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San Luis Obispo County Pension Trust
SLOCPT

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

Verus

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

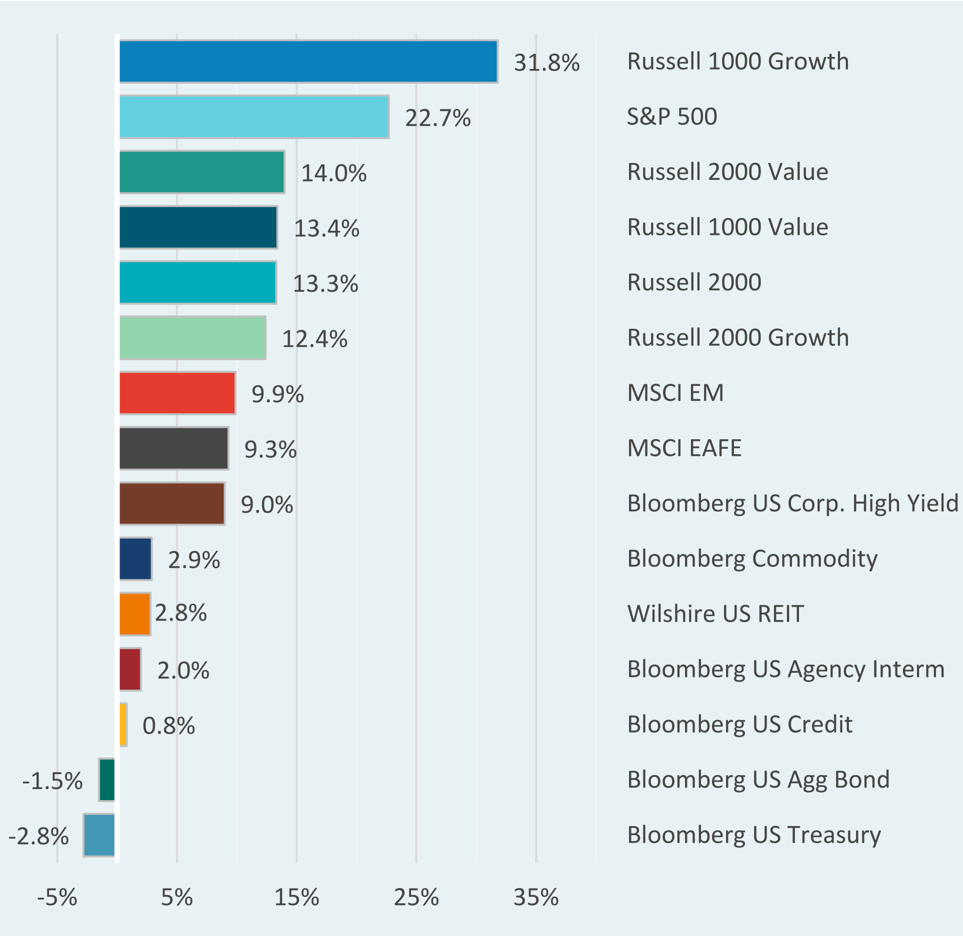
- Fixed Income struggled across all sectors with U.S. Treasury Bills (+0.4%) being one of the only sub asset class with positive performance. The prospect of higher rates continues to be a driving factor in the fixed income space.
- Yields pushed higher across the curve as investor rate cut expectations 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

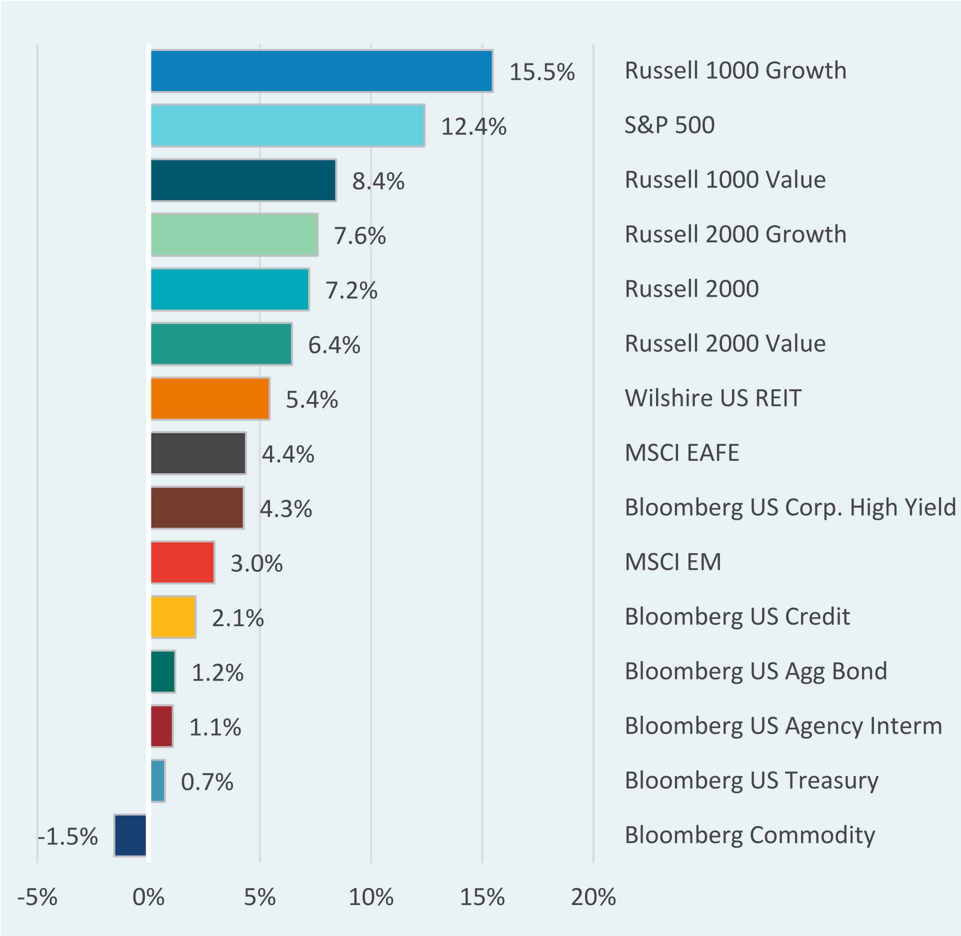
- European Central Bank (ECB) officials reiterated their plans to cut interest rates multiple times this year. The divergence between the ECB and U.S. Federal Reserve was not expected as investors initially thought there would be a global easing cycle. The Eurozone is facing a more difficult economic 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

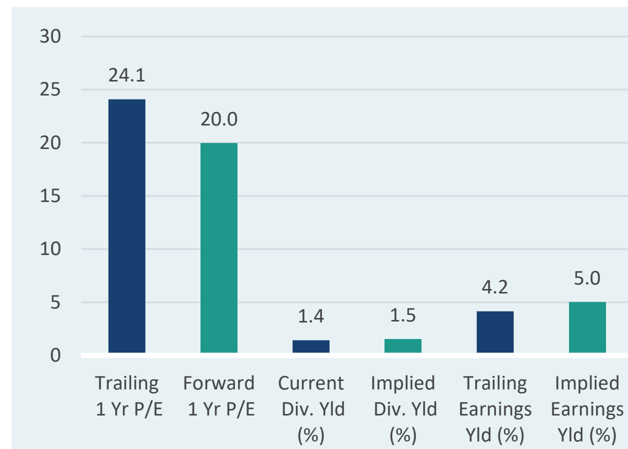
S&P 500 PRICE INDEX

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

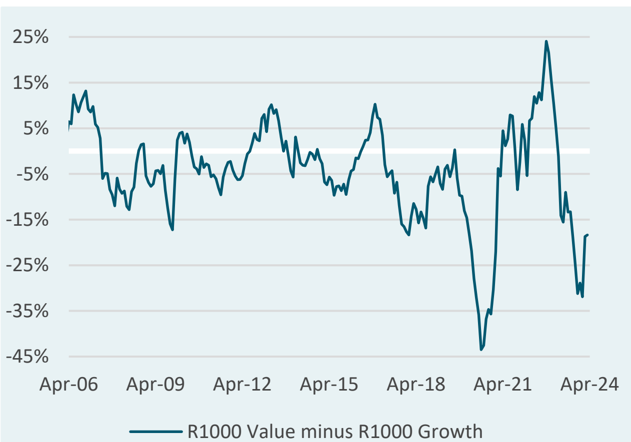
— Despite U.S. equity performing poorly across size and style types, small cap (Russell 2000 -7.0%) significantly lagged large cap (Russell 1000 -4.3%). The *higher for longer* interest rate narrative likely had a detrimental effect on small-cap companies that are more sensitive to interest rates.

— 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.

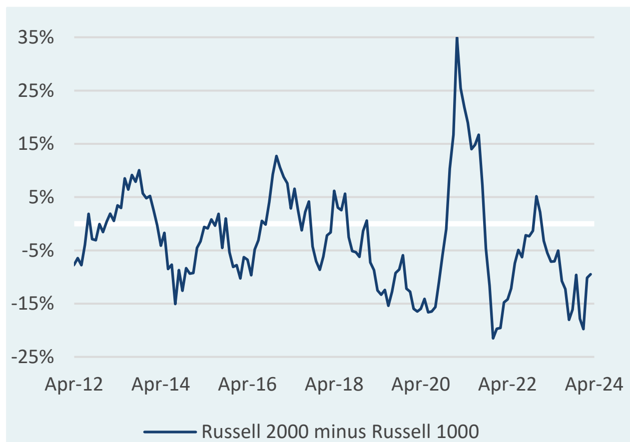
— Following risk-off movements in equities, small-cap growth was the worst performer of the major U.S. equity indices (Russell 2000 Growth – 7.7%).

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

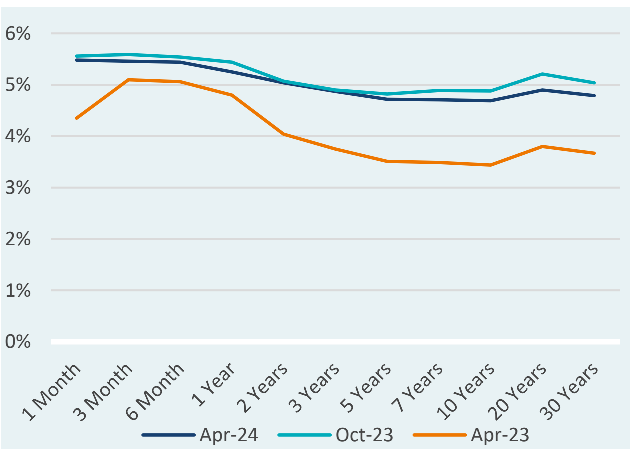
— U.S. bonds fell in April, with the Bloomberg U.S. Aggregate Index down -2.5%. Both short and long-dated treasury yields increased sharply following the hot March inflation print. This fueled expectations for a delay in interest rate cuts and brought into question if there will be any cuts in 2024.

— 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.

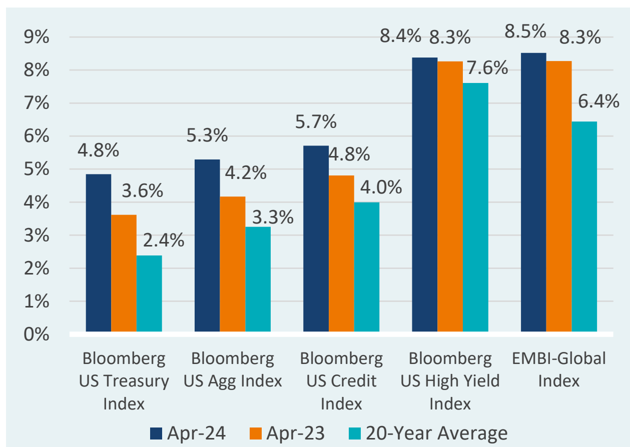
— Spreads were mostly unchanged in April and remained tight. High yield spreads increased +3 bps to 3.18%, while Bank Loan Spreads increased +2 bps to 4.65%. The Credit Suisse Leveraged Loan Index was the best performing fixed income index, returning +0.7% as Bank Loans continue to benefit from the high yield environment.

U.S. TREASURY YIELD CURVE



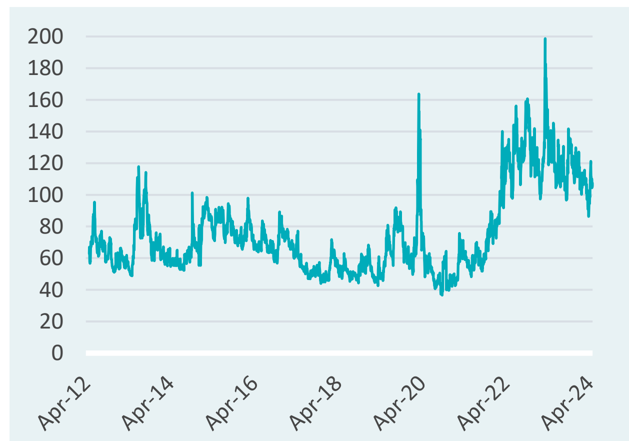
Source: Bloomberg, as of 4/30/24

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

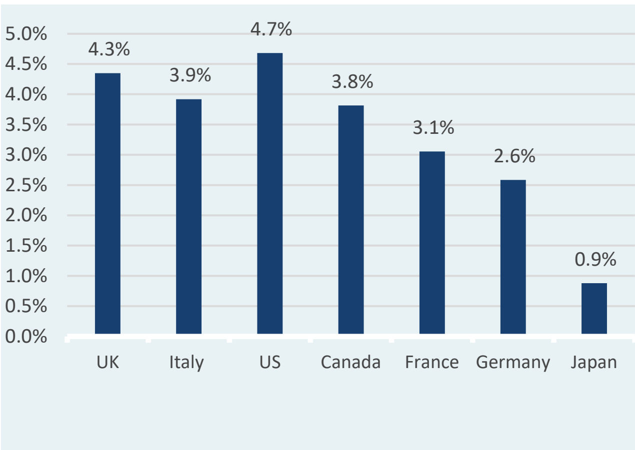
— International equities outperformed U.S. equities by a healthy 2.3% margin (MSCI ACWI ex US -1.8%). ACWI ex U.S. constituents posted mix results. Among the worst performers were Japanese equities (MSCI Japan -4.9%) while the MSCI China index rose +6.6%.

— 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.

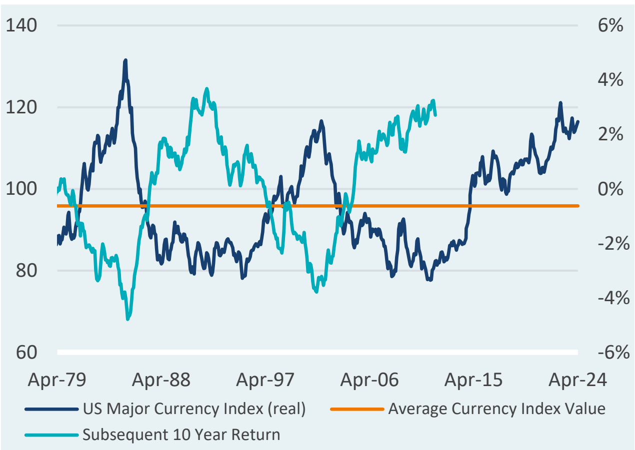
— The Japanese yen continued its fall against the dollar. Although the Japanese government did not confirm, investors speculate that the government intervened as the yen spiked back to 155 soon after breaking 160 for the first time in over 30 years.

GLOBAL SOVEREIGN 10-YEAR YIELDS



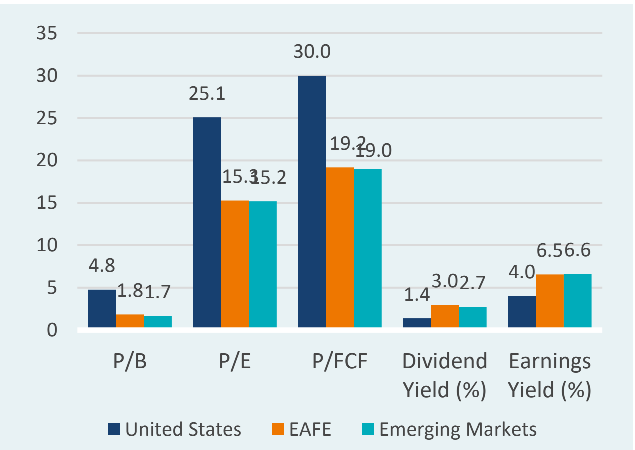
Source: Bloomberg, as of 4/30/24

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.

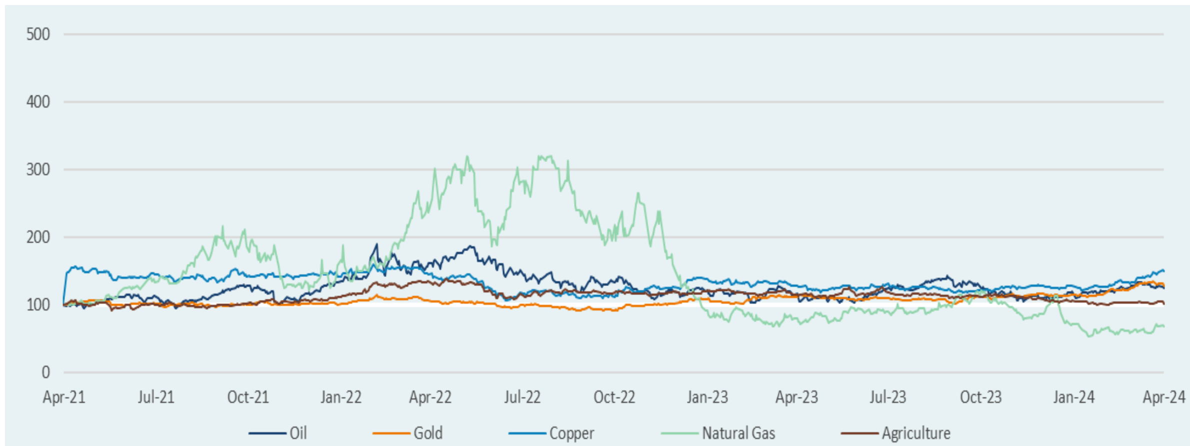
— The Bloomberg Softs sub-index fell -1.7% on double-digit declines in sugar (-12.5%) and cotton (-14.7%). Coffee prices were the sole bright spot having climbed 16.8% over the month. Sugar prices faced downward pressure from an anticipated surplus for the 2024/2025 season after Brazil, a top producer, 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

BEST

	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

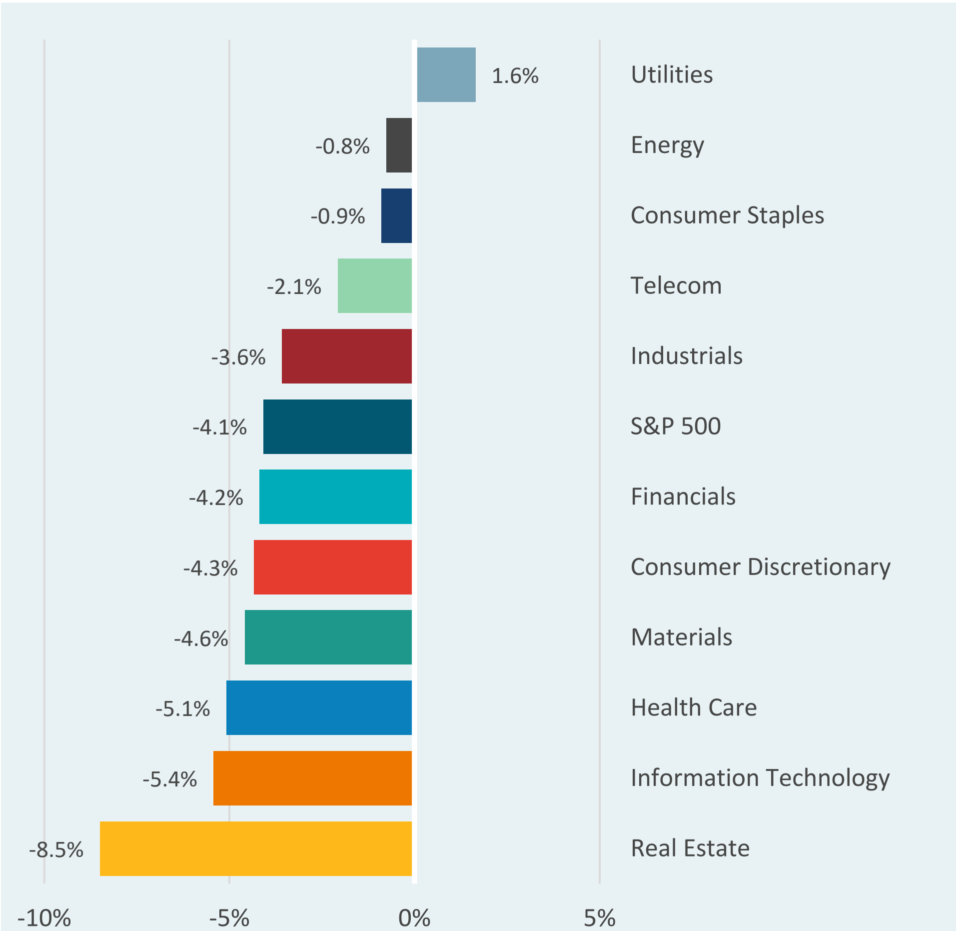
WORST

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

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.

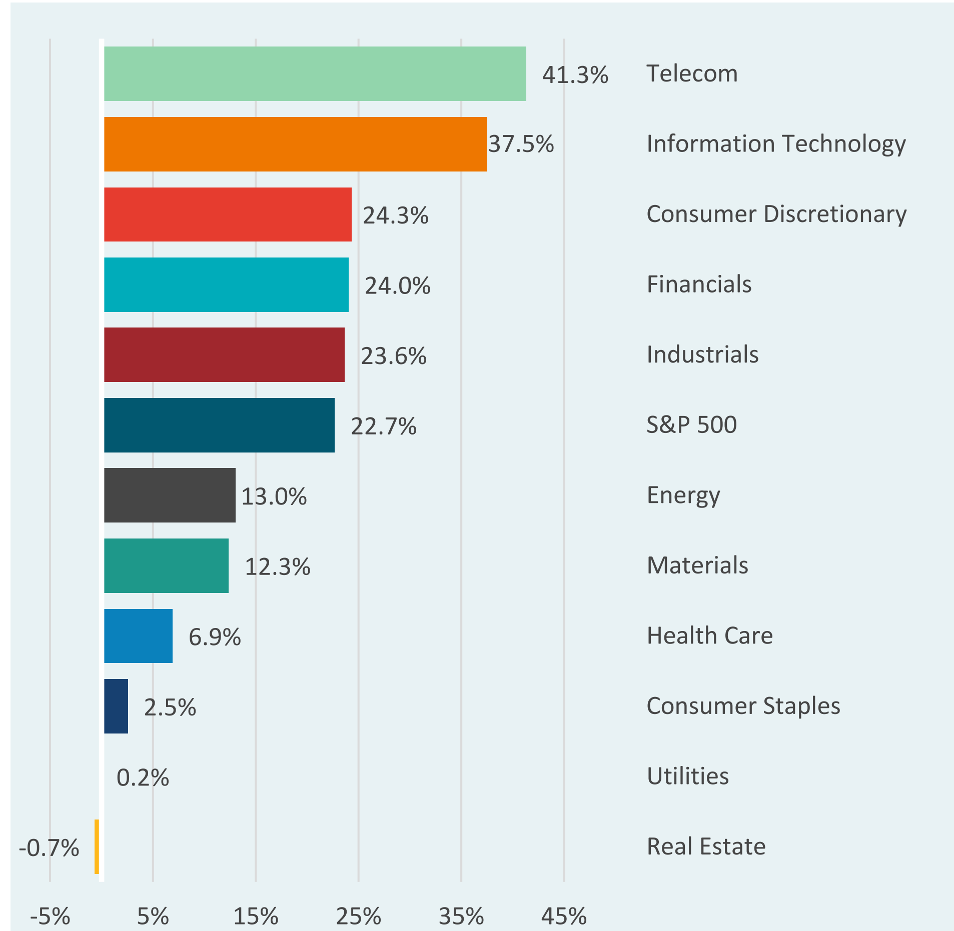
S&P 500 sector returns

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

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

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

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
MSCI World Index (PME)	*21.9*	*8.6*	*7.5*	*8.4*
Global Private Equity Direct Funds [1]	3.7	15.5	15.5	15.1
MSCI World Index (PME)	*21.6*	*7.8*	*7.3*	*8.3*
U.S. Private Equity Direct Funds [1]	2.6	17.5	17.3	16.4
Russell 3000 Index (PME)	*20.2*	*9.2*	*9.2*	*11.4*
Europe Private Equity Direct Funds [1]	11.7	14.9	14.8	13.5
MSCI Europe Index (PME)	*28.0*	*6.6*	*4.3*	*3.9*
Asia Private Equity Direct Funds [1,4]	2.7	7.3	9.0	12.3
MSCI AC Asia Pacific Index (PME)	*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
Moringstar LSTA U.S. Leveraged Loan 100 Index (PME)	*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
FTSE NAREIT Equity REIT Index (PME)	*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
S&P Global Natural Resources Index (PME)	*18.1*	*20.6*	*5.8*	*5.7*
Global Infrastructure [4]	9.5	11.5	10.2	10.5
S&P Global Infrastructure Index (PME)	*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 PMEs, only the funds with the same vintage years as PMEs are included.

Notices & disclosures

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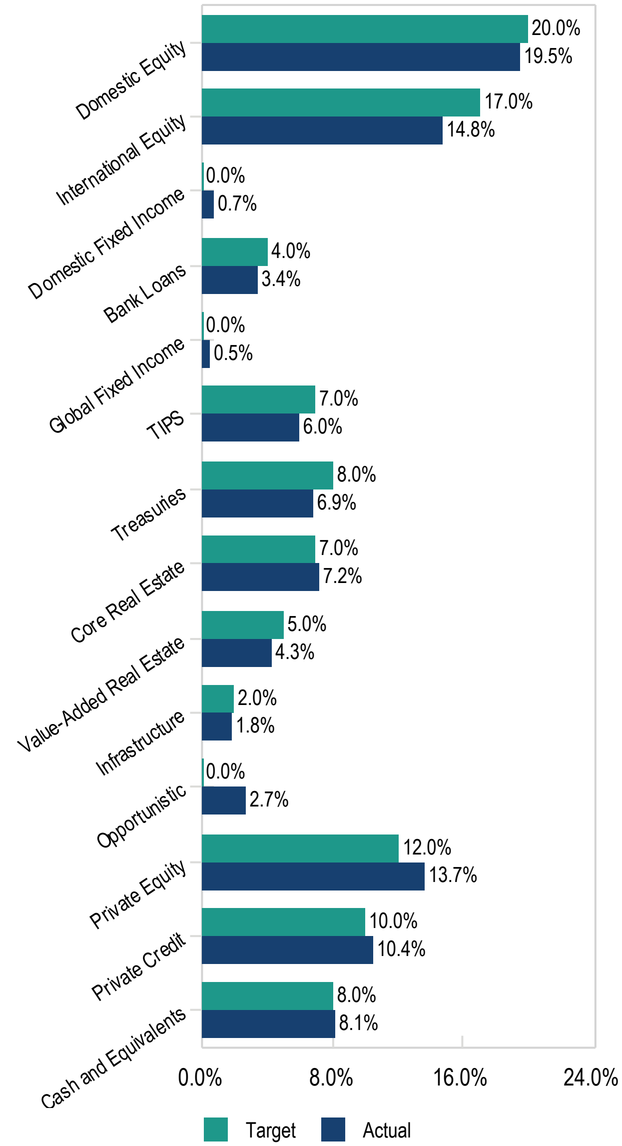
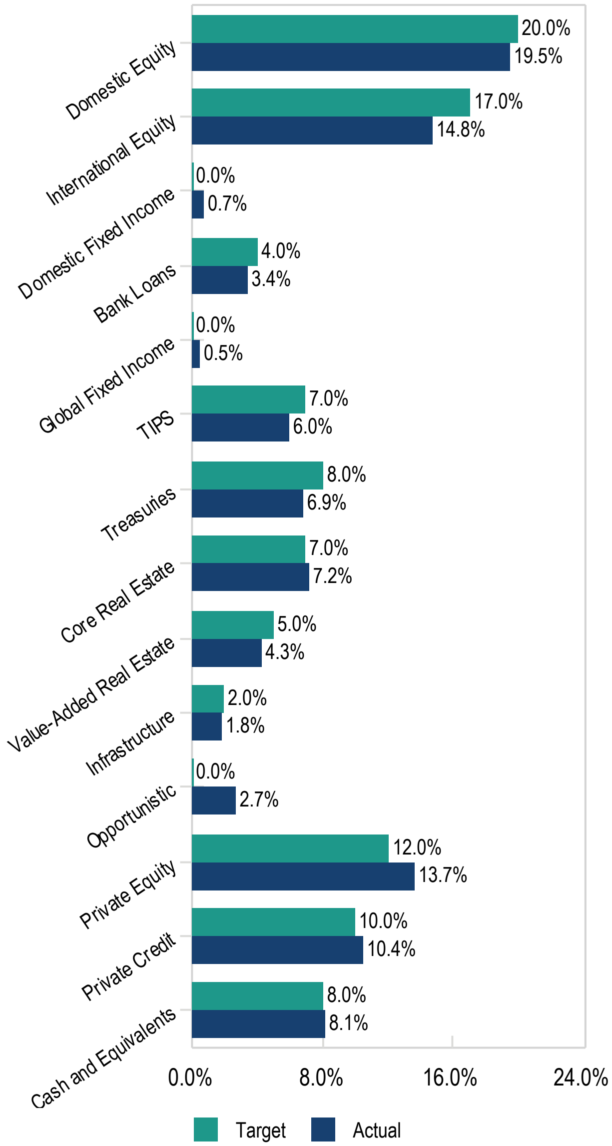
	Market Value	% of Portfolio	1 Mo	YTD
Total Fund	**1,707,419,309**	**100.0**	**-1.8**	**1.6**
Interim Policy Index			*-1.5*	*1.6*
FFP SAA Index			*-1.4*	*1.5*
Total Growth	**1,223,716,233**	**71.7**	**-2.1**	**2.4**
Custom Growth Benchmark			*-1.7*	*2.8*
Total Public Equity	**585,702,711**	**34.3**	**-4.8**	**4.6**
Public Equity Benchmark			*-3.2*	*4.2*
Total Domestic Equity	**333,546,542**	**19.5**	**-5.8**	**5.2**
Russell 3000 Index			*-4.4*	*5.2*
PIMCO RAE US	89,362,751	5.2	-7.2	4.4
S&P 500 Index			*-4.1*	*6.0*
Loomis Sayles Large Cap Growth	83,406,020	4.9	-5.6	6.2
Russell 1000 Growth Index			*-4.2*	*6.7*
Boston Partners Large Cap Value	76,524,390	4.5	-3.9	7.4
Russell 1000 Value Index			*-4.3*	*4.3*
Atlanta Capital Mgmt	84,253,381	4.9	-6.0	3.1
Russell 2500 Index			*-6.7*	*-0.2*
Total International Equity	**252,156,169**	**14.8**	**-3.5**	**3.9**
MSCI AC World ex USA Index			*-1.7*	*3.0*
Dodge & Cox Intl Stock	125,166,148	7.3	-1.3	2.0
MSCI AC World ex USA Value			*-0.6*	*2.9*
WCM International Growth	126,990,021	7.4	-5.6	5.8
MSCI AC World ex USA Growth			*-2.7*	*3.1*
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.

	Market Value	% of Portfolio	1 Mo	YTD
Total Real Assets	**226,819,597**	**13.3**	**0.8**	**-3.0**
NCREIF Property Index			*0.0*	*-1.0*
JP Morgan Core Real Estate	122,584,938	7.2	0.4	-5.1
NCREIF-ODCE			*0.0*	*-2.4*
NCREIF Property Index			*0.0*	*-1.0*
ARA American Strategic Value Realty	73,287,315	4.3	0.0	-2.6
NCREIF-ODCE			*0.0*	*-2.4*
NCREIF Property Index			*0.0*	*-1.0*
Brookfield Infrastructure Fund	30,947,344	1.8	4.6	5.9
Dow Jones Brookfield Global Infrastructure			*-2.8*	*-3.1*
HarbourVest Infrastructure		0.0		
Total Risk Diversifying	**299,245,107**	**17.5**	**-1.6**	**-1.7**
Total Risk Diversifying Benchmark			*-2.5*	*-3.8*
Total Domestic Fixed Income	**291,098,611**	**17.0**	**-1.5**	**-1.2**
Blmbg. U.S. Aggregate Index			*-2.5*	*-3.3*
Dodge & Cox Income Fund	12,689,874	0.7	-2.4	-2.6
Blmbg. U.S. Aggregate Index			*-2.5*	*-3.3*
Pacific Asset Corporate Loan	58,870,926	3.4	0.6	3.5
Morningstar LSTA U.S. Leveraged Loan			*0.7*	*3.1*
SSGA U.S. Govt Bond Index	117,207,116	6.9	-2.2	-3.1
Blmbg. U.S. Government Index			*-2.3*	*-3.2*
BlackRock TIPS	102,330,696	6.0	-1.6	-1.6
Blmbg. U.S. TIPS Index			*-1.7*	*-1.8*
Total Global Fixed	**8,146,496**	**0.5**	**-2.7**	**-5.0**
FTSE World Government Bond Index			*-2.6*	*-5.0*
Brandywine Global Fixed Income	8,146,496	0.5	-3.8	-8.6
FTSE Non-U.S. World Government Bond			*-2.9*	*-6.2*



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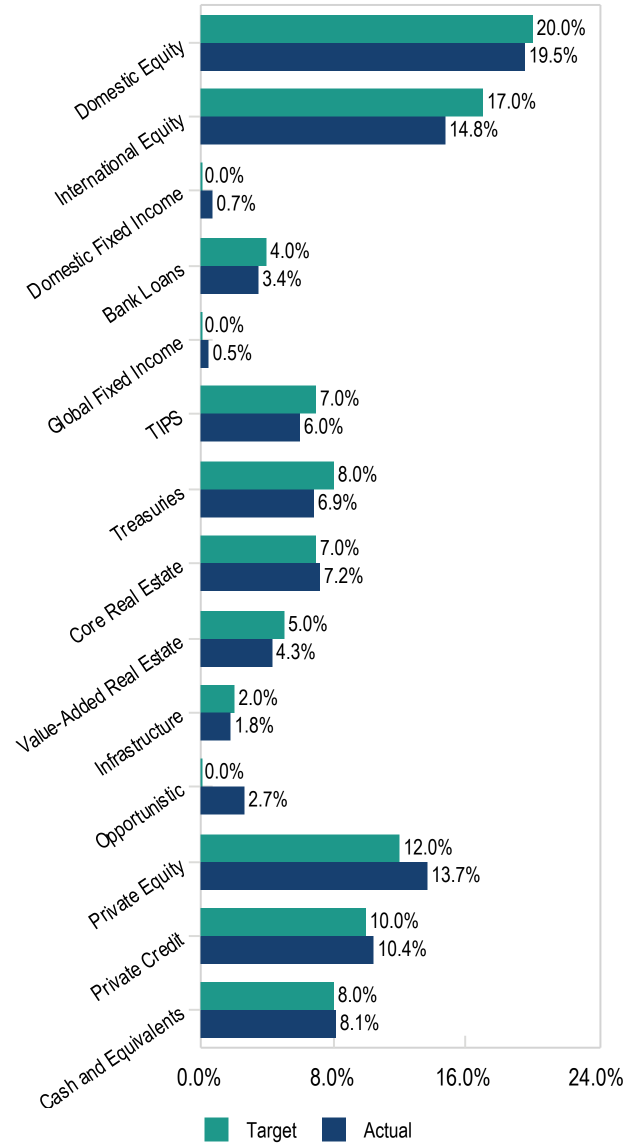
	Market Value	% of Portfolio	1 Mo	YTD
Total Liquidity	**138,635,281**	**8.1**	**0.3**	**1.1**
90 Day U.S. Treasury Bill			*0.4*	*1.7*
Total Cash	**138,635,281**	**8.1**	**0.3**	**1.1**
90 Day U.S. Treasury Bill			*0.4*	*1.7*
PIMCO Short Duration Fund	34,798,015	2.0	-0.4	0.3
Bloomberg U.S. Gov/Credit 1-3 Year Index			*-0.3*	*0.1*
Cash Account	35,676,018	2.1	0.8	1.6
90 Day U.S. Treasury Bill			*0.4*	*1.7*
Investment Cash	68,161,248	4.0	0.3	1.2
90 Day U.S. Treasury Bill			*0.4*	*1.7*
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



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