

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, May 20, 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/88522433307?pwd=wxtJm4OfDIGrdGBAeUw2ojiFoobmJ2.1>

Webinar ID: [885 2243 3307](#)

Passcode: [276415](#)

If you wish to listen via phone to the meeting, please dial 669/900-6833. If you have any questions or require additional service, please contact 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 March 25, 2024 (Approve Without Correction).
3. Reports of Deposits and Contributions for the months of March and April 2024 (Receive and File).
4. Reports of Service Retirements, Disability Retirements, and DROP Participants for the months of March and April 2024, and Disability Case Log (Receive, Approve, and File).
5. Monthly Investment Report for March 2024 (Receive and File).
6. 2023 Form 700 Filing Review (Receive and File)

D) APPLICATIONS FOR DISABILITY RETIREMENT

None

E) OLD BUSINESS

None

F) NEW BUSINESS

7. January 1, 2024, Biennial Experience Study – Presentation by Anne Harper and Alice Alsberghe, Cheiron – Plan Actuary (Discuss, Direct Actuary, and Staff as necessary – Receive and File).
8. Actuarial Valuation – 2024 Actuarial Assumptions Approval – Presentation by Anne Harper and Alice Alsberghe, Cheiron – Plan Actuary (Discuss, Direct Actuary, and Staff as necessary – Recommend Approval).
9. Administrative Budget for Fiscal Year 2024-2025 - Approval – (Recommend Approval)

10. Board Policy Review – Personnel Policy (Review, Discuss, and Recommend Approval)
11. Tax and Employee Benefits Legal Counsel Engagement (Review, Discuss, and Recommend Approval)

G) INVESTMENTS

12. Quarterly Investment Report for the 1st Quarter of 2024 – Verus (Receive and File)
13. Monthly Investment Report for April 2024 (Receive and File)
14. Asset Allocation - (Review, Discuss, and Direct Staff as necessary)

H) OPERATIONS

15. Staff Reports
16. General Counsel Reports
17. Committee Reports:
 - i. Audit Committee No Report
 - ii. Personnel Committee Report
18. Upcoming Board Topics (subject to change)
 - i. Audit Committee Meeting – May 30, 2024, 1:00 p.m. – SLOCPT Office
 - ii. June 24, 2024
 - a. 2023 Annual Financial Audit and ACFR
 - b. 2024 Actuarial Valuation and Contribution Rates Approval
 - c. Disability Policy Review - TBD
 - iii. July 15, 2024 – planned as a non-meeting month
 - iv. August 26, 2024
 - a. Mid-Year Financial Statements and Budget Status
 - b. Quarterly Investment Report
 - v. September 23, 2024
 - a. Funding Policy projections
 - b. Fiduciary Refresher Briefing
19. Trustee Comments

I) CLOSED SESSION

None

J) ADJOURNMENT

**PENSION TRUST
BOARD OF TRUSTEES**

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MINUTES

**PENSION TRUST
BOARD OF TRUSTEES**

Monday, March 25, 2024 9:30 AM
Regular Meeting of the Pension Trust
Board of Trustees

Board Members Present: Jim Hamilton
Jeff Hamm
Lisa Howe
Geoff O'Quest
Gere Sibbach

Board Members Absent: David Grim
Michelle Shoresman

Pension Trust Staff:	Katie Girardi	Executive Director
	Amy Burke	Deputy Director
	Jennifer Alderete	Accountant

General Counsel:	Chris Waddell	Olson Remcho
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Consultants:	Anne Harper	Cheiron
	Alice Alsberghe	Cheiron

Call to Order: 9:30 AM by President Hamilton

A) PUBLIC COMMENT

1. None

B) ORGANIZATIONAL

None

C) CONSENT

2. Minutes of the Regular Meeting of February 26, 2024 (Approve Without Correction)
3. Reports of Deposits and Contributions for the month of February 2024 (Receive and File)
4. Reports of Service Retirements, Disability Retirements, and DROP Participants for the month of February 2024, and Disability Case Log (Receive, Approve and File)
5. SLOCPT and LRS Amendment to Contract - Extension

Motion: Approve the Consent items

Discussion: Trustee Sibbach asked if any other proposals had been requested for LRS contract. Deputy Director Burke stated no other proposals were reviewed as the administration software is specialized for SLOCPT and Staff is satisfied with the functionality and customer service from LRS.

Public Comment: None

Motion Made: Howe

Motion Seconded: O'Quest

Carried: Unanimous

D) APPLICATIONS FOR DISABILITY RETIREMENT

6. Application for Ordinary Disability Retirement – Case 2023-09

Motion: Approve Staff recommendation of approval for Ordinary Disability Retirement case 2023-09.

Discussion: Executive Director Girardi presented the Staff recommendation.

Public Comment: None

Motion Made: Hamm

Motion Seconded: O'Quest

Carried: Unanimous

E) OLD BUSINESS

None

F) NEW BUSINESS

7. 2024 Actuarial Overview - Presentation by Anne Harper and Alice Alsberghe, Cheiron - Plan Actuary

Motion: None – no action recommended and no specific Board direction given

Discussion: Anne Harper and Alice Alsberghe, the Plan Actuaries with Cheiron presented an extensive discussion about the upcoming 2024 Annual Actuarial Valuation. Trustees and Staff asked several clarifying questions.

Public Comment: None

No Action Necessary

8. Employer Contributions Prefunding and Discount Rate

Motion: Approve Staff recommendation of allowing Employer prefunding of contributions for FY23-24 at a discount rate of 4.25%.

Discussion: The Board of Trustees and Staff discussed this annual item for approval of prefunding. The approved action only makes such prefunding possible but does not require it. Jim Hamilton, speaking in his role as County Treasurer, commented that SLO County did not wish to prefund pension contributions for FY24-25.

Public Comment: None

Motion Made: Hamm

Motion Seconded: Sibbach

Carried: Unanimous

9. Administrative Budget for Fiscal Year 2024-2025 - Proposed

Motion: None – no action recommended and no specific Board direction given

Discussion: Deputy Director Burke presented the proposed SLOCPT Administrative Budget for FY24-25. Trustees and Staff asked several clarifying questions. The FY24-25 budget will be presented in final form for Board approval at the May 20, 2024 meeting.

Public Comment: None

No Action Necessary

G) INVESTMENTS

10. Monthly Investment Report for February 2024

Motion: Receive and File the monthly investment report.

Discussion: Executive Director Girardi presented the report.

Public Comment: None

Motion Made: Hamm

Motion Seconded: Howe

11. Asset Allocation

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

Public Comment: None

No Action Necessary

H) OPERATIONS

12. Staff Reports

- i. Deputy Director Burke reminded Trustees that Form 700s were due as soon as possible in order to meet the filing deadline.
- ii. Executive Director Girardi reported the following:
 - a. A reminder for Trustees that BoardSmart online training is available
 - b. A review of the CALAPRS General Assembly
 - c. The receipt of NCPER's 2024 Certificate of Transparency by SLOCPT
 - d. A reminder for Trustees that the CALAPRS Trustee Roundtable was scheduled for May 3, 2024
 - e. The Personnel Committee was scheduled to meet on April 8, 2024 to review the SLOCPT Personnel Policy. The meeting will be held in person at the SLOCPT office.

13. General Counsel Reports

- i. General Counsel Waddell reported he was unaware of any proposed bills presented during the legislative session that would impact SLOCPT but will continually monitor them.

14. Committee Reports:

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

15. Upcoming Board Topics – published on meeting agenda

16. Trustee Comments

None

I) CLOSED SESSION

None

J) ADJOURNMENT

There being no further business, the meeting was adjourned at 11:05 AM. The next Regular Meeting was set for May 20, 2024, at 9:30 AM, in the Board of Supervisors room, County Government Center, San Luis Obispo, California 93408.

Respectfully submitted,



Katie Girardi
Executive Director

**REPORT OF DEPOSITS AND CONTRIBUTIONS FOR THE MONTH OF
MARCH 2024**

PP 5	3/8/2024	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for		Combined Rate	Additional Contributions	Service Purchases	TOTAL Contributions
						Employee Contributions	Employee Rate				
	By Employer and Tier:										
	County Tier 1	2,382,048.81	852,645.33	35.79%	328,301.64	203,277.89	22.32%	58.11%	2,487.50	1,129.99	1,387,842.35
	County Tier 2	991,918.67	366,517.03	36.95%	65,796.07	83,352.47	15.04%	51.99%	-	-	515,665.57
	County Tier 3	5,625,585.34	1,986,217.68	35.31%	766,398.74	-	13.62%	48.93%	700.00	757.33	2,754,073.75
	Superior Court Tier 1	219,109.12	74,321.87	33.92%	47,235.64	-	21.56%	55.48%	-	100.17	121,657.68
	Superior Court Tier 3	232,917.80	75,580.77	32.45%	38,417.06	-	16.49%	48.94%	-	-	113,997.83
	APCD Tier 1	53,346.89	16,905.74	31.69%	8,140.67	4,494.92	23.69%	55.38%	-	-	29,541.33
	APCD Tier 2	8,809.60	2,765.72	31.39%	773.71	671.86	16.41%	47.80%	-	-	4,211.29
	APCD Tier 3	20,320.81	6,545.32	32.21%	2,437.38	-	11.99%	44.20%	-	-	8,982.70
	SLOCPT Tier 2	11,735.20	3,933.64	33.52%	663.04	1,090.20	14.94%	48.46%	-	-	5,686.88
	SLOCPT Tier 3	20,656.48	7,124.41	34.49%	2,703.89	-	13.09%	47.58%	250.00	-	10,078.30
	LAFCO Tier 3	11,670.96	4,028.82	34.52%	1,707.86	-	14.63%	49.15%	-	-	5,736.68
	RTA Tier 2	31,030.80	10,528.75	33.93%	635.32	4,034.01	15.05%	48.98%	-	-	15,198.08
	RTA Tier 3	19,488.00	6,684.95	34.30%	2,574.88	-	13.21%	47.52%	-	-	9,259.83
		9,628,638.48	3,413,800.03	35.45%	1,265,785.90	296,921.35	16.23%	51.68%	3,437.50	1,987.49	\$ 4,981,932.27
PP 6	3/22/2024	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for		Combined Rate	Additional Contributions	Service Purchases	TOTAL Contributions
						Employee Contributions	Employee Rate				
	By Employer and Tier:										
	County Tier 1	2,386,035.74	854,063.30	35.79%	329,013.24	203,680.80	22.33%	58.12%	2,487.50	1,129.99	1,390,374.83
	County Tier 2	991,634.53	366,646.89	36.97%	65,932.01	83,334.56	15.05%	52.03%	-	6,815.59	522,729.05
	County Tier 3	5,624,854.32	1,985,267.36	35.29%	767,919.89	-	13.65%	48.95%	700.00	757.33	2,754,644.58
	Superior Court Tier 1	221,288.41	74,994.91	33.89%	47,630.25	-	21.52%	55.41%	-	100.17	122,725.33
	Superior Court Tier 3	231,481.41	75,134.78	32.46%	38,157.34	-	16.48%	48.94%	-	-	113,292.12
	APCD Tier 1	53,346.86	16,905.74	31.69%	8,140.67	4,494.92	23.69%	55.38%	-	-	29,541.33
	APCD Tier 2	9,016.80	2,829.33	31.38%	800.40	683.77	16.46%	47.84%	-	-	4,313.50
	APCD Tier 3	20,320.83	6,545.33	32.21%	2,437.38	-	11.99%	44.20%	-	-	8,982.71
	SLOCPT Tier 2	11,735.20	3,933.64	33.52%	663.04	1,090.20	14.94%	48.46%	-	-	5,686.88
	SLOCPT Tier 3	20,874.08	7,199.46	34.49%	2,736.47	-	13.11%	47.60%	250.00	-	10,185.93
	LAFCO Tier 3	11,670.96	4,028.82	34.52%	1,707.86	-	14.63%	49.15%	-	-	5,736.68
	RTA Tier 2	31,568.80	10,711.29	33.93%	648.61	4,103.95	15.05%	48.98%	-	-	15,463.85
	RTA Tier 3	19,488.00	6,684.95	34.30%	2,574.88	-	13.21%	47.52%	-	-	9,259.83
		9,633,315.94	3,414,945.80	35.45%	1,268,362.04	297,388.20	16.25%	51.70%	3,437.50	8,803.08	\$ 4,992,936.62
TOTAL FOR THE MONTH		19,261,954.42	6,828,745.83	35.45%	2,534,147.94	594,309.55	16.24%	51.69%	6,875.00	10,790.57	\$ 9,974,868.89
TOTAL YEAR TO DATE		57,711,140.85	20,454,752.38	35.44%	7,594,810.68	1,793,381.69	16.27%	51.71%	20,625.00	44,433.34	\$ 29,908,003.09

**REPORT OF DEPOSITS AND CONTRIBUTIONS FOR THE MONTH OF
APRIL 2024**

PP 7 4/5/2024	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for	Employee Rate	Combined Rate	Additional Contributions	Service Purchases	TOTAL Contributions
					Employee Contributions					
By Employer and Tier:										
County Tier 1	2,373,852.08	849,010.45	35.77%	327,484.64	202,479.21	22.33%	58.09%	2,487.50	1,129.99	1,382,591.79
County Tier 2	987,929.38	365,452.43	36.99%	65,570.39	83,009.80	15.04%	52.03%	-	-	514,032.62
County Tier 3	5,626,453.82	1,984,946.42	35.28%	767,913.75	-	13.65%	48.93%	700.00	757.33	2,754,317.50
Superior Court Tier 1	219,713.87	74,507.51	33.91%	47,318.60	-	21.54%	55.45%	-	100.17	121,926.28
Superior Court Tier 3	229,597.04	74,547.90	32.47%	37,834.52	-	16.48%	48.95%	-	-	112,382.42
APCD Tier 1	53,346.86	16,905.74	31.69%	8,140.67	4,494.92	23.69%	55.38%	-	-	29,541.33
APCD Tier 2	9,016.80	2,829.33	31.38%	800.40	683.77	16.46%	47.84%	-	-	4,313.50
APCD Tier 3	20,974.41	6,755.84	32.21%	2,510.38	-	11.97%	44.18%	-	-	9,266.22
SLOCPT Tier 2	11,735.20	3,933.64	33.52%	663.04	1,090.20	14.94%	48.46%	-	-	5,686.88
SLOCPT Tier 3	21,002.89	7,243.89	34.49%	2,750.92	-	13.10%	47.59%	250.00	-	10,244.81
LAFCO Tier 3	11,670.96	4,028.82	34.52%	1,707.86	-	14.63%	49.15%	-	-	5,736.68
RTA Tier 2	31,568.80	10,711.29	33.93%	648.61	4,103.95	15.05%	48.98%	-	-	15,463.85
RTA Tier 3	19,488.00	6,684.95	34.30%	2,574.88	-	13.21%	47.52%	-	-	9,259.83
	9,616,350.11	3,407,558.21	35.44%	1,265,918.66	295,861.85	16.24%	51.68%	3,437.50	1,987.49	\$ 4,974,763.71

PP 8 4/19/2024	Pensionable Salary	Employer Contributions	Employer Rate	Employee Contributions	Employer for	Employee Rate	Combined Rate	Additional Contributions	Service Purchases	TOTAL Contributions
					Employee Contributions					
By Employer and Tier:										
County Tier 1	2,370,520.73	847,847.01	35.77%	327,127.45	202,251.56	22.33%	58.10%	2,487.50	942.70	1,380,656.22
County Tier 2	988,693.86	365,850.61	37.00%	65,604.89	83,065.52	15.04%	52.04%	-	-	514,521.02
County Tier 3	5,628,496.84	1,988,126.24	35.32%	767,754.45	-	13.64%	48.96%	700.00	757.33	2,757,338.02
Superior Court Tier 1	215,616.74	73,008.64	33.86%	46,463.91	-	21.55%	55.41%	-	100.17	119,572.72
Superior Court Tier 3	231,671.28	75,215.71	32.47%	38,109.40	-	16.45%	48.92%	-	-	113,325.11
APCD Tier 1	53,346.86	16,905.74	31.69%	8,140.67	4,494.92	23.69%	55.38%	-	-	29,541.33
APCD Tier 2	9,016.80	2,829.33	31.38%	800.40	683.77	16.46%	47.84%	-	-	4,313.50
APCD Tier 3	20,974.40	6,755.84	32.21%	2,510.38	-	11.97%	44.18%	-	-	9,266.22
SLOCPT Tier 2	11,735.20	3,933.64	33.52%	663.04	1,090.20	14.94%	48.46%	-	-	5,686.88
SLOCPT Tier 3	21,002.88	7,243.89	34.49%	2,750.92	-	13.10%	47.59%	250.00	-	10,244.81
LAFCO Tier 3	11,670.96	4,028.82	34.52%	1,707.86	-	14.63%	49.15%	-	-	5,736.68
RTA Tier 2	31,568.80	10,711.29	33.93%	648.61	4,103.95	15.05%	48.98%	-	-	15,463.85
RTA Tier 3	19,488.00	6,684.95	34.30%	2,574.88	-	13.21%	47.52%	-	-	9,259.83
	9,613,803.35	3,409,141.71	35.46%	1,264,856.86	295,689.92	16.23%	51.69%	3,437.50	1,800.20	\$ 4,974,926.19

TOTAL FOR THE MONTH	19,230,153.46	6,816,699.92	35.45%	2,530,775.52	591,551.77	16.24%	51.68%	6,875.00	3,787.69	\$ 9,949,689.90
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TOTAL YEAR TO DATE	76,941,294.31	27,271,452.30	35.44%	10,125,586.20	2,384,933.46	16.26%	51.70%	27,500.00	48,221.03	\$ 39,857,692.99
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REPORT OF RETIREMENTS**March 2024**

RETIREE NAME	DEPARTMENT	BENEFIT TYPE *	EFFECTIVE DATE	MONTHLY BENEFIT	SS TEMP ANNUITY**
Axelrod, Michael T	Behavioral Health	Service Retirement	03/16/2024	2,125.72	False
Cameron, Denise M	SLOCPT	Service Retirement	03/25/2024	291.96	False
Carlton, Christine Nancy	Probation Department	Service Retirement	02/13/2024	1,656.92	False
Nunley, Robert W	Public Works ISF	DROP	03/01/2024	6,775.46	False
Paris, Terry	Public Works ISF	Service Retirement	03/02/2024	1,232.19	False
Ring, Bethany Ann	Law Enforcement Medical Care	Service Retirement	01/21/2024	382.61	False
Van Ryn, Antoinette Lenore	Department of Social Services	Service Retirement	03/02/2024	593.81	False

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

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

REPORT OF RETIREMENTS	April 2024
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RETIREE NAME	DEPARTMENT	BENEFIT TYPE *	EFFECTIVE DATE	MONTHLY BENEFIT	SS TEMP ANNUITY**
PHILLIPS, MELANIE G	Superior Court	Non Duty Disability Retirement	04/11/2024	797.04	False
Riley, Karen Gay	Probation Department	Service Retirement	04/13/2024	637.73	False
Schwandt, Christina M	Superior Court	Service Retirement	04/06/2024	3,058.45	False
Strong, Aletha M	Department of Social Services	Service Retirement	04/13/2024	2,393.21	False
Willis, Stacy M	Department of Social Services	Service Retirement	04/13/2024	3,401.61	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 5/10/2024

	2024	2023	2022	2021	2020	2019	2018
Pending:							
<u>Industrial</u>							
Orthopedic	6	3	-	-	-	-	-
Psychiatric	-	1	-	-	-	-	-
<u>Ordinary</u>							
Orthopedic	1	-	-	-	-	-	-
Psychiatric	-	-	-	-	-	-	-
Chronic Illness	1	1	-	-	-	-	-
	8	5	-	-	-	-	-
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	-	2	-	-	1	-	-
	-	5	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:	8	10	11	10	5	5	6

Board of Trustees

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



Date: April 24, 2024

To: Board of Trustees

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

Agenda Item 5: Monthly Investment Report for March 2024

	1-month	YTD	2023	2022	2021	2020	2019
Total Fund (%) (Gross)	1.4	3.2	8.9	(8.0)	15.2	8.9	16.3
Policy Index (%)*	1.4	3.0	10.2	(9.7)	12.8	10	16.4

	YTD	2023	2022	2021	2020	2019
Market Value (millions)	\$1,737	\$1,694	\$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 provides an overview of the preliminary investment returns of the SLOOPT portfolio and offers market commentary through the end of March. The commentary from Verus outlines market conditions specifically for March. It's important to note that the report does not include any activity or data from April.

In April, equity markets experienced heightened volatility due to various factors. Investors are becoming increasingly cautious during escalating geopolitical tensions between Israel and Iran. Additionally, there's concern over the Fed's uncertainty regarding whether inflation is steadily progressing toward the target rate of 2.0%.

As of April 16th, equities reported negative returns for both equity and bond markets.

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

Capital Markets:

- **Investment Markets** – In March, U.S., International, and Bond markets reported positive returns.
 - US stocks S&P 500 3.2%
 - International stocks MSCI ACWI ex-US 3.2%
 - Bonds Bloomberg US Aggregate bonds 0.9%

The Economy:

- **Inflation** –
 - The consumer price index rose 0.4% in March, while the year-over-year prices increased to 3.5%. Prices for consumer staples such as gasoline edged higher and housing remained stubbornly high, suggesting inflation may be a bit stickier than it seemed just a few months ago.

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Mar. 2024
	Sep. 2023	Oct. 2023	Nov. 2023	Dec. 2023	Jan. 2024	Feb. 2024	Mar. 2024	
All items.....	0.4	0.1	0.2	0.2	0.3	0.4	0.4	3.5
Food.....	0.2	0.3	0.2	0.2	0.4	0.0	0.1	2.2
Food at home.....	0.1	0.3	0.0	0.1	0.4	0.0	0.0	1.2
Food away from home ¹	0.4	0.4	0.4	0.3	0.5	0.1	0.3	4.2
Energy.....	1.2	-2.1	-1.6	-0.2	-0.9	2.3	1.1	2.1
Energy commodities.....	1.8	-4.3	-3.8	-0.7	-3.2	3.6	1.5	0.9
Gasoline (all types) ¹	1.6	-4.3	-4.0	-0.6	-3.3	3.8	1.7	1.3
Fuel oil.....	6.4	-6.4	-1.1	-3.3	-4.5	1.1	-1.3	-3.7
Energy services.....	0.3	0.4	1.0	0.3	1.4	0.8	0.7	3.1
Electricity.....	0.8	0.4	1.0	0.6	1.2	0.3	0.9	5.0
Utility (piped) gas service.....	-1.4	0.3	1.2	-0.6	2.0	2.3	0.0	-3.2
All items less food and energy.....	0.3	0.2	0.3	0.3	0.4	0.4	0.4	3.8
Commodities less food and energy commodities.....	-0.2	0.0	-0.2	-0.1	-0.3	0.1	-0.2	-0.7
New vehicles.....	0.2	-0.1	0.0	0.2	0.0	-0.1	-0.2	-0.1
Used cars and trucks.....	-1.8	-0.4	1.4	0.6	-3.4	0.5	-1.1	-2.2
Apparel.....	-0.3	0.0	-0.6	0.0	-0.7	0.6	0.7	0.4
Medical care commodities ¹	-0.3	0.4	0.5	-0.1	-0.6	0.1	0.2	2.5
Services less energy services.....	0.5	0.3	0.5	0.4	0.7	0.5	0.5	5.4
Shelter.....	0.6	0.3	0.4	0.4	0.6	0.4	0.4	5.7
Transportation services.....	0.7	0.9	1.0	0.1	1.0	1.4	1.5	10.7
Medical care services.....	0.2	0.2	0.5	0.5	0.7	-0.1	0.6	2.1

¹ Not seasonally adjusted.

Source U.S. Department of Labor - Bureau of Labor Statistics – News Release - April 10, 2024

Expenses up at 10% since March 2023, based on the latest CPI data:

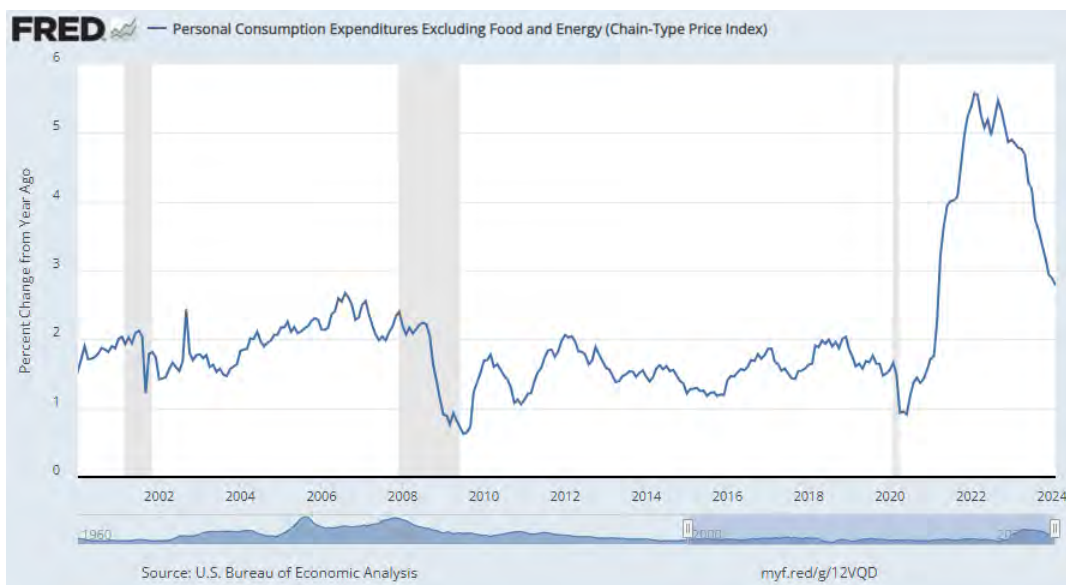
- Video discs and other media: 30.1% increase (Blockbuster may make a comeback!)
- Frozen noncarbonated juices and drinks: 27.5%
- Motor vehicle insurance: 22.2%
- Repair of household items: 18%
- Care of invalids and elderly at home: 14.2%
- Motor vehicle repair: 11.6%
- Uncooked beef roasts: 11.2%
- Domestic services: 10.9%

- **New Jobs, Unemployment, Wages –**

- **New Jobs** - The latest jobs report from the Bureau of Labor Statistics (BLS) on non-farm employment reveals a notable gain of **303k** new jobs. Job gains occurred in health care, government, and construction.
- **Unemployment Rate - 3.8%** decrease from February
 - **Unemployed people** – 6.4 million
- **Labor Force Participation – 62.7%** increased from February
- **Wage growth** – Household buying power has risen over the past year as “real” hourly earnings increased 0.6%.

- **Monetary Policy –**

- Recent economic data suggests that the Fed may need to keep interest rates higher for longer. Not only has CPI continued to rise away from the Fed’s 2.0% rate target, but the Personal Consumption Expenditures (PCE) price index, which is the Fed’s preferred method of measuring prices, rose 2.5% year over year in February. Utilizing this business sales tool to track shifts in consumer behavior enables the Fed to gauge when economic growth begins to slow. Fed Chair, Jerome Powell stated, the Fed’s policy is *“well positioned to handle the risks that we face. If high inflation does persist, we can maintain the current level of restriction for as long as needed.”*



A large, semi-transparent geometric pattern of overlapping triangles in shades of blue and white is overlaid on the left side of the image. A prominent white triangle points upwards, partially overlapping the main title text.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

MARCH 2024
Capital Markets Update

Market commentary

U.S. ECONOMICS

- Inflation jumped in March, rising +0.4% month-over-month, above expectations of a +0.3% increase. This brought year-over-year inflation up to 3.8%, over the expected 3.4%. While the lagged shelter component continues to be a major story, increasing +0.4% month-over-month, the broader services basket contributed the most to inflation, rising +0.5%.
- Nonfarm payrolls came in far above expectations in March, adding 303,000 jobs (over the projected 200,000), and unemployment came down from 3.9% to 3.8%. Labor participation increased from 62.5% to 62.7%, fueled by increased employment. Jobs were primarily added in Health care (+72k), Government (+71k) and Leisure & Hospitality (+49k).
- The ISM Manufacturing Index came in at 50.3, above expectations of 48.5, notching its first expansionary reading after 16 consecutive months of contractionary readings. Respondents cited better demand and higher production levels, with inputs suggesting strong future growth. The Services PMI print was 51.4, which despite being below expectations of 52.6, still suggests expanding business conditions.

U.S. EQUITIES

- The U.S. market posted a +3.2% gain (S&P 500), continuing its strong run, notching another all-time high. The market remains somewhat optimistic about the prospect of some rate cuts in 2024, as well as underlying economic strength as Q1 earnings season approaches.
- Expectations are for +3.2% year-over-year Q1 EPS growth, which would mark the third straight quarter of year-over-year growth. The market will be watching the Magnificent Seven, specifically Nvidia and Meta, which have contributed a substantial amount to sector earnings (per Factset).

U.S. FIXED INCOME

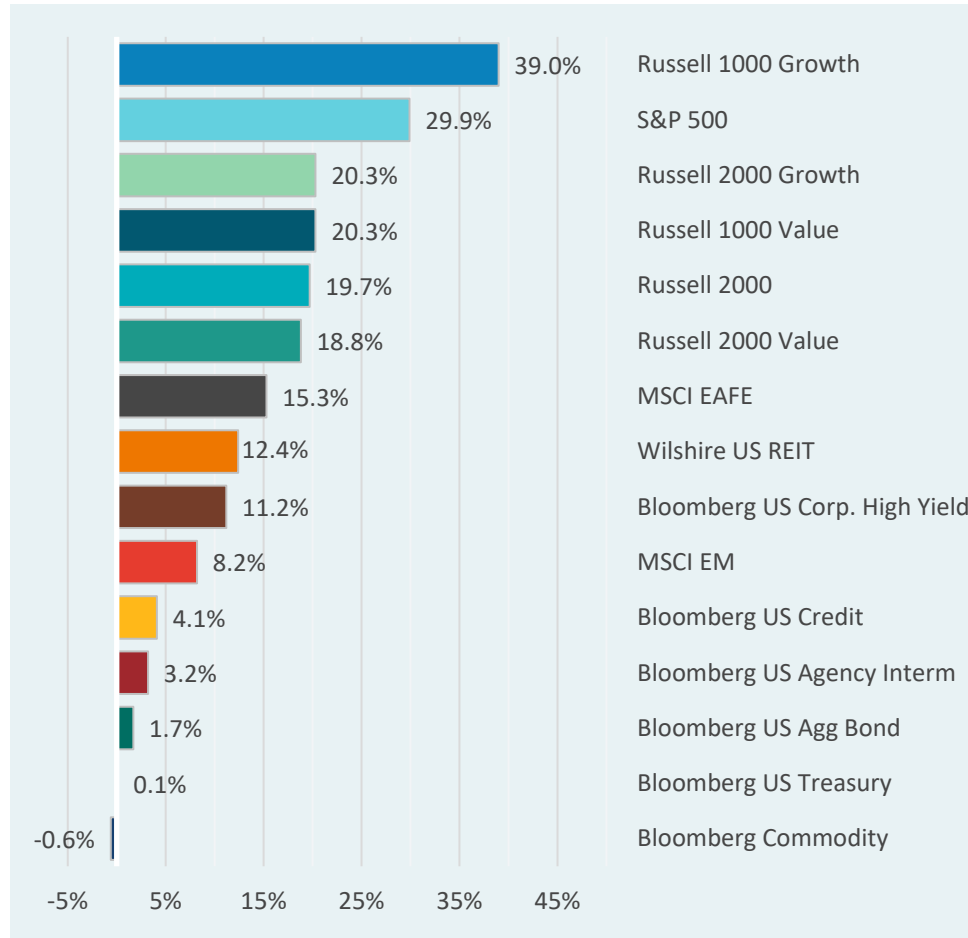
- Fixed Income logged the first positive performance month of 2024 (Bloomberg U.S. Aggregate Index +0.9%), as the market benefits from the higher yields and awaits more data to inform the Fed's rate cut path. The Fed has reiterated expectations for rate cuts this year but has also stated that they aren't in a hurry to cut, reinforcing that containing inflation is the priority.
- The yield curve movements were minimal in March, with a small parallel decrease in yields of -5bps on the 2-year and 10-year U.S. treasury. Economic data was mixed and did not provide much clarity around the Fed's rate cut path. As of April 10, investors were pricing in a full cut by November, much later than the July cut that was priced in at the end of February.
- Bank Loans (+2.5%) and High Yield (1.5%) closed out the quarter as the top performers. Contracting spreads lifted valuations, and the floating rate component of Bank Loans provided protection from *higher for longer* expectations, as short-term yields have remained elevated.

INTERNATIONAL MARKETS

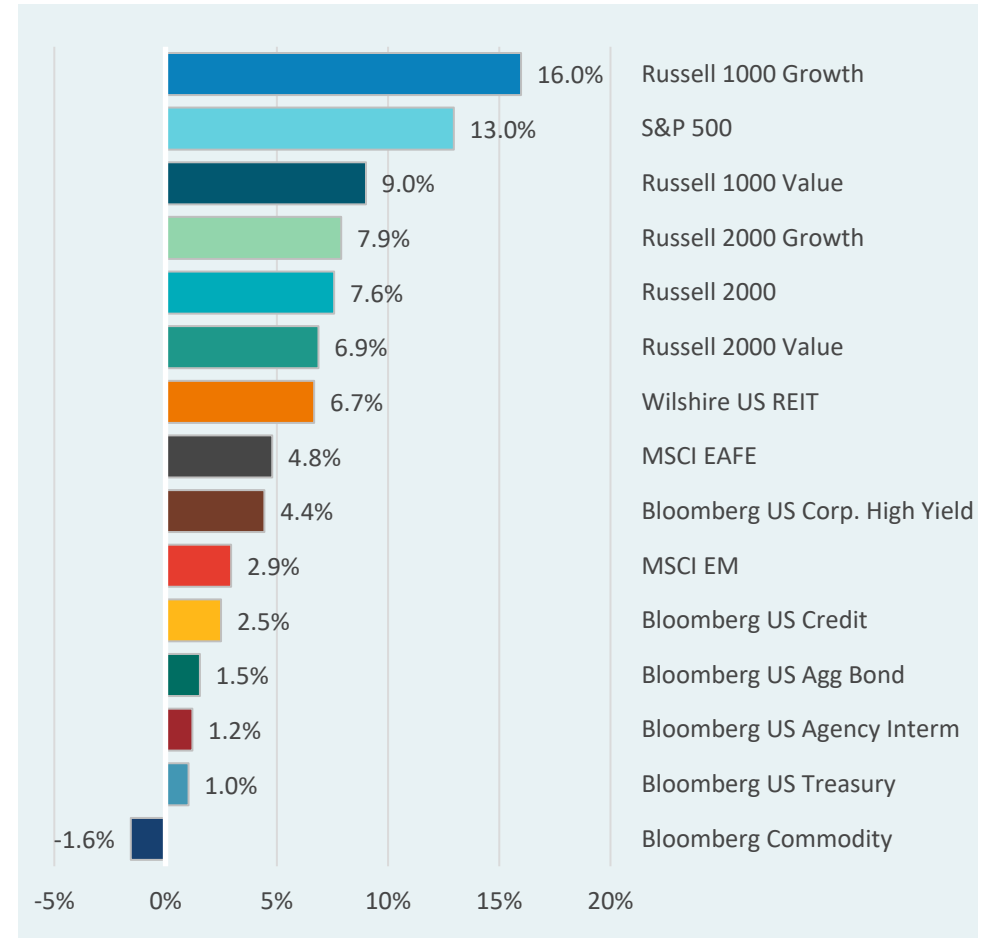
- European markets outperformed the domestic market in March, as falling inflation has boosted chances of an accelerated rate cut path for the European Central Bank relative to the United States. Larger European markets such as France and Germany have struggled with stagnant economic growth, providing further evidence that rate cuts may be warranted.
- The U.K. appears to be exiting the recession that it dipped into over the second half of 2023, as a drop in inflation from 4.0% to 3.4% may be helping to ease conditions for households and support spending activity. The MSCI UK Index increased +4.5% in March, as evidence of stronger growth and potential rate cuts lifted the market.

Major asset class returns

ONE YEAR ENDING MARCH



TEN YEARS ENDING MARCH



*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 3/31/24

Source: Morningstar, as of 3/31/24

U.S. large cap equities

- The S&P 500 Index (+3.2%) continued its rally to start 2024, closing Q1 up +10.6%. The Federal Reserve has expressed its intent to cut rates later in the year, which has been received positively by investors, despite hotter-than-expected inflation readings and other strong economic prints.
- All 11 sectors were positive for the second month running, with Energy (+10.6%), Utilities (+6.6%), and Materials (+6.5%) performing the best. This followed a month of broad commodity price increases, as these sectors are often positively correlated to commodity trends.
- Performance of the “Magnificent Seven” has continued to diverge, with some investors choosing to instead focus on the “Fab Four”. Nvidia (+82% YTD) and Meta (+37% YTD) have broken away, with Amazon and Microsoft also beating the broader market. Apple and Tesla have struggled to start the year, down -10.8% and -29.3%, respectively.
- Volatility remained low in March. The VIX closed at 13, below the February reading of 13.4. A sustained period of low volatility has likely been supported by narrowing expectations around the Fed’s rate cut path.

S&P 500 PRICE INDEX



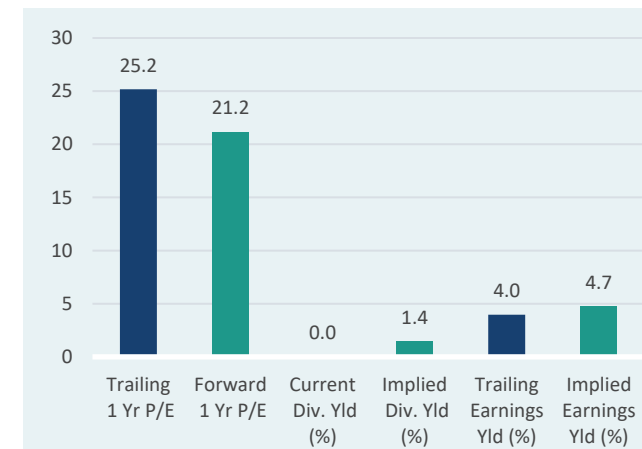
Source: Bloomberg, as of 3/31/24

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, as of 3/31/24

S&P 500 VALUATION SNAPSHOT

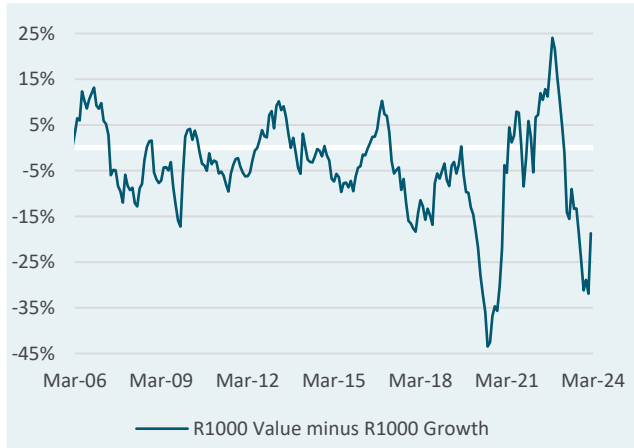


Source: Bloomberg, as of 3/31/24

Domestic equity size and style

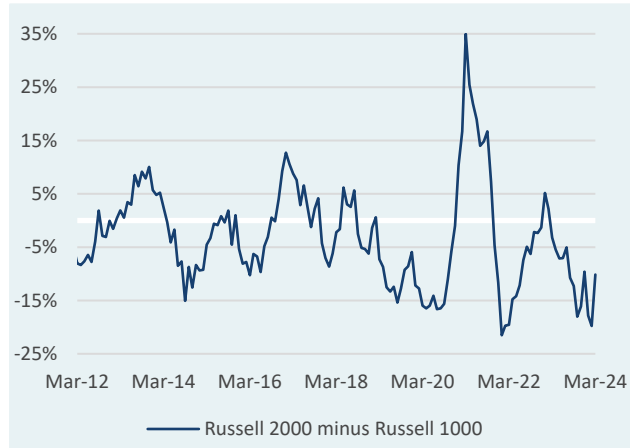
- While strong U.S. equity performance was broad across size and style types, value stocks led in domestic equity. The Russell 1000 Value Index (+5.0%) was the top performer, beating the Russell 1000 Growth Index (+1.8%), though rolling 1-year relative performance was very poor at -18.7%.
- Small caps delivered a slight reversal from the negative trend of the past year, outperforming large cap (Russell 2000 Index +3.6%, Russell 1000 Index +3.2%). More rate-sensitive small cap companies have been buoyed by a clearer path laid out for rate cuts.
- The S&P 500 Equal-weighted Index (+7.9%) lagged the market-cap weighted S&P 500 (+10.6%) over the quarter. Despite concerns regarding equity concentration, investing in the equal-weighted index has historically resulted in higher volatility, often more expensive index valuations, and unintentional size and style bets that have not necessarily been rewarded with excess return.
- Relative valuations remain around 10-year averages for large cap value and small cap. Large cap growth has deviated significantly, with the Russell 1000 Growth trading at 27.8x forward earnings, a 25% premium to the 10-year average.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 3/31/24

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 3/31/24

1-YEAR SIZE & STYLE PERFORMANCE

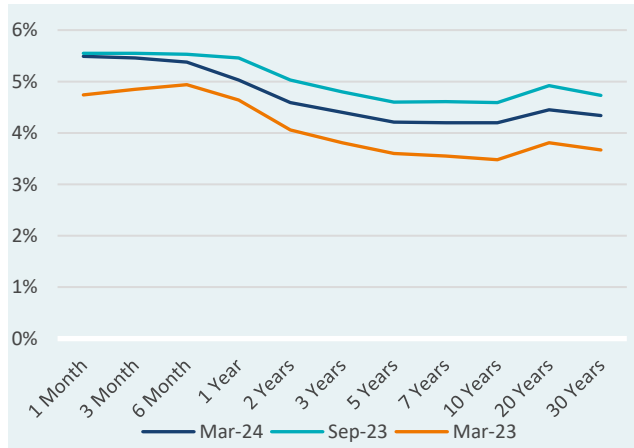
	Value	Core	Growth
Large Cap	20.3%	29.9%	39.0%
Mid Cap	20.4%	22.3%	26.3%
Small Cap	18.8%	19.7%	20.3%

Source: FTSE, Bloomberg, as of 3/31/24

Fixed income

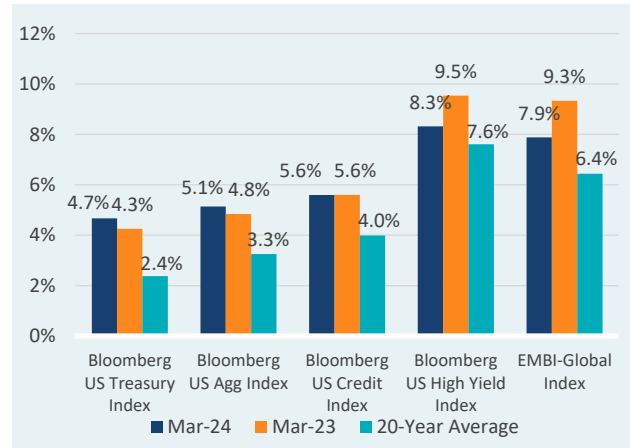
- U.S. bonds were positive in March, with the Bloomberg U.S. Aggregate Index gaining +0.9%. Treasury yields were largely unchanged, as the bond market eagerly awaited further guidance regarding the Fed’s rate cut path. Fed funds futures are currently pricing in a 19% chance of a 25bp rate cut by the June Fed meeting.
- The Bloomberg U.S. Corp. Investment Grade Index was the top performer (+1.3%). High-quality bonds benefited from higher coupon rates and narrowing spreads. The worst performing index was the Bloomberg 1-3 Yr US Treasury (+0.4%), which did not benefit from term or credit premiums as other indexes.
- Spreads continue to narrow across the board, providing a tailwind to fixed income sectors with credit exposure. High yield spreads decreased -14bps to 3.15%, bringing year-to-date performance to +1.5%. Bank loan spreads decreased -10bps to 4.63%, raising year-to-date performance to +2.5%, making it the best-performing major bond index to start the year.
- Yield curve movements were muted, with 2-year and 10-year yields both decreasing by 5bps to 4.59% and 4.20%, respectively. The 10/2 yield curve inversion remained unchanged at -39 bps.

U.S. TREASURY YIELD CURVE



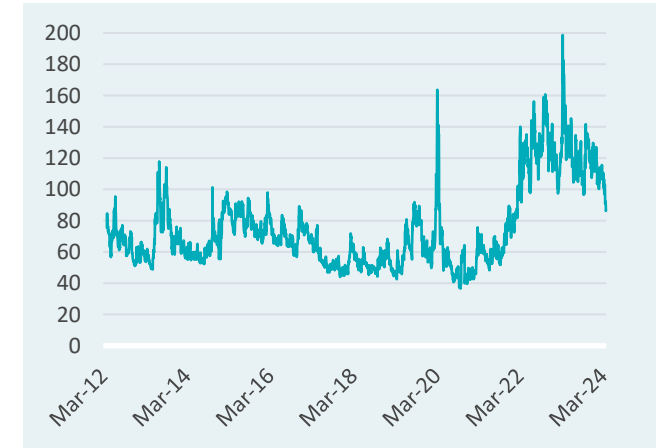
Source: Bloomberg, as of 3/31/24

NOMINAL YIELDS



Source: Morningstar, as of 3/31/24

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

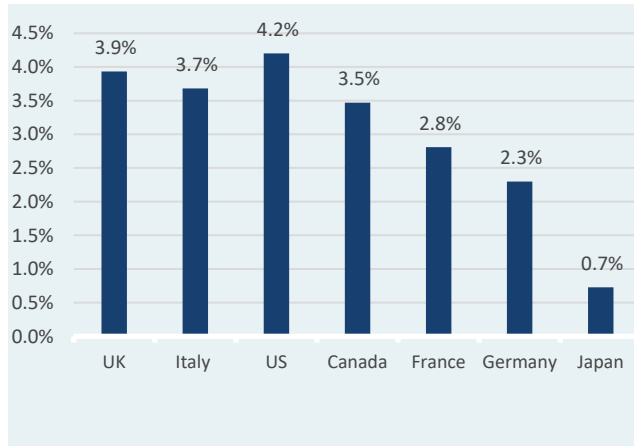


Source: Bloomberg, as of 3/31/24

Global markets

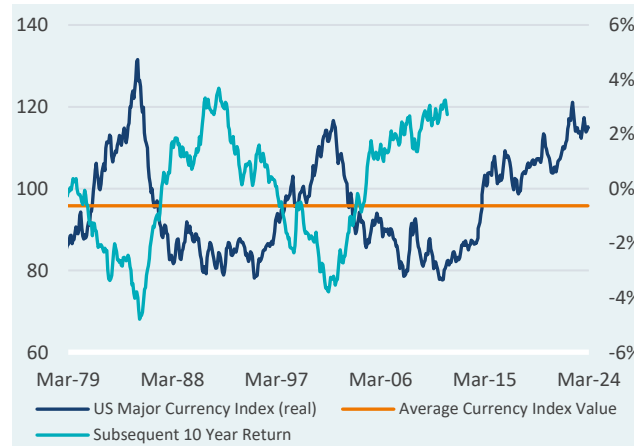
- International equities performed in line with U.S. equities (MSCI ACWI ex US +3.1%). Developed markets are arguably in a similar situation to the U.S., with a strengthening consumer and easing inflation leading to hopes of rate cuts and sustained growth.
- A sharp drop in inflation and a return to positive growth helped propel the MSCI UK (+4.5%) in March. Inflation falling from 4.0% to 3.4% is fueling expectations of a summer rate cut from the Bank of England. Additionally, UK GDP came in at +0.1% in January, after contracting in the second half of 2023.
- Similar factors are leading to expectations of a June rate cut from the ECB, lifting European markets in March (MSCI Euro +4.1%). Eurozone inflation decreased to 2.6% year-over-year, from the prior month's 2.8% print. Given the recent stagnant growth compared to the U.S., new data may compel the ECB to lower rates sooner than the U.S. does.
- Emerging markets also gained in March, despite underperforming developed markets (MSCI EM +2.5%). Chinese markets continue to be a drag, closing out the quarter down -2.2%, below the MSCI EM (+2.4%) and global market index (MSCI ACWI +8.2%).

GLOBAL SOVEREIGN 10-YEAR YIELDS



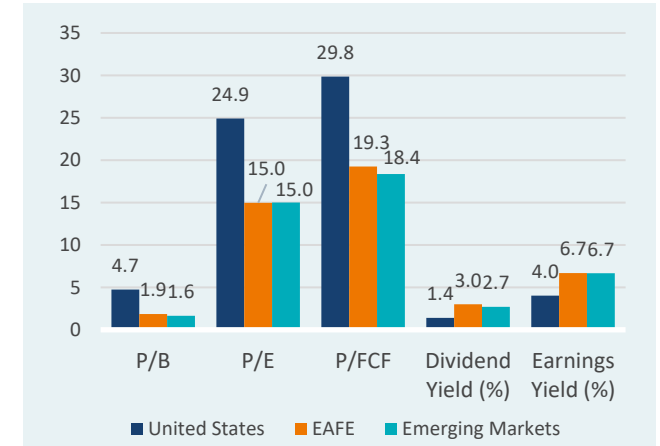
Source: Bloomberg, as of 3/31/24

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 3/31/24

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 3/31/24

Commodities

- The Bloomberg Commodity index more than reversed last month’s losses, climbing +3.3%, with seven of eight major sub-indexes increasing. All-time highs for Gold and higher oil prices helped to lift the overall index.
- Precious Metals were the top performing index (+8.6%), with Gold jumping 22% over the month. Commodity strategists are calling into question the relationship that Gold has historically held with real interest rates, instead citing geopolitical tensions as the primary reason for the rally. In addition to the continuation of the Russia-Ukraine war and fears of widening conflict in the Middle East, the Chinese central bank has been increasing its gold reserves.
- Oil prices continued to climb in March, following an announcement that OPEC+ would cut production by 2.2 millions barrels per day during the second quarter of the year. Ukrainian drone strikes on Russian refineries also interrupted production. West Texas Intermediate (WTI) crude oil closed the month at \$83 per barrel, a +6.3% increase from February.
- Softs showed little movement in March (+0.7%), despite Cocoa trading significantly up in the last year. Futures are up above record highs, with prices up 246% from a year ago. This comes following poor weather in West Africa causing a weak harvest for the second year running.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	3.3	2.2	2.2	(0.6)	9.1	6.4	(1.6)
Bloomberg Agriculture	2.5	(3.0)	(3.0)	(7.3)	8.3	10.7	(1.5)
Bloomberg Energy	2.4	4.8	4.8	1.0	13.2	(1.2)	(9.3)
Bloomberg Grains	2.5	(8.0)	(8.0)	(18.0)	1.8	7.4	(3.9)
Bloomberg Industrial Metals	1.8	(0.7)	(0.7)	(7.9)	2.2	4.8	2.4
Bloomberg Livestock	(0.8)	11.0	11.0	13.7	4.8	(2.7)	(3.5)
Bloomberg Petroleum	6.2	16.7	16.7	24.0	31.1	11.9	(2.4)
Bloomberg Precious Metals	8.6	6.6	6.6	9.9	6.6	10.0	3.9
Bloomberg Softs	0.7	9.6	9.6	18.9	22.4	14.1	(0.3)

Source: Morningstar, as of 3/31/24

COMMODITY PERFORMANCE



Source: Bloomberg, as of 3/31/24

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	11.4	18.5	16.0
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	10.3	14.8	12.7
Large Cap Value	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	9.0	10.3	9.0
Small Cap Growth	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	7.6	8.2	7.9
International Equity	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	5.8	8.1	7.6
Small Cap Equity	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	5.2	7.4	6.9
60/40 Global Portfolio	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	4.0	7.3	6.8
Hedge Funds of Funds	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	3.9	6.4	5.3
Small Cap Value	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	2.9	6.2	4.8
Emerging Markets Equity	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	2.4	5.0	3.6
Commodities	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	2.2	4.3	2.9
Cash	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	1.3	2.2	1.5
Real Estate	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	0.0	1.9	1.3
US Bonds	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	-0.8	0.4	-1.6

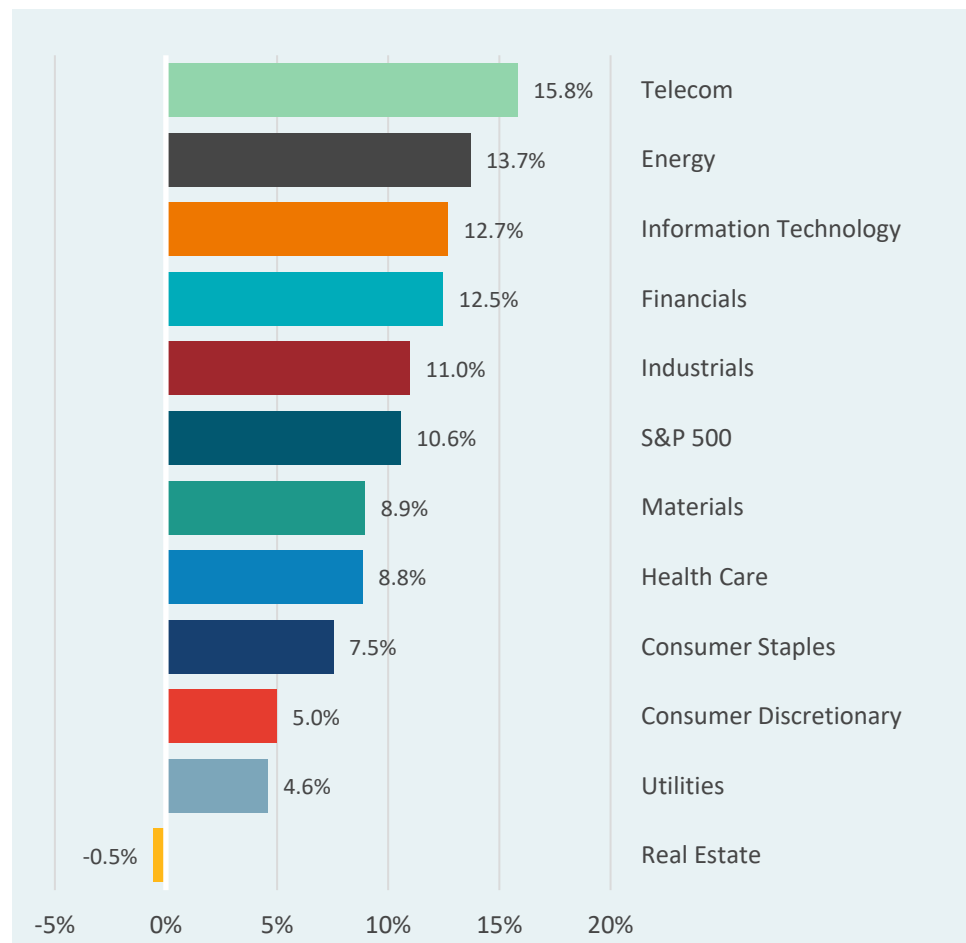
BEST
↑
↓
WORST



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 12/31/23.

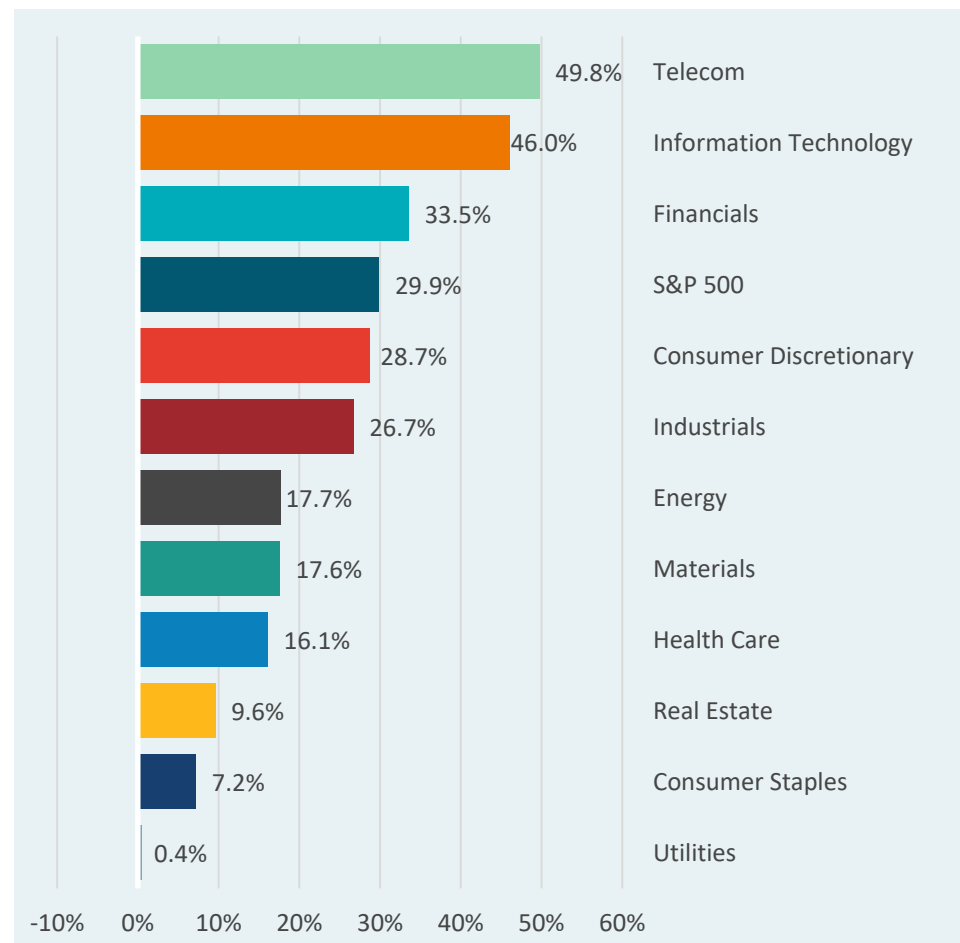
S&P 500 sector returns

QTD



Source: Morningstar, as of 3/31/24

ONE YEAR ENDING MARCH



Source: Morningstar, as of 3/31/24

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	3.2	10.6	10.6	29.9	11.5	15.1	13.0
S&P 500 Equal Weighted	4.5	7.9	7.9	19.4	8.2	12.4	10.9
DJ Industrial Average	2.2	6.1	6.1	22.2	8.7	11.3	11.8
Russell Top 200	2.9	10.8	10.8	32.4	12.0	16.1	13.7
Russell 1000	3.2	10.3	10.3	29.9	10.5	14.8	12.7
Russell 2000	3.6	5.2	5.2	19.7	(0.1)	8.1	7.6
Russell 3000	3.2	10.0	10.0	29.3	9.8	14.3	12.3
Russell Mid Cap	4.3	8.6	8.6	22.3	6.1	11.1	9.9
Style Index							
Russell 1000 Growth	1.8	11.4	11.4	39.0	12.5	18.5	16.0
Russell 1000 Value	5.0	9.0	9.0	20.3	8.1	10.3	9.0
Russell 2000 Growth	2.8	7.6	7.6	20.3	(2.7)	7.4	7.9
Russell 2000 Value	4.4	2.9	2.9	18.8	2.2	8.2	6.9

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	3.1	8.2	8.2	23.2	7.0	10.9	8.7
MSCI ACWI ex US	3.1	4.7	4.7	13.3	1.9	6.0	4.3
MSCI EAFE	3.3	5.8	5.8	15.3	4.8	7.3	4.8
MSCI EM	2.5	2.4	2.4	8.2	(5.1)	2.2	2.9
MSCI EAFE Small Cap	3.7	2.4	2.4	10.4	(1.4)	4.9	4.7
Style Index							
MSCI EAFE Growth	2.3	7.0	7.0	13.3	2.8	7.8	5.9
MSCI EAFE Value	4.4	4.5	4.5	17.3	6.6	6.4	3.5
Regional Index							
MSCI UK	4.5	3.1	3.1	10.9	7.7	5.1	2.9
MSCI Japan	3.0	11.0	11.0	25.8	3.7	7.8	6.7
MSCI Euro	4.1	8.4	8.4	17.4	6.9	9.0	4.7
MSCI EM Asia	3.0	3.4	3.4	6.3	(6.5)	2.8	4.5
MSCI EM Latin American	1.0	(4.0)	(4.0)	22.6	10.5	3.7	1.7

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	0.8	(0.1)	(0.1)	0.5	(0.5)	2.5	2.2
Bloomberg US Treasury Bills	0.5	1.3	1.3	5.3	2.6	2.0	1.4
Bloomberg US Agg Bond	0.9	(0.8)	(0.8)	1.7	(2.5)	0.4	1.5
Bloomberg US Universal	1.0	(0.5)	(0.5)	2.7	(2.1)	0.7	1.8
Duration							
Bloomberg US Treasury 1-3 Yr	0.4	0.3	0.3	2.9	0.0	1.1	1.1
Bloomberg US Treasury Long	1.2	(3.3)	(3.3)	(6.1)	(8.0)	(2.8)	1.2
Bloomberg US Treasury	0.6	(1.0)	(1.0)	0.1	(2.7)	(0.1)	1.0
Issuer							
Bloomberg US MBS	1.1	(1.0)	(1.0)	1.4	(2.8)	(0.4)	1.1
Bloomberg US Corp. High Yield	1.2	1.5	1.5	11.2	2.2	4.2	4.4
Bloomberg US Agency Interm	0.4	0.2	0.2	3.2	(0.6)	0.8	1.2
Bloomberg US Credit	1.2	(0.4)	(0.4)	4.1	(1.9)	1.4	2.5

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	3.3	2.2	2.2	(0.6)	9.1	6.4	(1.6)
Wilshire US REIT	1.5	(0.0)	(0.0)	12.4	4.5	4.4	6.7
CS Leveraged Loans	0.8	2.5	2.5	12.4	5.8	5.3	4.6
S&P Global Infrastructure	4.6	1.3	1.3	4.1	5.5	4.9	5.2
Alerian MLP	4.9	14.7	14.7	37.3	29.2	10.4	2.9
Regional Index							
JPM EMBI Global Div	2.1	2.0	2.0	11.3	(1.4)	0.7	3.0
JPM GBI-EM Global Div	(0.0)	(2.1)	(2.1)	4.9	(1.6)	0.1	(0.3)
Hedge Funds							
HFRI Composite	2.5	4.9	4.9	12.1	4.3	7.0	5.0
HFRI FOF Composite	1.3	3.9	3.9	9.4	2.8	5.0	3.6
Currency (Spot)							
Euro	(0.2)	(2.2)	(2.2)	(0.6)	(2.8)	(0.8)	(2.4)
Pound Sterling	(0.1)	(0.9)	(0.9)	2.2	(2.9)	(0.6)	(2.7)
Yen	(1.1)	(6.9)	(6.9)	(12.1)	(10.0)	(6.1)	(3.8)

Source: Morningstar, HFRI, as of 3/31/24

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

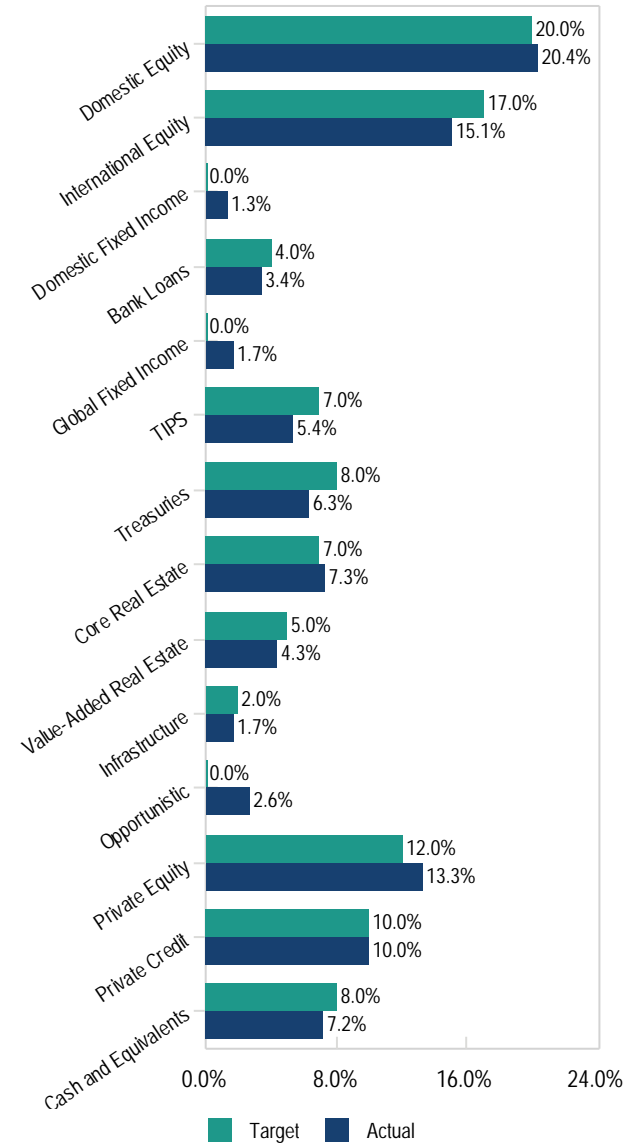
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Total Fund
Executive Summary - Preliminary (Gross of Fees)

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

	Market Value	% of Portfolio	1 Mo	YTD
Total Fund	1,737,182,849	100.0	1.4	3.2
<i>Interim Policy Index</i>			<i>1.4</i>	<i>3.0</i>
<i>FFP SAA Index</i>			<i>1.2</i>	<i>2.6</i>
Total Growth	1,251,788,701	72.1	1.8	4.3
<i>Custom Growth Benchmark</i>			<i>1.9</i>	<i>4.5</i>
Total Public Equity	615,589,076	35.4	4.2	9.9
<i>Public Equity Benchmark</i>			<i>3.2</i>	<i>7.7</i>
Total Domestic Equity	354,084,540	20.4	4.7	11.6
<i>Russell 3000 Index</i>			<i>3.2</i>	<i>10.0</i>
PIMCO RAE US	96,351,112	5.5	7.0	12.6
<i>S&P 500 Index</i>			<i>3.2</i>	<i>10.6</i>
Loomis Sayles Large Cap Growth	88,391,296	5.1	2.1	12.5
<i>Russell 1000 Growth Index</i>			<i>1.8</i>	<i>11.4</i>
Boston Partners Large Cap Value	79,677,764	4.6	6.0	11.8
<i>Russell 1000 Value Index</i>			<i>5.0</i>	<i>9.0</i>
Atlanta Capital Mgmt	89,664,367	5.2	3.6	9.7
<i>Russell 2500 Index</i>			<i>4.1</i>	<i>6.9</i>
Total International Equity	261,504,536	15.1	3.6	7.7
<i>MSCI AC World ex USA Index</i>			<i>3.2</i>	<i>4.8</i>
Dodge & Cox Intl Stock	126,867,708	7.3	4.9	3.3
<i>MSCI AC World ex USA Value</i>			<i>3.6</i>	<i>3.6</i>
WCM International Growth	134,636,828	7.8	2.4	12.1
<i>MSCI AC World ex USA Growth</i>			<i>2.8</i>	<i>6.0</i>
Total Private Equity	230,225,110	13.3	0.4	0.9
Harbourvest Partners IX Buyout Fund L.P.	10,155,455	0.6	0.0	0.0
Pathway Private Equity Fund Investors 9 L.P.	82,809,155	4.8	0.9	2.4
Harbourvest 2018 Global Fund L.P.	21,108,217	1.2	0.0	0.0
Harbourvest SLO Fund Private Equity	97,390,816	5.6	0.0	0.0
Pathway Private Equity Fund Investors 10 L.P.	18,761,467	1.1	1.2	0.9
Total Private Credit	173,725,136	10.0	0.0	0.5
Sixth Street Partners DCP	88,702,683	5.1	0.0	1.1
Harbourvest SLO Credit Fund	85,022,453	4.9	0.0	0.0

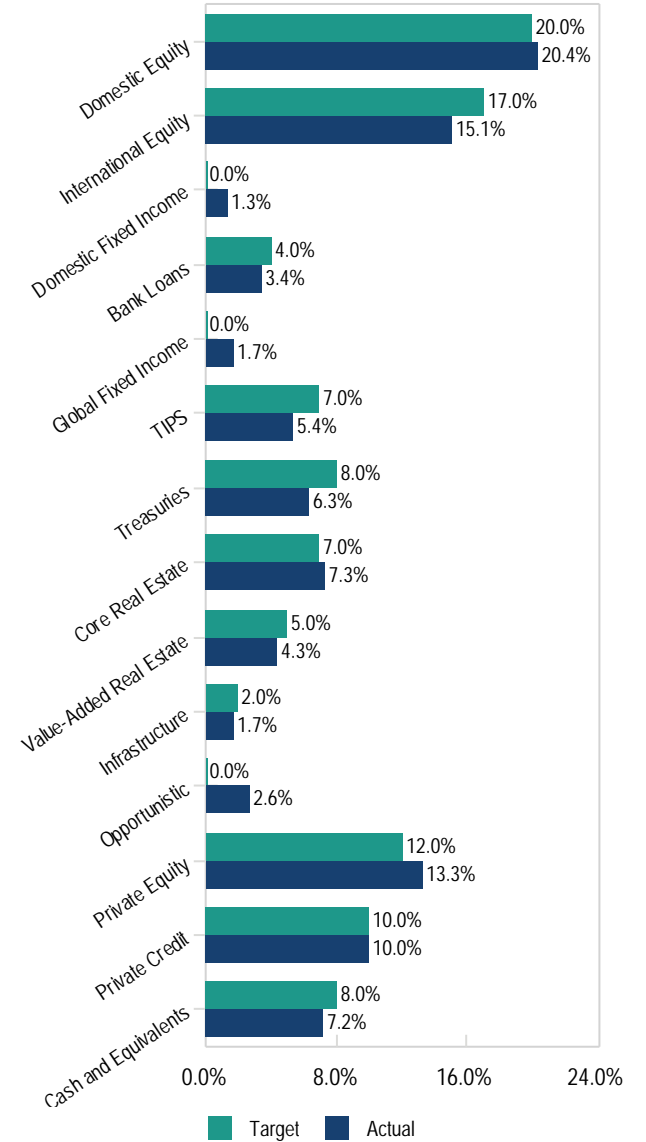


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Actual Private Equity Return, 4% Credit Suisse Leveraged Loan Index, 8% Bloomberg US Treasury 7-10 yr, 7% Bloomberg US TIPS 5+ Year, 10% Actual Private Credit Return, 12% NCREIF Property Index, 2% Brookfield Infrastructure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

	Market Value	% of Portfolio	1 Mo	YTD
Total Real Estate	232,249,379	13.4	-1.7	-2.9
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>0.0</i>
JP Morgan Core Real Estate	126,970,293	7.3	-3.0	-5.5
<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	4.3	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	1.7	0.0	1.2
Total Risk Diversifying	314,272,238	18.1	0.8	-0.1
<i>Total Risk Diversifying Benchmark</i>			<i>0.8</i>	<i>-1.2</i>
Total Domestic Fixed Income	285,290,823	16.4	0.8	0.2
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.9</i>	<i>-0.8</i>
Dodge & Cox Income Fund	23,078,600	1.3	1.1	-0.2
<i>Blmbg. U.S. Aggregate Index</i>			<i>0.9</i>	<i>-0.8</i>
Pacific Asset Corporate Loan	58,545,157	3.4	1.1	2.9
<i>Morningstar LSTA U.S. Leveraged Loan</i>			<i>0.8</i>	<i>2.4</i>
SSGA U.S. Govt Bond Index	109,756,989	6.3	0.6	-0.9
<i>Blmbg. U.S. Government Index</i>			<i>0.6</i>	<i>-0.9</i>
BlackRock TIPS	93,910,077	5.4	0.8	0.0
<i>Blmbg. U.S. TIPS Index</i>			<i>0.8</i>	<i>-0.1</i>
Total Global Fixed	28,981,415	1.7	0.5	-2.4
<i>FTSE World Government Bond Index</i>			<i>0.4</i>	<i>-2.4</i>
Brandywine Global Fixed Income	13,475,297	0.8	0.1	-5.0
<i>FTSE Non-U.S. World Government Bond</i>			<i>0.3</i>	<i>-3.4</i>
Ashmore EM Blended Debt Fund	15,506,118	0.9	0.9	-0.2
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>			<i>1.0</i>	<i>0.2</i>

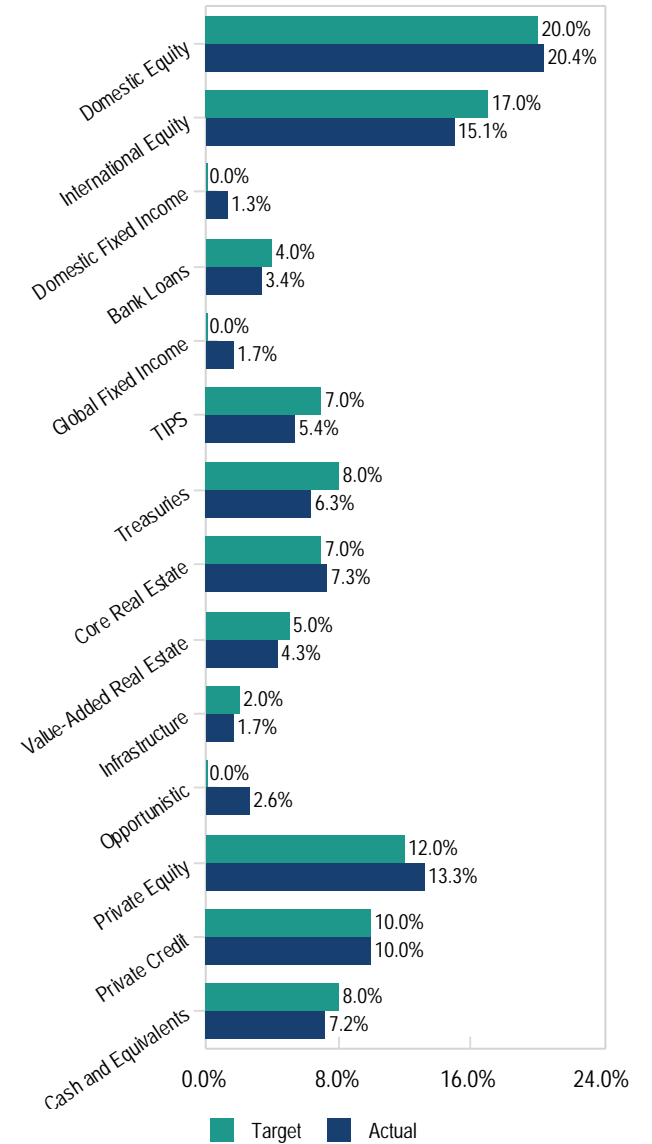


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Actual Private Equity Return, 4% Credit Suisse Leveraged Loan Index, 8% Bloomberg US Treasury 7-10 yr, 7% Bloomberg US TIPS 5+ Year, 10% Actual Private Credit Return, 12% NCREIF Property Index, 2% Brookfield Infrastructure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

	Market Value	% of Portfolio	1 Mo	YTD
Total Liquidity	125,299,221	7.2	0.3	0.8
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>1.3</i>
Total Cash	125,299,221	7.2	0.3	0.8
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>1.3</i>
PIMCO Short Duration Fund	34,947,044	2.0	0.4	0.7
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			<i>0.4</i>	<i>0.4</i>
Cash Account	37,770,857	2.2	0.0	0.8
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>1.3</i>
Investment Cash	52,581,319	3.0	0.3	0.9
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>1.3</i>
Total Opportunistic	45,822,688	2.6	0.0	3.1
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,397,304	0.2	0.0	3.3
Sixth Street Partners TAO	42,425,383	2.4	0.0	3.0



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 as of 9/30/23. ARA Strategic Value Realty, Brookfield Infrastructure Fund, KKR Mezzanine Partners, and Sixth Street Funds as of 12/31/2023. All data is preliminary.

Board of Trustees

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



Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 6: 2023 Form 700 Filing Review

The documents that the FPPA required Form 700 filings for 2023 (due 4/1/24) have been reviewed by the Executive Director. No conflicts were found relevant to the SLOCPT.

1. Investment managers
 - a. Bell Atlanta Capital Management
 - b. Hereford Atlanta Capital Management
 - c. Powers HarbourVest Partners
 - d. Radell BlackRock (leaving office 4/4/23)
 - e. Reed Atlanta Capital Management

2. Consultants and Counsel
 - a. Whalen Verus
 - b. Waddell General Counsel

3. Trustees
 - a. Grim annual
 - b. Hamilton annual
 - c. Hamm annual
 - d. Howe annual
 - e. O'Quest annual
 - f. Shoresman annual
 - g. Sibbach annual

4. Staff
 - a. Girardi taking office 01/4/24
 - b. Nelson leaving office 12/31/23
 - c. Burke annual

To the best of my knowledge, this list encompasses all parties required to file Form 700s on behalf of the SLOCPT for 2023.

Board of Trustees

1000 Mill Street
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Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 7: January 1, 2024 Experience Study - Presentation by Anne Harper and Alice Alsberghe of Cheiron

Recommendation:

Receive the presentation and discuss the recommendations of SLOCPT's actuary in the 2024 Experience Study. The Board of Trustees may direct the Actuary relative to specific components of the 2024 Experience Study.

Staff recommends that the Board of Trustees receive and file the 2024 Experience Study after such discussion.

The specific direction to the Actuary on assumptions to use in finalizing the 2024 Annual Actuarial Valuation will be covered in a separate agenda item at this meeting.

Discussion:

It is the policy of SLOCPT to have an annual Actuarial Valuation to set the total level of contributions necessary to fund the retirement system – the Total Combined Actuarially Determined Contribution (Total ADC). In support of that annual Actuarial Valuation, SLOCPT has performed a biennial Actuarial Experience Study. In these Experience Studies the Actuary analyzes prior years of Plan demographic and financial experience to determine what actuarial assumptions to recommend to the Board of Trustees to use in the annual Actuarial Valuation.

The attached presentation and draft Experience Study report summarize the findings of the December 31, 2023, Actuarial Experience Study.

Expected Results:

In the attached presentation –

- The results of the preliminary 2024 Actuarial Valuation indicate a recommended pension contribution rate change of -0.23% assuming no changes to current Actuarial Assumptions (slide 4).
- Proposed economic assumption changes include incorporating current Tier 1 retiree COLA Banks into expected benefit payments and increasing the assumed Administrative Expense. These assumption changes are estimated to increase the recommended pension contribution rate change by 1.37%.
- Proposed Demographic Assumption changes include increasing retirement and disability rates, increasing the merit component of salary increases, and adjusting reciprocity, mortality, termination, and withdrawal rates. These assumption changes are estimated to increase the recommended rate change by 0.77%.
- Projecting a net rate increase of 1.91% if all recommended assumption changes are adopted.

Following the approval of actuarial assumptions in a separate Board of Trustees item, Cheiron will finalize the 2024 Actuarial Valuation and present it for approval at the June 24th Board of Trustees meeting.

Attachments:

1. Presentation – 1/1/2024 Preliminary Actuarial Valuation Results and Experience Study as of 12/31/2023
2. Report – draft 2024 Actuarial Experience Study

San Luis Obispo County Pension Trust



January 1, 2024 Preliminary Actuarial Valuation Results and 2024 Experience Study

May 20, 2024

Anne D. Harper, FSA, EA, MAAA
Alice I. Alsberghe, ASA, EA, MAAA



Preliminary 2024 Valuation Results

2024 Experience Study Overview

Economic Assumptions

Demographic Assumptions

Cost Impact of Proposed Assumption Changes

Preliminary 2024 Valuation Results



- Total Actuarially Determined Contribution rate decreased from 52.81% to 52.58% of pay, a decrease of 0.23% of pay
- Funded ratio increased:
 - 60.8% to 62.4% (market value basis)
 - 64.1% to 65.1% (actuarial value basis)
- Investment returns, net of investment expenses only:
 - 8.1% on a market value basis
 - 7.1% on an actuarial value basis
- Actuarial Value of Assets is about 4% higher than Market Value of Assets; \$76 million in deferred asset losses due to unfavorable asset experience in 2022

Preliminary 2024 Valuation Results



Summary of Key Valuation Results (in thousands)			
	January 1, 2023	January 1, 2024	Change
Membership			
Actives	2,830	2,884	1.9%
Retirees and Beneficiaries	3,236	3,340	3.2%
Inactives	981	1,064	8.5%
Total	7,047	7,288	3.4%
Total Projected Payroll	\$ 242,067,000	\$ 253,809,000	4.9%
Average Pay	\$ 85,536	\$ 88,006	2.9%
Funded Status			
Actuarial Liability	\$ 2,622,192	\$ 2,739,482	4.5%
Actuarial Value of Assets (AVA)	1,679,561	1,784,051	6.2%
Unfunded Actuarial Liability (UAL)	\$ 942,631	\$ 955,432	1.4%
Funding Ratio (AVA Basis)	64.1%	65.1%	1.0%
Market Value of Assets (MVA)	\$ 1,594,492	\$ 1,708,463	7.1%
Unfunded Actuarial Liability (MVA Basis)	1,027,700	1,031,019	0.3%
Funding Ratio (MVA Basis)	60.8%	62.4%	1.6%
Actuarially Determined Contributions			
Total Normal Cost	21.24%	20.85%	-0.39%
Administrative Expenses	1.01%	0.99%	-0.02%
Unfunded Actuarial Liability Payment			
Interest	26.29%	25.41%	-0.88%
Principal	4.27%	5.33%	1.06%
Total	30.56%	30.74%	0.18%
Total Actuarially Determined Contribution	52.81%	52.58%	-0.23%

Changes Since Last Valuation



Actuarially Determined Contribution (ADC) Rate Reconciliation

	Normal Cost	Admin Expenses	UAL Payment	Total
Total ADC as of January 1, 2023	21.24%	1.01%	30.56%	52.81%
Actuarial investment gain	0.00%	0.00%	-0.18%	-0.18%
Tier 3 (PEPRA) new hires	-0.38%	0.00%	0.00%	-0.38%
Effect of payroll growth	0.00%	-0.02%	-0.54%	-0.56%
Net contribution experience	0.00%	0.00%	0.05%	0.05%
Demographic experience	-0.01%	0.00%	0.85%	0.84%
Assumption changes	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Change	-0.39%	-0.02%	0.18%	-0.23%
Total ADC as of January 1, 2024	20.85%	0.99%	30.74%	52.58%

- Salary increases for active members (including those who retired in 2023) were the primary driver of the demographic experience losses
- Salary experience resulted in larger payroll growth than expected (5% actual compared to 3% assumed); since UAL payments increase at the assumed payroll growth rate, UAL payments as a percentage of payroll decreased by 0.54% of payroll

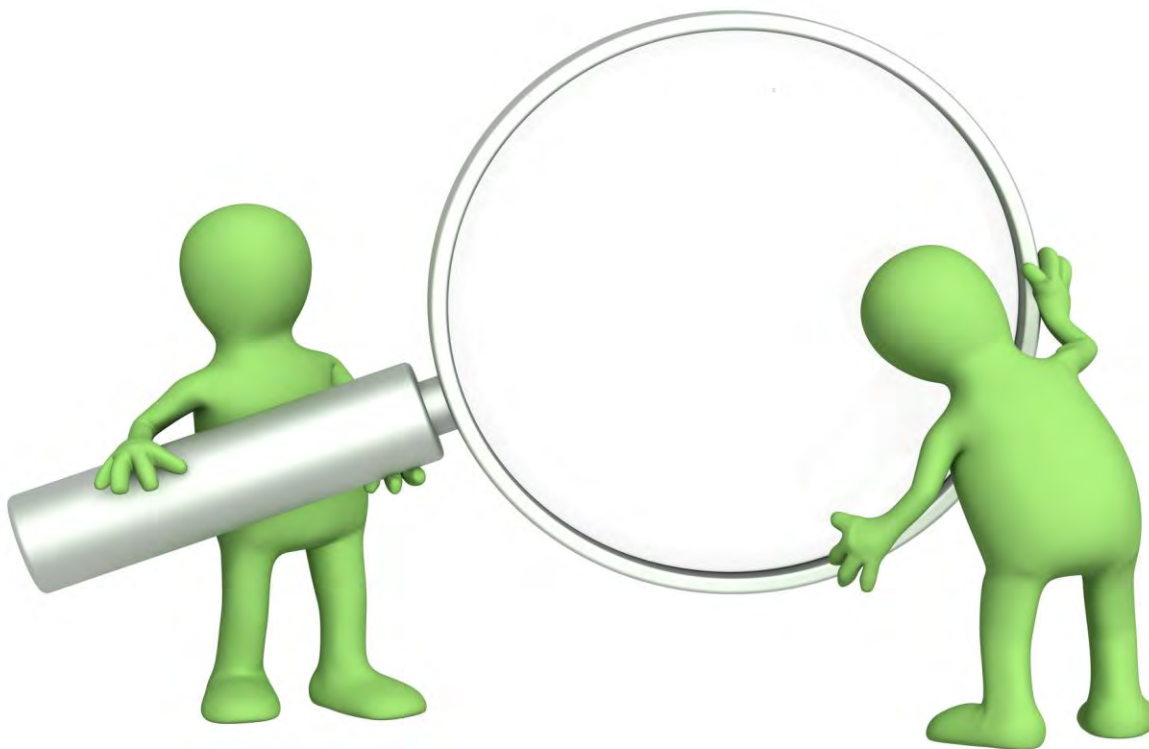
Changes Since Last Valuation



Change in Unfunded Actuarial Liability (in thousands)

Unfunded Actuarial Liability, January 1, 2023	\$ 942,632
Expected change in Unfunded Actuarial Liability	(12,807)
Decrease due to actuarial asset gains	(6,324)
Increase due to liability loss	29,435
Increase due to contribution experience and expenses	<u>2,496</u>
Total UAL change	\$ 12,800
Unfunded Actuarial Liability, January 1, 2024	\$ 955,432

- Expected contributions exceeded the interest on the UAL plus normal cost (active member benefits accruing for the next year) by \$13 million compared to \$10 million last year



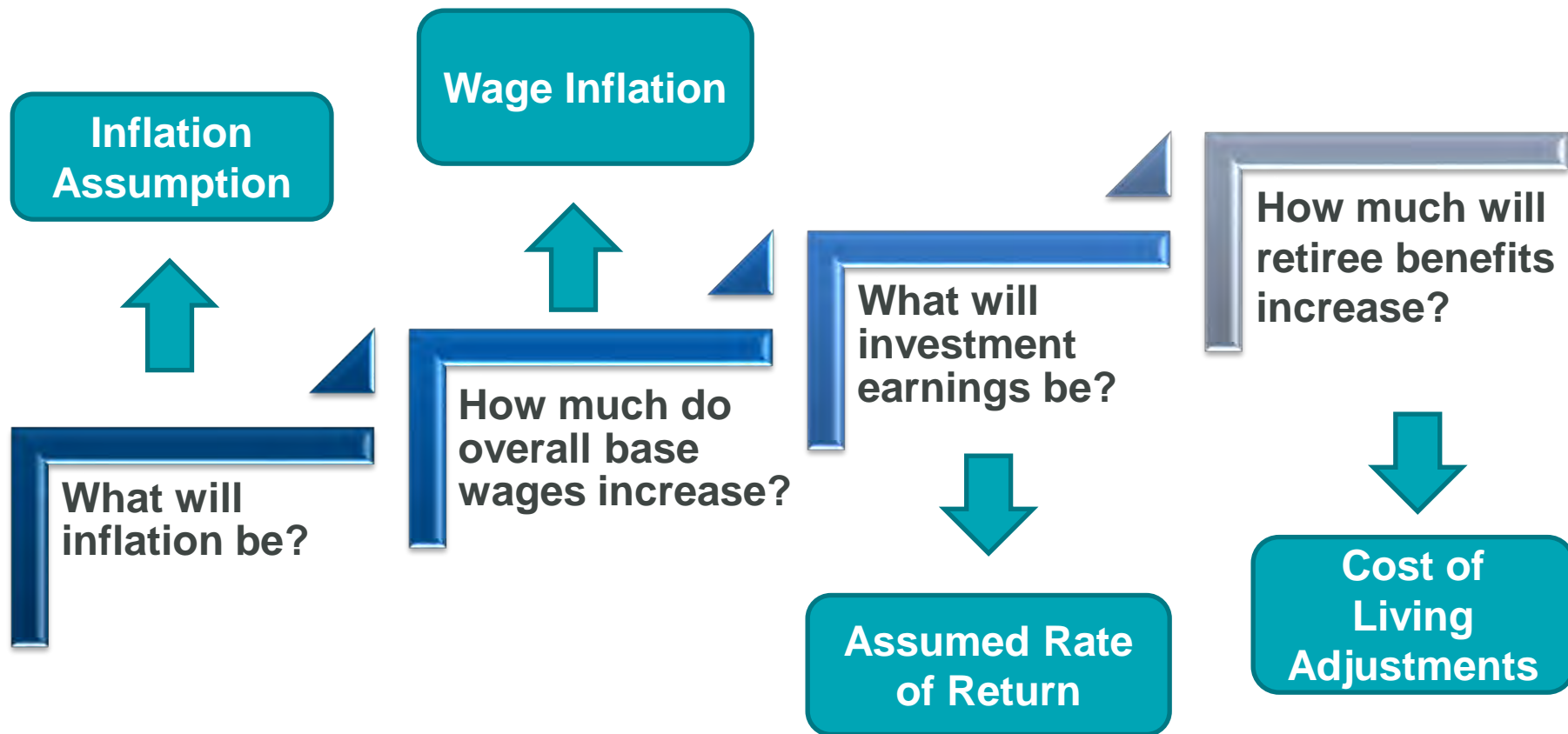
Experience Study Overview



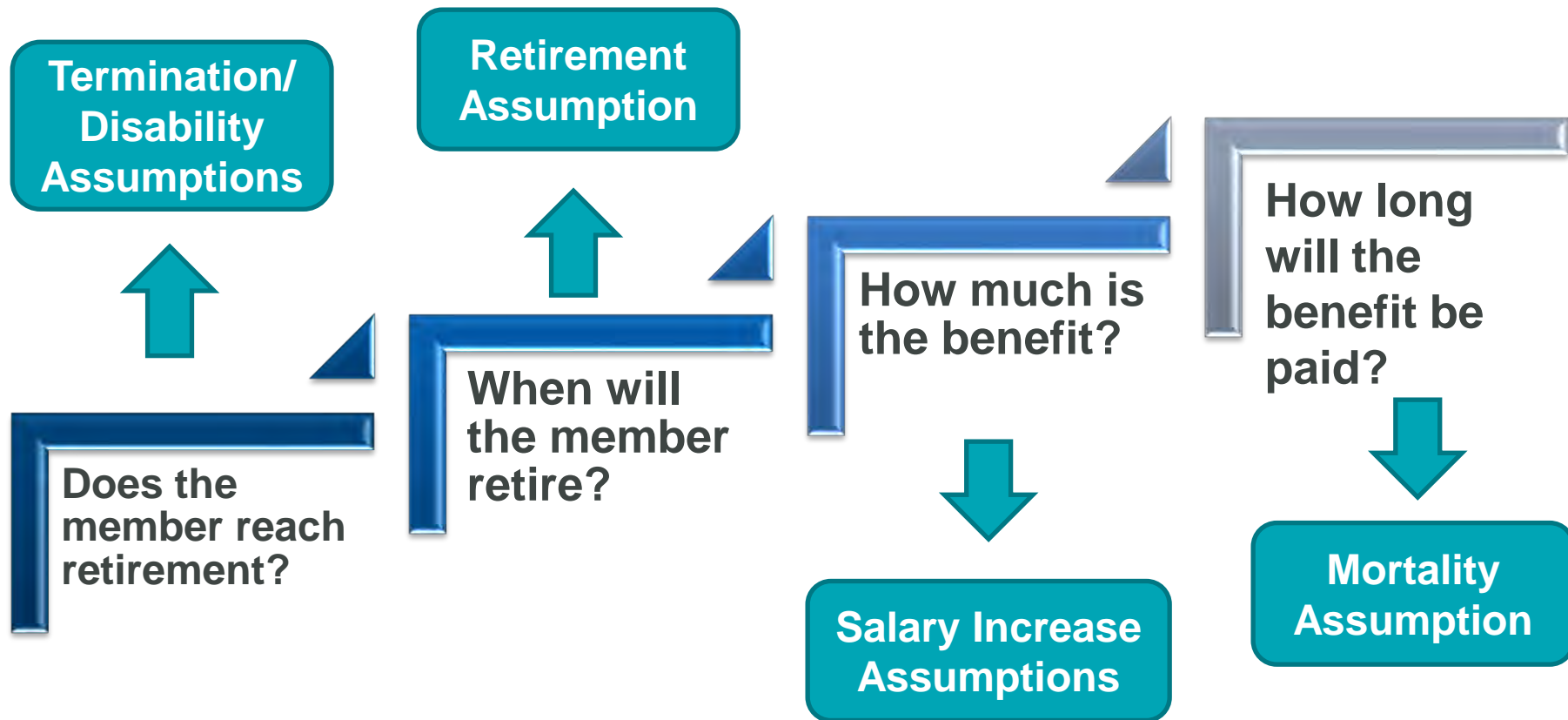
- Study is performed every 2 years
- Assumptions are needed to form a best estimate of each member's projected benefits and Actuarial Liability
- Ultimate cost of benefits depends on **actual** experience
 - Actual investment returns and participant behavior
 - Actual benefits paid are not affected by actuarial assumptions
- Good assumptions produce level costs



Actuarial Assumptions – Economic



Actuarial Assumptions – Demographic



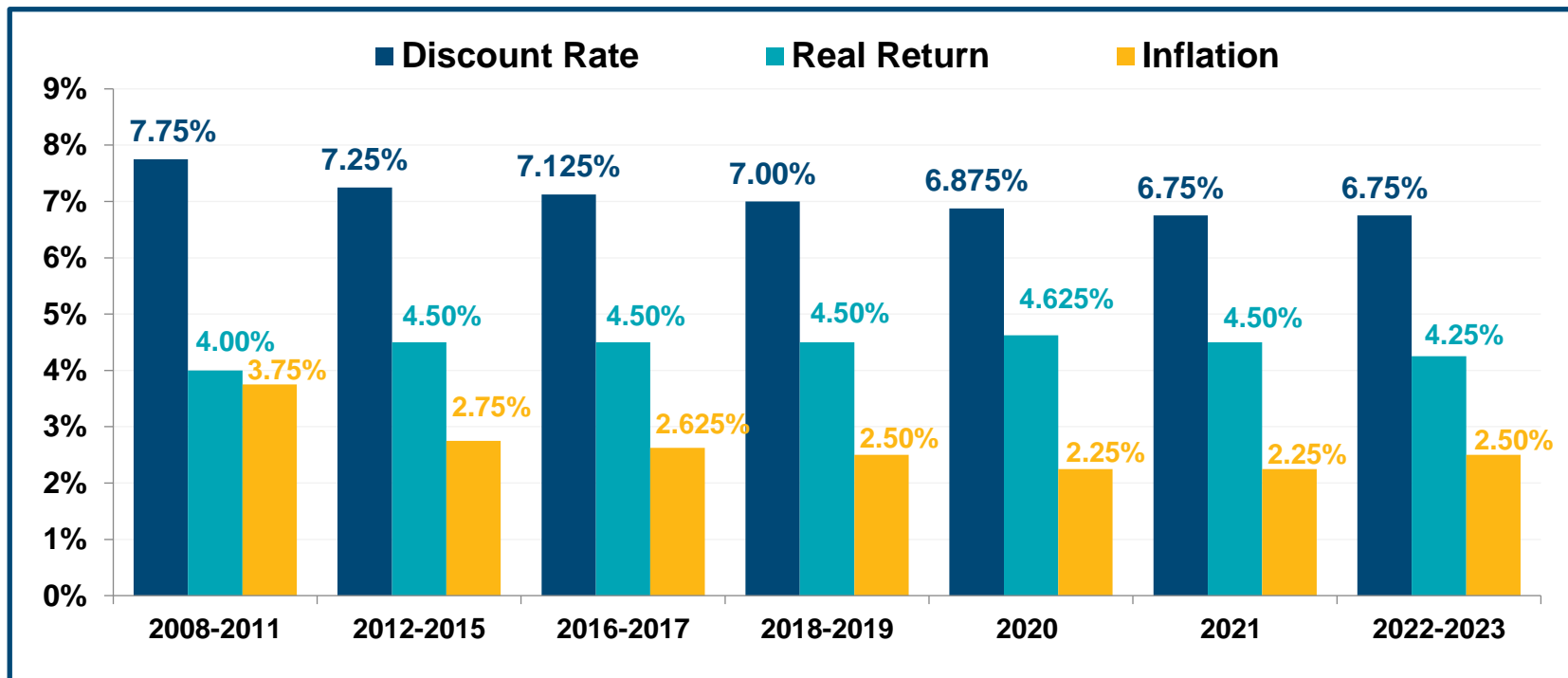


- **No recommended changes:**
 - Assumed investment rate of return
 - Price inflation, wage inflation
- **Recommended changes with the largest impact:**
 - Incorporating COLA banks into expected benefit payments
 - Salary merit increases for all groups
 - Disability rate increases for Safety
 - Propose using CALPERS State Police Officers and Firefighters table
 - Retirement rate increases for all Safety Tier 1 members and for Probation Tier 1 members with 25 or more years of service

Economic Assumptions



SLOCPT Economic Assumptions History



Actual average returns on Market Value of Assets

5-year: 7.6%

10-year: 5.7%

Discount Rate – Analysis



- Current assumption = 6.75%
- Context for selecting the discount rate
 - Historical experience
 - Industry trends
- Primary factors considered
 - Expectations for the future
 - Board's risk preference



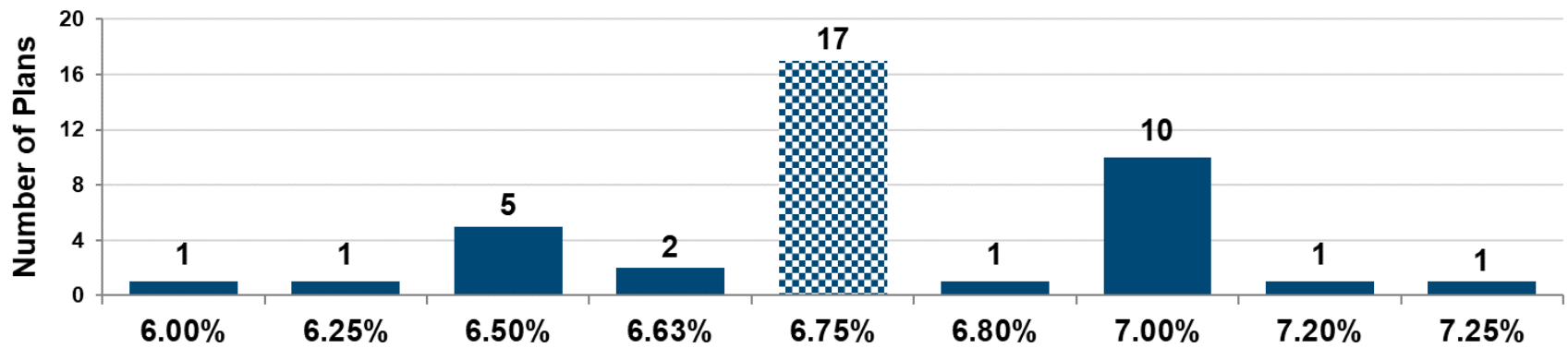
Industry Trends – Discount Rate



Discount Rate Trends
Cheiron Survey of California Systems



Distribution of Latest Discount Rates
Cheiron Survey of California Systems



Future Expectations – Comparisons



SLOCPT SAA Portfolio 2024 Return Expectations

Source	Nominal	Inflation	Real
Verus (10-year)	7.51%	2.50%	5.01%
Horizon Survey (10-year)	7.59%	2.55%	5.04%
Verus (30-year)	7.57%	2.40%	5.17%
Horizon Survey (20-year)	<u>7.60%</u>	<u>2.46%</u>	<u>5.14%</u>
Average	7.57%	2.48%	5.09%
Current SLOCPT Assumptions	6.75%	2.50%	4.25%



Capital Market Assumption Volatility



Gray bars represent range of Verus' 10-year and 30-year expected returns

- Capital market assumptions change annually as market conditions change and are usually set in December
- Rise in interest rates has resulted in a significant increase in capital market assumptions
- Discount rate should be adjusted to reflect long-term trends, but should not overreact to short-term fluctuations

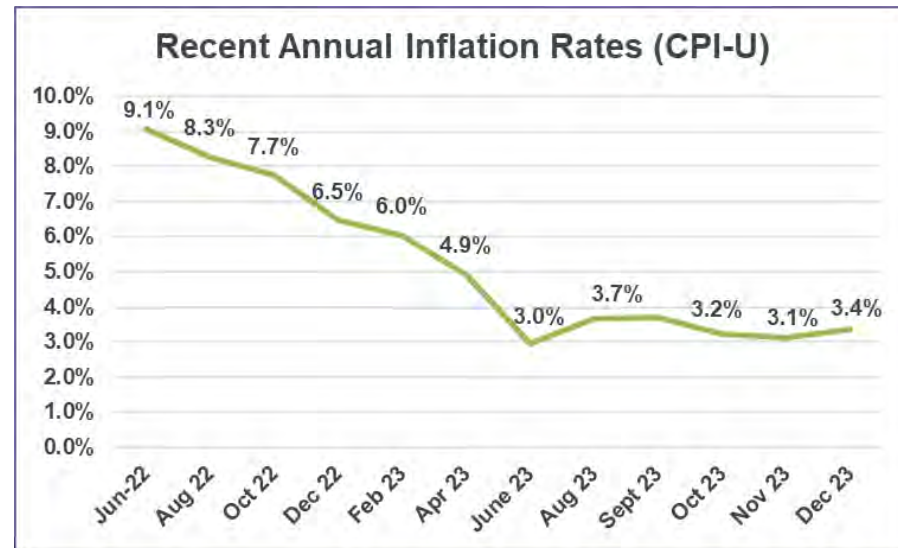
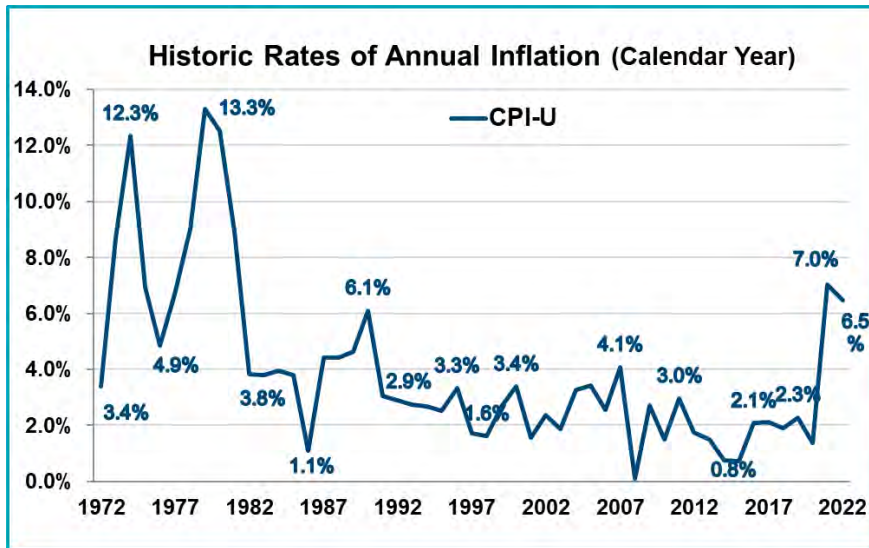
Price Inflation





- ***Price inflation*** is the foundation for all economic assumptions
 - Assumed rate of return = ***Price inflation*** + Real return
 - Wage inflation = ***Price inflation*** + Real wage growth
- Current price inflation assumption = 2.50%
- Increased from 2.25% in last experience study

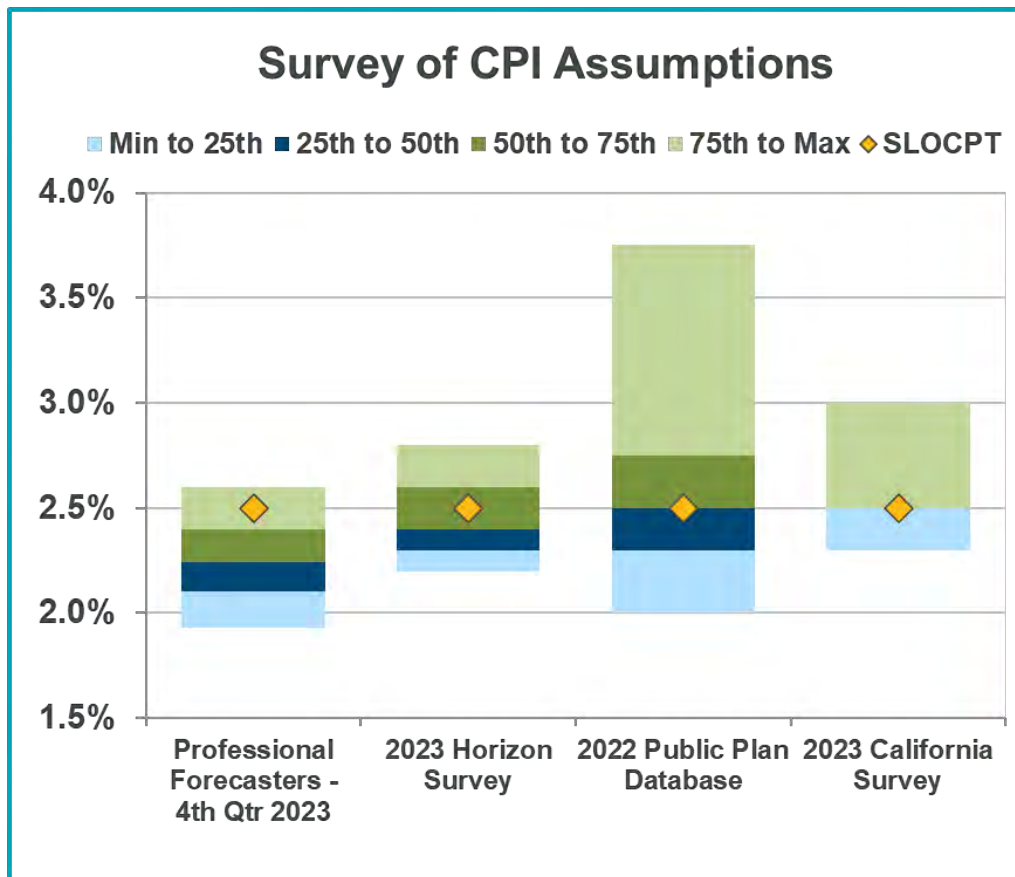
Price Inflation – Historical



- Inflation was low from 1992-2020
- As we all know, there was a significant spike in 2021-2022

- However, year-over-year inflation has been trending down since it peaked in June 2022

Price Inflation – Industry Trends



- Median inflation for economic forecasters and Horizon survey slightly below 2.50%
- Median inflation assumption 2.50%, nationally and in California
- Social Security Administration's best estimate for inflation is 2.40% (2022 and 2023 reports)

COLA Growth



- Operation of COLA
 - Benefits grow by two-year averages of Bay Area and Los Angeles Area CPI (rounded to 0.1%)
 - Tier 1 capped at 3.0%, with bank
 - COLA bank accumulates if CPI growth exceeds cap
 - Tiers 2 and 3 capped at 2.0%, no bank
- Growth in the COLA banks in last few years
 - High inflation
 - CPI averages have exceeded the 3.0% cap
 - Most Tier 1 retirees have a 4.0% COLA Bank



- Current COLA assumptions
 - 2.75% for Tier 1
 - 2.00% for Tier 2 and Tier 3
- Propose incorporating the value of the COLA banks directly in the liability calculations for ***Tier 1 members in pay status***
 - Example: members with 3.0% COLA cap who retired between 1/1/2023 and 1/1/2024 have a 2.0% COLA bank
 - Based on 2.75% COLA assumption and 3.0% cap, these retirees receive the full 3.0% for the eight years starting at 4/1/2025 (drawing down their bank 0.25% per year)
 - After eight years, revert to 2.75% assumption
- Under this approach, no impact to the COLA assumption for active members
- Recalibrate liabilities each year based on changes in COLA banks

Demographic Assumptions



Demographic Analysis



- Study period from January 1, 2017 to December 31, 2023
- Charts and graphs show experience for each year in the study period
- Analysis was performed and assumptions reviewed based on 2017-2023 experience

Merit Salary Increases



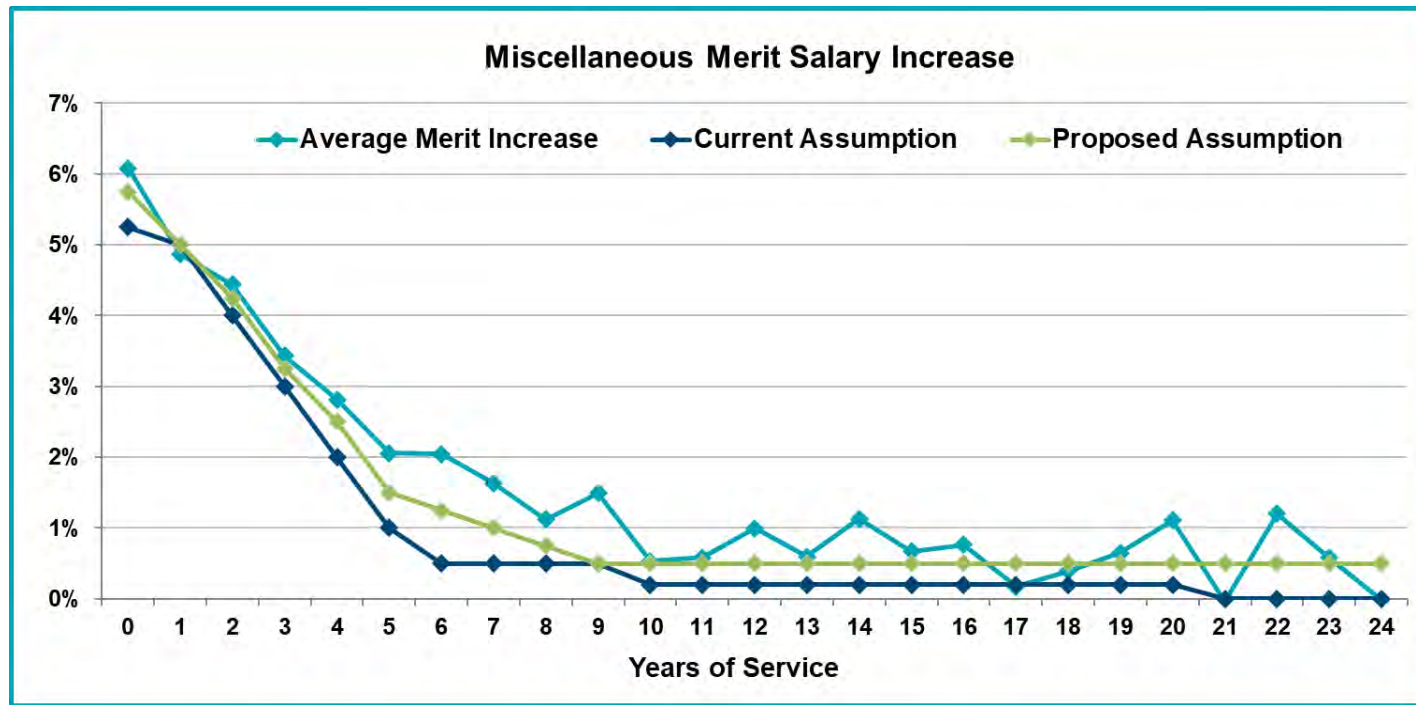
- Salary increases have three components:
 - Price Inflation
 - Real wage growth
 - Individual merit or longevity increases
- Price Inflation and real wage growth were reviewed with the economic assumptions



Merit Salary Increases – Miscellaneous



- Overall, proposed increase in rates
 - Similar for Safety/Probation
- A continued trend from previous experience study



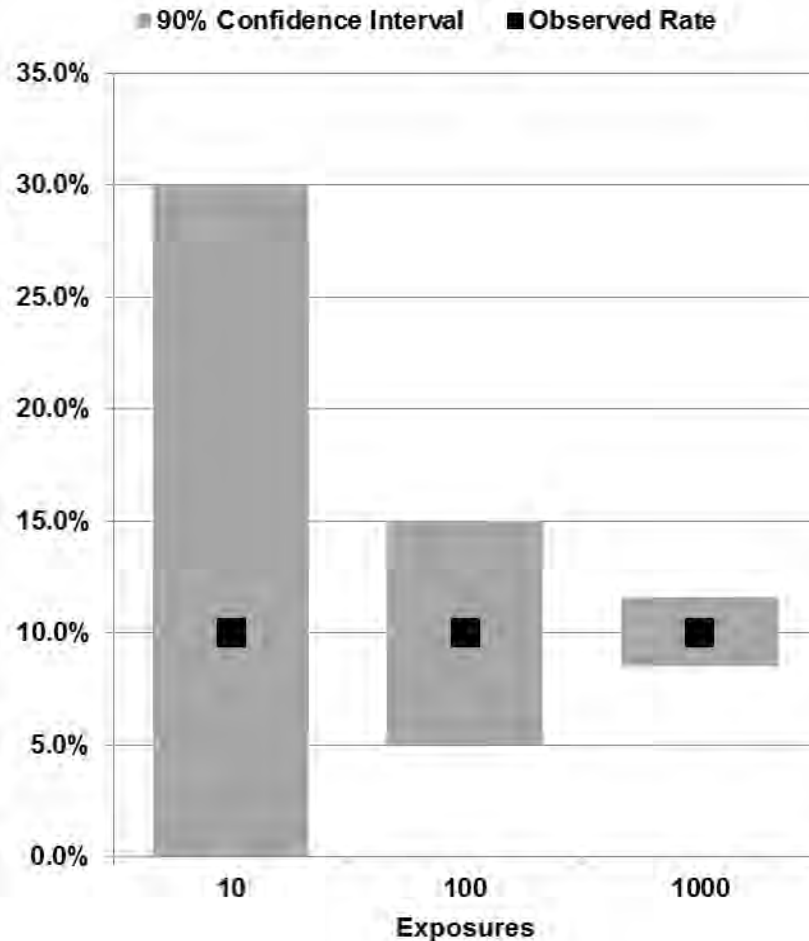


- Actual-to-Expected Ratio (A/E Ratio)
 - Actual decrements divided by expected decrements
 - Ideally equals 100%
 - Used to set overall level of assumptions
- 90% Confidence Interval
 - Range around experience within which “true” rate falls with 90% confidence
 - Used to assess credibility of experience and needed to change assumptions

Confidence Intervals



Confidence Interval Illustration



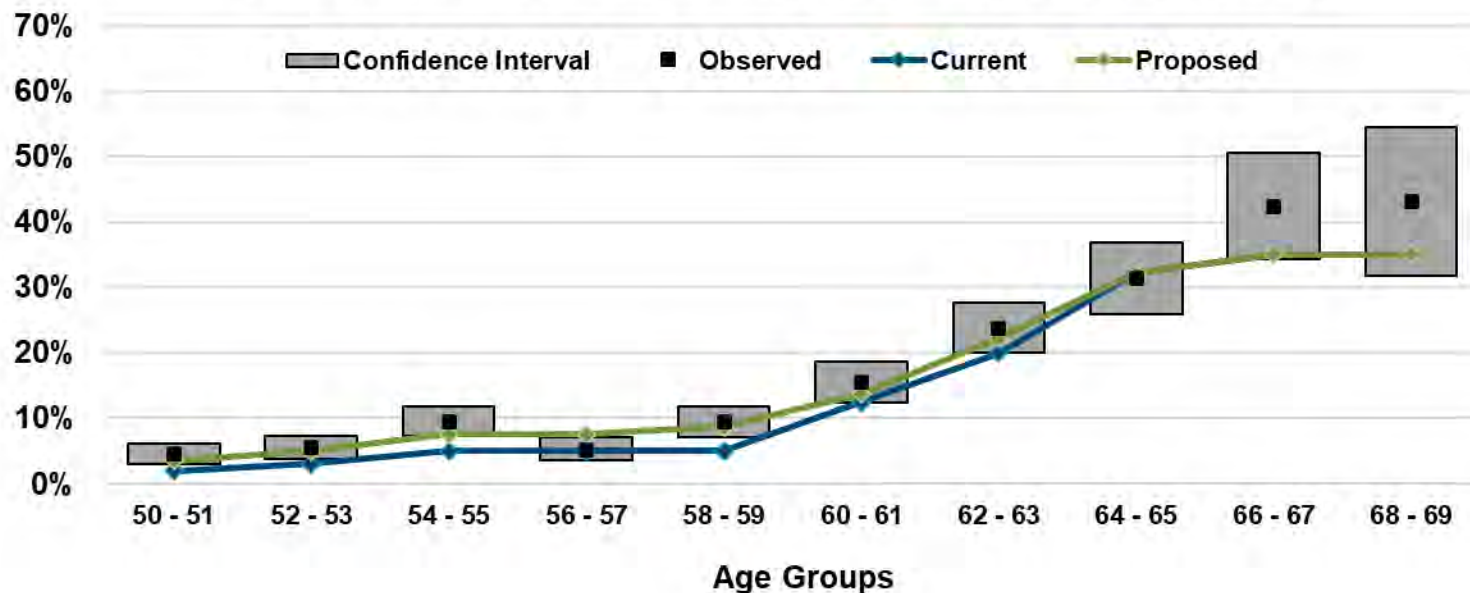
- How much data is available is critical in determining if the assumption warrants a change
 - 1 retirement out of 10 eligible members; rate is between 0% and 30%
 - 10 out of 100; rate is between 5% and 15%.
 - 100 out of 1000; rate is between 8.5% and 11.5%

- Separate assumptions by class:
 - Miscellaneous, Probation, Safety
- Tier 1 and Tiers 2 & 3 have separate assumptions
- Separate rates for members with less and more than 25 years of service
- Generally, higher actual rates of retirement in 2022 and 2023 than expected
- Trends continued since COVID

Retirement Rates – Miscellaneous



Tier 1 Miscellaneous Retirement Rates - 5 to 24 Years of Service

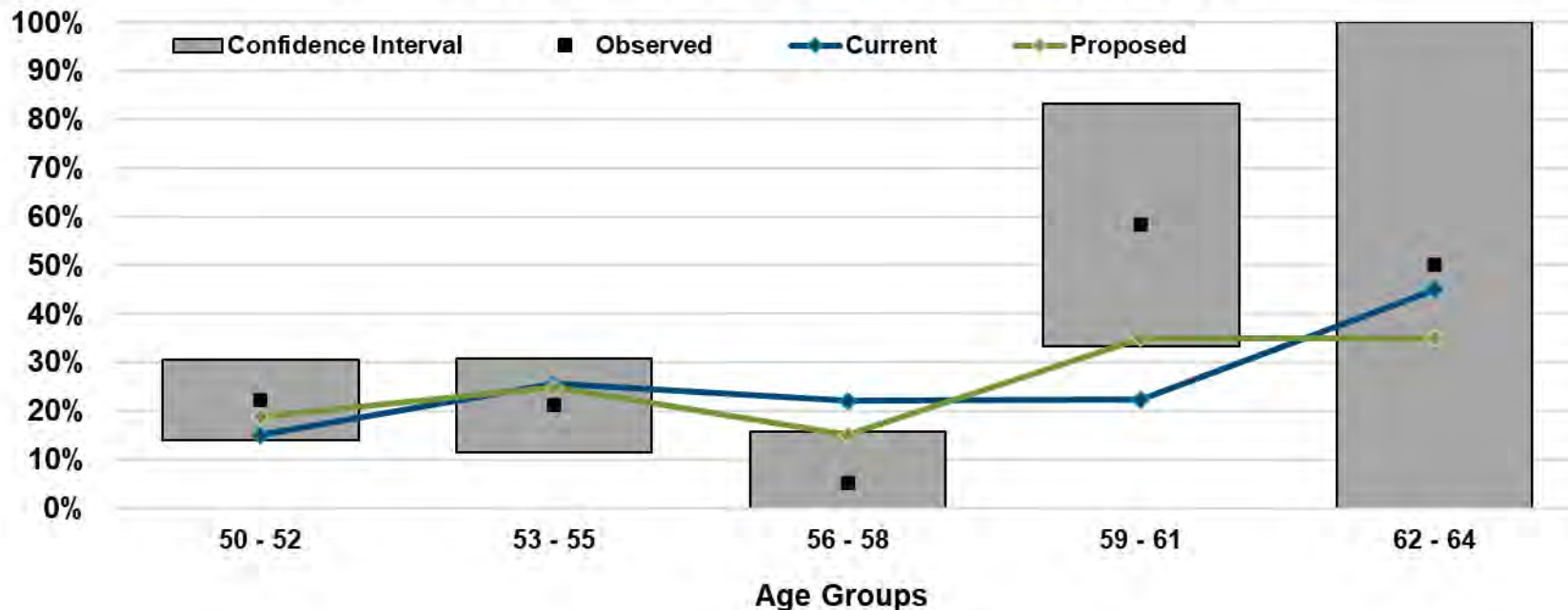


- Slight increases are proposed to the current rates
- Actual/Expected Ratio: Decreases from 130% to 108%
- Similar experience for Tier 1 members with 25 or more years of service and Tiers 2 and 3

Retirement Rates – Safety



Tier 1 Safety Retirement Rates - 5 to 24 Years of Service

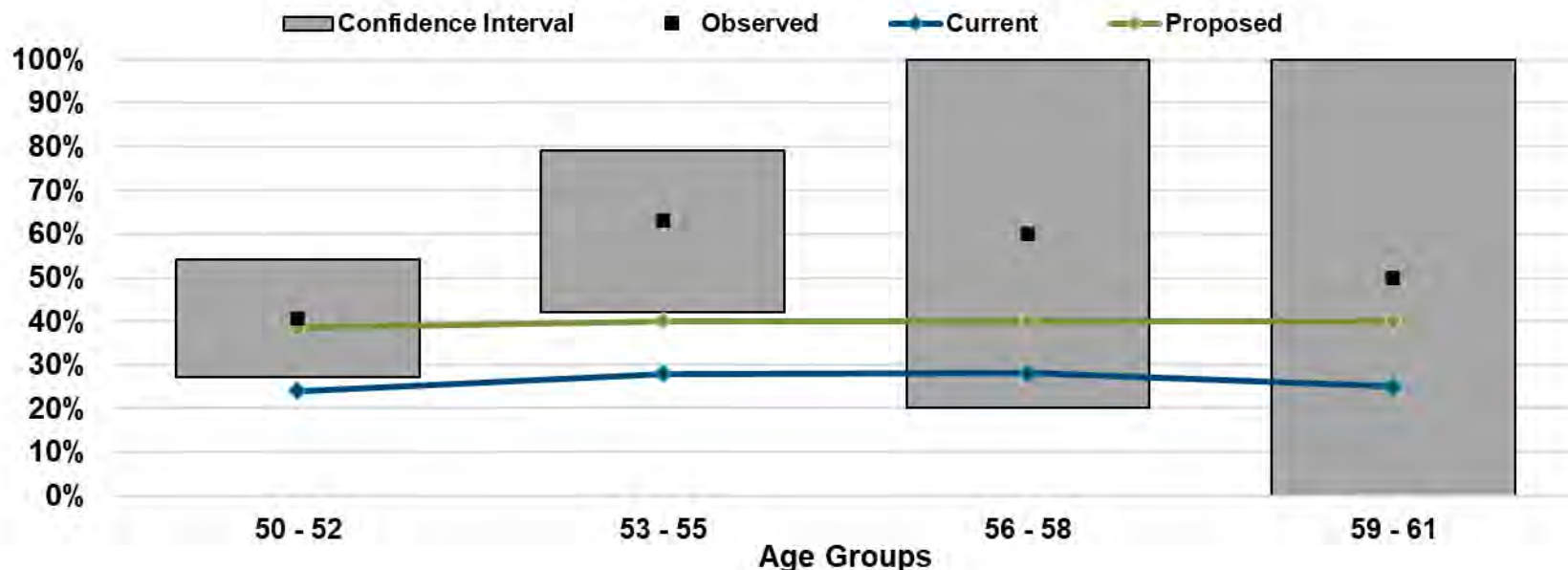


- Actual retirement rate over all age groups is 23%
- Propose changes (increases/decreases) specific to age groups
- Overall proposed rate increases from 20% to 22%
- A/E Ratio: Decreases from 113% to 105%

Retirement Rates – Safety

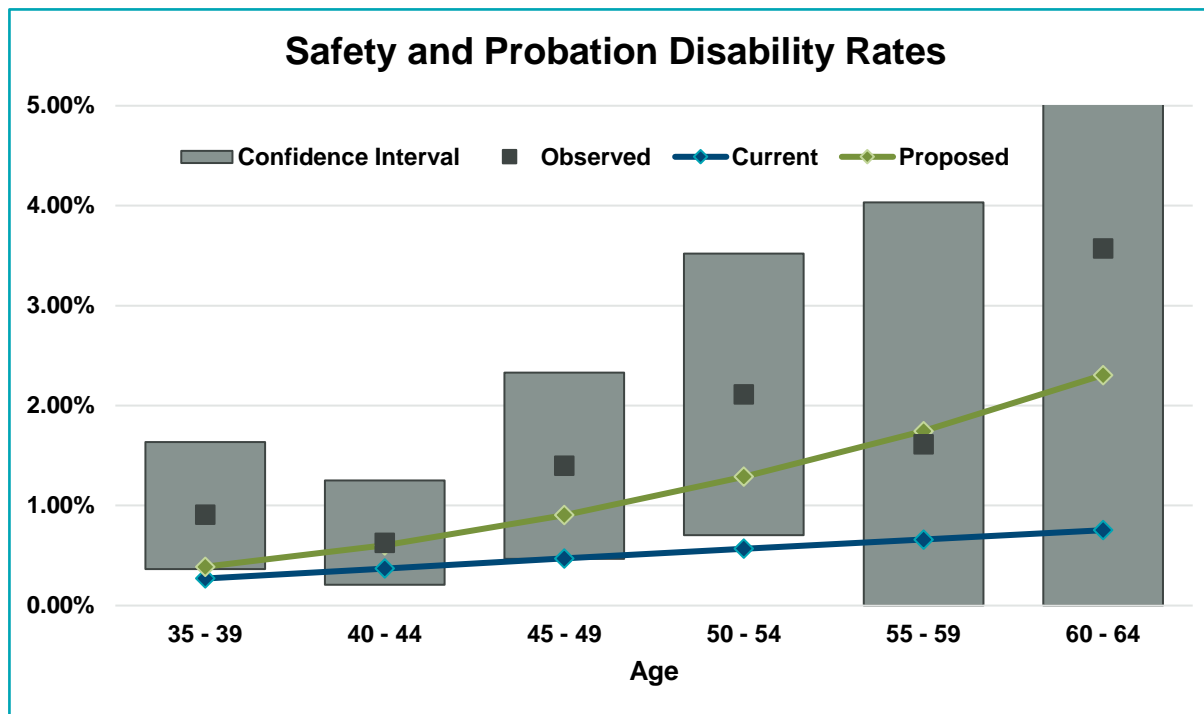


Tier 1 Safety Retirement Rates - 25+ Years of Service



- Proposed rates are significantly higher
- Two additional years of experience gave more credibility
- A/E Ratio: Decreased from 193% to 126%
- Probation had similar experience, propose rate increases
 - A/E ratio decreased from 142% to 124%

Disability Rates – Safety & Probation



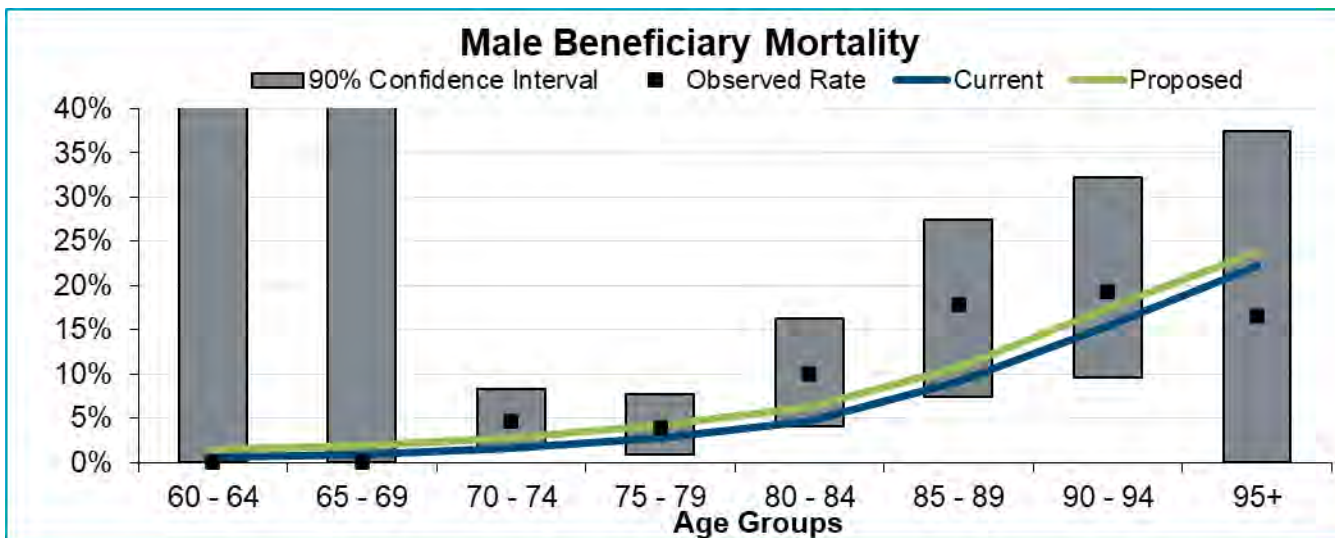
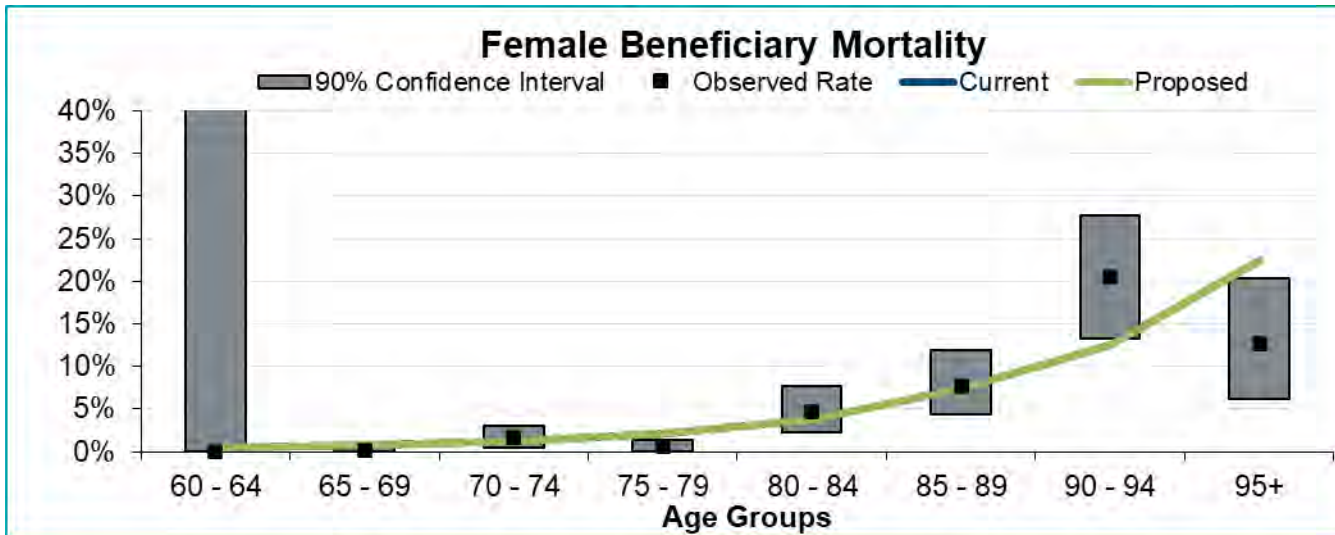
- Across all ages, the total rate of members becoming disabled is 1.2%
- Current assumption (from previous actuary) results in only a 0.4% total rate of disability
- Propose using the CALPERS State Police Officers and Firefighters total disability table which results in a 0.8% total rate of disability

Mortality Assumptions



- Continue to see longer lifespans for SLOCPT for most groups
- Propose decreases in mortality rates for Miscellaneous healthy retirees; 2.5% and 5.0% for females and males, respectively
- Analyzed beneficiaries separately this study
 - Male beneficiaries have much shorter life expectancies than male retirees, widower effect
 - Female beneficiaries have similar life expectancies to female retirees

Mortality Rates for Beneficiaries



Cost Impact of Assumption Changes by Class



Estimated Impact of Proposed Assumption Changes on Actuarially Determined Contribution Rates

	Miscellaneous	Probation	Safety	Total
Proposed Demographic Assumption Changes				
Merit Scale	0.73%	0.46%	0.44%	0.68%
Disability	0.01%	-0.08%	0.91%	0.12%
Retirement Rates	0.16%	0.51%	0.45%	0.22%
Mortality Rates	0.21%	-0.08%	-0.03%	0.18%
Termination and Withdrawal Rates	-0.15%	-0.22%	-0.20%	-0.17%
Assumed Inactive Retirement Age	-0.39%	0.16%	0.01%	-0.32%
Reciprocity	<u>0.05%</u>	<u>0.06%</u>	<u>0.06%</u>	<u>0.06%</u>
Estimated Impact of Demographic Assumption Changes	0.62%	0.81%	1.64%	0.77%
Proposed Economic Assumption Changes				
Incorporate COLA Banks into assumption for Tier 1 members	1.08%	1.18%	1.89%	1.18%
Administrative Expense	<u>0.19%</u>	<u>0.19%</u>	<u>0.19%</u>	<u>0.19%</u>
Estimated Impact of Economic Assumption Changes	1.27%	1.37%	2.08%	1.37%
Estimated Impact of All Assumption Changes	1.89%	2.18%	3.72%	2.14%



Finalize Actuarial Valuation Report



Adopt January 1, 2024 Actuarial Valuation and Contribution Rates

Required Disclosures



The purpose of this presentation is to discuss the preliminary results of the January 1, 2024 actuarial valuation and the 2024 experience study of the San Luis Obispo County Pension Trust (SLOCPT). This presentation was prepared exclusively for the San Luis Obispo County Pension Trust and its Board of Trustees for the purpose described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

In preparing our presentation, we relied on information (some oral and some written) supplied by the SLOCPT. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. The actuarial assumptions, data, and methods are those that will be used in the preparation of the actuarial valuation report as of January 1, 2024.

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Future results may differ significantly from the current results and projections shown in this presentation due to such factors as the following: plan experience different from that anticipated by the assumptions; changes in assumptions; and, changes in the plan provisions or applicable law.

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

Alice I. Alsberghe ASA, EA, MAAA
Consulting Actuary

DRAFT

San Luis Obispo County Pension Trust

**Actuarial Experience Study for
January 1, 2017 through
December 31, 2023**

Produced by Cheiron

May 2024

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May 10, 2024

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

Dear Members of the Board:

The purpose of this report is to provide the results of an Actuarial Experience Study of the San Luis Obispo County Pension Trust (SLOCPT, the Trust) covering actuarial experience from January 1, 2017, through December 31, 2023. This report is for the use of the SLOCPT Board of Trustees (the Board) in selecting assumptions to be used in actuarial valuations beginning January 1, 2024.

In preparing our report, we relied on information (some oral and some written) supplied by SLOCPT. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared for the SLOCPT Board of Trustees for the purposes described herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any such party.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,
Cheiron

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

Alice I. Alsberghe, ASA, EA, MAAA
Consulting Actuary

**SAN LUIS OBISPO COUNTY PENSION TRUST
EXPERIENCE STUDY REPORT AS OF DECEMBER 31, 2023**

SECTION I – EXECUTIVE SUMMARY

Actuarial assumptions (economic and demographic) are intended to be long term in nature and should be both individually reasonable and consistent in the aggregate. The purpose of this experience study is to evaluate whether or not the current assumptions adequately reflect the long-term expectations for SLOCPT, and if not, to propose adjustments. It is important to note that frequent and significant changes in the actuarial assumptions are not typically proposed, unless there are known fundamental changes in expectations of the economy, or with respect to SLOCPT’s membership or assets that would warrant such frequent or significant changes.

Table I-1 below summarizes the main actuarial assumptions reviewed and any proposed changes to the current assumptions.

Table I-1

Actuarial Assumption	Current	Proposed	Comments for Changes
<i>Economic Assumptions</i>			
Price Inflation	2.50%	2.50%	
Investment Return (Discount Rate)	6.75%	6.75%	
Payroll Growth	3.00%	3.00%	
COLA - Tier 1	2.75%	3.00% using banks 2.75% ultimate rate	Incorporate COLA banks for current retirees
COLA - Tier 2 & 3	2.00%	2.00%	
Wage Inflation	3.00%	3.00%	
Salary Merit Increase	0.00% to 5.25%	0.00% to 5.25%	Increases to rates for all groups
Administrative Expenses	\$2.4 million/year increasing 3.00%/year	\$3.0 million/year increasing 3.00%/year	Increase to reflect actual expenses
<i>Demographic Assumptions</i>			
<u>Mortality</u>			
Healthy Retiree Mortality	Pub-2010	Pub-2010	0.95/0.975 adjustments for males/females
Beneficiary Mortality	Pub-2010	Pub-2010	Beneficiary table for males with 1.025 adjustment
Disabled Retiree Mortality	Pub-2010	Pub-2010	
Active Member Mortality	Pub-2010	Pub-2010	
Mortality Improvement Projection Scale	MP-2021	MP-2021	
Retirement Rates	See Appendix B	See Appendix A	Increases to rates for all groups, except decreases for Probation with less than 25 years of service
Disability Rates	See Appendix B	CALPERS Tables	Miscellaneous: Decreases to rates Safety and Probation: Increases to rates
Vested Termination Rates	See Appendix B	See Appendix A	Increases to rates for all groups
Refunds of Employee Contributions	See Appendix B	See Appendix A	Miscellaneous: Decreases to rates
Reciprocity Assumption	30%	35%	Increase to assumed reciprocity

**SAN LUIS OBISPO COUNTY PENSION TRUST
EXPERIENCE STUDY REPORT AS OF DECEMBER 31, 2023**

SECTION I – EXECUTIVE SUMMARY

SUMMARY OF ECONOMIC ASSUMPTION ANALYSIS

The specific economic assumptions analyzed in this report are price inflation, wage inflation, payroll growth, COLA growth, and the discount rate. These assumptions have a significant impact on the contribution rates in the short term and the risk of negative outcomes in the long term.

At the May 24, 2021 Board of Trustees meeting, the Board elected to reduce the discount rate from 6.875% to 6.75%, net of investment expenses only, and to add an explicit administrative expenses assumption. The Board adopted an increase to the inflation assumption from 2.25% to 2.50% based on the findings of the December 31, 2021 experience study while keeping the discount rate at 6.75%, resulting in a real rate of return of 4.25%.

It should be noted that Verus, the Trust's investment consultant, predicts a slightly higher nominal and real rate of investment return in the short-term and long-term for SLOCPT's asset allocation. Verus' most recent capital market expectations over a 10-year period indicate a 7.51% expected nominal return, with a 5.01% expected real return and 2.50% inflation. Verus' expectations over a 30-year period are similar, a 7.57% expected nominal return with a 5.17% real return and 2.40% inflation.

Based on future market expectations, we propose that the Board maintain the discount rate assumption at 6.75%, allowing for a margin of conservatism for adverse deviations. We also propose that the Board maintain the price inflation and wage inflation assumptions at 2.50% and 3.00%, respectively.

The current Cost-of-Living Adjustment (COLA) assumptions for Tier 1 is 2.75% and for Tiers 2 and 3 is 2.00%. We propose incorporating current COLA banks for Tier 1 retirees into future assumed COLAs, up to the 3.00% cap until the bank is exhausted. Tier 2 and Tier 3 COLA provisions do not allow banking COLAs when actual inflation exceeds the cap, therefore we propose no change to the 2.00% assumption.

SAN LUIS OBISPO COUNTY PENSION TRUST
EXPERIENCE STUDY REPORT AS OF DECEMBER 31, 2023

SECTION I – EXECUTIVE SUMMARY

SUMMARY OF DEMOGRAPHIC ASSUMPTION ANALYSIS

This experience study specifically analyzes and makes the following recommendations for the demographic assumptions.

- **Retirement rates** – Propose increasing rates for all Miscellaneous and Safety members and for Tier 1 Probation members who have 25 or more years of service. Propose decreasing rates for Tier 1 Probation members who have less than 25 years of service.
- **Termination rates** – Propose increasing termination rates for all classes - Miscellaneous, Safety, and Probation members.
- **Refund/Withdrawal rates** – Propose decreasing withdrawal rates for the Miscellaneous members with no change to withdrawal rates for Safety and Probation members.
- **Disability rates** – Propose using CalPERS State Police Officers and Firefighters Total Disability tables for Safety and Probation members. Propose using CalPERS Public Agency County Peace Officer Non-Industrial Disability table for Miscellaneous members.
- **Mortality rates** – Propose adding rate adjustments of 0.95 and 0.975, reducing mortality rates, for Miscellaneous healthy retiree males and females, respectively. Propose using the General Pub-2010 Contingent Survivor Below-Median base table with 1.025 rate adjustment for males.
- **Merit salary increases** – Propose increasing rates for all classes with an ultimate merit increase of 0.50% for all classes instead of 0.20% for Miscellaneous members and 0.25% for Probation and Safety members.
- **Other assumptions** – Minor changes to other assumptions, including assumed retirement age for vested terminated and reciprocal members.

The body of this report provides additional detail and support for our conclusions and propositions.

**SAN LUIS OBISPO COUNTY PENSION TRUST
EXPERIENCE STUDY REPORT AS OF DECEMBER 31, 2023**

SECTION I – EXECUTIVE SUMMARY

COST OF ECONOMIC AND DEMOGRAPHIC ASSUMPTION CHANGES

Among the demographic assumptions, the proposed changes to the salary merit increases, disability, retirement, and mortality assumptions have the largest impact on the contribution rates. The proposed change to incorporate COLA banks into the assumption for Tier 1 members has the largest impact overall on the contribution rates. This table summarizes the estimated cost impact – for the Miscellaneous, Probation, Safety, and combined membership – of the proposed changes to the demographic and economic assumptions contained in this report.

Table I-2

Estimated Impact of Proposed Assumption Changes on Actuarially Determined Contribution Rates				
	Miscellaneous	Probation	Safety	Total
Proposed Demographic Assumption Changes				
Salary Merit Increases	0.73%	0.46%	0.44%	0.68%
Disability Rates	0.01%	-0.08%	0.91%	0.12%
Retirement Rates	0.16%	0.51%	0.45%	0.22%
Mortality Rates	0.21%	-0.08%	-0.03%	0.18%
Termination and Withdrawal Rates	-0.15%	-0.22%	-0.20%	-0.17%
Assumed Inactive Retirement Age	-0.39%	0.16%	0.01%	-0.32%
Reciprocity	<u>0.05%</u>	<u>0.06%</u>	<u>0.06%</u>	<u>0.06%</u>
Estimated Impact of Demographic Assumption Changes	0.62%	0.81%	1.64%	0.77%
Proposed Economic Assumption Changes				
Incorporate COLA Banks into assumption for Tier 1 members	1.08%	1.18%	1.89%	1.18%
Administrative Expense	<u>0.19%</u>	<u>0.19%</u>	<u>0.19%</u>	<u>0.19%</u>
Estimated Impact of Economic Assumption Changes	1.27%	1.37%	2.08%	1.37%
Estimated Impact of All Assumption Changes	1.89%	2.18%	3.72%	2.14%

SECTION II – ECONOMIC ASSUMPTIONS
PRICE INFLATION

The economic assumptions used in actuarial valuations are intended to be long-term in nature and should be both individually reasonable and consistent with each other. The specific assumptions analyzed in this report are:

- **Price inflation**– used indirectly as an underlying component of other economic assumptions.
- **Wage inflation** – across the board wage growth used to project benefits.
- **Payroll growth** – used to amortize the unfunded liability as a level percentage of expected payroll.
- **COLA growth** – rate at which inflation-linked post-retirement COLAs are expected to change.
- **Discount rate** – used both to project long-term asset growth and to discount future cash flows in calculating the liabilities and costs of the Plan.

In order to develop recommendations for each of these assumptions, we considered historical data, both nationally and for SLOCPT, and expectations for the future, as expressed by the Trust’s and other external investment consultants and the Board.

PRICE INFLATION

Long-term price inflation rates are the foundation of other economic assumptions. In a growing economy, wages and investments are expected to grow at the underlying inflation rate plus some additional real growth rate, whether it reflects productivity in terms of wages or risk premiums in terms of investments.

Historical Data

Chart II-1 below shows inflation (CPI-U) for the U.S. by individual year for the last 50 years.

Chart II-1



**SAN LUIS OBISPO COUNTY PENSION TRUST
EXPERIENCE STUDY REPORT AS OF DECEMBER 31, 2023**

**SECTION II – ECONOMIC ASSUMPTIONS
PRICE INFLATION**

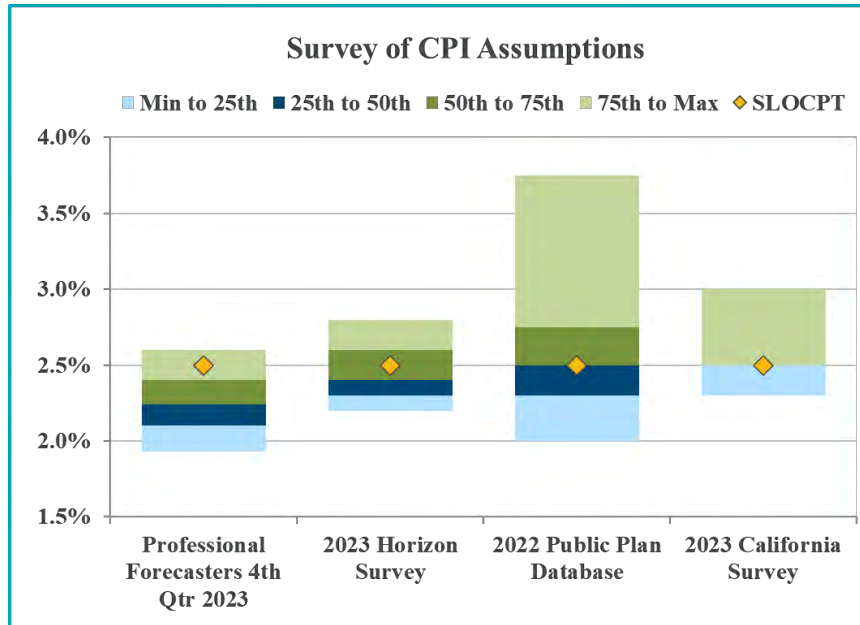
Over the 50 years ending December 2023, the geometric average inflation rate for the U.S. has been about 4.0%, but this average is heavily influenced by the high inflation rates in the 1970s and early 1980s. If you remove these periods of high inflation, the average inflation rate for the 30-year period is 2.5%, and it has been 2.8% over the 10 years ending December 2023. The recent spike in inflation, around 6% to 7%, in 2021 and 2022, has come down in 2023 to 3.4%.

Future Expectations

Chart II-2 below shows the distribution of the professionals’ forecasts for average inflation over the next 10 years compared to the assumptions from the Horizon Actuarial Services Survey of Capital Market Assumptions (2023 Edition), the 2022 Data Survey from US Public Plan Database (PPD) maintained by the Center for Retirement Research at Boston College, and Cheiron’s 2023 internal survey of California public pension plans.

The Federal Reserve publishes a quarterly survey of professional economic forecasters that includes their forecasts of inflation over the next 10 years. The survey for the fourth quarter of 2023 shows a median inflation forecast of 2.2%, a minimum forecast of 1.9% and a maximum forecast of 2.6%.

Chart II-2

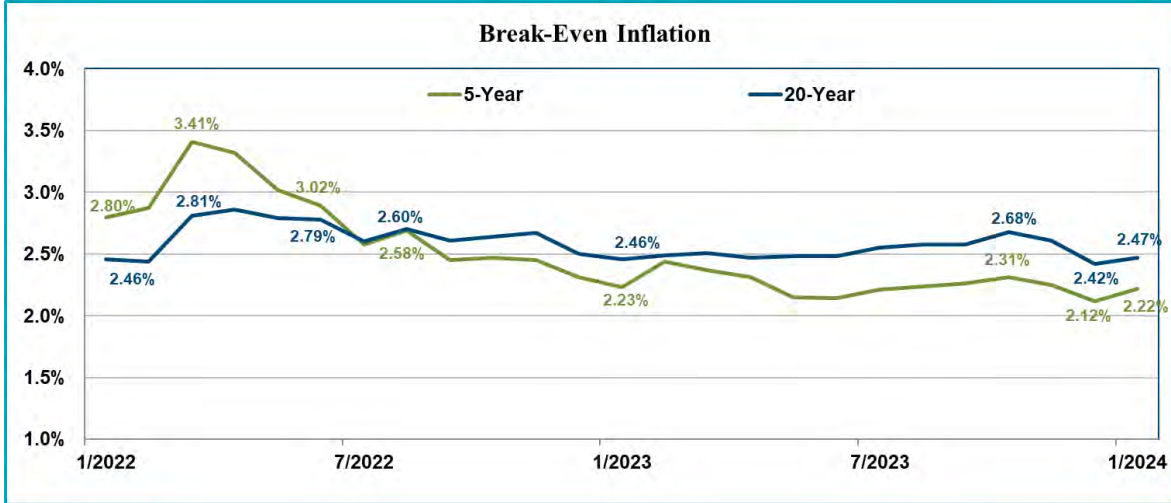


Verus, the Trust’s investment consultant, uses an inflation assumption of 2.5% for the next 10 years and 2.4% over the next 30 years. A broader survey of 39 investment advisors, published by the Horizon Actuarial Services, reflects a 2.4% average assumption over the next 10 years. The median assumption for public plans both nationally and in California is 2.5%, consistent with SLOCPT’s current inflation assumption.

SAN LUIS OBISPO COUNTY PENSION TRUST
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SECTION II – ECONOMIC ASSUMPTIONS
PRICE INFLATION

Chart II-3



Data Source: Federal Reserve, Constant Maturity Yields, Monthly Series

Another measure of the future expectations of inflation is called “break-even inflation” which is the difference between yields on nominal Treasury securities and Treasury Inflation-Protected Securities (TIPS) at the same maturity. Break-even inflation is the level of inflation needed for an investment in TIPS to “break even” with an investment in conventional treasury bonds of the same maturity. In the last two years, break-even inflation rates for both the 5-year and 20-year maturities have generally remained between 2% to 3%. Recent market data show that the expectation is between 2.2% to 2.5% depending on the maturity.

Based on all these considerations, we believe the current price inflation assumption of 2.50% is reasonable and do not recommend a change.

**SECTION II – ECONOMIC ASSUMPTIONS
WAGE INFLATION AND COLA GROWTH**

WAGE INFLATION AND PAYROLL GROWTH

Wage inflation can be thought of as the annual across-the-board increase in wages. Individuals often receive salary increases in excess of the wage inflation rate, and we study these increases as a part of the merit salary scale assumption. Wage inflation generally exceeds price inflation by some margin reflecting the history of increased purchasing power.

Wage inflation is used in the actuarial valuation as the minimum expected salary increase for an individual. Payroll growth, which is equal to the wage inflation assumption for SLOCPT, is used for purposes of amortizing the Unfunded Actuarial Liability, the rate at which payroll is expected to grow over the long term, assuming a stable active member population. SLOCPT's current wage inflation and payroll growth assumptions are 3.00%, with 2.50% price inflation and 0.50% real wage growth.

It is acceptable to assume some additional level of base payroll increase beyond general inflation. Potential reasons contributing to the increase may include the presence of strong union representation in the collective bargaining process, competition in hiring among other similar employers, and regional factors – such as the local inflation index exceeding the national average, as has sometimes proven the case in parts of California. Also, the Social Security Administration projects real wage growth of 0.6% – 1.8% going forward in their Social Security solvency projections.

However, our recent experience with public sector employers in California has shown that real wage growth has remained stagnant, in some cases lagging behind inflation. In particular, the average rate of pay for SLOCPT's members has increased by 3.4% annually over the past five years compared to the San Francisco and Los Angeles area inflation (as measured by the CPI-U), which has increased at 3.2% and 3.8% per year over the same period, respectively.

We believe that the small non-inflationary base payroll increase assumption of 0.50% annually currently used by SLOCPT remains reasonable. If the 2.50% price inflation rate is also maintained, the annual expected increase in base payroll will remain at 3.00%. This rate is applied to all continuing active members, and to starting pay for new entrants when projections of future populations are required. This increase will also be used in the calculation of the unfunded liability amortization payment as a level percentage of payroll.

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**SECTION II – ECONOMIC ASSUMPTIONS
WAGE INFLATION AND COLA GROWTH**

COLA GROWTH

Members of SLOCPT are eligible to receive Cost-of-Living Adjustments (COLAs), based on the growth in the Los Angeles-Long Beach-Anaheim and San Francisco-Oakland-Hayward Consumer Price Indices (CPI-U) with a 3.0% or 2.0% cap, depending on their Tier, and the annual COLA increase. Any increase in the CPI above the maximum increase for Tier 1 can be banked for future years in which the change in the CPI is below the maximum increase.

It is important to determine an assumed rate of COLA growth by reflecting the inflation metric that impacts the actual COLA growth rate. The Tier 1 COLA growth rate assumption of 2.75% is 0.25% higher than the price inflation assumption of 2.50% due to the expected difference in the average SLOCPT inflation and the U.S. price inflation. We propose maintaining the “California” inflation adjustment of 0.25%, plus the price inflation assumption, for the COLA growth assumption.

In addition, from 2022 to 2024, the Tier 1 COLA banks have grown from 0.00% for most retirees to between 2.0% and 4.0% for those who retired after 1980 due to the high inflationary environment. We propose incorporating these COLA banks into the calculation of the retirees’ projected benefit payments. Therefore, we recommend the assumed COLAs would be 3.00% per year (2.75% plus 0.25% from the COLA banks) until their COLA banks are exhausted, then 2.75% thereafter. This methodology change will mitigate future actuarial losses that would occur if the actual COLAs granted are the 3.00% maximum but the assumption remained at only 2.75%. However, we recommend the assumption for Tier 1 current active and deferred vested members would remain at 2.75%.

Since Tiers 2 and 3 do not have COLA banks and their cap is 2.0%, given the price inflation assumption is above 2.00%, the COLA growth assumption for Tiers 2 and 3 is 2.0%. We do not recommend any changes to this assumption.

**SECTION II – ECONOMIC ASSUMPTIONS
DISCOUNT RATE**

DISCOUNT RATE

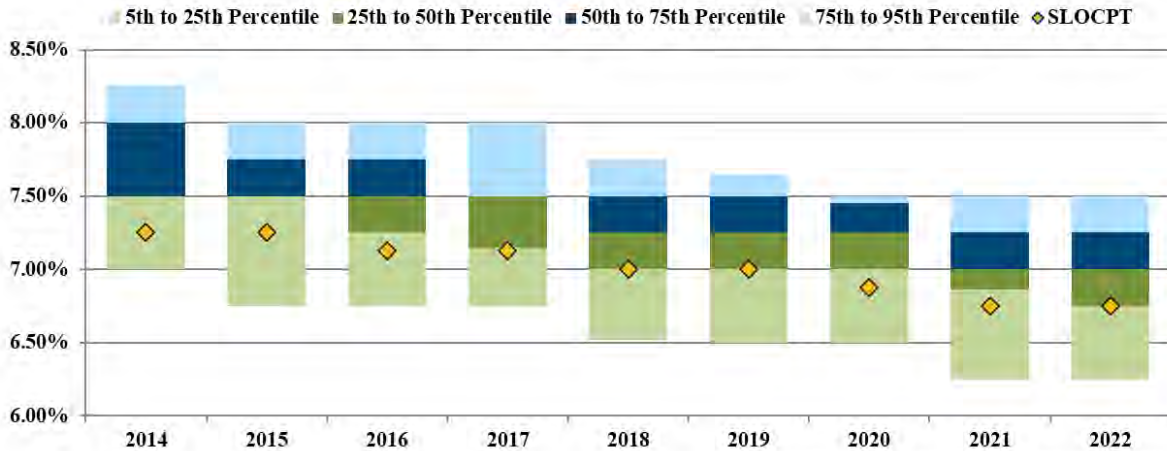
The discount rate (investment rate of return) assumption is generally the most significant of all the assumptions employed in actuarial valuations. The discount rate is based on the long-term expected return on plan investments. In the short term, a higher discount rate results in lower expected contributions. However, over the long term, actual contributions will depend on actual investment returns and not the discount rate (or expected investment returns). If actual investment returns are lower than expected, contribution rates will increase in the future. It is important to set a realistic discount rate so that projections of future contributions for budgeting purposes will not be biased.

Other Large Public Retirement Plans

Based on the Public Plans Database (PPD) which covers most of the largest public retirement systems in the country, there has been a general movement over at least the last decade to reduce the discount rate used in actuarial valuations. Chart II-4 below shows the change in the distribution of assumptions since 2014. The median assumption is now 7.0% and the number of plans using a discount rate of 7.0% or lower has increased significantly. San Luis Obispo County Pension Trust has been at or lower than the 25th percentile over the entire period shown here.

Chart II-4

Discount Rate Trends



Survey Data from Public Plans Data as of 1/25/2024

**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION II – ECONOMIC ASSUMPTIONS
DISCOUNT RATE**

Chart II-5 below shows the change in discount rate assumptions for California systems from 2014 to 2023. As shown in Chart II-5 and Chart II-6 below, from Cheiron’s survey of California retirement systems, the median assumption is even lower than the national median at 6.75% with 17 of the 39 systems using the median rate. Only two systems in California were using a discount rate above 7.00% in 2023.

Chart II-5

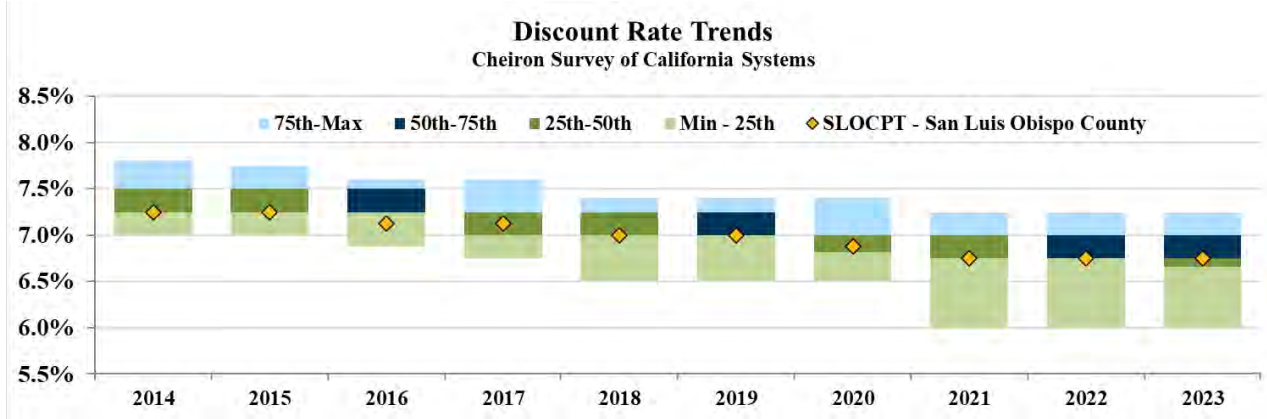
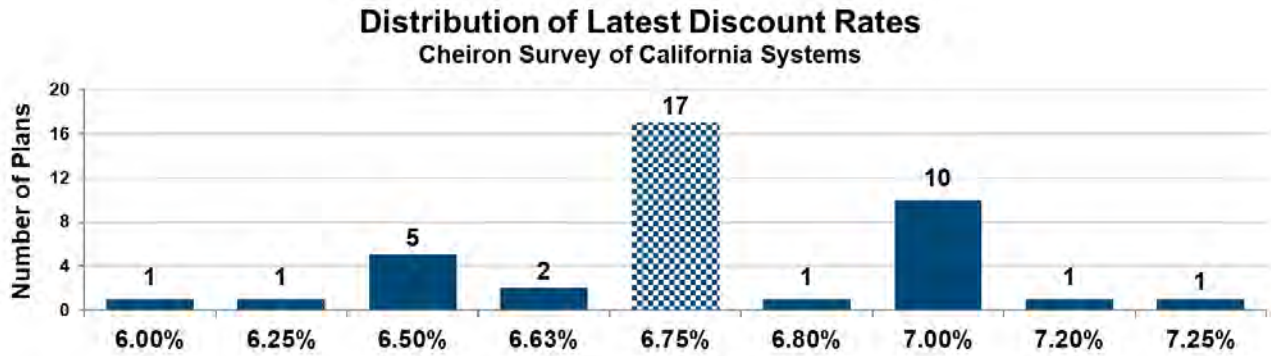


Chart II-6



**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION II – ECONOMIC ASSUMPTIONS
DISCOUNT RATE**

Target Asset Allocation and Future Expectations

The nominal expected return on assets depends on the allocation of assets to different asset classes (e.g., stocks, bonds, etc.) and the capital market assumptions for each of the asset classes. Table II-1 below shows SLOCPT’s Strategic Asset Allocation (SAA) and expected returns for each asset class and in total.

Table II-1

SLOCPT Strategic Asset Allocation (SAA) <i>(Verus 2024 Capital Market Assumptions)</i>			
Asset Category	Target Allocation	Geometric Return	Standard Deviation
Cash	4%	4.1%	1.1%
Global Equity	30%	6.9%	16.7%
Private Equity	18%	8.1%	25.6%
US TIPS	7%	4.7%	5.5%
US Treasury	8%	4.6%	7.1%
Short-Term Govt/Credit	6%	4.7%	3.6%
Private Credit	12%	9.2%	11.9%
Core Real Estate	5%	6.8%	12.5%
Value Add Real Estate	5%	8.8%	15.4%
Infrastructure	5%	8.4%	16.9%
Total SLOCPT Portfolio		7.5%	11.6%

Table II-2 on the next page shows the expected nominal geometric return based on the Board’s current target asset allocation and the Trust’s investment consultant (Verus) and a survey of multiple investment consultants published by Horizon Actuarial Services in 2023 over both a 10-year and 20-year time horizon). The table also shows the underlying inflation assumption used in the development of these capital market assumptions and computes the expected real rate of return (nominal investment return in excess of inflation).

For some classes in the SLOCPT portfolio – in particular Private Equity, Short-Term Government Fixed Income, Private Credit, and Value Add Real Estate – the Horizon survey did not include specific assumptions, therefore the Verus assumptions were used for these classes.

**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION II – ECONOMIC ASSUMPTIONS
DISCOUNT RATE**

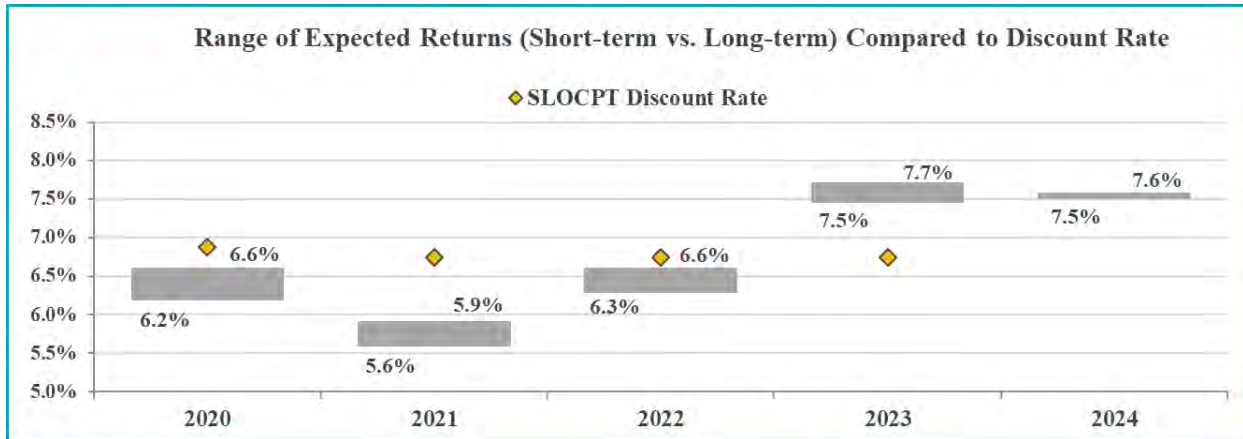
Table II-2

SLOCPT SAA Portfolio Return Expectations			
Source	Nominal	Inflation	Real
Verus (10-year)	7.51%	2.50%	5.01%
Horizon Survey (10-year)	7.59%	2.55%	5.04%
Verus (30-year)	7.57%	2.40%	5.17%
Horizon Survey (20-year)	<u>7.60%</u>	<u>2.46%</u>	<u>5.14%</u>
Average	7.57%	2.48%	5.09%
Current SLOCPT Assumptions	6.75%	2.50%	4.25%

Verus’ 10-year and 30-year expected nominal returns are remarkably close to one another, 7.51% and 7.57%, respectively. They are also consistent with the calculated expected returns using Horizon’s 10-year and 20-year capital market assumptions. SLOCPT’s current nominal rate of return of 6.75% and real rate of return of 4.25% are both about 0.8% lower than the average of the investment consultants’ expectations.

However, the expected returns over the last five years have been extremely volatile. In Chart II-7 below, Verus’s expected returns for SLOCPT’s portfolio are shown. The bottom of the bars are the 10-year expectations while the top of the bars are the 30-year expectations. In each of the last five years there is no overlap in the range of the expected returns, which demonstrates the significant volatility in the capital market assumptions year over year. Between 2020 and 2022, SLOCPT’s discount rate was higher than Verus’ range of expected returns. Conversely, in 2023 SLOCPT’s discount rate was lower than Verus’ range of expected returns.

Chart II-7



**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION II – ECONOMIC ASSUMPTIONS
DISCOUNT RATE**

Finally, we calculated the likelihood of achieving various nominal return thresholds, using the same model as described above, with the results shown in Table II-3 below.

Table II-3

Likelihood of Achieving Expected Returns				
Discount Rate	6.50%	6.75%	7.00%	7.25%
Verus (10-yr)	61%	58%	56%	53%

Even though the current discount rate of 6.75% is lower than the investment consultants' expectations, we propose that the Board retain the assumption of 6.75% to provide a margin for adverse deviation which is allowed under Actuarial Standard of Practice No. 27 *Selection of Economic Assumptions for Measuring Pension Obligations* Section 3.5.1. However, we recommend that the Board and staff continue to conduct at least a brief discussion of this assumption annually, in consultation with the Trust's actuary and investment consultant, to determine if a change is appropriate.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MERIT SALARY INCREASES**

Demographic assumptions are used to predict membership behavior, including rates of retirement, termination, disability, and mortality. These assumptions are based primarily on the historical experience of SLOCPT, with some adjustments where future experience is expected to differ from historical experience and with deference to standard tables where SLOCPT experience is not fully credible, and a standard table is available. For purposes of this study, merit salary increases are also considered a demographic assumption because the assumption is based primarily on SLOCPT's historical experience.

MERIT SALARY INCREASES

Salary increases consist of three components: Increases due to cost-of-living maintenance (price inflation), increases related to non-inflationary pressures on base pay (such as productivity increases), and increases in individual pay due to merit, promotion, and longevity. Increases due to cost-of-living and non-inflationary base pay factors were addressed in an earlier section of this report.

The merit salary increase assumption is analyzed by membership class and by service. Generally, newer members are more likely to earn a longevity or step increase or receive a promotion, so their merit salary increases tend to be greater than those for longer service members.

We used a longitudinal study to analyze the merit increases, wherein we reviewed the average increase in pay for each level of service. To analyze the merit component, we subtracted the real wage growth from the total pay increases experienced by each member during the experience study period. We have computed the real wage growth by calculating the increase in the average salary across all active members (calculated separately for Miscellaneous and Safety/Probation) each year and adjusting for changes in the average service level.

Chart III-1 and Chart III-2 on the following pages analyze the pay patterns for Miscellaneous and Safety/Probation members, respectively, for the seven-year period from 2017 through 2023. Our charts will generally show the current assumption (dark blue line) compared to the actual experience (teal line) and the proposed assumption (green line).

Table III-1 and Table III-2 summarize the current and proposed merit salary increase assumptions by years of service.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MERIT SALARY INCREASES**

We have proposed new assumptions with higher increases for Miscellaneous members with 0 to 24 years of service, except for 1 and 9 years of service which are unchanged.

Chart III-1 – Miscellaneous Merit Salary Increase

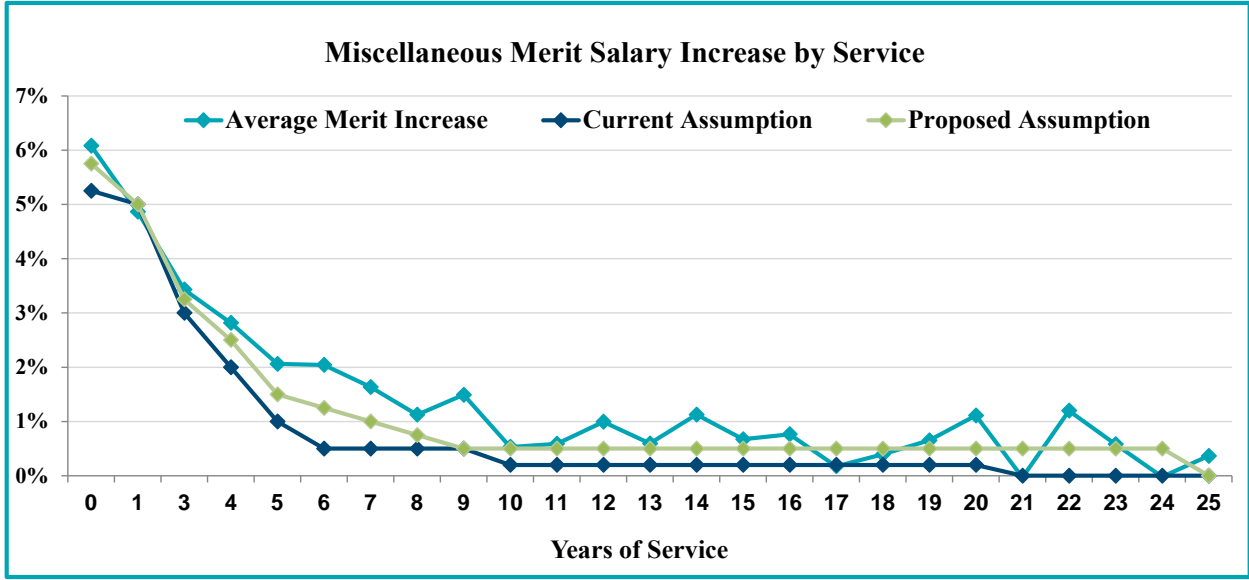


Table III-1 – Miscellaneous Merit Salary Increase

Miscellaneous - Merit Salary Increases		
Service	Current	Proposed
0	5.25%	5.75%
1	5.00%	5.00%
2	4.00%	4.25%
3	3.00%	3.25%
4	2.00%	2.50%
5	1.00%	1.50%
6	0.50%	1.25%
7	0.50%	1.00%
8	0.50%	0.75%
9	0.50%	0.50%
10 - 20	0.20%	0.50%
21 - 24	0.00%	0.50%
25+	0.00%	0.00%

**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MERIT SALARY INCREASES**

We have proposed new assumptions with lower increases for Safety and Probation members with 0 to 3 years of service and slightly higher increases for Safety and Probation members with 10 to 24 years of service.

Chart III-2 – Safety and Probation Merit Salary Increase

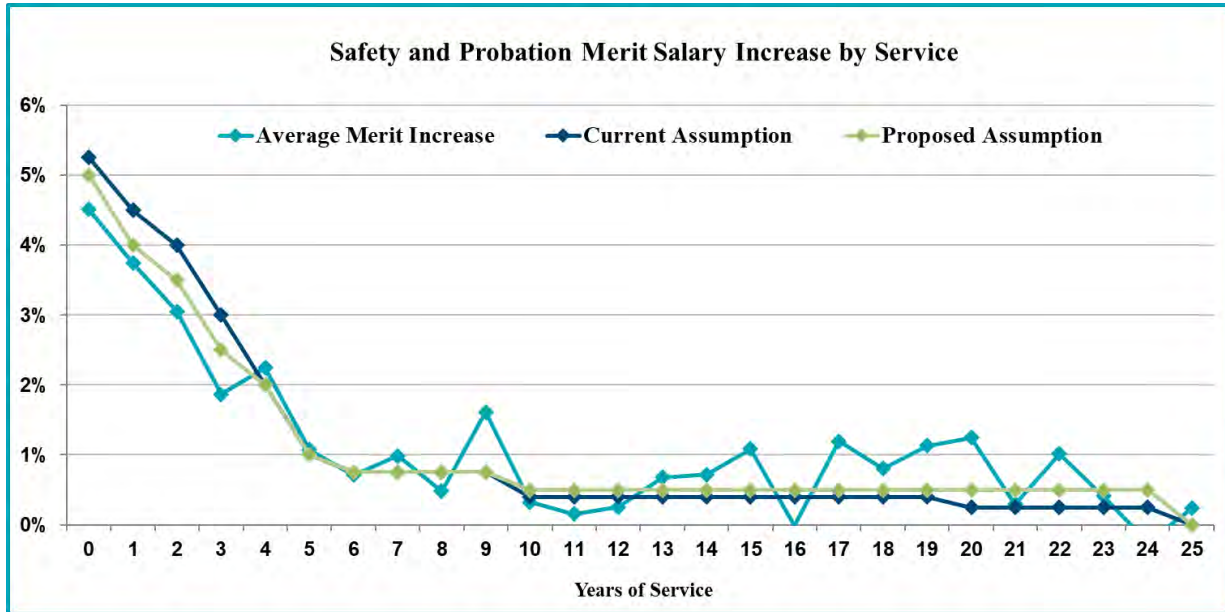


Table III-2 – Safety and Probation Merit Salary Increase

Safety and Probation - Merit Salary Increases		
Service	Current	Proposed
0	5.25%	5.00%
1	4.50%	4.00%
2	4.00%	3.50%
3	3.00%	2.50%
4	2.00%	2.00%
5	1.00%	1.00%
6 - 9	0.75%	0.75%
10 - 19	0.40%	0.50%
20 - 24	0.25%	0.50%
25+	0.00%	0.00%

**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

ANALYSIS OF OTHER DEMOGRAPHIC ASSUMPTIONS

For all of the remaining demographic assumptions, we determined the ratio of the actual number of decrements for each membership class compared to the expected number of decrements (A/E ratio or actual-to-expected ratio). If the assumption is perfect, this ratio will be 100%. Otherwise, any proposed assumption change should move from the current A/E ratio towards 100% unless future experience is expected to be different than the experience during the period of study.

We also calculate an R-Squared statistic for each assumption. R-Squared measures how well the assumption fits the actual data and can be thought of as the percentage of the variation in actual data explained by the assumption. Ideally, R-Squared would equal 1.00 although this is never the case. Any proposed assumption change should increase the R-Squared compared to the current assumption making it closer to 1.00 unless the pattern of future decrements is expected to be different from the pattern experienced during the period of study.

In addition, we calculated the 90% confidence interval, which represents the range within which the true decrement rate during the experience study period fell with 90% confidence. (If there is insufficient data to calculate a confidence interval, the confidence interval is shown as the entire range of the graph.) We generally propose assumption changes when the current assumption is outside the 90% confidence interval of the observed experience. However, adjustments are made to account for differences between future expectations and historical experience, to account for the past experience represented by the current assumption, and to maintain a neutral to slight conservative bias in the selection of the assumption. For mortality rates, we compare SLOCPT's experience to that of a standard table and, if warranted, adjust the tables to bring the proposed assumption closer to an A/E ratio of 100%.

Additionally, we reviewed the demographic patterns of the Trust across pre-COVID (2017-2019), COVID (2020-2021) and post-COVID-19 (2022-2023) periods. We found that demographic patterns during COVID continued in 2022 and 2023.

See Appendices A and B for a full listing of all the proposed and prior assumptions.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

RETIREMENT RATES

The current retirement rates vary by age, service, membership class (Miscellaneous, Probation, and Safety), and plan tier (Tier 1 and Tier 2/3) and are applied to all members who are eligible to retire. Generally, members with more service are more likely to retire than members with fewer years of service since the retirement benefit is greater, at any given age.

The current retirement assumptions are based on age with separate assumptions for each of the following two service groups, separately for Miscellaneous, Probation, and Safety members:

- Members with less than 25 years of service, and
- Members with 25 or more years of service.

In general, actual retirements rates during COVID were higher than historic rates. Those higher rates have continued into the post-COVID years. We reviewed retirement experience across the entire period (2017-2023) and did not include any adjustment for the COVID years.

As a result of the continued increased retirement experience, we are proposing to increase retirement rates across all classes, service groups and plan tiers, except for Probation members with less than 25 years of service. The experience for these members showed lower than expected retirements; therefore, we are proposing lower retirement rates for Probation members with less than 25 years of service.

**SAN LUIS OBISPO COUNTY PENSION TRUST
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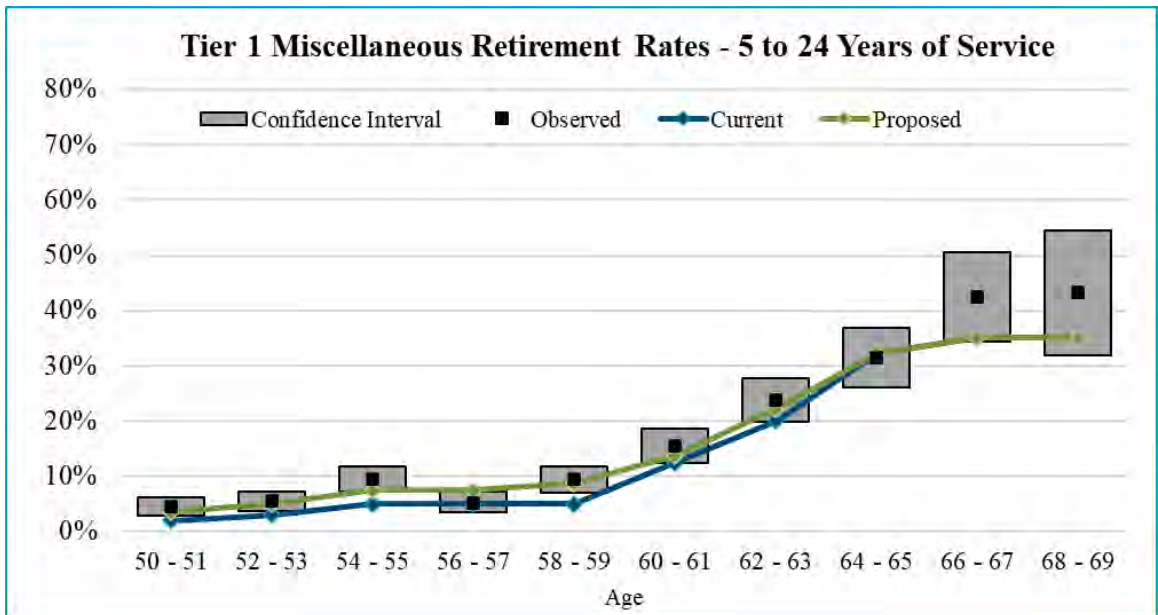
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

Table III-R1 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Miscellaneous Tier 1 members with 5 to 24 years of service. Chart III-R1 shows the information graphically along with the 90% confidence interval. The data shows more actual retirements than expected under the current assumption. The new assumptions result in a decrease in the aggregate A/E ratio from 130% to 108%. The R-Squared statistic (how the assumption fits the actual data) improves from 80% to 87%.

Table III-R1 – Miscellaneous Tier 1 Retirement

Tier 1 Miscellaneous Retirement Rates - 5 to 24 Years of Service									
Age	Exposures	Retirements			Retirement Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
50 - 51	443	20	9	16	4.5%	2.0%	3.5%	226%	128%
52 - 53	452	25	14	23	5.5%	3.0%	5.0%	184%	111%
54 - 55	430	41	22	32	9.5%	5.0%	7.5%	191%	127%
56 - 57	422	22	21	32	5.2%	5.0%	7.5%	104%	70%
58 - 59	413	39	21	36	9.4%	5.0%	8.7%	189%	108%
60 - 61	387	60	48	53	15.5%	12.4%	13.7%	125%	113%
62 - 63	311	74	62	69	23.8%	20.0%	22.2%	119%	107%
64 - 65	204	64	66	66	31.4%	32.2%	32.2%	97%	97%
66 - 67	99	42	35	35	42.4%	35.0%	35.0%	121%	121%
68 - 69	44	19	15	15	43.2%	35.0%	35.0%	123%	123%
TOTAL	3,205	406	312	376	12.7%	9.7%	11.7%	130%	108%
Confidence Interval %			55%	90%					
R-squared			80%	87%					

Chart III-R1 – Miscellaneous Tier 1 Retirement



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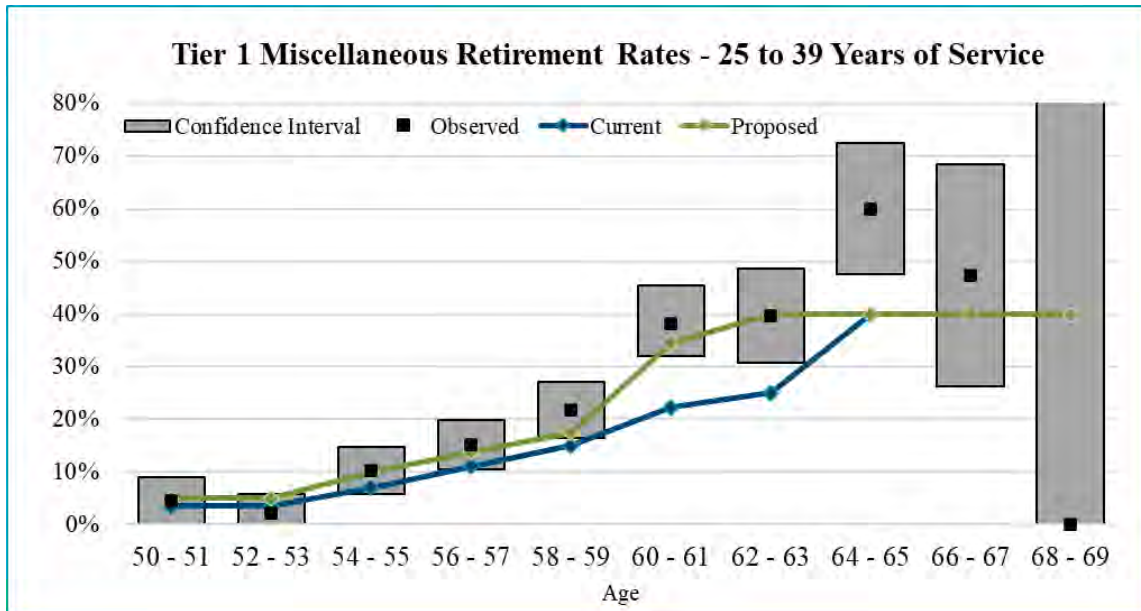
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

Table III-R2 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Miscellaneous Tier 1 members with 25 to 39 years of service. Chart III-R2 shows the information graphically along with the 90% confidence interval. The data shows more actual retirements than expected under the current assumption. The proposed assumption increases the aggregate number of assumed retirements. The new assumptions decrease the aggregate A/E ratio from 147% to 111%. The R-Squared statistic decreases slightly from 96% to 95%.

Table III-R2 – Miscellaneous Tier 1 Retirement

Tier 1 Miscellaneous Retirement Rates - 25 to 39 Years of Service									
Age	Exposures	Retirements			Retirement Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
50 - 51	44	2	2	2	4.5%	3.5%	5.0%	130%	91%
52 - 53	87	2	3	4	2.3%	3.5%	5.0%	66%	46%
54 - 55	136	14	10	14	10.3%	7.0%	10.0%	147%	103%
56 - 57	171	26	19	24	15.2%	11.1%	13.8%	137%	110%
58 - 59	170	37	26	30	21.8%	15.0%	17.5%	145%	124%
60 - 61	141	54	31	49	38.3%	22.3%	34.5%	172%	111%
62 - 63	78	31	20	31	39.7%	25.0%	40.0%	159%	99%
64 - 65	40	24	16	16	60.0%	40.0%	40.0%	150%	150%
66 - 67	19	9	8	8	47.4%	40.0%	40.0%	118%	118%
68 - 69	5	0	2	2	0.0%	40.0%	40.0%	0%	0%
TOTAL	891	199	135	179	22.3%	15.2%	20.1%	147%	111%
Confidence Interval %			75%	95%					
R-squared			96%	95%					

Chart III-R2 – Miscellaneous Tier 1 Retirement



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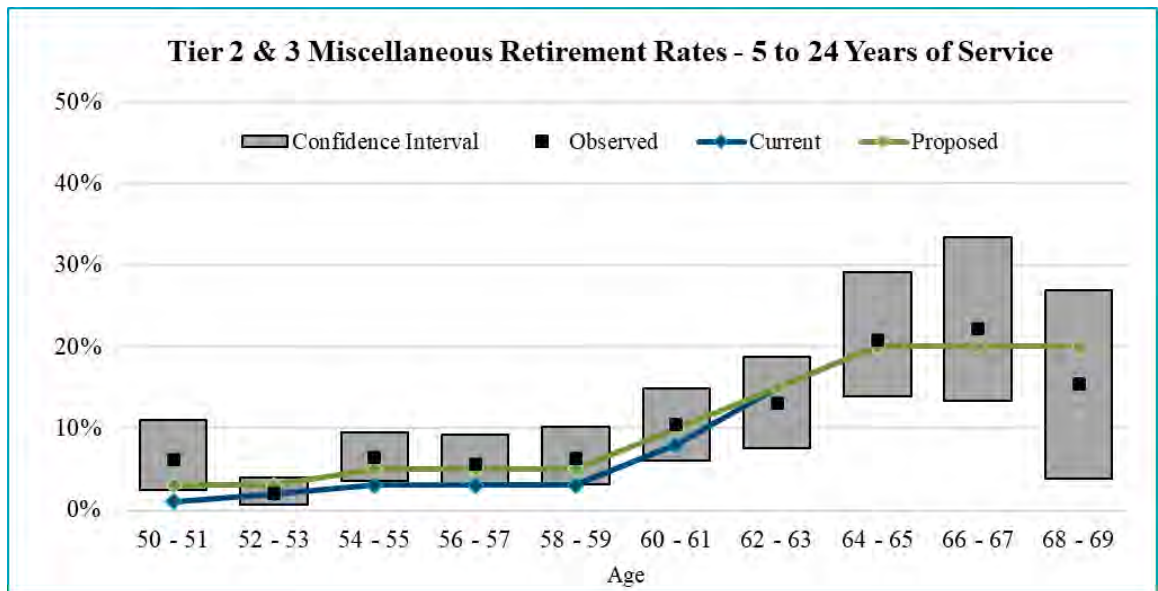
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

Table III-R3 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Miscellaneous Tier 2 and 3 members with 5 to 24 years of service. Chart III-R3 shows the information graphically along with the 90% confidence interval. The data shows more actual retirements than expected under the current assumption. The proposed assumption increases the aggregate number of assumed retirements. The new assumptions decrease the aggregate A/E ratio from 127% to 106%. The R-Squared statistic improves, increasing from 55% to 65%.

Table III-R3 – Miscellaneous Tiers 2 and 3 Retirement

Tier 2 & 3 Miscellaneous Retirement Rates - 5 to 24 Years of Service									
Age	Exposures	Retirements			Retirement Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
50 - 51	82	5	1	2	6.1%	1.0%	3.0%	610%	203%
52 - 53	153	3	3	5	2.0%	2.0%	3.0%	98%	65%
54 - 55	170	11	5	9	6.5%	3.0%	5.0%	216%	129%
56 - 57	141	8	4	7	5.7%	3.0%	5.0%	189%	113%
58 - 59	127	8	4	6	6.3%	3.0%	5.0%	210%	126%
60 - 61	134	14	11	13	10.4%	8.0%	10.0%	131%	104%
62 - 63	107	14	16	16	13.1%	15.0%	15.0%	87%	87%
64 - 65	72	15	14	14	20.8%	20.0%	20.0%	104%	104%
66 - 67	45	10	9	9	22.2%	20.0%	20.0%	111%	111%
68 - 69	26	4	5	5	15.4%	20.0%	20.0%	77%	77%
TOTAL	1,057	92	72	87	8.7%	6.8%	8.2%	127%	106%
Confidence Interval %			85%	100%					
R-squared			55%	65%					

Chart III-R3 – Miscellaneous Tiers 2 and 3 Retirement



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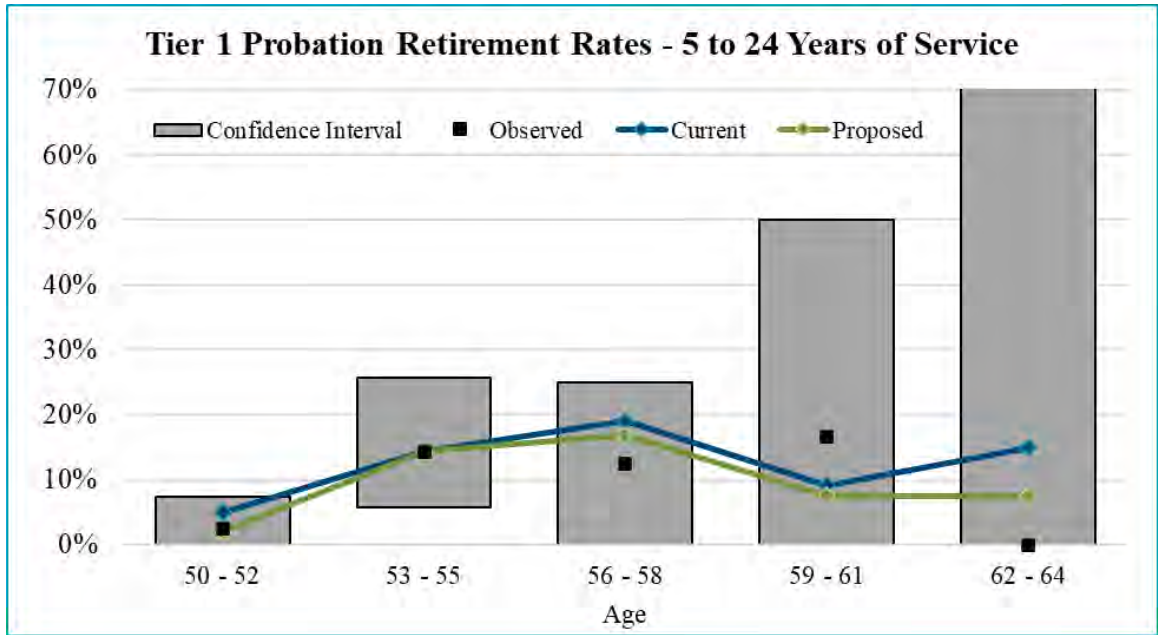
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

Table III-R4 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Probation Tier 1 members with 5 to 24 years of service. Chart III-R4 shows the information graphically along with the 90% confidence interval. The data shows lower actual retirements than expected under the current assumption. The proposed assumption makes decreases to the aggregate expected retirements to be more in line with actual experience. The new assumptions increase the aggregate A/E ratio from 78% to 95%. The R-Squared statistic improves, increasing from 56% to 80%.

Table III-R4 – Probation Tier 1 Retirement

Tier 1 Probation Retirement Rates - 5 to 24 Years of Service									
Age	Exposures	Retirements			Retirement Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
50 - 52	41	1	2	1	2.4%	5.0%	2.0%	49%	122%
53 - 55	35	5	5	5	14.3%	14.4%	14.3%	99%	100%
56 - 58	16	2	3	3	12.5%	19.1%	16.9%	66%	74%
59 - 61	6	1	1	0	16.7%	9.2%	7.5%	182%	222%
62 - 64	6	0	1	0	0.0%	15.0%	7.5%	0%	0%
TOTAL	104	9	12	9	8.7%	11.2%	9.1%	78%	95%
Confidence Interval %			100%	100%					
R-squared			56%	80%					

Chart III-R4 – Probation Tier 1 Retirement



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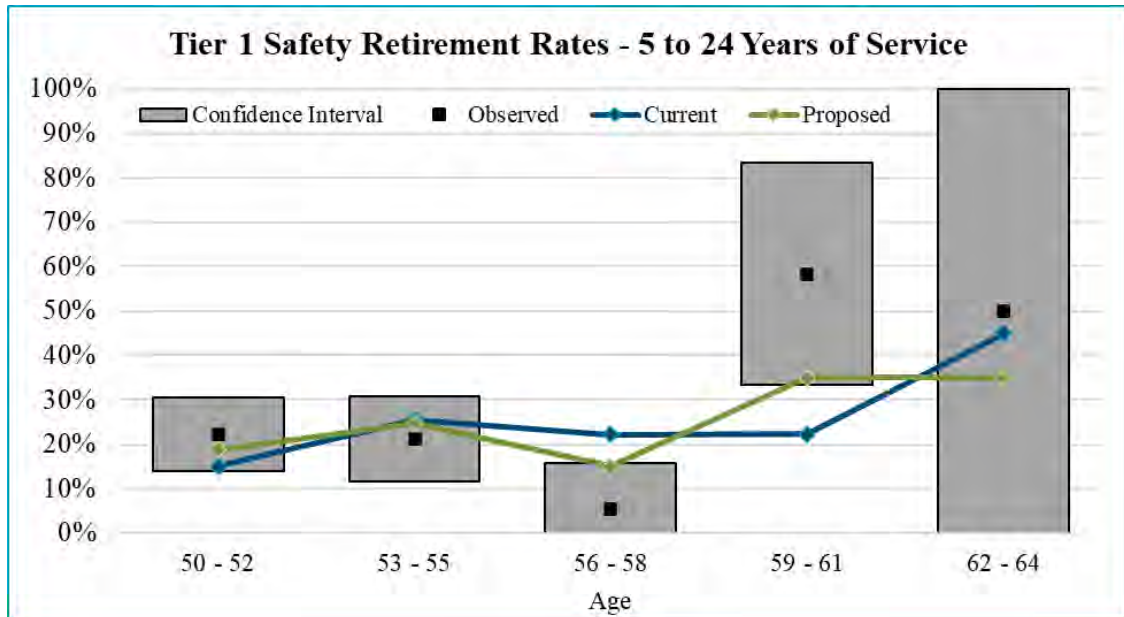
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

Table III-R5 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Safety Tier 1 members with 5 to 24 years of service. Chart III-R5 shows the information graphically along with the 90% confidence interval. The data shows higher actual retirements than expected under the current assumption. The proposed assumption increases the aggregate number of assumed retirements to be more in line with actual experience. The new assumptions decrease the aggregate A/E ratio from 113% to 105%. The R-Squared statistic improves, increasing from 63% to 77%.

Table III-R5 – Safety Tier 1 Retirement

Tier 1 Safety Retirement Rates - 5 to 24 Years of Service									
Age	Exposures	Retirements			Retirement Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
50 - 52	72	16	11	14	22.2%	15.0%	18.8%	148%	118%
53 - 55	52	11	13	13	21.2%	25.6%	24.8%	83%	85%
56 - 58	19	1	4	3	5.3%	22.1%	15.0%	24%	35%
59 - 61	12	7	3	4	58.3%	22.3%	35.0%	261%	167%
62 - 64	2	1	1	1	50.0%	45.0%	35.0%	111%	143%
TOTAL	157	36	32	34	22.9%	20.3%	21.8%	113%	105%
Confidence Interval %			87%	100%					
R-squared			63%	77%					

Chart III-R5 – Safety Tier 1 Retirement



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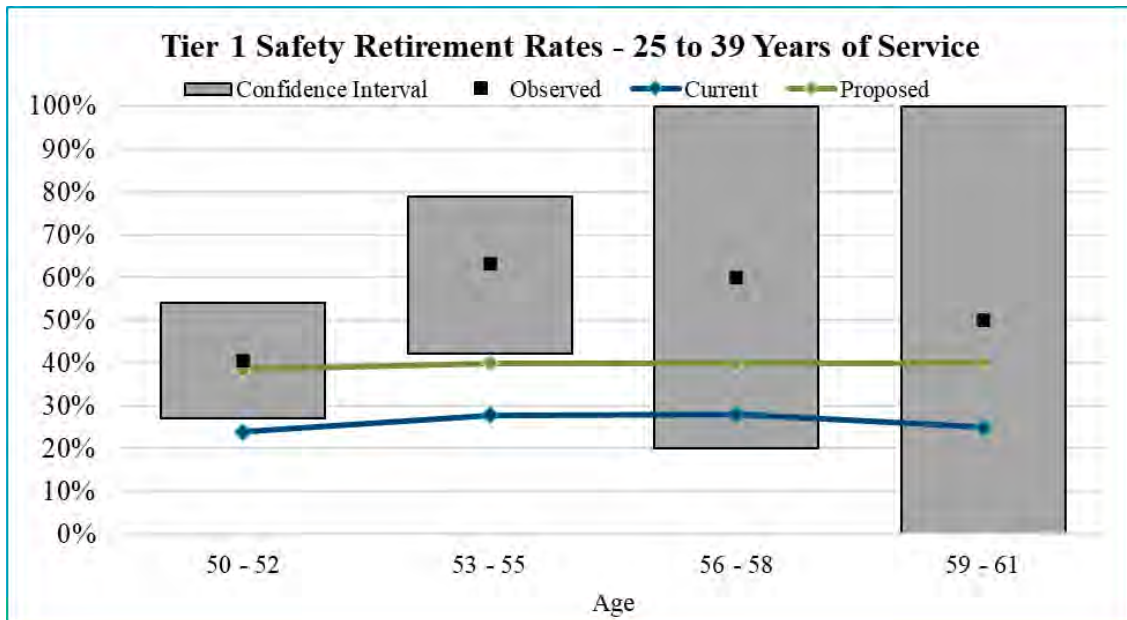
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

Table III-R6 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Safety Tier 1 members with 25 to 39 years of service. Chart III-R6 shows the information graphically along with the 90% confidence interval. The data shows higher actual retirements than expected under the current assumption. The proposed assumption increases the aggregate number of assumed retirements to be more in line with actual experience. The new assumptions decrease the aggregate A/E ratio from 193% to 126%. The R-Squared statistic improves, increasing from 90% to 96%.

Table III-R6 – Safety Tier 1 Retirement

Tier 1 Safety Retirement Rates - 25 to 39 Years of Service									
Age	Exposures	Retirements			Retirement Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
50 - 52	37	15	9	14	40.5%	23.9%	38.5%	169%	105%
53 - 55	19	12	5	8	63.2%	27.9%	40.0%	226%	158%
56 - 58	5	3	1	2	60.0%	28.0%	40.0%	214%	150%
59 - 61	2	1	1	1	50.0%	25.0%	40.0%	200%	125%
TOTAL	63	31	16	25	49.2%	25.5%	39.1%	193%	126%
Confidence Interval %			87%	100%					
R-squared			90%	96%					

Chart III-R6 – Safety Tier 1 Retirement



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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
RETIREMENT RATES**

We have not shown the data for Probation Tier 1 members with 25 or more years of service due to the low number of members eligible for retirements in that service group. However, the overall rate of retirement during the period was 24% while the expected overall rate was only 17%. The proposed retirement rates were increased so that the overall rate is 19%.

Also, we have not shown the data for most Tiers 2 & 3 experience due to the low number of actual retirements in those service groups. Therefore, we have used our professional judgment to propose retirement rates by age, membership class, and plan tier for these service groups based on the rate of retirement patterns exhibited by Tier 1 members in the specific group.

**SECTION III – DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES**

TERMINATION RATES

Termination rates (vested termination rates and withdrawal rates) reflect the frequency at which active members leave employment for reasons other than retirement, death, or disability. The vested termination rates and the withdrawal rates are service based for Miscellaneous members and for Safety and Probation members. We have found that the rate of termination is more related to years of service rather than age. This methodology also avoids under-weighting the liabilities that can occur if using age-based rates only. The termination rates do not apply once members are eligible for a service retirement benefit.

Vested termination rates apply to active members who are eligible for reduced or unreduced retirement benefits. Rates of withdrawal apply to active members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future benefits. When a vested member terminates employment, they have the option of receiving a refund of contributions with interest or a deferred annuity.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES**

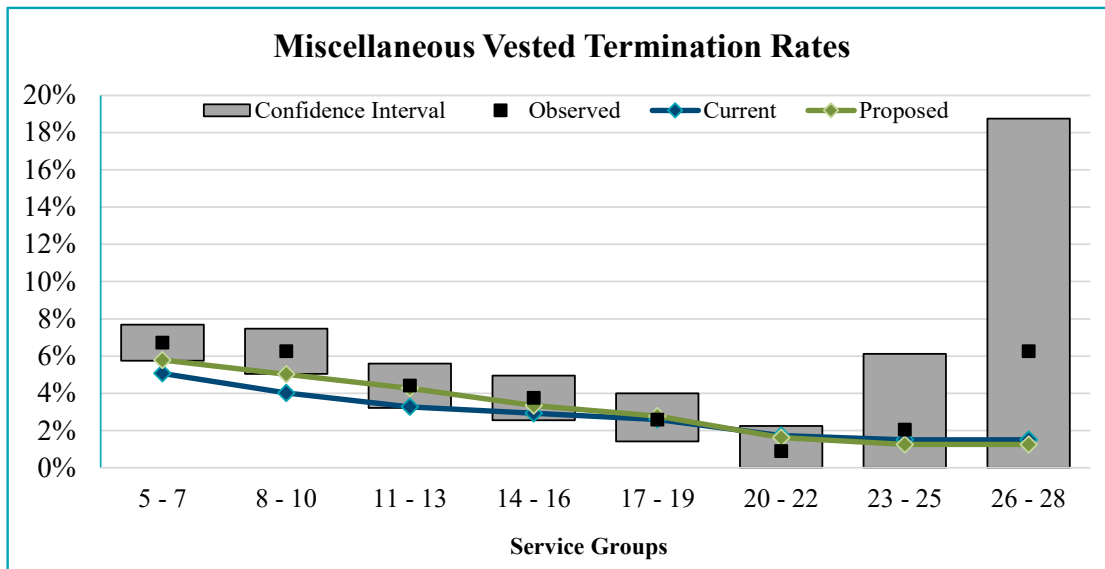
Vested Termination Rates

Table III-T1 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Miscellaneous members. Chart III-T1 shows the information graphically along with the 90% confidence interval for the current assumption and proposed assumptions by years of service. The data shows actual vested termination rates higher than expected under the current assumption. We are proposing to increase Miscellaneous vested termination rates for 5 to 19 years of service, and a decrease for 20 or more years of service, to be more in line with experience. The proposed assumption increases the aggregate assumed rate of termination, and the aggregate A/E ratio decreases from 134% to 114%. The R-Squared statistic remains steady at 97%.

Table III-T1: Miscellaneous Vested Termination

Miscellaneous Vested Termination Rates									
Service	Exposures	Terminations			Termination Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
5 - 7	1,758	118	89	102	6.7%	5.1%	5.8%	133%	116%
8 - 10	1,070	67	43	54	6.3%	4.0%	5.0%	156%	125%
11 - 13	839	37	27	36	4.4%	3.3%	4.3%	135%	103%
14 - 16	666	25	20	22	3.8%	2.9%	3.3%	128%	112%
17 - 19	425	11	11	12	2.6%	2.6%	2.8%	100%	93%
20 - 22	223	2	4	4	0.9%	1.7%	1.6%	52%	55%
23 - 25	49	1	1	1	2.0%	1.5%	1.3%	136%	163%
26 - 28	16	1	0	0	6.3%	1.5%	1.3%	417%	500%
TOTAL	5,046	262	195	230	5.2%	3.9%	4.6%	134%	114%
Confidence Interval %			85%	96%					
R-squared			97%	97%					

Chart III-T1: Miscellaneous Vested Termination



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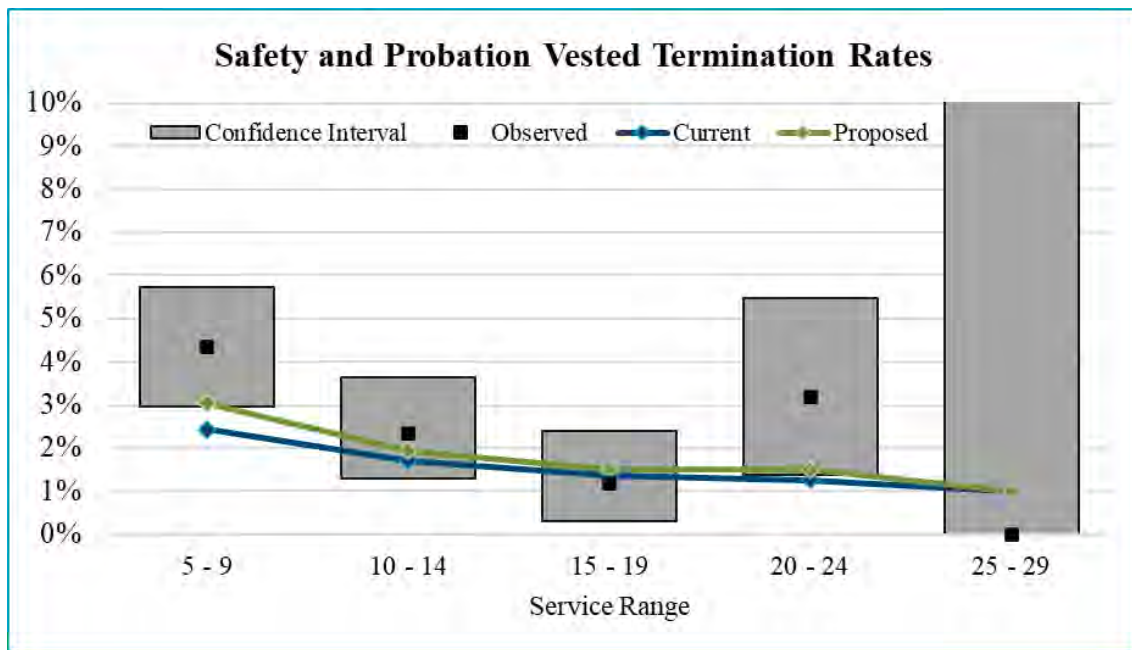
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES**

Table III-T2 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Safety and Probation members. Chart III-T2 shows the information graphically along with the 90% confidence interval for the current assumption and proposed assumptions by years of service. The data shows actual vested termination rates higher than expected under the current assumption. We are proposing to increase Safety and Probation vested termination rates for 5 to 24 years of service to be more in line with experience. The proposed assumption increases the aggregate assumed rate of termination, and the aggregate A/E ratio decreases from 160% to 135%. The R-Squared statistic improves, increasing from 74% to 78%.

Table III-T2: Safety and Probation Vested Termination

Safety and Probation Vested Termination Rates									
Service	Exposures	Terminations			Termination Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
5 - 9	575	25	14	17	4.3%	2.4%	3.0%	179%	143%
10 - 14	468	11	8	9	2.4%	1.7%	1.9%	137%	122%
15 - 19	336	4	5	5	1.2%	1.4%	1.5%	87%	79%
20 - 24	219	7	3	3	3.2%	1.3%	1.5%	256%	213%
25 - 29	47	0	0	0	0.0%	1.0%	1.0%	0%	0%
TOTAL	1,645	47	30	35	2.9%	1.8%	2.1%	160%	135%
Confidence Interval %			95%	95%					
R-squared			74%	78%					

Chart III-T2: Safety and Probation Vested Termination



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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES**

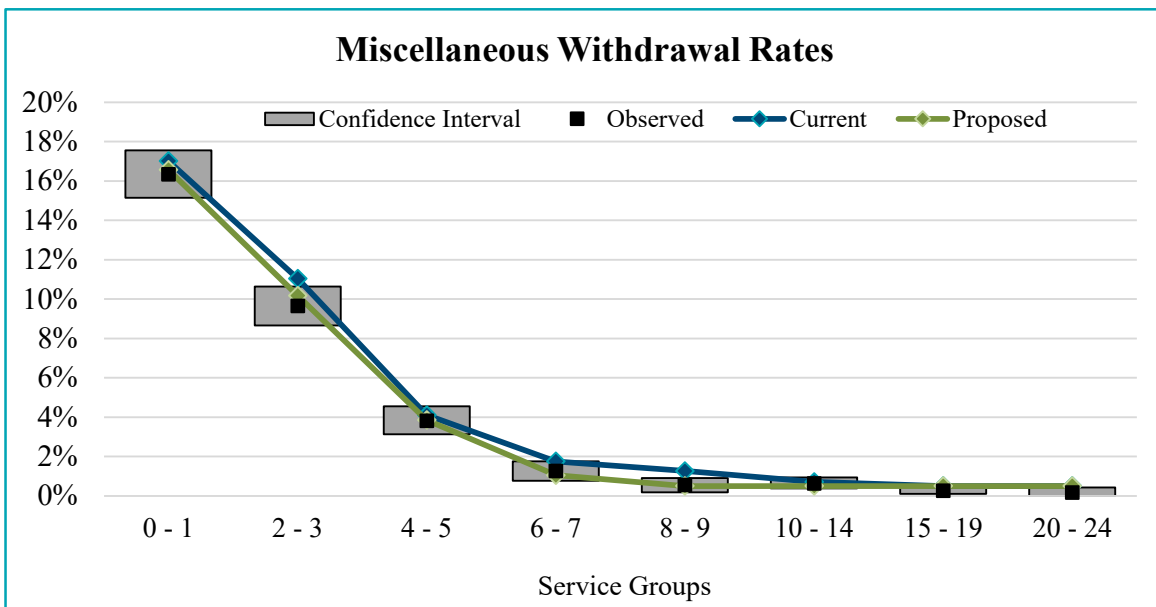
Withdrawal Rates

Table III-T3 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Miscellaneous members. Chart III-T3 shows the information graphically along with the 90% confidence interval for the current and proposed assumptions by years of service. The data shows lower actual withdrawals than expected under the current assumption. The proposed assumption decreases the expected withdrawals from 0 to 14 years of service to be more in line with actual experience and increases the aggregate A/E ratio from 90% to 97%. The R-Squared statistic increases from 99% to 100%.

Table III-T3: Miscellaneous Withdrawal

Miscellaneous Withdrawal Rates									
Service	Exposures	Withdrawals			Withdrawal Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
0 - 1	2,528	413	430	419	16.3%	17.0%	16.6%	96%	99%
2 - 3	2,427	234	268	247	9.6%	11.0%	10.2%	87%	95%
4 - 5	1,889	72	78	73	3.8%	4.1%	3.9%	93%	99%
6 - 7	1,428	18	25	15	1.3%	1.8%	1.0%	72%	121%
8 - 9	1,100	6	14	6	0.5%	1.3%	0.5%	43%	109%
10 - 14	2,370	15	17	12	0.6%	0.7%	0.5%	89%	127%
15 - 19	1,962	5	10	10	0.3%	0.5%	0.5%	51%	51%
20 - 24	1,194	2	6	6	0.2%	0.5%	0.5%	34%	34%
TOTAL	14,898	765	847	787	5.1%	5.7%	5.3%	90%	97%
Confidence Interval %			88%	100%					
R-squared			99%	100%					

Chart III-T3: Miscellaneous Withdrawal



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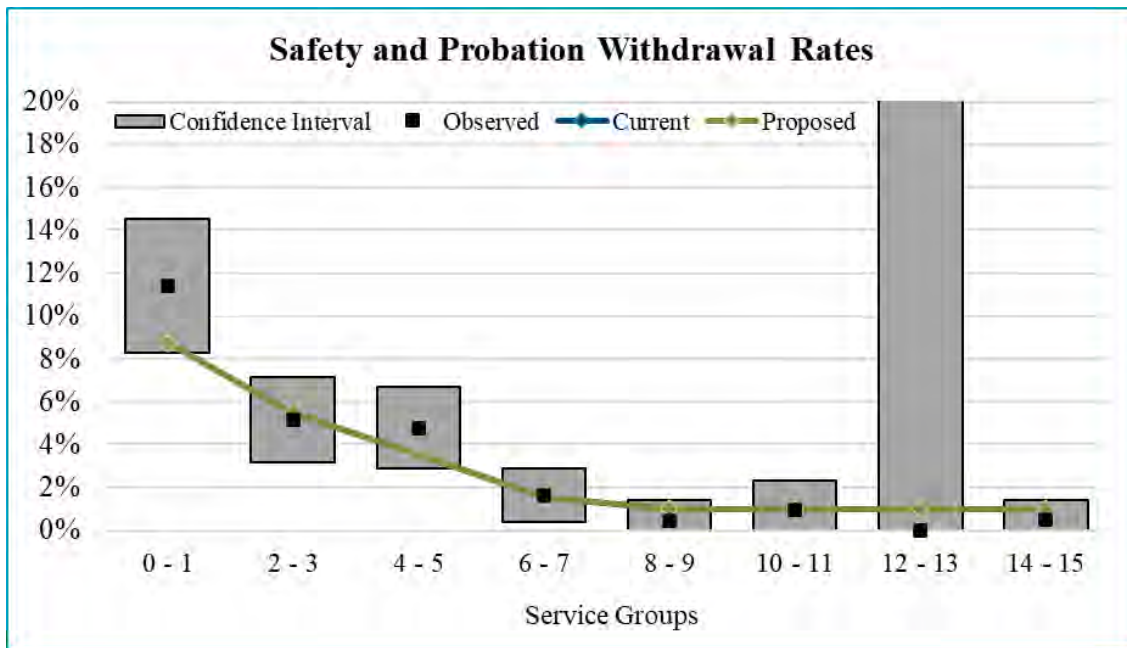
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES**

Table III-T4 shows the calculation of actual-to-expected ratios and the R-Squared statistic for Safety and Probation members. Chart III-T4 shows the information graphically along with the 90% confidence interval for the current assumption and proposed assumptions by years of service. The data shows actual withdrawal rates close to expected under the current assumption. We are proposing no changes to the assumption. The aggregate A/E ratio is 110% and the R-Squared statistic is 95%.

Table III-T4: Safety and Probation Withdrawal

Safety and Probation Withdrawal Rates									
Service	Exposures	Withdrawals			Withdrawal Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
0 - 1	289	33	25	25	11.4%	8.7%	8.7%	131%	131%
2 - 3	349	18	19	19	5.2%	5.5%	5.5%	94%	94%
4 - 5	313	15	11	11	4.8%	3.5%	3.5%	136%	136%
6 - 7	244	4	4	4	1.6%	1.5%	1.5%	107%	107%
8 - 9	216	1	2	2	0.5%	1.0%	1.0%	46%	46%
10 - 11	214	2	2	2	0.9%	1.0%	1.0%	93%	93%
12 - 13	190	0	2	2	0.0%	1.0%	1.0%	0%	0%
14 - 15	208	1	2	2	0.5%	1.0%	1.0%	48%	48%
TOTAL	2,023	74	67	67	3.7%	3.3%	3.3%	110%	110%
Confidence Interval %			100%	100%					
R-squared			95%	95%					

Chart III-T4: Safety and Probation Withdrawal



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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES**

Reciprocal Transfers

All members who terminate employment, regardless of length of service credited, have the option of receiving a refund of contributions with interest or leaving the accumulated contributions with interest in deposit with the Trust. The reciprocal transfer assumption assumes a member terminates employment, leaves their contributions with interest in the Trust, and works for a reciprocal employer.

Table III-T5 below shows the experience for the percentage of terminated members who retire from a reciprocal system. We performed the analysis from two different perspectives. The first method, Termination Analysis, which covers seven years of experience, looks at the number of members who notify SLOCPT that they have been employed at a reciprocal retirement system when they terminate SLOCPT employment. The second method, Retirement Analysis, which covers the five most recent years of experience, looks at the number of members who retire from a terminated status at SLOCPT but were employed at a reciprocal system.

The first analysis results in lower rates of reciprocity. This is likely due to members not reporting to SLOCPT that they were hired at a reciprocal system and the information only becoming available once the member retires from the reciprocal system.

The current assumption is that 30% of vested terminated members who leave their member contributions on deposit with the Trust are reciprocal transfers. Based on the analysis, we are proposing increasing the assumption to 35% to get closer to the experience percentage of retirements with reciprocity. In addition, all non-vested terminated members are assumed to take a refund of contributions with interest.

Table III-T5: Reciprocal Transfers

Percentage of Members With Reciprocity	
Termination Analysis	
Members who terminated and left contributions on deposit	485
Members who terminated and went to a reciprocal system	98
Percentage of terminated members with reciprocity	20%
Retirement Analysis	
Members who retired from terminated or reciprocal status	118
Members who retired from reciprocal status	57
Percentage of retirements with reciprocity	48%

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
TERMINATION RATES**

Retirement Age of Vested Terminated and Reciprocal Members

Tables III-T6 and III-T7 show the results of our analysis of the age at which vested terminated and reciprocal transfer members retire. The current retirement age assumptions are the same regardless of class – Miscellaneous, Probation, or Safety members - and are split by tier and status. Tier 1 vested terminated members are assumed to retire at age 55, and Tiers 2 and 3 vested terminated members as well as all reciprocal members are currently assumed to retire at age 60.

We are proposing to split the assumption by class rather than by tier and status because of the difference in actual experience shown in Tables III-T6 and T7 below. Also, SLOCPT benefit multipliers are based on age and the separate classes reach their maximum multiplier at different ages which impacts retirement behavior.

Table III-T6: Miscellaneous Average Retirement Age from Terminated Status

Miscellaneous Average Retirement Age from Terminated Status						
	Tier 1		Tier 2		Tier 3	
	Deferred Vested	Reciprocal	Deferred Vested	Reciprocal	Deferred Vested	Reciprocal
Experience	62	61	58	N/A	61	55
Current Assumption	55	60	60	60	60	60
Proposed Assumption	60	60	60	60	60	60

We are proposing an assumed retirement age of 60 for all Miscellaneous vested terminated and reciprocal members, regardless of tier. For the reciprocal Tiers 2 and 3, there was only 1 member who retired during the period, so we propose the same assumed retirement age as Tier 1.

Table III-T7: Safety and Probation Average Retirement Age from Terminated Status

Safety and Probation Average Retirement Age from Terminated Status				
	Tier 1		Tiers 2 and 3	
	Deferred Vested	Reciprocal	Deferred Vested	Reciprocal
Experience	53	56	50	N/A
Current Assumption	55	60	60	60
Proposed Assumption	55	55	55	55

We are proposing an assumed retirement age of 55 for all Safety and Probation vested terminated and reciprocal members, regardless of tier. Age 55 is the age at which the benefit multiplier reaches the maximum amounts for Tier 1 and Tier 2.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES**

DISABILITY RATES

This section analyzes the incidence of disability by the age of the member by membership class. Generally, there is a very low rate of disability, and the disability assumption only has a minor impact on the liabilities as a whole.

We are proposing the disability rates developed in the most recent 2021 CalPERS experience study for Miscellaneous, Probation and Safety members. We are proposing the 2021 CalPERS Public Agency County Peace Officer Non-Industrial Disability table for Miscellaneous members. For Safety and Probation members, we are proposing the 2021 CalPERS State Police Officers and Firefighters Total Disability table.

In addition, all disabilities for Safety members are assumed to be service-related industrial disabilities and no disabilities for Miscellaneous and Probation members are assumed to be service-related industrial disabilities. We are not proposing any change to this assumption.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES**

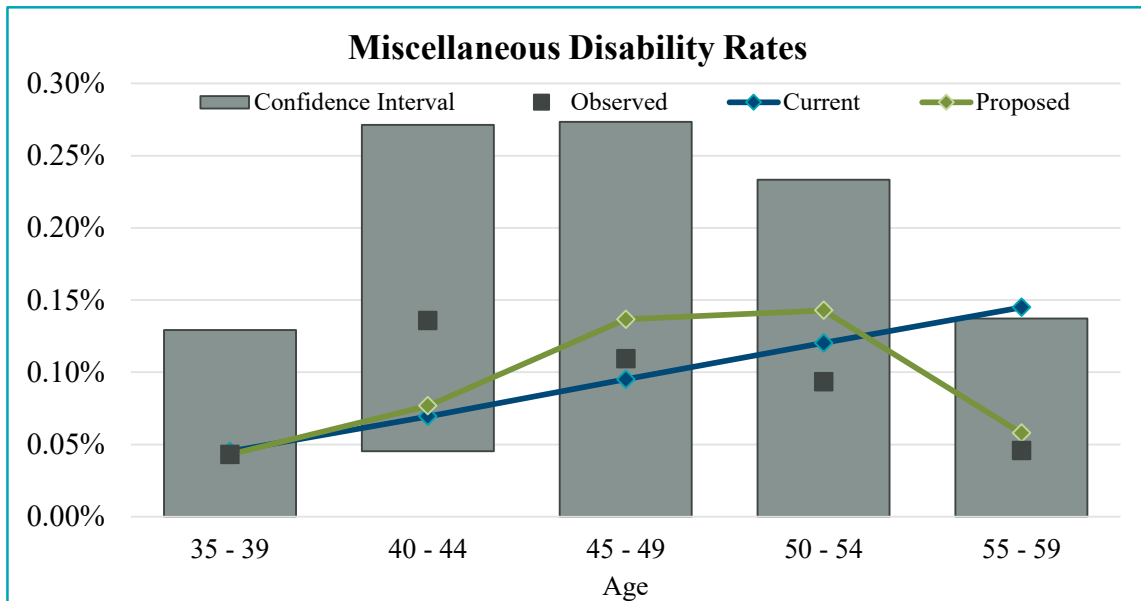
Table III-D1 shows the calculation of actual-to-expected ratios and the R-Squared statistic for all disabilities for Miscellaneous members. Chart III-D1 shows the information graphically along with the 90% confidence interval for the current assumption and proposed assumptions by age. The data shows actual disability rates that are lower than the current assumption. Due to the low number of actual disabilities and the lack of sufficient credible data for comparison, we are proposing to use a standard table, the CalPERS Public Agency County Peace Officers Non-Industrial Disability table. While the number of total assumed disabilities increases using this standard table, the A/E ratio improves, increasing from 67% to 81% due to the table fitting the pattern of the actual disabilities more closely than the current rates.

Table III-D1: Miscellaneous Disability

Miscellaneous Disability Rates									
Age Band	Exposures	Disabilities*			Average Disability Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
35 - 39	2,320	1	1	2	0.04%	0.05%	0.10%	95%	45%
40 - 44	2,211	3	2	3	0.14%	0.07%	0.12%	196%	114%
45 - 49	1,829	2	2	3	0.11%	0.10%	0.15%	115%	75%
50 - 54	2,142	2	3	4	0.09%	0.12%	0.17%	78%	55%
55 - 59	2,186	1	3	0	0.05%	0.14%	0.00%	32%	0%
TOTAL	10,688	9	10	11	0.08%	0.09%	0.10%	67%	81%
Confidence Interval %			100%	100%					
R-squared			3%	7%					

*Current and proposed values shown are rounded to the ones place. Totals may differ from visible total due to rounding.

Chart III-D1: Miscellaneous Disability



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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
DISABILITY RATES**

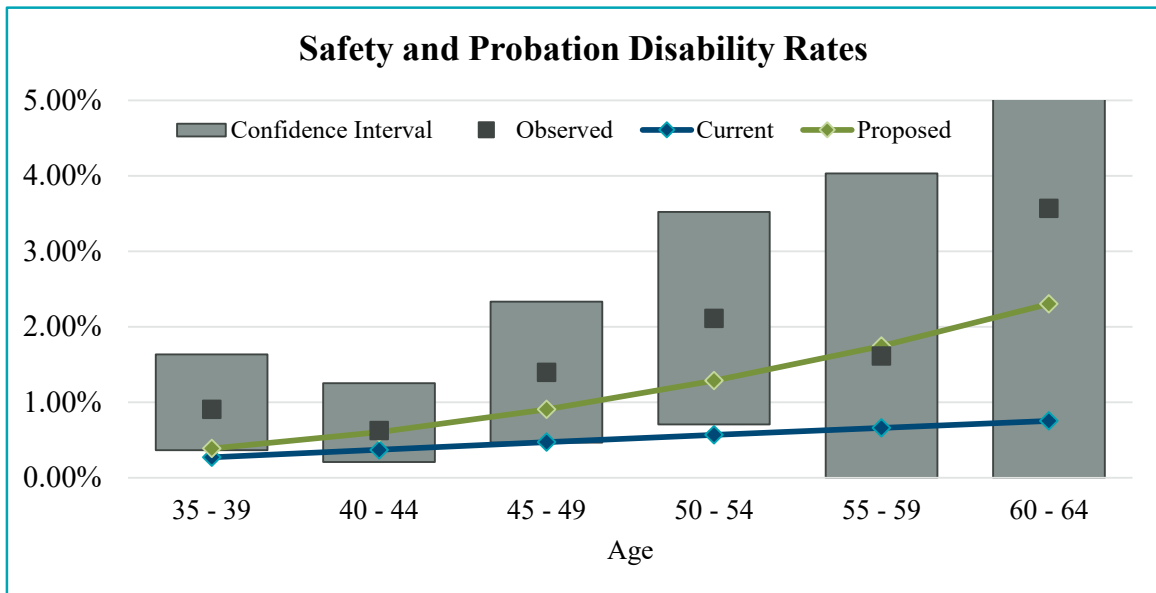
Table III-D2 shows the calculation of actual-to-expected ratios and the R-Squared statistic for all disabilities for Safety and Probation members. Chart III-D2 shows the information graphically along with the 90% confidence interval for the current and proposed assumptions by age. The data shows actual disability rates that are significantly higher than the current assumption. We are proposing to use the CalPERS State Police Officers and Firefighters Total Disability table. The proposed disability assumption increases the aggregate assumed rate of disability and the aggregate A/E ratio decreases from 285% to 151%.

Table III-D2: Safety and Probation Disability

Safety and Probation Disability Rates									
Age Band	Exposures	Disabilities*			Average Disability Rates			A/E Ratios	
		Actual	Current	Proposed	Actual	Current	Proposed	Current	Proposed
35 - 39	551	5	1	2	0.91%	0.27%	0.39%	336%	234%
40 - 44	480	3	2	3	0.63%	0.37%	0.60%	169%	104%
45 - 49	429	6	2	4	1.40%	0.47%	0.90%	297%	155%
50 - 54	284	6	2	4	2.11%	0.57%	1.29%	372%	164%
55 - 59	124	2	1	2	1.61%	0.66%	1.74%	244%	92%
60 - 64	28	1	0	1	3.57%	0.75%	2.30%	474%	155%
TOTAL	1,896	23	8	15	1.21%	0.42%	0.81%	285%	151%
Confidence Interval %			67%	100%					
R-squared			31%	33%					

*Current and proposed values shown are rounded to the ones place. Totals may differ from visible total due to rounding.

Chart III-D2: Safety and Probation Disability



**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

MORTALITY RATES

Post-retirement mortality assumptions are typically developed separately by gender for both healthy annuitants and disabled annuitants. Pre-retirement mortality assumptions are also developed separately for males and females. Unlike most of the other demographic assumptions that rely exclusively on the experience of the plan, for mortality, standard mortality tables and projection scales serve as the primary basis for the assumption. In this study, we performed a separate analysis on the beneficiary mortality since the public sector mortality tables developed by the Society of Actuary, described below, show that beneficiary mortality can be markedly different than that of healthy annuitants.

In general, we did not find that the pandemic had a material impact on SLOCPT's mortality experience, so we included all experience from 2017 to 2023.

In January 2019, the Retirement Plans Experience Committee (RPEC) of the SOA completed an extensive mortality study and published a new set of mortality tables for U.S. public pension plans, the Pub-2010 Mortality Tables, with separate tables for teachers, safety members, and other public employees. The experience covered 35 public systems with 78 plans from calendar years 2008–2013, which included approximately 46 million exposures and 580 thousand deaths. Since benefits for retirees and salaries for active members are a significant predictor of mortality differences, separate tables were also developed for Above-Median and Below-Median income. RPEC also published the most recent mortality improvement projection scale, MP-2021; no update was issued in 2022 or 2023. We used these tables as the basis for our analysis.

The steps in our analysis are as follows:

1. Select a standard mortality table that, based on experience, most closely matches the anticipated experience of SLOCPT.
2. Compare actual SLOCPT experience to what would have been predicted by the selected standard table for the period of the experience study.
3. Adjust the standard table depending on the level of credibility for SLOCPT experience. This adjusted table is called the base table.
4. Select an appropriate standard mortality improvement projection scale and apply it to the base table.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Current Mortality Assumptions – Based on the prior experience study, SLOCPT elected to use the following base tables:

Active members

- **Miscellaneous Members:** Sex Distinct Public General 2010 Amount-Weighted Above-Median Income Employee Mortality Table, without adjustment.
- **Safety and Probation Members:** Sex Distinct Public Safety 2010 Amount-Weighted Above-Median Income Employee Mortality Table, without adjustment.

Healthy retirees and beneficiaries

- **Miscellaneous Members and all beneficiaries:** Sex Distinct Public General 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, without adjustment.
- **Safety and Probation Members:** Sex Distinct Public Safety 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, without adjustment.

Disabled members

- **All Members:** Sex Distinct Public General 2010 Amount-Weighted Disabled Retiree Mortality Table, without adjustment.

Recommended Mortality Assumptions – Based on SLOCPT’s experience, we are proposing the following base mortality tables:

Active members

- **Miscellaneous Members [no change]:** Sex Distinct Public General 2010 Amount-Weighted Above-Median Income Employee Mortality Table, without adjustment.
- **Safety and Probation Members [no change]:** Sex Distinct Public Safety 2010 Amount-Weighted Above-Median Income Employee Mortality Table, without adjustment.

Healthy retirees and beneficiaries

- **Miscellaneous Members:** Sex Distinct Public General 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, with a 95% multiplier applied to male rates and a 97.5% multiplier applied to female rates.
- **Safety and Probation Members [no change]:** Sex Distinct Public Safety 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, without adjustment.
- **Male Beneficiaries:** Sex Distinct Public General 2010 Amount-Weighted Below-Median Income Contingent Survivor Mortality Table for Males, with a 102.5% multiplier applied.
- **Female Beneficiaries [no change]:** Sex Distinct Public General 2010 Amount-Weighted Above-Median Income Retiree Mortality Table for Females, without adjustment.

Disabled members

- **All Members [no change]:** Sex Distinct Public General 2010 Amount-Weighted Disabled Retiree Mortality Table, without adjustment.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Mortality improvement projection scale MP-2021 continues to represent the Society of Actuaries' most advanced actuarial methodology in incorporating mortality improvement trends with actual recent mortality rates, by using rates that vary not only by age but also by calendar year – known as a two-dimensional approach to projecting mortality improvements. Scale MP-2021 was designed with the intent of being applied to mortality on a generational basis. The effect of this is to build in an automatic expectation of future improvements in mortality.

We recommend continuing use of the MP-2021 Scale for projecting mortality improvements.

SLOCPT's mortality experience over the past seven years continues to match well with the Pub-2010 mortality rates for members, after applying the improvement projections from the base year of the tables (2010) using the MP-2021 mortality improvement projections through the mid-point of the seven-year period (2021).

Rather than weighting the experience based on the number of members living and dying, we have weighted the experience based on benefit size (salary for current active members). This approach has been proposed by RPEC, since members with larger benefits are expected to live longer, and a benefit-weighted approach helps avoid underestimating the liabilities.

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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

As shown in Table III-M1 and Table III-M2 on the pages that follow, the current mortality rates for Miscellaneous healthy annuitants overstate the actual mortality experience, and more so for males than females. We are proposing to apply a 95% multiplier for males and a 97.5% multiplier for females to the current Sex Distinct Public General 2010 Amount-Weighted Above-Median Income Retiree Mortality Table to bring the rates closer to actual experience. These adjustments are based on the level of credibility in the data. As shown in Table III-M1 and Table III-M2, the multipliers increase the aggregate A/E ratio from 76% to 80% for males and increase the aggregate A/E ratio from 91% to 93% for females.

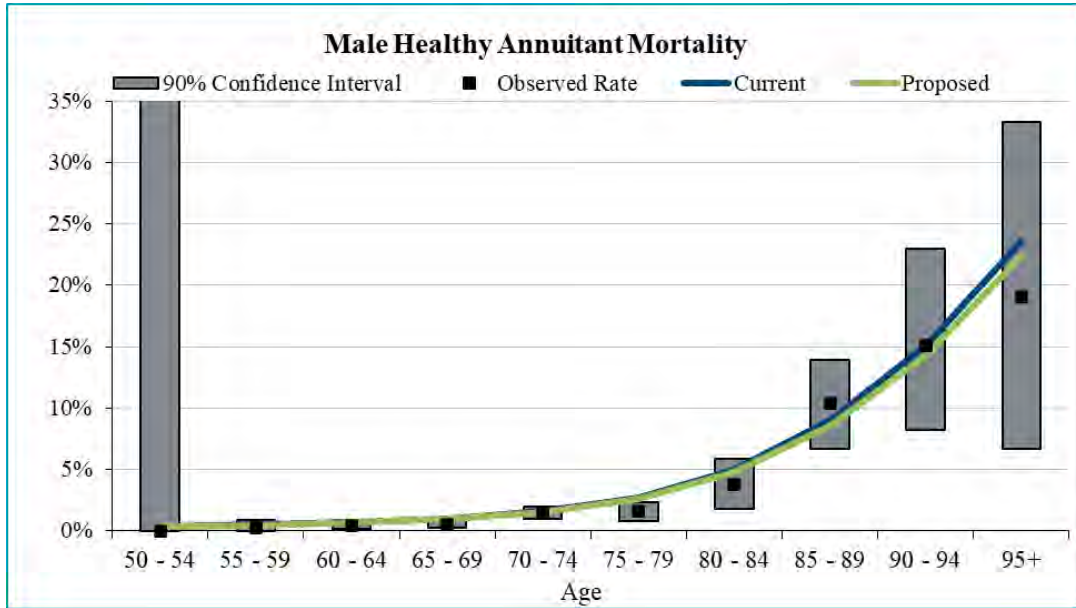
**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M1 – Miscellaneous Healthy Annuitant Male Mortality

Healthy Annuitant Mortality - Base Table for Males								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
50 - 54	31	0	41,416	0	134	128	0%	0%
55 - 59	241	2	615,358	1,265	2,923	2,776	43%	46%
60 - 64	827	5	3,044,515	12,917	20,962	19,914	62%	65%
65 - 69	1,448	9	5,602,999	27,489	55,772	52,984	49%	52%
70 - 74	1,379	25	5,816,822	82,636	91,784	87,196	90%	95%
75 - 79	740	18	3,322,628	51,682	89,269	84,806	58%	61%
80 - 84	275	10	1,221,459	45,865	60,703	57,668	76%	80%
85 - 89	194	17	519,165	54,000	46,685	44,351	116%	122%
90 - 94	61	13	150,893	22,714	22,712	21,576	100%	105%
95 +	15	3	39,996	7,620	9,449	8,976	81%	85%
Total	5,211	102	20,375,251	306,188	400,394	380,376	76%	80%

Chart III-M1 – Miscellaneous Healthy Annuitant Male Mortality



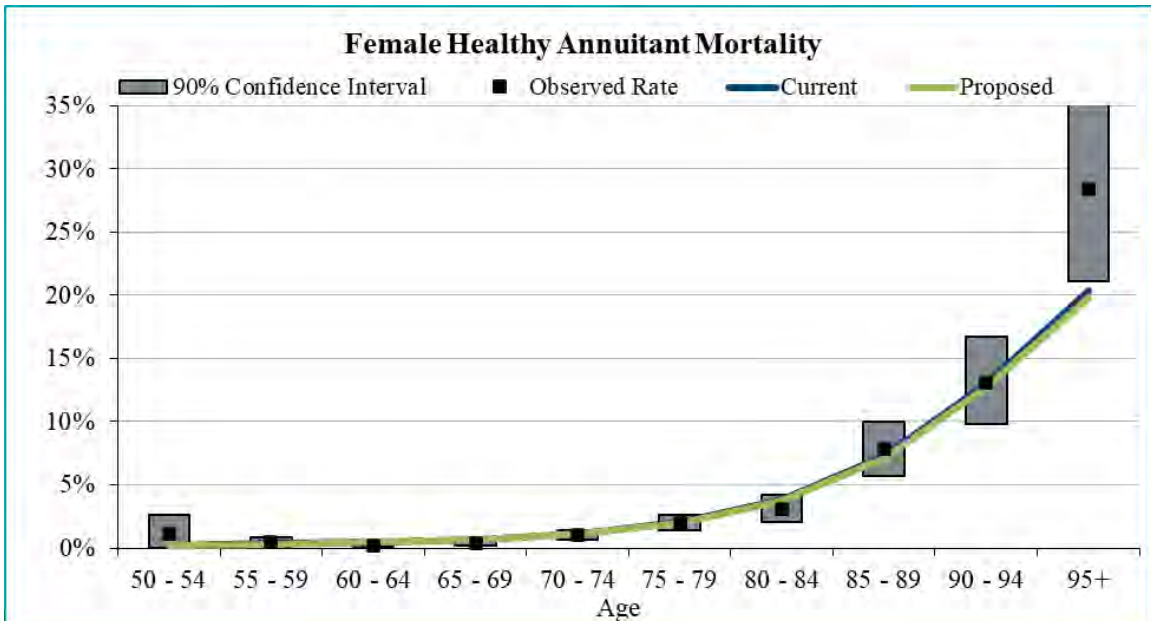
**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M2 – Miscellaneous Healthy Annuitant Female Mortality

Healthy Annuitant Mortality - Base Table for Females								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
50 - 54	113	2	169,727	1,923	404	394	476%	488%
55 - 59	564	3	1,220,562	5,272	4,070	3,968	130%	133%
60 - 64	1,710	6	4,381,456	8,697	20,320	19,813	43%	44%
65 - 69	2,648	14	6,990,580	27,108	47,986	46,785	56%	58%
70 - 74	2,296	30	5,659,569	59,528	64,220	62,616	93%	95%
75 - 79	1,388	27	3,034,018	60,127	61,309	59,777	98%	101%
80 - 84	738	26	1,333,655	41,267	50,699	49,432	81%	83%
85 - 89	401	28	588,765	46,074	43,008	41,933	107%	110%
90 - 94	245	33	334,215	43,779	43,457	42,370	101%	103%
95 +	104	27	121,136	34,424	24,663	24,046	140%	143%
Total	10,207	196	23,833,682	328,199	360,136	351,135	91%	93%

Chart III-M2 – Miscellaneous Healthy Annuitant Female Mortality



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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M3 and Table III-M4 on the pages that follow summarize our analysis and selection of the base mortality table for healthy Safety and Probation male and female retirees. As shown in Table III-M3, the current mortality rates for male Safety and Probation healthy annuitants are relatively close to recent experience with an aggregate A/E ratio of 86%. Based on the credibility level (amount of data), no adjustment could be made to increase the A/E ratio closer to 100%. As a result, we do not propose any change to the current table for males from the Sex Distinct Public Safety 2010 Amount-Weighted Above-Median Income Retiree Mortality Table. As shown in Table III-M4, there are only two deaths among female Safety retirees. Given the limited experience data, we propose to continue using the female version of the male Safety mortality table.

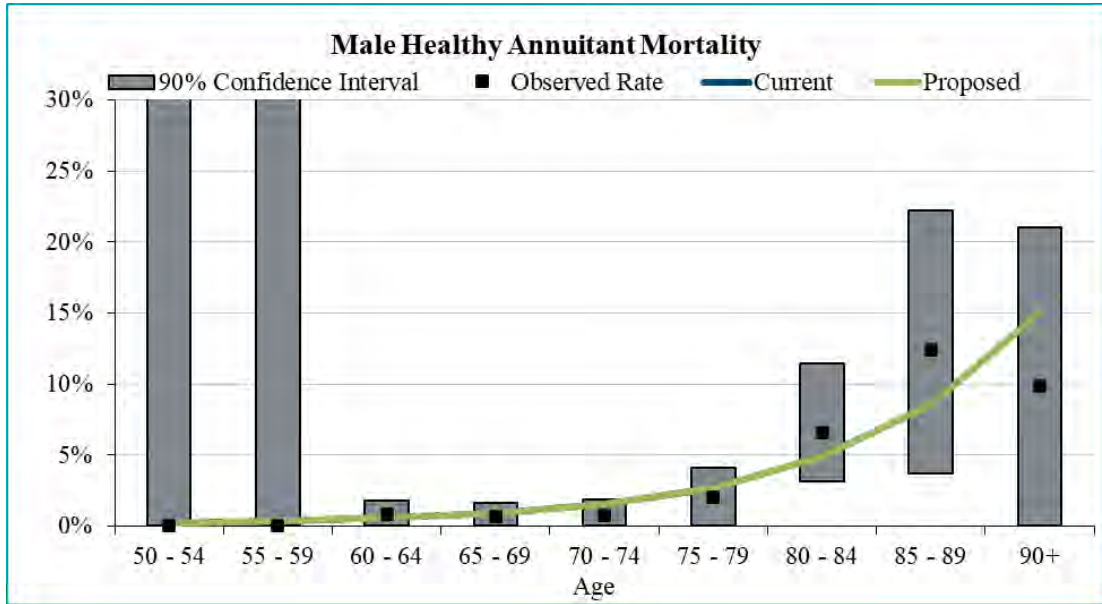
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M3 – Safety and Probation Healthy Annuitant Male Mortality

Healthy Annuitant Mortality - Base Table for Males								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
50 - 54	179	0	968,399	0	1,919	1,919	0%	0%
55 - 59	343	0	1,977,913	0	6,528	6,528	0%	0%
60 - 64	334	3	1,917,872	16,028	10,817	10,817	148%	148%
65 - 69	301	3	1,655,630	10,985	15,579	15,579	71%	71%
70 - 74	265	2	1,302,103	9,805	19,973	19,973	49%	49%
75 - 79	146	4	668,619	13,351	17,895	17,895	75%	75%
80 - 84	96	8	349,950	23,054	17,229	17,229	134%	134%
85 - 89	27	3	99,630	12,328	8,588	8,588	144%	144%
90+	19	3	29,695	2,931	4,473	4,473	66%	66%
Total	1,710	26	8,969,811	88,481	103,001	103,001	86%	86%

Chart III-M3 - Safety and Probation Healthy Annuitant Male Mortality



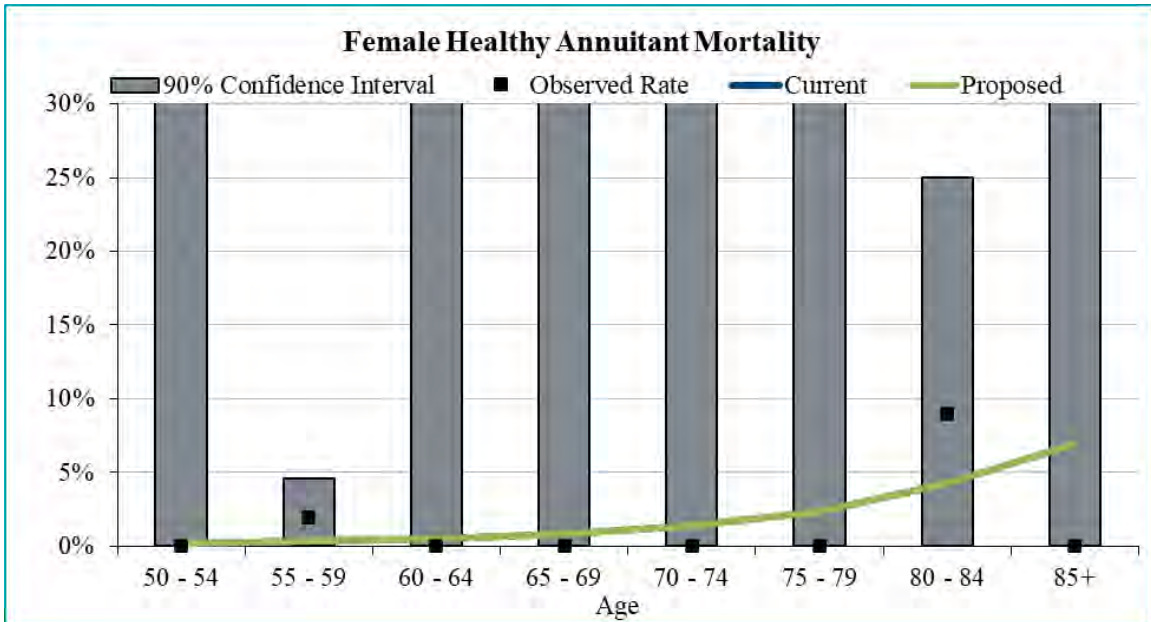
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M4 - Safety and Probation Healthy Annuitant Female Mortality

Healthy Annuitant Mortality - Base Table for Females								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
50 - 54	43	0	159,026	0	289	289	0%	0%
55 - 59	109	1	527,186	10,322	1,696	1,696	609%	609%
60 - 64	91	0	398,357	0	2,089	2,089	0%	0%
65 - 69	60	0	245,259	0	2,039	2,039	0%	0%
70 - 74	40	0	140,200	0	1,933	1,933	0%	0%
75 - 79	32	0	112,627	0	2,621	2,621	0%	0%
80 - 84	12	1	34,978	3,136	1,497	1,497	210%	210%
85+	3	0	10,194	0	702	702	0%	0%
Total	390	2	1,627,827	13,458	12,864	12,864	105%	105%

Chart III-M4 - Safety and Probation Healthy Annuitant Female Mortality



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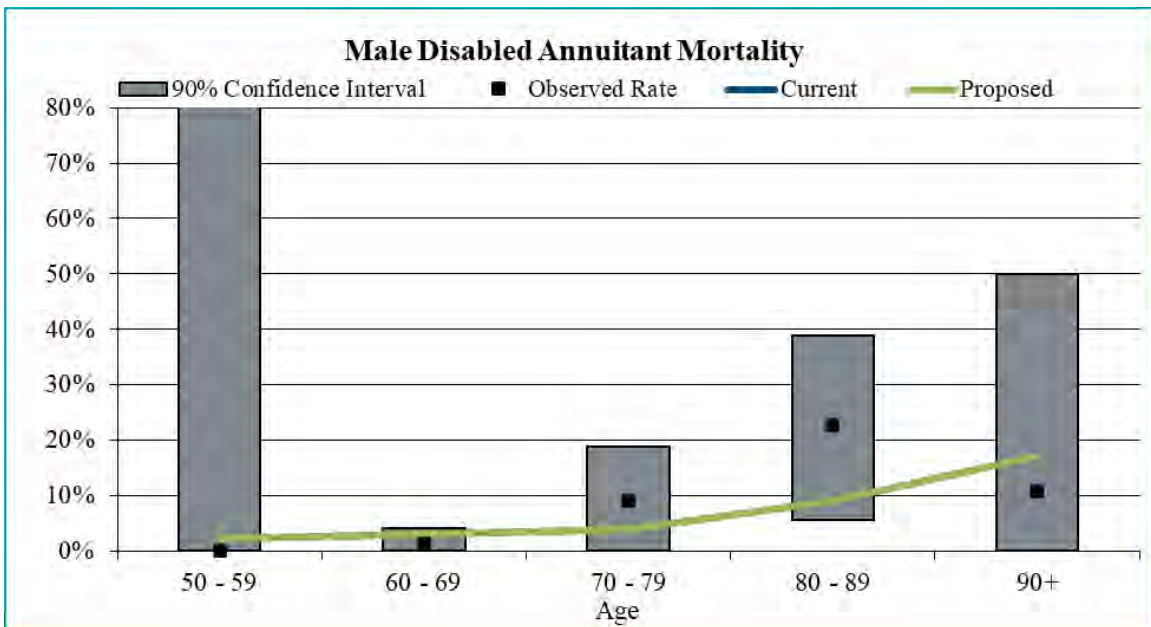
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M5 and Table III-M6 summarize our analysis and selection of the base mortality table for disabled Miscellaneous male and female retirees. As shown in Table III-M5, the current mortality rates for male disabled Miscellaneous retirees are relatively close to recent experience with an aggregate A/E ratio of 118%. As a result, we do not propose any change to the current table for males from the Sex Distinct Public General 2010 Amount-Weighted Disabled Retiree Mortality Table. As shown in Table III-M6, there were only three deaths among female disabled Miscellaneous retirees. Given the limited experience data, we propose to continue using the same General Pub-2010 Disabled Annuitant Mortality Table for females as is used for males.

Table III-M5 – Miscellaneous Disabled Annuitant Male Mortality

Disabled Annuitant Mortality - Base Table for Males								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
50 - 59	37	0	51,718	0	1,169	1,169	0%	0%
60 - 69	73	2	143,933	2,060	4,339	4,339	47%	47%
70 - 79	16	2	45,065	4,025	1,763	1,763	228%	228%
80 - 89	18	3	20,994	4,764	1,876	1,876	254%	254%
90+	4	1	740	80	127	127	63%	63%
Total	148	8	262,449	10,928	9,275	9,275	118%	118%

Chart III-M5 – Miscellaneous Disabled Annuitant Male Mortality



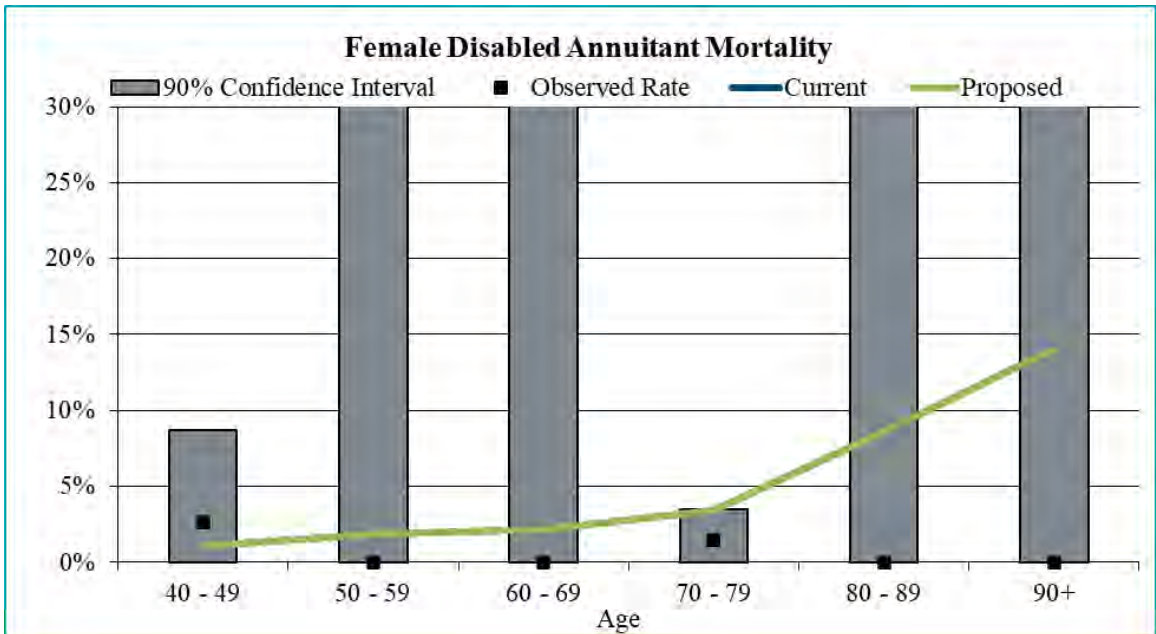
**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M6 – Miscellaneous Disabled Annuitant Female Mortality

Disabled Annuitant Mortality - Base Table for Females								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
40 - 49	23	1	26,280	682	274	274	249%	249%
50 - 59	88	0	97,529	0	1,768	1,768	0%	0%
60 - 69	222	0	330,836	0	7,116	7,116	0%	0%
70 - 79	87	2	110,817	1,626	3,762	3,761	43%	43%
80 - 89	16	0	29,894	0	2,580	2,580	0%	0%
90+	6	0	11,887	0	1,672	1,672	0%	0%
Total	442	3	607,242	2,309	17,171	17,171	13%	13%

Chart III-M6 – Miscellaneous Disabled Annuitant Female Mortality



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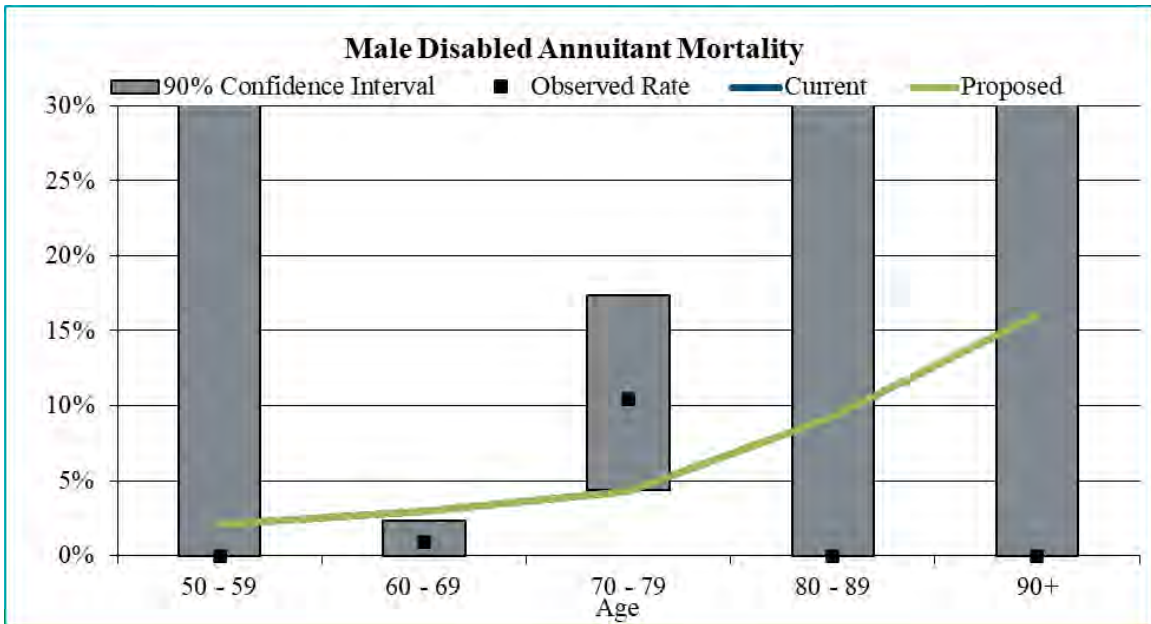
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M7 summarizes our analysis and selection of the base mortality table for male disabled Safety and Probation retirees. As shown in Table III-M7, the current mortality rates for male disabled Safety and Probation retirees are relatively close to recent experience with an aggregate A/E ratio of 80%. We do not propose any change to the current table, and we propose to continue using the same General Pub-2010 Disabled Annuitant Table for females as is used for males.

Table III-M7 – Safety and Probation Disabled Annuitant Male Mortality

Disabled Annuitant Mortality - Base Table for Males								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
50 - 59	119	0	513,615	0	10,623	10,623	0%	0%
60 - 69	87	1	385,297	3,599	11,281	11,281	32%	32%
70 - 79	69	5	228,270	23,823	9,768	9,769	244%	244%
80 - 89	9	0	22,167	0	2,051	2,051	0%	0%
90+	2	0	3,816	0	611	611	0%	0%
Total	286	6	1,153,165	27,422	34,334	34,334	80%	80%

Chart III-M7 – Safety and Probation Disabled Annuitant Male Mortality



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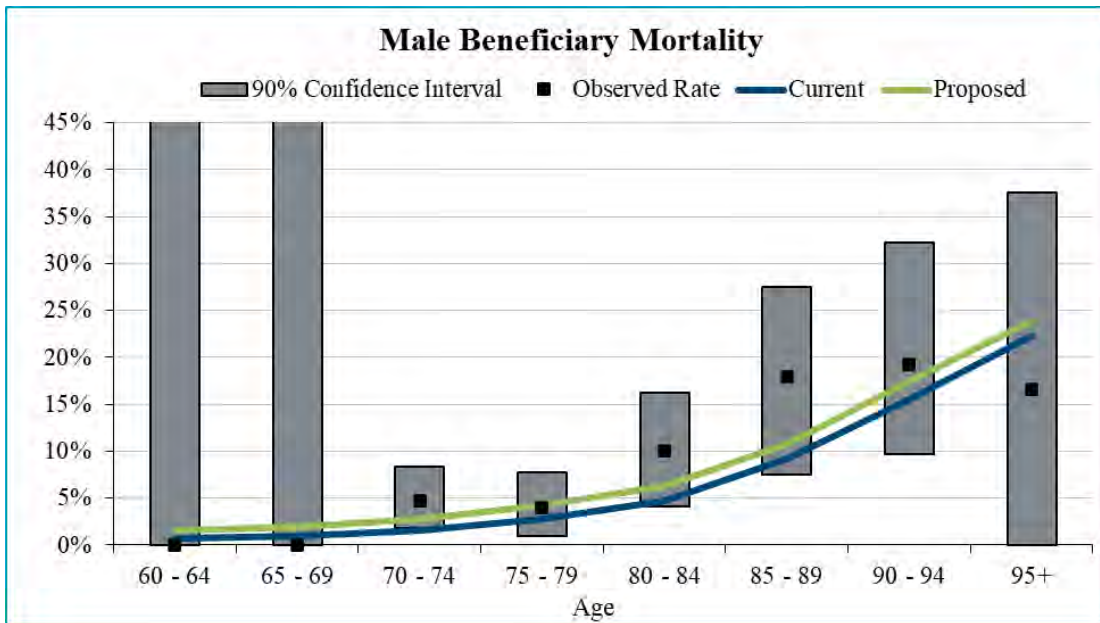
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M8 summarizes our analysis and selection of the base mortality table for male beneficiaries. As shown in Table III-M8, the current mortality table significantly understates actual mortality experience. We recommend changing from the General Pub-2010 Above-Median Mortality Table to the Public General 2010 Amount-Weighted Below-Median Income Contingent Survivor Mortality Table for Males with a 102.5% multiplier applied. As shown in Table III-M8, the proposed mortality rates decrease the aggregate A/E ratio from 154% to 113%.

Table III-M8 – Male Beneficiary Mortality

Beneficiary Mortality - Base Table for Males								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
60 - 64	60	0	64,807	0	448	980	0%	0%
65 - 69	78	0	106,642	0	1,042	2,068	0%	0%
70 - 74	108	2	112,210	5,287	1,778	3,121	297%	169%
75 - 79	104	4	129,060	5,117	3,556	5,430	144%	94%
80 - 84	74	4	67,979	6,865	3,224	4,306	213%	159%
85 - 89	40	8	38,459	6,900	3,519	4,151	196%	166%
90 - 94	31	6	35,190	6,779	5,443	6,123	125%	111%
95 +	8	2	8,322	1,379	1,854	1,984	74%	70%
Total	534	26	599,105	32,327	21,006	28,549	154%	113%

Chart III-M8 – Male Beneficiary Mortality



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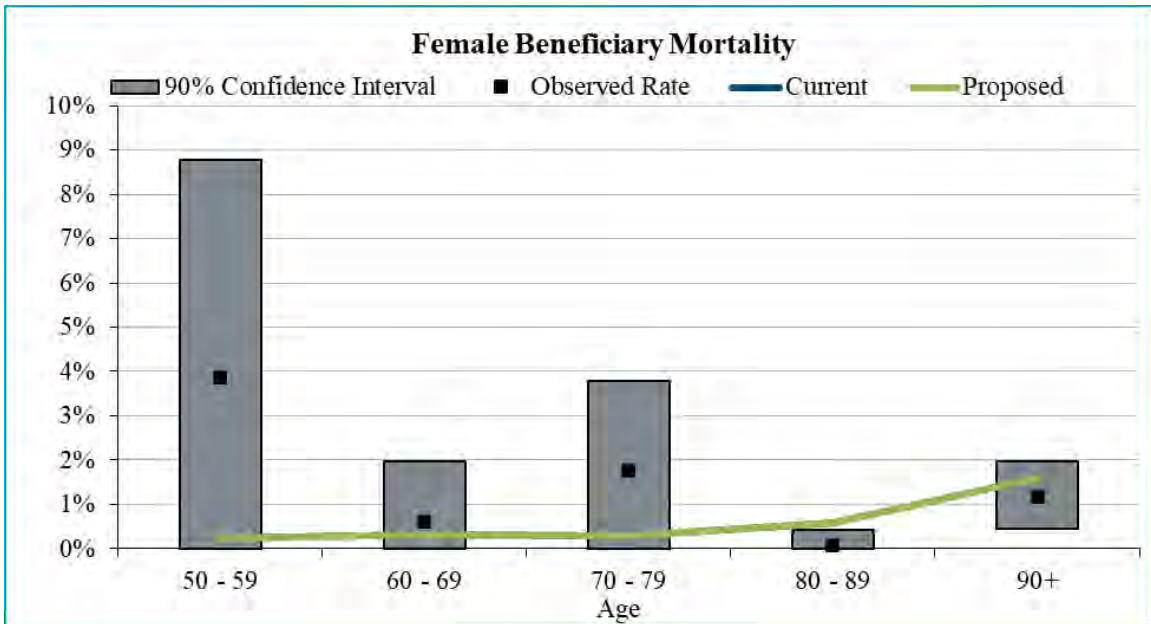
**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

Table III-M9 summarizes our analysis and selection of the base mortality table for female beneficiaries. As shown in Table III-M9, the current mortality rates for female beneficiaries are very close to recent experience with an aggregate A/E ratio of 100%. With experience closely matching the current assumptions, we are not recommending a change from the General Pub-2010 Above-Median Healthy Annuitant Mortality table for Females.

Table III-M9 – Female Beneficiary Mortality

Beneficiary Mortality - Base Table for Females								
Age Band	Exposures	Actual Deaths	Weighted Exposures	Weighted Deaths			A/E Ratios	
				Actual	Current	Proposed	Current	Proposed
50 - 59	159	2	187,097	3,268	552	552	592%	592%
60 - 69	477	1	971,778	798	5,791	5,791	14%	14%
70 - 79	454	7	1,032,022	12,006	16,577	16,577	72%	72%
80 - 89	317	20	598,261	34,972	30,782	30,782	114%	114%
90+	132	24	219,672	38,393	35,734	35,734	107%	107%
Total	1,539	54	3,008,830	89,438	89,436	89,436	100%	100%

Chart III-M9 – Female Beneficiary Mortality



**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
MORTALITY RATES**

We have not shown the data for the disabled Safety and Probation mortality experience for females or for any of the active mortality experience, as the number of deaths is very low and is not enough data to produce sufficiently credible assumptions. Therefore, we have used our professional judgment to propose no changes to the current appropriate base tables based on the respective General and Safety Pub-2010 Above-Median Employee mortality rates for active members according to membership class. In addition, we applied the same generational improvement scales as proposed for all other members.

**SAN LUIS OBISPO COUNTY PENSION TRUST
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**SECTION III – DEMOGRAPHIC ASSUMPTIONS
OTHER DEMOGRAPHIC ASSUMPTIONS**

FAMILY COMPOSITION

The current assumption for percentage married is 70% of active male and 55% of active female SLOCPT members will have beneficiaries eligible for a surviving spouse allowance. This assumption is also applied to determine the number of active members eligible for a pre-retirement surviving spouse death benefit. We do not propose changing the current percentage married assumptions of 70% for males and 55% for females.

The current assumption for age difference of those married for surviving spouse benefits is that male members are assumed to be four years older than their spouses and female members are assumed to be two years younger than their spouses. This information is used to predict spouse age for future retirees. We do not recommend changing the current assumption for males or females as they closely match recent experience.

ADMINISTRATIVE EXPENSES

An explicit administrative expense assumption was adopted by the Board and became effective with the January 1, 2021 actuarial valuation. The administrative expense assumption was set to \$2.3 million, assumed to increase annually at the payroll growth rate. With the assumed payroll growth rate of 3.00% for the 2022 and 2023 valuations, an assumption of \$2,440,000 for administrative expenses was included in the annual cost calculation in the January 1, 2023 actuarial valuation.

The actual administrative expenses for fiscal year 2023 were \$3,085,209. The average expenses over the last three years, indexed with actual inflation and adjusting for assumed expense growth equal to payroll growth, were \$3,000,000. We recommend assumed administrative expenses of \$3,000,000 for fiscal year 2024.

Administrative expenses are assumed to increase annually at the payroll growth rate of 3.00%.

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APPENDIX A – SUMMARY OF PROPOSED ASSUMPTIONS

The proposed assumptions are listed below. The assumptions are based on this experience study covering the period from January 1, 2017 through December 31, 2023.

1. Investment Rate of Return

Assets are assumed to earn 6.75% net of investment expenses.

2. Administrative Expenses

Administrative expenses are assumed to be \$3,000,000 for the next year. Administrative expenses are assumed to increase by the payroll growth assumption each year.

3. Price Inflation

The price inflation assumption as measured by the Consumer Price Index (CPI) is assumed to increase at the rate of 2.50% per year. The price inflation assumption is used for increasing the compensation limit that applies to Tier 3 (PEPRA) members.

4. Cost-of-Living Adjustment (COLA) Growth

The Cost-of-Living Adjustment (COLA) growth assumption for Tier 1 members is assumed price inflation plus an additional 0.25% “California” adjustment.

Tier 1 retired members with COLA banks are assumed to receive an additional 0.25% COLA for a total of 3.00% per year (2.75% plus 0.25% from the COLA banks) until their COLA banks are exhausted, then 2.75% thereafter.

For Tier 2 and Tier 3 members the COLA growth assumption is 2.0%.

5. Internal Revenue Code Section 415 Limit

The Internal Revenue Code Section 415 maximum benefit limitations are not reflected in the valuation for funding purposes. Any limitation is reflected in a member’s benefit after retirement.

6. Internal Revenue Code Section 401(a)(17)

The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes. Any limitation is reflected in a member’s benefit after retirement.

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APPENDIX A – SUMMARY OF PROPOSED ASSUMPTIONS

7. Interest on Member Contributions

The annual credited interest rate on member contributions is assumed to be 5.75%. The actual crediting rate was changed to 5.75% at the November 2021 Board meeting, with Additional Contributions crediting rate changed to 4.60% at the November 2023 Board meeting.

8. Family Composition

Percentage married for all active members who retire, become disabled, or die during active service is shown in the table below. Male members are assumed to be four years older than their spouses and female members are assumed to be two years younger than their spouses.

Percentage Married	
Gender	Percentage
Males	70%
Females	55%

9. Payroll Growth

Price inflation component: 2.50%
Productivity increase component: 0.50%
Total Payroll Growth: 3.00%

**SAN LUIS OBISPO COUNTY PENSION TRUST
EXPERIENCE STUDY REPORT AS OF DECEMBER 31, 2023**

APPENDIX A – SUMMARY OF PROPOSED ASSUMPTIONS

10. Increases in Pay – Wage Inflation and Merit Salary Increases

Price inflation component: 2.50%
 Productivity increase component: 0.50%
 Wage inflation assumption: 3.00%

Additional Merit component based on service:

Miscellaneous Merit Increases		Safety and Probation Merit Increases	
Service	Rate	Service	Rate
0	5.75%	0	5.00%
1	5.00%	1	4.00%
2	4.25%	2	3.50%
3	3.25%	3	2.50%
4	2.50%	4	2.00%
5	1.50%	5	1.00%
6	1.25%	6	0.75%
7	1.00%	7	0.75%
8	0.75%	8	0.75%
9	0.50%	9	0.75%
10	0.50%	10	0.50%
11	0.50%	11	0.50%
12	0.50%	12	0.50%
13	0.50%	13	0.50%
14	0.50%	14	0.50%
15	0.50%	15	0.50%
16	0.50%	16	0.50%
17	0.50%	17	0.50%
18	0.50%	18	0.50%
19	0.50%	19	0.50%
20	0.50%	20	0.50%
21	0.50%	21	0.50%
22	0.50%	22	0.50%
23	0.50%	23	0.50%
24	0.50%	24	0.50%
25+	0.00%	25+	0.00%

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APPENDIX A – SUMMARY OF PROPOSED ASSUMPTIONS

11. Rates of Termination

Sample rates of termination are shown in the following table below.

Rates of Vested Termination		
Service	Miscellaneous	Safety/Probation
0	0.00%	0.00%
1	0.00%	0.00%
2	0.00%	0.00%
3	0.00%	0.00%
4	0.00%	0.00%
5	6.00%	3.50%
6	5.75%	3.25%
7	5.50%	3.00%
8	5.25%	2.75%
9	5.00%	2.50%
10	4.75%	2.50%
11	4.50%	2.50%
12	4.25%	1.50%
13	4.00%	1.50%
14	3.75%	1.50%
15	3.50%	1.50%
16	3.25%	1.50%
17	3.00%	1.50%
18	2.75%	1.50%
19	2.50%	1.50%
20	2.00%	1.50%
21	1.50%	1.50%
22	1.00%	1.50%
23	1.00%	1.50%
24	1.00%	1.50%
25	1.00%	0.00%
26	1.00%	0.00%
27	1.00%	0.00%
28	1.00%	0.00%
29	1.00%	0.00%
30	1.00%	0.00%
31	1.00%	0.00%
32+	0.00%	0.00%

**Termination rates do not apply once member is eligible for retirement*

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APPENDIX A – SUMMARY OF PROPOSED ASSUMPTIONS

12. Rates of Withdrawal

Rates of withdrawal apply to active members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future benefits.

Rates of Withdrawal		
Service	Miscellaneous	Safety/Probation
0	20.00%	10.00%
1	14.25%	8.00%
2	11.25%	6.00%
3	9.00%	5.00%
4	5.75%	4.00%
5	1.75%	3.00%
6	1.50%	2.00%
7	1.25%	1.00%
8	0.50%	1.00%
9	0.50%	1.00%
10	0.50%	1.00%
11	0.50%	1.00%
12	0.50%	1.00%
13	0.50%	1.00%
14	0.50%	1.00%
15	0.50%	1.00%
16	0.50%	0.00%
17	0.50%	0.00%
18	0.50%	0.00%
19	0.50%	0.00%
20	0.50%	0.00%
21	0.50%	0.00%
22	0.50%	0.00%
23	0.50%	0.00%
24	0.50%	0.00%
25+	0.00%	0.00%

13. Reciprocal Transfers

35% of vested terminated members that leave their member contributions on deposit with the Trust are assumed to be reciprocal transfers.

Reciprocal members are assumed to remain with the reciprocal agency until retirement, and receive annual salary increases of 3.00%.

**SAN LUIS OBISPO COUNTY PENSION TRUST
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APPENDIX A – SUMMARY OF PROPOSED ASSUMPTIONS

14. Rates of Disability

Miscellaneous member rates are based on the 2021 CalPERS Public Agency County Peace Officers Non-Industrial Disability table.

Safety and Probation member rates are based on the 2021 CalPERS State Police Officers and Firefighters Total Disability table.

Representative disability rates of active participants are shown below.

Rates of Disability		
Age	Miscellaneous	Safety and Probation
20	0.009%	0.069%
25	0.009%	0.117%
30	0.011%	0.197%
35	0.034%	0.319%
40	0.059%	0.504%
45	0.112%	0.766%
50	0.160%	1.125%
55	0.085%	1.585%
60	0.051%	2.154%
65	0.051%	2.847%

All disabilities for Safety members are assumed to be service-related industrial disabilities and no disabilities for Miscellaneous and Probation members are assumed to be service-related industrial disabilities.

APPENDIX A – SUMMARY OF PROPOSED ASSUMPTIONS

15. Rates of Mortality for Healthy Lives

Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Amount-Weighted Above-Median Income Employee Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

Mortality rates for Safety and Probation active members are based on the sex distinct Public Safety 2010 Amount-Weighted Above-Median Income Employee Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

Mortality rates for healthy Miscellaneous annuitants are based on the sex distinct Public General 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, with a 95% multiplier for males and a 97.5% multiplier for females, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

Mortality rates for healthy Safety and Probation annuitants are based on the sex distinct Public Safety 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, without adjustment, with generational improvements projected from 2010 using Projection Scale MP-2021.

Mortality rates for all male beneficiaries are based on the sex distinct Public General 2010 Amount-Weighted Below-Median Income Contingent Survivor Mortality Table, with a 102.5% multiplier, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

Mortality rates for all female beneficiaries are based on the sex distinct Public General 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

16. Rates of Mortality for Disabled Lives

Mortality rates for all disabled members are based on the sex distinct Public General 2010 Amount-Weighted Disabled Retiree Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

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APPENDIX A – SUMMARY OF PROPOSED ASSUMPTIONS

17. Rates of Retirement

Rates of retirement are based on age and service according to the following tables.

Rates of Retirement for Years of Service Less Than 25						
Age	Tier 1			Tiers 2 and 3		
	Miscellaneous	Probation	Safety	Miscellaneous	Probation	Safety
50	3.00%	2.00%	20.00%	3.00%	1.00%	5.00%
51	4.00%	2.00%	20.00%	3.00%	1.00%	5.00%
52	5.00%	2.00%	15.00%	3.00%	1.00%	5.00%
53	5.00%	2.00%	15.00%	3.00%	1.00%	5.00%
54	7.50%	20.00%	30.00%	5.00%	5.00%	5.00%
55	7.50%	20.00%	30.00%	5.00%	5.00%	10.00%
56	7.50%	20.00%	15.00%	5.00%	5.00%	10.00%
57	7.50%	20.00%	15.00%	5.00%	10.00%	10.00%
58	7.50%	7.50%	15.00%	5.00%	7.50%	8.25%
59	10.00%	7.50%	35.00%	5.00%	7.50%	11.25%
60	12.50%	7.50%	35.00%	10.00%	7.50%	15.00%
61	15.00%	7.50%	35.00%	10.00%	7.50%	18.75%
62	20.00%	7.50%	35.00%	15.00%	7.50%	20.00%
63	25.00%	7.50%	35.00%	15.00%	7.50%	20.00%
64	30.00%	7.50%	35.00%	20.00%	7.50%	20.00%
65	35.00%	100.00%	100.00%	20.00%	100.00%	100.00%
66	35.00%			20.00%		
67	35.00%			20.00%		
68	35.00%			20.00%		
69	35.00%			20.00%		
70+	100.00%			100.00%		

Rates of Retirement for 25 or more Years of Service						
Age	Tier 1			Tiers 2 and 3		
	Miscellaneous	Probation	Safety	Miscellaneous	Probation	Safety
50	5.00%	5.00%	50.00%	3.00%	2.50%	5.00%
51	5.00%	5.00%	25.00%	3.00%	2.50%	5.00%
52	5.00%	5.00%	25.00%	3.00%	2.50%	5.00%
53	5.00%	5.00%	40.00%	3.00%	2.50%	5.00%
54	10.00%	20.00%	40.00%	5.00%	10.00%	5.00%
55	10.00%	35.00%	40.00%	10.00%	10.00%	15.00%
56	10.00%	35.00%	40.00%	10.00%	10.00%	15.00%
57	17.50%	35.00%	40.00%	10.00%	15.00%	15.00%
58	17.50%	20.00%	40.00%	10.00%	10.00%	10.00%
59	17.50%	20.00%	40.00%	10.00%	10.00%	12.50%
60	30.00%	15.00%	40.00%	15.00%	10.00%	18.00%
61	40.00%	15.00%	40.00%	15.00%	10.00%	20.00%
62	40.00%	20.00%	40.00%	20.00%	20.00%	30.00%
63	40.00%	20.00%	40.00%	20.00%	20.00%	30.00%
64	40.00%	20.00%	40.00%	25.00%	20.00%	30.00%
65	40.00%	100.00%	100.00%	25.00%	100.00%	100.00%
66	40.00%			25.00%		
67	40.00%			25.00%		
68	40.00%			25.00%		
69	40.00%			25.00%		
70+	100.00%			100.00%		

Miscellaneous Vested Terminated and Reciprocal members are assumed to retire at the later of age 60 or attained age. Safety and Probation Vested Terminated and Reciprocal members are assumed to retire at the later of age 55 or attained age.

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APPENDIX B – SUMMARY OF PRIOR ASSUMPTIONS

The investment rate of return and administrative expenses assumptions were adopted by the Board at their May 24, 2021 meeting, based on the information presented by Cheiron and the Trust's investment consultant (Verus) updated capital market assumptions. The other assumptions reflect the results of an Experience Study performed by Cheiron, covering the period from January 1, 2017 through December 31, 2021, and adopted by the Board at their May 23, 2022 meeting for the January 1, 2022 actuarial valuation. More details on the rationale for these assumptions can be found in the Actuarial Experience Study dated June 2, 2022.

1. Investment Rate of Return

Assets are assumed to earn 6.75% net of investment expenses.

2. Administrative Expenses

Administrative expenses are assumed to be \$2,440,000 for the next year. Administrative expenses are assumed to increase by the assumed payroll growth rate of 3.00% each year.

3. Price Inflation

The price inflation as measured by the Consumer Price Index (CPI) is assumed to increase at the rate of 2.50% per year. The price inflation assumption is used for increasing the compensation limit that applies to Tier 3 (PEPRA) members.

4. Cost-of-Living Adjustment (COLA) Growth

The COLA growth assumption for Tier 1 members is assumed price inflation plus an additional 0.25% "California" adjustment. For Tier 2 and Tier 3 members the COLA growth assumption is 2.0%.

5. Internal Revenue Code Section 415 Limit

The Internal Revenue Code Section 415 maximum benefit limitations are not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

6. Internal Revenue Code Section 401(a)(17)

The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

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APPENDIX B – SUMMARY OF PRIOR ASSUMPTIONS

7. Interest on Member Contributions

The annual credited interest rate on member contributions is assumed to be 5.75%. The actual crediting rate was changed to 5.75% at the November 2021 Board meeting, with Additional Contributions credited at 0.98%.

8. Family Composition

Percentage married for all active members who retire, become disabled, or die during active service is shown in the table below. Male members are assumed to be four years older than their spouses and female members are assumed to be two years younger than their spouses.

Percentage Married	
Gender	Percentage
Males	70%
Females	55%

9. Payroll Growth

Price inflation component: 2.50%
Productivity increase component: 0.50%
Total Payroll Growth: 3.00%

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APPENDIX B – SUMMARY OF PRIOR ASSUMPTIONS

10. Increases in Pay

Price inflation component: 2.50%
 Productivity increase component: 0.50%
 Wage inflation assumption: 3.00%

Additional Merit component based on service:

Miscellaneous Merit Increases		Safety Merit Increases	
Service	Rate	Service	Rate
0	5.25%	0	5.25%
1	5.00%	1	4.50%
2	4.00%	2	4.00%
3	3.00%	3	3.00%
4	2.00%	4	2.00%
5	1.00%	5	1.00%
6	0.50%	6	0.75%
7	0.50%	7	0.75%
8	0.50%	8	0.75%
9	0.50%	9	0.75%
10	0.20%	10	0.40%
11	0.20%	11	0.40%
12	0.20%	12	0.40%
13	0.20%	13	0.40%
14	0.20%	14	0.40%
15	0.20%	15	0.40%
16	0.20%	16	0.40%
17	0.20%	17	0.40%
18	0.20%	18	0.40%
19	0.20%	19	0.40%
20	0.20%	20	0.25%
21+	0.00%	21	0.25%
		22	0.25%
		23	0.25%
		24	0.25%
		25+	0.00%

Increases are compound rather than additive.

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APPENDIX B – SUMMARY OF PRIOR ASSUMPTIONS

11. Rates of Termination

Sample rates of termination are shown in the following table below.

Rates of Vested Termination		
Service	Miscellaneous	Safety/Probation
0	0.00%	0.00%
1	0.00%	0.00%
2	0.00%	0.00%
3	0.00%	0.00%
4	0.00%	0.00%
5	5.50%	2.75%
6	5.00%	2.50%
7	4.50%	2.25%
8	4.25%	2.25%
9	4.00%	2.25%
10	3.75%	2.00%
11	3.50%	2.00%
12	3.25%	1.50%
13	3.00%	1.50%
14	3.00%	1.50%
15	3.00%	1.50%
16	2.75%	1.50%
17	2.75%	1.25%
18	2.50%	1.25%
19	2.50%	1.25%
20	2.00%	1.25%
21	1.50%	1.25%
22	1.50%	1.25%
23	1.50%	1.25%
24	1.50%	1.25%
25	1.50%	1.00%
26	1.50%	1.00%
27	1.50%	1.00%
28	1.50%	1.00%
29	1.50%	1.00%
30	1.50%	0.00%
31	1.50%	0.00%
32	1.50%	0.00%
33	1.50%	0.00%
34	1.50%	0.00%
35+	0.00%	0.00%

**Termination rates do not apply once member is eligible for retirement*

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12. Rates of Withdrawal

Rates of withdrawal apply to active members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future benefits.

Rates of Withdrawal		
Service	General	Safety
0	20.00%	10.00%
1	15.00%	8.00%
2	12.00%	6.00%
3	10.00%	5.00%
4	6.00%	4.00%
5	2.00%	3.00%
6	1.75%	2.00%
7	1.75%	1.00%
8	1.50%	1.00%
9	1.00%	1.00%
10	1.00%	1.00%
11	1.00%	1.00%
12	0.50%	1.00%
13	0.50%	1.00%
14	0.50%	1.00%
15	0.50%	1.00%
16	0.50%	0.00%
17	0.50%	0.00%
18	0.50%	0.00%
19	0.50%	0.00%
20	0.50%	0.00%
21	0.50%	0.00%
22	0.50%	0.00%
23	0.50%	0.00%
24	0.50%	0.00%
25	0.00%	0.00%
26	0.00%	0.00%
27	0.00%	0.00%
28	0.00%	0.00%
29	0.00%	0.00%
30+	0.00%	0.00%

13. Reciprocal Transfers

30% of vested terminated members that leave their member contributions on deposit with the Trust are assumed to be reciprocal transfers.

Reciprocal members are assumed to remain with the reciprocal agency until retirement, and receive annual salary increases of 3.00%.

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APPENDIX B – SUMMARY OF PRIOR ASSUMPTIONS

14. Rates of Disability

Representative disability rates of active participants are shown below.

Rates of Disability		
Age	Miscellaneous	Safety and Probation
25 or less	0.010%	0.030%
26	0.010%	0.050%
27	0.010%	0.070%
28	0.010%	0.090%
29	0.010%	0.110%
30	0.010%	0.130%
31	0.015%	0.150%
32	0.020%	0.170%
33	0.025%	0.190%
34	0.030%	0.210%
35	0.035%	0.230%
36	0.040%	0.250%
37	0.045%	0.270%
38	0.050%	0.290%
39	0.055%	0.310%
40	0.060%	0.330%
41	0.065%	0.350%
42	0.070%	0.370%
43	0.075%	0.390%
44	0.080%	0.410%
45	0.085%	0.430%
46	0.090%	0.450%
47	0.095%	0.470%
48	0.100%	0.490%
49	0.105%	0.510%
50	0.110%	0.530%
51	0.115%	0.550%
52	0.120%	0.570%
53	0.125%	0.590%
54	0.130%	0.610%
55	0.135%	0.630%
56	0.140%	0.650%
57	0.145%	0.670%
58	0.150%	0.690%
59	0.155%	0.710%
60	0.160%	0.730%
61	0.165%	0.750%
62	0.170%	0.770%
63	0.175%	0.790%
64	0.180%	0.810%
65 or more	0.000%	0.000%

All disabilities for Safety members are assumed to be service-related industrial disabilities and no disabilities for Miscellaneous and Probation members are assumed to be service-related industrial disabilities.

APPENDIX B – SUMMARY OF PRIOR ASSUMPTIONS

15. Rates of Mortality for Healthy Lives

Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Amount-Weighted Above-Median Income Employee Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

Mortality rates for Safety and Probation active members are based on the sex distinct Public Safety 2010 Amount-Weighted Above-Median Income Employee Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

Mortality rates for healthy Miscellaneous annuitants and all beneficiaries are based on the sex distinct Public General 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

Mortality rates for healthy Safety and Probation annuitants are based on the sex distinct Public Safety 2010 Amount-Weighted Above-Median Income Retiree Mortality Table, without adjustment, with generational improvements projected from 2010 using Projection Scale MP-2021.

16. Rates of Mortality for Disabled Lives

Mortality rates for all disabled members are based on the sex distinct Public General 2010 Amount-Weighted Disabled Retiree Mortality Table, without adjustment, with generational mortality improvements projected from 2010 using Projection Scale MP-2021.

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APPENDIX B – SUMMARY OF PRIOR ASSUMPTIONS

17. Rates of Retirement

Rates of retirement are based on age, group, and tier according to the following table.

Rates of Retirement for YOS Less Than 25						
Age	Tier 1			Tiers 2 and 3		
	Miscellaneous	Probation	Safety	Miscellaneous	Probation	Safety
50	2.00%	5.00%	15.00%	1.00%	2.50%	6.75%
51	2.00%	5.00%	15.00%	1.00%	2.50%	6.75%
52	3.00%	5.00%	15.00%	2.00%	2.50%	7.50%
53	3.00%	5.00%	15.00%	2.00%	2.50%	7.50%
54	5.00%	15.00%	25.00%	3.00%	5.00%	7.50%
55	5.00%	25.00%	40.00%	3.00%	5.00%	7.50%
56	5.00%	25.00%	30.00%	3.00%	5.00%	7.50%
57	5.00%	20.00%	20.00%	3.00%	10.00%	7.50%
58	5.00%	7.50%	12.00%	3.00%	7.50%	8.25%
59	5.00%	7.50%	18.00%	3.00%	7.50%	11.25%
60	10.00%	10.00%	25.00%	8.00%	7.50%	15.00%
61	15.00%	10.00%	30.00%	8.00%	7.50%	18.75%
62	20.00%	15.00%	40.00%	15.00%	15.00%	22.50%
63	20.00%	15.00%	50.00%	15.00%	15.00%	30.00%
64	30.00%	15.00%	75.00%	20.00%	15.00%	45.00%
65	35.00%	100.00%	100.00%	20.00%	100.00%	100.00%
66	35.00%			20.00%		
67	35.00%			20.00%		
68	35.00%			20.00%		
69	35.00%			20.00%		
70+	100.00%			100.00%		

Rates of Retirement for YOS 25 or More						
Age	Tier 1			Tiers 2 and 3		
	Miscellaneous	Probation	Safety	Miscellaneous	Probation	Safety
50	3.50%	7.50%	25.00%	1.75%	5.00%	12.00%
51	3.50%	7.50%	25.00%	1.75%	5.00%	12.00%
52	3.50%	7.50%	20.00%	2.50%	5.00%	12.00%
53	3.50%	7.50%	20.00%	2.50%	5.00%	12.00%
54	7.00%	15.00%	30.00%	5.50%	10.00%	12.00%
55	7.00%	35.00%	40.00%	5.50%	10.00%	12.00%
56	7.00%	25.00%	40.00%	6.00%	10.00%	12.00%
57	15.00%	25.00%	30.00%	10.00%	15.00%	12.00%
58	15.00%	12.00%	20.00%	10.00%	10.00%	10.00%
59	15.00%	12.00%	20.00%	10.00%	10.00%	12.50%
60	20.00%	15.00%	30.00%	15.00%	10.00%	18.00%
61	25.00%	15.00%	35.00%	15.00%	10.00%	20.00%
62	25.00%	20.00%	50.00%	20.00%	20.00%	30.00%
63	25.00%	20.00%	50.00%	20.00%	20.00%	30.00%
64	40.00%	20.00%	75.00%	25.00%	20.00%	45.00%
65	40.00%	100.00%	100.00%	25.00%	100.00%	100.00%
66	40.00%			25.00%		
67	40.00%			25.00%		
68	40.00%			25.00%		
69	40.00%			25.00%		
70+	100.00%			100.00%		

Tier 1 Reserve Members are assumed to retire at the later of age 55 or attained age. All other Reciprocal and Reserve members are assumed to retire at the later of age 60 or attained age.



Classic Values, Innovative Advice

Board of Trustees

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Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 8: 2024 Actuarial Assumptions Approval

Recommendation:

Following the receipt and discussion of SLOOPT's Actuary's findings from the 2024 Actuarial Experience Study (Item 7 on the agenda), direct the Actuary to use the following changes in Actuarial Assumptions in the preparation of the 2024 annual Actuarial Valuation -

	2023 Valuation	Recommended for 2024 Valuation <i>Changes highlighted</i>
Rate of Return		
Inflation	2.50%	2.50%
Real Rate of Return	<u>4.25%</u>	<u>4.25%</u>
Earnings Assumption & Discount Rate	6.75%	6.75%
Administrative Expenses	\$2.3 million/year + annual increases at 3.00%	\$3.0 million/year +annual increases at 3.00%

	2023 Valuation	Recommended for 2024 Valuation <i>Changes highlighted</i>
Retiree COLAs		
Tier 1	2.75% <i>(price inflation + 0.25%)</i>	2.750% <i>(price inflation + 0.25%)</i> <i>(Existing COLA banks factored into liability, recalibrated each year with actual experience)</i>
Tiers 2 & 3 (max.)	2.00%	2.00%
Interest on Member Contributions	5.75%	5.75%
Family Composition (% married)	70% Males 55% Females	70% Males 55% Females
Payroll Growth & Wage Inflation		
Price Inflation	2.50%	2.50%
Productivity Increase	<u>0.50%</u> 3.00%	<u>0.50%</u> 3.00%
Salary Increase	3.00% + merit <i>3.00% wage inflation + Separate merit rate for Misc. and Safety/Probation, higher increases for members with less than 7 years of service</i>	3.00% + merit <i>3.00% wage inflation + Separate merit rate for Misc. and Safety/Probation, higher increases for members with less than 7 years of service (overall increase to merit component piece)</i>
Termination/Withdrawal	Service-based	Service-based <i>(overall increase to vested termination rates, decrease to Miscellaneous withdrawal rates)</i>
Reciprocal Transfers		
% of non-active Members	30.00%	35%

	2023 Valuation	Recommended for 2024 Valuation <i>Changes highlighted</i>
<p>Rates of Disability</p> <p>Disability - Miscellaneous</p> <p>Disability - Safety and Probation</p>	<p><i>see report for details</i></p>	<p>CalPERS Public Agency County Peace Officers Non-Industrial disability table</p> <p>CalPERS State Police Officers and Firefighters total disability table</p>
<p>Rates of Retirement</p> <p>Assumed Inactive/Reserve Retirement Age</p>	<p>Separate rates for members with less than 25 years of service and members with more</p> <p>Also adjusted based on actual experience</p> <p>Tier 1: later of age 55 or attained age</p> <p>All others: later of age 60 or attained age</p>	<p>Separate rates for members with less than 25 years of service and members with more</p> <p>Slight increase in retirement rates for most groups, significant increase in retirement rates for Safety and Probation members with 25+ years of service, slight decrease in retirement rates for Probation members with less than 25 years of service</p> <p>Also adjusted based on actual experience</p> <p>Miscellaneous: later of age 60 or attained age</p> <p>Safety/Probation: later of age 55 or attained age</p>

	2023 Valuation	Recommended for 2024 Valuation <i>Changes highlighted</i>
Mortality - Healthy Lives		
Active members – Miscellaneous	Pub-2010 General Above-Median Employee table	Pub-2010 General Above-Median Employee table
Active members – Safety and Probation	Pub-2010 Safety Above-Median Employee table	Pub-2010 Safety Above-Median Employee table
Retirees – Miscellaneous	Pub-2010 General Above-Median Healthy Retiree table, without adjustments	Pub-2010 General Above-Median Healthy Retiree table, with 95% Male / 97.5% Female adjustments
Retirees – Safety and Probation	Pub-2010 Safety Above-Median Annuitant table, without adjustment	Pub-2010 Safety Above-Median Annuitant table, without adjustment
Beneficiaries	Pub-2010 General Above-Median Healthy Retiree table, without adjustments	Males: Pub-2010 General Below- Median Contingent Survivor table, with 102.5% adjustment Females: Pub-2010 General Above- Median Healthy Retiree table, without adjustments
Mortality Improvement Projection Scale	MP-2021	MP-2021
Mortality - Disabled Lives	Pub-2010 General Disabled Annuitant Table	Pub-2010 General Disabled Annuitant Table

Discussion:

It is the policy of SLOCPT to have an annual Actuarial Valuation to assist in setting the total level of contributions necessary to fund the retirement system – the Total Combined Actuarially Determined Contribution (Total ADC). In support of that annual Actuarial Valuation, SLOCPT conducts a biennial Actuarial Experience Study to ensure future projections are consistent with experience and are realistic. In these Experience Studies the Actuary analyzes the prior years of Plan demographic and financial experience to determine what actuarial assumptions should be recommended to the Board of Trustees for use in the annual Actuarial Valuation.

It has been the practice of SLOCPT to change major actuarial assumptions (if change is warranted) on a biennial basis in conjunction with the Actuarial Experience Study and in a coordinated manner. For example, changes in expected inflation have an impact on multiple assumptions – Earnings, Salary Growth, Retiree COLAs – so logically those changes should be made at the same time.

Based on the 2024 Actuarial Experience Study, SLOCPT’s Actuary recommends changes to the major assumptions noted above. These assumptions will determine the resulting Actuarially Determined Contribution (ADC) rate to be presented to the Board in June.

Board of Trustees

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Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 9: Administrative and Capital Expenditures Budget for Fiscal Year 2024-2025

Recommendation:

It is recommended that the Board of Trustees approve the Proposed Administrative Budget and Capital Expenditures Budget for the Fiscal Year 2024-2025 (“FY24/25”) (Attachments A, B, C, and D).

Discussion:

Minor revisions of the previously presented draft budget have been incorporated in the Proposed Administrative budget based on updated projections affecting other expenses. Additionally, the Capital Expenditure budget now includes costs associated with a new security system for SLOCPT’s office spaces.

The expense categories presented in the attached **Proposed Administrative Budget** for the FY24/25 have been updated based upon varied assumptions, prior year experiences and staff’s best estimates of future events. **Overall staff believes a 1.3% decrease in the total budgeted amount when compared to the Fiscal Year 2023-2024 Administrative Budget is appropriate. This represents a \$46,000 decrease compared to the prior year from \$3.511 million to \$3.465 million including a 5% contingency.**

Staff’s basis for components of this change are further detailed in the sections below. This proposed amount represents 0.20% of the total unaudited Net Position of SLOCPT as of December 31, 2023.

- **Investment Expense (discretionary)** – Expense includes Investment Consultant (Verus – a flat rate contract) and Custodian Bank (JP Morgan – contract and market value dependent) fees (does not include Investment Management fees). The calculation of total predicted expenses uses assumptions based on the unaudited market value of investment assets as of 12/31/2023 where appropriate and adds a 7.4% investment return that was taken from Verus’ Capital Market Expectations report presented at the February Board meeting. The decrease in estimated costs is due to the closure of the Blackrock Core Bond Fund in 2023. As an actively managed account, quarterly Custody fees were around \$25k.

- **Personnel Services** – (see Attachment B) Includes all expenses related to SLOCPT’s staff. Assumes the following:
 - a) 2.5% increase in salaries for FY24-25 (based on the County’s 2022 resolution approving wage increase for the SLOCPT benchmarked positions),
 - b) payroll tax rates will stay consistent with 2024 rates currently in place,
 - c) cafeteria benefit of \$11,700 (employee only), \$15,000 (employee +1) and \$18,600 (family) annually per eligible employee (benchmarked to County positions in Bargain Units 7 & 11 and pro-rated for part-time employees),
 - d) employer pension rate increase of 0.43% effective with the pay period including 7/1/24,
 - e) applicable salary step increases and promotions for Staff deemed eligible (all current Staff, except for the Executive Director, are at Step Six in this budget cycle),
 - f) \$500 matched contribution to employees’ deferred compensation account (benchmarked to County positions in Bargain Units 7 & 11),
 - g) \$500 Wellness and Development reimbursement (benchmarked to County positions in Bargain Units 7 & 11), and
 - h) estimated leave accrual increases.

Note: Salary ranges presented in Attachment B do not include the estimated 2.5% prevailing wage increase. However, the 2.5% increase is included in the overall Administrative Budget presented in Attachment A.

- **Professional Services** –
 - Accounting & Auditing: Based on the current contract with Brown Armstrong (SLOCPT’s annual financial statement audit firm). The 2023 Audit is the first of the current 3-year engagement with Brown Armstrong.
 - Actuarial: Based on the 2021 contract with Cheiron (SLOCPT’s Actuary). Also includes an estimate of expected costs relating to additional Actuarial services performed throughout the year. The decrease in expense is attributable to the removal of the biennial Experience Study for the upcoming fiscal year.
 - Legal: Based on General Counsel Retainer and legal consultation relating to investment contracts, tax qualification, and disability hearings. Future

unforeseen legal expenses will be handled with either a Board-approved budget amendment or the use of contingency funds.

- Medical Evaluations – Disabilities: Assumes costs associated with medical review services to be performed by MMRO including costs for Independent Medical Exams (IMEs) or Independent Psychiatric Exams (IPEs) as necessary.
 - Human Resources Consulting: Based on estimated costs associated with services provided by the County’s Human Resources Department.
 - Information Technology Services: Includes expenses related to PensionGold software system maintenance (per contract), IT services provided by the County, and other expenses related to IT development. The increase in budgeted expenses is related to the proposed development of a new public-facing SLOCPT website.
 - Banking & Payroll: Includes estimated banking fees for SLOCPT’s two banking relationships (US Bank and Pacific Premier) and fees associated with payroll services provided by Paychex.
 - Other Professional Services: Based on estimated expenses for professional services not related to the categories listed above. The decrease in expense is related to a one-time cost of \$35,000 for the Executive Recruitment firm engaged to assist in the 2023 hiring of the new Executive Director.
- **Other Expenses –**
 - Trustee Election Expenses: County Clerk Recorder fees related to annual Trustee elections. The actual cost will be lower if there is an uncontested candidacy.
 - Insurance: Includes Fiduciary, General, Property, and Cyber Liability coverages. The estimate is based on the current year’s expenses plus 5.0%. The decreased costs experienced in FY23/24 can be attributed to a reaction to the steep inflation in Cyber Liability coverage experienced in FY22/23, which was an industry-wide event after the global pandemic.
 - Building & Maintenance: Estimate based on current year expenses. Totals include expenses such as janitorial services, building utilities, and landscape maintenance. Additional costs for building repairs performed in FY23/24 (which included water damage for an exterior closet and gutter repair) have contributed to the overall decrease.
 - Office Expense: Expense includes general office supplies and printing and mailing services provided by ASAP Reprographics. The increase is due to Staff’s proposal to include value-added products in the next budget cycle.

- Memberships & Publications: Includes industry specific memberships and publications.
 - Postage: Estimate based on current year expenses.
 - Communications: Includes costs associated with telephone services provided by County IT. The estimate is based on a County-supplied budget document.
 - Training & Travel: The increase this year is mainly due to the addition of the Board Smart system (see Attachment C).
 - Information Technology: Expense includes all purchases relating to tangible IT equipment. Assumes staggered four-year replacement cycle for office and WFH/travel computers.
 - Equipment: Includes expenses associated with copier and office furniture purchases.
 - Bad Debt Expense: This category will not be budgeted for but may see an expense from time to time. It is directly tied to benefit overpayments relating to late death notifications that were uncollectable.
- **Contingencies** – 5% of total budget to be used for unexpected expenses.
 - **Capital Expenditures** – (see Attachment D) To plan for and obtain approval for costs that would be capitalized. These costs will be directly related to large elective software replacements/upgrades/improvements, building improvements, and large equipment purchases. Since these costs are typically depreciated over their useful lives on SLOCPT’s income statement, Staff has chosen to present these on a different schedule and account for them using the balance sheet totals rather than the annual depreciation that is expensed. This year Staff is deferring the roof replacement project approved for FY23/24 due to contractor scheduling delays. Staff is also requesting funds to replace the office’s main copier which was purchased in 2017. Lastly, Staff would like to modernize SLOCPT’s current building security system. A 5% contingency has been included.

Attachments:

- Attachment A – Proposed Administrative Budget for Fiscal Year 2024-2025
- Attachment B – Proposed Staffing
- Attachment C – Proposed Training & Travel
- Attachment D – Proposed Capital Expenditures

ATTACHMENT A

**San Luis Obispo County Pension Trust
PROPOSED ADMINISTRATIVE BUDGET:
Fiscal Year 2024-2025**

	FY22-23 Actual Expenses	FY23-24 Estimated Expenses	FY23-24 Adopted Budget	FY24-25 Proposed Budget	Increase/ Decrease From PY
INVESTMENT EXPENSE:					
Invest. Exp. (Custody, Consultant)	\$ 642,267	\$ 537,000	\$ 637,000	\$ 563,000	\$ (74,000)
ADMINISTRATIVE EXPENSE:					
Personnel Services	\$ 1,345,006	\$ 1,491,000	\$ 1,452,000	\$ 1,496,500	\$ 44,500
Professional Service					
Accounting & Auditing	65,800	63,000	66,000	63,000	(3,000)
Actuarial	105,823	139,000	139,000	110,500	(28,500)
Legal	215,872	182,000	220,000	220,000	-
Medical Evaluations - Disabilities	87,150	100,000	100,000	100,000	-
Human Resources Consulting	5,000	5,000	5,000	5,000	-
Information Technology Services	246,558	260,000	255,000	313,500	58,500
Banking and Payroll	9,970	12,000	18,000	15,000	(3,000)
Other Professional Services	1,531	37,000	37,000	2,000	(35,000)
Total Professional Services	\$ 737,704	\$ 798,000	\$ 840,000	\$ 829,000	\$ (11,000)
Other Expenses					
Trustee Election Expenses	9,740	10,000	6,000	10,000	4,000
Insurance	163,656	150,000	172,000	159,000	(13,000)
Building Maintenance	56,562	90,000	77,000	63,500	(13,500)
Office Expense	22,819	26,000	29,000	34,000	5,000
Memberships & Publications	6,815	6,000	6,500	6,500	-
Postage	37,742	39,000	39,000	42,000	3,000
Communications	1,960	2,000	3,000	2,500	(500)
Training & Travel	30,050	41,000	47,500	55,000	7,500
Information Technology	9,058	37,000	33,000	37,000	4,000
Equipment	1,402	1,000	2,000	2,000	-
Bad Debt	3,987	-	-	-	-
Total Other Expenses	\$ 343,791	\$ 402,000	\$ 415,000	\$ 411,500	\$ (3,500)
Contingencies	\$ -	\$ -	\$ 167,000	\$ 165,000	\$ (2,000)
TOTAL ADMINISTRATIVE	\$ 2,426,501	\$ 2,691,000	\$ 2,874,000	\$ 2,902,000	\$ 28,000
ADMIN. + INVESTMENT	\$ 3,068,768	\$ 3,228,000	\$ 3,511,000	\$ 3,465,000	\$ (46,000)
Increase from Prior Year Budget				-1.3%	

ATTACHMENT B

San Luis Obispo County Pension Trust
PROPOSED STAFFING:

	FY22-23 Actual	FY23-24 Amended Budget	FY23-24 Actual	FY24-25 Proposed Budget	Increase / (Decrease) From PY	Projected FY25-26	Projected FY26-27	Projected FY27-28	Projected FY28-29
Positions (FTEs):									
Executive Director	1.00	1.00	1.00	1.00	-	1.00	1.00	1.00	1.00
Deputy Directory	1.00	1.00	1.00	1.00	-	1.00	1.00	1.00	1.00
Retirement Programs Spec. III	2.00	2.00	2.00	2.00	-	2.00	2.00	2.00	2.00
Retirement Programs Spec. II	-	-	-	-	-	-	-	-	-
Retirement Programs Spec. I	-	-	-	-	-	-	-	-	-
Retirement Technician	1.80	1.80	1.80	1.80	-	1.80	1.80	1.80	1.80
Accountant IV	0.80	0.80	0.80	0.80	-	0.80	0.80	0.80	0.80
Accountant III	-	-	-	-	-	-	-	-	-
Accountant II	-	-	-	-	-	-	-	-	-
Accountant I	-	-	-	-	-	-	-	-	-
Administrative Asst. III	1.00	1.00	1.00	1.00	-	1.00	1.00	1.00	1.00
Administrative Asst. II	-	-	-	-	-	-	-	-	-
Part-Time Temporary Office Asst.	-	0.50	-	-	(0.50)	-	-	-	-
TOTAL POSITIONS	7.60	8.10	7.60	7.60	(0.50)	7.60	7.60	7.60	7.60

PROPOSED SALARY & BENEFIT BENCHMARKS:

***Note: SLOCPT compensation benchmarks would be updated in concurrence with any County enacted wage adjustments (i.e. prevailing wage etc.).*

FY 24-25	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Benefits: (health, pension, other)
Executive Director <i>Subject to change per Contract Approval</i>	87.68	92.03	96.66	101.49	106.55	111.88	Benchmarked to County BU 7 + \$450/month auto allowance (not pensionable)
Deputy Director <i>80% of Executive Director</i>	70.14	73.62	77.33	81.19	85.24	89.52	Benchmarked to County BU 7
Retirement Programs Spec. III <i>#9663 Risk Mgmt. Analyst III</i>	44.80	47.04	49.39	51.86	54.45	57.71	Benchmarked to County BU 7
Retirement Programs Spec. II <i>#9658 Risk Mgmt. Analyst II</i>	38.96	40.91	42.96	45.11	47.37	49.74	Benchmarked to County BU 7
Retirement Programs Spec. I <i>#9657 Risk Mgmt. Analyst I</i>	33.12	34.78	36.52	38.35	40.27	42.28	Benchmarked to County BU 7
Accountant IV <i>#2055 Auditor-Analyst III</i>	44.28	46.49	48.81	51.25	53.81	56.50	Benchmarked to County BU 7

ATTACHMENT B

PROPOSED SALARY & BENEFIT BENCHMARKS: (continued)

FY 24-25	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Benefits: (health, pension, other)
Accountant III <i>#907 Accountant III</i>	39.40	41.37	43.44	45.61	47.89	50.28	Benchmarked to County BU 7
Accountant II <i>#906 Accountant II</i>	34.24	35.95	37.75	39.64	41.62	43.70	Benchmarked to County BU 7
Accountant I <i>#905 Accountant I</i>	29.11	30.57	32.10	33.71	35.40	37.17	Benchmarked to County BU 7
Retirement Technician <i>#913 Accounting Technician - Conf.</i>	26.40	27.72	29.11	30.57	32.10	33.71	Benchmarked to County BU 11
Administrative Asst. III <i>#2223 Administrative Asst. III - Conf.</i>	22.58	23.71	24.90	26.15	27.46	28.83	Benchmarked to County BU 11
Administrative Asst. II <i>#2222 Administrative Asst. II - Conf.</i>	20.53	21.56	22.64	23.77	24.96	26.21	Benchmarked to County BU 11
Administrative Asst. I <i>#2221 Administrative Asst. I - Conf.</i>	18.48	19.40	20.37	21.39	22.46	23.58	Benchmarked to County BU 11
Part-Time Temporary Office Assistant <i>#911 Account Clerk</i>	20.87	21.91	23.01	24.16	25.37	26.64	N/A

ATTACHMENT C

San Luis Obispo County Pension Trust
PROPOSED TRAINING & TRAVEL:

	FY22-23 Actual	Current FY23-24 YTD	FY23-24 Amended Budget	FY24-25 Proposed Budget	Increase / (Decrease) From PY Budget
<i>CALAPRS General Assembly</i>					
Attendees - Board	3	1	3	3	-
Attendees - Staff	2	2	2	2	-
Total Expense	5,813	2,702	7,250	6,250	(1,000)
<i>CALAPRS Advanced Trustee Institute (UCLA)</i>					
Attendees - Board	1	2	1	1	-
Attendees - Staff	-	-	-	-	-
Total Expense	3,503	6,000	3,450	3,300	(150)
<i>CALAPRS Principles for Trustees</i>					
Attendees - Board	1	-	2	2	-
Attendees - Staff	-	-	-	-	-
Total Expense	6,321	-	6,600	6,600	-
<i>SACRS Trustees Training- Berkeley</i>					
Attendees - Board	1	-	3	2	(1)
Attendees - Staff	-	-	-	1	1
Total Expense	5,045	-	14,250	15,150	900
<i>IFEBP Investment Institute</i>					
Attendees - Board	-	1	-	-	-
Attendees - Staff	-	-	-	-	-
Total Expense	-	2,717	-	-	-
<i>SACRS Semi-Annual Conferences</i>					
Attendees - Board	-	1	-	-	-
Attendees - Staff	-	-	-	-	-
Total Expense	-	150	-	-	-
<i>Nossaman Fiduciaries Forum</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	-	-	1	1	-
Total Expense	-	-	1,025	1,025	-
<i>CALAPRS Administrators Institute</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	-	1	2	2	-
Total Expense	-	2,694	3,200	5,700	2,500
<i>CALAPRS Management Academy</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	-	-	1	-	(1)
Total Expense	-	-	3,350	-	(3,350)
<i>CALAPRS Trustees Roundtables (2/yr)</i>					
Attendees - Board	2	-	2	2	-
Attendees - Staff	-	-	-	-	-
Total Expense	100	-	100	100	-

ATTACHEMENT C

San Luis Obispo County Pension Trust
PROPOSED TRAINING & TRAVEL:

	FY22-23 Actual	Current FY23-24 YTD	FY23-24 Amended Budget	FY24-25 Proposed Budget	Increase / (Decrease) From PY Budget
<i>CALAPRS Administrators Roundtables (2/yr)</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	4	2	4	4	-
Total Expense	200	100	200	200	-
<i>CALAPRS Attorneys Roundtables (3/yr)</i>					
Attendees - Board	4	1	3	3	-
Attendees - Staff	-	-	-	-	-
Total Expense	200	50	150	150	-
<i>CALAPRS Operations Roundtables (4/yr)</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	4	3	6	6	-
Total Expense	200	150	300	300	-
<i>CALAPRS - Board, Faculty, and related travel</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	3	2	1	-	(1)
Total Expense	1,743	597	700	-	(700)
<i>Investment Seminars</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	-	-	1	1	-
Total Expense	-	-	1,600	1,600	-
<i>Leadership SLO</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	-	-	1	1	-
Total Expense	-	-	1,800	1,800	-
<i>Software Training</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	1	1	1	1	-
Total Expense	1,217	2,217	2,000	2,500	500
<i>Board Smart</i>					
Attendees - Board	-	7	-	7	7
Attendees - Staff	-	2	-	2	2
Total Expense	4,875	5,200	-	8,775	8,775
<i>Public Pension Financial Forum</i>					
Attendees - Board	-	-	-	-	-
Attendees - Staff	1	-	-	-	-
Total Expense	758	-	-	-	-
<i>Misc. Board and Staff Training/Travel</i>					
Total Expense	78	8,385	1,525	1,550	25
Total Training and Travel	30,052	30,962	47,500	55,000	7,500

ATTACHMENT D

San Luis Obispo County Pension Trust
PROPOSED CAPITAL EXPENDITURES BUDGET:
Fiscal Year 2024-2025

	FY22-23 Actual Expenditures	FY23-24 Estimated Expenditures	FY23-24 Adopted Budget	FY24-25 Proposed Budget	Increase/ Decrease From PY
BUILDING EXPENDITURES:					
Exterior					
Roof	-	-	45,000	45,000	-
Windows	-	-	-	-	-
Paint	-	-	-	-	-
Parking Lot	-	-	-	-	-
Landscape	-	-	-	-	-
Total Exterior	\$ -	\$ -	\$ 45,000	\$ 45,000	\$ -
Interior					
HVAC	-	-	-	-	-
Paint	-	-	-	-	-
Flooring	-	-	-	-	-
Plumbing	-	-	-	-	-
Elevator	134,439	-	-	-	-
Security System	-	-	-	7,000	7,000
Total Interior	\$ 134,439	\$ -	\$ -	\$ 7,000	\$ 7,000
SOFTWARE EXPEDITURES:					
Software Purchases	\$ -	\$ -	\$ -	\$ -	\$ -
Software Upgrades and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
EQUIPMENT EXPEDITURES:					
Capitalized Equipment Purchases	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
CONTINGENCIES	\$ -	\$ -	\$ 2,250	\$ 3,100	\$ 850
TOTAL CAPITAL EXPENDITURES	\$ 134,439	\$ -	\$ 47,250	\$ 65,100	\$ 17,850

Board of Trustees

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San Luis Obispo, CA 93408
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Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 10: Employee Policies and Procedures - Amendment

Recommendation:

It is recommended that the Board of Trustees review and approve the attached amendments to the SLOCPT Employee Policies and Procedures document.

Background:

All Staff at SLOCPT are at-will employees. The Employee Policies and Procedures document for SLOCPT was initially approved by the Board in 2012. The objective of SLOCPT's employment practices is to ensure that compensation, benefits, and personnel practices align closely with those of the plan sponsor of the Retirement Plan we administer. Having a comprehensive personnel policy in place is essential for clarifying expectations, promoting consistency, and ensuring fairness in our employment practices.

SLOCPT contracts with an SLO County Human Resource Department representative to assist with recruitment, HR consultation, and harassment reporting. Our representative, Teresa McCarthy White, reviewed the document, provided updates based on SLO County practices, and provided constructive feedback.

Staff's recommended relatively minor amendments and a grammar cleanup to the Employee Policies and Procedures are listed below:

1. Section 1.1 – Employee Policies & Procedures Handbook – addition of an annual acknowledgment (Exhibit A) by each Staff member regarding Article 4 (Equal Opportunity, Discrimination, and Harassment) to ensure each employee understands their options for reporting all acts of harassment or discrimination at SLOCPT. The acknowledgment will confirm their completion of the annual discrimination and harassment training provided.

2. Section 2.3.1 – Official Personnel Records – remove ‘Payroll withholding authorizations and Copy of W-4 form’. These documents are maintained electronically on the shared drive.
3. Section 2.4.3 – Dress and Grooming Standards – clarified expectations of dress and grooming standards and added ‘dress for your day’ logic.
4. Section 2.5.1/2.5.2 – Work Week and Work Schedule/Normal Work Hours – statement added regarding alternative work schedule.
5. Section 2.5.4 – Assignment of Work Schedules – updated to 14 day advance notice for long term reassignment based on SLO County practices.
6. Section 2.5.5 – Work Schedule During a Holiday Week – removal of section per HR representative recommendation.
7. Section 2.5.5.4 – Overtime and Compensatory Time in Lieu of Overtime – updated to mirror SLO County policy.
8. Section 2.5.7 – Remote Work Locations – addition of paragraph stating suitability of teleworking options based on position and performance.
9. Sections 2.6.1 – Sick Leave – clarification of medical certification after three (3) continuous absent days.
10. Section 3.1.1 – Regulation of Compensation by the SLOCPT Board – updated pay scale from five (5) to six (6) steps.
11. Article 4 – Equal Opportunity, Discrimination, and Harassment – expansion of illegal discrimination definition
12. Section 4.2.3 – Workplace Bullying – additional section to address the employee rights to a work environment free from bullying.
13. Section 5.4.2 – Upward Reclassification of Positions – rewording of sentence for clarification.
14. Section 6.2 – Evaluation Rating Standards – updated to reflect current performance evaluation standards: 3=Above Satisfactory, 2=Satisfactory, 1=Unsatisfactory
15. Section 8.4 – Failure to Respond – additional section to address occurrences based on failure to respond during the grievance process.
16. Article 9 – Medical Qualification – removed based on an update to SLO County policies regarding sedentary positions that do not require driving as a job duty.

Respectfully submitted,

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SAN LUIS OBISPO COUNTY PENSION TRUST

EMPLOYEE POLICIES AND PROCEDURES

Adopted June 25, 2012

Amended November 15, 2021

Effective December 1, 2021 Amended May 20, 2024

Effective May 20, 2024

SAN LUIS OBISPO COUNTY PENSION TRUST

EMPLOYEE POLICIES AND PROCEDURES

Page numbers will be updated once formatting is corrected.

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Article 2	Employment	2
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ARTICLE 1 INTRODUCTION

Section 1.1 Employee Policies & Procedures Handbook

The purpose of this handbook is to provide San Luis Obispo County Pension Trust (SLOCPT) staff with guidance on major aspects of the Trust's ~~h~~Human ~~R~~esources policies and procedures. It shall be the duty of all SLOCPT employees to comply with and support the provisions of this Handbook and such internal management memoranda as the Executive Director shall issue.

This Handbook supersedes and replaces all previous personnel policies, practices, work rules, and guidelines, including the San Luis Obispo County Civil Service Ordinance and Rules. SLOCPT reserves full discretion to add to, modify, or delete provisions of this Handbook, or the policies and procedures on which they may be based, at any time, ~~in accordance with~~following the amendment procedure contained herein. In the event of any change to the policies set forth herein, all employees will receive notification from the Executive Director detailing the changes made.

This Handbook has been reviewed and adopted by the SLOCPT Board of Trustees (the Board). If any part of these policies and procedures is deemed illegal, unenforceable, or void for any reason, it will not affect the validity of the remaining portion. As a condition of employment, each employee is required to review the policies and procedures and execute the acknowledgment of receipt at the end of the Handbook. Additionally, annually employees will be required to acknowledge an understanding of Article 4 of this Handbook in conjunction with completing harassment training.(Exhibit A).

Section 1.2 Applicability

This Employee Handbook applies to all employees of SLOCPT.

Section 1.3 Adopting Authority

The Employee Policies & Procedures contained herein have been adopted pursuant to Resolution 2012-03 of the Board of Trustees adopted June 25, 2012, and any subsequent amendments.

Section 1.4 References to County Ordinance and Reliance on County Policies

~~The~~SLOCPT is an independent agency separate from the County of San Luis Obispo (the County) and is generally not subject to the County Civil Service rules or ordinances. Nonetheless, in recognition of the SLOCPT Board's direction for consistency between many SLOCPT and County employee policies, and a desire to minimize the length and level of detail in this document where possible, certain sections of the County's ordinances are referred to herein and incorporated by reference when applicable. Any conflicts between the County's ordinances and these Employee Policies and Procedures shall be construed in favor of the Policies and Procedures.

Section 1.5 Amendments to This Policy

All amendments to the policies in this document shall be made only through the approval of the SLOCPT Board consistent with the requirements to the extent applicable under applicable statutes.

ARTICLE 2 EMPLOYMENT

Section 2.1. Employee Status

2.1.1 Definitions:

~~2.1.1.5~~2.1.1.1 ~~Full~~-Time Employee: An employee who is regularly scheduled to work eighty (80) hours per pay period. A regular full-time employee is eligible for benefits as described in this Handbook.

~~2.1.1.6~~2.1.1.2 ~~Part Time~~Part-Time Employee: An employee who is regularly scheduled to work seventy-two (72) hours or less per pay period. Regular part-time employees are eligible for benefits only as specifically described in this Handbook.

~~2.1.1.7~~2.1.1.3 Temporary or Student Intern Employee: An employee who has been hired for a specified period of time or ~~for~~a specific project.

~~2.1.1.8~~2.1.1.4 Exempt Employee: Exempt employees are those employees who are exempt (as defined by the Fair Labor Standards Act (FLSA)) from earning overtime compensation.

~~2.1.1.9~~2.1.1.5 Salaried Employee: Salaried employees are those ~~that who~~ are paid a fixed amount ~~on a periodic basis~~periodically and not by the hour. Salaried employees include all “exempt” employees as defined above.

~~2.1.1.10~~2.1.1.6 Contracts for Employment: Each Contract for Employment is position-specific and may differ from other Contracts for Employment used by ~~the~~SLOCPT. The position(s) subject to Contracts for Employment include the Executive Director and such other positions as the Board may designate.

2.1.2 Terms of Employment:

All employment at SLOCPT is “at the will” of both parties. SLOCPT or the employee may terminate the employment relationship “at will” and there is no expressed or implied property right to a position with ~~the~~SLOCPT. SLOCPT retains the right to demote, discipline, change job duties, or alter the terms of employment, at any time, as provided herein. No one other than the SLOCPT Board has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this policy. Any such agreement must be in writing and approved by the SLOCPT Board.

Section 2.2 Management Authority

2.2.1 Introduction:

The Executive Director is hired by the SLOCPT Board and is responsible for ~~the~~ administration of and adherence to the personnel system and may delegate any such powers and duties to any other officer or employee. The Executive Director, or designee, shall have the authority to appoint, promote, transfer, discipline, and terminate any employee of SLOCPT ~~in accordance with~~following

the procedures set forth herein. SLOCPT, acting by and through the Executive Director, reserves to itself the exclusive authority to: determine the administrative goals and objectives of SLOCPT; set standards of performance; determine the procedures and standards of selection for employment and promotion; direct employees; take disciplinary action; lay off employees due to lack of work, funding, or other legitimate reasons; maintain the efficiency of SLOCPT's activities; determine the methods, means, and personnel by which SLOCPT's activities are to be conducted; determine the content of position classifications; and exercise control and discretion over the organization and the equipment and technology required to perform its

goals and objectives. ~~—~~The Executive Director shall report at least annually, or more frequently as necessary, to the Board or a duly appointed Personnel Committee of the Board on the status of personnel issues and relations within ~~the~~ SLOCPT.

2.2.2 Change in Employment Assignments:

SLOCPT reserves the right to change the job assignment of any employee within their current job classification at any time.

2.2.3 Hiring Powers:

The Executive Director and any other positions designated by the Board are hired by and serve at the pleasure of the Board ~~pursuant to~~according to their Contracts for Employment. All other employees of SLOCPT are hired by the Executive Director and are subject to the policies and procedures contained in this Handbook, as well as all other SLOCPT policies, rules, practices, and procedures.

2.2.4 Reduction in Work Force (Layoff):

Whenever, in the judgment of the Executive Director or the SLOCPT Board, it becomes necessary to reduce the number of positions, the Board may abolish a position or positions, and if necessary, reduce personnel by laying off employees. Determination of which classifications to reduce shall be at the sole discretion of the SLOCPT Board.

2.2.4.1 Determination of which employees to lay off shall be at the sole discretion of the Executive Director, based first on financial, organizational, and programmatic needs. After the employees eligible for layoff have been determined, layoff shall occur in the following order:

- a. Employees working in the affected classes who have received an unsatisfactory performance evaluation in the three (3) years preceding the written notice of layoff shall be laid off first.
- b. Employees working in the affected classes who have received a below expectations performance evaluation in the prior eighteen (18) months shall be laid off next.
- c. Remaining employees working in the affected classes shall be laid off in reverse order of time in service.

2.2.4.2 Written Notice: Written notice of layoff shall be served ~~on to~~ affected employees in person or by certified letter mailed to the last address on file with SLOCPT. Notice will be served or mailed at least twenty-one (21) calendar days ~~prior to~~before the effective date of the separation. Notice shall be deemed served upon personal service or, in the case of certified mail, upon mailing.

2.2.4.3 Demotion in Lieu of Layoff: Upon approval of the Executive Director, an employee may elect to voluntarily demote to a lower paid position for which the employee is qualified in order to avoid layoff.

2.2.4.4 Layoff Not Subject To Appeal: Decisions of the SLOCPT Board regarding which classifications will be reduced and decisions of the Executive Director regarding which employees to lay off shall not be subject to appeal.

Section 2.3 Personnel Records

2.3.1 Official Personnel Records:

The Executive Director, or ~~his or her~~their designee, shall be responsible for maintaining a paper or electronic official personnel file for each employee.

2.3.1.1 Content of Official Personnel File: The file shall include, but not be limited to the following information:

- Original application materials

- Employment contracts, if applicable
- Information regarding change of Employee Status or Classification
- Performance Evaluations
- ~~Payroll withholding authorizations (deferred compensations and credit union)~~
- ~~Copy of W-4 form~~
- Disciplinary and other performance memoranda
- Letters of appreciation
- Copies of Licensure required for employee's position
- Leave of absence forms and return to work forms as long as no medical information appears on the form.
- Academic or training certificates related to the employee's position

2.3.1.2 Excluded Content: The following documents shall not be placed in an employee's official personnel file:

- I-9 Forms
- Any medical evaluation information, medical notes from a physician or documentation regarding an employee's medical condition
- Pension Trust forms
- Any documentation with EEO statistics or other protected status information.
- Any references attached to a resume
- Any documentation prohibited from an employee's file by law

2.3.2 Confidential Medical File:

Medical information must not be placed in an employee's official personnel file. ~~The~~ SLOCPT shall maintain a confidential medical file for each employee that is kept physically separate from the employee's official personnel file. The confidential medical file shall contain the following:

- Family/Medical leave request forms if the employee has disclosed the nature of ~~their~~his/her illness
- Return to work releases with any information regarding the employee's condition or prognosis
- Workers' compensation records
- Medical information about the employee related to reasonable accommodation under the Americans with Disabilities Act or Fair Employment and Housing Act
- Any documentation related to a fitness for duty examination or determination
- Any other medical information

2.3.3 Employee review of personnel files:

Employees or their authorized ~~representative~~representative(s) have the right to review the contents of their official personnel file. Requested records will be reviewed by the Executive Director, or designee, before release. ~~Requested records will be reviewed by the Executive Director, or designee, prior to release~~ Employees or their ~~representative~~representative(s) do not have the right to review the contents of the confidential medical file. ~~The~~ SLOCPT shall keep a record of all inspections of employee records by persons other than the Executive Director or ~~his/her~~their authorized representative. Such record shall include employee name, date, and name and signature of the person reviewing the employee file.

2.3.4 Change of Status Notification:

Employees have the responsibility of notifying the Executive Director, or designee, of any information regarding a change in status, such as telephone number, address, or marital status.

2.3.5 Confidentiality of Employee Records:

The confidentiality of employee records shall be maintained by designated SLOCPT personnel. These records shall only be made available to individuals specifically authorized by this policy or by the

Executive Director. No personnel file will be removed from the Personnel area except by the Executive Director or ~~their~~~~his or her~~ designee.

The employee or ~~the employee's designee~~ their authorized representative(s) (as evidenced by written authority approved by the General Counsel and the Executive Director) has the right to inspect ~~their~~~~his or her~~ personnel file at reasonable times and on reasonable notice. In addition, employees have the right to request copies of all ~~employment-related~~ employment-related documents they have signed. An employee may inspect only ~~their~~~~his or her own~~ personnel file and only in the presence of a supervisor or the Executive Director, or ~~their~~~~her or his~~ designee.

Personnel files are the property of SLOCPT and may not be removed from SLOCPT's premises without written authorization from the Executive Director.

2.3.6 Employment References:

It is the policy of SLOCPT that professional references will not be given for current and former employees except by the Executive Director or ~~his or her~~ their designee. Except for the Executive Director or ~~his or her~~ their designee, SLOCPT staff will not answer any questions on the work performance of a former employee, evaluate the former employee's work habits or personality traits, nor divulge information concerning current or former SLOCPT employees. A personal character reference, unrelated to employee performance, may be given if requested.

Section 2.4 Work Regulations

2.4.1 Personal Telephone Calls:

Personal telephone calls, whether on SLOCPT phones or personal mobile phones, are to be limited to essential matters and kept as brief as possible. Continued excessive use of phones for personal matters is subject to disciplinary action.

2.4.2 Smoking:

SLOCPT prohibits smoking or the use of smokeless tobacco products in the workplace. Smoking is prohibited within the confines of any SLOCPT office and prohibited within 20 feet of SLOCPT buildings. Smoking will be permitted out of doors only in an area designated by the Executive Director. All cigarettes or other smoking devices or materials are to be extinguished and properly disposed of ~~prior to~~ before entering any SLOCPT office.

2.4.3 Dress and Grooming Standards:

SLOCPT considers the presentation of SLOCPT's image to its clients, customers, and the public at large to be extremely important. Employees are required to dress in a manner that reflects professionalism and demonstrates respect for the workplace. This entails ensuring that clothing is clean, neatly presented, and in good condition. It is advised to avoid overly casual or revealing attire. Additionally, shoes should be clean, polished, and suitable for a professional environment. Maintaining good personal hygiene and grooming standards is essential. While expressing individual style is encouraged, it should be done within the parameters of professionalism. When selecting attire, use a 'dress for your day' logic. When making presentations, having significant interactions, important events, or meetings, it is advisable to dress slightly more formally. Accordingly, it is expected that all employees will dress and groom in a manner consistent with the SLOCPT dress policy. Employees whose jobs require them to come in contact with clients, customers, suppliers or the public are expected to wear apparel SLOCPT considers appropriate for dealing with the public. Each employee is expected to be neat and clean in appearance, with clean clothing and good personal hygiene.

2.4.4 Employment of Relatives:

Relatives of employees shall not be hired by SLOCPT. "Relatives" are defined as spouses, persons residing in the same household, ~~children~~children, ~~sisters~~sisters, brothers, ~~mothers~~mothers, or fathers, and persons related by marriage or domestic partnership. The only variance to the above policy of not hiring relatives shall be in the case of temporary intern positions in which case the temporary intern shall not be directly supervised by a relative.

2.4.5 Use of Technology and Networks:

All employees using SLOCPT computing and information resources are expected to act ~~in a responsible and professional manner~~ responsibly and professionally by complying with all policies, relevant laws, and contractual agreements related to computers, networks, software, computer information, and data to which an employee has access. All employees shall comply with all acceptable use policies adopted by ~~the~~ SLOCPT. The acceptable use policies adopted by ~~the~~ SLOCPT shall be those currently in effect of San Luis Obispo County unless otherwise specified.

2.4.6 Conflicts of Interest:

Employees are expected to devote their best efforts and attention to the full-time performance of their jobs. They are expected to use good judgment, ~~to~~ adhere to high ethical standards, and ~~to~~ avoid situations that create an actual or potential conflict between the employee's personal interests and the interests of SLOCPT. A conflict of interest exists where the employee's loyalties or actions are divided between SLOCPT's interests and those of another, such as a business, individual, or another public agency with which SLOCPT's interests may conflict. Both the fact and the appearance of a conflict of interest should be avoided. Employees unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with their immediate supervisor or the Executive Director for clarification. Any exceptions to this guideline must be approved in writing by the Executive Director. For ~~the~~ purposes of this section, the Conflict of Interest Code currently adopted by ~~the~~ SLOCPT shall be in effect unless otherwise specified.

While it is not feasible to describe all possible conflicts of interest that could develop, some of the more common conflicts, from which employees should refrain, include the following:

- Accepting personal gifts or entertainment (including meals) from regulated entities or individuals; developers, consultants, or anyone seeking to implement a project in the County; recipients or applicants for SLOCPT grants; other public agencies; customers, suppliers, or potential suppliers;
- Working for any individual, business, or entity with which SLOCPT's interests may conflict, including those listed above;
- Having a direct or indirect financial interest in or relationship with any individual, business, or entity with which SLOCPT's interests may conflict, including those listed above;
- Engaging in self-employment in competition with SLOCPT;
- Using proprietary or confidential SLOCPT information for personal gain or to SLOCPT's detriment;
- Using SLOCPT assets or labor for personal use;
- Acquiring any interest in property or assets of any kind ~~for the purpose of selling or leasing to sell or lease~~ it to SLOCPT;
- Unauthorized commitment of SLOCPT financial or staff resources or other support to any outside activity or organization;
- Developing a personal relationship with a subordinate employee of SLOCPT that might interfere with the exercise of impartial judgment in decisions affecting SLOCPT or any employees of SLOCPT.

If an employee or someone with whom an employee has a close relationship (a family member or close companion) has a financial or employment relationship with a supplier, potential supplier, customer, business, individual or another public agency, with which SLOCPT's interests conflict the employee must disclose this fact in writing to the Executive Director. Employees should be aware that if they enter into a personal relationship with a subordinate employee or with an employee of a supplier,

potential supplier, customer, business, individual, or another public agency, with which SLOCPT's ~~interests~~interests conflict, a conflict of interest may exist which requires full disclosure to SLOCPT.

Employees planning to engage in outside employment must first disclose such employment to the Executive Director to ensure it does not pose a conflict of interest or is otherwise incompatible with ~~the~~ SLOCPT or its mission. Such outside employment may not take place during normal working hours at ~~the~~-SLOCPT for the employee or on SLOCPT premises.

Failure to adhere to this guideline, including failure to disclose any conflicts or to seek an exception, will result in discipline, up to and including termination of employment.

Additionally, certain employees may be required to file annual Statements of Economic Interest with SLOCPT. ~~You will be notified if you are one of these designated employees~~Designated Employees will be notified.

No employee shall use the authority, information or privileges associated with ~~their~~his/her position for personal gain. Evidence of using a position for personal gain may be interpreted as a breach of terms of employment and serve as a basis for discipline up to and including termination.

2.4.7 Security/Violence in the Workplace:

As a matter of policy, ~~the~~-SLOCPT will not tolerate violent acts or threats of violence, whether verbal, written, or implied, towards employees by other SLOCPT employees, clients, or members of the public. For purposes of this policy, "violence" includes any willful touching of a person in a harmful, threatening, or unwanted way. A "threat" of violence includes any statement, course of conduct, or other action that would cause a reasonable person to believe that violence may occur. Any incident of violence or threat of violence by any SLOCPT personnel or any other person, should be reported promptly to the employee's supervisor, the Executive Director, or the SLOCPT ~~H~~uman R~~esources representative or to the SLOCPT Discrimination and Harassment Officer.~~ Supervisors~~representative.~~ Supervisors or any other employee of SLOCPT who ~~receive~~receives complaints or who ~~observe~~observes conduct in violation of this policy shall inform the Executive Director immediately.

2.4.8 Drug-Free Workplace Policy:

It is the policy of ~~the~~-SLOCPT that employees shall not have their ability to perform their ~~job~~jobs impaired as a result of the use of drugs or alcohol. In addition, employees shall not possess or have under ~~their~~his/her control, any alcohol or illegal drugs while conducting business on behalf of ~~the~~-SLOCPT.

2.4.8.1 Over-the Counter Medications: Nothing in this policy is intended to prohibit the customary and ordinary purchase, possession, or use of over-the-counter drugs, as long as their use does not violate any law or result in an employee being impaired by the use of such over-the-counter drugs.

2.4.8.2 Prescription Medications: The use of medically prescribed medication or drugs is not per se a violation of this policy. However, employees are urged to notify their supervisors, before beginning work, when taking medications or drugs which could foreseeably interfere with the safe and effective performance of duties or operation of SLOCPT equipment. In the event there is a question regarding an employee's ability to safely and effectively perform assigned duties while using such medications or drugs, clearance from a qualified physician may be required.

2.4.8.3 Impaired Behavior: An employee reasonably believed to be working impaired and endangering ~~their~~his/her own safety or the safety of others, shall be prevented from engaging in further work until he or she can be safely transported from the work site. In addition, upon approval of the Executive Director, any employee reasonably believed to be working impaired may be

directed to submit to a drug and alcohol test. Employees who are directed to submit to a drug and alcohol test

must do so within one hour of the request. Any Employee who refuses to submit to a drug and alcohol test after being directed shall be subject to discipline for insubordination. Any Employee who attempts to delay or falsify a drug and alcohol test after being directed to comply shall be presumed to have failed the drug and alcohol test and shall be subject to possible discipline.

2.4.8.4 Disability Considerations: ~~The~~ SLOCPT is committed to providing reasonable accommodation to those employees whose drug or alcohol problem classifies them as handicapped under applicable federal and/or state law.

2.4.8.5 Violation of Policy: Violation of this policy may result in discipline up to and including possible termination. An employee who is convicted of a crime that ~~also~~ violates this policy will be deemed to have violated this policy.

Section 2.5 Work Week and Work Schedules

2.5.1 Workweek Defined:

For ~~the purposes of~~ payroll, ~~and~~ the Fair Labor Standards Act, ~~and~~ salary calculation the workweek shall begin at 12:00 a.m. on Sunday and will end at 11:59 p.m. on Saturday. Forty hours shall constitute a regular workweek for a full-time employee. For the purpose of this document, a working day is Monday through Friday, excluding paid holidays. An alternative work schedule may be authorized by the Executive Director.

2.5.2 Normal Work Hours:

In general, the business needs of ~~the~~ SLOCPT require full-time employees to be present at work for a normal work week between the hours of 8:00 AM and 5:00 PM Monday through Friday exclusive of holidays. An alternative work schedule may be authorized by the Executive Director. Employees shall be entitled to one 15-minute paid break during ~~each four-hour period~~ each four hours worked. Normal unpaid lunch breaks of one hour are typically expected in each full-time day. A minimum unpaid lunch break of 30 minutes is generally required by statute for any work period longer than six hours for non-exempt employees and must be taken by the fifth hour of the work period.

2.5.3 Short Term Flexibility in Work Hours – “Make-Up Time”:

In limited circumstances with the approval of the employee’s supervisor or the Executive Director, employees may deviate from their normal work hours on a sporadic basis to tend to personal business. Such absences may be covered by applicable leave as discussed in Section 2.6 ~~to of~~ this handbook, accrued compensatory time off ~~accrued~~ hours, or may be covered by make-up time. Make-up time is additional time worked within the same ~~40-hour~~ 40-hour workweek to offset the absence and may include shortened lunch breaks or additional time worked before or after the normal work hours.

2.5.4 Assignment of Work Schedules:

The Executive Director or ~~his/her~~ their designee has sole discretion to assign the work schedule of all employees working for ~~the~~ SLOCPT. At least ~~24 hours~~ 24 hours advance notice shall be provided for any short-term or temporary reassignment of work schedule; at least ~~7-14~~ 14 days advance notice shall be provided for any long-term reassignment of work schedule.

2.5.5 Work Schedule During a Holiday Week:

During any week in which a holiday occurs, all full-time employees shall work a standard eight (8) hour per day work schedule for the non-holiday workdays that week.

2.5.6.2.5.5 Overtime and Compensatory Time in Lieu of Overtime:

Non-exempt status employees shall receive either compensatory time off or pay, both calculated at time and one-half (1½) for all authorized overtime worked. Nothing in this section shall be deemed to preclude the Executive Director from establishing reasonable guidelines to be followed by employees when electing compensating time off or pay.

~~2.5.6.1~~2.5.5.1 Overtime and overtime pay shall be defined and calculated ~~pursuant to~~under the provisions of the Fair Labor Standards Act. In general, “overtime” means the time spent in the performance of work ordered or authorized by the Executive Director and/or ~~his~~their designee which is ~~in excess of~~more than forty productive hours worked in any work week. Productive hours include only regular time worked and ~~does~~ not include holidays, compensatory time off, vacation, sick, administrative, personal, or other leave.

Non-exempt employees may only work overtime that has been approved by their supervisor, the Executive Director, or an authorized designee. In the rare event that overtime must be worked, and prior approval is not feasible, the employee shall notify their supervisor, the Deputy Director, or the Executive Director as soon as reasonable.

Exempt employees are not eligible for overtime pay.

~~2.5.6.2~~2.5.5.2 Use of compensatory time off shall be regulated by the same policies for the use of vacation time as described in this policy document.

~~2.5.6.3~~2.5.5.3 Employees eligible to receive compensatory time off may accumulate up to a maximum of one hundred twenty hours (120) of compensatory time off for eighty (80) hours of overtime worked. When an employee has accumulated the maximum allowable compensatory time, any overtime worked thereafter will be paid at the rate of time and one-half (1½). Compensatory time will not be lost if not used in the year it was earned. At the time of separation from service, unused compensatory time off shall be paid ~~off~~out at the straight-time rate.

2.5.5.4 Employees traveling to and from locations outside of San Luis Obispo County that involve SLOCPT matters in which the employee is required to attend as a condition of ~~their~~his or her employment ~~are~~is expected to do so within the hours available during a normal 40-hour work week, if feasible and practical. If not feasible or practical, and travel time results in greater than 40 hours worked, such time will be compensated with paid time off or other pay as specified above. Seminars, conferences, and related events are generally considered to be a privilege and not a condition of employment. Employees who wish to attend such events are expected to arrange for transportation and travel time during normal SLOCPT working hours to the extent possible. Time spent driving or as a passenger in an airplane, a train, a bus, a taxicab or car, or other mode of transportation for traveling on an overnight out-of-county business-related trip shall be compensable as hours worked regardless of whether the travel falls within the employee's normal work hours.

~~2.5.6.4~~, or on their own non-compensable time outside of normal working hours. If warranted by circumstances, the Executive Director is authorized to approve, in advance, paid time for such travel on a case-by-case basis.

2.5.7.2.5.6 Standby/Call-Back:

In general, employees are not required to serve on standby. From time to time, however, emergencies and/or other tasks may require the use of standby or callback. In practical application, actual time spent is coded according to regular, overtime, or compensation time policies.

2.5.7.12.5.6.1 Standby: "Standby" means that period of time during which an employee is required by the Executive Director or designee to be available for return to work within a reasonable length of time on a weekend or holiday, and therefore requires the employee to:

- be ready to respond in a reasonable time to calls for ~~his/her~~ service;
- be readily available at all hours by telephone, or other communication devices, and;

- refrain from activities ~~which-that~~ might impair ~~his/her~~ assigned duties upon call.

Standby duty shall be assigned in writing and shall be compensated at the rate of ~~ten-five (5)~~ dollars for each twenty-four-hour standby shift. An employee shall not receive standby pay for hours ~~actually~~ worked or for hours reimbursed by a call-back minimum.

~~2.5.7.22.5.6.2~~ Call-Back: Any employee on standby who is “called back” to work by management or by circumstances that require a return to work shall be paid or earn compensating time at a minimum of one ~~(1)~~ and one-half hours pay or shall be paid for all time ~~actually~~-worked.

~~2.5.8.2.5.7~~ **Remote Work Locations:**

In general, the expected work location for employees is at ~~the~~-SLOCPT offices. Remote work locations using online technology, such as “Work From Home (WFH)”, may be authorized by the Executive Director and on an established schedule approved by the Executive Director or ~~their~~~~his/her~~ designee. Unscheduled WFH events to accommodate employee short-term needs may be authorized on an ad hoc basis.

Not all positions/classifications are suitable for teleworking, and not all employees perform satisfactorily in a teleworking arrangement. Teleworking is not an employee right, but rather, is available to those employees who work in positions wherein ~~the~~-SLOCPT has determined it is beneficial and/or consistent with operational business needs. Teleworking may be modified or revoked by the Executive Director at any time.

Section 2.6 Leave Policies

The following procedures and policies shall apply to employees requesting and taking time off work. No employee may code paid leave ~~in excess of over~~ the balance available at the end of the previous pay period. No paid leave shall be taken until such time it is earned.

2.6.1 Sick Leave:

Sick leave may be taken for the purposes described in San Luis Obispo County Code Section 2.44.060. Employees who call in sick shall notify their supervisor by telephone that they are ill and unable to report to work. Such notification shall be made as early as possible in the day and reasonable effort must be made by the employee to speak directly with the supervisor. If an employee is unable to contact their supervisor, ~~they~~~~he/she~~ should leave a message and attempt to contact another supervisor or fellow staff member directly. ~~Continuous~~ —~~s~~Sick leave ~~periods~~ of three ~~(3)~~ or more days may require certification from a medical provider.

2.6.2 Vacation Leave:

All vacation requests shall be considered and granted at the discretion of the Executive Director or ~~their~~~~his/her~~ designee. All requests for vacation leave of more than one ~~(1)~~ day shall be made in writing. Requests to take vacation time of one ~~(1)~~ day or less may be handled verbally with the employee’s supervisor and shall be made a minimum of two ~~(2)~~ working days ~~prior to before~~ the start of the leave. Vacation requests of two ~~(2)~~ or three ~~(3)~~ days shall be made at least one ~~(1)~~ week ~~prior to before~~ the start of the employee’s vacation. Vacation requests of more than three ~~(3)~~ days shall be made at least twice as many work-days ~~prior to before~~ the number of vacation days being requested (e.g. – one week of vacation must be requested at least two weeks in advance; two weeks of vacation must be requested at least four weeks in advance). The advance notice requirement may be relieved, if warranted, at the discretion of the Executive Director or ~~his/her~~~~their~~ designee on a case-by-case basis. The use of paid vacation time during periods of sick leave shall be at the discretion of the Executive Director.

2.6.3 Administrative Leave, Personal Leave₂ and Compensatory Time Off:

The use of Administrative Leave, Personal Leave₂ and Compensatory ~~time~~Time shall be governed by the policies governing the use of Vacation Leave.

2.6.4 Voluntary Time Off:

The use of Voluntary Time Off shall be at the sole discretion of the Executive Director and shall comply with any applicable policies established by ~~the~~ SLOCPT and shall be administered consistent with the policies of the County.

2.6.5 Leave of Absence Without Pay:

The use of Leave of Absence Without Pay shall be at the sole discretion of the Executive Director in the best interest of ~~the~~ SLOCPT. All requests for leave without pay shall be in writing and shall include a description of the reason for the request. The advance timing of the request shall follow the protocol required for vacation leave; unless the request is for a medical or emergency purpose.

2.6.6 Leave of Absence With Pay for Jury Duty:

Leave of Absence With Pay for Jury Duty shall be administered consistent with San Luis Obispo County Code Section 2.44.080 and the policies of the County.

2.6.6 Leave of Absence for Military Service:

Leave of Absence for Military Service shall be administered consistent with San Luis Obispo County Code Section 2.44.040(c) and the policies of the County.

2.6.7 Family and Medical Leave Act / California Family Rights Act:

Leave of absence ~~pursuant to~~under the Family and Medical Leave Act and California Family Rights Act shall be governed by the provisions of applicable state and federal laws. ~~For the purpose of administering~~To administer leaves under the provisions of this act, the following policies shall apply:

- a. Coding Paid Leave Balances: Employees must code available paid leave balances to the extent possible during FMLA/CFRA leave. Such coding shall be at the rate of the employee's normal schedule. If an employee is receiving State Disability Insurance or California Paid Family Leave, ~~he/she/they~~ must code that amount, which supplements the State paid benefit, to equal the employee's normal pay (Commonly known as coordinating pay).
- b. Calculating Eligibility: ~~The~~ SLOCPT uses a rolling twelve (12) month period from the date leave is used to determine qualification for FMLA leave.
- c. Medical Certification: Medical certification must be provided when taking FMLA/CFRA leave for a serious medical condition of the employee or to care for the serious medical condition of a qualifying relative. Certification that the employee is fit to return to work shall be required for employees who take FMLA/CFRA leave for a serious medical condition.

ARTICLE 3 COMPENSATION AND BENEFITS

Section 3.1 Compensation

3.1.1 Regulation of Compensation by the SLOCPT Board:

Compensation of all employees of ~~the~~ SLOCPT shall be determined by the SLOCPT Board of Trustees except as otherwise required by law. The Executive Director shall maintain a salary table that includes all active classification titles and a corresponding ~~(6) five or six~~ step pay scale for each classification. The SLOCPT Board of Trustees shall establish the first step for each classification in the table, also known as the salary range. When a classification used by SLOCPT has an equivalent in the San Luis Obispo County classification system, the pay scale set by the SLOCPT Board shall be the same as the pay scale established by the County. Employees shall be paid a base salary, no less than step 1 and no greater than step 6 of the salary range approved by the SLOCPT Board for the classification to which they are appointed.

3.1.2 Administration of the compensation plan:

The Executive Director shall have ~~the~~ discretion to set the salary of an employee at any step within the salary range approved by the SLOCPT Board for the classification to which the employee is appointed, subject to the following conditions:

3.1.2.1 The Executive Director may appoint a new employee at any step of the salary range for the classification to which the employee is appointed.

3.1.2.2 Any employee who is promoted to a classification with a higher salary range shall receive a salary increase to a step in the new salary range that is no less than four ~~(4)~~ percent greater than the pay previously received. In no case shall the new salary exceed the highest step of the salary range.

3.1.2.3 Upon receiving an overall “Meets Expectations” or better performance evaluation, the Executive Director may grant an employee a salary increase to any step in the salary range. In no case shall the new salary exceed the highest step of the salary range. The performance evaluation may be ~~a regular evaluation, probationary evaluation or a special evaluation.~~

3.1.2.4 Upon receiving an overall “Below Expectations” or “Unacceptable” performance evaluation, the Executive Director may reduce an employee’s salary to a lower step in the salary range. In no case shall the new salary be below step 1 of the salary range. The performance evaluation may be ~~a regular evaluation, probationary evaluation or a special evaluation.~~ Such salary reduction shall be subject to the provisions of Article 7 (Disciplinary Actions) of this policy.

3.1.2.5 An employee who voluntarily demotes to avoid layoff or ~~voluntarily demotes~~ due to personal reasons may be placed at any step in the salary range of the new classification by the Executive Director without a concurrent performance evaluation.

3.1.3 Compensation – Payment Procedures:

Policies and procedures for payment of compensation shall be consistent with ~~to~~ the general provisions of San Luis Obispo County Code Section 2.48.034 and the policies of the County. Payment of compensation shall be on the same calendar schedule as that used by the County.

Section 3.2 Benefits

3.2.1 Leave Benefit Accrual and Administration:

Accrual and administration of leave benefits shall occur as follows:

3.2.1.1 Sick Leave: The accrual and payout of sick leave benefits shall be consistent with the general provisions of San Luis Obispo County Code Section 2.44.060 and the policies of the County.

3.2.1.2 Vacation Leave: The accrual and payout of vacation leave benefits shall be consistent with the general provisions of San Luis Obispo County Code Section 2.44.050 and the policies of the County.

3.2.1.3 Administrative Leave and Personal Leave: The accrual of administrative leave and personal leave shall be consistent with the general provisions of San Luis Obispo County Code Section 2.44.055 and the policies of the County.

3.2.1.4 Holiday Leave: Holiday leave benefits shall be administered consistent with the general provisions of San Luis Obispo County Code Section 2.44.070 and the policies of the County. Holiday leave for part-time permanent employees shall be prorated based on paid hours from the prior two (2) pay periods, which include both sick and vacation hours, in relation to total hours. Leave Without Pay (LWOP) hours are unpaid hours and are included in the calculation to determine total hours, but are excluded from paid hours.

3.2.2 Other Benefits and Administration:

Other forms of employee compensation including, but not limited to, cafeteria benefits, healthcare, life insurance, wellness, tuition reimbursement, etc. shall be as consistent as is practically possible with the policies of the County as they apply to the comparable job classifications used for establishing compensation under Section 3.1.1 of this handbook.

ARTICLE 4 EQUAL OPPORTUNITY, DISCRIMINATION, AND HARASSMENT

Section 4.1 General Policy Statement

The Board of Trustees of SLOCPT maintains a strong commitment to support equal employment opportunity and to prohibit and prevent discrimination, harassment, and retaliation in employment. ~~The~~ SLOCPT sets forth this procedure for reporting, investigating, and resolving internal complaints related to discrimination, harassment, and retaliation. All covered individuals are encouraged to report, as soon as possible, any conduct that is believed to violate this policy. Such conduct need not rise to the level of a violation of law to violate this policy. Conduct ~~which that~~ may lead to discrimination, harassment, or retaliation ~~is in violation of~~violates this policy and will not be tolerated. Violation of this policy by any officer, employee, agent, or volunteer shall be grounds for discipline or other appropriate sanctions. In support of this policy, all employees of SLOCPT shall receive discrimination and harassment prevention training ~~and acknowledge their understanding of this section of the Handbook~~ on an annual basis. ~~(Exhibit A)~~

Section 4.2 Equal Employment Opportunity

~~The~~SLOCPT maintains and promotes a policy of equal employment opportunity. ~~The~~SLOCPT is committed to maintaining a work environment that is merit based, and free from illegal discrimination. The Board of Trustees, its managers, employees, agents, and volunteers will not discriminate against any applicant for employment, employee, contractor, subcontractor, vendor, or client because of age, ancestry, color, creed, marital status, medical condition (cancer or genetic characteristics), national origin, physical or mental disability, political affiliation or belief, pregnancy, race, religion, sex/gender (includes pregnancy, childbirth, breastfeeding and/or related medical conditions), sexual orientation, gender expression, military or veteran status, or any other legally protected status.

This policy shall apply to all employment actions including, but not limited to: recruitment, testing, hiring, training, promotion, demotion, transfer, layoff, discipline, salary and benefits administration, and participation or appointment to all boards and commissions. All employment decisions shall be made ~~on~~ the basis ofbased on individual qualifications, bona fide occupational qualifications for the job in question, and the feasibility of any necessary job accommodations. Reasonable accommodations will be provided to qualified employees and applicants that who require them.

4.2.1 Discriminatory Harassment:

It is the policy of SLOCPT that all employees shall have a working environment free of unlawful discrimination. A businesslike workplace helps to ensure courteous treatment for both employees and the public we serve. Harassment of an applicant or employee by any employee or officer ~~on the basis of~~based on age, ancestry, color, creed, marital status, medical condition (cancer or genetic characteristics), national origin, physical or mental disability, political affiliation or belief, pregnancy, race, religion, sex/gender (includes pregnancy, childbirth, breastfeeding and/or related medical conditions), sexual orientation, gender expression, military or veteran status, or any other legally protected status is employee misconduct that constitutes illegal discrimination and is grounds for disciplinary action up to and including termination. This includes harassment which constitutes unacceptable behavior even if it is not considered unlawful. Employees also must not harass anyone for opposing discrimination or for participating in the discrimination complaint process. SLOCPT requires that all employees and officers treat the public and other employees with courtesy and respect.

Discriminatory Harassment includes unwelcome derogatory comments, physical acts, and written or visual insults which are made ~~on the basis of~~based on an employee's actual or perceived protected status

(race, religion, etc.) It can be against the law when ~~the~~ harassing conduct unreasonably interferes with an employee's work performance by creating an intimidating, hostile, or offensive working environment or when it adversely affects an individual's employment opportunities.

Because ~~the~~ SLOCPT seeks to prevent any form of illegal harassment, behavior such as unnecessary touching, sexual or discriminatory remarks, or joking, which may lead to illegal harassment, will not be tolerated and shall be the basis for discipline.

4.2.2 Sexual Harassment:

It is the policy of SLOCPT that all employees shall have a working environment free of sexual harassment. A businesslike workplace helps to ensure courteous treatment for both employees and the public we serve. Sexual harassment of an applicant or employee by any employee or officer is employee misconduct that constitutes illegal discrimination and is grounds for disciplinary action up to and including termination. Similarly, retaliation against an employee for submitting complaints of alleged sexual harassment is a violation of this policy and cause for discipline up to and including termination. SLOCPT requires that all employees treat the public and other employees with courtesy and respect.

Sexual Harassment includes unwelcome sexual overtures by any officer, employee, supervisor, or manager, whether written, verbal, physical, or visual where submission is made a term or condition of employment or the basis of an employment decision. Sexually harassing conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile, or offensive working environment. ~~Three b~~Basic forms of sexual harassment include but are not limited to:

- 1) Offers of employment rewards for sexual favors, including threats of employment punishment if sexual activities are not engaged in—also termed "quid pro quo" harassment.
- 2) Creating an intimidating, hostile, threatening, and/or offensive work environment through verbal acts, physical acts, and graphic displays ~~which that~~ interfere with an individual's job performance.
- 3) Retaliation against an employee for submitting complaints of alleged sexual harassment.

Because ~~the~~ SLOCPT seeks to prevent any form of illegal harassment, behavior such as unnecessary touching, sexual or discriminatory remarks, or joking, which may lead to illegal harassment, will not be tolerated.

4.2.3 CONSIDER ADDING A SECTION 4.2.3 REGARDING WORKPLACE BULLYING Workplace Bullying

It is the policy of SLOCPT that all employees shall have a working environment free from bullying. A businesslike workplace helps to ensure courteous treatment for both employees and the public we serve. Workplace bullying is defined as repeated inappropriate behavior, either direct or indirect, whether verbal, physical, or otherwise, conducted by one or more persons against another or others, at the place of work and/or in the course of employment. Examples of bullying include:

- Verbal bullying: Slandering, ridiculing, or maligning a person or their family; persistent name calling that is hurtful, insulting, or humiliating; using a person as a butt target of jokes; abusive and offensive remarks.
- Physical bullying: Pushing, shoving, kicking, poking, tripping, assault or threat of physical assault, damage to a person's work area or property.
- Gesture bullying: Non-verbal gestures that can convey threatening messages.
- Exclusion: Purposefully socially or physically excluding or disregarding a person in work-related activities.

Section 4.3 Reporting Discrimination or Harassment

Any incident of harassment, including work-related harassment by any SLOCPT personnel or any other person, should be reported promptly to the employee's supervisor, ~~the~~ Executive Director, ~~the~~ SLOCPT Deputy Director, or SLOCPT Human Resources representative to the County Human Resources Representative. Supervisors who receive complaints or who observe harassing conduct shall inform the

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proper authority immediately. SLOCPT emphasizes that an employee is not required to complain first to ~~their~~~~his or her~~ supervisor if that supervisor is the individual who is harassing the employee; rather a complaint about the employee's supervisor should be made to the Executive Director, Deputy Director, or SLOCPT Human Resources representative~~to the third-party contractor providing human resource services to the SLOCPT.~~

Every reported complaint of harassment will be investigated thoroughly, ~~and promptly, and in a confidential manner.~~ Every possible effort will be made to assure the confidentiality of complaints made under this policy. However, due to the obligation to fully investigate complaints and the subsequent responsibility to take effective remedial action, total anonymity cannot be guaranteed. As a result, confidentiality will be maintained to the fullest extent possible depending on the circumstances surrounding the violation. In addition, SLOCPT will not tolerate retaliation against any employee for cooperating in an investigation, or for making a complaint, and will take measures to protect victims from further harassment.

In addition to notifying SLOCPT about harassment or retaliation complaints, affected employees may also direct their complaints to the California Department of Fair Employment and Housing (DFEH) and/or the Equal Employment Opportunity Commission (EEOC), which has the authority to conduct investigations of the facts. Employees can contact the nearest DFEH office at the locations listed on SLOCPT's DFEH poster or by checking the state government listings online.

Disciplinary action for a violation of the policies described in Article 4 of these policies and procedures can range from verbal or written warnings up to and including immediate termination, depending upon the circumstances.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, imposition of discipline, and social and recreational programs. It is the responsibility of all SLOCPT personnel to conscientiously follow this policy. Any employee having any questions regarding this policy should be discussed with the Executive Director, Deputy Director, or SLOCPT Human Resources representative.

~~This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, imposition of discipline, and social and recreational programs. It is the responsibility of all SLOCPT personnel to conscientiously follow this policy. Any employee having any~~

questions regarding this policy should discuss them with ~~their~~his or her immediate supervisor, the Executive Director, Deputy Director, or a third-party contractor providing human resource services to the SLOCPT.

Section 4.4 Policy Against Retaliation

SLOCPT prohibits any adverse employment action against those who in good faith ~~reports~~report, or ~~supports~~support someone who reports violations of SLOCPT policy or State-/federal law, ~~otherwise~~opposes conduct they reasonably believe to be violations, or engages in other legally protected activity. SLOCPT further prohibits retaliation against anyone who participates (as ~~a~~witnessesa witness or ~~accused~~subject) in investigations into complaints of alleged misconduct. Disciplinary action, up to and including termination, will be taken against an employee or officer who is found to have violated this policy. Any consultant or contractor who violates this policy will be subject to appropriate sanctions. This policy applies to all SLOCPT officers, employees, volunteers, contractors, and vendors, and prohibits retaliation because of any of the protected activity as defined herein.

ARTICLE 5 RECRUITMENT, SELECTION AND CLASSIFICATION

All employee selections and promotions shall be made according to merit, qualifications, and ~~the~~ job requirements. The policies and procedures outlined below are consistent with policies regarding Equal Opportunity Employment.

Section 5.1 Recruitment

Whenever a position vacancy occurs, it may be filled in one of the following three ways as determined by the Executive Director:

- Open Recruitment – A competitive examination process in which all interested persons are eligible to apply for a vacant position.
- Internal Recruitment – A competitive examination process in which only current SLOCPT employees are eligible to apply for a vacant position.
- Direct Appointment – Upon approval of ~~the~~ SLOCPT Board, a position may be filled through direct appointment.

5.1.1 Duration of Recruitments:

All open recruitments must be announced to the general public for a minimum of five (5) working days. All internal recruitments must be announced to SLOCPT employees for a minimum of ten (10) working days. The Executive Director may authorize extending a previously established final filing date.

5.1.2 Recruitment Announcement:

All open recruitments and internal recruitments shall, at a minimum, be announced through an “Employment Opportunities” page and be available to the public upon request. Announcement of all internal recruitments shall be emailed to all SLOCPT employees. The recruitment announcement shall, at a minimum, include the title of the position, the salary range, the minimum qualifications for admission to the examination process, and the final filing date.

5.1.3 Applications:

Persons interested in employment or promotion with ~~the~~ SLOCPT must submit an application for employment using the systems and methods prescribed by the contractor providing recruitment services as approved by the SLOCPT Board. Applications shall be accepted until 11:59 p.m. of the final filing date. False information on an application may be considered grounds for removal from the examination or, if already employed, may be considered grounds for termination of employment.

5.1.4 Minimum Qualifications:

All employees shall meet the minimum qualifications of the position to which they are assigned and shall possess and maintain licensure as required in the job specifications. Only applicants who meet the minimum qualifications for the job (as described in the job specifications) may compete in the examination process. Applicants who do not meet the minimum qualifications shall be notified as such and shall have five (5) working days from the date of the notice to provide additional information to be considered in the minimum qualifications determination.

Section 5.2 Selection

Except for a direct appointment approved by the SLOCPT Board, ~~the~~ selection and promotion of employees by the Executive Director shall be by a competitive examination.

5.2.1 Examination Process:

Applicants that meet the minimum qualifications of the job and are eligible to compete in the examination process shall be considered to be “candidates”. All open recruitments or internal recruitments must include one or more competitive examination elements. These elements may include, but are not limited to: oral examination, competitive application rating, written test, practical performance test, or any other valid and reliable examination method. All examination elements shall be job related and based on merit principles. ~~At the conclusion of~~After the examination process, all candidates shall be placed on an eligible list in rank order based on ~~their~~his/her final score on the examination, including veteran’s preference. An eligible list shall remain in effect for no less than ninety days from its creation.

5.2.1.1 Exam notification: Candidates shall be notified of their results in any element of an examination in which they participated. Such notification shall, at a minimum, include whether they passed or failed that element of the examination. ~~At the conclusion of~~After the examination process, every candidate who passed the test shall be notified of their ranking on the eligible list.

5.2.1.2 Examination records: Records of a competitive examination shall be maintained for a period of not less than ~~three~~one (1) years. Examination materials are confidential and are not subject to direct review by candidates.

5.2.1.3 Veterans Preference: A candidate who competes in ~~an~~open recruitment and has on file with the San Luis Obispo County Veterans Services office an acceptable Veterans Preference certificate shall, upon being placed on the eligible list, have an additional five percent (5%) of the maximum possible score on the examination added to ~~his/her~~their final score. If the candidate is recognized for Veterans Preference and is declared by the U.S. Veterans Administration to be ten percent (10%) or more disabled due to military service, the candidate shall have an additional ten percent (10%) of the maximum possible score added to ~~his/her~~their final score.

5.2.3 Interview of Certified Candidates:

Upon establishment of the eligible list and ~~prior to~~before filling a position, the Executive Director shall at a minimum invite the top three ~~(3)~~ ranks of candidates on the eligible list to be interviewed. Subsequent ranks may be invited for an interview, however in no instance may ranks be skipped. Failure of a candidate to respond to an invitation for an interview shall be considered a decline to interview.

Section 5.3 Recruitment and Selection Services

~~The~~SLOCPT may contract with ~~third party~~third-party providers of recruitment and selection services. The ~~third-~~party service provider shall have broad discretion in ~~the~~ interpretation of SLOCPT policies related to recruitment and selection ~~in order to~~ensure adherence to merit principles and equal opportunity in employment. The provisions of this article shall be interpreted to allow for conformance with ~~the~~third-party systems and processes. Applicants and candidates shall use the systems and comply with the requirements of the ~~third-~~party service provider authorized by the SLOCPT Board.

Section 5.4 Classification

The SLOCPT shall prepare and maintain written job specifications identifying the factors and conditions which that are essential characteristics of the class, including the minimum qualifications, typical duties, responsibilities, and tasks for each classification approved by the SLOCPT Board. All positions shall be assigned to an approved classification.

5.4.1 Approval of ~~j~~Job ~~s~~Specifications:

Job Specifications for newly created classifications or revisions to job specifications for existing classifications must be submitted to and approved by the SLOCPT Board.

5.4.2 Upward Reclassification of Positions:

~~At the sole discretion of the Executive Director, a position that has been assigned to a classification series may be reassigned to a higher level classification within that series. When a position is in a defined classification series, an incumbent may be appointed to a higher level in the series if they meet the minimum qualifications for the new classification at the sole discretion of the Executive Director.~~ Such reassignment of classification is known as a career series promotion. A career series promotion is a non-competitive promotion and an employee receiving a career series promotion shall serve a probationary period in the higher level position.

ARTICLE 6 EMPLOYEE PERFORMANCE EVALUATION

The Executive Director shall establish, implement, and maintain an effective system for periodic evaluation of the performance and conduct of employees at ~~the~~ SLOCPT. The objective of this system shall be to record the performance of employees during the past evaluation period, assist supervisors and their employees in measuring progress toward work goals, identify employee development needs, and establish a basis for personnel decisions.

Section 6.1 Evaluation Procedure

~~In accordance with~~ Following SLOCPT procedures and on forms approved by the Executive Director, supervisors shall evaluate, record, and report the performance of their employees. Performance evaluations shall be one of the following:

- ~~(a)~~ • Regular Evaluation: Employees shall receive an annual performance evaluation within 30 days of the individual employee's evaluation administration date which may include a specified calendar month for all employees or as specified in any applicable Contract for Employment.
- ~~(b)~~ • Special Evaluation: The Executive Director may, at their discretion, issue a special performance evaluation. All special performance evaluations shall be created and administered ~~in accordance with~~ following the provisions of this Rule.

Each evaluation shall be discussed with the employee by their supervisor and the employee shall be given a copy of the evaluation report following the discussion. The employee shall sign the report last as an indication that the report was discussed with ~~them~~ him/her. The employee shall have the right to review the performance evaluation report with the Executive Director or designated representative. The evaluation report shall be maintained in the employee's official personnel record.

Section 6.2 Evaluation Rating Standards

Performance evaluations shall be made ~~in accordance with~~ following the following standards:

- ~~4~~ • ~~Excellent~~ 3 = Above Satisfactory / Outstanding: Work performance is at the highest level of competency for the job. ~~Excellent~~ 3 ratings must be substantiated in a written statement by the rater.
- ~~5~~ • ~~Exceeds Expectations: Work performance consistently exceeds the standard expected of a competent worker in that job. Exceeds Expectations ratings must be substantiated in a written statement by the rater.~~
- ~~6~~ • ~~2 = Satisfactory~~ Meets Expectations: Work performance consistently meets the standard expected of a competent worker in that job.
- ~~7~~ • ~~Below Expectations: Work performance is below the standard expected of a competent worker in that job and improvable with additional training, experience, and/or effort. Below Expectations ratings must be substantiated by the rater in a written statement that includes a performance improvement plan with a timeline for follow up evaluation.~~
- ~~8~~ • ~~Unacceptable~~ 1 = Unsatisfactory / Needs Improvement: Work performance is ~~well~~ below the standard expected of a competent worker in that job due to the level of performance, frequency of occurrence, or critical importance of performing at standard. 1 ~~Unacceptable~~ 1 ratings ~~rating~~ must be substantiated by the rater in a written statement that includes a performance improvement plan with a timeline for follow-up evaluation.

Section 6.3 Review of Evaluation

Employees receiving a performance evaluation with an overall rating of ~~Unacceptable~~ Unsatisfactory / Needs Improvement may request that the evaluation be reviewed consistent with this section. If, after discussing a performance evaluation with the rater and further reviewing the report with the Executive Director or designated representative, an employee disagrees with an overall rating of Unsatisfactory / Needs Improvement ~~Unacceptable~~, the employee may request a review of the rating of Unsatisfactory / Needs Improvement ~~Unacceptable~~ by the third-party provider of Human Resources Services.

6.3.1 Appeal Procedure:

Employees wishing a review of a performance evaluation of Unsatisfactory / Needs Improvement ~~Unacceptable~~ must submit a request in writing to the Executive Director within ten (10) working days of receiving such evaluation. Upon the receipt of a timely written request for review, the Executive Director shall forward the request for review within ten (10) working days to ~~the third-party contractor providing human resource services to the SLOCPT~~ the SLOCPT Human Resources representative. Within 20 working days of receiving notification of the request, the SLOCPT Human Resources representative ~~the third-party contractor~~ shall provide a ~~Personnel~~ Human Resources Analyst or equivalent position and conduct an informal review hearing. Time may be extended by mutual agreement of all parties and such agreement shall be in writing. The purpose of such a hearing is to allow both parties in the review to present their position and receive an objective opinion. Both parties may be represented and may present evidence as deemed appropriate by the individual hearing the review. Within ten (10) working days of the conclusion of the hearing, the individual presiding over the hearing will respond to both the Executive Director and the appellant with an advisory opinion and recommendation on the issue being heard.

6.3.2 Review Disputes:

Any disputes regarding adherence to, or interpretation of ~~process~~ processes and procedures ~~set forth in~~ outlined in this section shall be forwarded to the ~~third-party contractor providing human resources services to the SLOCPT~~ SLOCPT Human Resources representative. Within ~~20~~ twenty (20) working days of being contacted regarding a review process dispute, the ~~third-party contractor~~ shall assign a ~~Personnel~~ Human Resources Analyst or equivalent position to ascertain facts regarding the dispute and issue a determination to both parties. Such determination shall be final and not subject to further review.

Section 6.4 Retention of Evaluation Reports

The performance evaluation report shall become a part of the official record of the employee and shall be placed in the employee's official personnel file. Performance ratings shall be considered confidential, only subject to review by persons appropriately authorized by the Executive Director, or as requested by the employee.

ARTICLE 7 DISCIPLINARY ACTIONS

Section 7.1 Policy

All Employees are expected to observe professional standards of job performance and conduct in support of the mission and vision of ~~the~~-SLOCPT, and to show courtesy and respect to co-workers and the public. When performance or conduct does not meet the standards and expectations of ~~the~~-SLOCPT, employees should be given an opportunity, when appropriate, to correct the deficiency. If, however, the employee fails to make the correction, ~~he or she~~they will be subject to discipline.

Section 7.2 Discipline Procedures

The following corrective disciplinary procedures are established for employees. The purpose of this disciplinary procedure is to provide guidance for the quality performance management of employees and in no way modifies the at-will employment relationship as described in Article 2 of ~~these~~this ~~policy~~ies.

7.2.1 Informal Discipline:

Informal discipline may be in the form of a Counseling Memorandum or progressively in the form of a Work Performance Memorandum or Reprimand. Determination of the appropriate level of informal discipline shall be at the discretion of the Executive Director or designee. Written records of informal discipline may be placed in an employee's official personnel file at the discretion of the Executive Director.

7.2.2 Formal Discipline:

Formal Discipline may be in the form of suspension, demotion (including reduction in pay), or termination. Written records of formal discipline shall be placed in an employee's official personnel file. Determination of the appropriate level of formal discipline shall be at the discretion of the Executive Director.

7.2.2.1 Demotion (including reduction in pay), Suspension or Termination: Any employee may be demoted, reduced in pay, suspended, or terminated by the Executive Director upon issuance of a Notice of Intent to Discipline followed by a Final Notice and Order of Discipline. The Notice of Intent and the Final Notice and Order shall be served upon the employee in person, by certified mail, or by other means confirming delivery at least ten (10) working days ~~prior to~~before the effective date. Service of the order shall be deemed complete upon personal service or in the case of certified mail, upon mailing.

7.2.2.1.1 Notice of Discipline: The Notice of Discipline shall include:

- a. A statement of the action being taken;
- b. The effective date of the action;
- c. A statement of the reasons for the action;
- d. A statement in ordinary language describing the conduct or performance upon which the discipline is based;

7.2.2.2 Review of Formal Discipline: An employee may request a review of an Order of Discipline through the ~~third-party contractor providing human resource services to the SLOCPT~~SLOCPT Human Resources representative. A request for review of discipline shall be in writing to the Executive Director and shall include a detailed statement

describing the reason for such a request. The written request for review must be received by the SLOCPT no later than 5:00 pm on the tenth (10) working day after the effective date of the discipline.

7.2.2.3 Review Procedure: Upon the receipt of a timely written request for review, the Executive Director shall forward the request to ~~the third party contractor providing human resource services to the SLOCPT~~ the SLOCPT Human Resources Director within ten (10) working days. Within ~~twenty (20)~~ 20 working days of receiving notification of the request, the ~~third party contractor~~ SLOCPT Human Resources representative shall provide a ~~Personnel~~ Human Resources Analyst or equivalent position and conduct an informal review hearing. Time may be extended by mutual agreement of all parties and such agreement shall be in writing. The purpose of such a review is to allow both parties in the matter to present their position and receive an objective opinion. Both parties may be represented and may present evidence as deemed appropriate by the individual presiding over the review. Within ten (10) working days of the conclusion of the review hearing, the individual presiding over the review will respond to both the Executive Director and the individual requesting the review with an advisory opinion and recommendation on the issue being heard. Within ten (10) working days of the advisory opinion and recommendation, the Executive Director shall notify the employee whether ~~they~~ he/she will accept all, part, or none of the advisory opinion and recommendation.

7.2.2.4 Review Disputes: Any disputes regarding adherence to, or interpretation of process and procedures set forth in this section shall be forwarded within ten (10) working days to ~~the third party contractor providing human resources services to the SLOCPT~~ SLOCPT Human Resources representative. Within ~~twenty (20)~~ working days of being contacted regarding an appeal dispute, the ~~third party contractor~~ SLOCPT Human Resources representative shall assign a ~~Personnel~~ Human Resources Analyst or equivalent position to ascertain facts regarding the dispute and issue a determination to both parties. Such determination shall be final and not subject to further appeal.

7.2.3 Immediate Suspension:

The Executive Director may suspend with pay, an employee without prior notice if immediate suspension is essential to avert harm to SLOCPT, its agents, employees, or the public. The Executive Director may also suspend with pay, an employee without prior notice, during any investigation or pending disciplinary action.

ARTICLE 8 GRIEVANCE PROCEDURE

Section 8.1 Background and Scope

Employees have the right to expect that employment decisions in SLOCPT service will be made based on merit and equal employment opportunity principles. It is the position of ~~the~~-SLOCPT that all employees shall be treated fairly and with respect. The procedures described herein are intended for the use of employees working for ~~the~~-SLOCPT and are limited in application to complaints of unfair treatment in employment or complaints alleging discrimination or harassment as defined in the Policy Against Harassment. Matters that require action by the SLOCPT Board are specifically excluded from this Grievance procedure.

Section 8.2 Grievance Procedure

8.2.1 Filing a Grievance:

8.2.1

Employees of ~~the~~-SLOCPT should attempt to resolve complaints or problems in a professional manner and at the lowest possible level. If attempts to resolve a complaint or problem are unsuccessful, an employee may file a formal grievance within ~~thirty (30)~~ days of the incident that led to the complaint. The grievance must be in writing, explain the complaint or problem that led to the grievance, and suggest a resolution to the problem. A grievance must be submitted in a timely manner to the employee's supervisor, the Executive Director, Deputy Director, or [the SLOCPT Human Resources representative](#). ~~to the third party contractor providing human resource services to the SLOCPT.~~

8.2.2 Grievance Step Process:

An employee who files a timely grievance shall be afforded a fair and objective consideration of their complaint at all times during the grievance process. The following is the process for hearing a grievance. ~~Time~~-The time limits described below may be extended by mutual agreement and must be in writing. The Executive Director may choose to skip Step one (1) and/or Step two (-2) of this process when the grievance is directed at the supervisor or the Executive Director. An employee may have a representative, who is not directly involved in the grievance, present at each step of the grievance step process.

Step 1 – Supervisor Hearing: Within five (5) working days of filing a grievance, the employee's direct supervisor shall meet with the employee to hear the employee's concerns. Within five (5) working days of that meeting, the supervisor shall provide a written response to the employee's concerns.

Step 2 – Executive Director Hearing: If the employee remains aggrieved following the supervisor's response to Sstep 1, ~~theyhe/she~~ may proceed to Sstep 2 by notifying the Executive Director in writing within five (5) working days of the supervisor's written response. Within five (5) days of that notification, the Executive Director shall meet with the employee to hear the employee's concerns. Within five (5) days of that meeting, the Executive Director shall provide a written response to the employee's concerns.

Step 3 – Human Resources Hearing: If the employee remains aggrieved following the Executive Director's response to Sstep 2, ~~theyhe/she~~ may proceed to Sstep 3 by notifying the Executive Director in writing within five (5) working days of the written response to step 2. Upon receiving a

request to proceed to ~~S~~step 3 of the grievance process, the Executive Director shall forward the request within ten (10) working days to the SLOCPT Human Resources representative. ~~third party contractor providing human resource services to the SLOCPT.~~ Within ~~twenty (20)~~ working days of receiving notification of the grievance, the ~~third~~

~~party contractor~~ SLOCPT Human Resources representative shall provide a ~~Personnel-Human Resources~~ Analyst or equivalent position and conduct an informal grievance hearing. The purpose of such a hearing is to allow both parties in the dispute to present their position and receive an objective opinion. Both parties may be represented and may present evidence as deemed appropriate by the individual hearing the grievance. Within five (5) working days of the conclusion of the hearing, the individual hearing the grievance will respond to the Executive Director and the grievant with an advisory opinion and recommendation on the issue being heard.

Section 8.3 Grievance Disputes

Any disputes regarding adherence to or interpretation of process and procedures set forth in this Article shall be forwarded within five (5) working days to ~~the third party contractor providing human resources services to the SLOCPT~~ the SLOCPT Human Resources representative. The ~~third party contractor~~ SLOCPT Human Resources representative shall assign a ~~Personnel-Human Resources~~ Analyst or equivalent position to ascertain facts regarding the dispute and issue a determination to both parties. Such determination shall be final and not subject to further appeal.

Consider adding a Section 8.4 —Failure to Respond

:-Should a Grievant fail at any time to proceed to the next step of the grievance process, it shall be deemed that the Grievant has withdrawn the grievance. If either the supervisor or the Executive Director ~~fail~~fails to meet any time limit for response called for in these Rules, the grievance will be deemed unresolved and the Grievant may proceed to the next step.

~~ARTICLE 9~~ ~~MEDICAL QUALIFICATION~~

~~Section 9.1 — Policy~~

~~Employees shall meet the medical standards of the position to which they are appointed and are required to perform the essential functions of their position. All application and interpretation of this article shall be subject to the provisions of the Americans with Disabilities Act, California Fair Employment and Housing Act, and all other related statutes and regulations.~~

~~Section 9.2 — New Employment Medical Qualification~~

~~Prior to starting work, all candidates selected for appointment to a SLOCPT position shall be required to take and pass a qualifying medical examination as a condition of employment. Qualifying medical examinations shall be administered made at the expense of the SLOCPT. Candidates for appointment to temporary or contract positions shall be subject to a qualifying medical examination at the discretion of the Executive Director.~~

~~Section 9.3 — Medical Standards~~

~~Minimum medical standards shall be maintained on file and kept updated for all job classifications. Positions within a classification may have additional standards, which may be identified at the time of a medical evaluation.~~

~~Section 9.4 — Current Employee Medical Examination~~

~~Current employees may be required to submit to a medical examination when the Executive Director reasonably believes that a medical or psychological condition is affecting an employee's ability to perform the essential functions of the job, when an employee is re-assigned or promoted to a position which has substantially different essential functions that warrant a determination of medical qualification, or upon return from a medical leave of absence. If a first medical examination results in a medical disqualification, a current employee may request that a second qualifying medical examination be performed by a different medical examiner. Final determination regarding medical qualification shall rest with the Executive Director.~~

~~Section 9.5 — Medical Disqualification~~

~~9.5.1 Candidates for Employment:~~

~~A candidate for employment who fails to meet the medical standards of the position applied for shall be disqualified and their name removed from the eligible list for the job. The Executive Director shall notify the candidate in writing of the disqualification and such notification shall include a general statement describing the reason for disqualification.~~

~~9.5.2 Current Employees:~~

~~A current employee who fails to meet the medical standards of their position shall be disqualified from their position and their employment shall be terminated without fault. Compliance with the Americans with Disabilities Act shall be evaluated prior to any such termination decision. Employees who are terminated for medical disqualification shall be issued a Notice of Termination by Medical~~

~~Disqualification which shall be served upon the employee in person, by certified mail, or by other~~

~~means confirming delivery. Service of the order shall be deemed complete upon personal service or, in the case of certified mail, upon mailing.~~

Section 9.6 — Review of Medical Disqualification

~~Candidates for employment who fail a qualifying medical examination and are disqualified for employment shall have no rights to appeal the final determination. Current SLOCPT employees who fail a qualifying medical examination and are terminated due to medical disqualification shall have the right to have the termination reviewed pursuant to the procedures set forth in this article. An request for review of medical disqualification shall be in writing to the Executive Director and shall include a detailed statement describing the reason for such request. The written request must be received by the SLOCPT no later than 5:00 pm on the tenth (10th) working day after the effective date of the Executive Director's final decision.~~

9.6.1 Medical Disqualification Review Procedure:

~~Upon the receipt of a timely written request for review, the Executive Director shall forward the request to the third party contractor providing human resource services to the SLOCPT within ten (10) working days. Within twenty (20) working days of receiving notification of the request, the third party contractor shall provide a Personnel Human Resources Analyst or equivalent position and conduct an informal review hearing. Time may be extended by mutual agreement of all parties and such agreement shall be in writing. The purpose of such a review is to allow both parties in the matter to present their position and receive an objective opinion. Both parties may be represented and may present evidence as deemed appropriate by the individual presiding over the review. Within ten (10) working days of the conclusion of the review hearing, the individual presiding over the review will respond to both the Executive Director and the individual requesting the review with an advisory opinion and recommendation on the issue being heard. Within ten (10) working days of the advisory opinion and recommendation, the Executive Director shall notify the employee whether theyhe/she will accept all, part or none of the advisory opinion and recommendation.~~

9.6.2 Review Disputes:

~~Any disputes regarding adherence to, or interpretation of process and procedures set forth in this section shall be forwarded within ten (10) working days to the third party contractor providing human resources services to the SLOCPT. Within twenty (20) working days of being contacted regarding a review dispute, the third party contractor shall assign a Personnel Human Resources Analyst or equivalent position to ascertain facts regarding the dispute and issue a determination to both parties. Such determination shall be final and not subject to further review.~~

ACKNOWLEDGEMENT OF REVIEW OF EMPLOYEE HANDBOOK

I have read and understand the content and requirements of the San Luis Obispo County SLOCPT Employee Handbook and agree to all abide by all applicable provisions of the Handbook that apply to me as an employee of ~~the~~ SLOCPT.

Print Name

Signature

Date

EMPLOYEE ACKNOWLEDGEMENT FORM

I, _____ hereby acknowledge that:

1. I have received a copy of the Employee Policies & Procedures Handbook provided by San Luis Obispo County Pension Trust (SLOCPT).
2. I have read, understood, and agree to abide by the practices and procedures outlined in the Employee Policies & Procedures Handbook.
3. I have completed the annual Discrimination and Harassment Training as required by company policy.
4. I confirm that I have not been subject to discrimination or harassment within the past year.
5. I understand the protocol to report any instances of discrimination or harassment, and I am aware of the resources available to me for assistance and support in such situations.
6. I understand the importance of maintaining a respectful and inclusive workplace environment and am committed to upholding the principles of equality, respect, and dignity in all aspects of my work.
7. I acknowledge that it is my responsibility to familiarize myself with any updates or revisions to company policies and procedures and to seek clarification from the HR department if needed.

Initial

By signing below, I confirm that the information provided above is true and accurate to the best of my knowledge.

Employee Signature: _____

Date: _____

Board of Trustees

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



Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 11: Tax and Employee Benefits Legal Counsel Engagement

Recommendation:

Staff and General Counsel recommend the Board of Trustees direct Staff to engage Hanson Bridgett, LLP to provide tax advice on an as-needed basis.

Background:

SLOCPT has been working with tax counsel, Don Wellington, most recently with the firm Wellington Gregory, for many years, with his most recent engagement contract dated December 3, 2021. Don has provided legal services to SLOCPT on tax reporting and filings, overpayment issues, and tax compliance issues. However, when both Staff and General Counsel attempted to contact Don in March, he was inaccessible, and we were told he recently relocated out of California.

Tax and Employee Benefits Legal Counsel Search:

Staff collaborated with General Counsel to determine that SLOCPT would need to secure a replacement to ensure access to guidance on tax matters impacting SLOCPT. General Counsel worked within his legal counsel network to identify two (2) potential replacements who both demonstrate expertise in pension fund taxation, including knowledge of relevant laws and regulations. We requested each candidate provide a history of their engagement with other California public retirement systems, as well as their current rate structure.

Given that SLOCPT doesn't require the services of tax legal counsel frequently, we have opted to recommend continuing to retain tax counsel on an as-needed basis, with services invoiced accordingly. After careful consideration, both Staff and General Counsel have

recommended the selection of Hanson Bridgett, LLP, who meets our criteria for expertise, reputation, cost, and availability. General Counsel has worked with Hanson Bridgett, LLP on one of his other client systems over the years and they have demonstrated a strong understanding of pension fund compliance and are prepared to provide timely assistance when required. Their billing rates, which were the lower of the two firms that we sought proposals from, are attached for the Board's reference. (Exhibit A)

Respectfully Submitted,

Hanson Bridgett, LLP

Attorney	Proposed Discounted Billing Rates (5/1/24)
Senior Partner (20+ years)	\$665
Partner	\$595
Senior Counsel	\$460
Senior Associate (5+ years)	\$425
Associate	\$395
Paralegal	\$265

Board of Trustees

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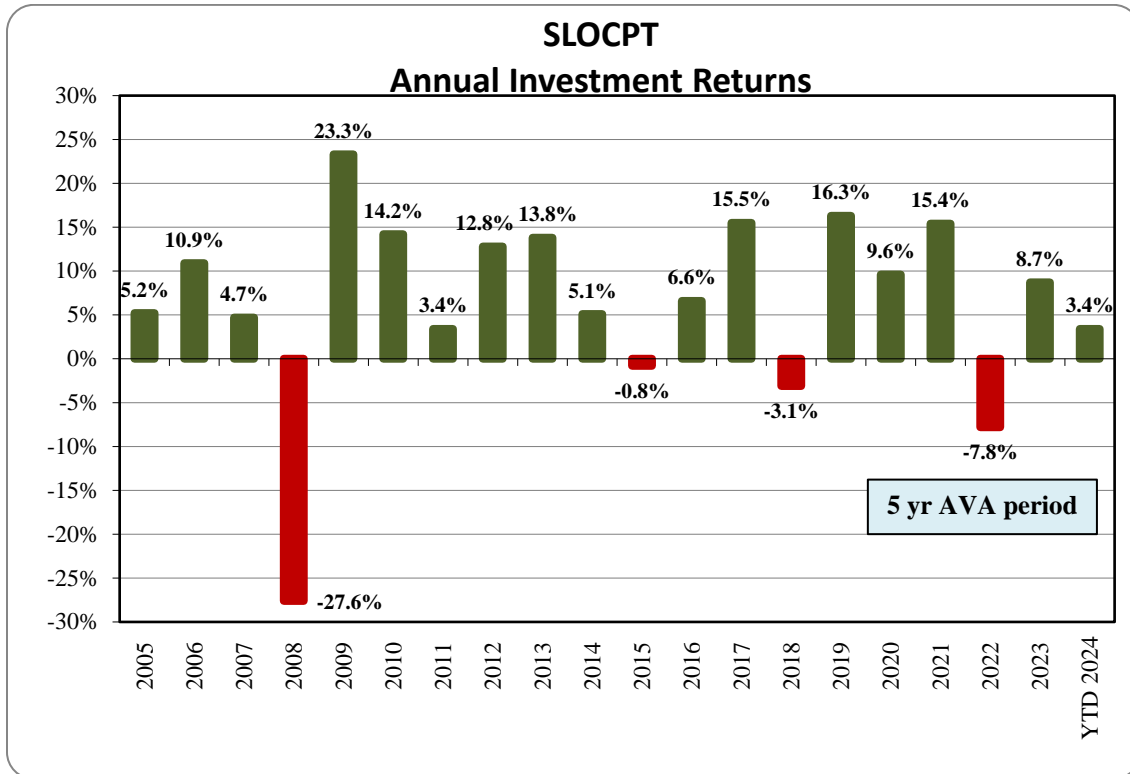
Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 12: Quarterly Investment Report for the 1st Quarter of 2024

Attached is the 1Q24 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.





**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: MARCH 31, 2024

Investment Performance Review for

San Luis Obispo County Pension Trust

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

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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 triangles and lines is overlaid on the left side of the image. A large white triangle with a blue border is positioned to the left of the main text.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

2ND QUARTER 2024
Investment Landscape

Verus business update

Since our last Investment Landscape webinar:

- Verus hired Joe Ratliffe as a Performance Analyst in our Los Angeles office
- Brent Nelson, Managing Director | Senior Consultant, received the 2023 Verus North Star Award for championing client success
- Verus will be partnering with Rainier Scholars for a 2024 Summer internship in our Seattle office
- Recent research, found at verusinvestments.com/research:
 - *Market concentration & equal weighted indexing*
 - *Ten thoughts for 2024*
 - *What are continuation funds?*

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Fixed income rates & credit 22

Equity 28

Other assets 37

Appendix 40

Recent Verus research

Visit: verusinvestments.com/research

Topics of interest

TEN THOUGHTS FOR 2024

Every January we write a list of 10 things we expect to be important in the coming year. Many firms do this—we do something unusual, which is mark ourselves on the success or failure of the previous year’s predictions. Some years we do well in our predictions, some years less well, but we find the self-enforced humility worthwhile when taking on the task of forecasting. This year is no different. We can look back with some pleasure: in a year where many forecasts went awry, five of our ten forecasts can be counted as a success, with two more a partial success, and three misses.

Other thought leadership

WHAT ARE CONTINUATION FUNDS?

Continuation funds are an innovative financial tool that have been transforming the landscape of private equity. But this new opportunity leaves many investors wondering: What are they? Who can invest in them? What are the risks? Our video explores this concept and how Verus recommends to assess them.

MARKET CONCENTRATION & EQUAL-WEIGHTED INDEXING

Equal-weighted indexing presents an intriguing proposition to the issue of market concentration often seen in market cap-weighted indexes, such as the S&P 500. However, a closer look shows that this approach has failed to deliver on many of the qualities that investors may be seeking. This video provides a look into the equal-weighted index strategy and examines its track record from a few vital angles.

1st quarter summary

THE ECONOMIC CLIMATE

- Real GDP growth unexpectedly slowed in Q1 to 1.6% quarter-over-quarter (3.0% year-over-year), falling short of economist forecasts for 2.5% growth. The GDP release reflected positive but decelerating spending by households, slowing exports, and less government expenditures. Residential fixed investment accelerated partly driven by new single-family home construction, while private inventory investment fell.
- The U.S. job market has been incredibly resilient, with unemployment rising slightly from 3.7% to 3.8% but labor participation improving from 62.5% to 62.7%. Some economists and investors have begun to partially attribute surprisingly strong labor conditions to substantial immigration (both legal and illegal) in recent years.

PORTFOLIO IMPACTS

- The 10-year U.S. Treasury yield rose 32 basis points to 4.20% during Q1 on broad acknowledgment that disinflation trends have stalled and that the Federal Reserve may not cut rates in 2024 as significantly as markets had hoped for.
- Market-priced volatility (Cboe VIX Index) remained incredibly low during the quarter, ending at 13.0 in March. Historically, market volatility of this level has coincided with strong upward trending risk markets and investor enthusiasm.

THE INVESTMENT CLIMATE

- Equity markets delivered another quarter of large gains—much of the performance fueled by richer valuations rather than fundamentals. Credit spreads declined further to very low levels, leading to moderate returns for higher risk credit. Many markets appear to be priced to perfection as recession fears subside.
- U.S. inflation increased in Q1, following a handful of hotter-than-expected inflation and jobs reports. Headline inflation increased from 3.3% to 3.5% year-over-year in March, while core CPI (ex-food & energy) declined slightly from 3.9% to 3.8%. It now seems more likely that inflation ends this year closer to, or above, 3% rather than 2%.

ASSET ALLOCATION ISSUES

- U.S. equities (S&P 500 +10.6%) once again outpaced international developed equities (MSCI EAFE +5.8%) and emerging market equities (MSCI EM +2.4%) during the quarter. The domestic market has also delivered outperformance over the past year, fueled by the artificial intelligence boom. Telecom (+49.8%) and Technology (+46.0%) saw the biggest gains across the S&P 500.
- Style factor investing underperformed during Q1. Small cap lagged large cap by -5.1% (Russell 2000 +5.2% vs. Russell 1000 +10.3%). Value underperformed Growth by -2.4% (Russell 1000 Value +9.0% vs. Russell 1000 Growth +11.4%). Mega cap companies continue to dominate large cap index performance and affect style behavior.

Equity markets delivered another large rally in Q1, while credit showed mildly positive returns

Stubborn inflation and fewer Fed interest rate cuts seem likely for 2024

What drove the market in Q1?

“U.S. Consumer Prices Heat Up in March; Seen Delaying Fed Rate Cut”

FED FUNDS FUTURES IMPLIED RATES: END OF 2024

Jan 15th	Jan 31st	Feb 15th	Feb 29th	Mar 15th	Mar 31st
3.76%	3.86%	4.37%	4.48%	4.61%	4.66%

Article Source: Reuters, April 10th, 2024

“Resilient U.S. Boosts IMF Forecast for Global Economic Growth”

IMF WORLD ECONOMIC OUTLOOK 2024 GLOBAL GDP FORECAST

Jan 23	April 23	July 23	Oct 23	Jan 24	April 24
3.1%	3.0%	3.0%	2.9%	3.1%	3.2%

Article Source: U.S. News & World Report, January 30th, 2024

“A Persistently Strong Labor Market Delivers Economic Stability”

NONFARM PAYROLL GROWTH

Oct	Nov	Dec	Jan	Feb	Mar
165k	182k	290k	256k	270k	303k

Article Source: Forbes, January 27th, 2024

“Earnings, Big Tech Gave Investors Reasons to Buy U.S. Stocks”

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

Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
2.3%	-4.7%	-1.7%	-4.2%	4.9%	4.2%

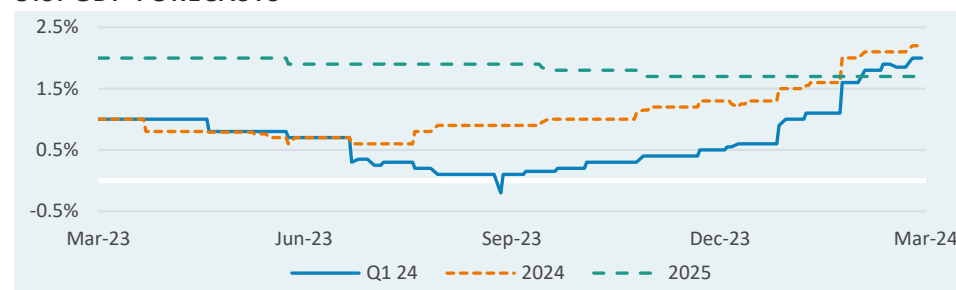
Article Source: Bloomberg, March 2nd, 2024

CPI COMPONENT: SHELTER (YEAR-OVER-YEAR)



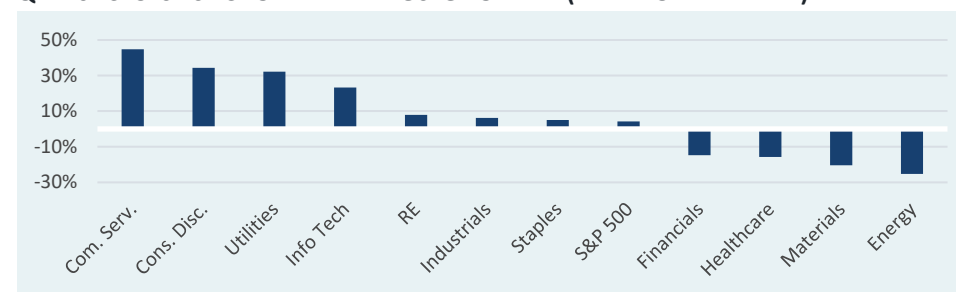
Source: BLS, as of 3/31/24

U.S. GDP FORECASTS



Source: Bloomberg, as of 3/31/24

Q4 2023 U.S. SECTOR EARNINGS GROWTH (YEAR-OVER-YEAR)



Source: FactSet, as of 3/31/24

Economic environment

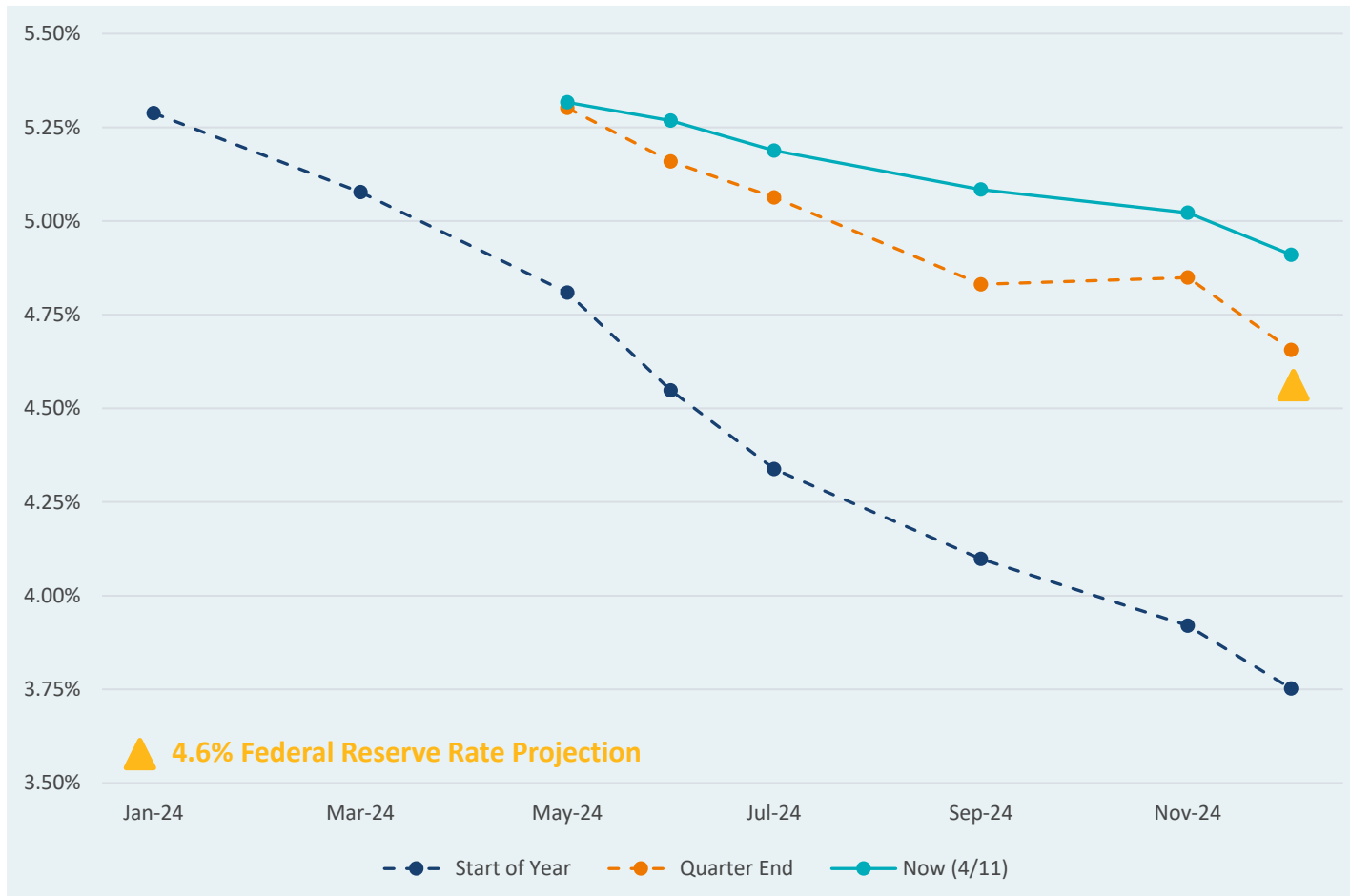
U.S. economics summary

- Real GDP growth unexpectedly slowed in Q1 to 1.6% quarter-over-quarter (3.0% year-over-year), falling short of economist forecasts for 2.5% growth. The GDP release reflected positive but decelerating spending by households, slowing exports, and less government expenditures. Residential fixed investment accelerated partly driven by new single-family home construction, while private inventory investment fell.
- U.S. inflation increased in Q1, following a handful of hotter-than-expected inflation and jobs reports. Headline inflation increased from 3.3% to 3.5% year-over-year in March, while core CPI (ex-food & energy) declined slightly from 3.9% to 3.8%. It seems more likely that inflation ends this year closer to, or above, 3% rather than 2%.
- Inflation adjusted consumer spending has remained moderate, at 2.4% YoY in February. Purchases of services have materially outpaced purchases of goods in recent years, a reversal of the historically unprecedented boom in goods purchases that occurred during the pandemic.
- Employment has been incredibly resilient. Unemployment was stable during Q1, while labor participation increased. Some economists and investors have partially attributed labor market gains to substantial immigration (both legal and illegal) in recent years—with millions of immigrants being of working age and seeking work. Given the level of immigration, we expect official labor data has been, and will continue to be, meaningfully impacted.
- Consumer sentiment has jumped significantly on better financial situations of households, expectations that inflation will further ease, and a steadying economy. At the same time, The NFIB Small Business Optimism index deteriorated to the weakest level since 2012. Inflation remains a top concern, and business owners indicated they could not find qualified candidates to fill job openings.

	Most Recent	12 Months Prior
Real GDP (YoY)	3.0% 3/31/24	1.7% 3/31/23
Inflation (CPI YoY, Core)	3.8% 3/31/24	5.6% 3/31/23
Expected Inflation (5yr-5yr forward)	2.3% 3/31/24	2.2% 3/31/23
Fed Funds Target Range	5.25–5.50% 3/31/24	4.75–5.00% 3/31/23
10-Year Rate	4.20% 3/31/24	3.47% 3/31/23
U-3 Unemployment	3.8% 3/31/24	3.5% 3/31/23
U-6 Unemployment	7.3% 3/31/24	6.7% 3/31/23

Federal Reserve policy

FED FUNDS FUTURES IMPLIED 2024 RATE PATH



Markets started the year pricing in six rate cuts by the end of 2024

Implied pricing now indicates expectations for just two rate cuts, a tighter path relative to the three forecasted rate cuts projected in the Federal Reserve's Summary of Economic Projections

Source: Bloomberg, as of 4/11/24

Inflation

U.S. inflation increased in Q1, following a handful of hotter-than-expected inflation and jobs reports. Headline inflation increased from 3.3% to 3.5% year-over-year in March, while core CPI (ex-food & energy) declined slightly from 3.9% to 3.8%. It seems more likely that inflation ends this year closer to, or above, 3% rather than 2%. Certain goods and services have further moderated in price growth, such as Used Vehicles and Food, while other price trends remain hot such as Housing and Auto Insurance.

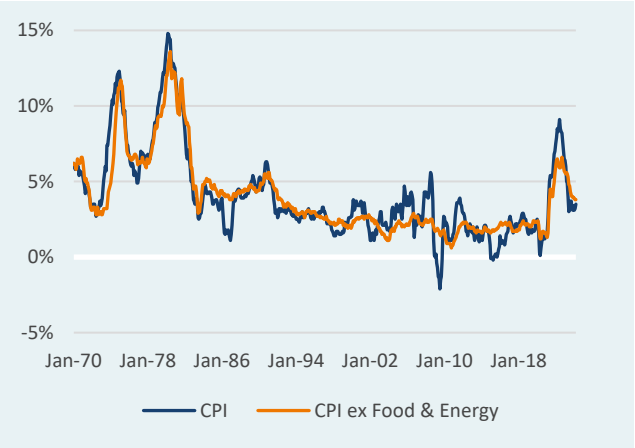
The outsized impact of Shelter—which makes up more than a third of the entire CPI basket—remains a major force keeping inflation elevated. While shelter prices reported by the Bureau

of Labor Statistics have moved closer to real-time price gauges, March’s 0.4% month-over-month increase still reflected an annualized rate of nearly 5%.

Inflation appears to be flattening out rather than continuing lower towards the Federal Reserve 2% target, which has been a catalyst for changing monetary policy expectations. Stubborn inflation combined with strong labor and other economic activity provides little incentive for the Federal Reserve to ease rates. At the beginning of the year the market expected six rate cuts in 2024. That has since fallen to two cuts.

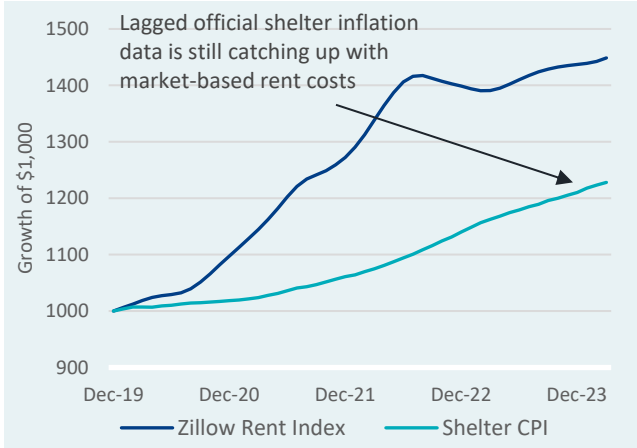
Q1 inflation remains above the Fed’s target, affecting market expectations for a “higher for longer” rate environment

U.S. CPI (YOY)



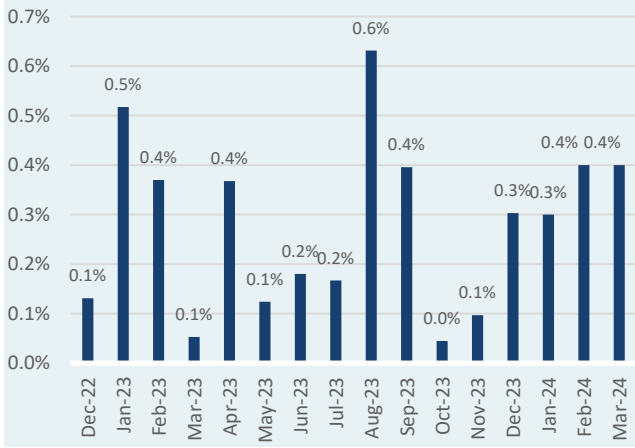
Source: BLS, as of 3/31/24

ZILLOW OBSERVED RENT VS. SHELTER CPI



Source: Zillow Observed Rent Index, FRED, of 3/31/24

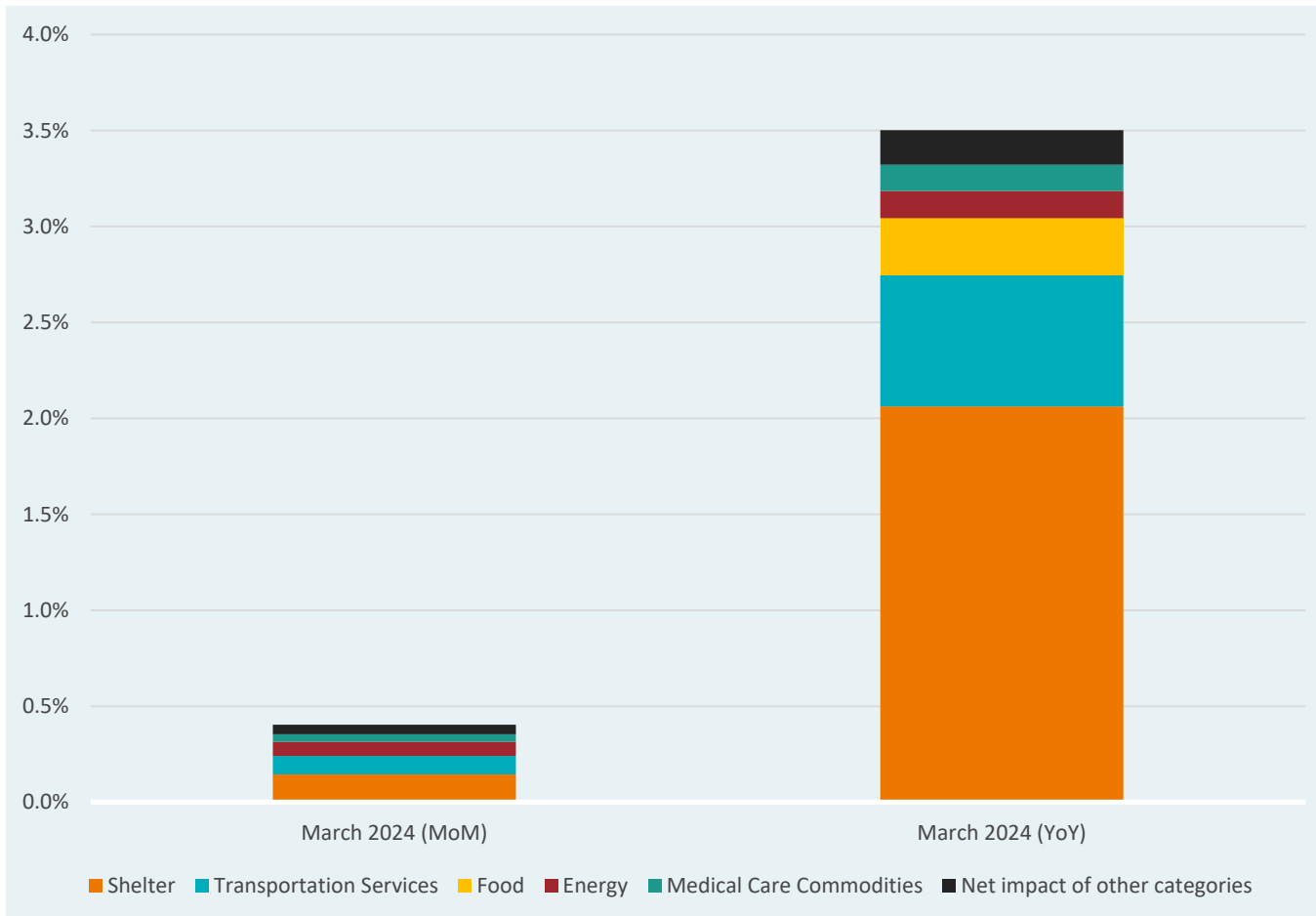
MONTHLY PRICE MOVEMENT (CPI)



Source: BLS, as of 3/31/24

Inflation: shelter's outsized impact

CONTRIBUTION TO MARCH 2024 CPI



Shelter's contribution to inflation remains outsized, making up more than two-percent of the 3.5% year-over-year headline print

Amongst services, transportation costs have materially increased from the past year, notably amongst motor vehicle insurance (+22.2%) and maintenance and repair (+8.2%)

Source: BLS, as of 3/31/24.

GDP growth

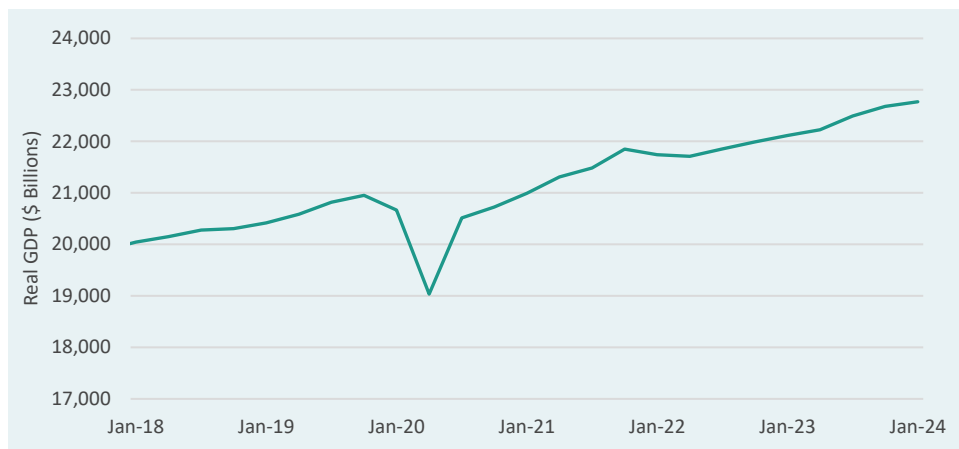
Real GDP growth unexpectedly slowed in Q1 to 1.6% quarter-over-quarter (3.0% year-over-year), falling short of economist forecasts for 2.5% growth. The GDP release reflected positive but decelerating spending by households, slowing exports, and less government expenditures. Residential fixed investment accelerated partly driven by new single-family home construction, while private inventory investment fell.

Slower economic growth in the first quarter appears to have been mostly driven by weakness in exports and imports, as well as a moderation in government spending. Other aspects of the economy such as consumer spending and investment

have slowed in recent quarters but growth remains moderately positive, as high inflation and weaker wage gains have not yet obviously resulted in a decline in spending. The first quarter GDP print marked the first instance of weak economic data after a seemingly months-long series of strong releases, from employment, to consumer sentiment, to spending. This was an abrupt change in direction of the data, and it will be important for investors to monitor whether it marks a true change in trend or is simply a bump in the road with further U.S. strength ahead.

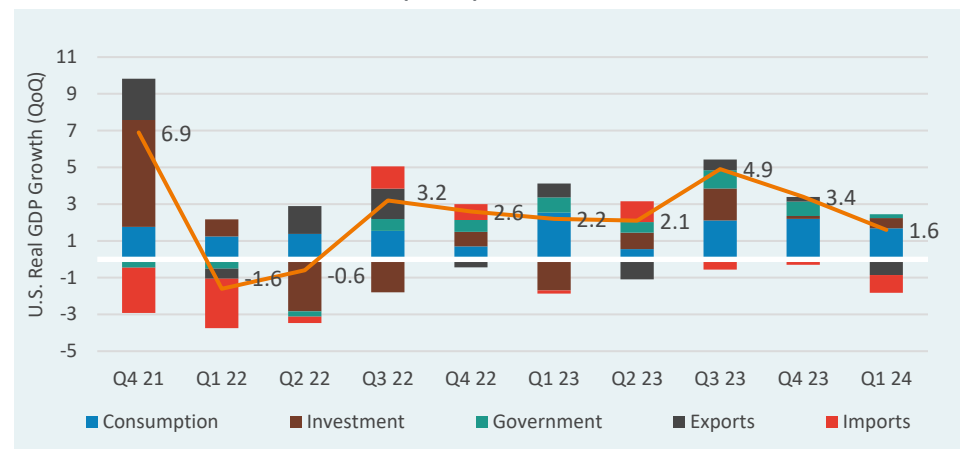
U.S. growth slowed a bit in Q1 but continues to show resilience despite aggressive monetary tightening

U.S. REAL GROSS DOMESTIC PRODUCT



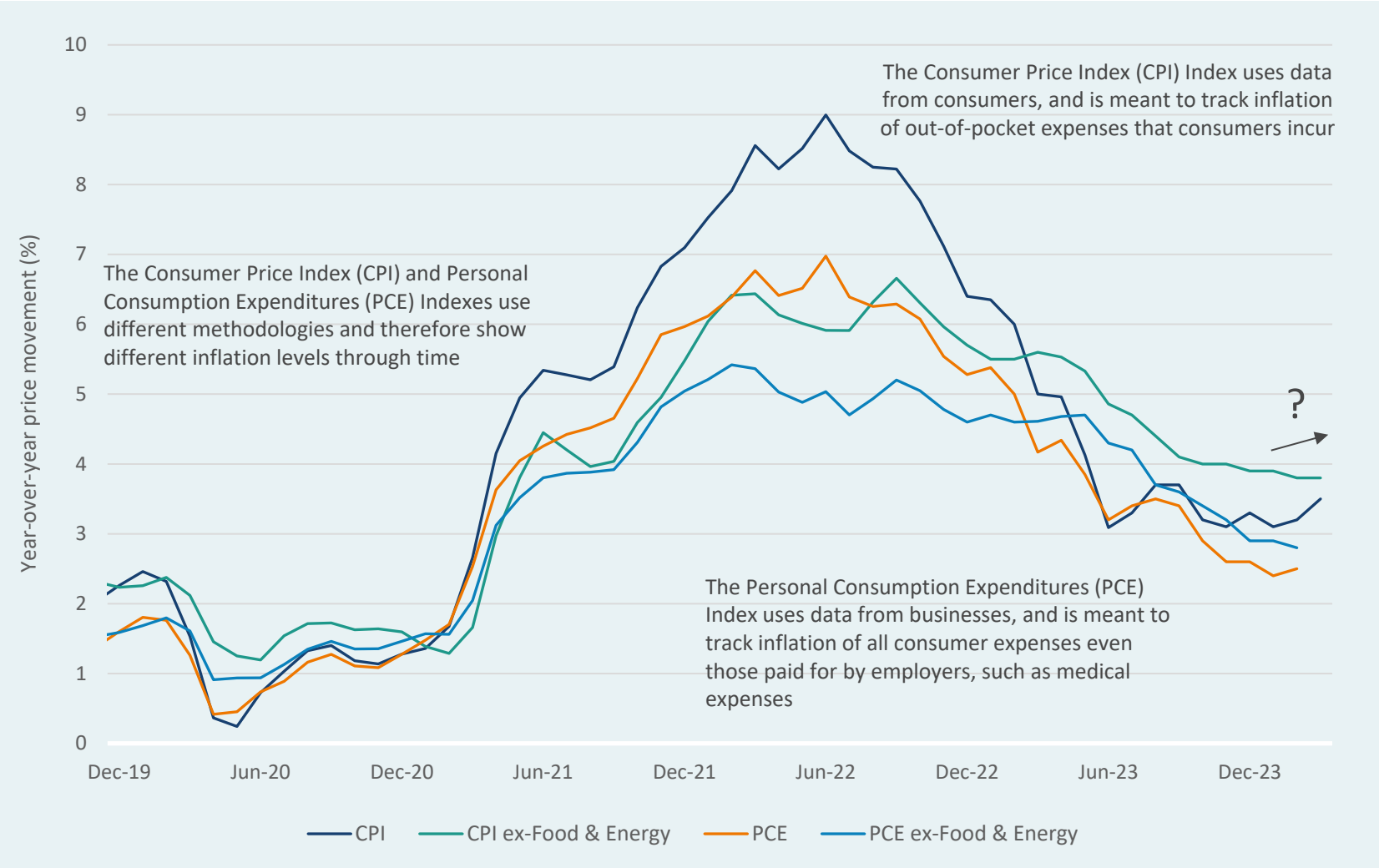
Source: FRED, as of 3/31/24

U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 3/31/24

How are inflation conditions evolving?



Recent hot inflation numbers have created concerns that inflation may be stabilizing at a higher level than what is required for interest rate cuts to occur

Source: FRED, Verus, PCE data as of 3/31/24, CPI data as of 2/29/24

Labor market

The unemployment rate was fairly stable during the quarter, rising slightly from 3.7% to 3.8%. Meanwhile, labor participation improved from 62.5% to 62.7%.

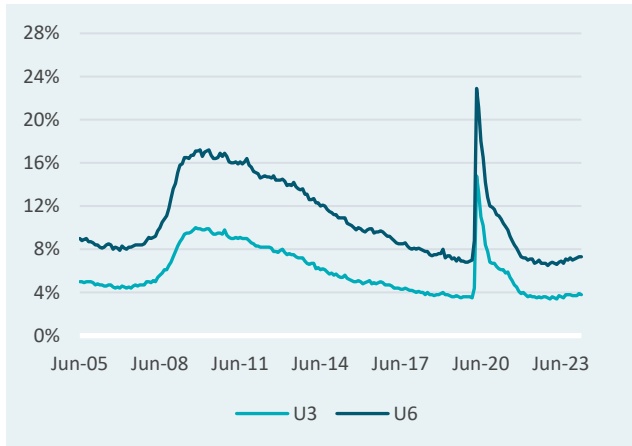
The U.S. job market has been incredibly resilient in the face of higher interest rates, and ongoing employment data releases continue to show outsized labor market gains. Some economists and investors have begun to partially attribute the record labor market gains to substantial immigration (both legal and illegal) into the country in recent years—with millions of immigrants being of working age and seeking employment. Given total immigration estimates, we would

expect that official jobs data, which is based on both phone surveys and also on employer payroll figures, to be meaningfully impacted.

Rebalancing within the labor market continued. The mismatch between the number of *workers available* and the number of *available jobs* was greater than 6 million in early 2022. Nearly two-thirds of that gap has now closed, with steady improvement over the past year.

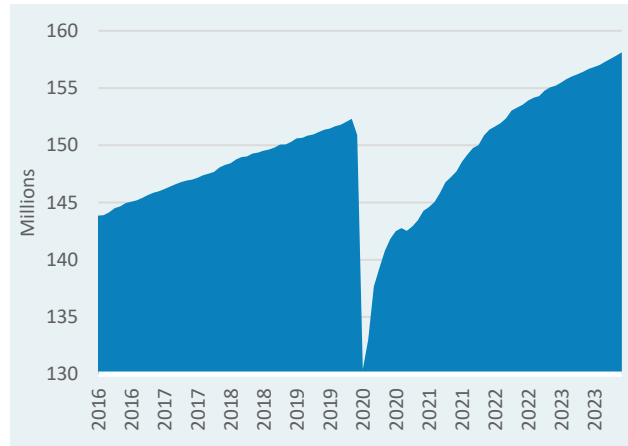
A substantial rise in different types of immigration over recent years may partially describe strong labor data

U.S. UNEMPLOYMENT



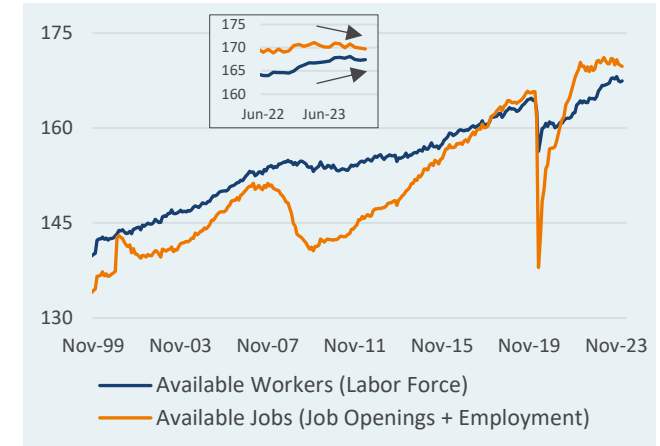
Source: FRED, as of 3/31/24

TOTAL U.S. EMPLOYMENT



Source: FRED, as of 3/31/24

WORKERS AVAILABLE VS. AVAILABLE JOBS



Source: BLS, Verus, as of 2/29/24

The consumer

Inflation adjusted spending has remained moderate, at 2.4% year-over-year in February. Purchases of services have materially outpaced purchases of goods in recent years in terms of growth, since the historically unprecedented boom in goods purchases that occurred during the pandemic. We believe that extreme surge in goods purchases effectively *pulled forward* these purchases from future years, such as in home sales activity, home improvement projects, and recreational vehicle sales, which has led to the recent lull.

but have since fallen back to extremely low levels. The reason for this trend is unclear, though it coincides with a notable improvement in consumer sentiment, which suggests lower savings rates for some households might reflect an improved outlook for the economy and personal finances. However, high prices and cost of living is likely a greater contributing factor. Overall, Americans continue to spend rather freely despite higher costs of goods and services taking up a greater portion of take-home income. This includes nonessential spending such as for travel.

Personal savings rates had been improving through mid-2023

REAL PERSONAL SPENDING



Source: FRED, as of 2/29/24

GOODS VS. SERVICES SPENDING (REAL)



Source: FRED, as of 2/29/24

PERSONAL SAVINGS RATE



Source: FRED, as of 2/29/24

Sentiment

Consumer sentiment has seen significant improvement over the past year. The University of Michigan Consumer Sentiment survey bounced from 69.7 to 79.4 in Q1 on better financial positions of U.S. households, expectations that inflation will continue to ease, and impressions that the economy has achieved a “steady state”.

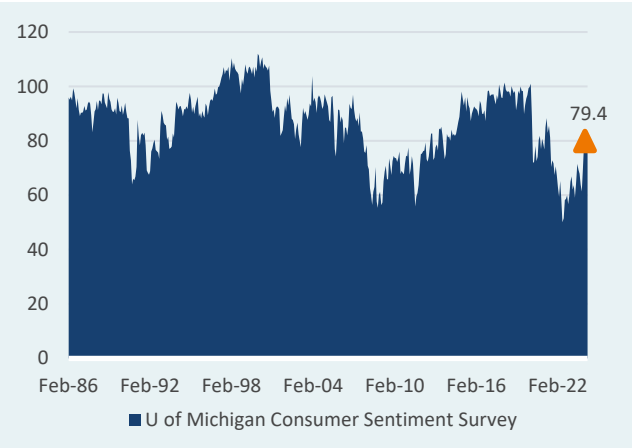
Although the domestic annual inflation rate is now closer to the longer-term average, sentiment surveys continue to reflect discontent with high costs of living. As we have discussed in recent quarters, this effect might be termed the “lower inflation conundrum”. As prices of many goods and services jumped significantly higher during and after the pandemic, the wages of

the average worker did not keep up in many respects. Although price *movement* (official inflation numbers) has come down recently, high prices persist and remain a thorn in household budgets, savings levels, and the overall financial security of Americans. This is reflected in sentiment survey responses.

The NFIB Small Business Optimism index has deteriorated to the weakest level since 2012. Inflation has been reported as a top business concern, and 37% of business owners indicated they could not find qualified candidates to fill job openings, overall reflecting a poor business climate.

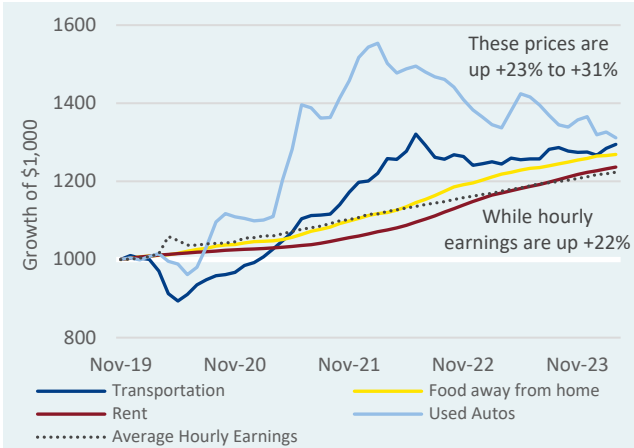
Consumer sentiment improved during Q1, while small business optimism dropped to the weakest level since 2012

CONSUMER SENTIMENT



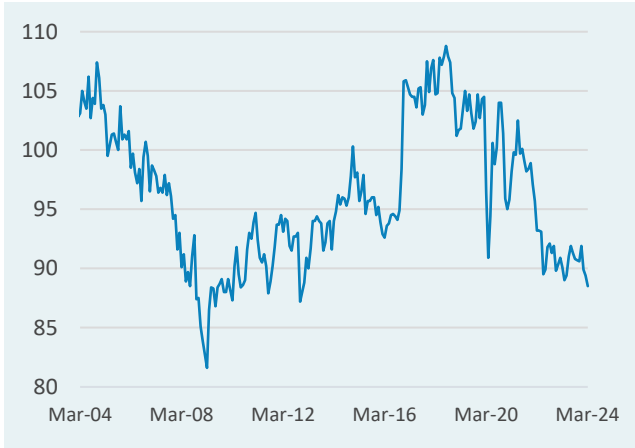
Source: University of Michigan, as of 3/31/24

HOUSEHOLDS STILL FEELING THE SQUEEZE



Source: FRED, Verus, as of 3/31/24

NFIB SMALL BUSINESS SENTIMENT



Source: NFIB, as of 3/31/24

Housing

Domestic housing market activity picked up in Q1. Existing home sales increased 10% quarter-over-quarter, and the number of homes listed for sale rose by a similar magnitude. According to Redfin, the median home sales price was up +5.3% in March from the prior year. After an extended period of high mortgage rates and difficult affordability, it is possible that many sellers and buyers are accepting market conditions and choosing to no longer wait on the sidelines.

Housing affordability improved slightly but remains extremely poor, with the 30-year average fixed mortgage rate jumping slightly from 6.6% to 6.8%. Prospects for lower interest rates and therefore better affordability have diminished as investors expect fewer upcoming rate cuts from the Federal Reserve, though a rebound in home sales activity may suggest that the

market has stabilized. Real estate markets can stay out of balance in terms of affordability for very long periods of time. A path to affordability in the current environment is not yet clear, as interest rates will most likely stay high, and homeowners are not willing to, and seemingly do not need to, adjust their selling prices downwards.

Mortgage delinquency levels of single-family homeowners remain muted, at 1.69% as of Q4. This compares to 2.34% in Q4 of 2019 prior to the onset of the pandemic. Conditions have been supported by steadily increasing home prices that have led to robust home equity balances, as well as ultra-low interest rates following COVID-19 which allowed for attractive refinancing opportunities and lower monthly payments.

30-YEAR MORTGAGE RATE (%)



Source: Freddie Mac, as of 3/31/24

EXISTING HOME SALES



Source: FRED, as of 2/28/24

HOUSING AFFORDABILITY



Source: FRED, as of 12/31/23 – 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 broad global narrative remains similar to last quarter, as global metrics paint a picture of slowing yet resilient economic growth. While a hotter March inflation print in the U.S. changed expectations around the policy path of the Federal Reserve, inflation in international developed economies has shown greater signs of moderation, putting central banks such as the European Central Bank and Bank of England on a path to policy easing.

— Developed economies continue to juggle economic growth and inflation. Price pressures have shown signs of easing across the Eurozone and U.K., with inflation sitting at 2.4% and 3.2%, respectively. Despite inflation moderation, conditions remain weak across the Eurozone, with GDP nearly flat on a year-over-year basis and unemployment elevated at 6.5%.

— In Japan, growth conditions also remain shaky, as the country nearly avoided a technical recession

following an upward revised GDP release. While the BOJ formally ended its zero-interest rate policy, the Japanese Yen weakened further against the U.S. dollar after unclear guidance from the BOJ and expectations for higher U.S. interest rates. The Japanese economic story remains challenged despite positive performance of the equity market.

— Growth in emerging markets continues to offset slowing activity in developed economies, as year-over-year GDP growth of 8.4% and 5.3% in India and China outpace most of the globe. China remains in the headlines given that economic and technological rivalry with the U.S. persists. Despite sentiment challenges, growth has remained above the target of 5%, even in the face of a lagging property market and financial stress seen amongst local-government financing vehicles and regional banks.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	3.0% 3/31/24	3.5% 3/31/24	3.8% 3/31/24
Eurozone	0.1% 12/31/23	2.4% 3/31/24	6.5% 2/29/24
Japan	1.2% 12/31/23	2.6% 3/31/24	2.6% 2/29/24
BRICS Nations	5.3% 12/31/23	1.7% 3/31/24	4.8% 12/31/22
Brazil	2.1% 12/31/23	3.9% 3/31/24	7.8% 2/29/24
Russia	4.9% 12/31/23	7.7% 3/31/24	2.8% 2/29/24
India	8.4% 12/31/23	4.9% 3/31/24	7.6% 3/31/24
China	5.3% 3/31/24	0.1% 3/31/24	5.2% 3/31/24

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.

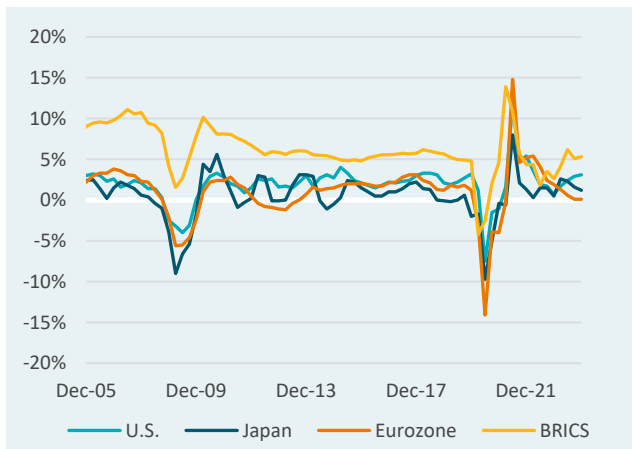
International economics

We believe the global narrative remains intact, and that many economies are set to slow in 2024 but will likely avoid recession. While hotter inflation data in the U.S. has led to changed policy expectations, inflation in international developed economies showed signs of moderation, putting central banks like the European Central Bank (ECB) and Bank of England (BOE) on a path to policy easing. The market is pricing three 25 bps interest rate cuts from the ECB and the BOE by end-of-year.

The IMF's April World Economic Outlook (WEO) communicated a much more balanced economic environment, as steady growth and disinflation has resulted in a lower likelihood of a "hard landing". The IMF sees global growth at 3.2% for 2024 and 2025, with the 2024 growth estimate revised up +0.1% from the January WEO update.

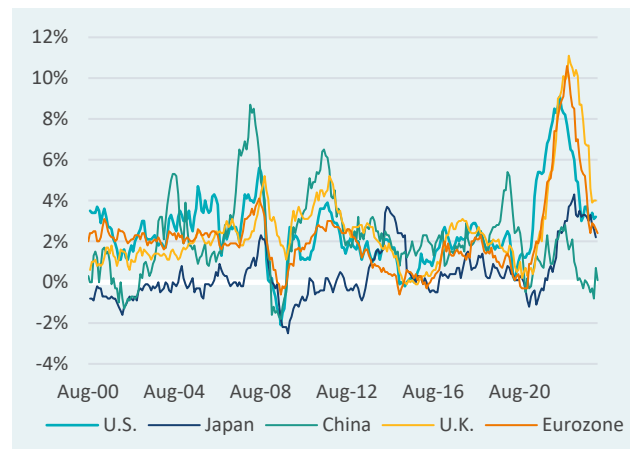
Going forward, we see material downside risks but also potential growth catalysts to the upside. Continuing and escalating conflicts in the Middle East and Eastern Europe have raised fears around energy market disruption, especially when considering that rising oil and natural gas prices were a major contributor to the recent four-decade-high bout of inflation. On the other hand, growth catalysts such as accelerated computing and artificial intelligence offer a broad range of applicability and impact that, although difficult to quantify, could act as a substantial driver of productivity and growth in the future. Additionally, if inflation pressures were to ease more quickly than expected, allowing for easier monetary policies, this may fuel growth and markets forward.

REAL GDP GROWTH (YEAR-OVER-YEAR)



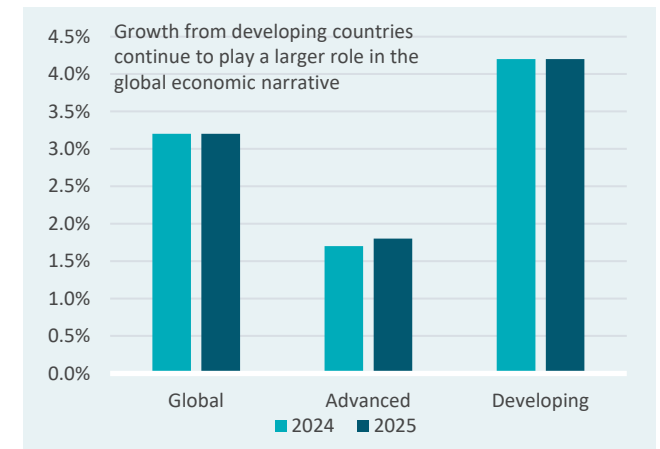
Source: Bloomberg, as of 12/31/23

INFLATION (CPI YEAR-OVER-YEAR)



Source: Bloomberg, as of 3/31/24 – or most recent release

IMF APRIL 2024 GDP FORECASTS



Source: IMF April World Economic Outlook, as of 4/16/24

Fixed income rates & credit

Fixed income environment

- The 10-year U.S. Treasury yield rose 32 basis points from 3.88% to 4.20% during Q1 on broad acknowledgment that disinflation trends have stalled and that the Federal Reserve may not cut rates in 2024 as significantly as markets had hoped for. Yields across the Treasury curve increased, with shorter-term rates rising more than longer-term.
- Domestic high-quality, duration-sensitive bonds experienced slight losses during the quarter, while most credit indices saw positive returns. High yield gained +1.5% (Bbg U.S. Corporate High Yield), while bank loans rose +2.5% (S&P/LSTA Leveraged Loan). Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) declined by -1.7% during the quarter as both rising interest rates and concerns about inflation detracted from performance.
- The U.S. yield curve has remained inverted since June 6th, 2022, marking the longest yield curve inversion on

record. This is indicated by the 10-year minus 2-year Treasury yield—ending the quarter at -39bps, down slightly from -35bps in Q4. While the yield curve has historically been a reliable predictor of recession, economic growth remains robust.

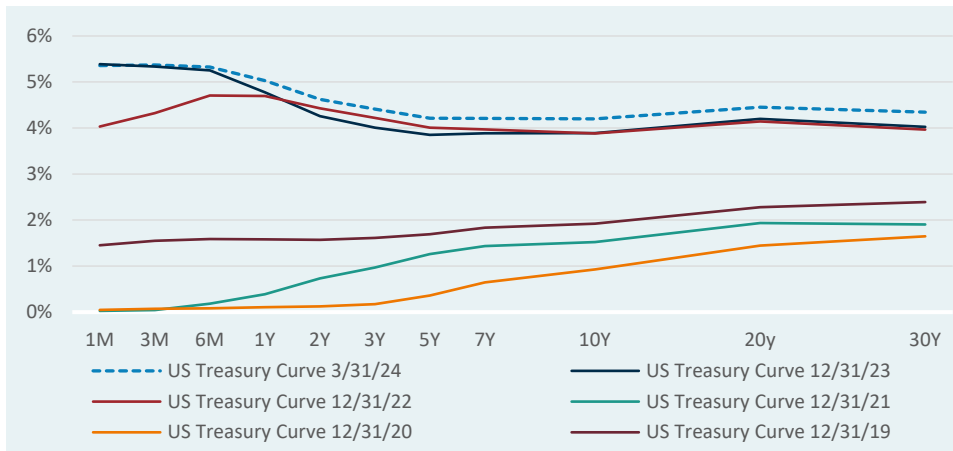
- Although default activity remains low, volumes increased as slowing economic growth and rising borrowing costs acted as headwinds. During the period, \$20.6 billion of bank loan and high yield bonds were affected by default or distressed exchanges, up from \$15.8 billion in the prior quarter. Notable company defaults included Jo-Ann’s (Retail), Hornblower (Travel & Leisure), and RobertShaw (Technology).
- Structured credit hedge funds, which focus on credit sectors such as CLOs, ABS (auto, credit card, etc), MBS, and CMBS, continue to deliver strong returns relative to traditional high yield and remain competitive versus leveraged loan indices.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	(0.8%)	1.7%
Core Plus Fixed Income (Bloomberg U.S. Universal)	(0.5%)	2.7%
U.S. Treasuries (Bloomberg U.S. Treasury)	(1.0%)	0.1%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	(3.8%)	(7.3%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	1.5%	11.2%
Bank Loans (S&P/LSTA Leveraged Loan)	2.5%	12.4%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	(2.1%)	4.9%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	2.0%	11.3%
Mortgage-Backed Securities (Bloomberg MBS)	(1.0%)	1.4%

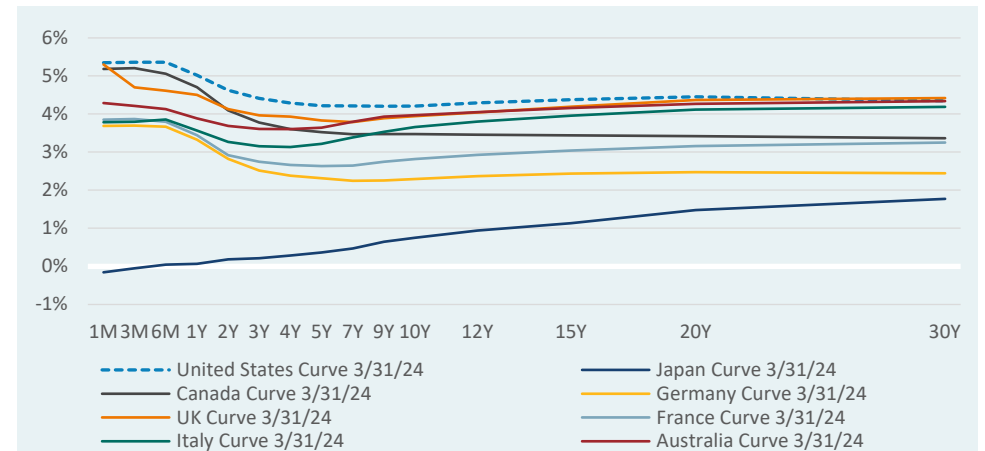
Source: Bloomberg, as of 3/31/24

Yield environment

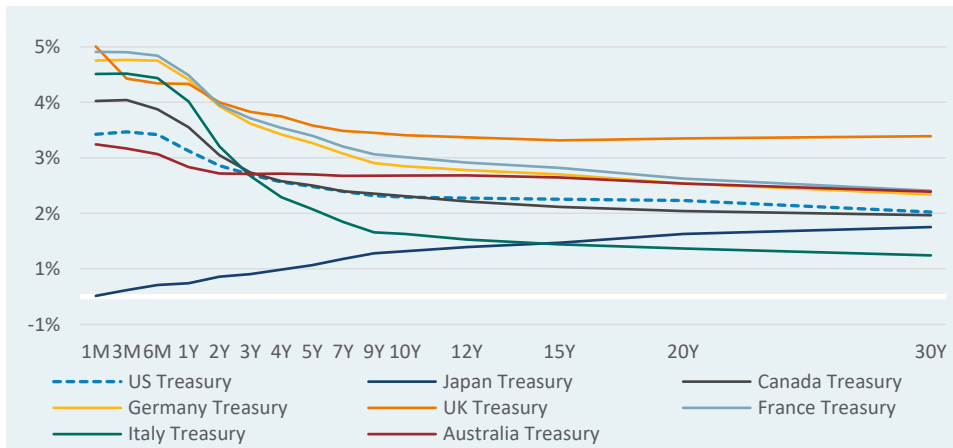
U.S. YIELD CURVE



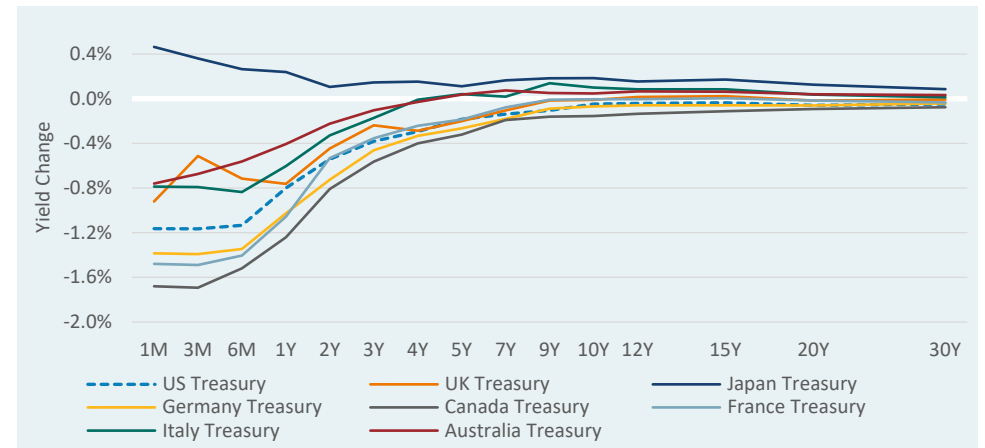
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 3/31/24

Credit environment

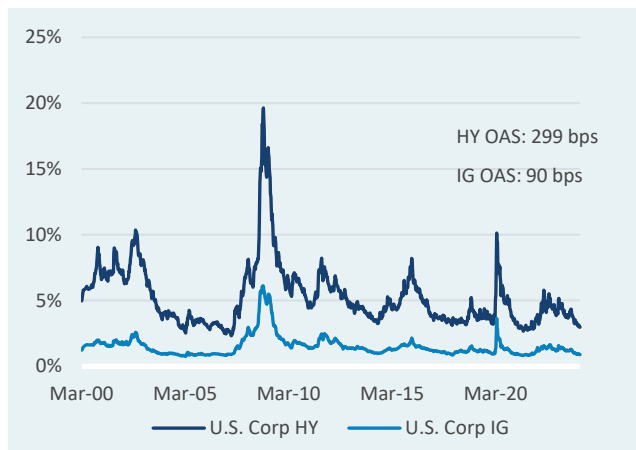
During the first quarter, credit markets delivered mixed returns with lower-quality credits such as high yield bonds and bank loans leading. Bank loans rose +2.5% (CS Leveraged Loans), while high yield bonds increased by +1.5% (Bbg U.S. Corporate High Yield). Longer duration investment grade corporate bonds (Bloomberg U.S. Long Corporate Credit) fell by -1.7% as pressure from both rising interest rates and higher expected inflation acted as a headwind to performance.

Returns across credit ratings were mixed during Q1. Higher-quality BB-rated bonds returned +1.3% compared to +1.0% for B-rated and +1.3% for and CCC-rated bonds, respectively. Lower-quality bank loans experienced strong returns with CCC-rated loans rising by +6.0%,

compared to +2.5% and +1.9% for BB- and B-rated loans, respectfully,

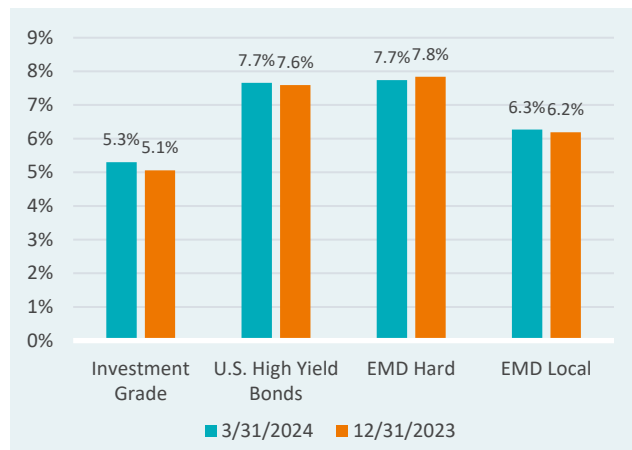
Credit spreads were slightly narrower during the quarter as stronger-than-expected economic growth eased concerns related to potential recession. Lower-quality high yield bond spreads fell by 0.2% to roughly 3.2%, while investment grade spreads decreased by roughly 0.1% to 1.2%. Broadly, spreads remain below their long-term historical averages, which suggests that investors are staying confident about the ability of those businesses to service debt. That said, slower U.S. economic growth could lead to wider credit spreads as investors might seek safety in higher quality assets.

SPREADS



Source: Barclays, Bloomberg, as of 3/31/24

YIELD TO WORST



Source: Bloomberg, J.P. Morgan as of 3/31/24

CREDIT SPREAD (OAS)

Market	3/31/24	3/31/23
Long U.S. Corp	1.1%	1.6%
U.S. Inv Grade Corp	0.9%	1.4%
U.S. High Yield	3.1%	4.6%
U.S. Bank Loans*	3.9%	3.7%

Source: Barclays, Credit Suisse, Bloomberg, as of 3/31/24
*Discount margin (4-year life)

Default & issuance

Default activity increased during the quarter as slowing economic growth and rising borrowing costs acted as headwinds. During the period, \$20.6 billion of bank loan and high yield bonds were affected by default or distressed exchanges, up from \$15.8 billion in the prior quarter. Notable company defaults included Jo-Ann’s (Retail), Hornblower (Travel & Leisure), and RobertShaw (Technology).

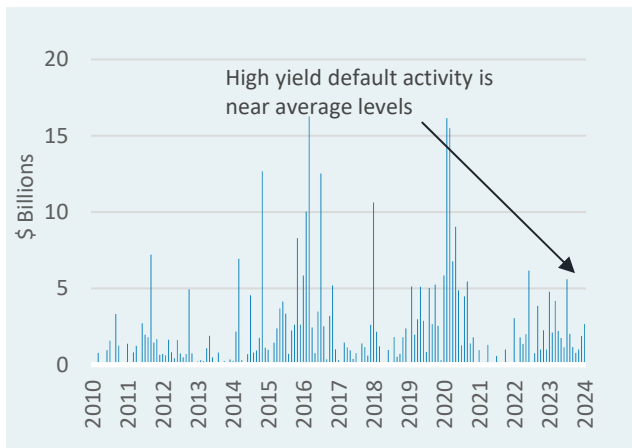
Year-to-date, the combined total of defaults and exchanges tracked slightly behind last year’s pace by roughly -3.0%.

High yield bond default rates increased to 2.6%, up from 1.9% a year earlier, but were still below the long-term annual average of roughly 3.4%. High-yield default recovery rates ended the quarter at 33.1%, up slightly from

32.8% at the end of 2023, but below the long-term average of roughly 40%.

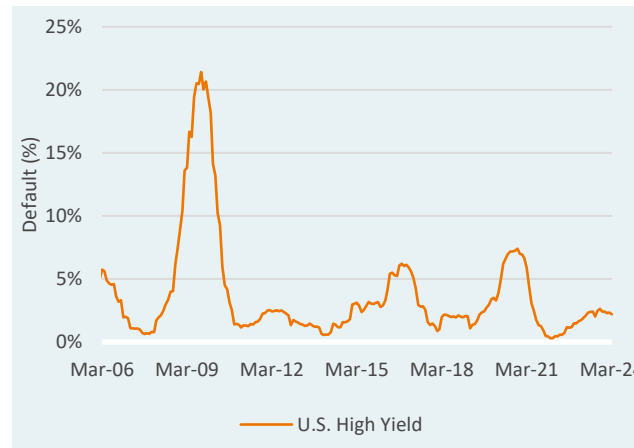
The issuance of investment grade credit increased significantly from the prior quarter, by \$328.0 billion (\$531.0 billion from \$208.0 billion). Despite higher borrowing costs, high-yield bond issuance climbed slightly to \$86.6 billion during the quarter (up from \$42.0 billion in Q4). On a year-over-year basis, the volume of both investment-grade and high yield issuance increased by roughly \$181.0 billion, (\$636.0 billion from \$436.0 billion). Low credit spreads improve the relative attractiveness of borrowing, which was likely a factor driving recent strong issuance.

U.S. HY MONTHLY DEFAULTS (PAR WEIGHTED)



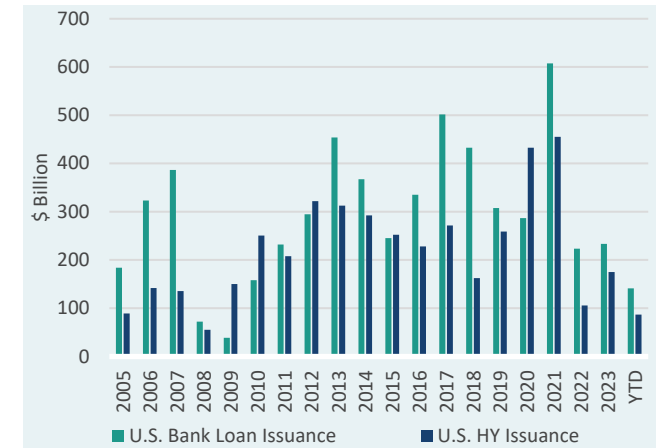
Source: BofA Merrill Lynch, as of 3/31/24

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



Source: BofA Merrill Lynch, as of 3/31/24 – par weighted

DEVELOPED MARKET ISSUANCE (\$ BILLIONS)

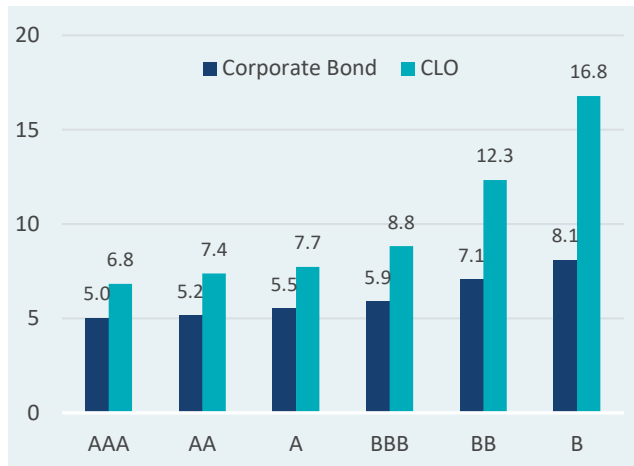


Source: BofA Merrill Lynch, all developed markets, as of 3/31/24

Credit hedge funds

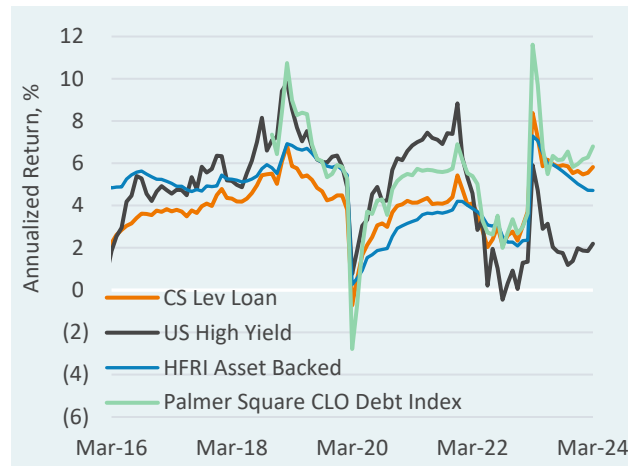
- Structured credit hedge funds, which focus on credit sectors such as CLOs, ABS (auto, credit card, etc), MBS, and CMBS, continue to deliver strong returns relative to traditional high yield and remain competitive relative to leveraged loan performance.
- Yields in those securitized markets remain wide in contrast to equivalent rating-risk corporate yields, with CLOs offering 150-300bps of spread in the IG tranches and up to 800bps in sub-investment grade tranches. Other sectors, such as CMBS, offer significantly wider spreads, evidence of the uncertainty and stress unfolding in the commercial property market.
- Distressed credit hedge funds performed well after the pandemic due to the amount of dry powder these strategies typically keep on hand and the abundance of opportunities created by market stress during that period. Strategies have kept up with high yield in the last 12-18 months and have seen their opportunity set gradually improve as interest rates remain elevated.

CLO VS CORPORATE BOND YIELDS (%)



Source: Bloomberg, BofA, Federal Reserve, MPI. As of 3/31/24

3 YEAR ROLLING RETURN



Source: CS, HFR, Bloomberg, Palmer Square, MPI

1 YEAR ROLLING RETURN



Source: Bloomberg, EurekaHedge, MPI

Equity

Equity environment

- U.S. equities (S&P 500 +10.6%) continued an impressive rally during the first quarter, once again outpacing international developed equities (MSCI EAFE +5.8%) and emerging markets (MSCI EM +2.4%). The domestic market has also delivered outperformance over the past year, fueled by the artificial intelligence boom. Telecom (+49.8%) and Technology (+46.0%) saw the biggest gains during the period.
- The U.S. dollar gained in value during Q1, likely buoyed by the higher for longer interest rate narrative. A reassessment of the Federal Reserve policy path for 2024 has improved the outlook for the dollar, as currencies which offer higher interest rates, and relatively attractive prospects for continued higher interest rates, tend to better hold their value. Losses from unhedged Japanese currency exposure has been

extreme (-9.3% over the quarter, -25.2% over the past year, as indicated by the TOPIX Index).

- Style investing underperformed during Q1. Small cap lagged large cap by -5.1% (Russell 2000 +5.2% vs. Russell 1000 +10.3%). Value underperformed Growth by -2.4% (Russell 1000 Value +9.0% vs. Russell 1000 Growth +11.4%). Style premia has also suffered over the past full year. Small cap underperformed large cap by -10.2% while value stocks underperformed growth by -18.7%.
- Market-priced volatility (Cboe VIX Index) remained incredibly low during the quarter, ending at 13.0 in March. Historically, market volatility of this level has coincided with strong upward trending risk asset prices and investor enthusiasm.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	10.6%		29.9%	
U.S. Small Cap (Russell 2000)	5.2%		19.7%	
U.S. Equity (Russell 3000)	10.0%		29.3%	
U.S. Large Value (Russell 1000 Value)	9.0%		20.3%	
US Large Growth (Russell 1000 Growth)	11.4%		39.0%	
Global Equity (MSCI ACWI)	8.2%	9.6%	23.2%	25.4%
International Large (MSCI EAFE)	5.8%	10.5%	15.3%	22.4%
Eurozone (EURO STOXX 50)	10.3%	13.1%	20.1%	23.6%
U.K. (FTSE 100)	3.0%	4.0%	10.7%	9.1%
Japan (TOPIX)	10.0%	19.3%	24.0%	49.2%
Emerging Markets (MSCI Emerging Markets)	2.4%	4.4%	8.2%	10.7%

Source: Russell Investments, MSCI, STOXX, FTSE, JPX, as of 3/31/24

Domestic equity

U.S. equities notched another quarter of outperformance over international developed and emerging market shares, with the S&P 500 finishing up +10.6%. Market momentum carried forward from the end of 2023, as large cap equities advanced off a boost to corporate earnings from developments in accelerated computing and artificial intelligence. At the same time, economic indicators reflected resilience across labor and economic activity, alleviating some fears around potential recession.

Large technology company performance has helped push the broader index higher, as the Magnificent Seven contributed around 37% of the S&P 500's total return in the first quarter, per Morningstar. A combination of Nvidia, Microsoft, Meta, and Amazon drove 47% of total returns. The Magnificent 7

stocks fueled nearly two-thirds of index performance in 2023. These figures exemplify the outsized impact large companies have had on broader domestic equity returns, both to the downside and upside.

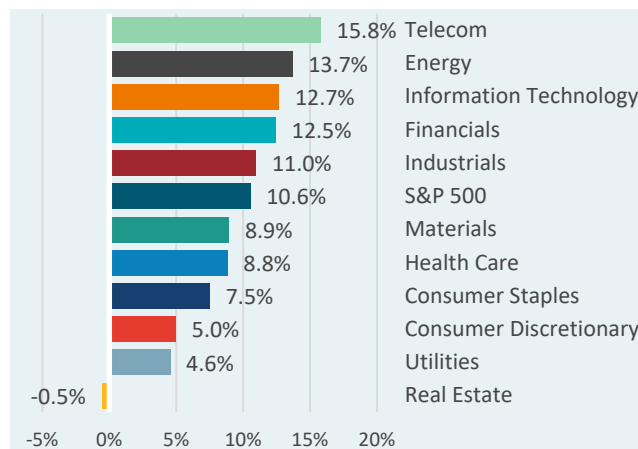
On the other hand, these strong price gains have moved valuations towards the richer side of the historical range, and the term "priced for perfection" has become more popular amongst the news lexicon. U.S. shares have also been relatively unbothered by changing expectations for the Federal Reserve rate hiking path. The higher for longer narrative has had a large negative impact on bond markets, but apparently little impact on risk assets, so far.

S&P 500 PRICE INDEX



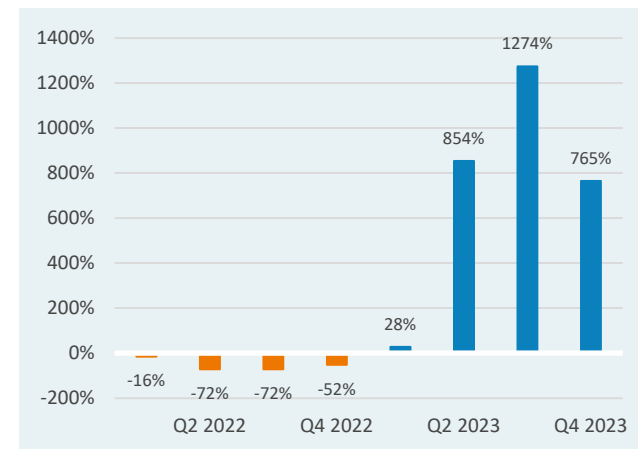
Source: Bloomberg, as of 3/31/24

Q1 2024 SECTOR PERFORMANCE



Source: Morningstar, as of 3/31/24

NVIDIA EPS GROWTH (YEAR-OVER-YEAR)



Source: Nvidia, as of 3/31/24. GAAP Diluted EPS

Domestic equity size & style

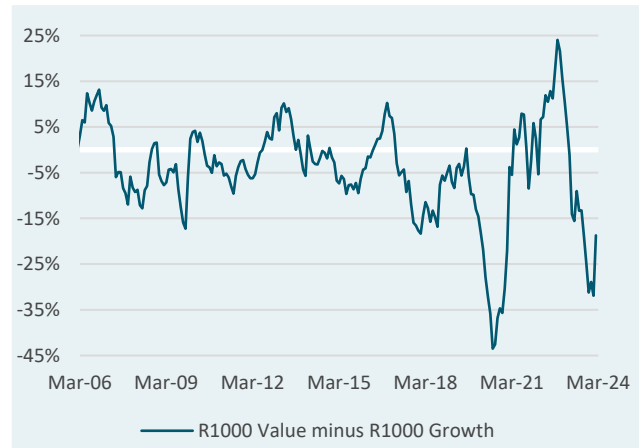
Small cap and value style investing underperformed during Q1. Small cap lagged large cap by -5.1% (Russell 2000 +5.2% vs. Russell 1000 +10.3%). Value underperformed Growth by -2.4% (Russell 1000 Value +9.0% vs. Russell 1000 Growth +11.4%). These style premia also suffered over the past full year. Small cap underperformed large cap by -10.2% while value stocks underperformed growth by -18.7%.

Mega cap companies continue to dominate large cap index performance. The “Magnificent 7” securities, including Amazon, Netflix, Google, Meta, Nvidia, Apple, and Tesla, drove the index into drawdown territory during 2022, contributed to a strong bounce back rally in 2023, then have pushed the index higher still in 2024. However, performance of this group

has been a bit mixed year-to-date, with Apple and Tesla lagging the overall index materially. Index concentration has created headwinds for the performance of active managers, on average, and dominant growth stocks have pushed the overall index towards a higher multiple while depressing dividend yields.

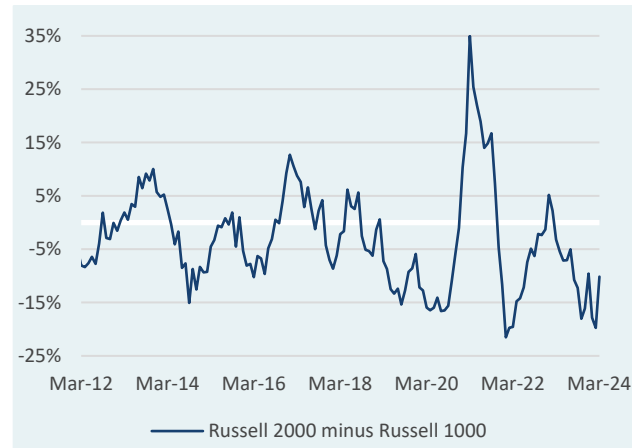
Variability in the behavior of style factors, often driven by idiosyncratic sector moves and broader macro themes, continues to provide evidence that style investing should typically be a longer-term endeavor. Short-term factor timing decisions should in most circumstances be pursued only in the rare occasion of obvious market mispricing and a foreseen catalyst for price correction.

VALUE VS. GROWTH 1-YR ROLLING



Source: FTSE, as of 3/31/24

SMALL CAP VS LARGE CAP 1-YR ROLLING



Source: FTSE, as of 3/31/24

1-YEAR SIZE & STYLE PERFORMANCE

	Value	Core	Growth
Large Cap	20.3%	29.9%	39.0%
Mid Cap	20.4%	22.3%	26.3%
Small Cap	18.8%	19.7%	20.3%

Source: FTSE, as of 3/31/24

International developed equity

International developed shares notched a strong first quarter, although returns trailed domestic equities. The MSCI EAFE index returned +5.8% in unhedged U.S. dollar terms, materially lower than the hedged return of +10.5%. The dollar's advance was likely fueled by higher rate expectations for the Federal Reserve, along with expected policy easing decisions from the European Central Bank and Bank of Japan, both of which are positive for the U.S. dollar (i.e. led to losses for unhedged investors).

Resilient global economic growth has been a tailwind to performance amongst international developed shares. All major regional equities (Eurozone, Japan, and United Kingdom)

saw positive returns over the period.

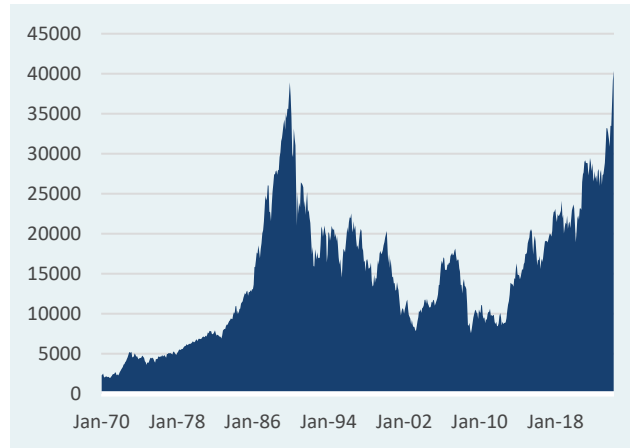
While performance has been better than expected, future growth catalysts remain uncertain. Falling Eurozone inflation boosted regional risk assets, as inflation fell from 3.1% to 2.4% in March. Easing inflation has taken some pressure off the ECB, resulting in rising expectations for rate cuts in June. In Japan, equities have carried forward positive momentum from 2023, evident by the Nikkei achieving a 34-year high in February. Easy monetary policy from the BOJ continues to provide a boost to local earnings, while poor inflation and wage growth metrics have provided little evidence for the BOJ to quickly move away from their low interest rate policy.

INTERNATIONAL DEVELOPED EQUITY



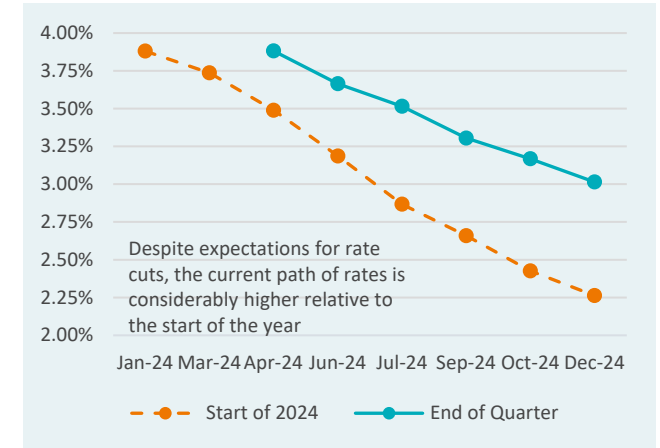
Source: MSCI, as of 3/31/24

NIKKEI 225 INDEX



Source: Bloomberg, Nikkei, as of 3/31/24

ECB RATE EXPECTATIONS



Source: Bloomberg, as of 3/31/24

Emerging market equity

Emerging markets have delivered mild gains year-to-date, rising +2.4%, and are up +8.2% over the past year. Chinese equities have continued to act as a drag the index, down -2.2% in 2024, and -17.1% over the past year.

From a sector perspective, the momentum behind accelerated computing carried into emerging markets, as the information technology sector outperformed (+9.5%), driven by gains from South Korea & Taiwan. Peru, Turkey, and Columbia were the best performing countries in the first quarter, seeing gains of +15.5%, +14.1%, and +12.5% - broadly gaining off strength in oil and copper.

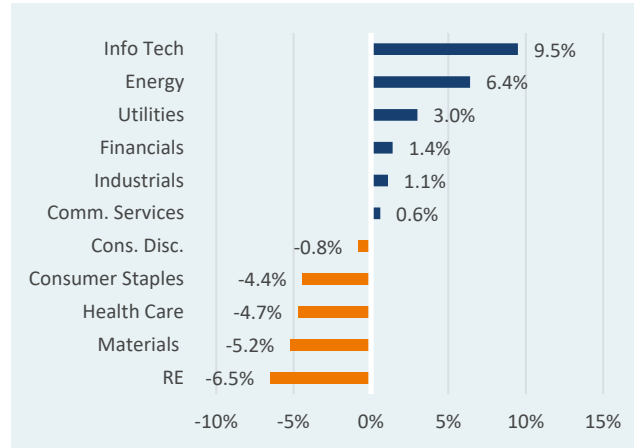
China remains a large question mark among emerging market country exposures, facing significant structural headwinds in the form of a declining population, imbalances in the real estate market, and a reversal in sentiment from the international community which contributed to a broad withdrawal of foreign direct investment, for example. Additionally, many U.S.-based institutional investors have centered on the possibility of top-down government restrictions on China investment that, if imposed, could result in losses to existing exposure as this could cause a way of selling activity. An invasion of Taiwan remains another risk, though we believe the chances of this are remote.

EMERGING MARKET EQUITY



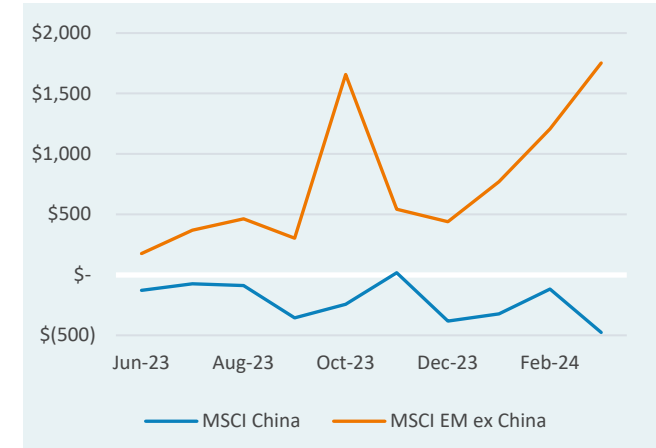
Source: MSCI, as of 3/31/24

MSCI EM Q1 2024 SECTOR RETURNS (USD)



Source: MSCI, J.P. Morgan, as of 3/31/24

ISHARES ETF MONTHLY FUND FLOWS (\$M USD)



Source: BlackRock, Bloomberg, as of 3/31/24

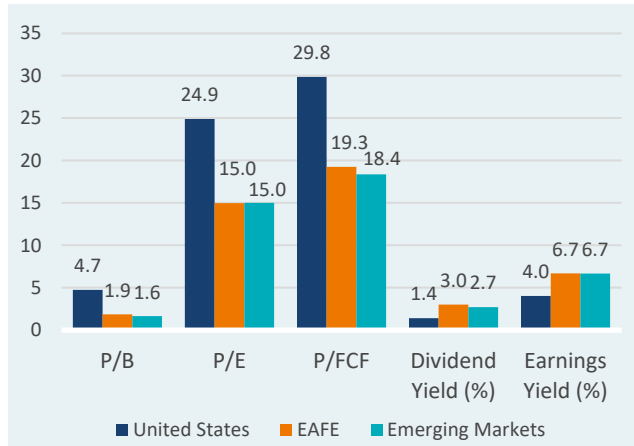
Equity valuations

Valuations drifted upward during the quarter, as the equity rally has been driven partially by higher price multiples. Larger multiples and a greater concentration of growth stocks in the index, which tend to have lower dividend payout ratios, have led the S&P 500 to offer a nearly all-time low dividend yield of 1.4%. In an environment where investors can receive more than a 5% yield from risk-free cash, this is testament to the rising attractiveness of fixed income relative to equities.

Domestic equities are priced at a 40% premium over international developed markets, and have shown little sensitivity so far to investors'

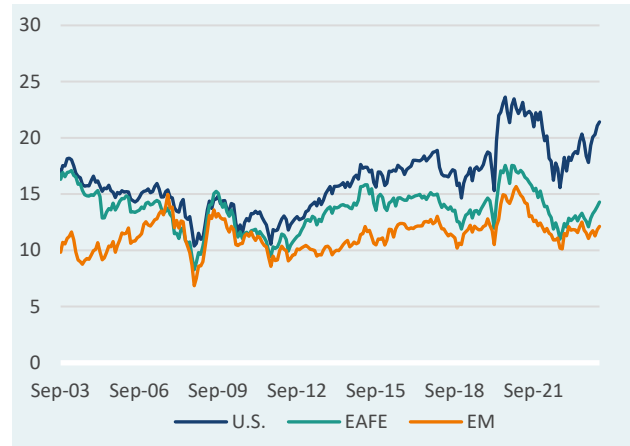
repricing of the interest rate path in 2024. Future stock market returns must come from either: corporate earnings growth, expansion of stock multiples (meaning stocks become more expensive), higher dividend yields (an increase in dividend payments), or higher inflation (assuming businesses pass this on by raising prices in line with inflation). In the current environment of already high stock multiples, a very low dividend yield, and high corporate profit margins, the likelihood of seeing another decade of performance like investors have received over the past ten years seems low.

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 3/31/24

FORWARD PRICE/EARNINGS RATIO



Source: MSCI, Bloomberg, as of 3/31/24

S&P 500 HISTORICAL DIVIDEND YIELD



Source: S&P, Bloomberg, as of 3/31/24

Market volatility

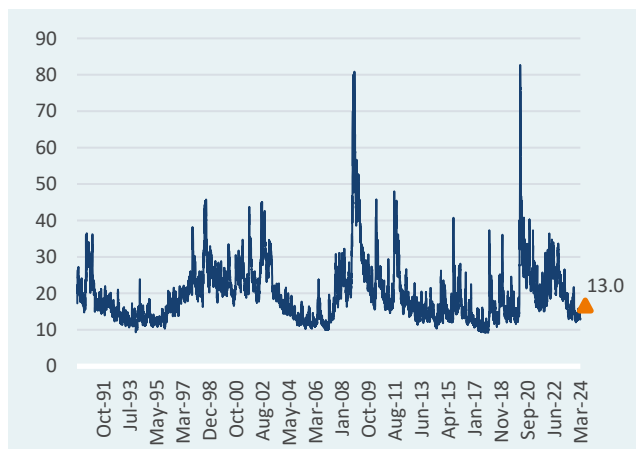
Market-priced volatility (Cboe VIX Index) remained incredibly low during the quarter, ending at 13.0 in March. Historically, market volatility of this level has coincided with strong upward trending risk markets and investor enthusiasm.

The realized past one-year volatility of global equity markets has moderated, with U.S. equity volatility at 13.6%—very close to current VIX implied volatility. 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.

However, many investors might be surprised to know that international developed equities have shown similar risk to U.S. equities over the long term, if currency movements are excluded. It is unhedged currency exposure that has historically caused the difference in risk.

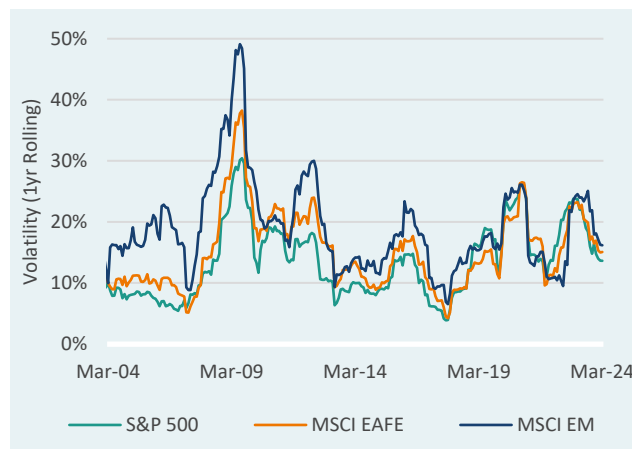
Bond market implied volatility has moderated considerably from extreme levels of 2023. This is indicated by the “MOVE” Index—which calculates the implied volatility of U.S. Treasury securities. However, notable uncertainty remains around inflation, the Federal Reserve’s interest rate path and the extent of rate cuts (if any) in 2024, and economic growth.

U.S. IMPLIED VOLATILITY (VIX)



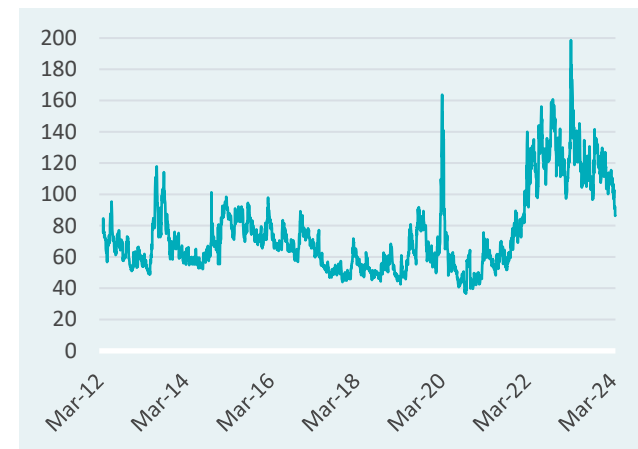
Source: Cboe, as of 3/31/24

REALIZED VOLATILITY



Source: S&P, MSCI, as of 3/31/24

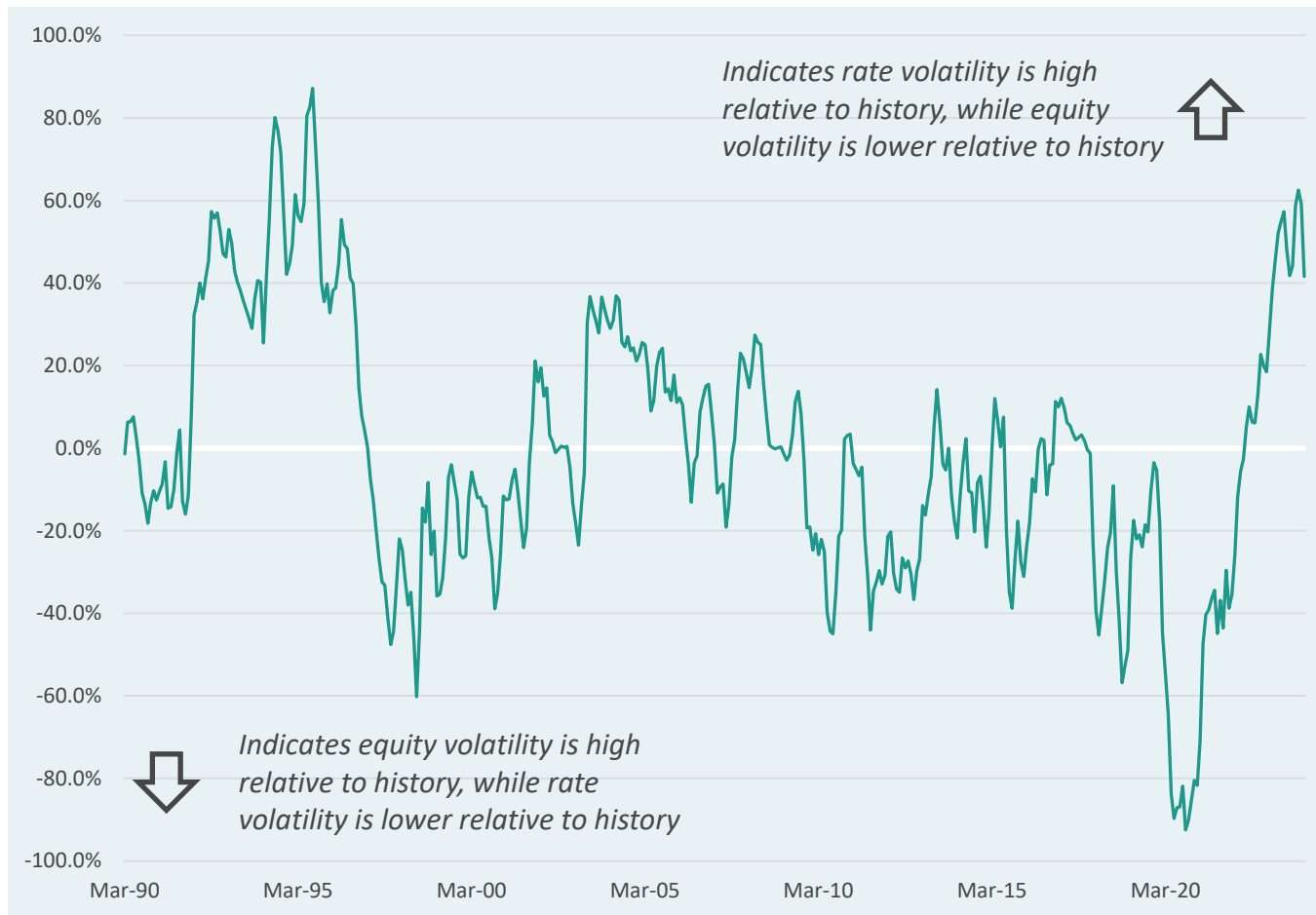
U.S. TREASURY IMPLIED VOL (“MOVE” INDEX)



Source: Bloomberg, as of 3/31/24

Implied volatility: domestic rates vs. equity

RATES VS. EQUITIES VOLATILITY: HISTORICAL PERCENTILE SPREAD

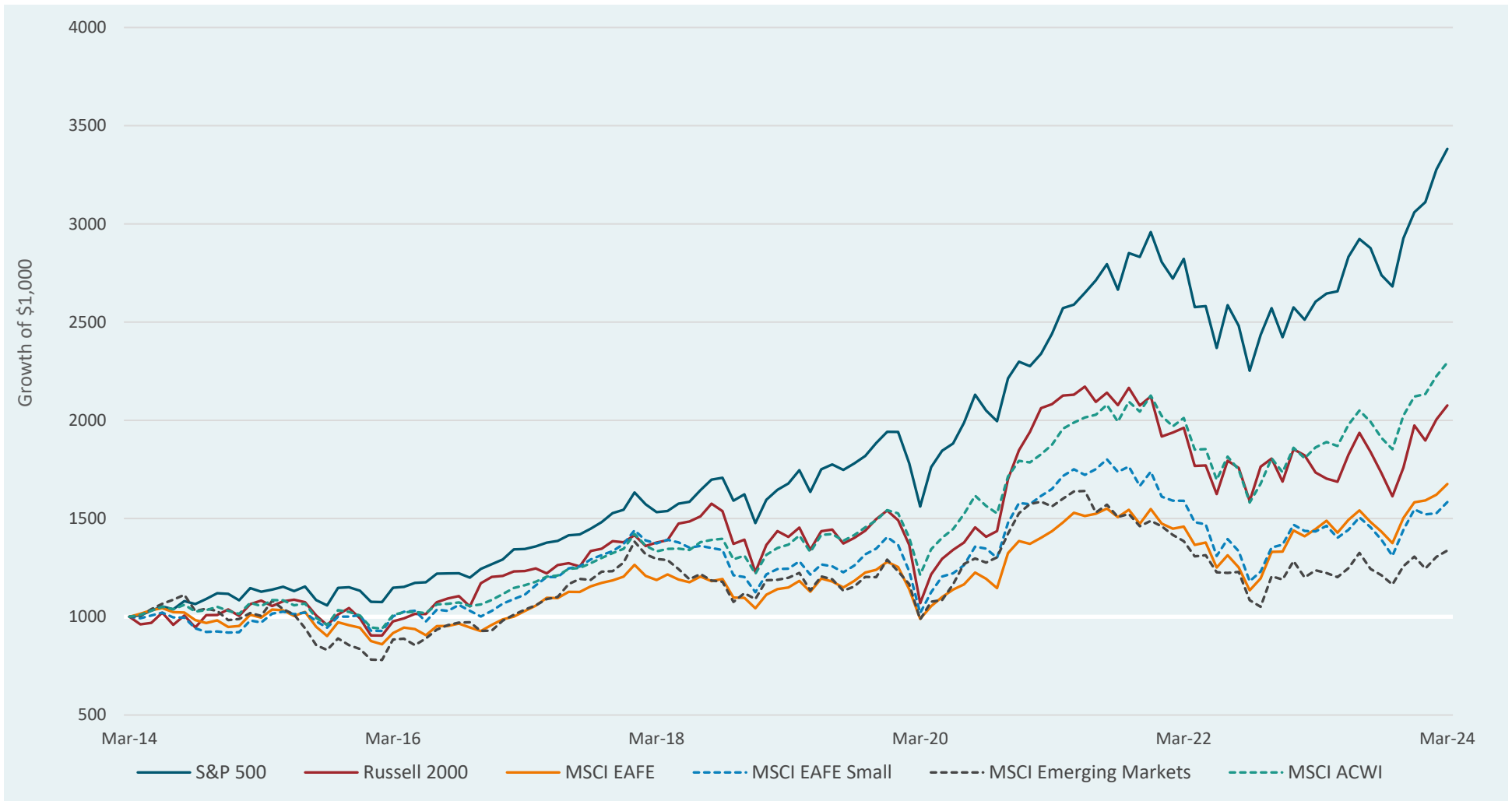


This chart looks at the relationship between rate and equity volatility by comparing historical percentiles dating back to 1990. By taking a spread between the rate and equity percentile, we get a clear picture of environments when implied volatility is relatively higher for one asset class compared to the other.

Our chart shows that we have not seen an environment like this since 1995 (which is also viewed as the Fed's only "soft landing").

Source: ICE BofA, CBOE, as of 3/31/24

Long-term equity performance



Source: MPI, as of 3/31/24

Other assets

Currency

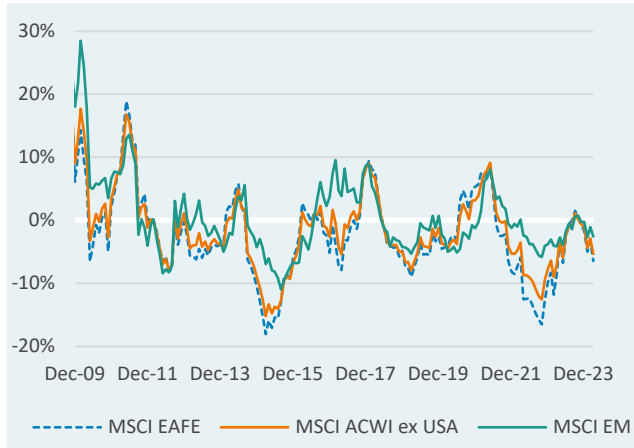
The U.S. dollar gained in value during the quarter, likely buoyed by the *higher for longer* interest rate narrative. A reassessment of the Federal Reserve policy path for 2024 has improved the outlook for the dollar, as currencies which offer higher interest rates, and relatively attractive prospects for continued higher interest rates, tend to better hold their value.

Investors without a currency hedging program in place lost -4.7% from their international developed equity exposure (MSCI EAFE) during the quarter and -7.1% over the past year. Losses from unhedged Japanese currency exposure have been extreme (-9.3% over the quarter, -25.2% over the past year, based on the TOPIX Index), while unhedged European equity exposure losses due to currency have been milder (-2.8% over the quarter, -2.5% over

the past year, based on the EURO Stoxx 50 Index).

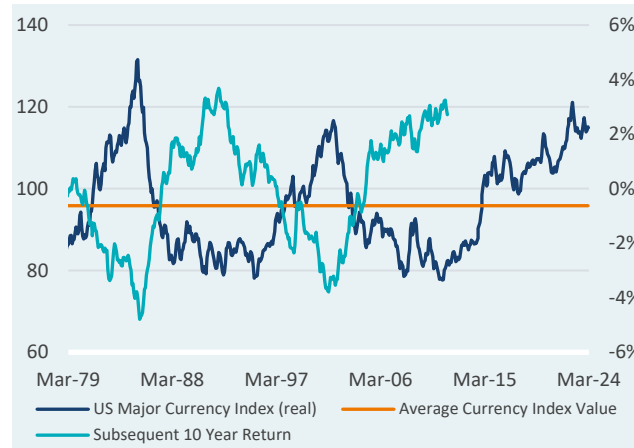
This past year marks another period of uncompensated volatility and losses caused by unhedged currency market exposure. The benefits which a more thoughtful currency approach might deliver have been on display for a number of years. This approach involves reducing the uncompensated risk of unhedged foreign currency exposure, and instead of unhedged exposure to currency markets, making 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. This approach, represented by the MSCI Currency Factor Mix Index—has offered a positive one-year rolling return over most periods with far lower volatility than the unhedged currency exposure that many investors hold.

EFFECT OF CURRENCY (1-YEAR ROLLING)



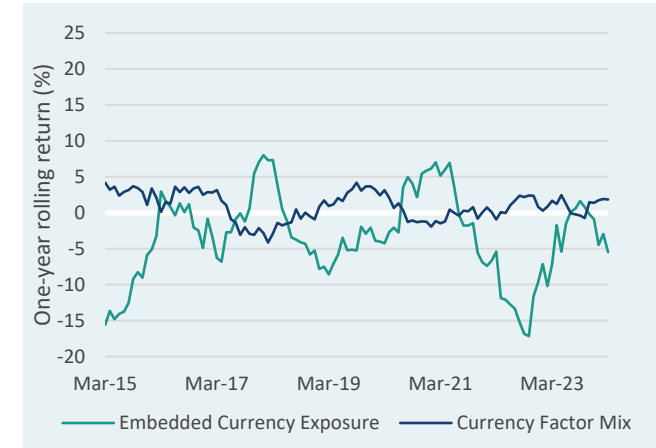
Source: MSCI, as of 3/31/24

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Bloomberg, as of 3/31/24

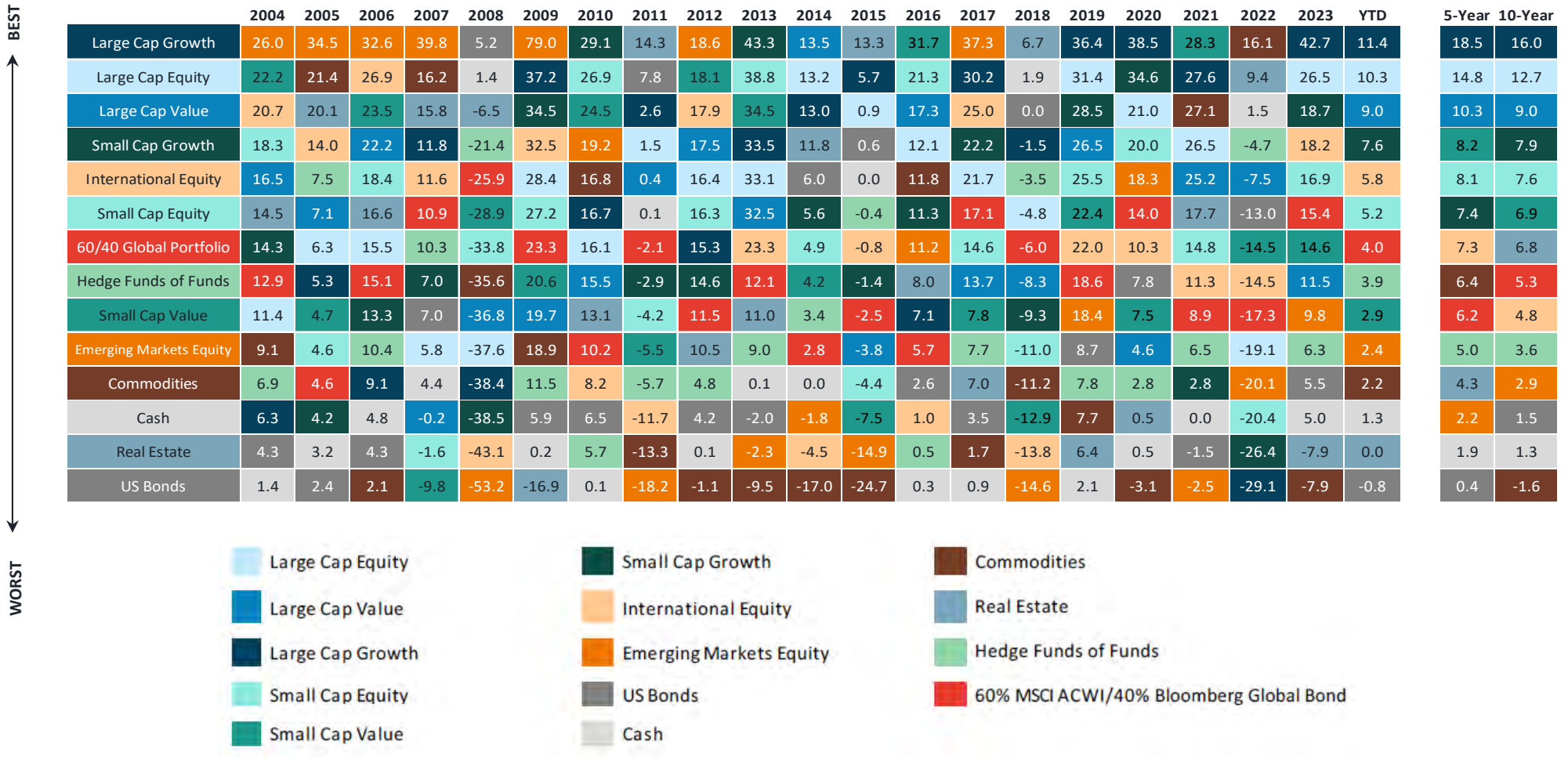
EMBEDDED CURRENCY VS CURRENCY FACTORS



Source: Bloomberg, MSCI, as of 3/31/24

Appendix

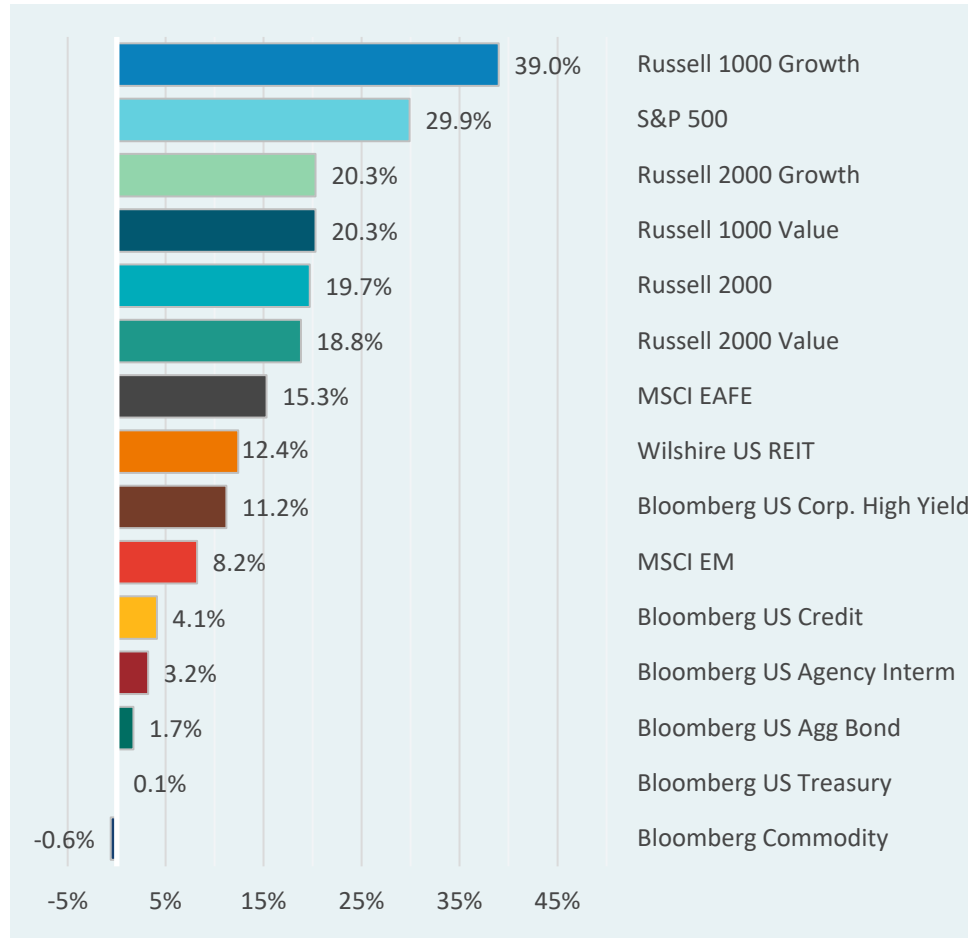
Periodic table of returns



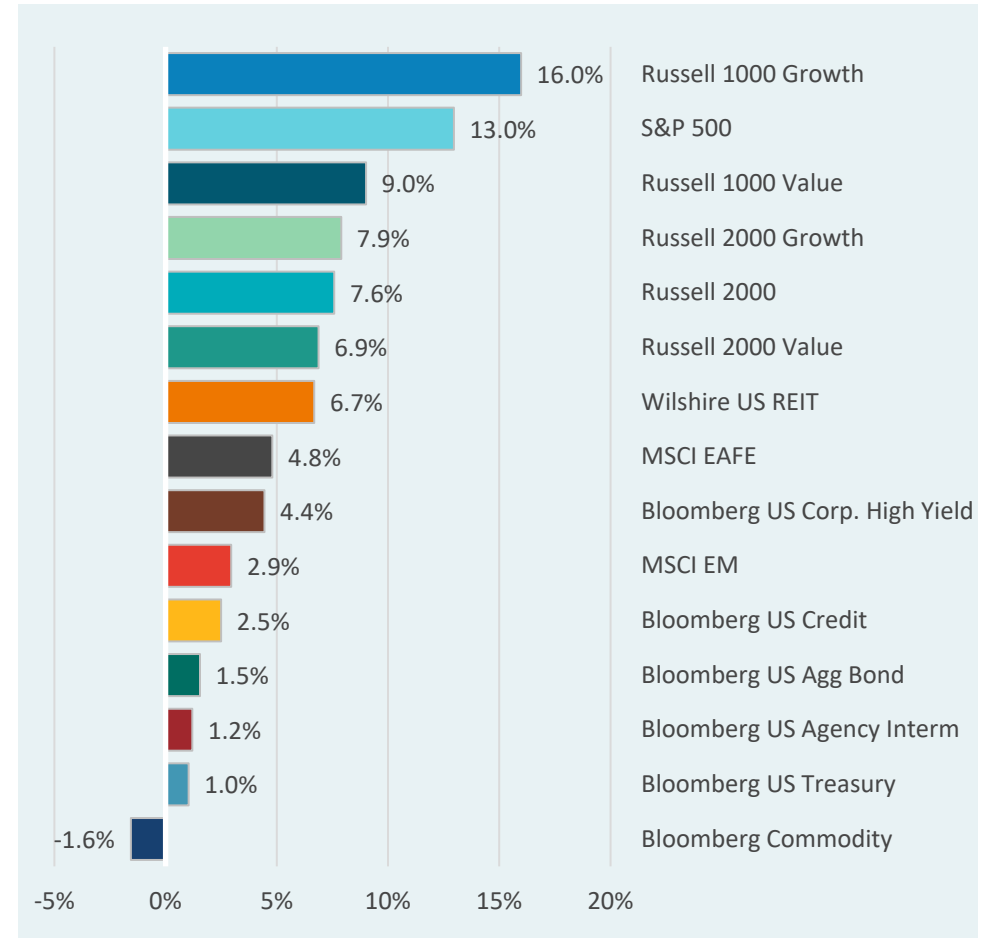
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 12/31/23.

Major asset class returns

ONE YEAR ENDING MARCH



TEN YEARS ENDING MARCH



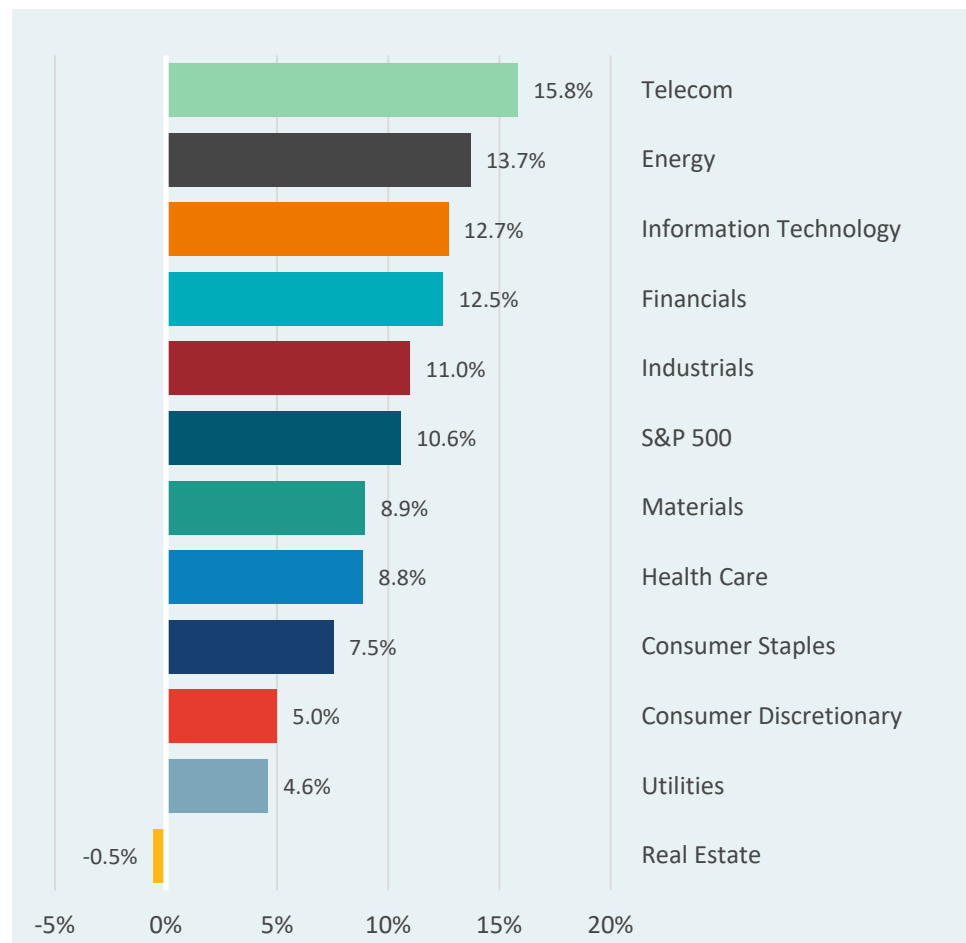
*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 3/31/24

Source: Morningstar, as of 3/31/24

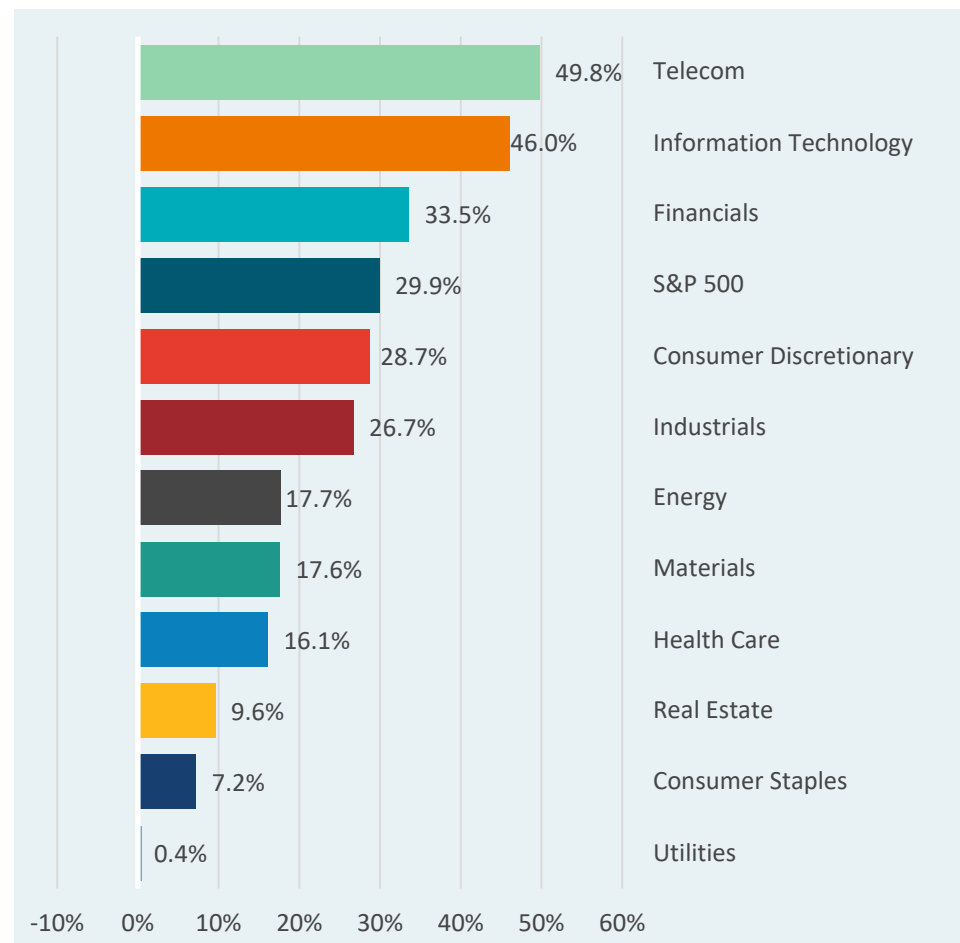
S&P 500 sector returns

QTD



Source: Morningstar, as of 3/31/24

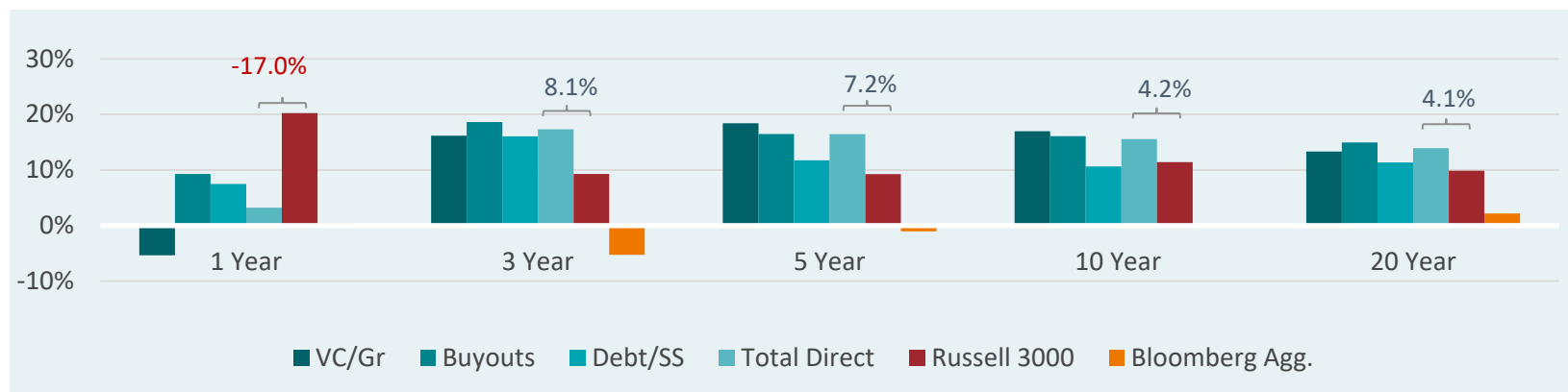
ONE YEAR ENDING MARCH



Source: Morningstar, as of 3/31/24

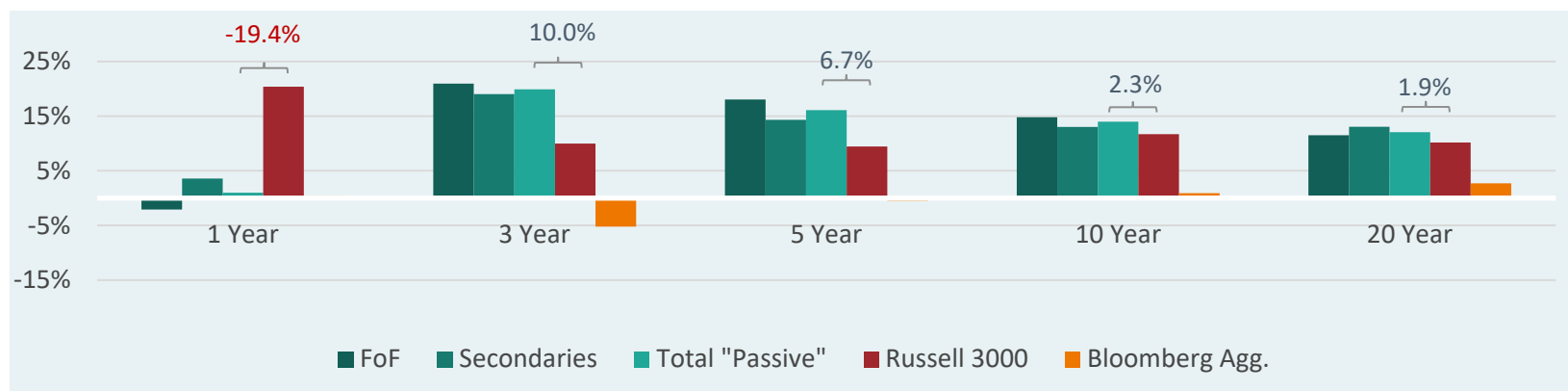
Private equity vs. traditional assets performance

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

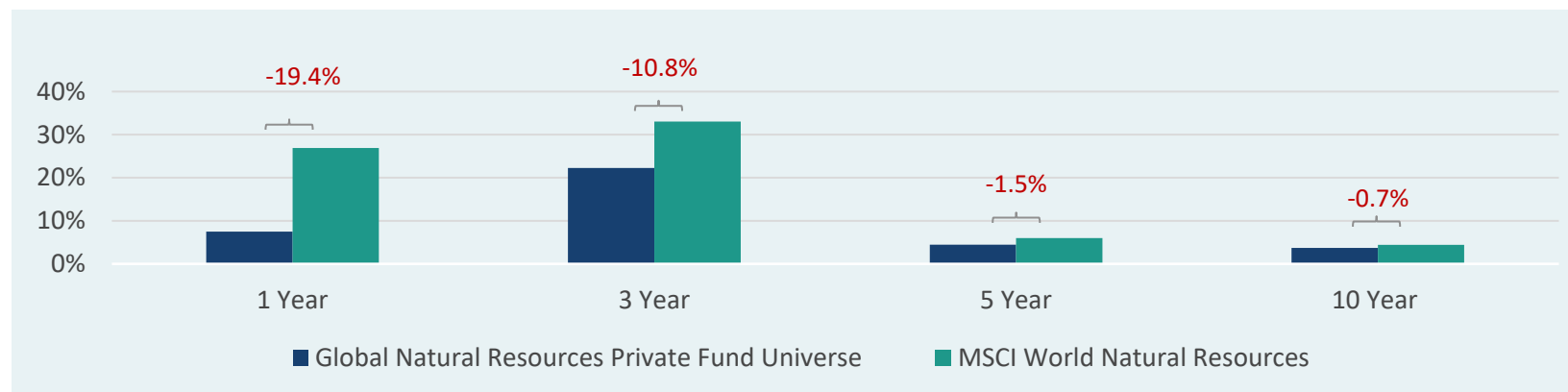


"Passive" strategies outperformed comparable public equities across all time periods, aside from the 1-year

Sources: Refinitiv PME: U.S. Private Equity Funds sub asset classes as of September 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.

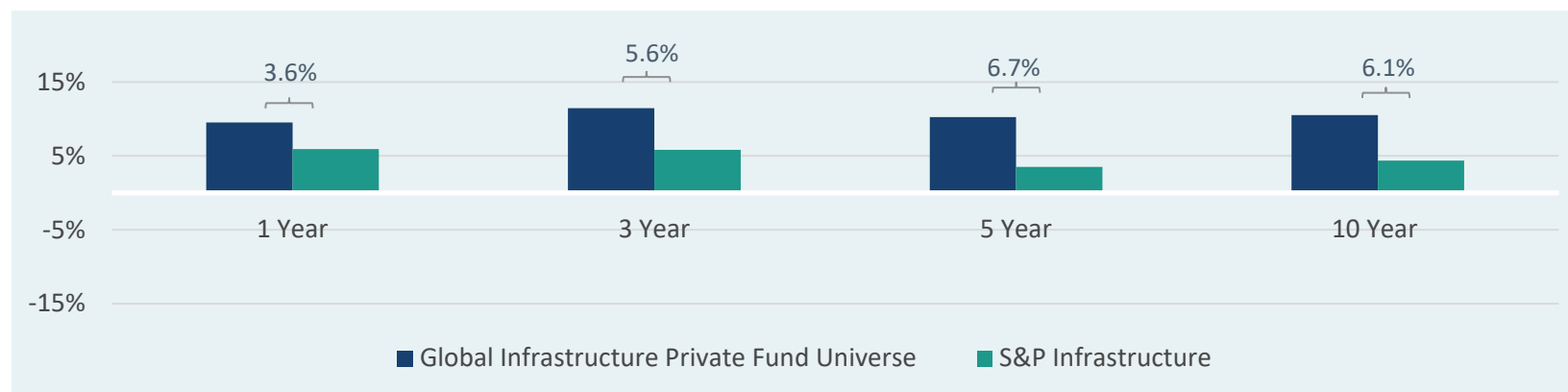
Private vs. liquid real assets performance

GLOBAL NATURAL RESOURCES FUNDS



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

GLOBAL INFRASTRUCTURE FUNDS

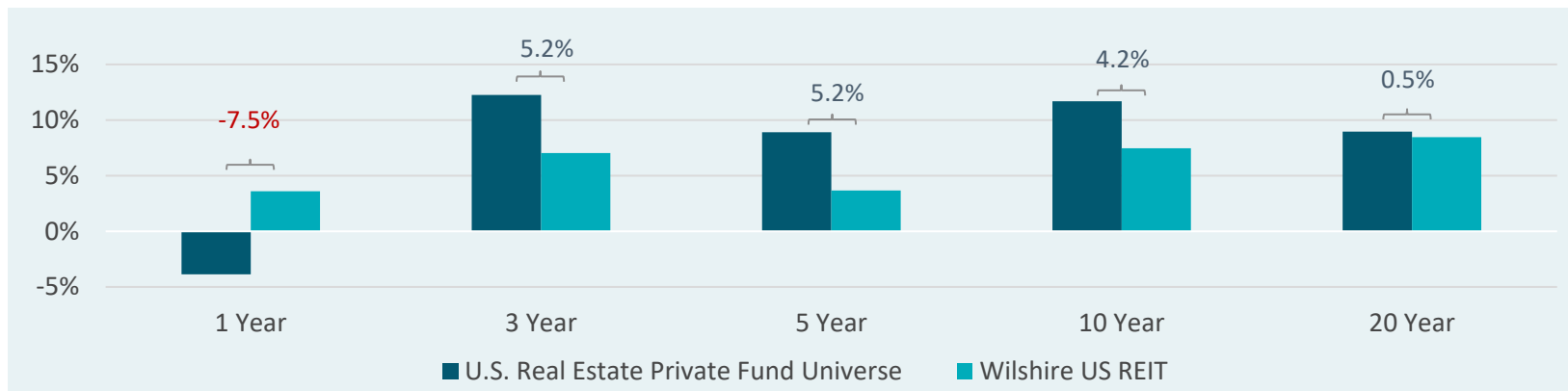


Infra. funds outperformed the S&P Infra. across all periods

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

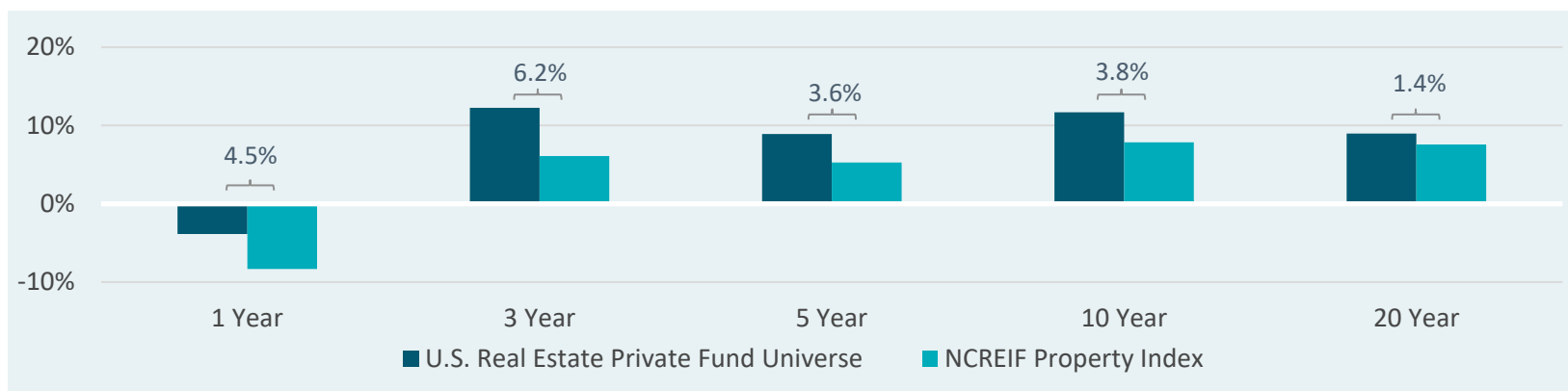
Private vs. liquid and core real estate performance

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



U.S. Private R.E. funds outperformed the Wilshire U.S. REIT Index across most time periods, aside from the 1-year

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 September 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	3.2	10.6	10.6	29.9	11.5	15.1	13.0
S&P 500 Equal Weighted	4.5	7.9	7.9	19.4	8.2	12.4	10.9
DJ Industrial Average	2.2	6.1	6.1	22.2	8.7	11.3	11.8
Russell Top 200	2.9	10.8	10.8	32.4	12.0	16.1	13.7
Russell 1000	3.2	10.3	10.3	29.9	10.5	14.8	12.7
Russell 2000	3.6	5.2	5.2	19.7	(0.1)	8.1	7.6
Russell 3000	3.2	10.0	10.0	29.3	9.8	14.3	12.3
Russell Mid Cap	4.3	8.6	8.6	22.3	6.1	11.1	9.9
Style Index							
Russell 1000 Growth	1.8	11.4	11.4	39.0	12.5	18.5	16.0
Russell 1000 Value	5.0	9.0	9.0	20.3	8.1	10.3	9.0
Russell 2000 Growth	2.8	7.6	7.6	20.3	(2.7)	7.4	7.9
Russell 2000 Value	4.4	2.9	2.9	18.8	2.2	8.2	6.9

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	3.1	8.2	8.2	23.2	7.0	10.9	8.7
MSCI ACWI ex US	3.1	4.7	4.7	13.3	1.9	6.0	4.3
MSCI EAFE	3.3	5.8	5.8	15.3	4.8	7.3	4.8
MSCI EM	2.5	2.4	2.4	8.2	(5.1)	2.2	2.9
MSCI EAFE Small Cap	3.7	2.4	2.4	10.4	(1.4)	4.9	4.7
Style Index							
MSCI EAFE Growth	2.3	7.0	7.0	13.3	2.8	7.8	5.9
MSCI EAFE Value	4.4	4.5	4.5	17.3	6.6	6.4	3.5
Regional Index							
MSCI UK	4.5	3.1	3.1	10.9	7.7	5.1	2.9
MSCI Japan	3.0	11.0	11.0	25.8	3.7	7.8	6.7
MSCI Euro	4.1	8.4	8.4	17.4	6.9	9.0	4.7
MSCI EM Asia	3.0	3.4	3.4	6.3	(6.5)	2.8	4.5
MSCI EM Latin American	1.0	(4.0)	(4.0)	22.6	10.5	3.7	1.7

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	0.8	(0.1)	(0.1)	0.5	(0.5)	2.5	2.2
Bloomberg US Treasury Bills	0.5	1.3	1.3	5.3	2.6	2.0	1.4
Bloomberg US Agg Bond	0.9	(0.8)	(0.8)	1.7	(2.5)	0.4	1.5
Bloomberg US Universal	1.0	(0.5)	(0.5)	2.7	(2.1)	0.7	1.8
Duration							
Bloomberg US Treasury 1-3 Yr	0.4	0.3	0.3	2.9	0.0	1.1	1.1
Bloomberg US Treasury Long	1.2	(3.3)	(3.3)	(6.1)	(8.0)	(2.8)	1.2
Bloomberg US Treasury	0.6	(1.0)	(1.0)	0.1	(2.7)	(0.1)	1.0
Issuer							
Bloomberg US MBS	1.1	(1.0)	(1.0)	1.4	(2.8)	(0.4)	1.1
Bloomberg US Corp. High Yield	1.2	1.5	1.5	11.2	2.2	4.2	4.4
Bloomberg US Agency Interm	0.4	0.2	0.2	3.2	(0.6)	0.8	1.2
Bloomberg US Credit	1.2	(0.4)	(0.4)	4.1	(1.9)	1.4	2.5

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	3.3	2.2	2.2	(0.6)	9.1	6.4	(1.6)
Wilshire US REIT	1.5	(0.0)	(0.0)	12.4	4.5	4.4	6.7
CS Leveraged Loans	0.8	2.5	2.5	12.4	5.8	5.3	4.6
S&P Global Infrastructure	4.6	1.3	1.3	4.1	5.5	4.9	5.2
Alerian MLP	4.9	14.7	14.7	37.3	29.2	10.4	2.9
Regional Index							
JPM EMBI Global Div	2.1	2.0	2.0	11.3	(1.4)	0.7	3.0
JPM GBI-EM Global Div	(0.0)	(2.1)	(2.1)	4.9	(1.6)	0.1	(0.3)
Hedge Funds							
HFRI Composite	2.5	4.9	4.9	12.1	4.3	7.0	5.0
HFRI FOF Composite	1.3	3.9	3.9	9.4	2.8	5.0	3.6
Currency (Spot)							
Euro	(0.2)	(2.2)	(2.2)	(0.6)	(2.8)	(0.8)	(2.4)
Pound Sterling	(0.1)	(0.9)	(0.9)	2.2	(2.9)	(0.6)	(2.7)
Yen	(1.1)	(6.9)	(6.9)	(12.1)	(10.0)	(6.1)	(3.8)

Source: Morningstar, HFRI, as of 3/31/24

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: March 31, 2024



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

SEATTLE 206.622.3700

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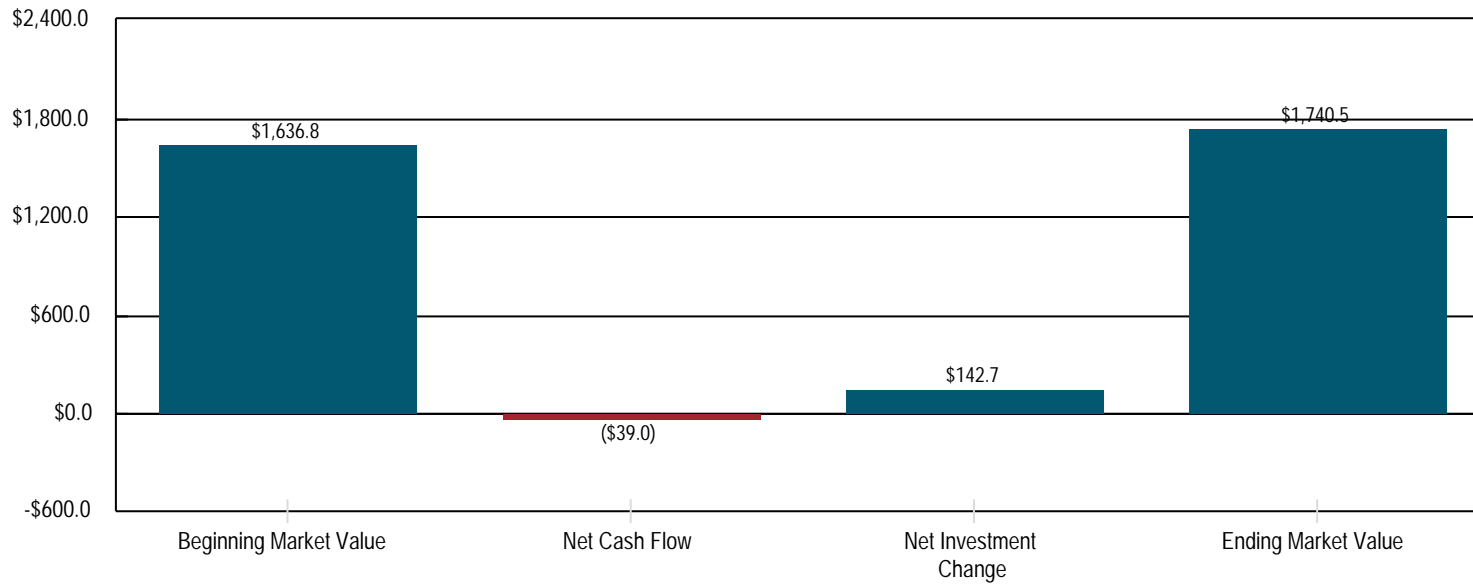
SAN FRANCISCO 415.362.3484

Total Fund
Portfolio Reconciliation

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

Portfolio Reconciliation

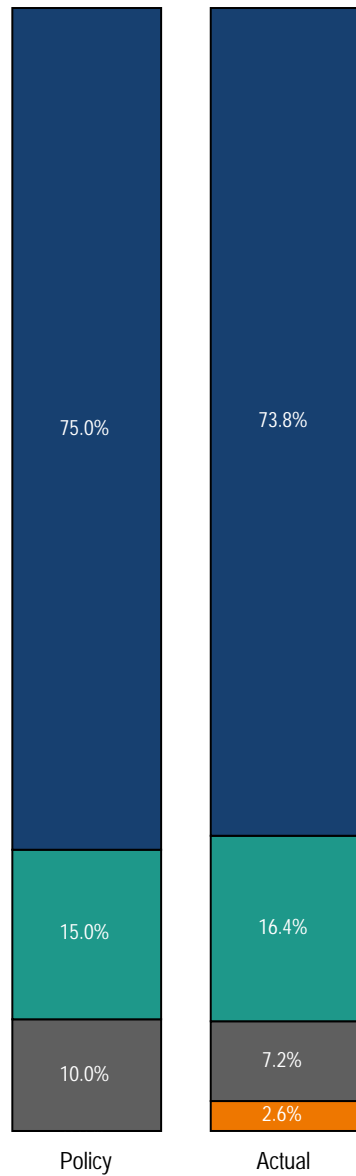
	Last Three Months	Fiscal YTD	One Year
Beginning Market Value	1,691,429,647	1,691,429,647	1,636,811,255
Net Cash Flow	-6,619,538	-6,619,538	-39,012,456
Net Investment Change	55,683,693	55,683,693	142,695,003
Ending Market Value	1,740,493,802	1,740,493,802	1,740,493,802



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: March 31, 2024

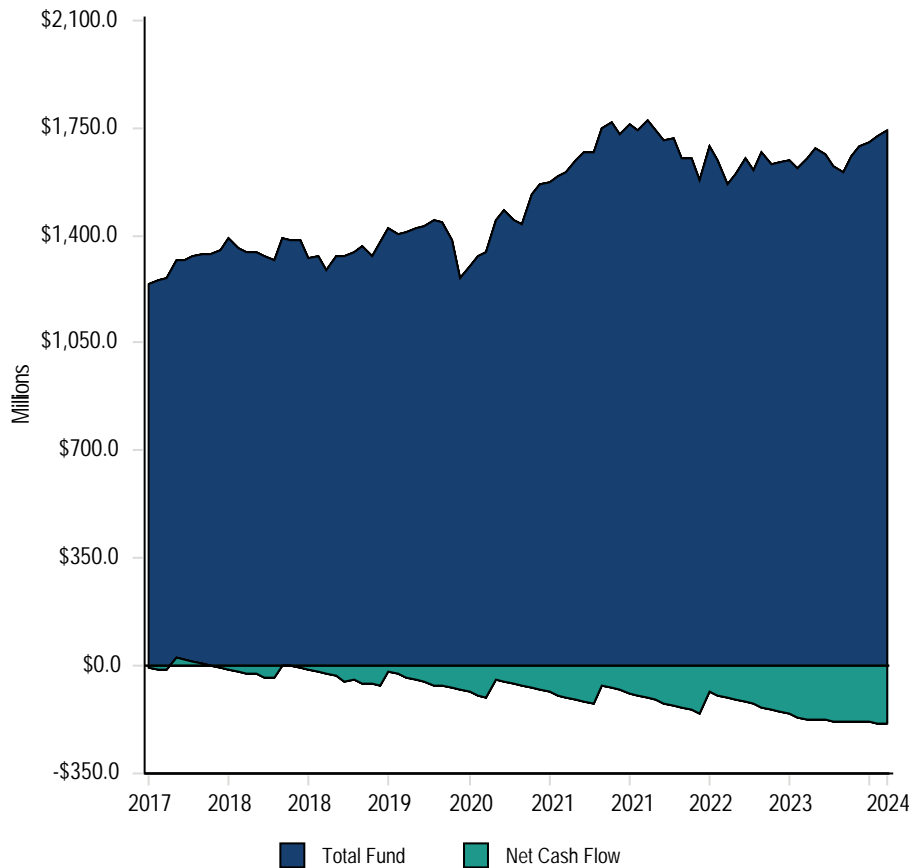


	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (\$)	Policy Range (%)	Within IPS Range?
■ Growth	1,284,081,070	73.8	75.0	-21,289,282	25.0 - 95.0	Yes
■ Diversifying	285,290,823	16.4	15.0	24,216,753	5.0 - 30.0	Yes
■ Liquidity	125,299,221	7.2	10.0	-48,750,159	5.0 - 20.0	Yes
■ Opportunistic	45,822,688	2.6	0.0	45,822,688	0.0 - 10.0	Yes
Total	1,740,493,802	100.0	100.0			

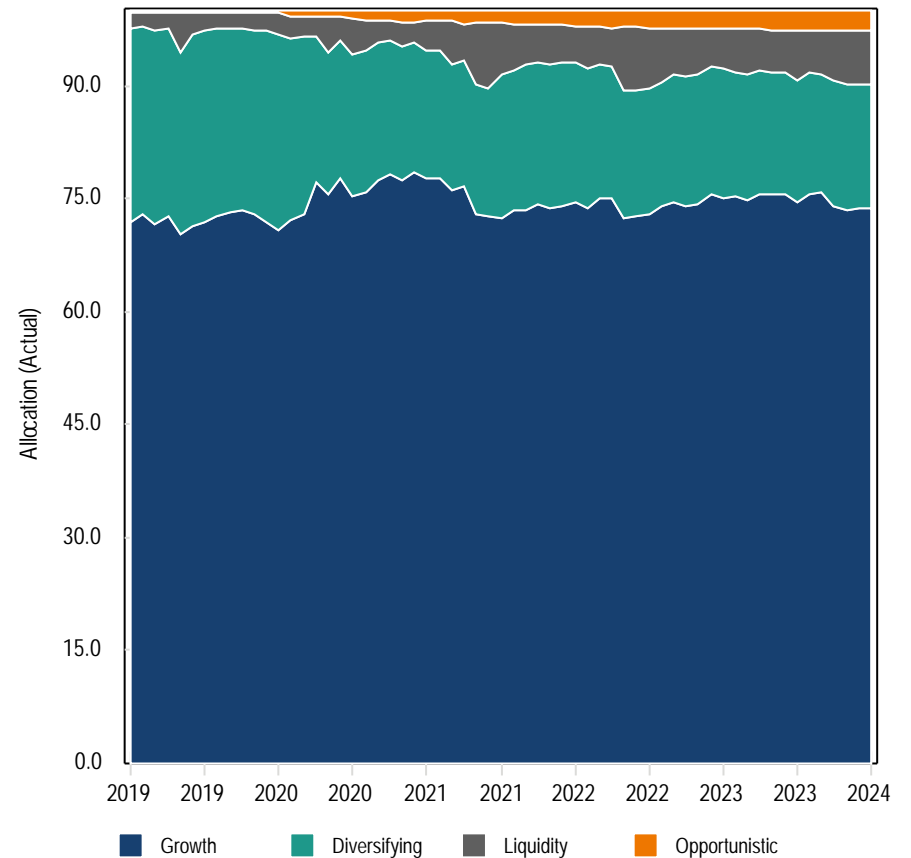
Total Fund
Asset Allocation History

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

Market Value History



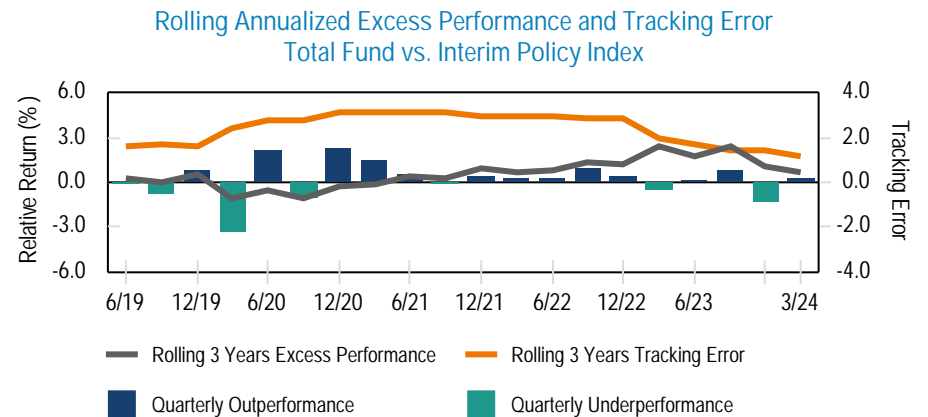
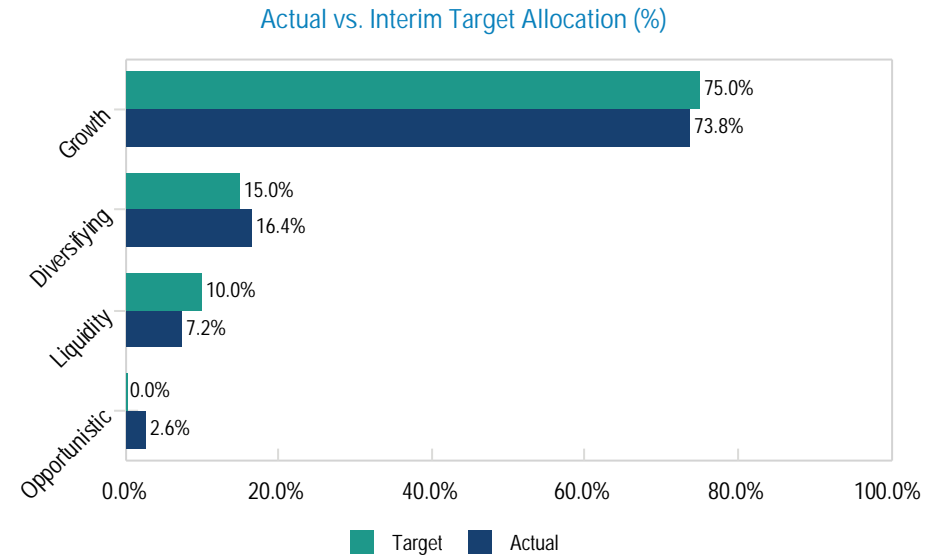
Asset Allocation History



Total Fund Executive Summary (Gross of Fees)

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

	3 Mo	1 Yr	3 Yrs	5 Yrs
Total Fund	3.4	9.1	4.7	7.5
<i>Interim Policy Index</i>	<i>3.2</i>	<i>9.3</i>	<i>4.0</i>	<i>6.8</i>
<i>FFP SAA Index</i>	<i>2.9</i>	<i>9.4</i>	<i>6.8</i>	<i>9.1</i>
Total Growth	4.6	11.1	7.2	10.2
<i>Custom Growth Benchmark</i>	<i>4.6</i>	<i>13.2</i>	<i>7.3</i>	<i>10.0</i>
Total Public Equity	9.9	24.4	9.1	13.2
<i>MSCI AC World Index</i>	<i>8.3</i>	<i>23.8</i>	<i>7.5</i>	<i>11.5</i>
Total Domestic Equity	11.6	30.8	12.1	15.0
<i>Russell 3000 Index</i>	<i>10.0</i>	<i>29.3</i>	<i>9.8</i>	<i>14.3</i>
Total International Equity	7.7	16.7	5.1	10.9
<i>MSCI AC World ex USA Index</i>	<i>4.8</i>	<i>13.8</i>	<i>2.4</i>	<i>6.5</i>
Total Private Equity	2.2	8.8	16.4	18.9
<i>Private Equity Benchmark</i>	<i>2.2</i>	<i>8.8</i>	<i>16.4</i>	-
Total Private Credit	1.9	11.5	7.8	8.6
<i>Private Credit Benchmark</i>	<i>1.9</i>	<i>11.5</i>	<i>7.8</i>	-
Total Real Assets	-3.8	-13.1	1.8	2.3
<i>NCREIF Property Index</i>	<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>
Total Risk Diversifying	-0.1	3.9	-1.4	0.9
<i>Total Risk Diversifying Benchmark</i>	<i>-1.2</i>	<i>0.4</i>	<i>-3.7</i>	<i>-0.5</i>
Total Domestic Fixed Income	0.2	4.5	0.0	2.4
<i>Blmbg. U.S. Aggregate Index</i>	<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>
Total Global Fixed	-2.4	2.0	-5.3	-2.0
<i>FTSE World Government Bond Index</i>	<i>-2.4</i>	<i>-0.8</i>	<i>-6.1</i>	<i>-2.2</i>
Total Liquidity	0.8	3.5	1.2	1.4
<i>90 Day U.S. Treasury Bill</i>	<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>
Total Cash	0.8	3.5	1.2	1.4
<i>90 Day U.S. Treasury Bill</i>	<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>
Total Opportunistic	3.1	15.0	7.5	6.8
<i>Russell 3000 + 3%</i>	<i>10.8</i>	<i>33.2</i>	<i>13.1</i>	<i>17.8</i>

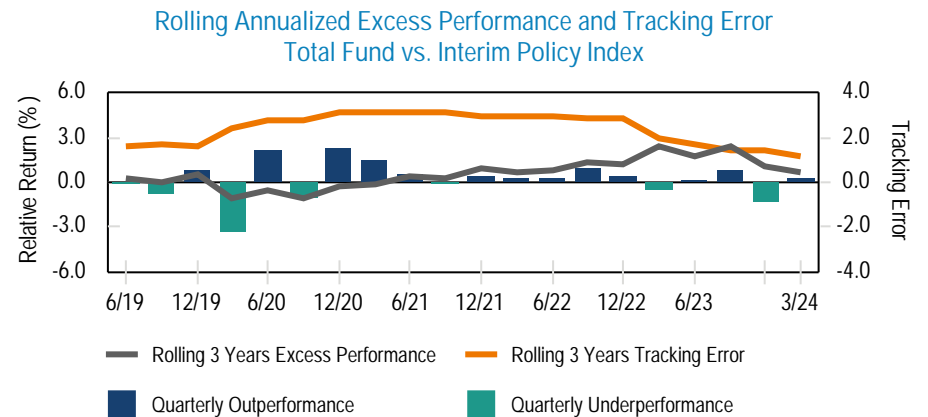
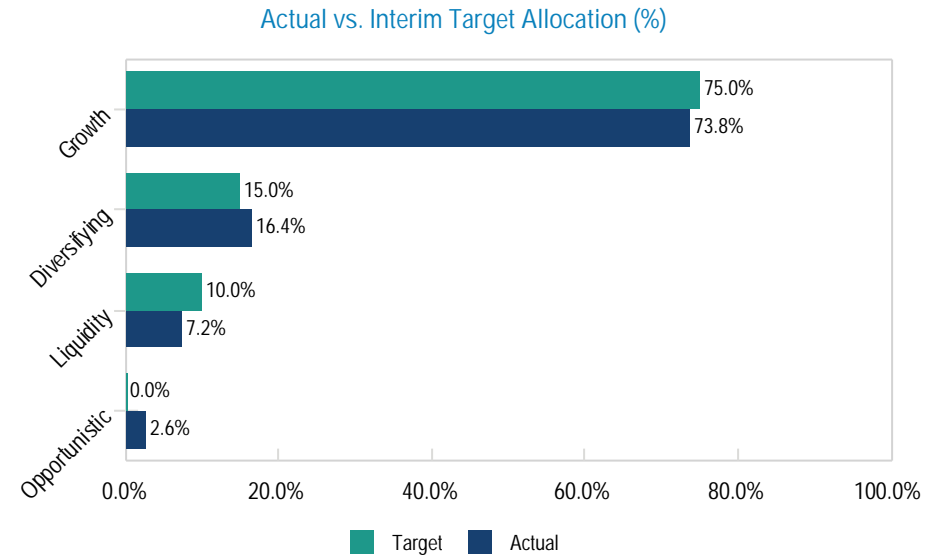


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 4% Morningstar LTSA U.S. Leveraged Loan Index, 8% Bloomberg U.S. Gov't Bond Index, 7% Bloomberg US TIPS 5+ Year, 12% NCREIF Property Index, 2% Dow Jones Brookfield Index, 12% Private Equity Return, 10% Private Credit Return, 4% 90-day T-Bills, 4% Bloomberg U.S. Gov't/Credit 1-3 Yr. FFP SAA Index as of 1/1/2023: 30% MSCI ACWI, 8% Bloomberg U.S. Gov't Index, 7% Bloomberg U.S. TIPS 5+ Years, 4% 90 day T-Bills, 6% Bloomberg U.S. Gov't/Credit 1-3 yr, 18% Private Equity Return, 12% Private Credit Return, 10% NCREIF Property Index, 5% Dow Jones Brookfield Index. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter.

Total Fund Executive Summary (Net of Fees)

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

	3 Mo	1 Yr	3 Yrs	5 Yrs
Total Fund	3.3	8.8	4.4	7.1
<i>Interim Policy Index</i>	<i>3.2</i>	<i>9.3</i>	<i>4.0</i>	<i>6.8</i>
<i>FFP SAA Index</i>	<i>2.9</i>	<i>9.4</i>	<i>6.8</i>	<i>9.1</i>
Total Growth	4.5	10.7	6.9	9.9
<i>Custom Growth Benchmark</i>	<i>4.6</i>	<i>13.2</i>	<i>7.3</i>	<i>10.0</i>
Total Public Equity	9.8	23.7	8.5	12.6
<i>MSCI AC World Index</i>	<i>8.3</i>	<i>23.8</i>	<i>7.5</i>	<i>11.5</i>
Total Domestic Equity	11.5	30.1	11.6	14.4
<i>Russell 3000 Index</i>	<i>10.0</i>	<i>29.3</i>	<i>9.8</i>	<i>14.3</i>
Total International Equity	7.5	15.9	4.5	10.2
<i>MSCI AC World ex USA Index</i>	<i>4.8</i>	<i>13.8</i>	<i>2.4</i>	<i>6.5</i>
Total Private Equity	2.2	8.8	16.4	18.9
<i>Private Equity Benchmark</i>	<i>2.2</i>	<i>8.8</i>	<i>16.4</i>	<i>-</i>
Total Private Credit	1.9	11.5	7.8	8.6
<i>Private Credit Benchmark</i>	<i>1.9</i>	<i>11.5</i>	<i>7.8</i>	<i>-</i>
Total Real Assets	-3.8	-13.1	1.8	2.3
<i>NCREIF Property Index</i>	<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>
Total Risk Diversifying	-0.2	3.6	-1.8	0.5
<i>Total Risk Diversifying Benchmark</i>	<i>-1.2</i>	<i>0.4</i>	<i>-3.7</i>	<i>-0.5</i>
Total Domestic Fixed Income	0.2	4.2	-0.2	2.1
<i>Blmbg. U.S. Aggregate Index</i>	<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>
Total Global Fixed	-2.6	1.2	-6.0	-2.7
<i>FTSE World Government Bond Index</i>	<i>-2.4</i>	<i>-0.8</i>	<i>-6.1</i>	<i>-2.2</i>
Total Liquidity	0.8	3.5	1.2	1.4
<i>90 Day U.S. Treasury Bill</i>	<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>
Total Cash	0.8	3.5	1.2	1.4
<i>90 Day U.S. Treasury Bill</i>	<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>
Total Opportunistic	3.1	15.0	7.5	6.8
<i>Russell 3000 + 3%</i>	<i>10.8</i>	<i>33.2</i>	<i>13.1</i>	<i>17.8</i>

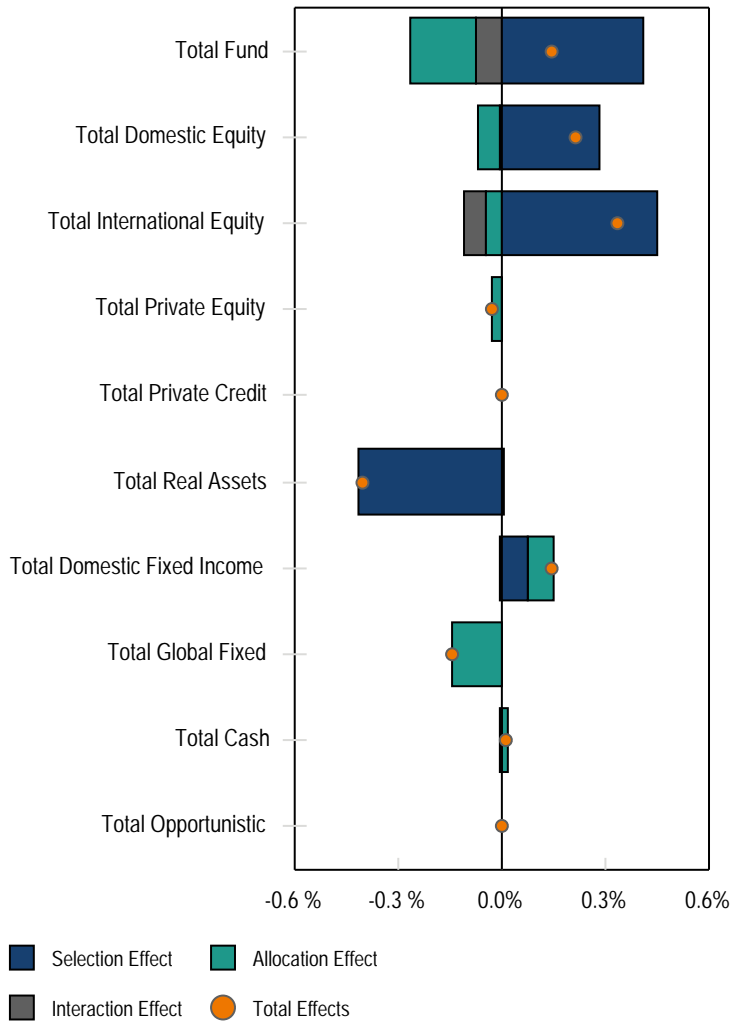


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 4% Morningstar LTSA U.S. Leveraged Loan Index, 8% Bloomberg U.S. Gov't Bond Index, 7% Bloomberg US TIPS 5+ Year, 12% NCREIF Property Index, 2% Dow Jones Brookfield Index, 12% Private Equity Return, 10% Private Credit Return, 4% 90-day T-Bills, 4% Bloomberg U.S. Gov't/Credit 1-3 Yr. FFP SAA Index as of 1/1/2023: 30% MSCI ACWI, 8% Bloomberg U.S. Gov't Index, 7% Bloomberg U.S. TIPS 5+ Years, 4% 90 day T-Bills, 6% Bloomberg U.S. Gov't/Credit 1-3 yr, 18% Private Equity Return, 12% Private Credit Return, 10% NCREIF Property Index, 5% Dow Jones Brookfield Index. Private Equity, Private Credit and Opportunistic composite returns are lagged by one quarter.

Total Fund Attribution Analysis (Net of Fees)

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

Attribution Effects
3 Months Ending March 31, 2024



Performance Attribution
3 Months Ending March 31, 2024

	3 Mo
Wtd. Actual Return	3.3
Wtd. Index Return	3.2
Excess Return	0.1
Selection Effect	0.4
Allocation Effect	-0.2
Interaction Effect	-0.1

Attribution Summary
3 Months Ending March 31, 2024

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Domestic Equity	11.5	10.0	1.5	0.3	-0.1	0.0	0.2
Total International Equity	7.5	4.8	2.7	0.4	0.0	-0.1	0.3
Total Private Equity	2.2	2.2	0.0	0.0	0.0	0.0	0.0
Total Private Credit	1.9	1.9	0.0	0.0	0.0	0.0	0.0
Total Real Assets	-3.8	-0.9	-2.9	-0.4	0.0	0.0	-0.4
Total Domestic Fixed Income	0.2	-0.2	0.4	0.1	0.1	0.0	0.1
Total Global Fixed	-2.6	-2.4	-0.2	0.0	-0.1	0.0	-0.1
Total Cash	0.8	0.9	-0.1	0.0	0.0	0.0	0.0
Total Opportunistic	3.1	10.8	-7.8	0.0	0.0	0.0	0.0
Total Fund	3.3	3.2	0.1	0.4	-0.2	-0.1	0.1

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.

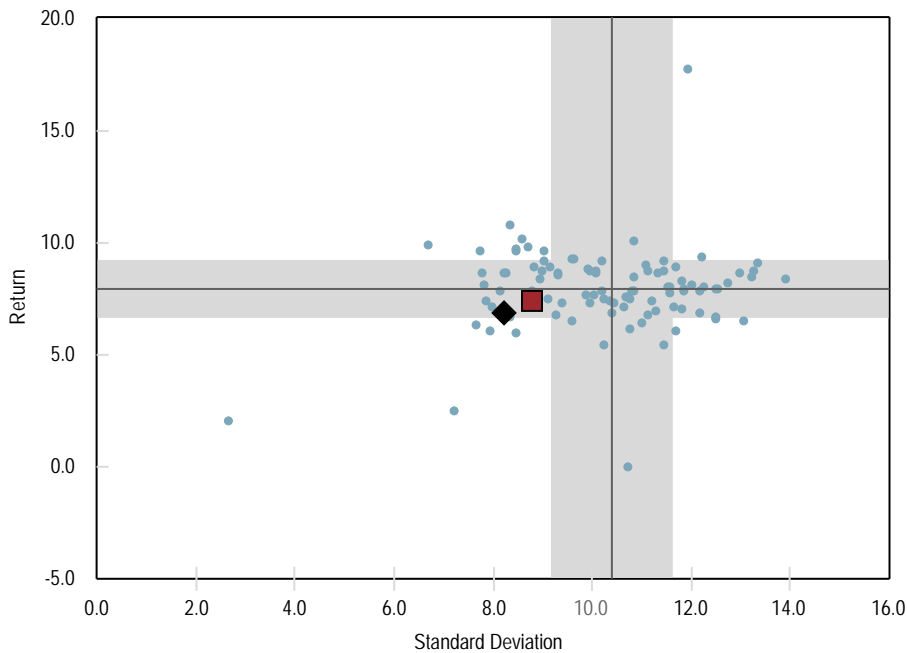
Total Fund

Risk Analysis - 5 Years (Gross of Fees)

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

	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	7.45	0.61	8.78	0.42	1.03	2.32	0.93	0.63	0.27	106.68	104.90

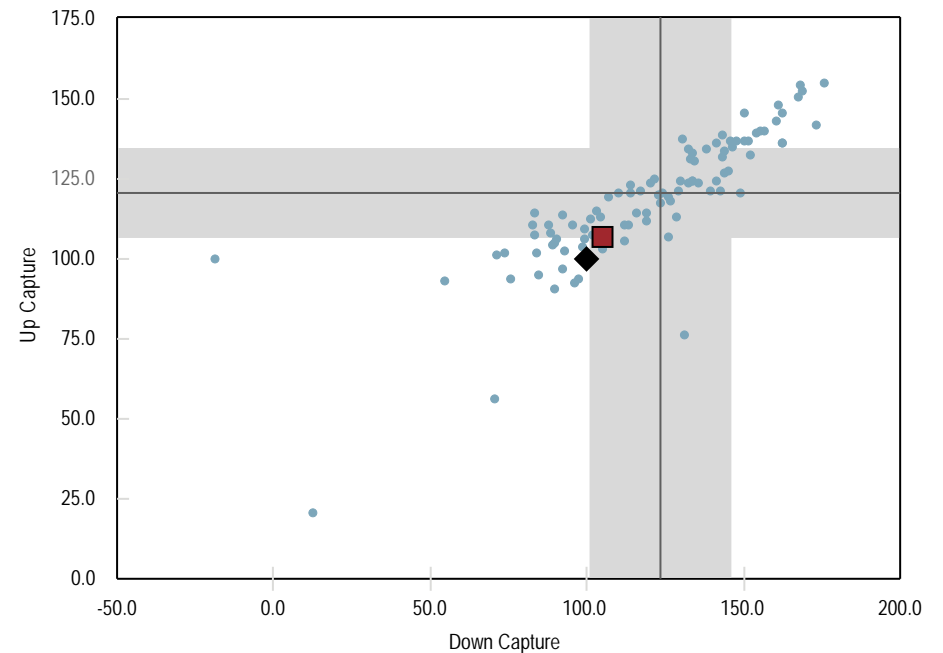
Annualized Return vs. Annualized Standard Deviation



All Public Plans > \$1B-Total Fund

	Return	Standard Deviation
■ Total Fund	7.45	8.78
◆ Interim Policy Index	6.84	8.24
— Median	7.97	10.40
Population	97	97

Up Capture vs. Down Capture



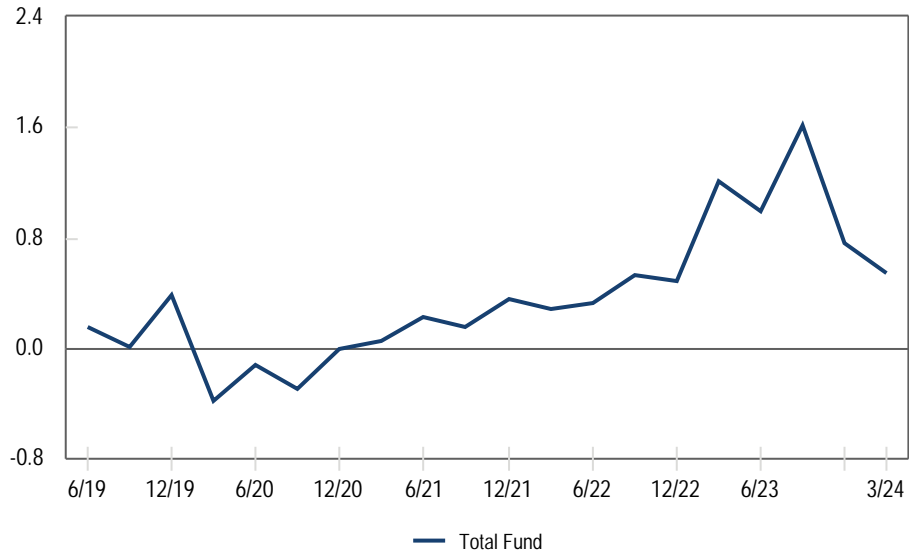
All Public Plans > \$1B-Total Fund

	Up Capture	Down Capture
■ Total Fund	106.68	104.90
◆ Interim Policy Index	100.00	100.00
— Median	120.43	123.29
Population	97	97

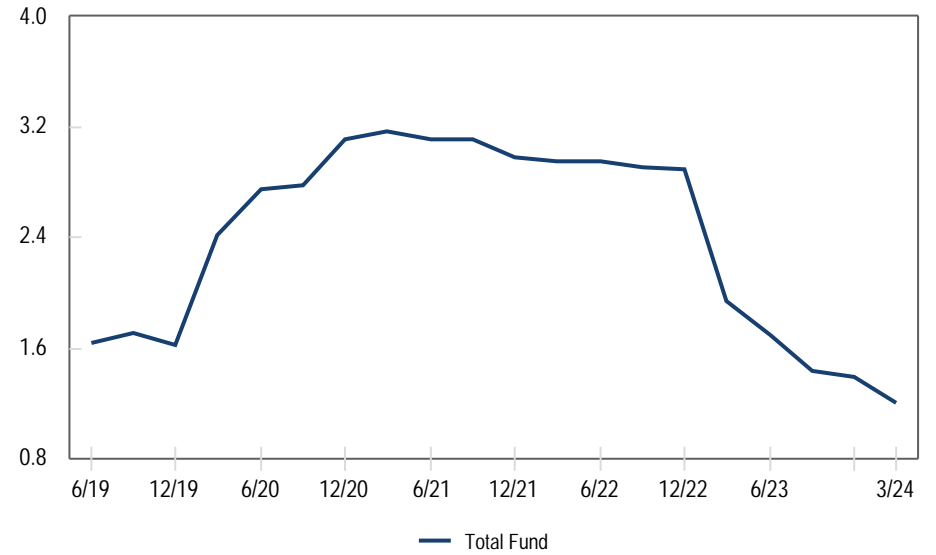
Total Fund
Rolling Risk Statistics (Gross of Fees)

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

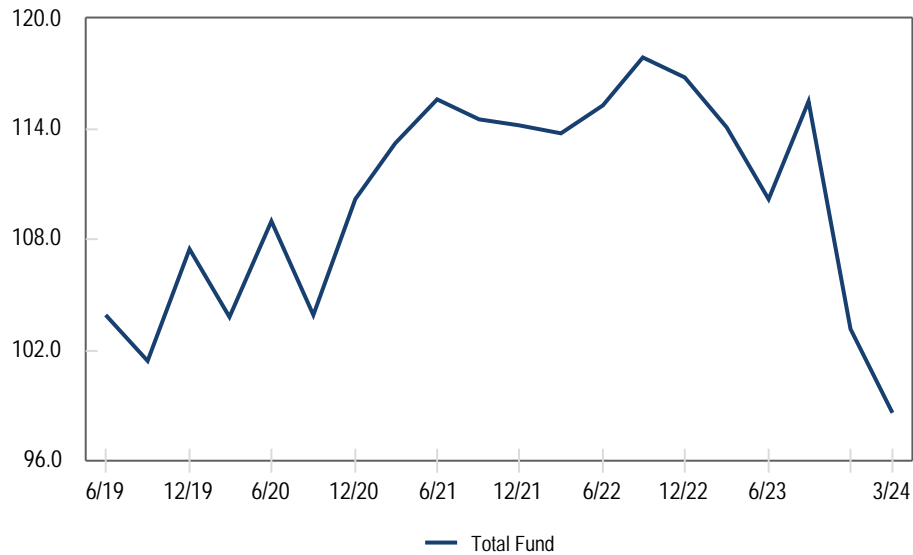
Rolling 3 Years Information Ratio



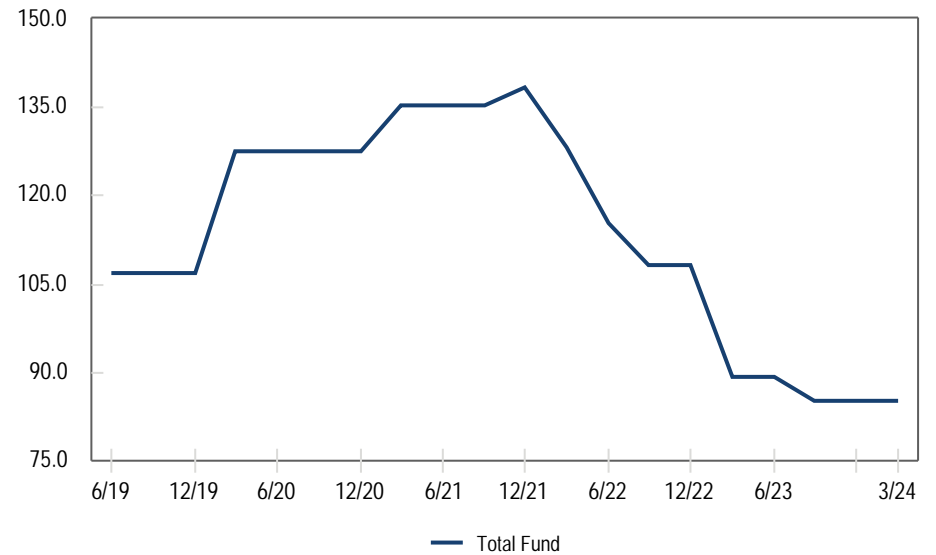
Rolling 3 Years Tracking Error



Rolling 3 Years Up Capture



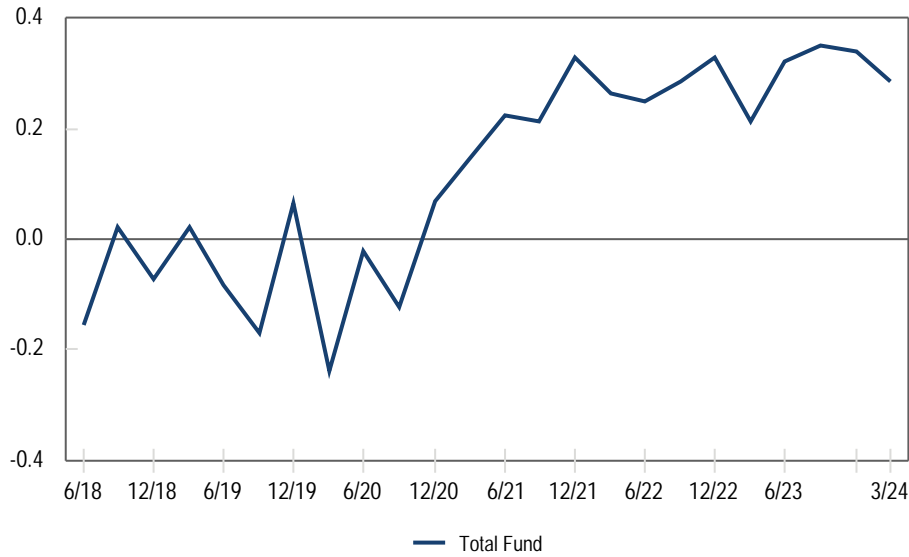
Rolling 3 Years Down Capture



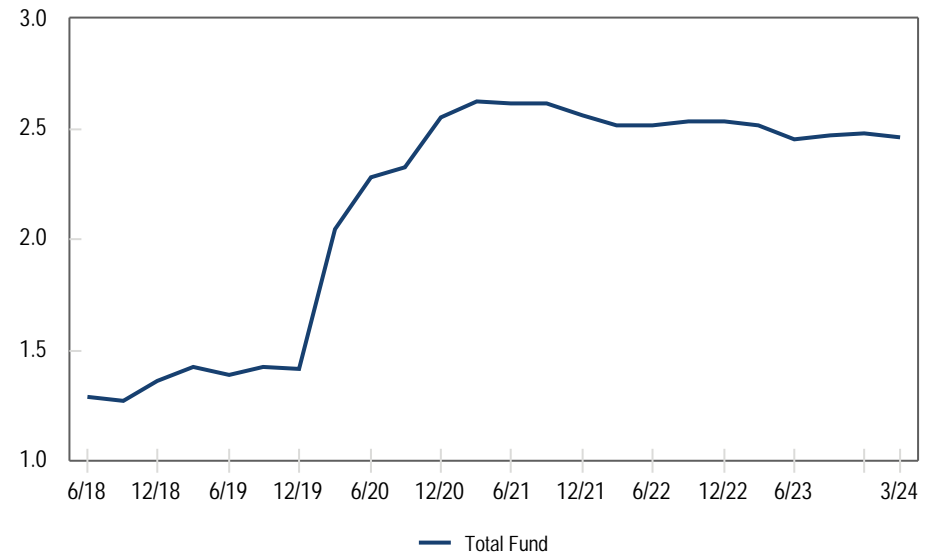
Total Fund
Rolling Risk Statistics (Gross of Fees)

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

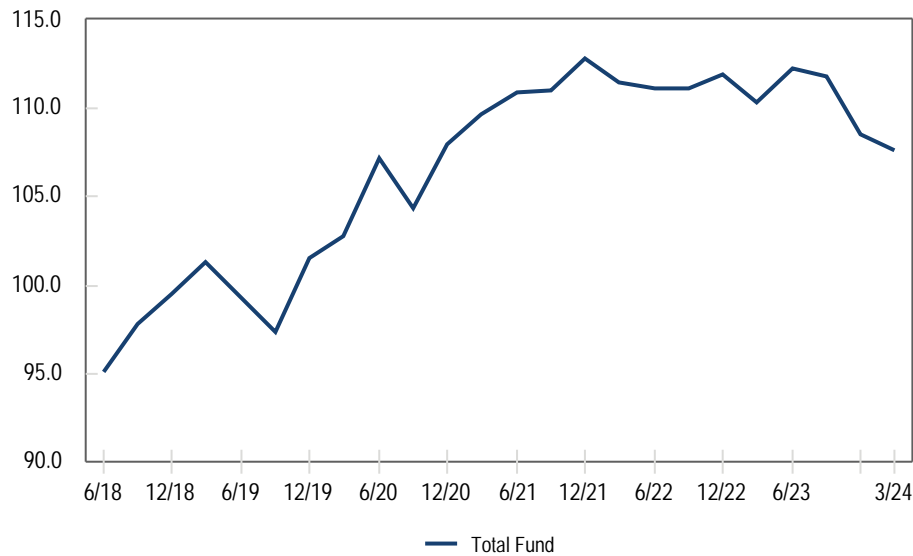
Rolling 5 Years Information Ratio



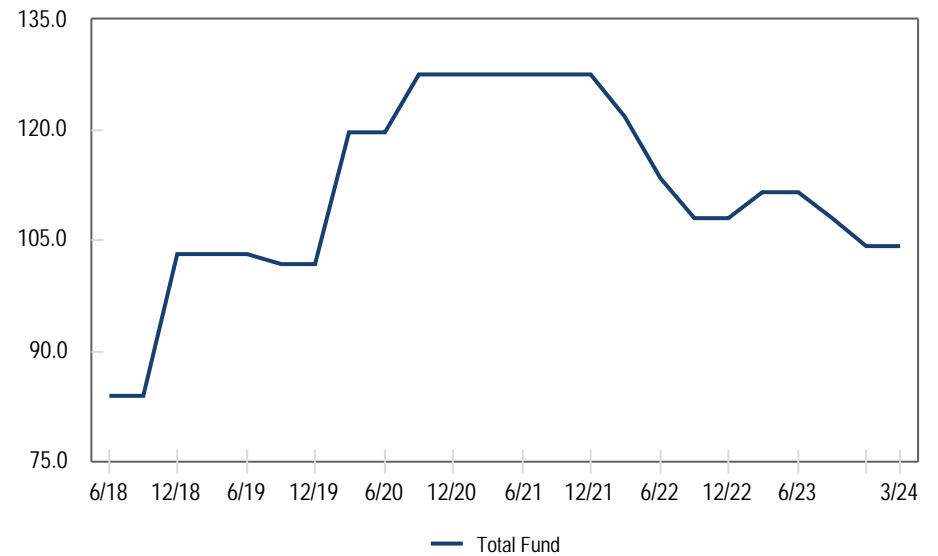
Rolling 5 Years Tracking Error



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: March 31, 2024

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019	Inception	Inception Date
Total Fund	1,740,493,802	100.0	3.4	9.1	4.7	7.5	6.3	8.7	-7.8	15.4	9.6	16.3		
<i>Interim Policy Index</i>			3.2	9.3	4.0	6.8	6.1	9.6	-9.6	12.9	10.3	15.3		
<i>FFP SAA Index</i>			2.9	9.4	6.8	9.1	-	9.6	-6.7	21.4	11.5	12.6		
<i>InvMetrics Public DB > \$1B Rank</i>			74	85	43	56	63	84	23	55	77	74		
Total Growth	1,255,099,655	72.1	4.6	11.1	7.2	10.2	8.5	9.5	-7.2	23.6	11.2	20.3		
<i>Custom Growth Benchmark</i>			4.6	13.2	7.3	10.0	8.4	12.4	-8.4	19.6	13.4	19.5		
Total Public Equity	615,589,076	35.4	9.9	24.4	9.1	13.2	10.2	20.8	-13.4	20.3	16.5	29.8		
<i>MSCI AC World Index</i>			8.3	23.8	7.5	11.5	9.2	22.8	-18.0	19.0	16.8	27.3		
<i>InvMetrics Public DB Total Equity Rank</i>			2	79	-	-	-	76	1	-	-	-		
Total Domestic Equity	354,084,540	20.3	11.6	30.8	12.1	15.0	13.0	23.6	-10.4	25.3	13.7	29.4		
<i>Russell 3000 Index</i>			10.0	29.3	9.8	14.3	12.3	26.0	-19.2	25.7	20.9	31.0		
<i>InvMetrics Public DB US Equity Rank</i>			5	27	10	20	13	56	12	64	96	75		
PIMCO RAE US	96,351,112	5.5	12.6	29.0	13.0	14.1	11.3	17.5	-3.0	28.3	4.4	25.5	9.8	Dec-07
<i>S&P 500 Index</i>			10.6	29.9	11.5	15.0	13.0	26.3	-18.1	28.7	18.4	31.5	10.2	
<i>eV US Large Cap Core Equity Rank</i>			18	48	15	57	78	74	3	46	97	85		
Loomis Sayles Large Cap Growth	88,391,296	5.1	12.5	41.0	13.1	17.7	-	52.1	-27.0	19.4	32.8	32.7	18.9	Jan-17
<i>Russell 1000 Growth Index</i>			11.4	39.0	12.5	18.5	-	42.7	-29.1	27.6	38.5	36.4	18.4	
<i>eV US Large Cap Growth Equity Rank</i>			51	37	17	30	-	7	41	81	62	66		
Boston Partners Large Cap Value	79,677,764	4.6	11.8	28.4	11.9	13.4	-	14.5	-3.8	30.9	2.4	24.3	11.9	Feb-17
<i>Russell 1000 Value Index</i>			9.0	20.3	8.1	10.3	-	11.5	-7.5	25.2	2.8	26.5	9.3	
<i>eV US Large Cap Value Equity Rank</i>			17	17	18	33	-	40	36	21	67	79		
Atlanta Capital Mgmt	89,664,367	5.2	9.7	24.6	9.7	13.1	13.3	15.0	-7.9	23.0	11.4	35.1	16.0	Sep-10
<i>Russell 2500 Index</i>			6.9	21.4	3.0	9.9	8.8	17.4	-18.4	18.2	20.0	27.8	12.2	
<i>eV US Small-Mid Cap Equity Rank</i>			25	31	12	30	4	71	13	57	64	13		
Total International Equity	261,504,536	15.0	7.7	16.7	5.1	10.9	7.2	17.4	-17.4	15.1	19.4	30.2	5.7	Jun-07
<i>MSCI AC World ex USA Index</i>			4.8	13.8	2.4	6.5	4.7	16.2	-15.6	8.3	11.1	22.1	3.2	
<i>InvMetrics Public DB Global ex-US Equity Rank</i>			10	36	19	1	1	46	40	11	5	1		
Dodge & Cox Intl Stock	126,867,708	7.3	3.3	14.1	5.8	8.0	4.7	17.4	-6.2	11.7	2.8	23.6	3.9	Dec-07
<i>MSCI AC World ex USA Value</i>			3.6	16.2	5.3	6.0	3.8	18.1	-8.0	11.1	-0.2	16.5	2.4	
<i>eV ACWI ex-US All Cap Value Eq Rank</i>			67	51	32	28	58	53	15	40	56	36		
WCM International Growth	134,636,828	7.7	12.1	19.2	3.8	12.7	-	17.6	-28.2	18.5	34.0	36.7	13.0	Feb-17
<i>MSCI AC World ex USA Growth</i>			6.0	11.5	-0.5	6.6	-	14.4	-22.8	5.4	22.6	27.8	7.4	
<i>eV ACWI ex-US All Cap Growth Eq Rank</i>			11	18	11	15	-	48	56	6	37	16		

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Total Fund
Performance Summary (Gross of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019	Inception	Inception Date
Total Private Equity	233,041,187	13.4												
Harbourvest Partners IX Buyout Fund L.P.	10,235,531	0.6												
Pathway Private Equity Fund Investors 9 L.P.	82,809,155	4.8												
Harbourvest 2018 Global Fund L.P.	21,450,424	1.2												
Harbourvest SLO Fund Private Equity	99,784,610	5.7												
Pathway Private Equity Fund Investors 10 L.P.	18,761,467	1.1												
Total Private Credit	176,208,730	10.1												
Harbourvest SLO Credit Fund	87,506,047	5.0												
Sixth Street Partners DCP	88,702,683	5.1												
Total Real Assets	230,260,662	13.2	-3.8	-13.1	1.8	2.3	6.0	-12.2	6.7	18.7	1.1	4.3		
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>		
JP Morgan Core Real Estate	126,970,293	7.3	-5.5	-16.5	0.0	1.0	5.0	-14.3	4.3	20.2	0.5	3.4	4.2	Mar-08
<i>NCREIF-ODCE</i>			<i>-2.4</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.8</i>	<i>-12.0</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>4.7</i>	
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>5.4</i>	
ARA American Strategic Value Realty	73,287,315	4.2	-2.6	-10.5	3.5	4.2	-	-10.3	12.3	14.0	3.8	7.3	5.7	Jul-16
<i>NCREIF-ODCE</i>			<i>-2.4</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>-</i>	<i>-12.0</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>5.0</i>	
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>-</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>4.9</i>	
Brookfield Infrastructure Fund	30,003,054	1.7	1.2	-	-	-	-	-	-	-	-	-	1.3	Jul-23
<i>Dow Jones Brookfield Global Infrastructure</i>			<i>-0.3</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.8</i>	
HarbourVest Infrastructure	-	0.0												
Total Risk Diversifying	314,272,238	18.1	-0.1	3.9	-1.4	0.9	1.8	7.4	-11.6	-1.5	6.6	8.8		
<i>Total Risk Diversifying Benchmark</i>			<i>-1.2</i>	<i>0.4</i>	<i>-3.7</i>	<i>-0.5</i>	<i>1.1</i>	<i>5.0</i>	<i>-14.6</i>	<i>-3.2</i>	<i>7.5</i>	<i>8.7</i>		
Total Domestic Fixed Income	285,290,823	16.4	0.2	4.5	0.0	2.4	2.9	7.7	-9.6	0.9	8.1	9.9		
<i>Bloomberg U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>1.5</i>	<i>5.5</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>		
<i>InvMetrics Public DB US Fixed Income Rank</i>			<i>20</i>	<i>25</i>	<i>11</i>	<i>10</i>	<i>1</i>	<i>22</i>	<i>15</i>	<i>17</i>	<i>62</i>	<i>28</i>		
Dodge & Cox Income Fund	23,078,600	1.3	-0.2	4.6	-0.5	2.3	-	8.1	-10.5	-0.5	9.9	10.2	2.8	Jan-17
<i>Bloomberg U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>-</i>	<i>5.5</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>1.1</i>	
<i>eVUS Core Fixed Inc Rank</i>			<i>24</i>	<i>5</i>	<i>4</i>	<i>1</i>	<i>-</i>	<i>3</i>	<i>12</i>	<i>20</i>	<i>14</i>	<i>11</i>		
Pacific Asset Corporate Loan	58,545,157	3.4	2.9	13.6	6.9	6.1	-	14.5	-0.2	5.6	3.0	9.1	5.3	Sep-14
<i>Morningstar LSTA U.S. Leveraged Loan</i>			<i>2.5</i>	<i>12.5</i>	<i>6.0</i>	<i>5.5</i>	<i>-</i>	<i>13.3</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>	<i>4.7</i>	
<i>eVUS Float-Rate Bank Loan Fixed Inc Rank</i>			<i>25</i>	<i>17</i>	<i>7</i>	<i>14</i>	<i>-</i>	<i>16</i>	<i>23</i>	<i>40</i>	<i>49</i>	<i>41</i>		

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Performance Summary (Gross of Fees)

San Luis Obispo County Pension Trust
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	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019	Inception	Inception Date
SSGA U.S. Govt Bond Index	109,756,989	6.3	-0.9	0.1	-	-	-	4.2	-12.5	-	-	-	-3.9	Jul-21
<i>Bloomberg U.S. Treasury: 7-10 Year</i>			-1.4	-1.4	-	-	-	3.6	-14.9	-	-	-	-5.4	
<i>eV Global Government Fixed Inc Rank</i>			28	55	-	-	-	75	28	-	-	-		
BlackRock TIPS	93,910,077	5.4	0.0	0.5	-	-	-	4.0	-11.9	-	-	-	-2.7	Sep-21
<i>Bloomberg U.S. TIPS Index</i>			-0.1	0.5	-	-	-	3.9	-11.8	-	-	-	-2.8	
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			55	59	-	-	-	51	82	-	-	-		
Total Global Fixed	28,981,415	1.7	-2.4	2.0	-5.3	-2.0	-1.1	7.4	-16.8	-7.0	6.7	7.4		
<i>FTSE World Government Bond Index</i>			-2.4	-0.8	-6.1	-2.2	-0.8	5.2	-18.3	-7.0	10.1	5.9		
Brandywine Global Fixed Income	13,475,297	0.8	-5.0	-3.6	-5.2	-	-	5.1	-13.5	-4.0	-	-	-1.7	Jul-20
<i>FTSE Non-U.S. World Government Bond</i>			-3.4	-1.5	-8.4	-	-	5.8	-22.1	-9.7	-	-	-6.1	
<i>eV All Global Fixed Inc Rank</i>			99	99	85	-	-	91	55	70	-	-		
Ashmore EM Blended Debt Fund	15,506,118	0.9	-0.2	6.5	-5.5	-3.0	-	9.0	-19.9	-9.5	3.2	-	-3.0	Apr-19
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELM+</i>			0.2	7.8	-1.1	0.5	-	10.9	-13.6	-3.9	3.9	-	0.5	
<i>eV All Emg Mkts Fixed Inc Rank</i>			75	82	98	100	-	76	95	97	87	-		
Total Liquidity	125,299,221	7.2	0.8	3.5	1.2	1.4	1.9	3.7	-1.0	0.3	1.5	2.1	2.6	Dec-05
<i>90 Day U.S. Treasury Bill</i>			1.3	5.2	2.6	2.0	1.4	5.0	1.5	0.0	0.7	2.3	1.4	
Total Cash	125,299,221	7.2	0.8	3.5	1.2	1.4	1.9	3.7	-1.0	0.3	1.5	2.1	1.8	Jan-06
<i>90 Day U.S. Treasury Bill</i>			1.3	5.2	2.6	2.0	1.4	5.0	1.5	0.0	0.7	2.3	1.4	
PIMCO Short Duration Fund	34,947,044	2.0	0.7	4.1	-	-	-	5.1	-4.3	-	-	-	0.3	Jul-21
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			0.4	3.5	-	-	-	4.6	-3.7	-	-	-	0.3	
<i>Short-Term Bond Rank</i>			73	82	-	-	-	85	49	-	-	-		
Cash Account	37,770,857	2.2	0.8	2.7	1.4	1.6	1.2	2.4	0.4	0.8	1.9	2.2	-	Sep-05
<i>90 Day U.S. Treasury Bill</i>			1.3	5.2	2.6	2.0	1.4	5.0	1.5	0.0	0.7	2.3	1.4	
Investment Cash	52,581,319	3.0	0.9	4.4	-	-	-	4.4	0.9	-	-	-	2.2	Jun-21
<i>90 Day U.S. Treasury Bill</i>			1.3	5.2	-	-	-	5.0	1.5	-	-	-	2.7	
Total Opportunistic	45,822,688	2.6												
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,397,304	0.2												
Sixth Street Partners TAO	42,425,383	2.4												

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Performance Summary (Net of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019	Inception	Inception Date
Total Fund	1,740,493,802	100.0	3.3	8.8	4.4	7.1	5.9	8.4	-8.1	14.9	9.2	15.8		
<i>Interim Policy Index</i>			<i>3.2</i>	<i>9.3</i>	<i>4.0</i>	<i>6.8</i>	<i>6.1</i>	<i>9.6</i>	<i>-9.6</i>	<i>12.9</i>	<i>10.3</i>	<i>15.3</i>		
<i>FFP SAA Index</i>			<i>2.9</i>	<i>9.4</i>	<i>6.8</i>	<i>9.1</i>	<i>-</i>	<i>9.6</i>	<i>-6.7</i>	<i>21.4</i>	<i>11.5</i>	<i>12.6</i>		
Total Growth	1,255,099,655	72.1	4.5	10.7	6.9	9.9	8.1	9.2	-7.5	23.1	10.8	19.9		
<i>Custom Growth Benchmark</i>			<i>4.6</i>	<i>13.2</i>	<i>7.3</i>	<i>10.0</i>	<i>8.4</i>	<i>12.4</i>	<i>-8.4</i>	<i>19.6</i>	<i>13.4</i>	<i>19.5</i>		
Total Public Equity	615,589,076	35.4	9.8	23.7	8.5	12.6	9.6	20.2	-13.9	19.6	15.9	29.1		
<i>MSCI AC World Index</i>			<i>8.3</i>	<i>23.8</i>	<i>7.5</i>	<i>11.5</i>	<i>9.2</i>	<i>22.8</i>	<i>-18.0</i>	<i>19.0</i>	<i>16.8</i>	<i>27.3</i>		
Total Domestic Equity	354,084,540	20.3	11.5	30.1	11.6	14.4	12.4	23.0	-10.8	24.6	13.1	28.7		
<i>Russell 3000 Index</i>			<i>10.0</i>	<i>29.3</i>	<i>9.8</i>	<i>14.3</i>	<i>12.3</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>		
PIMCO RAE US	96,351,112	5.5	12.5	28.5	12.5	13.7	10.8	17.1	-3.4	27.8	3.9	25.0	9.4	Dec-07
<i>S&P 500 Index</i>			<i>10.6</i>	<i>29.9</i>	<i>11.5</i>	<i>15.0</i>	<i>13.0</i>	<i>26.3</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>	<i>10.3</i>	
Loomis Sayles Large Cap Growth	88,391,296	5.1	12.3	40.4	12.6	17.2	-	51.4	-27.4	18.9	32.3	32.1	18.4	Jan-17
<i>Russell 1000 Growth Index</i>			<i>11.4</i>	<i>39.0</i>	<i>12.5</i>	<i>18.5</i>	<i>-</i>	<i>42.7</i>	<i>-29.1</i>	<i>27.6</i>	<i>38.5</i>	<i>36.4</i>	<i>18.4</i>	
Boston Partners Large Cap Value	79,677,764	4.6	11.7	27.9	11.5	12.9	-	14.1	-4.2	30.4	2.0	23.8	11.4	Feb-17
<i>Russell 1000 Value Index</i>			<i>9.0</i>	<i>20.3</i>	<i>8.1</i>	<i>10.3</i>	<i>-</i>	<i>11.5</i>	<i>-7.5</i>	<i>25.2</i>	<i>2.8</i>	<i>26.5</i>	<i>9.3</i>	
Atlanta Capital Mgmt	89,664,367	5.2	9.5	23.6	8.8	12.3	12.4	14.1	-8.7	22.0	10.5	34.1	15.2	Sep-10
<i>Russell 2500 Index</i>			<i>6.9</i>	<i>21.4</i>	<i>3.0</i>	<i>9.9</i>	<i>8.8</i>	<i>17.4</i>	<i>-18.4</i>	<i>18.2</i>	<i>20.0</i>	<i>27.8</i>	<i>12.2</i>	
Total International Equity	261,504,536	15.0	7.5	15.9	4.5	10.2	6.5	16.6	-17.9	14.4	18.6	29.3		
<i>MSCI AC World ex USA Index</i>			<i>4.8</i>	<i>13.8</i>	<i>2.4</i>	<i>6.5</i>	<i>4.7</i>	<i>16.2</i>	<i>-15.6</i>	<i>8.3</i>	<i>11.1</i>	<i>22.1</i>		
Dodge & Cox Intl Stock	126,867,708	7.3	3.1	13.4	5.1	7.3	4.0	16.7	-6.8	11.0	2.1	22.8	3.4	Dec-07
<i>MSCI AC World ex USA Value</i>			<i>3.6</i>	<i>16.2</i>	<i>5.3</i>	<i>6.0</i>	<i>3.8</i>	<i>18.1</i>	<i>-8.0</i>	<i>11.1</i>	<i>-0.2</i>	<i>16.5</i>	<i>2.4</i>	
WCM International Growth	134,636,828	7.7	11.9	18.3	3.1	11.9	-	16.8	-28.6	17.7	33.1	35.8	12.3	Feb-17
<i>MSCI AC World ex USA Growth</i>			<i>6.0</i>	<i>11.5</i>	<i>-0.5</i>	<i>6.6</i>	<i>-</i>	<i>14.4</i>	<i>-22.8</i>	<i>5.4</i>	<i>22.6</i>	<i>27.8</i>	<i>7.4</i>	

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Sixth Street Partners DCP	88,702,683	5.1												
Total Real Assets	230,260,662	13.2	-3.8	-13.1	1.8	2.3	5.8	-12.2	6.7	18.7	1.1	4.3		
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>		
JP Morgan Core Real Estate	126,970,293	7.3	-5.5	-16.5	0.0	1.0	4.7	-14.3	4.3	20.2	0.5	3.4	3.7	Mar-08
<i>NCREIF-ODCE</i>			<i>-2.4</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.8</i>	<i>-12.0</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>4.7</i>	
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>5.4</i>	
ARA American Strategic Value Realty	73,287,315	4.2	-2.6	-10.5	3.5	4.2	-	-10.3	12.3	14.0	3.8	7.3	5.6	Jul-16
<i>NCREIF-ODCE</i>			<i>-2.4</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>-</i>	<i>-12.0</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>	<i>5.0</i>	
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>-</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>	<i>4.9</i>	
Brookfield Infrastructure Fund	30,003,054	1.7	1.2	-	-	-	-	-	-	-	-	-	1.3	Jul-23
<i>Dow Jones Brookfield Global Infrastructure</i>			<i>-0.3</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.8</i>	
HarbourVest Infrastructure	-	0.0												
Total Risk Diversifying	314,272,238	18.1	-0.2	3.6	-1.8	0.5	1.4	7.0	-12.0	-2.0	6.1	8.4		
<i>Total Risk Diversifying Benchmark</i>			<i>-1.2</i>	<i>0.4</i>	<i>-3.7</i>	<i>-0.5</i>	<i>1.1</i>	<i>5.0</i>	<i>-14.6</i>	<i>-3.2</i>	<i>7.5</i>	<i>8.7</i>		
Total Domestic Fixed Income	285,290,823	16.4	0.2	4.2	-0.2	2.1	2.6	7.5	-9.9	0.5	7.7	9.5		
<i>Bimbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>1.5</i>	<i>5.5</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>		
Dodge & Cox Income Fund	23,078,600	1.3	-0.3	4.1	-0.9	1.9	-	7.7	-10.9	-0.9	9.4	9.7	2.3	Feb-17
<i>Bimbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>-</i>	<i>5.5</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>	<i>1.1</i>	
Pacific Asset Corporate Loan	58,545,157	3.4	2.8	13.2	6.5	5.7	-	14.1	-0.5	5.2	2.6	8.7	4.9	Sep-14
<i>Morningstar LSTA U.S. Leveraged Loan</i>			<i>2.5</i>	<i>12.5</i>	<i>6.0</i>	<i>5.5</i>	<i>-</i>	<i>13.3</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>	<i>4.7</i>	

Since Inception ranking is from the beginning of the first complete month of performance. Stone Harbor Local Markets terminated 3/22/2019. Ashmore EM Blended Debt funded 3/31/2019. Direct RE liquidated as of 12/19/2019. Pathway Private Equity Fund Investors 10 L.P. funded 3/25/2020. Sixth Street Partners TAO funded 4/16/2020. Gresham liquidated as of 9/30/2020. PIMCO Short Duration funded 7/14/2021. SSGA U.S. Govt Bond Index funded 7/16/2021. BlackRock TIPS funded 9/1/2021.

Total Fund
Performance Summary (Net of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019	Inception	Inception Date
SSGA U.S. Govt Bond Index	109,756,989	6.3	-0.9	0.0	-	-	-	4.1	-12.5	-	-	-	-3.9	Jul-21
<i>Bloomberg U.S. Treasury: 7-10 Year</i>			<i>-1.4</i>	<i>-1.4</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.6</i>	<i>-14.9</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-5.4</i>	
BlackRock TIPS	93,910,077	5.4	0.0	0.5	-	-	-	4.0	-11.9	-	-	-	-2.7	Sep-21
<i>Bloomberg U.S. TIPS Index</i>			<i>-0.1</i>	<i>0.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.9</i>	<i>-11.8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-2.8</i>	
Total Global Fixed	28,981,415	1.7	-2.6	1.2	-6.0	-2.7	-1.7	6.6	-17.5	-7.7	6.0	6.9		
<i>FTSE World Government Bond Index</i>			<i>-2.4</i>	<i>-0.8</i>	<i>-6.1</i>	<i>-2.2</i>	<i>-0.8</i>	<i>5.2</i>	<i>-18.3</i>	<i>-7.0</i>	<i>10.1</i>	<i>5.9</i>		
Brandywine Global Fixed Income	13,475,297	0.8	-5.1	-4.0	-5.7	-	-	4.6	-14.0	-4.4	-	-	-2.1	Jul-20
<i>FTSE Non-U.S. World Government Bond</i>			<i>-3.4</i>	<i>-1.5</i>	<i>-8.4</i>	<i>-</i>	<i>-</i>	<i>5.8</i>	<i>-22.1</i>	<i>-9.7</i>	<i>-</i>	<i>-</i>	<i>-6.1</i>	
Ashmore EM Blended Debt Fund	15,506,118	0.9	-0.5	5.4	-6.5	-4.0	-	7.9	-20.7	-10.4	2.1	-	-4.0	Apr-19
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELM+</i>			<i>0.2</i>	<i>7.8</i>	<i>-1.1</i>	<i>0.5</i>	<i>-</i>	<i>10.9</i>	<i>-13.6</i>	<i>-3.9</i>	<i>3.9</i>	<i>-</i>	<i>0.5</i>	
Total Liquidity	125,299,221	7.2	0.8	3.3	1.0	1.3	1.9	3.5	-1.2	0.2	1.5	2.1		
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>	<i>1.4</i>	<i>5.0</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>		
Total Cash	125,299,221	7.2	0.8	3.3	1.0	1.3	1.9	3.5	-1.2	0.2	1.5	2.1		
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>	<i>1.4</i>	<i>5.0</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>		
PIMCO Short Duration Fund	34,947,044	2.0	0.6	3.5	-	-	-	4.6	-4.7	-	-	-	-0.2	Jul-21
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			<i>0.4</i>	<i>3.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>4.6</i>	<i>-3.7</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>0.3</i>	
Cash Account	37,770,857	2.2	0.8	2.7	1.4	1.6	1.2	2.4	0.4	0.8	1.9	2.2		
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>5.2</i>	<i>2.6</i>	<i>2.0</i>	<i>1.4</i>	<i>5.0</i>	<i>1.5</i>	<i>0.0</i>	<i>0.7</i>	<i>2.3</i>		
Investment Cash	52,581,319	3.0	0.9	4.4	-	-	-	4.4	0.9	-	-	-	2.2	Jun-21
<i>90 Day U.S. Treasury Bill</i>			<i>1.3</i>	<i>5.2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5.0</i>	<i>1.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2.7</i>	
Total Opportunistic	45,822,688	2.6												
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,397,304	0.2												
Sixth Street Partners TAO	42,425,383	2.4												

Since Inception ranking is from the beginning of the first complete month of performance. Stone Harbor Local Markets terminated 3/22/2019. Ashmore EM Blended Debt funded 3/31/2019. Direct RE liquidated as of 12/19/2019. Pathway Private Equity Fund Investors 10 L.P. funded 3/25/2020. Sixth Street Partners TAO funded 4/16/2020. Gresham liquidated as of 9/30/2020. PIMCO Short Duration funded 7/14/2021. SSGA U.S. Govt Bond Index funded 7/16/2021. BlackRock TIPS funded 9/1/2021.

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

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

3 Years

	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
PIMCO RAE US	12.51	1.02	17.18	2.62	0.86	8.79	0.76	0.63	0.10	88.63	77.28
Loomis Sayles Large Cap Growth	12.57	0.07	22.00	-0.04	1.03	5.57	0.94	0.54	0.06	102.20	102.17
Boston Partners Large Cap Value	11.47	3.36	15.91	3.43	0.96	3.18	0.96	0.61	0.96	101.53	86.98
Atlanta Capital Mgmt	8.85	5.88	16.85	6.18	0.79	7.00	0.89	0.44	0.71	90.67	70.58
Dodge & Cox Intl Stock	5.14	-0.16	17.14	-0.39	1.08	3.99	0.95	0.23	0.03	114.46	118.89
WCM International Growth	3.14	3.60	20.51	4.07	1.08	7.10	0.89	0.13	0.58	117.57	101.93
Dodge & Cox Income Fund	-0.92	1.54	7.12	1.53	0.98	1.18	0.97	-0.46	1.33	102.08	87.13
Pacific Asset Corporate Loan	6.51	0.52	4.01	0.22	1.05	0.54	0.98	1.00	0.92	105.42	98.67
JP Morgan Core Real Estate	-0.02	-3.39	6.62	-1.47	0.45	7.32	0.41	-0.33	-0.49	46.46	69.85
ARA American Strategic Value Realty	3.49	0.12	7.77	2.31	0.39	9.00	0.22	0.14	0.00	89.95	84.63
Ashmore EM Blended Debt Fund	-6.51	-5.38	12.74	-4.85	1.32	4.66	0.92	-0.67	-1.11	109.68	149.65

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	13.65	-1.40	19.62	-0.62	0.98	8.19	0.83	0.65	-0.12	93.25	92.66
Loomis Sayles Large Cap Growth	17.18	-1.33	20.43	-0.45	0.96	5.34	0.93	0.79	-0.22	95.94	97.75
Boston Partners Large Cap Value	12.93	2.62	19.20	2.30	1.02	3.09	0.97	0.63	0.80	104.06	94.38
Atlanta Capital Mgmt	12.27	2.36	19.47	3.78	0.81	7.60	0.90	0.59	0.19	86.61	74.49
Dodge & Cox Intl Stock	7.29	1.25	21.19	0.78	1.12	4.59	0.96	0.34	0.37	116.87	114.98
WCM International Growth	11.93	5.36	19.31	5.07	1.04	6.30	0.89	0.58	0.84	112.72	92.18
Dodge & Cox Income Fund	1.89	1.53	6.23	1.55	0.97	1.96	0.90	0.01	0.78	108.43	89.09
Pacific Asset Corporate Loan	5.69	0.21	5.61	1.38	0.77	2.00	0.96	0.66	0.05	91.49	78.82
JP Morgan Core Real Estate	1.05	-2.41	5.27	-0.45	0.44	5.83	0.40	-0.14	-0.43	53.97	72.71
ARA American Strategic Value Realty	4.18	0.73	6.26	3.02	0.36	7.44	0.19	0.35	0.08	96.15	78.49
Ashmore EM Blended Debt Fund	-4.00	-4.55	14.78	-4.36	1.46	5.75	0.94	-0.33	-0.69	122.01	157.26

Private Markets
Non Marketable Securities Overview

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

Vintage	Manager & Fund Name	Estimated 3/31 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.	\$10,235,531	\$20,000,000	\$17,600,000	88%	\$2,400,000	\$28,247,065	\$11,474,012	160.5%	218.7%	17.9%	12/31/23
2018	HarbourVest Partners 2018 Global Fund L.P.	\$21,450,424	\$20,000,000	\$16,200,000	81%	\$3,800,000	\$6,396,712	\$21,450,424	39.5%	171.9%	20.7%	12/31/23
2010	KKR Mezzanine Partners I L.P. ⁴	\$3,397,304	\$20,000,000	\$22,888,365	114%	-\$2,888,365	\$25,859,473	\$3,397,304	113.0%	127.8%	5.9%	12/31/23
2016	Sixth Street Partners DCP	\$88,702,683	\$152,500,000	\$112,013,691	73%	\$40,486,309	\$60,407,436	\$93,569,856	53.9%	133.1%	9.0%	12/31/23
2017	Pathway Private Equity Fund Investors 9 L.P.	\$82,809,155	\$65,000,000	\$52,543,296	81%	\$12,456,704	\$17,314,729	\$88,315,813	33.0%	190.6%	24.5%	6/30/22
2020	Pathway Private Equity Fund Investors 10 L.P.	\$18,761,467	\$20,000,000	\$13,849,892	69%	\$6,150,108	\$0	-	0.0%	135.5%	-	-
2020	Sixth Street Partners TAO	\$42,425,383	\$60,000,000	\$61,158,914	102%	-\$1,158,914	\$31,345,403	\$40,748,140	51.3%	120.6%	10.0%	12/31/23
2022	HarbourVest SLO Fund Private Equity ⁷	\$99,784,610	\$76,000,000	\$74,400,000	98%	\$1,600,000	\$0	\$81,184,610	0.0%	134.1%	12.8%	12/31/23
2022	HarbourVest SLO Fund Private Credit ⁷	\$87,506,047	\$95,000,000	\$87,064,200	92%	\$7,935,800	\$9,122,851	\$89,767,029	10.5%	111.0%	10.8%	12/31/23
2022	HarbourVest SLO Fund Infrastructure ⁷	\$0	\$9,000,000	\$0	0%	\$9,000,000	\$0	-	-	-	-	-

Total Alternative Illiquids	\$455,072,604	\$537,500,000	\$457,718,358	85%	\$79,781,642	\$178,693,668	\$429,907,188	93.9%	133.0%
% of Portfolio (Market Value)	26.1%								

	Management Fee	Admin Fee	Interest Expense	Expense	Total Expense ⁶
HarbourVest Partners IX-Buyout Fund L.P.	\$40,381	\$0	\$0	\$9,361	\$49,742
HarbourVest Partners 2018 Global Fund L.P.	\$46,635	\$0	\$0	\$44,950	\$91,585
KKR Mezzanine Partners I L.P.	\$0	\$0	\$0	\$1,375	\$1,375
Sixth Street Partners DCP	\$0	\$0	\$0	\$110,838	\$110,838
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	\$161,591	\$0	\$0	\$77,097	\$238,688
HarbourVest SLO Fund Private Credit	\$56,712	\$0	\$0	\$82,006	\$138,718
HarbourVest SLO Fund Private Equity	\$257,852	\$0	\$0	\$234,916	\$492,768
HarbourVest SLO Fund Infrastructure	\$0	\$0	\$0	\$0	\$0
	\$563,171	\$0	\$0	\$560,543	\$1,123,714

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 4Q 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: March 31, 2024

Account	Fee Schedule	Market Value As of March 31, 2024	% 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	73,287,315	4.21	812,873	1.11
Ashmore EM Blended Debt Fund	1.00 % of Assets	15,506,118	0.89	155,061	1.00
Atlanta Capital Mgmt	0.80 % of First \$50 M 0.70 % of Next \$100 M 0.60 % Thereafter	89,664,367	5.15	677,651	0.76
BlackRock TIPS	0.02 % of First \$100 M 0.02 % of Next \$300 M 0.01 % Thereafter	93,910,077	5.40	21,130	0.02
Boston Partners Large Cap Value	0.40 % of Assets	79,677,764	4.58	318,711	0.40
Brandywine Global Fixed Income	0.45 % of First \$50 M 0.40 % of Next \$50 M 0.35 % Thereafter	13,475,297	0.77	60,639	0.45
Brookfield Infrastructure Fund	0.75 % of First \$100 M 0.69 % of Next \$200 M 0.64 % Thereafter	30,003,054	1.72	225,023	0.75
Cash Account		37,770,857	2.17	-	-
Dodge & Cox Income Fund	0.41 % of Assets	23,078,600	1.33	94,622	0.41
Dodge & Cox Intl Stock	0.62 % of Assets	126,867,708	7.29	786,580	0.62
Harbourvest 2018 Global Fund L.P.	Minimum Fee: \$282,000	21,450,424	1.23	282,000	1.31
Harbourvest Partners IX Buyout Fund L.P.	Minimum Fee: \$200,000	10,235,531	0.59	200,000	1.95
Harbourvest SLO Credit Fund		87,506,047	5.03	-	-
Harbourvest SLO Fund Private Equity		99,784,610	5.73	-	-

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: March 31, 2024

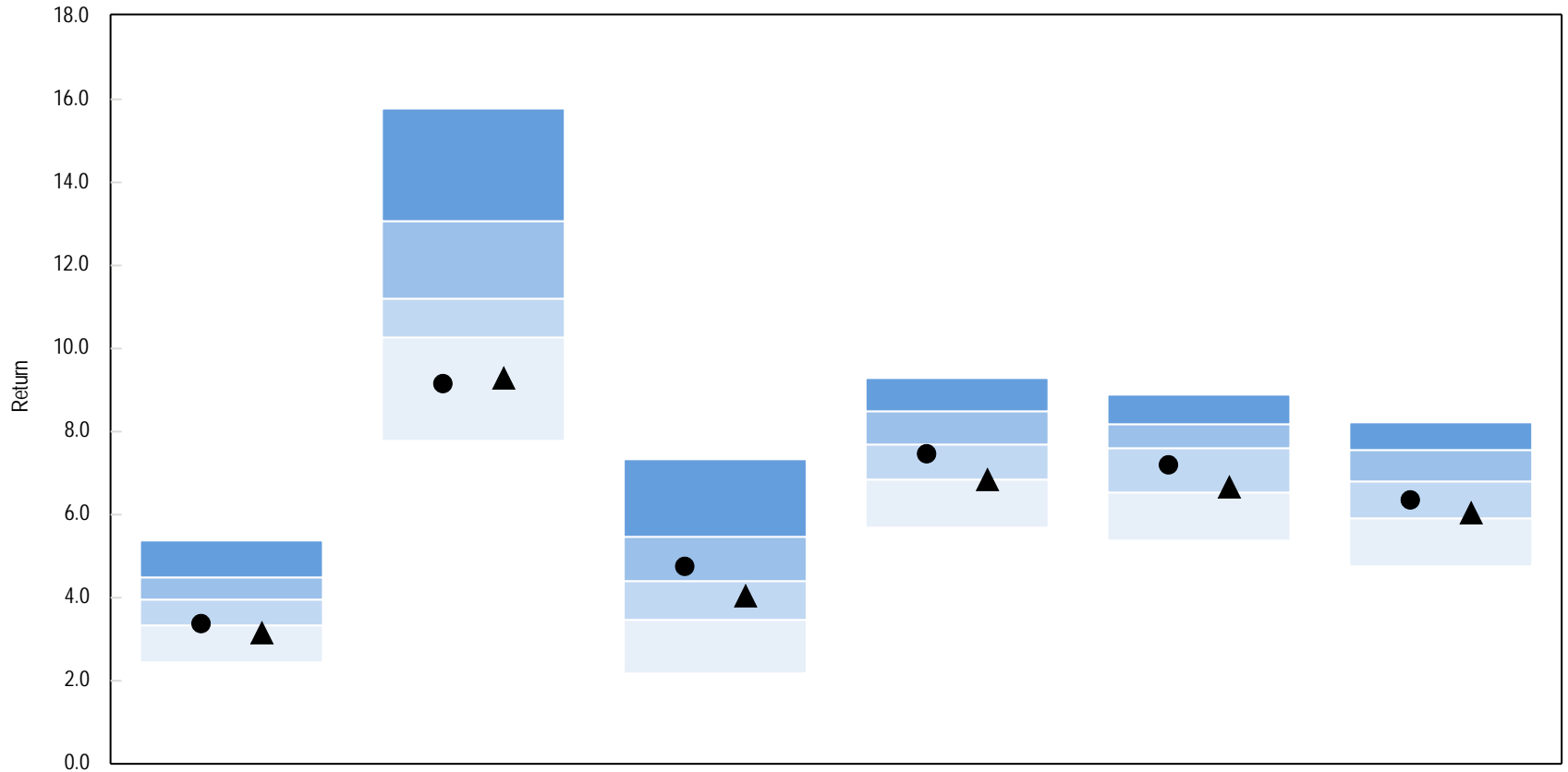
Account	Fee Schedule	Market Value As of March 31, 2024	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Investment Cash		52,581,319	3.02	-	-
JP Morgan Core Real Estate	0.92 % of First \$100 M 0.80 % of Next \$150 M 0.70 % of Next \$250 M 0.50 % Thereafter	126,970,293	7.30	1,135,762	0.89
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	Minimum Fee: \$300,000	3,397,304	0.20	300,000	8.83
Loomis Sayles Large Cap Growth	0.45 % of First \$100 M 0.40 % Thereafter	88,391,296	5.08	397,761	0.45
Pacific Asset Corporate Loan	0.37 % of Assets	58,545,157	3.36	216,617	0.37
Pathway Private Equity Fund Investors 10 L.P.		18,761,467	1.08	-	-
Pathway Private Equity Fund Investors 9 L.P.		82,809,155	4.76	-	-
PIMCO RAE US	0.40 % of Assets	96,351,112	5.54	385,404	0.40
PIMCO Short Duration Fund	0.50 % of Assets	34,947,044	2.01	174,735	0.50
Sixth Street Partners DCP		88,702,683	5.10	-	-
Sixth Street Partners TAO		42,425,383	2.44	-	-
SSGA U.S. Govt Bond Index	0.04 % of First \$50 M 0.03 % Thereafter	109,756,989	6.31	37,927	0.03
WCM International Growth	0.70 % of Assets	134,636,828	7.74	942,458	0.70
Investment Management Fee		1,740,493,802	100.00	7,224,954	0.42

HarbourVest, KKR and PIMCO Distressed Credit fees are estimated gross management fees only and do not include incentive allocations or offsetting cash flows received by the fund. Pathway fee steps up and down over time, with an effective average of 0.71% up to \$25m, 0.67% up to \$50m, 0.63% up to \$75m, and 0.40% above \$75m. TAO 65bps on unfunded commitments and 1.35% on remaining capital contributions (long-term designation) (2) TSLE 1.5% on commitments, 1.25% on remaining capital contributions post commitment period (3) TICP 30bps on remaining capital contributions (4) TCS 1.0% on unfunded commitments, 1.5% on remaining capital contributions.

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

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

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

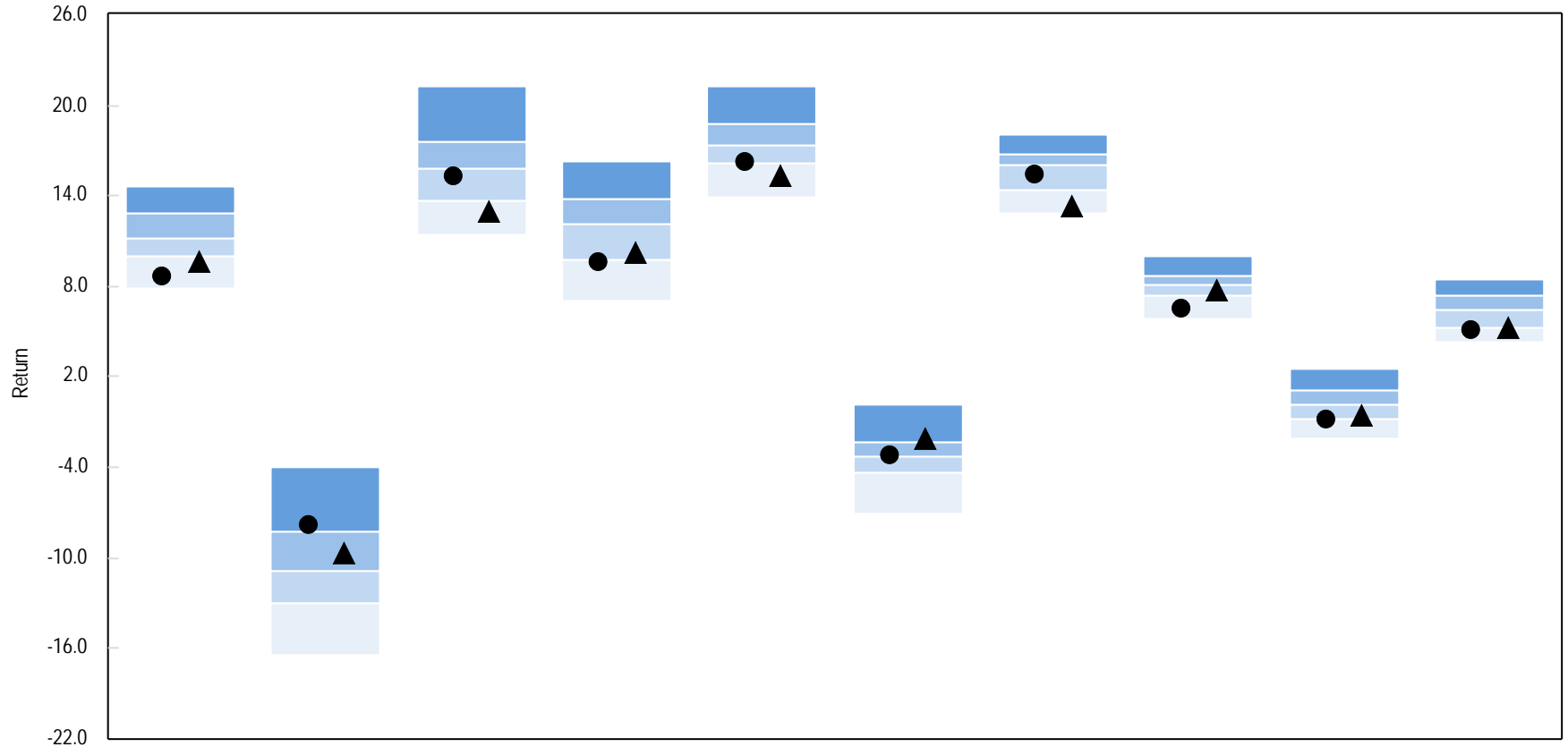


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Total Fund	3.37 (74)	9.14 (85)	4.75 (43)	7.45 (56)	7.21 (59)	6.35 (63)
▲ Interim Policy Index	3.16 (79)	9.30 (84)	4.03 (56)	6.84 (75)	6.69 (74)	6.05 (75)
5th Percentile	5.38	15.77	7.32	9.27	8.87	8.23
1st Quartile	4.49	13.06	5.49	8.50	8.20	7.55
Median	3.95	11.20	4.39	7.67	7.59	6.79
3rd Quartile	3.34	10.25	3.48	6.84	6.55	5.91
95th Percentile	2.44	7.78	2.16	5.71	5.39	4.75
Population	98	55	51	51	50	47

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

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

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

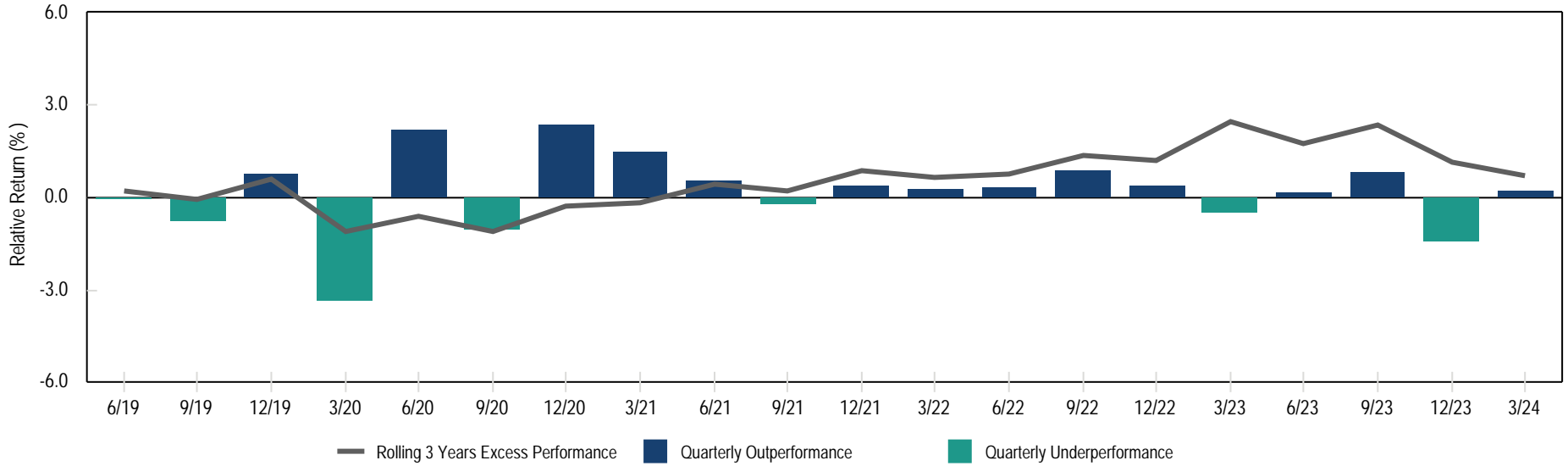


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Total Fund	8.71 (84)	-7.84 (23)	15.35 (55)	9.63 (77)	16.29 (74)	-3.12 (44)	15.47 (59)	6.55 (94)	-0.81 (76)	5.15 (77)
▲ Interim Policy Index	9.59 (78)	-9.62 (40)	12.93 (85)	10.26 (72)	15.33 (89)	-2.09 (23)	13.29 (94)	7.78 (65)	-0.52 (69)	5.23 (74)
5th Percentile	14.58	-3.98	21.20	16.27	21.28	0.20	18.02	10.03	2.50	8.43
1st Quartile	12.86	-8.21	17.57	13.79	18.71	-2.33	16.79	8.67	1.07	7.37
Median	11.19	-10.84	15.77	12.11	17.31	-3.23	16.01	8.06	0.22	6.46
3rd Quartile	9.95	-12.97	13.67	9.75	16.18	-4.35	14.36	7.40	-0.80	5.21
95th Percentile	7.86	-16.37	11.44	7.01	13.93	-7.10	12.79	5.84	-2.12	4.27
Population	86	95	129	144	108	88	97	102	98	93

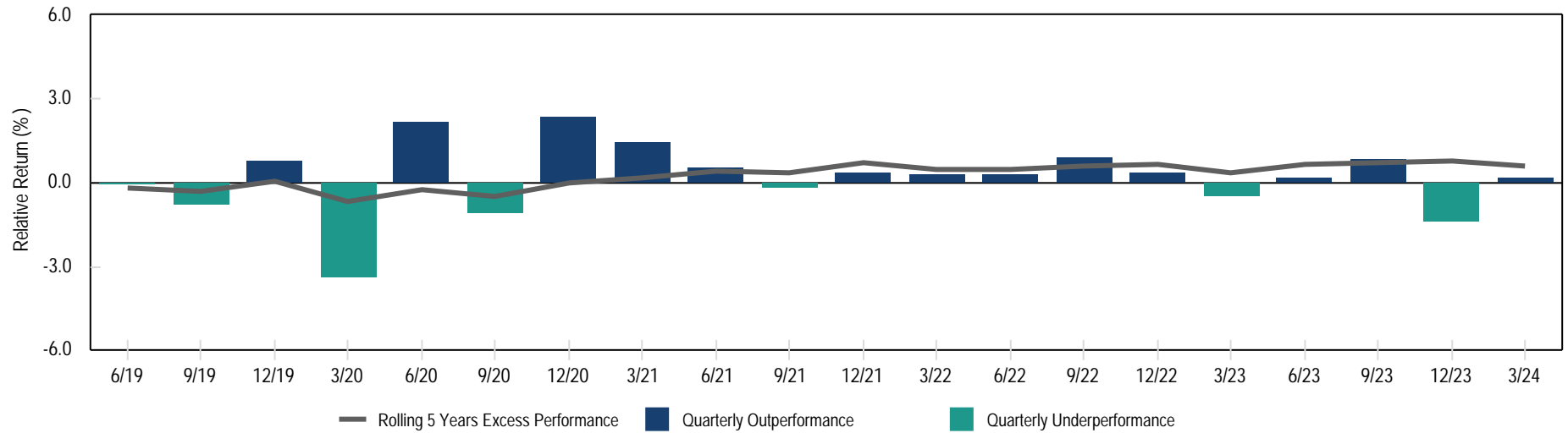
Total Fund
Rolling Return Analysis (Gross of Fees)

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

Rolling 3 Year Annualized Excess Performance



Rolling 5 Year Annualized Excess Performance



Domestic Equity

Total Domestic Equity Asset Class Overview (Gross of Fees)

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

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total Domestic Equity	354,084,540	11.6	30.8	12.1	15.0	13.0	23.6	-10.4	25.3	13.7	29.4
<i>Russell 3000 Index</i>		<i>10.0</i>	<i>29.3</i>	<i>9.8</i>	<i>14.3</i>	<i>12.3</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>
<i>InvMetrics Public DB US Equity Rank</i>		<i>5</i>	<i>27</i>	<i>10</i>	<i>20</i>	<i>13</i>	<i>56</i>	<i>12</i>	<i>64</i>	<i>96</i>	<i>75</i>
PIMCO RAE US	96,351,112	12.6	29.0	13.0	14.1	11.3	17.5	-3.0	28.3	4.4	25.5
<i>S&P 500 Index</i>		<i>10.6</i>	<i>29.9</i>	<i>11.5</i>	<i>15.0</i>	<i>13.0</i>	<i>26.3</i>	<i>-18.1</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>
<i>eV US Large Cap Core Equity Rank</i>		<i>18</i>	<i>48</i>	<i>15</i>	<i>57</i>	<i>78</i>	<i>74</i>	<i>3</i>	<i>46</i>	<i>97</i>	<i>85</i>
Loomis Sayles Large Cap Growth	88,391,296	12.5	41.0	13.1	17.7	-	52.1	-27.0	19.4	32.8	32.7
<i>Russell 1000 Growth Index</i>		<i>11.4</i>	<i>39.0</i>	<i>12.5</i>	<i>18.5</i>	<i>-</i>	<i>42.7</i>	<i>-29.1</i>	<i>27.6</i>	<i>38.5</i>	<i>36.4</i>
<i>eV US Large Cap Growth Equity Rank</i>		<i>51</i>	<i>37</i>	<i>17</i>	<i>30</i>	<i>-</i>	<i>7</i>	<i>41</i>	<i>81</i>	<i>62</i>	<i>66</i>
Boston Partners Large Cap Value	79,677,764	11.8	28.4	11.9	13.4	-	14.5	-3.8	30.9	2.4	24.3
<i>Russell 1000 Value Index</i>		<i>9.0</i>	<i>20.3</i>	<i>8.1</i>	<i>10.3</i>	<i>-</i>	<i>11.5</i>	<i>-7.5</i>	<i>25.2</i>	<i>2.8</i>	<i>26.5</i>
<i>eV US Large Cap Equity Rank</i>		<i>32</i>	<i>47</i>	<i>27</i>	<i>60</i>	<i>-</i>	<i>71</i>	<i>16</i>	<i>18</i>	<i>88</i>	<i>88</i>
Atlanta Capital Mgmt	89,664,367	9.7	24.6	9.7	13.1	13.3	15.0	-7.9	23.0	11.4	35.1
<i>Russell 2500 Index</i>		<i>6.9</i>	<i>21.4</i>	<i>3.0</i>	<i>9.9</i>	<i>8.8</i>	<i>17.4</i>	<i>-18.4</i>	<i>18.2</i>	<i>20.0</i>	<i>27.8</i>
<i>eV US Small-Mid Cap Equity Rank</i>		<i>25</i>	<i>31</i>	<i>12</i>	<i>30</i>	<i>4</i>	<i>71</i>	<i>13</i>	<i>57</i>	<i>64</i>	<i>13</i>

U.S. Effective Style Map
3 Years Ending March 31, 2024



- PIMCO RAE US
- Loomis Sayles Large Cap Growth
- ▲ Boston Partners Large Cap Value
- ◆ Atlanta Capital Mgmt

U.S. Effective Style Map
5 Years Ending March 31, 2024



- PIMCO RAE US
- Loomis Sayles Large Cap Growth
- ▲ Boston Partners Large Cap Value
- ◆ Atlanta Capital Mgmt

Total Domestic Equity
Asset Class Overview (Net of Fees)

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

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total Domestic Equity	354,084,540	11.5	30.1	11.6	14.4	12.4	23.0	-10.8	24.6	13.1	28.7
<i>Russell 3000 Index</i>		<i>10.0</i>	<i>29.3</i>	<i>9.8</i>	<i>14.3</i>	<i>12.3</i>	<i>26.0</i>	<i>-19.2</i>	<i>25.7</i>	<i>20.9</i>	<i>31.0</i>
PIMCO RAE US	96,351,112	12.5	28.5	12.5	13.7	10.8	17.1	-3.4	27.8	3.9	25.0
<i>S&P 500 Index</i>		<i>10.6</i>	<i>29.9</i>	<i>11.5</i>	<i>15.0</i>	<i>13.0</i>	<i>26.3</i>	<i>-18.7</i>	<i>28.7</i>	<i>18.4</i>	<i>31.5</i>
Loomis Sayles Large Cap Growth	88,391,296	12.3	40.4	12.6	17.2	-	51.4	-27.4	18.9	32.3	32.1
<i>Russell 1000 Growth Index</i>		<i>11.4</i>	<i>39.0</i>	<i>12.5</i>	<i>18.5</i>	<i>-</i>	<i>42.7</i>	<i>-29.1</i>	<i>27.6</i>	<i>38.5</i>	<i>36.4</i>
Boston Partners Large Cap Value	79,677,764	11.7	27.9	11.5	12.9	-	14.1	-4.2	30.4	2.0	23.8
<i>Russell 1000 Value Index</i>		<i>9.0</i>	<i>20.3</i>	<i>8.1</i>	<i>10.3</i>	<i>-</i>	<i>11.5</i>	<i>-7.5</i>	<i>25.2</i>	<i>2.8</i>	<i>26.5</i>
Atlanta Capital Mgmt	89,664,367	9.5	23.6	8.8	12.3	12.4	14.1	-8.7	22.0	10.5	34.1
<i>Russell 2500 Index</i>		<i>6.9</i>	<i>21.4</i>	<i>3.0</i>	<i>9.9</i>	<i>8.8</i>	<i>17.4</i>	<i>-18.4</i>	<i>18.2</i>	<i>20.0</i>	<i>27.8</i>

Total Domestic Equity
Correlation Matrix

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

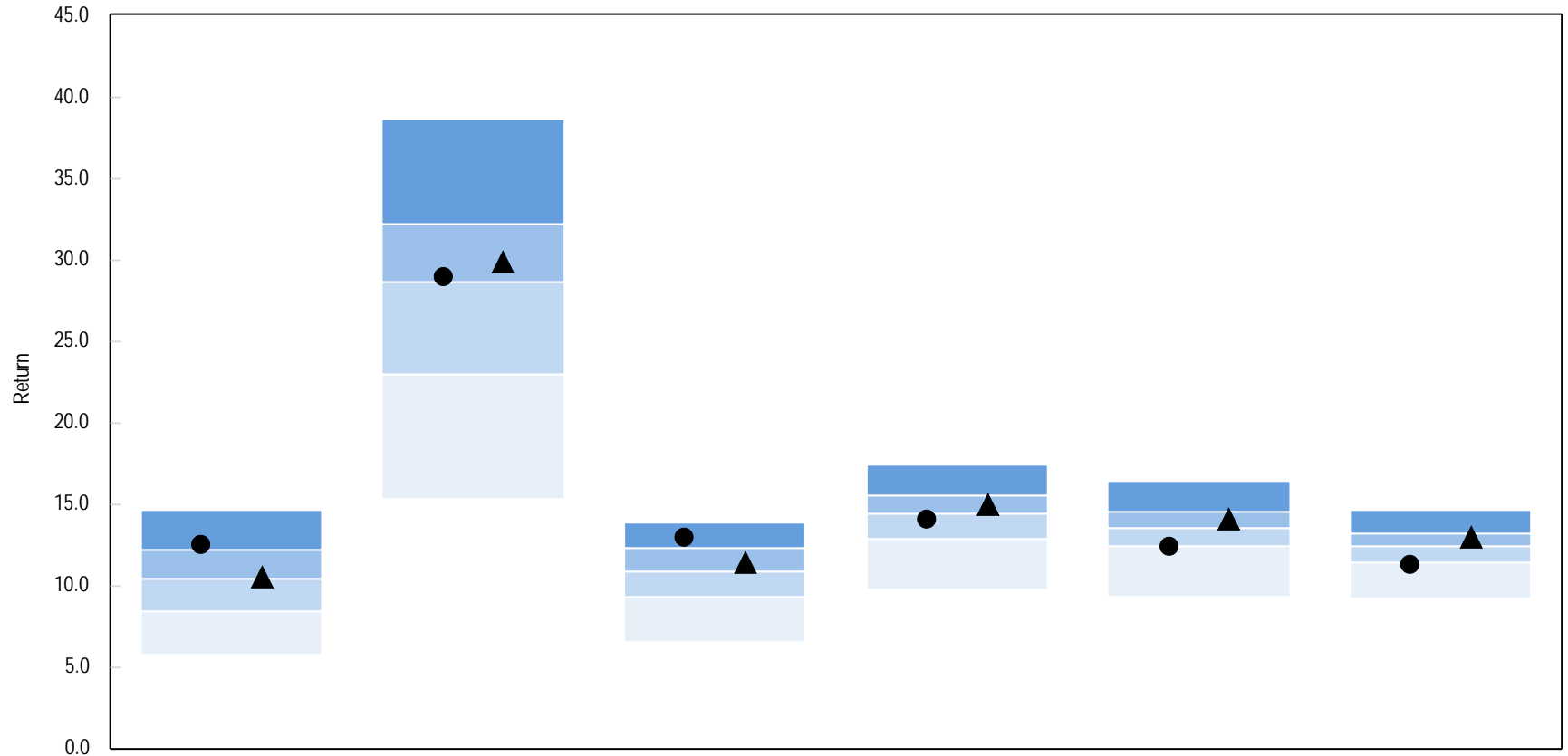
Correlation Matrix
1 Year Ending March 31, 2024

	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	0.91	1.00				
Loomis Sayles Large Cap Growth	0.89	0.64	1.00			
Boston Partners Large Cap Value	0.96	0.96	0.76	1.00		
Atlanta Capital Mgmt	0.99	0.93	0.85	0.93	1.00	
Russell 3000 Index	0.96	0.77	0.98	0.85	0.94	1.00

PIMCO RAE US
 Manager Performance Comparisons (Gross of Fees)

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

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

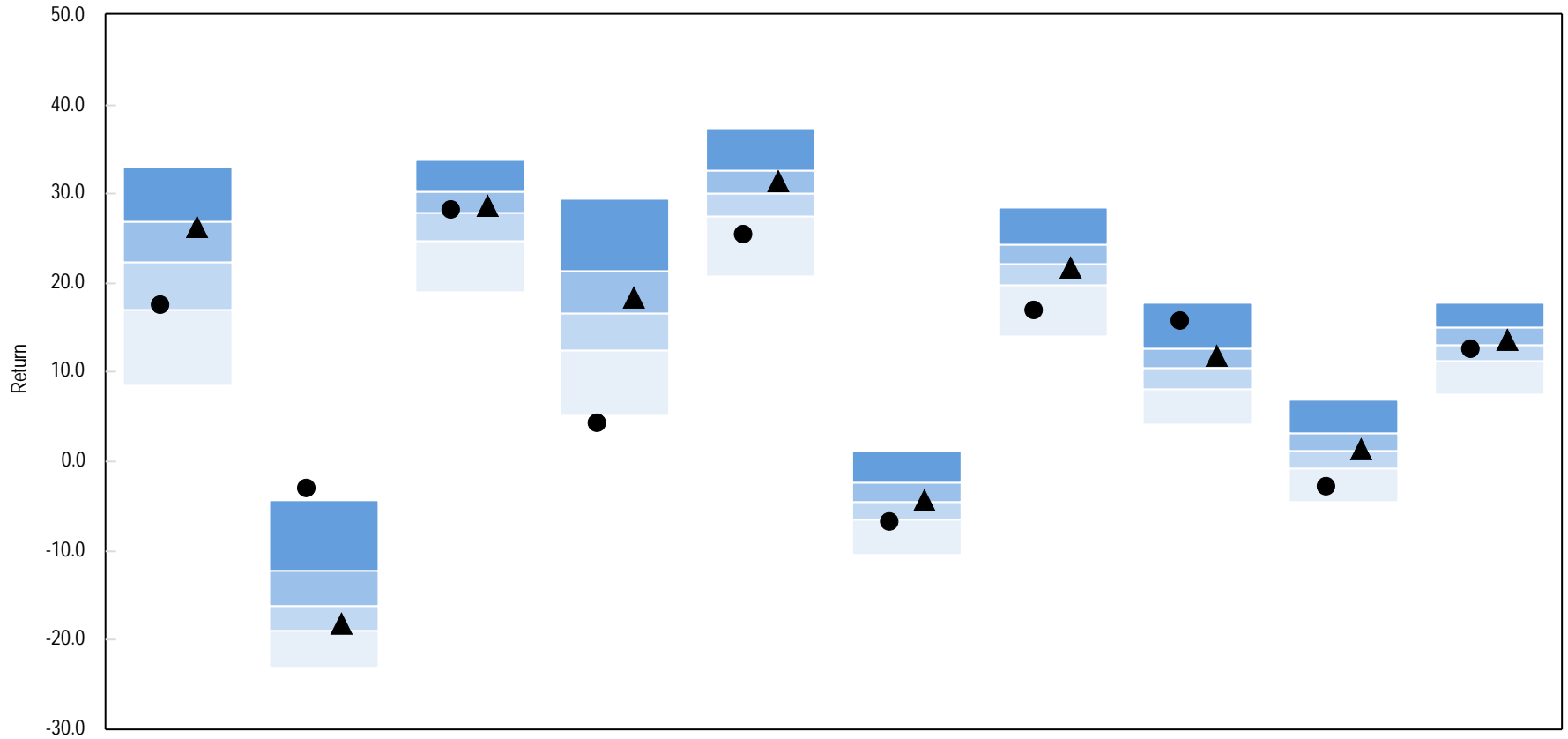


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● PIMCO RAE US	12.57 (18)	28.99 (48)	12.97 (15)	14.11 (57)	12.45 (76)	11.28 (78)
▲ S&P 500 Index	10.56 (48)	29.88 (44)	11.49 (39)	15.05 (39)	14.09 (40)	12.96 (33)
5th Percentile	14.67	38.68	13.85	17.44	16.41	14.68
1st Quartile	12.19	32.26	12.29	15.54	14.54	13.26
Median	10.44	28.64	10.90	14.49	13.57	12.50
3rd Quartile	8.46	23.05	9.33	12.91	12.45	11.50
95th Percentile	5.83	15.32	6.59	9.75	9.29	9.22
Population	362	362	353	336	311	273

PIMCO RAE US
Consecutive Performance Comparison (Gross of Fees)

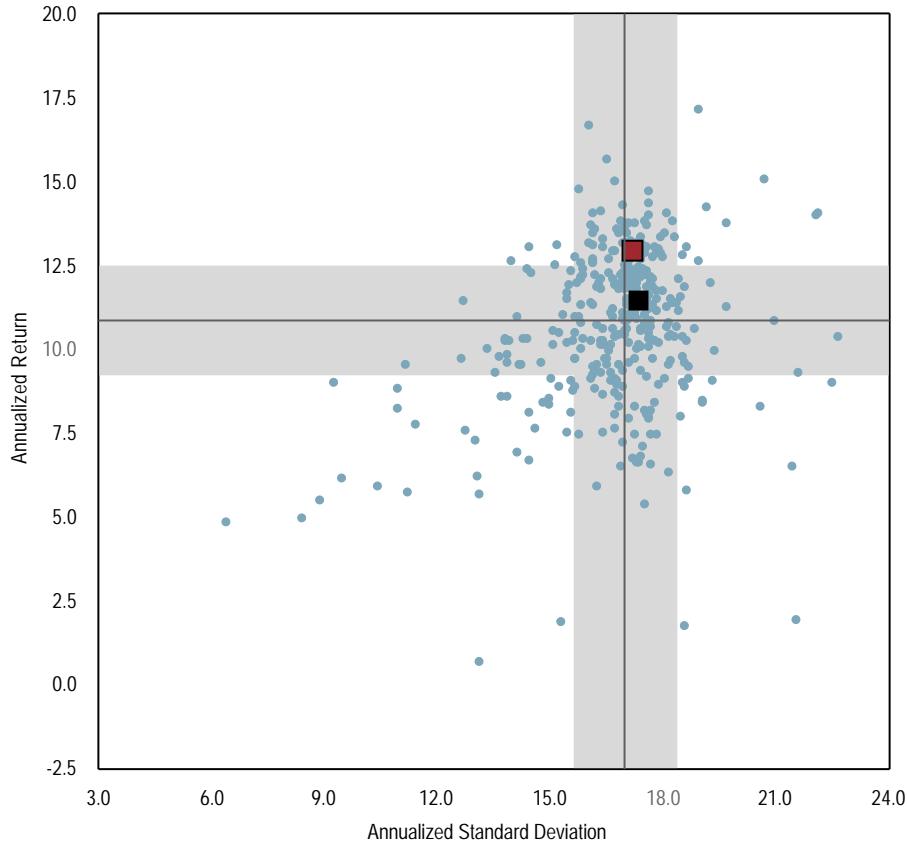
San Luis Obispo County Pension Trust
Period Ending: March 31, 2024

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

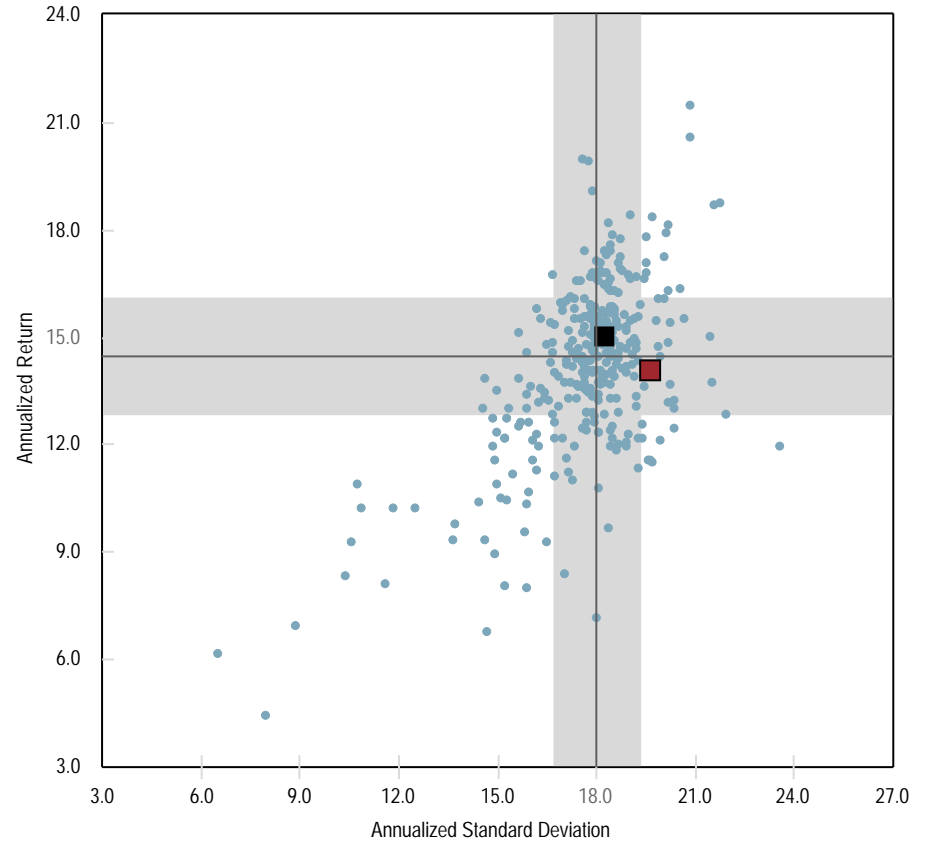


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● PIMCO RAE US	17.54 (74)	-2.97 (3)	28.29 (46)	4.35 (97)	25.52 (85)	-6.64 (77)	17.01 (90)	15.87 (9)	-2.65 (87)	12.67 (56)
▲ S&P 500 Index	26.29 (29)	-18.11 (67)	28.71 (41)	18.40 (44)	31.49 (37)	-4.38 (48)	21.83 (54)	11.96 (35)	1.38 (49)	13.69 (41)
5th Percentile	32.99	-4.40	33.85	29.36	37.32	1.22	28.46	17.88	6.94	17.88
1st Quartile	26.94	-12.30	30.16	21.39	32.67	-2.31	24.34	12.72	3.20	14.99
Median	22.42	-16.17	27.82	16.71	30.13	-4.57	22.15	10.54	1.22	13.06
3rd Quartile	16.99	-18.89	24.78	12.40	27.57	-6.46	19.76	8.16	-0.79	11.28
95th Percentile	8.50	-23.05	19.07	5.11	20.73	-10.38	14.06	4.18	-4.60	7.57
Population	385	412	425	444	465	483	489	494	506	514

3 Years



5 Years



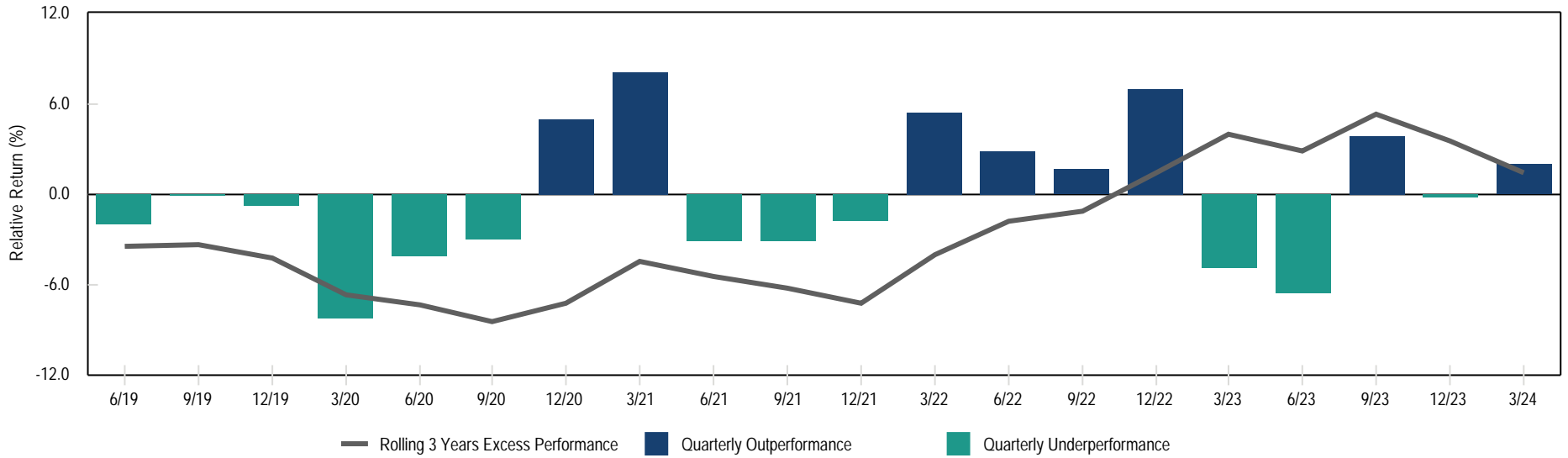
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ PIMCO RAE US	12.97	17.18	0.65
■ S&P 500 Index	11.49	17.35	0.57

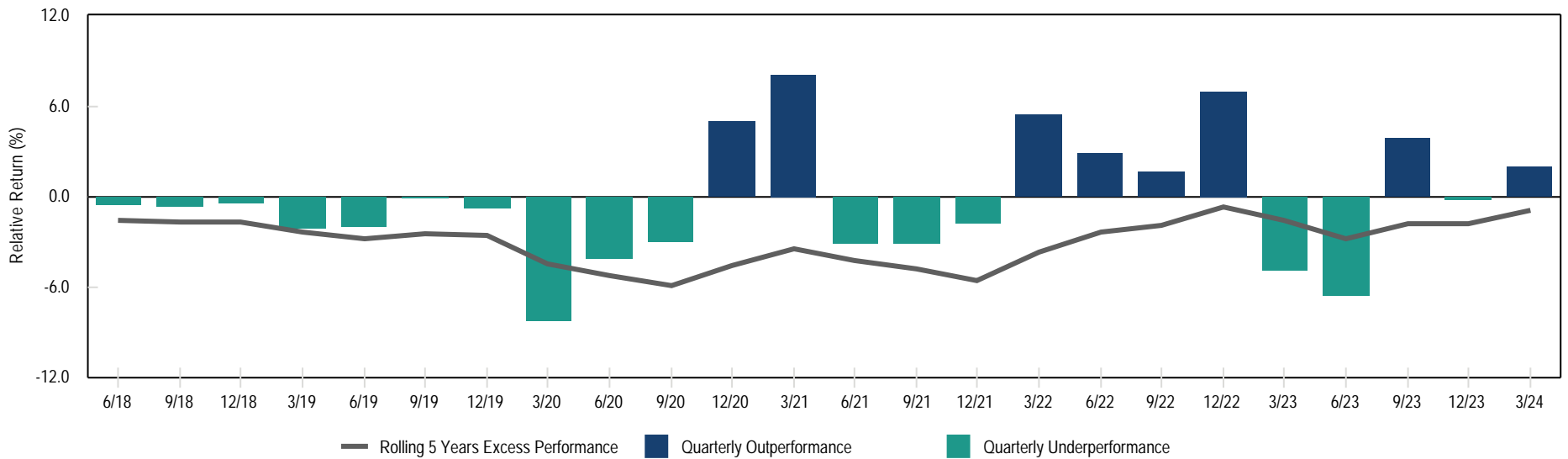
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ PIMCO RAE US	14.11	19.62	0.67
■ S&P 500 Index	15.05	18.21	0.75

Rolling 3 Years Annualized Excess Performance



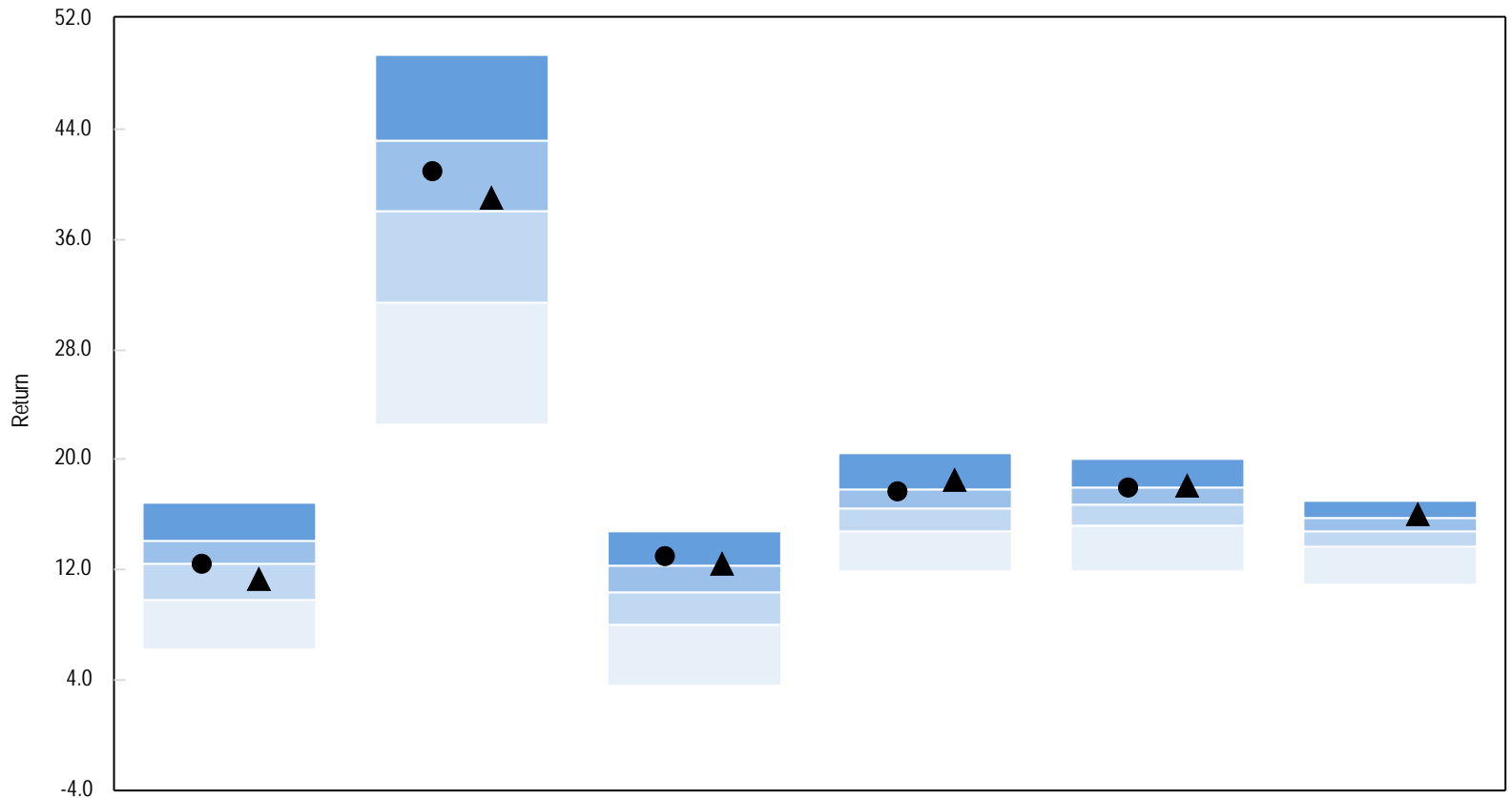
Rolling 5 Years Annualized Excess Performance



Loomis Sayles Large Cap Growth
 Manager Performance Comparisons (Gross of Fees)

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

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

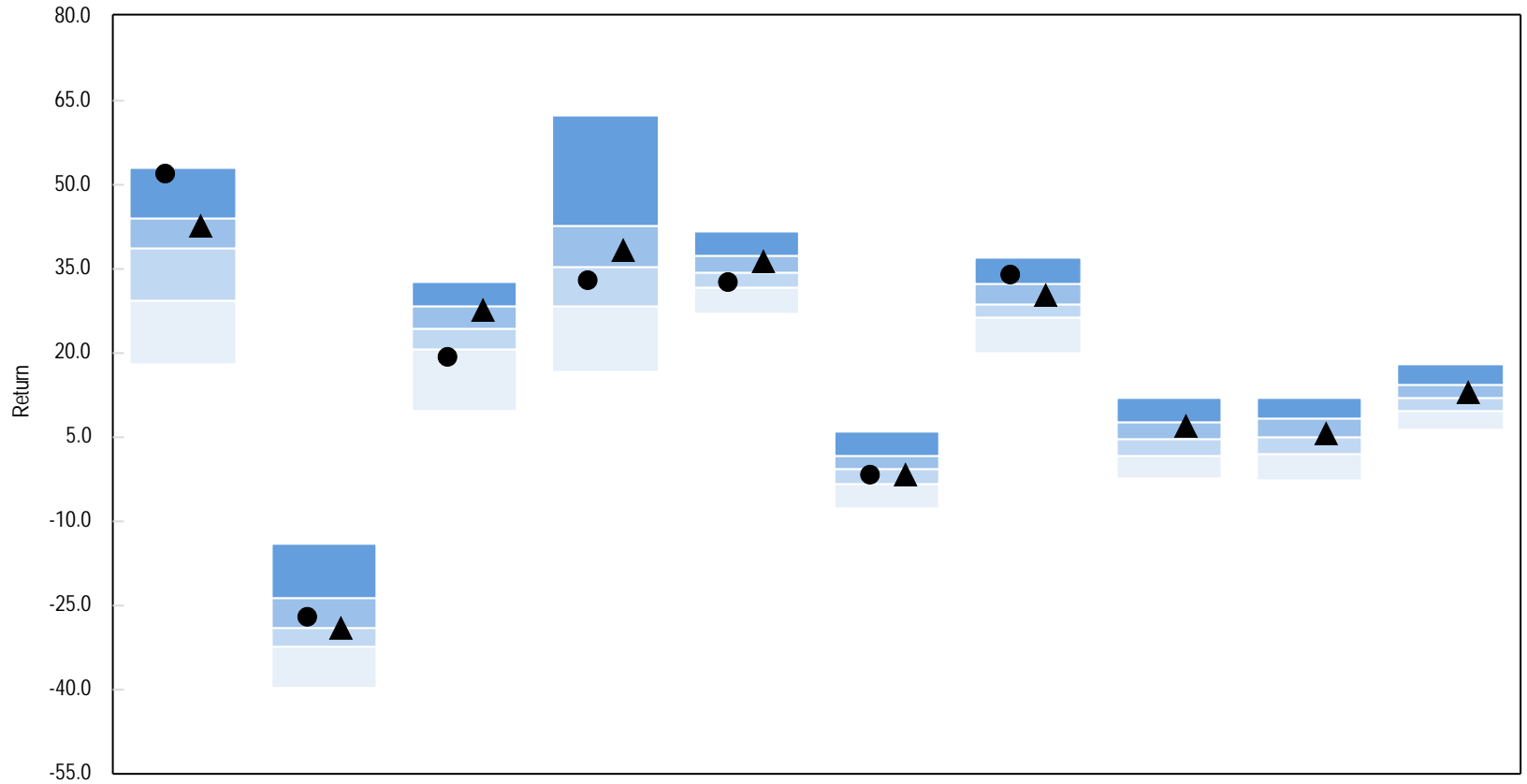


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Loomis Sayles Large Cap Growth	12.46 (51)	41.00 (37)	13.08 (17)	17.71 (30)	17.96 (26)	-
▲ Russell 1000 Growth Index	11.41 (61)	39.00 (48)	12.50 (22)	18.52 (17)	18.06 (24)	15.98 (19)
5th Percentile	16.83	49.41	14.75	20.53	20.11	16.99
1st Quartile	14.14	43.18	12.29	17.87	18.00	15.72
Median	12.47	38.06	10.41	16.44	16.69	14.78
3rd Quartile	9.79	31.42	8.00	14.77	15.28	13.66
95th Percentile	6.18	22.57	3.62	11.92	11.94	11.00
Population	265	265	264	256	239	221

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

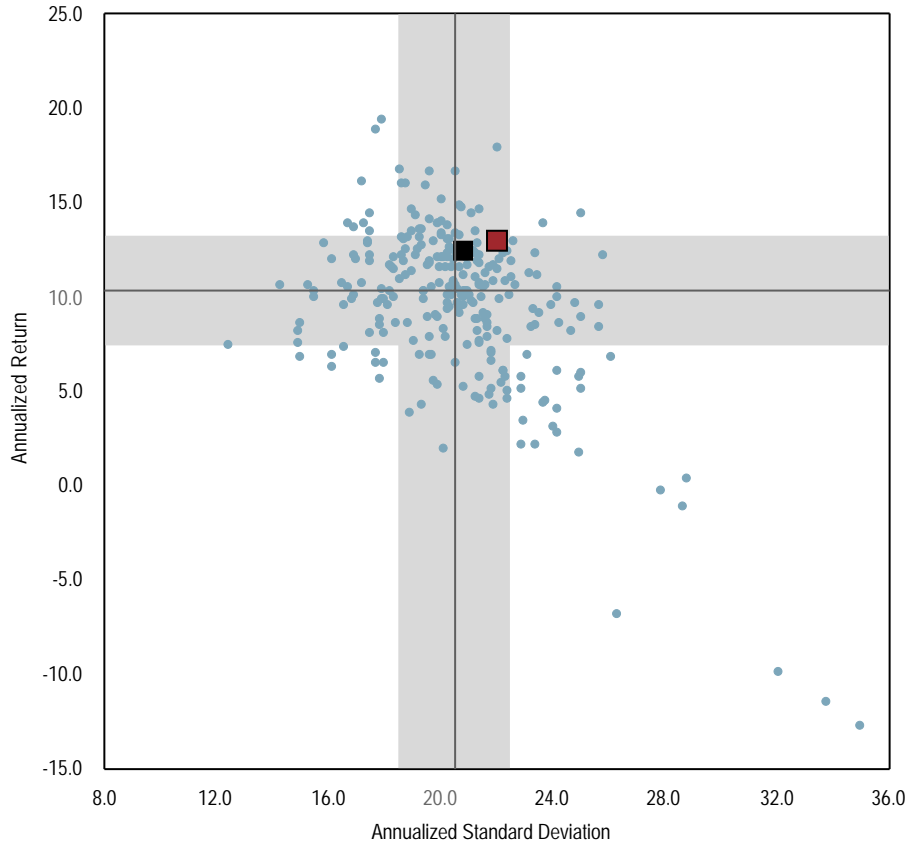
San Luis Obispo County Pension Trust
 Period Ending: March 31, 2024

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

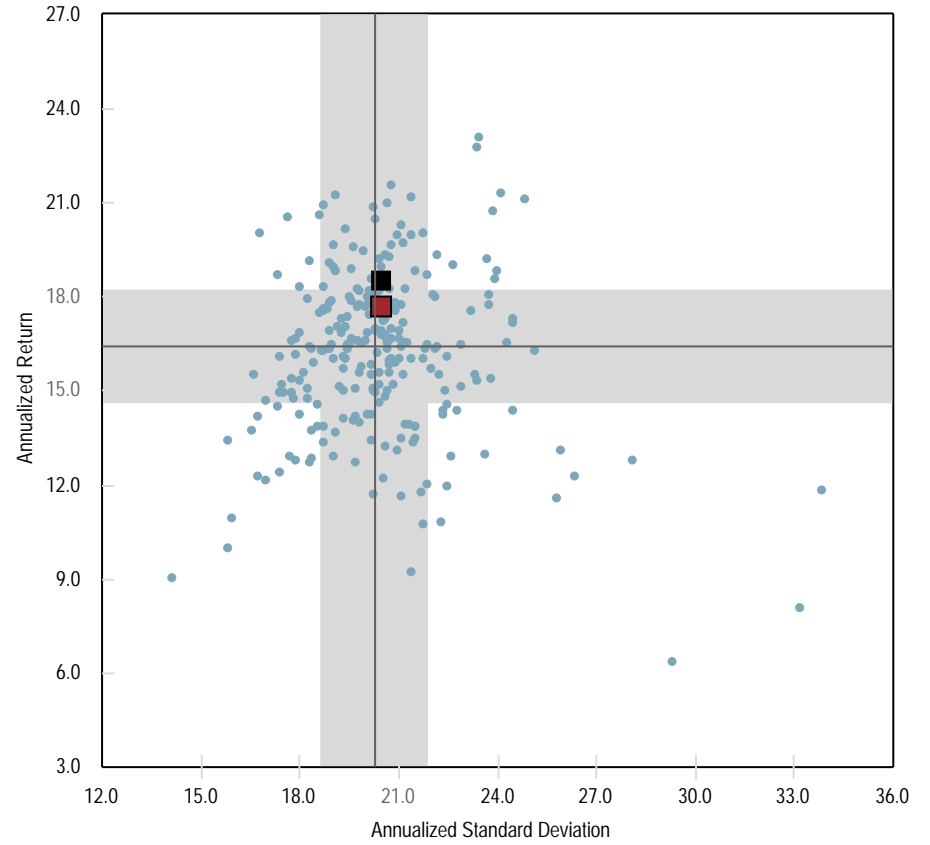


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Loomis Sayles Large Cap Growth	52.10 (7)	-27.05 (41)	19.38 (81)	32.85 (62)	32.69 (66)	-1.66 (59)	34.07 (16)	-	-	-
▲ Russell 1000 Growth Index	42.68 (31)	-29.14 (52)	27.60 (31)	38.49 (35)	36.39 (32)	-1.51 (59)	30.21 (41)	7.08 (28)	5.67 (46)	13.05 (40)
5th Percentile	53.16	-13.85	32.69	62.30	41.52	6.09	36.99	12.13	11.89	17.87
1st Quartile	44.05	-23.51	28.48	42.78	37.30	1.70	32.43	7.54	8.18	14.40
Median	38.80	-28.96	24.37	35.20	34.21	-0.54	28.79	4.63	5.00	12.14
3rd Quartile	29.28	-32.49	20.60	28.48	31.62	-3.43	26.22	1.81	2.05	9.73
95th Percentile	18.16	-39.56	9.62	16.81	27.07	-7.74	20.11	-2.49	-2.69	6.22
Population	277	291	297	311	322	329	333	350	365	383

3 Years



5 Years



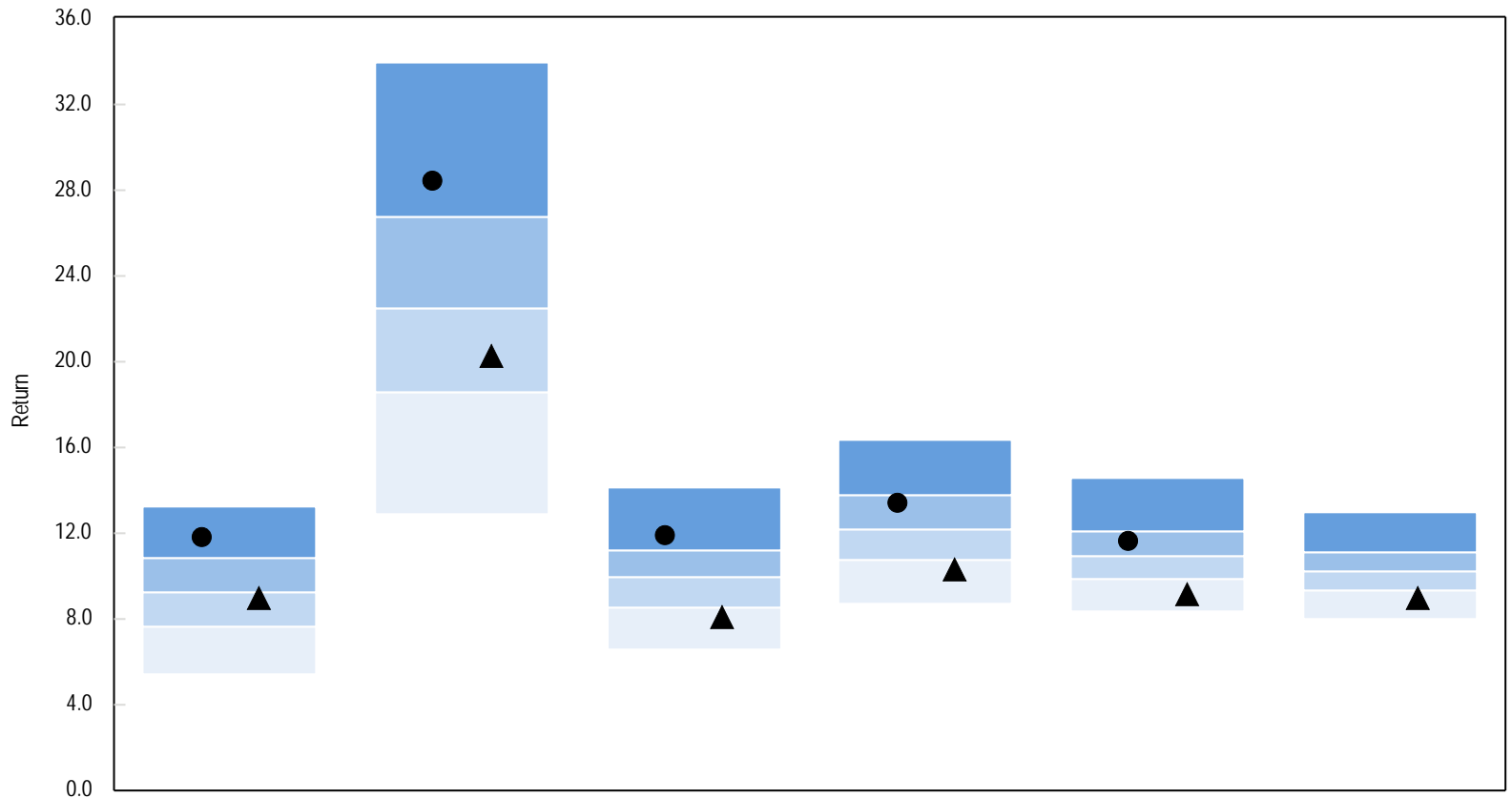
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Loomis Sayles Large Cap Growth	13.08	22.00	0.56
■ Russell 1000 Growth Index	12.50	20.76	0.55

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Loomis Sayles Large Cap Growth	17.71	20.44	0.81
■ Russell 1000 Growth Index	18.52	20.49	0.84

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

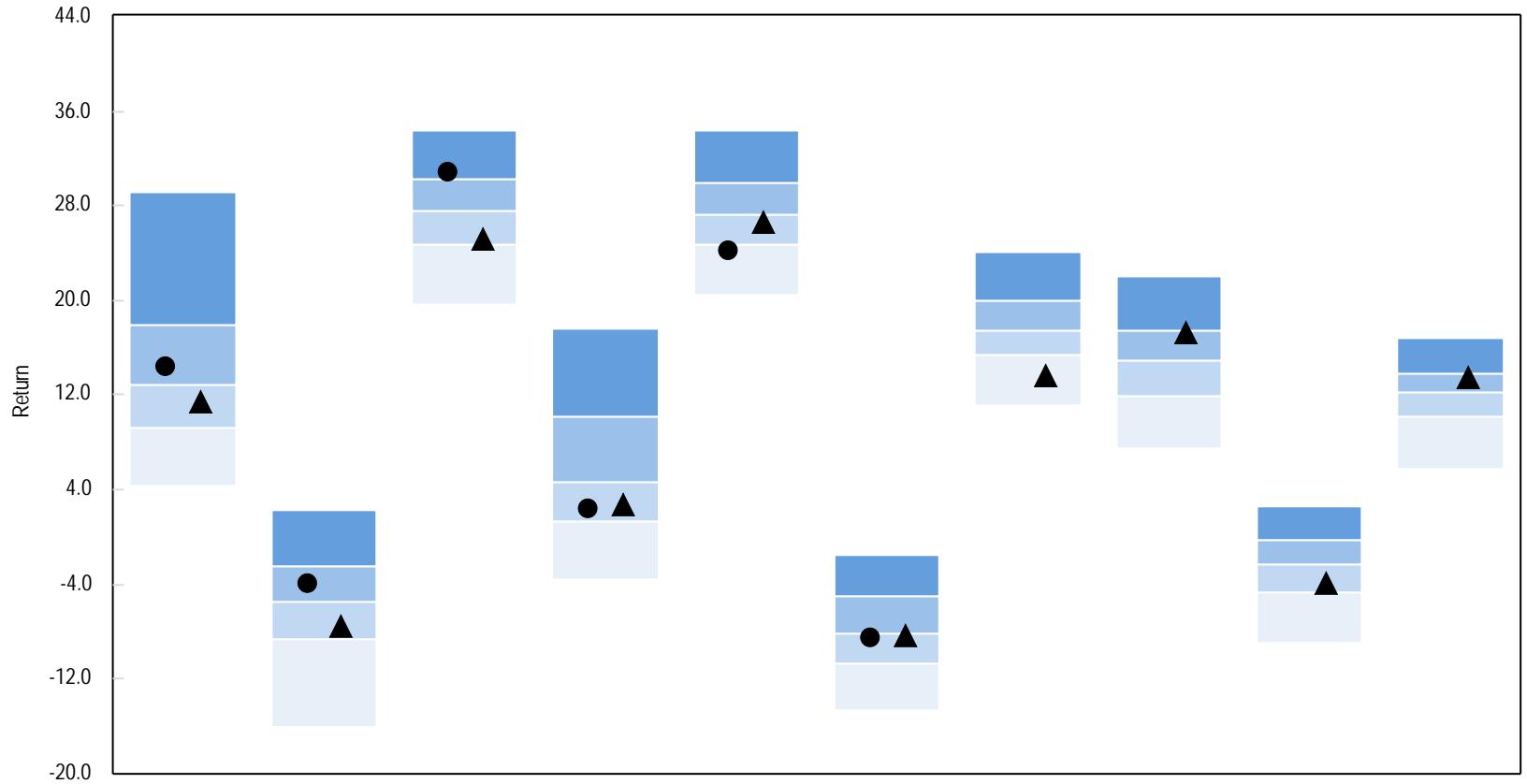


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Boston Partners Large Cap Value	11.82 (17)	28.41 (17)	11.92 (18)	13.39 (33)	11.66 (33)	-
▲ Russell 1000 Value Index	8.99 (53)	20.27 (66)	8.11 (82)	10.31 (84)	9.16 (89)	9.01 (84)
5th Percentile	13.26	33.94	14.12	16.40	14.57	12.95
1st Quartile	10.85	26.72	11.21	13.80	12.09	11.14
Median	9.21	22.49	9.96	12.19	10.91	10.20
3rd Quartile	7.68	18.58	8.52	10.78	9.83	9.38
95th Percentile	5.38	12.88	6.56	8.73	8.36	8.03
Population	383	383	378	364	349	329

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

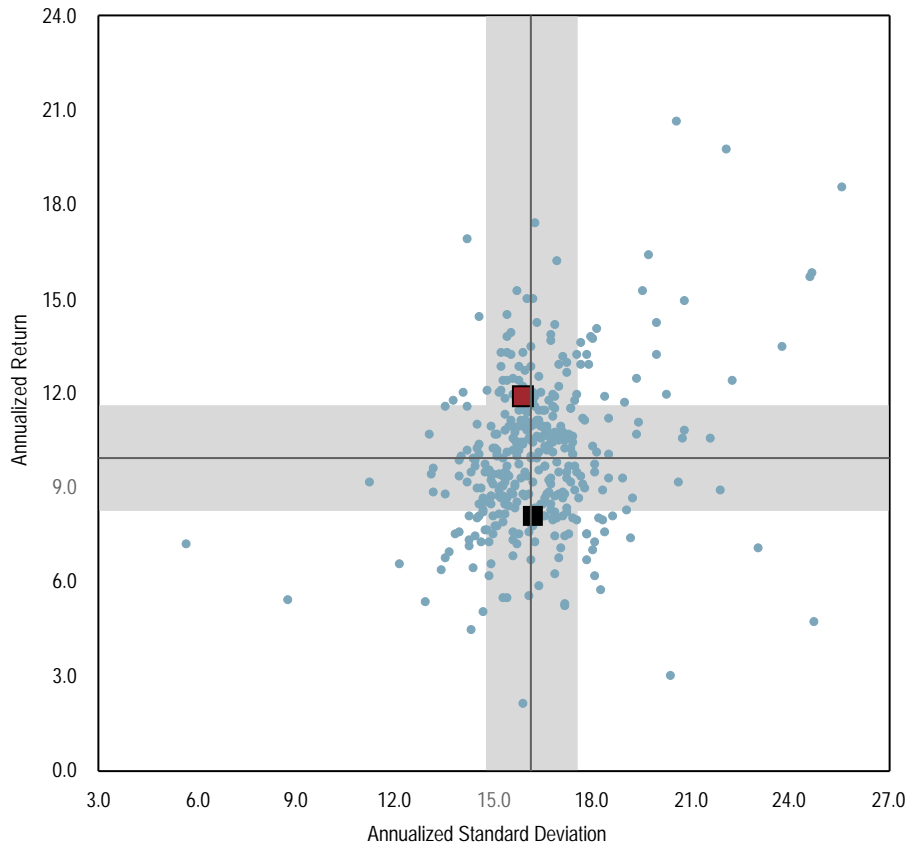
San Luis Obispo County Pension Trust
 Period Ending: March 31, 2024

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

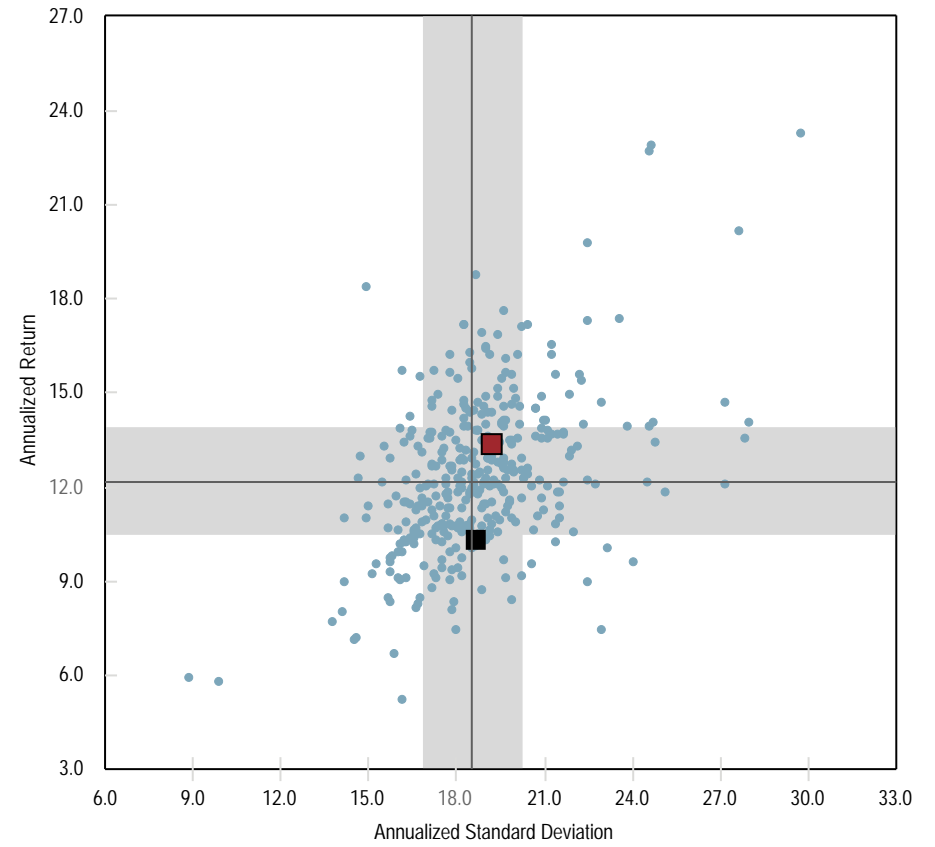


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Boston Partners Large Cap Value	14.52 (40)	-3.81 (36)	30.92 (21)	2.42 (67)	24.28 (79)	-8.50 (58)	-	-	-	-
▲ Russell 1000 Value Index	11.46 (62)	-7.54 (68)	25.16 (72)	2.80 (64)	26.54 (57)	-8.27 (54)	13.66 (88)	17.34 (26)	-3.83 (70)	13.45 (33)
5th Percentile	29.09	2.28	34.34	17.66	34.33	-1.48	24.12	22.10	2.66	16.88
1st Quartile	18.00	-2.48	30.18	10.13	29.99	-5.04	19.99	17.40	-0.22	13.88
Median	12.89	-5.43	27.63	4.71	27.18	-8.10	17.52	14.94	-2.25	12.23
3rd Quartile	9.27	-8.69	24.64	1.30	24.73	-10.68	15.42	11.89	-4.71	10.18
95th Percentile	4.41	-16.12	19.62	-3.51	20.40	-14.66	11.18	7.55	-8.89	5.74
Population	401	417	427	433	460	482	492	507	525	524

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Boston Partners Large Cap Value	11.92	15.91	0.63
■ Russell 1000 Value Index	8.11	16.20	0.41

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Boston Partners Large Cap Value	13.39	19.20	0.65
■ Russell 1000 Value Index	10.31	18.63	0.51

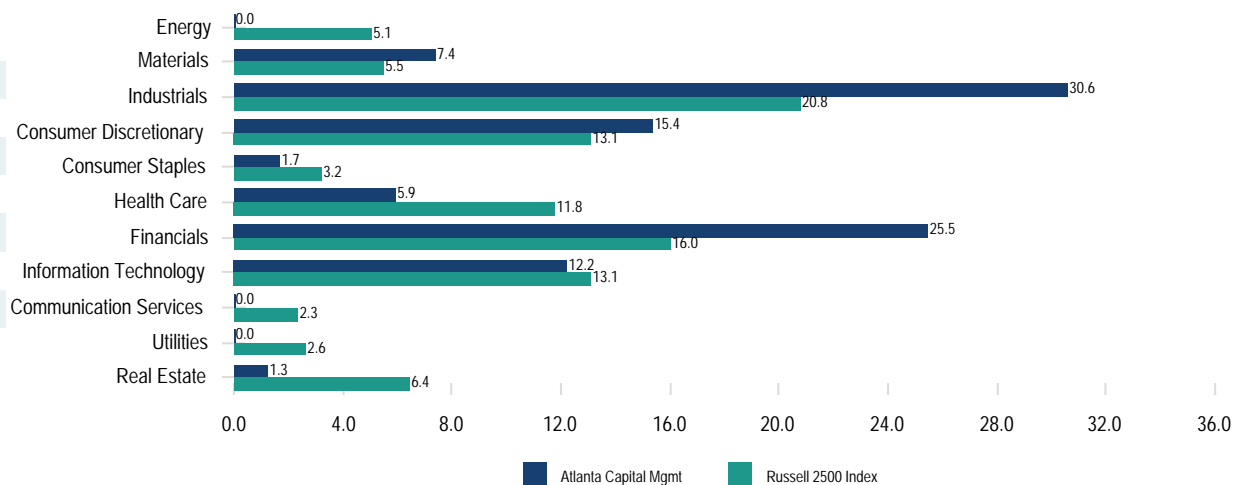
Atlanta Capital Mgmt Manager Portfolio Overview

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

Characteristics

	Portfolio	Benchmark
Number of Stocks	52	2,442
Wtd. Avg. Mkt. Cap \$B	13.8	8.3
Median Mkt. Cap \$B	13.3	1.5
Price/Earnings ratio	24.99	17.60
Price/Book ratio	4.24	2.76
Return on Equity (%)	68.81	0.98
Current Yield (%)	0.76	1.45
Beta (5 Years, Monthly)	0.81	1.00
R-Squared (5 Years, Monthly)	0.90	1.00

Sector Allocation (%)



Largest Equity Holdings

	Wgt (%)	Return (%)
Berkley (W.R.) Corp	5.15	25.22
Carlisle Cos Inc	4.94	25.73
GoDaddy Inc	3.42	11.79
CACI International Inc	3.28	16.97
Brown & Brown Inc	3.12	23.31
Morningstar Inc	3.04	7.89
Markel Group Inc	2.85	7.15
Dolby Laboratories Inc	2.60	-2.43
RPM International Inc	2.60	7.01
AptarGroup Inc.	2.59	16.76

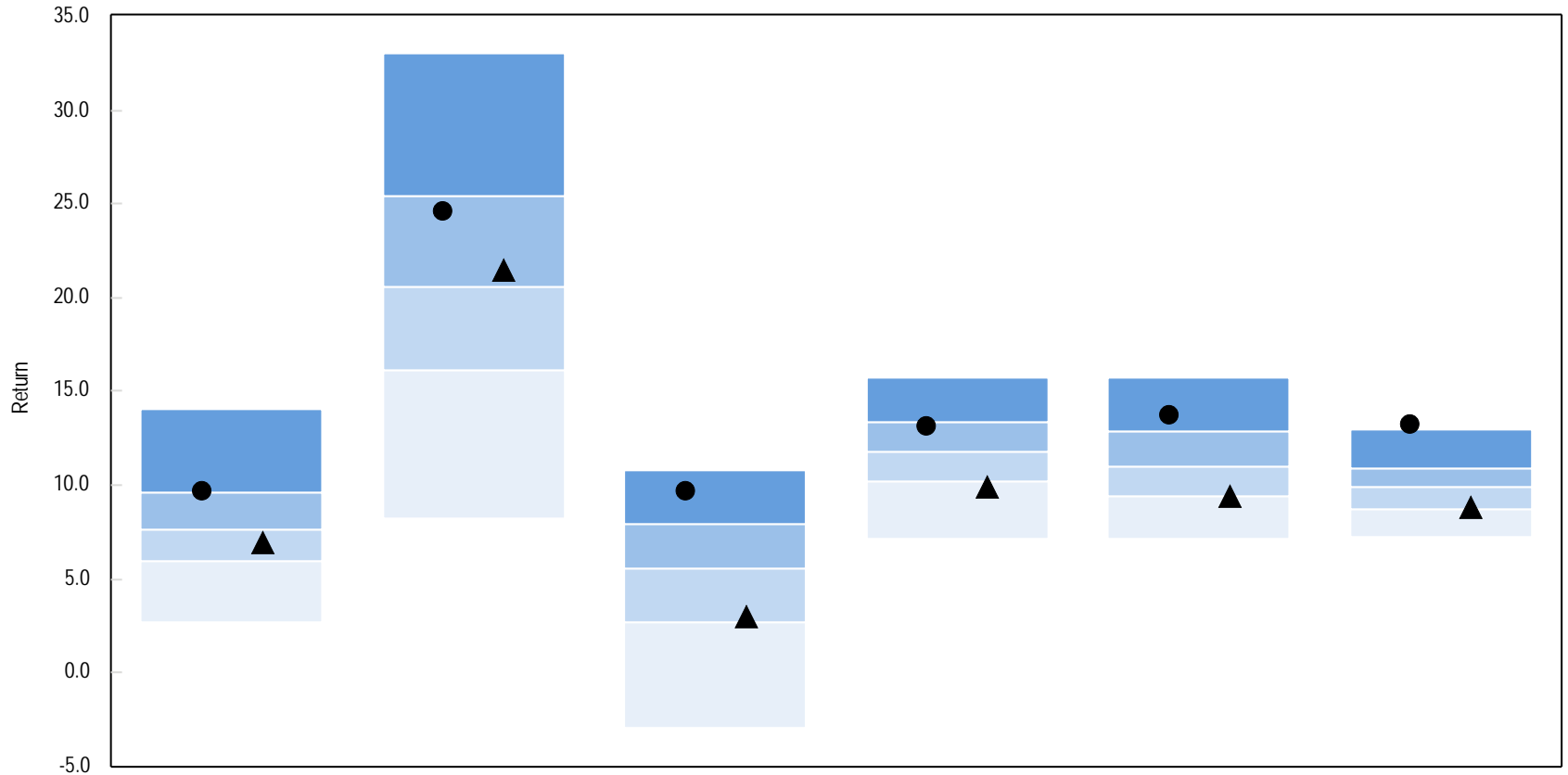
Top Contributors

	Wgt (%)	Return (%)	Contr (%)
Carlisle Cos Inc	4.69	25.73	1.21
Berkley (W.R.) Corp	4.53	25.22	1.14
Brown & Brown Inc	3.01	23.31	0.70
Deckers Outdoor Corp	1.56	40.82	0.64
CACI International Inc	3.08	16.97	0.52
Burlington Stores Inc	2.32	19.39	0.45
WEX Inc	1.99	22.09	0.44
Trimble Inc	2.00	20.98	0.42
Booz Allen Hamilton Holding Corporation	2.43	16.45	0.40
GoDaddy Inc	3.36	11.79	0.40

Bottom Contributors

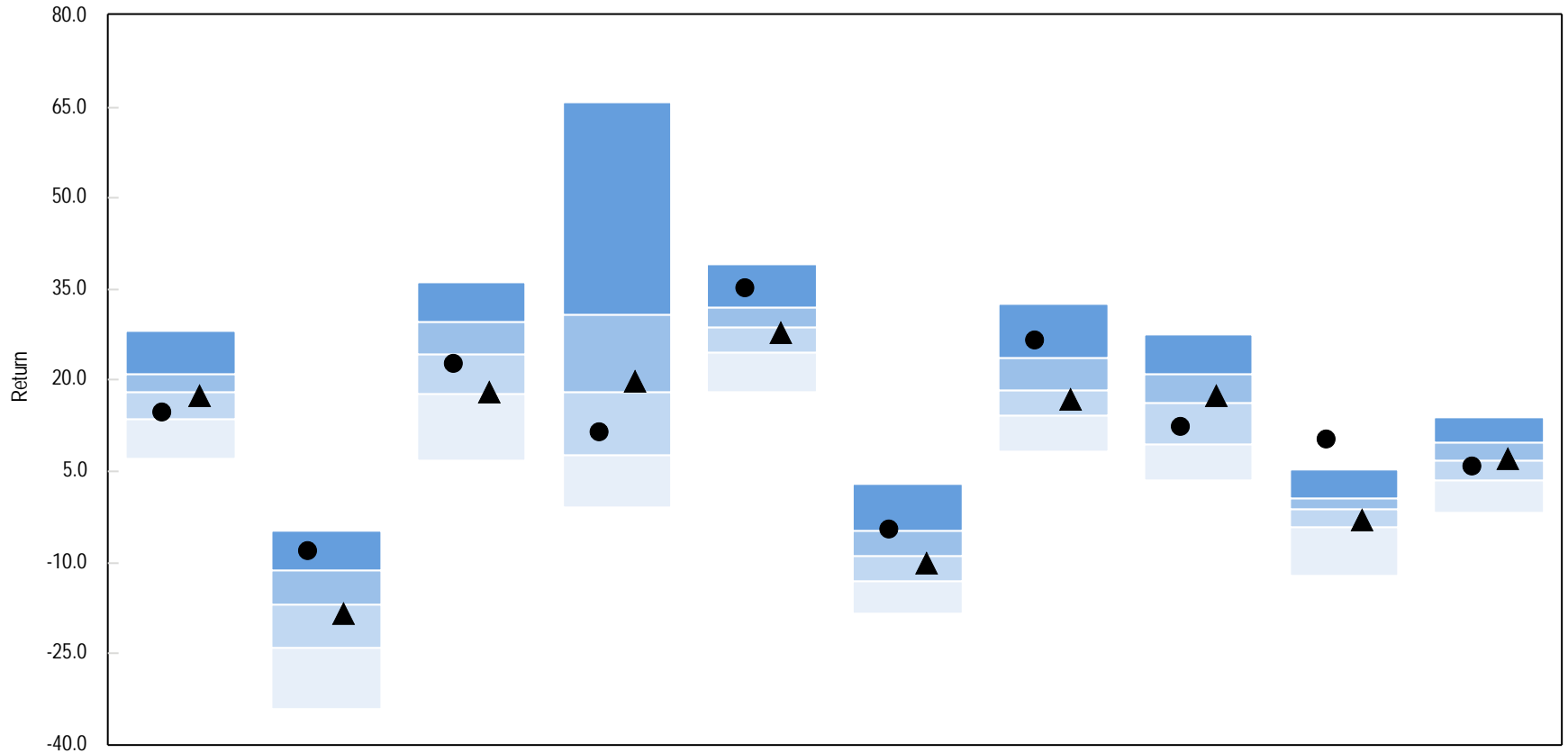
	Wgt (%)	Return (%)	Contr (%)
Teleflex Inc	3.13	-9.15	-0.29
Blackbaud Inc	1.89	-14.49	-0.27
Columbia Banking System Inc	0.87	-26.03	-0.23
Envista Holdings Corp	1.99	-11.14	-0.22
Bio-Techne Corp	1.38	-8.67	-0.12
Dolby Laboratories Inc	2.47	-2.43	-0.06
FactSet Research Systems Inc.	1.23	-4.55	-0.06
Prosperity Bancshares Inc	0.97	-1.98	-0.02
Hexcel Corp	1.83	-1.01	-0.02
Henry Schein Inc	0.65	-0.25	0.00

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



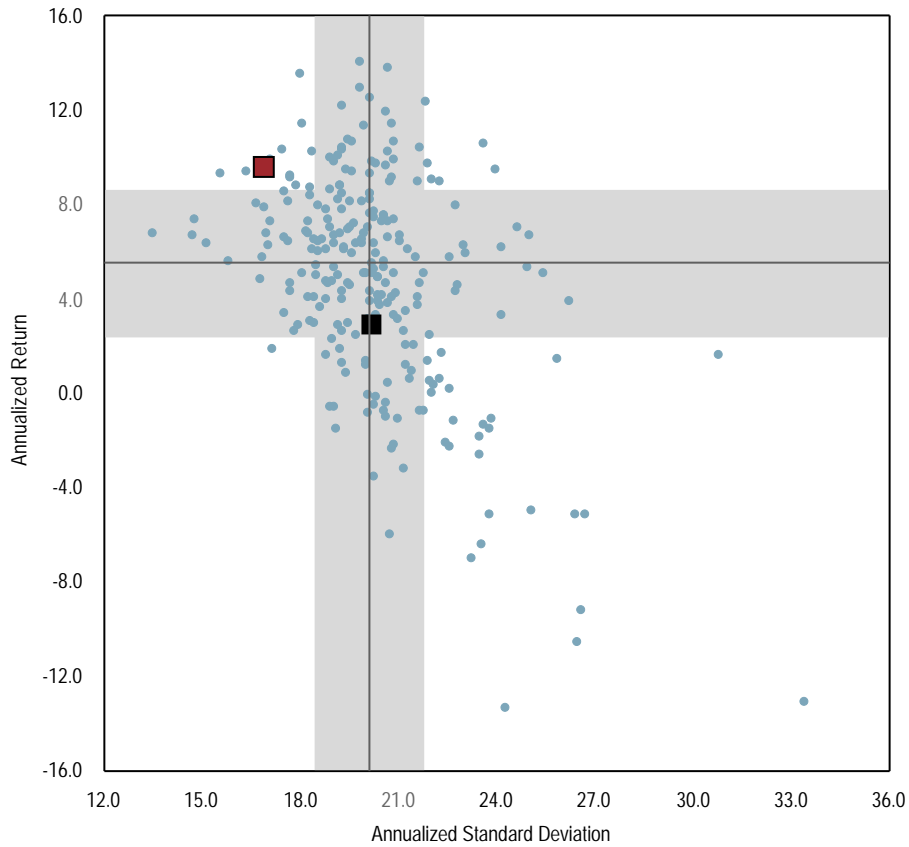
	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Atlanta Capital Mgmt	9.71 (25)	24.58 (31)	9.68 (12)	13.13 (30)	13.74 (16)	13.26 (4)
▲ Russell 2500 Index	6.92 (62)	21.43 (47)	2.97 (74)	9.90 (78)	9.45 (76)	8.84 (73)
5th Percentile	14.02	33.00	10.79	15.73	15.77	12.99
1st Quartile	9.64	25.43	7.98	13.41	12.91	10.94
Median	7.62	20.58	5.55	11.76	11.04	9.96
3rd Quartile	5.97	16.15	2.68	10.18	9.46	8.71
95th Percentile	2.71	8.22	-2.92	7.17	7.20	7.20
Population	253	253	248	225	200	169

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

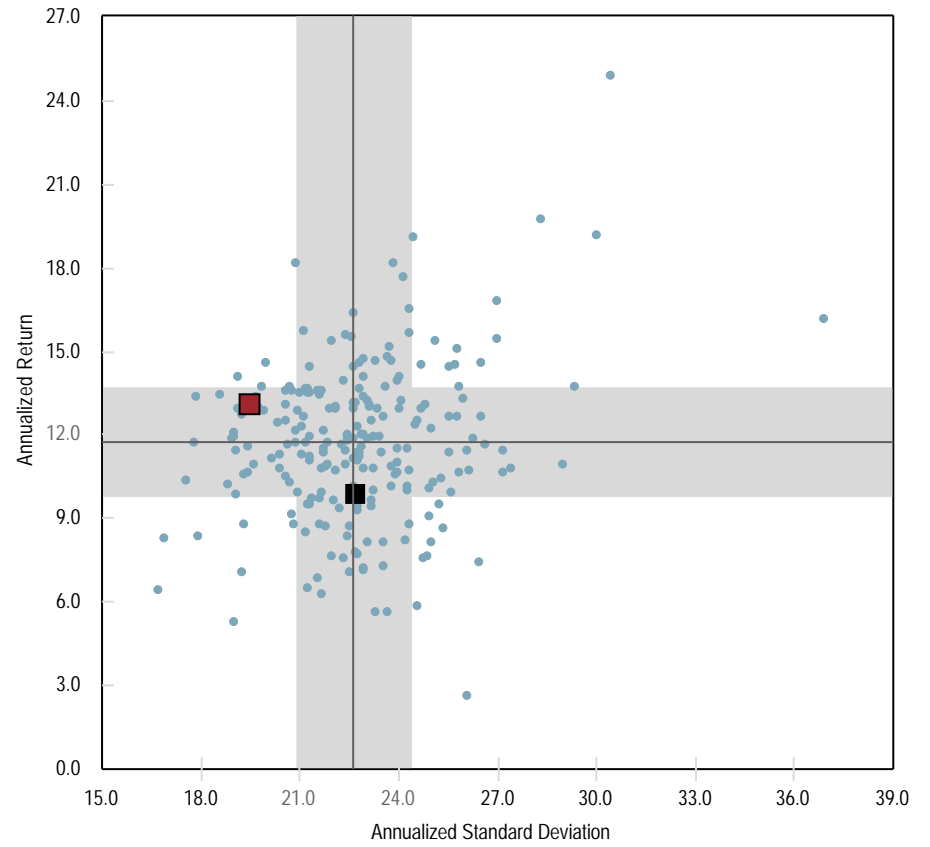


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Atlanta Capital Mgmt	14.95 (71)	-7.95 (13)	22.96 (57)	11.41 (64)	35.12 (13)	-4.52 (24)	26.58 (15)	12.58 (65)	10.44 (1)	5.83 (59)
▲ Russell 2500 Index	17.42 (54)	-18.37 (58)	18.18 (74)	19.99 (46)	27.77 (57)	-10.00 (56)	16.81 (61)	17.59 (41)	-2.90 (68)	7.07 (48)
5th Percentile	28.27	-4.84	36.09	65.76	39.07	2.94	32.48	27.47	5.45	13.92
1st Quartile	21.15	-11.24	29.54	30.80	32.07	-4.64	23.75	21.15	0.71	9.69
Median	17.93	-16.86	24.15	17.93	28.87	-8.93	18.24	16.34	-1.22	6.84
3rd Quartile	13.56	-23.94	17.64	7.68	24.57	-12.97	14.12	9.43	-4.07	3.63
95th Percentile	7.11	-33.98	6.74	-0.87	18.14	-18.33	8.26	3.66	-12.22	-1.79
Population	261	267	274	278	280	292	281	283	287	285

3 Years



5 Years



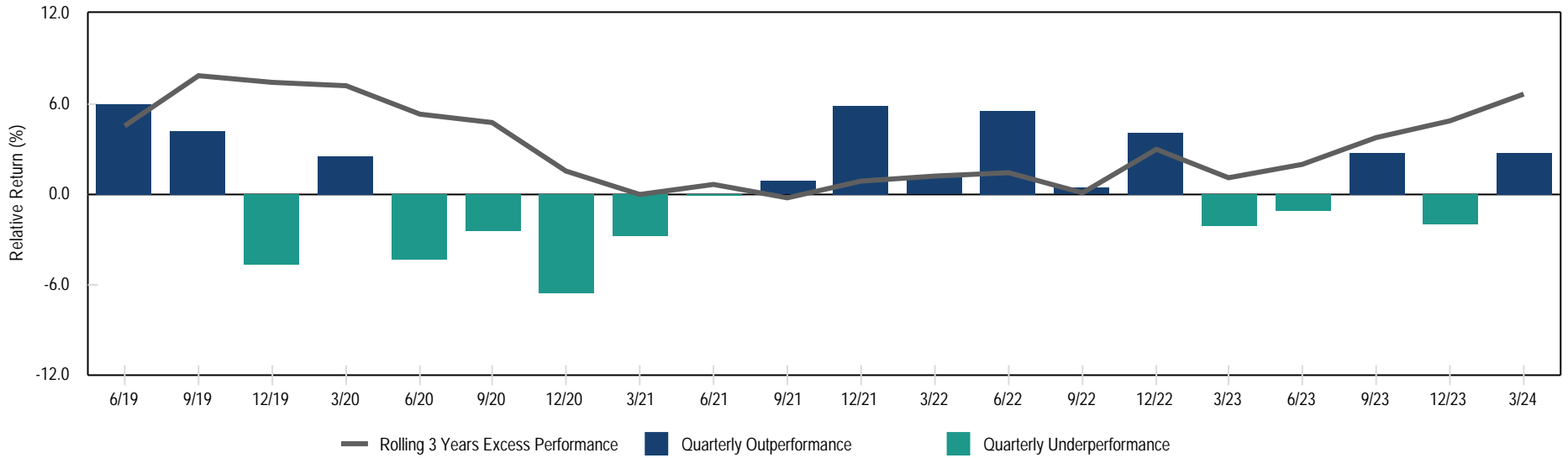
3 Years

	Return	Standard Deviation	Sharpe Ratio
Atlanta Capital Mgmt	9.68	16.85	0.48
Russell 2500 Index	2.97	20.19	0.12

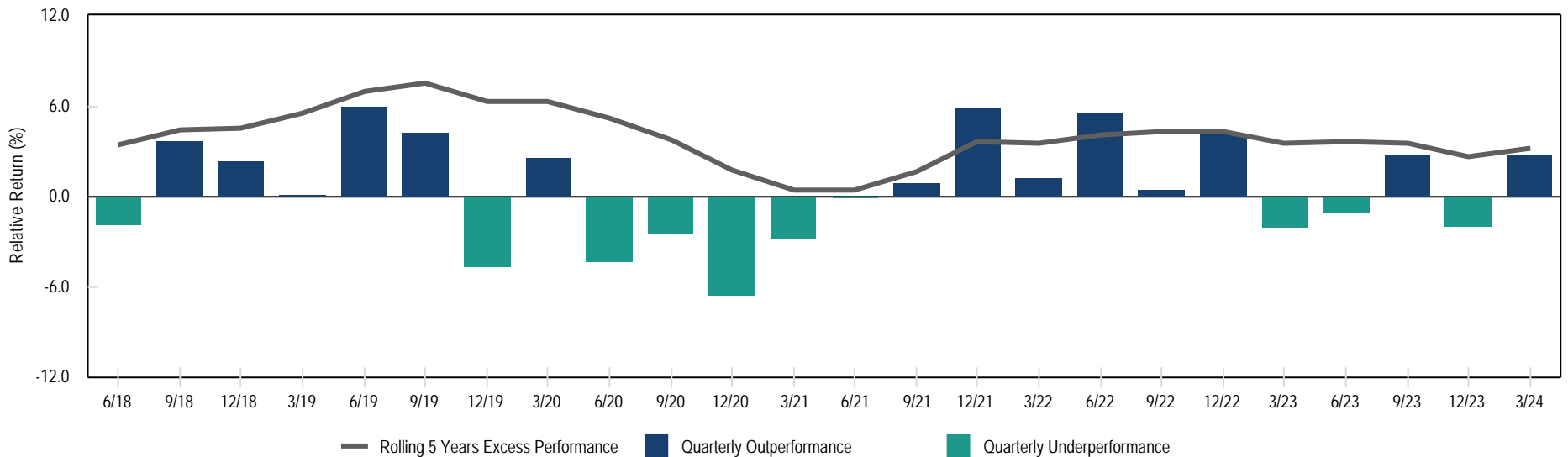
5 Years

	Return	Standard Deviation	Sharpe Ratio
Atlanta Capital Mgmt	13.13	19.48	0.63
Russell 2500 Index	9.90	22.67	0.44

Rolling 3 Years Annualized Excess Performance



Rolling 5 Years Annualized Excess Performance



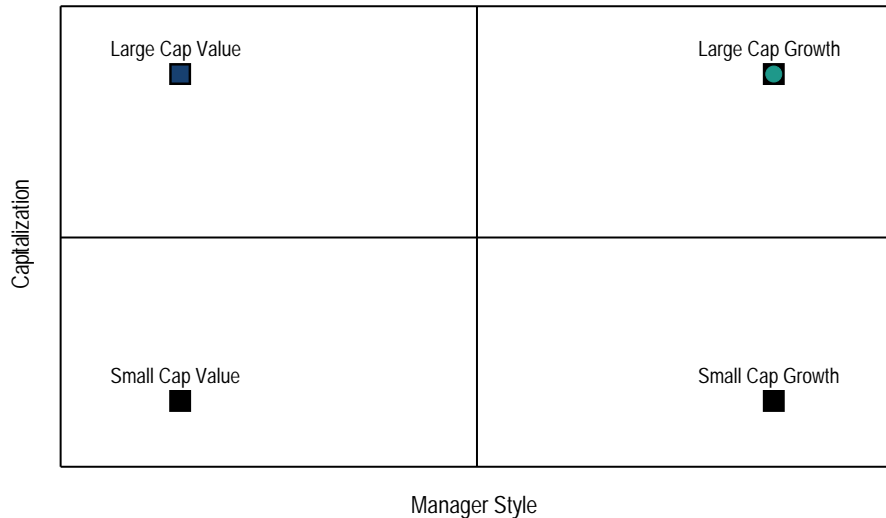
International Equity

Total International Equity Asset Class Overview (Gross of Fees)

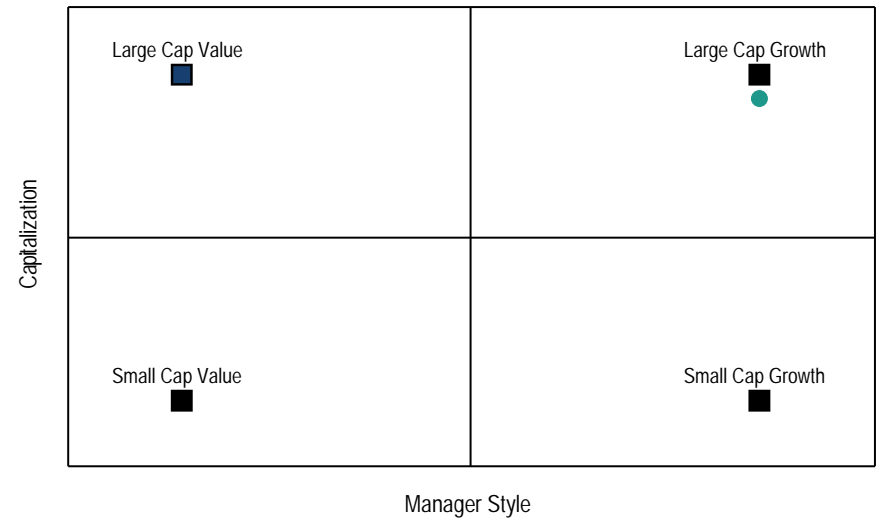
San Luis Obispo County Pension Trust
Period Ending: March 31, 2024

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total International Equity	261,504,536	7.7	16.7	5.1	10.9	7.2	17.4	-17.4	15.1	19.4	30.2
<i>MSCI AC World ex USA Index</i>		<i>4.8</i>	<i>13.8</i>	<i>2.4</i>	<i>6.5</i>	<i>4.7</i>	<i>16.2</i>	<i>-15.6</i>	<i>8.3</i>	<i>11.7</i>	<i>22.1</i>
<i>InvMetrics Public DB Global ex-US Equity Rank</i>		<i>10</i>	<i>36</i>	<i>19</i>	<i>1</i>	<i>1</i>	<i>46</i>	<i>40</i>	<i>11</i>	<i>5</i>	<i>1</i>
Dodge & Cox Intl Stock	126,867,708	3.3	14.1	5.8	8.0	4.7	17.4	-6.2	11.7	2.8	23.6
<i>MSCI AC World ex USA Value</i>		<i>3.6</i>	<i>16.2</i>	<i>5.3</i>	<i>6.0</i>	<i>3.8</i>	<i>18.1</i>	<i>-8.0</i>	<i>11.1</i>	<i>-0.2</i>	<i>16.5</i>
<i>eVACWI ex-US All Cap Value Eq Rank</i>		<i>67</i>	<i>51</i>	<i>32</i>	<i>28</i>	<i>58</i>	<i>53</i>	<i>15</i>	<i>40</i>	<i>56</i>	<i>36</i>
WCM International Growth	134,636,828	12.1	19.2	3.8	12.7	-	17.6	-28.2	18.5	34.0	36.7
<i>MSCI AC World ex USA Growth</i>		<i>6.0</i>	<i>11.5</i>	<i>-0.5</i>	<i>6.6</i>	<i>-</i>	<i>14.4</i>	<i>-22.8</i>	<i>5.4</i>	<i>22.6</i>	<i>27.8</i>
<i>eVACWI ex-US All Cap Growth Eq Rank</i>		<i>11</i>	<i>18</i>	<i>11</i>	<i>15</i>	<i>-</i>	<i>48</i>	<i>56</i>	<i>6</i>	<i>37</i>	<i>16</i>

EAFE Effective Style Map
3 Years Ending March 31, 2024



EAFE Effective Style Map
5 Years Ending March 31, 2024



■ Dodge & Cox Intl Stock ● WCM International Growth

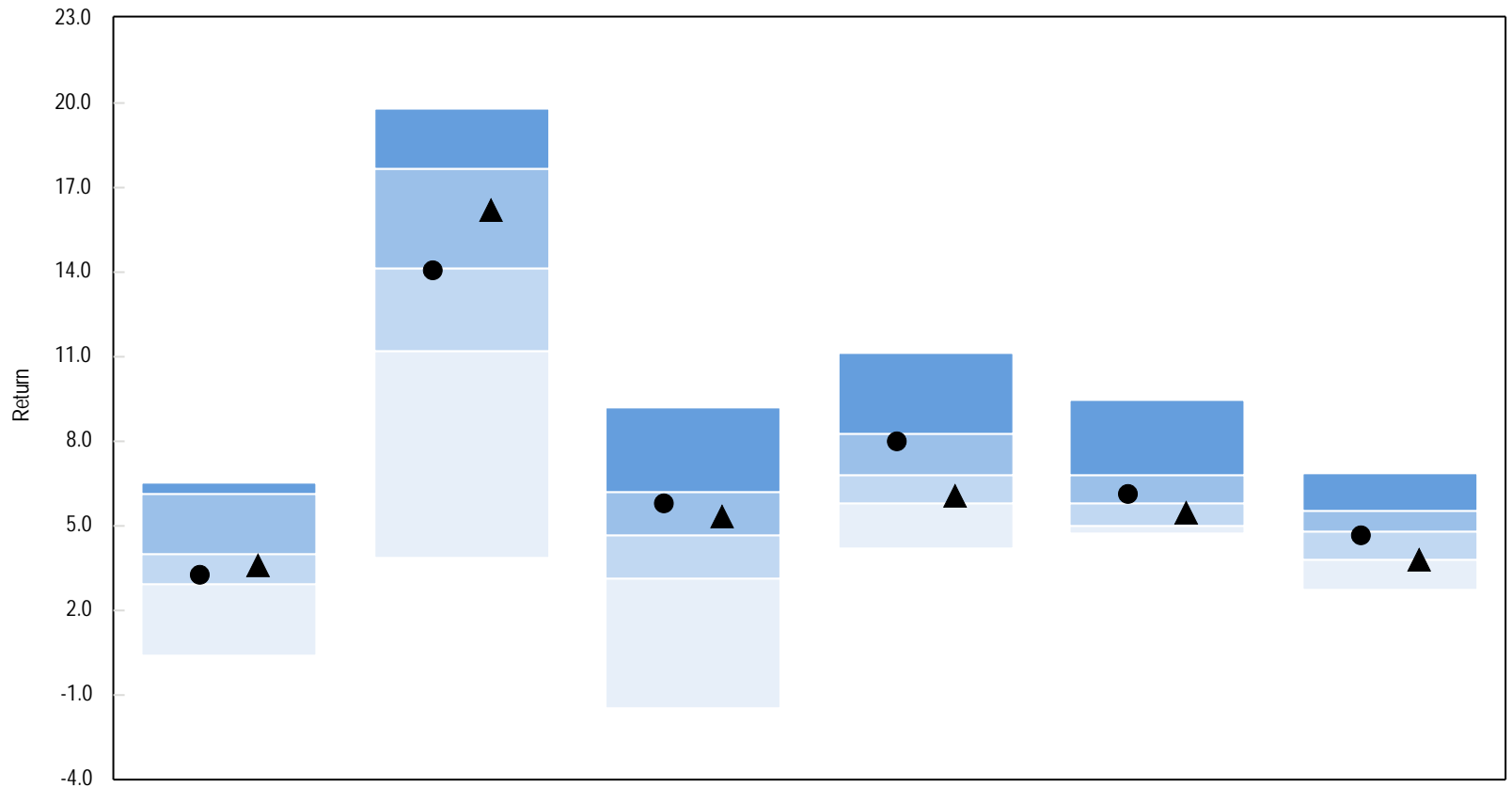
■ Dodge & Cox Intl Stock ● WCM International Growth

Total International Equity
Asset Class Overview (Net of Fees)

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

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total International Equity	261,504,536	7.5	15.9	4.5	10.2	6.5	16.6	-17.9	14.4	18.6	29.3
<i>MSCI AC World ex USA Index</i>		<i>4.8</i>	<i>13.8</i>	<i>2.4</i>	<i>6.5</i>	<i>4.7</i>	<i>16.2</i>	<i>-15.6</i>	<i>8.3</i>	<i>11.1</i>	<i>22.1</i>
Dodge & Cox Intl Stock	126,867,708	3.1	13.4	5.1	7.3	4.0	16.7	-6.8	11.0	2.1	22.8
<i>MSCI AC World ex USA Value</i>		<i>3.6</i>	<i>16.2</i>	<i>5.3</i>	<i>6.0</i>	<i>3.8</i>	<i>18.1</i>	<i>-8.0</i>	<i>11.1</i>	<i>-0.2</i>	<i>16.5</i>
WCM International Growth	134,636,828	11.9	18.3	3.1	11.9	-	16.8	-28.6	17.7	33.1	35.8
<i>MSCI AC World ex USA Growth</i>		<i>6.0</i>	<i>11.5</i>	<i>-0.5</i>	<i>6.6</i>	<i>-</i>	<i>14.4</i>	<i>-22.8</i>	<i>5.4</i>	<i>22.6</i>	<i>27.8</i>

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

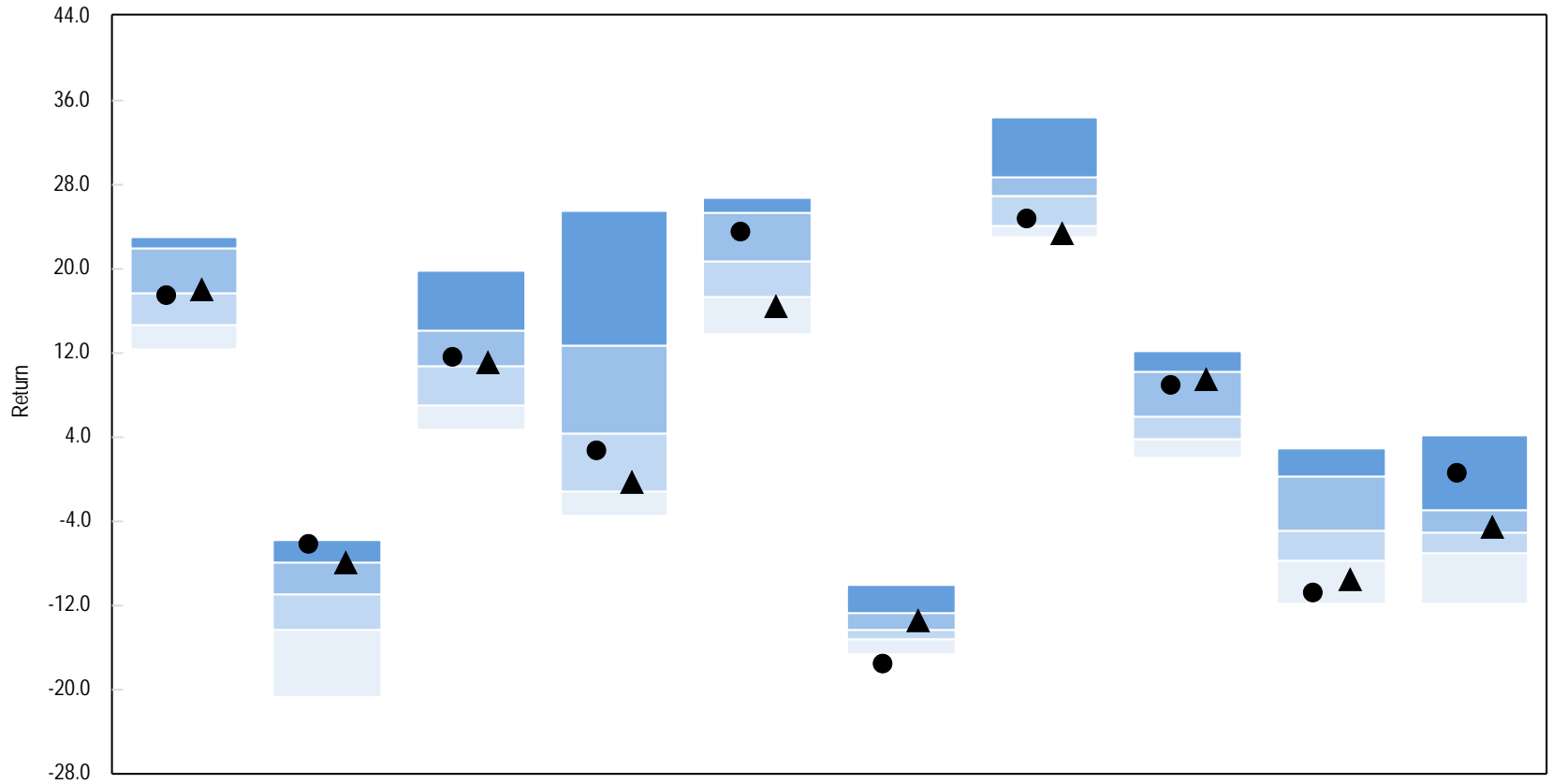


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Dodge & Cox Intl Stock	3.29 (67)	14.10 (51)	5.81 (32)	7.98 (28)	6.14 (43)	4.67 (58)
▲ MSCI AC World ex USA Value	3.60 (60)	16.19 (40)	5.30 (35)	6.05 (66)	5.49 (56)	3.83 (75)
5th Percentile	6.55	19.79	9.22	11.10	9.49	6.86
1st Quartile	6.15	17.69	6.21	8.29	6.81	5.55
Median	4.01	14.14	4.65	6.79	5.77	4.82
3rd Quartile	2.97	11.19	3.15	5.80	4.97	3.77
95th Percentile	0.38	3.84	-1.45	4.22	4.72	2.72
Population	24	24	24	22	18	16

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

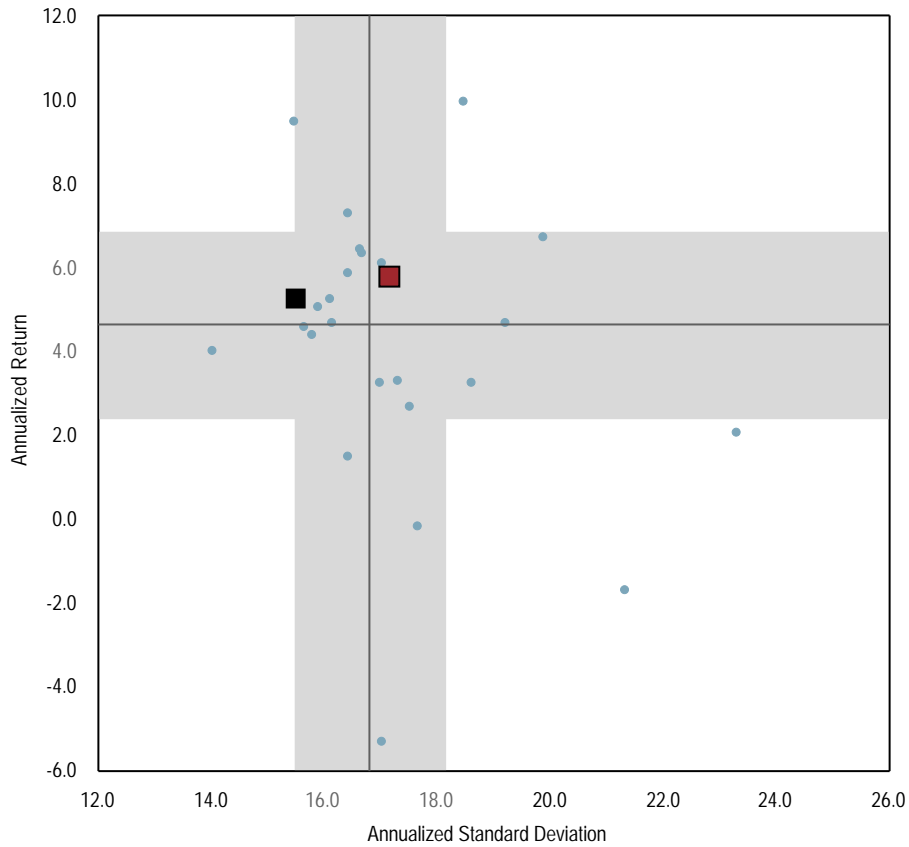
San Luis Obispo County Pension Trust
 Period Ending: March 31, 2024

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

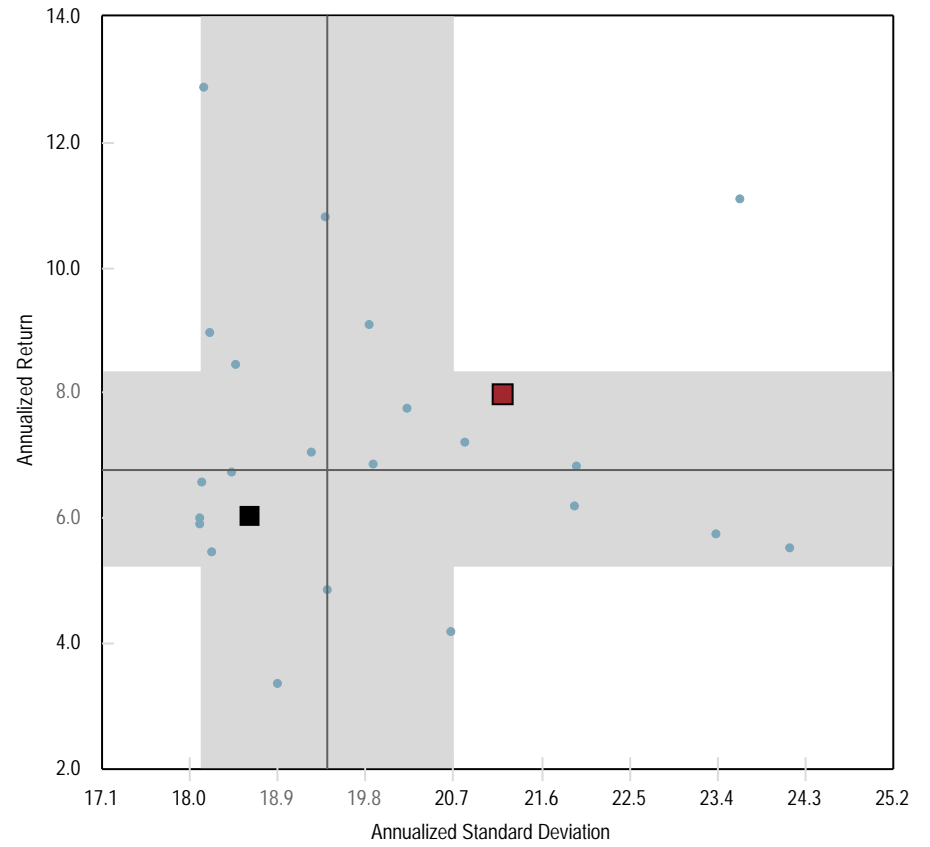


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Dodge & Cox Intl Stock	17.43 (53)	-6.19 (15)	11.70 (40)	2.75 (56)	23.58 (36)	-17.46 (97)	24.74 (63)	8.96 (32)	-10.78 (89)	0.56 (17)
▲ MSCI AC World ex USA Value	18.13 (48)	-7.95 (27)	11.13 (44)	-0.21 (69)	16.45 (80)	-13.45 (35)	23.35 (84)	9.59 (31)	-9.59 (85)	-4.60 (49)
5th Percentile	23.08	-5.76	19.78	25.44	26.77	-10.11	34.40	12.21	2.88	4.20
1st Quartile	21.89	-7.83	14.21	12.80	25.28	-12.77	28.68	10.22	0.19	-2.94
Median	17.76	-11.01	10.84	4.43	20.78	-14.35	27.02	6.02	-4.94	-5.01
3rd Quartile	14.71	-14.22	7.08	-1.18	17.34	-15.22	24.06	3.77	-7.81	-6.99
95th Percentile	12.36	-20.79	4.64	-3.43	13.81	-16.70	23.00	2.06	-11.84	-11.79
Population	25	26	28	29	28	26	23	21	21	22

3 Years



5 Years



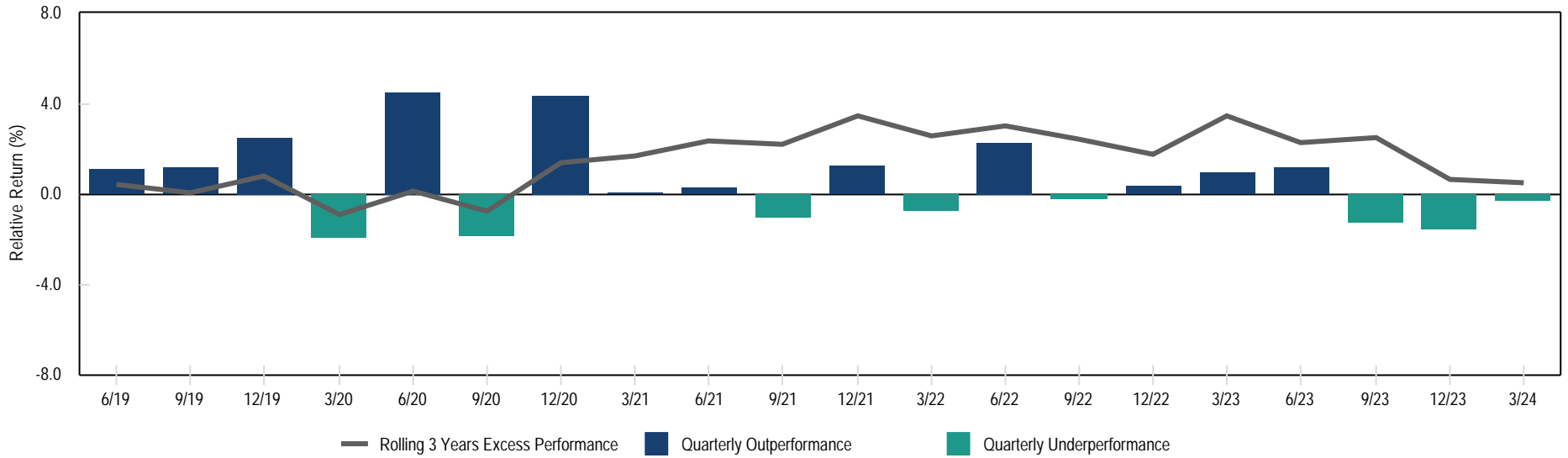
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Intl Stock	5.81	17.14	0.27
■ MSCI AC World ex USA Value	5.30	15.50	0.25

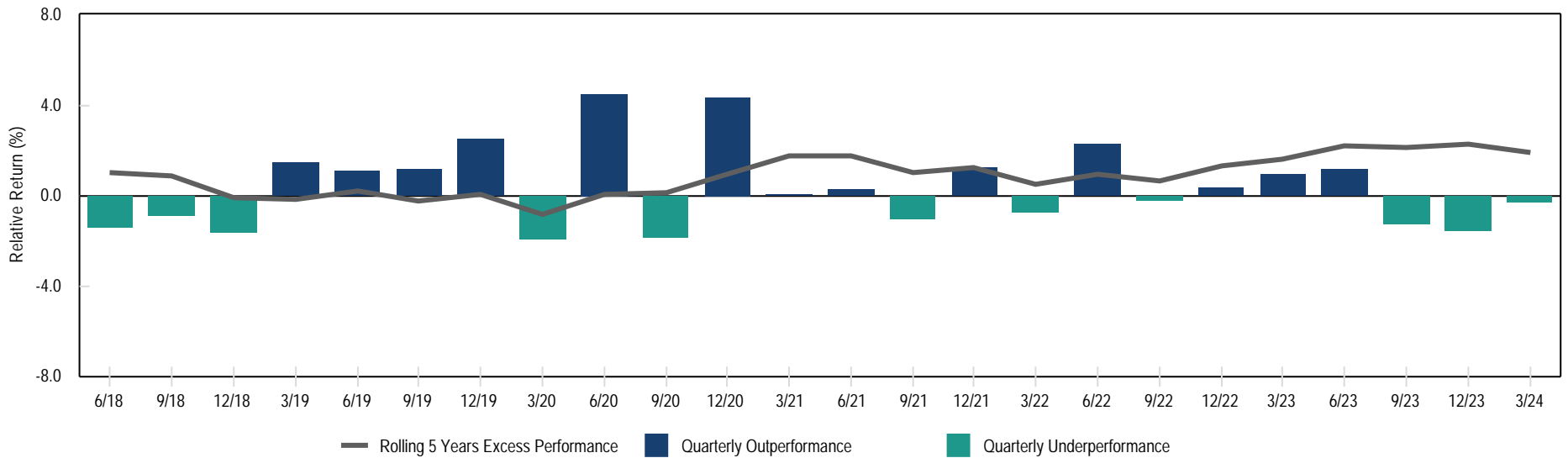
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Intl Stock	7.98	21.20	0.37
■ MSCI AC World ex USA Value	6.05	18.60	0.30

Rolling 3 Years Annualized Excess Performance



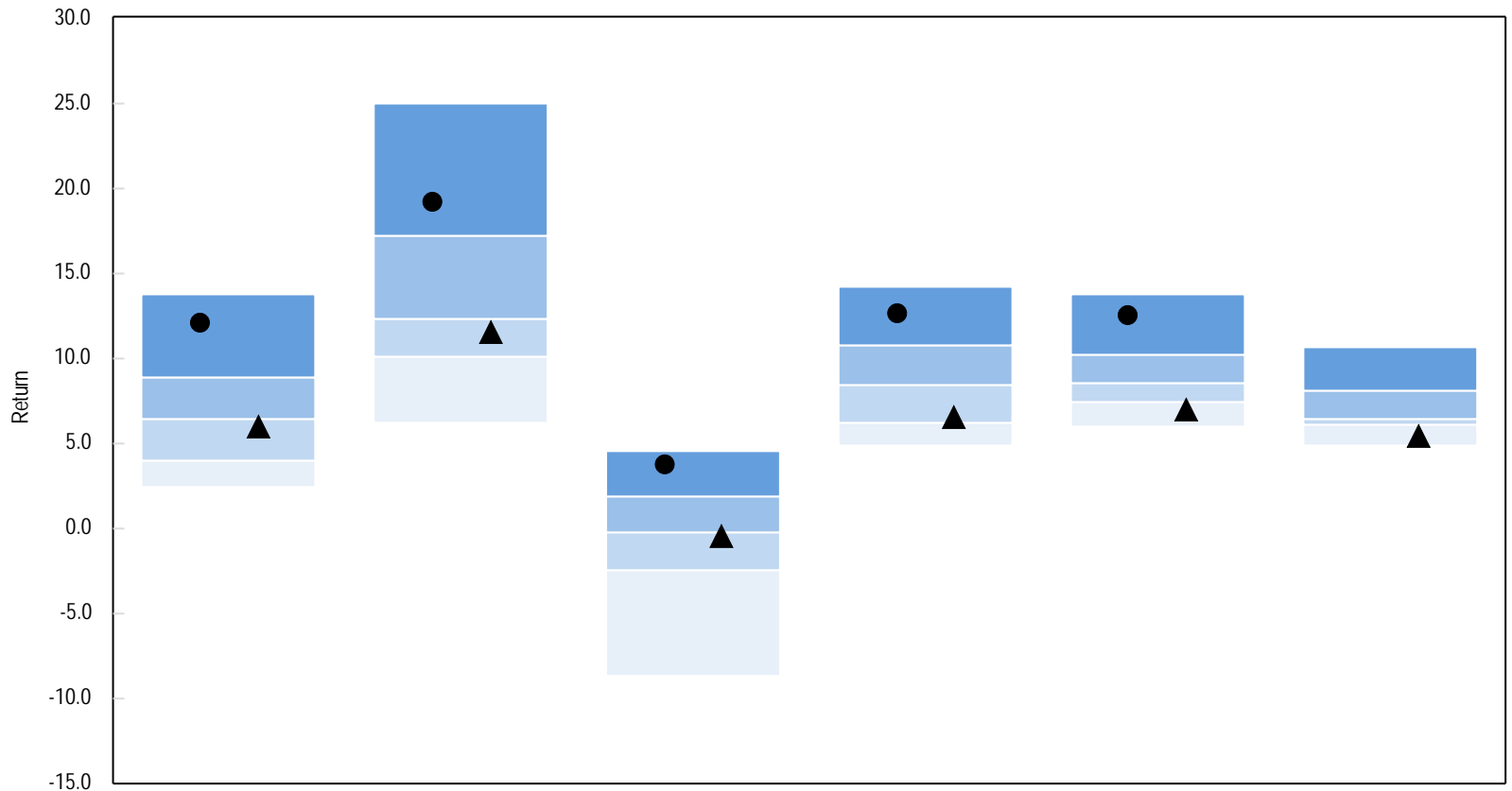
Rolling 5 Years Annualized Excess Performance



WCM International Growth
 Manager Performance Comparisons (Gross of Fees)

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

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

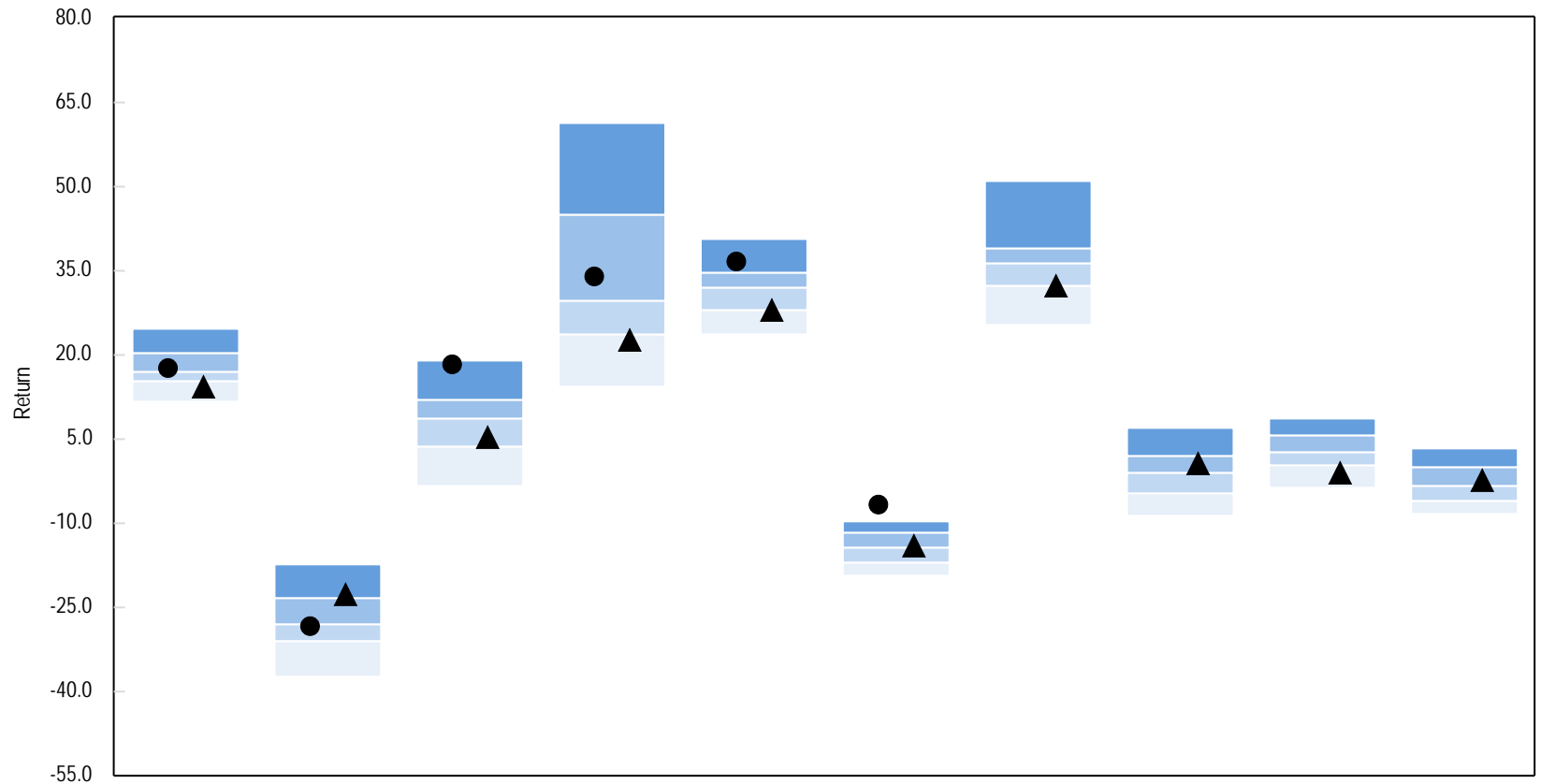


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● WCM International Growth	12.13 (11)	19.17 (18)	3.80 (11)	12.66 (15)	12.55 (17)	-
▲ MSCI AC World ex USA Growth	5.97 (55)	11.54 (61)	-0.46 (60)	6.57 (74)	7.04 (81)	5.48 (89)
5th Percentile	13.81	24.98	4.51	14.25	13.81	10.68
1st Quartile	8.84	17.18	1.92	10.79	10.19	8.08
Median	6.40	12.39	-0.21	8.41	8.53	6.41
3rd Quartile	4.04	10.08	-2.42	6.26	7.50	6.16
95th Percentile	2.42	6.21	-8.72	4.91	5.96	4.87
Population	31	31	31	28	26	25

WCM International Growth
Consecutive Performance Comparison (Gross of Fees)

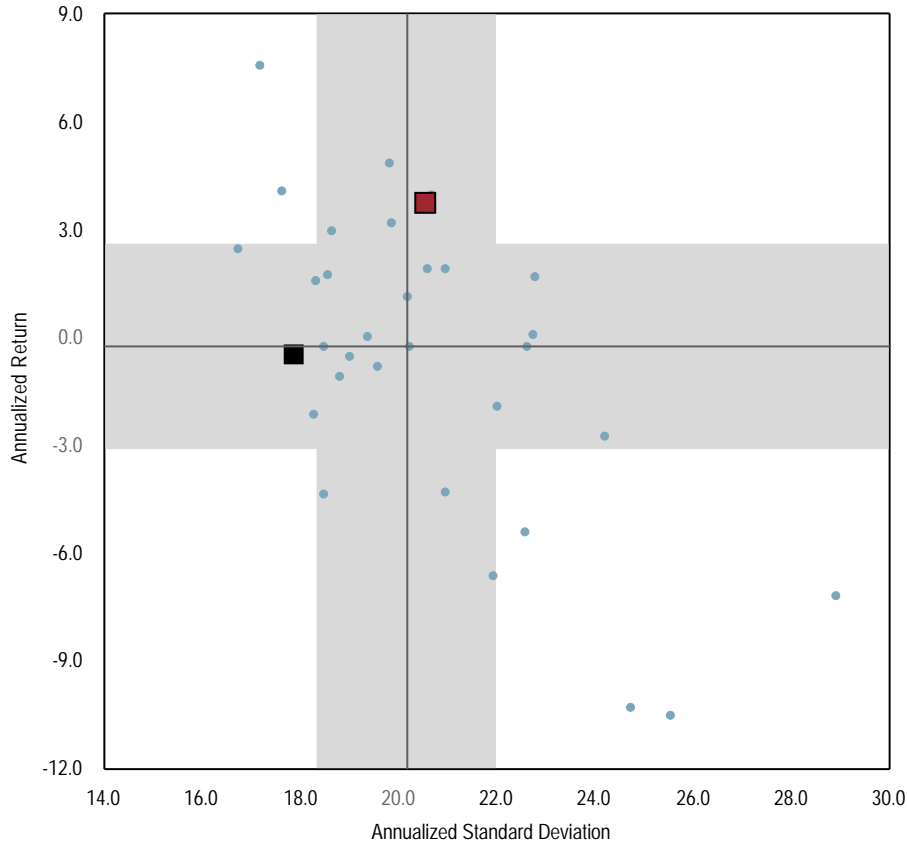
San Luis Obispo County Pension Trust
Period Ending: March 31, 2024

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

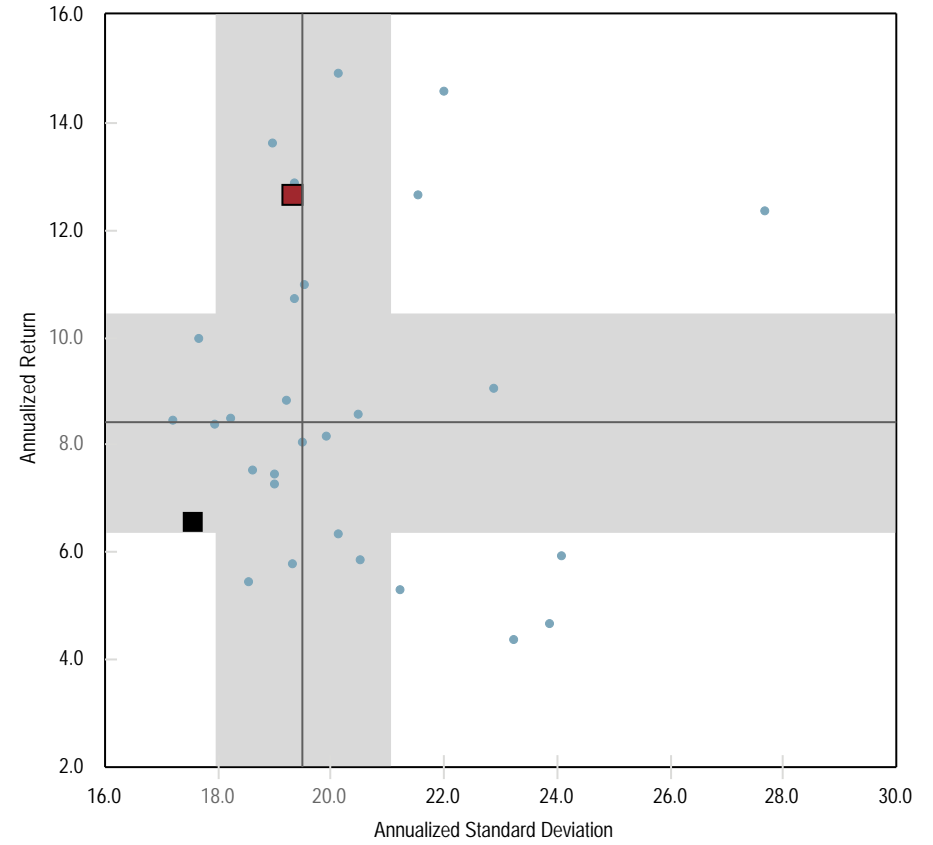


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● WCM International Growth	17.57 (48)	-28.19 (56)	18.49 (6)	34.02 (37)	36.70 (16)	-6.70 (1)	-	-	-	-
▲ MSCI AC World ex USA Growth	14.40 (85)	-22.80 (23)	5.37 (70)	22.56 (78)	27.84 (76)	-14.10 (50)	32.47 (71)	0.50 (41)	-0.91 (84)	-2.29 (43)
5th Percentile	24.55	-17.17	18.92	61.31	40.74	-9.55	51.02	7.16	8.82	3.26
1st Quartile	20.21	-23.37	12.05	44.97	34.83	-11.72	38.90	2.02	5.54	0.01
Median	16.98	-28.01	8.72	29.80	31.92	-14.28	36.23	-0.85	2.75	-3.38
3rd Quartile	15.19	-31.07	3.57	23.67	27.91	-16.85	32.25	-4.69	0.17	-5.99
95th Percentile	11.75	-37.39	-3.46	14.39	23.61	-19.45	25.45	-8.59	-3.55	-8.22
Population	33	35	37	37	37	34	33	33	33	33

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ WCM International Growth	3.80	20.52	0.16
■ MSCI AC World ex USA Growth	-0.46	17.86	-0.08

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ WCM International Growth	12.66	19.31	0.61
■ MSCI AC World ex USA Growth	6.57	17.56	0.34

Domestic Fixed Income

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

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

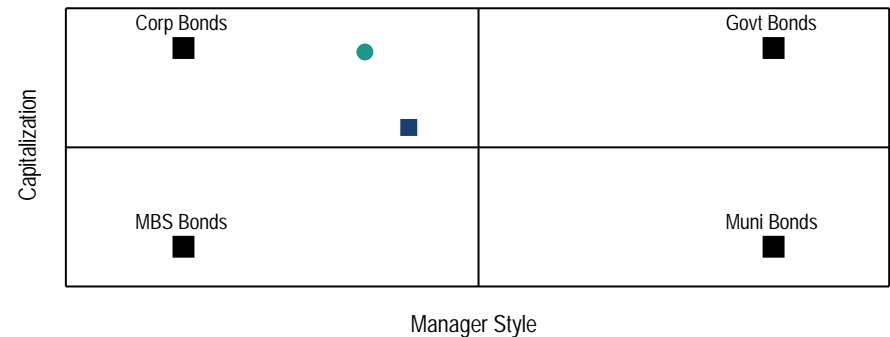
	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total Domestic Fixed Income	285,290,823	100.0	0.2	4.5	0.0	2.4	2.9	7.7	-9.6	0.9	8.1	9.9
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>1.5</i>	<i>5.5</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>
<i>InvMetrics Public DB US Fixed Income Rank</i>			<i>20</i>	<i>25</i>	<i>11</i>	<i>10</i>	<i>1</i>	<i>22</i>	<i>15</i>	<i>17</i>	<i>62</i>	<i>28</i>
Dodge & Cox Income Fund	23,078,600	8.1	-0.2	4.6	-0.5	2.3	-	8.1	-10.5	-0.5	9.9	10.2
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>-</i>	<i>5.5</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>
<i>eV US Core Fixed Inc Rank</i>			<i>24</i>	<i>5</i>	<i>4</i>	<i>1</i>	<i>-</i>	<i>3</i>	<i>12</i>	<i>20</i>	<i>14</i>	<i>11</i>
Pacific Asset Corporate Loan	58,545,157	20.5	2.9	13.6	6.9	6.1	-	14.5	-0.2	5.6	3.0	9.1
<i>Morningstar LSTA U.S. Leveraged Loan</i>			<i>2.5</i>	<i>12.5</i>	<i>6.0</i>	<i>5.5</i>	<i>-</i>	<i>13.3</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>
<i>eV US Float-Rate Bank Loan Fixed Inc Rank</i>			<i>25</i>	<i>17</i>	<i>7</i>	<i>14</i>	<i>-</i>	<i>16</i>	<i>23</i>	<i>40</i>	<i>49</i>	<i>41</i>
SSGA U.S. Govt Bond Index	109,756,989	38.5	-0.9	0.1	-	-	-	4.2	-12.5	-	-	-
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>-1.4</i>	<i>-1.4</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.6</i>	<i>-14.9</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>eV US Government Fixed Inc Rank</i>			<i>78</i>	<i>85</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>71</i>	<i>80</i>	<i>-</i>	<i>-</i>	<i>-</i>
BlackRock TIPS	93,910,077	32.9	0.0	0.5	-	-	-	4.0	-11.9	-	-	-
<i>Blmbg. U.S. TIPS Index</i>			<i>-0.1</i>	<i>0.5</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3.9</i>	<i>-11.8</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>eV US TIPS / Inflation Fixed Inc Rank</i>			<i>55</i>	<i>59</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>51</i>	<i>82</i>	<i>-</i>	<i>-</i>	<i>-</i>

Fixed Income Effective Style Map
3 Years Ending March 31, 2024



■ Dodge & Cox Income Fund ● Pacific Asset Corporate Loan

Fixed Income Effective Style Map
5 Years Ending March 31, 2024



■ 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: March 31, 2024

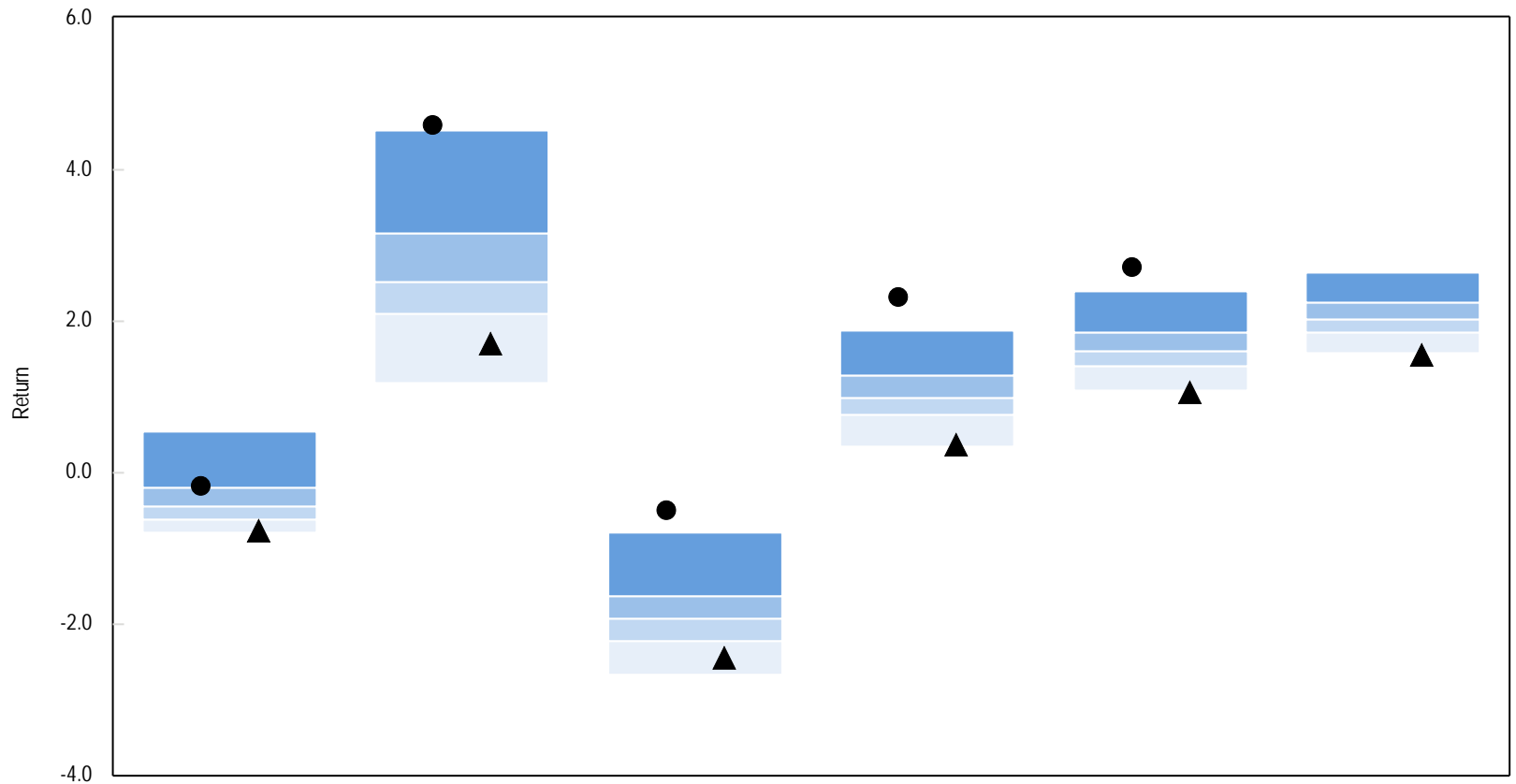
	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total Domestic Fixed Income	285,290,823	100.0	0.2	4.2	-0.2	2.1	2.6	7.5	-9.9	0.5	7.7	9.5
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>1.5</i>	<i>5.5</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>
Dodge & Cox Income Fund	23,078,600	8.1	-0.3	4.1	-0.9	1.9	-	7.7	-10.9	-0.9	9.4	9.7
<i>Blmbg. U.S. Aggregate Index</i>			<i>-0.8</i>	<i>1.7</i>	<i>-2.5</i>	<i>0.4</i>	<i>1.5</i>	<i>5.5</i>	<i>-13.0</i>	<i>-1.5</i>	<i>7.5</i>	<i>8.7</i>
Pacific Asset Corporate Loan	58,545,157	20.5	2.8	13.2	6.5	5.7	-	14.1	-0.5	5.2	2.6	8.7
<i>Morningstar LSTA U.S. Leveraged Loan</i>			<i>2.5</i>	<i>12.5</i>	<i>6.0</i>	<i>5.5</i>	<i>4.5</i>	<i>13.3</i>	<i>-0.8</i>	<i>5.2</i>	<i>3.1</i>	<i>8.6</i>
SSGA U.S. Govt Bond Index	109,756,989	38.5	-0.9	0.0	-	-	-	4.1	-12.5	-	-	-
<i>Blmbg. U.S. Treasury: 7-10 Year</i>			<i>-1.4</i>	<i>-1.4</i>	<i>-3.7</i>	<i>-0.5</i>	<i>1.3</i>	<i>3.6</i>	<i>-14.9</i>	<i>-3.1</i>	<i>10.0</i>	<i>8.5</i>
BlackRock TIPS	93,910,077	32.9	0.0	0.5	-	-	-	4.0	-11.9	-	-	-
<i>Blmbg. U.S. TIPS Index</i>			<i>-0.1</i>	<i>0.5</i>	<i>-0.5</i>	<i>2.5</i>	<i>2.2</i>	<i>3.9</i>	<i>-11.8</i>	<i>6.0</i>	<i>11.0</i>	<i>8.4</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	1.00	1.00				
Pacific Asset Corporate Loan	-0.31	-0.31	1.00			
BlackRock TIPS	0.98	0.98	-0.48	1.00		
SSGA U.S. Govt Bond Index	1.00	0.99	-0.35	0.99	1.00	
Blmbg. U.S. Aggregate Index	1.00	1.00	-0.33	0.98	1.00	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 vs. eV US Core Fixed Inc Gross Universe

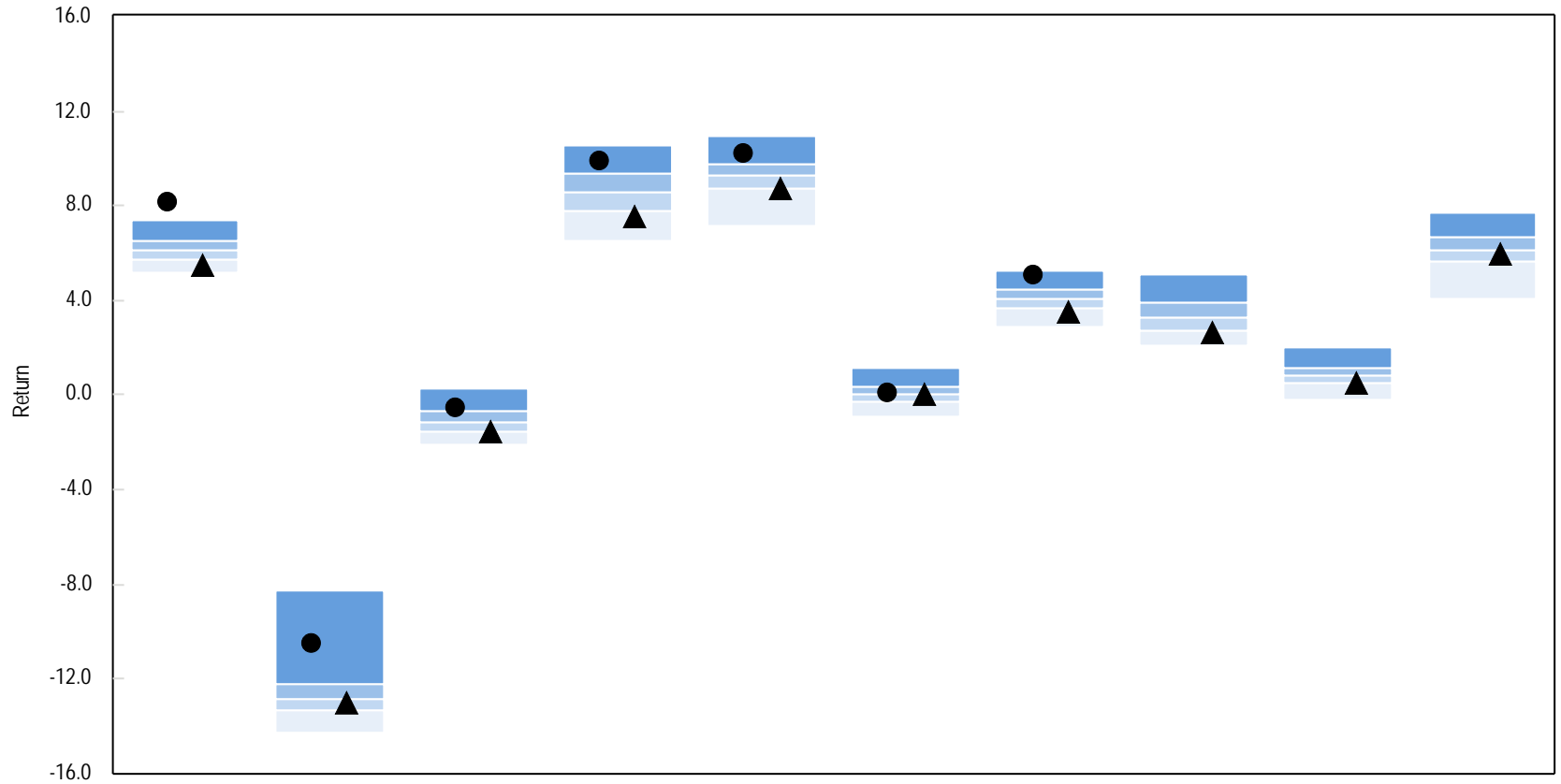


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Dodge & Cox Income Fund	-0.16 (24)	4.58 (5)	-0.49 (4)	2.33 (1)	2.72 (2)	-
▲ Blmbg. U.S. Aggregate Index	-0.78 (95)	1.70 (87)	-2.46 (90)	0.36 (95)	1.06 (97)	1.54 (97)
5th Percentile	0.54	4.53	-0.79	1.88	2.38	2.64
1st Quartile	-0.19	3.16	-1.64	1.29	1.85	2.24
Median	-0.43	2.52	-1.93	0.98	1.61	2.02
3rd Quartile	-0.62	2.09	-2.21	0.76	1.42	1.86
95th Percentile	-0.78	1.18	-2.66	0.33	1.09	1.59
Population	229	229	222	215	209	199

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

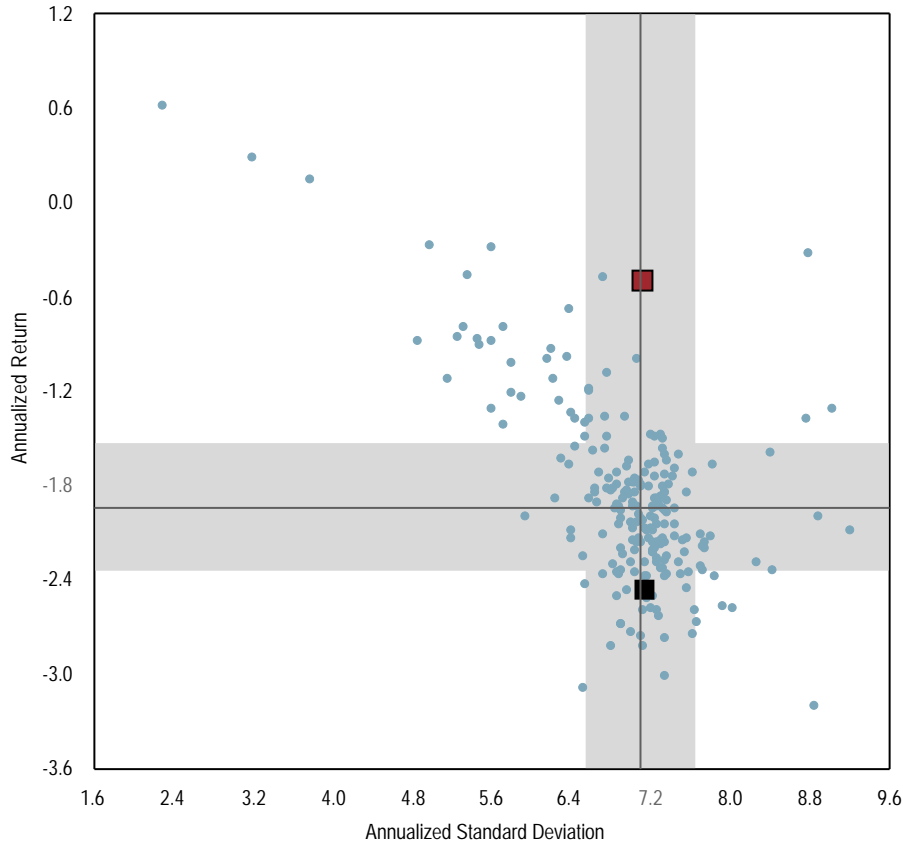
San Luis Obispo County Pension Trust
 Period Ending: March 31, 2024

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

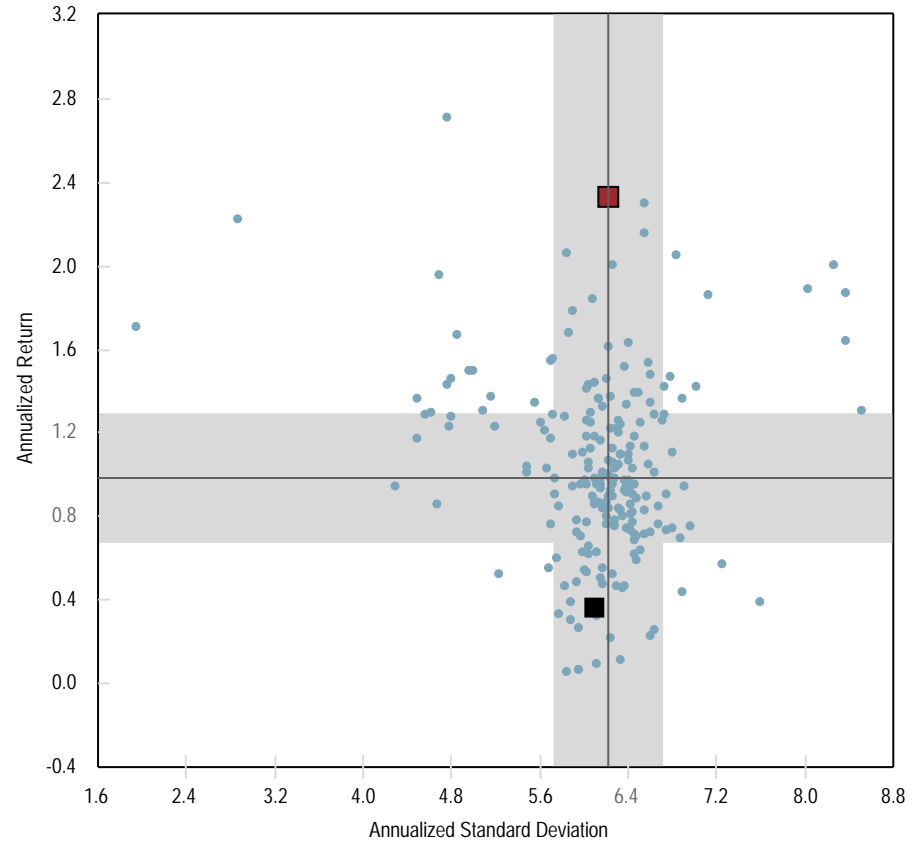


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Dodge & Cox Income Fund	8.14 (3)	-10.50 (12)	-0.49 (20)	9.91 (14)	10.20 (11)	0.12 (41)	5.12 (7)	-	-	-
▲ Blmbg. U.S. Aggregate Index	5.53 (85)	-13.01 (64)	-1.55 (77)	7.51 (84)	8.72 (77)	0.01 (54)	3.54 (83)	2.65 (80)	0.55 (73)	5.97 (62)
5th Percentile	7.41	-8.23	0.31	10.57	10.93	1.13	5.26	5.12	1.98	7.73
1st Quartile	6.53	-12.19	-0.64	9.34	9.76	0.35	4.49	3.92	1.18	6.67
Median	6.15	-12.83	-1.11	8.56	9.30	0.03	4.07	3.26	0.84	6.16
3rd Quartile	5.72	-13.28	-1.52	7.77	8.75	-0.28	3.67	2.75	0.51	5.63
95th Percentile	5.19	-14.29	-2.11	6.53	7.16	-0.89	2.90	2.08	-0.23	4.10
Population	237	259	266	271	276	281	291	293	298	306

3 Years



5 Years



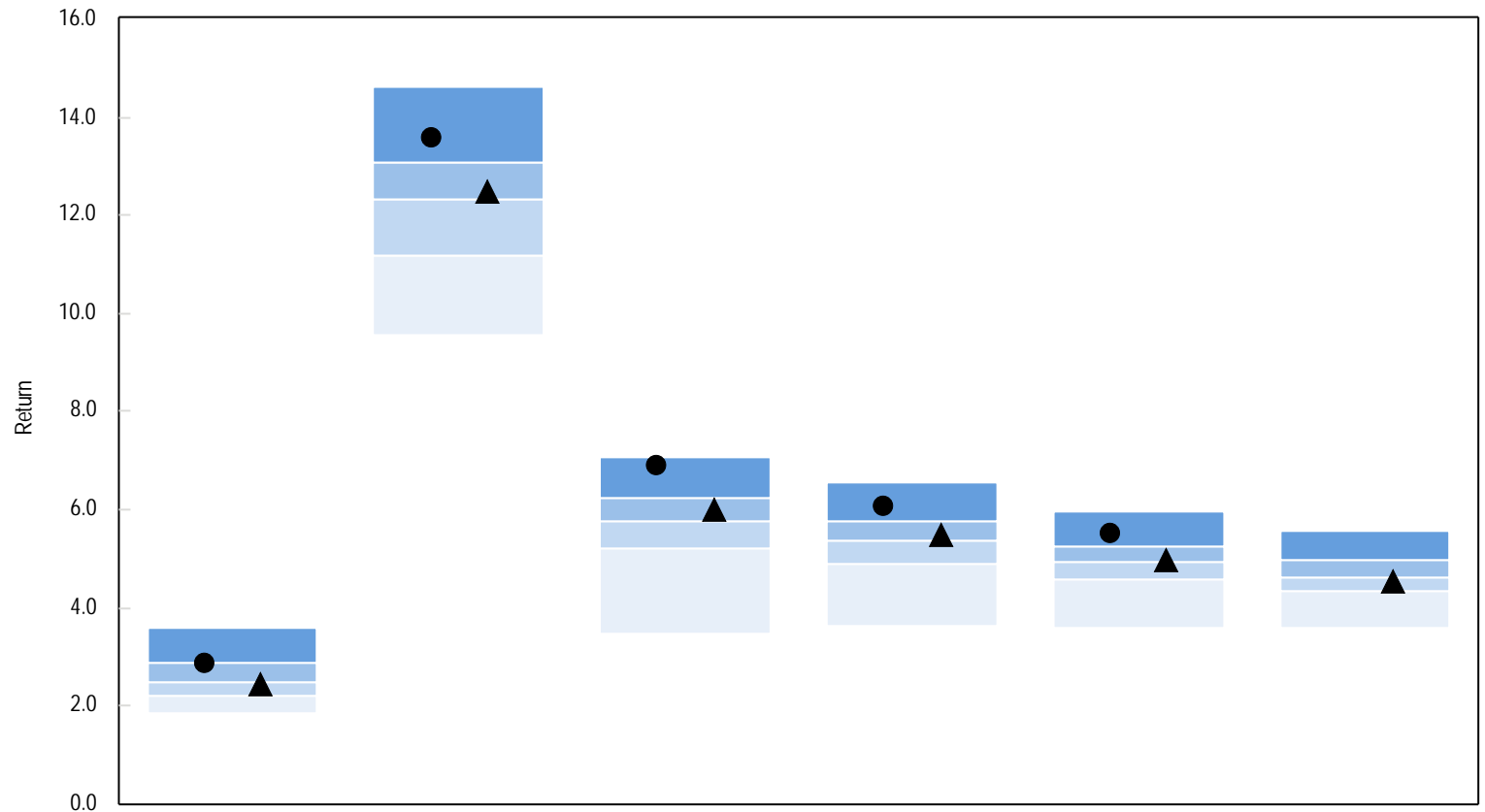
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Income Fund	-0.49	7.12	-0.40
■ Blmbg. U.S. Aggregate Index	-2.46	7.14	-0.68

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Dodge & Cox Income Fund	2.33	6.23	0.08
■ Blmbg. U.S. Aggregate Index	0.36	6.08	-0.24

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

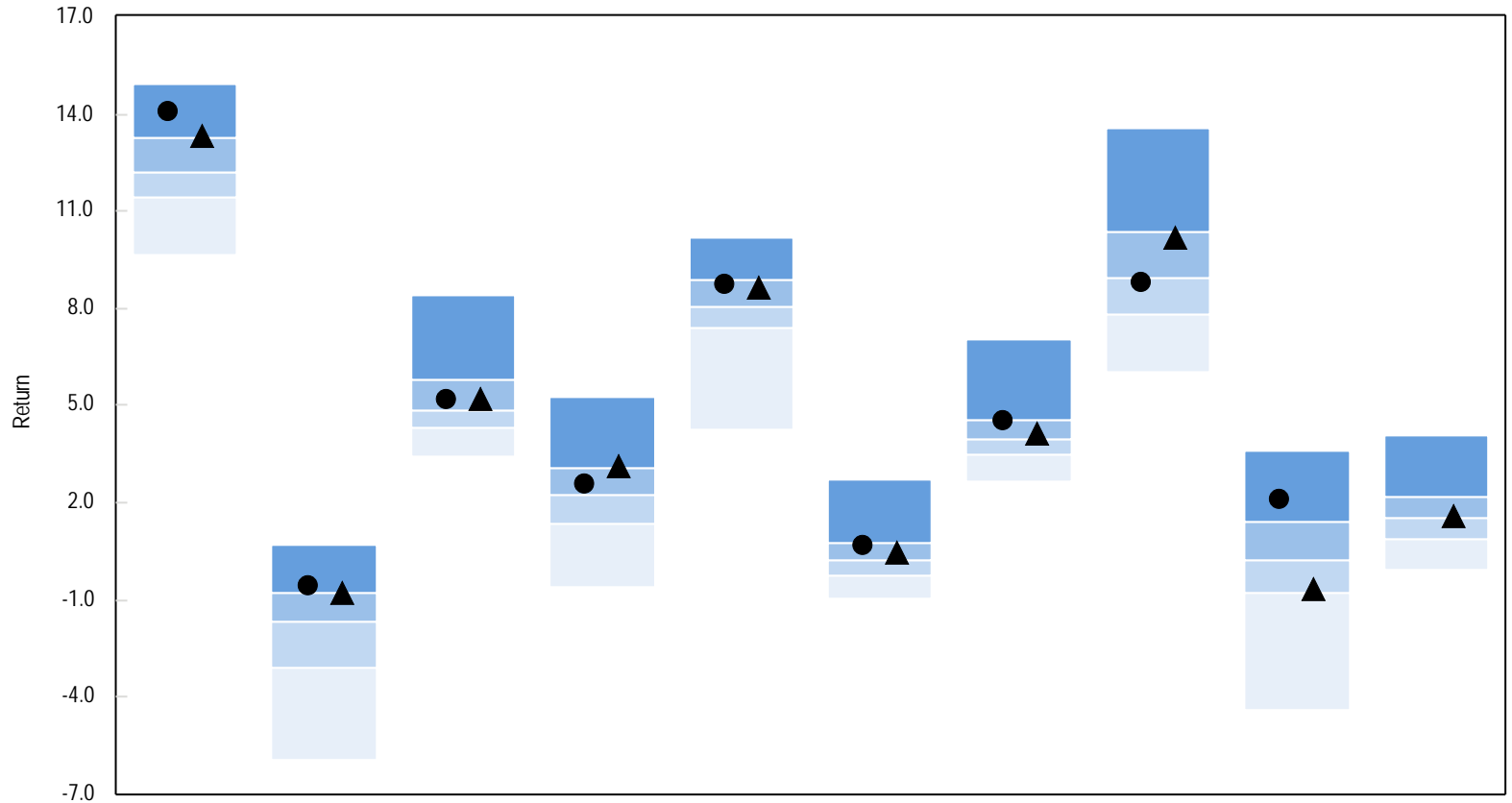


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Pacific Asset Corporate Loan	2.88 (25)	13.57 (17)	6.91 (7)	6.07 (14)	5.53 (15)	-
▲ Morningstar LSTA U.S. Leveraged Loan	2.46 (54)	12.47 (46)	5.99 (36)	5.48 (43)	4.97 (47)	4.55 (55)
5th Percentile	3.61	14.60	7.06	6.55	5.97	5.56
1st Quartile	2.87	13.07	6.24	5.76	5.25	4.96
Median	2.51	12.33	5.78	5.35	4.92	4.61
3rd Quartile	2.22	11.18	5.23	4.90	4.56	4.36
95th Percentile	1.86	9.56	3.47	3.65	3.61	3.59
Population	94	94	90	87	81	77

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

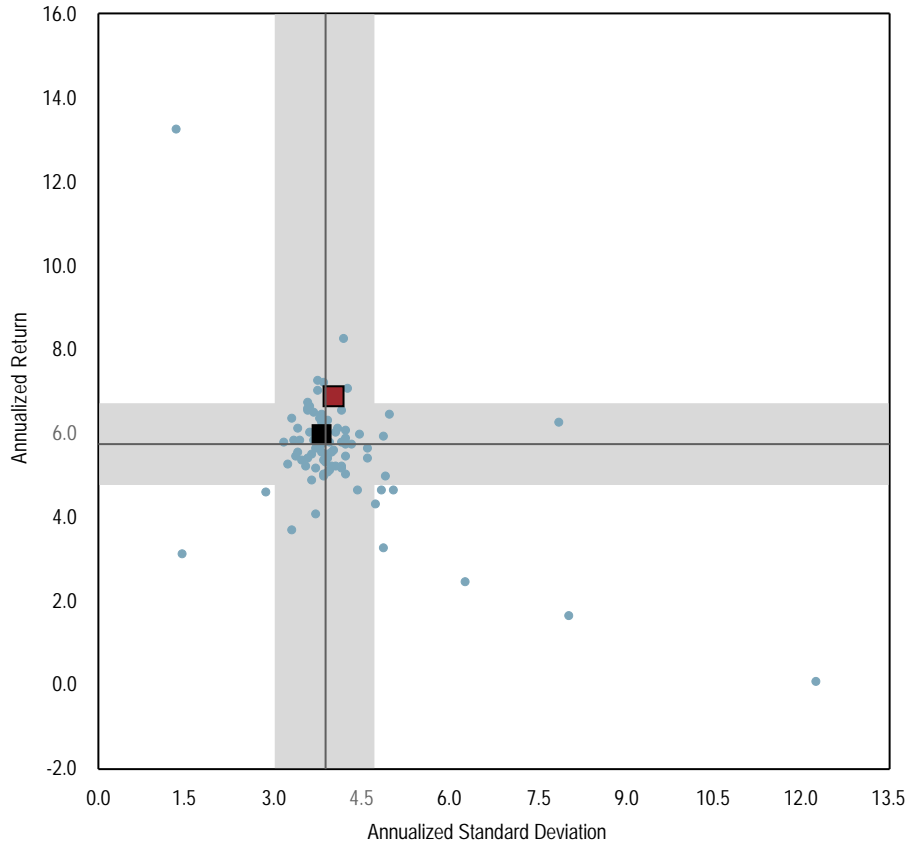
San Luis Obispo County Pension Trust
 Period Ending: March 31, 2024

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

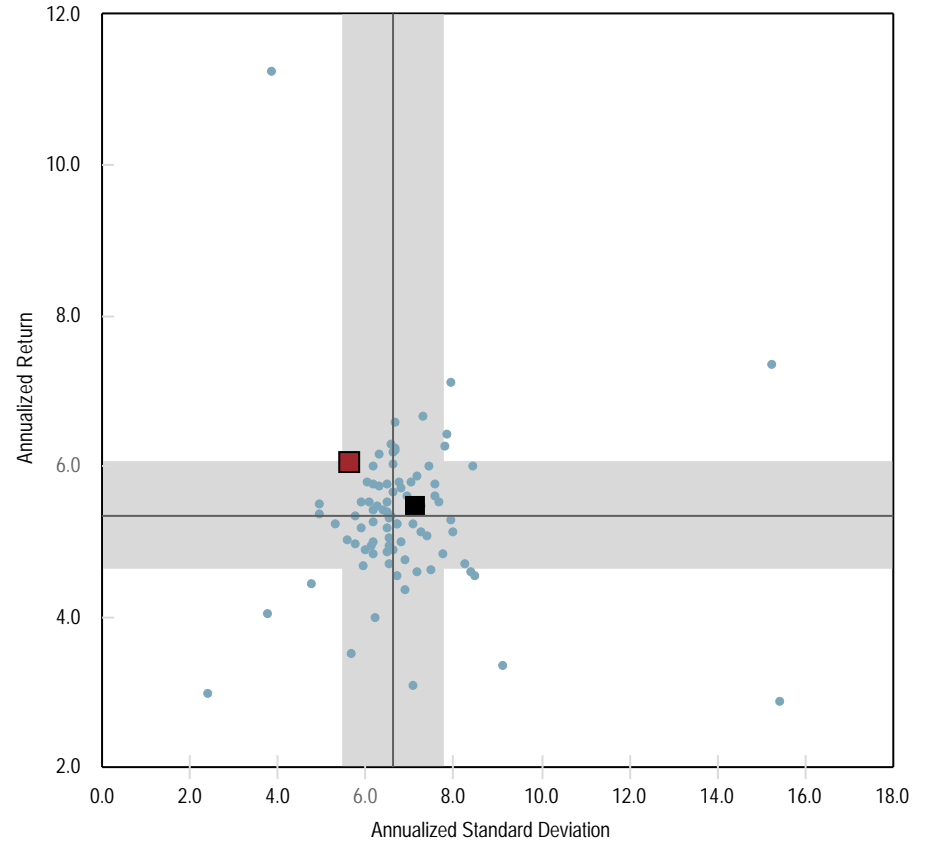


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Pacific Asset Corporate Loan	14.07 (11)	-0.53 (21)	5.19 (38)	2.61 (39)	8.75 (29)	0.69 (28)	4.56 (27)	8.83 (52)	2.11 (14)	-
▲ Morningstar LSTA U.S. Leveraged Loan	13.32 (23)	-0.77 (27)	5.20 (38)	3.12 (25)	8.64 (35)	0.44 (43)	4.12 (45)	10.16 (30)	-0.69 (72)	1.60 (47)
5th Percentile	14.95	0.72	8.42	5.29	10.18	2.71	7.02	13.59	3.58	4.09
1st Quartile	13.26	-0.76	5.82	3.08	8.86	0.76	4.57	10.37	1.40	2.17
Median	12.19	-1.64	4.85	2.25	8.07	0.21	3.93	8.96	0.22	1.51
3rd Quartile	11.42	-3.12	4.32	1.37	7.42	-0.26	3.51	7.81	-0.78	0.87
95th Percentile	9.64	-5.94	3.42	-0.62	4.28	-0.94	2.65	6.05	-4.42	-0.07
Population	95	101	103	111	112	115	111	114	111	110

3 Years



5 Years



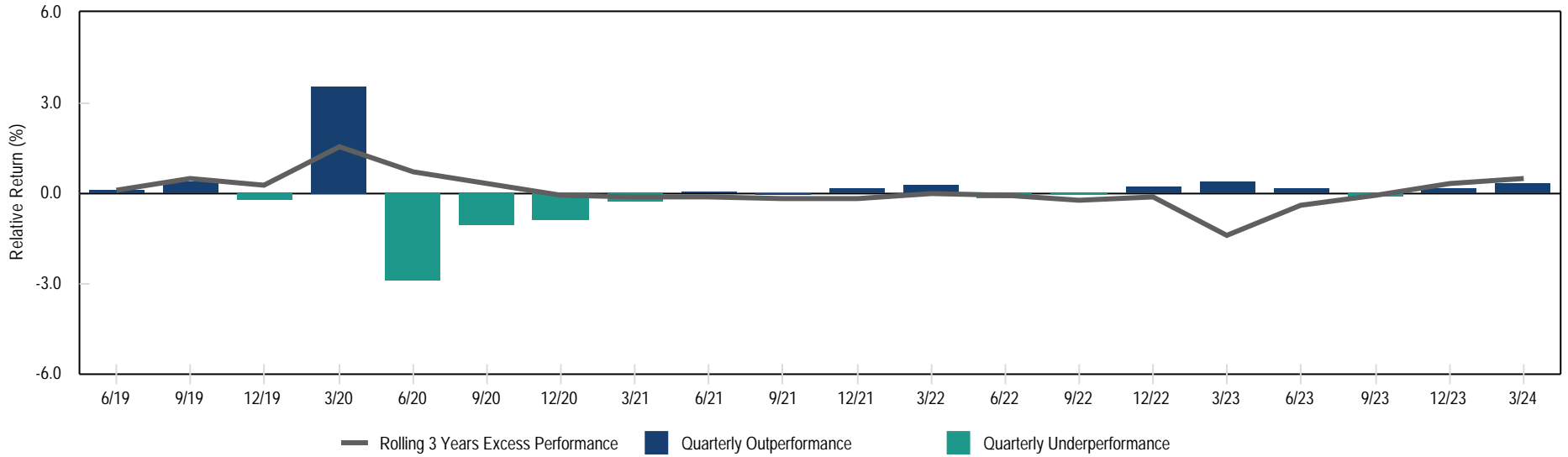
3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Pacific Asset Corporate Loan	6.91	4.01	1.10
■ Morningstar LSTA U.S. Leveraged Loan	5.99	3.80	0.93

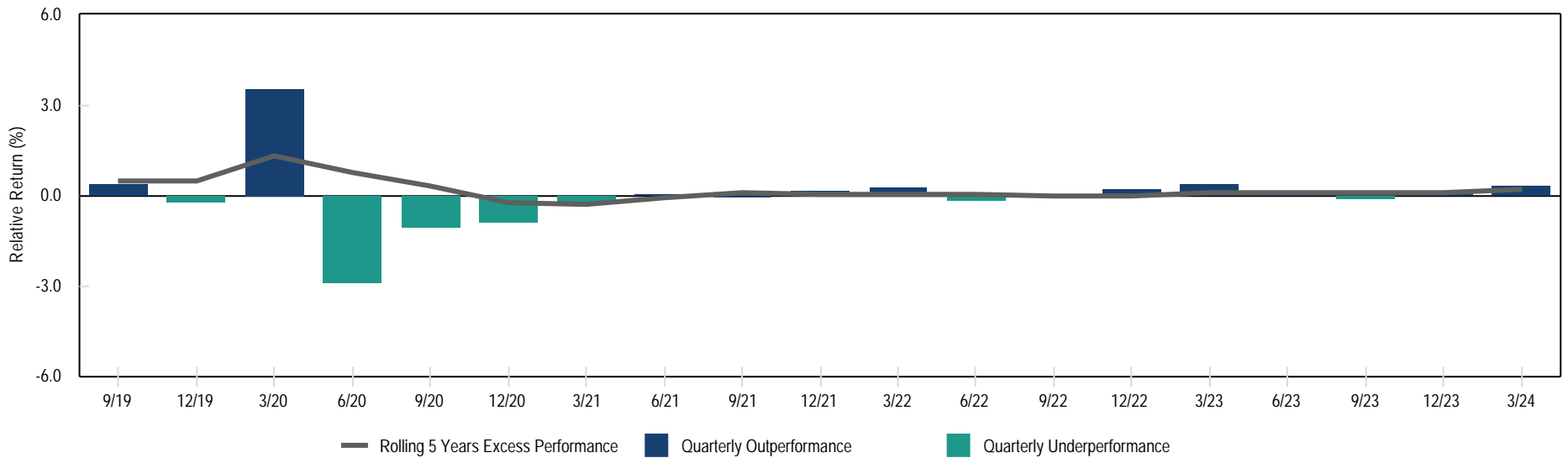
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Pacific Asset Corporate Loan	6.07	5.61	0.72
■ Morningstar LSTA U.S. Leveraged Loan	5.48	7.10	0.50

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: March 31, 2024

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total Global Fixed	28,981,415	-2.4	2.0	-5.3	-2.0	-1.1	7.4	-16.8	-7.0	6.7	7.4
<i>FTSE World Government Bond Index</i>		-2.4	-0.8	-6.7	-2.2	-0.8	5.2	-18.3	-7.0	10.1	5.9
Brandywine Global Fixed Income	13,475,297	-5.0	-3.6	-5.2	-	-	5.1	-13.5	-4.0	-	-
<i>FTSE Non-U.S. World Government Bond</i>		-3.4	-1.5	-8.4	-3.7	-	5.8	-22.1	-9.7	10.8	5.3
<i>eV All Global Fixed Inc Rank</i>		99	99	85	-	-	91	55	70	-	-
Ashmore EM Blended Debt Fund	15,506,118	-0.2	6.5	-5.5	-3.0	-	9.0	-19.9	-9.5	3.2	-
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>		0.2	7.8	-1.1	0.5	-	10.9	-13.6	-3.9	3.9	-
<i>eV All Emg Mkts Fixed Inc Rank</i>		77	80	100	100	-	74	95	94	81	-

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: March 31, 2024

	Market Value	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total Global Fixed	28,981,415	-2.6	1.2	-6.0	-2.7	-1.7	6.6	-17.5	-7.7	6.0	6.9
<i>FTSE World Government Bond Index</i>		<i>-2.4</i>	<i>-0.8</i>	<i>-6.7</i>	<i>-2.2</i>	<i>-0.8</i>	<i>5.2</i>	<i>-18.3</i>	<i>-7.0</i>	<i>10.1</i>	<i>5.9</i>
Brandywine Global Fixed Income	13,475,297	-5.1	-4.0	-5.7	-	-	4.6	-14.0	-4.4	-	-
<i>FTSE Non-U.S. World Government Bond</i>		<i>-3.4</i>	<i>-1.5</i>	<i>-8.4</i>	<i>-3.7</i>	<i>-</i>	<i>5.8</i>	<i>-22.1</i>	<i>-9.7</i>	<i>10.8</i>	<i>5.3</i>
Ashmore EM Blended Debt Fund	15,506,118	-0.5	5.4	-6.5	-4.0	-	7.9	-20.7	-10.4	2.1	-
<i>50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+</i>		<i>0.2</i>	<i>7.8</i>	<i>-1.1</i>	<i>0.5</i>	<i>-</i>	<i>10.9</i>	<i>-13.6</i>	<i>-3.9</i>	<i>3.9</i>	<i>-</i>

1 Year Correlation Matrix

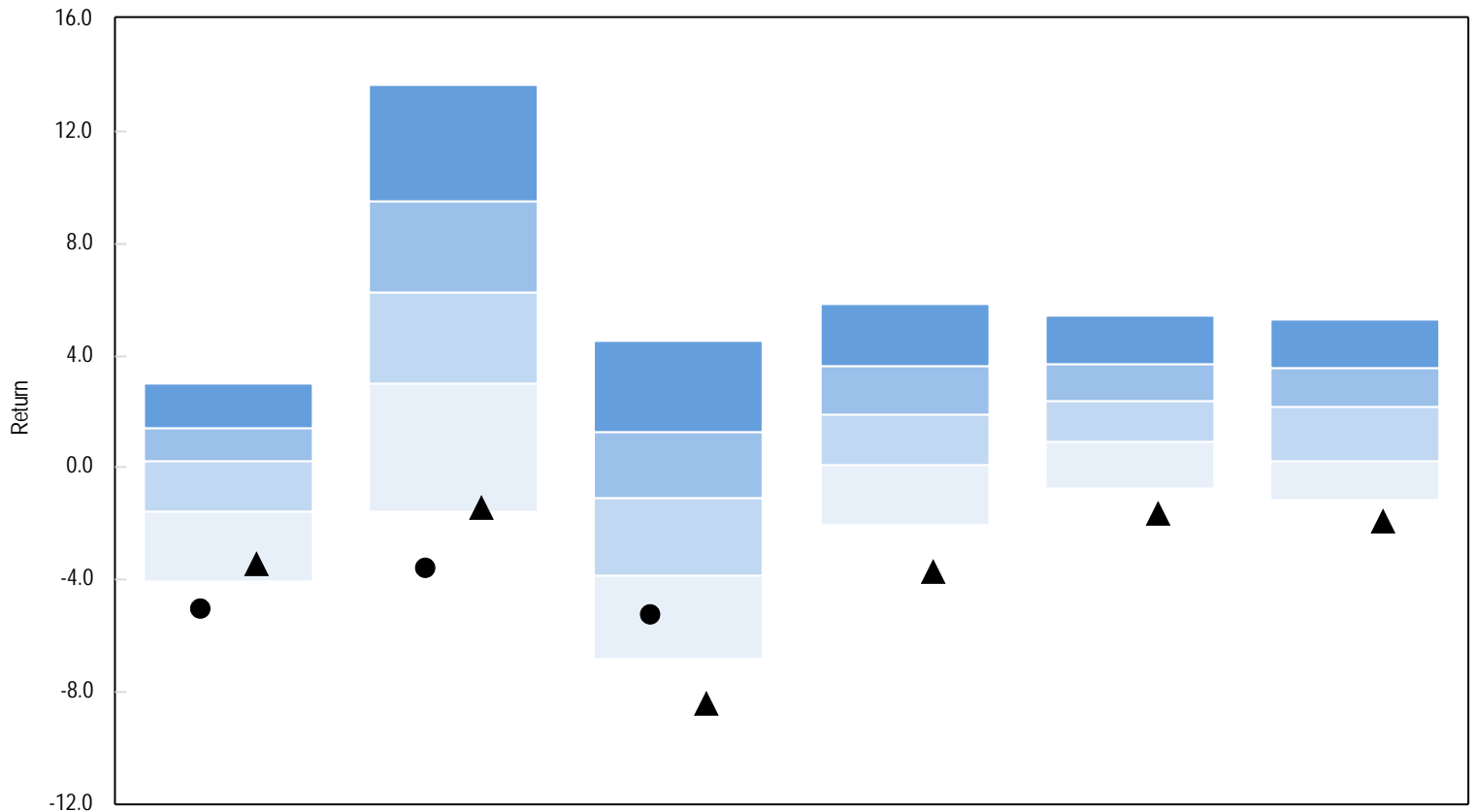
	Total Global Fixed	Brandywine Global Fixed Income	Ashmore EM Blended Debt Fund	FTSE World Government Bond Index
Total Global Fixed	1.00			
Brandywine Global Fixed Income	0.98	1.00		
Ashmore EM Blended Debt Fund	0.97	0.90	1.00	
FTSE World Government Bond Index	0.98	0.99	0.90	1.00

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: March 31, 2024

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

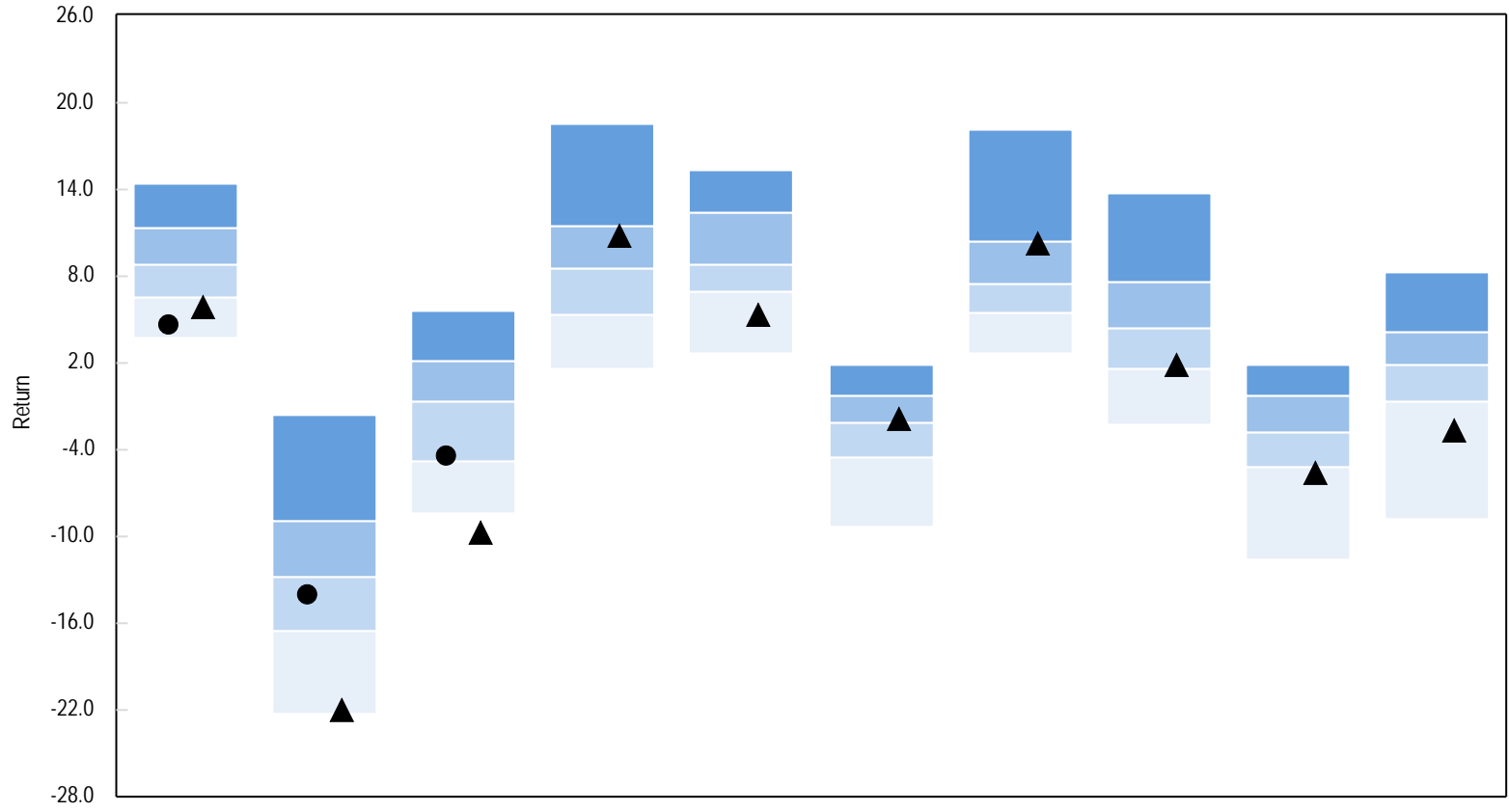


	3 Mo	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Brandywine Global Fixed Income	-5.02 (99)	-3.57 (99)	-5.19 (85)	-	-	-
▲ FTSE Non-U.S. World Government Bond	-3.42 (94)	-1.46 (95)	-8.39 (99)	-3.73 (99)	-1.63 (99)	-1.91 (99)
5th Percentile	3.01	13.65	4.55	5.80	5.40	5.31
1st Quartile	1.42	9.49	1.29	3.63	3.68	3.54
Median	0.25	6.28	-1.09	1.87	2.37	2.19
3rd Quartile	-1.56	2.98	-3.81	0.09	0.95	0.22
95th Percentile	-4.03	-1.59	-6.82	-2.02	-0.73	-1.18
Population	765	764	728	669	603	480

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

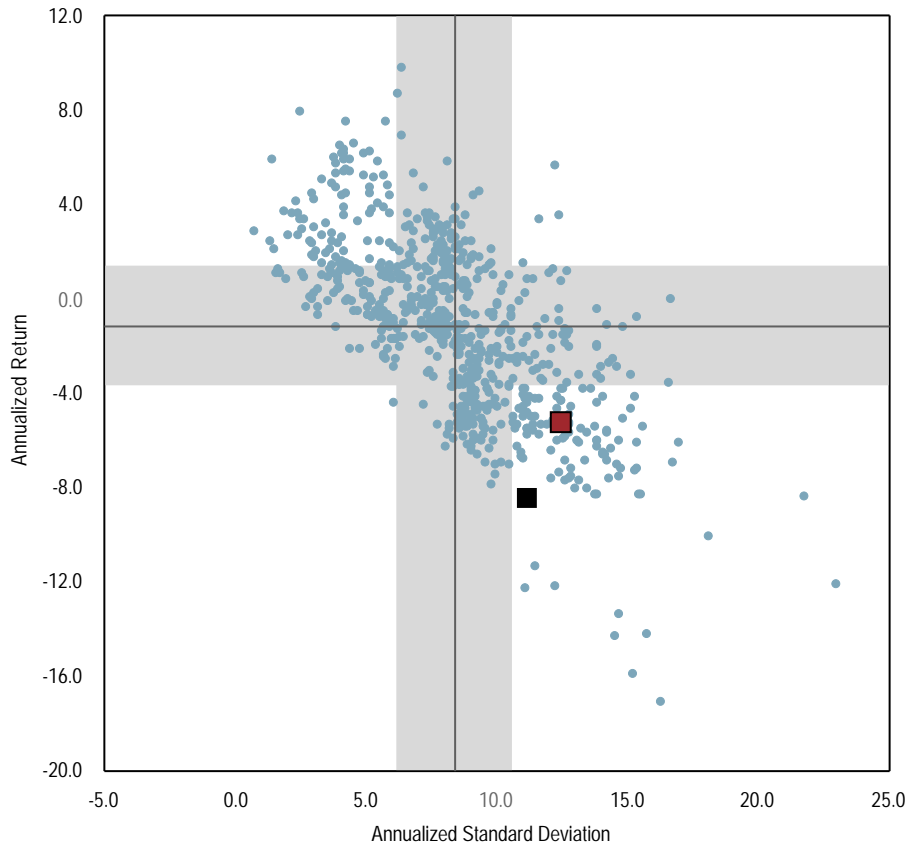
San Luis Obispo County Pension Trust
 Period Ending: March 31, 2024

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

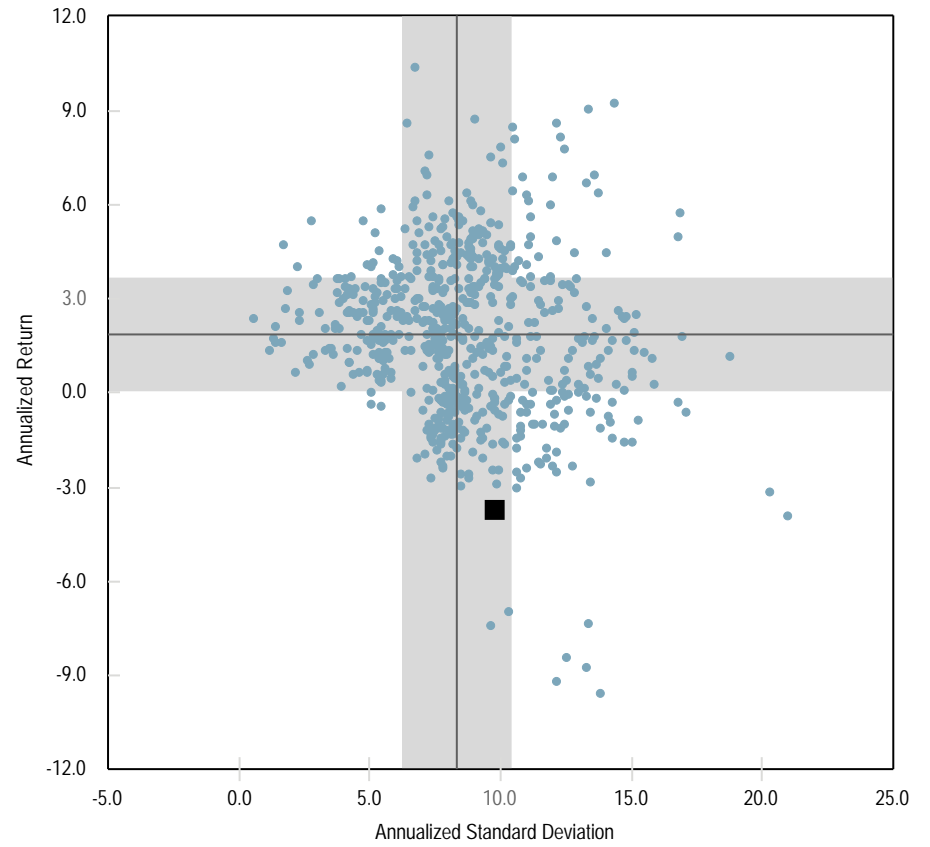


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Brandywine Global Fixed Income	4.62 (91)	-14.00 (58)	-4.38 (73)	-	-	-	-	-	-	-
▲ FTSE Non-U.S. World Government Bond	5.83 (83)	-22.07 (95)	-9.68 (98)	10.78 (31)	5.32 (86)	-1.82 (45)	10.33 (26)	1.81 (75)	-5.54 (78)	-2.68 (83)
5th Percentile	14.38	-1.62	5.59	18.49	15.39	1.90	18.07	13.69	1.82	8.22
1st Quartile	11.30	-8.88	2.18	11.51	12.45	-0.32	10.36	7.60	-0.20	4.11
Median	8.81	-12.76	-0.69	8.56	8.84	-2.15	7.51	4.38	-2.78	1.92
3rd Quartile	6.53	-16.55	-4.74	5.39	6.97	-4.47	5.51	1.66	-5.18	-0.62
95th Percentile	3.79	-22.29	-8.43	1.55	2.73	-9.34	2.62	-2.25	-11.53	-8.78
Population	584	609	619	619	608	611	592	585	571	541

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Brandywine Global Fixed Income	-5.19	12.40	-0.58
■ FTSE Non-U.S. World Government Bond	-8.39	11.15	-0.97

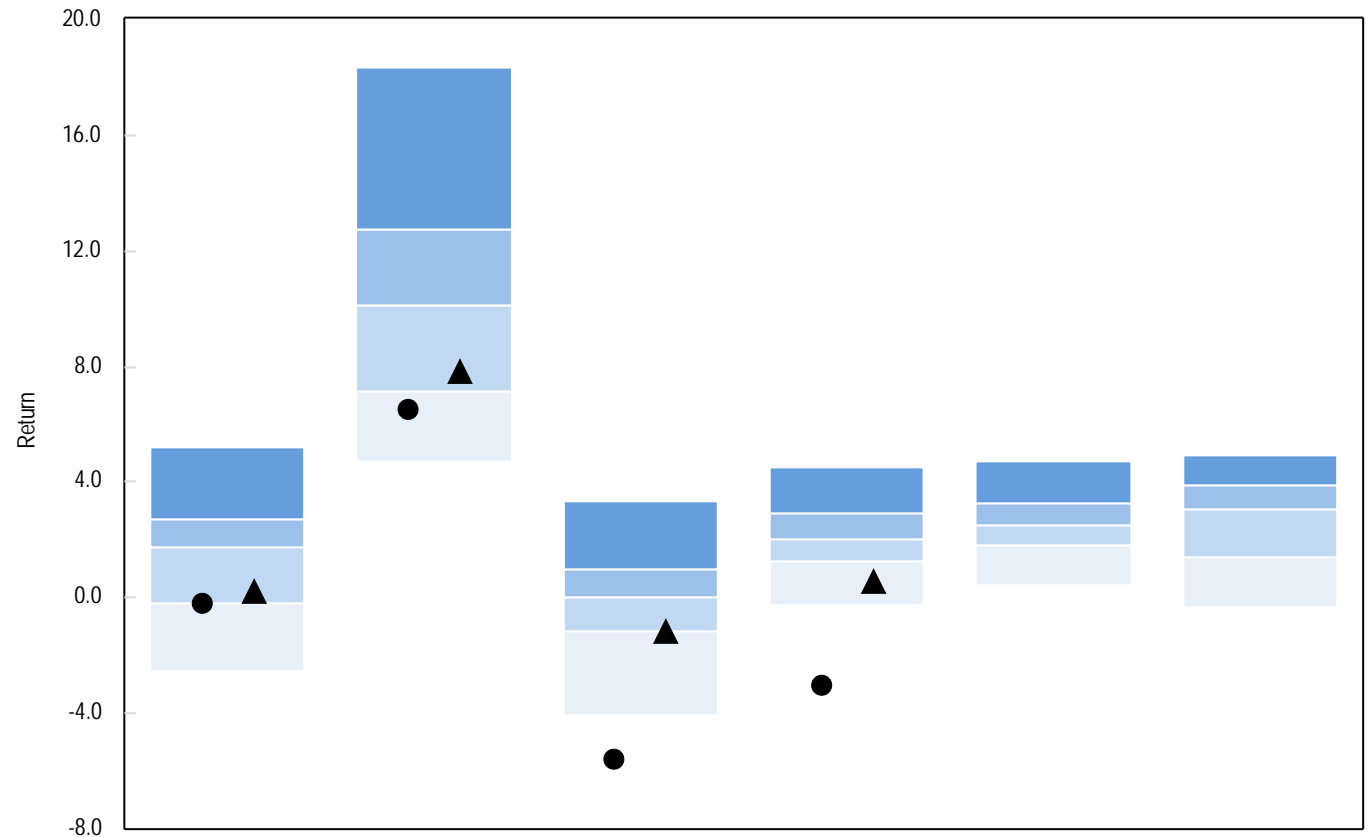
5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Brandywine Global Fixed Income	-	-	-
■ FTSE Non-U.S. World Government Bond	-3.73	9.74	-0.55

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

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

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

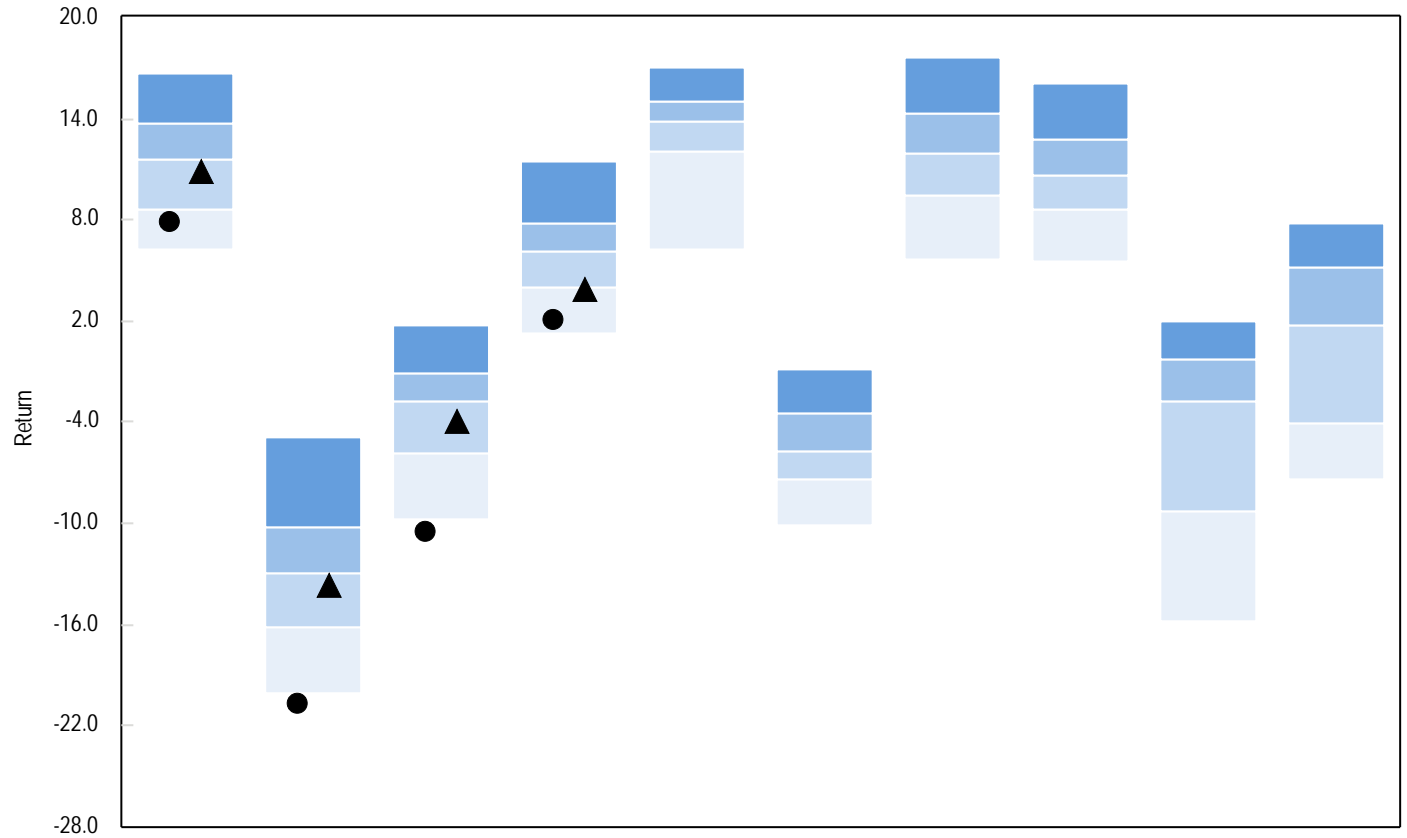


	Quarter	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
● Ashmore EM Blended Debt Fund	-0.16 (75)	6.50 (82)	-5.55 (98)	-3.03 (100)	-	-
▲ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	0.20 (71)	7.84 (69)	-1.13 (75)	0.54 (89)	-	-
5th Percentile	5.22	18.35	3.35	4.54	4.72	4.90
1st Quartile	2.74	12.72	0.96	2.91	3.26	3.89
Median	1.76	10.12	0.02	2.01	2.51	3.06
3rd Quartile	-0.22	7.11	-1.16	1.24	1.83	1.38
95th Percentile	-2.53	4.70	-4.05	-0.22	0.46	-0.32
Population	408	407	379	350	315	253

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

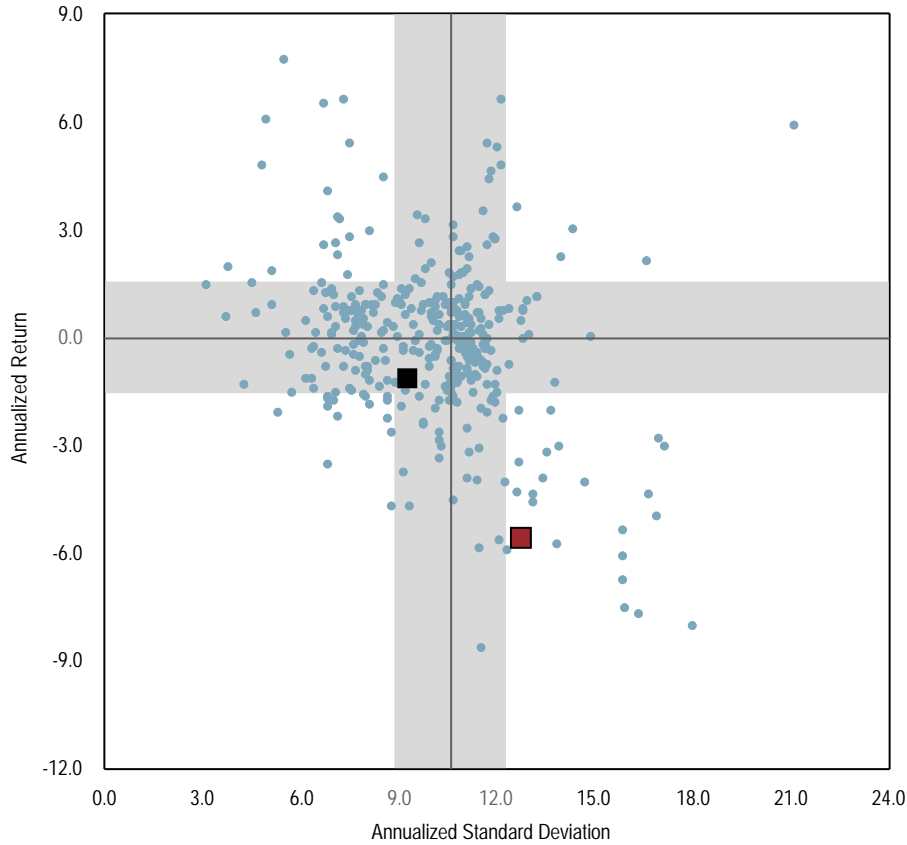
San Luis Obispo County Pension Trust
 Period Ending: March 31, 2024

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

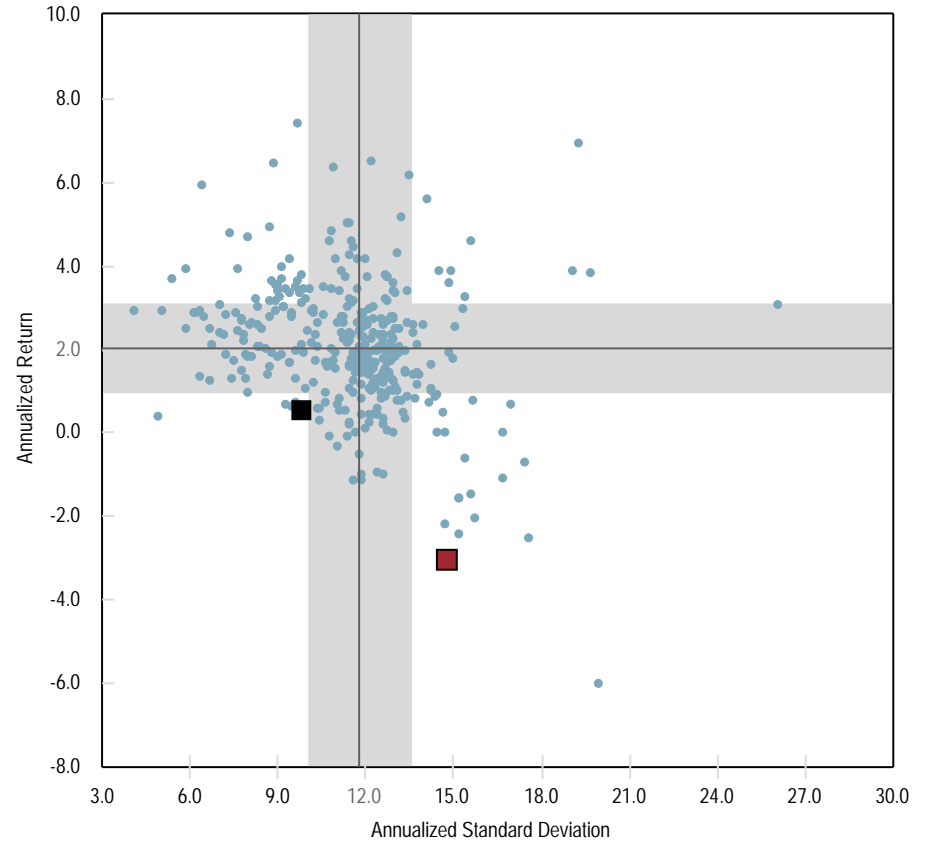


	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
● Ashmore EM Blended Debt Fund	7.93 (80)	-20.67 (97)	-10.40 (98)	2.13 (92)	-	-	-	-	-	-
▲ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	10.86 (60)	-13.63 (57)	-3.88 (62)	3.86 (77)	-	-	-	-	-	-
5th Percentile	16.71	-4.92	1.77	11.52	17.03	-0.89	17.65	16.11	2.03	7.83
1st Quartile	13.76	-10.22	-1.09	7.84	14.98	-3.41	14.26	12.76	-0.27	5.14
Median	11.61	-12.89	-2.73	6.17	13.80	-5.77	11.96	10.64	-2.76	1.69
3rd Quartile	8.67	-16.17	-5.86	3.94	12.03	-7.39	9.42	8.68	-9.22	-4.04
95th Percentile	6.25	-20.01	-9.72	1.22	6.25	-10.15	5.72	5.53	-15.83	-7.35
Population	335	333	348	348	341	328	314	299	281	266

3 Years



5 Years



3 Years

	Return	Standard Deviation	Sharpe Ratio
■ Ashmore EM Blended Debt Fund	-5.55	12.74	-0.59
■ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	-1.13	9.26	-0.36

5 Years

	Return	Standard Deviation	Sharpe Ratio
■ Ashmore EM Blended Debt Fund	-3.03	14.78	-0.27
■ 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMI+	0.54	9.82	-0.10

Total Real Assets
Asset Class Overview (Gross of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total Real Assets	230,260,662	100.0	-3.8	-13.1	1.8	2.3	6.0	-12.2	6.7	18.7	1.1	4.3
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>
JP Morgan Core Real Estate	126,970,293	55.1	-5.5	-16.5	0.0	1.0	5.0	-14.3	4.3	20.2	0.5	3.4
<i>NCREIF-ODCE</i>			<i>-2.4</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.8</i>	<i>-12.0</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>
ARA American Strategic Value Realty	73,287,315	31.8	-2.6	-10.5	3.5	4.2	-	-10.3	12.3	14.0	3.8	7.3
<i>NCREIF-ODCE</i>			<i>-2.4</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.8</i>	<i>-12.0</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>
Brookfield Infrastructure Fund	30,003,054	13.0	1.2	-	-	-	-	-	-	-	-	-
<i>Dow Jones Brookfield Global Infrastructure</i>			<i>-0.3</i>	<i>1.7</i>	<i>3.5</i>	<i>3.8</i>	<i>4.7</i>	<i>4.5</i>	<i>-6.6</i>	<i>19.9</i>	<i>-7.0</i>	<i>28.7</i>
HarbourVest Infrastructure	-	0.0										

ARA American Strategic Value Realty is lagged one quarter

Total Real Assets
Asset Class Overview (Net of Fees)

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

	Market Value	% of Portfolio	3 Mo	1 Yr	3 Yrs	5 Yrs	10 Yrs	2023	2022	2021	2020	2019
Total Real Assets	230,260,662	100.0	-3.8	-13.1	1.8	2.3	5.8	-12.2	6.7	18.7	1.1	4.3
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>
JP Morgan Core Real Estate	126,970,293	55.1	-5.5	-16.5	0.0	1.0	4.7	-14.3	4.3	20.2	0.5	3.4
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<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>
ARA American Strategic Value Realty	73,287,315	31.8	-2.6	-10.5	3.5	4.2	-	-10.3	12.3	14.0	3.8	7.3
<i>NCREIF-ODCE</i>			<i>-2.4</i>	<i>-11.3</i>	<i>3.4</i>	<i>3.5</i>	<i>6.8</i>	<i>-12.0</i>	<i>7.5</i>	<i>22.2</i>	<i>1.2</i>	<i>5.3</i>
<i>NCREIF Property Index</i>			<i>-1.0</i>	<i>-7.2</i>	<i>3.6</i>	<i>3.8</i>	<i>6.4</i>	<i>-7.9</i>	<i>5.5</i>	<i>17.7</i>	<i>1.6</i>	<i>6.4</i>
Brookfield Infrastructure Fund	30,003,054	13.0	1.2	-	-	-	-	-	-	-	-	-
<i>Dow Jones Brookfield Global Infrastructure</i>			<i>-0.3</i>	<i>1.7</i>	<i>3.5</i>	<i>3.8</i>	<i>4.7</i>	<i>4.5</i>	<i>-6.6</i>	<i>19.9</i>	<i>-7.0</i>	<i>28.7</i>
HarbourVest Infrastructure	-	0.0										

ARA American Strategic Value Realty is lagged one quarter

Total Fund Data Sources and Methodology

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

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 calculat

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	ARA American Strategic Value	6/22/2016	American Realty Adv.
Boston Partners Large Cap Value	1/31/2017	Boston Partners	Brookfield Infrastructure Fund	-	Brookfield
Atlanta Capital Management	8/31/2010	J.P. Morgan	Cash Account	-	SLOCPT
Dodge & Cox Intl Stock	12/6/2007	J.P. Morgan	Investment Cash	2011 ¹	J.P. Morgan
WCM International Growth	2/15/2017	WCM	HarbourVest Partners IX-Buyou	-	HarbourVest
Dodge & Cox Income	1/19/2017	J.P. Morgan	HarbourVest 2018 Global Fund L.P.	-	HarbourVest
Pacific Asset Corporate Loan	9/1/2014	J.P. Morgan	HarbourVest SLO Credit Fund	-	HarbourVest
SSGA U.S. Govt Bond Index	7/16/2021	SSGA	HarbourVest SLO Private Equity Fund	2010 ¹	HarbourVest
BlackRock TIPS	9/1/2021	BlackRock	KKR Mezzanine Partners	-	KKR
Brandywine Global Fixed	6/24/2020	J.P. Morgan	Sixth Street Partners DCP	2016 ¹	TPG
Ashmore EM Blended Debt Fund	3/31/2019	Ashmore	Pathway Private Equity Fund 9	2017 ¹	Pathway
PIMCO Short Duration Fund	7/14/2021	PIMCO	Pathway Private Equity Fund 10	3/25/2020	Pathway
			Sixth Street Partners TAO	4/16/2020	TPG

¹ Represents fund vintage year.

Policy & Custom Index Composition

Policy Index (1/1/2024-Current)	20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 4% Morningstar LTSA U.S. Leveraged Loan Index 12% NCREIF Property Index, 2% Dow Jones Brookfield Index, 12% Private Equity Benchmark, 10% Private Credit Benchmark, 8% Bloomberg U.S. Government Bond Index, 7% Bloomberg U.S. TIPS 5+ Year, 4% 90-day T-Bills, 4% Bloomberg U.S. Government/Credit 1-3 Year
Policy Index (1/1/2023-12/31/2023)	21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 8% Bloomberg U.S. Aggregate, 6% FTSE World Govt Bond Index, 5% Bloomberg US Treasury 7-10 yr, 4% Bloomberg US TIPS 5+ Year, 9% NCREIF Property Index, 10% Private Equity Benchmark, 8% Private Credit Benchmark, 6% 90 Day T-Bill, 6% ARA American Strategic Value Realty.
Policy Index (1/1/2022-12/31/2022)	21% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Bloomberg U.S. Aggregate, 7% FTSE World Govt Bond Index, 4% Bloomberg US Treasury 7-10 yr, 3% Bloomberg US TIPS 5+ Year, 11% NCREIF Property Index, 10% Private Equity Benchmark, 7% Private Credit Benchmark, 6% 90 Day T-Bill, 2% ARA American Strategic Value Realty.
Policy Index (1/1/2021-12/31/2021)	23% Russell 3000, 20% MSCI ACWI ex-US (Gross), 12% Bloomberg U.S. Aggregate, 11% FTSE World Govt Bond Index, 3% Bloomberg US Treasury 7-10 yr, 2% Bloomberg US TIPS, 15% NCREIF Property Index, 5% Private Equity Benchmark, 5% Private Credit Benchmark, 2% Bloomberg US Govt/Credit 1-3 yr, 2% 90 Day T-Bill.
Policy Index (10/1/2020-12/31/2020)	21% Russell 3000, 21% MSCI ACWI ex-US (Gross), 31% Bloomberg U.S. Aggregate, 17% NCREIF Property Index, 1% Russell 3000, 4 Private Equity Benchmark, 5% Private Credit Benchmark.
Policy Index (4/1/2020-9/30/2020)	21% Russell 3000, 21% MSCI ACWI ex-US (Gross), 31% Bloomberg U.S. Aggregate, 17% NCREIF Property Index, 5% Russell 3000+ 300 bps (lagged), 5% Bloomberg High Yield +2% (lagged).
Policy Index (1/1/2017-3/31/2020)	20% Russell 3000, 20% MSCI ACWI ex-US (Gross), 30% Bloomberg U.S. Aggregate, 15% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+ 300 bps (lagged), 5% Bloomberg High Yield +2% (lagged).
Policy Index (10/1/2016-12/31/2016)	20% Russell 3000, 20% MSCI ACWI ex-US (Gross), 30% Bloomberg U.S. Aggregate, 15% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+ 300 bps, 5% Bloomberg High Yield +2% (lagged).
Policy Index (7/1/2014-9/30/2016)	23% Russell 3000, 22% MSCI ACWI ex-US (Gross), 35% Bloomberg U.S. Aggregate, 10% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+ 300 bps.
Policy Index (7/1/2013-6/30/2014)	27% Russell 3000, 23% MSCI ACWI ex-US (Gross), 30% Bloomberg U.S. Aggregate, 10% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+ 300 bps.
Policy Index (4/1/2011-6/30/2013)	27% Russell 3000, 23% MSCI ACWI ex-US (Gross), 20% Bloomberg U.S. Aggregate, 5% Citi World Gov't Bond, 5% Barclays US TIPS, 10% NCREIF Property Index, 5% Bloomberg Commodity Index, 5% Russell 3000+ 300 bps.
Private Equity Index (1/1/2017-10/1/2020)	Russell 3000 +3% (Lagged)
Private Equity Index (6/1/2011-12/31/2016)	Russell 3000 +3%
Private Equity Benchmark and Private Credit Benchmarks are equal to the actual private equity and private credit returns, respectively.	
Custom Growth Benchmark (1/1/2021-Present)	30.8% Russell 3000, 25% MSCI ACWI Gross, 14.71% Private Equity Benchmark, 10.29% Private Credit Benchmark, 16.18% NCREIF Property Index, 2.94% ARA American Strategic Value Realty
Custom Risk Diversifying Benchmark (1/1/2021-Present)	46.15% Bloomberg U.S. Aggregate Index, 26.92% FTSE World Government Bond Index, 15.38% Bloomberg US Treasury: 7-10 Year, 11.54% Bloomberg US TIPS

Other Disclosures

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Board of Trustees

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Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 13: Monthly Investment Report for April 2024

	1-month	YTD	2023	2022	2021	2020	2019
Total Fund (%) (Gross)	(1.80)	1.6	8.9	(8.0)	15.2	8.9	16.3
Policy Index (%)*	(1.50)	1.6	10.2	(9.7)	12.8	10	16.4

	YTD	2023	2022	2021	2020	2019
Market Value (millions)	\$1,707	\$1,694	\$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.

SLOCPT Investment Returns:

The attached report from Verus provides an overview of the preliminary investment returns of the SLOCPT portfolio and offers market commentary through the end of April. It's important to note that the report does not include any activity or data from May.

Rising interest rates drove weakness across stocks and bonds in April, driving an unsurprising – though still unpleasant – pickup in market volatility. The increased potential for interest rates to stay high for longer and further weigh on economic growth drove weakness across nearly all asset classes. The S&P's upward climb came to an end in April reporting losses of 4.1%.

The Federal Open Market Committee (FOMC) meeting was held on May 1st. Officials decided to hold rates steady after the personal consumption expenditures (PCE) prices index rose 2.8% year

over year in March, unchanged from February. The consumer price index (CPI) rose an annualized 3.5% in March, which came in above expectations of 3.2%. This type of data will dim investor's hopes of an interest rate cut in the coming months.

As of May 14th, both equities and bonds returned to positive territory for the month reporting 3.7% and 1.7% respectively.

Capital Markets:

- **Investment Markets** – In April, all broad markets struggled with shaky consumer sentiment over “higher for longer” interest rates and geopolitical uncertainty.
 - US stocks S&P 500 (4.1%)
 - International stocks MSCI ACWI ex-US (1.7%)
 - Bonds Bloomberg US Aggregate bonds (2.5%)

The Economy:

- **Inflation** –
 - The consumer price index rose 0.4% in March, while the year-over-year prices increased to 3.5%, all reported in April. Both shelter and gas combined contributed to over half of the monthly increase in the index for all items included.
- **New Jobs, Unemployment, Wages** –
 - **New Jobs** - The latest jobs report from the Bureau of Labor Statistics (BLS) on non-farm employment reveals a notable gain of **175k** new jobs. Although this figure represents a decrease from January's numbers, it still signifies a substantial addition to the workforce. Job gains occurred in healthcare, in social assistance, and in transportation, and warehousing.
 - **Unemployment Rate - 3.9%** - same as February
 - **Labor Force Participation – 62.7%** increased from February
 - **Wage growth – 4.4%**
- **Monetary Policy** –
 - The Fed has another tightrope to walk as they continually assess incoming data when making policy decisions. Reducing policy restraint too soon or too much could result in a reversal of the progress they've made on inflation. Reducing policy restraint too late or too little could weaken economic activity. At the May FOMC meeting, the Fed announced that in June they “will begin slowing the pace of its balance sheet reductions by maintaining their monthly redemption cap on agency debt and mortgage-backed securities, while lowering their monthly redemption cap on Treasury securities.”

“What we’ve said is that we need to be more confident. It appears that it’s going to take longer for us to reach that point of confidence.” Jerome Powell, Fed Chair

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

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

APRIL 2024
Capital Markets Update

Market commentary

U.S. ECONOMICS

- According to the advance estimate, Q1 GDP came in far below expectations at a 1.6% annualized rate, when economists were expecting an increase of 2.4%. Consumer spending missed expectations of a 3% increase, coming in at just 2.5% over the period. PCE - a key inflation measure, came in at a 3.4% annualized pace, which was up from 1.8% in Q4 2023.
- Nonfarm payrolls added 175,000 jobs, well below the projected 240,000. Unemployment also ticked up from 3.8% to 3.9% while labor participation held constant at 62.7%. Jobs were primarily added in Health care (+58k), Social Assistance (+31k) and Transportation & Warehousing (+22k).
- The ISM Manufacturing Index came in at 49.2, dipping back into contractionary territory, following one month of expansion. Respondents cited softening demand, moderating output, and inputs willing to accommodate future demand growth. The Services PMI print came in at 49.4, contracting for the first time since December 2022 following lower business activity, new orders, and employment.

U.S. EQUITIES

- The S&P 500 fell -4.1% over the month. Stalling inflation and mixed economic and labor market data continue to create an uncertain environment. The S&P fell -1.6% on April 30th alone, driven in part by an expected reaffirmation of the *higher for longer* rate environment from Chairman Powell during his May 1st FOMC speech.
- Earnings season has outpaced expectations. With 92% of members reporting, the year over year blended earnings growth rate now sits at 5.4%, well above the March 31st estimate of 3.4%. Outlook for the next three quarters remains optimistic as analysts project year over year growth of 9.3%, 8.4% and 17.4% in Q2, Q3 and Q4, respectively.

U.S. FIXED INCOME

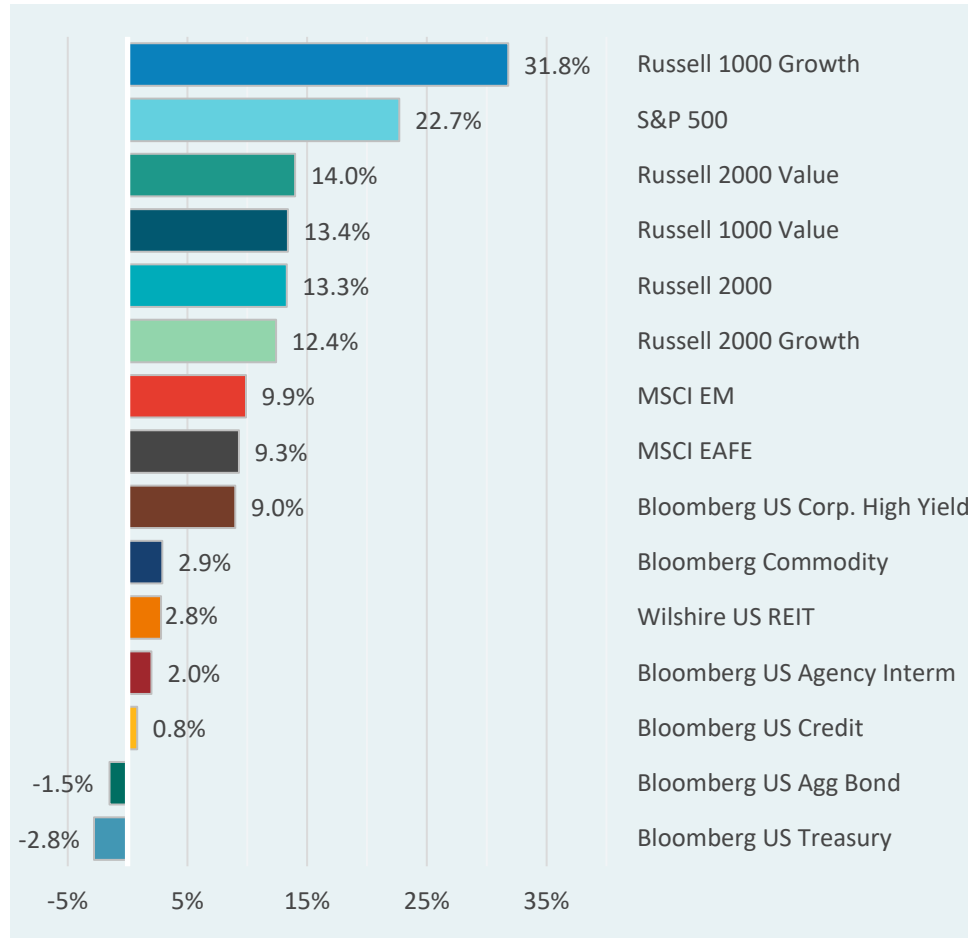
- Fixed Income struggled across all sectors with U.S. Treasury Bills (+0.4%) being one of the only sub asset class with positive performance. The prospect of higher rates continues to be a driving factor in the fixed income space.
- Yields pushed higher across the curve as investor rate cut expectations readjusted to the latest economic data. The 10-year Treasury yield rose to 4.69% from the March close of 4.20% and the expectation for the first rate cut was pushed out to late September with a probability of just over 50%. Some investors are more closely considering the possibility of no rate cuts for the rest of 2024.
- The month wrapped up with the April 30th to May 1st FOMC meeting. Commentary from even the most dovish Fed officials throughout the month and Chairman Powell's FOMC speech are aligned in the belief that inflation appears to have stalled and that they need to see it come down closer to the 2% target before they can consider a rate cut.

INTERNATIONAL MARKETS

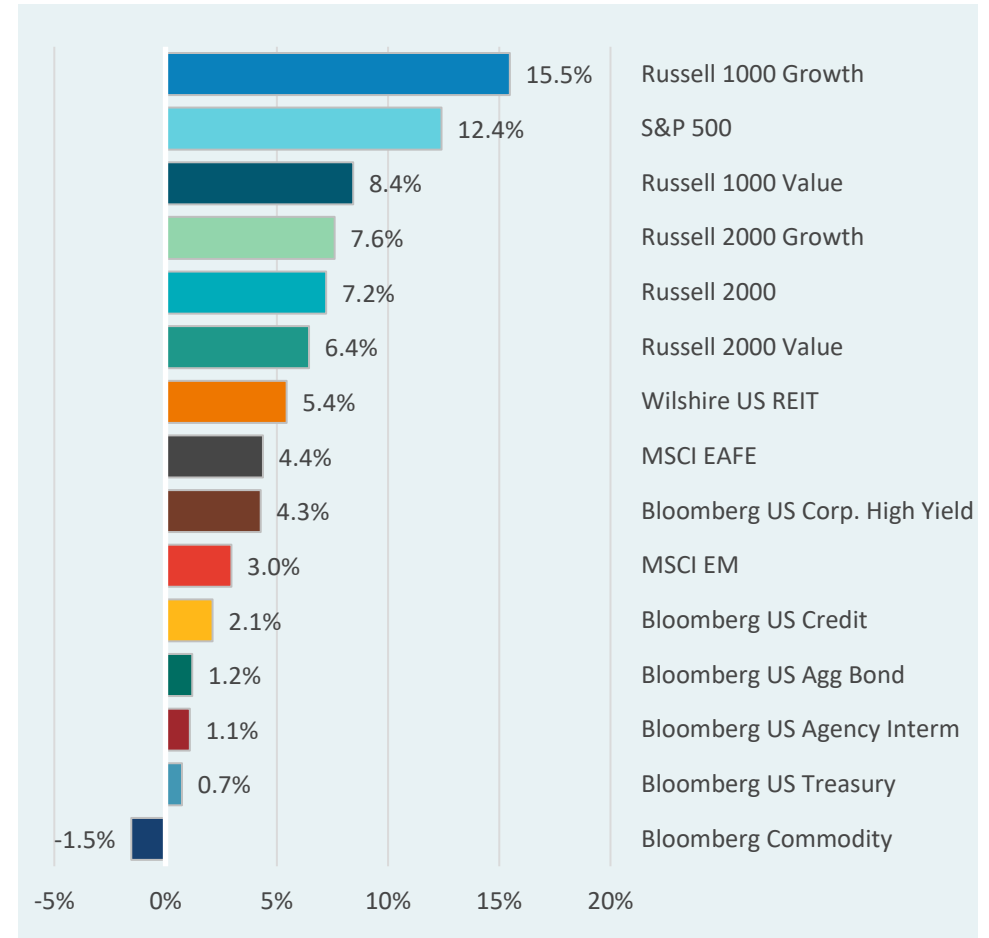
- European Central Bank (ECB) officials reiterated their plans to cut interest rates multiple times this year. The divergence between the ECB and U.S. Federal Reserve was not expected as investors initially thought there would be a global easing cycle. The Eurozone is facing a more difficult economic backdrop, and a rate cut could help boost economic activity.
- Japanese equities (MSCI Japan -4.9%) struggled throughout the month as the Japanese economy appears to show signs of fragility. Inflation remains above the 2% target and the yen, unexpectedly, continued to fall even after the Bank of Japan (BOJ) enacted its first interest rate hike since 2007. Investors are closely watching how the BOJ will respond in the coming months, especially with the possibility of more rate hikes.

Major asset class returns

ONE YEAR ENDING APRIL



TEN YEARS ENDING APRIL



*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 4/30/24

Source: Morningstar, as of 4/30/24

U.S. large cap equities

- The S&P 500 Index (-4.1%) pulled back from its first quarter gains, bringing year-to-date returns down to +6.0%. A combination of hot inflation and slower than expected GDP growth sparked investor fears that rate cuts would be pushed back further without the silver lining of strong economic growth.
- 10 out of 11 sectors declined in April, with Real Estate (-8.5%) and Information Technology (-5.4%) performing the worst, and Utilities (+1.6%) being the only positively performing sector. Real Estate especially struggled following the reinforcement of the *higher for longer* narrative.
- The Magnificent Seven saw some weakness in April, as these high-growth companies are especially sensitive to higher interest rates. Nvidia declined -4.4%, while Meta fell -11.4% after an earnings call that disappointed investors with a longer than expected path to profitability for their AI products.
- Although the VIX index closed at 14.7 at the end of April, it spiked to its highest level since October, peaking at 21.4. Further uncertainty around the Fed’s rate cut path, as well as big tech earnings, fueled higher levels of market volatility throughout the month

S&P 500 PRICE INDEX



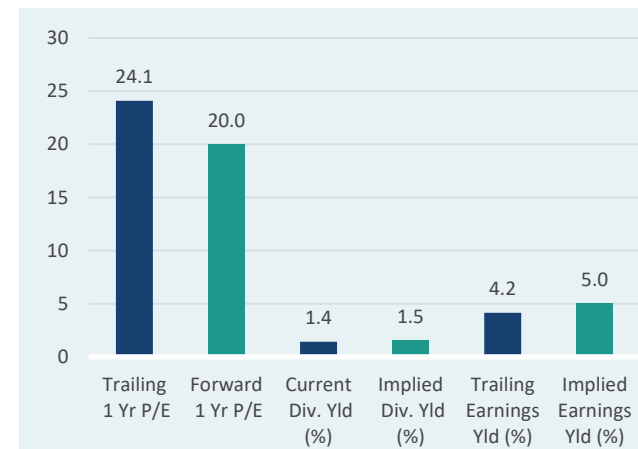
Source: Bloomberg, as of 4/30/24

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, as of 4/30/24

S&P 500 VALUATION SNAPSHOT

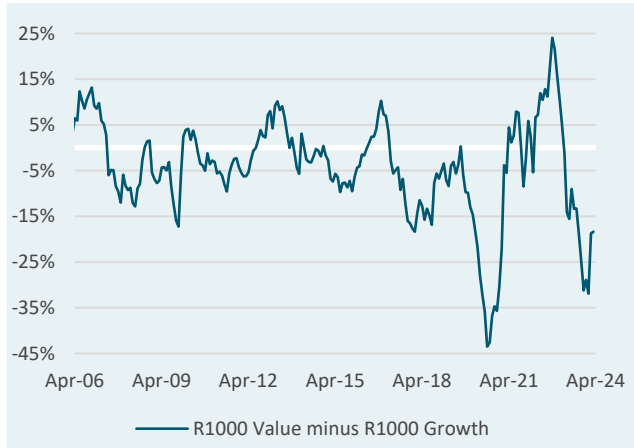


Source: Bloomberg, as of 4/30/24

Domestic equity size and style

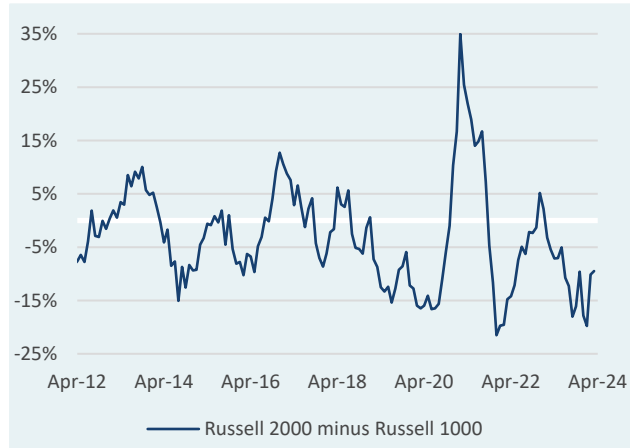
- Despite U.S. equity performing poorly across size and style types, small cap (Russell 2000 -7.0%) significantly lagged large cap (Russell 1000 -4.3%). The *higher for longer* interest rate narrative likely had a detrimental effect on small-cap companies that are more sensitive to interest rates.
- Style investing was largely neutral in April, with Growth (Russell 1000 Growth -4.2%) narrowly outperforming Value (Russell 1000 Value -4.3%). This brings rolling 1-year relative performance to +18.4% in favor of growth.
- Relative valuations remain high for large-cap growth. The Russell 1000 Growth Index is trading at 26x forward earnings, a 16.1% premium to the 10-year average. While large-cap value remains around historical average, small cap valuations have slipped. The Russell 2000 Index is trading at 21.7x forward earnings, a -8.4% discount to the 10-year average.
- Following risk-off movements in equities, small-cap growth was the worst performer of the major U.S. equity indices (Russell 2000 Growth - 7.7%).

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 4/30/24

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 4/30/24

1-YEAR SIZE & STYLE PERFORMANCE

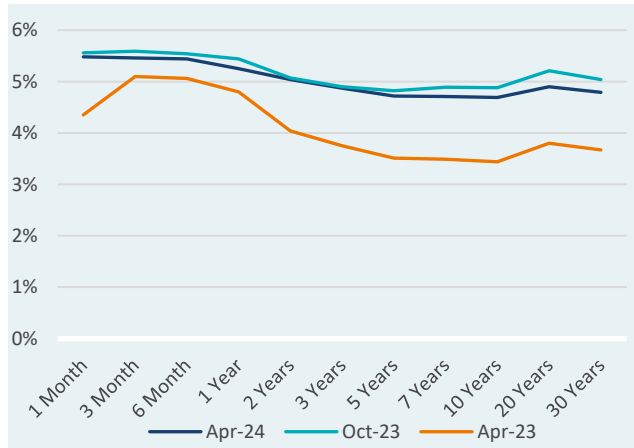
	Value	Core	Growth
Large Cap	13.4%	22.8%	31.8%
Mid Cap	14.1%	16.4%	20.7%
Small Cap	14.0%	13.3%	12.4%

Source: FTSE, Bloomberg, as of 4/30/24

Fixed income

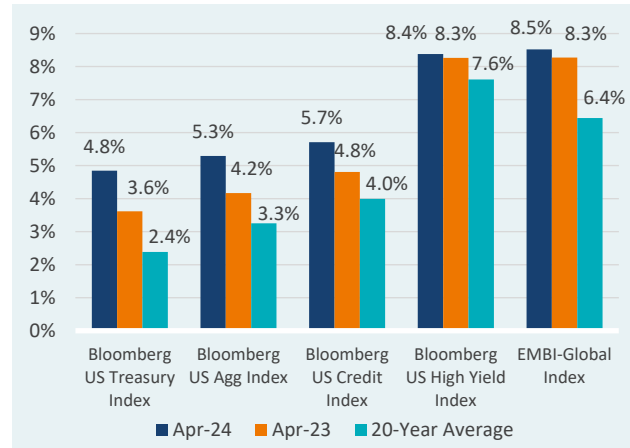
- U.S. bonds fell in April, with the Bloomberg U.S. Aggregate Index down -2.5%. Both short and long-dated treasury yields increased sharply following the hot March inflation print. This fueled expectations for a delay in interest rate cuts and brought into question if there will be any cuts in 2024.
- Given the 49 bps increase in 10-year yields, Long Treasuries (Bloomberg US Treasury Long -6.1%) were the worst performing index. These higher duration bonds are the most sensitive to changes in yields, which were also more pronounced on the long end of the yield curve.
- The yield curve moved sharply upward, with the 2-year yield increasing 45 bps to 5.04%, and the 10-year yield increasing 49 bps to 4.69%. The 10/2 yield curve inversion shrunk from -39 bps to -35 bps.
- Spreads were mostly unchanged in April and remained tight. High yield spreads increased +3 bps to 3.18%, while Bank Loan Spreads increased +2 bps to 4.65%. The Credit Suisse Leveraged Loan Index was the best performing fixed income index, returning +0.7% as Bank Loans continue to benefit from the high yield environment.

U.S. TREASURY YIELD CURVE



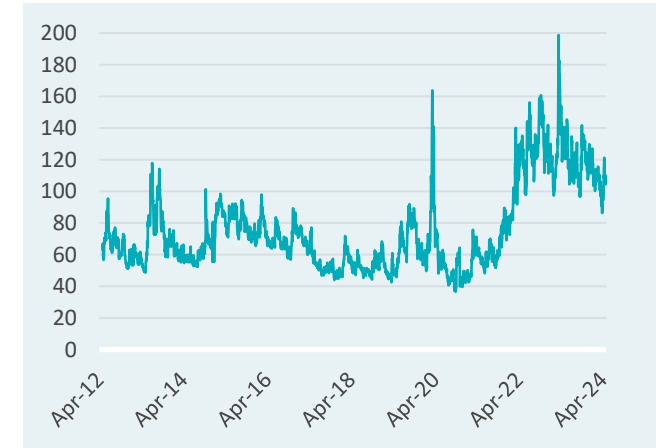
Source: Bloomberg, as of 4/30/24

NOMINAL YIELDS



Source: Morningstar, as of 4/30/24

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

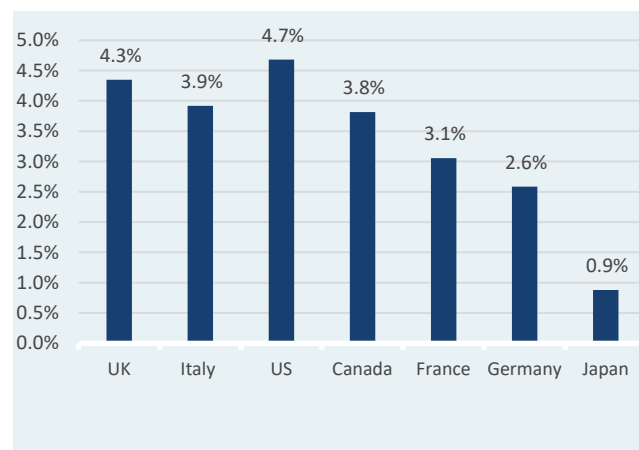


Source: Bloomberg, as of 4/30/24

Global markets

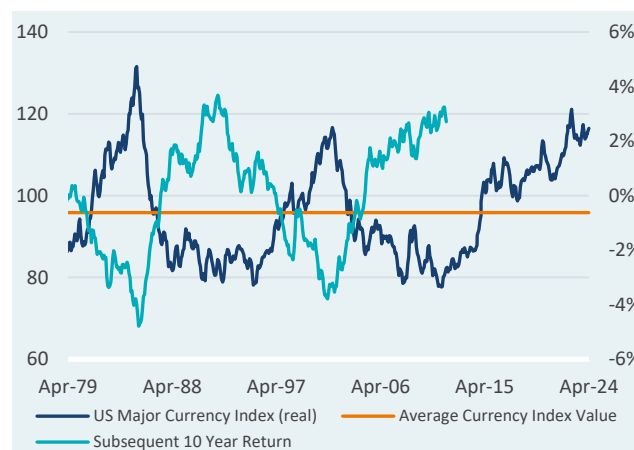
- International equities outperformed U.S. equities by a healthy 2.3% margin (MSCI ACWI ex US -1.8%). ACWI ex U.S. constituents posted mixed results. Among the worst performers were Japanese equities (MSCI Japan -4.9%) while the MSCI China index rose +6.6%.
- Emerging markets were one of the few broad asset classes to rise in April. The MSCI EM index (+0.4%) strongly outperformed its developed counterparts, outperforming the MSCI ACWI by 3.7%. China, which holds a nearly 27% weight in the index, performed well and India added on with its +2.4% performance and 18% weight in the index.
- Chinese equities rallied on a strong Q1 GDP print and expectations that the Chinese government would continue to provide support aimed at bolstering economic growth. The property sector remains an area of concern, but the Chinese government stated it is committed to addressing the property crisis and even hinted at possible rate cuts.
- The Japanese yen continued its fall against the dollar. Although the Japanese government did not confirm, investors speculate that the government intervened as the yen spiked back to 155 soon after breaking 160 for the first time in over 30 years.

GLOBAL SOVEREIGN 10-YEAR YIELDS



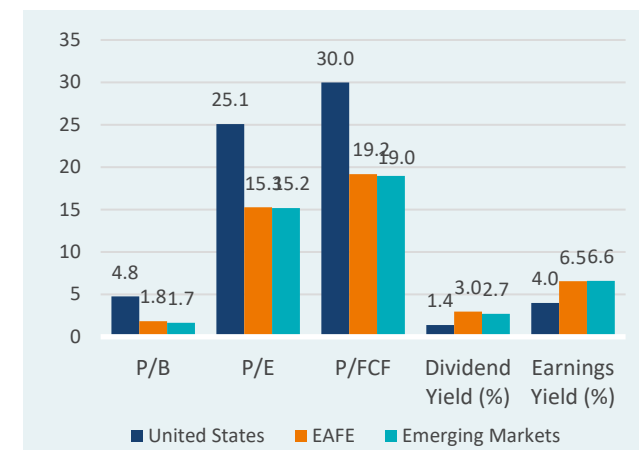
Source: Bloomberg, as of 4/30/24

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 4/30/24

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 4/30/24

Commodities

- Momentum in commodities continued through April with the Bloomberg Commodity index rising +2.7%. Individual sectors posted mixed results, but strength in precious and industrial metals outweighed losses in softs, agriculture and livestock - the top three laggards for the month.
- Energy commodities were generally flat to slightly negative, but a +12.9% gain in natural gas helped keep the Bloomberg Energy sub index in positive territory (+0.4%). WTI crude (-1.5%) fell month over month for the first time this year on rising U.S. inventories while natural gas was driven higher amid slowing production, and increased liquid natural gas exports.
- The Bloomberg Industrial Metals sub index rose +13.9% and was the top performing sector. Zinc (+21.7%) led the pack while nickel (+15.1%), copper (+13.9%) and aluminum (+11.2%) also experienced notable gains. Increased economic activity in China's manufacturing sector and tight raw material supply contributed to price increases.
- The Bloomberg Softs sub-index fell -1.7% on double-digit declines in sugar (-12.5%) and cotton (-14.7%). Coffee prices were the sole bright spot having climbed 16.8% over the month. Sugar prices faced downward pressure from an anticipated surplus for the 2024/2025 season after Brazil, a top producer, saw improved rain forecasts.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	2.7	2.7	4.9	2.9	7.2	7.0	(1.5)
Bloomberg Agriculture	(1.0)	(1.0)	(3.9)	(6.7)	3.3	11.2	(2.0)
Bloomberg Energy	0.4	0.4	5.2	1.9	10.8	(2.0)	(9.5)
Bloomberg Grains	0.5	0.5	(7.5)	(11.8)	(2.9)	8.4	(4.2)
Bloomberg Industrial Metals	13.9	13.9	13.1	8.7	3.8	8.3	3.5
Bloomberg Livestock	(0.8)	(0.8)	10.1	10.9	5.0	(2.4)	(3.4)
Bloomberg Petroleum	(0.2)	(0.2)	16.5	24.2	28.1	10.3	(2.5)
Bloomberg Precious Metals	4.1	4.1	10.9	12.5	6.8	11.1	4.3
Bloomberg Softs	(1.7)	(1.7)	7.8	3.9	17.0	14.3	(0.8)

Source: Morningstar, as of 4/30/24

COMMODITY PERFORMANCE



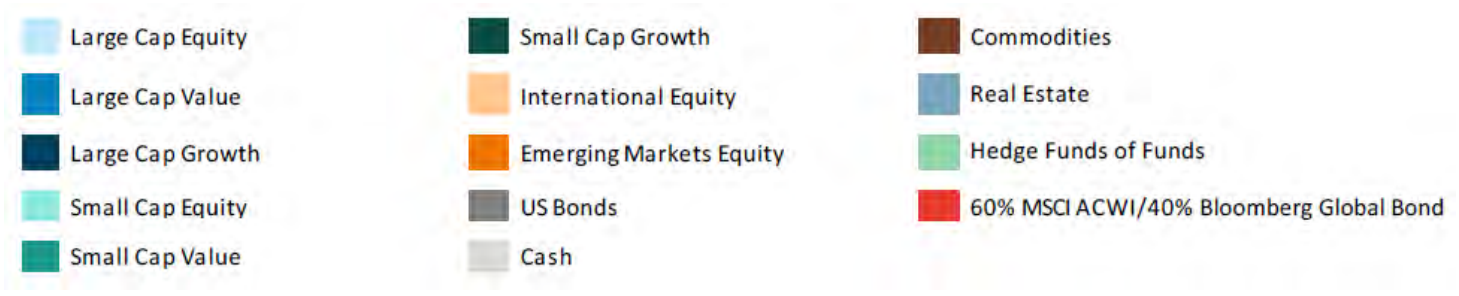
Source: Bloomberg, as of 4/30/24

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	6.7	16.5	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	5.6	12.9	12.1
Commodities	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	4.9	8.6	8.4
Large Cap Value	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	4.3	6.0	7.6
Hedge Funds of Funds	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	4.0	5.8	7.2
International Equity	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	3.1	5.0	6.4
Emerging Markets Equity	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	2.8	7.0	6.4
Cash	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	1.7	6.2	4.9
60/40 Global Portfolio	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	0.9	5.2	4.4
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	-0.7	4.8	3.6
Real Estate	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	-1.0	3.8	3.0
Small Cap Equity	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	-2.2	2.0	1.4
US Bonds	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	-3.3	1.9	1.2
Small Cap Value	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	-3.7	-0.2	-1.5

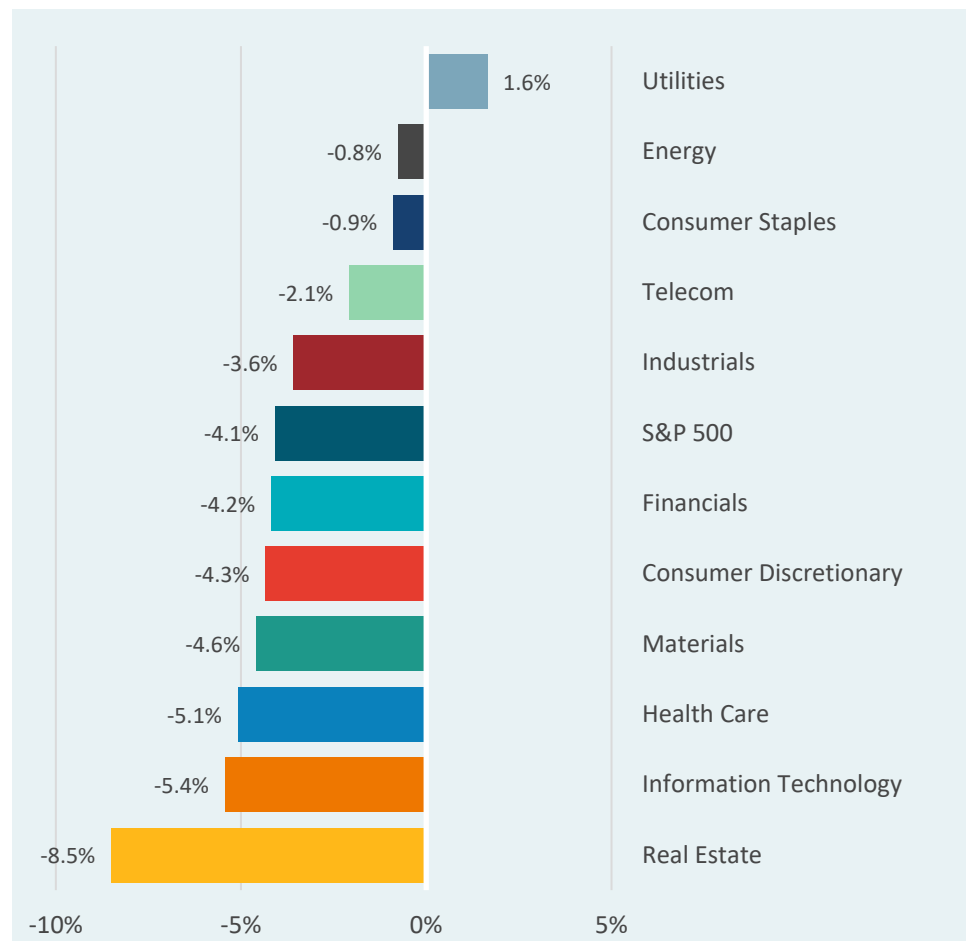
BEST
↑
↓
WORST



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 3/31/24.

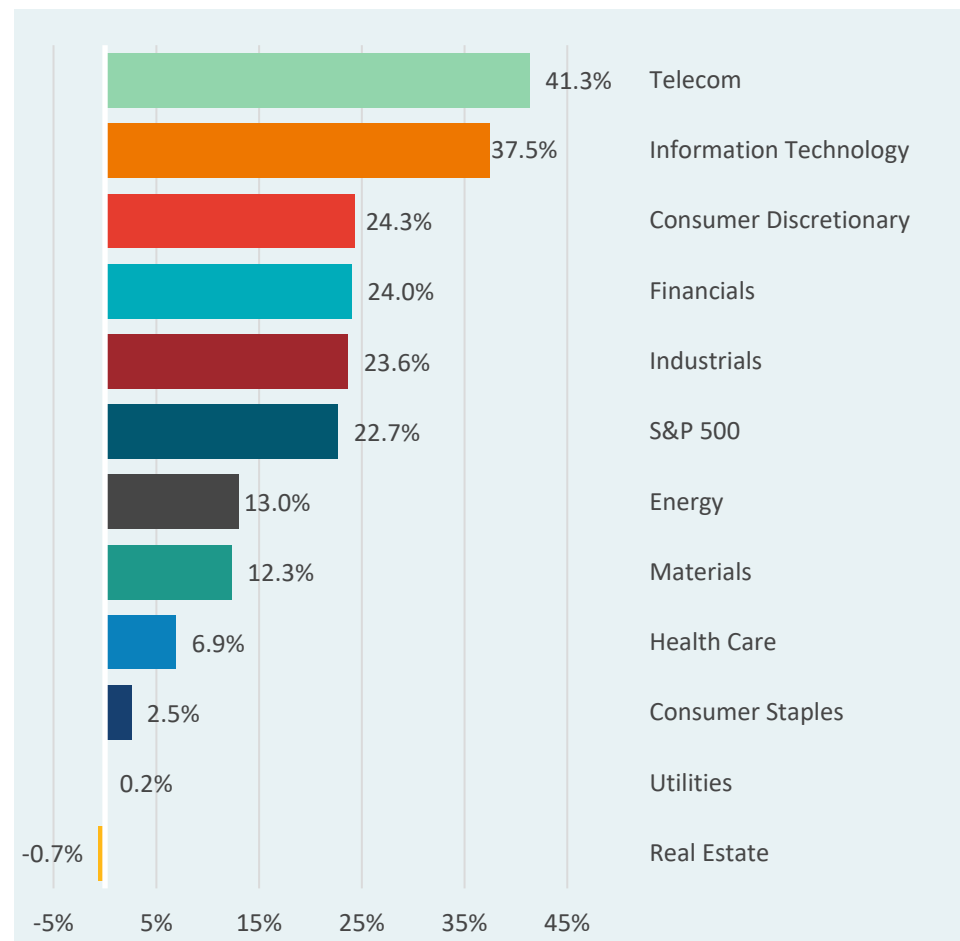
S&P 500 sector returns

QTD



Source: Morningstar, as of 4/30/24

ONE YEAR ENDING APRIL



Source: Morningstar, as of 4/30/24

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	(4.1)	(4.1)	6.0	22.7	8.1	13.2	12.4
S&P 500 Equal Weighted	(4.9)	(4.9)	2.7	13.2	4.7	10.5	10.3
DJ Industrial Average	(4.9)	(4.9)	0.9	13.3	5.9	9.6	11.1
Russell Top 200	(3.9)	(3.9)	6.5	25.0	8.6	14.2	13.1
Russell 1000	(4.3)	(4.3)	5.6	22.8	7.0	12.9	12.1
Russell 2000	(7.0)	(7.0)	(2.2)	13.3	(3.2)	5.8	7.2
Russell 3000	(4.4)	(4.4)	5.2	22.3	6.3	12.4	11.8
Russell Mid Cap	(5.4)	(5.4)	2.7	16.4	2.4	9.1	9.4
Style Index							
Russell 1000 Growth	(4.2)	(4.2)	6.7	31.8	8.5	16.5	15.5
Russell 1000 Value	(4.3)	(4.3)	4.3	13.4	5.2	8.6	8.4
Russell 2000 Growth	(7.7)	(7.7)	(0.7)	12.4	(5.9)	5.0	7.6
Russell 2000 Value	(6.4)	(6.4)	0.9	14.0	(0.7)	6.0	6.4

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	(3.3)	(3.3)	4.6	17.5	4.3	9.4	8.2
MSCI ACWI ex US	(1.8)	(1.8)	2.8	9.3	0.3	5.0	3.9
MSCI EAFE	(2.6)	(2.6)	3.1	9.3	2.9	6.2	4.4
MSCI EM	0.4	0.4	2.8	9.9	(5.7)	1.9	3.0
MSCI EAFE Small Cap	(3.0)	(3.0)	(0.6)	5.1	(3.6)	3.7	4.5
Style Index							
MSCI EAFE Growth	(4.0)	(4.0)	2.8	6.2	(0.0)	6.3	5.4
MSCI EAFE Value	(1.0)	(1.0)	3.4	12.5	5.6	5.7	3.2
Regional Index							
MSCI UK	1.9	1.9	5.1	7.3	6.8	5.1	2.6
MSCI Japan	(4.9)	(4.9)	5.6	19.2	2.5	6.4	6.4
MSCI Euro	(3.2)	(3.2)	4.9	10.1	4.2	7.2	4.2
MSCI EM Asia	0.9	0.9	4.3	9.8	(7.0)	2.6	4.6
MSCI EM Latin American	(3.5)	(3.5)	(7.3)	15.2	7.8	2.9	1.0

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(1.7)	(1.7)	(1.8)	(1.3)	(1.6)	2.1	1.9
Bloomberg US Treasury Bills	0.4	0.4	1.7	5.3	2.7	2.1	1.4
Bloomberg US Agg Bond	(2.5)	(2.5)	(3.3)	(1.5)	(3.5)	(0.2)	1.2
Bloomberg US Universal	(2.3)	(2.3)	(2.8)	(0.3)	(3.2)	0.2	1.5
Duration							
Bloomberg US Treasury 1-3 Yr	(0.4)	(0.4)	(0.1)	2.3	(0.1)	1.0	1.0
Bloomberg US Treasury Long	(6.1)	(6.1)	(9.2)	(12.3)	(10.6)	(3.6)	0.4
Bloomberg US Treasury	(2.3)	(2.3)	(3.3)	(2.8)	(3.7)	(0.5)	0.7
Issuer							
Bloomberg US MBS	(3.0)	(3.0)	(4.0)	(2.2)	(4.0)	(1.0)	0.7
Bloomberg US Corp. High Yield	(0.9)	(0.9)	0.5	9.0	1.5	3.7	4.3
Bloomberg US Agency Interm	(0.7)	(0.7)	(0.5)	2.0	(1.0)	0.6	1.1
Bloomberg US Credit	(2.5)	(2.5)	(2.9)	0.8	(3.0)	0.8	2.1

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	2.7	2.7	4.9	2.9	7.2	7.0	(1.5)
Wilshire US REIT	(7.8)	(7.8)	(7.8)	2.8	(0.9)	2.8	5.4
CS Leveraged Loans	0.7	0.7	3.2	12.1	5.9	5.1	4.6
S&P Global Infrastructure	(0.5)	(0.5)	0.8	0.9	4.1	4.5	4.9
Alerian MLP	(1.3)	(1.3)	13.2	33.2	25.6	10.4	2.3
Regional Index							
JPM EMBI Global Div	(2.1)	(2.1)	(0.1)	8.4	(2.8)	0.2	2.7
JPM GBI-EM Global Div	(2.1)	(2.1)	(4.2)	1.8	(3.0)	(0.3)	(0.6)
Hedge Funds							
HFRI Composite	(0.6)	(0.6)	4.3	11.2	3.3	6.6	4.9
HFRI FOF Composite	0.1	0.1	4.0	9.2	2.1	4.8	3.6
Currency (Spot)							
Euro	(1.0)	(1.0)	(3.2)	(3.2)	(3.9)	(0.9)	(2.6)
Pound Sterling	(0.9)	(0.9)	(1.8)	(0.4)	(3.3)	(0.8)	(3.0)
Yen	(3.8)	(3.8)	(10.4)	(13.5)	(11.4)	(6.7)	(4.2)

Source: Morningstar, HFRI, as of 4/30/24

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

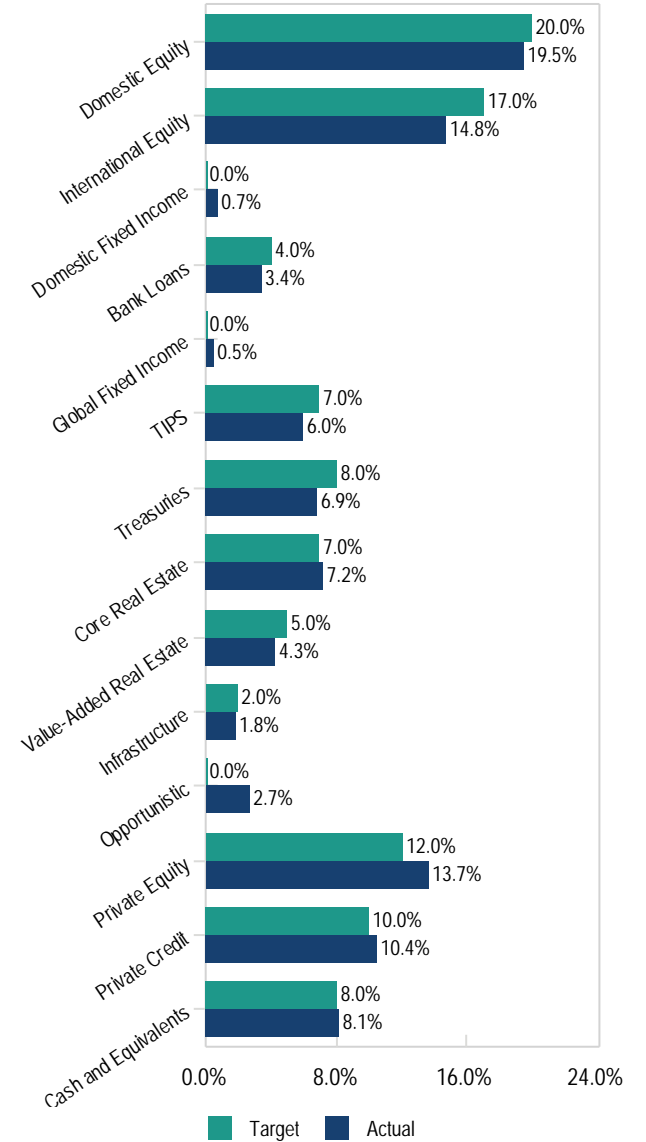
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Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: April 30, 2024

	Market Value	% of Portfolio	1 Mo	YTD
Total Fund	1,707,419,309	100.0	-1.8	1.6
<i>Interim Policy Index</i>			<i>-1.5</i>	<i>1.6</i>
<i>FFP SAA Index</i>			<i>-1.4</i>	<i>1.5</i>
Total Growth	1,223,716,233	71.7	-2.1	2.4
<i>Custom Growth Benchmark</i>			<i>-1.7</i>	<i>2.8</i>
Total Public Equity	585,702,711	34.3	-4.8	4.6
<i>Public Equity Benchmark</i>			<i>-3.2</i>	<i>4.2</i>
Total Domestic Equity	333,546,542	19.5	-5.8	5.2
<i>Russell 3000 Index</i>			<i>-4.4</i>	<i>5.2</i>
PIMCO RAE US	89,362,751	5.2	-7.2	4.4
<i>S&P 500 Index</i>			<i>-4.1</i>	<i>6.0</i>
Loomis Sayles Large Cap Growth	83,406,020	4.9	-5.6	6.2
<i>Russell 1000 Growth Index</i>			<i>-4.2</i>	<i>6.7</i>
Boston Partners Large Cap Value	76,524,390	4.5	-3.9	7.4
<i>Russell 1000 Value Index</i>			<i>-4.3</i>	<i>4.3</i>
Atlanta Capital Mgmt	84,253,381	4.9	-6.0	3.1
<i>Russell 2500 Index</i>			<i>-6.7</i>	<i>-0.2</i>
Total International Equity	252,156,169	14.8	-3.5	3.9
<i>MSCI AC World ex USA Index</i>			<i>-1.7</i>	<i>3.0</i>
Dodge & Cox Intl Stock	125,166,148	7.3	-1.3	2.0
<i>MSCI AC World ex USA Value</i>			<i>-0.6</i>	<i>2.9</i>
WCM International Growth	126,990,021	7.4	-5.6	5.8
<i>MSCI AC World ex USA Growth</i>			<i>-2.7</i>	<i>3.1</i>
Total Private Equity	233,115,857	13.7	0.8	3.0
Harbourvest Partners IX Buyout Fund L.P.	10,235,531	0.6	0.0	0.7
Pathway Private Equity Fund Investors 9 L.P.	83,724,227	4.9	1.8	4.3
Harbourvest 2018 Global Fund L.P.	20,317,757	1.2	0.0	1.6
Harbourvest SLO Fund Private Equity	99,784,610	5.8	0.0	2.7
Pathway Private Equity Fund Investors 10 L.P.	19,053,733	1.1	1.6	2.4
Total Private Credit	178,078,068	10.4	0.0	1.9
Sixth Street Partners DCP	90,572,021	5.3	0.0	1.1
Harbourvest SLO Credit Fund	87,506,047	5.1	0.0	2.8

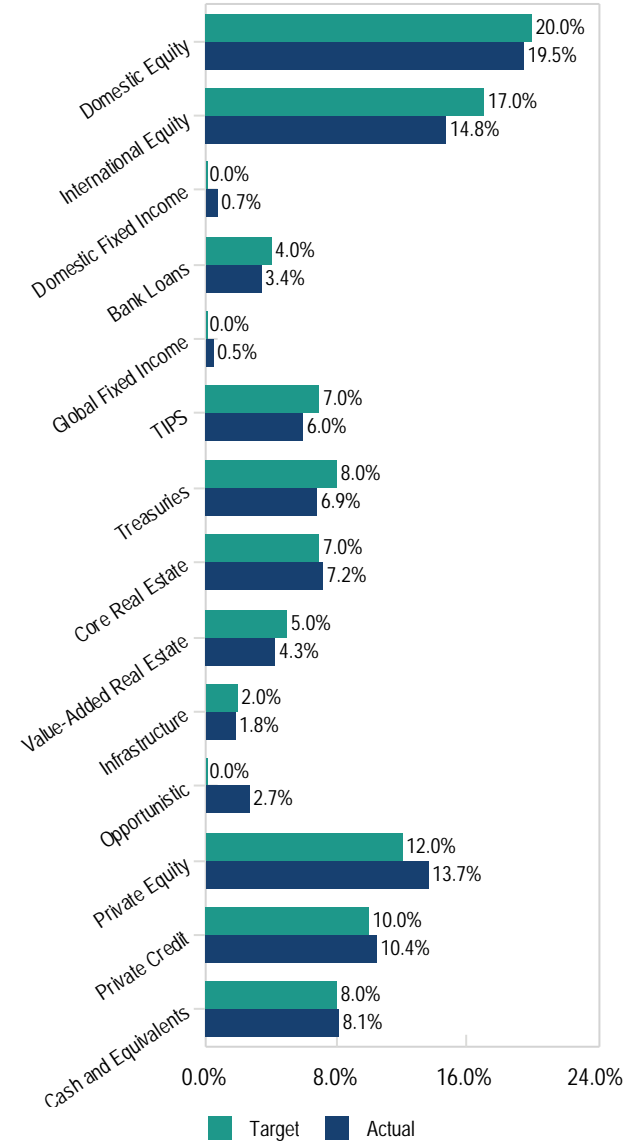


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 4% Morningstar LTSA U.S. Leveraged Loan Index, 8% Bloomberg U.S. Gov't Bond Index, 7% Bloomberg US TIPS 5+ Year, 12% NCREIF Property Index, 2% Dow Jones Brookfield Index, 12% Private Equity Return, 10% Private Credit Return, 4% 90-day T-Bills, 4% Bloomberg U.S. Gov't/Credit 1-3 Yr. HarbourVest Funds, KKR Mezzanine Partners, and Sixth Street Funds as of 12/31/2023. ARA Strategic Value Realty and Brookfield Infrastructure Fund as of 3/31/24. All data is preliminary. Agenda Item 13

Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: April 30, 2024

	Market Value	% of Portfolio	1 Mo	YTD
Total Real Assets	226,819,597	13.3	0.8	-3.0
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-1.0</i>
JP Morgan Core Real Estate	122,584,938	7.2	0.4	-5.1
<i>NCREIF-ODCE</i>			<i>0.0</i>	<i>-2.4</i>
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-1.0</i>
ARA American Strategic Value Realty	73,287,315	4.3	0.0	-2.6
<i>NCREIF-ODCE</i>			<i>0.0</i>	<i>-2.4</i>
<i>NCREIF Property Index</i>			<i>0.0</i>	<i>-1.0</i>
Brookfield Infrastructure Fund	30,947,344	1.8	4.6	5.9
<i>Dow Jones Brookfield Global Infrastructure</i>			<i>-2.8</i>	<i>-3.1</i>
HarbourVest Infrastructure		0.0		
Total Risk Diversifying	299,245,107	17.5	-1.6	-1.7
<i>Total Risk Diversifying Benchmark</i>			<i>-2.5</i>	<i>-3.8</i>
Total Domestic Fixed Income	291,098,611	17.0	-1.5	-1.2
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.5</i>	<i>-3.3</i>
Dodge & Cox Income Fund	12,689,874	0.7	-2.4	-2.6
<i>Blmbg. U.S. Aggregate Index</i>			<i>-2.5</i>	<i>-3.3</i>
Pacific Asset Corporate Loan	58,870,926	3.4	0.6	3.5
<i>Morningstar LSTA U.S. Leveraged Loan</i>			<i>0.7</i>	<i>3.1</i>
SSGA U.S. Govt Bond Index	117,207,116	6.9	-2.2	-3.1
<i>Blmbg. U.S. Government Index</i>			<i>-2.3</i>	<i>-3.2</i>
BlackRock TIPS	102,330,696	6.0	-1.6	-1.6
<i>Blmbg. U.S. TIPS Index</i>			<i>-1.7</i>	<i>-1.8</i>
Total Global Fixed	8,146,496	0.5	-2.7	-5.0
<i>FTSE World Government Bond Index</i>			<i>-2.6</i>	<i>-5.0</i>
Brandywine Global Fixed Income	8,146,496	0.5	-3.8	-8.6
<i>FTSE Non-U.S. World Government Bond</i>			<i>-2.9</i>	<i>-6.2</i>

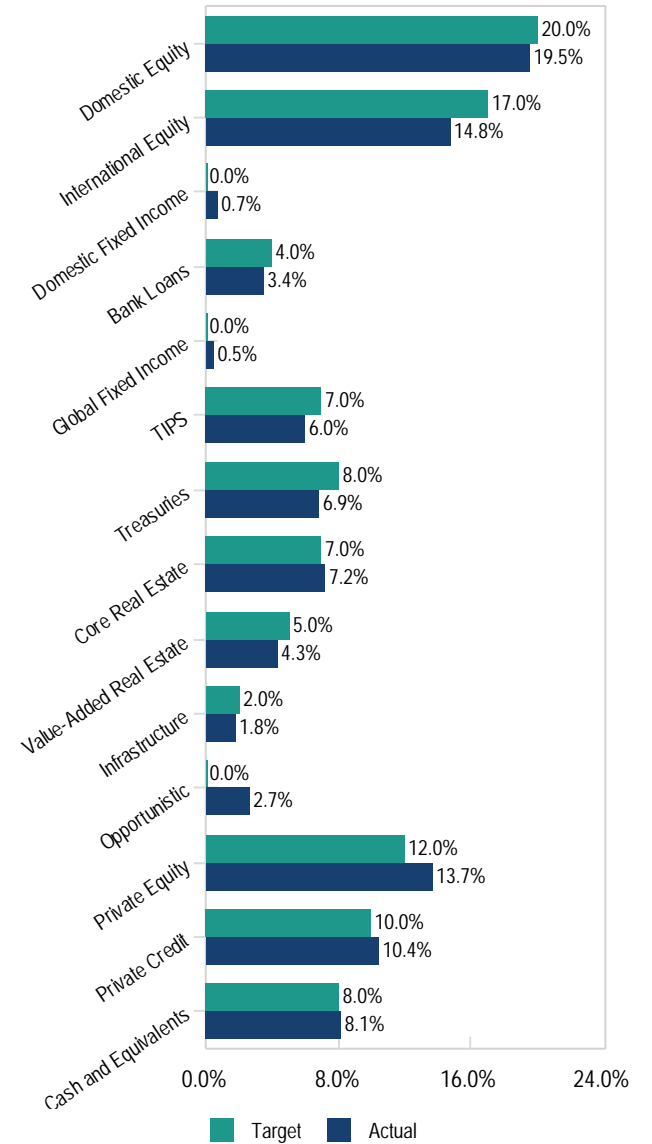


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 4% Morningstar LTSA U.S. Leveraged Loan Index, 8% Bloomberg U.S. Gov't Bond Index, 7% Bloomberg US TIPS 5+ Year, 12% NCREIF Property Index, 2% Dow Jones Brookfield Index, 12% Private Equity Return, 10% Private Credit Return, 4% 90-day T-Bills, 4% Bloomberg U.S. Gov't/Credit 1-3 Yr. HarbourVest Funds, KKR Mezzanine Partners, and Sixth Street Funds as of 12/31/2023. ARA Strategic Value Realty and Brookfield Infrastructure Fund as of 3/31/24. All data is preliminary.

Total Fund
Executive Summary - Preliminary (Gross of Fees)

San Luis Obispo County Pension Trust
Period Ending: April 30, 2024

	Market Value	% of Portfolio	1 Mo	YTD
Total Liquidity	138,635,281	8.1	0.3	1.1
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>1.7</i>
Total Cash	138,635,281	8.1	0.3	1.1
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>1.7</i>
PIMCO Short Duration Fund	34,798,015	2.0	-0.4	0.3
<i>Bloomberg U.S. Gov/Credit 1-3 Year Index</i>			<i>-0.3</i>	<i>0.1</i>
Cash Account	35,676,018	2.1	0.8	1.6
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>1.7</i>
Investment Cash	68,161,248	4.0	0.3	1.2
<i>90 Day U.S. Treasury Bill</i>			<i>0.4</i>	<i>1.7</i>
Total Opportunistic	45,822,688	2.7	0.0	3.1
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	3,397,304	0.2	0.0	3.3
Sixth Street Partners TAO	42,425,383	2.5	0.0	3.0



Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 4% Morningstar LTSA U.S. Leveraged Loan Index, 8% Bloomberg U.S. Gov't Bond Index, 7% Bloomberg US TIPS 5+ Year, 12% NCREIF Property Index, 2% Dow Jones Brookfield Index, 12% Private Equity Return, 10% Private Credit Return, 4% 90-day T-Bills, 4% Bloomberg U.S. Gov't/Credit 1-3 Yr. HarbourVest Funds, KKR Mezzanine Partners, and Sixth Street Funds as of 12/31/2023. ARA Strategic Value Realty and Brookfield Infrastructure Fund as of 3/31/24. All data is preliminary.

Board of Trustees

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Date: May 20, 2024

To: Board of Trustees

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

Agenda Item 14: Asset Allocation – April 2024

This agenda item offers a platform for the Board of Trustees to deliberate and potentially make decisions concerning asset allocation and associated investment issues.

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.

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.

FFP Asset Mix	Est. Market Value (\$000s)	% Allocation	SAA Target Allocation	Variance	Strategic Asset Allocation
	04/30/24		2024 Interim		Long Term
Bank (operating)	1,419	0.1%	0.1%	0.0%	0.1%
SLOC Treasury	34,257	2.0%	1.9%	0.1%	1.7%
JPM short term	68,163	4.0%	3.0%	1.0%	2.3%
Short Duration	34,798	2.0%	3.0%	-1.0%	6.0%
LIQUIDITY	138,637	8.1%	8.0%	0.1%	10.0%
Equity- Public Mkt US	333,710	19.6%	20.0%	-0.4%	16.0%
Equity- Public Mkt Intl	252,154	14.8%	17.0%	-2.2%	14.0%
Equity- Public Mkt Global	-	0.0%		0.0%	
Bank Loans	58,871	3.5%	4.0%	-0.5%	
Bonds- Intl.	8,146	0.5%	0.0%	0.5%	
Bonds- Emerging Mkts	-	0.0%	0.0%	0.0%	
Real Estate- Core	122,585	7.2%	7.0%	0.2%	5.0%
Real Estate- Value Add	73,287	4.3%	5.0%	-0.7%	5.0%
Infrastructure	33,317	2.0%	2.0%	0.0%	5.0%
Private Equity	225,142	13.2%	12.0%	1.2%	18.0%
Private Credit	179,557	10.5%	10.0%	0.5%	12.0%
Opportunistic	45,823	2.7%	0.0%	2.7%	
GROWTH	1,332,592	78.2%	77.0%	1.2%	75.0%
Bonds- Core	12,690	0.7%	0.0%	0.7%	
Treasuries - Intermediate	117,207	6.9%	8.0%	-1.1%	8.0%
TIPS	102,331	6.0%	7.0%	-1.0%	7.0%
RISK DIVERSFYING	232,228	13.6%	15.0%	-1.4%	15.0%
TOTAL	1,703,457	100.0%	100.0%		100.0%