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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 (%) <i>(Gross)</i> | 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 <i>(millions)</i> | \$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.

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 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 sticker 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)..... | 1.6 | -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:

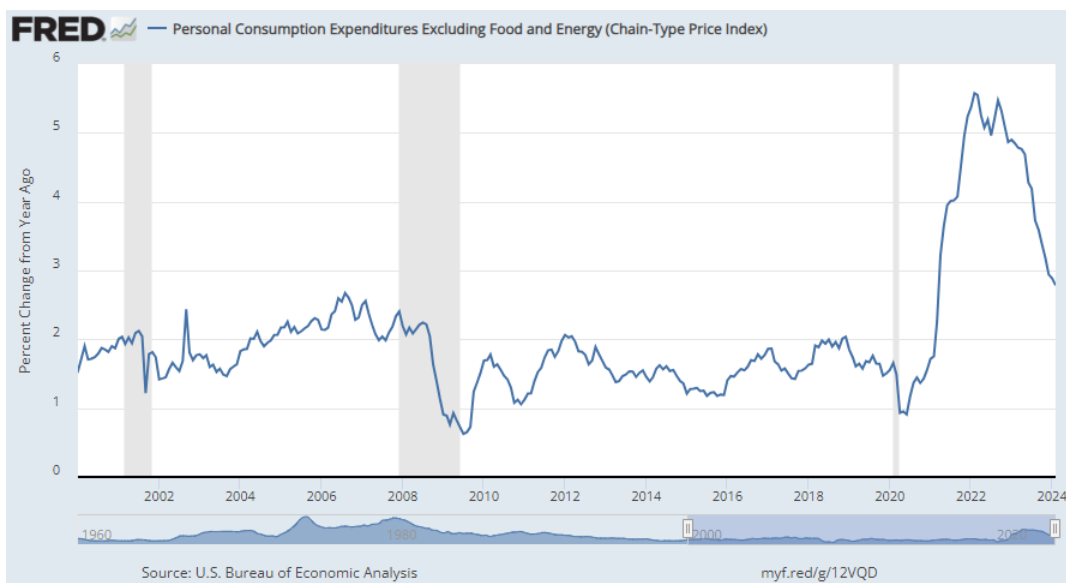
- Video discs and other media: 30.1% increase (Blockbuster may make a comeback!)
- Frozen noncarbonated juices and drinks: 27.5%
- Motor vehicle insurance: 22.2%
- Repair of household items: 18%
- Care of invalids and elderly at home: 14.2%
- Motor vehicle repair: 11.6%
- Uncooked beef roasts: 11.2%
- 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 decorative geometric pattern of overlapping triangles in various shades of blue and green, overlaid on a scenic coastal landscape. The landscape includes a sandy beach, waves, and a town nestled between hills and the sea.

**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

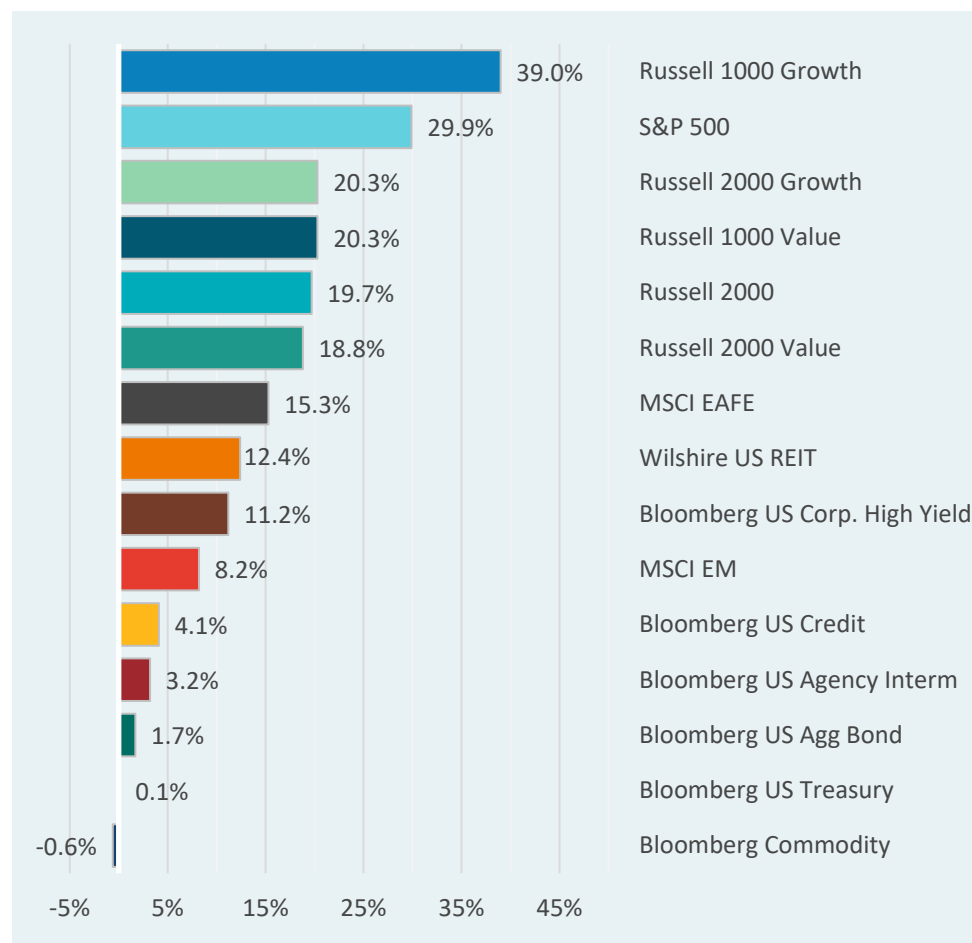
- Fixed Income logged the first positive performance month of 2024 (Bloomberg U.S. Aggregate Index +0.9%), as the market benefits from the higher yields and awaits more data to inform the Fed's rate cut path. The Fed has reiterated expectations for rate cuts this year but has also stated that they aren't 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

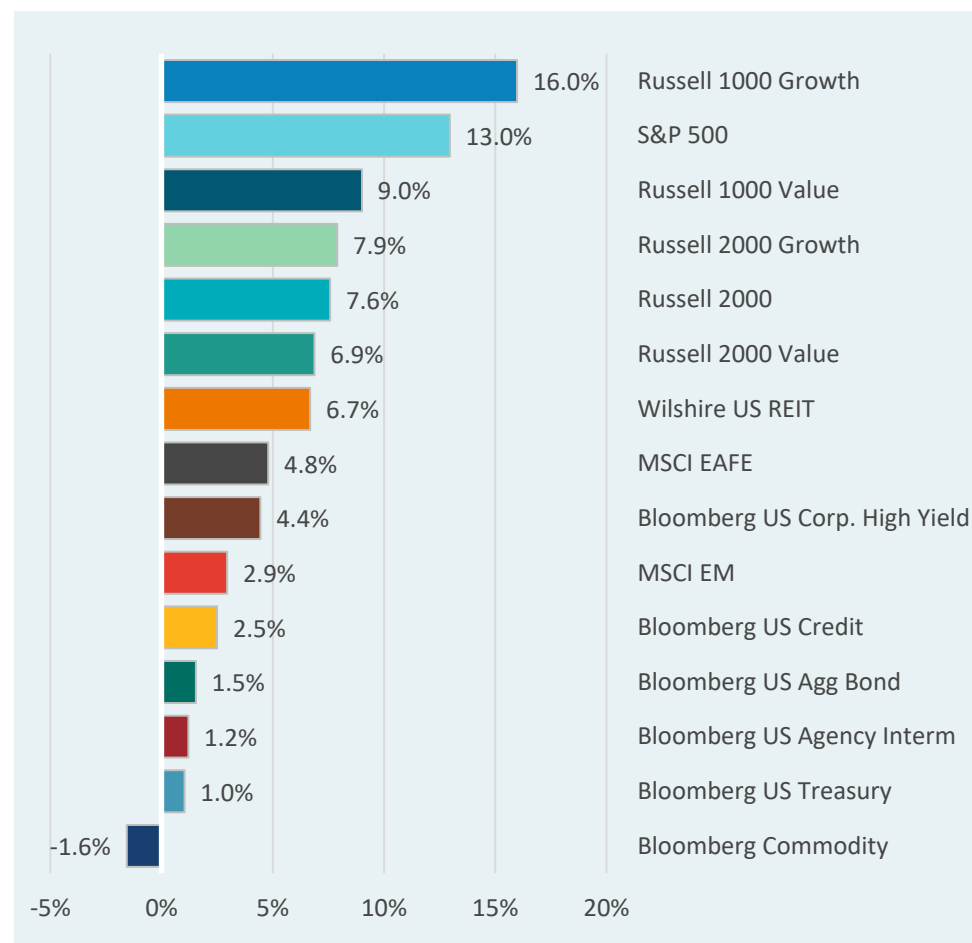
- European markets outperformed the domestic market in March, as falling inflation has boosted chances of an accelerated rate cut path for the European Central Bank relative to the United States. Larger European markets such as France and Germany have struggled with stagnant economic growth, providing 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



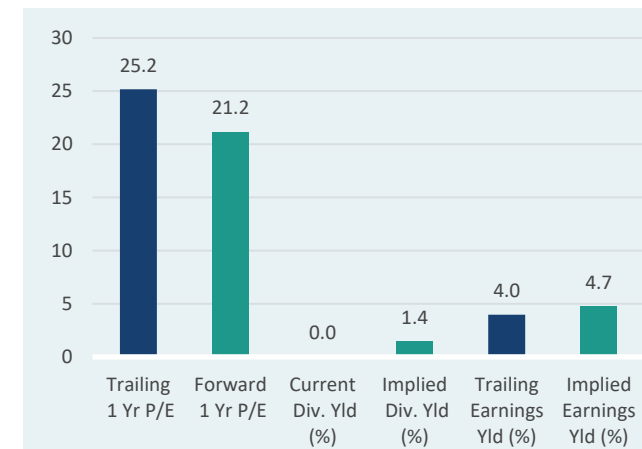
Source: Bloomberg, as of 3/31/24

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, as of 3/31/24

S&P 500 VALUATION SNAPSHOT

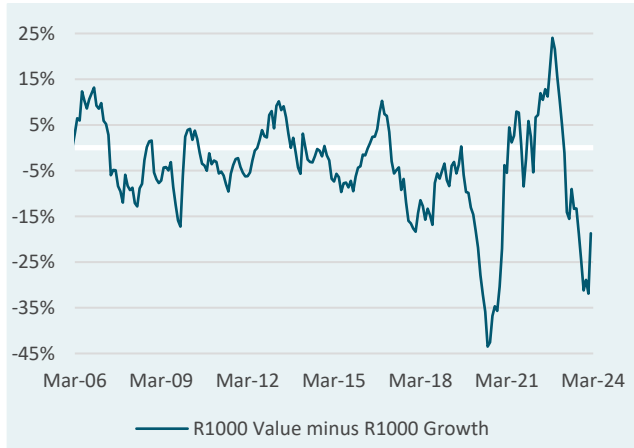


Source: Bloomberg, as of 3/31/24

Domestic equity size and style

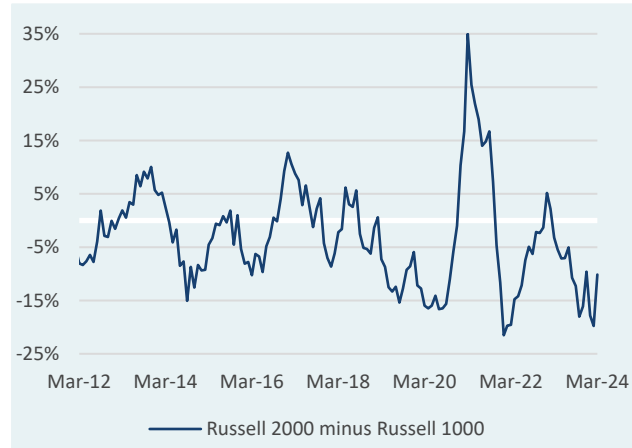
- While strong U.S. equity performance was broad across size and style types, value stocks led in domestic equity. The Russell 1000 Value Index (+5.0%) was the top performer, beating the Russell 1000 Growth Index (+1.8%), though rolling 1-year relative performance was very poor at -18.7%.
- Small caps 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

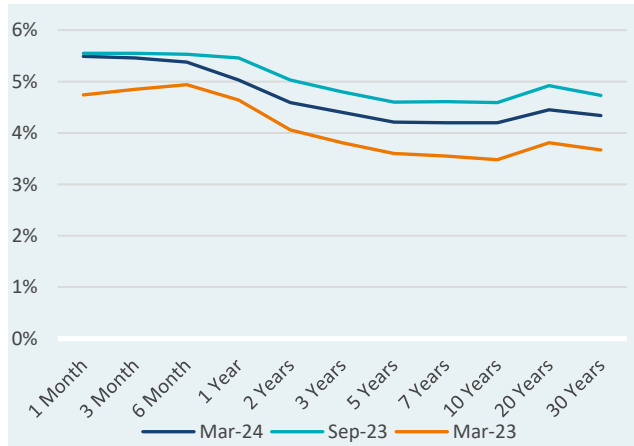
| | Value | Core | Growth |
|-----------|-------|-------|--------|
| Large Cap | 20.3% | 29.9% | 39.0% |
| Mid Cap | 20.4% | 22.3% | 26.3% |
| Small Cap | 18.8% | 19.7% | 20.3% |

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

Fixed income

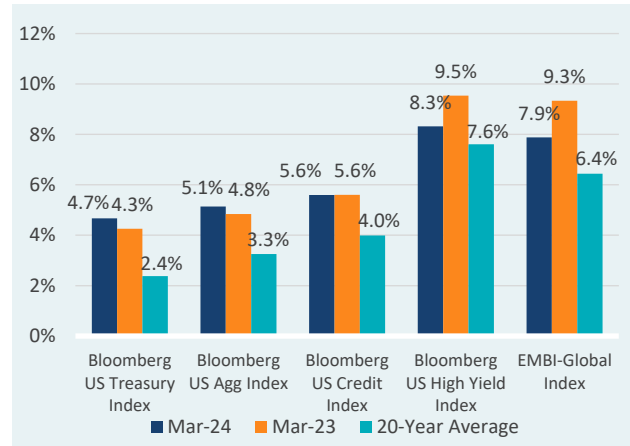
- U.S. bonds were positive in March, with the Bloomberg U.S. Aggregate Index gaining +0.9%. Treasury yields were largely unchanged, as the bond market eagerly awaited further guidance regarding the Fed’s rate cut path. Fed funds futures are currently pricing in a 19% chance of a 25bp rate cut by the 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



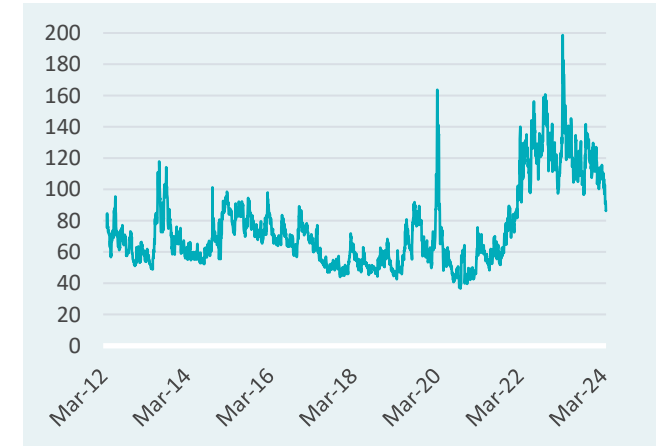
Source: Bloomberg, as of 3/31/24

NOMINAL YIELDS



Source: Morningstar, as of 3/31/24

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

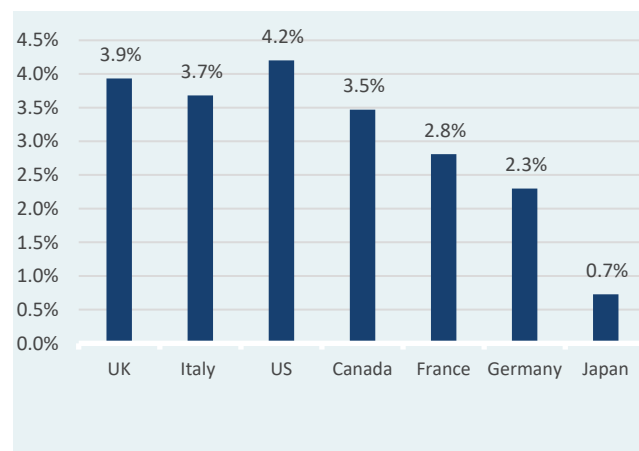


Source: Bloomberg, as of 3/31/24

Global markets

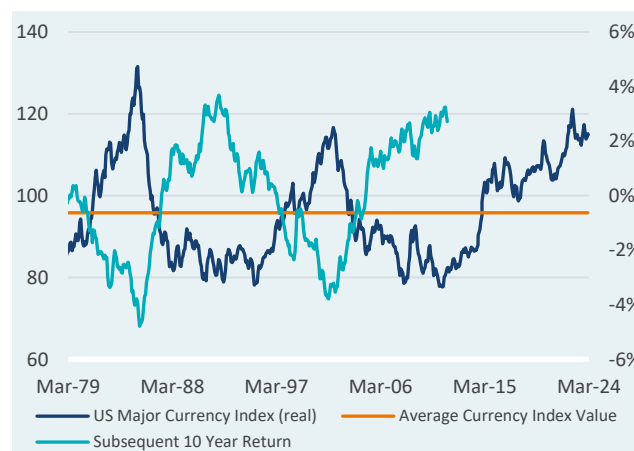
- International equities performed in line with U.S. equities (MSCI ACWI ex US +3.1%). Developed markets are arguably in a similar situation to the U.S., with a strengthening consumer and easing inflation leading to hopes of rate cuts and sustained growth.
- A sharp drop in inflation and a return to 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



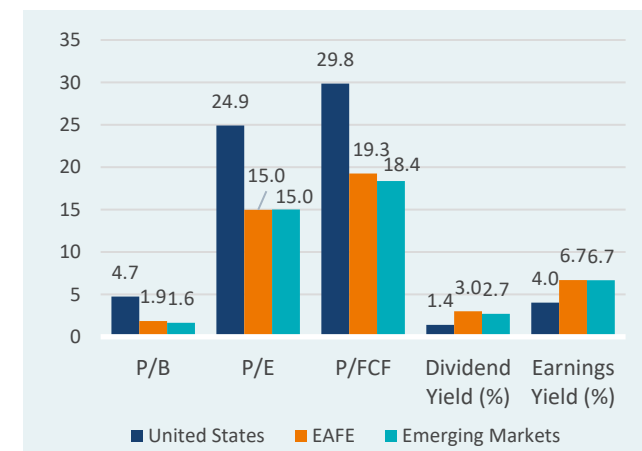
Source: Bloomberg, as of 3/31/24

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

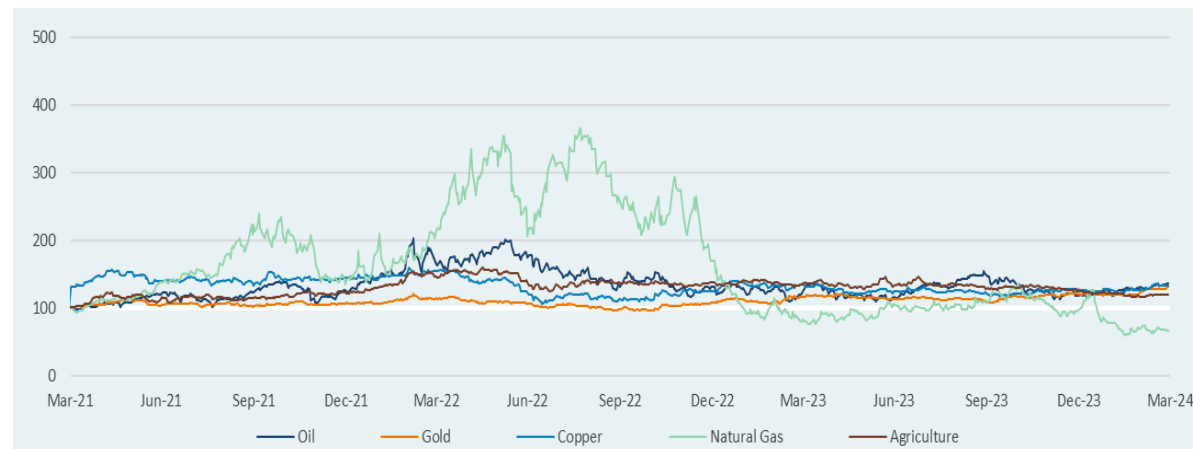
- The Bloomberg Commodity index more than reversed last month's losses, climbing +3.3%, with seven of eight major sub-indexes increasing. All-time highs for Gold and higher oil prices helped to lift the overall index.
- Precious Metals were the top performing index (+8.6%), with Gold jumping 22% over 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 |

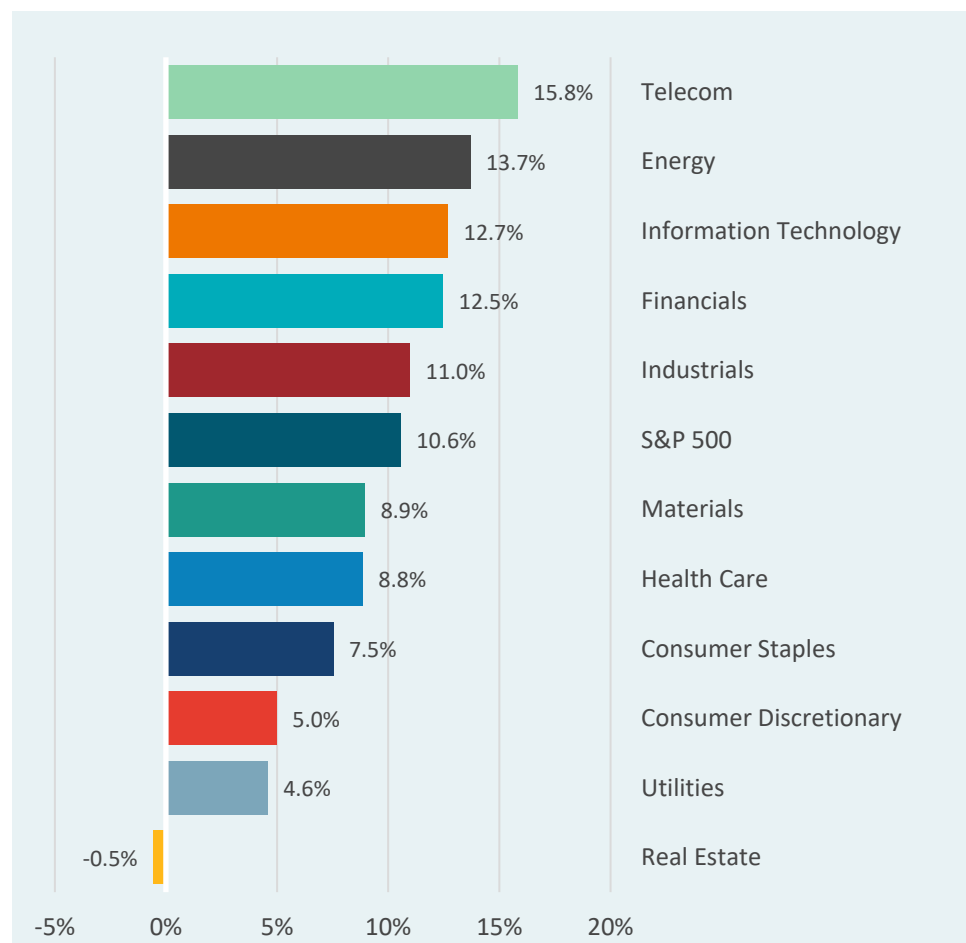
BEST
↑
↓
WORST

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

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

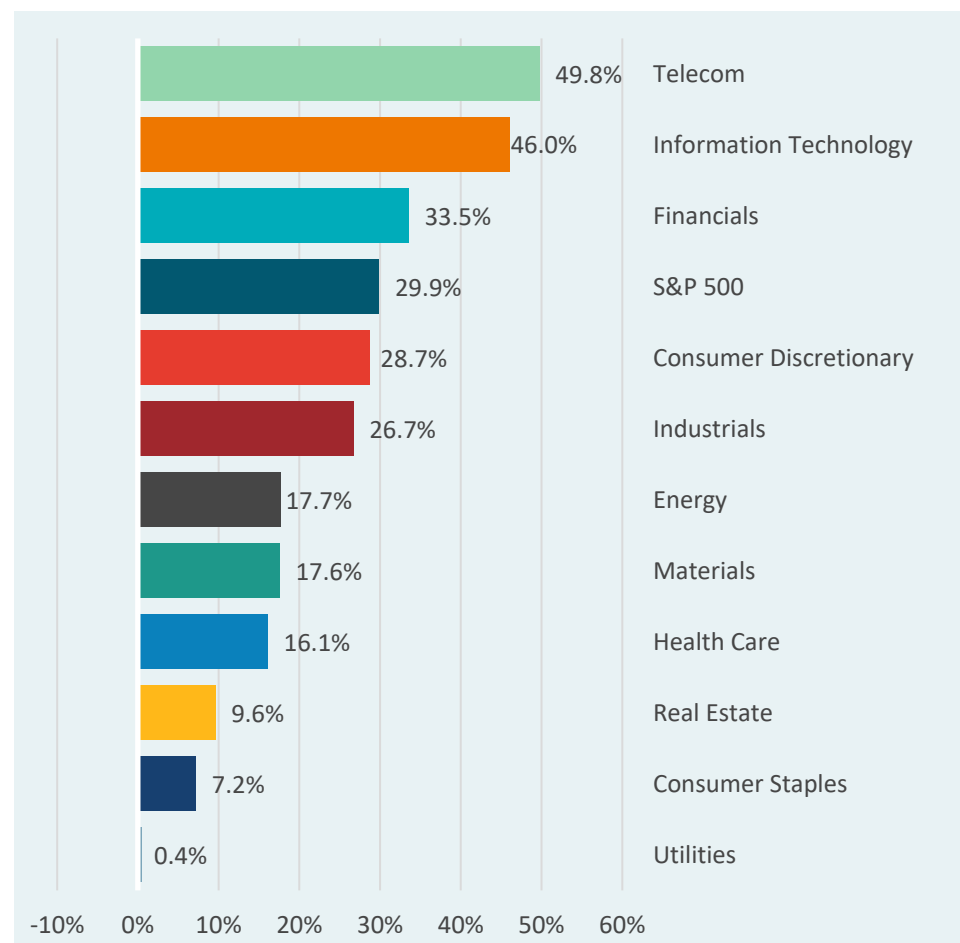
S&P 500 sector returns

QTD



Source: Morningstar, as of 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

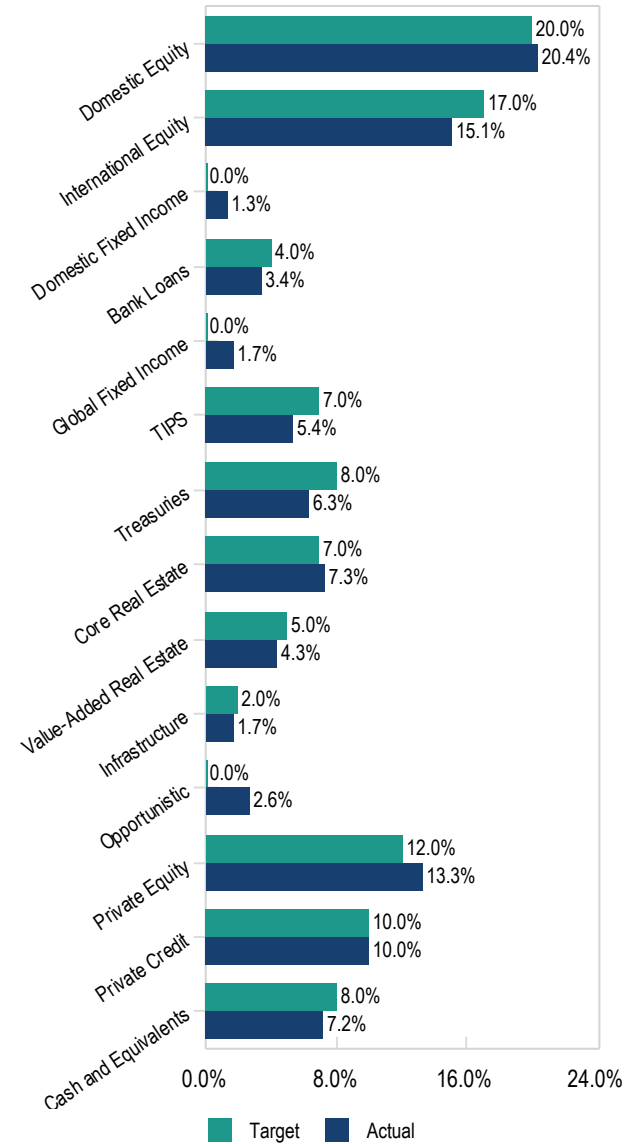
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Total Fund
Executive Summary - Preliminary (Gross of Fees)

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 |
| Interim Policy Index | | | 1.4 | 3.0 |
| FFP SAA Index | | | 1.2 | 2.6 |
| Total Growth | 1,251,788,701 | 72.1 | 1.8 | 4.3 |
| Custom Growth Benchmark | | | 1.9 | 4.5 |
| Total Public Equity | 615,589,076 | 35.4 | 4.2 | 9.9 |
| Public Equity Benchmark | | | 3.2 | 7.7 |
| Total Domestic Equity | 354,084,540 | 20.4 | 4.7 | 11.6 |
| Russell 3000 Index | | | 3.2 | 10.0 |
| PIMCO RAE US | 96,351,112 | 5.5 | 7.0 | 12.6 |
| S&P 500 Index | | | 3.2 | 10.6 |
| Loomis Sayles Large Cap Growth | 88,391,296 | 5.1 | 2.1 | 12.5 |
| Russell 1000 Growth Index | | | 1.8 | 11.4 |
| Boston Partners Large Cap Value | 79,677,764 | 4.6 | 6.0 | 11.8 |
| Russell 1000 Value Index | | | 5.0 | 9.0 |
| Atlanta Capital Mgmt | 89,664,367 | 5.2 | 3.6 | 9.7 |
| Russell 2500 Index | | | 4.1 | 6.9 |
| Total International Equity | 261,504,536 | 15.1 | 3.6 | 7.7 |
| MSCI AC World ex USA Index | | | 3.2 | 4.8 |
| Dodge & Cox Intl Stock | 126,867,708 | 7.3 | 4.9 | 3.3 |
| MSCI AC World ex USA Value | | | 3.6 | 3.6 |
| WCM International Growth | 134,636,828 | 7.8 | 2.4 | 12.1 |
| MSCI AC World ex USA Growth | | | 2.8 | 6.0 |
| 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 |

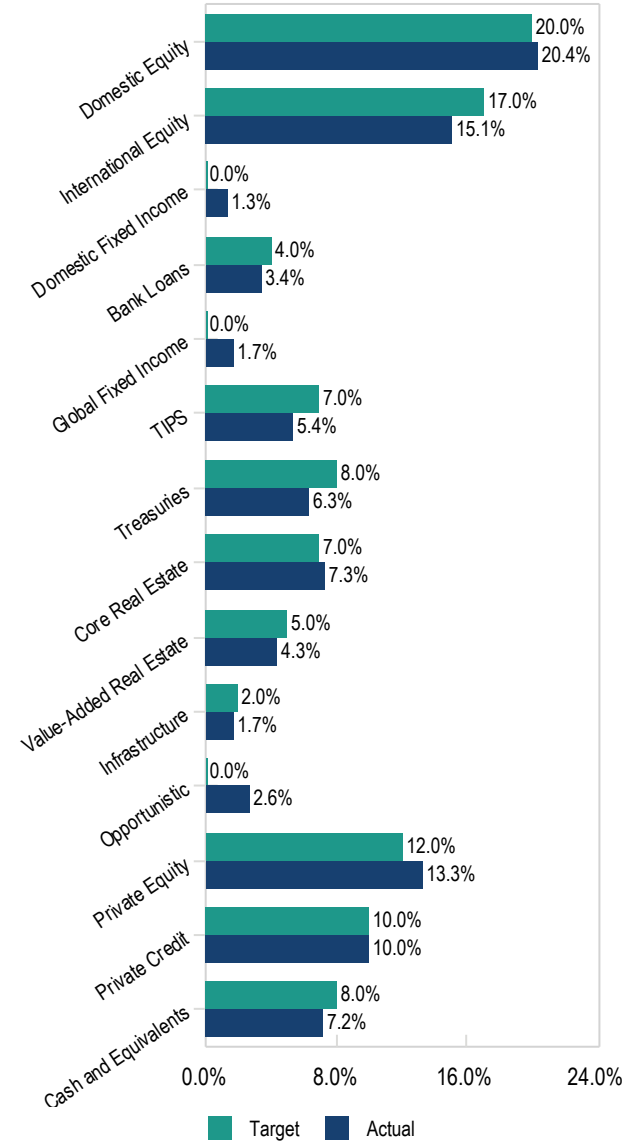


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Actual Private Equity Return, 4% Credit Suisse Leveraged Loan Index, 8% Bloomberg US Treasury 7-10 yr, 7% Bloomberg US TIPS 5+ Year, 10% Actual Private Credit Return, 12% NCREIF Property Index, 2% Brookfield Infrastructure 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 |
| NCREIF Property Index | | | 0.0 | 0.0 |
| JP Morgan Core Real Estate | 126,970,293 | 7.3 | -3.0 | -5.5 |
| NCREIF-ODCE | | | 0.0 | 0.0 |
| NCREIF Property Index | | | 0.0 | 0.0 |
| ARA American Strategic Value Realty | 75,276,032 | 4.3 | 0.0 | 0.0 |
| NCREIF-ODCE | | | 0.0 | 0.0 |
| NCREIF Property Index | | | 0.0 | 0.0 |
| Brookfield Infrastructure Fund | 30,003,054 | 1.7 | 0.0 | 1.2 |
| Total Risk Diversifying | 314,272,238 | 18.1 | 0.8 | -0.1 |
| Total Risk Diversifying Benchmark | | | 0.8 | -1.2 |
| Total Domestic Fixed Income | 285,290,823 | 16.4 | 0.8 | 0.2 |
| Blmbg. U.S. Aggregate Index | | | 0.9 | -0.8 |
| Dodge & Cox Income Fund | 23,078,600 | 1.3 | 1.1 | -0.2 |
| Blmbg. U.S. Aggregate Index | | | 0.9 | -0.8 |
| Pacific Asset Corporate Loan | 58,545,157 | 3.4 | 1.1 | 2.9 |
| Morningstar LSTA U.S. Leveraged Loan | | | 0.8 | 2.4 |
| SSGA U.S. Govt Bond Index | 109,756,989 | 6.3 | 0.6 | -0.9 |
| Blmbg. U.S. Government Index | | | 0.6 | -0.9 |
| BlackRock TIPS | 93,910,077 | 5.4 | 0.8 | 0.0 |
| Blmbg. U.S. TIPS Index | | | 0.8 | -0.1 |
| Total Global Fixed | 28,981,415 | 1.7 | 0.5 | -2.4 |
| FTSE World Government Bond Index | | | 0.4 | -2.4 |
| Brandywine Global Fixed Income | 13,475,297 | 0.8 | 0.1 | -5.0 |
| FTSE Non-U.S. World Government Bond | | | 0.3 | -3.4 |
| Ashmore EM Blended Debt Fund | 15,506,118 | 0.9 | 0.9 | -0.2 |
| 50% JPM EMBI GD/25% JPM GBI EM GD/25% JPM ELMH+ | | | 1.0 | 0.2 |

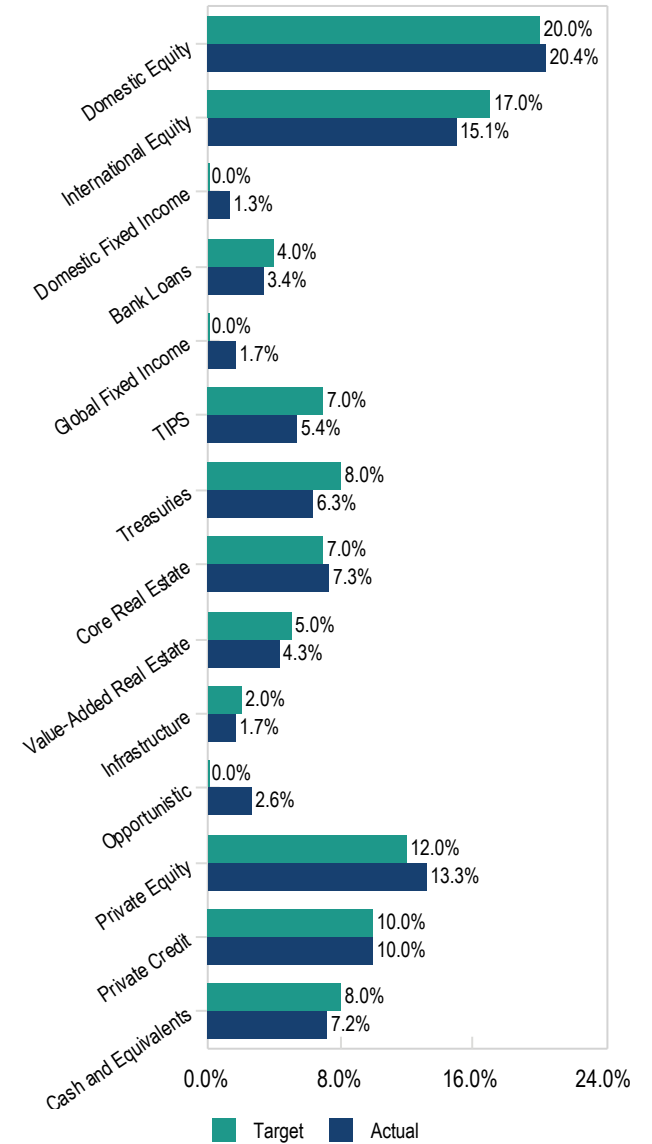


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 12% Actual Private Equity Return, 4% Credit Suisse Leveraged Loan Index, 8% Bloomberg US Treasury 7-10 yr, 7% Bloomberg US TIPS 5+ Year, 10% Actual Private Credit Return, 12% NCREIF Property Index, 2% Brookfield Infrastructure 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 |
| 90 Day U.S. Treasury Bill | | | 0.4 | 1.3 |
| Total Cash | 125,299,221 | 7.2 | 0.3 | 0.8 |
| 90 Day U.S. Treasury Bill | | | 0.4 | 1.3 |
| PIMCO Short Duration Fund | 34,947,044 | 2.0 | 0.4 | 0.7 |
| Bloomberg U.S. Gov/Credit 1-3 Year Index | | | 0.4 | 0.4 |
| Cash Account | 37,770,857 | 2.2 | 0.0 | 0.8 |
| 90 Day U.S. Treasury Bill | | | 0.4 | 1.3 |
| Investment Cash | 52,581,319 | 3.0 | 0.3 | 0.9 |
| 90 Day U.S. Treasury Bill | | | 0.4 | 1.3 |
| 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.