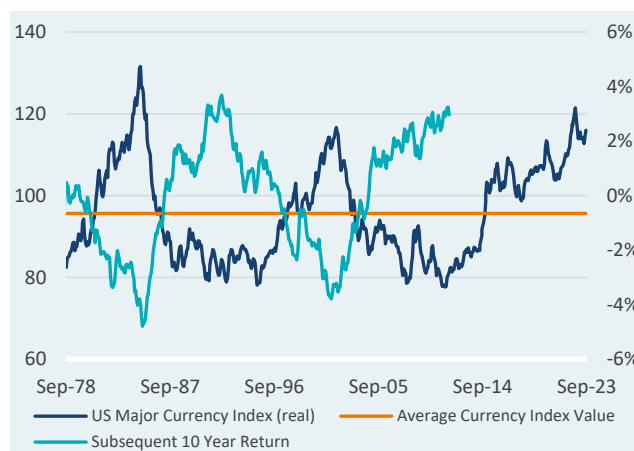
- International equities fared better than U.S. equities but still finished in the red. Buoyed by relative outperformance from Japan, the UK and China – which combined make up about 33% of the index – the MSCI ACWI ex-US declined -3.2%.
- International developed growth and value performance diverged sharply over the month. The MSCI EAFE Value Index fell -0.8% compared to MSCI EAFE Growth Index performance of -6.0%. Outperformance might be partially attributed to recent gains in the Energy sector, which makes up 9% of the value index, compared to a 0.3% weight to Energy in the growth index.
- The MSCI Euro Index (-5.4%) was hindered by an increased likelihood of German recession, which is reeling from high energy prices and increased Chinese competition in the manufacturing sector. France, which is a key trading partner, has cut growth forecasts and set expectations of increased unemployment for the next two years.
- The U.K. (+0.8%) was the top performing regional index, benefitting from a surprise decrease in inflation. This led the Bank of England to pause rate increases after 14 straight interest hikes, after markets were unsure of the direction the bank would take.

GLOBAL SOVEREIGN 10-YEAR YIELDS



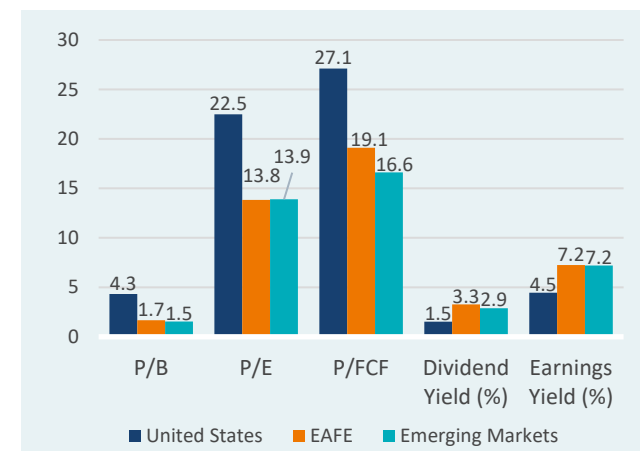
Source: Bloomberg, as of 9/30/23

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 9/30/23

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 9/30/23

Commodities

- The Bloomberg Commodity Index fell -0.7% on continued weakness in grains and precious metals, as well as mixed performance within industrial metals and softs. Energy posted another strong month of outperformance but was not enough to make up for losses in other areas.
- WTI Crude finished the month +8.6% and broke the \$90 per barrel mark for the first time this year. After peaking near \$94 per barrel, prices fell slightly to end the month at \$90.79. Saudi Arabia and Russia have restated their intent to maintain production cuts through year end, which could push crude prices higher.
- The Bloomberg Grains Sub-Index fell -5.2% following expectations of record soybean exports from Brazil. The USDA is forecasting larger than expected yields of corn, soybeans, and cotton in the U.S., after dry conditions looked to threaten this year's crop.
- The Bloomberg Precious Metals Sub-Index (-5.7%) was the worst performer, with Gold (-5.1%), and Silver (-8.3%) both falling on solidifying expectations of a *higher for longer* rate environment. Silver is now -6.6% year-to-date while gold remains in positive territory at +1.2% for the same period.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	(0.7)	4.7	(3.4)	(1.3)	16.2	6.1	(0.7)
Bloomberg Agriculture	(4.2)	(3.2)	(4.2)	(1.8)	19.4	10.7	(0.2)
Bloomberg Energy	4.4	19.6	(4.3)	(13.0)	26.6	(1.2)	(7.1)
Bloomberg Grains	(5.2)	(8.3)	(13.8)	(14.1)	14.5	7.9	(2.3)
Bloomberg Industrial Metals	1.6	3.5	(9.3)	5.6	9.7	5.6	2.1
Bloomberg Livestock	0.3	2.7	7.8	17.0	8.8	(1.8)	(2.3)
Bloomberg Petroleum	7.7	29.6	18.1	27.0	49.8	7.8	(2.2)
Bloomberg Precious Metals	(5.7)	(3.6)	(0.7)	12.5	(1.5)	7.9	1.7
Bloomberg Softs	0.4	6.3	18.9	15.6	23.6	12.3	0.0

Source: Morningstar, as of 9/30/23

COMMODITY PERFORMANCE



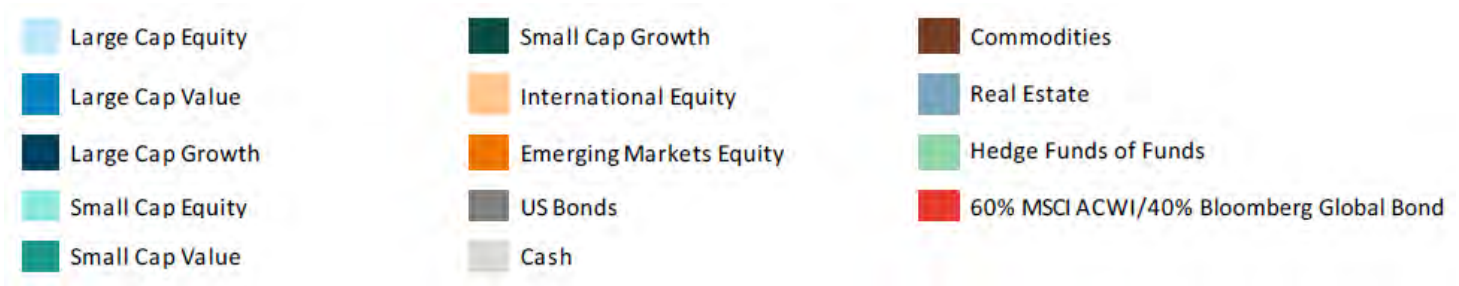
Source: Bloomberg, as of 9/30/23

Appendix

Periodic table of returns

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	5-Year	10-Year
Large Cap Growth	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	28.3	16.1	25.0	12.4	14.5
Large Cap Equity	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	27.6	9.4	13.0	9.6	11.6
International Equity	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	27.1	1.5	7.1	6.2	8.4
Small Cap Growth	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	26.5	-4.7	5.2	6.1	7.8
60/40 Global Portfolio	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	25.2	-7.5	5.1	5.9	6.7
Cash	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	22.4	14.0	17.7	-13.0	3.6	3.5	6.6
Hedge Funds of Funds	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	22.0	10.3	14.8	-14.5	3.0	3.4	6.2
Small Cap Equity	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	11.3	-14.5	2.5	3.2	4.5
Emerging Markets Equity	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	8.9	-17.3	1.8	2.6	3.8
Large Cap Value	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	6.5	-19.1	1.8	2.4	3.3
Small Cap Value	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	2.8	-20.1	-0.5	1.6	2.1
US Bonds	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	0.0	-20.4	-1.2	1.6	1.1
Commodities	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	-1.5	-26.4	-3.4	0.6	1.1
Real Estate	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	-2.5	-29.1	-3.8	0.1	-0.7

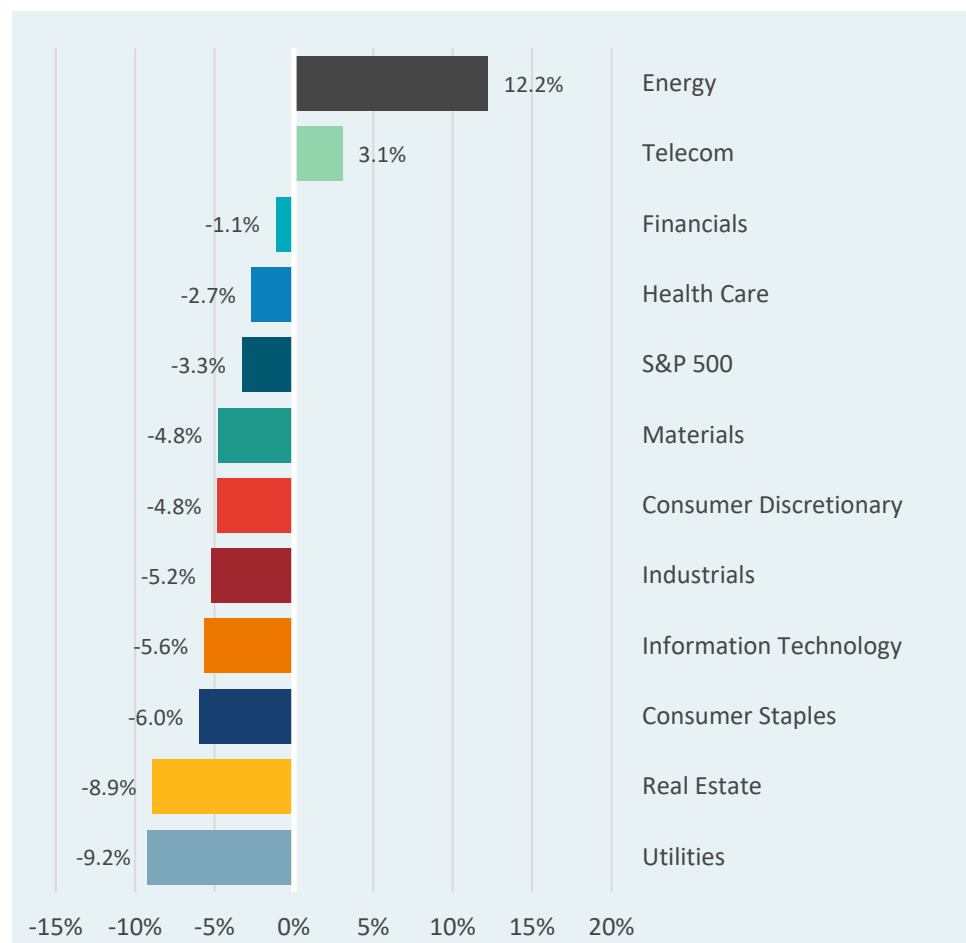
BEST
↑
↓
WORST



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, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 6/30/23.

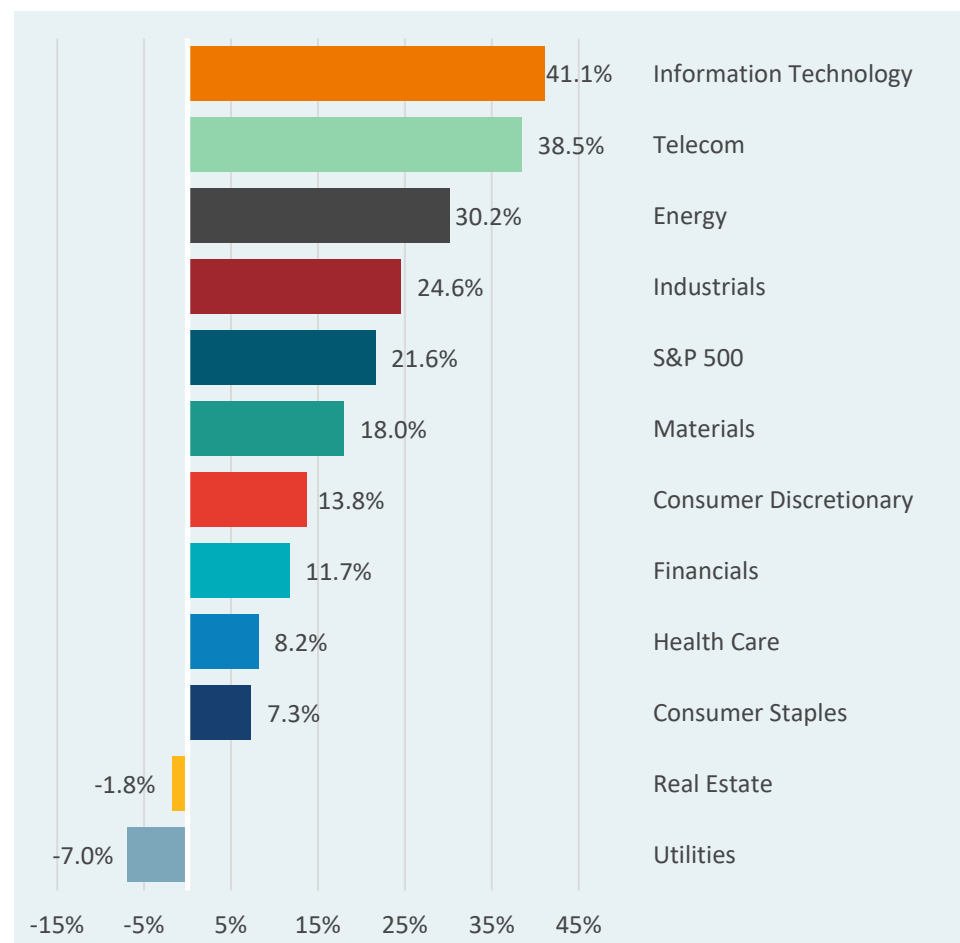
S&P 500 sector returns

QTD



Source: Morningstar, as of 9/30/23

ONE YEAR ENDING AUGUST



Source: Morningstar, as of 9/30/23

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	(4.8)	(3.3)	13.1	21.6	10.2	9.9	11.9
S&P 500 Equal Weighted	(5.1)	(4.9)	1.8	13.6	11.4	8.0	10.2
DJ Industrial Average	(3.4)	(2.1)	2.7	19.2	8.6	7.1	10.8
Russell Top 200	(4.6)	(2.7)	16.3	23.9	10.0	10.8	12.6
Russell 1000	(4.7)	(3.1)	13.0	21.2	9.5	9.6	11.6
Russell 2000	(5.9)	(5.1)	2.5	8.9	7.2	2.4	6.6
Russell 3000	(4.8)	(3.3)	12.4	20.5	9.4	9.1	11.3
Russell Mid Cap	(5.0)	(4.7)	3.9	13.4	8.1	6.4	9.0
Style Index							
Russell 1000 Growth	(5.4)	(3.1)	25.0	27.7	8.0	12.4	14.5
Russell 1000 Value	(3.9)	(3.2)	1.8	14.4	11.1	6.2	8.4
Russell 2000 Growth	(6.6)	(7.3)	5.2	9.6	1.1	1.6	6.7
Russell 2000 Value	(5.2)	(3.0)	(0.5)	7.8	13.3	2.6	6.2

INTERNATIONAL EQUITY

Broad Index							
MSCI ACWI	(4.1)	(3.4)	10.1	20.8	6.9	6.5	7.6
MSCI ACWI ex US	(3.2)	(3.8)	5.3	20.4	3.7	2.6	3.3
MSCI EAFE	(3.4)	(4.1)	7.1	25.6	5.8	3.2	3.8
MSCI EM	(2.6)	(2.9)	1.8	11.7	(1.7)	0.6	2.1
MSCI EAFE Small Cap	(4.4)	(3.5)	1.8	17.9	1.1	0.8	4.3
Style Index							
MSCI EAFE Growth	(6.0)	(8.6)	4.3	20.0	0.4	3.2	4.4
MSCI EAFE Value	(0.8)	0.6	9.9	31.5	11.1	2.8	3.0
Regional Index							
MSCI UK	(0.8)	(1.5)	6.8	24.9	12.1	2.9	2.5
MSCI Japan	(2.1)	(1.6)	11.2	25.9	2.8	2.1	4.4
MSCI Euro	(5.4)	(7.5)	10.9	36.4	7.3	3.7	3.8
MSCI EM Asia	(2.6)	(2.9)	1.0	11.9	(3.5)	1.0	3.8
MSCI EM Latin American	(2.3)	(4.7)	12.9	19.4	15.1	2.8	0.2

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(1.8)	(2.6)	(0.8)	1.2	(2.0)	2.1	1.7
Bloomberg US Treasury Bills	0.4	1.3	3.6	4.6	1.7	1.7	1.1
Bloomberg US Agg Bond	(2.5)	(3.2)	(1.2)	0.6	(5.2)	0.1	1.1
Bloomberg US Universal	(2.4)	(2.9)	(0.6)	1.6	(4.7)	0.3	1.4
Duration							
Bloomberg US Treasury 1-3 Yr	(0.0)	0.7	1.7	2.4	(0.9)	1.0	0.8
Bloomberg US Treasury Long	(7.3)	(11.8)	(8.6)	(9.1)	(15.7)	(2.8)	0.8
Bloomberg US Treasury	(2.2)	(3.1)	(1.5)	(0.8)	(5.8)	(0.1)	0.6
Issuer							
Bloomberg US MBS	(3.2)	(4.1)	(2.3)	(0.2)	(5.1)	(0.8)	0.6
Bloomberg US Corp. High Yield	(1.2)	0.5	5.9	10.3	1.8	3.0	4.2
Bloomberg US Agency Interim	(0.3)	0.2	1.6	2.5	(2.0)	0.7	0.9
Bloomberg US Credit	(2.6)	(3.0)	0.0	3.5	(4.8)	0.9	2.1

OTHER

Index							
Bloomberg Commodity	(0.7)	4.7	(3.4)	(1.3)	16.2	6.1	(0.7)
Wilshire US REIT	(6.5)	(6.4)	(0.2)	3.9	5.7	2.9	6.0
CS Leveraged Loans	0.9	3.4	9.9	12.5	5.9	4.3	4.3
S&P Global Infrastructure	(4.7)	(7.3)	(3.7)	6.9	7.3	4.1	5.1
Alerian MLP	2.4	9.4	20.2	32.7	43.5	6.4	1.7
Regional Index							
JPM EMBI Global Div	(2.6)	(2.2)	1.8	10.0	(4.6)	(0.4)	2.5
JPM GBI-EM Global Div	(3.4)	(3.3)	4.3	13.1	(2.7)	(0.0)	(0.8)
Hedge Funds							
HFRI Composite	(0.2)	0.8	4.3	6.7	6.9	5.0	4.6
HFRI FOF Composite	(0.2)	0.7	3.0	4.8	3.8	3.4	3.3
Currency (Spot)							
Euro	(2.5)	(3.0)	(0.8)	8.1	(3.4)	(1.8)	(2.4)
Pound Sterling	(3.7)	(4.0)	1.5	9.3	(1.9)	(1.3)	(2.8)
Yen	(2.4)	(3.1)	(11.6)	(3.0)	(10.9)	(5.3)	(4.1)

Source: Morningstar, HFRI, as of 9/30/23.

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	(6.4)	22.9	16.0	13.9
<i>MSCI World Index (PME)</i>	(6.7)	17.5	8.3	9.2
Global Private Equity Direct Funds ¹	(5.6)	23.6	17.1	15.9
<i>MSCI World Index (PME)</i>	(6.1)	15.6	8.0	9.0
U.S. Private Equity Direct Funds ¹	(6.1)	25.9	19.2	17.3
<i>Russell 3000 Index (PME)</i>	(7.7)	17.9	10.4	12.0
Europe Private Equity Direct Funds ¹	(2.4)	22.7	15.7	14.7
<i>MSCI Europe Index (PME)</i>	2.7	13.8	5.0	5.9
Asia Private Equity Direct Funds ^{1,4}	(4.2)	14.1	10.1	12.7
<i>MSCI AC Asia Pacific Index (PME)</i>	(7.3)	7.4	1.2	4.0

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt ^{2,4}	4.9	20.0	12.6	11.5
<i>Morningstar LSTA U.S. Leveraged Loan 100 Index (PME)</i>	2.6	6.2	3.5	3.5

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	(0.7)	14.6	10.3	12.4
<i>FTSE NAREIT Equity REIT Index (PME)</i>	(18.4)	13.6	6.9	6.8

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ^{3,4}	8.5	21.6	4.9	3.5
<i>S&P Global Natural Resources Index (PME)</i>	(7.0)	28.9	7.1	5.7
Global Infrastructure ⁴	6.7	13.4	10.3	11.1
<i>S&P Global Infrastructure Index (PME)</i>	(2.8)	14.6	6.0	6.3

Source: Pooled IRRs are from Thompson Reuters CJA and Time-weighted Returns are from Investment Metrics, as of March 31st, 2023. 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

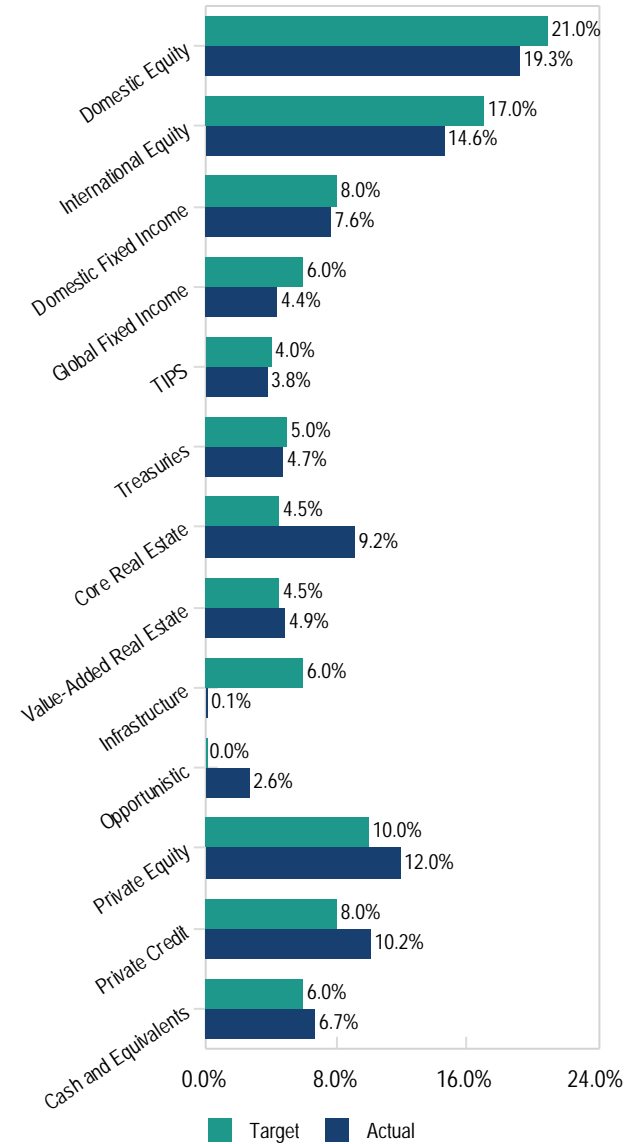
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Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	1 Mo	YTD
Total Fund	1,626,864,692	100.0	-1.9	4.1
<i>Interim Policy Index</i>			<i>-2.2</i>	<i>3.7</i>
<i>FFP SAA Index</i>			<i>-1.6</i>	<i>4.1</i>
Total Growth	1,141,680,933	70.2	-2.2	5.0
<i>Custom Growth Benchmark</i>			<i>-2.2</i>	<i>6.0</i>
Total Public Equity	550,945,000	33.9	-3.8	9.3
<i>Public Equity Benchmark</i>			<i>-4.0</i>	<i>9.4</i>
Total Domestic Equity	314,054,722	19.3	-3.7	10.8
<i>Russell 3000 Index</i>			<i>-4.8</i>	<i>12.4</i>
PIMCO RAE US	86,088,686	5.3	-2.1	5.4
<i>S&P 500 Index</i>			<i>-4.8</i>	<i>13.1</i>
Loomis Sayles Large Cap Growth	78,906,183	4.9	-6.5	32.8
<i>Russell 1000 Growth Index</i>			<i>-5.4</i>	<i>25.0</i>
Boston Partners Large Cap Value	75,650,834	4.7	-2.5	5.1
<i>Russell 1000 Value Index</i>			<i>-3.9</i>	<i>1.8</i>
Atlanta Capital Mgmt	73,409,020	4.5	-3.8	3.3
<i>Russell 2500 Index</i>			<i>-5.6</i>	<i>3.6</i>
Total International Equity	236,890,278	14.6	-3.8	7.4
<i>MSCI AC World ex USA Index</i>			<i>-3.7</i>	<i>5.8</i>
Dodge & Cox Intl Stock	124,713,033	7.7	-2.6	9.8
<i>MSCI AC World ex USA Value</i>			<i>-0.9</i>	<i>8.9</i>
WCM International Growth	112,177,245	6.9	-5.0	5.1
<i>MSCI AC World ex USA Growth</i>			<i>-5.2</i>	<i>2.9</i>
Total Private Equity	194,559,258	12.0		
Harbourvest Partners IX Buyout Fund L.P.	12,271,667	0.8		
Pathway Private Equity Fund Investors 9 L.P.	83,357,396	5.1		
Harbourvest 2018 Global Fund L.P.	21,549,977	1.3		
Harbourvest SLO Fund Private Equity	59,591,369	3.7		
Pathway Private Equity Fund Investors 10 L.P.	17,788,849	1.1		
Total Private Credit	165,383,269	10.2		
Sixth Street Partners DCP	87,525,204	5.4		
Harbourvest SLO Credit Fund	77,858,065	4.8		

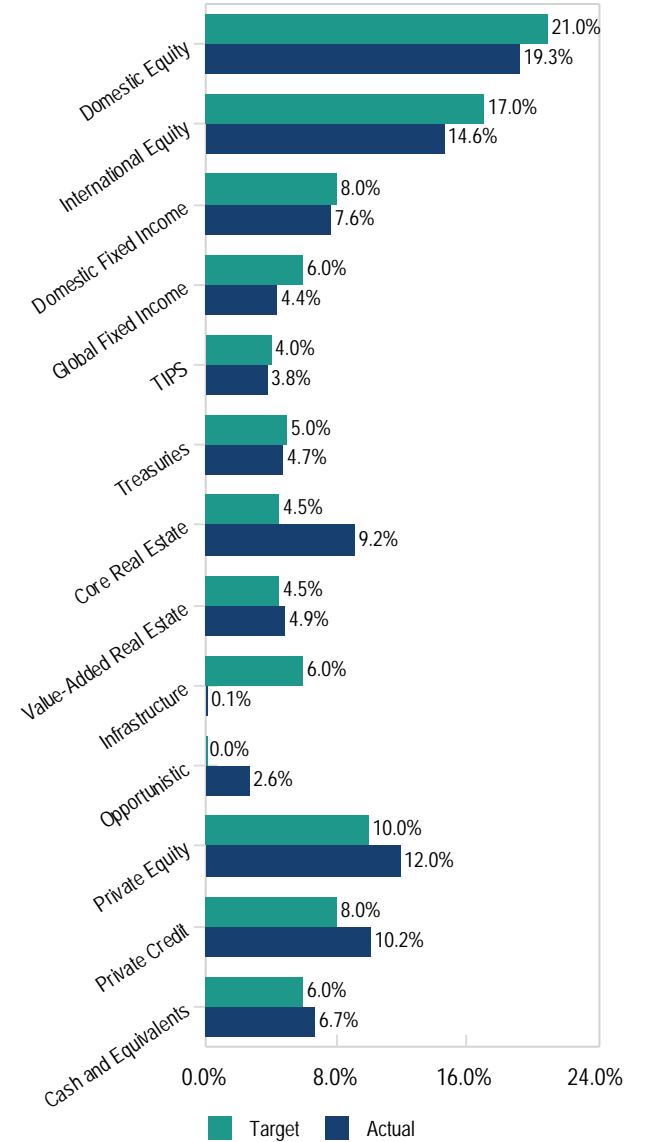


Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return, 6% 90-day T-Bills, 6% ARA American Strategic Value Realty. HarbourVest Funds, Sixth Street TAO and DCP, ARA American Strategic Value Realty and KKR Mezzanine Partners as of 6/30/23. All data is preliminary.

Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	1 Mo	YTD
Total Real Estate	230,793,406	14.2	-1.6	-6.5
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-3.8</i>
JP Morgan Core Real Estate	148,939,122	9.2	-2.4	-7.5
<i>NCREIF-ODCE</i>			<i>-2.0</i>	<i>-7.6</i>
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-3.8</i>
ARA American Strategic Value Realty	80,054,284	4.9	0.0	-4.6
<i>NCREIF-ODCE</i>			<i>-2.0</i>	<i>-7.6</i>
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-3.8</i>
Brookfield Infrastructure Fund	1,800,000	0.1		
Total Risk Diversifying	333,610,505	20.5	-2.0	0.8
<i>Total Risk Diversifying Benchmark</i>			<i>-2.7</i>	<i>-1.8</i>
Total Domestic Fixed Income	262,008,636	16.1	-1.4	2.4
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.5</i>	<i>-1.2</i>
BlackRock Core Bond	2,896	0.0	0.4	-1.0
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.5</i>	<i>-1.2</i>
Dodge & Cox Income Fund	59,187,210	3.6	-2.4	0.7
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.5</i>	<i>-1.2</i>
Pacific Asset Corporate Loan	65,259,836	4.0	0.8	11.0
<i>Morningstar LSTA US Leveraged Loan</i>			<i>0.9</i>	<i>10.1</i>
SSGA U.S. Govt Bond Index	76,402,350	4.7	-2.2	-1.2
<i>Blmbg. U.S. Government</i>			<i>-2.2</i>	<i>-1.4</i>
BlackRock TIPS	61,156,345	3.8	-1.8	-0.5
<i>Blmbg. U.S. TIPS</i>			<i>-1.8</i>	<i>-0.8</i>
Total Global Fixed	71,601,868	4.4	-3.9	-4.2
<i>FTSE World Government Bond Index</i>			<i>-3.2</i>	<i>-2.7</i>
Brandywine Global Fixed Income	34,218,261	2.1	-4.9	-6.2
<i>FTSE Non-U.S. World Government Bond</i>			<i>-4.0</i>	<i>-3.7</i>
Ashmore EM Blended Debt Fund	37,383,607	2.3	-3.0	-2.4
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>			<i>-2.5</i>	<i>2.7</i>

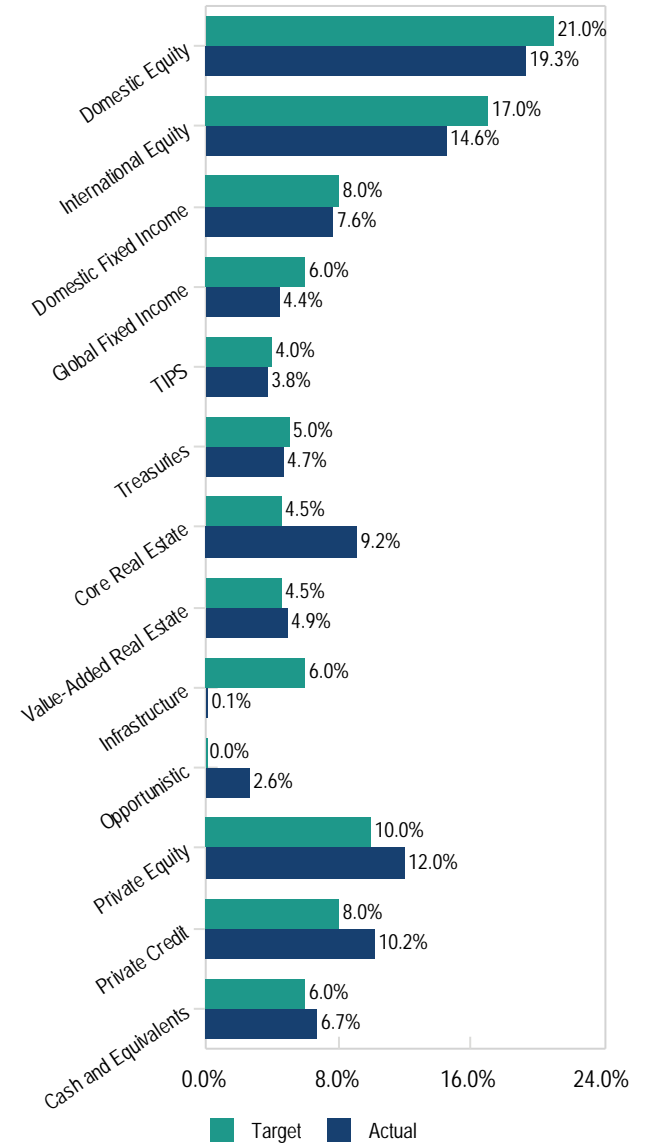


Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return, 6% 90-day T-Bills, 6% ARA American Strategic Value Realty, HarbourVest Funds, Sixth Street TAO and DCP, ARA American Strategic Value Realty and KKR Mezzanine Partners as of 6/30/23. All data is preliminary.

Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	1 Mo	YTD
Total Liquidity	108,764,582	6.7	0.1	2.2
<i>90 Day U.S. Treasury Bill</i>			<i>0.5</i>	<i>3.6</i>
Total Cash	108,764,582	6.7	0.1	2.2
<i>90 Day U.S. Treasury Bill</i>			<i>0.5</i>	<i>3.6</i>
PIMCO Short Duration Fund	33,831,598	2.1	-0.1	2.2
<i>Bimbg. 1-3 Year Gov/Credit index</i>			<i>0.0</i>	<i>1.9</i>
Cash Account	35,907,369	2.2	0.0	1.7
<i>90 Day U.S. Treasury Bill</i>			<i>0.5</i>	<i>3.6</i>
Investment Cash	39,025,615	2.4	0.2	2.6
<i>90 Day U.S. Treasury Bill</i>			<i>0.5</i>	<i>3.6</i>
Total Opportunistic	42,808,673	2.6		
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,390,896	0.2		
Sixth Street Partners TAO	39,417,777	2.4		



Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return, 6% 90-day T-Bills, 6% ARA American Strategic Value Realty, HarbourVest Funds, Sixth Street TAO and DCP, ARA American Strategic Value Realty and KKR Mezzanine Partners as of 6/30/23. All data is preliminary.

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Board of Trustees

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Date: November 27, 2023

To: Board of Trustees

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

Agenda Item 7: Investment and Banking Authority

Recommendation:

Staff recommends that the Board approve and adopt the attached Resolution 2023-02 and accompanying Incumbency Certificates designating authorized signers for various investment and banking relationships.

Discussion:

SLOCPT updates the designated authorized signers for various investment and banking relationships approximately every six months so that recent documentation of such authorizations by the Board of Trustees is available if needed to execute documents of various sorts. These designations are necessary to the everyday operations of the SLOCPT.

Resolution 2023-02 and its referenced Incumbency Certificates are attached. Note that the resolution and incumbency certificates cover two separate effective dates. The first covers the month of December 2023 when the service of the present Executive Director overlaps with that of the incoming successor Executive Director. The second takes effect January 1st after the present Executive Director retires.

Dec. 4, 2023 to Dec. 29, 2023

Including both Carl Nelson and
and Katie Girardi as Executive Director

Jan. 1, 2024 and beyond

Including Katie Girardi as Executive Director

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**SAN LUIS OBISPO COUNTY
PENSION TRUST**

RESOLUTION NO. 2023-02

A Resolution Affirming Investment and Banking Authority

Whereas, the San Luis Obispo County Pension Trust conducts investment and banking activities as part of its normal course of business and finds it necessary to affirm and/or appoint which of its officers and employees are authorized signers for such activities.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED AS FOLLOWS:

The attached San Luis Obispo County Pension Trust Investment and Banking Authority Incumbency Certificate effective December 4th, 2023 to December 29, 2023 is hereby approved.

The attached San Luis Obispo County Pension Trust Investment and Banking Authority Incumbency Certificate effective January 1, 2024 is hereby approved.

Aye Votes: -
No Votes: -
Abstentions: -
Absent: -

ADOPTED: November 27, 2023

Approved as to Form and Legal Effect

Chris Waddell
General Counsel

SIGNED: _____
Jeff Hamm, President
Board of Trustees
San Luis Obispo County Pension Trust

ATTEST: _____
Carl Nelson
Executive Director

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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



Investment and Banking Authority Incumbency Certificate

Effective Date: December 4, 2023 through December 29, 2023
Date of Certification: November 27, 2023

The undersigned, being an officer of the Board of Trustees of the San Luis Obispo County Pension Trust ("SLOCPT"), organized under the laws of the State of California does hereby certify on behalf of SLOCPT that the persons named below are officers or other designated staff members of SLOCPT and that the title and signature at the right of said name, respectively, are the true title and genuine signature of said person and that the persons listed below are each an authorized signatory for the SLOCPT for **any and all investment and banking related matters**. In addition, Carl A. Nelson as the Executive Director is designated as the Bank Contracting Officer.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Carl A. Nelson	Executive Director (retiring)	_____
Katie Girardi	Executive Director (successor)	_____
Amy Burke	Deputy Director	_____
Lisa Winter	Retirement Program Specialist	_____
Anna Bastidos	Retirement Program Specialist	_____

Furthermore, the undersigned does certify that the SLOCPT's Board of Trustees as of the date of certification noted above are:

Gere Sibbach
James Hamilton
Michelle Shoresman
David Grim

Jeff Hamm
Lisa Howe
Geoff O'Quest

Signed: _____
Jeff Hamm, President
San Luis Obispo County Pension Trust
Board of Trustees

Date: _____

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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



Investment and Banking Authority Incumbency Certificate

Effective Date: January 1, 2024
Date of Certification: November 27, 2023

The undersigned, being an officer of the Board of Trustees of the San Luis Obispo County Pension Trust (“SLOCPT”), organized under the laws of the State of California does hereby certify on behalf of SLOCPT that the persons named below are officers or other designated staff members of SLOCPT and that the title and signature at the right of said name, respectively, are the true title and genuine signature of said person and that the persons listed below are each an authorized signatory for the SLOCPT for **any and all investment and banking related matters**. In addition, Katie Girardi, the Executive Director is designated as the Bank Contracting Officer.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Katie Girardi	Executive Director	_____
Amy Burke	Deputy Director	_____
Lisa Winter	Retirement Program Specialist	_____
Anna Bastidos	Retirement Program Specialist	_____

Furthermore, the undersigned does certify that the SLOCPT’s Board of Trustees as of the date of certification noted above are:

Gere Sibbach	Jeff Hamm
James Hamilton	Lisa Howe
Michelle Shoresman	Geoff O’Quest
David Grim	

Signed: _____
Jeff Hamm, President
San Luis Obispo County Pension Trust
Board of Trustees

Date: _____

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Board of Trustees

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



Date: November 27, 2023
To: Board of Trustees
From: Carl Nelson – Executive Director
Amy Burke – Deputy Director

Agenda Item 8: Annual Pensionable Compensation Limit for 2024 pursuant to the Public Employees Pension Reform Act (Tier 3)

Recommendation:

It is recommended that the Board receive and file this report on the Tier 3 AB-340 Pensionable Compensation limit effective January 1, 2024, as calculated by the California Actuarial Advisory Panel for those included in the Federal Social Security system. The annual Tier 3 Compensation limit for 2023 is **\$151,446**.

Discussion:

The Public Employees Pension Reform Act of 2012 established a pensionable compensation limit that applies to Tier 3 membership. This amount was specified by PEPRA to equal the January 1, 2013, Social Security maximum wage base of \$113,700. PEPRA also specified that this pensionable compensation limit be adjusted annually based on changes in the Consumer Price Index for All Urban Consumers (CPI-U).

The standardized calculation of this PEPRA Compensation Limit is provided each year by the California Actuarial Advisory Panel (CAAP) (under the State Controller's Office). This report is an annual consent agenda item.

The approved CAAP calculation of the 2024 PEPRA compensation limits for employees who participate in Social Security is shown on the attached CAAP letter. **For 2024 this limit is \$151,446 or \$72.82/hour.**

The history of PEPRA compensation limits for employees who participate in Social Security is shown below –

2013	\$113,700	
2014	\$115,064	+1.200%
2015	\$117,020	+1.700%
2016	\$117,020	0.000%
2017	\$118,775	+1.500%
2018	\$121,388	+2.200%
2019	\$124,180	+2.300%
2020	\$126,291	+1.700%
2021	\$128,059	+1.400%
2022	\$134,974	+5.400%
2023	\$146,042	+8.200%
2024	\$151,446	+3.700%

Respectfully Submitted

California Actuarial Advisory Panel



Paul Angelo
Senior Vice President
and Actuary
Segal
Chairperson

John Bartel
Retired
Vice Chairperson

David Driscoll
Principal and Consulting
Actuary
Buck Consultants, LLC

Anne Harper
Principal Consulting
Actuary
Cheiron, Inc.

David Lamoureux
Deputy System Actuary
California State Teachers'
Retirement System

Graham Schmidt
Consulting Actuary
Cheiron, Inc.

Todd Tauzer
Senior Vice President
and Actuary
Segal

Scott Terando
Chief Actuary
CalPERS

October 27, 2023

**SUBJECT: PEPRA Compensation Limit for 2024
(Code Section 7522.10)**

To Whom It May Concern:

Pursuant to a request from a Public Agency, the California Actuarial Advisory Panel (the Panel) is publishing this letter to provide a calculation of the Pension Compensation Limits for the Calendar Year 2024.

Background

Pursuant to Government Code section 7507.2(b), the responsibilities of the Panel include "Replying to policy questions from public retirement systems in California" and "Providing comment upon request by public agencies." In 2013, members of the Panel received a request from a public retirement system (the San Joaquin County Employees' Retirement Association) to compute and publish the annual compensation limit prescribed by the California Public Employees' Pension Reform Act of 2013 (PEPRA), as amended by Senate Bill No. 13 (SB 13). This request was made to address a concern that minor calculation or rounding differences could result in different systems calculating slightly different pension compensation limits.

The Panel agreed to calculate the dollar amounts of the pension compensation limits for 2014 and future years, as we believe that the use of a uniform compensation limit will provide administrative benefits to California's public retirement systems. However, as the Panel is an advisory body only (Government Code section 7507.2(e) states that "The opinions of the California Actuarial Advisory Panel are nonbinding and advisory only"), the Panel encourages each system to independently review the calculation of the pension compensation limits contained in this letter.

Analysis

Section 7522.10 of the Government Code is as follows:

7522.10. (a) On and after January 1, 2013, each public retirement system shall modify its plan or plans to comply with the requirements of this section for each public employer that participates in the system.

(b) Whenever pensionable compensation, as defined in Section 7522.34, is used in the calculation of a benefit, the pensionable compensation shall be subject to the limitations set forth in subdivision (c).

(c) The pensionable compensation used to calculate the defined benefit paid to a new member who retires from the system shall not exceed the following applicable percentage of the contribution and benefit base specified in Section 430(b) of Title 42 of the United States Code on January 1, 2013:

(1) One hundred percent for a member whose service is included in the federal system.

(2) One hundred twenty percent for a member whose service is not included in the federal system.

(d) (1) The retirement system shall adjust the pensionable compensation described in subdivision (c) based on the annual changes to the Consumer Price Index for All Urban Consumers: U.S. City Average, calculated by dividing the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September in the calendar year preceding the adjustment by the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September of the previous year rounded to the nearest thousandth. The adjustment shall be effective annually on January 1, beginning in 2014.

The annual pensionable compensation limit computed by the Panel for 2023 was \$146,042 for those included in the federal Social Security system and \$175,250 for those not included.

The Consumer Price Indices for All Urban Consumers (CPI-U) U.S. City Average for the months of September 2022 and 2023 are as follows¹:

- September, 2023: 307.789
- September, 2022: 296.808

The annual change, computed by dividing the 2023 Index by the 2022 Index, rounded to the nearest thousandth is as follows:

- $307.789 \div 296.808 = 1.037$

¹ <http://data.bls.gov/timeseries/CUUR0000SA0>

To Whom It May Concern

October 27, 2023

Page 3

Applying this annual adjustment to the 2023 limits yields the following limits for calendar year 2024:

- $\$146,042 \times 1.037 = \$151,446$ (included in federal system)
- $\$175,250 \times 1.037 = \$181,734$ (not included in federal system)

The indexation of the maximum compensation to be used by CalSTRS using the February CPI-U, based on AB 1381 passed by the legislature in 2013, is not addressed in this letter.

Conclusion

The calculations described above indicate the compensation limit for PEPRA members for Calendar Year 2024 will increase to \$151,446 for members participating in the federal system (7522.10(c)(1) limit) and \$181,734 for members not participating in the federal system (7522.10(c)(2) limit). The Panel intends to provide similar calculations in future years. The contents of this letter are nonbinding and advisory only, and we encourage each public retirement system to independently evaluate these calculations.

Sincerely,



Paul Angelo
Chair, California Actuarial Advisory Panel

cc: Panel members
John Bartel, Vice Chair
David Driscoll
Anne Harper
David Lamoureux
Graham Schmidt
Todd Tauzer
Scott Terando

Board of Trustees

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



Date: November 27, 2023

To: Board of Trustees

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

Agenda Item 9: Stipulation for the Division of Pension Benefits – Option Four Pension Benefit Election

Recommendation:

It is recommended that the Board approve an Optional Settlement No. 4 as ordered in the attached draft of Stipulated Domestic Relations Order (DRO) Re: Division of San Luis Obispo County Pension Trust Retirement Plan Benefits and Allowances for Member Michael Neufeld. Legal counsel agrees with this recommendation.

Discussion:

The San Luis Obispo County Employees Retirement Plan (the “Plan”) provides for four different optional settlements, aside from the Unmodified Allowance. The Unmodified Allowance is the maximum allowance payable to a Member that also provides for a 50% continuance of monthly benefits to be paid to an eligible survivor (spouse or registered domestic partner for one year prior to retirement). Article 13: Options Available After Retirement of the Plan allows a Member to elect an actuarially reduced monthly benefit to provide for a larger continuing monthly allowance for their survivor, or a continuance or lump sum payment to a named beneficiary that would not qualify as an eligible survivor. The four alternative options are summarized as:

Option 1 – provides that any remaining employee contributions are paid to named beneficiary or beneficiaries upon the death of the Retiree.

Option 2 – provides a 100% continuance of the actuarially reduced monthly benefit be paid to the named beneficiary upon death of the Retiree.

Option 3 – provides a 50% continuance of the actuarially reduced monthly benefit to be paid to the named beneficiary that is not a survivor upon death of the Retiree.

Option 4 – provides an **actuarially equivalent** continuance of monthly benefits to be paid to the named beneficiary upon the death of the Retiree (not greater than that available under Option 2). The terms of the Retirement Plan for Option 4 **require Board of Trustees approval.**

In this case, Mr. Neufeld is an active Member of the SLOCPT who has filed for dissolution of marriage. As part of the settlement of community property he and his former spouse (Alternate Payee) have agreed to a division of their interests with regards to the benefits provided by the SLOCPT that will occur at the time he retires from County service. The Alternate Payee will receive her portion of the monthly retirement allowance for her lifetime. When parties elect to split their interests at the point of retirement, the Alternate Payee's benefit under the Unmodified Allowance and Options 1, 2, and 3 ceases upon the death of the Retiree. As a result, Mr. Neufeld is required to elect **Option 4** at the time of his retirement to accommodate the continuing monthly benefit to his Alternate Payee at the time of his passing.

Attached, for your review is the draft DRO. This DRO establishes that Mr. Neufeld, upon retirement, must select **Option 4**. Mr. Neufeld's Unmodified Allowance will be calculated and then divided pursuant to that which is described in the order. At that time, the Alternate Payee's allowance will be further adjusted (reduced) using appropriate actuarial methods to reflect the Alternate Payee's life expectancy thus ensuring an actuarial equivalent benefit is distributed in a manner consistent with the Plan.

Also attached is a letter from Cheiron, SLOCPT's actuary, who has reviewed the DRO and has certified that it fulfills the definition of actuarial equivalence.

Respectfully submitted,

1 Tammie L. Neufeld
13694 Ragged Mountain Rd.
2 Paonia, CO 81428

3 Respondent, In Pro Per

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8 SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN LUIS OBISPO

9

10	In re the Marriage of)	NO: 23FL-0083
)	
11	Petitioner: Michael B. Neufeld)	STIPULATED DOMESTIC RELATIONS
)	ORDER RE: DIVISION OF SAN LUIS
12	and)	OBISPO COUNTY PENSION TRUST
)	RETIREMENT PLAN BENEFITS AND
13	Respondent: Tammie L. Neufeld)	ALLOWANCES
)	

14

15 Petitioner, Michael B. Neufeld, and Respondent, Tammie L. Neufeld, hereby stipulate as
16 follows:

17

RECITALS

18 1. Petitioner and Respondent were married to each other on April 6, 2007. They
19 separated on January 15, 2023, and there is currently an action pending in this Court for the
20 dissolution of the parties' marriage.

21 2. This Court has personal jurisdiction over both Petitioner and Respondent and
22 jurisdiction over the subject matter of this Order and the dissolution of marriage action. The
23 Pension Trust was properly joined as a party claimant to this action pursuant to sections 2060
24 through 2065 of the California Family Code.

25 3. The San Luis Obispo County Pension Trust ("Pension Trust") was formed, exists
26 and is administered under section 53215, et seq., of the Government Code and Chapter 2.56
27 of the San Luis Obispo County Code and the Pension Trust By-Laws and Pension Trust

1 Retirement Plan (Retirement Plan).

2 **IT IS HEREBY ORDERED BY THE COURT THAT:**

3 1. This Order is entered pursuant to the California Family Code.

4 2. Michael B. Neufeld ("Member") and Tammie L. Neufeld ("Alternate Payee") have
5 acquired a community interest in the Member's rights under the Retirement Plan and attributable
6 the Member's Pension Trust Service Credit from the date of marriage up to the date of
7 separation of the parties.

8 3. Surviving Spouse. The Court find*s that, as of the date of separation of the
9 parties, the member had not retired from employment and that, therefore, the Alternate Payee
10 is not qualified as, and will not qualify to become, a "Surviving Spouse" under Section 7.04(b)
11 of the Retirement Plan.

12 4. Calculation of the Community Property Interest. The parties' Community Property
13 Interest in the Member's rights under the Retirement Plan shall be a fraction:

14 a. whose numerator is that portion of the Member's Pension Trust
15 Service Credit accrued from:

- 16 1) the date of marriage of the parties; or
17 2) the date of the Member's entry into the Pension Trust, whichever
18 is later,
19 and extending to the date of separation of the parties; and

20 b. whose denominator is the Member's Pension Trust Service Credit from
21 the date of the Member's entry into the Pension Trust until the Member's Effective Date
22 of Retirement.

23 The resulting fraction shall be converted to a percentage interest, which shall be the
24 Community Property Interest.

25 5. Calculation of Alternate Payee's Share. The Alternate Payee's Share of the
26 Community Property Interest shall be determined by multiplying the Community Property Interest
27 by 21.58%.

1 6. Award of the Alternate Payee's Share. The Court allocates and awards to the
2 Alternate Payee, as the Alternate Payee's sole and separate property, the Alternate Payee's
3 Share of the Community Property Interest in the Member's rights under the Retirement Plan.

4 The Alternate Payee's Share of the Community Property Interest of the Member's rights
5 under the Retirement Plan shall apply to, but not be limited to, the Monthly Retirement Allowance
6 paid to the Member during the Member's lifetime, the Alternate Payee's interest in the
7 Retirement Plan as a beneficiary of the Member and the Alternate Payee's share of any
8 Employee Additional Contribution account in the name of Member. All Retirement Plan
9 allowances and benefits which are not awarded to the Alternate Payee pursuant to this Order
10 shall be the Member's sole and separate property.

11 If the Member retires on a disability retirement, the Alternate Payee's Community
12 Property Interest shall be applied to the Monthly Retirement Allowance which would otherwise
13 be paid to the Member if the Member had retired on a Service Retirement Benefit. In addition,
14 if the Member retires on a disability retirement that commences before the date the Member is
15 eligible for a Service Retirement Benefit, the Alternate Payee shall not be entitled to receive any
16 portion of the amount payable by the Retirement Plan until the date the Member would have
17 been eligible for a Service Retirement Benefit.

18 If Member retires on a Industrial Disability Retirement then, pursuant to *In Re Marriage*
19 *of Higinbotham* (1988) 203 Cal.App. 3d 322, 249 Cal.Rptr. 798, the tax benefit, if any, related
20 to the Members disability retirement shall be the separate property of the member. Therefore,
21 the Alternate Payee is awarded the Alternate Payee's Community Property Interest from the
22 taxable portion of the benefit, if any, to the maximum extent possible. If the Alternate Payee's
23 Community Property Interest is larger than the taxable portion of the benefit, the amount in
24 excess of the taxable portion shall be paid from the non-taxable portion of the benefit.

25 7. Member's Additional Contributions. In the event that the Member has an
26 Employee Additional Contribution account with the Retirement Plan, the Alternate Payee's Share
27 of that account shall be paid to the Alternate Payee in accordance with Section 5.07 of the

1 Retirement Plan.

2 8. Election of Retirement Allowance Method. At such time as the Member applies
3 to the Pension Trust for a Monthly Retirement Allowance, the Member shall elect Optional
4 Settlement No. 4 as provided for under Article 13 of the Retirement Plan. The Alternate Payee's
5 Share of the Community Property Interest of Member's Monthly Retirement Allowance
6 (determined as an unmodified Retirement Allowance under Article 6 of the Retirement Plan)
7 shall be converted from being paid for the lifetime of the Member to being paid for the lifetime
8 of the Alternate Payee. The amount of the monthly benefit to the Alternate Payee (for the
9 Alternate Payee's lifetime) shall be the actuarial equivalent (based on the actuarial assumptions
10 of the Pension Trust) of the Alternate Payee's share of the unmodified allowance.

11 If, on the effective date of the Member's retirement, the Member is married and the
12 Member's spouse is determined to be an Eligible Survivor, then the Member's Retirement
13 Allowance shall be calculated as follows:

14 A. The unmodified allowance shall be determined in accordance with the
15 Retirement Plan formula applicable to the Member on the date of retirement.

16 B. The Alternate Payee's portion of the unmodified allowance shall be
17 determined in accordance with the provisions of this Order, specifically Section 4 and
18 Section 5.

19 C. The Survivor Continuance portion of the Unmodified Allowance (per
20 section 7.02), which is payable to the Member's spouse upon the Member's death after
21 retirement shall be determined based on the unmodified allowance that remains after the
22 award of the Alternate Payee's share of the unmodified allowance has been determined.

23 D. In the case of the Member's death after Retirement, the unmodified
24 allowance payable to the Alternate Payee as adjusted pursuant to this section shall be
25 paid for the remainder of the Alternate Payee's lifetime.

26 9. Payment of Retirement Allowance to the Alternate Payee if the Member Retires.

27 If and when the Member retires, the Alternate Payee shall be paid the Alternate

1 Payee's Share of the Community Property Interest of the Member's Monthly Retirement
2 Allowance, as set forth in section 8, above, by separate warrant directly from the Pension
3 Trust. Payments of the Alternate Payee's Share of the Community Property Interest of the
4 Member's Monthly Retirement Allowance shall commence on or after the date on which
5 Member has attained the earliest retirement age as defined in the Retirement Plan, but only
6 on and after such time as Member actually retires or otherwise receives payment of a Monthly
7 Retirement Allowance under the Retirement Plan.

8 10. Payments to the Alternate Payee in the Event of the Death of the Member
9 before Retirement.

10 a. Member is not qualified to retire. If the Member dies before the Member
11 is qualified to retire, then the Alternate Payee shall be paid the Alternate Payee's
12 Share of the death benefit provided for by Section 7.01 of the Retirement Plans (or
13 Section 7.03 of the Retirement Plan if the Member was a Safety Member).

14 b. Member is qualified to retire. If the Member dies after the Member is
15 qualified to retire, and has an Eligible Surviving Spouse at the time of death, and if the
16 Eligible Surviving Spouse elects to receive the death benefit provided by Section 7.02
17 of the Retirement Plan (or Section 7.03 as applicable), then the Alternate Payee shall
18 be paid the Alternate Payee's proportionate share of the death benefit provided for by
19 Section 7.02 of the Retirement Plan (or Section 7.03 as applicable). The benefit
20 payable to the Eligible Surviving Spouse shall be adjusted to reflect the payment of
21 the Alternate Payee's share of the death benefit.

22 11. Alternate Payee's Death. If the Alternate Payee dies after payment of benefits
23 to the Alternate Payee has commenced pursuant to Paragraphs 8 and 9, all payments shall
24 cease, because the payments have been adjusted under Option 4 to be paid over the lifetime
25 of the Alternate Payee.

26 The Alternate Payee shall have the right to name a beneficiary in the event that the
27 Alternate Payee dies prior to the date that the Member retires, and shall do so as soon as

1 practicable after this Order is approved by the Court. If the Alternate Payee dies prior to the date
2 that payment of benefits to the Alternate Payee has commenced, and if Member subsequently
3 dies before retirement, the Administrator shall pay the amount(s) which would otherwise have
4 been paid to the Alternate Payee pursuant to Paragraph 10.1 or 10.b, by separate warrant,
5 directly to the beneficiary designated by the Alternate Payee by filing a Designation of
6 Beneficiary form with the Administrator.

7 If the Alternate Payee dies prior to the date that payment of benefits to the Alternate
8 Payee has commenced, and if Member subsequently receives a Monthly Retirement Allowance,
9 the Administrator shall pay the Alternate Payees Share of the Community Property Interest of
10 the Member's Monthly Retirement Allowance (subject to any restrictions related to disability
11 retirement, as provided in Paragraph 6), by separate warrant, directly to the beneficiary
12 designated by the Alternate Payee. Such payments shall cease upon the death of the Member
13 If the Alternate Payee designates the minor child(ren) of the parties as beneficiary, then no
14 monthly survivor benefits shall be payable to said minor child(ren) pursuant to Section 704(b) of
15 the Pension Trust Retirement Plan during such time as said minor child(ren) are receiving a
16 retirement allowance as the beneficiary of the Alternate Payee.

17 12. Responsibility for Taxes. The Member and the Alternate Payee shall be
18 responsible for, and pay, any taxes due in connection with his or her receipt of distributions from
19 the Pension Trust.

20 13. Member Information. For the purpose of making any retirement allowance or
21 benefit payments provided by the terms of this Order or providing and notice required by the
22 terms of this Order, Member's name and current mailing address are as follows:

23 Name: Michael B. Neufeld

24 Address: P.O. Box 666, Arroyo Grande, CA 93421

25 14. Alternate Payee Information. For the purpose of making any retirement
26 allowance or benefit payments provided by the terms of this Order or providing and notice
27 required by the terms of this Order, Alternate Payee's name and current mailing address are as

1 follows:

2 Name: Tammie L. Neufeld

3 Address: 13694 Ragged Mountain Rd., Paonia, CO 81428

4 15. Notice of change of address or telephone number shall be made in writing to the
5 Pension Trust, addressed as follows, or as the Executive Secretary may specify in a written
6 notice to Member and Alternate Payee:

7 San Luis Obispo County Pension Trust
8 1000 Mill Street
9 San Luis Obispo, California 93408

10 16. The Member and the Alternate Payee shall sign all forms, letters and other
11 documents as required to effect the distribution(s) described herein and the intent of the Order.

12 17. The Alternate Payee and the Alternate Payee's agents and attorneys are
13 authorized to receive information from the Pension Trust concerning the Member's allowances
14 and benefits as may be needed to establish the Alternate Payee's account.

15 18. The Member shall act as constructive trustee of any benefits assigned to the
16 Alternate Payee under this Order which may be paid to or received by the Member. The
17 Member, as trustee, shall promptly pay or transmit any such benefits to the Alternate Payee at
18 the Alternate Payee's last known address. The Alternate Payee shall act as constructive trustee
19 of any benefits assigned to the Member under this Order which may be paid to or received by
20 the Alternate Payee. The Alternate Payee, as trustee, shall promptly pay or transmit any such
21 benefits to the Member at the Member's last known address.

22 19. This Order shall be administered and interpreted in conformity with the laws
23 governing the Pension Trust, the By-Laws and the Retirement Plan and other applicable law.
24 If such laws, By-Laws, or Retirement Plan are amended, then the Member and the Alternate
25 Payee shall immediately take the steps necessary to amend this Order to comply with any such
26 amendments, changes and/or modifications, or, if permissible under any such change,
27 amendment, or modification to the Pension Trust Laws, the executive Secretary may treat this
Order as acceptable. The Member and the Alternate Payee shall be responsible for any of the

1 costs and/or expenses associated with such amendment to this Order.

2 20. The Member, the Alternate Payee, and the Court intend that this Order meet all
3 requirements of a domestic relations order under the Pension Trust Laws and other laws of the
4 State of California, and the Court shall reserve jurisdiction to modify this Order and to resolve
5 any disputes that may arise among the parties and the Executive Secretary concerning benefit
6 payments or any other aspect of this Order. If any portion of this Order is rendered invalid or
7 otherwise unenforceable, the Court reserves jurisdiction to make an appropriate adjustment to
8 effectuate the intent of the parties. Any future fees, taxes, and/or penalties will be assessed
9 against the parties who then have an interest payable from the Pension Trust.

10 21. This Stipulation and Order shall not expand the contractual or statutory
11 obligations, whether substantive or procedural, of the Pension Trust with respect to paying the
12 above allowances and/or benefits.

13 22. Should either Member or Alternate Payee breach this Order or be called upon to
14 enforce this Order by reason of the acts or omissions of the other, the prevailing party shall be
15 entitled to litigation expenses and costs and reasonable attorneys' fees. This provision shall not
16 be construed as a waiver by any party of any remedy for enforcement by any party hereto as
17 against any other party.

18 23. Each party shall perform any act reasonably necessary to cause into effect or
19 verify the carrying into effect of the terms of this Order.

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1 24. This order shall continue to be effective with respect to any successor or
2 transferee plan of Plan, including any plan into which the Plan is merged.

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Date: _____

Michael B. Neufeld
Petitioner, In Pro Per

Date: _____

Tammie L. Neufeld
Respondent, In Pro Per

ORDER

IT IS SO ORDERED:

Date: _____

JUDGE OF THE SUPERIOR COURT

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Via Electronic Mail

November 15, 2023

Mr. Carl Nelson
Executive Director
San Luis Obispo County Pension Trust
1000 Mill Street
San Luis Obispo, California 93408

Re: Neufeld Domestic Relations Order No. 23FL-0083

Dear Carl:

The purpose of this letter is to confirm that the DRO issued by the Superior Court of California, County of San Luis Obispo, in regard to the member (Michael B. Neufeld) and his Alternate Payee (Tammie L. Neufeld) fulfills the definition of actuarial equivalence. In particular, this DRO includes the Option 4 benefit.

The alternate payee's unmodified allowance will be adjusted for the alternate payee's expected lifetime to create an actuarial equivalent benefit according to Section 13.05 of the By-Laws and Retirement Plan of the San Luis Obispo County Pension Trust, including revisions through June 25, 2023.

If you have any questions or need additional information, please feel free to e-mail me at aharper@cheiron.us or call me at 1-877-243-4766, ext. 1107.

Sincerely,
Cheiron



Anne D. Harper, FSA, EA, MAAA
Principal Consulting Actuary

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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: November 27, 2023

To: Board of Trustees

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

Agenda Item 14: Resolution No. 2023-03 – Establishing the Rate of Interest to be paid on the Normal Contributions of Members

Recommendation:

It is recommended that the Board approve the attached Resolution 2023-03. This resolution establishes the rate of interest to be paid on Normal Contributions of Members for the period beginning December 24, 2023 and ending December 21, 2024 at **5.75%**. This rate can be changed at the discretion of the Board of Trustees at any time.

Discussion:

With respect to the establishment of the interest crediting rate for Normal Contribution Accounts, action is taken annually by the Board pursuant to Retirement Plan Section 5.06: Accounting for Contributions. Section 5.06 Accounting For Contributions reads as follows:

The Normal Contributions of Members will be accounted for separately and will be credited with interest as of the last day of each pay period at an annual rate to be determined by the Board of Trustees.

The Retirement Plan is silent as to the method the Trustees use to determine the rate of interest to be credited to a Member's Normal Contribution Account. The practices of other retirement systems in setting a crediting rate for normal contributions vary widely. In the normal case where a Member proceeds to receive a service retirement benefit, the crediting rate for Normal contributions has minimal significance. This is because the retirement benefit is funded by a blending of the Member's Normal Contribution Account and the other reserves (i.e., employer contributions and investment earnings) within the Plan.

If a Member separates service and elects to take a Termination Refund of their Normal Contributions, the interest credited to their account is also paid out to the Member. The Plan loss attributable to the interest payment is at least partially offset by the reduction in actuarial accrued liability.

It has been the past practice of the Board to use the Plan’s current Actuarial Assumed Rate of Return less 1.00% when assigning interest rates for Normal Contributions. Based on the same rationale, Staff’s recommendation is to maintain the current interest rate to be credited to the Member Normal Contribution Accounts at **5.75%** for 2024. **Alternative amounts for setting this rate of interest are also possible and within the discretion of the Board.**

	<u>2023</u> <u>Adopted</u>	<u>2024</u> <u>Recommended</u>
Assumed Rate of Return	6.750%	6.750%
Less	<u>1.000%</u>	<u>1.000%</u>
Interest Rate on Member Normal Contributions	5.750%	5.750%

This rate can be changed at the discretion of the Board at any point which allows for further adjustments in conjunction with future considerations of actuarial assumptions to be used.

Note that the attached resolution contains an automatic setting of the rate to 4.50% starting December 22, 2024. The intent of this provision is to establish that the rate can be reduced at the discretion of the Board. This does not bind whatever decision the Board of Trustees may make in establishing the rate of interest being paid on Member Normal Contribution Accounts for periods after 2023.

The history of approved Normal Contribution Rates for the past 10 years is shown below:

2014	6.750%
2015	6.750%
2016	6.750%
2017	6.625%
2018	6.125%
2019	6.000%
2020	6.000%
2021	5.875%
2022	5.750%
2023	5.750%

Respectfully Submitted,

**SAN LUIS OBISPO COUNTY
PENSION TRUST**

RESOLUTION 2023-03

**A RESOLUTION ESTABLISHING THE RATE
OF INTEREST TO BE PAID ON THE
NORMAL CONTRIBUTIONS OF MEMBERS FOR THE PERIOD
BEGINNING DECEMBER 24, 2023 AND ENDING DECEMBER 21, 2024**

WHEREAS, Plan Section 5.06 provides for the crediting of interest on Member's Normal Contributions at an annual rate to be determined by this Board of Trustees; and

WHEREAS, the duties of this Board of Trustees under Plan Section 16.02 require the Board to interpret, construe and apply all provisions of the Plan, and to approve interest rates; and

WHEREAS, pursuant to the above-mentioned Plan Sections, this Board of Trustees, at the Regular Meeting of November 28, 2022, adopted Resolution 2022-06, fixing the rate of interest to be paid on Normal Contribution Accounts at five and three quarters percent (5.750%); and

WHEREAS, this Board of Trustees has determined that for the period beginning December 24, 2023, maintaining the current rate of interest at five and three quarters percent (5.750%) would be a reasonable and prudent discharge of the above-mentioned duties and a prudent application of funds; and

WHEREAS, uncertainty as to current economic conditions, and volatility of interest rates constitute sufficient cause for the Board of Trustees to limit an increase in said current rate to the period specified above, by returning said rate to four and one-half percent (4.50%), commencing December 22, 2024.

NOW THEREFORE, BE IT RESOLVED by the Board of Trustees of the San Luis Obispo County Pension Trust as follows:

1. That, for the period beginning December 24, 2023, and ending December 21, 2024, the annual rate of interest to be credited to the normal contributions of Members, under Plan Section 5.06 is hereby fixed at five and three quarters percent (5.750%);
2. That commencing December 22, 2024, and thereafter, the annual rate of interest to be credited to the normal contributions of Members under Plan Section 5.06 is hereby fixed at four and one-half percent (4.50%);
3. That implementation of this Resolution is hereby assigned to the Executive Director of this Pension Trust.

Aye Votes: -
No Votes: -
Abstentions: -
Absent: -

ADOPTED: November 27, 2023

Approved as to Form and Legal Effect

Chris Waddell
General Counsel

SIGNED: _____
Jeff Hamm, President
Board of Trustees
San Luis Obispo County Pension Trust

ATTEST: _____
Carl Nelson
Executive Director

Board of Trustees

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



Date: November 27, 2023
To: Board of Trustees
From: Carl Nelson – Executive Director
Amy Burke – Deputy Director

Agenda Item 15: Resolution No. 2023-04 – Establishing the Rate of Interest to be paid on the Additional Contributions of Members

Recommendation:

It is recommended that the Board approve the attached Resolution 2023-04. This resolution reaffirms the following policy of the rate of interest to be paid on Member Additional Contributions for the period beginning December 24, 2023 and ending December 21, 2024 at **4.60%**.

Discussion:

Section 5.07 of the Retirement Plan sets forth the provisions governing the Additional Contribution Accounts. The section provides that this account is designed to provide additional benefits.

Historically, there have been three sources of Additional Contributions. These are as follows:

1. Voluntary Contributions made by members.
2. “Spill-over” contributions as a result of Employer Paid for Employee Normal Contributions (also known as the “pick up”) in excess of the Member’s required contribution rate. This source of additional contributions has become obsolete due to contribution rate increases and how these increases have been allocated between Employees and Employers.
3. Distributions of excess earnings from SLOCPT.

In 2018, the Board of Trustees approved a benchmark using the yield on Five Year Treasury Bonds as of September 30th of each year. In 2022, Staff recommended that the rate credited to Additional Contribution also be limited by the rate credited to Normal Contributions (currently and recommended to continue at 5.75%). Based on this, Staff recommends for 2024 the interest to be paid on Additional Contribution Accounts be set at the September 30th yield on Five Year Treasury Bonds which is **4.60%**.

This rate can be changed at the discretion of the Board at any point which allows for further adjustments in conjunction with future considerations.

Note that the attached resolution contains an automatic setting of the rate to 1.50% starting December 22, 2024. The intent of this provision is to establish that the rate can be reduced at the discretion of the Board. This does not bind whatever decision the Board of Trustees may make in establishing the rate of interest being paid on Member Normal Contribution Accounts for periods after 2023.

The history of approved Additional Contribution Rates for the past 10 years is shown below:

2014	1.95%
2015	1.60%
2016	1.50%
2017	1.35%
2018	1.92%
2019	2.94%
2020	1.55%
2021	0.28%
2022	0.98%
2023	4.06%

This proposed change is estimated to increase SLOCPT's current bi-weekly interest crediting on Additional Contribution balances from about \$2,500 per payroll cycle (\$66,000 per year) to about \$2,900 per payroll cycle (\$74,000 per year). However, Additional Contribution balances have steadily been decreasing so the actual impact is expected to be less than estimated. There are currently a total of about 330 individuals with Additional Contributions with an average balance of about \$5,000. Additional Contribution balances for the prior 10 years are shown below:

2014	5,295,316
2015	4,362,000
2016	3,966,614
2017	3,267,574
2018	2,784,819
2019	2,445,099
2020	2,265,799
2021	1,869,784
2022	1,708,593
2023 YTD	1,652,448

This action is taken annually by the Board pursuant to Retirement Plan Section 5.07: Additional Contributions.

Respectfully Submitted,

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**SAN LUIS OBISPO COUNTY
PENSION TRUST**

RESOLUTION NO. 2023-04

**A RESOLUTION ESTABLISHING THE RATE
OF INTEREST TO BE PAID ON THE
ADDITIONAL CONTRIBUTIONS OF MEMBERS FOR THE PERIOD
BEGINNING DECEMBER 24, 2023 AND ENDING DECEMBER 21, 2024**

WHEREAS, Plan Section 5.07 provides for the crediting of interest to Member Additional Contributions at an annual rate to be determined by this Board of Trustees; and

WHEREAS, the duties of this Board of Trustees under Plan Section 16.02 require the Board to interpret, construe and apply all provisions of the Plan, and to approve interest rates; and

WHEREAS, at the Regular Meeting of the Board of Trustees held November 23, 2009, the Board of Trustees reviewed the matter of crediting Additional Contribution Accounts with appropriate rates of interest, such that participants in said Additional Contribution Accounts receive a rate of return that is consistent with the funding requirements of the Trust; and

WHEREAS, the Board of Trustees finds that portfolio performance on a year-over-year basis is potentially volatile, and that such volatility in the determination of the interest crediting rate is not desirable and, therefore a more stable and objective benchmark to determine the rate of interest credited to the Additional Contribution Accounts is preferable, and

WHEREAS, the Board of Trustees affirms the policy recommendation that the rate of interest to be determined and applied to the Additional Contribution Account be established in a range of not less than 0% and not greater than the established interest crediting rate for Normal Contributions for the same period; and

WHEREAS, said policy will ensure the principal amount of a Member's contributions be preserved; and

WHEREAS, the staff recommends and the Board of Trustees finds that the yield on Five Year Treasury Bonds as of September 30th of each year provides a reasonable and objective benchmark for the determination of the appropriate interest crediting rate for Employee Additional Contribution Accounts; and

WHEREAS, based on the foregoing, the rate of interest to be credited to the Employee Additional Contribution Accounts be established for 2024 at a rate of 4.60%; and

WHEREAS, in the event that the Board of Trustees is unable or precluded from setting the rate of interest on Additional Contribution Accounts as specified above, said rate shall default to one and

one-half percent (1.50%), commencing December 22, 2024; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Trustees of the San Luis Obispo County Pension Trust as follows:

1. That, for the period beginning December 24, 2023, and ending December 21, 2024, the annual rate of interest to be credited to the Member Additional Contribution Accounts, under Plan Section 5.07 is hereby fixed at 4.60%.
2. That commencing December 22, 2024, and thereafter, the annual rate of interest to be credited to the Member Additional Contributions Account under Plan Section 5.07 shall be determined annually by action of the Board of Trustees and may be based on the yield on Five Year Treasury Bonds as of September 30th of each year or a comparable investment.
3. That should the Board of Trustees be unable or precluded from setting said interest rate on Employee Additional Contribution Accounts, commencing December 22, 2024, and thereafter, the annual rate of interest to be credited to the additional contributions of Members under Plan Section 5.07 is hereby fixed at one and one-half percent (1.50%).
3. That implementation of this Resolution is hereby assigned to the Executive Director of this Pension Trust.

Aye Votes: -
No Votes: -
Abstentions: -
Absent: -

ADOPTED: November 27, 2023

Approved as to Form and Legal Effect

Chris Waddell
General Counsel

SIGNED: _____
Jeff Hamm, President
Board of Trustees
San Luis Obispo County Pension Trust

ATTEST: _____
Carl Nelson
Executive Director

Board of Trustees

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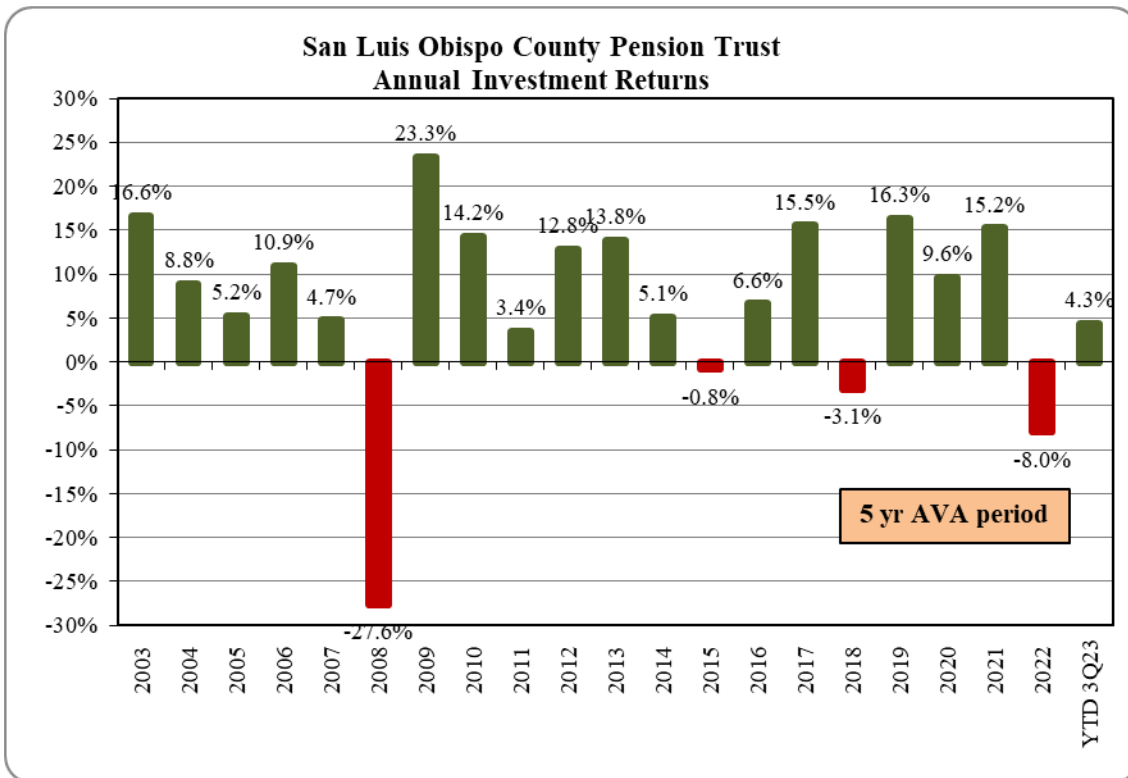
Date: November 27, 2023

To: Board of Trustees

From: Carl Nelson – Executive Director
Amy Burke – Deputy Director
Scott Whalen - Verus

Agenda Item 17: Quarterly Investment Report for the 3rd Quarter of 2023

Attached is the 3Q23 quarterly investment report from the Trust’s investment consultant - Verus. Scott Whalen of Verus will present and discuss the quarterly report. The history of SLOCPT investment returns, gross of fees, is shown below.



Respectfully submitted,

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**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: SEPTEMBER 30, 2023

Investment Performance Review for

San Luis Obispo County Pension Trust

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

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SAN FRANCISCO 415.362.3484

Investment Landscape

TAB I

Investment Performance
Review

TAB II

An aerial photograph of a coastal town and beach, viewed from a high vantage point. The town is nestled between a large, forested hill and the ocean. A sandy beach curves along the coast, with waves breaking onto the shore. The foreground shows a grassy hillside. A semi-transparent geometric pattern of overlapping triangles is overlaid on the left side of the image. A white triangle with a blue shadow is positioned to the left of the main text.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

4TH QUARTER 2023
Investment Landscape

Verus business update

Since our last Investment Landscape webinar:

- Verus retained four new clients across the U.S. expanding our coverage in the Pacific, Midwest, Southwest, and Southeast
- Shelly Heier, CFA, CAIA – *President*, was named one of Pensions & Investments' 2023 Influential Women in Institutional Investing
- Eileen Neill, CFA – *Managing Director | Senior Consultant*, was nominated as one of Chief Investment Officer's 2023 Knowledge Brokers
- Sneha Pendyala – *Public Markets Research Analyst* recently passed CFA level III. Christian Reed – *Private Markets Performance Analyst* and Jonah Coffee – *Performance Analyst* passed CFA level II
- Recent research, found at verusinvestments.com/research:
 - **2023 Private Equity Outlook**
 - **Hedge funds in 2023: How has the environment changed?**
 - **The rising rate environment's impact on real estate cap rates**
 - **Yield curve inversion: recession signal, but why?**
 - **Credit, distress, default & the long term**



Shelly Heier, CFA, CAIA
President



Eileen Neill, CFA
Managing Director |
Senior Consultant

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Fixed income rates & credit 22

Equity 28

Other assets 38

Appendix 43

Recent Verus research

Visit: verusinvestments.com/research

Topics of interest

CREDIT, DISTRESS, DEFAULT & THE LONG TERM

As the environment for credit changes and the risks of defaults increase, investors would be well advised to assess their fixed income positioning. This includes considering other opportunities across the credit spectrum beyond traditional core vehicles.

THE RISING RATE ENVIRONMENT'S IMPACT ON REAL ESTATE CAP RATES

The quickly rising interest rate environment has changed the landscape for commercial real estate so much that investors are questioning how the appraised values of their private real estate assets might change in the future. Our latest whitepaper illuminates this question.

YIELD CURVE INVERSION: RECESSION SIGNAL, BUT WHY?

Predicting future market conditions is an incredibly difficult task. One signal that has been a historically accurate predictor preceding a U.S. recession is the yield curve inversion. We examine what drives curve inversion, allowing investors a framework regarding the implications of this type of event.

HEDGE FUNDS IN 2023: HOW HAS THE ENVIRONMENT CHANGED?

For those clients who are comfortable embracing the complexity of hedge funds, we continue to believe that these strategies can play an important role. Furthermore, the justifications for these strategies may be strengthening as we enter a much different market regime.

Annual research

2023 PRIVATE EQUITY OUTLOOK

In the 2023 Private Equity Outlook, we focus on the impact of a “higher rate for longer” scenario on the asset class. We also examine how the rising-rate environment has affected private markets so far.

3rd quarter summary

THE ECONOMIC CLIMATE

- Real GDP increased at a 2.9% pace from a year ago in Q3 (4.9% QoQ annualized rate). The large uptick was driven by consumption, which continues to show resiliency. A combination of pandemic related excess savings and a strong decade of household wealth expansion is likely providing a cushion against an economic slowdown.
- The unemployment rate increased slightly during the quarter from 3.6% to 3.8%, though this appears to be due to more workers rejoining the labor force and seeking employment (a positive rather than negative development). The total size of the U.S. workforce grew by 580,000 in Q3.

PORTFOLIO IMPACTS

- The U.S. consumer has shown resiliency, with ongoing moderate spending activity. However, personal savings rates are nearly the lowest on record. We believe depressed savings activity without a commensurate surge in spending, and very poor sentiment, suggests high inflation is squeezing household budgets.
- The Cboe VIX implied volatility index remained below-average for most of the third quarter, before rising to 17.5 to end September. Market risk has been falling fairly consistently throughout the year, which may be at least partly attributed to the perception that certain risks, such as regional bank contagion and near-term recession, have eased.

THE INVESTMENT CLIMATE

- The 10-year U.S. Treasury yield increased during the quarter to 4.58%—a level not seen since 2007—likely supported by *higher for longer* interest rate expectations. This led to a flattening of the yield curve.
- U.S. headline inflation ticked up from 3.1% to 3.7% year-over-year. Core CPI (ex-food & energy) continued to fall from 4.9% to 4.1%. Shelter costs jumped unexpectedly in September showing the largest rise since May, and along with rising energy prices have generated concerns of renewed inflation. A material weakening of the job market and U.S. economy will likely be needed to bring inflation down to a 2% level.

ASSET ALLOCATION ISSUES

- Nearly all asset classes produced materially negative performance during the quarter, including global equities (-3.4%), U.S. core fixed income (-3.2%) and U.S. Treasuries (-3.1%). Highly correlated markets created difficulties for investors, as diversification produced limited value. **p. 48**
- U.S. investors continue to face a difficult environment for style factor investing. Over the past year, mega cap growth stocks have propelled the U.S. market higher, leading to dramatic outperformance of growth stocks and large cap stocks. However, value investing has delivered exceptional results in international developed markets, outperforming growth stocks by 11.5%.

Nearly all asset classes produced materially negative performance during the quarter

A material weakening of the job market and/or U.S. economy will likely be needed to bring inflation down to a 2% level

What drove the market in Q3?

“Fed Signals Higher-for-Longer Rates with Hikes Almost Finished”

10-YEAR U.S. TREASURY YIELDS

Apr	May	June	July	Aug	Sep
3.42%	3.64%	3.84%	3.96%	4.11%	4.57%

Article Source: Bloomberg, September 20th, 2023

“U.S. Inflation Rises in August as Petrol Prices Jump”

WTI CRUDE OIL PRICES (PER BARREL)

Apr	May	June	July	Aug	Sep
\$76.78	\$68.09	\$70.64	\$81.80	\$83.63	\$90.79

Article Source: Financial Times, September 13th, 2023

“U.S. Growth Trimmed on Inventories; Retains Underlying Momentum”

FEDERAL RESERVE BANK OF ATLANTA Q3 2023 GDPNOW FORECAST

July 28 th	Aug 15 th	Aug 31 st	Sept 15 th	Sept 29 th	Oct 10 th
3.5%	5.0%	5.6%	4.9%	4.9%	5.1%

Article Source: Reuters, August 30th, 2023

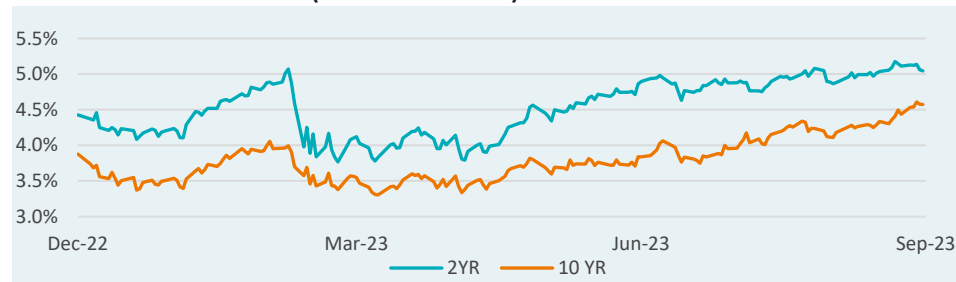
“S&P 500 Q2 2023 Earnings Beat Wall Street Expectations”

S&P 500 YEAR-OVER-YEAR EARNINGS GROWTH (DECLINE)

Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
9.0%	6.0%	2.4%	(4.9%)	(6.6%)	(4.1%)

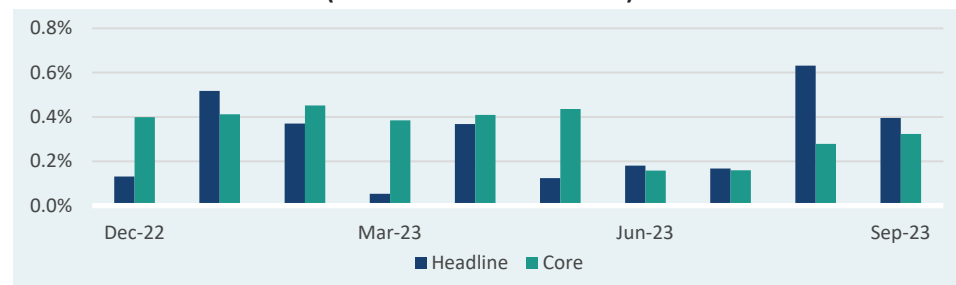
Article Source: Axios, August 18th, 2023

U.S. TREASURY YIELDS (YEAR-TO-DATE)



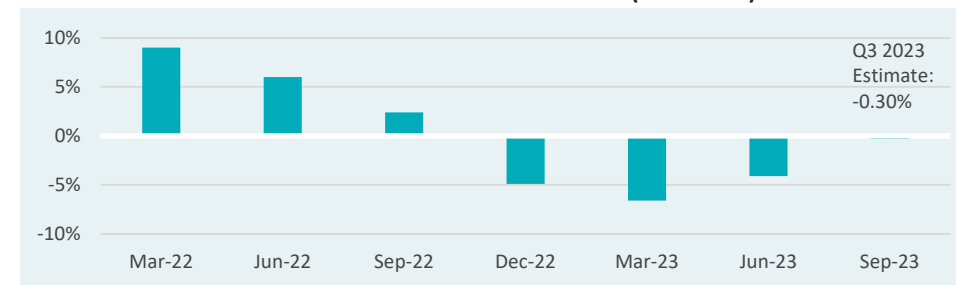
Source: Bloomberg, as of 9/30/23

HEADLINE VS. CORE CPI (MONTH-OVER-MONTH)



Source: BLS, as of 9/30/23

S&P 500 YEAR-OVER-YEAR EARNINGS GROWTH (DECLINE)



Source: FactSet, as of 9/30/23

Economic environment

U.S. economics summary

- Real GDP increased at a 2.9% pace from a year ago in the third quarter (4.9% quarter-over-quarter annualized rate). The large uptick was driven by consumption, which continues to show resiliency. While many investors have expected high inflation and weaker wage growth to impact spending, a combination of pandemic related excess savings and a strong decade of household wealth expansion is likely providing a cushion against an economic slowdown.
- U.S. headline inflation ticked up during the quarter, from 3.1% to 3.7% year-over-year in September. Core CPI (ex-food & energy) continued to fall from 4.9% to 4.1%. Shelter costs jumped unexpectedly in September, which along with rising energy prices have generated fresh concerns of renewed inflation.
- The U.S. consumer has shown resiliency, with continued moderate spending levels. However, personal

savings rates are nearly the lowest on record. We believe depressed savings activity, along with mild household spending and very poor sentiment, suggests high inflation is squeezing household budgets.

- The unemployment rate increased slightly during the quarter from 3.6% to 3.8%, though this appears to be due to more workers rejoining the labor force and seeking employment (a positive rather than negative development). The total size of the U.S. workforce grew by 580,000 in Q3.
- Consumer sentiment readings were mixed during Q3 but remain poor. According to the Conference Board survey, the future outlook for income, business, and labor conditions fell very sharply and are now at levels that historically have signaled recession within a year.

	Most Recent	12 Months Prior
Real GDP (YoY)	2.9% 9/30/23	1.7% 9/30/22
Inflation (CPI YoY, Core)	4.1% 9/30/23	8.2% 9/30/22
Expected Inflation (5yr-5yr forward)	2.4% 9/30/23	2.1% 9/30/22
Fed Funds Target Range	5.25–5.50% 9/30/23	3.00–3.25% 9/30/22
10-Year Rate	4.58% 9/30/23	3.83% 9/30/22
U-3 Unemployment	3.8% 9/30/23	3.5% 9/30/22
U-6 Unemployment	7.0% 9/30/23	6.7% 9/30/22

Inflation

U.S. headline inflation ticked up during the quarter, from 3.1% to 3.7% year-over-year in September. Core CPI (ex-food & energy) continued to fall from 4.9% to 4.1%. Shelter costs jumped unexpectedly in September showing the largest rise since May, which along with rising energy prices have generated concerns of renewed inflation. Oil in particular saw material gains over the quarter (+24.3% for Brent, +28.5% for WTI), largely driven by supply dynamics.

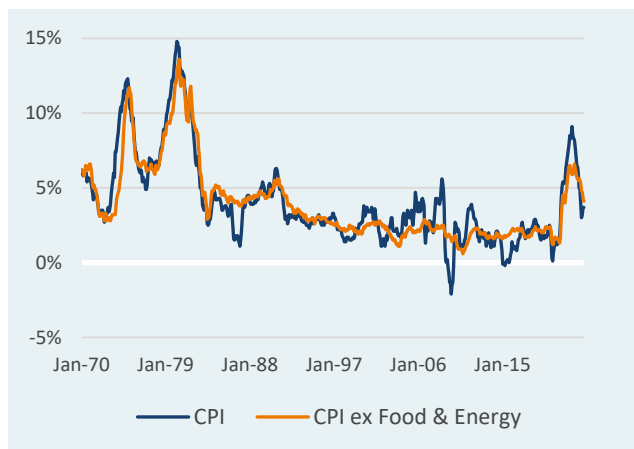
The attack of Hamas on Israel in early October led to upward movement in oil prices on the risk of escalation into a broader conflict involving Iran. Nearly one-fifth of global oil

supply is shipped through the Strait of Hormuz, on Iran's border, which means that a larger conflict would likely have major implications for inflation, and interest rates, and therefore the domestic economy.

Shorter-term inflation trends illustrate that the rate of inflation is still materially higher than the Federal Reserve's 2% target. Inflation appears to be stabilizing at a 3-4% range, and may not reach the Fed's 2% target without a material weakening of the job market and/or the U.S. economy.

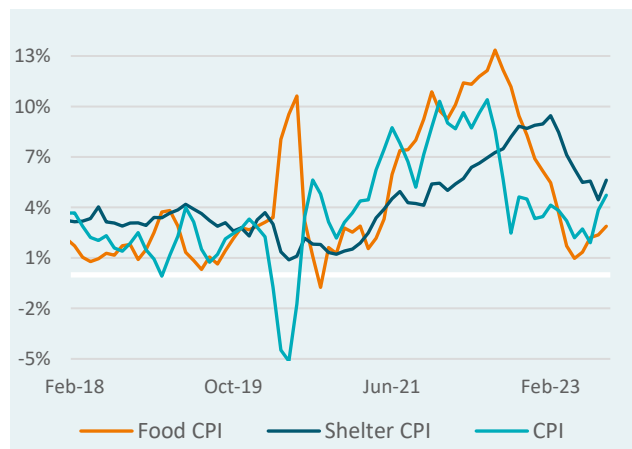
The recent jump in energy prices has reignited inflation concerns

U.S. CPI (YOY)



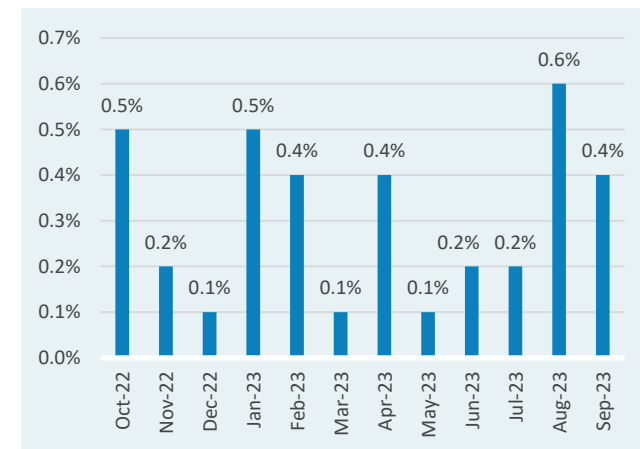
Source: BLS, as of 9/30/23

3-MONTH ANNUALIZED INFLATION RATE



Source: FRED, Verus, as of 9/30/23

MONTHLY PRICE MOVEMENT



Source: BLS, as of 9/30/23

GDP growth

Real GDP increased at a 2.9% pace from a year ago in the third quarter (4.9% quarter-over-quarter annualized rate). The large uptick was driven by consumption, which continues to show resiliency. While many investors have expected high inflation and weaker wage growth to impact spending, a combination of pandemic related excess savings and a strong decade of household wealth expansion is likely providing a cushion against an economic slowdown. Outside of consumption, all major categories, besides net exports, positively contributed to GDP growth.

A strong economy continues to support the *higher for longer*

interest rate narrative. This has also contributed to markets reacting negatively to positive economic news, as strong growth increases the likelihood of Federal Reserve hawkishness.

Despite healthy overall GDP growth, weakness is beginning to appear in the economy. Savings rates remain on the lower end of historical trends at 3.9%, while transitions into delinquency across credit card, auto, and mortgage lending has all moved higher. As savings and debt-driven consumption begins to recede, expectations are for weaker consumption in the fourth quarter.

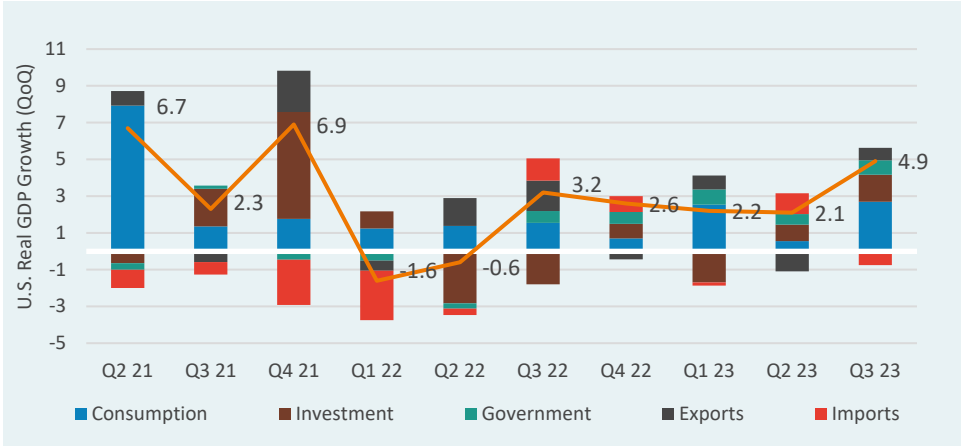
The U.S. economy continues to show resilience despite aggressive monetary tightening & low consumer confidence

U.S. REAL GROSS DOMESTIC PRODUCT



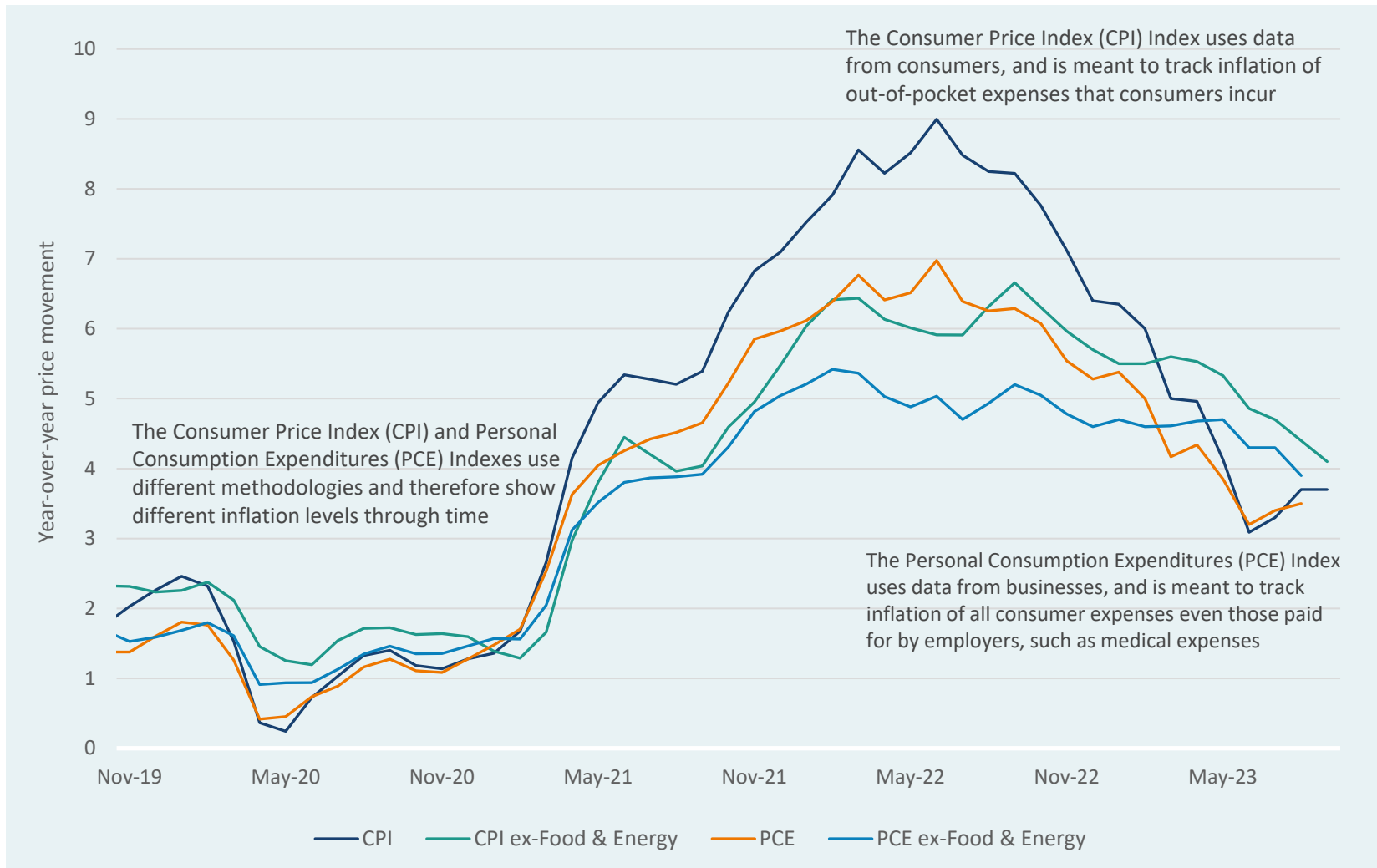
Source: FRED, as of 9/30/23

U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 9/30/23

How are inflation conditions evolving?



U.S. inflation appears to be stabilizing at a 3-4% level, materially above the Fed's 2% target

The recent jump in energy prices has reignited inflation concerns

Source: FRED, Verus, PCE data as of 8/31/23, CPI data as of 9/30/23

Labor market

The unemployment rate increased slightly during the quarter from 3.6% to 3.8%, though this appears to be due to more workers rejoining the labor force and seeking employment (a positive rather than negative development). The total size of the U.S. workforce grew by 580,000 in Q3.

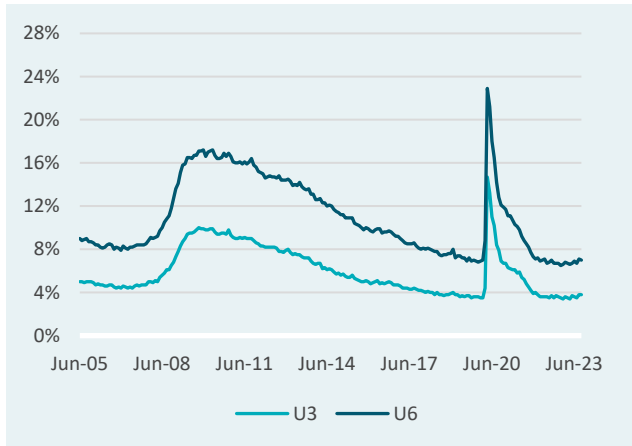
Rebalancing within the labor market continued, though there remains a mismatch between the number of *workers available* and the *available jobs*. The labor participation rate has improved across all age groups, while wage growth slowly receded—at 4.2% year-over-year in September—compared to ~3% pre-pandemic. Deceleration of wage growth is of course

not a welcome development for American workers, but should help to moderate inflation pressures, all else equal.

A short supply of workers relative to demand for staffing has placed more bargaining power with workers. Recent contract negotiations between employers and labor unions have been widely publicized and contentious at times. The United Auto Workers (UAW) strike against General Motors, Ford, and Stellantis serves as a recent example, affecting more than 400,000 workers. With households feeling the damaging effects of inflation on wages and budgets, and a large ongoing mismatch in the labor market regarding supply and demand, these disputes are likely to persist.

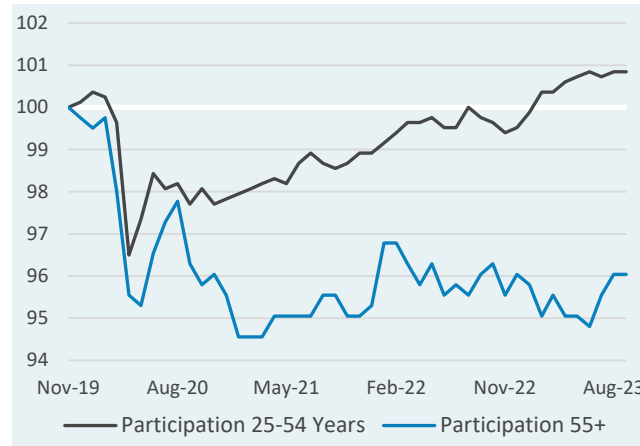
A short supply of workers relative to demand for staffing has placed more bargaining power with workers

U.S. UNEMPLOYMENT



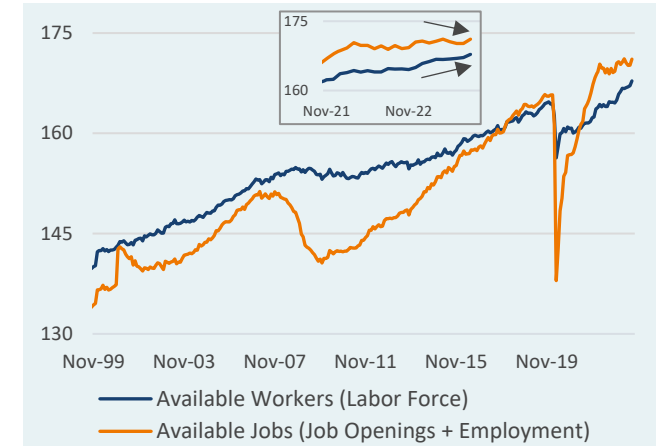
Source: FRED, as of 9/30/23

LABOR FORCE PARTICIPATION RATE BY AGE



Source: FRED, as of 9/30/23

WORKERS AVAILABLE VS. AVAILABLE JOBS



Source: BLS, Verus, as of 8/31/23

The consumer

The U.S. consumer has shown resiliency, with real (inflation-adjusted) personal consumption expenditures moving along at a moderate pace—coming in at 2.3% year-over-year in August. However, much of this resilience appears to have been possible through the spending down of household savings accumulated during the pandemic. Recent estimates seem to suggest that this *excess savings* has now been mostly (or all) spent, which could lead to a downturn in spending in future months.

Personal savings rates have deteriorated further—now at 3.9%—nearly half the pre-pandemic savings level and one of the lowest levels on record. We believe depressed savings activity without a commensurate surge in spending, and very

poor sentiment, suggests high inflation is squeezing household budgets.

As mentioned last quarter, tighter household budgets should be contrasted with the fact that Americans have experienced a vast boom in wealth and prosperity over the past decade, fueled by a substantial bull market in stocks and in residential real estate, among other assets. This wealth may serve as somewhat of a unique buffer against economic weakness. A large portion of this wealth was created by the housing boom during the pandemic, which suggests more economic sensitivity than usual to downward house and asset price moves.

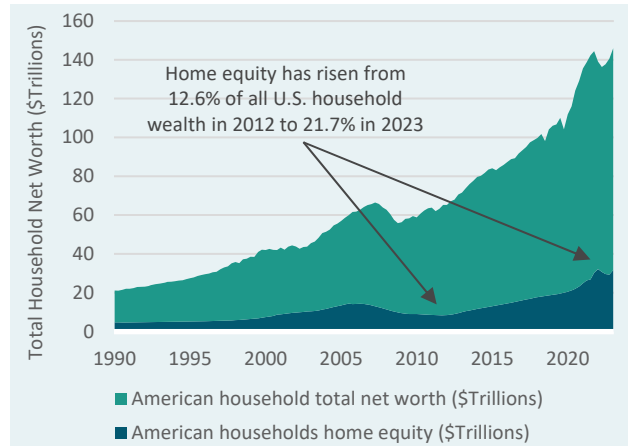
Higher home prices have played a major role in America's booming wealth over the past decade

REAL PERSONAL SPENDING



Source: FRED, as of 8/31/23

AVERAGE HOUSEHOLD NET WORTH



Source: FRED, Verus, as of 6/30/23

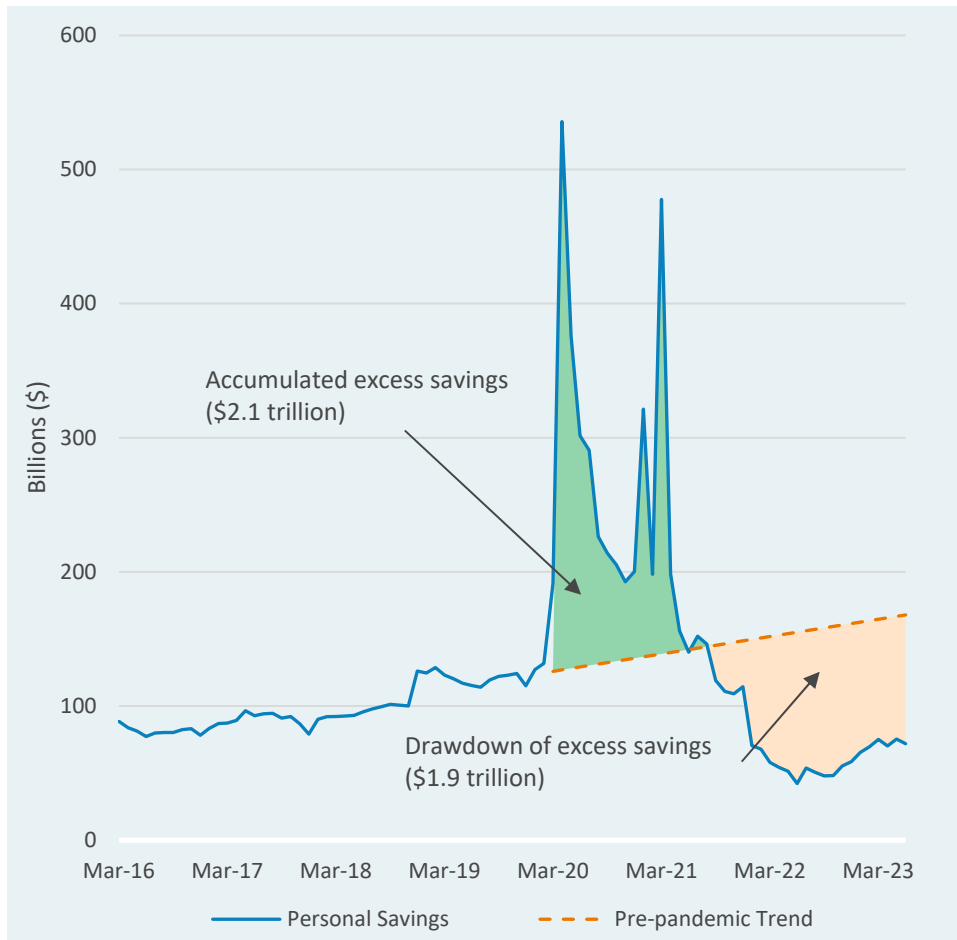
PERSONAL SAVINGS RATE



Source: BEA, as of 8/31/23

The consumer - excess savings wearing off

ACCUMULATED PERSONAL SAVINGS ABOVE PRE-PANDEMIC TREND



The resilience of U.S. consumer spending has been driven at least partly by *excess household savings*, which accumulated during the pandemic as Americans were limited in their ability to spend (on vacations and dining, for example). While these excess savings have recently helped to fuel a stronger economy, savings drawdown rates across the past three, six, or even twelve months suggest that these excess savings were fully depleted by the end of Q3.

Above-average inflation continues to be a drag on the domestic consumer, which can be seen in economic data. Second quarter metrics from the New York Fed's Household Debt and Credit report show an uptick in credit delinquencies, which is likely to show an even higher rate at the Q3 2023 release on November 7th if the trend persists. Although delinquency rates have moved higher, these are at average levels relative to history.

Going forward, many expect consumer conditions to worsen, especially under a *higher for longer* interest rate environment. This would likely act as a headwind to future economic growth, and negatively impact markets in a variety of ways, ranging from corporate earnings to mortgage transactions.

Source: BEA and San Francisco Federal Reserve, as of 8/16/23

Sentiment

Consumer sentiment readings were mixed in the third quarter but by most measures remain pessimistic.

The University of Michigan Consumer Sentiment survey improved, reporting that expectations around personal finances have weakened, though this was offset by better business conditions. Americans feel uncertain about the future of the economy.

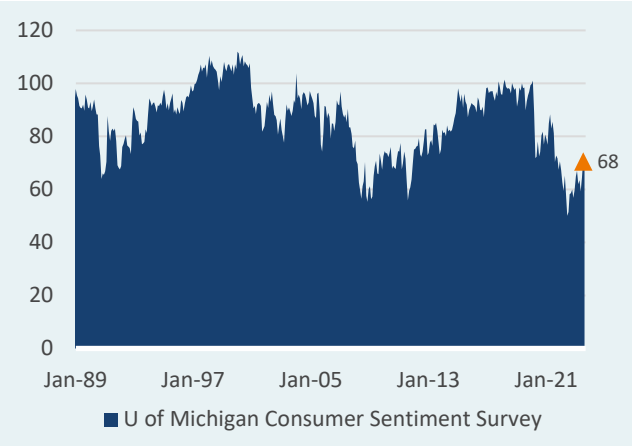
Consumer confidence as indicated by the Conference Board weakened. According to the Conference Board survey, current labor market and business conditions improved moderately,

while the future outlook for income, business, and labor conditions fell very sharply. Consumer expectations are depressed and at levels that historically have signaled recession within one year.

The NFIB Small Business Optimism index was stable during the quarter, but further indicated a dire outlook for business conditions. Sales growth has reportedly slowed, profit margins are being squeezed, inflation continues to be a major concern, and qualified employees are difficult to find. A majority of businesses plan to raise prices, though fewer businesses expect sales revenues to keep up with inflation.

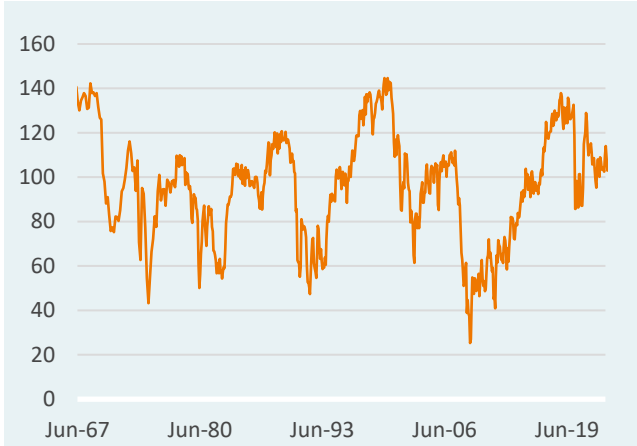
Sentiment was mixed during the quarter but remains poor by most measures

CONSUMER SENTIMENT



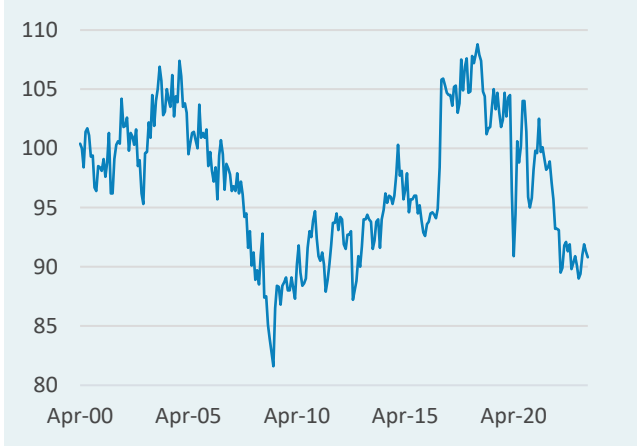
Source: University of Michigan, as of 9/30/23

CONFERENCE BOARD CONSUMER CONFIDENCE



Source: Conference Board, as of 9/30/23

NFIB SMALL BUSINESS SENTIMENT



Source: NFIB, as of 9/30/23

Housing

Housing market conditions have deteriorated even further since last quarter. In late September mortgage rates climbed to a new 23-year high of 7.3%. Existing home sales have fallen -15.3% over the past year, as of August, while affordability remains the worst on record.

Despite higher mortgage rates and extremely poor affordability, home values have held up. This appears to be due to depressed housing inventories resulting from many years of underinvestment in new home construction following the 2000s U.S. housing bubble, an upward trend in U.S. homeownership, and an unwillingness of potential home sellers to sacrifice their existing low mortgage interest rates. Overall,

very low supply seems to be balancing low demand and, for now, providing an ongoing support to elevated prices.

Despite higher interest rates, existing homeowners in this environment are, on average, well-capitalized. Many homeowners refinanced at ultra-low mortgage interest rates in recent years or purchased their homes with a low rate. Mortgage delinquency levels of single-family homeowners were materially below-average at 1.7%, as of Q2. However, borrowers with variable-rate loans, which is a small portion of borrowers overall, may face difficulties in covering much larger monthly mortgage payments.

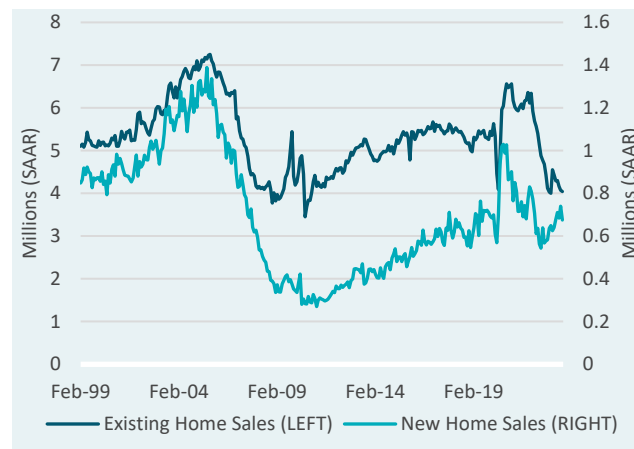
Home sales have slowed to a crawl as affordability is poor, and potential sellers don't want to lose their low interest rates

30-YEAR MORTGAGE RATE



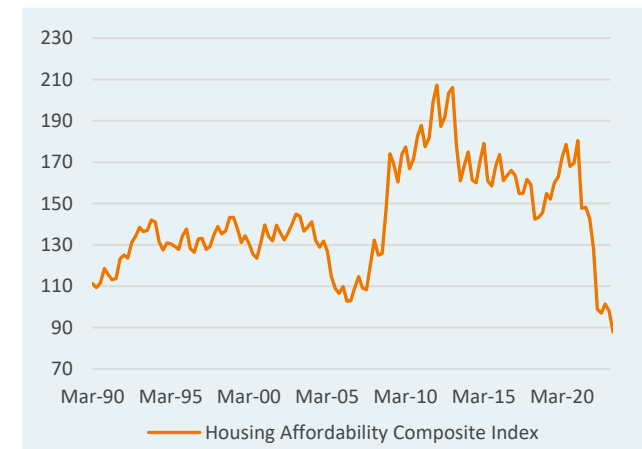
Source: FRED, as of 9/30/23

HOME SALES: NEW & EXISTING (MILLIONS)



Source: FRED, as of 8/31/23

HOUSING AFFORDABILITY



Source: FRED, as of 6/30/23 – Housing affordability is calculated as the cost of a median priced single-family home at the current mortgage rate, as a percentage of the median family income

International economics summary

- Countries struggling to control inflation—primarily advanced economies—face a challenging path. Many central banks are grappling with high prices and slow growth, and the balancing act of fighting inflation but also trying to avoid recession. In contrast, most emerging economies are exceeding growth expectations, outside of China. Some of this strength has come from trade rotation as tensions remain between the U.S. and China and businesses rethink their trade partners.
- The IMF’s October World Economic Outlook was little changed from July Projections, as global growth is still expected to slow in 2024. Regional divergences remained an emphasis, as emerging economies are projected to drive global output. India is expected to outpace all other countries with growth forecasts above 6% for both 2023 and 2024.
- Inflation in the Eurozone and United Kingdom has remained sticky, with inflation in September coming in at 4.3% and 6.7% year-over-year, respectively. Monetary policy is expected to be tighter for both the ECB and BOE, although rate decisions diverged at their respective September meetings, as the ECB raised rates by another 25 bps, while the BOE voted 5-4 to maintain their bank rate at 5.25%.
- Japan was a bright spot amongst developed economies, driven by strong exports in the second quarter. While growth was positive, the potential for an early end to ultra loose Bank of Japan (BOJ) monetary policy presents a potential headwind. A weak Japanese Yen adds to this story, as the currency has been greatly devalued, largely due to the BOJ’s contrarian monetary policy relative to other major central banks.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.9% 9/30/23	3.7% 9/30/23	3.8% 9/30/23
Eurozone	0.5% 6/30/23	4.3% 9/30/23	6.4% 8/31/23
Japan	1.6% 6/30/23	2.8% 9/30/23	2.7% 8/31/23
BRICS Nations	6.1% 6/30/23	1.7% 9/30/23	4.8% 12/31/22
Brazil	3.4% 6/30/23	5.2% 9/30/23	7.8% 8/31/23
Russia	4.9% 6/30/23	6.0% 9/30/23	3.0% 8/31/23
India	7.8% 6/30/23	5.0% 9/30/23	7.1% 9/30/23
China	4.9% 9/30/23	0.0% 9/30/23	5.0% 9/30/23

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

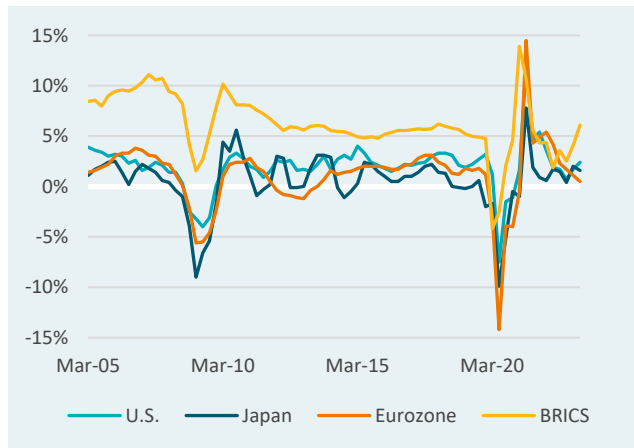
International economies showed signs of slowing during the third quarter. While growth decelerated, economies have shown greater resilience to inflation and higher interest rate headwinds than originally expected.

Countries struggling to control inflation—primarily advanced economies—face a challenging path. Many central banks are grappling with high prices and slow growth, and the balancing act of fighting inflation but also trying to avoid recession. In contrast, most emerging economies are exceeding growth expectations, outside of China. Some of this strength has come

from trade rotation as tensions remain between the U.S. and China and businesses rethink their trade partners.

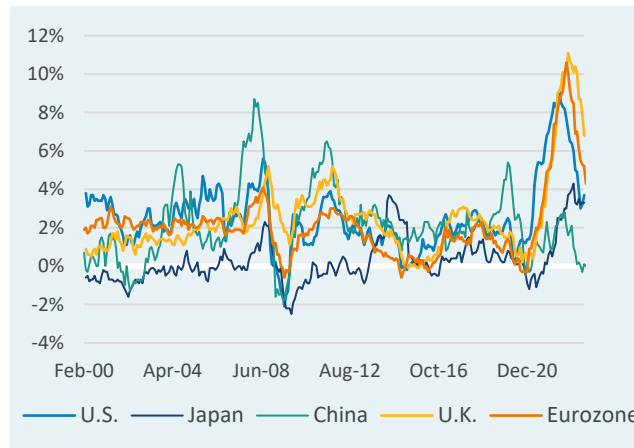
The outlook remains uncertain. Strong growth driven by services has started to wear off, while manufacturing activity remains depressed. Developed economies within the Eurozone and United Kingdom struggle with inflation, while China deals with its own domestic issues. Japan and India showed signs of strength, but are likely unable to buoy global economic growth, especially if the current issues plaguing larger nations persist.

REAL GDP GROWTH (YOY)



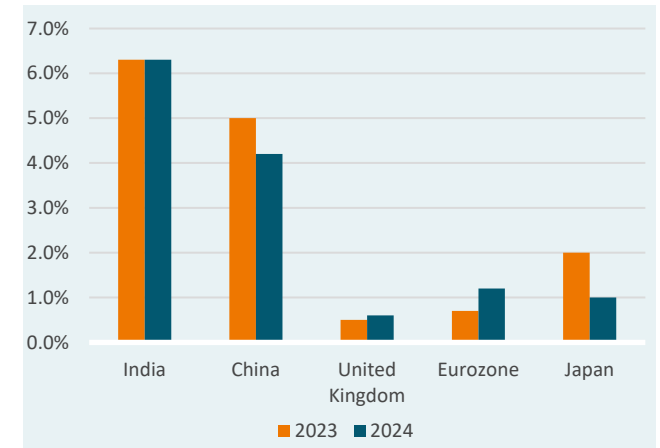
Source: Bloomberg, as of 6/30/23

INFLATION (CPI YOY)



Source: Bloomberg, as of 9/30/23 – or most recent release

IMF WEO REAL GROWTH FORECASTS



Source: IMF World Economic Outlook Oct. 2023, as of 10/10/23

International economics

	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Manufacturing													
Global	50.3	49.8	49.4	48.8	48.7	49.1	49.9	49.6	49.6	49.5	48.7	48.6	49.0
Developed	50.2	50.1	48.8	47.8	47.3	48.0	48.1	48.4	48.5	47.6	46.3	47.1	46.8
US	52.9	51.0	50.0	49.0	48.4	47.4	47.7	46.3	47.1	46.9	46.0	46.4	47.6
UK	47.3	48.4	46.2	46.5	45.3	47.0	49.3	47.9	47.8	47.1	46.5	45.3	43.0
Eurozone	49.6	48.4	46.4	47.1	47.8	48.8	48.5	47.3	45.8	44.8	43.4	42.7	43.5
Germany	49.1	47.8	45.1	46.2	47.1	47.3	46.3	44.7	44.5	43.2	40.6	38.8	39.1
Japan	51.5	50.8	50.7	49.0	48.9	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6
EM	50.2	49.3	49.8	49.7	49.8	49.9	51.6	50.7	50.5	51.4	51.1	50.2	51.4
Services													
Global	49.3	50.0	49.2	48.1	48.0	50.1	52.6	54.4	55.4	55.5	53.9	52.7	51.1
Developed	46.7	49.6	48.8	47.5	47.2	48.7	51.8	53.4	54.6	54.9	53.6	51.9	50.2
US	56.1	55.9	54.5	55.5	49.2	55.2	55.1	51.2	51.9	50.3	53.9	52.7	54.5
UK	50.9	50.0	48.8	48.8	49.9	48.7	53.5	52.9	55.9	55.2	53.7	51.5	49.5
Eurozone	49.8	48.8	48.6	48.5	49.8	50.8	52.7	55.0	56.2	55.1	52.0	50.9	47.9
Germany	47.7	45.0	46.5	46.1	49.2	50.7	50.9	53.7	56.0	57.2	54.1	52.3	47.3
Japan	49.5	52.2	53.2	50.3	51.1	52.3	54.0	55.0	55.4	55.9	54.0	53.8	54.3
EM	54.9	50.6	49.9	49.2	50.1	53.1	54.5	56.7	57.2	56.7	54.6	54.5	53.1

Service sectors – which have recently driven global strength – are now showing signs of moderation, while manufacturing sectors remains depressed

European markets seem to reflect the weakest future business conditions

Source: Bloomberg, as of 8/31/23 – The Purchasing Managers' Index (PMI) is an index based on a broad survey of supply chain managers across nineteen industries in each country. The survey gauges business sentiment, with a reading of below 50 indicating that businesses expect business conditions to worsen in the near-future. A reading of 50 indicates no expected change in business conditions. A reading above 50 indicates expectations for stronger (expanding) future business conditions.

Fixed income rates & credit

Fixed income environment

- The 10-year U.S. Treasury yield increased during the quarter from 3.81% to 4.58%—a level not seen since 2007—likely supported by *higher for longer* interest rate expectations. This has led to a flattening of the yield curve, though the curve remains inverted at -0.5% (defined as the 10-year Treasury yield minus 2-year Treasury yield).
- Rising interest rates combined with lower inflation have brought real (inflation-adjusted, based on the U.S. TIPS Inflation Breakeven Rate) 10- and 30-year Treasury yields to the highest levels in over a decade. Real yields for 10- and 30-year Treasuries finished the month at 2.24% and 2.33%, respectively. In March of 2022 these rates were negative.
- The Federal Reserve hiked interest rates by 0.25% in July but held rates steady at the September meeting as inflation moderated. Importantly, Chairman Powell signaled that additional rate hikes may be warranted if the economy remains strong and inflation above target.
- During Q3, higher quality bonds and U.S. Treasuries saw mild losses due primarily to their longer duration profile. Riskier credit performed well, with larger coupons and shorter duration contributing to positive performance.
- Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) performed very poorly, falling by -7.3% during the quarter as rising interest rates acted as a headwind.
- With inflation moderating during the quarter, investors expressed optimism that the Federal Reserve would soon pause interest rate hikes. However, interest rate volatility increased during the period as concerns related to the U.S. government's budget deficit and the amount of expected issuance contributed to higher long-term bond yields.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	(3.2%)	0.6%
Core Plus Fixed Income (Bloomberg U.S. Universal)	(2.9%)	1.6%
U.S. Treasuries (Bloomberg U.S. Treasury)	(3.1%)	(0.8%)
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	(13.0%)	(10.7%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	0.5%	10.3%
Bank Loans (S&P/LSTA Leveraged Loan)	3.4%	13.0%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	(3.3%)	13.1%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	(2.2%)	10.0%
Mortgage-Backed Securities (Bloomberg MBS)	(4.1%)	(0.2%)

Source: Bloomberg, as of 9/30/23

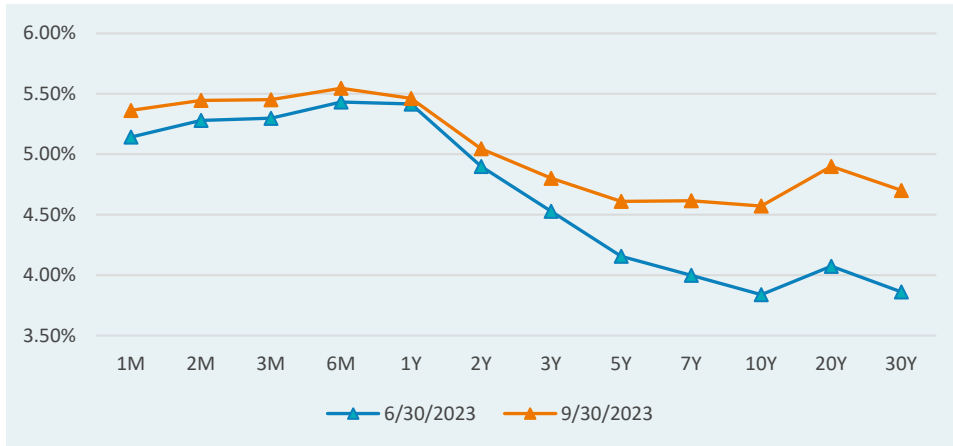
A higher for longer rate environment

The “higher for longer” narrative gained steam throughout the quarter, driven by better-than-expected economic and labor metrics, above target inflation, and rising energy costs. The bond market saw the largest impact, as yields on the 10-year Treasury rose from 3.84% to 4.57% throughout the quarter, resulting in a -13.0% loss for longer-term U.S. Treasuries (Bloomberg U.S. Treasury 20+ Year Index).

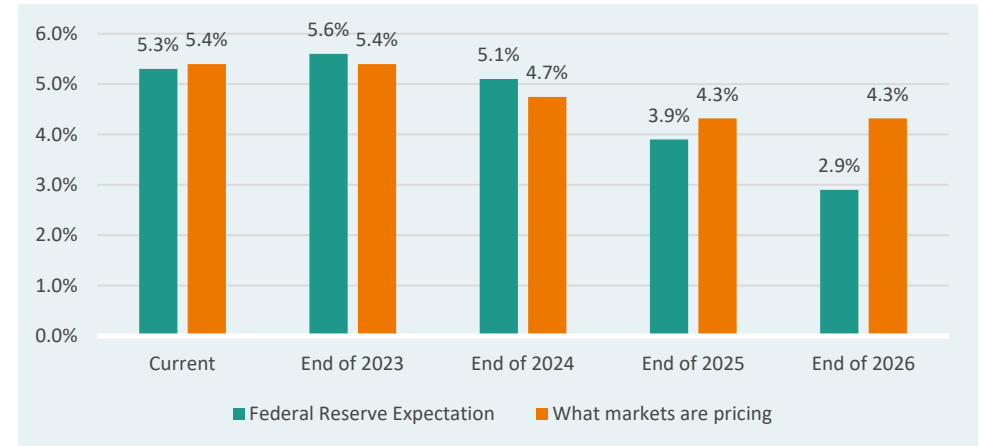
The yield of cash is expected to remain elevated for years into the future

A floor regarding how far inflation can fall, given price dynamics of certain goods and services, has set inflation expectations closer to levels around three to four percent, outpacing the Federal Reserve’s two-percent mandate. This has brought rates higher, while also extending the expected timeline for higher rates. Implied rates on Fed Funds Futures contracts show rates remaining above four percent throughout the start of 2025.

U.S. TREASURY YIELD CURVE – CHANGE THROUGH Q3 2023



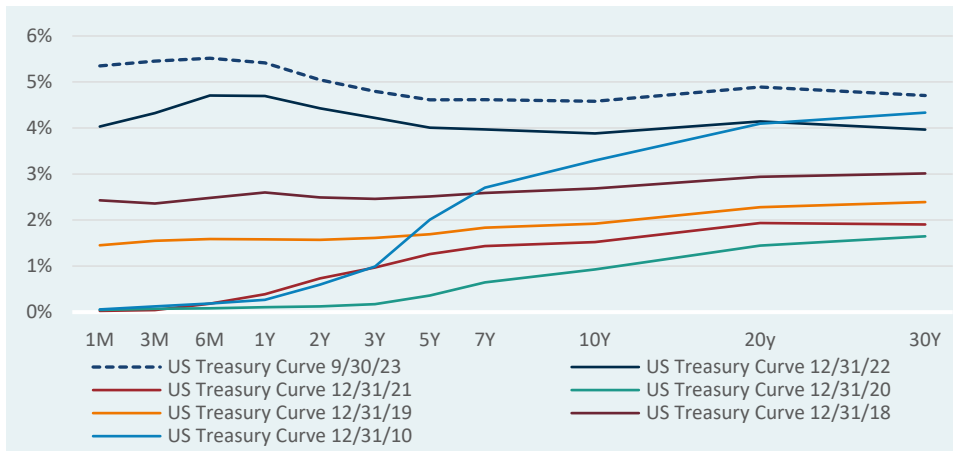
FUTURE EXPECTATIONS FOR THE % YIELD OF CASH



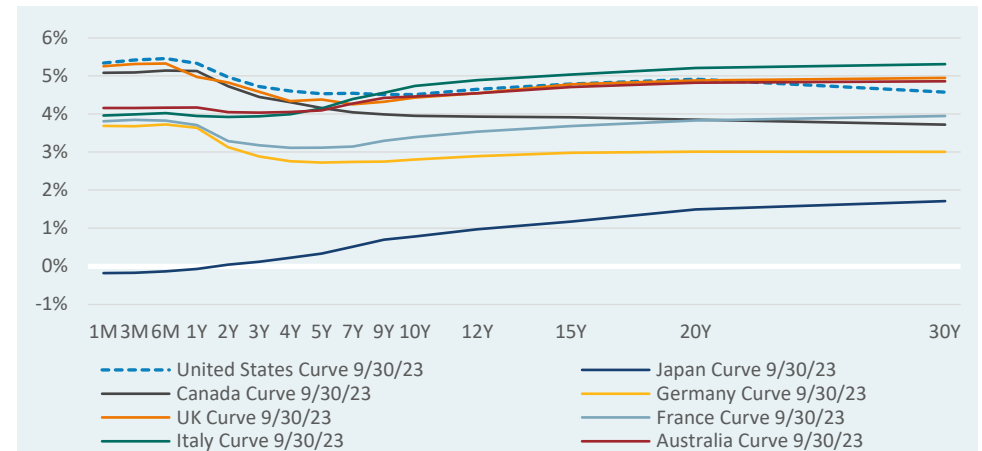
Source: Bloomberg, as of 9/30/23

Yield environment

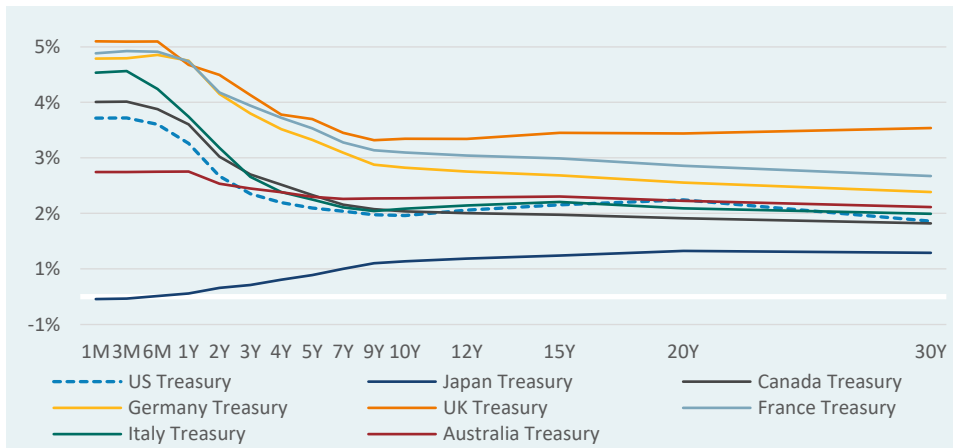
U.S. YIELD CURVE



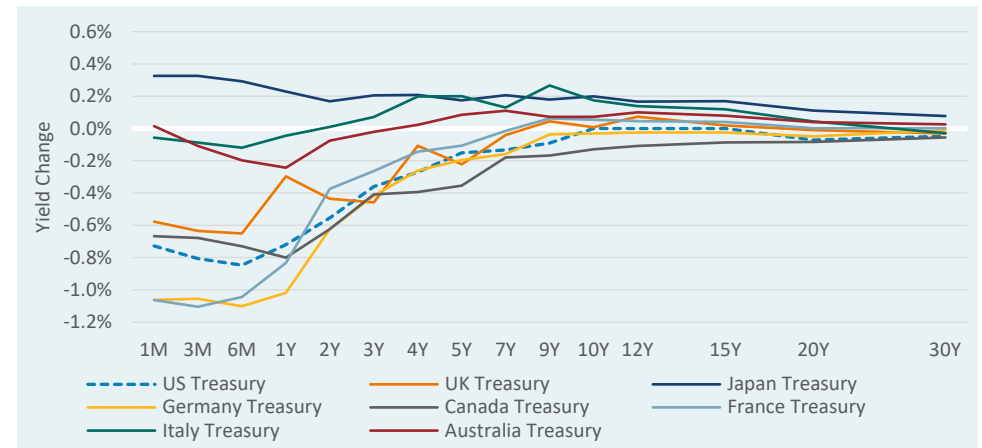
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 9/30/23

Credit environment

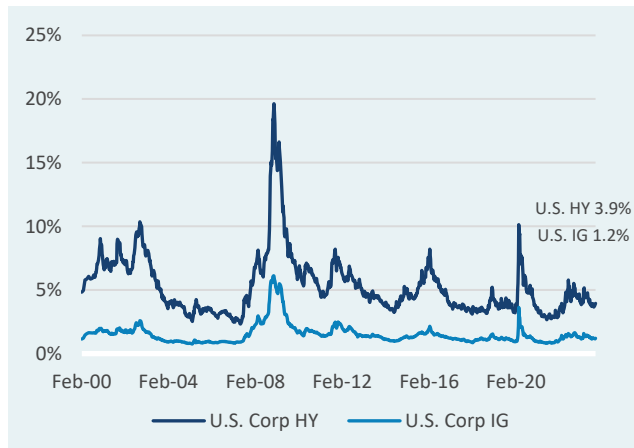
During the third quarter, fixed income markets delivered positive results with lower-quality credits such as high yield bonds and bank loans outperforming higher-quality credits. High yield bonds returned 0.5% (Bbg U.S. Corporate High Yield), while bank loans delivered a stronger 3.4% (CS Leveraged Loans), aided primarily by the lower duration of these bonds. Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) performed poorly, falling by -7.3% during the quarter as rising interest rates acted as a headwind.

Similar to Q2, lower quality CCC-rated bonds outperformed BB- and B-rated bonds during the period. CCC-rated bonds returned 2.8% for the quarter compared to 1.0% and -0.3% for B-rated and BB-rated bonds, respectively. Bank loans also delivered an impressive 3.4% return,

with rising interest rates providing a mild tailwind to performance (floating rate bonds reprice as rates are rising, improving returns).

Credit spreads were broadly unchanged during the quarter despite concerns related to an economic slowdown, the potential for higher interest rates, increased credit stress, and lower equity prices. Lower-quality, CCC-rated high-yield bond spreads fell by 0.2% to 9.2%, while investment grade spreads decreased by roughly 0.1% to 1.3%. Broadly, spreads remain slightly below their long-term historical averages, which suggests that investors remain confident about the ability of those companies to service their debt. That said, should the U.S. economy begin to weaken, credit spreads could move higher as confidence fades.

SPREADS



Source: Barclays, Bloomberg, as of 9/30/23

HIGH YIELD BONDS MONTHLY INCOME RETURN



Source: Bloomberg, as of 9/30/23

CREDIT SPREAD (OAS)

Market	9/30/23	9/30/22
Long U.S. Corp	1.3%	2.0%
U.S. Inv Grade Corp	1.2%	1.6%
U.S. High Yield	3.9%	5.5%
U.S. Bank Loans*	5.2%	6.0%

Source: Barclays, Credit Suisse, Bloomberg, as of 9/30/23

*Discount margin (4-year life)

Default & issuance

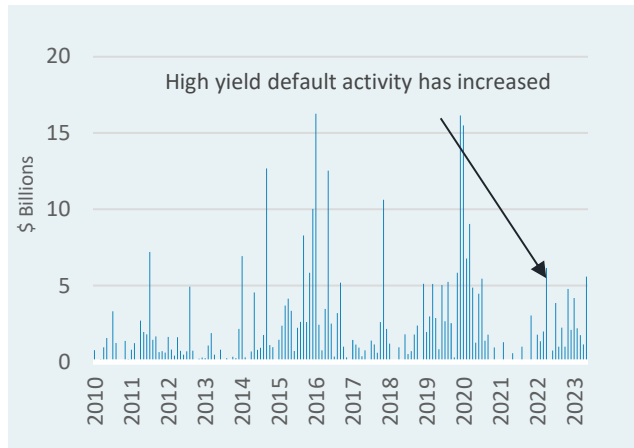
Default activity declined during Q3, to the lowest quarterly levels of 2023. Fourteen companies defaulted, which were concentrated in the Retail, Autos, Media, Technology, and Gaming sectors. A total of \$11.5 billion of bank loans and high yield bonds were affected by default or distressed exchanges, down from \$17.9 billion in the prior quarter. Notable company defaults included Carvana (Autos), Digital Media Solutions (Media), Exela Intermed (Technology), and Maverick (Gaming).

However, year-to-date default rates for both high-yield bonds and bank loans were higher than the first three quarters of 2022, totaling \$63 billion. High yield bond default rates have increased to roughly 2.5%, but are still below the long-term annual average of roughly 3.2%. High-yield

default recovery rates rose slightly to 35%, up from 33% during the previous quarter.

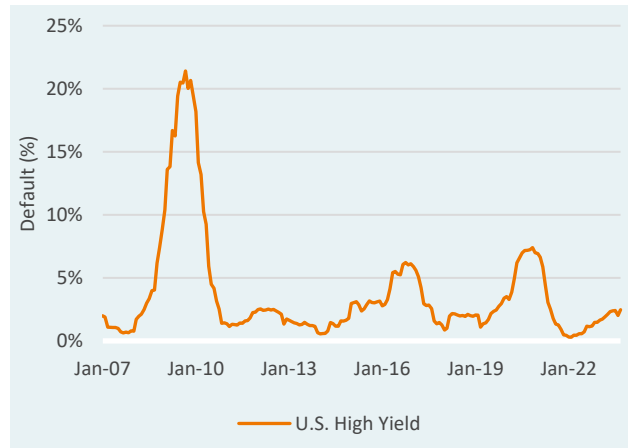
The issuance of investment-grade credit slowed from the prior quarter, down to roughly \$275 billion versus \$333 billion. Similarly, fewer lower quality companies issued new debt. High-yield bond issuance fell to \$40 billion, down from \$56 billion in Q2. As borrowing costs have jumped, the pace of both investment-grade and high yield issuance has been impacted. Although issuance overall remains dampened relative to history, high-yield issuance year-to-date is already greater than the total of 2022, and investment-grade bonds appear on track to match 2022 activity levels. It appears that a significant portion of issuance has moved into the private markets, creating opportunities for private allocations.

U.S. HY MONTHLY DEFAULTS (PAR WEIGHTED)



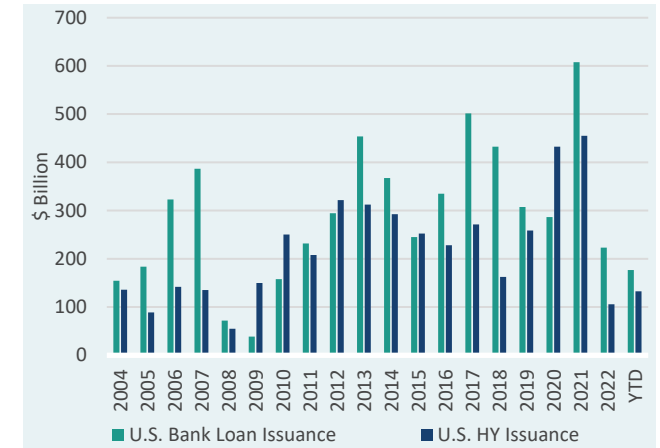
Source: BofA Merrill Lynch, as of 9/30/23

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



Source: BofA Merrill Lynch, as of 9/30/23 – par weighted

DEVELOPED MARKET ISSUANCE (\$ BILLIONS)



Source: BofA Merrill Lynch, all developed markets, as of 9/30/23

Equity

Equity environment

- Global equities delivered negative performance during the quarter (MSCI ACWI -3.4%). Weakness in markets was broad-based, with international developed (MSCI EAFE -4.1%) slightly underperforming domestic and emerging market equities (S&P 500 -3.3%, MSCI EM -2.9%).
- Over the quarter, the valuation gap between domestic and international equities grew even larger. An analysis of international developed Price/Earnings ratios shows that all sectors currently hold a valuation discount relative to U.S. shares, and that those discounts are generally much wider than the historical average.
- Currency movements dragged portfolio performance lower for investors with unhedged foreign currency exposure. Investors with unhedged international developed equity exposure saw losses of -

3.6% due to currency volatility during the quarter.

- U.S. investors continue to face a difficult environment for style factor investing. Over the past year, mega cap growth stocks have propelled the U.S. market higher, leading to dramatic outperformance of growth stocks and large cap stocks. However, value investing has delivered exceptional results in international developed markets, with value stocks outperforming growth by 11.5%.
- The Cboe VIX implied volatility index remained below-average for most of the third quarter, before rising to 17.5% to end September. Market risk has been falling fairly consistently throughout the year.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	(3.3%)		21.6%	
U.S. Small Cap (Russell 2000)	(5.1%)		8.9%	
U.S. Equity (Russell 3000)	(3.3%)		20.5%	
U.S. Large Value (Russell 1000 Value)	(3.2%)		14.4%	
US Large Growth (Russell 1000 Growth)	(3.1%)		27.7%	
Global Equity (MSCI ACWI)	(3.4%)	(2.3%)	20.8%	20.4%
International Large (MSCI EAFE)	(4.1%)	(0.5%)	25.6%	24.1%
Eurozone (EURO STOXX 50)	(7.7%)	(4.3%)	39.4%	33.0%
U.K. (FTSE 100)	(1.9%)	2.2%	25.3%	16.0%
Japan (TOPIX)	(1.0%)	4.0%	25.7%	36.6%
Emerging Markets (MSCI Emerging Markets)	(2.9%)	(1.3%)	11.7%	11.1%

Source: Russell Investments, MSCI, STOXX, FTSE, JPX, as of 9/30/23

Domestic equity

Domestic equities finished lower to end the quarter, breaking the previous three consecutive quarters of gains. The S&P 500 Index ended September down -3.3%, alongside losses across all other regional equity groups. Strong gains in July—influenced by better-than-expected earnings—were pared by losses in August and September as the *higher for longer* narrative raised recession fears while also helping to push Treasury yields significantly higher.

Early Q3 gains were driven by a continued rally across mega-cap technology names and better-than-expected earnings. Second quarter earnings marked the third straight quarter of year-over-year declines, yet the -4.1% fall was much better than the initially feared -7.0% projection

by FactSet. From a sector perspective, equity movements were less concentrated relative to the prior quarter. Energy was an outlier, where the sector’s +12.2% gain was a function of higher oil prices due primarily to supply related issues.

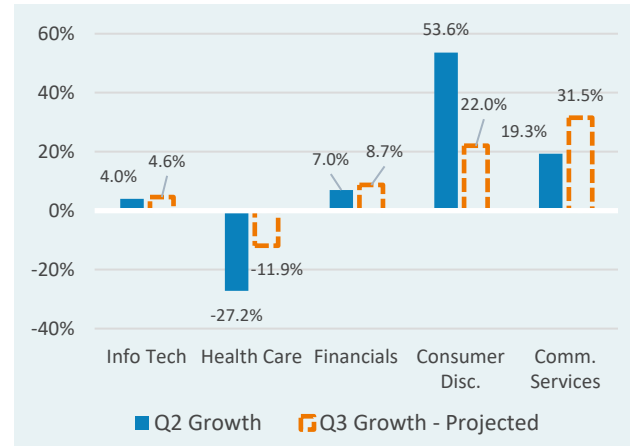
Going forward, domestic equities remain challenged on both the earnings and valuations front. Earnings growth is expected to decline for the fourth straight quarter, although stable expectations amongst the S&P 500’s largest sectors could provide an anchor. Earnings stability of some of the largest index names may also be contributing to higher valuations, which remain expensive relative to international developed and emerging market equities.

S&P 500 PRICE INDEX



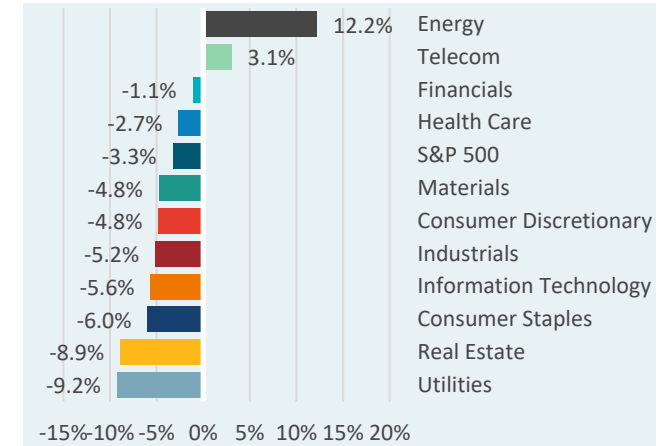
Source: Bloomberg, as of 9/30/23

FIVE LARGEST SECTORS EPS GROWTH YOY



Source: FactSet, as of 9/30/23

Q3 2023 SECTOR PERFORMANCE



Source: Morningstar, as of 9/30/23

Domestic equity size & style

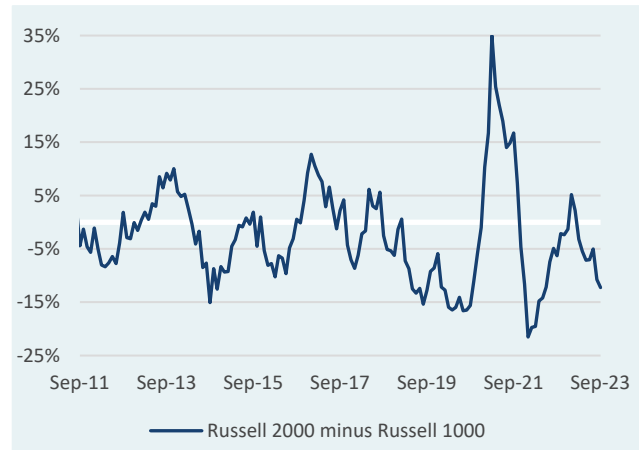
Investors continue to face a difficult environment for style factor investing. Value underperformed growth mildly during the quarter (-3.2% vs. -3.1%), with sector trends appearing to have had less of an impact on value vs. growth stocks during Q2. Small cap equities materially lagged large caps (-5.1% vs -3.3%). *Higher for longer* rate expectations likely contributed to a repricing of growth-focused assets that are more sensitive to interest rate fluctuations.

Over the past year, mega cap growth stocks have propelled the U.S. market higher, leading to dramatic outperformance

of growth stocks and large cap stocks. Many of these market-leading stocks are concentrated in the Information Technology and Telecom sectors, which have outperformed the overall index (+41.1% and 38.5%, respectively).

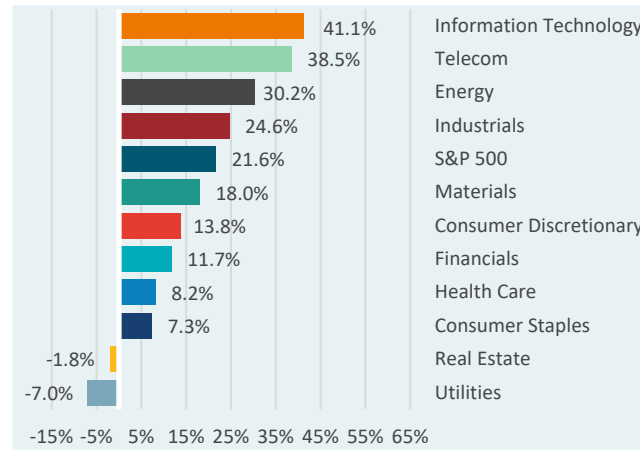
In recent years value stocks have been extremely cheap. Value has rarely been this discounted relative to growth, and during the few historical periods when this was the case, value outperformed significantly. However, value has failed to deliver similar outperformance during the current period.

SMALL CAP VS LARGE CAP (YOY)



Source: FTSE, as of 9/30/23

VALUE VS GROWTH (YOY)



Source: Morningstar, as of 9/30/23

1-YEAR SIZE & STYLE PERFORMANCE

	Value	Core	Growth
Large Cap	14.4%	21.2%	27.7%
Mid Cap	11.0%	13.4%	17.5%
Small Cap	7.8%	8.9%	9.6%

Source: FTSE, as of 9/30/23

International developed equity

International developed shares fell -4.1% during Q3 in unhedged currency terms, underperforming U.S. and emerging markets. However, international developed equities in hedged currency terms were the best performing markets (returning -0.5%), as currency hedging would have avoided the U.S. dollar surge fueled by a *higher for longer* interest rate narrative.

Underperformance within the Eurozone dragged the overall index lower, with the STOXX 50 Index falling -7.7% over the quarter in unhedged terms—the worst performer across regional indices. The broader bloc continues to struggle to bring down inflation, while policymakers also deal with stagnant economic growth. In contrast to weakness seen from European

shares, Japanese equities delivered another quarter of positive performance in unhedged terms (TOPIX -1.0%), and significant outperformance in currency hedged terms (+4.0%). While a weaker Japanese Yen (JPY) hurt performance in U.S. dollar terms, the weak JPY has boosted local corporate earnings. These currency movements combined with meaningful inflation and equity reforms—meant to spark investment in wages, higher growth, and therefore shareholder value—have been a tailwind to strong year-over-year Japanese equity performance.

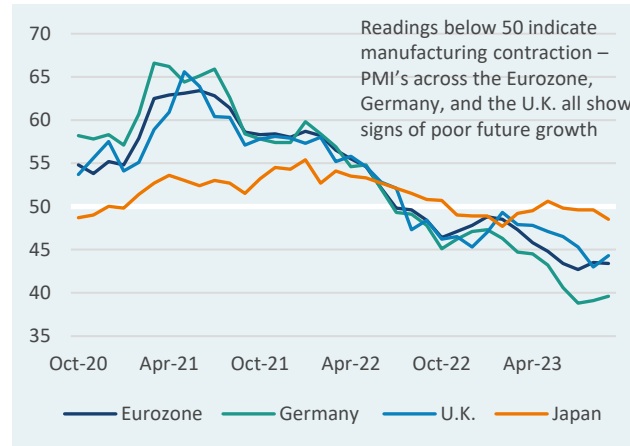
Overall, we believe international developed equities are less attractive in the near-term, specifically due to the economic headwinds facing the U.K. and broader Eurozone.

INTERNATIONAL DEVELOPED EQUITY



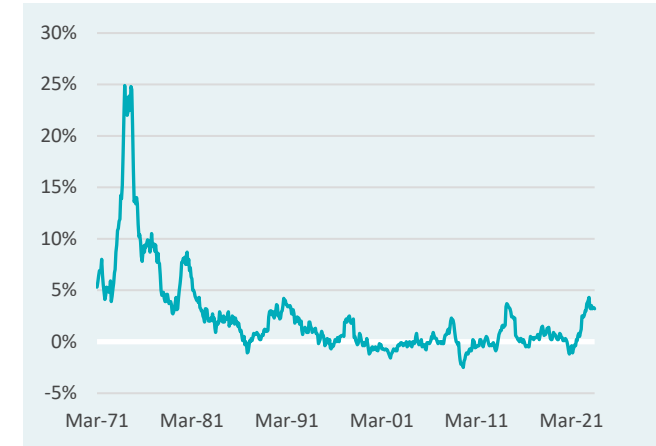
Source: MSCI, as of 9/30/23

MANUFACTURING PMI



Source: S&P Global, as of 9/30/23

JAPANESE CPI



Source: Japan MIC, as of 8/31/23

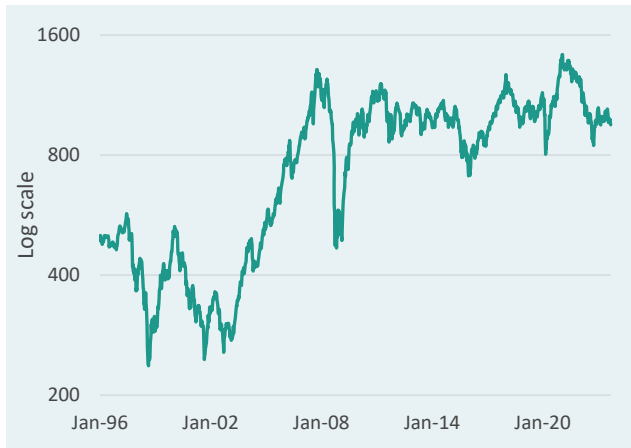
Emerging market equity

Emerging market equities outperformed domestic equities and international developed equities in Q3. The MSCI EM Index fell -2.9%, while the S&P 500 was -3.3% lower and the MSCI EAFE Index dropped -4.1%. Emerging markets have provided only a 2.1% annualized return over the past decade.

From an individual country perspective, the two largest weights in the index—China and India—outperformed, although Chinese equities were still -1.9% lower. This impact counterbalanced losses across other markets, since the combined weight of both countries makes up approximately 45% of the MSCI Emerging Markets Index.

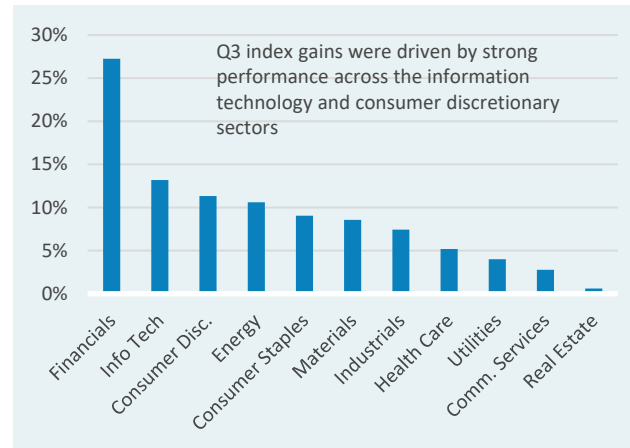
Emerging market equities continue to offer fairly cheap valuations, yet sentiment has grown negative, especially as concerns around China are now mainstream. Outside of geopolitical tensions, the Chinese economy continues to show signs of struggle despite some small government stimulus efforts. The property market remains a large pain point, evidenced by credit stress and falling contracted sales amongst large property developers such as Country Garden and Evergrande.

EMERGING MARKET EQUITY



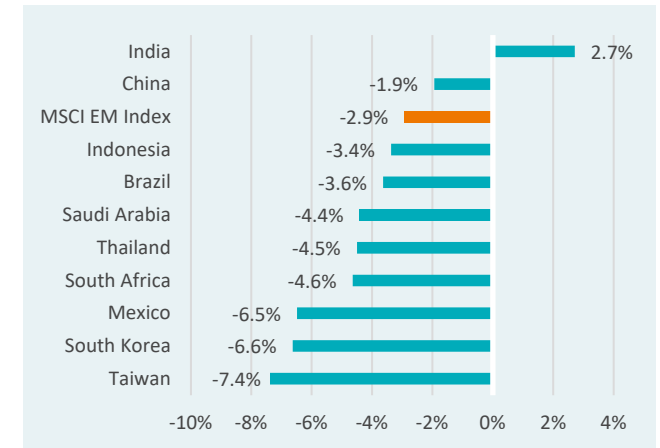
Source: MSCI, as of 9/30/23

MSCI INDIA SECTOR WEIGHTS



Source: MSCI, as of 9/30/23

Q3 2023 MSCI EM COUNTRY RETURNS (USD)



Source: Bloomberg, MSCI, as of 9/30/23

Equity valuations

Equity valuation disparities have grown even wider. U.S. equities are now priced at more than a 60% valuation premium (Price/Earnings) over international developed, averaging 22.5 and 13.8, respectively, during the quarter. Some of this gap can be explained by the greater concentration of U.S. markets in the technology sector, which tends to command higher valuations. However, as we see on the next slide, nearly all sectors are materially more expensive in U.S. markets relative to international developed markets.

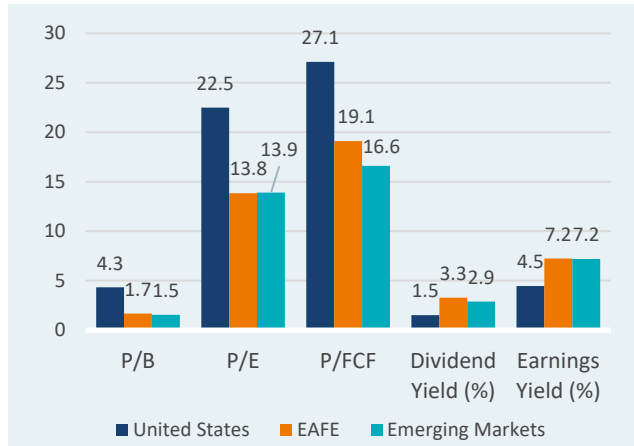
Despite very large valuation differences, we believe international developed equities currently provide lower

growth potential and unique challenges which may lead to further near-term underperformance relative to U.S. equities.

Core fixed income now offers a yield greater than U.S. equities for the first time in more than two decades. Quickly rising interest rates should have theoretically resulted in a sharp fall in equity valuations in order to maintain the “equity risk premium” of stock returns over bond returns. This effect has not yet occurred, which may lead many investors to view bonds as relatively attractive (and stocks relatively less attractive) in the current environment.

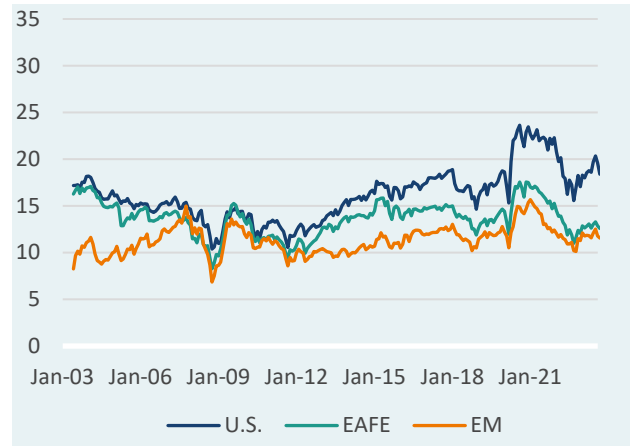
Core fixed income is yielding more than equities for the first time in two decades

MSCI VALUATION METRICS (3-MONTH AVG)



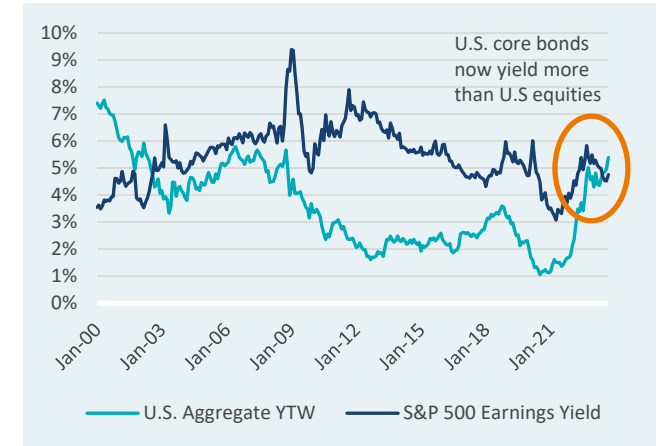
Source: Bloomberg, as of 9/30/23

FORWARD PRICE/EARNINGS RATIO



Source: MSCI, Bloomberg, as of 9/30/23

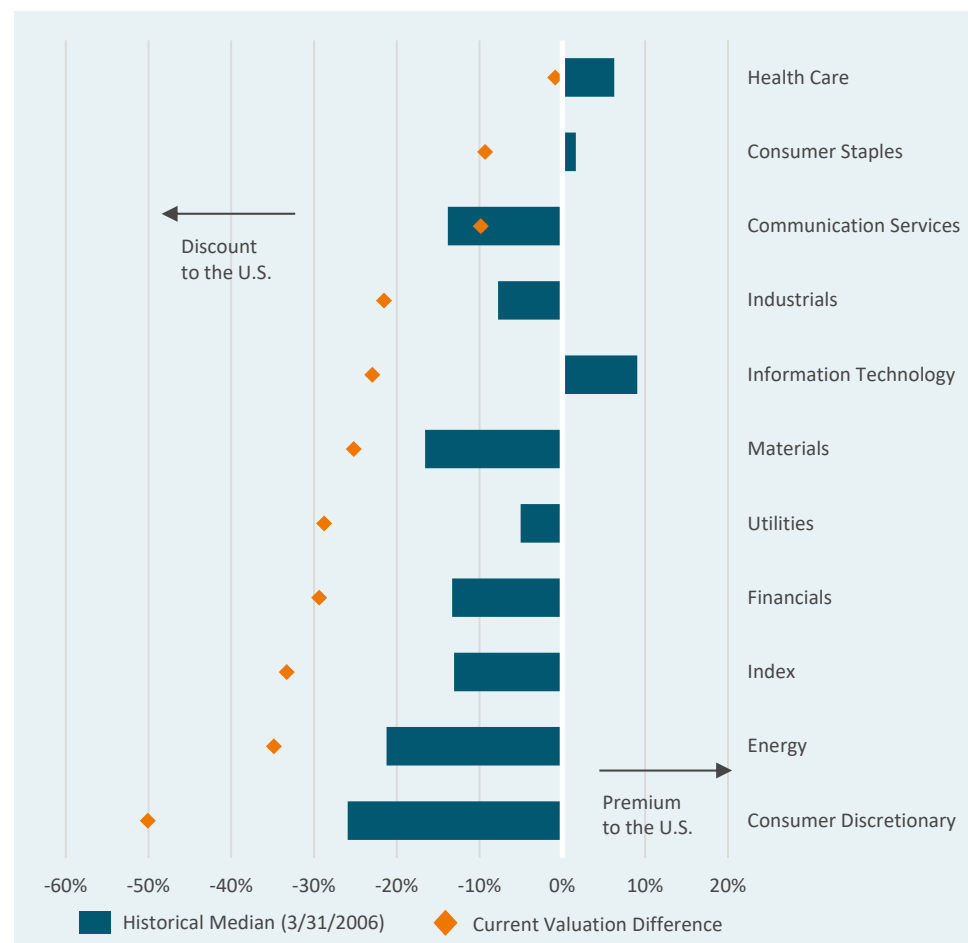
U.S. VALUATIONS: BONDS VS. STOCKS



Source: Bloomberg, Standard & Poor's, as of 9/30/23

International developed valuations

MSCI EAFE VALUATIONS RELATIVE TO U.S. VALUATIONS



Over the quarter, the valuation gap between domestic and international equities grew even larger. Sector weightings play a large role when evaluating the broader indices, as the U.S. holds a larger weight in growth-focused sectors such as Information Technology which tends to command a higher valuation.

The valuation disparity between U.S. and international developed equities has been a topic of interest recently, since historically these markets have shown a much smaller discount relative to one another.

An analysis of international developed Price/Earnings ratios shows that all sectors currently hold a valuation discount relative to U.S. shares, and that those discounts are generally much wider than the historical average.

Despite very large valuation differences, we believe international developed equities currently provide lower growth potential and unique challenges which may lead to further near-term underperformance relative to U.S. equities. Specifically, stagnant economic growth and higher inflation in the Eurozone and U.K. may result in headwinds.

Source: Bloomberg, MSCI, as of 9/30/23

Market volatility

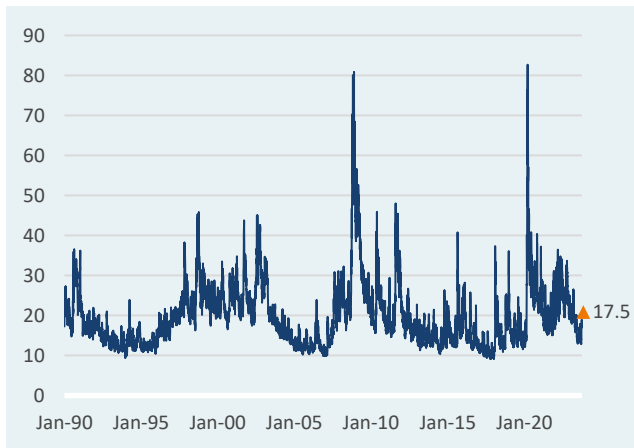
The Cboe VIX implied volatility index remained below-average for most of the third quarter, before rising to 17.5 to end September. Market risk has been falling fairly consistently throughout the year, which may be at least partly attributed to the perception that certain risks, such as regional bank contagion and near-term recession, seem to have eased.

Realized volatility of global equity markets has moderated, and is around average on a one-year basis. Emerging markets are an exception, displaying persistent elevated volatility. In contrast to recent years when emerging market volatility was

lower than that of developed markets—an uncommon occurrence historically speaking—this trend has now reversed.

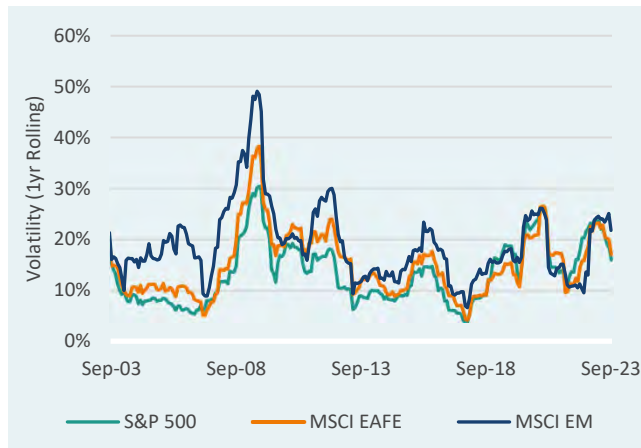
Bond markets have shown some shakiness, as indicated by the “MOVE” Index—which calculates the implied volatility of U.S. Treasury securities. This index has risen to levels not seen since the 2020 COVID-19 market selloff. Uncertainty around the Federal Reserve’s interest rate path, potential recession, and the worsening U.S. fiscal situation, are likely contributing to greater Treasury market volatility.

U.S. IMPLIED VOLATILITY (VIX)



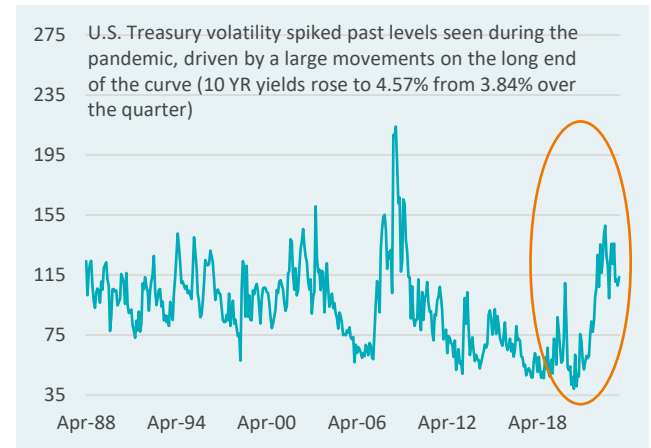
Source: Cboe, as of 9/30/23

REALIZED VOLATILITY



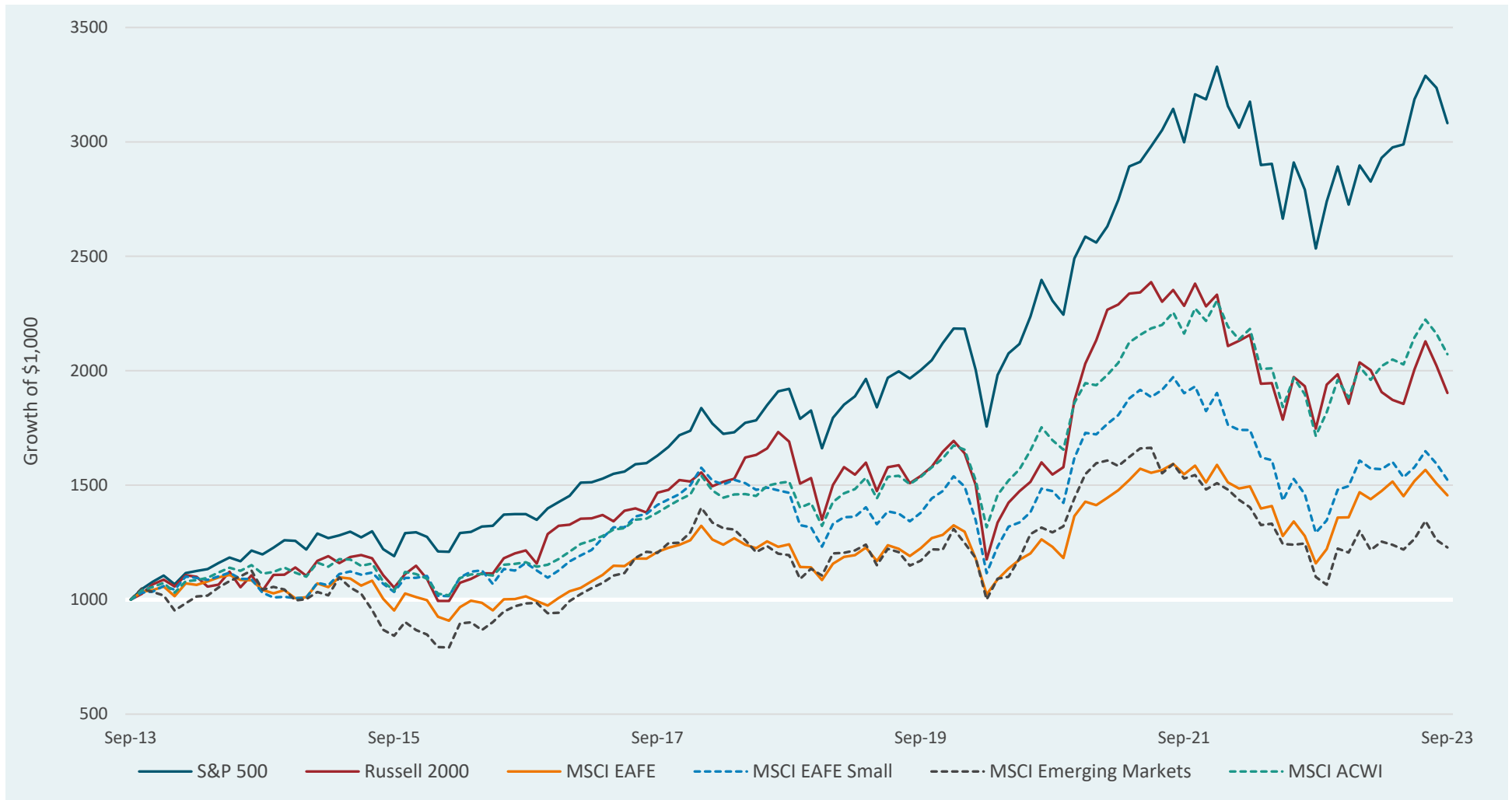
Source: S&P, MSCI, as of 9/30/23

U.S. TREASURY IMPLIED VOL (“MOVE” INDEX)



Source: Bloomberg, as of 9/30/23

Long-term equity performance



Source: MPI, as of 9/30/23

Other assets

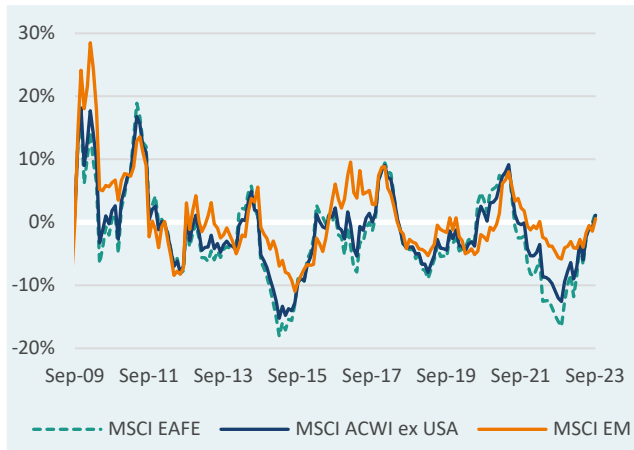
Currency

Currency movements dragged portfolio performance lower for investors with unhedged foreign exposure. On a trade-weighted basis, the value of the U.S. dollar shot higher as investors questioned the falling inflation story and bond yields rose on the *higher for longer* interest rate narrative.

Investors with unhedged international developed equity exposure saw losses of -3.6% due to currency movements in Q3. After recently experiencing deep losses over multiple years from unhedged foreign currency exposure, along with ongoing volatility, many investors may be interested in exploring more thoughtful approaches to currency. A currency hedging program can reduce the uncompensated risk of unhedged foreign

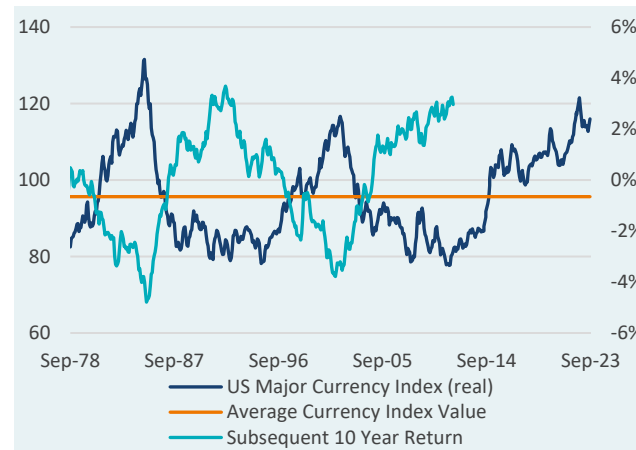
currency exposure (what we call “embedded currency” risk). Additionally, the MSCI Currency Factor Mix Index—a representation of a passive investment in the currency market, by investing in currencies with higher interest rates, currencies that are undervalued, and currencies that are showing positive price momentum—has shown a positive one-year rolling return over most periods with low volatility. This is an approach to thoughtfully gain exposure to the currency market with the objective of generating a moderate positive return. A currency hedging program along with a passive investment in the currency market may allow investors to reduce overall portfolio risk while moderately increasing total portfolio expected returns.

EFFECT OF CURRENCY (1-YEAR ROLLING)



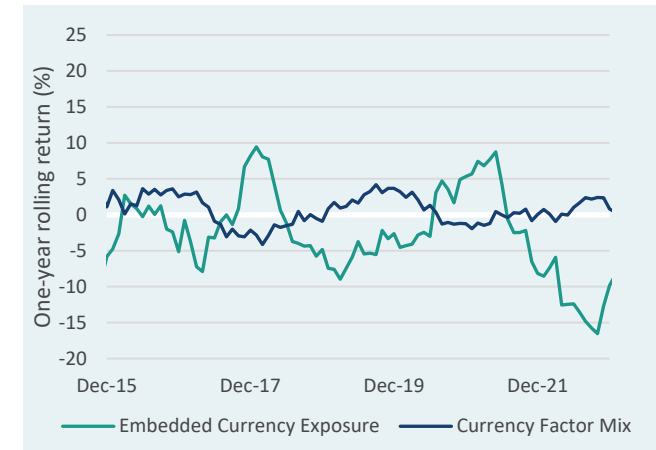
Source: MSCI, as of 9/30/23

BLOOMBERG DOLLAR SPOT INDEX



Source: Bloomberg, as of 9/30/23

EMBEDDED CURRENCY VS CURRENCY FACTORS



Source: Bloomberg, MSCI, as of 9/30/23

Commodities

Data pointing towards resilient economic growth was widely viewed as the initial driver of the “higher for longer” rate environment. Adding to this narrative in the third quarter was a tick up in energy costs due to supply side dynamics. This brought an increased focus to energy prices, as the four-decade high inflation experienced during 2022 was partly fueled by a rapid spike in oil and natural gas prices. As inflation has moderated back to levels closer to target, energy price movements have raised concerns of another potential catalyst for higher inflation, and therefore higher rates.

Oil was the largest contributor, as WTI and Brent Crude prices rose 24.3% and 28.5%, respectively. These significant price increases were driven by a combination of supply cuts by Saudi Arabia and Russia. A slowing economic outlook provides little motivation for oil companies to increase production.

A large jump in energy prices – specifically oil – has raised concerns over potentially higher inflation

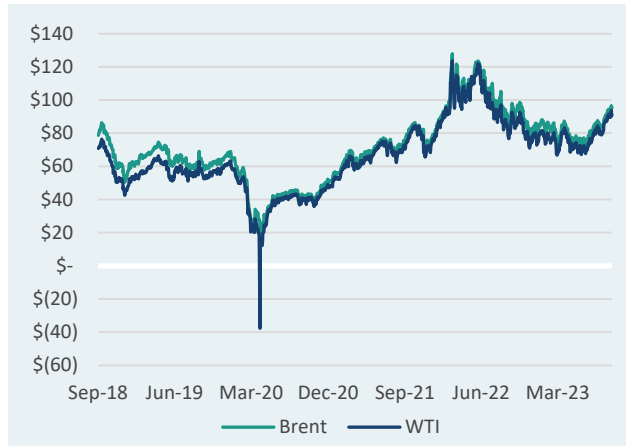
From a performance standpoint, the outsized gain of the Bloomberg Commodity Energy Index (+19.6%) lifted the broader index, with the Bloomberg Commodity Index finishing the quarter up 4.7%.

ENERGY YEAR-OVER-YEAR CPI CHANGES



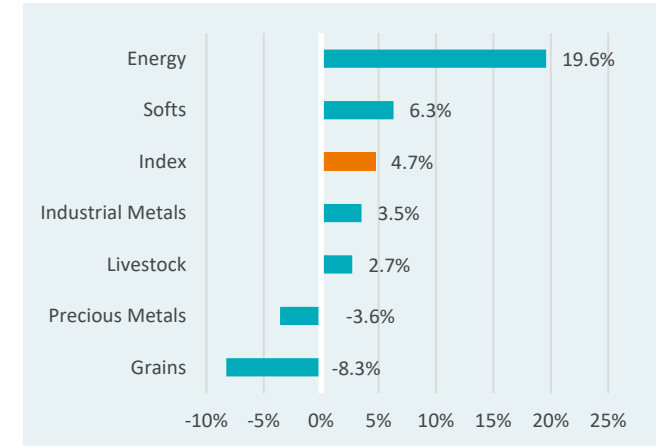
Source: BLS, as of 9/30/23

BRENT AND WTI CRUDE OIL PRICES



Source: Bloomberg, as of 9/30/23

BCOM SECTOR PERFORMANCE – Q3 2023



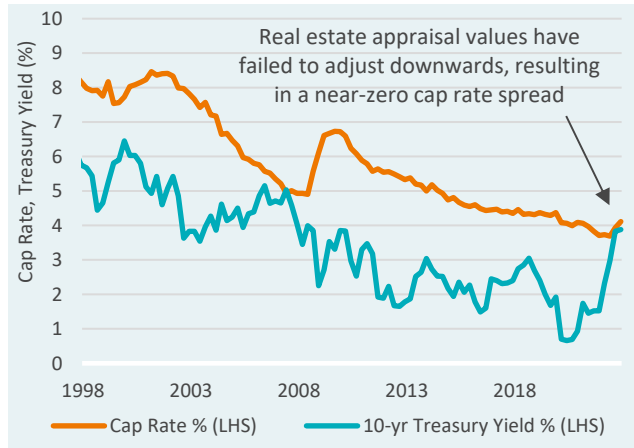
Source: Bloomberg, as of 9/30/23

Private real estate stalemate?

As summer ends, the real estate market looks much like it did as it began. Real estate transaction activity continues to be frozen, as buyers and sellers disagree about pricing, leading to a very large bid-ask spread. Private valuations remain higher than public, and write-downs should continue over the next several quarters. While movement has been slow thus far, opportunities may pick up as a wall of low interest rate loan maturities will be coming due and asset owners will need to either refinance at much higher rates, provide additional capital, and/or sell assets.

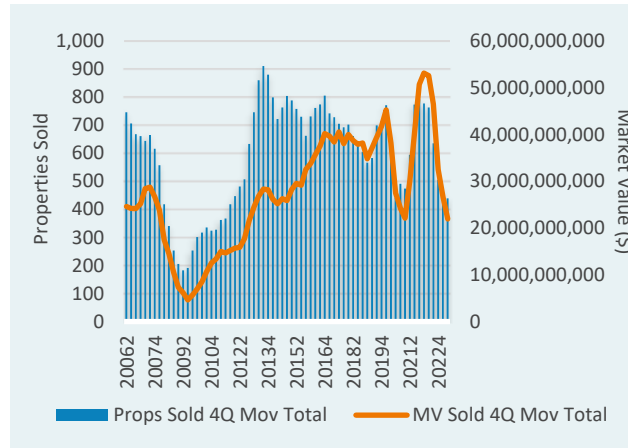
New capital should find a compelling environment to deploy in over the next several years at lower entry pricing. We are favoring managers experienced with investing in stressed and distressed environments and those with flexibility to invest across the debt and equity capital spectrum.

REAL ESTATE CAP RATE VS U.S. TREASURY YIELD



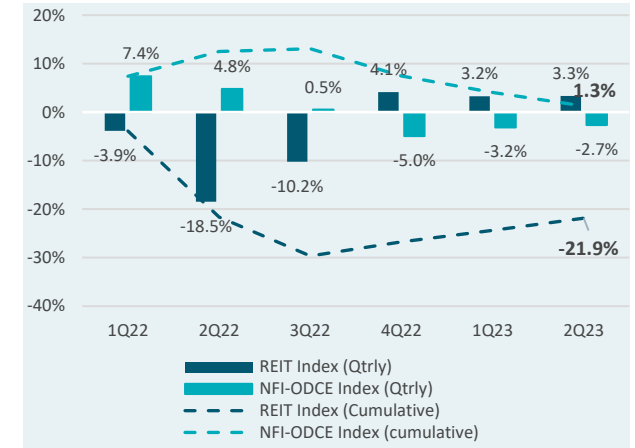
Source: NCREIF trends Report Q2

PROPERTY SALES (ANNUALIZED)



Source: NCREIF trends Report Q2 2023

PUBLIC VS PRIVATE REAL ESTATE PERFORMANCE



Source: NCREIF, Wilshire REIT Index

Hedge funds outperform, CTAs shine again

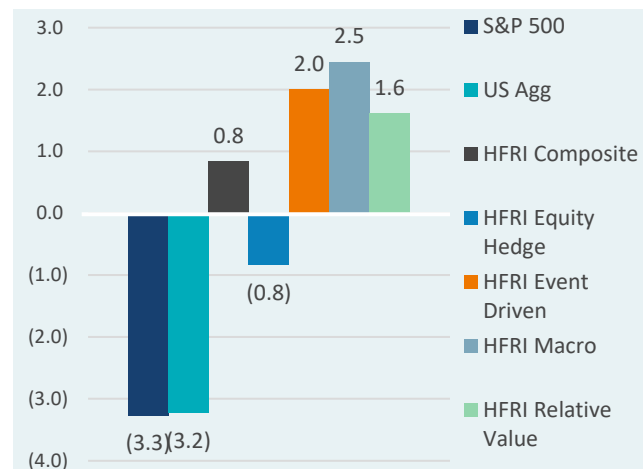
Hedge funds enjoyed broad outperformance vs markets in the third quarter as both stocks and bonds declined more than 3%. Most hedge fund strategies were actually positive on the quarter, reflected in the 0.8% return from the HFRI Composite Index.

Gains were led by Macro strategies while Event Driven was buoyed by a very strong quarter from Merger Arbitrage, rebounding after seeing spreads widen out earlier in the year. Popular Macro trades like short bonds and yield curve steepener paid off handsomely. Four of the last 7 quarters

have seen simultaneous declines in the S&P 500 and the Bloomberg US Aggregate – in all of those, including the most recent one, CTAs have been positive.

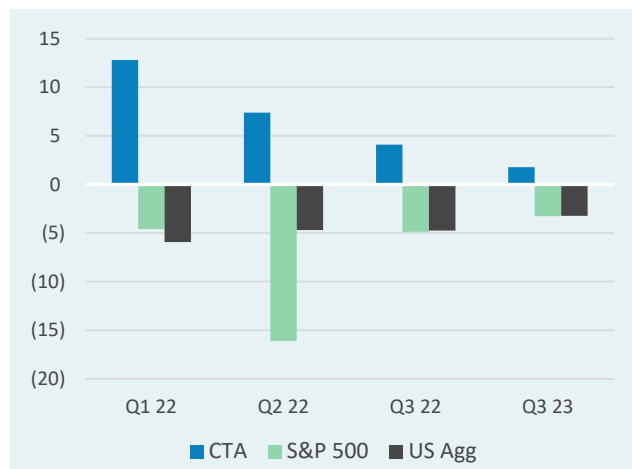
Credit-focused strategies also outperformed high yield as duration impacts were hedged and higher, typically floating rate coupons in areas like asset-backed offset any credit deterioration.

3Q 2023 QUARTERLY RETURNS



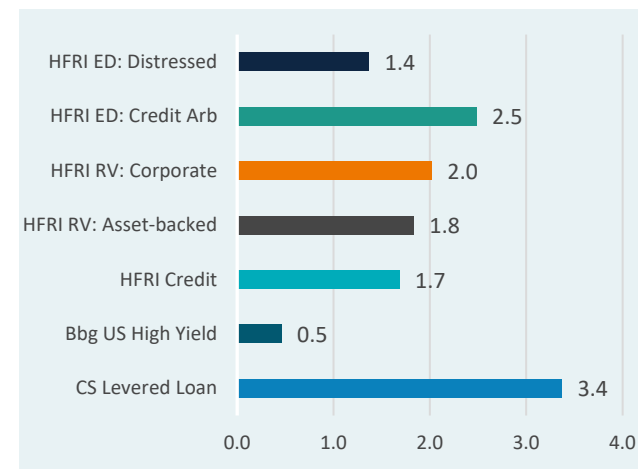
Source: HFR, MPI, as of 9/30/23

CTAS VS STOCKS/BONDS WHEN BOTH DECLINE



Source: MPI, SocGen. as of 9/30/23

3Q RETURNS FOR CREDIT STRATEGIES

















Source: HFR, MPI, as of 9/30/23

Appendix

Periodic table of returns

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	5-Year	10-Year
Large Cap Growth	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	28.3	16.1	25.0	12.4	14.5
Large Cap Equity	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	27.6	9.4	13.0	9.6	11.6
International Equity	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	27.1	1.5	7.1	6.2	8.4
Small Cap Growth	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	26.5	-4.7	5.2	6.1	7.8
60/40 Global Portfolio	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	25.2	-7.5	5.1	5.9	6.7
Cash	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	22.4	14.0	17.7	-13.0	3.6	3.5	6.6
Hedge Funds of Funds	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	22.0	10.3	14.8	-14.5	3.0	3.4	6.2
Small Cap Equity	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	11.3	-14.5	2.5	3.2	4.5
Emerging Markets Equity	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	8.9	-17.3	1.8	2.6	3.8
Large Cap Value	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	6.5	-19.1	1.8	2.4	3.3
Small Cap Value	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	2.8	-20.1	-0.5	1.6	2.1
US Bonds	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	0.0	-20.4	-1.2	1.6	1.1
Commodities	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	-1.5	-26.4	-3.4	0.6	1.1
Real Estate	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	-2.5	-29.1	-3.8	0.1	-0.7

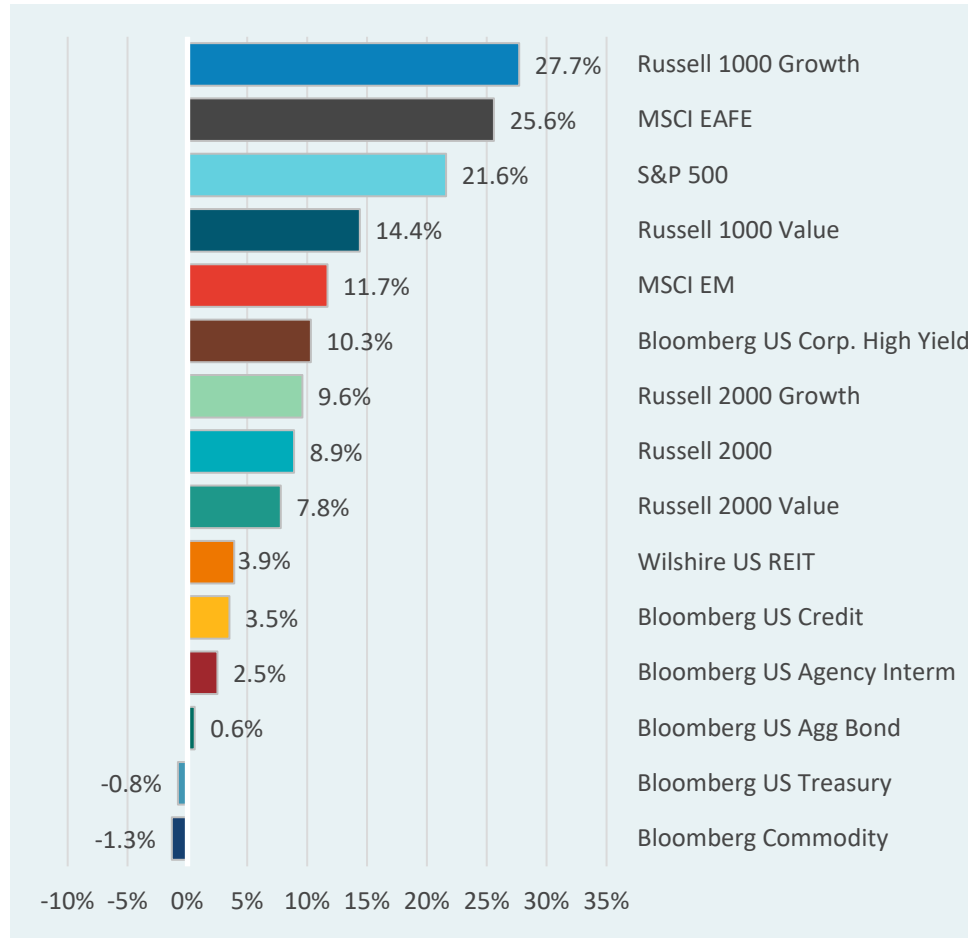
BEST
↑
↓
WORST

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

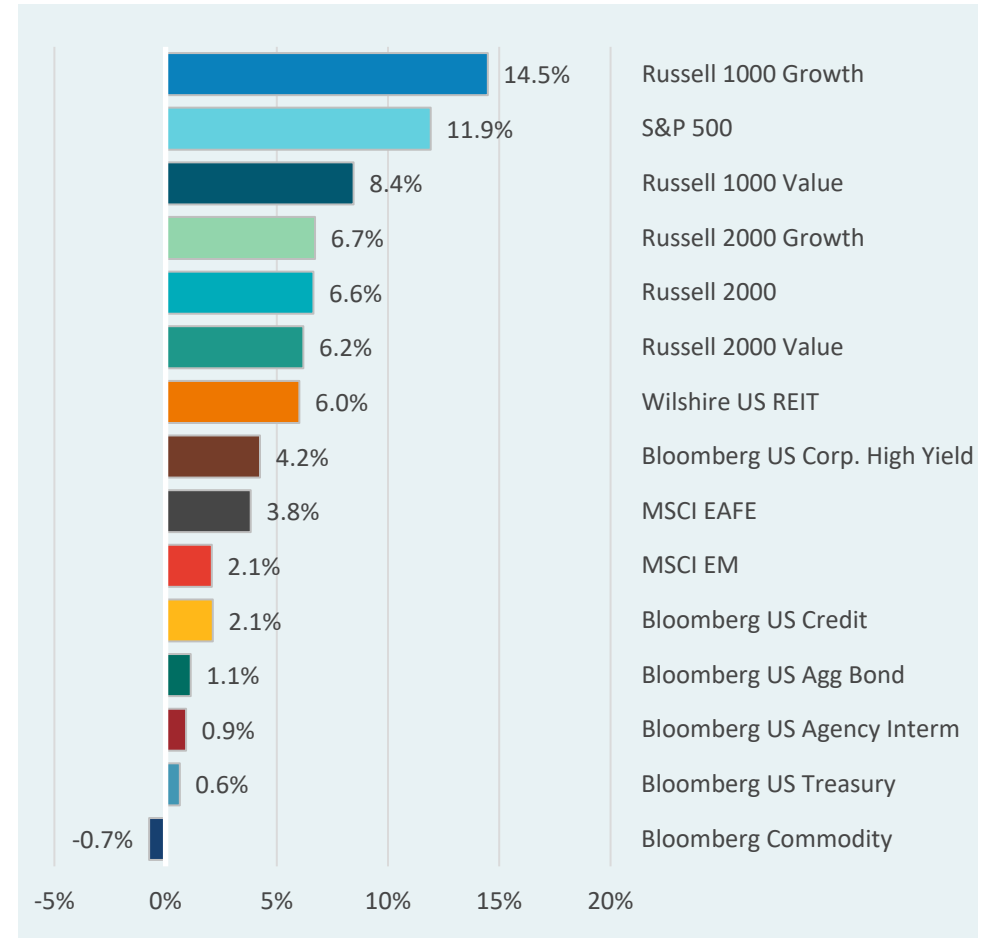
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 6/30/23.

Major asset class returns

ONE YEAR ENDING SEPTEMBER



TEN YEARS ENDING SEPTEMBER



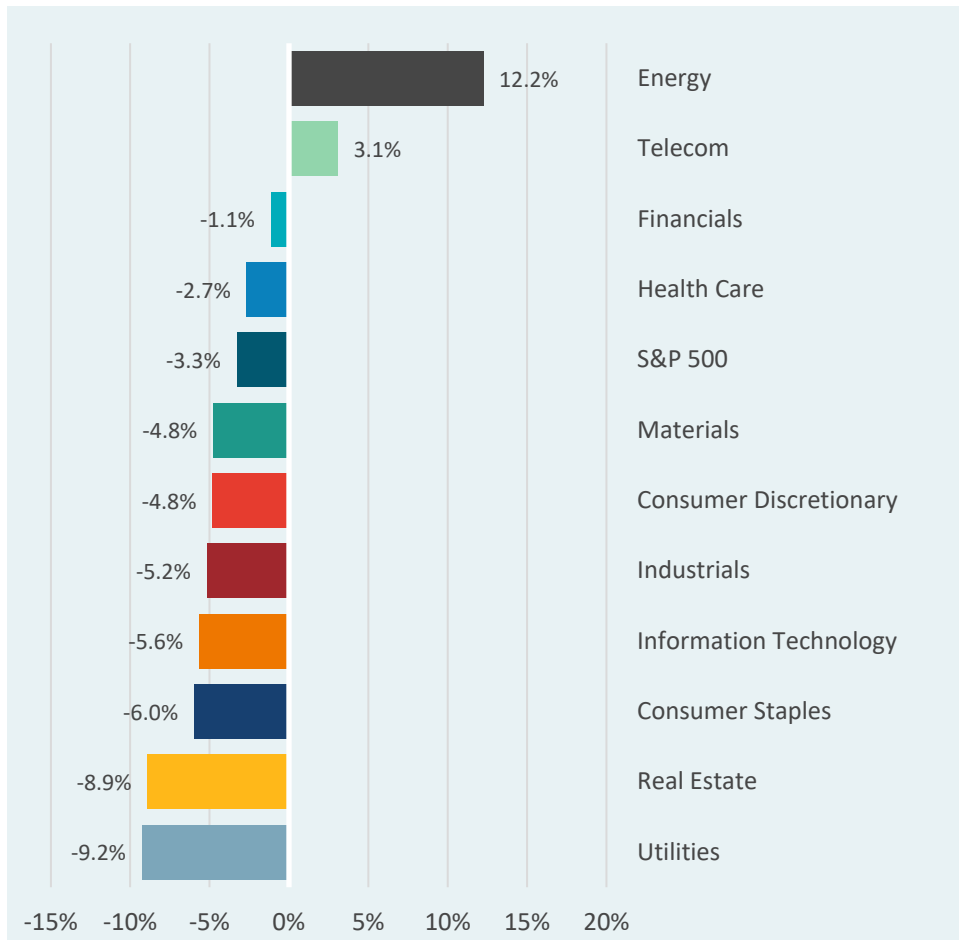
*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 9/30/23

Source: Morningstar, as of 9/30/23

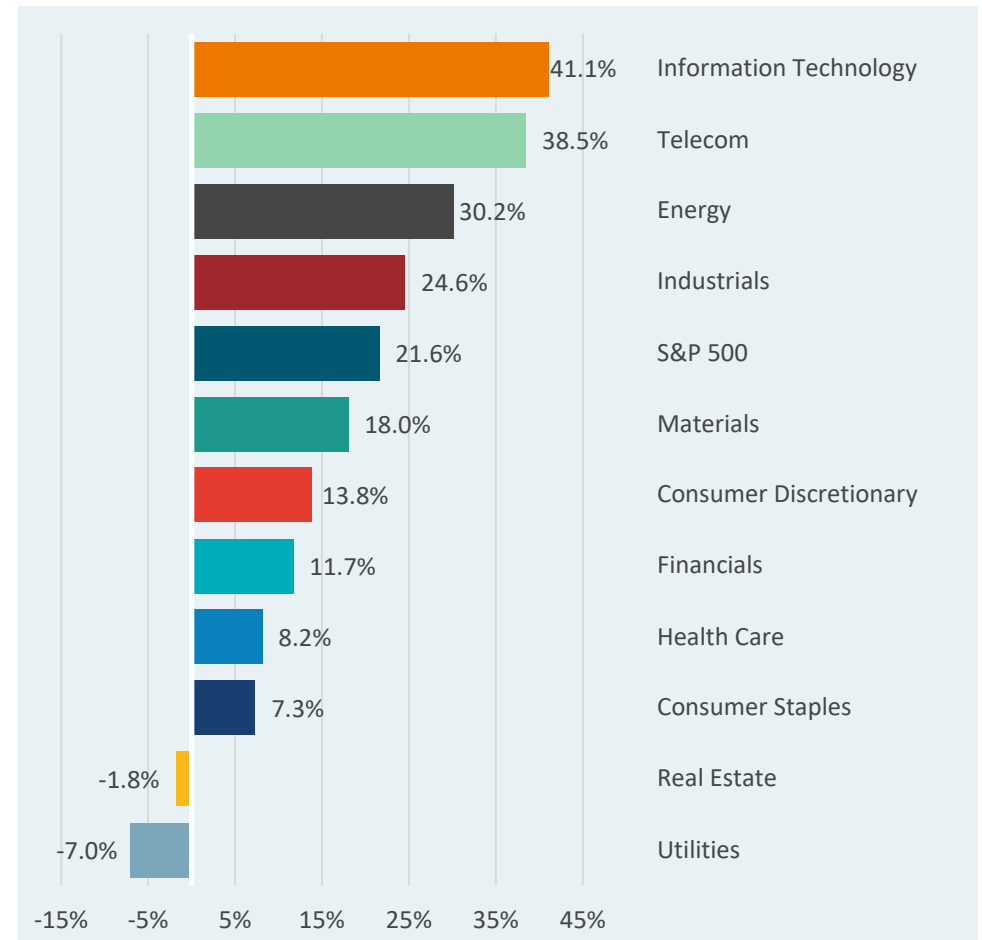
S&P 500 sector returns

QTD



Source: Morningstar, as of 9/30/23

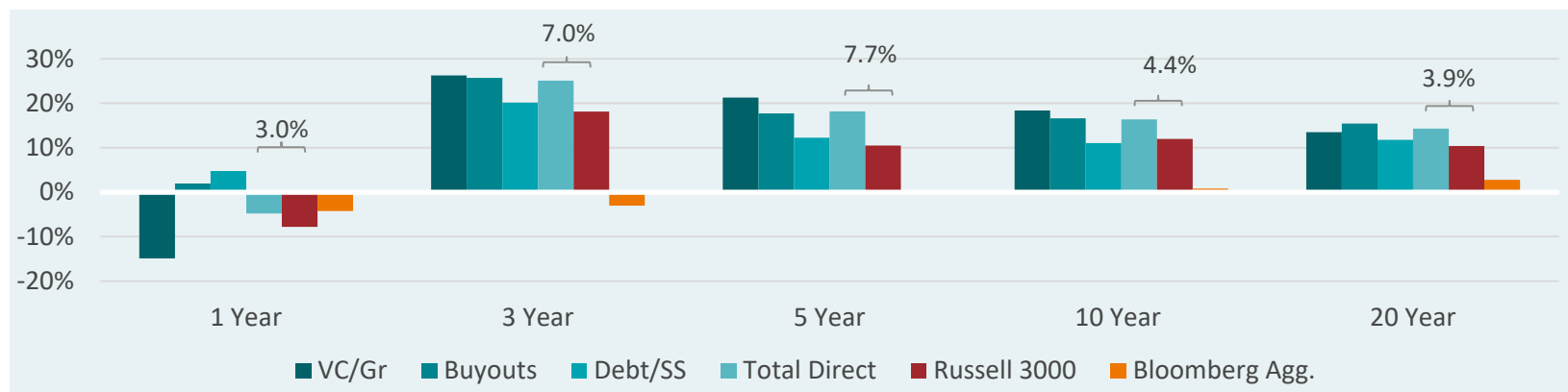
ONE YEAR ENDING AUGUST



Source: Morningstar, as of 9/30/23

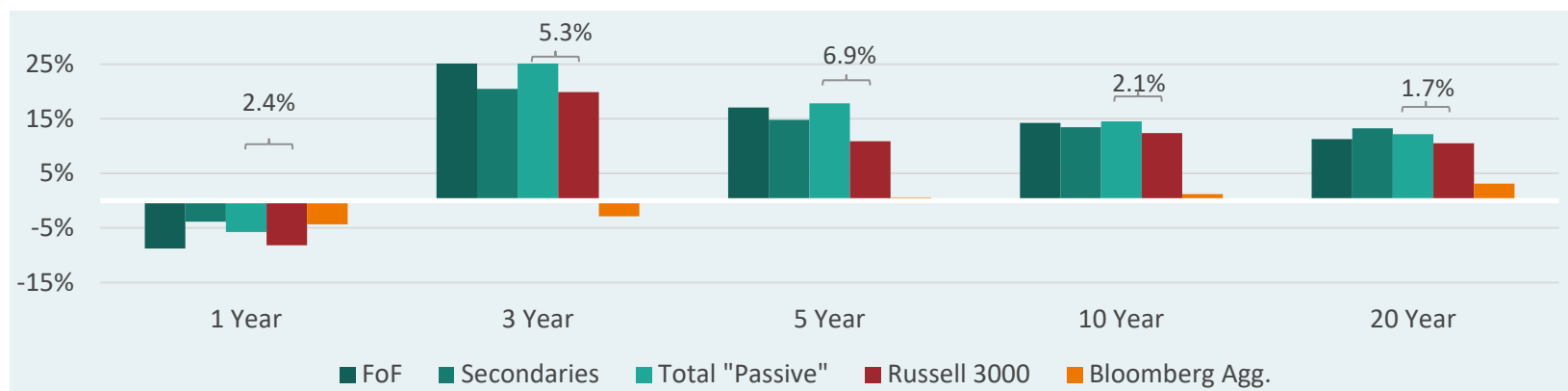
Private equity vs. traditional assets performance

DIRECT PRIVATE EQUITY FUND INVESTMENTS



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

“PASSIVE” STRATEGIES

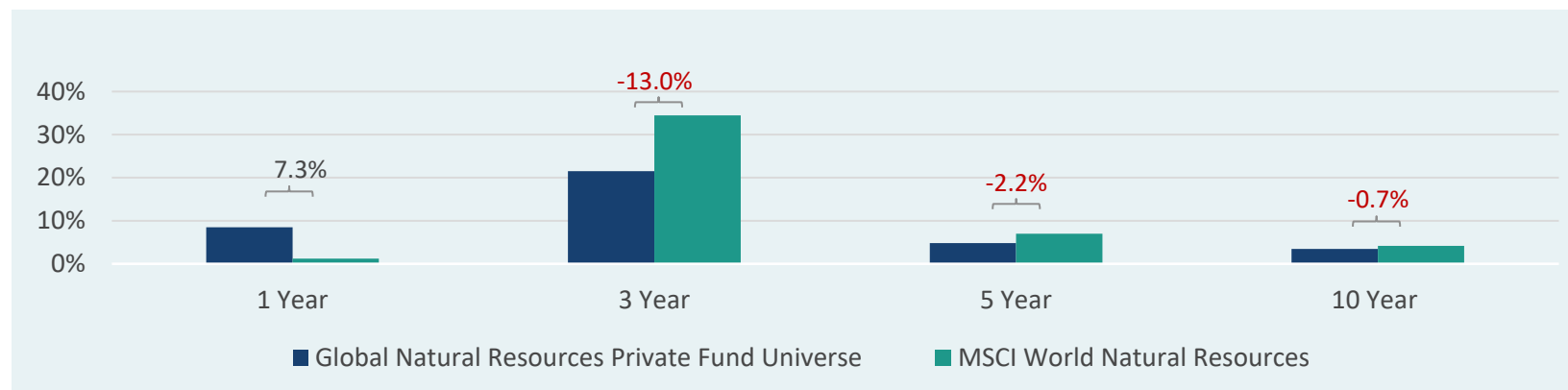


“Passive” strategies outperformed comparable public equities across all time periods.

Sources: Refinitiv PME: U.S. Private Equity Funds sub asset classes as of March 31, 2023. Public Market Equivalent returns resulted from “Total Passive” and Total Direct’s identical cash flows invested into and distributed from respective traditional asset comparable.

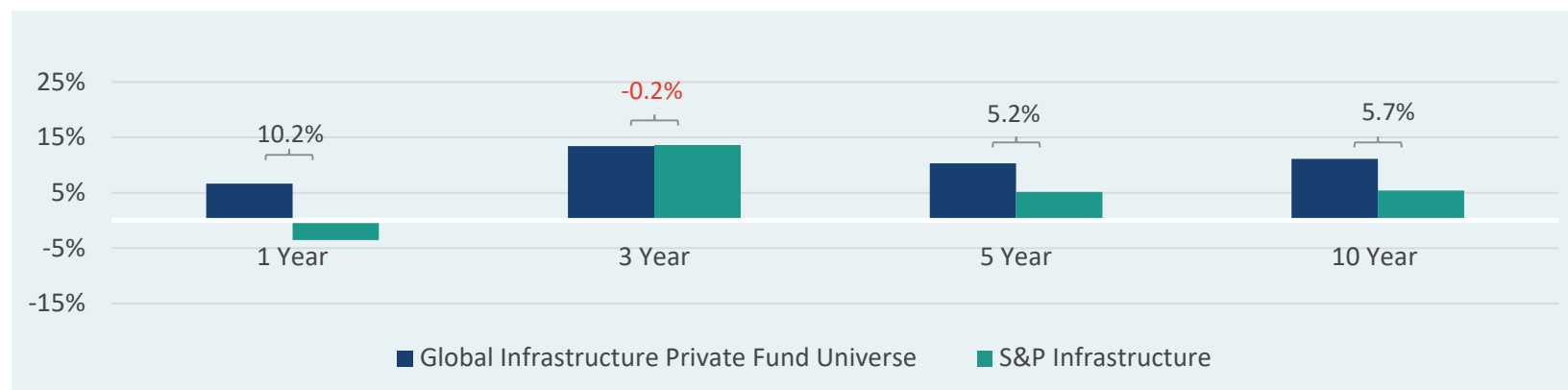
Private vs. liquid real assets performance

GLOBAL NATURAL RESOURCES FUNDS



N.R. funds underperformed the MSCI World Natural Resources benchmark across all periods, aside the 1-year basis.

GLOBAL INFRASTRUCTURE FUNDS

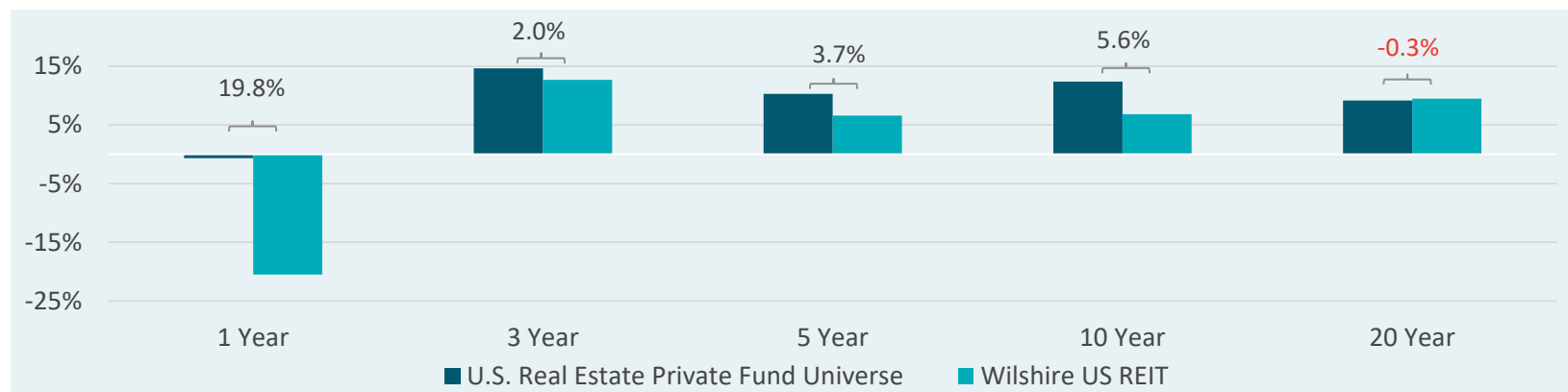


Infra. funds outperformed the S&P Infra. across all periods, aside the 3-year basis.

Sources: Refinitiv 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 March 31, 2023. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

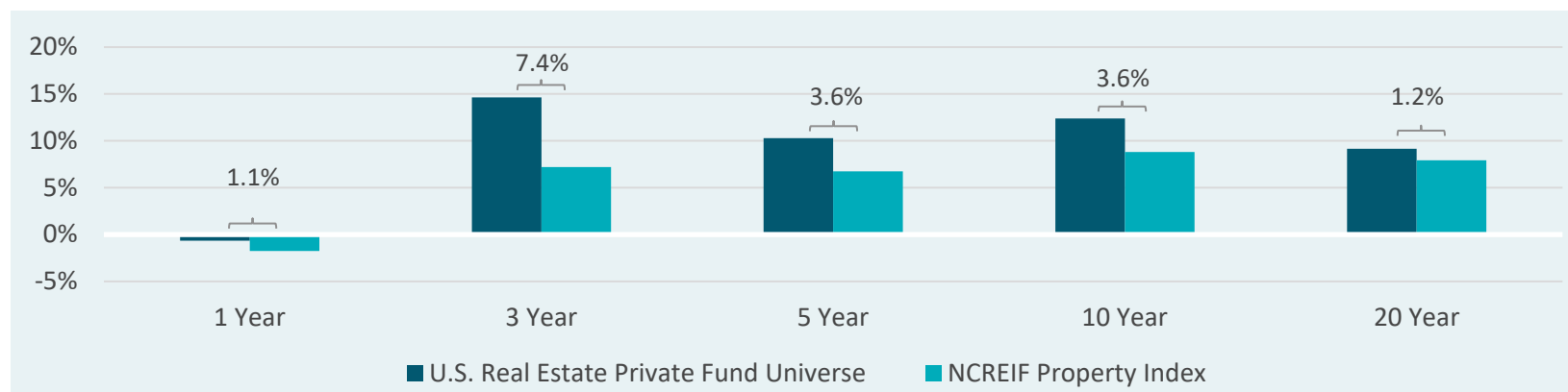
Private vs. liquid and core real estate performance

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



U.S. Private R.E. funds have underperformed the Wilshire U.S. REIT Index over the past 20 years, but outperformed more recently

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



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

Sources: Refinitiv PME: U.S. Real Estate universes as of March 31, 2023. 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
Core Index							
S&P 500	(4.8)	(3.3)	13.1	21.6	10.2	9.9	11.9
S&P 500 Equal Weighted	(5.1)	(4.9)	1.8	13.6	11.4	8.0	10.2
DJ Industrial Average	(3.4)	(2.1)	2.7	19.2	8.6	7.1	10.8
Russell Top 200	(4.6)	(2.7)	16.3	23.9	10.0	10.8	12.6
Russell 1000	(4.7)	(3.1)	13.0	21.2	9.5	9.6	11.6
Russell 2000	(5.9)	(5.1)	2.5	8.9	7.2	2.4	6.6
Russell 3000	(4.8)	(3.3)	12.4	20.5	9.4	9.1	11.3
Russell Mid Cap	(5.0)	(4.7)	3.9	13.4	8.1	6.4	9.0
Style Index							
Russell 1000 Growth	(5.4)	(3.1)	25.0	27.7	8.0	12.4	14.5
Russell 1000 Value	(3.9)	(3.2)	1.8	14.4	11.1	6.2	8.4
Russell 2000 Growth	(6.6)	(7.3)	5.2	9.6	1.1	1.6	6.7
Russell 2000 Value	(5.2)	(3.0)	(0.5)	7.8	13.3	2.6	6.2

INTERNATIONAL EQUITY

Broad Index							
MSCI ACWI	(4.1)	(3.4)	10.1	20.8	6.9	6.5	7.6
MSCI ACWI ex US	(3.2)	(3.8)	5.3	20.4	3.7	2.6	3.3
MSCI EAFE	(3.4)	(4.1)	7.1	25.6	5.8	3.2	3.8
MSCI EM	(2.6)	(2.9)	1.8	11.7	(1.7)	0.6	2.1
MSCI EAFE Small Cap	(4.4)	(3.5)	1.8	17.9	1.1	0.8	4.3
Style Index							
MSCI EAFE Growth	(6.0)	(8.6)	4.3	20.0	0.4	3.2	4.4
MSCI EAFE Value	(0.8)	0.6	9.9	31.5	11.1	2.8	3.0
Regional Index							
MSCI UK	(0.8)	(1.5)	6.8	24.9	12.1	2.9	2.5
MSCI Japan	(2.1)	(1.6)	11.2	25.9	2.8	2.1	4.4
MSCI Euro	(5.4)	(7.5)	10.9	36.4	7.3	3.7	3.8
MSCI EM Asia	(2.6)	(2.9)	1.0	11.9	(3.5)	1.0	3.8
MSCI EM Latin American	(2.3)	(4.7)	12.9	19.4	15.1	2.8	0.2

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(1.8)	(2.6)	(0.8)	1.2	(2.0)	2.1	1.7
Bloomberg US Treasury Bills	0.4	1.3	3.6	4.6	1.7	1.7	1.1
Bloomberg US Agg Bond	(2.5)	(3.2)	(1.2)	0.6	(5.2)	0.1	1.1
Bloomberg US Universal	(2.4)	(2.9)	(0.6)	1.6	(4.7)	0.3	1.4
Duration							
Bloomberg US Treasury 1-3 Yr	(0.0)	0.7	1.7	2.4	(0.9)	1.0	0.8
Bloomberg US Treasury Long	(7.3)	(11.8)	(8.6)	(9.1)	(15.7)	(2.8)	0.8
Bloomberg US Treasury	(2.2)	(3.1)	(1.5)	(0.8)	(5.8)	(0.1)	0.6
Issuer							
Bloomberg US MBS	(3.2)	(4.1)	(2.3)	(0.2)	(5.1)	(0.8)	0.6
Bloomberg US Corp. High Yield	(1.2)	0.5	5.9	10.3	1.8	3.0	4.2
Bloomberg US Agency Interim	(0.3)	0.2	1.6	2.5	(2.0)	0.7	0.9
Bloomberg US Credit	(2.6)	(3.0)	0.0	3.5	(4.8)	0.9	2.1

OTHER

Index							
Bloomberg Commodity	(0.7)	4.7	(3.4)	(1.3)	16.2	6.1	(0.7)
Wilshire US REIT	(6.5)	(6.4)	(0.2)	3.9	5.7	2.9	6.0
CS Leveraged Loans	0.9	3.4	9.9	12.5	5.9	4.3	4.3
S&P Global Infrastructure	(4.7)	(7.3)	(3.7)	6.9	7.3	4.1	5.1
Alerian MLP	2.4	9.4	20.2	32.7	43.5	6.4	1.7
Regional Index							
JPM EMBI Global Div	(2.6)	(2.2)	1.8	10.0	(4.6)	(0.4)	2.5
JPM GBI-EM Global Div	(3.4)	(3.3)	4.3	13.1	(2.7)	(0.0)	(0.8)
Hedge Funds							
HFRI Composite	(0.2)	0.8	4.3	6.7	6.9	5.0	4.6
HFRI FOF Composite	(0.2)	0.7	3.0	4.8	3.8	3.4	3.3
Currency (Spot)							
Euro	(2.5)	(3.0)	(0.8)	8.1	(3.4)	(1.8)	(2.4)
Pound Sterling	(3.7)	(4.0)	1.5	9.3	(1.9)	(1.3)	(2.8)
Yen	(2.4)	(3.1)	(11.6)	(3.0)	(10.9)	(5.3)	(4.1)

Source: Morningstar, HFRI, as of 9/30/23.

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)

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)

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.

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San Luis Obispo County Pension Trust

Investment Performance Review
Period Ending: September 30, 2023



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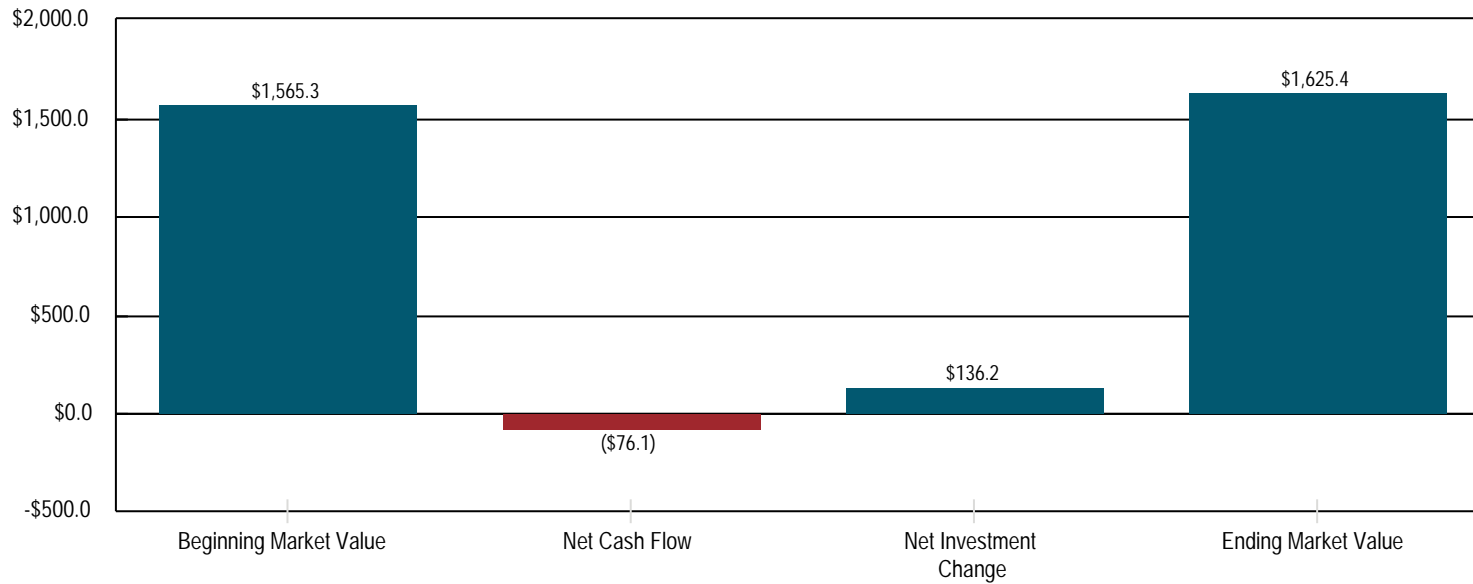
LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

Total Fund
Portfolio Reconciliation

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

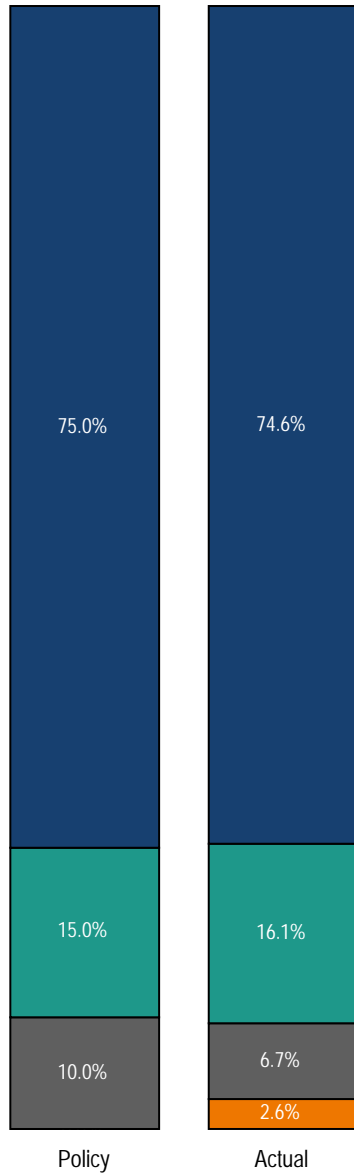
	Portfolio Reconciliation		
	Last Three Months	Fiscal YTD	One Year
Beginning Market Value	1,649,828,678	1,613,641,529	1,565,280,274
Net Cash Flow	-6,825,719	-53,196,905	-76,110,183
Net Investment Change	-17,610,039	64,926,174	136,200,707
Ending Market Value	1,625,392,921	1,625,392,921	1,625,392,921



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

Total Fund
Asset Allocation vs. Policy

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

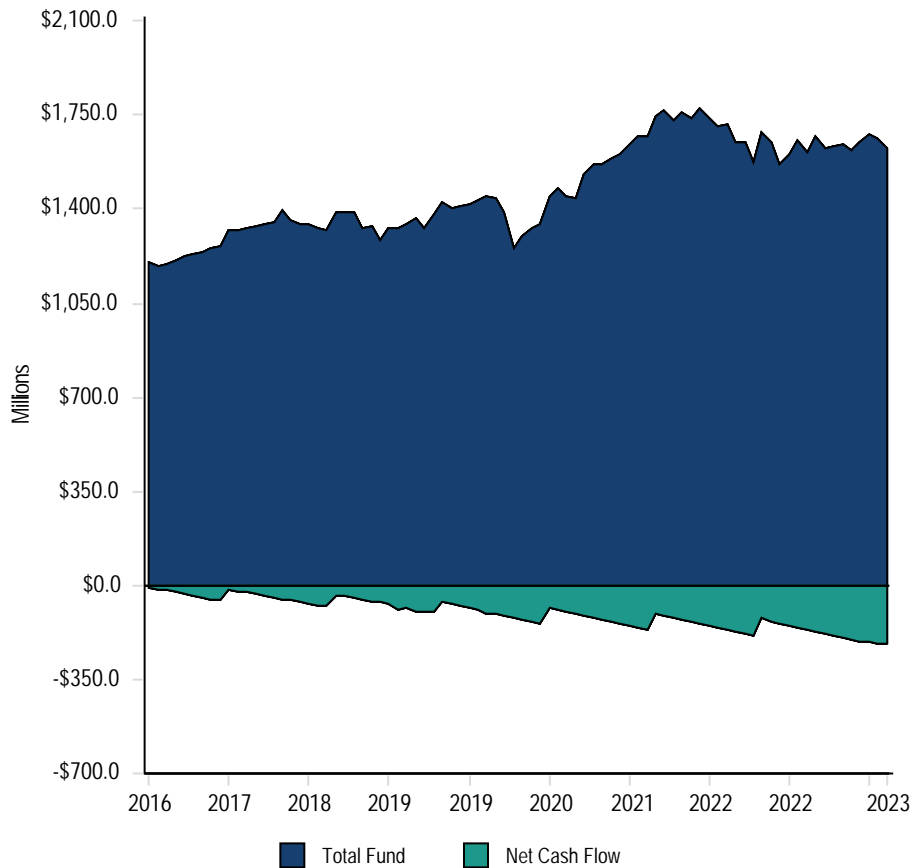


	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (\$)	Policy Range (%)	Within IPS Range?
■ Growth	1,211,811,030	74.6	75.0	-7,233,661	25.0 - 95.0	Yes
■ Diversifying	262,008,636	16.1	15.0	18,199,698	5.0 - 30.0	Yes
■ Liquidity	108,764,582	6.7	10.0	-53,774,710	5.0 - 20.0	Yes
■ Opportunistic	42,808,673	2.6	0.0	42,808,673	0.0 - 10.0	Yes
Total	1,625,392,921	100.0	100.0			

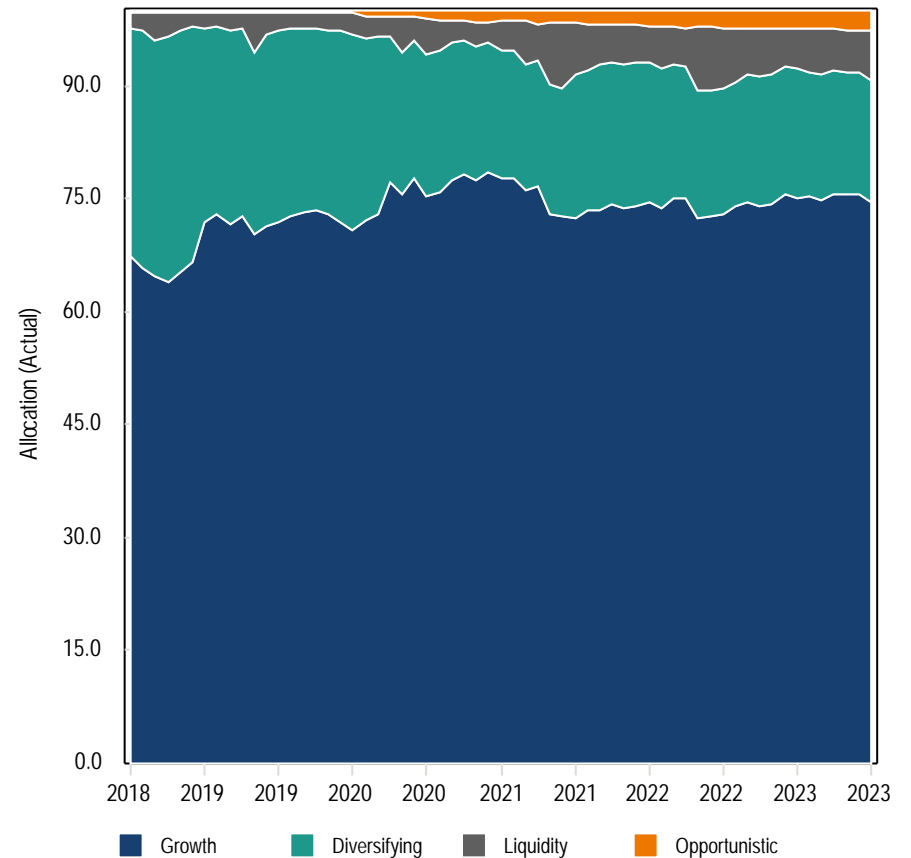
Total Fund
Asset Allocation History

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

Market Value History



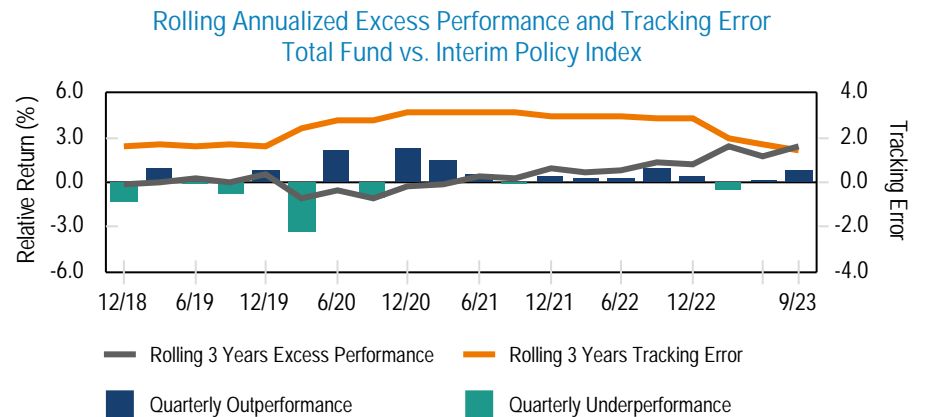
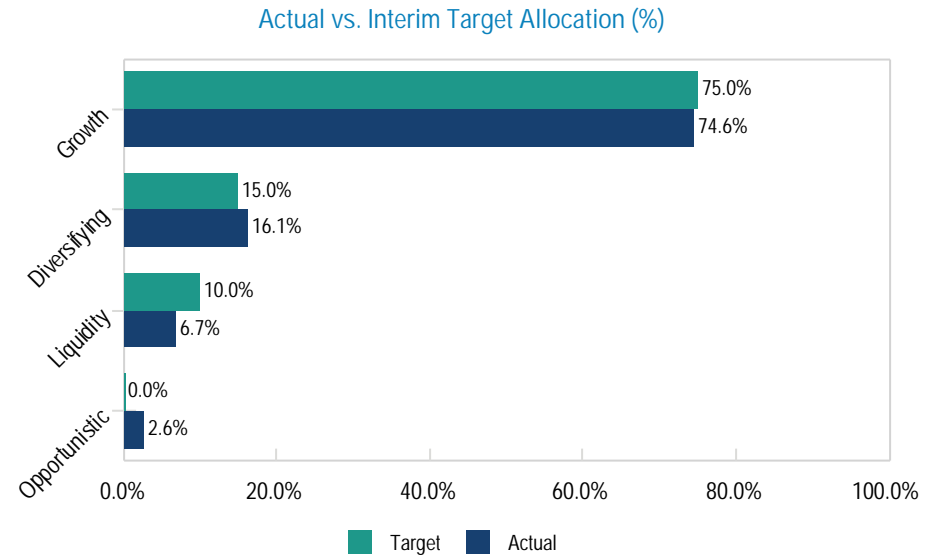
Asset Allocation History



Total Fund
Executive Summary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs
Total Fund	-1.0	4.3	9.1	6.8	5.9
<i>Interim Policy Index</i>	-1.8	3.7	8.1	4.4	5.1
<i>FFP SAA Index</i>	-0.7	4.3	7.2	8.0	7.7
Total Growth	-1.0	5.3	10.9	10.9	8.1
<i>Custom Growth Benchmark</i>	-1.4	6.1	11.6	8.3	7.8
Total Public Equity	-2.8	9.3	23.4	10.4	8.4
<i>Russell 3000 Index</i>	-3.3	12.4	20.5	9.4	9.1
Total Domestic Equity	-1.1	10.8	23.7	12.9	9.6
<i>Russell 3000 Index</i>	-3.3	12.4	20.5	9.4	9.1
Total International Equity	-4.8	7.4	23.0	7.3	6.9
<i>MSCI AC World ex USA Index</i>	-3.7	5.8	21.0	4.2	3.1
Total Private Equity	3.3	6.9	6.6	24.1	18.7
<i>Private Equity Benchmark</i>	3.3	6.9	6.6	24.1	-
Total Private Credit	3.3	7.1	8.3	10.8	7.8
<i>Private Credit Benchmark</i>	3.3	7.1	8.3	10.8	-
Total Real Estate	-2.7	-7.1	-11.3	6.1	4.7
<i>NCREIF Property Index</i>	-1.4	-5.1	-8.4	6.0	5.3
Total Risk Diversifying	-2.2	0.8	4.8	-2.8	0.2
<i>Total Risk Diversifying Benchmark</i>	-3.6	-1.8	0.4	-6.5	-0.7
Total Domestic Fixed Income	-1.3	2.4	4.6	-1.6	2.0
<i>Blmbg. U.S. Aggregate Index</i>	-3.2	-1.2	0.6	-5.2	0.1
Total Global Fixed	-5.4	-4.2	4.7	-6.7	-3.4
<i>FTSE World Government Bond Index</i>	-4.3	-2.7	1.0	-8.7	-2.6
Total Liquidity	0.6	2.2	2.7	0.5	1.1
<i>90 Day U.S. Treasury Bill</i>	1.3	3.6	4.5	1.7	1.7
Total Cash	0.6	2.2	2.7	0.5	1.1
<i>90 Day U.S. Treasury Bill</i>	1.3	3.6	4.5	1.7	1.7
Total Opportunistic	3.4	10.9	13.7	12.1	6.3
<i>Russell 3000 + 3%</i>	-2.5	14.9	24.1	12.7	12.4

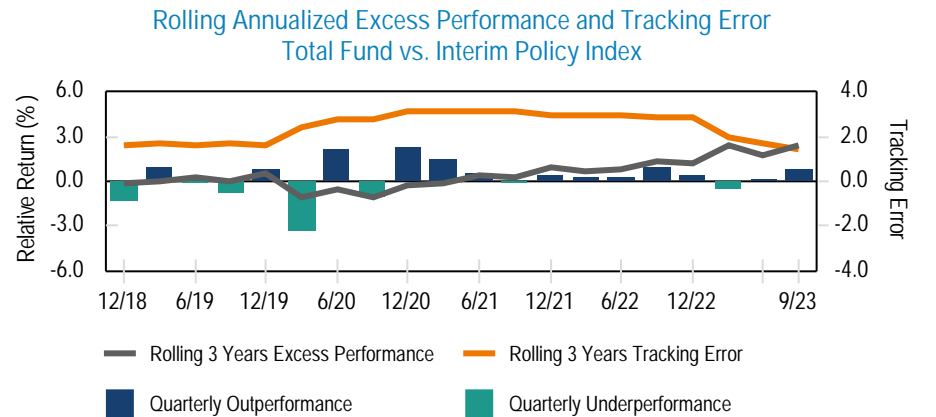
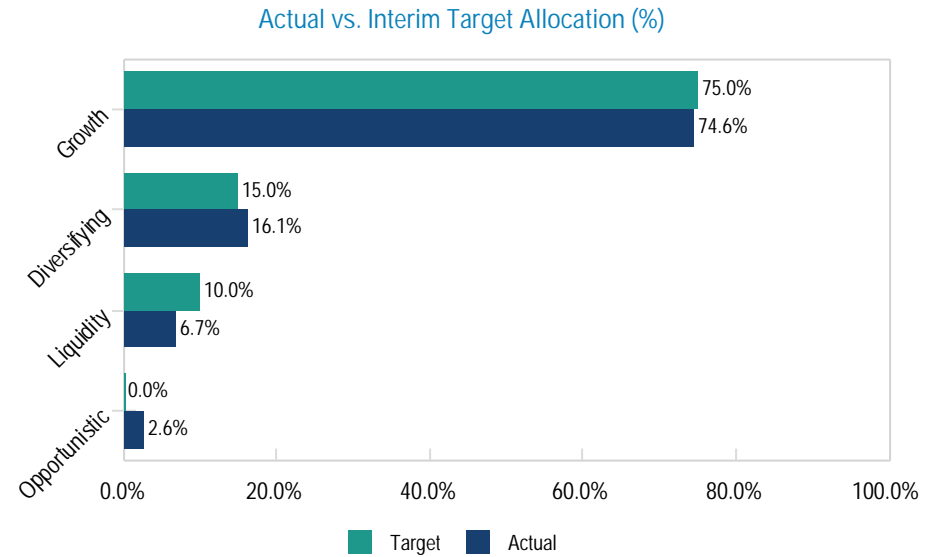


Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return, 6% 90-day T-Bills, 6% ARA American Strategic Value Realty. FFP SAA Index as of 1/1/2021: 30% MSCI ACWI, 8% Bloomberg U.S. Treasury 7-10 yr, 7% Bloomberg U.S. TIPS, 4% 91 day T-Bills, 6% Bloomberg 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. Agenda Item 17

Total Fund
Executive Summary (Net of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs
Total Fund	-1.1	4.0	8.8	6.5	5.5
<i>Interim Policy Index</i>	-1.8	3.7	8.1	4.4	5.1
<i>FFP SAA Index</i>	-0.7	4.3	7.2	8.0	7.7
Total Growth	-1.0	5.0	10.6	10.5	7.7
<i>Custom Growth Benchmark</i>	-1.4	6.1	11.6	8.3	7.8
Total Public Equity	-2.9	8.8	22.7	9.8	7.8
<i>Russell 3000 Index</i>	-3.3	12.4	20.5	9.4	9.1
Total Domestic Equity	-1.2	10.4	23.1	12.3	9.0
<i>Russell 3000 Index</i>	-3.3	12.4	20.5	9.4	9.1
Total International Equity	-5.0	6.9	22.2	6.6	6.2
<i>MSCI AC World ex USA Index</i>	-3.7	5.8	21.0	4.2	3.1
Total Private Equity	3.3	6.9	6.6	24.1	18.7
<i>Private Equity Benchmark</i>	3.3	6.9	6.6	24.1	-
Total Private Credit	3.3	7.1	8.3	10.8	7.8
<i>Private Credit Benchmark</i>	3.3	7.1	8.3	10.8	-
Total Real Estate	-2.7	-7.1	-11.3	6.1	4.7
<i>NCREIF Property Index</i>	-1.4	-5.1	-8.4	6.0	5.3
Total Risk Diversifying	-2.3	0.6	4.4	-3.2	-0.2
<i>Total Risk Diversifying Benchmark</i>	-3.6	-1.8	0.4	-6.5	-0.7
Total Domestic Fixed Income	-1.3	2.2	4.3	-1.8	1.7
<i>Blmbg. U.S. Aggregate Index</i>	-3.2	-1.2	0.6	-5.2	0.1
Total Global Fixed	-5.6	-4.8	3.9	-7.4	-4.0
<i>FTSE World Government Bond Index</i>	-4.3	-2.7	1.0	-8.7	-2.6
Total Liquidity	0.6	2.2	2.7	0.5	1.1
<i>90 Day U.S. Treasury Bill</i>	1.3	3.6	4.5	1.7	1.7
Total Cash	0.6	2.2	2.7	0.5	1.1
<i>90 Day U.S. Treasury Bill</i>	1.3	3.6	4.5	1.7	1.7
Total Opportunistic	3.4	10.9	13.7	12.1	6.3
<i>Russell 3000 + 3%</i>	-2.5	14.9	24.1	12.7	12.4

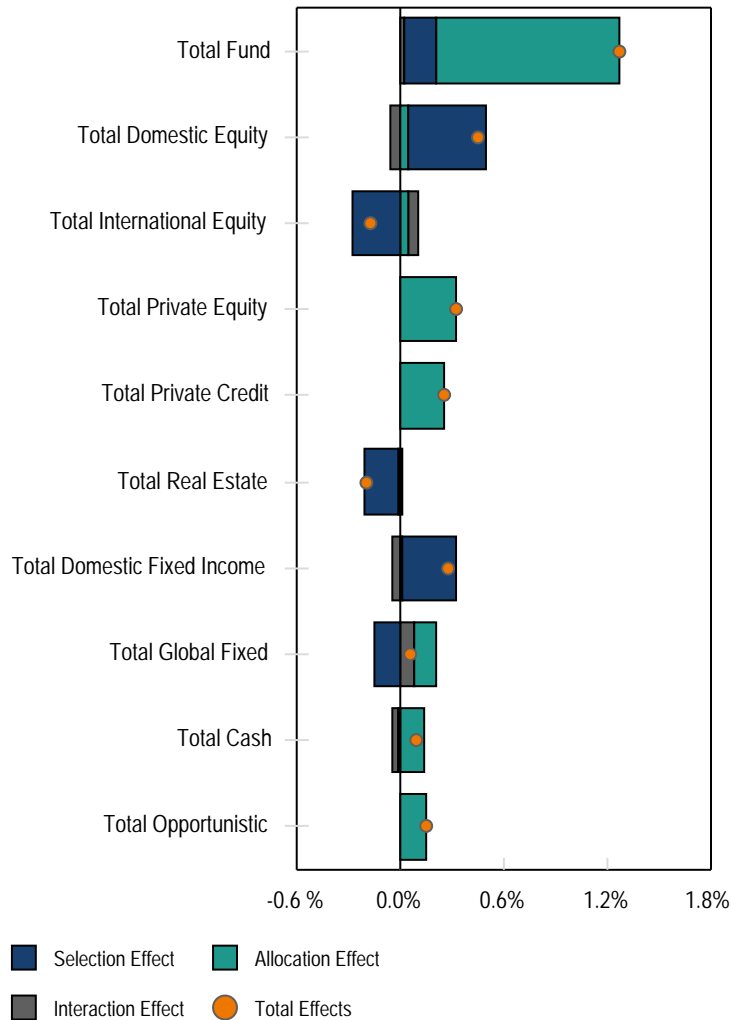


Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return, 6% 90-day T-Bills, 6% ARA American Strategic Value Realty. FFP SAA Index as of 1/1/2021: 30% MSCI ACWI, 8% Bloomberg U.S. Treasury 7-10 yr, 7% Bloomberg U.S. TIPS, 4% 91 day T-Bills, 6% Bloomberg 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. Agenda Item 17

Total Fund Attribution Analysis (Net of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

Attribution Effects
3 Months Ending September 30, 2023



Performance Attribution
3 Months Ending September 30, 2023

	3 Mo
Wtd. Actual Return	-1.1
Wtd. Index Return	-2.3
Excess Return	1.3
Selection Effect	0.2
Allocation Effect	1.1
Interaction Effect	0.0

Attribution Summary
3 Months Ending September 30, 2023

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Domestic Equity	-1.2	-3.3	2.0	0.5	0.0	-0.1	0.4
Total International Equity	-5.0	-3.7	-1.3	-0.3	0.0	0.1	-0.2
Total Private Equity	3.3	3.3	0.0	0.0	0.3	0.0	0.3
Total Private Credit	3.3	3.3	0.0	0.0	0.3	0.0	0.3
Total Real Estate	-2.7	-1.4	-1.3	-0.2	0.0	0.0	-0.2
Total Domestic Fixed Income	-1.3	-2.9	1.6	0.3	0.0	0.0	0.3
Total Global Fixed	-5.6	-4.3	-1.4	-0.2	0.1	0.1	0.1
Total Cash	0.5	1.3	-0.8	0.0	0.1	0.0	0.1
Total Opportunistic	3.4	-2.5	6.0	0.0	0.1	0.0	0.1
Total Fund	-1.1	-2.3	1.3	0.1	1.1	0.0	1.3

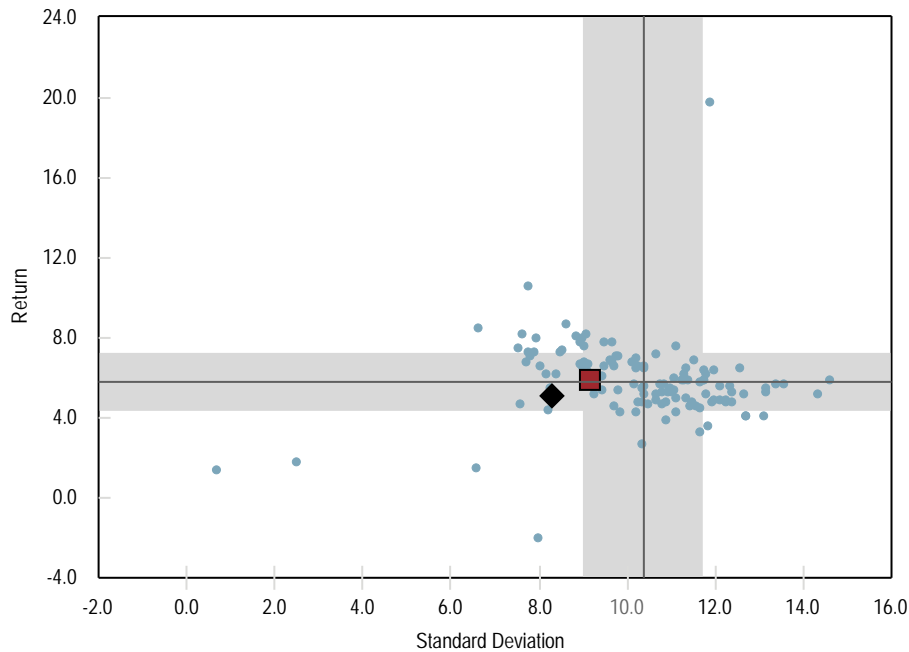
Attribution does not account for effects of overlay program. Weighted returns shown in attribution analysis may differ from actual returns. Wtd. Actual Return is the sum of the products of each group's return and its respective weight at the beginning of the period.

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

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	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	5.88	0.73	9.14	0.41	1.07	2.29	0.94	0.48	0.34	110.32	108.02

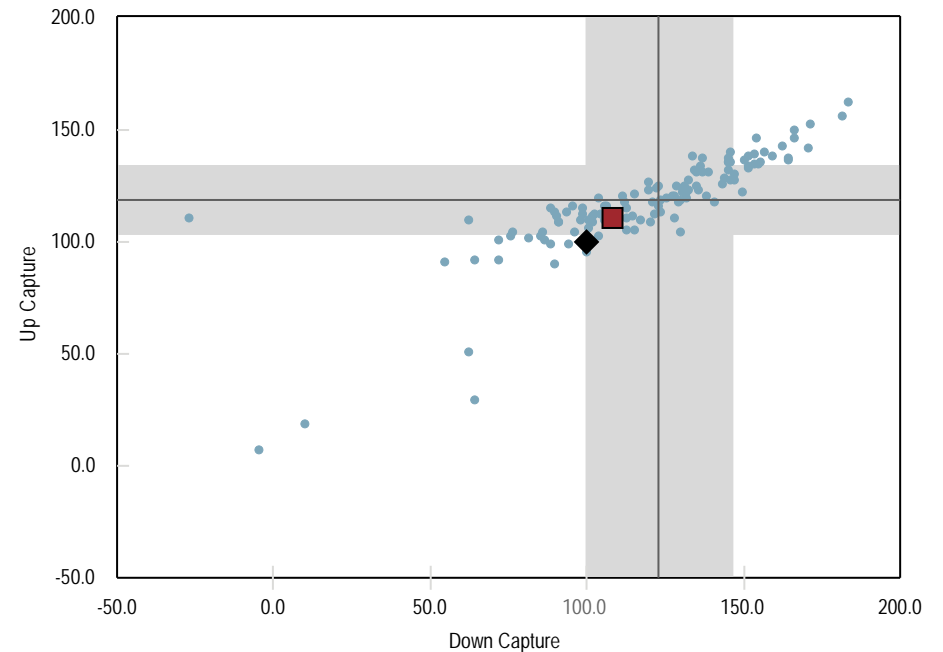
Annualized Return vs. Annualized Standard Deviation



All Public Plans > \$1B-Total Fund

	Return	Standard Deviation
■ Total Fund	5.88	9.14
◆ Interim Policy Index	5.15	8.31
— Median	5.80	10.36
Population	123	123

Up Capture vs. Down Capture



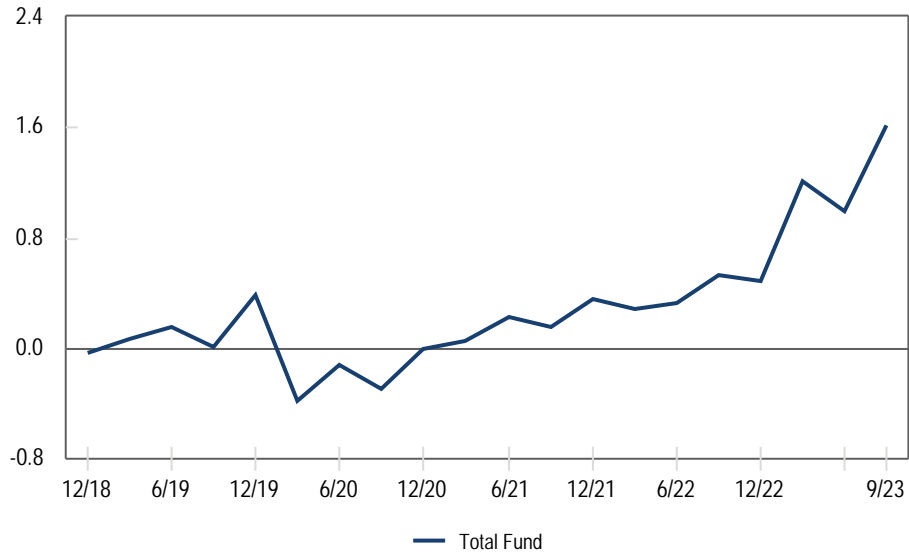
All Public Plans > \$1B-Total Fund

	Up Capture	Down Capture
■ Total Fund	110.32	108.02
◆ Interim Policy Index	100.00	100.00
— Median	119.00	123.13
Population	123	123

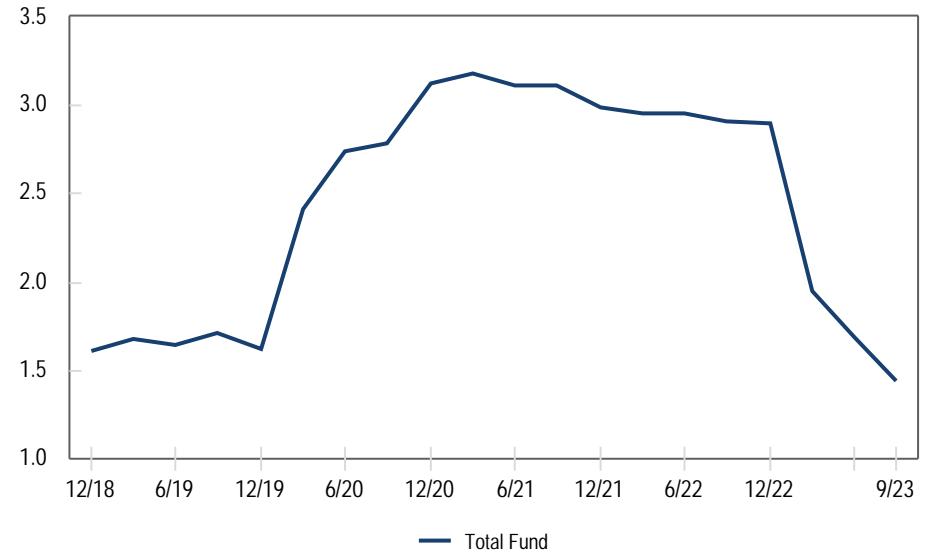
Total Fund
Rolling Risk Statistics (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

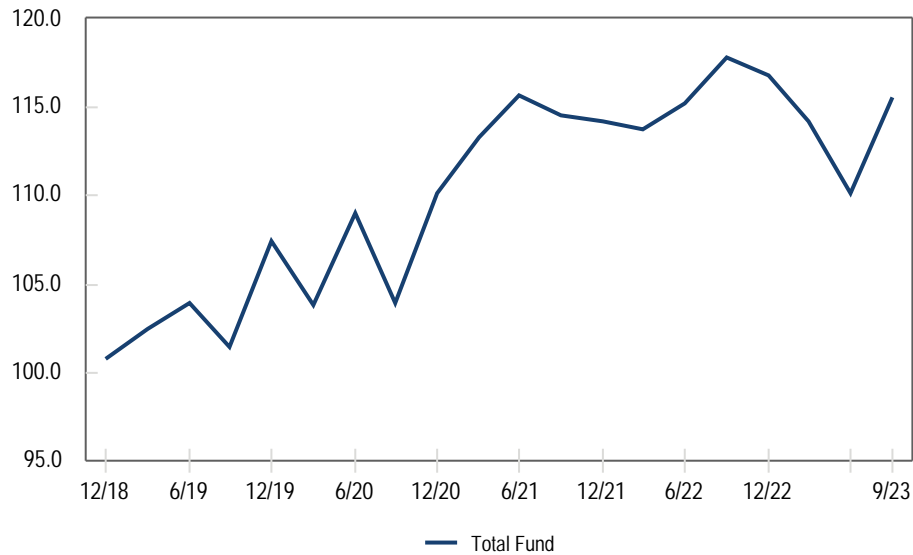
Rolling 3 Years Information Ratio



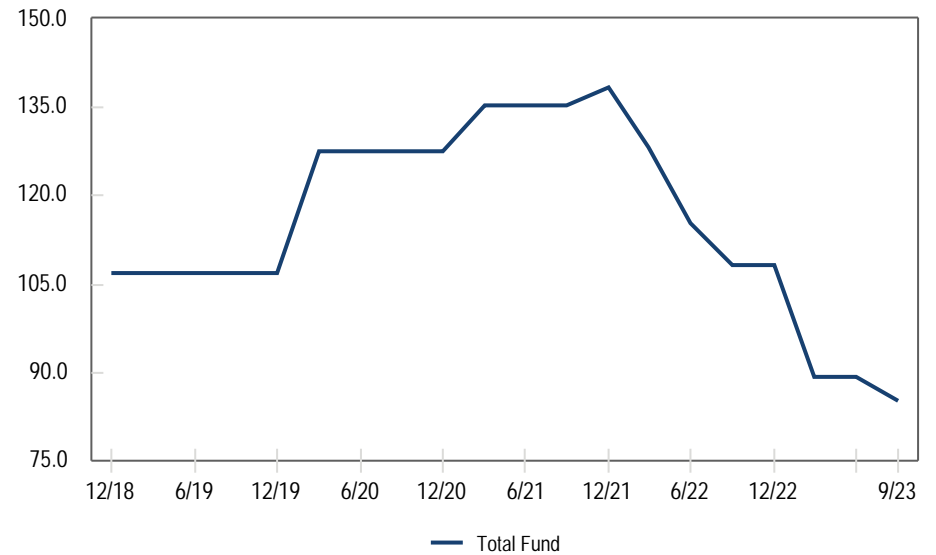
Rolling 3 Years Tracking Error



Rolling 3 Years Up Capture



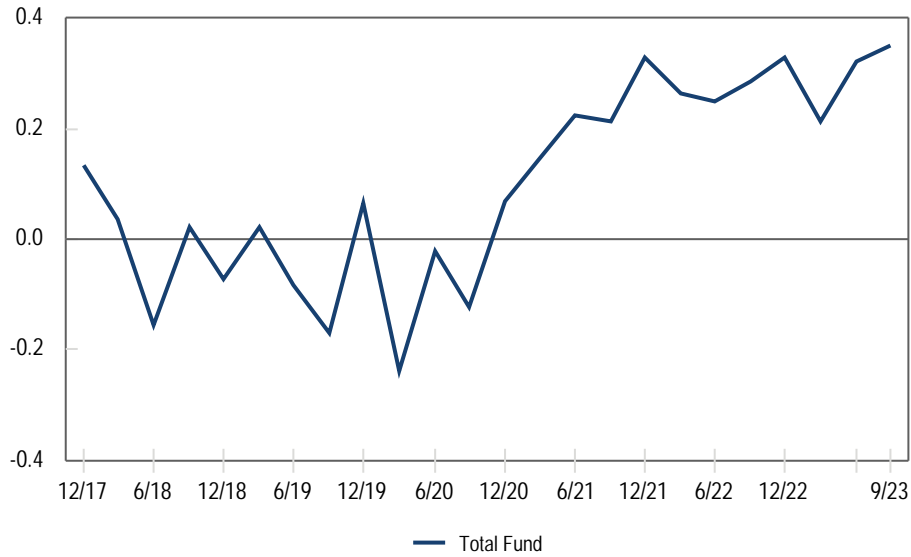
Rolling 3 Years Down Capture



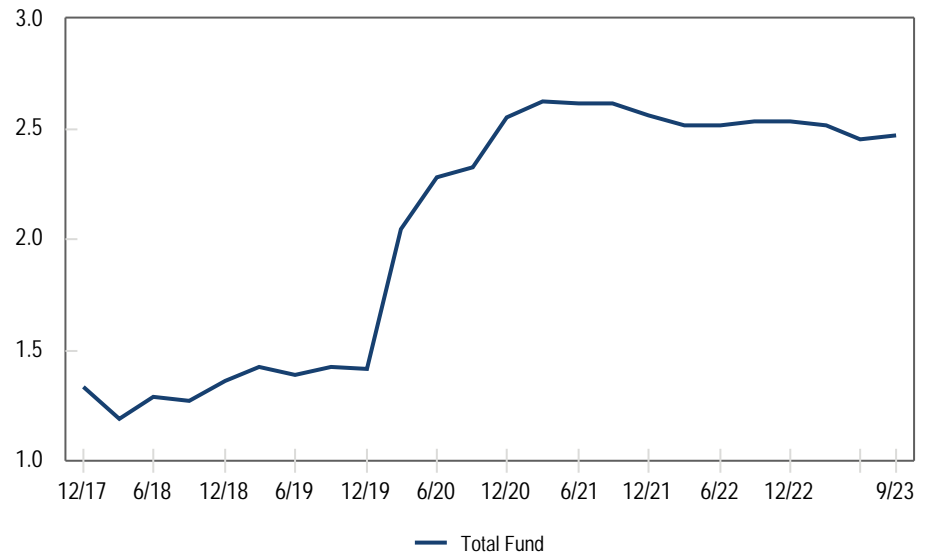
Total Fund
Rolling Risk Statistics (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

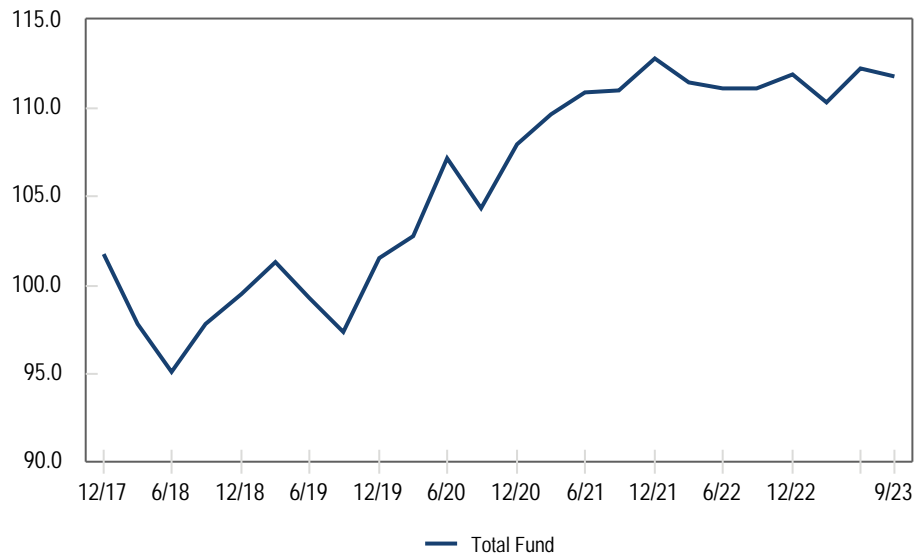
Rolling 5 Years Information Ratio



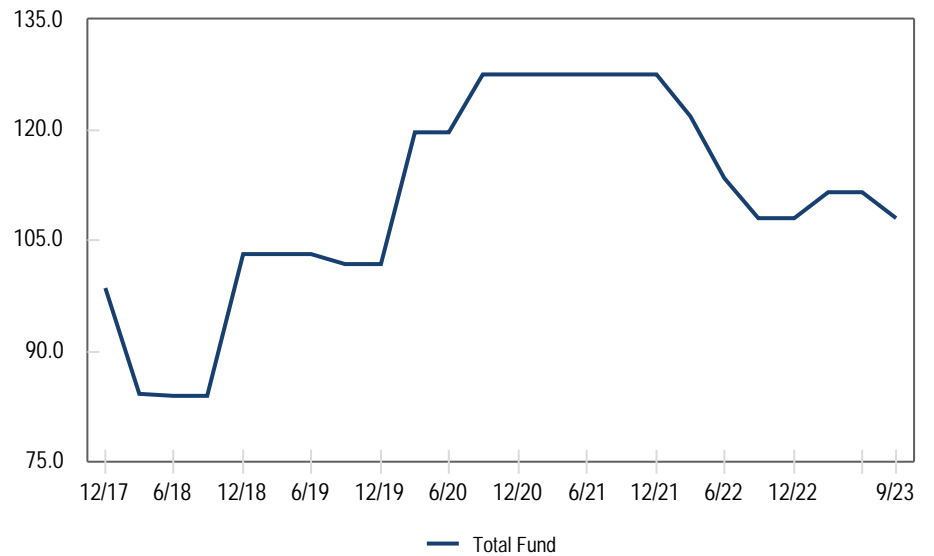
Rolling 5 Years Tracking Error



Rolling 5 Years Up Capture



Rolling 5 Years Down Capture



Total Fund
Performance Summary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
Total Fund	1,625,392,921	100.0	-1.0	4.3	9.1	6.8	5.9	6.2	-7.8	15.4	9.6	16.3	-3.1		
<i>Interim Policy Index</i>			-1.8	3.7	8.1	4.4	5.1	5.8	-9.6	12.9	10.3	15.3	-2.1		
<i>FFP SAA Index</i>			-0.7	4.3	7.2	8.0	7.7	-	-6.7	21.4	11.5	12.6	3.0		
<i>InvMetrics Public DB > \$1B Rank</i>			14	51	76	33	37	64	24	53	76	71	44		
Total Growth	1,140,209,161	70.1	-1.0	5.3	10.9	10.9	8.1	8.5	-7.2	23.6	11.2	20.3	-4.0		
<i>Custom Growth Benchmark</i>			-1.4	6.1	11.6	8.3	7.8	8.2	-8.4	19.6	13.4	19.5	-2.8		
Total Public Equity	550,945,000	33.9	-2.8	9.3	23.4	10.4	8.4	9.0	-13.4	20.3	16.5	29.8	-9.0		
<i>Russell 3000 Index</i>			-3.3	12.4	20.5	9.4	9.1	11.3	-19.2	25.7	20.9	31.0	-5.2		
<i>InvMetrics Public DB Total Equity Rank</i>			10	47	4	2	1	1	3	4	34	15	37		
Total Domestic Equity	314,054,722	19.3	-1.1	10.8	23.7	12.9	9.6	11.5	-10.4	25.3	13.7	29.4	-5.2		
<i>Russell 3000 Index</i>			-3.3	12.4	20.5	9.4	9.1	11.3	-19.2	25.7	20.9	31.0	-5.2		
<i>InvMetrics Public DB US Equity Rank</i>			1	51	3	9	6	12	5	58	93	75	40		
PIMCO RAE US	86,088,686	5.3	0.6	5.4	20.7	15.4	8.1	10.2	-3.0	28.3	4.4	25.5	-6.6	8.6	Dec-07
<i>S&P 500 Index</i>			-3.3	13.1	21.6	10.2	9.9	11.9	-18.1	28.7	18.4	31.5	-4.4	9.1	
<i>eV US Large Cap Core Equity Rank</i>			1	75	42	2	76	81	4	46	97	85	77		
Loomis Sayles Large Cap Growth	78,906,183	4.9	-3.8	32.8	41.5	7.9	12.5	-	-27.0	19.4	32.8	32.7	-1.7	16.0	Jan-17
<i>Russell 1000 Growth Index</i>			-3.1	25.0	27.7	8.0	12.4	-	-29.1	27.6	38.5	36.4	-1.5	15.7	
<i>eV US Large Cap Growth Equity Rank</i>			66	4	1	32	19	-	40	81	61	66	60		
Boston Partners Large Cap Value	75,650,834	4.7	0.7	5.1	18.5	16.3	7.8	-	-3.8	30.9	2.4	24.3	-8.5	9.5	Feb-17
<i>Russell 1000 Value Index</i>			-3.2	1.8	14.4	11.1	6.2	-	-7.5	25.2	2.8	26.5	-8.3	7.2	
<i>eV US Large Cap Value Equity Rank</i>			4	32	31	14	47	-	36	21	66	79	57		
Atlanta Capital Mgmt	73,409,020	4.5	-2.0	3.3	15.2	12.2	8.1	11.9	-7.9	23.0	11.4	35.1	-4.5	14.9	Sep-10
<i>Russell 2500 Index</i>			-4.8	3.6	11.3	8.4	4.5	7.9	-18.4	18.2	20.0	27.8	-10.0	11.1	
<i>eV US Small-Mid Cap Equity Rank</i>			14	66	43	41	24	5	14	57	63	13	25		
Total International Equity	236,890,278	14.6	-4.8	7.4	23.0	7.3	6.9	6.4	-17.4	15.1	19.4	30.2	-12.2		
<i>MSCI AC World ex USA Index</i>			-3.7	5.8	21.0	4.2	3.1	3.8	-15.6	8.3	11.1	22.1	-13.8		
<i>InvMetrics Public DB Global ex-US Equity Rank</i>			72	45	35	11	1	1	56	7	5	1	24		
Dodge & Cox Intl Stock	124,713,033	7.7	-1.2	9.8	27.5	12.8	5.1	4.7	-6.2	11.7	2.8	23.6	-17.5	3.4	Dec-07
<i>MSCI AC World ex USA Value</i>			0.1	8.9	26.1	10.3	3.0	3.2	-8.0	11.1	-0.2	16.5	-13.4	1.7	
<i>eV ACWI ex-US All Cap Value Eq Rank</i>			34	40	49	11	26	32	15	42	54	37	97		
WCM International Growth	112,177,245	6.9	-8.6	5.1	18.4	1.7	7.6	-	-28.2	18.5	34.0	36.7	-6.7	10.2	Feb-17
<i>MSCI AC World ex USA Growth</i>			-7.3	2.9	16.2	-1.6	2.9	-	-22.8	5.4	22.6	27.8	-14.1	5.3	
<i>eV ACWI ex-US All Cap Growth Eq Rank</i>			65	46	48	22	5	-	58	6	38	17	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. Sixth Street Partners TAO funded 4/16/2020. Gresham liquidated as of 9/30/2020. PIMCO Short Duration funded 7/14/2021. SSGA U.S. Govt Bond Index funded 7/16/2021. BlackRock TIPS funded 9/1/2021. Effective 1/01/2017, only traditional asset classes (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. Agenda Item 17

Total Fund Performance Summary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
Total Private Equity	194,559,258	12.0													
Harbourvest Partners IX Buyout Fund L.P.	12,271,667	0.8													
Pathway Private Equity Fund Investors 9 L.P.	83,357,396	5.1													
Harbourvest 2018 Global Fund L.P.	21,549,977	1.3													
Harbourvest SLO Fund Private Equity	59,591,369	3.7													
Pathway Private Equity Fund Investors 10 L.P.	17,788,849	1.1													
Total Private Credit	165,383,269	10.2													
Harbourvest SLO Credit Fund	77,858,065	4.8													
Sixth Street Partners DCP	87,525,204	5.4													
Total Real Estate	229,321,635	14.1	-2.7	-7.1	-11.3	6.1	4.7	7.6	6.7	18.7	1.1	4.3	7.5		
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.1</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>6.6</i>	
JP Morgan Core Real Estate	148,939,122	9.2	-3.1	-7.5	-12.1	5.7	4.1	7.0	4.3	20.2	0.5	3.4	7.0	5.2	Mar-08
<i>NCREIF-ODCE</i>			<i>-1.9</i>	<i>-7.6</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.7</i>	<i>8.2</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>	<i>5.4</i>	
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.1</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>5.9</i>	
ARA American Strategic Value Realty	78,582,513	4.8	-1.8	-6.3	-9.6	6.4	6.3	-	12.3	14.0	3.8	7.3	9.1	7.2	Jul-16
<i>NCREIF-ODCE</i>			<i>-1.9</i>	<i>-7.6</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.7</i>	<i>-</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>	<i>6.4</i>	
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.1</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>-</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>5.8</i>	
Brookfield Infrastructure Fund	1,800,000	0.1													
Total Risk Diversifying	333,610,505	20.5	-2.2	0.8	4.8	-2.8	0.2	1.3	-11.6	-1.5	6.6	8.8	-1.8		
<i>Total Risk Diversifying Benchmark</i>			<i>-3.6</i>	<i>-1.8</i>	<i>0.4</i>	<i>-6.5</i>	<i>-0.7</i>	<i>0.7</i>	<i>-14.6</i>	<i>-3.2</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>		
Total Domestic Fixed Income	262,008,636	16.1	-1.3	2.4	4.6	-1.6	2.0	2.5	-9.6	0.9	8.1	9.9	0.4		
<i>Bloomberg U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>1.1</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>		
<i>InvMetrics Public DB US Fixed Income Rank</i>			<i>18</i>	<i>8</i>	<i>11</i>	<i>11</i>	<i>18</i>	<i>12</i>	<i>16</i>	<i>15</i>	<i>69</i>	<i>23</i>	<i>34</i>		
BlackRock Core Bond	2,896	0.0	1.1	-1.0	1.1	-5.4	0.4	-	-14.1	-1.6	9.4	10.2	0.3	0.6	Feb-17
<i>Bloomberg U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>-</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>0.3</i>	
<i>eV US Core Fixed Inc Rank</i>			<i>1</i>	<i>81</i>	<i>63</i>	<i>96</i>	<i>78</i>	<i>-</i>	<i>95</i>	<i>78</i>	<i>24</i>	<i>10</i>	<i>25</i>		
Dodge & Cox Income Fund	59,187,210	3.6	-2.7	0.7	3.5	-2.8	1.7	-	-10.5	-0.5	9.9	10.2	0.1	2.0	Jan-17
<i>Bloomberg U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>-</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>0.4</i>	
<i>eV US Core Fixed Inc Rank</i>			<i>23</i>	<i>11</i>	<i>5</i>	<i>4</i>	<i>4</i>	<i>-</i>	<i>12</i>	<i>21</i>	<i>14</i>	<i>10</i>	<i>41</i>		
Pacific Asset Corporate Loan	65,259,836	4.0	3.5	11.0	14.2	6.4	4.9	-	-0.2	5.6	3.0	9.1	1.0	4.9	Sep-14
<i>Morningstar LSTA US Leveraged Loan</i>			<i>3.4</i>	<i>10.1</i>	<i>13.0</i>	<i>6.1</i>	<i>4.5</i>	<i>-</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>	<i>0.4</i>	<i>4.3</i>	
<i>eV US Float-Rate Bank Loan Fixed Inc Rank</i>			<i>24</i>	<i>15</i>	<i>12</i>	<i>20</i>	<i>18</i>	<i>-</i>	<i>24</i>	<i>41</i>	<i>48</i>	<i>43</i>	<i>38</i>		

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. Sixth Street Partners TAO funded 4/16/2020. Gresham liquidated as of 9/30/2020. PIMCO Short Duration funded 7/14/2021. SSGA U.S. Govt Bond Index funded 7/16/2021. BlackRock TIPS funded 9/1/2021. Effective 1/01/2017, only traditional asset classes (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation.

Total Fund
Performance Summary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
SSGA U.S. Govt Bond Index	76,402,350	4.7	-3.0	-1.2	-0.7	-	-	-	-12.5	-	-	-	-	-6.7	Jul-21
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>-4.4</i>	<i>-2.9</i>	<i>-1.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-14.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-8.7</i>	
<i>eV Global Government Fixed Inc Rank</i>			<i>26</i>	<i>31</i>	<i>85</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>29</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>'</i>	
BlackRock TIPS	61,156,345	3.8	-2.6	-0.5	1.4	-	-	-	-11.9	-	-	-	-	-5.4	Sep-21
<i>Blmbg. U.S. TIPS</i>			<i>-2.6</i>	<i>-0.8</i>	<i>1.2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-11.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-5.5</i>	
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			<i>64</i>	<i>50</i>	<i>60</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>81</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Total Global Fixed	71,601,868	4.4	-5.4	-4.2	4.7	-6.7	-3.4	-1.9	-16.8	-7.0	6.7	7.4	-4.3		
<i>FTSE World Government Bond Index</i>			<i>-4.3</i>	<i>-2.7</i>	<i>1.0</i>	<i>-8.7</i>	<i>-2.6</i>	<i>-1.2</i>	<i>-18.3</i>	<i>-7.0</i>	<i>10.1</i>	<i>5.9</i>	<i>-0.8</i>		
Brandywine Global Fixed Income	34,218,261	2.1	-7.1	-6.2	1.1	-5.4	-	-	-13.5	-4.0	-	-	-	-3.8	Jul-20
<i>FTSE Non-U.S. World Government Bond</i>			<i>-5.2</i>	<i>-3.7</i>	<i>2.5</i>	<i>-10.8</i>	<i>-</i>	<i>-</i>	<i>-22.1</i>	<i>-9.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-8.7</i>	
<i>eV All Global Fixed Inc Rank</i>			<i>99</i>	<i>99</i>	<i>91</i>	<i>74</i>	<i>-</i>	<i>-</i>	<i>55</i>	<i>70</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Ashmore EM Blended Debt Fund	37,383,607	2.3	-3.9	-2.4	7.9	-7.9	-	-	-19.9	-9.5	3.2	-	-	-5.7	Apr-19
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELM/+</i>			<i>-2.2</i>	<i>2.7</i>	<i>10.9</i>	<i>-3.1</i>	<i>-</i>	<i>-</i>	<i>-13.6</i>	<i>-3.9</i>	<i>3.9</i>	<i>-</i>	<i>-</i>	<i>-1.1</i>	
<i>eV All Emg Mkts Fixed Inc Rank</i>			<i>89</i>	<i>99</i>	<i>83</i>	<i>99</i>	<i>-</i>	<i>-</i>	<i>95</i>	<i>97</i>	<i>86</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Total Liquidity	108,764,582	6.7	0.6	2.2	2.7	0.5	1.1	1.7	-1.0	0.3	1.5	2.1	1.6		
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>3.6</i>	<i>4.5</i>	<i>1.7</i>	<i>1.7</i>	<i>1.1</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>		
Total Cash	108,764,582	6.7	0.6	2.2	2.7	0.5	1.1	1.7	-1.0	0.3	1.5	2.1	1.6		
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>3.6</i>	<i>4.5</i>	<i>1.7</i>	<i>1.7</i>	<i>1.1</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>		
PIMCO Short Duration Fund	33,831,598	2.1	0.9	2.2	3.1	-	-	-	-4.3	-	-	-	-	-1.2	Jul-21
<i>Blmbg. 1-3 Year Gov/Credit index</i>			<i>0.7</i>	<i>1.9</i>	<i>2.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-3.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-1.1</i>	
<i>Short-Term Bond Rank</i>			<i>50</i>	<i>72</i>	<i>80</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>49</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Cash Account	35,907,369	2.2	0.0	1.7	2.0	1.1	1.5	1.1	0.4	0.8	1.9	2.2	1.5	-	Sep-05
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>3.6</i>	<i>4.5</i>	<i>1.7</i>	<i>1.7</i>	<i>1.1</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>	<i>1.3</i>	
Investment Cash	39,025,615	2.4	0.9	2.6	3.5	-	-	-	0.9	-	-	-	-	1.5	Jun-21
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>3.6</i>	<i>4.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.2</i>	
Total Opportunistic	42,808,673	2.6													
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,390,896	0.2													
Sixth Street Partners TAO	39,417,777	2.4													

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. Sixth Street Partners TAO funded 4/16/2020. Gresham liquidated as of 9/30/2020. PIMCO Short Duration funded 7/14/2021. SSGA U.S. Govt Bond Index funded 7/16/2021. BlackRock TIPS funded 9/1/2021. Effective 1/01/2017, only traditional asset classes (public equity, public fixed income, REITs) investment management fees will be included in the gross of fee return calculation. Agenda Item 17

Total Fund
Performance Summary (Net of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
Total Fund	1,625,392,921	100.0	-1.1	4.0	8.8	6.5	5.5	5.8	-8.1	14.9	9.2	15.8	-3.5		Feb-07
<i>Interim Policy Index</i>			<i>-1.8</i>	<i>3.7</i>	<i>8.1</i>	<i>4.4</i>	<i>5.1</i>	<i>5.8</i>	<i>-9.6</i>	<i>12.9</i>	<i>10.3</i>	<i>15.3</i>	<i>-2.1</i>		
<i>FFP SAA Index</i>			<i>-0.7</i>	<i>4.3</i>	<i>7.2</i>	<i>8.0</i>	<i>7.7</i>	<i>-</i>	<i>-6.7</i>	<i>21.4</i>	<i>11.5</i>	<i>12.6</i>	<i>3.0</i>		
Total Growth	1,140,209,161	70.1	-1.0	5.0	10.6	10.5	7.7	8.0	-7.5	23.1	10.8	19.9	-4.4		
<i>Custom Growth Benchmark</i>			<i>-1.4</i>	<i>6.1</i>	<i>11.6</i>	<i>8.3</i>	<i>7.8</i>	<i>8.2</i>	<i>-8.4</i>	<i>19.6</i>	<i>13.4</i>	<i>19.5</i>	<i>-2.8</i>		
Total Public Equity	550,945,000	33.9	-2.9	8.8	22.7	9.8	7.8	8.5	-13.9	19.6	15.9	29.1	-9.5		
<i>Russell 3000 Index</i>			<i>-3.3</i>	<i>12.4</i>	<i>20.5</i>	<i>9.4</i>	<i>9.1</i>	<i>11.3</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>		
Total Domestic Equity	314,054,722	19.3	-1.2	10.4	23.1	12.3	9.0	11.0	-10.8	24.6	13.1	28.7	-5.7		
<i>Russell 3000 Index</i>			<i>-3.3</i>	<i>12.4</i>	<i>20.5</i>	<i>9.4</i>	<i>9.1</i>	<i>11.3</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>		
PIMCO RAE US	86,088,686	5.3	0.5	5.1	20.3	15.0	7.7	9.7	-3.4	27.8	3.9	25.0	-7.0	8.2	Dec-07
<i>S&P 500 Index</i>			<i>-3.3</i>	<i>13.1</i>	<i>21.6</i>	<i>10.2</i>	<i>9.9</i>	<i>11.9</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>	<i>-4.4</i>	<i>9.2</i>	
Loomis Sayles Large Cap Growth	78,906,183	4.9	-3.9	32.4	40.8	7.5	12.0	-	-27.4	18.9	32.3	32.1	-2.1	15.5	Jan-17
<i>Russell 1000 Growth Index</i>			<i>-3.1</i>	<i>25.0</i>	<i>27.7</i>	<i>8.0</i>	<i>12.4</i>	<i>-</i>	<i>-29.1</i>	<i>27.6</i>	<i>38.5</i>	<i>36.4</i>	<i>-1.5</i>	<i>15.7</i>	
Boston Partners Large Cap Value	75,650,834	4.7	0.6	4.8	18.0	15.9	7.3	-	-4.2	30.4	2.0	23.8	-8.9	9.1	Feb-17
<i>Russell 1000 Value Index</i>			<i>-3.2</i>	<i>1.8</i>	<i>14.4</i>	<i>11.1</i>	<i>6.2</i>	<i>-</i>	<i>-7.5</i>	<i>25.2</i>	<i>2.8</i>	<i>26.5</i>	<i>-8.3</i>	<i>7.2</i>	
Atlanta Capital Mgmt	73,409,020	4.5	-2.2	2.7	14.3	11.3	7.2	11.0	-8.7	22.0	10.5	34.1	-5.3	14.1	Sep-10
<i>Russell 2500 Index</i>			<i>-4.8</i>	<i>3.6</i>	<i>11.3</i>	<i>8.4</i>	<i>4.5</i>	<i>7.9</i>	<i>-18.4</i>	<i>18.2</i>	<i>20.0</i>	<i>27.8</i>	<i>-10.0</i>	<i>11.1</i>	
Total International Equity	236,890,278	14.6	-5.0	6.9	22.2	6.6	6.2	5.7	-17.9	14.4	18.6	29.3	-12.8		
<i>MSCI AC World ex USA Index</i>			<i>-3.7</i>	<i>5.8</i>	<i>21.0</i>	<i>4.2</i>	<i>3.1</i>	<i>3.8</i>	<i>-15.6</i>	<i>8.3</i>	<i>11.1</i>	<i>22.1</i>	<i>-13.8</i>	<i>2.4</i>	
Dodge & Cox Intl Stock	124,713,033	7.7	-1.3	9.3	26.7	12.1	4.4	4.1	-6.8	11.0	2.1	22.8	-18.0	2.9	Dec-07
<i>MSCI AC World ex USA Value</i>			<i>0.1</i>	<i>8.9</i>	<i>26.1</i>	<i>10.3</i>	<i>3.0</i>	<i>3.2</i>	<i>-8.0</i>	<i>11.1</i>	<i>-0.2</i>	<i>16.5</i>	<i>-13.4</i>	<i>1.7</i>	
WCM International Growth	112,177,245	6.9	-8.7	4.6	17.6	1.0	6.9	-	-28.6	17.7	33.1	35.8	-7.4	9.5	Feb-17
<i>MSCI AC World ex USA Growth</i>			<i>-7.3</i>	<i>2.9</i>	<i>16.2</i>	<i>-1.6</i>	<i>2.9</i>	<i>-</i>	<i>-22.8</i>	<i>5.4</i>	<i>22.6</i>	<i>27.8</i>	<i>-14.1</i>	<i>5.3</i>	

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. Sixth Street Partners TAO funded 4/16/2020. Gresham liquidated as of 9/30/2020. PIMCO Short Duration funded 7/14/2021. SSGA U.S. Govt Bond Index funded 7/16/2021. BlackRock TIPS funded 9/1/2021.

Total Fund
Performance Summary (Net of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
Total Private Equity	194,559,258	12.0													
Harbourvest Partners IX Buyout Fund L.P.	12,271,667	0.8													
Pathway Private Equity Fund Investors 9 L.P.	83,357,396	5.1													
Harbourvest 2018 Global Fund L.P.	21,549,977	1.3													
Harbourvest SLO Fund Private Equity	59,591,369	3.7													
Pathway Private Equity Fund Investors 10 L.P.	17,788,849	1.1													
Total Private Credit	165,383,269	10.2													
Harbourvest SLO Credit Fund	77,858,065	4.8													
Sixth Street Partners DCP	87,525,204	5.4													
Total Real Estate	229,321,635	14.1	-2.7	-7.1	-11.3	6.1	4.7	7.3	6.7	18.7	1.1	4.3	7.5		
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.1</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>		
JP Morgan Core Real Estate	148,939,122	9.2	-3.1	-7.5	-12.1	5.7	4.1	6.7	4.3	20.2	0.5	3.4	7.0	4.7	Mar-08
<i>NCREIF-ODCE</i>			<i>-1.9</i>	<i>-7.6</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.7</i>	<i>8.2</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>	<i>5.4</i>	
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.1</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>5.9</i>	
ARA American Strategic Value Realty	78,582,513	4.8	-1.8	-6.3	-9.6	6.4	6.3	-	12.3	14.0	3.8	7.3	9.1	7.1	Jul-16
<i>NCREIF-ODCE</i>			<i>-1.9</i>	<i>-7.6</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.7</i>	<i>-</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>	<i>6.4</i>	
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.1</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>-</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>5.8</i>	
Brookfield Infrastructure Fund	1,800,000	0.1	0.0	-	-	-	-	-	-	-	-	-	-	0.0	Jul-23
Total Risk Diversifying	333,610,505	20.5	-2.3	0.6	4.4	-3.2	-0.2	0.9	-12.0	-2.0	6.1	8.4	-2.2		
<i>Total Risk Diversifying Benchmark</i>			<i>-3.6</i>	<i>-1.8</i>	<i>0.4</i>	<i>-6.5</i>	<i>-0.7</i>	<i>0.7</i>	<i>-14.6</i>	<i>-3.2</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>		
Total Domestic Fixed Income	262,008,636	16.1	-1.3	2.2	4.3	-1.8	1.7	2.2	-9.9	0.5	7.7	9.5	0.0		
<i>Bloomberg U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>1.1</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>2.7</i>	
BlackRock Core Bond	2,896	0.0	1.0	-1.3	0.8	-5.7	0.1	-	-14.4	-1.8	9.1	9.9	0.1	0.3	Feb-17
<i>Bloomberg U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>-</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>0.3</i>	
Dodge & Cox Income Fund	59,187,210	3.6	-2.8	0.3	3.1	-3.2	1.3	-	-10.9	-0.9	9.4	9.7	-0.3	1.5	Feb-17
<i>Bloomberg U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>-</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>0.3</i>	
Pacific Asset Corporate Loan	65,259,836	4.0	3.4	10.7	13.8	6.0	4.6	-	-0.5	5.2	2.6	8.7	0.7	4.5	Sep-14
<i>Morningstar LSTA US Leveraged Loan</i>			<i>3.4</i>	<i>10.1</i>	<i>13.0</i>	<i>6.1</i>	<i>4.5</i>	<i>-</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>	<i>0.4</i>	<i>4.3</i>	

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. Sixth Street Partners TAO funded 4/16/2020. Gresham liquidated as of 9/30/2020. PIMCO Short Duration funded 7/14/2021. SSGA U.S. Govt Bond Index funded 7/16/2021. BlackRock TIPS funded 9/1/2021.

Total Fund
Performance Summary (Net of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
SSGA U.S. Govt Bond Index	76,402,350	4.7	-3.0	-1.3	-0.7	-	-	-	-12.5	-	-	-	-	-6.7	Jul-21
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>-4.4</i>	<i>-2.9</i>	<i>-1.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-14.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-8.7</i>	
BlackRock TIPS	61,156,345	3.8	-2.6	-0.5	1.3	-	-	-	-11.9	-	-	-	-	-5.4	Sep-21
<i>Blmbg. U.S. TIPS</i>			<i>-2.6</i>	<i>-0.8</i>	<i>1.2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-11.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-5.5</i>	
Total Global Fixed	71,601,868	4.4	-5.6	-4.8	3.9	-7.4	-4.0	-2.4	-17.5	-7.7	6.0	6.9	-4.7		
<i>FTSE World Government Bond Index</i>			<i>-4.3</i>	<i>-2.7</i>	<i>1.0</i>	<i>-8.7</i>	<i>-2.6</i>	<i>-1.2</i>	<i>-18.3</i>	<i>-7.0</i>	<i>10.1</i>	<i>5.9</i>	<i>-0.8</i>		
Brandywine Global Fixed Income	34,218,261	2.1	-7.3	-6.6	0.6	-5.9	-	-	-14.0	-4.4	-	-	-	-4.3	Jul-20
<i>FTSE Non-U.S. World Government Bond</i>			<i>-5.2</i>	<i>-3.7</i>	<i>2.5</i>	<i>-10.8</i>	<i>-</i>	<i>-</i>	<i>-22.1</i>	<i>-9.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-8.7</i>	
Ashmore EM Blended Debt Fund	37,383,607	2.3	-4.2	-3.2	6.8	-8.8	-	-	-20.7	-10.4	2.1	-	-	-6.6	Apr-19
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELM+</i>			<i>-2.2</i>	<i>2.7</i>	<i>10.9</i>	<i>-3.1</i>	<i>-</i>	<i>-</i>	<i>-13.6</i>	<i>-3.9</i>	<i>3.9</i>	<i>-</i>	<i>-</i>	<i>-1.1</i>	
Total Liquidity	108,764,582	6.7	0.5	2.0	2.5	0.4	1.1	1.7	-1.2	0.2	1.5	2.1	1.6		
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>3.6</i>	<i>4.5</i>	<i>1.7</i>	<i>1.7</i>	<i>1.1</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>		
Total Cash	108,764,582	6.7	0.5	2.0	2.5	0.4	1.1	1.7	-1.2	0.2	1.5	2.1	1.6		
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>3.6</i>	<i>4.5</i>	<i>1.7</i>	<i>1.7</i>	<i>1.1</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>		
PIMCO Short Duration Fund	33,831,598	2.1	0.8	1.8	2.6	-	-	-	-4.7	-	-	-	-	-1.7	Jul-21
<i>Blmbg. 1-3 Year Gov/Credit index</i>			<i>0.7</i>	<i>1.9</i>	<i>2.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-3.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-1.1</i>	
Cash Account	35,907,369	2.2	0.0	1.7	2.0	1.1	1.5	1.1	0.4	0.8	1.9	2.2	1.5		
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>3.6</i>	<i>4.5</i>	<i>1.7</i>	<i>1.7</i>	<i>1.1</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>		
Investment Cash	39,025,615	2.4	0.9	2.6	3.5	-	-	-	0.9	-	-	-	-	1.5	Jun-21
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>3.6</i>	<i>4.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.2</i>	
Total Opportunistic	42,808,673	2.6													
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,390,896	0.2													
Sixth Street Partners TAO	39,417,777	2.4													

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. Sixth Street Partners TAO funded 4/16/2020. Gresham liquidated as of 9/30/2020. PIMCO Short Duration funded 7/14/2021. SSGA U.S. Govt Bond Index funded 7/16/2021. BlackRock TIPS funded 9/1/2021.

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

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

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	14.97	4.82	18.24	5.58	0.91	8.95	0.77	0.76	0.49	93.31	68.34
Loomis Sayles Large Cap Growth	7.46	-0.51	21.20	-0.25	0.99	5.97	0.92	0.37	-0.06	97.85	98.36
Boston Partners Large Cap Value	15.88	4.83	17.67	4.43	1.00	3.29	0.97	0.83	1.32	104.51	84.98
Atlanta Capital Mgmt	11.34	2.95	17.84	4.25	0.80	7.59	0.87	0.60	0.28	88.81	75.14
Dodge & Cox Intl Stock	12.12	1.82	20.35	0.69	1.13	4.89	0.95	0.58	0.43	116.84	115.66
WCM International Growth	1.03	2.59	20.25	3.17	1.09	6.80	0.89	0.07	0.46	116.61	103.64
BlackRock Core Bond	-5.66	-0.45	7.63	-0.30	1.01	4.47	0.66	-0.95	-0.08	109.00	108.10
Dodge & Cox Income Fund	-3.16	2.05	6.07	1.99	0.97	1.28	0.96	-0.78	1.66	107.12	84.32
Pacific Asset Corporate Loan	6.03	-0.04	4.01	-0.14	1.02	0.64	0.97	1.09	-0.06	99.59	100.08
JP Morgan Core Real Estate	5.68	-1.45	5.20	3.15	0.35	7.11	0.37	0.70	-0.23	67.72	50.37
ARA American Strategic Value Realty	6.43	-0.70	7.08	4.45	0.29	9.12	0.14	0.65	-0.09	85.21	78.64
Ashmore EM Blended Debt Fund	-8.80	-5.73	12.75	-4.59	1.36	4.71	0.93	-0.79	-1.20	118.26	156.02

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	7.70	-2.22	20.10	-1.57	0.98	7.91	0.85	0.39	-0.23	90.20	93.27
Loomis Sayles Large Cap Growth	12.01	-0.41	20.80	0.26	0.95	5.56	0.93	0.57	-0.08	96.35	96.04
Boston Partners Large Cap Value	7.34	1.11	19.81	1.00	1.02	3.20	0.97	0.37	0.37	101.13	96.36
Atlanta Capital Mgmt	7.24	2.70	20.41	3.15	0.84	7.36	0.91	0.36	0.26	88.36	78.50
Dodge & Cox Intl Stock	4.42	1.47	21.38	1.39	1.12	4.63	0.96	0.23	0.42	118.61	113.75
WCM International Growth	6.86	3.99	19.35	4.05	1.04	6.17	0.90	0.35	0.67	111.94	96.01
BlackRock Core Bond	0.13	0.03	6.94	0.11	1.05	3.76	0.71	-0.19	0.03	115.39	114.26
Dodge & Cox Income Fund	1.31	1.21	5.58	1.23	0.94	2.04	0.87	-0.04	0.59	104.24	87.54
Pacific Asset Corporate Loan	4.56	0.10	5.83	1.01	0.78	2.00	0.96	0.50	0.00	90.66	82.55
JP Morgan Core Real Estate	4.15	-1.51	4.22	2.13	0.36	5.69	0.36	0.54	-0.28	67.12	56.80
ARA American Strategic Value Realty	6.31	0.66	5.79	4.89	0.26	7.57	0.10	0.76	0.07	96.39	70.05

Private Markets
Non Marketable Securities Overview

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

Vintage	Manager & Fund Name	Estimated 9/30 Market Value ³	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib/ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	Net IRR Since Inception ⁵	IRR Date
2011	HarbourVest Partners IX-Buyout Fund L.P.	\$12,271,667	\$20,000,000	\$17,050,000	85%	\$2,950,000	\$25,286,164	\$12,739,920	148.3%	220.3%	18.3%	6/30/23
2018	HarbourVest Partners 2018 Global Fund L.P.	\$21,549,977	\$20,000,000	\$16,000,000	80%	\$4,000,000	\$5,959,847	\$21,825,041	37.2%	171.9%	23.7%	6/30/23
2010	KKR Mezzanine Partners I L.P. ⁴	\$3,390,896	\$20,000,000	\$21,603,717	108%	-\$1,603,717	\$25,959,476	\$3,380,566	120.2%	135.9%	5.9%	6/30/23
2016	Sixth Street Partners DCP	\$87,525,204	\$152,500,000	\$103,887,895	68%	\$48,612,105	\$51,187,225	\$87,525,204	49.3%	133.5%	9.2%	6/30/23
2017	Pathway Private Equity Fund Investors 9 L.P.	\$83,357,396	\$65,000,000	\$52,410,796	81%	\$12,589,204	\$14,826,582	\$88,315,813	28.3%	187.3%	24.5%	6/30/22
2020	Pathway Private Equity Fund Investors 10 L.P.	\$17,788,849	\$20,000,000	\$13,390,092	67%	\$6,609,908	\$0	-	0.0%	132.9%	-	-
2020	Sixth Street Partners TAO	\$39,417,777	\$60,000,000	\$54,497,607	91%	\$5,502,393	\$25,535,876	\$39,417,777	46.9%	119.2%	10.0%	6/30/23
2022	HarbourVest SLO Fund Private Equity ⁷	\$59,591,369	\$76,000,000	\$55,800,000	73%	\$20,200,000	\$0	\$34,791,369	0.0%	106.8%	15.7%	6/30/23
2022	HarbourVest SLO Fund Private Credit ⁷	\$77,858,065	\$95,000,000	\$76,564,200	81%	\$18,435,800	\$2,857,140	\$71,108,065	3.7%	105.4%	8.5%	6/30/23
2022	HarbourVest SLO Fund Infrastructure ⁷	\$0	\$9,000,000	\$0	0%	\$9,000,000	\$0	-	-	-	-	-
Total Alternative Illiquids		\$402,751,199	\$537,500,000	\$411,204,308	77%	\$126,295,692	\$151,612,310	\$359,103,755	87.3%	124.2%		
% of Portfolio (Market Value)		24.8%										

	Management Fee	Admin Fee	Interest Expense	Expense	Total Expense ⁶
HarbourVest Partners IX-Buyout Fund L.P.	\$40,394	\$0	\$0	\$4,890	\$45,284
HarbourVest Partners 2018 Global Fund L.P.	\$46,635	\$0	\$0	\$44,503	\$91,138
KKR Mezzanine Partners I L.P.	\$0	\$0	\$0	\$5,540	\$5,540
Sixth Street Partners DCP	\$0	\$0	\$0	\$72,129	\$72,129
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
Sixth Street Partners TAO	\$168,367	\$0	\$0	\$75,498	\$243,865
HarbourVest SLO Fund Private Credit	\$56,096	\$0	\$0	\$60,250	\$116,346
HarbourVest SLO Fund Private Equity	\$255,049	\$0	\$0	\$222,139	\$477,188
HarbourVest SLO Fund Infrastructure	\$0	\$0	\$0	\$0	\$0
	\$566,541	\$0	\$0	\$484,949	\$1,051,490

¹(DPI) is equal to (capital returned / capital called)

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

³Last known market value + capital calls - distributions

⁴Investment period ended, capital called includes recycled capital. Liquidated as of June 2020.

⁵Net 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.

⁶All fees and expenses are for 2Q 2023.

⁷HarbourVest SLO Fund sleeve reflects the 1st year's commitment estimate as scheduled in HarbourVest's tactical plan for the \$770m private markets program.

Total Fund
Investment Fund Fee Analysis

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

Account	Fee Schedule	Market Value As of September 30, 2023	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
ARA American Strategic Value Realty	1.25 % of First \$10 M 1.20 % of Next \$15 M 1.10 % of Next \$25 M 1.00 % Thereafter	78,582,513	4.83	865,825	1.10
Ashmore EM Blended Debt Fund	1.00 % of Assets	37,383,607	2.30	373,836	1.00
Atlanta Capital Mgmt	0.80 % of First \$50 M 0.70 % of Next \$100 M 0.60 % Thereafter	73,409,020	4.52	563,863	0.77
BlackRock Core Bond	0.28 % of First \$100 M 0.26 % Thereafter	2,896	0.00	8	0.28
BlackRock TIPS	0.02 % of First \$100 M 0.02 % of Next \$300 M 0.01 % Thereafter	61,156,345	3.76	13,760	0.02
Boston Partners Large Cap Value	0.40 % of Assets	75,650,834	4.65	302,603	0.40
Brandywine Global Fixed Income	0.45 % of First \$50 M 0.40 % of Next \$50 M 0.35 % Thereafter	34,218,261	2.11	153,982	0.45
Brookfield Infrastructure Fund	0.75 % of First \$100 M 0.69 % of Next \$200 M 0.64 % Thereafter	1,800,000	0.11	13,500	0.75
Cash Account		35,907,369	2.21	-	-
Dodge & Cox Income Fund	0.41 % of Assets	59,187,210	3.64	242,668	0.41
Dodge & Cox Intl Stock	0.62 % of Assets	124,713,033	7.67	773,221	0.62
Harbourvest 2018 Global Fund L.P.	Minimum Fee: \$282,000	21,549,977	1.33	282,000	1.31
Harbourvest Partners IX Buyout Fund L.P.	Minimum Fee: \$200,000	12,271,667	0.75	200,000	1.63
Harbourvest SLO Credit Fund		77,858,065	4.79	-	-
Harbourvest SLO Fund Private Equity		59,591,369	3.67	-	-

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. 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) TICP 30bps on remaining capital contributions (4) TCS 1.0% on unfunded commitments, 1.5% on remaining capital contributions.

Total Fund
Investment Fund Fee Analysis

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

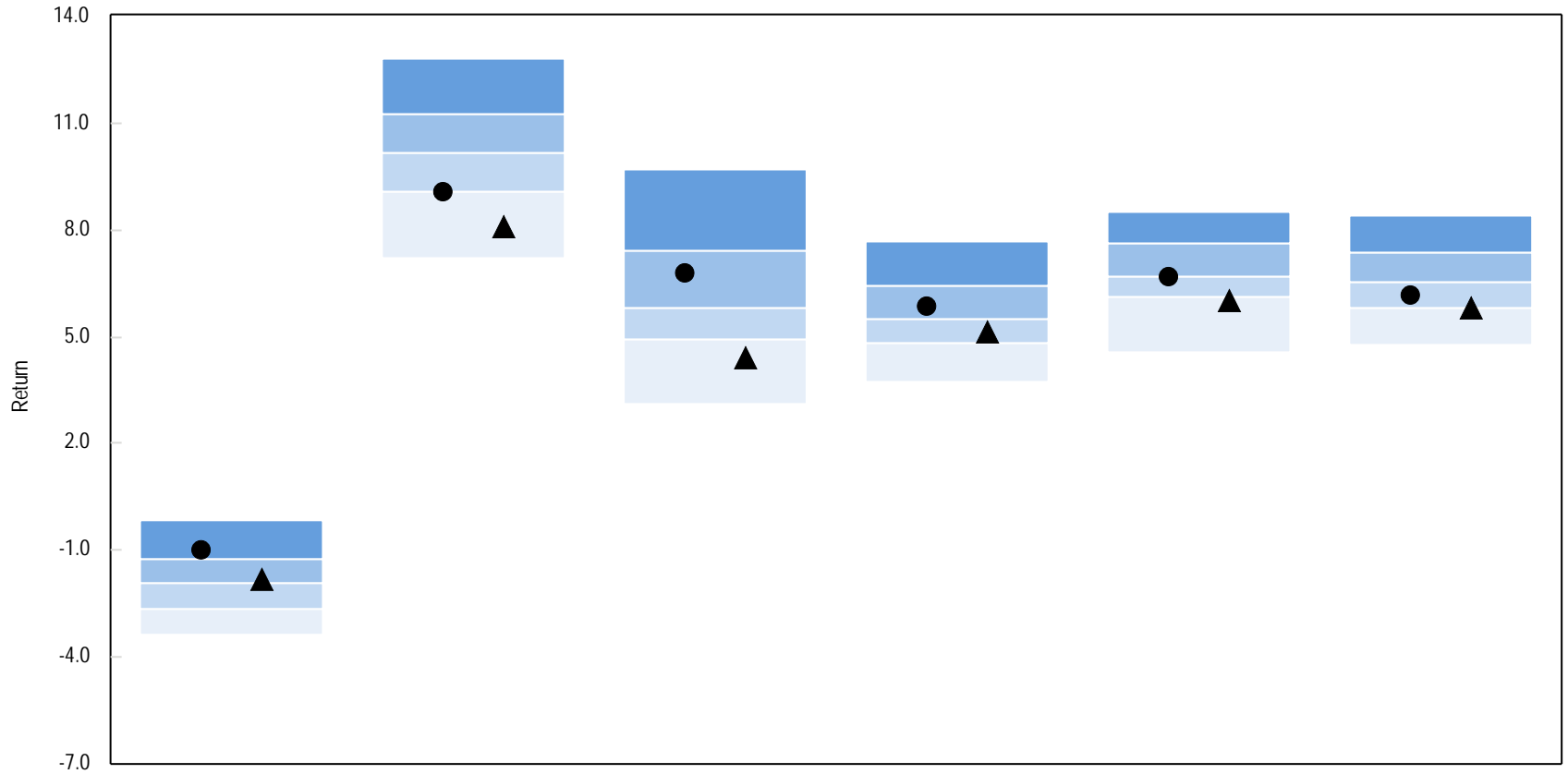
Account	Fee Schedule	Market Value As of September 30, 2023	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Investment Cash		39,025,615	2.40	-	-
JP Morgan Core Real Estate	0.92 % of First \$100 M 0.80 % of Next \$150 M 0.70 % of Next \$250 M 0.50 % Thereafter	148,939,122	9.16	1,311,513	0.88
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	Minimum Fee: \$300,000	3,390,896	0.21	300,000	8.85
Loomis Sayles Large Cap Growth	0.45 % of First \$100 M 0.40 % Thereafter	78,906,183	4.85	355,078	0.45
Pacific Asset Corporate Loan	0.37 % of Assets	65,259,836	4.02	241,461	0.37
Pathway Private Equity Fund Investors 10 L.P.		17,788,849	1.09	-	-
Pathway Private Equity Fund Investors 9 L.P.		83,357,396	5.13	-	-
PIMCO RAE US	0.40 % of Assets	86,088,686	5.30	344,355	0.40
PIMCO Short Duration Fund	0.50 % of Assets	33,831,598	2.08	169,158	0.50
Sixth Street Partners DCP		87,525,204	5.38	-	-
Sixth Street Partners TAO		39,417,777	2.43	-	-
SSGA U.S. Govt Bond Index	0.04 % of First \$50 M 0.03 % Thereafter	76,402,350	4.70	27,921	0.04
WCM International Growth	0.70 % of Assets	112,177,245	6.90	785,241	0.70
Investment Management Fee		1,625,392,921	100.00	7,319,493	0.45

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. 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) TICP 30bps on remaining capital contributions (4) TCS 1.0% on unfunded commitments, 1.5% on remaining capital contributions.

Total Fund
Peer Universe Comparison: Cumulative Perf (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

Total Fund vs. InvMetrics Public DB > \$1B

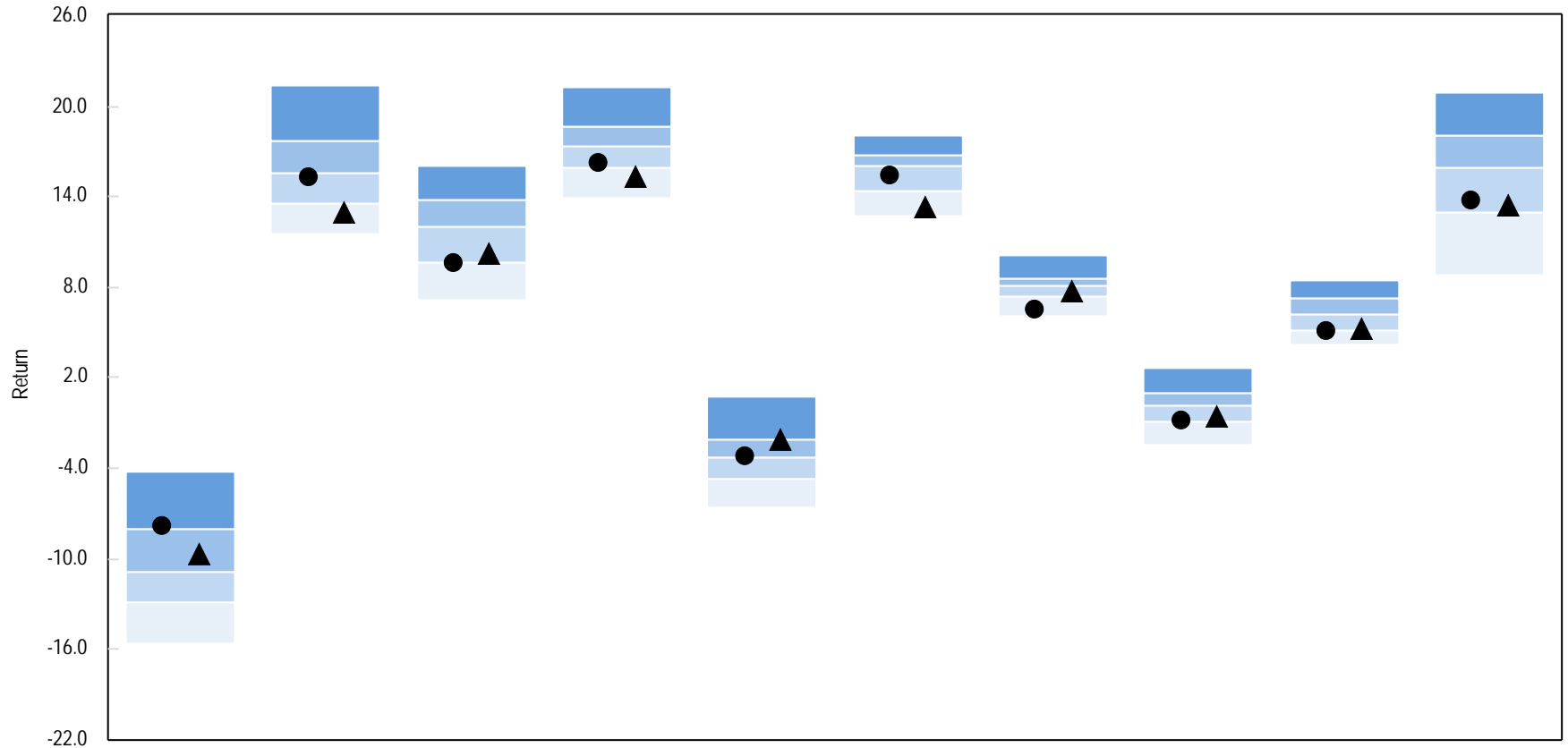


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Total Fund	-0.99 (14)	9.06 (76)	6.81 (33)	5.88 (37)	6.69 (51)	6.19 (64)
▲ Interim Policy Index	-1.83 (45)	8.07 (92)	4.42 (83)	5.15 (66)	5.99 (78)	5.82 (76)
5th Percentile	-0.18	12.79	9.70	7.67	8.50	8.42
1st Quartile	-1.27	11.26	7.43	6.42	7.64	7.36
Median	-1.91	10.17	5.82	5.49	6.70	6.51
3rd Quartile	-2.64	9.08	4.93	4.80	6.12	5.82
95th Percentile	-3.37	7.19	3.11	3.72	4.55	4.76
Population	90	82	73	71	70	65

Total Fund
Peer Universe Comparison: Consecutive Periods (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

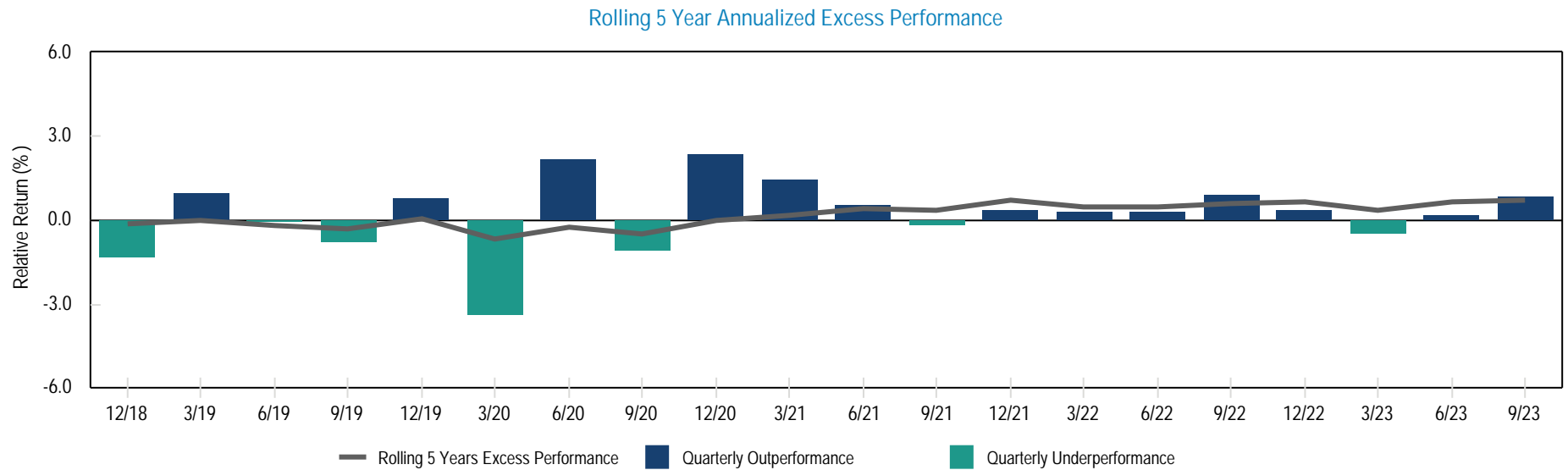
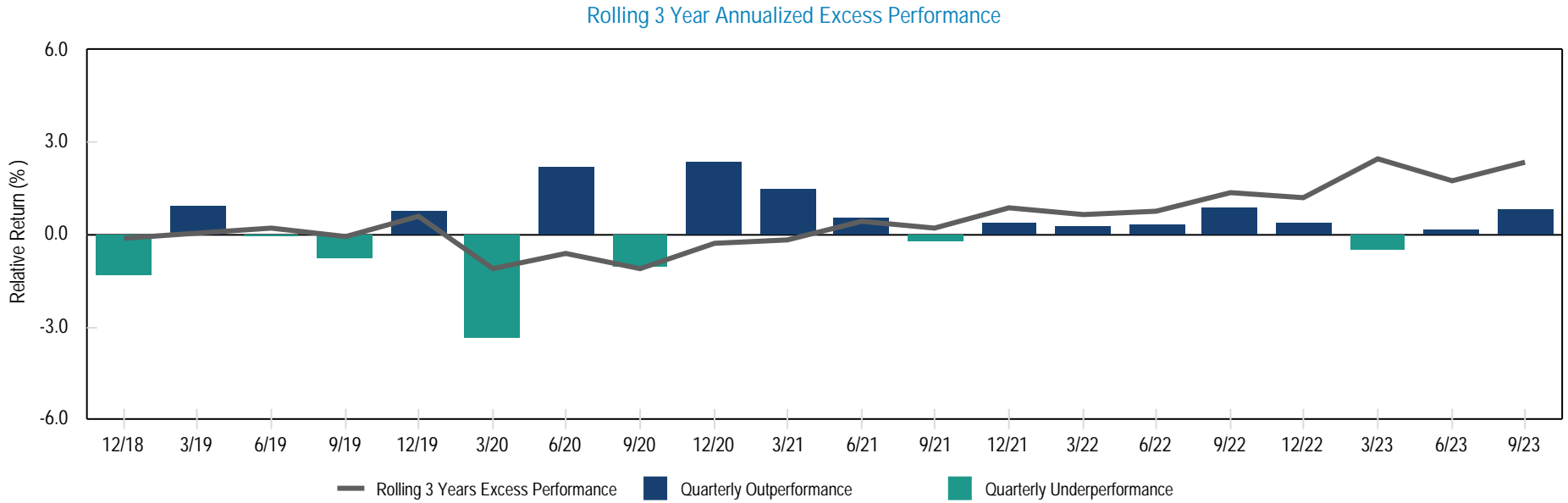
Total Fund vs. InvMetrics Public DB > \$1B



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Total Fund	-7.84 (24)	15.35 (53)	9.63 (76)	16.29 (71)	-3.12 (44)	15.47 (60)	6.55 (94)	-0.81 (74)	5.15 (76)	13.85 (72)
▲ Interim Policy Index	-9.62 (38)	12.93 (85)	10.26 (70)	15.33 (87)	-2.09 (26)	13.29 (94)	7.78 (66)	-0.52 (65)	5.23 (74)	13.39 (72)
5th Percentile	-4.27	21.43	16.06	21.23	0.77	18.11	10.15	2.60	8.40	20.88
1st Quartile	-7.96	17.71	13.75	18.69	-2.07	16.81	8.61	1.05	7.26	18.02
Median	-10.84	15.55	12.05	17.31	-3.27	16.02	8.08	0.11	6.23	15.98
3rd Quartile	-12.84	13.51	9.70	15.91	-4.71	14.36	7.38	-0.86	5.18	12.98
95th Percentile	-15.61	11.55	7.16	13.87	-6.57	12.78	6.10	-2.39	4.21	8.84
Population	121	157	169	132	113	123	127	123	120	115

Total Fund
Rolling Return Analysis (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023



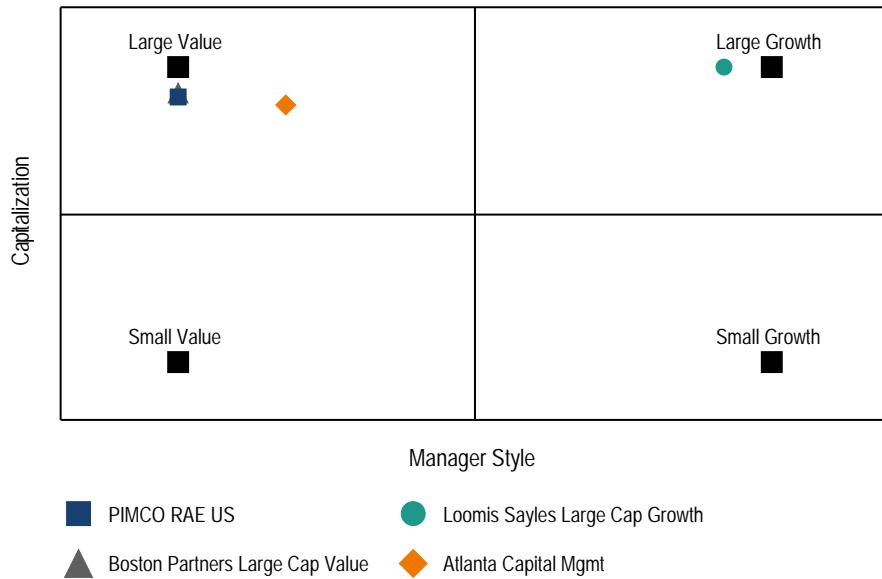
Domestic Equity

Total Domestic Equity
Asset Class Overview (Gross of Fees)

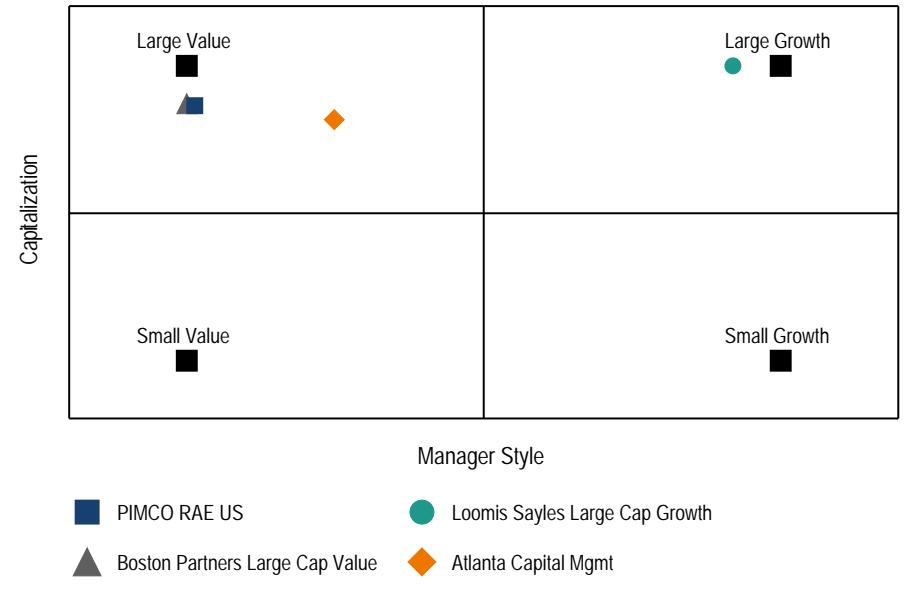
San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Domestic Equity	314,054,722	-1.1	10.8	23.7	12.9	9.6	11.5	-10.4	25.3	13.7	29.4	-5.2
<i>Russell 3000 Index</i>		<i>-3.3</i>	<i>12.4</i>	<i>20.5</i>	<i>9.4</i>	<i>9.1</i>	<i>11.3</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>
<i>InvMetrics Public DB US Equity Rank</i>		<i>1</i>	<i>51</i>	<i>3</i>	<i>9</i>	<i>6</i>	<i>12</i>	<i>5</i>	<i>58</i>	<i>93</i>	<i>75</i>	<i>40</i>
PIMCO RAE US	86,088,686	0.6	5.4	20.7	15.4	8.1	10.2	-3.0	28.3	4.4	25.5	-6.6
<i>S&P 500 Index</i>		<i>-3.3</i>	<i>13.1</i>	<i>21.6</i>	<i>10.2</i>	<i>9.9</i>	<i>11.9</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>	<i>-4.4</i>
<i>eV US Large Cap Core Equity Rank</i>		<i>1</i>	<i>75</i>	<i>42</i>	<i>2</i>	<i>76</i>	<i>81</i>	<i>4</i>	<i>46</i>	<i>97</i>	<i>85</i>	<i>77</i>
Loomis Sayles Large Cap Growth	78,906,183	-3.8	32.8	41.5	7.9	12.5	-	-27.0	19.4	32.8	32.7	-1.7
<i>Russell 1000 Growth Index</i>		<i>-3.1</i>	<i>25.0</i>	<i>27.7</i>	<i>8.0</i>	<i>12.4</i>	<i>-</i>	<i>-29.1</i>	<i>27.6</i>	<i>38.5</i>	<i>36.4</i>	<i>-1.5</i>
<i>eV US Large Cap Growth Equity Rank</i>		<i>66</i>	<i>4</i>	<i>1</i>	<i>32</i>	<i>19</i>	<i>-</i>	<i>40</i>	<i>81</i>	<i>61</i>	<i>66</i>	<i>60</i>
Boston Partners Large Cap Value	75,650,834	0.7	5.1	18.5	16.3	7.8	-	-3.8	30.9	2.4	24.3	-8.5
<i>Russell 1000 Value Index</i>		<i>-3.2</i>	<i>1.8</i>	<i>14.4</i>	<i>11.1</i>	<i>6.2</i>	<i>-</i>	<i>-7.5</i>	<i>25.2</i>	<i>2.8</i>	<i>26.5</i>	<i>-8.3</i>
<i>eV US Large Cap Equity Rank</i>		<i>2</i>	<i>65</i>	<i>56</i>	<i>6</i>	<i>71</i>	<i>-</i>	<i>16</i>	<i>18</i>	<i>87</i>	<i>88</i>	<i>79</i>
Atlanta Capital Mgmt	73,409,020	-2.0	3.3	15.2	12.2	8.1	11.9	-7.9	23.0	11.4	35.1	-4.5
<i>Russell 2500 Index</i>		<i>-4.8</i>	<i>3.6</i>	<i>11.3</i>	<i>8.4</i>	<i>4.5</i>	<i>7.9</i>	<i>-18.4</i>	<i>18.2</i>	<i>20.0</i>	<i>27.8</i>	<i>-10.0</i>
<i>eV US Small-Mid Cap Equity Rank</i>		<i>14</i>	<i>66</i>	<i>43</i>	<i>41</i>	<i>24</i>	<i>5</i>	<i>14</i>	<i>57</i>	<i>63</i>	<i>13</i>	<i>25</i>

U.S. Effective Style Map
3 Years Ending September 30, 2023



U.S. Effective Style Map
5 Years Ending September 30, 2023



Total Domestic Equity
Asset Class Overview (Net of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Domestic Equity	314,054,722	-1.2	10.4	23.1	12.3	9.0	11.0	-10.8	24.6	13.1	28.7	-5.7
<i>Russell 3000 Index</i>		<i>-3.3</i>	<i>12.4</i>	<i>20.5</i>	<i>9.4</i>	<i>9.7</i>	<i>11.3</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>
PIMCO RAE US	86,088,686	0.5	5.1	20.3	15.0	7.7	9.7	-3.4	27.8	3.9	25.0	-7.0
<i>S&P 500 Index</i>		<i>-3.3</i>	<i>13.7</i>	<i>21.6</i>	<i>10.2</i>	<i>9.9</i>	<i>11.9</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>	<i>-4.4</i>
Loomis Sayles Large Cap Growth	78,906,183	-3.9	32.4	40.8	7.5	12.0	-	-27.4	18.9	32.3	32.1	-2.1
<i>Russell 1000 Growth Index</i>		<i>-3.1</i>	<i>25.0</i>	<i>27.7</i>	<i>8.0</i>	<i>12.4</i>	<i>-</i>	<i>-29.1</i>	<i>27.6</i>	<i>38.5</i>	<i>36.4</i>	<i>-1.5</i>
Boston Partners Large Cap Value	75,650,834	0.6	4.8	18.0	15.9	7.3	-	-4.2	30.4	2.0	23.8	-8.9
<i>Russell 1000 Value Index</i>		<i>-3.2</i>	<i>1.8</i>	<i>14.4</i>	<i>11.1</i>	<i>6.2</i>	<i>-</i>	<i>-7.5</i>	<i>25.2</i>	<i>2.8</i>	<i>26.5</i>	<i>-8.3</i>
Atlanta Capital Mgmt	73,409,020	-2.2	2.7	14.3	11.3	7.2	11.0	-8.7	22.0	10.5	34.1	-5.3
<i>Russell 2500 Index</i>		<i>-4.8</i>	<i>3.6</i>	<i>11.3</i>	<i>8.4</i>	<i>4.5</i>	<i>7.9</i>	<i>-18.4</i>	<i>18.2</i>	<i>20.0</i>	<i>27.8</i>	<i>-10.0</i>

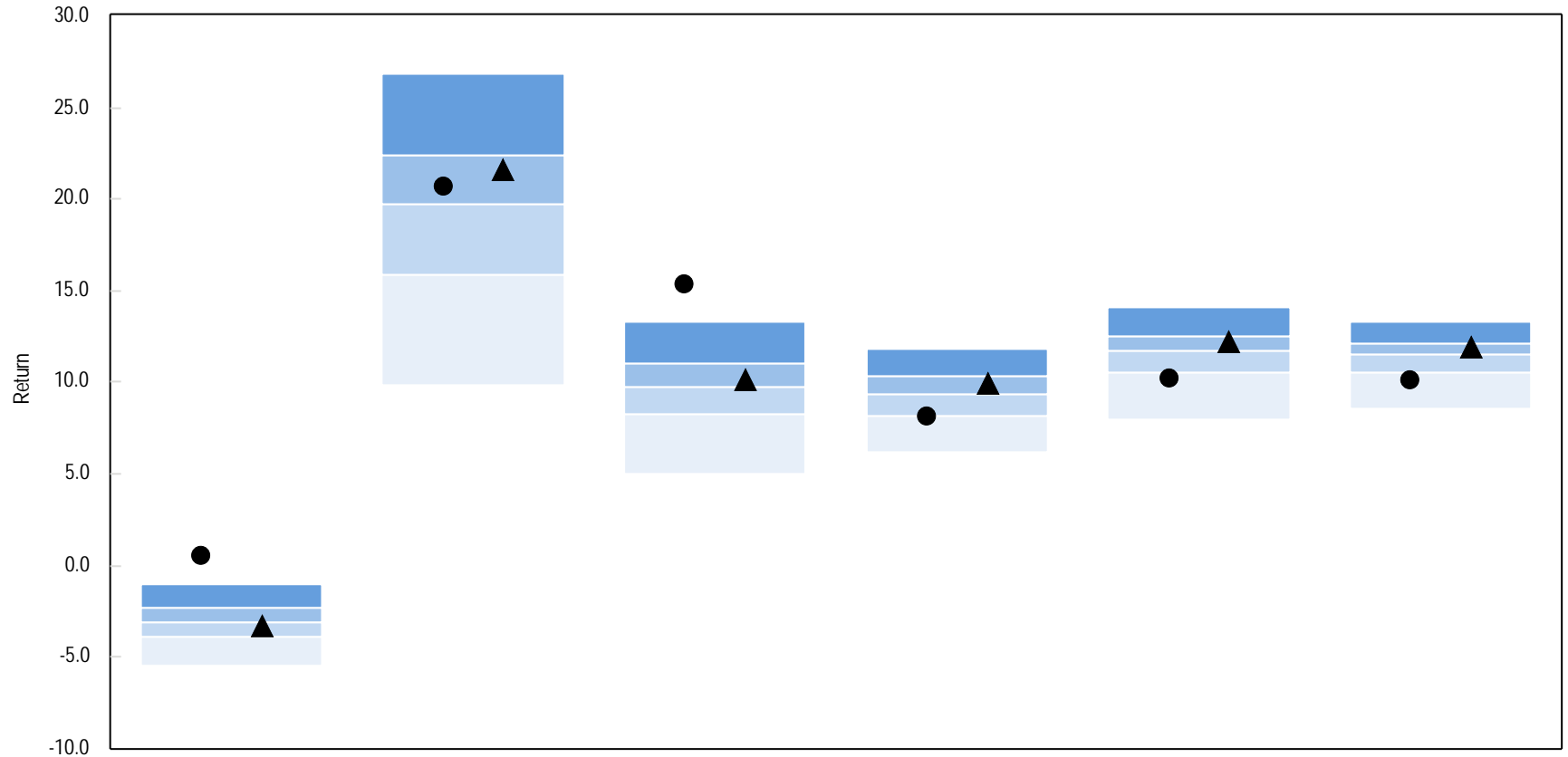
Total Domestic Equity
Correlation Matrix

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

Correlation Matrix
1 Year Ending September 30, 2023

	Total Domestic Equity	PIMCO RAE US	Loomis Sayles Large Cap Growth	Boston Partners Large Cap Value	Atlanta Capital Mgmt	Russell 3000 Index
Total Domestic Equity	1.00					
PIMCO RAE US	0.85	1.00				
Loomis Sayles Large Cap Growth	0.44	-0.05	1.00			
Boston Partners Large Cap Value	0.81	0.93	-0.16	1.00		
Atlanta Capital Mgmt	0.95	0.94	0.13	0.96	1.00	
Russell 3000 Index	0.83	0.40	0.82	0.41	0.63	1.00

PIMCO RAE US vs. eV US Large Cap Core Equity Gross Universe

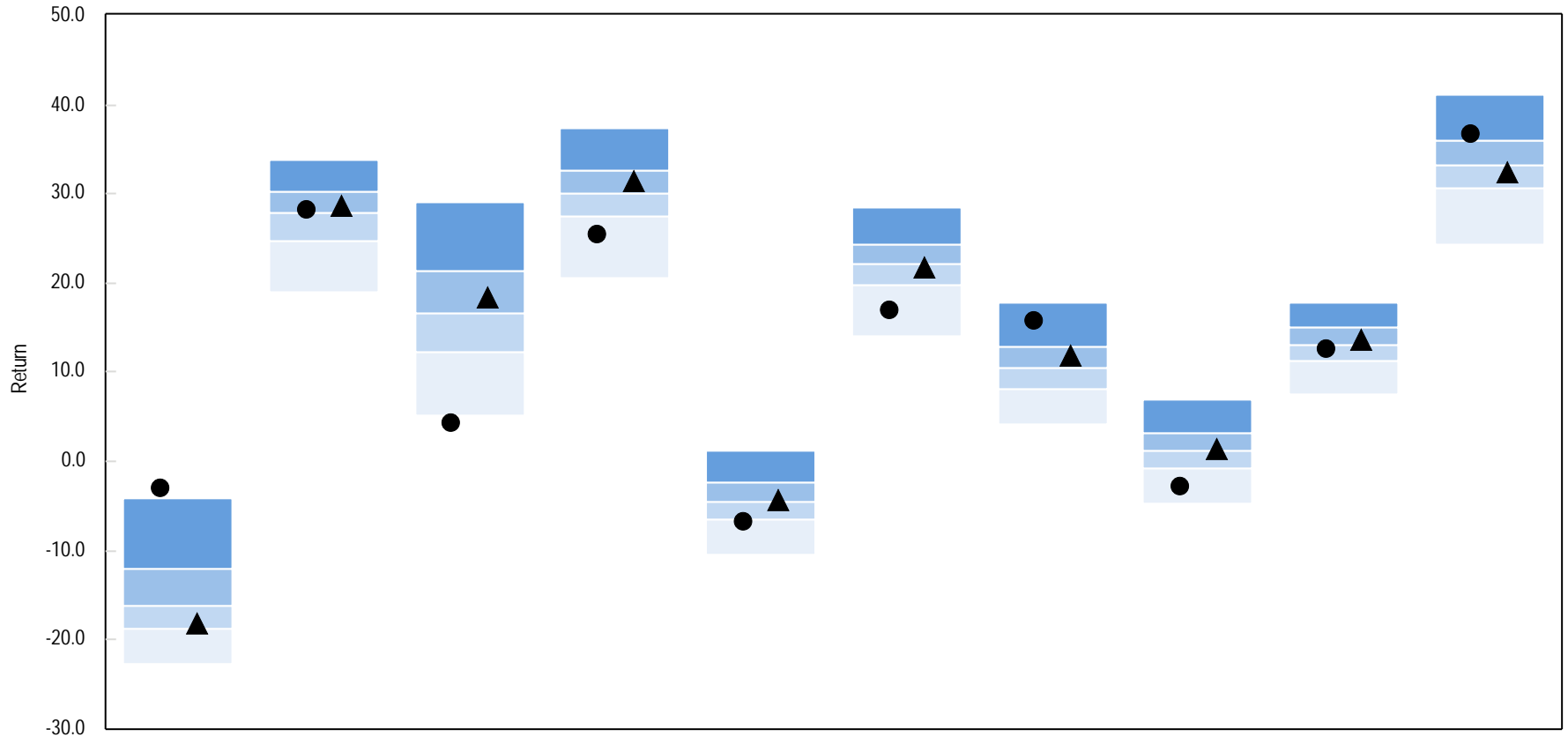


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● PIMCO RAE US	0.58 (1)	20.75 (42)	15.43 (2)	8.13 (76)	10.23 (81)	10.19 (81)
▲ S&P 500 Index	-3.27 (61)	21.62 (34)	10.15 (43)	9.92 (35)	12.24 (36)	11.91 (32)
5th Percentile	-1.03	26.87	13.29	11.87	14.06	13.34
1st Quartile	-2.26	22.35	11.08	10.33	12.55	12.11
Median	-3.05	19.76	9.74	9.35	11.70	11.51
3rd Quartile	-3.83	15.91	8.25	8.14	10.59	10.51
95th Percentile	-5.41	9.83	5.05	6.16	7.99	8.53
Population	365	365	356	338	311	280

PIMCO RAE US
Consecutive Performance Comparison (Gross of Fees)

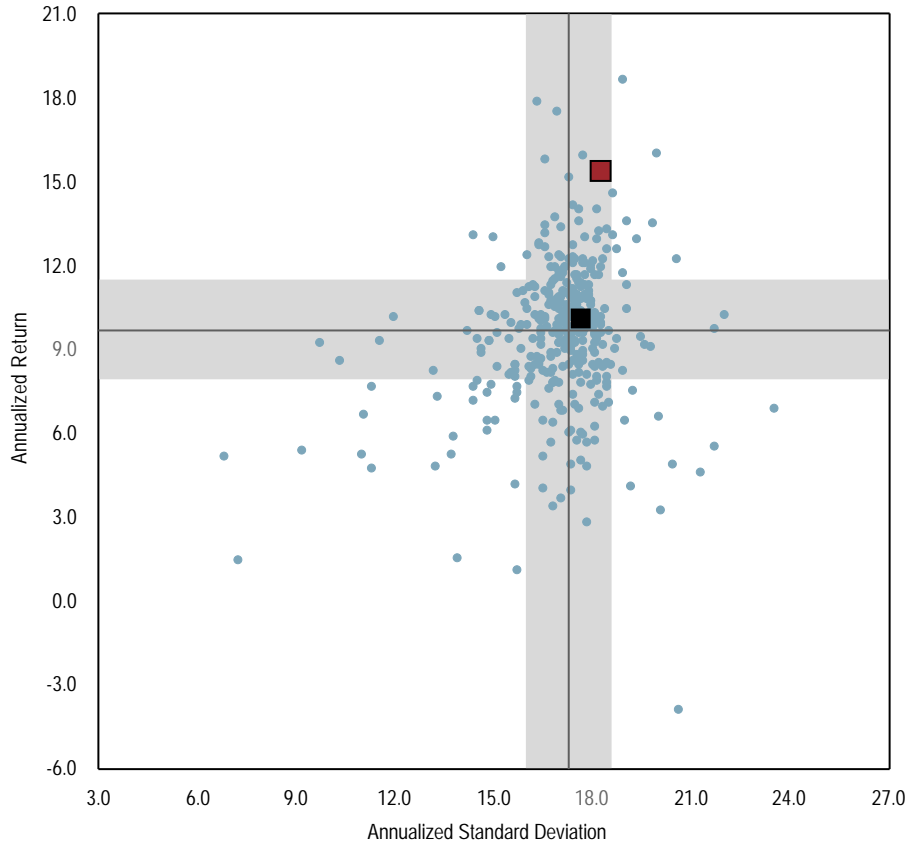
San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

PIMCO RAE US vs. eV US Large Cap Core Equity Gross Universe

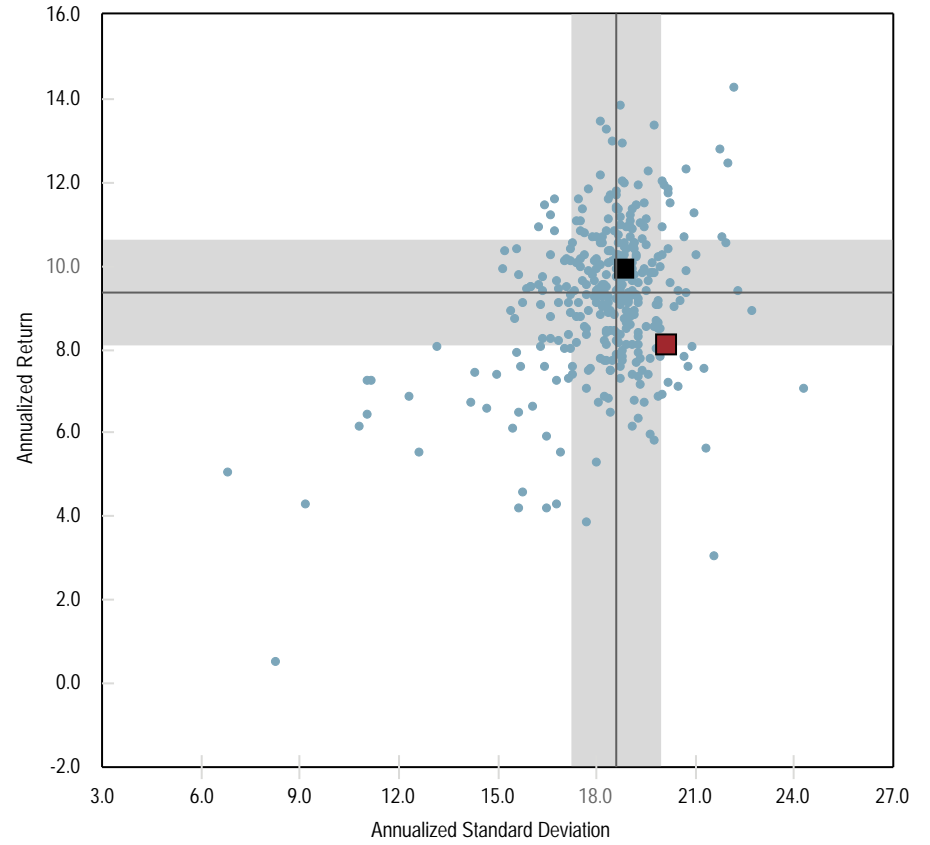


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● PIMCO RAE US	-2.97 (4)	28.29 (46)	4.35 (97)	25.52 (85)	-6.64 (77)	17.01 (90)	15.87 (9)	-2.65 (87)	12.67 (56)	36.69 (20)
▲ S&P 500 Index	-18.11 (68)	28.71 (41)	18.40 (43)	31.49 (36)	-4.38 (48)	21.83 (54)	11.96 (35)	1.38 (49)	13.69 (41)	32.39 (57)
5th Percentile	-4.12	33.87	29.11	37.33	1.20	28.43	17.86	6.94	17.88	41.02
1st Quartile	-12.05	30.20	21.39	32.67	-2.31	24.34	12.79	3.21	14.99	36.05
Median	-16.15	27.83	16.68	30.09	-4.61	22.15	10.54	1.24	13.07	33.14
3rd Quartile	-18.81	24.65	12.27	27.48	-6.49	19.73	8.16	-0.79	11.27	30.55
95th Percentile	-22.74	18.95	5.09	20.63	-10.36	13.98	4.23	-4.63	7.61	24.25
Population	394	413	435	457	475	485	491	503	511	513

3 Years



5 Years



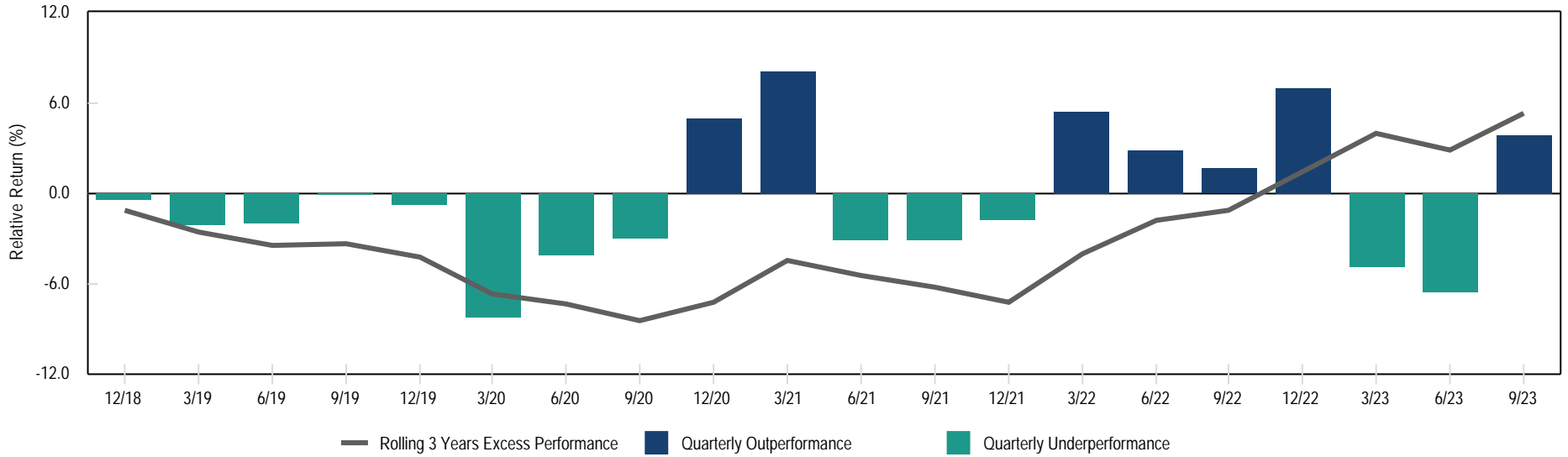
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ PIMCO RAE US	15.43	18.24	0.78
■ S&P 500 Index	10.15	17.60	0.54

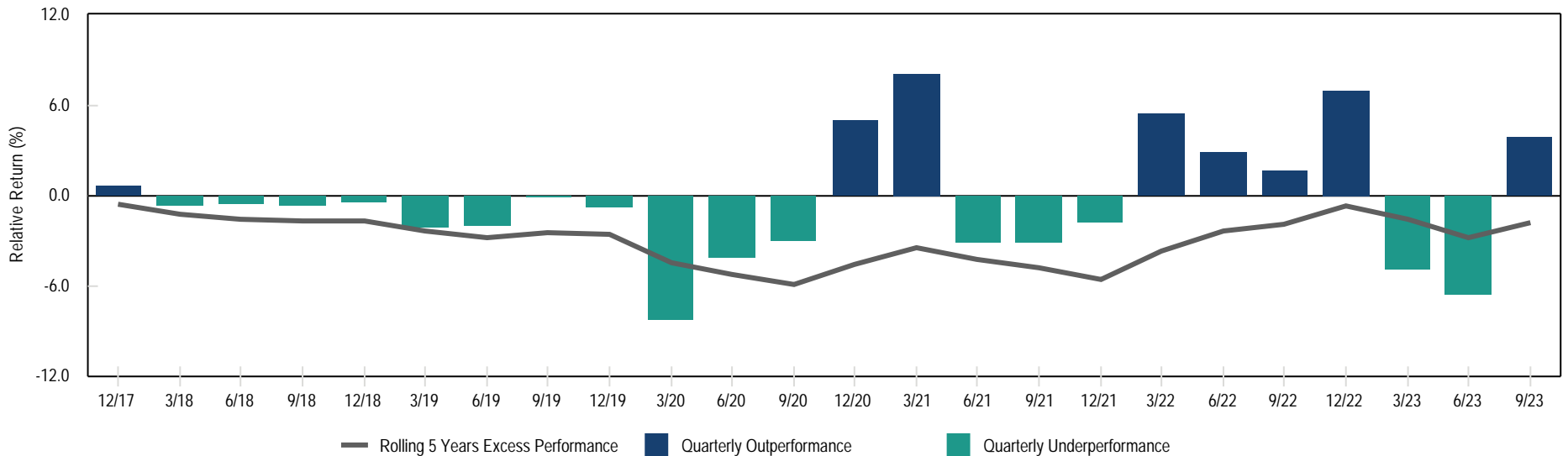
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ PIMCO RAE US	8.13	20.11	0.41
■ S&P 500 Index	9.92	18.81	0.51

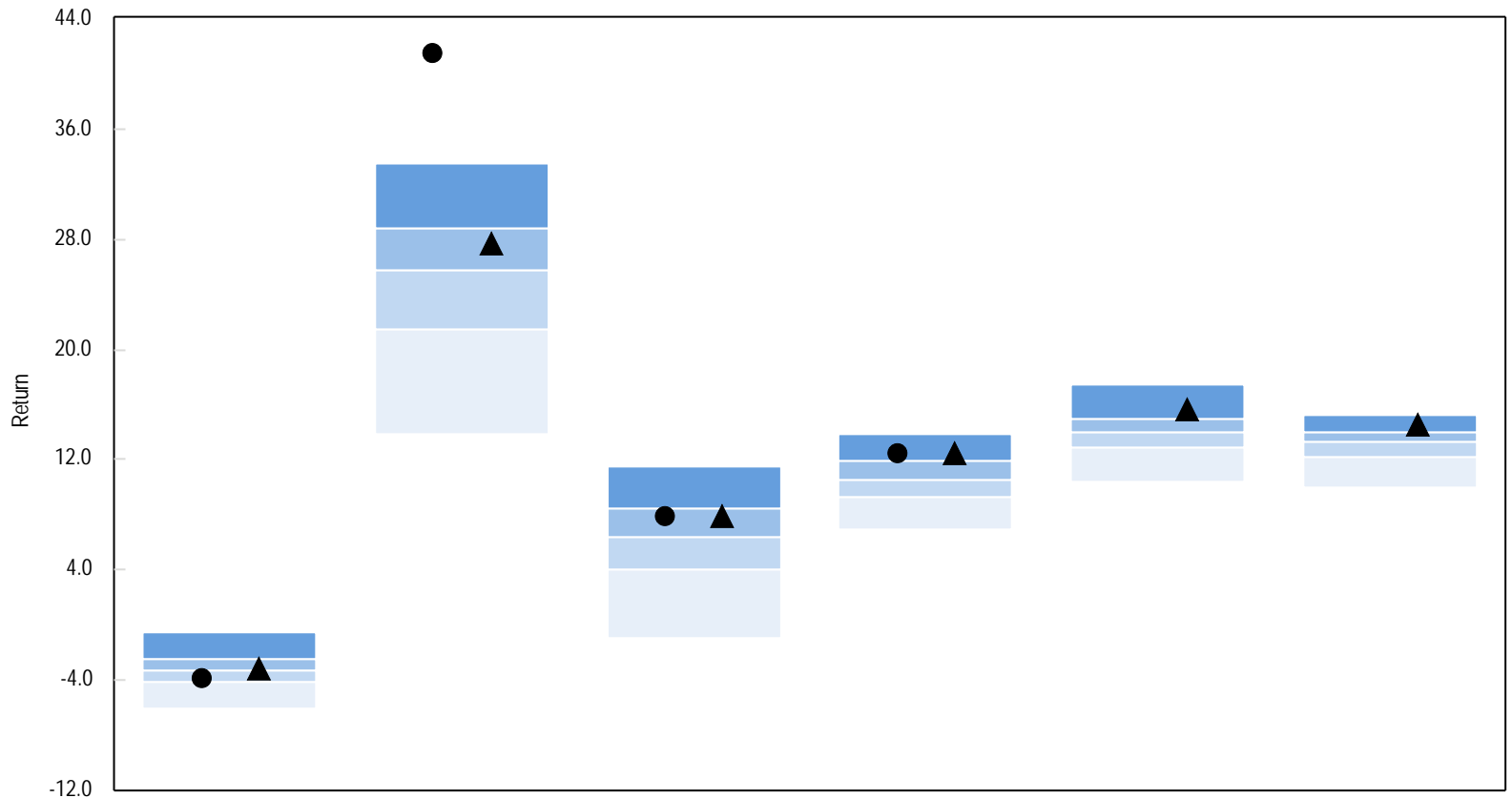
Rolling 3 Years Annualized Excess Performance



Rolling 5 Years Annualized Excess Performance



Loomis Sayles Large Cap Growth vs. eV US Large Cap Growth Equity Gross Universe

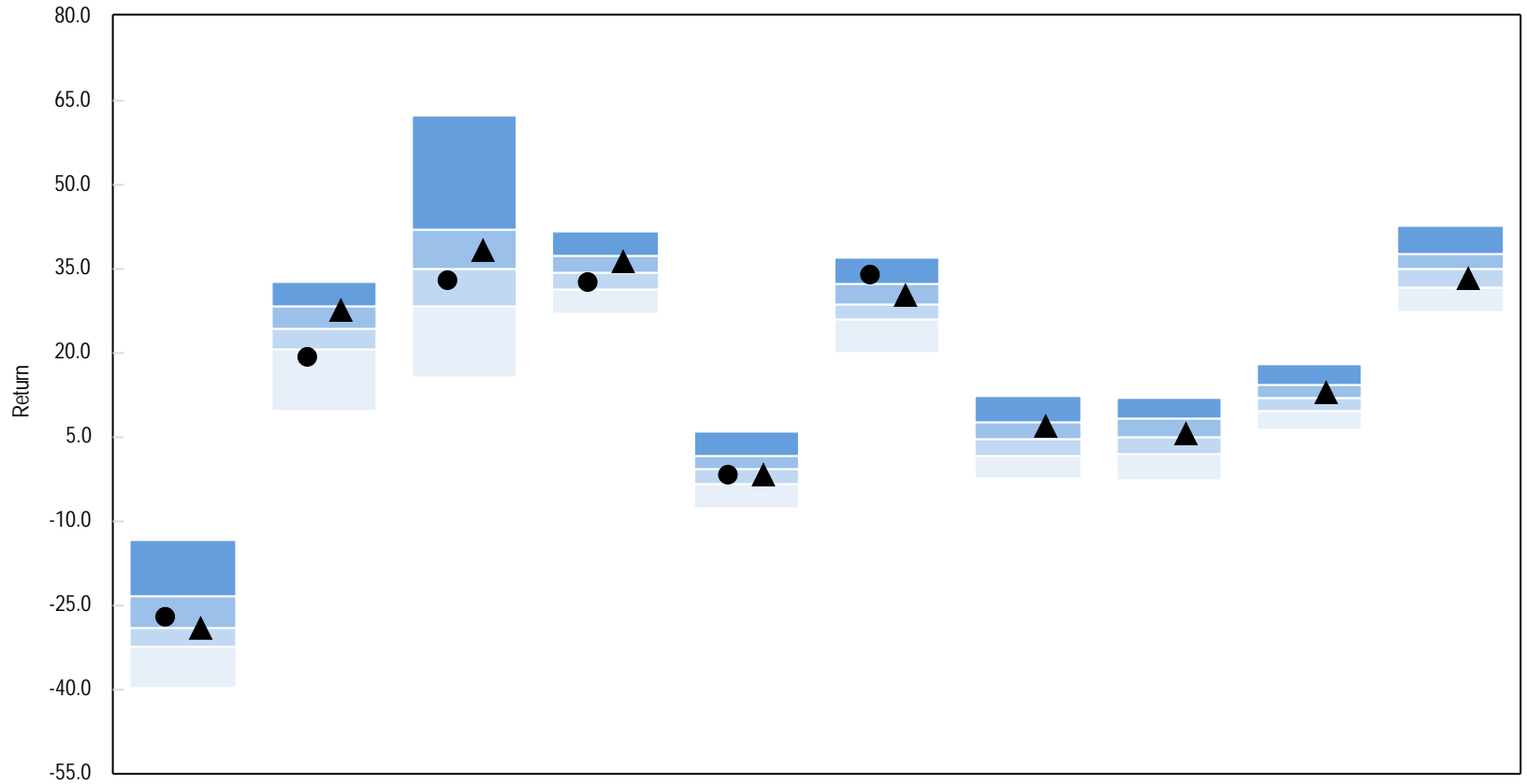


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Loomis Sayles Large Cap Growth	-3.77 (66)	41.45 (1)	7.94 (32)	12.51 (19)	-	-
▲ Russell 1000 Growth Index	-3.13 (46)	27.72 (38)	7.97 (32)	12.42 (20)	15.64 (15)	14.48 (15)
5th Percentile	-0.56	33.44	11.54	13.88	17.48	15.22
1st Quartile	-2.40	28.75	8.47	11.92	15.00	13.97
Median	-3.28	25.72	6.45	10.55	14.03	13.29
3rd Quartile	-4.08	21.50	4.09	9.26	12.91	12.18
95th Percentile	-5.99	13.84	-1.00	6.97	10.39	10.05
Population	273	273	271	263	242	227

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

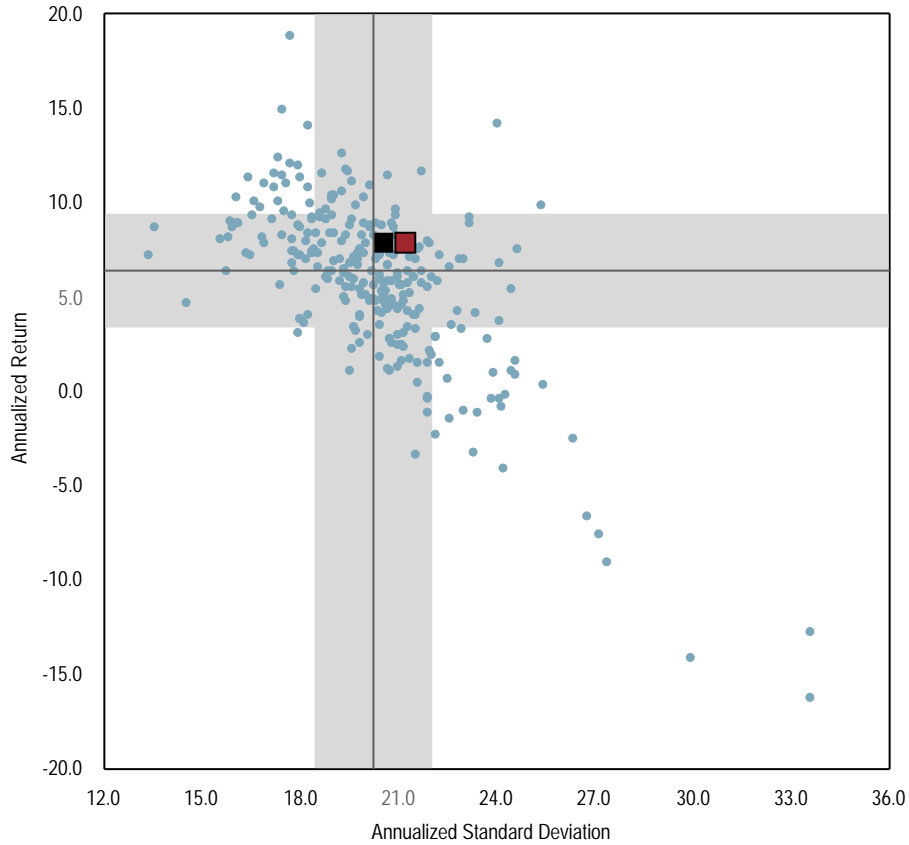
San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Loomis Sayles Large Cap Growth vs. eV US Large Cap Growth Equity Gross Universe

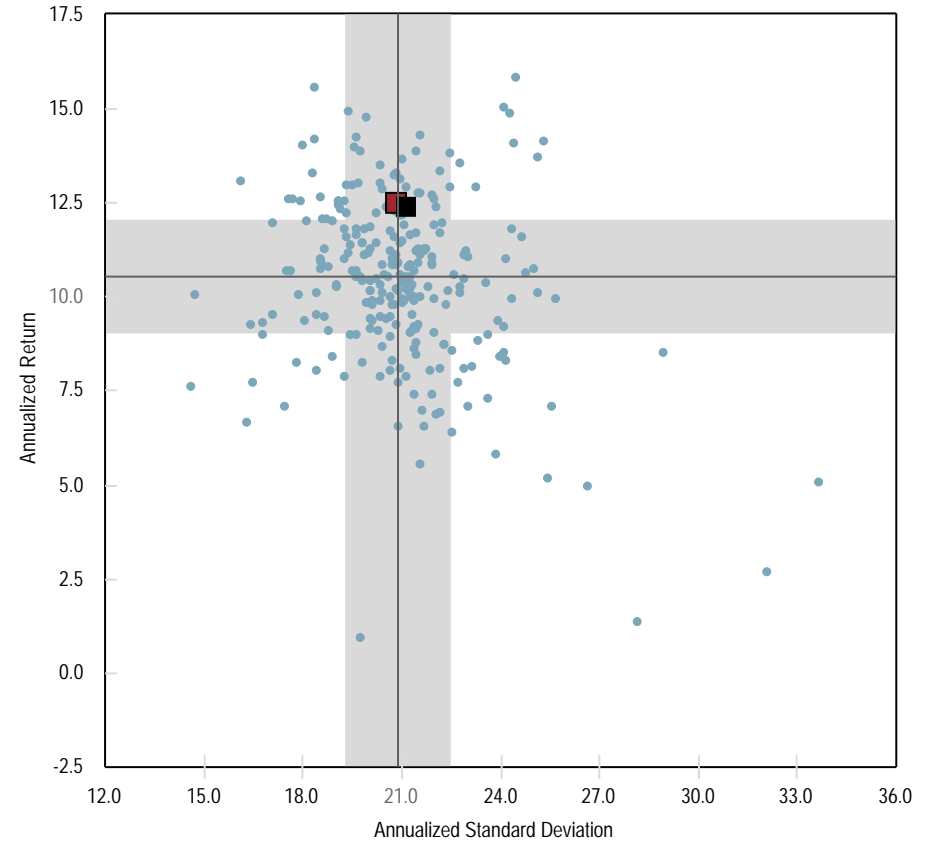


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Loomis Sayles Large Cap Growth	-27.05 (41)	19.38 (81)	32.85 (61)	32.69 (66)	-1.66 (59)	34.07 (16)	-	-	-	-
▲ Russell 1000 Growth Index	-29.14 (52)	27.60 (30)	38.49 (34)	36.39 (31)	-1.51 (59)	30.21 (42)	7.08 (28)	5.67 (45)	13.05 (40)	33.48 (62)
5th Percentile	-13.50	32.50	62.21	41.51	6.09	36.97	12.32	11.89	17.87	42.69
1st Quartile	-23.34	28.46	42.01	37.23	1.80	32.41	7.59	8.18	14.40	37.62
Median	-28.96	24.43	34.96	34.18	-0.54	28.79	4.65	4.97	12.15	34.85
3rd Quartile	-32.49	20.60	28.25	31.45	-3.45	26.01	1.83	2.04	9.73	31.52
95th Percentile	-39.56	9.62	15.82	27.07	-7.61	20.13	-2.49	-2.69	6.22	27.46
Population	291	297	312	323	332	335	350	365	383	391

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Loomis Sayles Large Cap Growth	7.94	21.20	0.39
■ Russell 1000 Growth Index	7.97	20.52	0.40

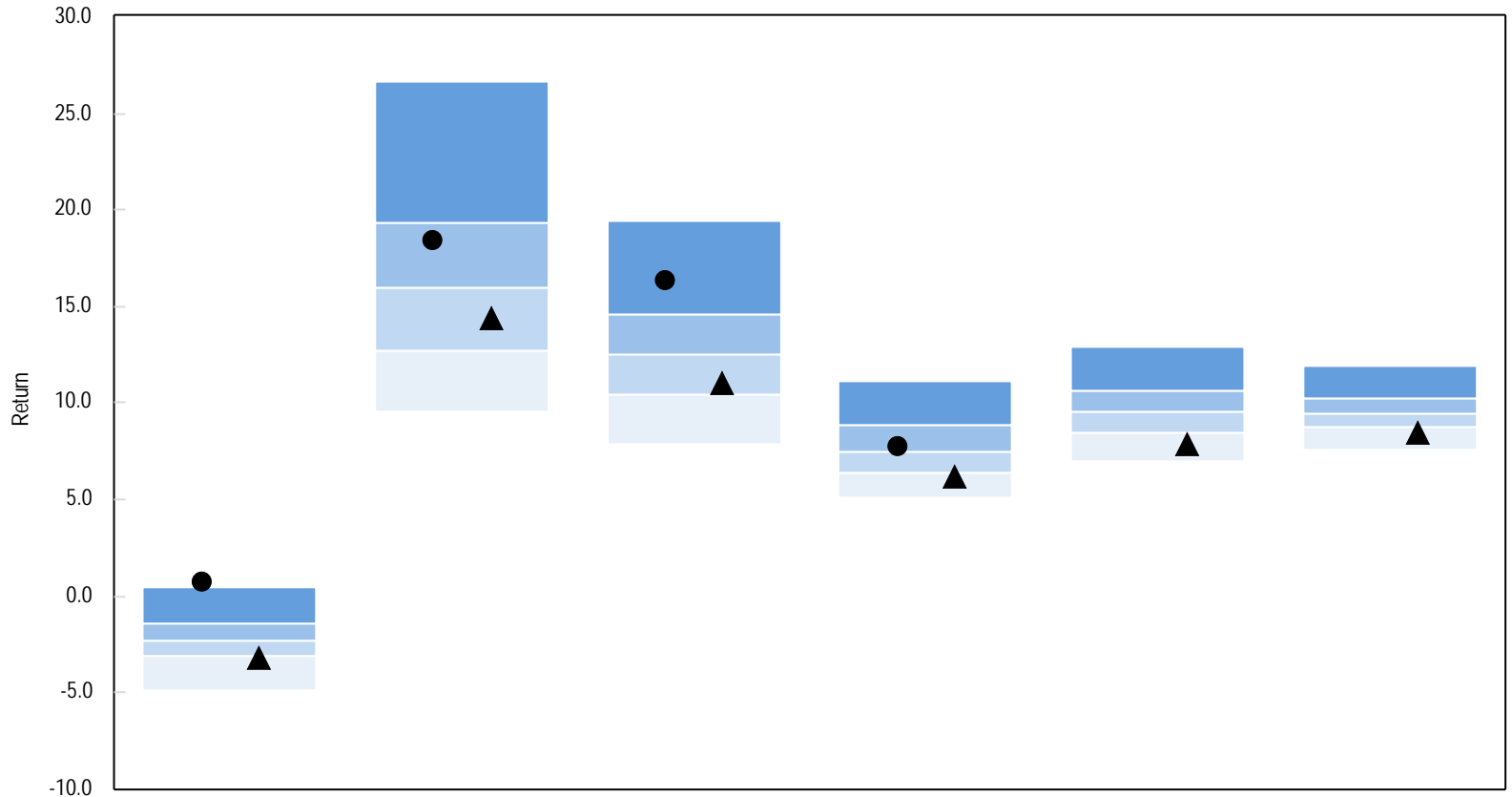
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Loomis Sayles Large Cap Growth	12.51	20.80	0.59
■ Russell 1000 Growth Index	12.42	21.12	0.58

Boston Partners Large Cap Value
 Manager Performance Comparisons (Gross of Fees)

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Boston Partners Large Cap Value vs. eV US Large Cap Value Equity Gross Universe

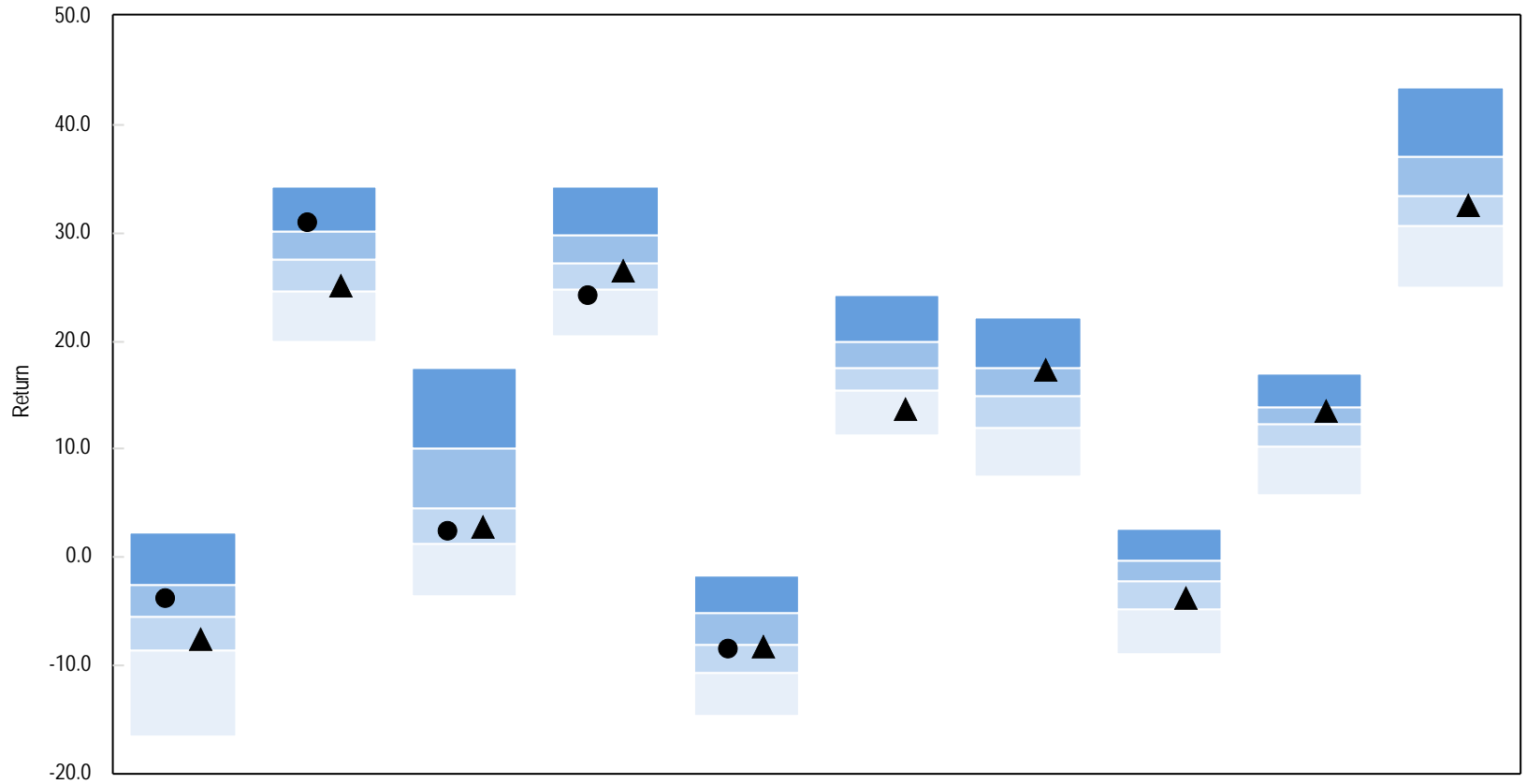


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Boston Partners Large Cap Value	0.72 (4)	18.47 (31)	16.35 (14)	7.77 (46)	-	-
▲ Russell 1000 Value Index	-3.16 (77)	14.44 (63)	11.05 (68)	6.23 (79)	7.92 (88)	8.45 (83)
5th Percentile	0.47	26.61	19.46	11.15	12.88	11.97
1st Quartile	-1.37	19.31	14.57	8.83	10.65	10.27
Median	-2.27	15.98	12.50	7.45	9.55	9.51
3rd Quartile	-3.12	12.75	10.47	6.42	8.50	8.77
95th Percentile	-4.90	9.55	7.89	5.09	7.03	7.53
Population	382	381	369	359	342	324

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

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Boston Partners Large Cap Value vs. eV US Large Cap Value Equity Gross Universe

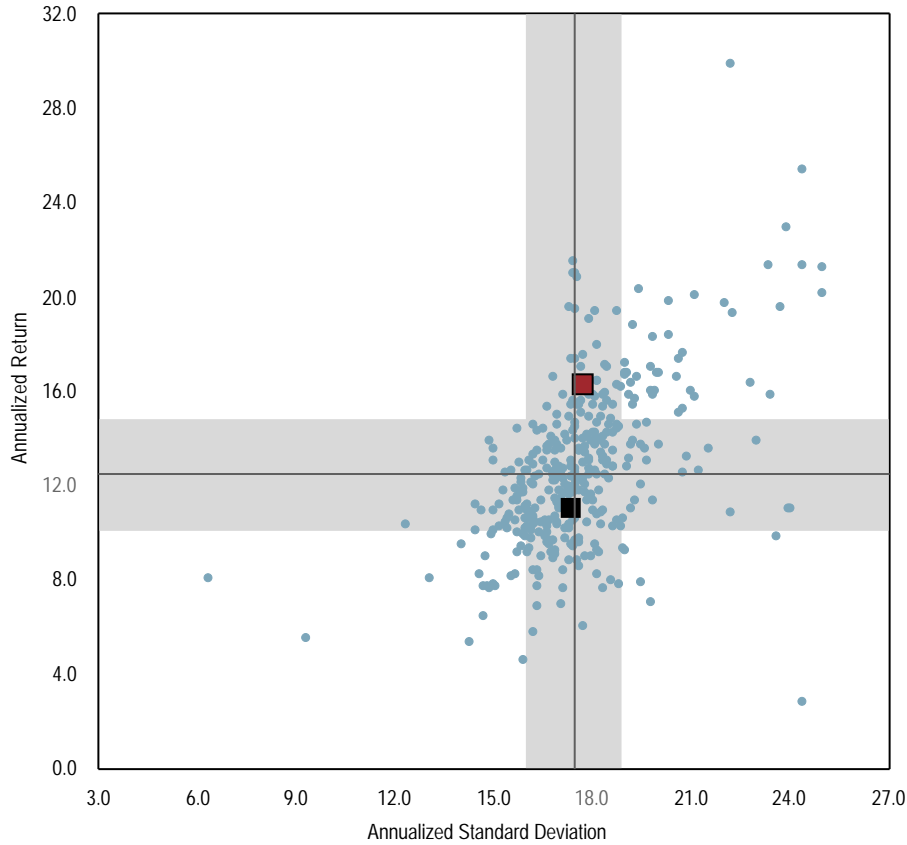


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Boston Partners Large Cap Value	-3.81 (36)	30.92 (21)	2.42 (66)	24.28 (79)	-8.50 (57)	-	-	-	-	-
▲ Russell 1000 Value Index	-7.54 (69)	25.16 (73)	2.80 (64)	26.54 (57)	-8.27 (53)	13.66 (88)	17.34 (26)	-3.83 (70)	13.45 (33)	32.53 (58)
5th Percentile	2.35	34.35	17.56	34.32	-1.67	24.22	22.23	2.67	16.91	43.35
1st Quartile	-2.48	30.14	10.06	29.83	-5.09	20.00	17.46	-0.21	13.88	37.09
Median	-5.43	27.59	4.61	27.19	-8.15	17.44	14.97	-2.25	12.24	33.36
3rd Quartile	-8.57	24.64	1.29	24.73	-10.71	15.40	11.96	-4.71	10.24	30.71
95th Percentile	-16.47	19.87	-3.55	20.37	-14.67	11.20	7.51	-8.96	5.72	24.99
Population	405	415	422	451	473	484	498	517	516	523

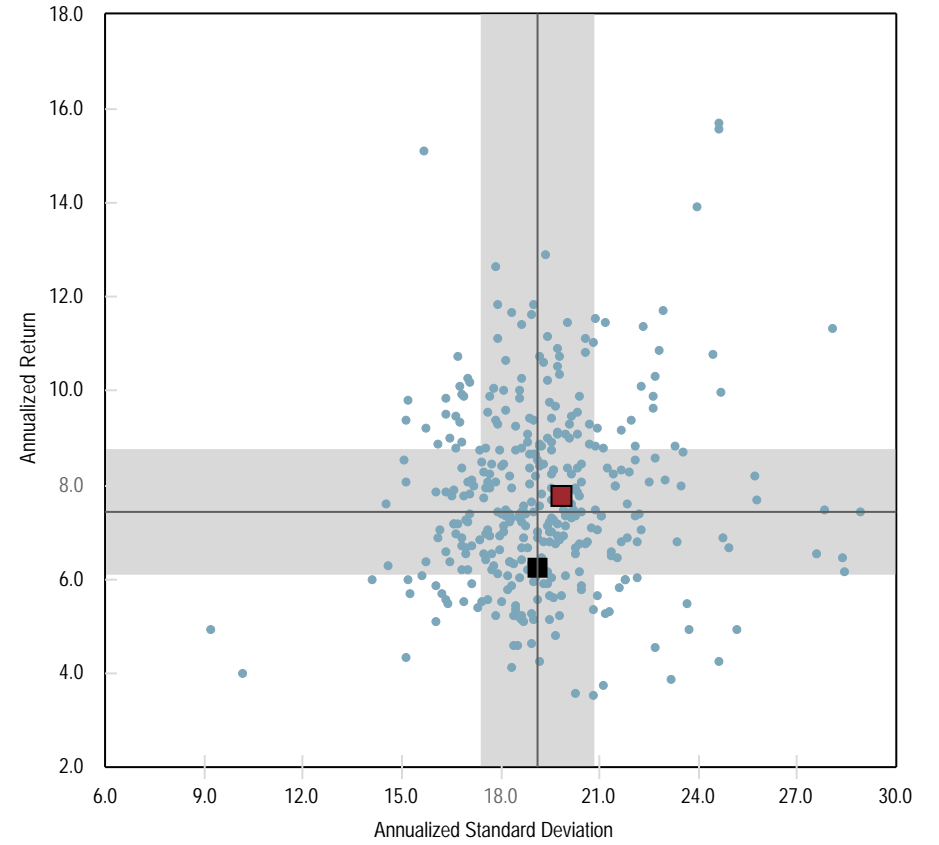
Boston Partners Large Cap Value
Risk vs. Return (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Boston Partners Large Cap Value	16.35	17.67	0.85
■ Russell 1000 Value Index	11.05	17.35	0.59

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Boston Partners Large Cap Value	7.77	19.82	0.39
■ Russell 1000 Value Index	6.23	19.11	0.32

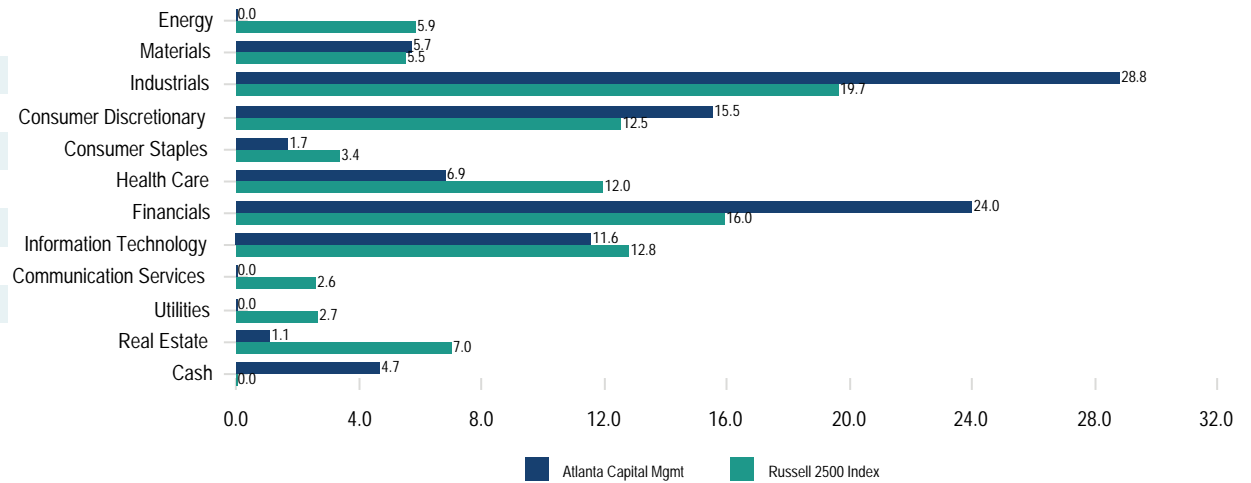
Atlanta Capital Mgmt Manager Portfolio Overview

San Luis Obispo County Pension Trust Period Ending: September 30, 2023

Characteristics

	Portfolio	Benchmark
Number of Stocks	53	2,485
Wtd. Avg. Mkt. Cap \$B	10.6	6.1
Median Mkt. Cap \$B	10.4	1.2
Price/Earnings ratio	20.89	13.22
Price/Book ratio	3.31	2.56
Return on Equity (%)	16.07	-6.96
Current Yield (%)	0.88	1.72
Beta (5 Years, Monthly)	0.84	1.00
R-Squared (5 Years, Monthly)	0.91	1.00

Sector Allocation (%)



Largest Equity Holdings

	Wgt (%)	Return (%)
Berkley (W.R.) Corp	4.75	7.60
Carlisle Cos Inc	4.14	1.37
Markel Group Inc	3.23	6.46
CACI International Inc	3.17	-7.90
Brown & Brown Inc	3.14	1.62
Aramark	2.94	-19.16
Landstar System Inc	2.75	-7.95
Morningstar Inc	2.70	19.70
Teleflex Inc	2.62	-18.73
LKQ Corporation	2.54	-14.59

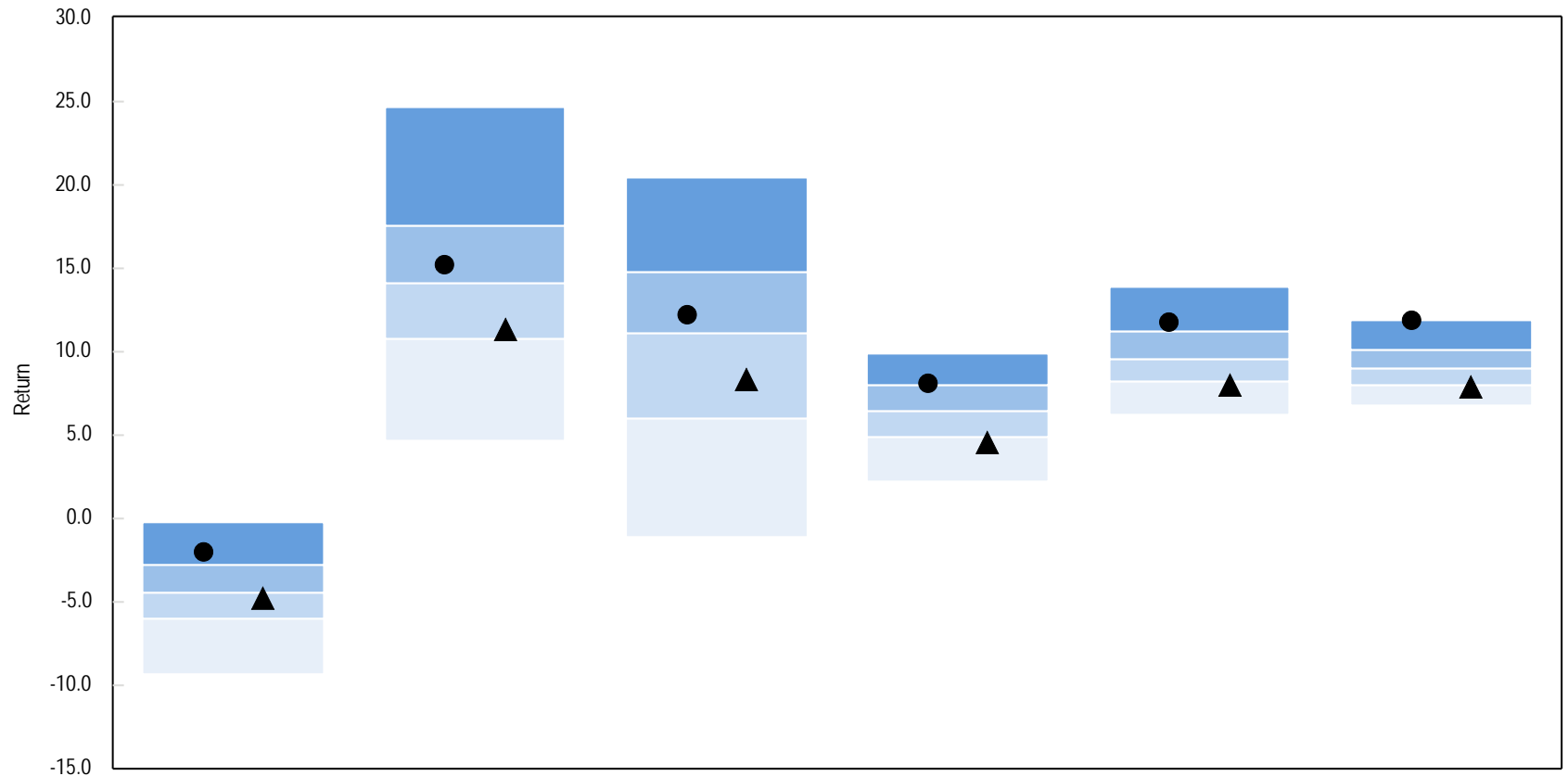
Top Contributors

	Wgt (%)	Return (%)	Contr (%)
Morningstar Inc	2.65	19.70	0.52
Black Knight Inc	1.37	26.84	0.37
Berkley (W.R.) Corp	4.59	7.60	0.35
Lennox International Inc.	2.07	15.17	0.31
Markel Group Inc	2.92	6.46	0.19
AptarGroup Inc.	2.26	8.29	0.19
Casey's General Stores Inc.	1.47	11.52	0.17
Broadridge Financial Solutions Inc	1.82	8.56	0.16
Kirby Corp	1.98	7.60	0.15
RPM International Inc	2.35	6.14	0.14

Bottom Contributors

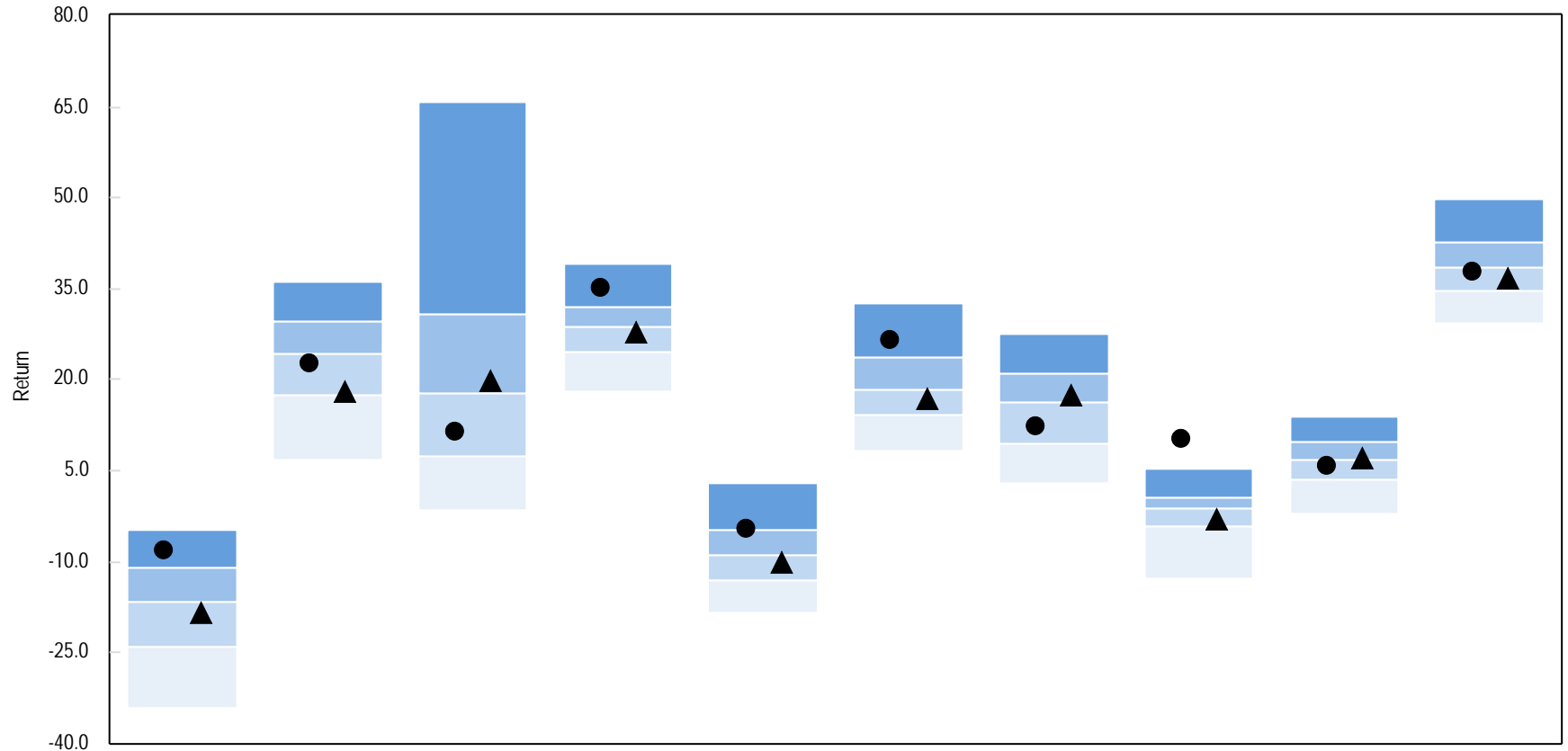
	Wgt (%)	Return (%)	Contr (%)
Aramark	3.51	-19.16	-0.67
Teleflex Inc	3.11	-18.73	-0.58
Envista Holdings Corp	2.86	-17.61	-0.50
LKQ Corporation	2.40	-14.59	-0.35
Affiliated Managers Group Inc.	2.38	-13.04	-0.31
Hexcel Corp	1.93	-14.15	-0.27
Burlington Stores Inc	1.92	-14.04	-0.27
CACI International Inc	3.31	-7.90	-0.26
Landstar System Inc	2.88	-7.95	-0.23
Bio-Techne Corp	1.28	-16.53	-0.21

Atlanta Capital Mgmt vs. eV US Small-Mid Cap Equity Gross Universe



	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Atlanta Capital Mgmt	-1.99 (14)	15.20 (43)	12.19 (41)	8.08 (24)	11.82 (21)	11.85 (5)
▲ Russell 2500 Index	-4.78 (57)	11.28 (73)	8.39 (67)	4.55 (77)	7.96 (78)	7.90 (78)
5th Percentile	-0.27	24.63	20.48	9.90	13.93	11.85
1st Quartile	-2.78	17.61	14.73	7.99	11.28	10.08
Median	-4.42	14.16	11.11	6.50	9.58	9.02
3rd Quartile	-5.97	10.73	5.96	4.85	8.22	8.05
95th Percentile	-9.28	4.65	-1.15	2.21	6.26	6.74
Population	255	255	248	225	198	166

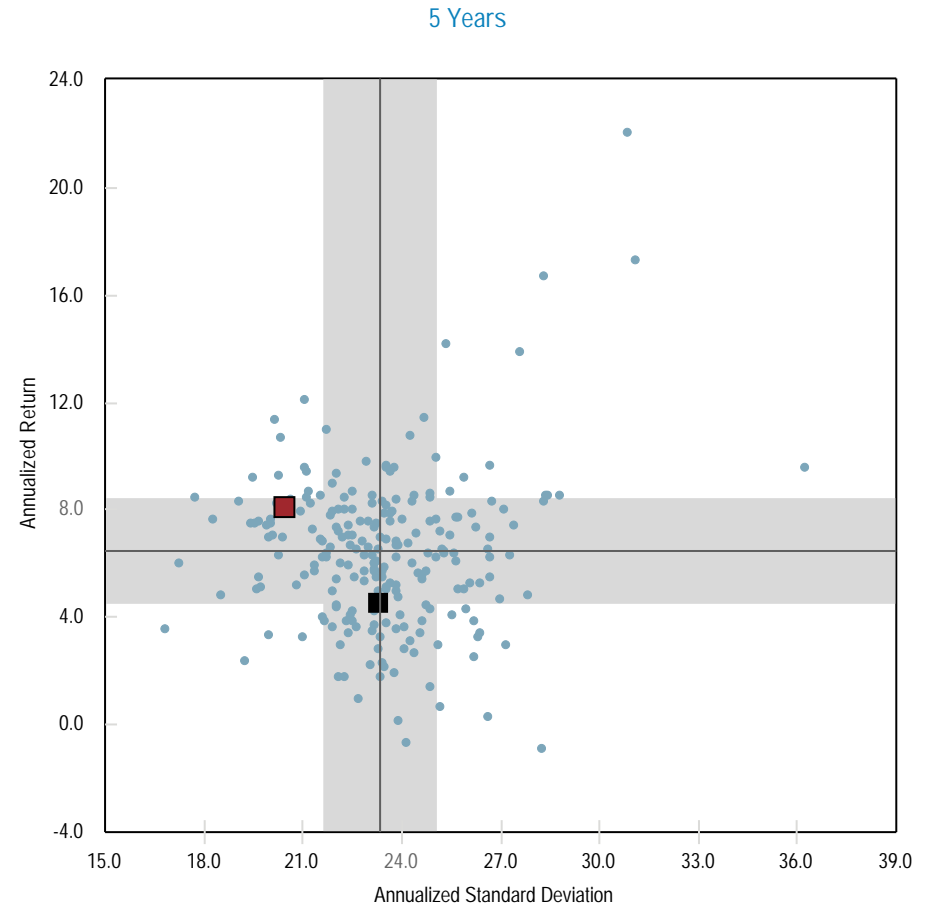
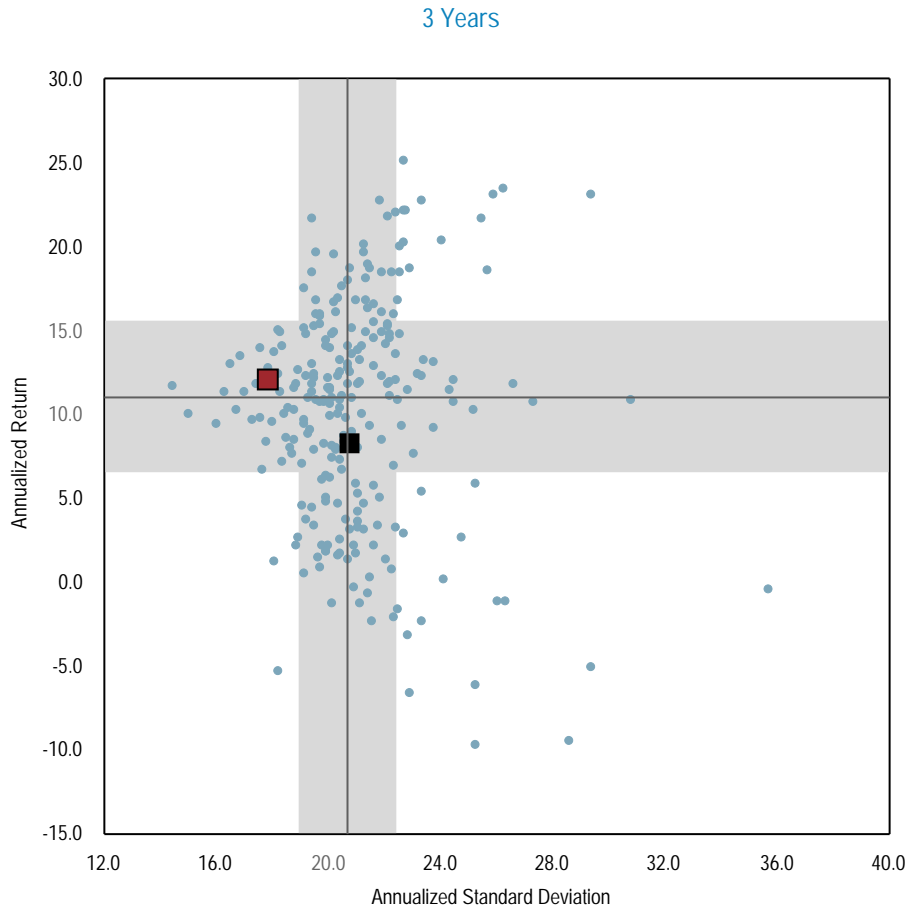
Atlanta Capital Mgmt vs. eV US Small-Mid Cap Equity Gross Universe



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Atlanta Capital Mgmt	-7.95 (14)	22.96 (57)	11.41 (63)	35.12 (13)	-4.52 (25)	26.58 (15)	12.58 (65)	10.44 (1)	5.83 (59)	37.85 (55)
▲ Russell 2500 Index	-18.37 (58)	18.18 (73)	19.99 (46)	27.77 (56)	-10.00 (56)	16.81 (61)	17.59 (41)	-2.90 (67)	7.07 (48)	36.80 (60)
5th Percentile	-4.75	36.10	65.78	39.05	2.93	32.51	27.45	5.45	13.97	49.82
1st Quartile	-11.08	29.62	30.88	32.08	-4.62	23.77	21.17	0.68	9.70	42.70
Median	-16.72	24.18	17.70	28.84	-8.93	18.24	16.33	-1.29	6.80	38.55
3rd Quartile	-23.96	17.57	7.41	24.51	-12.99	14.13	9.42	-4.28	3.63	34.60
95th Percentile	-34.04	6.73	-1.41	18.15	-18.30	8.28	2.95	-12.76	-2.12	29.34
Population	264	273	277	281	294	284	286	290	288	293

Atlanta Capital Mgmt
Risk vs. Return (Gross of Fees)

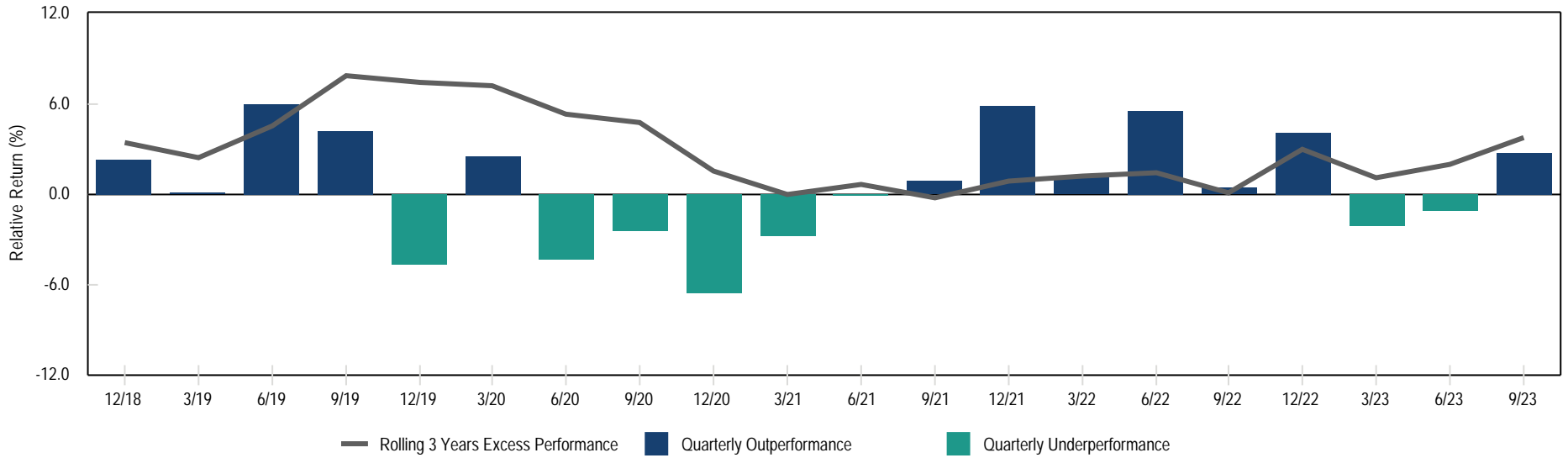
San Luis Obispo County Pension Trust
Period Ending: September 30, 2023



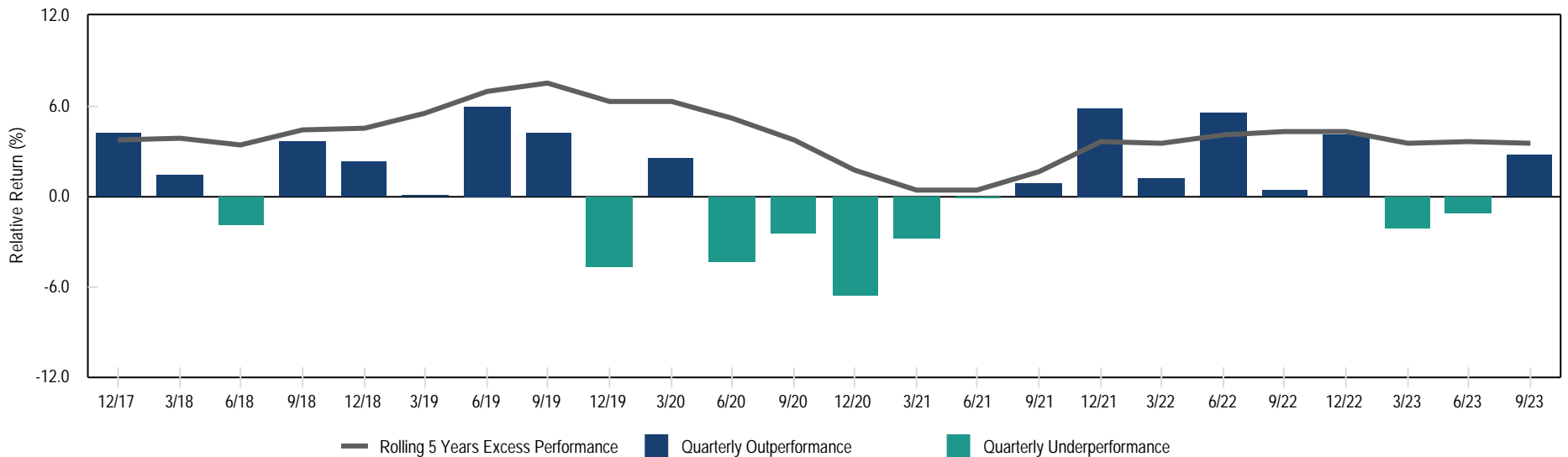
	3 Years	Standard Deviation	Sharpe Ratio
Atlanta Capital Mgmt	12.19	17.85	0.64
Russell 2500 Index	8.39	20.78	0.41

	5 Years	Standard Deviation	Sharpe Ratio
Atlanta Capital Mgmt	8.08	20.42	0.40
Russell 2500 Index	4.55	23.26	0.24

Rolling 3 Years Annualized Excess Performance



Rolling 5 Years Annualized Excess Performance



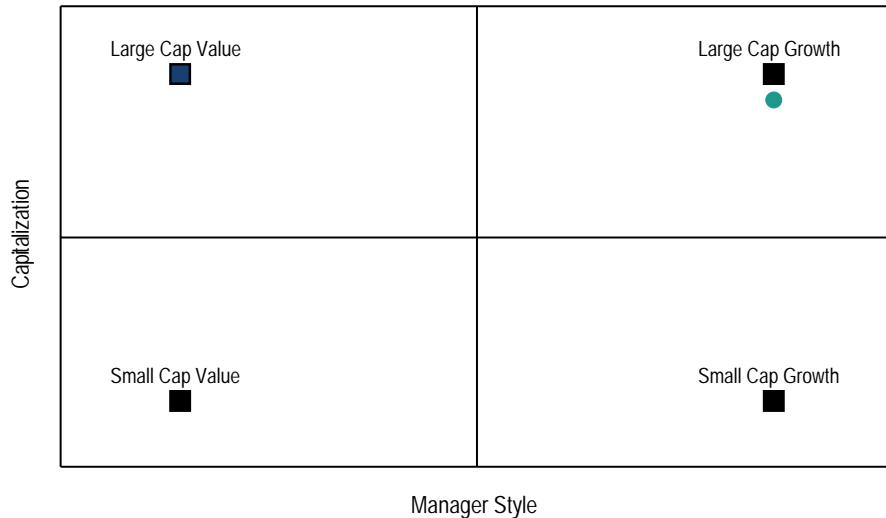
International Equity

Total International Equity Asset Class Overview (Gross of Fees)

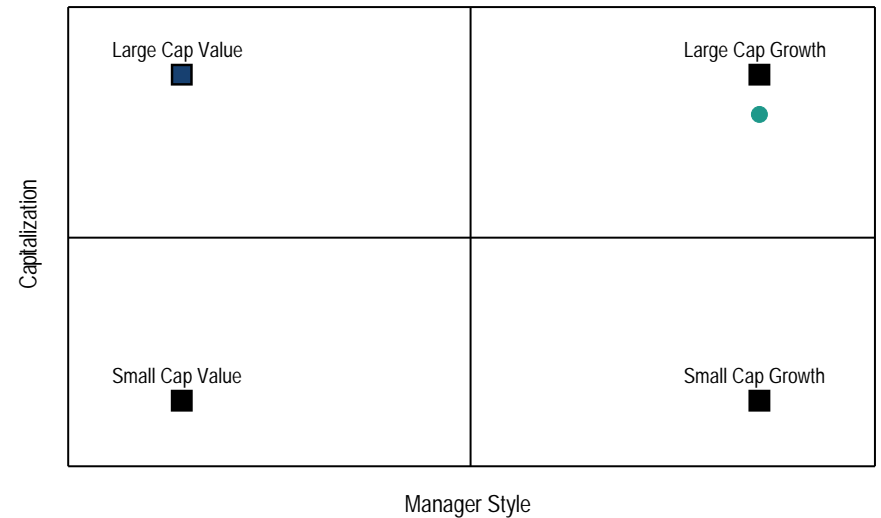
San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total International Equity	236,890,278	-4.8	7.4	23.0	7.3	6.9	6.4	-17.4	15.1	19.4	30.2	-12.2
<i>MSCI AC World ex USA Index</i>		<i>-3.7</i>	<i>5.8</i>	<i>21.0</i>	<i>4.2</i>	<i>3.1</i>	<i>3.8</i>	<i>-15.6</i>	<i>8.3</i>	<i>11.1</i>	<i>22.1</i>	<i>-13.8</i>
<i>InvMetrics Public DB Global ex-US Equity Rank</i>		<i>72</i>	<i>45</i>	<i>35</i>	<i>11</i>	<i>1</i>	<i>1</i>	<i>56</i>	<i>7</i>	<i>5</i>	<i>1</i>	<i>24</i>
Dodge & Cox Intl Stock	124,713,033	-1.2	9.8	27.5	12.8	5.1	4.7	-6.2	11.7	2.8	23.6	-17.5
<i>MSCI AC World ex USA Value</i>		<i>0.1</i>	<i>8.9</i>	<i>26.1</i>	<i>10.3</i>	<i>3.0</i>	<i>3.2</i>	<i>-8.0</i>	<i>11.1</i>	<i>-0.2</i>	<i>16.5</i>	<i>-13.4</i>
<i>eVACWI ex-US All Cap Value Eq Rank</i>		<i>34</i>	<i>40</i>	<i>49</i>	<i>11</i>	<i>26</i>	<i>32</i>	<i>15</i>	<i>42</i>	<i>54</i>	<i>37</i>	<i>97</i>
WCM International Growth	112,177,245	-8.6	5.1	18.4	1.7	7.6	-	-28.2	18.5	34.0	36.7	-6.7
<i>MSCI AC World ex USA Growth</i>		<i>-7.3</i>	<i>2.9</i>	<i>16.2</i>	<i>-1.6</i>	<i>2.9</i>	<i>-</i>	<i>-22.8</i>	<i>5.4</i>	<i>22.6</i>	<i>27.8</i>	<i>-14.1</i>
<i>eVACWI ex-US All Cap Growth Eq Rank</i>		<i>65</i>	<i>46</i>	<i>48</i>	<i>22</i>	<i>5</i>	<i>-</i>	<i>58</i>	<i>6</i>	<i>38</i>	<i>17</i>	<i>1</i>

EAFE Effective Style Map
3 Years Ending September 30, 2023



EAFE Effective Style Map
5 Years Ending September 30, 2023



■ Dodge & Cox Intl Stock ● WCM International Growth

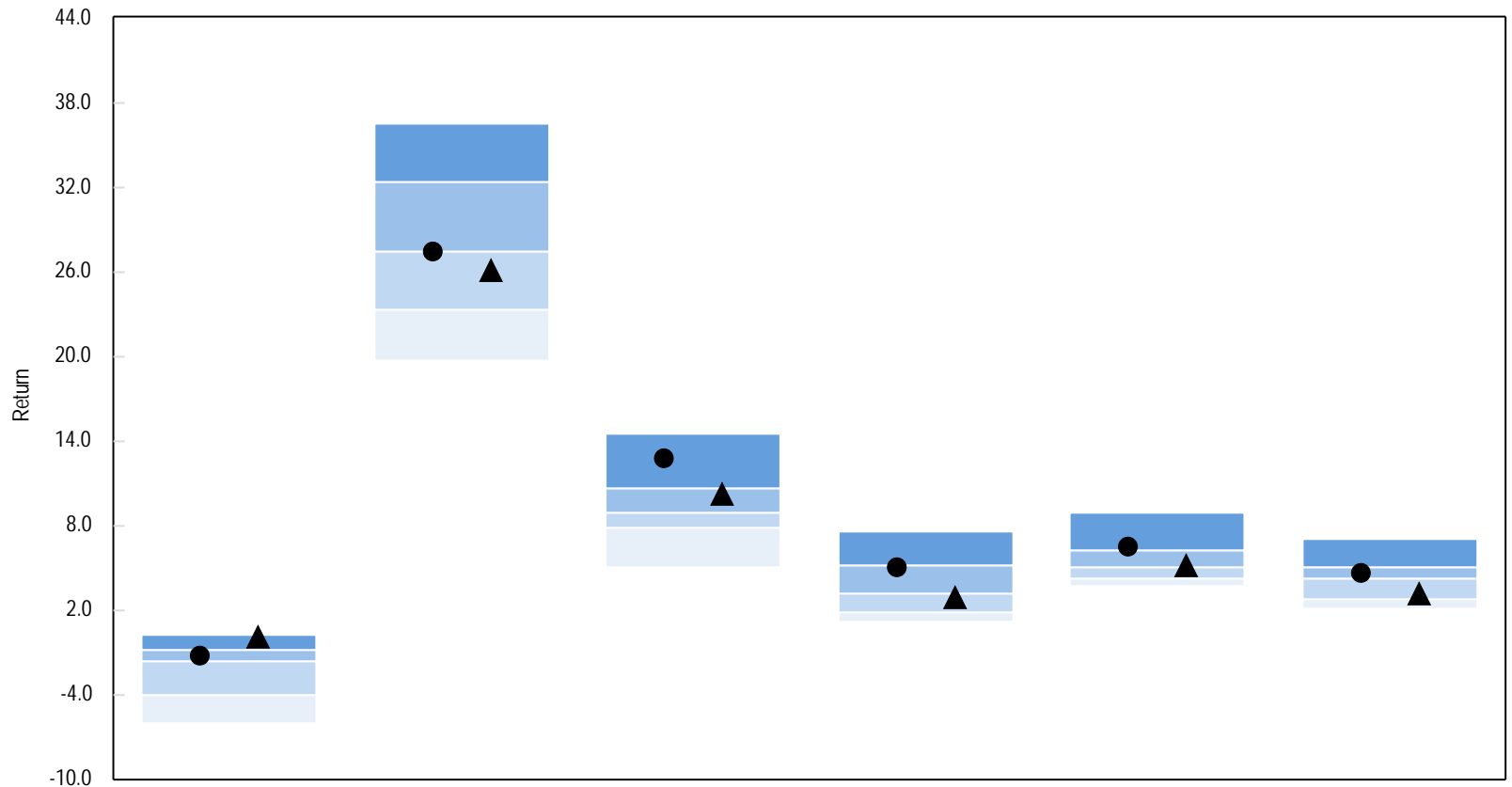
■ Dodge & Cox Intl Stock ● WCM International Growth

Total International Equity
 Asset Class Overview (Net of Fees)

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

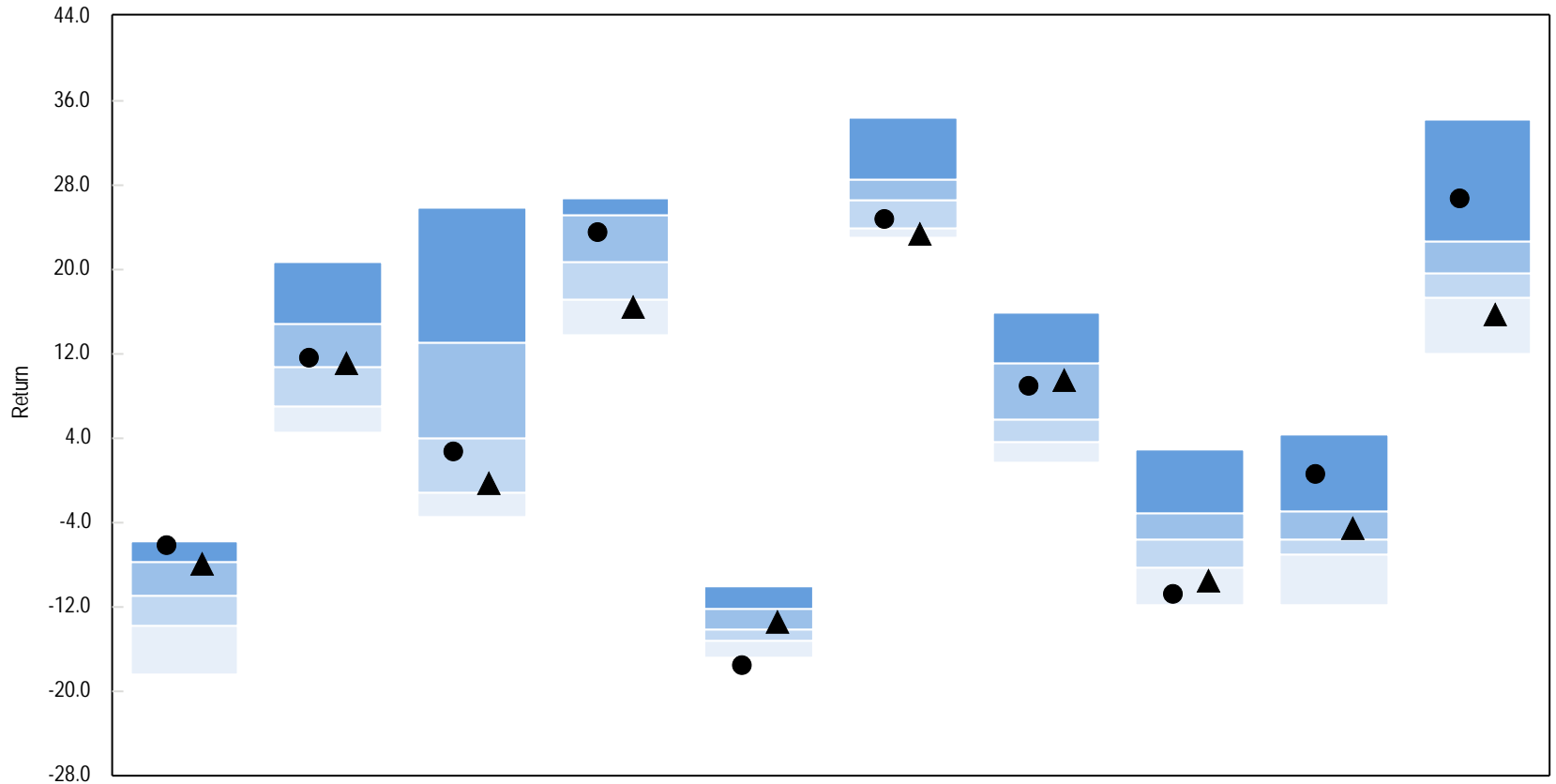
	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total International Equity	236,890,278	-5.0	6.9	22.2	6.6	6.2	5.7	-17.9	14.4	18.6	29.3	-12.8
<i>MSCI AC World ex USA Index</i>		<i>-3.7</i>	<i>5.8</i>	<i>21.0</i>	<i>4.2</i>	<i>3.1</i>	<i>3.8</i>	<i>-15.6</i>	<i>8.3</i>	<i>11.1</i>	<i>22.1</i>	<i>-13.8</i>
Dodge & Cox Intl Stock	124,713,033	-1.3	9.3	26.7	12.1	4.4	4.1	-6.8	11.0	2.1	22.8	-18.0
<i>MSCI AC World ex USA Value</i>		<i>0.1</i>	<i>8.9</i>	<i>26.1</i>	<i>10.3</i>	<i>3.0</i>	<i>3.2</i>	<i>-8.0</i>	<i>11.1</i>	<i>-0.2</i>	<i>16.5</i>	<i>-13.4</i>
WCM International Growth	112,177,245	-8.7	4.6	17.6	1.0	6.9	-	-28.6	17.7	33.1	35.8	-7.4
<i>MSCI AC World ex USA Growth</i>		<i>-7.3</i>	<i>2.9</i>	<i>16.2</i>	<i>-1.6</i>	<i>2.9</i>	<i>-</i>	<i>-22.8</i>	<i>5.4</i>	<i>22.6</i>	<i>27.8</i>	<i>-14.1</i>

Dodge & Cox Intl Stock vs. eV ACWI ex-US All Cap Value Eq Gross Universe



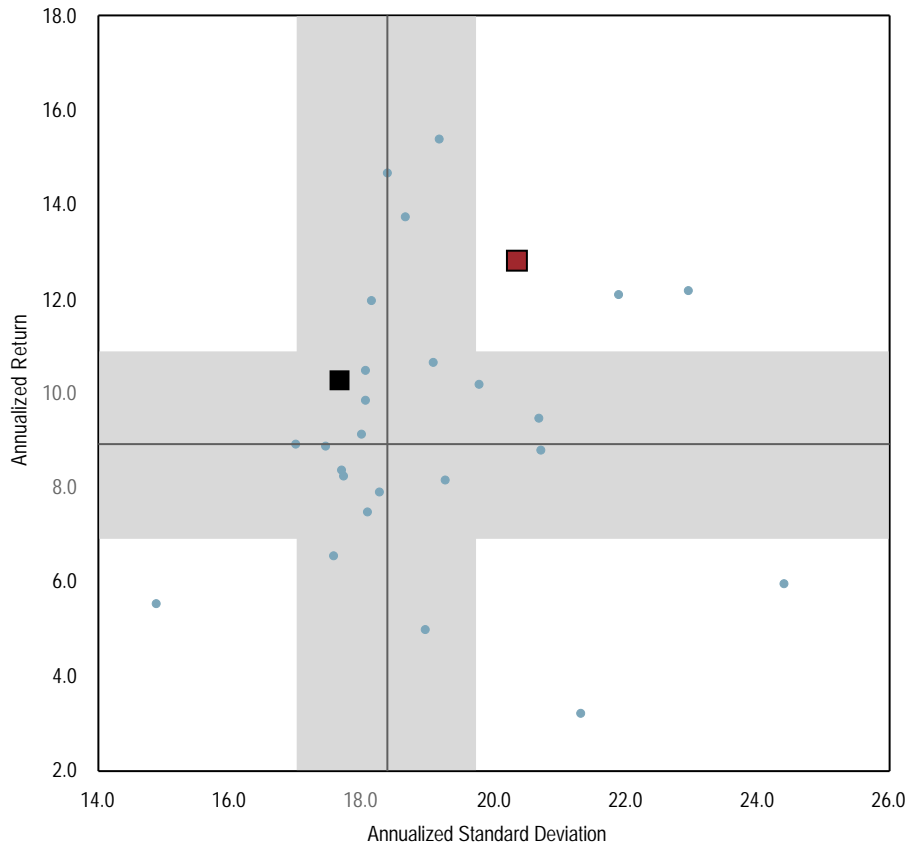
	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Dodge & Cox Intl Stock	-1.16 (34)	27.53 (49)	12.84 (11)	5.09 (26)	6.53 (24)	4.72 (32)
▲ MSCI AC World ex USA Value	0.07 (7)	26.09 (57)	10.30 (33)	2.95 (57)	5.22 (46)	3.20 (71)
5th Percentile	0.22	36.57	14.51	7.65	8.99	7.00
1st Quartile	-0.83	32.34	10.66	5.23	6.30	5.10
Median	-1.64	27.41	8.93	3.18	5.06	4.31
3rd Quartile	-4.03	23.33	7.91	1.85	4.21	2.77
95th Percentile	-6.01	19.74	5.12	1.17	3.75	2.08
Population	26	26	25	23	18	16

Dodge & Cox Intl Stock vs. eV ACWI ex-US All Cap Value Eq Gross Universe

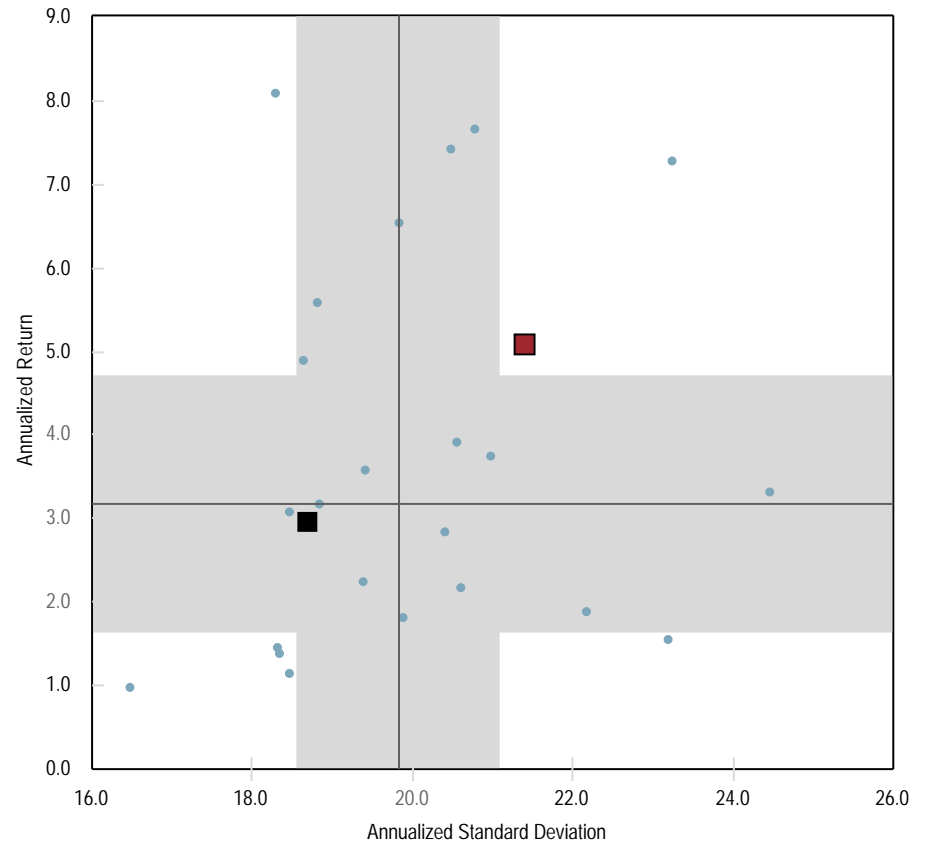


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Dodge & Cox Intl Stock	-6.19 (15)	11.70 (42)	2.75 (54)	23.58 (37)	-17.46 (97)	24.74 (61)	8.96 (39)	-10.78 (88)	0.56 (19)	26.72 (11)
▲ MSCI AC World ex USA Value	-7.95 (29)	11.13 (46)	-0.21 (68)	16.45 (79)	-13.45 (36)	23.35 (83)	9.59 (38)	-9.59 (84)	-4.60 (46)	15.65 (80)
5th Percentile	-5.75	20.75	25.82	26.79	-10.08	34.42	15.92	2.89	4.28	34.24
1st Quartile	-7.76	14.76	13.12	25.22	-12.13	28.48	11.10	-3.14	-2.98	22.67
Median	-10.91	10.71	4.05	20.72	-14.19	26.52	5.77	-5.55	-5.66	19.69
3rd Quartile	-13.83	7.06	-1.18	17.20	-15.27	23.97	3.70	-8.24	-6.99	17.26
95th Percentile	-18.40	4.56	-3.47	13.81	-16.73	22.99	1.74	-11.90	-11.89	11.92
Population	25	27	28	27	25	22	20	20	21	21

3 Years



5 Years



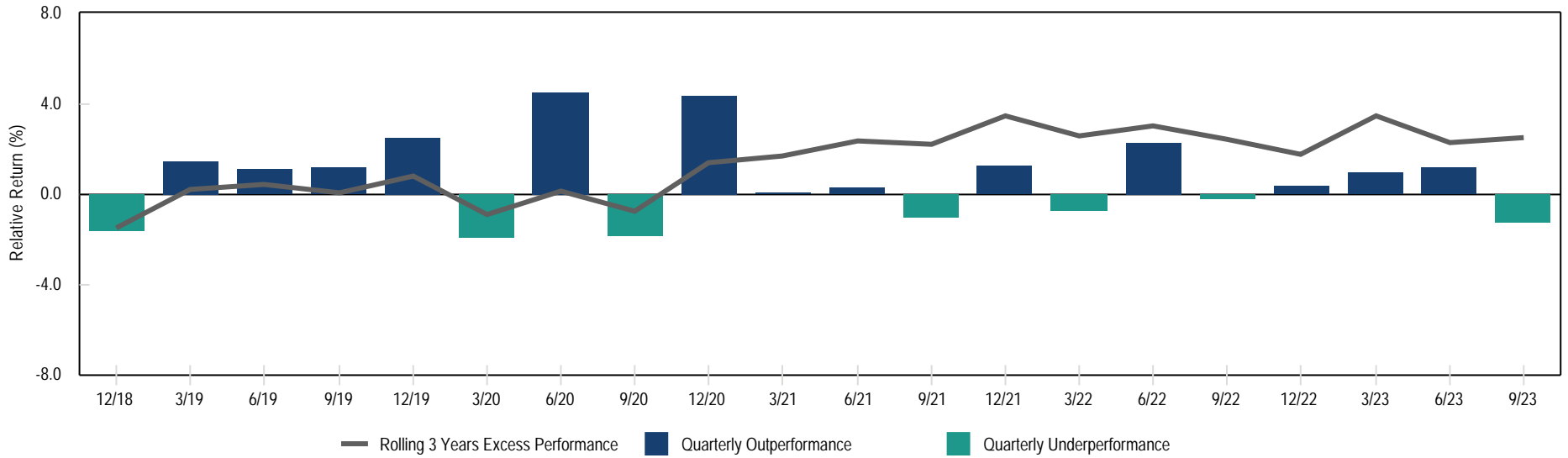
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Intl Stock	12.84	20.36	0.61
■ MSCI AC World ex USA Value	10.30	17.65	0.55

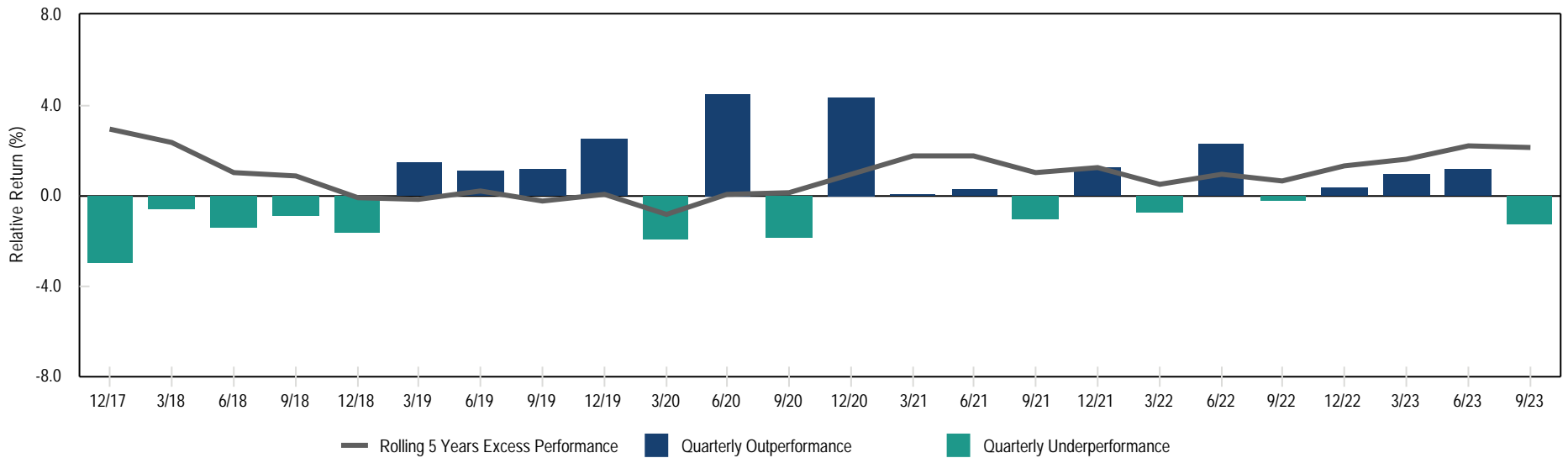
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Intl Stock	5.09	21.39	0.26
■ MSCI AC World ex USA Value	2.95	18.70	0.16

Rolling 3 Years Annualized Excess Performance



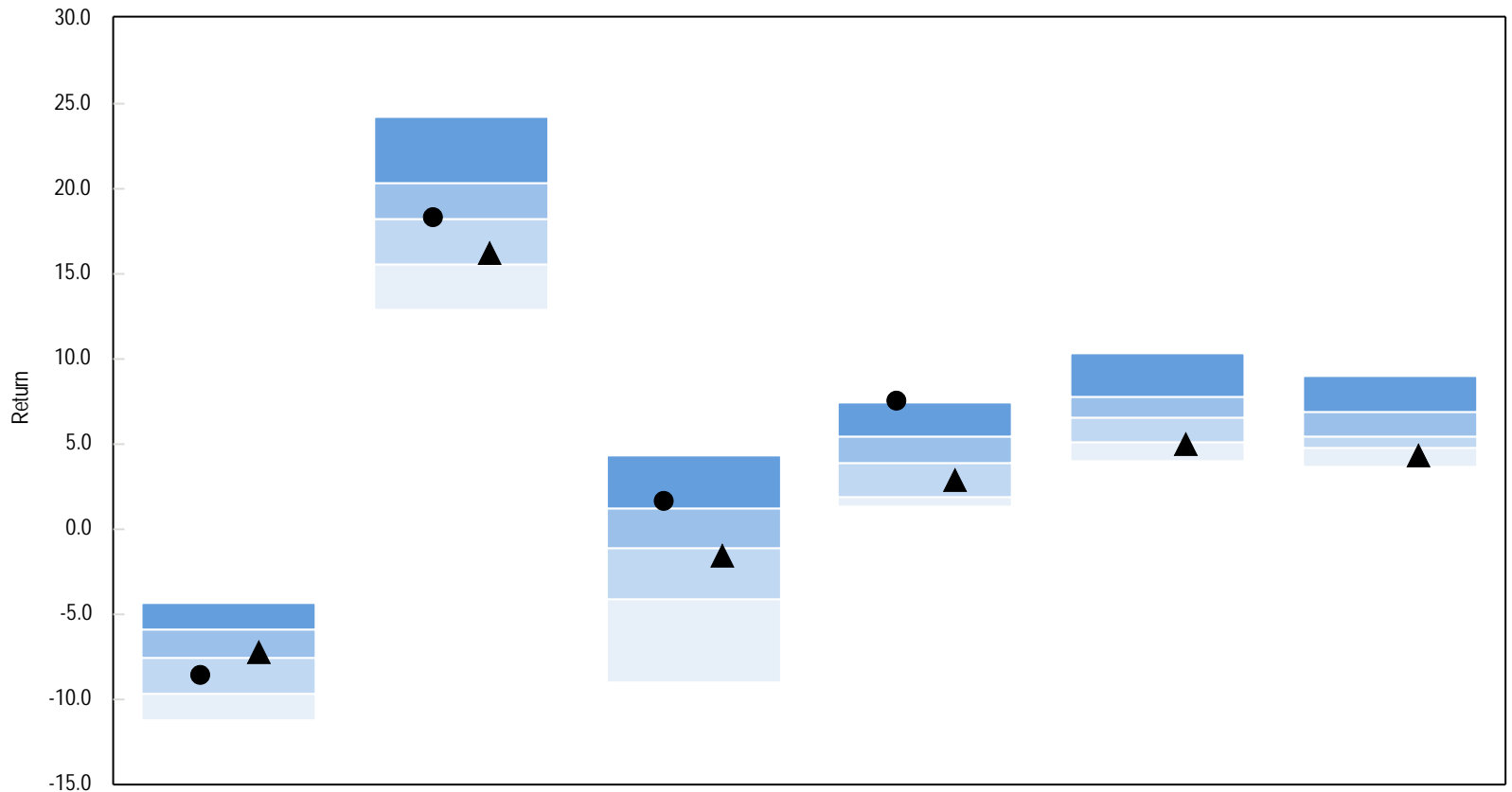
Rolling 5 Years Annualized Excess Performance



WCM International Growth
 Manager Performance Comparisons (Gross of Fees)

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

WCM International Growth vs. eV ACWI ex-US All Cap Growth Eq Gross Universe

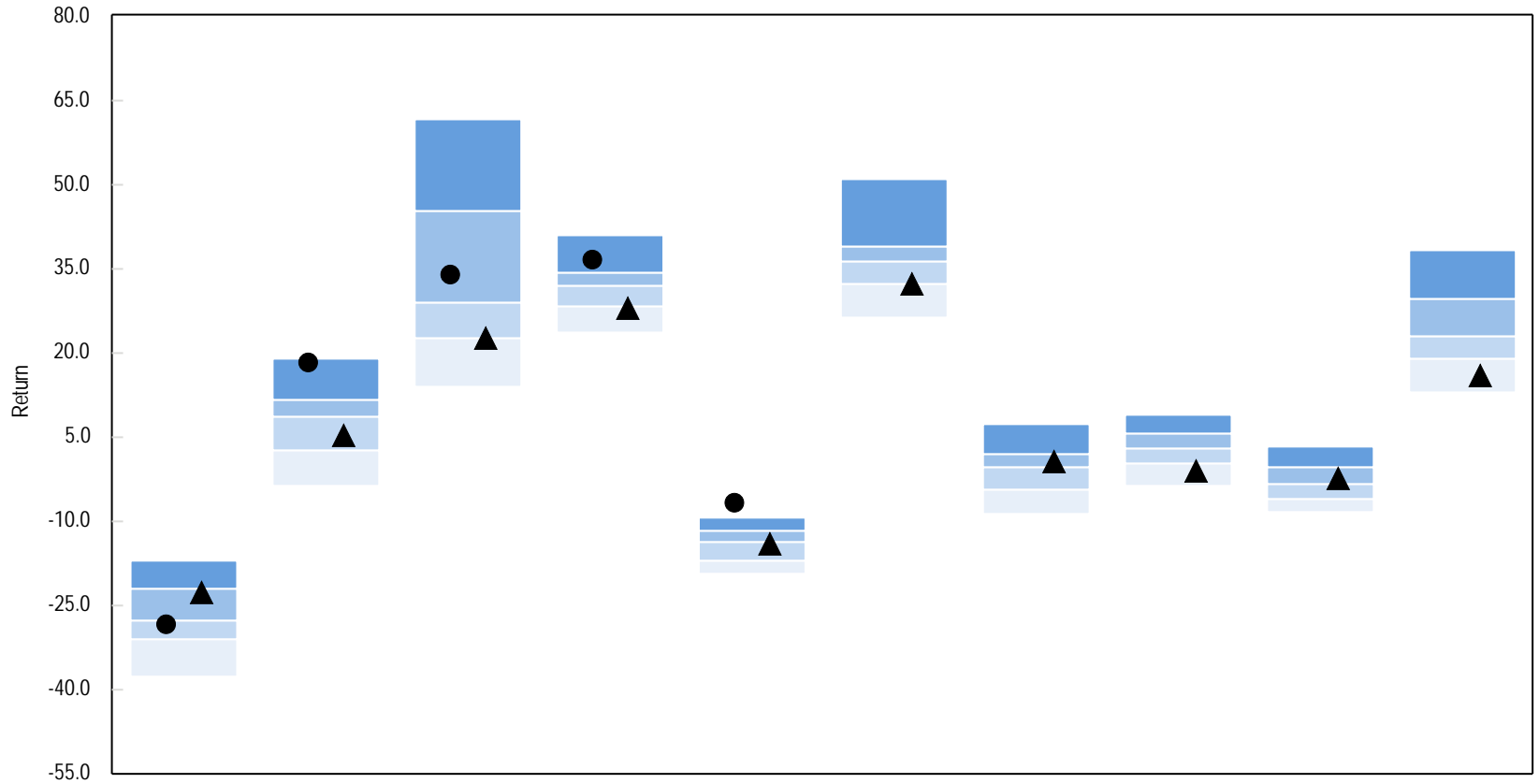


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● WCM International Growth	-8.57 (65)	18.39 (48)	1.68 (22)	7.56 (5)	-	-
▲ MSCI AC World ex USA Growth	-7.26 (43)	16.22 (69)	-1.56 (54)	2.87 (64)	5.01 (76)	4.28 (88)
5th Percentile	-4.29	24.18	4.31	7.47	10.30	9.02
1st Quartile	-5.84	20.29	1.26	5.48	7.77	6.94
Median	-7.56	18.25	-1.16	3.90	6.53	5.43
3rd Quartile	-9.70	15.52	-4.13	1.86	5.08	4.81
95th Percentile	-11.21	12.92	-9.04	1.36	4.03	3.67
Population	34	34	34	30	27	25

WCM International Growth
 Consecutive Performance Comparison (Gross of Fees)

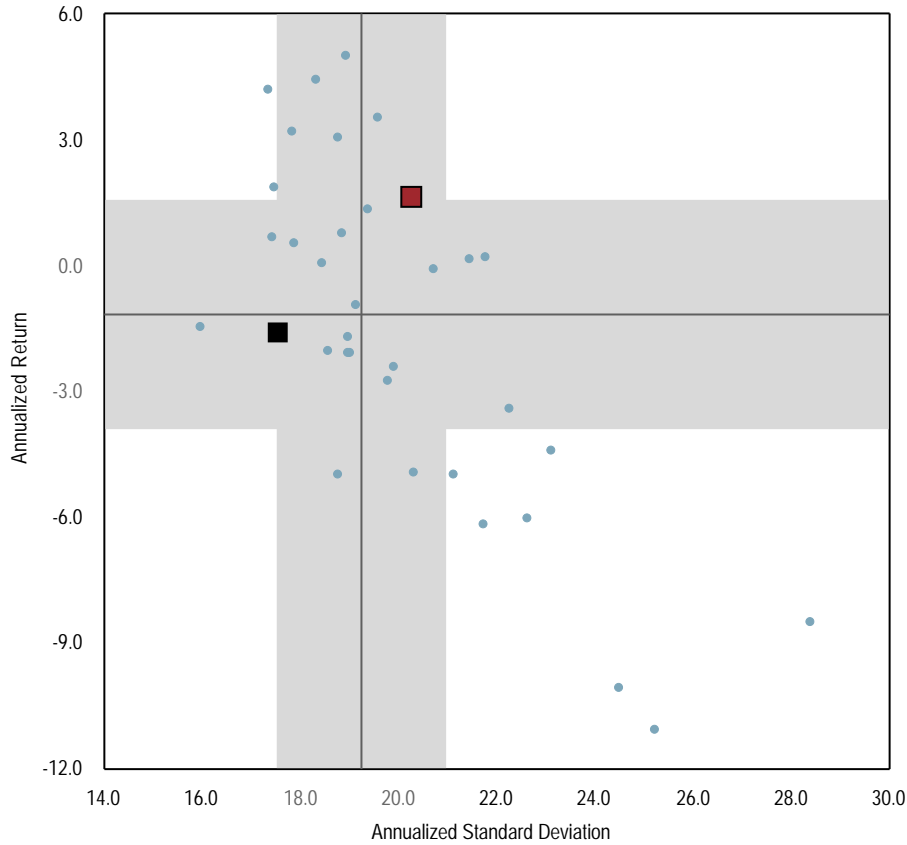
San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

WCM International Growth vs. eV ACWI ex-US All Cap Growth Eq Gross Universe

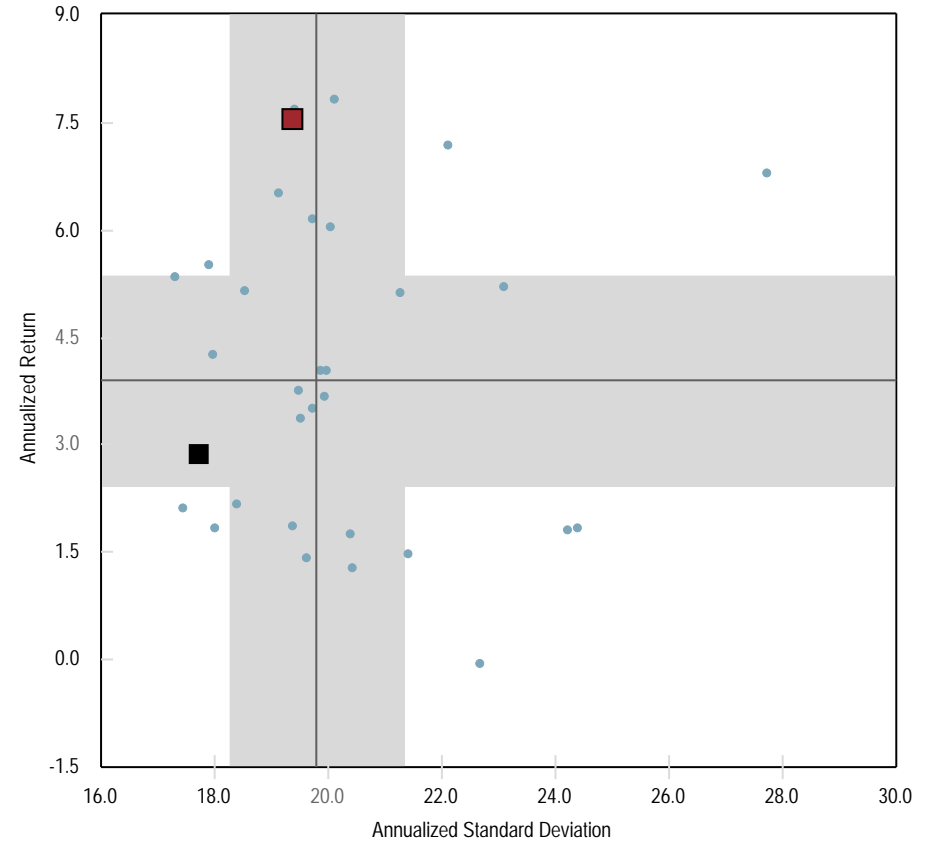


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● WCM International Growth	-28.19 (58)	18.49 (6)	34.02 (38)	36.70 (17)	-6.70 (1)	-	-	-	-	-
▲ MSCI AC World ex USA Growth	-22.80 (27)	5.37 (69)	22.56 (76)	27.84 (77)	-14.10 (51)	32.47 (72)	0.50 (43)	-0.91 (84)	-2.29 (41)	15.86 (84)
5th Percentile	-17.13	19.00	61.57	41.06	-9.47	51.07	7.48	8.85	3.31	38.17
1st Quartile	-21.87	11.78	45.28	34.35	-11.81	39.15	2.06	5.67	-0.20	29.70
Median	-27.66	8.68	28.99	31.99	-13.76	36.23	-0.30	3.12	-3.41	23.06
3rd Quartile	-30.94	2.71	22.79	28.32	-16.88	32.32	-4.22	0.37	-6.01	19.03
95th Percentile	-37.54	-3.51	14.14	23.54	-19.45	26.48	-8.60	-3.63	-8.23	13.03
Population	34	36	36	36	33	31	31	32	32	32

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ WCM International Growth	1.68	20.25	0.10
■ MSCI AC World ex USA Growth	-1.56	17.54	-0.10

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ WCM International Growth	7.56	19.35	0.39
■ MSCI AC World ex USA Growth	2.87	17.71	0.15

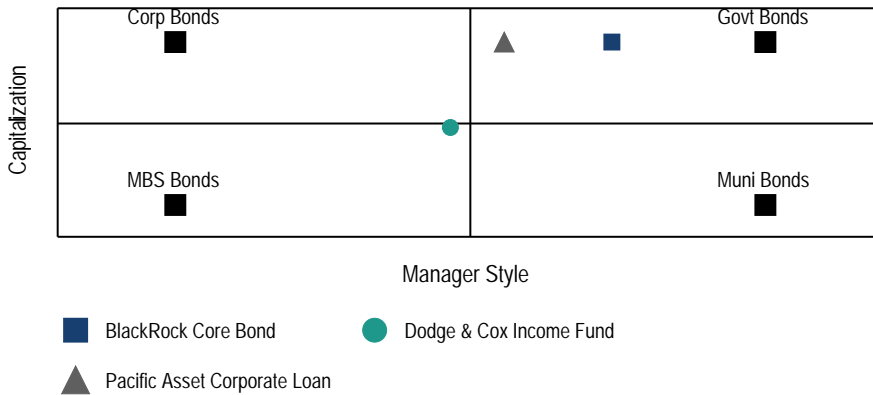
Domestic Fixed Income

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

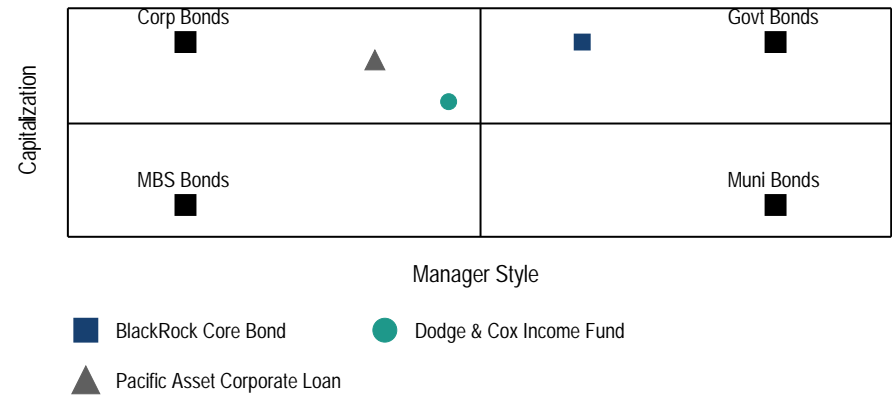
San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Domestic Fixed Income	262,008,636	100.0	-1.3	2.4	4.6	-1.6	2.0	2.5	-9.6	0.9	8.1	9.9	0.4
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>1.1</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>
<i>InvMetrics Public DB US Fixed Income Rank</i>			<i>18</i>	<i>8</i>	<i>11</i>	<i>11</i>	<i>18</i>	<i>12</i>	<i>16</i>	<i>15</i>	<i>69</i>	<i>23</i>	<i>34</i>
BlackRock Core Bond	2,896	0.0	1.1	-1.0	1.1	-5.4	0.4	-	-14.1	-1.6	9.4	10.2	0.3
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>-</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>
<i>eV US Core Fixed Inc Rank</i>			<i>1</i>	<i>81</i>	<i>63</i>	<i>96</i>	<i>78</i>	<i>-</i>	<i>95</i>	<i>78</i>	<i>24</i>	<i>10</i>	<i>25</i>
Dodge & Cox Income Fund	59,187,210	22.6	-2.7	0.7	3.5	-2.8	1.7	-	-10.5	-0.5	9.9	10.2	0.1
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>-</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>
<i>eV US Core Fixed Inc Rank</i>			<i>23</i>	<i>11</i>	<i>5</i>	<i>4</i>	<i>4</i>	<i>-</i>	<i>12</i>	<i>21</i>	<i>14</i>	<i>10</i>	<i>41</i>
Pacific Asset Corporate Loan	65,259,836	24.9	3.5	11.0	14.2	6.4	4.9	-	-0.2	5.6	3.0	9.1	1.0
<i>Morningstar LSTA US Leveraged Loan</i>			<i>3.4</i>	<i>10.1</i>	<i>13.0</i>	<i>6.1</i>	<i>4.5</i>	<i>-</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>	<i>0.4</i>
<i>eV US Float-Rate Bank Loan Fixed Inc Rank</i>			<i>24</i>	<i>15</i>	<i>12</i>	<i>20</i>	<i>18</i>	<i>-</i>	<i>24</i>	<i>41</i>	<i>48</i>	<i>43</i>	<i>38</i>
SSGA U.S. Govt Bond Index	76,402,350	29.2	-3.0	-1.2	-0.7	-	-	-	-12.5	-	-	-	-
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>-4.4</i>	<i>-2.9</i>	<i>-1.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-14.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>eV US Government Fixed Inc Rank</i>			<i>66</i>	<i>57</i>	<i>74</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>80</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
BlackRock TIPS	61,156,345	23.3	-2.6	-0.5	1.4	-	-	-	-11.9	-	-	-	-
<i>Blmbg. U.S. TIPS</i>			<i>-2.6</i>	<i>-0.8</i>	<i>1.2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-11.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			<i>64</i>	<i>50</i>	<i>60</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>81</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

Fixed Income Effective Style Map
3 Years Ending September 30, 2023



Fixed Income Effective Style Map
5 Years Ending September 30, 2023



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

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Domestic Fixed Income	262,008,636	100.0	-1.3	2.2	4.3	-1.8	1.7	2.2	-9.9	0.5	7.7	9.5	0.0
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>1.1</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>
BlackRock Core Bond	2,896	0.0	1.0	-1.3	0.8	-5.7	0.1	-	-14.4	-1.8	9.1	9.9	0.1
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>1.1</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>
Dodge & Cox Income Fund	59,187,210	22.6	-2.8	0.3	3.1	-3.2	1.3	-	-10.9	-0.9	9.4	9.7	-0.3
<i>Blmbg. U.S. Aggregate Index</i>			<i>-3.2</i>	<i>-1.2</i>	<i>0.6</i>	<i>-5.2</i>	<i>0.1</i>	<i>1.1</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>
Pacific Asset Corporate Loan	65,259,836	24.9	3.4	10.7	13.8	6.0	4.6	-	-0.5	5.2	2.6	8.7	0.7
<i>Morningstar LSTA US Leveraged Loan</i>			<i>3.4</i>	<i>10.7</i>	<i>13.0</i>	<i>6.1</i>	<i>4.5</i>	<i>4.3</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>	<i>0.4</i>
SSGA U.S. Govt Bond Index	76,402,350	29.2	-3.0	-1.3	-0.7	-	-	-	-12.5	-	-	-	-
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>-4.4</i>	<i>-2.9</i>	<i>-1.9</i>	<i>-7.5</i>	<i>-0.2</i>	<i>0.8</i>	<i>-14.9</i>	<i>-3.1</i>	<i>10.0</i>	<i>8.5</i>	<i>0.9</i>
BlackRock TIPS	61,156,345	23.3	-2.6	-0.5	1.3	-	-	-	-11.9	-	-	-	-
<i>Blmbg. U.S. TIPS</i>			<i>-2.6</i>	<i>-0.8</i>	<i>1.2</i>	<i>-2.0</i>	<i>2.1</i>	<i>1.7</i>	<i>-11.8</i>	<i>6.0</i>	<i>11.0</i>	<i>8.4</i>	<i>-1.3</i>

1 Year Correlation Matrix

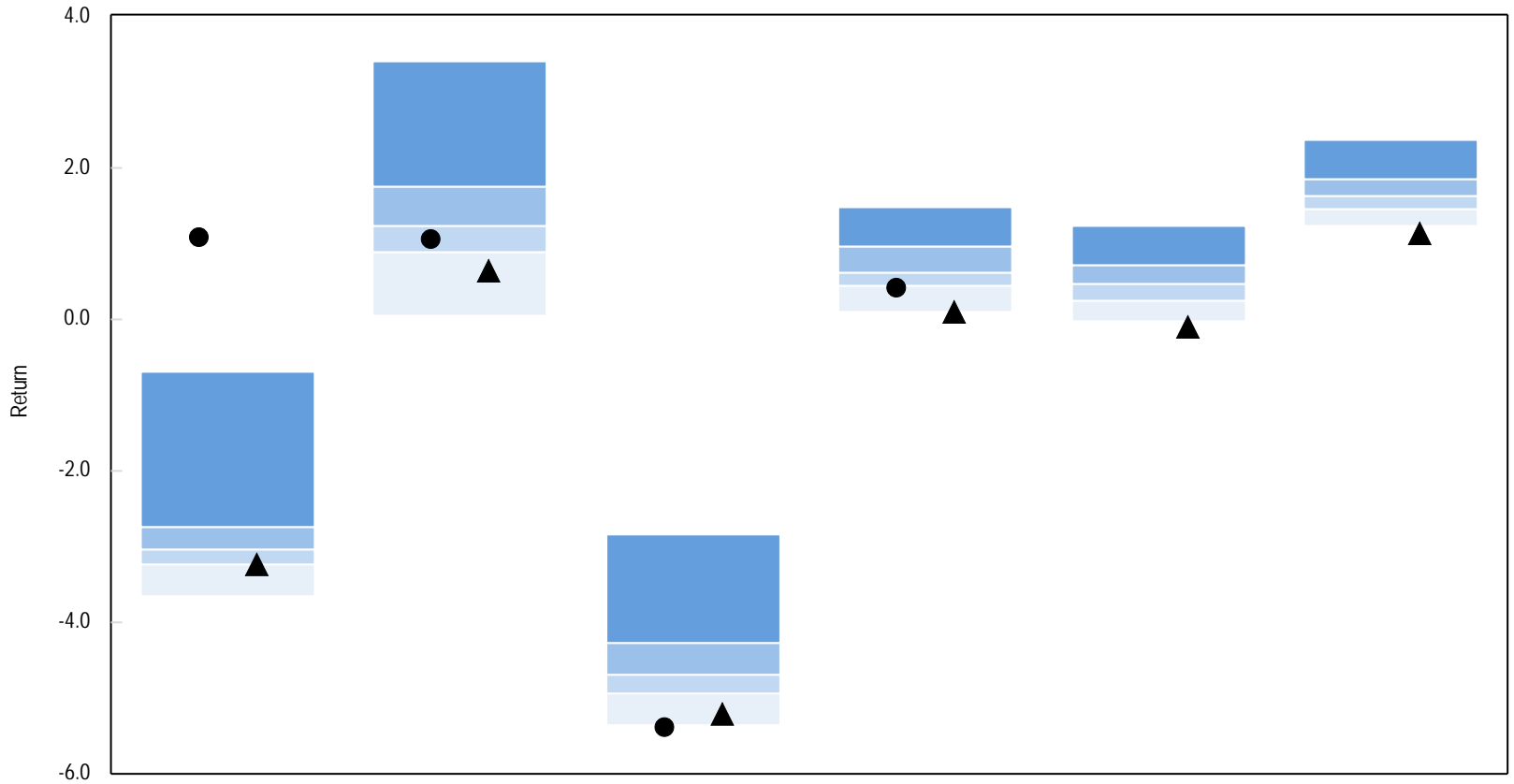
	Total Domestic Fixed Income	BlackRock Core Bond	Dodge & Cox Income Fund	Pacific Asset Corporate Loan	Blmbg. U.S. Aggregate Index
Total Domestic Fixed Income	1.00				
BlackRock Core Bond	0.46	1.00			
Dodge & Cox Income Fund	0.98	0.36	1.00		
Pacific Asset Corporate Loan	0.02	-0.04	-0.16	1.00	
Blmbg. U.S. Aggregate Index	1.00	0.43	0.99	-0.06	1.00

SSGA TIPS liquidated in 12/28/18. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Franklin Templeton Global Bond Plus liquidated 12/28/2021.

BlackRock Core Bond
 Manager Performance Comparisons (Gross of Fees)

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

BlackRock Core Bond vs. eV US Core Fixed Inc Gross Universe

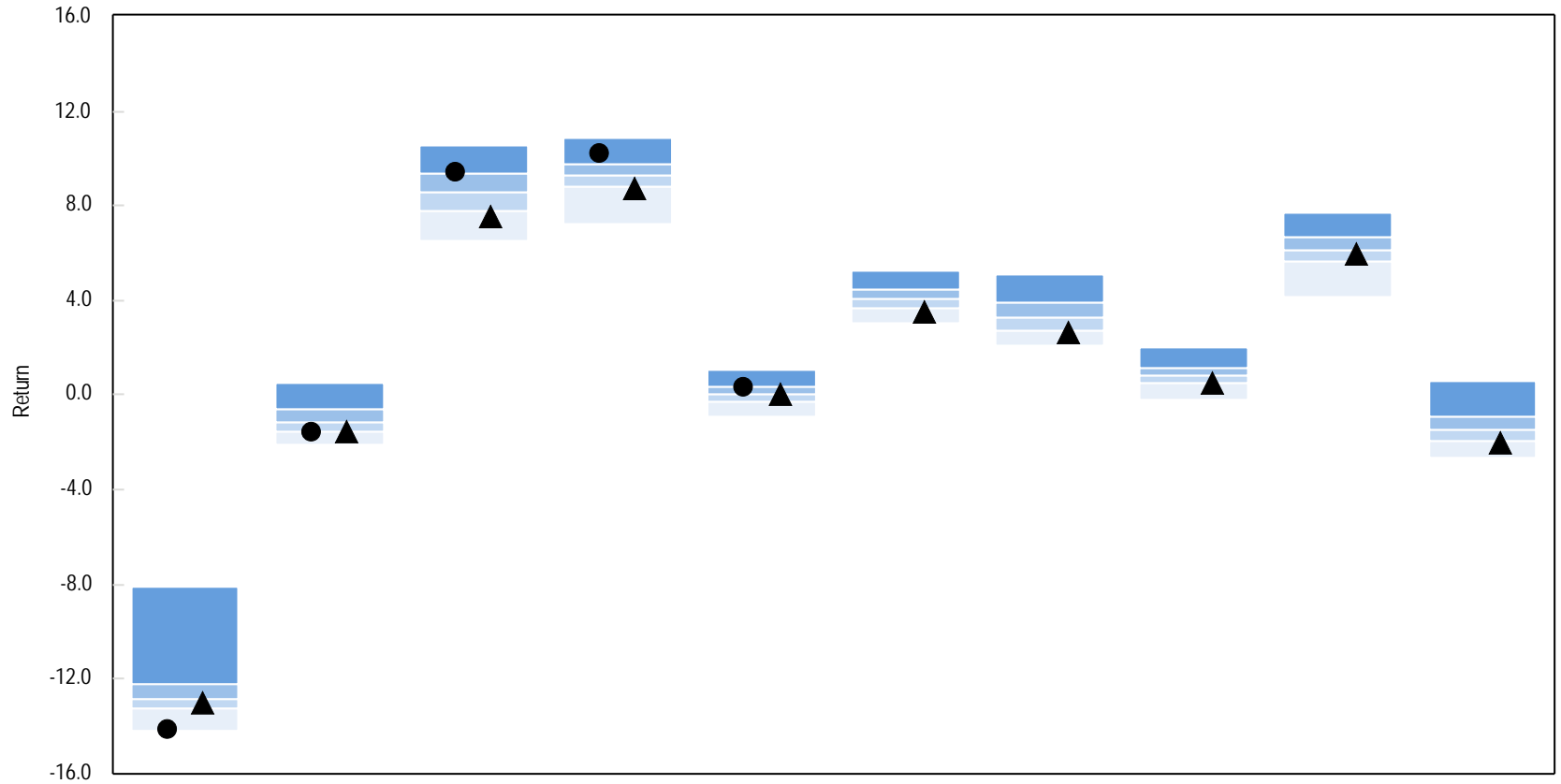


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● BlackRock Core Bond	1.09 (1)	1.07 (63)	-5.38 (96)	0.42 (78)	-	-
▲ Blmbg. U.S. Aggregate Index	-3.23 (76)	0.64 (83)	-5.21 (92)	0.10 (95)	-0.09 (97)	1.13 (98)
5th Percentile	-0.68	3.41	-2.85	1.48	1.24	2.37
1st Quartile	-2.75	1.74	-4.28	0.96	0.71	1.85
Median	-3.03	1.23	-4.69	0.63	0.46	1.64
3rd Quartile	-3.22	0.88	-4.94	0.44	0.25	1.45
95th Percentile	-3.65	0.06	-5.35	0.09	-0.01	1.24
Population	225	225	215	207	203	194

BlackRock Core Bond
 Consecutive Performance Comparison (Gross of Fees)

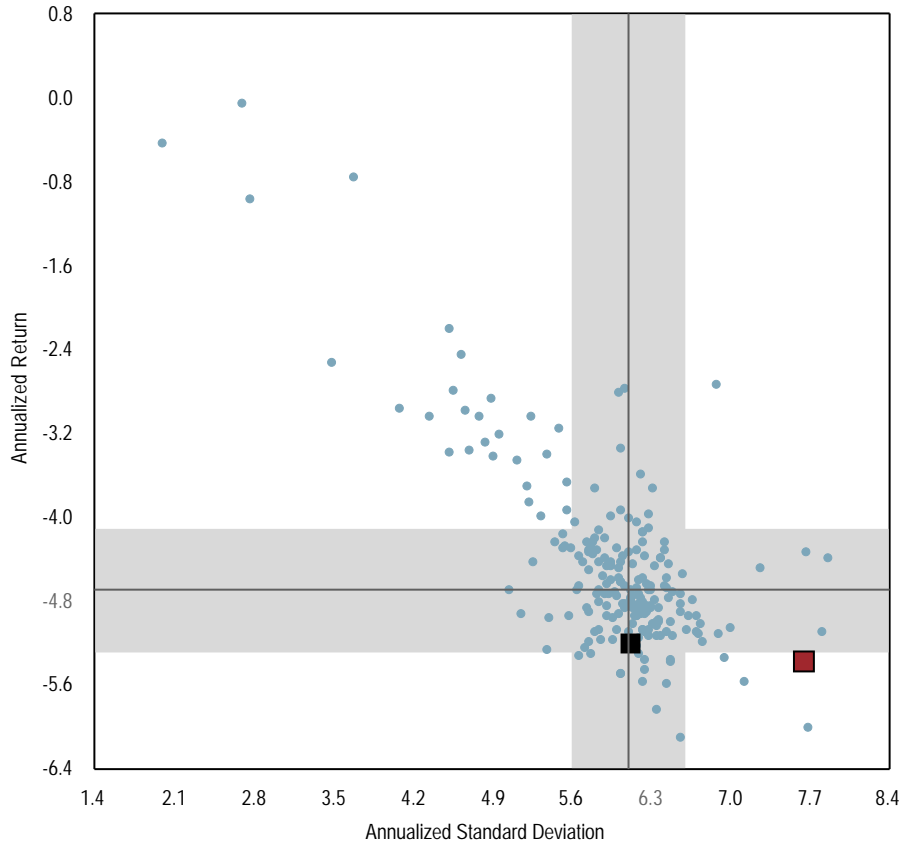
San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

BlackRock Core Bond vs. eV US Core Fixed Inc Gross Universe

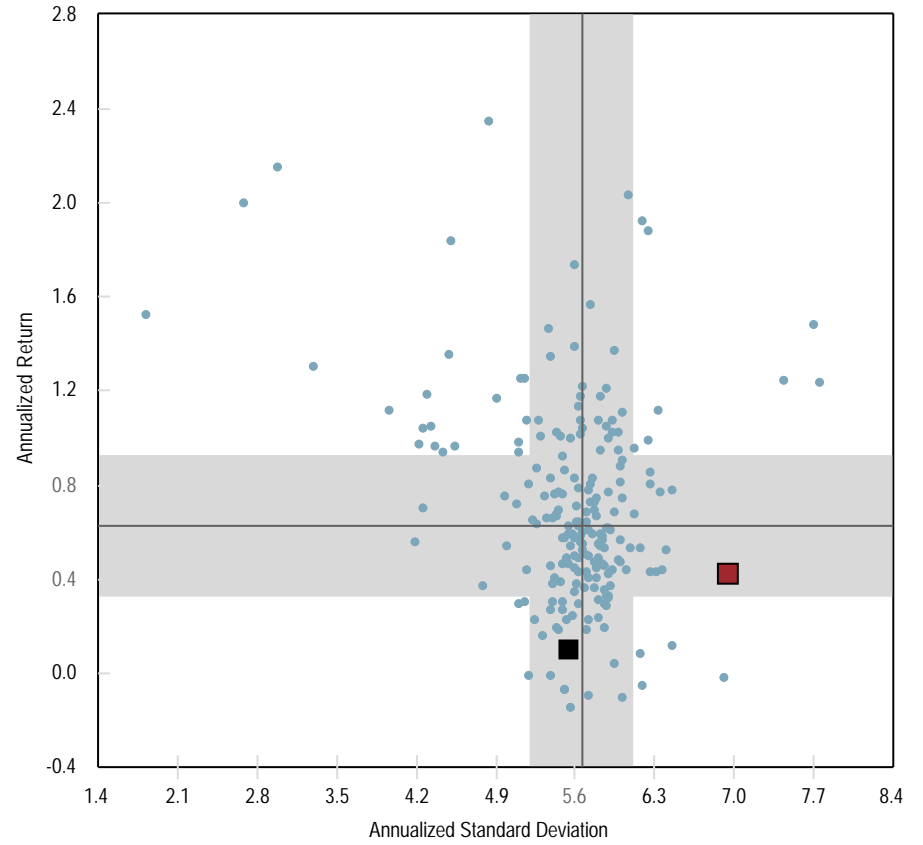


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● BlackRock Core Bond	-14.11 (95)	-1.56 (78)	9.42 (24)	10.24 (10)	0.35 (25)	-	-	-	-	-
▲ Blmbg. U.S. Aggregate Index	-13.01 (63)	-1.55 (77)	7.51 (84)	8.72 (77)	0.01 (53)	3.54 (84)	2.65 (80)	0.55 (73)	5.97 (62)	-2.02 (79)
5th Percentile	-8.09	0.50	10.57	10.85	1.08	5.24	5.08	2.01	7.70	0.58
1st Quartile	-12.19	-0.62	9.36	9.76	0.34	4.49	3.87	1.18	6.68	-0.91
Median	-12.83	-1.11	8.57	9.30	0.03	4.07	3.26	0.84	6.16	-1.47
3rd Quartile	-13.26	-1.52	7.77	8.79	-0.28	3.67	2.75	0.52	5.65	-1.92
95th Percentile	-14.20	-2.11	6.55	7.22	-0.87	3.03	2.11	-0.17	4.14	-2.68
Population	250	258	261	267	273	283	285	290	299	311

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
BlackRock Core Bond	-5.38	7.64	-0.91
Blmbg. U.S. Aggregate Index	-5.21	6.12	-1.12

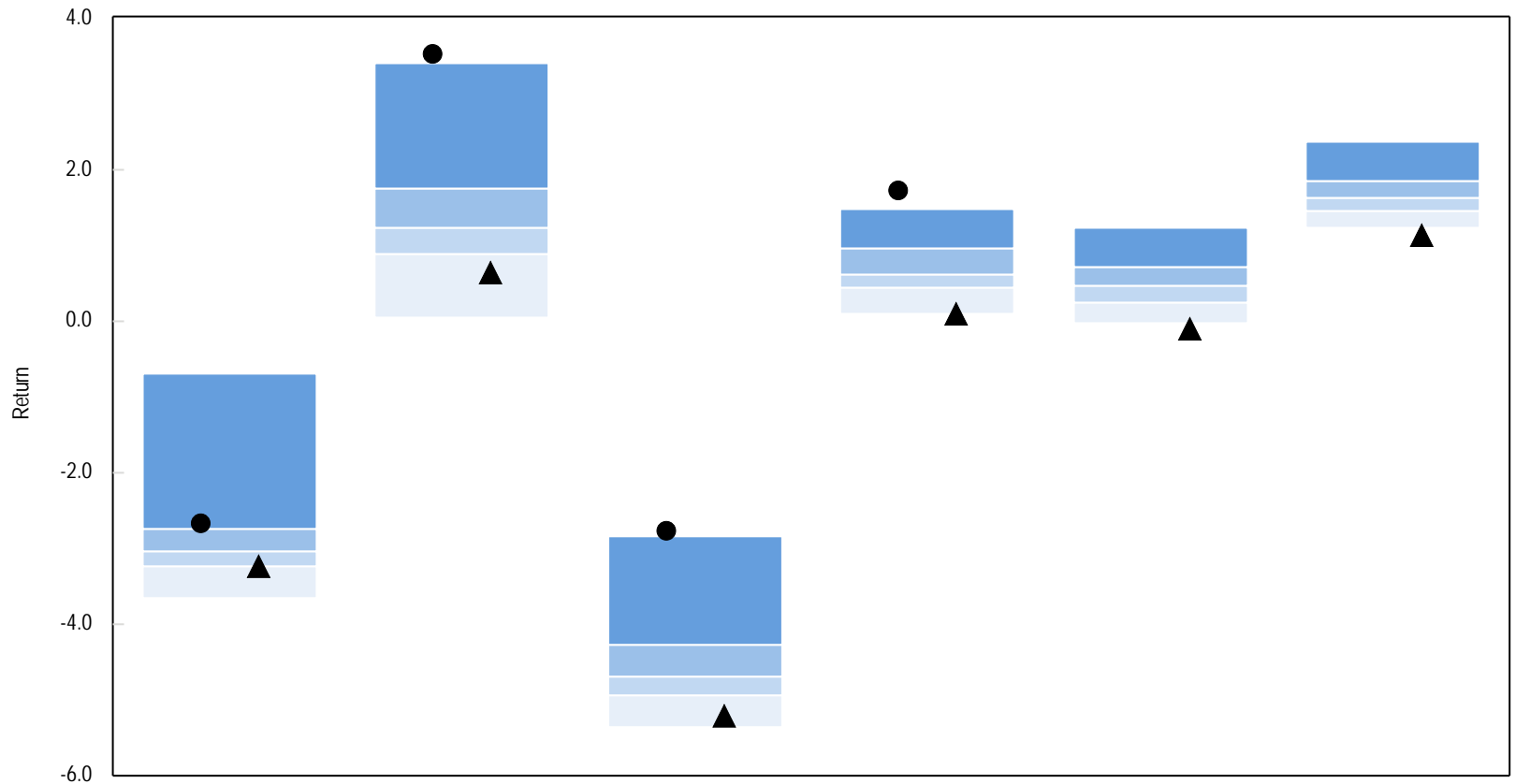
5 Years

	Return	Standard Deviation	Sharpe Ratio
BlackRock Core Bond	0.42	6.94	-0.15
Blmbg. U.S. Aggregate Index	0.10	5.55	-0.26

Dodge & Cox Income Fund
 Manager Performance Comparisons (Gross of Fees)

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Dodge & Cox Income Fund vs. eV US Core Fixed Inc Gross Universe

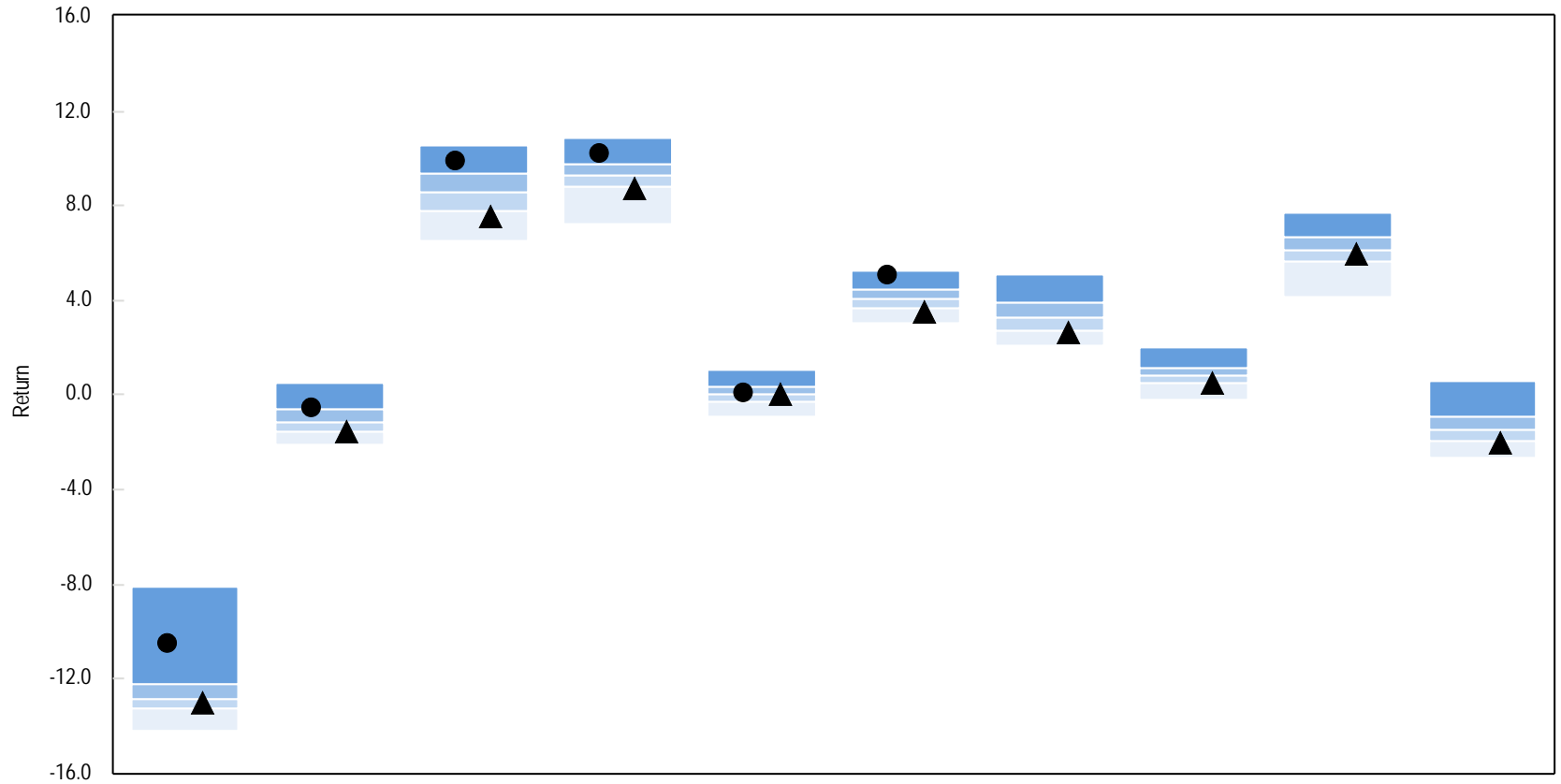


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Dodge & Cox Income Fund	-2.67 (23)	3.53 (5)	-2.75 (4)	1.74 (4)	-	-
▲ Blmbg. U.S. Aggregate Index	-3.23 (76)	0.64 (83)	-5.21 (92)	0.10 (95)	-0.09 (97)	1.13 (98)
5th Percentile	-0.68	3.41	-2.85	1.48	1.24	2.37
1st Quartile	-2.75	1.74	-4.28	0.96	0.71	1.85
Median	-3.03	1.23	-4.69	0.63	0.46	1.64
3rd Quartile	-3.22	0.88	-4.94	0.44	0.25	1.45
95th Percentile	-3.65	0.06	-5.35	0.09	-0.01	1.24
Population	225	225	215	207	203	194

Dodge & Cox Income Fund
 Consecutive Performance Comparison (Gross of Fees)

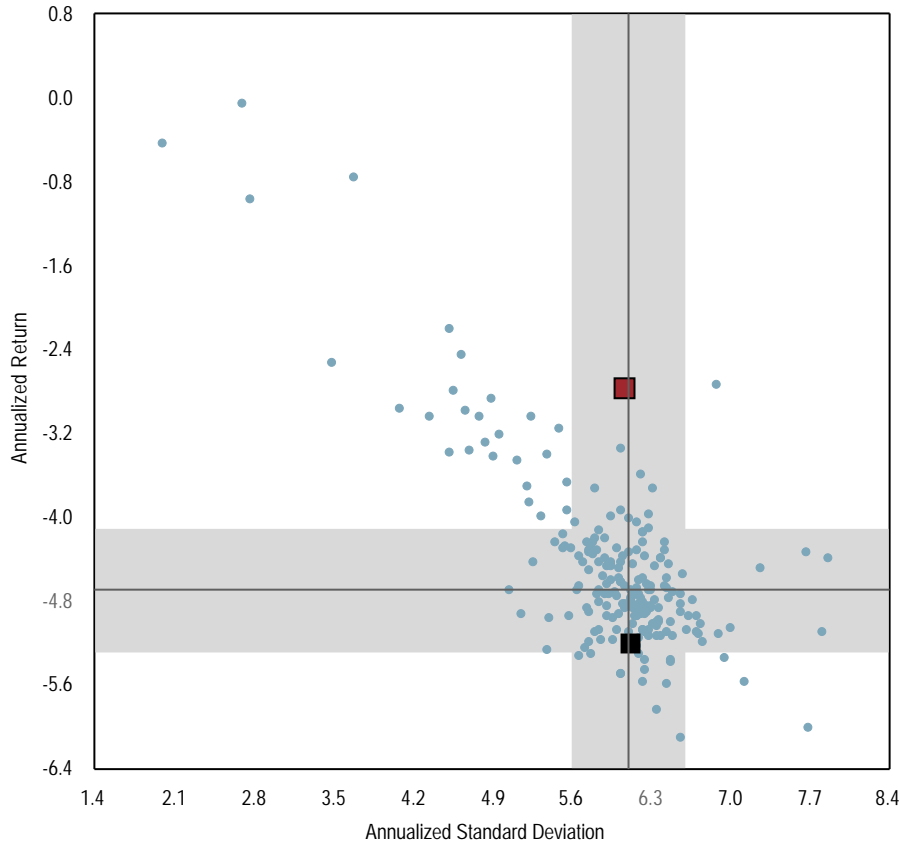
San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Dodge & Cox Income Fund vs. eV US Core Fixed Inc Gross Universe

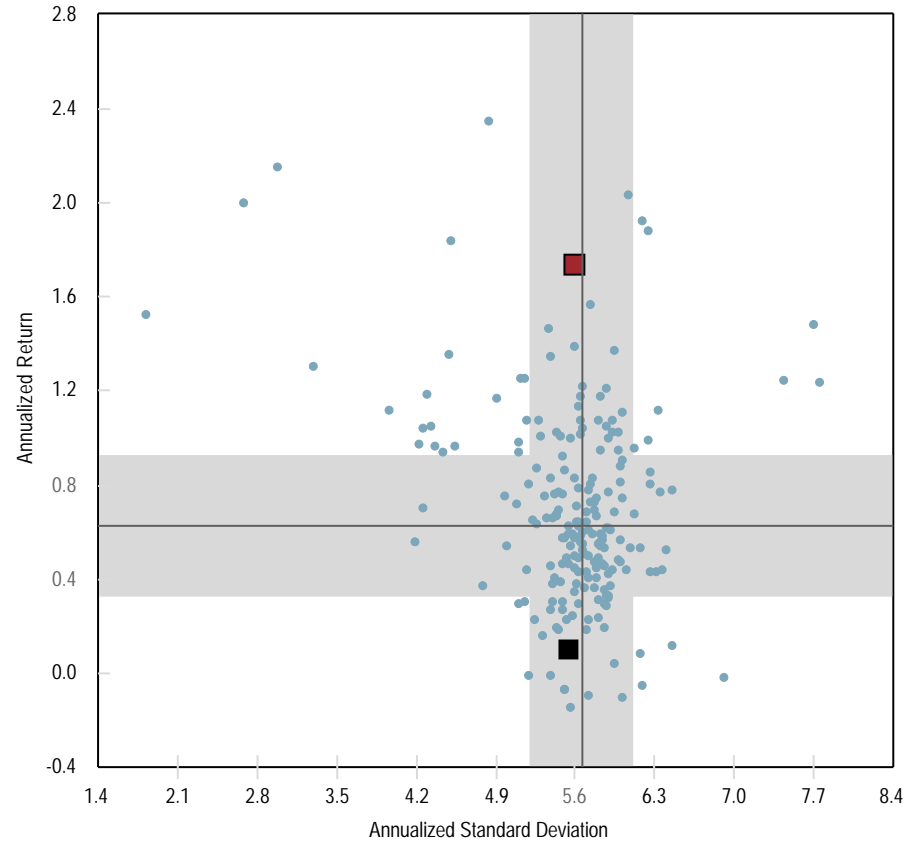


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Dodge & Cox Income Fund	-10.50 (12)	-0.49 (21)	9.91 (14)	10.20 (10)	0.12 (41)	5.12 (6)	-	-	-	-
▲ Blmbg. U.S. Aggregate Index	-13.01 (63)	-1.55 (77)	7.51 (84)	8.72 (77)	0.01 (53)	3.54 (84)	2.65 (80)	0.55 (73)	5.97 (62)	-2.02 (79)
5th Percentile	-8.09	0.50	10.57	10.85	1.08	5.24	5.08	2.01	7.70	0.58
1st Quartile	-12.19	-0.62	9.36	9.76	0.34	4.49	3.87	1.18	6.68	-0.91
Median	-12.83	-1.11	8.57	9.30	0.03	4.07	3.26	0.84	6.16	-1.47
3rd Quartile	-13.26	-1.52	7.77	8.79	-0.28	3.67	2.75	0.52	5.65	-1.92
95th Percentile	-14.20	-2.11	6.55	7.22	-0.87	3.03	2.11	-0.17	4.14	-2.68
Population	250	258	261	267	273	283	285	290	299	311

3 Years



5 Years



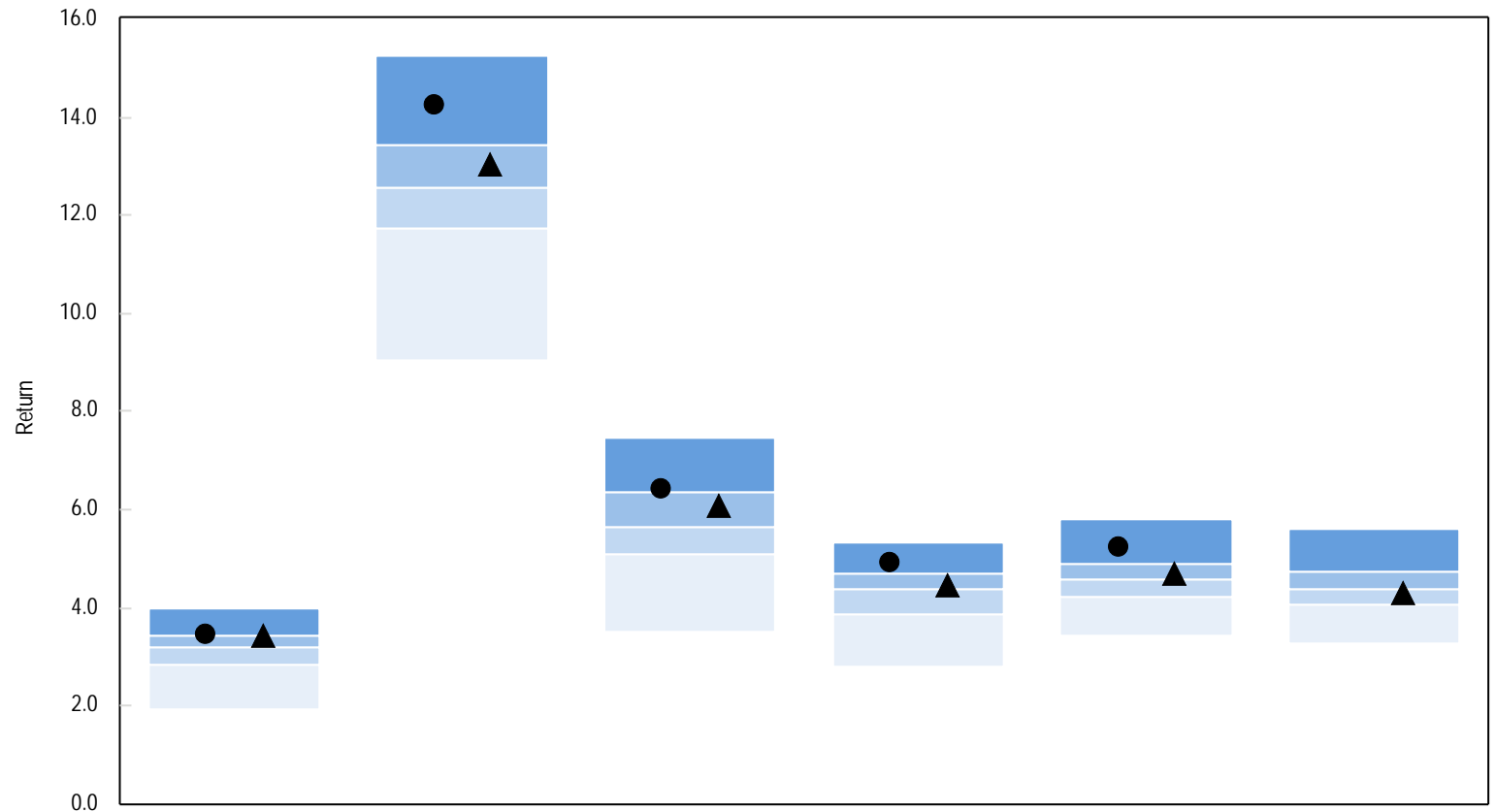
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Income Fund	-2.75	6.07	-0.71
■ Blmbg. U.S. Aggregate Index	-5.21	6.12	-1.12

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Income Fund	1.74	5.58	0.03
■ Blmbg. U.S. Aggregate Index	0.10	5.55	-0.26

Pacific Asset Corporate Loan vs. eV US Float-Rate Bank Loan Fixed Inc Gross Universe

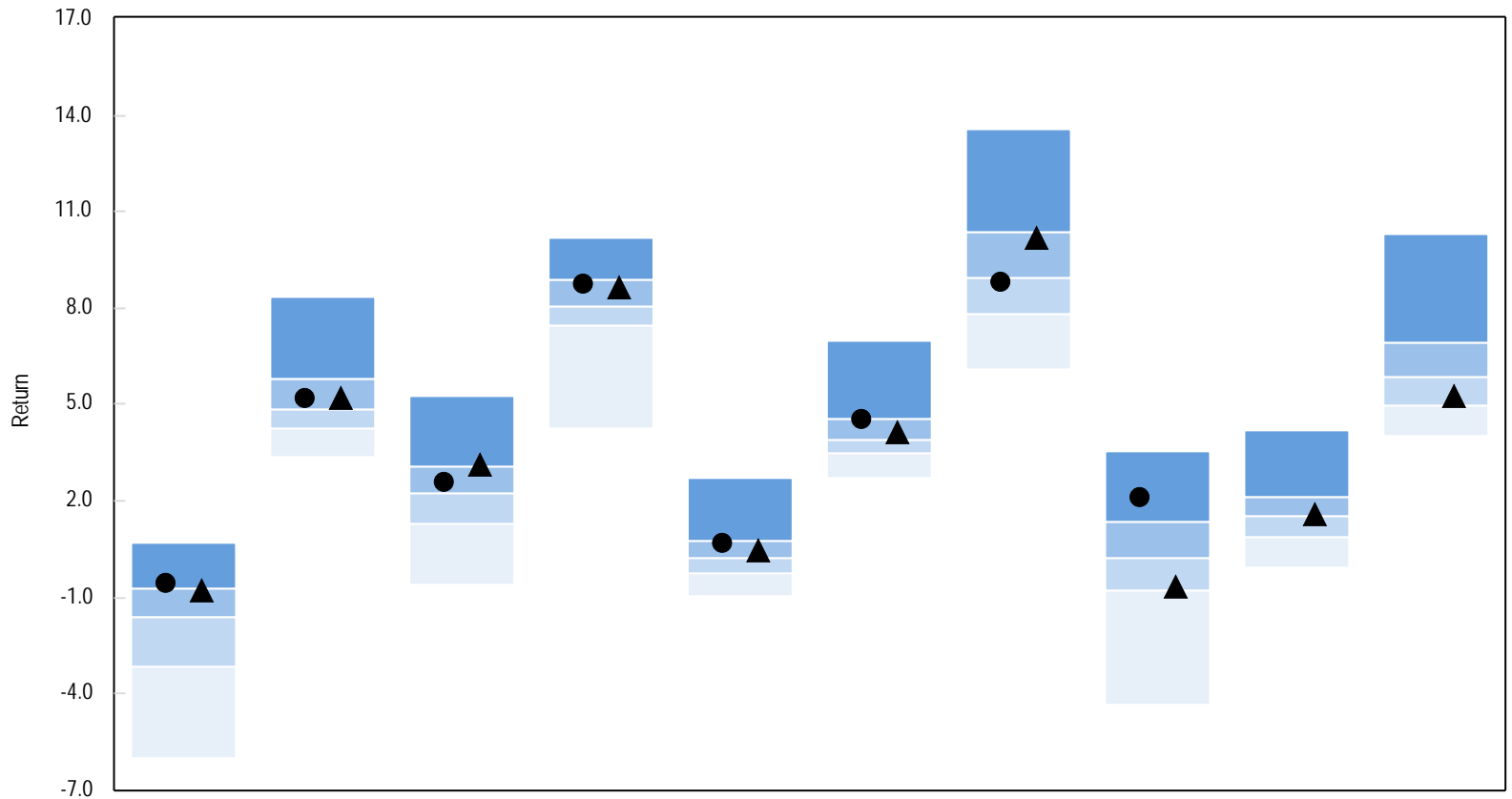


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Pacific Asset Corporate Loan	3.47 (24)	14.25 (12)	6.42 (20)	4.93 (18)	5.25 (14)	-
▲ Morningstar LSTA US Leveraged Loan	3.43 (25)	13.02 (35)	6.07 (41)	4.46 (46)	4.68 (42)	4.29 (60)
5th Percentile	4.00	15.25	7.48	5.34	5.79	5.60
1st Quartile	3.43	13.44	6.35	4.71	4.89	4.74
Median	3.21	12.57	5.65	4.39	4.60	4.38
3rd Quartile	2.84	11.72	5.10	3.89	4.21	4.07
95th Percentile	1.92	9.06	3.51	2.82	3.43	3.30
Population	91	91	88	87	81	77

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

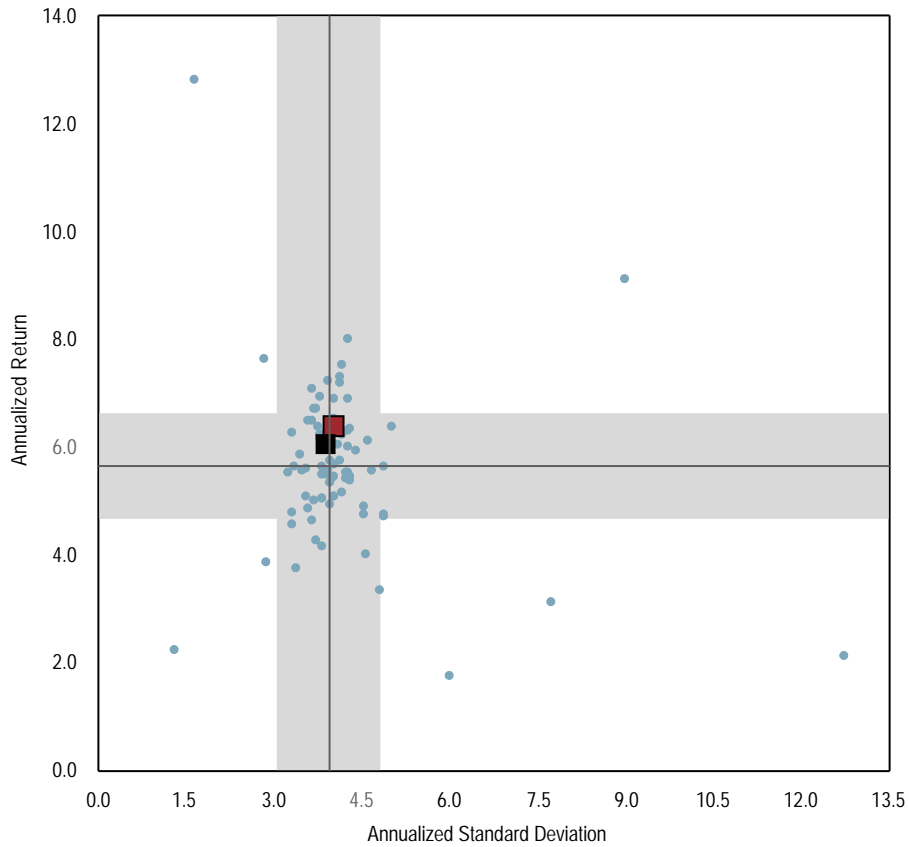
San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Pacific Asset Corporate Loan vs. eV US Float-Rate Bank Loan Fixed Inc Gross Universe

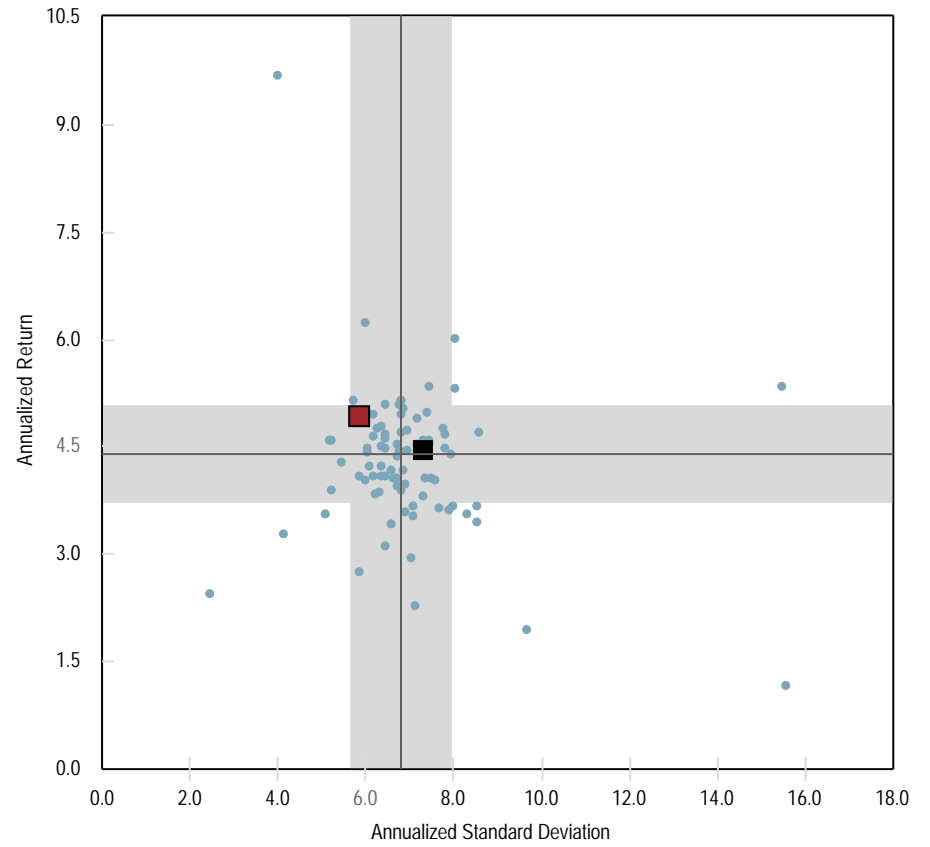


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Pacific Asset Corporate Loan	-0.53 (21)	5.19 (38)	2.61 (38)	8.75 (30)	0.69 (28)	4.56 (26)	8.83 (52)	2.11 (13)	-	-
▲ Morningstar LSTA US Leveraged Loan	-0.77 (27)	5.20 (38)	3.12 (24)	8.64 (36)	0.44 (42)	4.12 (44)	10.16 (29)	-0.69 (72)	1.60 (47)	5.29 (68)
5th Percentile	0.72	8.32	5.29	10.18	2.71	7.01	13.57	3.57	4.20	10.32
1st Quartile	-0.71	5.82	3.05	8.91	0.75	4.57	10.35	1.35	2.12	6.95
Median	-1.63	4.83	2.25	8.07	0.20	3.90	8.93	0.22	1.51	5.85
3rd Quartile	-3.13	4.24	1.32	7.46	-0.26	3.50	7.79	-0.79	0.87	4.96
95th Percentile	-5.99	3.35	-0.62	4.28	-0.94	2.69	6.10	-4.33	-0.05	4.01
Population	100	103	111	112	117	113	116	113	112	94

3 Years



5 Years

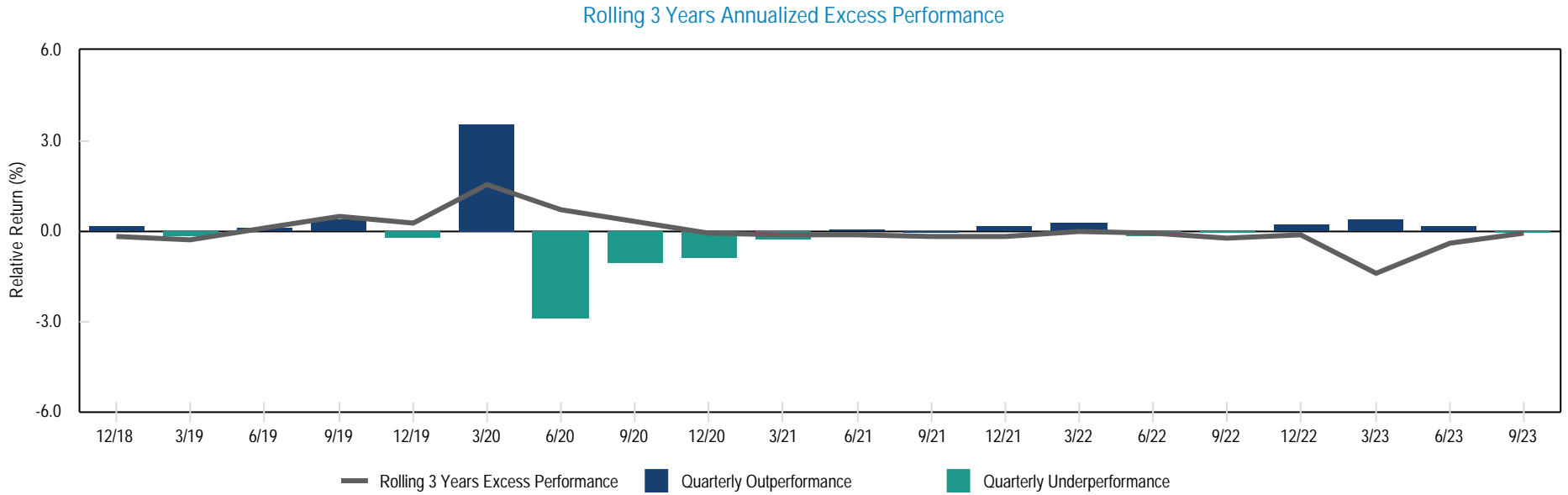


3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Pacific Asset Corporate Loan	6.42	4.01	1.19
■ Morningstar LSTA US Leveraged Loan	6.07	3.89	1.13

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Pacific Asset Corporate Loan	4.93	5.83	0.56
■ Morningstar LSTA US Leveraged Loan	4.46	7.29	0.40



Global Fixed Income

Total Global Fixed Income
Asset Class Overview (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Global Fixed	71,601,868	-5.4	-4.2	4.7	-6.7	-3.4	-1.9	-16.8	-7.0	6.7	7.4	-4.3
<i>FTSE World Government Bond Index</i>		<i>-4.3</i>	<i>-2.7</i>	<i>1.0</i>	<i>-8.7</i>	<i>-2.6</i>	<i>-1.2</i>	<i>-18.3</i>	<i>-7.0</i>	<i>10.1</i>	<i>5.9</i>	<i>-0.8</i>
Brandywine Global Fixed Income	34,218,261	-7.1	-6.2	1.1	-5.4	-	-	-13.5	-4.0	-	-	-
<i>FTSE Non-U.S. World Government Bond</i>		<i>-5.2</i>	<i>-3.7</i>	<i>2.5</i>	<i>-10.8</i>	<i>-4.3</i>	<i>-</i>	<i>-22.1</i>	<i>-9.7</i>	<i>10.8</i>	<i>5.3</i>	<i>-1.8</i>
<i>eV All Global Fixed Inc Rank</i>		<i>99</i>	<i>99</i>	<i>91</i>	<i>74</i>	<i>-</i>	<i>-</i>	<i>55</i>	<i>70</i>	<i>-</i>	<i>-</i>	<i>-</i>
Ashmore EM Blended Debt Fund	37,383,607	-3.9	-2.4	7.9	-7.9	-	-	-19.9	-9.5	3.2	-	-
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>		<i>-2.2</i>	<i>2.7</i>	<i>10.9</i>	<i>-3.1</i>	<i>-</i>	<i>-</i>	<i>-13.6</i>	<i>-3.9</i>	<i>3.9</i>	<i>-</i>	<i>-</i>
<i>eV All Emg Mkts Fixed Inc Rank</i>		<i>88</i>	<i>99</i>	<i>79</i>	<i>99</i>	<i>-</i>	<i>-</i>	<i>95</i>	<i>94</i>	<i>80</i>	<i>-</i>	<i>-</i>

SSGA TIPS liquidated in 12/28/18. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Franklin Templeton Global Bond Plus liquidated 12/28/2021.

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

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Global Fixed	71,601,868	-5.6	-4.8	3.9	-7.4	-4.0	-2.4	-17.5	-7.7	6.0	6.9	-4.7
<i>FTSE World Government Bond Index</i>		<i>-4.3</i>	<i>-2.7</i>	<i>1.0</i>	<i>-8.7</i>	<i>-2.6</i>	<i>-1.2</i>	<i>-18.3</i>	<i>-7.0</i>	<i>10.1</i>	<i>5.9</i>	<i>-0.8</i>
Brandywine Global Fixed Income	34,218,261	-7.3	-6.6	0.6	-5.9	-	-	-14.0	-4.4	-	-	-
<i>FTSE Non-U.S. World Government Bond</i>		<i>-5.2</i>	<i>-3.7</i>	<i>2.5</i>	<i>-10.8</i>	<i>-4.3</i>	<i>-</i>	<i>-22.1</i>	<i>-9.7</i>	<i>10.8</i>	<i>5.3</i>	<i>-1.8</i>
Ashmore EM Blended Debt Fund	37,383,607	-4.2	-3.2	6.8	-8.8	-	-	-20.7	-10.4	2.1	-	-
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>		<i>-2.2</i>	<i>2.7</i>	<i>10.9</i>	<i>-3.1</i>	<i>-</i>	<i>-</i>	<i>-13.6</i>	<i>-3.9</i>	<i>3.9</i>	<i>-</i>	<i>-</i>

1 Year Correlation Matrix

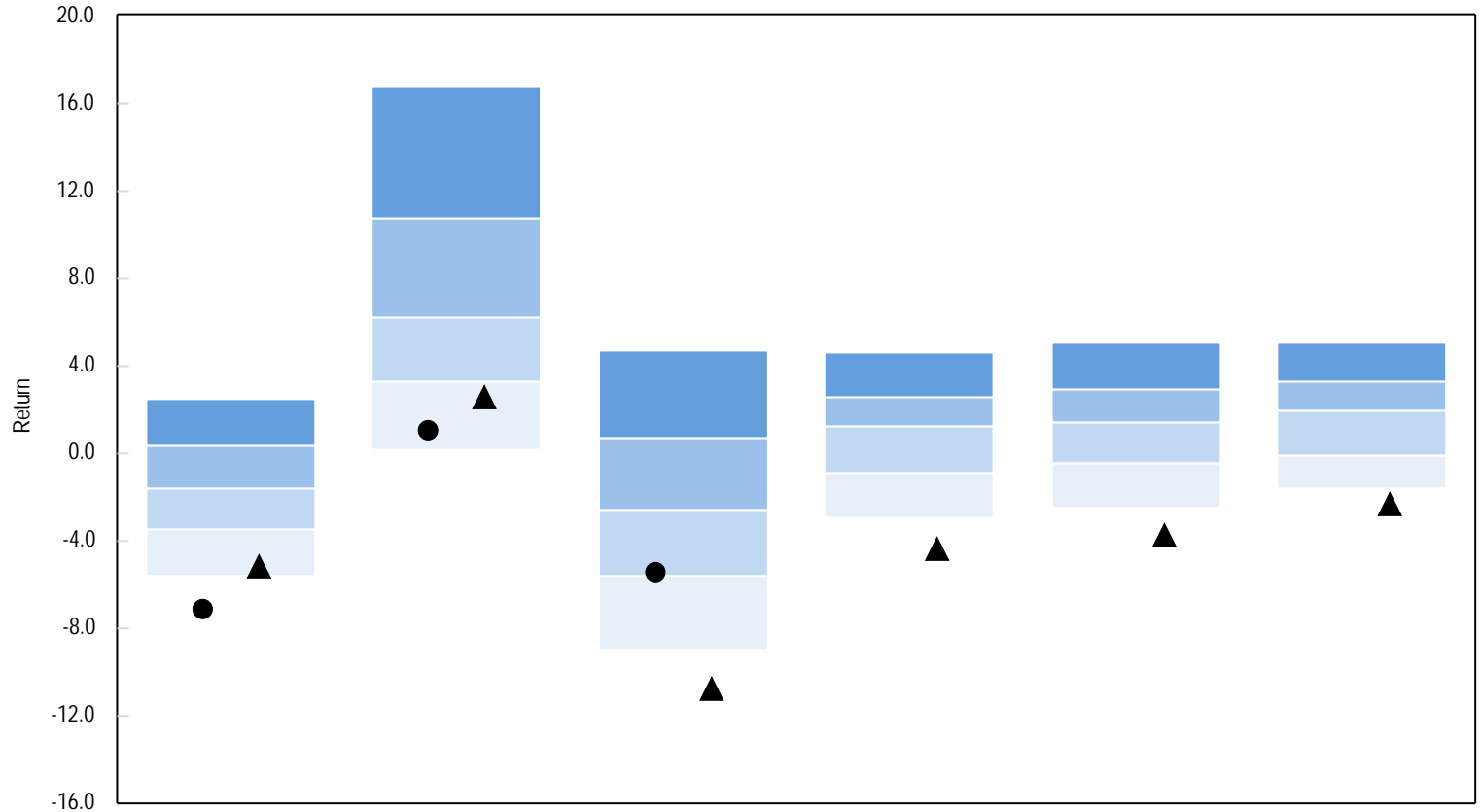
	Total Global Fixed	Brandywine Global Fixed Income	Ashmore EM Blended Debt Fund	FTSE World Government Bond Index
Total Global Fixed	1.00			
Brandywine Global Fixed Income	0.98	1.00		
Ashmore EM Blended Debt Fund	0.99	0.93	1.00	
FTSE World Government Bond Index	0.92	0.96	0.85	1.00

SSGA TIPS liquidated in 12/28/18. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Franklin Templeton Global Bond Plus liquidated 12/28/2021.

Brandywine Global Fixed Income
 Manager Performance Comparisons (Gross of Fees)

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Brandywine Global Fixed Income vs. eV All Global Fixed Inc Gross Universe

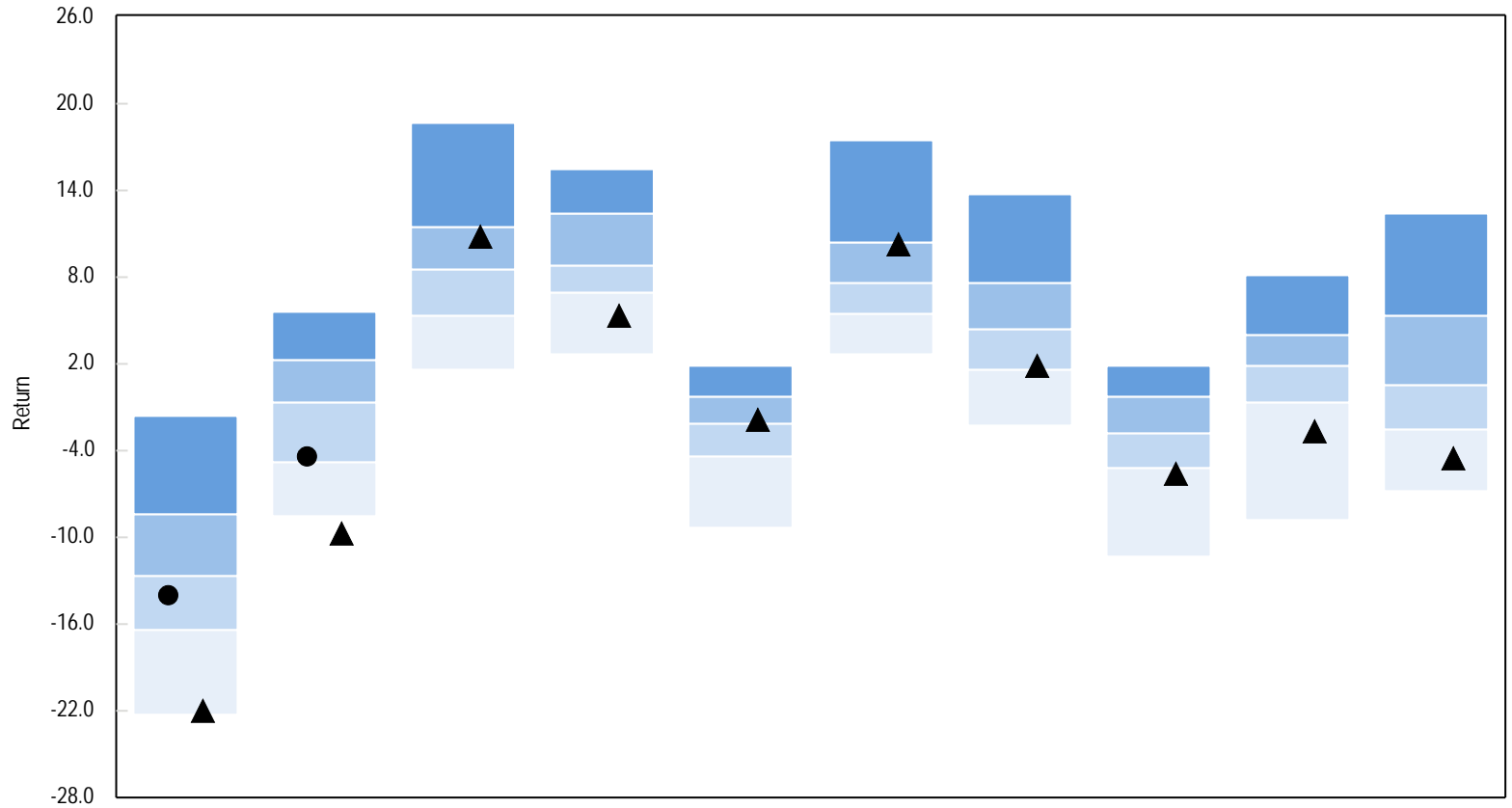


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Brandywine Global Fixed Income	-7.14 (99)	1.07 (91)	-5.43 (74)	-	-	-
▲ FTSE Non-U.S. World Government Bond	-5.16 (93)	2.55 (81)	-10.77 (99)	-4.34 (99)	-3.78 (99)	-2.31 (99)
5th Percentile	2.46	16.81	4.71	4.62	5.07	5.10
1st Quartile	0.35	10.79	0.67	2.58	2.90	3.30
Median	-1.58	6.19	-2.57	1.21	1.39	1.94
3rd Quartile	-3.51	3.29	-5.64	-0.90	-0.45	-0.10
95th Percentile	-5.61	0.15	-9.01	-2.94	-2.46	-1.57
Population	760	759	718	661	596	470

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

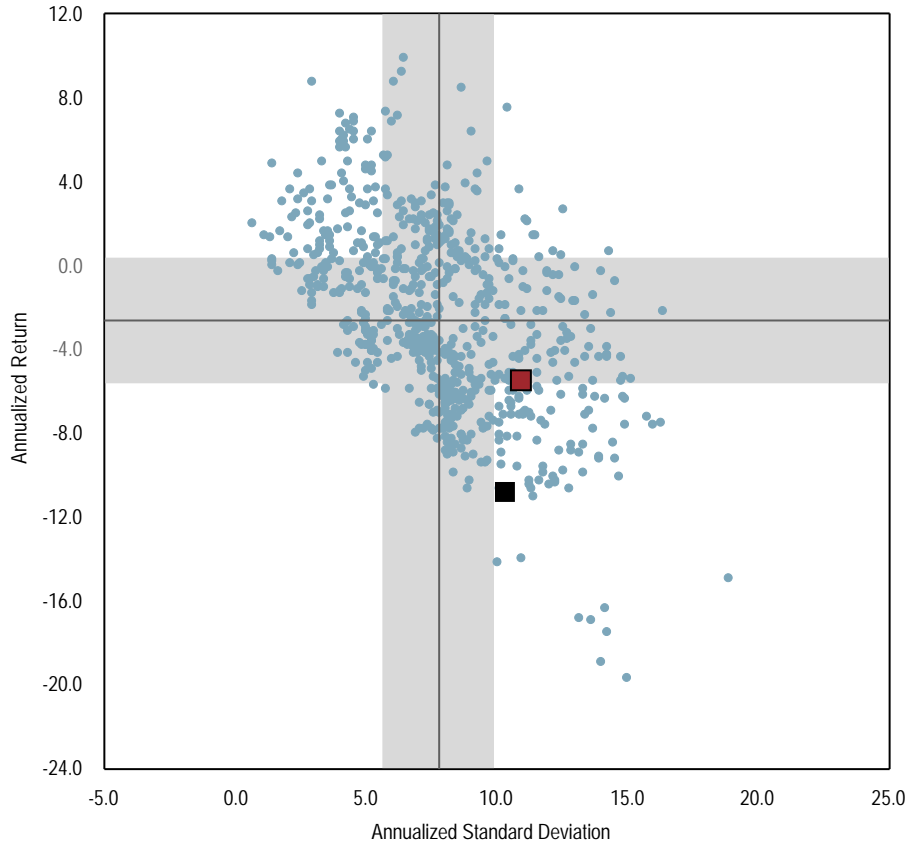
San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Brandywine Global Fixed Income vs. eV All Global Fixed Inc Gross Universe

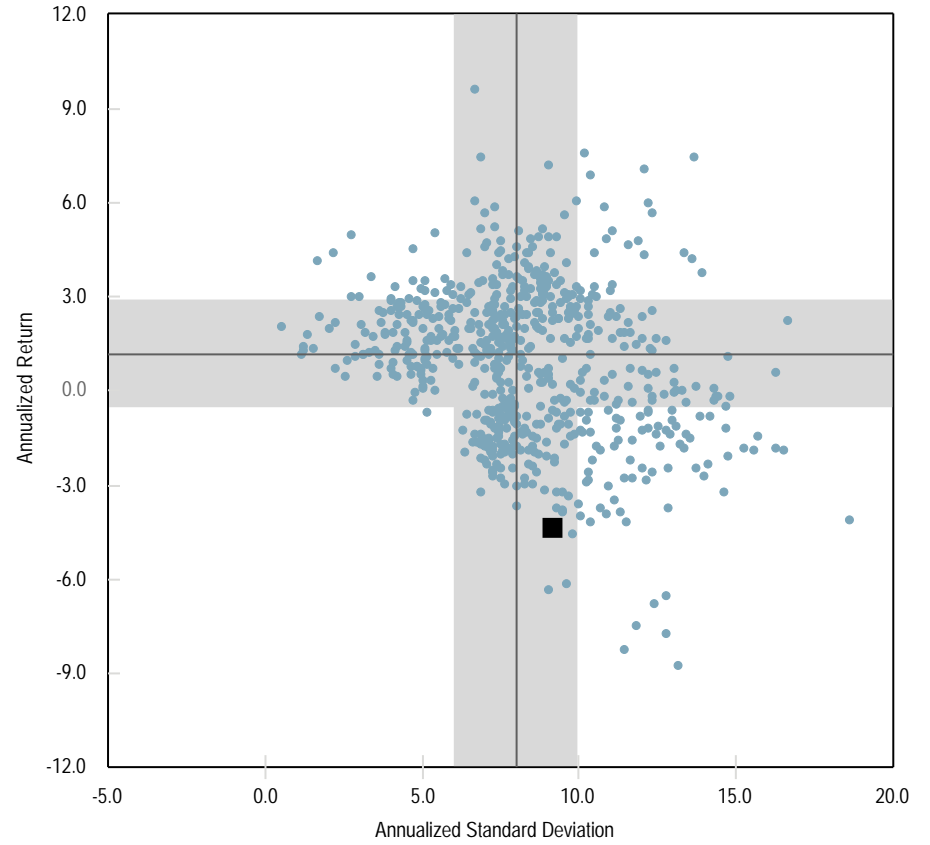


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Brandywine Global Fixed Income	-14.00 (59)	-4.38 (72)	-	-	-	-	-	-	-	-
▲ FTSE Non-U.S. World Government Bond	-22.07 (95)	-9.68 (98)	10.78 (31)	5.32 (86)	-1.82 (45)	10.33 (26)	1.81 (74)	-5.54 (78)	-2.68 (83)	-4.56 (89)
5th Percentile	-1.56	5.67	18.60	15.42	1.90	17.48	13.70	1.82	8.10	12.42
1st Quartile	-8.45	2.21	11.49	12.37	-0.31	10.36	7.61	-0.21	3.99	5.35
Median	-12.71	-0.70	8.54	8.83	-2.17	7.63	4.38	-2.82	1.87	0.56
3rd Quartile	-16.45	-4.77	5.28	6.91	-4.43	5.53	1.57	-5.18	-0.62	-2.52
95th Percentile	-22.21	-8.48	1.57	2.69	-9.31	2.71	-2.29	-11.36	-8.78	-6.80
Population	587	601	605	595	606	590	583	572	540	496

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Brandywine Global Fixed Income	-5.43	10.88	-0.61
■ FTSE Non-U.S. World Government Bond	-10.77	10.30	-1.22

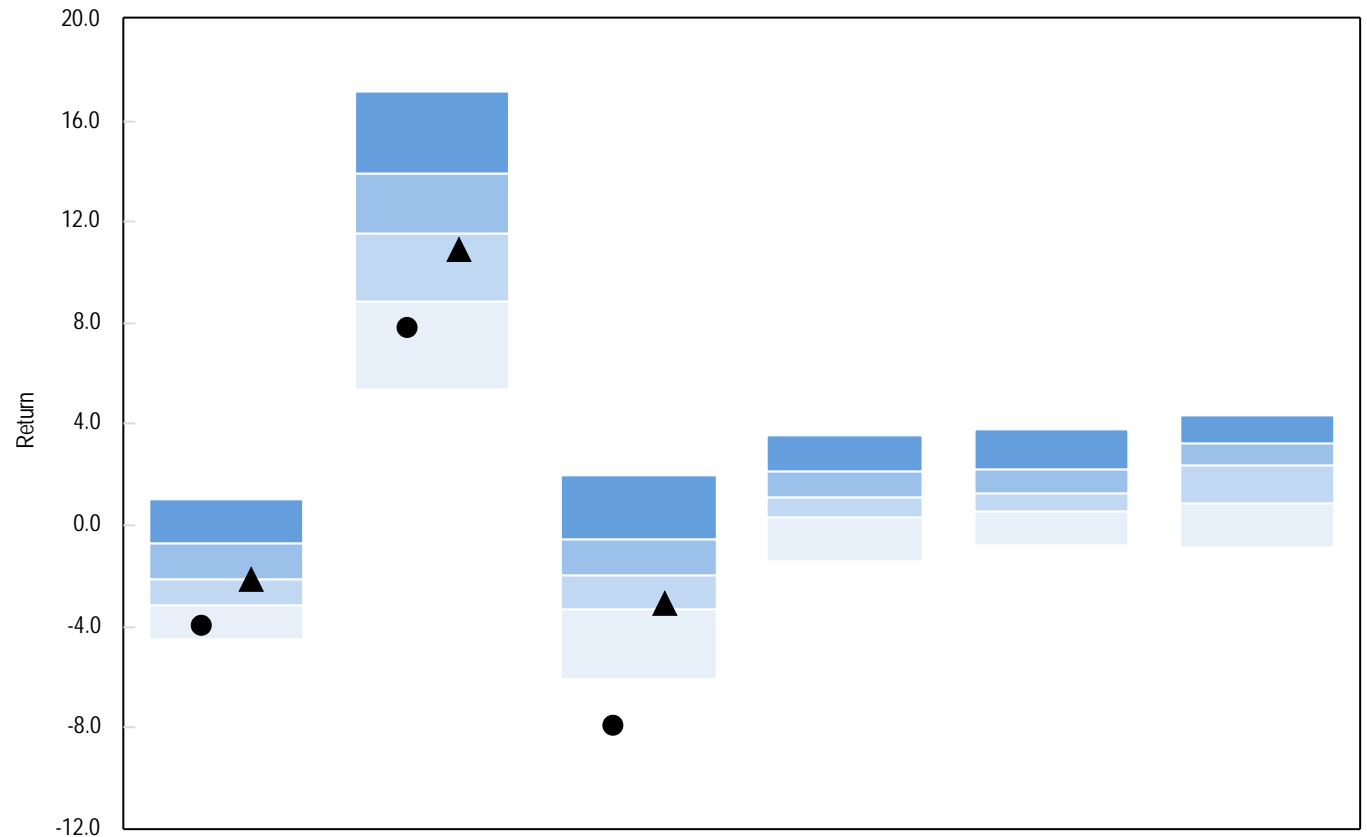
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Brandywine Global Fixed Income	-	-	-
■ FTSE Non-U.S. World Government Bond	-4.34	9.17	-0.62

Ashmore EM Blended Debt Fund
 Manager Performance Comparisons (Gross of Fees)

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Ashmore EM Blended Debt Fund vs. eV All Emg Mkts Fixed Inc Gross Universe

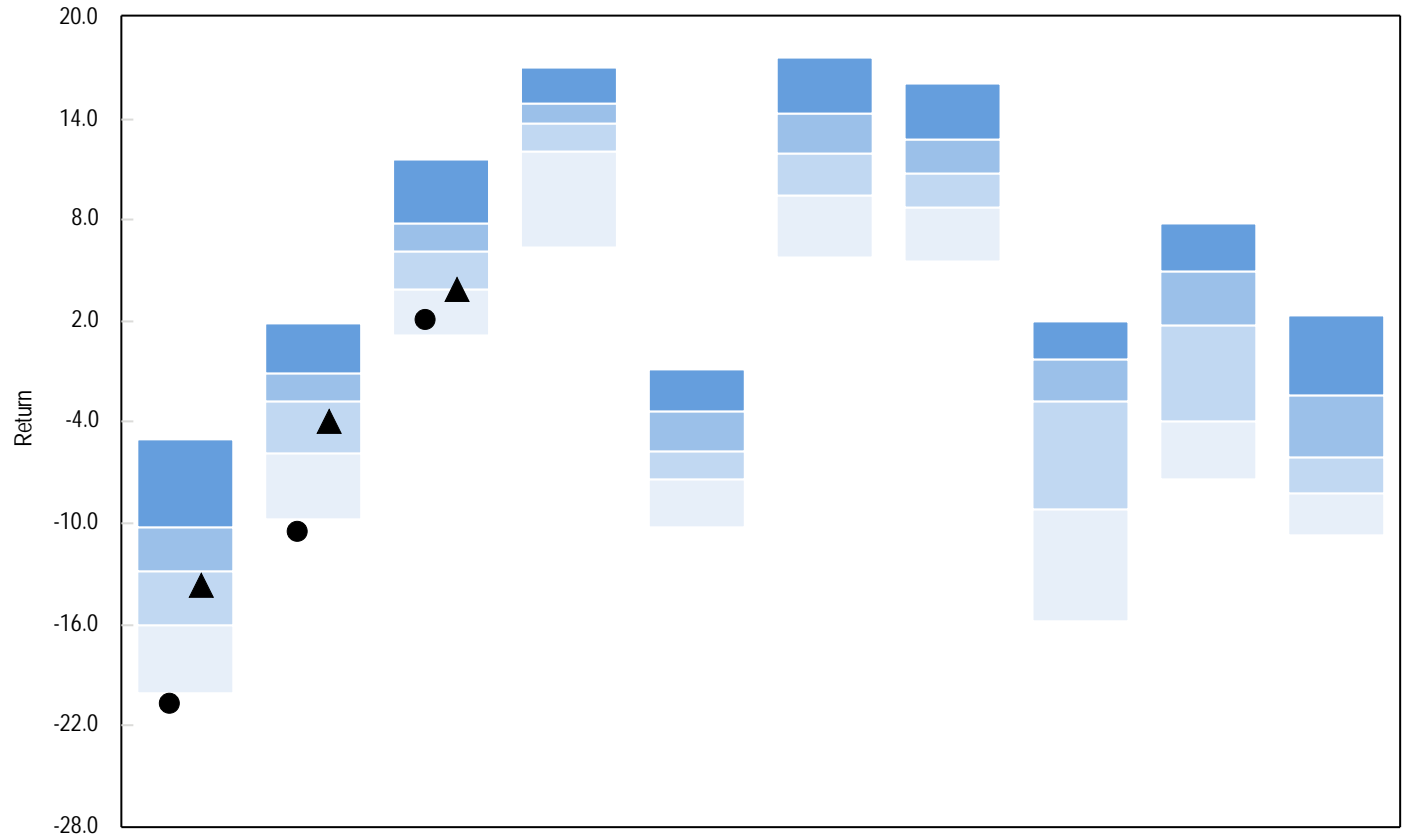


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Ashmore EM Blended Debt Fund	-3.91 (89)	7.86 (83)	-7.88 (99)	-	-	-
▲ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	-2.16 (51)	10.93 (57)	-3.07 (71)	-	-	-
5th Percentile	1.04	17.18	1.96	3.59	3.83	4.38
1st Quartile	-0.71	13.92	-0.56	2.13	2.26	3.29
Median	-2.14	11.58	-1.95	1.15	1.29	2.42
3rd Quartile	-3.14	8.85	-3.30	0.29	0.58	0.84
95th Percentile	-4.47	5.34	-6.08	-1.42	-0.76	-0.87
Population	390	390	366	328	298	239

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

San Luis Obispo County Pension Trust
 Period Ending: September 30, 2023

Ashmore EM Blended Debt Fund vs. eV All Emg Mkts Fixed Inc Gross Universe

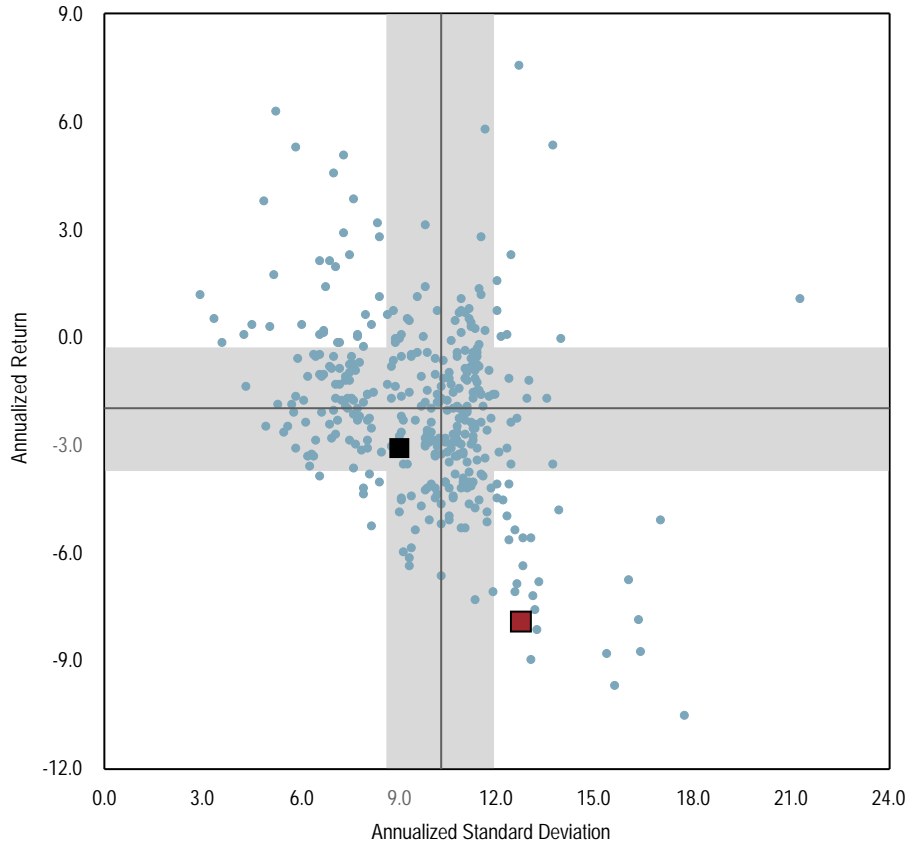


	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
● Ashmore EM Blended Debt Fund	-20.67 (97)	-10.40 (98)	2.13 (92)	-	-	-	-	-	-	-
▲ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	-13.63 (58)	-3.88 (62)	3.86 (77)	-	-	-	-	-	-	-
5th Percentile	-4.95	1.83	11.60	17.02	-0.89	17.68	16.15	2.03	7.84	2.33
1st Quartile	-10.20	-1.09	7.83	14.95	-3.33	14.26	12.76	-0.31	5.00	-2.39
Median	-12.77	-2.76	6.14	13.67	-5.74	11.96	10.73	-2.77	1.70	-6.08
3rd Quartile	-16.05	-5.89	3.92	12.03	-7.39	9.46	8.74	-9.16	-3.89	-8.20
95th Percentile	-20.00	-9.74	1.15	6.37	-10.18	5.82	5.54	-15.84	-7.35	-10.73
Population	317	335	338	333	323	310	296	280	265	226

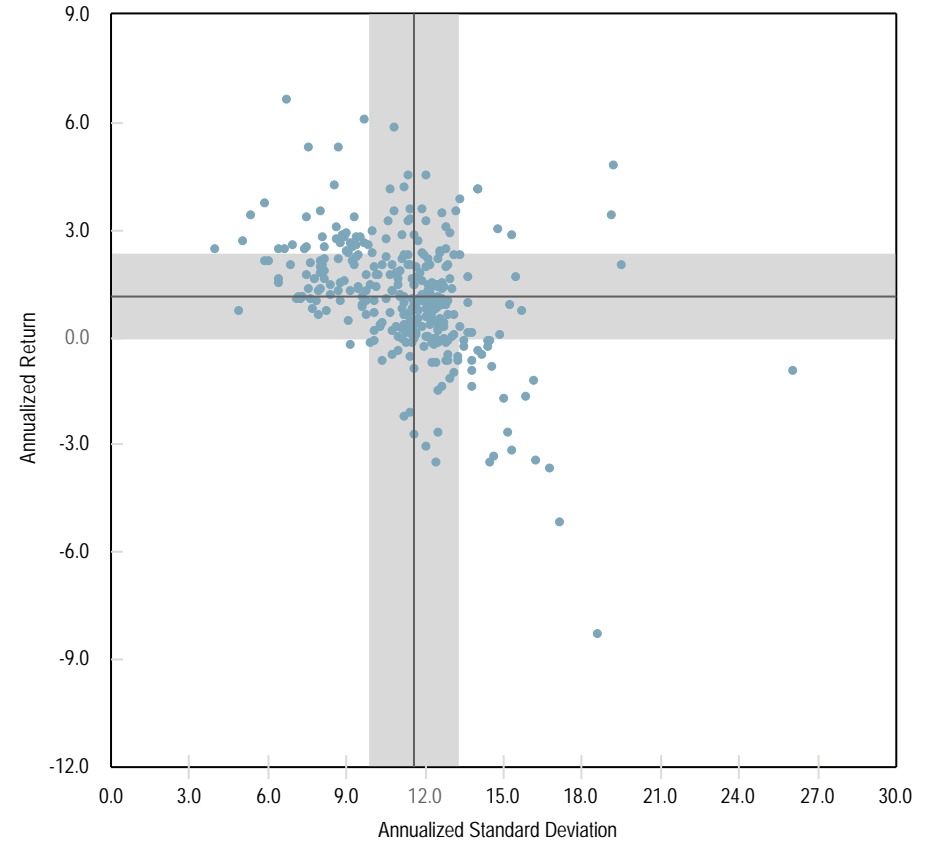
Ashmore EM Blended Debt Fund
Risk vs. Return (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Ashmore EM Blended Debt Fund	-7.88	12.75	-0.71
■ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	-3.07	9.03	-0.49

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Ashmore EM Blended Debt Fund	-	-	-
■ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	-	-	-

Total Real Estate
Asset Class Overview (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Real Estate	229,321,635	100.0	-2.7	-7.1	-11.3	6.1	4.7	7.6	6.7	18.7	1.1	4.3	7.5
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.7</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>
JP Morgan Core Real Estate	148,939,122	64.9	-3.1	-7.5	-12.1	5.7	4.1	7.0	4.3	20.2	0.5	3.4	7.0
<i>NCREIF-ODCE</i>			<i>-1.9</i>	<i>-7.6</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.7</i>	<i>8.2</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.7</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>
ARA American Strategic Value Realty	78,582,513	34.3	-1.8	-6.3	-9.6	6.4	6.3	-	12.3	14.0	3.8	7.3	9.1
<i>NCREIF-ODCE</i>			<i>-1.9</i>	<i>-7.6</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.7</i>	<i>8.2</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.7</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>
Brookfield Infrastructure Fund	1,800,000	0.8											

ARA American Strategic Value Realty is lagged one quarter.

Total Real Estate
Asset Class Overview (Net of Fees)

San Luis Obispo County Pension Trust
Period Ending: September 30, 2023

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Real Estate	229,321,635	100.0	-2.7	-7.1	-11.3	6.1	4.7	7.3	6.7	18.7	1.1	4.3	7.5
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<i>NCREIF-ODCE</i>			<i>-1.9</i>	<i>-7.6</i>	<i>-12.1</i>	<i>7.1</i>	<i>5.7</i>	<i>8.2</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>
<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.7</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>
ARA American Strategic Value Realty	78,582,513	34.3	-1.8	-6.3	-9.6	6.4	6.3	-	12.3	14.0	3.8	7.3	9.1
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<i>NCREIF Property Index</i>			<i>-1.4</i>	<i>-5.7</i>	<i>-8.4</i>	<i>6.0</i>	<i>5.3</i>	<i>7.4</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>
Brookfield Infrastructure Fund	1,800,000	0.8											

ARA American Strategic Value Realty is lagged one quarter.

Total Fund Data Sources and Methodology

San Luis Obispo County Pension Trust Period Ending: September 30, 2023

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. Effective 1/01/2017, only traditional asset classes (public equity, public fixed income, REITs) investment management fees will be included in the gross of returns calculation.

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	-	SLOOPT
Atlanta Capital Management	8/31/2010	J.P. Morgan	HarbourVest Partners IX-Buyout	2011 ¹	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	HarbourVest SLO Credit Fund	-	HarbourVest
BlackRock Core Bond	1/19/2017	J.P. Morgan	HarbourVest SLO Private Equity Fund	-	HarbourVest
Dodge & Cox Income	1/19/2017	Deutsche Bank	KKR Mezzanine Partners	2010 ¹	KKR
Pacific Asset Corporate Loan	9/1/2014	Deutsche Bank	PIMCO Distressed Credit Fund	2010 ¹	Brown Brothers Harriman
SSGA U.S. Govt Bond Index	7/16/2021	SSGA	ARA American Strategic Value	6/22/2016	American Realty Adv.
BlackRock TIPS	9/1/2021	BlackRock	Sixth Street Partners DCP	2016 ¹	TPG
Brandywine Global Fixed	6/24/2020	J.P. Morgan	Pathway Private Equity Fund 9	2017 ¹	Pathway
Ashmore EM Blended Debt Fund	3/31/2019	Ashmore	Pathway Private Equity Fund 10	3/25/2020	Pathway
PIMCO Short Duration Fund	7/14/2021	PIMCO	Sixth Street Partners TAO	4/16/2020	TPG

¹ Represents fund vintage year.

Policy & Custom Index Composition

Policy Index (1/1/2023-Current)	21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 6% FTSE World Govt Bond Index, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 9% NCREIF Property Index, 10% Private Equity Benchmark, 8% Private Credit Benchmark, 6% 90 Day T-Bill, 6% ARA American Strategic Value Realty.
Policy Index (1/1/2022-12/31/2022)	21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Bloomberg U.S. Aggregate, 7% FTSE World Govt Bond Index, 4% Bloomberg US Treasury 7-10 yr, 3% Bloomberg US TIPS 5+ Year, 11% NCREIF Property Index, 10% Private Equity Benchmark, 7% Private Credit Benchmark, 6% 90 Day T-Bill, 2% ARA American Strategic Value Realty.
Policy Index (1/1/2021-12/31/2021)	23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 12% Bloomberg U.S. Aggregate, 11% FTSE World Govt Bond Index, 3% Bloomberg US Treasury 7-10 yr, 2% Bloomberg US TIPS, 15% NCREIF Property Index, 5% Private Equity Benchmark, 5% Private Credit Benchmark, 2% Bloomberg US Govt/Credit 1-3 yr, 2% 90 Day T-Bill.
Policy Index (10/1/2020-12/31/2020)	21% Russell 3000, 21% MSCI ACWI ex-US (Gross), 31% Bloomberg 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% Bloomberg U.S. Aggregate, 17% NCREIF Property Index, 5% Russell 3000+ 300 bps (lagged), 5% Bloomberg High Yield +2% (lagged).
Policy Index (1/1/2017-3/31/2020)	20% Russell 3000, 20% MSCI ACWI ex-US (Gross), 30% Bloomberg U.S. Aggregate, 15% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+ 300 bps (lagged), 5% Bloomberg High Yield +2% (lagged).
Policy Index (10/1/2016-12/31/2016)	20% Russell 3000, 20% MSCI ACWI ex-US (Gross), 30% Bloomberg U.S. Aggregate, 15% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+ 300 bps, 5% Bloomberg High Yield +2% (lagged).
Policy Index (7/1/2014-9/30/2016)	23% Russell 3000, 22% MSCI ACWI ex-US (Gross), 35% Bloomberg 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% Bloomberg 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% Bloomberg U.S. Aggregate, 5% Citi World Gov't 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)	30.8% Russell 3000, 25% MSCI ACWI Gross, 14.71% Private Equity Benchmark, 10.29% Private Credit Benchmark, 16.18% NCREIF Property Index, 2.94% ARA American Strategic Value Realty
Custom Risk Diversifying Benchmark (1/1/2021-Present)	46.15% Bloomberg U.S. Aggregate Index, 26.92% FTSE World Government Bond Index, 15.38% Bloomberg US Treasury: 7-10 Year, 11.54% Bloomberg US TIPS

Other Disclosures

Glossary

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: Portfolio Return - [Risk-free Rate + Portfolio Beta x (Market Return - 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: Portfolio Excess Return / 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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The information presented may be deemed to contain forward-looking information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward looking terminology such as believes, expects, may, will, should, anticipates, or the negative of any of the foregoing or other variations thereon comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Verus and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Verus, investment managers, and custodians.

Verus will make every reasonable effort to obtain and include accurate market values. However, if managers or custodians are unable to provide the reporting period's market values prior to the report issuance, Verus may use the last reported market value or make estimates based on the manager's stated or estimated returns and other information available at the time. These estimates may differ materially from the actual value. Hedge fund market values presented in this report are provided by the fund manager or custodian. Market values presented for private equity investments reflect the last reported NAV by the custodian or manager net of capital calls and distributions as of the end of the reporting period. These values are estimates and may differ materially from the investments actual value. Private equity managers report performance using an internal rate of return (IRR), which differs from the time-weighted rate of return (TWRR) calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Verus receives universe data from InvMetrics, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

Board of Trustees

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Date: November 27, 2023

To: Board of Trustees

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

Agenda Item 18: Monthly Investment Report for October 2023

	October	Year to Date 2023	2022	2021	2020	2019	2018
Total Trust Investments (\$ millions)	\$1,602		\$1,614 year end	\$1,775 year end	\$1,552 year end	\$1,446 year end	\$1,285 year end
Total Fund Return	-1.3% Gross	+2.9% Gross	-8.0% Gross	15.2% Gross	8.9 % Gross	16.3 % Gross	-3.2 % Gross
Policy Index Return (r)	-1.6%	+2.0%	-9.7%	12.8%	10.0 %	16.4 %	-3.2 %

- (r) Policy index as of Nov. 2021 Strategic Asset Allocation Policy with 2023 Interim targets:
- Public Mkt Equity- 21% Russell 3000, 17% MSCI ACWI ex-US
 - Public Mkt Debt- 10% Barclays US Aggregate,
 - Risk Diversifying 4% Barclays US Aggregate, 5% Barclays 7-10yr Treasury, 4% Barclays 5-10yr US TIPS
 - Real Estate & Infrastructure- 15% NCREIF Index (inc. Infrastructure)
 - Private Equity- 10% actual private equity returns
 - Private Credit- 8% actual private credit returns
 - Liquidity- 6% 90 day T-Bills
- Pending annual updates to interim targets.

SLOOPT Investment Returns:

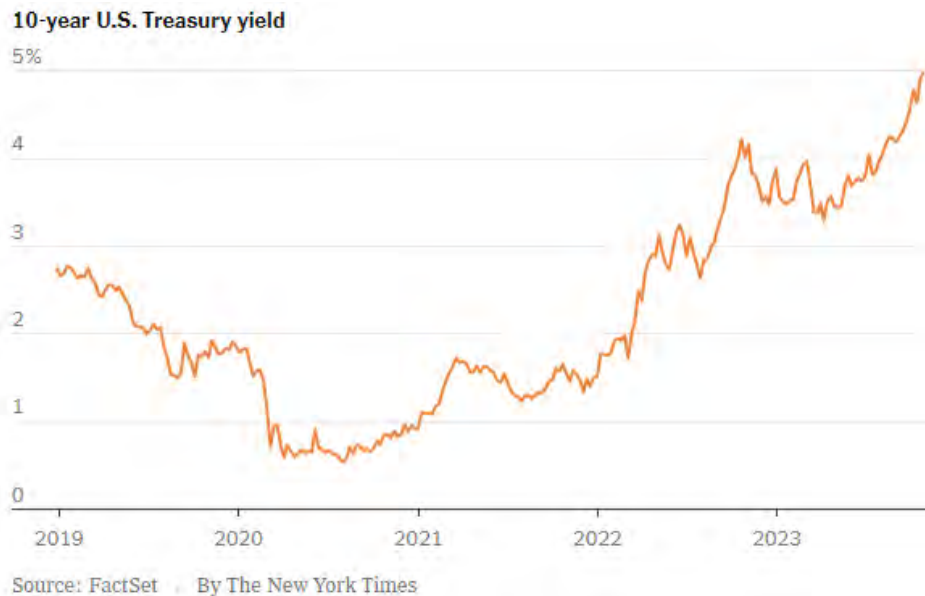
The attached report from Verus covers the preliminary investment returns of the SLOOPT portfolio and general market conditions through the end of October. The attached market commentary from Verus details market conditions in October, but subsequent activity in November is not yet factored into these numbers. As of November 16th, November has had resurgent positive returns for equities (S&P 500 +7% for the month) and positive returns for bonds.

SLOCPT Investments:

The attached Verus Capital Markets Update details the investment results for the month and Verus' capital market commentary.

Capital Markets:

- **Investment Markets** – October saw broadly negative markets in equities and bonds for the third month in a row. For October, equity markets were negative throughout the month. Bond returns were also negative as longer-term rates continued to rise –
 - US stocks S&P 500 -2.1%
 - International stocks MSCI ACWI ex-US -4.1%
 - Bonds; Bloomberg US Aggregate bonds -1.6%
- **Interest Rate Increases** –
 - Over the last three months longer term interest rates have increased significantly as **the bond market embraced the “higher for longer” outlook** for Fed monetary policy. Initially when the Fed began its significant tightening of monetary conditions to fight inflation with interest rate increases, short-term yields increased (e.g., the 2-year Treasury). Long-term rates (e.g., the 10-year Treasury) were less moved since they are influenced more by factors having to do with the long-term outlook for the economy. Hence, the inverted yield curve has been evident since 2021.



- The resilience of the economy despite Fed tightening and inflation rates – down significantly but still above Fed targets - fuels bond market expectations for rates to stay higher for a longer period.
- Increased long-term rates have an immediate impact on bond prices leading to negative bond returns in recent months. Higher long-term rates for mortgages, corporate borrowing and interest on Treasury bonds as part of the national debt raise concerns over decreased economic growth in the next several years.
- The increase in long-term interest rates has an obvious negative impact on bonds. Real Estate is also affected. The appraised values of real estate assets are calculated using discounting expected cash flows. The “Cap rate” used in such appraisals naturally increases when interest rates increase which lowers the appraised value of the real estate and adds to negative returns. It may not alter the long-term fundamentals of owning real estate or bonds, but increasing interest rates have a near-term negative effect.

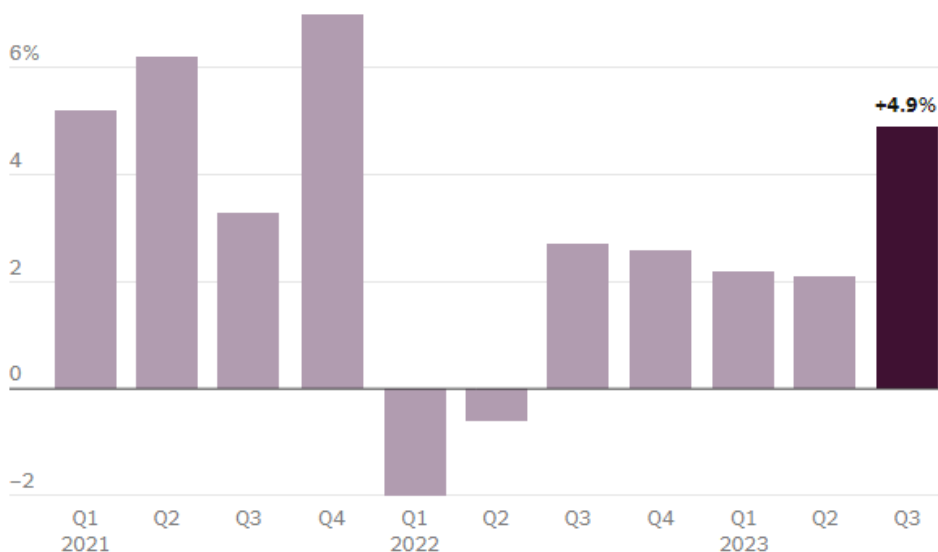
The Economy:

- **Economic Growth –**

- **US Gross Domestic Product growth in 3Q23 was at an annual rate of 4.9%.**
- The domestic economy surged in the third quarter as a strong job market and falling inflation continued consumer confidence and strong spending on goods and services. The GDP growth exceeded forecasts and was the strongest showing since late 2021, despite predictions of a slowdown prompted by the Federal Reserve’s interest rate increases. Commentators have noted that a certain portion of US consumers tend to “spend beyond the level of prudence and up to the level of available credit”.

Economic Growth Surged in the Third Quarter

Seasonally and inflation-adjusted annual rates of growth in gross domestic product



Source: Bureau of Economic Analysis • By The New York Times

- The acceleration was made possible in part by slowing inflation, which lifted purchasing power even as wage growth weakened, and a job market that has shown renewed vigor over the past three months.
 - However, economists generally expect the 3Q23 GDP growth to not be sustainable. There are indications that consumers are running out of dry powder. Disposable personal income, adjusted for inflation, decreased in the quarter, as did the personal savings rate.
- **Inflation –**
 - The October US CPI inflation report, as expected, continued its slowdown in the trailing 12-month rate of CPI inflation. **The inflation rate continued its deceleration at a +3.2% year-over-year increase.** The continued moderation in inflation takes some pressure off of the Fed to increase interest rates.
- **New Jobs, Unemployment, Wages –**
 - The October jobs report from the BLS on non-farm employment showed a cooling pace of growth with **a gain of 150k new jobs – below what was expected, but in line with pre-pandemic growth in jobs.** The new jobs data indicates an economy that is still growing despite significantly tightened monetary policy by the Fed – but at a slowing pace. The BLS estimates that ongoing labor strikes in the automotive and motion picture industries dampened the new jobs growth by 33k jobs.
 - **The unemployment rate in October ticked up slightly to 3.9%.**
 - For San Luis Obispo County the September unemployment rate lowered slightly to 3.6%. The California statewide unemployment rate in September was 4.7%.
 - The overall Labor Force Participation rate decreased slightly in October to 62.7%. The Labor Force Participation Rate for prime working age adults (ag 25-54) reached an all-time high of 77.8% in the middle of this year but flattened out in October.
 - **Wage growth in October came in at a 4.1% year-over-year increase** which was smaller than anticipated. Combined with slowing inflation and a slowed pace of job growth, this data suggest that Fed monetary policy tightening is working to bring down inflation.
 - Overall, a cooling labor market supports the view that inflation is trending downward towards the Fed’s 2% target. Markets responded positively to this report, with stocks up sharply in the first week of November and bond yields declining with the 10-year Treasury trading down to 4.5%. This report makes it increasingly likely that the Fed’s final rate hike is done, which suggests an upswing for long-term assets is more likely.

- **Monetary Policy –**
 - **The Fed, at its November 1st FOMC meeting left interest rates unchanged as was expected** (target range for Fed Funds of 5.25% to 5.50%) as they assess the health of the economy and the path of inflation before potentially making another move. The Fed left the door open for a future increase in rates as a cautious stance as inflation decreases but is still above the Fed target of 2%.
 - Fed officials are watching the bond market nervously. They think the big jump in longer-term rates in recent weeks could slow growth.
 - Given that further rate cuts are not a near-term expectation, the bond market still has embedded lower rates in the future – but the “higher for longer” interest rate theme of the last two months is still evident.
 - “Careful” is the name of the game at this point. Fed officials will be keeping an eye on incoming data, and they are in no hurry to move rates up — but they’re also in no hurry to declare that they are done raising borrowing costs. That could lay the foundation for an extended pause in rates.
 - “We’ve come very far with this rate hiking cycle,” Powell said. But is “very far” far enough?
 - The bond market reacted positively to the Fed comments with yield on the 10-year Treasury dropping. It is possible a moderation in long-term bond yields could mark the peak in mortgage rates and corporate borrowing rates.

Respectfully Submitted,

A decorative geometric pattern of overlapping triangles in shades of blue and green is overlaid on the left side of the image. A large white triangle is positioned to the left of the main title text.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

OCTOBER 2023
Capital Markets Update

Market commentary

U.S. ECONOMICS

- The labor market cooled off slightly as job adds were lower than expected and the unemployment rate ticked higher. The Bureau of Labor Statistics reported a 3.9% unemployment rate, a minor increase in the number of unemployed Americans. However, since the April lows, U.S. unemployment rate has increased by 0.5% and total unemployment has risen by 849,000, suggesting further gradual slowing in the job market in the months ahead.
- The ISM Manufacturing PMI Index reversed course and fell -2.3 to 46.7, once again becoming a concern for market participants. While all components of index fell, the New Orders and Employment sub-indexes fell most, off by -3.7 and -4.4, respectively.
- While leading indicators like consumer sentiment and manufacturing demand are slowing on the margins, a combination of strong September retail sales and Q3 GDP growth reinforced the narrative of a resilient U.S. economy. Annualized third quarter GDP came in at 4.9% and month-over-month September retail sales (+0.7%) continued to beat expectations.

U.S. EQUITIES

- As third quarter earnings season kicked off, investors have had mixed reactions to reporting. From one angle, the economy continues to show strength and S&P 500 Q3 earnings beat expectations, growing 4.1% year-over-year despite expectations for slightly negative growth (FactSet). However, some companies gave cautious forward guidance, which has tempered expectations.
- The Dow Jones Industrial Average (DJIA) outperformed the S&P 500, falling -1.3% vs. -2.1%, but trails the S&P 500 on a year-to-date basis by -9.3%. DJIA constituents generally fared better than S&P companies as they reported better than expected earnings and outlook.

U.S. FIXED INCOME

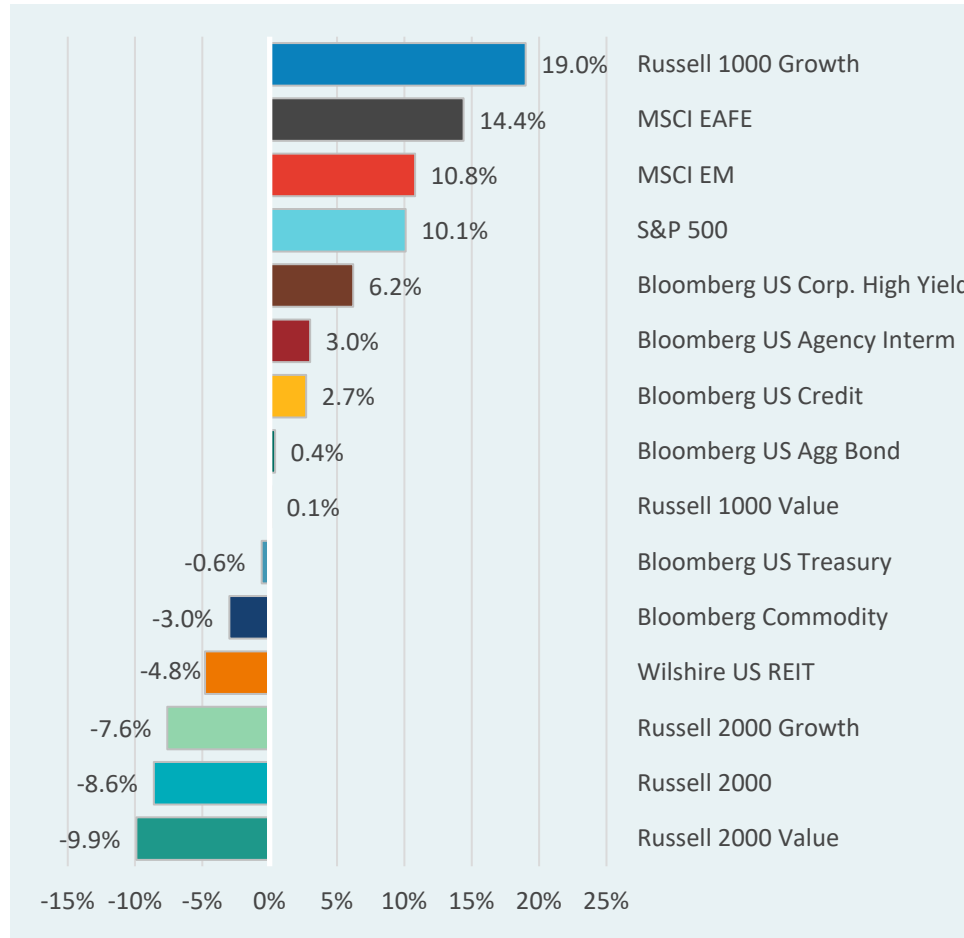
- Volatility in fixed income markets continued due in part to a combination of higher for longer investor sentiment and anticipation of the November 1st FOMC meeting. As narratives shifted in the month, U.S. Treasury yields rose to their highest levels in 15 years. Yields then dropped again following the November 1st message that the Federal Funds rate would remain unchanged, long tenor yields fell sharply.
- Shorter duration bonds were a bright spot amid a slew of negative performance. Yields on the short end of the curve were mostly unchanged as the Bloomberg 1-3 Year U.S. Treasury Index posted a positive return of +0.3%.
- A relatively stagnant short end of the yield curve coupled with a sharply higher long end resulted in a noticeably flatter curve. The 10yr/2yr Treasury yield curve inversion decreased to as little as -13 bps and settled at -19 bps to end the month. Inverted spreads this narrow had not been seen since the yield curve first inverted in July 2022.

INTERNATIONAL MARKETS

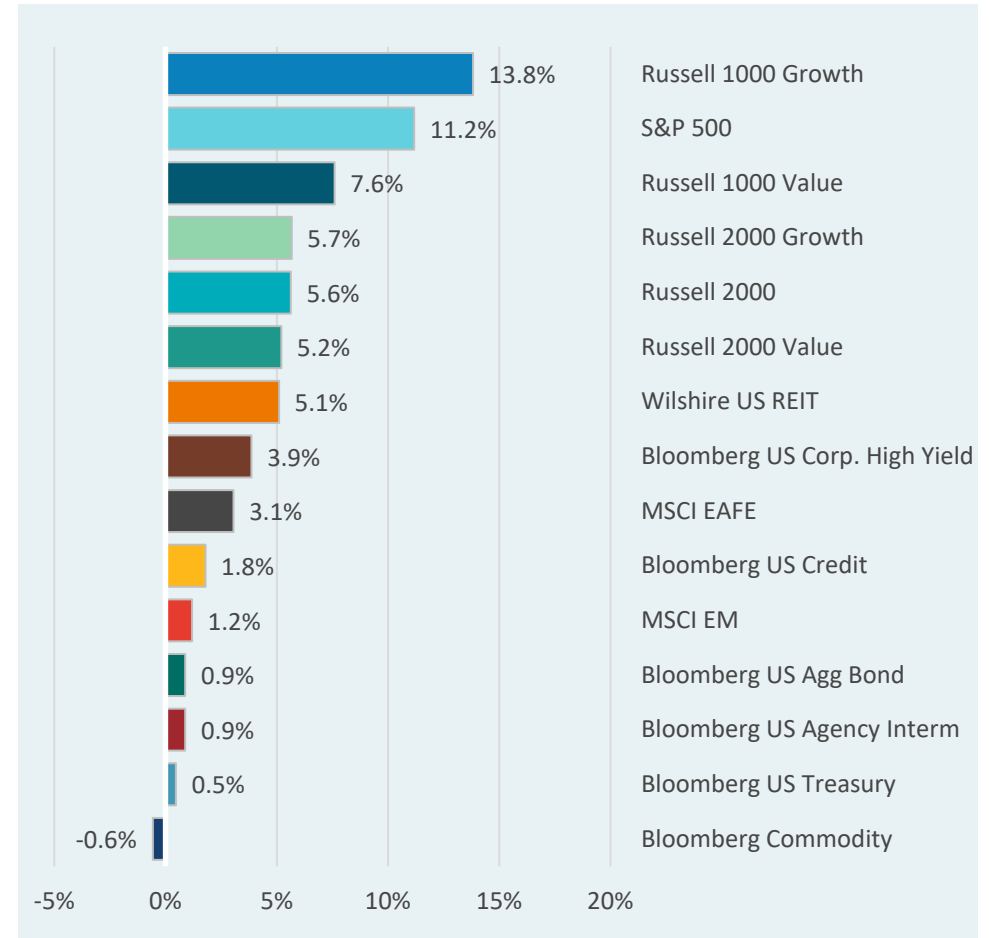
- The China consumer price index print came in at -0.2%, slightly worse than the expected -0.1%. The print is indicative of a deflationary environment, which signals that domestic demand might be struggling to recover. Investors await sales figures from the Singles Day Shopping Festival – a multi-week period of promotions and sales across online platforms – for additional insight into the strength of the Chinese consumer.
- The Bank of Japan left short term rates unchanged at -0.1% but announced a more flexible yield curve control policy. This means the yield on 10-year Japanese government bonds (JGB) will have room to rise as high as 1% without intervention. Following the announcement, 10-Year JGB yields rose to 0.9%.

Major asset class returns

ONE YEAR ENDING OCTOBER



TEN YEARS ENDING OCTOBER



*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 10/31/23

Source: Morningstar, as of 10/31/23

U.S. large cap equities

- A -2.1% return in October marked three consecutive months of decline for the S&P 500 index, down -8.3% since July 31st. Timid forward guidance from companies combined with a growing *higher for longer* interest rate narrative contributed to the losses.
- 10 out of 11 S&P 500 sectors declined in September. Utilities (+1.3%) outperformed while a sharp decline in oil prices contributed to Energy (-6.0%) being the worst performing sector, followed by Consumer Discretionary (-4.5%) and Health Care (-3.2%).
- Despite 81% of companies reporting a positive earnings per share surprise, the market reaction to earnings appeared unusually pessimistic (FactSet). Earnings growth year-over-year was 4.1%, with almost all constituents done reporting.
- U.S. equity volatility reached its highest intramonth level since March, peaking at 23.1, alongside climbing U.S. Treasury yields and the kickoff of earnings season. Despite the intramonth move, the VIX Index ended October relatively flat at 18.1.

S&P 500 PRICE INDEX



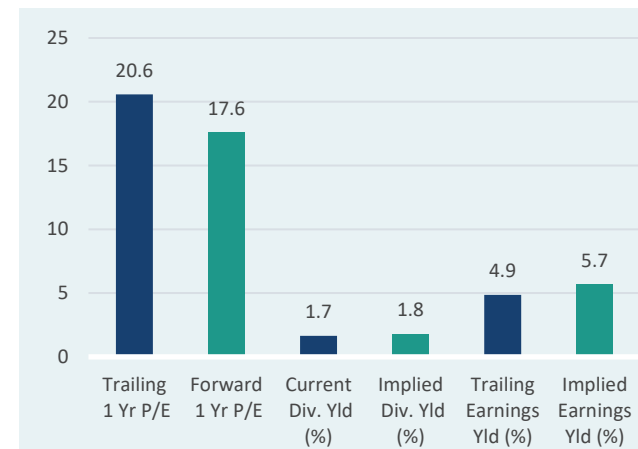
Source: Bloomberg, as of 10/31/23

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, as 10/31/23

S&P 500 VALUATION SNAPSHOT

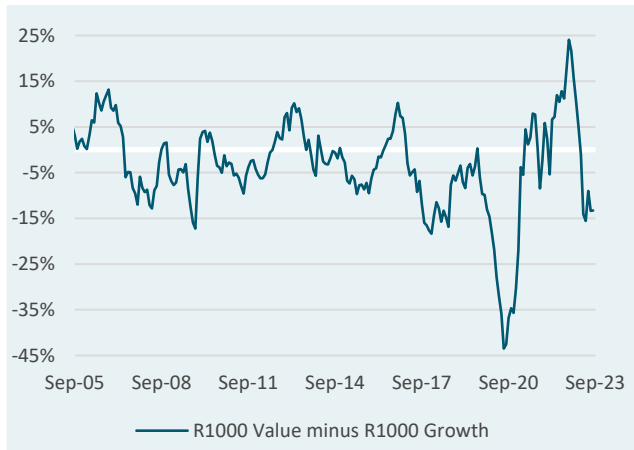


Source: Bloomberg, as of 10/31/23

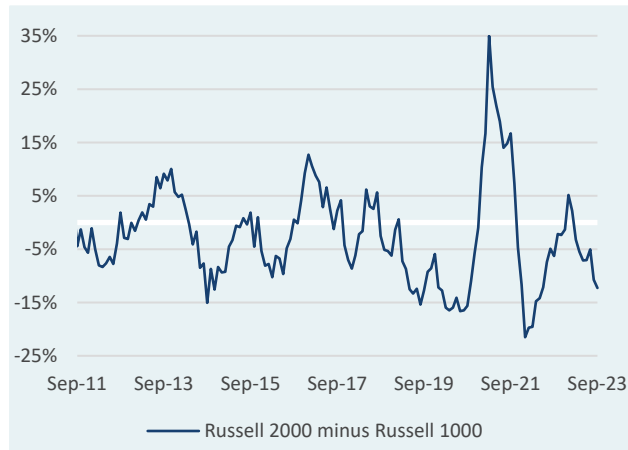
Domestic equity size and style

- Although all size and style categories posted declines, small-cap equities (Russell 2000 -6.8%) were hit the hardest, underperforming large-cap by 4.4% (Russell 1000 -2.4%). Higher rates are expected to have a greater impact on small-cap companies, which have an outsized portion of debt maturing sooner.
- Large-cap growth (Russell 1000 Growth -1.4%) outperformed large-cap value (Russell 1000 Value -3.5%). Performance was driven in part by mega-cap companies such as Amazon and Microsoft beating on revenue and earnings, as well as providing stronger forward guidance.
- Performance between value and growth saw an opposite trend in the small-cap space, where riskier small-cap growth stocks (Russell 2000 Growth -7.7%) underperformed small-cap value (Russell 2000 Value -6.0%).
- Following the sharp declines in small-cap amid debt maturity concerns, the Russell 2000 is trading at 17.7x forward earnings, a -25.3% discount to the 10-year average. In comparison, the S&P 500 is trading at 17.3x earnings, just a -1.1% discount to the 10-year average.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



1-YEAR SIZE & STYLE PERFORMANCE

	Value	Core	Growth
Large Cap	0.1%	9.5%	19.0%
Mid Cap	-3.6%	-1.0%	3.3%
Small Cap	-9.9%	-8.6%	-7.6%

Source: FTSE, Bloomberg, as of 10/31/23

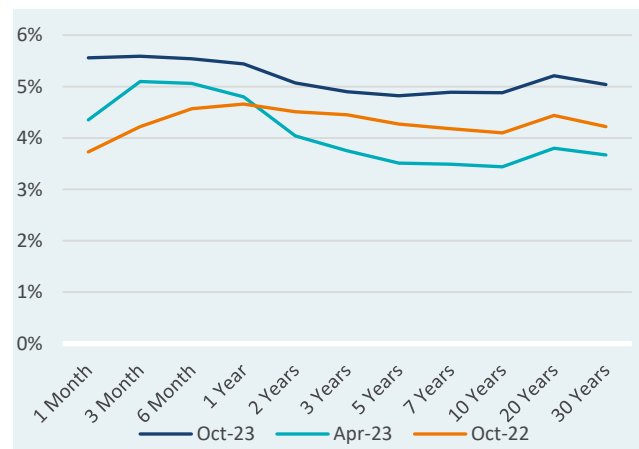
Source: FTSE, Bloomberg, as of 10/31/23

Source: FTSE, Bloomberg, as of 10/31/23

Fixed income

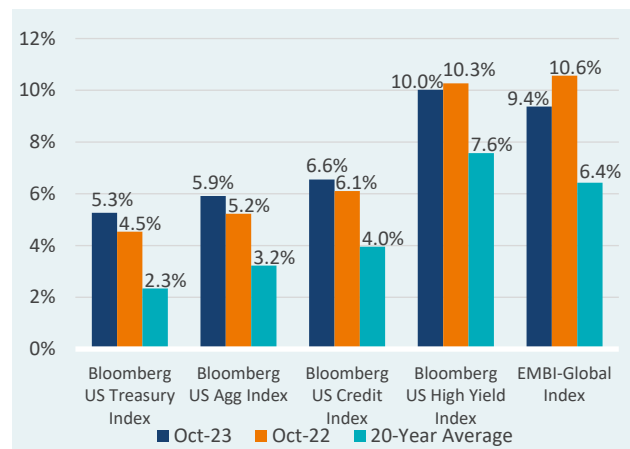
- Higher for longer rate expectations continued to influence Treasury yield movements – which were most volatile on the long end. 10- and 30-year Treasury yields rose +29 and +31 bps to end the month at 4.88% and 5.06%, respectively.
- The sharp rise in yields translated to long-dated Treasuries being the worst performers of the fixed income complex (Bloomberg U.S. Treasury Long -4.9%), amidst higher government borrowing and continued *quantitative tightening* as the Federal Reserve continues to shrink the size of its balance sheet.
- High Yield and Bank Loan spreads increased 39 bps and 30 bps to 442 bps and 544 bps, respectively. Despite this move, the Bloomberg U.S. Corporate High Yield Index (-1.2%) and CS Leveraged Loan Index (+0.0%) outperformed the Bloomberg U.S. Aggregate Index (-1.6%).
- Mortgage-Backed Securities (Bloomberg U.S. MBS Index -2.7%) also underperformed the Bloomberg U.S. Aggregate Index in October. Underperformance comes as 30-year Mortgage rates surged to 7.8%. This has been partly driven by high treasury rates, as well as the fed reducing their portfolio of Mortgage-Backed Securities.

U.S. TREASURY YIELD CURVE



Source: Bloomberg, as of 10/31/23

NOMINAL YIELDS



Source: Morningstar, as of 10/31/2023

U.S. TREASURY IMPLIED VOL (“MOVE” INDEX)

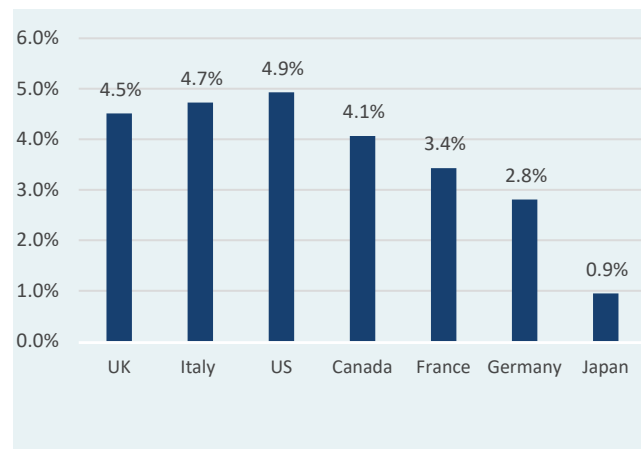


Source: Bloomberg, as of 10/31/23

Global markets

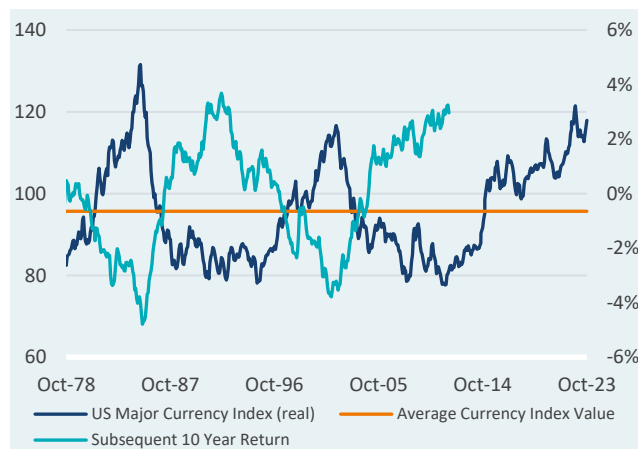
- International equities (MSCI ACWI ex-US -4.1%) underperformed U.S. equities. While performance was negative across all regions, the losses were primarily driven by the MSCI Japan Index (-4.5%) and the MSCI EM Latin America Index (-4.8%).
- Japanese equities posted a difficult month amid uncertainty surrounding potential changes in the Bank of Japan (BOJ) monetary policy. Late in the month, the BOJ announced it would allow long-term interest rates to rise above 1%. This could help reverse the weakening Yen, as Japanese and American interest rates have continued to diverge over the last year.
- European equities (MSCI Euro -3.0%) fell with a poor economic outlook in focus. While inflation persists, the ECB opted not to raise rates in October. Rates are now expected to hold steady through the first half of 2024. At the same time, Eurozone GDP decreased 0.1% in Q3. PMI also fell deeper into contractionary territory (46.5), its lowest level since November 2020.
- Chinese stocks also fell (MSCI China -4.3%) as the U.S. announced a ban on some AI chip exports. While Q3 GDP came in at 4.9% YoY, the outlook is poor with an ongoing real estate crisis and slowing manufacturing.

GLOBAL SOVEREIGN 10-YEAR YIELDS



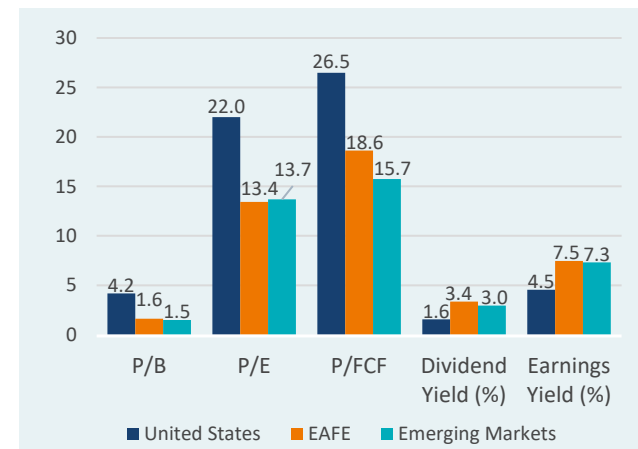
Source: Bloomberg, as of 10/31/23

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 10/31/23

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 10/31/23

Commodities

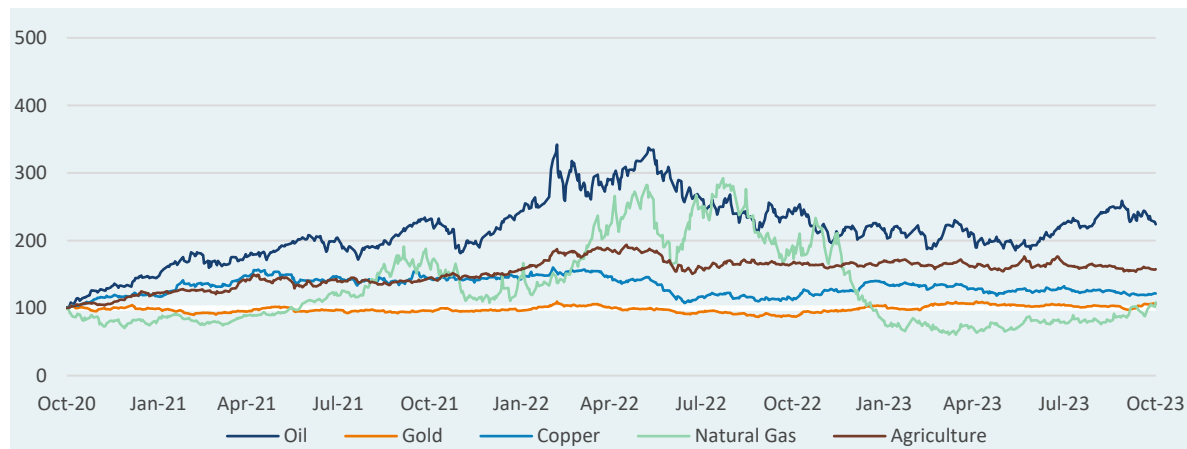
- The Bloomberg Commodity Index (+0.3%) fared better than equities and fixed income indexes. Commodity sub-indexes posted mixed results, but strong performance from precious metals and softs helped mitigate the steeper losses seen in the petroleum (-7.0%) and energy (-2.7%) sub-indexes.
- The Bloomberg Precious Metals sub-index gained +6.3%. Performance was largely driven by a rally in gold (+6.9%), which finished on a high note after a bleak start to the month. Silver (+2.2%) also posted modest gains as investors moved away from higher risk assets.
- Although energy and petroleum faced headwinds, natural gas prices soared +22.1%. Prices rallied on updated expectations for colder fall and winter weather while increased overseas demand pushed exports higher throughout the month. The rally helped pull back year to date losses to -20.1%.
- WTI Crude (-10.8%) sharply reversed course, erasing September’s gains and falling to its lowest in two months. Investors now anticipate weaker demand than was previously expected which lessened the impact of Russia and Saudi Arabia’s extension of supply cuts through year end.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	0.3	0.3	(3.2)	(3.0)	15.8	6.7	(0.6)
Bloomberg Agriculture	2.3	2.3	(1.9)	(0.6)	18.8	10.8	0.3
Bloomberg Energy	(2.7)	(2.7)	(6.9)	(18.9)	25.6	(0.6)	(7.1)
Bloomberg Grains	1.0	1.0	(12.9)	(14.1)	13.4	8.1	(2.0)
Bloomberg Industrial Metals	(4.1)	(4.1)	(13.0)	1.9	7.1	5.9	1.6
Bloomberg Livestock	(1.2)	(1.2)	6.5	8.7	8.8	(1.9)	(2.5)
Bloomberg Petroleum	(7.0)	(7.0)	9.8	4.5	51.8	8.4	(2.7)
Bloomberg Precious Metals	6.3	6.3	5.6	20.9	0.7	9.1	2.3
Bloomberg Softs	5.1	5.1	25.0	34.6	25.0	11.0	1.0

Source: Morningstar, as of 10/31/23

COMMODITY PERFORMANCE



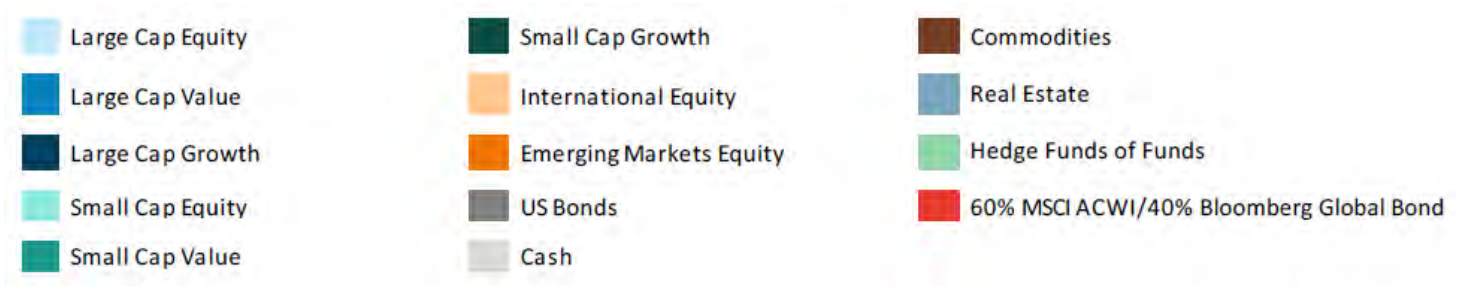
Source: Bloomberg, as of 10/31/23

Appendix

Periodic table of returns

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	5-Year	10-Year
Large Cap Growth	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	28.3	16.1	23.2	14.2	13.8
Large Cap Equity	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	27.6	9.4	10.3	10.7	10.9
International Equity	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	27.1	1.5	4.1	6.7	7.6
Small Cap Growth	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	26.5	-4.7	2.7	6.6	7.4
60/40 Global Portfolio	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	25.2	-7.5	2.7	5.3	5.7
Cash	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	22.4	14.0	17.7	-13.0	1.8	4.1	5.6
Hedge Funds of Funds	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	22.0	10.3	14.8	-14.5	-1.8	4.0	5.2
Small Cap Equity	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	11.3	-14.5	-2.1	3.8	4.0
Emerging Markets Equity	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	8.9	-17.3	-2.8	3.3	3.1
Large Cap Value	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	6.5	-19.1	-2.9	3.3	3.0
Small Cap Value	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	2.8	-20.1	-3.2	2.7	1.2
US Bonds	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	0.0	-20.4	-4.5	1.7	1.1
Commodities	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	-1.5	-26.4	-5.1	1.6	0.9
Real Estate	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	-2.5	-29.1	-6.5	-0.1	-0.6

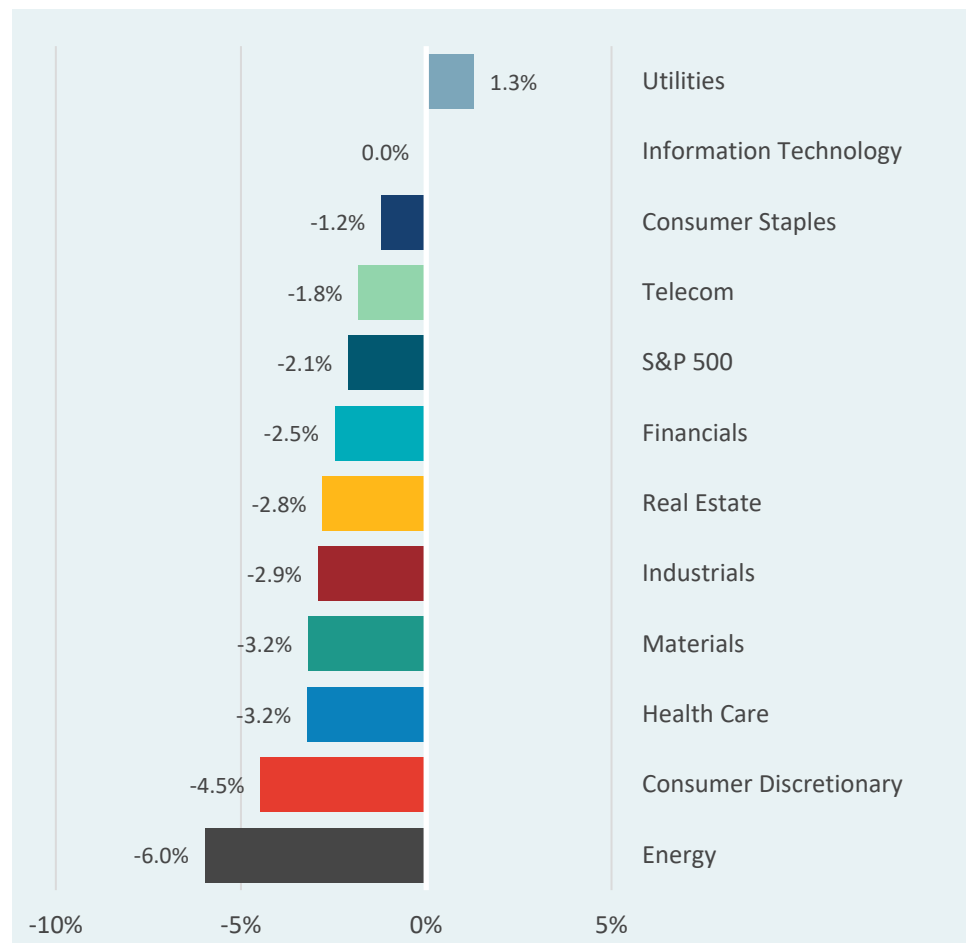
BEST
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WORST



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, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 9/30/23.

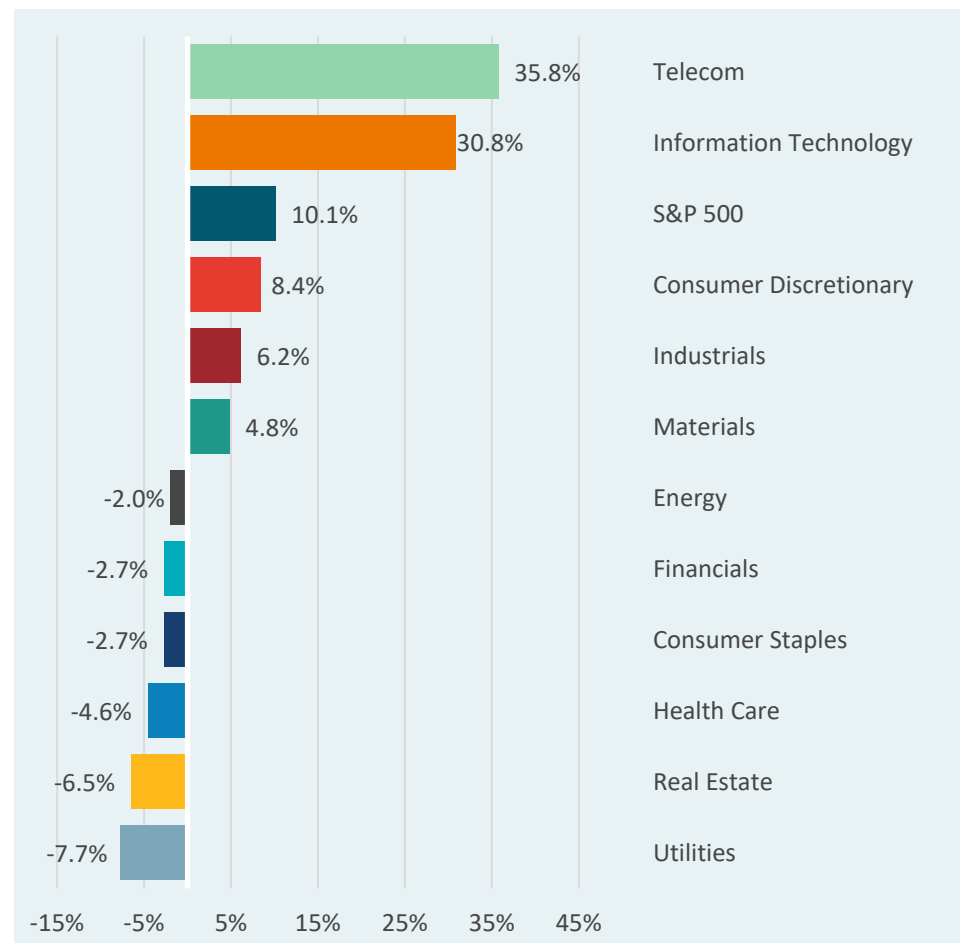
S&P 500 sector returns

QTD



Source: Morningstar, as of 10/31/23

ONE YEAR ENDING OCTOBER



Source: Morningstar, as of 10/31/23

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	(2.1)	(2.1)	10.7	10.1	10.4	11.0	11.2
S&P 500 Equal Weighted	(4.1)	(4.1)	(2.4)	(0.7)	10.1	8.7	9.3
DJ Industrial Average	(1.3)	(1.3)	1.4	3.2	9.8	8.0	10.3
Russell Top 200	(1.6)	(1.6)	14.4	13.2	10.7	12.0	11.9
Russell 1000	(2.4)	(2.4)	10.3	9.5	9.5	10.7	10.9
Russell 2000	(6.8)	(6.8)	(4.5)	(8.6)	3.9	3.3	5.6
Russell 3000	(2.7)	(2.7)	9.4	8.4	9.2	10.2	10.5
Russell Mid Cap	(5.0)	(5.0)	(1.3)	(1.0)	6.0	7.1	8.1
Style Index							
Russell 1000 Growth	(1.4)	(1.4)	23.2	19.0	8.7	14.2	13.8
Russell 1000 Value	(3.5)	(3.5)	(1.8)	0.1	10.2	6.6	7.6
Russell 2000 Growth	(7.7)	(7.7)	(2.9)	(7.6)	(1.8)	2.7	5.7
Russell 2000 Value	(6.0)	(6.0)	(6.5)	(9.9)	9.7	3.3	5.2

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	(3.0)	(3.0)	6.7	10.5	6.7	7.5	6.8
MSCI ACWI ex US	(4.1)	(4.1)	1.0	12.1	3.0	3.5	2.5
MSCI EAFE	(4.1)	(4.1)	2.7	14.4	5.7	4.1	3.1
MSCI EM	(3.9)	(3.9)	(2.1)	10.8	(3.7)	1.6	1.2
MSCI EAFE Small Cap	(5.9)	(5.9)	(4.2)	6.5	0.3	1.6	3.4
Style Index							
MSCI EAFE Growth	(3.7)	(3.7)	0.5	10.8	0.5	4.5	3.8
MSCI EAFE Value	(4.4)	(4.4)	5.1	18.1	11.0	3.3	2.1
Regional Index							
MSCI UK	(4.2)	(4.2)	2.3	12.9	12.4	3.4	1.8
MSCI Japan	(4.5)	(4.5)	6.2	16.8	1.8	2.9	3.9
MSCI Euro	(3.0)	(3.0)	7.6	21.6	8.7	4.9	2.9
MSCI EM Asia	(4.0)	(4.0)	(3.0)	14.2	(5.8)	2.5	2.9
MSCI EM Latin American	(4.8)	(4.8)	7.5	3.7	13.6	1.1	(0.7)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(0.7)	(0.7)	(1.5)	(0.7)	(2.0)	2.3	1.6
Bloomberg US Treasury Bills	0.5	0.5	4.1	4.9	1.8	1.8	1.2
Bloomberg US Agg Bond	(1.6)	(1.6)	(2.8)	0.4	(5.6)	(0.1)	0.9
Bloomberg US Universal	(1.5)	(1.5)	(2.1)	1.2	(5.0)	0.2	1.2
Duration							
Bloomberg US Treasury 1-3 Yr	0.3	0.3	2.0	2.9	(0.8)	1.1	0.8
Bloomberg US Treasury Long	(4.9)	(4.9)	(13.1)	(8.5)	(16.3)	(3.2)	0.1
Bloomberg US Treasury	(1.2)	(1.2)	(2.7)	(0.6)	(5.9)	(0.2)	0.5
Issuer							
Bloomberg US MBS	(2.1)	(2.1)	(4.3)	(0.8)	(5.7)	(1.1)	0.3
Bloomberg US Corp. High Yield	(1.2)	(1.2)	4.6	6.2	1.2	3.1	3.9
Bloomberg US Agency Interm	0.0	0.0	1.7	3.0	(2.0)	0.7	0.9
Bloomberg US Credit	(1.8)	(1.8)	(1.7)	2.7	(5.3)	0.8	1.8

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	0.3	0.3	(3.2)	(3.0)	15.8	6.7	(0.6)
Wilshire US REIT	(4.5)	(4.5)	(4.7)	(4.8)	5.0	2.5	5.1
CS Leveraged Loans	0.0	0.0	9.9	11.6	5.9	4.3	4.3
S&P Global Infrastructure	(3.0)	(3.0)	(6.6)	(1.3)	6.6	4.3	4.4
Alerian MLP	(0.3)	(0.3)	19.8	15.7	41.2	8.1	1.4
Regional Index							
JPM EMBI Global Div	(1.4)	(1.4)	0.4	8.4	(5.0)	(0.2)	2.1
JPM GBI-EM Global Div	(0.5)	(0.5)	3.7	13.5	(3.0)	0.3	(1.2)
Hedge Funds							
HFRI Composite	(1.4)	(1.4)	2.4	3.3	6.2	5.3	4.2
HFRI FOF Composite	(1.0)	(1.0)	1.8	3.1	3.3	3.8	3.0
Currency (Spot)							
Euro	(0.6)	(0.6)	0.9	5.4	(2.1)	(1.0)	(2.8)
Pound Sterling	(0.2)	(0.2)	(1.0)	7.0	(3.2)	(1.4)	(2.5)
Yen	(1.5)	(1.5)	(12.9)	(1.9)	(11.6)	(5.7)	(4.3)

Source: Morningstar, HFRI, as of 10/31/23.

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	(6.4)	22.9	16.0	13.9
<i>MSCI World Index (PME)</i>	(6.7)	17.5	8.3	9.2
Global Private Equity Direct Funds ¹	(5.6)	23.6	17.1	15.9
<i>MSCI World Index (PME)</i>	(6.1)	15.6	8.0	9.0
U.S. Private Equity Direct Funds ¹	(6.1)	25.9	19.2	17.3
<i>Russell 3000 Index (PME)</i>	(7.7)	17.9	10.4	12.0
Europe Private Equity Direct Funds ¹	(2.4)	22.7	15.7	14.7
<i>MSCI Europe Index (PME)</i>	2.7	13.8	5.0	5.9
Asia Private Equity Direct Funds ^{1,4}	(4.2)	14.1	10.1	12.7
<i>MSCI AC Asia Pacific Index (PME)</i>	(7.3)	7.4	1.2	4.0

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt ^{2,4}	4.9	20.0	12.6	11.5
<i>Morningstar LSTA U.S. Leveraged Loan 100 Index (PME)</i>	2.6	6.2	3.5	3.5

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	(0.7)	14.6	10.3	12.4
<i>FTSE NAREIT Equity REIT Index (PME)</i>	(18.4)	13.6	6.9	6.8

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ^{3,4}	8.5	21.6	4.9	3.5
<i>S&P Global Natural Resources Index (PME)</i>	(7.0)	28.9	7.1	5.7
Global Infrastructure ⁴	6.7	13.4	10.3	11.1
<i>S&P Global Infrastructure Index (PME)</i>	(2.8)	14.6	6.0	6.3

Source: Pooled IRRs are from Thompson Reuters CJA and Time-weighted Returns are from Investment Metrics, as of March 31st, 2023. 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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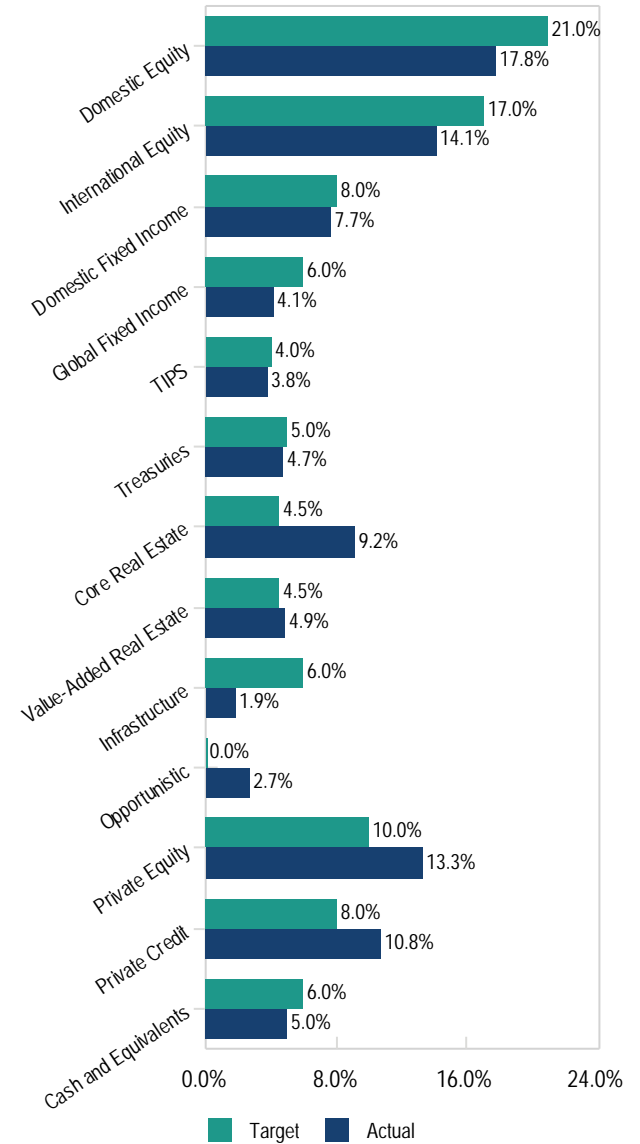
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Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: October 31, 2023

	Market Value	% of Portfolio	1 Mo	YTD
Total Fund	1,601,573,695	100.0	-1.3	2.9
<i>Interim Policy Index</i>			<i>-1.6</i>	<i>2.0</i>
<i>FFP SAA Index</i>			<i>-1.1</i>	<i>3.2</i>
Total Growth	1,152,094,515	71.9	-1.7	3.5
<i>Custom Growth Benchmark</i>			<i>-1.9</i>	<i>4.1</i>
Total Public Equity	511,409,742	31.9	-3.6	5.4
<i>Public Equity Benchmark</i>			<i>-3.3</i>	<i>5.8</i>
Total Domestic Equity	285,225,626	17.8	-2.9	7.6
<i>Russell 3000 Index</i>			<i>-2.7</i>	<i>9.4</i>
PIMCO RAE US	84,059,410	5.2	-2.3	3.0
<i>S&P 500 Index</i>			<i>-2.1</i>	<i>10.7</i>
Loomis Sayles Large Cap Growth	66,982,979	4.2	-2.6	29.4
<i>Russell 1000 Growth Index</i>			<i>-1.4</i>	<i>23.2</i>
Boston Partners Large Cap Value	63,200,645	3.9	-3.5	1.4
<i>Russell 1000 Value Index</i>			<i>-3.5</i>	<i>-1.8</i>
Atlanta Capital Mgmt	70,982,592	4.4	-3.3	-0.2
<i>Russell 2500 Index</i>			<i>-6.1</i>	<i>-2.7</i>
Total International Equity	226,184,116	14.1	-4.5	2.6
<i>MSCI AC World ex USA Index</i>			<i>-4.1</i>	<i>1.5</i>
Dodge & Cox Intl Stock	118,358,345	7.4	-5.0	4.2
<i>MSCI AC World ex USA Value</i>			<i>-4.3</i>	<i>4.1</i>
WCM International Growth	107,825,771	6.7	-3.8	1.1
<i>MSCI AC World ex USA Growth</i>			<i>-3.9</i>	<i>-1.1</i>
Total Private Equity	212,293,309	13.3		
Harbourvest Partners IX Buyout Fund L.P.	12,271,667	0.8		
Pathway Private Equity Fund Investors 9 L.P.	82,513,645	5.2		
Harbourvest 2018 Global Fund L.P.	21,549,977	1.3		
Harbourvest SLO Fund Private Equity	78,191,369	4.9		
Pathway Private Equity Fund Investors 10 L.P.	17,766,651	1.1		
Total Private Credit	172,552,158	10.8		
Sixth Street Partners DCP	85,964,699	5.4		
Harbourvest SLO Credit Fund	86,587,459	5.4		



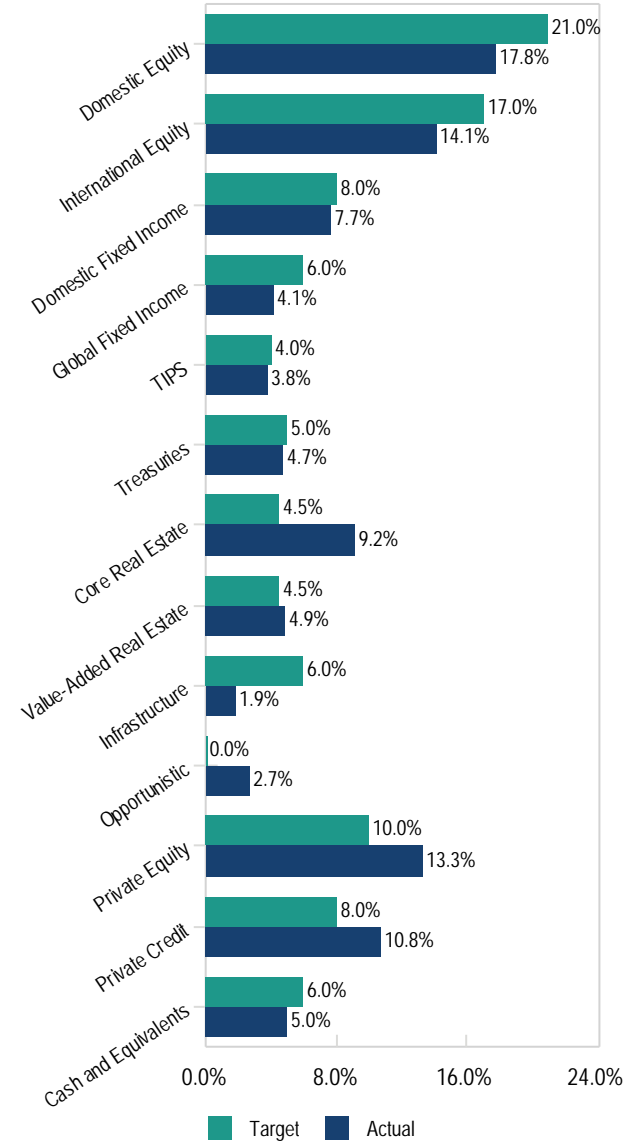
Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return, 6% 90-day T-Bills, 6% ARA American Strategic Value Realty, HarbourVest Funds, Sixth Street DCP, and KKR Mezzanine Partners as of 6/30/23. ARA American Strategic Value Realty, Brookfield Infrastructure Partners, Sixth Street TAO, and KKR Mezzanine Agenda Ote, 18 Partners as of 9/30/23. All data is preliminary.



Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: October 31, 2023

	Market Value	% of Portfolio	1 Mo	YTD
Total Real Estate	255,839,307	16.0	0.0	-7.1
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-5.1</i>
JP Morgan Core Real Estate	147,249,226	9.2	-0.1	-7.5
<i>NCREIF-ODCE</i>			<i>0.0</i>	<i>-7.6</i>
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-5.1</i>
ARA American Strategic Value Realty	78,582,513	4.9	0.0	-6.3
<i>NCREIF-ODCE</i>			<i>0.0</i>	<i>-7.6</i>
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-5.1</i>
Brookfield Infrastructure Fund	30,007,568	1.9		
Total Risk Diversifying	325,773,694	20.3	-0.8	0.0
<i>Total Risk Diversifying Benchmark</i>			<i>-1.4</i>	<i>-3.2</i>
Total Domestic Fixed Income	259,742,468	16.2	-0.8	1.5
<i>Blmbg. U.S. Aggregate Index</i>			<i>-1.6</i>	<i>-2.8</i>
BlackRock Core Bond	4,078	0.0	40.8	39.4
<i>Blmbg. U.S. Aggregate Index</i>			<i>-1.6</i>	<i>-2.8</i>
Dodge & Cox Income Fund	58,190,792	3.6	-1.6	-1.0
<i>Blmbg. U.S. Aggregate Index</i>			<i>-1.6</i>	<i>-2.8</i>
Pacific Asset Corporate Loan	65,334,621	4.1	0.1	11.2
<i>Morningstar LSTA US Leveraged Loan</i>			<i>0.0</i>	<i>10.1</i>
SSGA U.S. Govt Bond Index	75,494,586	4.7	-1.2	-2.4
<i>Blmbg. U.S. Government</i>			<i>-1.2</i>	<i>-2.6</i>
BlackRock TIPS	60,718,391	3.8	-0.7	-1.2
<i>Blmbg. U.S. TIPS</i>			<i>-0.7</i>	<i>-1.5</i>
Total Global Fixed	66,031,226	4.1	-0.8	-5.0
<i>FTSE World Government Bond Index</i>			<i>-1.1</i>	<i>-3.7</i>
Brandywine Global Fixed Income	28,236,803	1.8	-3.1	-9.2
<i>FTSE Non-U.S. World Government Bond</i>			<i>-1.0</i>	<i>-4.7</i>
Ashmore EM Blended Debt Fund	37,794,423	2.4	1.2	-1.3
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>			<i>-0.8</i>	<i>1.9</i>

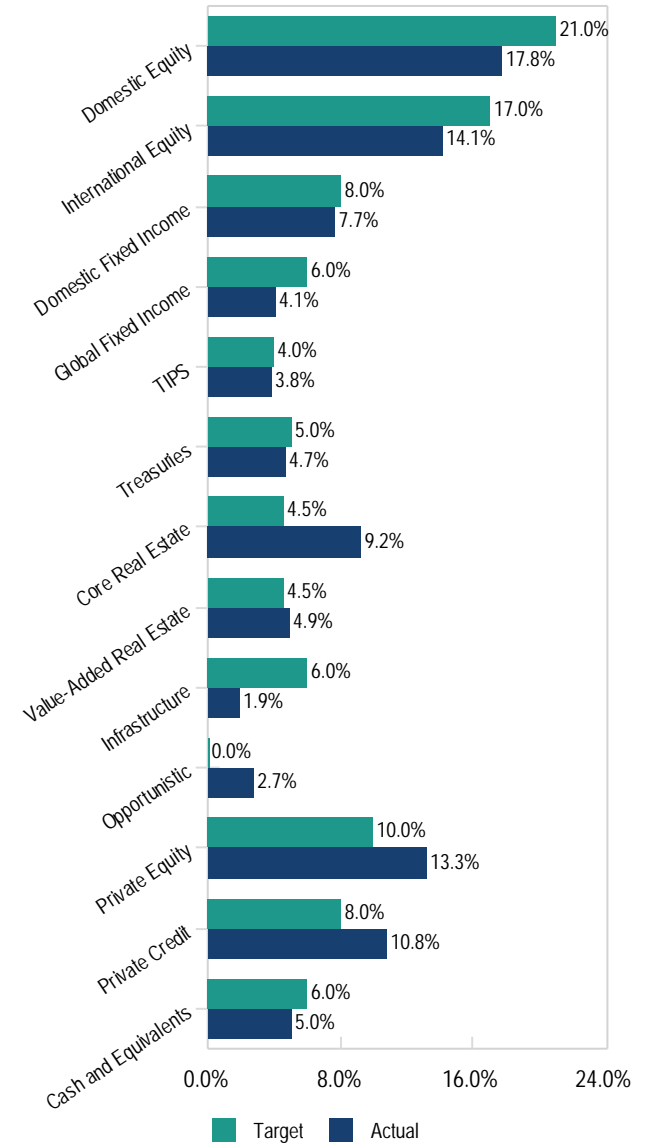


Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return, 6% 90-day T-Bills, 6% ARA American Strategic Value Realty, HarbourVest Funds, Sixth Street DCP, and KKR Mezzanine Partners as of 6/30/23. ARA American Strategic Value Realty, Brookfield Infrastructure Partners, Sixth Street TAO, and KKR Mezzanine Agenda Ote, 18 Partners as of 9/30/23. All data is preliminary.

Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: October 31, 2023

	Market Value	% of Portfolio	1 Mo	YTD
Total Liquidity	80,122,813	5.0	0.6	2.7
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>4.1</i>
Total Cash	80,122,813	5.0	0.6	2.7
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>4.1</i>
PIMCO Short Duration Fund	33,909,181	2.1	0.3	2.5
<i>Bimbg. 1-3 Year Gov/Credit index</i>			<i>0.3</i>	<i>2.2</i>
Cash Account	36,259,093	2.3	0.6	2.4
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>4.1</i>
Investment Cash	9,954,539	0.6	1.4	4.0
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>4.1</i>
Total Opportunistic	43,582,672	2.7		
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,288,535	0.2		
Sixth Street Partners TAO	40,294,137	2.5		



Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return, 6% 90-day T-Bills, 6% ARA American Strategic Value Realty, HarbourVest Funds, Sixth Street DCP, and KKR Mezzanine Partners as of 6/30/23. ARA American Strategic Value Realty, Brookfield Infrastructure Partners, Sixth Street TAO, and KKR Mezzanine Partners as of 9/30/23. All data is preliminary.

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Board of Trustees

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Date: November 27, 2023

To: Board of Trustees

From: Carl Nelson – Executive Director
Amy Burke – Deputy Director
Scott Whalen – Verus – Investment Consultant

Agenda Item 19: Asset Allocation – Implementation – Interim 2024 Policy Targets

Recommendation:

1. Approve the Interim 2024 Asset Allocation Policy Targets discussed below. This is the next step in the approximately four years of the implementation glidepath to the approved Strategic Asset Allocation (SAA) Policy. Note that this action is not a change to the adopted SAA Policy – rather it is a recognition that a transition of this type is best completed over multiple years.

Background:

The Pension Trust adopted a revised Investment Policy and an amended the Strategic Asset Allocation (SAA) policy September 28, 2020. The amended SAA includes, among other changes, a target allocation to the Growth Sub-Portfolio of 75%. Included in the Growth Portfolio is a large increase in the allocation to Private Market assets – Private Equity and Private Credit – from the 2020 target of 10% to the new SAA Policy of 30%. In addition, a portion of the Real Assets allocation (5% Core Real Estate, 5% Value-Add Real Estate, 5% Infrastructure) is made changed from the pre-2020 policy. Given the illiquid nature of private market assets and the importance of vintage-year diversification, any realistic implementation plan should extend over 3-5 years and perhaps longer.

In November of 2020, 2021 and 2022 the Board approved a set of Interim Asset Allocation Policy Targets for each year. This action updates that decision on interim asset mix targets for 2024.

The recommendation for the Board of Trustees is to approve the 2024 Interim Asset Allocation Policy Targets shown below.

Strategic Asset Allocation Policy Adopted Policy Mar. 22, 2021 with Interim Targets 2022-2026		2023	2024	SAA	Limits	
		Interim	Interim	TARGET	Min.	Max.
LIQUIDITY						
Total Liquidity Allocation	(a)	6%	8%	10%	5%	20%
Cash Equivalents		4%	5.00%	4.00%	1%	15%
Short Duration Govt/ IG Credit	(c)	2%	3.00%	6.00%	0%	15%
GROWTH						
Total Growth Allocation	(b)	79%	77%	75%	25%	95%
Equities - Public Market		37%	37%	30%	15%	85%
US Equities - Growth/Value, Lg./SMID		20%	20.00%	16.50%		
Intl. Developed/Emerging Market		17%	17.00%	13.50%		
Global					15%	70%
Debt - Public Market		9%	4%	0%	0%	30%
Global Bonds & Emerging Mkt Debt		5%	0.00%	0.00%		
Bank Loans		4%	4.00%	0.00%		
Real Assets		14%	14%	15%	10%	30%
Real Estate - Core		7%	7.00%	5.00%	5%	15%
Real Estate Value Add		5%	5.00%	5.00%	0%	15%
Infrastructure - Global		2%	2.00%	5.00%	0%	15%
Private Markets	(e)	19%	22%	30%	5%	45%
Private Equity		11%	12.00%	18.00%	5%	30%
Private Credit		8%	10.00%	12.00%	5%	25%
Other Growth Strategies					0%	10%
Opportunistic		Varies	Varies	Varies		
RISK DIVERSIFYING						
Total Risk Diversifying Allocation		15%	15%	15%	5%	30%
Core Bonds - domestic		6%	0.00%	0.00%		
US Treasury - Intermediate/Long		5%	8.00%	8.00%	4%	15%
US Treasury - Inflation Protected - TIPS		4%	7.00%	7.00%	3%	15%
TOTAL		100%	100%	100%		

The above table is formatted like the SAA policy in the adopted IPS. It is abbreviated for clarity and omits the relevant performance benchmarks.

The Verus recommendation for the 2024 Interim is shown below and it includes the relevant performance benchmarks.

Asset Class	EOY 2024 Target	Implementation Benchmark
Domestic Equity	20%	Russell 3000
International Equity	17%	MSCI ACWI ex US
Private Equity*	12%	Actual Return
Bank Loans	4%	Credit Suisse Leveraged Loan Index
US Treasuries	8%	Bloomberg Treasury 7-10
US TIPS	7%	Bloomberg US TIPS 5-10
Private Credit*	10%	Actual Return
Open-End Core/VA Real Estate	12%	NCREIF Property Index
Private VARE/Infrastructure*	2%	Actual Return
Cash/Liquidity	8%	91 Day T-Bill

Respectfully Submitted,

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Board of Trustees

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Date: November 27, 2023

To: Board of Trustees

From: Carl Nelson – Executive Director
Amy Burke – Deputy Director
Scott Whalen - Verus

Agenda Item 20: 2023 Capital Market Assumptions Update - Verus

Recommendation:

Staff recommends that the Board of Trustees review and discuss the presentation to be given by Scott Whalen of Verus, the Pension Trust’s investment consultant on updated Capital Market Assumptions.

Capital Market Assumptions:

It is the practice of the Pension Trust to include in the February Board of Trustees meeting an annual review of asset allocation and Capital Market Assumptions (CMA). This presentation is a mid-year update on CMAs as they change month to month. Verus’ CMAs are primarily for a 10-year period. CMAs are inherently heavily influenced by current market valuation levels and interest rates. The starting point determines the path to the eventual reversion-to-the-mean of returns.

The following table below recaps the effect of CMA changes for the SLOCPT Strategic Asset Allocation asset mix targets in place in each of the respective years.

Year	Exp. 10-year Annualized Return	Expected Risk (Std. Dev.)
2017	6.3%	11.1%
2018	6.0%	11.4%
2019	6.7%	11.4%
2020 (legacy)	6.2%	11.1%
2020 (FFP)	6.9%	11.4%
2021	5.6%	11.4%
2022	6.3%	11.8%
2023 February	7.5%	11.7%
2023 November	7.2%	11.3%

Discount Rate Considerations:

While not a part of this Board action item, any discussion of CMA’s naturally relates to the later discussion of the Actuarial Valuation and its assumptions. The Discount Rate for pension liabilities in the actuarial process should reflect **very long-term expectations for investment returns at an appropriate level of risk for the fund**. The Discount Rate is currently at a 6.75% rate.

Actual returns will, of course, vary widely year to year. If a long-term discount rate is used that is unrealistically high, it increases the probability that actual returns will average below that rate. This will have the effect of creating actuarial losses that will be smoothed into the contribution rates to fund the Plan. If this is consistently the case, it will defer pension costs properly attributable to the current generation of pension rate payers to future generations. Hence, the importance of using a realistic long term expected investment return as the discount rate for Plan liabilities. The range of reasonable discount rates has been reducing significantly in recent years but has increased following the 2022 bear markets in both stocks and bonds.

Pension Trust practice has been to consider changes to the long-term actuarial Discount Rate in conjunction with biennial Actuarial Experience Studies. This allows for an integrated consideration of not just the Discount Rate, but the other key actuarial assumptions (e.g., inflation, mortality, etc.) that go into determining the necessary funding for the Plan. 2024 will include an Actuarial Experience Study.

The selection of a prudent Discount Rate is done by the Board of Trustees in consultation with the Plan’s Actuary. It considers the CMAs of SLOCPT’s investment consultant and other consultants. This discussion on Discount Rates is scheduled for the March and May 2024 Board of Trustees meetings as part of planning for the 2024 Actuarial Valuation.

Respectfully Submitted,



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



NOVEMBER 2023

SAA Update with Latest Capital Market Assumptions

San Luis Obispo County Pension Trust

Asset allocation update

	2023	2024	2025	2026 Interim	Long Term SAA		Verus CMAs	
	Interim Policy	Interim Policy	Interim Policy	Policy	2027		Original (a)	August Update (a)
Growth	81	79	78	77	75			
Global Equity	38.0	36.0	34.0	32.0	30.0	↓	8.7	8.2
Private Equity	10.0	12.0	14.0	16.0	18.0	↓↓	12.1	9.3
Private Credit	8.0	9.0	10.0	11.0	12.0	↑↑	9.0	10.2
Global Sovereign ex-US	3.0	2.3	1.5	0.8	0.0	↑	2.7	2.9
Bank Loans	4.0	3.0	2.0	1.0	0.0	↑↑	7.2	8.7
Emerging Market Debt (Hard)	1.5	1.1	0.8	0.4	0.0	↓	9.4	8.9
Emerging Market Debt (Local)	1.5	1.1	0.8	0.4	0.0	↓	7.7	6.8
Core Real Estate	9.0	8.0	7.0	6.0	5.0	↑	6.5	7.4
Value Add Real Estate	4.0	4.3	4.5	4.8	5.0	↑	8.9	9.7
Infrastructure	2.0	2.8	3.5	4.3	5.0		9.1	9.1
Diversifying	13	14	14	15	15			
Core Fixed Income	4.0	3.0	2.0	1.0	0.0	↑	4.4	4.6
US Treasury	5.0	5.5	6.0	6.5	7.0	↑	4.0	4.4
US TIPS	4.0	5.0	6.0	7.0	8.0	↑	4.3	4.5
Liquidity	6	7	8	9	10			
Cash	3.0	3.3	3.5	3.8	4.0	↑↑	3.3	5.0
Short-Term Gov't/Credit	3.0	3.8	4.5	5.3	6.0	↑	4.0	4.3
Total Allocation	100	100	100	100	100			

	August CMA Update					Original 2023 CMAs				
	2023 Interim Policy	2024 Interim Policy	2025 Interim Policy	2026 Interim Policy	Long Term SAA 2027	2023 Interim Policy	2024 Interim Policy	2025 Interim Policy	2026 Interim Policy	Long Term SAA 2027
Mean Variance Analysis										
Forecast 10 Year Return	7.08	7.11	7.15	7.18	7.21	7.17	7.24	7.32	7.39	7.46
Standard Deviation	11.0	11.0	11.1	11.2	11.3	11.3	11.3	11.4	11.6	11.7
Return/Std. Deviation	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
1st percentile ret. 1 year	-12.6	-12.8	-13.1	-13.4	-13.7	-15.9	-15.9	-16.1	-16.2	-16.3
Sharpe Ratio	0.23	0.23	0.23	0.24	0.24	0.38	0.39	0.39	0.40	0.40

Board of Trustees

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Date: November 27, 2023

To: Board of Trustees

From: Carl Nelson – Executive Director
Amy Burke – Deputy Director
Scott Whalen – Verus

Agenda Item 21: Private Markets Program Review - Verus

Recommendation:

Receive a presentation on the existing private markets program from Scott Whalen, Verus, the Pension Trust's investment consultant.

Background:

Private market assets are investments that are not traded on public exchanges or markets such as stocks and bonds. Private market assets are expected to have greater returns than public market assets, but with far less liquidity. The private markets investments program for the SLOCPT began in 2011 and currently makes up over 26% of the total fund in Private Equity and Private Credit. Real Estate is also a private market asset (excluding publicly traded REITS) but is not included in this report. SLOCPT's Real Estate investments are currently in two open-end funds making up over 14% of the total fund and are better considered separately. The allocation to Infrastructure now includes a core commitment to the Brookfield BSIP fund currently making up 2% of the total fund.

This report is on the Private Equity and Private Credit programs already in existence. As such they deserve a closer review with the Board of Trustees. The Verus presentation points out the actual performance of the SLOCPT's private markets program through 2Q23.

Future SLOCPT private market investments in the expanded allocations to Private Equity, Private Credit, and Infrastructure will be managed by HarbourVest in the fund-of-one structure previously approved by the Board.

Respectfully submitted,

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PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



NOVEMBER 2023

Private markets program review (based on data as of 6/30/23)

San Luis Obispo County Pension Trust

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Private Market Fees **PAGE 20**

Appendix

***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. Additional information about Verus Advisory, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov. Verus – also known as Verus Advisory™.*

Executive summary

Program Update

- A custom private market platform managed by HarbourVest was added in February 2022 with a total commitment of \$770 million over 5-years.
- This is a multi-strategy program investing in private equity, private credit and infrastructure.
- Capital calls came in for the private equity and private credit tranches totaling approximately \$100 million through June 30.
- Activity within the infrastructure tranche has started but remains a small piece of the program.
- Based on the addition of the HarbourVest SMA platform, a commitment schedule is in place to progress towards the long-term target allocation for both private equity and private credit.
- An additional commitment to the HarbourVest Private Equity sleeve will likely be needed in the next year or so to ensure SLOCPT achieves its long-term allocation target.

Private Equity

- SLOCPT's private equity allocation accounts for 10.1% of the total fund relative to its 18% long-term target.
- Historically, the PE program has utilized two managers (HarbourVest and Pathway) in a multi-series, global fund-of-funds structure to gain sector, geographic, and vintage year diversification.
- The program has exceeded performance expectations since inception.

Private Credit

- SLOCPT's private credit allocation accounts for 9.3% of the total fund relative to its 12% long-term target.
- The private credit program was initiated through Sixth Street Partners' (SSP) single-platform, multi-fund structure.
- The SSP program began with a \$75 million commitment to three separate funds in 2016. An additional commitment of \$38.75 million was added in 2019, \$18.75 million in 2020, \$20 million in 2021 and \$18.75 million in 2023 to bring the total private credit commitment for SSP to \$171.25 million.
- The HarbourVest private credit sleeve is up to \$190 million commitment in its 2nd year.
- The program has exceeded performance expectations since inception.

I. Overview

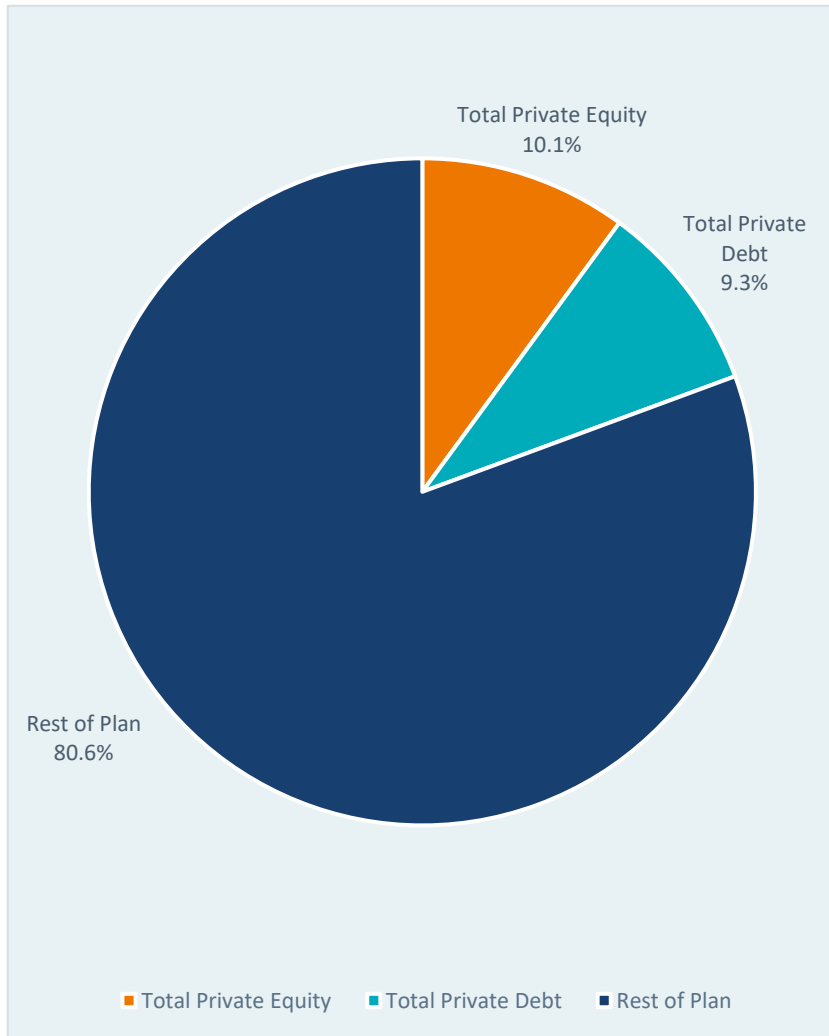
Portfolio allocation (as of 6/30/23)

Asset Class	Long-Term FFP Targets	Current
Public Market Equity	30%	37.1%
Private Equity	18%	10.1%
Public Market Debt	15%	21.3%
Private Credit	12%	9.3%
Open-end Real Estate	5%	14.3%
Private Real Estate & Infrastructure	10%	0%
Cash & Equivalents	10%	5.4%
Opportunistic ¹	0%	2.5%

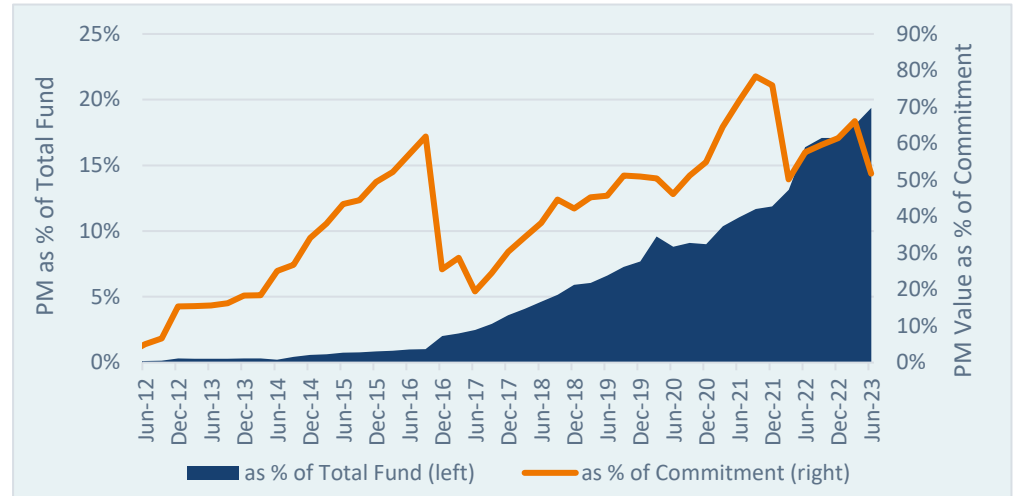
¹Opportunistic is composed of KKR Mezzanine and TAO Contingent. KKR is winding down and TAO was funded in April 2020.

Private markets program at a glance

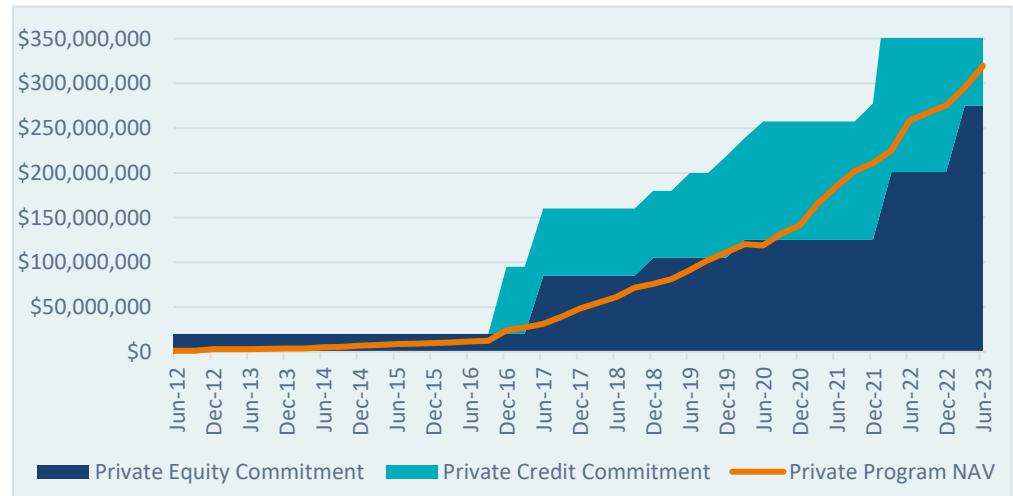
PRIVATE MARKETS AS % OF TOTAL FUND



PRIVATE MARKETS VALUE AS % OF COMMITMENT AND TOTAL FUND



PRIVATE MARKETS TOTAL COMMITMENT AND CURRENT VALUE



All data is as of 6/30/23 and includes HarbourVest separate account program minus infrastructure

Current private market holdings

Vintage	Manager & Fund Name	Estimated 6/30 Market Value ³	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Distrib/ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	Net IRR Since Inception ⁴	IRR Date
<i>Private Equity</i>											
2011	HarbourVest Partners IX-Buyout Fund L.P.	\$12,413,256	\$20,000,000	\$17,050,000	85%	\$2,950,000	\$25,286,164	148.3%	221.1%	17.8%	6/30/2023
2018	HarbourVest Partners 2018 Global Fund L.P.	\$21,600,917	\$20,000,000	\$15,600,000	78%	\$4,400,000	\$5,399,227	34.6%	173.1%	23.6%	6/30/2023
2022	HarbourVest SLO Fund Private Equity ⁷	\$32,568,603	\$150,000,000	\$31,000,000	21%	\$119,000,000	\$0	0.0%	105.1%	15.7%	6/30/2023
2017	Pathway Private Equity Fund Investors 9 L.P.	\$82,754,068	\$65,000,000	\$52,410,796	81%	\$12,589,204	\$13,095,363	25.0%	182.9%	19.5%	6/30/2023
2020	Pathway Private Equity Fund Investors 10 L.P.	\$16,663,270	\$20,000,000	\$12,609,392	63%	\$7,390,608	\$0	0.0%	132.1%	11.8%	6/30/2023
<i>Private Credit</i>											
2016	Sixth Street Partners Div Credit Program ⁶	\$84,431,127	\$152,500,000	\$104,457,815	68%	\$48,042,185	\$45,527,949	43.6%	124.4%	8.7%	12/31/2022
2022	HarbourVest SLO Fund Private Credit ⁷	\$69,099,266	\$190,000,000	\$68,521,260	36%	\$121,478,740	\$0	0.0%	100.8%	8.5%	6/30/2023
Total Alternative Illiquids		\$319,530,507	\$617,500,000	\$301,649,263	49%	\$315,850,737	\$89,308,703	29.6%	135.5%		
% of Portfolio (Market value)		19.4%									

¹(DPI) is equal to (capital returned / capital called)

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

³Last known market value + capital calls – distributions

⁴ Net IRR provided by respective manager, except for SSP which is taken from Q2 performance report

⁵ Sixth Street Partners was previously known as TSSP

⁶Commitment amount from HarbourVest separate account tactical plan for year 1 + year 2 of the \$770m private markets program

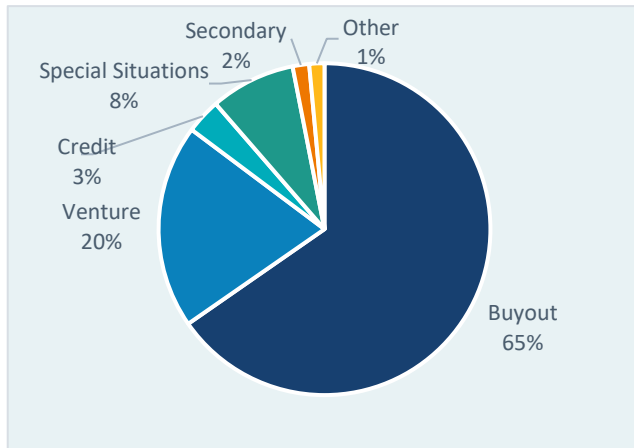
Excerpt from SLOCPT'S 6/30/23 performance report. Private equity holdings data are reported on a lagged cycle and are reflective of the last known values at the time of the report.

II. Private equity

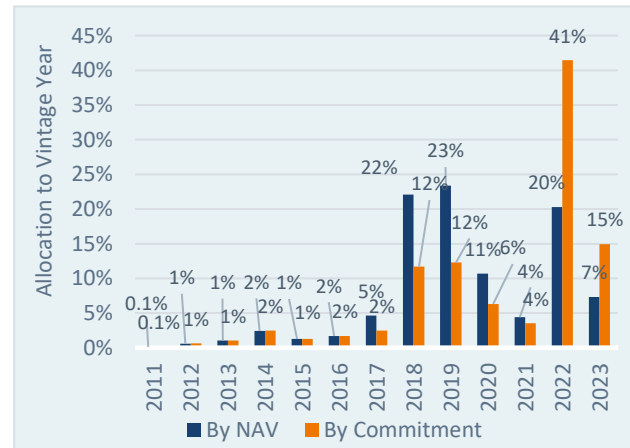
Diversification within the PE sleeve

- The program is diversified across five funds, three managed by HarbourVest and two by Pathway.
- The most recent allocation was to HarbourVest San Luis Obispo separate account which started on February 25, 2022. It's a 5-year program with a total commitment of \$770 million across private equity, private credit and infrastructure.
- The largest allocation is to HarbourVest 2022 program where the private equity sleeve accounts for an estimated commitment of \$150 million (year 1 + year 2). Next largest is Pathway at \$65 million with the others at \$20million each.
- The program currently spans 13 vintage years with the highest concentration in years 2018 and 2019 (a function of both managers deploying a large allocation into funds). The 41% commitment to 2022 is a function of categorizing 100% of the new HarbourVest fund to 2022.
- Leveraged Buyouts make up most of the program with a caveat. Underlying secondary investments can be categorized as buyout, venture, credit, etc. We include secondaries as a strategy/stage type because fund managers will allocate to secondary deals to mitigate the j-curve or to pick up an undervalued asset with high upside potential.

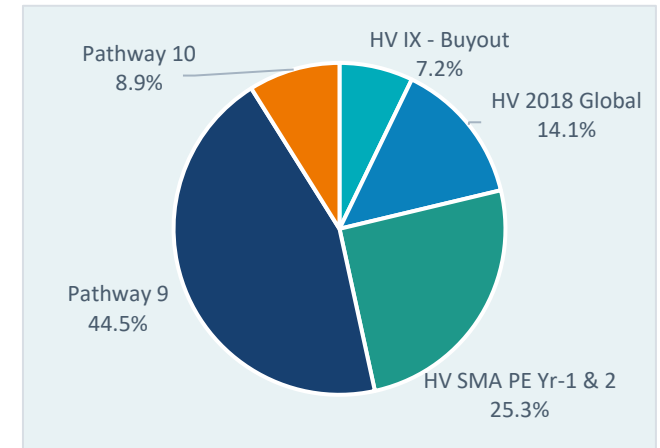
STRATEGY/STAGE DIVERSIFICATION



VINTAGE YEAR DIVERSIFICATION

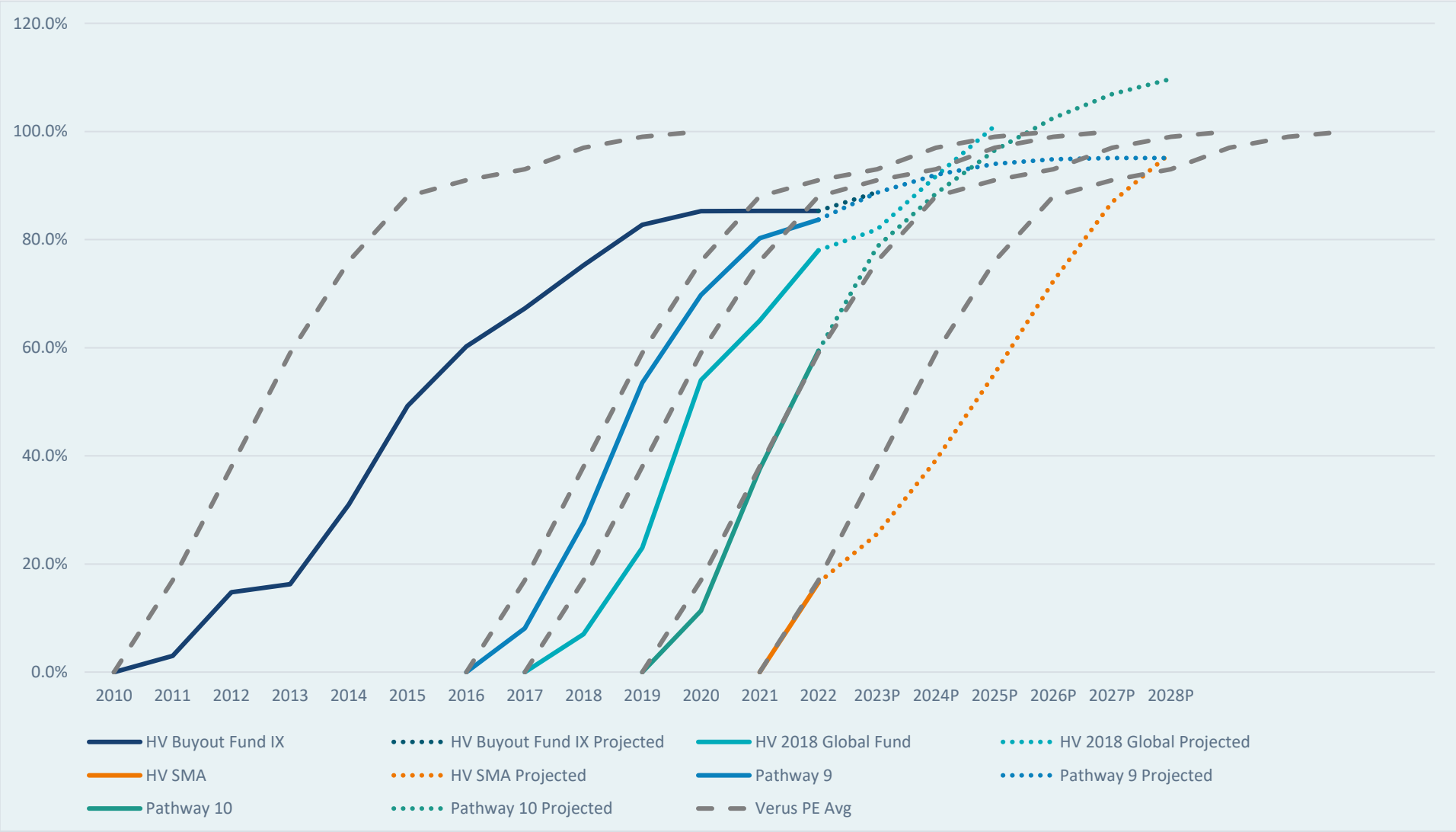


MANAGER DIVERSIFICATION



Based on market values as of 6/30/23
Other includes energy and infrastructure

Capital call pace



Projected figures based on capital call projections as of 6/30/23

Program fees

	HarbourVest Fund IX Buyout	Pathway 9	HarbourVest 2018 Global Fund	Pathway 10	HarbourVest SLO SMA
Commitment	\$20,000,000	\$65,000,000	\$20,000,000	\$20,000,000	\$350,000,000 ¹
Vintage Year	2011	2017	2018	2020	2022
Year 1	0.25%	0.21%	0.45%	0.20%	0.17%
Year 2	0.50%	0.43%	0.66%	0.41%	0.17%
Year 3	0.75%	0.64%	0.88%	0.61%	0.17%
Year 4	1.00%	0.86%	0.88%	0.81%	0.17%
Year 5	1.00%	0.86%	0.88%	0.81%	0.17%
Year 6	1.00%	0.86%	0.88%	0.81%	0.17%
Year 7	1.00%	0.86%	0.88%	0.81%	0.17%
Year 8	1.00%	0.86%	0.88%	0.81%	0.17%
Year 9	1.00%	0.77%	0.66%	0.73%	0.17%
Year 10	1.00%	0.68%	0.45%	0.65%	0.17%
Year 11	0.90%	0.60%	0.22%	0.57%	0.17%
Year 12	0.81%	0.51%	0.13%	0.49%	0.17%
Year 13	0.73%	0.43%	0.09%	0.41%	0.17%
Average	0.84%	0.66%	0.61%	0.62%	0.17%

Total lifetime private equity program costs average to about 30 bps²

1-Represents total commitment for 5-year period including only private equity portion of Global Tranche, excluding infrastructure and primary credit

2-Calculation is cap-weighted based on commitment amounts of current funds.

Private equity performance as of 6/30/23

Fund	SLO Net IRR	PME Return	PME Benchmark
HarbourVest Fund IX – Buyout	17.8%	13.3%	S&P 500
		10.1%	Russell 2000
HarbourVest 2018 Global	23.6%	10.2%	MSCI ACWI
Pathway Fund 9	19.5%	12.7%	S&P 500
		10.2%	MSCI World
Pathway Fund 10	11.8%	9.1%	S&P 500
		7.5%	MSCI ACWI

See Appendix for PME calculation notes

Source: Harbourvest, Pathway

Private equity pacing projections

Fund	Vintage Year	Commitment	Remaining Commitment	Cumulative thru 12/31/22	(Contributions) / Distributions								
					2023	2024	2025	2026	2027	2028	2029	2030	
HarbourVest IX Buyout	2011	\$20.0	\$2.9										
Net Cash Flow					\$1.6	\$3.6	\$5.9	\$4.5	\$1.4				
NAV				\$13.4	\$12.9	\$10.4	\$5.4	\$1.3	\$0.0				
HarbourVest 2018 Global Fund	2018	\$20.0	\$5.6										
Net Cash Flow					\$0.2	\$2.2	\$5.6	\$7.0	\$6.2	\$4.6	\$3.4	\$1.4	
NAV				\$20.7	\$22.3	\$22.2	\$18.5	\$13.1	\$8.1	\$4.3	\$1.3	\$0.0	
HarbourVest SLO SMA	2022	\$350.0	\$325.2										
Net Cash Flow					(\$30.6)	(\$44.2)	(\$45.3)	(\$39.7)	(\$3.5)	\$48.5	\$63.4	\$74.7	
NAV				\$23.8	\$57.0	\$107.5	\$164.9	\$223.0	\$251.5	\$231.2	\$193.7	\$140.6	
Pathway 9	2017	\$65.0	\$8.6										
Net Cash Flow					\$10.4	\$18.6	\$20.1	\$17.7	\$16.7	\$13.4	\$9.6	\$6.9	
NAV				\$83.5	\$79.9	\$67.6	\$53.0	\$39.6	\$26.1	\$14.8	\$6.4	\$0.0	
Pathway 10	2020	\$20.0	\$5.2										
Net Cash Flow					(\$3.7)	(\$1.0)	\$0.4	\$4.2	\$6.9	\$5.7	\$5.1	\$3.2	
NAV				\$13.4	\$18.2	\$20.6	\$21.9	\$19.4	\$14.1	\$9.6	\$5.2	\$2.4	
PE Balance		\$475.0	\$347.6	\$154.8	\$190.3	\$228.4	\$263.7	\$296.5	\$299.9	\$259.9	\$206.6	\$143.0	
% of Total Assets				9.6%	11.0%	12.3%	13.3%	13.9%	13.1%	10.5%	7.8%	5.0%	
Total Plan Assets				\$1,614	\$1,730	\$1,854	\$1,990	\$2,137	\$2,297	\$2,470	\$2,655	\$2,854	

Total Plan Assets growth rate is based on the forecasted expected return from the 2023 CMA review.

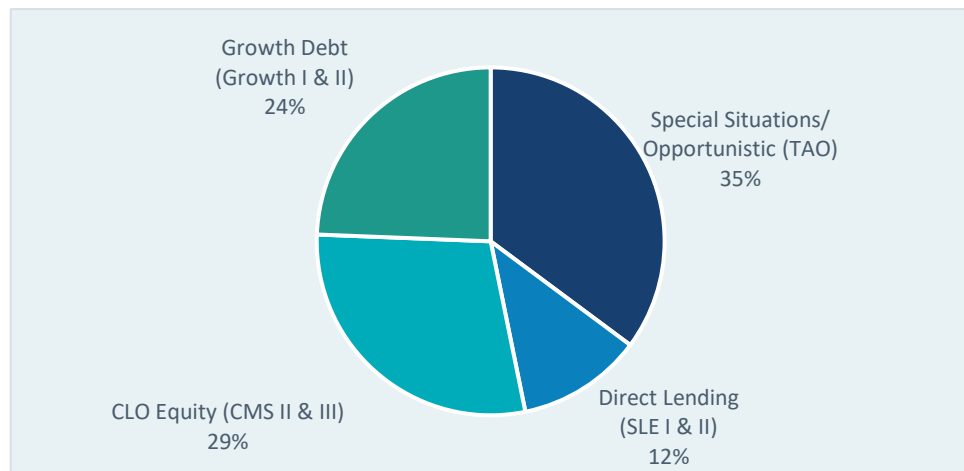
Please see appendix for list of assumptions

III. Private credit

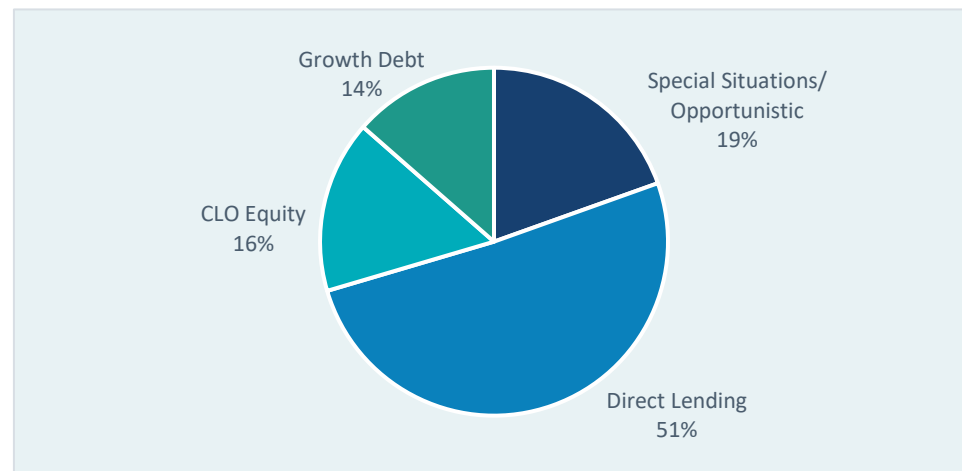
Diversification within the PC program

- The current private credit program includes 2 managers: Sixth Street Partners and HarbourVest.
- The private credit program was implemented in December 2016 through the Sixth Street Diversified Credit Program (DCP), which includes four funds: TAO (broad special situation), SLE (European lending), CMS (CLO Equity) and Growth (Growth Debt). The progression of investments is as follows:
 - 2016 - \$75 million to DCP
 - April 2019 - \$20 million to Growth I
 - December 2019 - \$18.75 million to CMS III
 - April 2020 - \$18.75 million to SLE II
 - October 2021 - \$20 million to Growth II
 - June 2023 - \$18.75 million to CMS IV (not included in rest of analysis)
- The DCP program is structured such that SLOCPT will automatically roll its commitment forward into the next series of each fund listed above, unless it chooses to “opt out”.
- The HarbourVest private credit includes 2 sleeves of the broader San Luis Obispo Separately Managed Account which was initiated in February 2022.
- The 2 sleeves include Primary Credit and Senior Credit Tranche at a total commitment of \$375 million over the 5-year program with 2nd year’s commitment estimated at \$95 million for a total thus far of \$190 million.

SIXTH STREET DCP



PRIVATE CREDIT PROGRAM WITH HARBOURVEST PC SLEEVE



Based on capital account balance as of 6/30/23; HarbourVest PC sleeve included in direct lending strategy

Sixth Street Partners fund descriptions

TAO

Focuses on the entire set of credit opportunities generated across the TSSP platform. It is TSSP's most flexible investment vehicle and can house any investment that meets the firm's broad investment criteria.

SLE *(previously TSLE)*

Focuses on direct loans to middle-market companies, primarily in Europe.

CMS *(previously TICP)*

Focuses on investments in the floating-rate leveraged loan and structured credit markets.

Growth *(previously TCS)*

Focuses on providing flexible financing solutions to growth companies (i.e., companies growing faster than the economy that require a high level of investment capital for continued expansion).

Private credit program fees

	Total SSP DCP		SLE ^{3,4}		TAO 3.0 ¹		CMS II ²		Growth I ^{5,9}		CMS III ⁷		SLE II ³		Growth II ^{3,8}		HV PC		
Commitment	\$152,500,000		\$18,750,000		\$37,500,000		\$18,750,000		\$20,000,000		\$18,750,000		\$18,750,000		\$20,000,000		\$190,000,000		
Vintage Year			2016		2016		2016		2018		2020		2020		2021		2022		
	Unused/ Committed ⁶		Invested		Committed ⁶		Invested ⁶		Unused		Invested		Committed ⁷		Invested ⁷		Unused		Invested
Year 1	0.65%	1.14%	1.50%	1.50%	0.65%	1.35%	0.00%	0.30%	0.85%	1.50%	0.00%	0.30%	0.25%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 2	0.65%	1.14%	1.50%	1.50%	0.65%	1.35%	0.00%	0.30%	0.85%	1.50%	0.00%	0.30%	0.25%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 3	0.65%	1.14%	1.50%	1.50%	0.65%	1.35%	0.00%	0.30%	0.85%	1.50%	0.00%	0.30%	0.25%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 4	0.65%	1.14%	1.50%	1.50%	0.65%	1.35%	0.00%	0.30%	0.85%	1.50%	0.00%	0.30%	0.25%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 5	0.43%	1.11%	0.85%	1.25%	0.65%	1.35%	0.00%	0.30%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 6	0.16%	1.11%	0.00%	1.25%	0.65%	1.35%	0.00%	0.30%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 7	0.00%	1.11%	0.00%	1.25%	0.00%	1.35%	0.00%	0.30%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 8	0.00%	1.11%	0.00%	1.25%	0.00%	1.35%	0.00%	0.30%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 9	0.00%	1.11%	0.00%	1.25%	0.00%	1.35%	0.00%	0.30%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 10	0.00%	0.95%	0.00%	1.25%	0.00%	1.35%	0.00%	0.30%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%	1.25%	1.50%	1.50%	0.15%	
Year 11	0.00%	0.33%	0.00%	1.25%	0.00%	1.35%	0.00%	0.30%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%	1.25%	1.50%	1.50%	0.15%	
Average	0.29%	1.03%	0.69%	1.35%	0.35%	1.35%	0.00%	0.30%	0.34%	1.50%	0.00%	0.30%	0.11%	1.25%	0.63%	1.50%	1.50%	0.15%	

SSP Notes: For illustrative purposes only. Commitment periods are based on Sixth Street's views and are subject to change. Furthermore, the above table is a simplification. Please refer to fund documentation for the complete terms and definitions.

1. Assumes 10 year fund life for CMS II, CMS III, and CMS IV.
2. Assumes wind down of portfolio lasts 5 years.
3. SLE Year 5 includes adjustment for one year commitment period extension.
4. DCP commitment to Growth I was made in April 2019, analysis above shows all fund commitments beginning in "Year 1".
5. During SLE commitment period (before 1 year extension), management fees are calculated based on LP fund commitments. To accurately represent fees for DCP, we have included them in Total Sixth Street for both the unused/committed and invested columns.
6. DCP commitment to Growth II was made in October 2021, analysis above shows all fund commitments beginning in "Year 1".
7. Commitment period ended 6/30/23

Private credit performance

SSP Vehicle	Net IRR	PME Return	PME Benchmark ¹
TAO 3.0	10.1%	2.1%	S&P/LSTA Lev Loan ²
		2.1%	Credit Suisse Lev Loan ³
CMS II	6.3%	2.4%	S&P/LSTA Lev Loan
		2.4%	Credit Suisse Lev Loan
CMS III	10.2%	-0.1%	S&P/LSTA Lev Loan
		0.0%	Credit Suisse Lev Loan
SLE I ⁴	11.8%	3.2%	S&P/LSTA Lev Loan
		3.3%	Credit Suisse Lev Loan
SLE II ⁵	5.5%	-2.3%	S&P/LSTA Lev Loan
		-2.2%	Credit Suisse Lev Loan
Growth I	15.1%	1.2%	S&P/LSTA Lev Loan
		1.2%	Credit Suisse Lev Loan
Growth II	NM	NM	S&P/LSTA Lev Loan
		NM	Credit Suisse Lev Loan
DCP	9.2%	2.9%	S&P/LSTA Lev Loan
		2.9%	Credit Suisse Lev Loan
HarbourVest SMA Private Credit	8.5%	3.2%	JP Morgan High Yield
		3.3%	Credit Suisse High Yield II

Note: All performance numbers are as of 6/30/23. Past performance does not guarantee future results, which may vary.

1. The benchmark numbers above are presented as a Public Market Equivalent (“PME”) analysis based on the actual timing of net cash flows in the Sixth Street vehicles. For all funds, the investor’s individual net cash flows were used. Index performance has been adjusted to include 75bps impact from management fees, as these indices cannot be accessed directly. Please refer to the disclaimers at the beginning of this presentation for additional disclosure regarding the use of benchmark indices.

2. S&P/LSTA Leveraged Loan Total Return Index (Bloomberg Finance).

3. Credit Suisse Leveraged Loan Total Return Index (Bloomberg Finance).

4. As of 6/30/23, the SLE I Main Fund had returned a levered net IRR of 9.7% and an unlevered net IRR of 9.0%. SLOCPT is invested in the SLE I USD feeder fund. The net return shown here reflects SLOCPT’s actual net IRR based on their investor-specific cash flows.

5. As of 6/30/23, the SLE II Main Fund had returned a levered net IRR of 10.3% and an unlevered net IRR of 8.0%. SLOCPT is invested in the SLE II USD feeder fund. The net return shown here reflects SLOCPT’s actual net IRR based on their investor-specific cash flows.

Total private credit program projections

Fund	Vintage Year	Commitment	Remaining Commitment	Cumulative thru 12/31/22	(Contributions) / Distributions			
					2023	2024	2025	2026
SLE ²	2015	\$18.75						
Net Contributions/Distributions					10.0%	5.0%	5.0%	5.0%
TAO 3.0 ¹	2016	\$37.50						
Net Contributions/Distributions					1.0%	1.0%	1.0%	1.0%
CMS II ²	2016	\$18.75						
Net Contributions/Distributions					15.0%	15.0%	15.0%	15.0%
Growth I ¹	2018	\$20.00						
Net Contributions/Distributions					0.0%	5.0%	10.0%	10.0%
CMS III ¹	2020	\$18.75						
Net Contributions/Distributions					(30.0)%	15.0%	15.0%	15.0%
SLE II ¹	2020	\$18.75						
Net Contributions/Distributions					(20.0)%	5.0%	10.0%	10.0%
Growth II ¹	2021	\$20.00						
Net Contributions/Distributions					(20.0)%	5.0%	10.0%	10.0%
SSP DCP Total Fund Level	2016	\$152.50	\$48.0					
Net Cash Flow					(\$8.31)	\$9.88	\$12.81	\$12.81
NAV				\$79.82	\$84.40	\$70.57	\$54.45	\$39.09
HarbourVest SLO - Primary & Direct Credit	2022	\$375.00	\$334.1					
Net Cash Flow					(\$52.1)	(\$71.5)	(\$17.5)	\$23.3
NAV				\$40.9	\$96.3	\$175.6	\$207.2	\$200.6
PC Balance		\$527.50	\$382.2	\$120.69	\$180.67	\$246.15	\$261.68	\$239.71
% of Total Assets				7.5%	10.4%	13.3%	13.2%	11.2%
Total Plan Assets				\$1,614	\$1,730	\$1,854	\$1,990	\$2,137

Note: For illustrative purposes only. The information is being provided to Verus and SLOCPT at its specific request and is strictly private and confidential. The information is shown on a net of fees and expenses basis. Actual capital calls and distributions may differ when accounting for recycling. The estimated net cash flows shown above are for illustrative purposes only and represent Sixth Street's subjective view and current market conditions at the time of this presentation, which may vary and is subject to change. No assurance can be given that actual cash flows will not differ from these estimates. Past performance does not guarantee future results, which may vary.

Total Plan Assets growth rate is based on the forecasted expected return from the 2022 CMA review. See Appendix for additional assumptions.

IV. Private Market Fees

Private markets fees

Fee	Description	Typical Range
Management Fee	This fee is charged annually and is a percentage of the committed capital. It is meant to cover the fund's operating expenses, salaries of the fund managers, and other general costs.	Typically ranges from 1% to 2% of committed capital per year.
Performance Fee	Also known as carried interest, this fee is a share of the profits earned by the fund. It is typically calculated as a percentage of the fund's profits after a specified hurdle rate has been achieved. Clawback provisions may apply.	Commonly 20% of profits after an 8% hurdle rate is attained, but the percentage and the hurdle rate can vary.
Transaction Fees	Charged when the private equity firm buys or sells a portfolio company. It is meant to cover the costs associated with deal sourcing, due diligence, and transaction execution.	an vary widely but is often a percentage of the transaction value, such as 1-2%.
Fund Expenses	These are expenses incurred by the private equity fund in the course of managing its portfolio, such as legal fees, travel expenses, and other miscellaneous costs.	Can vary widely depending on the fund and its activities but is typically in the range of 0.5% to 1% of committed capital.
Monitoring Fee	Charged to portfolio companies for ongoing advisory and support services provided by the private equity firm. It is meant to compensate the private equity firm for its ongoing involvement in the management of the portfolio company.	Varies but can be a fixed annual fee or a percentage of the portfolio company's revenue.

Carried interest structures (the “Waterfall”)

A "waterfall" in the context of private equity refers to the distribution mechanism for dividing profits between general partners (GPs) and limited partners (LPs). The waterfall structure outlines the order in which profits are distributed among these parties. Carried interest, which represents the GPs' share of profits, is subject to specific terms within the waterfall. There are several types of waterfalls, each with its own set of rules. The two most common types are the European and the American Waterfall

	European Waterfall	American Waterfall
Description	In a European waterfall, GPs receive a share of profits only after the fund has returned the entire invested capital to the limited partners, often with interest. Once the LPs have received their preferred return and the return of their capital, the GPs start to receive carried interest on any remaining profits.	In an American waterfall, profits are distributed throughout the life of the fund. GPs start receiving carried interest as soon as certain performance hurdles (e.g., a hurdle rate) are met, without waiting for the return of the LPs' invested capital.
Advantages	This structure prioritizes the protection of LPs' capital and ensures that GPs only participate in profits after investors have achieved a specified return.	GPs can receive carried interest earlier in the life of the fund, providing them with more immediate compensation for successful investments.
Disadvantages	GPs may have to wait longer before receiving carried interest, as they only participate in profits after the LPs have been fully compensated.	LPs may perceive this structure as less protective of their capital because GPs receive profits before LPs have received a return of their invested capital.

Catch-up provisions

Catch-up provisions are a mechanism designed to ensure that fund managers receive a fair share of profits once certain conditions are met.

Distribution Waterfall: The distribution of profits in a private equity fund typically follows a waterfall structure, as described above. The catch-up provision is often part of this waterfall structure and determines the order in which different parties (limited partners and general partners) receive distributions.

Preferred Return or "Hurdle Rate": Before the catch-up provisions come into play, there is often a preferred return or hurdle rate. This is the minimum rate of return that must be achieved on the limited partners' investments before the fund managers are entitled to receive carried interest. The preferred return is usually expressed as a percentage, and it represents the limited partners' priority in receiving profits.

Catch-up Provision: Once the preferred return is satisfied, the catch-up provision allows the fund managers to "catch up" and receive a larger share of the profits until they reach a predetermined percentage. This percentage is often referred to as the "catch-up rate." The catch-up rate is the share of profits that the fund managers receive after the preferred return has been achieved.

Carried Interest Sharing: After the catch-up provision has been satisfied, any remaining profits are shared between the fund managers and the limited partners based on a predetermined ratio. This ratio is commonly known as the "carried interest split" and represents the percentage of profits allocated to the fund managers.

Clawback provisions

A clawback provision in a private equity fund is a mechanism designed to address situations where the distribution of profits to the fund's general partners (GPs) exceeds their actual entitlement based on the final performance of the fund. The purpose of a clawback is to ensure that the GPs return any excess profits to the limited partners (LPs) before keeping additional carried interest.

1. Calculation of Carried Interest:

The fund's partnership agreement outlines the terms for the calculation of carried interest, which is the share of profits that the GPs receive once certain performance benchmarks, such as a hurdle rate, are met.

2. Distribution of Profits:

As the fund realizes gains from successful investments, profits are distributed to the GPs in accordance with the carried interest provisions.

3. Monitoring of Performance:

The fund's performance is periodically assessed, and the final returns are determined, often at the end of the fund's life cycle.

4. Comparison to Actual Carried Interest Entitlement:

Once the final returns are calculated, the fund compares the actual carried interest entitlement of the GPs to the amounts already distributed.

5. Identification of Excess Distributions:

If the distributed profits exceed the GPs' actual entitlement based on the final performance, this excess is identified as subject to clawback.

6. Triggering the Clawback Provision:

The clawback provision is triggered, and the GPs are required to return the excess distributions to the fund.

7. Distribution of Remaining Profits:

After the clawback is satisfied, the GPs may resume receiving additional carried interest if there are still profits remaining for distribution.

Overall impact

Fees and profit sharing can have a big impact on private markets net returns.

Gross IRR	0%	5%	10%	15%	20%	25%	30%
Net IRR	-3.6%	1.4%	6.3%	9.2%	13.2%	17.3%	21.3%
Difference	-3.6%	-3.6%	-3.6%	5.8%	6.8%	7.7%	8.7%

Assumes 2% management fee, with a 20% carried interest after an 8% hurdle rate and 100% catch-up rate.

Appendix

HarbourVest SLO SMA schedule of commitments

San Luis Obispo separate account tactical plan - \$770 million

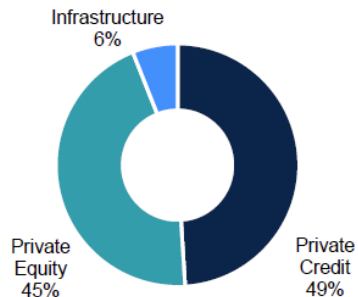


Program Year	Annual Commitment (\$m)	Global Tranche - \$620 (\$m)										Senior Credit Tranche - \$150 (\$m)
		Secondary	Co-investment	Primary Buyout			Primary Venture			Primary Infrastructure	Primary Credit	Senior Credit Deals
		Global	Global	North America	Europe	Asia	North America	Europe	Asia	North America and Europe	North America and Europe	Global
Year 1	\$180	\$12	\$14	\$19	\$9	\$4	\$8	\$4	\$6	\$9	\$45	\$50
Year 2	\$178	\$12	\$14	\$19	\$8	\$4	\$8	\$3	\$6	\$9	\$45	\$50
Year 3	\$179	\$11	\$14	\$19	\$9	\$4	\$8	\$4	\$6	\$9	\$45	\$50
Year 4	\$116	\$0	\$14	\$19	\$8	\$4	\$8	\$3	\$6	\$9	\$45	\$0
Year 5	\$117	\$0	\$14	\$19	\$9	\$4	\$8	\$4	\$5	\$9	\$45	\$0
Total	\$770	\$35	\$70	\$95	\$43	\$20	\$40	\$18	\$29	\$45	\$225	\$150

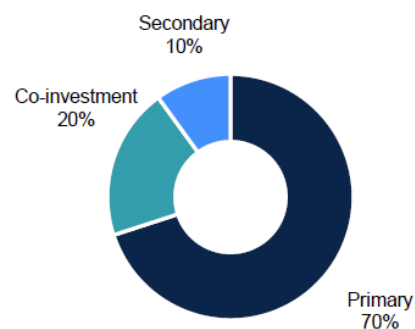
Note: Totals might not foot due to rounding.

Portfolio Construction

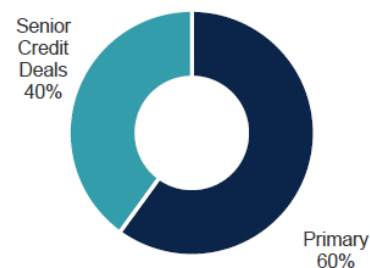
Total Portfolio



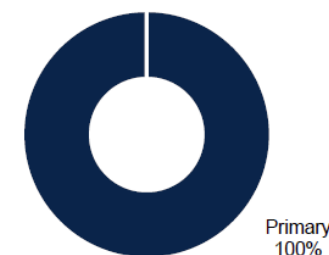
Private Equity



Private Credit



Infrastructure



These amounts reflect the current expectations for the allocation of the account. The ultimate allocation may differ based upon market conditions and available investment opportunities over the life of the account and subject to further discussion with San Luis Obispo

Public Market Equivalent (PME)

- PME information represents adjusted model performance of each index as if the respective index had been purchased and sold at the time of the limited partners' capital calls and distributions, with the remainder held at the date noted. Dividends are not reinvested.
- Under this methodology, the capital calls for the purchase of the public market index are the same as the capital calls for the Fund(s). The distributions for the sales of the public market index are scaled to represent the same proportion of the Fund's NAV at the time of the distribution.
 - For example, if the Fund distributes 5% of NAV, then 5% of the index NAV is distributed. Thus, the index returns presented are not actual index returns, but adjusted model returns.
- In certain instances, the comparison is based on the PME+ (public market equivalent) method as described in an article titled, "Beating the Public Market," by Christophe Rouvinez, as published in the Private Equity International in December 2003 / January 2004. When using this methodology, both the Fund and the adjusted index are assumed to have the same ending NAV. The ending NAV for the adjusted index is derived by scaling the distributions by a constant scaling factor, while preserving the overall cash flow pattern.

Private equity projections - expanded

Fund	Vintage Year	Commitment	Remaining Commitment	Cumulative thru 12/31/22	(Contributions) / Distributions								
					2023	2024	2025	2026	2027	2028	2029	2030	
HarbourVest IX Buyout	2011	\$20.0	\$2.9										
Contributions (%)				(85%)	(3%)	0%	0%	0%	0%				
Distributions (%)				119%	11%	18%	29%	23%	7%				
Contributions (\$)				(\$17.1)	(\$0.7)	\$0.0	\$0.0	\$0.0	\$0.0				
Distributions (\$)				\$23.8	\$2.3	\$3.6	\$5.9	\$4.5	\$1.4				
Net Cash Flow					\$1.6	\$3.6	\$5.9	\$4.5	\$1.4				
NAV				\$13.4	\$12.9	\$10.4	\$5.4	\$1.3	\$0.0				
HarbourVest 2018 Global Fund	2018	\$20.0	\$5.6										
Contributions (%)				(72.0%)	(3.9%)	(9.8%)	(9.3%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Distributions (%)				21%	4.7%	20.6%	37.3%	35.1%	30.8%	22.8%	16.9%	7.1%	
Contributions (\$)				(\$14.4)	(\$0.8)	(\$2.0)	(\$1.9)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Distributions (\$)				\$4.2	\$0.9	\$4.1	\$7.5	\$7.0	\$6.2	\$4.6	\$3.4	\$1.4	
Net Cash Flow					\$0.2	\$2.2	\$5.6	\$7.0	\$6.2	\$4.6	\$3.4	\$1.4	
NAV				\$20.7	\$22.3	\$22.2	\$18.5	\$13.1	\$8.1	\$4.3	\$1.3	\$0.0	
HarbourVest SLO SMA	2022	\$350.0	\$325.2										
Contributions (%)				(7.1%)	(9.0%)	(13.7%)	(16.0%)	(17.1%)	(14.6%)	(9.1%)	(5.9%)	(3.7%)	
Distributions (%)				0.0%	0.3%	1.1%	3.1%	5.8%	13.6%	23.0%	24.0%	25.1%	
Contributions (\$)				(\$24.8)	(\$31.6)	(\$47.9)	(\$56.1)	(\$60.0)	(\$51.0)	(\$31.9)	(\$20.6)	(\$13.1)	
Distributions (\$)				\$0.0	\$1.0	\$3.7	\$10.8	\$20.3	\$47.5	\$80.4	\$84.0	\$87.8	
Net Cash Flow					(\$30.6)	(\$44.2)	(\$45.3)	(\$39.7)	(\$3.5)	\$48.5	\$63.4	\$74.7	
NAV				\$23.8	\$57.0	\$107.5	\$164.9	\$223.0	\$251.5	\$231.2	\$193.7	\$140.6	
Pathway 9	2017	\$65.0	\$8.6										
Contributions (%)				(80.6%)	(5.0%)	(3.3%)	(2.0%)	(0.9%)	(0.2%)	0.0%	0.0%	0.0%	
Distributions (%)				18.9%	21.0%	32.0%	32.9%	28.1%	25.9%	20.5%	14.8%	10.6%	
Contributions (\$)				(\$52.4)	(\$3.3)	(\$2.1)	(\$1.3)	(\$0.6)	(\$0.1)	\$0.0	\$0.0	\$0.0	
Distributions (\$)				\$12.3	\$13.6	\$20.8	\$21.4	\$18.2	\$16.8	\$13.4	\$9.6	\$6.9	
Net Cash Flow					\$10.4	\$18.6	\$20.1	\$17.7	\$16.7	\$13.4	\$9.6	\$6.9	
NAV				\$83.5	\$79.9	\$67.6	\$53.0	\$39.6	\$26.1	\$14.8	\$6.4	\$0.0	
Pathway 10	2020	\$20.0	\$5.2										
Contributions (%)				(48.6%)	(19.3%)	(9.8%)	(8.0%)	(6.0%)	(4.4%)	(2.8%)	(1.1%)	(0.2%)	
Distributions (%)				0.2%	1.1%	5.0%	10.1%	27.2%	38.9%	31.4%	26.8%	16.4%	
Contributions (\$)				(\$9.7)	(\$3.9)	(\$2.0)	(\$1.6)	(\$1.2)	(\$0.9)	(\$0.6)	(\$0.2)	(\$0.0)	
Distributions (\$)				\$0.0	\$0.2	\$1.0	\$2.0	\$5.4	\$7.8	\$6.3	\$5.4	\$3.3	
Net Cash Flow					(\$3.7)	(\$1.0)	\$0.4	\$4.2	\$6.9	\$5.7	\$5.1	\$3.2	
NAV				\$13.4	\$18.2	\$20.6	\$21.9	\$19.4	\$14.1	\$9.6	\$5.2	\$2.4	
PE Balance		\$475.0	\$347.6	\$154.8	\$190.3	\$228.4	\$263.7	\$296.5	\$299.9	\$259.9	\$206.6	\$143.0	
% of Total Assets				9.6%	11.0%	12.3%	13.3%	13.9%	13.1%	10.5%	7.8%	5.0%	
Total Plan Assets				\$1,614	\$1,730	\$1,854	\$1,990	\$2,137	\$2,297	\$2,470	\$2,655	\$2,854	

Total Plan Assets growth rate is based on the forecasted expected return from the 2022 CMA review. See assumptions for detail

Assumptions for PE cash flow model

- Asset Values are represented in millions.
- This is a hypothetical model based on reasonable assumptions and does not reflect actual timing and should not be interpreted as predicting the future.
- IRR over each fund's entire life will be different
- Pathway's proprietary projection model is based upon the following assumptions:
 - PPEF I-9 is fully committed
 - PPEF I-10 assumes \$300mm committed over a 3-year period
 - Where applicable, June 30, 2023, exchange rates are used. These exchange rates are assumed to remain constant
 - Expected annual contributions are based on the ratio of pooled paid-in capital to commitment, using historical vintage year data captured by Pathway and data provided by Thomson Reuters.
 - Expected annual distributions are based on the ratio of pooled distributions to paid-in capital, using historical vintage year data captured by Pathway and data provided by Thomson Reuters.
 - Each partnership has a 14-year life (including extensions).
 - Cash flow projections include the underlying partnerships' fees and expenses, as well as the fund of funds' management fees and expenses.
- Future total plan assets do not include benefit payments or other expenses. Growth assumptions follow a schedule based on the February 2023 Asset Allocation study of the annual transition to long term policy:
 - 2023 – 7.2%
 - 2024 – 7.2%
 - 2025 – 7.3%
 - 2026 – 7.4%
 - 2027 and thereafter – 7.5%
- Actual NAV is based on known balance on 12/31/22.
- NAV at future dates are estimated based on cash flows and implied remaining life IRR.
- Cash flows occur at year end.

Private credit projections - expanded

Fund	Vintage Year	Commitment	Remaining Commitment	Cumulative thru 12/31/22	(Contributions) / Distributions			
					2023	2024	2025	2026
SLE ²	2015	\$18.75						
Net Contributions/Distributions					10.0%	5.0%	5.0%	5.0%
High					12.5%	7.5%	7.5%	
Low					7.5%	2.5%	2.5%	
TAO 3.0 ¹	2016	\$37.50						
Net Contributions/Distributions					1.0%	1.0%	1.0%	1.0%
High					2.5%	2.5%	2.5%	
Low					0.0%	0.0%	0.0%	
CMS II ²	2016	\$18.75						
Net Contributions/Distributions					15.0%	15.0%	15.0%	15.0%
High					17.5%	17.5%	17.5%	
Low					12.5%	12.5%	12.5%	
Growth I ¹	2018	\$20.00						
Net Contributions/Distributions					0.0%	5.0%	10.0%	10.0%
High					2.5%	12.5%	12.5%	
Low					(2.5)%	7.5%	7.5%	
CMS III ¹	2020	\$18.75						
Net Contributions/Distributions					(30.0)%	15.0%	15.0%	15.0%
High					(27.5)%	17.5%	17.5%	
Low					(32.5)%	12.5%	12.5%	
SLE II ¹	2020	\$18.75						
Net Contributions/Distributions					(20.0)%	5.0%	10.0%	10.0%
High					(17.5)%	12.5%	12.5%	
Low					(22.5)%	7.5%	7.5%	
Growth II ¹	2021	\$20.00						
Net Contributions/Distributions					(20.0)%	5.0%	10.0%	10.0%
High					(17.5)%	12.5%	12.5%	
Low					(22.5)%	7.5%	7.5%	
SSP DCP Total Fund Level	2016	\$152.50	\$48.0					
Net Contributions/Distributions (%)				(35%)				
Net Contributions/Distributions (\$)				(\$52.65)				
Net Cash Flow					(\$8.31)	\$9.88	\$12.81	\$12.81
NAV				\$79.82	\$84.40	\$70.57	\$54.45	\$39.09
HarbourVest SLO - Primary & Direct Credit	2022	\$375.00	\$334.1					
Contributions (%)				(10.9%)	(16.5)%	(25.5)%	(16.7)%	(12.6)%
Distributions (%)				0.0%	2.6%	6.4%	12.1%	18.9%
Contributions (\$)				(\$40.9)	(\$61.8)	(\$95.6)	(\$62.8)	(\$47.4)
Distributions (\$)				\$0.0	\$9.7	\$24.0	\$45.3	\$70.7
Net Cash Flow					(\$52.1)	(\$71.5)	(\$17.5)	\$23.3
NAV				\$40.9	\$96.3	\$175.6	\$207.2	\$200.6
PC Balance		\$527.50	\$382.2	\$120.69	\$180.67	\$246.15	\$261.68	\$239.71
% of Total Assets				7.5%	10.4%	13.3%	13.2%	11.2%
Total Plan Assets				\$1,614	\$1,730	\$1,854	\$1,990	\$2,137

Total Plan Assets growth rate is based on the forecasted expected return from the 2022 CMA review. See assumptions for more detail.

Assumptions for PC cash flow model

- Asset Values are represented in millions.
- This is a hypothetical model based on reasonable assumptions and does not reflect actual timing and should not be interpreted as predicting the future.
- Contribution and distribution forecasts are provided by managers at the request of Verus. Hypothetical assumptions are based on experience of prior funds, current market conditions, and current fund expectations. Actual pace and timing of cash flows is likely to be different.
- Drawdowns and distributions will continue beyond the final year (2026) shown in this exercise.
- Future total plan assets do not include benefit payments or other expenses. Growth assumptions follow a schedule based on the February 2023 Asset Allocation study of the annual transition to long term policy :
 - 2023 – 7.2%
 - 2024 – 7.2%
 - 2025 – 7.3%
 - 2026 – 7.4%
- Actual NAV is based on known balance on 12/31/22.
- SSP fund sleeve NAV at future dates are estimated based on net cash flow projections provided by Sixth Street Partners and extrapolated an additional 1 year (through 2026) using an implied remaining life IRR.
- HarbourVest NAV at future dates are estimated based on cash flows and target IRR given early stage of fund.
- Footnotes:
 - ¹Represents % of committed capital.
 - ²No incremental capital to be called.

Board of Trustees

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Date: November 27, 2023

To: Board of Trustees

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

Agenda Item 22: Asset Allocation – October 2023

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 2023 Interim SAA Target Allocation the following table provides details. Also shown is a comparison to the SAA Target Allocation targeted for 2027.

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.

FFP Asset Mix	Est. Market Value (\$000s)	% Allocation	SAA Target Allocation	Variance	Strategic Asset Allocation
	10/31/23		2023 Revised Interim		Long Term
Bank (operating)	1,712	0.1%	0.1%	0.0%	0.1%
SLOC Treasury	34,547	2.2%	2.1%	0.1%	1.7%
JPM short term	9,955	0.6%	1.3%	-0.7%	2.3%
Short Duration	33,909	2.1%	2.5%	-0.4%	6.0%
LIQUIDITY	80,123	5.0%	6.0%	-1.0%	10.0%
Equity- Public Mkt US	285,136	17.8%	21.0%	-3.2%	16.0%
Equity- Public Mkt Intl	226,181	14.1%	17.0%	-2.9%	14.0%
Equity- Public Mkt Global	-	0.0%		0.0%	
Bank Loans	65,258	4.1%	4.0%	0.1%	
Bonds- Intl.	28,237	1.8%	3.0%	-1.2%	
Bonds- Emerging Mkts	37,794	2.4%	3.0%	-0.6%	
Real Estate- Core	147,247	9.2%	9.0%	0.2%	5.0%
Real Estate- Value Add	78,583	4.9%	4.0%	0.9%	5.0%
Infrastructure	32,392	2.0%	2.0%	0.0%	5.0%
Private Equity	208,446	13.0%	10.0%	3.0%	18.0%
Private Credit	174,043	10.9%	8.0%	2.9%	12.0%
Opportunistic	43,660	2.7%	0.0%	2.7%	
GROWTH	1,326,976	82.9%	81.0%	1.9%	75.0%
Bonds- Core	58,192	3.6%	4.0%	-0.4%	
Treasuries - Intermediate	75,495	4.7%	5.0%	-0.3%	8.0%
TIPS	60,718	3.8%	4.0%	-0.2%	7.0%
RISK DIVERSIFYING	194,405	12.1%	13.0%	-0.9%	15.0%
TOTAL	1,601,504	100.0%	100.0%		100.0%
Liquidity + Risk Diversifying		17.1%	19.0%	-1.9%	25.0%

Respectfully submitted,