

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, February 26, 2024 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/84427076865?pwd=D1wavsIqPrjkGaXoznOqMvm2ZmFir0.1>

Webinar ID: [844 2707 6865](https://us06web.zoom.us/j/84427076865?pwd=D1wavsIqPrjkGaXoznOqMvm2ZmFir0.1)

Passcode: [276415](https://us06web.zoom.us/j/84427076865?pwd=D1wavsIqPrjkGaXoznOqMvm2ZmFir0.1)

If you wish to listen via phone to the meeting, please dial 669/900-6833 (Meeting ID 844 2707 6865). If you have any questions or require additional service, please contact SLOCPT at 805-781-5465.

A) PUBLIC COMMENT

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

B) ORGANIZATIONAL

None

C) CONSENT

2. Minutes of the Regular Meeting of January 22, 2024 (Approve Without Correction).
3. Reports of Deposits and Contributions for the month of January 2024 (Receive and File).
4. Reports of Service Retirements, Disability Retirements, DROP Participants for the month of January 2024, and *Disability Case Log*. (Receive, Approve and File).

D) APPLICATIONS FOR DISABILITY RETIREMENT

None

E) OLD BUSINESS

None

F) NEW BUSINESS

5. Approval of the 2024 Annual Cost-Of-Living Adjustments provided by the San Luis Obispo County Employees Retirement Plan (Recommend Approval).
6. Board Policy Review (Review, Discuss, and Recommend Approval)

G) INVESTMENTS

7. Quarterly Investment Report for the 4th Quarter of 2023 – Verus (Receive and File).
8. Monthly Investment Report for January 2024 (Receive and File).
9. 2024 Capital Market Assumptions, Strategic Asset Allocation, and Private Markets Commitments Update - Verus (Review, Discuss, Direct Staff).
10. Investment Policy Statement Review, Performance Benchmarks, and Investment Procedures (Review and File)

H) OPERATIONS

11. Staff Reports

12. General Counsel Reports

13. Committee Reports:

- i. Audit Committee Report
- ii. Personnel Committee No Report

14. Upcoming Board Topics (subject to change)

- i. March 25, 2024
 - a. 2024 Actuarial Valuation Planning
 - b. 2024 Actuarial Valuation Assumptions Approval
 - c. Employer Prefunding
 - d. SLOCPT Administrative Budget FY24-25 proposed
- ii. April 22, 2024 – planned as a non-meeting month
 - a. Personnel Committee Meeting
- iii. May 20, 2024
 - a. 2024 Actuarial Valuation Preliminary Results
 - b. 2024 Actuarial Valuation Assumptions Approval
 - c. Experience Study Results
 - d. SLOCPT Administrative Budget FY24-25 approval
 - e. Quarterly Investment Report
 - f. Personnel Policy Review
 - g. Audit Committee – Audit exit meeting
- iv. June 24, 2024
 - a. 2023 Annual Financial Audit and ACFR
 - b. 2024 Actuarial Valuation and Contribution Rates Approval
 - c. Employer Prefunding
 - d. Disability Policy Review - TBD

15. Trustee Comments

I) CLOSED SESSION

None

J) ADJOURNMENT

**PENSION TRUST
BOARD OF TRUSTEES**

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MINUTES

Monday, January 22, 2024 9:30 AM
Regular Meeting of the Pension Trust
Board of Trustees

**PENSION TRUST
BOARD OF TRUSTEES**

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

Board Members Absent: -

Pension Trust Staff:	Katie Girardi	Executive Director
	Amy Burke	Deputy Director

General Counsel:	Chris Waddell	Olson Remcho
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Consultants: -

Call to Order: 9:31 AM by President Hamm

A) PUBLIC COMMENT

1. None

B) ORGANIZATIONAL

2. **Election of Officers** (Pursuant to Section 3.05 and Section 3.06 of the By-Laws of the San Luis Obispo County Pension Trust).

President: Trustee Hamm nominated Trustee Hamilton to serve as Board of Trustees President for 2024. There were no other nominations.

Vote: Trustee Hamilton elected President - Unanimous

Vice President: Trustee Hamm nominated Trustee Shoresman to serve as Board of Trustees Vice President for 2024. There were no other nominations.

Vote: Trustee Shoresman elected Vice President – Unanimous

Trustee Hamilton took over presiding at the meeting as newly elected President.

3. **Committees** – appointment of members by President.
 - i. Audit Committee (*standing committee*)
 - ii. Personnel Committee (*standing committee*)

Newly elected President Hamilton appointed the following Trustees to the two standing committees as follows:

Audit Committee (standing): Trustees Sibbach, Howe, and Shoresman

Personnel Committee (standing): Trustees Hamm, Grim, and O’Quest

C) CONSENT

4. Minutes of the Regular Meeting of November 27, 2023 (Approve Without Correction).
5. Reports of Deposits and Contributions for the months of November and December 2023 (Receive and File).

6. Reports of Service Retirements, Disability Retirements and DROP Participants for the months of November and December 2023 (Receive, Approve and File).
7. Monthly Investment Report for November 2023 (Receive and File).

Motion: Approve the Consent items

Discussion: None

Public Comment: None

Motion Made: Hamm

Motion Seconded: Grim

Carried: Unanimous

D) APPLICATIONS FOR DISABILITY RETIREMENT

None

E) OLD BUSINESS

None

F) NEW BUSINESS

8. Board Policies Review

Motion: Approve review of Board of Trustees policies

Conflict of Interest

Ethical and Fiduciary Conduct

Trustee Core Competencies and Education

Discussion: Executive Director Girardi presented the item.

Trustees discussed the various policies and asked various questions. Girardi reminded Trustees of the need to file their annual FPPA Form 700's by April 1st and complete their annual review and acknowledgement of the Ethical and Fiduciary Conduct policy.

Public Comment: None

Motion Made: Shoresman

Motion Seconded: Hamilton

Carried: Unanimous

G) INVESTMENTS

9. Monthly Investment Report for December 2023

Motion: Receive and File the monthly investment report

Discussion: Executive Director Girardi summarized the report. The preliminary estimate for the Total Fund gross rate of return for 2023 is 8.9% exceeding the actuarial assumed rate of return, 6.75%. Trustees asked various questions.

Public Comment: None

Motion Made: Sibbach

Motion Seconded: Hamm

Carried: Unanimous

10. Asset Allocation

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

Public Comment: None

No Action Necessary

H) OPERATIONS

11. Staff Reports

- i. Executive Director Girardi thanked the Trustees for the opportunity to work with the Trustees and Staff of SLOCPT.
- ii. Deputy Director Burke reported on preliminary 2023 statistics of the number of retirements and related data.

12. General Counsel Reports

None

13. Committee Reports:

- | | |
|-------------------------|-----------|
| i. Audit Committee | No Report |
| ii. Personnel Committee | No Report |

14. Upcoming Board Topics – published on meeting agenda

15. Trustee Comments

None

I) CLOSED SESSION

None

J) ADJOURNMENT

There being no further business, the meeting was adjourned at 10:52 AM. The next Regular Meeting was set for February 26, 2024, at 9:30 AM, in the Board of Supervisors chambers, Katcho Achadjian Government Center, San Luis Obispo, California 93408.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "K. Girardi". The signature is written in a cursive style with a period at the end.

Katie Girardi
Executive Director

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REPORT OF RETIREMENTS

January 2024

RETIREE NAME	DEPARTMENT	BENEFIT TYPE *	EFFECTIVE DATE	MONTHLY BENEFIT	SS TEMP ANNUITY**
Castenholz, Daniel	Sheriff-Coroner	Service Retirement	12/29/2023	4,870.13	False
Clemens, William H	Central Services	Service Retirement	12/31/2023	7,312.46	False
Costa, Ed J	Public Works ISF	Service Retirement	12/30/2023	3,908.14	True
Costa, Ed J	Public Works ISF	Additional Annuity	12/30/2023	1.33	False
Cothard, Christopher L	Department of Social Services	Service Retirement	12/30/2023	6,303.88	True
Cyr, Vicki Duncan	Library	Service Retirement	12/30/2023	1,204.04	False
Dolezal, Kathryn	Behavioral Health	Service Retirement	12/09/2023	4,520.34	False
Dolezal, Kathryn	Behavioral Health	Additional Annuity	12/09/2023	24.50	False
Eisler-Mancini, Nancy L	CALIF CHILDRENS SERVICES	Service Retirement	11/18/2023	582.20	False
Forester, Harun Osman	Planning Department	Service Retirement	12/30/2023	4,164.47	False
Gil, Petti M	Sheriff-Coroner	Service Retirement	12/29/2023	3,175.66	False
Hillier, Barbara J	Department of Social Services	DROP	01/01/2024	5,399.86	False
Johnson, Shirley A	FINANCIAL MGMT DIVISION	Service Retirement	12/01/2023	1,355.47	False
Johnson, Shirley A	FINANCIAL MGMT DIVISION	Additional Annuity	12/01/2023	4.02	False
Journey, Cheryl A	Planning Department	DROP	01/01/2024	9,288.46	False
Lieberman, Stephen Craig	Public Health Department	Service Retirement	12/30/2023	886.06	False
Lile, Melissa J	Clerk-Recorder	Service Retirement	12/30/2023	8,186.66	False
Lowerison, Karen F	Agricultural Commissioner	Service Retirement	12/30/2023	7,833.49	False
Lucado, Kevin D	Department of Social Services	Service Retirement	12/30/2023	13,003.50	False
Lucado, Kevin D	Department of Social Services	Additional Annuity	12/30/2023	3.31	False
Manning, Catherine Berretta	Public Health Department	Service Retirement	12/30/2023	4,959.28	False
Mickey, Larry D	Fleet Services ISF	DROP	01/01/2024	2,120.70	False
Nelson, Carl A	SLOCPT	Service Retirement	12/30/2023	8,353.45	False
Niesen, Lisa C	Public Health Department	Service Retirement	12/30/2023	10,959.49	False
Niesen, Monica McKnight	Public Health Department	Service Retirement	12/30/2023	4,529.96	False
Porter, Paul R	ITD	Service Retirement	12/30/2023	9,180.44	False
Purcell, Deanne	Sheriff-Coroner	Service Retirement	12/30/2023	2,537.76	False
Sandoval, Elizabeth	Public Health Department	Service Retirement	12/30/2023	2,717.91	False
Secrest, Kathleen	District Attorney	Service Retirement	12/30/2023	8,729.23	False
Simmons, Kelley A	SLO County Child Support Servi	DROP	01/01/2024	6,298.54	False
Stratford, Cathleen	Public Health Department	Service Retirement	12/30/2023	1,496.85	False
Weaver, Leslie	Library	Service Retirement	12/31/2023	3,888.22	False
Wolf, Katherine	Agricultural Commissioner	Service Retirement	12/30/2023	2,936.83	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

SLOCPT Disability Case Log

as of 2/16/2024

	2024	2023	2022	2021	2020	2019	2018
Pending:							
<u>Industrial</u>							
Orthopedic	3	3	-	-	-	-	-
Psychiatric	1	1	-	-	-	-	-
<u>Ordinary</u>							
Orthopedic	-	-	-	-	-	-	-
Psychiatric	-	-	-	-	-	-	-
Chronic Illness	-	2	-	-	-	-	-
	4	6	-	-	-	-	-
Approved w/o periodic review:							
<u>Industrial</u>							
Orthopedic							
w/ Wrkrs Comp	-	1	5	4	2	3	3
w/o Wrkrs Comp	-	-	-	-	-	-	-
Psychiatric							
w/ Wrkrs Comp	-	1	6	1	1	-	1
w/o Wrkrs Comp	-	-	-	-	-	-	-
<u>Ordinary</u>							
Orthopedic	-	1	-	2	-	1	-
Psychiatric	-	-	-	-	-	-	1
Chronic Illness	-	1	-	-	1	-	-
	-	4	11	7	4	4	5
Approved w/ periodic review:							
<u>Industrial</u>							
Orthopedic							
w/ Wrkrs Comp	-	-	-	-	-	-	-
w/o Wrkrs Comp	-	-	-	-	-	-	-
Psychiatric							
w/ Wrkrs Comp	-	-	-	1	-	-	-
w/o Wrkrs Comp	-	-	-	-	-	-	-
<u>Ordinary</u>							
Orthopedic	-	-	-	-	-	-	-
Psychiatric	-	-	-	-	-	-	-
Chronic Illness	-	-	-	-	-	1	-
	-	-	-	1	-	1	-
Not Approved/Abandoned:							
<u>Industrial</u>							
Orthopedic	-	-	-	-	-	-	-
Psychiatric	-	-	-	-	-	-	-
<u>Ordinary</u>							
Orthopedic	-	-	-	-	-	-	1
Psychiatric	-	-	-	2	-	-	-
Chronic Illness	-	-	-	-	1	-	-
	-	-	-	2	1	-	1
GRAND TOTAL:	4	10	11	10	5	5	6
<i>balance check:</i>	-	-	-	-	-	-	-

Board of Trustees

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Date: February 26, 2024

To: Board of Trustees

From: Katie Girardi – Executive Director
Amy Burke – Deputy Director

Agenda Item 5: Annual Cost-Of-Living Adjustments provided by the San Luis Obispo County Employees Retirement Plan

Recommendation:

It is recommended that the Board approve Cost-Of-Living Adjustments (COLAs) in accordance with the Retirement Plan and calculated by SLOOPT's Actuary (Cheiron).

1. **Tier 1 benefit recipients, 2024 COLA of 3.0% (the maximum allowed).**
2. **Tier 2 and Tier 3 recipients, 2024 COLA of 2.00% (the maximum allowed).**

Discussion:

COLA Adjustments - The Retirement Plan provides for annual cost-of-living adjustments for retirees in:

Section 19.01 and Section 19.02 of Article 19: Tier 1 - Cost-Of-Living;
Section 27.25 of Article 27: Tier Two –Miscellaneous;
Section 28.25 of Article 28: Tier Two – Safety;
Section 29.25 of Article 29: Tier Three – AB 340: Miscellaneous;
Section 30.25 of Article 30: Tier Three – AB 340: Safety; and
Section 31.24 of Article 31: Tier Three – AB 340: Probation.

CPI-U Benchmarks - The COLA percentage, as specified by the Plan, is determined by the annual average of the All-Urban Consumers Consumer Price Index – all items (CPI-U) for the Los Angeles and the San Francisco metropolitan areas.

The SLOCPT’s Actuary calculates the recommended COLA as a smoothed value using the two most recent annual averages published by the Bureau of Labor Statistics for each specified metropolitan area.

While COLAs have historically been calculated as increases to benefits with positive inflation, the Plan also allows for decreases should there be deflation in the CPI-U data.

Financial:

This year’s recommended COLA is expected to cumulatively increase the current monthly retiree payroll distribution by approximately \$340k.

The 2023 Actuarial Valuation used a long-term COLA assumption of 2.75% for Tier 1 COLA adjustments. As a result, the above assumed COLA for 2024 will contribute to an actuarial loss in the 2025 actuarial valuation if not explicitly addressed in the 2024 valuation.

Implementation:

COLA Recommendation - The recommended COLA based on average of the years 2023 and 2022 has been calculated as **5.0%**. As dictated by the Plan, COLAs may not exceed 3.0% for Tier 1 retirees or 2.0% for Tier 2 and Tier 3 retirees. Furthermore, for Tier 1 retirees, if the calculated average percentage increase is greater than the Plan’s 3.0% maximum, the difference will be added to the eligible individuals’ Cumulative Carryover balance (to be drawn on and used in years where the percentage is below the 3.0% maximum). Tier 2 and Tier 3 retirees are not eligible for the Cumulative Carryover as stipulated by the Plan.

Upon Board approval, all eligible retirees (those retired on or before January 1, 2024) will receive a COLA increase starting April 1, 2024, as shown in the following table. The Cumulative Carryover (COLA Bank) for each vintage year of retirees will change as shown on the attached letter from SLOCPT’s Actuary.

Tier:	Retirement Date:	COLA:
1	On or Before January 1, 2024	3.0%
2 & 3	On or Before January 1, 2024	2.0%

Respectfully Submitted,

Via Electronic Mail

January 30, 2024

Ms. Katie Girardi
Executive Director
San Luis Obispo County Pension Trust
1000 Mill Street
San Luis Obispo, California 93408

Re: Cost-of-Living Adjustment (COLA) as of April 1, 2024

Dear Katie:

Per your request, we are providing you with the April 1, 2024 Cost-of-Living Adjustment computations for San Luis Obispo County Pension Trust (SLOCPT) members, prepared in accordance with Sections 19.01 and 19.02 of the SLOCPT Retirement Plan.

Background

The Cost-of-Living Adjustment (COLA) is determined annually based on the percentage increase or decrease in the cost of living, using the annual average of the Los Angeles-Long Beach-Anaheim and San Francisco-Oakland-Hayward Consumer Price Indices (CPI) for All Urban Consumers, for all items, using a base period of 1982-1984.

At the direction of SLOCPT and the terms of Section 19.01 of the Retirement Plan, we are using a two-year average of the percentage changes in the annual averages of the indices described above to determine the COLAs as of April 1, 2024. We understand this is permissible based on legal counsel's interpretation of "found by the Board of Trustees to approximate" in Section 19.01 of the Retirement Plan.

COLA Calculations

The Consumer Price Indices and calculations described above are as follows:

		<u>Annual Average CPI-U</u>	<u>Average Annual Increase</u>
Los Angeles metropolitan area:	2021:	289.244	
	2022:	310.782	7.446%
	2023:	321.583	3.475%
San Francisco metropolitan area:	2021:	309.721	
	2022:	327.060	5.598%
	2023:	339.050	3.666%

Based on the averaging method, this represents an increase of 5.046%, which when rounded to the nearest one-tenth percent results in a two-year annual average CPI increase of 5.0%.

Ms. Katie Girardi

January 30, 2024

Page 2

Section 19.01 and 19.02

Tier 1 members are subject to the COLA provisions of Sections 19.01 and 19.02, which limits the COLA increases to 3.0% annually. Any excess of the COLA increase calculated without regard to the maximum above 3.0% is to be accumulated and carried over each year, rounded to the nearest one-tenth percent.

All Tier 1 members who retired on or before January 1, 2024 will receive a COLA increase of 3.0% to their monthly benefit, based on the two-year annual average CPI increase. Accumulated carry-over balances will be increased by 2.0% and will be used in future COLA calculations when the two-year annual average change in CPI is less than 3.0%.

The attached exhibit summarizes the COLAs and carry-over balances for Tier 1 members subject to Sections 19.01 and 19.02. The accumulated carry-over balances are consistent with last year; however, we have not reviewed the historical carry-over balances.

Sections 27.25, 28.25, 29.25, 30.25, 31.25

Tier 2 and Tier 3 (AB 340) members are subject to the COLA provisions of Sections 27.25, 28.25, 29.25, 30.25, and 31.25, and are also governed by Sections 19.01 and 19.02. The annual COLA for members in these Tiers is limited to 2.0% and they do not carry forward any accumulation of COLAs above the annual 2.0% maximum. Thus, Tier 2 and Tier 3 members will receive a COLA of 2.0%.

This letter was prepared exclusively for SLOCPT for the purpose described herein. Other users of this letter are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Please contact us if you have any questions regarding these calculations.

Sincerely,
Cheiron



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

Attachment

cc: Amy Burke
Alice Alsberghe, ASA, EA, MAAA
Tim Hall, FSA, EA, MAAA, CERA

San Luis Obispo County Pension Trust
Cost of Living Adjustments (COLA) - Section 19.01 and 19.02
Tier 1 Members

Maximum Annual COLA: 3.0%

Initial Retirement Date	April 1, 2023			April 1, 2024		
	CPI Change ¹	COLA Granted	Accumulated Carry-Over	CPI Change ¹	COLA Granted	Accumulated Carry-Over
	(A)	(B)	(C)	(D)	(E)	(F)
On or Before 1/1/1979	5.0%	3.0%	18.4%	5.0%	3.0%	20.4%
1/2/1979 to 1/1/1980	5.0%	3.0%	14.1%	5.0%	3.0%	16.1%
1/2/1980 to 1/1/1981	5.0%	3.0%	7.4%	5.0%	3.0%	9.4%
1/2/1981 to 1/1/2023	5.0%	3.0%	2.0%	5.0%	3.0%	4.0%
1/2/2023 to 1/1/2024	-	-	-	5.0%	3.0%	2.0%

¹ Two-year average of annual average increases of the Los Angeles-Long Beach-Anaheim and San Francisco-Hayward-Oakland

All Urban Consumer Price Indices, for all items, 1982-1984 base (Section 19.01 and 19.02).

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Board of Trustees

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Date: February 26, 2024

To: Board of Trustees

From: Katie Girardi – Executive Director
Amy Burke – Deputy Director
Chris Waddell – General Counsel

Agenda Item 6: Policies Review – Records Retention

Recommendation:

1. Review and discuss the Pension Trust Board of Trustees approved policy on Records Retention.
2. Approve the revised policy documents on Records Retention

Policy Background:

The Board of Trustees has previously approved multiple policies as a matter of proper fiduciary governance as shown below.

For Review February 2024

1. ***Records Retention*** – The policy was last reviewed in 2013. This policy is essential for ensuring SLOCPT manages its information assets effectively, complies with legal and regulatory requirements, and minimizes risks associated with data management.

The attached redline version of the Records Retention policy contains edits to accomplish the following:

1. Formatting and grammar clean-ups
2. Executive Director title updates
3. Appendix A – Records Retention Schedule
 - a. Addition of 'Investment' type of record

- b. Addition of specific records
- c. Revisions of retention periods

For Future Review

1. Personnel Policies and Procedures

- a. Last amended 2021
- b. Reviewed by the SLOCPT's Human Resources advisor
- c. Review by Personnel Committee – May 2024 Meeting

2. Disability Policy

- a. New policy in 2024

3. Governance

- a. Last amended 2023
- b. Due for review in 2025

4. Investment Policy and Procedures

- a. Last amended 2023
- b. Due for review in 2025

Respectfully submitted,

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San Luis Obispo County
Pension Trust
SLOOPT

RECORDS RETENTION POLICY
~~San Luis Obispo County Pension Trust~~

Adopted December 16, 2013
Reviewed February 26, 2024
Revised February 26, 2024

~~Records Retention Policy~~



Adopted **December 16, 2013**
BY THE
SAN LUIS OBISPO COUNTY
PENSION TRUST BOARD OF TRUSTEES
1000 Mill Street
San Luis Obispo, CA 93408

GENERAL OBJECTIVES AND GUIDELINES

The San Luis Obispo County Pension Trust Board of Trustees, ~~pursuant to~~ in accordance with applicable County, State, and Federal laws and regulations and ~~in keeping with~~ mindful of its fiduciary responsibilities, has established this Records Retention Policy (RRP) to ensure the most efficient and effective operation of the San Luis Obispo County Pension Trust (hereinafter identified as SLOCPT). The records of the SLOCPT are important to the proper functioning of SLOCPT.

All documents, papers, letters, books, maps, photographs, sound or video recordings, microfilm, magnetic tape, electronic media, or other information, regardless of physical form or characteristic, and ~~regardless of~~ whether public access to it is open or restricted under applicable law created or received by SLOCPT's employees in the transaction of the Trust's business are hereby declared to be records of the SLOCPT. These records ~~and~~ shall be created, maintained, and disposed of in accordance with the provisions of this policy and the procedures adopted hereunder, and in no other manner.

SLOCPT records not subject to this policy ~~are~~ include duplicate copies of records already retained pursuant to this policy; notes, journals, diaries, or similar documents created for personal convenience; ~~and~~ blank forms, stocks of publications, and materials acquired solely for purposes of reference or display.

The guidelines of this RRP are to:

- Retain important records for reference and future use;
- Destroy records that are no longer necessary for the proper functioning of SLOCPT;
- Organize important records for efficient retrieval; ~~and~~
- Provide education to the SLOCPT staff ~~in regarding~~ the recognition of ~~the~~ records to be retained, the length of their retention, the means of storage, and when and how they should be destroyed.

II. RESPONSIBILITIES AND DELEGATION OF AUTHORITY

Responsibilities of the Board of Trustees

In ~~keeping accordance~~ with the provisions of the California State Constitution, the Board of Trustees shall have the following responsibilities under this policy:

- 1.) ~~1.~~ Establish Policy and Policy Guidelines

The Board of Trustees shall establish all records retention policies related to the SLOCPT records. ~~Additionally, The~~ Board shall approve guidelines for the ~~execution implementation~~ of the SLOCPT RRP. ~~The Board shall be responsible for taking appropriate action if this policy's objectives are not being met or if policy and its guidelines are not being followed. It is the responsibility of the Board to take appropriate action if the objectives of this policy are not being met or if the policy and its guidelines are not being adhered to.~~

2.) ~~2.~~ Delegation of Oversight Authority

The Executive ~~Secretary-Director~~ is responsible for ~~the~~ administration of and adherence to the ~~RRP,~~ ~~and RRP and~~ may delegate any such powers and duties to any other officer or employee.

3.) ~~3.~~ Monitor Compliance and Adherence to This Policy

The Board of Trustees shall ~~periodically, from time to time,~~ review and ~~when deemed revise appropriate, revise whenever appropriate,~~ the RRP and the Record Retention Schedule (Appendix A).

Responsibilities of the Executive ~~Secretary~~ Director

The Executive ~~Secretary-Director~~ shall ~~have the~~ ~~assume the~~ following responsibilities under this policy:

1.) Education and Training of the SLOCPT staff

The Executive ~~Secretary-Director~~ or designee shall provide ~~education through~~ training to staff ~~in on~~ the proper methods of ~~identification identifying of~~ records and concepts of this policy. ~~The Executive Secretary Director or designee will also continue its education to~~ ~~Continuing education efforts will~~ ensure compliance with any legislative changes to records retention.

2.) Storage and Destruction of Records

Active records and records ~~that need to be accessible~~ ~~that require accessibility~~ may be stored ~~electronically,~~ in the SLOCPT office space, or ~~in other another~~ secure location. The Executive ~~Secretary-Director~~ or designee will review and maintain Appendix "A", the Record Retention Schedule. If determined that records can be destroyed the Executive ~~Director~~ ~~Secretary~~ or designee shall ~~monitor oversee~~ their destruction. Documentation of ~~the destroyed records records so destroyed~~ shall be maintained by the Executive ~~Secretary Director~~ or designee. A record whose retention period ~~hereunder~~ has expired shall be destroyed unless an open records request is pending, ~~the on the record, such record is record~~ ~~is~~ the subject of a pending lawsuit, or the Executive ~~Secretary-Director~~ ~~has directed, in~~

~~writing, that the record be retained for an additional period of time.~~ has provided written direction to retain the record for an additional period.

3.) Respond to Information Requests from the Board of Trustees

The Executive ~~Secretary~~ Director or designee shall promptly fulfill all information requests of the Board of Trustees and ~~shall supply the Board with~~ provide adequate information to allow ~~it~~ the Board to fulfill its fiduciary responsibilities.

4.) Adherence to and Implementation of this Policy

~~It is not the intention of the Board to become involved in day-to-day records retention decisions. Therefore, the Executive Secretary Director or designee, will be responsible for the timely implementation and administration of this policy. Recognizing the Board's intention not to be involved in day-to-day retention decisions, the Executive Director or designee will be responsible for the timely implementation and administration of this policy~~

Responsibilities of the San Luis Obispo County Pension Trust General Counsel

The San Luis Obispo County Pension Trust General Counsel shall ~~have~~ assume the following responsibilities under this policy:

1.) ~~1.)~~ Suspension of Record Destruction

~~If a lawsuit is~~ In the event of a filed or imminent lawsuit, or upon receipt of a legal record request ~~has been made upon the~~ directed at SLOCPT, the San Luis Obispo County Pension Trust ~~San Luis Obispo County Pension Trust~~ General Counsel will suspend this RRP ~~with regard to~~ regarding record destruction ~~to require that the records relating to this legal issue(s) be retained and organized.~~ destruction. This action is taken to ensure that records related to the legal issue(s) in question are retained and organized.

2.) Ensure Policy Compliance, Identify and Identify Areas for Review and Revision.

The San Luis Obispo County Pension Trust General Counsel ~~will be expected to know~~ is responsible for understanding and ~~comply~~ complying with this RRP. ~~Additionally, it is the San Luis Obispo County Pension Trust General Counsel's responsibility~~ their duty to identify areas for review and revision, and ~~work~~ collaborate with the Management Team ~~Executive Director~~ to properly ~~revise this RRP.~~ amend this policy.

II.I INTERNAL PROCEDURES

The Executive ~~Secretary~~ Director shall implement internal procedures that will conform and document the steps to be taken to implement this RRP. These procedures should be reviewed annually with the San Luis Obispo County Pension Trust General Counsel.

III.V REVIEW AND REVISIONS

The Board of Trustees reserves the right to amend this [Records Retention Policy \(RRP\)](#) at any time they deem such amendment ~~to be~~ necessary, or to comply with changes in federal law ~~as these changes affect~~ affecting the operations of the SLOCPT. Periodic reviews of this RRP will ~~take place~~ be conducted as appropriate.

IN WITNESS HEREOF, the Records Retention Policy has been approved and executed by the Trustees on this ~~16th day of December, 2013;~~ [26th day of February 2024.](#)

President

APPENDIX A
SAN LUIS OBISPO COUNTY PENSION TRUST
RECORDS RETENTION SCHEDULE

Adopted December 16, 2013

[Amended February 26, 2024](#)

TYPE OF RECORD	SPECIFIC RECORD	RETENTION PERIOD
Accounting Records	Annual Financial Statements	Permanent
	Audit Reports	Permanent
	Accounts Payable	10 years
	Banking Records	10 years
	Budgets	Permanent
	GASB 67/68 Reports	Permanent
	Ledgers, Journals and Entry Documents	10 years
	Member Tax Advice Records	7 Years
	Plan Sponsor Contribution Records	Permanent
	Retirement Member Payroll Records	Permanent
Board	Actuarial Reports and Studies	Permanent
	Agendas and supporting materials	Permanent
	Trustee election or appointment documents	Permanent
	Conflict of Interest Filings	Permanent
	Digital Recordings of Board Meetings	Permanent
	Investment Reports	Permanent
	Minutes – Board and Standing Committees	Permanent
	Meeting Notes	90 days after approval of minutes
	Policies	Permanent
	Resolutions	Permanent
General	Administrative Retirement Plan and Revisions Contracts	Permanent 5 years following expiration
	Copyright and/or Patent Registration	Permanent
	General Correspondence not specific to Members	5 years
	Inception/Organization Documents	Permanent
	Insurance Policies	5 years following expiration
	Legal Opinions	Permanent
	Litigation Records	Permanent
	Operational Policies and Procedures	Permanent
	Plan Tax Filings	10 years
	Plan Tax Qualification Documents	Permanent

TYPE OF RECORD	SPECIFIC RECORD	RETENTION PERIOD
	Software <u>Policies and Procedures</u>	Current <u>Permanent</u>
<u>Member Records</u>	<u>Member Files</u>	<u>Permanent</u>
Member Records	<u>Confidential Medical Reports – kept separate from member files</u> Member Files	<u>Permanent until 5 years after member and beneficiary death</u> Permanent
<u>Investments</u>	<u>Custody Statements</u>	<u>10 years</u>
	<u>Directly held Loan Docs</u> Investment Consultant Reports	<u>10 years after loan payoff</u> 10 years
	<u>Directly managed investments – trade authorizations</u> Directly held Loan Docs	<u>10 years</u> 10 years after loan payoff
	<u>Directly held R/E purchases and sales</u> Directly managed investments—trade authorizations	<u>10 years after property disposition</u> 10 years
	<u>Investment Consultant Reports</u>	<u>10 years</u>
	<u>Manager Statements</u> Directly held R/E purchases and sales	<u>10 years</u> 10 years after property disposition
	<u>Manager disclosures and reports</u> Manager Statements	<u>10 years</u> 10 years
	<u>R/E Appraisals</u> Manager disclosures and reports	<u>10 years after property disposition</u> 10 years
	<u>Tax filings and supporting documents related to investments</u> R/E Appraisals	<u>10 years</u> 10 years after property disposition
	<u>Transaction support documents (i.e. Capital Call/Distribution letters, wire and account transfer approvals)</u>	<u>10 years</u>
<u>SLOCPT Personnel</u>	<u>Employee Files</u>	<u>Permanent</u>
SLOCPT Personnel	<u>Employee Files – not hired</u> Employee Files	<u>1 year</u> Permanent
	<u>Payroll Registers/Reports</u> Employee Files—not hired	<u>Permanent</u> 1 year
	<u>Payroll Tax Filings</u> Payroll Registers/Reports	<u>10 years</u> Permanent
	<u>Time Cards and Leave Requests</u> Payroll Tax Filings	<u>10 years</u> 10 years
	<u>Time Cards and Leave Requests</u>	<u>10 years</u>

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Board of Trustees

1000 Mill Street
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Fax: (805) 781-5697
www.SLOPensionTrust.org



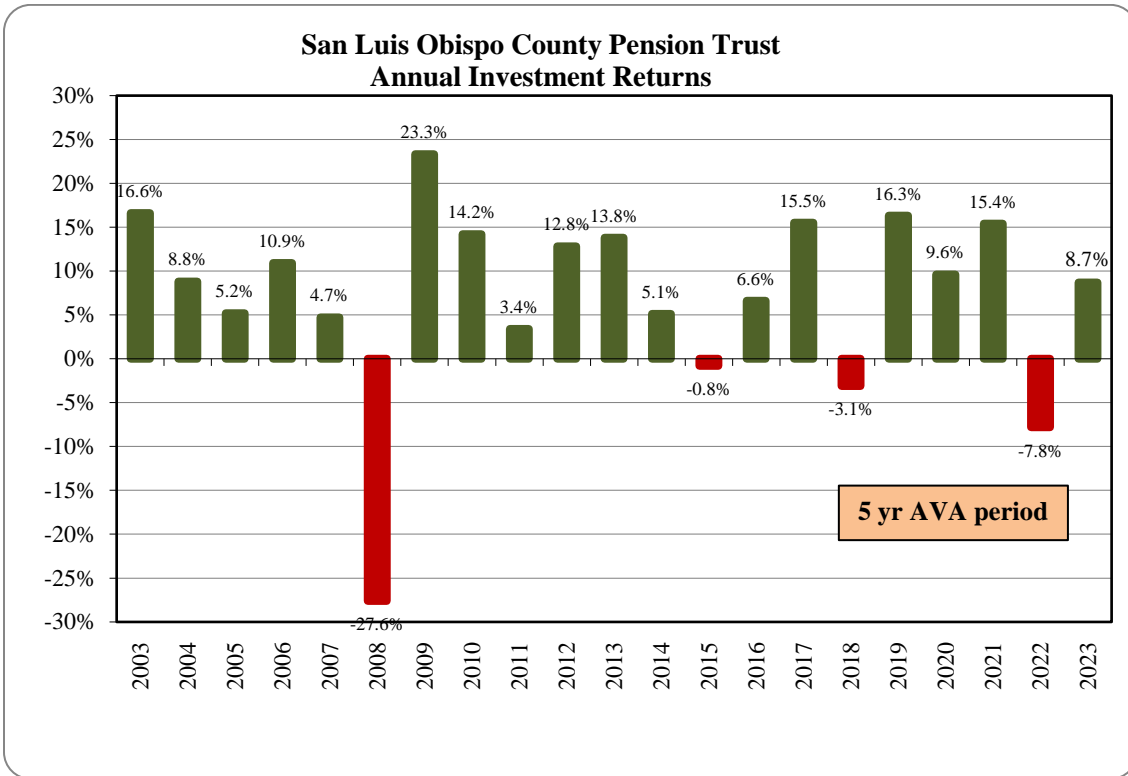
Date: February 26, 2024

To: Board of Trustees

From: Katie Girardi – Executive Director
Amy Burke – Deputy Director
Scott Whalen - Verus

Agenda Item 7: Quarterly Investment Report for the 4th Quarter of 2023

Attached is the 4Q23 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,



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: DECEMBER 31, 2023

Investment Performance Review for

San Luis Obispo County Pension Trust

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

SEATTLE 206.622.3700

CHICAGO 312.815.5228

PITTSBURGH 412.784.6678

LOS ANGELES 310.297.1777

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 runs 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 large white triangle points upwards, and a smaller blue triangle points downwards, both positioned to the left of the main text.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

1ST QUARTER 2024
Investment Landscape

Verus business update

Since our last Investment Landscape webinar:

- Verus hired Adam Babson, *Director of Portfolio Management* (Seattle)
- JC Faubion, CFA, *Senior Consulting Associate*, obtained the CAIA charter
- James Wadner, *Performance Analyst*, recently passed his CFA level I exam
- We celebrated our 38th anniversary. Wurts Johnson & Company (founding name) was established in January 1986.
- Recent research, found at verusinvestments.com/research:
 - *Is now the time to de-risk?*
 - *Liquidity needs during market drawdowns*
 - *2024 Annual Capital Market Assumptions*

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Economic environment 9

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Equity 26

Other assets 35

Appendix 38

Recent Verus research

Visit: verusinvestments.com/research

Topics of interest

LIQUIDITY NEEDS DURING MARKET DRAWDOWNS

What is the fundamental reason why investors should care about liquidity? In short, investors want to avoid being forced to sell high-returning assets that have fallen in value in order to pay for benefits, philanthropic spending, expenses, and cover capital calls for their private asset programs. We first touch on the different definitions of liquidity and illustrate how these relate to institutional portfolios. Second, we examine those liquidity characteristics in times of market stress, the way in which illiquid assets often behave, and how that impacts investors. Lastly, we outline a tool that we have created and discuss how this can be used to assist clients with gauging the appropriate level of liquidity in their own portfolios. Overall, we believe investors should put much thought and care into portfolio liquidity decisions.

IS NOW THE TIME TO DE-RISK?

Is now a good time to engage in de-risking strategies? The combination of rising interest rates and relatively strong risk asset performance since 2020 seem to suggest so. We aim to give plan sponsors a better appreciation of the potential benefits of de-risking strategies and examine when it would be most prudent to adopt these strategies. ERISA plan sponsors that have frozen benefits or report actuarial obligations with a market-based interest rate will find this paper most applicable to them.

Annual research

2024 CAPITAL MARKET ASSUMPTIONS

Capital Market Assumptions guide our advice and recommendations. They reflect the best judgments of our research and investment teams regarding the expected long-term behavior of capital markets.

Investment Landscape

1st Quarter 2024

Agenda Item 7

4th quarter summary

THE ECONOMIC CLIMATE

- Real GDP increased at a 2.9% pace from a year ago in Q3 (4.9% quarter-over-quarter annualized rate). The economy has remained relatively strong while inflation now appears likely to fall closer to the Fed's 2% target in 2024. These expectations contributed to a dovish pivot from the Fed, a sharp drop in interest rates, and a notable market rally as the possibility of a soft landing has risen.
- Unemployment fell slightly from 3.8% to 3.7%, though the labor participation rate dropped sharply towards the end of the year. The labor market remains surprisingly resilient after roughly a full year of higher interest rates.

PORTFOLIO IMPACTS

- Consumer sentiment has been incredibly poor, and one of the greatest concerns for Americans is inflation. Although inflation has fallen considerably, prices of goods and services remain high, placing strain on budgets. Because inflation measures the rate of change of prices, rather than the level of prices, lower inflation has failed to ease the financial pressure that many households face.
- The Cboe VIX implied volatility index moved even lower during Q4, from 17.5 to 12.5. At the same time, bond market volatility was very high, as indicated by the "MOVE" Index. Uncertainty around inflation, the Federal Reserve's possible interest rate path and the extent of rate cuts, potential recession, and fears around the U.S. fiscal situation are likely contributing to market shakiness.

THE INVESTMENT CLIMATE

- An abrupt change in Federal Reserve communication regarding interest rate cuts during the quarter coincided with sharply lower bond yields, higher equity valuations, and further tightening of credit spreads.
- U.S. headline inflation fell during the quarter, from 3.7% to 3.3% year-over-year. Core CPI (ex-food & energy) declined from 4.1% to 3.9%. Low inflation numbers in October and November (0.0% and 0.1% month-over-month) were counterbalanced by a surprisingly high inflation number in December (0.3% month-over-month).

ASSET ALLOCATION ISSUES

- U.S. equities (S&P 500 +11.7%) led international developed equities (MSCI EAFE +10.4%) and emerging market equities (MSCI EM +7.9%) during the quarter. Domestic equities also led non-U.S. equities over the full year while emerging markets lagged. Wide sector performance differences contributed to U.S. leadership given a much heavier tech focus of the domestic market.
- Style factor performance was mixed during Q4. Small cap outperformed large cap by +2.0%. Value underperformed Growth by -3.2%. Over the full year, small caps underperformed large caps by -9.6% while value stocks underperformed growth by a whopping -31.2%. Besides an extreme period of value underperformance during 2020, calendar year 2023 was the worst 1-year rolling period in more than two decades.

Risk assets rallied in Q4 following a dovish pivot from the Federal Reserve and recent economic data suggesting a greater chance of a soft landing

What drove the market in Q4?

“A Soft Landing is in View as Inflation Drops”

HEADLINE CPI MONTH-OVER-MONTH CHANGES

July	Aug	Sept	Oct	Nov	Dec
0.2%	0.6%	0.4%	0.0%	0.1%	0.3%

Article Source: WSJ, November 14th, 2023

“U.S. Labor Market Resilience Keeps Economy Afloat as Year Ends”

U-3 UNEMPLOYMENT RATE

July	Aug	Sept	Oct	Nov	Dec
3.5%	3.8%	3.8%	3.8%	3.7%	3.7%

Article Source: Reuters, December 21st, 2023

“U.S. Consumer Spending, Inflation Slow in Sign of Cooling Economy”

U.S. NOMINAL RETAIL SALES (YEAR-OVER-YEAR)

July	Aug	Sept	Oct	Nov	Dec
2.8%	2.8%	4.0%	2.2%	4.0%	5.6%

Article Source: Bloomberg, November 30th, 2023

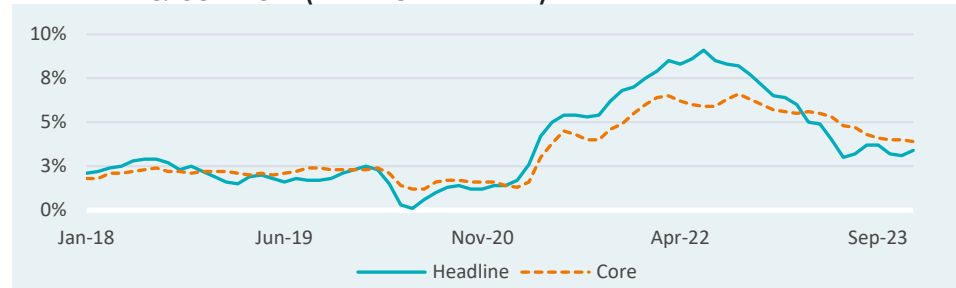
“Fed Holds Rates Steady, Indicating Three Cuts Coming in 2024”

FOMC PROJECTED END OF 2023 FED FUNDS RATE

Sep 22 SEP	Dec 22 SEP	Mar 23 SEP	June 23 SEP	Sept 23 SEP	Dec 23 SEP
4.60%	5.10%	5.10%	5.60%	5.60%	5.40%

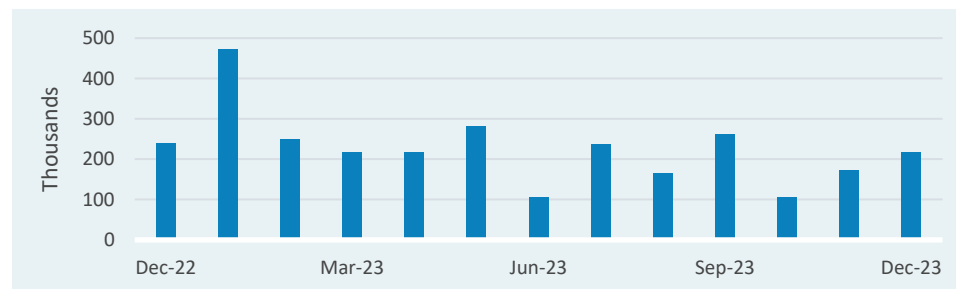
Article Source: CNBC, December 13th, 2023

HEADLINE & CORE CPI (YEAR-OVER-YEAR)



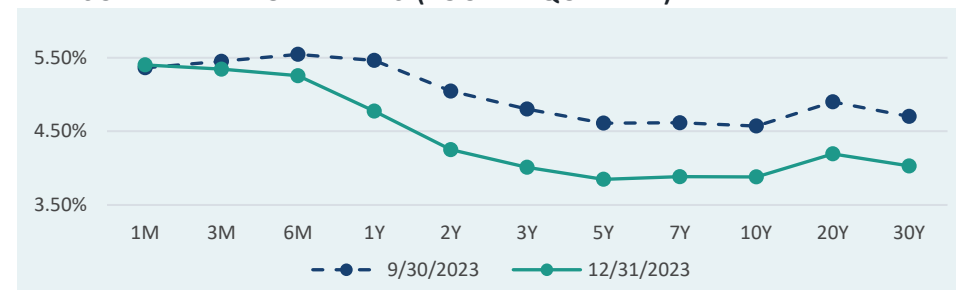
Source: BLS, as of 12/31/23

CHANGE IN NONFARM PAYROLLS



Source: BLS, as of 12/31/23

TREASURY YIELD MOVEMENTS (FOURTH QUARTER)



Source: Bloomberg, as of 12/31/23

Economic environment

U.S. economics summary

- Real GDP increased at a 2.9% pace year-over-year in Q3 (4.9% quarter-over-quarter annualized rate). The economy has remained relatively strong while inflation appears more likely to fall closer to the Fed’s target in 2024. These expectations contributed to a dovish pivot from the Federal Reserve in December, a sharp drop in interest rates, and a notable market rally as the possibility of a soft landing has risen.
- U.S. headline inflation fell during the quarter, from 3.7% to 3.3% year-over-year. Core CPI (ex-food & energy) declined further from 4.1% to 3.9%. Low inflation numbers in October and November (0.0% and 0.1% month-over-month) were counterbalanced by a surprisingly high inflation number in December (0.3% month-over-month).
- Consumer spending has been stable, with real personal consumption expenditures up +2.7% year-over-year in November, the strongest growth figure since early 2022. However, strong spending appears to be at the expense of a low household savings rate (4.1% in November) and may be partly driven by necessity (higher prices of goods & services) rather than by a positive financial or economic outlook.
- The job market has shown mixed signals, increasing in total size during 2023 but arguably with some weakness around the edges. Unemployment rose during the year but fell slightly in Q4 from 3.8% to 3.7%. This historic mismatch between jobs available and workers available has been slowly closing.
- Consumer sentiment improved slightly but remains incredibly poor. Inflation is a central concern for Americans. Although inflation has fallen considerably, prices of goods and services remain high, placing strain on budgets. Because inflation measures the rate of change of prices, rather than the level of prices, lower inflation has failed to ease the financial pressure that many households face.

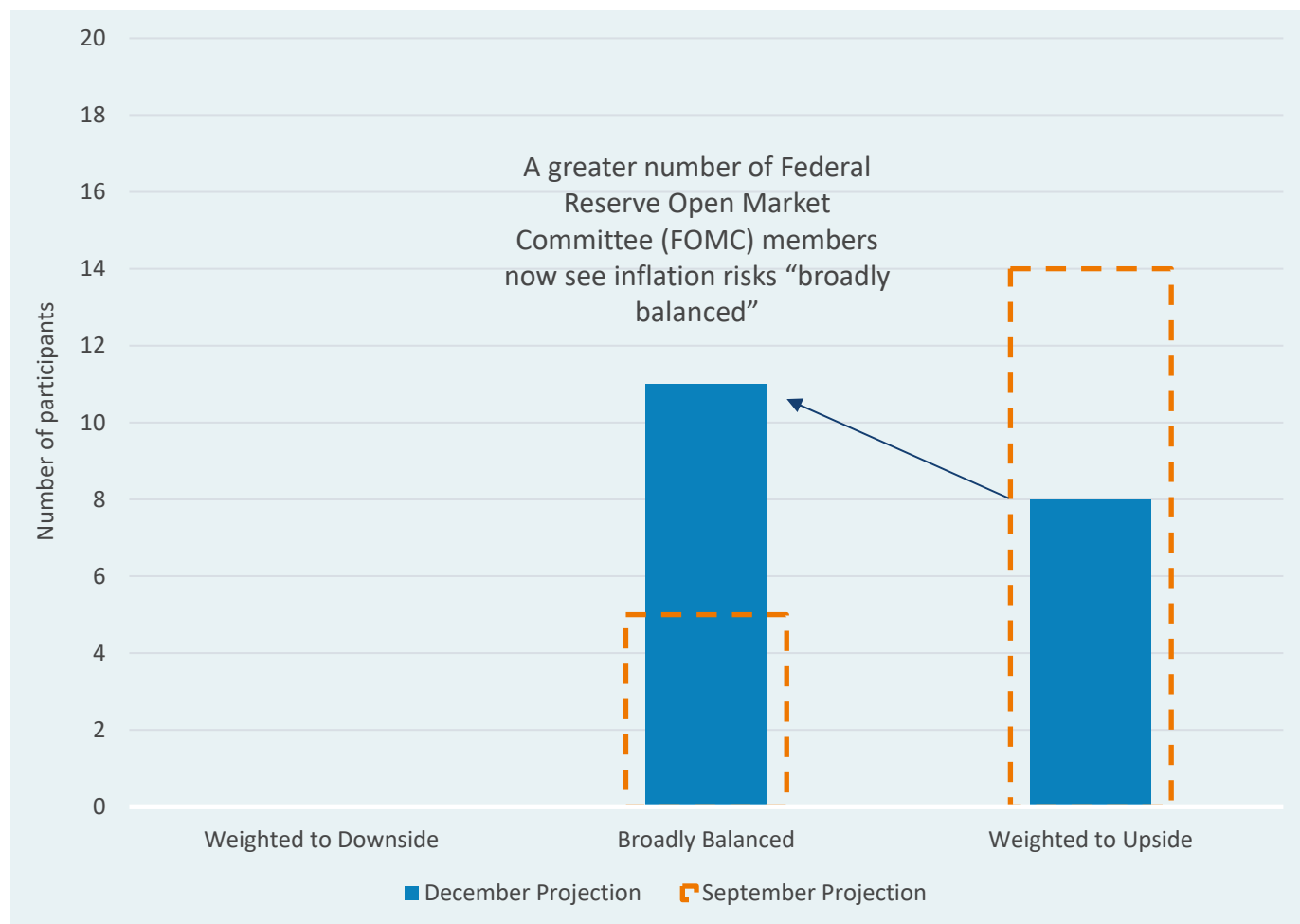
	Most Recent	12 Months Prior
Real GDP (YoY)	2.9% 9/30/23	1.7% 9/30/22
Inflation (CPI YoY, Core)	3.9% 12/31/23	6.4% 12/31/22
Expected Inflation (5yr-5yr forward)	2.2% 12/31/23	2.3% 12/31/22
Fed Funds Target Range	5.25–5.50% 12/31/23	4.25–4.50% 12/31/22
10-Year Rate	3.88% 12/31/23	3.88% 12/31/22
U-3 Unemployment	3.7% 12/31/23	3.5% 12/31/22
U-6 Unemployment	7.1% 12/31/23	6.5% 12/31/22

Shifting signaling from the Federal Reserve

December 2023 risks to core inflation: FOMC participants

On December 13th, the Fed’s tone shifted. Powell spoke to a much rosier inflation picture and described a greater focus on both sides of its dual mandate—price stability and full employment.

Although optimistic, Powell’s comments emphasized a cautious view of the restrictive policy’s impact, *“Our actions have moved our policy rate well into restrictive territory, meaning that tight policy is putting downward pressure on economic activity and inflation, and the full effects of our tightening likely have not yet been felt... Given how far we have come, along with the uncertainties and risks that we face, the Committee is proceeding carefully.”*



Source: Federal Reserve December 2023 Summary of Economic Projections

Inflation

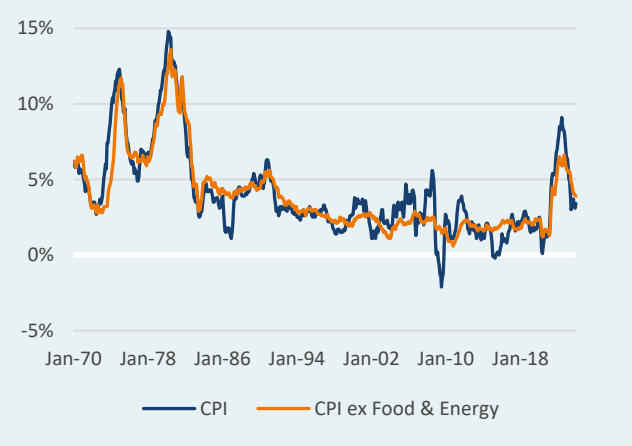
U.S. headline inflation fell during the quarter, from 3.7% to 3.3% year-over-year in December. Core CPI (ex-food & energy) declined further from 4.1% to 3.9%. It is not yet clear how long it will take for inflation to return to the Federal Reserve’s 2% target, or how bumpy that ride might be. Low inflation numbers in October and November (0.0% and 0.1% month-over-month) were counterbalanced by a surprisingly high inflation release in December (0.3% month-over-month).

Most of the largest initial drivers of U.S. inflation, such as food, energy, and used autos, are now moderating in price and helping to bring inflation down towards the Fed’s 2% target.

Additionally, the largest component of the inflation “basket” of goods and services is shelter prices (the cost of rents or renter’s equivalent). The calculation of shelter for official government data purposes tends to reflect market rent movements with a lag. Market-based rent indexes reflect much lower rent inflation. For example, the series published by Zillow indicates 3.3% year-over-year inflation as of December. This suggests that as government shelter data catches up with true market rent prices, the greatest support to current inflation levels (shelter costs) will drop materially, potentially bringing inflation officially back to around a 2% level.

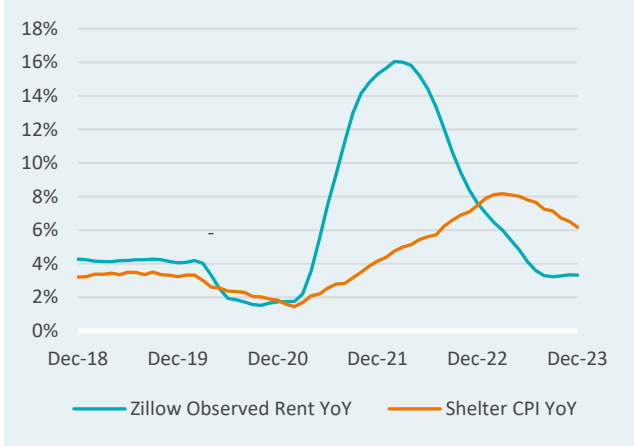
Inflation & other economic data released in Q4 suggests a path for inflation to fall towards 2% in 2024

U.S. CPI (YOY)



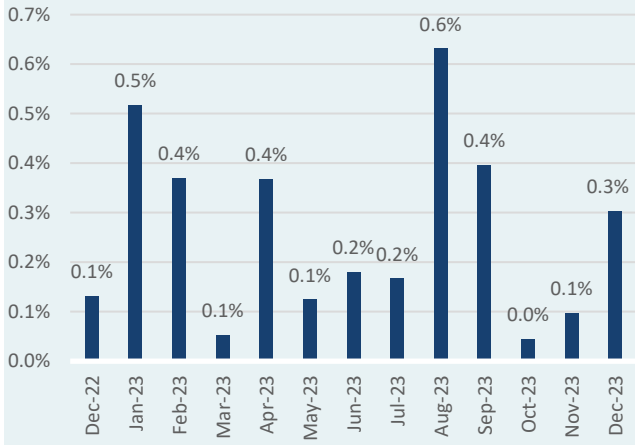
Source: BLS, as of 12/31/23

ZILLOW OBSERVED RENT VS. SHELTER CPI (YOY)



Source: Zillow Observed Rent Index, as of 12/31/23

MONTHLY PRICE MOVEMENT (CPI)



Source: BLS, as of 12/31/23

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.

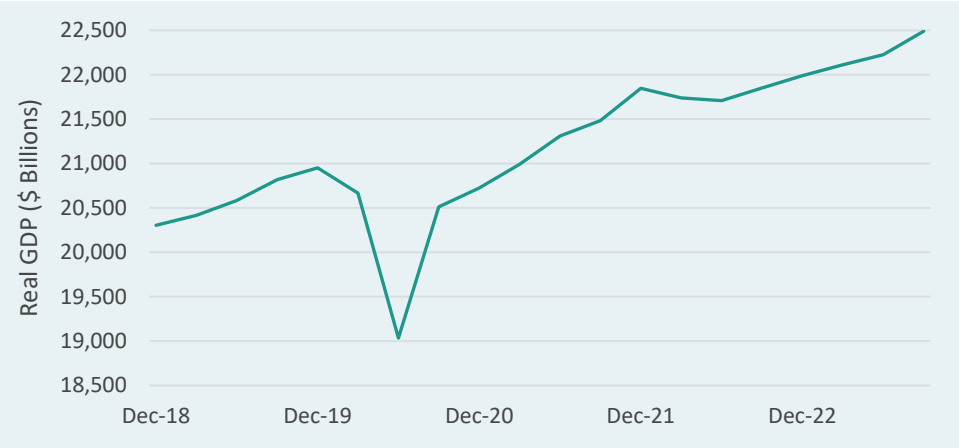
The economy has remained relatively strong while inflation

now appears likely to fall closer to the Fed target in 2024. These expectations contributed to a sharp drop in interest rates towards the end of 2023, and a notable market rally, as the possibility of a soft landing has risen.

A string of positive economic news occurred throughout the fourth quarter. The economic outlook has improved along with this new information, though we continue to believe economic bumpiness is on the horizon—perhaps in mid-2024. However, U.S. markets appear to be fully pricing in the soft-landing narrative, which likely limits the upside if that were to come to fruition.

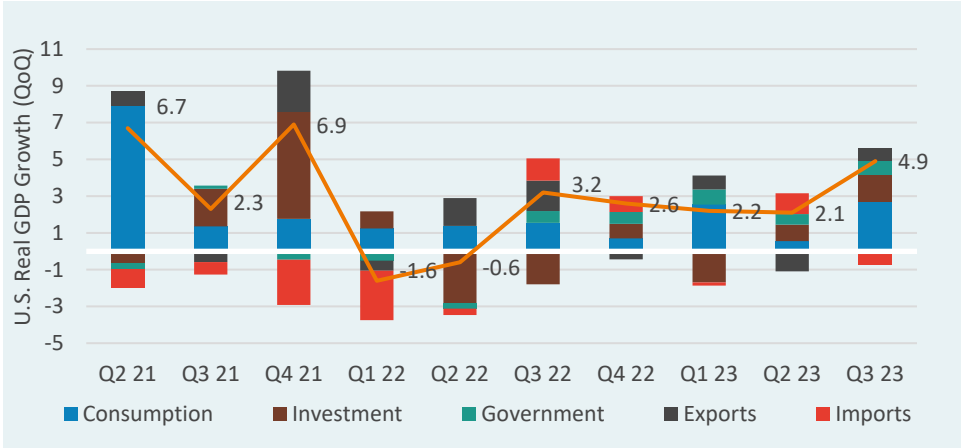
The U.S. economy continues to show resilience despite aggressive monetary tightening & low consumer confidence

U.S. REAL GROSS DOMESTIC PRODUCT



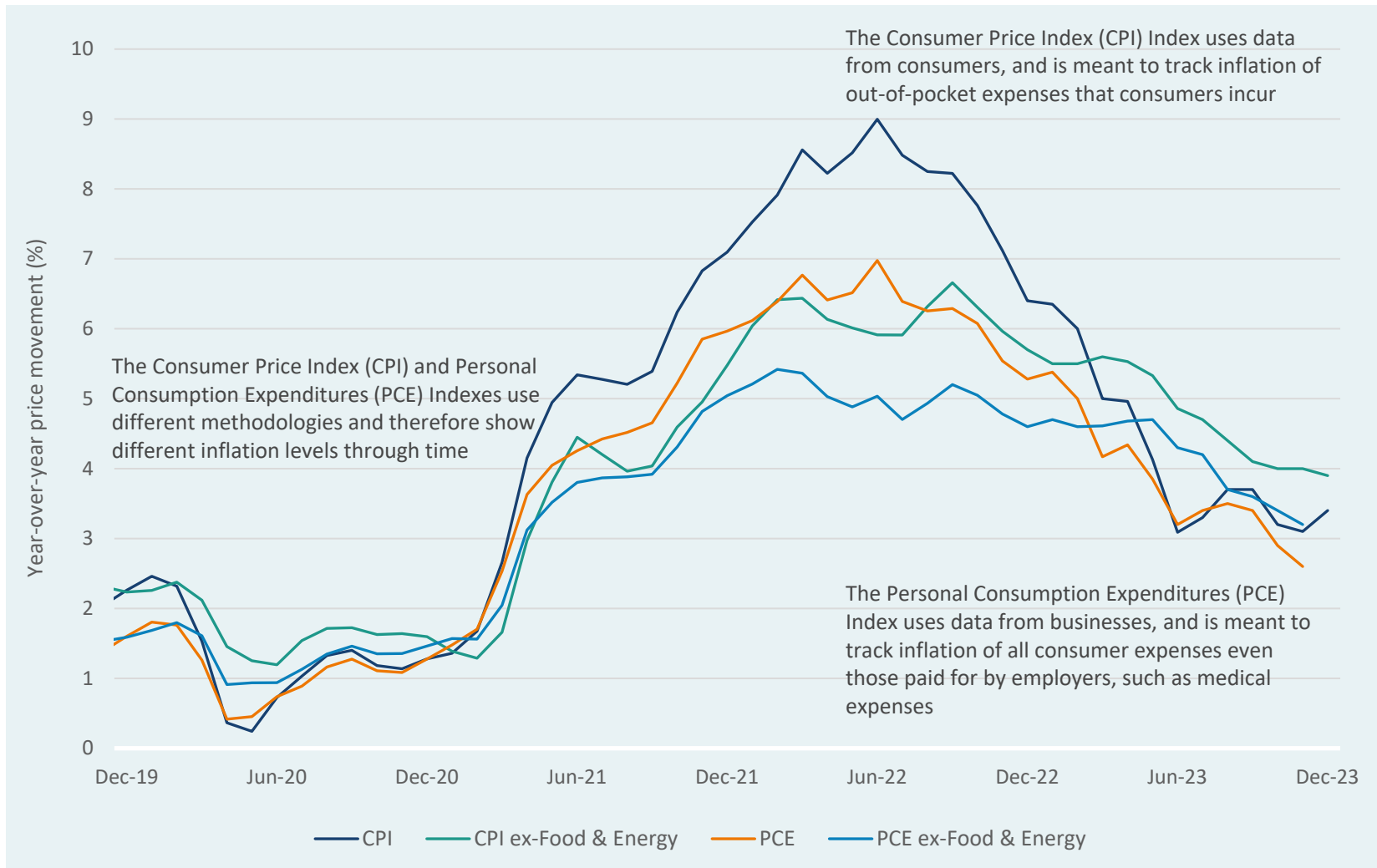
Source: FRED, as of 9/30/23

U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 9/30/23

How are inflation conditions evolving?



Recent price trends suggest inflation may move closer to the Fed's 2% target in 2024

A moderation of shelter prices, which tend to be lagged in official statistics, could be the most notable driver of lower inflation in future quarters

Source: FRED, Verus, PCE data as of 11/30/23, CPI data as of 12/31/23

Labor market

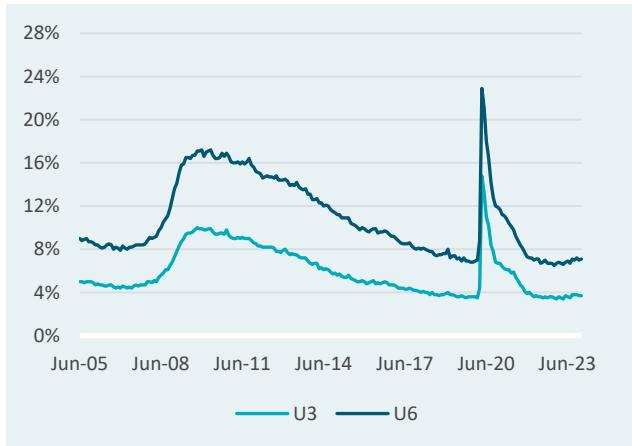
Unemployment fell slightly in Q4 from 3.8% to 3.7%, though the labor participation rate dropped sharply towards the end of the year from 62.8% to 62.5%. According to most available metrics, the labor market remains surprisingly resilient. While throughout history higher interest rates, and yield curve inversion in particular, have typically been followed by recession, the economy has been strong in the face of higher interest rates for roughly a full year. These dynamics have fueled hope that the economy may achieve a soft landing.

Some mixed signals have appeared in recent months. The labor participation rate has fallen for both younger and older

workers, potentially a sign of stalling of strong post-pandemic job growth. Rebalancing within the labor market continued, as the mismatch between the number of *workers available* and the number of *available jobs* closes. This gap was 5.5 million at the beginning of the year and fell to 2.5 million in November. This rebalancing appears to be due to positive factors (a growing workforce) rather than negative factors (fewer jobs available), as more Americans are seeking employment and finding jobs that had previously gone unfilled.

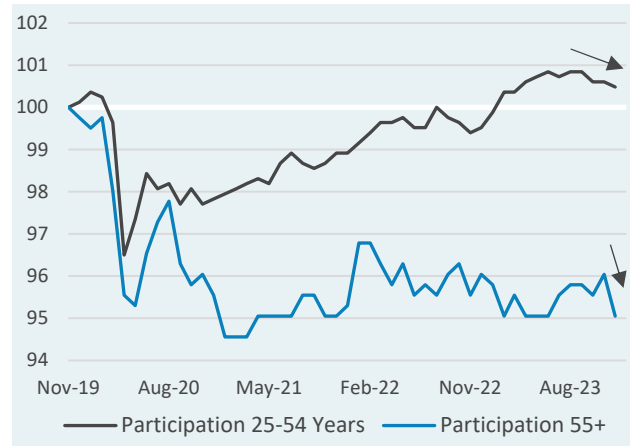
The gap between *available jobs* and *available workers* was cut in half during 2023, as the labor market moves into balance

U.S. UNEMPLOYMENT



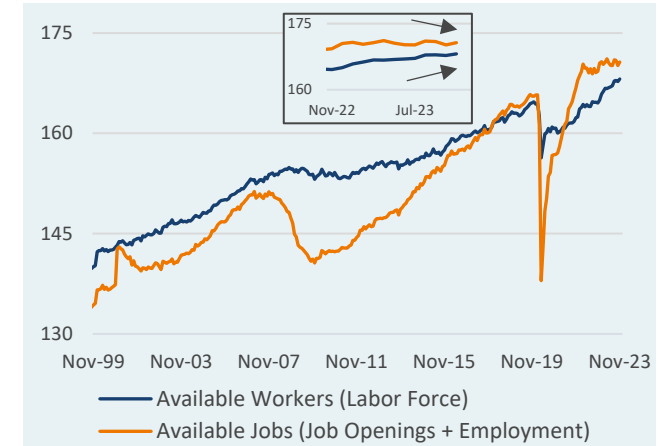
Source: FRED, as of 12/31/23

LABOR FORCE PARTICIPATION RATE BY AGE



Source: FRED, as of 12/31/23

WORKERS AVAILABLE VS. AVAILABLE JOBS



Source: BLS, Verus, as of 11/30/23

The consumer

We believe there are two important sides to the U.S. consumer picture. First, spending has been stable, as real (inflation-adjusted) personal consumption expenditures continued at a moderate pace, at 2.7% year-over-year in November—the strongest growth figure since early 2022. But second, strong spending appears to be coming at the expense of household savings (very low at 4.1% in November) and may be partly driven by necessity (higher prices of goods and services) rather than driven by a positive financial or economic outlook. This latter point is supported by incredibly poor consumer sentiment.

As discussed in last quarter’s report, wealth for the majority of

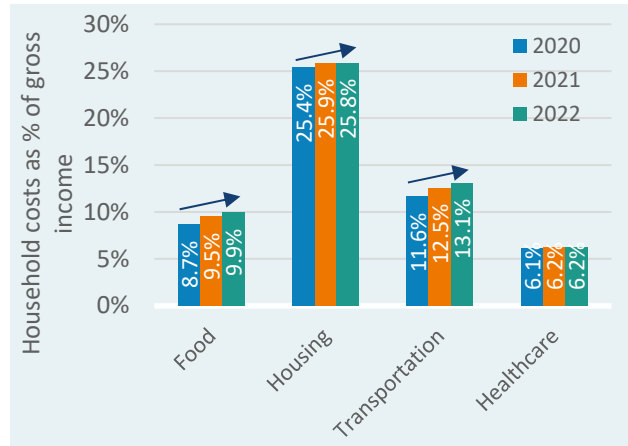
Americans has greatly expanded over the past decade, fueled by higher home prices, a bull market for stocks, and broad economic strength. However, this stands in stark contrast to reports of widespread financial difficulties of Americans. For example, a Lending Club survey conducted in November 2023 indicated that 62% of consumers are living paycheck to paycheck. In this unique environment, it is difficult to gauge the extent to which greater wealth, though often illiquid, might help extend strong spending into future quarters, or whether spending is set to slow as households reset their spending to lower levels to try and return to more conservative budgets with an appropriate savings rate.

REAL PERSONAL SPENDING



Source: FRED, as of 11/30/23

HIGHER COSTS EATING INTO BUDGETS



Source: BLS, Verus, as of 9/8/23 – household costs as % of gross income

PERSONAL SAVINGS RATE



Source: FRED, as of 11/30/23

Sentiment

Sentiment readings were up slightly during Q4 but remain pessimistic. The University of Michigan Consumer Sentiment survey improved from 67.9 to 69.7 on reports that households believe inflation is on a better trajectory.

A confusing aspect of the consumer picture is the large disconnect between economic data (good in many respects) and sentiment readings (very poor overall). For example, inflation has mostly normalized but many Americans continue to express deep concerns about high inflation and difficulties in making ends meet. A major driver of this disconnect is what we might call the “lower inflation conundrum”. As displayed below, prices surged substantially in recent years, meaning inflation was high, but then prices plateaued, which led inflation to come down. *Why hasn't*

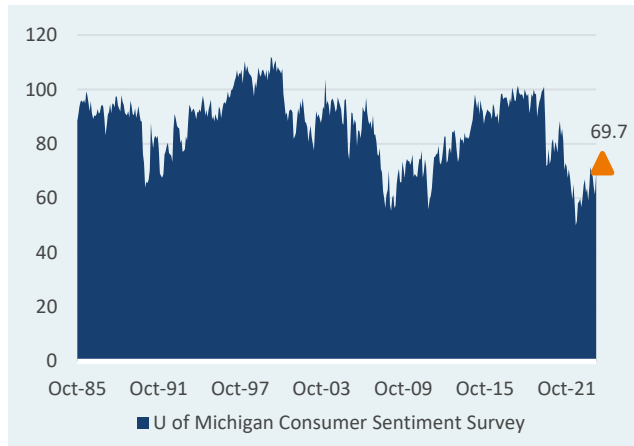
lower inflation led Americans to feel better about the economy? This is because inflation measures the *rate of change* in the price of goods and services, not the overall level. Prices are currently very high while the rate of inflation is fairly low.

The NFIB Small Business Optimism index improved slightly during Q4, with the gains occurring in December. The index has now been below the 50-year average level for two years. According to the report, 23% of business owners reported inflation as the most important issue for business operations—now a greater concern than the labor shortage. Small businesses remain very pessimistic about conditions and do not expect these conditions to improve in 2024.

Sentiment improved slightly during the quarter

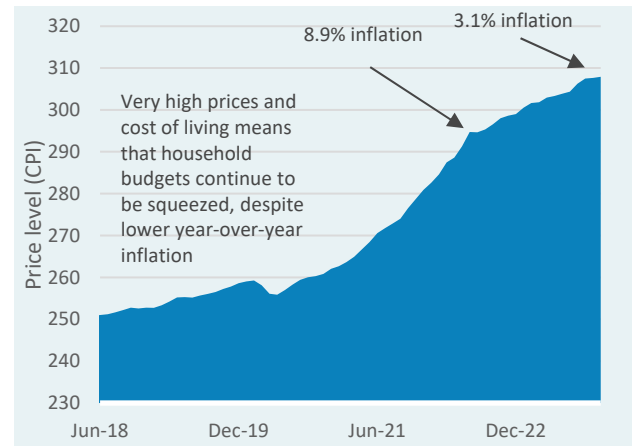
Inflation remains very poor

CONSUMER SENTIMENT



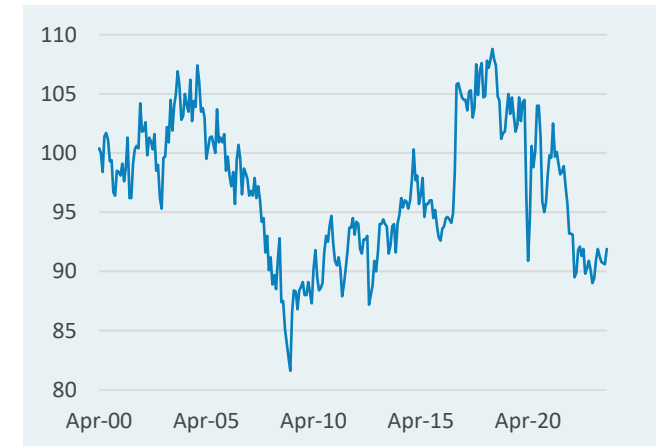
Source: University of Michigan, as of 12/31/23

THE “LOWER INFLATION” CONUNDRUM



Source: FRED, as of 11/30/23

NFIB SMALL BUSINESS SENTIMENT



Source: NFIB, as of 12/31/23

Housing

Home prices increased 3.0% in the third quarter, with ongoing support from very low housing inventory levels. It is possible that low inventories, high costs of new construction, a lack of forced sales (home sales due to financial stress), and an unwillingness of current homeowners to sell and sacrifice their existing low mortgage rate, could act as an ongoing support to high home prices despite extreme unaffordability.

On a brighter note, housing affordability on the margin may be moving in a better direction. Despite mild gains in home prices, the 30-year average fixed mortgage rate has fallen from a 23-year high of 7.3% to 6.6% at the

end of December. A moderation in mortgage rates, with expectations for a handful of Federal Reserve rate cuts in 2023, could help affordability and provide a support to home demand in the near-term.

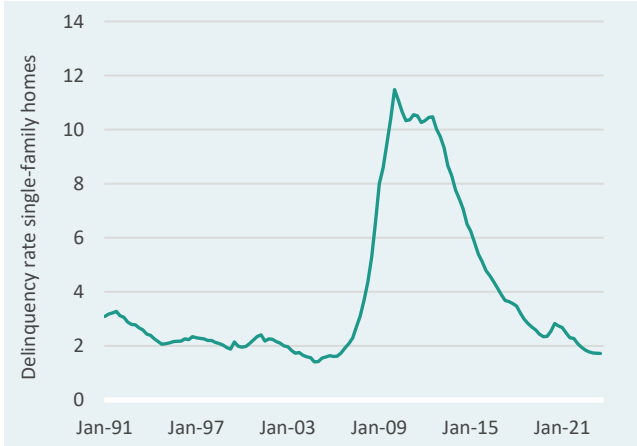
Mortgage delinquency levels of single-family homeowners continue to be muted, at 1.7% as of Q3. Surprisingly, mortgage delinquency rates have consistently declined since the pandemic. This may be a reflection of significant home equity built up for the average homeowner, the ability of homeowners to draw on that equity to help make financial ends meet, and a hesitance to default on a loan if the loan is not underwater.

30-YEAR MORTGAGE RATE (%)



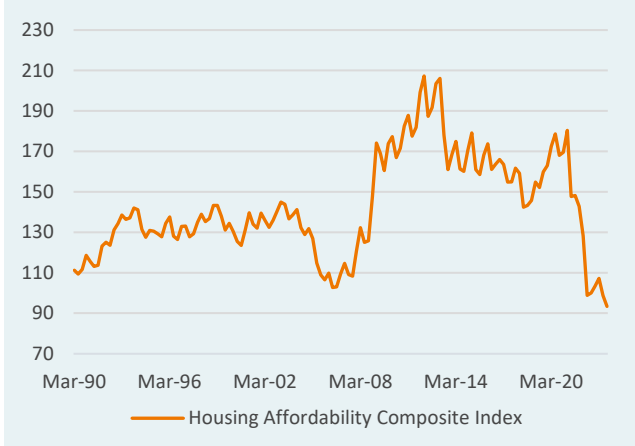
Source: FRED, as of 12/31/23

SINGLE-FAMILY HOME DELINQUENCY RATE (%)



Source: FRED, as of 9/30/23

HOUSING AFFORDABILITY



Source: FRED, as of 9/30/23 – 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

- The ongoing threat of inflation, and central banks' tightrope act of working to battle that inflation without tipping economies into recession, was expected to be a key risk of 2024. However, in the fourth quarter inflation has fallen more quickly than expected, while economic growth has generally been more resilient. The global growth picture seems to have improved, all else equal, although growth is still expected to slow materially in the coming quarters.
- Conflicts within the Middle East have led to heightened geopolitical tensions, and broader escalation is a notable risk. While military action has been relatively confined, further conflict could have a material impact on global supply chains and energy markets. The war in Ukraine, which played a large part in initially driving inflation across developed economies, is still fresh in many investors' minds.
- Inflation fell significantly in the Eurozone and U.K., helping to take

some pressure off the ECB and BOE (headline inflation receded to 3.4% and 4.0% across the Eurozone and U.K., respectively). Despite the easing of price pressures, interest rates sit at multi-decade highs at both central banks which does little to change expectations for stagnant and potentially even negative economic growth.

- China reported GDP growth of 5.2% in 2023, exceeding the 5% growth target set by the CCP. While the reported figure is slightly above the CCP's target, growth has disappointed investors and economists alike, especially following a nearly three-year COVID-19 lockdown. The country continues to face a variety of challenges including incredibly dire demographic trends, geopolitical tension with the U.S., slowing growth, financial distress amongst the property sector and local government financing vehicles, a heavy national debt burden, and deflation.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.9% 9/30/23	3.4% 12/31/23	3.7% 12/31/23
Eurozone	0.0% 9/30/23	2.9% 12/31/23	6.4% 11/30/23
Japan	1.5% 9/30/23	2.4% 12/31/23	2.4% 11/30/23
BRICS Nations	5.0% 9/30/23	1.5% 12/31/23	4.8% 12/31/22
Brazil	2.0% 9/30/23	4.6% 12/31/23	7.5% 11/30/23
Russia	5.5% 9/30/23	7.4% 12/31/23	2.9% 11/30/23
India	7.6% 9/30/23	5.7% 12/31/23	8.7% 12/31/23
China	5.2% 12/31/23	-0.3% 12/31/23	5.1% 12/31/23

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

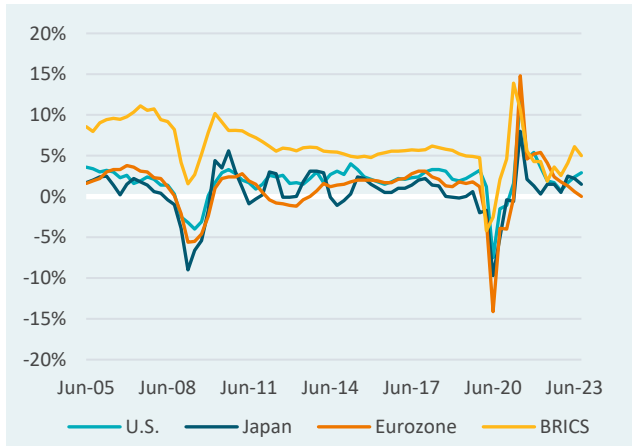
The ongoing threat of inflation, and central banks' tightrope act of working to battle that inflation without tipping economies into recession, was expected to be a key risk of 2024. However, in the fourth quarter inflation has fallen more quickly than expected, while economic growth has generally been more resilient. The global growth picture seems to have improved, all else equal, although growth is still expected to slow materially in the coming quarters.

Although broad macroeconomic conditions improved, additional risks surfaced throughout the quarter, as conflicts within the Middle East escalated. Tensions remain high and concerns around global supply chains

and energy markets have been at the forefront—though impacts across commodity markets have been muted so far.

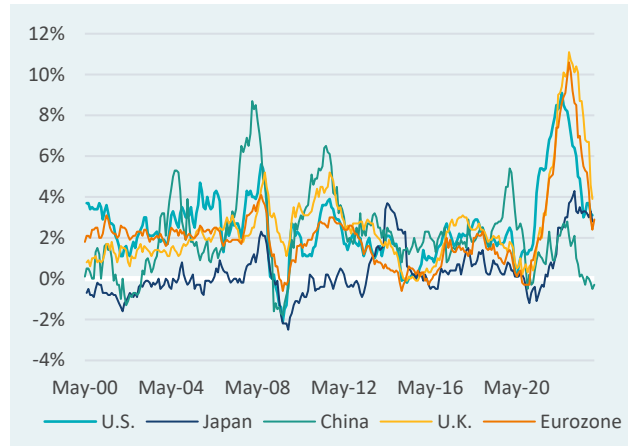
The outlook remains uncertain. Geopolitical tension is still high, especially as the U.S. and China compete for dominance in the technology sector. Developed economies in the Eurozone and Japan are projected by the World Bank to grow less than 1% in 2024, far below historical long-term averages. On the flip side, emerging and developing economies still boast strong growth targets. India is a highlight, as growth expectations for both 2024 and 2025 sit above six-percent.

REAL GDP GROWTH (YEAR-OVER-YEAR)



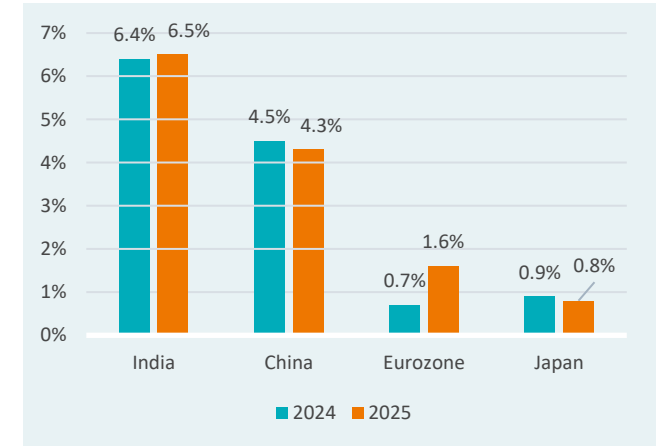
Source: Bloomberg, as of 9/30/23

INFLATION (CPI YEAR-OVER-YEAR)



Source: Bloomberg, as of 12/31/23 – or most recent release

WORLD BANK REAL GDP FORECASTS



Source: World Bank Global Economic Prospects, as of 1/9/24

Fixed income rates & credit

Fixed income environment

- The 10-year U.S. Treasury yield reversed its gains from the prior quarter, falling from 4.58% to 3.88% in Q4, as the market reassessed inflation conditions and the Federal Reserve’s likely path. Further signs that inflation is moderating toward target, along with surprisingly upbeat economic news, likely contributed to the Federal Reserve’s “dovish pivot” as it has been referred to. The 10-year yield ended 2023 unchanged.
- During Q4, credit markets delivered strong results, led by lower-quality bonds such as high yield and bank loans. High yield gained +7.2% (Bbg U.S. Corporate High Yield), while bank loans rose +2.8% (S&P/LSTA Leveraged Loan). Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) rose 14.0% during the quarter as both falling interest rates and narrower credit spreads acted as a tailwind.
- The U.S. yield curve has remained inverted for 1.5 years, which is

among the most extended periods in modern history. This is indicated by the 10-year minus 2-year Treasury yield—ending the year at -35bps, up from -44bps in Q3. Unique attributes of the current economic environment suggest that this curve inversion may not coincide with a near-term recession.

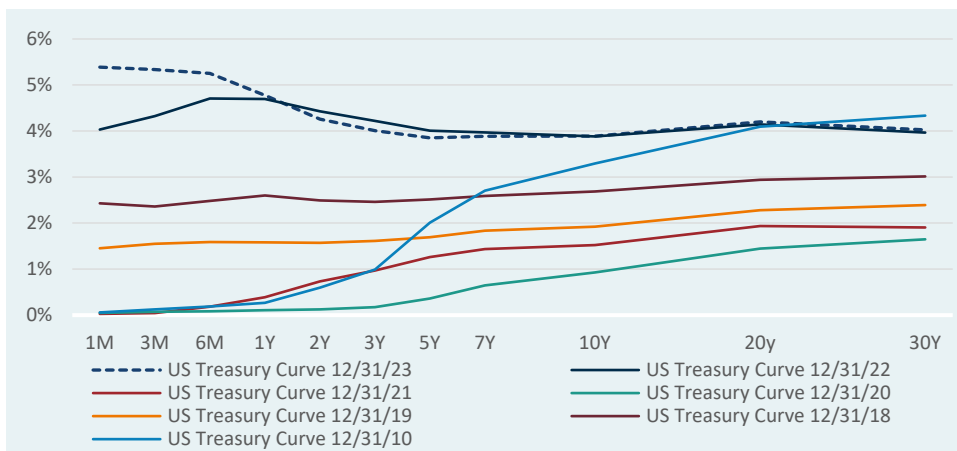
- US interest rates remained steady during the quarter as inflation continued to moderate towards the Federal Reserve Bank's 2.0% target. Importantly, expectations for future rate cuts increased following the statement made by Chairman Powell that future rate hikes may not be required.
- With inflation and economic growth continuing to moderate during the quarter, market expectations for future rate cuts by the Federal Reserve increased. As a result, interest rates across the US Treasury curve declined meaningfully, with shorter-term rates declining more than longer-term rates.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	6.8%	5.5%
Core Plus Fixed Income (Bloomberg U.S. Universal)	6.8%	6.2%
U.S. Treasuries (Bloomberg U.S. Treasury)	5.7%	4.1%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	13.4%	2.7%
U.S. High Yield (Bloomberg U.S. Corporate HY)	7.2%	13.4%
Bank Loans (S&P/LSTA Leveraged Loan)	2.8%	13.3%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	8.1%	12.7%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	9.2%	11.1%
Mortgage-Backed Securities (Bloomberg MBS)	7.5%	5.0%

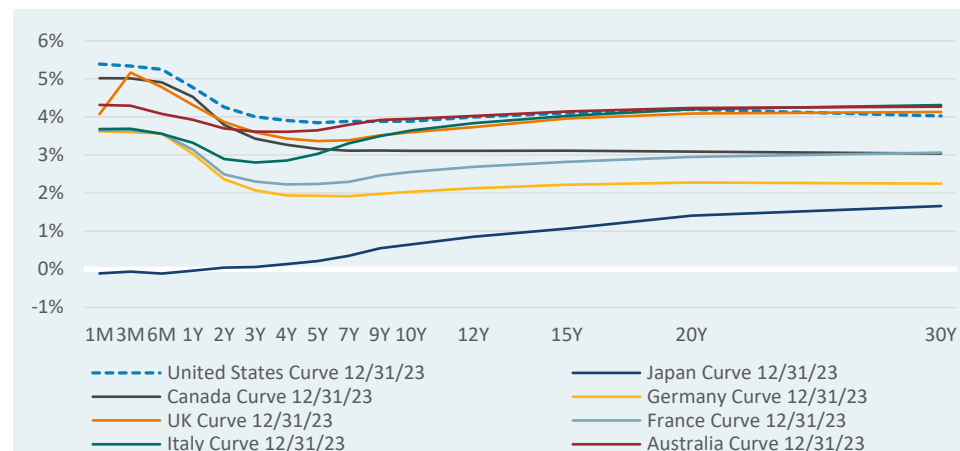
Source: Bloomberg, as of 12/31/23

Yield environment

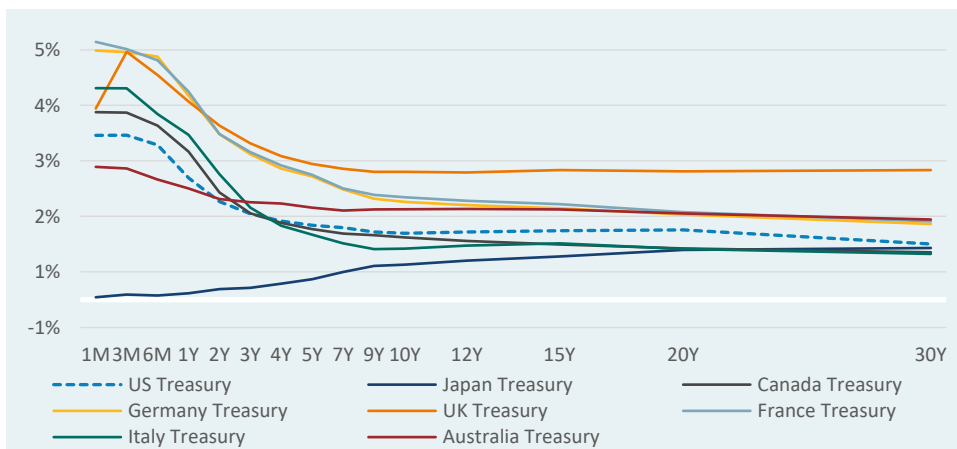
U.S. YIELD CURVE



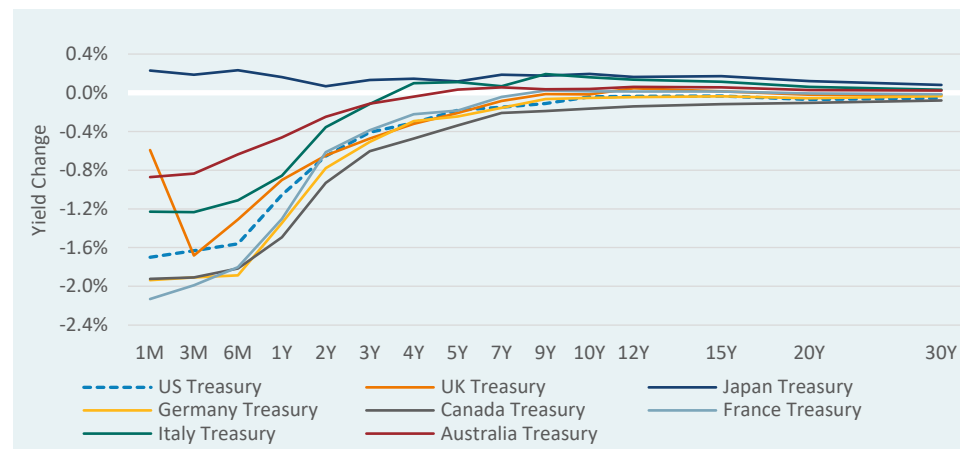
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 12/31/23

Credit environment

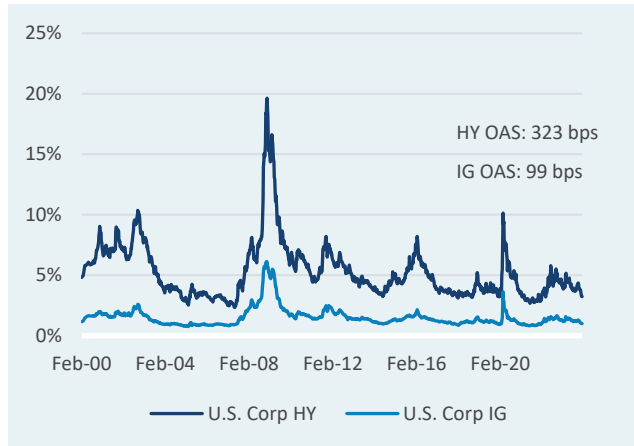
During the fourth quarter, credit markets delivered strong positive results, led by lower-quality credits such as high yield bonds and bank loans. High yield bonds delivered strong results gaining 7.2% (Bbg U.S. Corporate High Yield), while bank loans rose 2.8% (CS Leveraged Loans). Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) rose 14.0% during the quarter as both falling interest rates and narrower credit spreads acted as a tailwind.

Higher-quality BB-rated bonds outperformed lower quality credits during the period returning 7.3% compared to 6.8% and 6.6% for B-rated and CCC-rated bonds, respectively. While absolute returns were positive, bank loans delivered a less-than-impressive 2.8%, primarily due to the

combination of falling interest rates and expectations that the Federal Reserve Bank would begin cutting rates in the future.

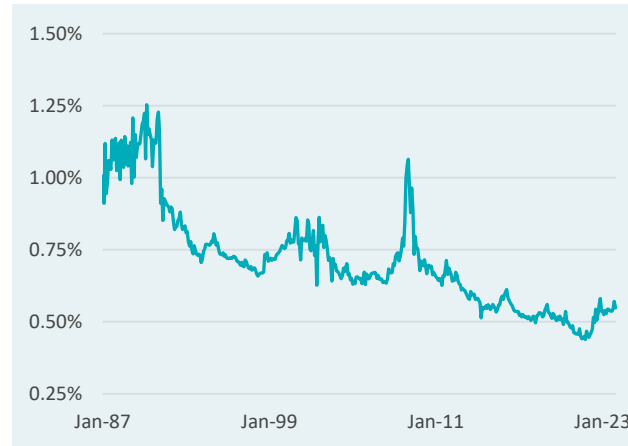
Credit spreads narrowed during the quarter despite concerns related to an economic slowdown, weakening corporate fundamentals, and rising geopolitical tensions. Lower-quality, high yield bond spreads fell by 0.6% to roughly 3.2%, while investment grade spreads decreased by roughly 0.2% to 1.0%. Broadly, spreads remain below their long-term historical averages, which suggests that investors remain confident about the ability of those companies to service their debt. That said, slower U.S. economic growth could lead to wider credit spreads as investors seek safety in higher quality assets.

SPREADS



Source: Barclays, Bloomberg, as of 12/31/23

HIGH YIELD BONDS MONTHLY INCOME RETURN



Source: Bloomberg, as of 12/31/23

CREDIT SPREAD (OAS)

Market	12/31/23	12/31/22
Long U.S. Corp	1.2%	1.6%
U.S. Inv Grade Corp	1.0%	1.3%
U.S. High Yield	3.2%	4.7%
U.S. Bank Loans*	5.0%	5.9%

Source: Barclays, Credit Suisse, Bloomberg, as of 12/31/23

*Discount margin (4-year life)

Default & issuance

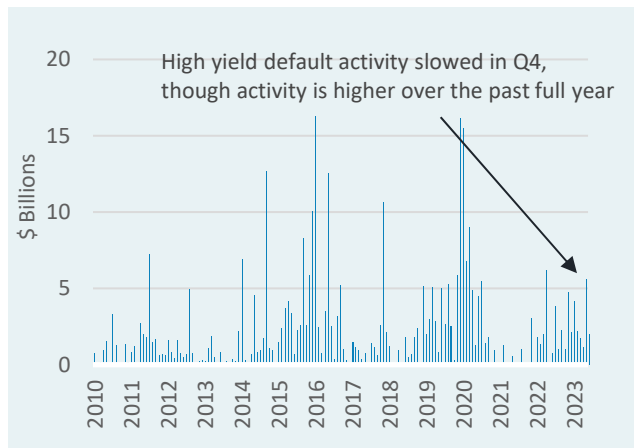
Default activity increased during Q4 as increased borrowing costs acted as a headwind. Eighteen companies defaulted, which were concentrated in the retail, telecommunications, and financial sectors. A total of \$15.8 billion of bank loan and high yield bonds were affected by default or distressed exchanges, up from \$11.5 billion in the prior quarter. Notable company defaults included Rite Aid (Retail), Ligado Networks (Telecommunications), and WeWork (Financial).

For 2023, both the number of defaults and volume increased meaningfully year-over-year. During the period, 88 companies defaulted on \$83.7 billion in high-yield bonds and bank loans compared to 35 companies and \$47.8 billion in 2022. High yield bond default rates have

increased to roughly 2.8%, up from 1.7% a year earlier, but are still below the long-term annual average of roughly 3.2%. High-yield default recovery rates ended the year at 32.8%, down sharply from 55.3% a year ago at the same time.

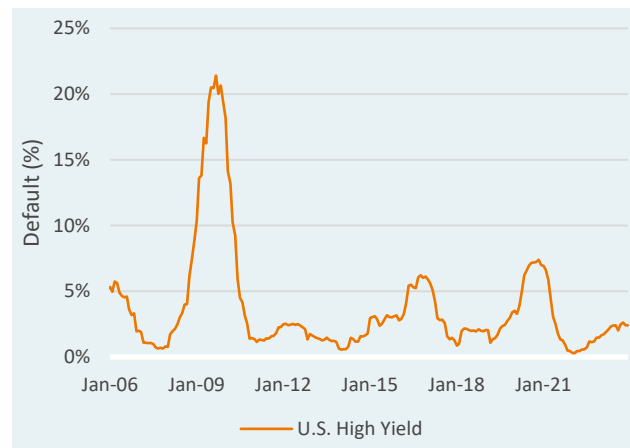
The issuance of investment grade credit slowed from the prior quarter, down to \$204 billion from \$275 billion. With borrowing costs falling as interest rates declined, high-yield bond issuance climbed slightly to \$42 billion, up from \$40 billion in Q3. On a year-over-year basis, the volume of both investment-grade and high yield issuance increased, up \$69.1 billion and \$5.3 billion, respectively.

U.S. HY MONTHLY DEFAULTS (PAR WEIGHTED)



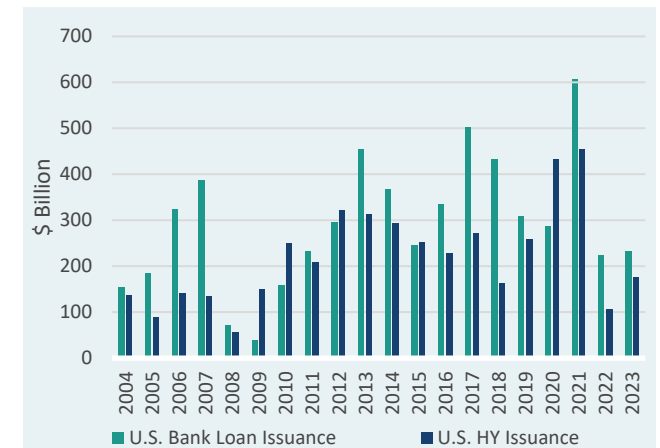
Source: BofA Merrill Lynch, as of 12/31/23

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



Source: BofA Merrill Lynch, as of 12/31/23 – par weighted

DEVELOPED MARKET ISSUANCE (\$ BILLIONS)



Source: BofA Merrill Lynch, all developed markets, as of 12/31/23

Equity

Equity environment

- Domestic equities delivered a strong rally to finish Q4, driven by a combination of better-than-expected Q3 earnings and signals of easing from the Federal Reserve. The S&P 500 Index gained +26.3% during 2023.
- U.S. equities (S&P 500 +11.7%) led international developed equities (MSCI EAFE +10.4%) and emerging market equities (MSCI EM +7.9%) during the quarter. Domestic equities also led non-U.S. equities over the full year, while emerging markets were laggards. Wide sector performance differences contributed to U.S. leadership, given the much heavier tech focus of the domestic market.
- The U.S. dollar fell sharply, as investors reassessed Federal Reserve policy and interest rates retraced lower. This move created a tailwind for investors with unhedged exposure to foreign currencies. On a trade-weighted basis, the value of the U.S. dollar fell -4.3%. However, over the full calendar year investors with unhedged currency exposure saw moderate losses, due to wide fluctuations of the dollar.
- Style factor investing delivered mixed performance for investors in Q4. Over the full year, style investing suffered substantially. Small cap underperformed by -9.6% while value stocks underperformed growth by a whopping -31.2%. Besides an extreme period during 2020, calendar year 2023 was the worst 1-year rolling period in more than two decades.
- The Cboe VIX implied volatility index moved even lower during the fourth quarter, from 17.5 to 12.5 in December. Priced volatility is incredibly low—at a level that has historically tended to coincide with very strong economic and market conditions.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	11.7%		26.3%	
U.S. Small Cap (Russell 2000)	14.0%		16.9%	
U.S. Equity (Russell 3000)	12.1%		26.0%	
U.S. Large Value (Russell 1000 Value)	9.5%		11.5%	
US Large Growth (Russell 1000 Growth)	14.2%		42.7%	
Global Equity (MSCI ACWI)	11.0%	9.7%	22.2%	22.7%
International Large (MSCI EAFE)	10.4%	6.0%	18.2%	19.9%
Eurozone (EURO STOXX 50)	13.3%	9.3%	26.5%	25.6%
U.K. (FTSE 100)	6.9%	2.5%	14.3%	8.8%
Japan (TOPIX)	8.2%	3.6%	19.3%	35.7%
Emerging Markets (MSCI Emerging Markets)	7.9%	5.7%	9.8%	10.1%

Source: Russell Investments, MSCI, STOXX, FTSE, JPX, as of 12/31/23

Domestic equity

Domestic equities finished the fourth quarter with a strong rally, driven by a combination of better-than-expected Q3 earnings and signals of easing from the Federal Reserve. The S&P 500 Index delivered a gain of +26.3% over 2023, boosted by a +11.7% rise over the final quarter of the year. Shares in the U.S. outperformed international developed and emerging markets over the calendar year.

Third-quarter earnings surprised to the upside, driven by large earnings beats in the communication services and consumer discretionary sectors. Per FactSet, in Q3 earnings grew by 4.9% year-over-year, in contrast to initial expectations of a -0.3% decline at the beginning of the quarter.

From a sector perspective gains were broad, outside of energy. Real estate and information technology outperformed—driven by easing rates on the long-end of the curve and strong demand within the accelerated computing and artificial intelligence space.

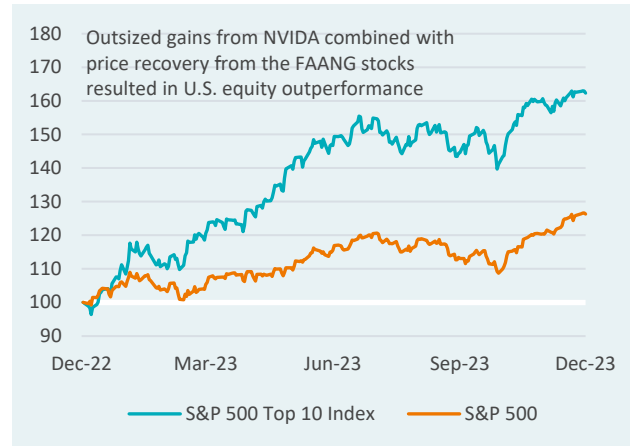
Going forward, domestic equities likely face a challenging environment to build off of the large gains seen in 2023. Valuations remain elevated as the S&P 500 Index approaches a new all-time high. At the same time, earnings growth has been modest, with Q4 earnings expected to come in at +1.3% per FactSet. Although the outlook remains challenged, growth catalysts such as stable inflation, monetary easing, and greater chance of a soft-landing present investors with upside opportunity.

S&P 500 PRICE INDEX



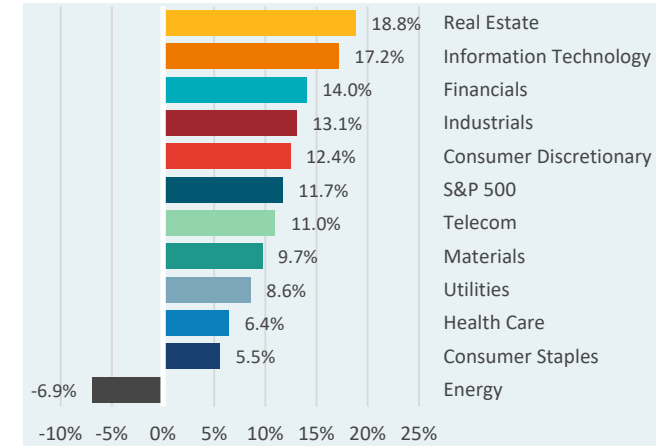
Source: Bloomberg, as of 12/31/23

2023 PERFORMANCE (INDEX 100)



Source: Bloomberg, S&P, as of 12/31/23

Q4 2023 SECTOR PERFORMANCE



Source: Morningstar, as of 12/31/23

Domestic equity size & style

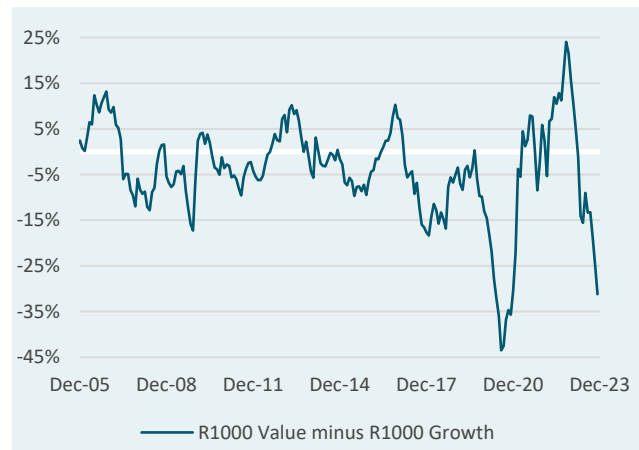
Style factor investing delivered mixed performance for investors in the fourth quarter. Small cap outperformed large cap by +2.0% during Q4 (Russell 2000 vs. Russell 1000). Value underperformed Growth by -3.2% (Russell 1000 Value vs. Russell 1000 Growth). Over the full year, style investing suffered substantially. Small cap underperformed by -9.6% while value stocks underperformed growth by a whopping -31.2%. Besides an extreme period during 2020, calendar year 2023 was the worst 1-year rolling period in more than two decades.

The wide variability of style investing continues to be fueled by extreme sector volatility. For example, the information technology sector, which tends to be more concentrated in growth stocks, performed +57.8% in

2023. Meanwhile, utilities and energy sectors, which tend to be more concentrated in value stocks, performed -7.1% and -1.3%, respectively. Mega cap growth stocks have propelled the U.S. market higher in 2023—a reversal from significant losses in 2022. Many market-leading stocks are concentrated in technology and telecom sectors, which have outperformed the overall index (+57.8% and +55.8%, respectively).

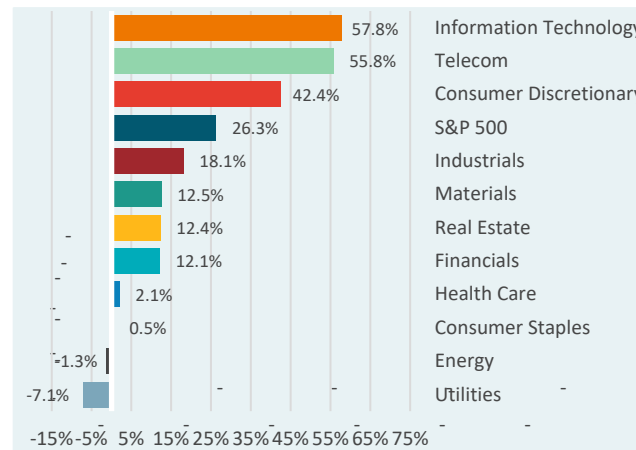
We believe sector variability and the way this has contributed to style factor volatility is further evidence that style investing should be a long-term decision. Short-term factor timing decisions should typically be pursued only in the rare occasion of obvious market mispricing and a foreseen catalyst for price correction.

VALUE VS. GROWTH 1-YR ROLLING



Source: FTSE, as of 12/31/23

VALUE VS GROWTH (YOY)



Source: Morningstar, as of 12/31/23

1-YEAR SIZE & STYLE PERFORMANCE

	Value	Core	Growth
Large Cap	11.5%	26.5%	42.7%
	12.7%	17.2%	25.9%
	14.6%	16.9%	18.7%

Source: FTSE, as of 12/31/23

International developed equity

International developed equities also benefited from shifting expectations around Federal Reserve policy in the fourth quarter, with the MSCI EAFE Index delivering a +10.4% gain in unhedged currency terms. Fading dollar strength provided a large boost, as expectations for potential easing from the Federal Reserve contrasted against shifting policy from the ECB and BOE.

In terms of relative performance, international developed shares trailed the U.S., but outperformed emerging market equities. Sector weightings played the largest role, as gains from mega-cap technology names drove domestic

performance, contrasting against the heavier financials and industrial sector composition of the MSCI EAFE index.

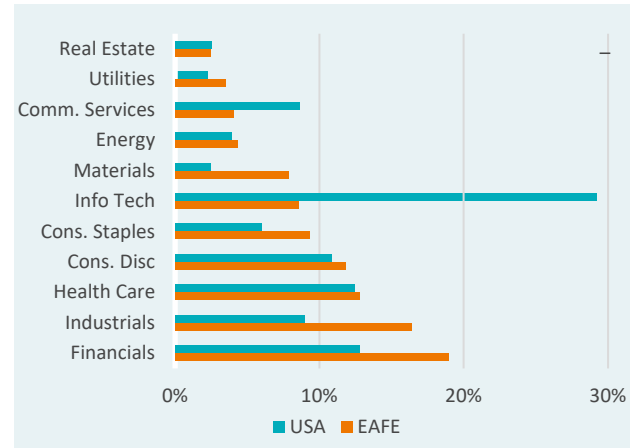
Despite macroeconomic challenges, international developed equities saw strong performance in 2023, up +18.2% in unhedged dollar terms. Japanese shares continued to benefit from zero-interest rate policy and shifting investment away from China and into Japan. European shares were lifted by better-than-expected global growth and the ability for companies to pass off higher prices – resulting in strong earnings.

INTERNATIONAL DEVELOPED EQUITY



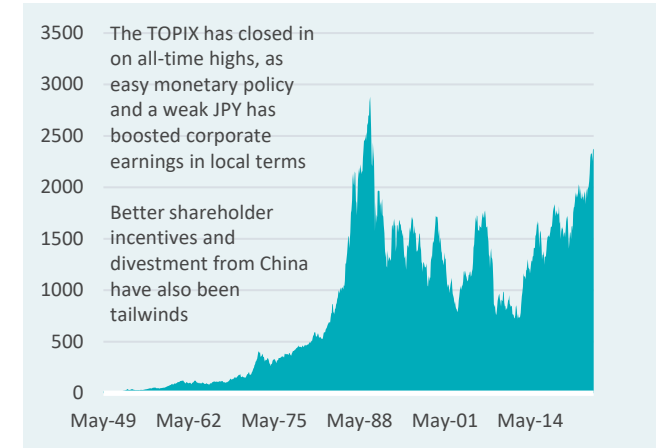
Source: MSCI, as of 12/31/23

MSCI EAFE VS. USA SECTOR WEIGHTING



Source: MSCI, as of 12/31/23

JAPAN TOPIX PRICE INDEX



Source: Tokyo Stock Exchange, as of 12/31/23

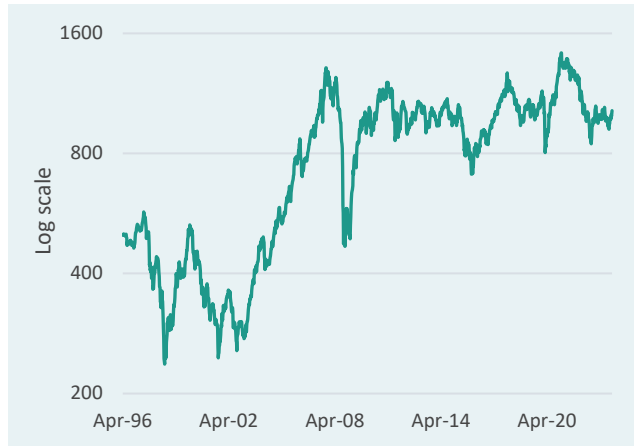
Emerging market equity

Emerging markets saw a positive end to 2023, rising +7.9% in the fourth quarter – helping to notch a +9.8% gain for the index over the 2023 calendar year. While rebounding from losses seen last year (-20.1% decline in 2022), emerging market equities underperformed both domestic and international developed equities for the second straight year.

Most countries within the index saw positive returns in the last quarter of the year, fueled by the broader rally in risk assets as U.S. monetary policy expectations eased. China was the outlier, declining -4.2%.

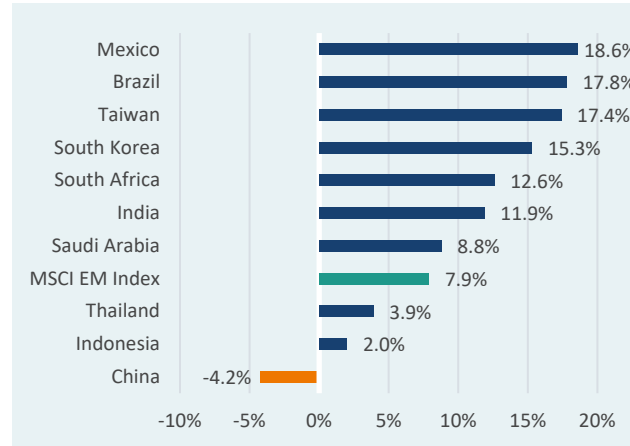
Chinese shares remain the elephant in the room within emerging markets. The MSCI EM ex China Index outperformed the flagship index by more than 10% in 2023, which highlights the large drag that China has caused, given its nearly 30% country weight in the index. The country continues to face a variety of challenges including incredibly dire demographic trends, geopolitical tension with the U.S., slowing growth, financial distress amongst the property sector and local government financing vehicles, a heavy national debt burden, and deflation. Combined with further consolidation of power within the CCP, the cheap pricing of Chinese equities may be justified.

EMERGING MARKET EQUITY



Source: MSCI, as of 12/31/23

Q4 2023 MSCI EM COUNTRY RETURNS (USD)



Source: Bloomberg, MSCI, as of 12/31/23

MSCI EM VS. EM EX CHINA (GROWTH \$100K)



Source: Bloomberg, MSCI, as of 12/31/23

Equity valuations

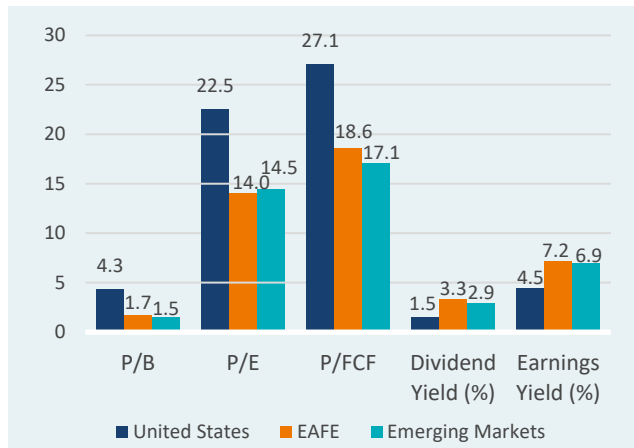
U.S. equity valuation drifted further above those of non-U.S. equities during the quarter. The domestic market is priced at a historic 71% premium over emerging market equities, up from a 59% premium in the third quarter. A portion of the U.S. pricing premium is due to a larger U.S. technology sector, which tends to demand higher valuations, though the valuation gap remains wide even after adjusting for sector composition.

The lower valuations of international developed equities may be at least partly justified due to weaker growth potential and unique challenges in those markets, though rising valuations create a high bar for future profit growth. In order for U.S. equities to justify high valuations over the

longer-term, business will need to generate supernormal earnings growth, and/or stock multiples will need to move upward even further.

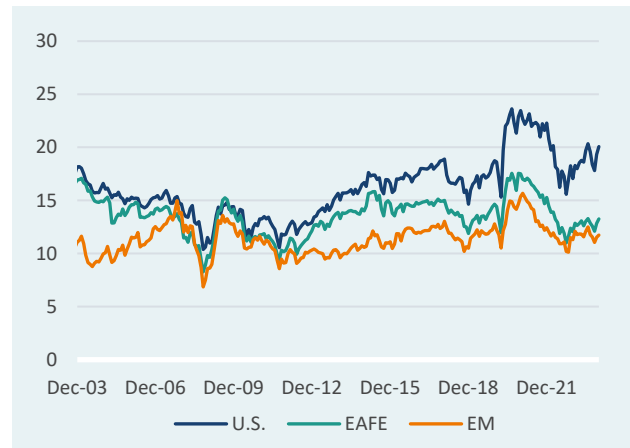
U.S. equity market valuations seem to have defied rising interest rates. Theoretically (and historically) speaking, equities should be fairly sensitive to sharply higher interest rates—the present value of stocks is less when rates are high due to the discounting effect, higher interest rates damage profits as financing is more expensive, and the overall economy tends to slow as borrowing costs rise which bodes poorly for profits. At least for now, the U.S. market remains richly valued and median bank forecasts are for a healthy 2024 S&P 500 return.

MSCI VALUATION METRICS (3-MONTH AVG)



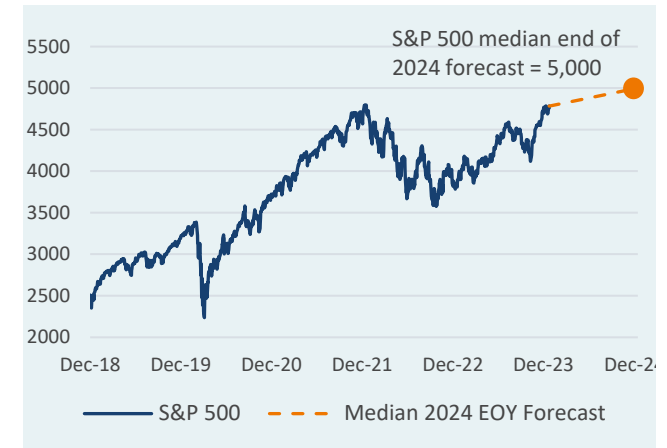
Source: Bloomberg, as of 12/31/23

FORWARD PRICE/EARNINGS RATIO



Source: MSCI, Bloomberg, as of 12/31/23

2024 S&P 500 MEDIAN FORECAST



Source: Bloomberg, as of 1/10/24. Banks included in forecast include J.P. Morgan, Goldman Sachs, Bank of America, Citibank, Morgan Stanley, Deutsche Bank, and UBS.

Market volatility

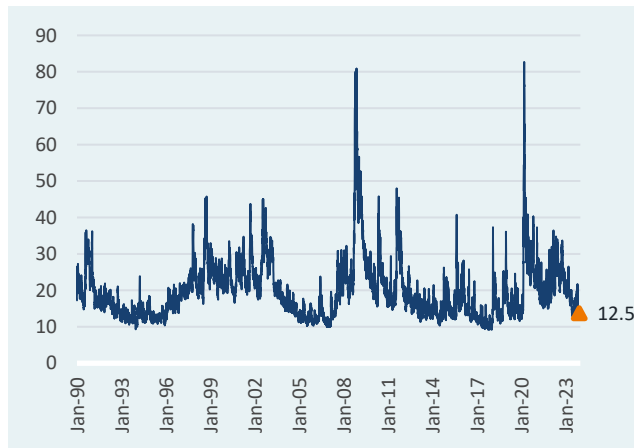
The Cboe VIX implied volatility index moved even lower during the fourth quarter, from 17.5 to 12.5 in December. Priced volatility is incredibly low—at a level that has historically tended to coincide with very strong economic and market conditions.

Realized volatility of global equity markets over the past year has also moderated. The relative volatility of markets has moved back in line with historical behavior—U.S. equities showing the lowest volatility, followed closely by international developed equities, and with emerging market

equities delivering greater risk. This behavior is a reversal of recent years when emerging market volatility was lower than that of developed markets—an uncommon occurrence historically speaking.

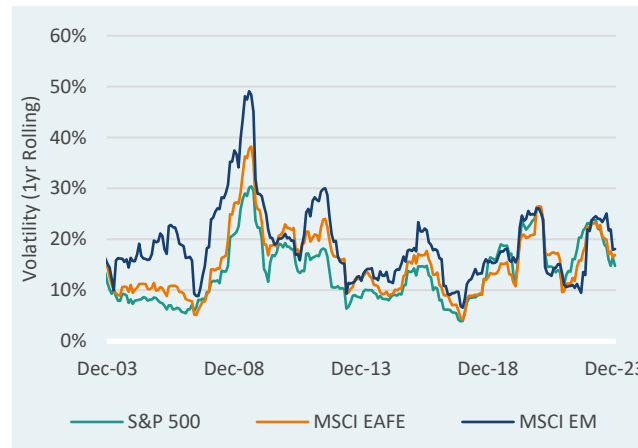
Bond markets remain shaky, as indicated by the “MOVE” Index—which calculates the implied volatility of U.S. Treasury securities. Uncertainty around inflation, the Federal Reserve’s interest rate path and the extent of rate cuts, potential recession, and fears around the U.S. fiscal situation, are likely to act as an ongoing support to volatility.

U.S. IMPLIED VOLATILITY (VIX)



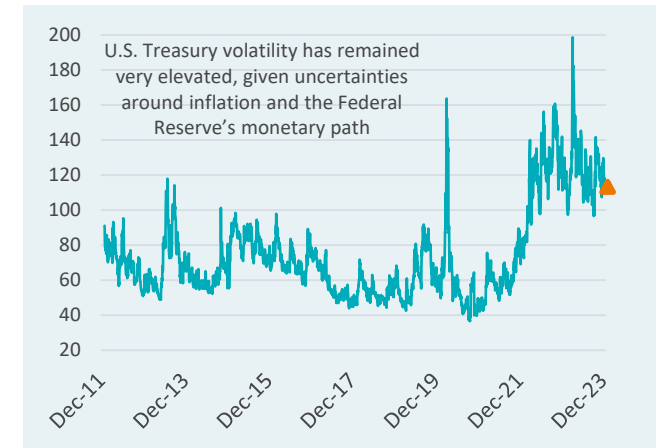
Source: Cboe, as of 12/31/23

REALIZED VOLATILITY



Source: S&P, MSCI, as of 12/31/23

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



Source: Bloomberg, as of 12/31/23

Long-term equity performance



Source: MPI, as of 12/31/23

Other assets

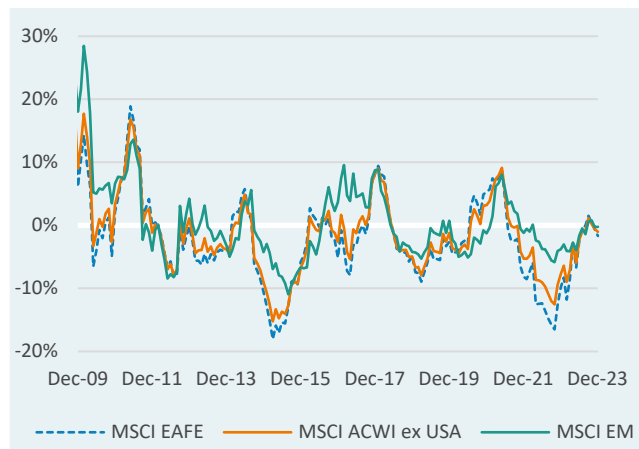
Currency

The U.S. dollar fell sharply in the fourth quarter, as investors reassessed Federal Reserve policy and interest rates retraced lower. This move created a tailwind for investors with unhedged exposure to foreign currencies. On a trade-weighted basis, the value of the U.S. dollar fell -4.3%. However, following wide fluctuations of the dollar during 2023, and the performance volatility that resulted, investors with unhedged foreign currency exposure saw moderate losses. For investors with unhedged international developed equity exposure, this delivered a loss of -1.7%. Unhedged exposure to emerging market currencies resulted in a loss of -0.2%.

As investors evaluate market movements and performance of 2023, it may be worth reflecting on the benefits which a more thoughtful

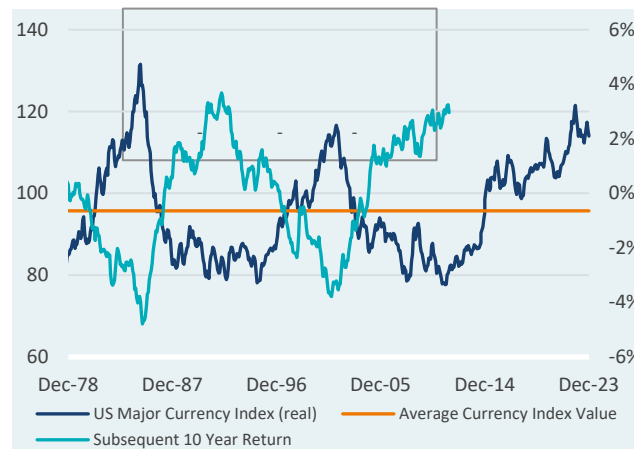
currency approach might deliver. A better approach may reduce the uncompensated risk of unhedged foreign currency exposure. Additionally, the MSCI Currency Factor Mix Index—a representation of a passive investment in the currency market, by investing in currencies with higher interest rates, currencies 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 what was delivered in 2023. During the year, an unhedged exposure to currency markets (assuming MSCI EAFE equity implementation) resulted in a loss of -1.7% and volatility of 7.5%. Meanwhile, an implementation to Currency Factor Mix delivered a gain of +1.4% and volatility of 2.5%.

EFFECT OF CURRENCY (1-YEAR ROLLING)



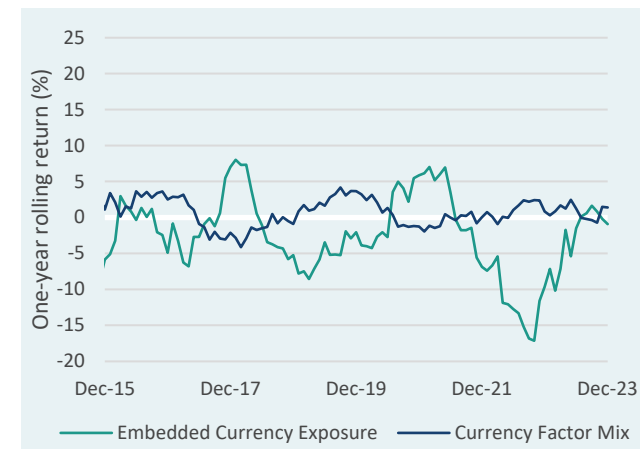
Source: MSCI, as of 12/31/23

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Bloomberg, as of 12/31/23

EMBEDDED CURRENCY VS CURRENCY FACTORS



Source: Bloomberg, MSCI, as of 12/31/23

Event strategies lead in equity, credit

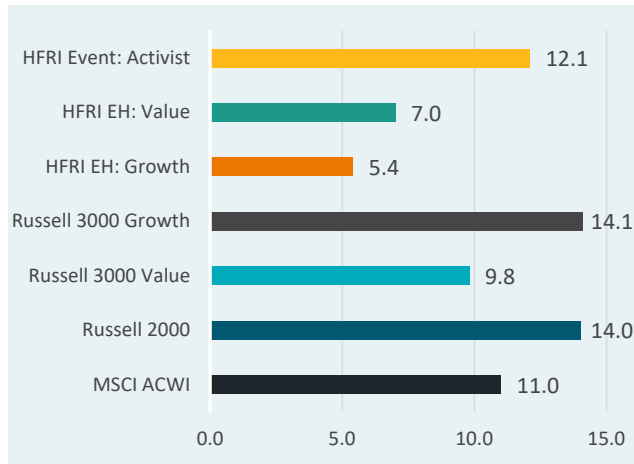
Stock and credit markets rallied in the fourth quarter, and directionally biased strategies within those markets outperformed non-directional peers. Within the equity focused strategy group:

- Activist strategies, which benefited from their smaller cap exposure, continued their run of strong performance with favorable up capture relative to L/S peers.
- Interestingly, value managers outperformed growth counterparts despite growth indexes outperforming value, likely due to a smaller cap bias.

Within the fixed income / credit focused strategy group:

- Event Driven credit strategies such as Distressed and Credit Arbitrage outperformed Relative Value credit strategies such as Structured Credit and Long/Short Credit, as market directionality paid off and economic optimism benefited special situation, catalyst-oriented positioning.
- Event Driven strategies have outperformed both stocks and high yield over the last few years after struggling to keep up in the decade following the Global Financial Crisis.

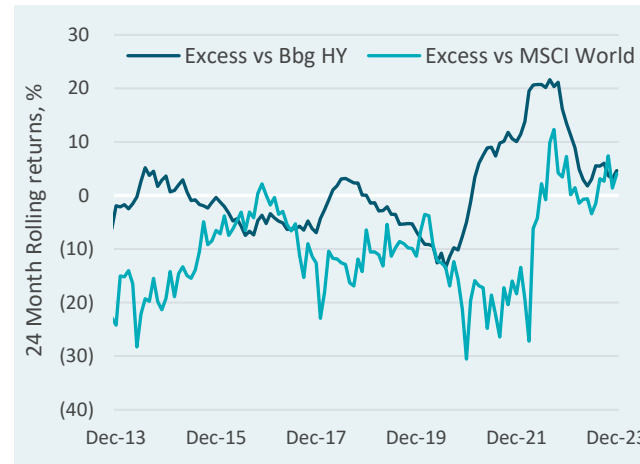
4Q RETURNS (%) FOR EQUITY STRATEGIES



Source: HFR, MPI. Data as of 12/31/23

EH = Equity Hedge ED = Event Driven

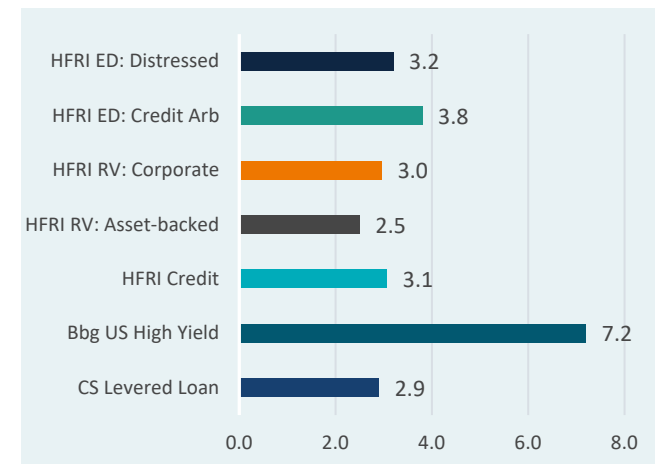
HFRI EVENT DRIVEN RETURNS VS STOCKS/HY



Source: HFR, MPI. Data as of 12/31/23 HFRI Event Driven (Total)

vs Bloomberg US Corp HY & MSCI World Index

4Q RETURNS (%) FOR CREDIT STRATEGIES

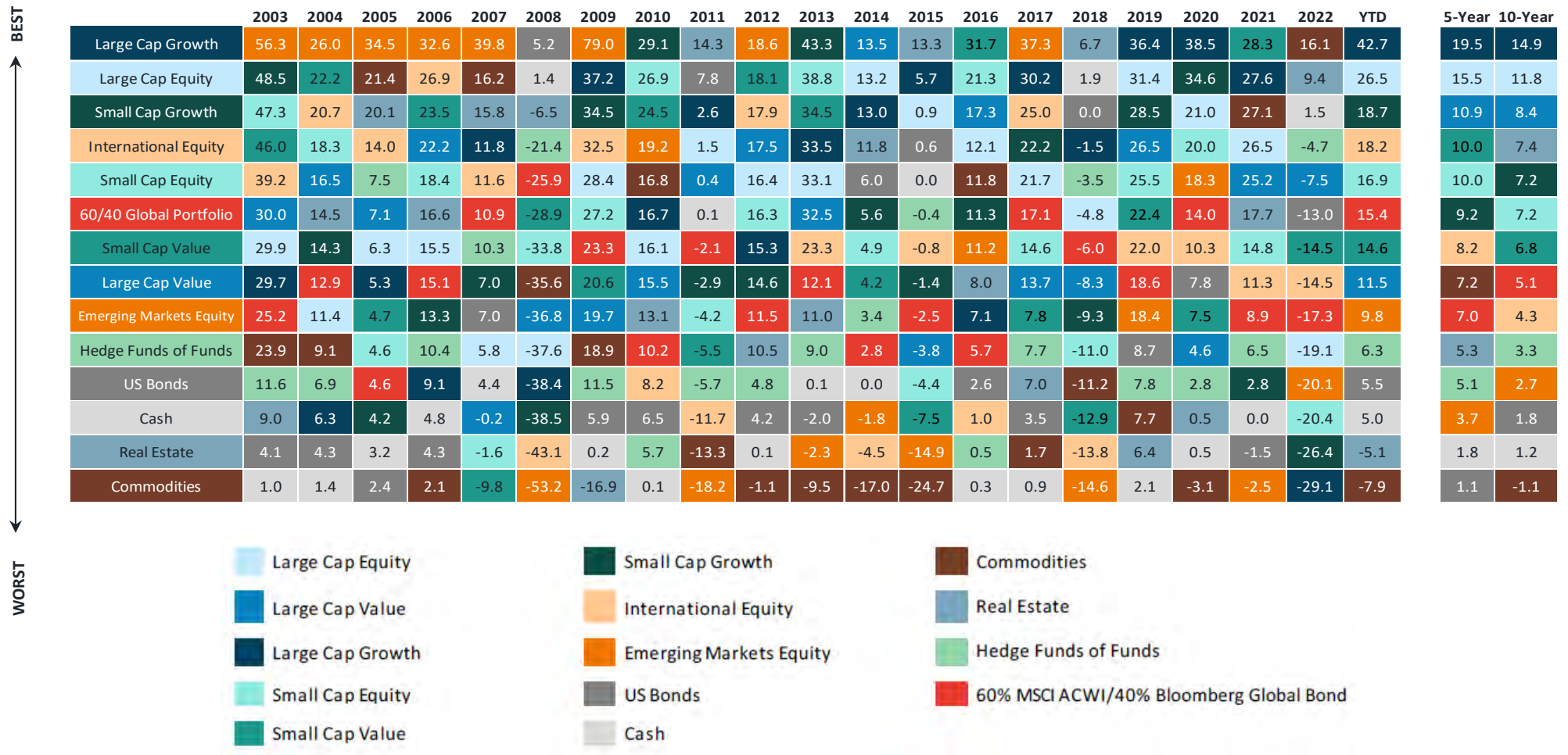


Source: HFR, MPI. Data as of 12/31/23

ED = Event Driven RV = Relative Value

Appendix

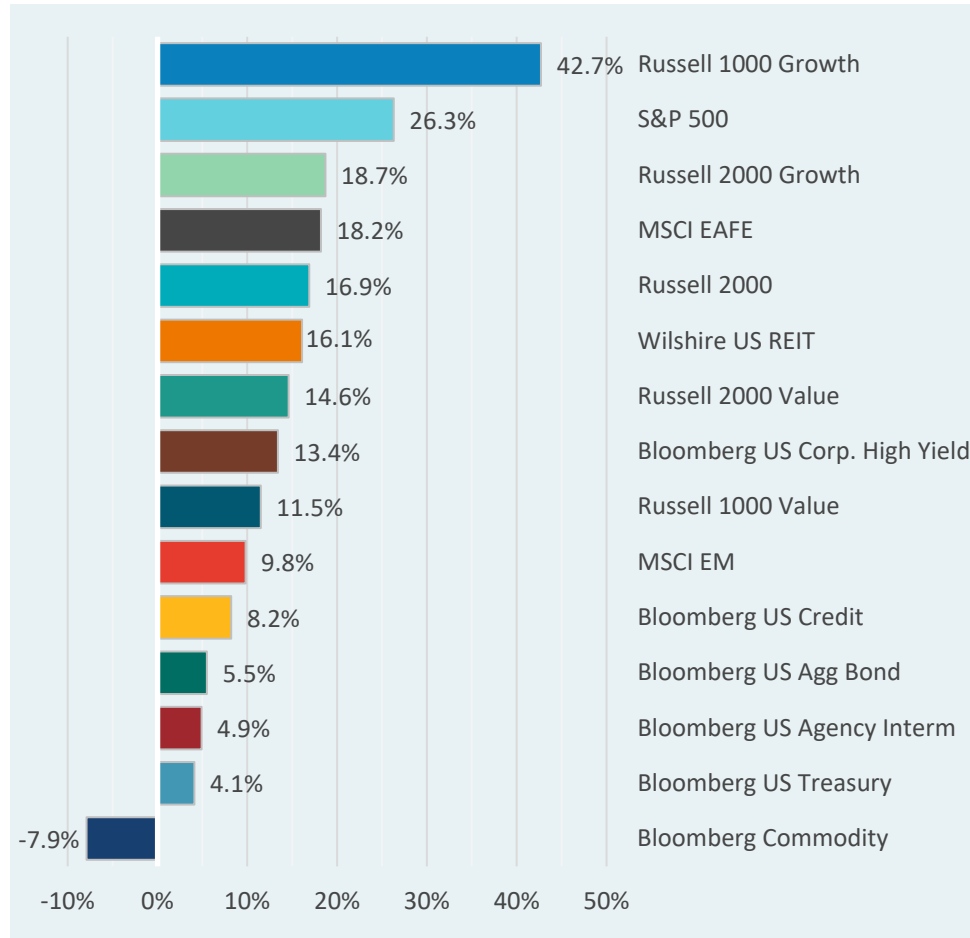
Periodic table of returns



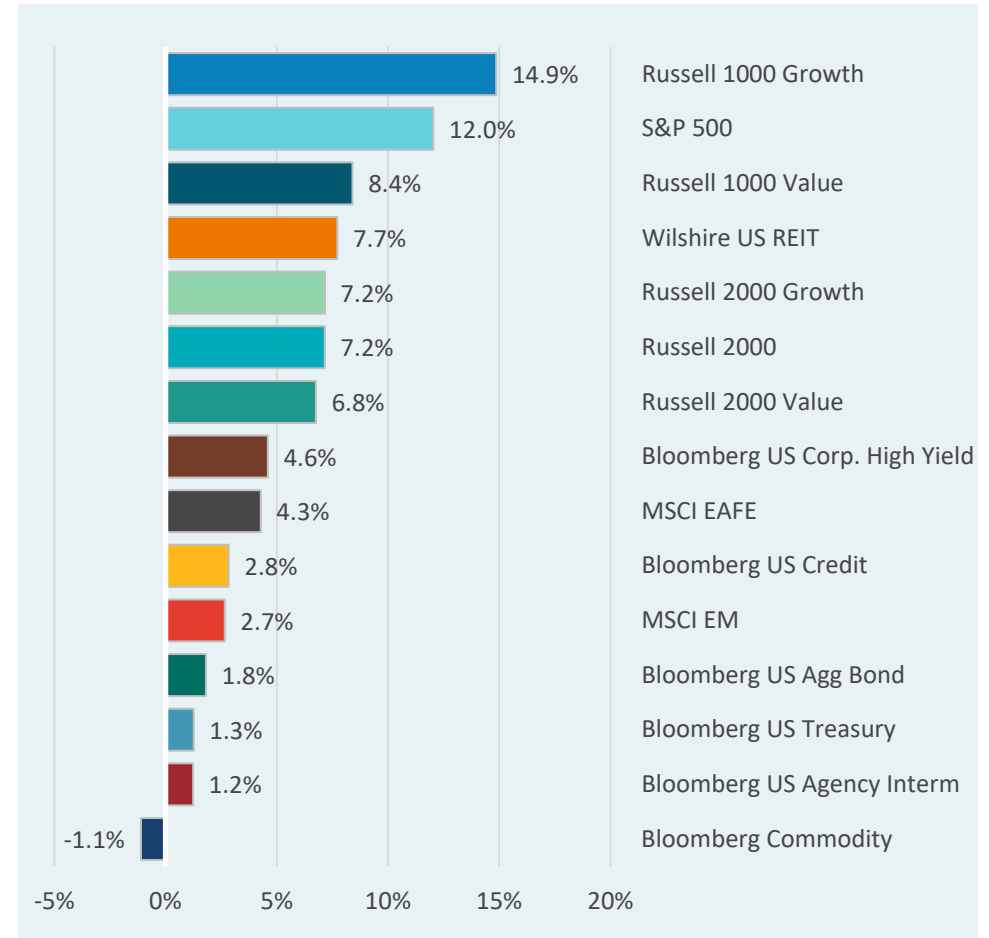
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 9/30/23.

Major asset class returns

ONE YEAR ENDING DECEMBER



TEN YEARS ENDING DECEMBER



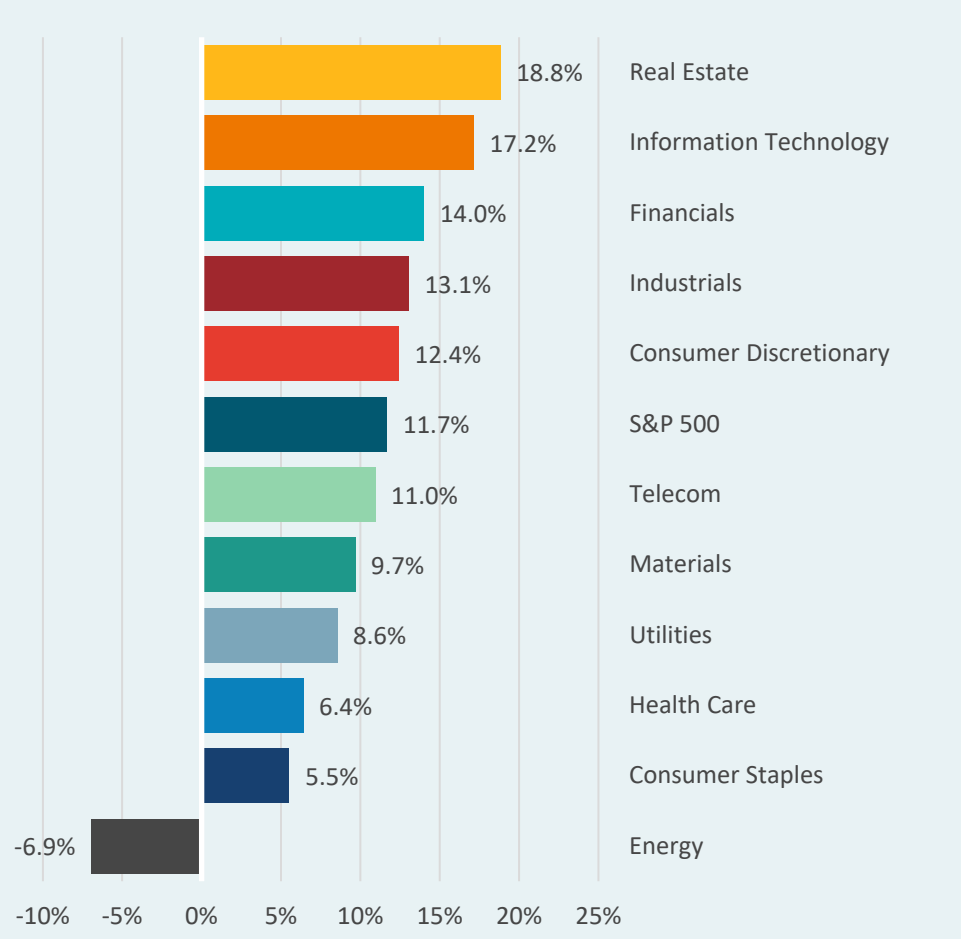
*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 12/31/23

Source: Morningstar, as of 12/31/23

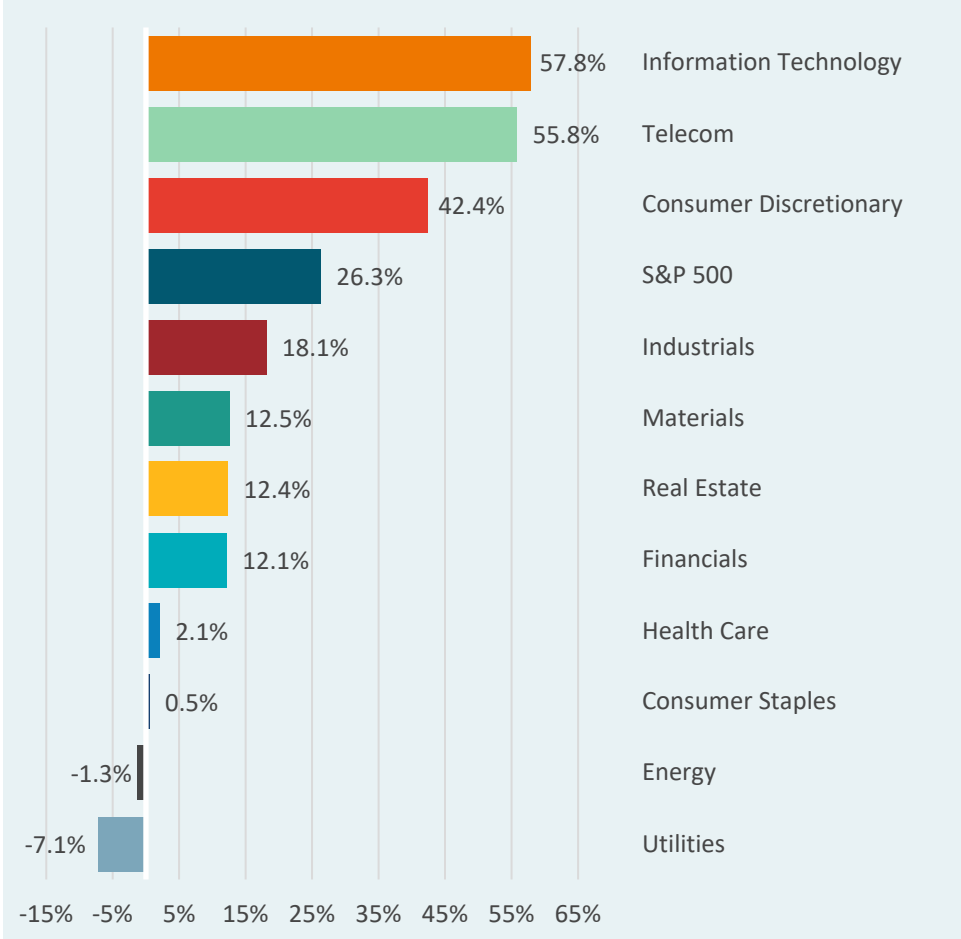
S&P 500 sector returns

QTD



Source: Morningstar, as of 12/31/23

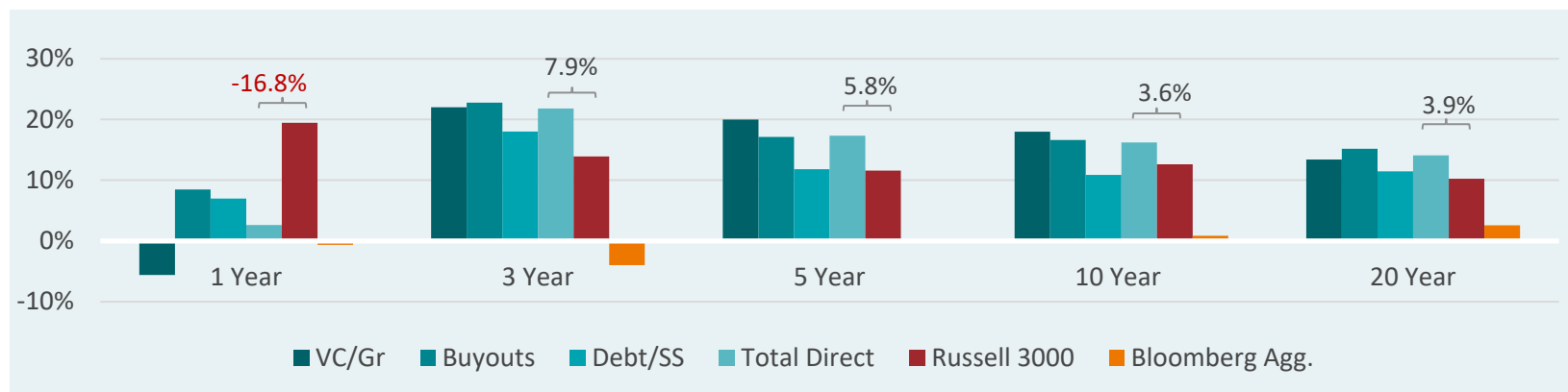
ONE YEAR ENDING DECEMBER



Source: Morningstar, as of 12/31/23

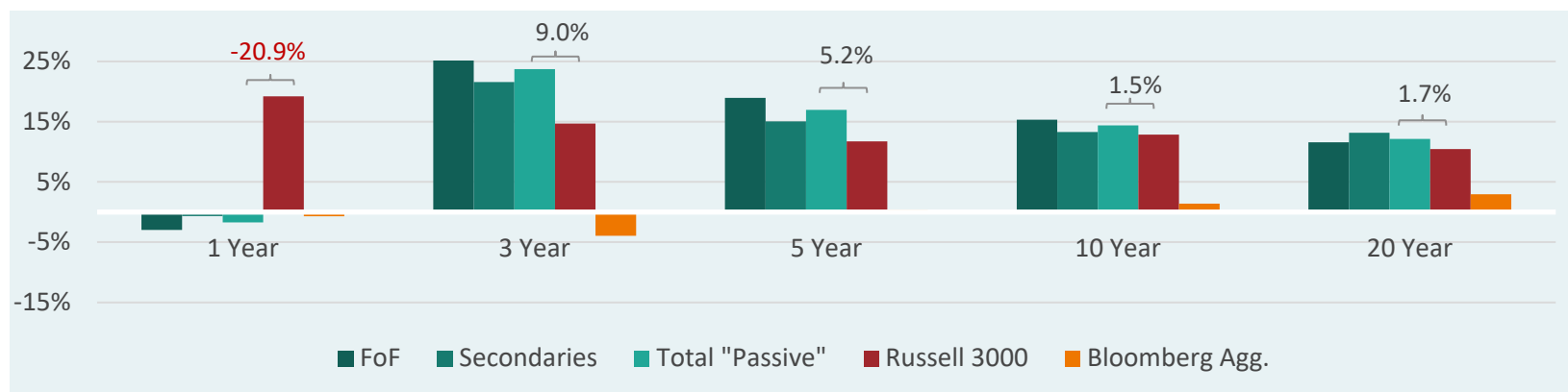
Private equity vs. traditional assets performance

DIRECT PRIVATE EQUITY FUND INVESTMENTS



Direct P.E Fund Investments outperformed comparable public equities across all time periods, aside from the 1-year.

"PASSIVE" STRATEGIES

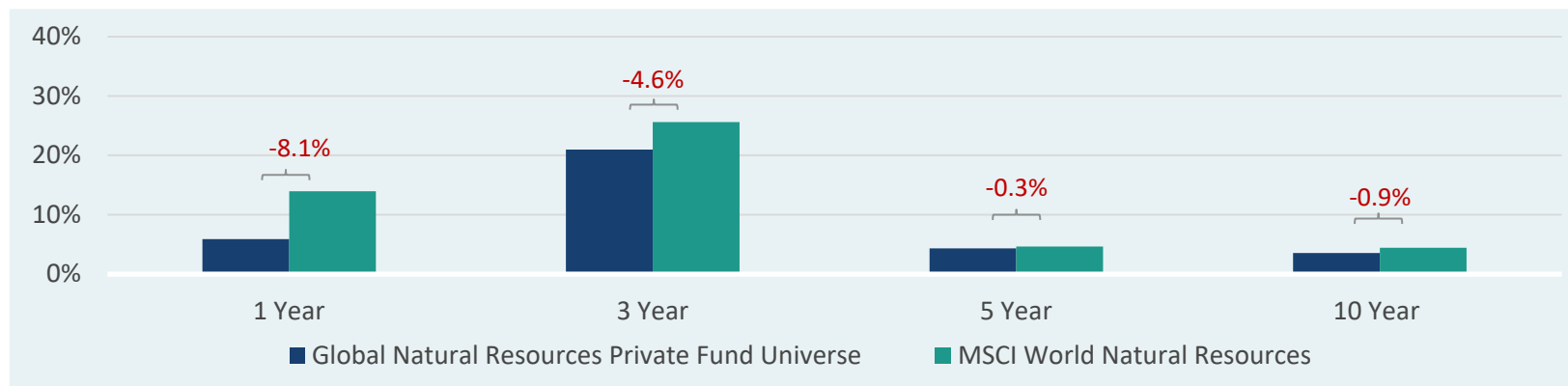


"Passive" strategies outperformed comparable public equities across all time periods, aside from the 1-year.

Sources: Refinitiv PME: U.S. Private Equity Funds sub asset classes as of June 30, 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.

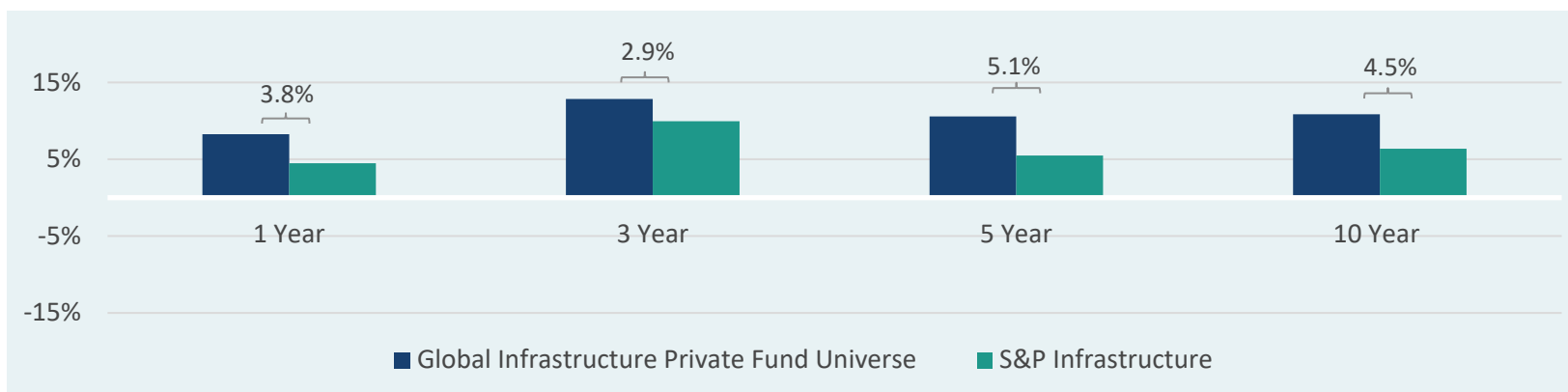
Private vs. liquid real assets performance

GLOBAL NATURAL RESOURCES FUNDS



N.R. funds underperformed the MSCI World Natural Resources benchmark across all periods.

GLOBAL INFRASTRUCTURE FUNDS

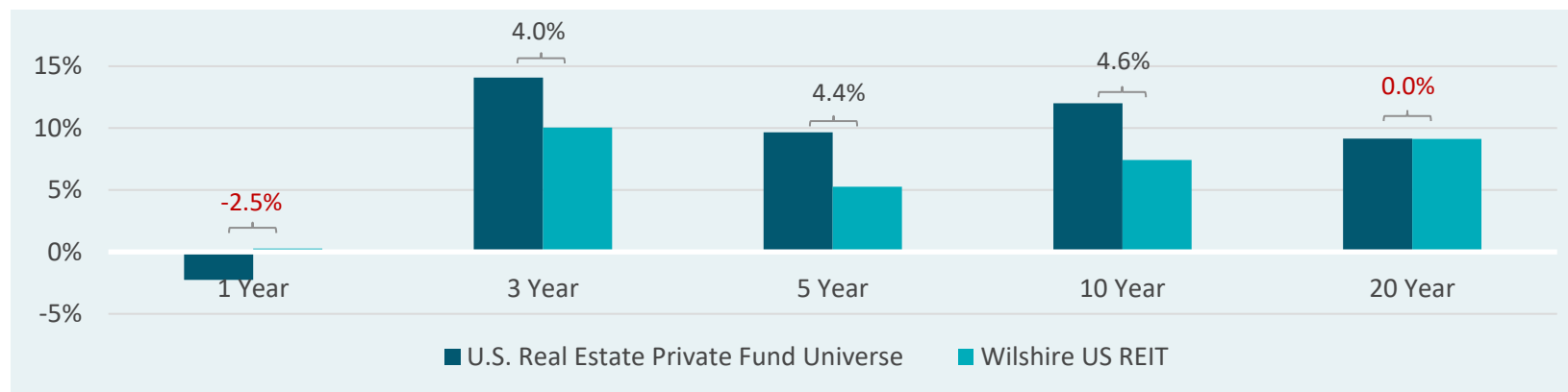


Infra. funds outperformed the S&P Infra. across all periods.

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 June 30, 2023. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

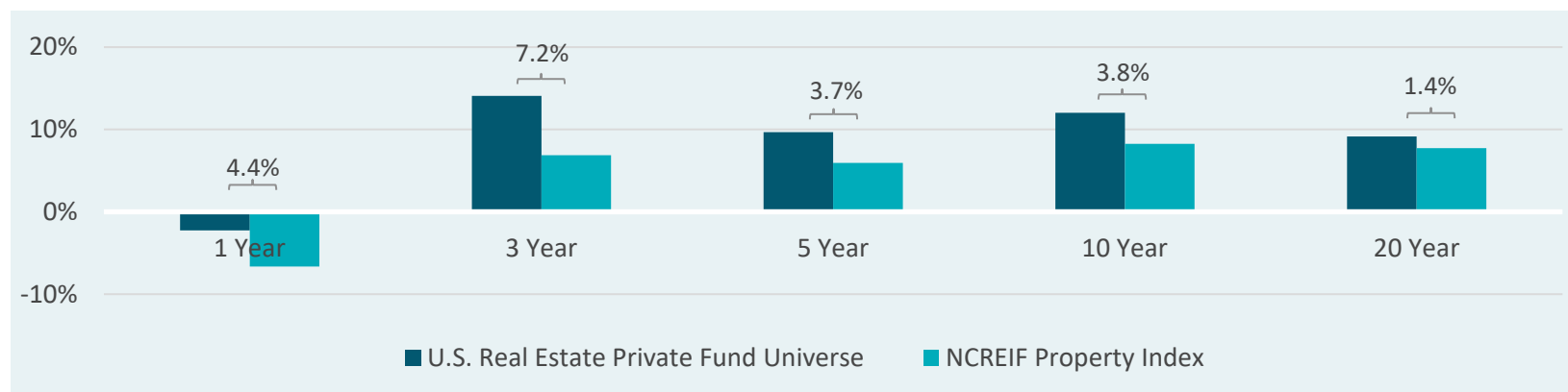
Private vs. liquid and core real estate performance

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



U.S. Private R.E. fund performance relative to the Wilshire U.S. REIT Index has been mixed.

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 June 30, 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	4.5	11.7	26.3	26.3	10.0	15.7	12.0
S&P 500 Equal Weighted	6.9	11.9	13.9	13.9	9.3	13.8	10.4
DJ Industrial Average	4.9	13.1	16.2	16.2	9.4	12.5	11.1
Russell Top 200	4.1	11.7	29.9	29.9	10.0	16.5	12.7
Russell 1000	4.9	12.0	26.5	26.5	9.0	15.5	11.8
Russell 2000	12.2	14.0	16.9	16.9	2.2	10.0	7.2
Russell 3000	5.3	12.1	26.0	26.0	8.5	15.2	11.5
Russell Mid Cap	7.7	12.8	17.2	17.2	5.9	12.7	9.4
Style Index							
Russell 1000 Growth	4.4	14.2	42.7	42.7	8.9	19.5	14.9
Russell 1000 Value	5.5	9.5	11.5	11.5	8.9	10.9	8.4
Russell 2000 Growth	12.0	12.7	18.7	18.7	(3.5)	9.2	7.2
Russell 2000 Value	12.4	15.3	14.6	14.6	7.9	10.0	6.8

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	4.8	11.0	22.2	22.2	5.7	11.7	7.9
MSCI ACWI ex US	5.0	9.8	15.6	15.6	1.5	7.1	3.8
MSCI EAFE	5.3	10.4	18.2	18.2	4.0	8.2	4.3
MSCI EM	3.9	7.9	9.8	9.8	(5.1)	3.7	2.7
MSCI EAFE Small Cap	7.3	11.1	13.2	13.2	(0.7)	6.6	4.8
Style Index							
MSCI EAFE Growth	5.7	12.7	17.6	17.6	0.3	8.8	5.1
MSCI EAFE Value	4.9	8.2	19.0	19.0	7.6	7.1	3.2
Regional Index							
MSCI UK	4.5	6.9	14.1	14.1	8.8	6.9	2.5
MSCI Japan	4.4	8.2	20.3	20.3	0.7	6.9	5.0
MSCI Euro	4.4	12.9	25.2	25.2	6.0	9.3	4.1
MSCI EM Asia	3.3	6.7	7.8	7.8	(6.9)	4.3	4.1
MSCI EM Latin American	8.3	17.6	32.7	32.7	9.9	6.1	2.1

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	2.7	4.7	3.9	3.9	(1.0)	3.2	2.4
Bloomberg US Treasury Bills	0.5	1.4	5.1	5.1	2.1	1.9	1.3
Bloomberg US Agg Bond	3.8	6.8	5.5	5.5	(3.3)	1.1	1.8
Bloomberg US Universal	3.8	6.8	6.2	6.2	(3.0)	1.4	2.1
Duration							
Bloomberg US Treasury 1-3 Yr	1.2	2.6	4.3	4.3	(0.1)	1.3	1.0
Bloomberg US Treasury Long	8.6	12.7	3.1	3.1	(11.4)	(1.2)	2.3
Bloomberg US Treasury	3.4	5.7	4.1	4.1	(3.8)	0.5	1.3
Issuer							
Bloomberg US MBS	4.3	7.5	5.0	5.0	(2.9)	0.3	1.4
Bloomberg US Corp. High Yield	3.7	7.2	13.4	13.4	2.0	5.4	4.6
Bloomberg US Agency Interm	1.6	3.2	4.9	4.9	(1.1)	1.1	1.2
Bloomberg US Credit	4.2	8.2	8.2	8.2	(3.2)	2.4	2.8

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(2.7)	(4.6)	(7.9)	(7.9)	10.8	7.2	(1.1)
Wilshire US REIT	10.2	16.3	16.1	16.1	7.5	7.6	7.7
CS Leveraged Loans	1.6	2.9	13.0	13.0	5.6	5.6	4.4
S&P Global Infrastructure	4.2	10.9	6.8	6.8	6.0	7.4	5.7
Alerian MLP	(3.4)	3.0	23.8	23.8	31.8	10.9	1.6
Regional Index							
JPM EMBI Global Div	4.7	9.2	11.1	11.1	(3.6)	1.7	3.2
JPM GBI-EM Global Div	3.2	8.1	12.7	12.7	(3.2)	1.1	0.1
Hedge Funds							
HFRI Composite	2.6	3.6	7.5	7.5	4.3	7.0	4.5
HFRI FOF Composite	2.3	3.4	6.3	6.3	2.3	5.1	3.3
Currency (Spot)							
Euro	1.2	4.3	3.5	3.5	(3.4)	(0.7)	(2.2)
Pound Sterling	0.7	4.4	6.0	6.0	(2.3)	0.0	(2.6)
Yen	4.9	5.9	(6.4)	(6.4)	(9.9)	(4.9)	(2.9)

Source: Morningstar, HFRI, as of 12/31/23

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.

Notices & disclosures

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San Luis Obispo County Pension Trust

Investment Performance Review
Period Ending: December 31, 2023



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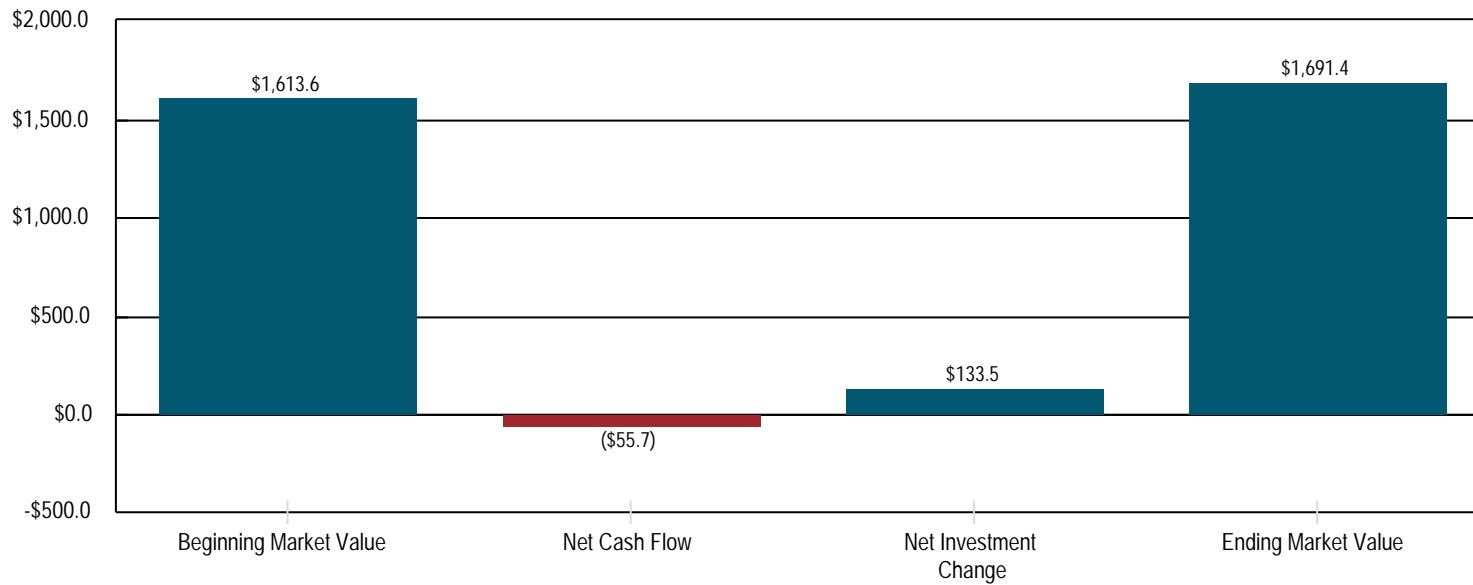
SAN FRANCISCO 415.362.3484

Total Fund
Portfolio Reconciliation

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

Portfolio Reconciliation

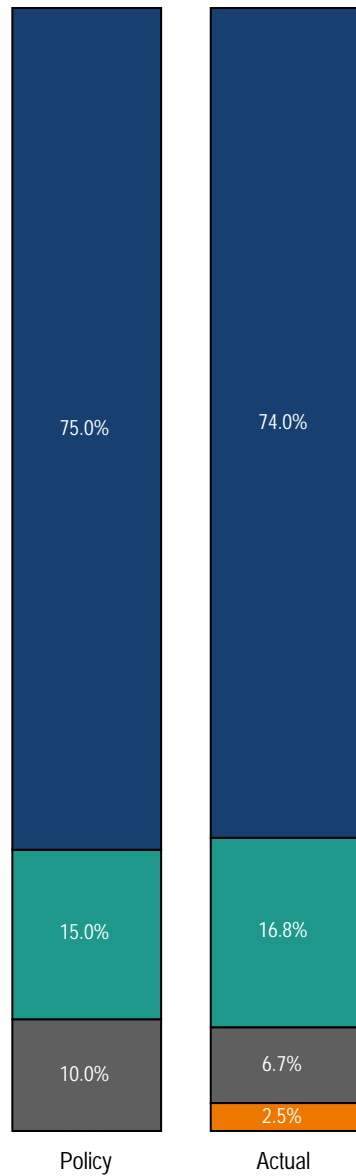
	Last Three Months	Fiscal YTD	One Year
Beginning Market Value	1,625,392,921	1,613,641,529	1,613,641,529
Net Cash Flow	-2,541,273	-55,716,056	-55,716,056
Net Investment Change	68,577,999	133,504,174	133,504,174
Ending Market Value	1,691,429,647	1,691,429,647	1,691,429,647



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: December 31, 2023

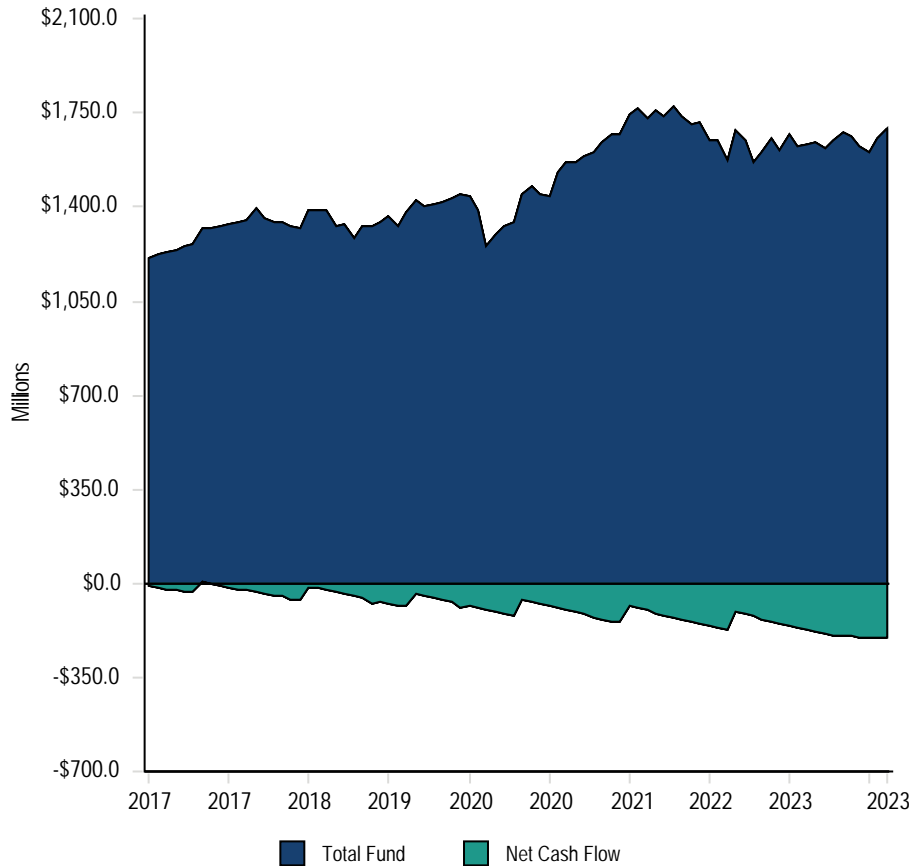


	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (\$)	Policy Range (%)	Within IPS Range?
■ Growth	1,250,923,481	74.0	75.0	-17,648,755	25.0 - 95.0	Yes
■ Diversifying	284,950,606	16.8	15.0	31,236,159	5.0 - 30.0	Yes
■ Liquidity	112,720,643	6.7	10.0	-56,422,322	5.0 - 20.0	Yes
■ Opportunistic	42,834,917	2.5	0.0	42,834,917	0.0 - 10.0	Yes
Total	1,691,429,647	100.0	100.0			

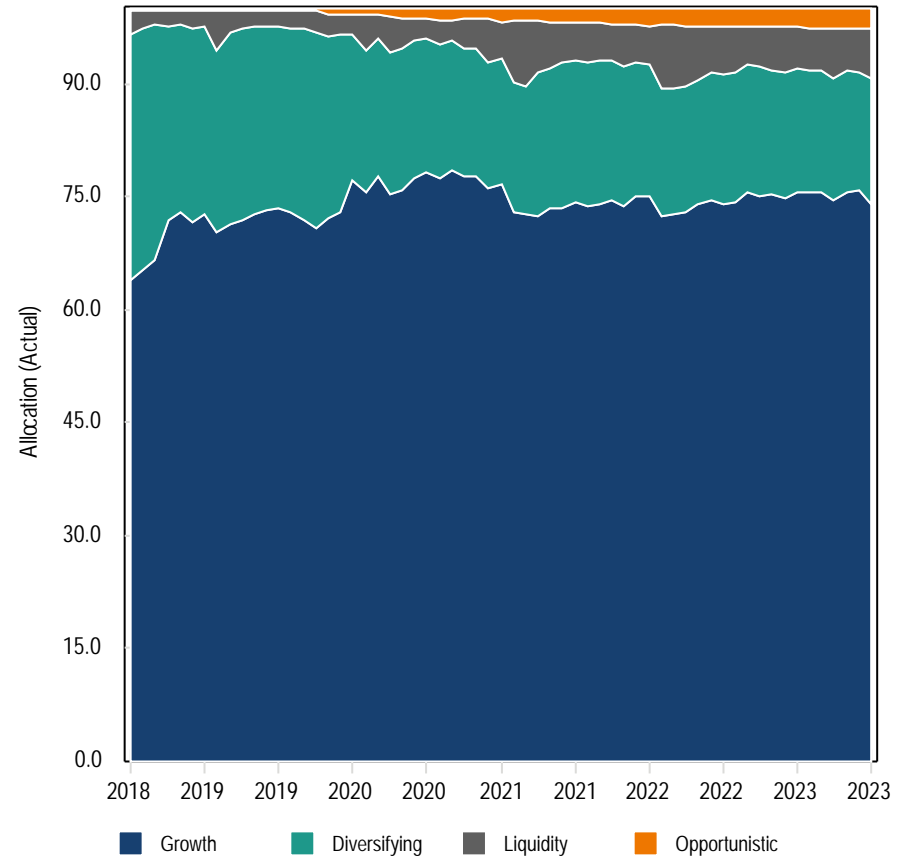
Total Fund
Asset Allocation History

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

Market Value History



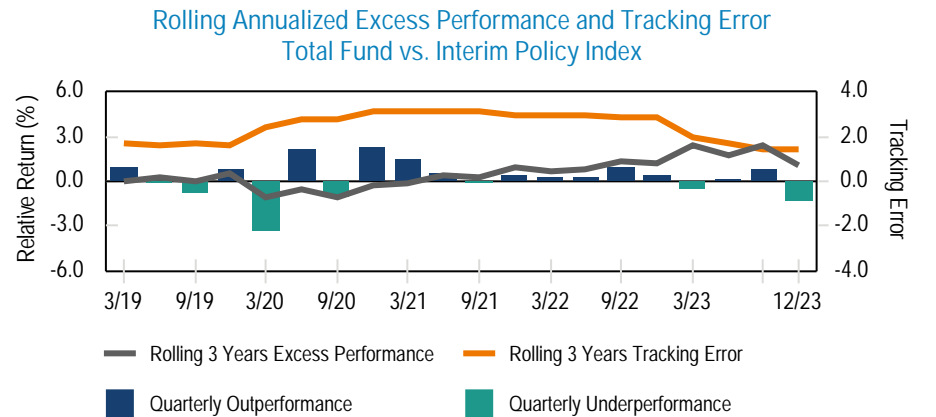
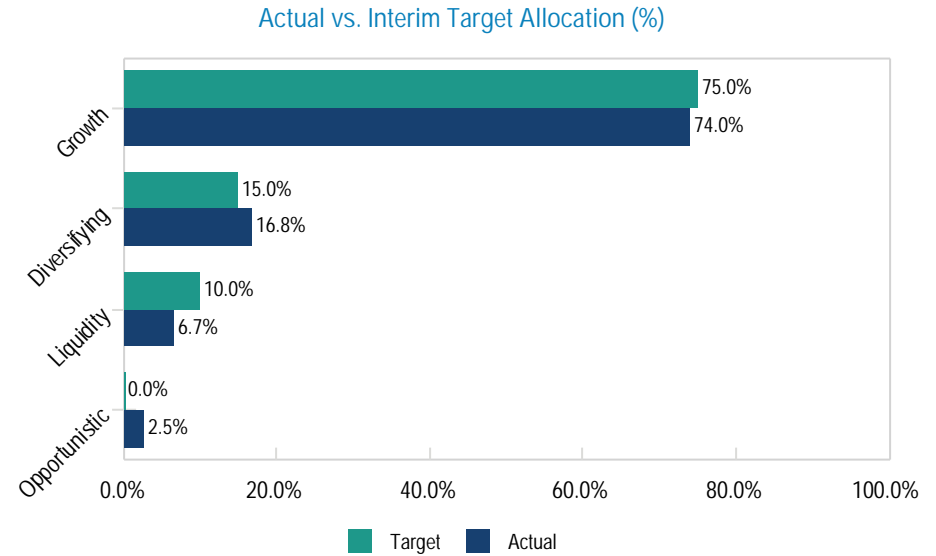
Asset Allocation History



**Total Fund
Executive Summary (Gross of Fees)**

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

	3 Mo	1 Yr	3 Yrs	5 Yrs
Total Fund	4.3	8.7	4.9	8.1
<i>Interim Policy Index</i>	<i>5.7</i>	<i>9.6</i>	<i>3.8</i>	<i>7.3</i>
<i>FFP SAA Index</i>	<i>4.4</i>	<i>8.9</i>	<i>7.2</i>	<i>9.1</i>
Total Growth	4.0	9.5	7.9	11.0
<i>Custom Growth Benchmark</i>	<i>6.0</i>	<i>12.4</i>	<i>7.2</i>	<i>10.8</i>
Total Public Equity	10.6	20.8	8.0	13.7
<i>MSCI AC World Index</i>	<i>11.7</i>	<i>22.8</i>	<i>6.2</i>	<i>12.3</i>
Total Domestic Equity	11.6	23.6	11.5	15.3
<i>Russell 3000 Index</i>	<i>12.1</i>	<i>26.0</i>	<i>8.5</i>	<i>15.2</i>
Total International Equity	9.3	17.4	3.8	11.7
<i>MSCI AC World ex USA Index</i>	<i>9.8</i>	<i>16.2</i>	<i>2.0</i>	<i>7.6</i>
Total Private Equity	0.2	7.1	19.8	17.9
<i>Private Equity Benchmark</i>	<i>0.2</i>	<i>7.1</i>	<i>19.8</i>	<i>-</i>
Total Private Credit	3.4	10.7	12.3	7.9
<i>Private Credit Benchmark</i>	<i>3.4</i>	<i>10.7</i>	<i>12.3</i>	<i>-</i>
Total Real Estate	-5.5	-12.2	3.6	3.2
<i>NCREIF Property Index</i>	<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>
Total Risk Diversifying	6.5	7.4	-2.2	1.6
<i>Total Risk Diversifying Benchmark</i>	<i>6.9</i>	<i>5.0</i>	<i>-4.6</i>	<i>0.3</i>
Total Domestic Fixed Income	5.2	7.7	-0.6	3.1
<i>Blmbg. U.S. Aggregate Index</i>	<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>7.1</i>
Total Global Fixed	12.2	7.4	-6.0	-1.0
<i>FTSE World Government Bond Index</i>	<i>8.7</i>	<i>5.2</i>	<i>-7.2</i>	<i>-1.4</i>
Total Liquidity	1.5	3.7	1.0	1.3
<i>90 Day U.S. Treasury Bill</i>	<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>
Total Cash	1.5	3.7	1.0	1.3
<i>90 Day U.S. Treasury Bill</i>	<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>
Total Opportunistic	2.0	13.1	11.0	5.2
<i>Russell 3000 + 3%</i>	<i>12.9</i>	<i>29.7</i>	<i>11.8</i>	<i>18.6</i>

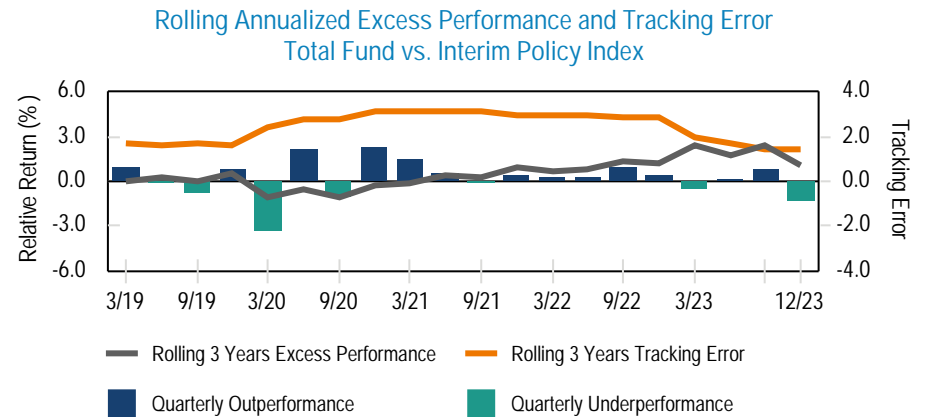
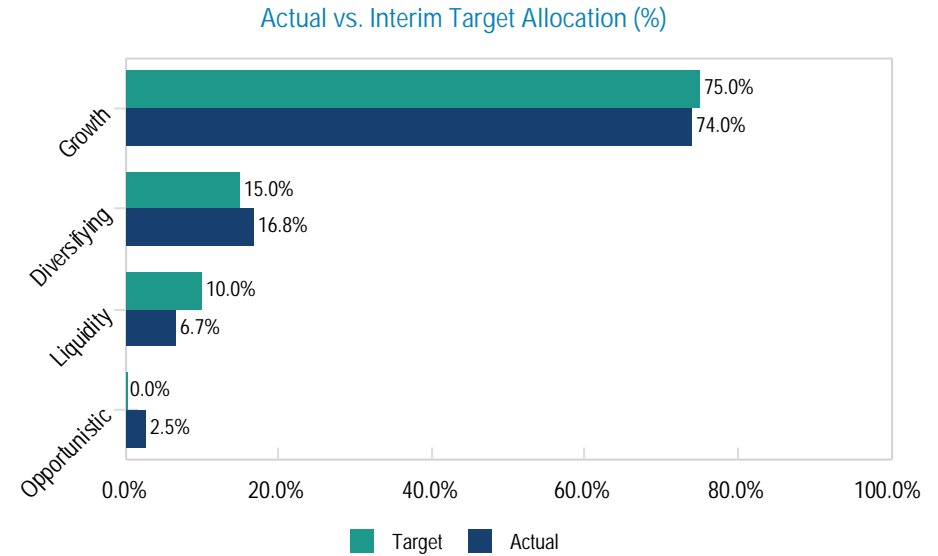


Interim Policy Index as of 1/1/2023: 21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 6% FTSE World Govt Bond Index, 9% NCREIF Property Index, 10% Actual Private Equity Return, 8% Actual Private Credit Return,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

Total Fund Executive Summary (Net of Fees)

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

	3 Mo	1 Yr	3 Yrs	5 Yrs
Total Fund	4.2	8.4	4.6	7.7
<i>Interim Policy Index</i>	<i>5.7</i>	<i>9.6</i>	<i>3.8</i>	<i>7.3</i>
<i>FFP SAA Index</i>	<i>4.4</i>	<i>8.9</i>	<i>7.2</i>	<i>9.1</i>
Total Growth	4.0	9.2	7.6	10.6
<i>Custom Growth Benchmark</i>	<i>6.0</i>	<i>12.4</i>	<i>7.2</i>	<i>10.8</i>
Total Public Equity	10.4	20.2	7.4	13.1
<i>MSCI AC World Index</i>	<i>11.7</i>	<i>22.8</i>	<i>6.2</i>	<i>12.3</i>
Total Domestic Equity	11.4	23.0	11.0	14.8
<i>Russell 3000 Index</i>	<i>12.7</i>	<i>26.0</i>	<i>8.5</i>	<i>15.2</i>
Total International Equity	9.1	16.6	3.1	10.9
<i>MSCI AC World ex USA Index</i>	<i>9.8</i>	<i>16.2</i>	<i>2.0</i>	<i>7.6</i>
Total Private Equity	0.2	7.1	19.8	17.9
<i>Private Equity Benchmark</i>	<i>0.2</i>	<i>7.1</i>	<i>19.8</i>	<i>-</i>
Total Private Credit	3.4	10.7	12.3	7.9
<i>Private Credit Benchmark</i>	<i>3.4</i>	<i>10.7</i>	<i>12.3</i>	<i>-</i>
Total Real Estate	-5.5	-12.2	3.6	3.2
<i>NCREIF Property Index</i>	<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>
Total Risk Diversifying	6.4	7.0	-2.6	1.2
<i>Total Risk Diversifying Benchmark</i>	<i>6.9</i>	<i>5.0</i>	<i>-4.6</i>	<i>0.3</i>
Total Domestic Fixed Income	5.2	7.5	-0.9	2.8
<i>Blmbg. U.S. Aggregate Index</i>	<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.1</i>
Total Global Fixed	12.0	6.6	-6.7	-1.6
<i>FTSE World Government Bond Index</i>	<i>8.7</i>	<i>5.2</i>	<i>-7.2</i>	<i>-1.4</i>
Total Liquidity	1.5	3.7	1.0	1.3
<i>90 Day U.S. Treasury Bill</i>	<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>
Total Cash	1.5	3.7	1.0	1.3
<i>90 Day U.S. Treasury Bill</i>	<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>
Total Opportunistic	2.0	13.1	11.0	5.2
<i>Russell 3000 + 3%</i>	<i>12.9</i>	<i>29.7</i>	<i>11.8</i>	<i>18.6</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. 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 7

Total Fund Attribution Analysis (Net of Fees)

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

Attribution Effects
3 Months Ending December 31, 2023



Performance Attribution
3 Months Ending December 31, 2023

	3 Mo
Wtd. Actual Return	4.2
Wtd. Index Return	5.7
Excess Return	-1.5
Selection Effect	-0.6
Allocation Effect	-0.8
Interaction Effect	-0.1

Attribution Summary
3 Months Ending December 31, 2023

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Domestic Equity	11.4	12.1	-0.7	-0.1	-0.2	0.0	-0.3
Total International Equity	9.1	9.8	-0.7	-0.1	-0.1	0.0	-0.2
Total Private Equity	0.2	0.2	0.0	0.0	-0.2	0.0	-0.2
Total Private Credit	3.4	3.4	0.0	0.0	-0.1	0.0	-0.1
Total Real Estate	-5.5	-3.5	-2.1	-0.3	-0.1	0.0	-0.4
Total Domestic Fixed Income	5.2	6.7	-1.6	-0.3	0.0	0.0	-0.3
Total Global Fixed	12.0	8.1	3.9	0.2	-0.1	-0.1	0.1
Total Cash	1.5	1.4	0.1	0.0	0.0	0.0	0.0
Total Opportunistic	2.0	12.9	-10.9	0.0	-0.1	0.0	-0.1
Total Fund	4.2	5.7	-1.5	-0.6	-0.8	-0.1	-1.5

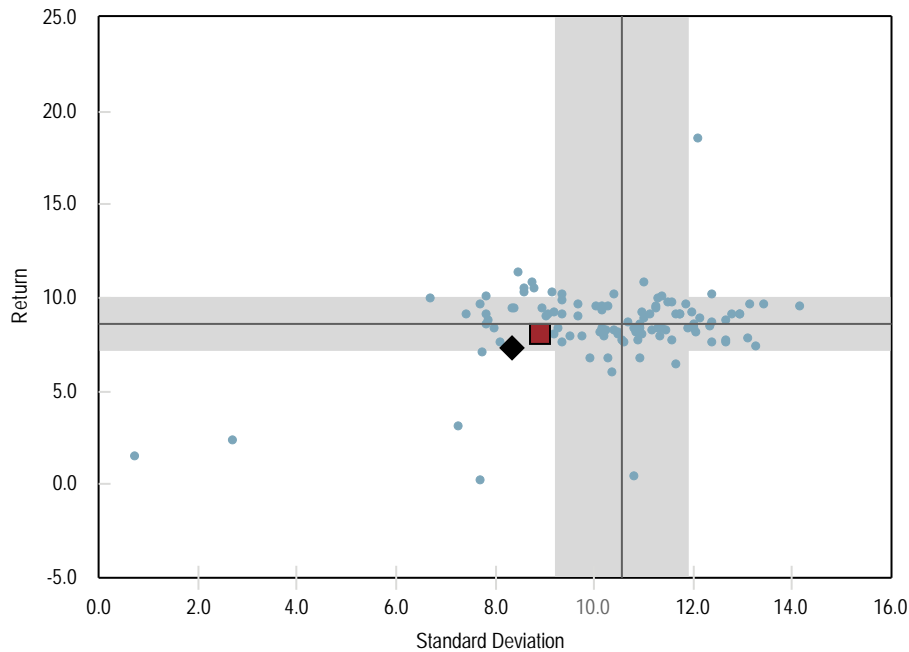
Attribution does not account for effects of overlay program. Weighted returns shown in attribution analysis may differ from actual returns. Wtd. Actual Return is the sum of the products of each group's return and its respective weight at the beginning of the period.

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

San Luis Obispo County Pension Trust
Period Ending: December 31, 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	8.06	0.76	8.91	0.51	1.03	2.34	0.93	0.70	0.33	107.39	104.90

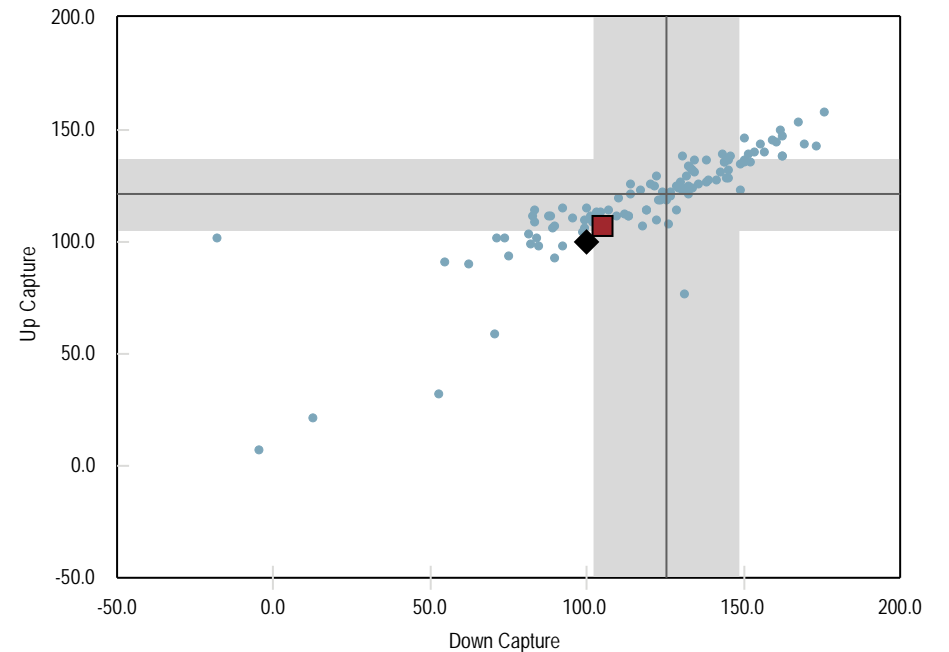
Annualized Return vs. Annualized Standard Deviation



All Public Plans > \$1B-Total Fund

	Return	Standard Deviation
■ Total Fund	8.06	8.91
◆ Interim Policy Index	7.30	8.32
— Median	8.61	10.58
Population	112	112

Up Capture vs. Down Capture



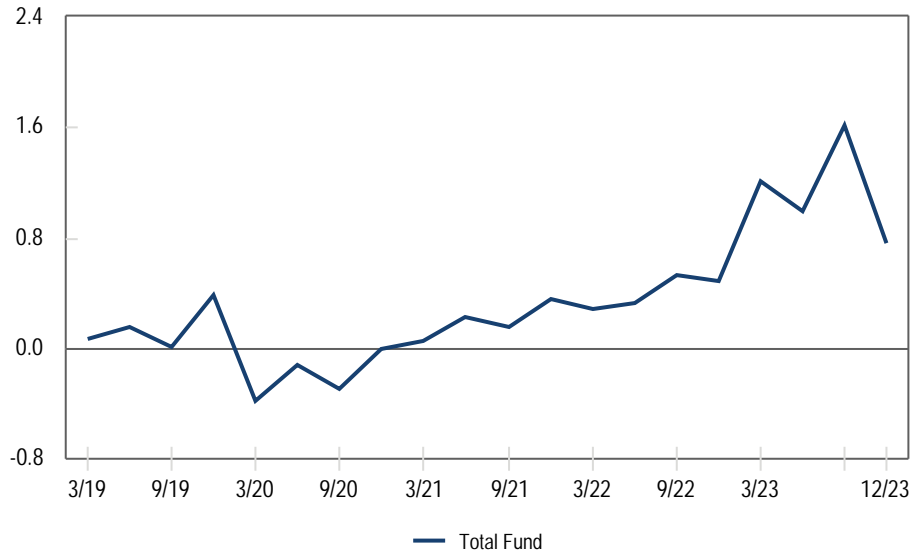
All Public Plans > \$1B-Total Fund

	Up Capture	Down Capture
■ Total Fund	107.39	104.90
◆ Interim Policy Index	100.00	100.00
— Median	121.33	125.57
Population	112	112

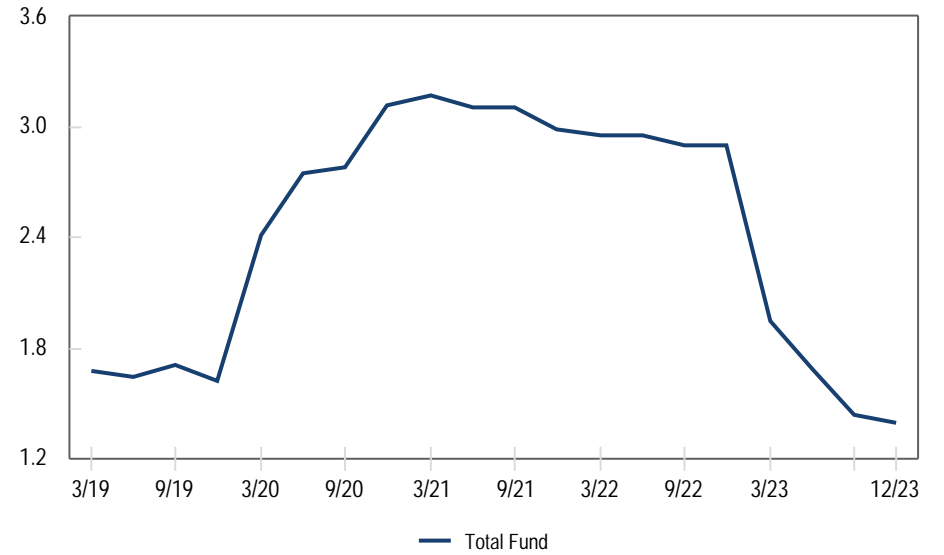
Total Fund
Rolling Risk Statistics (Gross of Fees)

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

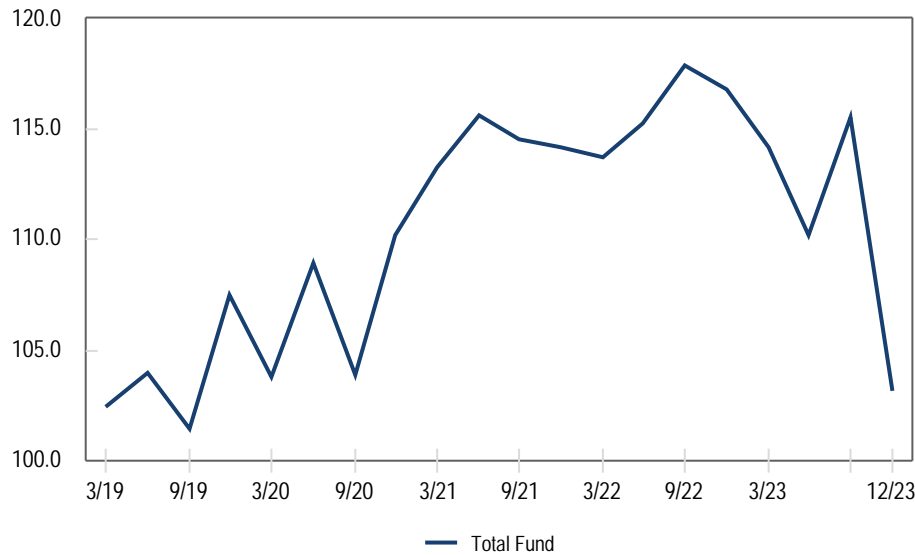
Rolling 3 Years Information Ratio



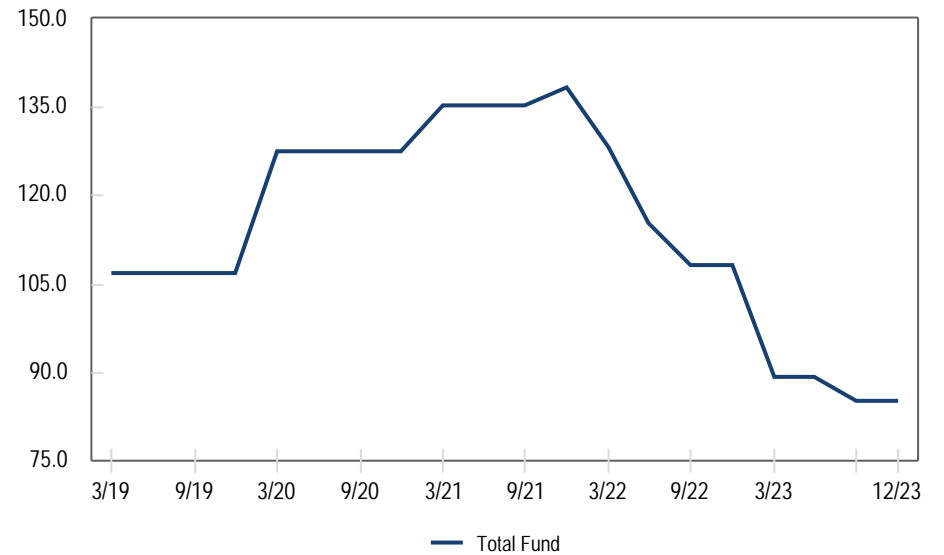
Rolling 3 Years Tracking Error



Rolling 3 Years Up Capture



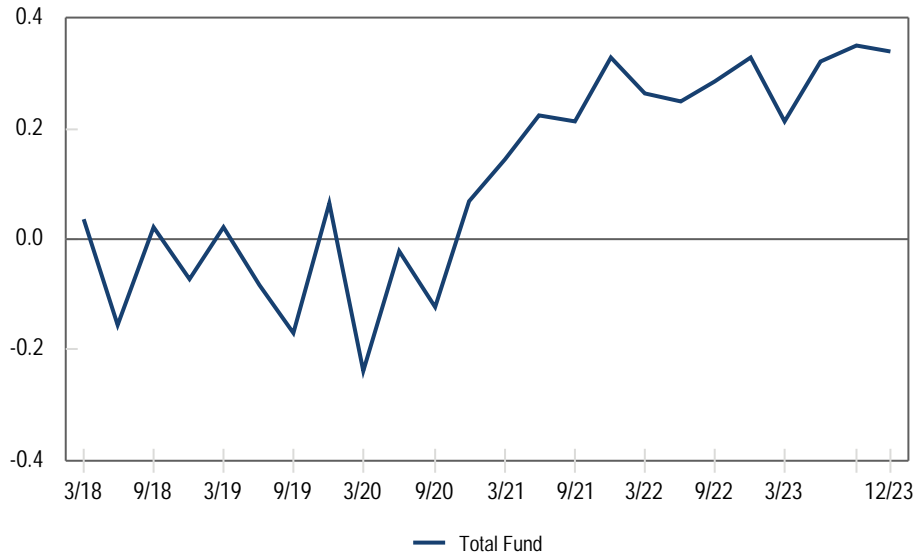
Rolling 3 Years Down Capture



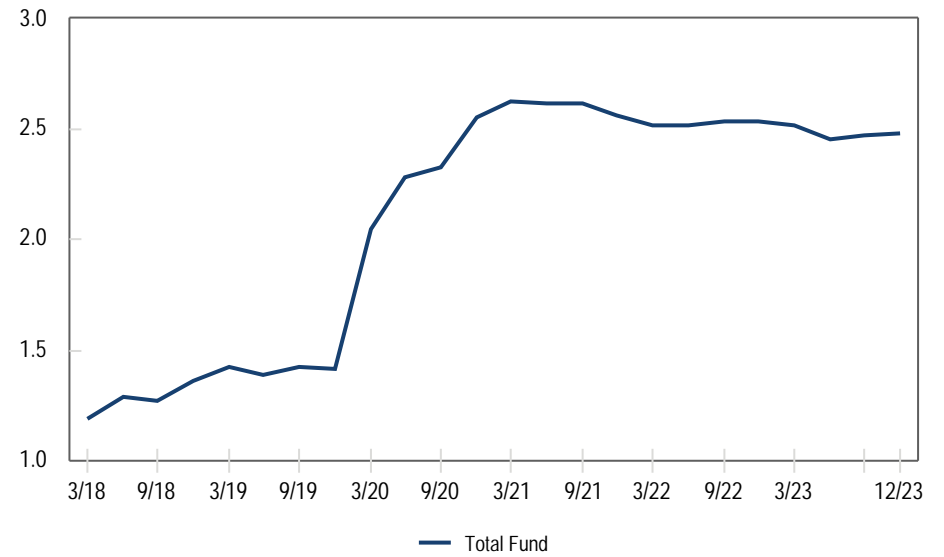
Total Fund
Rolling Risk Statistics (Gross of Fees)

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

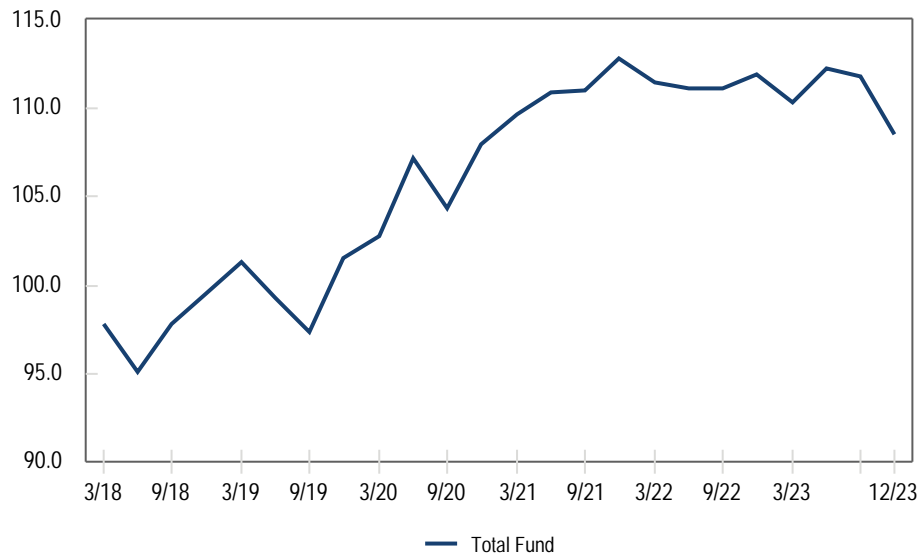
Rolling 5 Years Information Ratio



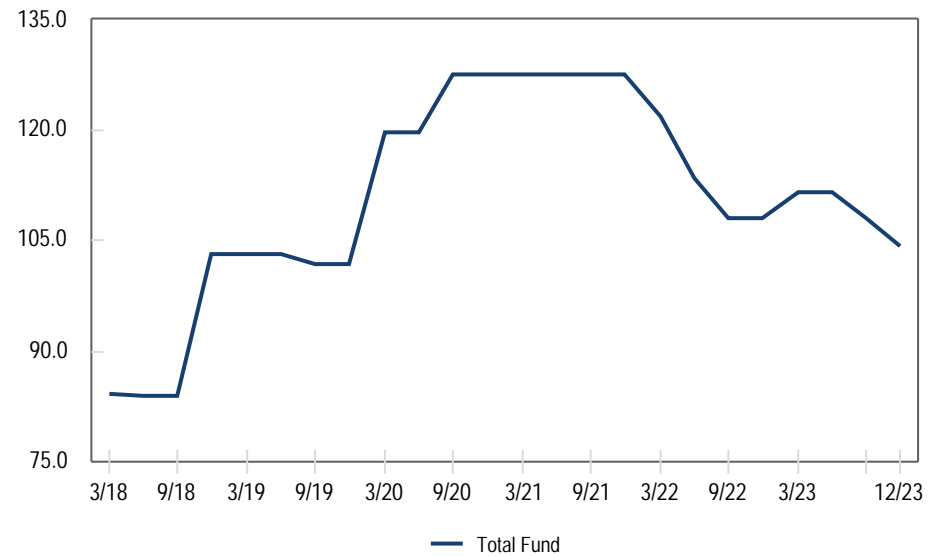
Rolling 5 Years Tracking Error



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: December 31, 2023

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
Total Fund	1,691,429,647	100.0	4.3	8.7	4.9	8.1	6.2	-7.8	15.4	9.6	16.3	-3.1		
<i>Interim Policy Index</i>			5.7	9.6	3.8	7.3	5.9	-9.6	12.9	10.3	15.3	-2.1		
<i>FFP SAA Index</i>			4.4	8.9	7.2	9.1	-	-6.7	21.4	11.5	12.6	3.0		
<i>InvMetrics Public DB > \$1B Rank</i>			98	91	45	67	62	24	53	76	71	44		
Total Growth	1,197,696,274	70.8	4.0	9.5	7.9	11.0	8.3	-7.2	23.6	11.2	20.3	-4.0		
<i>Custom Growth Benchmark</i>			6.0	12.4	7.2	10.8	8.1	-8.4	19.6	13.4	19.5	-2.8		
Total Public Equity	565,658,241	33.4	10.6	20.8	8.0	13.7	9.4	-13.4	20.3	16.5	29.8	-9.0		
<i>MSCI AC World Index</i>			11.1	22.8	6.2	12.3	8.5	-18.0	19.0	16.8	27.3	-8.9		
<i>InvMetrics Public DB Total Equity Rank</i>			67	39	1	1	1	3	4	34	15	37		
Total Domestic Equity	317,406,882	18.8	11.6	23.6	11.5	15.3	11.9	-10.4	25.3	13.7	29.4	-5.2		
<i>Russell 3000 Index</i>			12.1	26.0	8.5	15.2	11.5	-19.2	25.7	20.9	31.0	-5.2		
<i>InvMetrics Public DB US Equity Rank</i>			81	47	6	20	5	5	58	93	75	40		
PIMCO RAE US	85,672,218	5.1	11.5	17.5	13.5	13.9	10.3	-3.0	28.3	4.4	25.5	-6.6	9.2	Dec-07
<i>S&P 500 Index</i>			11.7	26.3	10.0	15.7	12.0	-18.1	28.7	18.4	31.5	-4.4	9.7	
<i>eV US Large Cap Core Equity Rank</i>			56	73	2	72	80	3	46	97	85	77		
Loomis Sayles Large Cap Growth	78,684,523	4.7	14.5	52.1	9.8	18.5	-	-27.0	19.4	32.8	32.7	-1.7	17.6	Jan-17
<i>Russell 1000 Growth Index</i>			14.2	42.7	8.9	19.5	-	-29.1	27.6	38.5	36.4	-1.5	17.3	
<i>eV US Large Cap Growth Equity Rank</i>			35	7	18	25	-	40	81	61	66	59		
Boston Partners Large Cap Value	71,321,204	4.2	8.9	14.5	13.0	12.9	-	-3.8	30.9	2.4	24.3	-8.5	10.5	Feb-17
<i>Russell 1000 Value Index</i>			9.5	11.5	8.9	10.9	-	-7.5	25.2	2.8	26.5	-8.3	8.3	
<i>eV US Large Cap Value Equity Rank</i>			75	40	17	45	-	35	21	66	79	57		
Atlanta Capital Mgmt	81,728,938	4.8	11.3	15.0	9.2	14.4	12.0	-7.9	23.0	11.4	35.1	-4.5	15.5	Sep-10
<i>Russell 2500 Index</i>			13.4	17.4	4.2	11.7	8.4	-18.4	18.2	20.0	27.8	-10.0	11.9	
<i>eV US Small-Mid Cap Equity Rank</i>			57	70	32	31	8	13	57	63	13	24		
Total International Equity	248,251,359	14.7	9.3	17.4	3.8	11.7	6.8	-17.4	15.1	19.4	30.2	-12.2		
<i>MSCI AC World ex USA Index</i>			9.8	16.2	2.0	7.6	4.3	-15.6	8.3	11.1	22.1	-13.8		
<i>InvMetrics Public DB Global ex-US Equity Rank</i>			65	60	24	1	1	56	7	5	1	24		
Dodge & Cox Intl Stock	123,013,056	7.3	7.0	17.4	7.2	9.3	4.6	-6.2	11.7	2.8	23.6	-17.5	3.8	Dec-07
<i>MSCI AC World ex USA Value</i>			8.5	18.1	6.5	7.0	3.5	-8.0	11.1	-0.2	16.5	-13.4	2.2	
<i>eV ACWI ex-US All Cap Value Eq Rank</i>			92	55	23	26	47	15	38	54	34	97		
WCM International Growth	125,238,304	7.4	11.8	17.6	0.0	12.9	-	-28.2	18.5	34.0	36.7	-6.7	11.6	Feb-17
<i>MSCI AC World ex USA Growth</i>			11.2	14.4	-2.4	7.8	-	-22.8	5.4	22.6	27.8	-14.1	6.7	
<i>eV ACWI ex-US All Cap Growth Eq Rank</i>			70	53	28	18	-	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. BlackRock Core Bond residual value of \$2,793.95 included. 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 7

Total Fund Performance Summary (Gross of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
Total Private Equity	211,260,215	12.5												
Harbourvest Partners IX Buyout Fund L.P.	11,393,936	0.7												
Pathway Private Equity Fund Investors 9 L.P.	81,405,938	4.8												
Harbourvest 2018 Global Fund L.P.	21,108,217	1.2												
Harbourvest SLO Fund Private Equity	78,790,816	4.7												
Pathway Private Equity Fund Investors 10 L.P.	18,561,307	1.1												
Total Private Credit	179,070,504	10.6												
Harbourvest SLO Credit Fund	87,283,435	5.2												
Sixth Street Partners DCP	91,787,069	5.4												
Total Real Estate	241,707,315	14.3	-5.5	-12.2	3.6	3.2	6.7	6.7	18.7	1.1	4.3	7.5		
<i>NCREIF Property Index</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>6.3</i>	
JP Morgan Core Real Estate	136,429,929	8.1	-7.4	-14.3	2.4	2.2	5.8	4.3	20.2	0.5	3.4	7.0	4.6	Mar-08
<i>NCREIF-ODCE</i>			<i>-4.8</i>	<i>-12.0</i>	<i>4.9</i>	<i>4.2</i>	<i>7.3</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>	<i>5.0</i>	
<i>NCREIF Property Index</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>5.6</i>	
ARA American Strategic Value Realty	75,276,032	4.5	-4.2	-10.3	4.7	5.0	-	12.3	14.0	3.8	7.3	9.1	6.3	Jul-16
<i>NCREIF-ODCE</i>			<i>-4.8</i>	<i>-12.0</i>	<i>4.9</i>	<i>4.2</i>	<i>-</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>	<i>5.5</i>	
<i>NCREIF Property Index</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>-</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>5.2</i>	
Brookfield Infrastructure Fund	30,001,354	1.8	0.1	-	-	-	-	-	-	-	-	-	0.1	Jul-23
Total Risk Diversifying	338,177,812	20.0	6.5	7.4	-2.2	1.6	2.0	-11.6	-1.5	6.6	8.8	-1.8		
<i>Total Risk Diversifying Benchmark</i>			<i>6.9</i>	<i>5.0</i>	<i>-4.6</i>	<i>0.3</i>	<i>1.4</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	284,950,606	16.8	5.2	7.7	-0.6	3.1	3.1	-9.6	0.9	8.1	9.9	0.4		
<i>Bloomberg U.S. Aggregate Index</i>			<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.1</i>	<i>1.8</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>92</i>	<i>15</i>	<i>12</i>	<i>12</i>	<i>18</i>	<i>16</i>	<i>15</i>	<i>69</i>	<i>23</i>	<i>34</i>		
Dodge & Cox Income Fund	53,497,949	3.2	7.4	8.1	-1.2	3.1	-	-10.5	-0.5	9.9	10.2	0.1	3.0	Jan-17
<i>Bloomberg U.S. Aggregate Index</i>			<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.1</i>	<i>-</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>1.3</i>	
<i>eV US Core Fixed Inc Rank</i>			<i>9</i>	<i>3</i>	<i>5</i>	<i>1</i>	<i>-</i>	<i>12</i>	<i>21</i>	<i>14</i>	<i>10</i>	<i>41</i>		
Pacific Asset Corporate Loan	56,959,682	3.4	3.2	14.5	6.5	6.3	-	-0.2	5.6	3.0	9.1	1.0	5.1	Sep-14
<i>Morningstar LSTA US Leveraged Loan</i>			<i>2.9</i>	<i>13.3</i>	<i>5.8</i>	<i>5.8</i>	<i>-</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>	<i>0.4</i>	<i>4.5</i>	
<i>eV US Float-Rate Bank Loan Fixed Inc Rank</i>			<i>39</i>	<i>18</i>	<i>12</i>	<i>17</i>	<i>-</i>	<i>23</i>	<i>41</i>	<i>48</i>	<i>42</i>	<i>39</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. BlackRock Core Bond residual value of \$2,793.95 included. 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 7

Total Fund
Performance Summary (Gross of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
SSGA U.S. Govt Bond Index	95,632,571	5.7	5.5	4.2	-	-	-	-12.5	-	-	-	-	-3.9	Jul-21
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>6.6</i>	<i>3.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-14.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-5.4</i>	
<i>eV Global Government Fixed Inc Rank</i>			<i>93</i>	<i>75</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>29</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>		
BlackRock TIPS	78,857,611	4.7	4.6	4.0	-	-	-	-11.9	-	-	-	-	-3.0	Sep-21
<i>Blmbg. U.S. TIPS</i>			<i>4.7</i>	<i>3.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-11.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-3.0</i>	
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			<i>52</i>	<i>53</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>81</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>		
Total Global Fixed	53,227,206	3.1	12.2	7.4	-6.0	-1.0	-0.6	-16.8	-7.0	6.7	7.4	-4.3		
<i>FTSE World Government Bond Index</i>			<i>8.1</i>	<i>5.2</i>	<i>-7.2</i>	<i>-1.4</i>	<i>-0.3</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	22,581,612	1.3	12.1	5.1	-4.4	-	-	-13.5	-4.0	-	-	-	-0.3	Jul-20
<i>FTSE Non-U.S. World Government Bond</i>			<i>9.9</i>	<i>5.8</i>	<i>-9.3</i>	<i>-</i>	<i>-</i>	<i>-22.1</i>	<i>-9.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-5.6</i>	
<i>eV All Global Fixed Inc Rank</i>			<i>4</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	30,645,594	1.8	11.7	9.0	-7.5	-	-	-19.9	-9.5	3.2	-	-	-3.2	Apr-19
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELM+</i>			<i>7.9</i>	<i>10.9</i>	<i>-2.7</i>	<i>-</i>	<i>-</i>	<i>-13.6</i>	<i>-3.9</i>	<i>3.9</i>	<i>-</i>	<i>-</i>	<i>0.5</i>	
<i>eV All Emg Mkts Fixed Inc Rank</i>			<i>6</i>	<i>75</i>	<i>99</i>	<i>-</i>	<i>-</i>	<i>94</i>	<i>97</i>	<i>87</i>	<i>-</i>	<i>-</i>		
Total Liquidity	112,720,643	6.7	1.5	3.7	1.0	1.3	1.8	-1.0	0.3	1.5	2.1	1.6	2.6	Dec-05
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>	<i>1.2</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>	<i>1.4</i>	
Total Cash	112,720,643	6.7	1.5	3.7	1.0	1.3	1.8	-1.0	0.3	1.5	2.1	1.6	1.8	Jan-06
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>	<i>1.2</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>	<i>1.4</i>	
PIMCO Short Duration Fund	34,749,267	2.1	2.8	5.1	-	-	-	-4.3	-	-	-	-	0.0	Jul-21
<i>Blmbg. 1-3 Year Gov/Credit Index</i>			<i>2.7</i>	<i>4.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-3.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	
<i>Short-Term Bond Rank</i>			<i>90</i>	<i>84</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>49</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>		
Cash Account	36,104,560	2.1	0.7	2.4	1.2	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>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>	<i>1.2</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>	<i>1.4</i>	
Investment Cash	41,866,816	2.5	1.7	4.4	-	-	-	0.9	-	-	-	-	2.0	Jun-21
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.5</i>	
Total Opportunistic	42,834,917	2.5												
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,288,535	0.2												
Sixth Street Partners TAO	39,546,382	2.3												

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Total Fund
Performance Summary (Net of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
Total Fund	1,691,429,647	100.0	4.2	8.4	4.6	7.7	5.8	-8.1	14.9	9.2	15.8	-3.5		
<i>Interim Policy Index</i>			<i>5.7</i>	<i>9.6</i>	<i>3.8</i>	<i>7.3</i>	<i>5.9</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>4.4</i>	<i>8.9</i>	<i>7.2</i>	<i>9.1</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	1,197,696,274	70.8	4.0	9.2	7.6	10.6	7.8	-7.5	23.1	10.8	19.9	-4.4		
<i>Custom Growth Benchmark</i>			<i>6.0</i>	<i>12.4</i>	<i>7.2</i>	<i>10.8</i>	<i>8.1</i>	<i>-8.4</i>	<i>19.6</i>	<i>13.4</i>	<i>19.5</i>	<i>-2.8</i>		
Total Public Equity	565,658,241	33.4	10.4	20.2	7.4	13.1	8.8	-13.9	19.6	15.9	29.1	-9.5		
<i>MSCI AC World Index</i>			<i>11.1</i>	<i>22.8</i>	<i>6.2</i>	<i>12.3</i>	<i>8.5</i>	<i>-18.0</i>	<i>19.0</i>	<i>16.8</i>	<i>27.3</i>	<i>-8.9</i>		
Total Domestic Equity	317,406,882	18.8	11.4	23.0	11.0	14.8	11.4	-10.8	24.6	13.1	28.7	-5.7		
<i>Russell 3000 Index</i>			<i>12.1</i>	<i>26.0</i>	<i>8.5</i>	<i>15.2</i>	<i>11.5</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>		
PIMCO RAE US	85,672,218	5.1	11.4	17.1	13.1	13.4	9.8	-3.4	27.8	3.9	25.0	-7.0	8.8	Dec-07
<i>S&P 500 Index</i>			<i>11.7</i>	<i>26.3</i>	<i>10.0</i>	<i>15.7</i>	<i>12.0</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>	<i>-4.4</i>	<i>9.8</i>	
Loomis Sayles Large Cap Growth	78,684,523	4.7	14.4	51.4	9.3	18.0	-	-27.4	18.9	32.3	32.1	-2.1	17.1	Jan-17
<i>Russell 1000 Growth Index</i>			<i>14.2</i>	<i>42.7</i>	<i>8.9</i>	<i>19.5</i>	<i>-</i>	<i>-29.1</i>	<i>27.6</i>	<i>38.5</i>	<i>36.4</i>	<i>-1.5</i>	<i>17.3</i>	
Boston Partners Large Cap Value	71,321,204	4.2	8.8	14.1	12.5	12.5	-	-4.2	30.4	2.0	23.8	-8.9	10.1	Feb-17
<i>Russell 1000 Value Index</i>			<i>9.5</i>	<i>11.5</i>	<i>8.9</i>	<i>10.9</i>	<i>-</i>	<i>-7.5</i>	<i>25.2</i>	<i>2.8</i>	<i>26.5</i>	<i>-8.3</i>	<i>8.3</i>	
Atlanta Capital Mgmt	81,728,938	4.8	11.1	14.1	8.3	13.5	11.2	-8.7	22.0	10.5	34.1	-5.3	14.7	Sep-10
<i>Russell 2500 Index</i>			<i>13.4</i>	<i>17.4</i>	<i>4.2</i>	<i>11.7</i>	<i>8.4</i>	<i>-18.4</i>	<i>18.2</i>	<i>20.0</i>	<i>27.8</i>	<i>-10.0</i>	<i>11.9</i>	
Total International Equity	248,251,359	14.7	9.1	16.6	3.1	10.9	6.1	-17.9	14.4	18.6	29.3	-12.8		
<i>MSCI AC World ex USA Index</i>			<i>9.8</i>	<i>16.2</i>	<i>2.0</i>	<i>7.6</i>	<i>4.3</i>	<i>-15.6</i>	<i>8.3</i>	<i>11.1</i>	<i>22.1</i>	<i>-13.8</i>	<i>3.0</i>	
Dodge & Cox Intl Stock	123,013,056	7.3	6.8	16.7	6.5	8.6	4.0	-6.8	11.0	2.1	22.8	-18.0	3.3	Dec-07
<i>MSCI AC World ex USA Value</i>			<i>8.5</i>	<i>18.1</i>	<i>6.5</i>	<i>7.0</i>	<i>3.5</i>	<i>-8.0</i>	<i>11.1</i>	<i>-0.2</i>	<i>16.5</i>	<i>-13.4</i>	<i>2.2</i>	
WCM International Growth	125,238,304	7.4	11.6	16.8	-0.6	12.1	-	-28.6	17.7	33.1	35.8	-7.4	10.9	Feb-17
<i>MSCI AC World ex USA Growth</i>			<i>11.2</i>	<i>14.4</i>	<i>-2.4</i>	<i>7.8</i>	<i>-</i>	<i>-22.8</i>	<i>5.4</i>	<i>22.6</i>	<i>27.8</i>	<i>-14.1</i>	<i>6.7</i>	

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Total Fund
Performance Summary (Net of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
Total Private Equity	211,260,215	12.5												
Harbourvest Partners IX Buyout Fund L.P.	11,393,936	0.7												
Pathway Private Equity Fund Investors 9 L.P.	81,405,938	4.8												
Harbourvest 2018 Global Fund L.P.	21,108,217	1.2												
Harbourvest SLO Fund Private Equity	78,790,816	4.7												
Pathway Private Equity Fund Investors 10 L.P.	18,561,307	1.1												
Total Private Credit	179,070,504	10.6												
Harbourvest SLO Credit Fund	87,283,435	5.2												
Sixth Street Partners DCP	91,787,069	5.4												
Total Real Estate	241,707,315	14.3	-5.5	-12.2	3.6	3.2	6.4	6.7	18.7	1.1	4.3	7.5		
<i>NCREIF Property Index</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</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	136,429,929	8.1	-7.4	-14.3	2.4	2.2	5.5	4.3	20.2	0.5	3.4	7.0	4.1	Mar-08
<i>NCREIF-ODCE</i>			<i>-4.8</i>	<i>-12.0</i>	<i>4.9</i>	<i>4.2</i>	<i>7.3</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>	<i>5.0</i>	
<i>NCREIF Property Index</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>5.6</i>	
ARA American Strategic Value Realty	75,276,032	4.5	-4.2	-10.3	4.7	5.0	-	12.3	14.0	3.8	7.3	9.1	6.2	Jul-16
<i>NCREIF-ODCE</i>			<i>-4.8</i>	<i>-12.0</i>	<i>4.9</i>	<i>4.2</i>	<i>-</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>8.3</i>	<i>5.5</i>	
<i>NCREIF Property Index</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>-</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>	<i>5.2</i>	
Brookfield Infrastructure Fund	30,001,354	1.8	0.1	-	-	-	-	-	-	-	-	-	0.1	Jul-23
Total Risk Diversifying	338,177,812	20.0	6.4	7.0	-2.6	1.2	1.6	-12.0	-2.0	6.1	8.4	-2.2		
<i>Total Risk Diversifying Benchmark</i>			<i>6.9</i>	<i>5.0</i>	<i>-4.6</i>	<i>0.3</i>	<i>1.4</i>	<i>-14.6</i>	<i>-3.2</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>2.8</i>	
Total Domestic Fixed Income	284,950,606	16.8	5.2	7.5	-0.9	2.8	2.8	-9.9	0.5	7.7	9.5	0.0		
<i>Bmbg. U.S. Aggregate Index</i>			<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.1</i>	<i>1.8</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>3.1</i>	
Dodge & Cox Income Fund	53,497,949	3.2	7.3	7.7	-1.7	2.7	-	-10.9	-0.9	9.4	9.7	-0.3	2.5	Feb-17
<i>Bmbg. U.S. Aggregate Index</i>			<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.1</i>	<i>-</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>0.0</i>	<i>1.3</i>	
Pacific Asset Corporate Loan	56,959,682	3.4	3.1	14.1	6.1	5.9	-	-0.5	5.2	2.6	8.7	0.7	4.7	Sep-14
<i>Morningstar LSTA US Leveraged Loan</i>			<i>2.9</i>	<i>13.3</i>	<i>5.8</i>	<i>5.8</i>	<i>-</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>	<i>0.4</i>	<i>4.5</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. BlackRock Core Bond residual value of \$2,793.95 included.

Total Fund
Performance Summary (Net of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018	Inception	Inception Date
SSGA U.S. Govt Bond Index	95,632,571	5.7	5.5	4.1	-	-	-	-12.5	-	-	-	-	-4.0	Jul-21
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>6.6</i>	<i>3.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-14.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-5.4</i>	
BlackRock TIPS	78,857,611	4.7	4.6	4.0	-	-	-	-11.9	-	-	-	-	-3.0	Sep-21
<i>Blmbg. U.S. TIPS</i>			<i>4.7</i>	<i>3.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-11.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-3.0</i>	
Total Global Fixed	53,227,206	3.1	12.0	6.6	-6.7	-1.6	-1.1	-17.5	-7.7	6.0	6.9	-4.7		
<i>FTSE World Government Bond Index</i>			<i>8.1</i>	<i>5.2</i>	<i>-7.2</i>	<i>-1.4</i>	<i>-0.3</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	22,581,612	1.3	12.0	4.6	-4.9	-	-	-14.0	-4.4	-	-	-	-0.8	Jul-20
<i>FTSE Non-U.S. World Government Bond</i>			<i>9.9</i>	<i>5.8</i>	<i>-9.3</i>	<i>-</i>	<i>-</i>	<i>-22.1</i>	<i>-9.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-5.6</i>	
Ashmore EM Blended Debt Fund	30,645,594	1.8	11.5	7.9	-8.5	-	-	-20.7	-10.4	2.1	-	-	-4.1	Apr-19
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMH+</i>			<i>7.9</i>	<i>10.9</i>	<i>-2.7</i>	<i>-</i>	<i>-</i>	<i>-13.6</i>	<i>-3.9</i>	<i>3.9</i>	<i>-</i>	<i>-</i>	<i>0.5</i>	
Total Liquidity	112,720,643	6.7	1.5	3.5	0.8	1.2	1.8	-1.2	0.2	1.5	2.1	1.6		
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>	<i>1.2</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>		
Total Cash	112,720,643	6.7	1.5	3.5	0.8	1.2	1.8	-1.2	0.2	1.5	2.1	1.6		
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>	<i>1.2</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	34,749,267	2.1	2.7	4.6	-	-	-	-4.7	-	-	-	-	-0.5	Jul-21
<i>Blmbg. 1-3 Year Gov/Credit Index</i>			<i>2.7</i>	<i>4.6</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-3.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.1</i>	
Cash Account	36,104,560	2.1	0.7	2.4	1.2	1.5	1.1	0.4	0.8	1.9	2.2	1.5		
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>2.2</i>	<i>1.9</i>	<i>1.2</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>	<i>1.9</i>		
Investment Cash	41,866,816	2.5	1.7	4.4	-	-	-	0.9	-	-	-	-	2.0	Jun-21
<i>90 Day U.S. Treasury Bill</i>			<i>1.4</i>	<i>5.0</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.5</i>	
Total Opportunistic	42,834,917	2.5												
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,288,535	0.2												
Sixth Street Partners TAO	39,546,382	2.3												

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. BlackRock Core Bond residual value of \$2,793.95 included.

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

San Luis Obispo County Pension Trust
Period Ending: December 31, 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	13.07	3.07	17.16	4.39	0.86	8.94	0.75	0.68	0.31	89.48	70.43
Loomis Sayles Large Cap Growth	9.33	0.47	21.81	0.44	1.03	5.85	0.93	0.42	0.12	102.71	101.03
Boston Partners Large Cap Value	12.53	3.67	16.47	3.61	0.98	3.31	0.96	0.67	1.01	102.28	86.91
Atlanta Capital Mgmt	8.34	4.09	17.23	4.74	0.79	7.94	0.85	0.43	0.42	88.97	73.62
Dodge & Cox Intl Stock	6.48	-0.03	17.28	-0.33	1.08	4.36	0.94	0.33	0.06	113.09	117.20
WCM International Growth	-0.63	1.74	20.10	2.34	1.08	6.73	0.89	-0.04	0.33	114.53	104.98
BlackRock Core Bond	5.39	8.71	24.71	9.39	0.40	24.91	0.01	0.23	0.44	71.15	-17.05
Dodge & Cox Income Fund	-1.66	1.66	7.10	1.65	0.98	1.19	0.97	-0.51	1.43	101.69	86.27
Pacific Asset Corporate Loan	6.08	0.31	4.00	0.08	1.04	0.55	0.98	1.00	0.55	103.16	98.40
JP Morgan Core Real Estate	2.42	-2.50	6.21	0.39	0.42	7.27	0.41	0.07	-0.37	56.02	62.05
ARA American Strategic Value Realty	4.72	-0.21	7.58	3.07	0.36	9.10	0.20	0.35	-0.04	86.83	80.98
Ashmore EM Blended Debt Fund	-8.46	-5.73	12.81	-4.81	1.32	4.69	0.92	-0.80	-1.21	111.89	150.44

5 Years

	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
PIMCO RAE US	13.44	-2.25	19.66	-1.34	0.98	8.02	0.83	0.65	-0.21	91.19	92.66
Loomis Sayles Large Cap Growth	17.95	-1.55	20.55	-0.58	0.96	5.34	0.93	0.82	-0.25	95.59	97.75
Boston Partners Large Cap Value	12.46	1.56	19.29	1.35	1.01	3.16	0.97	0.61	0.48	101.05	94.38
Atlanta Capital Mgmt	13.51	1.84	19.67	3.62	0.81	7.77	0.89	0.65	0.12	85.95	74.53
Dodge & Cox Intl Stock	8.64	1.62	21.35	1.02	1.12	4.52	0.97	0.41	0.45	116.70	113.91
WCM International Growth	12.15	4.31	19.30	4.05	1.03	6.16	0.90	0.60	0.69	111.01	95.31
BlackRock Core Bond	7.03	5.92	19.36	8.01	0.48	19.40	0.02	0.34	0.36	95.15	-2.42
Dodge & Cox Income Fund	2.69	1.59	6.24	1.62	0.97	1.98	0.90	0.16	0.79	108.29	88.22
Pacific Asset Corporate Loan	5.90	0.10	5.70	1.32	0.78	2.01	0.96	0.71	0.00	91.23	79.98
JP Morgan Core Real Estate	2.24	-2.01	4.95	0.48	0.42	5.79	0.40	0.09	-0.36	58.79	65.90
ARA American Strategic Value Realty	5.04	0.80	6.13	3.70	0.33	7.49	0.16	0.51	0.09	96.33	74.38

Private Markets
Non Marketable Securities Overview

San Luis Obispo County Pension Trust
Period Ending: December 31, 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.	\$11,393,936	\$20,000,000	\$17,600,000	88%	\$2,400,000	\$27,008,715	\$12,098,388	153.5%	218.2%	18.0%	9/30/23
2018	HarbourVest Partners 2018 Global Fund L.P.	\$21,108,217	\$20,000,000	\$16,000,000	80%	\$4,000,000	\$6,196,834	\$21,345,204	38.7%	170.7%	21.6%	9/30/23
2010	KKR Mezzanine Partners I L.P. ⁴	\$3,288,535	\$20,000,000	\$21,603,717	108%	-\$1,603,717	\$25,859,473	\$3,288,535	119.7%	134.9%	5.9%	9/30/23
2016	Sixth Street Partners DCP	\$91,787,069	\$152,500,000	\$106,836,213	70%	\$45,663,787	\$51,187,225	\$87,278,246	47.9%	133.8%	9.4%	9/30/23
2017	Pathway Private Equity Fund Investors 9 L.P.	\$81,405,938	\$65,000,000	\$52,410,796	81%	\$12,589,204	\$16,620,947	\$88,315,813	31.7%	187.0%	24.5%	6/30/22
2020	Pathway Private Equity Fund Investors 10 L.P.	\$18,561,307	\$20,000,000	\$13,811,161	69%	\$6,188,839	\$0	-	0.0%	134.4%	-	-
2020	Sixth Street Partners TAO	\$39,546,382	\$60,000,000	\$57,217,672	95%	\$2,782,328	\$29,159,302	\$40,371,949	51.0%	120.1%	10.0%	9/30/23
2022	HarbourVest SLO Fund Private Equity ⁷	\$78,790,816	\$76,000,000	\$74,400,000	98%	\$1,600,000	\$0	\$60,190,816	0.0%	105.9%	12.6%	9/30/23
2022	HarbourVest SLO Fund Private Credit ⁷	\$87,283,435	\$95,000,000	\$85,293,594	90%	\$9,706,406	\$5,091,758	\$80,788,659	6.0%	108.3%	10.6%	9/30/23
2022	HarbourVest SLO Fund Infrastructure ⁷	\$0	\$9,000,000	\$0	0%	\$9,000,000	\$0	-	-	-	-	-

Total Alternative Illiquids \$433,165,636 \$537,500,000 \$445,173,154 83% \$92,326,846 \$161,124,254 \$393,677,610 88.4% 124.6%

% of Portfolio (Market Value) 25.6%

	Management Fee	Admin Fee	Interest Expense	Expense	Total Expense ⁶
HarbourVest Partners IX-Buyout Fund L.P.	\$40,382	\$0	\$0	\$2,194	\$42,576
HarbourVest Partners 2018 Global Fund L.P.	\$46,635	\$0	\$0	\$43,665	\$90,300
KKR Mezzanine Partners I L.P.	\$0	\$0	\$0	\$5,540	\$5,540
Sixth Street Partners DCP	\$0	\$0	\$0	\$127,191	\$127,191
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	\$273,535	\$0	\$0	\$97,699	\$371,234
HarbourVest SLO Fund Private Credit	\$56,712	\$0	\$0	\$55,696	\$112,408
HarbourVest SLO Fund Private Equity	\$257,852	\$0	\$0	\$442,266	\$700,118
HarbourVest SLO Fund Infrastructure	\$0	\$0	\$0	\$0	\$0
	\$675,116	\$0	\$0	\$774,251	\$1,449,367

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 3Q 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: December 31, 2023

Account	Fee Schedule	Market Value As of December 31, 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	75,276,032	4.45	832,760	1.11
Ashmore EM Blended Debt Fund	1.00 % of Assets	30,645,594	1.81	306,456	1.00
Atlanta Capital Mgmt	0.80 % of First \$50 M 0.70 % of Next \$100 M 0.60 % Thereafter	81,728,938	4.83	622,103	0.76
BlackRock Core Bond	0.28 % of First \$100 M 0.26 % Thereafter	2,794	0.00	8	0.28
BlackRock TIPS	0.02 % of First \$100 M 0.02 % of Next \$300 M 0.01 % Thereafter	78,857,611	4.66	17,743	0.02
Boston Partners Large Cap Value	0.40 % of Assets	71,321,204	4.22	285,285	0.40
Brandywine Global Fixed Income	0.45 % of First \$50 M 0.40 % of Next \$50 M 0.35 % Thereafter	22,581,612	1.34	101,617	0.45
Brookfield Infrastructure Fund	0.75 % of First \$100 M 0.69 % of Next \$200 M 0.64 % Thereafter	30,001,354	1.77	225,010	0.75
Cash Account		36,104,560	2.13	-	-
Dodge & Cox Income Fund	0.41 % of Assets	53,497,949	3.16	219,342	0.41
Dodge & Cox Intl Stock	0.62 % of Assets	123,013,056	7.27	762,681	0.62
Harbourvest 2018 Global Fund L.P.	Minimum Fee: \$282,000	21,108,217	1.25	282,000	1.34
Harbourvest Partners IX Buyout Fund L.P.	Minimum Fee: \$200,000	11,393,936	0.67	200,000	1.76
Harbourvest SLO Credit Fund		87,283,435	5.16	-	-
Harbourvest SLO Fund Private Equity		78,790,816	4.66	-	-

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: December 31, 2023

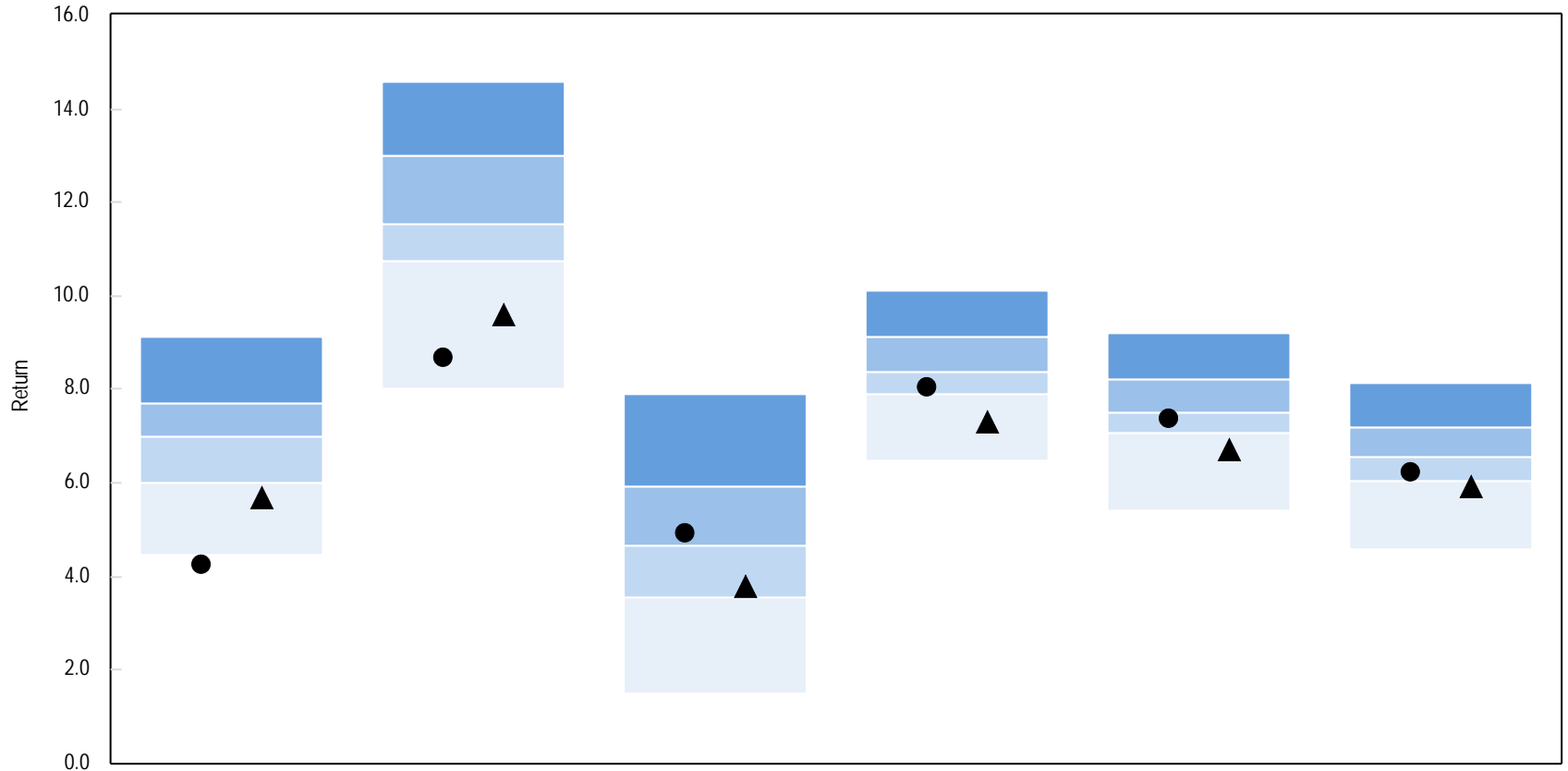
Account	Fee Schedule	Market Value As of December 31, 2023	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Investment Cash		41,866,816	2.48	-	-
JP Morgan Core Real Estate	0.92 % of First \$100 M 0.80 % of Next \$150 M 0.70 % of Next \$250 M 0.50 % Thereafter	136,429,929	8.07	1,211,439	0.89
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	Minimum Fee: \$300,000	3,288,535	0.19	300,000	9.12
Loomis Sayles Large Cap Growth	0.45 % of First \$100 M 0.40 % Thereafter	78,684,523	4.65	354,080	0.45
Pacific Asset Corporate Loan	0.37 % of Assets	56,959,682	3.37	210,751	0.37
Pathway Private Equity Fund Investors 10 L.P.		18,561,307	1.10	-	-
Pathway Private Equity Fund Investors 9 L.P.		81,405,938	4.81	-	-
PIMCO RAE US	0.40 % of Assets	85,672,218	5.07	342,689	0.40
PIMCO Short Duration Fund	0.50 % of Assets	34,749,267	2.05	173,746	0.50
Sixth Street Partners DCP		91,787,069	5.43	-	-
Sixth Street Partners TAO		39,546,382	2.34	-	-
SSGA U.S. Govt Bond Index	0.04 % of First \$50 M 0.03 % Thereafter	95,632,571	5.65	33,690	0.04
WCM International Growth	0.70 % of Assets	125,238,304	7.40	876,668	0.70
Investment Management Fee		1,691,429,647	100.00	7,358,068	0.44

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. Agenda item 7

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

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

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

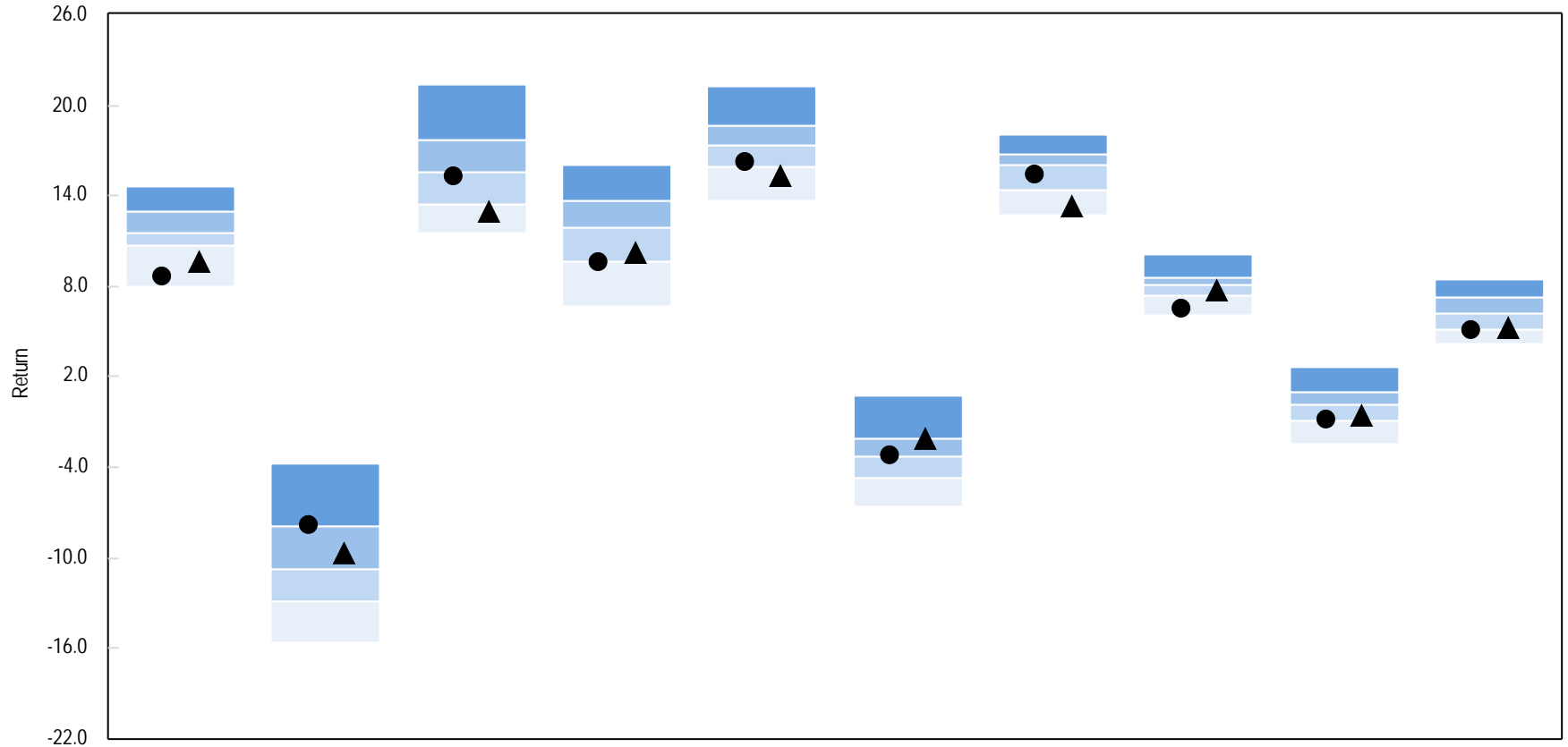


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Total Fund	4.28 (98)	8.71 (91)	4.94 (45)	8.06 (67)	7.40 (56)	6.24 (62)
▲ Interim Policy Index	5.69 (82)	9.59 (89)	3.81 (71)	7.30 (89)	6.73 (82)	5.94 (77)
5th Percentile	9.14	14.58	7.89	10.12	9.19	8.12
1st Quartile	7.69	12.99	5.92	9.14	8.22	7.19
Median	6.98	11.55	4.65	8.38	7.51	6.55
3rd Quartile	5.99	10.73	3.54	7.91	7.06	6.04
95th Percentile	4.47	8.03	1.50	6.47	5.40	4.59
Population	77	72	64	62	62	58

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

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

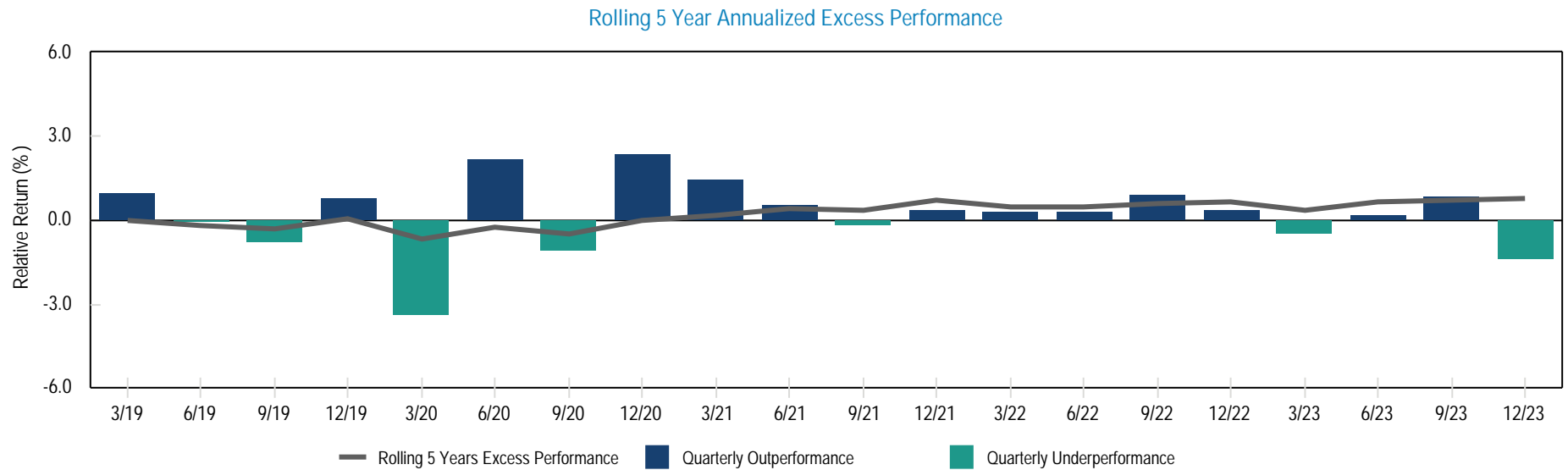
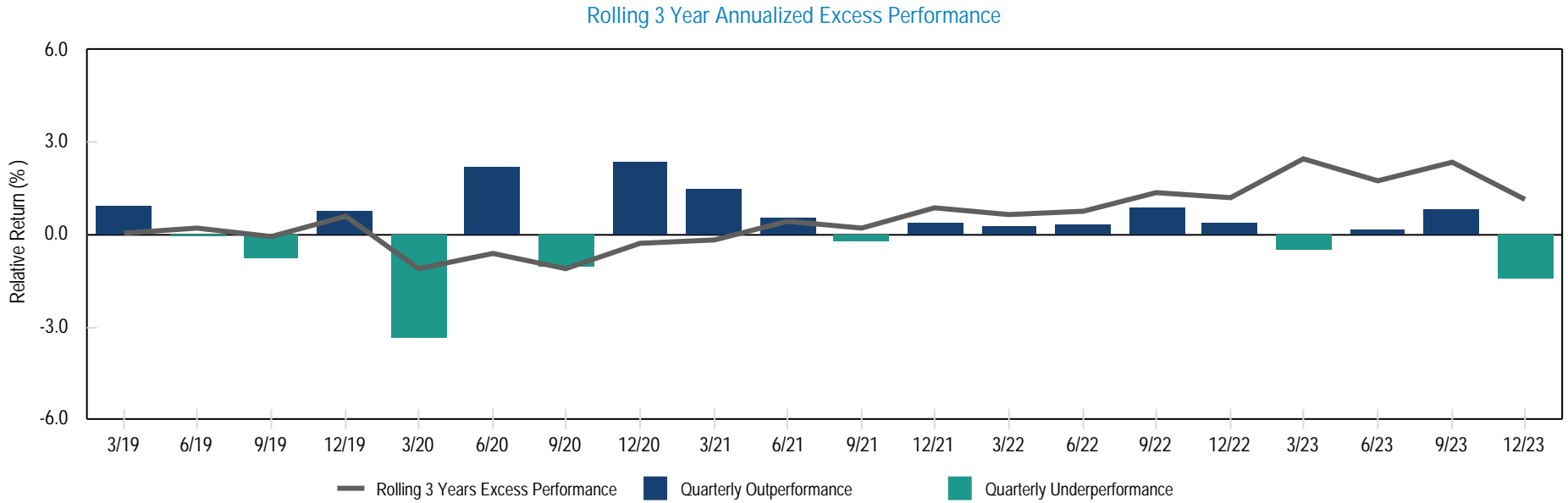
Total Fund vs. InvMetrics Public DB > \$1B



	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Total Fund	8.71 (91)	-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)
▲ Interim Policy Index	9.59 (89)	-9.62 (39)	12.93 (85)	10.26 (70)	15.33 (87)	-2.09 (26)	13.29 (94)	7.78 (66)	-0.52 (65)	5.23 (74)
5th Percentile	14.58	-3.72	21.43	16.04	21.22	0.77	18.11	10.15	2.60	8.40
1st Quartile	12.99	-7.91	17.69	13.70	18.69	-2.07	16.81	8.61	1.05	7.26
Median	11.55	-10.68	15.54	11.93	17.30	-3.27	16.02	8.08	0.11	6.23
3rd Quartile	10.73	-12.82	13.49	9.65	15.90	-4.71	14.36	7.38	-0.86	5.18
95th Percentile	8.03	-15.60	11.54	6.74	13.63	-6.57	12.78	6.10	-2.39	4.21
Population	72	122	158	170	133	113	123	127	123	120

Total Fund
Rolling Return Analysis (Gross of Fees)

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



Domestic Equity

Total Domestic Equity Asset Class Overview (Gross of Fees)

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

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Domestic Equity	317,406,882	11.6	23.6	11.5	15.3	11.9	-10.4	25.3	13.7	29.4	-5.2
<i>Russell 3000 Index</i>		<i>12.1</i>	<i>26.0</i>	<i>8.5</i>	<i>15.2</i>	<i>11.5</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>81</i>	<i>47</i>	<i>6</i>	<i>20</i>	<i>5</i>	<i>5</i>	<i>58</i>	<i>93</i>	<i>75</i>	<i>40</i>
PIMCO RAE US	85,672,218	11.5	17.5	13.5	13.9	10.3	-3.0	28.3	4.4	25.5	-6.6
<i>S&P 500 Index</i>		<i>11.7</i>	<i>26.3</i>	<i>10.0</i>	<i>15.7</i>	<i>12.0</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>56</i>	<i>73</i>	<i>2</i>	<i>72</i>	<i>80</i>	<i>3</i>	<i>46</i>	<i>97</i>	<i>85</i>	<i>77</i>
Loomis Sayles Large Cap Growth	78,684,523	14.5	52.1	9.8	18.5	-	-27.0	19.4	32.8	32.7	-1.7
<i>Russell 1000 Growth Index</i>		<i>14.2</i>	<i>42.7</i>	<i>8.9</i>	<i>19.5</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>35</i>	<i>7</i>	<i>18</i>	<i>25</i>	<i>-</i>	<i>40</i>	<i>81</i>	<i>61</i>	<i>66</i>	<i>59</i>
Boston Partners Large Cap Value	71,321,204	8.9	14.5	13.0	12.9	-	-3.8	30.9	2.4	24.3	-8.5
<i>Russell 1000 Value Index</i>		<i>9.5</i>	<i>11.5</i>	<i>8.9</i>	<i>10.9</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>86</i>	<i>70</i>	<i>9</i>	<i>72</i>	<i>-</i>	<i>16</i>	<i>18</i>	<i>87</i>	<i>88</i>	<i>79</i>
Atlanta Capital Mgmt	81,728,938	11.3	15.0	9.2	14.4	12.0	-7.9	23.0	11.4	35.1	-4.5
<i>Russell 2500 Index</i>		<i>13.4</i>	<i>17.4</i>	<i>4.2</i>	<i>11.7</i>	<i>8.4</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>57</i>	<i>70</i>	<i>32</i>	<i>31</i>	<i>8</i>	<i>13</i>	<i>57</i>	<i>63</i>	<i>13</i>	<i>24</i>

U.S. Effective Style Map
3 Years Ending December 31, 2023



U.S. Effective Style Map
5 Years Ending December 31, 2023



Total Domestic Equity
Asset Class Overview (Net of Fees)

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

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Domestic Equity	317,406,882	11.4	23.0	11.0	14.8	11.4	-10.8	24.6	13.1	28.7	-5.7
<i>Russell 3000 Index</i>		<i>12.7</i>	<i>26.0</i>	<i>8.5</i>	<i>15.2</i>	<i>11.5</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>	<i>-5.2</i>
PIMCO RAE US	85,672,218	11.4	17.1	13.1	13.4	9.8	-3.4	27.8	3.9	25.0	-7.0
<i>S&P 500 Index</i>		<i>11.7</i>	<i>26.3</i>	<i>10.0</i>	<i>15.7</i>	<i>12.0</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	78,684,523	14.4	51.4	9.3	18.0	-	-27.4	18.9	32.3	32.1	-2.1
<i>Russell 1000 Growth Index</i>		<i>14.2</i>	<i>42.7</i>	<i>8.9</i>	<i>19.5</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	71,321,204	8.8	14.1	12.5	12.5	-	-4.2	30.4	2.0	23.8	-8.9
<i>Russell 1000 Value Index</i>		<i>9.5</i>	<i>11.5</i>	<i>8.9</i>	<i>10.9</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	81,728,938	11.1	14.1	8.3	13.5	11.2	-8.7	22.0	10.5	34.1	-5.3
<i>Russell 2500 Index</i>		<i>13.4</i>	<i>17.4</i>	<i>4.2</i>	<i>11.7</i>	<i>8.4</i>	<i>-18.4</i>	<i>18.2</i>	<i>20.0</i>	<i>27.8</i>	<i>-10.0</i>

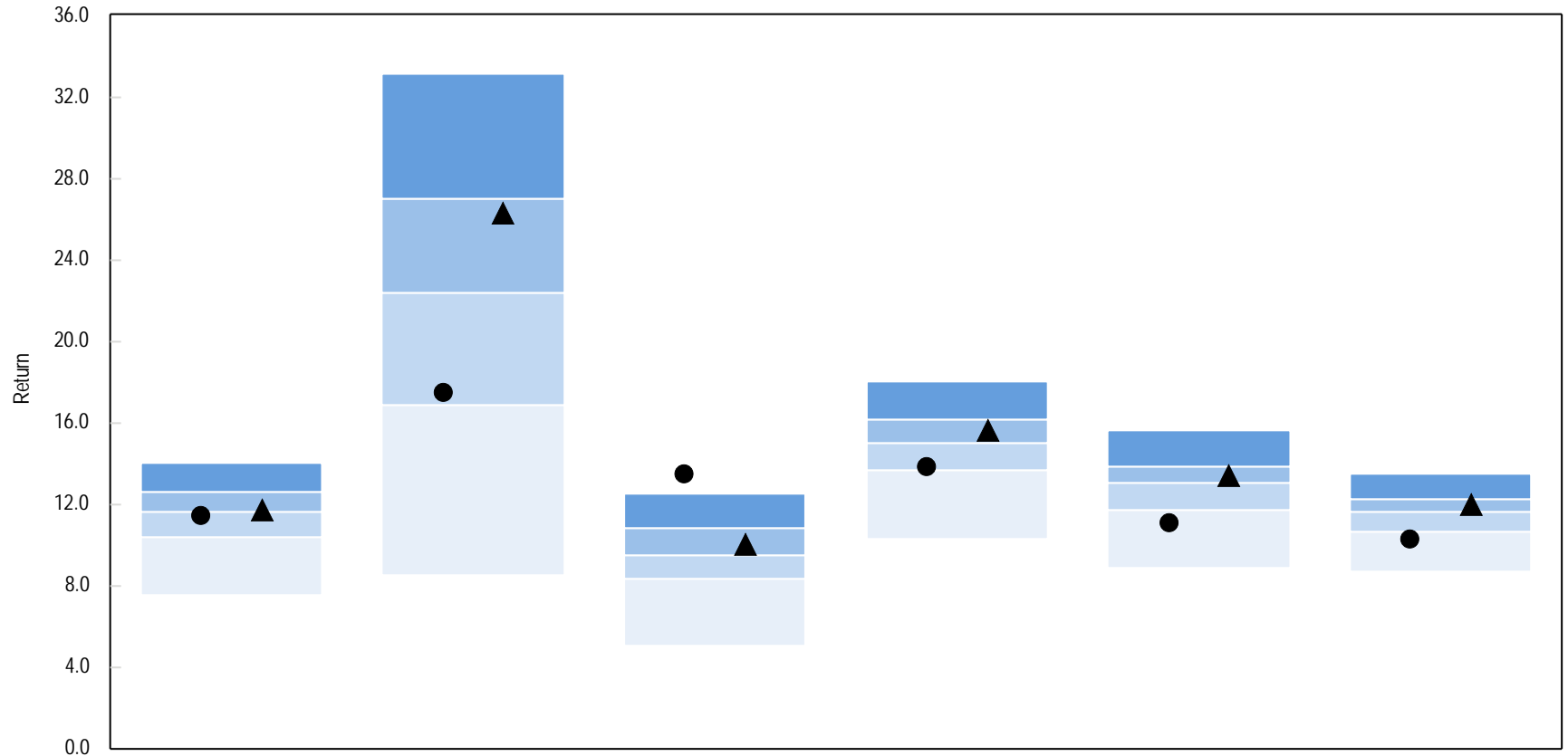
Total Domestic Equity
Correlation Matrix

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

Correlation Matrix
1 Year Ending December 31, 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	0.87	1.00				
Loomis Sayles Large Cap Growth	0.73	0.36	1.00			
Boston Partners Large Cap Value	0.79	0.86	0.18	1.00		
Atlanta Capital Mgmt	0.95	0.95	0.47	0.94	1.00	
Russell 3000 Index	0.97	0.73	0.84	0.69	0.87	1.00

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

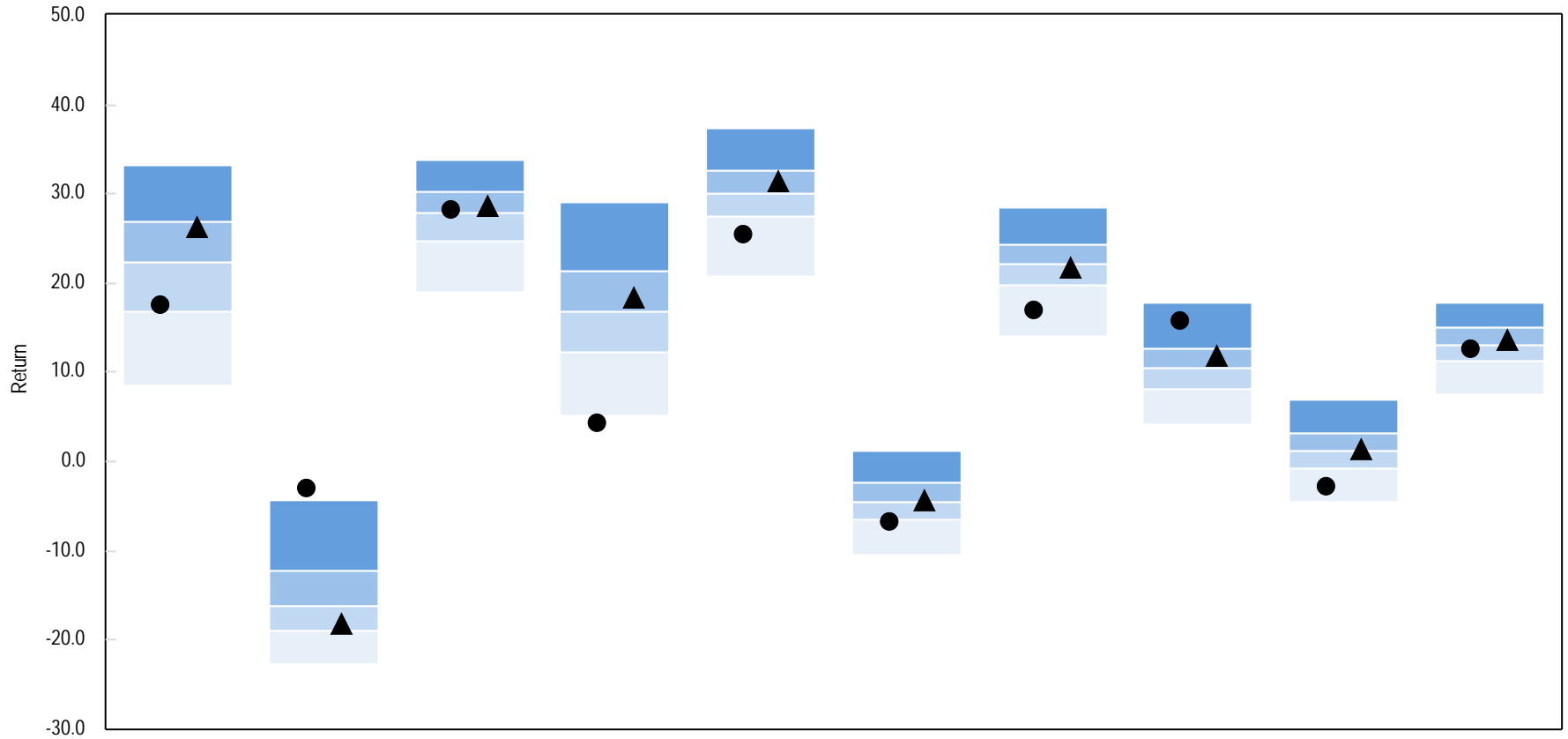


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● PIMCO RAE US	11.47 (56)	17.54 (73)	13.53 (2)	13.89 (72)	11.13 (81)	10.28 (80)
▲ S&P 500 Index	11.69 (49)	26.29 (30)	10.00 (43)	15.69 (36)	13.42 (38)	12.03 (33)
5th Percentile	14.06	33.12	12.57	18.00	15.63	13.52
1st Quartile	12.63	26.98	10.84	16.20	13.88	12.25
Median	11.66	22.42	9.51	14.99	13.05	11.63
3rd Quartile	10.40	16.85	8.37	13.67	11.69	10.70
95th Percentile	7.54	8.56	5.08	10.27	8.88	8.69
Population	369	369	359	340	316	283

PIMCO RAE US
Consecutive Performance Comparison (Gross of Fees)

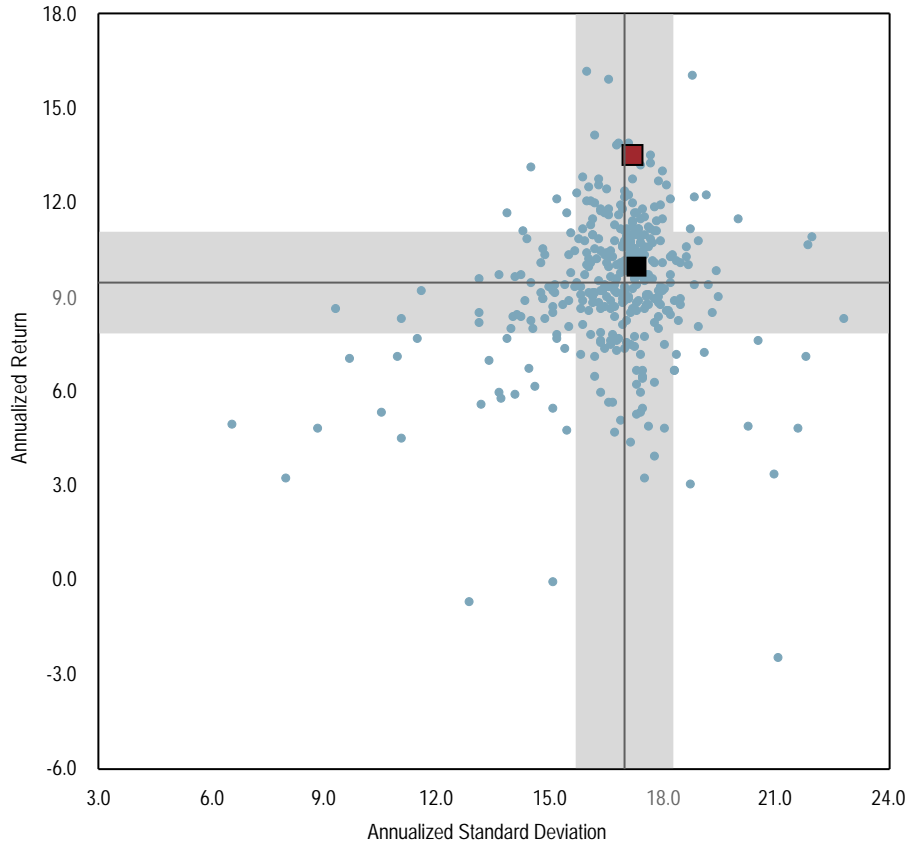
San Luis Obispo County Pension Trust
Period Ending: December 31, 2023

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

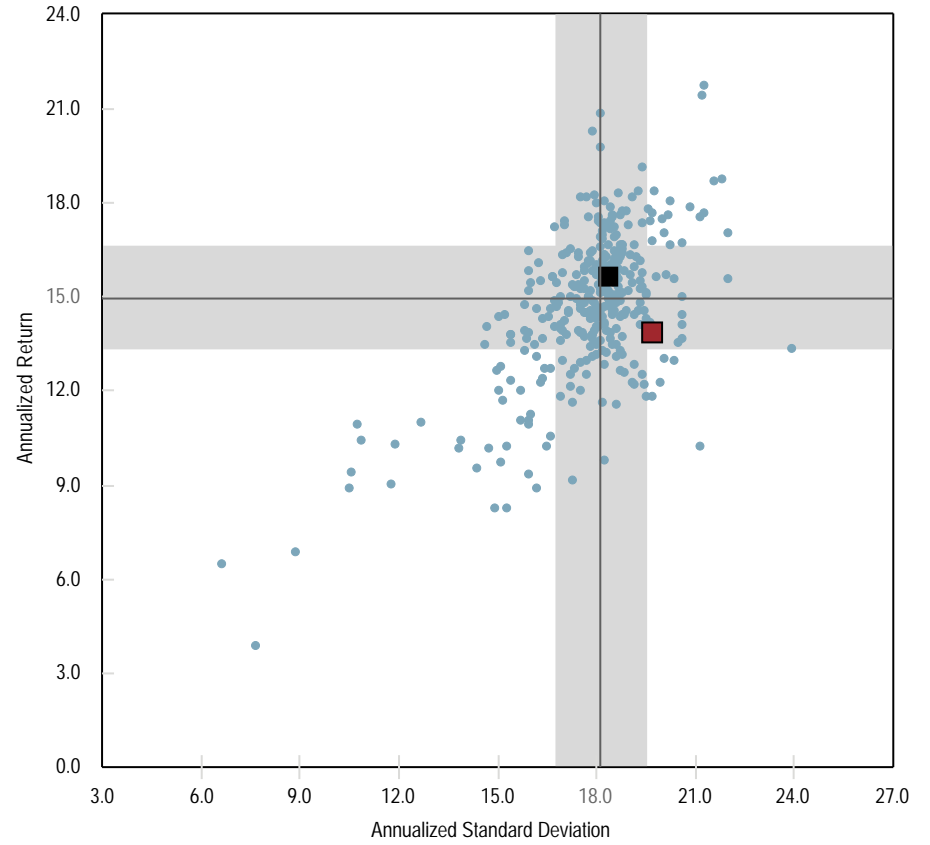


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● PIMCO RAE US	17.54 (73)	-2.97 (3)	28.29 (46)	4.35 (97)	25.52 (85)	-6.64 (77)	17.01 (90)	15.87 (9)	-2.65 (87)	12.67 (56)
▲ S&P 500 Index	26.29 (30)	-18.11 (67)	28.71 (41)	18.40 (44)	31.49 (37)	-4.38 (48)	21.83 (54)	11.96 (35)	1.38 (49)	13.69 (41)
5th Percentile	33.12	-4.32	33.87	28.97	37.32	1.19	28.44	17.86	6.94	17.88
1st Quartile	26.98	-12.25	30.18	21.40	32.71	-2.31	24.35	12.73	3.20	14.99
Median	22.42	-16.18	27.82	16.72	30.09	-4.58	22.15	10.54	1.24	13.07
3rd Quartile	16.85	-18.88	24.65	12.37	27.56	-6.49	19.77	8.16	-0.80	11.27
95th Percentile	8.56	-22.77	19.02	5.11	20.69	-10.38	14.02	4.24	-4.61	7.62
Population	369	407	420	441	461	479	487	492	505	513

3 Years



5 Years



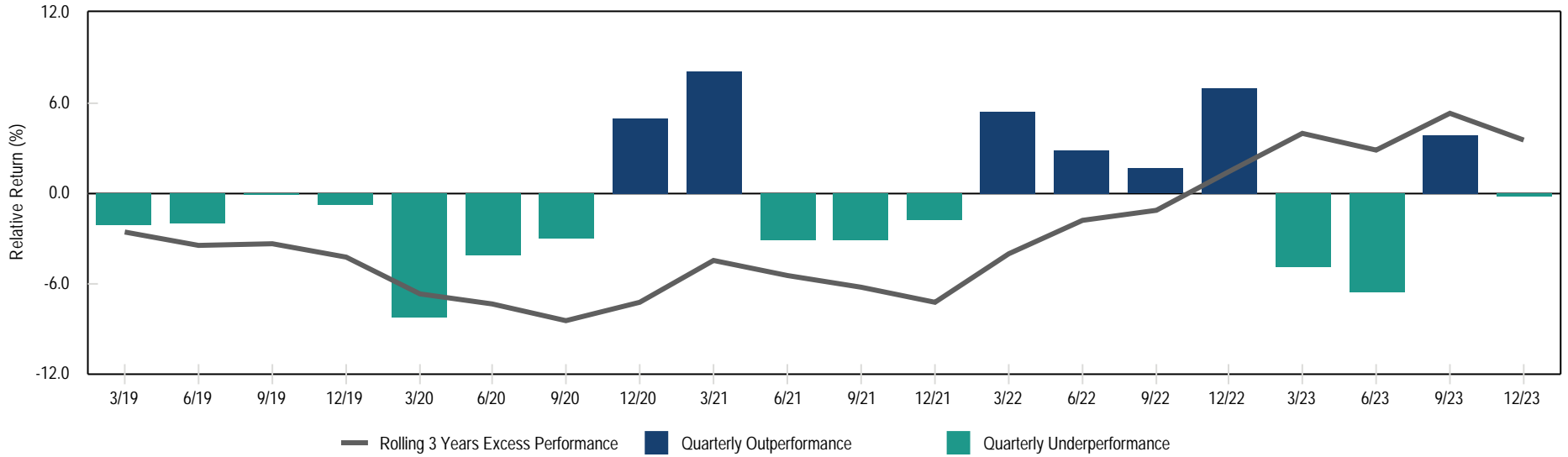
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ PIMCO RAE US	13.53	17.16	0.70
■ S&P 500 Index	10.00	17.29	0.52

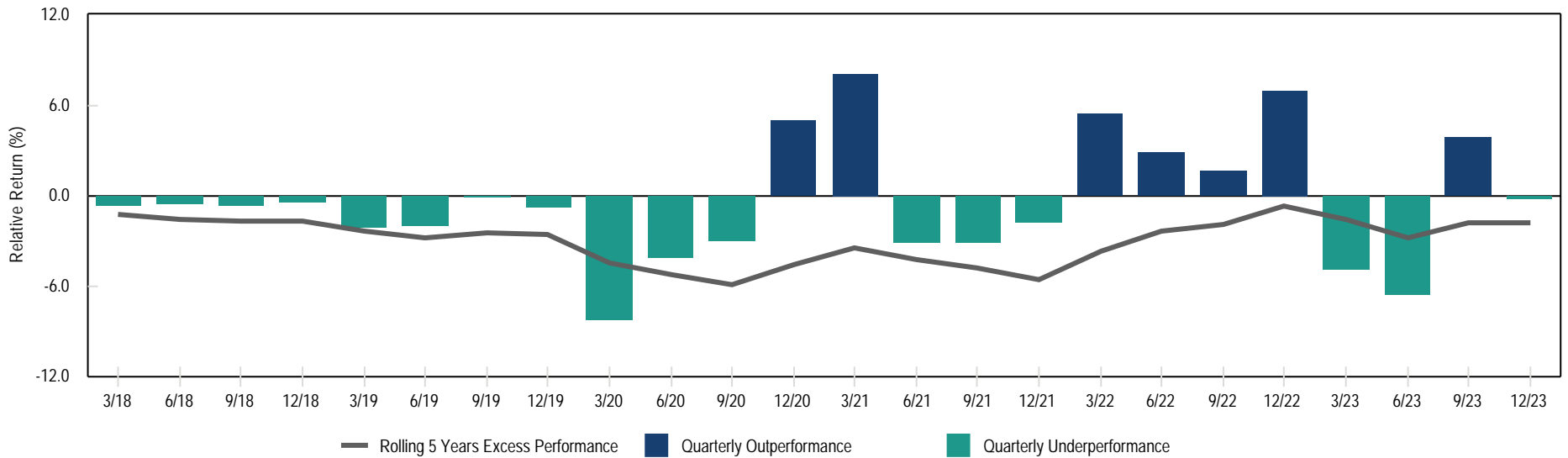
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ PIMCO RAE US	13.89	19.66	0.67
■ S&P 500 Index	15.69	18.37	0.79

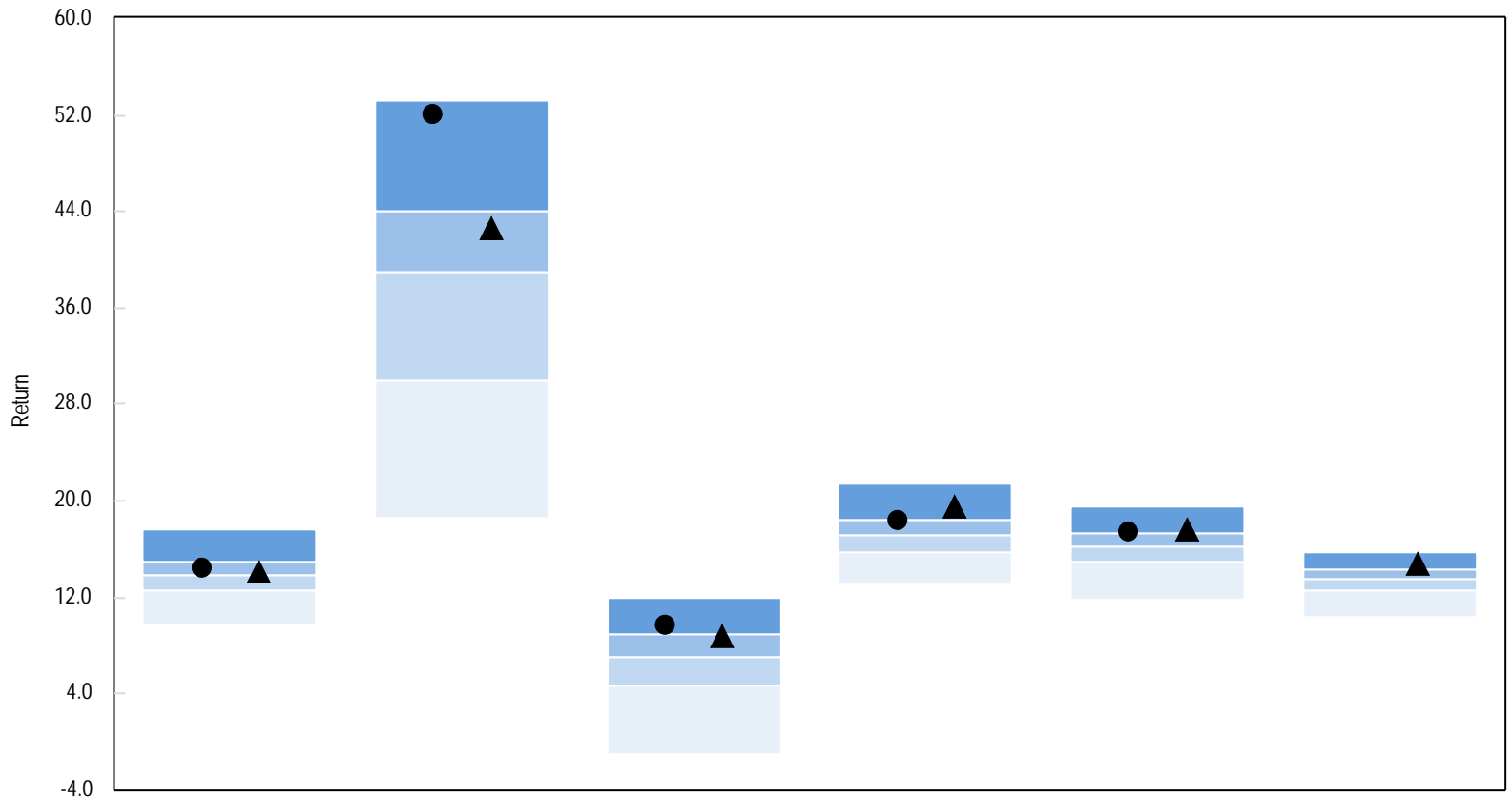
Rolling 3 Years Annualized Excess Performance



Rolling 5 Years Annualized Excess Performance



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

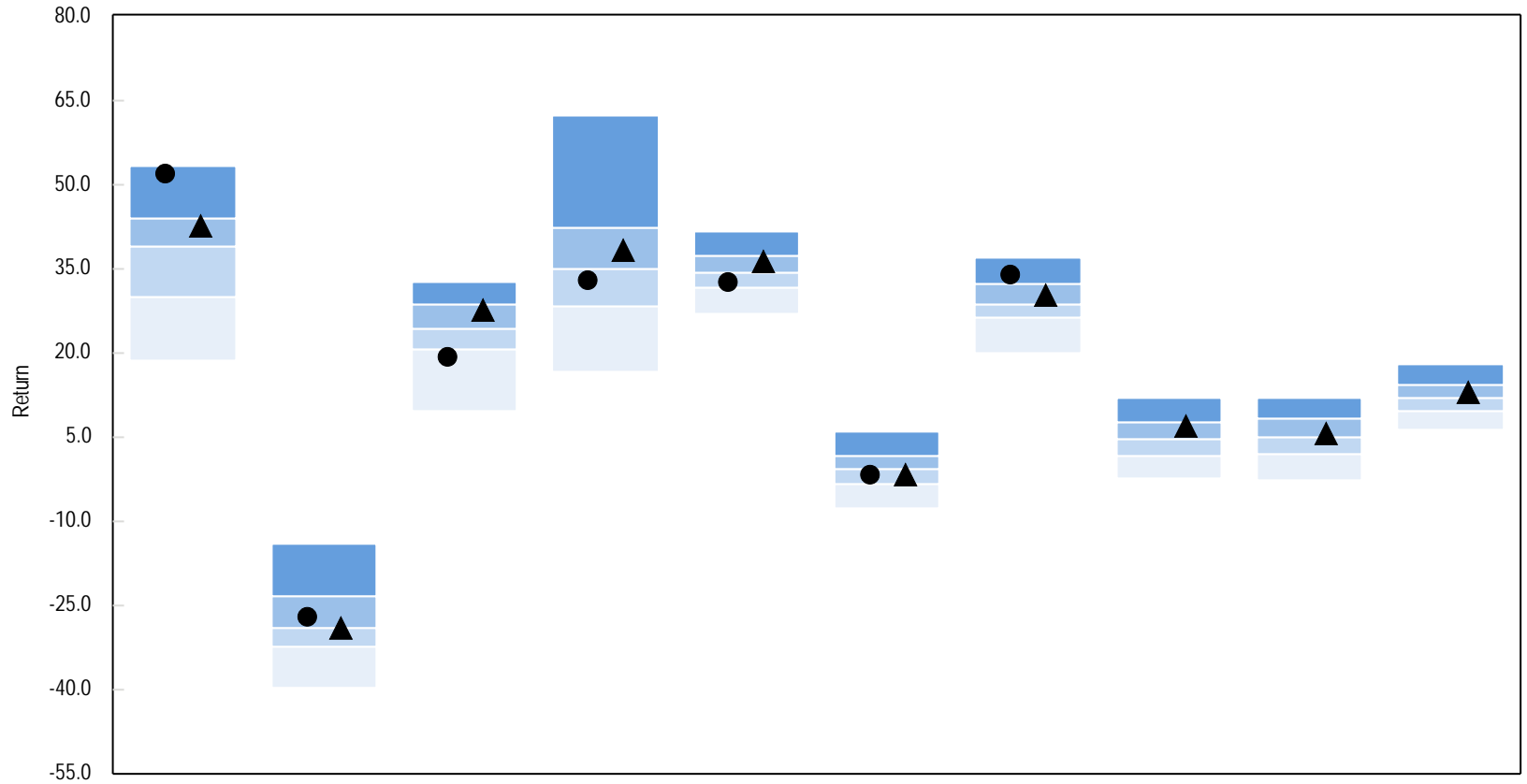


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Loomis Sayles Large Cap Growth	14.49 (35)	52.10 (7)	9.82 (19)	18.48 (26)	17.42 (25)	-
▲ Russell 1000 Growth Index	14.16 (42)	42.68 (31)	8.86 (28)	19.50 (15)	17.68 (22)	14.86 (13)
5th Percentile	17.65	53.26	11.92	21.48	19.56	15.77
1st Quartile	15.04	44.05	9.03	18.49	17.40	14.29
Median	13.85	38.95	7.04	17.17	16.17	13.47
3rd Quartile	12.58	29.90	4.69	15.70	14.99	12.52
95th Percentile	9.81	18.57	-1.04	13.09	11.85	10.35
Population	269	269	266	260	242	221

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

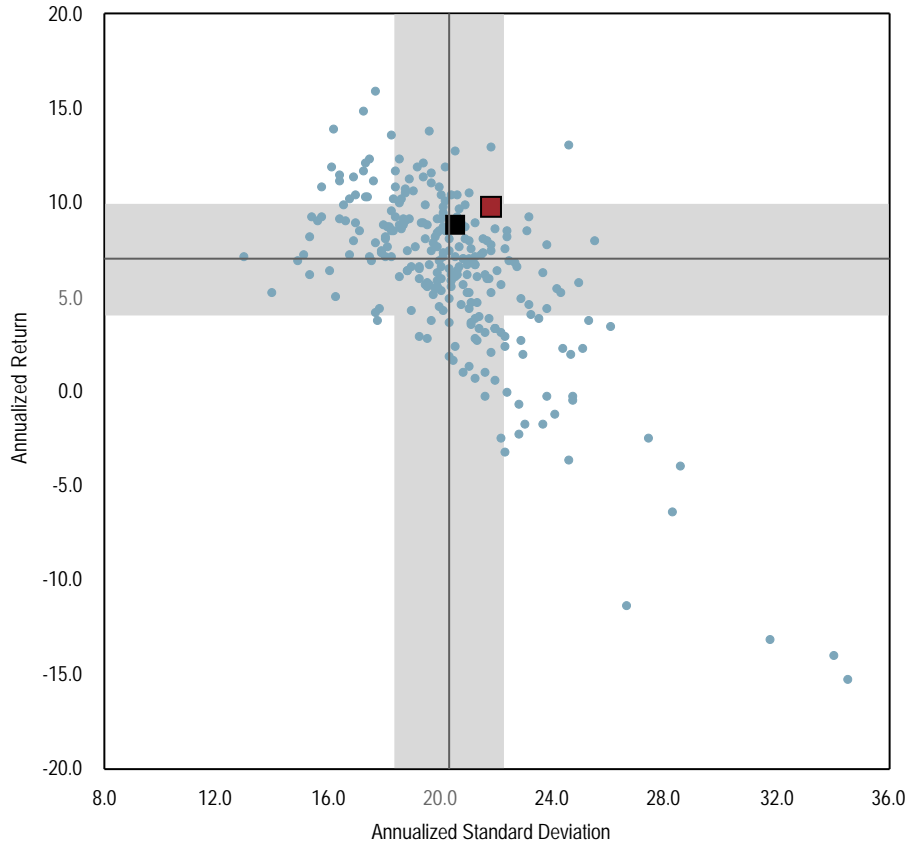
San Luis Obispo County Pension Trust
 Period Ending: December 31, 2023

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

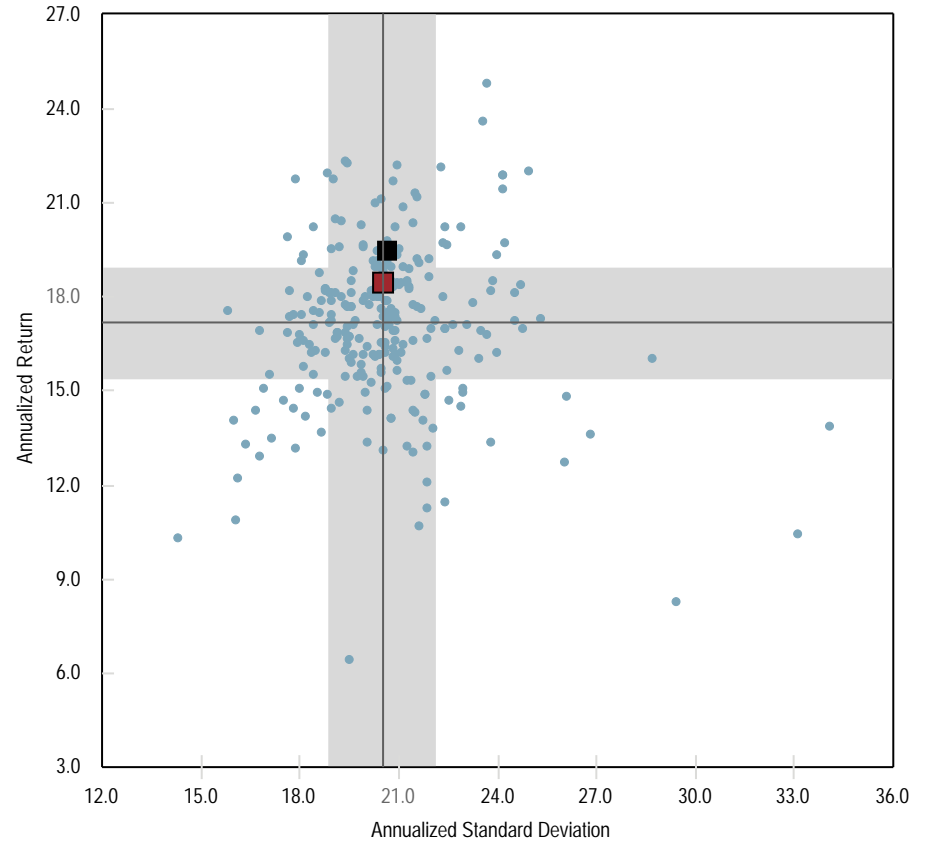


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Loomis Sayles Large Cap Growth	52.10 (7)	-27.05 (40)	19.38 (81)	32.85 (61)	32.69 (66)	-1.66 (59)	34.07 (16)	-	-	-
▲ Russell 1000 Growth Index	42.68 (31)	-29.14 (52)	27.60 (30)	38.49 (35)	36.39 (32)	-1.51 (59)	30.21 (42)	7.08 (28)	5.67 (46)	13.05 (40)
5th Percentile	53.26	-13.84	32.70	62.39	41.52	6.09	36.98	12.14	11.89	17.87
1st Quartile	44.05	-23.42	28.51	42.41	37.29	1.81	32.42	7.54	8.18	14.41
Median	38.95	-28.99	24.46	35.11	34.20	-0.54	28.79	4.64	4.99	12.15
3rd Quartile	29.90	-32.50	20.59	28.45	31.60	-3.46	26.22	1.82	2.05	9.73
95th Percentile	18.57	-39.57	9.61	16.75	27.07	-7.69	20.12	-2.50	-2.70	6.22
Population	269	290	296	310	321	331	334	349	364	382

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Loomis Sayles Large Cap Growth	9.82	21.82	0.45
■ Russell 1000 Growth Index	8.86	20.51	0.42

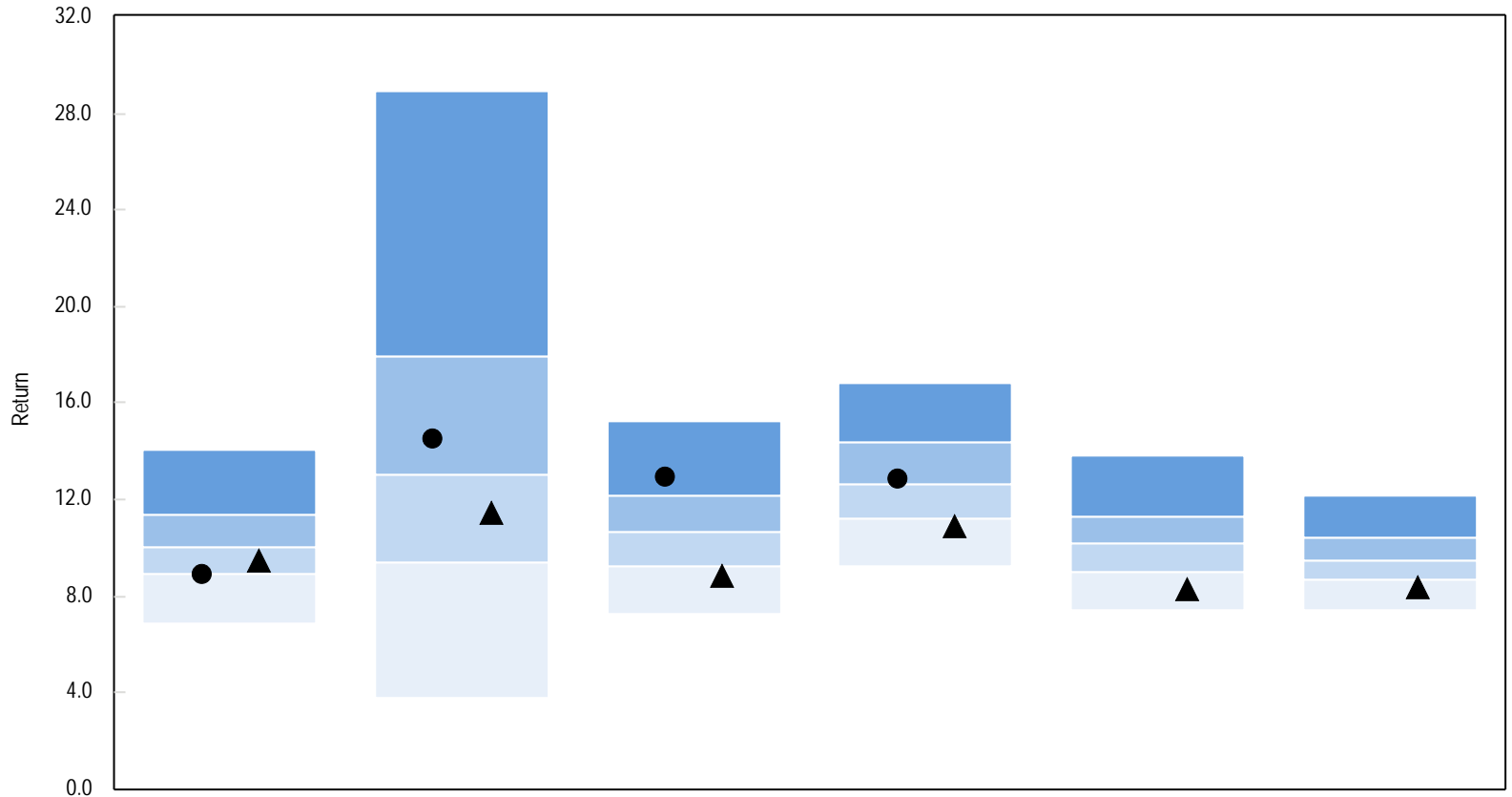
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Loomis Sayles Large Cap Growth	18.48	20.55	0.84
■ Russell 1000 Growth Index	19.50	20.64	0.88

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

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

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

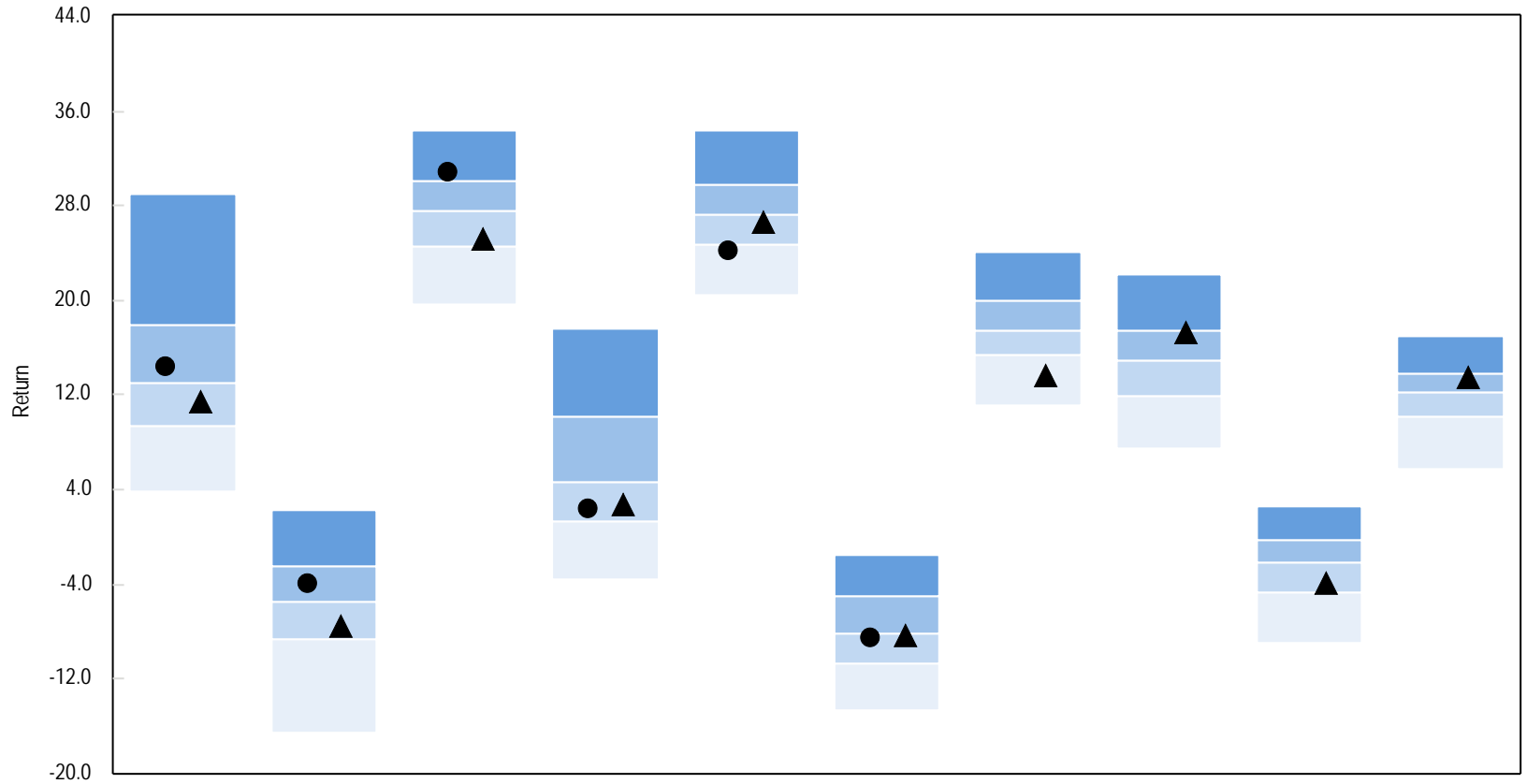


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Boston Partners Large Cap Value	8.93 (75)	14.52 (40)	12.98 (17)	12.92 (45)	-	-
▲ Russell 1000 Value Index	9.50 (61)	11.46 (62)	8.86 (80)	10.91 (81)	8.32 (89)	8.40 (85)
5th Percentile	14.06	28.93	15.27	16.84	13.85	12.16
1st Quartile	11.36	17.90	12.16	14.42	11.32	10.41
Median	10.05	13.05	10.69	12.66	10.20	9.49
3rd Quartile	8.89	9.38	9.26	11.24	9.04	8.72
95th Percentile	6.85	3.82	7.30	9.26	7.47	7.41
Population	389	389	383	367	352	331

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

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

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

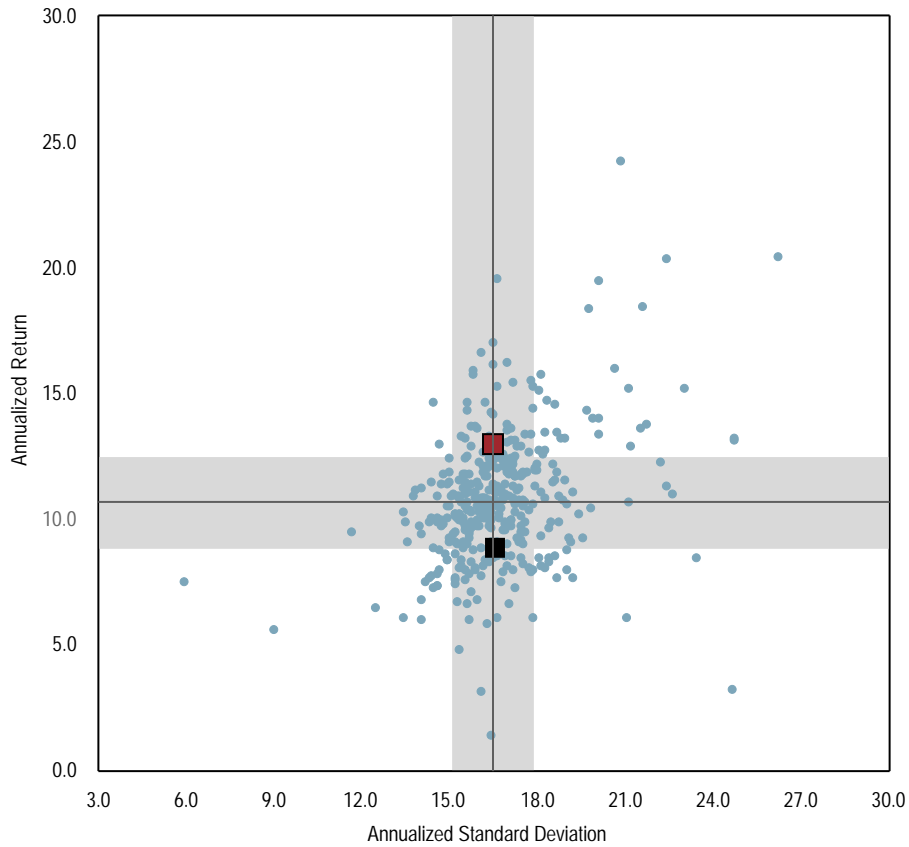


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Boston Partners Large Cap Value	14.52 (40)	-3.81 (35)	30.92 (21)	2.42 (66)	24.28 (79)	-8.50 (58)	-	-	-	-
▲ Russell 1000 Value Index	11.46 (62)	-7.54 (68)	25.16 (72)	2.80 (64)	26.54 (57)	-8.27 (54)	13.66 (88)	17.34 (26)	-3.83 (70)	13.45 (34)
5th Percentile	28.93	2.29	34.34	17.56	34.33	-1.47	24.15	22.15	2.66	16.91
1st Quartile	17.90	-2.48	30.16	10.11	29.85	-5.02	19.99	17.42	-0.21	13.88
Median	13.05	-5.43	27.59	4.65	27.19	-8.10	17.52	14.93	-2.22	12.24
3rd Quartile	9.38	-8.66	24.57	1.30	24.74	-10.66	15.42	11.92	-4.70	10.25
95th Percentile	3.82	-16.45	19.69	-3.52	20.39	-14.67	11.17	7.54	-8.92	5.74
Population	389	414	424	430	458	480	490	504	522	521

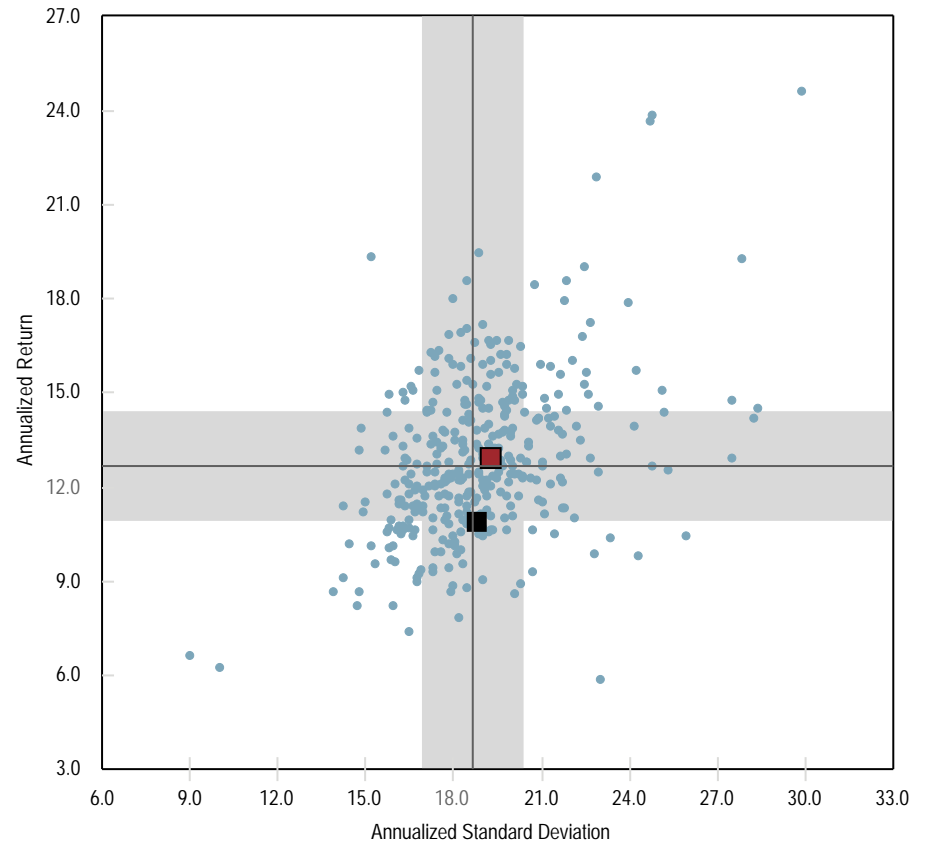
Boston Partners Large Cap Value
Risk vs. Return (Gross of Fees)

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

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Boston Partners Large Cap Value	12.98	16.47	0.70
■ Russell 1000 Value Index	8.86	16.51	0.47

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Boston Partners Large Cap Value	12.92	19.29	0.63
■ Russell 1000 Value Index	10.91	18.78	0.55

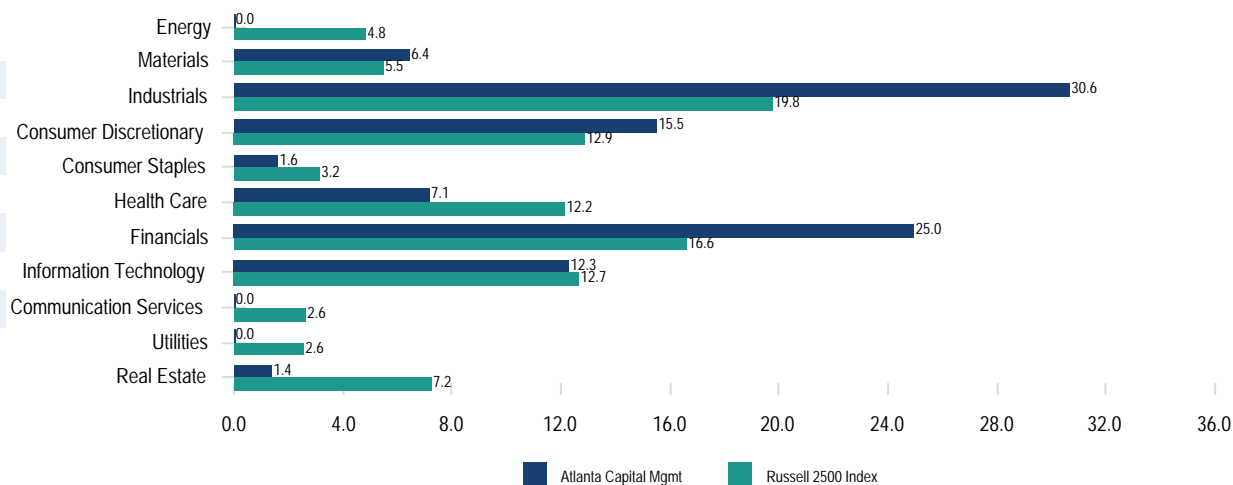
Atlanta Capital Mgmt Manager Portfolio Overview

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

Characteristics

	Portfolio	Benchmark
Number of Stocks	53	2,468
Wtd. Avg. Mkt. Cap \$B	12.3	6.9
Median Mkt. Cap \$B	12.2	1.4
Price/Earnings ratio	22.49	15.50
Price/Book ratio	3.74	2.64
Return on Equity (%)	8.35	0.60
Current Yield (%)	0.81	1.53
Beta (5 Years, Monthly)	0.81	1.00
R-Squared (5 Years, Monthly)	0.89	1.00

Sector Allocation (%)



Largest Equity Holdings

	Wgt (%)	Return (%)
Carlisle Cos Inc	4.69	20.87
Berkley (W.R.) Corp	4.53	12.35
GoDaddy Inc	3.36	42.53
Teleflex Inc	3.13	27.15
Morningstar Inc	3.10	22.40
CACI International Inc	3.08	3.16
Brown & Brown Inc	3.01	2.01
Markel Group Inc	2.93	-3.57
Landstar System Inc	2.83	9.66
SEI Investments Co	2.50	6.27

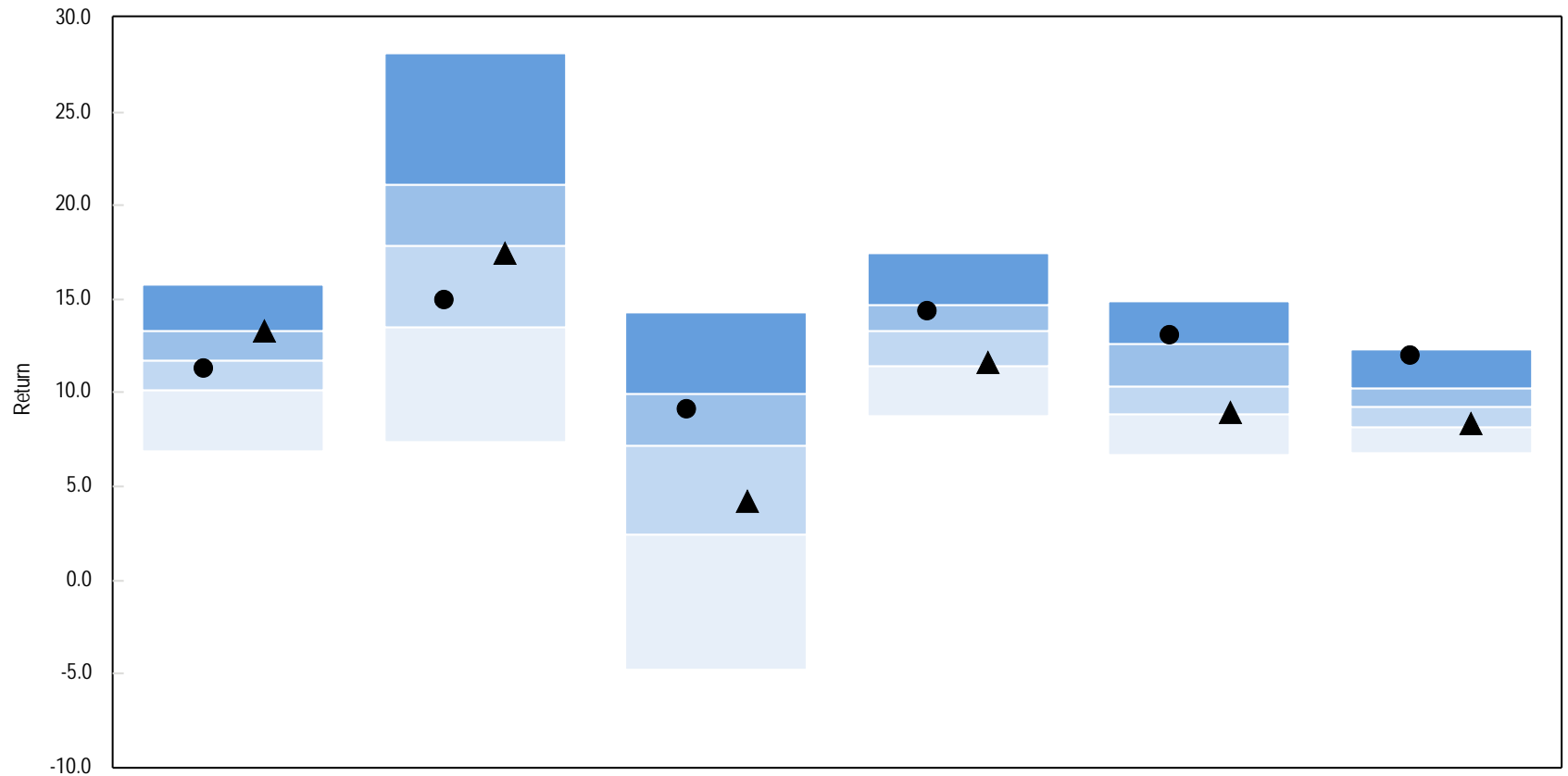
Top Contributors

	Wgt (%)	Return (%)	Contr (%)
GoDaddy Inc	2.51	42.53	1.07
Carlisle Cos Inc	4.14	20.87	0.86
Burlington Stores Inc	1.72	43.74	0.75
Teleflex Inc	2.62	27.15	0.71
Morningstar Inc	2.70	22.40	0.61
Berkley (W.R.) Corp	4.75	12.35	0.59
Lennox International Inc.	2.12	19.81	0.42
RPM International Inc	2.19	18.30	0.40
Booz Allen Hamilton Holding Corporation	2.21	17.48	0.39
Deckers Outdoor Corp	1.28	30.02	0.38

Bottom Contributors

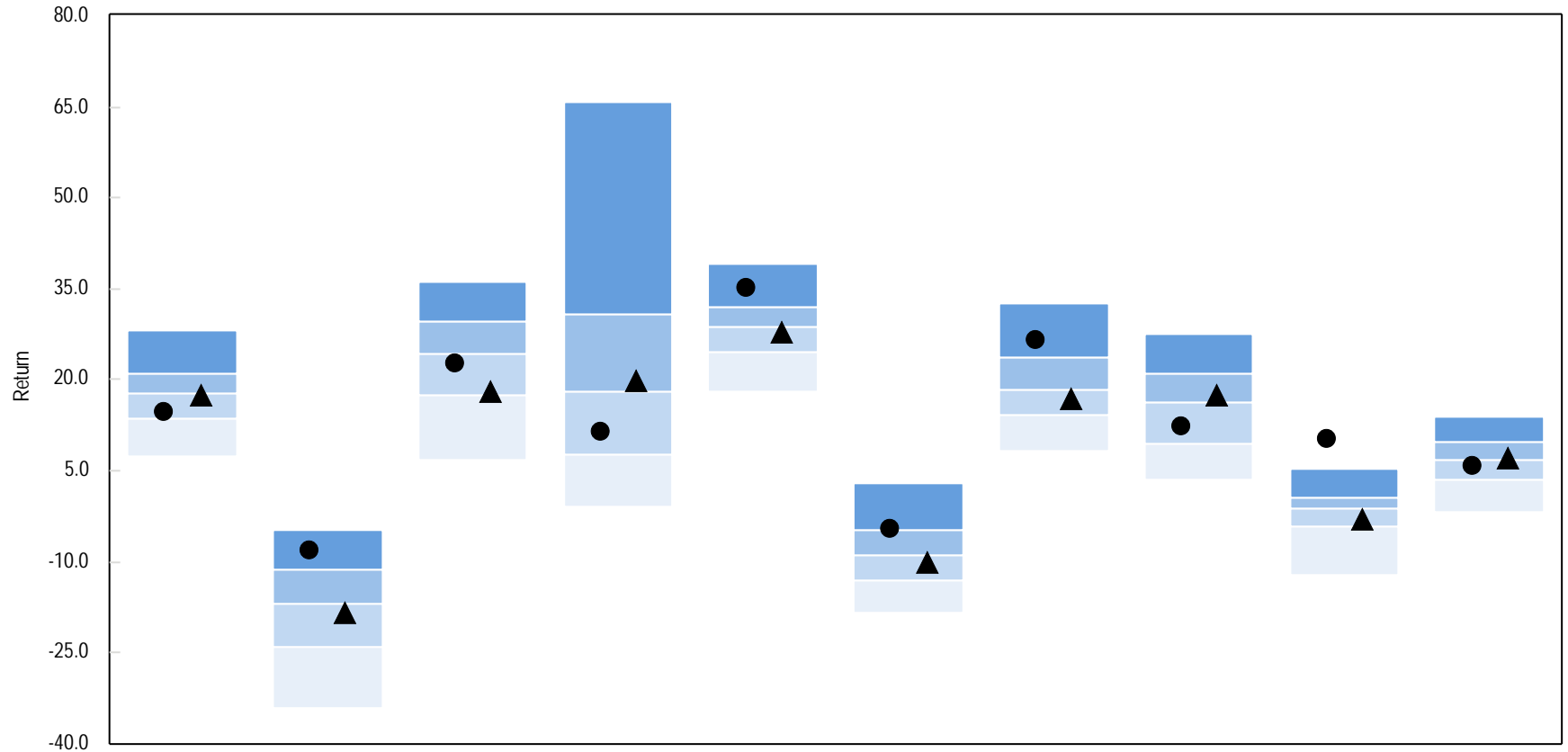
	Wgt (%)	Return (%)	Contr (%)
Envista Holdings Corp	2.45	-13.70	-0.34
Choice Hotels International Inc.	2.24	-7.28	-0.16
Markel Group Inc	3.23	-3.57	-0.12
Kirby Corp	1.81	-5.22	-0.09
LKQ Corporation	2.54	-2.84	-0.07
TransUnion	0.70	-4.11	-0.03
Trimble Inc	2.15	-1.23	-0.03
AptarGroup Inc.	2.26	-0.80	-0.02
HENRY SCHEIN INC	0.67	1.97	0.01
Casey's General Stores Inc.	1.70	1.35	0.02

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	11.33 (57)	14.95 (71)	9.17 (32)	14.39 (31)	13.10 (17)	12.03 (7)
▲ Russell 2500 Index	13.35 (25)	17.42 (53)	4.24 (68)	11.67 (72)	8.98 (73)	8.36 (71)
5th Percentile	15.75	28.10	14.26	17.43	14.88	12.31
1st Quartile	13.31	21.14	9.91	14.69	12.57	10.26
Median	11.75	17.88	7.20	13.33	10.32	9.25
3rd Quartile	10.16	13.55	2.47	11.39	8.87	8.13
95th Percentile	6.93	7.37	-4.73	8.73	6.71	6.76
Population	252	252	248	224	199	166

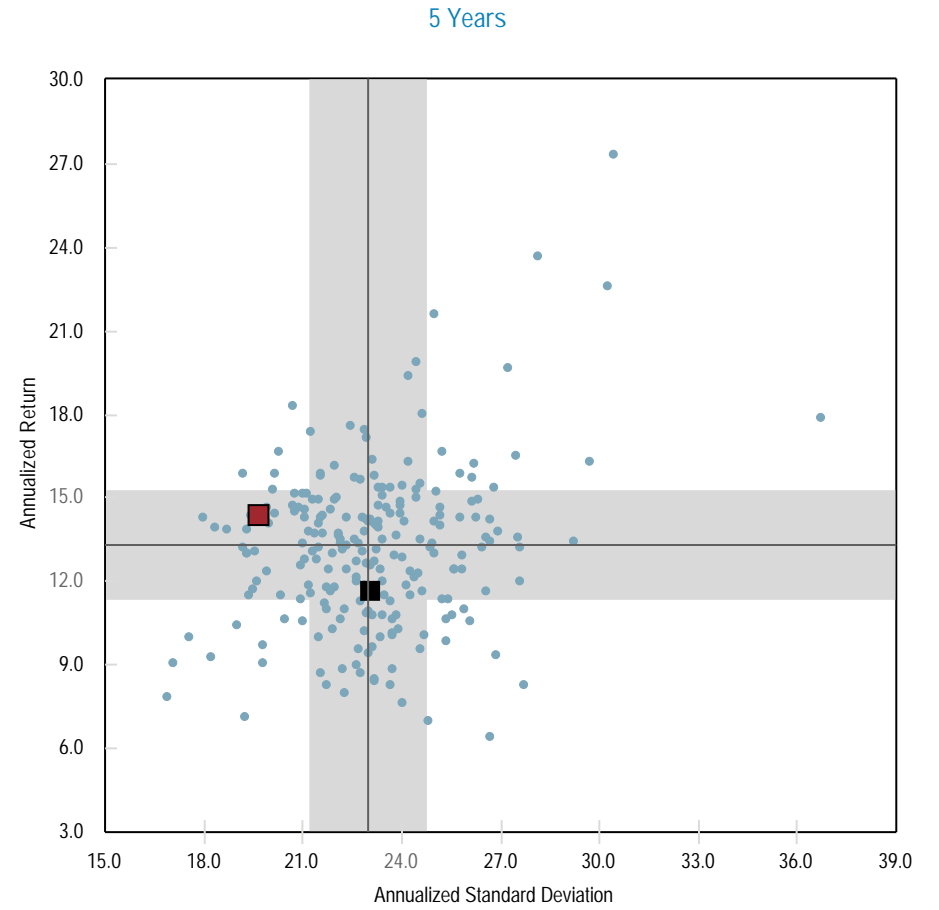
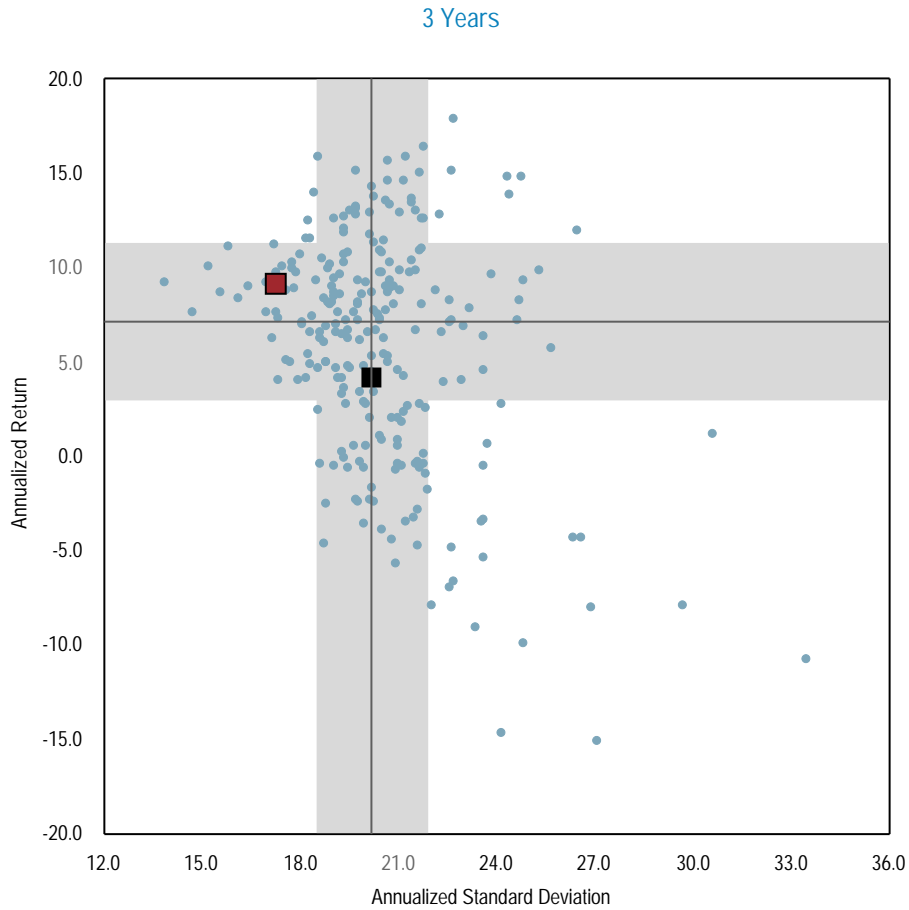
Atlanta Capital Mgmt vs. eV US Small-Mid Cap Equity Gross Universe



	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Atlanta Capital Mgmt	14.95 (71)	-7.95 (13)	22.96 (57)	11.41 (63)	35.12 (13)	-4.52 (24)	26.58 (15)	12.58 (65)	10.44 (1)	5.83 (59)
▲ Russell 2500 Index	17.42 (53)	-18.37 (58)	18.18 (74)	19.99 (46)	27.77 (56)	-10.00 (56)	16.81 (61)	17.59 (41)	-2.90 (68)	7.07 (48)
5th Percentile	28.10	-4.83	36.12	65.81	39.09	2.94	32.48	27.47	5.45	13.92
1st Quartile	21.14	-11.19	29.57	30.83	32.07	-4.64	23.75	21.15	0.71	9.69
Median	17.88	-16.84	24.15	17.93	28.84	-8.93	18.24	16.34	-1.22	6.84
3rd Quartile	13.55	-23.96	17.58	7.63	24.54	-12.97	14.12	9.43	-4.07	3.63
95th Percentile	7.37	-34.04	6.72	-0.92	18.14	-18.33	8.26	3.66	-12.22	-1.79
Population	252	264	272	276	279	292	281	283	287	285

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

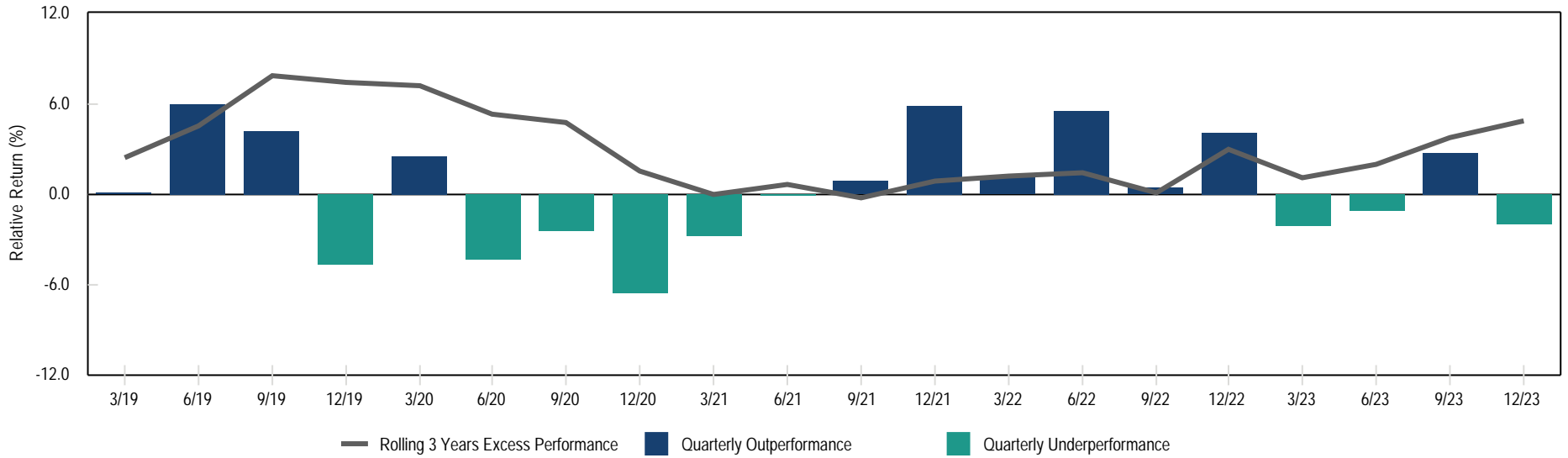
San Luis Obispo County Pension Trust
Period Ending: December 31, 2023



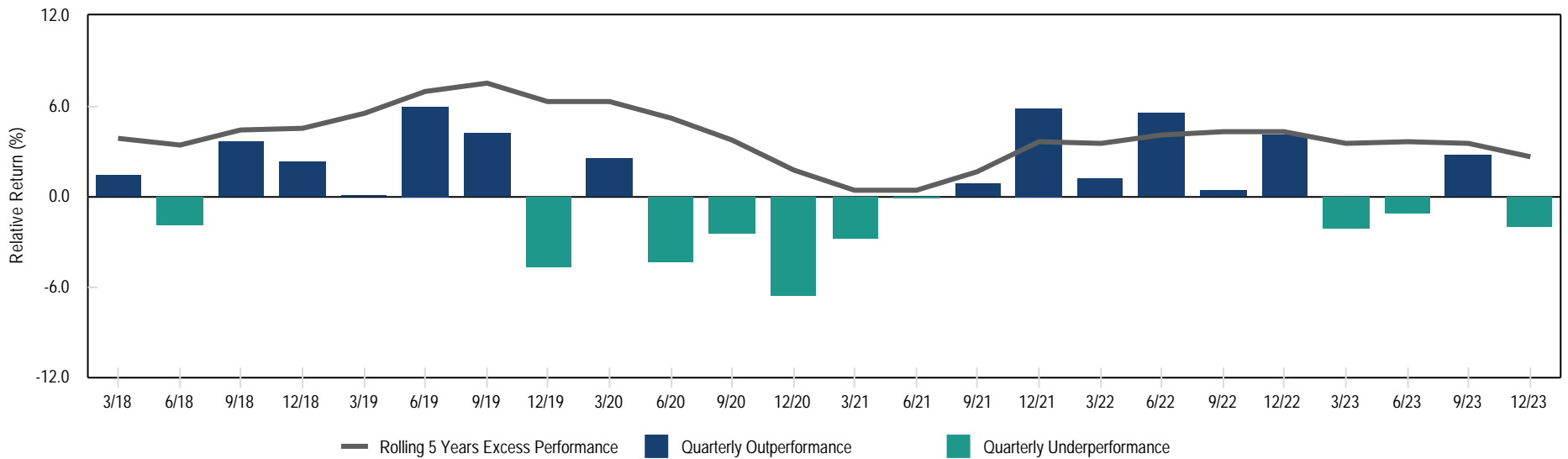
	3 Years	Standard Deviation	Sharpe Ratio
Atlanta Capital Mgmt	Return	17.24	0.47
Russell 2500 Index	Return	20.15	0.20

	5 Years	Standard Deviation	Sharpe Ratio
Atlanta Capital Mgmt	Return	19.68	0.69
Russell 2500 Index	Return	23.04	0.52

Rolling 3 Years Annualized Excess Performance



Rolling 5 Years Annualized Excess Performance



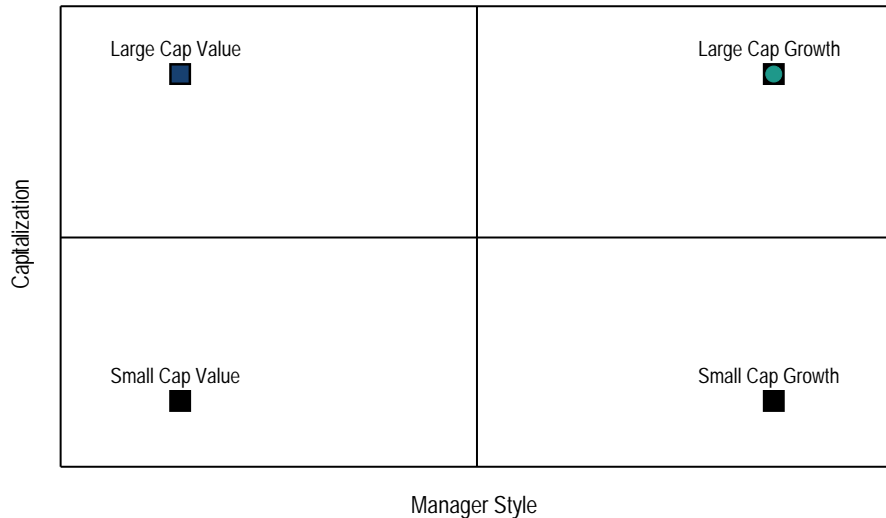
International Equity

Total International Equity
Asset Class Overview (Gross of Fees)

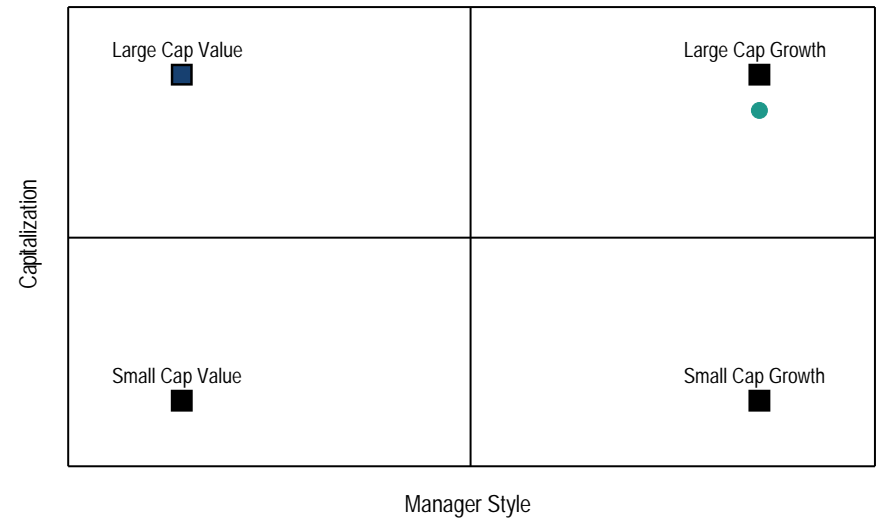
San Luis Obispo County Pension Trust
Period Ending: December 31, 2023

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total International Equity	248,251,359	9.3	17.4	3.8	11.7	6.8	-17.4	15.1	19.4	30.2	-12.2
<i>MSCI AC World ex USA Index</i>		<i>9.8</i>	<i>16.2</i>	<i>2.0</i>	<i>7.6</i>	<i>4.3</i>	<i>-15.6</i>	<i>8.3</i>	<i>11.1</i>	<i>22.7</i>	<i>-13.8</i>
<i>InvMetrics Public DB Global ex-US Equity Rank</i>		<i>65</i>	<i>60</i>	<i>24</i>	<i>7</i>	<i>7</i>	<i>56</i>	<i>7</i>	<i>5</i>	<i>7</i>	<i>24</i>
Dodge & Cox Intl Stock	123,013,056	7.0	17.4	7.2	9.3	4.6	-6.2	11.7	2.8	23.6	-17.5
<i>MSCI AC World ex USA Value</i>		<i>8.5</i>	<i>18.1</i>	<i>6.5</i>	<i>7.0</i>	<i>3.5</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>92</i>	<i>55</i>	<i>23</i>	<i>26</i>	<i>47</i>	<i>15</i>	<i>38</i>	<i>54</i>	<i>34</i>	<i>97</i>
WCM International Growth	125,238,304	11.8	17.6	0.0	12.9	-	-28.2	18.5	34.0	36.7	-6.7
<i>MSCI AC World ex USA Growth</i>		<i>11.2</i>	<i>14.4</i>	<i>-2.4</i>	<i>7.8</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>70</i>	<i>53</i>	<i>28</i>	<i>18</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 December 31, 2023



EAFE Effective Style Map
5 Years Ending December 31, 2023



■ Dodge & Cox Intl Stock ● WCM International Growth

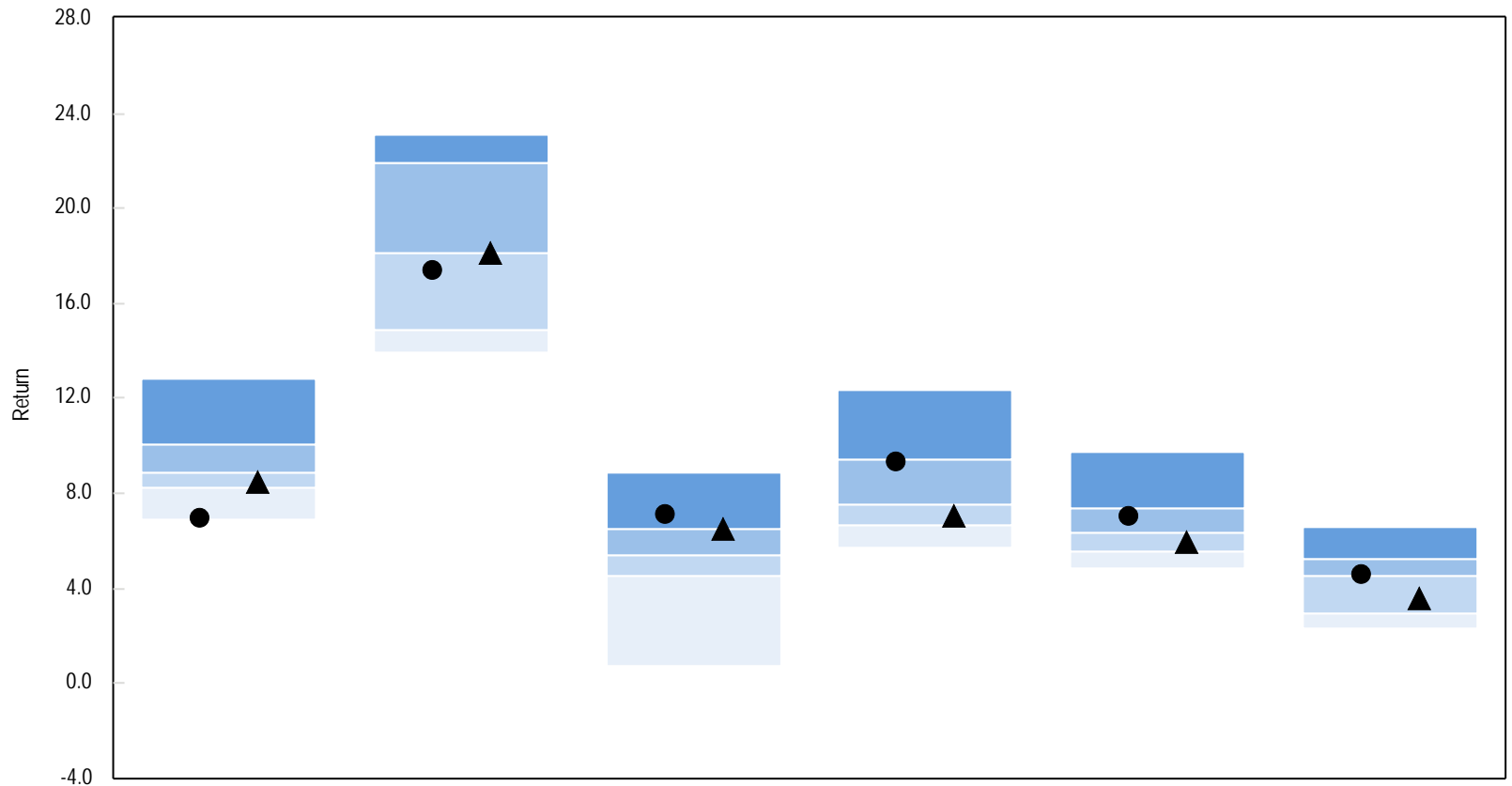
■ Dodge & Cox Intl Stock ● WCM International Growth

Total International Equity
Asset Class Overview (Net of Fees)

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

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total International Equity	248,251,359	9.1	16.6	3.1	10.9	6.1	-17.9	14.4	18.6	29.3	-12.8
<i>MSCI AC World ex USA Index</i>		<i>9.8</i>	<i>16.2</i>	<i>2.0</i>	<i>7.6</i>	<i>4.3</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	123,013,056	6.8	16.7	6.5	8.6	4.0	-6.8	11.0	2.1	22.8	-18.0
<i>MSCI AC World ex USA Value</i>		<i>8.5</i>	<i>18.1</i>	<i>6.5</i>	<i>7.0</i>	<i>3.5</i>	<i>-8.0</i>	<i>11.1</i>	<i>-0.2</i>	<i>16.5</i>	<i>-13.4</i>
WCM International Growth	125,238,304	11.6	16.8	-0.6	12.1	-	-28.6	17.7	33.1	35.8	-7.4
<i>MSCI AC World ex USA Growth</i>		<i>11.2</i>	<i>14.4</i>	<i>-2.4</i>	<i>7.8</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

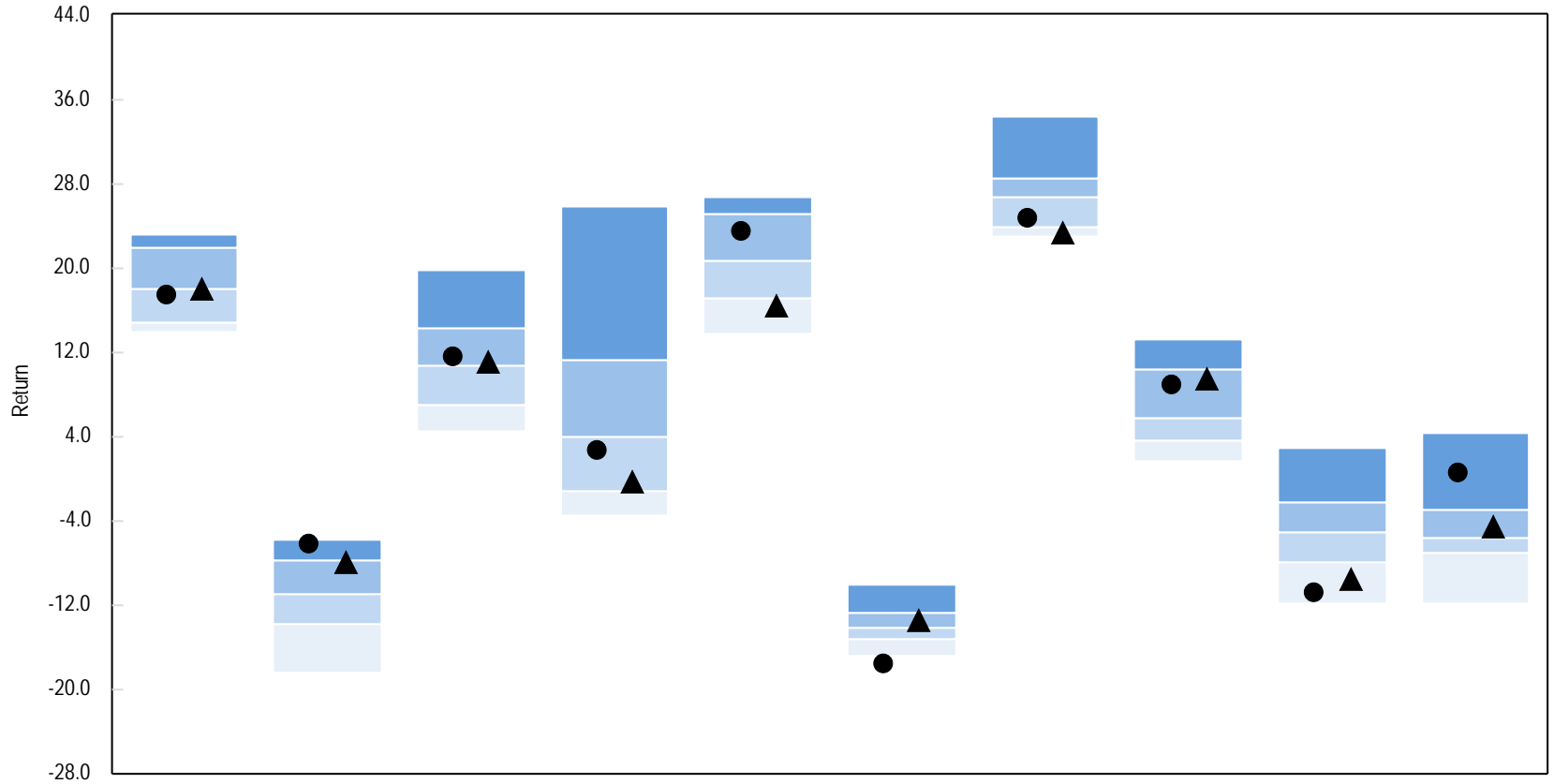


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Dodge & Cox Intl Stock	6.98 (92)	17.43 (55)	7.16 (23)	9.34 (26)	7.03 (35)	4.63 (47)
▲ MSCI AC World ex USA Value	8.51 (67)	18.13 (50)	6.51 (26)	7.03 (68)	5.96 (59)	3.55 (70)
5th Percentile	12.80	23.12	8.90	12.38	9.78	6.62
1st Quartile	10.04	21.91	6.54	9.45	7.34	5.22
Median	8.85	18.12	5.39	7.56	6.38	4.52
3rd Quartile	8.28	14.88	4.51	6.69	5.55	2.99
95th Percentile	6.92	13.90	0.74	5.73	4.87	2.31
Population	24	24	24	22	18	15

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

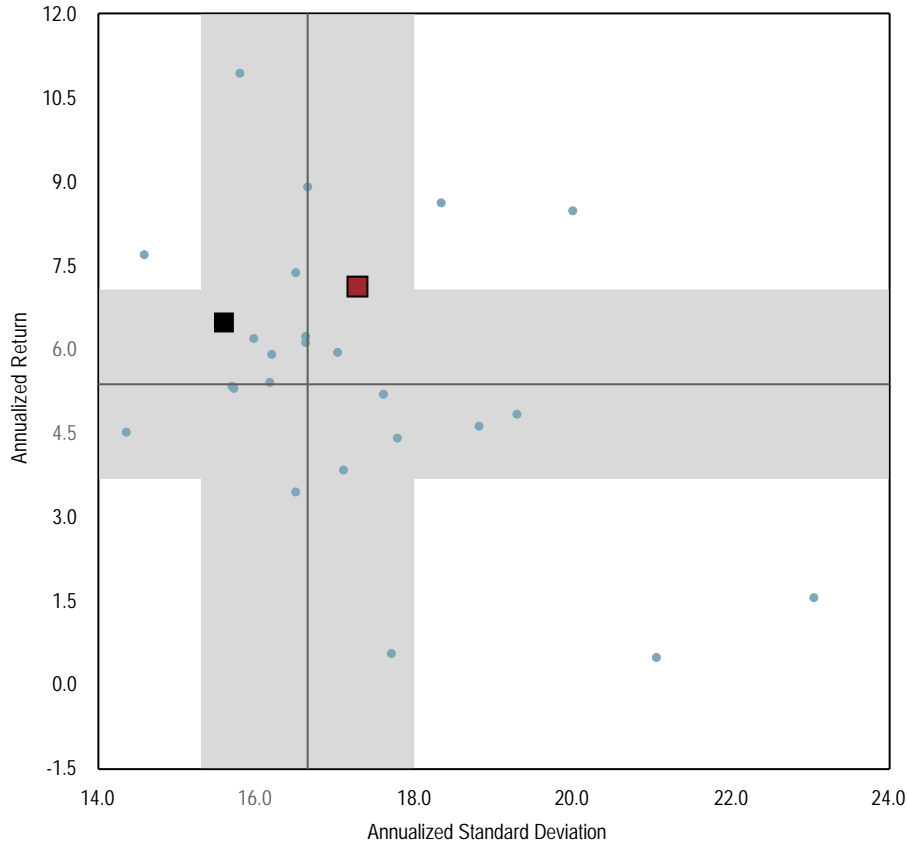
San Luis Obispo County Pension Trust
 Period Ending: December 31, 2023

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

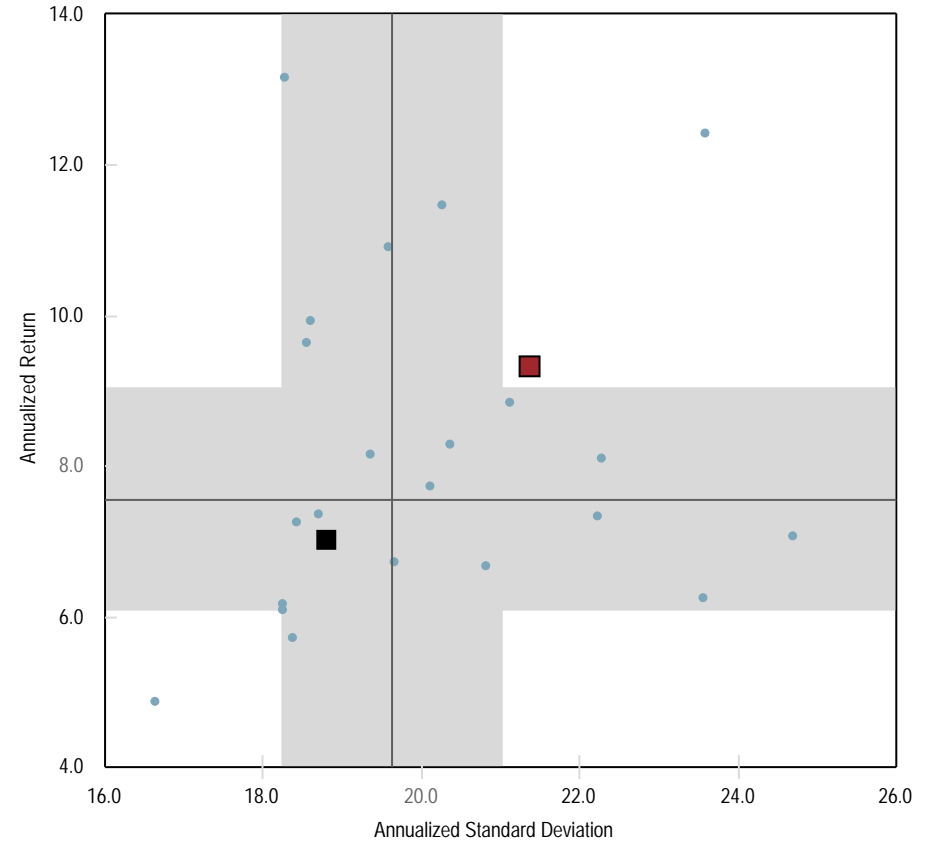


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Dodge & Cox Intl Stock	17.43 (55)	-6.19 (15)	11.70 (38)	2.75 (54)	23.58 (34)	-17.46 (97)	24.74 (61)	8.96 (34)	-10.78 (88)	0.56 (17)
▲ MSCI AC World ex USA Value	18.13 (50)	-7.95 (29)	11.13 (42)	-0.21 (68)	16.45 (79)	-13.45 (36)	23.35 (83)	9.59 (33)	-9.59 (85)	-4.60 (46)
5th Percentile	23.12	-5.76	19.79	25.82	26.79	-10.08	34.42	13.24	2.89	4.28
1st Quartile	21.91	-7.76	14.40	11.36	25.22	-12.73	28.48	10.43	-2.19	-2.98
Median	18.12	-10.91	10.71	4.05	20.72	-14.19	26.75	5.77	-5.01	-5.66
3rd Quartile	14.88	-13.83	7.06	-1.18	17.20	-15.27	23.97	3.70	-7.84	-6.99
95th Percentile	13.90	-18.37	4.56	-3.47	13.81	-16.73	22.99	1.74	-11.90	-11.89
Population	24	25	27	28	27	25	22	20	20	21

3 Years



5 Years



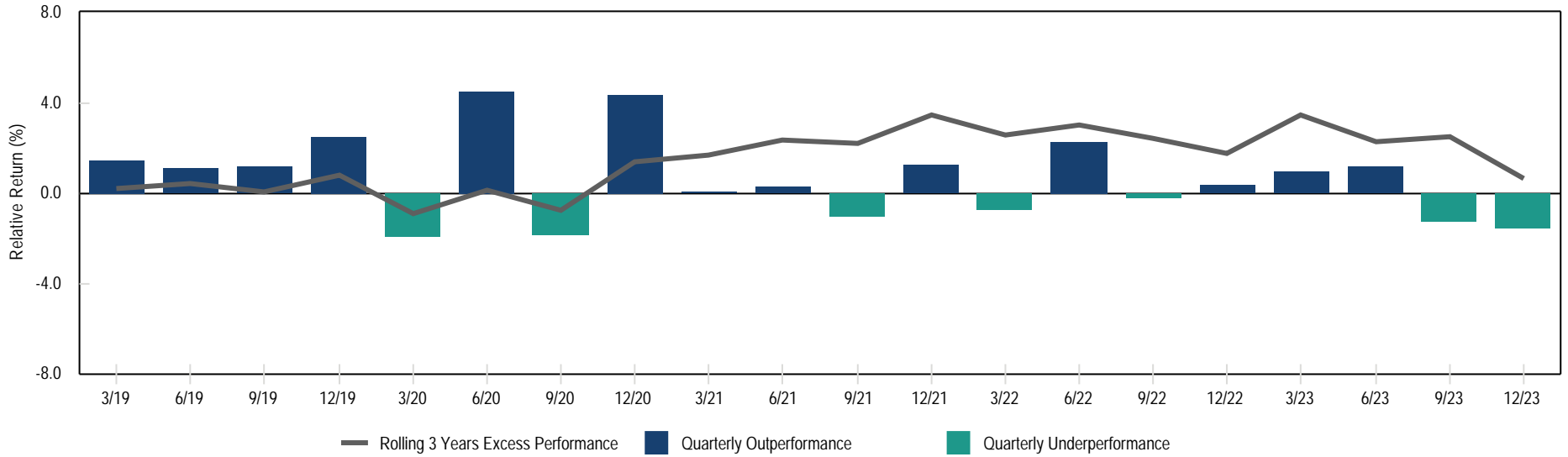
3 Years

	Return	Standard Deviation	Sharpe Ratio
Dodge & Cox Intl Stock	7.16	17.28	0.37
MSCI AC World ex USA Value	6.51	15.58	0.35

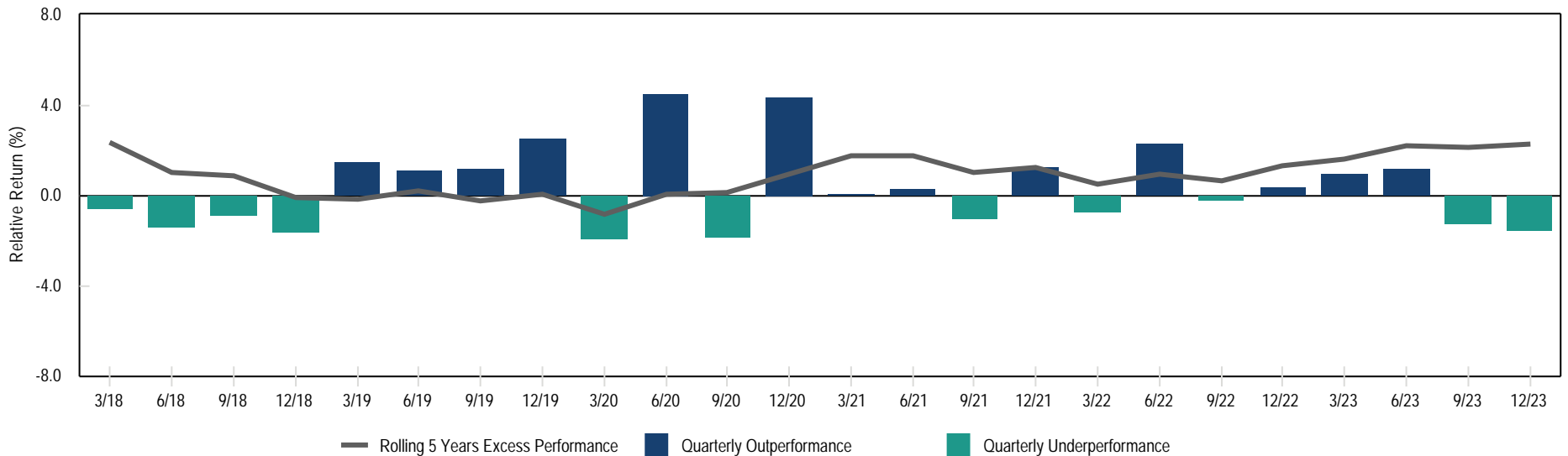
5 Years

	Return	Standard Deviation	Sharpe Ratio
Dodge & Cox Intl Stock	9.34	21.36	0.44
MSCI AC World ex USA Value	7.03	18.79	0.36

Rolling 3 Years Annualized Excess Performance



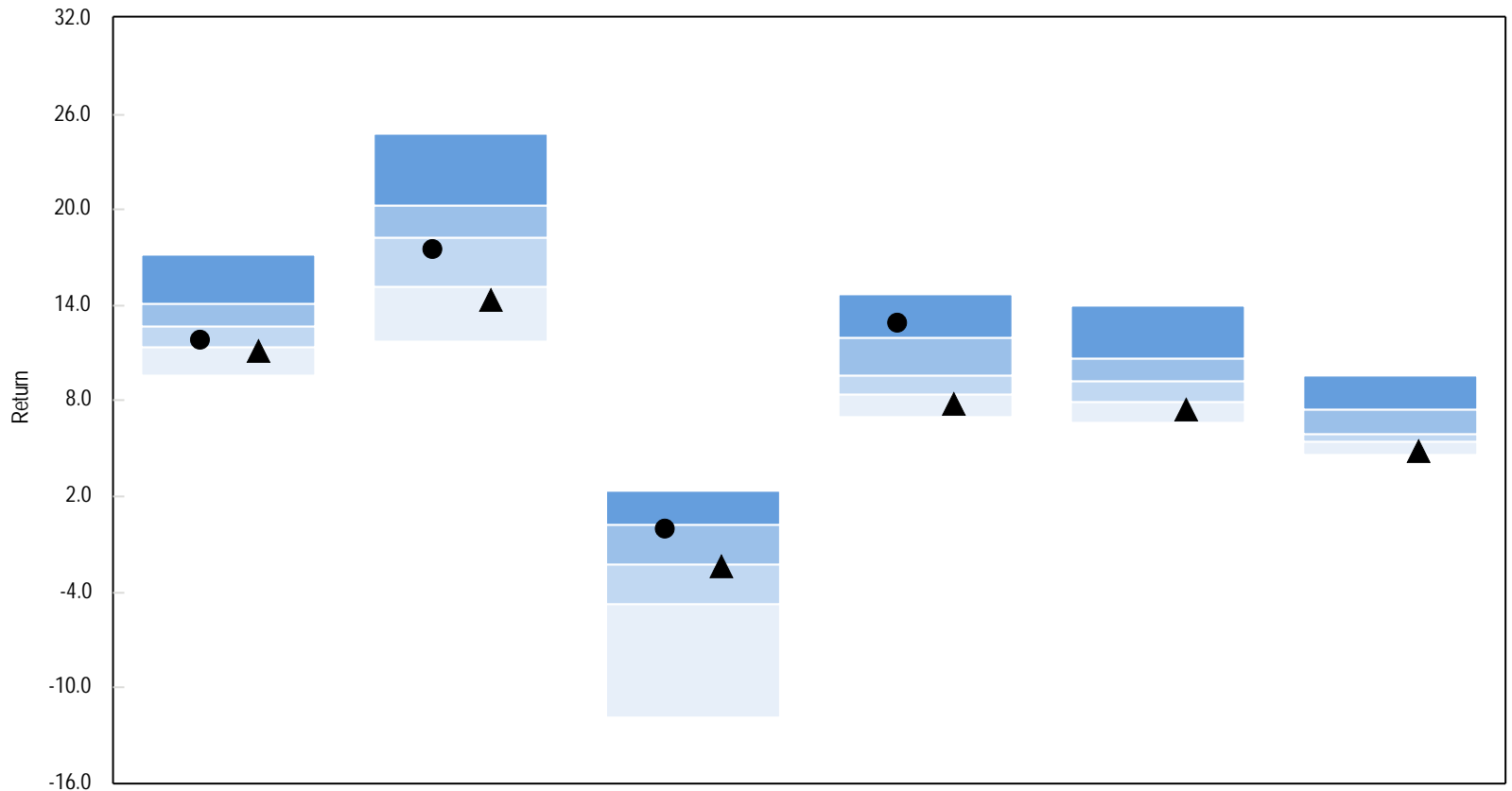
Rolling 5 Years Annualized Excess Performance



WCM International Growth
 Manager Performance Comparisons (Gross of Fees)

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

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

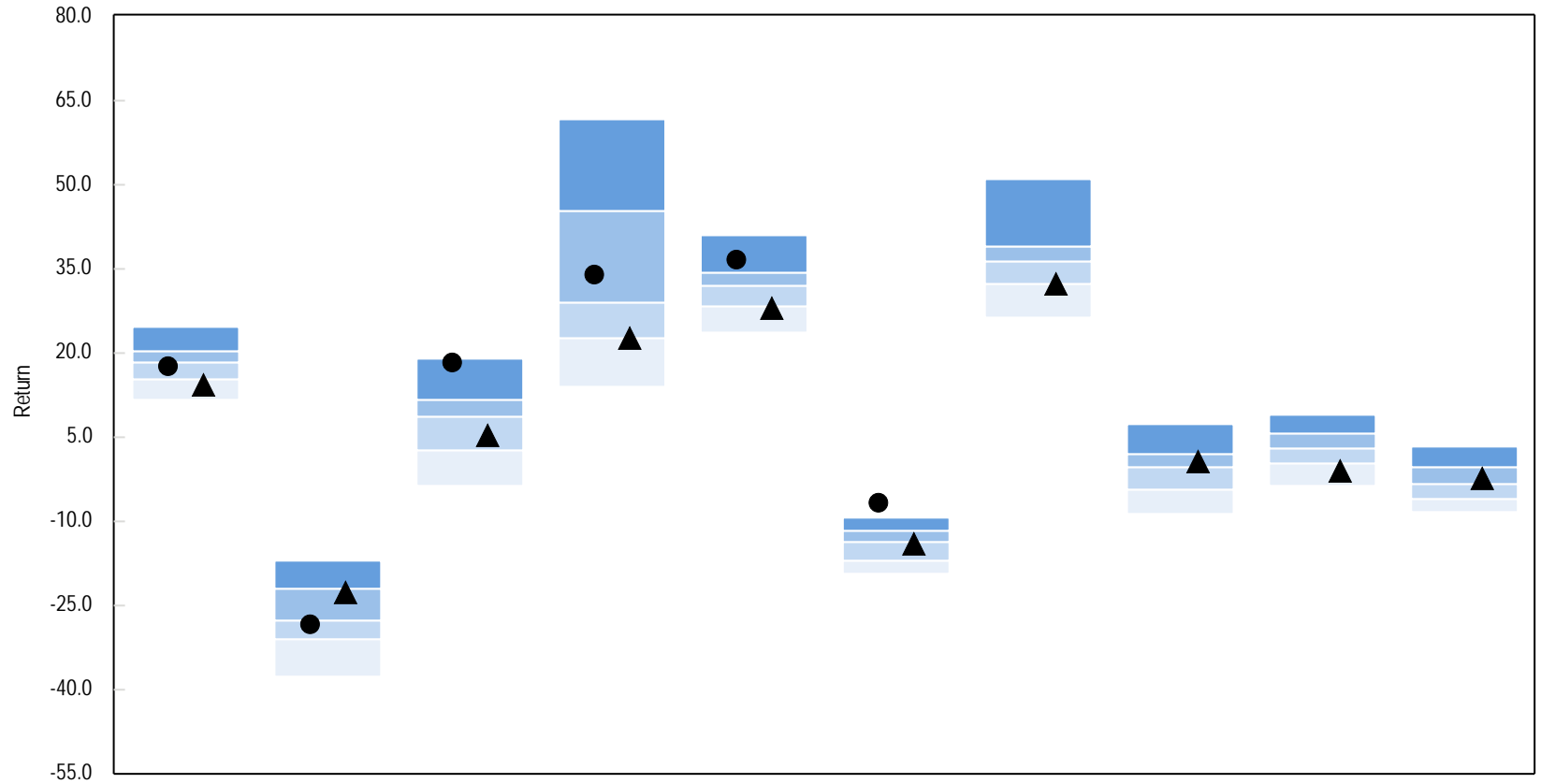


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● WCM International Growth	11.83 (70)	17.57 (53)	0.01 (28)	12.88 (18)	-	-
▲ MSCI AC World ex USA Growth	11.17 (77)	14.40 (85)	-2.37 (52)	7.83 (83)	7.50 (88)	4.91 (89)
5th Percentile	17.17	24.80	2.41	14.73	14.03	9.59
1st Quartile	14.11	20.25	0.20	11.92	10.71	7.45
Median	12.72	18.30	-2.22	9.62	9.28	5.96
3rd Quartile	11.37	15.18	-4.78	8.38	7.95	5.42
95th Percentile	9.59	11.69	-11.89	6.97	6.65	4.66
Population	32	32	32	29	25	24

WCM International Growth
 Consecutive Performance Comparison (Gross of Fees)

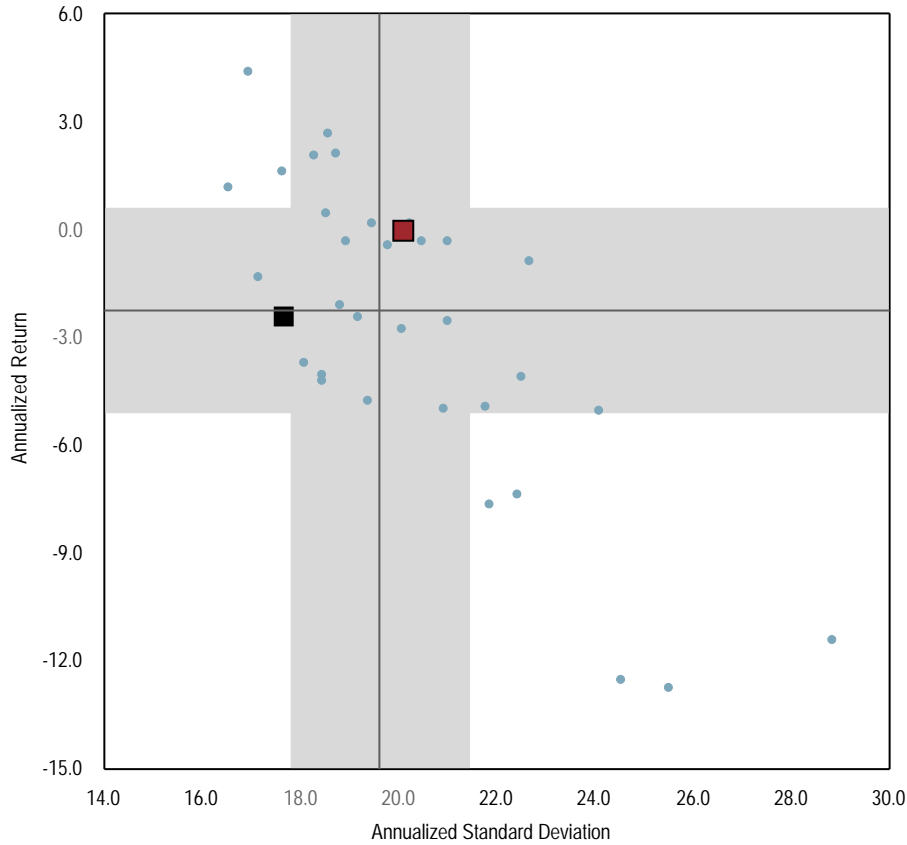
San Luis Obispo County Pension Trust
 Period Ending: December 31, 2023

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

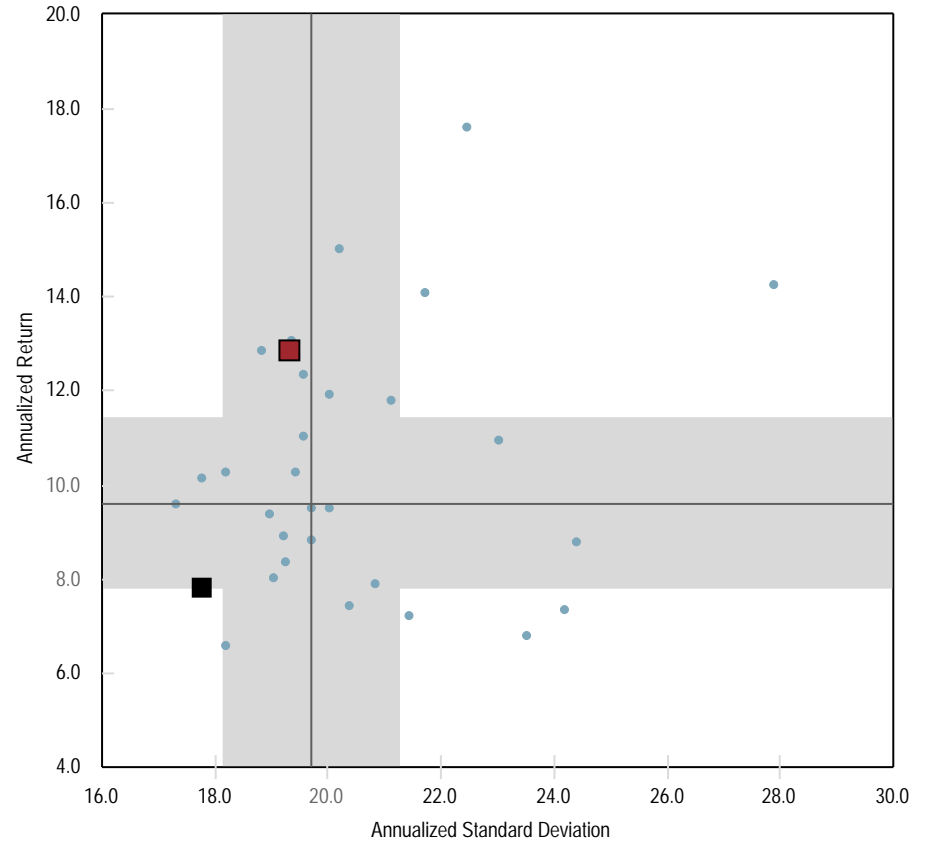


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● WCM International Growth	17.57 (53)	-28.19 (58)	18.49 (6)	34.02 (38)	36.70 (17)	-6.70 (1)	-	-	-	-
▲ MSCI AC World ex USA Growth	14.40 (85)	-22.80 (27)	5.37 (69)	22.56 (76)	27.84 (77)	-14.10 (51)	32.47 (72)	0.50 (43)	-0.91 (84)	-2.29 (41)
5th Percentile	24.80	-17.13	19.00	61.57	41.06	-9.47	51.07	7.48	8.85	3.31
1st Quartile	20.25	-21.87	11.78	45.28	34.35	-11.81	39.15	2.06	5.67	-0.20
Median	18.30	-27.66	8.68	28.99	31.99	-13.76	36.23	-0.30	3.12	-3.41
3rd Quartile	15.18	-30.94	2.71	22.79	28.32	-16.88	32.32	-4.22	0.37	-6.01
95th Percentile	11.69	-37.54	-3.51	14.14	23.54	-19.45	26.48	-8.60	-3.63	-8.23
Population	32	34	36	36	36	33	31	31	32	32

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ WCM International Growth	0.01	20.11	0.00
■ MSCI AC World ex USA Growth	-2.37	17.64	-0.17

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ WCM International Growth	12.88	19.30	0.63
■ MSCI AC World ex USA Growth	7.83	17.76	0.41

Domestic Fixed Income

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

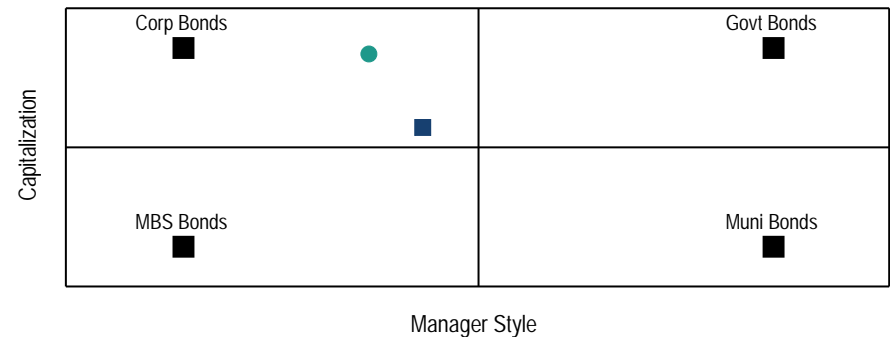
San Luis Obispo County Pension Trust
Period Ending: December 31, 2023

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Domestic Fixed Income	284,950,606	100.0	5.2	7.7	-0.6	3.1	3.1	-9.6	0.9	8.1	9.9	0.4
<i>Blmbg. U.S. Aggregate Index</i>			<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.1</i>	<i>1.8</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>92</i>	<i>15</i>	<i>12</i>	<i>12</i>	<i>18</i>	<i>16</i>	<i>15</i>	<i>69</i>	<i>23</i>	<i>34</i>
Dodge & Cox Income Fund	53,497,949	18.8	7.4	8.1	-1.2	3.1	-	-10.5	-0.5	9.9	10.2	0.1
<i>Blmbg. U.S. Aggregate Index</i>			<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.1</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>9</i>	<i>3</i>	<i>5</i>	<i>1</i>	<i>-</i>	<i>12</i>	<i>21</i>	<i>14</i>	<i>10</i>	<i>41</i>
Pacific Asset Corporate Loan	56,959,682	20.0	3.2	14.5	6.5	6.3	-	-0.2	5.6	3.0	9.1	1.0
<i>Morningstar LSTA US Leveraged Loan</i>			<i>2.9</i>	<i>13.3</i>	<i>5.8</i>	<i>5.8</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>39</i>	<i>18</i>	<i>12</i>	<i>17</i>	<i>-</i>	<i>23</i>	<i>41</i>	<i>48</i>	<i>42</i>	<i>39</i>
SSGA U.S. Govt Bond Index	95,632,571	33.6	5.5	4.2	-	-	-	-12.5	-	-	-	-
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>6.6</i>	<i>3.6</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>65</i>	<i>71</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>80</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
BlackRock TIPS	78,857,611	27.7	4.6	4.0	-	-	-	-11.9	-	-	-	-
<i>Blmbg. U.S. TIPS</i>			<i>4.7</i>	<i>3.9</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>52</i>	<i>53</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 December 31, 2023



Fixed Income Effective Style Map
5 Years Ending December 31, 2023



■ Dodge & Cox Income Fund ● Pacific Asset Corporate Loan

■ Dodge & Cox Income Fund ● Pacific Asset Corporate Loan

Includes BlackRock Core Bond residual value of \$2,793.95.

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

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Domestic Fixed Income	284,950,606	100.0	5.2	7.5	-0.9	2.8	2.8	-9.9	0.5	7.7	9.5	0.0
<i>Blmbg. U.S. Aggregate Index</i>			<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.7</i>	<i>1.8</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	53,497,949	18.8	7.3	7.7	-1.7	2.7	-	-10.9	-0.9	9.4	9.7	-0.3
<i>Blmbg. U.S. Aggregate Index</i>			<i>6.8</i>	<i>5.5</i>	<i>-3.3</i>	<i>1.7</i>	<i>1.8</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	56,959,682	20.0	3.1	14.1	6.1	5.9	-	-0.5	5.2	2.6	8.7	0.7
<i>Morningstar LSTA US Leveraged Loan</i>			<i>2.9</i>	<i>13.3</i>	<i>5.8</i>	<i>5.8</i>	<i>4.4</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	95,632,571	33.6	5.5	4.1	-	-	-	-12.5	-	-	-	-
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>6.6</i>	<i>3.6</i>	<i>-5.1</i>	<i>0.4</i>	<i>1.7</i>	<i>-14.9</i>	<i>-3.1</i>	<i>10.0</i>	<i>8.5</i>	<i>0.9</i>
BlackRock TIPS	78,857,611	27.7	4.6	4.0	-	-	-	-11.9	-	-	-	-
<i>Blmbg. U.S. TIPS</i>			<i>4.7</i>	<i>3.9</i>	<i>-1.0</i>	<i>3.2</i>	<i>2.4</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

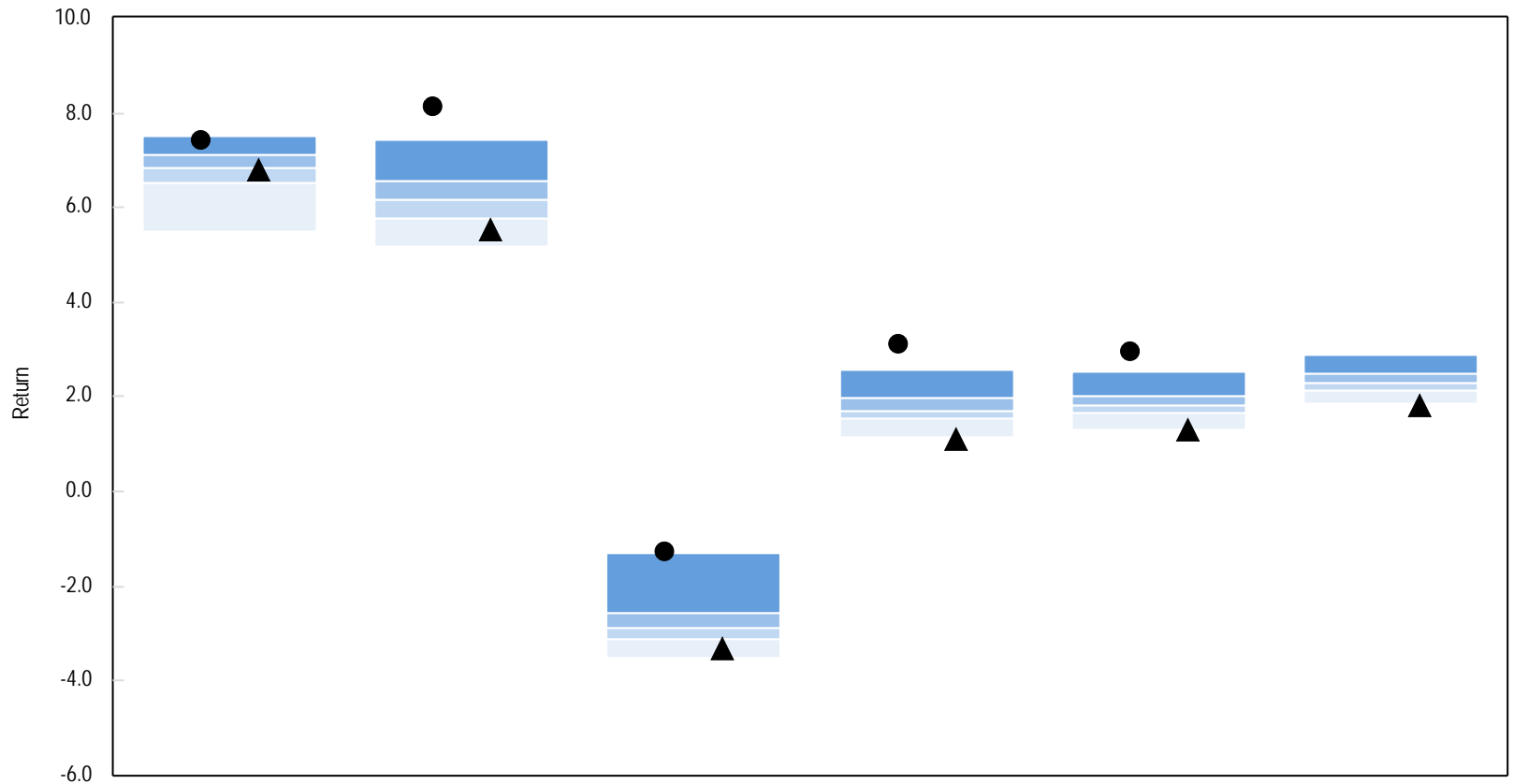
	Total Domestic Fixed Income	Dodge & Cox Income Fund	Pacific Asset Corporate Loan	BlackRock TIPS	SSGA U.S. Govt Bond Index	Blmbg. U.S. Aggregate Index
Total Domestic Fixed Income	1.00					
Dodge & Cox Income Fund	0.99	1.00				
Pacific Asset Corporate Loan	-0.30	-0.44	1.00			
BlackRock TIPS	0.99	0.95	-0.16	1.00		
SSGA U.S. Govt Bond Index	1.00	0.98	-0.28	0.99	1.00	
Blmbg. U.S. Aggregate Index	0.99	1.00	-0.40	0.96	0.99	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. Includes BlackRock Core Bond residual value of \$2,793.95.

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

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

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

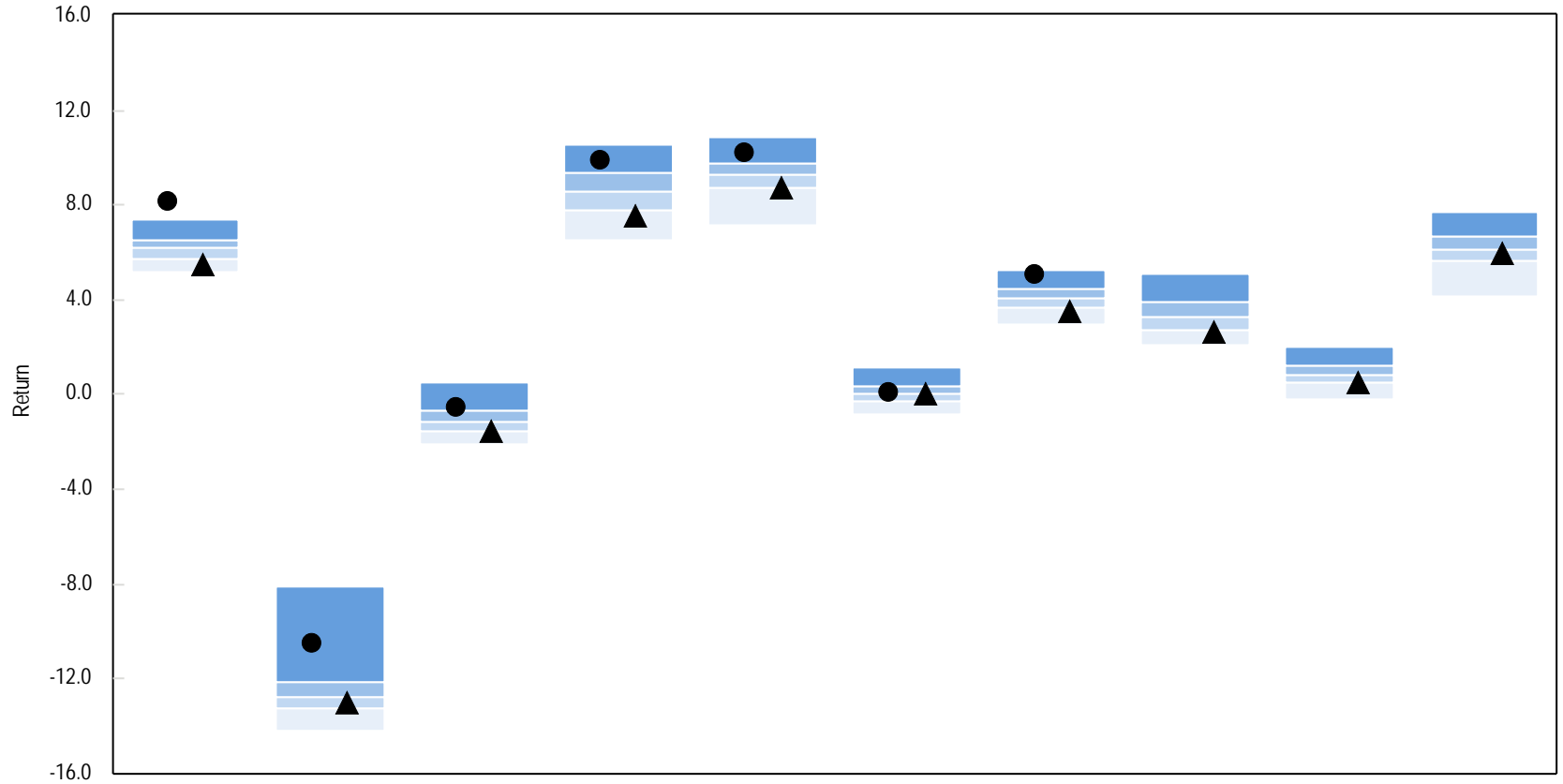


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Dodge & Cox Income Fund	7.44 (9)	8.14 (3)	-1.25 (5)	3.13 (1)	2.97 (2)	-
▲ Blmbg. U.S. Aggregate Index	6.82 (56)	5.53 (85)	-3.31 (89)	1.10 (96)	1.29 (97)	1.81 (97)
5th Percentile	7.51	7.42	-1.30	2.57	2.54	2.88
1st Quartile	7.10	6.55	-2.56	1.97	2.02	2.49
Median	6.86	6.17	-2.87	1.72	1.81	2.29
3rd Quartile	6.50	5.76	-3.12	1.54	1.65	2.12
95th Percentile	5.50	5.20	-3.50	1.14	1.32	1.84
Population	226	226	220	211	204	194

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

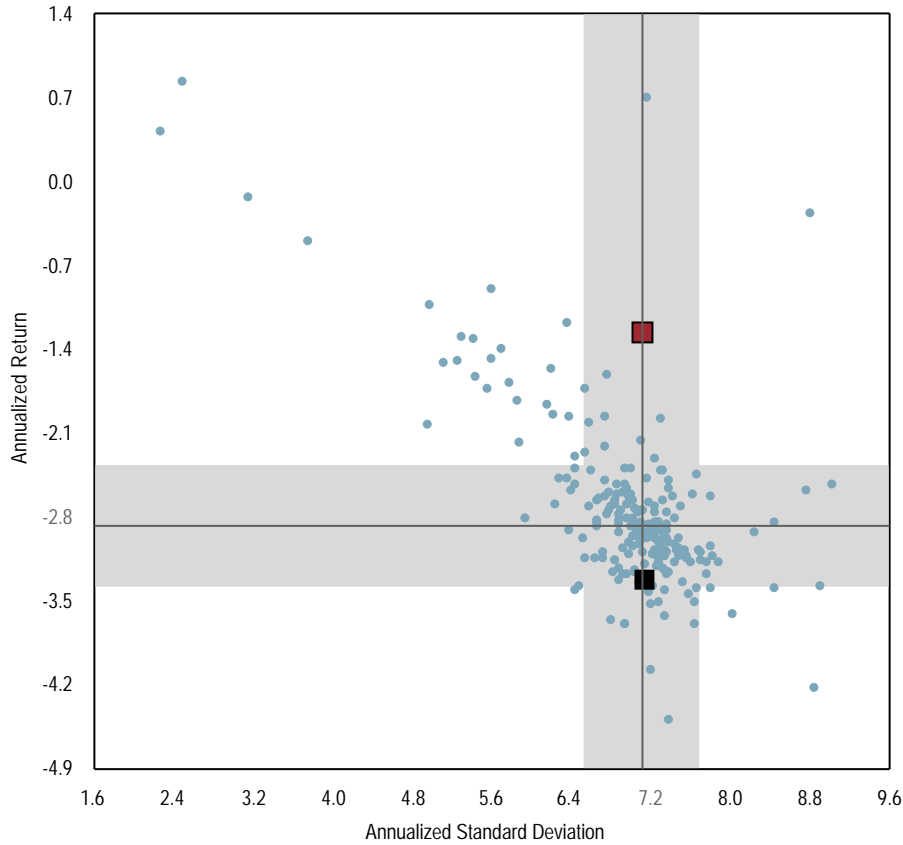
San Luis Obispo County Pension Trust
 Period Ending: December 31, 2023

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

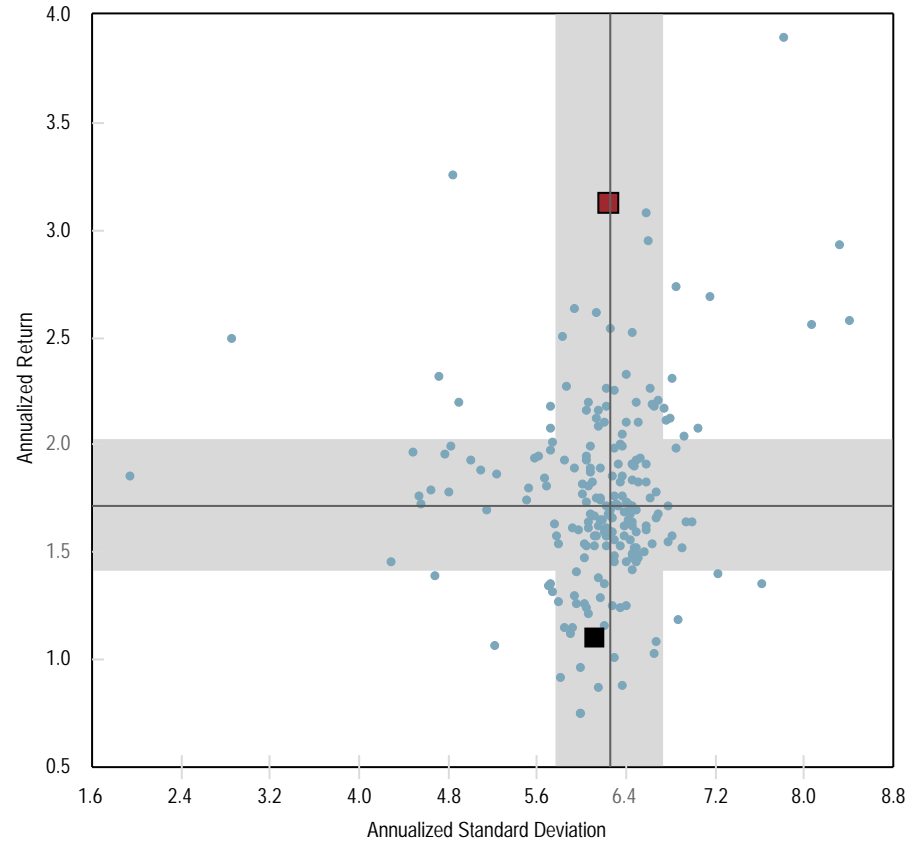


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Dodge & Cox Income Fund	8.14 (3)	-10.50 (12)	-0.49 (21)	9.91 (14)	10.20 (10)	0.12 (41)	5.12 (6)	-	-	-
▲ Blmbg. U.S. Aggregate Index	5.53 (85)	-13.01 (65)	-1.55 (77)	7.51 (84)	8.72 (77)	0.01 (54)	3.54 (83)	2.65 (80)	0.55 (73)	5.97 (62)
5th Percentile	7.42	-8.12	0.49	10.57	10.85	1.14	5.23	5.07	1.99	7.69
1st Quartile	6.55	-12.16	-0.64	9.35	9.75	0.35	4.49	3.90	1.19	6.66
Median	6.17	-12.80	-1.12	8.56	9.29	0.03	4.06	3.25	0.84	6.16
3rd Quartile	5.76	-13.26	-1.52	7.77	8.75	-0.27	3.67	2.75	0.52	5.64
95th Percentile	5.20	-14.18	-2.11	6.53	7.14	-0.87	2.95	2.07	-0.20	4.11
Population	226	255	263	266	272	278	288	290	295	303

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Income Fund	-1.25	7.11	-0.45
■ Blmbg. U.S. Aggregate Index	-3.31	7.14	-0.75

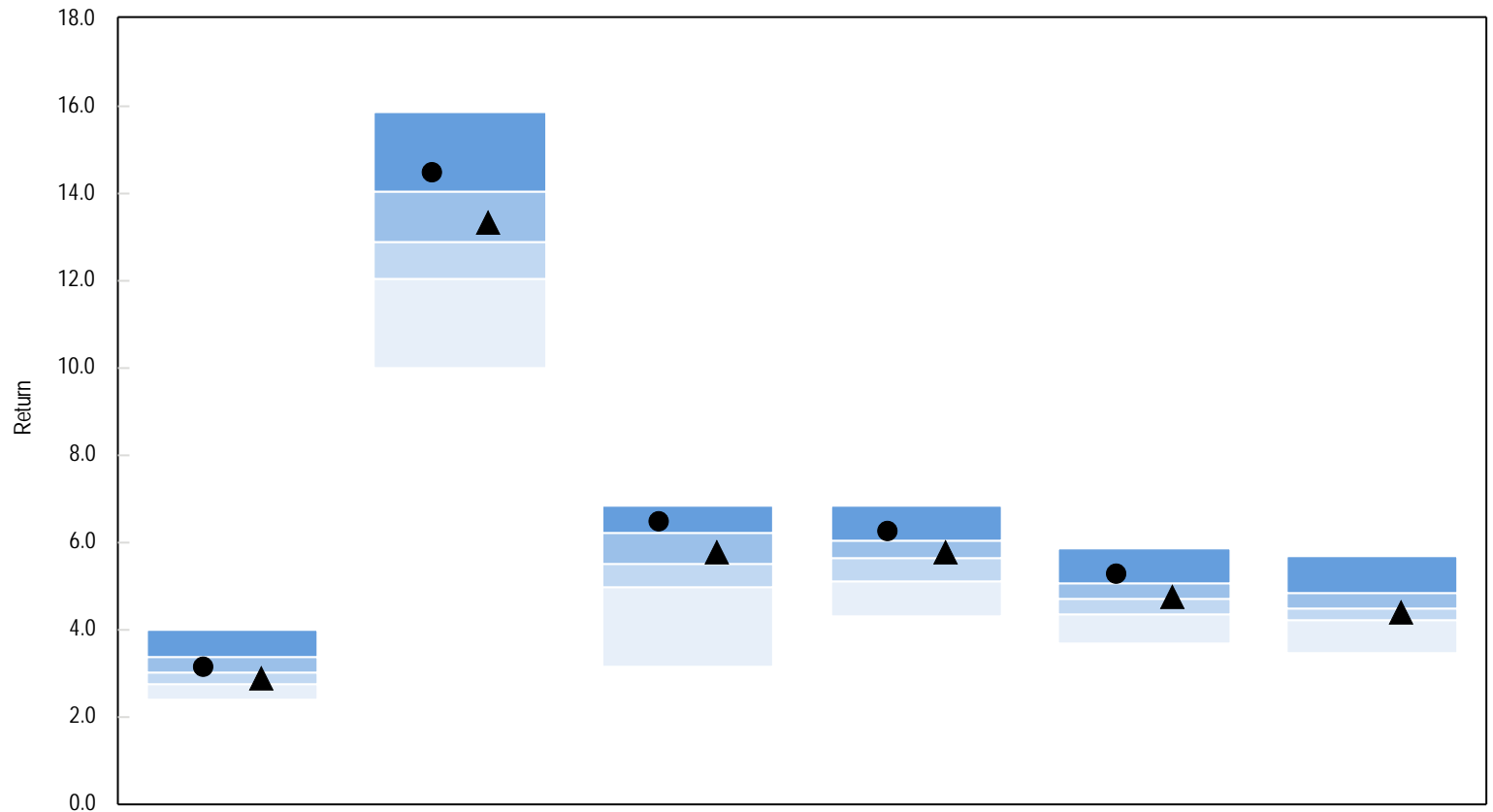
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Income Fund	3.13	6.25	0.23
■ Blmbg. U.S. Aggregate Index	1.10	6.11	-0.10

Pacific Asset Corporate Loan
 Manager Performance Comparisons (Gross of Fees)

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

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

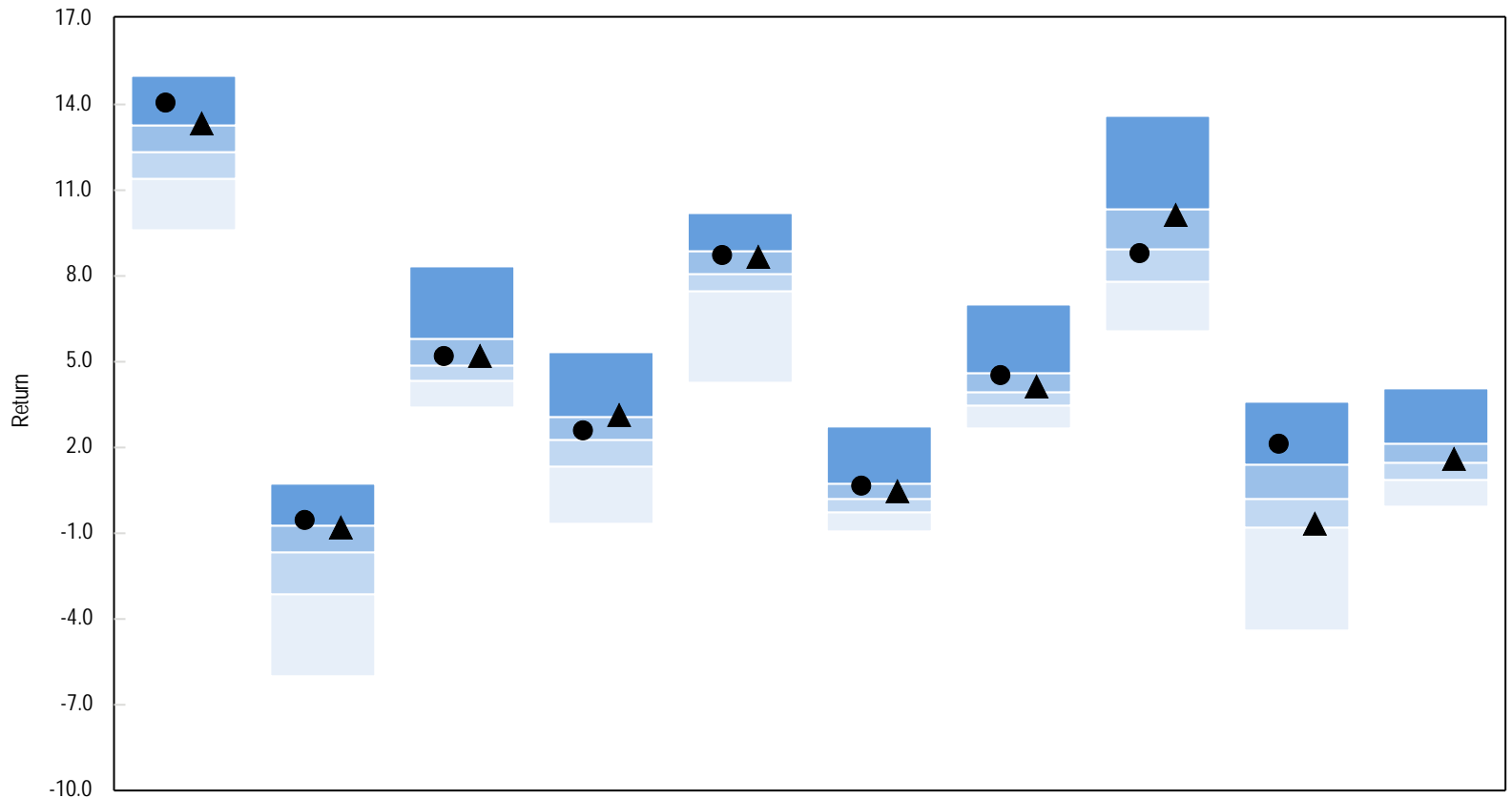


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Pacific Asset Corporate Loan	3.16 (39)	14.50 (18)	6.47 (12)	6.28 (17)	5.31 (17)	-
▲ Morningstar LSTA US Leveraged Loan	2.87 (67)	13.32 (42)	5.76 (41)	5.80 (43)	4.77 (49)	4.42 (58)
5th Percentile	4.02	15.87	6.83	6.85	5.85	5.70
1st Quartile	3.37	14.07	6.20	6.05	5.07	4.85
Median	3.02	12.89	5.53	5.64	4.70	4.47
3rd Quartile	2.74	12.05	4.97	5.11	4.37	4.22
95th Percentile	2.39	10.02	3.17	4.33	3.69	3.47
Population	95	95	91	89	81	80

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

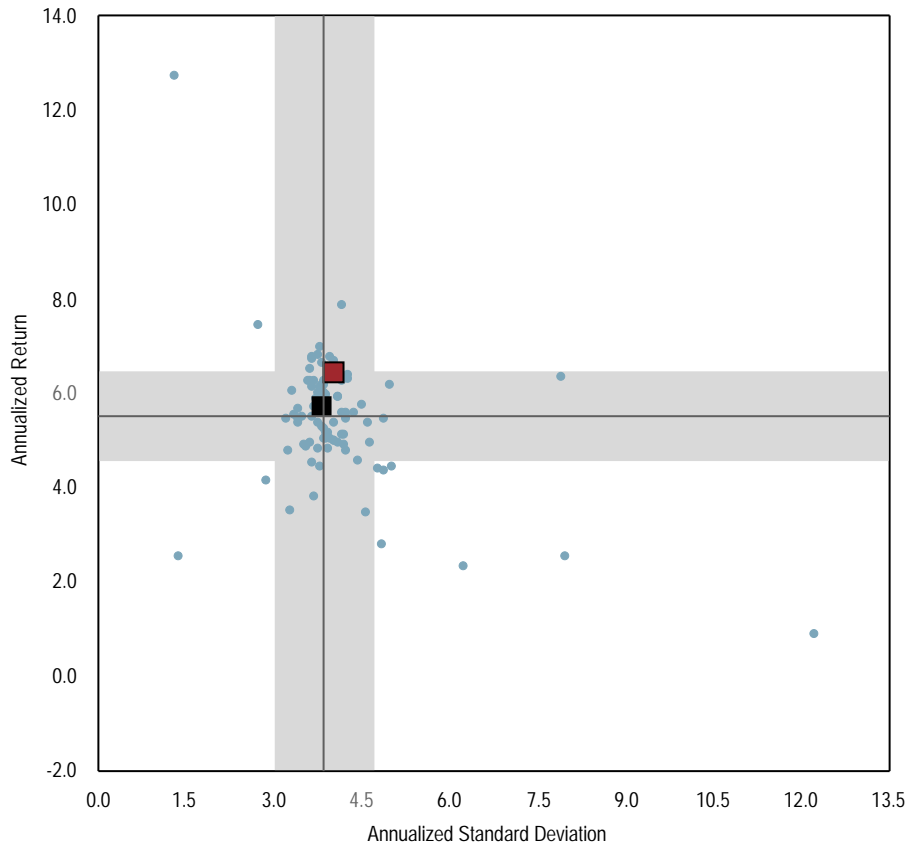
San Luis Obispo County Pension Trust
Period Ending: December 31, 2023

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

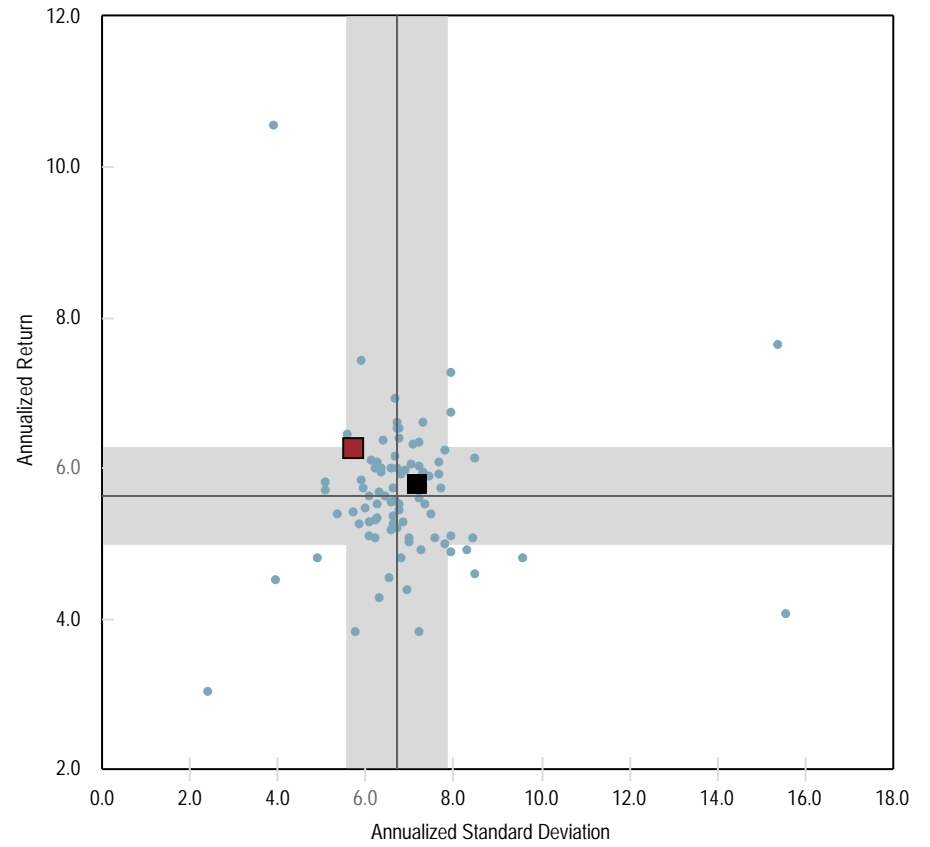


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Pacific Asset Corporate Loan	14.07 (12)	-0.53 (21)	5.19 (38)	2.61 (38)	8.75 (29)	0.69 (28)	4.56 (27)	8.83 (52)	2.11 (14)	-
▲ Morningstar LSTA US Leveraged Loan	13.32 (24)	-0.77 (27)	5.20 (38)	3.12 (24)	8.64 (35)	0.44 (43)	4.12 (44)	10.16 (30)	-0.69 (72)	1.60 (47)
5th Percentile	15.02	0.72	8.34	5.30	10.18	2.71	7.02	13.58	3.58	4.08
1st Quartile	13.26	-0.72	5.83	3.05	8.88	0.75	4.57	10.36	1.38	2.14
Median	12.33	-1.64	4.85	2.25	8.07	0.21	3.92	8.93	0.21	1.47
3rd Quartile	11.43	-3.13	4.31	1.36	7.45	-0.26	3.50	7.82	-0.80	0.86
95th Percentile	9.62	-6.03	3.42	-0.65	4.27	-0.94	2.67	6.08	-4.38	-0.06
Population	90	99	102	110	111	116	112	115	112	111

3 Years



5 Years



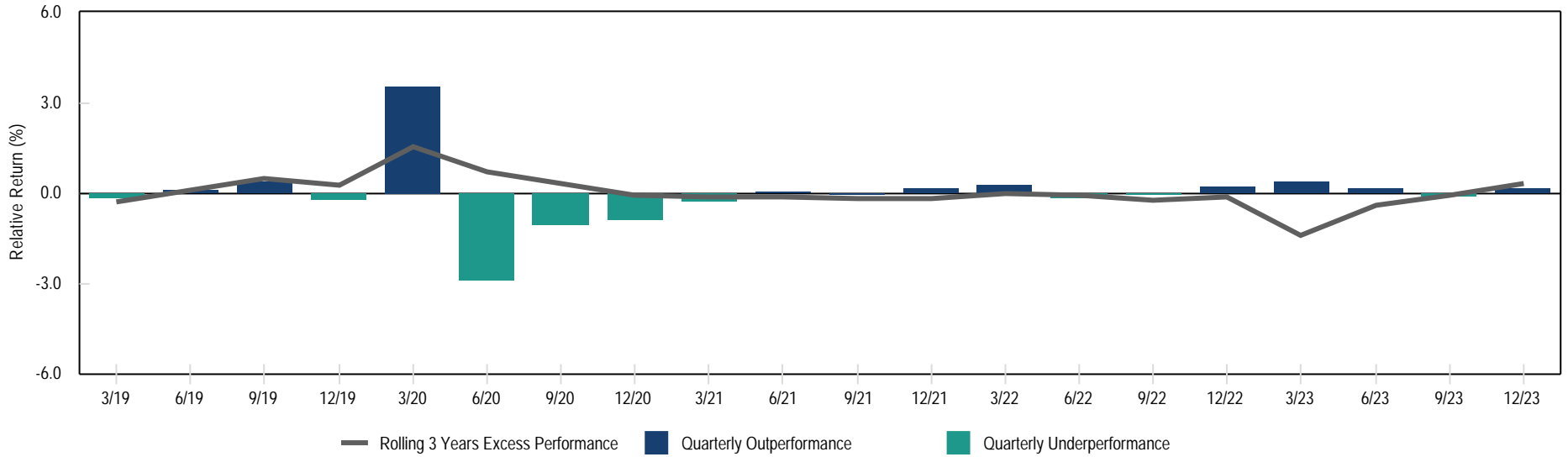
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Pacific Asset Corporate Loan	6.47	4.00	1.10
■ Morningstar LSTA US Leveraged Loan	5.76	3.82	0.97

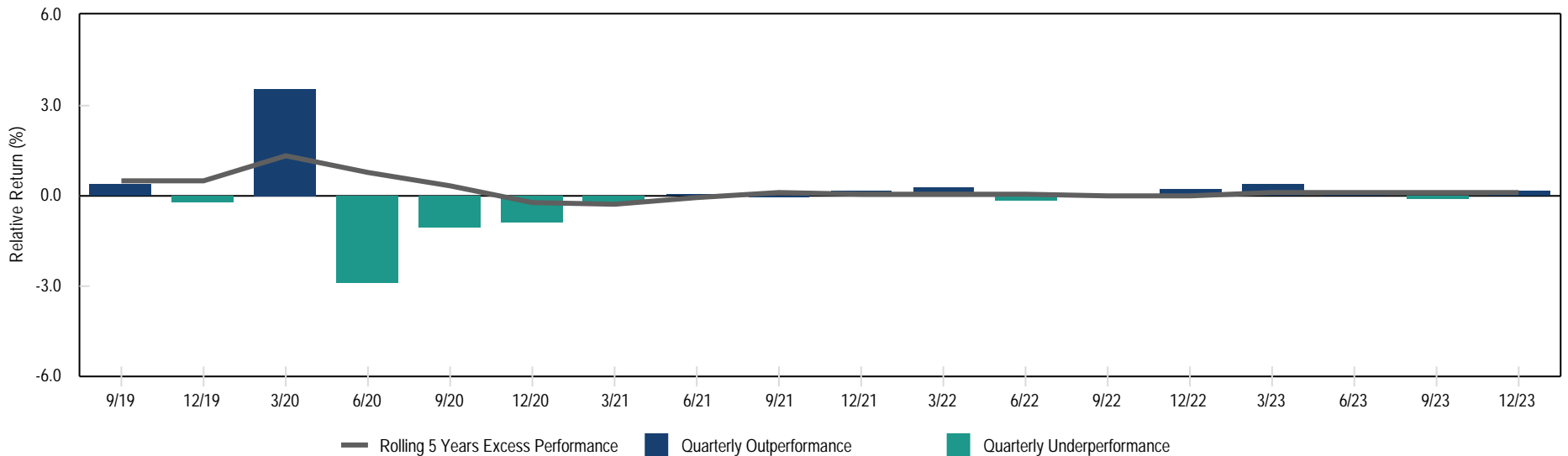
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Pacific Asset Corporate Loan	6.28	5.70	0.77
■ Morningstar LSTA US Leveraged Loan	5.80	7.18	0.56

Rolling 3 Years Annualized Excess Performance



Rolling 5 Years Annualized Excess Performance



Global Fixed Income

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

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

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Global Fixed	53,227,206	12.2	7.4	-6.0	-1.0	-0.6	-16.8	-7.0	6.7	7.4	-4.3
<i>FTSE World Government Bond Index</i>		<i>8.1</i>	<i>5.2</i>	<i>-7.2</i>	<i>-1.4</i>	<i>-0.3</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	22,581,612	12.1	5.1	-4.4	-	-	-13.5	-4.0	-	-	-
<i>FTSE Non-U.S. World Government Bond</i>		<i>9.9</i>	<i>5.8</i>	<i>-9.3</i>	<i>-2.8</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>4</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	30,645,594	11.7	9.0	-7.5	-	-	-19.9	-9.5	3.2	-	-
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>		<i>7.9</i>	<i>10.9</i>	<i>-2.7</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>3</i>	<i>73</i>	<i>100</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: December 31, 2023

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Global Fixed	53,227,206	12.0	6.6	-6.7	-1.6	-1.1	-17.5	-7.7	6.0	6.9	-4.7
<i>FTSE World Government Bond Index</i>		<i>8.7</i>	<i>5.2</i>	<i>-7.2</i>	<i>-1.4</i>	<i>-0.3</i>	<i>-18.3</i>	<i>-7.0</i>	<i>10.7</i>	<i>5.9</i>	<i>-0.8</i>
Brandywine Global Fixed Income	22,581,612	12.0	4.6	-4.9	-	-	-14.0	-4.4	-	-	-
<i>FTSE Non-U.S. World Government Bond</i>		<i>9.9</i>	<i>5.8</i>	<i>-9.3</i>	<i>-2.8</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	30,645,594	11.5	7.9	-8.5	-	-	-20.7	-10.4	2.1	-	-
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>		<i>7.9</i>	<i>10.9</i>	<i>-2.7</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

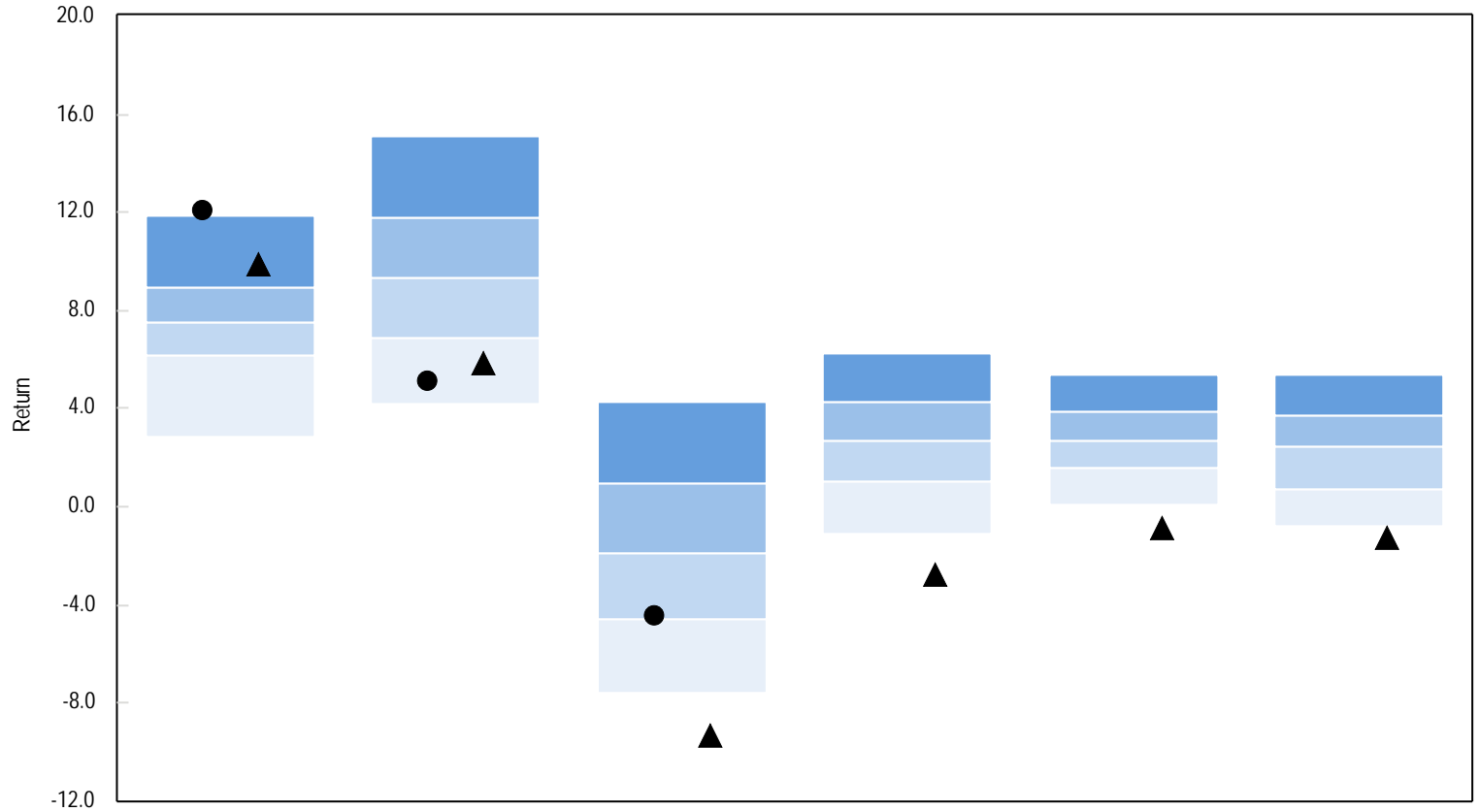
	Total Global Fixed	Brandywine Global Fixed Income	Ashmore EM Blended Debt Fund	FTSE World Government Bond Index
Total Global Fixed	1.00			
Brandywine Global Fixed Income	0.97	1.00		
Ashmore EM Blended Debt Fund	0.97	0.88	1.00	
FTSE World Government Bond Index	0.95	0.98	0.85	1.00

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: December 31, 2023

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

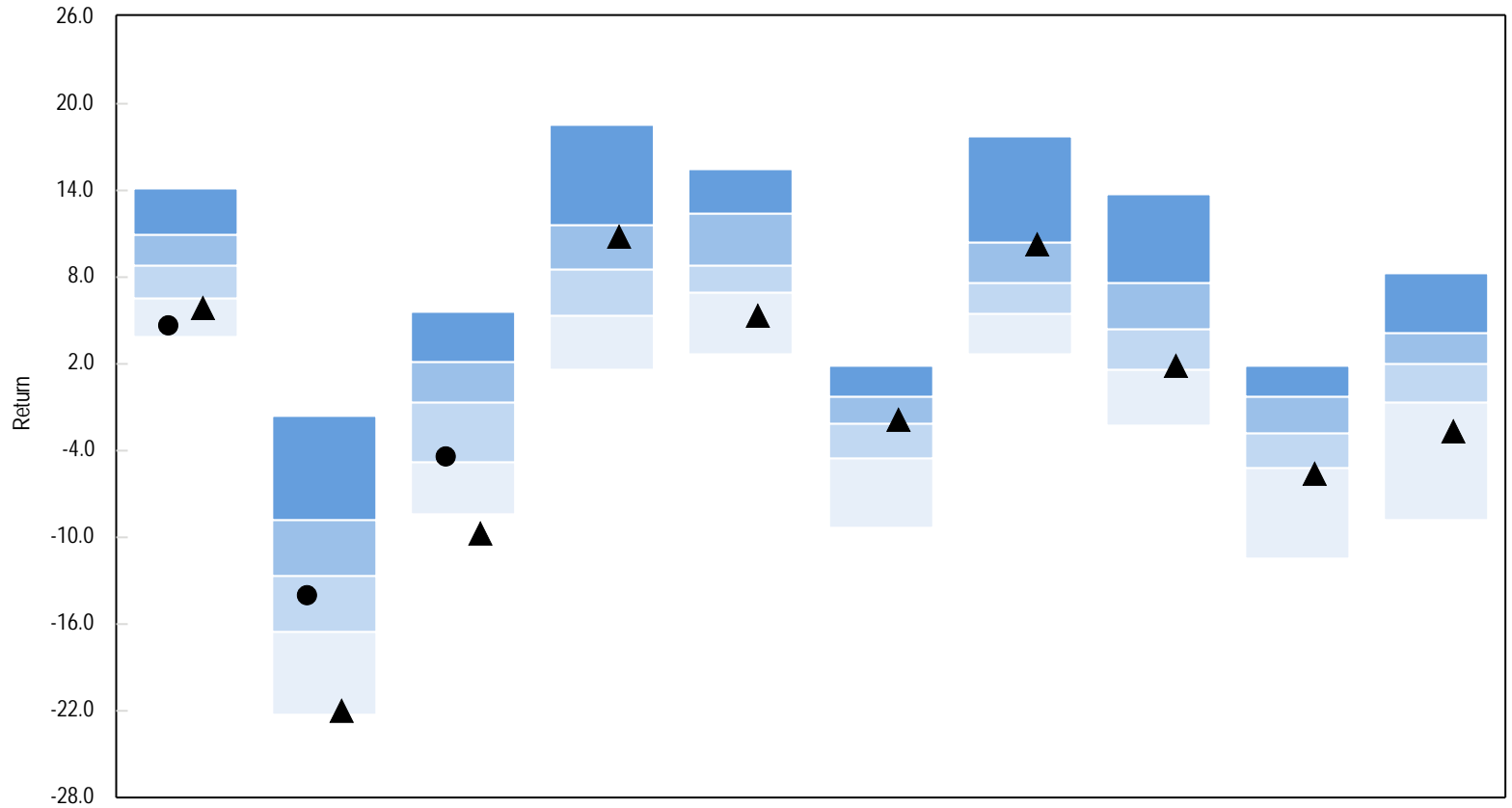


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Brandywine Global Fixed Income	12.11 (4)	5.11 (91)	-4.44 (74)	-	-	-
▲ FTSE Non-U.S. World Government Bond	9.91 (16)	5.83 (85)	-9.35 (99)	-2.77 (99)	-0.86 (99)	-1.26 (98)
5th Percentile	11.87	15.12	4.29	6.27	5.36	5.36
1st Quartile	8.94	11.75	0.94	4.25	3.91	3.75
Median	7.54	9.32	-1.91	2.70	2.67	2.46
3rd Quartile	6.21	6.86	-4.56	1.06	1.59	0.74
95th Percentile	2.84	4.17	-7.61	-1.06	0.11	-0.78
Population	769	768	729	668	605	480

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

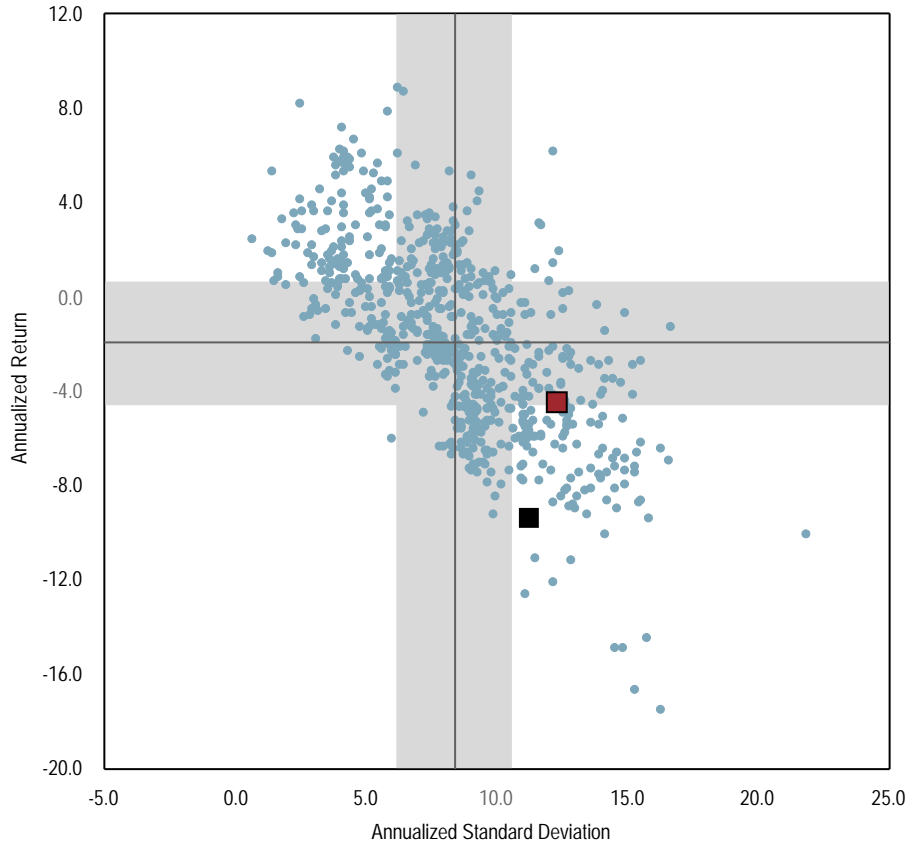
San Luis Obispo County Pension Trust
 Period Ending: December 31, 2023

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

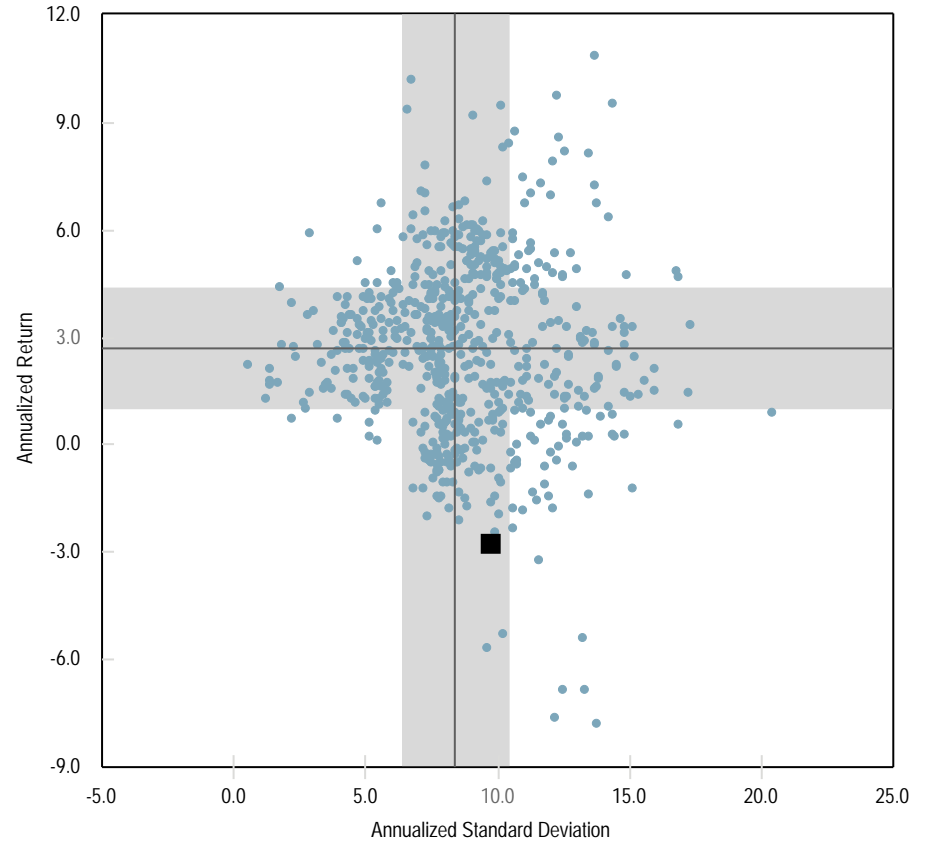


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Brandywine Global Fixed Income	4.62 (92)	-14.00 (59)	-4.38 (73)	-	-	-	-	-	-	-
▲ FTSE Non-U.S. World Government Bond	5.83 (83)	-22.07 (95)	-9.68 (98)	10.78 (32)	5.32 (86)	-1.82 (45)	10.33 (26)	1.81 (75)	-5.54 (78)	-2.68 (83)
5th Percentile	14.19	-1.60	5.63	18.48	15.40	1.89	17.74	13.70	1.82	8.22
1st Quartile	10.99	-8.83	2.20	11.53	12.35	-0.32	10.35	7.61	-0.21	4.08
Median	8.79	-12.72	-0.69	8.56	8.80	-2.20	7.55	4.38	-2.77	1.93
3rd Quartile	6.55	-16.55	-4.74	5.39	6.92	-4.49	5.51	1.63	-5.18	-0.61
95th Percentile	3.84	-22.31	-8.45	1.60	2.71	-9.31	2.66	-2.25	-11.53	-8.78
Population	549	596	611	613	602	608	591	584	574	540

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Brandywine Global Fixed Income	-4.44	12.27	-0.49
■ FTSE Non-U.S. World Government Bond	-9.35	11.20	-1.02

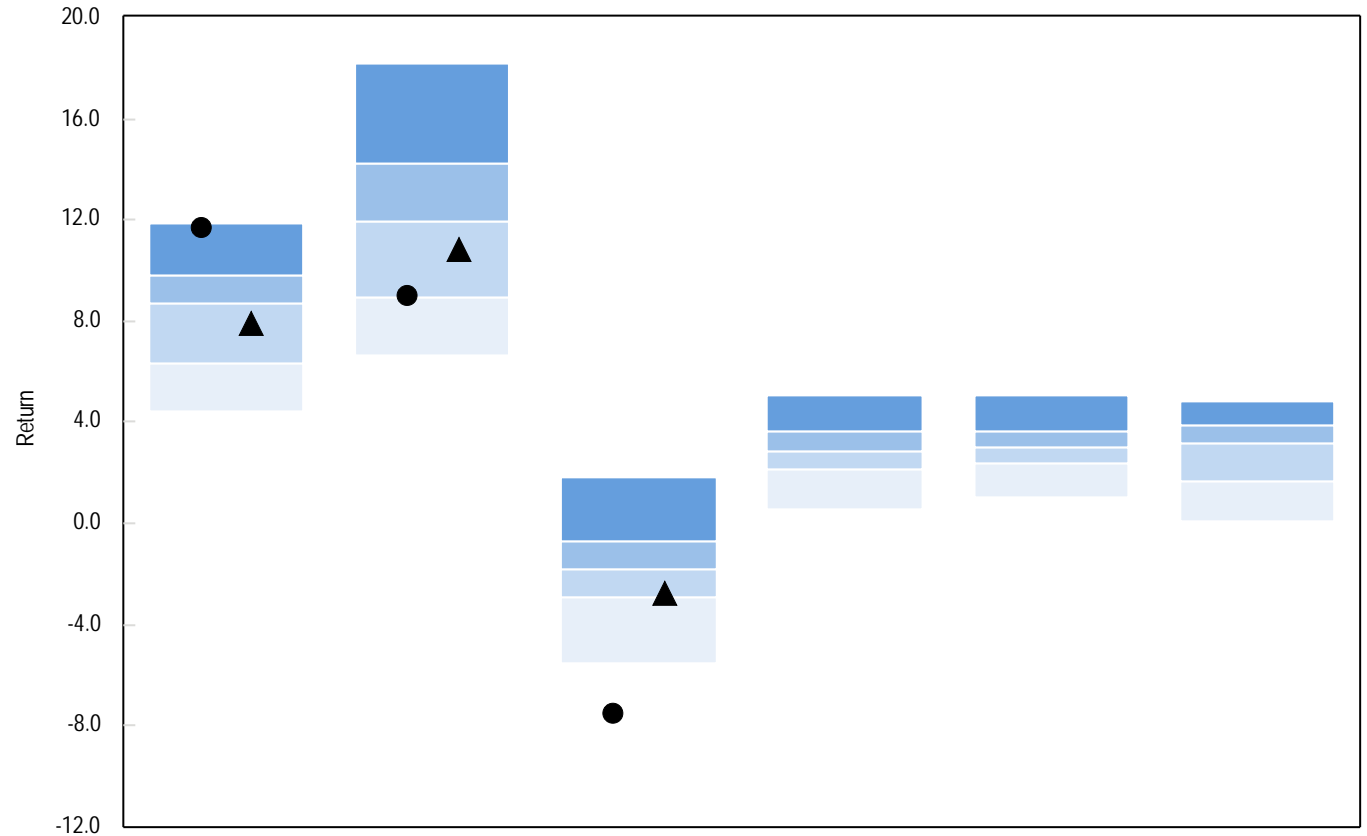
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Brandywine Global Fixed Income	-	-	-
■ FTSE Non-U.S. World Government Bond	-2.77	9.75	-0.43

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

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

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

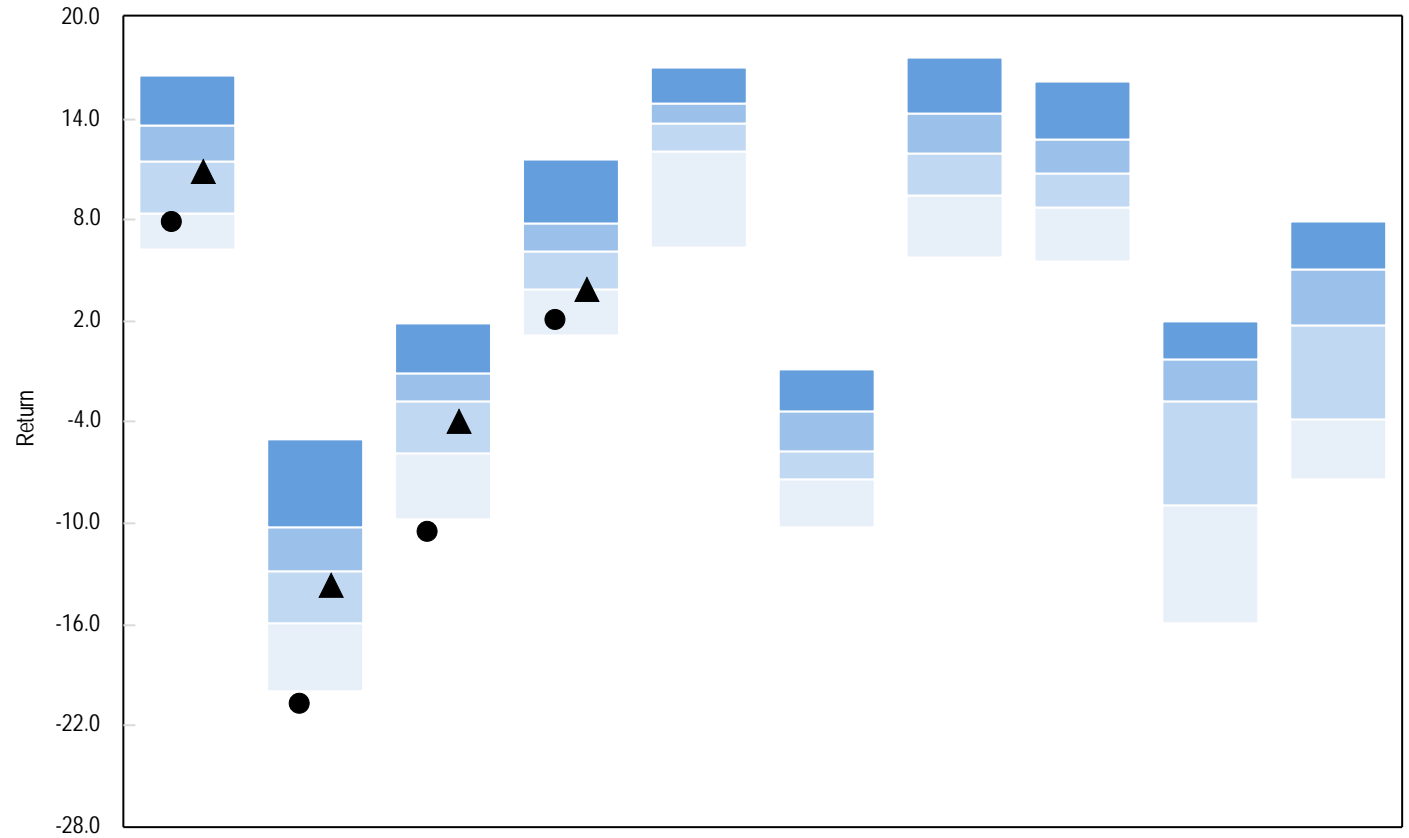


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Ashmore EM Blended Debt Fund	11.74 (6)	9.02 (75)	-7.53 (99)	-	-	-
▲ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	7.92 (62)	10.86 (60)	-2.73 (72)	-	-	-
5th Percentile	11.83	18.17	1.80	5.04	5.05	4.82
1st Quartile	9.82	14.20	-0.73	3.62	3.63	3.89
Median	8.73	11.91	-1.82	2.87	2.98	3.18
3rd Quartile	6.30	8.97	-2.88	2.16	2.40	1.64
95th Percentile	4.40	6.64	-5.50	0.53	1.07	0.12
Population	405	405	378	346	311	252

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

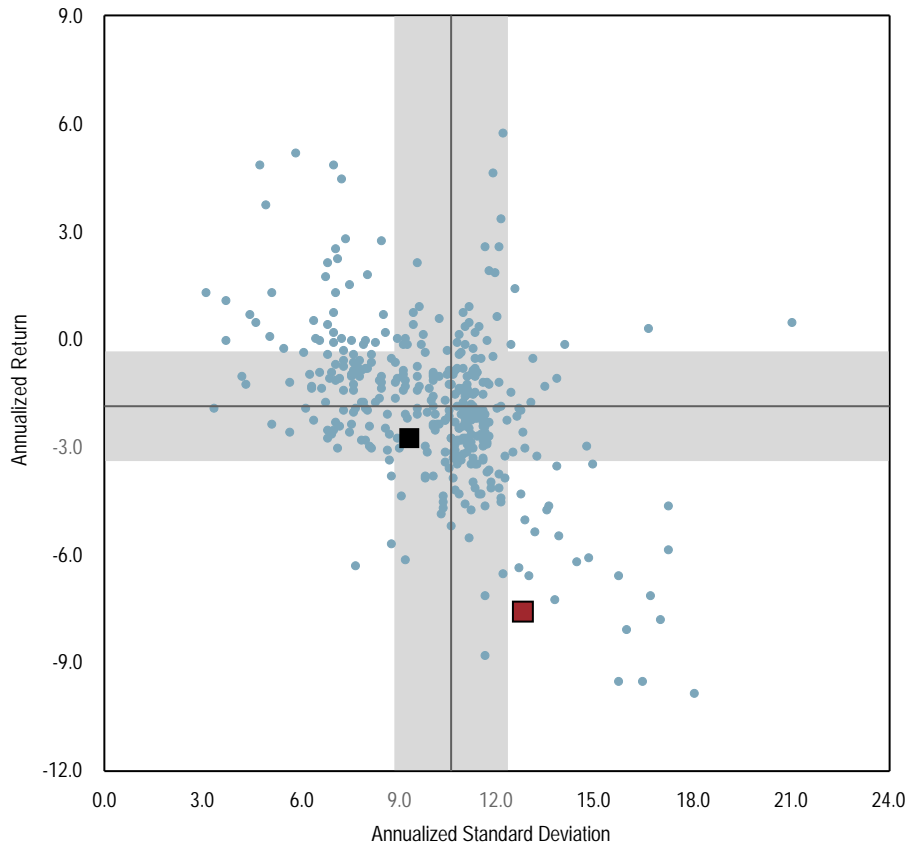
San Luis Obispo County Pension Trust
 Period Ending: December 31, 2023

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

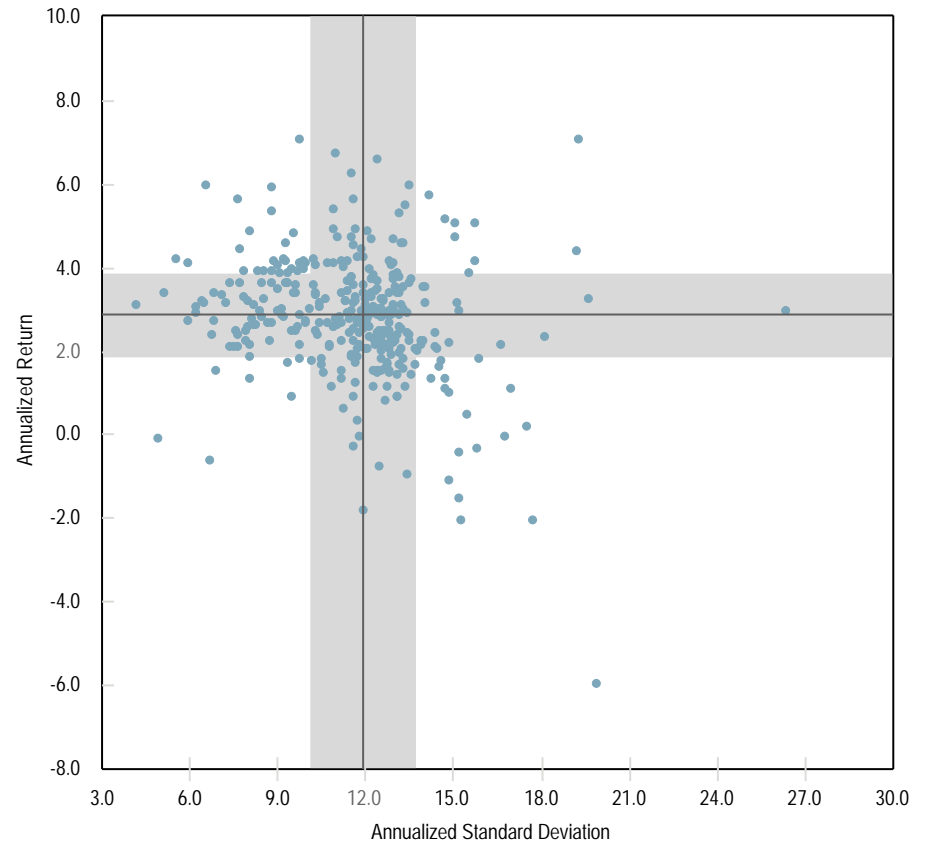


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Ashmore EM Blended Debt Fund	7.93 (79)	-20.67 (97)	-10.40 (98)	2.13 (92)	-	-	-	-	-	-
▲ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	10.86 (57)	-13.63 (59)	-3.88 (62)	3.86 (77)	-	-	-	-	-	-
5th Percentile	16.60	-4.98	1.81	11.60	17.02	-0.89	17.69	16.17	2.03	7.87
1st Quartile	13.59	-10.20	-1.06	7.85	14.96	-3.32	14.27	12.82	-0.28	5.10
Median	11.48	-12.82	-2.73	6.16	13.67	-5.77	11.99	10.77	-2.73	1.69
3rd Quartile	8.40	-15.97	-5.88	3.92	12.01	-7.39	9.44	8.74	-8.90	-3.87
95th Percentile	6.25	-19.99	-9.73	1.15	6.38	-10.18	5.82	5.54	-15.86	-7.35
Population	310	321	338	339	334	322	309	294	278	262

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Ashmore EM Blended Debt Fund	-7.53	12.81	-0.72
■ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	-2.73	9.33	-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: December 31, 2023

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Real Estate	241,707,315	100.0	-5.5	-12.2	3.6	3.2	6.7	6.7	18.7	1.1	4.3	7.5
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	5.5	17.7	1.6	6.4	6.7
JP Morgan Core Real Estate	136,429,929	56.4	-7.4	-14.3	2.4	2.2	5.8	4.3	20.2	0.5	3.4	7.0
<i>NCREIF-ODCE</i>			-4.8	-12.0	4.9	4.2	7.3	7.5	22.2	1.2	5.3	8.3
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	5.5	17.7	1.6	6.4	6.7
ARA American Strategic Value Realty	75,276,032	31.1	-4.2	-10.3	4.7	5.0	-	12.3	14.0	3.8	7.3	9.1
<i>NCREIF-ODCE</i>			-4.8	-12.0	4.9	4.2	7.3	7.5	22.2	1.2	5.3	8.3
<i>NCREIF Property Index</i>			-3.0	-7.9	4.6	4.3	6.8	5.5	17.7	1.6	6.4	6.7
Brookfield Infrastructure Fund	30,001,354	12.4	0.1	-	-	-	-	-	-	-	-	-

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: December 31, 2023

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2022	2021	2020	2019	2018
Total Real Estate	241,707,315	100.0	-5.5	-12.2	3.6	3.2	6.4	6.7	18.7	1.1	4.3	7.5
<i>NCREIF Property Index</i>			<i>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</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	136,429,929	56.4	-7.4	-14.3	2.4	2.2	5.5	4.3	20.2	0.5	3.4	7.0
<i>NCREIF-ODCE</i>			<i>-4.8</i>	<i>-12.0</i>	<i>4.9</i>	<i>4.2</i>	<i>7.3</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>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</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	75,276,032	31.1	-4.2	-10.3	4.7	5.0	-	12.3	14.0	3.8	7.3	9.1
<i>NCREIF-ODCE</i>			<i>-4.8</i>	<i>-12.0</i>	<i>4.9</i>	<i>4.2</i>	<i>7.3</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>-3.0</i>	<i>-7.9</i>	<i>4.6</i>	<i>4.3</i>	<i>6.8</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>6.7</i>
Brookfield Infrastructure Fund	30,001,354	12.4	0.1	-	-	-	-	-	-	-	-	-

ARA American Strategic Value Realty is lagged one quarter.

Total Fund Data Sources and Methodology

San Luis Obispo County Pension Trust Period Ending: December 31, 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.

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Board of Trustees

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Date: February 26, 2024

To: Board of Trustees

From: Katie Girardi – Executive Director
Amy Burke – Deputy Director

Agenda Item 8: Monthly Investment Report for January 2024

	1-month	YTD	2023	2022	2021	2020	2019
Total Fund (%) (Gross)	0.3	0.3	8.9	(8.0)	15.2	8.9	16.3
Policy Index (%)*	0.2	0.2	10.2	(9.7)	12.8	10	16.4

	January	2023	2022	2021	2020	2019
Market Value (millions)	\$1,695	\$1,691	\$1,614	\$1,775	\$1,552	\$1,446

- * Policy index as of Nov. 2021 Strategic Asset Allocation Policy with 2024 Interim targets:
 - Public Mkt Equity- 20% Russell 3000, 17% MSCI ACWI ex-US
 - Public Mkt Debt- 4% Bloomberg/Barclays US Aggregate,
 - Risk Diversifying 8% Barclays 7-10yr Treasury, 7% Barclays 5-10yr US TIPS
 - Real Estate & Infrastructure- 14% NCREIF Index (inc. Infrastructure)
 - Private Equity- 12% actual private equity returns
 - Private Credit- 10% actual private credit returns
 - Liquidity- 8% 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 market commentary through the end of January.

February saw continued bullish momentum in the financial markets until the release of January's inflation data. The unexpected rise in inflation dampened hopes for potential interest rate cuts and triggered the largest daily loss in the S&P 500 over the past year. However, market sentiment swiftly shifted a few days later with the release of a weak retail sales report. Investors interpreted this as a sign of a potential economic slowdown, prompting equities to rally to a new all-time high. The volatility stresses the market's sensitivity to economic data releases and highlights the importance of monitoring such indicators.

As of February 15th, equities reported strong positive returns (S&P 500 +3.8%) and negative returns for bonds.

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

Capital Markets:

- **Investment Markets** – Due to strong economic data and robust earnings reports, January saw modest positive markets in domestic equities, while non-U.S. market and U.S. bond markets saw slightly negative returns.
 - US stocks S&P 500 1.7%
 - International stocks MSCI ACWI ex-US (0.98%)
 - Bonds Bloomberg US Aggregate bonds (0.3%)

The Economy:

- **Inflation** –
 - The consumer price index rose 0.3% from December to January. The year-over-year prices were down to 3.1% in January, yet this remains well above the Federal Reserve's 2% target level causing public frustration and bringing back a small sentiment of a recession.
- **New Jobs, Unemployment, Wages** –
 - **New Jobs** - The January new jobs report from the BLS on non-farm employment showed a slight increase from November with a gain of **353k** new jobs steered by professional and business services, health care, retail trade, and social assistance. Employment declined in the mining, quarrying, and oil/gas extraction industries.
 - **Unemployment Rate - 3.7%** unchanged from December
 - **Labor Force Participation – 60.2%** unchanged from December
 - **Wage growth – 4.1%** unchanged from December, increasing to 4.5% year-over-year.
- **Monetary Policy** –
 - Although Fed officials indicated as many as three (3) rate cuts coming this year, the pace at which they trim interest rates is going to be much slower than which they hiked. *“Interest rates took the elevator going up; they are taking the stairs coming down.”*, Greg McBride, chief analyst at Bankrate. The Fed held rates steady (5.25% to 5.50%) at their January 31st meeting.

A decorative geometric pattern of overlapping triangles in shades of blue and green, overlaid on a scenic coastal landscape. The landscape features a sandy beach, waves, and a town nestled between hills and the sea.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

JANUARY 2024
Capital Markets Update

Market commentary

U.S. ECONOMICS

- Real GDP beat expectations for Q4, coming in at +3.3%, well over the +2% Wall Street consensus projection. Consumer Spending (1.9%) and Government Spending (0.6%) were the largest contributors, while Exports (+6.3%) were the fastest growing subcomponent. This brought annual GDP to +2.5% in calendar year 2023, beating initial expectations for little to no growth throughout the year.
- Nonfarm payrolls presented better than expected job growth for January, with 353,000 jobs added, above the estimate of 185,000. December jobs were also revised upward by 117,000. Unemployment and labor force participation remained unchanged at 3.7% and 60.2%, respectively. Wage growth also increased to +4.5% year-over-year, pointing to a strong labor market heading into 2024.
- The ISM Manufacturing Index increased +2.0 to 49.1, in contractionary territory for the 15th consecutive month. New Orders entered expansion, increasing +5.5 to 52.5, along with the Prices Index which increased +7.7 points in December to 52.9. The readings indicate moderating demand and stable output.

U.S. EQUITIES

- U.S. equities posted modest returns to start the year. After a strong rally in the final quarter, the S&P 500 gained +1.7% with the Dow Jones close behind at +1.3%. The third straight month of gains comes as investors still see rate cuts on the horizon, though the expected timeline for the first cut continues to be pushed back.
- Mega-cap names are still helping buoy the S&P 500. The average gain among the “magnificent seven” stocks was +1.8% - Tesla being the only laggard. January was generally a poor month for constituents with 279 of the companies in the S&P 500 posting negative performance.

U.S. FIXED INCOME

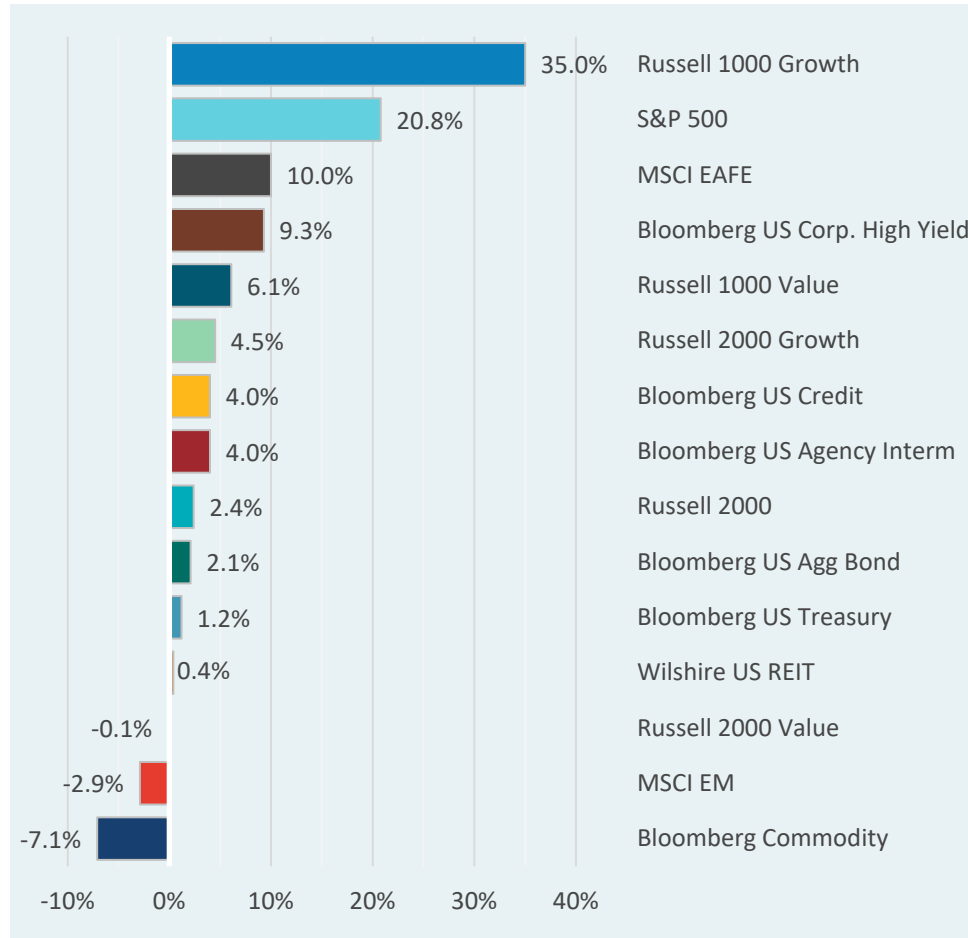
- The month was capped off with the January 31st FOMC meeting. This marked the fourth consecutive meeting where the Fed opted to keep the policy range of 5.25% to 5.5% intact. The timing and extent of potential rate cuts remains uncertain, but market participants are optimistic that cuts will happen in 2024 especially after Chairman Powell reaffirmed that good progress has been made in bringing inflation back to the target rate of 2%.
- Although rate cuts were and still are highly anticipated, U.S. Treasury Yields climbed steadily throughout the month. Yields wavered as the FOMC meeting approached, but all bond tenors finished the month higher. Ten and 30-year yields rose +19bps and +11bps, respectively.
- Yield movements were muted on the short end of the curve, which translated to marginally positive returns in short term markets as measured by the Bloomberg U.S. Treasury 1-3 Year Index (+0.4%).

INTERNATIONAL MARKETS

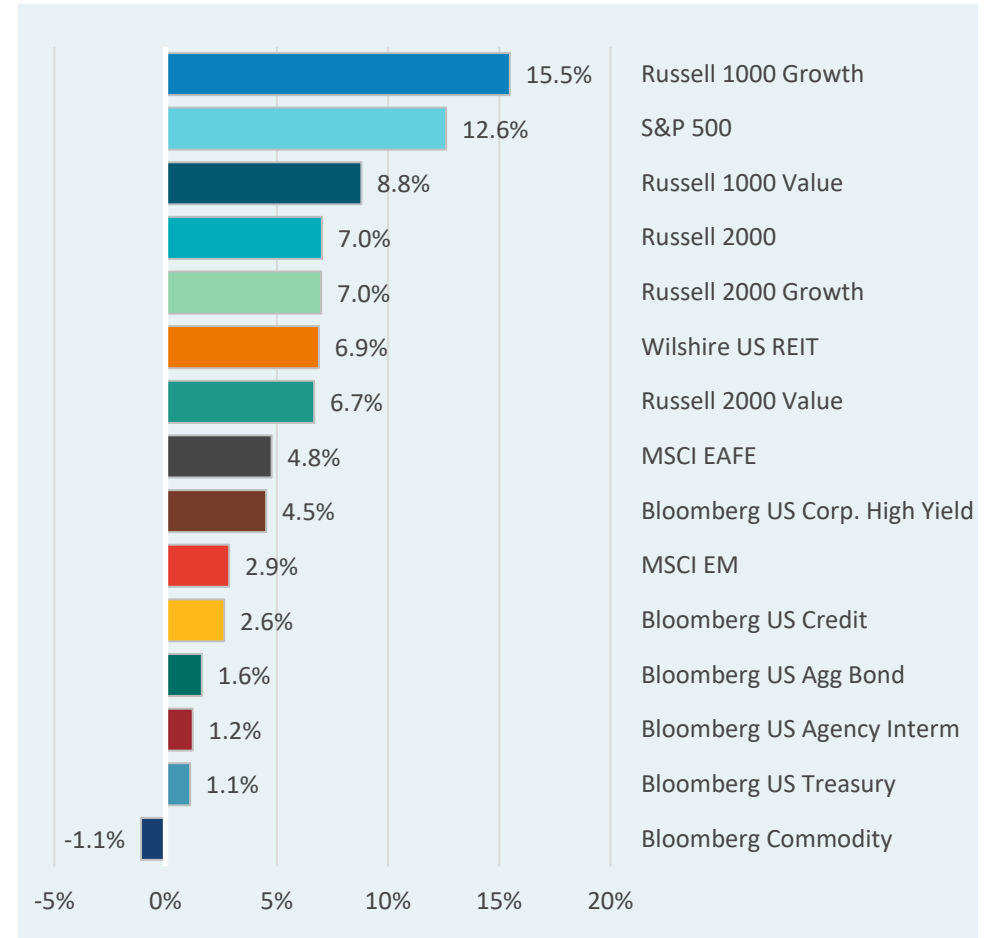
- The European Central Bank (ECB) held its first meeting of the year on January 25th. Leading up to the meeting, ECB officials and President Christine Lagarde were vocal in their pushback against spring rate cuts. While there are similarities with the Fed in terms of a data dependent decision-making approach, the ECB has the added pressure of a weakening and potentially fragile Eurozone economy.
- Japanese equities were among the top performing regional markets. The MSCI Japan Index gained +4.6% and is now up +18.6% in the past three months. Among the reasons for the rally are cheap company valuations relative to other markets and a generally positive growth outlook. The growth outlook in particular has been a catalyst for a market that investors have viewed as sluggish in recent decades.

Major asset class returns

ONE YEAR ENDING JANUARY



TEN YEARS ENDING JANUARY



*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 1/31/24

Source: Morningstar, as of 1/31/24

U.S. large cap equities

- January saw a continuation of last year's market rally, with the S&P 500 returning +1.7% to start the year. Strong economic data and earnings reinforced the *soft landing* narrative, but at the expense of later and perhaps more moderate rate cut expectations
- Performance was mixed across sectors with 6 out of 11 gaining in January. Communication Services (+5.0%) and Information Technology (+4.0%) led the way after posting strong earnings growth and outlook. Real Estate (-4.8%) and Materials (-3.9%) were the largest detractors.
- With 46% of companies reporting earnings as of February 2nd, 72% of companies have reported a positive earnings surprise, with earnings growth coming in a +1.6% so far, beating an expected +1.3%. Information Technology and Energy have been the largest contributors to earnings.
- The “Magnificent Seven” stocks led the way, contributing 45% of the S&P 500’s return in January. Six of these companies are expected to report an earnings increase of +53.7% year-over-year. Information Technology is trading at 27.4x forward earnings, nearing its 10-year high of 28.2x in December 2021.

S&P 500 PRICE INDEX



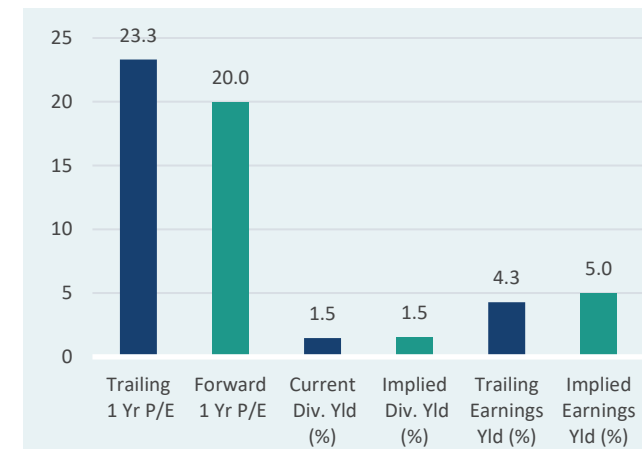
Source: Bloomberg, as of 1/31/24

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, as of 1/31/24

S&P 500 VALUATION SNAPSHOT

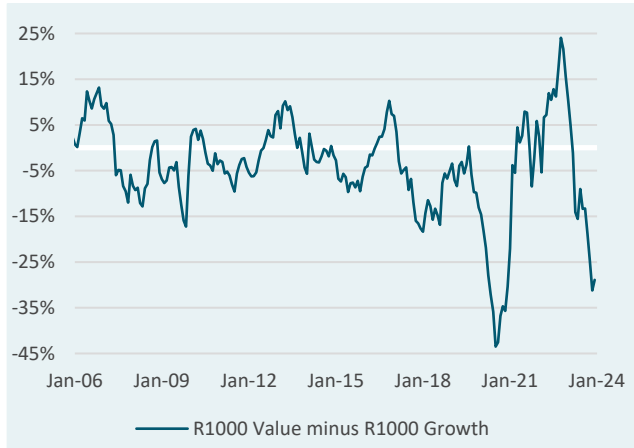


Source: Bloomberg, as of 1/31/24

Domestic equity size and style

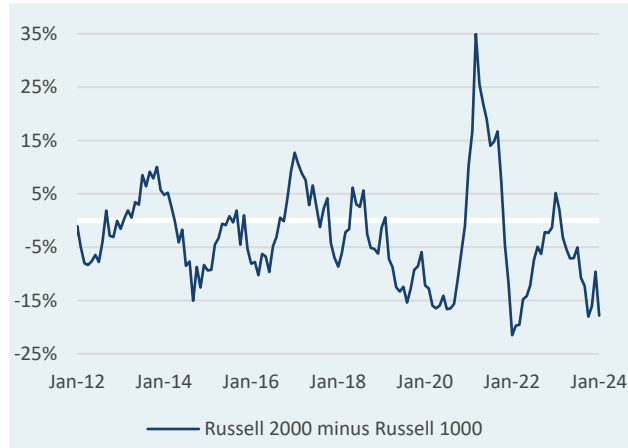
- Small-caps (Russell 2000 -3.9%) lagged large-caps (Russell 1000 +1.4%) as strong economic data is expected to delay rate cuts. This likely has had an outsized impact on small-cap companies which are more adversely affected by higher borrowing costs.
- Large-cap growth continued its outperformance (Russell 1000 Growth +2.5%), while large-cap value was flat (Russell 1000 Value +0.1%). The ongoing tech rally, including many of the “Magnificent Seven” stocks, drove the bulk of the outperformance in January.
- Small-cap value was the worst performing sector in January (Russell 2000 Value -4.5%), underperforming small-cap growth (Russell 2000 Growth -3.2%), which brought the 1-year return to -0.1%.
- Relative valuations once again increased in January, with the S&P 500 trading at 19.8x forward earnings, increasing to a 12.5% premium over the 10-year average. The Russell 2000 Index’s forward discount lessened, trading at 21.2x forward earnings in January, a -10.2% discount to the 10-year average.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 1/31/2024

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 1/31/2024

1-YEAR SIZE & STYLE PERFORMANCE

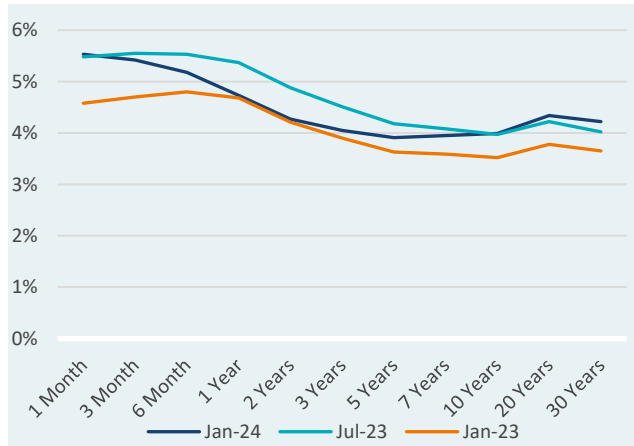
	Value	Core	Growth
Large Cap	6.1%	20.2%	35.0%
Mid Cap	2.4%	6.7%	15.1%
Small Cap	-0.1%	2.4%	4.5%

Source: FTSE, Bloomberg, as of 1/31/2024

Fixed income

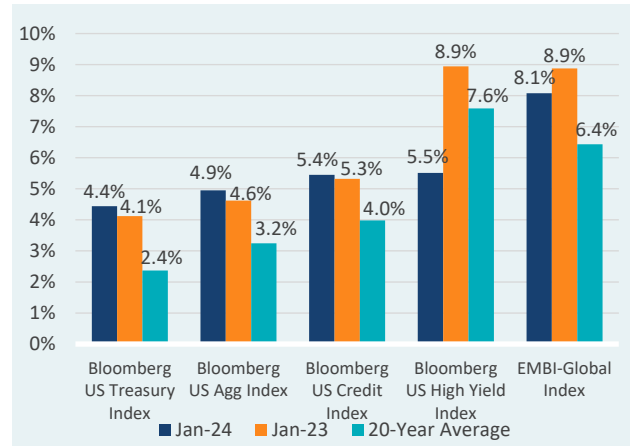
- U.S. bonds posted marginal losses (Bloomberg U.S. Aggregate Index -0.3%) as Treasury yields increased following strong economic data. Fed Chair Jerome Powell explained that there is no rush to cut rates, and a cut in March is unlikely. He appeared hesitant to claim a *soft landing* has been achieved, and will need to see more signs of easing inflation before rate cuts occur.
- The 10/2-year yield curve inversion saw a slight decrease in January, with 2- and 10-year yields increasing 4 bps and 11 bps, respectively. This brought the 10/2-year yield curve inversion from -35bps to -28bps in January.
- The CS Leveraged Loan Index (+0.8%) was the top performing fixed income sub-index, benefitting from the high yield environment with spreads mostly flat (-2bps). High Yield Corporate spreads increased 20bps to 3.59% and performance was flat for the Bloomberg Corporate High Yield Index (+0.0%).
- Due to the expected delay in rate cuts, yield curve movements were more concentrated on the long end of the curve, with 30-year yields increasing 19bps to 4.22%. This caused the Bloomberg U.S. Treasury Long Index to decline -2.2%, making it the worst performing fixed income sub-index in January.

U.S. TREASURY YIELD CURVE



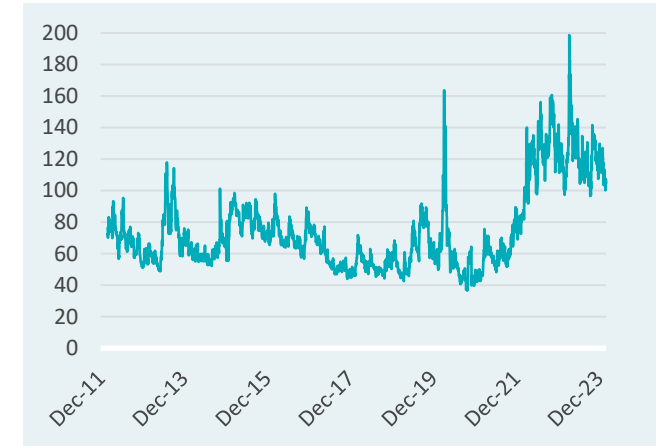
Source: Bloomberg, as of 1/31/2024

NOMINAL YIELDS



Source: Morningstar, as of 1/31/2024

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

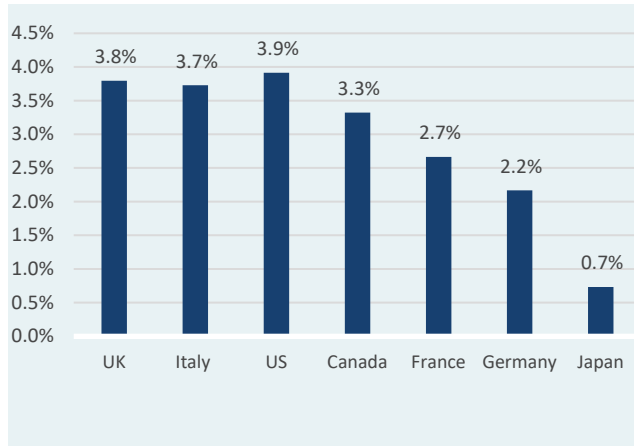


Source: Bloomberg, as of 1/31/2024

Global markets

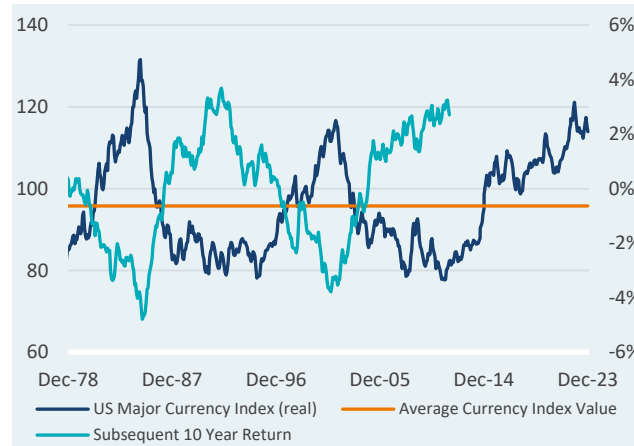
- International equities struggled to keep pace with U.S. equities throughout the month. The MSCI ACWI ex U.S. Index fell -1.0% compared the +1.7% gain for the S&P 500. Underperformance might be attributed in part to lower earnings growth estimates for non-U.S. stocks (+8.8%) versus a +10.8% estimate for U.S. stocks.
- The economic picture for China remains depressed, especially compared to other markets in Asia. The property crisis keeps making headlines as the situation has compounded on top of a poor outlook, making investors increasingly weary of their China exposure. The MSCI China Index fell -10.6% in January.
- The MSCI Latin America Index gave back some of its December gains (-4.8%) but the drop was largely driven by Brazil (-5.9%) which makes up over 60% of the index. Lawmakers struggling to come to an agreement on fiscal spending has dampened outlook for the year.
- The valuation gap between non-U.S. and U.S. equities continues to widen, especially as U.S. mega caps have reached new highs. This means that U.S. stocks have progressively gotten more expensive than non-U.S. stocks. In the 1-year period, U.S. price to earnings multiples increased 20% while EAFE rose 10% and emerging markets stayed mostly flat.

GLOBAL SOVEREIGN 10-YEAR YIELDS



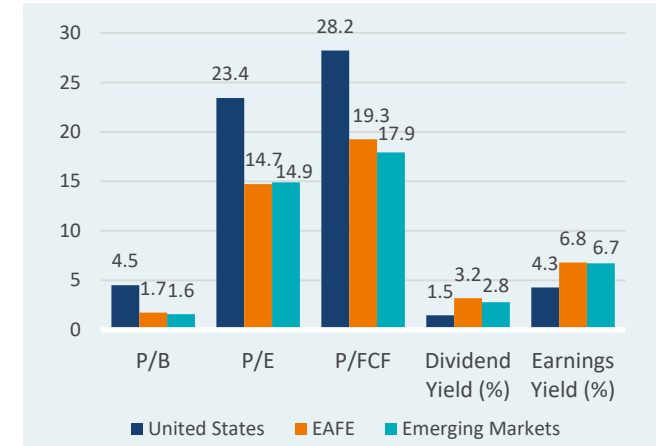
Source: Bloomberg, as of 1/31/2024

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 1/31/2024

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 1/31/2024

Commodities

- The Bloomberg Commodity Index ended the month +0.4%. Returns within sub-indexes were generally positive – namely Softs and Petroleum, but poor performance from Grains, Industrial Metals and Precious Metals were a drag on performance.
- Natural Gas (-16.5%) was again the worst performer in the Energy sub-index (+2.8%). Mild weather forecasts and the end of the winter season have weighed on Natural Gas prices, even as demand hit record highs this winter. Inventories continue to fall but remain elevated when compared to the five-year average which has also weighed down prices.

- The Bloomberg Industrial Grains sub-index fell -4.7%. All major components of the index fell, driven in part by higher production, inventories and increased global export activity for the sector. Of the primary constituents, soybean and wheat prices dropped -5.5% and -5.2%, respectively.
- The Bloomberg Softs sub-index (+9.1%), which includes sugar, coffee and cotton reversed direction and undid its December losses. Though record high production has eased supply pressures, concerns over the impacts of El Nino negatively affecting sugar production contributed to sugar prices jumping +17.2% in the month.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	0.4	0.4	0.4	(7.1)	10.0	6.2	(1.1)
Bloomberg Agriculture	(1.0)	(1.0)	(1.0)	(7.5)	9.7	9.7	0.2
Bloomberg Energy	2.8	2.8	2.8	(10.8)	16.5	(0.4)	(9.4)
Bloomberg Grains	(4.7)	(4.7)	(4.7)	(17.1)	3.2	6.5	(2.0)
Bloomberg Industrial Metals	(1.9)	(1.9)	(1.9)	(17.6)	4.3	5.5	2.4
Bloomberg Livestock	8.8	8.8	8.8	9.7	7.1	(1.9)	(2.6)
Bloomberg Petroleum	7.4	7.4	7.4	7.3	33.4	12.3	(2.9)
Bloomberg Precious Metals	(1.3)	(1.3)	(1.3)	3.6	1.1	7.7	3.5
Bloomberg Softs	9.1	9.1	9.1	19.1	21.5	13.0	1.5

Source: Morningstar, as of 1/31/2024

COMMODITY PERFORMANCE

















Source: Bloomberg, as of 1/31/2024

Appendix

Periodic table of returns

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	5-Year	10-Year
Large Cap Growth	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	42.7	2.5	18.0	15.5
Large Cap Equity	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	26.5	1.4	14.0	12.3
Hedge Funds of Funds	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	18.7	1.3	9.3	8.8
International Equity	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	18.2	0.6	7.0	7.0
Cash	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	16.9	0.4	6.9	7.0
Commodities	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	15.4	0.4	6.8	6.8
Large Cap Value	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	14.6	0.1	6.7	6.7
60/40 Global Portfolio	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	11.5	-0.2	6.2	5.3
US Bonds	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	9.8	-0.3	6.2	4.8
Small Cap Growth	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	6.3	-3.2	5.1	3.4
Small Cap Equity	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	5.5	-3.9	4.3	2.9
Small Cap Value	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	5.0	-4.5	1.8	1.6
Emerging Markets Equity	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	-7.9	-4.6	1.0	1.3
Real Estate	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	-7.9	-7.9	0.8	-1.1

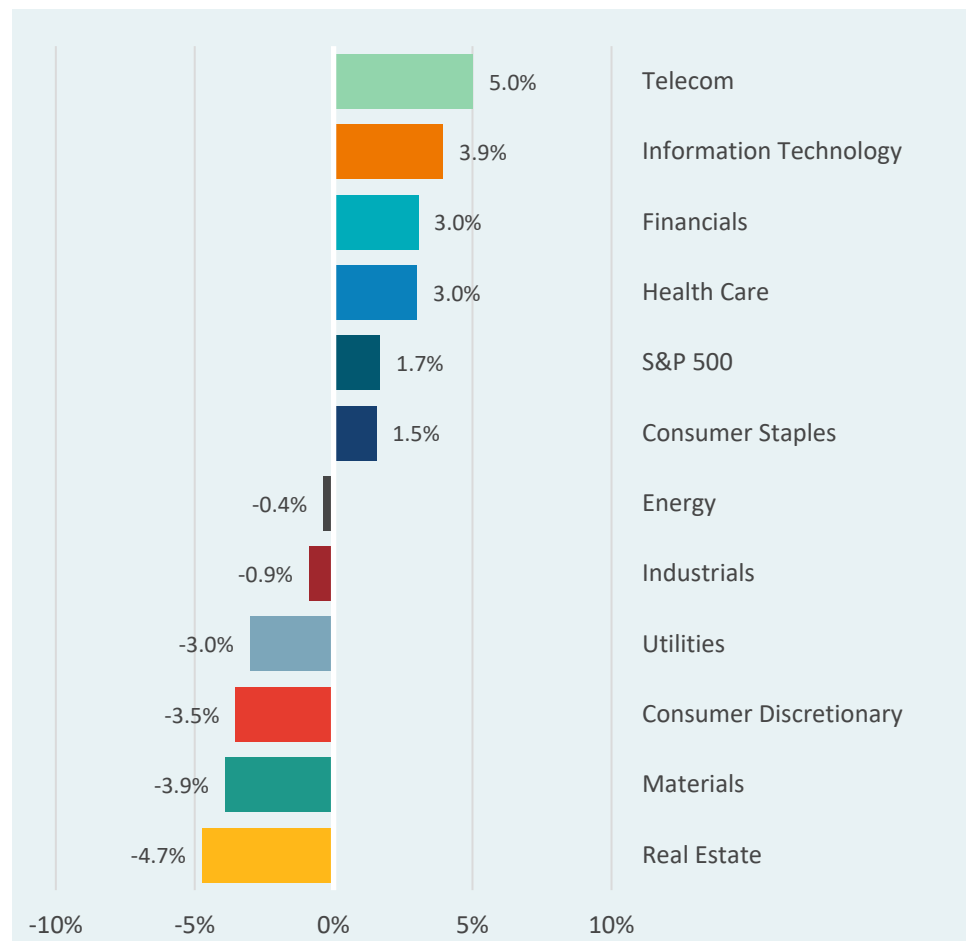
BEST
↑
↓
WORST

 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 12/31/23.

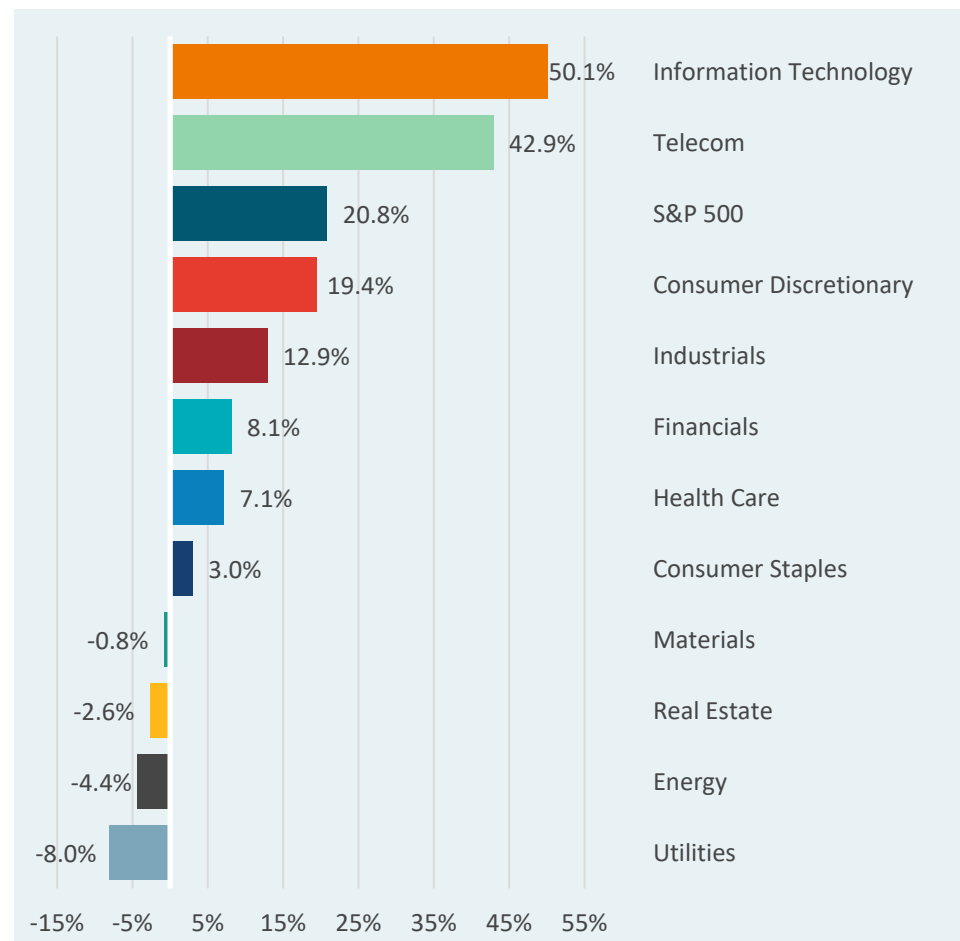
S&P 500 sector returns

QTD



Source: Morningstar, as of 1/31/2024

ONE YEAR ENDING JANUARY



Source: Morningstar, as of 1/31/2024

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	1.7	1.7	1.7	20.8	11.0	14.3	12.6
S&P 500 Equal Weighted	(0.8)	(0.8)	(0.8)	5.2	9.3	11.5	10.6
DJ Industrial Average	1.3	1.3	1.3	14.4	10.6	11.2	11.8
Russell Top 200	2.3	2.3	2.3	25.2	11.3	15.4	13.4
Russell 1000	1.4	1.4	1.4	20.2	9.8	14.0	12.3
Russell 2000	(3.9)	(3.9)	(3.9)	2.4	(0.8)	6.8	7.0
Russell 3000	1.1	1.1	1.1	19.1	9.1	13.5	12.0
Russell Mid Cap	(1.4)	(1.4)	(1.4)	6.7	5.5	10.1	9.5
Style Index							
Russell 1000 Growth	2.5	2.5	2.5	35.0	10.0	18.0	15.5
Russell 1000 Value	0.1	0.1	0.1	6.1	9.2	9.3	8.8
Russell 2000 Growth	(3.2)	(3.2)	(3.2)	4.5	(6.0)	6.2	7.0

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	0.6	0.6	0.6	14.7	6.1	10.2	8.4
MSCI ACWI ex US	(1.0)	(1.0)	(1.0)	5.9	1.1	5.3	4.2
MSCI EAFE	0.6	0.6	0.6	10.0	4.6	6.9	4.8
MSCI EM	(4.6)	(4.6)	(4.6)	(2.9)	(7.5)	1.0	2.9
MSCI EAFE Small Cap	(1.6)	(1.6)	(1.6)	3.6	(1.1)	4.6	4.8
Style Index							
MSCI EAFE Growth	1.2	1.2	1.2	9.7	1.1	7.7	5.8
MSCI EAFE Value	(0.1)	(0.1)	(0.1)	10.4	7.8	5.7	3.5
Regional Index							
MSCI UK	(1.3)	(1.3)	(1.3)	5.7	8.4	5.1	2.8
MSCI Japan	4.6	4.6	4.6	18.5	2.5	6.6	5.9
MSCI Euro	0.8	0.8	0.8	12.9	7.1	8.1	4.7
MSCI EM Asia	(5.2)	(5.2)	(5.2)	(6.0)	(9.8)	1.8	4.1
MSCI EM Latin American	(4.8)	(4.8)	(4.8)	15.0	10.7	2.2	2.6

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	0.2	0.2	0.2	2.2	(1.0)	2.9	2.2
Bloomberg US Treasury Bills	0.4	0.4	0.4	5.2	2.3	1.9	1.3
Bloomberg US Agg Bond	(0.3)	(0.3)	(0.3)	2.1	(3.2)	0.8	1.6
Bloomberg US Universal	(0.2)	(0.2)	(0.2)	2.7	(2.8)	1.1	1.9
Duration							
Bloomberg US Treasury 1-3 Yr	0.4	0.4	0.4	3.9	0.0	1.3	1.1
Bloomberg US Treasury Long	(2.2)	(2.2)	(2.2)	(5.3)	(11.0)	(1.8)	1.5
Bloomberg US Treasury	(0.3)	(0.3)	(0.3)	1.2	(3.6)	0.4	1.1
Issuer							
Bloomberg US MBS	(0.5)	(0.5)	(0.5)	1.2	(3.0)	0.0	1.2
Bloomberg US Corp. High Yield	(0.0)	(0.0)	(0.0)	9.3	1.9	4.4	4.5
Bloomberg US Agency Interm	0.4	0.4	0.4	4.0	(0.9)	1.1	1.2

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	0.4	0.4	0.4	(7.1)	10.0	6.2	(1.1)
Wilshire US REIT	(3.8)	(3.8)	(3.8)	0.4	6.0	4.4	6.9
CS Leveraged Loans	0.8	0.8	0.8	11.1	5.5	5.2	4.4
S&P Global Infrastructure	(3.1)	(3.1)	(3.1)	(1.5)	5.7	4.9	5.5
Alerian MLP	4.4	4.4	4.4	21.8	31.3	9.1	2.0
Regional Index							
JPM EMBI Global Div	(1.0)	(1.0)	(1.0)	6.6	(3.5)	0.6	3.2
JPM GBI-EM Global Div	(1.5)	(1.5)	(1.5)	6.4	(3.3)	(0.2)	0.4
Hedge Funds							
HFRI Composite	0.3	0.3	0.3	5.6	4.2	6.4	4.7
HFRI FOF Composite	1.3	1.3	1.3	5.6	2.9	5.1	3.4
Currency (Spot)							
Euro	(1.7)	(1.7)	(1.7)	0.0	(3.7)	(1.1)	(2.1)
Pound Sterling	(0.1)	(0.1)	(0.1)	3.4	(2.5)	(0.7)	(2.5)
Yen	(3.6)	(3.6)	(3.6)	(11.0)	(10.5)	(5.7)	(3.5)

Source: Morningstar, HFRI, as of 1/31/24

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	0.3	17.9	14.6	13.4
<i>MSCI World Index (PME)</i>	21.9	8.6	7.5	8.4
Global Private Equity Direct Funds ¹	3.7	15.5	15.5	15.1
<i>MSCI World Index (PME)</i>	21.6	7.8	7.3	8.3
U.S. Private Equity Direct Funds ¹	2.6	17.5	17.3	16.4
<i>Russell 3000 Index (PME)</i>	20.2	9.2	9.2	11.4
Europe Private Equity Direct Funds ¹	11.7	14.9	14.8	13.5
<i>MSCI Europe Index (PME)</i>	28.0	6.6	4.3	3.9
Asia Private Equity Direct Funds ^{1,4}	2.7	7.3	9.0	12.3
<i>MSCI AC Asia Pacific Index (PME)</i>	15.7	(0.6)	1.3	3.4

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt ^{2,4}	7.5	16.0	11.9	11.0
<i>Morningstar LSTA U.S. Leveraged Loan 100 Index (PME)</i>	13.8	5.4	4.6	4.3

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	(3.9)	12.2	8.9	11.7
<i>FTSE NAREIT Equity REIT Index (PME)</i>	2.6	7.0	3.5	7.4

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ^{3,4}	7.5	22.3	4.5	3.8
<i>S&P Global Natural Resources Index (PME)</i>	18.1	20.6	5.8	5.7
Global Infrastructure ⁴	9.5	11.5	10.2	10.5
<i>S&P Global Infrastructure Index (PME)</i>	4.9	4.8	2.6	3.4

Source: Pooled IRRs and Public Market Equivalents (PMEs) are both from Refinitiv C/A, as of September 30th, 2023. All returns in U.S. dollars.

1. Includes Buyout, Growth Equity and Venture Capital.

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

3. Includes Private Equity Energy, Timber and Upstream Energy & Royalties.

4. Due to limited history of the PME, only the funds with the same vintage years as PMEs are included.

Notices & disclosures

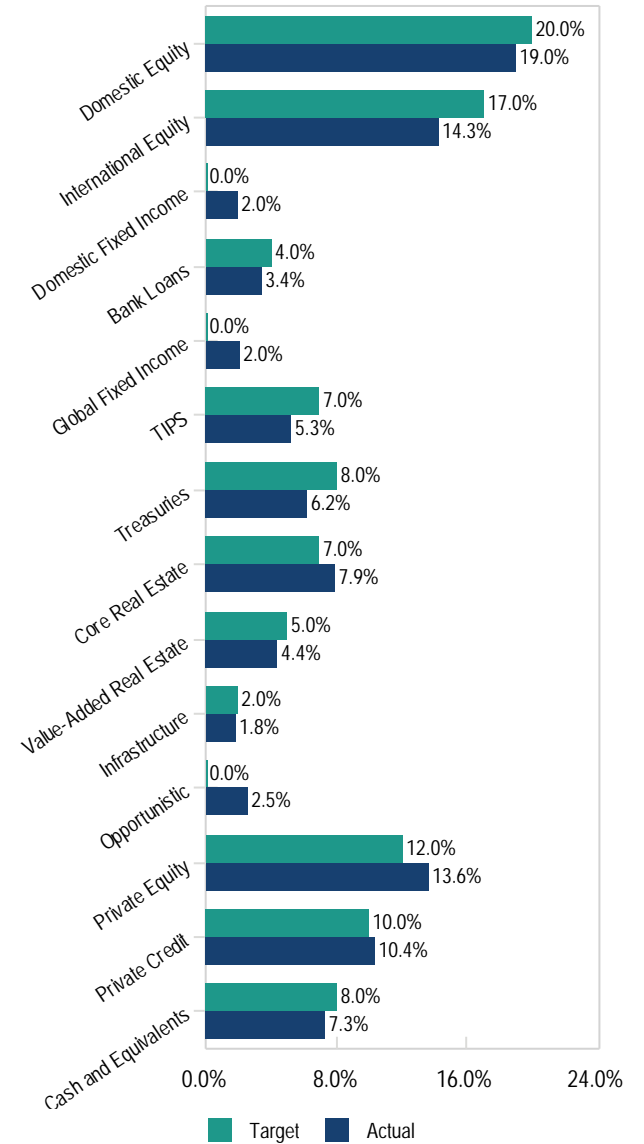
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Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: January 31, 2024

	Market Value	% of Portfolio	1 Mo	YTD
Total Fund	1,695,804,907	100.0	0.3	0.3
<i>Interim Policy Index</i>			<i>0.2</i>	<i>0.2</i>
<i>FFP SAA Index</i>			<i>0.3</i>	<i>0.3</i>
Total Growth	1,210,023,713	71.4	0.4	0.4
<i>Custom Growth Benchmark</i>			<i>0.2</i>	<i>0.2</i>
Total Public Equity	564,261,522	33.3	0.7	0.7
<i>Public Equity Benchmark</i>			<i>0.2</i>	<i>0.2</i>
Total Domestic Equity	321,514,488	19.0	1.3	1.3
<i>Russell 3000 Index</i>			<i>1.1</i>	<i>1.1</i>
PIMCO RAE US	86,386,202	5.1	0.9	0.9
<i>S&P 500 Index</i>			<i>1.7</i>	<i>1.7</i>
Loomis Sayles Large Cap Growth	80,742,852	4.8	2.7	2.7
<i>Russell 1000 Growth Index</i>			<i>2.5</i>	<i>2.5</i>
Boston Partners Large Cap Value	72,168,296	4.3	1.2	1.2
<i>Russell 1000 Value Index</i>			<i>0.1</i>	<i>0.1</i>
Atlanta Capital Mgmt	82,217,138	4.8	0.6	0.6
<i>Russell 2500 Index</i>			<i>-2.6</i>	<i>-2.6</i>
Total International Equity	242,747,034	14.3	-0.1	-0.1
<i>MSCI AC World ex USA Index</i>			<i>-1.0</i>	<i>-1.0</i>
Dodge & Cox Intl Stock	119,435,871	7.0	-2.9	-2.9
<i>MSCI AC World ex USA Value</i>			<i>-1.2</i>	<i>-1.2</i>
WCM International Growth	123,311,163	7.3	2.6	2.6
<i>MSCI AC World ex USA Growth</i>			<i>-0.8</i>	<i>-0.8</i>
Total Private Equity	230,416,355	13.6	0.4	0.4
Harbourvest Partners IX Buyout Fund L.P.	11,393,936	0.7	0.0	0.0
Pathway Private Equity Fund Investors 9 L.P.	81,998,785	4.8	1.2	1.2
Harbourvest 2018 Global Fund L.P.	21,108,217	1.2	0.0	0.0
Harbourvest SLO Fund Private Equity	97,390,816	5.7	0.0	0.0
Pathway Private Equity Fund Investors 10 L.P.	18,524,601	1.1	-0.2	-0.2
Total Private Credit	175,916,378	10.4	0.0	0.0
Sixth Street Partners DCP	88,632,943	5.2	0.0	0.0
Harbourvest SLO Credit Fund	87,283,435	5.1	0.0	0.0

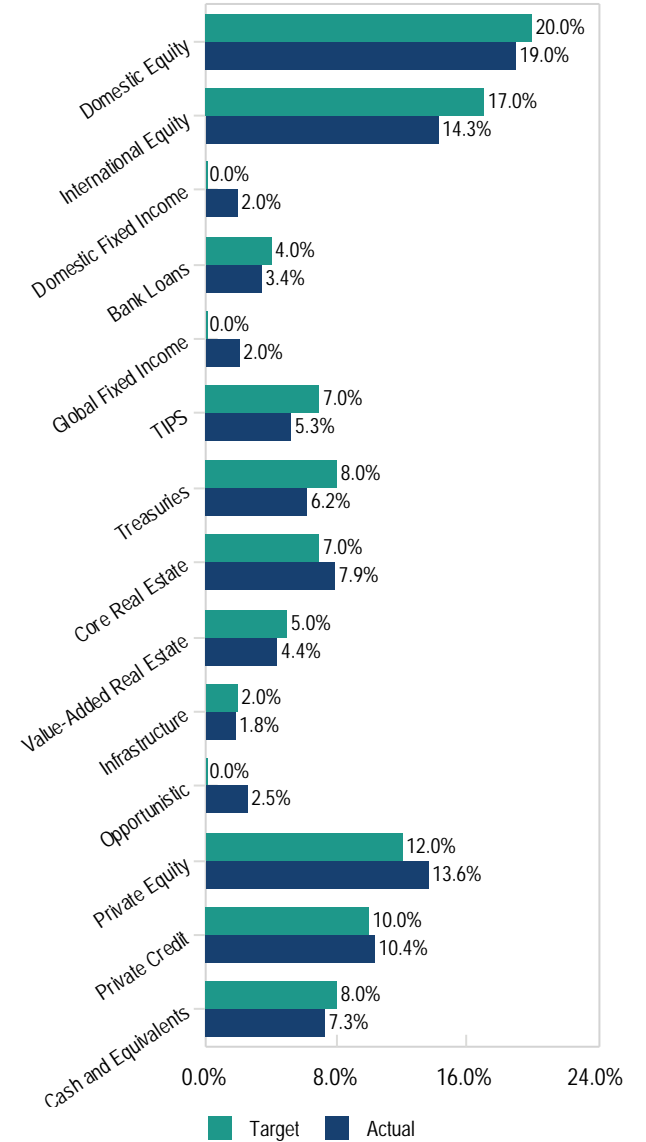


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Actual Private Equity Return, 4% Credit Suisse Leveraged Loan Index, 8% Bloomberg US Treasury 7-10 yr, 7% Bloomberg US TIPS 5+ Year, 10% Actual Private Credit Return, 12% NCREIF Property Index, 2% Brookfield Infrastructure Actual Returns, 8% 90-day T-Bills. HarbourVest Funds and Sixth Street DCP & TAO as of 9/30/23. ARA Strategic Value Realty, Brookfield Infrastructure Fund, and KKR Mezzanine Partners as of 12/31/2023. All data is preliminary.

Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: January 31, 2024

	Market Value	% of Portfolio	1 Mo	YTD
Total Real Estate	239,429,457	14.1	0.1	0.1
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>0.0</i>
JP Morgan Core Real Estate	134,150,371	7.9	-0.2	-0.2
<i>NCREIF-ODCE</i>			<i>0.0</i>	<i>0.0</i>
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>0.0</i>
ARA American Strategic Value Realty	75,276,032	4.4	0.0	0.0
<i>NCREIF-ODCE</i>			<i>0.0</i>	<i>0.0</i>
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>0.0</i>
Brookfield Infrastructure Fund	30,003,054	1.8	1.2	1.2
Total Risk Diversifying	319,324,909	18.8	-0.1	-0.1
<i>Total Risk Diversifying Benchmark</i>			<i>-0.5</i>	<i>-0.5</i>
Total Domestic Fixed Income	285,175,801	16.8	0.2	0.2
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.3</i>	<i>-0.3</i>
Dodge & Cox Income Fund	33,264,505	2.0	0.0	0.0
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.3</i>	<i>-0.3</i>
Pacific Asset Corporate Loan	57,309,025	3.4	0.6	0.6
<i>Morningstar LSTA US Leveraged Loan</i>			<i>0.7</i>	<i>0.7</i>
SSGA U.S. Govt Bond Index	105,464,376	6.2	-0.2	-0.2
<i>Blmbg. U.S. Government</i>			<i>-0.3</i>	<i>-0.3</i>
BlackRock TIPS	89,137,896	5.3	0.4	0.4
<i>Blmbg. U.S. TIPS</i>			<i>0.2</i>	<i>0.2</i>
Total Global Fixed	34,149,108	2.0	-2.1	-2.1
<i>FTSE World Government Bond Index</i>			<i>-1.6</i>	<i>-1.6</i>
Brandywine Global Fixed Income	13,771,248	0.8	-3.0	-3.0
<i>FTSE Non-U.S. World Government Bond</i>			<i>-2.5</i>	<i>-2.5</i>
Ashmore EM Blended Debt Fund	20,377,860	1.2	-1.2	-1.2
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>			<i>-1.3</i>	<i>-1.3</i>

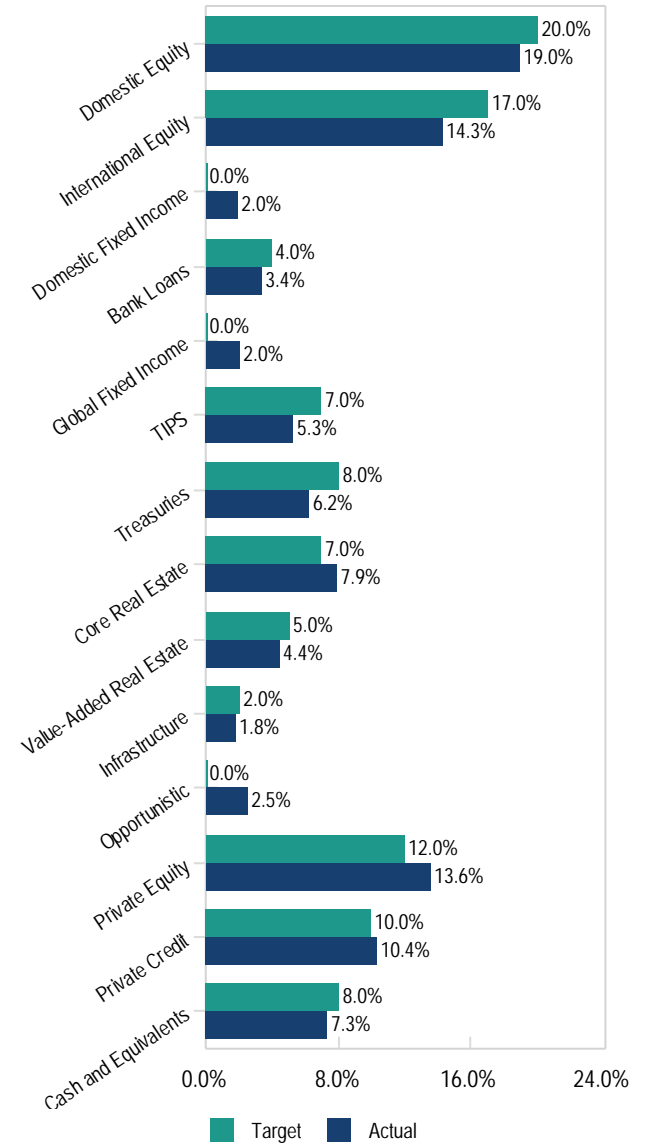


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Actual Private Equity Return, 4% Credit Suisse Leveraged Loan Index, 8% Bloomberg US Treasury 7-10 yr, 7% Bloomberg US TIPS 5+ Year, 10% Actual Private Credit Return, 12% NCREIF Property Index, 2% Brookfield Infrastructure Actual Returns, 8% 90-day T-Bills. HarbourVest Funds and Sixth Street DCP & TAO as of 9/30/23. ARA Strategic Value Realty, Brookfield Infrastructure Fund, and KKR Mezzanine Partners as of 12/31/2023. All data is preliminary.

Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: January 31, 2024

	Market Value	% of Portfolio	1 Mo	YTD
Total Liquidity	123,745,871	7.3	0.5	0.5
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>0.4</i>
Total Cash	123,745,871	7.3	0.5	0.5
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>0.4</i>
PIMCO Short Duration Fund	34,939,297	2.1	0.6	0.6
<i>Bimbg. 1-3 Year Gov/Credit Index</i>			<i>0.4</i>	<i>0.4</i>
Cash Account	36,171,660	2.1	0.8	0.8
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>0.4</i>
Investment Cash	52,634,915	3.1	0.3	0.3
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>0.4</i>
Total Opportunistic	42,710,414	2.5	0.3	0.3
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,397,304	0.2	3.3	3.3
Sixth Street Partners TAO	39,313,109	2.3	0.0	0.0



Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Actual Private Equity Return, 4% Credit Suisse Leveraged Loan Index, 8% Bloomberg US Treasury 7-10 yr, 7% Bloomberg US TIPS 5+ Year, 10% Actual Private Credit Return, 12% NCREIF Property Index, 2% Brookfield Infrastructure Actual Returns, 8% 90-day T-Bills. HarbourVest Funds and Sixth Street DCP & TAO as of 9/30/23. ARA Strategic Value Realty, Brookfield Infrastructure Fund, and KKR Mezzanine Partners as of 12/31/2023. All data is preliminary.

Board of Trustees

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Date: February 26, 2024

To: Board of Trustees

From: Katie Girardi – Executive Director
Amy Burke – Deputy Director
Scott Whalen - Verus

Agenda Item 9: 2024 Capital Market Assumptions, Strategic Asset Allocation, and Private Markets Commitments 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 to provide an update on the following:

- 2024 Capital Market Assumptions
- Strategic Asset Allocation
- Private Markets Commitments

Capital Market Assumptions:

The Pension Trust regularly incorporates an annual review of Capital Market Assumptions (CMA) into its February Board of Trustees meetings. This presentation is a mid-year update on CMAs as they change from month to month. Typically spanning a 10-year horizon, Verus' CMAs are significantly impacted by prevailing market valuations 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 December	7.5%	11.2%
2024 February	7.4%	11.2%

Strategic Asset Allocation:

The presented table serves as a report on the existing asset allocation in comparison to the 2024 Interim SAA Target Allocation. Additionally, it includes a comparative analysis with the SAA Target Allocation set for 2027.

Under the guidance of Verus, Staff continues to execute the approved glidepath towards the 2024 Asset Allocation, gradually eliminating core bond, opportunistic equity, and international bonds allocations by year-end. The long-term strategic asset allocation remains aligned with the 2027 target, subject to ongoing monitoring and adjustment as needed.

It's worth noting that asset values in the provided table may vary slightly from those in the Monthly Investment Report due to differences in the timing of report generation and the finalization of various market values at month-end.

Discount Rate Considerations: The discount rate, set at 6.75%, must balance with long-term investment expectations while mitigating risk at an appropriate level. Unrealistically high long-term discount rates increase the likelihood of actual returns averaging below the discount rate, leading to actuarial losses that are smoothed into contribution rates, and ultimately shifting pension costs from the current generation to future ones. Historically, the Pension Trust reviews changes to the long-term discount rate alongside the biennial Actuarial Experience which considers other key actuarial assumptions (e.g. inflation, mortality) which shape the necessary funding for the plan. Discussions on the discount rate are slated for the March and May Board meeting as part of planning the 2024 actuarial valuation.

FFP Asset Mix	Est. Market Value (\$000s)	% Allocation	SAA Target Allocation	Variance	Strategic Asset Allocation
	01/31/24		2024 Interim		Long Term
Bank (operating)	2,069	0.1%	0.1%	0.0%	0.1%
SLOC Treasury	34,078	2.0%	1.9%	0.1%	1.7%
JPM short term	52,635	3.1%	3.0%	0.2%	2.3%
Short Duration	34,939	2.1%	3.0%	-0.9%	6.0%
LIQUIDITY	123,721	7.3%	8.0%	-0.7%	10.0%
Equity- Public Mkt US	321,514	19.0%	20.0%	-1.0%	16.0%
Equity- Public Mkt Intl	242,747	14.3%	17.0%	-2.7%	14.0%
Equity- Public Mkt Global	-	0.0%		0.0%	
Bank Loans	57,309	3.4%	4.0%	-0.6%	
Bonds- Intl.	13,771	0.8%	0.0%	0.8%	
Bonds- Emerging Mkts	20,378	1.2%	0.0%	1.2%	
Real Estate- Core	134,150	7.9%	7.0%	0.9%	5.0%
Real Estate- Value Add	75,276	4.4%	5.0%	-0.6%	5.0%
Infrastructure	32,372	1.9%	2.0%	-0.1%	5.0%
Private Equity	225,969	13.3%	12.0%	1.3%	18.0%
Private Credit	177,395	10.5%	10.0%	0.5%	12.0%
Opportunistic	42,710	2.5%	0.0%	2.5%	
GROWTH	1,343,593	79.3%	77.0%	2.3%	75.0%
Bonds- Core	33,265	2.0%	0.0%	2.0%	
Treasuries - Intermediate	105,464	6.2%	8.0%	-1.8%	8.0%
TIPS	89,138	5.3%	7.0%	-1.7%	7.0%
RISK DIVERSIFYING	227,867	13.4%	15.0%	-1.6%	15.0%
TOTAL	1,695,181	100.0%	100.0%		100.0%
Liquidity + Risk Diversifying		20.7%	23.0%	-2.3%	25.0%

Private Market Commitments:

Background:

The Pension Trust approved a substantial, multi-year initiative aimed at significantly increasing its Private Market investments (Private Equity, Private Credit, and Infrastructure) when HarbourVest was hired in September 2021. This was a critical step in implementing the referenced Strategic Asset Allocation (SAA). These revisions to the SAA to include larger allocations to Private Markets are designed to enhance anticipated risk-adjusted returns.

At the February 2023 Board of Trustees meeting, at the recommendation of Verus and HarbourVest to achieve the SAA target of 18% allocated to Private Equity, an additional \$150 million to Private Equity within the HarbourVest SLO Fund Program was approved. HarbourVest confirmed the additional capital would be invested on the existing fee schedule and could be implemented in a timely manner via an amendment to the existing LP agreement.

Moving forward to the May 2023 Board of Trustees meeting, upon recommendation from Verus, the Pension Trust opted to postpone the execution of the additional \$150 million commitment. While the rationale and plan for the increased commitment remain unchanged, it was identified as an opportunity to achieve the same outcome with greater operational flexibility and lower fees by deferring implementation. This decision fell within the authority granted by the Board and Verus confirmed agreement with HarbourVest regarding the deferral.

Now, it is opportune to proceed with the execution of the previously approved additional \$150 million commitment to Private Equity within the HarbourVest SLO Fund program. Implementing the approved commitment now ensures timely progression toward our investment goals and maximizes the potential for favorable outcomes.

HarbourVest provided Versus with revised projections, which offer a comprehensive outlook on the impact of the additional \$150 million commitment. Based on the updated forecast, the additional commitment aligns with our long-term target. A comprehensive assessment of the Private Markets program will be covered during the annual review in August.

Respectfully Submitted,



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



FEBRUARY 26, 2024

Strategic Asset Allocation Review

San Luis Obispo County Pension Trust

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Executive summary

Observations

- Return expectations in 2024 are varied from last year across markets, but net/net have minimal affect at the total fund level.
- The 10-year projected return for the plan is unchanged at 7.5% from a year ago.
- It is now appropriate to implement the private equity top-up commitment approved last year.

Recommendations

- Maintain current long-term strategic asset allocation
- Implementation glidepath is still on track to target 2027 but continue to monitor
- Implement 2024 interim benchmark
- Implement \$150mm approved private equity commitment to achieve 18% target allocation

2024 capital market assumptions

Methodology

CORE INPUTS

- We use a fundamental building block approach based on several inputs, including historical data and academic research to create asset class return forecasts.
- For most asset classes, we use the long-term historical volatility after adjusting for autocorrelation.
- Correlations between asset classes are calculated based on the last 10 years. For illiquid assets, such as private equity and private real estate, we use BarraOne correlation estimates.

Asset	Return Methodology	Volatility Methodology*
Inflation	25% weight to the University of Michigan Survey 5-10 year ahead inflation expectation and the Survey of Professional Forecasters (Fed Survey), and the remaining 50% to the market's expectation for inflation as observed through the 10-year TIPS breakeven rate	-
Cash	1/3 * current federal funds rate + 1/3 * U.S. 10-year Treasury yield + 1/3 * Federal Reserve long-term interest rate target	Long-term volatility
Bonds	Nominal bonds: current yield; Real bonds: real yield + inflation forecast	Long-term volatility
International Bonds	Current yield	Long-term volatility
Credit	Current option-adjusted spread + U.S. 10-year Treasury – effective default rate	Long-term volatility
International Credit	Current option-adjusted spread + foreign 10-year Treasury – effective default rate	Long-term volatility
Private Credit	Levered gross return (SOFR + spread + original issuance discounts) – management fees – carried interest	Estimated volatility
Equity	Current yield + real earnings growth (historical average) + inflation on earnings (inflation forecast) + expected P/E change	Long-term volatility
Intl Developed Equity	Current yield + real earnings growth (historical average) + inflation on earnings (intl. inflation forecast) + expected P/E change	Long-term volatility
Private Equity**	US large cap domestic equity forecast * 1.85 beta adjustment	1.2 * Long-term volatility of U.S. small cap
Commodities	Collateral return (cash) + spot return (inflation forecast) + roll return (assumed to be zero)	Long-term volatility
Hedge Funds	Return coming from traditional betas + 15-year historical idiosyncratic return	Long-term volatility
Core Real Estate	Cap rate + real income growth – capex + inflation forecast	65% of REIT volatility
REITs	Core real estate	Long-term volatility
Value-Add Real Estate	Core real estate + 2%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Opportunistic Real Estate	Core real estate + 3%	Volatility to produce Sharpe Ratio (g) equal to core real estate
Infrastructure	Current yield + real income growth + inflation on earnings (inflation forecast)	Long-term volatility
Risk Parity	Modeled as the 10-year return expectations of a <i>representative selection of Risk Parity strategies</i>	Target volatility

*Long-term historical volatility data is adjusted for autocorrelation (see Appendix)

**Private Equity is modeled assuming an 8.0% floor for expected return, and a 3% return premium ceiling over U.S. Large Cap Equity. These adjustments are in place to recognize that higher interest rates (cost of leverage) act as a drag on expected Private Equity returns but that this drag has had limits historically, and to recognize that future Private Equity total universe performance is likely to be more anchored to public equity performance than in past times, given a more competitive market environment

10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast		Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
		Geometric	Arithmetic					
Equities								
U.S. Large	S&P 500	5.9%	7.0%	15.5%	0.12	0.19	0.72	0.75
U.S. Small	Russell 2000	6.2%	8.2%	21.4%	0.10	0.19	0.28	0.37
International Developed	MSCI EAFE	8.1%	9.5%	17.6%	0.23	0.31	0.18	0.25
International Small	MSCI EAFE Small Cap	8.8%	10.9%	21.7%	0.22	0.31	0.20	0.27
Emerging Markets	MSCI EM	8.8%	11.4%	24.6%	0.19	0.30	0.06	0.14
Global Equity	MSCI ACWI	6.9%	8.2%	16.7%	0.17	0.25	0.44	0.50
Global Equity ex USA	MSCI ACWI ex USA	8.5%	10.2%	19.5%	0.23	0.31	0.15	0.22
Private Equity	CA Private Equity	8.0%	10.9%	25.6%	0.15	0.27	-	-
Private Equity Direct	CA Private Equity	9.0%	11.8%	25.6%	0.19	0.30	-	-
Private Equity (FoF)	CA Private Equity	7.0%	9.9%	25.6%	0.11	0.23	-	-
Fixed Income								
Cash	30 Day T-Bills	4.1%	4.1%	1.1%	-	-	-	-
U.S. TIPS	Bloomberg U.S. TIPS 5-10	4.7%	4.8%	5.5%	0.11	0.13	0.13	0.15
Non-U.S. Inflation Linked Bonds	Bbg World Govt. Inflation Linked Bond ex U.S.	3.9%	4.2%	7.4%	(0.03)	0.01	(0.15)	(0.11)
U.S. Treasury	Bloomberg Treasury 7-10 Year	4.6%	4.8%	7.1%	0.07	0.10	(0.05)	(0.02)
Long U.S. Treasury	Bloomberg Treasury 20+ Year	4.7%	5.5%	13.2%	0.05	0.11	0.00	0.25
Global Sovereign ex U.S.	Bloomberg Global Treasury ex U.S.	2.7%	3.2%	9.9%	(0.14)	(0.09)	(0.40)	(0.36)
Global Aggregate	Bloomberg Global Aggregate	4.1%	4.3%	6.6%	0.00	0.03	(0.27)	(0.24)
Core Fixed Income	Bloomberg U.S. Aggregate Bond	4.9%	5.0%	4.8%	0.17	0.19	0.00	0.02
Core Plus Fixed Income	Bloomberg U.S. Universal	5.2%	5.3%	4.5%	0.24	0.27	0.07	0.09
Investment Grade Corp. Credit	Bloomberg U.S. Corporate Investment Grade	5.7%	6.0%	8.4%	0.19	0.23	0.17	0.20
Short-Term Gov't/Credit	Bloomberg U.S. Gov't/Credit 1-3 Year	4.7%	4.8%	3.6%	0.17	0.19	(0.07)	(0.07)
Short-Term Credit	Bloomberg Credit 1-3 Year	5.1%	5.2%	3.6%	0.28	0.31	0.23	0.24
Long-Term Credit	Bloomberg Long U.S. Credit	5.7%	6.3%	10.9%	0.15	0.20	0.15	0.20
High Yield Corp. Credit	Bloomberg U.S. Corporate High Yield	6.6%	7.2%	11.0%	0.23	0.28	0.42	0.44
Bank Loans	Morningstar LSTA Leveraged Loan	8.0%	8.4%	9.0%	0.43	0.48	0.58	0.59
Global Credit	Bloomberg Global Credit	5.1%	5.4%	7.7%	0.13	0.17	0.01	0.04
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	8.7%	9.2%	10.6%	0.43	0.48	0.15	0.20
Emerging Markets Debt (Local)	JPM GBI-EM Global Diversified	6.5%	7.2%	12.2%	0.20	0.25	(0.17)	(0.12)
Private Credit	Morningstar LSTA Leveraged Loan	9.2%	9.8%	11.9%	0.43	0.48	-	-
Private Credit (Direct Lending - Unlevered)	Morningstar LSTA Leveraged Loan	8.0%	8.4%	9.0%	0.43	0.48	-	-
Private Credit (Direct Lending - Levered)	Morningstar LSTA Leveraged Loan	9.5%	10.2%	12.6%	0.43	0.48	-	-
Private Credit (Credit Opportunities)	Morningstar LSTA Leveraged Loan	9.6%	10.3%	12.8%	0.43	0.48	-	-
Private Credit (Junior Capital / Mezzanine)	Morningstar LSTA Leveraged Loan	9.0%	9.6%	11.4%	0.43	0.48	-	-
Private Credit (Distressed)	Morningstar LSTA Leveraged Loan	9.1%	12.7%	29.1%	0.17	0.30	-	-

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast		Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
		Geometric	Arithmetic					
Other								
Commodities	Bloomberg Commodity	6.6%	7.8%	16.1%	0.16	0.23	(0.13)	(0.06)
Hedge Funds	HFRI Fund Weighted Composite	4.3%	4.6%	7.5%	0.03	0.07	0.48	0.49
Hedge Fund of Funds	HFRI Fund of Funds Composite	3.3%	3.6%	7.5%	(0.11)	(0.07)	-	-
Hedge Funds (Equity Style)	Custom HFRI Benchmark Mix*	7.2%	8.1%	14.1%	0.22	0.28	-	-
Hedge Funds (Credit Style)	Custom HFRI Benchmark Mix*	7.3%	7.7%	9.4%	0.34	0.38	-	-
Hedge Funds (Asymmetric Style)	Custom HFRI Benchmark Mix*	5.4%	5.6%	6.4%	0.20	0.23	-	-
Real Estate Debt	Bloomberg CMBS IG	7.4%	7.7%	7.5%	0.44	0.48	0.14	0.15
Core Real Estate	NCREIF Property	6.8%	7.5%	12.5%	0.22	0.27	-	-
Value-Add Real Estate	NCREIF Property + 200bps	8.8%	9.9%	15.4%	0.31	0.38	-	-
Opportunistic Real Estate	NCREIF Property + 300bps	9.8%	11.7%	21.1%	0.27	0.36	-	-
REITs	Wilshire REIT	6.8%	8.5%	19.2%	0.14	0.23	0.35	0.42
Global Infrastructure	S&P Global Infrastructure	8.4%	9.7%	16.9%	0.25	0.33	0.20	0.28
Risk Parity**	S&P Risk Parity 10% Vol Index	7.2%	7.8%	10.0%	0.31	0.37	-	-
Currency Beta	MSCI Currency Factor Index	2.3%	2.4%	3.4%	(0.52)	(0.49)	(0.06)	0.21
Inflation		2.5%	-	-	-	-	-	-

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

*To represent hedge fund styles, we use a combination of HFRI benchmarks: Equity Style = 33% HFRI Fundamental Growth, 33% HFRI Fundamental Value, 33% HFRI Activist. Credit Style = 20% HFRI Distressed/Restructuring, 20% HFRI Credit Arbitrage, 20% HFRI Fixed Income-Corporate, 20% HFRI Fixed Income-Convertible Arbitrage, 20% HFRI Fixed Income-Asset Backed. Asymmetric Style = 50% HFRI Relative Value, 50% HFRI Macro

**The Risk Parity forecast shown here assumes a 10% target volatility strategy. We recommend customizing this forecast to the target volatility specifications of the risk parity strategy that an investor wishes to model. Please speak with your Verus consultant for customization needs.

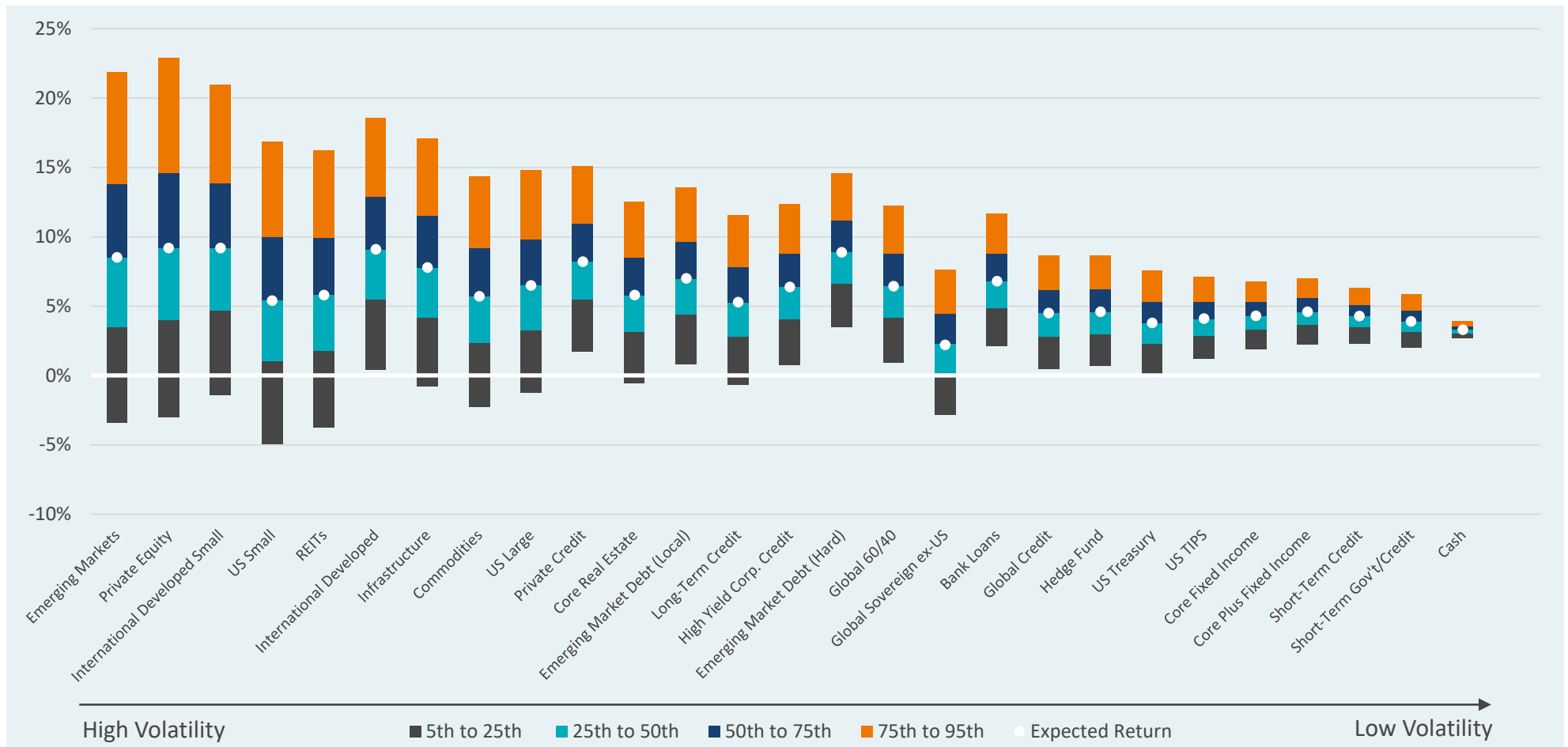
Correlation assumptions

	Cash	US Large	US Small	Intl Large	Intl Small	EM	Global Equity	PE	US TIPS	US Treasury	Global Sovereign ex-US	US Core	Core Plus	Short-Term Gov't/Credit	Short-Term Credit	Long-Term Credit	US HY	Bank Loans	Global Credit	EMD USD	EMD Local	Commodities	Hedge Funds	Real Estate	REITs	Infrastructure	Currency Beta	Risk Parity	
Cash	1.0																												
US Large	-0.1	1.0																											
US Small	-0.2	0.9	1.0																										
Intl Large	-0.1	0.9	0.8	1.0																									
Intl Small	-0.1	0.9	0.8	1.0	1.0																								
EM	-0.1	0.7	0.6	0.8	0.8	1.0																							
Global Equity	-0.1	1.0	0.9	0.9	0.9	0.8	1.0																						
PE	-0.2	0.7	0.7	0.6	0.6	0.6	0.7	1.0																					
US TIPS	-0.1	0.4	0.3	0.4	0.4	0.4	0.5	0.2	1.0																				
US Treasury	0.0	0.1	-0.1	0.0	0.0	0.1	0.1	-0.1	0.7	1.0																			
Global Sovereign ex-US	0.1	0.3	0.2	0.4	0.4	0.5	0.4	0.1	0.7	0.6	1.0																		
US Core	0.0	0.3	0.2	0.3	0.3	0.4	0.3	0.0	0.8	0.9	0.7	1.0																	
Core Plus	0.0	0.4	0.3	0.4	0.4	0.5	0.4	0.1	0.8	0.8	0.8	1.0	1.0																
Short-Term Gov't/Credit	0.2	0.2	0.0	0.2	0.2	0.3	0.2	0.0	0.7	0.8	0.6	0.8	0.8	1.0															
Short-Term Credit	0.2	0.4	0.3	0.4	0.4	0.4	0.4	0.2	0.6	0.5	0.7	0.7	0.8	0.7	1.0														
Long-Term Credit	0.0	0.5	0.4	0.5	0.5	0.5	0.6	0.2	0.8	0.7	0.7	0.9	0.9	0.6	0.8	1.0													
US HY	-0.1	0.8	0.8	0.8	0.8	0.7	0.8	0.5	0.6	0.1	0.5	0.4	0.6	0.3	0.6	0.7	1.0												
Bank Loans	-0.1	0.6	0.6	0.6	0.7	0.6	0.6	0.5	0.3	-0.2	0.2	0.1	0.3	0.0	0.5	0.4	0.8	1.0											
Global Credit	0.0	0.7	0.5	0.7	0.7	0.7	0.7	0.3	0.7	0.5	0.8	0.8	0.9	0.6	0.8	0.9	0.8	0.8	1.0										
EMD USD	-0.1	0.7	0.6	0.7	0.7	0.7	0.7	0.4	0.6	0.3	0.6	0.6	0.7	0.4	0.6	0.8	0.8	0.7	0.9	1.0									
EMD Local	0.0	0.5	0.4	0.7	0.6	0.8	0.7	0.4	0.4	0.2	0.6	0.4	0.5	0.4	0.5	0.6	0.7	0.5	0.8	0.8	1.0								
Commodities	-0.1	0.4	0.4	0.5	0.5	0.5	0.5	0.3	0.2	-0.2	0.2	0.0	0.1	0.0	0.2	0.1	0.5	0.5	0.3	0.4	0.4	1.0							
Hedge Funds	-0.1	0.8	0.9	0.8	0.9	0.8	0.9	0.6	0.3	-0.2	0.3	0.2	0.3	0.0	0.4	0.5	0.8	0.8	0.6	0.7	0.6	0.6	1.0						
Real Estate	-0.3	0.6	0.6	0.5	0.5	0.5	0.6	0.4	0.2	0.0	-0.1	0.1	0.2	0.0	-0.2	0.2	0.4	0.4	0.3	0.4	0.4	0.2	0.5	1.0					
REITs	-0.2	0.7	0.7	0.6	0.6	0.5	0.7	0.5	0.6	0.3	0.3	0.5	0.5	0.2	0.3	0.6	0.7	0.5	0.6	0.6	0.5	0.3	0.6	0.7	1.0				
Infrastructure	-0.2	0.8	0.7	0.8	0.8	0.7	0.8	0.6	0.5	0.1	0.5	0.4	0.5	0.2	0.5	0.6	0.8	0.7	0.7	0.8	0.7	0.6	0.8	0.6	0.7	1.0			
Currency Beta	-0.1	0.0	0.0	-0.2	-0.2	-0.2	-0.1	0.1	-0.2	-0.1	-0.3	-0.2	-0.2	-0.1	-0.3	-0.2	-0.1	-0.1	-0.3	-0.2	-0.2	-0.2	-0.1	0.1	0.0	-0.1	1.0		
Risk Parity	0.0	0.7	0.6	0.7	0.7	0.6	0.7	0.7	0.4	0.4	0.0	0.5	0.5	0.7	0.3	0.7	0.7	0.7	0.5	0.7	0.6	0.5	0.5	0.4	0.0	0.7	-0.2	1.0	

Note: as of 9/30/23 - Correlation assumptions are based on the last ten years. Private Equity and Real Estate correlations are especially difficult to model – we have therefore used BarraOne correlation data to strengthen these correlation estimates.

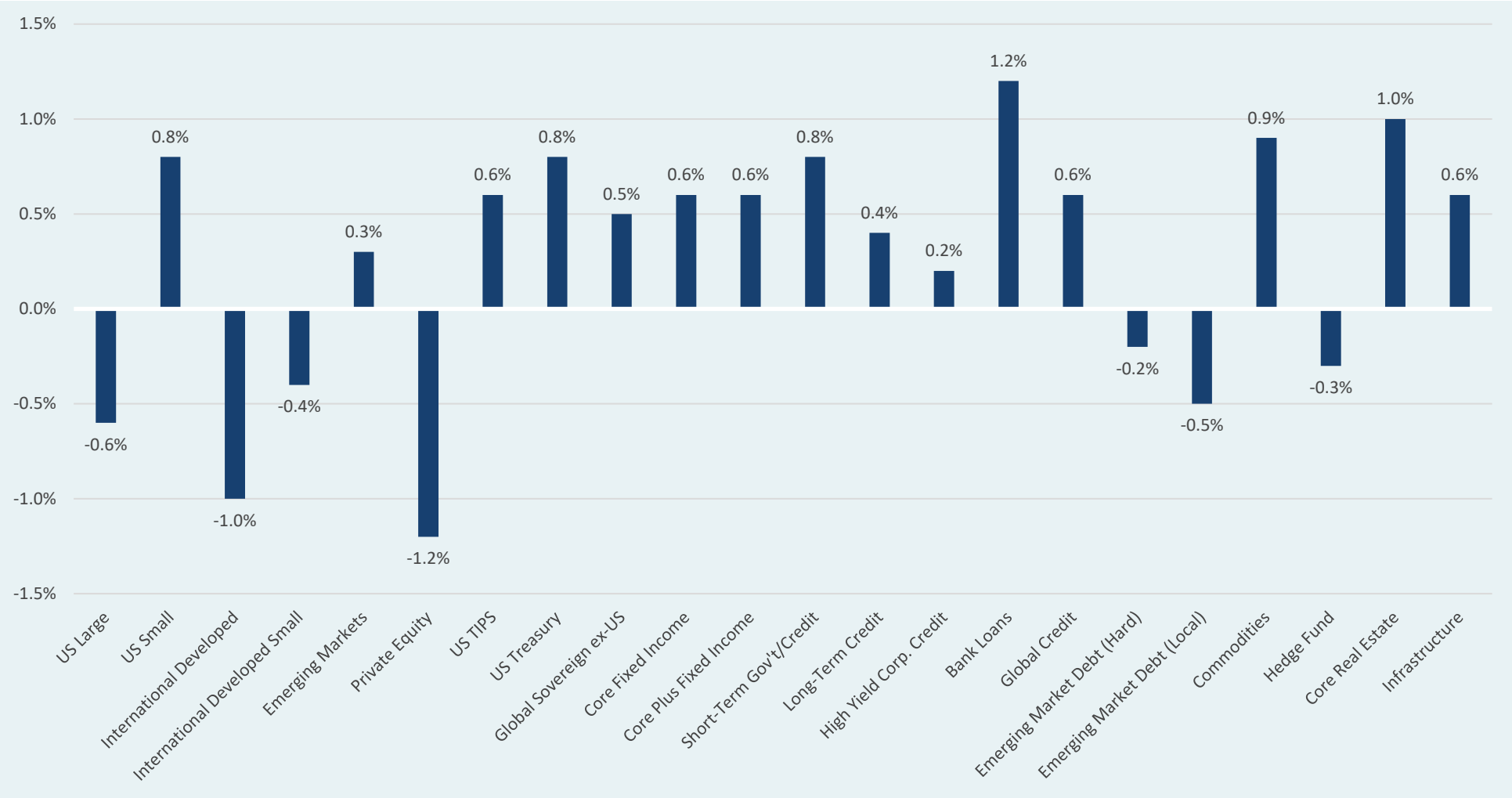
Range of likely 10-year outcomes

10-YEAR RETURN 90% CONFIDENCE INTERVAL



Source: Verus, MPI

2024 vs. 2023 return forecast

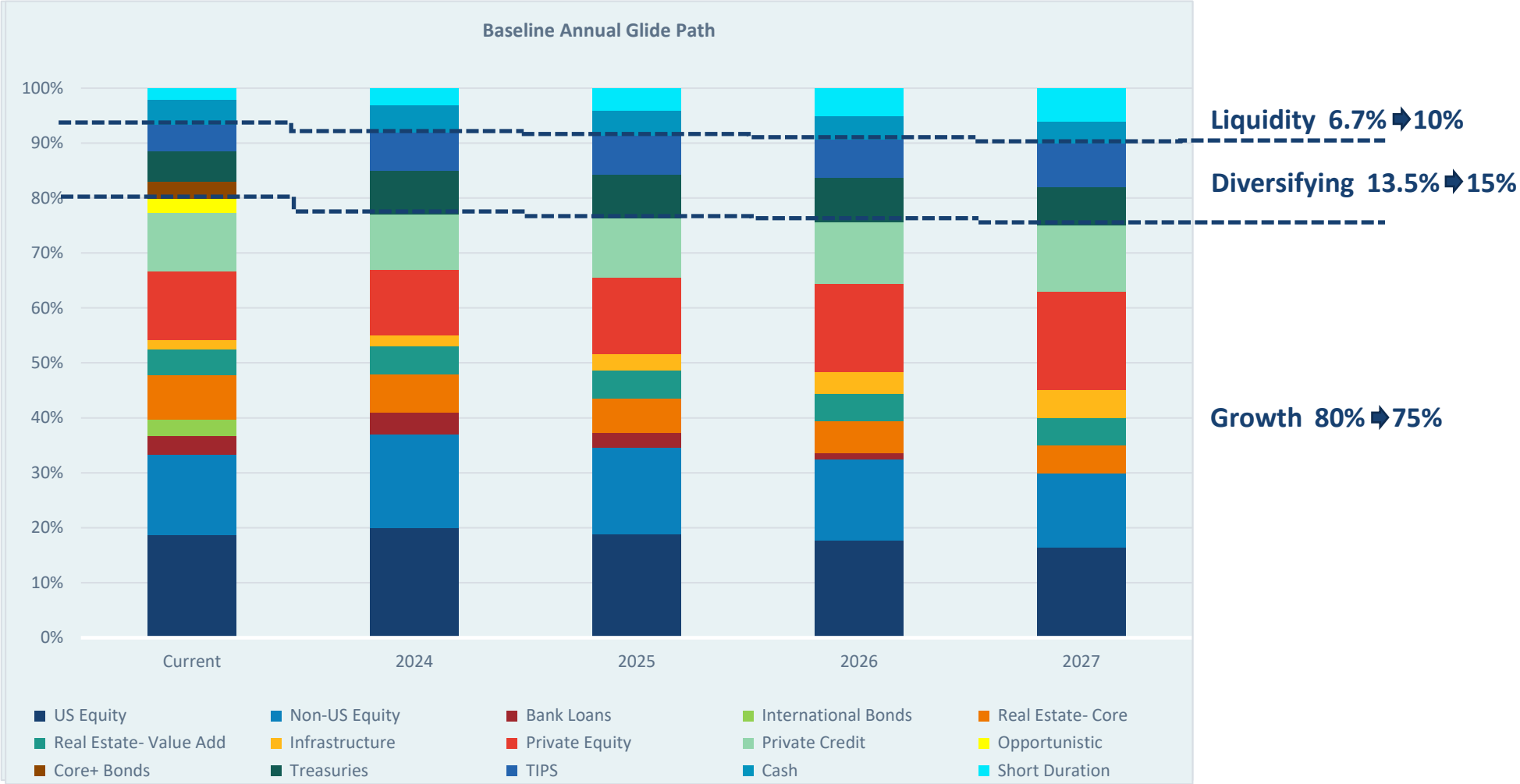


Source: Verus, as of 9/30/23

Strategic asset allocation review

Implementation glide path

BASELINE ANNUAL GLIDE PATH



Current is as of 12/31/23

Implementation glide path (cont'd)

Asset Class	Current	Baseline Annual Glidepath			
	12/30/2023	2024	2025	2026	2027
US Equity	19%	20%	19%	18%	17%
Non-US Equity	15%	17%	16%	15%	14%
Bank Loans	3%	4%	3%	1%	0%
International Bonds	3%	0%	0%	0%	0%
Real Estate- Core	8%	7%	6%	6%	5%
Real Estate- Value Add	5%	5%	5%	5%	5%
Infrastructure	2%	2%	3%	4%	5%
Private Equity	13%	12%	14%	16%	18%
Private Credit	11%	10%	11%	11%	12%
Opportunistic	3%	0%	0%	0%	0%
Total Growth	80%	77%	76%	76%	75%
Core+ Bonds	3%	0%	0%	0%	0%
Treasuries	6%	8%	8%	8%	7%
TIPS	5%	7%	7%	7%	8%
Total Diversifying	14%	15%	15%	15%	15%
Cash	5%	5%	5%	4%	4%
Short Duration	2%	3%	4%	5%	6%
Total Liquidity	7%	8%	9%	9%	10%
Total Portfolio	100%	100%	100%	100%	100%

- Public equities decline from 34% to 31%
- Private Equity and Private Credit increase from a combined 24% to 30%
- Core real estate declines from 8% to 5%; Infrastructure increases from 2% to 5%
- Treasuries + TIPS increase from 11% to 15%
- Cash/short-term investments increase from 7% to 10%

2024 interim benchmark

Benchmark adjusts annually to reflect expected end of year glidepath position for public markets

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%	LSTA US Leveraged Loan
US Treasuries	8%	Bloomberg Treasury 7-10
US TIPS	7%	Bloomberg US TIPS 5-10
Private Credit*	10%	Actual Return
Core Real Estate	7%	NCREIF Property Index
VA Real Estate / Infrastructure*	7%	Actual Return
Cash/Liquidity	8%	91 Day T-Bill

**Private markets benchmarks will equal current allocation during glidepath implementation with remaining allocated to public markets holding place.*

Mean variance analysis

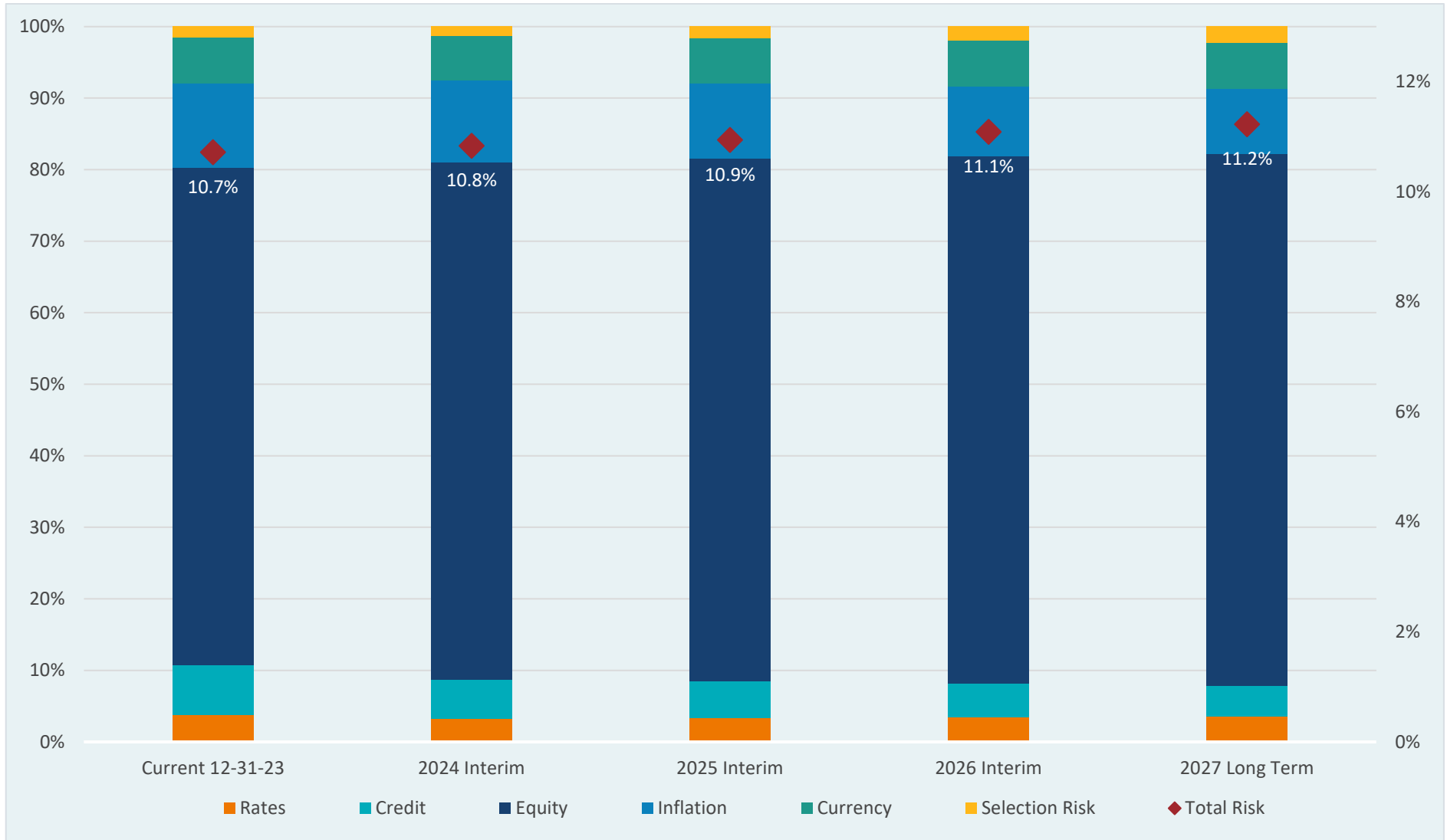
						<u>2024 CMA's (10 Yr)</u>			
	Current 12-31-23	2024 Interim	2025 Interim	2026 Interim	LT Policy	Return (g)	Return (a)	Standard Deviation	Sharpe Ratio (a)
Growth	80	77	76	76	75				
Global Equity	33.4	37.0	34.6	32.4	30.0	6.9	8.2	16.7	0.17
Private Equity	12.5	12.0	14.0	16.0	18.0	8.0	10.9	25.6	0.27
Private Credit	13.0	10.0	10.7	11.3	12.0	9.2	9.8	11.9	0.48
Global Sovereign ex-US	1.3	0.0	0.0	0.0	0.0	2.7	3.2	9.9	-0.09
Bank Loans	3.4	4.0	2.7	1.3	0.0	8.0	8.4	9.0	0.48
Emerging Market Debt (Hard)	0.9	0.0	0.0	0.0	0.0	8.7	9.2	10.6	0.48
Emerging Market Debt (Local)	0.9	0.0	0.0	0.0	0.0	6.5	7.2	12.2	0.25
Core Real Estate	8.1	7.0	6.3	5.7	5.0	6.8	7.5	12.5	0.27
Value Add Real Estate	4.6	5.0	5.0	5.0	5.0	8.8	9.9	15.4	0.38
Infrastructure	1.8	2.0	3.0	4.0	5.0	8.4	9.7	16.9	0.33
Diversifying	14	15	15	15	15				
Core Plus Fixed Income	3.2	0.0	0.0	0.0	0.0	5.2	5.3	4.5	0.24
US Treasury	5.6	8.0	8.0	8.0	8.0	4.6	4.8	7.1	0.10
US TIPS	4.7	7.0	7.0	7.0	7.0	4.7	4.8	5.5	0.13
Liquidity	7	8	9	9	10				
Cash	4.6	5.0	4.7	4.3	4.0	4.1	4.1	1.1	--
Short-Term Gov't/Credit	2.1	3.0	4.0	5.0	6.0	4.7	4.8	3.6	0.19
Total Allocation	100	100	100	100	100				

	Current 12-31-23	2024 Interim	2025 Interim	2026 Interim	LT Policy
Mean Variance Analysis					
Forecast 10 Year Return	7.5	7.4	7.4	7.5	7.5
Standard Deviation	11.2	11.2	11.3	11.5	11.6
Return/Std. Deviation	0.7	0.7	0.7	0.6	0.6
1st percentile ret. 1 year	-15.4	-15.7	-15.8	-16.0	-16.2
Sharpe Ratio	0.35	0.34	0.34	0.34	0.34

Source: MPI and Verus

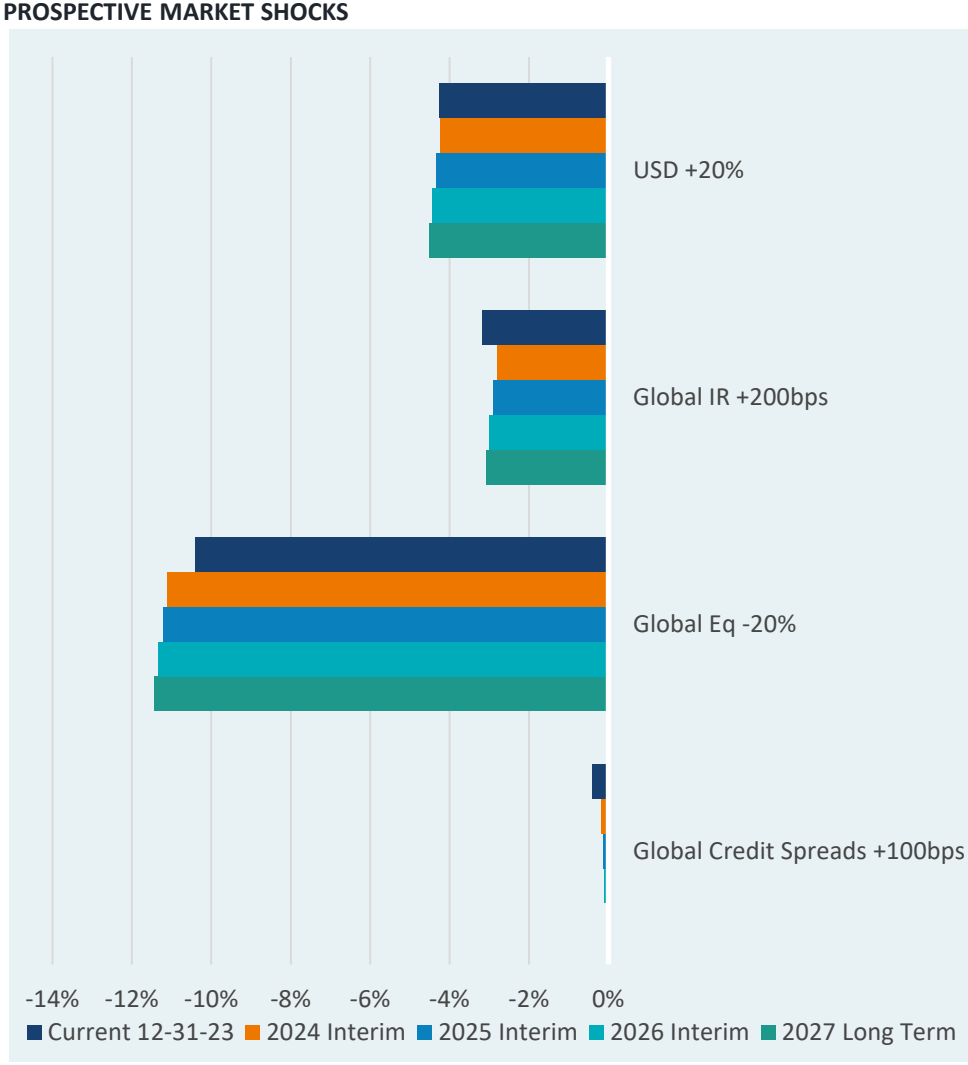
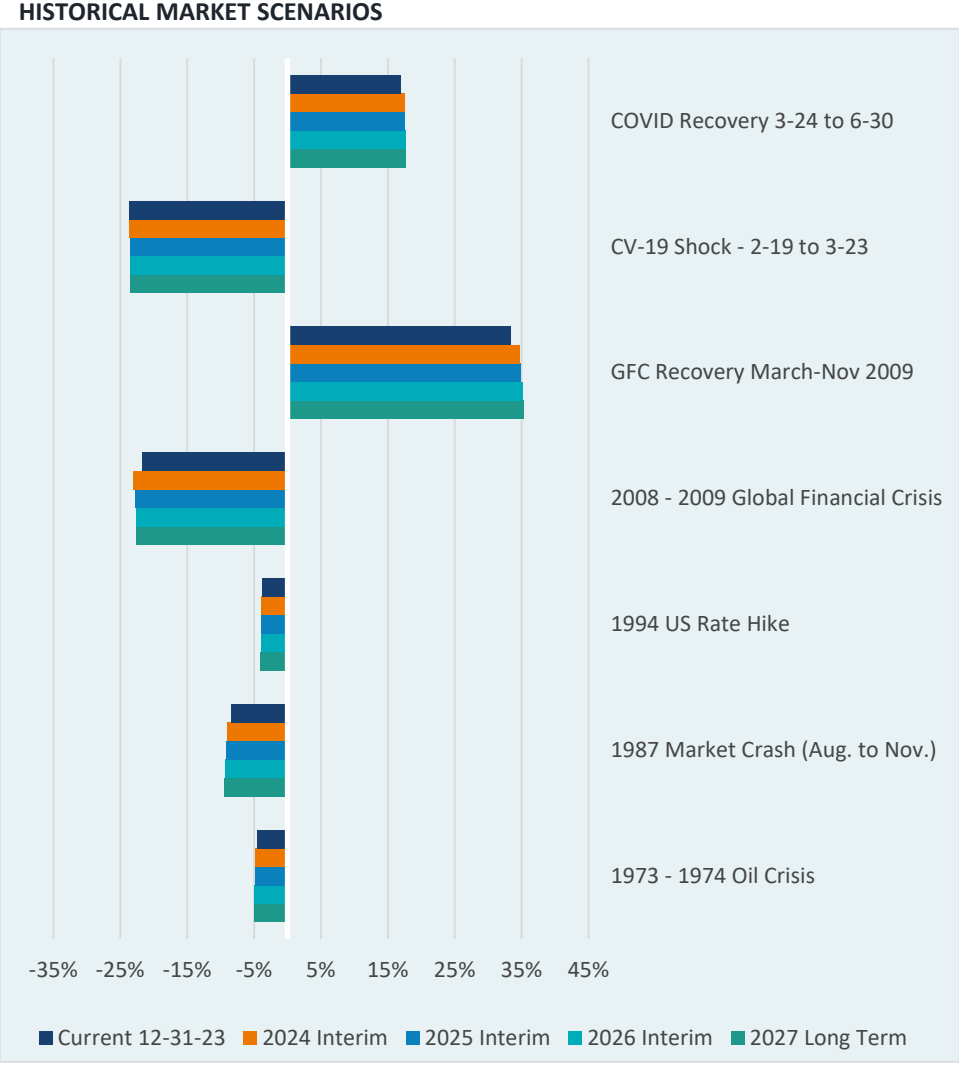
2024 Inflation forecast: 2.5%

Risk decomposition



Barra as of 12/31/23

Scenario analysis and stress test



Barra as of 12/31/23

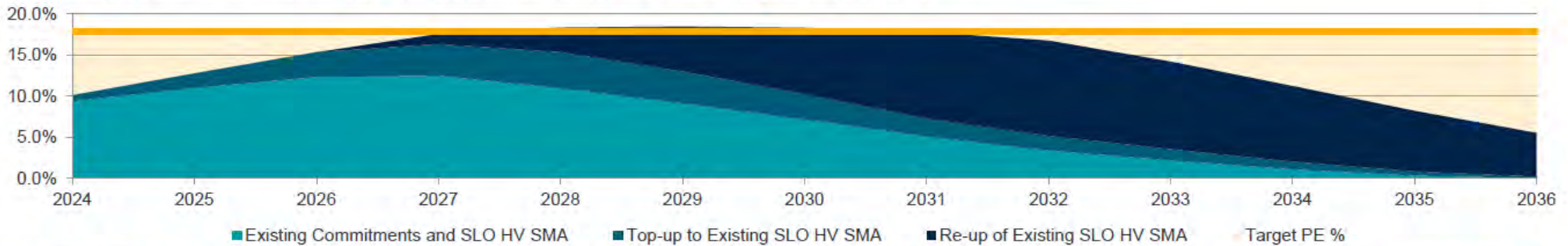
Private equity implementation update

Overview

- A “top-up” commitment of \$150 million to HarbourVest private equity was approved at the February 2023 Board meeting.
- The Board chose to hold off for a year to save fees with the expectation that it would not significantly impact the timeline for reaching the long-term allocation target of 18%.
- HarbourVest provided updated projections showing that with the \$150 million additional commitment, the private equity allocation is on track to reach the long-term target.
- A comprehensive assessment of the private markets program will be covered during our regular annual review in August.

Private equity implementation

Additional \$150 million committed to existing separate account program in 2024
 Re-up commitment in 2027 of \$500 million to achieve target allocation



Years Ending	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
NAV										
Total AUM	\$2,108	\$2,238	\$2,376	\$2,522	\$2,678	\$2,844	\$3,019	\$3,205	\$3,403	\$3,613
Total Private Equity NAV	\$213	\$286	\$365	\$444	\$492	\$525	\$553	\$571	\$571	\$514
Commitments										
Commitments	\$150	\$0	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Commitments	\$625	\$625	\$625	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125
Capital Calls										
Total Capital Calls	-\$73	-\$85	-\$93	-\$106	-\$98	-\$104	-\$104	-\$100	-\$81	-\$50
Distributions										
Total Distributions	\$28	\$45	\$59	\$84	\$119	\$148	\$158	\$168	\$170	\$195
Net PE Cash Flows	-\$45	-\$40	-\$35	-\$21	\$22	\$44	\$55	\$68	\$89	\$145
Total PE Invested as % of Total AUM	10.1%	12.8%	15.4%	17.6%	18.4%	18.5%	18.3%	17.8%	16.8%	14.2%
PE +/- Target Allocation	-7.9%	-5.2%	-2.6%	-0.4%	0.4%	0.5%	0.3%	-0.2%	-1.2%	-3.8%

Assumptions: Total Plan AUM USD 2.1B / Growth 6.2% / Target Private Equity: 18%

Performance is based on hypothetical projections after January 2024. Hypothetical projections are not a reliable indicator of future performance. This information is provided at your request, solely as an example of the pace at which capital may be called and distributed by the fund(s). Hypothetical projections should be used solely as a guide and should not be relied upon to manage your investments or make investment decisions. Past performance and hypothetical projections are not reliable indicators of future results. Realized results will differ from the hypothetical projections, and there can be no assurance that future funds will achieve comparable results. See additional disclosures at the end of this section.

Source: Harbourvest

Fee impact

SLO Existing Management Fee Schedule

Tranche	Commitment	Fee	Term														Total
Global Tranche	\$620	16.5 bps	15 years														\$15.3
Senior Credit Tranche	\$150	15.0 bps	6 years														\$1.4
Total	\$770																\$16.7
Tranche	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total	
Global Tranche	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$15.3	
Senior Credit Tranche	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.4	
Total	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$16.7	
Annual fee	16.2 bps	16.2 bps	16.2 bps	16.2 bps	16.2 bps	16.2 bps	13.3 bps	13.3 bps	13.3 bps	13.3 bps	13.3 bps	13.3 bps	13.3 bps	13.3 bps	13.3 bps	14.45 bps	

SLO Illustrative Management Fee Schedule with \$150M Top-up*

Tranche	Commitment	Fee	Term														Total
Global Tranche	\$770	16.5 bps	15 years														\$18.6
Senior Credit Tranche	\$150	15.0 bps	6 years														\$1.4
Total	\$920																\$19.9
Tranche	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total	
Global Tranche	\$1.0	\$1.0	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$18.6	
Senior Credit Tranche	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.4	
Total	\$1.2	\$1.2	\$1.5	\$1.5	\$1.5	\$1.5	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$1.3	\$19.9	
Annual fee**	16.2 bps	16.2 bps	16.3 bps	16.3 bps	16.3 bps	16.3 bps	13.8 bps	13.8 bps	13.8 bps	13.8 bps	13.8 bps	13.8 bps	13.8 bps	13.8 bps	13.8 bps	14.45 bps	
Annual Increase	\$0.00	\$0.00	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$3.3	

*Does not include projected commitment in 2027 to achieve and maintain NAV target. Management fees and carried interest for future commitments will depend on the ultimate portfolio construction and associated services.

**Assumes updated management fee beginning in Year 3 of the program. Management fees charged on capital committed to HarbourVest.

Recommendations

Recommendations

- Maintain current long-term strategic asset allocation
- Maintain 2027 as target year for long term asset allocation and continue to monitor
- Implement 2024 interim benchmark
- Implement \$150mm approved private equity commitment to achieve 18% target allocation

Board of Trustees

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



Date: February 26, 2024

To: Board of Trustees

From: Katie Girardi – Executive Director
Amy Burke – Deputy Director
Scott Whalen – Verus – Investment Consultant
Chris Waddell – General Counsel

Agenda Item 10: Investment Policy Statement and Investment Procedures Review

Recommendation:

Review and discuss the Investment Policy Statement, Strategic Asset Allocation benchmarks, and Investment Procedures document with Staff and Verus.

Approval recommended for -

1. **Investment Policy Statement (IPS)** – no changes to the fundamental IPS are recommended.
2. **Strategic Asset Allocation – Addendum A to the IPS** - the Strategic Asset Allocation (SAA) exhibit is incorporated in the IPS as **Addendum A**. No changes to the SAA long-term asset mix are recommended.
3. **Investment Procedures (IP)** – no changes to the fundamental IPS are recommended.

Discussion:

The Investment Policy Statement, Strategic Asset Allocation, and Investment Procedures last reviewed and amended in 2023 underwent a thorough review by the Executive Director revealing its strength and alignment with the organization's goals and risk tolerance. Following an evaluation of market conditions, regulatory changes, and investment strategies, no revisions were deemed necessary by the Executive Director and Versus. The collaborative effort ensured that the policy remained well-suited to navigate market dynamics while maintaining a prudent approach to

achieving long-term financial objectives. This reaffirmed confidence in the Investment Policy Statement's effectiveness and its ability to guide decision-making in the ever-evolving investment landscape.

Respectfully Submitted

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**SAN LUIS OBISPO COUNTY
PENSION TRUST**

BOARD OF TRUSTEES

INVESTMENT POLICY STATEMENT

February 27, 2023

**Amends Investment Policy Statement
originally adopted September 28, 2020,
Last amended March 22, 2021**

I. Investment Policy Purpose and Authority

The San Luis Obispo County Pension Trust Board of Trustees, pursuant to applicable County, State and Federal laws and regulations and in keeping with its fiduciary responsibilities, has established this Investment Policy to govern the investment of the assets of the Pension Trust.

The purpose of this Investment Policy is to provide policy guidance and documentation of the authority, role and governance practices of the Pension Trust relative to the investment of the Trust's assets.

In formulating this Investment Policy, the Board of Trustees has followed the provisions of Article XVI, Section 17 of the California State Constitution which are set forth in pertinent part below:

1. Notwithstanding any other provision of law or of the California Constitution to the contrary, the Board of Trustees shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the Pension Trust.
2. The Board of Trustees shall have the sole and exclusive fiduciary responsibility over the assets of the Pension Trust.
3. The Board of Trustees shall have the sole and exclusive responsibility to administer the Pension Trust in a manner that will assure the prompt delivery of benefits and related services to members, participants, and their beneficiaries.
4. The assets of the Pension Trust are trust funds and shall be held for the exclusive purpose of providing benefits to members, participants and their beneficiaries and defraying the reasonable expenses of administering the Pension Trust.
5. That each member of the Board of Trustees shall discharge his or her duty with respect to the Pension Trust solely in the interest of, and for the exclusive purposes of:
 - a. providing benefits to members, retired participants and their beneficiaries
 - b. minimizing contributions to the Pension Trust
 - c. defraying the reasonable expenses of administering the Pension Trust.
6. The Board of Trustees' duty to its members, participants and beneficiaries shall take precedence over any other duty.
7. Each member of the Board of Trustees shall discharge his or her duty with respect to the Pension Trust with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
8. The Board shall diversify the investments of the Pension Trust so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

II. Investment Objectives

1. The overall objective is to invest the assets of the Pension Trust solely for the benefit of plan members, participants and their beneficiaries while attempting to minimize contributions, investment costs and administration costs.
2. The long-term performance objective for the Pension Trust is to meet or exceed the actuarially assumed rate of return net of fees and expenses, over a complete economic cycle and relevant longer periods.

III. Investment Philosophy

1. Time Horizon - The Pension Trust will periodically review the portfolio's alignment with the Retirement Plan's liabilities. The investment policy and guidelines are based on a time horizon of greater than five years. The Pension Trust will consider both intermediate-term and longer-term investment return horizons in formulating expected returns and assessing portfolio risk parameters. The Pension Trust's strategic asset allocation is based on this longer-term perspective. Fluctuations of investment results in the interim should be viewed with an appropriate perspective.
2. Risk Tolerance - Investment opportunities in various asset classes have differing risk and return expectations. In general, investments with higher expected returns involve a higher level of risk. The Pension Trust recognizes that some level of risk must be assumed to achieve the long-term investment objectives. The Pension Trust will attempt to achieve its investment return objective with an appropriate level of risk using an efficient combination of investable assets.
3. Drawdown Risk – The Pension Trust is a retirement system in a negative cashflow status (benefits paid exceed contributions received annually), As a result, the Pension Trust's funded level and required contributions are increasingly sensitive to periods when investment returns are negative even with the expectation that investment markets will recover after such events. As part of its consideration of risk tolerance and asset allocation the Pension Trust will attempt to manage short-term drawdown risk when developing its long-term asset allocation policy and when shifting or rebalancing the portfolio.
4. Liquidity Needs - Sufficient liquidity must be maintained to pay benefits and expenses. Investment income and contributions may or may not exceed projected benefit payments and expenses on an annual basis. Within the constraints of maintaining adequate liquidity for the payment of benefits and expenses, a reasonable portion of the portfolio may be invested in illiquid investments. The liquidity requirements shall be reviewed at least annually.
5. Asset Allocation as Primary Control Over Risk and Return - It is impossible to accurately and consistently predict the future; therefore, the Plan is required to be prudently diversified across

and within asset classes in anticipation of various economic conditions. In a well-diversified portfolio, the overall volatility of investment returns is principally driven by the asset allocation and secondarily driven by the individual investment strategies. As such, asset allocation is the primary tool by which the Board can manage the expected risk/return profile of the Plan.

6. Performance Objectives - The expected and actual investment returns of the total fund will depend on the asset allocation targets, the mix of investment styles within asset classes, and individual manager performance. Therefore, performance objectives have been set at three levels: total fund, asset class, and individual portfolios.

- a. Total Fund

- i. Meet or exceed the actuarial discount rate which has taken into account expected composite portfolio returns. Annualized investment returns (net of fees) should exceed the actuarial discount rate over most five-year periods and over complete economic cycles.
- ii. Meet or exceed the policy benchmark. Annualized investment returns (net of fees) to exceed the policy benchmark over five-year periods. The policy benchmark is a composite of the benchmarks of the asset classes in the asset allocation policy. Composition of the policy benchmark is detailed in Addendum A.

- b. Asset Class

- i. Annualized returns (net of fees) for the asset classes should exceed their respective benchmarks over a five-year period. The asset class benchmarks will be broad market indices that are representative of the investment structure for that asset class. Current benchmarks for the asset classes are shown in Addendum A.

- c. Individual Portfolios

- i. Performance objectives for manager portfolios are stated in the respective investment management agreements. Returns (net of fees) are expected to exceed the respective benchmarks over three to five-year periods. Manager benchmarks will be determined based upon the investment style of the portfolio for which the manager is hired.

7. Compliance – The Board believes that investment policies, in aggregate, are the most important determinants of investment success. Compliance with investment policies should, therefore, be monitored diligently.

IV. Asset Classes

The asset classes that may be utilized by the Pension Trust include, but are not limited to, the listing shown below. Not all asset classes listed below may be approved for use at any given time. **The asset classes approved by the Board of Trustees at any given time are specified in the Strategic Asset Allocation (SAA) policy contained in Addendum A to this Investment Policy.** The purpose of utilizing multiple asset classes for the investment of Pension Trust assets is to diversify across different assets that respond to economic and capital market conditions differently. The expected returns, volatility of returns, cross-asset-class-correlations, liquidity and cashflow of different asset classes are to be considered in the setting of the Strategic Asset Allocation specified in **Addendum A**.

Possible Asset Classes:

1. Domestic Equities
2. International / Global Equities
3. International – Developed Market Equities
4. International – Emerging Market Equities
5. Domestic Fixed Income / Bonds
6. International / Global Fixed Income
7. International – Developed Market Fixed Income
8. International – Emerging Market Fixed Income
9. Short Term Cash Equivalents
10. Domestic Real Estate
11. International / Global Real Estate
12. Infrastructure
13. Timber
14. Commodities
15. Private Equity
16. Private Credit
17. Other Alternative Strategies (e.g., Risk Parity, Alternative Risk Premia, Momentum, Volatility Capture, Currency Beta)

V. Asset Allocation

The current Strategic Asset Allocation – approved asset classes, target allocations and ranges are detailed in Addendum A as approved by the Board of Trustees of the Pension Trust.

The Board of Trustees of the Pension Trust has adopted a strategic asset allocation plan based upon the fund's projected actuarial liabilities and liquidity needs, the Pension Trust's risk tolerances and the risk/return expectations for various asset classes. This asset allocation plan seeks to optimize long-term returns for the level of risk that the Pension Trust considers appropriate. Since projected liability and risk/return expectations will change over time, the Pension Trust will conduct a periodic review of the asset allocation plan, at least triennially, to maintain an optimal allocation, and may also revise the asset allocation in response to significantly changing market conditions that have affected valuations and forward-looking expected returns of asset classes. The Pension Trust will review capital market expectations at least annually.

Functionally Focused Sub-Portfolios

The asset allocation methodology used in this Strategic Asset Allocation (SAA) policy is based on the Functionally Focused Portfolios model. Three primary sub-portfolios are employed – **Liquidity, Growth, and Risk-Diversifying**. Specific investment strategies and investment managers fit within these three Functional sub-Portfolios. The sub-portfolios are described below.

LIQUIDITY

- Purpose - to ensure adequate assets are available to pay benefits over an extended period, thereby allowing the Growth sub-portfolio to invest for the long term with lessened constraints on liquidity.
- Liquidity Allocation – to be established in the setting of the SAA policy specified in Addendum A to this Investment Policy as a certain number of months of gross benefit payments set within an allowable range.
- Replenishment – to be replenished through contribution payments and periodic transfers from the Growth or Risk-Diversifying sub-portfolios as part of routine rebalancing transactions.
- Investments - highly liquid, low volatility securities expected to generate modest levels of return while preserving capital throughout a market cycle. This portfolio will contain assets such as cash, short-term bonds, laddered government bonds, derivatives, and other investments that provide fixed, contractual cash flows with an acceptable level of credit risk.
- Secondary Purpose - a portion of the Liquidity sub-portfolio may be allocated to the Growth sub-portfolio on an opportunistic basis during broad market corrections so long as at least 50% of the SAA Policy target for the Liquidity sub-portfolio is maintained.

- The success of the Liquidity sub-portfolio will be measured by its ability to directly fund benefit payments through low-risk, cash flowing investments, as well as providing a stable offset to the rest of the portfolio during periods of severe market stress.

GROWTH

- Purpose - to grow invested assets over the long term to pay future benefits. Assets from the Growth sub-portfolio may be sold over time and transferred to the Liquidity sub-portfolio as needed.
- Time Horizon, risk and return - The Growth sub-portfolio has a long investment horizon and can, therefore, accept a higher level of risk. Assets in this portfolio may be volatile, have reduced liquidity, and derive the bulk of their return from capital appreciation. These assets include public and private equity, corporate and other debt with credit risk premiums, private real estate and other private assets.
- The success of this portfolio will be measured primarily by compounded annual growth rates in conjunction with the annualized standard deviation of returns as the primary measure of risk. Performance evaluation will, therefore, focus on the long-term total risk-adjusted return of the portfolio.

RISK DIVERSIFYING

- Purpose - to offset the investment risk of the Growth sub-portfolio.
- Time Horizon, risk, and return - investment strategies in the Risk Diversifying sub-portfolio are expected to have return profiles that have a low correlation to those in the Growth sub-portfolio. This low correlation of returns is expected to effectively dampen the market volatility across the entire portfolio.
- Secondary Purpose - the investment strategies in the Risk Diversifying sub-portfolio will offer additional sources of return to those in the Liquidity and Growth sub-portfolios. Assets in the Diversifying sub-portfolio may be sold during times of market stress or when the assets in the Growth Sub-portfolio are impaired to fund the Liquidity sub-portfolio.
- The success of the Risk Diversifying sub-portfolio will be measured by its ability to offset declines in value in the Growth sub-portfolio, as well as its ability to provide liquidity during times of market stress.

ADMINISTRATION OF THE FUNCTIONAL SUB-PORTFOLIOS

- The allocations to the Liquidity, Growth, and Risk Diversifying sub-portfolios will vary over time.
- The Liquidity sub-portfolio will operate as a drawdown vehicle to pay benefits and expenses.
- The Growth and Risk Diversifying sub-portfolios will be subject to the volatility of the markets in which each functional sub-portfolio invests.
- In order to reallocate between the functional sub-portfolios, the SAA Policy as shown in Addendum A to this Investment Policy will guide periodic rebalancing transactions.
- The SAA Policy as shown in Addendum A to this Investment Policy will be reviewed annually by the Board of Trustees based on the advice of the Executive Director / CIO and the Investment Consultant(s).

VI. Investment Managers

Internal vs. External Investment Management:

The Board of Trustees may from time to time authorize the Pension Trust staff to provide investment management services directly, on an internally managed basis. Any such internal management must consider the professional qualifications and resources of Pension Trust staff. Any such internal management must be fully specified with a stated investment style and goals equivalent to those applied to external investment managers. **In general, the Pension Trust has a strong bias towards utilizing external investment managers.**

Investment Manager Diversification:

In general, the Pension Trust will employ multiple investment managers across asset classes with diversified investment styles. Examples of investment manager diversification may include but, are not limited to the list shown below.

1. Domestic Equities – diversified by -
 - a. Market capitalization (e.g., small cap, mid cap, large cap)
 - b. Industry and across individual companies
 - c. Investment style (e.g., “growth” and “value”)
 - d. Active investment management and index/ passive/ semi-passive strategies.

2. International / Global Equities – diversified by -
 - a. Developed markets
 - b. Emerging markets
 - c. Global markets (including both domestic U.S. and international)
 - d. Individual countries
 - e. Currency exposure and management
 - f. Market capitalization (e.g., small cap, mid cap, large cap)
 - g. Industry and across individual companies
 - h. Investment style (e.g., “growth” and “value”)
 - i. Active investment management and index/ passive/ semi-passive strategies.

3. Domestic Fixed Income / Bonds – diversified by –
 - a. Governmental or corporate issuer
 - b. Credit quality
 - c. Industry
 - d. Collateral (e.g., mortgage backed)
 - e. Maturity and Duration
 - f. Yield
 - g. Active or passive management
 - h. Investment Style

4. International / Global Fixed Income – diversified by –
 - a. Developed markets

- b. Emerging markets
 - c. Governmental or corporate issuer
 - d. Country
 - e. Currency exposure and management
 - f. Credit quality
 - g. Industry
 - h. Collateral (e.g., mortgage backed)
 - i. Maturity and Duration
 - j. Yield
 - k. Active or passive management
 - l. Investment Style
5. Domestic / International / Global Real Estate Income – diversified by –
- a. Geographic area
 - b. Property type
 - c. Leverage
 - d. Investment style – e.g., “core”, “value added”
 - e. Open end commingled fund or closed end fund (e.g., a limited partnership)
6. Commodities– diversified by –
- a. Active or passive management
 - b. Derivatives used
7. Private Equity, Private Credit, and other private market illiquid funds – diversified by –
- a. Type of investment (e.g., venture capital, buyout, debt, secondary market interests, co-investments)
 - b. General Partner
 - c. Vintage year of limited partnership
 - d. Investment Style

Active Investment Management:

The Pension Trust may from time to time utilize active investment managers to the extent that it holds the expectation that active investment management can generate risk adjusted returns greater than relevant, investable benchmarks over an entire market cycle. The use of passive or index-based investment management will be preferred by the Pension Trust in the absence of expectations of active management outperformance. The Pension Trust will regularly evaluate all active investment managers relative to lower cost alternatives of passive or index-based management.

Environmental / Social / Governance:

The Pension Trust recognizes that the economic value of its investments may be impacted by Environmental / Social / Governance factors. In its capacity as fiduciaries, the Board of Trustees in the interests of prudent diversification should evaluate potential Environmental / Social / Governance factors at the investment manager level as being a reasonable consideration when other expected investment alternatives are estimated to be equal in merit (i.e., all else being equal). The Pension Trust delegates consideration of the merits of any such Environmental / Social / Governance factors at the individual investment level to investment managers employed by the Pension Trust. Investment managers employed by the Pension Trust should consider Environmental / Social / Governance factors (e.g., environmentally sustainable business practices, responsible corporate governance and transparency) in the context of their effects on expected investment returns. The Pension Trust expects its investment managers to be aware of Environmental / Social / Governance factors and consider their impact on diversification and risk in their portfolios.

Role of Derivatives, Cash Securities, Long/Short Positions, Leverage:

In general Pension Trust investments will be in long positions in cash securities markets. Some asset strategies may employ both long and short positions in derivative securities or which may be acceptable depending on the type of investment manager and/or strategy applicable. Some asset strategies may employ leverage which may be acceptable depending on the type of investment manager and/or strategy applicable.

Some investment exposures may be more efficiently achieved with derivative instruments which are acceptable depending on the type of investment manager and/or strategy applicable. Investment managers may be permitted under the terms of individual investment guidelines to use derivative instruments to implement market decisions and security positions and to control portfolio risk. Derivatives are contracts or securities whose returns are derived from the returns of other securities, indices or instruments including, but not limited to, futures, forwards, options, swaps and options on futures. Examples of appropriate applications of derivative strategies include hedging interest rate and currency risk, rebalancing portfolio exposures, securitizing fund level and manager cash, maintaining exposure to a desired asset class while effecting asset allocation changes, adjusting portfolio duration for fixed income and gaining exposure to commodities. Portfolio liabilities associated with investments (i.e. mortgage forward bond purchases, futures, in-the-money short puts, reverse repurchase agreements, etc.) shall be backed by cash equivalents or deliverable securities. No derivatives positions can be established that create portfolio characteristics outside of portfolio guidelines. Managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

VII. Investment Policy Statement and Investment Procedures – Review and Revision

The Board of Trustees reserves the right to amend this Investment Policy Statement and the Investment Procedures at any time they deem such amendment to be necessary, or to comply with changes in federal law as these changes affect the investment of Fund assets.

This Investment Policy Statement and the Investment Procedures shall be reviewed, at a minimum, every three years or as directed by the Board of Trustees. Such reviews will focus on the continuing feasibility of achieving the investment objectives and the continued appropriateness of the investment policy relative to the Pension Trust's circumstances.

It is not expected that the investment policy will change frequently; in particular, short-term changes in the financial markets generally should not require an adjustment in the investment policy. However, specific policy issues may be visited whenever the Board of Trustees deems necessary. Specific occurrences which might suggest to the Board an earlier review include, but are not limited to, a change in the Fund's circumstances and / or a material change in the capital market environment.

**San Luis Obispo County Pension Trust
Strategic Asset Allocation (SAA) Policy**

ADDENDUM A

Strategic Asset Allocation Policy Adopted Feb. 27, 2023		TARGET	Limits		Performance Benchmark
			Min.	Max.	
LIQUIDITY					
Total Liquidity Allocation	(a)	10%	5%	20%	Policy mix composite
Cash Equivalents		4%	1%	15%	90 day T-Bills
Short Duration Govt/ IG Credit	(c)	6%	0%	15%	Barclays U.S. Govt/Credit 1-3
GROWTH					
Total Growth Allocation	(b)	75%	25%	95%	Policy mix composite
Equities - Public Market		30%	15%	85%	MSCI ACWI
US Large Cap Growth/Value					S&P 500
US Small/Mid Cap Growth/Value					Russell 2500
Intl. Developed Market Growth/Value					MSCI EAFE
Intl. Emerging Market					
Global		30%	15%	70%	MSCI ACWI
Debt - Public Market		0%	0%	30%	BC Aggregate Bond
US Core + Bonds IG	(c)				FTSE WGBI ex US Treas.
Global Bonds					S&P/LSTA Leveraged Loan Index
Bank Loans					50% JPM EMBI / 25% JPM
Emerging Market Debt					GBIEM / 25% JPM ELMI+
Real Assets		15%	10%	30%	Policy mix composite
Real Estate - Core		5%	5%	15%	NCREIF
Real Estate Value Add		5%	0%	15%	NCREIF
Infrastructure - Global		5%	0%	15%	TBD

Strategic Asset Allocation Policy Adopted Feb. 27, 2023		TARGET	Limits Min. Max.		Performance Benchmark
Private Markets	(e)	30%	5%	45%	(e)
Private Equity		18%	5%	30%	
Diversified PE strategies	(d)				
Specific PE funds					
Equity related alternatives					
Private Credit		12%	5%	25%	
Diversified PC strategies	(d)				
Specific PC funds					
Debt related alternatives					
Other Growth Strategies			0%	10%	
Opportunistic		Varies			
RISK DIVERSIFYING					
Total Risk Diversifying Allocation		15%	5%	30%	
US Treasury - Intermediate/Long Govt.Bonds		8%	4%	15%	Barclays Treasury 7-10 Year Barclays U.S. TIPS 5-10 Index
US Treasury - Inflation Protected - TIPS		7%	3%	15%	
TOTAL		100%			Total Fund Policy mix
<p>(a) Liquidity target ~ 1.3 yrs gross pension benefits - currently ~\$140m ~10%</p> <p>(b) Growth - long-term investments with some illiquidity. Periodic drawdowns to replenish Liquidity as needed.</p> <p>(c) IG = Investment Grade Credit HY = High Yield - below IG Credit</p>		<p>(d) Diversified Private Markets may be Fund-of-Funds and/or Direct LP program</p> <p>(e) To avoid unnecessary and possibly misleading Tracking Error, the Total Fund Policy Benchmark uses actual time-weighted private markets returns applied to actual private market asset class weights rounded to the nearest whole percentage point. The difference in actual weight versus target is allocated to the private market investment's public market "equivalent" (e.g., private equity to public equity; private credit to public fixed income).</p>			

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**SAN LUIS OBISPO COUNTY
PENSION TRUST**

BOARD OF TRUSTEES

INVESTMENT PROCEDURES

Supplement to Investment Policy Statement

February 27, 2023

I. Investment Procedures Purpose and Authority

The San Luis Obispo County Pension Trust (SLOCPT) Board of Trustees establishes the Investment Policy governing the investment of Pension Trust assets. The Investment Policy Statement (IPS) approved and periodically amended by the Board of Trustees is the guiding document for investments.

This document on Investment Procedures addresses the various procedures that support the implementation of the IPS and thus is supplementary to the Investment Policy Statement. The Investment Procedures are presented herein as a separate document from the IPS for the sake of clarity and a concise focus in the IPS.

The primary responsibility for administering, monitoring, and reporting to the Board of Trustees on the Pension Trust Investment Policy lies with the Executive Director / Chief Investment Officer (CIO).

II. Investment Managers

Investment Manager Guidelines:

All investment managers engaged by the Pension Trust must:

1. Be registered investment advisors with the Securities and Exchange Commission, trust companies that are regulated by State and Federal Banking authorities, or mutual fund companies.
2. Accept fiduciary responsibility and contractually agree to notify the President of the Board of Trustees and the Executive Director in writing if they are unable to continue acting in the capacity of a fiduciary or investment advisor.
3. Maintain insurance coverage, including errors & omissions, surety bond, fiduciary liability, ERISA bond, etc. consistent with normal practices for investment management firms managing retirement plan assets.

Each investment manager hired by the Pension Trust shall be governed by the Investment Policy Statement and these Investment Procedures. Moreover, each investment manager shall be hired by the Board of Trustees pursuant to a written agreement which shall incorporate this Investment Policy Statement and these Investment Procedures and which shall provide that the agreement is terminable at any time, with or without cause, at the discretion of the Board of Trustees.

Investment Managers shall agree to:

1. Maintain the investment approach that the manager was hired to implement under any and all capital market environments.
2. Immediately report in writing to the Board any changes in firm structure, firm management, portfolio management personnel, or the manager's investment decision making process.
3. Fully educate the Pension Trust as to the specifics of the manager's investment process.
4. Exclusive of specific Pension Trust investment guidelines, maintain a portfolio that generally conforms to other portfolios managed by the investment manager for other clients using similar mandates.
5. Otherwise, treat the portfolio managed for the Pension Trust in a manner consistent with comparable portfolios managed for other clients in portfolio construction, trading, and all other aspects.

Members of the investment manager's research and portfolio management teams will comply with the CFA Institute Professional Standards and Code of Ethics. Any industry or regulatory disciplinary action taken against members of the investment manager's investment staff must be immediately reported in writing to the Board.

If the Board delegates proxy voting responsibilities to its investment managers, the investment manager agrees to vote all proxy ballots according to the best economic interest of the Pension Trust and in a manner consistent with any specified Board approved proxy policies.

Investment Manager Due Diligence – Retention and Termination:

The Board of Trustees delegates to Staff, with assistance from its Consultant(s), the process of identifying and recommending investment managers for retention or termination. Staff, working with Consultant(s), will conduct comprehensive due diligence to provide the Board of Trustees with necessary and sufficient information in support of recommendations to retain or terminate external investment managers. The specific elements of due diligence will vary based on the asset class and the characteristics of the individual manager(s) and/or strategies under consideration. The due diligence with respect to underlying investment managers shall include, but is not limited to, an assessment of the merits of investment process and philosophy, resources and talent available to the organization, the likelihood that key resources will remain, risk management processes, internal control and compliance processes and procedures, and other organizational considerations.

Prohibited Transactions, Transactions and Brokerage:

The following transactions will be prohibited: selling on margin; "prohibited transactions" as defined under ERISA; transactions that involve a broker acting as a "principal" where such broker is also the investment manager who is making the transaction; and any or all investment activities forbidden by Securities and Exchange Commission or other applicable governing bodies. The Pension Trust hereby instructs its investment managers to seek best execution when conducting all trades. Managers are instructed to seek to minimize commission and market impact costs when

trading securities. Also, either internally or through an externally provided transaction cost evaluation service, investment managers are expected to measure the costs associated with their investment trades. When trading securities, best execution is the paramount consideration and this objective is expected to provide for and protect the best economic interest of the Pension Trust.

Placement Agents:

The Pension Trust will not use the services of investment managers secured through the use of external Placement Agents as that term is defined in Section 7513.8(d) of the California Government Code.

III. Investment Custody

Master Custodian:

The Custodian Bank, selected by the Board to act as the principal custodian of assets of the Trust, is delegated the responsibility of holding the assets and evidence of interests owned by the Pension Trust in investment vehicles and cash (and equivalents). The Board may authorize the Custodian Bank to invest in temporary short-term fixed income investments both for the investment strategies and as a part of the cash portion of the Pension Trust assets. Such investments will be managed in general accordance with short-term fixed income investment guidelines as detailed in the Custodial Agreement. Cash managed for investment strategies shall be considered to be sub-portions of the assets managed by the directing Investment Managers.

The Custodian Bank shall be authorized to conduct a securities lending program within liquidity and risk constraints if established by the Board.

Separate Account vs. Commingled Funds:

The Pension Trust may hold its investments in separate accounts managed by investment managers and custodied by a master custodian. The Pension Trust may also hold its investments in pooled, commingled accounts, mutual funds, collective trusts, limited partnership interests or similar arrangements. In general, the Pension Trust has a bias in favor of commingled funds where available.

IV. Investment Consultants

The Board of Trustees of the Pension Trust recognizes that the employment of highly qualified investment consultants is necessary to the discharge of its fiduciary duties. Accordingly, it is the policy of the Pension Trust to consistently employ a general investment consultant. From time to time the Pension Trust may employ more specialized investment consultants as deemed necessary for particular asset classes (e.g., real estate, private equity, other alternatives).

V. Investment Administration

Liquidity Management:

Liquidity and Asset Allocation - The Executive Director/CIO shall at least monthly analyze the status of the Liquidity Pool under the adopted Investment Policy Statement considering contributions, benefit payments, investment cashflows, administrative expenses and the net liquidity needs of the Pension Trust and include appropriate measures in the monthly report to the Board of Trustees required below under “Reporting”.

Cash Management – The Executive Director/CIO will manage the cash transactions of the Pension Trust such that benefit payments are made in a timely manner. A reserve of liquid funds shall be maintained equal to at least three months of expected benefit payments.

Portfolio Rebalancing:

The Pension Trust recognizes the importance of regular and disciplined rebalancing of its asset allocation to match the target allocations and remain within the approved asset mix ranges as specified in Addendum A to the Investment Policy Statement. Accordingly, the Executive Director/CIO is authorized by this policy to evaluate the need for rebalancing at least quarterly and effect regular rebalancing of the asset mix as needed, but no less than annually if needed.

Portfolio rebalancing necessary to maintain the targeted level of the Liquidity Pool under the adopted Investment Policy Statement shall be performed monthly by the Executive Director / CIO.

Proxy Voting:

The Pension Trust acknowledges that the ownership of equities requires proxies to be voted and commits to managing its proxy voting rights with the same care, skill, diligence, and prudence as is exercised in managing its other assets. As a responsible fiduciary, the Pension Trust will exercise its proxy voting rights in the sole interest of the Plan's members, participants, and their beneficiaries in accordance with all applicable statutes.

Consequently, all proxies shall be voted by the Pension Trust's equity investment managers consistent with their respective policies on proxy voting and in the best interest of the shareholders. The investment managers will provide a copy of their proxy voting guidelines to the Pension Trust when first hired and whenever there are changes thereafter. The Executive Director/CIO will monitor the voting of proxies by external investment managers managing separate accounts to ensure that all proxies are being voted and to identify any potential policy concerns with such votes. The Executive Director/CIO will report to the Board of Trustees as necessary with respect to proxy voting.

Reporting:

1. Monthly reports on the estimated investment performance and status of the Pension Trust shall be made to the Board of Trustees. Monthly reports shall include estimates of the asset allocation status of the investment funds relative to the adopted asset allocation policy.
2. Quarterly reports on investment performance shall be made to the Board of Trustees and shall include a review of the Pension Trust's adherence to investment style and discipline as set forth by the Investment Policy Statement and these Investment Procedures, a review of current strategy, and recent investment performance. Investment performance is to be evaluated on a total return basis. Quarterly reports will include a report on asset allocation policy compliance.
3. An annual report on expected capital market returns and recommendations for potential modifications to asset allocation policy shall be made to the Board of Trustees.

Policy Compliance Monitoring:

The Executive Director and/or the Chief Investment Officer shall monitor the compliance of the Pension Trust's Investment Managers with the requirements of the Investment Policy Statement and these Investment Procedures and their respective investment management agreements and report any instances of non-compliance to the investment consultant and to the Board of Trustees.

Funds Transfers:

1. Funds transfers, including wire transfers, outside of the accounts of the Master Custodian may be necessary for purposes that include –
 - a. Benefit payments
 - b. Administrative expenses
 - c. Transfers to or from commingled investment accounts, mutual funds or limited partnerships.

2. All Wire Transfer Instructions shall –
 - a. Be in writing or submitted via a secure online portal to the Custodian Bank.
 - b. Require the signatures or electronic validation through a secure online portal to the Custodian Bank of at least two officers of the Pension Trust as may be designated from time to time by Board of Trustees action.
 - c. Wire Transfer Instructions for amounts in excess of \$5,000,000 shall always require the signature or electronic validation through a secure online portal to the Custodian Bank of the Executive Director or the Deputy Director.
 - d. Wire Transfers shall be verified by the Bank via telephone with one of the Pension Trust employees authorized as officers with signing authority over the account consistent with the Bank's policy on wire transfers or verified via electronic validation through a secure online portal to the Custodian Bank.

VI. Responsibilities and Delegation of Authority

Responsibilities of the Board of Trustees:

In keeping with the provisions of California State Constitution, the Board of Trustees shall have the following responsibilities under this policy:

1. Establish Policy and Policy Guidelines.
2. Delegation of Specific Authority to Qualified Investment Personnel or Providers
3. Designate the Executive Director of the Pension Trust to act as the Chief Investment Officer (CIO) or designate other staff or service providers/consultants to act as the CIO under the supervision of the Executive Director.
4. Establish the Strategic Asset Allocation (SAA) Policy.
5. Monitor Compliance and Adherence to This Policy.
6. Retaining and terminating investment managers based on recommendations of the Executive Director, CIO, and Investment Consultant(s).
7. Retaining and terminating key professionals including General Counsel, Investment Counsel, and Investment Consultants.

Responsibilities of the Executive Director:

The Executive Director shall have the following responsibilities under this policy:

1. Management and Supervision of the investment activities of the Pension Trust
2. Adherence to and implementation of the Investment Policy Statement and these Investment Procedures including periodic rebalancing transactions
3. Management and Supervision of the Chief Investment Officer and other investment staff if applicable
4. Respond to Information Requests from the Board of Trustees
5. Maintenance of Due Diligence of Custodian Banks, Consultants and External Managers
6. Ensure Policy Compliance, Identify Areas for Review and Revision
7. Implement Asset Allocation Decisions of the Board of Trustees

8. Manage internally managed investment portfolios if directed by the Board of Trustees and execute investment trades as necessary.
9. Manage the cashflow of the Pension Trust to ensure the timely payment of benefits.

VII. Investment Policy Statement and Investment Procedures – Review and Revision

The Board of Trustees reserves the right to amend the Investment Policy Statement and these Investment Procedures at any time they deem such amendment to be necessary, or to comply with changes in federal law as these changes affect the investment of Plan assets.

The Investment Policy Statement and these Investment Procedures shall be reviewed, at a minimum, every three years or as directed by the Board of Trustees. Such reviews will focus on the continuing feasibility of achieving the investment objectives and the continued appropriateness of the investment policy relative to the Pension Trust's circumstances.

It is not expected that the investment policy will change frequently; in particular, short-term changes in the financial markets generally should not require an adjustment in the investment policy. However, specific policy issues may be visited whenever the Board of Trustees deems necessary. Specific occurrences which might suggest to the Board an earlier review include, but are not limited to, a change in the Fund's circumstances and/or a material change in the capital market environment.

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